

Investors eye bargains in falling market

AMIDST THE CRASH in stocks on Monday, some investors were seen bargain hunting. With both benchmarks -- Sensex and Nifty -- losing close to 3% and the small cap and mid cap indices yielding even more ground, several local institutions turned buyers, reports Akshata Gorde.

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Investors eye bargains amid bloodbath

Stay focused on broader horizon: Experts

AKSHATA GORDE
Mumbai, August 5

AMIDST THE CRASH in stocks on Monday, some investors were seen bargain hunting. With both benchmarks -- Sensex and Nifty -- losing close to 3% and the small-cap and mid-cap indices yielding even more ground, several local institutions turned buyers.

A Balasubramanian, MD and CEO of Aditya Birla Sun Life AMC, said long-term investors should not be deterred by such global uncertainties. "While the volatility will be high in the near term, the focus should remain on the broader investment horizon of 10-15 years, leveraging the solid fundamentals of the Indian economy and its companies," Balasubramanian said.

The benchmark Nifty 50 and Sensex shed 662.10 points and 2,222.55 points, respectively, during the day, the Sensex and Nifty fell as much as 3.3%, with the Nifty piercing through the crucial 23,900 mark. The selloff came after the Nifty crossed the 25,000 mark and the



A cat outside the BSE building, in Mumbai on Monday. Stock markets crashed nearly 3% amid the global equity rout, with investors losing a whopping ₹15.32 trillion

PTI

BSE Sensex surged past 82,000 points only during the last week.

A further correction would present an opportunity for buyers, experts noted. Data from Prime database show around 44 mutual fund houses were sitting on cash of about ₹2.67 trillion as of June 30.

Trideep Bhattacharya, president and CIO -- equities, Edelweiss MF, anticipates that the equity markets will see near-term volatility. "It is cru-

cial to monitor these developments closely in the coming months," Bhattacharya said. He expects some negative impact in globally-exposed sectors such as metals, commodities and oil & gas. However the outlook for domestically-focused sectors remains broadly stable, he said.

Sandeep Bagla, CEO of Trust MF, said while a US recession would be negative for equities, markets with stronger domestic economies can

rebound faster than others. "The Indian economy is likely to be more resilient than other smaller economies, and investors could look to add (buy) during market corrections," Bagla said. At the same time, he cautioned investors about the "unreal" pace of the market seen over the last few years, which is unlikely to sustain going forward. "One must keep return expectations low in the short term... this is likely to be a medium-term correction, which will provide a long-term investment opportunity for the patient investor."

Stocks trading at stretched valuations are expected to see profit booking, said Tanvi Kanchan, head -- UAE business & strategy, Anand Rathi. This selloff is more of profit booking and not an indicator of any long-term panic, he said.

"We are witnessing signs of the first meaningful correction in global markets after an extended bull run. Investors and traders should be cautious and avoid rushing in immediately, as better entry levels may emerge," said Santosh Meena, head of research at Swastika Investmart.