



SVKM's

Narsee Monjee College of Commerce &

Economic

Golden Jubilee Year

Members:

- Pooja Panikkar

SYBFM

-Naisargi Doshi

SY Bcom C



## 2015: HIGH HOPES HELD

May 16, 2014 was the core reason for turmoil in the stock markets. The exit of disastrous UPA and the entry of triumphant NDA in the May 2014 General Elections had set hopes and aspirations soaring. The stability, the confidence, the aura of the leaders and the promise of good governance saw the BSE and NSE indices to an incredible 30 percent growth. The BSE index moved from 21140 to 27340 and the Nifty index moved from 6301 to 8230, showing a consistency of growth of expectations in the investors mind.

The fall in oil prices, the reduction in import bills helped to reduce the fiscal deficit to 4.1% of GDP. The reduction in red tapism, encouragement to manufacturing sector, inflation rates under control, improving bilateral issues with different economies were some of the factors that kept the business sentiment move from despair to repair to recovery. The ordinance of Coal Auction and Land Acquisition Act and the surprise reduction in the Repo rate by 25bps by the RBI shows the government's urgency and desperation to bring fruitful reforms. The FII inflows in 2014 amounted to \$40 Billion. However, this figure is expected to reduce by 50% due to recovery in US Markets and

an emerging European economy which might serve as greener pastures for these investors. As the Sun sets on a year of high returns in 2014, we now wonder what 2015 has in basket for the investors. Everything faces lows and highs, stock prices are no exception. Markets discount future expectations in advance and that is what happened in 2014. The Modi Magic did the trick and now the people are eagerly waiting for changes. Industries like IT, Pharma, FMCJ, manufacturing and auto are expected to do well, whereas those in the commodity and oil business are expected to be under pressure. Given the above development, as an investor, I would consider sound sector-specific stocks but will also not tumble to book profits if the prices run-away and then re-enter at an opportune time. But then, it will be useful only for an active investor. Otherwise, it is best to invest long term or stick to MF's (for a diversified portfolio) or enter through SIP's. Looking for stocks everyday, checking the industry-specific news

and the FII's inflows can give you a better position than others.

None can accurately predict stock prices and indices. But I do foresee 2015 returning an average of 15%, though some specific-stocks can emerge with 25% plus returns. If we look at the NSE since its inception, i.e. from 1998 to 2014; the index has moved from 1000 to 8230 which amounts to 14% returns compounded annually.

'Acche din to zaroor aayenge' in 2015, but I can only hope that the aura and action does not evanesce as time passes. Otherwise, we all will have to rely on the pie-in-the-sky- Rs. 15 lacs that Modiji had promised to every citizen after the recovery of black money!

Written By:

Harsh R Thakrar

FYB.Com

## Events

- exQUIZite : Quiz Competition.
- At: Sardar Vallabhai Patel Institute of Technology (SPIT)
- Info: 9820310037

## Railway Budget 2015: Highlights

The new Modi Government doesn't have any big bang theories.. Instead they are implementing smaller more significant things to make an impact. Here are a few highlights of the 2015 Rail Budget :

**More toilets:** With 'Swachha Bharat' movement, Suresh Prabhu, has embarked on a cleanliness drive which is likely to make travelling a great pleasure going forward.

**More money to be spent on maintenance:** Which would reduce accidents.

**More technology :** For booking, complaints, feedback, safety etc. A brilliant move, and can be done incrementally .

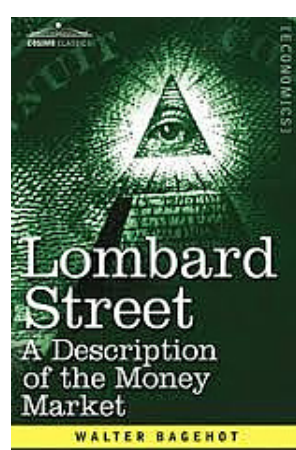
**More time to plan and book your tickets:** Tickets to be available 120 days prior giving passengers more time to plan journeys.

**No new trains : One of the best parts about the budget is announcement of no new trains to obscure places having a low number of commuters.**

Although he introduced new trains from Mumbai and a few from Ahmedabad, they were aptly justified. I fully agree that it is not the Railway Minister's job to announce new trains!

-Pooja Panikkar

SYBFM



### Lombard Street

by Walter Bagehot

Considered to be one of the most influential books, Lombard street explains how the Bank of England reacted to the collapse of a bank in London in the 1800's to show the link between banking and money.

Goodread's



Whats New on T.V :

Young Turks

**Where:** CNBC TV 18

**When:** Sat, 11:00 - 12:00 AM

**What:** The show puts the spotlight on young entrepreneurs poised to be tomorrow's leaders.