

Market News

- The Indian stock market had a choppy month, despite the last day bounce on 30th September. September has generally been a positive month for the stock market, with Nifty 50 posting losses just 7 times in the last 17 years. However, FII outflows due to a stronger dollar, interest rate hike fears and slowdown concerns led to a fall this time around.
- The Indian stock market started the month on a very good note, with robust GDP growth data, strong auto sales numbers and strong inflows by FII's in the previous month lifted sentiments during the first week.
- In the second week too, Nifty extended gains to reclaim the 18,000-mark. IT, banking stocks led the index to post one of the best weeks in five months.
- However, worse than anticipated inflation and the consequent interest rate hike fears led to a huge selloff in the third week. International agencies such as Morgan Stanley said that the inflation would remain high over the next quarters, warranting a rate hike from RBI.
- India's retail inflation came in at 7% in August, outside RBI's upper tolerance band for the 8th time in a row.
- In the week ended Sep 24th, the Nifty lost 1.2% with realty and bank stocks bleeding. Nifty posted losses for the second straight week, and most sectors fell after the Fed increased the interest rate by 75 basis points.
- The rupee plunged to a new closing low of 81.04 against the US dollar. The strength of the American currency in the overseas market, a muted trend in domestic equities, a risk-off mood, and firm crude oil prices hurt the domestic currency.

Expert Corner: Importance of personal accident (disability) cover for your clients

An important component of Personal Finance is PERSONAL ACCIDENT POLICY, after Life Insurance & Health Insurance. The name of the product itself describes its importance and how it is useful in one's life and for one's family.

This Policy is useful to get the financial assistance to insured and his/her family in the event of an accident that leads to death, bodily injuries, temporary/ total disability, permanent total disability and permanent partial disability, resulting in loss of income alongwith an additional burden of medical expenses.

A personal accident policy not only pays at the time of death, but also protects income loss of insured and his/her family in the event of a minor or major accident. Features of Personal Accident Policy:



- 1 **Accidental death benefit-** In the unfortunate event of death of the policyholder, the insurer pays the entire sum insured to the nominee. Full Sum Insured is also payable to insured due to loss of two limbs, half Sum insured is payable due to loss of one limb.
- 2 **Permanent total disablement-** In this case, a certain percentage of the sum insured will be paid to the policyholder.
- 3 **Permanent partial disablement-** In this case, a small percentage of sum assured is paid to the policyholder on a weekly or monthly basis.
- 4 **Temporary total disablement-** The policyholder is entitled to get weekly benefits for accidents resulting in confinement up to 104 weeks.



Mr Tushar Kanti Paul, CFP CM based out of Hooghly district in West Bengal. A veteran of the personal investments domain, has been helping people achieve financial freedom since 1988

Investor Corner: Which investment biases are most common and how to address them?

When you invest, keep in mind that “Not all that glitters is gold.” The coin has two sides. Decisions made from the heart must be understood by the intellect. When you do not know the investment objectives, you are just a goat without direction. Every investor is a human first and so their decisions are based on emotions & mental biases.

There are biases that lead to inaccurate investment judgement. We will check three of them which I feel are the most important.



1) **Herd Mentality:** Many investors follow what others are doing. Quick gains and speculation attract them. They just get carried away without understanding their own investment objectives & own risk appetite. One must have Investment Expert who can scientifically choose suitable investment products for them.

2) **Buying Investment Products and Not Time:** There is prejudice that returns are constant, sure and not variable & returns on investment are more important than capital. If time horizon is not permitting a specific investment, then it is always advisable to avoid that option

3) **Confirmation bias:** Investors believe that information published by media are relevant sources. They keep buying financial & physical assets based on firing head news. One should remember that Information and Knowledge are two different parameters before taking investment decision. Knowledge is critical & non-negotiable.



Mr. Sudhir Bhagat, Director & Founder - Mahant Finserv, Pune. In the past he has worked with Kotak Mahindra Mutual Fund, P Morgan Mutual Fund, BOI AXA Investment Managers Pvt Ltd, ICICI Bank & JM Financial Services on a senior profile. He has rich work experience of handling Savings, Deposit, Bonds, Debentures, IPOs, Online Trading Accounts, Demat & Mutual Funds.