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DAY TRADING

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BY RACHNA MONGA

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MUMBAI

Pinky Shardul Nayak, a 30-year-old housewife, cut her interview with *Mint* short, as she didn't want to miss an opportunity to trade when the Sensex dropped more than 200 points or 1.55%, on Monday.

With Monday's fall, the Bombay Stock Exchange's benchmark index has lost almost 6% over the past 10 days. And it's the fifth time that this kind of slide has been seen in the five-year bull run on Indian bourses. Yet, it doesn't seem to have dampened the enthusiasm of retail investors such as Nayak. This is contrary to the popular perception that retail investors tend to enter the market at its peak and end up burning their fingers.

Nayak is happy to end the day by making a small gain in Larsen & Toubro, which was down 2.86% or Rs72.10 at Rs2,448.50. While a day trader by nature, she isn't particularly worried about the fall. "I used to trade in two-three stocks daily, but now I just track one stock a day," says Nayak, a regular visitor at **Geojit Securities Ltd's** women's trading branch in the suburb of Vile Parle.



Staying put: Contrary to the perception that retail investors flee markets during a downward movement, many are using the slide to buy cheap.

Reena Jani, a 32-year-old housewife, however, has refrained from visiting the same branch of the brokerage ever since the stock market index started falling. "If I am sitting in front of the trading screen, it's difficult to resist the temptation of trading in a stock or getting allured by what others around me are doing. I would rather watch the markets on my television screen at home where I can exercise some restraint," says Jani. And she has reason to do so.

Based on advice from the branch manager, she sold most of her stocks when the

Sensex was around 15,700. Her theory is simple. Markets have shown a tendency to go down during the monsoons and recover as Diwali approaches. Therefore, she is now waiting on the sidelines as she thinks the Sensex could go down to 13,000 and October may be the right time to re-enter the market. Having seen so many crashes in a short investing career, predicting the markets seems to have become a relatively easy task for her.

Abhidesh Jain, a 30-year-old telecom professional working with **Bharti Telesoft Ltd** in New Delhi, entered the markets two

years ago and he isn't panicking either, though the value of half-a-dozen stocks in his portfolio has come down by 20%. While he has been in doubt ever since the Sensex touched 15,000, he didn't rush to sell his stocks. At the same time, he isn't sure whether the fall is over and the market has bottomed out. So, he will wait for some more time before he starts investing.

However, some investors who were late in joining this five-year bull rally are busy picking up beaten down stocks. Jayant Pawania, a 28-year-old technology professional with Mumbai-based **Yes Bank Ltd**, has added seven more stocks to his portfolio of six, which he started accumulating in February. "Till a few weeks back, I was selective in picking up stocks, but now I have managed to accumulate on every big day of the crash," says Pawania.

It is evident from the behaviour of these investors that panic hasn't set in yet. "It isn't for the first time that investors have seen such a sharp drop. They seem to have understood that it's a regular correction as we have seen in the past. All they need is a reassurance that it's a regular correction and there is nothing wrong with the Indian economy," says Prashant Prabhakaran, senior vice-president, **Kotak Securities Ltd**. But if the current scenario continues for the next few months, one might see fear and panic setting in among retail investors.