

The coming decade will be India's is what many research reports point for the Indian Economy. How the common man on the street can gain from this rise of India economy. They have to start taking active participation in investment of stocks which has always been the largest wealth creator over the long term. However at present only 4% of the investing money goes into stock related investments. The reason for this in India one can get an assured return of 8% from post office, 9% from Senior Citizen schemes and around 10% from fixed deposits. The other reason being many investors over the last few bull markets have lost money and faith in stocks due to lack of knowledge and wrong market timing.

In stock markets investors are driven by two factors only, greed and fear. When the market is in exuberant mood many investors start buying stocks for making profit in quick time and they sell it whenever there is a huge correction in fear and thereby incurring loss. Whereas it should be the other way round as legendary investor, Warren Buffett has said "I buy stocks when everybody is selling and sell stocks when everybody is buying." To invest in stock market an investor has to be optimistic, disciplined, informative and patient.

We have to develop an equity culture in the country by creating awareness and education. The first time investors in stock should start with an investable surplus which they can invest for a long term as it has been seen that over a period of time good stocks has given 15-20% annual return. The Indian consumption led growth story is the fruit of 1991 economic reforms started by the then finance minister and now Prime minister Manmohan Singh. India is now the fastest growing economy after China in the world. The economy is growing at an average rate of 8% p.a for the last many years. This growth will be further driven by affluent middle class and spendthrift young generation of the country(in India there is 88 million urban middle class households and 70% of the population of the country is under 40 years).This is reflected in the boom in auto, housing, consumer durables and banking sector. We are less dependent on other countries like Taiwan, Korea and Singapore whose economy is dependent on the success of the economies of the West. In India over the next decade a lot of infrastructure like roads, ports, airports and powerplants have to be build which will attract huge capital from FII s. The road map for this has been laid in this budget. The service sector in India will also continue to grow rapidly. All these will cumulatively lead to the growth of the sensx which is the reflection of the corporate growth of the country.

The structural bull market in India which started in 2003 has many years still to go. It will have many ups and downs as an economy passes through many cycles and faces obstacles like high oil price and inflation. However, the best time to start accumulating stock is whenever there is pessimism and uncertainties as during this period stocks are cheap. One should start buying bluechips gradually and create a good basket of stocks over a period of time. Investors should participate in good IPOs like Coal India. In the past IPO of Maruti which was offered at the price of Rs.125 went upto more than Rs. 1500 within a span of 7 years proving good stocks can create huge wealth over a period of time. The investors should be well informed today. There is access to informations and market related research through media, investment journals and internet. It is best if an investor can do his own research or if he do not have that time and expertise he should rely on a good financial advisor.

There are many targets for this bull market. The sensx is expected to reach atleast 50000 in the coming decade according to many experts. As per reknowned, Indian market guru Rakesh Jhunjhunwala, it is the Indian investors who have to have the faith in the Indian growth story. Most people will come and join the party when the sensx reaches that level but the ones who start early will be the one who will have the life time opportunity to make long term wealth. In stock market investors have to have conviction and patience and in the journey of creating wealth their conviction will be tested but patience will be rewarded.

**Courtesy: ANJALI INVESTMENT & CONSULTANTS**

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