

Devina Mehra says IPO hype is a lottery, warns gold is no safe haven either

On gold, Mehra delivered a sobering historical perspective: “Gold has seen its biggest rise since 1979, but let’s see what happened after. It hit a high in 1980, but took 27 years to reach that high again. In 1999, it was still down 62% from its peak.”

October 16, 2025



Mehra warns against blindly buying into trends just because they’re hot. “Opportunities are like buses,” she said, quoting Richard Branson. “There’s always another one coming along.”

If you're chasing IPOs or hoarding gold thinking it's a safe bet, Devina Mehra has a reality check for you. The founder, chairperson, and MD of First Global dismantled some of the most common myths investors cling to—calling out the dangers of FOMO, over-allocation to gold, and the real risk lurking behind IPO hype.

“The worst thing you can do in the markets is to have FOMO,” Mehra said in an interview to CNBC-TV18, pointing to data that shows how investors consistently underperform when they chase recent winners—whether it’s global markets, small caps, PSU stocks, or even gold. “If you chase the heroes of yesterday, you will systematically underperform.”

Mehra warns against blindly buying into trends just because they're hot. "Opportunities are like buses," she said, quoting Richard Branson. "There's always another one coming along."

On gold, Mehra delivered a sobering historical perspective: "Gold has seen its biggest rise since 1979, but let's see what happened after. It hit a high in 1980, but took 27 years to reach that high again. In 1999, it was still down 62% from its peak."

Her take? Gold is not the safe haven many think it is. "In dollar terms, gold has been more volatile than equities. It should be part of your asset allocation, but not 25–30%. For most people, it should be in single digits."

Mehra also offered a sharp critique of the IPO frenzy dominating retail investor behavior today. "Most IPOs are overpriced. And even if it's a sensible business at a good valuation, chances are you'll get little or no allotment," she said.

She cited SEBI data to show how quickly IPO euphoria fades: "Even 1.5 years ago, 60–70% of individual investors exited IPOs within a week of listing. They're not even looking at valuations—just playing the lottery."

What's worse, many IPOs today are entirely offer-for-sale, where promoters and early investors exit at the same price new investors are entering. "That's a red flag," she said.

For long-term performance, IPO demand is meaningless. "There's absolutely no correlation between IPO subscription and how the stock performs," she stressed, recalling examples like Reliance Power, which collapsed post-listing, and Infosys, which was undersubscribed at IPO and later made fortunes—for the underwriters.

"Two-thirds of companies ever listed in India don't even trade anymore," Mehra concluded. "They've disappeared into the blue yonder."