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Don't panic, deploy your idle cash now: Devina Mehra's 50-year study has a clear message for every investor

Synopsis

Devina Mehra of First Global asserts that equity markets consistently recover from geopolitical shocks, citing a 50-plus year study. She advises investors with a long-term horizon to deploy cash during market dips, as non-geopolitical events pose greater risks. Mehra also highlights Iran's strategic approach to oil markets and remains optimistic about India's corporate earnings.



[First Global's](#) Founder [Devina Mehra](#) has analysed every major geopolitical shock since the 1970s — and the verdict is unambiguous: [equity markets](#) always recover. Here is what she is buying, what she is cutting, and why she thinks Iran is playing a smarter game than most realise.

When markets turn volatile, most investors reach for the sell button. Devina Mehra, Founder and CMD of First Global, is reaching for the data instead — and what five decades of market history tells her is both reassuring and actionable.

Speaking to ET Now, Mehra detailed a comprehensive study her firm conducted in 2022, covering every major geopolitical conflict over 50-plus years — from both Gulf Wars and the US bombing of Libya to the September 11 attacks and the Afghanistan conflict. The finding was, in her own words, "very-very stark."

"Every single time, the markets of countries not directly in the conflict recovered — within six months to a year," Mehra said. "It was not a statistical exercise. We did not find a single exception to that rule." This conclusion was recently echoed by the Financial Times, which published a 100-plus year analysis including both World Wars, arriving at the same verdict: do not react to geopolitics.

"The bigger shocks to markets have always been non-geopolitical — like 2008 or 1929. Geopolitics, markets forget within a reasonable time frame."

— Devina Mehra, Founder & CMD, First Global

Her advice: If you have cash, This is the window

Mehra's message to investors sitting on idle cash is direct: this week's dip may be the deployment opportunity they have been waiting for — provided they are investing with a long enough horizon. "Equity money is money you should not require for the next 8 to 10 years," she cautioned. For those with that kind of runway, she believes current levels represent a chance to build positions at a discount driven by fear rather than fundamentals.

She also pushed back on the idea of trimming equity allocations wholesale. "Whatever is your equity allocation, I do not think this is the time to get out," she said, while acknowledging that no equity portfolio should ever be 100% of one's total wealth.

Where First Global is placing its bets

Crucially, Mehra's bullishness is not just theoretical. First Global had already repositioned its global portfolio roughly a month before the current conflict escalated. The firm reduced its exposure to US equities — which it was already underweight on — and redirected capital into commodities, specifically oil and metals, anticipating an up-move well before geopolitical tensions spiked prices.

FIRST GLOBAL — PORTFOLIO SIGNALS

GLOBAL ALLOCATION

US Equities

↓ Further Reduced

COMMODITIES

Oil

↑ Added

COMMODITIES

Metals

↑ Added

INDIA DOMESTIC

Q3 Earnings

↗ Accelerating

Iran's strategy and why it matters for oil

On the oil risk specifically, Mehra offered a geopolitical read that goes beyond commodity charts. She argued that Iran is pursuing a calculated strategy of raising the cost of conflict for Gulf Cooperation Council (GCC) nations — targeting the Strait of Hormuz, regional real estate values, and insurance markets — to pressure US allies into withdrawing their support. "Persians have been playing chess for thousands of years, and they are thinking a few steps ahead," she observed.

The diplomatic signals from GCC states — questioning why they are absorbing the costs of a conflict that does not directly concern them — suggest this pressure is already working. If it succeeds, Mehra implies, the oil risk premium could ease faster than markets currently expect.

India's earnings story remains intact

Setting aside the global noise, Mehra remains constructive on [Indian corporate earnings](#). She had flagged an acceleration in Q3 results before the quarter closed, and believes the headline aggregates actually understate the improvement — particularly for services companies, which absorbed a one-time hit from the new labour code. Strip that out, and the underlying earnings trajectory is firmly positive. "Index-level earnings are never very useful," she noted, urging investors to look company by company and sector by sector for the real picture.