

<p>Benchmarks ></p> <p>Nifty LIVE</p> <p>11,962.35 -56.05</p> 	<p>NSE Gainer-Large Cap ></p> <p>Bharti Infratel</p> <p>256.20 10.15</p> 	<p>FEATURED FUNDS</p> <p>HDFC Mid-Cap Opportunities Direct Plan-Growth</p> <p>★★★★★</p> <p>5Y RETURN 9.13%</p> <p>INVEST NOW</p>	<p>Stock Analysis, IPO, Mutual Funds, Bonds & More</p> <p>Market Watch</p>
---	---	--	---

Earnings growth is not your birthright, Shankar Sharma tells Indian investors

BY AJAYA SHARMA, ET NOW | UPDATED: SEP 18, 2019, 01:52 PM IST

[Post a Comment](#)

NEW DELHI: Investors in India always assume [earnings growth](#), but it is not a birthright, said market veteran [Shankar Sharma](#).

In an interview to ET NOW, Sharma said large cap stocks look vastly stretched and that he does not see strong earnings growth. "You are close to nil or 2 per cent growth. [Indian investors](#) always assume growth. But growth is not a birthright," he said.

Investors in any market should build a globally diversified portfolio, as most economies do not necessarily perform well at the same time, Sharma said.



Sharma cited many country-specific risks, which investors must take care of.

"Countries go through cycles which are different from what the macros elsewhere are. Domestic investors have been very inward-focused because we had 25-30 years of a pretty strong uptrend in equity markets. But being an Indian investor does not mean that you are immune to cycles," he said.

Even within India, one cannot be only in equities or fixed income. One needs to diversify, he said.

Big Change:
The end of Five-Year Plans: All you need to know

Stay up to date on market action, follow [ETMarkets@Twitter](#)


Recommended By Colombia

"Similarly, on a global basis, you cannot be only a single country whether it is India or China exposure," he said.

Sharma said that he does care much about the recent spike in oil prices due to his global exposure.

"If you are only India-centric investor, we would understand that the country is vulnerable to oil market. If you have a situation like this, you are suddenly finding that all bets are off including current account and currencies. In that kind of situation diversification helps," he said.

The vice-chairman and joint-managing director of First Global said that there is also a risk of earnings contraction.

Sharing the secret behind stock picking, Sharma told ETNow that he looks at bottom-up stocks because they do not belong to any index category. "Small caps are very individual placed. You pick them right from the bottom," he said.

While concluding the interaction, he said that there is always a bull market somewhere, there is always a bear market somewhere. "Get your asset allocation right and you will ride this out," said Sharma.

Stay on top of business news with The Economic Times App. [Download it Now!](#)