

## **First Global's Devina Mehra Prefers Pharma, Healthcare, FMCG — Here's Why**

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First Global Founder and Chairperson Devina Mehra prefers pharma, healthcare, FMCG, and automobile components. The PMS manager has been increasing its exposure to the banking sector as well, she told NDTV Profit.

First Global is 'overweight' on the pharmaceutical and healthcare spaces. It is also 'overweight' on auto components, while it is slightly 'overweight' on IT. Information technology is an underappreciated sector. The trajectory in the IT sector is clearly visible compared to other sectors, Mehra said.

In the recent round of portfolio rebalancing, First Global has begun increasing its exposure to the FMCG sector. The firm is optimistic not only about large-cap players, but also about select high-quality mid-and small-cap names. Revenue and margin are likely to improve across the sector, she said.

In 2020, FMCG was the most preferred space. But people became concerned about consumption slowdown after September when markets corrected. However, the real consumption slowdown happened in the financial year 2023-24, she said.

Real estate seems like a risky sector as there has been a substantial amount of speculative activity, she said.



Compared to the last three years, First Global is now more positive on banks. From 2020 to 2024, the NSE Nifty Bank has underperformed Nifty 50 with the exception of 2022, Mehra said - 4 years out of 5.

First Global is not yet 'marketweight' on banks, but has been increasing its exposure. When the Reserve Bank of India raises rates, margins of lenders go up. It becomes effective immediately on loans but for deposits it takes time. In the case of a rate cut the margins actually come under pressure. Nevertheless, the RBI has softened the blow by reducing cash reserve ratio, she said.

The demand for credit is unlikely to change much with 0.5% or 1% interest rate. On the retail credit side, there are definitive risks, she said.

In the non-banking financial sector, investors should exercise greater caution as these institutions frequently extend credit to individuals who may not qualify for traditional bank loans. Hence, the quality of the asset is low.

First Global maintained a relatively positive outlook on the large-cap space, while remaining cautious about small- and micro-cap segments.