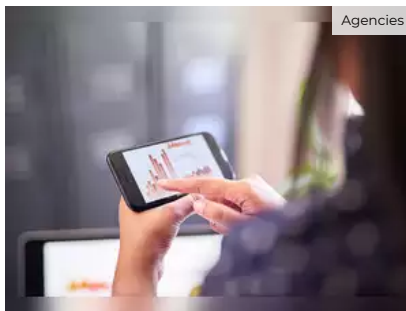


# Stock Market's Charm Could be Wearing Off for Women Investors

**SECTIONS** Stock Market's Charm Could be Wearing Off for Women Investors

## Synopsis

The fervour witnessed among women to invest in the stock market that began after the onset of Covid in 2020 may be waning. Gurugram-based Nidhima Malhotra, 39, who took the plunge into the world of stock investments in 2020, has considerably reduced her equity holdings after the initial enthusiasm as her stock picks generated modest returns in the last two years.



The fervour witnessed among women to invest in the [stock market](#) that began after the onset of Covid in 2020 may be waning. Gurugram-based Nidhima Malhotra, 39, who took the plunge into the world of stock [investments](#) in 2020, has considerably reduced her [equity holdings](#) after the initial enthusiasm as her stock picks

generated modest returns in the last two years.

“My initial investments in stocks failed to deliver the annual returns I anticipated — at least double or triple of safer investments like fixed deposits,” said Malhotra, an HR professional. She is among the many women across the country who have lost the zeal to be part of the record-breaking run in the Indian stock market that continues to result in record account openings at brokerages every month.

A study based on demat account openings by women sourced from firms including Zerodha, Kotak Securities, Sharekhan, HDFC Securities, and IIFL Securities indicates a broader decline in the rate of demat account openings among women in 2023 when compared to the preceding three years. The exception to this pattern has been women in the age group of 20-30 years.

“Women, in general, tend to be less risk-takers, with many opting for safer asset classes such as sovereign gold bonds, ELSS, and fixed deposits after an initial foray into direct equities,” said Dhiraj Relli, MD of HDFC Securities. “However, it’s noteworthy that individuals in the age groups of 20-30 continue to display an aggressive approach in the stock market.” The growth of account openings by women at HDFC Securities fell from 26% in 2020 to 22% in 2023.

According to a study conducted by Crisil and DBS, encompassing ten cities, 51% of the employed women who were surveyed preferred the security of fixed deposits and savings accounts over the uncertainty of the stock market.

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“The declining trend has to do with the tendency of women to experience greater remorse over financial losses. They tend to possess an inherent apprehension towards engaging with investment options that carry even marginal risks, said Devina Mehra, MD of First Global. “While women are adept at saving money, they often hesitate to invest it.”

In March 2020, the lockdown imposed by the government to prevent the spread of Covid, low interest rates in 2020, a stock market rebound, and easy access to brokerage trading apps triggered a flood of demat account openings and heightened the participation of individual investors in equities. Women also joined the retail investor frenzy.

With the restrictions gradually going away and life returning to normalcy, several women do not feel the need to be part of the bandwagon. “The slowdown in growth in [women investors](#) in 2023 compared to previous years could be attributed to life returning to normal post-Covid and women having less time to devote to the stock market,” said Parminder Varma, chief business officer, Sharekhan, which has seen account openings by women declining to 12% in 2023, from 18% in 2020.

Some women are moving to physical asset classes like real estate and gold. Gurugram-based Viny Nigam pivoted her investment focus towards the tangible real estate sector after a less-than-fruitful foray into the stock market last year.

“The effort it required was substantial, and the returns didn't correlate with the time investment for someone at my career and life stage,” said the 39-year-old product lead at a technology company.

Data from the country's largest stock broker Zerodha showed the new account openings by women in the age group of 31-40 declining from 46% in 2020 to 34% in 2023. In the age group of 41-50, the participation decreased from 16% in 2020 to 14% in 2023.

