

E- JOURNAL

A NEW ERA IN THE FINANCIAL WORLD TOWARDS SAVING AND SUSTAINABLE INVESTMENT AMIDST PANDEMIC COVID-19

INTRODUCTION:

The Coronavirus pandemic has effectively changed numerous things, from the essence of the Great Road, where numerous stores shut down for great, to downtown areas, which are not, at this point populated by office laborers eating Pret sandwiches. In any case, the previous year of lockdowns and occupation misfortunes is likewise affecting individuals' perspectives towards their well-deserved cash they intend to save all the more yet additionally face a couple of more challenges with those reserve funds looking for better return's.

Savings refers to setting aside the amount of money remaining from our income after spending on all our essentials. Whereas, Investment refers to buying or investing in assets such as stocks, bonds, mutual funds, real estate with an intention of maximizing the profit in the long term. We can also say that Savings = Investment. This is because investment can be made with the available savings and therefore, the level of saving will equal the level of investment.



Saving and Investment play a vital role in every individual life. It is very much important as it helps to avoid unnecessary debt and protects in times of financial emergency. This reduces financial stress and provides a greater sense of financial freedom.

There has been a consistent increase in the savings rate in India. The various factors which led to an increase in gross savings rate include economic growth, large-scale migration of rural population to an urban area, rise in income of government employees, awareness programs by government and other financial institutions.

Considering the present pandemic situation; this lockdown has made many people suffer due to a lack of earning. But it is not the same with people who maintain savings on a regular basis. When there is a situation like this, unexpected Covid savings will be of great help. Though there is a lack of income for the past few days, families with savings wouldn't find it much

difficult to get their daily bread. Therefore, savings come to our rescue in such inevitable circumstances.

HAS PANDEMIC TRANSFORMED US INTO SAVERS FOR GREAT? 40% NOW INTEND TO SAVE MORE THAN BEFORE CORONA VIRUS

That compares about to not exactly a quarter (24 percent) of those matured 55 to 64 years of age and 39 percent in a similar age range saying that the pandemic will have no effect in their habits of saving. Economists say stashing away more money is an ordinary response to major economic downturns with alleged 'precautionary' saving rising when individuals experience monetary are uncertain and vulnerable. In the consequence of the 2008 monetary emergency, just as past significant downturns, the family saving proportion expanded contrasted with the months driving up the emergency, as per the study made (See the table below)

	12 months before downturn	During downturn	12 months after downturn
1973-1975	7%	9%	9%
1980-1981	11%	12%	12%
1990-1991	11%	12%	14%
2008-2009	8%	9%	12%
2020	7%	18%	

Regardless, what gives off an impression of being changed this time is where people are needing to take care of their merited cash. Before the pandemic, the most famous objective for people's monthly savings was current and saving accounts. 33% of all monthly savings funds were deposited into the current account however this is relied upon to fall to 31 percent after the pandemic.

TYPES OF SAVING FUNDS, ITS SIGNIFICANCE AND BENEFITS

For what reason do so many of us succumb to cash-related pressure? In case we're not



taking care of our accounts as well as could be expected, the weaknesses are frequently identified with our saving propensities. We spend excessively and save pretty much nothing, or don't save anything by any stretch of the imagination. Each working-age grown-up ought to

have the option to make a case for three kinds of investment funds, and ought to be focused on guaranteeing every one of those records is appropriately financed.

“You must learn to save first and spend afterward.” – John Poole

You don't need to be thrifty for setting aside money. You can chop down your extravagance spending. You should enjoy every little part of the journey of investing and saving. The objective here is to bring in cash by setting aside cash.

If you have the knowledge of why saving assumes a significant part in your lives, you will begin saving enthusiastically. In any case, why is saving significant? Following are the reasons that you should think about to begin saving.

➤ **EMERGENCY SAVINGS**

Emergency savings funds can give a debt-free intends to withstand financial shock like long-term illness, job loss, and unforeseen auto or home repairs. In any case, for some individuals, that kind of wellbeing net is a comfort. Each family should have sufficient emergency saving to cover at least three to six months of bills and costs. A few groups are more defenceless and may have to save more, including contractors, individuals who are independently employed, couple with single salaried and single guardians. while computing your month-to-month costs, make sure that you include all you require to pay for, from food and transportation, to the home loan and power. Don't forget the timely expenses as well, such as property taxes and auto insurance payments.

➤ **RETIREMENT SAVINGS**

Everybody needs to retire at some age throughout everyday life. To live joyfully and tranquil around then, you need to begin savings today. On the off chance that you begin arranging your retirement reserve at an early age, you can resign at whatever point you wish. Reserve funds are likewise critical to keep up your way of life at when your ledger will quit getting credited each month. Try not to hold on to find out about retirement plan in your mature age. It is significant to know the kinds of retirement plans and to agree to what goes as indicated by your pay previously itself.

➤ **SAVINGS FOR BETTER EDUCATION**

A well-rounded schooling is a venture for a superior future. Every year more individuals end up at different schools to procure their masters or degrees. In the event that you have objectives

of arriving at some school or college, you will likewise require huge funds. Along these lines, begin setting aside cash today for your fantasy. Regardless of whether you intend to take the understudy loan, prepaying some part ahead of time will save you from gathering powerful interests. Consequently, putting something aside for the future schooling of yourself or may be your cutting edge is by all accounts sufficiently shrewd.

➤ **FOR AVOIDING IMPULSIVE SPENDING HABBIT**

“Do not save what is left after spending; instead spend what is left after saving.”

- Warren Buffett.

Having a propensity for saving will upgrade your life by not allowing you to burn through cash on careless things and collecting it for significant costs like purchasing another vehicle or getting ready for the wedding, and so on. Decide on saving some sum from your pay when you get it in your bank account. You need to ensure being focused and not touch it until when you are in outrageous need.

METHODS OF SAVING

Savings include putting some money aside for example, depositing in account, opening pension account, an investment in assets, or as cash in hand. Saving also includes reducing expenditures occurred, such as recurring costs. Saving refers to any amount of income not used for immediate consumption.

Best four strategies for saving are as per the following:

- **BASIC SAVING ACCOUNT**

Otherwise called passbook saving accounts, these records are a decent prologue to bringing in interest and saving money. Transaction on basic bank account is updated either in a passbook when the client visits their bank, or on monthly basis statement. These accounts typically offer lower interest rate than other types of investment accounts due to the flexibility in depositing and withdrawing of money. Basic saving account are saving account, fixed deposits and current account.

- **ONLINE SAVING ACCOUNT**

In online saving account, there may offer access to view, deposit and transfer funds online 24 hours, and withdraw money from any ATM. The account can be access from any mobile

device. People may choose online account because they offer a relatively high interest rate compared to basic savings accounts. Since these accounts are not serviced in bank's branches by the staff, these accounts are less expensive for financial institutions to maintain, thus provide higher interest rate. This method of saving are good options for customers with good technology looking for self-service banking and higher interest rates.

- **MONEY MARKET SAVING ACCOUNT**

Financial institutions and credit unions offer a specialized savings account known as Money Market Accounts (MMAs). These types of accounts also be called as money market savings or deposit accounts. The money market accounts are different from money market mutual funds offered by investment companies, which are not insured. These saving account offer interest level or fee for maintaining a minimum balance every month. This method of saving is suitable for customers who desire a higher interest rate than a basic bank account, and they are willing to keep a larger balance in their account. The MMAs are suitable for investors with savings goals within a target dates ranging from a few months to a few years away.

- **CERTIFICATE OF DEPOSIT(CD) ACCOUNT**

CD are a good savings account option for peoples who are saving for a goal with a target date in mind. Available through most financial institutions as well as some brokers, a CD usually pays a higher rate of interest than online accounts and basic because a fixed amount of your money is invested with the institution for a specific time. The term of the deposit may range from a few months to one or more years. The interest rate of CD depends on the length of the term of deposit, longer the term of the certificate of deposit, higher the interest rate. If you want to achieve a large financial goal within the next certain years such as a down payment for a home or an automobile purchase, CD can be considered.

SAVING AND INVESTMENT IN SHORT-TERM

Post Covid-19 pandemic, the economy; markets and pay all were hit hard after the money related activities got almost ended due the country wide lockdown that was obliged from the latest multi day stretch of March 2020 to contain the spread of the uncommonly irresistible contamination.



With the usable Covid-19 cases reducing astoundingly toward the year end 2020, monetary activities recovered pushing the protection trades up in the underlying 2 months of 2021 to incredible evident levels.

The speed of development remained high for the huge piece of 2020, aggravating the torment of people engaging after work mishap or remuneration cuts. Nonetheless, the key methodology rates were kept low by the Reserve Bank of India (RBI) to offer need to monetary headway instead of controlling expanding.

The Indian economy has given indications of recuperation in the last a few quarters.

HOW COULD A FINANCIAL BANKER CONTRIBUTE SHREWDLY TO ACQUIRE A SUPERIOR RETURN?

Monetary supporters should turn towards express underwriters as indicated by their choice and advance with a perspective of 2 to 3 years. They ought to moreover support the obligation capability with sensible thing structure. Put resources into values for long haul to beat extension, monetary sponsor needs to confront some test and put assets into values as far as might be feasible.

Transient theories, in any case called appealing insurances, money related endeavours that can without a doubt be changed over to cash, constantly inside 5 years. Some temporary ventures are sold or changed over to cash after a time of just 3 a year. Some ordinary occurrences of transitory theories join CDs, money market accounts, exceptional yield venture accounts, government protections, and Treasury bills.

Commonly, these endeavours are great and significantly liquid assets.

TYPES OF SHORT-TERM INVESTMENTS

Some ordinary transient hypotheses and techniques used by organizations and individual monetary sponsor fuse.

➤ ASSERTIONS OF STORE

These stores are offered by banks and constantly pay a higher financing cost since they lock up cash for a given period.

➤ VAULTS

There are a variety of these authority protections, like notes, charges, floating rate notes, and Treasury Inflation-Protected Securities (TIPS).

➤ SECURITY RESERVE

Provided by boss asset chiefs/theory associations, these resources are better for a more restricted time layout and can offer better-than-typical returns for the threat. Basically, think about the costs.

➤ METROPOLITAN BOND

These securities, given by close by, state, or non-government associations, can offer better yields and cost benefits since they are as often as possible vindicated from individual appraisals.

➤ DISTRIBUTED (P2P) ADVANCING

Surplus cash can be set into play through one of these crediting stages that match borrowers to moneylenders.

➤ ROTH IRA's



For individuals, these vehicles can offer versatility and a combination of theory decisions. Responsibilities, yet not increments, to Roth IRAs can be eliminated at whatever point, without discipline or costs due.

SAVING AND INVESTMENT IN LONG-TERM

The recent covid-19 outbreak across the world has led to high market volatility, with sharp movements being seen on both sides. The flight of FII investments, India vix (18.84) touched its all-time highest in recent times. The sharp corrections on account of coronavirus disruptions led to 23% fall in NSE Nifty50 during March 2020 and an overall 26% fall over the last one year.

However, all the market chaos and volatility, the investors must ignore the daily price movements and focus on their long-term goals. While pressing for redemptions to prevent further loss will convert the national losses will enable them to participate in the market rallies as and when the markets will recover.

Until now, many conversations on investments revolved around equity investing while other asset classes generally took a backseat are concentrated into equities may have dealt a severe blow to most portfolios. This is important because different classes tend to react differently at the same macroeconomic event.

While equity markets have been hit during the past month resulting in high negative returns for the investors during fiscal year 2020. Similarly, gold has also given a spectacular return of 39% during this period.

Therefore, investors had to review their portfolio and rebalance for the desired asset allocation strategy. The current events due to course correction in our portfolio, if needed. However, regency bias often tends to impact the investment behaviour of investors significantly.

While the inherent optimistic investor may like to stay positive on their long-term growth, the recent negative performance of the investments that have performed well.

As such, the debt and gold may take a significant proportion of the incremental investments under the current circumstances. However, an individual must not go too conservative on the equities side and overweight on debt, especially for their long-term financial goals.

Even within the equity allocation, it would be prudent to invest in the companies with fundamentally strong balance sheets, who are likely to withstand this storm in a better manner can and also be expected to lead the market recovery, as and when the situation is normal.

However, instead of choosing the companies, it might be a better option to place a bet on the overall group of market leaders and strong performers which form the part of the benchmark.

As such, the investor would consider investing in index funds and index EFTs, like Nifty. Further, their lower expense ratios for index funds and EFTs make the overall returns more favourable to the investors as compared to active investment funds.

The 2020 has been a year that will remain etched in our memory for a long time. The amid pandemic caused by COVID-19 has pulled the reins of economies around the globe. Most investors are experiencing at least 20 % to 30 % losses and have been wondering if they should

invest further or redeem and wait for the markets to recover. After witnessing the recent slump in stock markets, should you consider long-term investments.

Hence, if history is to be considered, then regardless of the market cycles, equity might be seen volatile in the short-term but has the potential to generate wealth over the Long-term.

When economies go through a tough period, businesses with strong fundamentals will be the ones that will survive. Hence, investors must consider investing in such business.

While stock prices might seem profitable right now, investors must be careful before investing. It must be researched the security carefully before investing.

The crisis is usually accompanied by a lot of false news and rumours of takeovers or shutdowns. Investors must ensure that they research well before believing any such news and look at information from credible sources only.

MEASURES TAKEN BY GOVERNMENT IN HELPING PUBLIC FOR SAVING



➤ NATIONAL SAVINGS CERTIFICATE

The National Savings Certificate (NSC) is a saving plan with a fixed income that one can open an account at any post office in India. This savings plan is an initiative of the government of India and encourage investors, those who fall under mid-income or small categories, to invest while saving on income tax. It is used by people for small to medium investments. How savings plan works: firstly, you need to buy a national savings certificate worth a specific amount. This will be considered as investment. The maturity for these certificates is five or ten years from the date of purchase. The interest in other hand is calculated on a yearly basis. The annual interest rate for five-year schemes is currently 7.9%, while for a scheme for ten years is 8.9%. However, the interest amount will not be paid to the owner until the certificate matures.

➤ SENIOR CITIZEN SAVINGS SCHEME

The senior resident reserve funds plan offers its financial backer extremely high wellbeing customary pay and is a great expense saving company. This plan is accessible through mail centres and affirmed banks across India. People between 55 to 60 years old, who have picked the deliberate Retirement plan or superannuation can likewise contribute. The normal residency of this reserve funds plan is five years however can be stretched out for three additional years.

In SCSS, the expense derivation up to Rs. 1,50,000 can be guaranteed according to area 80C of the Indian Annual Expense Act. On the off chance that the record is shut following a year, yet before the term of two years 1.5% of the sum kept will be dependent upon derivations as charges for untimely withdrawal. In the event that the record is shut following two years 1% of the contributed sum will be dependent upon allowances as charges for pre-developed withdrawal. Financial backers can stretch out their residency to three additional years.

➤ **PUBLIC PROVIDENT FUND (PPF)**

The National Savings Institute introduced by the PPF in the year 1968. As a government backed savings scheme, it is the safest and most popular savings option in India. The contribution made towards the PPF account is applicable for tax deduction under section 80C of Income Tax Act1. The scheme attracts an annual income rate of 7.6%, which is compounded annually. An individual can make a minimum contribution of Rs.500 and can maximum invest up to Rs.1.5 lakhs in a financial year. The benefits offered by Public Provident Fund are payable in form of lump-sum or up to 12 deposits per financial year. It provides flexibility as an individual can transfer the Public Provident Fund account from one post-office or bank to another.

➤ **PRADHAN MANTRI JAN DHAN YOJANA**

This scheme was launched by the government of India in the year 2014. It offers cost effective solutions related to accessing financial services such as banking, pension, insurance etc. The account holders are eligible for life cover of INR 30,000 and accidental insurance cover of Rs. 1 lakh in case of any eventuality. Facility availing for overdraft is up to Rs.50000 is offered to the account holder, which is applicable to not more than one account per person. The candidate can avail seamless access to the insurance policies and pension. The beneficiary of the plan is qualified for Direct benefit transfer.

➤ **EMPLOYEE PROVIDENT FUND (EPF)**

Introduced by the Employee Provident Fund Organization (EPFO), EPF is a government-initiated savings scheme, wherein it is mandatory for salaried individuals to make an equal financial contribution towards the Provident Fund (PF).

In this savings scheme, the employee and employers make an equal contribution of 12% of the employees' monthly salary towards the PF account per month. The annual interest rate on the contribution made towards the EPF scheme is 8%-12%. The interest is credited to the account of the employees on 1st April of every accounting year.

➤ **SUKANYA SAMRIDDHI YOJANA(SSY)**

It is introduced by Indian Ministry of Finance. This is a savings scheme, which is specifically designed to secure the financial future of the girl child. It attracts the highest annual interest rate of 8.1% on the principal amount as compared to the other savings scheme. Anybody can open the SSY account at post office or authorized bank in India. An Individual can open the account by depositing the minimum investment of Rs.1000 and also can invest up to Rs.1.5 lakhs maximum in a financial year. The maturity term of the scheme is 21 years from the date of insurance opened and the account holder can contribute to the account up to tenure of 14 years.

➤ **NATIONAL PENSION SYSTEM (NPS)**

The National Pension System could be a since quite a while ago run retirement – focused venture item oversight by the Pension Fund Regulatory and Development Authority (PFRDA). The base yearly (April-March) commitment for a NPS Tier-1 record to remain dynamic has been diminished from Rs.6,000 to Rs.1,000. It is a combination of value, mounted (fixed) stores, organization securities, fluid assets and government assets, among others. Upheld your danger hankering, you will choose what extent of your money is contributed inside values through NPS.

➤ **PRADHAN MANTRI VAYA VANDANA YOJANA (PMVVY)**

PMVVY is for senior voters aged sixty years associated on top of to supply them an assured income of 7.4% once a year. The scheme offers pension financial gain collectable monthly, quarterly, half-yearly or yearly as opted. The minimum pension quantity is Rs.1,000 per month and most Rs.9,250 per month. The utmost quantity that may be invested with within the scheme Rs.15,00,000. The tenure of the scheme is ten years. The scheme is accessible until March 31, 2023. At maturity, the investment quantity is repaid to the account holder within the event of death of account holder, the money is paid to the nominee.

SUSTAINABLE INVESTMENT

Sustainable investment, furthermore called socially responsible venture, is that the strategy for joining Ecological, Social and Administration (ESG) factors into venture determinations. Individuals who contribute economically esteem all the more exceptionally to put resources into partnerships, associations and assets fully intent on producing quantifiable social and natural effect on cash occurrence. Effects are unfurling across various areas, from

environmentally friendly power and temperature change, to wellbeing, security and local area advancement.

Supportable contributing empowers people to choose ventures dependent on qualities and individual needs. At first, economical contributing contrarily screened organizations and ventures, which frequently drove financial backers to forfeit returns for self-adjustment. As of late, notwithstanding, financial backers have utilized positive screening of ESG hazard variables to make a cutting edge "Top Tier" speculation approach that produces execution that is in accordance with—and frequently surpasses—market bench marks.

INVESTMENT

There are two pails that speculation stock fall into and they are monetary and non-monetary possessions. Monetary effects can be isolated into commercial centre connected product (like offers and shared asset) and stuck benefits stock (like Public Provident Fund, monetary foundation fixed stores). Non-monetary resources - numerous Indians make ventures through this mode - are any semblance of actual gold and real property.

DIRECT EQUITY

Putting resources into stocks will not be some tea as it is an unpredictable quality classification and there's no assurance of profits. Further, not exclusively is it difficult to choose the legitimate stock, transient request your entrance and exit is moreover entrusting. The sole splendid side is that over significant stretches, value has been prepared to convey past swelling changed returns contrasted with all or any elective quality classifications.

At an identical time, the peril of losing a significant part or maybe the entirety of your capital is high except if one picks stop-misfortune procedure to diminish misfortunes. In stop-misfortune, one submits partner advance request to sell a stock at a specific worth. To downsize the peril to sure degree, you may enhance across areas and market capitalisations. To straightforwardly put resources into value, one needs to open a demat account.

EQUITY MUTUAL FUNDS

Equity mutual fund plots dominantly put resources into value stocks. As per, the Securities and Exchange Board of India (SEBI) Mutual Fund Regulations, a value shared asset conspire should contribute at any rate 65% of its resources. A value asset can be effectively overseen.

In an effectively exchanged asset, the profits are to a great extent reliant upon an asset director's capacity to produce returns. List assets and trade exchanged asset are latently overseen, and these track the hidden list. Value plans are sorted by market-capitalisation or the areas in which they contribute. They are additionally classified by whether they are homegrown or global.

DEBT MUTUAL FUNDS

Debt open-end investment company schemes are unit appropriate for investors who wish steady returns. They are less volatile and, hence, thought of as less risky compared to equity funds. Debt mutual funds primarily invest in fixed-interest generating securities like company bonds, government securities, treasury bills, cash equivalents and so on.

However, these mutual funds are not meaningless. They carry risks like charge per unit risk and credit risk. Therefore, investors ought to study

BANK FIXED DEPOSIT (FD)

Fixed deposit is considered a generally more secure (than value or shared assets) choice for interest in India. Underneath the Deposit Insurance and Credit Guarantee Corporation (DICGC) rules, each financial backer during a bank is protected up to the vast majority of Rs.5,00,000 with sway from February 4, 2020, for every head and premium amount.

Prior, the inclusion was the greater part of Rs.1,00,000 for every head and interest amount. According to the need, one may pick month to month, quarterly, half-yearly, yearly or aggregate interest decision in them. The pace of revenue procured is extra to one's monetary profit and is burdened according to one's monetary benefit block.

REAL ESTATE (LAND)

The house that you simply live in is for self-consumption and may never be thought of as Associate in nursing investment. If you are doing not will board it, the second property you purchase is your investment. The location of the property is that the single most vital issue that may verify the worth of the property and conjointly the rental that it will earn. Investments in land deliver returns in 2 ways that - capital appreciation and rentals. However, not like different plus categories, realty is extremely illiquid. The opposite massive risk is with obtaining the required restrictive approvals, that has for the most part been addressed once coming back of the important estate regulator.

COMMODITY INVESTMENT

Having gold as adornments has its own interests like wellbeing and significant expense. At that point there's the 'making charges', which ordinarily range between 6-14% of the expense of gold (and may go as high as 25% in the event of unique plans). For the individuals who might need to purchase gold coins, there's as yet a choice.



Numerous banks sell gold coins now-a-days. Interest in exceptional drawing rights is less expensive and might be done through gold ETFs. Such venture (purchasing and selling) occurs on a protections market (NSE or BSE) with gold in light of the fact that the basic in addition to. Interest in Sovereign Gold Bonds is another decision to have paper-gold. Partner in nursing entrepreneur may contribute by means of gold shared assets.

- **MOTIVATION TO INVEST IN GOLD**

The essential justification putting resources into Gold is portfolio expansion and around there, it is viewed as an ideal hindrance against the possible unpredictability of value ventures just as swelling. The chart besides are the investments made in Gold having most cases provided good returns over the past 40 years.

- **CHOICES TO INVEST IN GOLD**

To put resources into Gold you either pick the actual structure or the computerized structure. In its actual structure, Gold as a venture can be held as adornments, coins, bars for example bullion, and so forth

There are, nonetheless, a couple of key limitation of putting resources into actual gold:

1. Making charges make buy costly.
2. Storage costs are pertinent because of safety and protection prerequisites.
3. Selling is inconvenient because of potential pollutions and the necessity of start and virtue testaments.

To overcome the limits of actual gold, one can pick the computerized course which incorporates ventures like Digital Gold, Gold ETFs, Gold Mutual Funds, and Sovereign Bonds for Gold.

A short portrayal of all these options:

- **Advanced Gold**

These can be bought through different applications in divisions beginning from one gram.

- **Gold Exchange Traded Funds**

Gold Exchange Traded Funds exchanged on stock exchanges, trades very much like offers and basically include Physical Gold and supplies of Gold mining as the essential fundamental resource. A Demat Account is required for putting savings into Gold ETFs.

- **Gold Mutual Funds**

These are common assets oversaw by different resource organizations that follow an asset of asset structure and fundamentally put savings into Gold. One can put resources into most Gold Mutual Funds through the Online Apps offering common assets.

- **Sovereign Gold Guarantee**

These guarantees are provided annually by the Reserve Bank of India and can be purchased from public and private banks in the region. Sovereign Gold Guarantee is ensured by the Government of India and fixed to the cost of gold; they really don't have actual gold.

THE CHANGES IN STOCK MARKET DURING COVID-19

February 2020 marked the securities exchange market before the episode of the COVID-19 pandemic set off a free fall in share costs. In the very same year, the world has changed, our lives, economy and organization have changed, which is reflected in the rise and fall of stock prices. The key model has accelerated, with some companies advancing at record speeds, while for others, headwinds have become hurricanes.

In India, it looks like the markets are both no longer paying enough seriousness to the pandemic or looking forward to the invention of a vaccine even optimistically while evaluating with the relaxation of the world. This piece is not tied to foreseeing what is going to take place in the marketplace going but it discusses what could be a potential explanation to the manner the marketplace observed the assertion of lock-down in India. Before we get into the numbers,

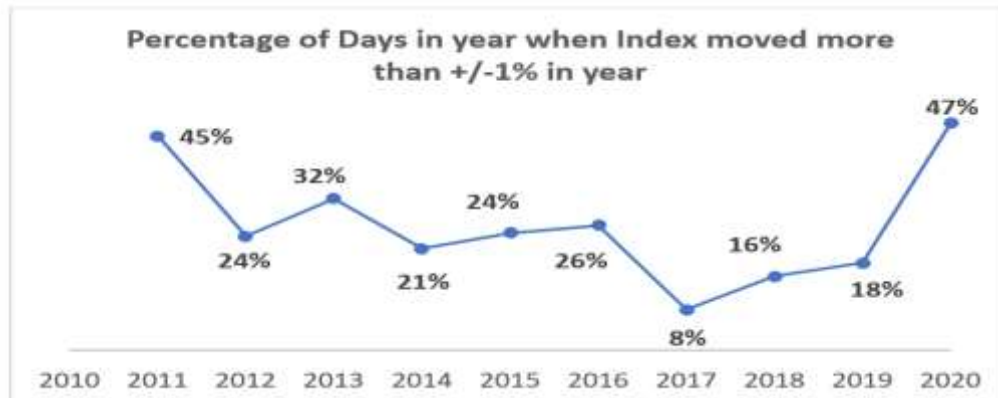
almost all of us might concur that the Indian economic system has by no means skilled such big stun to both demand and supply in its recent past. The universe of 2020 is in unknown waters.

Below is the analysis on the daily movement of BSE Sensex for past 10 years:

From the graph, we can see that when the 2020 pandemic have hit the market, the stock movement has increased. The analysis depends on the number of days in which the index gain or loss is 1% or more. This clearly shows how 2020 stands highest when compared with 2011 - 2019. 2020 has stood out in recent years, gaining, or losing at least 1% from continuous trading every day.

In 2021, when the second wave of pandemic entered the Indian market with a new variant of COVID-19, the number of infections and deaths reached a record level, and the fear of infection has also intensified.

But in any case, the benchmark Nifty 50 Index is down marginally, showing an under 5% decrease since mid-February 2021. The reasons for these costs are as follows: First, unlike the previous year, a public lockdown was not carried out at the beginning. In addition, financial



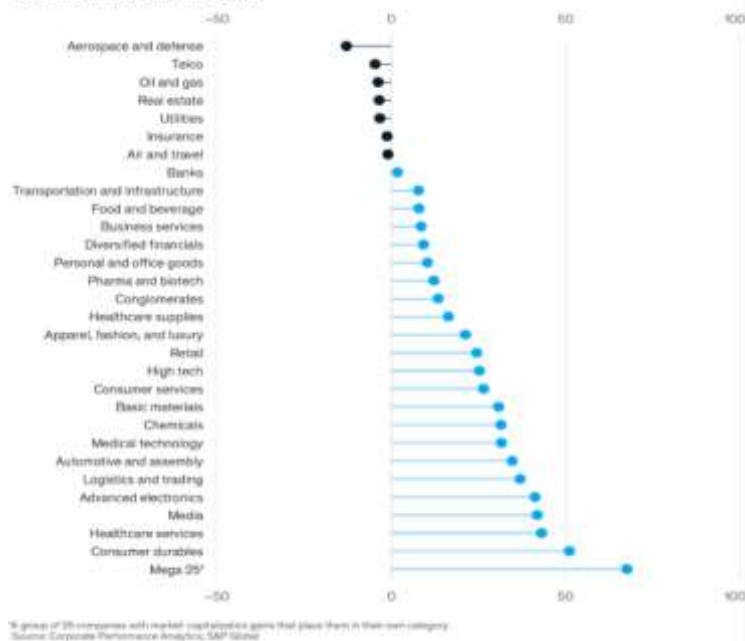
investors have known since the first wave in 2020 that companies will generate revenue by shutting down operations and laying off employees when necessary. Staff can cut back on optional spending. Their excess funds will incline toward stocks even if firms do not trade on the open market. Another reason for good faith is the expected response of the government. Based on last year's results, the Ministry of Finance and the Reserve Bank of India may provide loans, government-guaranteed loans, and other liquidity measures to offset the loss of cash flow. The Reserve Bank of India declared reimbursement relief, that of 500 billion rupees (\$6.8 billion) in three years funding at its policy rate at 4% for banks to reach out to vaccine producers, clinics and oxygen providers.

The distinction between 2020 and 2021 is that, in 2020, early and strict physical distancing measures spread frenzy and hopelessness among rural workers working in urban communities. Currently, the infection has invaded villages as the lock-down has not started in the beginning and the infection has been spreading for more than a year. In sharp contrast to this period a year ago, the prices of modern metals, energy and agricultural raw materials have skyrocketed globally. So how long can the company last?

There are other different contrasts. In 2020, capital-providing rich countries didn't have vaccines, not to mention vaccination programs, which are running a lot quicker than in India, where just 2% of the population has acquired the necessary two dosages up until now. S&P Global Ratings says GDP development for the current financial year might be 9.8%, down from its March rate estimated of 11%, if infection top in May, one more month of rising cases may ease back the extension to 8.2%, followed by 8% drop in yield in the year that end on March 31. India's delicate speculation grade rating is hanging in balance.

The result of overlooking scientific advice and permitting everything from large weddings, large religious gatherings, election campaigns to a poorly prepared health system has led to the current situation. Now Global investors, who have maintained confidence in China and India last year, are no longer waiting for equity analysts to change their minds. They sold Indian shares in April 2021 and purchased South Korea and Taiwan.

Act 4: Anticipated recovery (Feb 19, 2021)



From October last year to today, the upcoming vaccine news has raised expectations for a rebound. The hardest-hit companies partly recovered from market failures, while the companies that performed well during the pandemic continued to move forward. The demonstration also expanded the gap between the best and worst readings from a rate of 27 in mid-March to 80, which is the largest in recent history.

WHAT MIGHT A RISING CORONAVIRUS CASES MEAN FOR YOUR EQUITY INVESTMENTS?

Equity markets appear to ride the subsequent wave, in spite of the financial movement in India having been crashed by the progressing Coronavirus emergency. The covid-19 pandemic is one of the most economically costly health emergencies. Its spread has impacted the global financial markets. Global equity markets, including Indian markets have rallied a lot since the last market crash. While the stock was at its peak in February 2020, the sudden outbreak of pandemic triggered a free fall in share prices.

THE FINANCIAL SECTOR IN INDIA

The financial sector in India has a massive evolution. The development changes can be attributed to various components. Economic growth and the government have initiated various reform measures to encourage investment and strengthen productivity. This new shift to digital compulsion will result in the same branch experiences in their online interactions. The government has made announcement which have given major to the country's economic growth. There has been strong commitment to change a reform, their successful execution and willingness of the private sector to take risks and invest.

THE SURGE IN COVID -19 CASES AND MARKET OUTLOOK

Now that Covid -19 cases are rising in the country. The investors and companies are apprehensive if the stock market will dive in 2021. This scenario has triggered in the development during 2020 when a nation-wide lockdown had left the stock market bleeding with benchmark indices plummeting by a large.

There is a growing complete lockdown in the country. There is increasing volatility in the market and the present market has already discounted and improvement is expected in the coming period. Investors should leverage in the stock market as buying opportunity as any lower levels can be a great opportunity for long term investment such as Pharma, IT services etc.

HOW PANDEMIC CHANGED THE IDEA OF FINANCIAL INDEPENDENCE

While the country faced this unexpected pandemic, many restrictions persist. For many, it has also taken away the sense of financial freedom, whether it is because of sudden job loss or pay cut, or the bleak economic landscape. There are three categories of people-the young

professionals, the middle-aged workers in their 30s-40s and the retirees as to understand how the pandemic has impacted their financial lives and the way they perceive financial freedom now.

For those graduating into a recession or just starting their careers, the pandemic can mean outing any plan of moving out and living independently on hold. For many young professionals who lived away from home for work, this has meant returning home to save on costs and be close to families. The new plans of pursuing higher education or committing to large expenses such as buying a car might also have to be postponed.

For those in their mid-30s and mid-40s, the economic consequences of the pandemic have been harsher. While many lost their jobs or took a pay cut, serviced home loans, paid children's school fees and funded the myriad household expenses a take a huge toll.

For retirees, if they had their finances sorted out before the pandemic hit, it can tie them over this difficult period without having to worry about the money. Since cash flow ceases after retirement, it's very important to build a large enough corpus in reliable instruments that will keep the interest income steady. Creating an additional income source can also be helpful, but keep in mind that some options like rental income have become uncertain amid pandemic. Also given that the elderly is more at risk of succumbing to pandemic having advocate health insurance is more important than ever.

The world today is going through a huge crisis. A new vicious virus is destroying the earth, life and livelihoods. The main costs of the pandemic in terms of human numbers are shocking, but the additional costs of the global economy, livelihoods and sustainable development prospects are even more shocking. The International Monetary Organization estimates that our world has entered a recession. Although it is difficult to predict the impact of this crisis on the entire economy, the loss of the pandemic is undoubtedly astronomical, with a preliminary estimate of as high as 2 trillion US dollars. The pandemic has fully exposed the fundamental weaknesses of our global system.
