

Investing Smartly Amid Global Turmoil

I found your recent story on the market's unpredictable movements and sharp rallies quite insightful. However, in light of current global uncertainties—such as the ongoing war between Iran and Israel—I'm unsure how to navigate such volatile conditions. Could you provide some guidance?

- Aashia M.

Editor Responds: Thank you for your question. Investing during periods of global uncertainty, such as geopolitical tensions or conflicts, can be challenging. However, history shows that markets often recover from such shocks, though volatility may persist in the short term. In these times, it's important to focus on fundamentals and maintain a long-term perspective. Diversifying your portfolio across sectors and asset classes can help reduce risk. For example, defensives like FMCG, pharma, and utilities often offer stability during uncertain periods.

Additionally, continue your SIPs in mutual funds, as market corrections provide an opportunity for cost averaging. Avoid making emotional or panic-driven decisions based on short-term news. Instead, align your investments with your financial goals and risk tolerance. If needed, consult a financial advisor to review your asset allocation and make adjustments. While global events may cause temporary disruptions, India's strong domestic demand, macroeconomic resilience, and structural reforms continue to support long-term wealth creation.