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Amid global stock market gloom & doom, Devina Mehra explains how markets have a way of being ‘unpredictable’

7 April 2025

SUMMARY

Amid the global stock market chaos, Devina Mehra, Founder and CMD of First Global, took a step back from the panic to highlight a deeper, more important truth: markets are not as linear and predictable as we often assume.

Devina Mehra’s perspective serves as a reminder that market sentiment, liquidity, and long-term outlooks often play a more influential role than headline news.

As the Indian stock market took a sharp nosedive on Monday, with the Sensex crashing nearly 4,000 points and the Nifty 50 sliding below 21,750 in early trade, market watchers were quick to cite recession fears in the US amid the escalating global trade tensions.

The sudden correction triggered panic among retail investors and raised concerns over how global developments could continue to impact the Indian stock market.

But amid the global stock market chaos, Devina Mehra, Founder and CMD of First Global, took a step back from the panic to highlight a deeper, more important truth: markets are not as linear and predictable as we often assume.

In a post on X (formerly Twitter), Mehra drew attention to how markets have historically defied dire news and grim forecasts. Citing past global events like the COVID-19 pandemic and the Russia-Ukraine war, she emphasized how real-world disasters haven’t always translated into prolonged equity market downturns.

"I see the talking heads on TV saying how can markets recover when the news flow remains negative," she wrote, urging readers to recall the beginning of 2020 — when the world was on the cusp of a once-in-a-century pandemic.

The COVID-19 Paradox

She posed a thought-provoking hypothetical: If someone had told you at the start of 2020 that a deadly pandemic would bring entire industries like airlines, hotels, and retail to a standstill for over a year, would you have expected a raging bull market to follow?

Yet, that's precisely what happened. Despite millions of lives lost and severe economic disruptions, global equity markets bounced back swiftly after an initial panic-driven fall, supported in large part by unprecedented liquidity infusions and policy support.

Russia-Ukraine War Surprise

Mehra also pointed to the start of the Russia-Ukraine war in early 2022. Initial headlines painted a bleak picture — economic sanctions, global instability, energy supply shocks. Market pundits were quick to predict turmoil.

But once again, markets refused to follow a predictable script. While there was initial volatility, equities eventually found support and rebounded, challenging the assumption that geopolitical instability always leads to prolonged declines.

"Yes, in hindsight we can always find reasons why the markets ran up, including liquidity infusions," she wrote. "But the point is, markets are never as linear and predictable as we think."

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The Takeaway: Expect the Unexpected

As volatility returns to Dalal Street and fear grips investors, Mehra's message is timely and clear: don't expect markets to behave in neat, logical patterns.

Understanding that unpredictability is a feature — not a flaw — of markets can help investors stay calm during turbulence and avoid making decisions based on short-term noise. For long-term investors, the key is to stay grounded, avoid overreacting to every headline, and remember — the markets are anything but predictable.