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Devina Mehra shares her market wisdom: sectors, themes, global trends



Market Wisdom

Devina Mehra, Founder & CMD of First Global has emphasized the importance of maintaining a large and steady portfolio rather than investing in small and micro caps. In an interaction with ETNow, she noted that market corrections are normal, with smallcaps being highly volatile.

She stated how her advice has remained unchanged despite market corrections and that, according to her, smallcap movements are always dramatic, and when they fall, they fall like a stone. She advised investors not to expect past market leaders to perform well in the next bull run. Instead, she recommended taking losses where necessary and reinvesting in stronger stocks, stating that the market has no interest in an investor's purchase price.



Themes to focus

Devina Mehra believes that this is the time to be invested in equity as part of a well-diversified portfolio. She pointed out that large caps do not have a significant downside risk at this stage. She warned that the real risk in waiting is missing out on a potential market up move. She emphasized that the best market days typically occur when fear and uncertainty are high. According to her, sentiment acts as a contraindicator, meaning that periods of fear and anxiety often lead to higher-than-normal returns.



Sectors with positive outlook

Mehra identified IT, pharma, and auto components as sectors where she remains overweight. She mentioned that in recent portfolio rebalancing, she has selectively added FMCG stocks. While she is not sure whether FMCG will become an overweight sector, she acknowledged that it is gaining strength. On the other hand, she is still not optimistic about the paints and real estate sectors. She also mentioned that her portfolio has selectively added some chemical stocks and a few banking stocks as part of recent adjustments.



Impact of global factors

According to Mehra, India's exposure to tariff risks, particularly from Trump's policies, is limited. She pointed out that India is not a major exporter overall, and even in pharma, where tariffs have been discussed, the country plays a crucial role as a low-cost drug supplier to the US. She expressed confidence in the resilience of IT and pharma sectors, highlighting that her portfolio is overweight in these areas. She also raised concerns about US market instability, noting issues such as inflation, declining consumer confidence, and political uncertainty.



Foreign Investment and Market Outlook

Mehra suggested that the US market's long period of outperformance may be coming to an end. She believes that global investors may now start seeking opportunities outside the US, including in emerging markets such as India. However, she cautioned against assuming that foreign institutional investor (FII) movements directly dictate Indian market trends. She pointed out that historical data does not support the assumption that FII inflows always push markets higher or that outflows necessarily drive markets lower.