

'As Economic Growth Accelerates Stocks And Sectors Linked To The Domestic Economy Would Do Well'

Anurag Jain is an investment professional with over 15 years of extensive experience and has been with Canara HSBC Oriental Bank of Commerce Life Insurance Company for more than six years. In his earlier stints he has worked with Kotak Mahindra AMC, IDFC SSKI Securities and SBI Mutual Fund. Prior to his current role, he was heading Equity investments at our company. Anurag has played a key role in strengthening the company's Fund Performance with the objective of maximizing shareholder and policyholder return. He leads a team of highly qualified and motivated fund managers and analysts. The company has delivered strong and consistent fund performance across all unit-linked portfolios and demonstrates strong CAGR outperformance over benchmarks.

A Chemical Engineer with a Post Graduate in Management from Indian Institute of Management (IIM), Calcutta by qualification, he is amongst the highly respected fund managers in the country. In conversation with **Dominic Rebello**, he explains how investments can best be made...

A little background about your company and yourself?

Canara HSBC Oriental Bank of Commerce Life Insurance Company was launched in June 2008 and is jointly owned by two of India's largest public sector banks – Canara Bank (holding 51%) and Oriental Bank of Commerce (23%) – and HSBC Insurance (Asia Pacific)

tors are also favorable. Hence, as economic growth accelerates stocks and sectors linked to the domestic economy would do well over the next few years. We also believe that there are sustainable long term undercurrents in the economy 'shift from the unorganized to the organized sector', clean-green India and shift from physical to financial sav-

successful?

Markets are volatile by nature and hence, not getting swayed by short-term volatility in stock prices is the single biggest lesson learned. Belief in fundamentals and backing the right management over a long-term period leads to superior value creation. In all cases, sustainable return from stocks follows the profits of the business.

Our success mantra is disciplined & structured approach of doing research and investing. It includes undiluted focus on fundamental research to identify quality businesses with clean managements that will create sustainable value for the shareholders. We employ great rigor and effort in identifying good companies and businesses and holding on to those investments for long periods. The objective is to build a portfolio of companies that will grow and become big over time and in the process generate

superior returns.

Any final words?

Investment should always be looked at from a long term perspective and not from short term gains. Backing the right management and patience for the long-term is something which, we believe would make an investor successful and investing a very rewarding experience.

What is your take on the current market scenario?

Equity markets as well as commodities have moved up in anticipation of growth recovery globally even though interest rates are also moving up. Sentiments are strong both globally as well as in India. The underlying fundamentals however, are yet to catch up. Markets are likely to stay firm as long as sentiment is strong and positive. Any corrections in the markets will be used as buying opportunities.



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Holdings Limited (26%), the Asian insurance arm of one of the world's largest banking and financial services groups – HSBC. The Company has access to around 60 million customers and a pan-India network of over 9000+ branches of Canara Bank, HSBC and Oriental Bank of Commerce.

By selling through the three banks' branches and seeking to seamlessly integrate systems and processes to reduce costs, Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited aims to pass on the savings to customers through lower charges thus making the Company's products among the most competitive and accessible in the market.

Which are the sectors that are likely to outperform the markets?

We are positive on the Indian economy and believe that the economy is emerging from a cyclical downturn and macro-economic indica-

ings that would also drive growth in the economy.

Where do you see the Indian markets five years down the road? Any number for the Sensex in 2018?

Over the long term markets follow earning growth of companies and move in tandem. Indian economy is emerging from a cyclical downturn and macro-economic indicators are favorable with inflation and fiscal deficit under control, interest rates are also low. Five years is a long time and progressive improvements in small steps are our expectation from the Government. We believe that sustainable growth recovery is around the corner though the pace will be gradual. We expect GDP growth to accelerate over the next few years which would drive earning growth for Indian companies. This augurs well for the equity markets.

What makes a trader/investor