Best Investments for 2015

17th Jan, 2015

Global prices of most of the assets like oil, metals, as well as real estate have been falling and are expected to remain in downward trend during 2015. During such period of asset contraction, few investment options will offer good returns. We expect well established, financially sound, consumer products businesses to outperform markets based on the following factors –

- Indian economy is expected to perform well during next decade and rising income levels coupled with increasing urbanization and lifestyle changes will lead to massive rise in demand for consumer staples as well as durables.
- Companies in businesses of producing for masses and focusing on essential goods will fare better than luxary or premium goods producers.
- During the next decade, an immense proportion of India's rural population will shift to cities, creating huge demand for FMCG, consumer durables, services, sanitation, processed food, utilities, healthcare, education, stationary, automobiles, and clothings. These are the industries that would benefit in long run.
- The best stocks in these industries would be those that have long history of sound financials, high and consistant dividends, innovative products, strong distribution network presence, strong price or quality edge, well entrenched brands, and highly competent management team. We would be analysing some of such stocks in our forthcoming research notes.

Recommendations:

Existing investors should hold equity investments and any dip should be used to buy. Investors should add blue-chips, FMCG, infrastructure and healthcare focused mutual funds in their portfolio for long term higher returns.

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