

BJP has stated that it is a pro poor as well as pro market party and believes that reforming markets will lead to a better economy and more jobs that will help in eradicating poverty. But how it achieves this will decide the fate of economy as well as markets.

There are some big positives for Indian economy that BJP can use for betterment of growth – the crash in oil prices and consistently falling commodity prices have resulted in a massive savings in the import bill of government and many industries have benefitted from low input costs. This saving can be channelized for boosting growth; government can infuse funds in stalled infrastructure projects to revive economy. How government utilizes this savings will be a big deciding factor for markets.

The main problem faced by industries today is lack of demand, and there is no immediate solution available for that. In the long run, demand will be revived if capital investment rises and jobs are created leading to higher income and rising demand. Investors need to watch out the budget for steps taken on job creation, controlling fiscal deficit, rationalizing subsidies, limiting defense expenditure, improving business environment, and boosting SMEs.

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