

Enrichmentors Wealth Builder Advisory



The application of concepts for building wealth
Which asset class to invest today? Which to exit? How?

December 2013

What is in this Issue From The Editor's Desk

Arun Singhal is the Founder and Principal Mentor & Managing Partner of Enrichmentors India. He founded Enrichmentors in 2007 to help individual investors build their wealth successfully in addition to providing business consultancy to Small and Medium Enterprises. He learned about building wealth successfully from his personal experiences in debt and equity markets in India over these years and now offers advisory services to individual investors about how to build their wealth by investing right in Debt and Equity markets in India now. He received his AMFI certification in 2011 and is an authorized mutual fund distributor for all the mutual funds. He also teaches Wealth Management at IIPM. He operates out of his office in Mumbai and can be contacted at arunsinghal@hotmail.com.



Dear Reader,

We talked about the investment strategies during November in the last issue including what are the right asset classes to invest in November as on End October 2013.

During the month of November, the equity market remained in the range of 6300 and 6000 NIFTY after touching a new life time high of 6343. While the trend in the equity market is on the rise, there are uncertainties about it remaining at these levels as these levels are driven by higher liquidity in the international market and weakening of the Rupee over last one year. The fundamentals of the economy are still too weak with no clear measures in sight that gives confidence of a recovery. The turning point could be a favorable change of local government in the elections in the state assemblies and center.

The Debt Market also remained range bound with bond yields remaining around 8.7% in spite of touching a high of 9.1%. The bond prices will remain low in the short term with rise expected in the long term after a favorable change in the interest rate.

Gold dropped further from Rs 2600 per gram to Rs 2500 per gram during the month and remained at Rs 2600 per gram making it attractive for investment

With these changes in the prices of these asset classes

- Should you continue investing in Gold at Rs 2600 per gram and Equity at NIFTY lower than 5670?
- Exiting from Equities partially when NIFTY is above 6500 to invest in Gold & Debt
- Holding your investments in Property, Debt, Insurance and Equity when NIFTY is between 5700 and 6200?

Or should you change these overall strategies? Which ones should you change ? Which ones should you continue?

I will answer these questions again for you in this issue so that you can take right decisions.

Hope you will find this advisory useful in building your wealth! Please do contact me any time if you have any question during the month. Happy to help !

Building Businesses, People, Health & Wealth successfully over 30 years

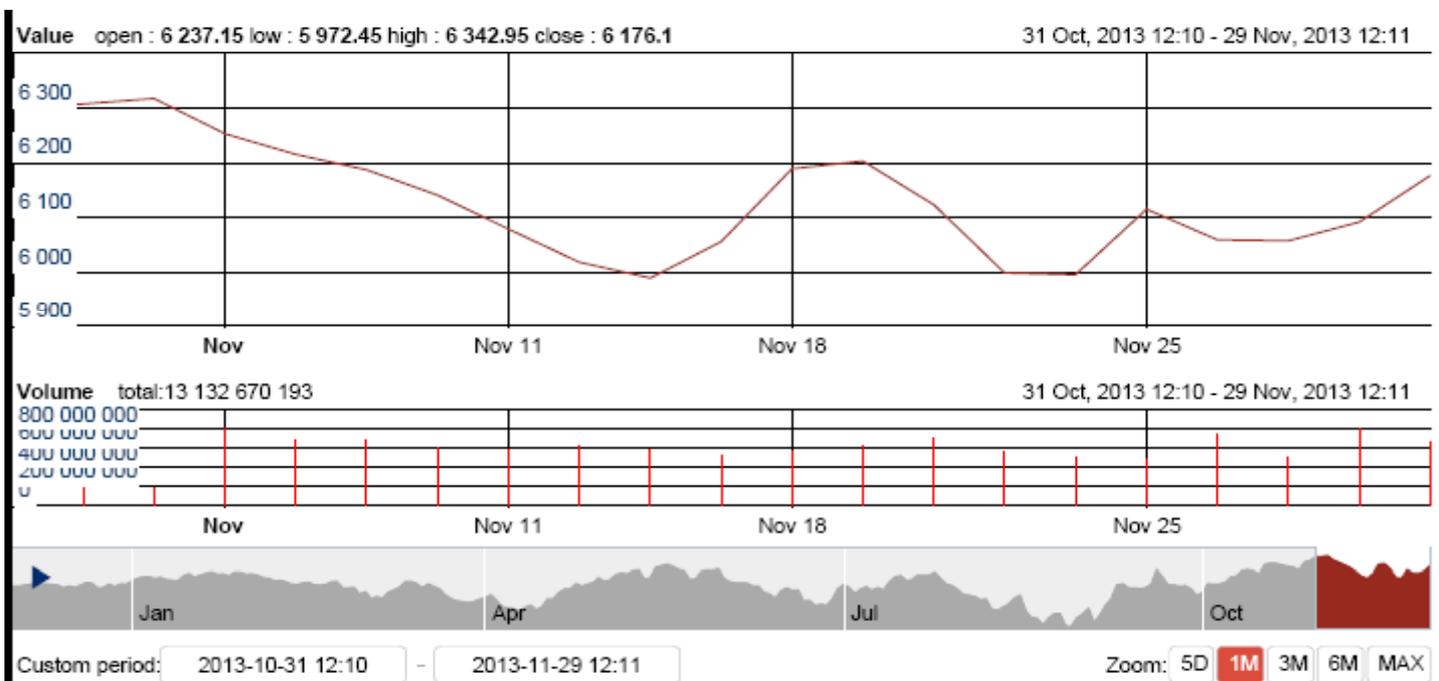
The application of concepts for building wealth Which asset class to invest today? Which to exit? How?

This wealth builder advisory attempts to answer the following questions.

- *What should be your strategy today for building wealth?*
- *What asset classes should you invest now? Why? How?*
- *What assets classes should you exit? Why? How?*
- *What asset classes should you hold? Why? How?*

What should be your strategy for building wealth today?

Equity market remained in the range of 6300 and 6000 NIFTY after creating a new life time high of 6343 driven by international liquidity and expected change of a better government locally.



The equity market is still at a fragile position lacking the support of strong local fundamentals. That makes any further investment in equity quite risky till we see some sound economic recovery or measures by the RBI that can stimulate the investment for the economic recovery.

Till then the Indian Equity Market is at the mercy of the FIIs who may continue to buy Indian Equities as a result of higher international liquidity and weaker Rupee. The results of the assembly elections will also add a twist.

The time for investors like you is to stay cautious and make further investment only on significant drops. If the FIIs buying or favorable election results further pushes the equity market, it will be good time to take profits partially again like done at 6200 NIFTY

So the roller coaster ride of equity market is at a high end and you need to have the patience to invest back into it!

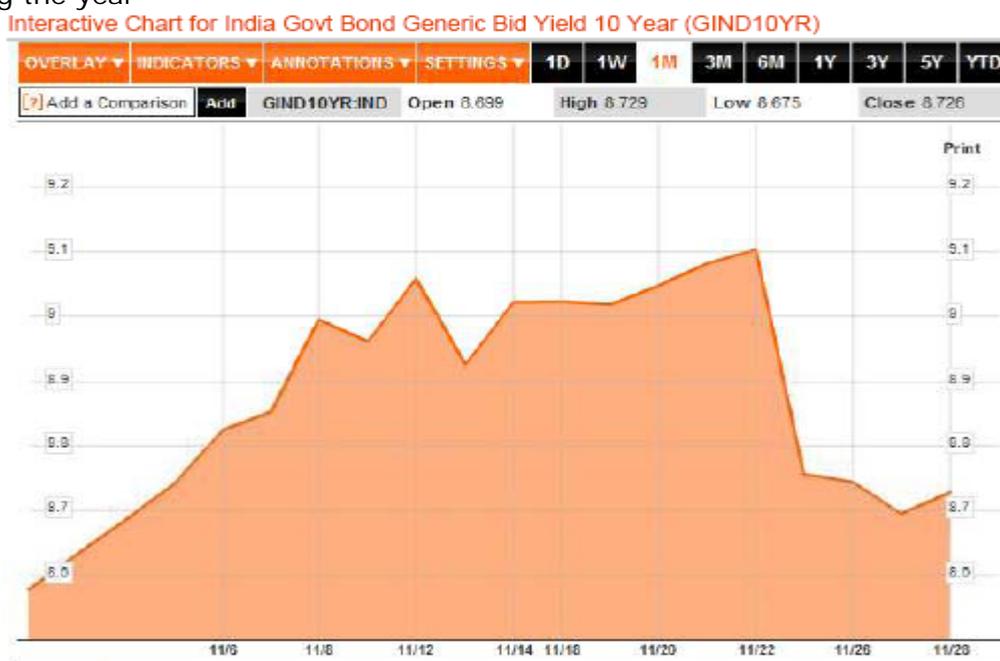
The application of concepts for building wealth Which asset class to invest today? Which to exit? How?

This wealth builder advisory attempts to answer the following questions.

- What should be your strategy today for building wealth?
- What asset classes should you invest now? Why? How?
- What assets classes should you exit? Why? How?
- What asset classes should you hold? Why? How?

What should be your strategy for building wealth today?

Debt Market also remained range bound starting with Bond yields dropping to 8.73 after a reaching a high of 9.1 during the month from 8.68. With no immediate reduction in interest rates, Bond prices will remain low in the short term with possibility of moving up during the year



Gold dropped further from RS 2600 per gram to Rs 2500 and stayed at Rs 2500 per gm which is much lower than the high of Rs 3100 per gram.



So Gold and Debt continue to remain attractive asset classes to invest back.

Building Businesses, People, Health & Wealth successfully over 30 years

The application of concepts for building wealth Which asset class to invest today? Which to exit? How?

This wealth builder advisory attempts to answer the following questions.

- What should be your strategy today for building wealth?
- What asset classes should you invest now? Why? How?
- What assets classes should you exit? Why? How?
- What asset classes should you hold? Why? How?

What should be your strategy for building wealth today?

Given the above situation today what should be your overall Wealth Building Strategy

	Invest	Exit	Hold
➤ What should to invest into	Equity in staggered manner at NIFTY levels of 5700 and below	50% of Gold at Rs 3100 per gm	Debt, Property, Insurance
➤ What should you exit and	Gold at current prices of Rs 2500 per gm and lower in staggered manner	Debt for investment in Equity and Gold	Equity till 6500 NIFTY
➤ What should you hold	Surplus Cash in Debt	50% of Balance Equity at 6500 NIFTY	Gold till Rs 3100 per gm

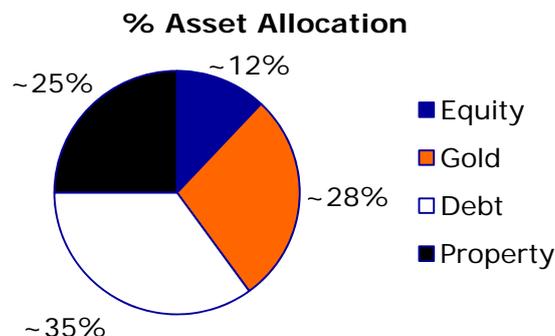
Equity markets are at a point of requiring holding till 6500 NIFTY if you have done the 50% profit taking at 6200 NIFTY. At 6500 you can again take profits from the 50% of the Balance holdings. You should think about investing back in equity only when it drops to 5700 NIFTY.

Gold continues to be good for building your holdings at Rs 2500 per gram. Continue buying at every 5% drop from here on. Sell 50% of your Gold Holdings when it touches Rs 3100 per gram again

Debt funds are also good to invest with the bond prices at a low and expected to rise with the reduction in interest rates within a year.

You can continue to hold your investments in Property, Insurance and Debt after making the required exits for investments into Gold.

I would recommend the following Asset Allocation at the current levels of Equity, Debt and Gold prices



So the overall strategy will be to switch from Equity to Gold and Debt at current levels if the equity market moves up further. Pls email me if you have any specific queries, Happy you help!

Building Businesses, People, Health & Wealth successfully over 30 years