

# My stints in share market investment

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My first stint in share market investment started with my investing in the employee quota of IOB's Initial Public Offer (IPO) in 2000. My first daughter also eagerly subscribed to the IPO. Then I purchased some more shares in Follow on Public Offer of IOB in 2003 but later all of them were sold in 2004 for meeting some urgent domestic expenses. Thus, the stint was synonymous with dealing in IOB's shares between 2000 and 2004.

My second stint in share market was in 2008. I decided to invest in shares during the global meltdown. I arrived at a set of principles for my investment ventures and I recorded them in the first page of my investment book. After following up the market for a while, I shortlisted a set of favourite scrips and was studying their behaviour. I decided to invest through an investment firm. I opened demat account with IOB, a depository participant of NSDL depository.

I had observed and waited so much for my plunge into the market that my first day of investment in October,2008 happened to be the day on which Sensex fell by the highest percentage for the season! And the irony was that the steepest fall in the share prices occurred on that day after my investment in a handful of shares!! At the end of the day my investment value was two third of the investment I made in the morning!!! I never minded because my purpose was for long term gain.

Then for the next three months I was continuing the investments till I reached my target amount. I used to call the official of the investment firm from my kitchen in the morning amidst my cooking and hurry to start for office. The official, Rajeswari madam, used to take my preferences from her kitchen to execute later in the day after market reopens. My price preferences were based on my observations of the trend in the previous days. When my target prices narrowly failed or overshoot much, I used to think how gainful it would be to exercise spot discretion in an online trading. During the period, I ensured to possess as many IOB shares as I sold in 2004.

After a few months, the market started picking up steadily. And in just sixteen months, in February, 2010, I observed that my investment grew in value by 90 percentage. So, I thought of realising the amount needed for closing my loans against LIC policies and started giving instructions to Rajeswari madam again amidst cooking, this time for selling. I left the remaining investment as such and didn't do any trading after that, for the time being.

My third stint in share market was after my voluntary retirement in July, 2010. As our IOB didn't have online trading facilities then, I opened a trading account with SBICAP Securities Ltd (Sbicapsec), the broking arm of the State Bank Group. I had to open a SB account with State Bank of India and a demat account with CDSL as the broking firm was a depository participant of CDSL depository. Now that I had free time, I started studying the market and I was eagerly waiting to do a little bit of online trading as it appeared so attractive compared to back office trading. After my brief visit to my second daughter's home in USA, I settled down in my home in Chennai in November, 2010. It was boom time in the share market then and I disposed of the shares which had skyrocketed.

Dealing in the market during the boom period was not easy for me. The earlier gain of 90 percentage in a short period of time in February, 2010 hadn't pricked me as it was used to close my loans against LIC policies. Those loans had magically appeared and were enhanced frequently, to make both ends meet, amidst my husband's earlier business ventures. So, I thought God has shown me a way to dispose them off magically too, out of share market gains. But now that I did not have any loan commitments after my retirement, I could not settle down for any abnormal gain happily. Either I reinvested the amount in some other shares or devised a distribution strategy to share the gains with needy. Needless to say that, in the boom market, the new shares I bought were also at inflated prices.

Then the market started oscillating. Though at first, I ignored it telling myself that my purpose was for long term investment, after two or three wide price fluctuations in my holdings, I could not simply sit innocently. That prompted me to sell the shares when the price was high and buy them when the price was low, which meant investment of considerable amount of time. For my scales, that much of time was not worth spending. Neither my purpose of investment was for making money in share trading nor did I want to take much risk on my hard earned money. I kept the outlay as of February 2010 as fixed and was squaring

off the online sales and purchases amounts throughout the period. This should have added value to my holding normally. But my holding value started dwindling amidst some nosedives in the market. Ultimately, when Foreign Institutional Investors made record withdrawals from Indian capital market in 2012, the position was dismal. The worst declines were in my public sector portfolio. My investment value as of February, 2013 was just two third of what it was three years back. Part of the gains made by back office trade through Rajeswari madam was lost in online trade! Then it really struck me that I was whiling away my free time. I quickly sold all the shares except my sentimental IOB shares and closed all the accounts related to the online trading in Sbicapsec in May 2013.

My fourth stint started in April, 2019, when I was so much carried over by the advertisements on Systematic Investment Plans, that is investing certain amount on a fixed date every month so that risk is purportedly averaged out. This time, IOB had on line trading facilities in association with one brokerage house by name SMC Global. I opened trading account with SMC Global. My plan was to invest a few thousand rupees in shares every month on my son's behalf from the quarterly simple interest of his deposits in India. As I was managing those deposits, I avoided Reinvestment deposit plans due to prevailing low interest rates and wanted to invest the interest amounts in shares, to keep the investments in a hybrid nature.

I handpicked the shares after study. I was continuing the monthly investments. The online trading in IOB – SMC Global platform was as seamless as it was in Sbicapsec.

After I jumped into the fray only, the macro factors influencing the market became clearer. The BS IV emission standards and the imminent possibility of launch of Electric Vehicles in large scale ailed the automobile and allied industry. NPAs and bank frauds ailed banking industry. The proposal to increase the minimum public shareholding in listed firms to 35 per cent from 25 per cent were pushing down the prices in the secondary market, as many multinational and information technology companies with high promoter holdings were expected to come out with FPOs. The low performance of Chinese economy and the tension between China and USA added to the volatilities of the market.

The indices were oscillating by more than ten percent in a short period of time. When indices lost by a percentage and regained by the same percentage, my shares hadn't rebounded to the original prices and most of the times they took a haircut! I realised that my

innocence for investing and forgetting, with focus on long term investment, was lost once and for all with my previous stint. It seemed that the market was playing a sort of round robin among certain shares and it made me wonder whether that was the result of some algorithmic trades. I hadn't relished the investment remaining significantly diminished in value from their original outlay for long periods of time frequently as I was not sure of what would be their value when the money is required to be withdrawn. Also, as I was dealing with my son's hard earned money, I wanted to play doubly safe. I discontinued the monthly investments after four months. I started focussing on making good the losses. I made some trades taking advantage of the fluctuating prices and tried to bring down my cost of investment in individual shares. Then I made some cross trades like selling shares which were doing good and buying those not doing so good so that my total cost of investment was brought down. The time I had to spend was considerable with respect to my small scales of investment. At last, I could dispose of them all with a ten percent return per annum for my investment. I transferred all the money from the trading account to the SB account in February, 2020 and requested the broker firm to close the trading account. Thus, my final stint in share markets came to a close within a year as I realised that portfolio investment does not suit my outlooks. I am now happily holding only my IOB shares, proposing to hold them for life, with God's Grace.