

# [Bull run in indian equity market](https://assignbuster.com/bull-run-in-indian-equity-market/)

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We want your investment and future to be sustainable, Equity market is gaining day by day and so are your investments. Nifty and Sensex both hit a new peak on August 1, 2018 breaking all previous records, Nifty scaled a fresh high of 11, 378. 95 in opening trade and Sensex was trading at a record level of 37, 690. 23 ahead of RBI’s policy meet. The session saw a mix buying pattern from both Foreign Portfolio Investors (FPIs) -572 crore and Domestic Institutional Investors (DIIs) -290 crore. In April 09, 2014 Nifty was trading near 6, 800 while Sensex was trading at 22, 700. In span of about 4 years Nifty and Sensex have almost doubled, which brings the question

### How long this run is going to continue?

The defining feature of Indian Economy over 2014 – 2017 was based on the achievement of Macroeconomic stability. Taming of inflation and supported by controlled twin deficits – both fiscal as well as current account deficits. The Value of Rupees against dollar also somewhat remained stable and also the important reforms initiated by the government like Goods & Services Tax (GST), easing of FDI norms in various sectors, subsidy reforms and Financial Inclusion help the economy to grow at a faster rate and increase the tax base. Demonetization has also resulted in deluge of liquidity in system and thus driving interest rate lower. But in 2018 with increasing trade wars between China and US. The falling value of currency against dollar, increasing prices of crude oil at International level and the interest rate hike of US Federal policies are attracting the FPIs to take out their money from Indian market and invest in US Bonds. The valuation of market is also a big concern and there is a need for correction in the market. But as long as growth continues and earning cycle of companies improve, the money invested will grow but the stake is at high risk.