



CFA Society
India

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NEWSLETTER

DECEMBER 2018





Quotable Quotes



Finance is not merely about making money. It's about achieving our deep goals and protecting the fruits of our labor. It's about stewardship and, therefore, about achieving the good society.

Robert J. Shiller



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Message from the Board

Anil Ghelani, CFA

(Vice Chairman, CFA Society India)



My Dear Professional Colleagues,

Wish you a very happy and prosperous 2019 ahead!

For those who completed the CFA Program in 2018 and became members recently, after the Charter Felicitation Ceremony held across nine cities to celebrate your success, this newsletter might be the first formal engagement for you, so I would like to wish you a warm welcome to this unique professional platform.

The year gone by was like a roller coaster ride, a new ride that had not just one but multiple loops stacked together. The new ride got inaugurated just as new year greetings were being exchanged by two global leaders who were boasting about the size of the big red button on the desk in their offices. The war of words continued on Twitter but soon took a turn to blowing up into a full fledged global trade war. On the other hand, there was a sudden flare up in the crude oil prices. As companies and countries were just starting to come to terms with this surge, the year ended with an even more sudden movement which took crude to fresh yearly lows. Besides the global macro issues, there were some domestic macro as well as micro issues in India, due to which all key indices across equities, fixed income and currency markets saw prices fluctuating.

Looking ahead as we step into the election year in India, it is important to reflect on the fact that despite the uncertainties in the global context, India has seen a lot of very positive structural changes. These will go a long way in establishing India as one of the fastest growing economy. The importance of India in the world of the CFA Institute has also been increasing over time, which is evident from two events:

- 1) The APAC Society Leadership Conference of 2018 for the first time received additional chapter-level allocation of invitations for India which ensured a participation of volunteers from different committees across various chapters viz. Bangalore, Delhi, Chennai, Hyderabad, Mumbai and Pune. At this SLC, CFA Society India received one of the Society Awards for contributions to the APAC Research Exchange (ARX).
- 2) What we didn't see even once in the past 50 years, we are seeing it happening twice in a span of 5 years. In Jan 2019, we will see the second time that the global Board of Governors (BOG) of the CFA Institute will have their meeting hosted in India.

The month of Jan 2019 will also see the 9th year of the annual marquee event of CFA Society India – India Investment Conference. Over the past decade, the India Investment Conference has

evolved as one of the premier platform to listen to and exchange pragmatic investment ideas, innovative strategies and forward looking insights from international and local experts. The other marquee annual event Value Investing Pioneers Summit hosted in Delhi, saw a huge success with a full house at the venue and a high quality video recording of a few sessions for members post event. Besides smaller format monthly speaker events, other annual features which have gained prominence are Fintech Conference in Bangalore, Financial Talent Summit in multiple chapters and Wealth Management Conference in Mumbai.

I always remind everyone - we are an organization driven by volunteers. I would like to take this opportunity to personally thank all my fellow volunteer colleagues across nine chapters and the staff members who work tirelessly to make our events and various other initiatives successful. We will continue to work towards increasing member value by providing a robust platform for knowledge enhancement, networking and professional development. One noteworthy development in the last year was of launching the CFA Society India Career Portal. This portal provides employers in India free access to a very segmented and relevant talent pool since it is open only for the community comprising of CFA Charter Holders and candidates of the CFA Program. We have seen an encouraging growth in the number of successful hiring for diverse roles across various segments of the financial services sector. Since this is a closed group portal, many senior professionals have posted their profiles on this portal for any potential roles, even though they might not be actively seeking new jobs.

Collectively, we aim to continue working towards the common mission of the CFA Institute to lead the investment profession globally by promoting the highest standards of ethics and professional excellence, for the ultimate benefit of society.

I look forward to engaging with you in 2019.

Best regards



Cover Story

In The Balance: Global Trade Wars and their Impact on the World Economy

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“No nation was ever ruined by trade”

- Benjamin Franklin, 1774

Introduction

The theme of the 9th India Investment Conference— “ Investing insights for Uncertain times.” — is especially relevant today. As the new year begins, world financial markets are still shell shocked from the year's bloodbath in stock prices. A leading financial publication reports that collectively global equities have lost a soul crushing \$13 Trillion in market capitalization. The report adds that this erosion in value amounts to the cumulative market capitalizations of China, Japan and India combined. This time the US and China together have accounted for nearly 50% of the drawdown. The report goes on to suggest that the fall appears to have sounded the death knell for the decade long bull run in equity markets. The descent from grace has been especially steep for the US equity markets, with the Dow Jones losing thousands of points from its record high made in October 2018. At the time of writing, both the Dow and S&P 500 have endured their worst December since 1931, while NASDAQ is languishing in bear territory.

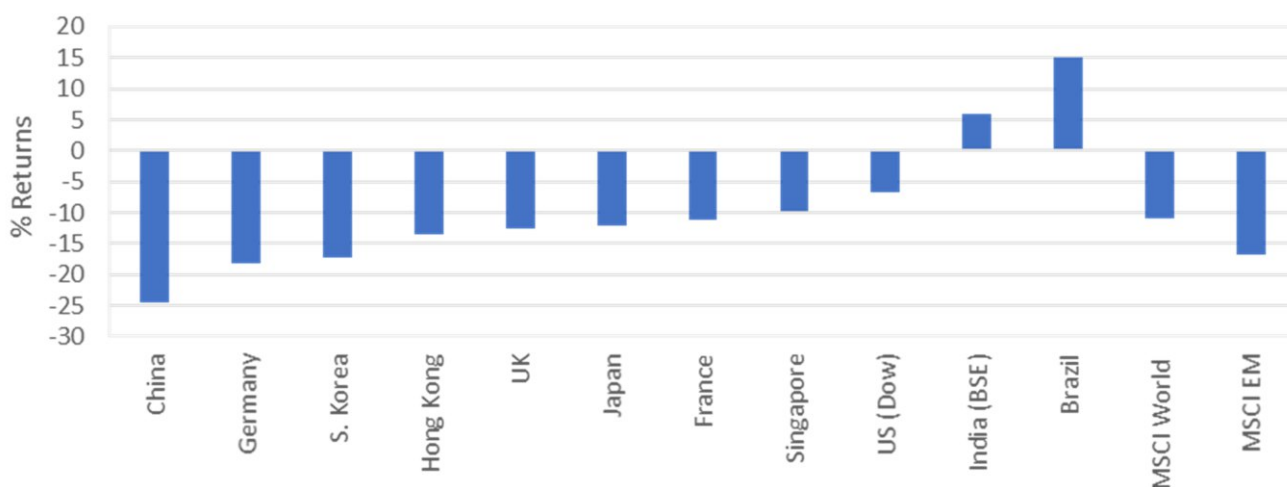


Figure 1: Returns for Major Global Markets in 2018; All figures in Percent
(Source: Authors' construction using data from Bloomberg and Economic Times)

As the previous figures indicate, the panic in financial markets has been broad and extensive. What could have triggered this selling frenzy? Could it be just the latest instance of John Maynard Keynes' famous "irrational markets" hypothesis? Or is it symptomatic of a deeper malaise? The reasons are not far to

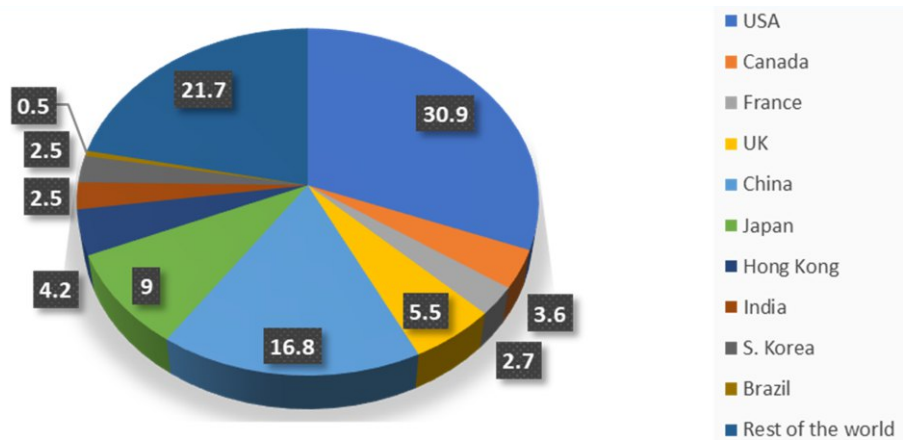


Figure 2: Contribution to Decline in Global Market Capitalization 2018; All figures in %
 (Source: Authors' construction using data from Bloomberg, MarketWatch and ET Intelligence)

seek. In this case, the markets appear to have been spooked by growing fears of a full-blown trade war between the US and China- the two largest economies in the world. Such fears have gained momentum in the aftermath of Donald Trump's meteoric ascent to the US Presidency and his vitriolic pronouncements against free trade. Indeed, taking note of such concerns, the OECD has predicted that any trade war will depress global GDP growth, which is projected to decelerate significantly in 2019. We investigate the causes and consequences of a spiraling global trade war and its impact on the world economy.

Blast From The Past: Protectionism in 1920s America

The 1920s were a decade of economic prosperity, known as the Roaring Twenties. During this period the US economy shifted into top gear. Electrification, the assembly line and mass production transformed the face of US industry. This period witnessed the large-scale development and use of automobiles, telephones, motion pictures, radio, and electrical appliances. But dark clouds were lurking, principally in the form of Senator Reed Smoot of Utah, a staunch proponent of high tariffs. He would go on to earn perpetual infamy as the mastermind and lead sponsor of the much maligned Smoot-Hawley Tariff Bill, which was signed into law by US President Herbert Hoover in June 1930. The Smoot-Hawley Tariff Act of 1930 signalled a tectonic shift in US policy towards isolationism, the cherished dogma of interwar America. The Act raised US tariffs to their highest levels in 100 years. Altogether, tariffs were hiked on over 20,000 imported goods by nearly 20% on average. Within the next few years, a global race to the bottom was sparked off, as other countries enacted similar tariff policies. The delicate fabric of global trade was irrevocably damaged during the Act's tumultuous four year reign. Following retaliatory measures by America's trading partners, US trade plummeted by more than 50%, and global trade shrank by a similar figure, even as US unemployment skyrocketed to 25%. This Act rang the death knell for US trade and commerce and accelerated the US economy's downward spiral into the Great Depression. In the dark days ahead, this Act effectively impoverished an entire generation of Americans, infuriated America's allies, exacerbated an economic depression that would last beyond the next decade, and sowed the seeds for the rise of Hitler and the Second World War. As former President Ronald Reagan lamented, "We lived through a nightmare!"

Dawn of Neo-Protectionism: Trump's Tariff Wars

Today we are living in an era of change. But as Jean-Baptiste Alphonse Karr said- the more things change, the more they stay the same. The spectres of Smoot and Hawley have long haunted US policymakers. Despite this, the modern day torchbearers of Smoot and Hawley are at it again- crying hoarse over tariffs and instigating trade wars. Donald Trump- easily the most protectionist American President since Herbert Hoover- has left the US staring down the barrel of an escalating global trade war, and mutually assured destruction, in the name of "putting America first". Trump's aggressive vision of prioritizing and defending American interests can be dubbed Neo-Protectionism, which is taking the US close to yet another manufactured crisis. Sample Trump's recent tweet, "We are either going to have a REAL DEAL with China, or no deal at all". This points to a take no prisoners approach, which is often the shortest path to a fabricated crisis. This crisis appeared to have reached a culmination in December 2018, when Canadian authorities, acting at the behest of the US Federal Government, arrested the Chief Financial Officer of a leading Chinese technology firm. China reacted furiously and warned of "further action". President Trump has kept the markets on their toes, targeting an eclectic mix of products ranging from solar panels and washing machines to steel and aluminium from most countries. The White House has already slapped a quarter of a trillion dollars' worth of duties on Chinese goods, promising tariffs on an additional \$267 billion if China does not change its practices. In terms of controversy, if not content, Trump's tariff wars have been nothing short of prolific. A leading Wall Street investment bank has estimated that Trump's tariffs, as of 2018, covered less than 5% of US imports. The tariffs appear to have succeeded mainly in provoking the US' trading partners, which have imposed retaliatory punitive tariffs on US goods. Canada and China have already retaliated, with the latter imposing duties on about \$110 billion in US products.. Other countries are concerned about the consequences of a trade war. The evidence shows that such fears are well founded. On his third day in the White House, Trump withdrew the United States from the Trans-Pacific Partnership saying that the agreement would "undermine" US economy and sovereignty. Trump has also been vocal about terminating the North American Free Trade Agreement with Canada and Mexico.

Beggar Thy Neighbour: Trump and NAFTA

NAFTA: Trump has made it clear he wants the US to withdraw from NAFTA. According to the US Chamber of Commerce, this could imperil nearly 2.6 million American jobs. But Trump brazenly tweets "Trade wars are good and easy to win".

Mexico: Despite being a small economy it is one of the largest importers of US goods, second only to Canada. Mexico has imposed revenge tariffs on US imports, which are expected to hit the US hard. Trump's open prejudice against Mexican people hasn't helped, as seen by his stubborn insistence on building a wall across America's southern border.

Canada: Relations between the US and Canada have reached their nadir under Trump. Canada has also invoked tariffs on US imports, leading Trump's team to remark that there is a "special place in hell" for Canada's prime minister Trudeau.

Bull In The China Shop: Trump and China

Recently President Trump and President Xi agreed to a standstill agreement to lessen the impact of trade tariffs until March 2019. The global markets heaved an audible sigh of relief at this temporary truce. But essentially the two leaders have merely postponed the inevitable by kicking the can down the road into 2019. Any gains from this can only be evanescent, given the largely intransigent bilateral negotiations between the trans-Pacific behemoths. Trump followed up this diplomatic offensive with a tirade of tweets, pompously announcing “I am a Tariff Man”. But ironically President Trump’s “bull in the China shop” approach seems to be working. Recent signs point to a thaw in relations. First, China is making conciliatory gestures to Mr. Trump, by resuming purchases of US soybeans and announcing tariff cuts on US auto imports. Second, China seems to be distancing itself from its ambitious “Made in China 2025” plan- a template for transforming that nation into a manufacturing powerhouse- which was regarded warily by other nations. And last but not least, China is opening up its economy to foreign firms- like Tesla, UBS, ExxonMobil, etc- and cracking down on Intellectual Property Rights (IPR) violations, a long pending demand of foreign firms. Whether these measures prove sufficient only time will tell, but the first round in the trade war seems to have been won by the self-styled “Tariff Man”.

Enter The Dragon: China and The WTO

Until the 1970s, China was a Soviet-style centrally planned economy dominated by agriculture and isolated from the global marketplace. After Chairman Mao’s death, Deng Xiaoping steered China toward a more progressive future with sweeping economic and political reforms, which opened China to foreign investment and global markets. Riding this wave of progressive reforms, China quickly emerged as the fastest growing economy in the world, and entered the WTO in 2001, an event which changed the face of world trade forever. As Figure 3 reveals, US imports from China increased gradually at first, prior to the latter’s entry into the WTO. Post that milestone, Sino-US trade

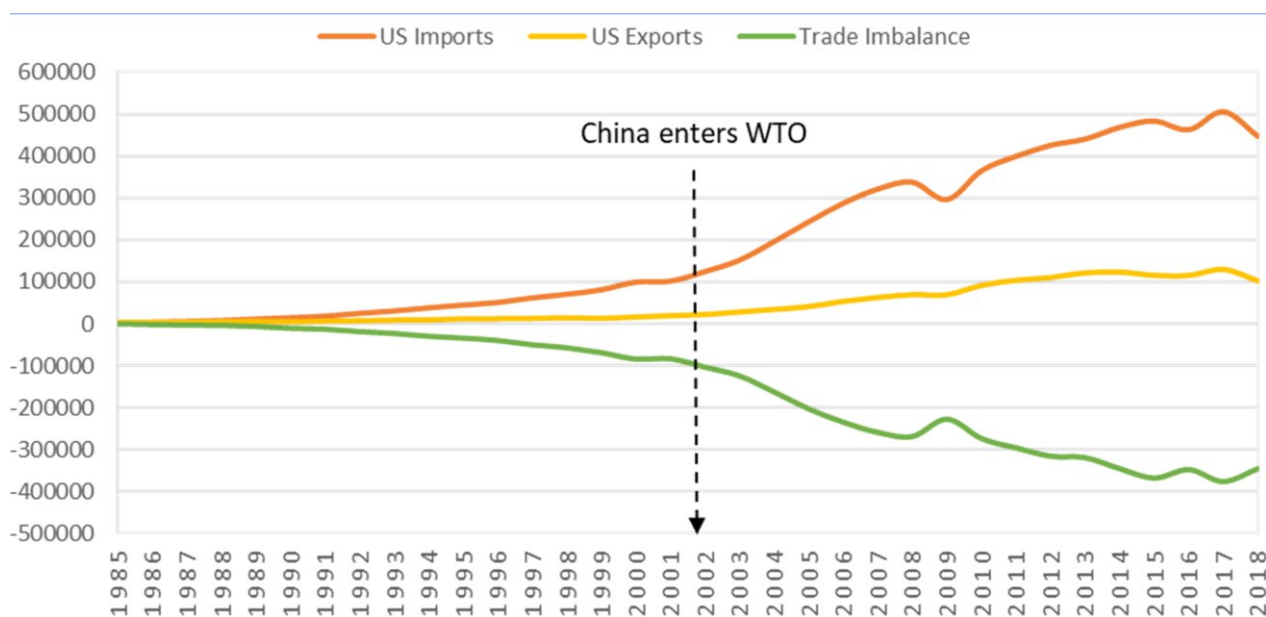


Figure 3: Evolution of Sino-US Trade Relations, 1985-2018
(Source: Authors' construction using online data from US Census Bureau Database)

levels have zoomed exponentially, nearly quintupling between 2002 to 2018. The figure emphasizes the US' growing dependence on China as a trading partner, a relationship without parallel in the history of world trade. The WTO has been dominated since its inception by the developed nations, primarily US, to pursue their selective agenda. China and emerging markets have been systematically targeted by WTO for flouting its rules. As the US' trade deficit with China spins out of control, this is the root cause of disgruntlement for opponents of free trade, chief among them being President Trump and his coterie. This brings to mind the Chinese Proverb, "When the winds of change blow, some people build walls and others build windmills". President Trump's instinct is to build walls- either physical or metaphorical- and resisting change whereas China has focused on harnessing change for productive purposes.

Bridges To Cross: Sino-US Trade Relations

As Scottish guitarist David Russell said, "The hardest thing in life is to know which bridge to cross and which to burn". Initially, China retaliated against the tariffs imposed by US but it cannot be expected to keep it up for very long, due to the structural imbalance in bilateral trade outlined above. China might not be able to reciprocate the tariffs imposed by the US, but it certainly does have other ammunition up its sleeve. China still owns an eye-watering \$1.14 Trillion worth of US Treasury securities, a world record. This leaves the US economy vulnerable to China's retaliation as well. Should China start "burning bridges" by dumping its hoard of US Treasuries to settle scores, the consequences would be catastrophic for everyone. Most of China's growth in the last decade was fueled by exports. The exports to US alone have increased consistently by nearly \$200 Billion over the past decade. Thus, any tariff on such exports will impact China adversely. Not only China, tariffs may impact other economies as well, as most of the world markets depend on China to meet their local demand. In fact, China has been the de facto shop-floor of the world for some time now. Its advantages of cheap labor and manufacturing at competitive cost have helped it dominate the global markets for the last couple of decades.

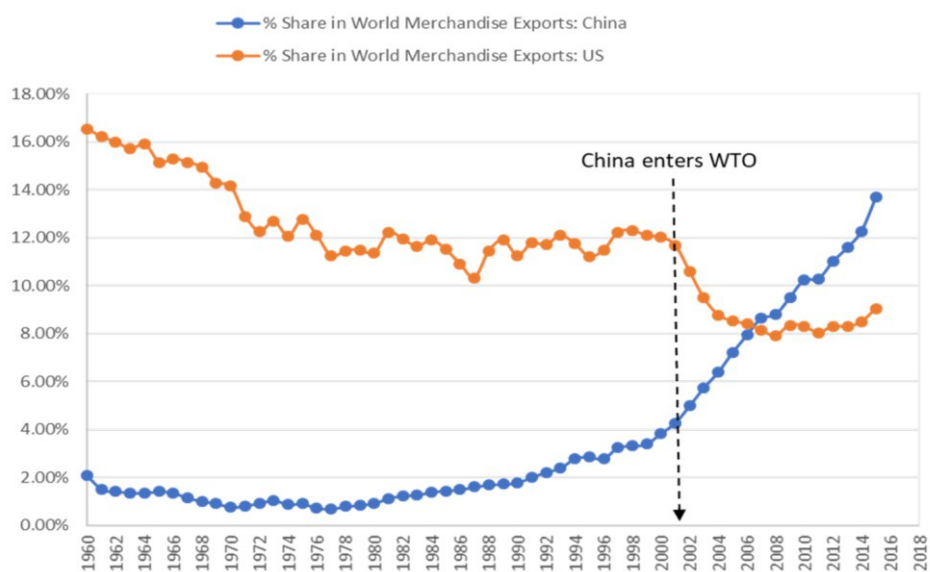


Figure 4: Shares in World Merchandise Exports, China and USA
(Source: Authors' construction using online data from World Bank WDI)

As shown in Figure 4, China's share in world merchandise exports has skyrocketed post that country's induction into the WTO. It promptly overtook the US in terms of percentage share of world merchandise exports. Initially, this was a win-win situation for both China and US, as many of the goods China exports to US are manufactured by US based companies. They export the raw material and import back the assembled goods. But this seems to be changing now, as the US wants a larger share of the pie. Other observers feel that there is more to this than meets the eye. The US and a few other European countries want to protect the transfer of high end technology where China has been lagging behind the Western nations. Some of these nations have already tightened limits on Chinese investment. Higher tariffs and investment restriction will not only delay the technology transfer which China is keen to acquire but also would impact China's economy severely as many of its companies are dependent on US or European markets.

Biting The Bullet: Trump and India

India is another example of a nation having positive balance of trade with the US. In 2017-18, India enjoyed a trade surplus of more than \$20 Billion with the US. Consequently it has also been targeted by Trump who, in October 2018, criticized India for being a "tariff king". Despite India having announced retaliatory tariffs on US exports more than 6 months back, it is yet to implement them due to ongoing negotiations with the US. Thus India remains the only major nation yet to retaliate against the Trump tariffs. As per the latest US Congressional Research Service (CRS) report, India is now increasingly willing to bite the bullet and impose retaliatory tariffs on nearly \$1 Billion worth of US exports. India's proposed retaliation is less than that of China, Canada and Mexico, but is at par with the EU and is significant nonetheless. India's tariffs are presently set to come into force by the end of January 2019. US exports like apples, walnuts, almonds, etc. are on India's radar at the present juncture. These items are therefore likely to get costlier.

First Among Equals: Trump and European Union

Trading relations between US and EU are among the oldest in the modern world spanning nearly seven decades. Together they are two of the largest trading economies of the world representing nearly 60 percent of world GDP, more than 33 percent of the trade in goods and 42 percent of the trade in services. Given this dominant position, it goes without saying that they dictate the world order and any change to either of these economies has a cascading impact. They have also had their fair share of disputes. However these disputes form only a small share of the bilateral trades (affecting about 2 percent of the trades) and never really threatened to affect the entire relationship. But the trade war between China and U.S. is probably one of those disputes that could create a paradigm shift in world trade. Will the US -EU relationship emerge unscathed out of this? That still remains to be seen. The blow-up over the Iran deal appears to be the last straw that broke the camel's back. Trump is testing and threatening Europe's foreign policy sovereignty like no other leader has. This has driven the EU officials to despair, to the point that Donald Tusk, European Council President felt compelled to tweet ""With friends like that, who needs enemies". Earlier any trade dispute between US and EU was resolved using soft power and negotiations. Both the parties were aware of the stakes involved and the common interests far outweighed the dispute in question. However, now with US taking a belligerent stand, and China emerging as a major

challenger to its hegemony, things have taken a different turn. China if pushed into a corner will probably bite the bullet and retaliate rather than take it lying down, which in turn could lead to a full blown trade war. Such a scenario would impact the world markets including Europe. Experts are pretty much divided on whether the trade war will benefit or hurt EU trade. Let's explore both the possibilities.

Positive :Some feel that the impending trade war between US and China is an opportunity for EU to consolidate its position in both regions. China with limited means may not have the wherewithal to retaliate without hurting its own development. This means China may have to search for alternatives, which seem non-existent at the moment. The only option probably is to get closer to EU. This would require it to open up its market which could create opportunities for industries within EU.

Negative : Others feel that the trade war could lead to a slowdown in global market which could negatively impact the industries in EU. European companies would suffer as they sell goods to both US as well as China. There is a realistic danger to the existence of some of the core industries like Auto unless they come up with radical solution to come out of this mess. One such case in question is that of Daimler and BMW that manufacture it's vehicles in US and export to China. With new tariffs being applied by China, this model could be unviable. Add to that US has put tariffs on aluminium and steel from many countries including EU. Such a situation if prolonged could result in widespread unemployment across Europe, thus making it a classic case of collateral damage in this war. Given the common interests and long history between US and EU, the latter might still want to team with traditional ally US and push China towards opening up its market and revising its policies on IPRs. However, if the U.S. continues to target its allies with tariffs on aluminium and steel along with auto, among others, it could push EU to form an anti-US (read 'anti-Trump') alliance.

Team Of Rivals: Trump and Japan

Japan is yet another country that has traditionally had a trade surplus with US. It currently has a cumulative surplus of \$69 Billion, which is less than 12% of total trade deficit of United States. It's a far cry from the peaks of late 1980s and early 1990s when Japan's contribution to deficit was more than 60%. Also, contrast that with Chinese contribution which stands at a whopping 63%. Does Japan really need to worry about the impending US-China trade war? The answer to this question lies in the not too distant past. Japan has had its own share of run-ins with the United States over the trade deficit in the late 1980s. The scars of the Plaza accord and the subsequent asset bubble leading to a period of deflation and low growth (often known as "Lost Decade") are still fresh. The Japanese will ignore the looming US-China trade war at their own peril. The trade war with Japan was at a much smaller scale, limited to the auto industry. With China it's more about IPRs which have wider ramifications. Moreover Japan lacked the political and economic clout to oppose the US. That is not the case with China which looks to replace US as the next superpower in future. At nearly 80% contribution to the trade deficit with U.S., Japan's auto industry seems to be the most likely casualty. It's a relatively soft target with Trump's rhetoric focusing on targeting anything that contributes to US deficit. However, experts believe that any such move could be counterproductive as US is likely to be eventual loser since it exports a large number of Japanese vehicles manufactured in American plants. Any retaliatory action by Japan will would leave a larger hole in the American pockets. A lot

of Japanese companies have their products assembled in China. Prolonged tariffs regime could push these companies to formulate an alternative strategy or even end their businesses in China. A prolonged trade war coupled with an unfavourable trading environment could push Japan to warm up to its traditional rival China.

Trade Wars Decoded: Impact of Tariffs

Impact on US Private Consumption Growth: As shown in Figure 5, US consumers would bear the maximum impact of the fallout in the form of inflation, as the prices of Chinese manufactured goods would be expected to increase substantially. American retailers' shelves are dominated by products such as apparel, footwear, gadgets, toys and other items primarily manufactured in China. A leading economic publication estimates US consumer price inflation overall to be nearly 1% higher in 2017, and 1.5% higher in 2018, compared with the baseline US forecast. Private consumption growth until 2021 would be far short of that in the baseline scenario.

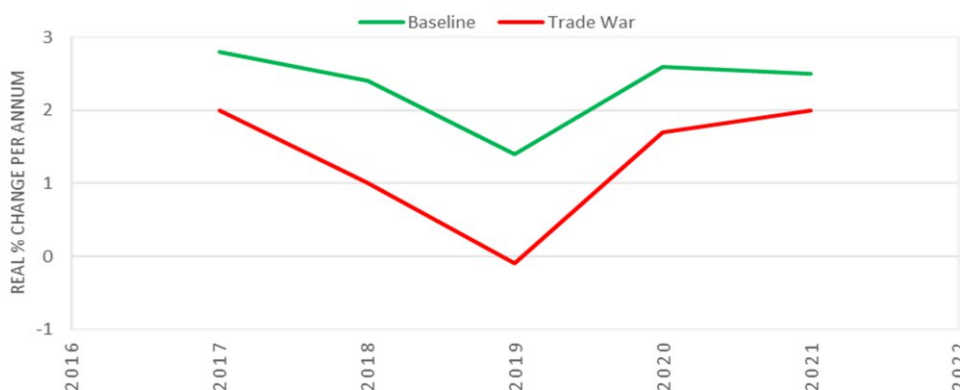


Figure 5: Private Consumption Growth 2017-2021, United States
(Source: Authors' construction using online data from World Bank WDI & The Economist projections)

Impact on China's Private Consumption Growth: Figure 6 shows the impact on Chinese consumers will be limited, at best. The main reason for this phenomenon is China does not depend on US imports for consumer goods, apart from a few luxury items. Also, private consumption growth in China is in a state of general decline, and trade wars would only slightly dampen demand in the already-slowing economy. Figure 6 implies that China would find it far simpler than the US to engage in import substitution for the affected products. This will be much harder for the US to achieve, as it needs to find an alternative source of cheap consumer goods to replace their Chinese counterparts.

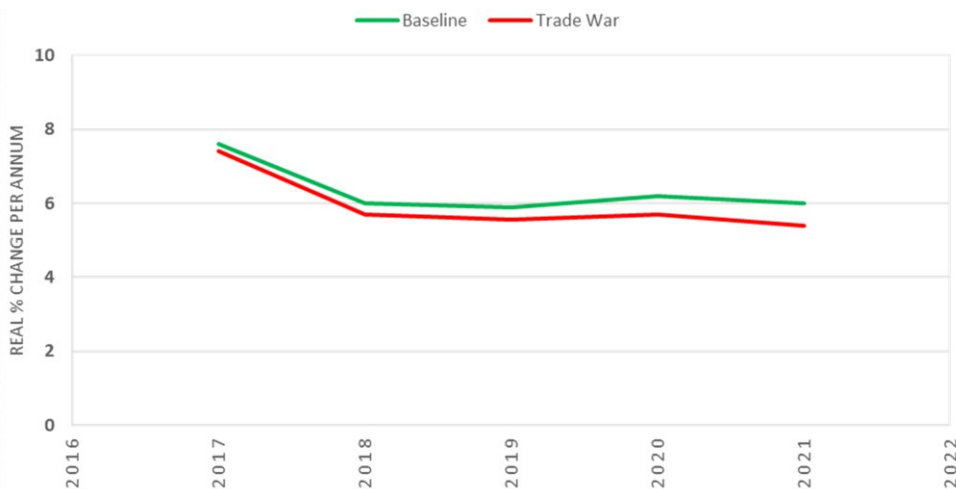


Figure 6: Private Consumption Growth 2017-2021, China
(Source: Authors' construction using online data from World Bank WDI & The Economist projections)

Impact on Oil and Fuel Prices: Today the US alone boasts of having more than a quarter of a billion registered vehicles. The bulk of demand for fuel is from the transportation sector, especially the trucking and maritime shipping industries. Both industries are highly pro-cyclical and interlinked with global trade. As trade slows due to high tariffs, fewer goods are shipped and the transportation sector will be negatively impacted, leading to a decline in fuel demand. Any such decline in demand will be bearish for oil prices. This is exactly the scenario playing out today in world markets, wherein oil prices are nearly 40% lower than their peak in early October. Starting in January 2019, crude oil production cuts by OPEC and its allies will make their impact felt. Moreover, US oil production has exceeded expectations. Consequently, supply has exceeded demand, triggering the spectacular collapse in oil prices, which have fallen by more than 20% for 2018.

Impact on Employment and Wage Growth: These two factors are the prime movers behind markets and politics. As a leading Credit Rating Agency recently pointed out, "To the degree tariffs increase the cost of materials and inventories, businesses will tighten their control of other costs, the most prominent being employee compensation." This paradoxically implies protectionist policies (intended to entice manufacturing jobs to the US) could backfire since they would cause wages to stagnate even as costs escalate.

Impact on GDP Growth: A team at the Brookings Institution conducted a sensitivity analysis and found that if global tariffs were to rise by just 10%, the GDP of most nations could fall by up to 4.5%, whereas a 40% rise in tariffs would push the world economy into a depression.

Impact on Emerging Markets: The effects of trade war are bound to have domino effect. Specifically, EMs appear more unstable. Already, rising interest rates and strengthening dollar have crippled investments into EMs. The impending threat of trade war will only add fuel to the fire. It would be even more challenging for countries with weak fundamentals, like Argentina and Turkey. However, tariffs may push some of these countries to implement structural reforms, which may benefit them in the long run. Additionally, any trade war would open up opportunities for other nations on the side-lines, as they may be able to replace Chinese exports. Increasing tariffs would lead to increased prices for end consumers and if other countries can provide the same product for lesser price, it would certainly benefit their exports. Already shipping charges have doubled for the busy China-US route, as Chinese exporters are front loading before the expiry of the fragile truce. At present, these countries need to plan strategically and be prepared for the worst.

Conclusion: In the Balance

The fate of the world economy hangs in the balance thanks to the global trade wars instigated by the myopic policies of insular politicians. A spirit of cooperation and compromise is needed to make any relationship work. This is more true for large and powerful nations- like the US and China- which collectively represent more than a fifth of humanity.

Donald Trump's "my way or the highway" attitude is without parallel in world history for any head of state, let alone one purported to be leader of the Free World. His brash approach has brought the world to the brink of global trade war. The domino effects of such a catastrophic event are too horrific to contemplate and will only succeed in sending the world economy into a tailspin. Free trade has always been a soft target for trigger-happy politicians who see tariffs as a convenient tool for stoking xenophobic sentiments. But the reality is that, as American Socialist Eugene V. Debs said,

"Sooner or later every war of trade becomes a war of blood". The threat of trade war is like the nuclear option. It ought to serve as a deterrent against unprovoked attacks, but it must never be exercised unilaterally. Showmanship and grandstanding have no place at the negotiating table. Moreover, with so much at stake it does not really make sense for the US to bully other economies into submission.

This US government seems to regard tariffs as the ultimate nostrum for its trade deficit. Whereas it is most likely a by-product of deep structural economic factors within the country that encourage spending rather than savings. One view is that the US' economic indicators aren't as bad as they are made out to be. Employment and industrial production are at their highest levels. With trade deficit at less than 3 % of GDP it looks all the more like a bad plan for a non-existent problem. It's high time for the US to rouse itself from slumber and understand that protectionist policies are no silver bullet, and often do not pan out exactly as expected. The law of unintended consequences dictates that resistance can come from unexpected quarters.

Furthermore, the US stands to lose its dominance in world politics. The sanctions imposed by the US will become toothless as more countries start facing the heat. For China which is breathing down its neck, this could well turn out to be a priceless opportunity to forge new alliances and topple the US as the single truly global economic superpower of the future.

The counter view is that China itself is beset today with a number of inherent structural problems, a result of its own frenetic and uneven growth. As it seeks to stimulate its economy, China is probably not best placed to play a game of chicken with President Trump, since the US is on a firmer economic footing for now. Indeed, recent evidence of China adopting a conciliatory approach appears to support this viewpoint. It is uncertain who will blink first in this game of Tariff Chicken. The much anticipated trade war may yet fizzle into a damp squib- a battle of attrition won by the side that holds its nerves the longest. Or, going by history, it could escalate into a titanic power struggle culminating in armed global conflict. No matter what transpires, the following points are evident:

- The WTO is a deeply divided institution, its authority undermined by the protectionist shenanigans of parochial world leaders. It increasingly resembles a toothless watchdog whose days are numbered. It has always succumbed easily to pressure from developed nations, especially the US, which have dominated it since inception. As Abraham Lincoln said, "A house divided against itself cannot stand". We believe the WTO has become irrelevant and cannot stand in its present form for long. There is a plausible case to phase it out gradually, and eventually replace it with a more equitable institution- one that provides a level playing field for everyone, resists lobbying by special interest groups, and enjoys the trust and confidence of all nations.
- Empirical evidence shows that removing barriers to trade is a necessary, if not sufficient, condition for sustained economic growth and development of nations. Sporadic growth in an isolated economy is possible, but for growth to sustain, trade barriers must be dismantled. China is the prime example of this phenomenon. Its economy floundered until Mao's death, when Deng Xiaoping took over and implemented sweeping reforms which transformed it beyond recognition. Hence, implementing protectionist barriers like tariffs will prove counterproductive in the long run and will have unintended consequences.
- Brinkmanship and political posturing will not soothe the financial markets, which hate any

form of uncertainty. We expect a rocky ride for world financial markets at least until the present flux is resolved. With apologies to Bertrand Russell, a trade war will not determine who is right- only who is left. World leaders will do well to bear this in mind, as they seek to pour oil on troubled waters.

As former US Secretary of State Cordell Hull opined, peace and war among nations are inextricably intertwined with Free Trade or lack of it. One cannot start a trade war and expect it to not escalate into a war of blood at some stage. Leaders who ignore this fact should be prepared to reap a bitter harvest.

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Disclaimer: Views and opinions expressed in the article are of the authors and written in their personal capacity



In Conversation with ...

Rajeev Thakkar, CFA

Chief Investment Officer & Director - PPFAS Mutual Fund



Rajeev Thakkar possesses over 15 years of experience in various segments of the Capital Markets such as investment banking, corporate finance, securities broking and managing clients' investments in equities. His tenure at PPFAS began in 2001. His passion for researching and analyzing the fundamentals of companies was evident from the very beginning and very soon he was heading the Research division at PPFAS. His responsibilities soon expanded as he was appointed the Fund Manager for the flagship scheme of the Portfolio Management Service, titled "Cognito" in 2003. Rajeev is a strong believer in the school of "value-investing" and is heavily influenced by Warren Buffet and Charlie Munger's approach. His keen eye for ferreting out undervalued companies by employing a diligent and disciplined approach has been instrumental in the scheme's stellar performance ever since he assumed the mantle. He is a Chartered Accountant, Cost Accountant, CFA Charterholder and a CFP Certificant.

1) How do you view the Fund Management Industry with regards to scope, growth and job prospects? How can CFA candidates and aspiring fund managers take advantage of it?

Irrespective of the parameter one uses to assess, there is consensus that capital markets in India do not have investor participation at its true potential. The number of unique investors in mutual funds in India for example is less than 2% of India's population.

On account of various government and regulatory actions as well as industry efforts, investor participation is increasing. The future looks bright for the fund management industry in India in the various forms of Mutual Funds, Portfolio Managers, AIFs and so on.

CFA Candidates should be on a constant learning path as while the industry growth will be there, it will also be accompanied by plenty of changes. Passive strategies, ETFs, Smart Beta, Algorithmic strategies and so on may take a larger share of the pie. There will also be constant pressure to reduce costs for the investors. Hence while the future seems bright, it will require agility and a willingness to learn to succeed.

2) How did the CFA designation help in enhancing your career objectives?

I undertook the examination process after I was in my current role and I do not regret pursuing the designation at all. The rigorous curriculum helps in many day to day activities as well as in certain one off activities. Given that our company invests in stocks globally, the subject of Financial Reporting and Analysis helped in understanding differences in accounting the world over. Apart

from the designation, what helps is the constant opportunity to interact with various practitioners in the field.

3) How would you rate the CFA Program with respect to content and structure, including pros and cons? Also include aspects which give CFA course an edge over other courses.

The CFA program is the gold standard as far as investment related courses go. While some aspects may be covered in MBA / Accounting courses but they really just scratch the surface. The rigour of the CFA curriculum is missing in most of them. The in-depth coverage of Ethical Standards, Financial Reporting, Portfolio Management, Quantitative Methods, Equity investments, Fixed Income Securities, Derivatives, Foreign Exchange, Alternative Investments and so on is rare to find and this is the key strength of the course.

Whatever is the key strength of the course is sometimes taken as a weakness (or a con to the pros). Many people feel that studying so much is overkill and a common question is that "Why should I study so much of fixed income including the US Mortgage Backed Securities if all I want to learn and work on is equities?" Despite this feeling among students sometimes, I would strongly urge people to pursue a CFA Charter and that a full toolkit of investment knowledge is always better than a limited understanding of a single function.

4) What guidance would you give to CFA aspirants?

A common error that I have seen committed by aspirants is that they take the first attempt quite lightly. This is especially true of candidates who are professionally qualified and employed in the financial sector. A combination of familiarity with the broad subject and hectic work life results in sub-par preparation. After failing to clear the exams in the initial attempts, despondency sets in and people give up. The other thing that aspirants should do is to try and participate in IAIP events as much as possible. This enhances knowledge as well as provides valuable networking opportunities.

5) Given that you are a strong proponent of Value Investing, how have the CFA Program and CFA Charter influenced your market outlook and investment philosophy?

The behavioural finance readings in level 3 curriculum were really interesting and brought to the fore the fact that investing (especially equity investing) is more than just plugging in numbers in a DCF spreadsheet. Human behaviour and psychology goes from greed to fear and back to greed and that we are prone to predictable error patterns. The curriculum and my personal further readings on this have shaped my investing approach.

6) How have the CFA Program and CFA Charter contributed to enhancing your investment decision making process?

The program material has helped me in creating an investment checklist. The checklist is now an integral part of our Investment Process and it helps in reducing investing errors and thereby improve investment outcomes.

From the CEO's Desk

Gaurang S. Trivedi, CFA

Chief Executive Officer - CFA Society India



Dear Members,

The New Year has dawned on us with rising expectations of a Better Tomorrow! As I close-in on my one month of accepting CEO responsibilities of CFA Society India, I would like to convey my sincerest thanks to the Board for their vote of confidence. Also, would like to express gratitude to all members who reached out to me with their warm welcome and best wishes personally and through the CFA Society India's different social media platforms.

From an operations perspective, through your continued patronage, CFA Society India now has 2,100+ members, thereby attaining a Large Society status. Essentially, we can now rub shoulders with veteran CFA Institute Societies such as Hong Kong, Singapore, New York, Chicago, etc. Given the quantum of candidates and charter pendings, we will soon leapfrog into the forefront of CFA Institute Societies in terms of membership!

Furthermore, CFA Institute, through their Society 2.0 initiative, has positioned Member Societies as the clearest route to members and their investment communities. In attaining this objective, CFA Society India has embarked on innovative avenues to deliver member value within the umbrella of Society 2.0 initiative. Correspondingly, we have planned marquee events in major Chapter cities to ensure an all-inclusive pan India membership growth. The new year begins with a Volunteer Day event in Chennai with Randi Tolber, Head – Global Society Relations, CFA Institute. This will be followed by our flagship event, India Investment Conference (IIC) on January 11, 2019 in Mumbai. Other special speaker events and conferences are being planned by various chapters. Stay tuned for updates on them via our weekly flashes!

“We make a living with what we get, but we make a life with what we give.” – Winston Churchill. CFA Society India is a member driven organization and we continue to seek active volunteerism from our members to enable delivering on our mission to provide best in class member value. Towards that end, your society has reconfigured the legacy committees in consonance with Best Practices of other large CFA Institute Societies into Career Services Committee (previously Employer Outreach), Continuing Professional Development (previously Programming and Continuing Education), Membership Committee, Public Awareness Committee (previously Communication and Technology), and Research & Advocacy Committee (previously Advocacy). I encourage you all to visit our website and explore the various activities conducted under their domain (the website will be updated shortly with the new Committee configuration <https://new.cfasociety.org/india/Pages/Committees.aspx>). I am sure you will find your calling in

one of the Committee activities and engage in volunteering for the same. Our staff in Mumbai, New Delhi and Bengaluru are just a call away to smoothen your passage into active volunteerism for your Society and CFA Institute. Members will soon realize the immediate benefits of volunteering such as building leadership, communication and other professional skills which in turn enable progress in your career!

In the coming months, I look forward to visiting CFA Society India chapter cities and engage with the membership to continue ongoing dialogue of your Board's commitment to governance, transparency and member value. Finally, in the wisdom of Robert Ingersoll's famous quote "We rise by lifting others", a sincere appeal for 2019 to all CFA Society India stakeholders, "Lets Measure Up"!



Cover Story

Gazing at the Crystal Ball: Effect of General Elections on Stock Markets in India

Shivani Chopra, CFA

(Public Awareness Committee, CFA Society India)

Rajni Dhameja, CFA

(Public Awareness Committee, CFA Society India)

Jyoti Soni, CFA

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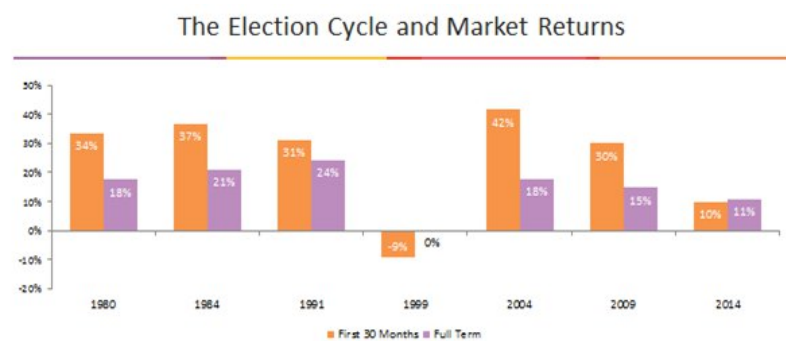


The 9th India Investment Conference (Jan 2019) presents an interesting theme – Investing insights for Uncertain times. There are various micro and macro events leading to uncertainty in financial markets. One of them, General Elections which are held in India every five years, undoubtedly contributes a lot of noise. The electoral exercise for world's largest democracy is a mega event closely tracked by foreign and domestic investors alike. As contesting parties pep up people with big promises and media throws tonnes of news every day, stock market reactions are inevitable. Further, investors look for ideas to safeguard the value of their portfolio holdings as it becomes difficult to predict if a particular sector/company will be able to make it through unscathed or not. Since elections are fast approaching, it would be a good time to recall how the Dalal Street was impacted in the past, what are some of the findings of academic researchers and what do industry experts have to opine.

Review of Literature

Various studies are available to guide investors and help them take investment decisions prudently by concluding that effects of election diminish in the long term after the election announcement.

A research paper titled “Impact of General Elections on Stock Markets in India” by Ch. Balaji, G.D.V. Kusuma and B. Ravi Kumar (2017), attempted to study data from past five election sessions during the period of 1998 to 2014. The time period was classified into short term (10 days), medium term (20 days) & long term (30 days) in pre-elections and post- elections period



The Election Cycle - 6 months pre-election to 2 years post-election vs election result to next election result

Source: IDFC Mutual Fund Report

Impact on stock market returns: It was observed that the impact of elections on average returns is not significant whether in pre-election or post-election period, for short term, medium term and long term.

Impact on volatility i.e. variance of daily returns: The same research paper found that volatility and its impact always reduces as one looks forward to the long term. So, short and medium term are more volatile than the long term period. The authors advise investors to be more cautious around election day, however a speculator can earn extra profits by employing trading strategies which benefit from spikes in volatility.

Predicting a Winner is not an easy job

Poll Situation

Electoral results are notoriously difficult to predict in India's fragmented, hypercompetitive democracy. Following the BJP's decisive 2014 mandate, many analysts confidently proclaimed that NDA would remain in power for at least two, if not three, terms. Although the intricacies of the upcoming race—such as the selection of candidates and the rhetoric of campaigns—remain unknown, underlying structural conditions suggest far rockier terrain may lie ahead. The party's performance in the 2019 election will depend largely on its ability to address these potential vulnerabilities and the opposition's ability to exploit them.

Considering the five state elections in Dec'18 as the "semi-final" elections before the general elections in 2019 to determine the next winner is not right, as outcomes of previous election cycles do not support the same. Hence, predicting general elections vote shares based on the last assembly elections is not a good strategy: voting patterns in assembly and general elections may differ substantially, as the issues and candidates are different. However, the data suggests vote share loss of the ruling government, in recent assembly elections, even if caused by anti-incumbency.

Exit Poll Opinion

In examining general election polls, observers ought to be mindful of the fact that election polling in India is an unreliable exercise. It suffers from the political biases of the polling agencies and news outlets that produce the polls. Opinion Polls in general election 2014 revealed that voting share of BJP/NDA progressively enhanced from July 2013 onwards. In April 2014 opinion polls NDA emerged as the most promising contender and became the next ruling party. Actual results for BJP came out overwhelming, better than the opinion polls suggested. BJP won a clear, single-party majority in the lower house of the Indian parliament (the Lok Sabha) by capturing 282 of 543 seats.

Opinion polls of 2019 reveal that Mr. Narendra Modi remains a highly popular prime minister after four years in office, and the BJP has managed to methodically expand its national footprint in numerous state elections since 2014. Even though the opinion poll data for upcoming general elections (given below in table) shows above 200 seats for NDA, actual outcome is yet to be seen.

The outcome of ETMarkets Diwali Survey in which analysts from top brokerages, mutual funds and insurance companies participated, suggest that the poll outcome has the potential to cause volatility in the market to the extent of Nifty touching 9,000 mark on lower side and 12,400 on higher side. This survey suggests that it may be difficult for BJP to match its 2014 success. In the worst-case scenario, there may be a ragtag coalition government of multiple regional parties, with no clear leader. Hence the 200-seat mark would be crucial for any single party, in order to avoid the formation of a fragile multi-regional party coalition.

Date published	Polling agency	NDA	UPA	Others
		Dec-18	India TV – CNX	281
Nov-18	ABP News - C Voter	261	119	163
		300	116	127
Oct-18	ABP News-CSDS	276	112	155
Aug-18	India Today-Karvy	255	248	46
		228	224	91
		281	122	140
May-18	ABP News-CSDS	274	164	105

Source: wikipedia.org

Table 1: Opinion Poll general elections 2019

Investment Implications and conclusion

- It has been observed that in the last 8 pre-election years, the outcome has been mixed with average Sensex return at only 5.6% as compared to election year where outcome has been positive with average return of 33%. So, pre-election year could be a good entry point for the investors.
- General Elections are not important for the market returns in long run however, they are an important event in short run.
- Historical returns data suggests that the short term volatility provides opportunity for traders to earn additional return.
- The outcome of elections is difficult to predict as historically, exit opinion polls have not been reliable estimate of the actual outcome. Though the opinion polls for upcoming general elections suggest more than 200 seats for NDA, actual outcome is yet to be seen. Voting patterns in assembly elections and general elections can differ substantially.
- Views from Market Experts

Mr. Biharilal Deora, CFA - Director at Abakkus Asset Manager LLP shares his view that "Markets will take it positively if one party or a coalition gets absolute majority. In case of a hung government verdict markets will be volatile. Since it is impossible to time or guess an election outcome, for retail investors the best strategy would be to stagger their investments over the next 12 months and have a long term time horizon".

Mr. Chetan Shah, CFA - Managing Partner at 3 Jewels Investing, however gives another side and suggests that one should not completely undermine the importance of the political party coming into power and as he states "Political regimes and changes in it play an important role in defining the investment climate in a country. Hence it is important for investors. Both investors and traders need to worry about sharp falls like those seen on May 14 & 17, 2004 when the lead indices likely Nifty 50 fell by 7.9% and 12.2% respectively, the largest single day drops in history. One can hedge portfolios by raising cash or using derivatives to tide down such events. In the

long run judicious selection of securities will determine overall returns". Further, during unexpected adverse outcomes like these sharp falls, "mid and small cap stocks behave in line with large cap peers. There is convergence during declines and divergence during rallies. Over the period of time industry and company specific factors catch up in determining the fair value of the stock."

Overall, Investors should bear in mind that public reactions ahead of general elections are exaggerated and so are the market movements in short run. They are advised to formulate investment strategies accordingly to minimize effect on their portfolio holdings.

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Disclaimer : Views expressed herein are personal views of the authors and do not represent the views of employers.



In Conversation with ...

Rajendra Kalur, CFA

Founder TrustPlutus Wealth Managers (India) Pvt Ltd



Rajendra Kalur is the Founder of TrustPlutus Wealth Managers (India) Private Limited and TrustPlutus Family Office & Investment Advisers (India) Private Limited. He has over 25 years of experience in the Financial Services domain comprising Asset Management, Investment Banking, Wealth Management and Insurance. Rajendra has worked across the value chain and has proven expertise in nurturing nascent businesses and transforming business models. Till very recently he was the Director and CEO of TrustPlutus and presently he is mentoring upcoming businesses within the Trust Group. Prior to TrustPlutus Rajendra has worked with RBS N.V., ABN AMRO N.V., Wealth Advisors India Pvt. Ltd., ICICI Prudential AMC, DSP Merrill Lynch and General Insurance Corporation of India in various capacities. Rajendra is an MBA from Cranfield School of Management, UK and holds a post Graduate Diploma in Marketing from Chartered Institute of Marketing, UK. Rajendra is also a Chartered Financial Analyst, from CFA Institute, US and a CERTIFIED FINANCIAL PLANNER from FPSB, India. Rajendra is a public speaker, an occasional blogger and newspaper columnist. Rajendra is also a long distance Runner and Cyclist.

1) How do you view the Wealth Management Industry with regards to scope, growth and job prospects? How can CFA candidates and aspiring fund managers take advantage of it?

Wealth Management Industry is at an interesting stage right now. From a poor cousin of the banking or broking industry, Wealth Management is now able to stand on its own legs. We are seeing emergence of a fairly diverse business models and increasingly employers are looking at competent people to hire. With SEBI setting up the RIA Regulations in 2013 the responsibility towards the clients have increased manifold. Moreover clients are looking at skilled and competent advisers to guide them on managing wealth. While the Wealth Management industry is still in a state of infancy, the future looks very bright as India is well placed to take advantage of the key drivers: Demographics, GDP Growth, Greater Financialisation, Increased Financial Literacy, Technology & Regulation. CFA Candidates are very well placed to be in high demand in the roles of Advisors, Planners and Relationship Managers. All of these demand good understanding of not only sound portfolio management skills but also good insight into behavioural sciences.

2) How did the CFA designation help in enhancing your career objectives?

When I co-founded TrustPlutus way back in 2010 we wanted our clients and prospects to regard us as highly competent and committed bunch of people. Hence we mandated that our Senior

Management team should have at least a CFA or a FRM as qualification if handling clients. We also wanted our RMs to be qualified as CFPs. This helped us in establishing ourselves as a client focussed & competent wealth management company at a time the industry was struggling itself to regain credibility in the aftermath of the GFC.

3) How would you rate the CFA Program with respect to content and structure, including pros and cons? Also include aspects which give CFA course an edge over other courses.

The Level 3 curriculum of the CFA Program is perfectly designed for students who want to make a career in Wealth Management. It not only helps synthesise a lot of learnings from Level 1 & 2, it also helps a candidate write a plan and design a portfolio for a wealth management client. Of course the emphasis on ethics across all the 3 levels underscores the importance of the fiduciary role that one assumes in a wealth management role. These are unique to the CFA Curriculum and is unparalleled.

4) What guidance would you give to CFA aspirants?

To all the CFA aspirants I can only mention that these qualities worked well for me and still do:

- Inculcate good habits
- Develop a long-term orientation
- Have a strong sense of what's right and wrong
- Work Hard
- Persevere

Success is an outcome of these.

5) How have the CFA Program and CFA Charter influenced your market philosophy and investment outlook?

I always believed in high integrity and CFA Program and the Charter's strong emphasis has only helped reinforce this in me personally as well as ensuring these values are enshrined in our company. In addition, I believe in the principle of constant learning and eschew speculative tendencies and the virtues of patience. These are strong investment tenets and have shaped our practice.

6) How have the CFA Program and CFA Charter added value to your wealth management process?

Our Wealth Management process takes strong inspiration from the CFA Program. Our client first investment review process ensures we have the complete understanding of client's goals and objectives before making any recommendations. We also ensure that these are recorded as part of the Investment Policy Statement or IPS.

From the Desk of Career Services Committee

Dear member,

The CFA Society India has an unwavering focus on ensuring your career growth and development. To help you realize your career aspirations, the Society works through the Career Services Committee, which is empowered to undertake various initiatives to further its cause.

The Committee is composed of twelve volunteers. It is chaired by Mr. Sampath Reddy, CFA, Chief Investment Officer, Bajaj Allianz Life Insurance and a Director of the CFA Society India, and co-chaired by Ms. Jayna Gandhi, CFA, Director, Quantmac Capital Solutions and a volunteer of the Society.

Activities in 2018

An ongoing responsibility of the Committee is to attract new job opportunities to the CFA Institute's Career Center portal: <https://india.careers.cfainstitute.org/>

In 2018, the number of India-based jobs posted on the Career Center continued to trend upward relative to the previous year.

The Committee also undertook various initiatives during the year, to help charter holders and candidates progress in their careers.

1. Taking the Financial Talent Summit (FTS) to multiple cities – The Financial Talent Summit provides career insights to aspiring finance professionals, as well as an opportunity to interact with leaders from industry. The inaugural FTS was held in Mumbai in 2017, while in 2018, it was organized in Delhi and Bengaluru, apart from Mumbai.
2. Carla Harris on career success at the 8th IIC – Carla Harris, vice chairman, managing director and senior client advisor at Morgan Stanley shared her wisdom on making a successful career in finance in a discussion titled 'Tools for Maximizing Your Career Success'.
3. Webinar on what it takes to break into the finance industry – Panelists Kishore Bagri, CFA, Sonia Gandhi, CFA, and Ravi Raman shared their perspective on the topic in a webinar titled 'Perspectives on Breaking into the Finance Industry in India'.

Initiatives planned for 2019

The CFA Society India board has singled out Career Services as the area that requires utmost focus and support. As a result, several initiatives have been planned to be implemented in the current calendar year. These initiatives are as follows:

- Increasing job postings on the Career Center portal – While the portal is useful for career-related advice and resources, the number of India-based jobs there have been limited, even as the number of charter holders and candidates have surged. Therefore, the primary focus area for the Society in 2019 and beyond, is to increase job postings on the Career Center significantly.
- Further expanding the reach of the FTS – Along with Mumbai, Delhi and Bengaluru, the FTS is likely to be organized in one or two more cities. This way, the Society can deliver value to a larger audience compared to last year.

- Launching the Ambassador Program – The Ambassador Program is designed to drive employer engagement and promote values and ethical standards of the CFA Charter. At its heart are member volunteers who act as ambassadors of the CFA charter in their respective employer organizations, promoting the CFA value proposition to senior management and recruiting personnel. The program is operational in several countries, and is set to be launched in India this year.
- HR Roundtables – Discussion events involving HR and talent acquisition leads of multiple companies. The objective is to drive engagement with the employer community, leading to increased job opportunities for charter holders and candidates.
- Career Progression Manual – A repository of career guidance, resources and perspectives from finance professionals. It aims to provide actionable knowledge and direction to aspirants, across all career stages and in all segments of the finance profession.
- Career Insights Webinar Series – As a subset of the Career Progression Manual, a series of webinars are set to be rolled out involving leading professionals in finance. The speakers will discuss what it takes to make a career in their respective fields, and also answer questions posed by the attendees.

The above initiatives, as well as other related activities demonstrate the CFA Society India's commitment towards your career growth and aspirations.



Women in Investment Management

The Journey of Kalpana Pereira

Kalpana Pereira, CFA

CFA in 18 months with a full time job and a full term pregnancy



The CFA exam represented a dream to me, a dream which was daunting to begin with and rewarding to end with.

I started off my career with Nokia Siemens Networks, post completion of my engineering in electronics and communications, handling customer relationships for telecom service providers. Given my inclination towards finance, I pursued my MBA in finance and joined ICICI Bank, managing financial needs for large corporate clients. At work, I felt the need to improve my skill and knowledge levels to provide better advisory services, and what better way was there than to pursue CFA - the gold standard in investment and portfolio management. Also considering that having a CFA in an emerging economy like India would add so much value to my career, it was a natural choice to pursue.

Since the time I registered for level 1 I had set my targets so that I clear all levels in 18 months. I cleared Level 1 and Level 2 with full confidence. However, it was Level 3 which turned out to be the real test in perseverance for me. I registered for the exam in September 2017 and a month later I got to know that I was pregnant with my first child and the due date was just two weeks after the Level 3 examination date. I was advised to postpone the exam and avoid being under stress. Being a go-getter since the beginning, I did not give up. Backed by constant motivation and support from my husband, I continued preparing for the exam till the end. Besides, receiving CFA Awareness Scholarship for this exam gave me the extra push in keeping up my efforts and making the best use of this scholarship. There were a lot of naysayers around me who kept telling me that it would be impossible for me to sit for that long for an exam, telling me that I won't be able to manage the stress of an active professional and personal life along with the exam.

Even with so much of negativity around, I earnestly wanted to dispel the notion of all around me that pregnancy is an inhibitor for one's career and that CFA Level 3 is a tough nut to crack. I wanted to convey the message that you can achieve anything if you really persevere and are determined.

I would also like to express my gratitude to CFA society, who understood the physical challenges I would face while writing my exam and granted my accommodation requests thus enabling me to appear for the exam in a focused manner.

CFA was an emotional journey for me along with a great learning experience. It made me push myself to limits which I had never done before. At the end of it, now having cleared L3 and being the mother to the most adorable girl child, it definitely feels worth having put in that effort.

The “Low-Volatility” Factor (Is there Low Volatility anomaly in Indian Equity Market?)

Ujjwal Jain, CFA

Founder & CEO, Wealth Technology and Services Pvt. Ltd.

Founder, Quantech Capital Investment Advisors Pvt. Ltd



Ujjwal is a serial fintech entrepreneur in Investment technology and wealth technology space whose aim is to democratise the investment landscape in India by leveraging upon technology and quantitative investment strategies driven innovations.

Ujjwal is a CFA Charterholder and has a degree in Computer Science & Engineering from Jadavpur University, Kolkata. He is also first cohorts of MIT Fintech Innovation and Future commerce global executive program.

The search for an elusive formula that can identify the main sources of returns from an asset is nearly as old as investing itself. Most investors are looking for that one formula, that one trick, that one metric or that single factor which can become their ticket to breaking the bank. While there really is no “get-rich-quick” formula in investing, there are various ways by which investors can seek to enhance portfolio returns. A single asset can have multiple sources of risk, some which cannot be diversified and others that can be. These multiple sources of risk factors can be harnessed to generate better returns, reduce overall portfolio risk or achieve a more concentrated exposure.

The Factor Way

One of the mainstays of finance, the capital asset pricing model (CAPM), endeavored to derive a relationship between risk and returns. CAPM postulates that the expected return of a stock is a linear function of risk, meaning that higher the risk, the higher should be the expected return. An alternative way of interpreting it is that in order to move up higher on the expected return curve, an investor had to assume more risk. However, academic researchers have put forward convincing evidence that, apart from single market risk, there are other systematic sources of return and risks that are extant in the markets. These alternative sources of risk carry an alpha content which can be harnessed in a systematic way, to improve the overall risk-return profile of an investment strategy. These alternative sources came to be known as Factors.

The Low Volatility Factor

Volatility is one such factor where risk and return are considered to be inversely related, such that less volatile stocks tend to generate higher returns and vice versa. This is also known as the low-volatility anomaly, the volatility effect or the low-risk anomaly. The low-volatility anomaly is an observation that demonstrates that stocks with low volatility consistently outperform high volatility stocks, on a risk-adjusted basis. In the first Factor Research Report from our stable, Quantech Capital introduces the Low Volatility factor, a Systematic Equity Alpha Factor (SEAF). Based on our

analysis of the top 500 stocks in terms of market capitalization on the National Stock Exchange (NSE) over the last 18 years, we conclude that a low-volatility anomaly exists in the Indian stock markets. Our analysis showed that stocks that fall in the bottom quartile with respect to volatility consistently outperform stocks that fall in the top quartile. Thus, there is an opportunity for investors to capitalize upon the low-volatility anomaly present in the Indian markets.

An analysis of the Low Volatility Anomaly in Indian Markets

Low Volatility effect can be researched by modelling portfolios in more than one way: mean-variance optimization where covariance matrix is minimized to generate the index weights, equal risk contribution where each stock in the index is weighted such that risk contribution of each stock to the overall portfolio risk is equal or quartile analysis where the entire universe is divided into four quartiles with the first quartile consisting of the least volatile stocks and the last quartile the most volatile stocks. We have constructed quartile portfolios to analyze the volatility effect.

The Methodology

We backtest the quartile portfolios over the last 18 years: 31-Dec-1999 to 31-October-2018. The universe is defined as Top 500 market cap stocks which are selected every 6 months. On each selection date, daily returns for each stock is calculated for the last 12 months. Volatility is calculated as the standard deviation of such daily stock returns calculated over trailing 12 months.

The entire universe is divided into 4 quartiles with quartile 1 comprising stocks with the least volatility and quartile 4 with the highest volatility. Such quartile portfolios are constructed every six monthly. Index levels are generated for each of such portfolios and metrics calculated, as presented below.

30 Dec 1999 - 31 Oct 2018	Key Metrics			
	LowVol - Q1	LowVol - Q2	LowVol - Q3	LowVol - Q4
CAGR (%)	18.71%	18.31%	17.55%	7.11%
Volatility (%)	15.69%	21.05%	25.15%	32.05%
Return/Risk	1.19	0.87	0.70	0.22
Worst Drawdown (%)	-54.29%	-70.14%	-76.72%	-81.23%
Median Monthly Return(%)	2.14%	2.15%	2.72%	2.04%
Best Monthly Return (%)	26.2%	45.5%	52.3%	63.7%
Worst Monthly Return (%)	-23.1%	-31.1%	-34.7%	-36.0%
% of Months with Gains	65.0%	62.4%	60.2%	57.1%
T-Stat: Inter Quartile Spread	2.56			

Source: Quantech Capital Research

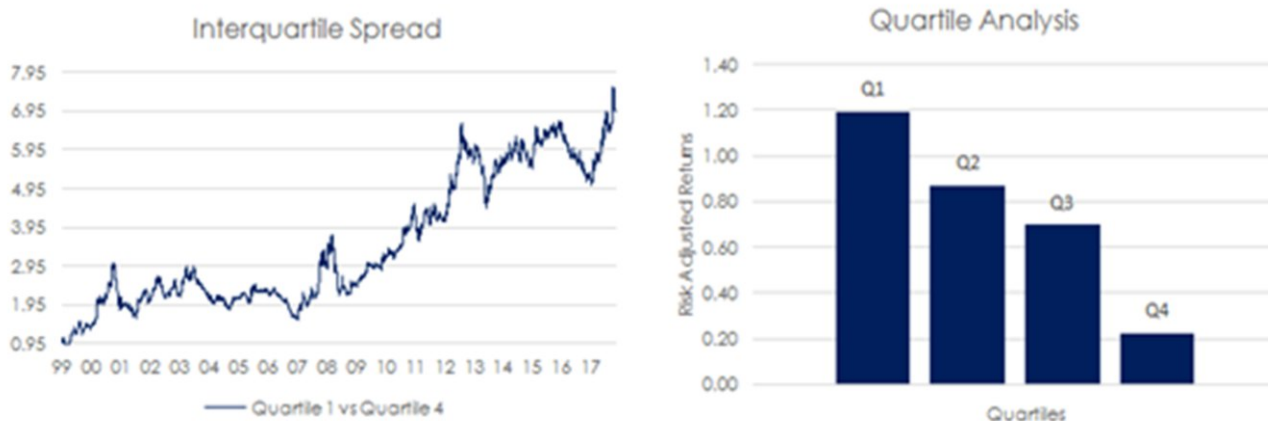
Exhibit 1: Key Metrics

The Results

Our research shows that stocks in quartile 1, i.e., the least volatile stocks consistently outperform the most volatile stocks in quartile 4, on a risk-adjusted basis. Also, the return differential between the least and most volatile stocks is statistically significant as can be seen from T-Stat of 2.56.

Interquartile spread in Exhibit 2 below is calculated as the ratio of daily total return levels of the Top Quartile Portfolio and the Bottom Quartile Portfolio. An upward moving curve indicates that the

market favored the factor at that time and a down move indicates that the factor fell out of favor.



Source: Quantech Capital Research

Exhibit 2: Interquartile Spread and Quartile Analysis

Quartile Analysis as above shows the Risk-Adjusted Return of each quartile portfolios. We observe a consistent downward pattern where, the least volatile stocks i.e., first quartile portfolio is the best performing on a risk-adjusted basis, followed by the second quartile and so on. This shows the clear presence of systematic information content in volatility as a factor.

Annual Excess Returns in Exhibit 3 below is the difference in annual returns of the least volatile stocks and the most volatile stocks.



Source: Quantech Capital Research

Exhibit 3: Annual Excess Returns & Historical Volatility

Historical Volatility above shows trailing 12M standard deviation on a rolling basis. Quartile 1 has lower volatility vis-à-vis Quartile 4. Observing Historical Volatility and Annual Excess Returns charts together shows that low volatile stocks generate higher returns with lower risk over the long run.

We ran the above analysis for volatility computed on 6-month trailing basis and compared that with 12 month. We find similar results, giving credence to the conclusion that low volatility anomaly exists in the Indian markets.

30 Dec 1999 – 31 Oct 2018	6-Month		12-Month	
	Low Vol Q1	Low Vol Q4	Low Vol Q1	Low Vol Q4
CAGR (%)	18.71	6.47	18.71	7.11
Volatility (%)	15.82	31.64	15.69	32.05
Return/Risk	1.18	0.2	1.19	0.22
Worst Drawdown (%)	-55.47	-83.55	-54.29	-81.23
Median Monthly Return (%)	2.02	2.17	2.14	2.04
Best Monthly Return (%)	27.5	64.2	26.2	63.7
Worst Monthly Return (%)	-23.6	-36.5	-23.1	-36
% of Months with Gains	64.6	57.1	65	57.1

Source: Quantech Capital Research

Exhibit 4: Comparison over different time frames

This low volatility anomaly can be capitalized upon by investors and active/passive fund managers.

- **Dynamic Tilting of the Portfolios** - Asset managers can use factor based tactical allocation to supplement their views on business cycles and earn factor premiums through the cycles by positioning factor exposures accordingly.
- **Active Exposure through low-cost Passive means** - Factor portfolio enables an investor to earn higher risk-adjusted returns in a systematic low-cost way. Since these have significant deviations from the standard market indices, these can be traded either as active portfolios or harnessing active returns the passive way.
- **Strategic Allocation** - An investor should have some strategic allocation to factor-based portfolios. This will enable him to ride through the cyclical turns with proper diversification.

The low-volatility anomaly states that stocks with a lower risk profile can outperform stocks with a higher risk profile. Our study indicates that the low volatility stocks in our investment universe have generated superior risk-adjusted returns compared to the high volatility stocks. Investors are well positioned to capture the risk premium generated due to this anomaly.

About Quantech Capital

Quantech Capital is focused on providing low cost, institutional grade passive smart beta or factor-based equity Index and Thematic Investment products, Trading Baskets and Asset Allocation and Investment Analytics services to institutional as well as retail investors.

Person of the Year 2018

Navneet Munot, CFA

Chairman, CFA Society India

CIO - SBI Mutual Funds



December 24, 2018

Like every year, there were several contenders.

I thought of Fortnite, the gaming sensation, but it pales in front of Chinese checkers between Trump and Jinping. McCain and Bush's demise reminded us of Vietnam, Iraq and the cold war. On the centenary of armistice, a new war of this century may have just begun. Trade conflict is a small part of a larger battle. America's 'Tariff man' should better know that his tantrums can trample Mexico or Canada but it's difficult to Trump China. Remember, China and India accounted for over half of global GDP two centuries ago. It is not the West's sunset time yet, but the clock is reversing. US hegemony is challenged as China gradually regains its polar position.

Yes, China has a great wall of debt, but its will to dominate is taller. Arrest a CFO, impose tariffs, block investments or play military games, nothing would cut the Middle Kingdom's ambitions. The boundaries of artificial intelligence and natural wisdom will be tested. Stan Lee's words of advice for both: with great power, comes great responsibility.

Kim crossed the border to break bread with Trump in Singapore, and nibbled on noodles with Moon Jae-in. North Korea stole the limelight briefly, but Middle-East remains the biggest geopolitical flashpoint. Khashoggi's murder tainted The Crown of MBS. The Game of Thrones between Saudis and Iran is taking a toll on Yemen. ISIS' horror is back in Syria and Iraq. The US moving its embassy to Sacred Jerusalem led to bloody Games in Gaza. Markets, don't ignore Crude realities. Harry and Markle United and the Kingdom celebrated. Britain's Great divorce with EU may not go smoothly. After creating a 'brief history of time' on earth, Stephen Hawking moved 'beyond the horizon'.

EU didn't allow an extended budget for an Italian opera. Time will tell how the tale ends. Italian markets lost favour with investors, but Juventus FC rose with Ronaldo. Merkel-Macron turned less popular but deserve kudos as the flagbearers of liberalism and plurality. Russians had a "ball" of a time. FIFA threw surprises like a Russian Roulette. Mbappe led La Football en Marche! A French revolution on Putin land! A star is born – Croatia's Modric (Lady Gaga can wait). Abenomics' arrows missed its targets, but Naomi Osaka's racquet got Japan its first grand slam.

Read more: <https://cfasocietyindia.com/2018/12/26/person-of-the-year-2018/>

ExPress on WordPress

Market Cycles & Investment Lessons from History

Sumit Duseja, CFA
Co-Founder of Truemind Capital Services



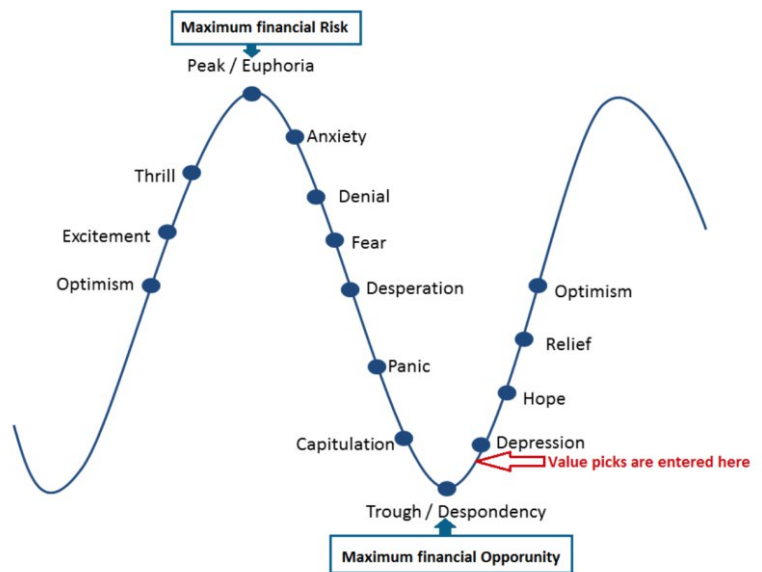
What we have learned from history is that people don't learn from history. And that is the reason why a majority of investors do not earn good returns from their investments over the long term. Those who make superb returns on their investments are good students of market history and have learned the lessons quite well and stick to it.

There is no denying that equity markets go through a cycle. Broadly we can call it a cycle of Greed & Fear. These cycles have happened many times in the past and will continue to happen in the future.

Stock markets are a reflection of collective human emotions. Like we experience phases of joy and sorrow in our lives, similarly, equity markets also experience emotional upheavals due to collective actions based on perceptions of human beings.

Do note that the euphoric scenario in the cycle of Greed & Fear comes with the point of maximum financial risk. On the contrary, despondency in the cycle presents the point of maximum financial opportunity. To depict the same in terms of returns, let's see the tables below:

In a course towards market peaks in the last 20 years, following are the Sensex returns whenever it has crossed 25x PE multiple.



Sensex Crossing PE 25x	Sensex Level	Next 2 years CAGR	Next 3 years CAGR	Next 5 years CAGR
11-Feb-00	5,934	-23.26%	-18.13%	2.08%
10-Oct-07	18,658	-5.56%	2.77%	0.14%
13-Oct-10	20,688	-4.99%	-0.26%	5.40%
01-Nov-17	33,600	??	??	??

Source: BSE; WWW.TRUEMINDCAPITAL.COM Research

Sensex crossed 25x PE three times in the last 20 years and the average CAGR over the next 5 years period is paltry 2.54%.

On the contrary whenever Sensex PE fell below 14x multiple, the point to point returns in subsequent years have been terrific.

Sensex Going Below PE 14x	Sensex Level	Next 2 years CAGR	Next 3 years CAGR	Next 5 years CAGR
17-Sep-01	2,680	26.30%	26.91%	34.98%
10-Oct-08	10,528	38.69%	15.53%	13.98%

Source: BSE; WWW.TRUEMINDCAPITAL.COM Research

Equity markets generally go through intermittent (small) corrections and big secular corrections. The intermittent corrections are up to 20% which occurs while the markets go through a longer trajectory from trough to peak. From the peak a major secular correction of 50-60% occurs once in a decade. These corrections happened multiple times in the past and will continue to happen in future. The timing and the extent of such corrections is difficult to ascertain but there are telltale signs during the extremes of the market.

Read more: <https://cfasocietyindia.com/2018/12/26/market-cycles-investment-lessons-from-history/>



Insights from IAIP Events

Session by Mr. Samir Arora - 2nd Value Investing Pioneers Summit, Delhi 2018

Contributed By: Jatin Khemani, CFA

What they don't teach you anywhere

At 2nd Value Investing Pioneers Summit, Mr. Samir Arora, Founder of Helios Capital Management Pte Ltd. gave a talk on “What they don't teach you anywhere”

The underlying theme or message of his talk was that – **there are no rules and everything must be doubted and challenged.**



Samir went on to dispel some of the common beliefs/assertions that most value investors have. He said that as there are no rules, these should also be challenged.

- **We (should) buy stocks where we have high conviction.**
 - Conviction on rejected stocks is more as we know with more clarity what is bad than what is good.
 - What we buy, we track/watch closely. if the conviction was high, one would tend not to do that.
 - Research focus should be on eliminating bad, not in choosing what is good.
- **Our favorite holding period (should be) is forever**
 - Most investors take this statement of Warren Buffett as gospel truth without fully understanding what he actually said.
 - “When we own a portfolio of outstanding business with outstanding managements, our favorite holding period is forever.” – is what Buffett said in Berkshire letter to shareholders

- 1988. The conditions of 'outstanding business' and 'outstanding managements' have to be met for stocks to qualify as 'forever' bets.
- While Buffett's favorite holding period is forever, it is not the only option but favorite amongst many.



- **We (should) own stocks for the long term.**
 - Our biggest advantage as an investor is we can walk away anytime unlike a promoter, so why should we hold stocks for long term? As an investor, we need to revisit our thesis on a regular basis and hold only if company continues to deliver. Example: We are holding HDFC bank for more than 20 years but yet don't call it long term stock because the day anything goes wrong we can move out.
- **An investor should act as though he had a lifetime decision card with just twenty punches on it.**

Read more: <https://cfasocietyindia.com/2018/12/27/session-by-samir-arora-what-they-dont-teach-you-anywhere/>

Insights from IAIP Events

Session by Mr. Samit Vartak, CFA - 2nd Value Investing Pioneers Summit, Delhi 2018

Contributed By : Ashwini Damani, CFA

At the 2nd Value Investing Pioneers Summit, Samit Vartak gave a talk on 'Buy and Forget' vs 'Active Investment Management'. Below are the key notes:

Samit was trying to clear dilemmas which Value Investors might be facing due to recent under-performance. He was worried that despite doing everything right in the process, the returns were not matching up and so he wanted to find answers as to what is better – 'Active Investment Management' or 'Buy and Forget'.



He delved on the fact that recent returns in stocks were favoring the following themes:

1. High Quality overvalued stocks
2. Avoiding looking foolish – 'Not going wrong' is being valued more by decision makers due to job security.
3. Avoiding landmines is more important than aiming for higher returns.





Due to all this, he was forced to think as to what is a better approach

- Diving deep and finding undervalued and unappreciated stocks and holding them till value is discovered (active investment management) or
- Buying 'Quality' stocks and holding them forever.

Unable to resolve the dilemma, he turned to Warren Buffet's performance and actions to find clues.



Samit mentioned that Warren Buffett's returns can be broken down into multiple decades and if we look closely the returns of each decade matched the earnings growth of the stocks in which he invested.

Read more: <https://cfasocietyindia.com/2018/12/17/session-by-mr-samit-vartakcfa-2nd-value-investing-pioneers-summit-2018-delhi/>



Insights from IAIP Events

Session by Mr. Durgesh Shah - 2nd Value Investing Pioneers Summit, Delhi 2018

Contributed by: Jatin Khemani



What matters in Investing?

- Mistakes are a great teacher.
 "The only real mistake is the one from which we learn nothing" – John Powell
- Investing is all about: Management, Business, Valuation and Self
- **Management:** In India, management is more important than business as vis-à-vis other countries
- As Ramdeo Aggarwal says, business is multiplicative of management, therefore, if management is zero then everything would be zero.
- He beautifully described management in a simple quote "A bat is very different in hands of Virat Kohli than in our hands"
- **Valuation:** Price is very important. As Howard Marks says, everything is good at a price.
- **Self:** Above all, an investor must understand himself i.e. what works for him and what does not.

How markets value management?

It is based on various factors: Trust, Culture, Focus, Scalability, Delegation

Read more: <https://cfasocietyindia.com/2018/12/14/session-by-mr-durgesh-shah-2nd-value-investing-pioneers-summit-2018-delhi/>

Insights from IAIP Events

Why Simplicity Wins- By Mr. Saurabh Mukherjea, CFA

Contributed by: Sidhant Daga

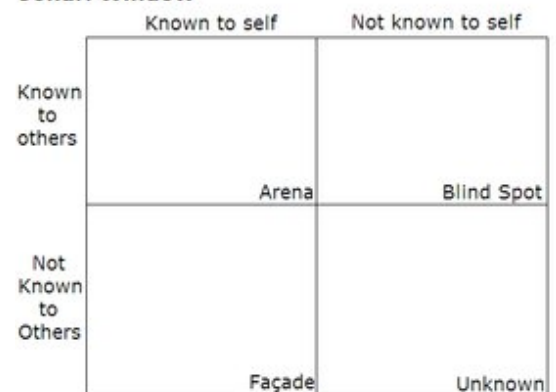
The Kolkata Chapter of the CFA Society India hosted Mr. Saurabh Mukherjea, CFA – Founder of Marcellus Investment Managers on 29th November 2018.



Key event highlights

- Mr. Mukherjea explained how the human mind is inherently flawed, while we like to think we are smart, our decisions are based on miscalculated probabilities.
- He spoke how in the time which he got, between leaving Ambit and founding Marcellus, he did a lot of study and research in the field of human psychology.
- Tools like MRI Scanning and Eyeball tracking, various new things about human psychology and brain functionality, have been revealed.
- The importance of the Johari window was discussed and how the 4th box is the largest and gaining lot of importance.

Johari Window



Read More: <https://cfasocietyindia.com/2018/12/19/why-simplicity-wins-by-mr-saurabh-mukherjea-cfa/>

Insights from IAIP Events

Volatility-Contingent Strategies and Their Implications for Market Stability

Contributed by: *Vikas Agrawal, CFA*

The Bengaluru Chapter of CFA Society India hosted Professor Larry Harris, CFA for a session on the "Volatility-Contingent Strategies and Their Implications for Market Stability". Professor Harris holds the Fred V. Keenan Chair in Finance at the USC Marshall School of Business and has served as SEC Chief Economist from 2002-2004. Further, the session was moderated by Dr. S G Badrinath, the



Canara Bank Chair in Banking and Finance and Chair of the Centre for Capital Markets and Risk Management at IIM Bangalore. It was a remarkable learning opportunity for the Members and Candidates in Bengaluru.

Prof. Harris started the session by introducing the concept of Volatility budget and discussed several Volatility contingent strategies. After the crisis until recently, the volatility has dropped, and the asset prices have been rising. Implied volatility has been higher than the realised volatility.

This is the time when Investors scale up the portfolio volatility based on their volatility expectations. In the process, market participants take aggressive positions for scaling up the portfolio volatility and seek higher return prospects. Different market players use different strategies. Selling straddles, strangles, VIX products and rolling down the VIX future are some of the most cited ones.

Read more: <https://cfasocietyindia.com/2018/12/21/volatility-contingent-strategies-and-their-implications-for-market-stability/>

Insights from IAIP Events

Sweet Diamond - Workings of the Sugar Sector

Contributed by: Sidhant Daga

The Kolkata Chapter of the CFA Society India hosted Mr. Pramod Patwari - CFO at Balrampur Chini Mills Ltd. on the 15th December 2018. He explained to the audience in great detail the intricacies



of the sugar industry.

The key highlights of the event are:

Industry Specific

- Patwari expects lower sugar production from Brazil in comparison to earlier estimates on account of climatic conditions and higher switch to ethanol.
- India's sugar production for the 2017-18 season was ~32.5 million tonnes, up ~60.89% as compared to 20.2 million tonnes produced in previous season
- India is expected to produce around 30 MT of sugar in the current sugar season.
- The government has taken steps like creation of buffer stock, incentivised export targets for supporting the sugar companies.
- India is the largest consumer of sugar and 2nd largest producer of sugar in the world.
- Patwari expects diversion to B-heavy to increase in coming years. The diversion through B Heavy route during current sugar season is expected at 0.5 MT, which is expected to increase to 1.5 MT in the coming years.

Read more: <https://cfasocietyindia.com/2018/12/18/sweet-diamond-the-workings-of-the-sugar-sector/>

Insights from IAIP Events

CFA Charter Award and Felicitation Ceremony 2018

Contributed by: Shivani Chopra, CFA

The CFA Society India hosted the CFA Charter Award and Felicitation Ceremony 2018, in 9 chapters across India. The annual event has grown from strength to strength and its purpose is to give recognition and appreciate all the hard work put in by the new members joining the society. The Society invited 515+ New Regular Members of IAIP and 1260+ Candidates who had passed CFA Level 3 Examination. On this occasion, these Members were presented with Mini Charters and Candidates were felicitated with Momentos. To celebrate this huge milestone, few senior Industry professionals and Board of Directors of Society were also present who shared their wisdom on career progression and provided industry insights. Along with the celebration and the learning, the event is also a great way to connect with like-minded professionals and expand one's network.



DELHI



KOLKATA

AHMEDABAD



INDORE

MUMBAI





PUNE



CHENNAI



HYDERABAD



BENGALURU

Career Insights

The Pros and Cons of Perfectionism, According to Research

By Brian Swider, Dana Harari, Amy P. Breidenthal, Laurens Bujold Steed

“What is your biggest weakness?”

One of the most common answers to this interview question is, “I am a perfectionist.” But is perfectionism a weakness? Wouldn't many interviewers see it as a strength?

Extensive research has found the psychology of perfectionism to be rather complex. Yes, perfectionists strive to produce flawless work, and they also have higher levels of motivation and conscientiousness than non-perfectionists. However, they are also more likely to set inflexible and excessively high standards, to evaluate their behaviour overly critically, to hold an all-or-nothing mindset about their performance (“my work is either perfect or a total failure”), and to believe their self-worth is contingent on performing perfectly. Studies have also found that perfectionists have higher levels of stress, burnout, and anxiety.

So while certain aspects of perfectionism might be beneficial in the workplace, perfectionistic tendencies can also clearly impair employees at work. Does this make it a weakness?

We combed through four decades of study on perfectionism to answer a more basic question: Are perfectionists better performers at work? We conducted a meta-analysis of 95 studies, conducted from the 1980s to today, that examined the relationship between perfectionism and factors that impact employees' effectiveness. These studies included nearly 25,000 working-age individuals. The short answer, we found, is that perfectionism is a much bigger weakness than job applicants and interviewers probably assume.

Read more: <https://hbr.org/2018/12/the-pros-and-cons-of-perfectionism-according-to-research>

On a Lighter Note

- A long term investment is a short term investment that failed.
- Nurse: Sir, you were in coma for 9 seconds.
- Sir: Oh my boy, I can't wait to see what is the worth of my Bitcoins!!!
- A man visits his bank manager and says, "How do I start a small business?" The manager replies, "Start a large one and wait six months."
- The biggest joke of all? Bailed out bank paying for sense of humour training at the Comedy School. That's one thing money can't buy.

Announcements and Credits

Feedback/Request for Articles

Please send feedback or interesting articles like book reviews, humor, lighter reading, personal experiences etc. to be covered in the Newsletter to: communication@iaipirc.org

Join fellow Charter holders on social media

Join CFA Society India member group on LinkedIn and Facebook by searching for CFA Society India.

Updates at WordPress

Stay updated about the society events by visiting <https://cfasocietyindia.com/>. Have strong expertise and views on any area of financial markets? Express on the WordPress. Have you read any interesting business, investment or finance book? Share your reviews with fellow Charter holders. Brief notes as well as select photographs of almost all the events since January 1st, 2011 are posted on <https://cfasocietyindia.com/>.

Programs and Events

Now you could register for the forthcoming event on the www.cfasociety.org/India page by clicking on the Events tab and Event Registration (www.cfasociety.org/India/Pages/EventRegistration.aspx)

Kindly send in suggestions on topics around which you would like us to organize events. Members, having access to insightful speakers are requested to come forward and help in facilitating events around them. This will enhance value to the member community. Please email to the Continuing Professional Development (CPD) committee members: abhishekloonker@gmail.com or secretary@india.cfasociety.org

Want to Volunteer?

CFA Society India is always looking to increase member participation and provide networking opportunities. You are most welcome to volunteer for our society to make it more vibrant. It will offer you with an opportunity to interact with members and the investment community, CFA charter holder community and keep in touch with the latest developments in the financial industry. It also provides a good platform for developing leadership skills. It is also an excellent forum for giving back to our profession.

To understand more and join one of the committees reach out to any of us or Volunteer Committee or Mansi and Shefali at secretary@india.cfasociety.org

You could also fill in the form on the website www.cfasociety.org/india under Membership tab and Volunteer option. Complete list of committees and its active volunteers kindly visit page www.cfasociety.org/india under "About Us" tab click on the "Committees" button.



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