

## Market correction an opportunity to get right-weight on equities'

*For investors sitting on cash, this is the right opportunity to invest a part of it in equities, say RIAs.*

*Abhishek Kumar Feb 25, 2022*



As economies were finally getting back to pre-covid normality, a new kind of uncertainty has hit the markets in the form of Russia-Ukraine crisis. The geopolitical issue has kept the market on tenterhooks for a while now.

The Ukraine crisis along with other factors like the interest rate scenario, rise in inflation and rising oil prices have led to enhanced volatility, causing a lot of stress for investors.

The scenario, experts say, does not call for a knee-jerk reaction. Lovaii Navlakhi, CEO of International Money Matters, says

investors should take a calculated approach.

"If investors have enough money in safe instruments that can take care of any emergency in the next 6-7 months then there's no need to worry. If the Ukraine issue persists longer, the investments in safe options would have to be increased," he said.

Vishal Dhawan, CEO of Plan Ahead Wealth Advisors feels that investors' approach should depend on the status of their portfolio. "If they were underweighted on equities prior to the correction then this might be the right time to move to the ideal asset allocation. However, if they are still overweight or rightweight equity, then there's no need to do anything," he said.

Should you recommend lumpsum investment?

As per Dhawan, the correction is not big enough to warrant a lumpsum investment. "A 5% correction post an 18-month long rally is not as meaningful as it looks like," he said.

Navlakhi says investors waiting with cash for long can go for lumpsum investment but with a small amount. "Do it with a limited amount as you would not want to put all the money at once and get stuck if the markets decline further," he said.

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