

# TRADING INDIA

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## Live chat with Parag Parikh, CEO, PPFAS MF

**Parag Parikh, CEO, PPFAS MF**, joined the Trading India chat room on April 30, 2014, in Mumbai, and shared with Trading India members his views on the Indian markets.

Below is the transcript of the online discussion with **Parag Parikh** and **Trading India moderators**, in the presence of over 800 Trading India members in the live chat. For enquiries or access to Trading India chatroom, please send us an email at [trading.india@emails.thomsonreuters.biz](mailto:trading.india@emails.thomsonreuters.biz)

### TRANSCRIPT OF THE CHAT:

11:03:58 AM	Savio Shetty	thomsonreuters.com	Folks, please welcome, Market Veteran and CEO of PPFAS MF, Mr Parag Parikh to <b>Trading India</b>
11:04:05 AM	Participant 1		Good morning Mr. Parikh
11:04:37 AM	Parag Parikh	ppfas.com	Good morning.
11:04:50 AM	Participant 2		Good Morning Sir...great Moment for us to chat with u..
11:04:53 AM	Manoj Rawal	thomsonreuters.com	Starting with.. your thoughts on the Index pls? Are you in the camp of Nifty doubling over next 2-3 years?
11:05:30 AM	Parag Parikh	ppfas.com	I think that question should go to the astrologer. Bejan Daruwala.
11:05:37 AM	Participant 1		Where do you see broad market over next 1yr? Any specific theme/sectors to invest in?
11:05:43 AM	Manoj Rawal	thomsonreuters.com	haha
11:05:48 AM	Savio Shetty	thomsonreuters.com	We had him sir ... He was very bullish too
11:06:15 AM	Participant 2		Sir, would be great if u can share simple rules of identifying stocks and rule of investment.
11:06:36 AM	Savio Shetty	thomsonreuters.com	Great question <b>Participant 2</b>
11:06:45 AM	Participant 3		Mr. Parikh, as a value investor I feel some of the infra stocks are factoring in way too much optimism. What is your view?
11:06:49 AM	Parag Parikh	ppfas.com	I'm an optimist. We believe in the bottom up approach



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rather than any sector or theme. When get into a fancy sector everybody is in it and the fancy ends we have a fancy loss. We saw that in the real estate, infrastructure, IT, power sectors.

11:07:18 AM Participant 4 your take on Gold?

11:07:28 AM Participant 5 Hi Sir, would like to know your thoughts on Risk Management, as you have ventured on Mutual fund platform

11:07:34 AM Savio Shetty thomsonreuters.com **As an introduction here Mr. Parikh, Participant 3 is one of our biggest proponents of Value Investing.. An ardent student of the Benjamin Graham school**

11:07:59 AM Participant 5 what I am referring to is your portfolio positioning vis-a-vis your benchmark

11:08:31 AM Parag Parikh ppfas.com @ Participant 2 Buy good businesses run by competent & honest management, businesses having a strong competitive moat around them. Businesses should have pricing power. Less reliance on leverage.

11:09:20 AM Participant 2 **Thank You Sir..Not being lazy here but if u can share few of your current picks ???**

11:09:34 AM Parag Parikh ppfas.com @ Participant 4, my take on Gold, it's a non earning asset which got to always keep in your safe. May required if your daughter is getting married or it can hold you in good stead if you are running away from your country.

11:09:38 AM Participant 2 **for Investment sir..no trading no targets needed**

11:09:57 AM Participant 6 well come sir any investment idea

11:10:07 AM Participant 4 Thanks Sir..Absolutely agree with you

11:11:05 AM Savio Shetty thomsonreuters.com **Let's move to Participant 3's question on Infra stock valuations**

11:11:11 AM Parag Parikh ppfas.com @ Participant 2, I can't give specific stock picks as I'm the CEO of our MF. You are free to peruse through our fact sheet which we release on a monthly basis on our site  
<http://amc.ppfas.com>

11:11:36 AM Participant 2 **thank you sir..**

11:11:45 AM Participant 7 Paragbhai Welcome

11:11:56 AM Participant 2 **Sir, your view on Election results expected..?**

11:12:25 AM Parag Parikh ppfas.com @ Participant 5, From a risk management point of view our portfolio managers take a focused approach yet are reasonably diversified across Indian and Foreign equities.

11:13:13 AM Parag Parikh ppfas.com @ Participant 2, hoping any party comes with a majority so that decision making goes forward.



11:13:21 AM	Participant 5		Agreed Sir, but in our industry Clients usually focus on short term per se, which calls for a deviation from benchmark
11:13:39 AM	Participant 5		How do you manage the client's responses in that case?
11:14:52 AM	Parag Parikh	ppfas.com	@ Participant 5, We choose clients who appreciate the long term investing approach. This helps us in aligning expectations at the same time we are able to not to stray the course.
11:16:08 AM	Savio Shetty	thomsonreuters.com	<b>In your years of investing with the Long term approach, what do you think is its biggest shortcoming?</b>
11:17:42 AM	Parag Parikh	ppfas.com	@Savio The biggest shortcoming is lack of conviction and your inability to be patient. Self discipline and self belief are very important. You cannot be guided by the noise of the market.
11:17:51 AM	Manoj Rawal	thomsonreuters.com	<b>On your point of bottom up approach to investing, would you still not prefer going long on a particular sector if that's the theme of the year/cycle?</b>
11:19:14 AM	Parag Parikh	ppfas.com	@Manoj it depends entirely on the price at which I have entered a stock in a particular sector. Ultimately value investing is all about buying at the right prices. Secondly cycles change over a period of time. IT is better to have your process of investing clear rather than try to time the cycle.
11:19:41 AM	Manoj Rawal	thomsonreuters.com	<b>fair enough..</b>
11:20:34 AM	Manoj Rawal	thomsonreuters.com	<b>going sectoral for now.. There's a going belief in the market that Oil and gas is the next sector to lead markets in the current bull run, your view?</b>
11:20:45 AM	Participant 8		Parag Sir.. What about PSU's like NTPC and BHEL.. Do you believe value in them or will you discard them owing to policy makers??
11:20:54 AM	Savio Shetty	thomsonreuters.com	<b>So when you say buying at the right price, is SIP not a good ploy/tactic ?</b>
11:21:00 AM	Savio Shetty	thomsonreuters.com	<b>Rajdeepak</b>
11:21:08 AM	Participant 1		Parag Sir.. Your view on INR
11:21:30 AM	Parag Parikh	ppfas.com	@ Participant 8, Yes, the policy makers are the biggest problem.
11:22:34 AM	Parag Parikh	ppfas.com	@Savio SIP is for the people who are lay investors. Value investing is for the professional who is managing the money. Both are very different. SIP are



11:22:41 AM	Participant 8		useful when you are not looking at timing the market. I agree Sir.. But discarding these stocks at current valuation??
11:22:56 AM	Parag Parikh	ppfas.com	@S Participant 1, No view.
11:23:21 AM	Savio Shetty	thomsonreuters.com	Any final questions for Parag sir, folks ?
11:24:30 AM	Parag Parikh	ppfas.com	@ Participant 8, there is euphoria in the markets if you're a trader you can ride the wave. But if you are a long term value investor these should have a different outlook.
11:26:27 AM	Savio Shetty	thomsonreuters.com	Any final thoughts you'd like to leave us with Sir?
11:27:05 AM	Participant 9		Hi! Do u think it is difficult to visualise WPI & CPI coming down significantly over the 1st half of the FY?
11:27:16 AM	Parag Parikh	ppfas.com	This is a time when lot of stocks are in demand. Remember when you chase a fancy you pay a fancy price. and when the fancy ends you have a fancy loss.
11:27:55 AM	Parag Parikh	ppfas.com	@ Participant 9, I don't have the expertise or the knowledge to comment on WPI/CPI
11:28:24 AM	Savio Shetty	thomsonreuters.com	Great.. Thank you sir for your time and we wish you and your AMC luck

## ABOUT TRADING INDIA

The Thomson Reuters Trading India community is a multimedia platform for Indian cross-asset market participants. The Trading India platform consists of: The Day Ahead email that provides the overview of the day ahead and key events; a Web portal featuring leading India stories that move the market; and a dynamic Chat room that allows members to interact in real time and exchange ideas. To join our community please visit <https://inside.thomsonreuters.com/Trading/india/Pages/default.aspx>

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