ALL YOU NEED TO KNOW ABOUT VOLATILITY

Ups and Downs in the stock market are referred to as market volatility.

Volatility means fluctuation or inconsistency.

WHAT CAUSES VOLATILITY?

GLOBAL FACTORS
like, uncertainty in global economic conditions.

COUNTRY SPECIFIC
for instance, uncertainity in political scenario

INDUSTRY SPECIFIC
such as changes in policies specific to that industry

INVESTMENTS ARE SAID TO BE VOLATILE *when*

There is frequent **price fluctuation** which leads to **uncertainty** in the end value of **the investment.** Thereby **increasing the risk** in the respective investment.

HOW TO PROTECT INVESTMENTS FROM VOLATILITY IN MARKETS

Mutual funds can actually help you benefit during Market Volatility

Some mutual funds schemes are structured to invest and benefit from volatile markets.

BY changing the proportion of investment in equity markets according to the market movement.

When markets are high the fund sells equity and books profits; and invests in cash, debt or similar instruments. When market is low they identify and invest in stocks that have the potential of becoming more valuable.

Hence, it aims to buy at lower levels and sell at higher levels.

Remember that volatility can be **balanced out** through **long term investment.** So it is advisable to **spend time** in the market and **not time the market.**

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Invest Correctly

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.