

SECTOR PICKS

Reliance MF Positive on NBFC, Liquor and Consumer

Our Bureau

ETMarkets.com: Sunil Singhanian, CIO for equity investment at Reliance Mutual Fund, said the stock market is trading at levels that are slightly above 10-year average but long-term investors should remain invested.

In an interview to **ETNOW**, he said: "You always have some kind of a buying panic and a selling fear or the reverse in the equity market. My advice is do not buy anything because the sector is in fancy," Singhanian said.

Here is a list of top three sectors where Singhanian is positive on:

NBFCs could be wealth creators. They have already rallied on better asset quality, falling interest rates and the possibility of revival in credit demand as the economy improves.

"We are very positive on niche financials and specifically on companies that are catering to the huge shift from physical savings to financial savings," Singhanian said.

India is behind the world by 15-20 years if you look at the growth of the mutual fund industry, life insurance companies or the wealth management companies.

Liquor stocks could be dark horses. "Almost 30% of the world's millennial

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and Gen Z population resides in India. They have still not entered the drinking age. There is an overhang if liquor will be included in GST. But I think we are pretty okay," he said.

"This is a call which we took more from a business perspective with a time horizon of three-five years and we still do not have any reason to change that view," Singhanian said.

Consumption stocks remain preferred buys. There are pockets in the consumption basket where the penetration is quite low. Apart from liquor, stocks in sectors like building materials and fashion brands stand to gain, because as the standard of living improves, each one of us wants to look good, wear good and consume well.

"There is going to be an opportunity even on the consumption side, but maybe companies and the sub-sectors within the consumption basket might change," he said.