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OIL, CONFLICT & MARKETS: HOW THE US-IRAN TENSIONS ARE RESHAPING THE GLOBAL AND INDIAN ECONOMY

The escalating tensions between the United States and Iran have once again brought global attention to the strategically important Strait of Hormuz — a narrow sea passage through which nearly 20% of the world's oil supply moves every day. Any disruption in this corridor immediately impacts crude oil prices, shipping costs, insurance premiums, and global trade flows. Recent military and geopolitical developments in the Gulf region have increased volatility in energy markets, pushing crude oil prices higher and reviving concerns about inflation and economic slowdown across the world.

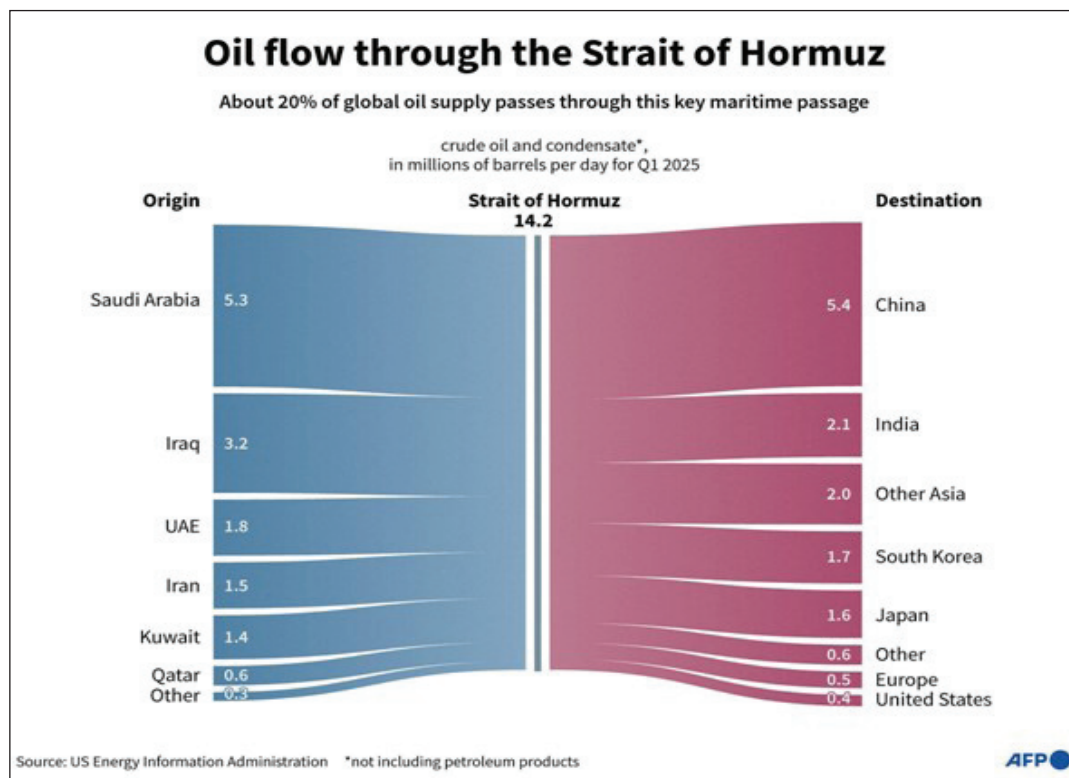
For India, the situation is particularly sensitive because the country imports nearly 85% of its crude oil requirements. Rising oil prices directly increase the nation's import bill and widen both the current account deficit and fiscal deficit. A sustained increase in crude prices also puts pressure on the Indian Rupee, increases transportation and logistics costs, and raises inflationary concerns across sectors. Higher oil prices affect aviation, manufacturing, chemicals, and transportation industries, ultimately influencing consumer spending and economic growth.

The impact is also visible at the retail level. Any increase in global crude prices eventually affects petrol and diesel prices, either directly or indirectly through taxation and subsidy adjustments. Higher fuel prices reduce disposable income for households and increase operational costs for businesses. This inflationary environment can impact demand across sectors and slow down consumption-driven growth in the economy.

Indian equity markets have reacted cautiously to these developments. Foreign Institutional Investors (FIIs), who generally prefer stability during uncertain global situations, have shown increased volatility in flows. Risk-off sentiment often results in FII outflows from emerging markets, including India, leading to pressure on benchmark indices. Although headline indices may appear stable, market breadth has weakened considerably in recent months. A relatively small group of large-cap companies — particularly from banking, energy, and select technology sectors — continue to support the indices, while broader participation from mid-cap and small-cap stocks remains uneven.

Trading depth and volumes have also shown signs of caution, with investors becoming selective amid geopolitical uncertainty and elevated valuations. Defensive sectors such as FMCG, healthcare, and utilities have displayed relatively better resilience compared to cyclical and speculative segments.

In such a scenario, investors are generally



advised to avoid emotional decision-making. Maintaining diversification, continuing systematic investment plans (SIPs), and focusing on fundamentally strong businesses with healthy balance sheets may help navigate volatility more effectively. Investors with a long-term horizon may consider market corrections as opportunities for gradual accumulation rather than reasons for panic. Asset allocation, liquidity management, and disciplined investing remain essential during periods of geopolitical and economic uncertainty.

Mutual Fund Investment Approach During Volatile Markets

For mutual fund investors, periods of uncertainty often test patience and discipline. However, history has shown that disciplined investing during volatile phases has helped long-term investors create wealth over time.

Some practical approaches investors may consider include:

- Continue SIPs regularly instead of stopping investments during market corrections.
- Prefer diversified equity mutual funds such as Flexi Cap or Large & Mid Cap for long-term goals.
- Avoid aggressive lump-sum investing at a single market level; staggered investing may help reduce timing risk.
- Maintain asset allocation between equity, debt, and emergency funds according to financial goals and risk appetite.
- Investors nearing short-term financial goals

may gradually shift part of their allocation toward safer debt-oriented instruments.

- Avoid chasing momentum or speculative themes solely based on short-term market movements.
- Periodic portfolio reviews and rebalancing can help maintain discipline during uncertain times.

For long-term investors, volatility should be viewed not only as a risk but also as an opportunity to accumulate quality assets at relatively reasonable valuations through a systematic approach.

The current global environment highlights how deeply interconnected geopolitics, oil prices, inflation, and financial markets have become. While short-term volatility may persist, patient and disciplined investing continues to remain one of the most effective approaches for long-term wealth creation.

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LESSONS INVESTORS CAN LEARN FROM WARREN BUFFETT

For generations of investors across the world, Warren Buffett has represented the true essence of disciplined investing. Popularly known as the “Oracle of Omaha,” Buffett built his wealth not through speculation or shortcuts, but through patience, understanding businesses, and staying committed to long-term investing principles. His timeless wisdom continues to guide investors even in today’s fast-moving and uncertain financial markets.

“The stock market is a device for transferring money from the impatient to the patient.”

One of Buffett’s most powerful lessons is the importance of patience. Modern markets often encourage short-term thinking, where investors react emotionally to daily news, market corrections, or temporary volatility. Buffett consistently reminds investors that wealth is created over years, not days. Investors who remain disciplined and stay invested during difficult market phases often benefit the most from long-term economic growth and compounding returns.

“Never invest in a business you cannot understand.”

Buffett has always believed that understanding an investment is more important than blindly following trends. Rather than chasing fashionable sectors or speculative opportunities, he focuses on businesses with simple models, strong fundamentals, ethical management, and sustainable competitive advantages. This lesson is highly relevant for today’s investors, especially when social media and market rumours can influence decision-making. Knowledge and clarity should always come before investment.

“Risk comes from not knowing what you are doing.”

According to Buffett, risk is not merely market volatility. Real risk arises when investors enter investments without proper understanding or financial planning. Many investors become aggressive during bull markets and fearful during corrections. Buffett’s philosophy teaches investors to maintain proper asset allocation, avoid excessive leverage, and invest according to their financial goals and risk appetite. Discipline often protects wealth more effectively than chasing high returns.

“Someone’s sitting in the shade today because someone planted a tree a long time ago.”



This quote beautifully explains the power of compounding. Buffett started investing at a very young age and allowed time to work in his favour. Even small investments made consistently over long periods can grow substantially. This principle aligns closely with Systematic Investment Plans (SIPs) in mutual funds, where disciplined investing through market cycles can help create long-term wealth. Investors often underestimate the value of consistency and time in the market.

“Be fearful when others are greedy and greedy when others are fearful.”

One of Buffett’s most quoted principles highlights emotional control during market cycles. During strong bull markets, greed often drives investors toward risky decisions. Similarly, during market crashes or geopolitical uncertainty, fear can force investors to sell quality investments at the wrong time. Buffett instead views market corrections as opportunities to accumulate fundamentally strong assets at reasonable valuations. Emotional discipline remains one of the most important qualities for successful investing.

“Price is what you pay. Value is what you get.”

Buffett’s investing style is deeply rooted in value investing. He believes that investors should focus on the intrinsic strength of businesses rather than short-term price movements. A good business purchased at a reasonable valuation can generate wealth over decades. This approach encourages investors to focus on long-term fundamentals rather than reacting to temporary market noise.

“Our favourite holding period is forever.”

Perhaps Buffett’s greatest lesson is commitment to long-term ownership. Frequent buying and

selling not only increase emotional stress but can also reduce long-term returns. Investors who stay invested in quality businesses and diversified mutual funds through various market cycles often benefit from economic growth, innovation, and compounding over time.

For mutual fund investors, Buffett’s principles remain highly practical even today:

- Continue SIPs during volatility instead of stopping investments.
- Focus on diversified and fundamentally strong mutual funds.
- Avoid emotional reactions during market corrections.
- Maintain balance between equity, debt, insurance, and emergency funds.
- Review investments periodically but avoid unnecessary churning.
- Invest with clear financial goals and a long-term mindset.

The journey of Warren Buffett reminds investors that successful investing is not about predicting every market movement. It is about patience, discipline, emotional balance, and consistency. In a world filled with uncertainty and constant market noise, Buffett’s timeless wisdom continues to offer clarity and confidence to investors across generations.

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PROTECTING WEALTH BEFORE CREATING WEALTH: THE IMPORTANCE OF INSURANCE IN DIFFICULT TIMES

In the journey of financial planning, many people focus primarily on wealth creation through savings, investments, mutual funds, or property. While growing wealth is important, protecting wealth is equally essential. A single medical emergency, accident, theft, or unforeseen event can disturb years of financial discipline if proper protection is not in place. This is where insurance becomes one of the most important pillars of financial security.

“It is not only about how much wealth you create, but how well you protect it.”

Life is uncertain, and financial setbacks often arrive unexpectedly. Medical inflation continues to rise rapidly, and hospitalization costs can place a significant burden on families. Without adequate health insurance, many individuals are forced to withdraw investments, break fixed deposits, or take loans during emergencies. Health insurance acts as a financial shield, helping families manage medical expenses without disturbing long-term financial goals.

Similarly, accidents can create emotional as well as financial challenges. An accident may lead to temporary or permanent loss of income, medical treatment expenses, or long-term rehabilitation costs. Personal accident insurance helps provide financial support during such difficult situations and protects families from sudden income disruptions.

“Insurance is not an expense; it is protection for the future.”

Another important aspect often overlooked is protection against theft, fire, natural calamities, or damage to property and assets. Home insurance, vehicle insurance, and business insurance help individuals safeguard valuable assets that may have taken years of hard work to build. In today's uncertain environment, risk management has become an important part of responsible financial planning.

Many investors aggressively focus on returns while ignoring risk protection. However, financial planning should begin with creating a strong foundation of safety before taking



investment risks. Insurance ensures that long-term investments meant for children's education, retirement, or family security are not disturbed due to emergencies.

“Wealth creation without protection is like building a house without a foundation.”

For families, health insurance and life insurance are often considered basic necessities rather than optional products. A term insurance plan can provide financial security to dependents in the unfortunate event of loss of life, ensuring that family goals and responsibilities continue smoothly. Likewise, adequate health cover can reduce stress during medical emergencies and preserve accumulated savings.

Investors should also periodically review their insurance coverage based on changing responsibilities, inflation, lifestyle, and income levels. Underinsurance can create significant financial gaps during difficult situations.

A balanced financial plan generally includes:

- Emergency fund reserves
- Health insurance
- Term life insurance

- Accident insurance
- Asset protection through general insurance
- Long-term investments for wealth creation

The true purpose of financial planning is not only to grow money, but also to create stability, confidence, and peace of mind for families. Insurance may not always appear attractive during good times, but during difficult moments, it often becomes the strongest financial support system.

In uncertain times, protecting wealth becomes just as important as creating wealth. Financial security begins not with taking high risks, but with being prepared for life's uncertainties with responsibility and foresight.

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INDIA'S ECONOMIC RESILIENCE: HOW THE GOVERNMENT IS PREPARING FOR GLOBAL CHALLENGES

The global economy continues to face uncertainty due to geopolitical tensions, rising crude oil prices, inflationary pressures, supply chain disruptions, and slowing growth across several major economies. Despite these global challenges, India has continued to position itself as one of the fastest-growing major economies in the world. While risks remain, the Indian government and financial institutions have taken several precautionary and structural measures to strengthen economic stability and reduce the impact of external shocks.

“Strong economies are not built during easy times, but through preparation during difficult times.”

One of the biggest strengths of the Indian economy today is its diversified growth structure. Unlike many nations dependent on a single sector, India's economy is supported by manufacturing, services, agriculture, infrastructure, digital technology, and domestic consumption. This diversification helps reduce the impact of global slowdowns on the overall economy.

The government has also increased its focus on infrastructure development through investments in roads, railways, ports, airports, renewable energy, and urban development projects. Large-scale capital expenditure initiatives are designed to create employment, improve productivity, and stimulate long-term economic growth. Infrastructure spending has become one of the key drivers supporting India's economic momentum.

“Investment in infrastructure today becomes the foundation of growth tomorrow.”

Another major precautionary step has been the emphasis on strengthening domestic manufacturing under initiatives such as “Make in India” and Production Linked Incentive (PLI) schemes. These efforts aim to reduce excessive dependence on imports and encourage global companies to establish manufacturing bases in India. Sectors such as electronics, defense, semiconductors, renewable energy, and pharmaceuticals are witnessing increased policy support and investments.

The Reserve Bank of India (RBI) has also played an important role in maintaining financial stability. Through careful monetary policy management, inflation

monitoring, banking supervision, and liquidity support, the RBI continues to work toward balancing economic growth with price stability. India's banking sector has shown improved asset quality and stronger capitalization compared to previous economic cycles.

“Economic stability requires both growth and discipline.”

To reduce the impact of global crude oil volatility, the government has diversified energy sourcing, increased strategic petroleum reserves, and accelerated renewable energy initiatives such as solar, wind, and green hydrogen projects. These long-term efforts are aimed at reducing dependence on imported fossil fuels and strengthening energy security.

India has also rapidly expanded its digital economy through initiatives like UPI, digital banking, Aadhaar-linked services, GST implementation, and financial inclusion programs. The digital ecosystem has improved transparency, increased tax collections, and strengthened the formal economy.

At the same time, the government remains cautious about fiscal management. While welfare schemes and capital expenditure continue, efforts are being made to maintain fiscal discipline and control inflationary pressures. Policymakers are carefully balancing growth initiatives with financial prudence to maintain investor confidence.

“Resilience is built not by avoiding challenges, but by preparing for them.”

For investors, the evolving Indian economy presents both opportunities and responsibilities. Periods of uncertainty



may create market volatility, but they also highlight the importance of disciplined investing, diversification, and long-term financial planning. India's structural growth story continues to attract global attention due to its young population, rising consumption, digital transformation, and expanding middle class.

While global uncertainties may continue in the near term, India's focus on infrastructure, manufacturing, financial stability, energy diversification, and digital growth reflects a long-term approach toward building economic resilience. The road ahead may witness challenges, but the foundation being laid today aims to strengthen India's position in the global economy for years to come.

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OUR SERVICES



Mutual Funds



Child Saving Schemes



Health Insurance



SIP - Systematic Investment Plans



Retirement & Pension Schemes



Critical Illness Insurance



Tax Saving Schemes



Capital Gain Bonds



Company Fixed Deposits



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Accidental Insurance



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