

6 MIN READ · INVESTOR BEHAVIOUR · ISSUE FOR SEPTEMBER 2026

> *Two investors watched the same 16% fall this year. One did nothing. The other sold everything on April 2 and never came back in.*

The first investor's portfolio is now back near its January high. The second is still sitting in cash, waiting for a "better" entry point that keeps moving further away.

This week, we look at what actually happened to the Nifty over the last two quarters, what drove it, and — more importantly — what investor behaviour during that period reveals about building wealth.

IN THIS ISSUE

- Nifty fell 16% (Jan–Apr), then recovered 12% (Apr–Aug) — same market, four months apart
- ₹24L invested over 20 years can become ~₹1Cr — most of that is compounding, not contribution
- What actually helped: RBI holding rates + record domestic (DII) inflows cushioning the fall
- US markets faced the same shocks and still posted their strongest H1 in years — a reminder this was a local, not global, story

WHY TIME BEATS TIMING

The case for staying put

Every crash feels unique while you're in it. But zoom out, and the Nifty's own history makes a quiet, repeated argument for patience over precision.

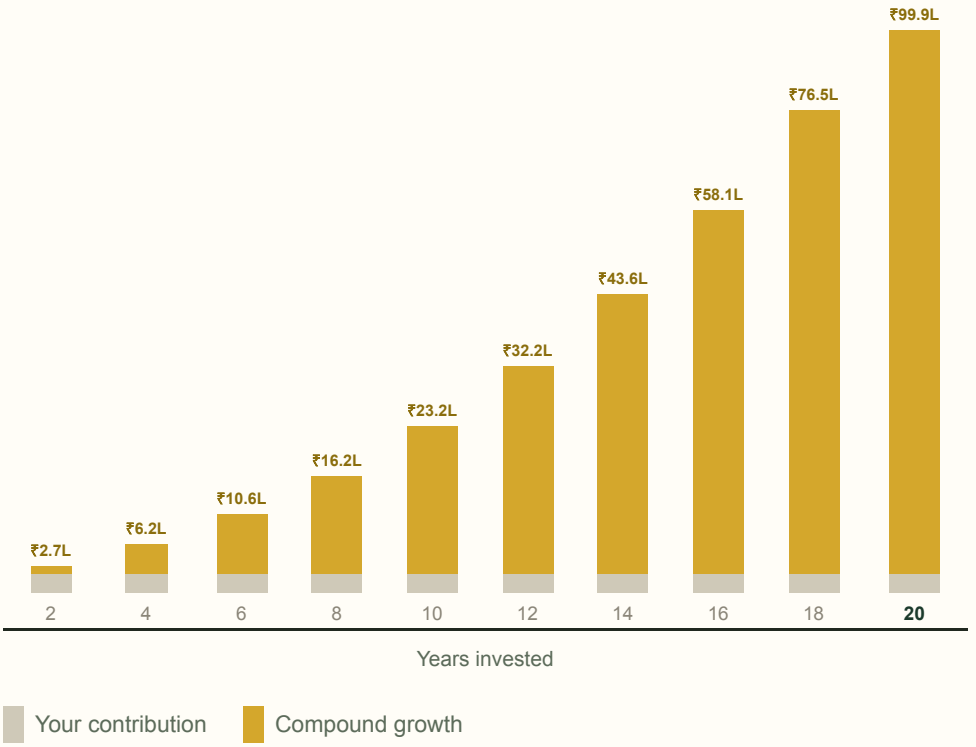
0	11.2%	29
negative 7-year periods in Nifty's 35-year history	average 7-year CAGR across every rolling window	rolling 7-year windows measured — all of them positive

A 7-year holding period has never once produced a loss for a Nifty investor. Six-week corrections have never changed that — only reacting to them has.

THE REAL EFFECT

What compounding actually looks like

₹10,000 invested every month, growing at 12% p.a. — over 20 years



₹24 Lakh invested becomes ~₹1 Crore. Three-quarters of that final number is growth you never had to earn twice — it's what staying invested quietly does, year after year.

WHEN THE MARKET FALLS

What steady behaviour actually looks like

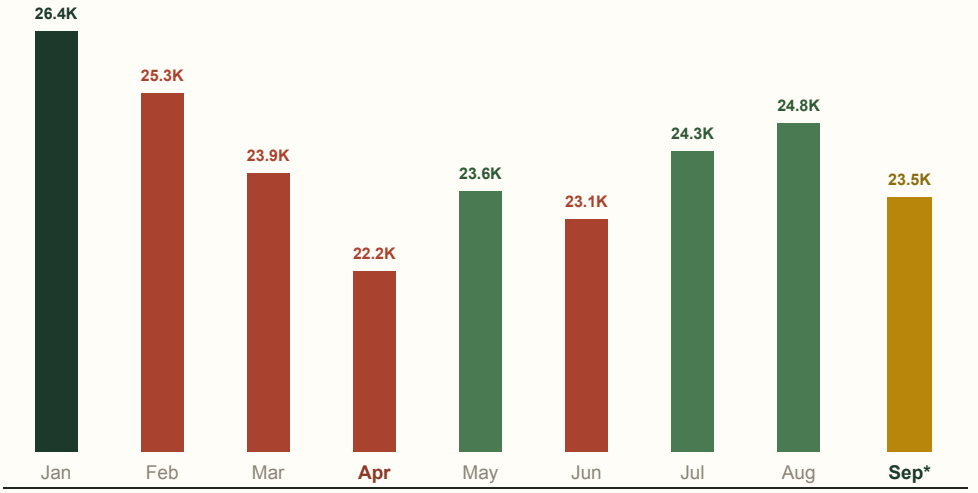
- ✓ **Check your goal, not your portfolio value.** If the money isn't needed for 5+ years, a six-week fall is noise against that horizon.
- ✓ **Keep SIPs running.** A falling market means each instalment buys more units — pausing defeats the one advantage a correction gives you.
- ✓ **Rebalance, don't retreat.** If the fall has pushed your equity allocation below plan, topping up is a decision — not a gamble.

✓ **Limit how often you check.** Daily tracking during a correction mostly just supplies reasons to panic — weekly is plenty.

THE LAST TWO QUARTERS

Nifty's 2026 rollercoaster, month by month

Approximate monthly close, Jan – Sep 2026



*Month to date

Up month Down month

APR 2 LOW	AUG PEAK	TODAY
22,182	~24,800	23,478
~16% off the Jan high	Recovery high	Below Aug support

CAUSE AND EFFECT

What hurt, and what helped

WHAT HURT

– Middle East tensions escalating repeatedly through the year

– Crude oil spiking toward $94/barrel, pressuring inflation and the rupee

– Sustained FPI outflows in the worst weeks

– Fed repricing hawkish after Jackson Hole, hitting risk assets globally

WHAT HELPED

– RBI holding rates steady through four straight policy meetings

– DII inflows hitting record levels (₹58,268 Cr in August alone)

– Domestic money absorbing large-cap selling as it happened

– Resilient corporate earnings through the reporting season

The pattern worth noting: every major hit came from outside India (oil, geopolitics, the Fed). Every cushion came from inside it — largely domestic investors who kept investing through the fall.

LOOKING AHEAD

What the next two quarters might hold

Worth saying plainly: nobody knows this with confidence, and the range of expert views itself tells a story. *(Views below are third-party brokerage forecasts as reported*

in the financial press in September 2026 — not recommendations from Green Shoots Wealth.)

↑ **The bull case: 28,300–30,000 by December**
Jefferies, Goldman Sachs, BofA, Nomura and JP Morgan cluster here — built on FY27 earnings growth, RBI easing, and continued domestic flows.

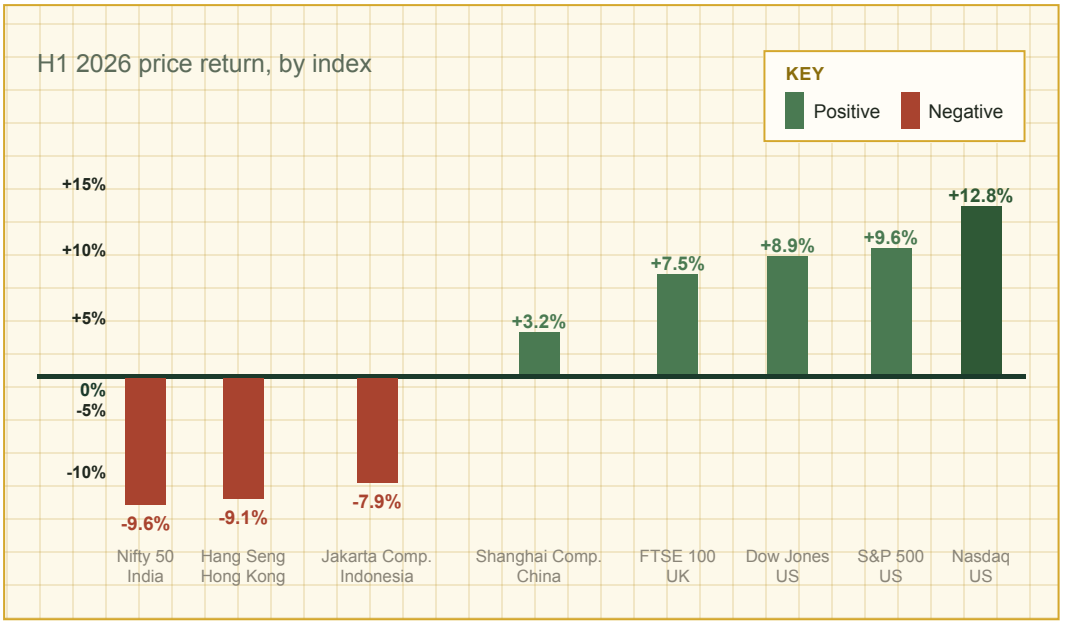
→ **The cautious case: range-bound, 23,500–24,500**
Near-term views see the index consolidating until crude eases or the Fed's next move is clearer.

? **The variable that decides it: crude and the Fed**
Almost every forecast is conditional on oil staying calm and the Fed cooperating. Neither is fully in anyone's control.

THE WIDER PICTURE

Same global shocks, very different outcomes

Eight major indices, one six-month window. Some fell alongside India, others barely noticed the same shocks.



H1 2026, price return basis. Sources: NSE, S&P Dow Jones Indices, Nasdaq, Hang Seng Indexes, Shanghai Stock Exchange, IDX, LSEG. India wasn't alone in falling — Hong Kong and Indonesia saw similar drawdowns — but the US markets barely paused despite facing the same global shocks. A reminder that this was a story about specific markets, not the world economy as a whole.

Not sure whether your portfolio is positioned for the next six months, or still reacting to the last six? Reply to this email — we'll look at it together.

The Steady Mind — Green Shoots Wealth

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601, Sai Fortune Business Centre, Tilak Road, Ghatkopar East, Mumbai – 400077

+91 9152153555 · info@greenshootswealth.com · www.greenshootswealth.com

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