

ET Q&A

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India must Draw in Companies Seeking China Alternative

Emerging markets fund manager **Mark Mobius** is bullish about Indian equities amid the global Covid-19 outbreak. The Indian equity market looks good not just because of low incidence of the disease in the country but also because manufacturers around the world want to diversify away from China as a source of parts and raw materials, said the founder of Mobius Capital Partners in an interview with **Sanam Mirchandani**. Edited excerpts:



Which are the asset classes one should look at when global markets are in panic mode?

Dividend-paying companies that look like they will continue to pay dividends, and gold.

Are you looking at increasing your allocation on Indian equities in wake of fewer confirmed coronavirus cases here?

Yes, India looks good not only because of the low incidence of virus thus far but also because of the desire of manufacturers around the world wanting to diversify away from China as a source of parts and raw materials. It is very important, therefore, for the Indian government to open its doors widely to such industries for investment in India.

How concerned are you about the impact of Covid-19 on global growth? Is the panic in world markets justified?

To some extent, the panic over coronavirus is justified simply because of the

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uncertainty that has developed around its spread and the vulnerability that people feel. The result is a kind of freezing of the economic system where people don't want to travel, don't want to go to work, etc. More importantly, the fact that the virus began in China and has had its greatest incidence in China is critical since China is such an important source of raw materials and parts for the entire global industrial system.