

INDIA & GLOBAL MARKETS

The Summit, the Handshake, and Your SIP

What BRICS in Delhi really means for you

A few days ago, a gentleman we have known for years — a careful investor, the sort who has quietly built real wealth over two decades — called us in some agitation. He had been watching a news channel where an excited anchor, standing outside Bharat Mandapam, was declaring that the world order was about to change. India was hosting the BRICS Summit. The dollar's days were numbered. A new financial era was dawning. "Should I be doing something with my portfolio?" he asked. "Should I be worried? Or excited?"

We told him what we will tell you now make yourself a cup of tea, watch the summit as a proud citizen, and then go back to doing absolutely nothing with your investments. Because the gap between what a summit feels like and what it actually does to your money is one of the widest gaps in all of finance.

Let us explain why.

What actually happened in Delhi

On the 12th and 13th of September, India hosted the 18th BRICS Summit. It was, by any measure, a grand occasion. The leaders of Russia and China were in the room. A joint statement the New Delhi Declaration was signed. There were business forums, tree-planting ceremonies, and a state dinner. For a country that loves to host the world, it was a moment of genuine pride, coming barely three years after our G20 presidency.

BRICS itself has grown up. What began as a clever acronym for five big emerging economies Brazil, Russia, India, China, South Africa has swelled to eleven members, taking in the UAE, Egypt, Iran, Ethiopia and Indonesia. Put together, these nations contain nearly half of humanity. On paper, it is an enormous bloc.

And here is where the trouble begins. Because "on paper" and "in your bank account" are two very different places.

The theatre and the reality

We have watched a great many summits over the years, and we have learned to separate the theatre from the substance. A summit is, fundamentally, a meeting. Leaders talk. They agree on intentions. They set up committees that will meet again next year. This is not nothing diplomacy shapes the world slowly but it is a very long way from a policy that moves the price of the Funds you own tomorrow morning.

Consider the one idea that gets the most breathless coverage that BRICS is about to “kill the dollar.” Every few months, this story returns, dressed in slightly different clothes. And every time, the reality quietly refuses to cooperate. This summit itself made it plain that there is no common BRICS currency being planned not now, not soon. What the countries agreed to was far more modest to *gradually* trade a little more in their own currencies, such as the rupee, rather than always routing everything through the dollar.

Now, that is a sensible, sovereign thing for a nation to want. But notice the word *gradually*. India today settles only a tiny sliver of its imports in rupees. The dollar still oils the machinery of almost all global trade. This is not a revolution it is a slow tide, and slow tides do not make good news bulletins which is precisely why the bulletins exaggerate them.

There is a deeper, less glamorous truth hiding beneath the summit photographs, too. For all its size, BRICS is a bloc of very different, sometimes quarrelsome, members. India and China have unresolved differences. Trade within the group is still small. India, in fact, runs an enormous trade *deficit* with its BRICS partners we buy far more from China and Russia than we sell them. A family portrait is easy to arrange a shared bank account, when everyone wants different things, is very hard.

So what genuinely moves your money?

Here is the part worth clipping and keeping. The forces that actually push and pull Indian markets are not the ones on the front page during summit week. They are quieter, duller, and far more powerful:

- **The price of crude oil**, because we import so much of it when oil rises, our costs rise.
- **The value of the rupee**, because a weaker rupee makes everything we import dearer.
- **The movement of global money**, when large foreign investors decide to buy or sell Indian shares in bulk.

A summit does not directly touch any of these levers. It is background music playing in another room while the real work of your portfolio goes on elsewhere.

The lesson, as always

We are often accused of being boring, and we plead guilty with pleasure. Because in investing, boring is where the money is. The excitement of a summit, the drama of a declaration, the thrill of a “new world order” these are wonderful things to read about over your morning coffee and terrible things to act upon.

The genuine story here is real, but it is a slow one India and the other emerging nations are, over decades, becoming a larger share of the world economy. If you want to be part of

that story and you should you are already doing the right thing. You are staying invested in a diversified way, through the ups and the downs, letting the years do the compounding that no summit ever can.

So watch Delhi with pride. Then close the news channel, and let your investments continue their quiet, unglamorous, enriching work. That, and not the handshake on your television screen, is how fortunes are actually built.

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