Emerging Trends in Investment Strategies in Public Issues

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***Abstract-** The investment has been in the last 30 years and is progressively part of the main financial sector, attracting greater attention and better acceptance of regulators and the general public. However, it enters a period of considerable growth and change due to the influence of macroeconomic factors, the regulation of the post-crisis financial industry and two critical trends in the industry: institutionalization and reuse, the growing sophistication of institutional investors and the increase of particular investors as a major source of capital. This article critically examines emerging trends that make up the investment industry today and considers where this could take the industry in the years to come, focusing on investment strategies for public problems.*

***Keywords:** Public issues, investment strategies and emerging trends in public issues*

I. INTRODUCTION AND SCOPE

The investment sector is deeply rooted in the global financial system and the economy. Investment decisions influence public problems, financial markets, businesses and individuals collectively. The industry has grown from a handful of private investors who invest relatively little in businesses and start-ups, that cover a wide range of asset classes and encompass thousands of companies that manage and invest billions of dollars worldwide on behalf of institutional and individual investors alike. Not only has it survived the financial crisis, but it has become stronger and more important to the actors than ever before. The new economic and regulatory environment affects relationships with capital providers, while new business models are challenging the competitive landscape. The objective of this report is to provide readers of the global investment and financial services industry with a perspective on the future of alternative investments.

This research paper has three parts. First, we identify and evaluate the public problems. This will include the meaning, the types and the mechanism of the public problems. Secondly, we will focus on the investment factors at the industry level of an increase in institutionalization, the increase in retail sales and the evolution of the regulatory climate. Thirdly, we will analyze these trends and give an idea of how public problems can progress over the next few years.

II. MEANING OF PUBLIC ISSUES

Corporate may raise capital in the primary market by way of an initial public offer, right issue or private placement. Issue of stock on a public market rather than being privately funded by the companies own promoter (s), Which may not be enough capital for the business to start up, produce, or continue running. By issuing stock publically, this allows the public to own a part of the company, though not be a controlling factor.

III. TYPES OF PUBLIC ISSUES

There are 2 major types of Public Issues

- Initial Public Offering (IPO)
- Further Public Offering (FPO)

IV. PROCESS FOR PUBLIC ISSUES

- The issuer who plans an offer names the principal merchant bank (s) as "book runners".
- The issuer specifies the number of securities to be issued and the price range of the bids.
- The issuer also appoints members of the union with whom investors must carry out orders.
- The members of the Union enter the orders in an "electronic book". This process is called "bidding" and is similar to the open auction.
- The book remains normally open for a period of 5 days.
- Bids must be entered in the specified price band.
- Bids may be reviewed by the bidders before the work is closed.
- At the end of the book-building period, the book runners evaluate the offers on the basis of demand at different price levels.
- The book runners and the issuer decide on the final price at which the securities will be issued.
- Generally, the number of shares is fixed, the size of the issue is frozen according to the final price per share.
- The distribution of the securities is made to the successful bidders. The rest receives reimbursement orders.

V. INVESTMENT STRATEGIES OR DRIVERS

The investment in public issues is also undergoing remarkable change. Three trends in particular stand out for their ability to shape the structure of the investment strategies. The first is driven by regulation, which either affects investment strategies of the firms directly or changes the way they engage with the broader financial industry. The second is institutionalization, which is structurally changing how many capital providers invest in public issues. Third, retailization has the prospective to change and expand the pool of investors in public issues.

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VI. EMERGING TRENDS IN INVESTMENT

The investment industry in India is also experiencing tremendous change as a result of regulatory reforms enacted following the financial crisis.

A. Institutionalization

Institutional investors have been essential to the emergence of modern investment historically as relatively passive investors. However, a number of factors, including investment growth in their investments and the experience they have accumulated in alternative asset classes, have led some institutions to develop their internal expertise and capabilities. This allows them to play a more active role in the development of their own investment strategies. Given the immense magnitude of many investors, their actions also contribute to shaping and influencing the wider alternative investment ecosystem. We will first examine the institutionalization factors and then examine the impact they have on the industry, including major institutional capacity improvements (e.g., To support direct investment in some institutions, changes in the industry's basic economy (e.g., improved conditions) and greater public and regulatory review (leading to calls for greater transparency). More importantly, institutionalization and its factors have made alternative investments much more important to society in general, helping to transform alternative investments-sometimes considered as reserved for rich people-in the mainstream over the past decade. A range of factors, including the magnitude of profits, the size and nature of high profile of many targets and legal scandals, have pushed the industry into public and political projectors as never before. In the meantime, the 2008 financial crisis led regulators to consider whether the alternatives were systemic in nature (and therefore required additional regulatory oversight) and also led investment committees around the world to examine their own experience and that of their peers. Overall, the industry was able to withstand the scrutiny and the stronger emergence, institutional investors giving the last vote of confidence by dramatically increasing allocations to alternatives in post-crisis years.

1. Drivers of institutionalization

The key factors of institutionalization include the increasing extent of public problems in alternatives; The increasing institutional experience with alternatives as asset class; The growing maturity of investment firms with which investment institutions could associate; And, more recently, the way in which the global financial crisis has facilitated the expansion of internal capacity in the institutions by recruiting key staff from the banking sector.

2. Impact of institutionalization

The impact of institutionalization and its engines has been profound, in terms of the growing scale of investment in public issues, its importance to the key institutions of the world and changes in institutional behaviour. Key changes include significant improvements in the institutional capacity of general practitioners and SQS, changes in the industry's basic economy, and further scrutiny by the public and regulators.

3. Retailization

The growth of private investors and individuals with high net worth in particular, as the main source of capital, is the third industry-level trend that will shape investment in public stakes, the landscape over the next decade. The trend is not as advanced as institutionalization. However, social factors such as the growing number of retirees and their need to boost the return on retirement savings have already increased the demand for investors for alternative assets. In the meantime, regulatory changes in the financial services and investment sector have made the pursuit of this capital more attractive than in the past. Yet the current easing of restrictions may be subject to further scrutiny later. Retail trade is likely to lead to large capital inflows into alternative investments over the next decade, significantly affecting the competitive landscape.

VII. OTHER TRENDS IN CAPITAL MARKET

The development of the capital market is continuous, coupled with an efficient regulatory framework and thus the capital market has become compliant with global standards. Some are given below:-

- The transaction has become user-friendly.
- The progressive settlement system that was done in 2000-2001. It reduces the negotiation cycle T + 2.
- The Demat form was introduced for trade, which reduced the cost and time. The volume of trading and liquidity has increased due to the dematerialization of shares.
- The stock market introductions experienced a sharp decline in recoveries during the June 2008 quarter after the US recession crisis, but in 2014-15, IPO's showed a sharp increase.

VIII. CONCLUSION

Recent years have seen significant reforms in the capital market and two main institutional and retail trends. It is well known that the trading platform has become automatic, electronic, anonymous, order-controlled, national and screen-based. In terms of different parameters such as operational and systematic risk management, the settlement system, disclosure standards and accounting standards, the Indian capital market is at the same level as the best in the world. Following the implementation of the securities market reforms over the past decade, the Indian stock market has distinguished itself in the world, ranked as well as in the developed and emerging markets.

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