



Market Swings! Budget News! Tax Reforms!

*Are you Ready for the New
Financial Landscape?*

Market Volatility in 2025:

Why Fixed-income Investments Matter

Stock markets are unpredictable by nature, but 2025 is proving to be particularly turbulent. Global economic uncertainty, shifting policies, inflationary pressures, and geopolitical tensions are making it harder for investors to accurately anticipate and navigate market movements. For the average investor, this volatility directly impacts their financial security, retirement plans, and overall mental peace.

Investing is like surfing the waves. Smart surfers don't ride the waves during raging storms. Similarly, the investors today are navigating a storm in the equity markets. They need to protect themselves by having the right mix of assets in the portfolio and in the right proportion. It is times like this that reiterate the importance of having fixed-income securities in the portfolio, especially bonds. Unlike stocks, which can experience sharp swings, bonds provide steady returns, capital preservation, and a buffer against market instability, giving investors the peace of mind they deserve.

Let's explore how stock market volatility affects investors, the advantages of fixed-income investments, and the key factors in the economy right now that are shaping both the equity and the bond markets.

How Stock Market Volatility Affects Investors



Capital Erosion

When stock prices fall rapidly, you can end up losing years' worth of savings in days.



Retirement Portfolio Volatility

Retirees and people nearing retirement must practice safe investing, especially during market downturns, since one wrong move could lead to living on a reduced income, lifestyle adjustments, or even delaying your retirement.



Panic Selling

Market downturns can often cause investors to panic and sell, while rallies encourage investors to chase overpriced stocks.



Unstable Dividend Payouts

Many companies often cut or suspend dividend payouts during market downturns, and people who depend on these as a source of income might face a disruption in their financial planning.

The Role of Fixed-income Investments in 2025

Equities and other similar options do provide investors with higher returns, but they come with a level of risk most people would want to avoid during such uncertainties. Bonds offer comparable returns but at a way less risky manner, making it a much safer option to include in your portfolio.

Advantages of Bonds



Steady, Predictable Income

Bonds pay you regular fixed interest, ensuring stable cash flow



Capital Preservation

High-quality bonds, like government and AAA-rated corporate bonds, carry minimal default risk



Diversification Benefits

Bonds counterbalance equities and other riskier instruments, reducing your overall portfolio risk



Attractive Yields in a High-Interest Rate Environment

Bond yields are better than previous years, with higher interest in 2025, perfect for income-seeking investors



Lower Volatility

Bonds fluctuate far less than stocks, making them ideal for conservative investors

Bonds to Help Navigate Market Uncertainty

Bonds generally perform well during economic downturns. This was observed during the 2008 financial crisis when demand for U.S. Treasury bonds surged. Similarly, in 2025, bond funds are expected to see significant inflows as investors seek safety.

Types of Fixed-income Investments



Government Bonds

Offer decent returns; considered safer investments



Corporate Bonds

Generate higher yields than government bonds, with slightly more risk



Municipal Bonds

Provide tax advantages and are issued by the local governments



Inflation-linked Bonds

Preserve purchasing power by adjusting their payments based on inflation

How the Market Volatility is Favouring Bonds



1. Stable Interest Rates Maintaining Attractive Yields

The Fed's current policy stance and past rate hikes have kept bond yields attractive for investors. For example, yields for Indian 10-year government bonds increased from 6.5% to 7.8% between 2024-25, making them a strong alternative to equities.



2. Regular Payouts Offering Safety

As economic uncertainty rises, both institutional and retail investors are shifting to government bonds to add more security to their portfolios. In Q1 2025, bond funds recorded a 15% increase in inflows.



3. Corporate Bonds Offering Competitive Returns

AAA-rated corporate bonds in India now yield 8.5%–9%, while high-yield corporate bonds exceed 10% returns, making them more attractive than some dividend-paying stocks.



4. Increasing Interest in Bond ETFs and Mutual Funds

Bond ETFs have seen a 25% increase in investor participation over the past two years, reflecting a broader trend toward stability-oriented investing.

Final Thoughts: Why You Should Consider Fixed-income Investments

With stock market volatility and economic uncertainty dominating 2025, fixed-income investments provide stability, capital preservation, and attractive yields.

While equities remain essential for long-term growth, 2025 highlights the need for stability. By diversifying portfolios, increasing fixed-income exposure, and leveraging bond investments, you can confidently navigate market uncertainty.





INVESTMENT TIPS

With the current volatility prevailing in our economic landscape, investors need to adopt strategies that offer stability along with decent returns. It's time to double down on fixed-income investments in your portfolio.



Use Special - rate FDs

For higher returns with guaranteed safety



Explore Gilt Funds

To avoid default risk and benefit from interest rate sensitivity



Maintain a Mix of Fixed- and Floating-rate Bonds

To hedge against changing interest rate cycles



Try Dynamic Bond Funds

To diversify exposure with an adaptive strategy



Start an RD or Try Target Maturity Funds

For a systematic approach to reduce the impact of interest rate fluctuations



Venture into Money Market Funds or T-bills

To maintain liquidity and seize market opportunities timely



EXPERT VIEWS



Union Budget 2025-26: Key Announcements and Implications

Finance Minister Nirmala Sitharaman unveiled the Union Budget 2025-26, focused on growth, tax reforms, and fiscal discipline. With global uncertainties and inflationary pressures, how will this budget impact your finances? Explore the key announcements, their implications, and what they mean for individuals, businesses, and the

[Read More](#)


Navigating India's Tax Choices: Old vs. New Regime Post-budget 2025-26

The Union Budget 2025 introduced major income tax changes, reshaping the New Tax Regime with lower rates and fewer deductions, while the Old Regime remains unchanged. Should you switch or stay? Let's break down the new rules, compare tax liabilities, and help you choose the most beneficial option for FY 2025-26.

[Read More](#)


Union Budget 2025-26: What It Means for Fixed Income Investors?

With inflation concerns and global uncertainty, how does Budget 2025-26 impact fixed-income investments? Government bonds, corporate debt, and fixed deposits react sharply to fiscal policies and interest rates. Learn how to analyze tax proposals, sectoral allocations, and fiscal measures to understand their influence on debt markets and opportunities.

[Read More](#)



SOLVING YOUR TAX DILEMMA

With predictions of RBI cutting rate in February, which in all likelihood would mark the beginning of a rate cut cycle, here's how some of the key industries would be impacted in the months to follow.



Income: 11 LPA
Name : Shreya
Age: 28
Job: Recruitment

Deductions	Old regime (₹)	New regime (₹)
Standard Deduction	50,000	75,000
Income for Tax	10,50,000	10,25,000
Sec 80C (Max)	1,50,000	0
Sec 80D (Max)	75,000	0
Home Loan Interest Sec 24B (Max)	2,00,000	0
Total Deductions	4,25,000	0
Taxable Income	6,25,000	10,25,000
TAX DUE <small>(including surcharge)</small>	39,000	NIL



Income: 18 LPA
Name : Pooja
Age: 36
Job: Customer relations

Deductions	Old regime (₹)	New regime (₹)
Standard Deduction	50,000	75,000
Income for Tax	17,50,000	17,25,000
Sec 80C (Max)	1,50,000	0
Sec 80D (Max)	75,000	0
Home Loan Interest Sec 24B (Max)	2,00,000	0
Total Deductions	4,25,000	0
Taxable Income	13,25,000	17,25,000
TAX DUE <small>(including surcharge)</small>	2,18,400	1,50,800



Income: 22 LPA
Name : Joseph
Age: 47
Job: Marketing

Deductions	Old regime (₹)	New regime (₹)
Standard Deduction	50,000	75,000
Income for Tax	21,50,000	21,25,000
Sec 80C (Max)	1,50,000	0
Sec 80D (Max)	75,000	0
Home Loan Interest Sec 24B (Max)	2,00,000	0
Total Deductions	4,25,000	0
Taxable Income	17,25,000	21,25,000
TAX DUE <small>(including surcharge)</small>	3,43,200	2,40,500



Income: 31 LPA
Name : Ashwat
Age: 40
Job: Cybersecurity officer

Deductions	Old regime (₹)	New regime (₹)
Standard Deduction	50,000	75,000
Income for Tax	30,50,000	30,25,000
Sec 80C (Max)	1,50,000	0
Sec 80D (Max)	75,000	0
Home Loan Interest Sec 24B (Max)	2,00,000	0
Total Deductions	4,25,000	0
Taxable Income	26,25,000	30,25,000
TAX DUE <small>(including surcharge)</small>	6,24,000	5,07,000

FOR FY 2025-26

REBATE OF UP TO ₹7 LPA UNDER NEW REGIME

NO TAX UP TO ₹4 LPA UNDER NEW & UP TO ₹2.5 LPA UNDER OLD REGIME

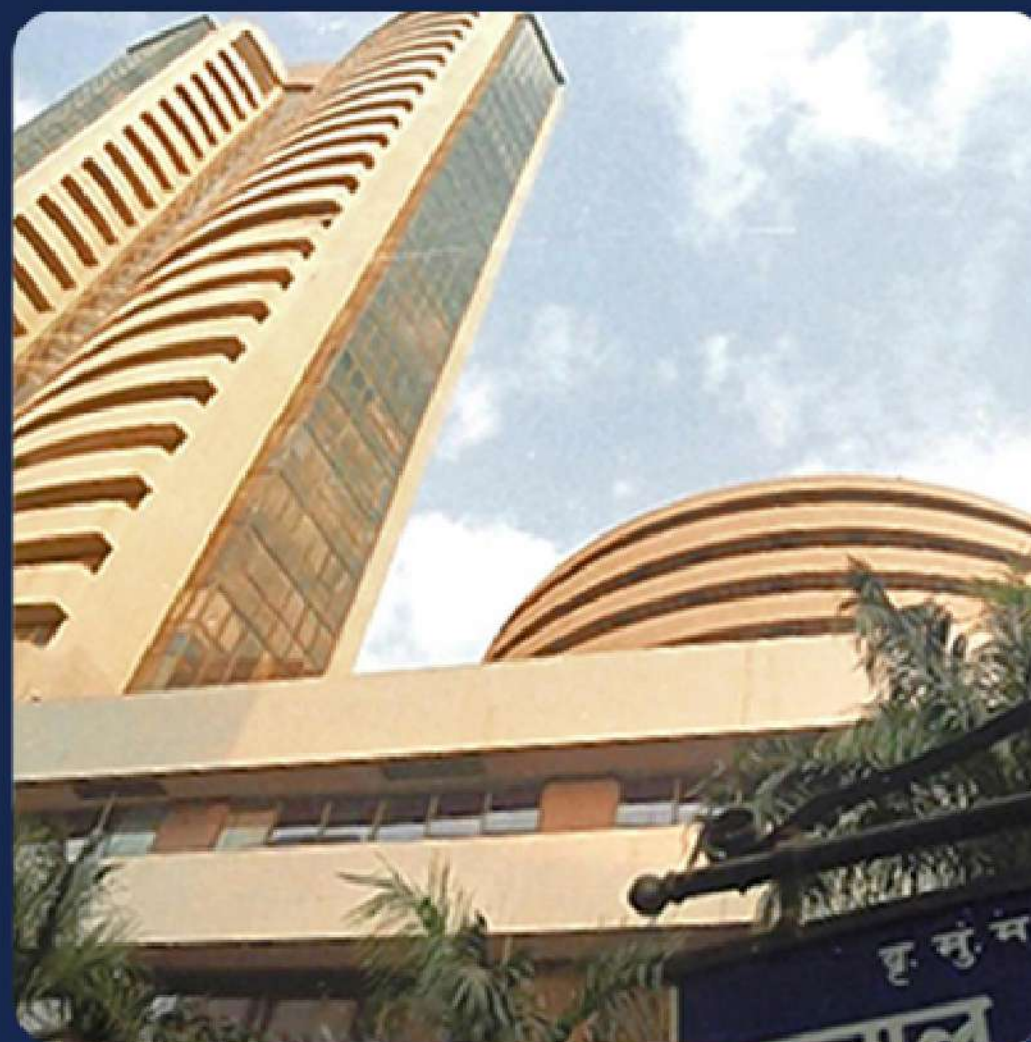


JIRAAF IN THE NEWS



Budget 2025 HIGHLIGHTS: Zero Income Tax till Rs 12 Lakh Income under New Tax Regime, says FM Nirmala Sitharaman

Finance Minister Nirmala Sitharaman on Saturday made history by presenting a record eighth consecutive budget. The finance minister said that Indian economy is fastest growing among all developing economies. She further said that Union Budget 2025-26 will continue efforts to accelerate growth and provide inclusive development.

[Read More](#)


Share Market Highlights 7 February 2025: Sensex, Nifty settle lower after RBI cuts repo rate to 6.25%; FIIs continue selling spree

Equity markets closed lower on Wednesday despite the Reserve Bank of India's (RBI) first rate cut since May 2020, as investors remained concerned about global trade tensions and continued foreign institutional investor (FII) outflows.

[Read More](#)


Will government bring alternative to SGB scheme in Budget 2025? Here is what experts say

In Budget 2024, the government reduced customs duty on gold. This led to speculation around the government unofficially scrapping this scheme. The last SGB issue opened to the public on Feb 12 and closed on Feb 16, 2024. The government has not announced any new issuance of SGB tranches since then.

[Read More](#)

Thank you!

Follow us on



Disclaimer

Investments in debt securities/municipal debt securities/secritized debt instruments are subject to risks including delay and/ or default in payment. Read all the offer related documents carefully.

Trading Member

Jiraaf Platform Private Limited

CIN No. U65120KA2021PTC149273 | SEBI Registration Number (Stock Broker): INZ000315538

Registered Address : No. 371, St. Johns Hospital Road, Santoshpuram, Koramangala 3rd Block, Bangalore South, KA - 560034



Call Us: +91 8953265326

Email Us: help@jiraaf.com

NSE Member ID- Debt Segment: 90355