

BSE SENSEX – Yearly Rolling Returns across different time periods

Any person invested or planning to invest in the equity markets in India needs to take a long hard look at the following table and an even harder look at the summary of the results below.

Date	Sensex	Returns (%)						
		1 year	3 years	5 years	7 years	10 years	12 years	15 years
31-Mar-79	100							
28-Mar-80	129	28.57						
31-Mar-81	173	34.90						
31-Mar-82	218	25.52	29.61					
31-Mar-83	212	-2.85	18.05					
30-Mar-84	245	15.99	12.25	19.66				
28-Mar-85	354	44.24	17.58	22.44				
31-Mar-86	574	62.24	39.49	27.05	28.36			
31-Mar-87	510	-11.10	27.66	18.58	21.77			
30-Mar-88	398	-21.94	4.03	13.50	12.61			
31-Mar-89	714	79.13	7.52	23.81	18.48	21.72		
30-Mar-90	781	9.45	15.24	17.16	20.52	19.77		
27-Mar-91	1,168	49.54	43.12	15.26	24.97	21.01	22.73	
31-Mar-92	4,285	266.88	81.76	53.04	42.80	34.71	33.94	
31-Mar-93	2,281	-46.78	42.93	41.76	21.78	26.84	23.95	
31-Mar-94	3,779	65.71	47.90	39.57	33.11	31.45	26.85	27.40
31-Mar-95	3,261	-13.71	-8.70	33.09	35.03	24.87	25.60	24.05
29-Mar-96	3,367	3.24	13.86	23.58	24.81	19.35	24.39	21.86
31-Mar-97	3,361	-0.17	-3.83	-4.74	23.18	20.74	20.63	20.02
31-Mar-98	3,893	15.82	6.08	11.29	18.77	25.60	17.29	21.43
31-Mar-99	3,740	-3.92	3.57	-0.21	-1.92	18.02	18.05	19.92
31-Mar-00	5,001	33.73	14.17	8.93	11.87	20.40	23.47	19.31
30-Mar-01	3,604	-27.93	-2.53	1.37	-0.67	11.93	14.45	13.03
28-Mar-02	3,469	-3.75	-2.47	0.64	0.89	-2.09	13.23	13.63
31-Mar-03	3,049	-12.12	-15.21	-4.77	-1.41	2.95	8.32	14.53
31-Mar-04	5,591	83.38	15.76	8.37	7.54	3.99	2.24	14.71
31-Mar-05	6,493	16.14	23.23	5.36	7.58	7.13	9.11	15.16
31-Mar-06	11,280	73.73	54.67	25.63	17.08	12.85	9.54	16.32
30-Mar-07	13,072	15.89	32.73	30.38	14.71	14.55	12.27	7.72
31-Mar-08	15,644	19.68	34.06	38.69	23.33	14.92	13.66	13.70

The BSE Index started on 31-3-1979 at 100 points and on 31-3-2008 closed at 15644 points. Column two shows the closing value of the Sensex on 31st March each year.

Column 3 shows the gain/loss to any person who bought the Sensex in one year and sold it 1 year later (holding period 1 year). Column 4 shows the results after holding the investment for 3 years, Column 5 (holding period 5 years) and so on. The last column shows the results if someone bought the Sensex in one year and held on for 15 years.

Summary since March 31, 1979							
	Time Period						
	1 year	3 years	5 years	7 years	10 years	12 years	15 years
Yearly Rolling Return Observations	29	27	25	23	20	18	15
Negative Return Observations	10	5	3	3	1	0	0
Loss Probability	34%	19%	12%	13%	5%	NIL	NIL
Average Return (%)	28	20	19	18	18	18	18
Max Return (%)	267	82	53	43	35	34	27
Minimum Return (%)	-47	-15	-5	-2	-2	2	8

Past Performance of the SENSEX may or may not be sustained in future.

* Returns for the 1 year period are shown on absolute basis

** Returns for periods more than 1 year are shown on a compounded annualised basis

Remember this data is over a 30 year time period that has seen Wars, Natural Calamities, Elections, Government Changes, Stock Markets Scams, Terror Strikes and just about anything our country has faced and will be facing in the future.

Is there anything to suggest that the next 30 years will be different from the last 30 years?

Do go through the above table with a special *dekho* at Average return across all time periods. This could help in your investment decisions.

If the average return on the Sensex has been 18% to 20% what stops me from investing my long term money (3 years and more) in the Indian Equity Markets?

Finally an investment through SYSTEMATIC INVESTMENT PLAN (SIP would have reduced even the negative returns that appear

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