

SIP's outshine amidst HNI's selling pressure

Key Highlights:

- ❑ **Net Equity inflows including ELSS schemes for the month of April declined to a 31 month low at Rs.4608 crores.**
- ❑ The inflows to the equity schemes have been higher than expected on the back of strong inflows towards opportunistic segments such as mid cap funds, small cap funds and sectoral/thematic funds.
- ❑ Also, the most preferred investment option, the large cap funds along with large & mid cap funds have managed to garner in just Rs.28 crore. signifying the shift in investment focus.
- ❑ The retail participation towards the equity has remained strong despite the volatility in the market. SIP's for the month of April have seen inflow of Rs 8238 crores as compared to 8055 crores a month ago.
- ❑ The equity inflows at Rs.4608 despite inflow of Rs.8238 crores through SIP suggest selling pressures from the HNI's in the market.
- ❑ **Balanced funds have seen net outflows from the category to the tune of Rs.2121 crores**
- ❑ The poor returns from balanced funds and untimely dividends have forced the investors to take out money from these funds.
- ❑ **The Foreign Portfolio Investments towards Indian equity markets have remained stable at Rs 21193 crores in April while they have redeemed Rs.5099 crores worth of debt papers because of the credit crunches in the economy after the IL&FS fiasco.**
- ❑ Liquid funds have become the new favourite due to the minimal credit risk associated with them and have garnered Rs.89778 crores.
- ❑ The credit risk funds also witnessed the wrath of the market as outflows in them touched Rs.1253 crores.
- ❑ Key noticeable trends in the investment pattern has been a huge increase in the demand for arbitrage funds, as they saw net inflows of Rs.1529 crores.
- ❑ **The Mutual fund industry's AUM has grown by 6% MoM in April to Rs2527633 crores.**
- ❑ After adding 10540 crores in the previous month, the other ETF segment saw a withdrawal of Rs4259 crore in April.

Research Analyst

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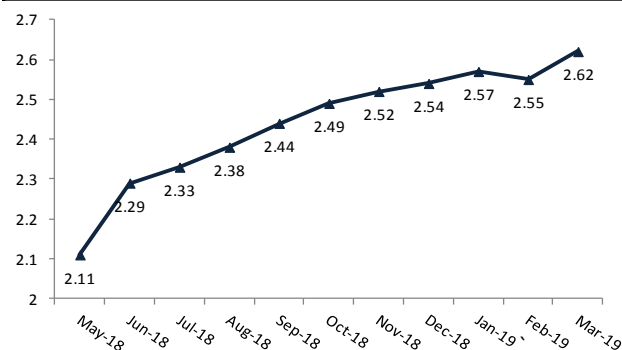
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Exhibit 1: Growth in SIP folios

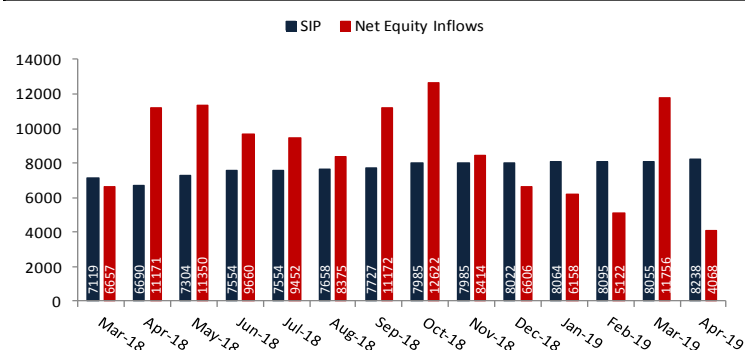
SIP folios for March stood at 2.62 crores.



source-amfi

Exhibit 2: Growth in investments through SIP

The investments through SIP gained traction in April

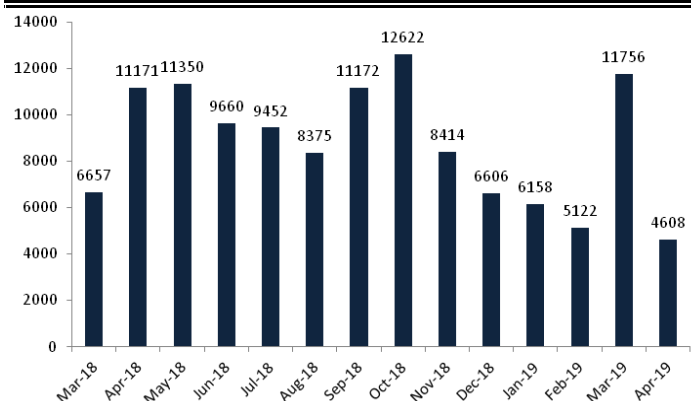


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Exhibit 3: Equity mutual funds inflow

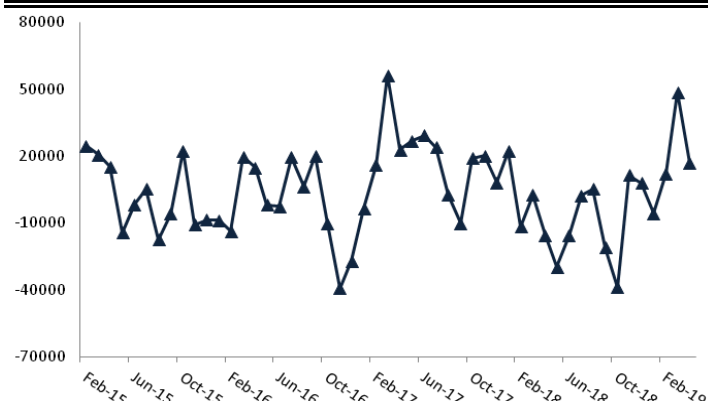
Equity funds in March witnessed 30 month low figure



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Exhibit 4: FPI Net inflows

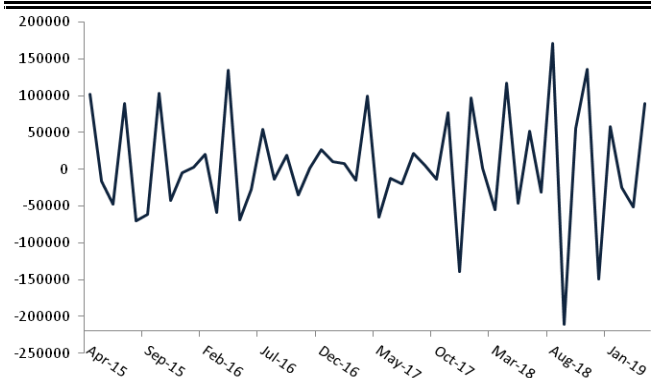
FPI's sold over 5000 crores of debt



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Exhibit 5: Liquid funds

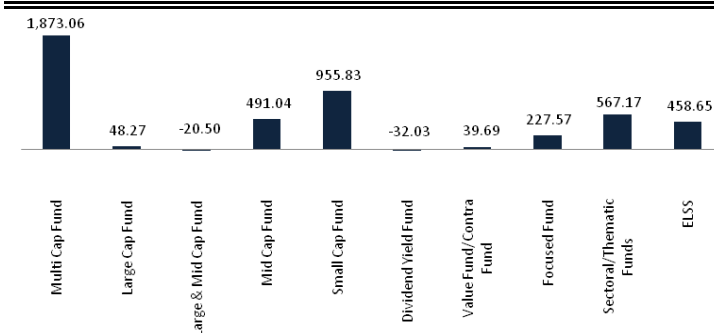
Liquid funds became an attractive prospect



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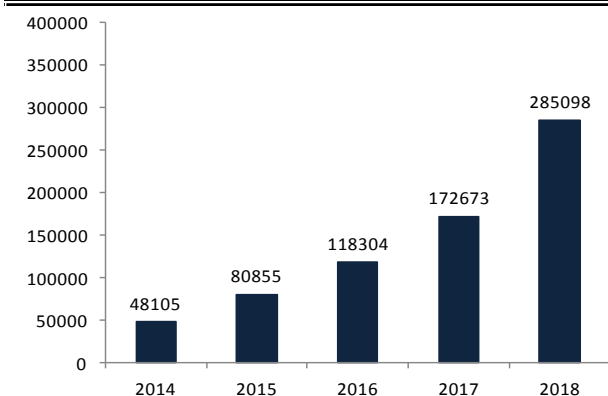
Exhibit 6: Equity funds segregation

Highest inflows in multi ca, mid cap and small cap funds



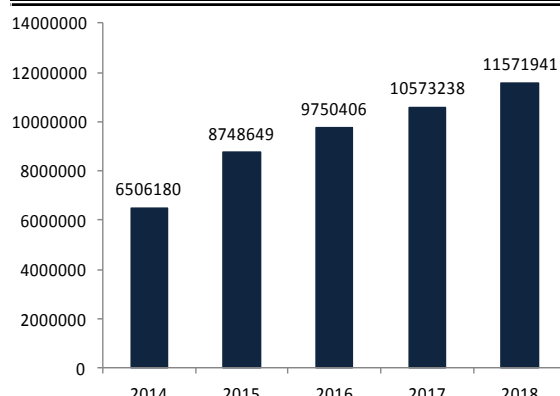
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Exhibit 7: Average AUM in NPS trust



source-NPS

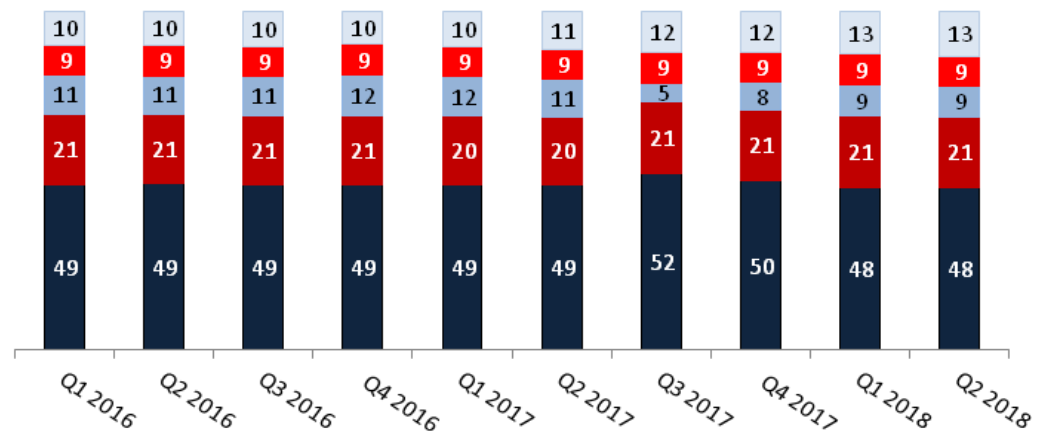
Exhibit 8: Subscriber base of NPS trust



source-NPS

Exhibit 9: Indian household savings pattern

■ Bank Deposits ■ Life Insurance Funds ■ Currency ■ Provident Funds ■ Mutual funds

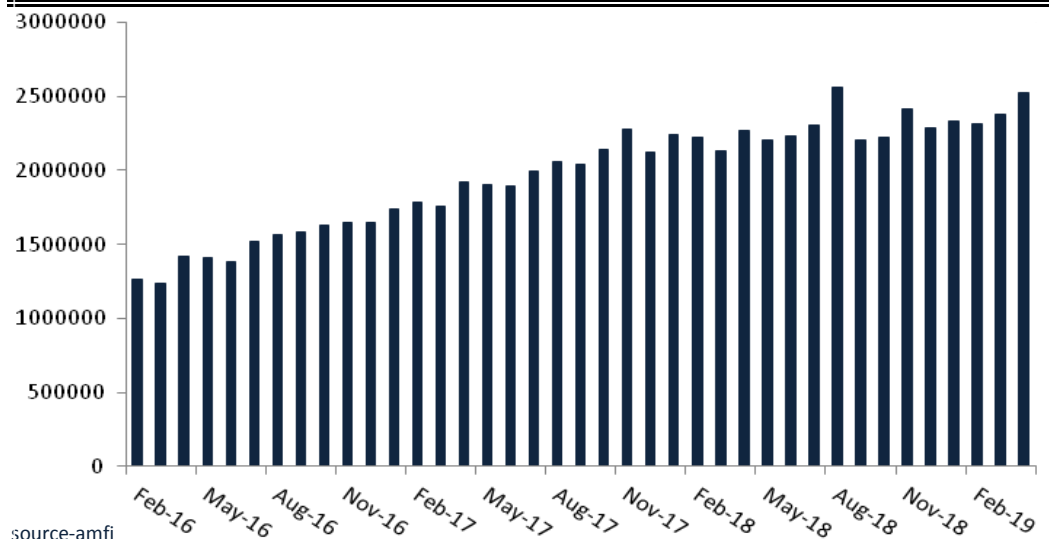


The Indian household's financial assets: Mutual funds gained 1% market share in the last 4 quarters while currency investment increased from 5 to 9%. The bank deposits have gradually depleted from 52% to 48%.

source-RBI

Exhibit 10: AUM Growth of Mutual funds

The AUM of mutual funds rose by 6% in April 2019



source-amfi

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