

Fresh inflows into equity schemes rise as investors shun debt oriented schemes

Key Highlights -

- **Inflows towards the equity oriented mutual funds for the month of June 2019 advanced to Rs.7663, a 3 month high inflow.**
- In the month of June, inflows towards mid and small cap funds stood strong at Rs.844 crore and Rs. 927 crore respectively. While inflows towards large and multi cap funds jumped up at Rs.1509crore and Rs.1835 crore respectively.
- The only equity oriented fund which has now seen outflows for 3 straight months is dividend yield funds, which has now lost flavour with the market.
- The retail participation through the SIP route marginally dropped to Rs.8122 crore in June from 8193 crore in the previous month.
- The Systematic investment plans added 4 lakh new accounts in June, taking the total tally to 2.71 crore SIP folios.
- **Selling pressure has continued in Balanced funds and Credit Risk Funds. Balanced funds saw a net outflow of Rs.1909 crores while Credit Risk funds have seen outflows of Rs.2694 crores in June**
- Investors are shying away from riskier debt funds such as credit risk funds on the back of constant downgrades to many companies and failure to make interest payments.
- **The Foreign Portfolio Investments towards Indian equity markets have shown total inflows of Rs 13111 crores out of which equity inflows stood at Rs. 2596 crores, lowest in last 8 monts while the debt and hybrid investments stood at Rs. 8319 crores and 2196 crores respectively.**
- With government easing norms for FPI's to invest in the Indian bond market a higher debt inflow can be expected in the coming months.
- Apart from Banking & PSU funds, none of the debt funds saw real positive inflows.
- **The Mutual fund industry's average AUM has grown by 1% MoM in May to Rs25.81 lakh crores.**

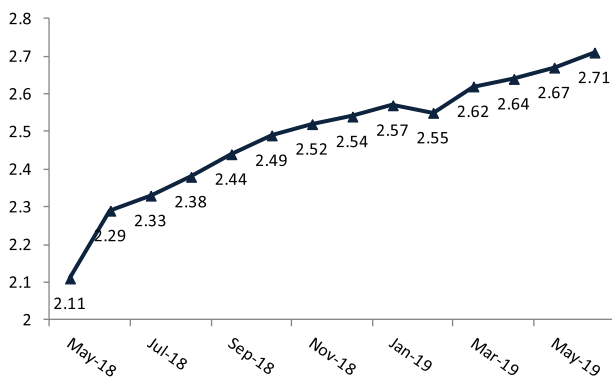
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Exhibit 1: Growth in MF folios

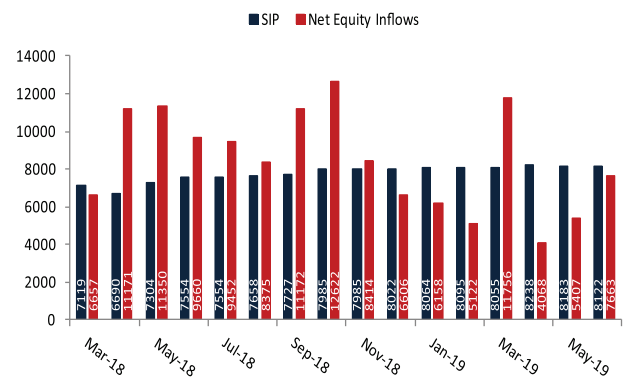
SIP route added 4 lakh folios in June'19



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Exhibit 2: Growth in investments through SIP

The investments through SIP saw a drop in June'19

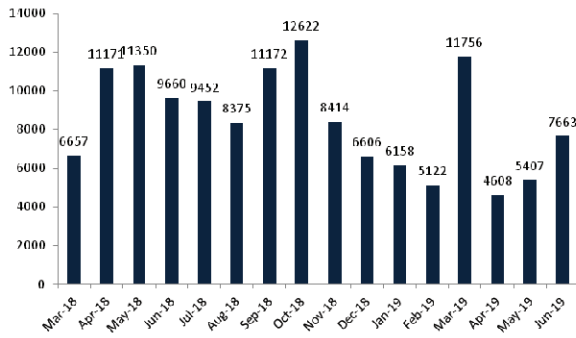


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Exhibit 3: Equity mutual funds inflow

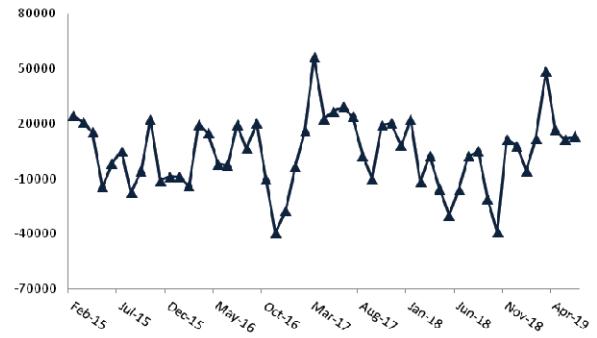
Equity funds in June saw increased inflows



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Exhibit 4: FPI Net inflows

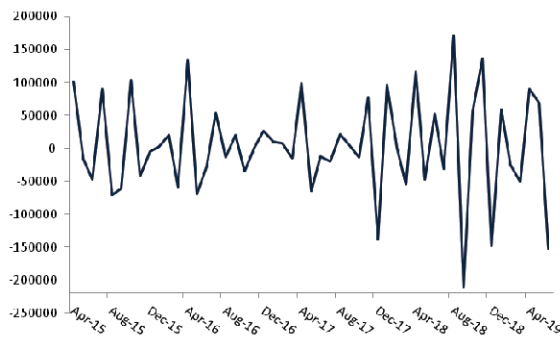
FPI's flow remained steady in June



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Exhibit 5: Liquid funds

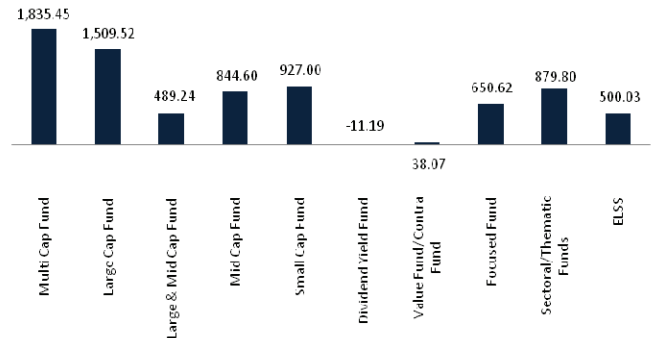
Liquid funds saw huge outflows



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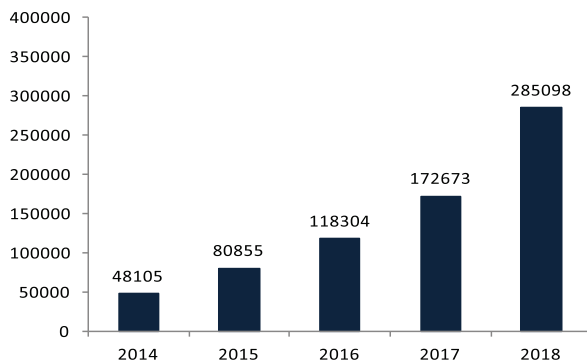
Exhibit 6: Equity funds segregation

Highest inflows in large and multi cap funds



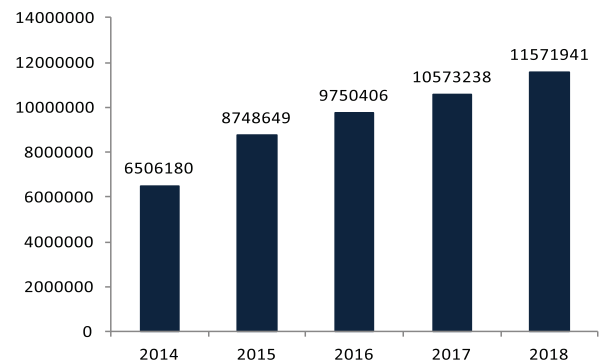
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Exhibit 7: Average AUM in NPS trust



source-NPS

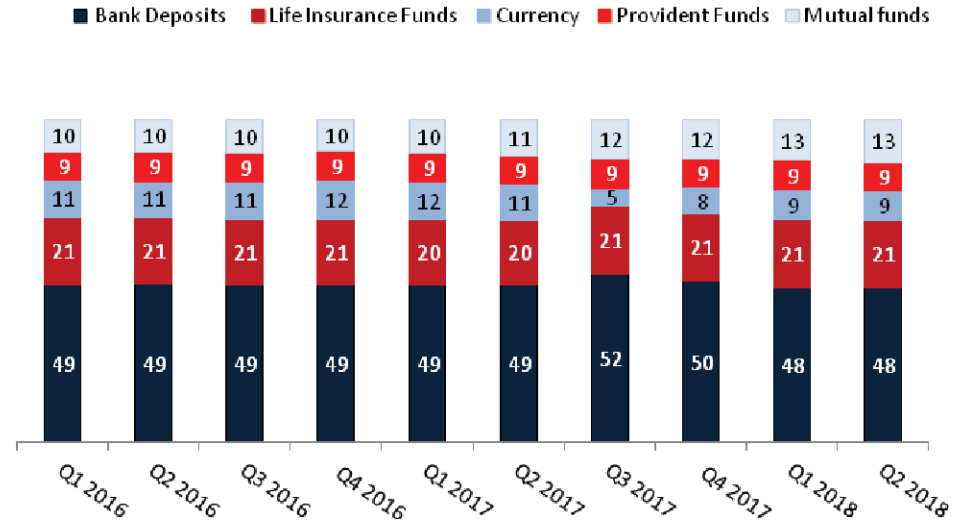
Exhibit 8: Subscriber base of NPS trust



source-NPS

Exhibit 9: Indian household savings pattern

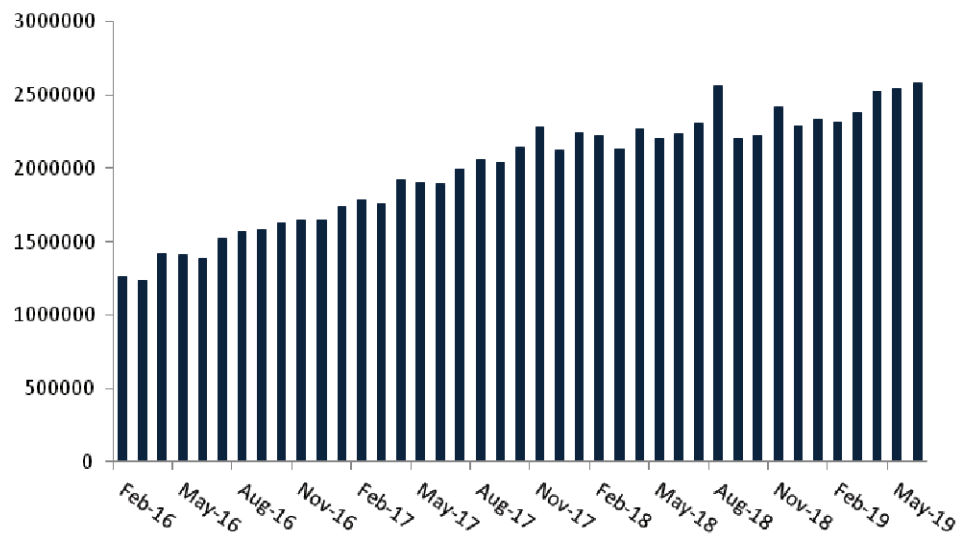
The Indian household's financial assets: Mutual funds gained 1% market share in the last 4 quarters while currency investment increased from 5 to 9%. The bank deposits have gradually depleted from 52% to 48%.



source-RBI

Exhibit 10: AUM Growth of Mutual funds

The AUM of mutual funds rose by 1% in May 2019



source-amfi

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