

Monthly SIP Inflows touch all time high amidst volatile equity market

Key Highlights

- **Equity mutual funds inflow touched a new 4 month high for the month of July at Rs. 8112 crore.**
- The positive equity inflow was aided by large cap, mid cap and focused funds by Rs.1914 cr, Rs.1395 cr and Rs.1872 cr respectively.
- The only equity oriented fund which has now seen outflows for 4 straight months is dividend yield funds due to the poor dividend payout ratio in the recent years.
- The Retail Participation stood strong despite the volatility faced by equity markets and all the mutual funds showing negative returns. The SIP inflow for the month of July has been the highest ever at Rs. 8324 crores.
- **Credit Risk Funds continue to witness selling pressure amidst the upcoming defaults by companies.**
- Investors are shunning riskier debt funds such as credit risk funds on the back of constant downgrades to many companies and failure to make interest payments.
- Balanced Advantage Funds after months of net outflows witnessed a marginally positive inflow at Rs.673 crore.
- **The Foreign Portfolio Investments lost confidence in the Indian equity market after the introduction of FPI surcharge which led to an outflow of Rs.12419 crores. The inflows towards debt papers however stood positive at Rs. 9433 crores.**
- The debt inflow could be visible with the government easing norms for FPI's to buy bonds in India.
- **Other funds category saw good inflows on the back of the CPSE ETF which aided the category with Rs.12353 crore.**
- **The Mutual fund industry's average AUM for the month of July stood at 25.81 lakhs.**

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Exhibit 1: Growth in MF folios

SIP route added 4 lakh folios in June'19

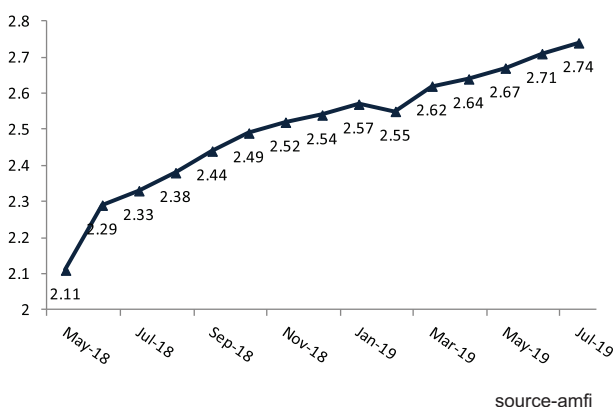
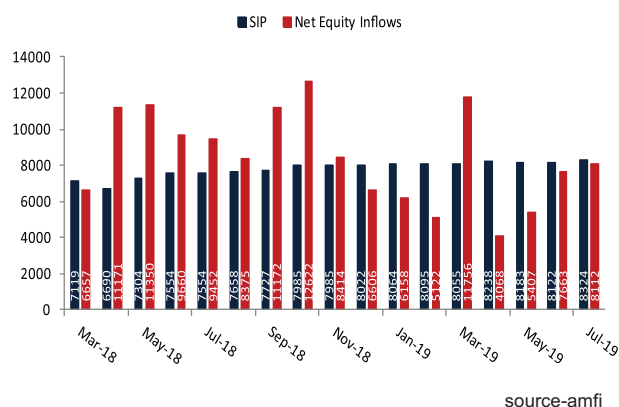


Exhibit 2: Growth in investments through SIP

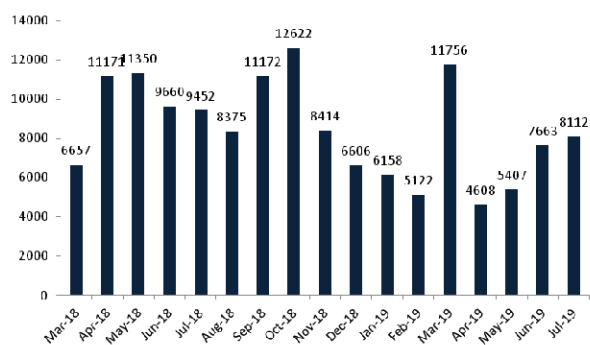
The investments through SIP reached an all time high in July'19



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Exhibit 3: Equity mutual funds inflow

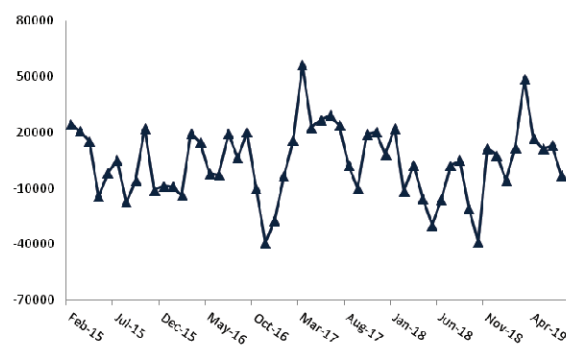
Equity funds in July saw increased inflows



source-amfi

Exhibit 4: FPI Net inflows

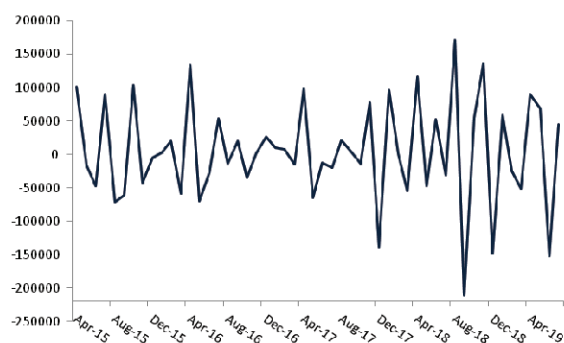
FPI's flow turned negative in July'19



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Exhibit 5: Liquid funds

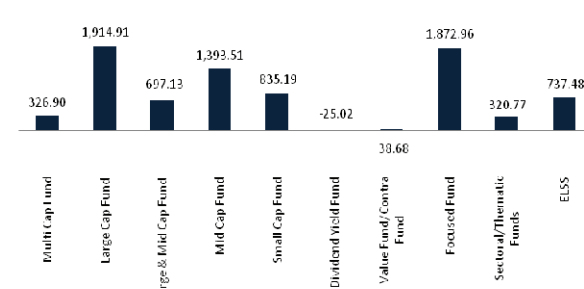
Liquid funds saw huge outflows



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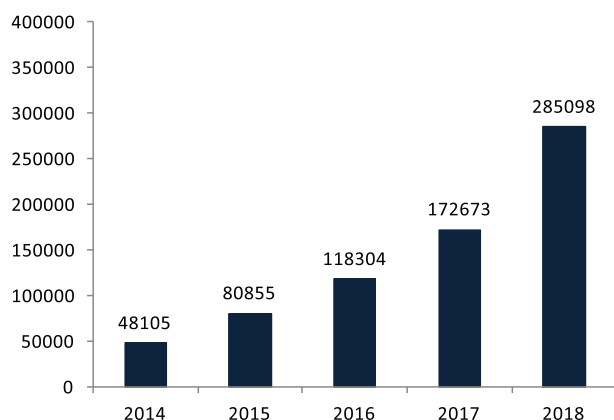
Exhibit 6: Equity funds segregation

Highest inflows in large and focused funds



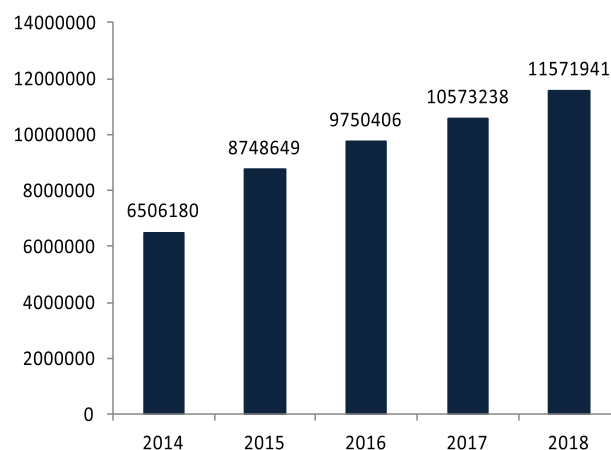
source-amfi

Exhibit 7: Average AUM in NPS trust



source-NPS

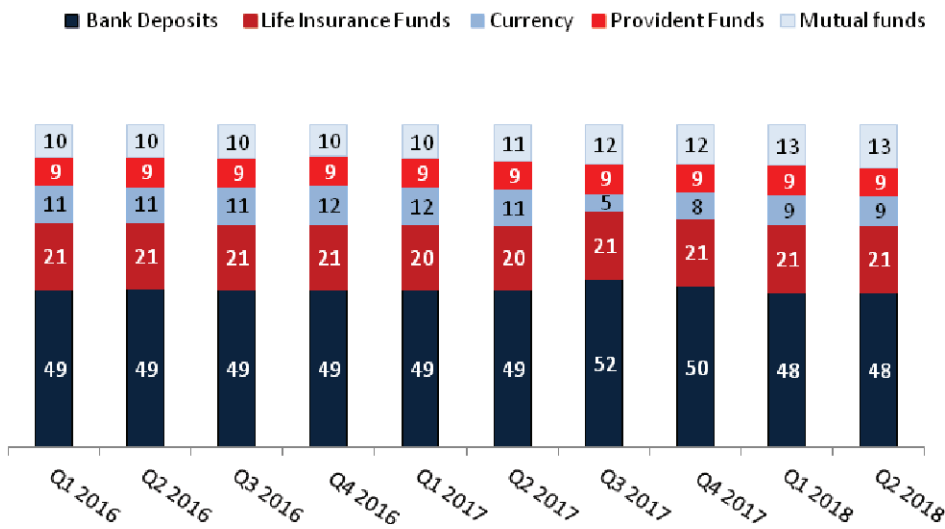
Exhibit 8: Subscriber base of NPS trust



source-NPS

Exhibit 9: Indian household savings pattern

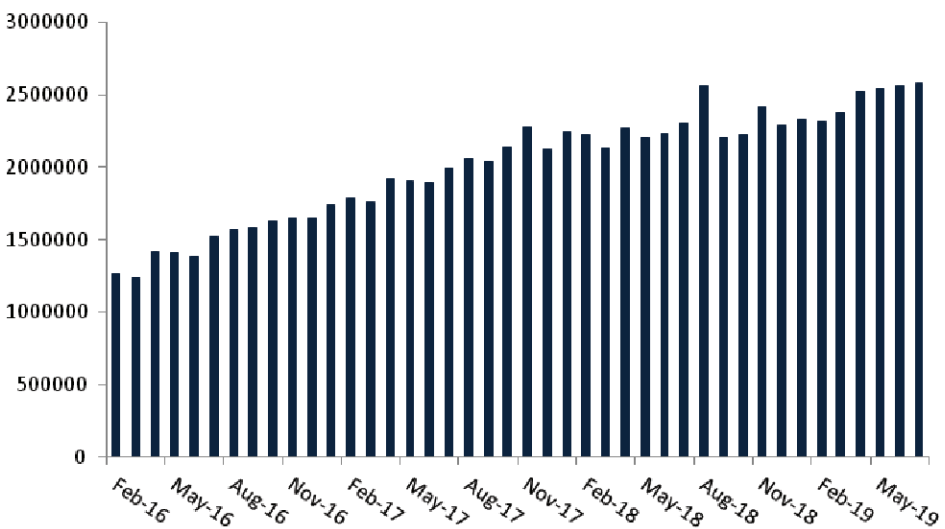
The Indian household's financial assets: Mutual funds gained 1% market share in the last 4 quarters while currency investment increased from 5 to 9%. The bank deposits have gradually depleted from 52% to 48%.



source-RBI

Exhibit 10: AUM Growth of Mutual funds

The AUM of mutual funds rose in July'19



source-amfi

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