

FY22, THE YEAR OF LOCAL INVESTORS

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THE FINANCIAL YEAR that's gone by has been an eventful one for equities, with the benchmark indices soaring to life-time highs in October, as a record number of retail investors flocked to the markets. Thanks to the run-up, India's equity market is the fifth-largest in the world. Even as foreign portfolio investors stayed away for most part of the year, the Nifty50 has managed to return 18.9% in FY22 — its second-best show over the last seven years.

With an addition of 34.5 million accounts in FY22 alone, the total number of demat accounts surged almost 2.5 times over the last four years. The combined (CDSL+NSDL) investor accounts at the end of FY22 stood at 89.6 million, show data provided by depositories. This further underscores the fact that FY22 belonged to local investors rather than foreign portfolio investors, who own nearly 20% of the listed companies. At \$29.8 billion, domestic institutional investors made their highest-ever purchase, whereas foreign portfolio investors sold \$17.1 billion worth of shares, marking their highest selling since the global financial crisis in 2008.

Foreign portfolio investors have been selling risky emerging market assets — thanks to actions by their central banks back home, while retail investors have been picking up stocks every time the markets corrected. "We suspect return expectations of retail investors are shaped by returns of the past one-two years. It would be interesting to see retail behaviour if the market was to stay flat for another six months, resulting in low returns for a 12-month period," says Kotak Institutional Equities in a note.



Top leaders & laggards on Nifty200

(in FY22)

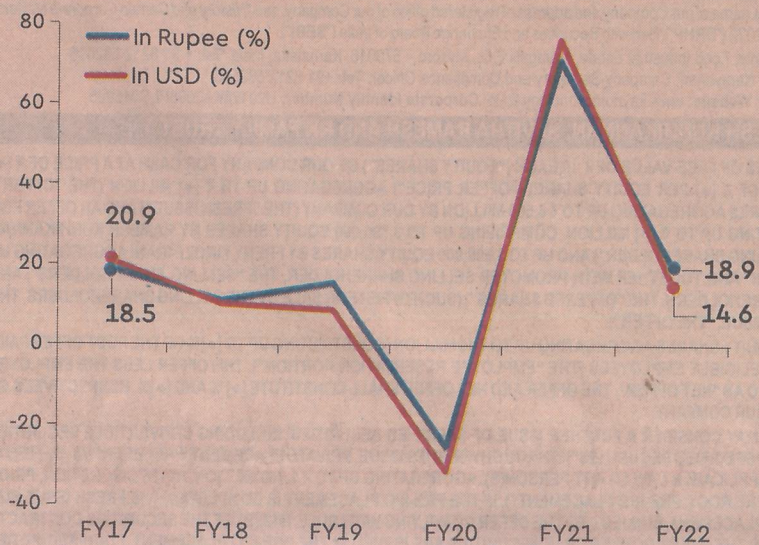
	Close (₹)	Gain (%)
● Trident	53.35	279.7
● JSW Energy	302.20	244.0
● Tata Elxsi	8,840.15	228.3
● Adani Transmission	2,368.15	160.7
● Persistent Systems	4,765.30	147.9
● SRF	2,679.35	147.6
● Tata Power Co	238.65	131.1
● National Aluminium	121.80	125.3
● Adani Total Gas	2,149.80	123.6
● Indian Hotels	238.50	121.9

	Close (₹)	Loss (%)
● IndiaMart InterMesh	4,322.65	-44.1
● Bank of India	45.85	-32.4
● Whirlpool of India	1,572.85	-29.4
● IDFC First Bank	39.70	-28.7
● Indraprastha Gas	373.15	-27.2
● Lupin	747.05	-26.8
● HDFC AMC	2,146.05	-26.5
● Aurobindo Pharma	668.55	-24.1
● Manappuram Finance	113.55	-23.9
● Ramco Cements	768.05	-23.4

*As on March 31, 2022

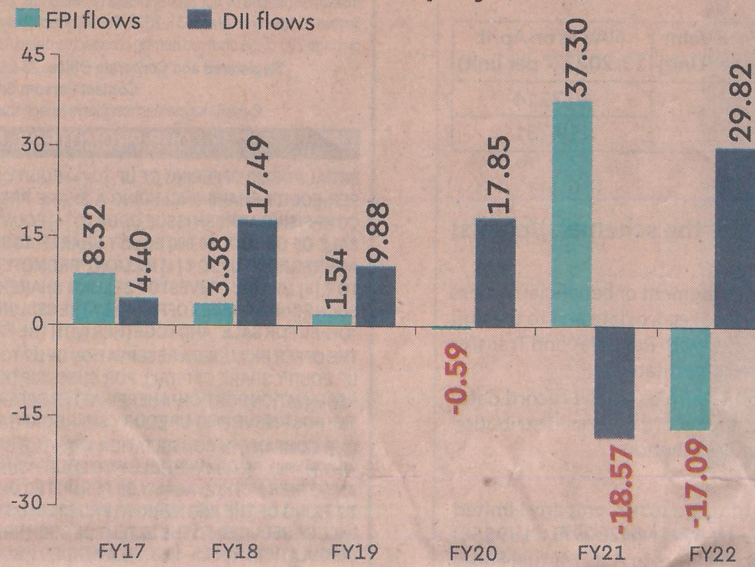
Source: Bloomberg

● Nifty returns



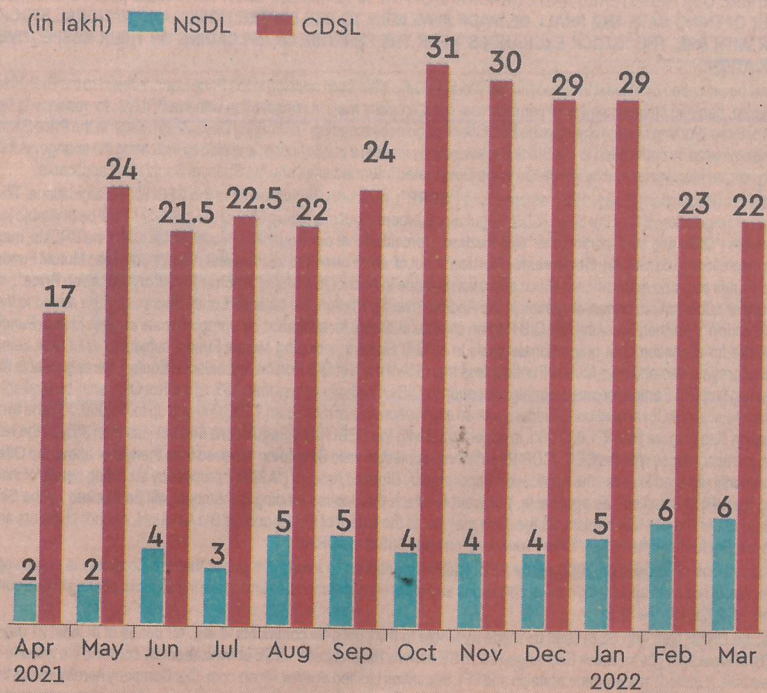
Source: Bloomberg

● Institutional flows into equity (\$ bn)

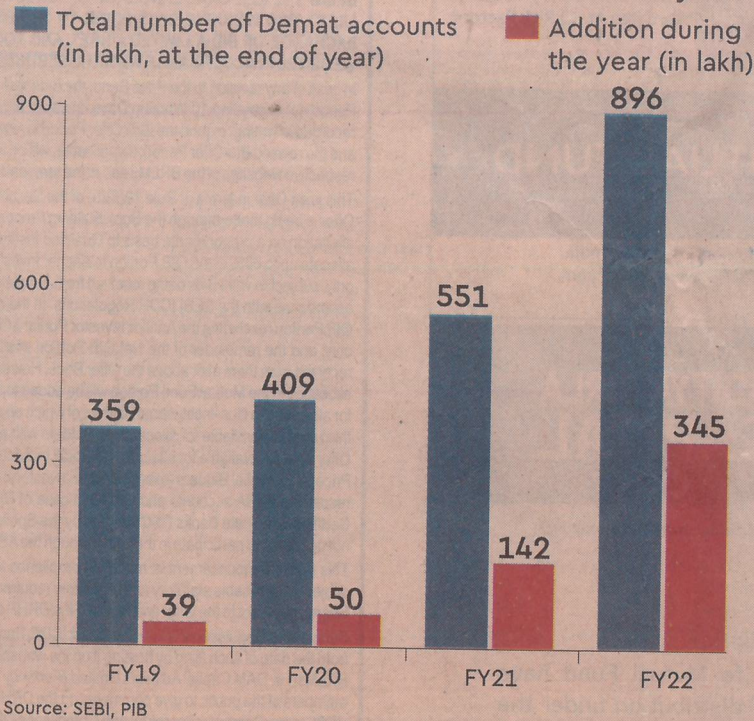


Source: Bloomberg

Monthly new demat accounts added



Two-and-a-half fold rise in demat account in 4 years

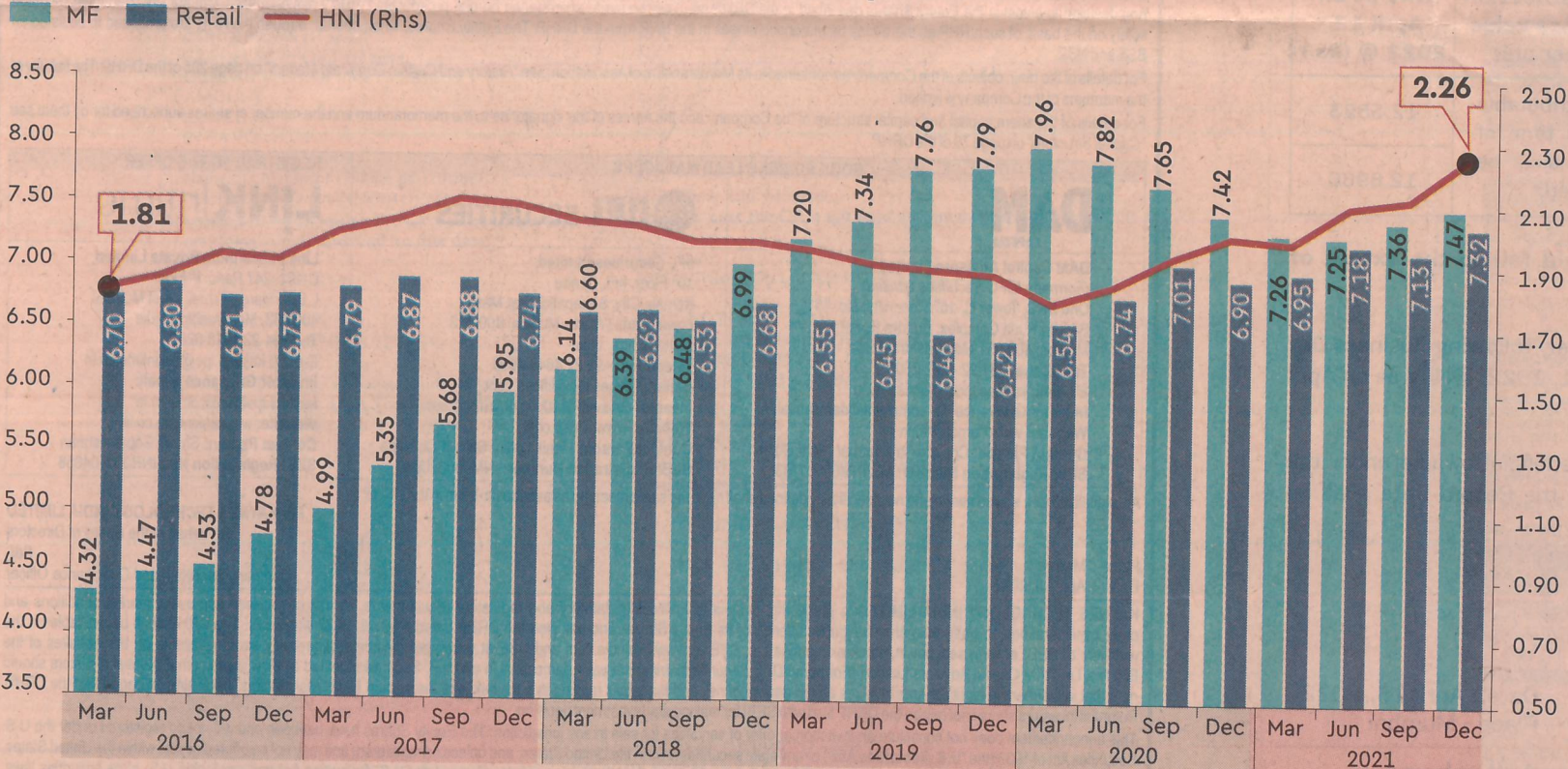


Performance of newly listed firms

(in FY22)

Firm	Close (₹)*	Loss (%)^
One 97 Communications	528.45	-75.4
Glenmark Life	458.8	-36.3
Nuvoco Vistas	394.95	-30.7
PB Fintech.	694.3	-29.2
Aditya AMC	533.85	-25.0
Star Health Insu	710.45	-21.1
Vijaya Diagnostic Centre	438.15	-17.5
Aptus Value Hsg Finance	340.55	-3.5

Percentage holding across all NSE-listed companies



Firm	Close (₹)*	Gain (%)^
Sona BLW Precision	679.45	133.5
Macrotech Developers	1126.2	131.7
Clean Science	1992.4	121.4
Latent View	422.75	114.6
Devyani International	175.25	94.7
G R Infraproject	1,533.85	83.3
Krishna Institu.	1383.2	67.7
FSN E-Commerce	1,689.55	50.2

*As on March 31, 2022 ^ Change from offer price Source: Capitaline