

Retail investor ownership in NSE firms at record high

Share of FPIs declined to a nine-year low in March quarter

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The share of retail investors in companies listed on the NSE reached a fresh all-time high of 7.42 per cent at the end of March, from 7.33 per cent as on December 31, 2021, according to primeinfobase.com. In value terms, retail holding touched a record ₹19.16 trillion as on March 31, from ₹19.05 trillion at the end of the previous quarter -- an increase of 0.56 per cent.

The Sensex and the Nifty50 rose 0.54 and 0.63 per cent, respectively, during the period under consideration.

Despite the share of high net-worth individuals (HNIs) in companies listed on the NSE declining marginally to 2.21 per cent at the end of Q4, from 2.28 per cent in the previous quarter, the combined retail and HNI share reached an all-time high of 9.64 per cent.

Net withdrawal of ₹1.1 trillion by foreign portfolio investors (FPIs) during the quarter resulted in FPIs' share declining further to a nine-year low of 20.15 per cent as on March 31, 2022, from 20.71 per cent as on December 31, 2021.

Notably, FPIs pulled out ₹69,370 crore from financial services and the software sector during the quarter and invested ₹13,450 crore in metals & mining and food, beverages & tobacco.

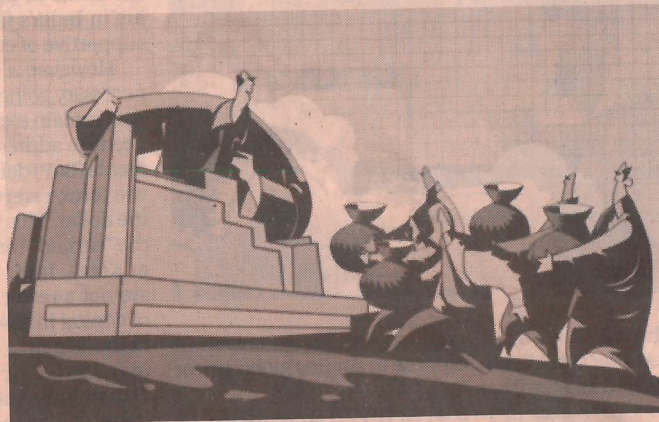


ILLUSTRATION: BINAY SINHA

GAINING GROUND

Share of retail in NSE-listed companies



Source: primedatabase.com

Holding of FPIs in companies listed on the NSE stood at ₹51.99 trillion (as of March 31), a decrease of 3.36 per cent from ₹53.8 trillion.

The share of domestic mutual funds in companies listed on the NSE rose for the third quarter

running and reached 7.75 per cent as on March 31, 2022, up from 7.46 per cent as on December 31, 2021. The share has increased on the back of net inflows worth ₹67,423 crore by domestic mutual funds during the quarter. In value terms,

too, the holding of domestic mutual funds went up by 3.08 per cent to an all-time high of ₹19.99 trillion at the end of March, from ₹19.39 trillion on December 31.

The share of retail, HNIs, and domestic mutual funds put together also reached an all-time high of 17.38 per cent as on March 31, up from 17.08 per cent as on December 31.

The share of domestic institutional investors (DIIs), which include domestic mutual funds, insurance companies, banks, financial institutions, and pension funds, as a whole, also increased to 13.7 per cent in Q4, from 13.21 per cent in the previous quarter, on the back of net inflows worth ₹1.03 trillion during the quarter from DIIs. In value terms, DII holding went up to an all-time high of ₹35.35 trillion as on March 31, 2022 — an increase of 3.05 per cent QoQ.

“The share of retail, HNIs, and DIIs as a whole reached an all-time high of 23.34 per cent as on March 31, 2022, well above the FPI share of 20.15 per cent, showcasing further the rise of domestic individual investors and the huge counterbalancing role they have played to foreign investors. To also put this in perspective, as on March 31, 2015, FPI share was 23.32 per cent while the combined share of retail, HNI, and DII was just 18.47 per cent,” said Pranav Haldea, MD, PRIME Database.