

Company-Fund Manager Meets Hint at Rising Investor Interest in Midcaps

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Rajesh.Mascarenhas
@timesgroup.com

Mumbai: The outperformance of mid- and small-cap stocks amid a large inflow of funds into mid- and small-cap schemes led fund managers to meet the management of many small companies.

Mid-cap companies such as Keynes Technologies, Astral, Sriram Finance, Star Health, Mold-Tek Packaging, Avalon Technologies, Bikaji Foods, and TCI Express are among the two dozen companies that have seen the highest number of management meetings with fund managers since August 1.

Keynes Technologies is at the top of the list with 131 investors, including many domestic mutual funds and insurance companies that have met the management since August 1. The stock has rallied 43% in the last three months. About 110 institutional investors met the management of Astal since August 1, while Shriram Finance had a meeting with 106 investors. The two stocks have ral-

lied 17% and 36% since August 1, respectively.

Investor meetings are considered a soft indicator of their interest in the stocks, and in many cases in the past, institutional holdings rose in those stocks post-meetings with a rally in stock prices.



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Stock	No of Meetings in Aug '23*	CMP (₹)	3M Return (%)	YTD Returns (%)	Target Price (₹) #
Keynes Technology	131	1,798	40.8	139.4	2,157
IndusInd Bank	118	1,401	11.2	14.8	1,642
Astral	111	2,018	17.8	37.0	1,914
Shriram Finance	106	1,852	35.9	34.5	2,097
Star Health & Allied Insu	86	620	4.3	9.5	691
Mold-Tek Packaging	79	986	5.2	4.6	1,071
Avalon Technologies	69	488	16.1	22.5	679
ICICI Lombard General	65	1,320	21.7	6.8	1,438
Bikaji Foods Intl	64	481	25.2	10.4	541
ICICI Prudential Life	63	549	24.8	21.7	640

*Source: primeinfobase.com. # Bloomberg consensus estimates

“A good number of companies are meeting fund managers, and many of these companies are engaged in sectors that are either emerging or at an inflexion point, and it becomes important for fund managers to understand the sector and company landscape from the management to identify and understand

growth levers and company dynamics,” said Vaibhav Shah, fund manager, Torus Oro PMS.

“We see the recent trend as a positive sign where fund managers having the sole responsibility to manage funds from their trusted clients can understand companies operating in niche sectors and gain valuable insights to make informed decisions.”

Star Health management had meeting with 86 investors while Mold-Tek Packaging held 79 meetings so far this month.

While Nifty was up 6% in the last three months, Nifty mid and small cap indices gained 17% and 20% during this period. The rally in mid- and small-caps combines earnings momentum and liquidity. Mutual funds focused on small-caps received a net inflow of close to ₹11,000 crore in the June quarter.

“The outperformance of mid- and small-cap stocks lead to increased investor interest as flows seem chasing growth,” said Kaushtik Dani, fund manager - PMS, Abans Investment Managers.