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SMART INVESTING
S&P 500 Falls from Record High on West Asia Worries

Hope

Greed

Fear

Panic

Hope

SHARP SWINGS IN JAN-MARCH Combined holdings of retail investors & HNIs in NSE-listed cos down to a five-year low of 9.1% in Q4 ● Foreign ownership slips to a 14-year low

Retail Direct Equity Bets Fall, MF Holdings Rise to New High

Ruchita Sonawane

Mumbai: Individual participation in Indian equities showed a sharp divergence amid sharp swings in January-March, with their direct equity ownership falling for the third straight quarter, while mutual fund holdings, fuelled by retail flows surging to a fresh record. Foreign ownership fell to a 14-year low of 16.1% in the March quarter, underscoring their risk-off sentiment towards domestic stocks, while domestic institutional holdings rose to another all-time high.

The combined holdings of retail and high net worth investors in NSE-listed companies declined to a five-year low of 9.1% in the March quarter, down from 9.3% in the December quarter, according to data from primeinfobase.com. Meanwhile, mutual fund holdings rose for the 11th straight quarter to an all-time high of 11.46% from 11.1% in December.

"This indicates individual investors may be preferring to invest through a professional fund manager," said Pranav Haldea, ma-



Ownership Trends

Percentage across all NSE-Listed companies

Quarter	Retail & HNI	Mutual Funds	DII	FII
31-Dec-2023	9.6	8.8	16.0	18.2
31-Mar-2024	9.5	8.9	16.1	17.7
30-Jun-2024	9.6	9.2	16.2	17.4
30-Sep-2024	9.6	9.5	16.5	17.5
31-Dec-2024	9.8	9.9	16.9	17.2
31-Mar-2025	9.5	10.4	17.6	17.2
31-Jun-2025	9.6	10.6	17.8	17.0
30-Sep-2025	9.5	10.9	18.3	16.7
31-Dec-2025	9.3	11.1	18.7	16.6
31-Mar-2026	9.1	11.5	19.2	16.1

Source: primeinfobase.com

naging director, PRIME Database Group.

Across NSE-listed companies, the retail investors' direct holdings declined from 7.25% to 7.12% in the March quarter — declining for the third quarter in a row. HNI ownership slipped to 1.9% from 2.03% in the same period.

These investors cut their stakes, especially in mid-cap and small-

cap companies amid the severe market sell-off in March—marking the worst monthly fall since March 2020, the onset of the Covid-19 wave and the record-breaking rally in precious metals.

"HNIs turned discerning and retail investors flocked to other assets such as gold, silver and REITs due to the lethargic equity returns," said Riddhiman Jain, ma-

naging director and head — investment strategy and solutions, Waterfield Advisors.

In the quarter ended March 31, Nifty plunged 14.5% while Nifty Midcap 150 and Smallcap 250 dropped 12.7% and 14.4%, respectively.

The Nifty 500 index tumbled 14%. Gold rose 6.7%, and Silver gained 6.1%.

But for the purchases by domestic institutions, including mutual funds, pension funds and insurance companies, among others, the equity fall would have been sharper.

The ownership of domestic institutional investors (DIIs) went up to an all-time high of 19.24% from 18.72%.

"The strong SIP culture prompted investors to allocate money to fund managers through passive investing instead of tracking price movements and reacting to market fluctuations due to fear," said Sidarth Bhamre, head of research, Asit C Mehta Intermediates. "Retail money through mutual funds will continue to bail out the market. Until their invested corpus doesn't witness an erosion, SIP money is expected to continue."