

MFs raise cash holding by ₹14,540 cr in April

● More than half of fund houses turn cautious

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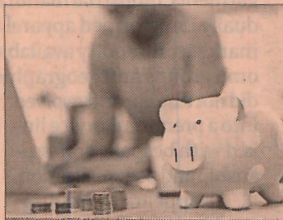
MANY MUTUAL FUND houses increased their cash holdings during April at a time when the ceasefire announcement led to a rally in the overall markets. Twenty-eight fund houses increased their holdings by ₹14,540.63 crore, according to data shared by PrimeMF database. The cash levels include cash and equivalent securities, cash margin,

CASH BUFFERS SWELL

■ 28 mutual funds raised cash holdings in April

■ Total cash addition stood at ₹14,540 cr

■ Cash levels rose despite strong market rally



CBLO/reverse repo, and other receivables of the fund houses.

At the same time, the Sensex and Nifty rose 6.9% and 7.5%, respectively. Even the broader markets did remarkably well with the BSE Midcap and BSE Smallcap

jumping 13.81% and 19.61%, respectively.

ICICI Prudential Mutual Fund increased its cash levels the most in April by ₹5,557 crore. DSP Mutual Fund, HDFC Mutual Fund and SBI Mutual Fund also substantially increased

■ ICICI Prudential added **₹5,557 cr** cash buffer

■ Midcap and Smallcap indices surged sharply

■ 20 fund houses reduced their cash holdings

their cash holdings by ₹3,131 crore, ₹2,432 crore and ₹2,021 crore, respectively.

However, 20 fund houses reduced cash holdings. These include Axis Mutual Fund, which deployed the maximum amount at

₹3,844 crore. HSBC Mutual Fund, Kotak Mahindra Mutual Fund, Samco Mutual Fund and PPFAS Mutual Fund also deployed cash in excess of ₹500 crore during the month.

The overall cash holding of the mutual fund industry increased from 2.55% to 2.57% of the total equity assets in April.

Aparna Shanker, CIO – equity, The Wealth Company Mutual Fund believes that the rise in cash holdings across the mutual fund industry in April reflects a combination of tactical caution and selective opportunity creation rather than a broad risk-off stance.