

BENCHMARKS SCALE FRESH PEAKS

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Retail Ownership in NSE-Listed Cos at All-time High

A buoyant secondary market, new listings push up retail share to 7.18%

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Mumbai: Retail ownership of companies listed on the National Stock Exchange (NSE) reached an all-time high in the June quarter, with participation of individual investors in India's capital markets surging through a period of sustained gains for the broadest benchmark indices. A raft of initial share sales also helped burnish D-Street's allure for the ordinary saver.

India's biggest equity gauges scaled fresh peaks on Thursday, the third straight day of record closing highs, paced by increased buying in some defensive stocks. The Nifty and the Sensex climbed 0.2% each to 16,294 and 54,492 points, respectively.

The share of retail investors in NSE-listed companies as of June 30 was 7.18%, compared with 6.96% in March, or 6.89% five years ago, showed data from primeinfobase.com. The previous record was 7.10% in

June 2009, when the broadest gauges globally were beginning to clamber out of the subprime sinkhole.

Ownership of NSE Listed Cos (%)

Retail



DII



Source: primeinfobase.com



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To be sure, ownership of domestic institutional investors (DII) in Indian stock declined to an 11-quarter low.

“A buoyant secondary market and a flurry of new listings have helped channelise retail savings into the capital markets,” said Pranav Haldea, managing director, PRIME Database Group. “These trends also show the willingness and preference of individual investors to invest directly, rather than indirectly via mutual funds.”

Indian benchmarks, which trailed other gauges in the Emerging Markets until March-end, outperformed in the June quarter on the back of higher volumes, mainly from retail participation that has risen to an all-time high of 73% of total cash market turnover in July. The Nifty index rose 4.8% between January and March, but it has rallied nearly 10% since then.

In value terms, retail holding was at Rs 16.18 lakh crore on June 30, increasing 16.07% over the last quarter. Considering only the free float of stock, retail ownership climbed to 14.49% in the quarter ending June, from 13.86% in the March quarter.

India has added more than 5 million new investors between April and July this year, and 53% of those registered are from states beyond the top five with the highest investor bases. Overall, NSE's registered investor base has now crossed 45 million. Since April 1, 2020, nearly 23.6 million new demat accounts have been added in India.

Ownership of DIIs, which include domestic mutual funds, insurance companies, banks, financial institutions and pension funds, declined to 13.19% on June 30 from 13.42% as of March 31 despite net inflows of Rs 20,199 crore during the quarter. Holdings of foreign portfolio investors (FPIs) also fell to 21.66% in the June quarter from 22.46% in March.

Ownership of high net worth individuals (HNI) has increased to 2.10% as of June 30, from 1.98% on March 31, taking the combined retail and HNI holding to another record of 9.28%.

“India has seen a major change in savings behaviour with increased savings in the form of financial assets, especially in equities,” said Vijay Chandok, MD & CEO, ICICI Securities. “As long as equities continue to hold the promise of higher yields, savers would move away from other assets to stocks.”

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