

1,034 stocks in which retail investors increased stakes in the Sept quarter have returned just 3.78%

Want to Make Money? Stay Away from the Herd

Mumbai: If you are searching for the next winner stock, it may not pay to be invested in companies with dominant retail shareholding. An analysis of the shareholding pattern of NSE-listed companies for the September quarter and their share price movements shows stocks with higher retail participation have had lower returns.

For instance, retail investors have increased their stakes in 1,034 stocks in the September quarter. The average returns from these stocks during the period was just 3.78%, showed data from primeinfobase.com.

During the same period, foreign portfolio investors (FPIs) raised their stakes in 649 stocks with an average return of 15.62%. The average return of 356 stocks that have seen domestic institutional investors (DIIs) increase their stakes during the September quarter was 14.49%.

"Several hundreds of mid-and

Winners and Losers: July- Sept '21

CATEGORY	NO. OF COMPANIES WHERE HOLDING INCREASED	AVERAGE STOCK PRICE CHANGE DURING THE QUARTER (%)	NO. OF COMPANIES WHERE HOLDING DECREASED	AVERAGE STOCK PRICE CHANGE DURING THE QUARTER (%)
Foreign Institutions (FPI)	649	15.62	479	10.23
Domestic Institutions (DIIs)	356	15.49	540	9.06
Mutual Funds	300	12.06	387	10.62
High Networth Individuals (HNIs)	712	11.48	769	9.93
Insurance Companies	190	10.43	305	8.98
LIC	94	9.57	105	2.39
Retail	1,034	3.78	592	23.96

Source: primeinfobase.com

small-caps have gone up with retail money in this frenzy where valuations are being ignored. Many of them have corrected in the last 2-3 months," said G Chokkalingam,

CEO, Equinomics Research and Advisory. "Also, retail investors always try to catch falling knives to make a quick buck, but ultimately they end up losing money."

The average returns of stocks bought by mutual funds and insurance companies in the September quarter were 12.06% and 10.43%, respectively. On the other hand, retail inves-

tors reduced their stake in 592 stocks, and their average returns were nearly 24%.

(Compiled by
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