

# 852 RETAIL INVESTORS' SHARE IN NSE FIRMS AT RECORD HIGH



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# Share of retail investors in NSE companies at record high

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The share of high net-worth individuals, or HNIs, in the NSE companies also rose to a lifetime high of 2.26 per cent during the quarter, taking the combined share of retail and HNI investors to 9.58 per cent.

The latter, in particular, took a fancy to the deluge of initial public offerings that raised ₹1.2 trillion from the market last year.

During the pandemic, individual investors have had more time and disposable income to dabble in stocks. The sustained uptick in share prices, a low interest rate environment, ease of opening a demat account, and the availability of stock- and sector-specific information on mobile apps have spurred their participation.

Often believed to be late to the party, retail participants are known to get the jitters during a steep market decline. But this time around they appear to have stayed put during corrections and employed a buy-on-dips strategy, which is a sign of growing maturity, said experts.

"Individual investors have emerged as a major force to reckon with in the market,

which historically has been driven by institutional players, especially foreign investors," said Pranav Haldea, managing director, PRIME Database.

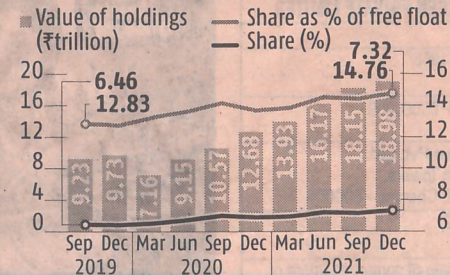
The value of retail holding in the NSE firms stood at about ₹19 trillion at the end of Q3, up nearly 50 per cent from ₹12.7 trillion a year ago and nearly double the figure at the end of 2019.

Holdings of foreign portfolio investors slid 1.67 per cent quarter-on-quarter to ₹53.78 trillion as they were net sellers of shares worth over ₹38,000 crore in Q3. Their share in the NSE-listed firms stood at 20.74 per cent -- a nine-year low.

"Interest rates have been trending lower over the past year and investors have flocked to equities in search of better returns," said B Gopkumar, CEO, Axis Securities. "Mature investors have moved



## RETAIL INVESTMENT IN INDIAN EQUITIES



NB: Figures for NSE listed companies Source: primeinfobase.com

from mutual funds to direct equities, with products, such as smallcases, gaining traction. The said investing theme was playing

out well though a number of investors continue to speculate through options trades."

A recent report by State Bank of India

economists highlighted that physical assets as a means of saving and investing had become less popular. According to this year's Economic Survey, the share of individual investors in total turnover at the NSE increased from 38.8 per cent in 2019-20 to 44.7 per cent in April-October 2021. In the eight months to FY22, nearly 22 million demat accounts were added.

Meanwhile, LIC's share declined marginally to an all-time low of 3.67 per cent in Q3 from 3.69 per cent in the previous quarter. In value terms, though, its holdings touched an all-time high of ₹9.53 trillion. The share of insurance companies as a whole declined to a six-year low of 4.79 per cent in Q3 from 4.81 per cent in the September quarter.

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