SENSEX	NIFTY 50	GOLD	USDINR	CRUDEOIL
58960.60	17486.95	50438.00	80.42	7017.00

Indian investor more confident as economy continues to perform well: Sundaram MF's CEO

The Indian investor is becoming mature and more confident as he is figuring out that India continues to perform well, even in a recessionary scenario globally, said Sunil Subramaniam, managing director (MD) & CEO of Sundaram Mutual Fund.

"Indian investor is getting a little more mature; he's figuring out that in a world which is in recession, India still doing well. So, we (should) focus on the India specific areas, which is mid cap & small cap business cycles," he said in an interview with CNBC-TV18.

On Monday, JP Morgan Chase's Jamie Dimon said **'serious' headwinds are likely to push the US and global economies into recession** by the middle of next year.

“These are very, very serious things which I think are likely to push the US and the world -- I mean, Europe is already in recession -- and they’re likely to put the US in some kind of recession six to nine months from now,” Dimon said in an interview with CNBC.

Talking about the Indian markets, Subramaniam said that with interest rates being hiked globally, investors will focus more towards debt allocation in their portfolios. Moreover, there'll be a shift of capital out from commodity exporting countries due to commodity deflation, which is likely to benefit India.

So, there will be a reallocation of capital, where I expect India will be the beneficiary number one and commodity deflation will positively impact our economy," he explained.

Analysts are of the view that India's fundamentals have been better than most major economies, which has led the Indian market to outperform compared to its global peers.

Subramaniam also said he plans to focus more on domestic-oriented sectors as he believes that India will be an attractive market.

MF assets rise to Rs 39.88 trn in Sep on higher inflows into SIPs: AMFI

Driven by inflows into Systematic Investment Plans (SIPs), the mutual fund industry's total assets under management rose to Rs 39.88 lakh crore in September from Rs 36.73 lakh crore in the year-ago period.

On a monthly basis, the Assets Under Management (AUM) increased marginally from Rs 39.33 lakh crore in August.

According to the latest monthly data from the Association of Mutual Funds in India (AMFI) released on Monday, the industry wide net AUM stood at Rs 38.42 lakh crore in September.

AMFI said the month also saw the highest-ever folio addition to 13.81 crore. The retail folios also touched an all-time high to 10.99 crore.

The contribution of SIPs rose to Rs 12.97 lakh crore in September, which is the highest ever, from Rs 12.69 lakh crore, Amfi said, adding the number of SIP accounts also increased to 5.84 crore.

SIP AUM stood at Rs 6.35 lakh crore with a month-on-month inflow of Rs 4,501 crore taking the total SIP AUM to Rs 6.39 lakh crore for September.

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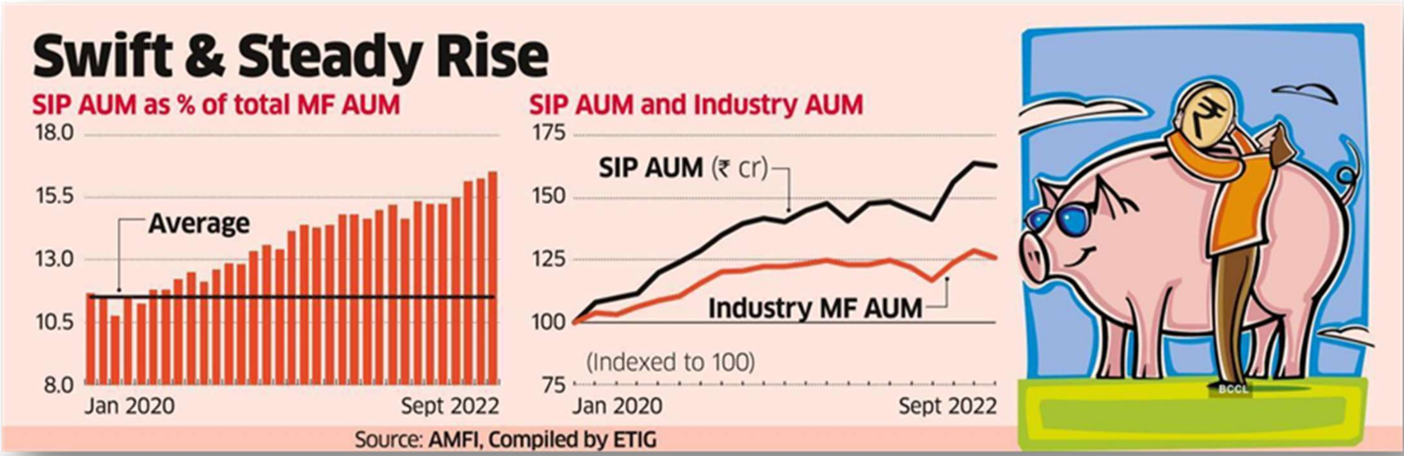

Retail AUMs (equity, hybrid, and solution-oriented schemes) stood at Rs 19.77 lakh crore while their average AUM stood at Rs 20.24 lakh crore.

AMFI CEO N S Venkatesh said SIP numbers look healthy with the highest ever contribution at Rs 12,976.34 crore in a month. "We are hopeful that we will touch Rs 13,000 crore per month mark in the coming months". During the past few months, the market reacted to inflationary factors and rate hikes. However, small investors have shown consistent faith in mutual fund investments and they see SIP as wealth accumulation and wealth creation over a longer-term, he said.

Kavitha Krishnan of Morningstar India said the markets continued to witness inflows to the tune of Rs 14,099.73 crore, with the growth largely driven by the flows into sectoral/thematic funds in the reporting month.

The mid-cap category and flexicap category saw significant inflows during the month.

Another reason was the flurry of fund launches in September, especially within the thematic/sector funds category.

Despite the financial turmoil in the domestic and global markets following rate hikes by central banks along with the rupee fall, domestic investors continued to invest in the markets, leading to positive flows during the month.

This is likely indicative of investors' preference for investing during market dips. The overall positive sentiment is also likely driven by investors' interest towards investing in the NFOs that were launched in the month, she said. Akhil Chaturvedi of Motilal Oswal AMC said healthy growth in net equity inflows after two months of below average trend augurs well for the markets. Arun Kumar of FundsIndia said in contrast to the declining trend of the last few months, equity MF inflows picked up sharply in September.

With equity inflows of close to Rs.80,000 crore, the MF industry registered growth of 33% in terms of net equity inflows in the first six month of FY 2023, shows an analysis of AMFI data done by Cafemutual. In April-Sept 2021, the MF industry had witnessed net inflows of Rs.60,000 crore.

Modest traction for MF Central in first year, phased rollout cited

MF Central, a common transaction platform for mutual fund (MF) investors, has had a modest start. The platform, jointly developed by the two registrars and transfer agents (RTAs) in India, KFintech and CAMS, has recorded only 350,000 and 10,000 monthly logins registrations in the first year, shows data shared by KFintech.

HSBC Mutual Fund receives SEBI approval to acquire L&T MF

HSBC Asset Management (India) has received approval from the Securities and Exchange Board of India (SEBI) to fully acquire L&T Investment Management Limited (LTIM), subject to certain conditions and approval. LTIM is a wholly-owned subsidiary of L&T Finance Holdings Limited (LTFH) and the investment manager of L&T Mutual Fund. According to AMFI data, L&T MF has average assets under management (AAUM) of Rs 717.03 billion and over 2.2millionn active folios as of September, 2022,

According to HSBC MF, upon completion of the acquisition, the schemes of the mutual funds operated by L&T Mutual Fund will be transferred to HSBC Mutual Fund or will be merged/ consolidated with identified schemes of the mutual fund of HSBC or vice-versa. The sponsorship, trusteeship, management, and administration of the L&T Mutual Fund will be correspondingly changed.

Post completion of the acquisition, HSBC will merge the operations of LTIM with that of its existing asset management business in India, which had AAUM of INR 136.2 bn (USD 1.66 bn) as of September 2022.

AMCs to freeze non-PAN card MF portfolios from April 2023, says AMFI

From April 2023, investors will not be able to invest in mutual fund folios that are not linked to their PAN card, the Association of Mutual Funds in India (Amfi) has said in a notification.

"No investments (systematic or lumpsum) shall be permitted in such folios wherein PAN or PAN exempt KYC reference number (PEKRN) are not available. Dividend pay-out by MF schemes to such folios shall also be disallowed," Amfi has said.

The industry body has asked investors to link such MF accounts with their PAN or PEKRN by March 31, 2023. Restrictions on redemptions from such transactions are already in place since September 2019. Amfi had disallowed redemptions from such accounts after the Securities and Exchanges Board of India (Sebi) expressed concerns over the high number of redemptions from such accounts.

According to a report, as of 2019 there were over nine million MF folios which were not linked to PAN and most of these folios were over 11-12 years' old. This is because PAN became compulsory for MF investments only from January 1, 2011, when a new set of know-your-customer (KYC) compliance norms was adopted by fund houses.

LIC MF plans to raise share of equity schemes to 45%

LIC Mutual Fund Asset Management Ltd. has planned to increase its share of equity schemes by 10 percentage points to 45%, said MD & CEO T.S. Ramakrishnan.“We are primarily focused on debt products that account for nearly 65% of our assets under management (AUM) of ₹17,734 crore,” he said.

At present, LIC MF offers 27 products covering debt, equity, hybrid, passive and solution-oriented schemes. Going forward, the fund house would focus on increasing its share of equity schemes to industry average of 45% from about 35% through organic and inorganic routes. While LIC MF has lined up several new products, it is also in advanced stages of acquiring IDBI Mutual Funds to comply with regulatory requirements, the CEO said. Last week, the fund house rolled out the LIC MF Multicap Fund, an open-ended equity scheme, which closes on October 20. It will reopen for subscription on November 2. “The new fund will help us to hit the 45% mark before March 23 by fetching us ₹1,500 crore against the target of ₹1,800 crore in AUM,” he said.

Rules for new hybrid financial instruments combining banking, insurance, MF, pension announced

The Reserve Bank of India (RBI) has issued rules for new hybrid financial products that combine insurance, mutual funds, banking and pension-related instruments.
According to the RBI's SOP issued on October 12, 2022, "In order to facilitate testing of innovative products/services falling within the regulatory ambit of more than one financial sector regulators viz. RBI, SEBI, IRDAI, IFSCA and PFRDA, a Standard Operating Procedure (SOP) for IoRS has been prepared by the Inter-Regulatory Technical Group on FinTech (IRTG on FinTech). The Reserve Bank of India today placed on its website the SOP for IORS."

Here is a look at what the RBI's standard operating procedure for inter-operable regulatory sandbox states.

Background

The Inter-Regulatory Technical Group on FinTech (IRTG on FinTech) has been constituted under the aegis of Sub-Committee of the Financial Stability and Development Council (FSDC-SC) for inter-regulatory co-ordination among the financial sector regulators on FinTech-related issues including Inter-operable Regulatory Sandbox (IoRS). The Group is chaired by Chief General Manager of the FinTech Department, RBI with representation from other financial sector regulators, viz., SEBI, IRDAI, IFSCA and PFRDA and one representative each from DEA and MeITY.

2. IoRS – A process

IoRS is a mechanism to facilitate testing of innovative hybrid financial products / services falling within the regulatory ambit of more than one financial sector regulator. To obviate the need of innovators, to engage with different regulators regarding their hybrid product, a common window has been made available.

3. Participants in the IoRS

The financial regulators that are members of the IRTG on FinTech have consented to participate in the IoRS arrangement under the aegis of IRTG on FinTech.

4. Product / Services to be admitted in IoRS

Financial products / service providers whose business models / activities / features fall within the remit of more than one financial sector regulator, shall be considered for the testing under IoRS.

5. Governance

FinTech Department of RBI shall act as nodal point for receiving applications under IoRS and shall be designated as 'Coordination Group (CG)' for IoRS. All the necessary secretarial support support shall be provided by them.
The application for IoRS shall be on 'on tap basis' in a prescribed application form. The RS framework of the regulator under whose remit the 'dominant feature' of the product falls, shall govern it as 'Principal Regulator (PR)'. The regulator/s under whose remit the other features apart from the dominant feature of the product fall shall be the 'Associate Regulator (AR)'.
Two sets of factors would be considered or deciding the dominant feature. Firstly, the type of enhancement to the existing products like loans, deposits, capital market instruments, insurance, G-sec instruments, pension products, etc., and secondly, the number of relaxations sought by the entity for undertaking the test under the IoRS. The dominant feature shall be decided with greater weightage to the number of relaxations sought. The relaxation, if warranted, shall be considered by PR / AR on case-to-case basis and decision to that effect shall be binding and final.
Based on the dominant features of the product, the eligibility criteria and networth criteria as applicable for the RS of the concerned regulator (PR) shall be applicable to the applicant entity for participation in the IoRS.

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Based on the minimum eligibility criteria of the regulator under whose remit the dominant feature of the product falls, the Coordination Group (CG) (FinTech, RBI) shall conduct preliminary scrutiny of the application and forward the same to the concerned PR and AR(s) under whose purview the innovation falls.

In order to keep the IoRS process simple and non-disruptive, detailed scrutiny of the application shall be done by the PR based on its own framework. The PR shall co-ordinate with AR(s), regarding the features of the product, which falls under their remit.

In case SEBI is the AR, since the provisions of the SEBI Act allows only SEBI registered entities to participate in their RS, the unregistered applicant may get into a MoU or any other arrangement with a SEBI registered entity to participate in IoRS.

The applications from Indian FinTechs having global ambition and foreign FinTechs seeking entry to India, shall be referred to IFSCA, for taking forward the proposals, as IFSCA will be the PR for all such applications.

The PR shall reserve the right of admissibility of the hybrid product / solution / innovation as per its RS framework and accordingly communicate to the applicant. The decision to that effect shall also be communicated to CG / IRTG on FinTech, for information.

AR(s) shall provide specific inputs, stipulate condition regarding aspects falling under its remit for parameters to be tested, boundary condition, risks to be monitored, etc.

The AR(s) shall provide inputs at the earliest but not later than 30 days from receipt of reference from the PR.

The test design shall be finalised by the PR in consultation with the AR.

Any co-ordination issue between PR and AR to reach common views on the regulatory treatment of innovative products, services and business models shall be discussed and sorted out in the IRTG on FinTech before initiation of the live testing under IoRS. The IRTG on FinTech in its subsequent meetings shall monitor the progress of the products being tested under IoRS.

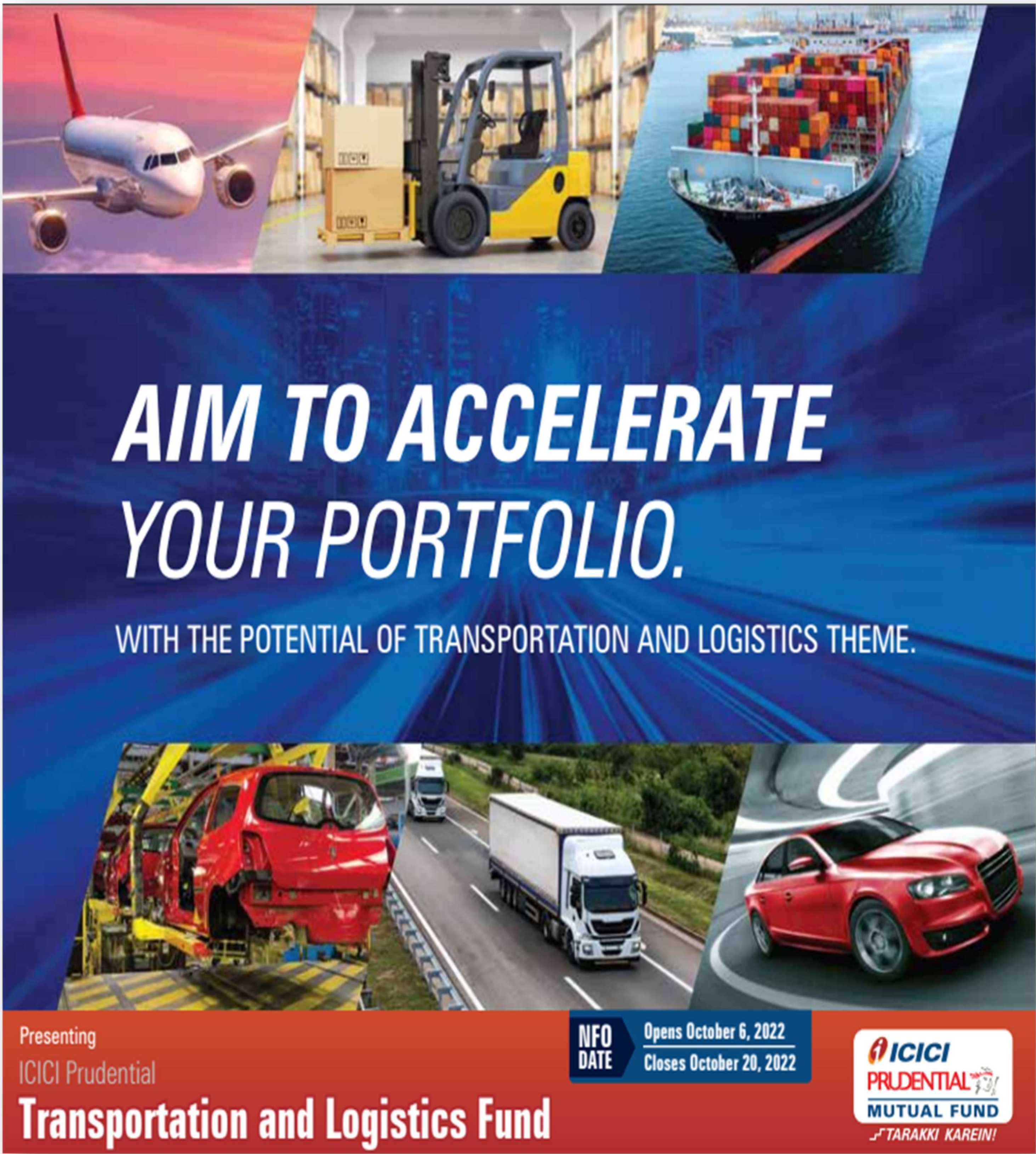
The evaluation of product shall be done as per the framework of the PR, which may also reflect appraisal by the AR(s), while deciding on suitability and viability of the product / services.

Post successful exit from the IoRS, the entity shall approach PR and AR(s), for authorisation and for seeking regulatory dispensation before launching the product in the market. The decision of respective regulator shall be binding on the entity.

The product being admitted and successfully exiting the IoRS shall be published by the regulator concerned vide Press Release, specifically indicating that, it is under IoRS of IRTG on FinTech.

Regulatory Approval For IDFC MF Acquisition Soon

The regulatory approval for IDFC MF acquisition by Bandhan led consortium may come soon. ET Now has learnt from sources that deal may get cleared by RBI and SEBI in a month or som While RBI is likely to approve acquisition of IDFC MF by Bandhan led consortium in next 7-10 days, the market regulator is SEBI also likely to consider approving acquisition of IDFC MF by end of this month. Sources also say that IDFC MF may be renamed Bandhan MF after formal approvals.Competition Commission of India (CCI) has already approved IDFC MF acquisition by Bandhan Financial Holdings-led consortium. The total AUM of IDFC MF stood around Rs 1.2 lakh crore as on Sep 30, and it is among top 10 asset managers in the country.



(Source: - Economic times, AMFI, Moneycontrol, Cafemutual, Live mint, IBJA Rates etc.)