

SENSEX 58142.05	NIFTY 17352.45	USD 76.16	GOLD (10 grams) 49752.00	CRUDE 6964.00
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Market reacts to macroeconomic data, FOMC minutes, earnings: Experts

With major events behind us, the focus would on global markets and earnings for cues. On the macro front, participants will first react to the IIP data on Monday i.e., Feb 14. Besides, both CPI Inflation and WPI inflation are also scheduled for Feb 14. We're now in the last leg of the earnings season and companies like Adani Enterprises, Coal India, Eicher Motors, Ambuja Cements and Nestle India will announce numbers during the week along with several others. Markets have been consolidating for the last four months and still not offering any cue over the next directional move. Global cues i.e., inflation concerns and Russia-Ukraine tension are currently weighing on the sentiment. However, favourable domestic factors like a pro-growth budget and dovish RBI capping the damage so far. We feel the prevailing tussle between the bulls and bears would end soon. On the index front, 16,800-17,000 would remain the critical support zone in Nifty and it would face stiff resistance around 17,650-17,800 zone. We're seeing a mixed trend across sectors wherein metal looks strongest followed by banking, energy, auto while IT, pharma and realty may trade subdued so plan your positions accordingly.

Technically, the Nifty is facing resistance at 100-DMA which is currently placed at 17650 level. On the downside, 17300 is immediate support below this, 17,000-16,800 is a critical demand zone and the buy-on dip texture will remain intact till the Nifty trades above 16,800 that is 200-DMA. Bank Nifty has a comparatively strong chart structure however it is facing resistance in the 39,000-39,500 zone; above this, we can expect a fresh rally towards 40200/41000 levels. On the downside, 20-DMA of 38,200 and 100-DMA of 37,800 are immediate support levels while 37,000-36500 is a critical demand zone.

The Nifty found resistance around 17,635 and slipped lower towards the gap on the daily timeframe. On the daily timeframe, a red-bodied candle is visible. Once again, the index has slipped below the 50 EMA. The trend looks sideways to negative for the near term. On the lower end, support is visible at 17,250-17,265. On the other hand, Nifty needs to move beyond 17,640 to change the current bearish trend.

After the reaction to US's hot inflation, investors globally will be focused on gaining a clearer understanding of the Fed's action, as the minutes of the most recent FOMC meeting are set to be released. Another significant metric to watch will be China's inflation data, which has recently shown indications of easing. Back home, with the RBI downplaying inflation and rising crude and commodity price overhangs, D-Street investors will be keeping a close eye on the domestic inflation rate to predict its future path. Given these events, markets are largely expected to remain volatile and range-bound. Amid elevated volatility, investors should sit tight on to their quality investments and avoid aggressive bets until a clear direction is established.

Mutual funds garner nearly Rs 1 lakh crore via NFOs in 2021

Mutual fund houses launched 140 new fund offerings (NFOs), which collected about Rs 1 lakh crore in 2021 on a sharp rally in the markets and an exceptional increase in the retail investors' interest.

However, the current volatility in the stock market might prompt asset management companies (AMCs) to limit the launch of NFOs this year. Experts believe that NFOs are going to decrease in 2022 and little will come in 2023 when rates start changing.

According to data compiled by Morningstar India, there were 140 new fund offers (including closed-end funds and ETFs) in 2021. These managed to garner a respectable Rs 99,704 crores during their inception stage.

This was way higher than 81 NFOs floated in 2020 and cumulatively, these funds were able to garner Rs 53,703 crore.

In 2020, the central banks throughout the globe cut the rates and made rates hit all-time lows in the 100-year history. Rates remain unchanged in 2021. That's why to utilise low rates, AMC businesses bring NFOs, he added.

The maximum number of funds (25) were launched in the index fund segment, which amassed Rs 4,082 crore, followed by other ETFs (24), which collected Rs 7,482 crore and fixed-term plans (23), which mobilised Rs 5,057 crore.

In addition, investors were attracted to international funds and sectoral or thematic funds. The AMCs launched 12 sectoral or thematic funds, which raised Rs 13,237 crore and floated 12 overseas funds of funds, which mopped up Rs 6,351 crore.

Experts believe that the dominance of index funds and ETFs (exchange-traded funds) within NFOs is not surprising, owing to a couple of factors.

Existing AMCs have no restrictions in the number of passive products they can manufacture, whereas there are limits on other types of funds.

Also, as investors (across retail, HNIs, institutional) are broadening and diversifying their portfolios, they're preferring to take an index approach to new exposures and asset types, making it both efficient and simple versus having to build their own frameworks and strategies on these universes.

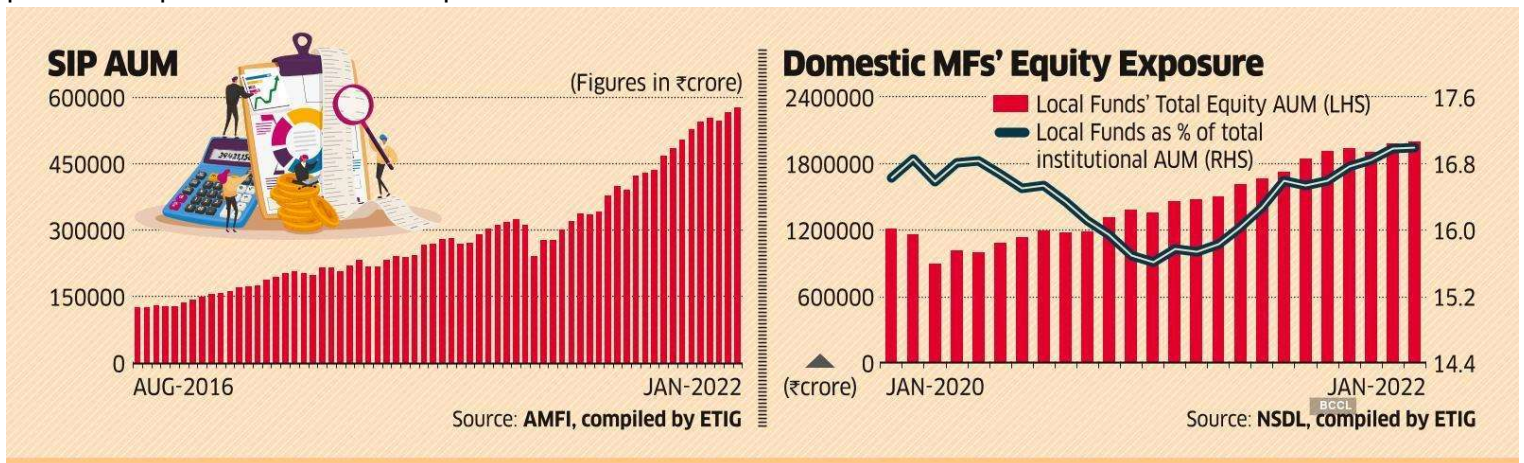
Another factor for higher NFOs in the index category could be strong performance as the index delivered over 20 per cent last year.

Further, the penetration of Indian investors towards index or ETF is low. So, AMCs try to capture their market share. Similarly, international stock markets had given good returns in the past few years and even the interest of investors to diversify across geography increased, which resulted in many AMCs coming up with international funds.

Mutual funds' SIP assets hit record Rs 5.8 lakh crore in January

The assets under management (AUM) of domestic mutual funds linked to the systematic investment plans (SIPs) reached a record ₹5.8 lakh crore in January 2022 as the monthly inflow in these schemes remained above ₹10,000 crore for the fifth month in a row. According to data from the Association of Mutual Funds in India (AMFI), the share of SIP-linked funds in the industry AUM expanded to 15.2%, a two-fold increase in five years.

Amid a sustained inflow from retail investors, the AUM of domestic funds continued to rise despite a drop in the country's market capitalisation by nearly 5% from the recent peak as foreign investors pruned exposure to Indian equities.



The SIP AUM grew by 33% annually in the past five years while monthly SIP book grew by 23%. The monthly SIP inflow was ₹11,516 crore in January 2022. The cumulative SIP inflow was ₹1 lakh crore in the first ten months of FY22 compared with ₹79,370 crore in the corresponding period of the previous fiscal year.

The domestic funds' AUM including equity, balanced and ETF categories was at a record ₹19.9 lakh crore at end of January, according to NSDL data. The cumulative inflow of active and passive equity funds including index funds and ETFs was ₹2.1 lakh crore between April 2021 and January 2022 compared with just ₹5,650 crore in the year-ago period.

SEBI directs AMCs to form audit committee from August

Markets regulator Sebi has asked asset management companies (AMCs) to form audit committees which will be responsible for oversight of financial reporting process, audit process and compliance with laws and regulations, among others.

The circular will come into force with effect from August 1, 2022. Currently, audit committee exists at the level of trustees of mutual funds. Sebi said the decision has been taken after taking into account the recommendation of Mutual Fund Advisory Committee and the feedback received from the industry and has come out with detailed outline for role, responsibility, membership and other features of the Audit Committee of AMC.

Equity fund inflows slow from December high, SIPs hit new record

Individual investors continued to pour money into equity mutual funds in January for the eleventh straight month, but flows were lower compared to December as sharp swings in the stock market led to heightened caution. Equity schemes garnered ₹14,888 crore in January as against ₹25,077 crore in December. Collections through systematic investment plans (SIPs) increased to another record high of ₹11,517 crore as against ₹11,306 crore in the previous month.

Debt mutual funds too saw inflows of ₹5,088 crore, taking the industry's total assets under management (AUM) to an all-time high of ₹38.89 lakh crore, compared to the previous month's ₹37.92 lakh crore.

Fund officials and analysts said investors were more cautious in January. In December, the record flows of ₹25,077 crore were also on account of large collections by three new fund offers.

The resilience in flows into equity mutual funds was despite selling by foreign institutions, who dumped stocks to the tune of ₹35,975 crore in January for the fourth straight month.

Domestic institutional investors, which include mutual funds and insurance companies, deployed ₹16,502 crore into stocks during the month.

Christopher Wood says Indian MF industry assets may hit ₹90 trillion by 2030

India's mutual fund industry has the potential to have total assets under management (AUM) worth ₹90 trillion by the end of this decade, up from ₹38 trillion at present, Christopher Wood, global head of equity strategy at Jefferies said in a research note titled, Greed & Fear. According to the expert, this will be driven by systematic investment plans (SIPs).

He also believes that Life Insurance Corporation of India (LIC), which is waiting for its initial public offering, has the potential to become the biggest stock in the market.

The overall AUM of the industry had grown more than 25% on a yearly basis to ₹38.01 trillion at the end of January. Greed & Fear in its note last week had said that the S&P BSE Sensex at 100,000 was eminently achievable on a five-year view assuming a trend of 15% earnings per share (EPS) growth and that a five-year average multiple of 19.4 is maintained.

In the latest note, Wood has argued that the Indian stock market has so far been able to absorb a net \$5.7 billion in foreign selling, partly thanks to continuing inflows into domestic mutual funds.

"In this respect, the systematic investment plan (SIP), where monthly inflows are deducted from salaries, is becoming an increasingly important phenomenon. Monthly inflows into such SIP accounts rose by 44% on a yearly basis to a record ₹115 billion (\$1.55 billion) in January," the expert wrote.

Wood added that the potential for growth is also illustrated by the fact that mutual fund AUM is only 16% of India's GDP, which is way below most countries.

Jefferies added that based on its India office's analysis of BSE500 companies' shareholding data, it estimates that domestic retail holdings (including mutual funds and retail investors) in the stock market rose to a multi-year high of 17.3% at the end of 2021, up from 11.4% at the end of 2014.

79% of individual assets managed by distributors

Individual investors form 55% of the total Rs. 37.92 lakh crore MF industry, shows AMFI's Dec 21 report. Over the last year, individual assets have increased from Rs. 16.17 lakh crore to Rs. 20.86 lakh crore. Individual assets include contribution from retail and HNI investors. Investors continue to seek comfort in distributors, who manage 79% (Rs. 16.48 lakh crore) of the total individual assets.

An analysis of the geographic spread shows that 26% (Rs. 5.42 lakh crore) of individual assets are from B30 locations. Of this 85% (Rs. 4.58 lakh crore) is managed by distributors. The share of regular plans in T30 locations is Rs. 11.89 lakh crore or 57% of total individual assets.

Individual Investors							
B30 Locations				T30 Locations			
%		Rs. in crore		%		Rs. in crore	
26%		5,42,374		74%		15,43,678	
Direct		Distributors		Direct		Distributors	
%	Rs. in crore	%	Rs. in crore	%	Rs. in crore	%	Rs. in crore
4%	83,442	22%	4,58,931	17%	3,54,629	57%	11,89,050

Further analysis of AMFI data shows individual investors are largely inclined towards equity-oriented schemes, which form 77% of the total individual assets. Debt-oriented schemes, liquid/money market schemes and ETFs, FOFs form 17%, 4% and 2%, respectively.

Scheme Type	Individual Investors - Rs. in crore		YoY Increase/(Decrease)
	(Dec 20)	(Dec 21)	
Equity-oriented Schemes	11,09,338	16,07,552	45%
Debt-oriented Schemes	3,92,659	3,58,171	-9%
Liquid/Money Market	90,539	75,703	-16%
ETFs, FoFs	24,042	44,626	86%
Total	16,16,578	20,86,052	29%

Regular Plan Vs Direct Plan

Equity-oriented Schemes				Debt-oriented Schemes			
B30 Locations		T30 Locations		B30 Locations		T30 Locations	
28%		72%		21%		79%	
Direct	Distributors	Direct	Distributors	Direct	Distributors	Direct	Distributors
4%	24%	13%	59%	3%	18%	26%	53%

Scheme Name	Axis Equity ETFs FOF	IDFC NIFTY 100 INDEX FUND
Objective of Scheme	To provide long-term capital appreciation from a portfolio investing predominantly in units of domestic equity ETFs. There is no assurance that the investment objective of the Scheme will be realized. However, there can be no assurance that the investment objective of the Scheme will be realized.	The investment objective of the Scheme is to replicate the Nifty 100 index by investing in securities of the Nifty 100 Index in the same proportion / weightage with an aim to provide returns before expenses that closely correspond to the total return of Nifty 100 Index, subject to tracking errors.
Scheme Type	Open Ended	Open Ended
Scheme Category	Other Scheme - FoF Domestic	Other Scheme - Index Funds
NFO Period	04-Feb-2022 - 18-Feb-2022	07-Feb-2022 - 18-Feb-2022
Minimum Subscription Amount	Rs. 5,000 and in multiples of Re. 1/- thereafter	Fresh Purch. Rs.5000, Add Purch. Rs.1000, SIP-100



Sakthi Financial Services



Kotak Manufacture In India Fund

Grow with India

It invests in companies engaged in manufacturing activities, giving you an opportunity for wealth creation alongside the growing Indian economy.

NFO starts on 1st February 2022 and ends on 15th February 2022

For details contact  73977 30308 |  mf@sfl.in |  www.sffsl.in

Disclaimer: Mutual Fund investments are subject to market risks, read all scheme related documents carefully before investing.





The best thing to have, is the best of everything.

SBI Multicap Fund

Aims to provide a mix of Large, Mid and Small cap companies identified through a robust research process

NFO
PERIOD

February 14, 2022

February 28, 2022



(Source: - AMFIIndia, Moneycontrol, Economicstimes, Livemint, Cafemutual, IBJArates, etc.)