

Common Voice of the Distribution Industry

Get complete news & updates on the financial products distribution industry and the latest happenings at FIAI in our monthly newsletter - FIAI Diary





WELCOME

The new financial year began with a happy note with the month of April seeing good inflows in all the fund categories.

The assets under management also grew significantly to reach an all time high of ₹14.21 lac crs. The active SIP number has also estimated to cross the 1 crore count and an estimated ₹3500 crs monthly input value which is a significant achievement for the Industry. Thus the domestic mutual funds Industry is contributing a significant ₹40,000 crs approx sustainable inflows to the equity markets every year. The retail and wealth-oriented distributors both contributing to these huge volumes and reposing faith of their customers in the Indian equity markets story.

The distribution community took up the matter of recent SEBI circular on commission disclosure with various stakeholders last month. FIAI along with United Forum of IFA Associations also met up with AMFI to discuss various ways in which the circular could be suitably amended for implementation.

Hopefully a great start to the financial year will prove to be good for the overall Mutual Fund and Distribution Industry too.

Gurpreet Singh
Principal Consultant - FIAI

ABOUT FIAI

Financial Intermediaries Association of India (FIAI) was formed as a financial distributors' body to strengthen the cause, development, education and progress of the industry. FIAI's endeavour is to bring all the national & regional players like National Distributors, Banks and IFA Associations on one platform to pursue the industry development and education agenda.

Some of the key objectives of FIAI are to promote and develop the Indian financial intermediary industry on professional, healthy and ethical lines and to enhance and maintain standards in all areas of operations and to work towards protecting and promoting the interests of financial intermediary and their members

THE KEY OBJECTIVES OF FIAI ARE:

INDUSTRY DEVELOPMENT:

Promotion & development of the Financial Distribution Industry on professional, healthy and ethical lines.

INDUSTRY STANDARDS:

To ensure, promote and maintain a high professional and ethical standards in all areas of operation of financial intermediaries and their members and to enhance and maintain standards with a view to protecting and promoting their interests.

SUGGESTIONS:

Engaging with and proposing suggestions & initiatives to the industry players, associations and regulators for the growth of the industry.

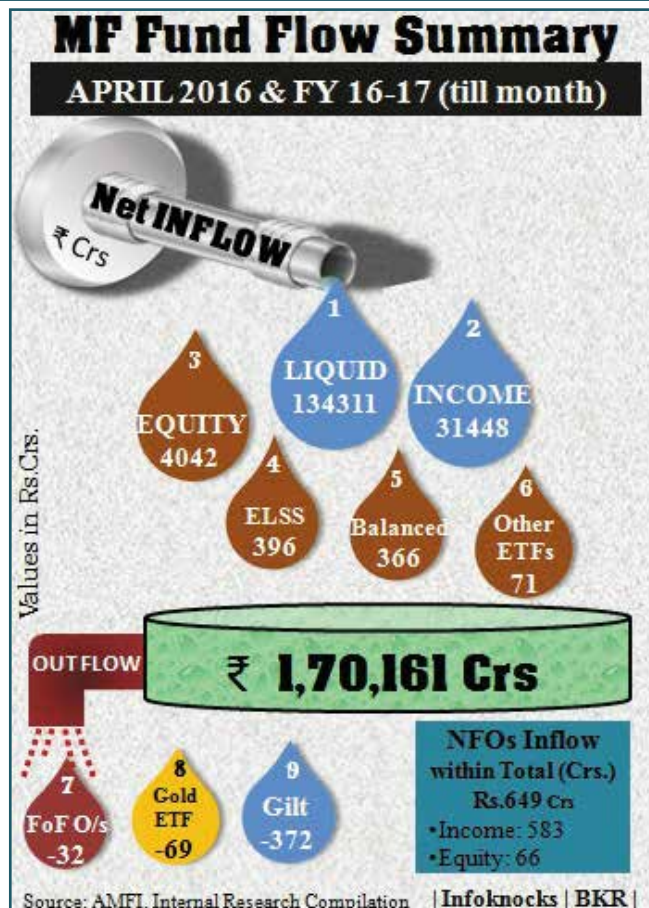
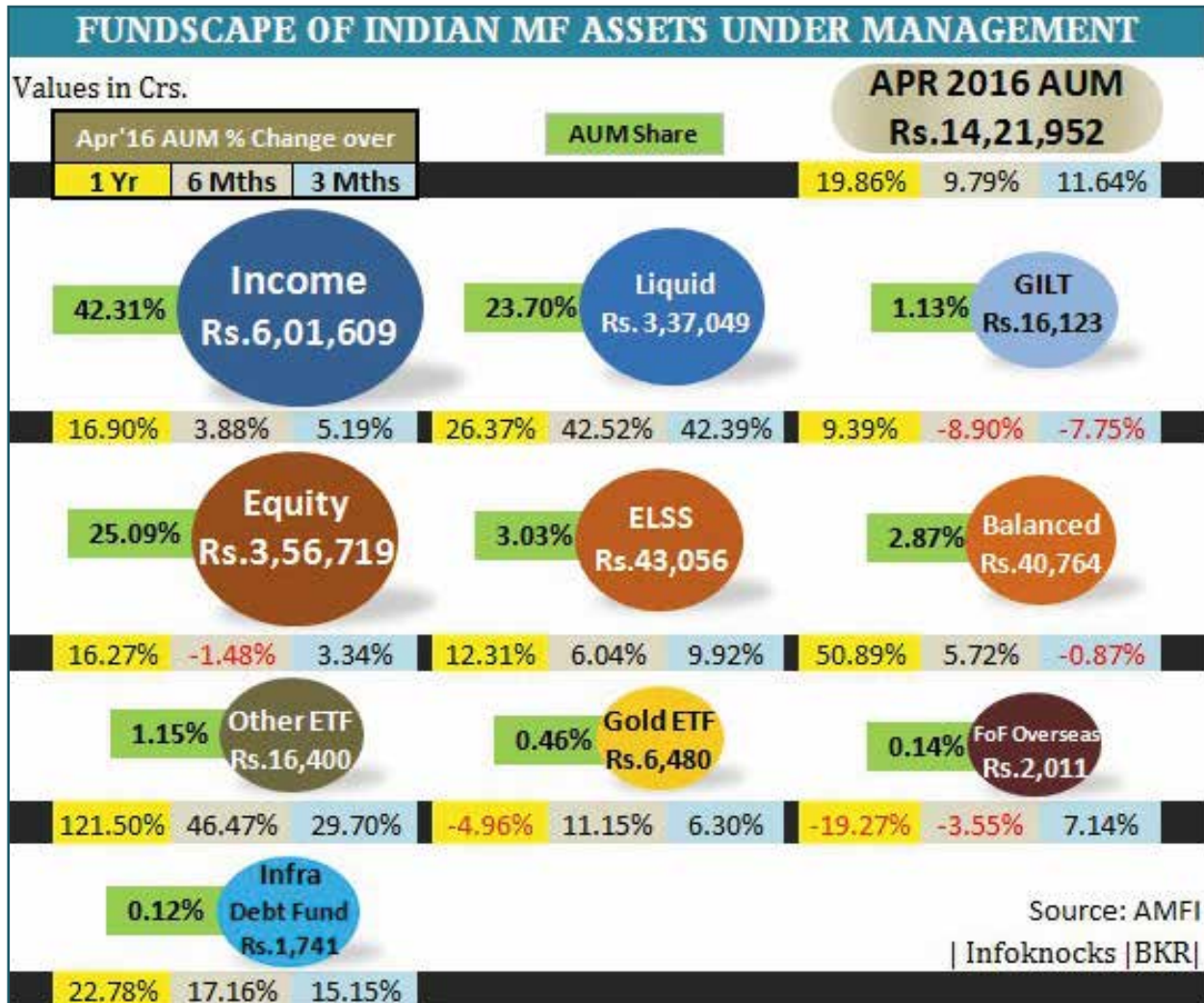
TRAINING & EDUCATION:

Sharing of knowledge and giving a forum for enlightenment & exchange of ideas within the industry.

ENGAGING OTHER STAKEHOLDERS:

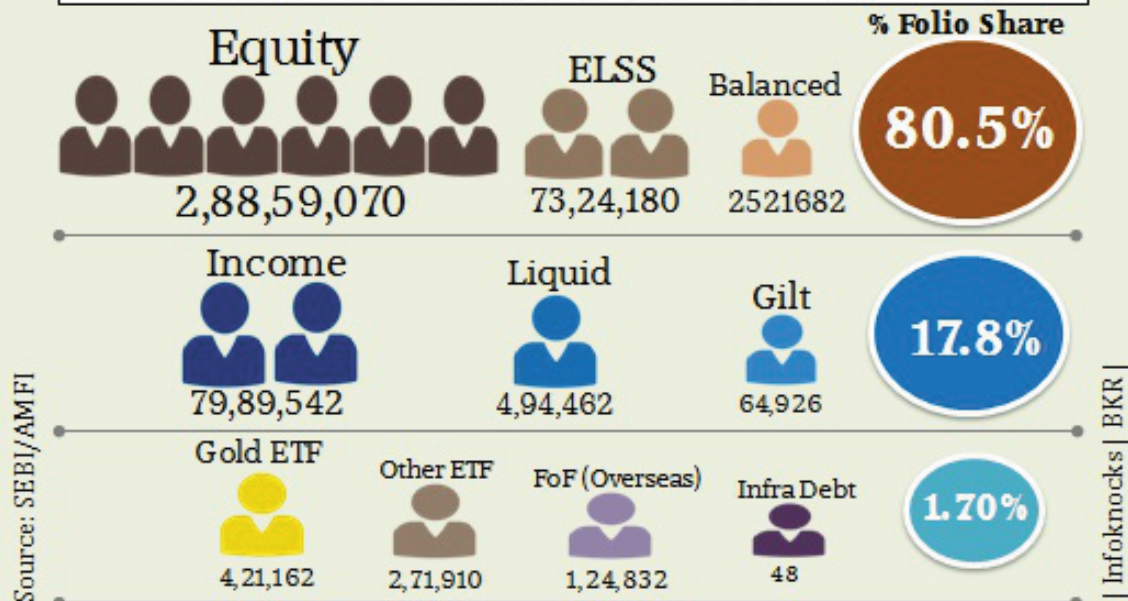
Actively engaging with certification bodies including NISM and FPSB for distribution to agree professional standards and accreditations for financial advisors in India and to drive its implementation across the intermediary fraternity.

RECAP OF THE MF INDUSTRY FOR APRIL 2016



RECAP OF THE MF INDUSTRY FOR APRIL 2016

Total MF Folios: 4,80,71,814 (APRIL 2016)



CATEGORY WISE CHANGE IN FOLIOS AS OF APRIL 2016 (in last 1 Year)

| Category 1 Year | Equity | ELSS | Balance Schemes | Other ETFs | Liquid | Income | Gilt | GOLD ETF | FoF (Overseas) | Infra Dev | TOTAL |
|-----------------|-----------|----------|-----------------|------------|----------|-----------|--------|----------|----------------|-----------|-----------|
| Folios Chg | 34,07,705 | 7,94,164 | 4,95,821 | 34,830 | 1,75,361 | 11,88,152 | -743 | -50,604 | -19,463 | 0 | 60,25,223 |
| % Change | 13.39% | 12.16% | 24.47% | 14.69% | 54.95% | 17.47% | -1.13% | -10.73% | -13.49% | 0% | 14.33% |

ACTION AT FIAI

MEETING WITH AMFI

FIAI and United Forum of IFA Associations team met up with AMFI on the SEBI commission disclosure issue. The meeting was to give feedback of the entire distribution

community on the ramifications of the circular on how we can proceed forward with SEBI on implementation of the same.

NCFE-NFLAT AWARDS CEREMONY

NCFE recently organised the NCFE-NFLAT awards for recognizing the winners of the NFLAT test conducted last year. For this year's award function, they had invited all India Toppers- 500 students along with their parents from the same region where the award is conducted. The program was well received by the National & Regional Student Winners, School winners along with principals and Parents. Senior people from SEBI, RBI, NISM and other regulators also attended those programs.

It is worthwhile to note that FIAI had actively supported the NFLAT test last year by conducting its flagship Arthik Gyan training program in schools where students were appearing for those exams. Many of the FIAI trained students and schools eventually were amongst the winner schools and students in the national and regional awards category. These winners were recognised in these awards ceremonies.



INDUSTRY UPDATES

KEY DEBT MARKET INDICATORS

DATA FOR MONTH: MAY 2016

| Benchmarks | As On 30-Apr-16 | As On 31-Mar-16 | As On 31-Jan-16 | Change (Month) | Change (Quarter) |
|--------------------------------------|--------------------|--------------------|--------------------|-------------------|---------------------|
| 364 Day Tbill | 6.88% | 7.13% | 7.17% | -0.25% | -0.29% |
| 91 Day Tbill | 6.78% | 7.20% | 7.25% | -0.42% | -0.47% |
| 10-year Benchmark (7.59% 2026) | 7.44% | 7.46% | 7.78% | -0.02% | -0.34% |
| 3 Months Certificate Of Deposit (CD) | 7.38% | 7.60% | 8.05% | -0.22% | -0.67% |
| 3 Months Commercial Paper (CP) | 8.40% | 8.25% | 9.15% | 0.15% | -0.75% |
| AAA Corp Yields - 1 Yr | 8.30% | 8.65% | 8.80% | -0.35% | -0.50% |
| AAA Corp Yields - 3 Yrs | 8.40% | 8.55% | 8.65% | -0.15% | -0.25% |
| Bank Rate | 7.00% | 7.75% | 7.75% | -0.75% | -0.75% |
| RBI LAF-Repo rate | 6.50% | 6.75% | 6.75% | -0.25% | -0.25% |
| RBI LAF-Reverse Repo rate | 6.00% | 5.75% | 5.75% | 0.25% | 0.25% |
| Foreign Exchange Reserve(\$ bn) | 361.60 | 359.70 | 349.15 | 1.90 | 12.45 |
| Brent Crude Oil (\$/bbl) | 48.14 | 39.12 | 34.08 | 9.02 | 14.06 |
| Gold (\$/oz) | 1285.65 | 1237.00 | 1111.80 | 48.65 | 173.85 |
| US Fed Funds Rate | 0.50% | 0.50% | 0.50% | 0.00% | 0.00% |
| US 10-yr Gilt | 1.83% | 1.77% | 1.92% | 0.06% | -0.09% |
| CRR | 4.00% | 4.00% | 4.00% | 0.00% | 0.00% |

Source: Various (BSE, NSE, SEBI)

DOMESTIC MARKETS - KEY INDICES

% Returns as on 30th April, 2016.

| Indices | Close | 1 Month | 3 Month | 1 Years | 3 Years | 5 Years | 10 Years |
|-------------------|----------|---------|---------|---------|---------|---------|----------|
| S&P BSE Sensex | 25606.62 | 1.04 | 2.96 | -5.20 | 9.50 | 6.00 | 7.84 |
| NIFTY 50 | 7849.80 | 1.44 | 3.78 | -4.05 | 9.80 | 6.43 | 8.24 |
| S&P BSE 100 | 7973.88 | 1.77 | 4.21 | -4.18 | 10.30 | 6.59 | 8.20 |
| S&P BSE 200 | 3321.63 | 1.91 | 4.09 | -3.02 | 11.61 | 7.04 | 8.27 |
| NIFTY 500 | 6588.55 | 2.11 | 3.93 | -2.39 | 12.38 | 7.38 | 7.95 |
| NIFTY MID100 FREE | 13195.30 | 3.47 | 5.82 | 3.99 | 19.06 | 9.98 | 9.88 |
| S&P BSE SmallCap | 11020.59 | 4.54 | 1.39 | 0.70 | 22.32 | 4.81 | 4.07 |
| S&P BSE Midcap | 11042.92 | 3.99 | 6.01 | 6.02 | 18.63 | 9.25 | 6.57 |
| NIFTY NEXT 50 | 19323.20 | 3.02 | 5.02 | 0.70 | 17.07 | 11.18 | 10.92 |

Source: BSE & NSE. Returns are calculated on absolute basis for less than one year and on CAGR basis for one year or more.

DOMESTIC MARKETS - KEY SECTORAL INDICES

% Returns as on 30th April, 2016.

| Indices | Close | 1 Months | 3 Months | 1 Year | 3 Years | 5 Years | 10 Years |
|------------------------|----------|----------|----------|--------|---------|---------|----------|
| S&P BSE Auto | 18469.40 | 2.60 | 8.35 | 0.74 | 19.01 | 14.08 | 12.78 |
| S&P BSE Bankex | 19114.83 | 3.93 | 8.58 | -9.11 | 9.99 | 7.89 | 13.80 |
| S&P BSE FMCG | 7697.38 | 0.07 | 3.48 | 1.18 | 5.54 | 15.44 | 12.78 |
| S&P BSE Healthcare | 15582.33 | 2.86 | -4.43 | -3.73 | 21.48 | 20.11 | 14.87 |
| S&P BSE Metal | 7958.93 | 5.55 | 15.45 | -18.79 | -2.74 | -13.24 | -2.97 |
| S&P BSE Oil & Gas | 9356.16 | 2.12 | 1.06 | 1.66 | 2.41 | -1.34 | 5.10 |
| S&P BSE Realty | 1356.71 | 10.45 | 12.22 | -13.75 | -10.64 | -9.05 | NA |
| S&P BSE TECK | 6121.75 | 0.28 | 3.26 | 5.62 | 20.78 | -0.07 | 4.26 |
| NIFTY CONSUMPTION | 3488.30 | 2.40 | 4.50 | 6.04 | 13.33 | 13.95 | 10.45 |
| NIFTY INFRA | 2638.35 | 3.54 | 8.82 | -16.37 | 2.79 | -2.68 | 0.03 |
| NIFTY MEDIA | 2423.35 | 4.41 | -1.83 | 18.03 | 12.08 | 10.38 | 5.26 |
| NIFTY DIVIDEND OPPT 50 | 1852.85 | 2.16 | 3.52 | -6.00 | 2.97 | 4.27 | NA |

Source: BSE & NSE. Returns are calculated on absolute basis for less than one year and on CAGR basis for one year or more.

GLOBAL MARKETS – KEY INDICES

% Returns as on 30th April, 2016.

| Indices | Close | 1 Months | 3 Months | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------------|----------|----------|----------|--------|---------|---------|----------|
| Dow Jones Ind Avg (USA) | 17773.64 | 0.50 | 7.94 | -0.37 | 6.20 | 6.77 | 4.57 |
| Nasdaq (USA) | 4775.36 | -1.94 | 3.50 | -3.36 | 12.78 | 10.69 | 7.47 |
| Bovespa (Brazil) | 53910.51 | 7.70 | 33.42 | -4.12 | -1.21 | -4.00 | 2.94 |
| S&P BSE Sensex (India) | 25606.62 | 1.04 | 2.96 | -5.20 | 9.50 | 6.00 | 7.84 |
| All Ordinaries (Australia) | 5316.00 | 3.19 | 5.13 | -7.93 | 0.94 | 1.65 | 0.21 |
| RTS Index (Russia) | 949.35 | 8.25 | 28.01 | -7.95 | -11.89 | -14.13 | -5.42 |
| FTSE 100 (UK) | 6241.89 | 1.08 | 2.60 | -10.33 | -0.99 | 0.56 | 0.36 |
| Nikkei 225 (Japan) | 16666.05 | -0.55 | -4.86 | -14.62 | 6.34 | 11.09 | -0.14 |
| Hang Seng (Hong Kong) | 21067.05 | 1.40 | 7.03 | -25.12 | -2.51 | -2.34 | 2.37 |
| Shanghai Composite (China) | 2938.32 | -2.18 | 7.33 | -33.85 | 10.50 | 0.18 | 7.39 |

Source: bloomberg.com. Returns are calculated on absolute basis for less than one year and on CAGR basis for one year or more. Sorted on basis of 1 Year returns.

INSTITUTIONAL ACTIVITY

Net Investment (Rs. Crores).

| | APR-2016 | | | 01-Jan-16 To 30-Apr-16 | | |
|--------------|-----------|----------|-----------|------------------------|-----------|-------------|
| | Debt | Equity | Total | Debt | Equity | Total |
| FIs | 6,418.44 | 8,415.73 | 14,834.17 | -939.40 | 12,910.70 | 11,971.30 |
| Mutual Funds | 35,522.90 | -575.50 | 34,947.40 | 1,51,718.80 | 2,500.20 | 1,54,219.00 |

Source: SEBI.

FOREX (Currency movements against INR)

Source: bloomberg.com

| | 30-Apr-16 | 31-Mar-16 | 31-Jan-16 | 30-Apr-15 | % Change (Month) | % Change (Quarter) | % Change (Year) |
|---------|-----------|-----------|-----------|-----------|------------------|--------------------|-----------------|
| 1 US\$ | 66.34 | 66.25 | 67.79 | 63.42 | -0.14% | 2.19% | -4.40% |
| 1 Euro | 75.73 | 75.10 | 74.07 | 70.53 | -0.83% | -2.19% | -6.87% |
| 100 Yen | 61.96 | 59.06 | 56.26 | 53.53 | -4.68% | -9.20% | -13.61% |
| 1 Pound | 97.40 | 95.09 | 97.76 | 97.98 | -2.37% | 0.37% | 0.60% |

Source: bloomberg.com

MUTUAL FUND MONTHLY DATA

Amount in Rs. Crore (Source: SEBI)

| TYPE | | AS ON MARCH 31, 2016 | | | FOR MARCH 2016 MONTH | | |
|--------------------------|--|----------------------|--------------------|------------------|----------------------|---------------------|---------------------|
| | | No. of Schemes | No. of Folios | Assets (Rs. Cr.) | Sales (Rs. Cr.) | Purchases (Rs. Cr.) | Net Sales (Rs. Cr.) |
| A | Income/ Debt Oriented Schemes (i+ii+iii+iv) | 1,831 | 83,23,874 | 7,82,900 | 14,37,596 | 13,64,043 | 73,553 |
| i | Liquid/ Money Market | 53 | 3,67,194 | 1,99,404 | 13,64,293 | 13,05,687 | 58,606 |
| ii | Gilt | 41 | 65,164 | 16,306 | 3,132 | 2,059 | 1,073 |
| iii | Debt (other than assured return) | 1730 | 78,91,468 | 5,65,460 | 70,171 | 56,124 | 14,047 |
| iv | Debt (assured return) | 0 | 0 | 0 | 0 | 0 | 0 |
| v | Infrastructure Development | 7 | 48 | 1,730 | 0 | 173 | 173 |
| B | Growth/ Equity Oriented Schemes (i+ii) | 473 | 3,60,25,062 | 3,86,403 | 14,733 | 13,366 | 1,368 |
| i | ELSS | 60 | 72,78,471 | 41,696 | 416 | 2,253 | 1,837 |
| | Others | 413 | 2,87,46,591 | 3,44,707 | 14,318 | 11,113 | 3,205 |
| C | Balanced Schemes | 28 | 24,90,458 | 39,146 | 3,769 | 3,845 | 77 |
| D | Exchange Traded Fund (i+ii) | 58 | 6,97,614 | 22,408 | 1,096 | 2,857 | 1,761 |
| i | GOLD ETF | 13 | 4,25,914 | 6,346 | 105 | 1 | 104 |
| ii | Other ETFs | 45 | 2,71,700 | 16,063 | 991 | 2,857 | 1,865 |
| E | Fund of Funds Investing Overseas | 30 | 1,26,016 | 1,967 | 49 | 19 | 30 |
| Total (A+B+C+D+E) | | 2,420 | 4,76,63,024 | 12,32,824 | 14,57,242 | 13,84,130 | 73,112 |

Source: SEBI

BECOME A FIAI MEMBER

FIAI invites all National Distributors, Banks and IFA Associations to become its members to be able to successfully pursue the objectives of the body in interest of the entire industry & distributors at national level.

Membership Benefits

- ▶ FIAI provides an excellent opportunity to participate in the process of building a think tank that puts forth well-researched and independent points of view on topic relevant to the financial products distribution / advisory practice.
- ▶ Members will be able to suggest and participate in building of the research subjects and the underlying reports.
- ▶ Members will get access to the updates of regulatory and business changes.

- ▶ The FIAI members will be privy to our reports immediately prior to submission with regulatory bodies.
- ▶ Members will have the opportunity to engage with eminent people and organisations through a range of events.
- ▶ Members will be able to reach remote areas by the use of the planned FIAI regional/ zonal offices.
- ▶ FIAI will undertake services for promotion of financial business of its members and the development of the securities market.
- ▶ FIAI will undertake studies /surveys on important matters and access to such report will be helpful for the business practices of its members.

Registration Process

To become a member, kindly contact us...



CONTACT FIAI

Communicaton Address: AWFIS Business Centre, 1st Floor, Poddar Chambers, Mathuradas Mill Compound, Lower Parel, Mumbai - 400 013.

Registered office: Navjivan Society, Office No. 1209, Building No. 3, Lamington Road, Mumbai - 400 008.
Website: www.fiai-india.org

Suggestions & feedback: Email: info@fiai-india.org



Financial Intermediaries Association of India

MEMBERS



Communication Address: AWFIS Business Centre, 1st Floor, Poddar Chambers, Mathuradas Mill Compound, Lower Parel, Mumbai - 400 013.