

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

FIAI wishes our colleagues, Industry friends, all stakeholders and their families a very happy Diwali and a prosperous new year Samvat 2072

The fourth phase of Arthik Gyan drive picked up momentum last month with FIAI member employees reaching out to schools and conducting trainings to spread the financial literacy and at the same time prepare them for the NFLAT test. A new app, a Facebook page and many more training aids have been created this time to support the training drive.

The ET Money Gurukul financial literacy events where FIAI is the Alliance partner were held last month at Mumbai and Chennai.

FIAI sent representations to Finance Ministry and AMFI on resolving the Distributor commission Service Tax issue and we are hopeful of a solution with the last representations sent.

SMC Global Securities joined FIAI as its Charter Member. FIAI extends a warm welcome to the entire SMC global team.

May Samvat 2072 bring happiness, cheer and prosperity to all the stakeholders of the Industry.

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.

ACTION AT FIAI

ARTHIK GYAN PHASE IV ACCELERATED

The fourth phase of Arthik Gyan is underway in a big way at FIAI .A full-fledged project plan has been carved to full drive the initiative across the country. Standardised training modules have been prepared with the use of Audio visual tools, presentations and interactions. Along with this we have launch E-book app NFLAT MOCK TEST FOR 2015 and E-BOOK for NFLAT Test available free of cost in Google Play Store. We have also created a Facebook page 'Arthik Gyan' to elicit financial awareness among students.

The endeavor of the drive is to reach out to atleast sixty cities across the country and cover as many schools registered in the test. FIAI members participating in the drive are Aditya Birla Money Mart Ltd, Axis Bank Ltd, Axis Capital Limited, Bajaj Capital Ltd, IFAN Financial Services Pvt Ltd, Karvy Stock Broking Ltd, NJ India Invest Pvt Ltd, Prudent Corporate Advisory Services Ltd and Standard Chartered Bank.



ACTION AT FIAI

FIAI ALLIANCE WITH THE ECONOMIC TIMES FOR MONEY GURUKUL

The Economic Times Money Gurukul events kick started last month. FIAI has partnered with ET in the Financial Literacy Camps titled "Money Gurukul" as an Alliance partner under its Arthik Gyan banner. FIAI's core aim is to grow the financial products Industry in India and works for the development of financial awareness and literacy in the country. Thus this alliance partnership of supporting ET in their work to spread financial awareness in the country fits well in our aim to create a large scale financial awareness in the country.

Two events were held under Money Gurukul events in October at Mumbai and Chennai.

The Mumbai workshop saw industry experts like P.K Bindlish(Chief General Manager SEBI),Gaurav Marshuwala(Leading Fianacial Planner), K.S.Rao (Head-Investor Education & Distrubution Development Birla Sun Life Assest Management), Manoj Sathe(Vice President NSDL),C Vasudevan(Head BSF IPF), Sabhyasachi Mukherjee (Head- Personal

Investment Consulting IIFL) sharing their insights and gave the attendees an understanding of the basics of finance, clarify the doubts and myths on financial planning, savings and investment and inform them about various tools of investment available. In Chennai industry experts like Bandam Srinivas (Assistant Vice President - NSDL Chennai Office), Gaurav Mashruwala (Personal Financial professional), Sabyasachi Mukherjee (Head of Personal Investment Consulting, IIFL), KS Rao (Head – Investor Education & Distribution Development Birla Sun Life Asset Management Company) and D. Ravikumar (Regional Director, SEBI Chennai) among others, coming together and teaching the audience on the basics of savings, investment and financial planning.



ACTION AT FIAI

PAPERS SUBMITTED BY FIAI

Feedback to Committee to recommend measures for curbing mis-selling & rationalising distribution incentives in financial products

FIAI submitted its feedback to the Committee on Committee to recommend measures for curbing mis-selling & rationalising distribution incentives in financial products as per the public opinion invited. While the report was quite comprehensive in its coverage, there were many issues from the Distribution and product provider's perspective which were not as per the Industry and customer expectations. Some of those ground level and collective feedback was shared with the committee.

Paper on the Service Tax issue to Finance Ministry

FIAI submitted another suggestion paper to Finance Ministry as suggested by them on the issue of Service Tax on MF Distributor commissions

Paper on the Service Tax issue to AMFI

FIAI submitted another suggestion paper to AMFI on the issue of Service Tax on MF Distributor commissions basis discussions in last month's meeting with them

Quarterly Newsletter to SEBI

FIAI submitted the quarterly newsletter to SEBI apprising them of activities and action at FIAI

FIAI WELCOMES NEW MEMBER

SMC Global Securities Ltd. is a leading and award winning stock broker in India having a good track record in the financial services industry. In 2014, it has been awarded with Best Equity broker in India - Derivative Segment and best commodity broker in India (Source: BSE-D&B Equity Broking awards 2014; ASSOCHAM excellence awards 2014). It has also been awarded with Best Equity broker in India in the year 2012 & 2010 (Source: BSE IPF - D&B Equity broking awards). SMC offers services, such as, stock broking, commodity broking and currency broking, investment banking, wealth management, distribution of third party financial products viz. IPOs, Mutual Funds, Fixed Deposits, Bonds, etc.,



research, financing, depository services, insurance broking, clearing services and real estate advisory services to corporate, institutional, high net worth individuals and other retail clients. SMC is a leading online stock broker and is having a tie-up with Punjab National Bank for providing share trading facility to its clients.

INDUSTRY UPDATES

KEY DEBT MARKET INDICATORS

DATA FOR MONTH: NOVEMBER 2015

Benchmarks	As on 31-Oct-15	As on 30-Sep-15	As on 31-Jul-15	Change (Month)	Change (Quarter)
364 Day Tbill	7.18%	7.15%	7.58%	0.03%	-0.40%
91 Day Tbill	7.08%	7.08%	7.44%	0.00%	-0.36%
10-year Benchmark (7.72% 2025)	7.64%	7.54%	7.81%	0.10%	-0.17%
3 Months Certificate Of Deposit (CD)	7.27%	7.15%	7.58%	0.12%	-0.31%
3 Months Commercial Paper (CP)	7.68%	7.30%	7.73%	0.38%	-0.05%
AAA Corp Yields - 1 Yr	8.20%	8.25%	8.40%	-0.05%	-0.20%
AAA Corp Yields - 3 Yrs	8.25%	8.30%	8.55%	-0.05%	-0.30%
Bank Rate	7.75%	7.75%	8.25%	0.00%	-0.50%
RBI LAF-Repo rate	6.75%	6.75%	7.25%	0.00%	-0.50%
RBI LAF-Reverse Repo rate	5.75%	5.75%	6.25%	0.00%	-0.50%
Foreign Exchange Reserve(\$ bn)	351.00	350.80	353.46	0.20	-2.46
Brent Crude Oil (\$/bbl)	46.75	46.46	52.44	0.29	-5.69
Gold (\$/oz)	1142.35	1114.00	1098.40	28.35	43.95
US Fed Funds Rate	0.25%	0.25%	0.25%	0.00%	0.00%
US 10-yr Gilt	2.15%	2.05%	2.20%	0.10%	-0.05%
CRR	4.00%	4.00%	4.00%	0.00%	0.00%

Source: Various (BSE, NSE, SEBI)

DOMESTIC MARKETS - KEY INDICES

% Returns as on 31st October, 2015.

Indices	Close	1 Month	3 Month	1 Years	3 Years	5 Years	10 Years
S&P BSE Sensex	26,657	1.92	-5.18	-4.34	12.95	5.54	12.69
CNX Nifty	8,066	1.47	-5.47	-3.08	12.81	5.69	12.80
S&P BSE 100	8,194	1.44	-5.31	-2.27	13.40	5.50	12.77
S&P BSE 200	3,404	1.56	-5.15	0.35	14.37	5.67	12.81
CNX 500	6,751	1.58	-5.00	0.98	14.93	5.97	12.36
CNX Mid Cap	13,239	1.96	-3.57	11.80	19.49	6.87	14.11
S&P BSE Small Cap	11,315	2.67	-4.36	5.62	16.80	3.60	10.09
S&P BSE Midcap	10,975	1.62	-2.65	15.74	21.32	8.30	8.30
CNX Nifty Junior	19,734	0.63	-5.19	11.39	21.91	8.37	8.37

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 31st October, 2015

Indices	Close	1 Months	3 Months	1 Year	3 Years	5 Years	10 Years
S&P BSE Auto	18,166	4.46	-4.93	-2.22	20.81	12.68	18.02
S&P BSE Bankex	19,774	0.47	-8.03	1.38	15.18	6.42	16.07
S&P BSE FMCG	7,847	1.23	-3.52	5.36	11.95	15.07	17.14
S&P BSE Healthcare	18,066	1.62	5.98	26.55	33.24	21.66	20.40
S&P BSE Metal	7,308	6.94	-15.70	-38.33	-10.38	-15.38	2.44
S&P BSE Oil & Gas	9,066	4.27	-8.45	-18.77	2.76	-3.77	9.13
S&P BSE Realty	1,372	-1.79	-1.13	-11.70	-8.18	-18.19	NA
S&P BSE TECK	6,115	-2.25	-1.67	2.99	22.64	10.45	11.16
CNX Consumption	3,484	0.98	-5.38	5.01	18.02	12.76	NA
CNX Infra	2,834	0.30	-14.07	-13.55	4.47	-5.03	5.14
CNX Media	2,405	0.94	-1.91	11.73	15.97	4.87	NA
CNX Dividend Oppt	1,890	1.71	-7.69	-12.21	5.48	3.35	NA

Source: BSE & NSE. Returns are calculated on absolute basis for less than one year and on CAGR basis for one year or more.
*Return for CYTD (Year To Date) is calculated on absolute basis.

GLOBAL MARKETS – KEY INDICES

% Returns as on 31st October, 2015.

Indices	Close	1 Months	3 Months	1 Year	3 Years	5 Years	10 Years
Shanghai Composite (China)	3,383	10.80	-7.67	39.76	17.13	2.07	11.84
Nikkei 225 (Japan)	19,083	9.75	-7.30	16.26	28.69	15.83	3.22
Nasdaq (USA)	5,054	9.38	-1.45	9.13	19.31	15.08	8.95
Dow Jones Ind Avg (USA)	17,664	8.47	-0.15	1.57	10.50	9.69	5.37
FTSE 100 (UK)	6,361	4.94	-5.01	-2.83	3.23	2.24	1.73
All Ordinaries (Australia)	5,289	4.55	-6.92	-3.93	5.21	2.08	1.84
S&P BSE Sensex	26,657	1.92	-5.18	-4.34	12.95	5.54	12.69
Hang Seng (Hong Kong)	22,640	8.60	-8.10	-5.66	1.31	-0.87	4.64
Bovespa (Brazil)	45,869	1.80	-9.82	-16.04	-7.03	-8.52	4.03
RTS Index (Russia)	843	7.15	-1.89	-22.80	-16.22	-12.04	-1.34

Source: bloomberg.com. Returns are calculated on absolute basis for less than one year and on CAGR basis for one year or more.
*Return for CYTD (Year To Date) is calculated on absolute basis. Sorted on basis of 1 Year returns.

INSTITUTIONAL ACTIVITY

(Rs. Crores)

	Oct-2015			01-Jan-15 To 31-Oct-15		
	Debt	Equity	Total	Debt	Equity	Total
FIs	15,701	6,649.58	22,350.47	55,096.50	27,696.90	82,793.40
Mutual Funds	25,011	2,935.40	27,946.60	3,70,034.90	57,967.10	4,28,002.00

FOREX Currency movements against INR

Source: bloomberg.com

	31-Oct-15	30-Sep-15	31-Jul-15	31-Oct-14	% Change (Month)	% Change (Quarter)	% Change (Year)
1 US\$	65	65.58	64.13	61.36	0.47%	-1.75%	-5.99%
1 Euro	72	73.80	70.16	77.19	2.97%	-2.11%	7.70%
100 Yen	54	54.80	51.55	55.28	1.63%	-4.40%	2.52%
1 Pound	100	99.53	99.84	98.06	-0.40%	-0.09%	-1.87%

MUTUAL FUND MONTHLY DATA

Amount in Rs. Crore (Source: SEBI)

TYPE		AS ON 30TH SEPTEMBER 2015			FOR SEPT. 2015 MONTH (RS.CR.)		
		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)	1,604	75,42,463	7,47,011	10,86,044	9,99,650	86,394
i	Liquid/ Money Market	54	3,37,882	1,78,506	10,15,022	9,54,161	60,861
ii	Gilt	49	68,302	17,460	1,809	2,992	1,183
iii	Debt (other than assured return)	1,494	71,36,231	5,49,563	69,213	42,497	26,715
iv	Debt (assured return)	0	0	0	0	0	0
v	Infrastructure Development	7	48	1,481	0	0	0
B	Growth/ Equity Oriented Schemes (i+ii)	458	3,38,40,981	3,86,516	7,109	12,553	5,443
ii	ELSS	55	67,19,860	39,527	198	627	430
	Others	403	2,71,21,121	3,46,990	6,912	11,925	5,013
C	Balanced Schemes	26	22,19,669	36,633	317	2,318	2,001
D	Exchange Traded Fund (i+ii)	51	7,04,970	15,136	742	2,610	1,868
i	GOLD ETF	13	4,52,559	6,215	60	1	59
ii	Other ETFs	38	2,52,411	8,920	682	2,609	1,926
E	Fund of Funds Investing Overseas	31	1,35,604	2,017	77	17	60
Total (A+B+C+D+E)		2,170	4,44,43,687	11,87,313	10,94,289	10,17,147	77,142

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: #2004, The HUB, Tower 2A, 10th Floor, One Indiabulls Centre, 841 S. B. Marg, Elphinstone (W), 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: #2004, The HUB, Tower 2A, 10th Floor, One Indiabulls Centre, 841 S. B. Marg, Elphinstone (W), Mumbai - 400 013
Registered Office: Navjivan Society, Office No. 1209, Building No.3, Lamington Road, Mumbai - 400 008.