

# Mutual Funds, FIIs on the same page as markets soar

But Fund Houses Have Put In Twice As Much as FIIs Since Start of Year


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**Chennai:** Mutual funds (MFs) and foreign institutional investors (FIIs) typically take different routes when it comes to investing in stock markets. MFs usually turn passive when FIIs invest big in the markets and vice versa. But the trend has reversed in May with both MFs and FIIs turning big investors with each committing over \$1.2 billion in the markets during the month.

Fund houses and FIIs invested \$2.6 billion on a net basis in the stock markets in May. While MFs invested about \$1.4 billion during the month, FIIs pumped in nearly \$1.2 billion. MFs however have upstaged overseas investors during April-May by investing twice as much money. While MFs invested about \$3.15 billion (Rs 20,204 crore), FIIs have deployed around \$1.58 billion (Rs 10,105 crore) during the timeframe, data with markets regulator SEBI and share depository NSDL showed. MFs remained largely on the sidelines

## FINALLY ON AN IDENTICAL PATH

Month	Net investments by equity MFs (₹Cr)	Net investments by FIIs (₹Cr)
May-17	8,959.70	7,711
Apr-17	11,244.30	2,394
Mar-17	4,191.50	30,906
Feb-17	2,039.60	9,902
Jan-17	5,233.60	-1177
Dec-16	9,178.20	-8176
Nov-16	13,775.10	-18244
Oct-16	9,178.80	-4306



**Note:**  
MF net investments for May is till 29th

**Source:**  
SEBI, NSDL

when overseas investors poured funds into India in March. FII net investments topped \$4.8 billion (Rs 30,906 crore) during the month while fund houses deployed a mere \$650 million (Rs 4,191.5 crore). Similarly, MFs were not big buyers when FIIs invested nearly \$1.6 billion (Rs 9,902 crore) in February.

The roles that reversed in the last quarter of 2016 continued in January as well. MFs

pumped a record \$5 billion (Rs 32,082.3 crore) between October and December. But overseas investors pulled out \$4.8 billion (Rs 30,726 crore) from India during the timeframe.

A combination of factors including the implementation of GST (Goods and Services Tax), prediction of a normal South-West monsoon and rebalancing in the MSCI emerging markets index has led to strong inflows

from both MFs and FIIs, senior industry officials said. "Inflows into MF schemes have been quite good," said Sankaran Naren, executive director, ICICI Prudential MF.

"The overall mood is positive. GST has been approved and monsoons are predicted to be normal. The rebalancing in the MSCI index also led to inflows (from FIIs)," said Sunil Singhania, CIO, equity investments, Reliance MF.

"Currency stability is attracting more FII inflows. GST and the monsoon forecast is giving positive vibes," said Gopal Agrawal, CIO, equities, Tata MF. "The weightage of India has also gone up in the MSCI index," he said. Despite the strong showing in April-May, fund houses remain well behind their overseas peers in investing during 2017. While FIIs, riding on the back of huge deployments in March, have put nearly \$8 billion (Rs 50,868 crore) so far in 2017, MFs have invested about \$5 billion (Rs 31,669 crore).