

# SECTORAL REPORT

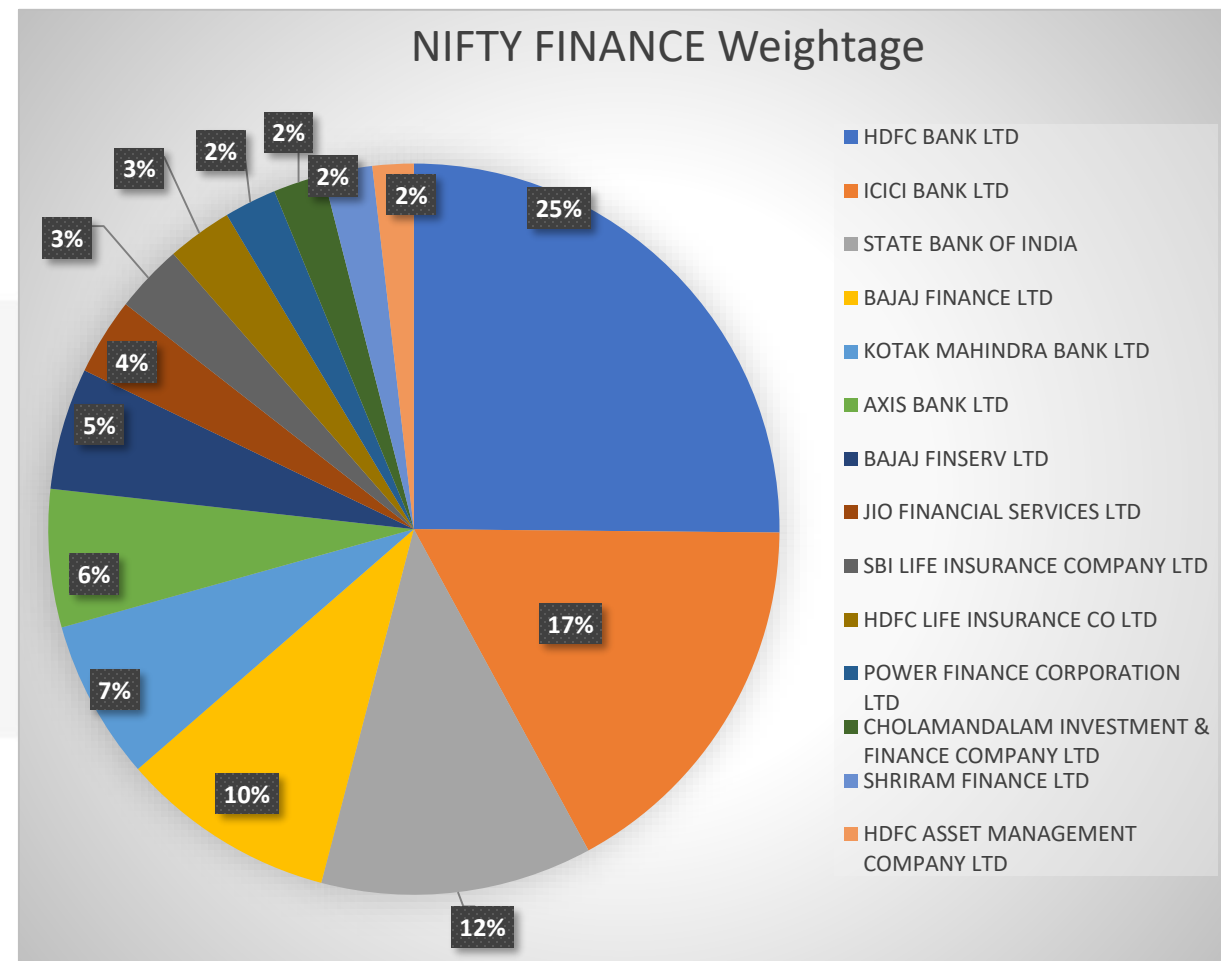
## FINANCE



# FINANCE industry introduction.

India has a diversified financial sector undergoing rapid expansion both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guidelines to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.



# Market size.

In FY25 (Until January 2025), AUM managed by the mutual funds industry stood at Rs. 68.05 lakh crore (US\$ 789.44 billion). Inflow in India's mutual fund schemes via Systematic Investment Plans (SIP) from April 2024 to January 2025 stood at Rs. 2,37,427 crore (US\$ 27.54 billion).

Another crucial component of India's financial industry is the insurance industry. The insurance industry has been expanding at a fast pace. The total first-year premium of life insurance companies reached US\$ 32.04 billion in FY23. In FY23 (until December 2022) non-life insurance sector premiums reached Rs. 1.87 lakh crore (US\$ 22.5 billion).

Furthermore, India's leading bourse, the Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform. In FY23, US\$ 7.17 billion was raised across 40 Initial Public Offerings (IPOs). The number of companies listed on the BSE increased from 135 in 1995 to 5,415 as of June 2024.



# TECHNICAL OVERVIEW NIFTY FINANCE – 27,174.45 (Monthly CHART)

- The Nifty Finance index has been one of the key contributors to the broader market's positive close for the month.
- On the monthly chart, the index maintains its bullish structure, forming a consistent pattern of higher highs and higher lows. It is currently at the verge of a breakout from a rising channel resistance and continues to respect the support of the 20-month exponential moving average (20 MEMA), reinforcing the ongoing uptrend.
- **To maintain its upward trajectory, the index must break above the crucial resistance level of 27,440. A sustained move above this level could further strengthen the bullish momentum. On the downside, 26,090 will act as the initial support level, and a breach below this may invite increased selling pressure.**



# SECTOR REPORT PERFORMANCE

DATE	MONTHLY SECTOR	PERFORMANCE
02/06/25	NIFTY PSUBANK	UP BY 3.25% IN THE MONTH OF JUNE
02/05/25	NIFTY AUTO	UP BY 4.56% IN THE MONTH OF MAY
01/04/25	NIFTY PSUBANK	UP BY 4.45% IN THE MONTH OF APRIL
03/03/25	NIFTY FINANCE	UP BY 8.88% IN THE MONTH OF MARCH
01/02/25	NIFTY AUTO	DOWN BY -10.36% IN THE MONTH OF FEB
01/01/25	NIFTY IT	DOWN BY -1.56% IN THE MONTH OF JAN
02/12/24	NIFTY METAL	DOWN BY -4.25% IN THE MONTH OF DEC
4/11/24	NIFTY FINANCE	UP BY 0.52% IN THE MONTH OF NOV
1/10/24	NIFTY METAL	DOWN BY -6.22% IN THE MONTH OF OCT

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