

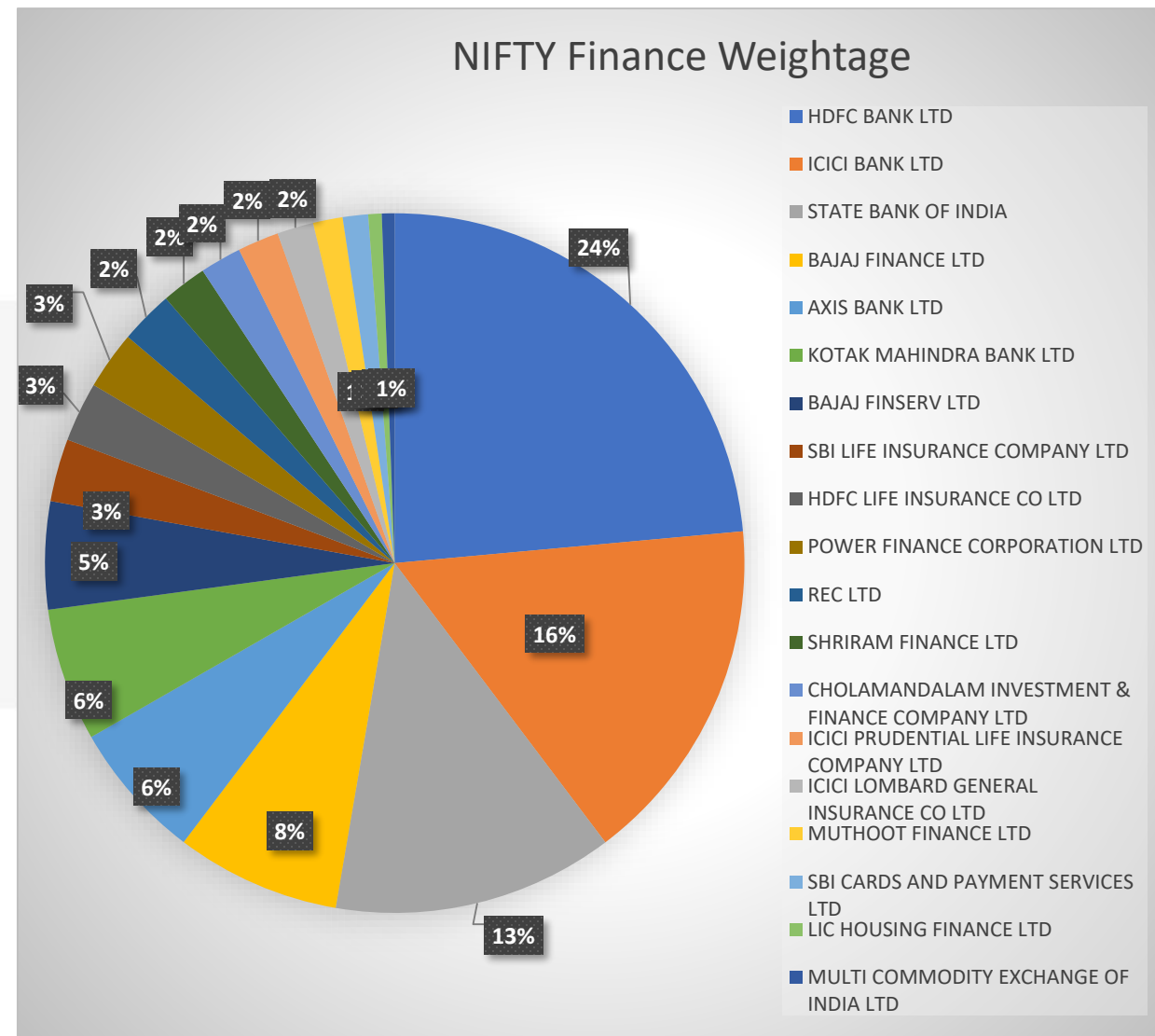
SECTORAL REPORT FINANCE



Indian 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.

As of July 2024, AUM managed by the mutual funds industry stood at Rs. 64.97 lakh crore (US\$ 780.70 billion). Inflow in India's mutual fund schemes via systematic investment plans (SIP) from April 2023 to March 2024 stood at Rs. 2 lakh crore (US\$ 24.04 billion).

Equity mutual funds registered a net inflow of Rs. 22.16 trillion (US\$ 294.15 billion) by end of December 2021. The net inflows were Rs. 7,303.39 crore (US\$ 888 million) in December as compared to a 21-month low of Rs. 2,258.35 crore (US\$ 274.8 million) in November 2022.

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.

According to the statistics by the Futures Industry Association (FIA), a derivatives trade association, the National Stock Exchange of India Ltd. (NSE) emerged as the world's largest derivatives exchange in 2020 in terms number of contracts traded. NSE was ranked 4th worldwide in cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for CY20.



TECHNICAL OVERVIEW NIFTY FINANCE – 23,947.60 (WEEKLY CHART)

- Nifty FINANCE managed to outperformed the main as it close on a positive note on a monthly basis compared to the main index negative closing.
- On a weekly scale, the index continues to align with the 20-Weekly Exponential Moving Average (WEMA). The formation of higher lows indicates the continuation of bullish momentum. The index is trading inside the bullish channel.
- **To maintain its bullish momentum, the index needs to breach the horizontal resistance at 24,225. On the lower end, 23,350 will act as an initial support level.**



SECTOR REPORT PERFORMANCE

DATE	MONTHLY SECTOR	PERFORMANCE
1/10/24	NIFTY METAL	DOWN BY -6.22% IN THE MONTH OF OCT
2/09/24	NIFTY AUTO	UP BY 3.26% IN THE MONTH OF SEPT
1/08/24	NIFTY MEDIA	TRADE NOT INITIATED.
1/07/24	NIFTY IT	UP BY 12.98% IN THE MONTH OF JULY
1/06/24	NIFTY METAL	UP BY 0.93% IN THE MONTH OF JUNE
1/05/24	NIFTY BANK	DOWN BY 0.85% IN THE MONTH OF MAY
1/04/24	NIFTY AUTO	UP BY 4.95% IN THE MONTH OF APRIL
1/03/24	NIFTY FMCG	DOWN BY 0.12% IN THE MONTH OF MARCH

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