

Headline: ETFs catch on: Daily average value on NSE surges 70x in 10 years

Source: Financial Express

Date: 11 July 2105

ETFs catch on: Daily average value on NSE surges 70x in 10 years

fe Bureau

Mumbai, July 10: Even though many investors in India prefer active funds, passively managed funds have seen an upsurge in demand. Recent data from the National Stock Exchange (NSE) indicates that, exchange traded funds (ETFs) have seen huge uptick in volumes in the last decade. Daily average value in ETFs on NSE which used to be less than a crore a day has surged to around ₹70 crore in the last 10 years.

An official statement released by the NSE on Friday shows that in terms of daily turnover, ETFs showed a jump of 2.5 times from ₹7.8 crore to ₹19.75 crore from Q3 to Q4 of financial year 2014-15. During the last ten years, Nifty-based ETFs have given a return of 15%, making them one of the most attractive investment avenues for retail and small-time investors, official statement said.

“ETFs are a wonderful prod-

uct for retail investors in particular. Over the years, ETFs based on Nifty and other products have given investors significant returns. Globally people look forward to such products and currently NSE offers 42 ETFs,” said Ravi Varanasi, chief business development of the National Stock Exchange.

ETFs are traded just like stocks and hold assets like stocks, gold or bonds close to their asset value and can be bought with investment of less than ₹100. The daily liquidity and fees for ETFs is also lower than mutual funds. NSE has 47 different kinds of ETFs listed including ETFs on gold, banking and Central Public Sector Enterprises (CPSE) among others.

Data shows that allocation of retail and high networth individuals (HNI) in assets under management (AUM) has increased from ₹1,102 crore in March 2014 to ₹1,656 crore in March 2015 on the NSE platform.

TRENDING AMONG INVESTORS

- In terms of daily turnover, ETFs showed a jump of 2.5x from ₹7.8 crore to ₹19.75 crore from Q3FY15 to Q4FY15
- In the last ten years, Nifty-based ETFs have given a return of 15%
- ETFs can be bought with investment of less than ₹100. The daily liquidity and fees for ETFs is lower than mutual funds

