

Headline: Smart investors go the mobile way to purchase stocks

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Smart investors go the mobile way to purchase stocks

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Smartphone users are looking beyond clothes and electronics when they buy on their devices — they are increasingly using these to purchase stocks.

The investor base transacting on mobile phones jumped 47 per cent to 880,000 at the end of March, compared to 600,000 a year ago, data provided by the National Stock Exchange (NSE) showed. The total number of new investors added this year (FY17) was 1.8 million.

“From a growth perspective, mobile trading has seen a huge traction. It is not just about transacting. Investors are increasingly using their smartphones to access a lot of information on the stock market. It is very easy for a customer to check how their portfolio is doing and then place an order,” said Arun Thukral, managing director and chief executive officer of Axis Securities.

While the mobile investor base is still a tiny fraction, compared to the overall stock market investor base of about 20 million, industry players expect mobile trading to grow exponentially. Penetration of broad-

band data and smartphones, along with improvement in mobile applications, has given a fillip to the online trading user base, they said.

“Going mobile is a trend seen across the board and stock markets are no different. The breakthrough in mobile trading applications is providing an impetus to growth,” says Nithin Kamath, founder and chief executive officer of Zerodha.

The average daily turnover for mobile-based trading has nearly doubled to ₹1,358 crore in 2016-17, compared to ₹700 crore the previous year. The overall average daily turnover for 2016-17 stood at ₹21,321 crore on the NSE. The share of mobile-based trading of the total cash market turnover has increased to 3.4 per cent in 2016-17 from 2.04 per cent last fiscal year. This is higher than the share of mobile investor user base as a percentage of total user base, signalling that mobile-based investors are more active. “It is not just the investors but also the traders who are transacting via mobile,” said Thukral.

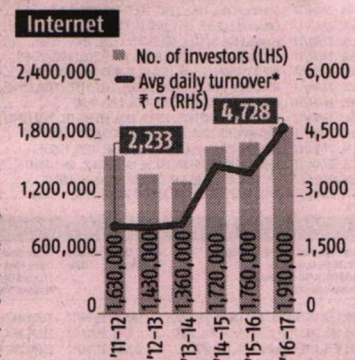
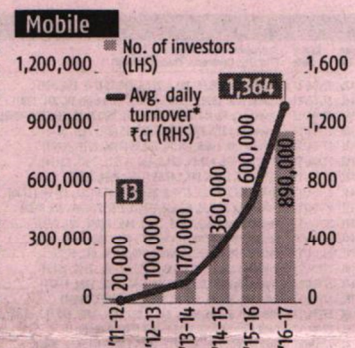
Smartphones are becoming a gateway to the stock market for many first-time investors. A third of those transacting through

smartphones are first-time investors. The average daily turnover for internet-based trading has increased 31 per cent to ₹4,712 crore from ₹3,605 crore, NSE data showed. Investors using internet-based platforms grew eight per cent to 1.9 million in 2016-17 from 1.76 million a year ago.

Given the good performance of the initial public offering (IPO) market and also the secondary market, a lot of bank customers are opting for the “online trading account” facility, which is contributing to an increase in user base. The benchmark Nifty climbed 19 per cent during 2016-17, while the small-cap and mid-cap indices rallied about 30 per cent each. Also, the average listing-day returns for the 26 IPOs for the year stood at nearly 20 per cent. Leading private sector banks such as HDFC Bank, ICICI Bank, Axis Bank and Kotak Mahindra Bank offer the so-called three-in-one account facility (bank, D-mat and trading). Industry players said the ease of use of such accounts is

GETTING MOBILE

Stock market investors transacting through smartphones are growing



Source: NSE; Note: *Gross turnover figures

pushing a lot of bank clients towards the stock market.