

Financial Brokerage Market in India 2021

<https://marketpublishers.com/r/F42E40B7CCFEN.html>

Date: March 2021

Pages: 89

Price: US\$ 950.00 (Single User License)

ID: F42E40B7CCFEN

Abstracts

The financial brokers offers financial advice to the firm or the individual. India's broking industry is transitioning from a transaction-based to a fee-based model, offering services such as investment advisory and wealth management. Apart from advisory services, emphasis on fund-based activities, including loan against shares and margin funding, is rising, allowing brokers to build sustainable earnings. Financial brokers have developed their marketing ability to support customers in achieving their goals. They offer wide-ranging products and services that strengthen their relationship with clients.

The brokerage market was valued at INR 135.0 Bn in FY 2016. In FY 2020, it reached INR 210 Bn from INR 195 Bn in FY 2019, expanding at an annual growth rate ~7.69%. The industry gained popularity, owing to a significant increase in trading activities. Financial brokerage firms have generated revenues from stocks, commodities, and currency. The financial brokerage market operates through different business verticals including full-service, discount, and hybrid brokerage. The full-service brokers segment accounted for the significant share of the brokerage market in FY 2020, followed by discount brokers and hybrid. Major players operating in the market include Angel Broking Limited, Geojit Financial Services Limited, ICICI Securities Limited, and Kotak Securities Limited.

Impact of Covid-19

The pandemic and prolonged global lockdown severely impacted India's financial market and liquidity position. A struggling economy in India, coupled with the outbreak of COVID-19, has led to an apprehensions in which capital market investments have become a challenge for investors. While the Indian economy has been experiencing massive pressure of the COVID-19 pandemic, the trading volumes in the domestic capital market started to recover after the lockdown was lifted. It reached an all-time high in July 2020.

Market segment insights

In FY 2020, full-service brokers held the highest market share (~58%) of the overall broking industry based on NSE active clients. The shift of the trading platform from offline to online-offline mode increased the revenues generated by full-service brokers. However, in India, full-service brokers have been experiencing unstable growth as leading companies are losing considerable market share to discount brokers.

Key growth drivers of the market

Technological innovations is a significant driver for the increasing participation of investors in equity markets. The pandemic resulted in a significant meltdown in the stock market. Improved financial awareness led to a 130% growth in Demat account openings. About 6.3 Mn accounts were opened in the first half of FY 2021. Post demonetization, fintech companies have played a significant role in the growth of the brokerage market, backed by increased smartphone users and high internet speed with low data costs. Retail investors use mobile-based trading as they primarily invest in convenient and user-friendly apps with secure platforms

In India, brokerage houses offer global investment services that permit their customers to own blue-chip stocks in the US. Investors' demand for portfolio diversification is one of the key drivers that encourage firms to provide these services. Broking firms entered into international partnerships, indicating a good demand for such services. In September 2020, Kuvera, an online platform for investments in India's mutual funds, partnered with the US Securities and Exchange Commission's listed investment adviser, Vested Finance. This partnership permits investors to purchase stocks from the US on its online platform.

Key deterrents to the growth of the market

Lack of financial knowledge is a significant reason behind the under-penetration of the brokerage market. Several Indians are not aware of shares, stocks, and mutual funds. They do not know how to invest in them to reap high returns compared to traditional investment tools. Most people are also ignorant of the basic financial concepts such as reward (return) to variability (risk) ratio, asset allocation, and diversification benefits.

Companies covered

Angel Broking Limited

Geojit Financial Services Limited

ICICI Securities Limited

IIFL Finance Limited

Kotak Securities Limited

Motilal Oswal Financial Services Limited

Reliance Capital Limited

SMC Global Securities Limited

HDFC Securities Limited

Sharekhan Limited

Contents

CHAPTER 1: EXECUTIVE SUMMARY

CHAPTER 2: SOCIO-ECONOMIC INDICATORS

CHAPTER 3: INTRODUCTION

3.1. Market definition and structure

CHAPTER 4: MARKET OVERVIEW

4.1. Broking industry in India – An overview

4.2. National Stock Exchange of India Limited (NSE) active clients

4.3. NSE active clients and market share

4.4. Broker-wise broking and commission revenue

4.5. Peer comparison based on wide parameters

4.6. Top-10 stock brokers in India as of September 2020 (Number of accounts)

4.7. Brokerage rates of various major brokerages across products

CHAPTER 5: INDUSTRY SCENARIO

5.1. Broking industry in India – PE ratio

5.2. Equity share of brokers in the NSE cash and derivatives market

5.3. Equity market turnover

5.4. Commodity market

5.5. Currency market

5.6. Increasing share of internet-based trading in overall turnover for NSE segment

5.7. Retail ADTO trend for cash market and equity derivatives

CHAPTER 6: IMPACT OF COVID-19

6.1. Impact of COVID-19 on the market

CHAPTER 7: MARKET INFLUENCERS

7.1. Market drivers

7.2. Market challenges

CHAPTER 8: MARKET TRENDS

8.1. Market trends

CHAPTER 9: COMPETITIVE LANDSCAPE

9.1. Angel Broking Limited

Company information

Business description

Products/Services

Key people

Financial snapshot (in INR Mn)

Key ratios

Key financial performance indicator

Key business segments

Key geographical segments

Note: Financial information covered only for public companies

9.2. Geojit Financial Services Limited

9.3. ICICI Securities Limited

9.4. IIFL Finance Limited

9.5. Kotak Securities Limited

9.6. Motilal Oswal Financial Services Limited

9.7. Reliance Capital Limited

9.8. SMC Global Securities Limited

9.9. HDFC Securities Limited

9.10. Sharekhan Limited

CHAPTER 10: RECENT DEVELOPMENTS

CHAPTER 11: APPENDIX

11.1. Research methodology

11.2. About Netscribes

11.3. Disclaimer

I would like to order

Product name: Financial Brokerage Market in India 2021

Product link: <https://marketpublishers.com/r/F42E40B7CCFEN.html>

Price: US\$ 950.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/F42E40B7CCFEN.html>