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Despite continued net purchases of corporate equities by most institutional groups, and a net gain of nearly 32% in the NYSE Common Stock Index, the proportion of the total NYSE list held by selected institutions at the end of 1975 -- an estimated 32.9% -- was barely above the revised 32.7% at year-end 1974.

Major institutional investors for which annual data can be developed held an estimated \$225 billion worth of NYSE-listed stocks -- 35% higher than the revised total of \$167 billion at year-end 1974. Although the proportion of institutional holdings was an all-time record, the market value of these holdings was nearly 19% below the 1972 figure. Since 1960, the value of NYSE stock held by these institutions nearly quadrupled, while the value of the NYSE list more than doubled.

Noninsured pension funds -- both corporate and state and local government -- showed the largest percentage gains (41% and 43%, respectively) in the value of their NYSE holdings. Because their increases were larger than those experienced by the other institutional categories, NYSE holdings by noninsured pension funds relative to the total list were somewhat greater at the end of 1975 (15.3%) than the previous year (14.5%). In 1975, corporate pension funds more than doubled their net purchases of common stock, but failed to approach the levels achieved in 1971 and 1972. State and local government retirement funds also were aided by substantial net purchases of corporate equities, although such acquisitions were below the totals of the 1971-1974 period. Nevertheless, NYSE holdings of those funds still managed to reach a record high. In the process, that category became the third largest institutional holder of NYSE stock, behind corporate pension funds and open-end investment companies.

Life insurance companies also posted a rather substantial gain (34%) in the value of their NYSE holdings, from a revised \$16.3 billion at year-end 1974 to an estimated \$21.9 billion at the end of 1975. Life companies were net purchasers of common stock -- mostly on behalf of their separate accounts -- but their acquisitions also ran well below the 1971-1973 totals.

Non-life insurance companies experienced the smallest gain -- less than 9% -- in the value of their NYSE holdings. Primarily responsible was heavy net selling of common stock which largely stemmed from insurers' needs to maintain ratios of net premium income to capital low enough to permit underwriting new policies.

Open-end investment companies increased their NYSE-listed holdings by approximately 30%. This group continued to be net sellers of common stock, as it has been for almost every quarter over the last four years.

A number of institutional categories have not been incorporated in this study, since no method exists to estimate their NYSE holdings. These categories include: bank-administered personal trust funds, foreign institutions, mutual funds not registered with the SEC, private hedge funds and non-bank trusts. If it were possible to estimate the amount of NYSE stock held or managed by these groups, total institutional holdings would most likely be in the neighborhood of half the NYSE list.

The table on the reverse side shows the latest estimates of institutional holdings for 1949, 1955, 1960, 1965, and annually for the past six years.

ESTIMATED HOLDINGS OF NYSE-LISTED STOCKS BY SELECTED INSTITUTIONAL INVESTORS

	Year End									
	<u>1949</u>	<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974^r</u>	<u>1975^p</u>
	Billions of Dollars									
Insurance Companies:										
Life	\$ 1.1	\$ 2.2	\$ 3.2	\$ 6.3	\$ 11.7	\$ 16.1	\$ 21.0	\$ 20.0	\$ 16.3	\$ 21.9
Non-Life	1.7	4.2	6.0	10.1	12.2	15.6	18.6	16.4	10.4	11.3
Investment Companies:										
Open-End	1.4	6.3	12.4	29.1	39.0	46.7	51.4	38.5	27.1	35.2
Closed-End	1.6	4.6	4.2	5.6	4.1	5.6	6.6	5.9	4.0	5.4
Noninsured Pension Funds:										
Corporate & Other Private	0.5	3.4	14.3	35.9	60.7	80.2	104.4	82.1	58.2	82.2
State & Local Government	**	0.1	0.3	1.4	9.6	14.7	21.3	19.6	15.9	22.8
Nonprofit Institutions:										
Foundations	2.5	6.9	8.0	16.4	17.0	19.3	23.8	21.5	16.9	22.1
Educational Endowments	1.1	2.3	2.9	5.9	6.6	7.4	9.3	7.7	5.5	7.2
Other	1.0	2.5	4.4	7.7	9.0	10.1	11.8	9.5	6.6	8.7
Common Trust Funds	**	0.9	1.4	3.2	4.1	5.5	6.5	5.8	4.7	6.1
Mutual Savings Banks	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.5</u>	<u>1.5</u>	<u>2.0</u>	<u>2.3</u>	<u>2.1</u>	<u>1.7</u>	<u>2.3</u>
TOTAL	\$ 11.1	\$ 33.6	\$ 57.3	\$122.1	\$175.5	\$223.2	\$277.0	\$229.1	\$167.3	\$225.2
Market Value of All NYSE- Listed Stock	\$76.3	\$207.7	\$307.0	\$537.5	\$636.4	\$741.8	\$871.5	\$721.0	\$511.1	\$685.1
Estimated % Held by Selected Institutional Investors	14.5%	16.2%	18.7%	22.7%	27.6%	30.1%	31.7%	31.8%	32.7%	32.9%

** Less than \$50 million.

^r Revised estimates. Other revisions were as follows: life insurance companies for 1972 and 1973, non-life for 1972, corporate pension funds for 1973, state and local government for 1970-1973, foundations for 1973, educational endowments for 1972, common trust funds for 1972 and 1973, and mutual savings banks for 1970-1973.

^p Preliminary estimates.