

Financial stocks most sold, telecom most bought

SUNDAR SETHURAMAN

Thiruvananthapuram, 13 October

Financials, information technology (IT), and energy stocks accounted for 80 per cent of the ₹20,000-crore plus selloff by foreign portfolio investors (FPIs) during the last fortnight of September. Overseas funds dumped ₹7,008 crore worth of shares of companies in the financial services sector, while IT stocks worth ₹5,201 crore were sold, according to data collated by primeinfobase.com.

OUTFLOWS (₹ cr)

Financials	7,008	
IT	5,201	
Energy	4,044	
Metals	3,302	
Auto	1,524	

Note: For the period Sep 16-30
Source: Primeinfobase.com

The selling dragged the BSE Financial Services index by 4.7 per cent in the last two weeks of September. FPIs have the highest sectoral allocation to financial stocks, at 31.64 per cent. Analysts said that the rise in inflation and yields is negative for finance companies as they have to keep higher provisions for their mark-to-market bonds which could eat into their profits.

The allocation towards oil, gas & consumables declined to 11.15 per cent, from 11.95 per cent, at the end of August while the allocation to IT stocks fell to 10.32 per cent, from 10.67 per cent, during the same period. During the second half of September, FPIs bought telecom shares worth ₹1,634 crore, followed by consumer services stocks worth ₹978 crore and FMCGs worth ₹768 crore.