

FPIs Cut Exposure to Fin Services, IT

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Flow Gauge



Sector	Net Inflow (₹ Cr)		Asset* (₹ Cr) as on		Sectoral Weightage (%)	
	Jan 1-15 '23	2022	Dec 31 '22	Dec 31 '21	Dec 31 '22	Dec 31 '21
Inflow						
Metals & Mining	2,518	3,024	172,603	99,776	3.57	2.05
Construction	390	347	82,781	--	1.71	--
Construction Materials	223	-4,544	74,950	93,617	1.55	1.93
Services	205	832	78,726	102,135	1.63	2.1
Capital Goods	168	5,317	128,667	194,893	2.66	4.01
Outflow						
Auto & Auto Components	-1,064	-483	258,501	197,424	5.35	4.07
Telecommunications	-1,752	5,349	126,212	114,438	2.61	2.36
Oil & Gas	-2,824	-22,247	553,080	496,894	11.44	10.23
Information Technology	-3,457	-71,357	505,182	749,494	10.45	15.43
Financial Services	-6,701	-61,177	1,593,155	1,542,251	32.95	31.76

Source: Primeinfobase.com, *Asset Under Custody

Mumbai: Overseas investors continued to cut their exposure in financial services, information technology, and oil & gas stocks

Banks tend to be the most impacted in the event of FPIs selling in India because the sector has the highest weightage in the indices, say analysts

while mounted bets on metal and mining sector in the first two weeks of 2023. According to data compiled by primeinfobase.com, FPIs have pulled ₹6,701 crore out from the financial services sector between January 1 and 15 after selling ₹61,777 crore worth

of shares in 2022.

Analysts said banks tend to be the most affected in the event of foreign fund selling in India because the sector has the highest weightage in the benchmark indices — the Nifty and Sensex. In the past two

weeks, foreign fund managers have sold Indian shares worth ₹11,000 crore amid heightened a risk-off sentiment globally.

FPIs, which sold IT shares worth ₹71,357 crore last year, extended their selling spree to the new year, dumping shares worth ₹3,457 crore

between January 1 and 15 amid global uncertainty and margin pressure. Many analysts have trimmed their FY23 and FY24 earnings esti-

mates of IT companies in the past few months due to a slowdown in the US and Europe on account of higher interest rates.

Foreign fund managers also sold oil & gas stocks worth ₹2,824 crore in the first fortnight of January.

These investors bought metal shares worth ₹2,518 crore between January 1 and 15, amid a correction in the dollar index, which supports the short-term bullish trend in the sector.

“In the last few months, steel prices have more or less stabilised while China has reduced Covid curbs and expectation of a rebound in the Chinese economy led to positive sentiment on metal demand recovery globally,” said Mitul Shah, head of research at Reliance Securities. “Correction in raw material prices and falling coal prices would support margins of the metal companies going forward while the second half of FY23 would be healthy for them due to a pick-up in domestic infrastructure activities post monsoon.”