

Little rain in the IPO desert: First dry spell since July '22

The market for new listings has shuddered to a halt.

Not a single penny got raised from initial public offerings and follow-on public offers (FPO) last month – the first month of drought since July 2022.

Spike in market volatility, India's underperformance to other world markets, and sustained selling by foreign portfolio investors (FPIs) queered the pitch for share sales, say investment bankers.

IN DOLDRUMS

Primary market activity will remain subdued for some more time, said experts

	Deals launched	Amount raised (₹ crore)
Jul '22	0	0
Aug '22	2	1,402
Sep '22	2	1,562
Oct '22	3	1,309
Nov '22	10	10,560
Dec '22	7	4,155
Jan '23	1	0

Source: PRIME Database

Typically, companies look to sew up share sales ahead of the Union Budget. But most companies steered clear, with the exception of Adani Group's flagship firm.

Adani Enterprises' ₹20,000-crore FPO, which closed on January 31, did manage to corral a full subscription. However, the incubator for new businesses withdrew the offer in the "interests of its subscribers".

The extraordinary development came amid a massive market

route in Adani Group stocks, following the release of US short-seller Hindenburg Research's report that accused the group of "brazen stock manipulation and accounting fraud".

The episode, observe analysts, soured the mood for primary markets. They expect activity to remain subdued until the secondary market momentum turns positive and FPI flows see an improvement.

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