

FPIs BACKED THE RIGHT HORSE, OUTSHONE RETAIL INVESTORS IN Q3

Foreign portfolio investors (FPIs) tend to influence stock markets more than retail counterparts.

No less than 639 companies in which FPIs hiked stake during the three months that ended in December 2022 gained an average of 6.4 per cent.

Alternatively, 890 companies in which retail investors hiked stake shed an average of 2 per cent, according to data compiled by PRIME Infobase.

Compellingly, 853 companies in which retail investors pruned their holdings gained an average of 9.3 per cent.

Nearly 700 stocks FPIs pared their exposure to underperformed the markets.

In the October-December 2022-23 quarter, the National Stock Exchange Nifty gained nearly 6 per cent.

"An analysis of shareholding changes and stock price performance shows overseas funds as the most influential class. Unfortunately, retail investors tend to get it wrong," observed an analyst.

Between pandemic lows in March 2020 and October 2021, the Indian market enjoyed a stellar run, with several stocks more than doubling.

Between October 2021 and December 2022, returns plateaued, making it challenging for retail investors to make profitable bets.

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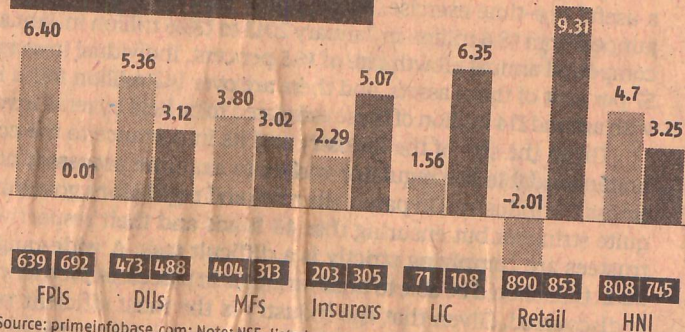


INFLUENTIAL CLASS

Stocks where FPIs increased their holdings saw the highest average upside

AVG PRICE CHANGE (%)

- Increase in shareholding
- Decrease in shareholding
- No. of cos



Source: primeinfobase.com; Note: NSE-listed cos; Increase/decrease in shareholding and share price change for the three-month period ending December 2022