

FPIs low on finance stocks, red-hot on services sector in second fortnight of Feb

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FOREIGN HAND

Financial services and consumer durables companies accounted for most of the selling by foreign portfolio investors (FPI) during the last fortnight of February. FPIs sold finance stocks worth ₹2,263 crore and consumer durable stocks worth ₹1,111 crore, according to data collated by Prime Infobase.

Information technology (IT) (₹708 crore), metals & mining (₹694 crore), and power (₹497 crore) were the other sectors where the overseas investors sold most.

On the other hand, firms that accounted for highest inflows by the FPIs during the same period were in the services sector, followed by energy and capital goods.

FPIs bought shares of services firms worth ₹2,250 crore, energy companies worth ₹1,290 crore and capital goods stocks worth ₹1,155 crore. Firms in the

Inflows

	(₹ crore)
■ Services	2,250
■ Oil & gas	1,290
■ Capital goods	1,155
■ Construction materials	385
■ Construction	326

Note: Data for second half of February 2023

construction material and construction space also saw cumulative buying worth nearly ₹700 crore.

Overall, FPIs' selling was muted at less than ₹486 crore during the 14-day period of February.

Outflows from the financial and IT sector — two of India's largest in terms of market capitalisation — indicate that FPIs remain in 'sell' mode, said experts.

Outflows

	(₹ crore)
■ Financial services	-2,263
■ Consumer durables	-1,111
■ IT	-708
■ Metals & mining	-694
■ Power	-497

Source: Primeinfobase.com

"Overall, overseas investors are still taking money out. The IT and financial sectors gave them an opportunity to exit with some profit or without much losses," said G Chokkalingam, founder of Equinomics.

Despite the selling, the highest sectoral allocation as of February end was to financial services at 33.81 per cent from 33.77 per cent.

IT at 11.57 per cent and the oil & gas

sector at 10.20 per cent are the other sectors with high FPI allocation.

The buying in oil and gas stocks was attributed to the positive demand outlook on the back of the China-reopening. Expansion in the Indian services sector has made FPIs bullish.

The S&P Global India Services Purchasing Managers' Index rose from 57.2 in January to 59.4 in February, its highest since February 2011.

