

# CRACKING FPI INVESTMENT STRATEGY: BUY, BUY, BUY

## Load up on financials, auto stocks in May

Foreign portfolio investors (FPI) bought stocks of financials, automotive (auto), fast-moving consumer goods (FMCG), and capital goods during the second half of May.

Financial services saw maximum buying at ₹9,289 crore, followed by auto stocks at ₹3,997 crore and consumer services at ₹1,931 crore, according to data collated by Primeinfobase. FPIs bought FMCG stocks worth ₹1,571 crore and capital goods worth ₹1,352 crore. In the second fortnight of May, FPIs bought shares worth ₹19,099 crore.

Analysts say FPIs are bullish on finance and auto stocks as their revenues are primarily dependent on domestic demand, which is in a better place due to the relative outperformance of the Indian economy. Meanwhile, metals and mining stocks saw selling worth ₹942 crore, followed by information technology (IT) stocks (₹746 crore), power (₹479 crore), media (₹384 crore), and services (₹366 crore).

IT had the second-most significant sector allocation of FPI investments at 10 per cent. "Metal prices are down. It is difficult for metals to do well in the short term due to recessionary fears," observes Chokkalingam G, founder, Equinomics Research & Advisory. As of end-May, the highest sectoral allocation of FPI investments was to financial services at 33.74 per cent.

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## THE LONG AND SHORT OF IT

FPIs are bullish on financials and autos

Sector	Amt invested (₹ cr)
Financials	9,289
Automobiles	3,997
Consumer services	1,931
FMCG	1,571
Capital goods	1,352

Sector	Amt invested (₹ cr)
Metals and mining	-942
IT	-746
Power	-479
Media	-384
Services	-366

Data for the period May 15-31

Source: Primeinfobase.com