

# Banking, Oil & Gas Stocks Top FPI Picks

Overseas investors continued to pour money into banking and financial services stocks even as they turned bullish on oil and gas in the first half of July. Around ₹7,050 crore or 23% of the total FPI inflows between July 1 and 15 went into banking and financial services firms, following the ₹18,704 crore invested in June. FPIs bought shares worth ₹30,662 crore in the first half of July.



Most banks reported better-than-expected earnings growth in the March quarter with further margin expansion, while asset quality improved. Most lenders have continued to grow in the June quarter, with improved asset quality and margin expansion.

FPIs also bought shares of oil and gas stocks worth ₹3,891 crore after selling shares worth ₹16,465 crore between January and June 2023. The profitability of oil marketing companies HPCL, BPCL and IOC is expected to improve in the June quarter on higher marketing margins.

However, the performance of upstream PSUs may be subdued on lower crude oil realisation.

FPIs also bought shares worth over ₹2,000 crore each in FMCG, power, capital goods, telecom and consumer durables. — **Rajesh Mascarenhas**

## FPIs' SECTORAL INVESTMENTS

(Figures in ₹ cr)

Sector	Jul 1-15 '23	Jan-Jun '23	June '23	2022
Financial Services	7,050	28,410	18,704	-61,177
Oil & Gas	3,891	-16,465	-173	-22,247
FMCG	3,791	7,294	2,216	14,284
Power	2,922	2,388	2,655	730
Capital Goods	2,422	15,029	5,826	5,317
Telecommunications	2,335	-1,269	1,026	5,349
Consumer Durables	2,021	1,076	4,089	-12,841
Auto & Auto Components	1,629	21,433	6,129	-483
Healthcare	1,405	4,733	2,021	14,181
Construction Materials	661	6,366	1,851	-4,544
Chemicals	-207	407	-253	2,366
Metals & Mining	-157	7,219	1,753	3,024
Textiles	-156	-1,274	-141	-145
Forest Materials	-115	232	-15	935
Information Technology	-56	-17,350	-3,577	-71,357