

FPIs Invest Big in Power, Cap Goods Stocks in August

Overseas fund managers also put money in some of the beaten-down IT counters

Money Shift

FPIs sectoral investments (₹ Cr)



Sector	Aug '23	Jan-Jul '23	2022
Net Buy			
Power	11,563	5,415	730
Capital Goods	8,337	20,662	5,317
Information Technology	4,088	-15,775	-71,357
Consumer Services	2,035	4,374	2,988
Healthcare	1,439	6,568	14,181
Net Sell			
Metals & Mining	-6,953	7,735	3,024
Financial Services	-6,493	39,924	-61,177
Fast Moving Consumer Goods	-2,612	11,314	14,284
Oil, Gas & Consumable Fuels	-2,228	-12,126	-22,247
Telecommunication	-1,018	2,009	5,349

SOURCE: primeinfobase.com

Rajesh Mascarenhas
@timesgroup.com

Mumbai: Foreign portfolio investors (FPIs) allocated most of their fresh money in India to power and capital goods stocks in August. These money managers have also bought underperforming IT stocks while cutting exposure to metals, banking, and financial services.

POWER

According to National Securities Depository Limited (NSDL) data, FPIs allocated a dominant ₹11,563 crore to power sector stocks. FPIs' investment in power stocks includes a \$1.1 billion investment by US-based GQG in Adani Power. They pumped ₹11,343 crore into Indian equities in August as against ₹26,442 crore in July.

From January to July, these investors put ₹5,415 crore into power-related stocks. In the same period a year ago, they invested ₹730 crore in the sector. In August, power stocks were among the top gainers, riding the bullish momentum over increasing energy demand.

CAPITAL GOODS

FPIs also significantly bolstered holdings in capital goods stocks during August, with an ad-

ditional ₹8,336 crore infusion. This substantial investment follows their commitment of nearly ₹21,000 crore in capital goods stocks in January-July.

Capital goods firms are seeing an unprecedented surge in order books. The order backlog of the top 30 engineering and construction (E&C) companies rose 12% to \$161 billion in the June quarter, driven by large orders from the railway and road construction segments.

OTHERS

FPIs have demonstrated renewed interest in India's information technology (IT) sector, with an investment of ₹4,088 crore in IT shares in August. This shift in sentiment comes after FPIs divested ₹15,800 crore between January and July. In 2022, they sold IT shares worth ₹71,400 crore in the sector. The optimism is fuelled by the diminishing prospects of a recession in the US and the growing significance of artificial intelligence as a potential revenue stream.

FPIs also booked profits in financial services and metals, selling shares worth ₹6,493 crore and ₹6,953 crore, respectively.

