

# FPIs LIT THE FUSE FOR SEPTEMBER SELLOFF

Pulled the plug on power and financials

September proved to be a month of contradictions, as the markets experienced an uninterrupted rise during the first fortnight, only to reverse most of the gains during the second.

The market decline in the latter part of the month was triggered by intense selling from foreign portfolio investors (FPIs), who were spooked by rising bond yields following the US Federal Reserve's higher-for-longer narrative.

An analysis conducted by PRIME Infobase reveals the sectors where overseas funds turned the most bearish. Stocks in the power, financial services, and oil, gas, and consumable fuels sectors saw the highest selloff, with FPIs redeeming over ₹11,000 crore worth of investments from these three sectors alone.

Construction and fast-moving consumer goods stocks were the other major sectors affected by FPI selling. Following the selloff, FPI allocation to the financial services sector declined from 33.23 per cent to 32.8 per cent during the fortnight ending on September 30. Allocations to information technology and oil stocks also fell to 9.87 per cent (from 10.04 per cent) and 8.53 per cent (from 8.68 per cent), respectively. On the other hand, stocks in capital goods,

## FPIs flip the switch on Sept's contradictions

Yank nearly ₹10,000 crore from domestic equities in latter half of the month



Data for the period September 15-30, 2023  
Source: primeinfobase.com

consumer services, and automotive (including automobile component) experienced positive flows from overseas investors despite the bearish market conditions. Telecom stocks piqued FPI interest, helping the sector outperform most others during the last fortnight of September.

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