

AUTO, FINANCIAL SERVICES STOCKS RECORD HIGHEST SELLING BY FPIs IN NOVEMBER

Foreign Portfolio investors (FPIs) have sold the highest number of stocks worth 3,288 crore in the auto and financial services sectors in the first half of November, according to data.

During the first fortnight of November, FPIs dumped auto stocks worth ₹1,722 crore and ₹1,566 crore from the financial sector, the data compiled by primeinfobase.com noted. The elevated valuations in the auto sector have made FPIs take money from auto stocks. "The good fundamentals have been priced. Many have become multi-baggers and valuation comfort is stretched. FPIs are booking profits," said Chokkalingam G, founder of Equinomics. Regarding financial stocks, Chokkalingam said the moderation in credit growth and concerns about the unsecured loans, which have been building over time, were the reasons for the selling.

The other sectors that saw selling included power (₹1,389 crore), information and technology (IT) (₹1,179 crore), and fast-moving consumer goods (FMCG) (₹1,056 crore).

Healthcare and consumer services stocks witnessed positive net investments. FPIs bought healthcare stocks worth ₹1,133 crore and consumer services stocks to the tune of ₹836 crore. Chokkalingam said buying in healthcare and consumer services is a hedging strategy by FPIs ahead of the state election results.

"Healthcare and consumer services are defensive sectors. The election results will come out on December 3. And the market is at its peak. There is a fear that election results will create some uncertainty for the market," said Chokkalingam. FPIs were net sellers worth ₹1,414 crore in the first two weeks of November.

SUNDAR SETHURAMAN

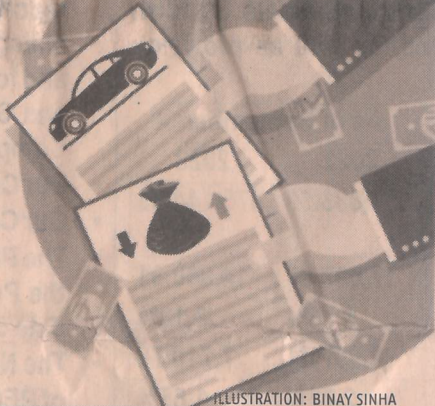


ILLUSTRATION: BINAY SINHA

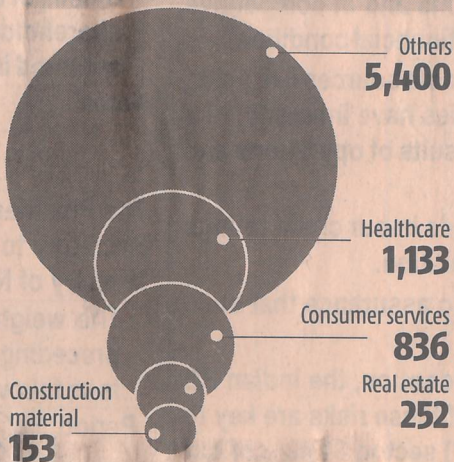
RISK-OFF TRADE

Top 5 net negative investment sectors

Net investment (₹cr)



Top 5 investment positive sectors



Source: primeinfobase.com