

# Corporate insiders go on a \$12-bn selling spree

Corporate insiders in the country are unloading their stock at a breakneck clip, selling \$12 billion in the first 10 months of the year. This is, per Investing 101 rules, a tell-tale sign that the market is overvalued.

To some degree, that's the case in India, where shares trade at a 17% premium to those in the rest of the world. But there's a silver lining here so potent that many in the market contend it outweighs the traditional bearish signals. By reducing their stakes in the companies they founded or manage, insiders are creating space for local and foreign institutional investors to amass the kind of sizable positions they have long been unable to build.

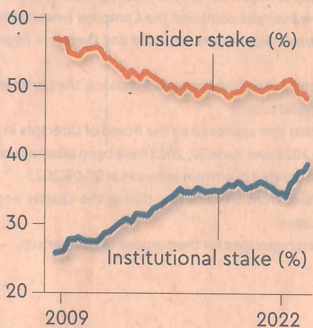


Nearly half of all publicly traded shares have been squirreled away by insiders, at a time when investors have begun to view India as a rare source of rapid growth in the global economy. These sales, the argument goes, will spur asset managers to pour more money into the \$3.7 trillion market, supporting a rally that recently lifted the nation's equities to a record.

**Source: Bloomberg**

## Institutional holding in Indian companies climbs as insiders sell

Shareholding in cos included in the NSE Nifty 200 index



Source: Prime database, Bloomberg

## Insiders exit through bulk sales at highest in six years

Stake sales cross \$12 billion so far in 2023

