

FPI allocation to financial stocks slips below 30%

The allocation by foreign portfolio investors (FPIs) to financial stocks has slipped below 30 per cent, according to an analysis by primeinfobase.com.

The drop shows the sector's dominance is shrinking over the years. Before the pandemic, FPIs allocation to financial stocks had touched 35 per cent. Overseas funds have pulled out over ₹31,000 crore from companies in this space during the second half of January, it said. This was one of the largest drawdowns in 15 days. The selling comes on the back of third quarter (3QFY24) earnings missed by HDFC Bank, Bajaj Finance, and Axis Bank. FPIs also pulled out over ₹2,000 crore amid earnings miss by Hindustan Unilever.

Information technology (IT) stocks saw the highest inflows by overseas funds at nearly ₹5,000 crore on the back of robust earnings. Telecommunications and the oil, gas, and consumable fuels (energy) sector also saw encouraging flows amid renewed buying interest in oil marketing companies. As of January 31, the highest sectoral allocation by FPIs was still towards the financial services sector at 29.71 per cent (down from 31.76 per cent at the start of the year). The next biggest sector was IT, which had an allocation of 10.1 per cent, and energy at 9.35 per cent, it added. **SUNDAR SETHURAMAN**



BULK SELLING

FPIs place bets on IT sector

	Net investment (₹ cr)		Net investment (₹ cr)
Financials	-31,261	IT	4,977
FMCG	-2,016	Telecom	2,033
Services	-2,006	Energy	2,012
Metals & mining	-1,949	Power	1,521
Others	-1,445	Others	1,057

FPIs have pulled out over ₹31K crore from financial stocks during the second half of January
Data for the period Jan 16 to Jan 31

Source: PRIME Database