

MF shareholding in listed firms at new high

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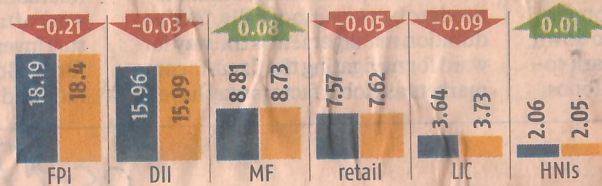
Strong net inflows have propelled domestic mutual funds (MFs) ownership in National Stock Exchange (NSE)-listed companies to reach a fresh record high during the 2023-24 October-December quarter (third quarter, or Q3).

The shareholding of MFs in companies listed on the NSE rose to 8.81 per cent from 8.73 per cent in the previous quarter, driven by net inflows worth ₹58,198 crore, according to primeinfobase.com.

MUTUAL INTEREST

MFs' holding rose even as DIIs', FPIs' fell

Share holding (%) ■ Sep '23 ■ Dec '23 ▲ Change (bps)



Source: Prime Database

However, the share of domestic institutional investors (DIIs) declined marginally to 15.96 per cent in December

from 15.99 per cent in the July-September quarter.

The share of foreign portfolio investors (FPIs) also

decreased to 18.19 per cent in Q3 from 18.4 per cent in September despite net inflows of ₹50,588 crore. The combined share of institutional investors (FPIs + DIIs) declined to 34.15 per cent from 34.39 per cent in the previous quarter.

The gap between FPI and DII holdings narrowed to an all-time low in December, with DII holdings being 12.2 per cent lower than FPI holdings.

The FPI-to-DII ownership ratio also hit an all-time low at 1.14 in Q3. The widest FPI-to-DII holding gap was at 49.8 per cent on March 31, 2015.

During the quarter, both domestic and foreign institutions increased their stake in utility stocks and trimmed their positions in finance firms. DIIs raised their stake in utility stocks to 3.3 per cent in December from 2.9 per cent in September. Meanwhile, they reduced their positions in finance stocks from 27.6 per cent to 26.9 per cent.

FPIs increased their allocation in utility stocks from 3.4 per cent to 3.8 per cent, while they decreased their allocation in financial services from 31.9 per cent to 30.9 per cent.