

FII to DII ownership ratio at decade low

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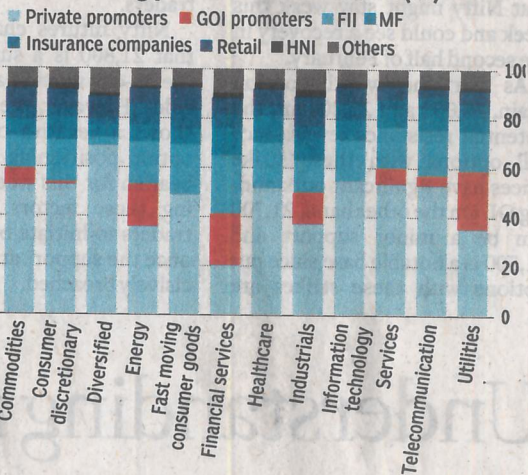
bl. research bureau

Prime Infobase, a provider of corporate databases in India, has unveiled its latest quarterly shareholding tracker for NSE-listed companies (1,936 out of the total 1,963 firms) for the December ending quarter (Q3FY24).

Here are three illustrative charts elucidating the trends in investor shareholding patterns.

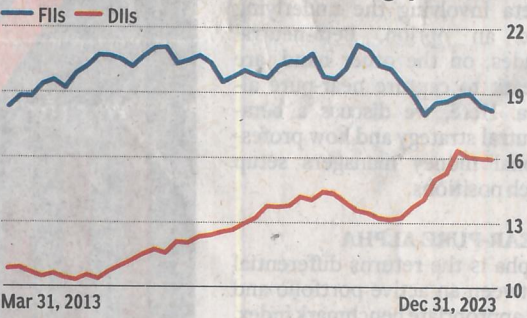
The recent trends in investment allocation are noteworthy, with domestic Mutual Funds (MFs) seeing a surge in holdings to an all-time high. This uptrend can be attributed to strong net inflows. Sector-wise, MFs have the highest market cap allocation towards the healthcare sector, while Foreign Institutional Investors (FIIs) sustain their highest allocation within Financial Services, albeit with a reduction during the quarter. Conversely, both entities exhibit minimal market cap holdings within the diversified sector.

Shareholding pattern across sectors (%)



The disparity between FII and DII holdings touched an unprecedented low during the quarter. Reflecting this trend, the FII to DII ownership ratio has plummeted to an all-time low of 1.14 in Q3FY24, compared to its peak of 1.99 in Q4FY15. This also reflects domestic flows becoming as dominant as FII flows for the markets.

DII's poised to surpass FIIs in coming quarters



Private promoters' ownership has been declining over the past few quarters due to divestment. Conversely, the share of the Government has been on the rise, propelled by the robust performance of numerous Public Sector Undertakings (PSUs).

Private promoters divest while the value of Government holdings rise on back of PSU

