



FPI

FMCG, TELCOS ON FPI HOT LIST

Foreign portfolio investors (FPI) poured nearly ₹30,000 crore in stocks of fast-moving consumer goods (FMCG), telecommunications, financial services and services sector during the first half of this month.

The FMCG sector saw buying worth ₹11,180 crore followed by telecommunication at ₹6,648 crore, according to data collated by Primeinfobase. But analysts said that a large part of the flows into the FMCG sector were due to the block deal in ITC, where the British American Tobacco (BAT) sold a 3.5 per cent stake for around ₹17,000 crore.

If not ITC, the inflows into the sector would have been negative. Analysts said the FMCG sector is facing tough times due to stagnating rural demand.

"We expect meaningful volume growth recovery to take a few more

quarters. Input cost moderation continues to drive recovery in gross margins for most FMCG companies, which is partly being reinvested in ad spending," said a note from ICICI Securities. Meanwhile, healthcare stocks saw selling worth ₹1,577 crore, oil, gas and consumables worth ₹1,110 crore, and information technology stocks ₹1,104 crore. FPIs also sold construction company stocks worth ₹271 crore and consumer durables worth ₹167 crore. Overall, FPIs were net buyers of equities worth ₹40,708 crore in the first fortnight of March. Chookalingam G, founder of Equinomics, said that defensives are not doing well except in the pharma sector. "IT and FMCG sectors are growing in single digits. Rural demand is low, visible in tractor and FMCG sales," he said.

SUNDAR SETHURAMAN

GROWING INTEREST

FPI inflows and outflows from March 1 to March 15, 2024

HIGHEST INFLOWS (₹ cr)

FMCG	11,180	<div style="width: 100%;"></div>
Telecom	6,648	<div style="width: 60%;"></div>
Financials	5,365	<div style="width: 50%;"></div>
Services	4,697	<div style="width: 45%;"></div>
Consumer services	4,117	<div style="width: 40%;"></div>

HIGHEST OUTFLOWS (₹ cr)

Healthcare	-1,577	<div style="width: 100%;"></div>
Oil & gas	-1,110	<div style="width: 70%;"></div>
Information Technology	-1,104	<div style="width: 70%;"></div>
Construction material	-271	<div style="width: 20%;"></div>
Consumer durables	-167	<div style="width: 15%;"></div>