

Oil, IT, auto lose ₹1.45 trn in 1 year

SUNDAR SETHURAMAN

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Foreign portfolio investors (FPIs) have dumped domestic shares worth over ₹1.8 trillion over the past 12 months, with oil & gas, information technology (IT), and auto companies bearing the biggest brunt.

Overseas investors have sold oil & gas stocks worth ₹57,207 crore, IT stocks worth ₹53,352 crore, and auto stocks worth ₹35,292 crore, totalling ₹1.45 trillion or 80 per cent of the net selling, according to an analysis of data provided by Prime Database.

A year ago, Indian equities scaled lifetime highs, with the Nifty reaching 26,277 and the Sensex almost hitting 86,000. Since then, both indices remain over 6 per cent below those levels.

The selling in oil & gas stocks was attributed to the oil price crash. Brent crude prices have declined by as much as 17 per cent in the last 12 months, and are currently trading at \$68.04 per barrel.

"The IT sector revenue has



been growing 2-4 per cent in dollar revenue terms. Moreover, there is fear of tariffs on IT services. Auto sale volumes were growing in the low single digits for most of the last 12 months. After GST reforms, there are expectations of improvement in sales, but it was not enough to make up for the underperformance in the previous months," said G Chokkalingam, founder of Equinomics.

Fast-moving consumer goods or FMCG (₹29,685

crore), power (₹24,293 crore), and consumer services (₹21,036 crore) were the other sectors where FPIs booked profits since September.

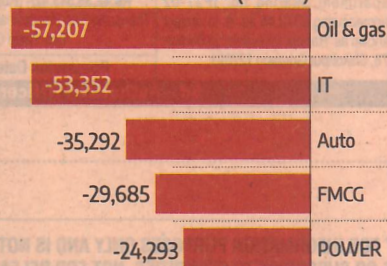
FPIs were net buyers in telecom stocks worth ₹26,950 crore, and services stocks worth ₹12,202 crore. Chemicals (₹11,214 crore) and textiles (₹1,282 crore) were the other sectors where FPIs showed buying interest.

"We have the cheapest fares for telecom services globally, but despite that, telecom

Cashing out

Sectors which saw maximum FPI selling over the last year

Amount divested (₹ crore)



Note: Data between Sep 1, '24 and Sep 15, '25

Source: primeinfobase.com

companies are profitable, and there are expectations that the average revenue per user (Arpu) will improve. The buying of chemicals would be mostly in speciality chemical firms. In the past four to five years, many speciality chemical firms have established dominance in the specific spaces they are in, and are in the top five manufacturers of the specified product they produce," said Amabareesh Baliga, an independent equity analyst.

FPI outflows began in October 2024, initially shifting money to China as stimulus measures aimed at reviving its struggling economy made Chinese equities more attractive.

Weak corporate results from the July-September quarter onwards undermined valuations that had risen sharply during the post-pandemic rally.

Donald Trump's victory in the US presidential election led to uncertainty over US trade policy and weighed on foreign capital inflows. A 90-day tariff pause announced by Trump in April briefly brightened India's outlook for foreign investors.

However, the renewed trade tensions, culminating in a 50 per cent tariff on India, and a hike in the one-time fee for new H1B visa applications, rattled foreign investors once again.

Financial services have the largest sectoral allocation for at 30.95 per cent as of September 15, followed by auto sector at 7.9 per cent, and IT sector at 7.24 per cent.