

Telecom and energy stop Nov from ending on a flat note

Without them, foreign portfolio investor flows would have gone off-key

Foreign portfolio investors (FPIs) warmed up to telecommunications (telecom) and energy (oil, gas, and consumable fuels) stocks in November, cushioning an otherwise weak month for flows.

FPIs poured ₹14,326 crore into telecom counters and ₹7,169 crore into energy stocks during the period. Stripped of these two sectors, overall FPI flows for November would have slipped into the red.

Analysts say telecom's appeal lies in its long-term growth story, backed by rising average revenue per user and the prospect of healthier free cash flows as balance sheets improve.

Oil and gas companies also found favour, helped by more reasonable valuations, stable-to-better margins,

and their ability to ride out economic swings. Other sectors that drew net inflows in the second half of November were capital goods, consumer durables, and healthcare.

On the flip side, fast-moving consumer goods, automotive and auto components, and financial services saw withdrawals ranging from ₹2,722 crore to ₹1,137 crore between November 16 and 30, according to Primeinfobase.

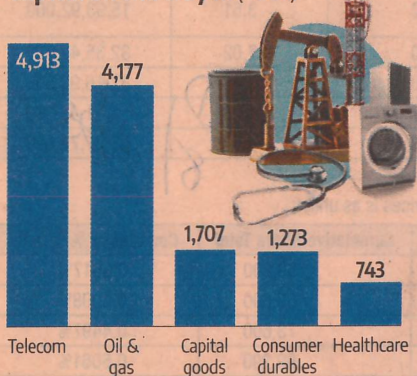
Experts say the pattern points to sector rotation, with FPIs booking gains in auto and financials — both strong performers this year — and moving money towards areas offering clearer growth prospects and more palatable valuations.

SUNDAR SETHURAMAN

The push & pull of FPI money

Money marches into telecom and energy, exits through FMCG and automotive

Capital on the way in (₹ crore)



Capital on the way out (₹ crore)

