

MFs invested big in private lenders in February, pared holdings in SBI

Mutual funds (MFs) continued to raise exposure to private sector banking stocks in February, extending the buying trend seen in the previous month.

HDFC Bank garnered the highest net inflows for the second consecutive month in February. This came as fund managers deployed around ₹7,000 crore in the private lender last month, shows an analysis by Prime MF Database.

In January, MFs had invested around ₹11,300 crore in the same stock. ICICI Bank and Kotak Mahindra Bank also remained among the top five that witnessed highest net inflows for the second month in a row.

In February, MFs deployed ₹5,429 crore in ICICI Bank and ₹3,075 crore in Kotak Mahindra Bank. Infosys and Eternal also figured among the top-five purchases, attracting about ₹5,537 crore and ₹3,254 crore, respectively.

The continued accumulation of large private banks comes amid a constructive outlook among fund managers on private lenders, as valuations have eased in recent years owing to a prolonged period of underperformance.

While fund houses bought big into private lenders, the largest public sector bank, State Bank of India (SBI), led the most sold stocks' list. Fund houses pulled out over

On the radar

Stocks that fund managers most bought and sold in Feb
Amount invested (₹)

Most-bought



Most-sold



Source: Primemfdatabase.com; Note: Invested and divested amounts have been calculated by multiplying the difference in January and February shareholding by the volume weighted average price during February

₹9,000 crore from the stock last month, according to the analysis.

Larsen & Toubro, Bajaj Finance, Power Grid Corporation of India and Vedanta were the other most-sold stocks last month.

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