

FPIs dump financials, autos, metals in late March selloff

Foreign portfolio investors (FPIs) stepped up selling in the second half of March, offloading large positions in financial services, automobiles, and metals, amid rising geopolitical tensions linked to the Iran conflict.

Financial stocks bore the brunt of the selloff, with overseas investors pulling out ₹28,824 crore during the fortnight. Auto stocks saw outflows of ₹7,691 crore, followed by construction at ₹6,179 crore, metals and mining at ₹4,041 crore, and fast-moving consumer goods (FMCG) at ₹3,016 crore.

Overall, FPIs turned net sellers of equity worth ₹1.18 trillion in March, as escalating tensions in West Asia and a sharp rise in crude oil prices triggered a risk-off sentiment.

Despite the heavy selling, financial services continued to command the largest share in FPI portfolios, with sectoral allocation at 30.49 per cent at the end of March, though down from 31.57 per cent as of March 15.

Oil, gas, and consumable fuels remained the second-largest sectoral bet at 7.88 per cent, marginally higher than 7.81 per cent in the previous fortnight. Automobiles and auto components followed at 7.53 per cent, up from 7.40 per cent.

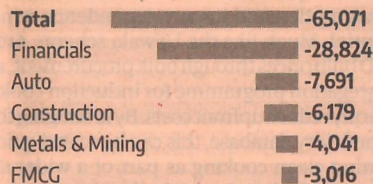
FPIs had briefly turned net buyers in February, on optimism around India's trade agreement with the European Union and the US decision to ease tariffs on Indian goods. However, the resurgence of geopolitical risks has since reversed sentiment, prompting investors to cut exposure to equities.

SUNDAR SETHURAMAN



Exit mode

Five sectors that saw the highest FPI selloff during the last fortnight of March
Net outflows (₹ cr)



Note: For the period of March 16-31
Source: primeinfobase.com