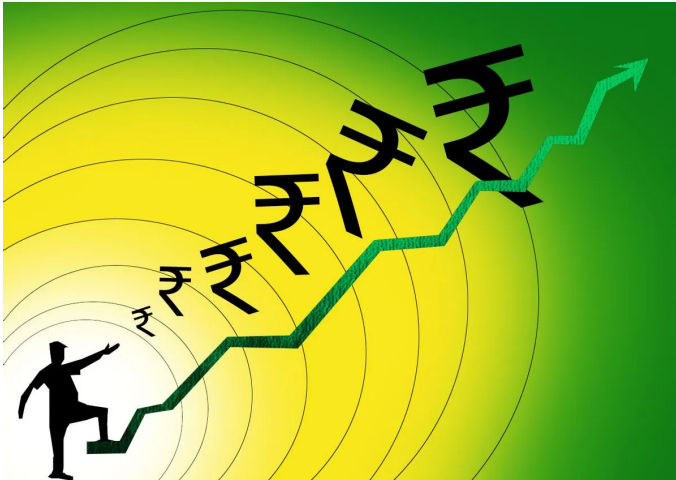


Financial Stocks Attracted A Third Of FPI Haul In Aug

Tue, 08 September 2026

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Financial stocks accounted for a little over a third of foreign inflows that went into domestic stocks in August -- largely in line with their weighting in benchmark indices.

Last month, foreign portfolio investors (FPIs) injected Rs.29,628 crore into the Indian securities market, their second straight month of buying.

Financial services stocks were the biggest draw, attracting Rs.10,494 crore followed by consumer services (Rs.8,417 crore), according to sectoral inflow data analysed by Primeinfobase.com.

Healthcare, information technology, and consumer durables also logged inflows exceeding Rs.3,900 crore each.

Meanwhile, telecommunication bore the brunt of selling, with FPIs pulling out Rs.4,983 crore across the month, followed by fast-moving consumer goods (Rs.1,916 crore outflows), oil, gas & consumable fuels (Rs.1,761 crore), and power (Rs.1,553 crore). Realty and others also recorded modest outflows.

Experts say the divergence suggests foreign rotated towards domestic consumption and financial themes while trimming exposure to commodity-linked and defensive sectors.

The revival in foreign flows is seen reversing with overseas funds pulling out close to \$1 billion from domestic stocks last week. Rising global bond yields, elevated oil prices amid West Asia crisis and revival of the artificial intelligence trade has dented risk appetite of FPIs, say experts.

-- Khusbhoo Tiwari, *Business Standard*