

FPI Holdings Hit a 5-yr High in Dec Qtr

Three-month period sees net inflows of ₹1.42 lakh crore

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Mumbai: The holdings of foreign portfolio investors (FPIs) in India hit a five-year high of 22.74% of total market capitalisation at the end

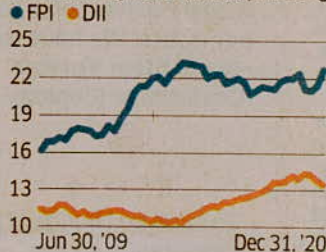
of the December quarter, up from 21.51% at the end of September, on the back of net inflows of ₹1.42 lakh crore during the three-month period, according to data compiled by primeinfobase.com.

In terms of value, FPI ownership reached an all-time high of ₹41.83 lakh crore on December 31, up 29% from ₹32.47 lakh crore on September 30. The Sensex and Nifty rose 25% during the December quarter.

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BULLISH ON INDIAN STOCKS

Ownership by Value (%) for qtr ending



COS WHICH SAW THE HIGHEST BUYING BY FPIs IN DEC QTR

	Net Buy (₹ cr)*
HDFC Bank	11,565.90
Kotak Mah Bk	9,700.99
HDFC	8,349.16
ICICI Bank	7,747.10
Bajaj Finance	6,572.04

*Calculated on the avg price during the qtr
Source: Primeinfobase.Com

Maximum Inflows in HDFC Bank

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HDFC Bank saw the maximum FPI inflows of ₹11,565 crore in the December quarter. They invested ₹9,701 crore and ₹8,349 crore in Kotak Mahindra Bank and HDFC, respectively. Stocks such as ICICI Bank, Bajaj Finance, L&T and Infosys saw FPI inflows of ₹4,300 crore to ₹7,700 crore.

Valuations have been a concern for a while, particularly among foreign investors, but they are still bullish on Indian stocks, said fund managers.

“India has been at a premium va-

luation for quite some time, but earnings estimate upward revisions in India are actually much stronger than many of the counterparts like Korea and Taiwan,” said Manishi Raychaudhuri, equity strategist, Asia, BNP Paribas. “We think that there are still sectors in India such as financials, materials and industrials and other domestic cyclicals like consumer discretionary that are possibly under-owned by the institutional investor base.”

Ownership of domestic institutional investors (DIIs) has consistently declined in the last four quarters from 14.42% on December 31, 2019, to 13.55% in December-end 2020. DIIs sold equities worth ₹36,152 crore in 2020.

Among the non-promoter hol-

dings, FPI ownership by value percentage went up to 45.08% in the quarter ended December 2020 from 43.44% in the September quarter. “On all counts, India has made significant progress, even on a per capita basis, and hence investors are increasingly being forced to discount longer-growth horizons as liquidity propels markets to all-time high valuations,” said Sanjay Mookim, head of India research, JP Morgan. “The relative assurance of long-term growth drives India’s 40% PE premium to emerging markets — which seems likely to sustain.”

The holdings of LIC in the 290 companies, in which it owns more than 1% equity, slipped to an all-time low of 3.7% on December 31, 2020.