

FPI holding in NSE stocks crossed Rs 50 lakh crore mark in Q2

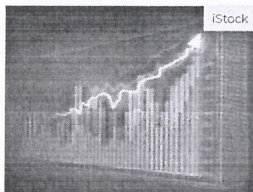
By Amit Mudgill, ETMarkets.com

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Synopsis

FPI inflows stood at mere Rs 3,928 crore during the quarter, resulting in FPIs share declining to 21.47 per cent as on September 30, 2021, from 21.66 per cent as on June 30, 2021, Haldea said.



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Foreign Portfolio Investors (FPIs) owned over Rs 50 lakh crore worth of Indian shares in the September quarter, the first time ever. At the same time, LIC's ownership of Indian stocks too swelled to an all-time high in value terms. But both FPI and LIC's share in NSE stocks fell during the quarter gone by, data compiled by primeinfobase.com, an initiative of PRIME Database Group suggest.

As per the study, FPI holding in companies listed on NSE crossed Rs 50 lakh crore for the first time ever to reach an all-time high of Rs 54.69 lakh crore as on September 30, 2021.

This was an increase of 12.03 per cent from Rs 48.82 lakh crore as on June 30, 2021, primarily driven by an extraordinarily buoyant secondary market during the quarter, said Pranav Haldea, Managing Director, PRIME Database Group. Sensex and Nifty climbed 12.66 and 12.07 per cent, respectively, during this period.

That said, FPI inflows stood at mere Rs 3,928 crore during the quarter, resulting in FPIs share declining to 21.47 per cent as on September 30, 2021, from 21.66 per cent as on June 30, 2021, Haldea said.

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	July to September 2021 quarter			
	No. of companies where holding increased	Average stock price change during the quarter (%)	No. of companies where holding decreased	Average stock price change during the quarter (%)
FPI	649	15.62	479	10.23
DII	356	15.49	540	9.06
MF	300	12.06	387	10.62
Ins.Co.	190	10.43	305	8.98
LIC	94	9.57	105	2.39
Private Promoter	159	24.23	280	12.28
GOI (as Promoter)	0	N.A.	6	16.17
Retail	1034	3.78	592	23.96
HNI	712	11.48	769	9.93

LIC's holding of domestic stocks -- it owns over 1 per cent stake in 281 companies -- too reached an all-time high of Rs 9.39 lakh crore in the quarter but the largest insurer's share in NSE stocks declined to an all-time low of 3.69 per cent as on September 30, down from 3.74 per cent as on June 30, and from an all-time high of 5 per cent as on June 30, 2012. LIC continued to command a lion's share of investments in equities by insurance companies (77 per cent share).

According to Haldea, after five quarters of consecutive decline, the holding of domestic mutual funds in companies listed on NSE increased to 7.36 per cent as on September 30 from 7.25 per cent as on June 30. The share has increased on the back of huge net inflows by domestic mutual funds of Rs 38,221 crore during the quarter. In value terms as well, the holding of domestic mutual funds went up by 14.82 per cent to an all-time high of Rs 18.75 lakh crore as on September 30 from Rs 16.33 lakh crores on June 30.

Holding of insurance companies as a whole declined to a six-year low of 4.81 per cent as on September 30 down from 4.89 per cent as on June 30. In rupee value terms though, it went up by 11.23 per cent from the previous quarter to an all-time high of Rs 12.26 lakh crores as on September 30.

The total institutional ownership viz. FPI and DII also declined to a 3-year low of 34.59 per cent in the quarter ending September 30, 2021, down from 34.85 in the quarter ending June 30, 2021.

The top 10 per cent of companies by market capitalisation accounted for a huge 91 per cent of overall FPI holding as on September 30, 2021, down from 91.11 per cent on June 30. "Disclosure of holdings of FPIs by name is only available for holdings in a company greater than 1 per cent. What is significant to note is that such cases represent only 15.90 per cent of the overall FPI holding (Rs 8.70 lakh crore of the Rs 54.69 lakh crore)," Haldea said.

According to Haldea, FPIs are the largest non-promoter shareholders in the Indian market and their investment decisions have a huge bearing on the stock prices and overall direction of the market. "It is thus time that complete details of all their holdings be made mandatory to be disclosed in India," he said.

Holding of retail investors in companies listed on NSE reduced marginally to 7.13 per cent as on September 30, 2021, from 7.18 as on June 30, 2021. In rupee value terms, retail holding in companies listed on NSE reached an all-time high of Rs 18.16 lakh crore from Rs 16.18 lakh crore on June 30, 2021, an increase of 12.25 per cent.

Holding of High Net Worth Individuals (HNIs) in companies listed on NSE increased marginally to 2.12 per cent as on September 30, 2021, from 2.10 per cent on June 30, 2021, taking the combined retail and HNI holding to 9.25 per cent.

The percentage holding of the government as a promoter in companies listed on NSE decreased to 5.56 per cent as on September 30 from 6.05 per cent as on June 30.

The percentage holding of private promoters in companies listed on NSE increased by nearly 50 basis points to 44.90 per cent from 44.42 per cent quarter-on-quarter, signifying confidence in the valuations. Over a 12-year period (since June 2009), private promoter ownership has been steadily increasing, having increased from 33.60 per cent on June 30, 2009. In rupee value terms, private promoter holding in companies listed on NSE has gone up over 7 times to Rs 114.39 lakh crore from just Rs 14.50 lakh crore on June 30, 2009, also aided by new listings.

There were seven companies, namely -- Hatsun Agro Product, Tanla Platforms, Man Infraconstruction, Eveready Industries India, Titagarh Wagons, Spencer's Retail and Speciality Restaurants -- in which the trinity of promoters, FPIs and DIIs all increased their stake during the quarter.