

IPO Bubble

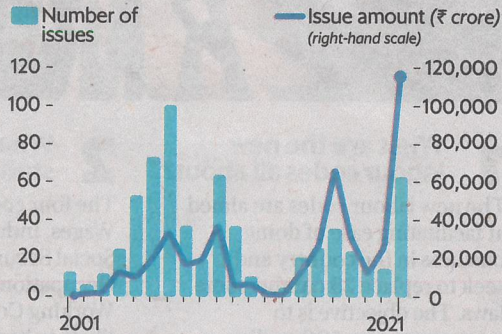
IPOs HAD a record run in 2021, with newly listed companies mopping up over ₹1 trillion so far to effortlessly top the previous high of 2017. Pumped up by strong retail participation and sharp listing gains, the primary market was abuzz with a flurry of offerings.

Even at the fag end of the year, when IPOs usually slow down to a trickle, companies are racing to tap the market, making it the busiest December ever.

The momentum is expected to continue in 2022, with IPOs worth ₹45,128 crore in the pipeline, and another 35 worth over ₹61,000 crore awaiting the regulator's approval. But market observers are cautious about whether the frenzy will prevail. New covid-19 variants present too much uncertainty, and top central banks are getting hawkish to rein in inflation. The liquidity glut is set to wane, which threatens a reality check for ambitious newbies in the listed space.

IPO fundraising set a new record this year; will the frenzy continue in 2022?

Number of public issues and amount raised



2021 data up to 16 December. Issue amount for some IPOs in December calculated at lower price band

Source: primedatabase.com