

FPI exodus: Financial sector bears the brunt

The first fortnight of the month saw record ₹66,300 crore (\$7.9 billion) outflows from foreign portfolio investors (FPIs) as the trend sell-India-buy-China gathered pace. The maximum brunt of the selloff was borne by financial stocks. According to data provided by NSDL, FPIs pulled out ₹23,274 crore (\$2.8 billion) from financial stocks, mainly banks. Companies in the oil & gas (mainly Reliance), auto and fast-moving consumer goods (FMCG) sectors saw outflows of ₹12,371 crore, ₹8,131 crore, and ₹6,818 crore, respectively. The velocity of the selling was so high that barely any sector was spared. However, metals and utilities still managed marginal inflows. FPIs have the highest allocation to financial stocks at 27.7 per cent (down 13 basis points over the previous fortnight). As a result, during the bouts of FPI selling, the sector sees the highest selling. Information technology (IT) stocks have the second-highest allocations. But it managed to escape largely unscathed amid positive sentiment towards the sector.

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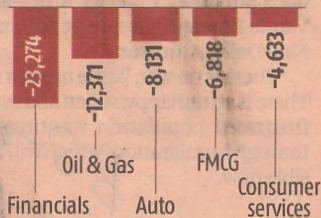


ILLUSTRATION: ALAY MOHANTY

EBB AND FLOW

As FPIs have the highest exposure to financials, they tend to see highest selloff

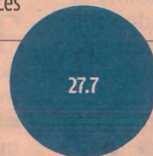
Net outflows (₹ cr)



Net inflows (₹ cr)

Chemicals	552
Metals	222
Utilities	127
Diversified	21
Others	4,271

Highest sectoral allocation Weight (%)*



Financials

9.42

IT

7.8

Auto

*As on October 15; Note: Flows between October 1 and October 15; Source: Primeinfobase.com