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FPIs Hike Stake in 350 Cos in Q1, Some with 550% Gains in a Year

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ETMarkets.com: With strong fundamentals as well as strong growth visibility for the domestic economy, foreign portfolio investors (FPI) continued to be upbeat on the domestic capital market for the second consecutive financial year.

They increased stake in 350 companies during June quarter compared with that in March quarter.

STRONG PULL

With low inflation and stable crude oil prices, India seems to have become an attractive destination for FPIs

Some of these stocks have surged up to 550% in last one year.

Starting with top gainers, shares of Indiabulls Ventures have risen 548% to ₹190.90 on July 31, 2017 from ₹28.55 on July 29, 2016. FPIs increased stake in the company to 13.41% as of June 30, 2017 from 1.20% as of March 31, 2017.

Jindal Worldwide is another stock that is seeing a lot of FPI interest. Foreign portfolio investors held 0.02% stake in the company at the end of June quarter against zero holding at the end of March

quarter. Shares of Jindal Worldwide have risen 373% in last one year till July 31, 2017.

Net FPI inflow to Indian equities, which stood at ₹48,411 crore in 2016-17, has already exceeded ₹1 lakh crore this financial year. With robust inflows, equity benchmarks Sensex and Nifty have surged to record highs.

The Nifty recently surpassed the 10,000 mark for the first time since its inception two decades ago while the Sensex breached the 32,500 mark, a lifetime high.

With low inflation and stable crude oil prices, India seems to have become an attractive destination for foreign investors among the emerging economies.

Out of 368 companies that saw a rise in FPI holdings in June quarter, only 63 stocks have given negative returns to investors in last one year.

Some of the mid-cap and small-cap stocks that gained favour with FPIs during the quarter included

Minda Industries, Indian Metals, Caplin Point Labs, Avanti Foods, Noell, Future Lifestyle, JP Associates, Rane Holdings, Sterlite Technologies, PNB Gilts, National Fertilizer, Sityaram Silk and MRF.

Sector-wise, FPIs increased stake in a number of real estate firms, including JP Associates (which has seen it go up from 18.25% in Q4FY17 to 19.61% in Q1FY18), Indiabulls Real Estate,

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Indian Hume Pipe, Purvankara, Omaxe, Anant Raj, Sobha and Prestige Estates.

In the metal space, Tata Metaliks, Kalyani Steels, Tata Sponge Iron, Srikalahasthi Pipes attracted FPI investment during the quarter.

Paper-related stocks Star Paper Mills, West Coast Paper, JK Paper and Ruchira Paper saw rise in FPI holding during the April-June period.

Among others, select tea, textiles and trading firms also emerged top

picks of FPIs. Among them were Bombay Burmah, Tata Global Beverages, Daanert Tea, Raymon, Surlej Textiles and MMTCL.

Market watchers say Indian markets may see more FPI inflows as data show fresh registrations by around 160 foreign portfolio investors (FPIs) with markets regulator Securities and Exchange Board (Sebi) in April, strong FPI interest on Indian assets. Close to 3,500 new foreign FPIs registered with Sebi last financial year.