

Foreign Investors Trim Holdings as Rupee Depreciates

Stocks with relatively high overseas investor holdings have seen a sell-off in September as foreigners shun emerging market equities like India. Since September 1, shares of 75 companies, in which foreign institutions have poured money, have declined between 10% and 25% on an average.

Brokers said foreign investors could be trimming their holdings in them, while domestic investors too are rushing to the exit to pre-empt a large-scale selling. FIIs have sold equities worth ₹3,500 crore in the last five trading sessions.

According to an **ET** study, stocks with more than 20% FPI holding like Adani Transmission, Compton Greaves Consumer, Cholamandalam Investments, V-Mart Retail, Mannapuram Finance and M&M Financial Services have dropped between 13% and 19% since the beginning of September.

“Foreign investors are likely to witness continued pressure from rupee depreciation,” said Bharat Iyer, India equity strategist, JP Morgan. “Broad market valuations are back at 10-year highs witnessed in the beginning of the year, despite the 10% long-term capital gains tax imposed on equities. Valuations are expected to normalise to factor in higher cost of capital”.



Stock	CMP (%)	% Fall from Sep High	Holding (%)	
			FPI	MF
Shankara Building	1187.25	-24.80	19.21	5.66
Adani Transmission	181.30	-16.82	20.02	0.00
VIP Industries	522.20	-15.38	10.96	6.91
Crompton Greaves Consumer	217.05	-13.32	32.98	11.73
Cholamandalam Investment	1309.45	-13.26	20.68	15.65
V-Mart Retail	2819.90	-12.69	32.24	2.32
Manappuram Finance	86.70	-12.42	37.83	6.73
Sun TV Network	681.65	-12.40	12.10	4.70
Reliance Capital	416.05	-12.32	17.13	7.17
M&M Financial Services	425.75	-12.25	28.10	11.95
Jubilant Foodworks	1345.10	-11.87	37.61	8.12
IIFL Holdings	646.20	-11.85	23.04	2.43
Kajaria Ceramics	418.00	-11.62	26.05	8.47
Shree Cement	16850.00	-11.53	12.77	6.11
Radico Khaitan	419.15	-11.27	24.25	4.42
GMR Infrastructure	18.00	-11.11	16.63	2.99
Motilal Oswal Financial	769.15	-10.86	14.49	0.21
Shriram Transport Finance	1173.85	-10.64	47.41	5.25
Dewan Housing Finance Corp	610.15	-10.17	18.20	6.92
PC Jeweller	81.60	-10.08	19.09	0.97
Future Consumer	49.95	-9.84	16.11	1.25
Phillips Carbon Black	222.10	-9.77	10.81	2.98
Indiabulls Ventures	720.00	-9.75	23.37	0.00
Havells India	646.70	-9.73	24.83	4.80

TEXT: Rajesh Mascarenhas