

# FPIs pump in ₹35,000 crore into auto, banking stocks in April, May

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In just two months, foreign investors have pumped over ₹35,000 crore into financial services and automobile stocks, after the two sectors collectively drove the corporate earnings and profitability in the previous fiscal. As per the NSDL data, foreign portfolio investors (FPIs) infused ₹25,361 crore in net investments into the financial services sector in April and May.

FPI investments itself touched a nine-month high of ₹43,838 crore in May, led by positive global cues, higher GDP numbers and growth in high-frequency indicators. In April, the foreign investors made a net investment of ₹11,631 crore.

VK Vijayakumar, Chief Investment Strategist at Geojit Financial Services, said the ma-

## Star attraction

Sector	Net Inflows in ₹ crore	
	April	May
Automobile & auto components	1,987	8,702
Financial services	7,690	17,671

Source: NSDL

Major part of these inflows went to financials, particularly banking due to its impressive credit growth and declining non-performing assets. "The net profit of the banking sector has multiplied 5X since 2018."

## AUTO FOCUS

According to Motilal Oswal Q4 earnings report, the combined profit after tax (PAT) of 228 companies in the broking firm's universe went up 15 per cent year-on-year to ₹2.41-lakh crore in FY23 from ₹1.78-lakh crore in FY21. The brokerage firm said Q4-FY23 corporate earnings were primarily driven

by financials and automobile sectors.

Foreign investors also pumped in ₹10,689 crore in auto stocks in the first two months of FY24. Himanshu Singh, Research Analyst at Prabhudas Lilladher, attributed the inflows to overall positive sentiment in the automobile industry. He said original equipment manufacturers are coming out from a period of high commodity inflation and supply chain disruption to a more stable operating environment.

Ashwin Patil, Senior Research analyst at LKP Securities, also said FPIs are bullish on the automobile sector due to its long-term growth prospects. "Prospects look bullish, as the chip supply issue which had troubled the sector over the last couple of years is easing rapidly now, thus catering to the pent-up demand for PVs, premium bikes and EVs," Patil said.