

Record ₹4.6 trn DII inflows fuel mkt's stellar leap in Samvat 2080



ILLUSTRATION: AJAY MOHANTY

A YEAR OF HIGHS

Samvat	Sensex	Nifty 50	(Returns in %)	
			NIFTY Midcap 100	NIFTY Smallcap 100
2074	7.4	3.1	-8.5	-23.4
2075	11.6	10.0	-6.4	-9.6
2076	11.2	9.8	13.5	7.9
2077	37.6	40.2	70.0	80.3
2078	-0.8	-1.4	-1.6	-11.4
2079	9.4	10.5	32.7	38.4
2080*	23.3	25.3	36.8	35.1

*As on October 28, 2024; Data compiled by BS Research Bureau

DEEPAK KORGAONKAR & PUNEET WADHWHA

Mumbai/New Delhi, 28 October

Domestic institutional investors (DIIs) have infused a record ₹4.6 trillion into Indian equities over the course of Samvat 2080, marking the highest net annual investment in any Samvat to date. This robust domestic inflow has effectively counterbalanced the comparatively subdued investments from foreign portfolio investors (FPIs), who contributed a net ₹90,956 crore within the same timeframe.

Against this backdrop, the Nifty 50 and BSE Sensex indices are on track to achieve their best performance in three Samvat years, despite recent market corrections. Notably, the information technology (IT), automobile, pharmaceutical, power, and public sector enterprise (PSE) sectors have led the rally.

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NIFTY 500 WINNERS

	CMP (₹)	% chg*
GET&D India	1666.75	327.3
Inox Wind	212.96	258.3
Motilal Oswal Financial Services	918.55	257.9
Netweb Technologies India	2549.90	231.2
Hitachi Energy India	13609.70	211.2

Share price on NSE in ₹ as on October 28

*Change over November 10, 2023

MARKETS SNAP 5-DAY LOSING STREAK AS GEOPOLITICAL TENSIONS EASE

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Midcap, Smallcap outperform blue chips in Samvat 2080

Since the Covid pandemic, there has been a structural change as to how retail investors approach the stock market, according to U R Bhat, co-founder and director at Alphaniti Fintech. "They are more comfortable investing directly and via mutual funds."

"Mutual fund and insurance players are flush with investors' money, which they're actively channeling into the markets. This trend will sustain in Samvat 2081, too. FPI selling, on the other hand, is purely tactical and is likely to reverse soon," he said.

During Samvat 2080, Indian equities climbed to new heights, with the Nifty 50 surpassing the 26,000 mark for the first time, peaking at 26,277 in September 2024.

Despite a recent 7 per cent pullback, the Nifty 50 and Sensex have still delivered returns of 25.3 per cent and 23.3 per cent, respectively, in the ongoing Samvat. Their best showing was in Samvat 2077, after the Covid pandemic, when the Nifty 50 and Sensex had surged by 40.2 per cent and 37.6 per cent, respectively. That year, DIIs had poured ₹3.2 trillion into equities, according to data.

It was, however, the broader markets that truly shone in Samvat 2080, with the NIFTY Midcap 100 and the NIFTY Smallcap 100 indices surging by 36.8 per cent and 35.1 per cent, respectively. In the previ-



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ous Samvat, the midcap and smallcap indices gained 32.7 per cent and 38.4 per cent, while their record performance came in Samvat 2077, with gains of 70 per cent and 80 per cent, respectively.

Although domestic economic growth may be cooling, India is likely to retain its status as the fastest-growing large economy in the coming year, according to Rahul Arora, CEO of institutional equities at Nirmal Bang. "It (India) is unlikely to underperform other emerging markets... A US presidency focused on growth and supportive of the markets may lead to some underperformance vis à vis the US. However, overall buoyant equity markets in the US bode well for global equities," Arora said.

Among the Nifty 500 constituents, the stock prices of 48 companies, including Trent, Zomato, Dixon Technologies, and PB Fintech, have more than doubled over Samvat

2080. Other high performers include Rail Vikas Nigam, Cochin Shipyard, and Mazagon Dock Shipbuilders.

In terms of investment strategy, Arora advised keeping "dry powder ready" for potential buying opportunities if the market dips further. With ample liquidity, market recoveries tend to be "swift", he said, adding, "we have been recommending accumulating good franchises with strong fundamentals on dips."

"We would still recommend maintaining some dry powder to deploy at favourable price points but cash levels shouldn't exceed 5-7 per cent," he added.

As Samvat 2081 rolls around, analysts at Motilal Oswal Securities are bullish on sectors connected to both structural and cyclical domestic growth themes, specifically highlighting financials, consumption, industrials, technology, and health care as key opportunities.

