

Second tranche of CPSE ETF lists at a premium to allotment price

fe Bureau

Mumbai, Jan 31: The second tranche of Central Public Sector Enterprises' Exchange-Traded Fund (CPSE ETF) got listed on Tuesday. The ETF opened at ₹26.75, 7% higher than the allotment price of ₹25.21. The ETF closed the session on NSE at ₹26.86.

The CPSE ETF, which opened for subscriptions from January 17 to January 20, was oversubscribed by 2.30 times, with bids worth ₹13,802 crore pouring in against the issue size of ₹6,000 crore.

The Further Fund Offer (FFO) of CPSE ETF had a size of ₹4,500 crore, with an option to retain another ₹1,500 crore in case of over-subscription.

Over 2.65 lakh investors across categories subscribed to the issue. Around 60% of the non-anchor book was filled by retail investors, which makes it one of the largest participation in any

public offering in recent years. The issue also received strong participation from Foreign Institutional Investors (FIIs) - with over ₹3500 raised from foreign institutions.

CPSE ETFs includes stocks such as ONGC, Coal India, Indian Oil Corp, Gail (India), Power Finance Corp, Rural Electrification Corp, Container Corp of India, Bharat Electronics, Oil India and Engineers India.

ETF is a marketable security that tracks a basket of assets such as stocks. Unlike mutual funds, it trades like a stock.

The inaugural issue of the CPSE ETF launched in 2014 had raised ₹4300 crore. The ETF was managed by Goldman Sachs Asset Management. The second tranche was managed by Reliance Mutual Fund, which bought over Goldman Sachs' mutual fund business in the country in 2015.