

FPI outflow at ₹15.5k cr, hits 16-mth high in Apr

New Delhi: Foreign investors have pulled out over Rs 15,500 crore from the Indian capital market in April, making it the steepest outflow in 16 months, due to surge in global crude prices and rise in yields of government securities here. This comes after an inflow of Rs 11,654 crore in equities in March and an outflow of over Rs 9,000 crore from the debt market during the same period.

Prior to that, foreign portfolio investors (FPIs) had pulled out over Rs 11,674 crore from the country's capital market (equity and debt) in February.

As per the latest depository data, FPIs withdrew a net sum of Rs 5,552 crore from equities and another Rs 10,036 crore from the debt market in April, taking the total to Rs 15,588 crore (\$ 2.4 billion). This is the steepest outflow from the capital market since December 2016, when FPIs had pulled out over Rs 27,000 crore.

So far this year, FPIs have put in over Rs 7,100 crore in equities and withdrew close to Rs 14,000 crore from the debt market.

“An increase in (government securities) yields in the domestic market has seen FPIs pulling out money from the Indian debt markets, whereas outflow of money from equity market is a function of rise in global yields and deterioration in macroeconomic fundamentals of Indian economy largely due to rising crude prices. “Besides, FPIs have also booked profit ahead of the upcoming state election,” Rakesh Tarway, head of research at Reliance Securities. AGENCIES