

FOREIGN PORTFOLIO INVESTORS (FPI) APPEAR TO BE TURNING BEARISH ON INDIA'S NATIONAL STOCK EXCHANGE

Data shows that foreign investors have sold NSE shares worth Rs 3,500 crore in June and July. FPIs have now been net sellers of NSE shares for six straight months, with the last instance of net FPI buying seen in January.

The quantum of selling too has seen a spike in recent months. During June and July, a total of 7.31 million and 9.83 million of NSE shares traded, respectively, with selling by foreign investors contributing over 50 percent of volume at 4.76 million and 3.78 million shares – according to NSE's share transfer details disclosed on its website & MoneyControl.com.

Market participants attribute the selloff to uncertainties around NSE's long-delayed initial public offering (IPO), and also increased competition from BSE in the equity derivatives space. The co-location matter too has acted as a catalyst, it is being cited.

In terms of the share price, the average price in July was pegged at Rs 4,282.15 per share, which is over eight percent higher than the June average price of Rs 3,946.54, and 42.8% higher than that registered in July last year.



Proposed norms for the equity derivatives segment might further dent the volumes, thereby impacting the revenue from transaction fee, the biggest source of income for the exchange.

The number of wealthy investors owning NSE shares has risen exponentially over the last five years. At the end of FY21, barely 650 individuals owned NSE shares, now this number has jumped to over 4,300, with DMart founder Radhakishan Damani along with many industry captains and reputed stock market investors featuring among the list of shareholders.

RESULTS:

NSE's earnings were strong in the June quarter, with consolidated net profit for Q1FY25 up 39 percent year-on-year to Rs 2,567 crore, while revenue from operations higher by 51 percent to Rs 4,510 crore. In Q1FY25, NSE set aside Rs 587 crore to boost the Core Settlement Guarantee Fund (SGF) to Rs 10,500 crore.

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