

FII/DIIs raises stake in IT and cuts on Telecom

Key Highlights -

- ❑ Huge changes in holding pattern of Foreign Institutional Investors and Domestic Institutional investors could be witnessed in the particular Quarter in watch.
- ❑ Both the FII's & DII's have witnessed the highest growth in holdings in the Information & Technology sector specially in the mid cap companies in the sector, while strong degrowth in holdings could be seen in telecom sector specially due to decrease in holdings in Vodafone Idea.
- ❑ Most of the increase in holdings of the FII & DII constitute of the mid cap companies giving some indication as to where the preference lies.
- ❑ Apart from IT, another bullish sector according to the FII & DII have been the Utilities sector where the most increase in shareholding have come in the gas companies.
- ❑ Another key trend followed by the FII has been the emission of Large Cap banks from their portfolio while mid-cap banks have seen increased holding trend. HDFC, ICICI Kotak Indusind and SBI have seen trimmed holdings while Central Bank, UBI, Karnataka Bank and DCB have seen increase in share holding by FII's.
- ❑ In the previous 5 years the FII holdings for Utilities, IT and materials have seen a significant gain while the construction and financial space has seen degrowth in the FII holdings.
- ❑ On the contrary the DII have gained more confidence in the Indian equity space as their holdings have increased in most of the sectors while the slight degrowth has been seen in cements and consumer staples. The DII have gained a lot of trust in the banking and financials sector.
- ❑ Companies with the most positive ownership increase have been Mahanagar Gas Ltd, Hexaware technologies and Larsen & Toubro Infotech
- ❑ Companies with decrease in ownership stake by both FII & DII are Yes Bank, Vodafone Idea & Balrampur Chini.

Exhibit: QoQ Change in aggregate FII Holdings

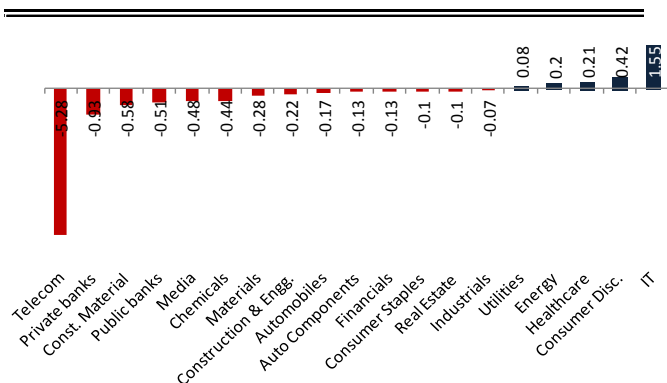
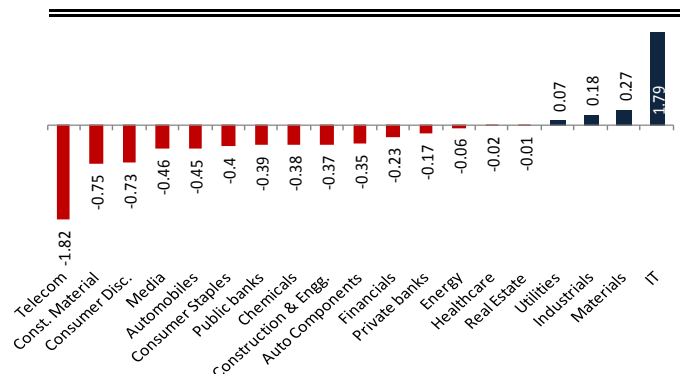


Exhibit: QoQ Change in aggregate DII Holdings



Source: Capital line

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Positive views from both FII & DII

	FII					DII				
	Holding %			% Change		Holding %			% Change	
Company Name	Jun-17	Jun-18	Sep-18	YoY	QoQ	Jun-17	Jun-18	Sep-18	YoY	QoQ
Mahanagar Gas Ltd	10.1	13.4	19.8	9.7	6.5	16.5	17.0	23.5	7.0	6.4
Hexaware Technologies	11.7	15.1	19.7	8.0	4.6	8.5	6.0	8.1	-0.3	2.1
Teamlease Services Ltd.	21.1	40.3	43.9	22.8	3.6	14.8	4.9	5.7	-9.1	0.8
Larsen & Toubro Infotech	6.0	8.0	9.6	3.6	1.6	2.0	2.8	5.9	3.9	3.2

Bearish views from both FII & DII

	FII					DII				
	Holding %			% Change		Holding %			% Change	
Company Name	Jun-17	Jun-18	Sep-18	YoY	QoQ	Jun-17	Jun-18	Sep-18	YoY	QoQ
Vodafone Idea Ltd	26.7	26.1	12.4	-14.3	-13.7	8.4	11.9	6.0	-2.3	-5.8
VA Tech Wabag	28.6	26.6	20.9	-7.6	-5.7	23.2	18.3	12.8	-10.4	-5.5
Balrampur Chini	22.8	18.7	13.7	-9.1	-5.0	12.0	8.0	4.2	-7.8	-3.8
Yes Bank	45.6	42.9	39.7	-5.9	-3.2	24.5	24.9	22.8	-1.8	-2.2
South Indian Bank	38.4	33.1	30.7	-7.7	-2.4	11.8	14.2	11.9	0.3	-2.2

Contradicting views

	FII					DII				
	Holding %			% Change		Holding %			% Change	
Company Name	Jun-17	Jun-18	Sep-18	YoY	QoQ	Jun-17	Jun-18	Sep-18	YoY	QoQ
Indian Hotels	9.0	4.6	18.4	9.4	13.8	31.8	35.9	23.4	-8.4	-12.5
Zensar technologies	6.1	6.4	17.2	11.1	10.8	11.4	11.4	2.3	-9.1	-9.1
Narayana Hrudayalaya Ltd	18.7	15.3	21.2	2.5	5.9	10.5	13.2	7.6	-5.7	-2.9
National Aluminium Co. Ltd	21.6	15.6	17.2	-4.5	1.5	3.2	15.4	13.0	9.8	-2.4
Inox Leisure	13.8	17.6	15.0	1.2	-2.6	18.3	17.7	20.1	1.8	2.4

Source: Capital line

- ❑ With the everchanging tone of the market, the FII & DII's agreed on a few calls and disagreed on a few.
- ❑ On QoQ basis both of them have increased their exposure towards the pharma, IT and Utilities sector while have trimmed exposure towards auto components and the telecom industry.
- ❑ The mid cap IT were the most sought after stocks with both of them increasing their stake towards them. Companies like Yes Bank had succession planning issues which made the stock bear a lot of sell offs and Vodafone Idea also witnessed selling pressure from both the parties.
- ❑ Indian Hotels saw huge differences in the stake holding pattern as the FII increased stake by 14% while the DII reduced by 13%, similarly confused scenarios embedded on zensar technologies where FII increased by 10% and DII reduced by 9%.

Exhibit Major Holding Changes in FII

Company Name	Sector	Sep-17	Jun-17	Sep-18	YoY	QoQ
Indian Hotels Co Ltd	Consumer Disc.	9%	5%	18%	9%	14%
Zensar Technologies Ltd	IT	6%	6%	17%	11%	11%
Balmer Lawrie & Co. Ltd.	Industrials	3%	2%	9%	6%	7%
Mahanagar Gas Ltd	Utilities	10%	13%	20%	10%	6%
Narayana Hrudayalaya Ltd	Health Care	19%	15%	21%	2%	6%
Greaves Cotton Ltd.	Auto Components	7%	7%	12%	5%	5%
Hexaware Technologies	IT	12%	15%	20%	8%	5%
TeamLease Services Ltd	Consumer Disc.	21%	40%	44%	23%	4%
HEG Ltd	Industrials	4%	5%	8%	5%	3%
Mahindra CIE Automotive	Auto Components	7%	6%	9%	2%	3%
CARE Ratings Ltd	Financials	50%	54%	56%	6%	2%
Reliance Capital Ltd	Financials	20%	17%	20%	0%	2%
Tata Global Beverages Ltd	Consumer Staples	23%	26%	28%	6%	2%
Vodafone Idea Ltd	Telecom	27%	26%	12%	-14%	-14%
VA Tech Wabag Ltd	Utilities	29%	27%	21%	-8%	-6%
PC Jeweller Ltd.	Consumer Disc.	32%	21%	16%	-17%	-6%
Balrampur Chini Mills Ltd	Consumer Staples	23%	19%	14%	-9%	-5%
Berger Paints India Ltd	Chemicals	11%	10%	5%	-5%	-5%
Punjab National Bank	Pvt. Banks	10%	9%	4%	-6%	-5%
Bharat Financial Inclusion Ltd	Financials	70%	59%	55%	-15%	-4%
Mahindra Lifespace Developers Ltd	Real Estate	24%	22%	19%	-6%	-3%
Tata Steel Ltd	Materials	16%	19%	15%	-1%	-3%
Yes Bank	Pvt. Banks	46%	43%	40%	-6%	-3%
Eid Parry India	Consumer Staples	10%	10%	7%	-3%	-3%
Moil	Materials	13%	16%	13%	0%	-3%

Exhibit Major Holding Changes in DII

Company Name	Sector	Sep-17	Jun-17	Sep-18	YoY	QoQ
Mahanagar Gas Ltd	Utilities	23%	17%	16%	7%	6%
Berger Paints India Ltd	Chemicals	9%	4%	4%	5%	5%
Bharat Financial Inclusion Ltd	Financials	30%	26%	16%	15%	4%
ITI Ltd	Industrials	8%	4%	4%	3%	4%
L&T Technology Services Ltd	IT	4%	1%	1%	3%	3%
RBL Bank Ltd	Financials	21%	17%	9%	12%	3%
Larsen & Toubro Infotech Ltd	IT	6%	3%	2%	4%	3%
Apollo Hospitals Enterprise Ltd	Health Care	12%	8%	8%	4%	3%
Gujarat Pipavav Port Ltd	Industrials	21%	18%	15%	6%	3%
Indian Hotels Co Ltd	Consumer Disc.	32%	36%	23%	-8%	-12%
Zensar Technologies Ltd	IT	11%	11%	2%	-9%	-9%
Balmer Lawrie & Co. Ltd.	Industrials	8%	8%	0%	-8%	-8%
Vodafone Idea Ltd	Telecom	8%	12%	6%	-2%	-6%
Narayana Hrudayalaya Ltd	Health Care	10%	13%	8%	-3%	-6%
VA Tech Wabag Ltd	Utilities	23%	18%	13%	-10%	-6%
IDFC Limited	Financials	37%	37%	32%	-4%	-5%
PTC India Ltd	Utilities	24%	28%	23%	-1%	-4%

Exhibit : Stocks where DII has been continuously increasing stake

<i>Company Name</i>	<i>Sector</i>	<i>Sep-14</i>	<i>Sep-15</i>	<i>Sep-16</i>	<i>Sep-17</i>	<i>Sep-18</i>
Adani Ports	Industrials	3%	5%	7%	10%	12%
Ashoka Buildcon	Construction & Engg	11%	19%	22%	26%	31%
Gruh Finance	Financials	2%	4%	5%	9%	10%
ICICI Bank	Pvt. Banks	4%	23%	25%	32%	33%
India Cements	Construction Materials	13%	14%	17%	25%	28%
Inox Leisure	Media	4%	9%	14%	18%	20%
Max Financial Services	Financials	11%	13%	18%	30%	31%
PI Industries	Chemicals	7%	9%	12%	15%	19%
Rallis	Chemicals	6%	9%	13%	14%	18%
Sun Pharma	Healthcare	3%	5%	7%	8%	16%
Supreme Industries	Consumer Disc	6%	7%	10%	21%	22%

Exhibit : Stocks where DII has been continuously decreasing stake

<i>Company Name</i>	<i>Sector</i>	<i>Sep-14</i>	<i>Sep-15</i>	<i>Sep-16</i>	<i>Sep-17</i>	<i>Sep-18</i>
Eid Parry India	Consumer Staples	13%	11%	7%	6%	5%
Rain Industries	Industrials	17%	13%	12%	2%	0%

Exhibit : Stocks where FII has been continuously increasing stake

<i>Company Name</i>	<i>Sector</i>	<i>Sep-14</i>	<i>Sep-15</i>	<i>Sep-16</i>	<i>Sep-17</i>	<i>Sep-18</i>
CCL Products	Consumer Staples	1%	11%	22%	25%	27%
Escorts Ltd	Industrials	7%	8%	12%	16%	23%
Essel Propack Ltd	Materials	9%	11%	13%	15%	16%

Exhibit : Stocks where FII has been continuously decreasing stake

<i>Company Name</i>	<i>Sector</i>	<i>Sep-14</i>	<i>Sep-15</i>	<i>Sep-16</i>	<i>Sep-17</i>	<i>Sep-18</i>
Indian Overseas Bank	Public Sector Banks	17%	16%	13%	11%	6%
Punjab National Bank	Public Sector Banks	17%	13%	11%	10%	4%
Reliance Communication	Telecom	23%	21%	17%	10%	9%
Suzlon Energy	Industrials	28%	27%	19%	16%	11%
TTK Prestige	Consumer Disc	20%	16%	15%	13%	10%

The FII & DII play a vital part in the assessment of a company , They can make or break a company with their holding pattern as they go with their fundamental analysis.

FII's have been specially bearish on Indian Public Banking sector with the NPA mess the industry has found itself in.

The major increase in the DII holdings over the years has been in Adani Ports, ICICI Bank, PI Industries and Ashoka Buildcon, while the FII's have been bullish on CCL products, Escorts and Essel Propack.

Exhibit: Auto components

The auto component sector witnessed degrowth by both the FII & DII holdings in the second quarter of 2019

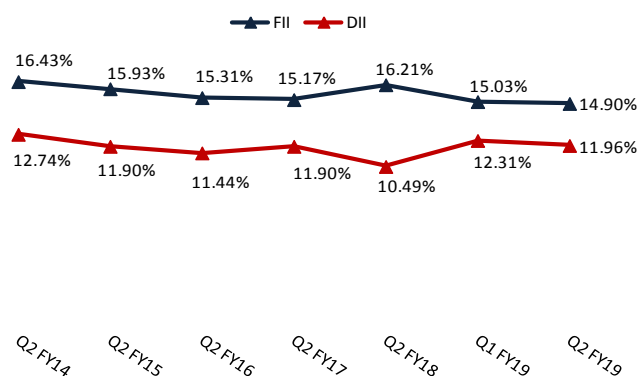


Exhibit: Automobiles

Due to major degrowth in the 2 wheeler segments in TVS and Bajaj auto, automobile sector witnessed degrowth

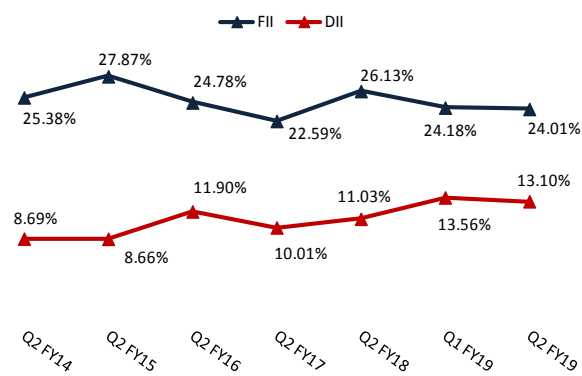


Exhibit: Chemicals

Chemicals witnessed an increase in DII holding while a decrease in FII holdings QoQ

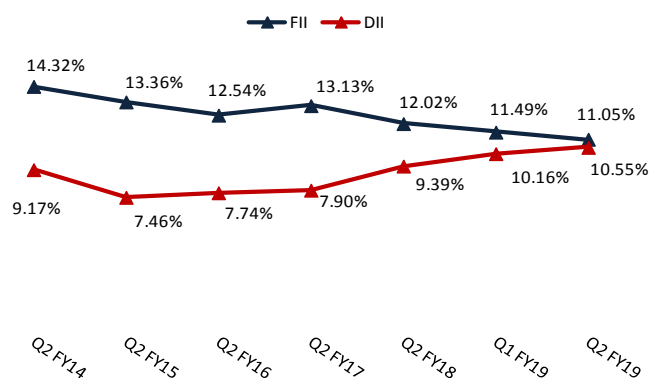


Exhibit: Private Banks

Private banks also witnessed slight degrowth mainly due to decreased holding in South Indian Bank

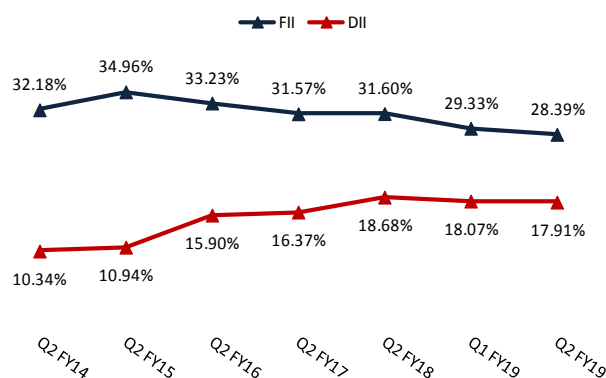


Exhibit: Public Sector Banks

Public Sector banks showed signs of decrease in holdings by both the FII & DII

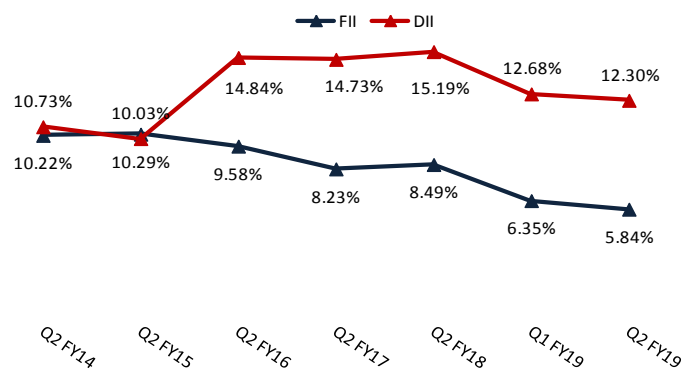


Exhibit: Construction & Engineering

Outlook for this sector has remained quite stable witnessing just a slight decrease in holdings

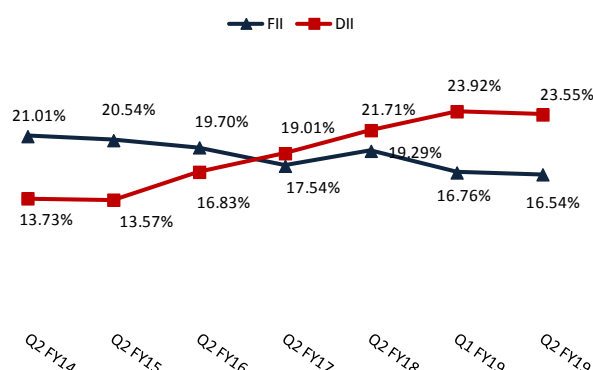


Exhibit: Construction Materials

Cement companies have seen little decrease in the holding by the FII & DII combined

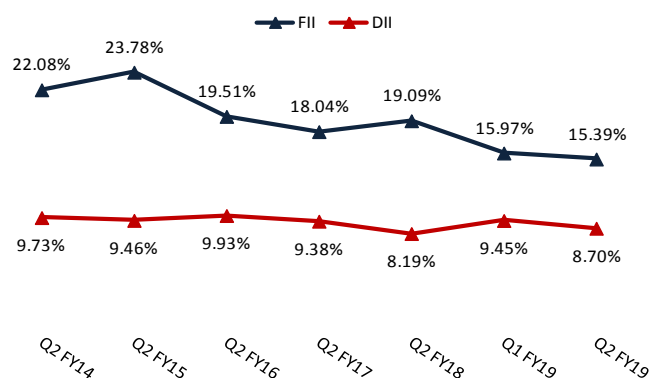


Exhibit: Consumer Discretionary

FII are still bullish on the Indian consumer discretionary while DII sold these equities

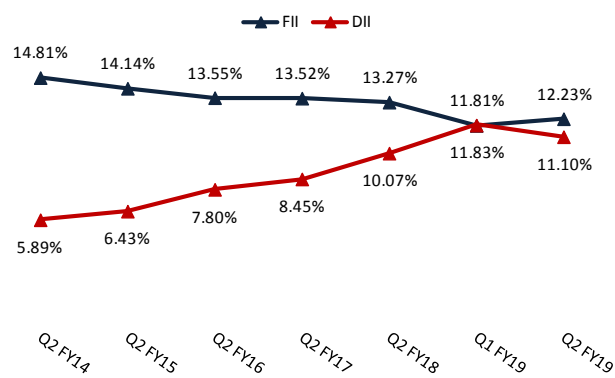


Exhibit: Consumer Staples

Almost a similar outlook by both the institutional holdings and a slight degrowth in the holding pattern

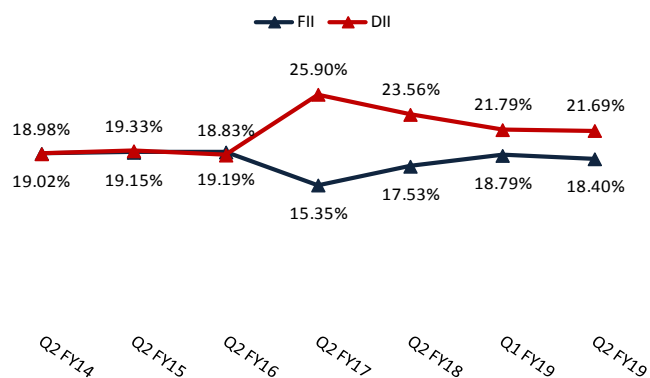


Exhibit: Energy

With the FII's expecting increase in crude prices, they increased their stake to a bit extent

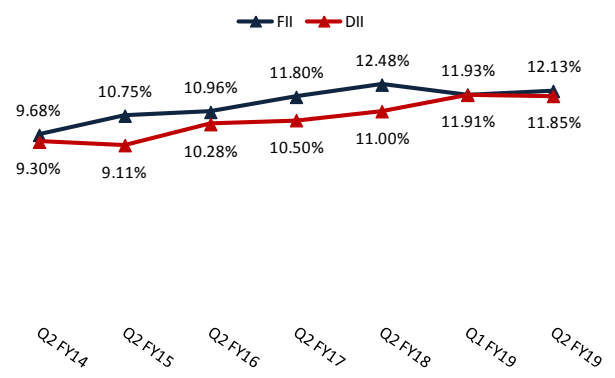


Exhibit: Diversified Financials

The sector under much stress in the Indian equity market received degrowth in holdings from both the FII & DII

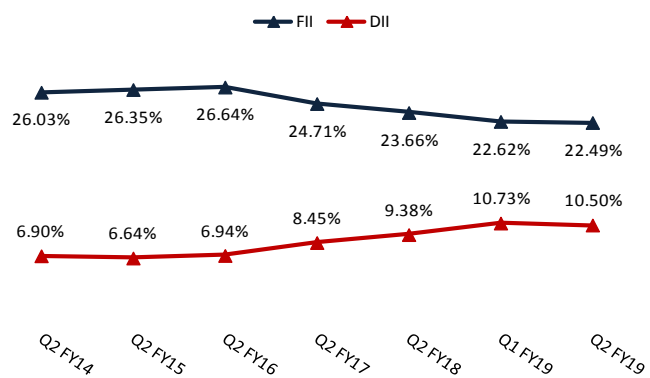


Exhibit: Healthcare

Healthcare received bullish increase in holdings from the FII

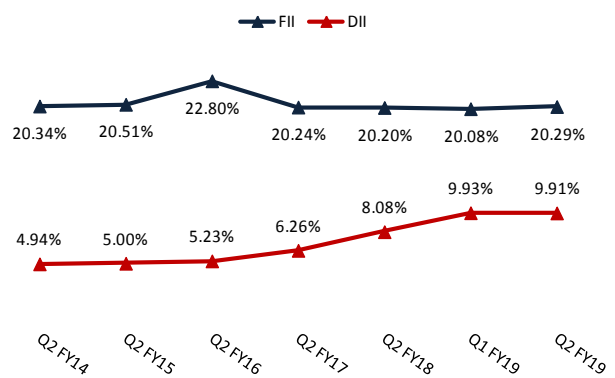


Exhibit: Industrials

This sector witnessed contra views from both the institutions, The DII increased stakes while FII decreased stake

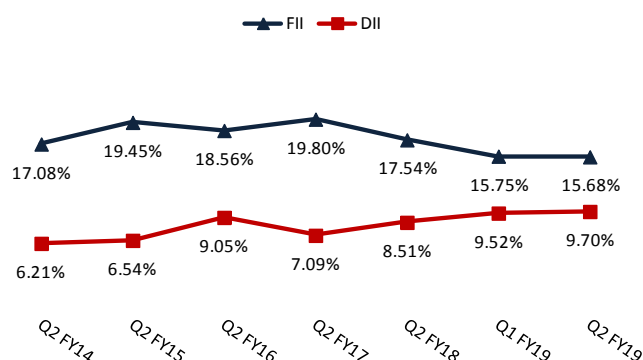


Exhibit: Information Technology

The most positive bets by both the domestic and foreign are on the IT sector, where mid caps are most sought for

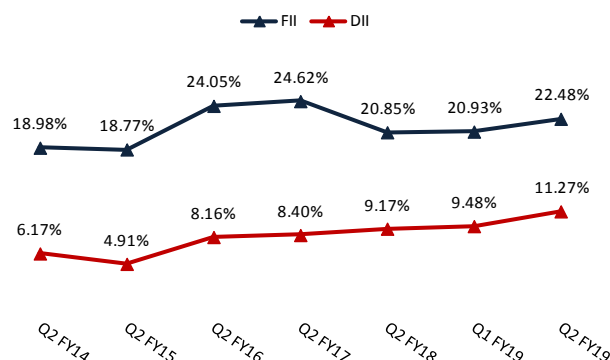


Exhibit: Materials

FII do not see much worth in the material segment while the DII are quite bullish in regards of the sector

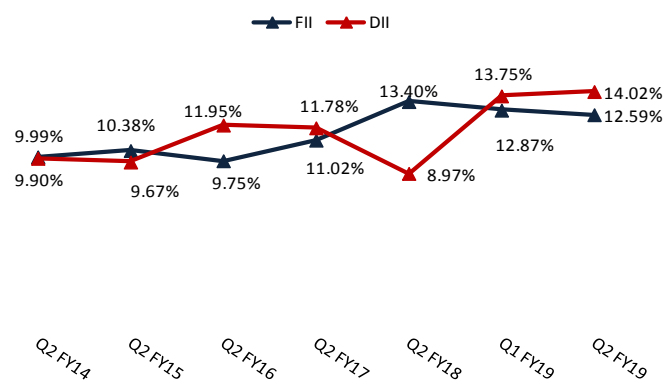


Exhibit: Media

The media sector has also witnessed decrease in holdings by both the FII & DII's

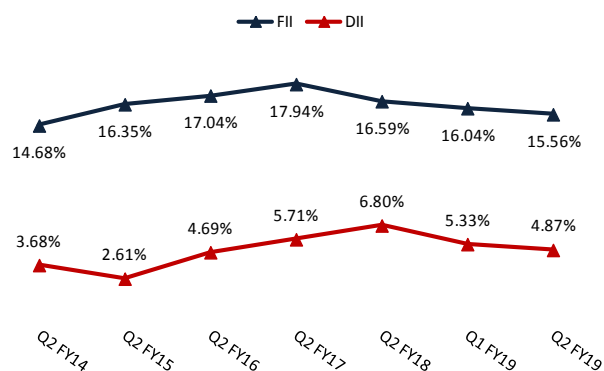


Exhibit: Telecom

The worst hit sector, has seen tremendous decrease in holdings, courtesy of Vodafone Idea

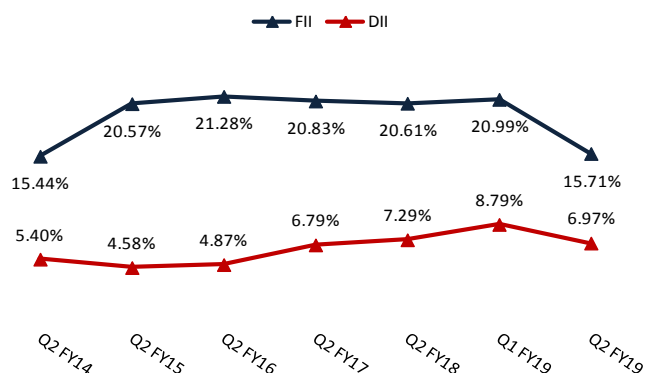
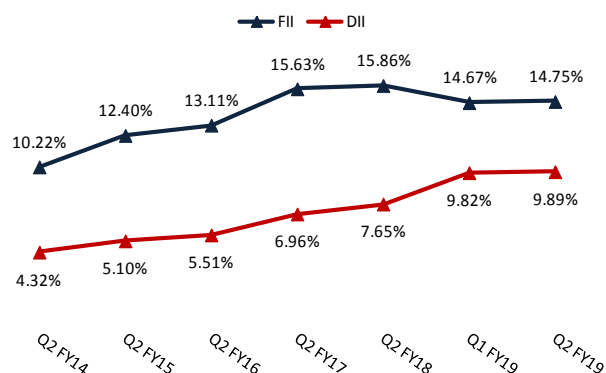


Exhibit: Utilities

Utilities has seen positive preferences and Gas & power companies have seen increased holdings.



Source: Capital line

Note: Current BSE 500 constituents are taken into consideration
Sector weightings are based on the Narnolia SecInd Classification

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