

Listing gains on CPSE ETF's second tranche

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Investors stared at a gain of more than six per cent on the second tranche of the issuing of units by the CPSE Exchange Traded Fund (ETF), which listed on Tuesday.

The units of the ETF, managed by Reliance Mutual Fund, closed at ₹26.86 against the allotment price of ₹25.21, translating into a gain of 6.5 per cent.

The latest tranche of disinvestment through the further fund offer (FFO) of the ETF was open for subscription from January 17 to 20.

It was subscribed 2.3 times with bids worth ₹13,802 crore against an issue size of ₹6,000 crore.

The FFO received nearly 250,000 applications, with good demand across investor segments.

The base issue size of the FFO was ₹4,500 crore, with an option to retain an additional subscription of up to ₹1,500 crore.

Nearly a third of the issue was reserved for anchor investors.

The Employees' Provident Fund Organisation was one of the biggest bidders in the anchor category. HDFC Ergo, Nomura, JPMorgan, Axis Bank, Kotak Mutual Fund and Birla Sun Life Mutual Fund also applied in this portion.

The ETF's better performance in the past one year, coupled with an attractive dividend yield, drew investors in the FFO, said market players.

The ETF is a basket of 10 CPSEs, including Oil and Natural Gas Corporation, Coal India and Indian Oil.