

January Market Pulse: Fortnightly Investment Insights

- ❖ **FPI Exodus: Unpacking the Relentless Selling in January's First Half**
 - The new year has opened with a sharp exit by Foreign Portfolio Investors (FPIs) from the Indian equity markets.
 - In just the first half of January, FPIs have sold equities worth **₹35,658 crore** through stock exchanges. The only respite came on January 2, the sole day of net buying, while their activity in the primary market amounted to a modest investment of **₹906 crore**.
- ❖ **The US Factor: High Yields and a Strong Dollar:** The driving force behind this exodus remains the attractive US bond yields, which have crossed 4.55%, offering safer and higher returns compared to emerging markets. Coupled with a robust dollar index staying above 108, the preference for US assets has further intensified the sell-off.
- ❖ **FII Sell-Off Widens: Debt Market Takes a ₹11,310 Crore Hit**
 - It's not just equities—FIIs have extended their selling streak to the debt market, drawn by the allure of higher returns in the US.
 - In the first half of January alone, FPIs offloaded **₹11,310 crore** in debt instruments, amplifying concerns over sustained capital outflows.
- ❖ **DII Keep Markets Afloat: ₹43,866 Crore Buying in January's First Half**
 - Domestic Institutional Investors (DIIs) sustained their buying streak in the first half of January, counterbalancing the heavy sell-off by FPIs.
 - DIIs purchased stocks worth ₹43,866 crore during this period, bringing their total investments for the financial year to an impressive ₹4,61,976 crore, offering much-needed support to the markets.
- ❖ **Mutual Funds Fuel Markets: ₹29,575 Crore Invested in January 2025**
 - Mutual funds continued their robust buying momentum in early January 2025, complementing the efforts of DIIs to stabilize the markets.
 - They invested ₹29,575 crore during this period, taking their total investment in the domestic equity markets to an impressive ₹3,81,683 crore, reinforcing their strong presence in market activity.

Fortnightly Investment Insights

Tracking Investments of Market Participants

Market Participants	For the Period 1st Jan, 2025 to 15th Jan, 2025		For the Period 1st Apr, 2024 to 15th Jan, 2025	
	Equity (Crs)	Debt (Crs)	Equity (Crs)	Debt (Crs)
FPI	(35,658)	(11,310)	(46,125)	82,976
DII	43,866	-	461,976	-
Mutual Funds	29,575	(13,152)	381,683	(260,095)

*DII investments include MFs Investments. Data updated till 15th December.

Absolute Gains: A Snapshot of Indices Performance(%)

Benchmark	January 2025	FY25 Till Date
Sensex	-1.81	1.95
Nifty 50	-1.83	2.74
Nifty Midcap 150	-5.61	4.03
Nifty Smallcap 250	-7.00	2.06

Mapping FPI Investments: Sector-wise Insights in Indian Equities

- ❖ **FPI Exodus Hits Financial Services Hard: ₹12,204 Crore Sell-Off**
 - In the first half of January, FPIs intensified their sell-off in the Financial Services sector, accounting for nearly one-third of their total outflows, with ₹12,204 crore offloaded.
 - Other sectors facing significant sell-offs included Consumer Services, Power, Capital Goods, Metals & Mining, Information Technology, Automobile & Auto Components and Construction.
- ❖ **Selective Buying: Focus on Textiles, Media, Chemicals**
 - Amid a significant sell-off in the first half of January, FPIs made modest investments in select sectors, including Textiles, Media and Chemicals.
- ❖ **FPIs Net Sellers in FY25: ₹46,125 Crore Outflows**
 - As of FY25, FPIs are net sellers with a total sell-off of ₹46,125 crore. Significant outflows have been recorded in key sectors like Oil & Gas, Financial Services, Automobile & Auto Components, FMCG, Power, Construction, Construction Materials and Metals & Mining, signaling a broad-based exit from these critical industries.
- ❖ **FPIs Favor High-Growth Sectors in FY25**
 - In FY25, FPIs have demonstrated a strong preference for sectors such as Healthcare, Capital Goods, Telecommunication, Realty, Information Technology, Chemicals, Consumer Services and Textiles. This strategic focus highlights their confidence in industries poised for significant growth and long-term potential.

Sector-Wise FPI Equity Purchases: 1st–15th Jan 2025

Sector	Amount (Crs)
Textiles	205
Media, Entertainment & Publication	177
Chemicals	42

Sector-Wise FPI Equity Sales: 1st–15th Jan 2025

Sector	Amount (Crs)
Financial Services	-12,204
Consumer Services	-3,507
Power	-3,115
Capital Goods	-2,620
Metals & Mining	-1997
Information Technology	-1927
Automobile and Auto Components	-1924
Construction	-1623

Sector-Wise FPI Equity Purchases from Apr,24-Jan,25

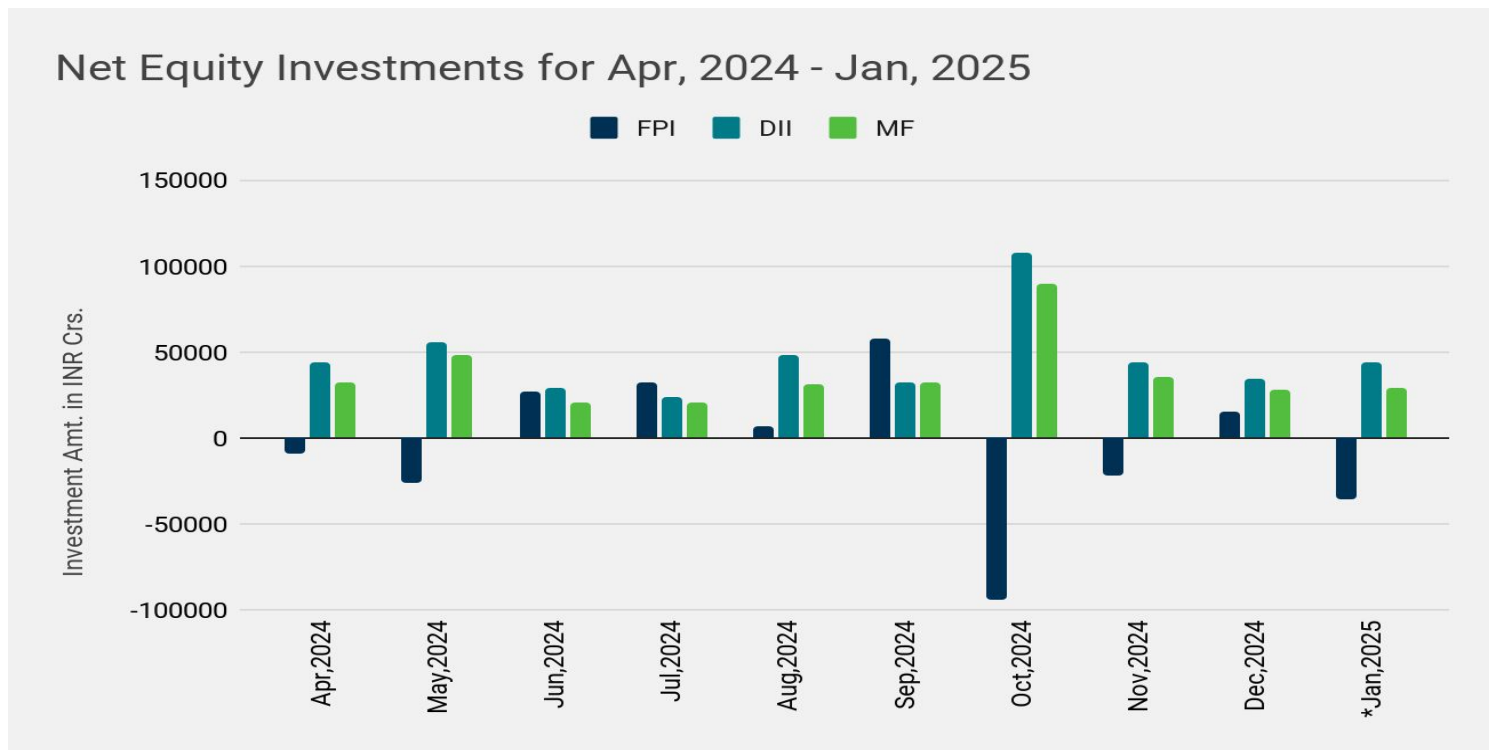
Sector	Amount (Crs)
Healthcare	23,009
Capital Goods	18,471
Telecommunication	16,559
Realty	13,312
Information Technology	7,964
Chemicals	5,359
Consumer Services	4,129
Textiles	2,463

Sector-Wise FPI Equity Sales from Apr,24-Jan,25

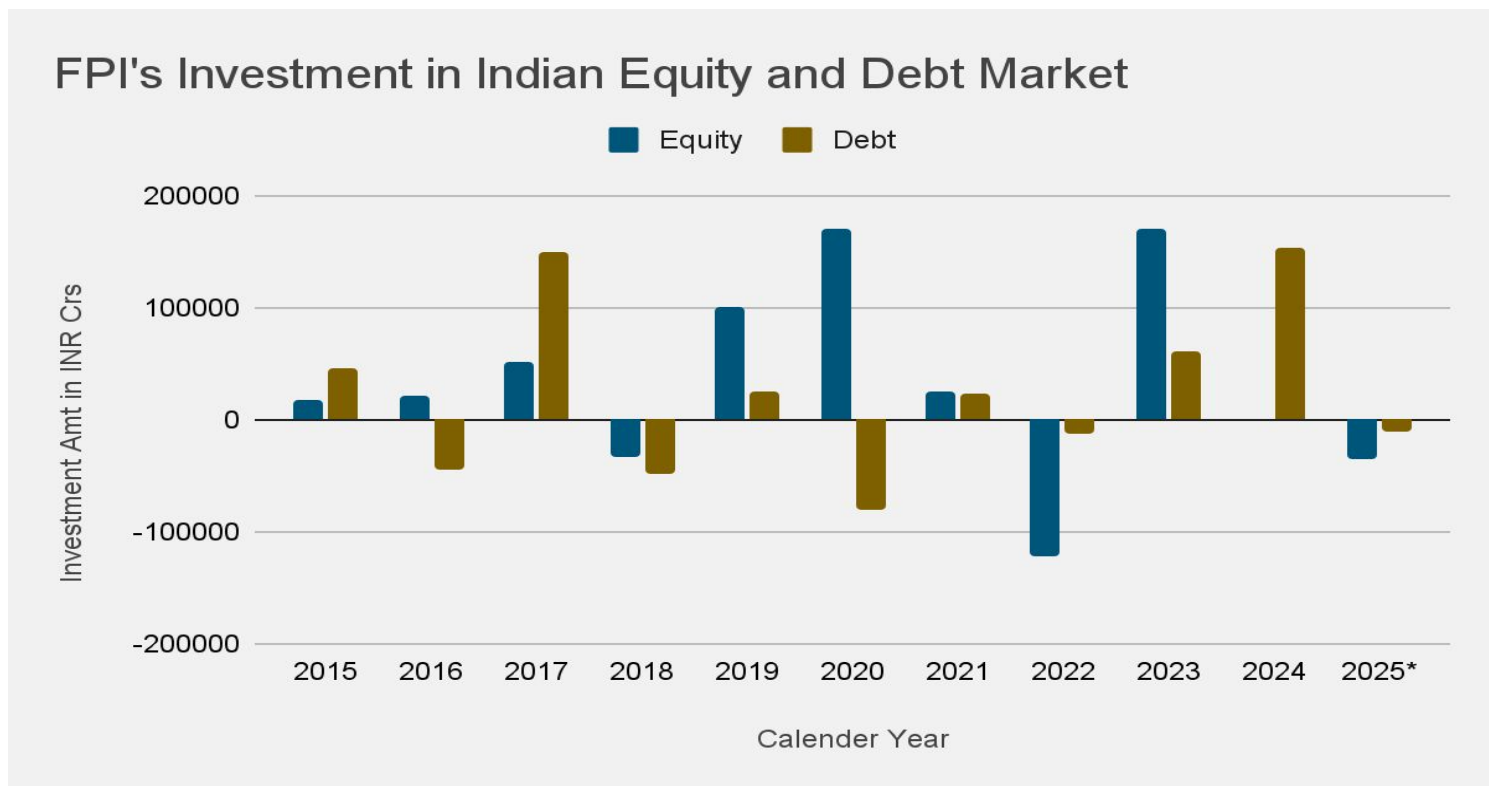
Sector	Amount (Crs)
Oil, Gas & Consumable Fuels	-55,188
Financial Services	-33,959
Automobile and Auto Components	-23,707
Fast Moving Consumer Goods	-20,444
Power	-12038
Construction	-9180
Construction Materials	-9090
Metals & Mining	-1575

*All data considered till 15th January. DII investments include MFs Investments.

Equity Investment Breakdown by Participant



FII's Strategic Investments in Equity and Debt Markets



*All other data is updated till 15th January. DII investments include MF investments.

Source: NSDL, SEBI