

March Market Pulse: Monthly Investment Insights

❖ FPIs Stage a Sharp Comeback in March

- **Modest FPI Outflow in March** - Foreign Portfolio Investors (FPIs) started March on a **bearish** note, pulling out **₹34,400 Cr** in the first 13 trading sessions. However, a dramatic reversal in the last 6 sessions saw inflows almost **₹31,000 Cr**, nearly wiping out the earlier sell-off. Net FPI activity for March stood at a **modest outflow of ₹3,973 Cr** – a significant recovery that reflects improving sentiment and a potential shift in global positioning toward Indian equities.
- **2025 Off to a Rough Start: FPIs Pull Out ₹1.16 Lakh Cr YTD** – With March ending in modest outflows, FPIs have now withdrawn a staggering **₹1,16,574 Cr** from Indian equities in the 2025 calendar year so far.
- **Debt Draws FPIs: March Sees Highest Inflows of 2025** - FPIs poured **₹37,789 Cr** into the Indian debt market in March – **the highest monthly inflow** so far in the 2025 calendar year. This aggressive buying spree lifted total FPI investment in debt to **₹48,877 Cr YTD**, highlighting their growing preference for fixed income amid expectations of global rate cuts and currency stability.

❖ DIIs Stay Aggressive While Mutual Funds Ease Off in March

- **DIIs Step Up, Absorb FPI Outflows** - Amid heavy FPI selling during the initial trading days of March, DIIs emerged as a strong pillar of support for Indian equities. DIIs infused **₹37,586 Cr** into the market during the month, effectively offsetting the foreign outflows. With **YTD investments** touching **₹1,89,031 Cr**, their steady buying showcases unwavering confidence in the India growth story and continues to provide a stabilizing force in volatile times.
- **Mutual Funds Hit the Brakes in March** - After aggressive buying in **January** and **February** (each over **₹40,000 Cr**), mutual funds significantly slowed their equity purchases in **March**, investing just **₹13,459 Cr**. This marks a cautious shift in sentiment or possible portfolio rebalancing. Despite the slowdown, **YTD equity investments** by mutual funds remain strong at **₹1,19,012 Cr**.

Monthly Investment Insights

Tracking Flows by Market Participants

Market Participants	For the month of March		Jan, 2025 - Mar, 2025	
	Equity (Cr)	Debt (Cr)	Equity (Cr)	Debt (Cr)
FPI	(3,973)	37,789	(116,574)	48,877
DII	37,586	-	189,031	-
Mutual Funds	13,459	(80,570)	119,012	(198,134)

*DII investments include MFs Investments.

Indian Benchmark Indices: Tracking Performance

Absolute Returns: A Snapshot of Indices Performance(%)

Benchmark	March	YTD
Sensex	5.76	(0.93)
Nifty 50	6.30	(0.53)
Nifty Midcap 150	7.72	(9.56)
Nifty Smallcap 250	9.10	(14.92)

Source: NSDL, SEBI, NSE

Mapping FPI Investments: Sector-wise Insights in Indian Equities

❖ Sector Shuffle: FPI Flows in March & YTD 2025

- **Big Bets on Financials & Telecom in March** - FPIs invested ₹14,274 Cr in Financial Services, making it the top-performing sector in March. Telecommunication followed with ₹3,073 Cr and Metals & Mining drew ₹1,901 Cr. Realty, Chemicals, Media, and Healthcare also saw smaller inflows.
- **Tech & FMCG Face the Heat** - Information Technology saw the highest selling pressure in March with outflows of ₹8,451 Cr, while FMCG followed with ₹5,593 Cr in withdrawals. Other sectors like Oil & Gas, Consumer Services, and Auto Components also witnessed sizable exits.
- **YTD: FMCG & Financials See Maximum Pullout** - From January to March 2025, FPIs pulled out ₹17,925 Cr from FMCG and ₹17,662 Cr from Financial Services. Consumer Services, IT, and Auto Components were also hit by consistent selling.
- **Selective Buying Shows Long-Term Conviction** - Despite net outflows, FPIs showed focused buying in select sectors. Telecommunication led with ₹11,215 Cr YTD inflow, followed by interest in Chemicals, Media & Entertainment, and Textiles—highlighting confidence in India's domestic growth stories.

Sector-Wise FPI Equity Purchases in March	
Sector	Amount (Cr)
Financial Services	14,274
Telecommunication	3,073
Metals & Mining	1,901
Realty	585
Services	578
Chemicals	491
Media, Entertainment & Publication	446
Healthcare	89

Sector-Wise FPI Equity Sales in March	
Sector	Amount (Cr)
Information Technology	(8,451)
Fast Moving Consumer Goods	(5,593)
Oil, Gas & Consumable Fuels	(3,419)
Consumer Services	(3,058)
Automobile and Auto Components	(2,864)
Construction Materials	(1,597)
Consumer Durables	(1,518)
Diversified	(317)

Sector-Wise FPI Equity Purchases from Jan-Mar, 25	
Sector	Amount (Cr)
Telecommunication	11,215
Chemicals	1,275
Media, Entertainment & Publication	648
Textiles	559

Sector-Wise FPI Equity Sales from Jan-Mar, 25	
Sector	Amount (Cr)
Fast Moving Consumer Goods	(17,925)
Financial Services	(17,666)
Consumer Services	(14,262)
Information Technology	(14,117)
Automobile and Auto Components	(12,656)
Capital Goods	(10,460)
Oil, Gas & Consumable Fuels	(8,368)
Consumer Durables	(7,608)

*All data is updated as of 31st March. DII investments include MF investments.

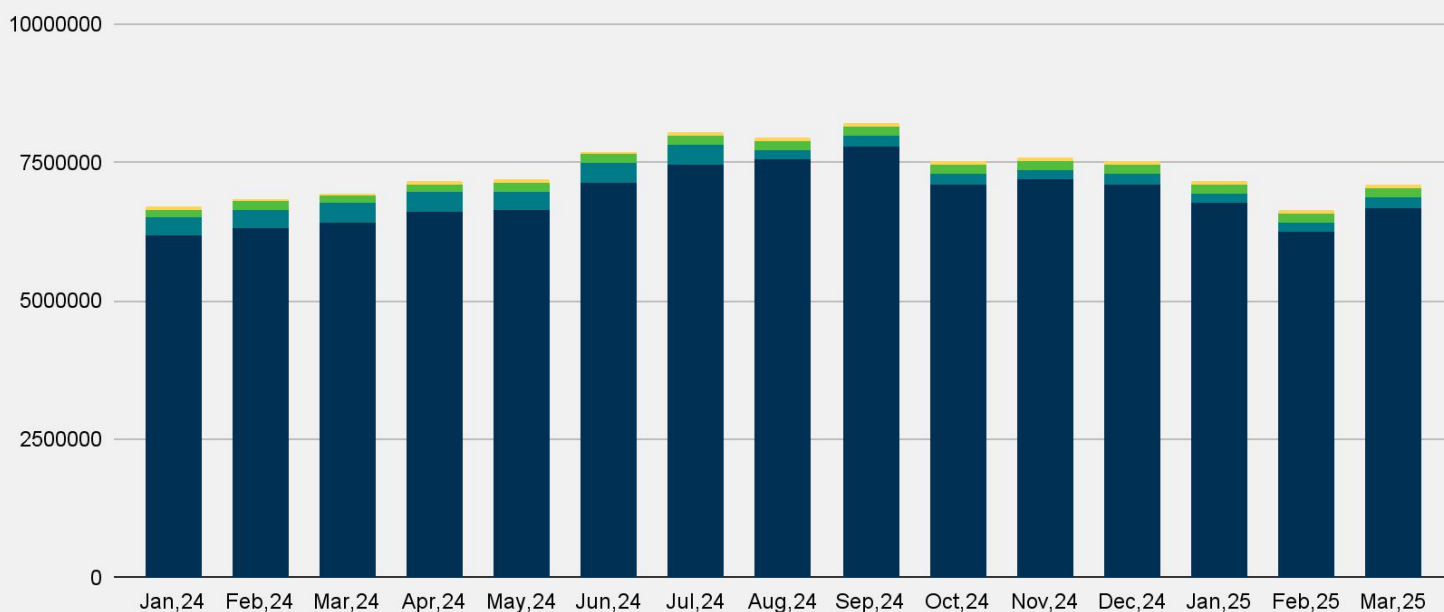
Tracking FPI's AUC in Indian Markets

FPI AUC Surges in March: Equity and Debt Both on the Rise

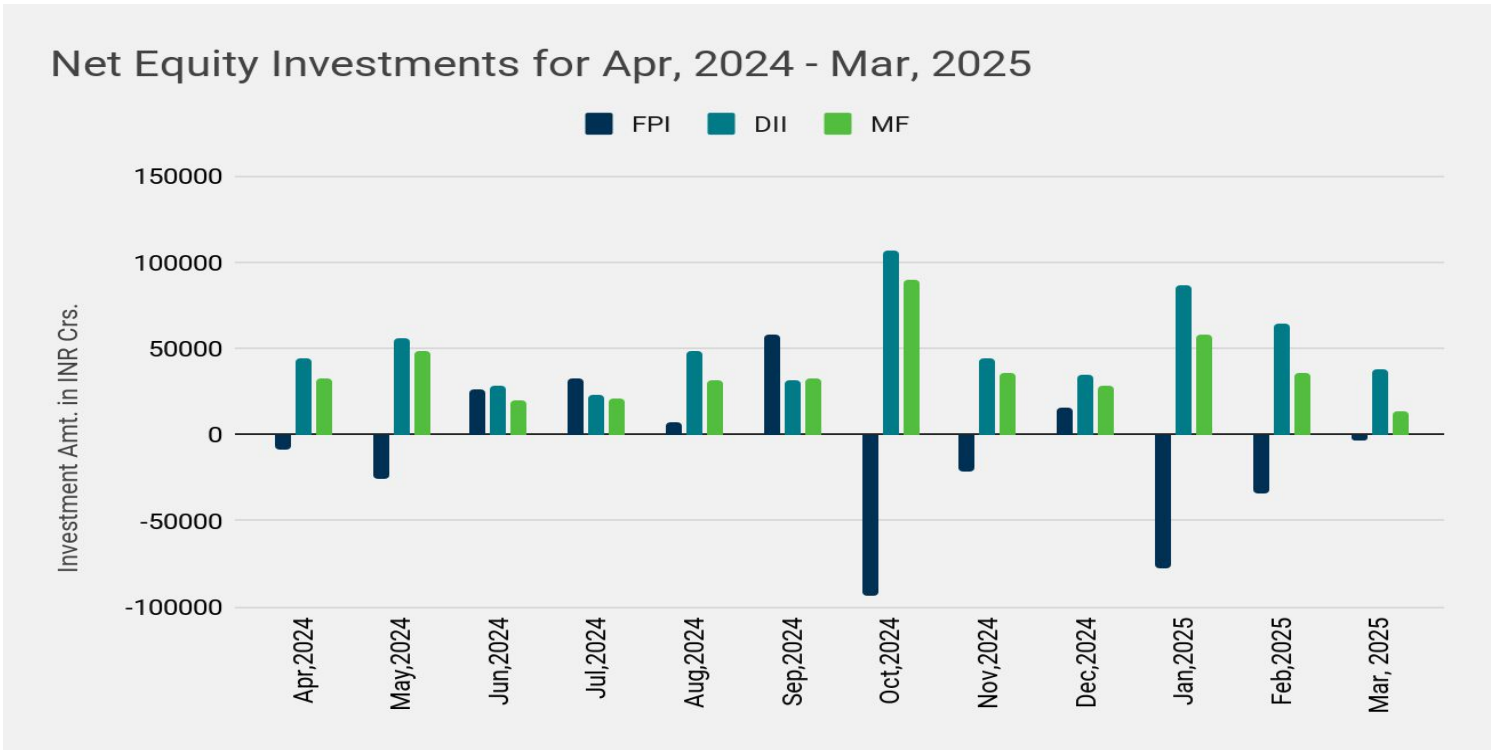
- **FPIs' equity Assets Under Custody (AUC)** rose from ₹62.38 Lakh Cr in February to **₹66.80 Lakh Cr in March, marking a 7.09% growth**. This rise reflects improved sentiment and buying interest, especially in Financial Services and Telecom sectors.
- **Debt AUC Sees Solid Uptick** - Debt AUC saw a healthy **6.59%** increase, largely driven by strong inflows into the Debt FAR segment, which rose from ₹2,54,813 Cr to **₹2,83,628 Cr**. This points to growing foreign investor interest in Indian debt amid favorable macro signals and index inclusion buzz.
- **Total FPI AUC Crosses ₹73.76 Lakh Cr** - Overall FPI AUC (including equity, debt, hybrid, MF segments, AIFs, etc.) grew from ₹68.96 Lakh Cr in February to **₹73.76 Lakh Cr in March** – an absolute increase of over ₹4.8 Lakh Cr, highlighting broad-based optimism.
- **MFs & Hybrids Remain Stable** - There was minor movement in mutual fund-linked AUCs and hybrid instruments, suggesting FPIs remain focused primarily on core equity and debt strategies during the month.

Asset Under Custody(AUC) of FPIs (INR Cr)

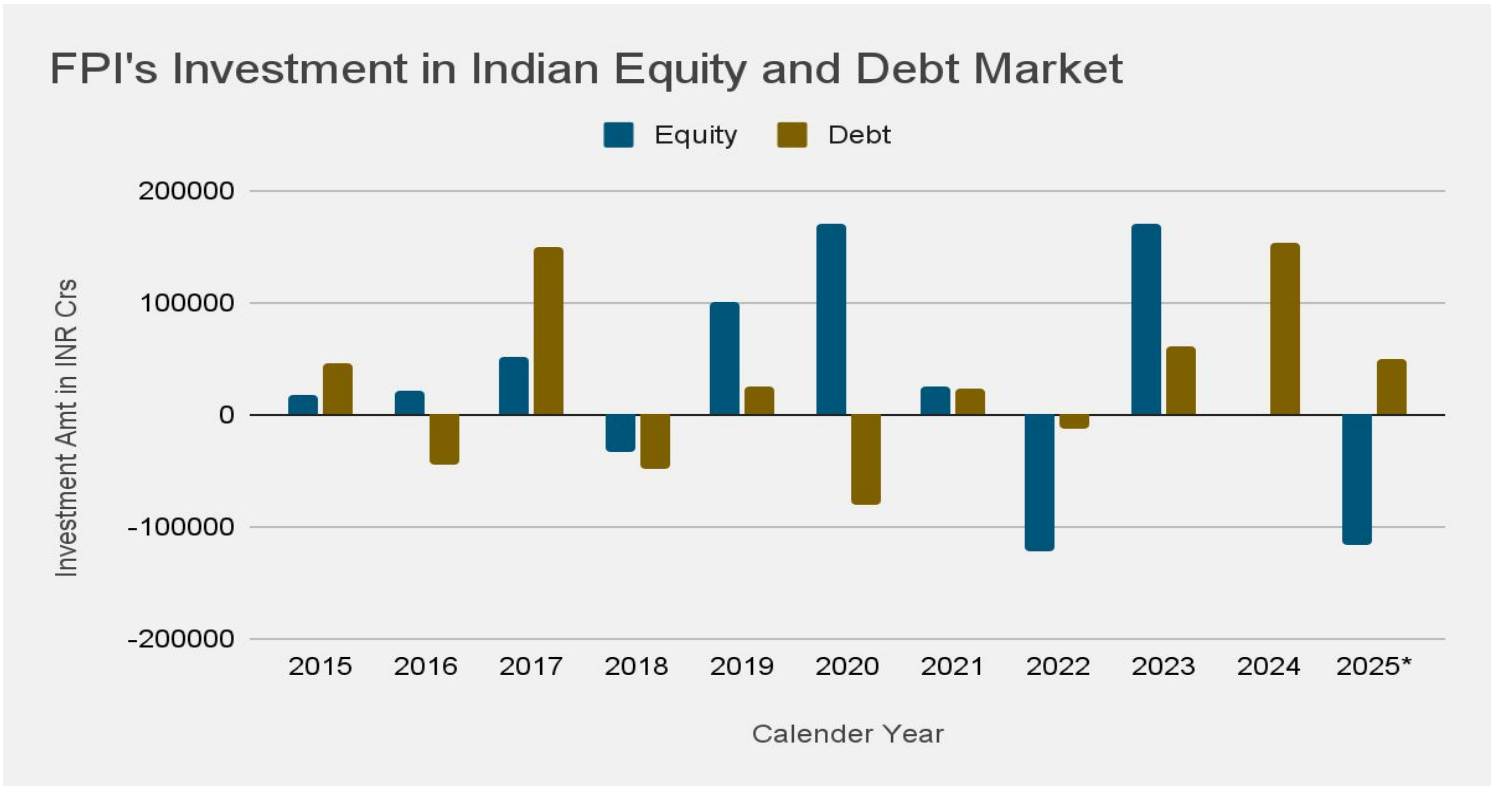
Others Debt VRR Debt General Equity



Equity Investment Breakdown by Participant



FPI's Strategic Investments in Equity and Debt Markets



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Source: NSDL, SEBI