

May Market Pulse: Fortnightly Investment Insights

- ❖ **FPIs Turn Steady Buyers Since Mid-April; Debt Sees Continued Outflows**
 - Foreign Portfolio Investors infused **₹12,873 Cr into Indian equities** in the first half of May, extending their buying streak that began on **April 15th**. Remarkably, they have been **net buyers on 20 out of 21 trading sessions**, accumulating a total of **₹56,770 Cr since April 15**, with strong focus on financials and capex themes.
 - However, the **debt segment** witnessed an outflow of **₹6,311 Cr**, likely due to rising U.S. bond yields and profit-booking in Indian fixed income instruments.
 - On a year-to-date basis, FPIs are still **net equity sellers with ₹99,478 Cr outflow**, but they have invested **₹18,182 Cr in debt**, indicating persistent interest in Indian bonds amid expectations of global rate cuts.
- ❖ **DII Support Stays Strong – Relentless Equity Buying Continues**
 - Domestic Institutional Investors remained strong market anchors, investing **₹18,111 Cr in equities** in just the first half of May. Their **YTD equity inflows have surged to ₹2.35 lakh Cr**, reflecting robust SIP flows, strong retail participation and sustained domestic conviction in India's growth story.
- ❖ **Mutual Funds: Equity Heavyweights**
 - Mutual funds added **₹17,511 Cr to equities** in the first 15 days of May, contributing the bulk of DII inflows. So far in 2025, mutual funds have invested **₹1.54 lakh Cr in equities**, showcasing a clear shift in preference toward equity markets.
- ❖ **Index Rally in May Led by Smallcaps**
 - All major indices ended the first half of May in green, with **Nifty Smallcap 250** rising **5.21%** and **Midcap 150** up **4.57%**, outperforming Sensex (2.85%) and Nifty 50 (2.99%). However, **YTD returns tell a mixed story**: while **Nifty 50 (+5.99%)** and **Sensex (+5.62%)** are in the green, **Midcap (-1.70%)** and **Smallcap (-8.97%)** remain in the red.

Fortnightly Investment Insights

Tracking Investments of Market Participants

Market Participants	For the Period 1st May, 2025 to 15th May, 2025		For the Period 1st Jan, 2025 to 15th May, 2025	
	Equity (Cr)	Debt (Cr)	Equity (Cr)	Debt (Cr)
FPI	12,873	(6,311)	(99,478)	18182
DII	18,111	-	235,371	-
Mutual Funds	17,511	(41,038)	154,585	(263,026)

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

Absolute Returns: A Snapshot of Indices Performance(%)

Benchmark	First Half of May	YTD
Sensex	2.85	5.62
Nifty 50	2.99	5.99
Nifty Midcap 150	4.57	(1.70)
Nifty Smallcap 250	5.21	(8.97)

Mapping FPI Investments: Sector-wise Insights in Indian Equities

- ❖ **FPI Buying Spree in Early May 2025– Financials, Infra & Energy in Focus**
 - Foreign investors turned selectively positive in early May, infusing over ₹17,570 Cr into Indian equities. The lion's share went to Financial Services (₹4,728 Cr), followed by strong allocations to Capital Goods (₹2,233 Cr), Oil & Gas (₹2,130 Cr) and Services (₹1,762 Cr).
 - Auto, Telecom, and Chemicals also saw steady inflows, indicating preference for domestic cyclical and infrastructure plays.
- ❖ **FPI Selling in First Half of May 2025 – Defensive & Real Assets Witness Outflows**
 - Despite select inflows, FPIs exited defensives like FMCG (₹1,057 Cr), Healthcare (₹606 Cr) and Consumer Durables (₹622 Cr). Realty and Power too saw selling of ₹842 Cr and ₹720 Cr respectively.
- ❖ **FPI Bets in 2025 So Far: Telecom Tops the Chart**
 - For the calendar year till mid-May, FPIs invested nearly ₹27,267 Cr across key sectors. Telecom (₹16,900 Cr) led the inflows by a wide margin, with Financial Services (₹5,471 Cr) and Chemicals (₹2,983 Cr) following suit. Smaller but positive flows were seen in Media, Services and Textiles, reflecting niche strategic interests.
- ❖ **FPI Sectoral Selloff Till Now in 2025 – Tech & Consumption Drag Down Sentiment**
 - Total FPI outflows this year touched a massive ₹1,33,958 Cr, with the biggest exits in Information Technology (₹29,041 Cr), FMCG (₹16,065 Cr), and Auto Components (₹14,253 Cr). Sizable selling also occurred in Consumer Services, Capital Goods, Durables and Construction-related sectors—marking a cautious stance in broader consumption and infra-linked bets.

Sector-Wise FPI Equity Purchases: 1st–15th May 2025		Sector-Wise FPI Equity Sales: 1st–15th May 2025	
Sector	Amount (Cr)	Sector	Amount (Cr)
Financial Services	4,728	Fast Moving Consumer Goods	(1,057)
Capital Goods	2,233	Realty	(842)
Oil, Gas & Consumable Fuels	2,130	Power	(720)
Services	1,762	Consumer Durables	(622)
Automobile and Auto Components	1,610	Healthcare	(606)
Consumer Services	1,240	Construction	(190)
Telecommunication	1,037	Textiles	(92)
Chemicals	833	Forest Materials	(12)

Sector-Wise FPI Equity Purchases from Jan-*May, 25		Sector-Wise FPI Equity Sales from Jan-*May, 25	
Sector	Amount (Cr)	Sector	Amount (Cr)
Telecommunication	16,900	Information Technology	(29,041)
Financial Services	5,471	Fast Moving Consumer Goods	(16,065)
Chemicals	2,983	Automobile and Auto Components	(14,253)
Media, Entertainment & Publication	852	Consumer Services	(11,225)
Services	738	Construction	(9,555)
Textiles	323	Capital Goods	(8,302)
		Consumer Durables	(8,291)
		Construction Materials	(7,553)

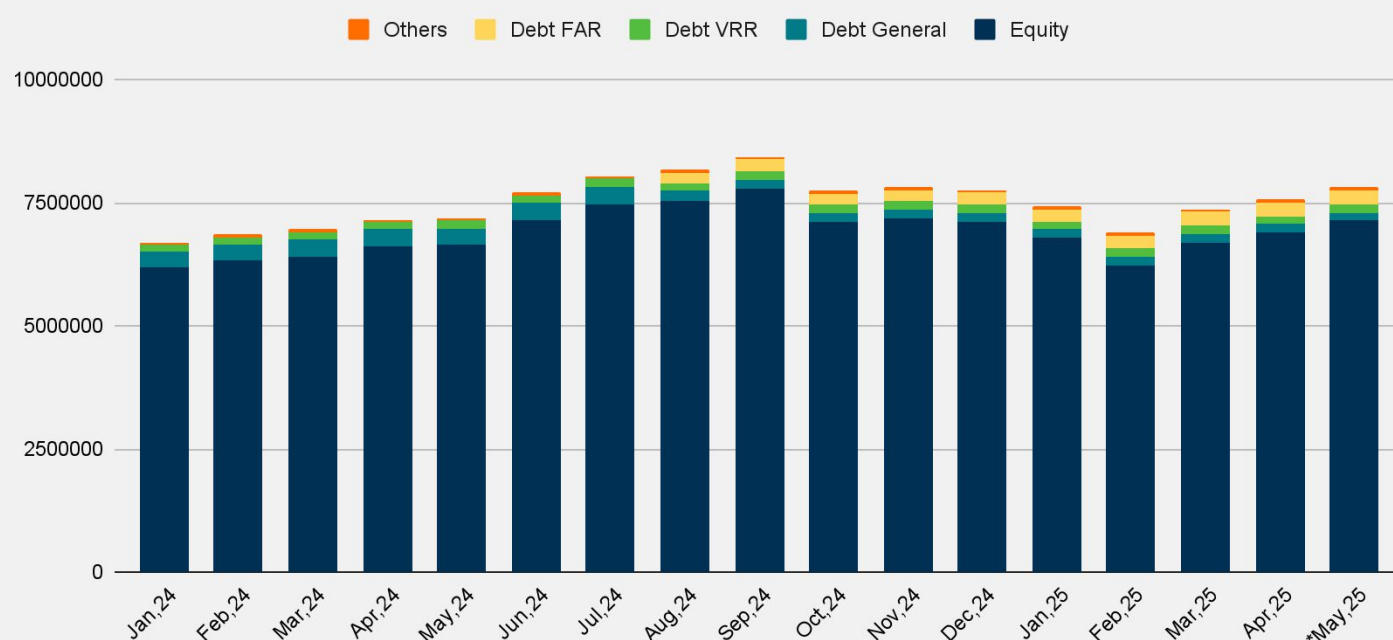
*All data considered till 15th May. DII investments include MFs Investments.

Tracking FPI's AUC in Indian Markets

FPI AUC Rises Sharply in First Half of May 2025, Driven by Equity Gains

- ❖ In the first half of May 2025, **Foreign Portfolio Investors' Assets Under Custody (AUC)** rose to **₹78.06 Lakh Cr**, up from ₹75.72 Lakh Cr in April, marking a **robust monthly increase of ₹2.34 Lakh Cr**.
- ❖ **Equity AUC** grew significantly by ₹2.38 Lakh Cr, from ₹68.94 Lakh Cr in April to **₹71.32 Lakh Cr** in the first half of May, reflecting strong price appreciation and sustained buying since mid-April.
- ❖ **Debt AUC was mixed:**
 - Debt – General declined slightly from ₹1.70 Lakh Cr to ₹1.64 Lakh Cr.
 - Debt – VRR and FAR holdings remained mostly steady around ₹1.64 Lakh Cr and ₹2.80 Lakh Cr respectively.
- ❖ **The rise in total AUC** underscores renewed FPI confidence in Indian equities, while debt allocations continue to tread cautiously amid global yield uncertainties.

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

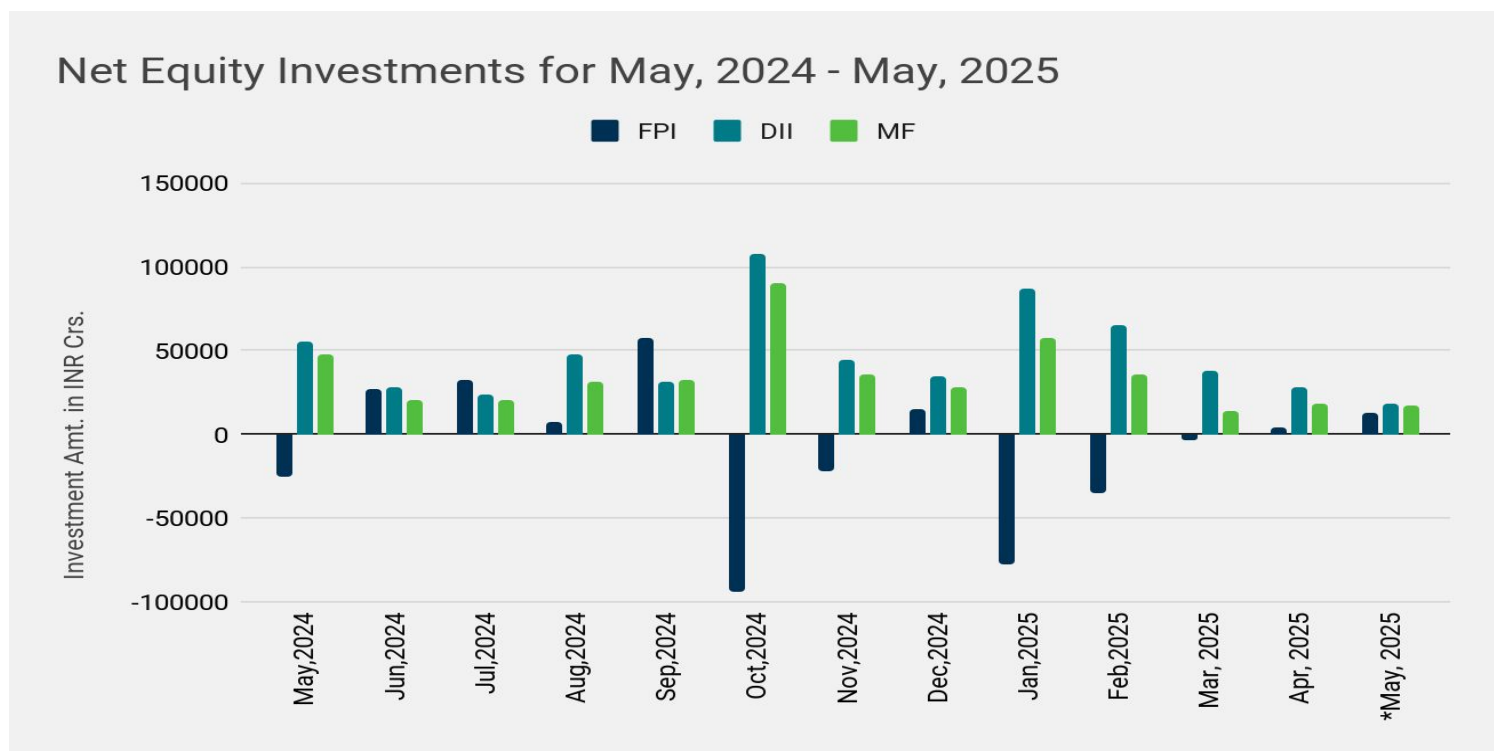


Debt Investment Utilisation Status

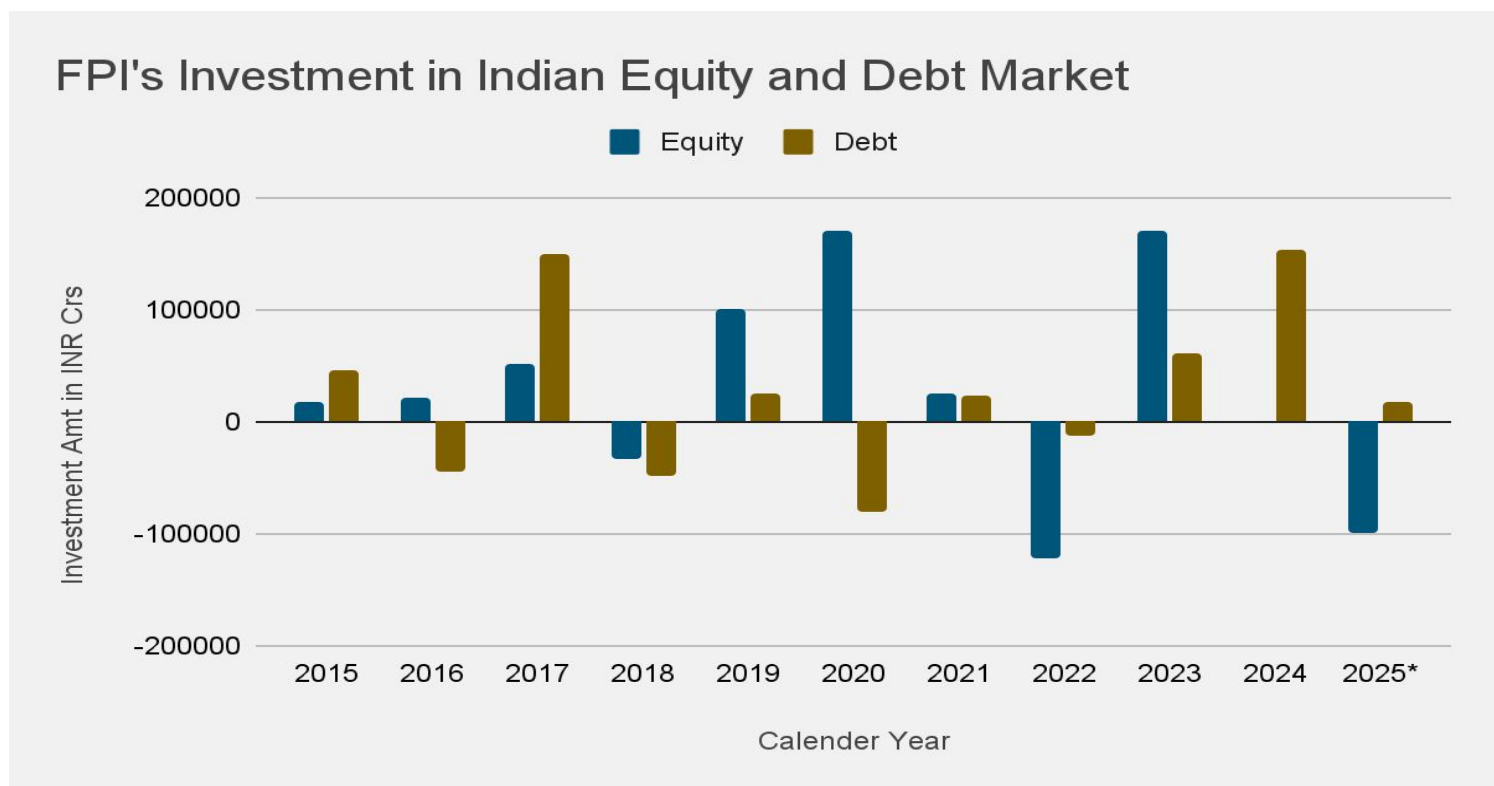
Instrument Type	Eligible Foreign Investors	Upper Limit (INR Cr)	Investment (INR Cr)	Unutilised Blocks (INR Cr)	Total Investment (INR Cr)	% of Limits Utilised	Limit Available for Investment
Central Government Securities	General	279236	53173	645	53818	19	225418
Central Government Securities	Long Term	148236	4739	0	4739	3	143497
State Government Securities	General	126248	996	0	996	1	125252
State Government Securities	Long Term	7100	0	0	0	0	7100
Corporate Bonds	All	763503	109142	0	109142	14	654361

*All data is updated till 15th May.

Equity Investment Breakdown by Participant



FII's Strategic Investments in Equity and Debt Markets



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

Source: NSDL, SEBI