

## May Market Pulse: Monthly Investment Insights

### Market Movers in May: FPIs Return, DIIs Dominate, MFs Reshape Portfolios

May 2025 witnessed a notable shift in market sentiment as key institutional players—FPIs, DIIs and Mutual Funds—realigned their strategies across equities and debt. Their collective actions offer valuable insights into the evolving investment landscape.

#### ❖ FPIs Turn Net Buyers in May

- **FPIs Clock 2025's Best Monthly Inflow:** After a cautious start to 2025, Foreign Portfolio Investors (FPIs) reversed their trend in May with **net equity inflows of ₹19,860 Cr—their highest monthly investment this year.**
- **Falling Yields Draw FPI Debt Inflows:** FPIs also **added ₹12,155 Cr to Indian debt**, signalling renewed confidence amid easing global yields and domestic liquidity support.
- **YTD Snapshot:** FPIs remain net equity sellers on a year-to-date basis, with total **outflows of ₹92,491 Cr**, while debt investments have touched ₹36,648 Cr during the same period.

#### ❖ DIIs: Maintain Strong Support

- **DIIs Record One of the Strongest Monthly Buys:** Domestic Institutional Investors (DIIs) continued their robust buying streak, pumping **₹67,642 Cr** into equities during May 2025. This marks **one of their strongest monthly investments in the past year**, further reinforcing their role as a stabilizing force amid FPI volatility.
- **YTD Snapshot:** For the calendar year to date, DIIs have **infused a massive ₹2.85 Lakh Cr** into equities, showing persistent confidence in India's growth story despite global uncertainties.

#### ❖ Mutual Funds Stay Resilient

- **MFs Clock 4-Month High in Equity Buys:** Mutual Funds registered **net equity inflows of ₹56,302 Cr** in May 2025—nearly three times higher than April—marking **their strongest monthly equity investment in four months.** This surge reflects renewed investor appetite driven by steady SIP flow.
- **YTD Snapshot:** Cumulatively, Mutual Funds have **infused ₹1.93 Lakh Cr** into equities between January and May 2025.

## Monthly Investment Insights

### Tracking Flows by Market Participants

Market Participants	For the month of May						Jan, 2025 - May, 2025	
	Equity (Cr)			Debt (Cr)			Equity (Cr)	Debt (Cr)
	1st - 15th	16th - 31st	Total	1st - 15th	16th - 31st	Total		
FPI	12,873	6,987	19,860	(6,311)	18,466	12,155	(92,491)	36,648
DII	18,111	49,531	67,642	-	-	-	284,901	-
Mutual Funds	17,511	38,792	56,302	(41,038)	(44,538)	(85,576)	193,376	(307,564)

\*DII investments include MFs Investments.

Source: NSDL, SEBI, NSE

## Mapping FPI Investments: Sector-wise Insights in Indian Equities

FPIs Shift Gears in May: Favour Telecom, Services & Industrials; Exit IT, Power & Healthcare

### ❖ Sectors That Attracted FPI Flows

- **Telecom, Services & Capital Goods Lead the Pack:** FPIs showed strong bullishness in **Telecommunication** (₹8,089 Cr), **Services** (₹7,972 Cr), and **Capital Goods** (₹5,327 Cr)—with most flows concentrated in the second half of May, driven by optimism in digital infrastructure, outsourcing and industrial growth.
- **Financials, Oil & Gas, and Chemicals Draw Steady Interest:** Financial Services saw **₹4,028 Cr** in net inflows, despite second-half profit-taking. Oil & Gas attracted **₹2,520 Cr**, while Chemicals drew **₹1,308 Cr**, signaling interest in core economy and energy-related sectors.
- **Recovery Noted in FMCG & Construction Materials:** After a weak start, FMCG reversed losses to close with **₹815 Cr** in net buying. Construction Materials received **₹575 Cr**, indicating a slow but steady accumulation.

### ❖ Sectors Facing the Heat

- FPIs reduced their exposure in defensive and interest-rate sensitive sectors. **Healthcare** led the outflows with ₹2,614 Cr, followed by **Power** (₹2,494 Cr) and **Information Technology** (₹2,436 Cr).
- **Consumer Durables, Realty, and Consumer Services** also saw net selling between ₹491 Cr and ₹1,734 Cr.
- Smaller sectors like **Textiles, Diversified** and **Construction Services** witnessed minimal activity.

Sector-Wise FPI Equity Purchases: May 2025 (Amount in Crs)				Sector-Wise FPI Equity Sales: May 2025 (Amount in Crs)			
Sector	1st - 15th	16th - 30th	Total	Sector	1st - 15th	16th - 30th	Total
Telecommunication	1,037	7,052	8,089	Healthcare	(606)	(2,008)	(2,614)
Services	1,762	6,210	7,972	Power	(720)	(1,774)	(2,494)
Capital Goods	2,233	3,094	5,327	Information Technology	289	(2,725)	(2,436)
Financial Services	4,728	(700)	4,028	Consumer Durables	(622)	(1,112)	(1,734)
Oil & Gas	2,130	390	2,520	Realty	(842)	(822)	(1,664)
Chemicals	833	475	1,308	Consumer Services	1,240	(1,731)	(491)
FMCG	(1,057)	1,872	815	Diversified	(1)	(111)	(112)
Construction Materials	155	420	575	Textiles	(92)	3	(89)

Sector-Wise FPI Equity Purchases from Jan-May, 25		Sector-Wise FPI Equity Sales from Jan-May, 25	
Sector	Amount (Crs)	Sector	Amount (Crs)
Telecommunication	23,952	Information Technology	(31,766)
Services	6,948	Automobile and Auto Components	(15,762)
Financial Services	4,771	Fast Moving Consumer Goods	(14,193)
Chemicals	3,458	Consumer Services	(12,956)
Media, Entertainment & Publication	897	Consumer Durables	(9,403)
Textiles	326	Power	(9,111)
		Construction	(9,098)
		Healthcare	(9,087)

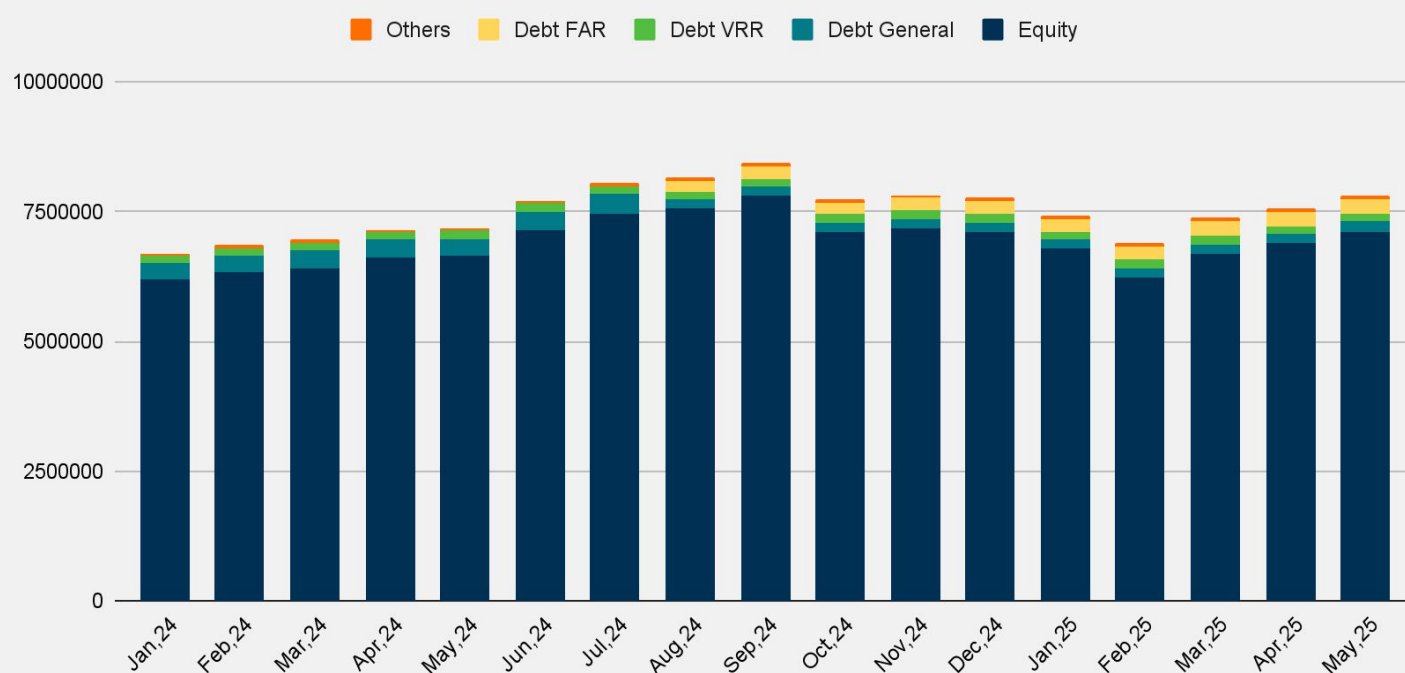
\*All data is updated as of 31st May. DII investments include MF investments.

## Tracking FPI's AUC in Indian Markets

### FPI Holdings Rebound in May: Equity & Debt Rise Together

- **Total Foreign Portfolio Investors AUC( Assets Under Custody) rose to ₹78.03 Lakh Cr in May 2025**, marking a **monthly increase of ₹2.31 Lakh Cr** over April, driven by a pickup in both equity and debt categories.
- **Equity AUC climbed to ₹71.27 Lakh crore**, its **highest level in CY25**, reflecting strong market performance and fresh inflows during the month. Debt segments (General + VRR + FAR) also saw modest gains.
- The recovery follows two volatile months, signaling renewed FPI confidence in Indian assets, particularly after April's steady macro indicators and May's market stability.

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



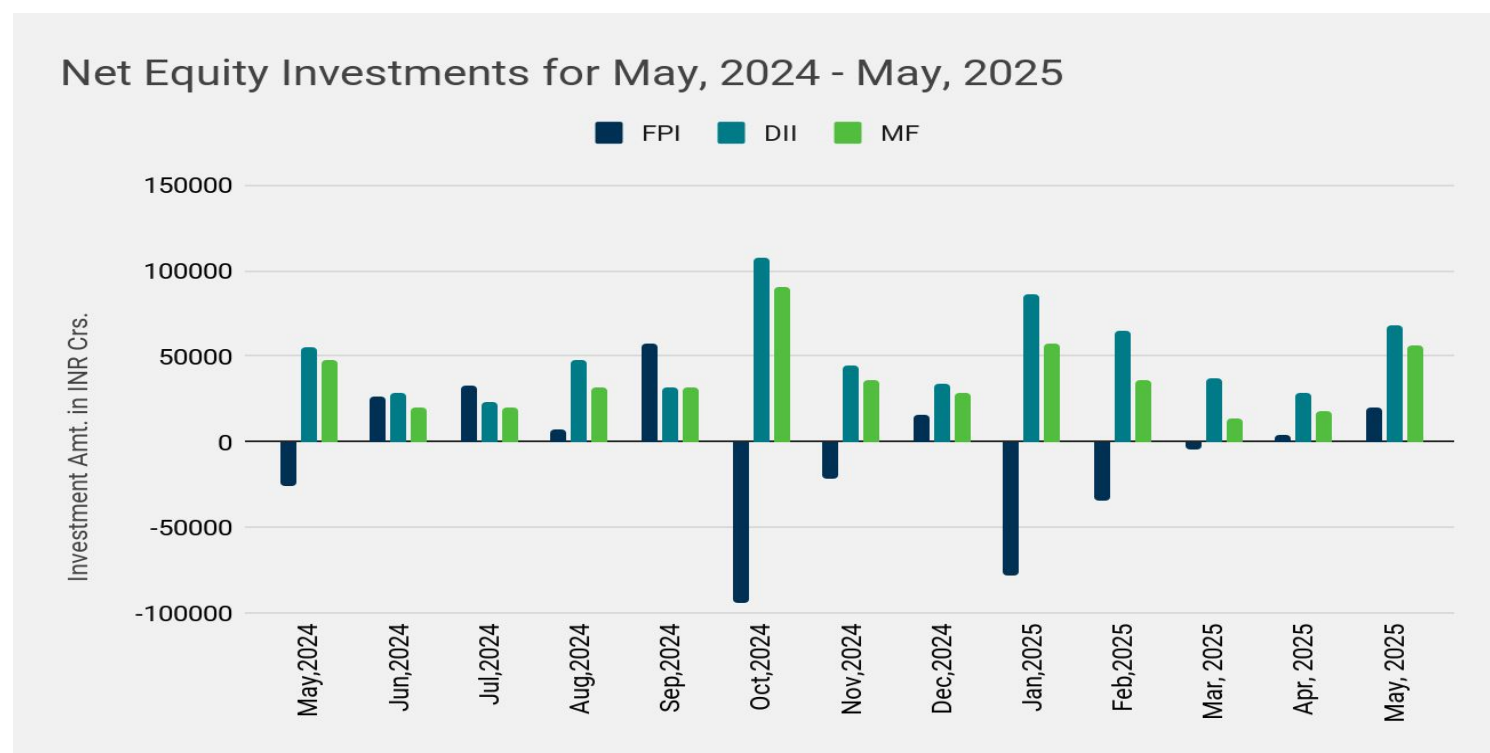
## Indian Benchmark Indices: Tracking Performance

### Absolute Returns: A Snapshot of Indices Performance(%)

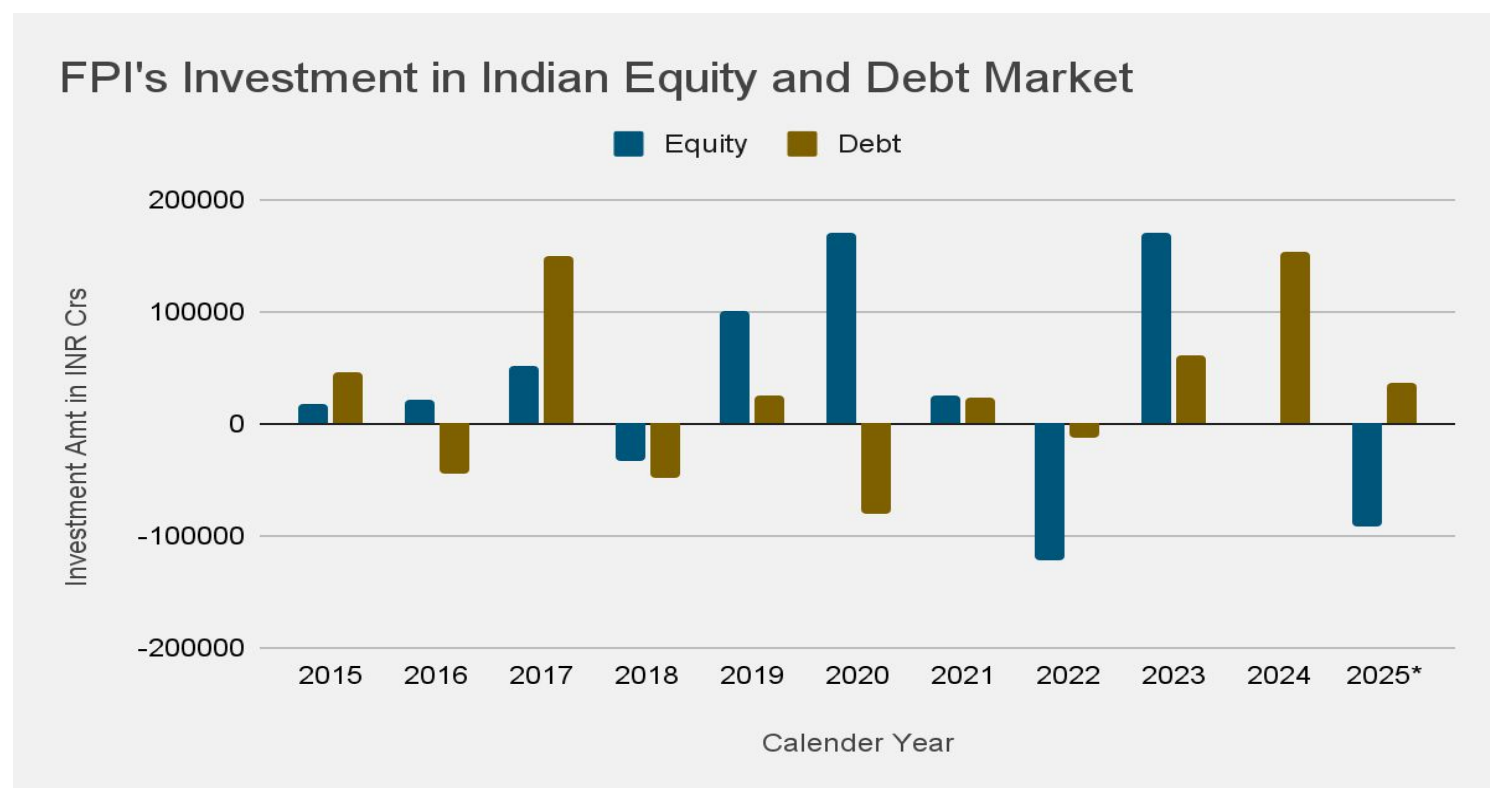
Benchmark	May	YTD
Sensex	1.51	4.24
Nifty 50	1.71	4.68
Nifty Midcap 150	6.30	(0.07)
Nifty Smallcap 250	9.59	(5.18)

**Broader Markets Outshine in May:** Nifty Smallcap 250 and Nifty Midcap 150 surged 9.59% and 6.30%, outperforming Nifty 50 (+1.71%) and Sensex (+1.51%). Despite this rebound, YTD returns remain weak for Midcaps (−0.07%) and Smallcaps (−5.18%) due to earlier corrections.

# Equity Investment Breakdown by Participant



## FPI's Strategic Investments in Equity and Debt Markets



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

Source: NSDL, SEBI