

July Market Pulse: Fortnightly Investment Insights

July Fortnight Review: FPIs Slash Equities, Ramp Up Debt; DIIs & MFs Turn Cautious

- ❖ **FPI Equity Exit Persists: July Begins with Red Ink**
 - **Foreign Portfolio Investors (FPIs)** resumed their **first-half selling streak** in **Indian equities** during **July**, recording **net outflows of ₹1,446 Cr.** This comes **despite net inflows for three straight months** from **April to June**, signaling a cautious shift in sentiment. Notably, **except for May, every first half of the month in 2025** has witnessed **net selling by FPIs.**
 - The **Year-to-Date (YTD) equity outflows** now stand at a staggering **₹79,347 Cr.**
- ❖ **FPI Debt Appetite Holds Steady Amid Volatility**
 - In contrast to their equity stance, **FPIs remained steady buyers for the second consecutive fortnight**, investing in the **Indian debt market** after **heavy selling in the first half of June.** They infused **₹10,609 Cr** in the **first half of July**, continuing their preference for fixed-income assets. This brings their **Year-to-Date (YTD) debt inflows** to **₹24,730 Cr.**
- ❖ **DII Equity Buying Hits Calendar Year Low**
 - **Domestic Institutional Investors (DIIs)** recorded their **lowest fortnightly equity inflow** of **2025** so far, with **net investments of ₹15,746 Cr** in the **first half of July.** Despite remaining **net buyers overall**, the tempered flow signals a more **cautious approach** amid a **lackluster equity performance.** YTD, **DII equity investments** have soared to **₹3.73 Lakh Cr.**
- ❖ **Mutual Funds Play Safe: Lowest Equity Buying, Higher Debt Allocation**
 - **Mutual Funds** moderated their **equity allocations sharply**, registering **net inflows of only ₹11,948 Cr** in the **first half of July**—their **lowest fortnightly deployment** this **calendar year.** Simultaneously, they **parked ₹7,525 Cr into debt**, showing a **tactical pivot toward fixed-income** amid **market consolidation.** YTD **equity investments** by **MFs** stand at **₹2.51 Lakh Cr.**

Fortnightly Investment Insights

Tracking Investments of Market Participants				
Market Participants	For the Period 1st Jul, 2025 to 15th Jul, 2025		For the Period 1st Jan, 2025 to 15th Jul, 2025	
	Equity (Cr)	Debt (Cr)	Equity (Cr)	Debt (Cr)
FPI	(1,446)	10,609	(79,347)	24,730
DII	15,746	-	373,321	-
Mutual Funds	11,948	7,525	250,843	(330,951)

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

Absolute Returns: A Snapshot of Indices Performance(%)		
Benchmark	First Half of July	YTD
Sensex	-1.24	5.67
Nifty 50	-1.26	6.56
Nifty Midcap 150	-0.06	3.94
Nifty Smallcap 250	0.87	1.13

Mapping FPI Investments: Sector-wise Insights in Indian Equities

- ❖ **FPI Selloff Hits IT and FMCG: Defensive Sectors See Heavy Profit Booking**
 - The **Information Technology** sector bore the brunt of FPI selling in early July, with massive **outflows of ₹5,479 Cr**, indicating a continuation of profit-booking seen over recent months. **FMCG(₹1,428 Cr)** and **Consumer Durables(₹1,292 Cr)** were the next in line, suggesting that FPIs are turning cautious on defensives amid stretched valuations.
 - Other sectors witnessing notable exits include **Automobiles(₹1,159 Cr)**, **Healthcare(₹757 Cr)**, **Realty, Media** and **Construction**.
- ❖ **FPI Sectoral Buys: Services, Metals and Consumer Plays Shine in July**
 - During the first half of **July 2025**, FPIs showed **selective buying interest**, primarily in domestic-facing and infrastructure-related sectors. Leading the charge was the **Services sector** with **₹2,733 Cr** of inflows, followed by **Metals & Mining** at **₹1,724 Cr**.
 - **Consumer Services (₹953 Cr)**, **Capital Goods (₹922 Cr)**, **Oil & Gas (₹900 Cr)** and **Financial Services (₹820 Cr)** drew notable FPI interest, along with modest picks in **Telecommunication** and **Textiles**.
- ❖ **FPI Investment Scorecard 2025: Telecom and Financials Lead the Buying Spree**
 - For year-to-date, FPIs favoured **Telecommunication (₹26,968 Cr)**, **Financial Services (₹14,537 Cr)** and **Services (₹10,027 Cr)**, with steady flows into **Chemicals, Media, Textiles** and **Oil & Gas**—highlighting a tilt towards **structural growth** and **domestic demand** themes.
- ❖ **YTD FPI Selling: IT Tops the Exit Chart, FMCG & Power Also on the Radar**
 - YTD, FPIs pulled out heavily from **Information Technology (₹36,079 Cr)**, **FMCG (₹19,606 Cr)** and **Power (₹15,219 Cr)**, with notable exits in **Consumer Durables, Automobiles, Healthcare** and **Construction**—signaling a shift from **defensives** to **domestic cyclical**s and **value picks**.

Sector-Wise FPI Equity Purchases: 1st–15th Jul 2025		Sector-Wise FPI Equity Sales: 1st–15th Jul 2025	
Sector	Amount (Cr₹)	Sector	Amount (Cr₹)
Services	2,733	Information Technology	(5,479)
Metals & Mining	1,724	Fast Moving Consumer Goods	(1,428)
Consumer Services	953	Consumer Durables	(1,292)
Capital Goods	922	Automobile and Auto Components	(1,159)
Oil, Gas & Consumable Fuels	905	Healthcare	(757)
Financial Services	820	Realty	(249)
Telecommunication	283	Media, Entertainment & Publication	(91)
Textiles	234	Construction	(38)

Sector-Wise FPI Equity Purchases from Jan-*Jul, 25		Sector-Wise FPI Equity Sales from Jan-*Jul, 25	
Sector	Amount (Cr₹)	Sector	Amount (Cr₹)
Telecommunication	26,968	Information Technology	(36,079)
Financial Services	14,537	Fast Moving Consumer Goods	(19,606)
Services	10,027	Power	(15,219)
Chemicals	6,018	Consumer Durables	(13,188)
Media, Entertainment & Publication	840	Automobile and Auto Components	(12,197)
Oil, Gas & Consumable Fuels	836	Consumer Services	(10,655)
Textiles	764	Healthcare	(10,247)
		Construction	(9,374)

*All data considered till 15th July

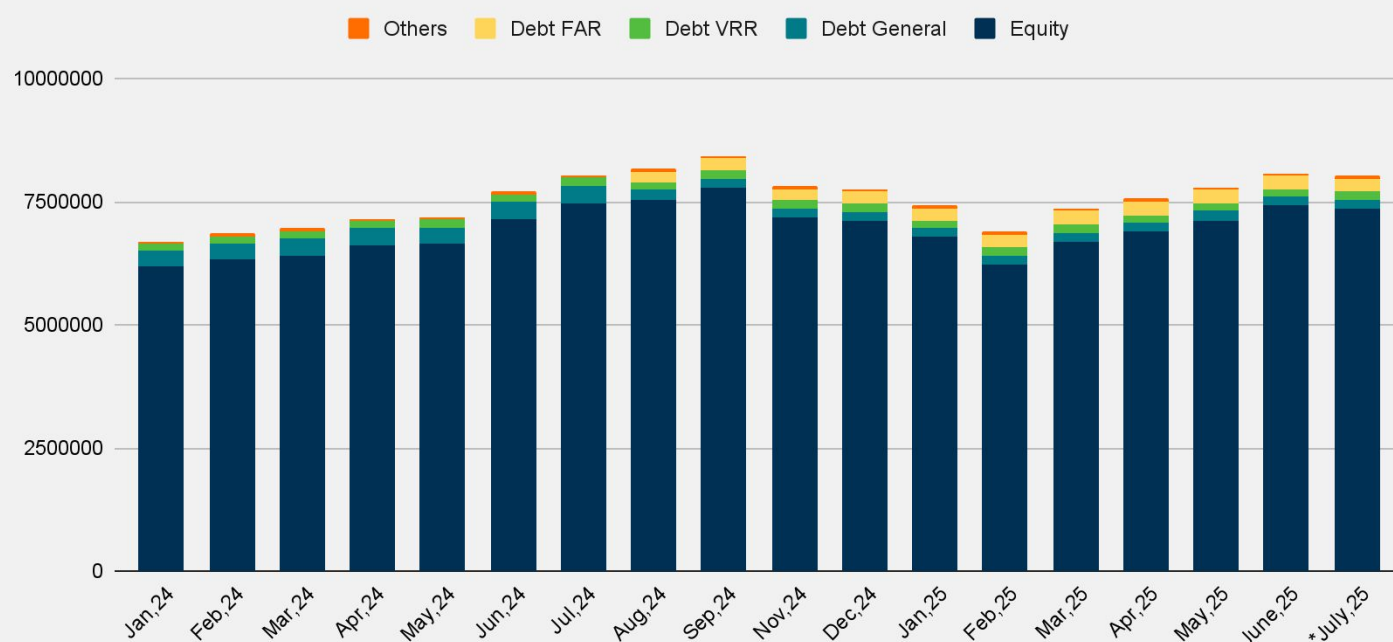
Tracking FPI's AUC in Indian Markets

FPI Investment Snapshot: July 2025 Starts on a Flat Note

- ❖ In the **first half of July 2025**, total FPI investment stood at **₹80.33 Lakh Cr**, largely unchanged from **₹80.83 Lakh Cr** at June-end, reflecting a **muted market environment**.
- ❖ **Equity holdings** declined slightly to **₹73.64 Lakh Cr** from ₹74.19 Lakh Cr in June, aligning with the selling trend in equities observed this month.
- ❖ **Debt General** remained steady at **₹1.78 Lakh Cr**, while **VRR debt** slipped marginally to **₹1.64 Lakh Cr**. **FAR investments** saw a mild uptick to **₹2.60 Lakh Cr**, indicating some incremental interest in long-term sovereign debt.
- ❖ Overall, the numbers indicate a **pause in fresh deployment** as FPIs tread cautiously amid **global rate uncertainty, range-bound domestic equities** and **rebalancing across asset classes**.

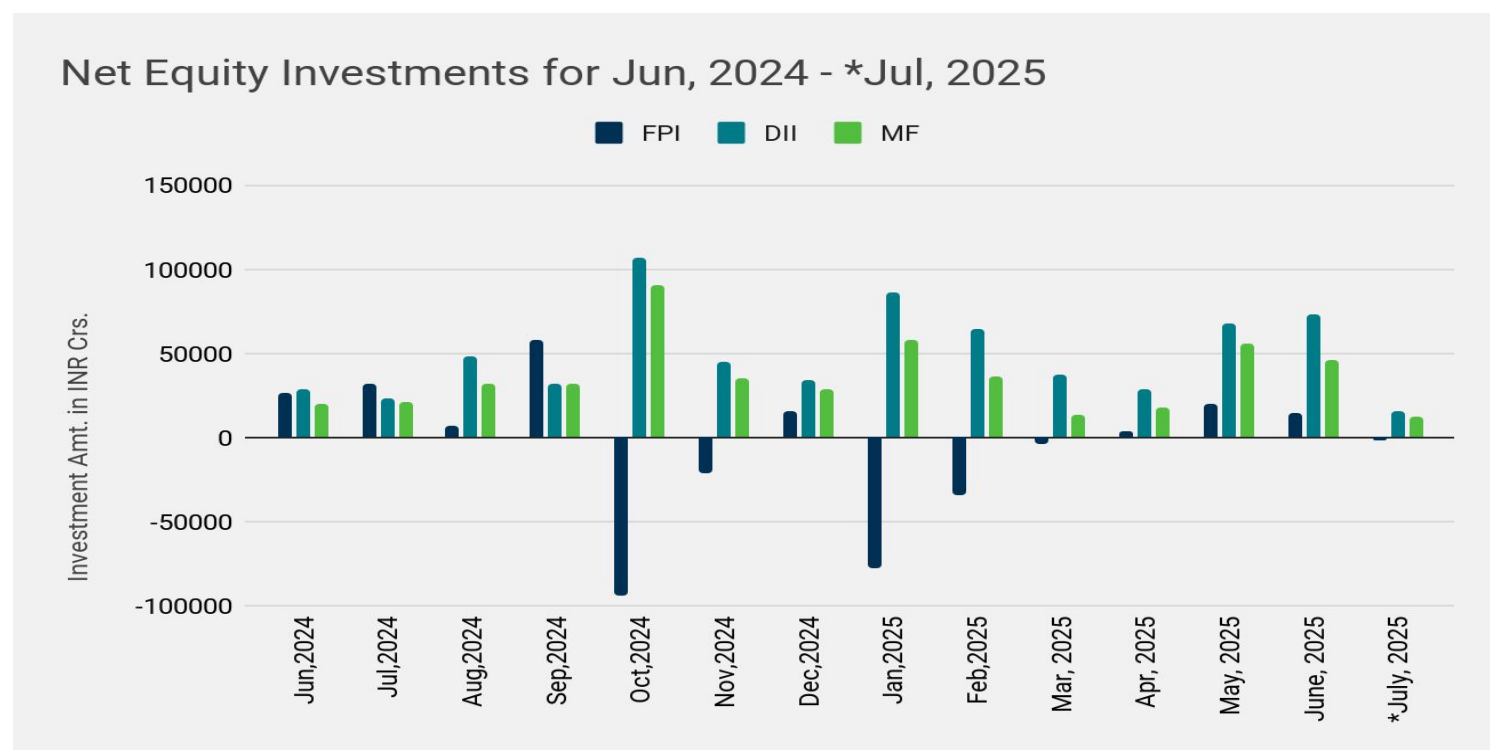
Asset Under Custody(AUC) of FPIs (INR Cr)			
Segment	Mid July, 2025	June, 2025	Change
Equity	7,364,329	7,418,855	(54,526)
Debt General	177,957	178,995	(1,038)
Debt VRR	164,284	164,916	(632)
Corporate Bonds	126,513	126,650	(137)
Debt FAR	259,706	254,079	5,627
Others	66,698	65,902	796
Total	8,032,974	8,082,747	(49,773)

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

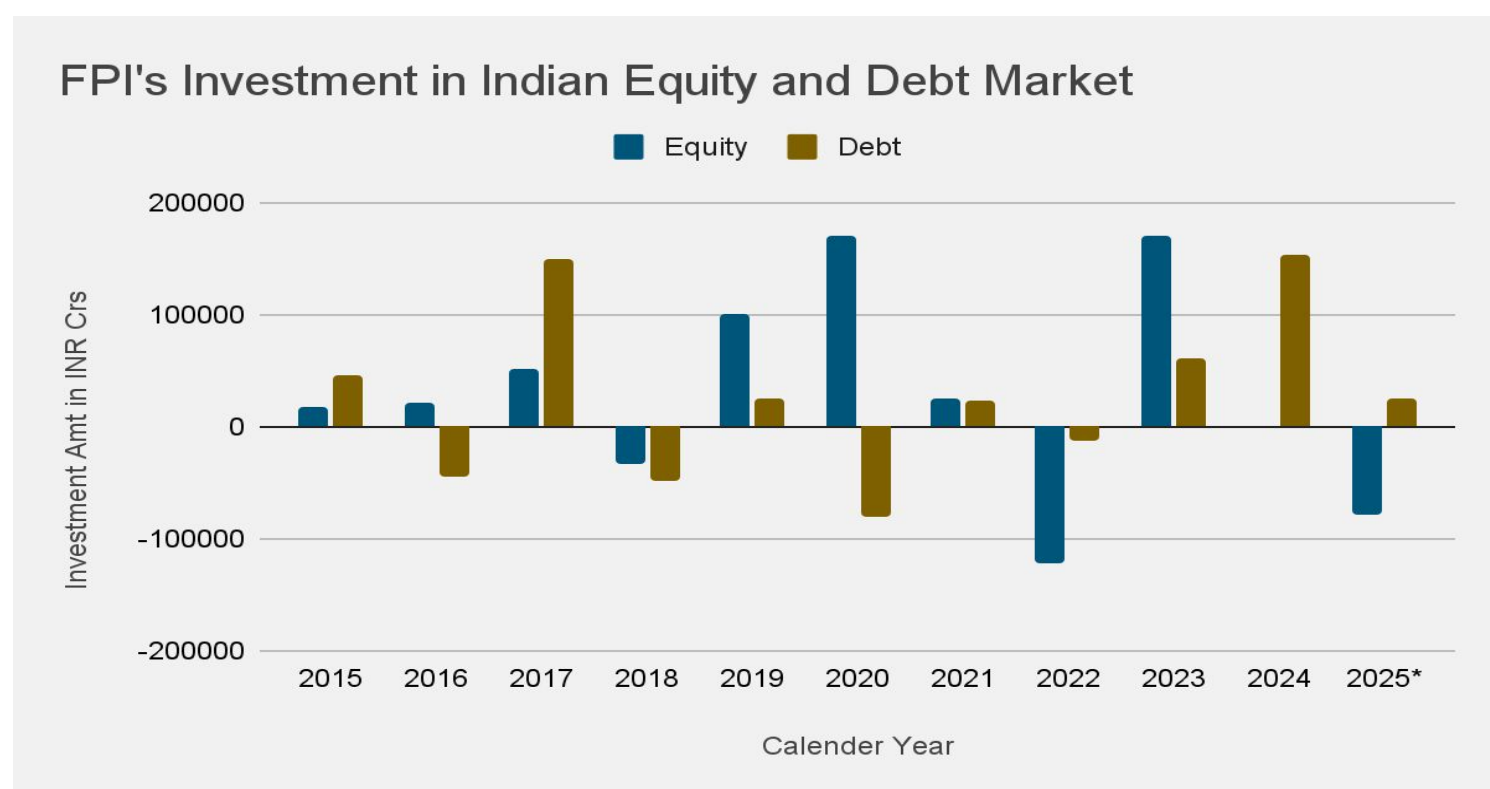


*All data is updated till 15th July

Equity Investment Breakdown by Participant



FPI's Strategic Investments in Equity and Debt Markets



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

Source: NSDL, SEBI