

August Market Pulse: Fortnightly Investment Insights

August Fortnight Review: DIIs and MFs Lead Record Buying Against FPI Exit Pressure

- ❖ **FPI Equity Selling Surges Beyond July Levels**
 - Foreign Portfolio Investors (FPIs) stepped up their equity sell-off in the first half of August 2025, recording a net outflow of **₹20,975 Cr**—sharply higher than the **₹17,741 Cr** withdrawn in July. This includes a **secondary market sell-off of ₹23,554 Cr**, partially offset by **₹2,579 Cr of investment in primary markets**, reflecting selective interest in new listings. With this, **net FPI equity outflows for calendar year 2025 have soared to ₹1.16 Lakh Cr**, highlighting their sustained bearish stance on Indian equities so far this year.
- ❖ **FPI Debt Flow Turns Positive Again**
 - In contrast to their equity stance, FPIs remained net buyers in the Indian debt market during the first half of August 2025, investing **₹7,828 Cr**. With this addition, net FPI inflows into **debt for calendar year 2025** now stand at **₹33,761 Cr**.
- ❖ **DII Highest Fortnightly Equity Buying of 2025**
 - Domestic Institutional Investors (DIIs) made a powerful comeback, logging **₹55,795 Cr** in equity purchases during the first half of August 2025. This marks the **highest fortnightly equity buying of calendar year 2025**, last surpassed in the first half of October 2024. With this, **total DII equity inflows for 2025 have climbed to ₹4.74 Lakh Cr**, reaffirming the critical role of domestic institutions in cushioning markets against aggressive FPI selling.
- ❖ **Mutual Funds Dominant Force in DII Buying**
 - Mutual Funds, the driving force behind DII inflows, invested **₹45,049 Cr** into equities during the first half of August 2025—their **highest fortnightly infusion of the calendar year**, last matched in early October 2024. With this, **Mutual Fund equity investments for 2025 have reached ₹3.31 Lakh Cr**, firmly positioning them as the backbone of institutional support amid volatile global cues.

Fortnightly Investment Insights

Tracking Investments of Market Participants				
Market Participants	For the Period 1st Aug, 2025 to 15th Aug, 2025		For the Period 1st Jan, 2025 to 15th Aug, 2025	
	Equity (Crs)	Debt (Crs)	Equity (Crs)	Debt (Crs)
FPI	(20,975)	7,828	(116,617)	33,761
DII	55,795	-	474,310	-
Mutual Funds	45,049	(42,106)	330,963	(401,808)

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

Absolute Returns: A Snapshot of Indices Performance(%)		
Benchmark	First Half of August	YTD
Sensex	(0.72)	3.15
Nifty 50	(0.55)	4.17
Nifty Midcap 150	(1.61)	(0.59)
Nifty Smallcap 250	(2.84)	(6.17)

Mapping FPI Investments: Sector-wise Insights in Indian Equities

- ❖ **FPI Selling Intensifies in Financials & Technology**
 - FPIs executed sharp exits from large-weight sectors, led by **Financial Services (₹13,471 Cr)** and **Information Technology (₹6,380 Cr)**, reflecting global risk-off sentiment.
 - Heavy selling also hit **Oil & Gas (₹4,091 Cr)** and **Power (₹2,358 Cr)**, while moderate withdrawals were seen across **Healthcare (₹2,095 Cr)**, **Realty (₹1,211 Cr)**, **FMCG (₹1,150 Cr)** and **Consumer Durables (₹1,133 Cr)**. The selling pattern underscores a move away from defensives and heavyweights, balancing selective accumulation in infrastructure-oriented themes.
- ❖ **FPI Buying Concentrated in Telecom & Infrastructure Plays**
 - In the first half of August 2025, FPIs showed strong buying interest in select sectors, led by **Telecommunication with ₹7,446 Cr inflows**, making it the standout gainer. Infrastructure-linked sectors also attracted healthy investments with **Construction Materials (₹1,690 Cr)**, **Construction (₹1,378 Cr)** and **Capital Goods (₹1,132 Cr)** drawing attention.
 - Modest inflows were also seen in **Metals & Mining (₹606 Cr)**, **Chemicals (₹410 Cr)** and **Services (₹384 Cr)**, signaling FPI preference for growth-driven and cyclical opportunities.
- ❖ **FPI Investment Scorecard 2025: FPI Buying Concentrated in Telecom & Services**
 - In 2025 so far, FPIs heavily bought **Telecommunication (₹35,604 Cr)**, followed by **Services (₹11,135 Cr)** and **Chemicals (₹7,389 Cr)**. Modest inflows were seen in **Media & Entertainment** and **Textiles**.
- ❖ **YTD FPI Selling Led by IT & Consumption Themes**
 - FPIs sharply sold **Information Technology (₹56,881 Cr)**, with heavy outflows in **FMCG**, **Power**, **Consumer Durables**, and **Auto Components**. Broader selling extended to **Healthcare**, **Consumer Services**, and **Construction**.

Sector-Wise FPI Equity Purchases: 1st–15th Aug 2025		Sector-Wise FPI Equity Sales: 1st–15th Aug 2025	
Sector	Amount (Cr)	Sector	Amount (Cr)
Telecommunication	7,446	Financial Services	(13,471)
Construction Materials	1,690	Information Technology	(6,380)
Construction	1,378	Oil & Gas	(4,091)
Capital Goods	1,132	Power	(2,358)
Metals & Mining	606	Healthcare	(2,095)
Chemicals	410	Realty	(1,211)
Services	384	FMCG	(1,150)
		Consumer Durables	(1,133)

Sector-Wise FPI Equity Purchases from Jan-*Aug, 25		Sector-Wise FPI Equity Sales from Jan-*Aug, 25	
Sector	Amount (Cr)	Sector	Amount (Cr)
Telecommunication	35,604	Information Technology	(56,881)
Services	11,135	FMCG	(17,770)
Chemicals	7,389	Power	(17,718)
Media & Entertainment	720	Consumer Durables	(15,643)
Textiles	578	Automobile and Auto Components	(15,436)
		Healthcare	(11,642)
		Consumer Services	(9,539)
		Construction	(9,312)

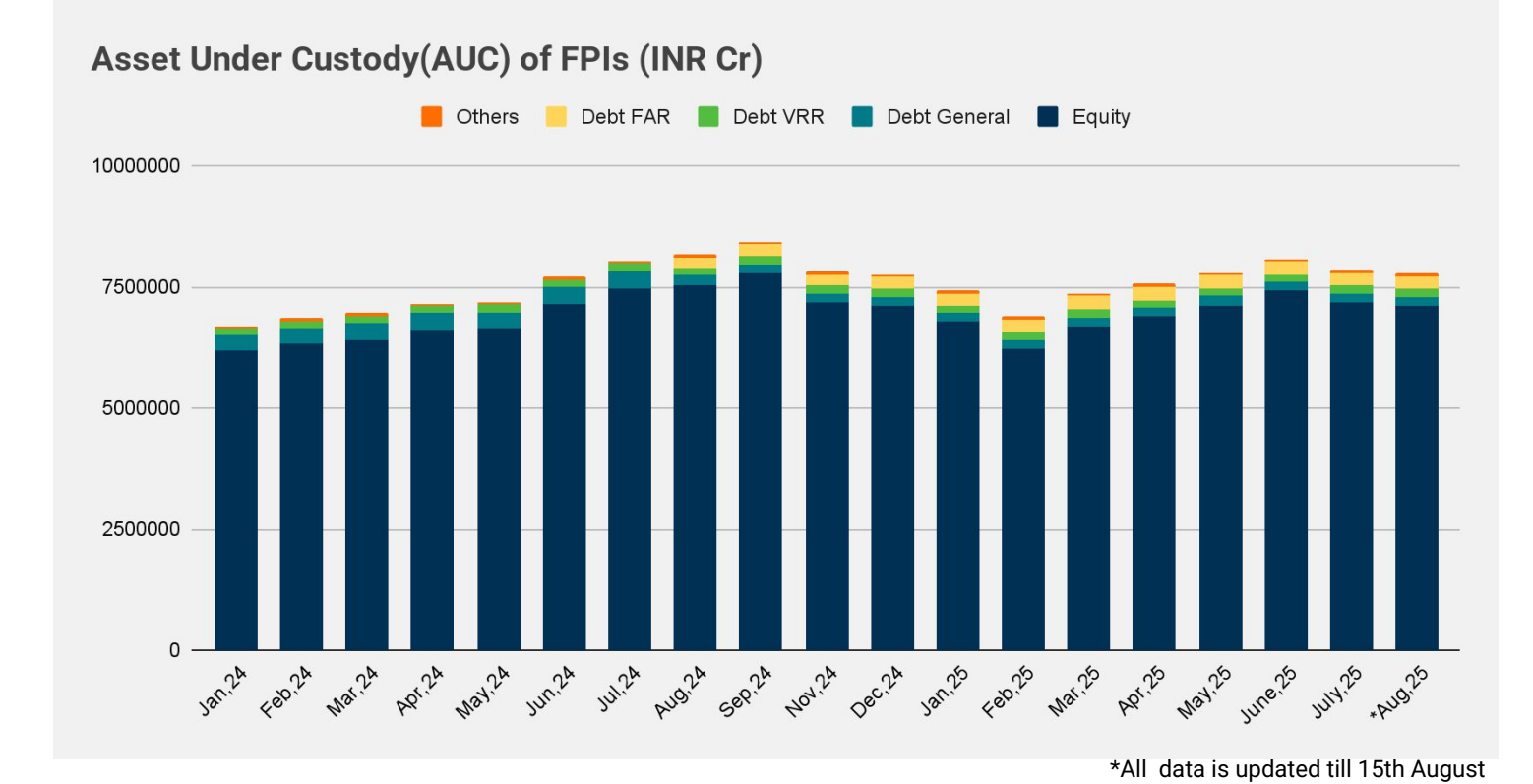
*All data considered till 15th August

Tracking FPI's AUC in Indian Markets

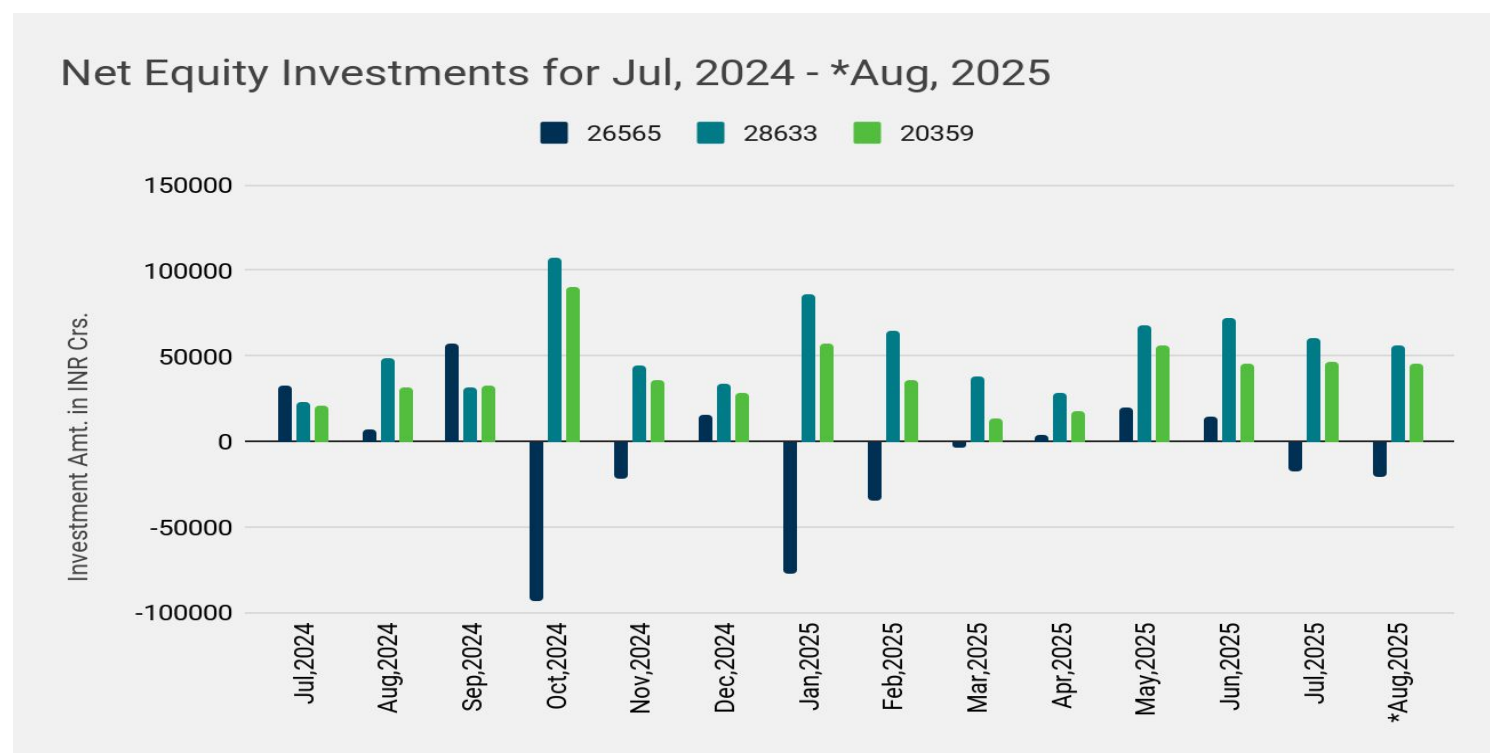
FPI Asset Base Contracts in the First Half of August Amid Equity Market Pressure

- ❖ In the first half of **August 2025**, the **total FPI Assets Under Custody (AUC)** dropped to **₹77.87 Lakh Cr**, down from **₹78.67 Lakh Cr in July 2025**—a decline of nearly **₹80,000 Cr**.
- ❖ The contraction was primarily driven by a steep fall in **equity holdings**, which declined from **₹71.97 Lakh Cr to ₹71.09 Lakh Cr**, in line with the aggressive FPI equity outflows recorded during the period.
- ❖ Despite equity pressure, **debt investments showed resilience**, with **General Debt** rising from ₹1.76 Lakh Cr to ₹1.82 Lakh Cr. The **VRR (₹1.68 Lakh Cr)** and **FAR (₹2.59 Lakh Cr)** segments remained stable.
- ❖ The trend reflects continued global caution toward Indian equity markets, even as India's debt markets retain foreign investor interest amid attractive yields and macro stability.

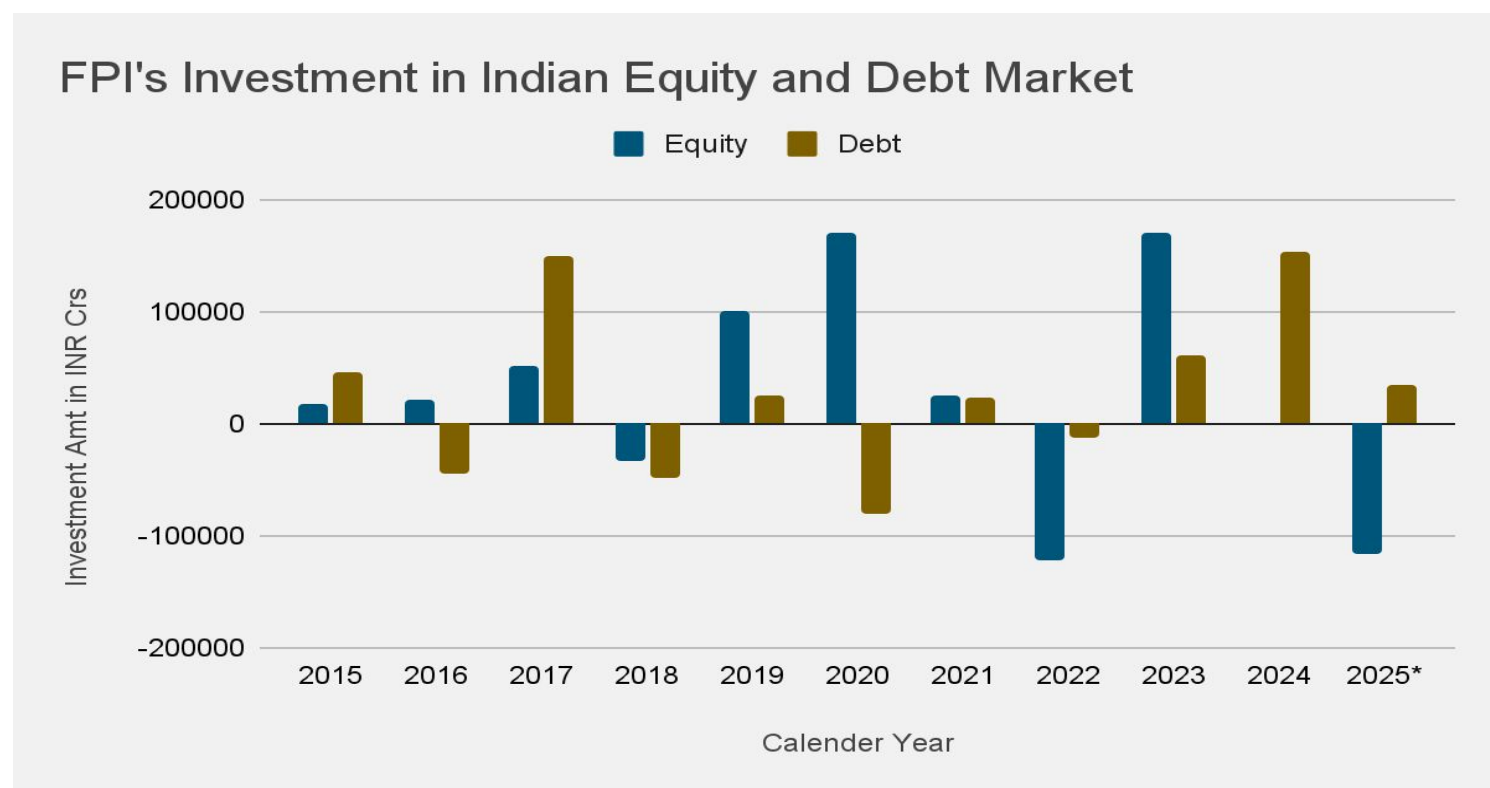
Asset Under Custody(AUC) of FPIs (INR Cr)				Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Segment	*August, 2025	July, 2025	Change	Sector	*August, 2025	July, 2025	Change
Equity	7,108,732	7,196,613	(87,881)	Financial Services	2,239,585	2,277,046	(37,461)
Debt General	181,814	176,491	5,323	IT	516,207	530,868	(14,661)
Debt VRR	168,170	168,150	20	Oil & Gas	492,821	505,294	(12,473)
Corporate Bonds	128,639	126,270	2,369	Healthcare	494,378	503,415	(9,037)
Debt FAR	259,497	258,065	1,432	Realty	132,829	138,735	(5,906)
Others	68,649	67,609	1,040	Capital Goods	373,595	379,369	(5,774)
Total	7,786,862	7,866,928	(80,066)	Power	235,558	240,892	(5,334)



Equity Investment Breakdown by Participant



FPI's Strategic Investments in Equity and Debt Markets



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

Source: NSDL, SEBI