



September Market Pulse: Fortnightly Investment Insights

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

- ❖ **FPI Flows: Persistent Equity Selloff, Debt Inflows Continue**
 - **FPIs Extend Equity Selloff in September:** Foreign Portfolio Investors (FPIs) continued exiting Indian equities in the first half of September, extending the selloff seen in July and August. However, the pace of outflows has moderated, with net withdrawals of **₹9,759 Cr** so far this month, led by **₹10,175 Cr in secondary market selling**, partly offset by **₹416 Cr in IPOs**. If the trend persists, September will mark the **sixth month of equity outflows in 2025**, highlighting sustained caution among global investors.
 - **FPIs Turn to Debt for Stability:** After two straight months of buying, **FPIs** sustained their momentum by pumping **₹3,775 Cr** into **debt** in the first half of September, underscoring a decisive shift toward **fixed income** as they seek **stability** and stronger **yields**.
 - **FPIs YTD Trend:** Since January, **FPIs** have pulled out a hefty **₹1,40,393 Cr** from Indian **equities** till the first half of September, extending their selling streak. In contrast, they have funneled **₹42,370 Cr** into **debt**, highlighting a clear tilt toward **fixed income** amid persistent **equity market pressures**.
- ❖ **DIIs Continue to Cushion the Market**
 - Domestic Institutional Investors (DIIs) sustained their strong support, investing **₹29,081 Cr** in equities during the first half of September 2025 after record-high buying in August. With this momentum, total DII equity inflows for 2025 have surged to **₹5.42 Lakh Cr**, reaffirming their pivotal role in cushioning Indian markets against persistent **FPI** selling.
- ❖ **Mutual Funds Lead the Charge**
 - Mutual Funds, the key driver of **DII inflows**, invested **₹19,036 Cr** into equities during the first half of September 2025, following record-high purchases in August. With this, their equity investments in 2025 have climbed to **₹3.70 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 Sep, 2025 to 15th Sep, 2025		For the Period 1st Jan, 2025 to 15th Sep, 2025	
	Equity (Crs)	Debt (Crs)	Equity (Crs)	Debt (Crs)
FPI	(9,759)	3,775	(140,393)	42,370
DII	29,081	-	542,424	-
Mutual Funds	19,036	(38,716)	369,839	(461,144)

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

Absolute Returns: A Snapshot of Indices Performance(%)		
Benchmark	First Half of September	YTD
Sensex	2.48	4.67
Nifty 50	2.63	6.02
Nifty Midcap 150	4.37	2.44
Nifty Smallcap 250	4.53	(2.81)

Mapping FPI Investments: Sector-wise Insights in Indian Equities

- ❖ **FPI Selling Concentrated in Consumer & Power**
 - FPIs executed sharp exits from **Consumer Services** (₹3,246 Cr) and **Power** (₹2,107 Cr), followed closely by **Information Technology** (₹2,014 Cr) and **Realty** (₹1,927 Cr).
 - Additional pressure came from **Healthcare** (₹1,601 Cr), **Telecommunication** (₹1,505 Cr) and **Oil & Gas** (₹1,502 Cr), while moderate selling was seen in **Construction Materials** (₹1,193 Cr). The selling pattern highlights a clear retreat from consumption-heavy and defensives.
- ❖ **FPI Buying Anchored in Autos, Financials & Capital Goods**
 - On the buying side, FPIs favored cyclical and growth-linked sectors, led by **Automobile & Auto Components** (₹1,908 Cr), **Financial Services** (₹1,634 Cr) and **Capital Goods** (₹1,518 Cr).
 - Strong inflows also went into **Metals & Mining** (₹1,394 Cr), while modest accumulation was noted in **Services** (₹236 Cr), **Construction** (₹130 Cr) and **Chemicals** (₹23 Cr). The trend reflects a preference for sectors aligned with India's domestic growth momentum and infrastructure cycle.
- ❖ **FPI Investment Scorecard 2025: Buying Anchored in Telecom & Services**
 - So far in 2025, FPIs have concentrated their equity purchases in **Telecommunication** (₹32,419 Cr) and **Services** (₹13,338 Cr), with notable allocations also into **Chemicals** (₹8,573 Cr). Smaller but positive flows were seen in **Media & Entertainment** (₹883 Cr) and **Textiles** (₹37 Cr).
- ❖ **YTD FPI Selling Dominated by IT & Consumption Themes**
 - On the flip side, FPIs executed sharp exits from **Information Technology** (₹63,800 Cr), followed by significant outflows in **Power** (₹21,533 Cr), **FMCG** (₹18,809 Cr) and **Consumer Durables** (₹16,805 Cr). Selling also weighed on **Financial Services** (₹13,837 Cr), **Healthcare** (₹12,565 Cr), **Consumer Services** (₹12,295 Cr) and **Oil & Gas** (₹10,951 Cr).

Sector-Wise FPI Equity Purchases: 1st–15th Sep 2025		Sector-Wise FPI Equity Sales: 1st–15th Sep 2025	
Sector	Amount (Cr)	Sector	Amount (Cr)
Automobile and Auto Components	1,908	Consumer Services	(3,246)
Financial Services	1,634	Power	(2,107)
Capital Goods	1,518	Information Technology	(2,014)
Metals & Mining	1,394	Realty	(1,927)
Services	236	Healthcare	(1,601)
Construction	130	Telecommunication	(1,505)
Chemicals	23	Oil & Gas	(1,502)
		Construction Materials	(1,193)

Sector-Wise FPI Equity Purchases from Jan-*Sep, 25		Sector-Wise FPI Equity Sales from Jan-*Sep, 25	
Sector	Amount (Cr)	Sector	Amount (Cr)
Telecommunication	32,419	Information Technology	(63,800)
Services	13,338	Power	(21,533)
Chemicals	8,573	Fast Moving Consumer Goods	(18,809)
Media, Entertainment & Publication	883	Consumer Durables	(16,805)
Textiles	37	Financial Services	(13,837)
		Healthcare	(12,565)
		Consumer Services	(12,295)
		Oil & Gas	(10,951)

*All data considered till 15th September

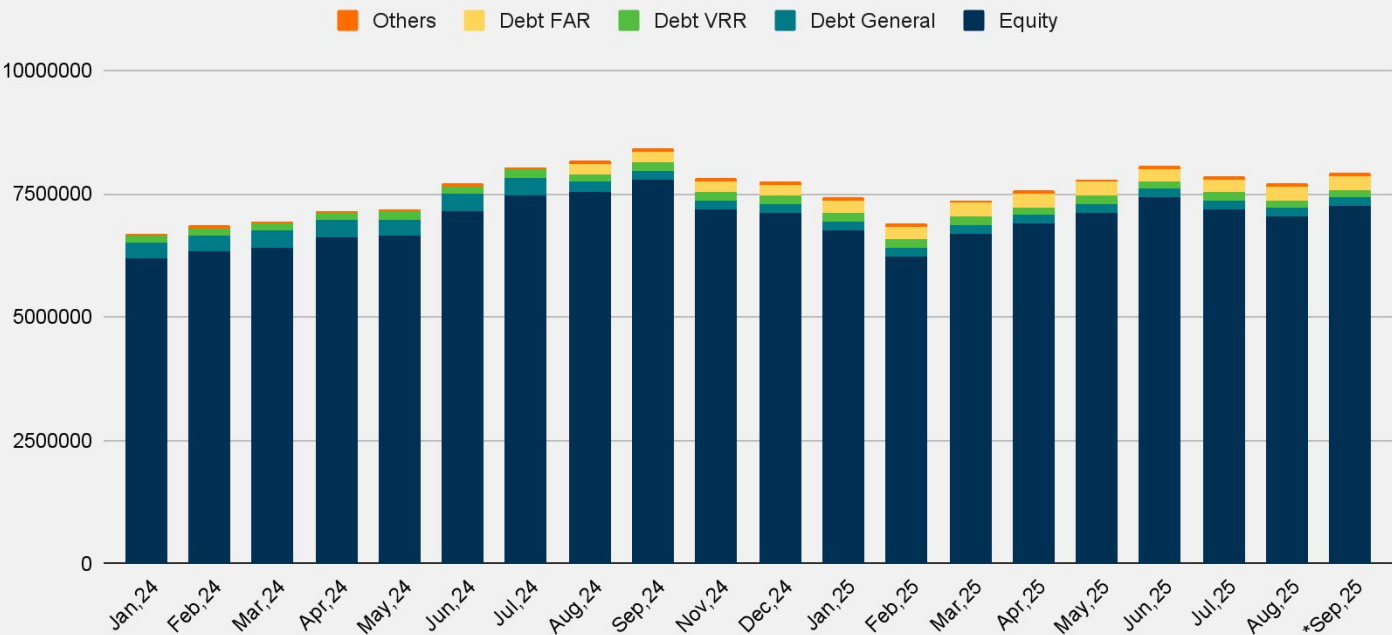
Tracking FPI's AUC in Indian Markets

FPI Asset Base Rebounds in the First Half of September on Equity Gains

- ❖ In the first half of September 2025, the total FPI Assets Under Custody (AUC) rose to **₹79.35 Lakh Cr**, up from **₹77.14 Lakh Cr** in August—an increase of over **₹2.2 Lakh Cr**.
- ❖ The rebound was led by **equity holdings**, which climbed from **₹70.33 Lakh Cr** in August to **₹72.41 Lakh Cr**, reflecting improved market performance despite continued FPI outflows.
- ❖ On the debt side, **General Debt** rose modestly from **₹1.83 Lakh Cr** to **₹1.86 Lakh Cr**, while **VRR holdings** remained broadly stable at **₹1.66 Lakh Cr**. **FAR investments** increased to **₹2.71 Lakh Cr** (vs. ₹2.63 Lakh Cr in August), supported by steady inflows.
- ❖ The trend underscores that while FPIs remain cautious on equities, valuations and performance gains lifted the asset base, even as debt continues to attract consistent foreign interest.

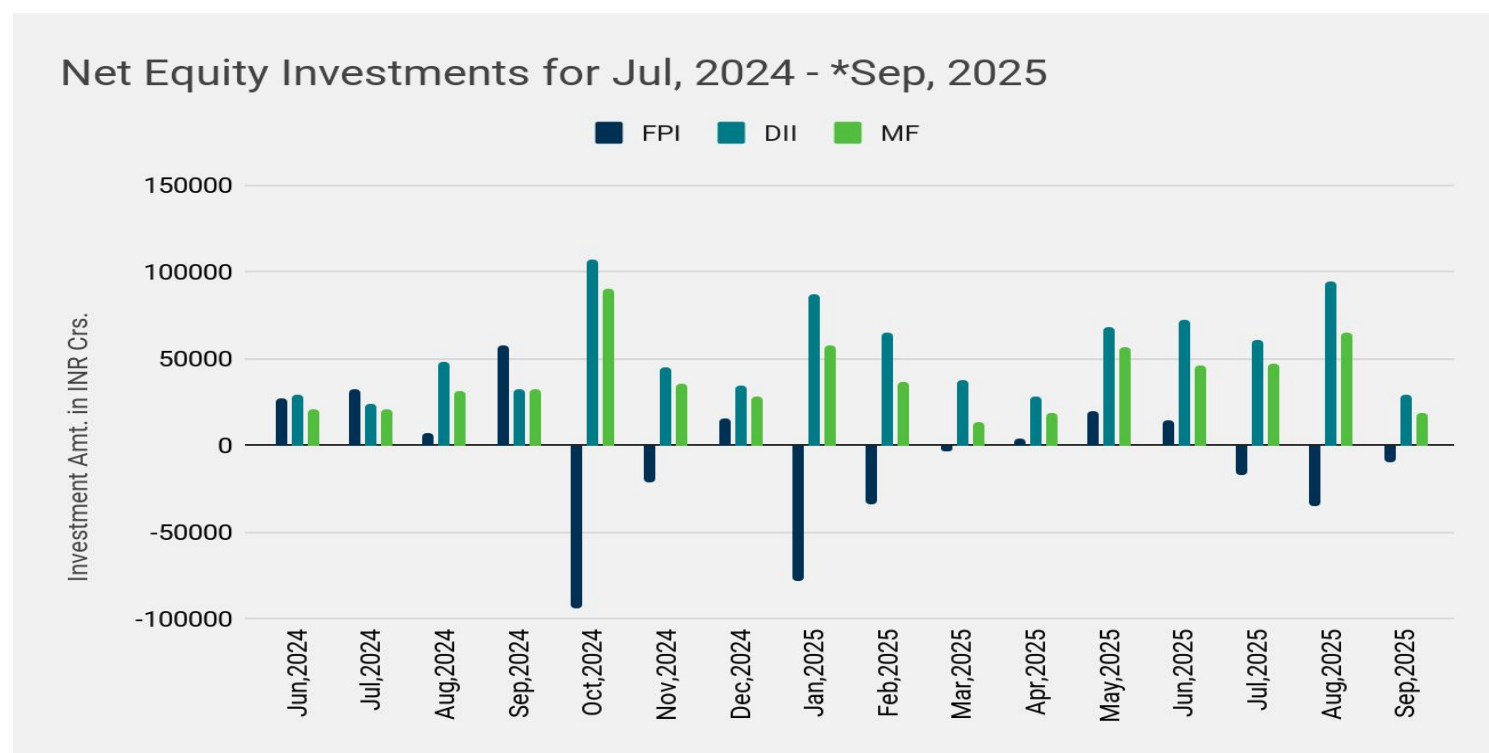
Asset Under Custody(AUC) of FPIs (INR Cr)				Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Segment	*Sep,25	Aug,25	Change	Sector	*Sep,25	Aug,25	Change
Equity	7,241,284	7,032,675	208,609	Financial Services	2,241,088	2,165,190	75,898
Debt General	186,299	182,697	3,602	Automobile	572,718	533,262	39,456
Debt VRR	165,750	165,942	(192)	Capital Goods	396,438	371,447	24,991
Corporate Bonds	128,615	128,238	377	Metals & Mining	216,264	199,753	16,511
Debt FAR	271,325	263,455	7,870	Oil & Gas	497,802	483,436	14,366
Others	69,987	69,193	794	Healthcare	493,567	484,373	9,194
Total	7,934,645	7,713,962	220,683	IT	524,387	515,520	8,867

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

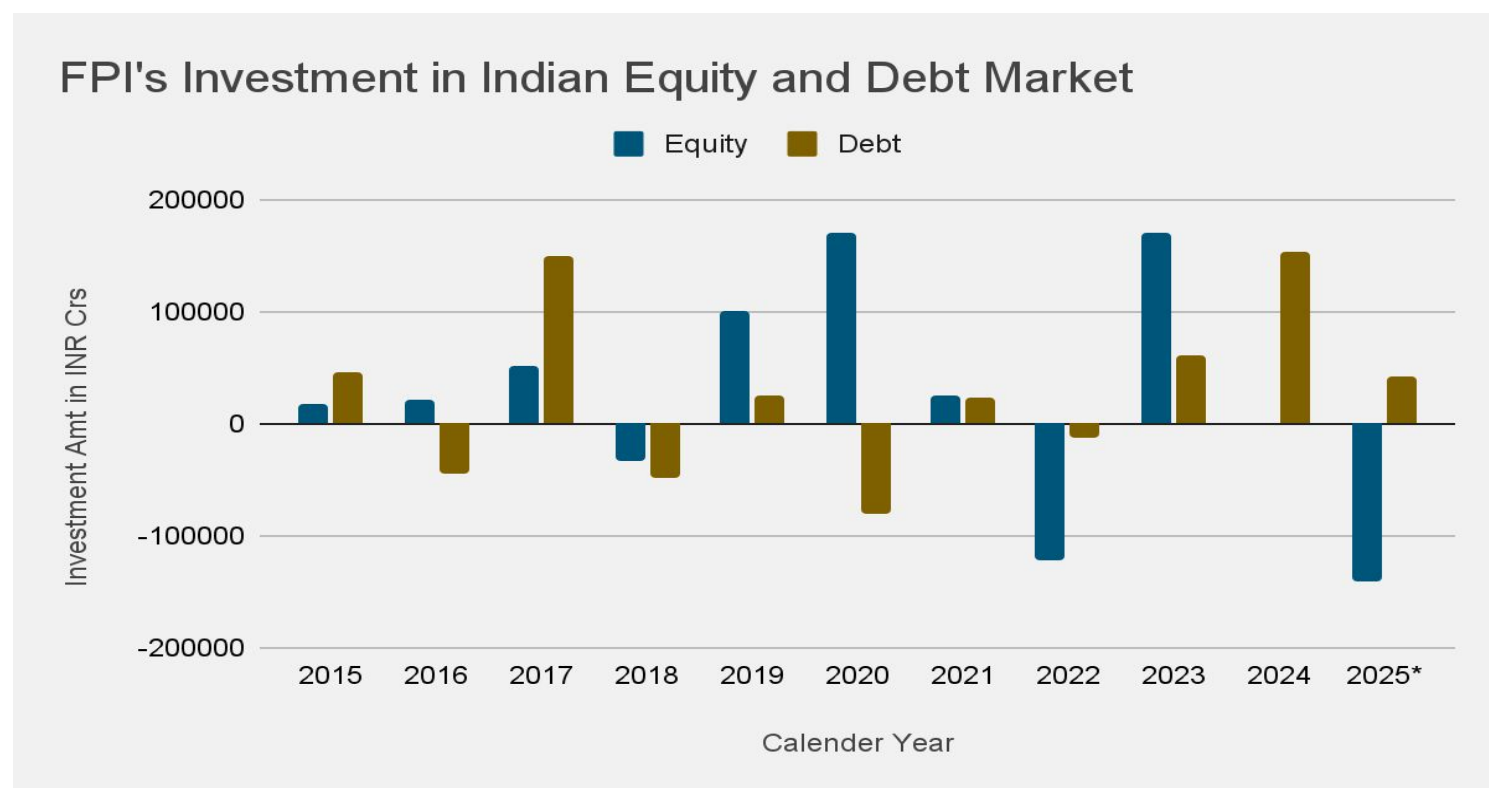


*All data is updated till 15th September

Equity Investment Breakdown by Participant



FPI's Strategic Investments in Equity and Debt Markets



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

Source: NSDL, SEBI