October Market Pulse: Fortnightly Investment Insights

October Fortnight Review: DIIs & MFs Stay Resilient as FPIs Return to Buying

- **FPI Flows: Return to Buying After a Three-Month Selloff**

  - **FPIs Turn Buyers in October: Foreign Portfolio Investors (FPIs)** turned **net buyers** in Indian equities during the **first half of October 2025**, reversing three straight months of selloff. They invested **₹3,631 Cr** into equities, supported by **easing global risk sentiment**, **softening U.S. yields** and **rate cut expectations** by major central banks — signaling renewed optimism toward **India's growth outlook**.

  - **Debt Inflows Continue:** FPIs also infused **₹6,657 Cr** into debt, extending their preference for **fixed income assets** amid **attractive real yields** and **bond index inclusion prospects**. The steady debt inflows highlight a **tactical shift toward stability** and yield-driven opportunities.

  - **FPIs YTD Trend:** Despite the October rebound, FPIs remain **net sellers of ₹1.51 Lakh Cr** in equities **year-to-date**, while channeling **₹57,506 Cr** into debt — reflecting a clear **tilt toward fixed income** amid lingering global uncertainties.

- **DIIs Maintain Support as Investments Hit Record Milestone**

  - **Domestic Institutional Investors (DIIs)** have achieved a **new record high**, with **YTD equity investments crossing ₹6 Lakh Cr**, reaching **₹6.01 Lakh Cr** — the **highest-ever annual inflow in 2025**. In the **first half of October**, DIIs invested **₹22,442 Cr** in equities, though the **pace of buying has eased** from earlier highs, reflecting a **more cautious stance**.

- **Mutual Funds Maintain Momentum as Investments Hit New Record**

  - **Mutual Funds (MFs)** reached a **new all-time high** in 2025, with **YTD equity investments crossing ₹4 Lakh Cr**, standing at **₹4.09 Lakh Cr**. In the **first half of October**, MFs invested **₹12,116 Cr** in equities, marking a **continued yet slower buying trend** after months of strong accumulation.

Fortnightly Investment Insights

Tracking Investments of Market Participants

Market Participants	For the Period 1st Oct, 2025 to 15th Oct, 2025		For the Period 1st Jan, 2025 to 15th Oct, 2025	
	Equity (Crs)	Debt (Crs)	Equity (Crs)	Debt (Crs)
FPI	3,631	6,657	(150,889)	57,506
DII	22,442	-	601,128	-
Mutual Funds	12,116	3,169	409,362	(475,206)

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

Absolute Returns: A Snapshot of Indices Performance(%)

Benchmark	First Half of October	YTD
Sensex	2.91	5.72
Nifty 50	2.89	7.10
Nifty Midcap 150	3.60	3.10
Nifty Smallcap 250	2.15	(3.94)

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Mapping FPI Investments: Sector-wise Insights in Indian Equities

FPI Buying Driven by Financials & Autos; Selling Concentrated in FMCG and IT

- **FPIs Turn Selective Buyers in October**
  - **FPIs turned active in cyclical and financial sectors during the first half of October 2025**, led by strong inflows into **Financial Services (₹8,276 Cr)**, **Automobile & Auto Components (₹1,560 Cr)** and **Metals & Mining (₹1,395 Cr)**.
  - Buying interest also extended to **Power (₹1,103 Cr)** and **Oil & Gas (₹1,086 Cr)**, reflecting confidence in **core and growth-linked segments**, while **Construction (₹641 Cr)**, **Services (₹234 Cr)**, and **Media & Entertainment (₹87 Cr)** saw modest participation.
- **FPI Selling Focused on FMCG and IT**
  - **On the flip side**, FPIs trimmed holdings in **FMCG (₹2,992 Cr)** and **Healthcare (₹2,739 Cr)**, extending pressure on **defensive and consumption-driven sectors**.
  - Selling was also evident in **Information Technology (₹1,927 Cr)** and **Consumer Services (₹1,785 Cr)**, while **Capital Goods (₹851 Cr)**, **Realty (₹807 Cr)** and **Chemicals (₹316 Cr)** saw moderate outflows.
- **FPI Investment Scorecard 2025: Telecom and Services Lead Buying**
  - **YTD, FPIs** remained biased toward **Telecom (₹31,575 Cr)**, **Services (₹12,350 Cr)** and **Chemicals (₹7,851 Cr)**, reflecting preference for **high-growth and manufacturing-driven sectors.** Modest inflows also came into **Media & Entertainment (₹1,063 Cr)** and **Metals & Mining (₹605 Cr)**.
- **YTD FPI Selling Dominated by IT, FMCG & Power**
  - **Major outflows** were seen in **Information Technology (₹69,763 Cr)**, **Power (₹21,016 Cr)** and **Consumer Durables (₹20,319 Cr)**. Selling also hit **FMCG (₹24,911 Cr)** and **Healthcare (₹19,825 Cr)**, with **Consumer Services**, **Realty** and **Oil & Gas** witnessing continued pressure.

Sector-Wise FPI Equity Purchases: 1st–15th Oct 2025		Sector-Wise FPI Equity Sales: 1st–15th Oct 2025	
Sector	Amount (Crs)	Sector	Amount (Crs)
Financial Services	8,276	FMCG	(2,992)
Automobile and Auto Components	1,560	Healthcare	(2,739)
Metals & Mining	1,395	Information Technology	(1,927)
Power	1,103	Consumer Services	(1,785)
Oil & Gas	1,086	Capital Goods	(851)
Construction	641	Realty	(807)
Services	234	Chemicals	(316)
Media & Entertainment	87	Consumer Durables	(213)

Sector-Wise FPI Equity Purchases from Jan-*Oct, 25		Sector-Wise FPI Equity Sales from Jan-*Oct, 25	
Sector	Amount (Crs)	Sector	Amount (Crs)
Telecommunication	31,575	Information Technology	(69,763)
Services	12,350	FMCG	(24,911)
Chemicals	7,851	Power	(21,016)
Media & Entertainment	1,063	Consumer Durables	(20,319)
Metals & Mining	605	Healthcare	(19,825)
		Consumer Services	(14,194)
		Realty	(10,886)
		Oil & Gas	(9,137)

*All data considered till 15th October

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Tracking FPI's AUC in Indian Markets

FPI AUC Inches Higher as Equity Value Rises in the First Half of October

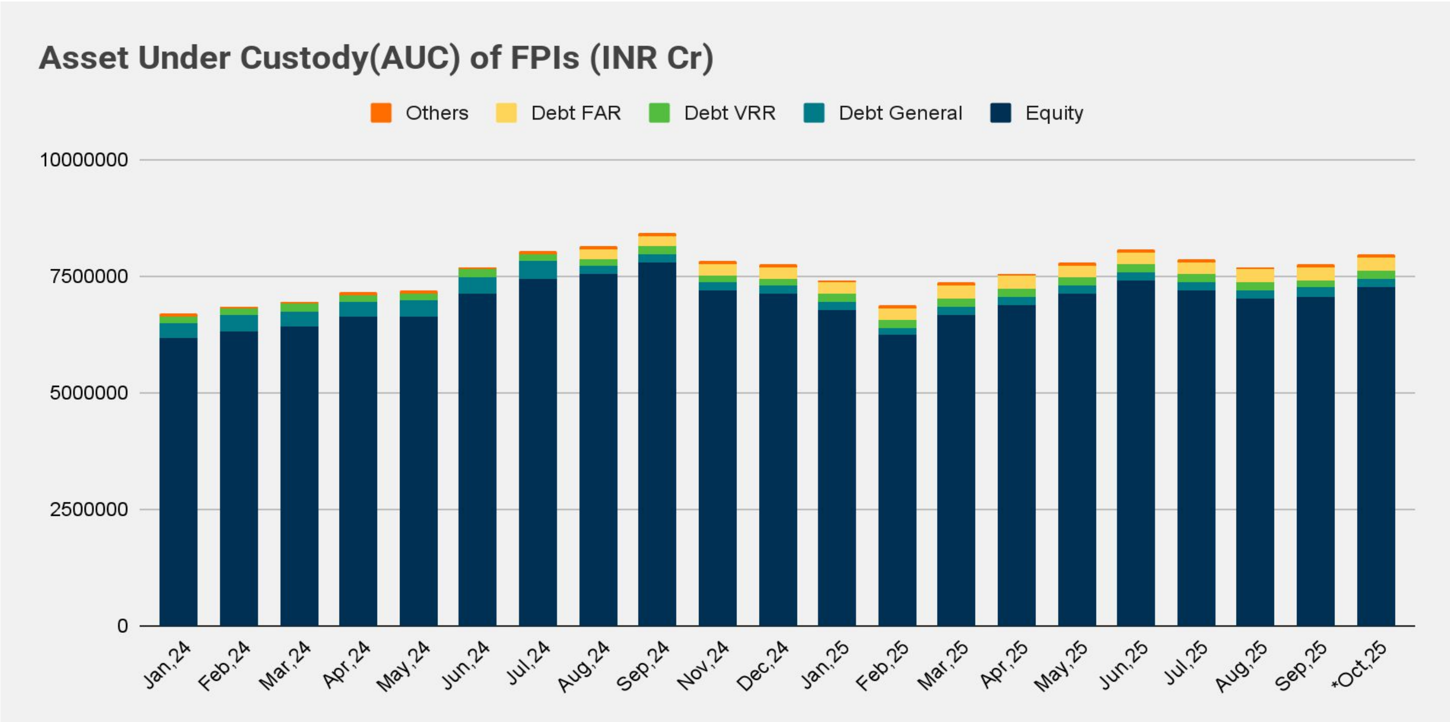
- **Foreign Portfolio Investors (FPIs)** saw their **Assets Under Custody (AUC)** rise to **₹79.77 Lakh Cr** in the **first half of October**, up from **₹77.76 Lakh Cr** in September — an increase of **₹2.01 Lakh Cr**. The uptick was led by a **rebound in equity valuations** and **renewed buying interest** after three months of outflows.

- **Equity AUC** climbed to **₹72.69 Lakh Cr** from **₹70.76 Lakh Cr**, supported by **market gains and fresh inflows**, while **debt AUC** inched higher across categories, reflecting **sustained interest in fixed-income assets** amid attractive yields.

- The **uptick in FPI AUC during the first half of October** marks a **decisive turnaround** after three months of contraction, highlighting a **balanced comeback of foreign capital** across both **equity and debt markets**. The rebound underscores **renewed global confidence in India's economic resilience and market outlook** ahead of the crucial **year-end policy season**.

Asset Under Custody(AUC) of FPIs (INR Cr)			
Segment	***Oct,25**	**Sep,25**	**Change**
Equity	7,268,518	7,076,086	192,432
Debt General	188,539	186,360	2,179
Debt VRR	169,246	168,871	375
Corporate Bonds	129,692	128,508	1,184
Debt FAR	277,458	274,489	2,969
Others	73,651	69,756	3,895
Total	**7,977,412**	**7,775,562**	**201,850**

Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Sector	***Oct,25**	**Sep,25**	**Change**
Financial Services	2,205,698	2,302,829	97,131
IT	489,214	508,584	19,370
Telecom	345,086	361,872	16,786
Healthcare	471,040	485,477	14,437
Consumer Serv.	322,971	332,396	9,425
Power	239,362	248,623	9,261
Realty	127,751	133,726	5,975



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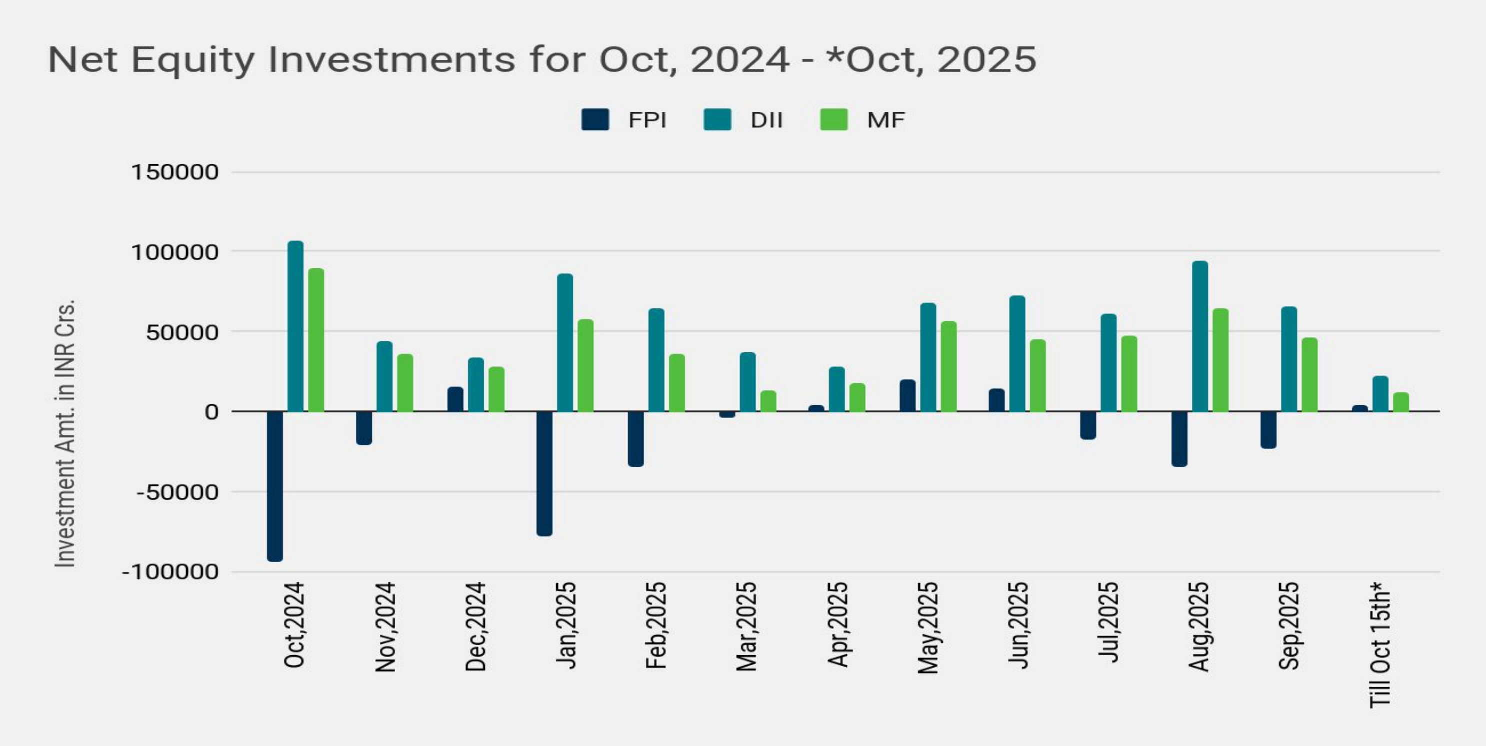
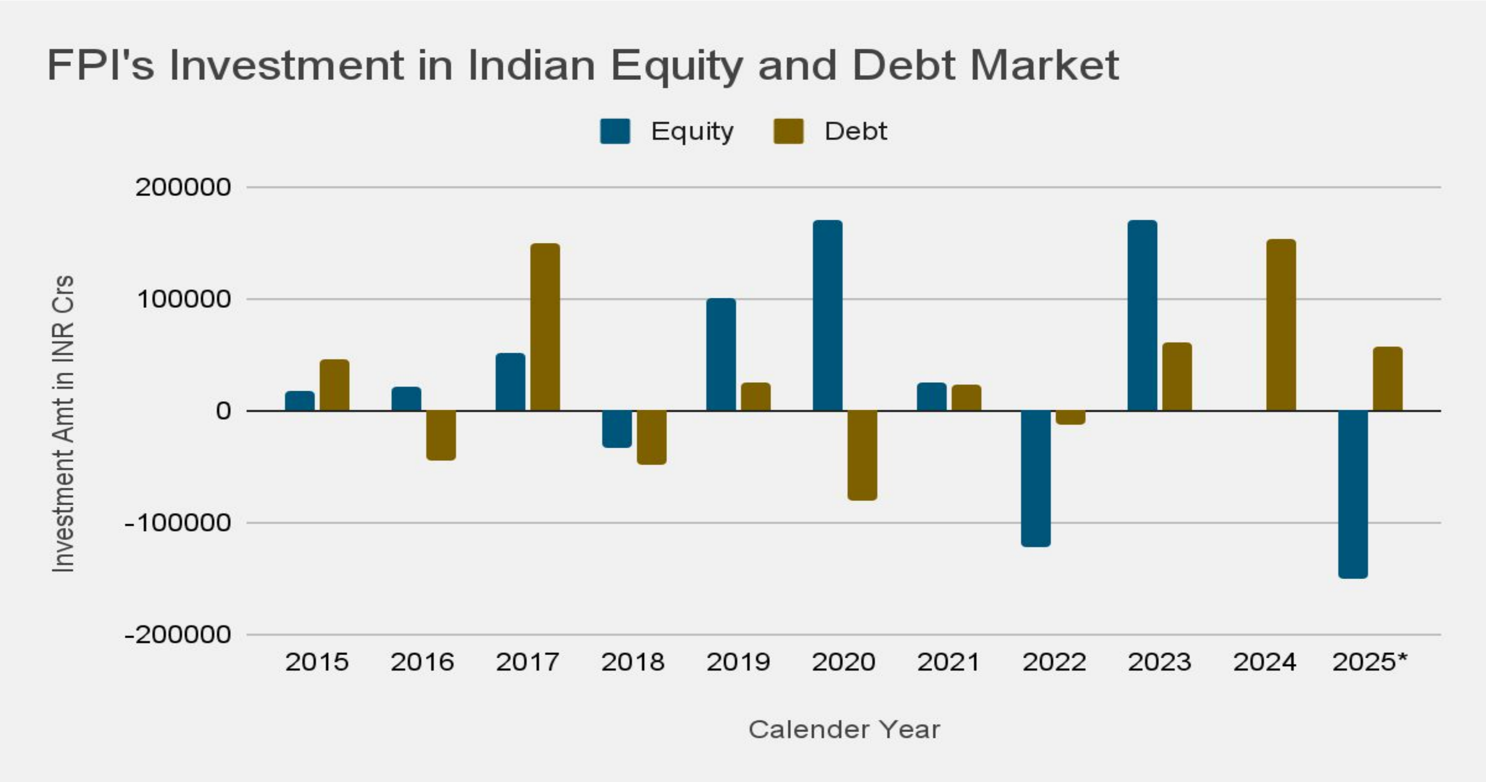
Equity Investment Breakdown by Participant



FPI's Strategic Investments in Equity and Debt Markets



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Source: NSDL, SEBI

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