



## September Market Pulse: Monthly Investment Insights

### September Snapshot: FPIs Extend Equity Selloff, While DIIs and MFs Lead with Robust Inflows Across Equities

- ❖ **FPI Flows: Persistent Equity Selloff, Debt Inflows Regain Momentum**
  - **FPIs Continue Equity Exit in September:** Foreign Portfolio Investors (FPIs) extended their selling spree in Indian equities during September, offloading **₹23,885 Cr**, marking the **sixth month of outflows in 2025**. The first half saw withdrawals of **₹9,759 Cr**, which intensified to **₹14,126 Cr** in the latter half. The outflow was driven by **₹27,163 Cr of secondary market selling**, partly offset by **₹3,279 Cr of inflows in primary markets through IPOs**.
  - **Debt Segment Attracts Steady Inflows:** While equities faced sustained selling, FPIs turned buyers in the debt market, infusing **₹12,254 Cr** during September – with **₹3,775 Cr** in the first fortnight and **₹8,479 Cr** in the second. This marks the **eighth month and consecutive third month of debt investment in 2025**, reflecting a continued strategic shift toward **fixed-income instruments** as investors seek stability and attractive yields amid global uncertainty and volatile risk assets.
  - **FPIs YTD Trend:** From **Jan–Sep 2025**, FPIs have withdrawn **₹1,54,519 Cr** from equities while channeling **₹50,848 Cr** into debt, underscoring a **clear preference for yield-driven investments** over volatile equity markets.
- ❖ **DII Flows: Domestic Institutions Remain the Market’s Pillar**
  - **Strong and Steady Equity Buying:** Domestic Institutional Investors (DIIs) remained the backbone of Indian equities, **net buyers to the tune of ₹65,344 Cr in September**, building further on their record buying streak. Purchases worth **₹29,081 Cr** in the first half and **₹36,263 Cr** in the latter half highlight **robust domestic confidence** despite persistent FPI outflows.
  - **YTD Snapshot:** For **Jan–Sep 2025**, DIIs have poured a remarkable **₹5,78,687 Cr** into equities, offsetting foreign selling pressure and providing a **strong liquidity cushion** to Indian markets amid global uncertainty.
- ❖ **Mutual Fund Flows: Equity Buying Continues**
  - **Equity Investments Stay Consistent:** Mutual Funds continued to display **robust participation in equities**, investing **₹46,442 Cr during September** – with **₹19,036 Cr** in the first half and **₹27,406 Cr** in the second.
  - **YTD Snapshot:** Mutual Funds have infused a strong **₹3,97,246 Cr** into **equities** during **Jan–Sep 2025**, underlining continued retail and SIP-driven strength.

## Monthly Investment Insights

Tracking Flows by Market Participants								
Market Participants	For the month of September						Jan, 2025 - Sep, 2025	
	Equity (Cr₹)			Debt (Cr₹)			Equity (Cr₹)	Debt (Cr₹)
	1st - 15th	16th - 30th	Total	1st - 15th	16th - 30th	Total		
FPI	(9,759)	(14,126)	(23,885)	3,775	8,479	12,254	(154,519)	50,848
DII	29,081	36,263	65,344	-	-	-	578,687	-
Mutual Funds	19,036	27,406	46,442	(38,716)	(17,231)	(55,947)	397,246	(478,375)

\*DII investments include MFs Investments. Source: NSDL, SEBI, NSE

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

### ❖ September's Sectoral Moves: FPIs Dump IT & Healthcare

**IT & Healthcare Lead the Sell-Off:** Foreign Portfolio Investors (FPIs) continued their sectoral reshuffling in September, aggressively trimming positions in **Information Technology (₹6,050 Cr)** and **Healthcare (₹6,122 Cr)** – the two worst-hit sectors of the month. Selling in IT was broad-based, with ₹2,014 Cr offloaded in the first half and ₹4,036 Cr in the second, as global tech valuations remained under pressure. Healthcare mirrored this trend, witnessing ₹1,601 Cr of sales early in the month and ₹4,521 Cr later after Trump's pharma tariff.

- **Consumer and Realty Stocks See Continued Outflows:** FPIs also pared exposure in **FMCG (₹4,202 Cr)**, **Consumer Durables (₹3,627 Cr)** and **Consumer Services (₹3,360 Cr)** amid concerns over stretched valuations and moderating consumption trends. Sectors like **Power (₹2,693 Cr)**, **Telecommunication (₹2,422 Cr)** and **Realty (₹2,259 Cr)** too witnessed steady selling.

### ❖ Selective Buying in Domestic Plays: FPIs Rotate into Automobiles and Capital Goods

- **Automobiles and Capital Goods Emerge as Bright Spots:** Amid the widespread selloff, FPIs selectively turned buyers in domestic-oriented sectors. The **Automobile sector led with net inflows of ₹3,641 Cr**, supported by sustained demand momentum and robust festival season outlook. **Capital Goods** followed closely with ₹3,010 Cr of net buying, driven by renewed optimism in infrastructure spending and corporate capex recovery.
- **Metals, Financials & Construction Attract Interest:** FPIs also added to positions in **Metals & Mining (₹1,840 Cr)**, **Financial Services (₹992 Cr)** and **Construction (₹856 Cr)**, signaling selective re-entry into cyclical and growth-linked sectors. Even **Media & Entertainment (₹77 Cr)** turned positive during the month.

Sector-Wise FPI Equity Purchases: Sep, 2025 (Amount in Crs)				Sector-Wise FPI Equity Sales: Sep, 2025 (Amount in Crs)			
Sector	1st - 15th	16th - 30th	Total	Sector	1st - 15th	16th - 30th	Total
Automobile	1,908	1,733	3,641	Healthcare	(1,601)	(4,521)	(6,122)
Capital Goods	1,518	1,492	3,010	Information Technology	(2,014)	(4,036)	(6,050)
Metals & Mining	1,394	446	1,840	FMCG	(1,092)	(3,110)	(4,202)
Financial Services	1,634	(642)	992	Consumer Durables	(326)	(3,301)	(3,627)
Construction	130	726	856	Consumer Services	(3,246)	(114)	(3,360)
Media & Entertainment	(16)	93	77	Power	(2,107)	(586)	(2,693)
				Telecommunication	(1,505)	(917)	(2,422)
				Realty	(1,927)	(332)	(2,259)

Sector-Wise FPI Equity Purchases from Jan-Sep, 25		Sector-Wise FPI Equity Sales from Jan-Sep, 25	
Sector	Amount (Crs)	Sector	Amount (Crs)
Telecommunication	31,502	Information Technology	(67,836)
Services	12,116	Power	(22,119)
Chemicals	8,167	FMCG	(21,919)
Media & Entertainment	976	Consumer Durables	(20,106)
		Healthcare	(17,086)
		Financial Services	(14,479)
		Consumer Services	(12,409)
		Oil & Gas	(10,223)

# YTD Snapshot: Where FPIs Placed Their Biggest Bets in 2025

## FPI Sectoral Allocation: Telecom Leads, Tech Faces Heavy Selling

### ❖ Telecom & Services Power the Buys in 2025

- **Telecom Outperforms Across the Board:** Telecommunication emerged as the **standout performer of 2025**, attracting **₹31,502 Cr of FPI inflows** between January and September. The sector continues to benefit from **India's accelerating 5G rollout, data monetization prospects and consolidation-driven stability**, making it a key structural bet for foreign investors.
- **Services & Chemicals Gain Momentum:** The **Services sector (₹12,116 Cr)** and **Chemicals (₹8,167 Cr)** also saw strong buying interest, reflecting **confidence in domestic consumption and India's export-linked chemical manufacturing story**. Meanwhile, **Media & Entertainment (₹976 Cr)** maintained moderate yet positive inflows, supported by **advertising revival**.

### ❖ FPI Sectoral Sell-Off: IT, Power & FMCG Dominate Outflows

- **Tech Faces Relentless Selling Pressure:** The **Information Technology sector** continued to bear the brunt of FPI selling, with a sharp **₹67,836 Cr outflow YTD**, the highest among all sectors. Global slowdown in tech spending, currency headwinds and margin compression have driven sustained profit-taking in large-cap IT names.
- **Broader Selling in Defensives & Cyclical:** FPIs also pared exposure in **Power (₹22,119 Cr)** and **FMCG (₹21,919 Cr)**, reflecting a risk-off sentiment amid global yield volatility. **Consumer Durables (₹20,106 Cr)** and **Healthcare (₹17,086 Cr)** faced steady exits, while **Financial Services (₹14,479 Cr)** and **Consumer Services (₹12,409 Cr)** saw trimming due to valuation concerns. Even **Oil & Gas (₹10,223 Cr)** wasn't spared, signaling a **broad-based pullback across both defensives and cyclical themes**.

## Indian Benchmark Indices: Tracking Performance

Absolute Returns: A Snapshot of Indices Performance(%)		
Benchmark	September	YTD
Sensex	0.57	2.72
Nifty 50	0.75	4.09
Nifty Midcap 150	1.39	(0.48)
Nifty Smallcap 250	1.13	(5.97)

### ❖ September Gains Led by Broader Indices, Large Caps Stay Steady

- Equities posted modest gains in **September 2025**, with **large caps maintaining stability** and **broader markets staging a mild recovery** after recent weakness. The **Sensex rose 0.57%** and the **Nifty 50 gained 0.75%**, supported by strength in select banking and auto names. The **Nifty Midcap 150 advanced 1.39%** and the **Nifty Smallcap 250 added 1.13%**, reflecting renewed investor interest in mid and small-cap segments.
- On a **YTD basis, large caps continue to outperform**, with the **Nifty 50 up 4.09%** and the **Sensex higher by 2.72%**. In contrast, **broader indices remain subdued**, as the **Nifty Midcap 150 is down 0.48%** and the **Nifty Smallcap 250 lower by 5.97%**, underlining lingering caution toward smaller stocks despite short-term rebounds.

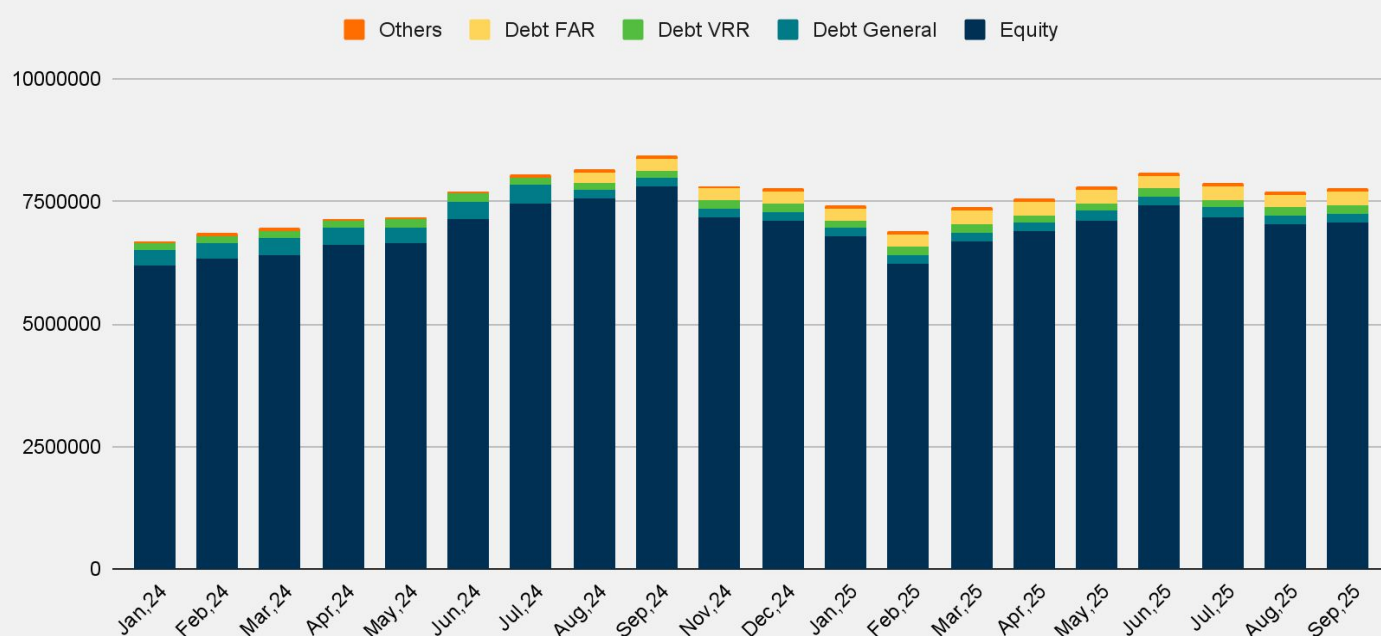
## Tracking FPI's AUC in Indian Markets

### FPIs' AUC Rebounds in September After August Dip

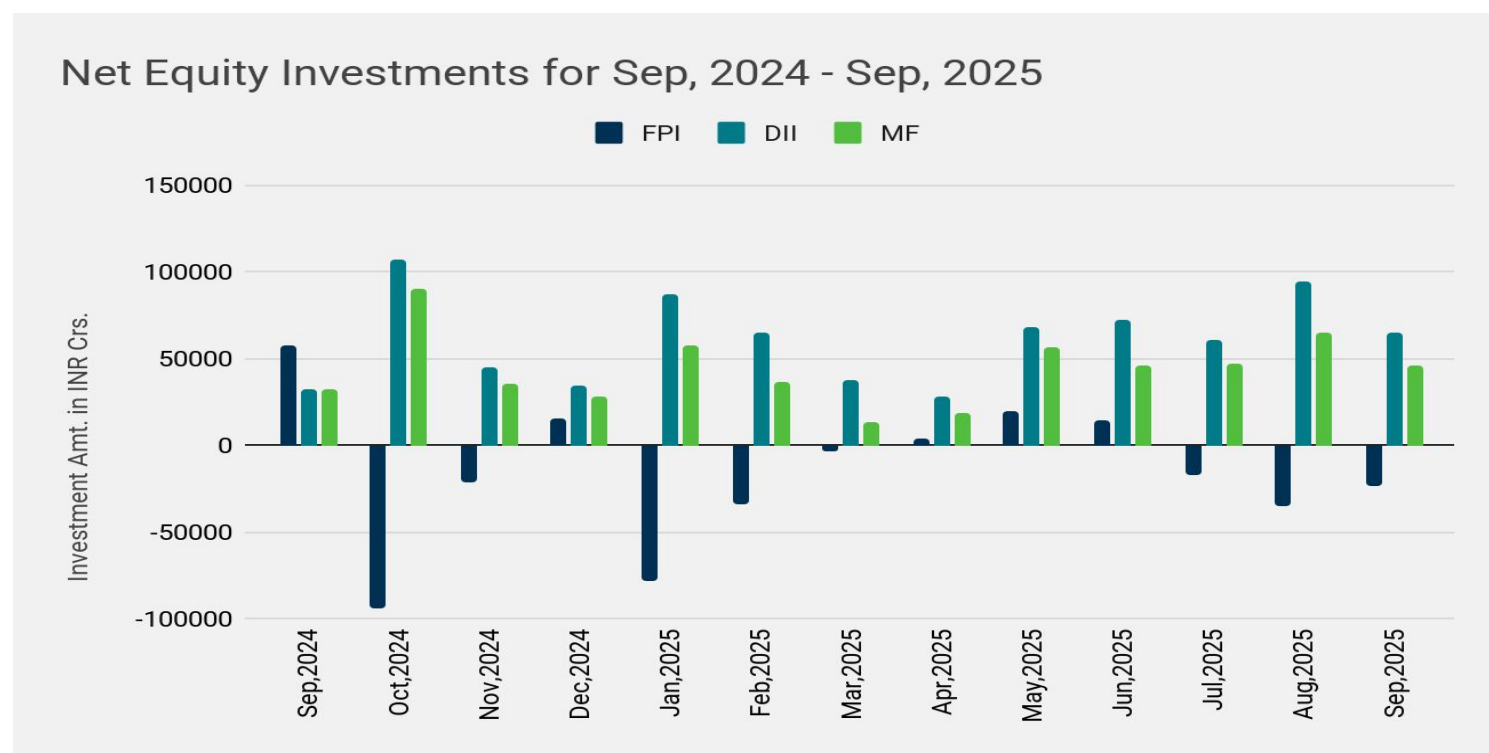
- **Total AUC Climbs Month-on-Month:** Foreign Portfolio Investors' Assets Under Custody (AUC) rose in September 2025 to ₹77.76 lakh cr from ₹77.14 lakh cr in August – a ₹0.62 lakh cr (₹61,600 cr) increase. The month-on-month improvement reflects a mild equity recovery alongside steady additions across debt buckets.
- **Equity AUC Edges Higher:** Equity holdings ticked up to ₹70.76 lakh cr (from ₹70.33 lakh cr in August), a rise of ₹0.43 lakh cr (₹43,411 cr). The uptick mirrors September's positive index prints and selective primary-market participation that helped offset secondary-market selling earlier in the month.
- **Debt AUC Broadly Higher:** Debt holdings saw an overall rise in September. **Debt General** increased to ₹1.86 lakh cr from ₹1.83 lakh cr, **Debt VRR** moved up to ₹1.69 lakh cr from ₹1.66 lakh cr, and **Debt FAR** rose to ₹2.74 lakh cr from ₹2.63 lakh cr.

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	7,076,086	7,032,675	43,411	Financial Services	2,205,698	2,165,190	75,898
Debt General	186,360	182,697	3,663	Automobile	569,410	533,262	39,456
Debt VRR	168,871	165,942	2,929	Metals & Mining	220,587	371,447	24,991
Corporate Bonds	128,508	128,238	270	Capital Goods	390,619	199,753	16,511
Debt FAR	274,489	263,455	11,034	Power	239,362	483,436	14,366
Others	69,756	69,193	563	Oil & Gas	493,881	484,373	9,194
<b>Total</b>	<b>7,775,562</b>	<b>7,713,962</b>	<b>61,600</b>	Construction	125,139	515,520	8,867

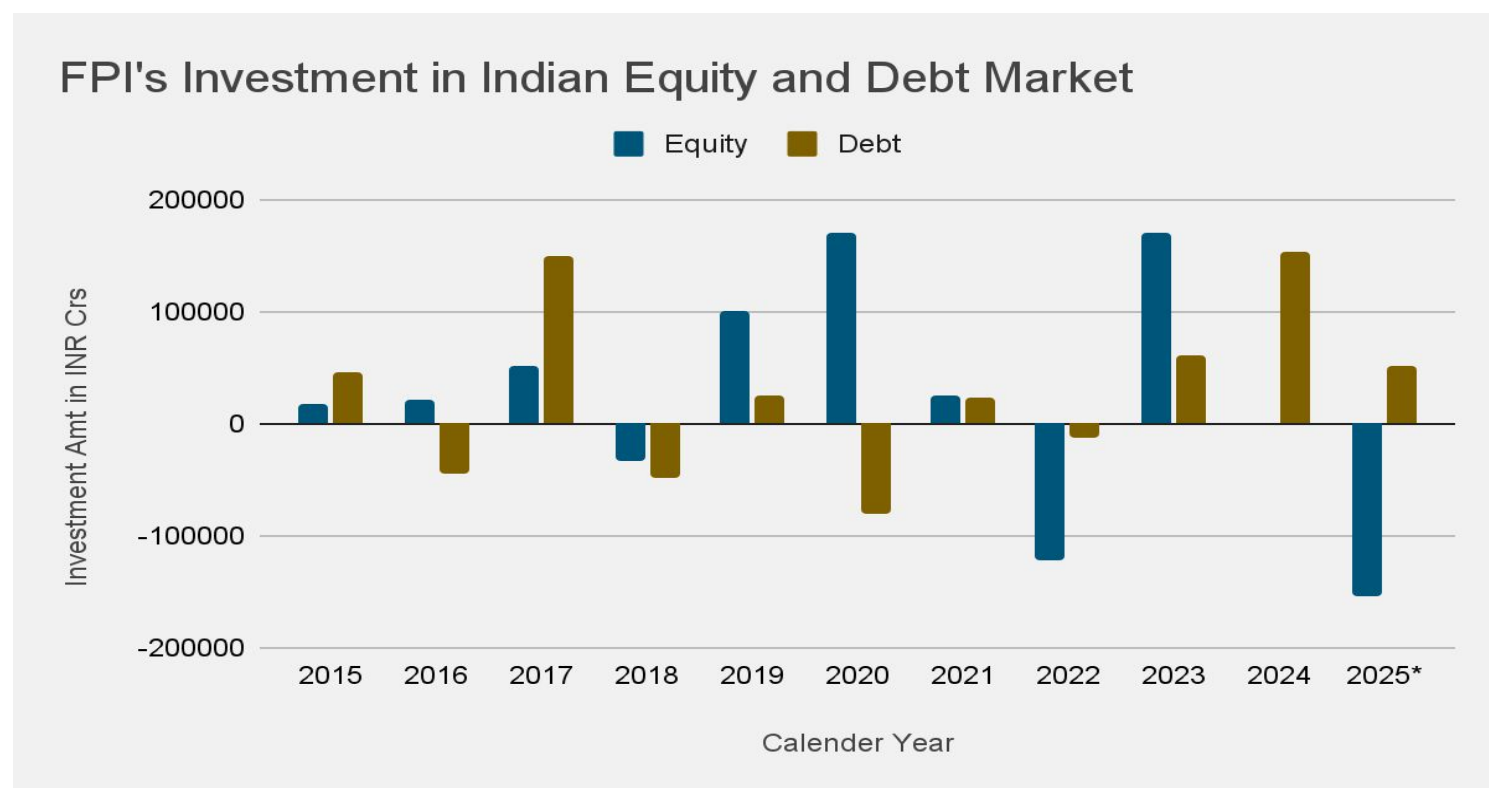
### Asset Under Custody(AUC) of FPIs (INR Cr)



## Equity Investment Breakdown by Participant



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



\*All data is updated as of 30th September. DII investments include MF investments.

Source: NSDL, SEBI