

October Market Pulse: Monthly Investment Insights

October Snapshot: Selective FPI Participation and Slower MFs Deployment, DIIs Continue to Lead

- ❖ **FPI Flows: Equity Rebounds Selectively, Debt Sees Continued Strength**
 - **FPI Buying Revives in October, Driven Largely by New Offerings:** FPIs returned to equity buying in October with ₹14,610 Cr of net inflows after three months of selling. Inflows picked up through the month (₹3,631 Cr in the first half and ₹10,979 Cr in the second). However, the trend was **largely IPO-led**, with ₹10,708 Cr coming from primary market participation, indicating **selective interest** rather than broad secondary market buying.
 - **FPIs Maintain Strong Debt Buying:** FPIs continued their positive stance in the debt segment, infusing ₹18,224 Cr in October, with ₹6,657 Cr in the first half and a stronger ₹11,567 Cr in the second. This marks the **ninth month** and **fourth consecutive month** of debt inflows in 2025, underscoring a **strategic shift toward fixed-income** as investors seek **stability and attractive yield opportunities** amid global uncertainty and volatile risk assets.
 - **FPIs YTD Trend:** From Jan–Oct 2025, FPIs have **withdrawn ₹1,39,910 Cr** from equities while investing ₹69,073 Cr into debt, highlighting a **clear inclination toward stable, yield-driven opportunities** over more volatile equity markets.
- ❖ **DII Flows: Domestic Institutions Remain the Market’s Pillar**
 - **Strong and Steady Equity Buying:** Domestic Institutional Investors (DIIs) continued to provide firm support to equities in October, registering ₹53,401 Cr of net buying. Flows were **strong and sustained through the month**, with ₹22,442 Cr deployed in the first half and a larger ₹30,959 Cr in the second.
 - **YTD Snapshot:** From Jan–Oct 2025, DIIs have infused ₹6,32,088 Cr into equities, consistently **counterbalancing FPI selling pressure** and ensuring **liquidity stability** in Indian markets despite global uncertainty.
- ❖ **Mutual Fund Flows: Equity Buying Slows After Strong Run**
 - **MF Equity Buying at 6-Month Low in October:** Mutual Funds remained net buyers in equities in October, but the pace of deployment **moderated to ₹17,778 Cr** – the **lowest monthly investment in the last six months**. The slowdown was visible across the month, with ₹12,116 Cr invested in the first half and a softer ₹5,662 Cr in the second. From Jan–Oct 2025, Mutual Funds have infused ₹4,15,024 Cr into equities, supported by **steady SIP inflows and resilient retail participation**.

Monthly Investment Insights

Tracking Flows by Market Participants								
Market Participants	For the month of October						Jan, 2025 - Oct, 2025	
	Equity (Cr₹)			Debt (Cr₹)			Equity (Cr₹)	Debt (Cr₹)
	1st - 15th	16th - 31st	Total	1st - 15th	16th - 31st	Total		
FPI	3,631	10,979	14,610	6,657	11,567	18,224	(139,910)	69,073
DII	22,442	30,959	53,401	-	-	-	632,088	-
*Mutual Funds	12,116	5,662	17,778	3,169	(9,205)	(6,036)	415,024	(484,410)

*DII investments include MFs Investments.MF’s data updated till 30th October. Source: NSDL, SEBI, NSE

Mapping FPI Investments: Sector-wise Insights in Indian Equities

❖ October's Sectoral Moves: FPIs Rotate Toward Financials & Energy

- **Financials & Oil & Gas Lead the Buying:** FPIs demonstrated **clear sectoral preference** in October, with the strongest inflows seen in **Financial Services (₹13,279 Cr)** and **Oil & Gas (₹9,129 Cr)**. **Metals & Mining (₹3,147 Cr)** and **Construction (₹2,233 Cr)** also recorded meaningful inflows, supported by commodity cycle momentum and infrastructure project acceleration. **Telecom (₹2,160 Cr)** saw a sharp pickup in the second half of the month, indicating renewed confidence in tariff-led profitability improvements.
- **Automobile & Power See Mixed Trends:** Automobiles witnessed **₹1,560 Cr of inflows in the first half** but reversed into withdrawals in the latter half, ending the month with **₹967 Cr** – signaling **near-term profit-taking** after strong outperformance. Power turned marginally positive at **₹965 Cr**, though flows moderated as valuations normalized.

❖ Selling Concentrated in Defensives and Consumption-Oriented Sectors

- **FMCG, Healthcare & Consumer Services Face Outflows:** FPIs trimmed exposure heavily in **FMCG (₹4,259 Cr)**, **Healthcare (₹3,104 Cr)** and **Consumer Services (₹3,462 Cr)** amid concerns over **high valuations and moderating consumption indicators**. The selling in FMCG was **persistent across both halves**, while Healthcare saw more aggressive unwinding early in the month. **Consumer Durables (₹1,756 Cr)** and **Construction Materials (₹1,292 Cr)** also witnessed withdrawals.
- **IT Selling Eases:** Information Technology continued to see selling, but the scale moderated to **₹2,194 Cr**, compared to heavy liquidation in earlier months – suggesting **incremental stabilization**, though global IT spending outlook remains cautious. Selling in **Chemicals (₹924 Cr)** and **Realty (₹806 Cr)** remained moderate, with flows indicating **position trimming rather than trend reversal**.

Sector-Wise FPI Equity Purchases: Oct, 2025 (Amount in Crs)				Sector-Wise FPI Equity Sales: Oct, 2025 (Amount in Crs)			
Sector	1st - 15th	16th - 31st	Total	Sector	1st - 15th	16th - 31st	Total
Financial Services	8,276	5,003	13,279	FMCG	(2,992)	(1,267)	(4,259)
Oil & Gas	1,086	8,043	9,129	Consumer Services	(1,785)	(1,677)	(3,462)
Metals & Mining	1,395	1,752	3,147	Healthcare	(2,739)	(365)	(3,104)
Construction	641	1,592	2,233	Information Technology	(1,927)	(267)	(2,194)
Telecommunication	73	2,087	2,160	Consumer Durables	(213)	(1,543)	(1,756)
Automobile	1,560	(593)	967	Construction Materials	(94)	(1,198)	(1,292)
Power	1,103	(138)	965	Chemicals	(316)	(608)	(924)
Services	234	(21)	213	Realty	(807)	1	(806)

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	33,662	Information Technology	(70,030)
Services	12,329	FMCG	(26,178)
Chemicals	7,243	Consumer Durables	(21,862)
Metals & Mining	2,357	Power	(21,154)
Media & Entertainment	930	Healthcare	(20,190)
		Consumer Services	(15,871)
		Realty	(10,885)
		Automobile	(8,211)

YTD Snapshot: Where FPIs Placed Their Biggest Bets in 2025

FPI Sectoral Allocation: Telecom Tops YTD Buys, IT Faces Deep Selling

- ❖ **Telecom & Services Drive YTD Foreign Buying**
 - **Telecom Outperforms Across the Board:** Telecommunication emerged as the **strongest structural buy** for FPIs in 2025, recording **₹33,662 Cr** of net inflows from January to October. The sector continues to benefit from **5G rollout progress, improving ARPU trends and strengthened balance sheets**, making it a long-term conviction allocation for foreign investors.
 - **Services & Chemicals Gain Momentum:** The **Services** sector also saw **₹12,329 Cr** of inflows, reflecting continued confidence in India's domestic demand and services-led growth momentum. **Chemicals (₹7,243 Cr)** and **Metals & Mining (₹2,357 Cr)** attracted selective buying, supported by **export competitiveness and commodity cycle resilience**, while **Media & Entertainment (₹930 Cr)** remained modestly positive amid an improvement in advertising activity.
- ❖ **IT, FMCG & Consumer Durables Lead YTD Sectoral Sell-Off**
 - **Tech Faces Relentless Selling Pressure:** Information Technology faced the heaviest selling, with FPIs withdrawing **₹70,030 Cr** YTD, driven by **weak global tech spending, margin pressures, and cautious earnings outlook** across major IT exporters. **FMCG (₹26,178 Cr)** and **Consumer Durables (₹21,862 Cr)** also witnessed significant outflows as investors **trimmed exposure to high-valuation consumption names** amid signs of **slower discretionary spending**.
 - **Broader Selling in Defensives & Cyclical:** Selling was similarly notable in **Power (₹21,154 Cr)** and **Healthcare (₹20,190 Cr)**, indicating a **broad rotation away from defensives and stable-yield sectors**. Meanwhile, **Consumer Services (₹15,871 Cr)**, **Realty (₹10,885 Cr)** and **Automobiles (₹8,211 Cr)** also faced steady unwinding, suggesting **valuation discipline** rather than a structural shift in sector view.

Indian Benchmark Indices: Tracking Performance

Absolute Returns: A Snapshot of Indices Performance(%)		
Benchmark	October	YTD
Sensex	4.57	7.42
Nifty 50	4.51	8.79
Nifty Midcap 150	4.79	4.28
Nifty Smallcap 250	3.72	(2.47)

- ❖ **October Gains Broad-Based, Large Caps Maintain Leadership**
 - Equities posted strong gains in October, with the **Sensex up 4.57%** and the **Nifty 50 rising 4.51%**, supported by sustained institutional flows and stable earnings. Broader markets also participated, as the **Nifty Midcap 150 gained 4.79%** and the **Nifty Smallcap 250 rose 3.72%**, though buying remained more selective in smaller stocks.
 - YTD performance continues to favor **large caps**, with the **Nifty 50 up 8.79%** and the **Sensex higher by 7.42%**. Midcaps remain in positive territory (**4.28% YTD**), while **small caps are still negative (-2.47% YTD)**, reflecting ongoing caution and valuation discipline in the lower market segments.

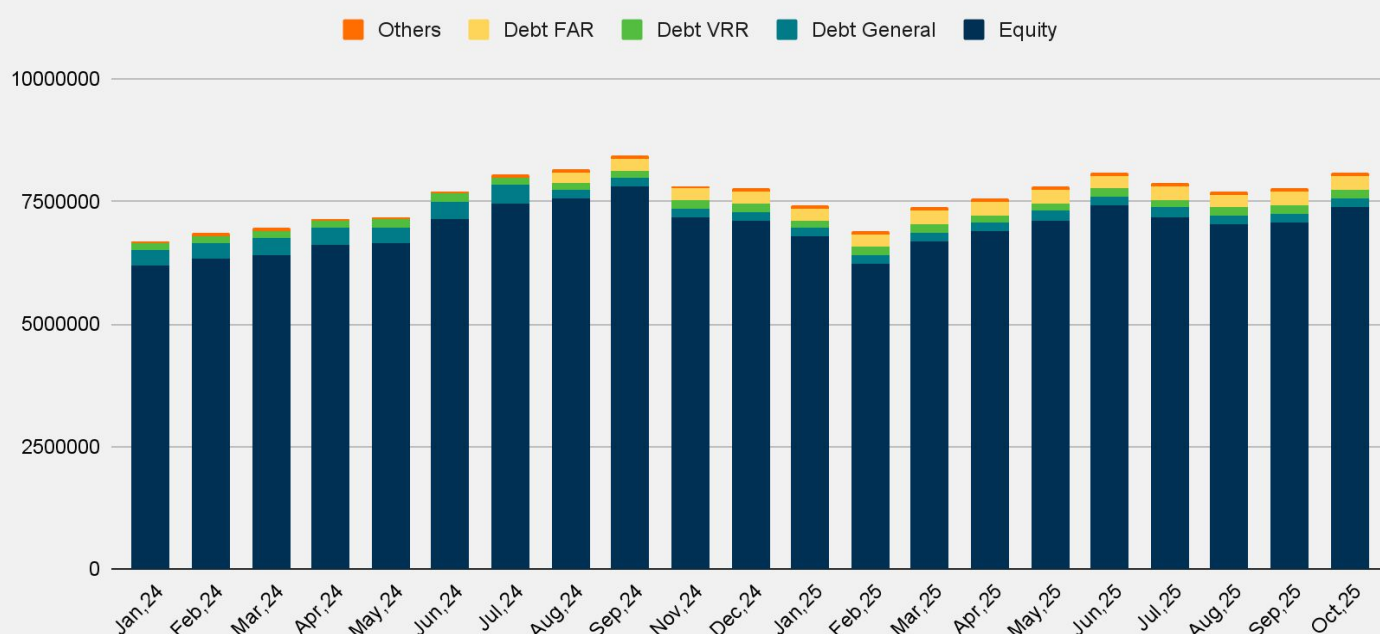
Tracking FPI's AUC in Indian Markets

FPIs' AUC Rises Sharply in October, Hitting Highest Level of 2025

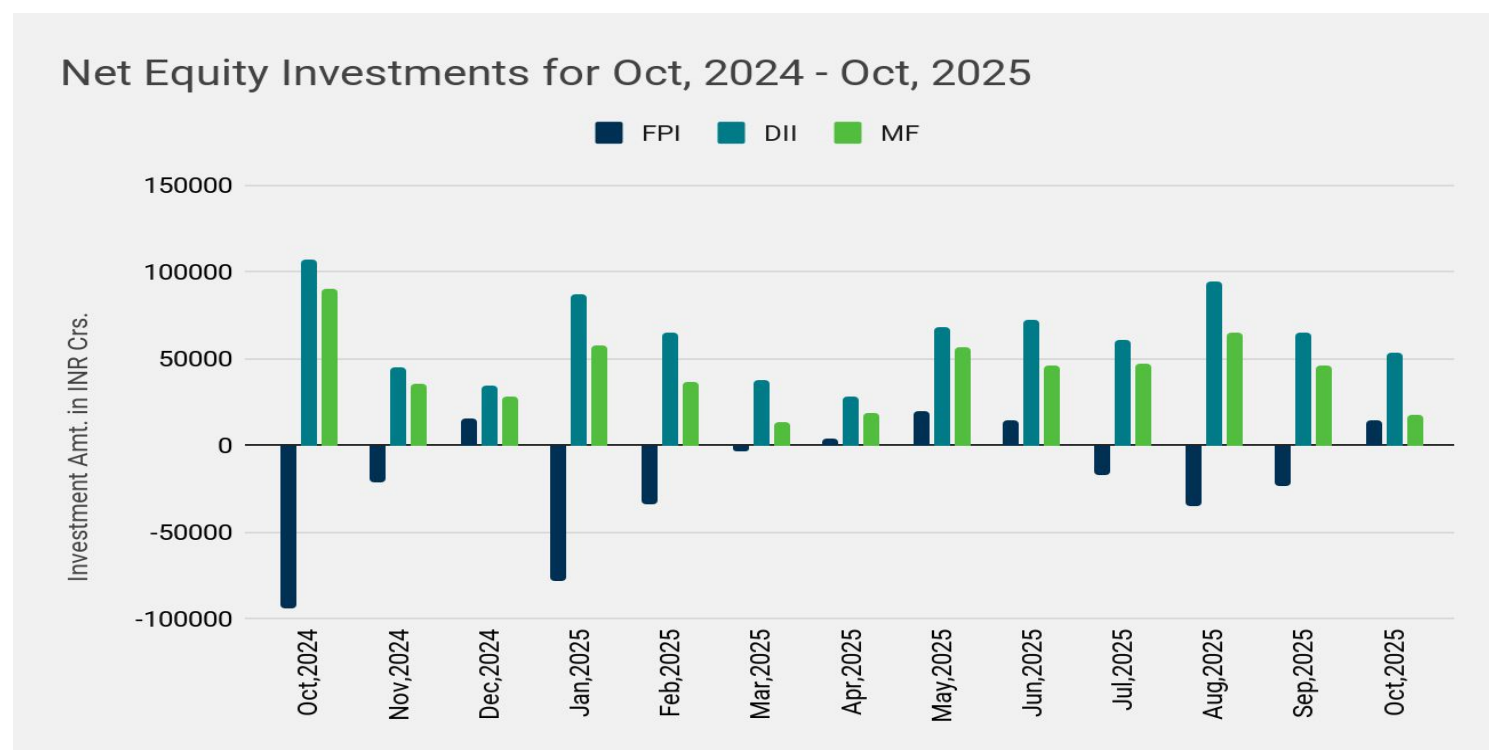
- **Total AUC Climbs Month-on-Month:** Foreign Portfolio Investors' **Assets Under Custody (AUC)** increased to **₹80.98 lakh cr** in **October 2025**, up from **₹77.76 lakh cr** in September – a rise of **₹3.22 lakh cr**. With this, **FPI AUC has touched its highest level in 2025**, supported by broad equity gains and sustained buildup in debt exposures.
- **Equity AUC Sees Meaningful Uptick:** Equity holdings rose to **₹73.76 lakh cr** in October from **₹70.76 lakh cr** in September, an increase of **₹3.00 lakh cr**. The rise reflects **strong index performance** during the month and **selective FPI participation**, especially in the primary market.
- **Debt AUC Strengthens Across Investment Channels:** Debt AUC strengthened in October, with **Debt General** rising from **₹1.86 lakh cr** to **₹1.91 lakh cr**, while **Debt VRR** remained stable at **₹1.69 lakh cr**. The most notable increase came in **Debt FAR**, which moved up from **₹2.74 lakh cr** to **₹2.87 lakh cr**, reflecting **index-inclusion positioning and higher appetite for longer-duration bonds**.

Asset Under Custody(AUC) of FPIs (INR Cr)				Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Segment	Oct,25	Sep,25	Change	Sector	Oct,25	Sep,25	Change
Equity	7,376,191	7,076,086	300,105	Financial Services	2,322,940	2,205,698	117,242
Debt General	190,682	186,360	4,322	Oil & Gas	540,121	493,881	46,240
Debt VRR	168,945	168,871	74	Telecommunication	378,887	345,086	33,801
Corporate Bonds	131,560	128,508	3,052	IT	515,320	489,214	26,106
Debt FAR	287,362	274,489	12,873	Metals & Mining	236,145	220,587	15,558
Others	74,384	69,756	4,628	Healthcare	485,212	471,040	14,172
Total	8,097,564	7,775,562	322,002	Construction	137,361	125,139	12,222

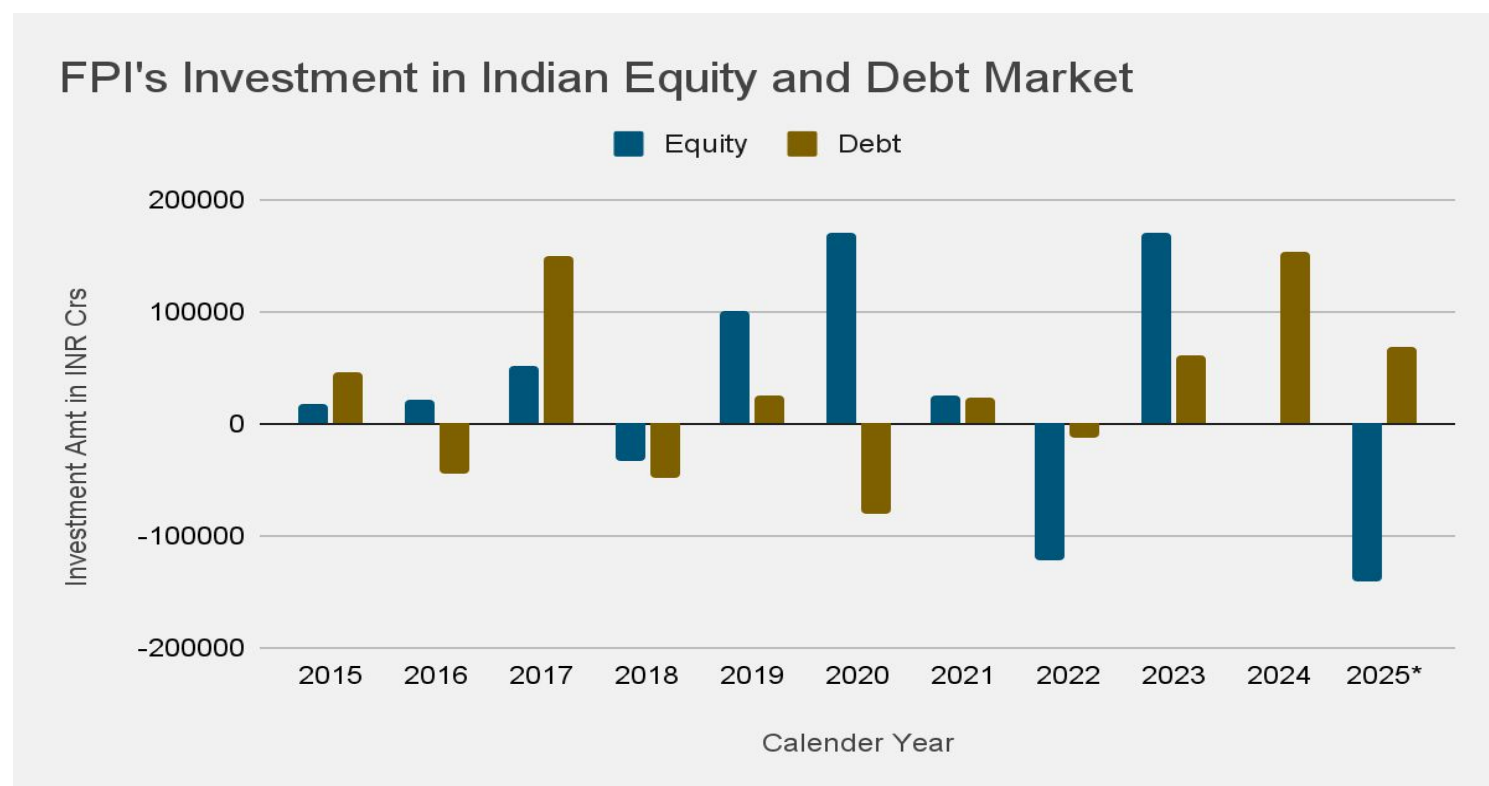
Asset Under Custody(AUC) of FPIs (INR Cr)



Equity Investment Breakdown by Participant



FPI's Strategic Investments in Equity and Debt Markets



*MF data is updated as of 30th October. DII investments include MF investments.

Source: NSDL, SEBI