

January Market Pulse: Fortnightly Investment Insights

January Fortnight Review: DIIs Hold Firm, MFs Stay Active as FPIs Sell Equities Despite Debt Buying

❖ FPIs Begin 2026 With Equity Selling; Debt Buying Persists

- **FPIs Continue Equity Selling in the First Half of January:** Foreign Portfolio Investors (FPIs) were net sellers in Indian equities across the first half of January 2026, barring two sessions, with total equity outflows of ₹19,015 Cr – indicating continued caution on risk assets at the start of the calendar year.
- **Debt Flows Stay Positive:** In contrast to equity, FPIs recorded net debt inflows of ₹2,233 Cr in the same fortnight, suggesting a selective preference for fixed income even as equity positioning stayed negative.
- **FPIs FY26 Trend:** On a FY26-to-date basis (till 15th Jan 2026), FPIs remain net sellers of ₹68,727 Cr in equities, while still being net buyers of ₹11,704 Cr in debt – highlighting that despite intermittent equity rebounds, overall FPI positioning continues to be equity-negative, with debt relatively supportive on the FY26-to-date view.

❖ DIIs Extend Support

- **DIIs Maintain Strong Support Despite FPI Selling:** Domestic Institutional Investors (DIIs) continued to anchor Indian equities during 1st–15th Jan 2026, deploying a solid ₹30,141 Cr into equities. On a FY26-to-date basis (till 15th Jan 2026), DII equity inflows have climbed to ₹6.30 lakh Cr, reinforcing the durability of domestic flows and highlighting how local institutions continue to absorb supply amid intermittent foreign selling.

❖ Mutual Funds Add Fresh Momentum in Early January

- **Mutual Funds Stay Active as Equity Buying Continues:** Mutual Funds (MFs) maintained a constructive stance during 1st–15th Jan 2026, investing ₹19,943 Cr into equities. On a FY26-to-date basis (till 15th Jan 2026), MF equity investments stand at ₹4.04 lakh Cr (₹4,03,643 Cr), reflecting sustained participation and resilient equity buying.

Fortnightly Investment Insights

Tracking Investments of Market Participants

Market Participants	For the Period 1st Jan, 2026 to 15th Jan, 2026		For the Period 1st Apr, 2025 to 15th Jan, 2026	
	Equity (Cr\$)	Debt (Cr\$)	Equity (Cr\$)	Debt (Cr\$)
FPI	(19,015)	2,233	(68,727)	11,704
DII	30,141	-	629,902	-
Mutual Funds	19,943	(24,013)	403,643	(417,485)

*DII investments include MF Investments. Data updated till 15th January

Absolute Returns: A Snapshot of Indices Performance(%)

Benchmark	First Half of January	FY2026 Till 15th Jan
Sensex	(2.16)	7.71
Nifty 50	(1.78)	9.13
Nifty Midcap 150	(1.40)	14.88
Nifty Smallcap 250	(2.40)	7.81

Mapping FPI Investments: Sector-wise Insights in Indian Equities

FPIs Stay Selective in Metals & Mining; Heavy Selling Persists in FMCG, Financials and IT (1st–15th Jan 2026)

- ❖ **FPI Selling Concentrated in FMCG, Financials and IT**
 - On the sell side, FPIs saw the sharpest outflows from **FMCG** (₹6,128 Cr), indicating meaningful risk reduction in defensives. Selling was also pronounced in **Financial Services** (₹3,190 Cr) and **Information Technology** (₹2,075 Cr), alongside continued trimming in **Consumer Services** (₹1,952 Cr) and **Services** (₹1,587 Cr). Additional pressure was visible in **Telecommunication** (₹1,497 Cr), **Healthcare** (₹1,049 Cr) and **Realty** (₹699 Cr).
- ❖ **Selective FPI Buying Led by Metals & Mining**
 - FPIs remained selective buyers in the first half of January, with **Metals & Mining** (₹2,689 Cr) dominating inflows. Incremental buying was also seen in **Capital Goods** (₹326 Cr) and **Consumer Durables** (₹322 Cr), while **Chemicals** (₹69 Cr) attracted limited interest.
- ❖ **FPI Investment Scorecard FY26: Telecom and Energy Lead Buying**
 - On a **FY26-to-date** basis, FPIs have concentrated their buying in **Telecommunication** (₹35,510 Cr)—the clear leader—followed by **Oil & Gas** (₹16,250 Cr) and **Metals & Mining** (₹8,995 Cr). Supportive inflows were also seen in **Capital Goods** (₹8,205 Cr) and **Services** (₹6,316 Cr), alongside steady buying in **Chemicals** (₹4,811 Cr), while **Automobile & Auto Components** (₹258 Cr) remained a smaller allocation.
- ❖ **FY26 FPI Selling Dominated by IT, FMCG and Defensives/Cyclicals**
 - Despite selective buying, FY26-to-date FPI flows remain dominated by heavy selling in **Information Technology** (₹62,656 Cr), followed by **FMCG** (₹24,989 Cr) and **Healthcare** (₹20,271 Cr). Outflows also continue in **Power** (₹19,338 Cr), **Consumer Durables** (₹13,439 Cr) and **Realty** (₹11,728 Cr), with additional pressure in **Consumer Services** (₹4,214 Cr) and **Construction Materials** (₹2,281 Cr).

Sector-Wise FPI Equity Purchases: 1st–15th Jan 2026		Sector-Wise FPI Equity Sales: 1st–15th Jan 2026	
Sector	Amount (Cr\$)	Sector	Amount (Cr\$)
Metals & Mining	2,689	Fast Moving Consumer Goods	(6,128)
Capital Goods	326	Financial Services	(3,190)
Consumer Durables	322	Information Technology	(2,075)
Chemicals	69	Consumer Services	(1,952)
		Services	(1,587)
		Telecommunication	(1,497)
		Healthcare	(1,049)
		Realty	(699)

Sector-Wise FPI Equity Purchases in *FY2026		Sector-Wise FPI Equity Sales in *FY2026	
Sector	Amount (Cr\$)	Sector	Amount (Cr\$)
Telecommunication	35,510	Information Technology	(62,656)
Oil & Gas	16,250	Fast Moving Consumer Goods	(24,989)
Metals & Mining	8,995	Healthcare	(20,271)
Capital Goods	8,205	Power	(19,338)
Services	6,316	Consumer Durables	(13,439)
Chemicals	4,811	Realty	(11,728)
Automobile and Auto Components	258	Consumer Services	(4,214)
		Construction Materials	(2,281)

*All data considered till 15th January

Tracking FPI's AUC in Indian Markets

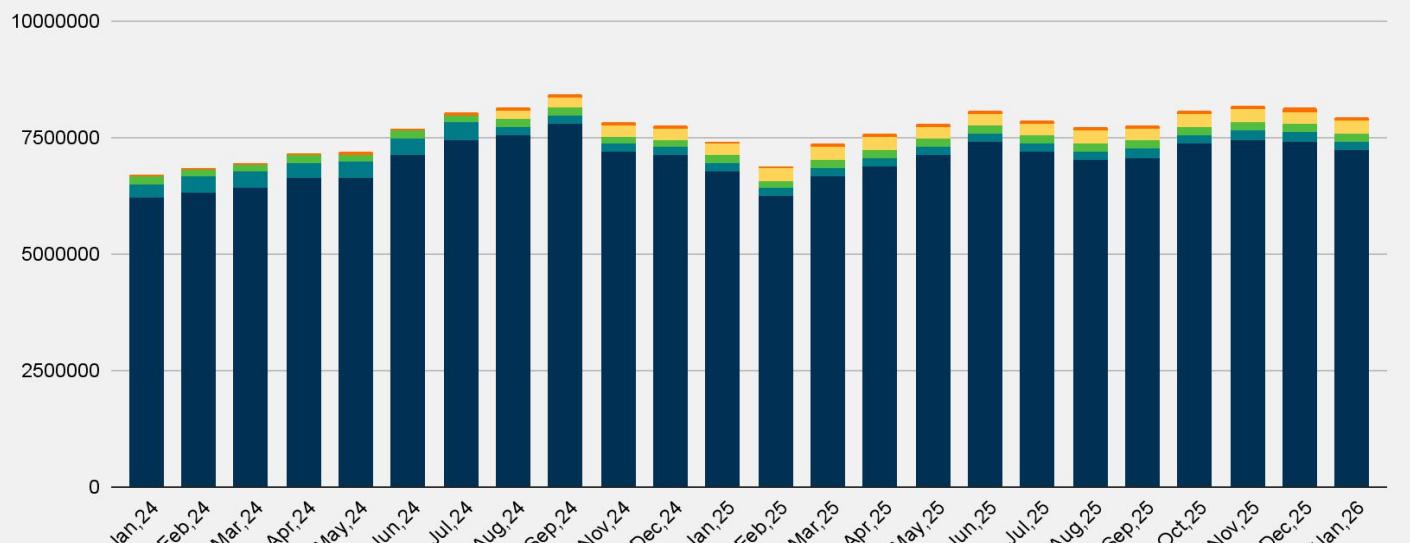
FPI AUC Softens in Early January vs December; Equity Valuation Pullback Drives Decline

- ❖ Foreign Portfolio Investors (FPIs) saw their Assets Under Custody (AUC) ease in the first half of January 2026, with total AUC at ₹79.53 lakh crore, down from ₹81.39 lakh crore in December 2025 (a decline of ₹1.86 lakh crore). The moderation largely reflects a weaker equity valuation backdrop, with equity indices closing ~2% lower in the first half of January.
- ❖ Equity AUC dipped to ₹72.40 lakh crore in early January versus ₹74.26 lakh crore in December, implying a ₹1.87 lakh crore pullback in custody value over the period, even as equities continued to dominate overall FPI holdings (about ~91% of total AUC).
- ❖ On the debt side, custody levels were largely stable with mild changes: General debt stood at ₹1.84 lakh crore (vs ₹1.87 lakh crore in December), VRR was steady at ₹1.70 lakh crore (vs ₹1.71 lakh crore), while FAR ticked up to ₹2.82 lakh crore (from ₹2.77 lakh crore)—suggesting incremental preference for FAR even as overall AUC softened.

Asset Under Custody(AUC) of FPIs (INR Cr)				Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Segment	*Jan,26	Dec,25	Change	Sector	*Jan,26	Dec,25	Change
Equity	7,239,884	7,426,445	(186,561)	Financial Services	2,251,711	2,363,331	(111,620)
Debt General	183,656	187,487	(3,831)	Automobile	563,433	574,896	(11,463)
Debt VRR	169,980	170,570	(590)	Oil & Gas	536,704	568,986	(32,282)
Corporate Bonds	123,417	127,891	(4,474)	IT	533,568	537,779	(4,211)
Debt FAR	282,162	277,342	4,820	Healthcare	467,001	470,466	(3,465)
Others	77,383	77,526	(143)	Capital Goods	407,417	415,937	(8,520)
Total	7,953,065	8,139,370	(186,305)	Telecom	391,749	406,630	(14,881)

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

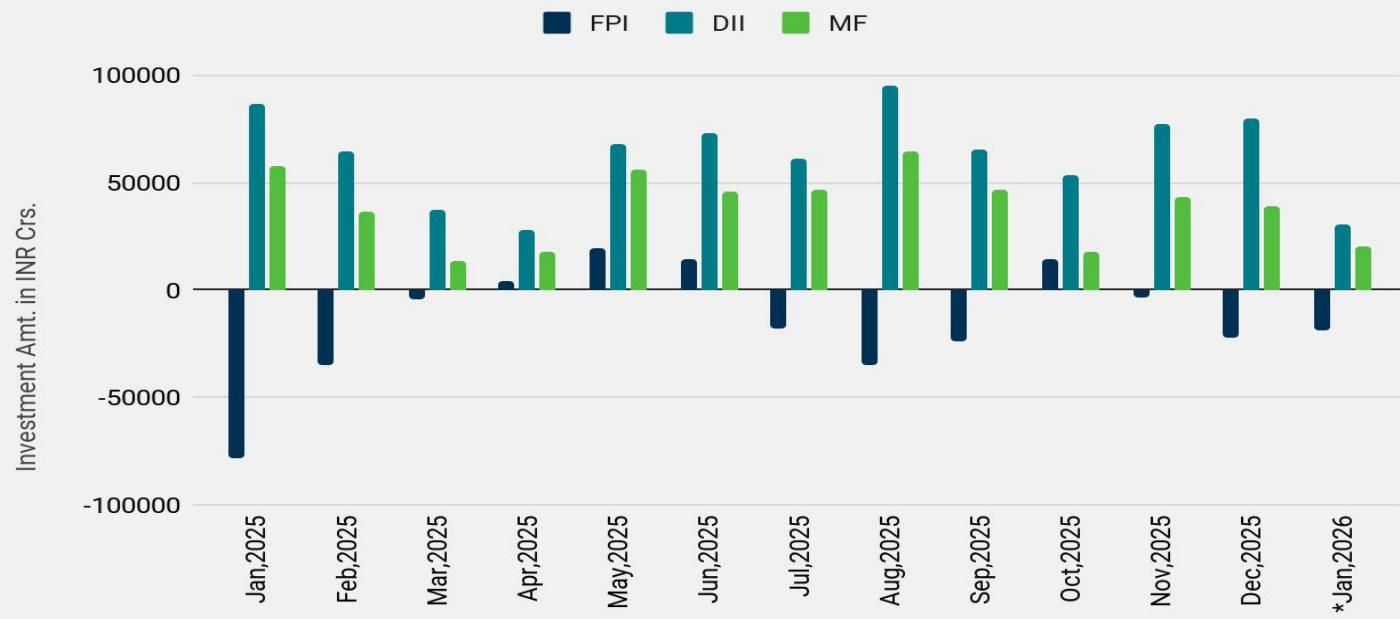
Orange: Others | Yellow: Debt FAR | Green: Debt VRR | Teal: Debt General | Dark Blue: Equity



*All data is updated till 15th January

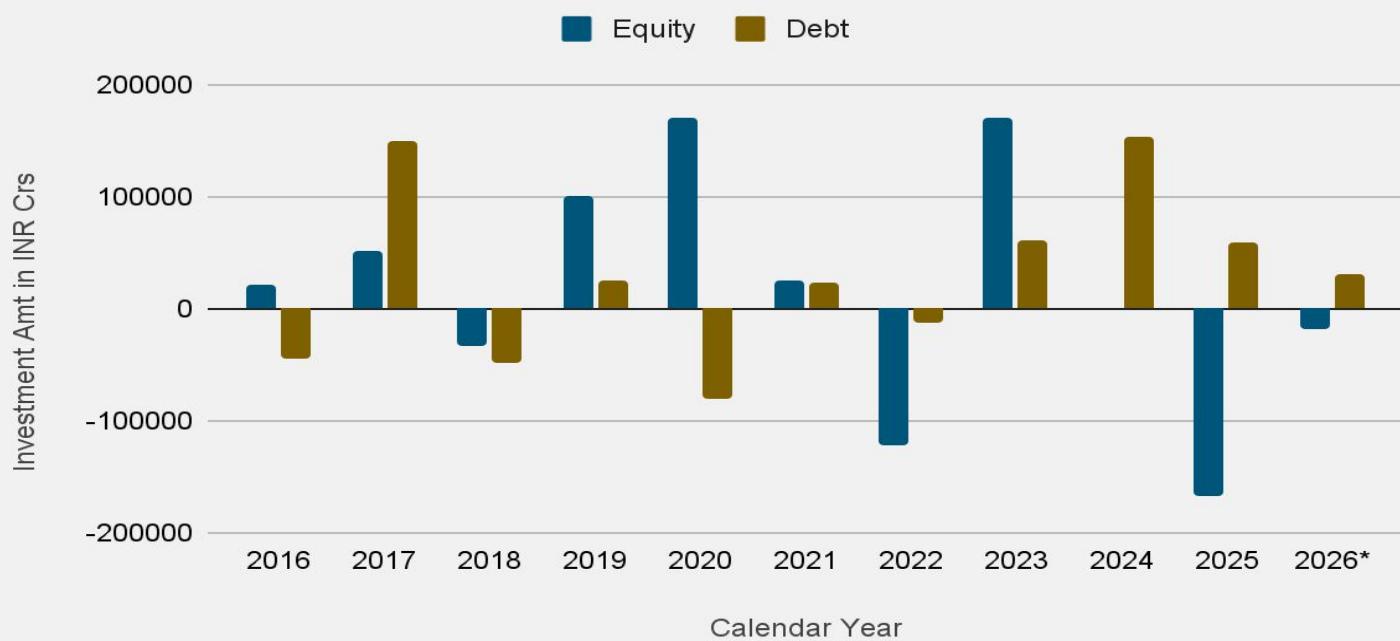
Equity Investment Breakdown by Participant

Net Equity Investments for Jan, 2025 - Jan, 2026



FPI's Strategic Investments in Equity and Debt Markets

FPI's Investment in Indian Equity and Debt Market



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Source: NSDL, SEBI