

# CY2025 & December Market Pulse: Investment Insights

## CY2025 Wrap: FPIs Record Equity Exit, DIIs and MFs Keep Markets Supported

- ❖ **FPIs Extend Equity Selling in December; Debt Turns Negative, while CY2025 Marks Record-High Equity Selling and a Tilt Toward Fixed Income**
  - **FPIs Remain Net Sellers in Equities in December:** FPIs continued to exit equities in **December**, recording **₹22,611 Cr** of net outflows. Selling was concentrated in the **first half (₹17,821 Cr)** and moderated in the **second half (₹4,790 Cr)**, indicating sustained risk reduction into year-end. Flows were sharply split across venues—FPIs sold **₹30,333 Cr** in the **secondary market**, while partially offsetting this through **primary market buying of ₹7,722 Cr**, reflecting **selective participation in issuances** amid broader equity unwinding.
  - **Debt Flows Flip to Outflows in December:** FPIs also turned net sellers in debt, with **₹15,399 Cr** of outflows (**₹7,768 Cr** in the first half and **₹7,631 Cr** in the second). This indicates a broader year-end de-risking, as FPIs pared exposure across both **equity and debt** during the month.
  - **CY2025 Trend Highlights a Clear Equity-to-Debt Tilt:** In **CY2025**, FPIs withdrew **₹1,66,286 Cr** from equities—the **highest annual equity outflow from FPIs in the Indian market so far**—while investing **₹58,348 Cr** into debt. This underscores a sustained preference for **yield-led, relatively stable** opportunities over equities through the year.
- ❖ **DII Flows: Domestic Institutions Stay the Market's Core Support in December and CY2025**
  - **Strong Equity Buying Continues in December:** Domestic Institutional Investors remained firm buyers in **December**, recording **₹79,620 Cr** of net equity inflows. Buying was well-spread across the month, with **₹41,762 Cr** deployed in the **first half** and **₹37,858 Cr** in the **second half**, underscoring sustained domestic risk appetite despite foreign selling.
  - **CY2025 Ends with Record-Style Support:** For **CY2025**, DIIs have infused a sizeable **₹7,88,791 Cr** into equities, reinforcing their role as the market's **primary stabiliser**—consistently absorbing supply, supporting liquidity, and cushioning volatility through the year.
- ❖ **Mutual Funds Anchor Equity Support in CY2025**
  - **Mutual Funds Stay Net Buyers in Equities in December:** Mutual Funds maintained firm equity deployment in **December**, investing **₹38,939 Cr**, with **₹20,641 Cr** deployed in the **first half** and **₹18,298 Cr** in the **second half**, indicating steady domestic participation through year-end.
  - **CY2025 Investment:** Mutual Funds infused a **record-high ₹5,02,712 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 December						CY 2025	
	Equity (Cr)			Debt (Cr)			Equity (Cr)	Debt (Cr)
	1st - 15th	16th - 31st	Total	1st - 15th	16th - 31st	Total		
FPI	(17,821)	(4,790)	(22,611)	(7,768)	(7,631)	(15,399)	(166,286)	58,348
DII	41,762	37,858	79,620	-	-	-	788,791	-
*Mutual Funds	20,641	18,298	38,939	(23,430)	(11,152)	(34,582)	502,712	(591,606)

\*DII investments include MFs Investments.MF's data updated till 31st December. Source: NSDL, SEBI, NSE

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

- ❖ **December 2025 Sectoral Shifts: Second-Half Rotation Lifts Consumer Services & IT; Financials Stay the Key Drag**
  - **Second-half buying strengthened in December:** Consumer Services led inflows at ₹3,340 Cr, almost entirely from 16th–31st (₹3,390 Cr). Metals & Mining saw solid buying of ₹2,984 Cr, indicating sustained interest in cyclical/value pockets. Oil & Gas stayed net positive at ₹2,356 Cr despite late profit-booking (₹3,001 Cr in 1st half vs –₹645 Cr in 2nd).
  - **IT and Telecom reversed sharply:** IT flipped from –₹3,331 Cr to ₹4,457 Cr, ending ₹1,126 Cr net buy, while Telecom moved from –₹879 Cr to ₹1,113 Cr, closing at ₹234 Cr.
- ❖ **Selling Concentrates in Financials and Consumption**
  - **Financial Services sees the deepest outflows:** FPIs remained aggressive sellers in Financial Services (–₹10,525 Cr), with consistent unwinding across both halves (–₹6,516 Cr in 1st half; –₹4,009 Cr in 2nd), reflecting sustained de-risking/profit booking.
  - **FMCG outflows intensify late-month:** FMCG (–₹5,844 Cr) selling accelerated in the second half (–₹4,425 Cr vs –₹1,419 Cr in the first), suggesting sharper valuation-led trimming toward month-end.
  - **Services, Healthcare and Power remain under pressure:** FPIs continued to sell Services (–₹4,278 Cr), Healthcare (–₹2,994 Cr) and Power (–₹2,753 Cr), though the pace of selling moderated in the second half across these sectors. Capital Goods (–₹2,566 Cr) also stayed negative through both halves, indicating rotation away from industrial/capex themes in December.
  - **Auto Turns Mixed: Early Buying, Sharp Second-Half Exit :** Automobiles saw ₹611 Cr of buying in the first half but a sharp reversal later (–₹2,656 Cr), ending –₹2,045 Cr—highlighting a clear late-month risk reduction.

Sector-Wise FPI Equity Purchases: Dec, 2025 (Amount in Crs)				Sector-Wise FPI Equity Sales: Dec, 2025 (Amount in Crs)			
Sector	1st - 15th	16th - 31st	Total	Sector	1st - 15th	16th - 31st	Total
Consumer Services	(50)	3,390	3,340	Financial Services	(6,516)	(4,009)	(10,525)
Metals & Mining	807	2,177	2,984	FMCG	(1,419)	(4,425)	(5,844)
Oil & Gas	3,001	(645)	2,356	Services	(3,237)	(1,041)	(4,278)
IT	(3,331)	4,457	1,126	Healthcare	(2,351)	(643)	(2,994)
Consumer Durables	401	198	599	Power	(2,118)	(635)	(2,753)
Telecommunication	(879)	1,113	234	Capital Goods	(1,218)	(1,348)	(2,566)
Construction	(175)	382	207	Automobile	611	(2,656)	(2,045)
				Construction Materials	(1,125)	(549)	(1,674)

Sector-Wise FPI Equity Purchases in CY2025		Sector-Wise FPI Equity Sales in CY2025	
Sector	Amount (Crs)	Sector	Amount (Crs)
Telecommunication	48,222	Information Technology	(74,698)
Oil & Gas	8,431	FMCG	(36,786)
Services	7,071	Power	(26,522)
Chemicals	6,017	Healthcare	(24,967)
Metals & Mining	4,661	Consumer Durables	(21,369)
Media & Entertainment	301	Consumer Services	(16,524)
		Financial Services	(14,903)
		Realty	(12,635)

# CY2025 Snapshot: Where FPIs Placed Their Biggest Bets

## FPI Sectoral Allocation (CY2025): Telecom Tops Buying, IT Sees the Heaviest Selling

- ❖ **Telecom Dominates Full-Year FPI Purchases**
  - **Telecommunication** emerged as FPIs’ biggest **buy-side** sector in **CY2025**, with purchases of **₹48,222 Cr**—far ahead of other sectors. The scale of participation suggests sustained preference for **structural themes** such as **pricing discipline**, **ARPU improvement visibility**, and **5G-led monetisation**.
  - **Oil & Gas, Services and Chemicals Form the Next Buying Cluster:** Beyond telecom, FPIs deployed meaningful capital into **Oil & Gas (₹8,431 Cr)** and **Services (₹7,071 Cr)**, pointing to preference for **cash-flow visibility** and India’s **services-led growth**. **Chemicals (₹6,017 Cr)** and **Metals & Mining (₹4,661 Cr)** also saw healthy purchases, indicating selective appetite for **commodity/industrial exposure**. **Media & Entertainment (₹301 Cr)** remained marginal on the buy side. Overall, the top purchase sectors together accounted for **₹74,703 Cr** of FPI buying in **CY2025**.
- ❖ **IT Faces the Sharpest Full-Year Selling**
  - On the sell side, **Information Technology** witnessed the deepest FPI unwind in **CY2025**, with sales of **₹74,698 Cr**—the largest among all sectors. The magnitude indicates a sustained preference to reduce exposure to **global-demand-sensitive** segments and/or to rebalance positioning after earlier cycles.
  - **Consumption, Defensives and Rate-Sensitives Also See Large Exits:** FPI selling was also heavy in **FMCG (₹36,786 Cr)**, followed by **Power (₹26,522 Cr)** and **Healthcare (₹24,967 Cr)**. **Consumer Durables (₹21,369 Cr)** and **Consumer Services (₹16,524 Cr)** further highlight broad-based trimming across **consumer-facing** pockets. In addition, FPIs sold **Financial Services (₹14,903 Cr)** and **Realty (₹12,635 Cr)**—both typically sensitive to **rates, liquidity, and valuation swings**. Collectively, the top sell sectors summed to **₹228,404 Cr** of FPI selling in **CY2025**.

## Indian Benchmark Indices: Tracking Performance

Absolute Returns: A Snapshot of Indices Performance(%)		
Benchmark	December	CY2025
Sensex	(0.57)	9.06
Nifty 50	(0.28)	10.51
Nifty Midcap 150	(0.53)	5.37
Nifty Smallcap 250	(0.29)	(6.01)

- ❖ **Large Caps Close CY2025 with Clear Leadership Despite a Soft December**
  - Markets saw a mild pullback in **December**, with **Sensex down 0.57%** and **Nifty 50 lower by 0.28%**, reflecting **profit-booking** and **year-end consolidation**. Broader indices were also soft—**Nifty Midcap 150 fell 0.53%** and **Nifty Smallcap 250 slipped 0.29%**—highlighting continued **selectivity**.
  - For **CY2025**, **large caps** retained clear leadership as **Nifty 50 gained 10.51%** and **Sensex rose 9.06%** on the back of **quality** and **liquidity** preference. **Midcaps** returned **5.37%**, while **small caps** ended **down 6.01%**, signalling sustained caution in higher-risk segments.

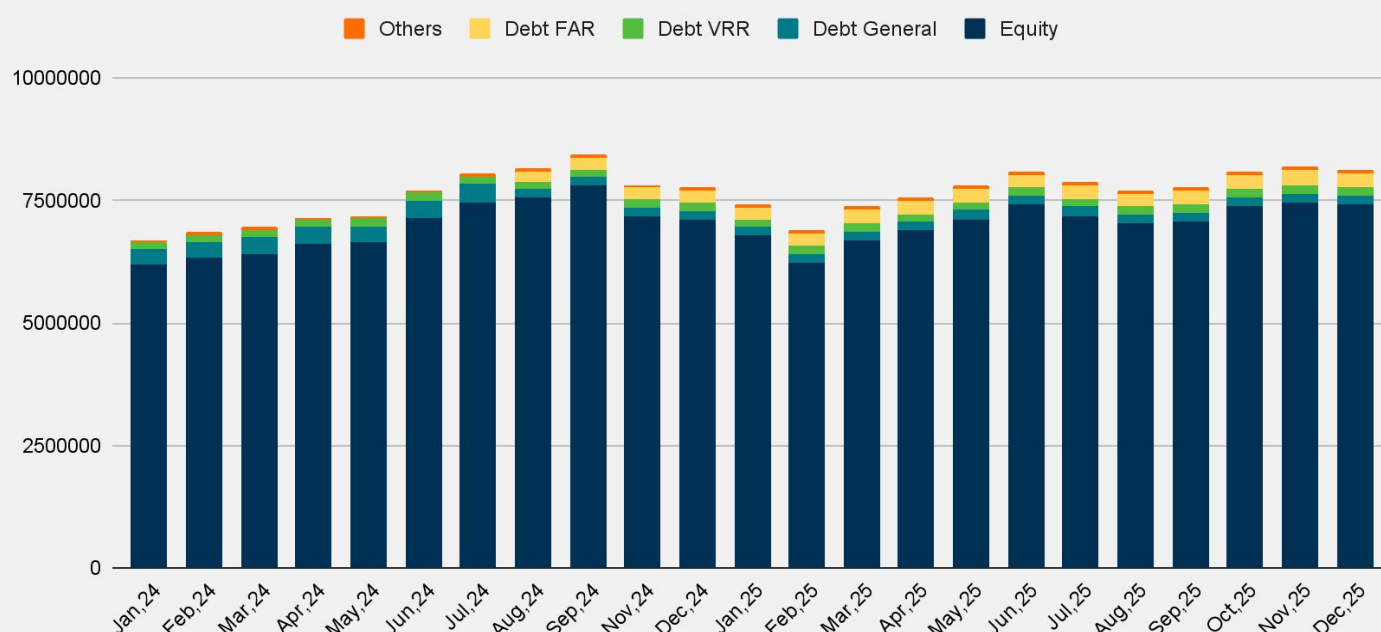
# Tracking FPI's AUC in Indian Markets

## FPIs' AUC Eases in December, but 2025 Ends Near Peak Levels

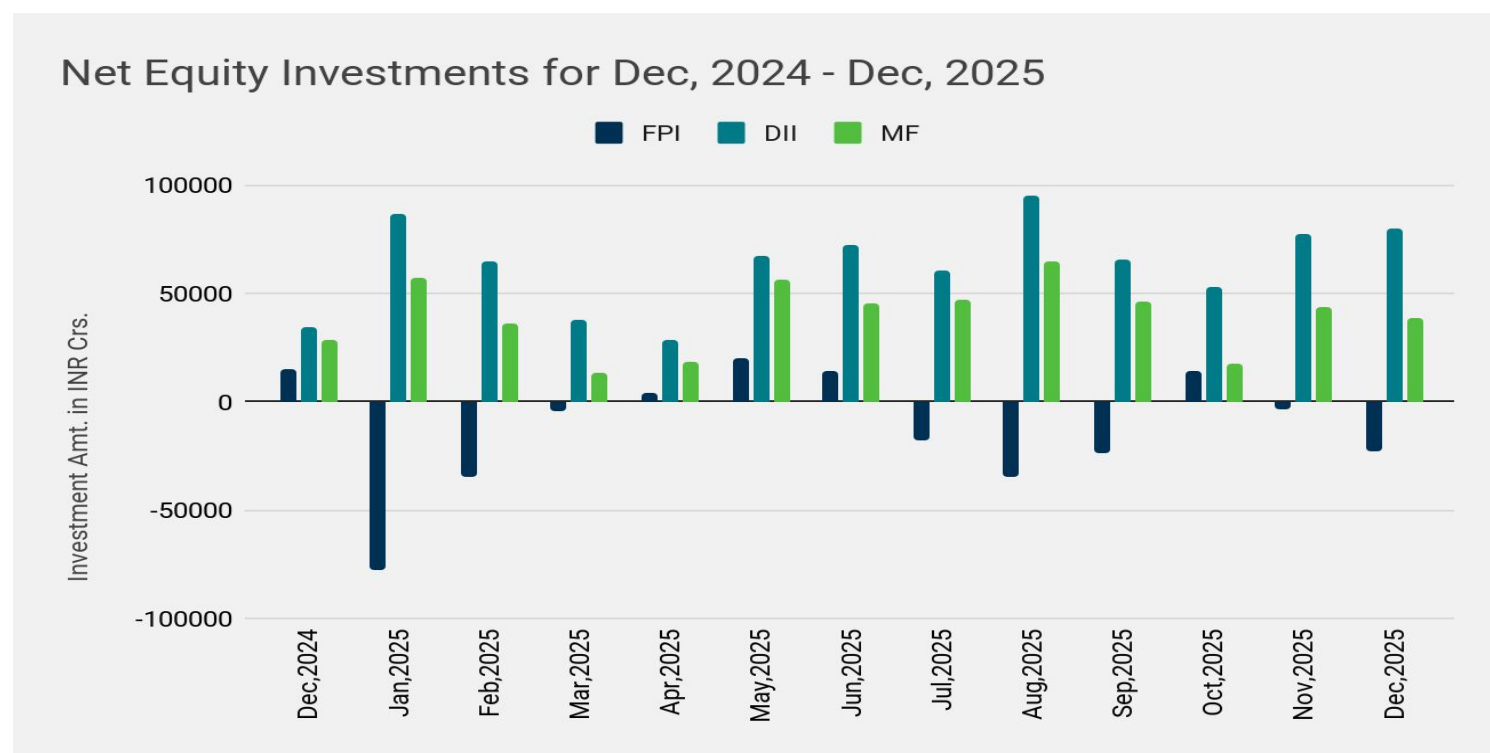
- **Total AUC Moderates After November Peak:** FPIs' Assets Under Custody (AUC) stood at ₹81.39 lakh cr in December 2025, down from ₹81.86 lakh cr in November – a decline of about ₹0.46 lakh cr. Despite the small pullback, December still marks one of the **strongest closing levels of 2025**, indicating sustained foreign positioning in India across equity and debt.
- **Equity AUC Dips Marginally:** Equity holdings eased to ₹74.26 lakh cr in December from ₹74.58 lakh cr in November (down ~₹0.31 lakh cr). The move suggests **mild profit-taking/mark-to-market adjustment** after a strong run-up, while overall equity exposure remained **firmly elevated**.
- **Debt AUC Softens, Led by FAR:** Within debt, **Debt General** was nearly flat at ₹1.87 lakh cr (vs. ₹1.88 lakh cr in November) and **Debt VRR** edged down to ₹1.71 lakh cr (vs. ₹1.72 lakh cr). The sharper moderation came from **Debt FAR**, which declined to ₹2.77 lakh cr from ₹2.91 lakh cr, indicating a **partial trimming** in FAR-linked/longer-duration positioning into year-end.
- **Year-on-Year (Dec'25 vs Dec'24):** Total AUC is up by about ₹3.75 lakh cr versus ₹77.64 lakh cr in December 2024, reflecting a **strong annual expansion** in foreign assets linked to Indian markets.

Asset Under Custody(AUC) of FPIs (INR Cr)				Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Segment	Dec,25	Nov,25	Change	Sector	Dec,25	Nov,25	Change
Equity	7,426,445	7,457,868	(31,423)	Financial Services	2,363,331	2,382,843	(19,512)
Debt General	187,487	188,294	(807)	Automobile	574,896	571,606	3,290
Debt VRR	170,570	171,760	(1,190)	Oil & Gas	568,986	561,923	7,063
Corporate Bonds	127,891	129,623	(1,732)	IT	537,779	518,369	19,410
Debt FAR	277,342	291,348	(14,006)	Healthcare	470,466	487,130	(16,664)
Others	77,526	76,399	1,127	Capital Goods	415,937	418,470	(2,533)
<b>Total</b>	<b>8,139,370</b>	<b>8,185,669</b>	<b>(46,299)</b>	Telecom	406,630	403,740	2,890

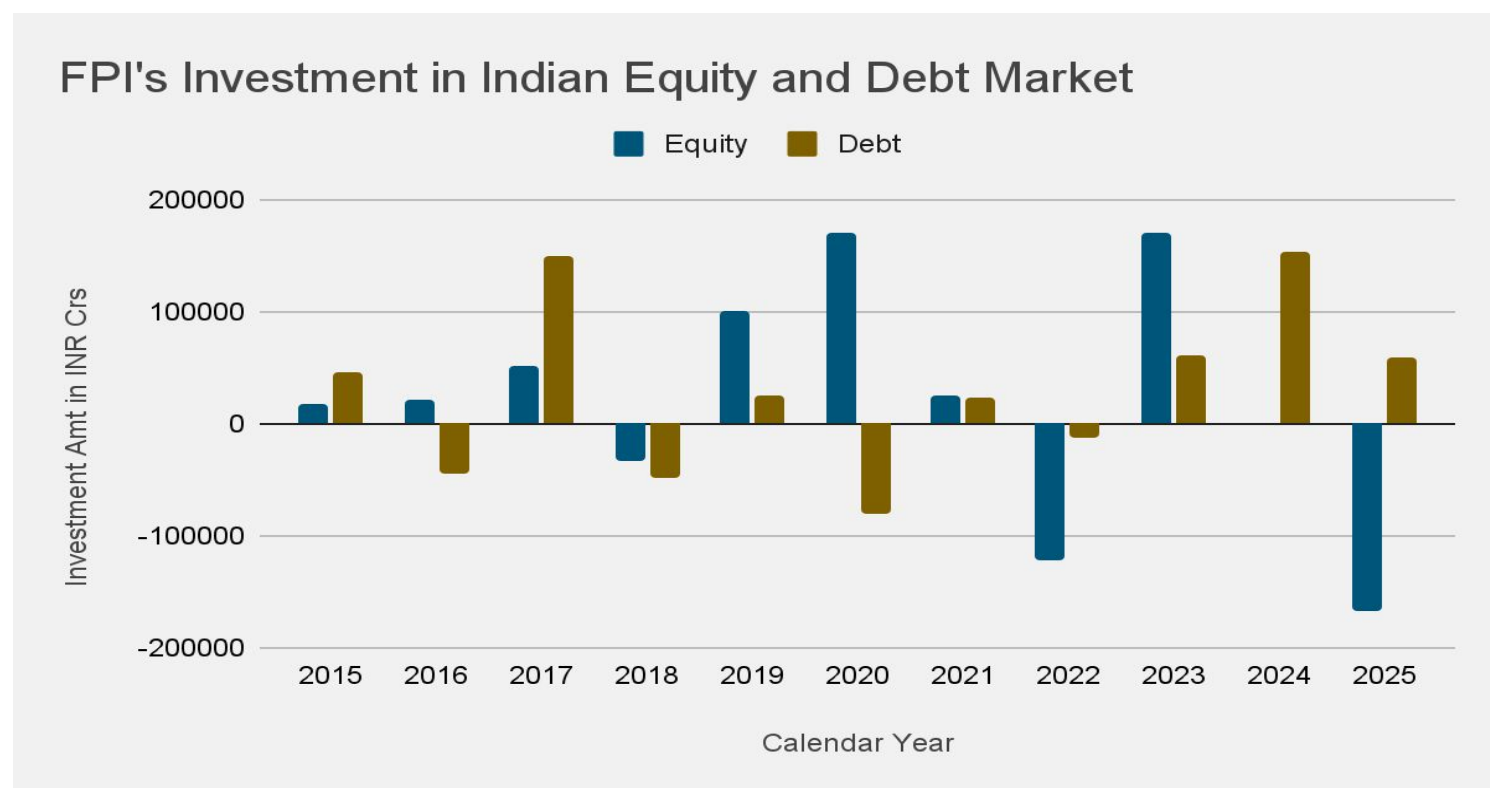
## Asset Under Custody(AUC) of FPIs (INR Cr)



## Equity Investment Breakdown by Participant



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



\*MF data is updated as of 31st December. DII investments include MF investments.

Source: NSDL, SEBI