

February Market Pulse: Fortnightly Investment Insights

February Fortnight Review: FPIs Turn Buyers, DII Buying Slows to a 10-month Low, MFs Pause with Net Equity Selling

❖ **FPIs Turn Net Buyers in First Half of Feb for the First Time Since Oct'25; Debt Support Continues**

- **FPIs Back in Buy Mode:** FPIs shifted gears in 1st–15th Feb 2026, turning net buyers in equities at ₹19,675 Cr—their **first net-buying since October 2025**, indicating a clear improvement in risk appetite. Notably, the bulk of this buying came from the **secondary market (₹18,130 Cr)**, while **primary market/IPO investments contributed ₹1,545 Cr**, highlighting that FPI participation was led by on-market accumulation rather than just new issuances.
- **FPI Debt Inflows Stay Strong:** Debt flows also stayed supportive, with FPIs adding ₹10,930 Cr during the same period, suggesting a **selective preference for fixed income**.
- **FPIs CY26 Trend:** On a **CY2026-to-date** basis (1st Jan–15th Feb), FPIs remain net sellers of ₹16,287 Cr in equities, while staying net buyers of ₹16,943 Cr in debt—suggesting February's reversal is meaningful, though the year-to-date equity stance is yet to fully turn positive.

❖ **DII Buying Moderates to the Lowest Since April 2025**

- Domestic Institutional Investors (DIIs) continued to support equities during 1st–15th Feb 2026, with net buying of ₹9,776 Cr. However, the pace of buying moderated sharply, marking the **lowest fortnightly DII inflow since April 2025**, even as domestic flows remained positive and helped cushion the market amid shifting foreign and mutual fund activity.

❖ **Mutual Funds Turn Net Sellers in Feb; First Equity Sell in CY26 (and Since Apr'25)**

- Mutual Funds (MFs) turned net sellers in equities during 1st–15th Feb 2026, with outflows of ₹603 Cr—their **first fortnightly equity-selling in CY2026** and the **first such instance since April 2025**. However, on a **CY2026-to-date** basis (1st Jan–15th Feb), MFs still remain net buyers of ₹41,751 Cr in equities, indicating overall participation remains supportive despite the brief pause.

Fortnightly Investment Insights

Tracking Investments of Market Participants

Market Participants	For the Period 1st Feb, 2026 to 15th Feb, 2026		For the Period 1st Jan, 2026 to 15th Feb, 2026	
	Equity (Cr\$)	Debt (Cr\$)	Equity (Cr\$)	Debt (Cr\$)
FPI	19,675	10,930	(16,287)	16,943
DII	9,776	-	78,997	-
Mutual Funds	(603)	(44,711)	41,751	(135,518)

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

Absolute Returns: A Snapshot of Indices Performance(%)

Benchmark	First Half of February	CY2026
Sensex	0.43	(3.04)
Nifty 50	0.59	(2.52)
Nifty Midcap 150	1.83	(1.76)
Nifty Smallcap 250	1.43	(4.17)

Mapping FPI Investments: Sector-wise Insights in Indian Equities

FPIs Rotate Sharply Toward Cyclical & Capex; Sharp Unwind in IT (1st–15th Feb 2026)

❖ FPI Buying: Clear Pivot Toward Cyclical & Capex

- On the buy side, FPIs made a strong rotational bet on the domestic capex cycle. **Capital Goods** (₹8,032 Cr) topped inflows, followed by sustained buying in **Financial Services** (₹6,175 Cr) and **Oil, Gas & Consumable Fuels** (₹4,678 Cr). Interest also stayed firm in **Metals & Mining** (₹3,279 Cr) and **Power** (₹3,272 Cr), while incremental additions in **Construction** (₹1,745 Cr), **Services** (₹1,286 Cr) and **Consumer Services** (₹1,066 Cr) reinforced the broader shift toward cyclical, growth-linked sectors.

❖ FPI Selling: IT Takes the Biggest Hit

- FPIs turned aggressive sellers in **Information Technology** (₹10,956 Cr)—the dominant outflow for the fortnight, signalling a sharp de-risking from the tech pocket. Outside IT, selling remained relatively contained and selective, led by **FMCG** (₹1,182 Cr) and **Healthcare** (₹1,051 Cr). Mild profit booking was seen in **Consumer Durables** (₹434 Cr), while flows were largely negligible in **Telecommunication** (₹106 Cr), **Textiles** (₹67 Cr), **Utilities** (₹14 Cr) and **Diversified** (₹2 Cr).

❖ FY26 FPI Flow Snapshot (Till 15th Feb): Telecom Leads Buying; IT Remains the Biggest Drag

- On the buy side, FPIs have concentrated inflows in **Telecommunication** (₹32,124 Cr), followed by **Metals & Mining** (₹21,111 Cr), **Oil & Gas** (₹20,537 Cr) and **Capital Goods** (₹18,672 Cr), highlighting a clear tilt toward cyclical/capex themes. Supportive additions were also seen in **Services** (₹7,218 Cr) and **Chemicals** (₹5,524 Cr), while allocations to **Financials** (₹346 Cr) and **Construction** (₹212 Cr) stayed minimal.
- On the sell side, FY26 remains dominated by heavy cuts in **Information Technology** (₹73,372 Cr), along with sustained outflows in **FMCG** (₹27,540 Cr) and **Healthcare** (₹26,435 Cr). Selling also persisted in **Power** (₹17,593 Cr), **Consumer Durables** (₹15,245 Cr) and **Realty** (₹12,898 Cr), keeping the overall FPI tone cautious despite selective buying.

Sector-Wise FPI Equity Purchases: 1st–15th Feb 2026		Sector-Wise FPI Equity Sales: 1st–15th Feb 2026	
Sector	Amount (Crs)	Sector	Amount (Crs)
Capital Goods	8,032	Information Technology	(10,956)
Financial Services	6,175	Fast Moving Consumer Goods	(1,182)
Oil, Gas & Consumable Fuels	4,678	Healthcare	(1,051)
Metals & Mining	3,279	Consumer Durables	(434)
Power	3,272	Telecommunication	(106)
Construction	1,745	Textiles	(67)
Services	1,286	Utilities	(14)
Consumer Services	1,066	Diversified	(2)

Sector-Wise FPI Equity Purchases in *FY2026		Sector-Wise FPI Equity Sales in *FY2026	
Sector	Amount (Crs)	Sector	Amount (Crs)
Telecommunication	32,124	Information Technology	(73,372)
Metals & Mining	21,111	Fast Moving Consumer Goods	(27,540)
Oil, Gas & Consumable Fuels	20,537	Healthcare	(26,435)
Capital Goods	18,672	Power	(17,593)
Services	7,218	Consumer Durables	(15,245)
Chemicals	5,524	Realty	(12,898)
Financial Services	346	Consumer Services	(6,709)
Construction	212	Automobile and Auto Components	(2,325)

*All data considered till 15th February

Tracking FPI's AUC in Indian Markets

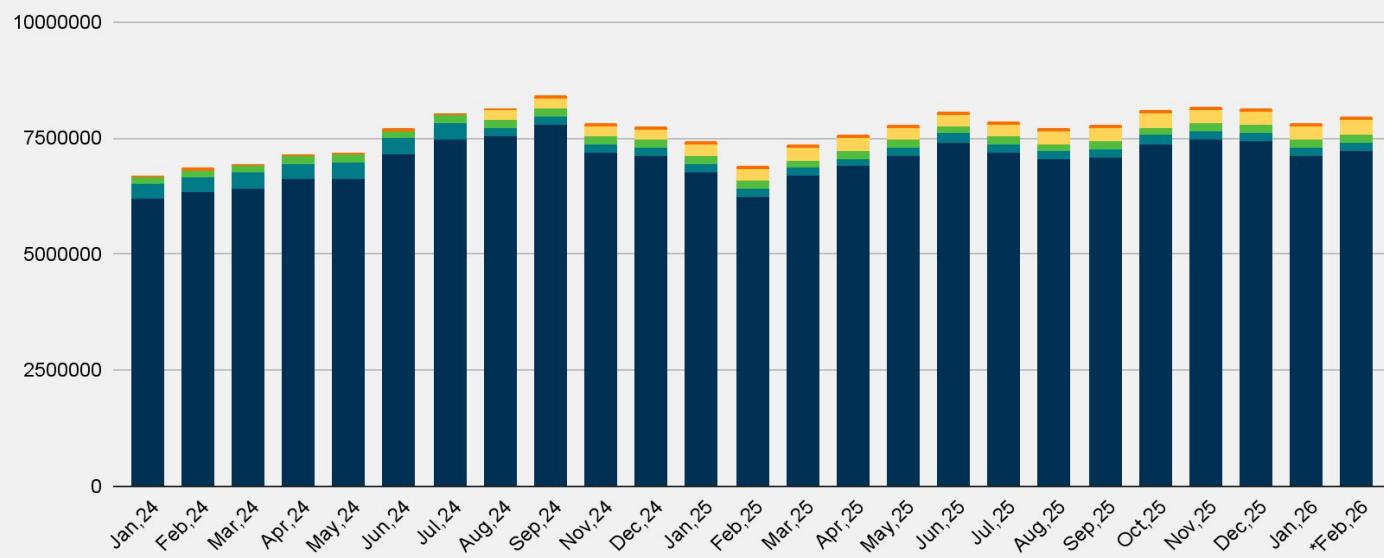
FPI AUC Firms Up in Early February; Equity-Led Uptick Lifts Overall Custody (till 15th Feb 2026)

- ❖ Foreign Portfolio Investors' Assets Under Custody (AUC) rose to ₹79.59 Lakh Cr (till 15th Feb 2026) from ₹78.40 Lakh Cr in Jan 2026, marking a gain of ₹1.19 Lakh Cr—largely driven by a pickup in equity custody values. Equity AUC increased to ₹72.34 Lakh Cr vs ₹71.25 Lakh Cr in January (up ₹1.08 Lakh Cr), keeping equities at ~91% of overall FPI holdings.
- ❖ On the debt side, custody levels were stable to mildly higher: General debt stood at ₹1.82 Lakh Cr (vs ₹1.81 Lakh Cr), VRR improved to ₹1.73 Lakh Cr (vs ₹1.69 Lakh Cr), while FAR ticked up to ₹2.92 Lakh Cr (from ₹2.87 Lakh Cr)—indicating a gradual preference for the FAR route alongside a firmer overall AUC trend.

Asset Under Custody(AUC) of FPIs (INR Cr)				Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Segment	*Feb,26	Jan,26	Change	Sector	*Feb,26	Jan,26	Change
Equity	7,233,653	7,125,350	108,303	Financial Services	2,340,569	2,302,818	37,751
Debt General	182,076	181,179	897	Automobile	567,076	536,293	30,783
Debt VRR	173,115	169,361	3,754	Oil & Gas	535,035	524,352	10,683
**Corporate Bonds	126,257	124,589	1,668	Healthcare	456,109	439,490	16,619
Debt FAR	292,285	286,589	5,696	IT	448,938	533,953	(85,015)
Others	78,168	77,875	293	Capital Goods	444,879	421,683	23,196
Total	7,959,297	7,840,354	118,943	Telecom	387,136	378,716	8,420

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

Others Debt FAR Debt VRR Debt General Equity

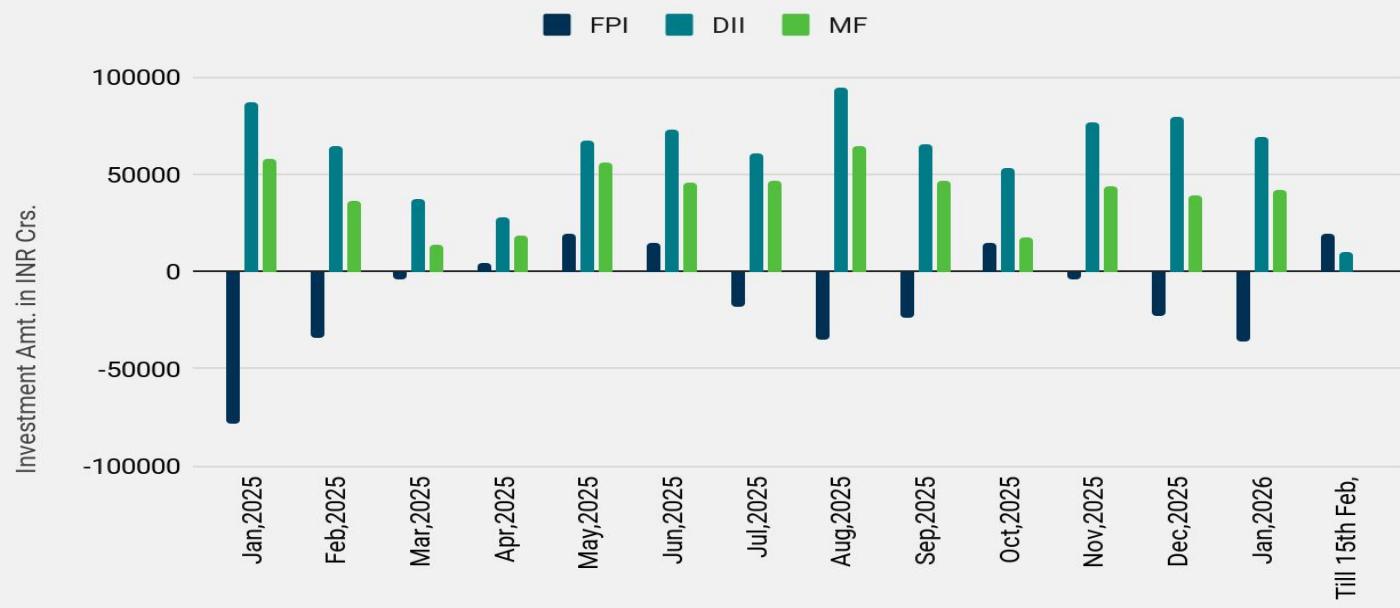


**Corporate bond figures are already included within Debt General and Debt VRR; they are shown separately only for category-wise reporting.

*All data is updated till 15th February.

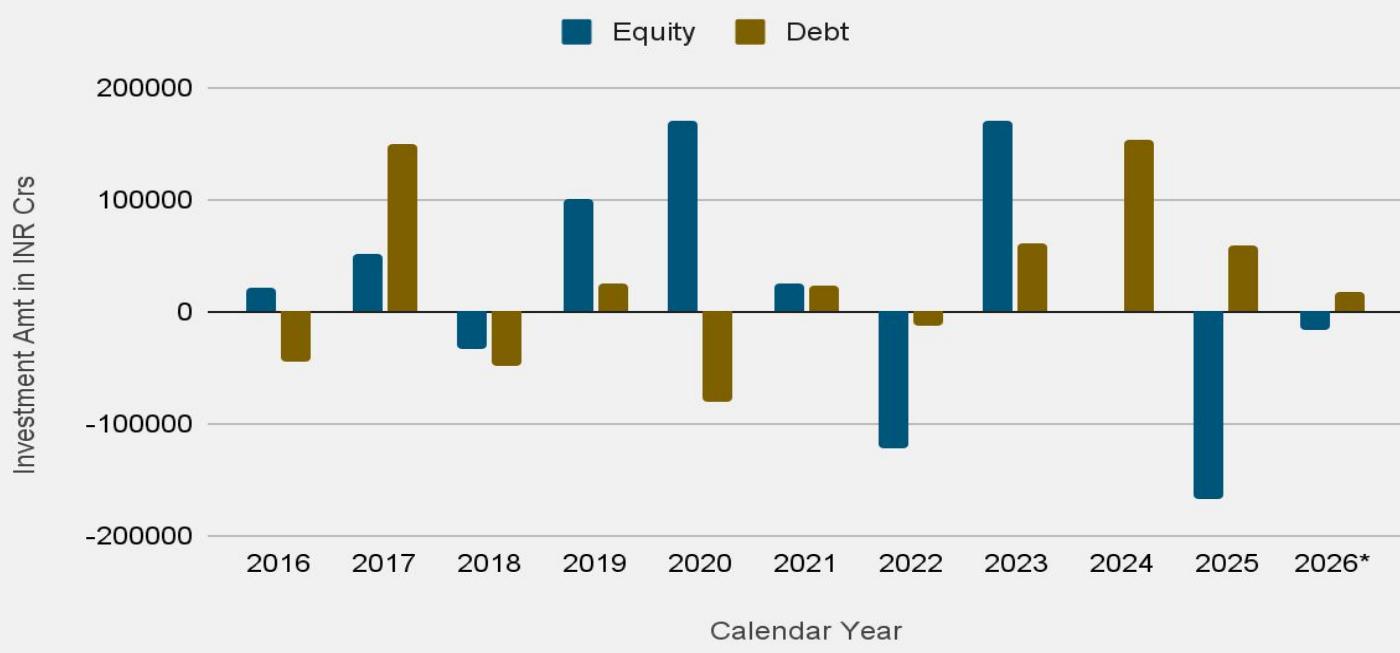
Equity Investment Breakdown by Participant

Net Equity Investments for Jan, 2025 - *Feb, 2026



FPI's Strategic Investments in Equity and Debt Markets

FPI's Investment in Indian Equity and Debt Market



*All data is updated till 15th February. DII investments include MF investments.

Source: NSDL, SEBI