March Market Pulse: Fortnightly Investment Insights

March Fortnight Review: FPIs See Sharpest Selling Since Oct'24, DIIs Hit Record Buying, MFs Stay Strong Equity Buyers

- **FPIs See Sharpest Selling in First Half of March Since Oct'24; Debt Flows Also Turn Negative**
  - **FPI Equity Selling Intensifies: FPIs** remained aggressive sellers in **1st–15th Mar 2026**, pulling out **₹52,704 Cr** from **equities**—their **sharpest fortnightly selling since Oct'24**. The outflows were largely driven by the **secondary market** at **₹54,456 Cr**, while **primary market/IPO investments** stood at **₹1,752 Cr**, indicating heavy on-market selling despite selective participation in new issuances.
  - **FPI Debt Flows Also Reverse:** Unlike the relatively supportive trend seen earlier, **debt flows** too turned negative in the first half of March, with **FPIs** withdrawing **₹6,372 Cr**. This indicates that foreign investors remained cautious across asset classes, with selling pressure extending beyond equities during the period.
  - **FPIs CY26 Trend:** On a **CY2026-to-date** basis *(1st Jan–15th Mar 2026)*, **FPIs** remain net sellers of **₹66,051 Cr** in **equities**, while staying net buyers of **₹18,432 Cr** in **debt**. This suggests that even though debt flows continue to remain positive on a year-to-date basis, the sharp March equity selloff has significantly worsened the overall foreign flow picture.

- **DIIs Clock Record Fortnightly Buying in Early March; Domestic Flows Offset FPI Selling**
  - **DII Buying Surges: Domestic Institutional Investors (DIIs)** remained strong buyers in **1st–15th Mar 2026**, with net equity purchases of **₹70,527 Cr**, marking their **highest fortnightly buying on record** and topping the previous peak of **₹61,725 Cr** seen in **October 2024**. The strong **DII inflows** helped absorb heavy foreign selling and supported market stability during the recent correction.

- **Mutual Funds Stay Strong Buyers in March; Equity Support Remains Firm**
  - **MF Equity Buying Stays Robust: Mutual Funds (MFs)** remained net buyers in **equities** during **1st–15th Mar 2026**, with inflows of **₹51,172 Cr**, highlighting continued domestic support despite sharp market volatility. On a **CY2026-to-date basis** *(1st Jan–15th Mar)*, **MFs** remain net buyers of **₹1,04,948 Cr** in equities, indicating that mutual fund participation continues to provide a strong cushion to the market amid heavy foreign selling.

Fortnightly Investment Insights

Tracking Investments of Market Participants

Market Participants	For the Period 1st Mar, 2026 to 15th Mar, 2026		For the Period 1st Jan, 2026 to 15th Mar, 2026	
	Equity (Crs)	Debt (Crs)	Equity (Crs)	Debt (Crs)
FPI	(52,704)	(6,372)	(66,051)	18,432
DII	70,527	-	178,171	-
Mutual Funds	51,172	(69,066)	104,948	(256,331)

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

Absolute Returns: A Snapshot of Indices Performance(%)

Benchmark	First Half of March	CY2026 YTD
Sensex	(8.27)	(12.50)
Nifty 50	(8.05)	(11.40)
Nifty Midcap 150	(7.39)	(9.18)
Nifty Smallcap 250	(6.45)	(10.95)

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Mapping FPI Investments: Sector-wise Insights in Indian Equities

FPIs Stay Selective on Capex Themes; Financials Bear the Brunt of March Fortnight Selling (1st–15th Mar 2026)

- **FPI Selling: Financial Services Sees Massive Unwind**
  - On the **sell side**, **Financial Services** witnessed an overwhelming **₹31,831 Cr** of outflows, making it by far the biggest drag during the fortnight and pointing to a sharp reduction in exposure to the market's heaviest-weight sector. Selling was also pronounced in **Automobile and Auto Components** (**₹4,807 Cr**) and **Telecommunication** (**₹3,856 Cr**), followed by **Construction** (**₹2,975 Cr**), **Oil & Gas** (**₹2,932 Cr**), **Healthcare** (**₹2,436 Cr**), **FMCG** (**₹2,403 Cr**) and **Realty** (**₹2,133 Cr**). This suggests that overall flow trend remained decisively **risk-off** and heavily skewed toward large-scale selling in **financials**.
- **FPI Buying: Capex-Led Preference**
  - On the **buy side**, **FPIs** remained selective, with **Capital Goods** leading inflows at **₹3,897 Cr**, reflecting continued preference for the domestic **capex** theme. This was followed by **Metals & Mining** (**₹876 Cr**) and **Power** (**₹602 Cr**), while **Consumer Services** (**₹531 Cr**) and **Chemicals** (**₹225 Cr**) also attracted modest buying.
- **CY2026 FPI Flow Snapshot (Till 15th Mar): Capital Goods & Metals Lead Buying; Financials and IT Remain the Biggest Drags**
  - On the **sell side**, **CY2026** continues to be dominated by heavy cuts in **Financial Services** (**₹32,005 Cr**) and **Information Technology** (**₹20,047 Cr**). Persistent outflows were also seen in **FMCG** (**₹11,851 Cr**), **Telecommunication** (**₹10,514 Cr**), **Consumer Services** (**₹9,154 Cr**) and **Healthcare** (**₹8,927 Cr**), while **Automobile** (**₹4,815 Cr**) and **Realty** (**₹4,054 Cr**) also remained under pressure—keeping the overall **FPI stance** cautious despite selective buying.
  - On the **buy side**, **FPIs** largely favored **Capital Goods** (**₹18,793 Cr**) and **Metals & Mining** (**₹18,040 Cr**), reflecting a clear tilt toward **capex and cyclical themes**. Smaller inflows were seen in **Power** (**₹3,241 Cr**), **Oil & Gas** (**₹1,509 Cr**), **Chemicals** (**₹613 Cr**) and **Forest Materials** (**₹36 Cr**).

Sector-Wise FPI Equity Purchases: 1st–15th Mar 2026		Sector-Wise FPI Equity Sales: 1st–15th Mar 2026	
Sector	Amount (Crs)	Sector	Amount (Crs)
Capital Goods	3,897	Financial Services	(31,831)
Metals & Mining	876	Automobile and Auto Components	(4,807)
Power	602	Telecommunication	(3,856)
Consumer Services	531	Construction	(2,975)
Chemicals	225	Oil & Gas	(2,932)
		Healthcare	(2,436)
		Fast Moving Consumer Goods	(2,403)
		Realty	(2,133)

Sector-Wise FPI Equity Purchases in Jan-*Mar, 2026		Sector-Wise FPI Equity Sales in Jan-*Mar, 2026	
Sector	Amount (Crs)	Sector	Amount (Crs)
Capital Goods	18,793	Financial Services	(32,005)
Metals & Mining	18,040	Information Technology	(20,047)
Power	3,241	Fast Moving Consumer Goods	(11,851)
Oil & Gas	1,509	Telecommunication	(10,514)
Chemicals	613	Consumer Services	(9,154)
Forest Materials	36	Healthcare	(8,927)
		Automobile and Auto Components	(4,815)
		Realty	(4,054)

*All data considered till 15th March

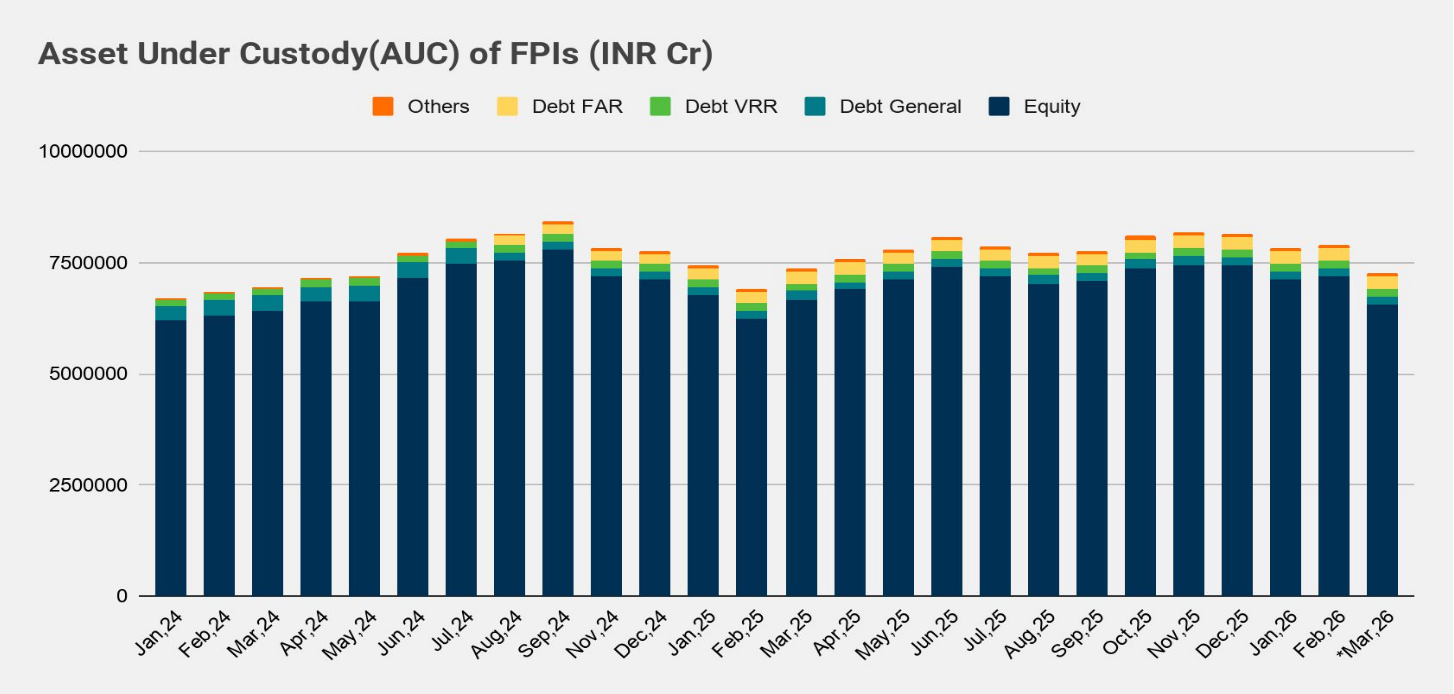
Tracking FPI's AUC in Indian Markets

FPI AUC Falls to 13-Month Low in Early March; Equity Selloff Drives Sharp Custody Correction

- **Foreign Portfolio Investors' Assets Under Custody (AUC)** fell to **₹72.81 Lakh Cr** *(till 15th Mar 2026)* from **₹79.02 Lakh Cr** in **Feb 2026**, marking a sharp decline of **₹6.21 Lakh Cr** or **7.86%**. Notably, this pulled overall **FPI AUC** down to a **13-month low**, with the last lower level seen in **Feb 2025** at **₹68.96 Lakh Cr**. The latest fall was largely driven by a steep erosion in **equity custody values**. **Equity AUC** declined to **₹65.62 Lakh Cr** from **₹71.78 Lakh Cr** in February, reflecting a correction of **₹6.15 Lakh Cr** or **8.57%**, although **equities** continued to account for nearly **90%** of total **FPI holdings**.

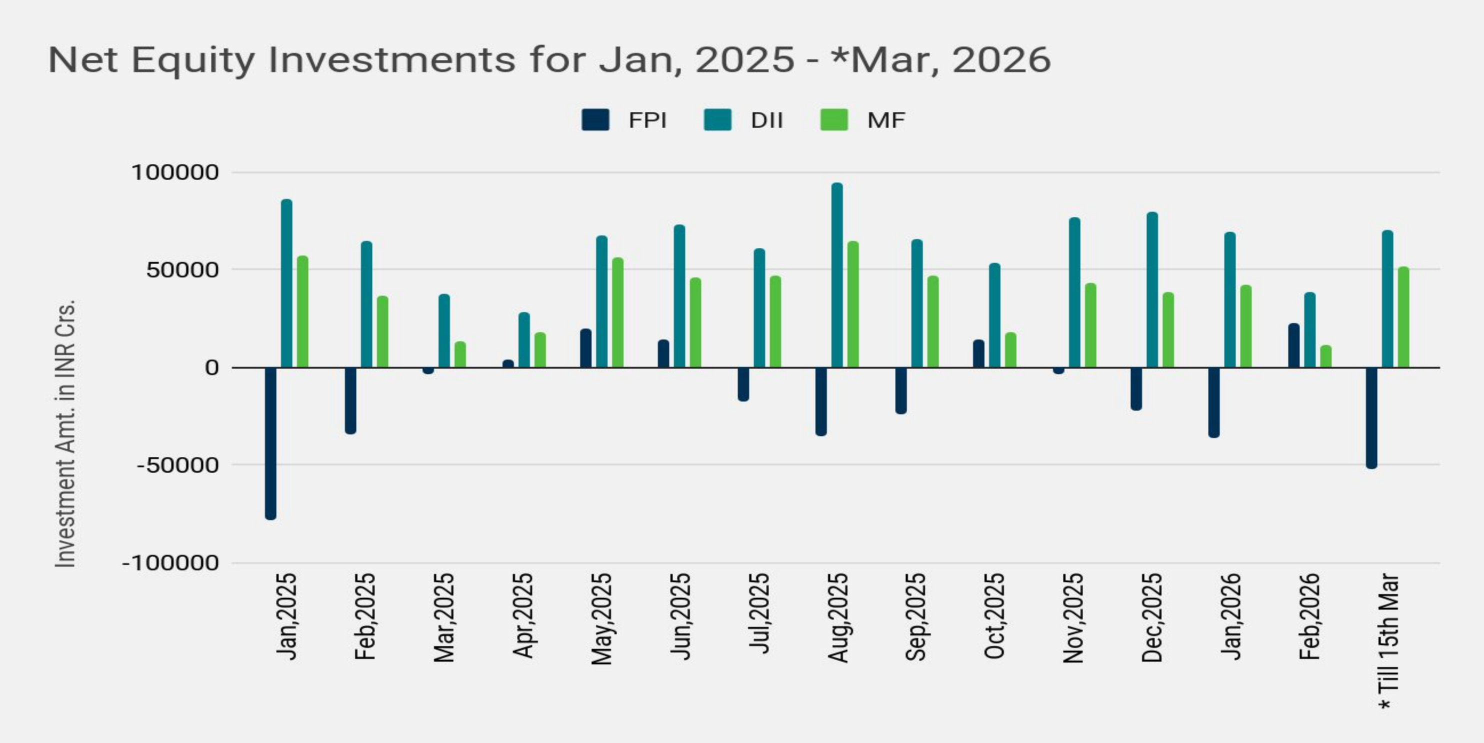
- On the **debt** side, custody levels remained broadly stable with a slight downward bias. **General debt** stood at **₹1.84 Lakh Cr** *(vs ₹1.85 Lakh Cr)*, **VRR** moderated to **₹1.71 Lakh Cr** *(vs ₹1.72 Lakh Cr)*, while **FAR** edged marginally lower to **₹2.94 Lakh Cr** *(from ₹2.95 Lakh Cr)*. This indicates that the overall moderation in **FPI AUC** during the fortnight was overwhelmingly driven by weakness in **equity assets**, while **debt allocations** remained relatively resilient.

Asset Under Custody (AUC) of FPIs (INR Cr)					Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Segment	*Mar,26	Feb,26	Change		Sector	*Mar,26	Feb,26	Change
Equity	6,562,408	7,177,819	(615,411)		Financial Services	2,071,813	2,326,577	(254,764)
Debt General	183,536	184,839	(1,303)		Oil & Gas	512,622	536,467	(23,845)
Debt VRR	170,716	172,031	(1,315)		Automobile	485,409	564,150	(78,741)
**Corporate Bonds	127,580	128,661	(1,081)		Healthcare	456,889	472,362	(15,473)
Debt FAR	293,774	294,702	(928)		Capital Goods	433,683	463,894	(30,211)
Others	70,949	72,854	(1,905)		IT	394,056	417,719	(23,663)
Total	**7,281,383**	**7,902,245**	**(620,862)**		Telecom	342,525	362,925	(20,400)

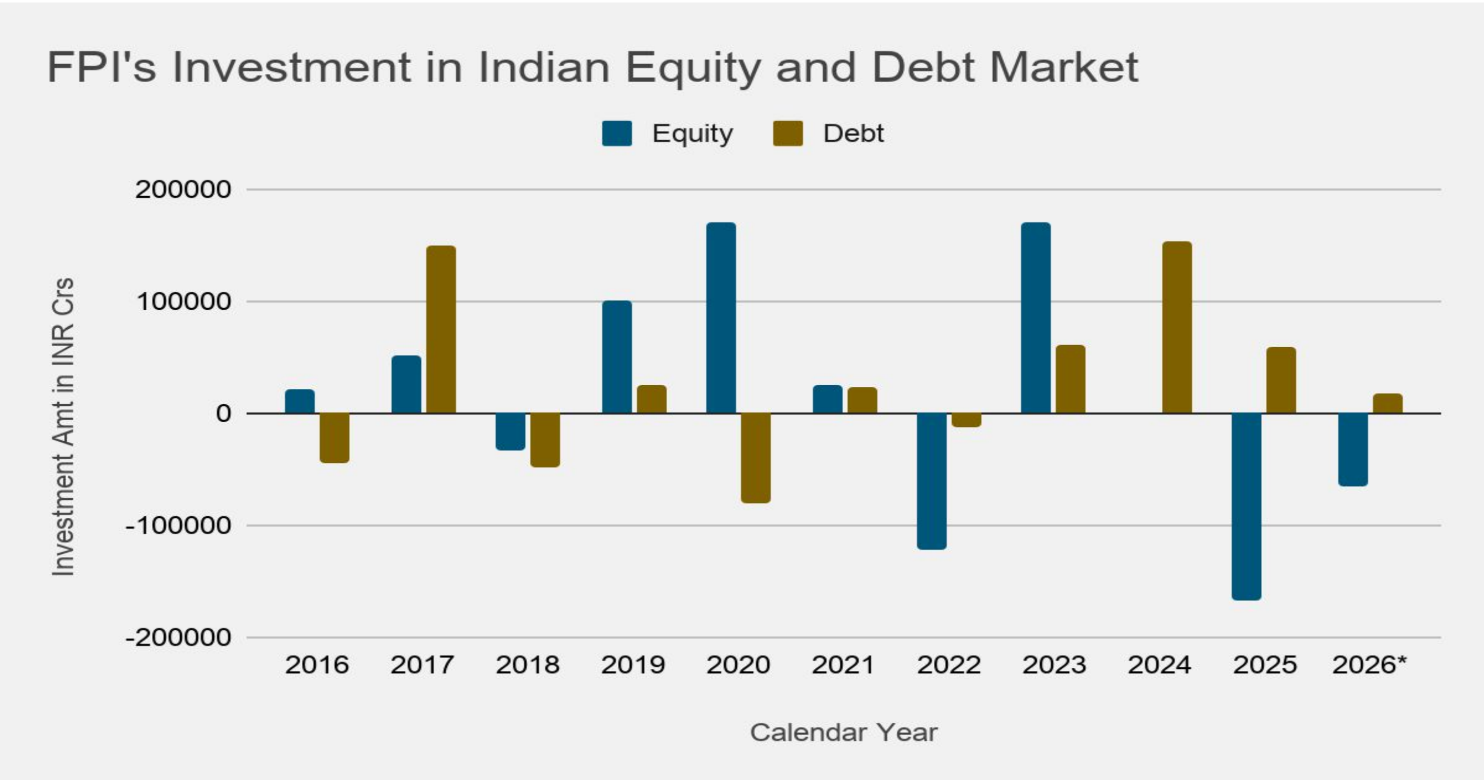


**Corporate bond figures are already included within Debt General and Debt VRR; they are shown separately only for category-wise reporting.
*All data is updated till 15th March.

Equity Investment Breakdown by Participant



FPI's Strategic Investments in Equity and Debt Markets



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Source: NSDL, SEBI