

April Market Pulse: Investment Insights

April 2026: FPIs Extend Equity & Debt Selloff, While DIIs & Mutual Funds Continue to Anchor Market Support

❖ FPIs Remain Net Sellers in April; Equity Selling Eases in Second Half

- FPIs continued to sell Indian equities in April 2026, recording net equity outflows of ₹60,847 Cr during the month. The selloff was driven by heavy secondary market selling of ₹63,167 Cr, while primary market/IPO investments of ₹2,320 Cr partly offset the overall outflows. Selling was heavily front-loaded, with FPIs selling ₹48,139 Cr in the 1st-15th April, while outflows moderated sharply to ₹12,708 Cr in the 16th-30th April, indicating that the intensity of foreign selling reduced meaningfully in the second half of the month.
- In the debt segment, FPIs also remained net sellers with outflows of ₹10,826 Cr in April. Debt selling was concentrated in the first half, with outflows of ₹15,579 Cr, while the second half saw inflows of ₹4,753 Cr, suggesting some recovery in debt appetite toward the latter part of the month.
- CY2026 so far, FPIs have sold ₹1,91,969 Cr in equities, while investing ₹5,509 Cr in debt, indicating that foreign investors continue to remain underweight on Indian equities, even as debt flows have stayed marginally positive on a year-to-date basis.

❖ DII Flows: Domestic Institutions Continue Strong Buying Support in April

- Domestic Buying Remains Firm in April: DIIs remained strong buyers in April, with net equity inflows of ₹51,064 Cr during the month. Buying was largely front-loaded, with ₹37,846 Cr invested during 1st-15th April, while inflows moderated to ₹13,218 Cr in 16th-30th April. Despite the moderation in the second half, DII participation remained positive, providing crucial support to Indian equities amid continued FPI selling pressure.
- CY2026 Reflects Strong Domestic Anchor Role: For CY2026 so far, DIIs have infused ₹3,01,668 Cr into equities, reinforcing their position as the market's key stabiliser. Their sustained buying continues to absorb foreign outflows, support market liquidity and cushion volatility during sharp FPI selling.

❖ Mutual Funds Flows: Equity Buying Continues in April

- Equity Buying Remains Steady in April: Mutual Funds remained net buyers in equities in April 2026, investing ₹30,594 Cr during the month. Buying was stronger in the first half at ₹18,402 Cr, followed by ₹12,192 Cr during 16th-30th April, indicating that domestic fund managers continued to support the market despite ongoing FPI equity selling.
- CY2026 Equity Buying Remains Strong: For CY2026 so far, Mutual Funds have infused ₹1,83,117 Cr into equities, reflecting continued domestic support for Indian markets.

Monthly Investment Insights

Tracking Flows by Market Participants

Market Participants	For the month of April						CY2026 YTD	
	Equity (Cr)			Debt (Cr)			Equity (Cr)	Debt (Cr)
	1st - 15th	16th - 30th	Total	1st - 15th	16th - 30th	Total		
FPI	(48,139)	(12,708)	(60,847)	(15,579)	4,753	(10,826)	(191,969)	5,509
DII	37,846	13,218	51,064	-	-	-	301,668	-
*Mutual Funds	18,402	12,192	30,594	38,020	(36,288)	1,732	183,117	(315,393)

*DII investments include MFs Investments. Source: NSDL, SEBI, NSE

Mapping FPI Investments: Sector-wise Insights in Indian Equities

- ❖ **April 2026 Sectoral Rotation: Financials Face Heavy FPI Selling; Power and Capital Goods See Selective Buying**
 - **Financial Services Leads the Selloff; Consumer Services, Healthcare and Oil & Gas Also Remain Under Pressure:** On the selling side, **Financial Services** remained the biggest drag by a wide margin, witnessing outflows of ₹30,856 Cr, with selling continuing across both halves of the month at ₹19,152 Cr and ₹11,704 Cr, respectively. **Consumer Services** saw the second-highest selling at ₹7,770 Cr, followed by **Healthcare** at ₹6,926 Cr and **Oil & Gas** at ₹6,703 Cr. Among other sectors, **Automobile** (₹5,479 Cr), **Telecommunication** (₹4,400 Cr), **IT** (₹4,212 Cr) and **FMCG** (₹3,205 Cr) also witnessed outflows, indicating broad-based FPI caution across both cyclical and defensive sectors.
- ❖ **FPIs Stay Selective in April; Power & Capital Goods Lead Buying Momentum**
 - **Power and Capital Goods Emerge as Key Buying Pockets:** FPI buying in **April 2026** remained selective, with **Power** leading inflows at ₹5,557 Cr, supported by strong buying of ₹4,956 Cr in the second half of the month. **Capital Goods** followed with inflows of ₹4,339 Cr, as FPIs turned buyers in the second half after mild selling in the first half. **Metals & Mining** (₹1,218 Cr) and **Construction** (₹926 Cr) also saw positive flows. Overall, the trend suggests that FPIs stayed cautious in April, but continued to prefer **Power, Capital Goods** and select domestic capex-linked themes.

Sector-Wise FPI Equity Purchases: Apr, 2026 (Amount in Crs)				Sector-Wise FPI Equity Sales: Apr, 2026 (Amount in Crs)			
Sector	1st - 15th	16th - 30th	Total	Sector	1st - 15th	16th - 30th	Total
Power	601	4,956	5,557	Financial Services	(19,152)	(11,704)	(30,856)
Capital Goods	(328)	4,667	4,339	Consumer Services	(5,336)	(2,434)	(7,770)
Metals & Mining	(1,198)	2,416	1,218	Healthcare	(4,481)	(2,445)	(6,926)
Construction	(1,273)	2,199	926	Oil & Gas	(3,352)	(3,351)	(6,703)
Consumer Durables	(361)	441	80	Automobile	(3,704)	(1,775)	(5,479)
Forest Materials	(19)	73	54	Telecommunication	(2,492)	(1,908)	(4,400)
Diversified	5	3	8	IT	(1,325)	(2,887)	(4,212)
				FMCG	(2,976)	(229)	(3,205)

Sector-Wise FPI Equity Purchases in Jan-Apr, 2026		Sector-Wise FPI Equity Sales in Jan-Apr, 2026	
Sector	Amount (Crs)	Sector	Amount (Crs)
Capital Goods	22,383	Financial Services	(91,685)
Metals & Mining	15,217	IT	(24,870)
Power	7,966	Consumer Services	(19,596)
Forest Materials	77	FMCG	(18,072)
		Healthcare	(18,055)
		Automobile	(17,985)
		Telecommunication	(16,661)
		Realty	(8,737)

Jan–Apr 2026 Snapshot: Where FPIs Placed Their Biggest Bets

FPI Sectoral Positioning (Jan–Apr 2026): Capital Goods, Metals & Power Lead Buying; Financial Services Faces Deepest Selling

- ❖ **Cyclicals & Capex Lead FPI Buying in Jan–Apr 2026**
 - **Capex and Cyclical Themes Continue to Lead FPI Buying in Jan–Apr 2026:** FPIs remained selectively positive on capex-led, commodity-linked and power sectors during Jan–Apr 2026. **Capital Goods** emerged as the top bought sector with net inflows of ₹22,383 Cr, followed by **Metals & Mining** at ₹15,217 Cr, highlighting continued foreign investor preference for industrial, infrastructure and cyclical themes. **Power** also attracted strong inflows of ₹7,966 Cr, while **Forest Materials** saw marginal buying of ₹77 Cr.
- ❖ **Financials See Sharpest FPI Outflows in CY2026**
 - **Financial Services Sees the Sharpest FPI Outflows in CY2026 So Far:** On the selling side, **Financial Services** remained the biggest drag on FPI allocations, witnessing the steepest outflows of ₹91,685 Cr in Jan–Apr 2026. This was followed by heavy selling in **IT** at ₹24,870 Cr and **Consumer Services** at ₹19,596 Cr. **FMCG** (₹18,072 Cr), **Healthcare** (₹18,055 Cr), **Automobile** (₹17,985 Cr), **Telecommunication** (₹16,661 Cr) and **Realty** (₹8,737 Cr) also remained under pressure.
- ❖ **Capex Preferred, Financials & Consumers Trimmed:** FPIs in CY2026 continued to stay selective, favouring **Capital Goods, Metals & Mining and Power**, while sharply trimming exposure to **Financial Services, IT and consumer-facing sectors**.

Indian Benchmark Indices: Tracking Performance

Absolute Returns: A Snapshot of Indices Performance(%)

Benchmark	April	CY2026 YTD
Sensex	6.90	(9.75)
Nifty 50	7.46	(8.16)
Nifty Midcap 150	13.22	(1.24)
Nifty Smallcap 250	17.10	0.28

- ❖ **April 2026: Sharp Market Rebound; Broader Indices Lead Recovery**
 - Indian equities staged a strong rebound in **April 2026**, with all key indices ending firmly in the green. The rally was led by **Nifty Smallcap 250**, which surged **17.10%**, followed by **Nifty Midcap 150** at **13.22%**. Among benchmarks, **Nifty 50** gained **7.46%**, while **Sensex** rose **6.90%**. The trend indicates that the recovery was **broad-based**, with midcap and smallcap indices clearly outperforming large-cap benchmarks during the month.
 - On a **CY2026 YTD** basis, large-cap indices still remained weak despite April's recovery. The **Sensex** was down **9.75%**, followed by the **Nifty 50**, which declined **8.16%**, and the **Nifty Midcap 150**, which slipped **1.24%**. However, the **Nifty Smallcap 250** turned positive with a **0.28%** gain, highlighting stronger resilience in the broader market. Overall, April marked a **sharp recovery phase**, mainly driven by renewed risk appetite in **midcap and smallcap stocks**.

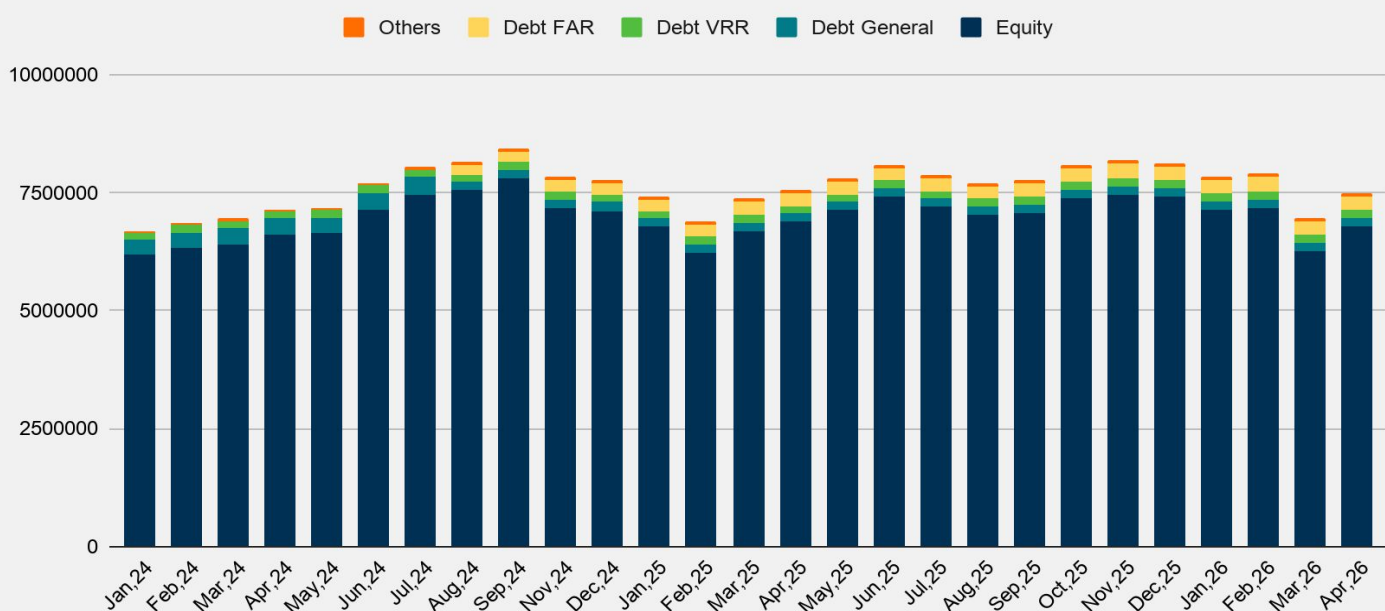
Tracking FPI's AUC in Indian Markets

FPI AUC Rebounds in April; Equity Recovery Leads the Custody Revival

- **Foreign Portfolio Investors' Assets Under Custody (AUC)** rose to **₹74.93 Lakh Cr** in Apr'26 from **₹69.57 Lakh Cr** in Mar'26, marking an increase of **₹5.36 Lakh Cr** or **7.70% MoM**. The recovery was primarily driven by **Equity AUC**, which increased to **₹67.92 Lakh Cr** from **₹62.47 Lakh Cr**, rising by **₹5.45 Lakh Cr** or **8.73% MoM**. The sharp rebound indicates that the improvement in custody values was largely supported by the recovery in Indian equity markets during April, even as overall FPI activity remained cautious.
- On the debt side, the trend remained slightly weak. **Debt General AUC** declined to **₹1.82 Lakh Cr** from **₹1.90 Lakh Cr**, while **Debt VRR** moderated to **₹1.64 Lakh Cr** from **₹1.68 Lakh Cr**. **Debt FAR** also slipped marginally to **₹2.81 Lakh Cr** from **₹2.85 Lakh Cr**. However, **Others AUC** improved to **₹0.74 Lakh Cr** from **₹0.69 Lakh Cr**, providing some support.
- Overall, the **April 2026 rebound in FPI AUC was clearly equity-led**, with equities alone adding more than the total net increase, while debt custody values remained under mild pressure. This suggests that the rise in FPI AUC was driven more by **market value appreciation in equities** rather than broad-based gains across asset classes.

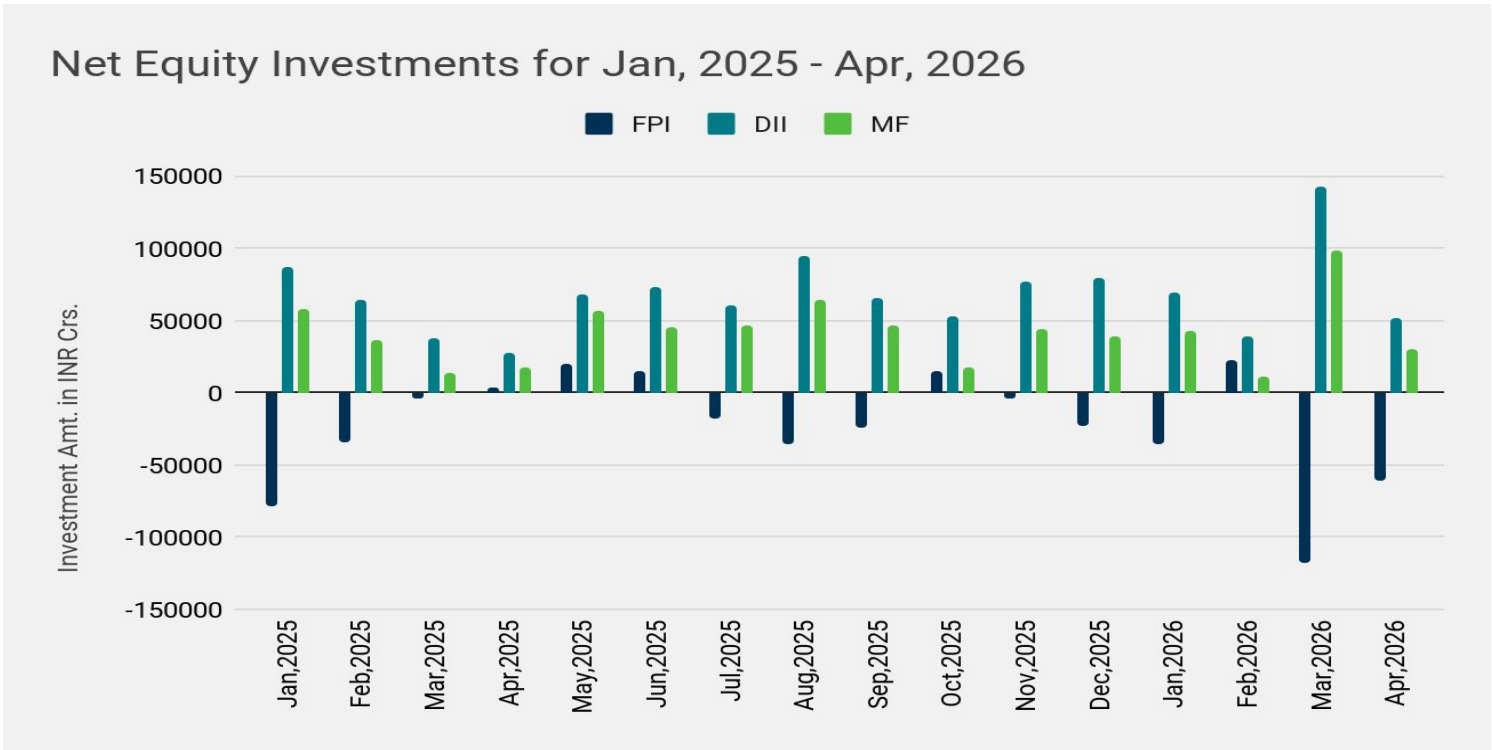
Asset Under Custody (AUC) of FPIs (INR Cr)				Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Segment	Apr,26	Mar,26	Change	Sector	Apr,26	Mar,26	Change
Equity	6,791,714	6,246,544	545,170	Financial Services	2,046,350	1,904,718	141,632
Debt General	182,196	189,539	(7,343)	Oil & Gas	521,467	491,929	29,538
Debt VRR	164,172	167,833	(3,661)	Automobile	503,316	470,436	32,880
**Corporate Bonds	124,167	131,941	(7,774)	Capital Goods	490,799	412,227	78,572
Debt FAR	280,791	284,562	(3,771)	Healthcare	463,301	444,362	18,939
Others	73,808	68,628	5,180	IT	389,432	392,065	(2,633)
Total	7,492,681	6,957,106	535,575	Telecom	358,995	343,422	15,573

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

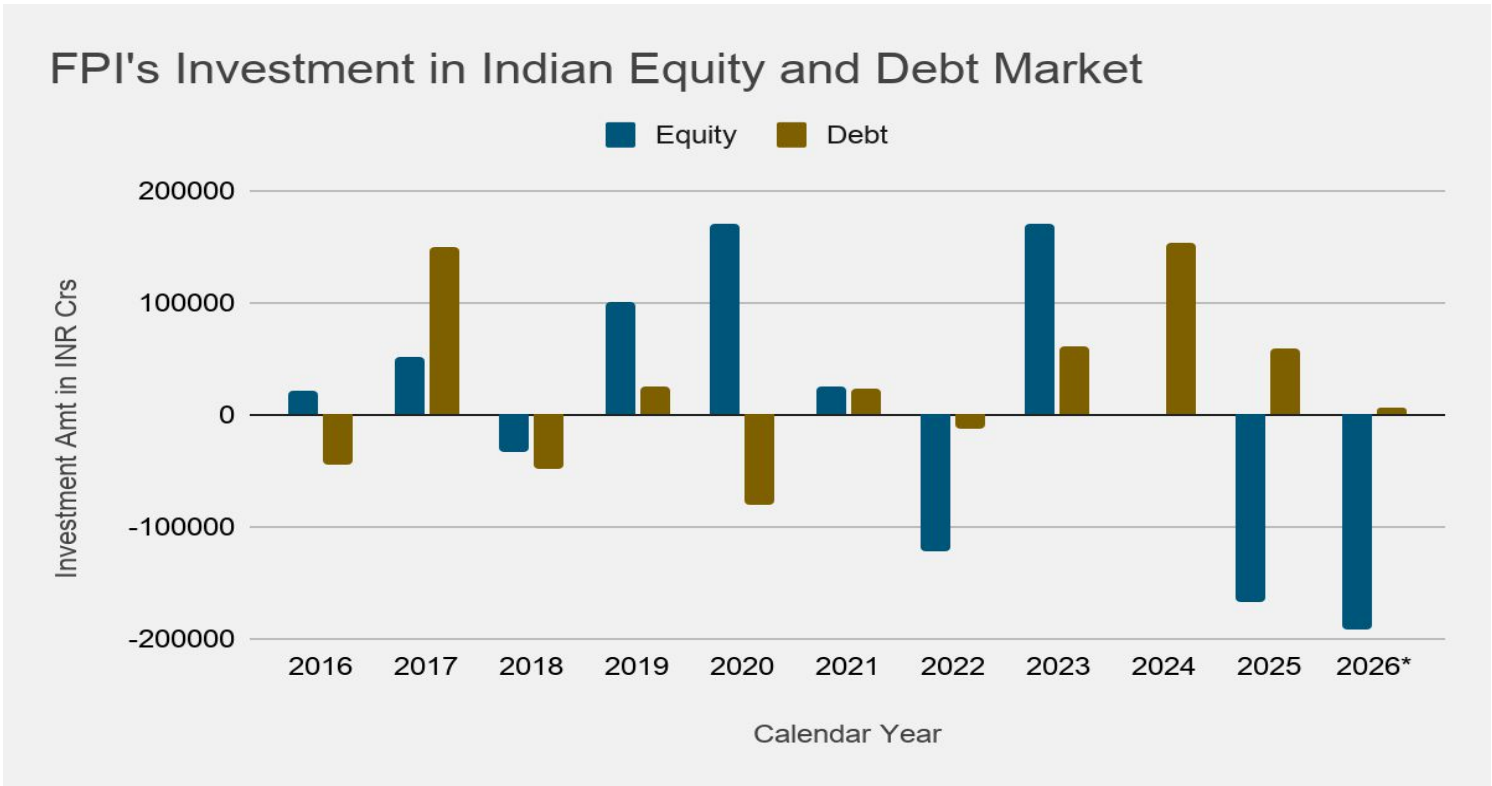


**Corporate Bonds are part of Debt General and are shown separately for reference; they are not added again in Total AUC.

Equity Investment Breakdown by Participant



FPI's Strategic Investments in Equity and Debt Markets



*Data is updated as of 30th April. DII investments include MF investments.

Source: NSDL, SEBI