July Market Pulse: Fortnightly Investment Insights

July Fortnight Review: FPIs Turn Net Buyers; DII & MF Buying Momentum Moderates

- **FPIs Turn Net Buyers in Equities; Debt Inflows Continue to Provide Cushion**
  - **FPI Equity Buying Resumes:** FPIs invested **₹15,559 Cr** during **1st–15th July 2026**, extending the **₹14,110 Cr** buying seen in the second half of June. Inflows included **₹6,621 Cr in secondary markets** and **₹8,936 Cr through primary markets/IPOs**, confirming improved sentiment after four months of selling.
  - **FPI Debt Flows Stay Positive:** After record debt inflows of **₹55,518 Cr in June 2026**, the positive momentum continued in the **first half of July**, with FPIs investing another **₹9,066 Cr**, taking CY2026 debt inflows to **₹72,850 Cr**. July inflows were led by **Debt FAR at ₹7,234 Cr** and **Debt General at ₹3,946 Cr**, partly offset by a **₹2,114 Cr outflow from Debt VRR**. Continued buying through the FAR and General routes indicates that June's tax incentives, wider FAR eligibility and regulatory easing remain supportive of foreign demand for Indian government debt.
  - **FPIs Remain Net Sellers in CY2026:** In CY2026 till **15th July**, FPIs have sold **₹2,58,713 Cr** in Indian equities, despite turning net buyers in the second half of June and first half of July. However, debt flows remain strongly positive at **₹72,850 Cr**.

- **DIIs Remain Net Buyers, but Buying Remains Moderate in the First Half of July**
  - **DII Buying Slows, but CY2026 Investment Hits Record:** DIIs invested **₹17,070 Cr** during **1st–15th July 2026**, only slightly above **₹15,264 Cr** in the second half of June, as FPI buying reduced the need for aggressive domestic support. Despite slower fortnightly purchases, cumulative DII equity investment reached a record **₹4,77,808 Cr till 15th July 2026**, reinforcing domestic liquidity as the market's key structural support.

- **Mutual Fund Buying Moderates, but CY2026 Investment Crosses ₹3 Lakh Cr**
  - **MFs Remain Net Buyers:** Mutual funds invested **₹8,224 Cr** in equities during **1st–15th July 2026**, indicating a moderation in buying momentum compared with the stronger pace seen until the second half of June. Despite the slower fortnightly inflow, cumulative mutual fund equity investment in **CY2026** rose to a record YTD investment **₹3,02,668 Cr**, crossing the **₹3 lakh crore** mark and reinforcing their continued support to domestic equities.

Fortnightly Investment Insights

Tracking Investments of Market Participants

Market Participants	For the Period 1st Jul, 2026 to 15th Jul, 2026		For the Period 1st Jan, 2026 to 15th Jul, 2026	
	Equity (INR Cr)	Debt (INR Cr)	Equity (INR Cr)	Debt (INR Cr)
FPI	15,559	9,066	(258,713)	72,850
DII	17,070	-	477,808	-
Mutual Funds	8,224	(21,090)	302,668	(493,928)

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

Absolute Returns: A Snapshot of Index Performance (%)

Benchmark	First Half of July	YTD 2026
Sensex	0.92	(9.43)
Nifty 50	0.89	(7.85)
Nifty Midcap 150	1.66	3.93
Nifty Smallcap 250	2.13	8.47

Mapping FPI Investments: Sector-wise Insights in Indian Equities

FPIs Turn Risk-On in First Half of July; Consumer Services, Metals and Healthcare Lead Buying

- **FPI Buying: Broad-Based Inflows Across Consumption, Commodities and Healthcare**
  - During **1st–15th July 2026**, FPI activity turned distinctly positive, with buying spread across several sectors. **Consumer Services** attracted the highest inflow of **₹7,361 Cr**, followed by **Metals & Mining at ₹5,993 Cr** and **Healthcare at ₹4,101 Cr**. FPIs also purchased **Services worth ₹2,405 Cr**, **Consumer Durables ₹2,384 Cr**, **Realty ₹2,072 Cr**, **Financial Services ₹1,975 Cr** and **Construction Materials ₹1,574 Cr**. This indicates renewed FPI interest in consumption-linked sectors, commodities, healthcare and domestic-growth themes.
- **FPI Selling: Automobile and Capital Goods Lead FPI Selling**
  - Selling was relatively concentrated, led by **Automobile with an outflow of ₹6,936 Cr**, followed by **Capital Goods at ₹2,657 Cr** and **Telecommunication at ₹2,454 Cr**. FPIs also reduced exposure to **Power by ₹1,267 Cr** and **FMCG by ₹1,106 Cr**, while selling in Media, Chemicals and Forest Materials remained limited.
- **CY2026 FPI Flow Snapshot Till 15th July: Financials Remain the Biggest Drag; Metals and Capital Goods Remain Net FPI Buyers on a YTD Basis**
  - On the sell side, **Financial Services** remained the largest drag with outflows of **₹1,09,480 Cr**, followed by **Automobile at ₹37,821 Cr**, **IT at ₹34,187 Cr**, **Oil & Gas at ₹28,388 Cr**, **FMCG at ₹28,276 Cr**, **Telecommunication at ₹19,877 Cr**, **Healthcare at ₹16,837 Cr** and **Consumer Services at ₹13,001 Cr**. This reflects continued caution across financials, consumption and large-cap sectors.
  - On the buy side, FPIs remained selective, favouring **Metals & Mining with ₹18,814 Cr**, **Capital Goods with ₹18,497 Cr** and **Services with ₹8,495 Cr**. Smaller inflows were seen in Utilities, Diversified and Forest Materials, indicating continued preference for cyclical and capex-linked themes.

Sector-Wise FPI Equity Purchases: 1st–15th July 2026		Sector-Wise FPI Equity Sales: 1st–15th July 2026	
Sector	Amount (INR Cr)	Sector	Amount (INR Cr)
Consumer Services	7,361	Automobile	(6,936)
Metals & Mining	5,993	Capital Goods	(2,657)
Healthcare	4,101	Telecommunication	(2,454)
Services	2,405	Power	(1,267)
Consumer Durables	2,384	FMCG	(1,106)
Realty	2,072	Media, Entertainment & Publication	(289)
Financial Services	1,975	Chemicals	(114)
Construction Materials	1,574	Forest Materials	(11)

Sector-Wise FPI Equity Purchases in Jan-*Jul, 2026		Sector-Wise FPI Equity Sales in Jan-*Jul, 2026	
Sector	Amount (INR Cr)	Sector	Amount (INR Cr)
Metals & Mining	18,814	Financial Services	(109,480)
Capital Goods	18,497	Automobile	(37,821)
Services	8,495	Information Technology	(34,187)
Utilities	168	Oil, Gas & Consumable Fuels	(28,388)
Diversified	20	FMCG	(28,276)
Forest Materials	2	Telecommunication	(19,877)
		Healthcare	(16,837)
		Consumer Services	(13,001)

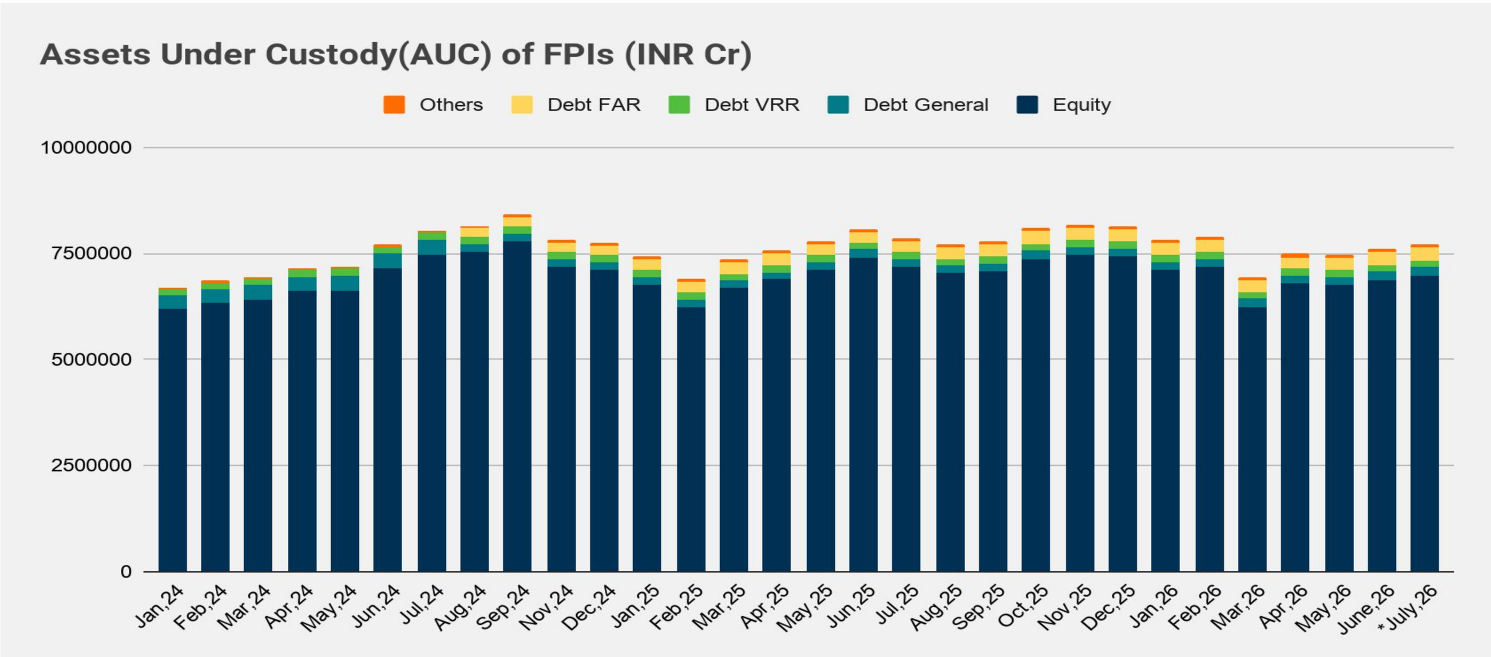
*All data considered till 15th July

Tracking FPI AUC in Indian Markets

FPI AUC Improves in First Half of July; Equity and FAR Debt Lead the Increase

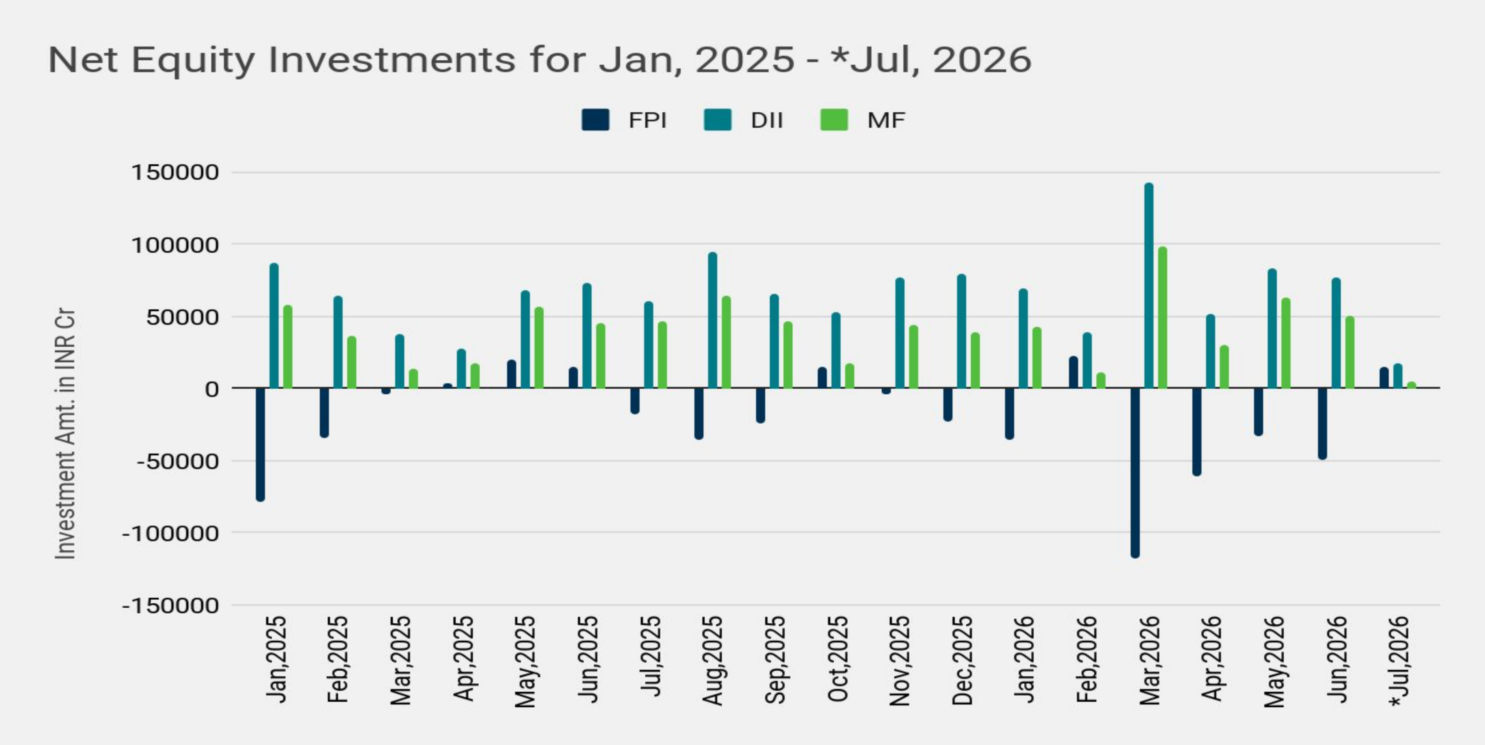
- Foreign Portfolio Investors' Assets Under Custody (AUC) increased to **₹77.36 lakh crore in the first half of July 2026** from **₹76.22 lakh crore in June 2026**, registering an increase of **₹1.14 lakh crore, or 1.49%**. The rise was mainly driven by equities, where AUC increased to **₹69.66 lakh crore** from **₹68.65 lakh crore**, representing a gain of **₹1.01 lakh crore, or 1.47%**. Equity contributed nearly **89% of the total increase**, indicating an improvement in the value of FPI equity holdings during the first half of July.
- On the debt side, the trend remained positive overall. **Debt General AUC** increased by **₹3,138 crore, or 1.55%**, to **₹2.06 lakh crore** from **₹2.03 lakh crore**. **Debt FAR** recorded the strongest growth among debt categories, rising by **₹8,030 crore, or 2.55%**, to **₹3.22 lakh crore** from **₹3.14 lakh crore**. Meanwhile, **Debt VRR remained broadly stable**, declining marginally by **₹111 crore, or 0.07%**, to **₹1.65 lakh crore**. AUC under other instruments increased by **₹1,317 crore, or 1.76%**, to **₹76,008 crore**.
- Overall, FPI AUC improved during the first half of July 2026, supported by higher equity custody and continued growth in FAR-eligible government securities. While Debt VRR remained largely unchanged, gains across Equity, Debt General, Debt FAR and other instruments helped raise total custody values above June levels.

Assets Under Custody (AUC) of FPIs (INR Cr)				Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Segment	***July,26**	**June,26**	**Change**	**Sector**	***July,26**	**June,26**	**Change**
Equity	6,966,158	6,864,934	101,224	Financial Services	2,138,512	2,111,441	27,071
Debt General	206,225	203,087	3,138	Healthcare	523,080	506,738	16,342
Debt VRR	164,928	165,039	(111)	Capital Goods	501,465	515,370	(13,905)
**Corporate Bonds	287,785	288,829	(1,044)	Automobile	499,910	502,793	(2,883)
Debt FAR	322,405	314,375	8,030	Oil & Gas	466,849	464,731	2,118
Others	76,008	74,691	1,317	Telecom	368,675	360,095	8,580
Total	**7,735,724**	**7,622,126**	113,598	IT	363,843	338,594	25,249

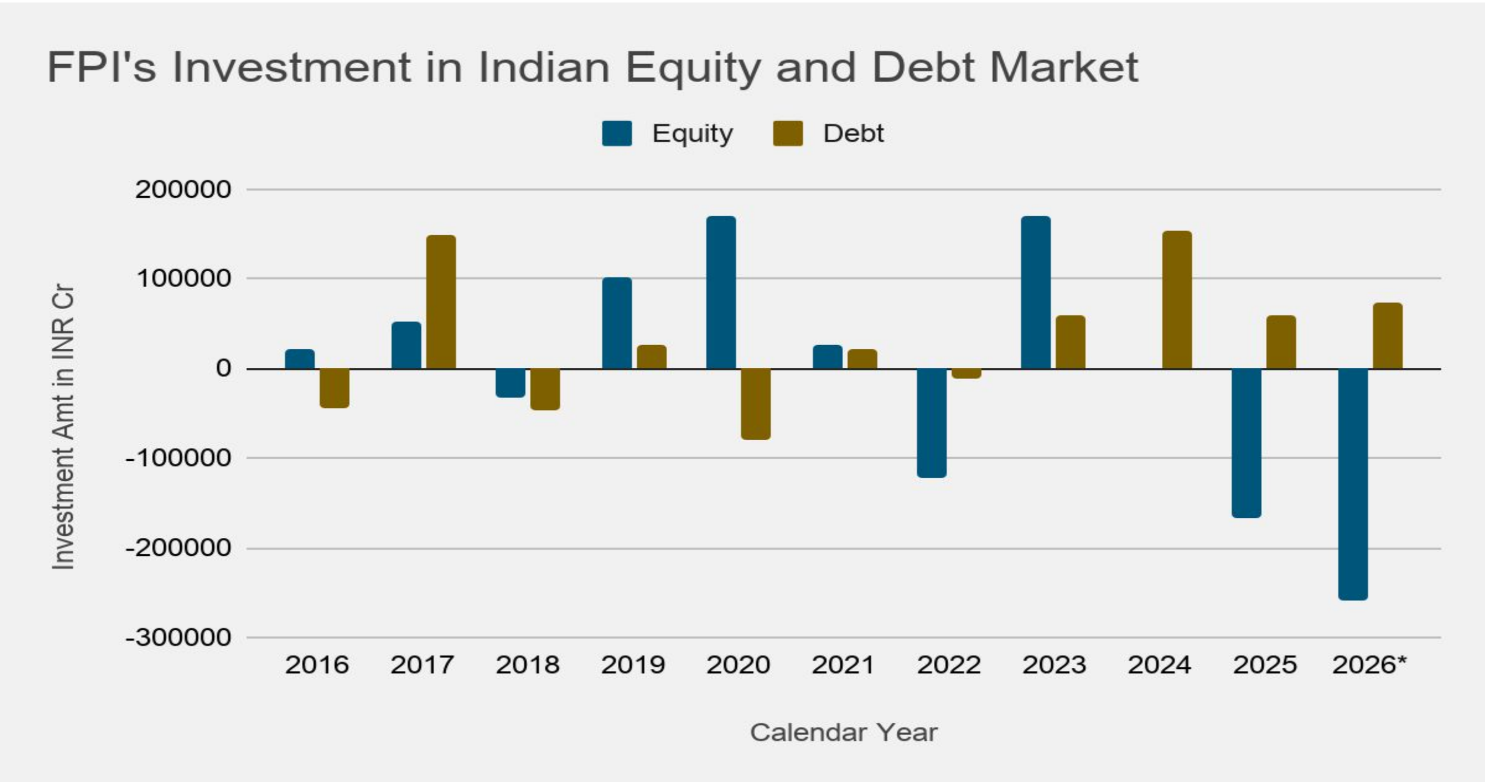


**Corporate bond figures are already included within Debt General and Debt VRR; they are shown separately only for category-wise reporting.
*All data is updated till 15th July, 2026.

Equity Investment Breakdown by Participant



FPI Investment in Indian Equity and Debt Markets



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Source: NSDL, SEBI