August Market Pulse: Fortnightly Investment Insights

August Fortnight Review: FPIs Extend Equity Buying; DII Buying Moderates, MF Buying Strengthens

❖ **FPIs Extend Equity Buying into August; Debt Sees Marginal Outflow**

➢ **FPI Equity Buying Continues:** FPIs invested **₹16,621 Cr** during **1st–15th August 2026**, continuing the buying trend after turning net buyers in July. Inflows comprised **₹11,199 Cr in secondary markets** and **₹5,422 Cr through primary markets/IPOs**, indicating sustained improvement in foreign investor sentiment.

➢ **FPI Debt Flows Turn Marginally Negative:** FPIs recorded a small **₹340 Cr debt outflow** during the first half of August. Despite the marginal withdrawal, cumulative CY2026 debt flows remained strongly positive at **₹82,105 Cr**, continuing to provide a cushion against equity outflows.

➢ **FPIs Remain Net Sellers in CY2026:** In CY2026 till **15th August**, FPIs remained net sellers of Indian equities at **₹2,37,451 Cr**, despite renewed buying in July and the first half of August. Meanwhile, strong **₹82,105 Cr debt inflows** highlight continued foreign investor preference for Indian fixed-income assets.

❖ **DIIs Cross ₹5 Lakh Cr Buying Milestone in CY2026; Domestic Liquidity Remains Strong**

➢ **DII Buying Remains Moderate:** DIIs invested **₹17,287 Cr** during **1st–15th August 2026**, broadly in line with **₹17,070 Cr** in the first half of July, while FPI flows also remained positive. Cumulative DII equity investment crossed the **₹5 lakh Cr milestone**, reaching a record **₹5,13,124 Cr till 15th August 2026**, reinforcing domestic institutional liquidity as a key structural support for Indian equities.

❖ **Mutual Fund Buying Rises Sharply; CY2026 Investment Reaches ₹3.34 Lakh Cr**

➢ **MFs Remain Strong Net Buyers:** Mutual funds invested **₹27,887 Cr** in equities during **1st–15th August 2026**, rising sharply from **₹8,224 Cr** in the first half of July. Cumulative mutual fund equity investment in **CY2026** reached a record **₹3,33,929 Cr**, reinforcing strong domestic institutional support for Indian equities.

Fortnightly Investment Insights

Tracking Investments of Market Participants

Market Participants	For the Period 1st Aug, 2026 to 15th Aug, 2026		For the Period 1st Jan, 2026 to 15th Aug, 2026	
	Equity (INR Cr)	Debt (INR Cr)	Equity (INR Cr)	Debt (INR Cr)
FPI	16,621	(340)	(237,451)	82,105
DII	17,287	-	513,124	-
Mutual Funds	27,887	(31,442)	333,929	(553,592)

*DII investments include MF Investments. MFs data updated till 13th August. Other data updated till 15th August.

Absolute Returns: A Snapshot of Index Performance (%)

Benchmark	First Half of August	YTD 2026
Sensex	(0.11)	(8.46)
Nifty 50	(0.07)	(6.75)
Nifty Midcap 150	1.22	5.13
Nifty Smallcap 250	2.00	9.55

Mapping FPI Investments: Sector-wise Insights in Indian Equities

FPIs Turn Selectively Positive in First Half of August; Financials, Auto and Consumer Services Lead Buying

- **FPI Buying: Financial Services and Automobiles Lead Inflows**
  - During **1st–15th August 2026**, FPI buying remained broad-based across several sectors. **Financial Services** attracted the highest inflow of **₹6,535 Cr**, followed by **Automobile & Auto Components at ₹4,405 Cr** and **Consumer Services at ₹3,398 Cr**. FPIs also purchased **Healthcare worth ₹2,910 Cr**, **Information Technology ₹2,530 Cr**, **Consumer Durables ₹1,472 Cr**, **Metals & Mining ₹720 Cr** and **Services ₹590 Cr**. This reflects stronger FPI interest in **financials, automobiles, consumption and healthcare**, alongside renewed buying in IT.
- **FPI Selling: Telecom, Capital Goods and Power Lead FPI Outflows**
  - Selling was relatively concentrated, led by **Telecommunication with an outflow of ₹3,322 Cr**, followed by **Capital Goods at ₹1,556 Cr**, **Power at ₹1,164 Cr** and **Realty at ₹1,014 Cr**. FPIs also reduced exposure to **Construction by ₹404 Cr** and **FMCG by ₹189 Cr**, while selling in **Diversified and Forest Materials remained marginal**.
- **CY2026 FPI Flow Snapshot Till 15th August: Financials Remain the Biggest Drag; Metals and Capital Goods Stay Net FPI Buyers**
  - On the sell side, **Financial Services** remained the largest drag with outflows of **₹1,05,614 Cr**, followed by **Automobile at ₹31,044 Cr**, **Oil & Gas at ₹28,411 Cr**, **IT at ₹28,359 Cr**, **FMCG at ₹27,987 Cr**, **Telecommunication at ₹26,470 Cr**, **Healthcare at ₹10,273 Cr** and **Realty at ₹7,558 Cr**. This reflects continued caution across financials, consumption and other large-cap sectors.
  - On the buy side, FPIs remained selective, favouring **Metals & Mining with ₹18,478 Cr**, **Capital Goods with ₹13,323 Cr**, **Services with ₹9,084 Cr** and **Consumer Durables with ₹4,667 Cr**. Smaller inflows were seen in Forest Materials, Utilities and Diversified, indicating preference for cyclical and capex-linked themes.

Sector-Wise FPI Equity Purchases: 1st–15th August 2026		Sector-Wise FPI Equity Sales: 1st–15th August 2026	
Sector	Amount (INR Cr)	Sector	Amount (INR Cr)
Financial Services	6,535	Telecommunication	(3,322)
Automobile and Auto Components	4,405	Capital Goods	(1,556)
Consumer Services	3,398	Power	(1,164)
Healthcare	2,910	Realty	(1,014)
Information Technology	2,530	Construction	(404)
Consumer Durables	1,472	Fast Moving Consumer Goods	(189)
Metals & Mining	720	Diversified	(18)
Services	590	Forest Materials	(9)

Sector-Wise FPI Equity Purchases in Jan-*Aug, 2026		Sector-Wise FPI Equity Sales in Jan-*Aug, 2026	
Sector	Amount (INR Cr)	Sector	Amount (INR Cr)
Metals & Mining	18,478	Financial Services	(105,614)
Capital Goods	13,323	Automobile and Auto Components	(31,044)
Services	9,084	Oil, Gas & Consumable Fuels	(28,411)
Consumer Durables	4,667	Information Technology	(28,359)
Forest Materials	33	Fast Moving Consumer Goods	(27,987)
Utilities	12	Telecommunication	(26,470)
Diversified	1	Healthcare	(10,273)
		Realty	(7,558)

*All data considered till 15th August

Tracking FPI AUC in Indian Markets

FPI AUC Rises in First Half of August; Equity Holdings Drive the Increase

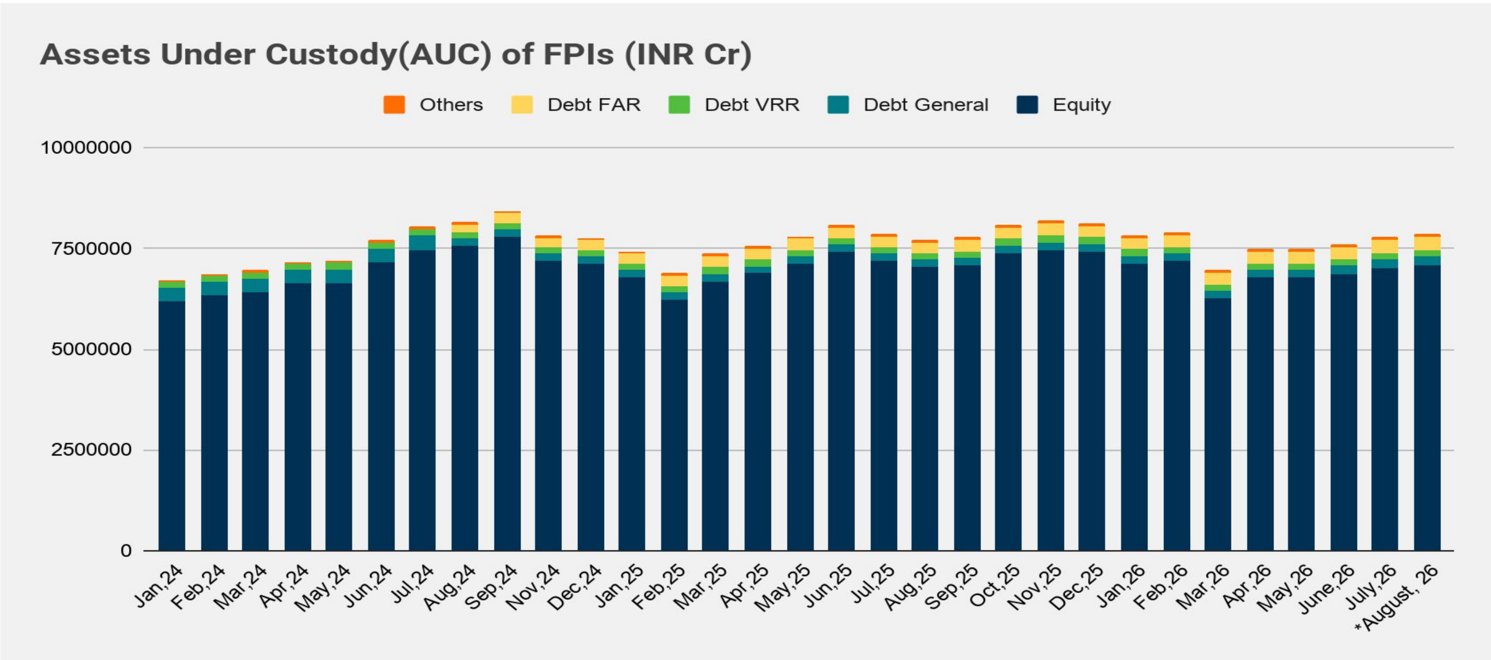
- Foreign Portfolio Investors' Assets Under Custody (AUC) increased to **₹78.66 lakh crore in the first half of August 2026** from **₹78.05 lakh crore at the end of July 2026**, registering an increase of **₹60,813 crore, or 0.78%**. The rise was primarily driven by equities, where AUC increased to **₹70.86 lakh crore** from **₹70.25 lakh crore**, representing a gain of **₹61,730 crore, or 0.88%**. Equity accounted for more than the entire net increase in total AUC, offsetting declines in some debt categories.
- On the debt side, the trend was mixed. **Debt General AUC** declined by **₹1,479 crore, or 0.69%**, to **₹2.12 lakh crore** from **₹2.13 lakh crore**, while **Debt VRR AUC** fell by **₹1,470 crore, or 0.95%**, to **₹1.53 lakh crore** from **₹1.55 lakh crore**. In contrast, **Debt FAR** continued to improve, increasing by **₹1,793 crore, or 0.53%**, to **₹3.38 lakh crore** from **₹3.36 lakh crore**. AUC under other instruments also increased marginally by **₹239 crore, or 0.31%**, to **₹76,526 crore**.
- Overall, FPI AUC improved during the first half of August 2026, led predominantly by higher equity custody values and a modest increase in FAR-eligible government securities. However, declines in **Debt General and Debt VRR** partly offset these gains, indicating that the increase in overall FPI assets remained largely equity-driven during the fortnight.

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

Segment	*August, 26	July,26	Change
Equity	7,086,403	7,024,673	61,730
Debt General	211,652	213,131	(1,479)
Debt VRR	153,276	154,746	(1,470)
**Corporate Bonds	284,768	287,734	(2,966)
Debt FAR	337,815	336,022	1,793
Others	76,526	76,287	239
Total	**7,865,672**	**7,804,859**	**60,813**

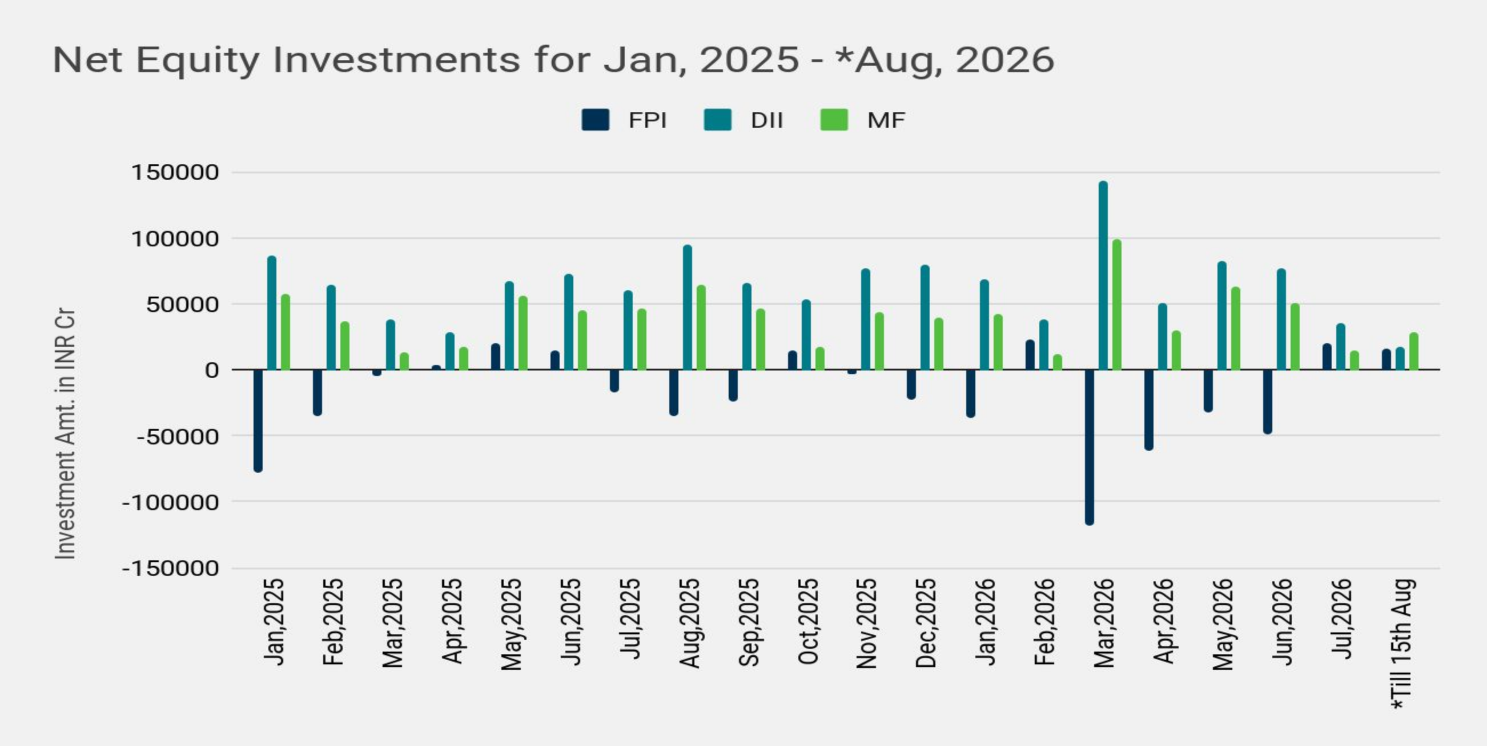
Key Sectoral Breakdown of FPI Equity AUC (INR Cr)

Sector	*August, 26	July,26	Change
Financial Services	2,108,866	2,112,990	(4,124)
Automobile	557,414	539,613	17,801
Healthcare	534,111	533,085	1,026
Capital Goods	512,323	489,016	23,307
Oil & Gas	467,170	468,589	(1,419)
IT	403,653	393,202	10,451
Telecom	373,327	371,839	1,488

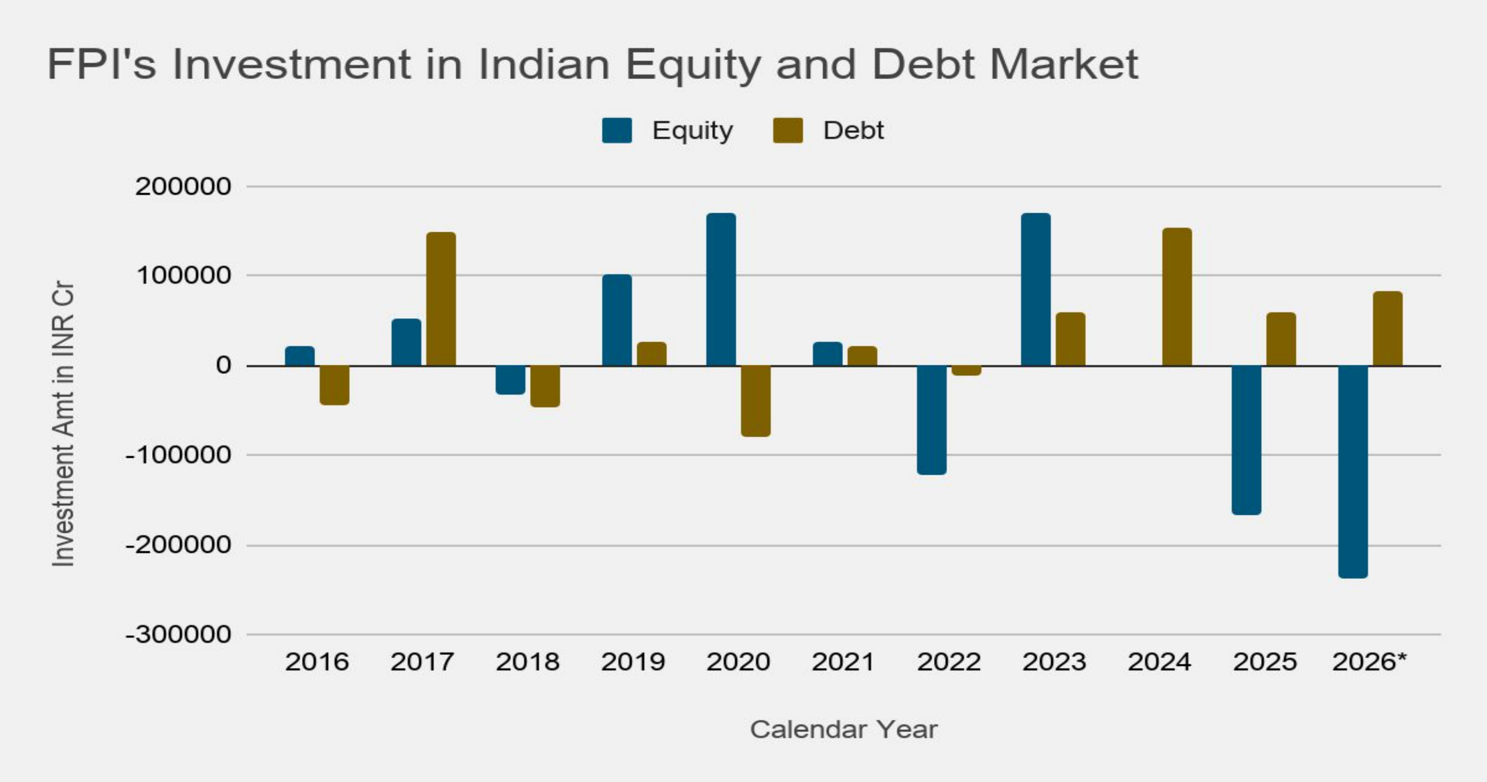


**Corporate bond figures are already included within Debt General and Debt VRR; they are shown separately only for category-wise reporting.
*All data is updated till 15th August, 2026.

Equity Investment Breakdown by Participant



FPI Investment in Indian Equity and Debt Markets



*All data is updated till 15th August, 2026. DII investments include MF investments.

Source: NSDL, SEBI