

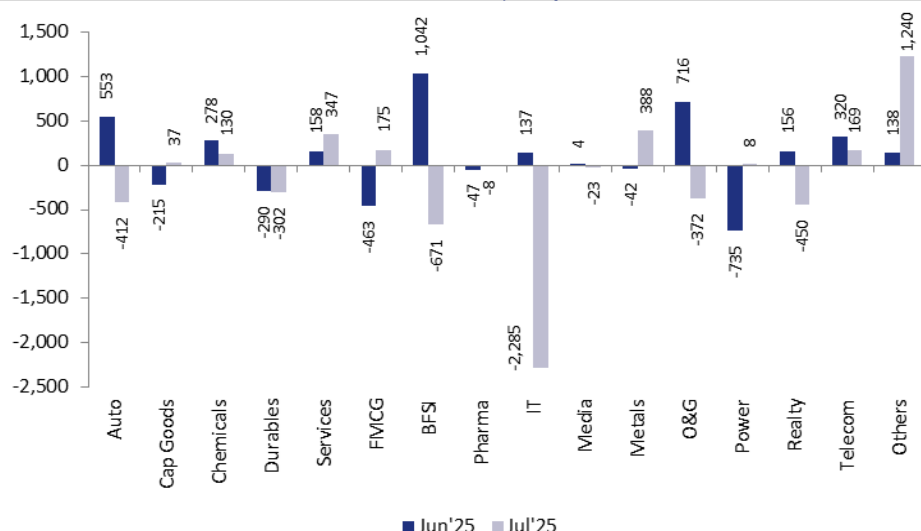
Strategy

FII Monthly Flow Tracker – July'25

In Jul'25 FIIs were net sellers (to the tune of USD 2.9bn) while DIIs were net buyers (to the tune of USD 7.1bn) in the Indian equity market. Sectors which witnessed the highest FII outflows included IT (USD 2.3bn), BSFI (USD 671mn), Realty (USD 450mn), Auto (USD 412mn), O&G (USD 372mn) and Durables (USD 302mn), while sectors including Metals (USD 388mn), Services (USD 347mn), FMCG (USD 175mn), Telecom (USD 169mn) and Chemicals (USD 130mn), saw the highest inflows.

- **FIIs turned net sellers as the month went on:** In Jul'25, FIIs were net sellers to the tune of INR 247.2bn (USD 2.9bn) while the Nifty fell ~3% MoM, after a 3.1% rise in Jun'25. FIIs turned net sellers after four consecutive months of being net buyers. Until 10th July, FIIs were net buyers, purchasing equities to the tune of ~USD 0.4bn. They then turned net sellers post that, and offloaded Indian equities to the tune of USD 3.2bn over the rest of the month with a high quantum of selling seen towards the end of the month.
- **IT, BFSI, Realty, Auto, O&G and Durables saw the largest FII outflows:** Sectors that saw the highest outflows were IT (USD 2,285mn), BSFI (USD 671mn), Realty (USD 450mn), Auto (USD 412mn), O&G (USD 372mn) and Durables (USD 302mn).
- **Metals, Services, FMCG, Telecom and Chemicals saw FII inflows:** Metals saw inflows of USD 388mn in Jul'25, followed by Services at USD 347mn, FMCG at USD 175mn, Telecom at USD 169mn and Chemicals at USD 130mn.
- **Top 5 sectoral holdings remain unchanged, while shareholding in IT and O&G see a fall:** BFSI, IT, Oil & Gas, Auto and Pharma remained the top 5 sectors wherein FIIs held Indian equities. These 5 sectors in themselves add ~60% of FII assets in India. Of these, we saw a marginal sequential uptrend in Pharma and Auto, while IT and O&G saw a decrease. As a % of FII AUC in India, BFSI remained the highest at 31.6%, flat sequentially. FIIs turned net sellers of BFSI equities in Jul'25. IT services (the second highest) stood at 7.4%, declining from 8.2% in Jun'25. FIIs turned net sellers of IT Services equities in Jul'25.

FII net flows for the month of Jul'25 and Jun'25 split by sector (USD mn)



Source: NSDL, JM Financial

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Nifty Valuation table (JMFL Estimates)

| Particulars | FY25A | FY26E | FY27E |
|-------------|--------|--------|--------|
| Nifty Index | 24,574 | 24,574 | 24,574 |
| EPS (INR) | 1,012 | 1,112 | 1,283 |
| YoY (%) | 2.7 | 9.9 | 15.4 |
| BPS (INR) | 6,910 | 7,506 | 8,217 |
| YoY (%) | 6.2 | 8.6 | 9.5 |
| PE (x) | 24.3 | 22.1 | 19.1 |
| PB (x) | 3.6 | 3.3 | 3.0 |
| ROE (%) | 15.1 | 15.4 | 16.3 |

Source: Company, JM Financial

Nifty Valuation table (Bloomberg Estimates)

| Particulars | FY25A | FY26E | FY27E |
|-------------|--------|--------|--------|
| Nifty Index | 24,574 | 24,574 | 24,574 |
| EPS (INR) | 1,012 | 1,155 | 1,330 |
| YoY (%) | 2.7 | 10.6 | 15.2 |
| PE (x) | 24.3 | 21.3 | 18.5 |
| ROE (%) | 15.1 | 15.4 | 15.5 |

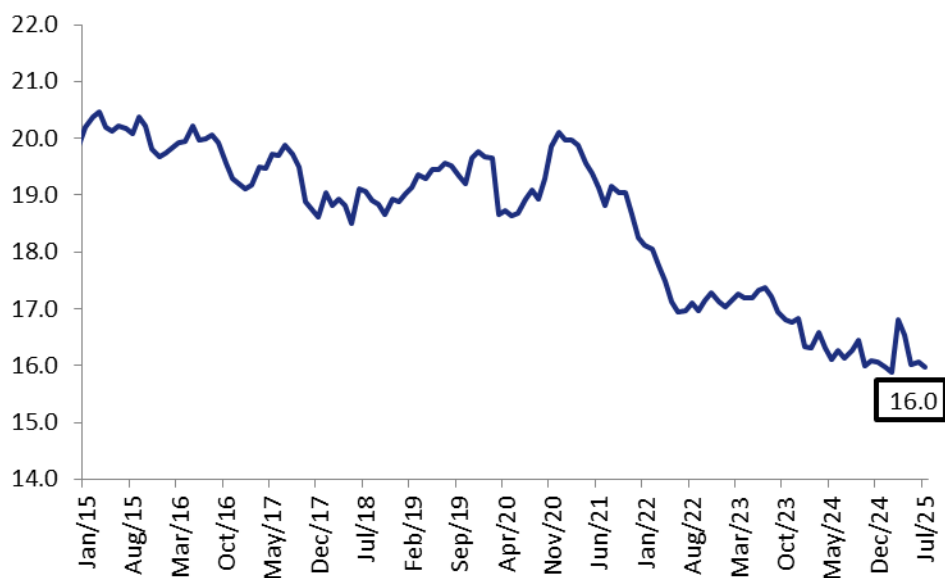
Source: Company, JM Financial

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FII shareholding in Indian equities was 16% as of Jul'25, which was broadly flat compared to Jun'25. As of end-Jul'25, FII Equity Assets under Custody (AUC) stood at INR 72trln, 3% lower than INR 74.2trln as of Jun'25.

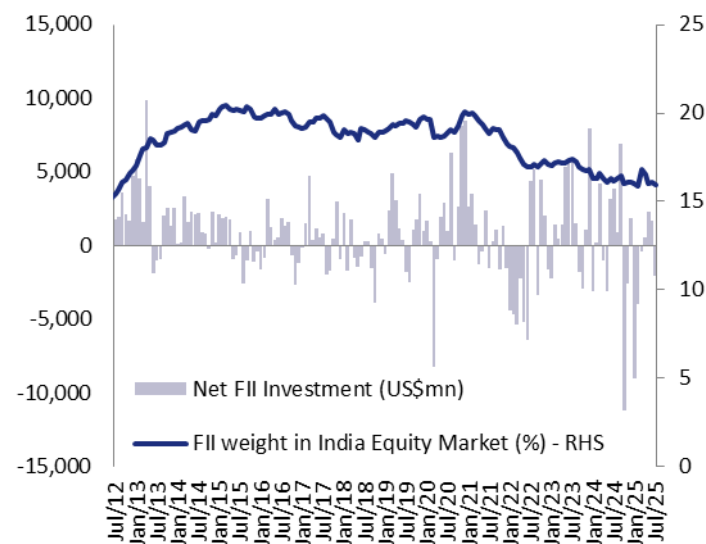
Exhibit 1. FII ownership of Indian equities



FII ownership as a % of total Indian equities over the years has fallen from 20.2% in Jul'15 to 16.0% in Jul'25.

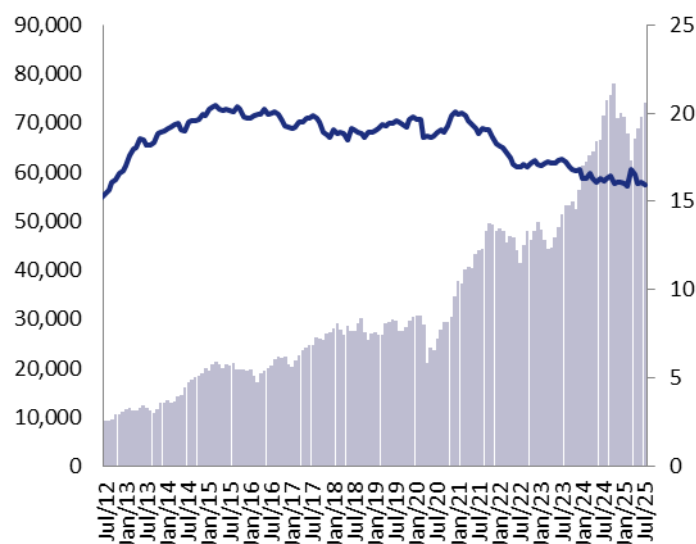
Source: NSDL, CEIC, JM Financial

Exhibit 2. Monthly FII net flows (USD mn) vs. ownership (%)



Source: NSDL, CEIC, JM Financial

Exhibit 3. AUC (INR bn) vs. ownership (%), RHS



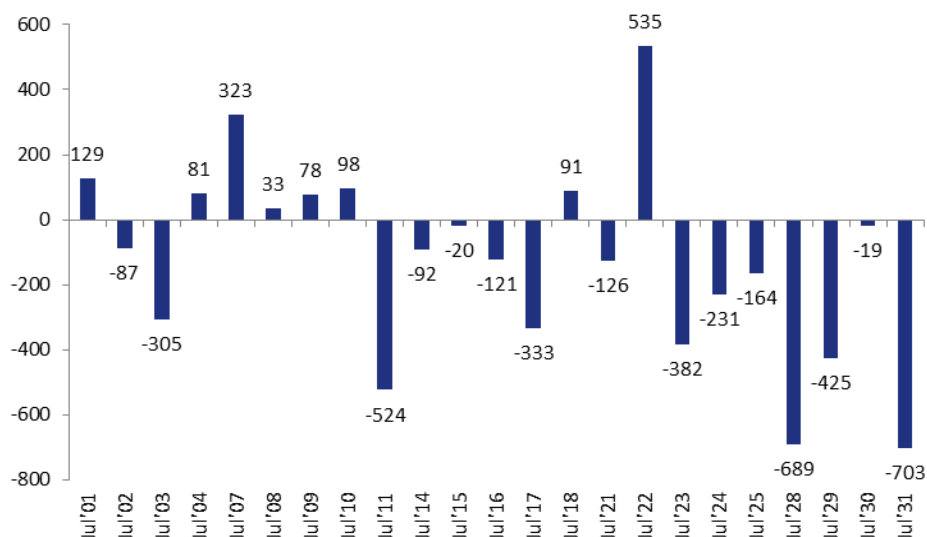
Source: NSDL, CEIC, JM Financial

Exhibit 4. Monthly FI net flows

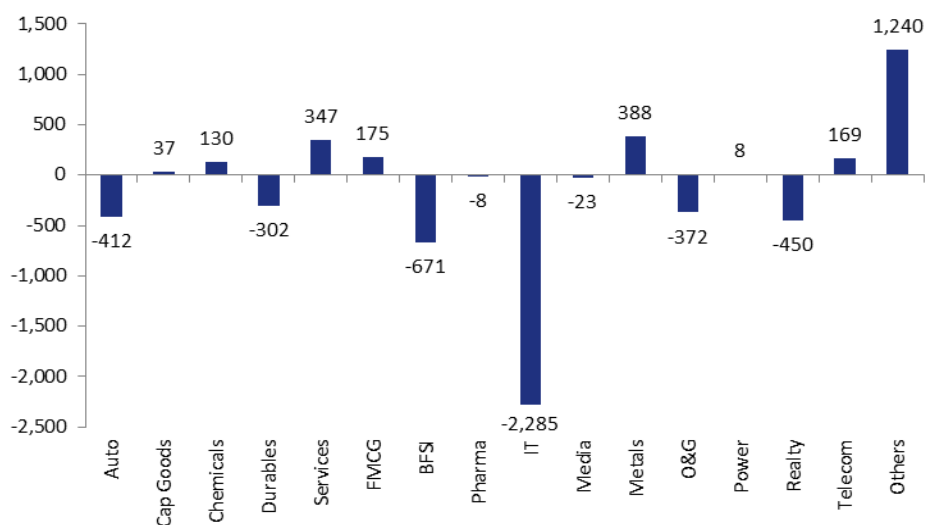
| Month | FI Activity (INR bn) | DII Activity (INR bn) | Nifty levels | % change in Nifty |
|--------|----------------------|-----------------------|--------------|-------------------|
| Jul'24 | 279.6 | 234.9 | 24,951 | 3.90% |
| Aug'24 | 116.8 | 482.8 | 25,236 | 1.10% |
| Sep'24 | 497.9 | 318.6 | 25,811 | 2.30% |
| Oct'24 | -919.3 | 1,072.5 | 24,205 | -6.20% |
| Nov'24 | -182.6 | 444.8 | 24,131 | -0.30% |
| Dec'24 | 110.9 | 342 | 23,645 | -2.00% |
| Jan'25 | -726.7 | 865.9 | 23,508 | -0.60% |
| Feb'25 | -465.9 | 648.5 | 22,125 | -5.90% |
| Mar'25 | 80.5 | 375.9 | 23,500 | 6.21% |
| Apr'25 | 44.0 | 282.3 | 24,334 | 3.54% |
| May'25 | 146.8 | 676.4 | 24,751 | 1.71% |
| Jun'25 | 204.2 | 726.7 | 25,527 | 3.14% |
| Jul'25 | -247.2 | 609.4 | 24,768 | -2.97% |

Source: NSDL, AMFI, JM Financial. Note: Nifty50 levels for a period are as of end of that month

In Jul'25, FIs were net sellers to the tune of INR 247.2bn (USD 2.9bn) while the Nifty fell ~3% MoM, after a 3.1% rise in Jun'25. FIs turned net sellers after four consecutive months of being net buyers. Nifty also saw a MoM decline after four consecutive months of MoM rise.

Exhibit 5. FI net flows for the month of Jul'25 (Jul'25, USD mn)

Source: NSDL, JM Financial

Exhibit 6. FI net flows for the month of Jul'25 split by sector (Jul'25, USD mn)

Source: NSDL, JM Financial

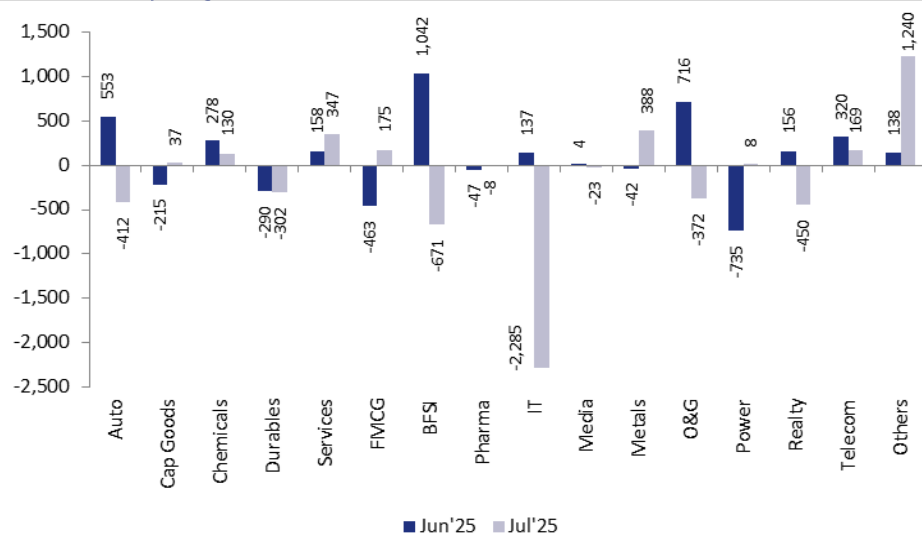
Until 10th July, FIs were net buyers, purchasing equities to the tune of ~USD 0.4bn. They then turned net sellers post that, and offloaded Indian equities to the tune of USD 3.2bn over the rest of the month with a high quantum of selling seen towards the end of the month.

Sectors that saw the highest outflows included IT (USD 2,285mn), BFSI (USD 671mn), Realty (USD 450mn), Auto (USD 412mn), O&G (USD 372mn) and Durables (USD 302mn)

Metals saw inflows of USD 388mn in Jul'25, followed by Services at USD 347mn, FMCG at USD 175mn, Telecom at USD 169mn and Chemicals at USD 130mn.

Cap Goods (USD 37mn) and Power (USD 8mn) also saw inflows.

Exhibit 7. Comparing sectoral FII flows (Jun'25 vs. Jul'25) (USD mn)



Sectors where FIIs turned buyers v/s net sellers in Jun'25: FMCG (+USD 175mn, Cap Goods (+USD 37mn) and Power (+USD 8mn).

Vis-à-vis Jun'25, FIIs turned net sellers in IT (USD 2,285mn), BFSI (USD 671mn), Realty (USD 450mn), Auto (USD 412mn) and O&G (USD 372mn).

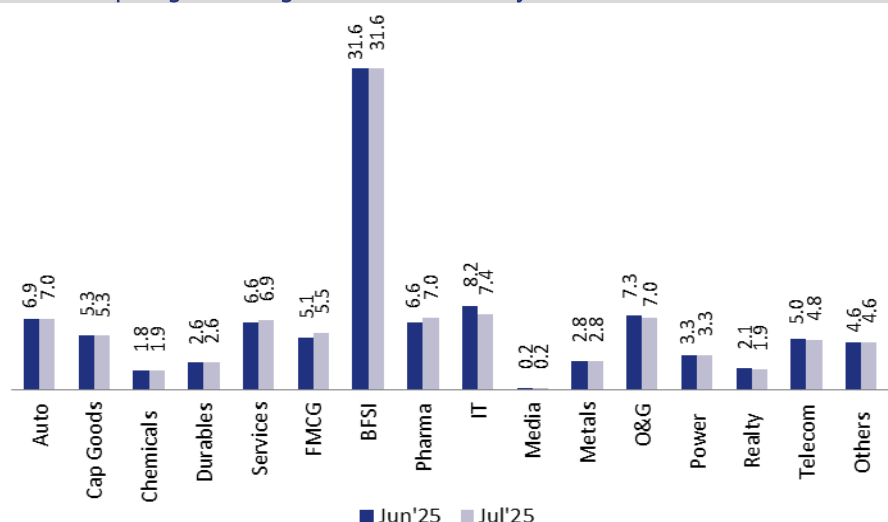
Source: NSDL, JM Financial

Exhibit 8. Sectoral FII outflows (USD mn, Jul'24 - Jul'25)

| Month | Auto | Cap Goods | Chemical | Durables | Consumer Services | FMCG | BFSI | Pharma | IT | Media | Metals | O&G | Power | Realty | Telecom | Others |
|--------|-------|-----------|----------|----------|-------------------|-------|-------|--------|---------|---------|--------|-------|-------|--------|---------|--------|
| Jul-24 | (61) | (22) | 409 | 117 | (913) | 604 | 1,405 | 56 | 874 | 194 | (454) | 27 | 375 | (64) | (61) | (22) |
| Aug-24 | (2) | 562 | 496 | 429 | (1,430) | 694 | 481 | (23) | (450) | 144 | (136) | (139) | 246 | 322 | (2) | 562 |
| Sep-24 | 172 | 445 | (351) | 584 | 3,244 | 791 | (145) | 14 | 138 | (77) | 168 | 641 | 230 | 804 | 172 | 445 |
| Oct-24 | 70 | (341) | (1,054) | (1,378) | (3,109) | (7) | (344) | (1) | 17 | (2,550) | (180) | (165) | (321) | (246) | 70 | (341) |
| Nov-24 | 2 | (1) | (18) | (167) | 296 | 57 | 653 | - | (143) | (1,581) | (94) | 244 | (601) | (285) | 2 | (1) |
| Dec-24 | 71 | (106) | 379 | (327) | 368 | 442 | 1,064 | 15 | 114 | (1,270) | (218) | 562 | 44 | 835 | 71 | (106) |
| Jan-25 | 41 | (439) | (964) | (627) | (2,882) | (505) | (747) | 20 | (275) | (182) | (485) | (115) | 16 | (538) | 41 | (439) |
| Feb-25 | 50 | (263) | (328) | (793) | (803) | (166) | 93 | 3 | (133) | (388) | (354) | (137) | 917 | (701) | 50 | (263) |
| Mar-25 | (327) | (32) | 57 | (174) | (353) | (643) | 1,675 | 15 | (973) | 51 | 219 | (397) | (24) | 68 | 360 | 74 |
| Apr'25 | (375) | (6) | 103 | (6) | 212 | 343 | 2,169 | (84) | (1,777) | 13 | (398) | (40) | 106 | (84) | 544 | (194) |
| May'25 | 11 | 623 | 153 | (203) | (58) | 95 | 470 | (306) | (285) | 16 | 8 | 295 | (292) | (194) | 946 | 1,042 |
| Jun'25 | 553 | (215) | 278 | (290) | 158 | (463) | 1,042 | (47) | 137 | 4 | (42) | 716 | (735) | 156 | 320 | 138 |
| Jul'25 | (412) | 37 | 130 | (302) | 347 | 175 | (671) | (8) | (2,285) | (23) | 388 | (372) | 8 | (450) | 169 | 1,240 |

Source: NSDL, JM Financial

Exhibit 9. Comparing FII holding % of total AUC in key sectors



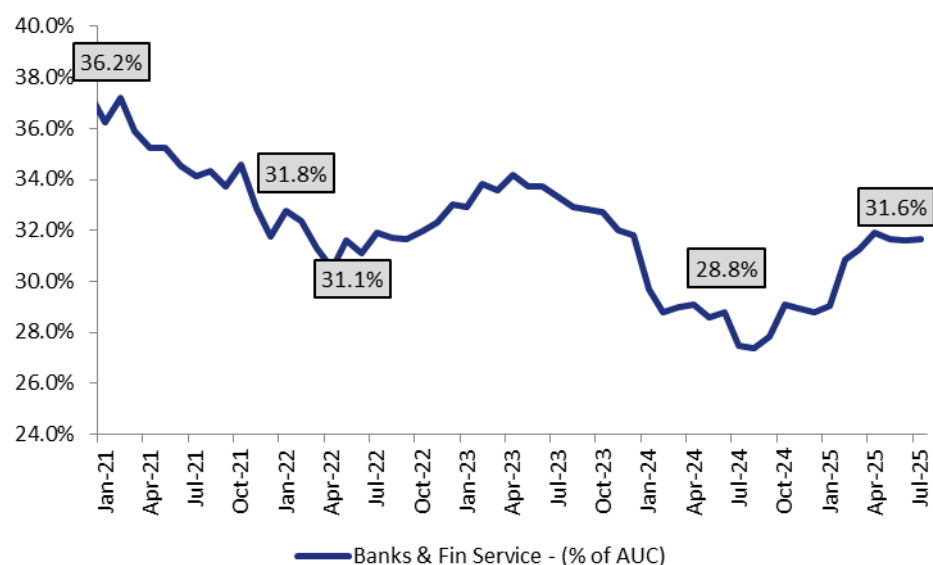
BFSI, IT, Oil & Gas, Auto and Pharma remained the top 5 sectors wherein FIIs held equities in India.

These 5 sectors in themselves add ~60% of FII assets in India.

Of these, we saw a marginal sequential uptrend in Pharma and Auto, while IT and O&G saw a decrease. BFSI remained flat.

Source: NSDL, JM Financial

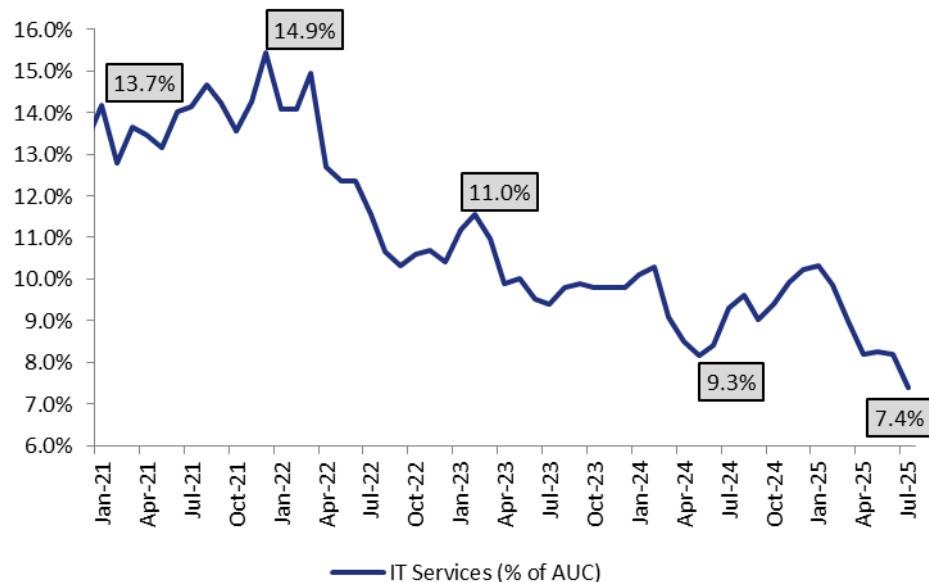
Exhibit 10. Comparing FI holding in BFSI as a % of total AUC



As a % of FI AUC in India, BFSI remained the highest at 31.6%, remaining flat sequentially. FIs turned net sellers of BFSI equities in Jul'25

Source: NSDL, JM Financial

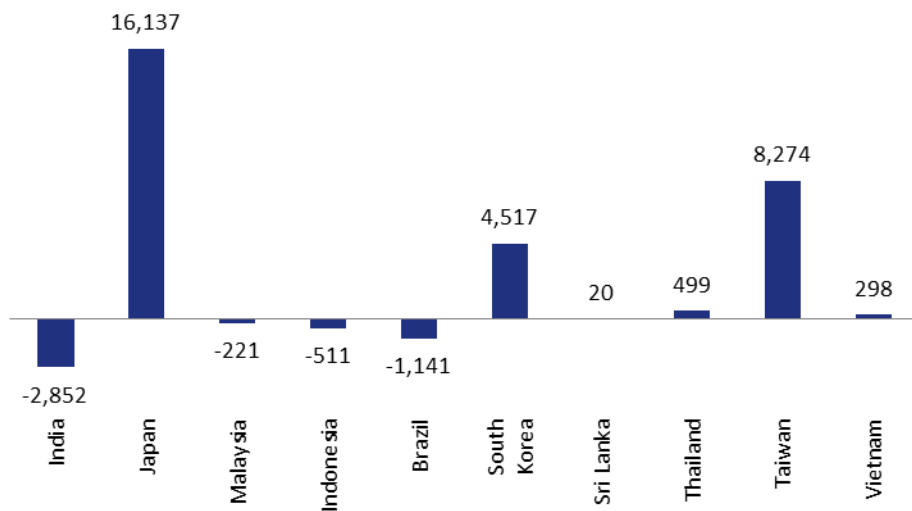
Exhibit 11. Comparing FI holding in IT as a % of total AUC



As a % of FI AUC in India, IT services remained the second highest after BFSI, at 7.4%, declining from 8.2% in Jun'25. FIs turned net sellers of IT Services equities in Jul'25

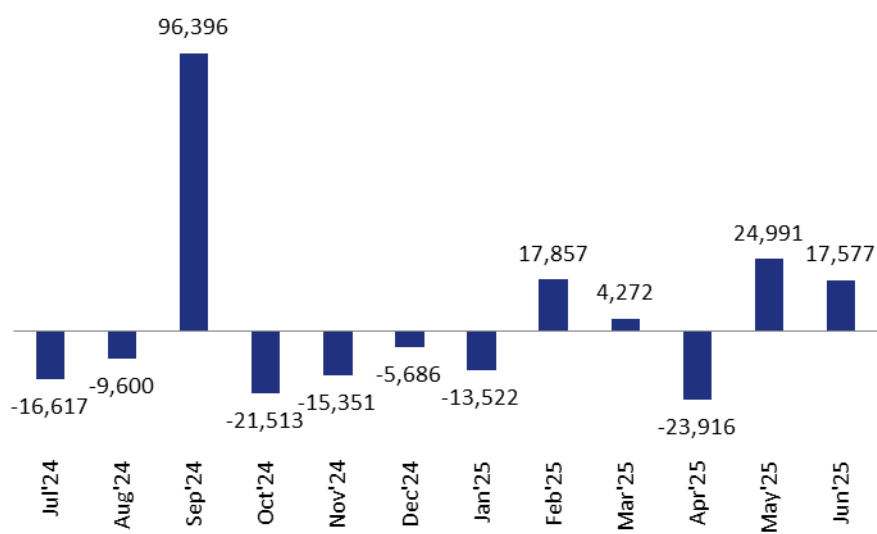
Source: NSDL, JM Financial

Exhibit 12. Jul'25 FII net flows for select nations (USD mn)



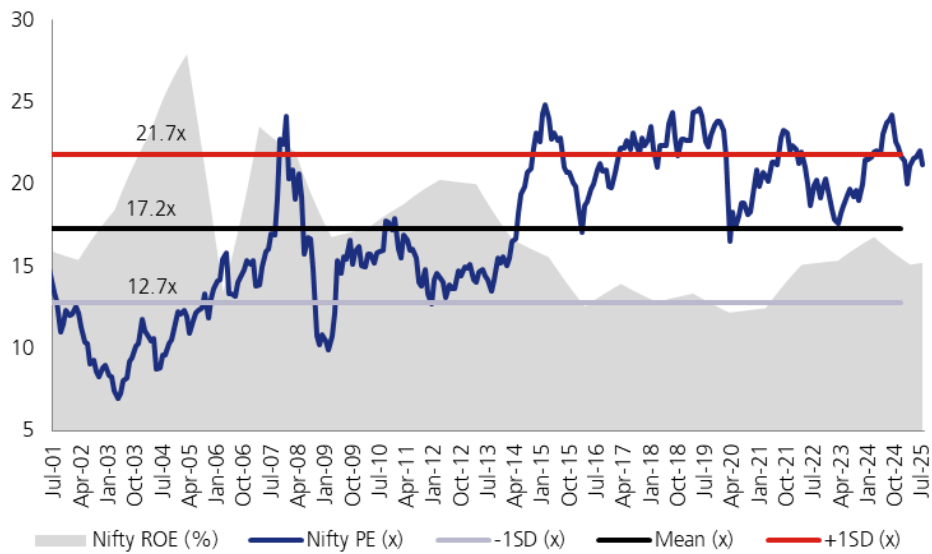
Source: Bloomberg, JM Financial

Exhibit 13. Monthly FII flows for China (USD mn)



Source: Bloomberg, JM Financial

Exhibit 14. Nifty 1-yr forward P/E and RoE chart (JMFL estimates)



Source: Bloomberg, JM Financial

APPENDIX I

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|-----------------------|---|
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| Hold | Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months. |
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