

Strategy

FII Monthly Flow Tracker – December 2024



Despite FIIs being net buyers (USD 1.3bn) in Dec'24, the Nifty50 was down 2% MoM. Similar to Nov'24, Dec'24 was a tale of two halves. In Nov'24, Indian equities witnessed FIIs turning net buyers in 2H with inflows of INR 13bn (USD 159mn) vs. outflows of INR 195bn (USD 2.3bn) in 1H. In Dec'24, the positive trend continued through 1H where FIIs bought stock worth INR 269bn (USD 3.1bn). In 2H they turned net sellers and offloaded stock worth INR 158bn (USD 1.9bn).

- FIIs were net buyers in Dec'24; but selling intensified in 2H:** Although FIIs remained net buyers in Dec'24, selling intensified in the second half, the impact of which was seen on the Indian equity markets with the Nifty50 correcting 2%. Indian equity markets saw net FII inflows of INR 111bn (USD 1.3bn) in Dec'24, after 2 consecutive months of net outflows (in Oct'24 and Nov'24). Dec'24, akin to Nov'24, was a tale of two halves. In Nov'24, FIIs were net sellers in 1H with outflows of INR 195bn (USD 2.3bn), and turned net buyers through 2H to the tune of INR 13bn (USD 159mn). In Dec'24, FIIs continued the buying momentum through 1H, purchasing stock worth INR 269bn (USD 3.1bn), but turned net sellers in 2H, offloading stock worth INR 158bn (USD 1.9bn). In the four trading sessions post-Christmas, FIIs were net sellers with outflows of nearly USD 956mn.
- Oil & gas, autos, and FMCG saw the largest FII outflows:** Sectors that saw the highest outflows included oil & gas (outflow for the third consecutive month) and autos (outflow for the fifth consecutive month) of USD 1.3bn and USD 513mn respectively. The negative trend in FMCG continued for the third consecutive month with outflows of USD 327mn.
- IT, Pharma, BFSI and Capital Goods saw the largest inflows:** IT saw the highest inflows of USD 1.1bn, followed by Pharma at USD 442mn. BFSI and Capital Goods each saw inflows of USD 368mn.

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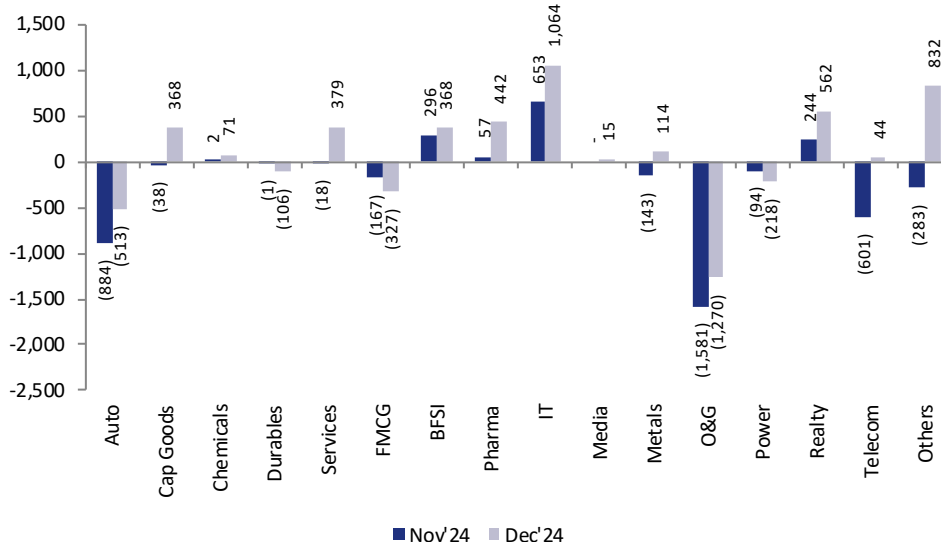
We acknowledge the contribution of **Dharmendra Sahu** in the preparation of this report

Nifty Valuation table

Particulars	FY24	FY25E	FY26E
Nifty Index	23,707	23,707	23,707
EPS (INR)	981	1,037	1,228
YoY (%)	23.6	5.7	18.4
BPS (INR)	6,985	7,188	8,044
YoY (%)	(5.9)	2.9	11.9
PE (x)	24.2	22.9	19.3
PB (x)	3.4	3.3	2.9
ROE (%)	16.6	15.0	16.1

Source: Bloomberg, JM Financial

FII net flows for the month of Nov'24 and Dec'24 split by sector (USD mn)



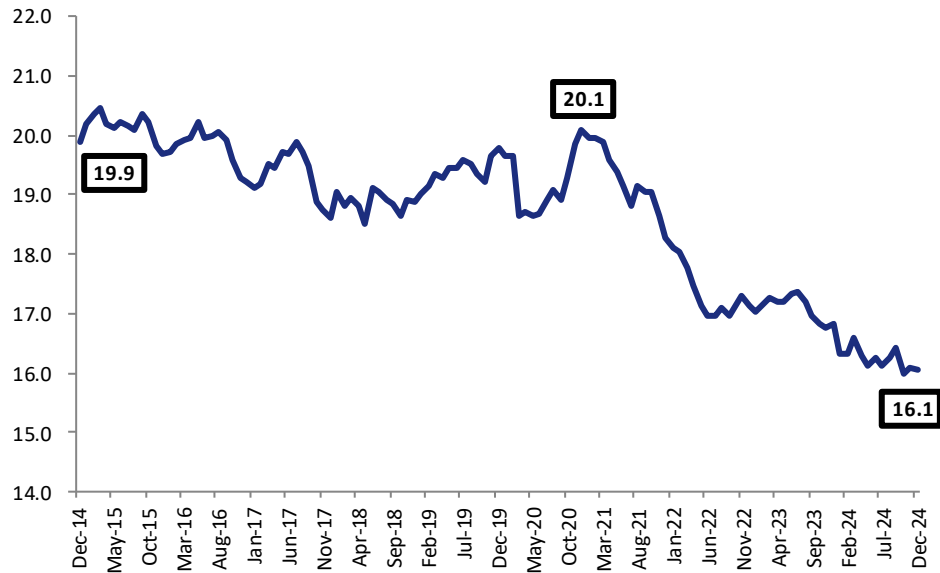
Source: NSDL, JM Financial

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FII shareholding in Indian equities was 16.1% as of Dec'24, flat sequentially and a notch higher than 16% in Oct'24, which was a 12-year low. However, it remains lower YoY (16.8% in Dec'23). As of end-Dec'24, FII Equity Assets under Custody (AUC) stood at INR 71.1trln, lower than INR 71.9trln as of Nov'24.

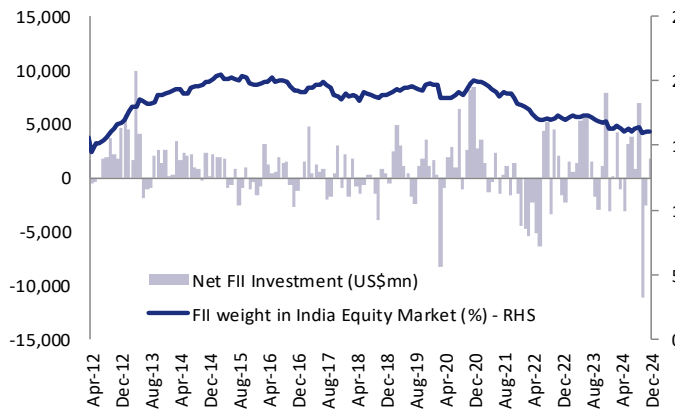
Exhibit 1. FII ownership of Indian equities



FII ownership as a % of total Indian equities has fallen from 19.9% in Dec'14 to 16.1% in Dec'24; flat vs. Nov'24, and slightly higher than 16% in Oct'24.

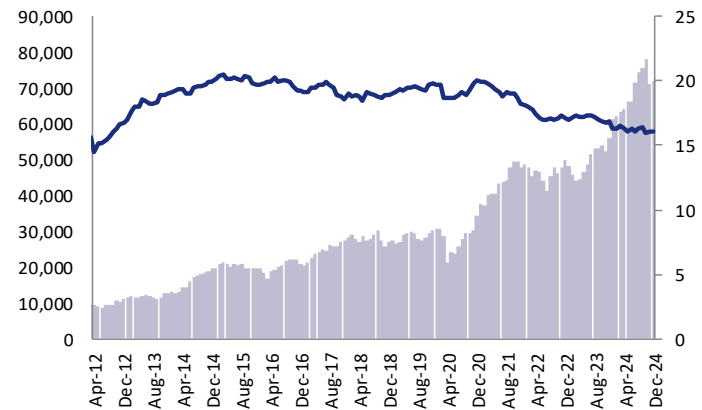
Source: NSDL, CEIC, JM Financial

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

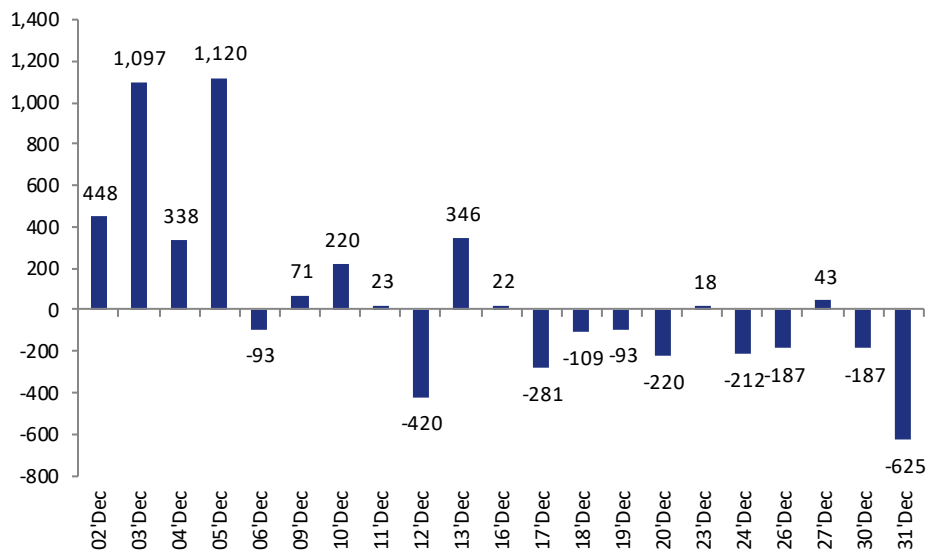
Exhibit 4. FI net flows in FY25 so far

Month	FI Activity (INR bn)	DII Activity (INR bn)	Nifty levels	% change in Nifty
Apr'24	-91.8	441.9	22,605	1.2%
May'24	-252.6	557.3	22,531	-0.3%
Jun'24	259.4	286.3	24,011	6.6%
Jul'24	279.6	234.9	24,951	3.9%
Aug'24	116.8	482.8	25,236	1.1%
Sep'24	497.9	318.6	25,811	2.3%
Oct'24	-919.3	1,072.5	24,205	-6.2%
Nov'24	-182.6	444.8	24,131	-0.3%
Dec'24	110.9	342.0	23,645	-2.0%

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

Despite FIs being net buyers through Dec'24, Nifty50 was down 2% given pick-up in selling in the second half of Dec'24

Exhibit 5. FI net flows for the month of Dec'24 split into two halves (Dec'24, USD mn)

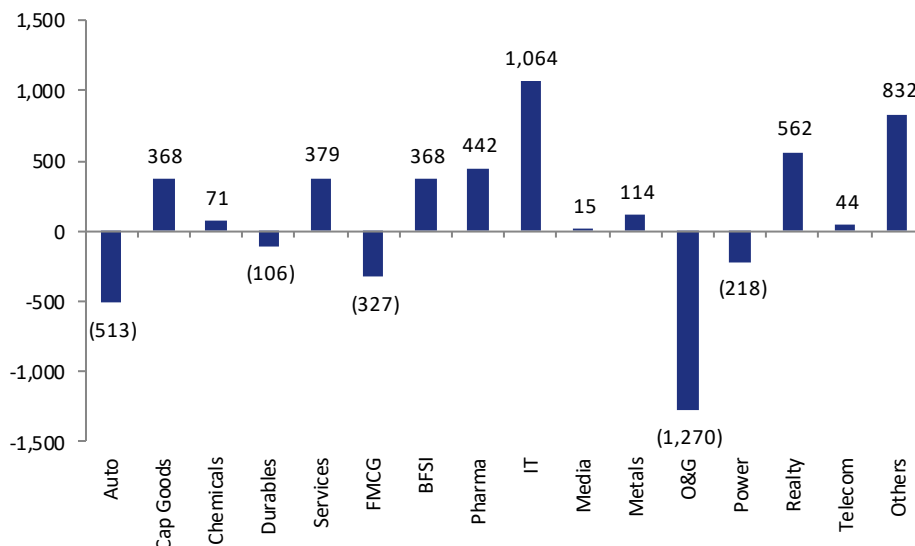


Source: NSDL, JM Financial

Indian equities saw FI inflows of INR 111bn (USD 1.3bn) in Dec'24. The month, similar to Nov'24, was a tale of two halves. In Nov'24, FIs were net sellers in 1H with outflows of INR 195bn (USD 2.3bn), and net buyers through 2H to the tune of INR 13bn (USD 159mn).

The positive trend continued in 1H of Dec'24 when FIs bought stock worth INR 269bn (USD 3.1bn). However, in 2H, they turned net sellers and offloaded stock worth INR 158bn (USD 1.9bn).

Exhibit 6. FI net flows for the month of Dec'24 split by sector (Dec'24, USD mn)

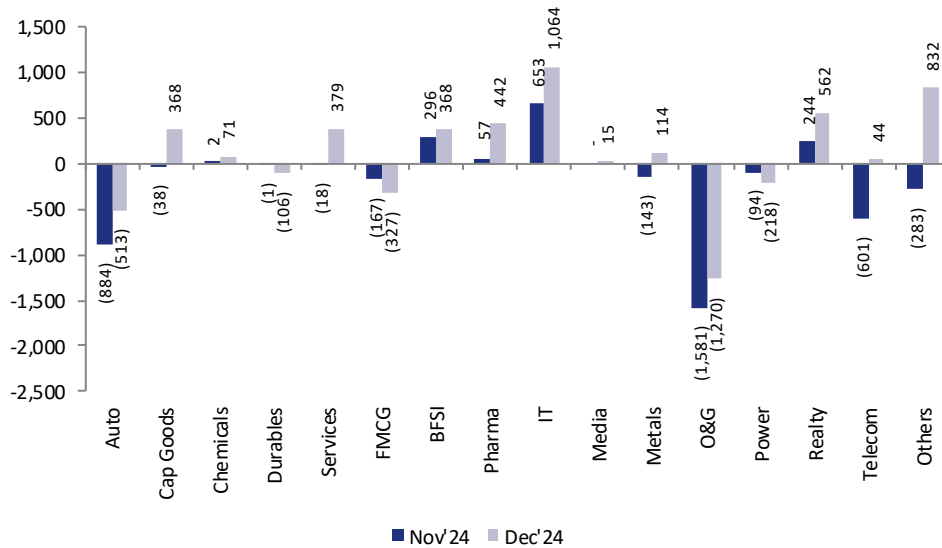


Source: NSDL, JM Financial

Sectors that saw the highest outflows included oil & gas and autos (oil & gas for the 3rd and auto for the 5th consecutive month) of USD 1.3bn and USD 513mn respectively.

IT saw the highest inflows of USD 1.1bn, followed by pharma at USD 442mn. BFSI and capital goods each saw inflows of USD 368mn.

Exhibit 7. Comparing sectoral FI flows (Nov'24 vs. Dec'24) (USD mn)



Sectors where FIs turned net buyers in Dec'24 from being net sellers in Nov'24 include capital goods, metals and telecom.

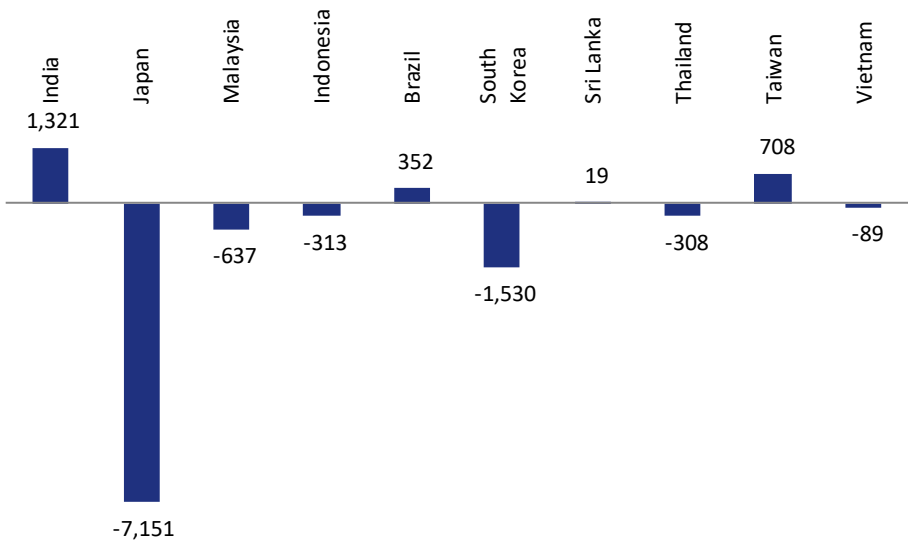
Source: NSDL, JM Financial

Exhibit 8. Sectoral FI outflows (USD mn, Dec'23 - Dec'24)

Month	Auto	Cap Goods	Chemicals	Durables	Consumer Services	FMCG	BFSI	Pharma	IT	Media	Metals	O&G	Power	Realty	Telecom	Others
Dec'23	438	613	67	137	408	60	3,507	442	624	(150)	157	(64)	127	(80)	290	1,381
Jan'24	(250)	83	(136)	(127)	110	(319)	(3,612)	(44)	540	(210)	(196)	418	309	5	319	13
Feb'24	668	471	(95)	134	908	(539)	(1,203)	626	264	(61)	(82)	(427)	(180)	172	(474)	0
Mar'24	196	456	109	(161)	560	756	419	(115)	(200)	(17)	145	(274)	6	588	960	809
Apr'24	134	435	93	(208)	159	(948)	(1,118)	(85)	(1,146)	(6)	(29)	(284)	517	(5)	991	459
May'24	(484)	723	57	(91)	331	(501)	(1,027)	20	(694)	(17)	(114)	(666)	(365)	162	132	(528)
Jun'24	208	335	234	10	563	(110)	1,098	395	(117)	(3)	(358)	(315)	(299)	327	952	264
Jul'24	735	589	(61)	(22)	409	117	(913)	604	1,405	56	874	194	(454)	27	375	(67)
Aug'24	(283)	(37)	(2)	562	496	429	(1,430)	694	481	(23)	(450)	144	(136)	(139)	246	324
Sep'24	(251)	477	172	445	(351)	584	3,244	791	(145)	14	138	(77)	168	641	230	802
Oct'24	(1,242)	(331)	70	(341)	(1,054)	(1,378)	(3,109)	(7)	(344)	(1)	17	(2,550)	(180)	(165)	(321)	(245)
Nov'24	(884)	(38)	2	(1)	(18)	(167)	296	57	653	0	(143)	(1,581)	(94)	244	(601)	(283)
Dec'24	(513)	368	71	(106)	379	(327)	368	442	1,064	15	114	(1,270)	(218)	562	44	832

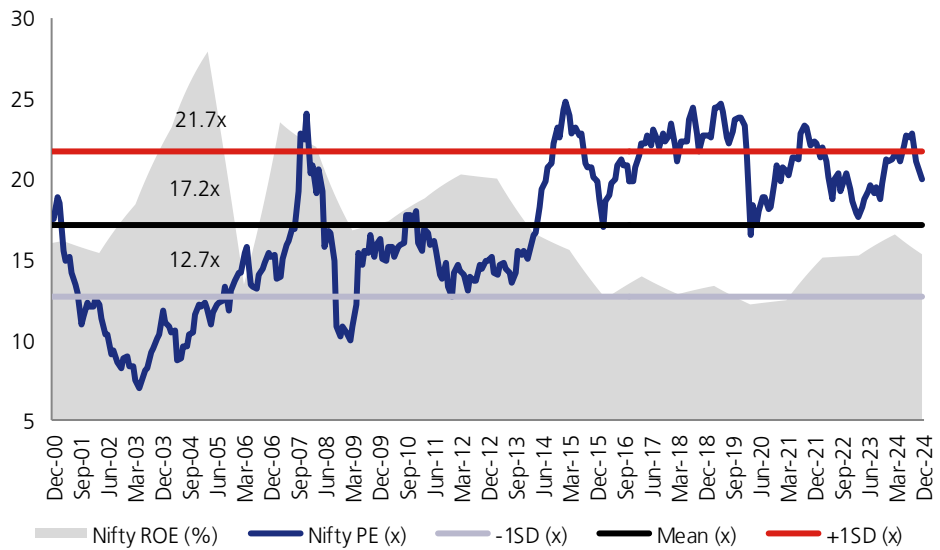
Source: NSDL, JM Financial

Exhibit 9. Dec'24 FI net flows for select nations (USD mn)



Source: Bloomberg, JM Financial

Exhibit 10. Nifty 1-yr forward P/E and RoE chart



Source: Bloomberg, JM Financial

APPENDIX I

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