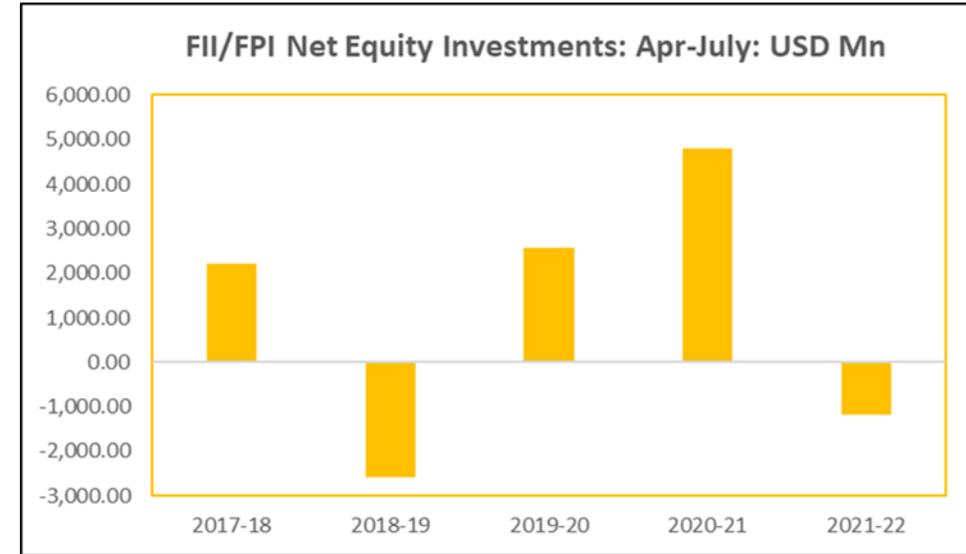
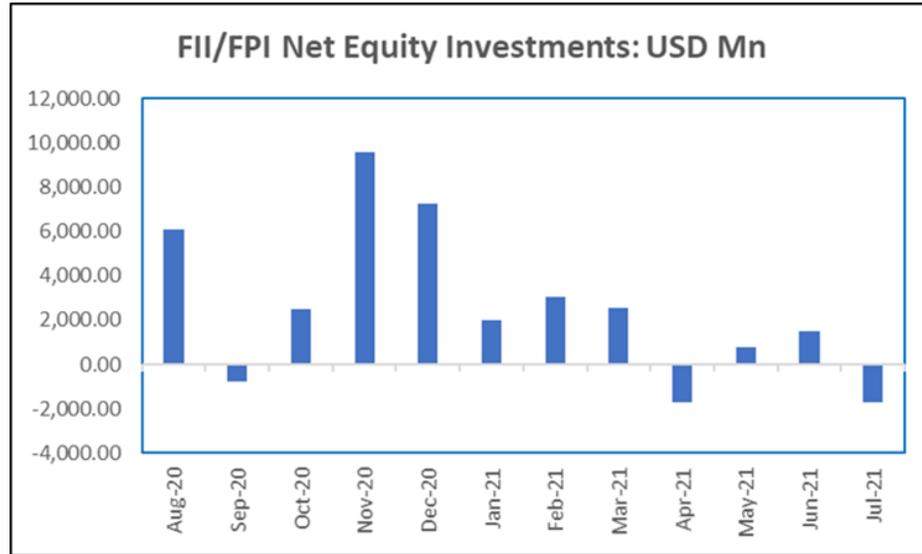


A candlestick chart is visible in the background, showing price movements over time. The chart is rendered in shades of blue and cyan, with a bright light flare effect behind the central part of the chart. The background is a gradient from dark blue on the left to white on the right.

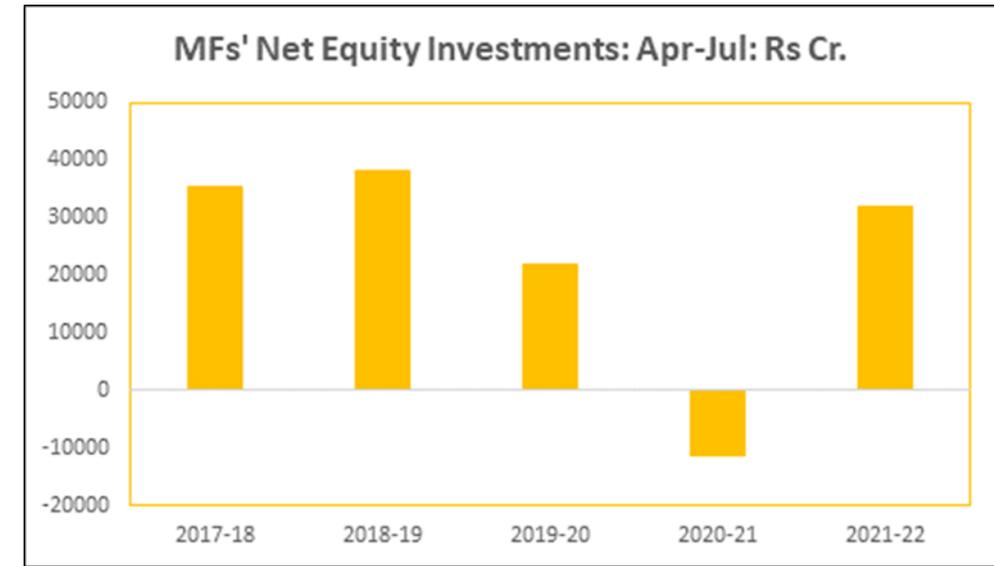
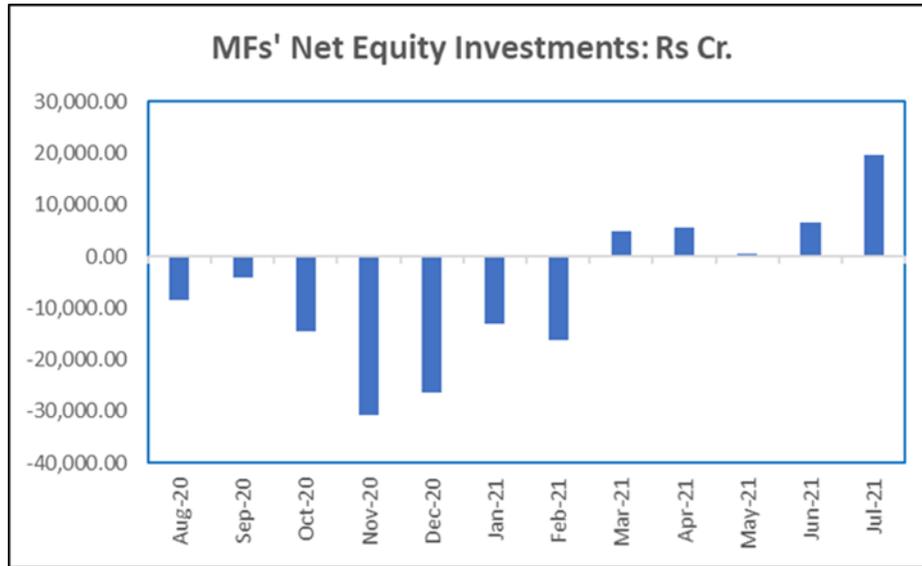
**Comments on :
FII Equity Investments- Aug'21**

FII/FPI investment trajectory doesn't augur well for Indian equity markets



- After a gap of 3 years, FIIs have been a net seller in equities amounting to USD 1.18 billion in the Apr-Jul'21 period as against a massive net purchase amount of USD 4.81 billion which was a key driver of the markets in the same period of previous year
- In the month of Jul'21, FIIs net sales in equities stood at USD 1.71 billion. While the data for Aug'21 shows a net purchase position as on date, the sales volumes have been rising over the last few days.
- FII sales can be attributed largely to increased concerns on the taper down of bond purchases by the US Fed which is expected to commence by the end of the calendar year and normalise the excess liquidity in the global asset market.

DII's including MFs have provided stability to the markets so far



- However, the markets have been relatively stable due to steady purchases by DIIs and domestic retail investors. The momentum in MF purchases in Q1FY22 is evident from the charts.
- In the Apr-Jul'21 period, MFs made net equity purchases of Rs 32,155 Cr as against net sales of 11,140 Cr in Apr-Jul'20 which reflects the increased inflows in the funds and increased interest of retail investors in the equity markets.