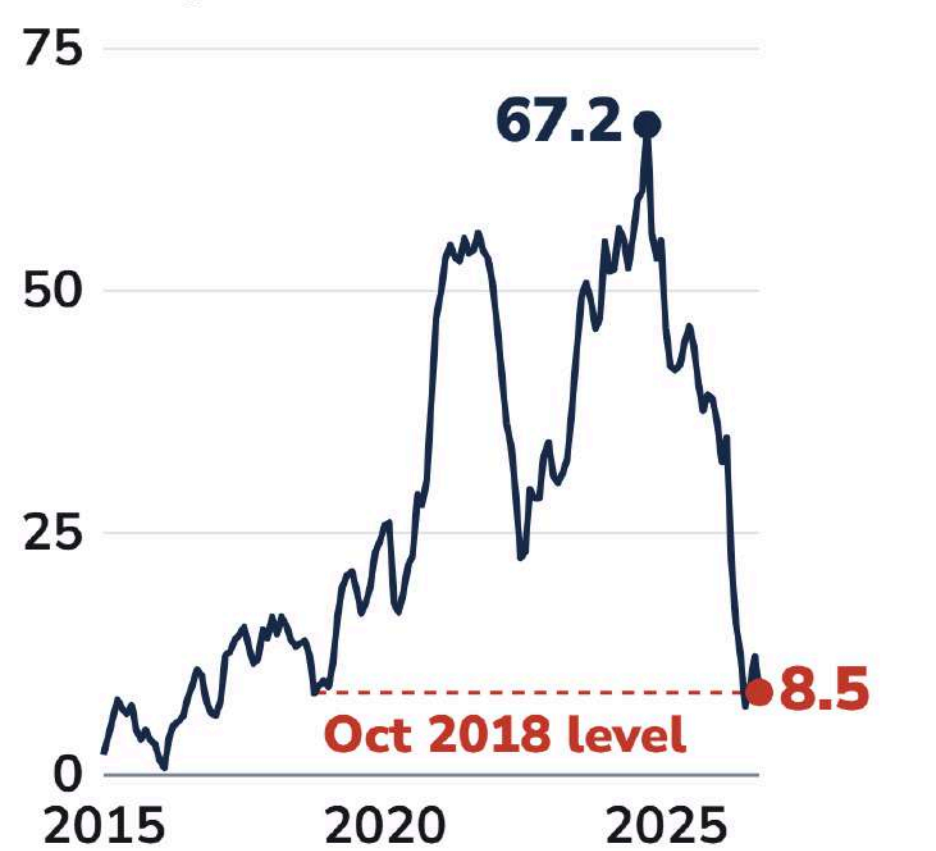


Foreign portfolio money is leaving Indian stocks

This is not a recent sell-off.
It started in October 2024.

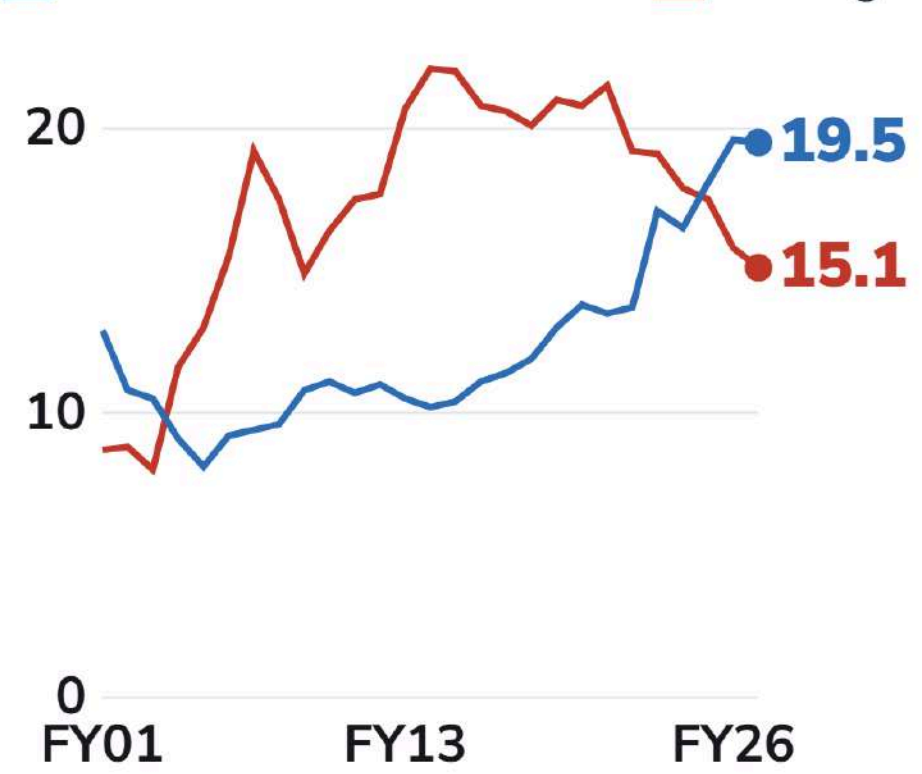
Net foreign money in
Running total since 2015, US\$ billion



Domestic institutions now own more of NSE-listed companies than foreign investors: 19.5% against 15.1% in June 2026.

US\$58.6 billion went out from October 2024 to September 2026. Foreign holdings fell from US\$930 billion to US\$689 billion, mostly because share prices and the rupee fell.

Share of NSE-listed companies, %
Domestic institutions Foreign

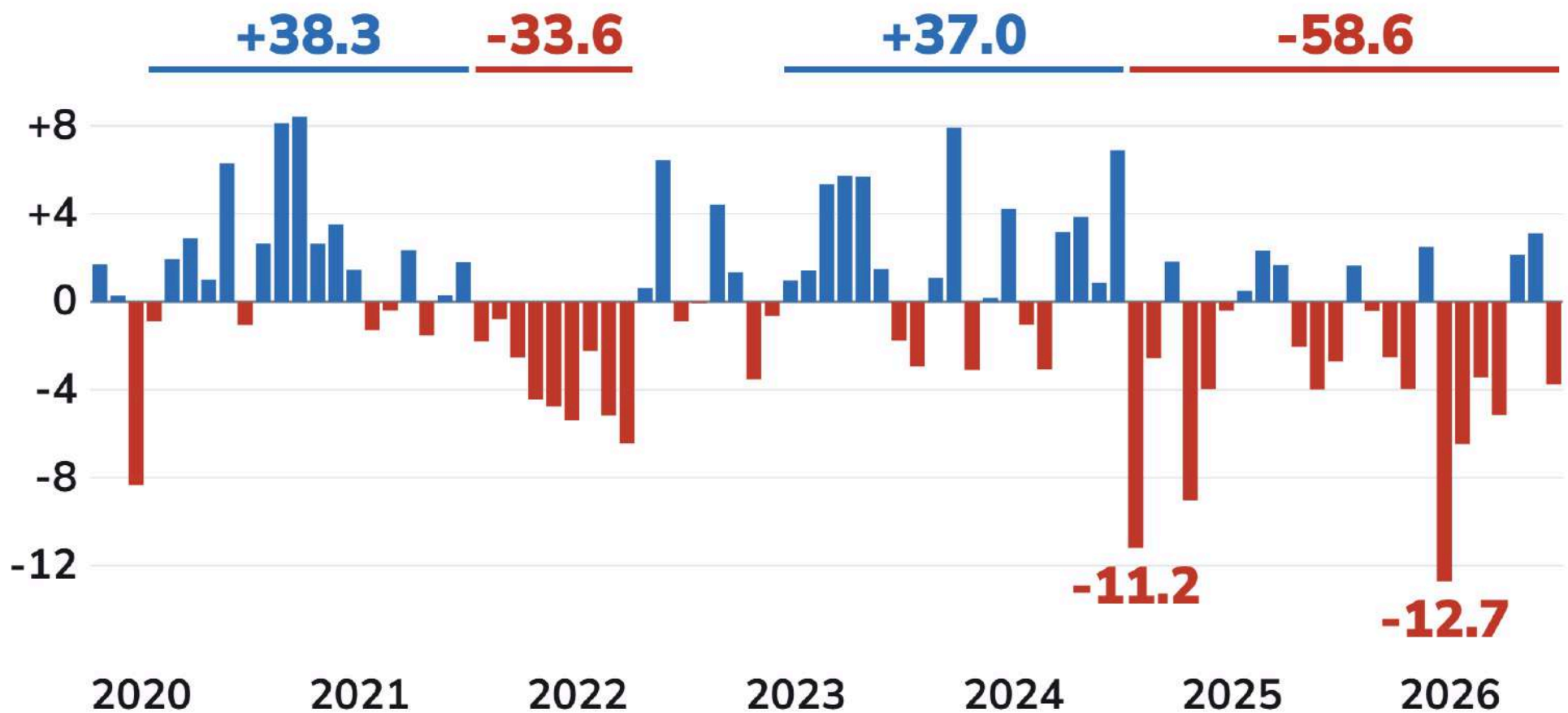


SOURCES NSDL [monthly](#) and [sector](#) FPI reports, equity, US\$, to Sep 2026. NSE [Market Pulse](#).

It turned in October 2024, and the selling has barely let up

Net foreign buying of Indian shares each month, US\$ billion

Lines on top: totals for the main phases of buying or selling



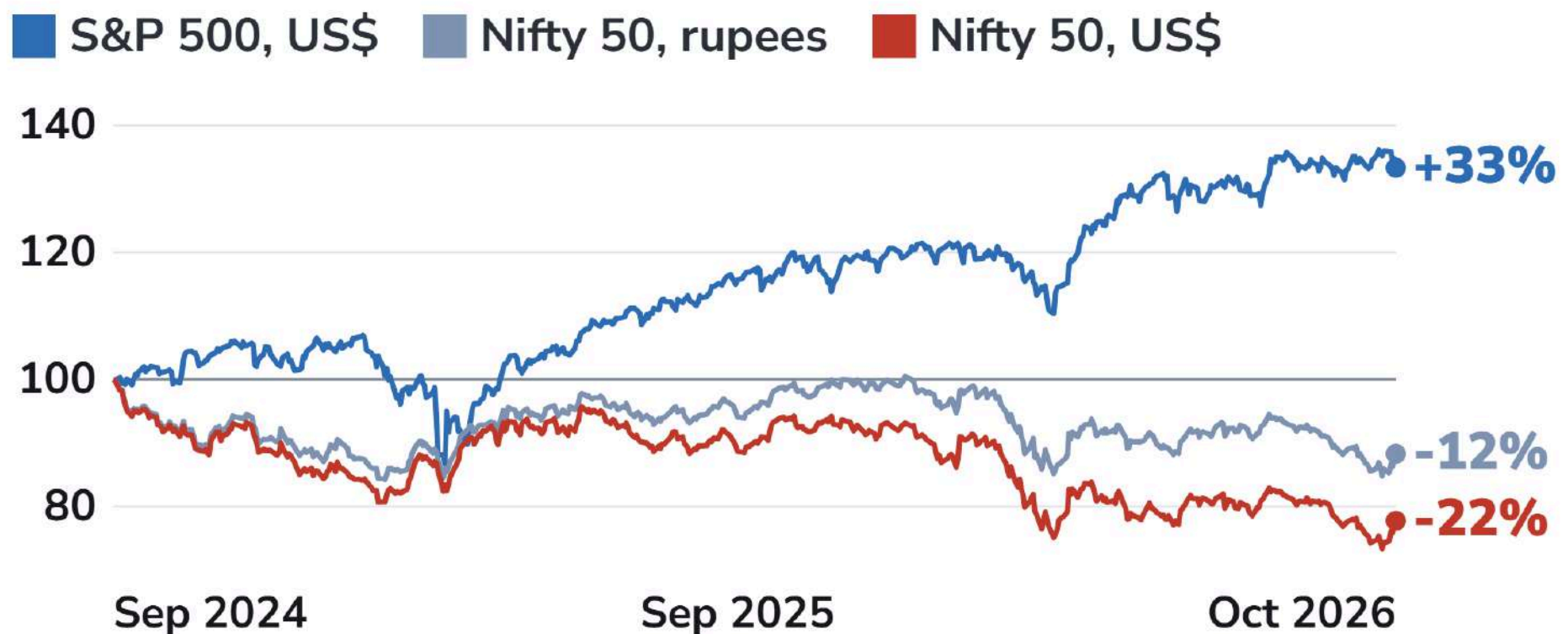
- **The switch was sudden.** Foreign investors bought US\$6.9 billion in September 2024 and sold US\$11.2 billion in October, a record month at the time.
- **March 2026 set a new record** at US\$12.7 billion. April to June 2026 was the worst calendar quarter NSE has recorded, US\$15.1 billion.
- **The buying months were short pauses.** 16 of the 24 months since October 2024 were outflows. In October 2026 they sold a further US\$5.1 billion, reported up to 19 October.

SOURCES NSDL [monthly](#) and [daily](#) FPI reports, equity, US\$. NSE [Market Pulse](#) Aug 2026.

S&P 500 up 33%, Nifty 50 down 22% in dollars, since September 2024

The Nifty 50 made a new high in rupees in January 2026, still 7% below its 2024 peak in dollars, and foreign investors sold US\$4.0 billion that month.

Change since 26 Sep 2024, the Nifty 50's record close then



Foreign investors bought a record US\$1.01 trillion of US stocks in the 12 months to August 2026. Foreign portfolio investors took US\$28.0 billion out of Indian shares over the same months.

This is not a case for US stocks. I believe they are in a valuation bubble:

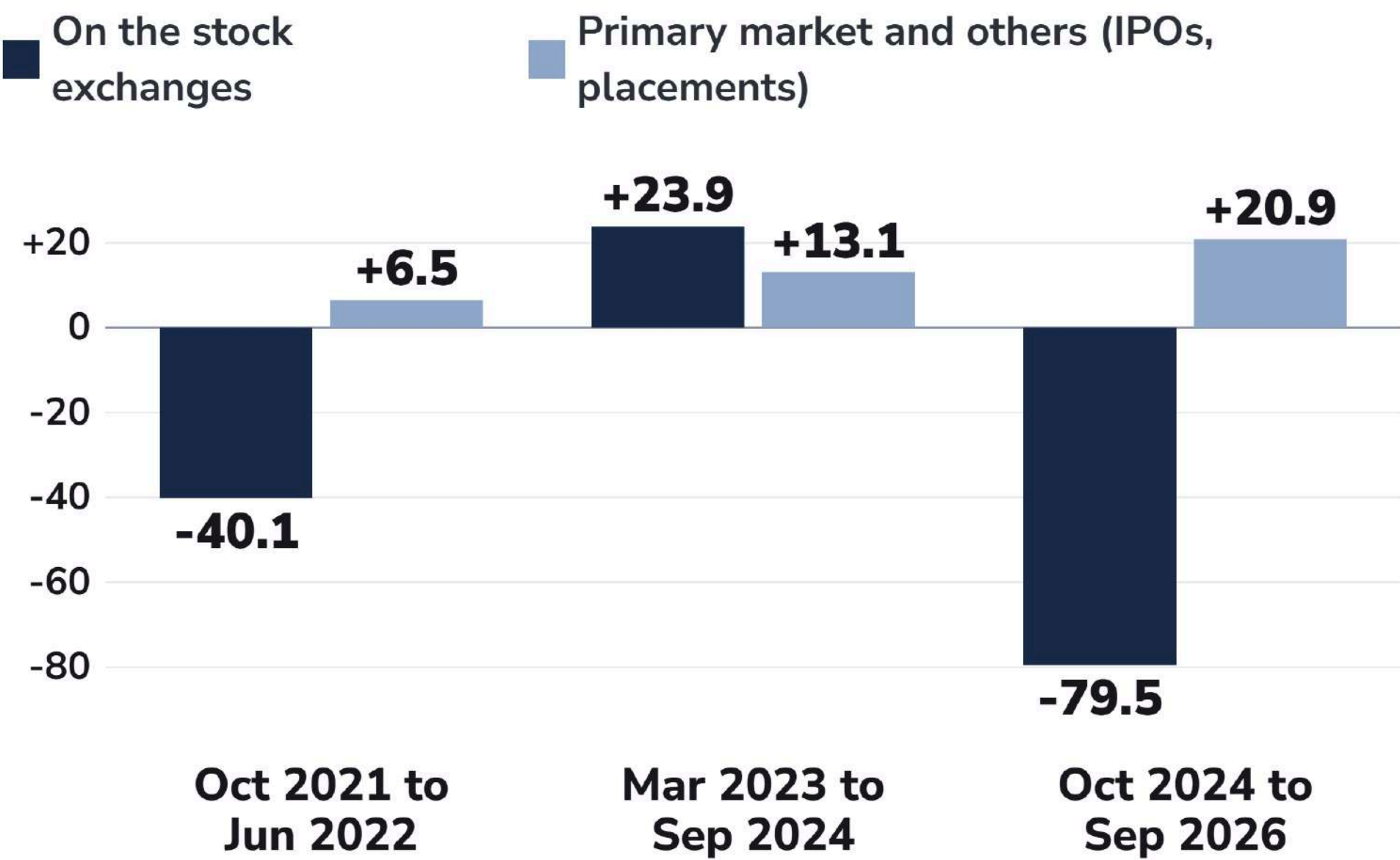
- 17 Oct 2026 [IMF's manifesto of warnings](#)
- 4 Oct 2026 [US jobs: fewer new jobs, longer searches](#)
- 25 Sep 2026 [Bond markets have started acting](#)
- 31 Aug 2026 [A correction in AI valuations is looking more likely](#)
- 17 May 2026 [S&P at 7,400: irrational exuberance](#)

SOURCES NSE [index data](#) (Nifty 50, Nifty50 USD). S&P 500: Yahoo Finance. Both to 16 Oct 2026. US flows: [US Treasury TIC](#) to Aug 2026.

They sold even more on the stock exchanges than the net figure shows

- Since October 2024, foreign investors net sold US\$79.5 billion of shares on the stock exchanges.
- At the same time they put US\$20.9 billion into the primary market and others: IPOs, placements and similar deals.
- So the net figure of US\$58.6 billion understates what was sold in the market.

Net foreign buying, US\$ billion



SOURCES NSDL [daily FPI report](#), equity by route, US\$, to 30 Sep 2026.

Their share of Indian companies is the lowest in 17 years

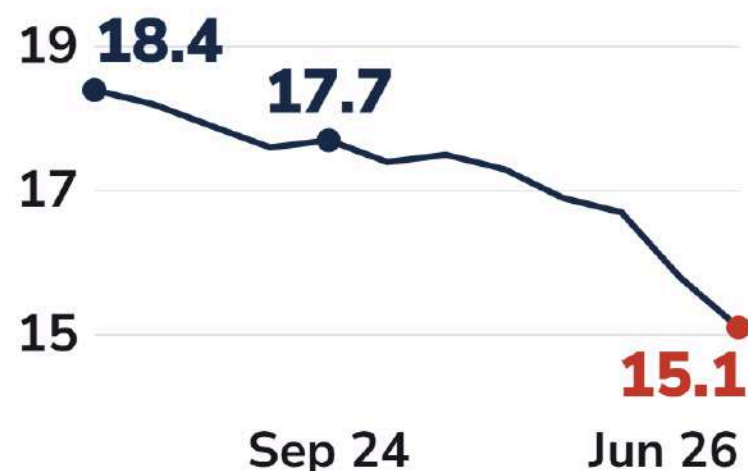
Foreign share of NSE-listed companies, %

Each March year end, and June 2026



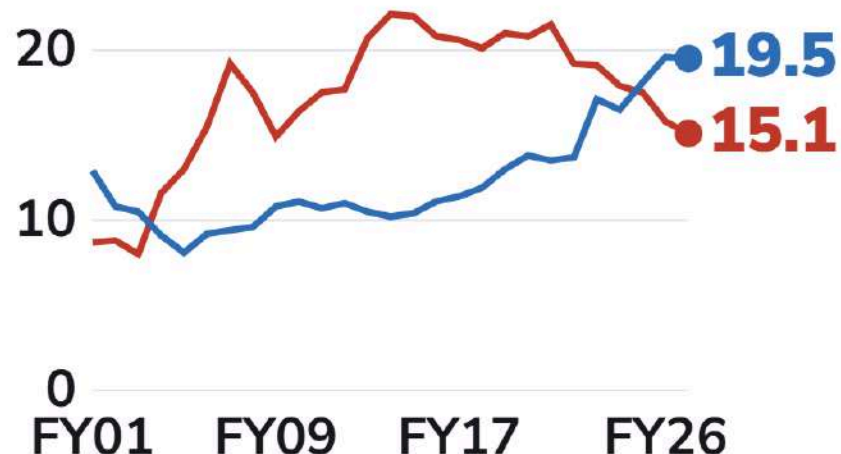
Last 12 quarters, %

Sep 2023 to Jun 2026



Domestic institutions now own more than foreign investors

■ Domestic institutions ■ Foreign



- Down from 17.7% in Sep 2024 to 15.1% in Jun 2026, the lowest in 69 quarters.
- Domestic institutions have owned more for seven quarters, since Dec 2024. The last time before that was 2003.
- Part of the fall in their share is domestic buying, NSE says. Holdings: Rs 70.7 lakh crore (82.7 in Sep 2024).

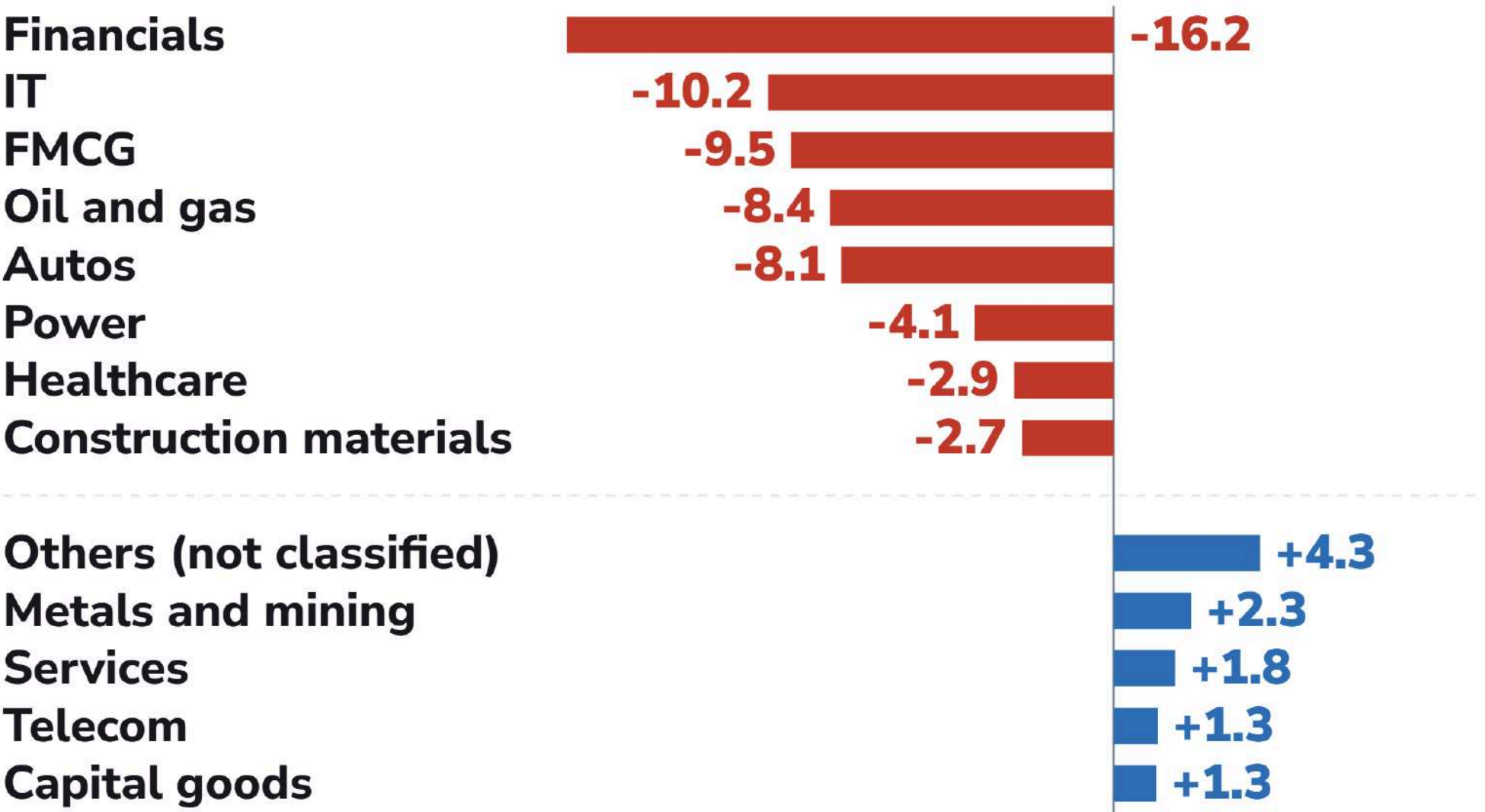
SOURCES NSE [Market Pulse](#) Aug 2026, tables 2 and 4 (CMIE Prowess, NSE EPR). Domestic institutions: mutual funds, banks, insurers and other institutions.

Six sectors made up 80% of the selling, while a few others still drew money

- **Foreign investors were net sellers in 15 of NSDL's 23 sector groups.** Six of them made up 80% of that selling.
- **They kept buying a few:** metals and mining, services, telecom and capital goods.
- **IT holdings fell from US\$83.9 to 37.4 billion.** Net selling was US\$10.2 billion of that, the rest was falling prices and the rupee.

Net foreign buying by sector, Oct 2024 to Sep 2026, US\$ billion

Eight largest sold, then the five largest bought. Others are shares NSDL has not put in a named sector. All sectors together: US\$58.4 billion.



SOURCES NSDL [fortnightly sector report](#), equity, US\$, to 30 Sep 2026.

This builds on my earlier analysis

18 Oct 2026	<u>A bond shock could spread faster</u> Hedge funds hold a near-record share of Treasuries, much of it on borrowed money.
28 Sep 2026	<u>Foreign buying of US stocks hit a record. Then July went quiet.</u> US Treasury data on foreign buying of US shares.
19 Sep 2026	<u>India bank credit is up 19 percent</u> The biggest single contributor is lending to NBFCs.
31 May 2026	<u>India was the market's darling. Not any more.</u> The growth story has a big red flag.
24 May 2026	<u>India's next tech wave: AI data centres for the world</u> Adani, Reliance, Airtel and L&T are building it.

About the data. Foreign investors here are foreign portfolio investors (FPIs). Flows are NSDL's net investment in equity, reported by custodians. Ownership is NSE's Market Pulse, based on CMIE Prowess. Each page names its sources below it.

Not investment advice. This is my analysis of public sources, for information only. Care has been taken, but errors are possible. **Use of AI.** Parts of this work were prepared with AI under my direction. I reviewed, edited and approved every page. The analysis and conclusions are mine.