

Business Standard

How markets performed last week
% change over 26 Jul '25

	Aug 1	One-week	Local currency	In US\$
Sensex	52,500	-11	31	0.9
Nifty	24,465	-11	29	1.6
Bank Nifty	43,589	-20	25	1.5
Nifty Midcap	20,650	-12	67	4.9
Nifty Smallcap	24,909	-15	22.3	20.9
Nifty 500	40,800	-16	2.9	0.1
FTSE	9,000	-06	11.5	0.7
DAX	23,425	-11	11.7	8.7

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IN BRIEF

DII's cement lead over FPIs in mkt ownership

After overtaking foreign portfolio investors (FPIs) in terms of market ownership, domestic institutional investors (DIIs) have further solidified their dominance. DII ownership reached a new all-time high of 17.82 per cent as of June 2025, up from 17.62 per cent at the end of March 2025, according to an analysis by Prime Database. On the other hand, FPIs saw their stake slip to a 13-year low of 17.04 per cent, despite net inflows of ₹38,674 crore during the quarter. DII ownership had overtaken FPIs for the first time in the March 2025 quarter. 6▶

DIIs' dominance on the bourses gets stronger

Ownership at new high after overtaking FPIs in Mar qtr

ILLUSTRATION: AJAYA MOHANTY



Evolving landscape

Share by value (quarter-ended, in %)



Source: primeinfobase.com

SUNDAR SETHURAMAN
Mumbai, 3 August

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DII ownership had overtaken FPIs for the first time in the March 2025 quarter. DIIs ploughed ₹1.68 trillion into domestic stocks during the June quarter, primarily fuelled by mutual funds (MFs) benefitting from strong retail inflows through systematic investment plans (SIPs).

MFs alone contributed a net buy of ₹1.17 trillion, lifting their stake in NSE-listed companies to a record 10.56 per cent.

"The day is not too far when the share of MFs alone will overtake that of overseas funds," said Pranav Haldea, managing director, Prime Database Group.

"FPIs have been the largest non-promoter shareholder category in the Indian market with their investment decisions having a huge bearing on the overall direction of the market. This is no longer the case," he added.

DIIs, retail investors, and high net worth individuals (HNIs) now constitute a hefty 27.4 per cent share of the market, further reducing the dominance of FIIs.

Life Insurance Corporation of India (LIC), the nation's largest institutional investor, has an ownership of 3.68 per cent, despite a slight dip from the previous quarter.

Experts say the latest shareholding pattern further underscores an evolving Indian capital market landscape where domestic investors are becoming key drivers of market direction. This is reducing dependence on foreign players and aligning with the broader economic goals of self-sufficiency.

Another shift in market dynamics involves private promoters loosening their grip in listed firms.

Share of private promoter ownership in Indian markets hit an eight-year low of 40.58 per cent as on June 30, from 40.81 per cent in the previous quarter. Over the last three years, private promoters' share has shrunk by 455 basis points (bps) as institutionalisation of the market continues to rise. The share of the government as a "promoter" share saw a modest increase to 9.39 per cent.

"Private promoter selling can be due to a wide variety of reasons, such as promoters taking advantage of bullish markets to take money off the table, strategic reasons like debt reduction, legacy planning, philanthropy and investment in other ventures," said Haldea.