

FPIs continue to influence stock prices

Despite foreign portfolio investors' (FPIs) holdings in Indian equities falling to a decade-low, they remain the most influential driver of stock prices. According to Prime Infobase, among seven key investor cohorts, companies that saw an increase in FPI holdings during the June 2025 quarter recorded the highest average gains—21.73 per cent. In contrast, stocks where FPIs reduced their stakes underperformed, with an average gain of just 16.9 per cent. Stocks that saw mutual fund (MF) raise exposure posted average returns of 16.3 per cent, while those where they reduced their exposure edged higher by 17.2 per cent. Companies where Life Insurance Corporation (LIC) increased its holdings saw a more modest average rise of 9.4 per cent, while 88 stocks where LIC cut its stake rose 17.2 per cent. Observers note that while FPIs'



influence may be gradually waning amid surging domestic liquidity, they remain market movers and price-setters. In contrast, domestic institutional investors are largely viewed as

Stocks that saw maximum rise where FPIs increased stake

Influencers	Holdings raised		Holdings cut	
	Firms	Chg* (%)	Firms	Chg* (%)
FPI	773	21.73	902	16.87
DII	728	18.57	583	17.55
MF	564	16.31	426	17.2
Insurer	318	13.1	362	17.95
HNI	859	21.42	951	19.81
Retail	1066	16.6	967	24.11
LIC	83	9.42	88	17.16

*Average change in stock price during the March-June 2025 period

Source: [primeinfobase.com](https://www.primeinfobase.com)

price takers, contributing stability to the system. As of June 2025, FPIs' share in India's market cap dropped to 17.04 per cent, a 13-year low from 17.22 per cent at March 2025 end.

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