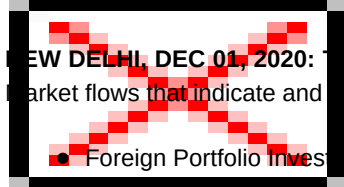


FPI inflows stood at Rs 62,782 Crore for Nov month

By TIOL News Service



NEW DELHI, DEC 01, 2020: THE Indian growth story continues to expand as is demonstrated by the trends in FPI, FDI and Corporate Bond market flows that indicate and underline the beliefs of investors in the strength and resilience of Indian economy.

● Foreign Portfolio Investment

The last two months, i.e October and November 2020, have witnessed a significant resurgence in FPI inflows driven primarily by equity inflows resulting in the highest ever FPI inflows for a month for India. As of 28th November 2020, FPI inflows stood at Rs 62,782 crore. Of this, equity inflows amounted to Rs 60,358 crore while FPI net investment in debt and hybrid was to the tune of Rs 2,424 crore.

Regarding the equities segment, the inflows in November 2020 is the highest amount of money invested ever since FPI data has been made available by the National Securities Depository Ltd.

FPI flows are known to be less resilient and more sensitive to changing market conditions. Investment through the FPI route are therefore gauged through the metric of net inflow and outflow. In October and November 2020, FPIs primarily witnessed inflows into India.

There has been a secular trend of positive net flows in the equity segment in November without any reversal till date. The highest inflow in total FPI investment was witnessed on 12th November, marking a single day peak of Rs 11,056 crore.

Source: NSDL, *-as of 28th November, 2020

- Foreign Direct Investment

Total Foreign Direct Investments (FDI) inflows into India during the second quarter of financial year 2020-21 (July, 2020 to September, 2020) have been US\$ 28,102 million, out of which FDI equity inflows were US\$ 23,441 million or Rs. 174,793 crore. This takes the FDI equity inflows during the financial year 2020-21 upto September 2020 to US\$30,004 million which is 15% more than the corresponding period of 2019-20. In rupee terms, the FDI Equity inflows of Rs 224,613 crore are 23% more than the last year. August, 2020 has been the significant month when US\$ 17,487 Million FDI equity inflows were reported in the country. Both FDI equity inflows and total FDI inflows into India have shown a secular rise over the years, with 2019-20 the year with the highest FDI in the last six years. The measures taken by the government on the fronts of FDI policy reforms, investment facilitation and ease of doing business have resulted in increased FDI inflows into the country.

Total FDI Flows (US\$ Million)

Year (Financial)	FDI Equity Inflows	Total FDI Flows
2014-15	29737	45148

2015-16	40001	55559
2016-17	43478	60220
2017-18 (P)	44857	60974
2018-19 (P)	44366	62001
2019-20 (P)	49977	74390

Source: DPIIT

Bond Market

In H1 FY21, the total corporate bond issuances amounted to Rs. 4.43 lakh crore, 25% higher than Rs. 3.54 lakh crore in the same period last year. The narrowing spread with GSecs stands testimony to the improved risk perception of corporate bonds. Further, the cost of funds also moderated for both the Government and the corporate, on the back of RBI's monetary easing and liquidity infusion, thereby bringing down yields in the various segments of the debt markets.