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FII's Register First Equity Inflow of August, Breaking Five-Day Selling Streak

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Foreign institutional investors (FIIs) made a comeback to Indian equities on August 8 by logging their first net inflow for the month, ending a five-session streak of continuous selling. The development marks a notable shift in investor sentiment amid global and domestic market cues.

According to provisional data from the National Stock Exchange, FIIs bought equities worth Rs 144 crore on the day. This comes after they had collectively offloaded shares worth over Rs 8,500 crore over the past five trading sessions. The reversal in trend offered some relief to Indian stock markets, which have recently been under pressure due to persistent foreign outflows and mixed global signals.

Meanwhile, domestic institutional investors (DIIs) remained net buyers on August 8, purchasing equities worth Rs 464 crore. DIIs have continued to support the market even as FIIs turned sellers earlier in the month.

The uptick in FII sentiment comes amid stabilizing global cues, improved risk appetite, and optimism around India's long-term growth story. Analysts also point to easing bond yields and expectations of delayed rate cuts in the United States as factors that may have prompted FIIs to reconsider their positions.

On the same day, Indian benchmark indices closed on a positive note. The Sensex rose 164 points to end at 76,992 while the Nifty 50 gained 57 points to close at 23,408. Gains were led by banking and auto stocks, with investor confidence boosted by positive earnings reports and strong domestic macroeconomic indicators.

Market participants will now be watching whether this FII inflow marks a sustained return or is just a temporary shift. The direction of global interest rates, inflation data from major economies, and domestic earnings performance are expected to guide FII activity in the coming weeks.

So far in August, FIIs remain net sellers in Indian equities, with a cumulative outflow of more than Rs 8,300 crore. However, the latest inflow suggests a potential pause in aggressive selling, offering some stability to the market after recent volatility.