# FPI FLOWS, DEBT-FAR AND G-SEC 10Y & 30Y

**CANARA BANK | ECONOMIC RESEARCH VERTICAL | HEAD OFFICE**

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**02.07.2026**

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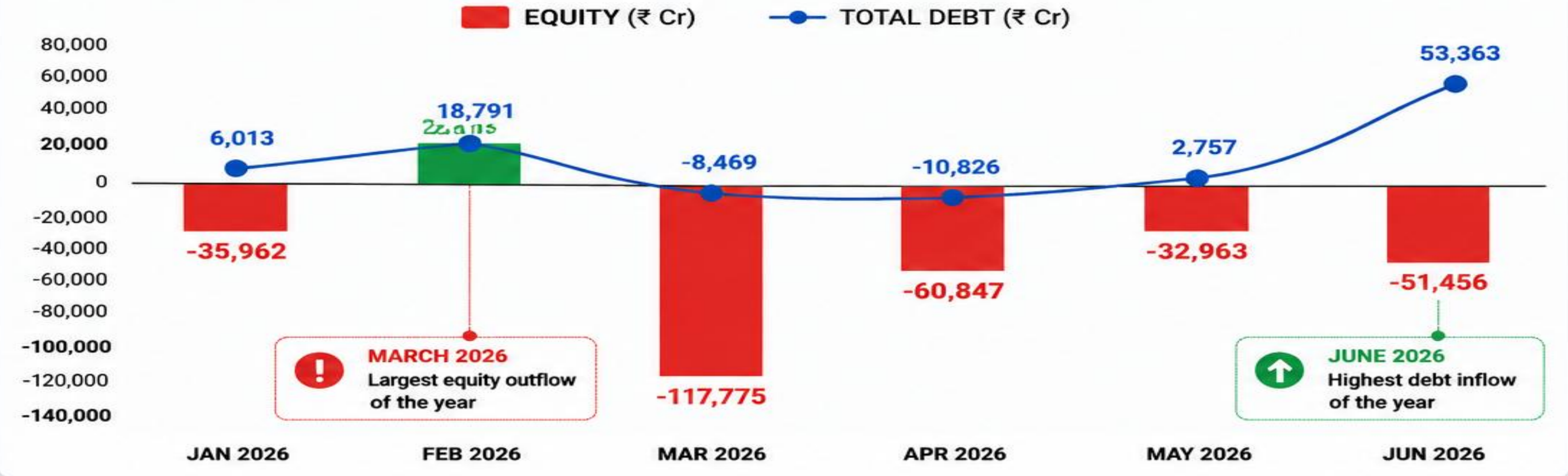
# FPI FLOWS – EQUITY vs TOTAL DEBT

## MONTH-WISE COMPARISON (CALENDAR YEAR 2026)

Total Debt = Debt – General Limit + Debt – VRR + Debt – FAR (₹ Crore)

### MONTH-WISE FPI NET INVESTMENTS – EQUITY vs TOTAL DEBT (₹ CRORE)




### KEY INSIGHTS

- Equity recorded outflows in 5 of 6 months
- Debt flows turned positive from May and surged to ₹53,363 Cr in June
- June 2026 shows the strongest divergence between equity and debt

### FPI ROTATION: EQUITY → DEBT

EQUITY Outflow → DEBT Inflow

Clear shift of FPI preference from equities to debt in June 2026

### MONTH-WISE SUMMARY

| JAN 2026 | FEB 2026 | MAR 2026 | APR 2026 | MAY 2026 | JUN 2026 |
|---|---|---|---|---|---|
| Equity outflow partly offset by debt inflow | Broad-based buying in both equity & debt | Sharpest equity sell-off; debt also in outflow | Continued equity selling; debt outflows persist | Debt turns positive; early sign of rotation | Strong rotation to debt; record inflow in debt |

### CY2026 (JAN–JUN) CUMULATIVE (₹ CRORE)

| EQUITY | TOTAL DEBT |
|---|---|
| -276,388 | 62,429 |
| NET OUTFLOW | NET INFLOW |

### KEY TAKEAWAY

"**June 2026 marks a clear asset allocation shift by FPIs:** Despite sustained equity withdrawals, record debt inflows suggest preference for relative safety of Indian fixed-income securities amid global uncertainty and attractive bond yields."



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# TOTAL DEBT – FAR NET INVESTMENTS

## DEBT–FAR NET INVESTMENTS
### (FULLY ACCESSIBLE ROUTE)
### JANUARY – JUNE 2026

**FPI Investments in Debt Securities under the Fully Accessible Route (FAR)** ₹ CRORE


**H1 CY2026 SUMMARY**

| TOTAL NET INVESTMENT | POSITIVE MONTHS | HIGHEST INFLOW | LARGEST OUTFLOW |
|---|---|---|---|
| ₹36,401 CRORE | 4 OUT OF 6 | ₹21,788 CRORE (JUNE 2026) | ₹11,545 CRORE (MARCH 2026) |

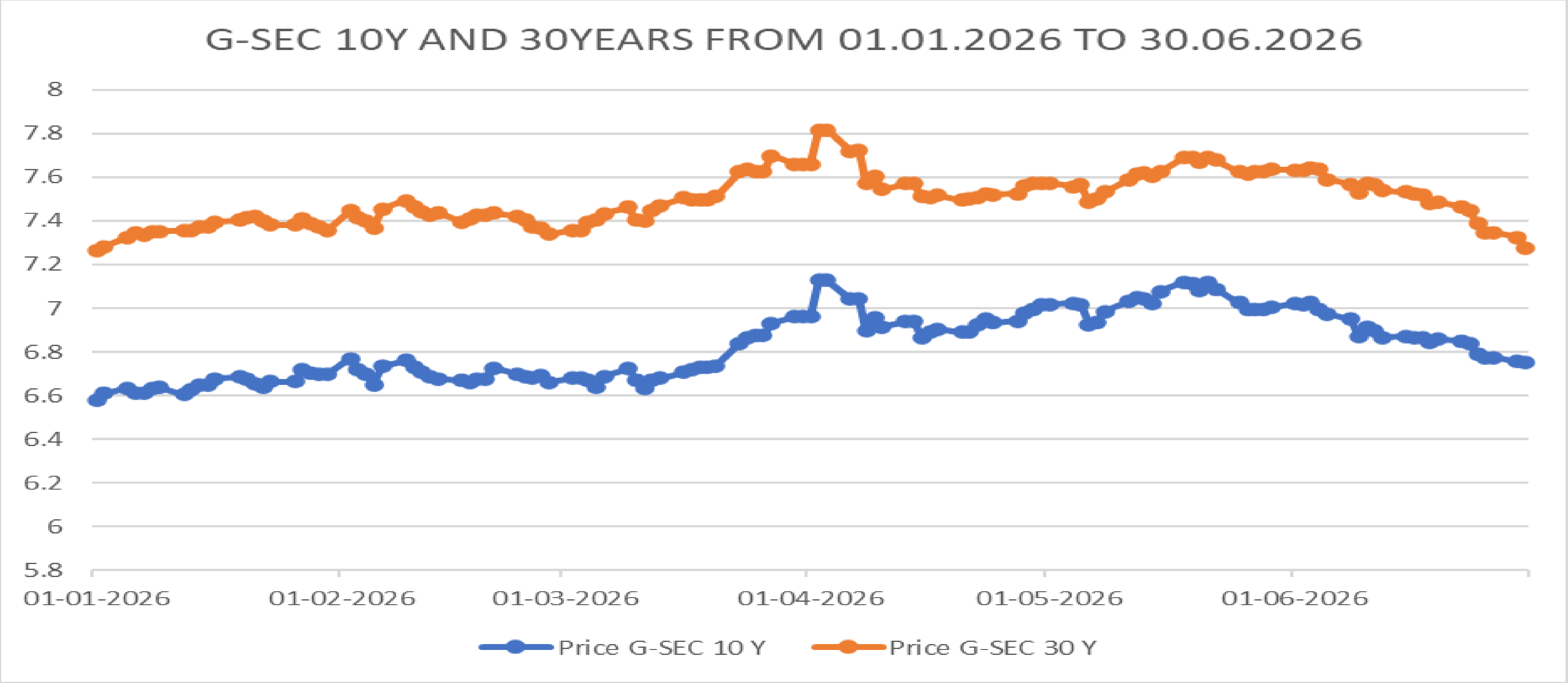
**KEY TAKEAWAY**

June 2026 recorded the strongest FAR inflow of **₹21,788 crore**, reflecting renewed investor interest in Indian debt securities under the Fully Accessible Route.

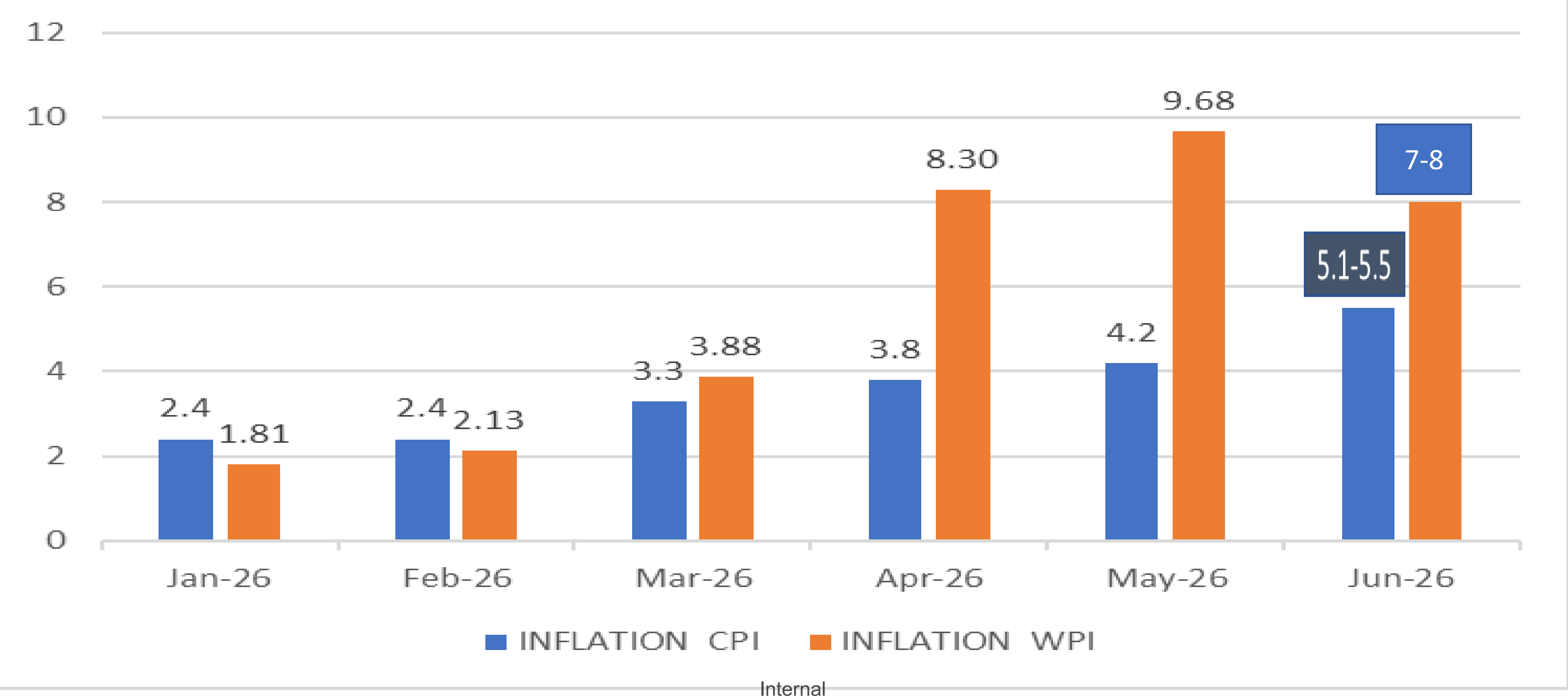
**Source:** *RBI – FPI Data (Provisional)*

# INDIAN G-SEC 10 YEARS & 30 YEARS BOND YIELD





# CPI &WPI Inflation Forecast for June 2026

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# FINANCIAL INDICATORS: APRIL–MAY COMPARISON (₹ TRILLION)

FY-26 vs FY-27

| INDICATOR | FY-26 (APR–MAY) | FY-27 (APR–MAY) | Y-o-Y CHANGE (%) | % OF BE |
|---|---|---|---|---|
| REVENUE RECEIPTS | 7.08 | 6.99 | -1.23% | 19.8% |
| NET TAX REVENUE | 3.51 | 3.48 | -0.78% | 12.1% |
| NON-TAX REVENUE | 3.57 | 3.51 | -1.68% | 52.7% |
| TOTAL RECEIPTS | 7.33 | 7.19 | -1.95% | 19.7% |
| REVENUE EXPENDITURE | 5.25 | 6.30 | 20.06% | 15.3% |
| CAPITAL EXPENDITURE | 2.21 | 2.51 | 13.39% | 20.5% |
| TOTAL EXPENDITURE | 7.46 | 8.81 | 18.08% | 16.5% |
| FISCAL DEFICIT | 0.13 | 1.62 | 1133.41% | 9.6% |

Revenue Receipts declined 1.23% YoY to ₹6.99 trillion

Revenue Expenditure rose 20.06% YoY to ₹6.30 trillion

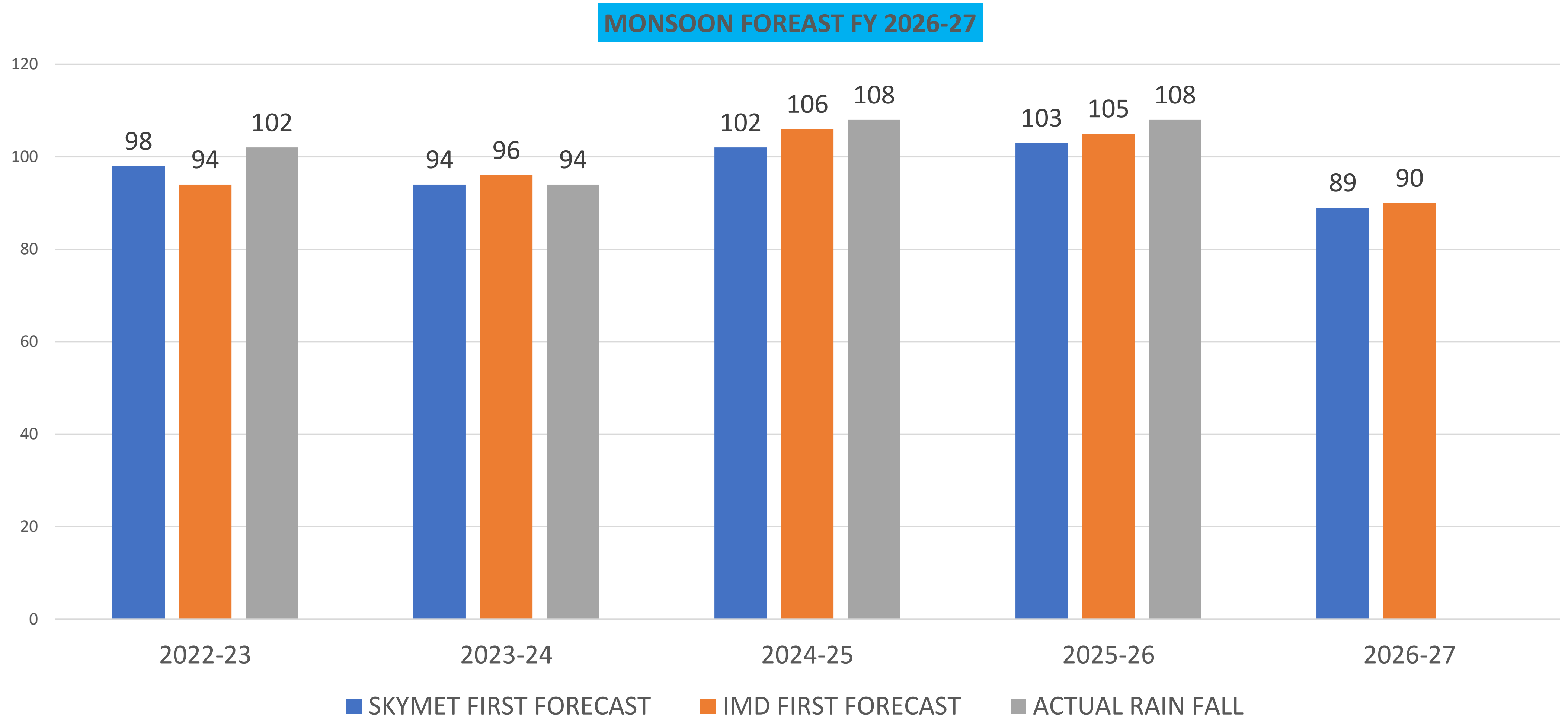
Capital Expenditure increased 13.39% YoY to ₹2.51 trillion

Fiscal Deficit widened sharply to ₹1.62 trillion, up 1133.41% YoY

Note: BE – Budget Estimate | **Source:** Controller General of Accounts (CGA)

# MONSOON FORECAST FOR FY 2026-27





| Factors favouring softer yields | Risk to softer yields |
| --- | --- |
| More inflows into debt papers | Upside risk to WPI & CPI |
| Significant jump in FAR bond inflows | Monsoon Deficiency |
| Bloomberg Index Inclusion | Global interest rates and Yields |
| Softer crude prices | Geo political outcomes |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