

Insights Unwrapped

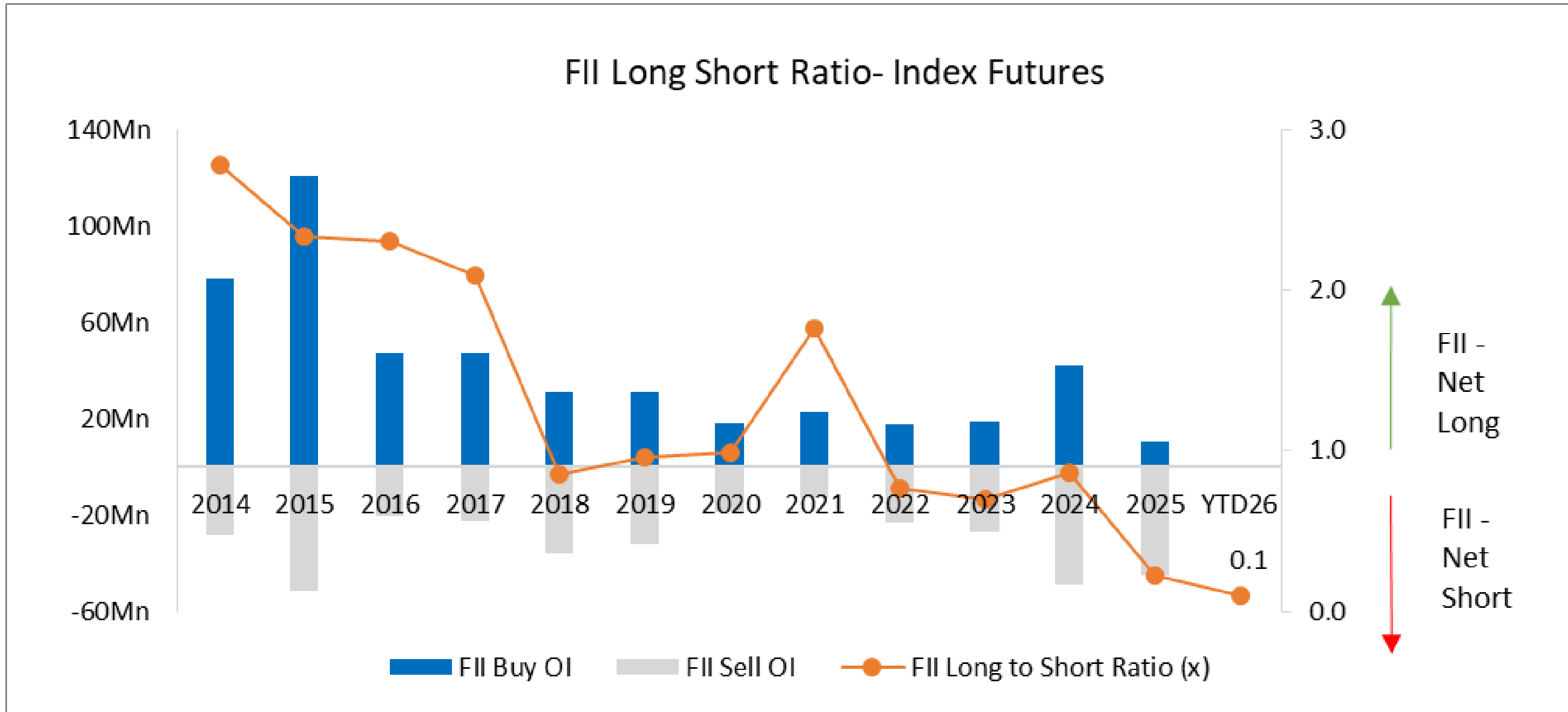
FII Long–Short Position Trends



17th January 2026

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FII Long-Short Ratio Hits Decade Low



Over the past decade (from 2014 onward), the FII long-short ratio—measured as open interest buy divided by open interest sell in index futures—has fallen to its lowest level. As of January 2026, FIIs’ positioning stands at an extreme, with longs at just 9% and shorts at 91%, resulting in a long-short ratio of only 0.10.

Source: ScanX.trade *YTD till 14 Jan 2026

Extreme Long–Short Ratios Signal Index Reversals

Date	FII Long to Short Ratio (x)	Return over next Month's closing*	
		1M Return	3M Return
Feb-20	0.25	15%	20%
Feb-23	0.25	4%	11%
Mar-23	0.17	3%	9%
Jan-25	0.22	6%	12%
Feb-25	0.18	3%	8%
Jul-25	0.24	1%	7%
Aug-25	0.11	5%	6%
Sep-25	0.13	2%	0%
Oct-25	0.15	0%	
Nov-25	0.16	-2%	
Dec-25	0.13		
YTD Jan-26	0.10		

*: Nifty 50 Return from closing of next month; ^: YTD till 14 Jan 2026

Source: Scanx.trade, ACE Equity

Past instances where the FII long–short ratio fell below 0.25x were followed by index reversals, evident in 1-month and 3-month returns.

Since August 2025, FIIs have turned extremely bearish, with the ratio declining further to 0.10 by January 2026. If historical trends hold, this extreme positioning increases the likelihood of a reversal in the near term.

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