MARKET PULSE

A monthly review of the Indian economy and markets

NSE

Market Pulse

Volume 8, Issue 3

This publication is issued monthly by the Economic Policy and Research (EPR) department of the National Stock Exchange of India Limited. It is a review of major developments in the economy and financial markets and market statistics for the month gone by, insights from cited academic research papers and topical research articles.

Authors

Tirthankar Patnaik, PhD
Prerna Singhvi, CFA
Prosenjit Pal
Ashiana Salian
Sushant Hede
Stuti Bakshi
Puja Parmar, PhD
Aratrik Chakraborty
Sahil Bagdi

Market Pulse

NSE at a glance

NSE's positioning and reach

NSE's global positioning	Domestic market share	Reach

NSE's global positioning

1 — Largest multi-asset class exchange

3 — Third largest equity exchange by no. of trades (12.7% share in 2025 as per WFE)

1 — Largest derivatives exchange by contracts traded (2025 share: 50.6% in eq. F&O as per WFE)

9 — Market capitalization*

* As of December 31st, 2025

Domestic market share

Three-month rolling share (%)

Segment	Share
EQ Cash	93.0
EQ Futures	99.8
EQ Options*	71.8
FX Futures	100.0
FX Options*	100.0

* Based on premium turnover
** As of February 28th, 2026

Reach

1,324	Trading members
99.85%	Pin codes covered
12.8 Crore	Unique registered PANs
US$100.3bn*	Total passive AUM (domestic + global) tracking Nifty indices
US$5.0trn	Market capitalisation of NSE listed cos.

As of February 28th, 2026, unless specified otherwise; *As of January 31st, 2025.

NSE's contribution to the economy

Catalyst for capital formation	Listing snapshot	Market capitalisation

Catalyst for capital formation

Rs 18 lakh crore — Total capital raised through equity and debt in FY26 (till February)

2,959 — Companies listed

#As of Feb 28th, 2026

Listing snapshot

Rs 1.7 lakh crore — Total capital raised through IPOs

99 — Mainboard IPOs

105 — SME IPOs

* Data is for FY26 as of February 2026

Market capitalisation

Rs lakh cr — NSE market cap; Market cap to GDP (%, rhs*)

FY17, FY18, FY19, FY20, FY21, FY22, FY23, FY24, FY25, FY26# — 138 150

* Market cap to GDP is based on 3M avg. market cap and nominal GDP for the last four quarters. #As of February 28th, 2026

Investor growth

Unique investor base	Individual investors' participation*	New investor registrations

Unique investor base

Lakh — Unique PANs on NSE

Year	Value
FY20	310
FY21	400
FY22	594
FY23	727
FY24	916
FY25	1,128
FY26TD	1,278

* As of February 28th, 2026

Individual investors' participation*

(in lakh) — CM Segment, FO Segment

Period	CM Segment	FO Segment
Feb-16	45	7
Feb-17	50	7
Feb-18	70	9
Feb-19	76	11
Feb-20	84	13
Feb-21	146	25
Feb-22	265	49
Feb-23	256	66
Feb-24	302	94
Feb-25	378	108
Feb-26	357	84

*Individuals investors' participation is defined here as investors who have traded at least once in the year. *Above data is on 12-month rolling ending February.

New investor registrations

lakh — East India, North India, South India, West India

Year	Total
FY20	38.5
FY21	89.9
FY22	193.4
FY23	133.1
FY24	192.1
FY25	210.6
FY26T...	149.8

The top five states (UP, MH, TN, WB, BH) accounted for 45.7% of new investor registrations in Feb'26 (FY26TD* denotes data till Feb'26).

Key macro charts

Growth outlook robust

Real GDP growth

YoY%

- Real GDP (old base)
- Real GDP (new base)

7.6
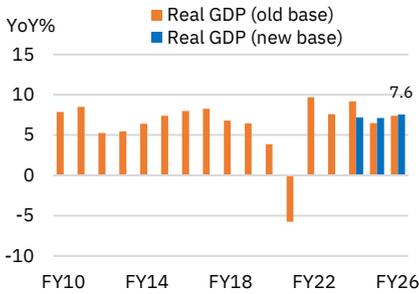
FY26 = First Advance Estimate

Industrial activity moderated

%YoY

- IIP
- Eight-core industries
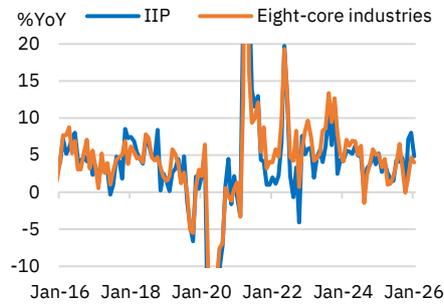
PMI in the expansion zone

- Manufacturing PMI
- Services PMI

58.1

56.9
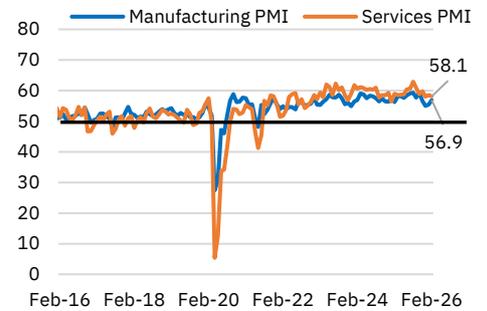
Precious metals driving inflation up

Retail inflation picked up

%

- Headline CPI

3.21

WACR closer to repo rate

%

- Repo
- WACR

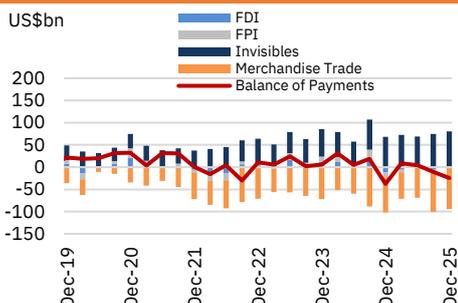### Liquidity remained in surplus

Rs lakh crore

Figure >0: deficit liquidity

Figure < 0 : surplus liquidty
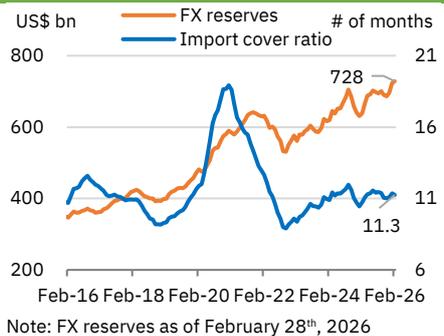
External situation requires monitoring yet manageable; forex reserves at ~US$ 728 bn
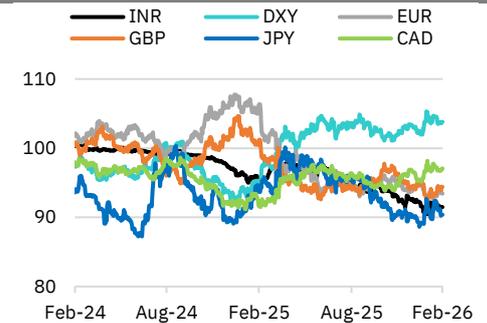
Overall BOP in deficit in Q3

US$bn

- FDI
- FPI
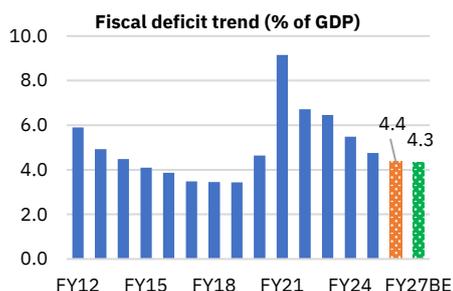- Invisibles
- Merchandise Trade
- Balance of Payments

Forex reserves

US$ bn

- FX reserves
- Import cover ratio

# of months

728

11.3

Note: FX reserves as of February 28th, 2026

Rupee at record low levels

- INR
- DXY
- EUR
- GBP
- JPY
- CAD

Fiscal prudence but with higher capex

Fiscal consolidation underway

Fiscal deficit trend (% of GDP)

4.4

4.3

Note: RE= Revised estimates, BE=Budget Estimate

GST collections moderate

Rs lakh crore **Monthly GST collections**

- FY22
- FY23
- FY24
- FY25
- FY26

Share of capex rising

%

- Revenue Expenditure
- Capital Expenditure

Data for FY26 is for the period Apr'25 to Jan'26

Key market charts

Performance across asset classes

Equity

indices (%)

Indices	1M	6M	12M
Nifty 50	-0.6	3.1	13.8
Nifty 50 USD	0.5	-0.0	7.0
MSCI World	0.6	9.1	19.7
MSCI EM	5.4	28.0	46.8
S&P 500	-0.9	6.5	15.5
Euro Stoxx 50	3.2	14.7	12.4
FTSE 100	6.7	18.8	23.9

* As of February 28th, 2026.

Fixed income

Movement in 10-year yields

Currency

Segment-wise turnover trend

ADT in NSE's CM segment

Note: FY26TD corresponds to Apr'25-Feb'26

ADT in Equity options (premium)

ADT in Equity futures

Market activity

Category-wise gross turnover and share in FY26

Client category	CM Value (Rs '000 Cr)	CM Share (%)	Equity options# Value (Rs '000 Cr)	Equity options# Share (%)	Equity futures Value (Rs '000 Cr)	Equity futures Share (%)
Corporates	1,720	3.6	523	2.1	4,857	6.8
DIIs	6,673	14.1	33	0.1	8,917	12.4
FIs	6,925	14.6	1,801	7.2	19,646	27.4
Individuals	16,021	33.8	9,392	37.7	12,298	17.1
Others	1,581	3.3	529	2.1	3,186	4.4
Prop	14,448	30.5	12,643	50.7	22,869	31.9

Based on premium turnover * Data for FY26 is as of Feb'26

Average daily open interest

Instruments	FY25 Contracts (in '000)	FY25 Value (Rs crore)	FY26* Contracts (in '000)	FY26* Value (Rs crore)
Index Futures	729	55,373	334	60,956
Stock Futures	5,888	4,11,790	7,223	480,617
Index Options	17,055	13,12,732	7,558	13,83,682
Stock Options	4,203	2,96,012	4,768	3,17,269

Note: Notional value is presented here

Category-wise net inflows into Indian equities

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
In Rs crore													
FPIs	97,056	17,806	20,566	51,253	-33,013	1,01,121	1,70,260	25,750	-1,21,439	1,71,107	427	-1,66,284	-13,347
DIIs	-28,557	67,587	35,363	90,738	1,09,662	42,257	-35,663	94,846	2,75,726	1,81,482	5,27,438	7,88,184	1,07,644
Individuals#	-30,149	-8,243	-26,382	-37,988	-8,523	-25,280	52,897	1,42,755	88,376	5,243	1,65,810	-5,717	9,279
In US$ bn													
FPIs	16.1	3.2	3.2	7.8	-4.4	14.4	23.0	3.8	-16.5	20.7	0.1	-18.9	-1.5
DIIs	-4.8	10.4	5.2	14.0	16.0	6.0	-4.8	12.6	35.7	22.0	63.0	90.4	11.9
Individuals#	-4.9	-1.3	-3.9	-5.8	-1.4	-3.6	7.1	19.3	11.7	0.6	19.8	-0.6	1.0

* As of Feb 28th, 2026. # Data for individuals include net flows on NSE in the secondary market only. Individuals include individual /proprietorship firms, HUF and NRI.

NSE Research Initiative 2.0

A time-bound, peer-reviewed, grant-based academic research program

This initiative is for academic research in finance and economics, offering monetary grants and access to NSE data/compute resources, fostering a vibrant research community and shaping market development and policy.

Process

Sample research areas:

- Capital markets
- Market regulations, marketmicrostructure
- High-frequency/algorithmic trading
- Market efficiency and risk management
- Corporate governance and ESG
- Corporate finance
- Behavioural finance
- Banking, and financial services
- Financial economics, broader economy

Grant opportunities:

- Short-term (up to 5 months): Rs 1 lakh
- Long-term (up to 10 months): Rs 2 lakh

Application:

- Proposal submission through the year
- Reviews in a quarterly cycle

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- Gain validation and recognition for your work through the program
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Executive Summary

Conflict, growth and adjustment: Markets under strain

The global economy entered March 2026 confronting a renewed geopolitical shock that has quickly altered the macro-financial landscape. What began as geopolitical signalling in West Asia escalated within weeks into a significant energy and market disturbance. Crude oil prices crossed US$100/bbl for the first time since 2022 and have risen more than 40% since the onset of the Iran–Israel–US conflict. Disruptions around the Strait of Hormuz—through which roughly one-fourth of global oil and around one-fifth of LNG flows transit—have heightened concerns of a sustained supply shock. Financial markets have responded in a familiar risk-off pattern: equities have corrected, commodities have strengthened, and currencies across emerging markets have come under pressure. For India, where more than 85% of crude oil requirements are imported, the macro implications are immediate. Every US$10/bbl increase in crude prices could raise CPI inflation by 50–70 bps assuming complete pass through, widen the import bill by about US$18 bn annually, and push the current account deficit higher by 0.4–0.5% of GDP, complicating the growth-inflation balance.

Global markets reflected this transition from a supportive to a more fragile environment. Through February, sentiment remained constructive. Developed market equities gained modestly, with the MSCI World Index rising 0.6%, supported by softer US inflation, easing bond yields and resilient earnings. Emerging markets continued to outperform, with MSCI EM gaining 5.4%, aided by a weaker US dollar and strong performance in Asian technology markets. This backdrop reversed sharply in March as geopolitical risks intensified, and energy prices surged. As of March 13th, the MSCI World (ACWI) index had declined 5.0% and MSCI EM 8.8%, reflecting a broad-based re-pricing of risk. Commodity markets moved in tandem, with energy and precious metals strengthening, while currencies weakened across emerging markets, including the rupee.

Indian equities remained under pressure through February and corrected sharply in March. The month opened on a weak note following the Union Budget, where the increase in securities transaction tax on derivatives and the absence of fresh measures to attract foreign capital weighed on sentiment. Although progress on trade negotiations and better-than-expected corporate earnings provided some support, the recovery remained incomplete. The escalation of tensions in West Asia and the rise in crude prices accelerated the correction. The Nifty 50 declined 0.6% in February, while the broader market showed some resilience. The sell-off intensified in March, with the Nifty down 8.1% in the month and 11.4% YTD as of March 13th. Domestic institutional investors continued to provide stability, with net inflows of Rs 38,423 crore in February extending their buying streak to 31 months, supported by sustained SIP flows of Rs 29,845 crore. Foreign investors briefly turned buyers in February but resumed selling as global conditions deteriorated.

Global fixed income markets performed well in February, supported by softer inflation and expectations of eventual policy easing. Indian bond markets also recovered from January's weakness, with the benchmark 10-year yield easing to 6.66% by end-February, led by gains at the short end amid improved liquidity conditions. The long end, however, remained constrained by the elevated FY27 borrowing programme, resulting in further curve steepening.

The macroeconomic backdrop has consequently become more complex. The global economy entered 2026 with elevated uncertainty from trade tensions and policy shifts, and the energy shock has added another layer of risk. Rising crude prices are likely to have broader repercussions, particularly for Asia, which remains dependent on imported energy. Central banks that were expected to move towards easing may adopt a more cautious stance as inflation risks re-emerge, posing a downside risk to global growth expectations.

In India, domestic economic conditions continue to display resilience. Based on the new series, GDP growth stood at 7.8% YoY in Q3FY26 and 7.7% for the first nine months of the fiscal year, supported by broad-based strength across consumption, investment and services. High-frequency indicators remain favourable: GST collections averaged Rs 1.9 lakh crore, tractor sales rose 34% YoY in February, bank credit expanded 14.5%, and both manufacturing and services PMIs remained in expansionary territory. At the same time, external risks have increased. Rising oil prices could widen the current account deficit and add to inflationary pressures, even as foreign exchange reserves continue to provide a

buffer. If geopolitical tensions remain contained, the domestic growth trajectory should remain broadly intact, with India continuing to be the fastest-growing major economy.

Corporate performance through Q3FY26 provides a useful reference point for underlying conditions. Revenue growth remained strong, with the Nifty 50 and broader market delivering double-digit expansion, supported by festive demand, credit offtake and improved realisations. Profit growth also strengthened across segments, with notable breadth beyond the top 50 companies. At the same time, margins faced pressure from higher input and wage costs, and the earnings revision cycle has stabilised rather than strengthened, with a modest divergence between upgrades and downgrades. The earnings profile therefore points to resilience in demand and profitability, but with emerging cost pressures and sectoral dispersion.

The revision of India's GDP series, announced by the Ministry of Statistics and Programme Implementation, provides an updated statistical framework aligned with the evolving structure of the economy. With a new base year of 2022–23, the revised series incorporates improved datasets and estimation practices, enhancing comparability and credibility. The revisions have, however, altered the macro profile in important ways. Growth for FY24 has been revised downward to 7.2%, while FY25 and FY26 have been revised upward to 7.1% and 7.6%, respectively. Nominal GDP for FY26 is now estimated at Rs 345 lakh crore, about 3.3% lower than earlier estimates. The composition of the economy also shows shifts, with agriculture's share rising to over 17% of GVA, manufacturing at 16.2%, and services continuing to anchor growth. Domestic demand remains the principal driver, with private consumption and investment accounting for the bulk of incremental output. Per capita income is estimated at around Rs 2.4 lakh, while the savings rate has been revised upward to 34.3%, reflecting stronger household savings. The update, coming after more than a decade, provides a more current statistical representation of the economy while leaving the underlying growth narrative broadly intact.

The Insights section places these developments within the broader evolution of national income accounting. From early attempts to quantify economic activity during the Great Depression to the development of a structured system linking production, income and expenditure, the literature reflects a steady progression from measurement to interpretation. The emergence of GDP as the central metric of production provided a common framework for policy and comparison, while later work clarified both its analytical power and its limits as a measure of welfare.

Early work by Simon Kuznets during the Great Depression in the US sought to quantify aggregate income and make economic collapse statistically visible. Subsequent contributions by Hicks, Meade and Stone transformed these early estimates into a structured accounting system linking production, expenditure, savings and investment. International standardisation followed with the United Nations' System of National Accounts in 1953, which placed GDP at the centre of production measurement. Later work in growth accounting—most notably by Solow and by Jorgenson and Griliches— used this framework to explain the sources of economic expansion. At the same time, the literature increasingly recognised that GDP measures production rather than welfare, a point emphasised by Nordhaus and Tobin and later by the Stiglitz–Sen–Fitoussi commission in the US. Together, this body of research shows how national accounting evolved from crisis measurement to a comprehensive statistical architecture, while also recognising the limits of GDP as a measure of broader well-being.

Exchange data highlight both the depth and the evolving structure of India's capital markets. Primary market activity in FY26 has remained strong, with mainboard IPOs nearing the 100-mark and raising Rs 1.7 lakh crore so far, alongside Rs 2.4 lakh crore raised through further issuances. However, activity moderated in February amid geopolitical uncertainty, with equity fundraising declining even as debt issuance remained robust. Investor participation continues to expand, though with some moderation at the margin. NSE's unique registered investor base reached 12.8 crore in February, with 13.3 lakh new additions during the month. At the same time, trading activity remains highly concentrated, with a small fraction of large participants accounting for the bulk of turnover across segments. This divergence between breadth of participation and concentration of trading value continues to characterise market structure.

As we get to the March 2026 edition of the Market Pulse—the last in the fiscal—the developments over the past month reinforce a familiar dynamic we have seen over the years. External shocks—particularly those linked to energy and

geopolitics—can quickly reshape market conditions and macro expectations. The Indian economy enters this phase with resilient domestic fundamentals and a deepening capital market base but remains exposed to global developments through energy prices and capital flows. The near-term trajectory will depend on the duration of the current shock, even as underlying growth conditions remain intact.

Tirthankar Patnaik
Chief Economist

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Story of the Month

GDP rebased: Data reset, growth resilient

India's latest GDP reset announced by the Ministry of Statistics and Programme Implementation (MOSPI) in the last week of February is more than a statistical exercise. It is a recalibration to a new base of 2022-23 which better reflects contemporary economic realities through richer datasets, improved estimation methods, refined deflator practises while addressing concerns flagged by the IMF and thereby enhancing credibility. India's economic resilience has been reinforced with Q3FY26 GDP growth of 7.8% YoY, which exceeded both market consensus (7.4%) and the RBI's projection (7%). The quarterly growth reflected broad-based strength across manufacturing, services, consumption and investment, supported by policy measures and sustained structural reforms.

The revised series has, however, altered the macro profile. FY24 real GDP growth has been sharply lowered to 7.2%, while FY25 and FY26 have been revised up to 7.1% and 7.6%, respectively. Nominal GDP is now estimated at Rs 345 lakh crore in FY26, 3.3% lower than the old series, with private final consumption expenditure (PFCE) revised down materially across years. The composition of the economy has also shifted: share of agriculture *(constant prices)* has risen by 4pp+ to little more than 17%, manufacturing's share has been revised lower at 16.2% of GVA, and services continue to anchor growth with notable shifts across its sub-sectors. Domestic demand remains the principal engine, with private consumption and investment accounting for the bulk of incremental GDP. At the same time, the revised series places India's per capita income somewhat lower than the old series at Rs 2.4 lakh in FY26 (+7.7% YoY), but gross savings rate higher at 34.3% in FY25, with the latter driven mainly by stronger household savings. Overall, the new series offers a more credible statistical lens, but it also reinforces the picture of an economy whose growth fundamentals remain robust.

- **A timely methodological reset for better measurement of the economy:** MOSPI has released this new GDP series with a base year of 2022-23, marking a timely and important statistical upgrade aimed at better capturing the evolving structure of the Indian economy. The revision comes alongside a broader reset in key macroeconomic indicators such as CPI and IIP, reflecting the need for a more contemporary and coherent measurement framework. The new series materially improves the quality of national accounts and helps address concerns flagged by IMF, thereby enhancing the credibility.

- **A strong quarterly growth of 7.8% in Q3 under the new series:** India's GDP growth moderated to 7.8% YoY in Q3FY26 (vs. 8.4% YoY in Q2) but remained above both market expectations and RBI's projection. The expansion was broad-based, supported by resilient consumption and firm investment demand on the expenditure side while the acceleration in manufacturing (13.3% YoY; eight-quarter high) and services (9.5% YoY) contributed largely to the GVA growth. With this, India remained the fastest growing major economy supported by resilient rural demand, buoyant urban consumption, policy support via GST and income tax rationalisation, improvement in private capex and underpinned by robust manufacturing and services activity even as contraction in Central govt. capex and moderation in export growth capped the upside.

- **Changes in methodology reduced nominal GDP and reshaped growth trends...:** India's nominal GDP has been significantly revised lower to Rs 345 lakh crore in FY26, 3.3% below the level estimated in the previous methodology with similar downward adjustments visible across other years as well. At the same time, the revised methodology has reshaped the growth trajectory by lowering FY24 real GDP

growth to 7.2% (-2pp) while raising FY25 and FY26 to 7.1% (+60bps) and 7.6% (+20bps) respectively, thereby smoothing the post-pandemic recovery path. The revisions suggest weaker agriculture growth, strong industrial performance and mixed services sector performance during FY24-FY26. On the expenditure side, there has been a consistent downward revision in gross fixed capital formation (GFCF) growth in the new series.

- **...And has brought about changes in composition of the economy:** Agriculture sectors' share in GVA (constant prices) has risen sharply in the new series in the range of 3.9pp-4.5pp which has been primarily offset by the fall in the share of services, which now accounts for nearly 53% of the Indian economy. Despite stronger growth in manufacturing in the revised series, the sector occupies a lower share in the new series of 16.2% in FY26 (vs. 17.1% in the old). On the expenditure side, the composition has changed less materially with PFCE remaining the dominant component at ~56%. The investment rate (measured as GFCF as a % of constant price GDP) has been revised lower by nearly 2pp to 32% while GFCE has seen a modest uptick.

- **What is driving GDP?:** Domestic demand continues to remain the primary driver of India's GDP growth, with private consumption and investment accounting for the bulk of incremental GDP expansion. While the investment cycle in recent years has been public capex-led, improving corporate balance sheet and capacity utilisation (75.4%) above long-term average suggest conditions are gradually becoming favourable for private investment. At the same time, India remains a consumption-driven economy, with household spending accounting for ~61% of GDP despite relatively low per capita income (~US$2700), significantly higher than several emerging market peers. Consumption patterns are also gradually evolving with declining food shares and rising spending on transport, utilities and services, reflecting urbanisation and gradual consumption upgrading.

- **Growth through the supply-side lens:** On the supply side, India's growth continues to be services-led, with the sector accounting for an average of 52.1% of GVA between FY23-26. Growth has been led by financial services, real estate, trade, hospitality and transport. In contrast, agriculture sector's contribution to GVA has been smaller and more volatile given its dependence on monsoon. At the same time, the internal composition of sectors is evolving with a notable shift within services towards higher value-added activities such as financial services, real estate and professional services (share within services GVA increased from 41% pre-pandemic FY15-19 on an old base to 49% between FY23-FY25) while traditional segments such as trade and transport have moderated (26.9% from 36.1% during the same period).

- **India's per-capita income (PCI) estimated lower in the new series:** The revised base has placed India's PCI at Rs 2.4 lakh crore, 3.3% lower than the previous base. PCI has grown by more than 40 times over the past three and a half decade with an average growth of 11% during this period. The average growth across decades has also been uneven. In cross-country terms, India's PCI at ~US$2700 has been lower than world average (US$ 13.6k). That said, average per capita income growth of ~8% during 2000-2024 has been strong but remains muted relative to Asian peers like China (~12%) and Vietnam (~11%).

Q3 FY26 GDP trends: Better than expected

Q3FY26 GDP at 7.8%...: India's GDP expanded by 7.8% YoY in Q3FY26, exceeding both, market expectation of 7.4% (Bloomberg consensus) and the RBI's projection of 7%. While the expansion was broad-based, supported by resilient consumption, continued strength in services, and firm investment demand, it moderated from previous quarter of 8.4% as the earlier boost from front-loaded exports to the US faded following the implementation of bilateral tariffs. Nominal GDP growth rose to 8.9% YoY (from 8.5% in Q2FY26) but remained below its near-term historical average (10% in the past 10 quarters), reflecting subdued inflationary pressures. On the supply side, real GVA growth remained robust at 7.8% YoY, led by strong performance in manufacturing and services.

...Supported by resilient consumption and healthy investment demand: On the demand side, private final consumption expenditure (PFCE) strengthened further, expanding by 8.7% YoY in Q3FY26 compared with 8.0% in the previous quarter. The pickup was led primarily by resilient rural consumption, reflected in robust tractor and two-wheeler sales, while urban demand also improved, supported in part by GST rationalisation that boosted festive spending. High-frequency indicators reinforced this trend, with strong growth in vehicle registrations (+20.9% YoY in Q3), passenger car sales (+20.3%), personal loans (13.7%) and air travel (7.7%). Government final consumption expenditure (GFCE), however, moderated to 4.7% YoY (vs. 6.6% in the previous quarter), as core revenue expenditure of the central government (excluding interest payments and subsidies) contracted during the period (9.1% YoY).

Investment activity showed renewed traction in Q3FY26, with Gross Capital Formation (GCF) expanding by 7.7% YoY – the strongest growth in five quarters. The acceleration was largely driven by private capital spending, which offset a sharp contraction in the Centre's capital expenditure (down 23.4% YoY in Q3) following the front-loading observed in H1FY26, as reflected in monthly fiscal data. On the external front, the earlier boost from front-loaded exports to the US tapered off with the implementation of US tariffs, leading to a moderation in export growth to 5.6% YoY, though services exports continued to provide support. Imports, meanwhile, rose during the quarter, primarily driven by higher gold and silver inflows.

GVA growth of 7.8% YoY: Under the revised base series, GVA growth moderated to 7.8% YoY in Q3FY26 from 8.6% in the previous quarter. The easing was primarily driven by the industry sector, where growth softened to 9.7% YoY from 10.6% in Q2 amid a slowdown across most segments except manufacturing, alongside continued strength in services which expanded by 9.5% YoY. In contrast, growth in agriculture and allied activities decelerated to an eight-quarter low of 1.4% YoY from 2.3% in the preceding quarter.

Manufacturing GVA expanded at an accelerated pace of 13.3% YoY – an eight-quarter high – partly supported by healthy growth in IIP manufacturing (5.2% YoY in Q3 vs. 4.3% in Q2) and improved corporate earnings. Within services, most segments recorded robust growth, except for public administration and defence, which moderated compared with the previous quarter (4.5% YoY from 6.9% in Q2). In terms of contribution, services accounted for a sizeable 4.8pp of the 7.8% GVA growth in Q3FY26, followed by 2.7pp and 0.3pp from industry and agriculture, respectively.

Figure 1: Trend in quarterly GDP growth (based on new GDP series)
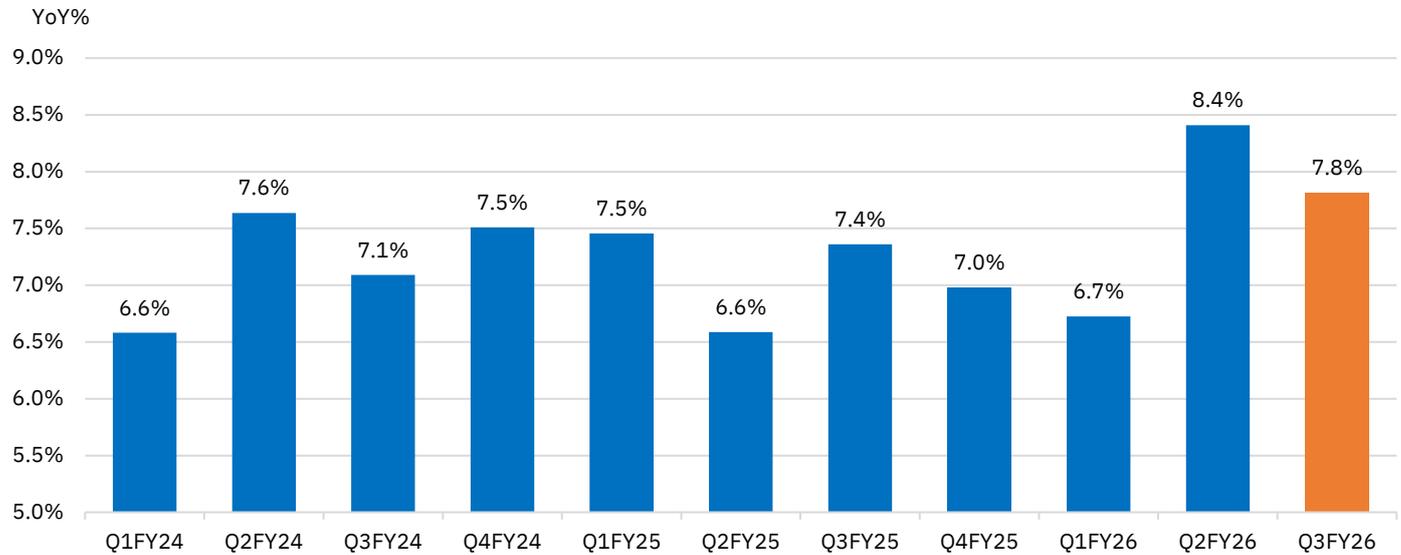
Source: CSO, NSE EPR.

Table 1: Quarterly GDP growth trend (2022-23=100) (%YoY)

	FY24				FY25				FY26		
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**
Gross Domestic Product (GDP)	**6.6**	**7.6**	**7.1**	**7.5**	**7.5**	**6.6**	**7.4**	**7.0**	**6.7**	**8.4**	**7.8**
Private Consumption (PFCE)	6.4	5.3	5.4	6.0	6.1	5.6	6.0	5.6	9.2	8.0	8.7
Government Consumption (GFCE)	-0.1	-0.9	0.9	2.5	7.5	7.0	7.6	3.6	5.8	6.6	4.7
Gross Capital Formation (GCF)	8.2	9.3	8.6	8.7	5.9	7.7	6.3	4.5	4.2	6.8	7.7
Gross Fixed Capital Formation (GFCF)	8.0	8.8	6.2	6.1	6.5	6.6	6.3	6.2	4.9	8.4	7.8
Exports	-2.5	-2.0	0.9	6.4	7.3	3.1	10.5	5.4	6.6	10.2	5.6
Imports	4.3	1.9	0.1	-9.7	8.3	4.6	2.9	5.5	7.4	5.9	8.6
Gross Value Added (GVA)	**6.7**	**7.9**	**6.7**	**7.6**	**7.6**	**6.5**	**7.8**	**7.1**	**7.0**	**8.6**	**7.8**
Agriculture	**4.5**	**2.3**	**1.4**	**2.7**	**2.6**	**4.1**	**5.8**	**3.8**	**4.2**	**2.3**	**1.4**
Industry	**8.3**	**16.2**	**11.8**	**7.6**	**9.3**	**5.0**	**8.7**	**10.0**	**7.2**	**10.6**	**9.7**
Mining and Quarrying	-0.3	2.7	1.5	5.3	11.9	8.3	13.1	12.9	4.5	6.1	4.7
Manufacturing	9.3	20.4	15.2	7.0	9.4	4.9	10.8	11.8	10.6	13.2	13.3
Electricity	5.6	14.4	12.6	10.3	9.2	-0.2	0.6	2.1	-1.9	3.9	1.5
Construction	9.7	12.7	8.7	8.7	8.7	6.1	6.4	8.0	5.4	8.7	6.6
Services	**6.8**	**5.1**	**6.5**	**9.6**	**8.5**	**8.1**	**8.2**	**6.8**	**7.8**	**9.3**	**9.5**
Trade, Hotels, Trans., Storage, Comm.	10.6	9.7	8.8	11.3	6.9	6.6	6.7	6.3	9.4	10.4	11.0
Fin. Svcs, Real Estate & Business Svcs.	5.1	3.2	4.8	8.6	10.3	10.0	11.1	8.8	8.8	9.9	11.2
Public Admin., Defence & Other Svcs.	5.9	4.2	7.3	9.7	6.9	6.0	4.4	3.2	4.3	6.9	4.5

Source: CSO, NSE EPR.

Table 2: Trend in GDP and GVA components for April-December at constant prices (YoY%)

YoY%	9M-FY24	9M-FY25	9M-FY26	Q4-FY26 Implied
Gross Domestic Product (GDP)	**7.1**	**7.1**	**7.7**	**7.3**
Private Consumption	5.7	5.9	8.7	5.1
Government Consumption	0.0	7.4	5.7	9.4
Gross capital formation	8.7	6.7	6.3	7.0
Gross Fixed Capital Formation	7.7	6.5	7.1	7.2
Exports of goods & services	-1.2	7.0	7.4	4.0
Imports of goods & services	2.1	5.2	7.3	3.6
Gross Value Added (GVA)	**7.1**	**7.3**	**7.8**	**7.4**
Agriculture	**2.6**	**4.3**	**2.5**	**2.1**
Industry	**12.1**	**7.6**	**9.2**	**7.8**
Mining and Quarrying	1.3	11.2	5.0	1.7
Manufacturing	15.2	8.3	12.5	9.3
Electricity	10.8	3.1	1.1	2.7
Construction	10.4	7.1	6.9	7.6
Services	**6.1**	**8.3**	**8.9**	**9.1**
Trade, Hotels, Transport, Storage, Comm.	9.7	6.7	10.3	9.7
Fin. Svcs, Real Estate & Business Svcs.	4.3	10.5	10.0	9.6
Community, Social & Personal Svcs.	5.8	5.7	5.2	7.5

Source: CSO, NSE EPR.

Figure 2: Comparison of annual real GDP growth forecasts for India across institutions in FY27
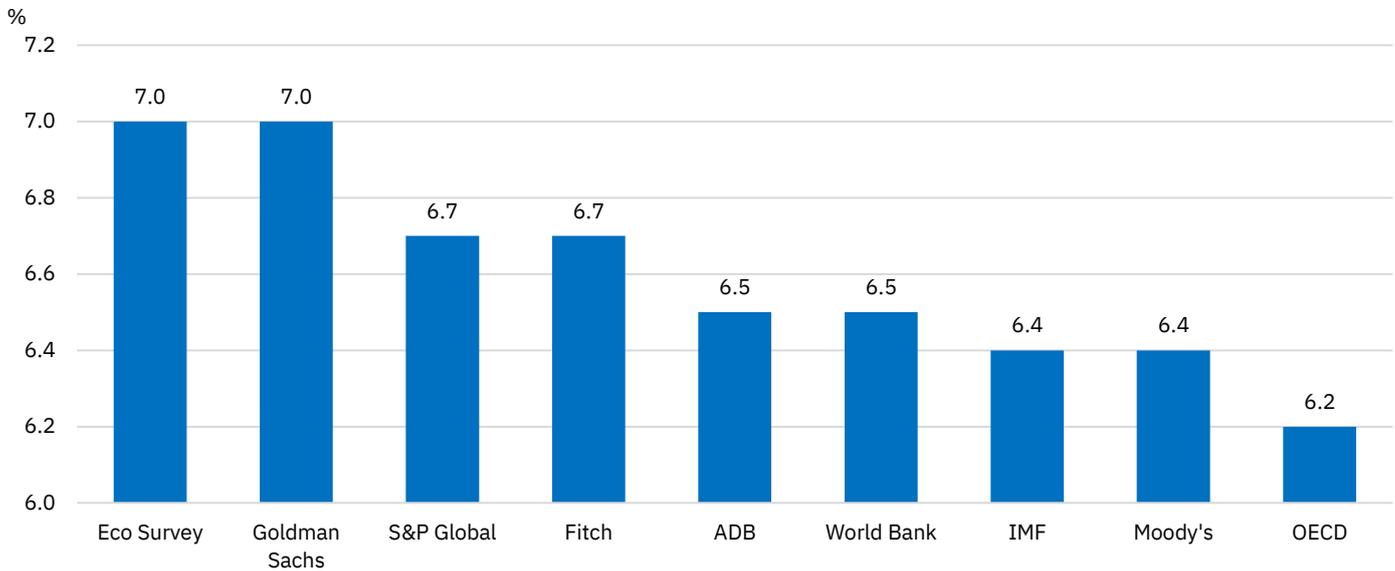
Source: Various multi-lateral institutions, NSE EPR Notes: The estimate from Economic Survey is the average of the range of 6.8-7.2%.

Table 3: High frequency indicators

Indicators		Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Consumption								
Auto volumes - passenger (domestic)	YoY%	-6.9	0.8	8.5	15.9	36.6	-5.1	-3.8
2W volumes (domestic)	YoY%	7.1	6.7	2.2	21.2	39.4	26.2	35.2
Tractor volumes	YoY%	28.3	45.4	14.8	30.1	37.1	43.0	34.2
Vehicle registrations	YoY%	3.8	6.5	41.7	2.9	15.6	18.2	25.8
Personal loans	YoY%	11.8	11.8	14.0	12.8	14.4	14.9	
IIP-Consumer durables	YoY%	3.5	10.0	-1.3	11.2	12.4	6.3	
IIP-Consumer non-durables	YoY%	-6.4	-0.3	-5.2	8.0	8.5	-2.7	
Petrol Consumption	YoY%	5.5	8.0	7.4	2.6	7.1	6.1	6.1
Diesel Consumption	YoY%	1.2	6.6	-0.3	4.8	5.2	3.3	4.3
GST collections	Rs lakh crore	1.9	1.9	2.0	1.8	1.8	2.0	1.9
MGNREGA Work Demand	YoY%	-25.4	-26.9	-35.7	-32.0	-28.6	-25.0	-10.9
CPI	YoY%	2.0	1.4	0.0	0.5	1.2	2.7	3.2
WPI	YoY%	0.5	0.2	-1.2	-0.1	1.0	1.8	2.1
Investment								
IIP-Capital goods	YoY%	4.5	5.4	2.1	10.1	8.3	4.3	
Central government capex	YoY%	113.1	30.9	-28.3	-13.8	-24.5	-24.5	
IIP- Infra/ construction goods	YoY%	10.4	10.6	7.1	13.0	12.8	13.7	
External sector								
Merchandise exports	YoY%	5.7	6.0	-12.5	18.7	1.3	0.6	-0.8
Merchandise imports	YoY%	-9.5	17.6	16.9	-2.0	8.7	19.9	24.1
Non-POL, Non-gold and silver imports	YoY%	0.3	14.3	7.4	15.3	11.3	3.1	13.5
Services (net)	YoY%	12.3	17.3	1.5	17.0	18.3	19.4	35.1
Foreign exchange reserves	US$ bn	694	700	690	686	697	723.8	728.5
Business activity								
IIP	YoY%	4.1	4.6	0.5	7.2	8.0	4.8	
IIP-Manufacturing	YoY%	3.8	5.6	2.0	8.5	8.4	4.8	
Core sector: Coal	YoY%	11.4	-1.2	-8.6	2.1	3.6	3.1	
Core sector: Steel	YoY%	13.6	14.4	5.9	6.7	10.1	9.9	
Core sector: Cement	YoY%	5.4	5.0	5.2	14.6	13.8	10.7	
Core sector: Electricity	YoY%	4.2	3.1	-6.9	-1.5	6.3	3.8	
Manufacturing PMI	Index	59.3	57.7	59.2	56.6	55.0	55.4	56.9
Domestic cargo traffic	YoY%	7.1	2.8	-2.3	20.5	4.3	8.7	
International cargo traffic	YoY%	4.5	2.3	-2.4	12.7	12.6	8.4	
Port cargo	YoY%	5.0	8.1	3.0	12.4	8.0	3.7	
E-way bills	YoY%	22.4	21.0	8.2	27.6	23.6	15.8	18.8
Services/ banking								
Services PMI	Index	62.9	60.9	58.9	59.8	58.0	58.5	58.1
Domestic passengers traffic	YoY%	-0.5	-2.5	3.5	7.0	-4.9	3.1	
International passengers traffic	YoY%	7.8	7.3	9.7	7.5	6.0	7.1	
Bank deposit	YoY%	9.3	9.4	10.8	10.2	12.7	12.5	11.9
Bank credit	YoY%	10.1	10.8	12.0	11.5	14.5	14.6	14.5
Banking system liquidity (Net injection(+)/absorption(-))	Rs lakh crore	-2.7	-1.6	-1.2	-1.5	-0.5	-1.8	-2.7

Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Port cargo traffic is cargo traffic including transshipment for all commodities. Bank credit and deposit growth for February 2026 corresponds to RBI WSS

Methodological changes

A timely methodological upgrade: The revision of India's base year from 2011-12 to 2022-23 is a much needed and a timely change coming alongside the broader statistical reset undertaken by MOSPI in other key macro indicators such as CPI and IIP. The new series better captures structural shifts in the economy, incorporated richer and more recent data sources, has improved estimation methodologies, and enhanced coverage and accuracy. It also introduced key methodological improvements, including better treatment of multi-activity enterprises, stronger coverage of the unincorporated sector, improved deflation and extrapolation methods, wider use of GST and other administrative data, updated survey-based ratios, improved PFCE estimation, and closer alignment between the production and expenditure sides through the Supply and Use Table framework. These revisions also addressed several concerns flagged by the IMF, where India's national accounts continued to receive a "C" rating.

India's nominal GDP falls in the new base: Nominal GDP has been estimated at Rs 345 lakh crore in FY26, 3.3% lower than the previous methodology. This has been a common pattern which has been observed across the years, and the downward estimation has ranged between 2.9% to 3.8% in the revised methodology. One specific component which has weighed on the decline is private final consumption expenditure which has declined in the range of 10%-11% in the new series.

FY24 growth rates have been estimated lower; FY25 & FY26 higher: Real GDP growth has been revised down materially from 9.2% to 7.2% in FY24 while FY25 and FY26 has been revised upward to 7.1% (+60bps) and 7.6% (+20bps) respectively. The same pattern is observed in the case of GVA growth as well, underscoring smoothened post-pandemic recovery path. At the sector-wise level, the revised growth rates in case of agriculture have been marked down whereas the industrial sector— specially manufacturing and mining— has seen notable upward revisions even as the services sector has shown mixed pattern. On the expenditure side, changes have been uneven across components, but one consistent feature has been downward revision in the growth rates of GFCF, underscoring lower impulse to capital formation than the previous methodology.

Table 4: Key methodological differences in the GDP series

Area	Previous methodology	New methodology
Deflation	Single deflation for most industries	Double deflation in agri & mfg and single extrapolation/volume extrapolation in many sectors
Treatment of multi-activity	Total value added was assigned to main activity	Value added is segregated across activities
Supply Use Table integration	Was not tightly integrated leading to large discrepancy	Better integrated to reduce discrepancy between production and expenditure method
Quarterly GDP benchmarking	Pro-rata benchmarking	Proportional Denton benchmarking
Household sector estimation	Was based on inter-survey growth rates or proxy indicators	ASUSE and PLFS surveys released by MOSPI to be incorporated
Consumption estimation	Commodity-flow approach of deriving consumption indirectly from supply-side	Mixed method approach with adoption of COICOP 2018 followed

Source: CSO, NSE EPR.

Figure 3: Summary of key improvements in the new GDP series

Data source improvements
- Improved coverage of household sector using Annual Survey of Unincorporate Sector Enterprise (ASUSE) and Periodic Labour Force Survey (PLFS)
- New data sources like GST data, Public Finance Management System (PFMS), E-Vahan to be used
- Updated rates and ratios from various studies and surveys undertaken by MOSPI

Methodological improvements
- Use of double deflator in agriculture and manufacturing sector
- Single/volume extrapolation to be used in remaining sectors
- Mixed approach in estimating PFCE alongside adoption of latest standard of COICOP 2018

Structural/sectoral improvements
- Improvement in the compilation of private corporate institutional sector by segregating of acitivites in **multi-activity enterprises**
- Dynamic measurement of the household sector through data from new surveys

Others
- Supply Use Table (SUT) framework to be integrated with National Accounts Framework to minimise the discrepancy between GDP estimates using production & expenditure method
- Proportional Denton benchmarking method to be used for quarterly national accounts

Source: CSO, NSE EPR.

Textbox 1: Key concepts in the new GDP series

a) **A shift in benchmarking approach to Proportional Denton method**

- **Sum of quarterly GDP vs. annual GDP:** Quarterly GDP is estimated using high-frequency data such as industrial output, tax collections, and corporate/sector data, among others. Annual GDP, however, is based on a much larger and detailed set of information, including surveys, government accounts and final sectoral data. As such, the sum of four quarterly estimates may not exactly match the official annual GDP number.

- **Benchmarking approaches to correct this difference:** Two commonly used approaches to correct this are **Pro-rata benchmarking and Proportional Denton benchmarking**. Under the pro-rata method, the adjustment is spread equally across all quarters using the same scaling factor, leading to distortion of the true pattern of quarterly growth. Under the Proportional Denton method, the adjustment is done carefully so that the quarterly movement is preserved while still matching the annual total. In other words, it adjusts the quarterly estimates while preserving the QoQ growth pattern, ensuring that the total equals the annual GDP.

b) **Commodity flow approach (old) vs. mixed method (new) in estimating consumption**

- **Commodity approach:** Under the commodity flow approach, PFCE is derived indirectly through a residual balancing framework: the total availability of a commodity in the economy is first assessed, and the portions absorbed through intermediate use, government consumption, capital formation, exports, change in stocks and wastage are then excluded. Consumption is thus obtained as the residual balance available for households and Non-Profit Institutions Serving Households (NPISHs).

- **Mixed method approach:** The mixed method adopts an item-wise estimation framework under which PFCE is compiled using the most appropriate source and method for each sub-category which includes enhanced use of Household Consumer Expenditure Survey (HCES), direct estimates based on production and administrative data, and the commodity flow approach wherever required. The difference is therefore substantive. Commodity flow is a single residual, balance-based method; mixed method is a broader multi-source framework.

- **A newer classification technique implemented in the new series:** A further improvement in the revised series is the use of Classification of Individual Consumption According to Purpose (COICOP) 2018, replacing the older COICOP 1999, thereby improving the classification and mapping of consumption items.

c) **Directly integrating Supply and Use Table (SUT) into national accounts**

- **Incorporating SUT to minimise discrepancy:** The MoSPI describes SUT as an integration framework within the national accounts system that helps reconcile production, income and expenditure estimates of GDP. In principle, all three methods should yield the same GDP number, but as different datasets are used, the estimates diverge.

- **Two broad components:** SUT consists of the Supply table and the Use table. The supply table records the total availability of products in the economy, including domestic output by industries and imports, along with adjustments for taxes, subsidies, and trade and transport margins. The use table, in turn, captures how these products are utilised across the economy—either as intermediate inputs used by industries or as components of final demand such as household consumption, government spending, investment, and exports.

- **Is this implemented for the first time?** The SUT were first compiled and published by CSO for 2011-12 and 2012-13 covering 140 products and 66 industries. The latest tables also follow the same classification. However, now MOSPI is now embedding SUT more directly into annual GDP compilation to reconcile the two sides more closely.

Figure 4: Nominal GDP trend in old vs new series

Rs lakh crore   Nominal GDP is lower by around 3% from the previous series
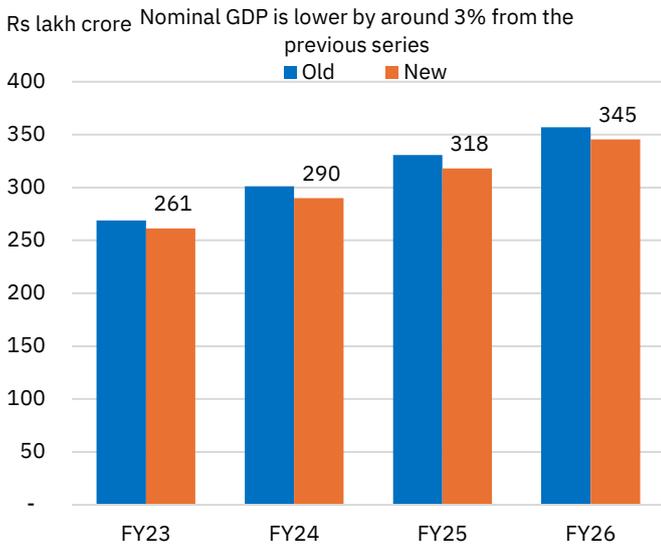
Source: CSO, NSE EPR.

Figure 5: PFCE trend in old vs new series

Rs lakh crore   PFCE is lower by more than 10% in nominal terms
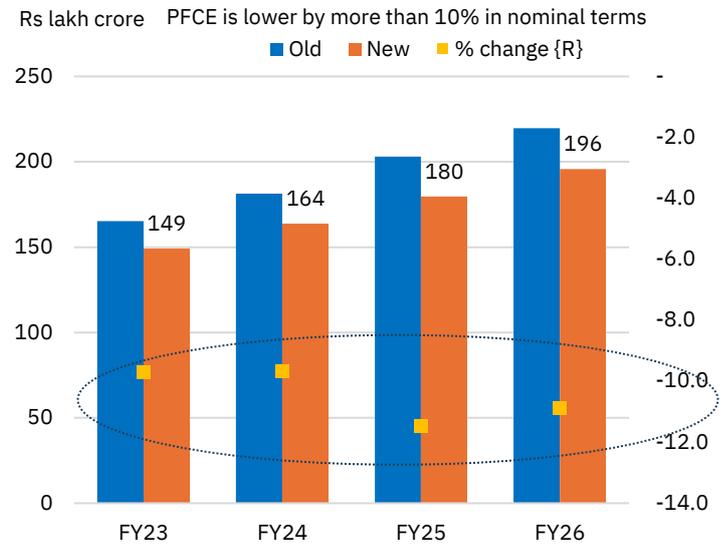
Upward revisions in industrial growth rates; downwards revisions in GFCF growth: Sector-wise, the biggest beneficiary is industry—particularly mining and manufacturing — suggesting that the new methodology, richer data sources, segregation of multi-activity enterprises and changes in deflator have captured industrial activity better. Manufacturing growth has improved sharply from 4.5% to 9.3% in FY25 and 7% to 11.5% in FY26 while in case of mining, growth has been revised higher from 2.7% to 11.7% in FY25 and from (-)0.7% to 4.1% in FY26. Services sector growth has been revised down in FY24, higher in FY25 and remained broadly stable in FY26. Within services, trade, hotels, transport and communication show stronger growth in the new series, while financial, real estate and business services are revised sharply lower in FY24 but stronger in FY25. On the expenditure side, GFCF growth has been revised lower across all three years while GFCE registered a sharp downward revision in FY24 from 8.1% to 0.6%.

Table 5: Annual real growth rates across sectors in old vs new series

YoY %	FY24		FY25		FY26	
	Old	New	Old	New	Old	New
GVA	**8.6**	**7.2**	**6.4**	**7.3**	**7.3**	**7.7**
Agriculture, forestry and fishing	**2.7**	**2.6**	**4.6**	**4.2**	**3.1**	**2.4**
Industry	**10.8**	**10.9**	**5.9**	**8.3**	**6.2**	**8.8**
Mining and quarrying	3.2	2.4	2.7	11.7	-0.7	4.1
Manufacturing	12.3	12.7	4.5	9.3	7.0	11.5
Electricity, gas, water supply and other utility services	8.6	10.7	5.9	2.9	2.1	1.5
Construction	10.4	9.9	9.4	7.3	7.0	7.1
Services	**9.0**	**7.0**	**7.2**	**7.9**	**9.1**	**9.0**
Trade, hotels, transport, storage and communication	7.5	10.1	6.1	6.6	7.5	10.1
Financial services, real estate and business services	10.3	5.5	7.2	10.0	9.9	9.9
Community, social and personal services	8.8	6.8	8.9	5.0	9.9	5.8
GDP	**9.2**	**7.2**	**6.5**	**7.1**	**7.4**	**7.6**
Private Final Consumption Expenditure (PFCE)	5.6	5.8	7.2	5.8	7.0	7.7
Government Final Consumption Expenditure (GFCE)	**8.1**	**0.6**	2.3	6.5	5.2	6.6
Gross Fixed Capital Formation (GFCF)	**8.8**	**7.3**	**7.1**	**6.4**	**7.8**	**7.1**
Exports of goods and services	2.2	0.7	6.3	6.6	6.4	6.5
Imports of goods and services	13.8	-1.0	-3.7	5.3	14.4	6.4

Source: CSO, NSE EPR.

Increased agriculture share at the expense of lower share in services: The biggest structural takeaway is that the new series gives a much higher weight to agriculture and a lower weight to services. Agriculture's share in GVA (in constant prices) in FY24 rose sharply from 14.7% in the erstwhile series to 19.2%, and remains significantly higher in FY25 and FY26 as well, even though growth rates are slightly lower. This reflects broader crop coverage, updated input-output ratios and improved pricing information. This has been offset by a decline in services' share in FY24 from 54.5% to 51.7% and remains lower across the following two years. Within services, the share of trade, hotels, transport, stoprage, communication falls sharply, from around 18.5% to about 14.3% in FY26, while financial, real estate and business services gained share, rising from 23.6% to 24.9% in FY24 and to 26.1% in FY26. This suggests a reclassification or improved measurement that shifts services composition away from contact/trade-heavy sectors toward financial and real-estate-related activities. Even though manufacturing growth has been revised higher, the share has declined from 17.5% to 15.4% in FY24 and remained lower at 16.2% in FY26 (new series).

Expenditure side shares have not seen material adjustements: Private final consumption expenditure remained the largest component of the GDP series but is slightly lower in FY25 and FY26 in the new series. In case of PFCE, there has been an improved estimation method using the COICOP 2018 framework and survey inputs usage. Government final consumption expenditure has seen atleast 1pp improvement across the last three years while investment rate (as measured by GFCF as a percentage of GDP) has seen a downward revision in the share from 33.8% to 32% in FY26.

Table 6: Segment-wise share of GVA and GDP in the old and new series

% share of constant prices	FY24		FY25		FY26	
	Old	New	Old	New	Old	New
GVA						
Agriculture, forestry and fishing	**14.7**	**19.2**	**14.4**	**18.6**	**13.8**	**17.7**
Industry	30.8	29.1	30.7	29.4	30.3	29.7
Mining and quarrying	2.0	2.0	2.0	2.1	1.8	2.0
Manufacturing	**17.5**	**15.4**	**17.2**	**15.7**	**17.1**	**16.2**
Electricity, gas, water supply and other utility services	2.4	2.6	2.4	2.5	2.2	2.3
Construction	8.9	9.1	9.2	9.1	9.1	9.0
Services	**54.5**	**51.7**	**54.9**	**52.0**	**55.8**	**52.6**
Trade, hotels, transport, storage and communication	**18.5**	**14.1**	**18.5**	**14.0**	**18.5**	**14.3**
Financial services, real estate and business services	**23.6**	**24.9**	**23.8**	**25.5**	**24.4**	**26.1**
Community, social and personal services	12.4	12.7	12.7	12.5	13.0	12.2
GDP						
Private Final Consumption Expenditure (PFCE)	56.1	56.4	56.5	55.7	56.3	55.7
Government Final Consumption Expenditure (GFCE)	**9.5**	**10.4**	**9.1**	**10.3**	**8.9**	**10.2**
Gross Fixed Capital Formation (GFCF)	**33.5**	**32.4**	**33.7**	**32.2**	**33.8**	**32.0**
Exports of goods and services	21.7	22.6	21.6	22.5	21.4	22.2
Imports of goods and services	24.9	24.6	22.5	24.2	24.0	23.9

Source: CSO, NSE EPR.

Deflator calculation display broad disinflation trend: The deflator comparison indicates that price dynamics under the new GDP series differ somewhat from the old series, although the broader disinflationary trend remains unchanged. Under the old series, GDP deflator inflation eased from 2.6% in FY24 to 0.5% in FY26, while under the new series it moderated from 3.5% to 1.0% over the same period. This suggests relatively firmer price pressures in FY24 and FY26, but softer momentum in FY25, under the revised framework. Agriculture continues to show relatively firm inflation in FY24-FY25 before turning negative in FY26, while manufacturing inflation is weaker in the new series and turns negative in FY25 and FY26. Financial services and trade-related segments show somewhat firmer deflator growth in parts of the revised series.

Figure 6: Trends in GDP deflator
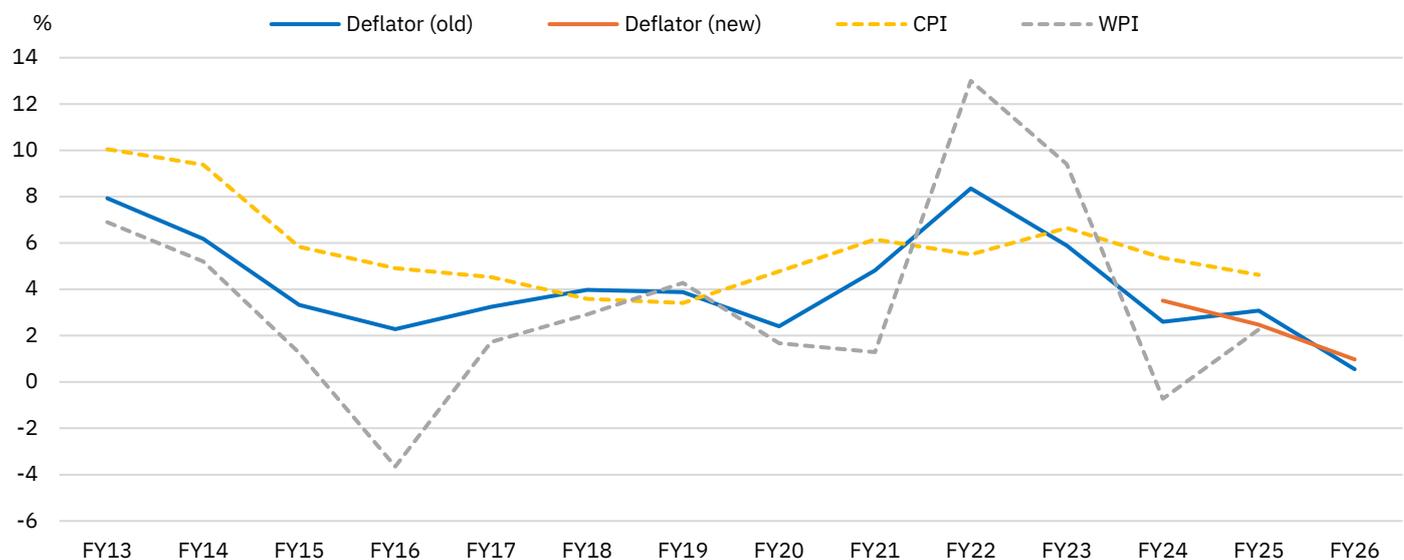
Source: CSO, CMIE Economic Outlook, NSE EPR.

Table 7: Segment-wise deflator in the old vs new GDP series

YoY%	FY24		FY25		FY26	
	Old	New	Old	New	Old	New
GVA	**2.5**	**3.3**	**2.9**	**2.2**	**0.4**	**0.9**
Agriculture	6.8	4.8	5.5	4.9	-2.3	-2.0
Mining	1.0	3.9	-1.1	-4.7	-5.3	-1.3
Manufacturing	**-1.2**	**-1.7**	**1.7**	**-0.9**	**2.1**	**-0.2**
Electricity+	15.8	12.2	-0.6	7.0	-0.8	0.4
Construction	0.2	-1.8	0.0	0.2	-0.4	0.9
Trade+	**1.8**	**3.4**	2.6	1.0	**-0.2**	**1.2**
Financial services+	**1.1**	**5.1**	2.8	2.8	**1.2**	**2.2**
Community+	5.1	4.9	4.1	3.8	3.3	4.7
PFCE	3.9	3.8	4.4	3.7	1.1	1.2
GFCF	0.4	2.0	0.8	2.3	0.5	1.5
GFCE	4.1	5.7	4.0	3.8	1.3	2.8

Source: CSO, CMIE Economic Outlook, NSE EPR. Notes: 1) Electricity+ stands for Electricity, Gas, Water supply & other utility services; Trade+ = Trade, hotels, transport, communication, and broadcasting services Financial services+ stands for Financial services, real estate and professional services; Community+ stands for Public administration, defence and other services; PFCE= Private final consumption expenditure; GFCF= Gross fixed capital formation; GFCE= Government final consumption expenditure

Textbox 2: Revisiting deflators: Changes in price adjustment methods in India's new GDP series

- **What is a deflator?:** When measuring a country's economic performance, it is essential to adjust for price fluctuations to determine the actual growth in the production of goods and services. By applying a GDP deflator, statisticians remove the effect of inflation from the nominal GDP, revealing the actual increase in the physical volume of goods and services. A deflator is a price index that isolates pure price changes between two time periods for a like-for-like product.

- **A change in application of deflator across sectors:** In the 2011-12 GDP framework, MOSPI relied heavily on single deflation, which adjusts both the raw materials a sector consumes (its inputs) and the final goods it produces (its outputs) using the exact same price index. In the new series, MOSPI has resorted to either using "double deflation" or "single extrapolation *(when separate input and output data are unavailable)*.

- **Reason behind the change?:** Single deflation adjusts both the raw materials a sector consumes (its inputs) and the final goods it produces (its outputs) using the exact same price index It is fundamentally flawed because the cost of raw materials and the selling prices of finished goods rarely change at the same rate. For example, if global raw material prices drop sharply while final retail prices remain steady, single deflation can misinterpret higher nominal profits as an increase in real physical production.

- **How is double deflation different and incorporated?** In double deflation, highly specific price indices to a sector's inputs and its outputs are used, thereby isolating the actual value a sector adds to the economy. For instance, if global raw material prices fall while retail prices remain stable, double deflation captures the resulting gain to producers without overstating production growth. The revised methodology also emphasises the use of specific and disaggregated deflators at a granular level, rather than broad aggregate indices.

- **When will single extrapolation be used?** Single extrapolation will be used when separate input and output data are unavailable and utilises reliable, specific indicators to project economic growth in constant prices. Complementing this is the method of volume extrapolation, which relies strictly on volume-based indicators rather than price deflators to project constant prices.

GVA sector	Deflation strategy	GDP components	Deflation strategy
Agriculture & allied sector	Volume extrapolation	PFCE	Extrapolation or deflation (item level)
Mining & quarrying	Volume extrapolation	GFCE	Deflation & volme extrapolation
Manufacturing	Double deflation	GFCF	Deflation at asset category level using CPI or WPI
Electricity & gas	Volume extrapolation	**Exports**	
Water supply, remediation & other utility	Single extrapolation	Goods	Deflation using UVI
Construction	Volume extrapolation	Services	Deflation using IPD
Trade, hotels, storage, services related to broadcasting	Single extrapolation	**Imports**	
Transport & communication	Volume extrapolation	Goods	Deflation using UVI
Financial services	Volume extrapolation	Services	Deflation using PPI
Real estate, IT, professional services	Single extrapolation		
Public administration & other services	Single extrapolation		
Tax	Volume extrapolation		
Subsidy	Volume extrapolation & single deflation		

Source: CSO; Notes: UVI = Unit value index, IPD= Implicit price deflator, PFCE= Private final consumption expenditure, GFCE= Govt. final consumption expenditure, GFCF= Gross fixed capital formation

Sub-component analysis: What is driving growth?

Within the expenditure-side decomposition, domestic demand continues to remain the primary driver of India's GDP growth, with private consumption and investment accounting for the bulk of incremental GDP expansion. PFCE contributed around 3.3pp to GDP growth in both FY24 and FY25, rising further to 4.3pp in FY26. Investment demand, measured through gross fixed capital formation (GFCF), has also maintained a steady contribution of around 2-2.3pp to growth in recent years, despite some downward revisions under the new series.

The trend in GFCF growth suggests that while the revised base year series has led to somewhat lower investment growth estimates compared with the previous methodology, the broader trajectory of the investment cycle remains broadly similar, with capital formation stabilising at moderate but steady levels.

Figure 7: Trends in real gross fixed capital formation (GFCF) growth
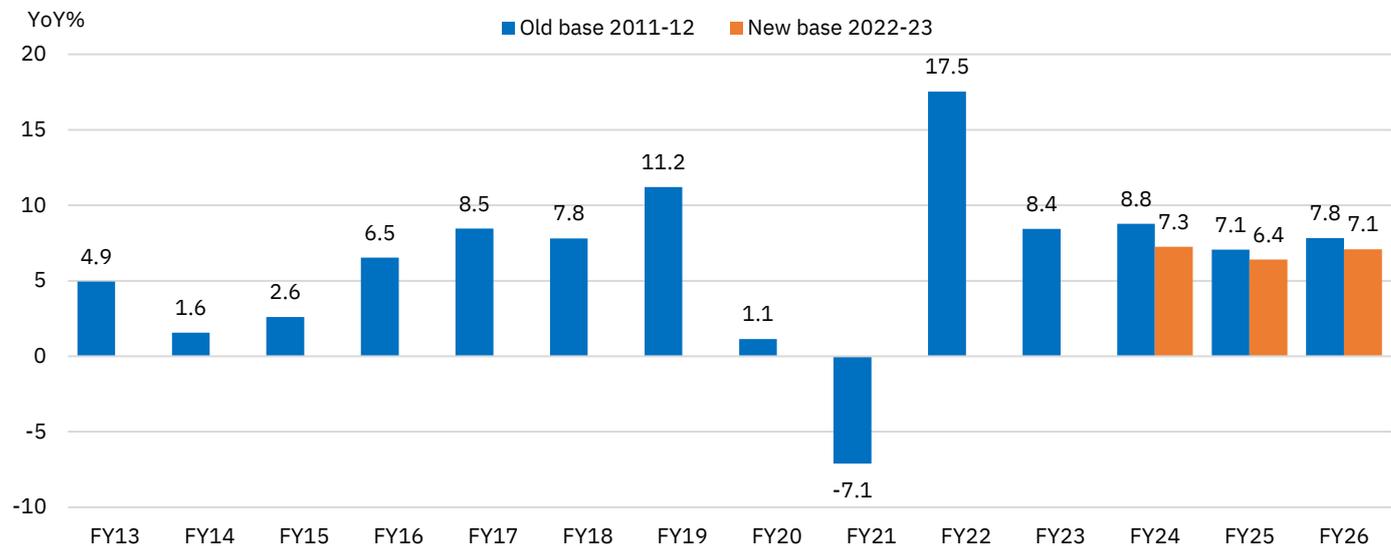
Source: CSO, CMIE Economic Outlook, NSE EPR.

Table 8: Segment-wise contribution to GDP (constant prices)

% contribution	Old base 2011-12									New base 2022-23		
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
GDP (by expenditure)	**7.4**	**8.0**	**8.3**	**6.8**	**6.5**	**3.9**	**-5.8**	**9.7**	**7.6**	**7.2**	**7.1**	**7.6**
PFCE	**3.6**	**4.5**	**4.6**	**3.5**	**4.0**	**2.9**	**-3.0**	**6.7**	**4.3**	**3.3**	**3.3**	**4.3**
GFCE	0.8	0.7	0.6	1.2	0.7	0.4	-0.1	0.0	0.4	0.1	0.7	0.7
GCF	2.7	1.7	1.3	3.6	3.8	-0.9	-2.5	6.9	2.8	3.0	2.1	2.2
a. GFCF	**0.8**	**2.0**	**2.6**	**2.4**	**3.5**	**0.4**	**-2.2**	**5.5**	**2.8**	**2.3**	**2.1**	**2.3**
b. Change in stocks	1.5	-0.3	-1.0	0.7	0.4	-1.1	-0.6	1.0	0.3	0.8	0.0	0.1
c. Valuables	0.4	0.0	-0.3	0.5	-0.2	-0.2	0.3	0.5	-0.3	-0.1	0.0	-0.2
Net exports of goods & services	0.2	0.1	0.1	-2.8	0.3	-0.5	1.5	1.0	0.2	0.4	0.2	-0.1
Discrepancies	0.1	1.0	1.8	1.3	-2.2	2.0	-1.8	-4.9	-0.1	0.4	0.9	0.5

Source: CSO, CMIE Economic Outlook, NSE EPR. Notes: PFCE= Private final consumption expenditure; GCF= Gross Capital Formation, GFCF= Gross fixed capital formation; GFCE= Government final consumption expenditure

Investment pattern across institutions: Historically, households and private corporations have contributed the most, collectively accounting for nearly three-fourths of aggregate

investments in the economy. Investment contribution from public corporations and the general government, however, has remained relatively modest. However, the pace of investment growth in the public sector has been stronger in recent years. Based on the new base, between FY23-25 (latest year for which data is available), investments by households and private corporations expanded at a CAGR of 6.7% and 3.9%, respectively, while government and public corporation investments registered a significantly higher CAGR growth of 12.0% and 10.3% respectively.

Figure 8: Trend in share of investment by Institutions (current prices)
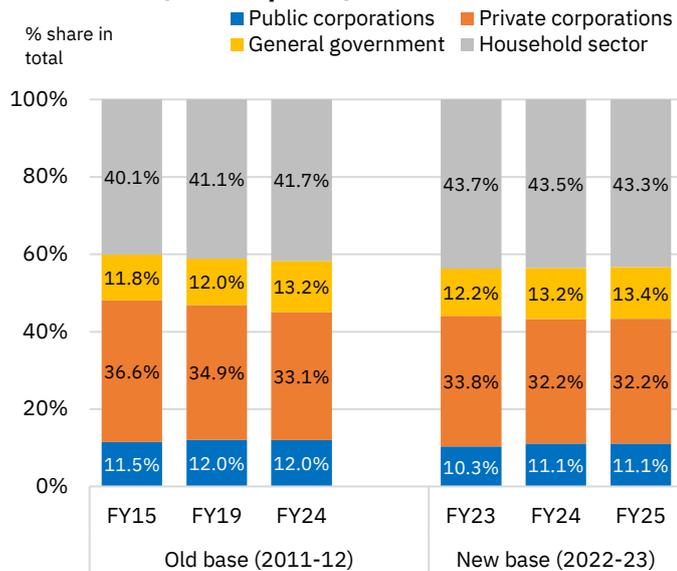
Figure 9: Sector-wise contribution to GFCF growth by institutions (constant prices)
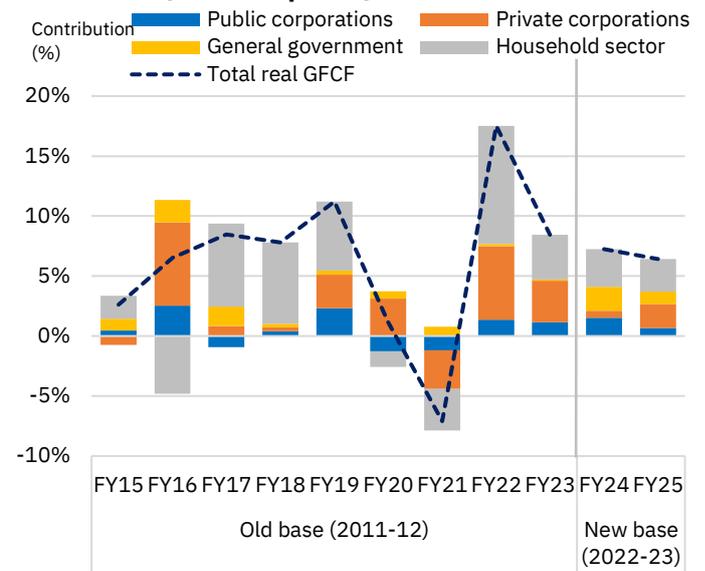
Source: CSO, CMIE Economic Outlook, NSE EPR.

Investment behaviour across asset classes highlights distinct institutional priorities: At a more granular level, the composition of investment across asset classes reveals clear sectoral specialisation: government and household investment is overwhelmingly concentrated in dwellings and infrastructure-related structures, accounting for nearly three-fourths of their capital formation (75%). Non-financial corporations are the primary drivers of machinery and equipment investment, which accounts for over 40% of their capex and financial corporations hold the largest share in intellectual property products through their significant investment in digital infrastructure.

Figure 10: Investment by institutions across different asset classes (FY23-25 average)

Average % share (FY23-25)	Dwellings, other buildings & structures	Machinery & equipment	Cultivated biological resources	Intellectual property products
Financial corporations	29.0%	26.6%	0.0%	44.4%
Non-financial corporations	35.3%	43.0%	0.1%	21.6%
General government	75.4%	16.3%	0.0%	8.3%
Household sector	75.4%	24.1%	0.4%	0.0%

Source: CSO, CMIE Economic Outlook, NSE EPR.

Government-led capex cycle gradually being complemented by improving private investment: Private investment in India has remained subdued for much of the past decade, reflecting the lingering effects of the balance sheet stress faced by corporates and financial institutions following the twin balance sheet problem. Government capex

has therefore played a counter-cyclical role, supporting overall capital formation amid subdued private investment. This acceleration in government-led investment also reflects the increased fiscal emphasis on capital expenditure, particularly under the central government's infrastructure push. However, there are emerging signs of a gradual recovery in private capex. Deleveraged corporate balance sheets, along with improving cash flows from operations point towards favorable conditions for an upturn in the private capex cycle. Capacity utilisation in September 2025 at 75.4% was higher than its long-term average of 73.1%.

Figure 11: Trends in GFCF for non-financial corporation and general government (% of GDP)
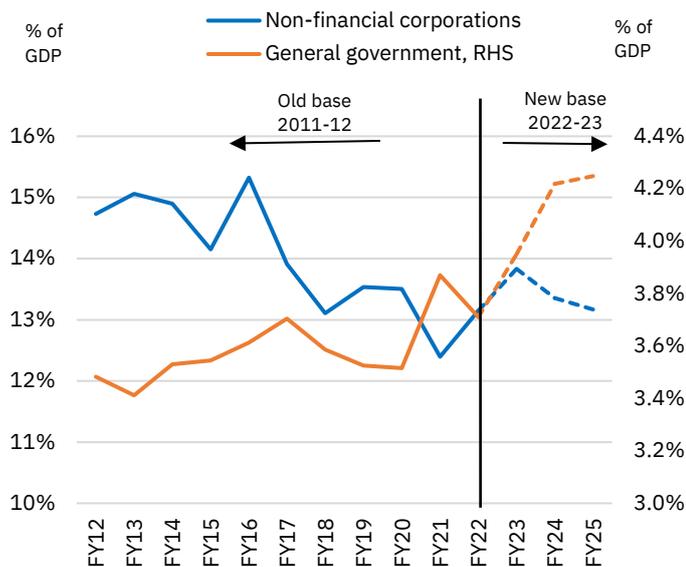
Figure 12: Trends in RBI's capacity utilisation rate

Source: CSO, CMIE Economic Outlook, NSE EPR.
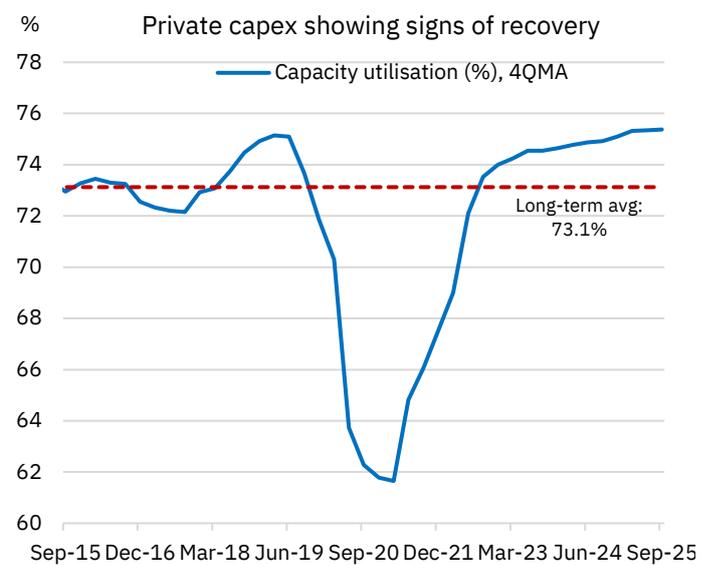
India's consumption share remains high relative to its income levels: A cross-country comparison of PFCE relative to per capita income highlights that India remains a consumption-driven economy. With a per capita income (PCI) of less than US$3,000 annually, India's consumption share stands at 61.4% of GDP, along with economies such as Brazil, Thailand, Malaysia and South Africa, where household demand forms the primary engine of growth. Other emerging market economies such as China have a significantly lower consumption at ~40% of GDP even though its PCI is 5x of India, indicating that such economies spend more on investment or exports.

Among advanced economies, countries such as Germany, France, Japan and Korea have high-income but relatively lower-consumption (50-55%), where higher savings rates and stronger investment cycles reduce the consumption share of GDP. Singapore stands out as an extreme case, combining one of the highest per capita incomes with one of the lowest consumption shares globally (31.5%). The United States, however, remains a notable outlier, with high-income (US$85,000) and high-consumption (68.4%), where strong household spending continues to account for a large share of economic activity.

Figure 13: Comparison of per-capita income (nominal) vs. PFCE (% of GDP)
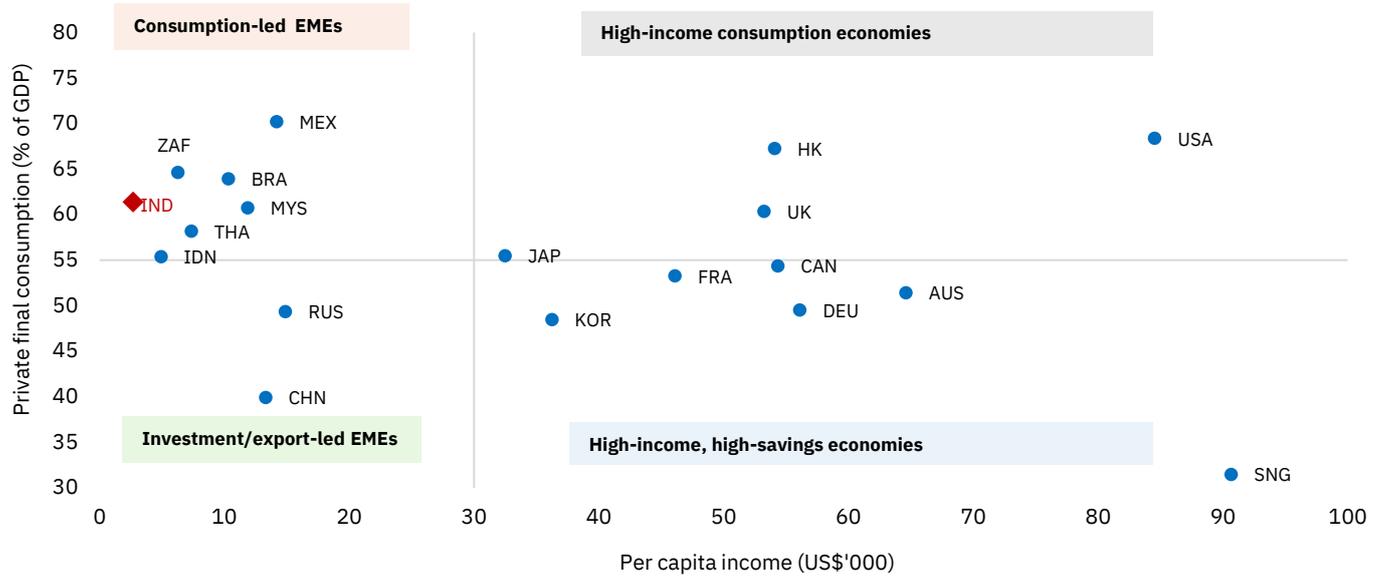
Source: World Bank, IMF, NSE EPR. Note: IND= India, JAP= Japan, USA= United States, MEX= Mexico, HK= Hong Kong, ZAF= South Africa, BRA= Brazil, MYS= Malaysia, UK= United Kingdom, THA= Thailand, IDN= Indonesia, CAN= Canada, FRA= France, AUS= Australia, DEU= Germany, RUS= Russia, KOR= South Korea, CHN= China and SNG= Singapore. Data for private final consumption (% of GDP) and per capita income corresponds to 2024. For UK, CAN, FRA, DEU, private final consumption (% of GDP) corresponds to 2023 and for US and JAP, private final consumption (% of GDP) corresponds to 2022. Consumption (% of GDP) is defined by World Bank as the expenditure on goods and services by the Household and NPISH sector. Data for per capita income corresponds to 2024.

What is driving India's consumption pattern?: While food and beverages continue to account for the largest share of household consumption (29.8% share in FY25 new base), the composition of spending has gradually evolved over time with a rising share of services (particularly, transport) and utilities such as electricity, water and gas. Between FY15-25, spending on essentials such as food and beverages moderated from 30.9% in FY15 (old base) to 29.8% in FY25 while spending on utilities increased from 15.8% to 16.7%. The share of furnishing & household equipment and health also increased substantially. Within services, transport expenditure has risen noticeably (from 13.8% to 17.4%) reflecting higher vehicle ownership, increased mobility and rising urbanisation. However, miscellaneous goods and services, a broad category that includes personal care, financial services, and insurance, has fallen from 13.5% to 9.9%.

The growing share of services-related consumption categories points to gradual changes in household spending patterns as incomes rise and consumption increasingly shifts toward discretionary and service-oriented expenditure.

Figure 14: Trends in sub-component wise share in private final consumption expenditure (PFCE)

% share in total

Legend: ■ FY15* ■ FY25#

Category	FY15*	FY25#
Food & beverages	30.9%	29.8%
Alcoholic beverages, tobacco & narcotics	2.6%	1.4%
Clothing & footwear	6.9%	6.0%
Utilities	15.8%	16.7%
Furnishings	3.2%	4.7%
Health	4.1%	5.3%
Transport	13.8%	17.4%
Communication	2.5%	1.7%
Recreation, sport and culture	0.9%	0.9%
Education	3.8%	3.9%
Restaurants & accommodation	2.0%	2.5%
Misc goods & svcs.	13.5%	9.9%

(Transport through Misc goods & svcs. bracketed as "Services")
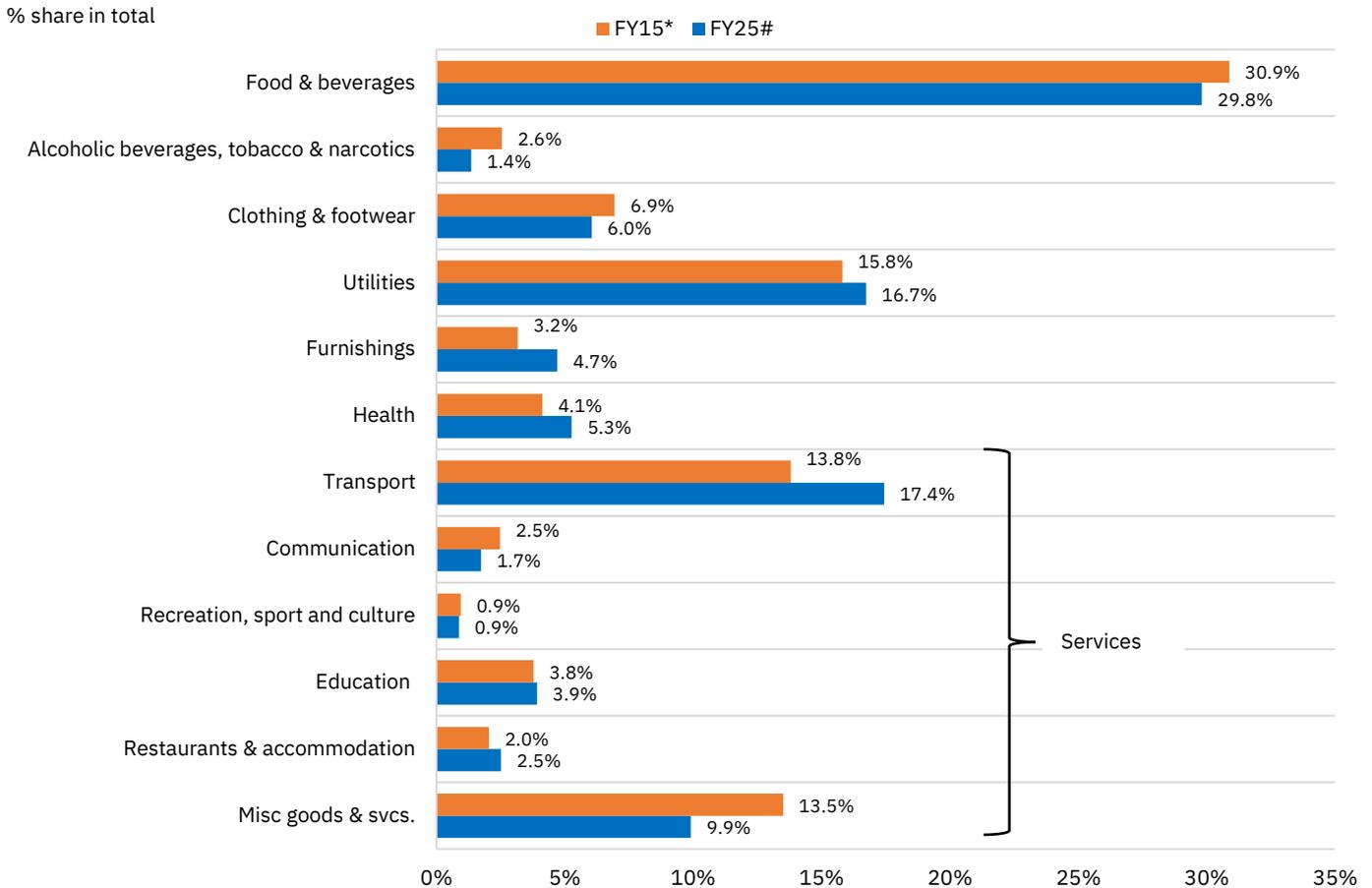
Source: CSO, CMIE Economic Outlook, NSE EPR. Note: *Data for FY15 corresponds to old base year 2011-12. #FY25 corresponds to new base year 2022-23.

Analysis of the GVA segment

GVA growth has been primarily led by services: On the supply side, growth continues to be predominantly services-led with its share accounting for an average of 52% of GVA between FY23-26, as per the revised base year 2022-23. The sectoral contribution further reinforces the dominant role of services in driving recent GVA growth. Between Q1FY24 to Q3FY26, the services sector has grown by an average of 7.8% YoY. Within services, segments such as financial services, real estate, trade, hotels and transport consistently led this growth. Within industry, manufacturing, with an average share of 15.5%, grew by an average of 11.4% YoY between Q1FY24 and Q3FY26 while construction activity has remained closely linked to the investment cycle and infrastructure spending. Agriculture, in contrast, contributed a smaller and more volatile share to growth given its dependence on seasonal factors and monsoon outcomes.

Figure 15: Trend in sectoral share of GVA (constant prices)
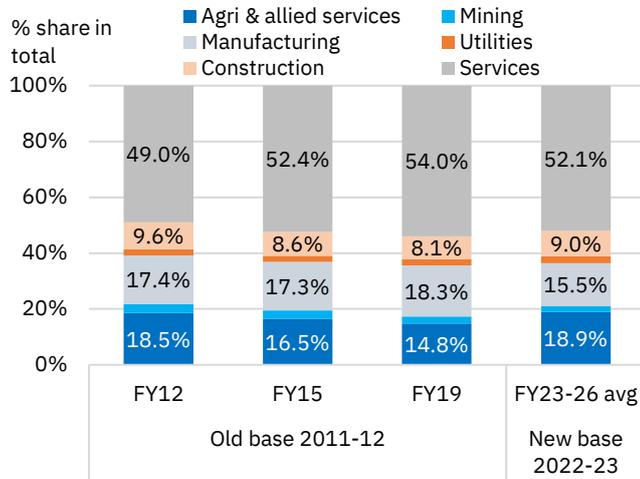
Figure 16: Sector-wise contribution in GVA (constant prices)
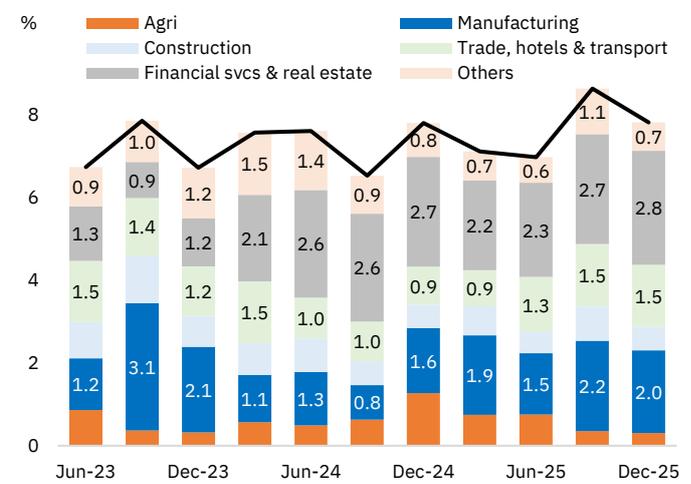
Source: CSO, CMIE Economic Outlook, NSE EPR. Note: Others include mining, utilities and Public administration, defence and other services

Shift within sectors reflects evolving composition of economic activity: Within agriculture and allied activities, crop production continued to account for the largest share, increasing from 59.1% to 61.6% under the revised series, while the shares of livestock, forestry and fishing have moderated slightly. In manufacturing, the composition remains diversified with machinery and equipment holding the highest share of close to 23% (apart from other manufactured goods: 40%). At the same time, the share of metal products and food & beverages processing has edged higher, while textiles and related industries have seen some moderation. The most notable compositional shift has been within the services sector, where the share of financial, real estate and professional services increased significantly to 49% from 41% (as per the old base) while trade, hotels, transport and communication has declined to 26.9%, relative to earlier years indicating that the shift in economic activity has been towards high value-added segments.

Figure 17: Sub-component wise shares in GVA (constant prices)
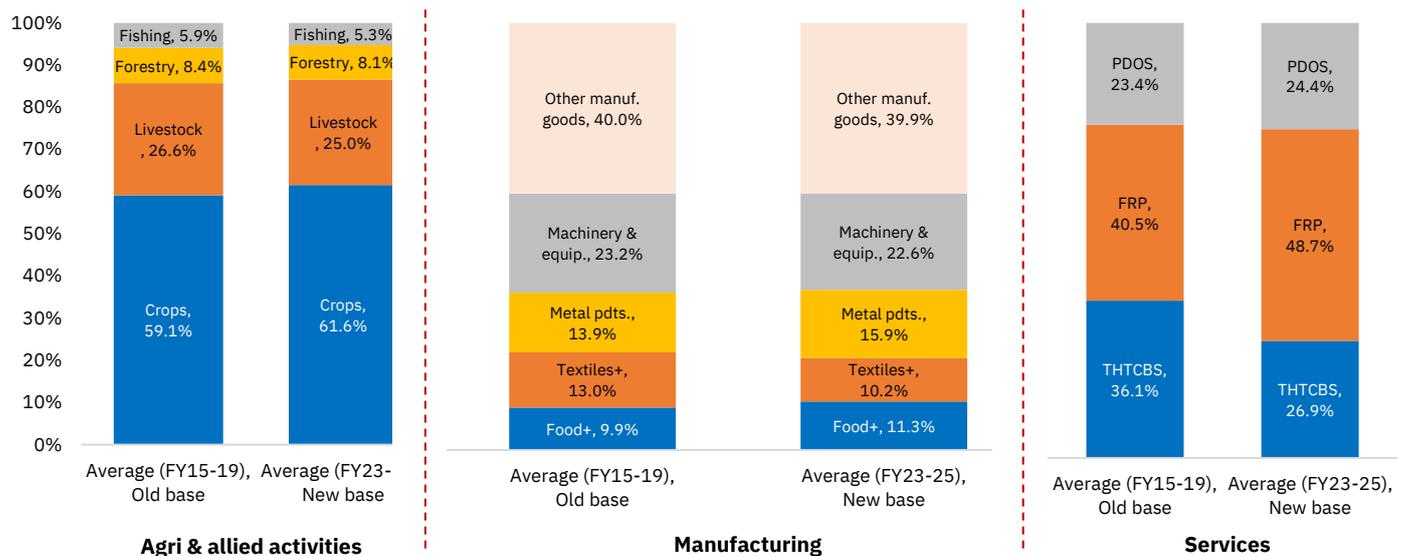
Source: CSO, CMIE Economic Outlook, NSE EPR. Note: Food+ includes Food, beverages & tobacco; Textiles+ includes textiles, apparels & leather products; THTCBS= Trade, hotels, transport, communication & broadcasting services; FRP= Financial services, real estate & professional services; PDOS= Public administration, defence & other services.

Per capita income and global comparison

India's per capita income revised lower in the new base at around Rs 2.4 lakh: India's per capita income has risen sharply from ~Rs 6,000 in FY90 to Rs 2.4 lakh crore in FY26 (new series), marking an increase of more than 40 times over the last three and a half decades. This translates into an average annual growth of ~11% during this period, underscoring the long-term expansion. This trajectory has however not been uniform across decades with the strongest growth of 13% observed in the decade from FY1990s-2000s with the latest decade recording an average growth of 8.6% (under the old series), primarily impacted by the pandemic. After contracting by 2.3% in FY21, there has been double-digit expansion observed in the next three fiscals (FY22-FY24 – old series), before moderating thereafter. In absolute terms, per-capita income has been slightly lower in the new series vis-à-vis the old series, however the growth estimate of 7.7% in FY26 has been marginally higher under the revised base.

Figure 18: Trends in India's per capita income
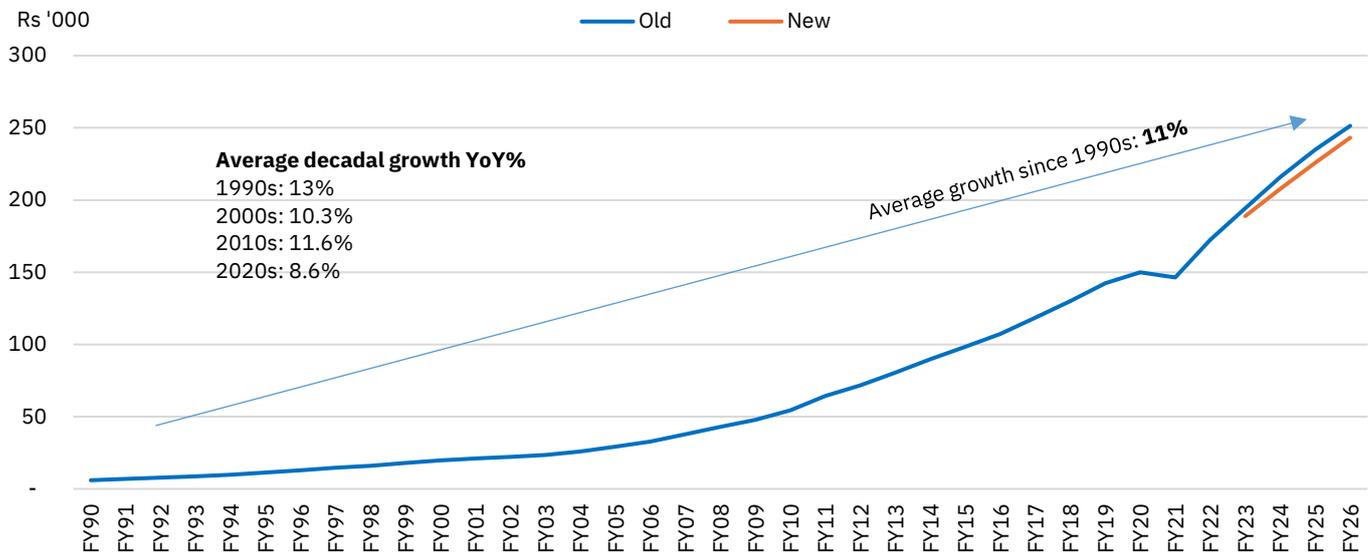
Source: CSO, CMIE Economic Outlook, NSE EPR. Notes: 1) The average decadal growth in the decade of 2020s is from FY20 to FY26 under the old base, for 2010s is from FY10 to FY19 and so on for the previous decadal periods

Strong growth for India but trails other Asian economies catch-up stories: In the cross-country comparison, India's per-capita income (in USD terms) rose by 6.6x in the last three decades to an average of around US$ 2,500 during 2020-2024. This is better than many advanced economies such as the US (avg: 2020-2024: ~US$ 78k; 2.7x), Australia (US$ 64k; 3.2x) Germany (US$ 53k; 2x), UK (US$ 49k; 2.2x), France (US$ 44k; 1.8x) where incomes were already high and growth naturally slower. However, it is still well below the pace seen in Asian peers such as China (US$ 13k; 22.8x), Indonesia (US$ 4.7k; 6x) and Vietnam (US$ 4.2k; 16.7x). South Korea, which had already moved to a much higher income base by the 1990s, still recorded a 3.5x increase to US$ 36k, while Malaysia (US$ 11.5k) and Thailand (US$7.1k) each saw around 3.2x expansion.

Figure 19: Comparison of average per-capita income (nominal) in the decade of 1990s vs 2020s for select countries
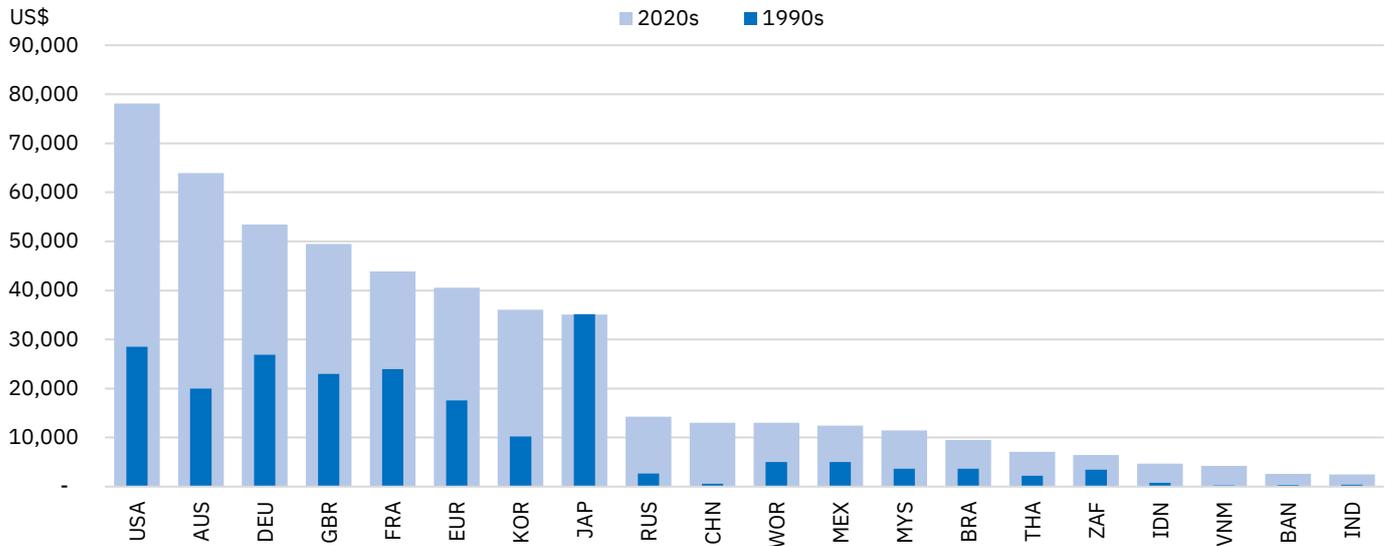
Source: IMF World Economic Outlook, NSE EPR. Notes: 1) Data for 2020s is the average per-capita income between 2021 and 2024 (latest available); The abnormal year of COVID (2020) has been purposely excluded from calculation. 2) The average per capita income in the 1990s decade is computed between 1990s and 1999 3) USA = United States of America, AUS= Australia, DEU= Germany, FRA = France, EUR= European Union, JAP = Japan, RUS = Russia, CHN= China. WOR= World, MEX= Mexico, MYS = Malaysia, BRA = Brazil, THA= Thailand, ZAF= South Africa, IDN= Indonesia, VNM= Vietnam, BAN= Bangladesh, IND= India

Convergence theory works partly in India's case: India's per-capita income at US$ 2,695 in 2024 remains well below both the world average of US$ 13,631 and most major economies, underscoring the still-large distance in terms of income levels. At the same time, India's average growth rate of 7.8% during 2000-2024 is relatively strong across countries. It is well above the pace seen in most advanced economies such as the US (3.7%), Germany (3.3%), UK (2.8%), France (2.9%) and Japan (-0.2%), which is expected given their much higher starting income levels and more mature economic structures. This suggests that India continues to retain the advantage of faster catch-up growth. This is typical of developing economies in the convergence phase. The pace is however slower than Asian economies like China (11.8%) and Vietnam (10.9%) but ahead of Malaysia (5.4%) and Thailand (5.5%). Overall, it can be seen that the convergence theory works partly and gradually in India's case.

Figure 20: Comparison of per-capita income and average growth for select countries
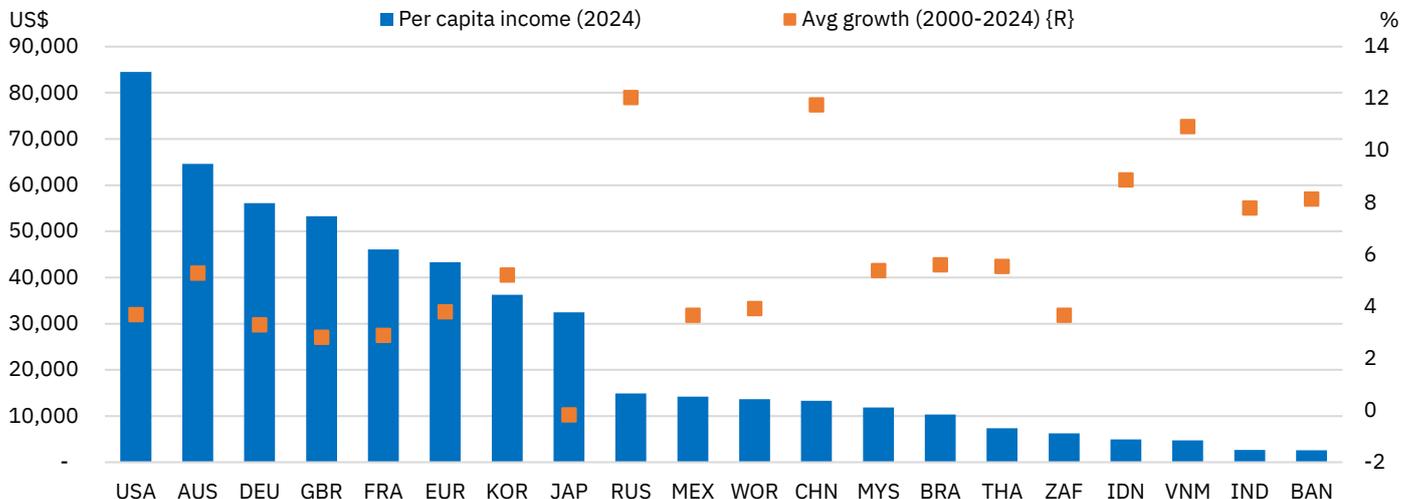
Source: IMF World Economic Outlook, NSE EPR. Notes: 1) USA = United States of America, AUS= Australia, DEU- Germany, FRA = France, EUR= European Union, Japan = Japan, RUS = Russia, CHN= China. WOR= World, MEX= Mexico, MYS = Malaysia, BRA = Brazil, THA= Thailand, ZAF= South Africa, IDN= Indonesia, VNM= Vietnam, BAN= Bangladesh, IND= India

Household savings

Gross savings revised higher in the new base: The revised GDP series suggests that India's savings performance is relatively better under the new base than what the old series had indicated in recent years. Gross savings (as a % of gross national disposable income - GNDI), which stood at 30.2% in FY23 and 30.3% in FY24 under the old base, is placed lower at 29.3% in FY23 but rose sharply thereafter to 32.3% in FY24 and 34.3% in FY25 under the new base. A similar interpretation can be made in case of the household savings ratio, which appears better in the revised series. Household savings as a % of GNDI stood at 18.3% in FY23 and 17.9% in FY24 under the old base, whereas the new series places it at 19.7% in FY23, 20.3% in FY24 and 21.3% in FY25. Within household savings, the rise has been mainly from physical savings rather than financial savings. Household physical savings rose sharply from an average of 11.8% during FY14-FY24 (old base) to 14.3% in FY25 (new base) while financial savings has modestly improved to 11.8% in FY25.

Figure 21: Trends in gross savings and household savings rate in India
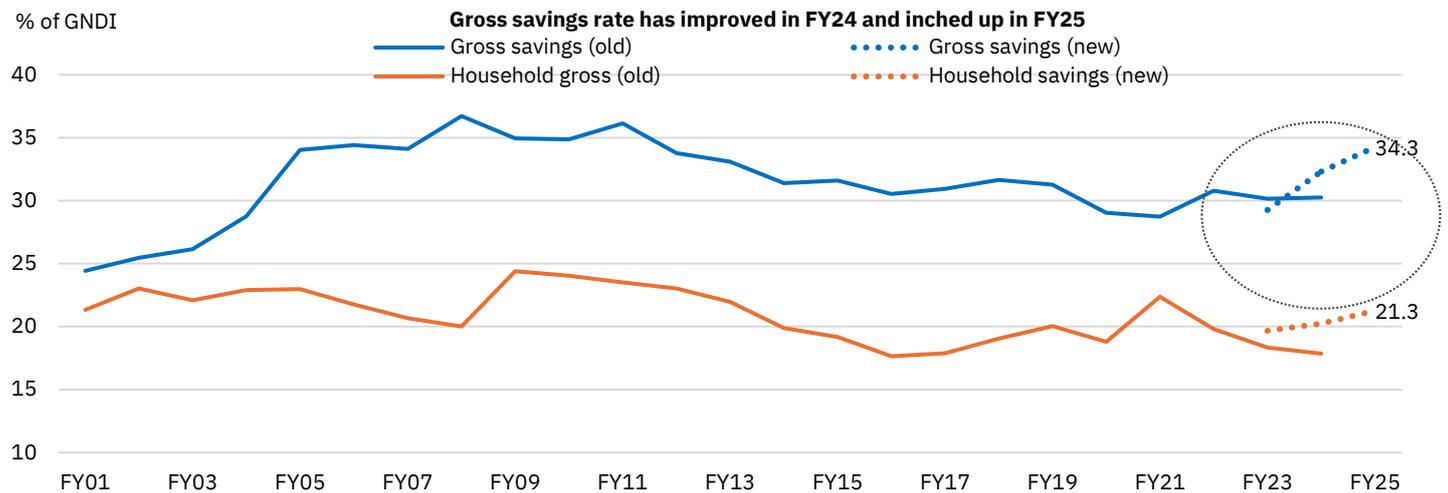
Source: CSO, CMIE Economic Outlook, NSE EPR. Notes: 1) Households considered here include non-profit institutions serving households 2) GNDI= Gross National Disposable Income

Figure 22: Comparison of latest savings rate vs. average decadal savings rate across institutions
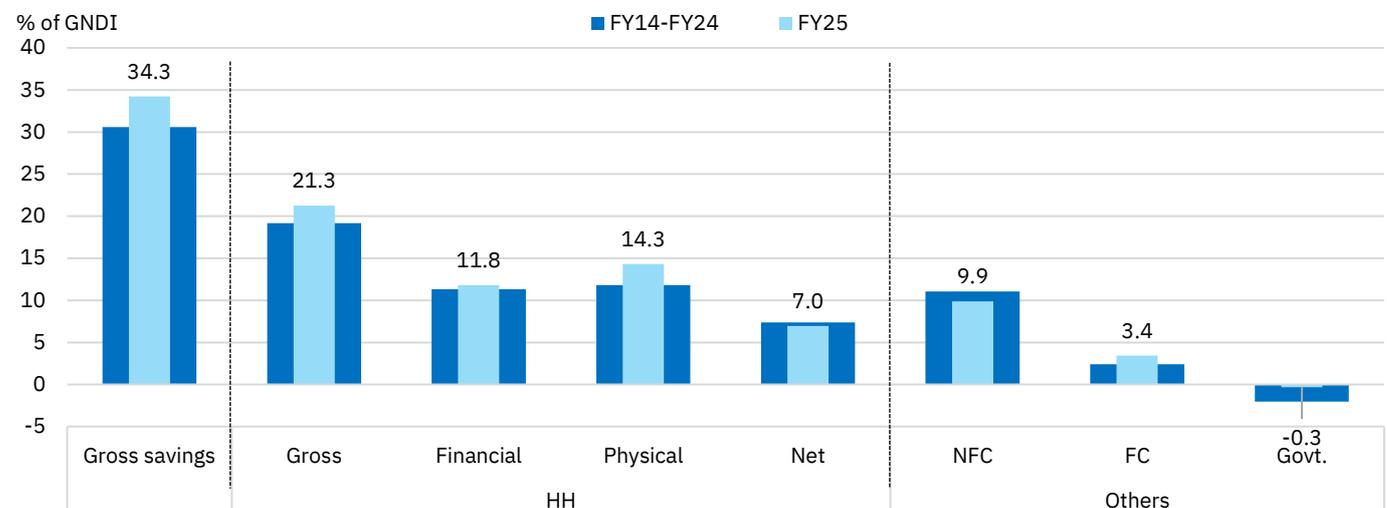
Source: CSO, CMIE Economic Outlook, NSE EPR. Notes: 1) Full form: GNDI= Gross National Disposable Income, NFC= Non-financial corporations, FC= Financial corporations 2) FY14-FY24 is the average rate based on the previous methodology used for GDP compilation, while FY25 is the latest savings rate across institutions based on new methodology

Figure 23: Component-wise break-up of gross savings across institutions
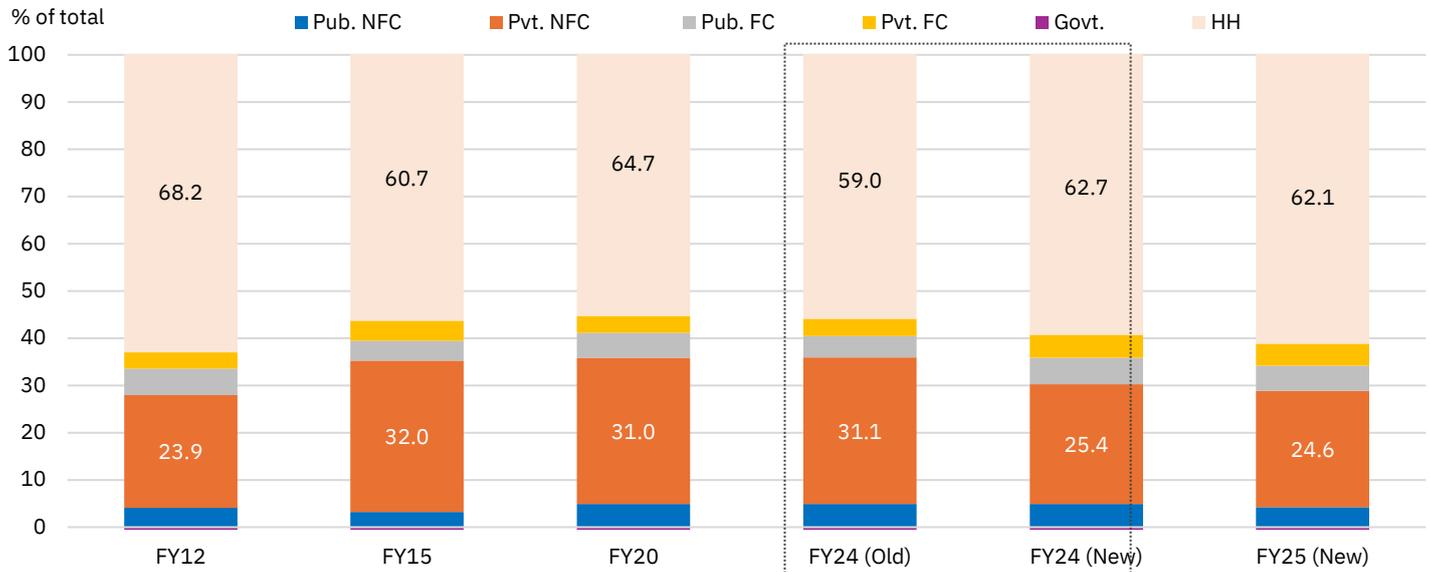
Source: CSO, CMIE Economic Outlook, NSE EPR. Notes: 1) Pub. NFC = Public Non-financial corporation; Pvt. NFC = Private Non-financial corporation Pub. FC = Public Financial corporation, Pvt. FC= Private Financial corporation, Govt. = General Government, HH= Household sector 2) Detailed breakup of household savings is not available prior to FY12 3) Break-up of savings across segments based on old and new series have been plotted above but are not comparable due to methodological differences.

Q3FY26 Earnings Review: A broad-based recovery

Nifty 50 net sales (ex-Tata Motors) rose 12.5% YoY in Q3 FY26—an 11-quarter high—with 6.8% QoQ growth, supported by festive demand, GST adjustments, robust credit offtake and stronger realisations in Materials and Energy. The broader Nifty 500 also delivered 11.1% YoY revenue growth, with mid- and small-caps posting double-digit expansion and improved breadth. Operating performance remained healthy, but margins faced pressure from higher input and wage costs. Nifty 50 non-financial EBITDA grew 11.3% YoY, slower than Q2, while Nifty 500 (ex-Nifty 50) EBITDA rose 16.5% YoY, led predominantly by Energy, with margins improving YoY despite sequential cost pressures. PAT growth strengthened across cohorts. Nifty 50 aggregate PAT increased 12.8% YoY and 10.6% QoQ, with Materials, Financials and Consumer Discretionary driving gains and margins edging up to 12.5%. Beyond the top 50, PAT rose 24.5% YoY, led by Energy and Financials, with mid- and small-caps delivering strong earnings performance—reflected in declining contribution of Nifty 50 to Nifty 500 earnings. For 9MFY26, Nifty 50 revenues grew 8.8% YoY to a three-year high, while Nifty 500 (ex-Nifty 50) revenues rose 7.4% YoY, indicating steady year-to-date momentum. Nifty 50 adjusted PAT rose 12.3% YoY with margins at a multi-year high of 12.6%. Beyond the top-50, PAT expanded 21.8% YoY, with margins rising to 8.9%, underscoring sustained profitability momentum.

Improved profitability in Q3FY26, amid strong credit offtake, higher realisations and firmer post-GST demand, has resulted in a stabilising earnings revision cycle. Consensus earnings forecasts (LSEG Workspace) for FY26 for the top 200 well-covered companies were marginally trimmed by 0.1% since end-December, while FY27 forecasts were upgraded by 0.7%, driven by Materials and Financials. As of February 27th, 2026, projected earnings growth stands at 12%/15.7% for FY26/27, with the implied FY25–27 CAGR rising to 13.9%, indicating a strengthening medium-term trajectory despite near-term sectoral pressures. Consistent with these trends, the Earnings Revision Indicator (ERI)—a measure that captures breadth instead of magnitude—has also slipped briefly into contraction zone, suggesting that downgrades again exceed upgrades—albeit less sharply than during the early part of 2025. Complementing this, our HHI-based concentration analysis across the Nifty 50, Nifty 500 and Nifty 500 ex-Nifty 50 universes indicates a nuanced shift in Q3: concentration moderated within the Nifty 50, pointing to a more even distribution of revenue and profit growth among large caps, while earnings concentration edged higher in the broader market, led by Energy and Financials. On balance, aggregate concentration for the Nifty 500 remained broadly stable, reflecting offsetting trends between the top 50 and the rest of the universe, even as medium-term trends continue to show structurally greater dispersion beyond the top 50. Looking ahead, the domestic macro backdrop remains supportive of earnings, though elevated geopolitical uncertainty, tariff risks and commodity volatility pose potential downside pressures.

- **Revenue growth accelerated to 11-quarter high in Q3FY26:** Net sales of Nifty 50 companies (ex-Tata Motors) rose 12.5% YoY/6.8% QoQ in Q3FY26 to Rs 18.7 lakh crore – the strongest growth in 11 quarters – driven by festive demand, GST reforms and improved realisations. Financials, Consumer Discretionary, Materials and Energy contributed nearly 79% of YoY and QoQ growth, though breadth remained strong with 48 of 49 companies posting YoY gains. For the broader Nifty 500 universe (ex-Nifty 50), revenue growth improved sharply to 10% YoY/4.5% QoQ, with mid- and small-caps outperforming large caps in terms of revenue growth rates. On a cumulative basis, nine-month revenue growth accelerated to 8.8% YoY for Nifty 50 universe – the highest in three years. However, growth for Nifty 500 (ex-Nifty 50) in 9MFY26 stood at 7.4% YoY – largely in line with last year—indicating that while Q3 saw a broad-based pickup, full-year momentum outside large caps remained steady.

- **EBITDA growth moderates amid cost pressures in Q3:** EBITDA for non-financial Nifty 50 companies (ex-Tata Motors) rose 11.3% YoY/5.5% QoQ in Q3FY26 to Rs 3.21 lakh crore, though growth moderated from the previous quarter amid rising input and wage costs. Consequently, operating margins edged lower YoY and

Nifty 50 and Nifty 500 companies reported YoY/QoQ increases of 12.5%/6.8% and 11.1%/5.5% respectively, driven by festive demand, credit offtake and higher realisations in Q3FY26.

sequentially, despite broad-based earnings growth (33 of 38 companies reported YoY gains). Materials and Consumer Discretionary were key outperformers in Q3, while margin pressures were visible across select sectors. For 9MFY26, EBITDA increased 13.4% YoY to Rs 9.4 lakh crore, with margins expanding to a nine-year high of 23.4%.

For the Nifty 500 (ex-Nifty 50, Financials) universe, EBITDA growth moderated to 16.5% YoY but remained above the Nifty 50 pace, aided largely by Energy, which accounted for nearly two-thirds of incremental earnings and drove margin expansion. Excluding Energy sector, growth was subdued. Margins improved YoY to 16.8%, though sequential pressures persisted. On a cumulative basis, 9MFY26 EBITDA for the broader market rose 18.3% YoY, with margins at a four-year high, although large caps in the Nifty 50 cohort continued to demonstrate superior profitability.

EBITDA growth for Nifty 500 (ex-Nifty 50) universe (16.5% YoY) outpaced EBITDA growth for Nifty 50 (11.3% YoY), with margins came under pressure due to rising input and wage costs.

- **PAT growth rebounds in Q3FY26 on festive demand:** Net profit for Nifty 50 companies (ex-Tata Motors) rose 12.8% YoY/10.6% QoQ in Q3FY26 to Rs 2.33 lakh crore, rebounding from sub-10% YoY growth in Q2 and supported by strong revenue expansion. Cost pressures from higher input costs (+13.6% YoY), wages (+10.3% YoY), and interest expenses (+2.6% YoY) partly tempered gains. However, PAT margins edged up slightly to 12.5%, expanding 3 bps YoY and 43 bps sequentially. Materials led profitability growth, contributing nearly one-third of the YoY expansion. However, adjusted PAT for Nifty 500 companies (ex-Nifty 50) increased 24.5% YoY to Rs 2.18 lakh crore in Q3FY26, moderating from 30.7% YoY in Q2, led by Energy and Financials.

Profitability improved for Nifty 50 in Q3FY26 on festive demands but moderated for the broader market as cost pressures weighed the segment.

    Within this segment, Nifty Next 50 contributed 48% of the PAT expansion, with median growth of 13% YoY, while Nifty Midcap 150 and Smallcap 250 together accounted for 52%, posting median growth of 19.1% and 21.8%, respectively. For 9MFY26, aggregate PAT for the Nifty 50 and the broader market (ex-Nifty 50) rose 12.3% YoY and 21.8% YoY respectively, with margins improving to 12.6% (+39bps YoY) and 8.9% (+160 bps YoY), indicating better cost management among large-cap companies within this cohort despite slower PAT growth.

- **Revenue and earnings concentration trends reflect improving dispersion within the Nifty 50 in Q3:** Revenue concentration in the Nifty 50 fell to a five-quarter low of 473 in Q3FY26, pointing to a wider distribution of sales growth, while concentration in the Nifty 500 (ex-Nifty 50) inched up to 261 from 257, reflecting gains driven by a narrower set of companies. EBITDA concentration mirrored these trends: Nifty 50 non-financial firms saw a sequential decline in EBITDA-HHI to 152 (down from 157 in Q2), whereas Nifty 500 (ex-Nifty 50) rose to 30 (from 25), driven largely by Energy sector profits, though overall EBITDA remained less concentrated than revenue. PAT concentration broadly tracked revenue and EBITDA patterns: Nifty 50 PAT-HHI eased to 472 (from 500 in Sep'25), signalling more evenly distributed bottom-line growth, while Nifty 500 (ex-Nifty 50) edged higher to 143 (from 119). Sector-wise, revenue growth was more distributed in Consumer Discretionary, Financials, and Energy compared to previous quarter, resulting in easing concentration; PAT trends diverged, with profits concentrated in Financials but more widely distributed in Energy compared to Q2.

- **Consensus FY27 aggregate PAT estimates upgraded further…:** Aggregate profitability in the Nifty 500 strengthened in Q3 FY26, led by credit growth, improved commodity realisations and festive demand, with mid-caps driving the recovery. This is reflected in the Nifty 50 share in total profits that declined from 54% in FY25 to ~51% in Q3FY26, indicating broader earnings participation. FY26 earnings estimates were marginally trimmed (−0.1% since December), though growth remains at 12%, with downgrades concentrated in Consumer Discretionary and IT. Financials, Energy and Materials accounted for 64% of FY26 earnings and saw upgrades. FY27 estimates were revised upward by 0.7%, lifting expected growth to 15.7%, led by Materials and Financials. The implied FY25–27 annualised profit growth improved to 13.9%, pointing to a strengthening medium-term trajectory despite near-term sectoral headwinds.

- **ERI moved into contraction zone:** After remaining firmly in negative territory through much of last year and into June 2025, the ERI has improved gradually, though it has softened again in recent months. Following a brief return to positive readings, the indicator slipped back into contraction territory this year, suggesting that downgrades once again exceed upgrades—albeit less sharply than during the early part of last year. The partial recovery over the past six months is consistent with the broader stabilisation in earnings revisions. However, elevated geopolitical tensions, along with domestic and external demand headwinds, continue to weigh on the durability of sustained earnings upcycle.

Aggregate earnings growth of top 200 companies is pegged at 12.0% and 15.7% in FY26 and FY27 respectively, implying an earnings CAGR of 13.9% during FY25-27.

Nifty 50 Q3FY26 results

Topline growth for the NIFTY 50 accelerated to an 11-quarter high in Q3FY26: Net sales of Nifty 50 companies (excluding Tata Motors) increased 12.5% YoY in Q3 FY26 to Rs 18.7 lakh crore, marking a return to double-digit growth and the strongest expansion in 11 quarters. Sequentially, revenues rose 6.8% QoQ, reversing two quarters of subdued performance and signalling a firming demand environment during the festive period. The recovery was underpinned by GST-related adjustments, steady credit expansion and improved realisations for commodity-linked sectors. On a cumulative basis, nine-month revenue growth accelerated to a three-year high of 8.8% YoY, with aggregate net sales rising to Rs 53.6 lakh crore from Rs 49.2 lakh crore in the corresponding period last year. The strong Q3 outturn has therefore materially reinforced the overall revenue trajectory for FY26 to date.

Sectorally, the YoY revenue expansion in Q3 was driven by four major sectors:

1. **Financials:** The sector delivered its strongest growth in five quarters, with revenues (including gross interest income) rising 15.6% YoY, supported by steady credit demand, treasury gains and a favourable base. Financials accounted for 30% of the YoY increase in Nifty 50 net sales. Sequentially, revenues grew 9.2% QoQ, contributing 33% to overall QoQ growth.

2. **Consumer Discretionary (excluding Tata Motors):** The sector recorded its strongest YoY growth in 14 quarters and its highest sequential growth in 17 quarters, driven by robust festive demand. It emerged as the second-largest contributor to revenue growth within the Nifty 50 (ex-Tata Motors).

3. **Materials:** Revenues posted their strongest expansion in 14 quarters, led by improved realisations across metals and cement. The sector accounted for 19% of the YoY growth and 6% of the QoQ increase in Q3 net revenues.

4. **Energy:** After a strong Q2FY26, the sector sustained momentum in Q3, with revenues rising 5.7% YoY and 5.5% QoQ. It contributed 12% to annual growth and 21% to sequential growth, largely reflecting robust performance by Reliance Industries.

Collectively, these four sectors account for ~72% of Nifty 50 revenues but contributed ~79% of both YoY and QoQ revenue growth in Q3 FY26, underscoring the concentration of the recovery within a narrow but systemically important set of sectors.

Industrials recorded their strongest YoY growth in five quarters and the highest sequential expansion in three quarters, supported by improving demand for capital goods, a nascent pick-up in private capex across select sectors, and continued—albeit lower—government capital expenditure relative to the previous quarter.

Consumer Staples rebounded meaningfully in Q3 following a subdued Q2, aided by festive-led demand recovery. The Information Technology sector also registered improved growth, driven by higher AI-linked revenues, stronger deal volumes and favourable currency movements. In contrast, Communication Services and Healthcare were the only two sectors to witness a dip in growth compared with the previous quarter.

Overall, the recovery remained broad-based. Excluding Tata Motors, 48 of 49 companies reported YoY revenue growth, with a median expansion of 11.1% YoY, while 43 companies delivered sequential gains—underscoring the breadth of the Q3 improvement.

Table 9: Sector-wise net sales growth of Nifty 50 companies

Sector	QoQ growth			YoY growth			9MFY26	
	Dec-24	Sep-25	Dec-25	Dec-24	Sep-25	Dec-25	(Rs lakh crore)	Growth (%)
Communication Services	8.8	5.4	3.5	19.1	25.7	19.6	1.56	24.4
Consumer Discretionary	10.1	(6.6)	9.7	10.7	0.8	0.5	6.96	2.9
Consumer Staples	(4.7)	(3.2)	2.0	4.4	0.8	7.8	1.42	6.3
Energy	5.1	0.0	5.5	3.5	5.3	5.7	13.53	4.3
Financials	(5.8)	(4.4)	9.2	2.5	(0.3)	15.6	13.42	7.9
Health Care	2.4	5.6	1.4	12.7	10.3	9.2	1.16	10.0
Industrials	9.4	2.5	11.3	8.2	8.8	10.7	3.79	9.1
Information Technology	0.9	4.3	3.1	4.9	5.4	7.7	5.35	5.7
Materials	2.4	3.1	2.8	2.9	13.8	14.3	7.13	11.7
Utilities	0.6	(3.4)	3.5	3.5	0.5	3.5	1.73	0.6
Nifty 50	**2.2**	**(0.9)**	**6.4**	**5.1**	**4.9**	**9.2**	**56.04**	**6.8**
Nifty 50 ex-Energy	**1.3**	**(1.2)**	**6.6**	**5.7**	**4.8**	**10.4**	**42.51**	**7.7**
Nifty 50 ex-Financials	**4.8**	**0.2**	**5.5**	**5.9**	**6.6**	**7.4**	**42.62**	**6.5**
Nifty 50 ex-energy ex-fin	**4.7**	**0.3**	**5.5**	**7.1**	**7.3**	**8.2**	**29.09**	**7.6**
Nifty 50 ex-Tata Motors	**1.6**	**0.9**	**6.8**	**5.3**	**7.0**	**12.5**	**53.57**	**8.8**

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above table provides data for companies in the Nifty 50 index as on December 31st, 2025.

Figure 24: Sector-wise net sales YoY growth of Nifty 50 companies in Q3FY26
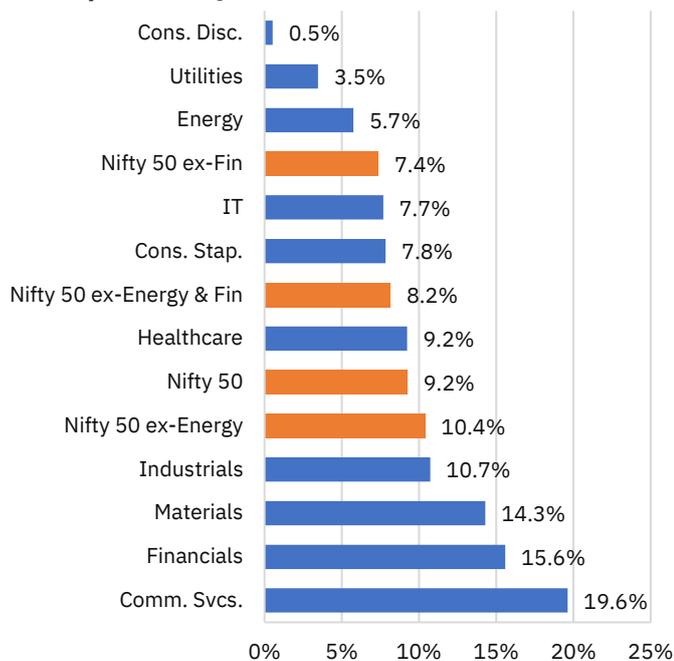
Figure 25: Sector-wise net sales YoY growth of Nifty 50 companies in 9MFY26
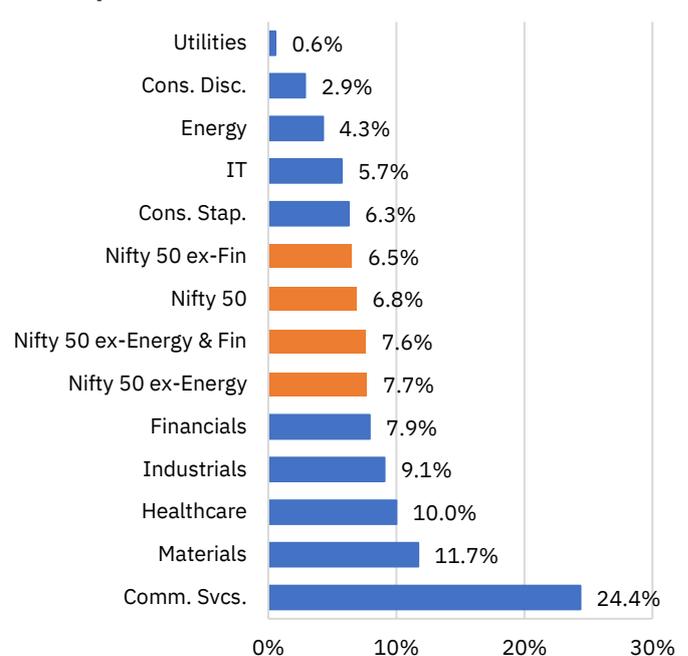
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 50 index as on December 31st, 2025.

Table 10: Sector-wise contribution of Nifty 50 companies to net sales growth rate in Q3FY26

Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	53,982	0.1	0.5
Consumer Discretionary	2,40,987	1.2	0.1
Consumer Staples	47,267	0.1	0.2
Energy	4,67,252	1.3	1.4
Financials	4,66,933	2.2	3.5
Healthcare	39,893	0.0	0.2
Industrials	1,36,600	0.8	0.7
Information Technology	1,84,387	0.3	0.7
Materials	2,44,523	0.4	1.7
Utilities	58,241	0.1	0.1
Nifty 50	**19,40,065**	**6.4**	**9.2**
Nifty 50 ex-Energy	**14,72,813**	**7.3**	**7.8**
Nifty 50 ex-Financials	**14,73,131**	**6.1**	**5.7**
Nifty 50 ex-Energy ex-Financials	**10,05,879**	**4.2**	**4.3**
Nifty 50 ex-Tata Motors	**18,69,957**	**9.4**	**11.7**

Source: CMIE Prowess, LSEG workspace, NSE EPR
Note: 1. The above table provides data for companies in the Nifty 50 index as on December 31st, 2025.

Figure 26: Sector-wise share in net sales of Nifty 50 companies in Q3FY26
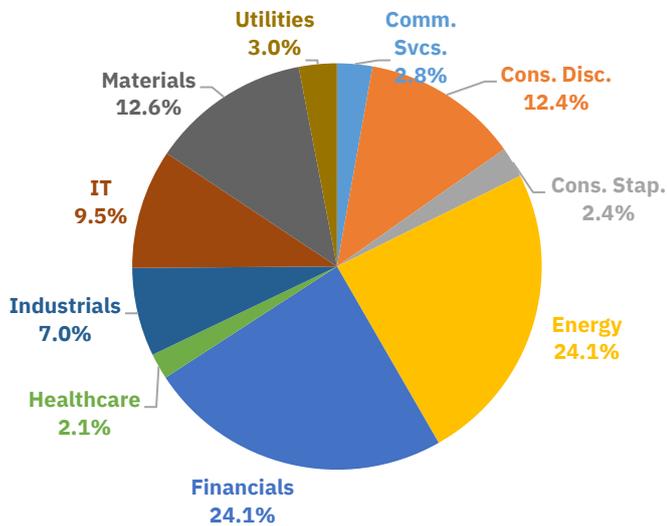
Figure 27: Sector-wise share in net sales of Nifty 50 companies in 9MFY26
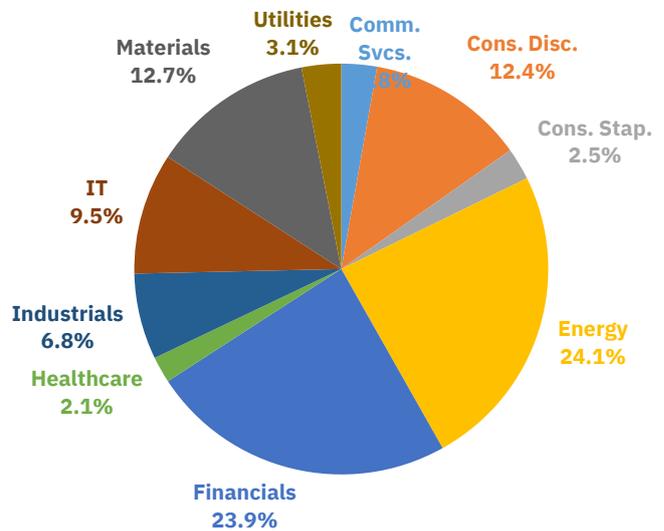
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on December 31st, 2025.

Figure 28: Quarterly trend of Nifty 50 revenue growth (YoY)

Net sales growth trend for Nifty 50 companies across quarters
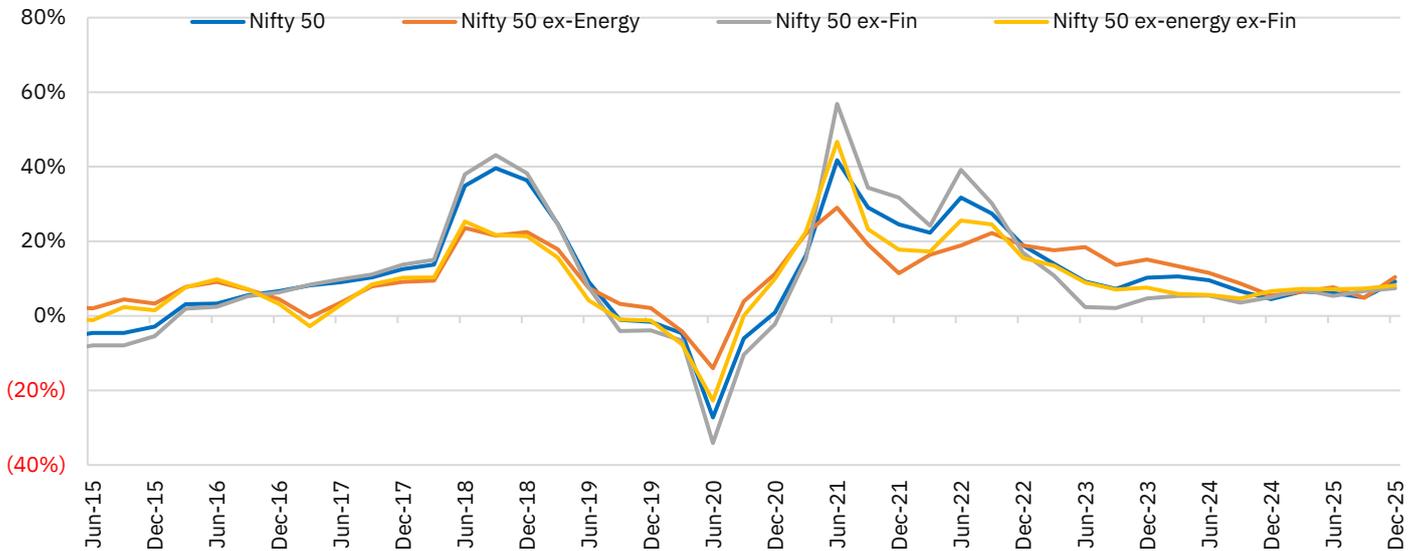
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

Figure 29: Nine-month revenue growth trend for Nifty 50 over 11 Years (YoY)

Net sales growth trend for Nifty 50 companies in last 11 years
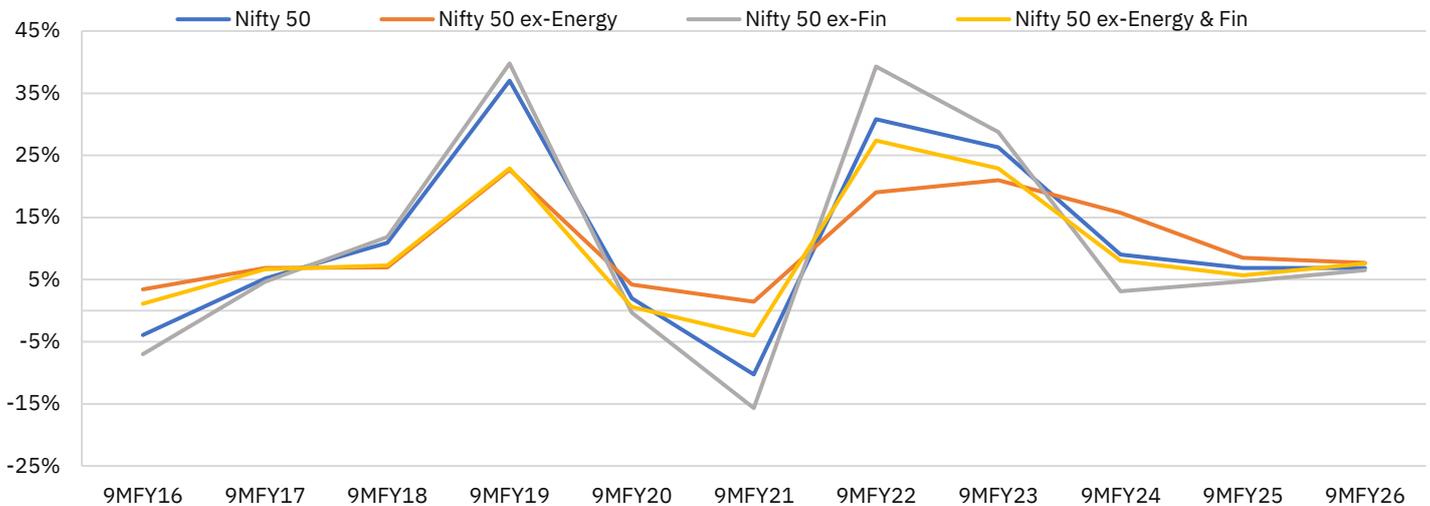
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 50 index as at the end of December 31st of the respective fiscal years.
2. YoY growth is calculated based on interim financial data.

Nifty 50 companies' EBITDA growth rate and margins moderated further in Q3FY26:
EBITDA for non-financial Nifty 50 companies (ex-Tata Motors) increased 11.3% YoY to Rs 3.21 lakh crore in the December quarter, slower than the 13.7% growth in Q2 and 15.7% in Q1 FY26, signalling a gradual easing in earnings momentum. Operating margins also edged lower, declining by 5 bps YoY and 11 bps QoQ to 22.9%. On a QoQ basis, EBITDA grew 5.5%, reversing the 2.9% contraction in Q2, aided partly by a favourable base.

Elevated commodity prices weighed on profitability: raw material expenses grew 13.6% YoY, outpacing net sales growth of 11.5% YoY, which led to margin compression during the quarter. In addition, salaries and wages rose 11% YoY and 3.6% QoQ, driven by the

implementation of new Labour Codes in November 2025. As a result, overall operating costs climbed 12.1% YoY and 3.4% QoQ in Q3, contributing to the margin compression.

Despite these pressures, EBITDA growth remained broad-based. Of the 38 non-financial Nifty 50 companies, 33 posted YoY EBITDA growth (versus 34 in Q2), and 28 also recorded sequential improvements. For the first nine months of the current fiscal year, EBITDA growth accelerated to 13.4% YoY, reaching Rs 9.4 lakh crore, compared with a modest 3% growth in the corresponding period last year. Margins for the nine-month period expanded to a nine-year high of 23.4%, up 88 basis points YoY.

Among sectors, Materials emerged as a clear outperformer, delivering a 17-quarter high EBITDA growth of 31% YoY in Q3FY26, accelerating from 24.7% YoY in the previous quarter. The improvement, driven by better realisations and operating leverage, lifted margins by 209 bps YoY to 16.4%. Consumer Discretionary (excluding Tata Motors) delivered a six-quarter high EBITDA growth of 23.5% YoY and 14.8% QoQ, supported by festive demand. However, elevated raw material costs (+43.7% YoY) and wage growth (+25.7% YoY) led to margin compression of 161 bps YoY and 18 bps QoQ, bringing margins to a 12-quarter low of 16.7%.

Communication Services reported EBITDA growth of 18.2% YoY and 4.1% QoQ, contributing 15% to annual and 7% to sequential Nifty 50 EBITDA growth. Expansion in subscriber base and improvement in average revenue per user supported revenues, though margins declined 68 bps YoY, indicating that cost pressures partly offset operating gains.

Figure 30: Change in expenses for Nifty 50 companies in Q3FY26
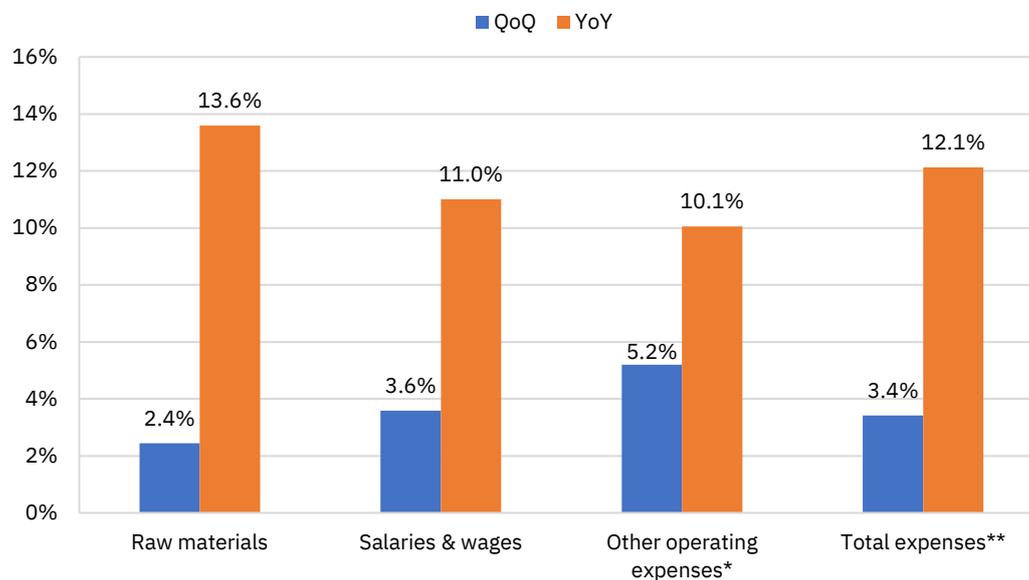
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. *Other operating expenses include selling, general & administrative expenses, rental expenses, and other operating costs.
2. ** Total expenses exclude interest expenses and depreciation. 3. The above chart provides data for companies in the Nifty 50 index as on December 31st, 2025 and excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Table 11: Sector-wise EBITDA growth of Nifty 50 companies

Sector	QoQ growth			YoY growth			9MFY26	
	Dec-24	Sep-25	Dec-25	Dec-24	Sep-25	Dec-25	(Rs lakh crore)	Growth (%)
Communication Services	15.3	6.8	4.1	27.5	31.0	18.2	0.90	27.5
Consumer Discretionary	7.7	(33.1)	26.8	3.8	(30.5)	(18.2)	0.92	-17.6
Consumer Staples	(4.9)	(0.3)	1.6	(1.7)	(0.6)	6.2	0.40	1.7
Energy	13.0	(11.2)	2.8	8.0	13.0	2.8	2.82	11.6
Financials	0.6	(3.8)	2.5	14.4	4.6	6.7	9.75	8.3
Health Care	4.3	4.1	(2.5)	18.4	9.4	2.3	0.33	7.9
Industrials	22.7	(4.3)	18.3	18.4	16.8	12.7	0.85	14.1
Information Technology	5.4	3.4	3.7	8.8	8.1	6.4	1.35	6.4
Materials	(2.8)	(1.6)	2.1	(7.4)	24.7	31.0	1.19	25.6
Utilities	(3.5)	(0.3)	8.1	(0.2)	0.1	12.1	0.78	5.3
Nifty 50	**4.0**	**(5.2)**	**4.4**	**10.8**	**6.3**	**6.7**	**19.29**	**8.7**
Nifty 50 ex-Energy	**2.6**	**(4.1)**	**4.7**	**11.2**	**5.2**	**7.3**	**16.47**	**8.2**
Nifty 50 ex-Financials	**7.8**	**(6.6)**	**6.4**	**7.3**	**8.0**	**6.7**	**9.54**	**9.0**
Nifty 50 ex-energy ex-fin	**5.7**	**(4.5)**	**8.0**	**7.0**	**6.1**	**8.3**	**6.72**	**8.0**
Nifty 50 ex-Fin & Tata Motors	**7.8**	**(2.9)**	**5.5**	**8.6**	**13.7**	**11.3**	**9.40**	**13.4**

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above table provides data for companies in the Nifty 50 index as on December 31st, 2025.

Table 12: Sector-wise EBITDA margin of Nifty 50 companies in Q3FY26

Sector	EBITDA Margin	QoQ change (bps)	YoY change (bps)
Communication Services	58.5	30	(68)
Consumer Discretionary	12.8	173	(294)
Consumer Staples	28.3	(11)	(43)
Energy	19.6	(53)	(57)
Financials	69.9	(453)	(585)
Health Care	27.3	(110)	(185)
Industrials	22.7	136	39
Information Technology	25.3	17	(31)
Materials	16.4	(11)	209
Utilities	47.0	201	363
Nifty 50	**33.5**	**(63)**	**(81)**
Nifty 50 ex-Energy	**37.9**	**(70)**	**(109)**
Nifty 50 ex-Financials	**22.0**	**19**	**(15)**
Nifty 50 ex-energy ex-fin	**23.1**	**52**	**3**
Nifty 50 ex-Fin & Tata Motors	**22.9**	**(11)**	**(5)**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 50 index as on December 31st, 2025.

Table 13: Sector-wise EBITDA margin of Nifty 50 companies in 9MFY26

Sector	EBITDA Margin	YoY change (bps)
Communication Services	58.1	145
Consumer Discretionary	13.2	(328)
Consumer Staples	28.1	(128)
Energy	20.8	137
Financials	72.7	24
Health Care	28.1	(55)
Industrials	22.4	99
Information Technology	25.3	15
Materials	16.7	184
Utilities	45.2	201
Nifty 50	**34.4**	**57**
Nifty 50 ex-Energy	**38.7**	**17**
Nifty 50 ex-Financials	**22.4**	**52**
Nifty 50 ex-energy ex-fin	**23.1**	**9**
Nifty 50 ex-Fin & Tata Motors	**23.4**	**88**

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above table provides data for companies in the Nifty 50 index as on December 31st, 2025.

2. YoY change is calculated based on interim financial data.

Figure 31: Sector-wise EBITDA growth of Nifty 50 companies in Q3FY26

Sector	Value
Cons. Disc.	(18.2%)
Healthcare	2.3%
Energy	2.8%
Cons. Stap.	6.2%
IT	6.4%
Nifty 50 ex-Fin	6.7%
Nifty 50	6.7%
Financials	6.7%
Nifty 50 ex-Energy	7.3%
Nifty 50 ex-Energy & Fin	8.3%
Utilities	12.1%
Industrials	12.7%
Comm. Svcs.	18.2%
Materials	31.0%

Figure 32: Sector-wise EBITDA growth of Nifty 50 companies in 9MFY26

Sector	Value
Cons. Disc.	(17.6%)
Cons. Stap.	1.7%
Utilities	5.3%
IT	6.4%
Healthcare	7.9%
Nifty 50 ex-Energy & Fin	8.0%
Nifty 50 ex-Energy	8.2%
Financials	8.3%
Nifty 50	8.7%
Nifty 50 ex-Fin	9.0%
Energy	11.6%
Industrials	14.1%
Materials	25.6%
Comm. Svcs.	27.5%

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 50 index as on December 31st, 2025.

2. YoY growth for 9MFY26 is calculated based on interim financial data.

Figure 33: Sector-wise EBITDA margin of Nifty 50 companies in Q3FY26

Sector	Value
Cons. Disc.	12.8%
Materials	16.4%
Energy	19.6%
Nifty 50 ex-Fin	22.0%
Industrials	22.7%
Nifty 50 ex-Energy & Fin	23.1%
IT	25.3%
Healthcare	27.3%
Cons. Stap.	28.3%
Nifty 50	33.5%
Nifty 50 ex-Energy	37.9%
Utilities	47.0%
Comm. Svcs.	58.5%
Financials	69.9%

Figure 34: Sector-wise EBITDA margin of Nifty 50 companies in 9MFY26

Sector	Value
Cons. Disc.	13.2%
Materials	16.7%
Energy	20.8%
Industrials	22.4%
Nifty 50 ex-Fin	22.4%
Nifty 50 ex-Energy & Fin	23.1%
IT	25.3%
Cons. Stap.	28.1%
Healthcare	28.1%
Nifty 50	34.4%
Nifty 50 ex-Energy	38.7%
Utilities	45.2%
Comm. Svcs.	58.1%
Financials	72.7%

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 50 index as on December 31st, 2025.
2. EBITDA margins for 9MFY26 are calculated based on interim financial data.

Table 14: Sector-wise contribution of Nifty 50 companies (ex-Financials) to EBITDA growth rate in Q3FY26

| Sector | EBITDA (Rs crore) | Contribution to EBITDA growth | |
		% QoQ	% YoY
Communication Services	31,601	0.4	1.6
Consumer Discretionary	30,957	2.1	(2.3)
Consumer Staples	13,374	0.1	0.3
Energy	91,807	0.8	0.8
Health Care	10,888	(0.1)	0.1
Industrials	31,057	1.6	1.2
Information Technology	46,700	0.6	0.9
Materials	40,061	0.3	3.1
Utilities	27,377	0.7	1.0
Nifty 50 ex-Financials	**3,23,822**	**6.4**	**6.7**
Nifty 50 ex-energy ex-fin	**2,32,015**	**3.9**	**5.8**
Nifty 50 ex-Fin ex-Tata Motors	**3,21,325**	**3.8**	**10.7**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 50 index as on December 31st, 2025.

Figure 35: Sector-wise share in EBITDA of Nifty 50 companies (ex-Financials) in Q2FY26

Utilities 8.5%
Comm. Svcs. 9.8%
Cons. Disc. 9.6%
Materials 12.4%
Cons. Stap. 4.1%
IT 14.4%
Energy 28.4%
Industrials 9.6%
Healthcare 3.4%

Figure 36: Sector-wise share in EBITDA of Nifty 50 companies (ex-Financials) in 9MFY26

Utilities 8.2%
Comm. Svcs. 9.5%
Cons. Disc. 9.6%
Materials 12.5%
Cons. Stap. 4.2%
IT 14.2%
Energy 29.5%
Industrials 8.9%
Healthcare 3.4%

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on December 31st, 2025.

Figure 37: Quarterly trend of Nifty 50 EBITDA growth (YoY)

EBITDA growth trend for Nifty 50 companies across quarters

Nifty 50 — Nifty 50 ex-Energy — Nifty 50 ex-Fin — Nifty 50 ex-energy ex-Fin

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

Figure 38: Nine-month EBITDA growth trend for Nifty 50 over 10 Years (YoY)
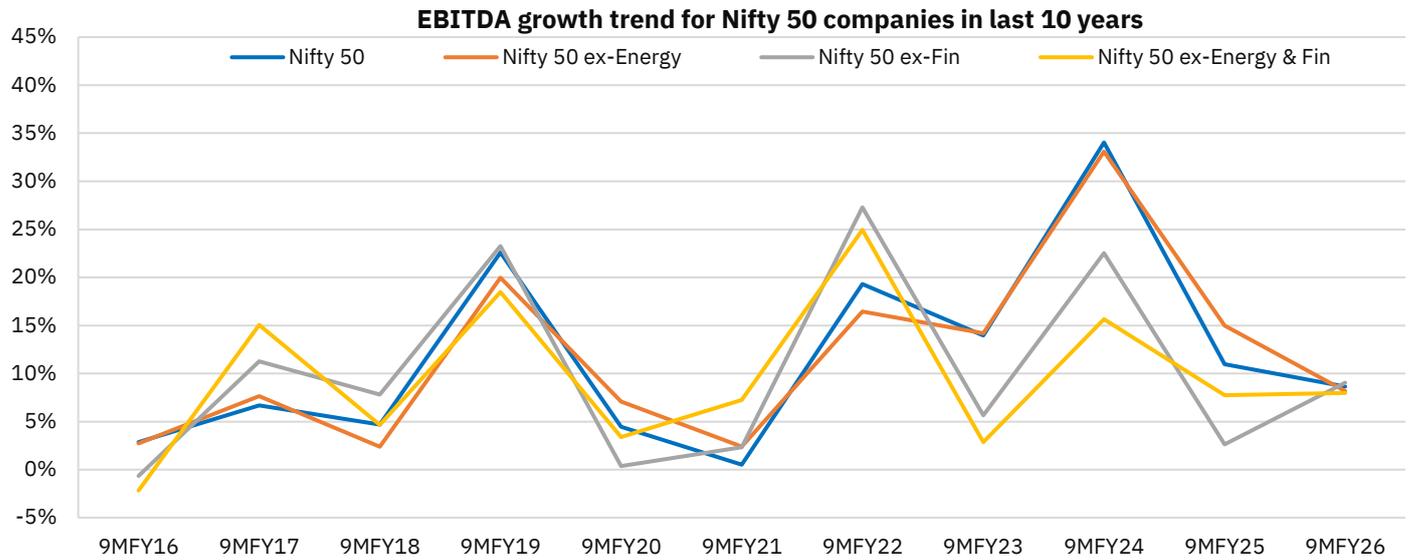
EBITDA growth trend for Nifty 50 companies in last 10 years

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 50 index as at the end of December 31st of the respective fiscal years.
2. YoY growth is calculated based on interim financial data.

Figure 39: Quarterly EBITDA margin trend of Nifty 50 companies
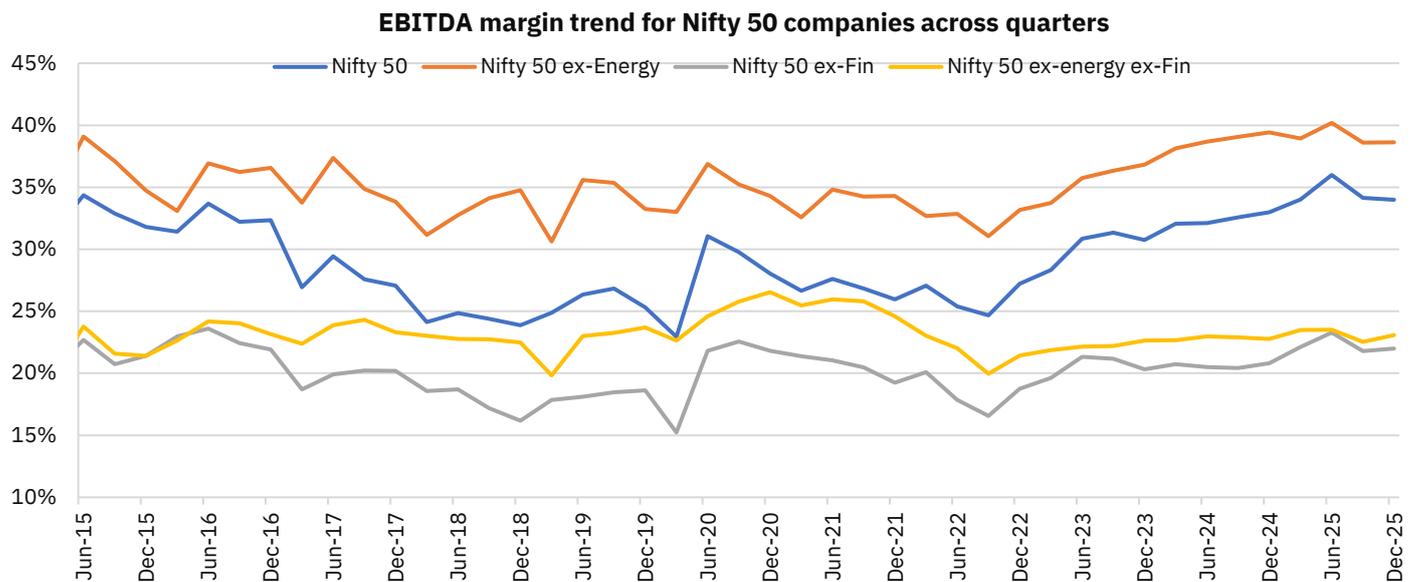
EBITDA margin trend for Nifty 50 companies across quarters

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

Figure 40: Nine-month EBITDA margin trend for Nifty 50 over 11 Years (YoY)

EBITDA margin trend for Nifty 50 companies in last 11 years
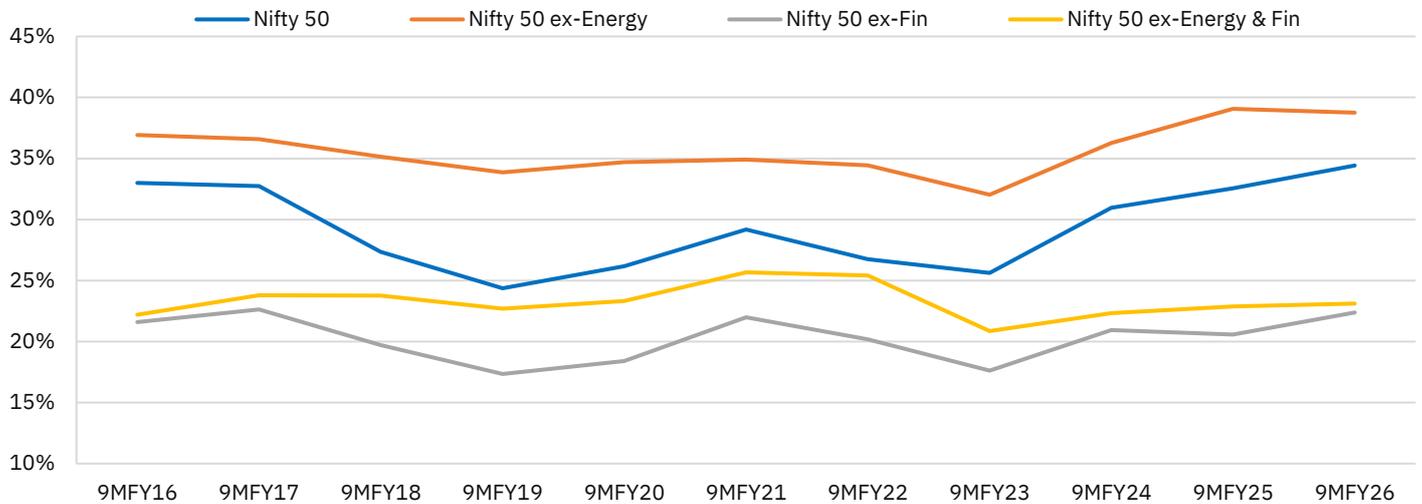
Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as at the end of December 31st of the respective fiscal years.
2. EBITDA margin is calculated based on interim financial data.

Nifty 50 aggregate PAT growth strengthens in Q3FY26: In Q3 FY26, aggregate adjusted profit after tax (PAT) for Nifty 50 companies (excluding Tata Motors) rose 12.8% YoY and 10.6% QoQ to Rs 2.33 lakh crore, rebounding from sub-10% growth in Q2. While broadly aligned with revenue expansion, profit growth moderated from the stronger 16% YoY increase recorded in Q1, indicating some easing in momentum.

Profitability was tempered by persistent cost pressures. Raw material costs increased 13.6% YoY, staff expenses rose 10.3% YoY following implementation of the new Labour Code, and interest expenses climbed 2.6% YoY. Nevertheless, healthy top-line growth provided a partial offset, allowing net profit margins to edge up to 12.5%, expanding 3 bps YoY and 43 bps sequentially.

Sectorally, Materials emerged as the largest contributor to profit growth, accounting for nearly one-third of the YoY increase in PAT. The sector reported a sharp 113% YoY rise in profits, driven primarily by strong earnings in steel companies. Excluding steel, PAT growth remained solid at 23% YoY, supported by improved realisations.

Financials was the second-largest contributor, accounting for 29% of the YoY increase in aggregate PAT. The sector recovered from the decline seen in Q2, supported by stronger credit offtake, treasury gains and improved net interest margins. Sectoral PAT grew 10% YoY—its strongest in four quarters—and 6.5% QoQ, the highest sequential growth in five quarters.

Consumer Discretionary (excluding Tata Motors) also recorded a strong rebound, with PAT rising 24.7% YoY—the strongest in eight quarters—and 26.2% QoQ, the highest in thirteen quarters, aided by festive demand and operating leverage.

Excluding the three leading contributors—Materials, Financials and Consumer Discretionary—the remainder of the cohort registered a modest but positive 6.2% YoY increase in PAT, with sequential growth of 10% QoQ.

At the company level, 39 Nifty 50 constituents reported YoY PAT growth, with a median increase of 10%, while 35 recorded sequential gains in Q3 FY26 (compared with 36 and 23, respectively, in Q2), underscoring the broad-based improvement.

For 9M FY26, aggregate PAT rose 12.3% YoY to Rs 6.73 lakh crore, up from 11.4% in the corresponding period last year. PAT margins expanded 39 bps YoY to 12.6%, a multi-year high, as gains in operating efficiency more than offset prevailing cost pressures.

Table 15: Sector-wise PAT growth of Nifty 50 companies

Sector	QoQ growth			YoY growth			9MFY26	
	Dec-24	Sep-25	Dec-25	Dec-24	Sep-25	Dec-25	(Rs lakh crore)	Growth (%)
Communication Services	106.8	16.6	1.3	198.6	108.3	2.0	0.25	57.3
Consumer Discretionary	29.7	(56.1)	77.0	(0.3)	(45.2)	(25.2)	0.38	(22.1)
Consumer Staples	(5.6)	(5.0)	6.0	(4.1)	(0.2)	12.0	0.27	5.1
Energy	13.3	(23.5)	6.2	2.1	9.8	2.9	1.31	14.8
Financials	(3.6)	(1.1)	6.5	23.2	(0.4)	10.1	2.38	6.3
Health Care	6.9	5.3	(1.2)	18.4	5.4	(2.6)	0.20	3.3
Industrials	22.1	(46.1)	89.4	(9.6)	(26.4)	14.1	0.30	(1.0)
Information Technology	7.3	4.6	4.4	9.8	11.8	8.8	0.88	8.6
Materials	(5.6)	(5.7)	23.5	(32.7)	62.8	113.0	0.45	68.1
Utilities	(1.5)	(9.7)	11.3	(2.2)	(4.2)	8.3	0.28	2.7
Nifty 50	**6.9**	**(11.7)**	**12.1**	**9.6**	**3.8**	**8.9**	**6.70**	**9.2**
Nifty 50 ex-Energy	**5.5**	**(8.4)**	**13.5**	**11.5**	**2.4**	**10.2**	**5.39**	**8.0**
Nifty 50 ex-Financials	**13.6**	**(17.0)**	**15.5**	**3.4**	**6.4**	**8.2**	**4.33**	**10.9**
Nifty 50 ex-energy ex-fin	**13.7**	**(13.9)**	**19.5**	**4.0**	**5.0**	**10.3**	**3.01**	**9.3**
Nifty 50 ex-Tata Motors	**5.9**	**(8.1)**	**10.6**	**10.8**	**7.9**	**12.8**	**6.73**	**12.3**

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above table provides data for companies in the Nifty 50 index as December 31st, 2025.

Table 16: Sector-wise PAT margin of Nifty 50 companies in Q3FY26

Sector	PAT Margin (%)	QoQ change (bps)	YoY change (bps)
Communication Services	16.2	(36)	(280)
Consumer Discretionary	5.6	211	(191)
Consumer Staples	19.6	74	73
Energy	8.9	5	(24)
Financials	17.6	(43)	(87)
Health Care	16.8	(45)	(205)
Industrials	8.8	362	26
Information Technology	16.6	21	17
Materials	6.8	115	317
Utilities	16.8	117	75
Nifty 50	**11.9**	**61**	**(4)**
Nifty 50 ex-Energy	**12.9**	**78**	**(2)**
Nifty 50 ex-Financials	**10.1**	**87**	**7**
Nifty 50 ex-energy ex-fin	**10.7**	**125**	**21**
Nifty 50 ex-Tata Motors	**12.5**	**43**	**3**

Source: CMIE Prowess, LSEG Workspace, NSE EPR. Note: The above table provides data for companies in the Nifty 50 index as on December 31st, 2025.

Table 17: Sector-wise PAT margin of Nifty 50 companies in 9MFY26

Sector	PAT Margin (%)	YoY change (bps)
Communication Services	16.0	334
Consumer Discretionary	5.5	(176)
Consumer Staples	19.3	(22)
Energy	9.7	89
Financials	17.7	(27)
Health Care	17.2	(111)
Industrials	7.9	(80)
Information Technology	16.5	44
Materials	6.3	210
Utilities	16.4	34
Nifty 50	**12.0**	**26**
Nifty 50 ex-Energy	**12.7**	**3**
Nifty 50 ex-Financials	**10.1**	**41**
Nifty 50 ex-energy ex-fin	**10.4**	**16**
Nifty 50 ex-Tata Motors	**12.6**	**39**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 50 index as on December 31st, 2025.

Figure 41: Sector-wise PAT growth of Nifty 50 companies in Q3FY26
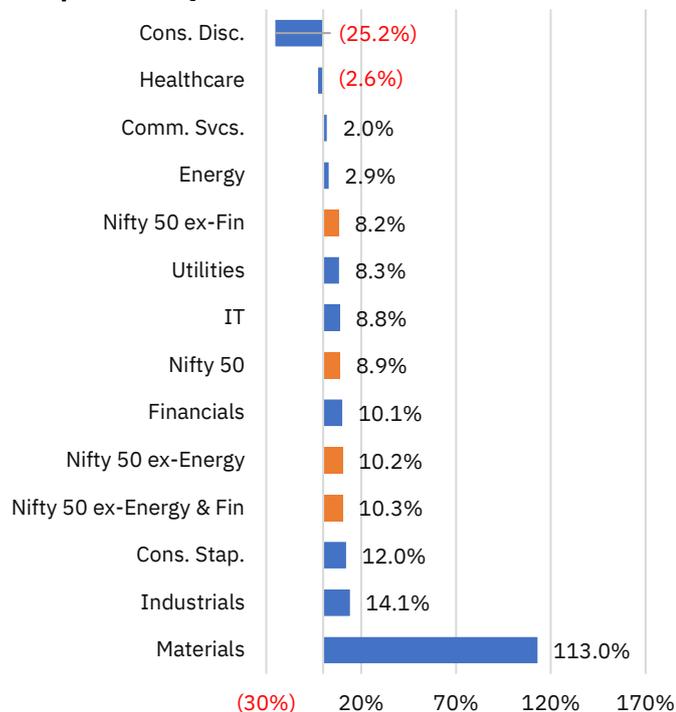
Figure 42: Sector-wise PAT growth of Nifty 50 companies in 9MFY26
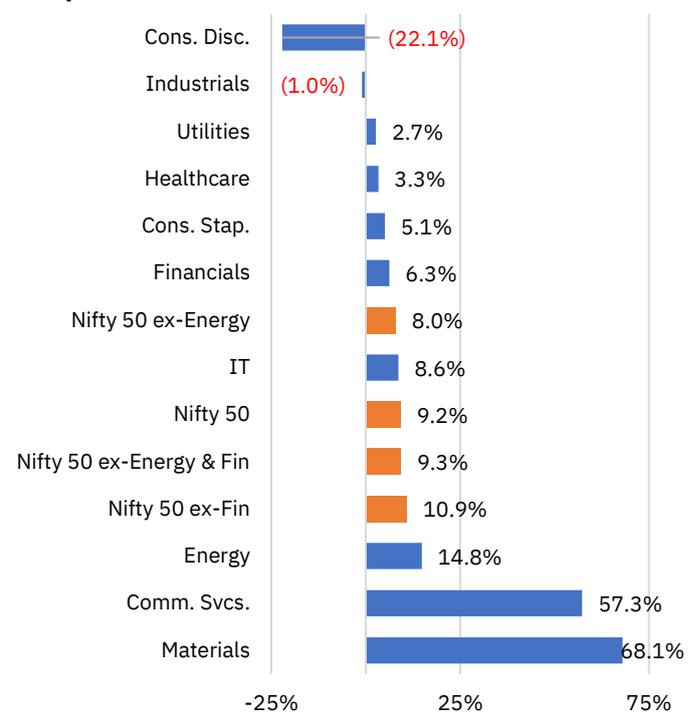
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 50 index as on December 31st, 2025.

Figure 43: Sector-wise PAT margin of Nifty 50 companies in Q3FY26

Sector	PAT margin
Cons. Disc.	5.6%
Materials	6.8%
Industrials	8.8%
Energy	8.9%
Nifty 50 ex-Fin	10.1%
Nifty 50 ex-Energy & Fin	10.7%
Nifty 50	11.9%
Nifty 50 ex-Energy	12.9%
Comm. Svcs.	16.2%
IT	16.6%
Utilities	16.8%
Healthcare	16.8%
Financials	17.6%
Cons. Stap.	19.6%

Figure 44: Sector-wise PAT margin of Nifty 50 companies in 9MFY26

Sector	PAT margin
Cons. Disc.	5.5%
Materials	6.3%
Industrials	7.9%
Energy	9.7%
Nifty 50 ex-Fin	10.1%
Nifty 50 ex-Energy & Fin	10.4%
Nifty 50	12.0%
Nifty 50 ex-Energy	12.7%
Comm. Svcs.	16.0%
Utilities	16.4%
IT	16.5%
Healthcare	17.2%
Financials	17.7%
Cons. Stap.	19.3%

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 50 index as on December 31st, 2025.

Table 18: Sector-wise contribution of Nifty 50 companies to PAT growth rate in Q3FY26

Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	8,760	0.1	0.1
Consumer Discretionary	13,386	2.8	(2.1)
Consumer Staples	9,281	0.3	0.5
Energy	41,370	1.2	0.6
Financials	82,250	2.5	3.6
Health Care	6,718	(0.0)	(0.1)
Industrials	11,994	2.7	0.7
Information Technology	30,627	0.6	1.2
Materials	16,720	1.5	4.2
Utilities	9,784	0.5	0.4
Nifty 50	**2,30,889**	**12.1**	**8.9**
Nifty 50 ex-Energy	**1,89,519**	**10.9**	**8.3**
Nifty 50 ex-Financials	**1,48,639**	**9.7**	**5.3**
Nifty 50 ex-energy ex-fin	**1,07,269**	**8.5**	**4.7**
Nifty 50 ex-Tata Motors	**2,32,855**	**10.8**	**12.4**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 50 index as on December 31st, 2025.

Figure 45: Sector-wise share in PAT of Nifty 50 companies in Q3FY26

Figure 46: Sector-wise share in PAT of Nifty 50 companies in 9MFY26
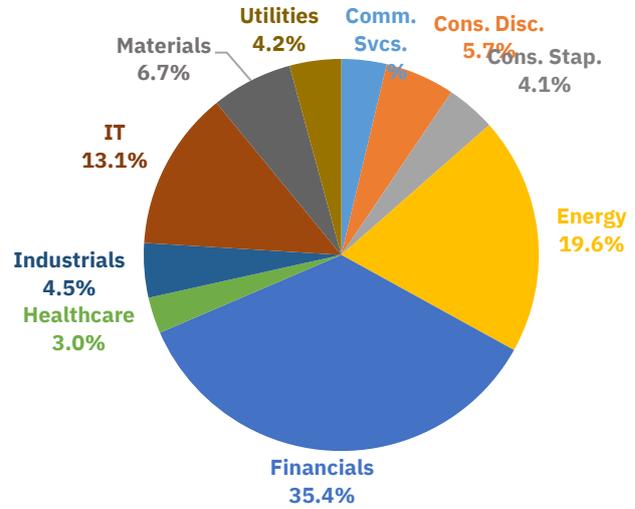
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on December 31st, 2025.

Figure 47: Quarterly trend of Nifty 50 PAT growth (YoY)
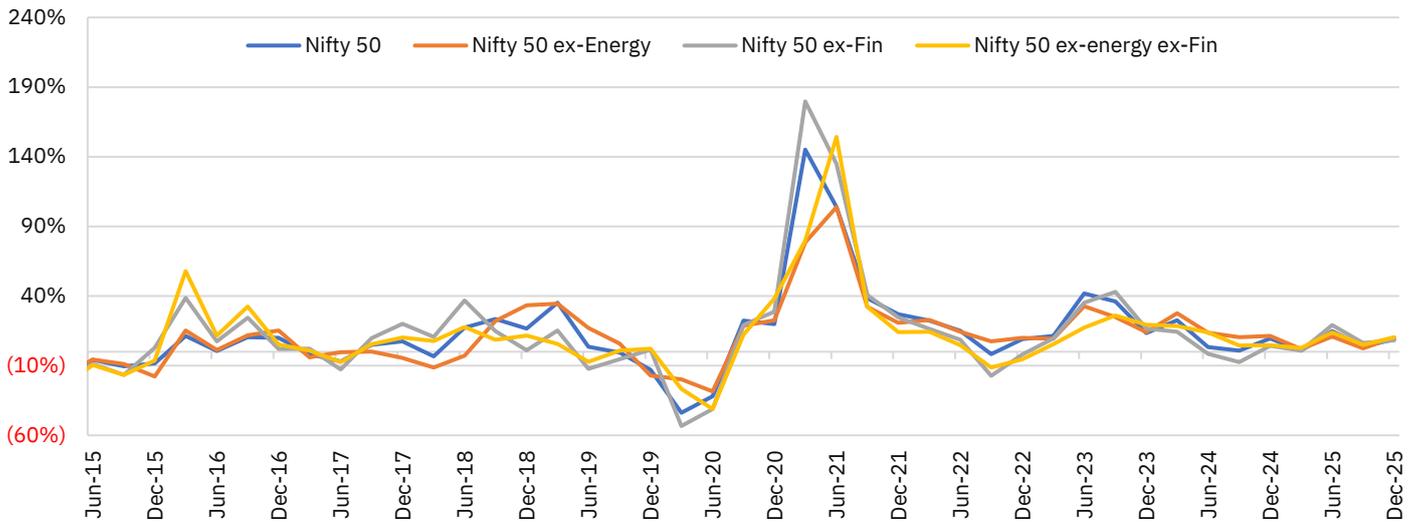
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

Figure 48: Nine-month PAT growth trend for Nifty 50 over 11 Years (YoY)
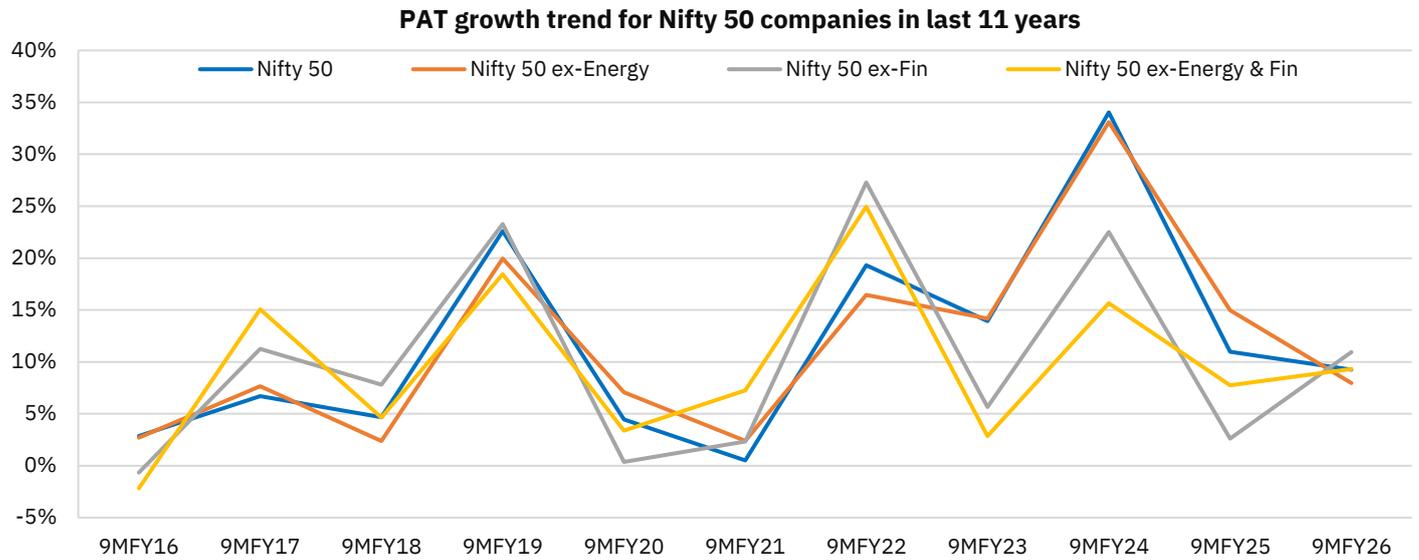
PAT growth trend for Nifty 50 companies in last 11 years

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as at the end of December 31st of the respective fiscal years.

2. YoY growth is calculated based on interim financial data.

Figure 49: Quarterly trend of Nifty 50 PAT margin
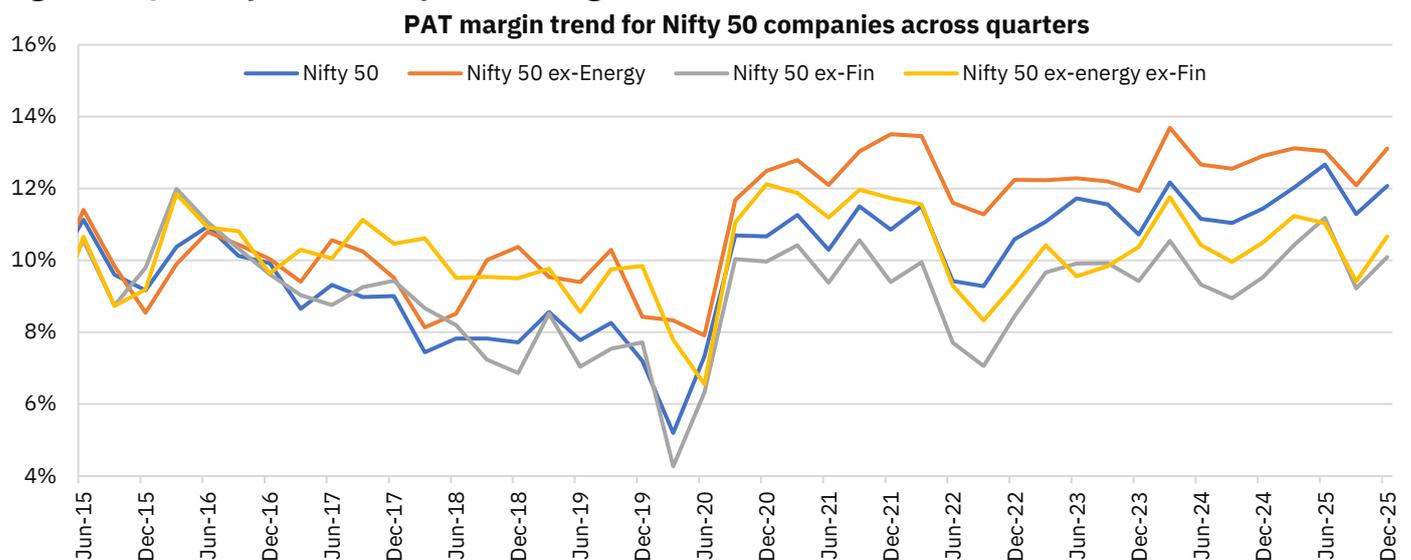
PAT margin trend for Nifty 50 companies across quarters

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

2. Nifty 50 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 50: Nine-month PAT margin trend for Nifty 50 over 11 Years (YoY)
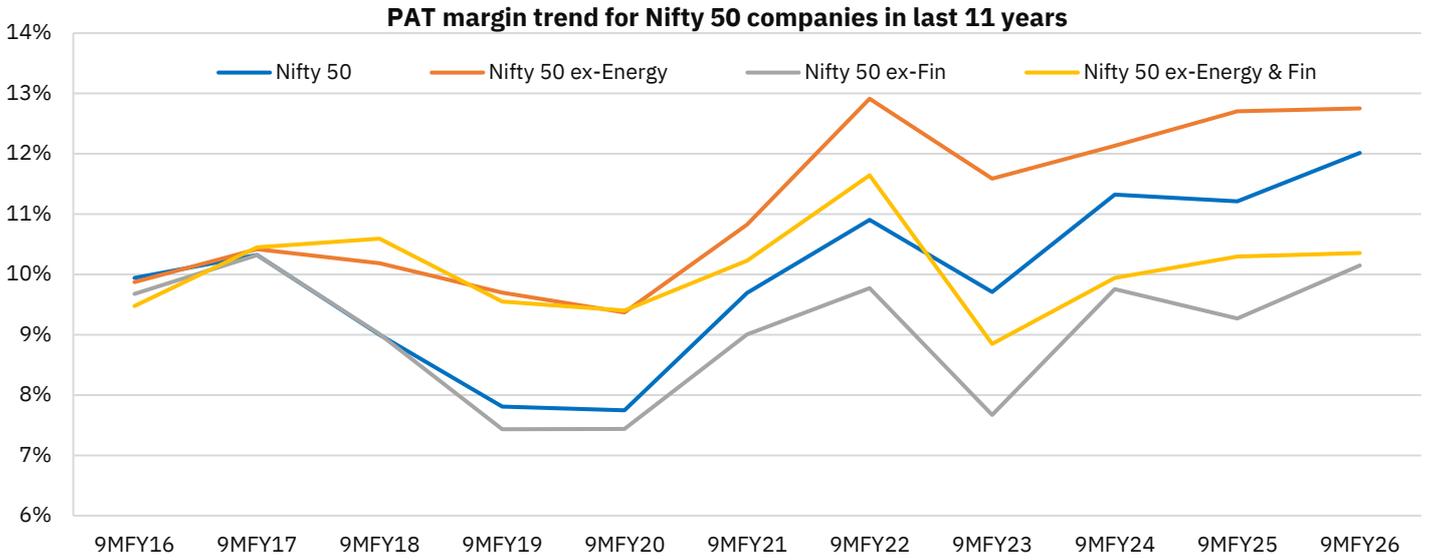
PAT margin trend for Nifty 50 companies in last 11 years

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as at the end of December 31st of the respective fiscal years.

2. PAT margin is calculated based on interim financial data.

Nifty 500 Q3FY26 results

Topline YoY growth for Nifty 500 reached an 11-quarter high in Q3 FY26: Net sales for the Nifty 500 universe (excluding Tata Motors) rose 11.1% YoY, accelerating from 6.6% in Q2 and signalling a clear improvement in revenue momentum. Sequential growth strengthened to 5.5%, up from 0.9%, supported by festive-led discretionary spending.

The recovery extended beyond large caps. Excluding Nifty 50 constituents, the rest of the Nifty 500 recorded 10% YoY growth, with a median expansion of 12.2%—the strongest in 11 quarters—alongside 4.5% sequential growth. This underscores broad-based improvement across the wider market.

Across segments, contributions were relatively well distributed. The Nifty Next 50 posted 6.8% YoY revenue growth, contributing 16% to aggregate Nifty 500 expansion. The broader market outperformed: the Nifty Midcap 150 and Nifty Smallcap 250 delivered YoY growth of 14% and 10%, contributing 25% and 10%, respectively. Meanwhile, Nifty 50 companies (excluding Tata Motors) recorded 12.5% YoY growth, accounting for 49% of overall Nifty 500 revenue expansion, reflecting the continued weight of large caps in aggregate growth.

Breadth improved in Q3, with 425 companies reporting YoY revenue growth and 354 posting sequential gains, compared with 395 and 358, respectively, in Q2. However, on a cumulative basis, net sales of Nifty 500 companies excluding the Nifty 50 grew 7.4% YoY to Rs 68.3 lakh crore in 9M FY26—unchanged from the pace a year earlier—indicating that full-year growth outside large caps has remained steady despite the recent quarterly acceleration.

Median revenue growth improved across all segments. For the Nifty 50, it rose from 10% to 11.1%; for the Nifty Next 50, from 8.4% to 11.6%. Mid- and small-caps showed stronger gains, with median growth for the Nifty Midcap 150 increasing from 10.3% to 11.8%, and for the Nifty Smallcap 250 from 9.8% to 12.5%.

Sectorally, Financials emerged as the largest growth driver within the Nifty 500 excluding Nifty 50 cohort, contributing 41% to revenue expansion, compared with 30% within the Nifty 50 segment. Growth was supported by steady credit offtake, treasury gains and improved recoveries. Consumer Discretionary and Energy contributed 12.6% and 12.3%, respectively. Consumer Discretionary posted its strongest growth in five quarters, led by festive demand, while Energy recorded its highest expansion in 11 quarters, aided by higher refining margins, improved LPG recoveries, stronger demand and a favourable base.

Other sectors showing improved revenue momentum included Realty, Healthcare, IT and Industrials. In contrast, Materials—despite strong performance within the Nifty 50—saw growth moderate to 3.7% among broader Nifty 500 companies (excluding Nifty 50), marking a five-quarter low and suggesting that sectoral strength was concentrated in large-cap names.

Table 19: Sector-wise net sales growth of Nifty 500 companies

Sector	QoQ growth			YoY growth			9MFY26	
	Dec-24	Sep-25	Dec-25	Dec-24	Sep-25	Dec-25	(Rs lakh crore)	Growth (%)
Communication Services	5.6	4.9	2.5	13.0	17.1	13.7	2.65	16.1
Consumer Discretionary	6.6	(2.0)	7.9	11.5	5.2	6.6	13.16	6.8
Consumer Staples	2.2	(0.8)	3.9	11.7	8.8	10.7	4.26	10.7
Energy	6.9	(3.0)	9.4	(0.5)	3.2	5.6	27.71	2.6
Financials	(6.3)	(1.2)	5.0	2.1	2.1	14.4	34.85	8.2
Health Care	0.5	4.4	3.5	8.2	10.6	13.9	3.63	11.7
Industrials	7.5	5.4	9.5	10.5	10.5	12.9	9.05	10.5
Information Technology	2.3	5.2	4.8	9.1	7.6	10.2	8.01	8.4
Materials	3.0	4.4	(0.6)	5.8	12.5	8.5	15.04	9.4
Real Estate	10.4	0.1	15.0	32.8	13.0	17.7	0.48	19.7
Utilities	(1.1)	(2.7)	(4.3)	5.3	3.9	0.5	5.47	2.0
Nifty 500	**1.6**	**0.1**	**5.4**	**4.8**	**5.7**	**9.6**	**124.32**	**7.2**
Nifty 500 ex-Energy	**0.1**	**1.0**	**4.2**	**6.5**	**6.4**	**10.9**	**96.61**	**8.5**
Nifty 500 ex-Financials	**4.8**	**0.6**	**5.5**	**5.8**	**7.2**	**7.9**	**89.47**	**6.8**
Nifty 500 ex-energy ex-fin	**3.9**	**2.2**	**3.8**	**9.1**	**9.0**	**9.0**	**61.75**	**8.7**
Nifty 500 ex-Tata Motors	**1.3**	**0.9**	**5.5**	**4.8**	**6.6**	**11.1**	**121.85**	**8.0**

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above table provides data for companies in the Nifty 500 index as on December 31st, 2025.

Figure 51: Sector-wise net sales YoY growth of Nifty 500 companies in Q3FY26

Utilities	0.5%
Energy	5.6%
Cons. Disc.	6.6%
Nifty 500 ex-Fin	7.9%
Materials	8.5%
Nifty 500 ex-Energy & Fin	9.0%
Nifty 500	9.6%
IT	10.2%
Cons. Stap.	10.7%
Nifty 500 ex-Energy	10.9%
Industrials	12.9%
Comm. Svcs.	13.7%
Healthcare	13.9%
Financials	14.4%
Realty	17.7%
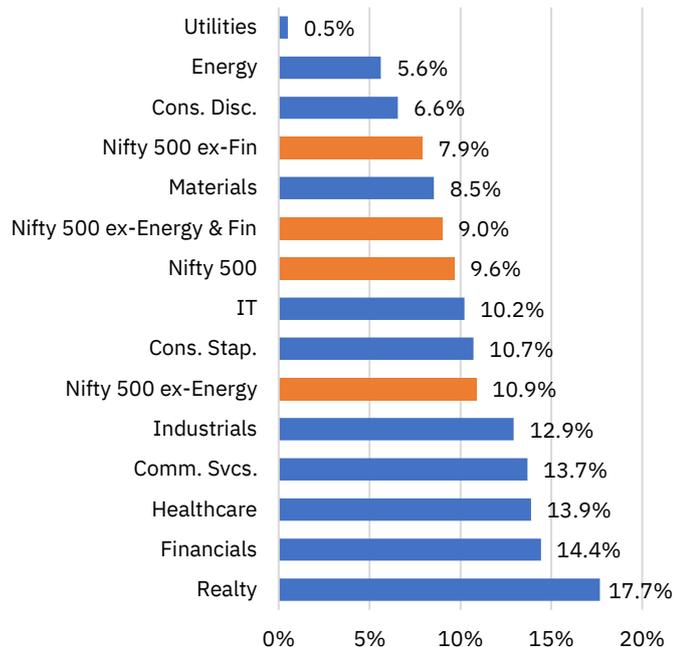
Figure 52: Sector-wise net sales YoY growth of Nifty 500 companies in 9MFY26
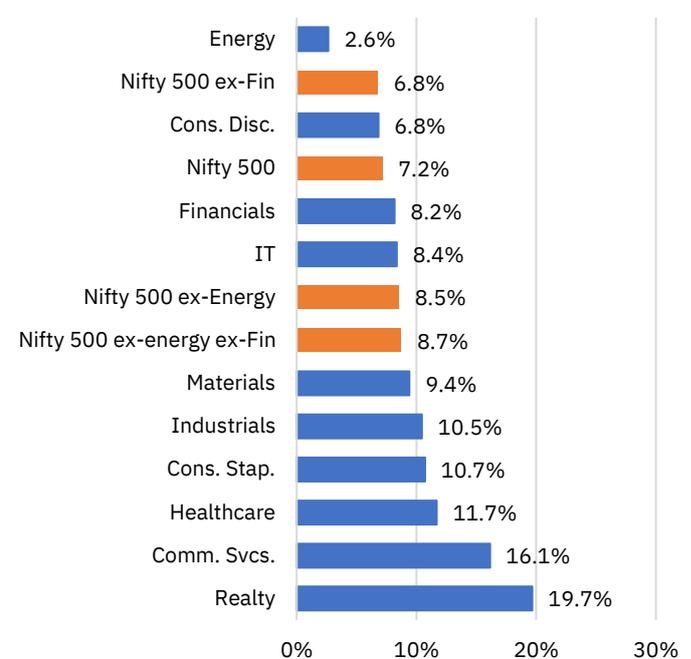
Energy	2.6%
Nifty 500 ex-Fin	6.8%
Cons. Disc.	6.8%
Nifty 500	7.2%
Financials	8.2%
IT	8.4%
Nifty 500 ex-Energy	8.5%
Nifty 500 ex-energy ex-Fin	8.7%
Materials	9.4%
Industrials	10.5%
Cons. Stap.	10.7%
Healthcare	11.7%
Comm. Svcs.	16.1%
Realty	19.7%

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 500 index as on December 31st, 2025.

Table 20: Sector-wise contribution of Nifty 500 companies to net sales growth in Q3FY26

Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	91,238	0.1	0.3
Consumer Discretionary	4,58,186	0.8	0.7
Consumer Staples	1,45,363	0.1	0.4
Energy	9,70,437	2.1	1.3
Financials	11,95,345	1.4	3.8
Health Care	1,25,555	0.1	0.4
Industrials	3,28,121	0.7	1.0
Information Technology	2,79,773	0.3	0.7
Materials	5,08,067	-0.1	1.0
Real Estate	17,651	0.1	0.1
Utilities	1,75,426	-0.2	0.0
Nifty 500	**42,95,160**	**5.4**	**9.6**
Nifty 500 ex-Energy	**33,24,723**	**3.3**	**8.3**
Nifty 500 ex-Financials	**30,99,815**	**4.0**	**5.8**
Nifty 500 ex-energy ex-fin	**21,29,378**	**1.9**	**4.5**
Nifty 500 ex-Tata Motors	**42,25,052**	**5.4**	**10.8**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025.

Table 21: Sector-wise net sales growth of Nifty 500 companies (ex-Nifty 50)

Sector	QoQ growth			YoY growth			9MFY26	
	Dec-24	Sep-25	Dec-25	Dec-24	Sep-25	Dec-25	(Rs lakh crore)	Growth (%)
Communication Services	1.8	4.1	1.1	6.0	6.8	6.1	1.10	6.2
Consumer Discretionary	2.5	3.6	5.9	12.5	10.4	14.2	6.20	11.6
Consumer Staples	6.0	0.4	4.9	15.7	13.3	12.2	2.85	13.1
Energy	8.7	(5.8)	13.3	(4.0)	1.2	5.5	14.19	1.2
Financials	(6.7)	0.9	2.5	1.8	3.5	13.7	21.43	8.3
Health Care	(0.4)	3.9	4.6	6.1	10.7	16.2	2.46	12.5
Industrials	6.2	7.5	8.2	12.3	11.7	14.6	5.26	11.5
Information Technology	5.4	7.1	8.3	19.5	12.3	15.5	2.66	14.1
Materials	3.6	5.7	(3.5)	8.3	11.4	3.7	7.91	7.4
Real Estate	10.4	0.1	15.0	32.8	13.0	17.7	0.48	19.7
Utilities	(1.9)	(2.4)	(7.8)	6.2	5.5	(0.9)	3.74	2.6
Nifty 500	**1.1**	**0.9**	**4.5**	**4.5**	**6.3**	**10.0**	**68.28**	**7.4**
Nifty 500 ex-Energy	**(0.8)**	**2.7**	**2.4**	**7.2**	**7.7**	**11.3**	**54.09**	**9.2**
Nifty 500 ex-Financials	**4.9**	**0.9**	**5.5**	**5.7**	**7.7**	**8.4**	**46.85**	**7.0**
Nifty 500 ex-energy ex-fin	**3.2**	**4.0**	**2.3**	**11.0**	**10.6**	**9.7**	**32.66**	**9.8**

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above table provides data for companies in the Nifty 500 index as on December 31st, 2025 and excludes Nifty 50 companies.

Figure 53: Sector-wise net sales YoY growth of Nifty 500 companies (ex-Nifty 50) in Q3FY26

Sector	Growth
Utilities	(0.9%)
Materials	3.7%
Energy	5.5%
Comm. Svcs.	6.1%
Nifty 500 ex-Fin	8.4%
Nifty 500 ex-Energy & Fin	9.7%
Nifty 500	10.0%
Nifty 500 ex-Energy	11.3%
Cons. Stap.	12.2%
Financials	13.7%
Cons. Disc.	14.2%
Industrials	14.6%
IT	15.5%
Healthcare	16.2%
Realty	17.7%

Figure 54: Sector-wise net sales YoY growth of Nifty 500 companies (ex-Nifty50) in 9MFY26

Sector	Growth
Energy	1.2%
Utilities	2.6%
Comm. Svcs.	6.2%
Nifty 500 ex-Financials	7.0%
Nifty 500	7.4%
Materials	7.4%
Financials	8.3%
Nifty 500 ex-Energy	9.2%
Nifty 500 ex-energy ex-fin	9.8%
Industrials	11.5%
Cons. Disc.	11.6%
Healthcare	12.5%
Cons. Stap.	13.1%
IT	14.1%
Realty	19.7%

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 500 index as on December 31st, 2025 and excludes Nifty 50 companies.

Table 22: Sector-wise contribution of Nifty 500 companies (ex-Nifty 50) to net sales growth in Q3FY26

Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	37,256	0.0	0.1
Consumer Discretionary	2,17,199	0.5	1.3
Consumer Staples	98,096	0.2	0.5
Energy	5,03,185	2.6	1.2
Financials	7,28,412	0.8	4.1
Health Care	85,661	0.2	0.6
Industrials	1,91,521	0.6	1.1
Information Technology	95,386	0.3	0.6
Materials	2,63,544	-0.4	0.4
Real Estate	17,651	0.1	0.1
Utilities	1,17,185	-0.4	-0.0
Nifty 500	**23,55,096**	**4.5**	**10.0**
Nifty 500 ex-Energy	**18,51,910**	**1.9**	**8.8**
Nifty 500 ex-Financials	**16,26,684**	**3.8**	**5.9**
Nifty 500 ex-energy ex-fin	**11,23,498**	**1.1**	**4.7**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Nifty 50 companies.

Figure 55: Share of Nifty index constituents in overall net sales growth of Nifty 500 universe in Q3FY26

Contribution of Nifty index constituents to the overall net sales growth (%YoY) in Q3FY26
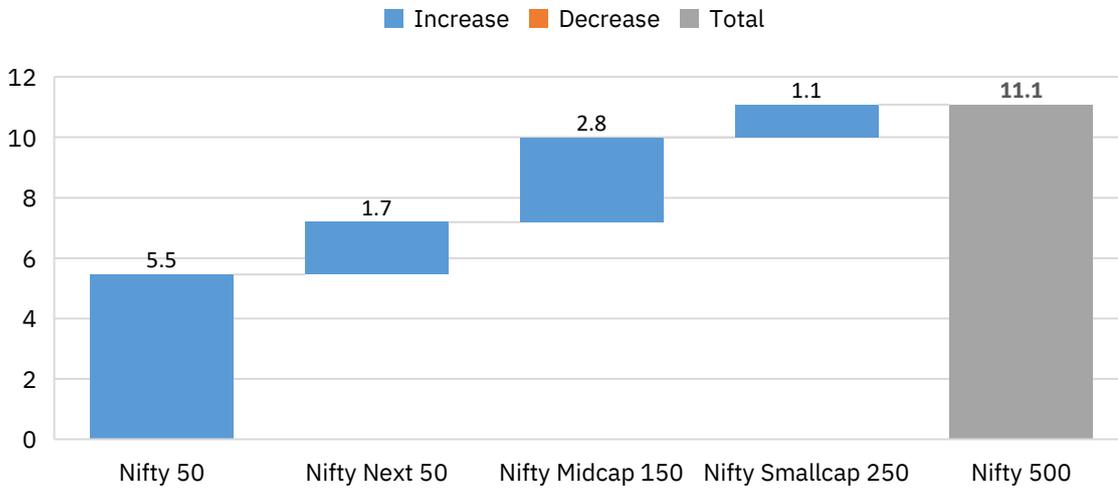
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above chart provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Tata Motors Ltd.

Table 23: Segment-wise distribution of companies based on YoY aggregate and median topline growth in Q3FY26

Index	<=0%	0% - 10%	10% -20%	20% - 30%	30% - 40%	40% - 50%	> 50%	Median
Nifty 50	1	19	15	9	0	1	4	11.1%
Nifty Next 50	5	15	20	4	3	0	2	11.6%
Nifty Midcap 150	17	47	48	18	2	4	13	11.8%
Nifty Smallcap 250	48	52	69	43	13	12	12	12.5%
Nifty 500	**71**	**133**	**152**	**74**	**18**	**17**	**31**	**12.2%**

Source: CMIE Prowess, LSEG Workspace, NSE
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Tata Motors.

Figure 56: Quarterly trend of Nifty 500 revenue growth (YoY)

Sales growth trend for Nifty 500 companies
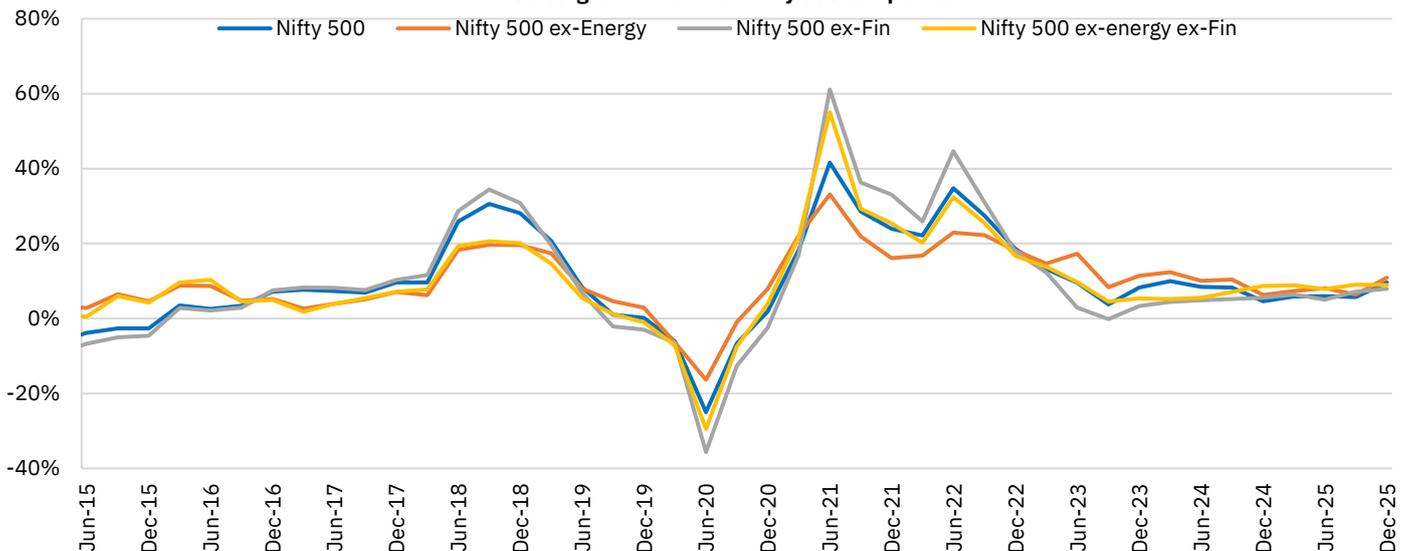
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

Figure 57: Nine-month revenue growth trend for Nifty 500 over 11 Years (YoY)

Net sales growth trend for Nifty 50 companies in last 11 years
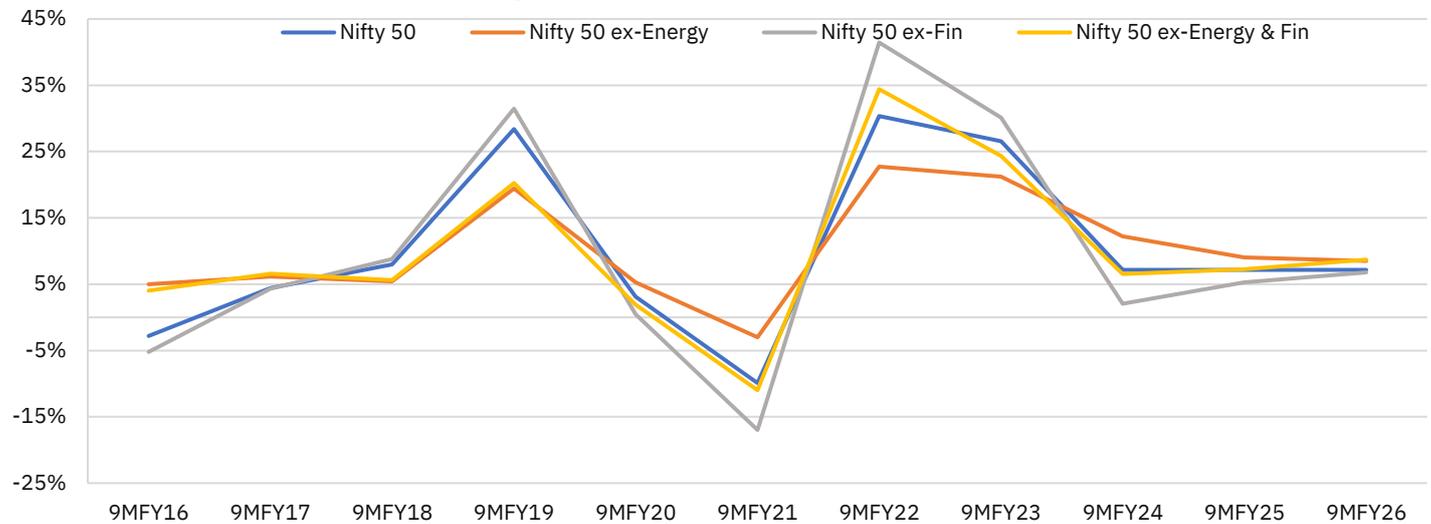
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 500 index as at the end of December 31st of the respective fiscal years.
2. YoY growth is calculated based on interim financial data.

Energy sector drove EBITDA growth in Q3 for the broader Nifty 500 universe: After peaking at a seven-quarter high of 24.2% YoY in September 2025, EBITDA growth for the Nifty 500 (excluding Financials and Nifty 50 constituents) moderated to 16.5% YoY in Q3 FY26. Despite the deceleration, growth remained stronger than the 11.3% YoY expansion recorded by the Nifty 50. EBITDA growth also exceeded net sales growth of 8.4% YoY, indicating improved operating leverage at the aggregate level.

That said, Q3 performance was uneven across sectors. The Energy sector was the dominant contributor, accounting for nearly two-thirds of the YoY increase in EBITDA. Profitability was supported by lower crude prices, reduced under-recoveries on subsidised LPG, stronger refining margins and firm demand. Operating margins in the sector rose to a nine-year high of 11.1%, expanding 484 bps YoY and 106 bps QoQ, highlighting the sharp recovery in earnings. Excluding Energy, EBITDA growth for the non-financial Nifty 500 (ex-Nifty 50) moderated to 6.2% YoY and contracted marginally by 0.2% sequentially.

All sectors except Materials reported YoY EBITDA growth within the Nifty 500 (ex-Nifty 50) universe. This stands in contrast to the strong performance of Materials within the Nifty 50, suggesting that the sectoral strength was concentrated among large-cap companies. Other sectors each contributed less than 10% to aggregate EBITDA growth, as elevated input and operating costs continued to constrain profitability.

Overall margins improved despite the concentration in earnings growth. EBITDA margins for the Nifty 500 (ex-Nifty 50) expanded 117 bps YoY to 16.8%, although they declined 22 bps sequentially, reflecting quarter-on-quarter cost pressures. Within this cohort, 276 of 366 non-financial companies reported YoY EBITDA growth, while 222 delivered sequential gains.

For 9M FY26, EBITDA growth rebounded to 18.3% YoY, compared with just 0.9% in the corresponding period last year. Operating margins rose 161 bps YoY to a four-year high of 16.8%, reflecting cost rationalisation and improved efficiency. However, margin

performance remained superior among Nifty 50 companies, where operating margins stood at 23%, underscoring the stronger pricing power and cost management capabilities of large-cap firms relative to the broader universe.

Figure 58: Change in expenses for Nifty 500 companies excluding Financials in Q3FY26
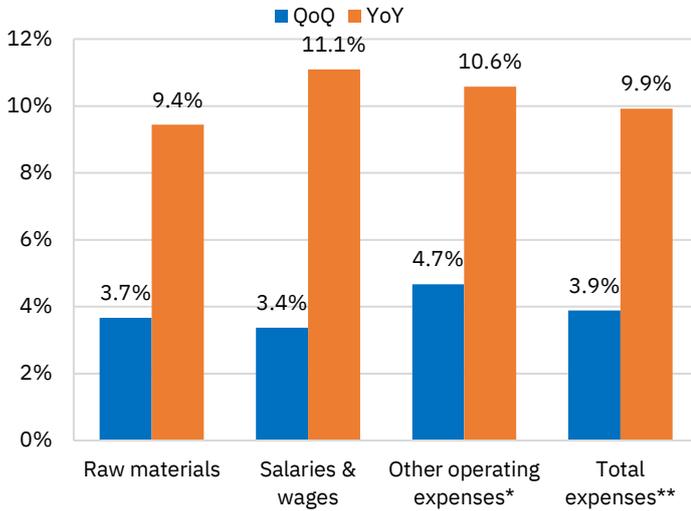
Figure 59: Change in expenses for Nifty 500 companies excluding Financials (ex-Nifty 50) in Q3FY26
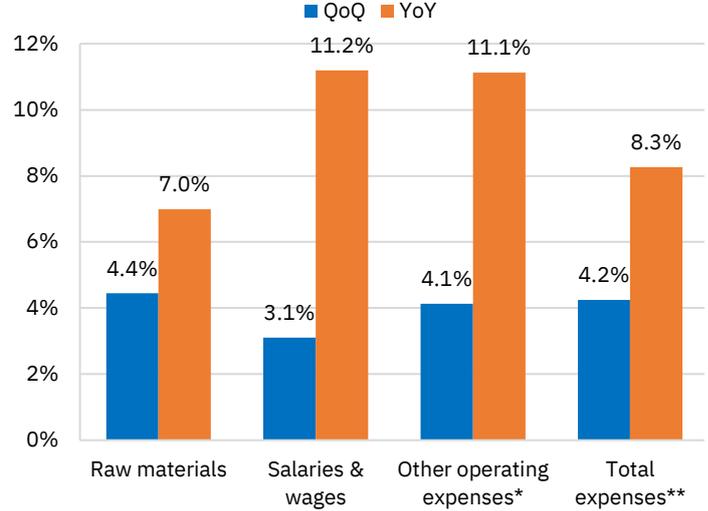
Source: CMIE Prowess, LSEG workspace, NSE.

Note: 1. The above charts provides data for companies in the Nifty 500 index as on December 31st, 2025, and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

2. *Other operating expenses include selling, general & administrative expenses, rental expenses, and other operating costs.

3. ** Total expenses exclude interest expenses and depreciation.

Table 24: Sector-wise EBITDA growth of Nifty 500 companies

Sector	QoQ growth			YoY growth			9MFY26	
	Dec-24	Sep-25	Dec-25	Dec-24	Sep-25	Dec-25	(Rs lakh crore)	Growth (%)
Communication Services	11.7	5.9	4.3	21.0	22.5	14.4	1.34	20.5
Consumer Discretionary	8.3	(18.0)	19.1	5.5	(13.9)	(5.3)	1.72	-6.4
Consumer Staples	(1.7)	(2.1)	3.3	2.9	3.2	8.3	0.77	4.2
Energy	22.0	(5.7)	10.2	(1.4)	37.1	23.9	4.23	28.4
Financials	1.3	(1.9)	2.9	14.5	5.6	7.3	20.75	8.3
Health Care	(0.6)	6.9	(1.0)	15.5	13.5	12.9	0.98	11.0
Industrials	24.3	1.1	14.4	29.7	15.8	7.0	1.84	11.6
Information Technology	5.1	4.6	4.8	11.0	10.8	10.5	1.74	10.2
Materials	5.6	(1.1)	(2.7)	8.1	17.8	8.7	2.78	14.2
Real Estate	24.7	13.9	(2.7)	31.4	46.9	14.7	0.19	22.5
Utilities	(8.5)	0.3	(6.3)	3.1	4.7	7.3	1.82	5.8
Nifty 500	**4.7**	**(2.0)**	**4.0**	**11.8**	**9.6**	**8.9**	**38.16**	**10.4**
Nifty 500 ex-Energy	**3.1**	**(1.5)**	**3.3**	**13.5**	**7.1**	**7.3**	**33.93**	**8.5**
Nifty 500 ex-Financials	**9.3**	**(2.1)**	**5.4**	**8.6**	**15.0**	**10.9**	**17.41**	**13.0**
Nifty 500 ex-energy ex-fin	**6.1**	**(0.9)**	**3.9**	**11.8**	**9.5**	**7.3**	**13.18**	**20.5**
Nifty 500 ex-fin ex-Tata Motors	**9.3**	**0.0**	**4.9**	**9.4**	**18.3**	**13.6**	**17.27**	**15.6**

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Notes: 1. The above table provides data for companies in the Nifty 500 index as on December 31st, 2025.

Table 25: EBITDA margin of Nifty 500 companies in Q3FY26

Sector	EBITDA Margin	QoQ change (bps)	YoY change (bps)
Communication Services	51.4	89	33
Consumer Discretionary	13.1	123	(165)
Consumer Staples	17.8	(12)	(39)
Energy	15.2	11	224
Financials	58.6	(121)	(392)
Health Care	26.3	(121)	(23)
Industrials	20.6	89	(115)
Information Technology	21.7	(0)	6
Materials	17.9	(39)	2
Real Estate	37.7	(686)	(99)
Utilities	33.2	(69)	209
Nifty 500	**30.2**	**(39)**	**(20)**
Nifty 500 ex-Energy	**34.6**	**(33)**	**(117)**
Nifty 500 ex-Financials	**19.3**	**(3)**	**53**
Nifty 500 ex-energy ex-fin	**21.1**	**1**	**(34)**
Nifty 500 ex-Fin ex-Tata Motors	**19.6**	**(16)**	**66**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025.

Table 26: EBITDA margin of Nifty 500 companies in 9MFY26

Sector	EBITDA Margin	YoY change (bps)
Communication Services	50.7	183
Consumer Discretionary	13.1	(185)
Consumer Staples	18.0	(113)
Energy	15.3	306
Financials	59.5	8
Health Care	26.9	(16)
Industrials	20.3	21
Information Technology	21.7	37
Materials	18.5	78
Real Estate	40.3	92
Utilities	33.3	120
Nifty 500	**30.7**	**91**
Nifty 500 ex-Energy	**35.1**	**0**
Nifty 500 ex-Financials	**19.5**	**108**
Nifty 500 ex-energy ex-fin	**21.3**	**3**
Nifty 500 ex-Fin ex-Tata Motors	**19.9**	**131**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
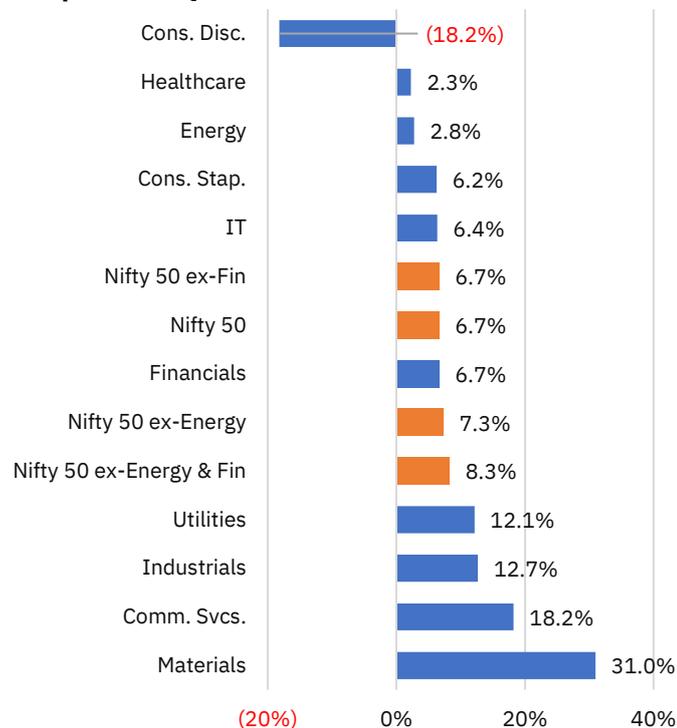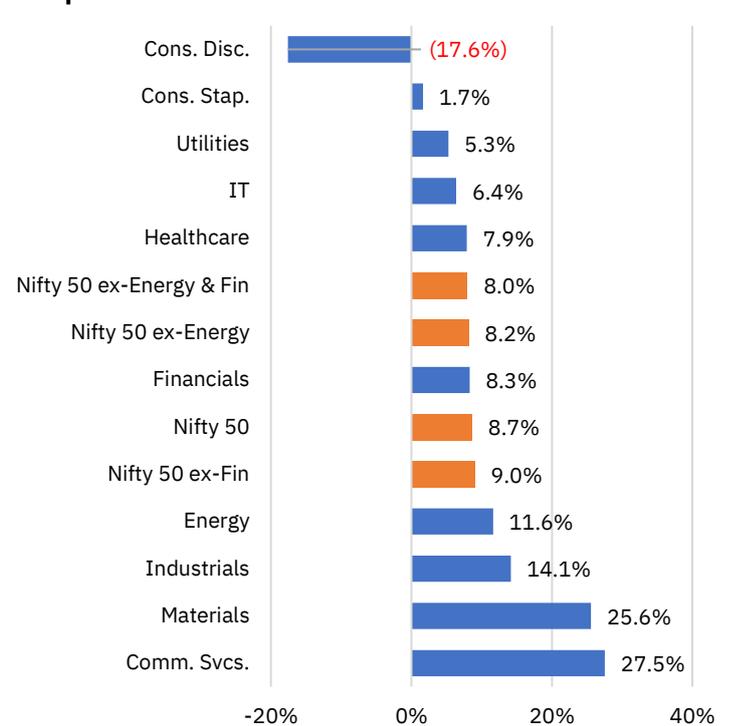Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025.

Figure 60: Sector-wise EBITDA growth of Nifty 500 companies in Q3FY26

Sector	Value
Cons. Disc.	(5.3%)
Industrials	7.0%
Financials	7.3%
Nifty 500 ex-Energy	7.3%
Nifty 500 ex-Energy & Fin	7.3%
Utilities	7.3%
Cons. Stap.	8.3%
Materials	8.7%
Nifty 500	8.9%
IT	10.5%
Nifty 500 ex-Fin	10.9%
Healthcare	12.9%
Comm. Svcs.	14.4%
Realty	14.7%
Energy	23.9%
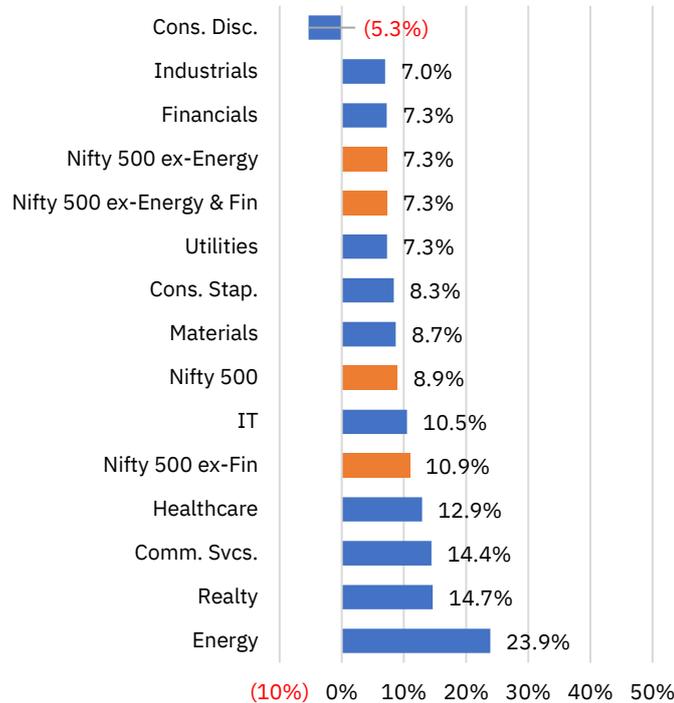
Figure 61: Sector-wise EBITDA growth of Nifty 500 companies in 9MFY26
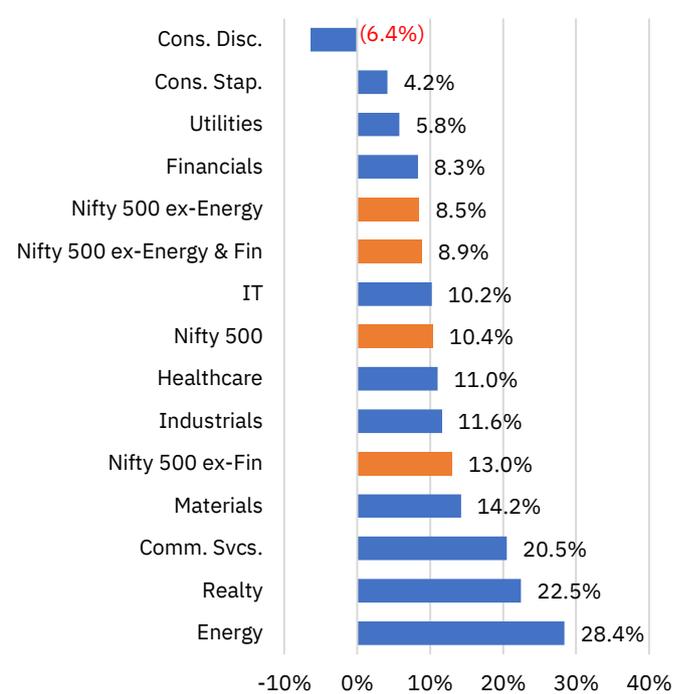
Sector	Value
Cons. Disc.	(6.4%)
Cons. Stap.	4.2%
Utilities	5.8%
Financials	8.3%
Nifty 500 ex-Energy	8.5%
Nifty 500 ex-Energy & Fin	8.9%
IT	10.2%
Nifty 500	10.4%
Healthcare	11.0%
Industrials	11.6%
Nifty 500 ex-Fin	13.0%
Materials	14.2%
Comm. Svcs.	20.5%
Realty	22.5%
Energy	28.4%

Source: CMIE Prowess, LSEG Workspace, NSE EPR
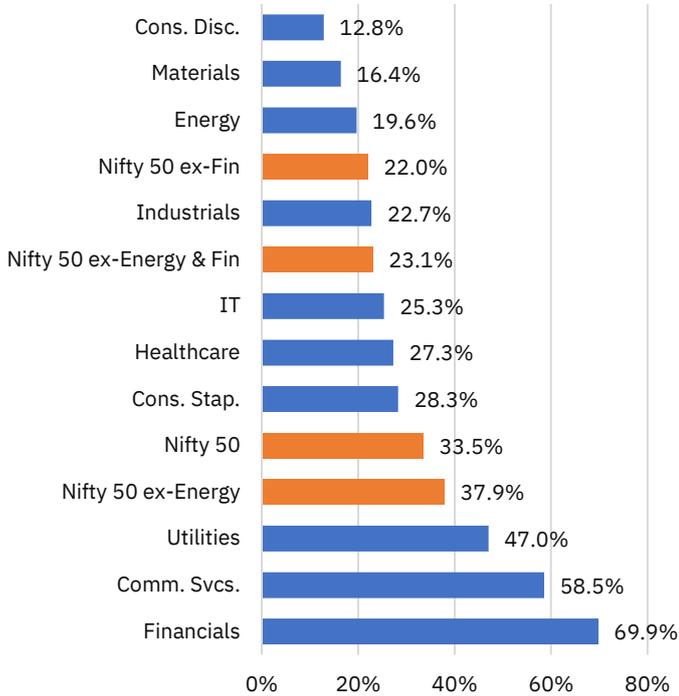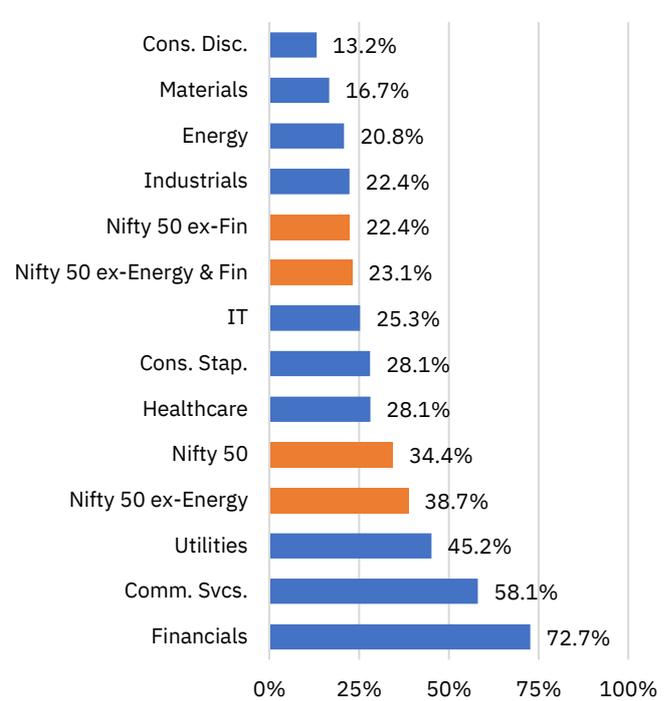Note: 1. The above charts provide data for companies in the Nifty 500 index as of December 31st, 2025.

Figure 62: Sector-wise EBITDA margin of Nifty 500 companies in Q3FY26

Sector	Value
Cons. Disc.	13.1%
Energy	15.2%
Cons. Stap.	17.8%
Materials	17.9%
Nifty 500 ex-Fin	19.3%
Industrials	20.6%
Nifty 500 ex-Energy & Fin	21.1%
IT	21.7%
Healthcare	26.3%
Nifty 500	30.2%
Utilities	33.2%
Nifty 500 ex-Energy	34.6%
Realty	37.7%
Comm. Svcs.	51.4%
Financials	58.6%
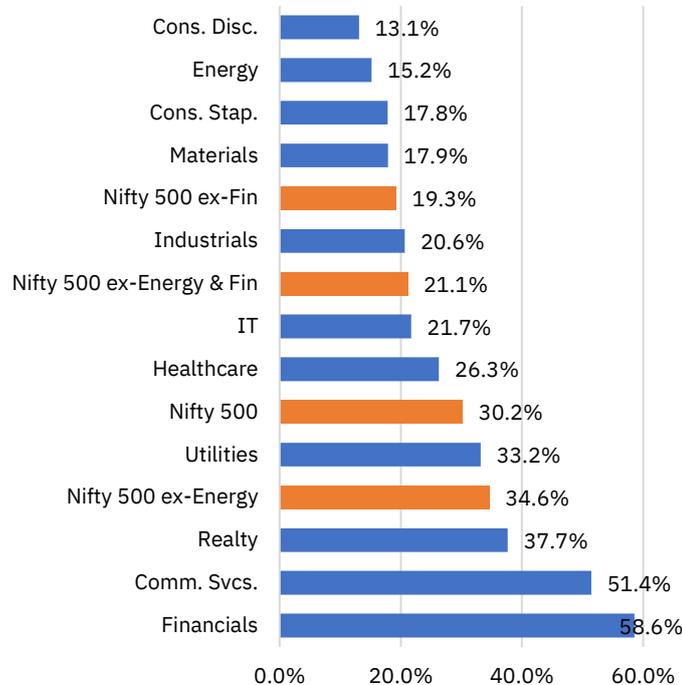
Figure 63: Sector-wise EBITDA margin of Nifty 500 companies in 9MFY26
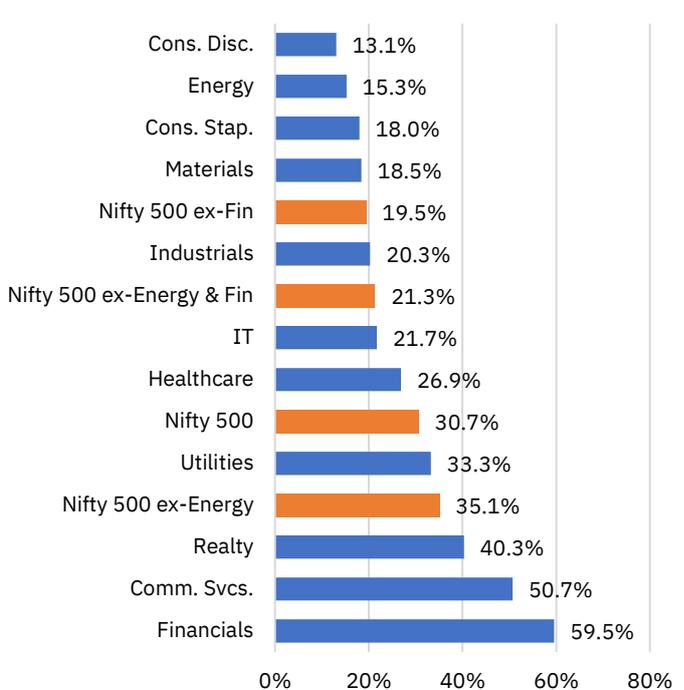
Sector	Value
Cons. Disc.	13.1%
Energy	15.3%
Cons. Stap.	18.0%
Materials	18.5%
Nifty 500 ex-Fin	19.5%
Industrials	20.3%
Nifty 500 ex-Energy & Fin	21.3%
IT	21.7%
Healthcare	26.9%
Nifty 500	30.7%
Utilities	33.3%
Nifty 500 ex-Energy	35.1%
Realty	40.3%
Comm. Svcs.	50.7%
Financials	59.5%

Source: CMIE Prowess, LSEG workspace, NSE EPR.
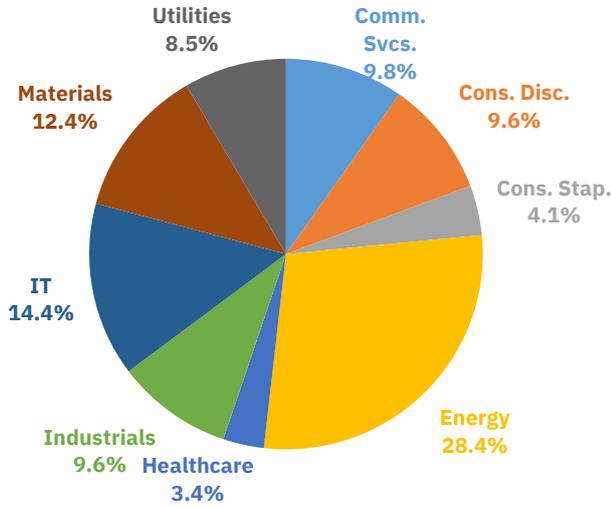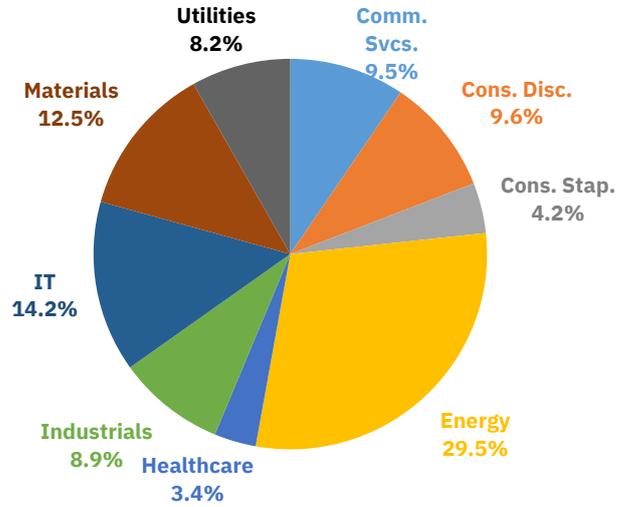Note: 1. The above charts provide data for companies in the Nifty 500 index as on December 31st, 2025.

Table 27: Sector-wise contribution of Nifty 500 companies (ex-Financials) to EBITDA growth rate in Q3FY26

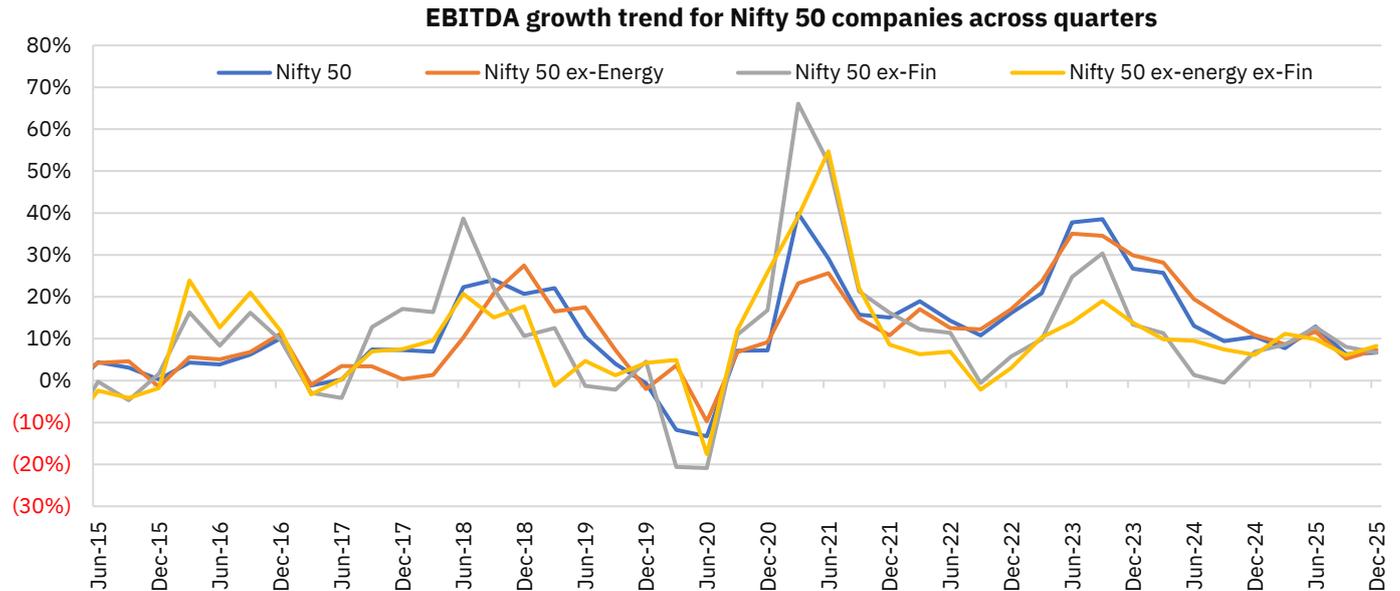| Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	46,914	0.3	1.1
Consumer Discretionary	60,118	1.7	(0.6)
Consumer Staples	25,941	0.1	0.4
Energy	1,47,510	2.4	5.3
Health Care	33,010	(0.1)	0.7
Industrials	67,667	1.5	0.8
Information Technology	60,735	0.5	1.1
Materials	90,843	(0.4)	1.3
Real Estate	6,646	(0.0)	0.2
Utilities	58,176	(0.7)	0.7
Nifty 500 ex-Financials	**5,97,560**	**5.4**	**10.9**
Nifty 500 ex-energy ex-fin	**4,50,050**	**3.0**	**5.7**
Nifty 500 ex-fin ex-Tata Motors	**5,95,063**	**4.9**	**25.6**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025.

Table 28: Sector-wise EBITDA growth of Nifty 500 companies (ex-Nifty 50)

Sector	QoQ growth			YoY growth			9MFY26	
	Dec-24	Sep-25	Dec-25	Dec-24	Sep-25	Dec-25	(Rs lakh crore)	Growth (%)
Communication Services	5.5	4.0	4.9	10.4	7.9	7.2	0.44	8.2
Consumer Discretionary	9.3	3.9	11.9	8.1	11.0	13.6	0.80	10.8
Consumer Staples	2.3	(4.1)	5.1	8.6	7.7	10.7	0.37	7.0
Energy	60.1	7.7	25.3	(22.1)	139.6	87.4	1.41	83.3
Financials	1.9	(0.2)	3.2	14.6	6.4	7.8	10.99	8.4
Health Care	(3.1)	8.3	(0.3)	13.8	15.6	19.0	0.65	12.7
Industrials	25.6	5.8	11.3	40.0	15.1	2.6	0.99	9.6
Information Technology	3.8	8.9	8.4	21.4	21.6	27.0	0.39	26.2
Materials	11.1	(0.8)	(6.2)	19.7	13.2	(4.2)	1.58	7.0
Real Estate	24.7	13.9	(2.7)	31.4	46.9	14.7	0.19	22.5
Utilities	(12.3)	0.7	(16.2)	5.9	8.1	3.3	1.04	6.2
Nifty 500	**5.5**	**1.4**	**3.6**	**12.9**	**13.2**	**11.3**	**18.87**	**12.3**
Nifty 500 ex-Energy	**3.6**	**1.0**	**1.9**	**15.7**	**8.8**	**7.2**	**17.45**	**8.9**
Nifty 500 ex-Financials	**11.3**	**3.7**	**4.1**	**10.3**	**24.2**	**16.5**	**7.87**	**18.3**
Nifty 500 ex-energy ex-fin	**6.6**	**3.0**	**(0.2)**	**17.5**	**13.1**	**6.2**	**6.46**	**9.8**

Source: CMIE Prowess, LSEG Workspace, NSE EPR.
Note: 1. 1. The above table provides data for companies in the Nifty 500 index as on December 31st, 2025 and excludes Nifty 50 companies.

Table 29: EBITDA margin of Nifty 500 companies (ex-Nifty 50) in Q3FY26

Sector	EBITDA Margin	QoQ change (bps)	YoY change (bps)
Communication Services	41.1	148	45
Consumer Discretionary	13.4	72	(7)
Consumer Staples	12.8	2	(17)
Energy	11.1	106	484
Financials	51.3	35	(282)
Health Care	25.8	(126)	61
Industrials	19.1	53	(223)
Information Technology	14.7	1	133
Materials	19.3	(55)	(159)
Real Estate	37.7	(686)	(99)
Utilities	26.3	(264)	107
Nifty 500	**27.5**	**(25)**	**33**
Nifty 500 ex-Energy	**32.0**	**(14)**	**(121)**
Nifty 500 ex-Financials	**16.8**	**(22)**	**117**
Nifty 500 ex-energy ex-fin	**19.4**	**(48)**	**(64)**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index excluding the Nifty 50 companies as of December 31st, 2025 and excludes Nifty 50 companies.

Table 30: EBITDA margin of Nifty 500 companies (ex-Nifty 50) in 9MFY26

Sector	EBITDA Margin	YoY change (bps)
Communication Services	40.1	75
Consumer Discretionary	12.9	(9)
Consumer Staples	13.0	(73)
Energy	10.0	447
Financials	51.3	2
Health Care	26.3	4
Industrials	18.8	(33)
Information Technology	14.6	140
Materials	20.0	(9)
Real Estate	40.3	92
Utilities	27.8	93
Nifty 500	**27.6**	**120**
Nifty 500 ex-Energy	**32.3**	**(9)**
Nifty 500 ex-Financials	**16.8**	**161**
Nifty 500 ex-energy ex-fin	**19.8**	**0**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index excluding the Nifty 50 companies as of December 31st, 2025 and excludes Nifty 50 companies.

Figure 64: Sector-wise EBITDA growth of Nifty 500 companies (ex-Nifty 50) in Q3FY26

Sector	Value
Materials	(4.2%)
Industrials	2.6%
Utilities	3.3%
Nifty 500 ex-Energy & Fin	6.2%
Nifty 500 ex-Energy	7.2%
Comm. Svcs.	7.2%
Financials	7.8%
Cons. Stap.	10.7%
Nifty 500	11.3%
Cons. Disc.	13.6%
Realty	14.7%
Nifty 500 ex-Fin	16.5%
Healthcare	19.0%
IT	27.0%
Energy	87.4%
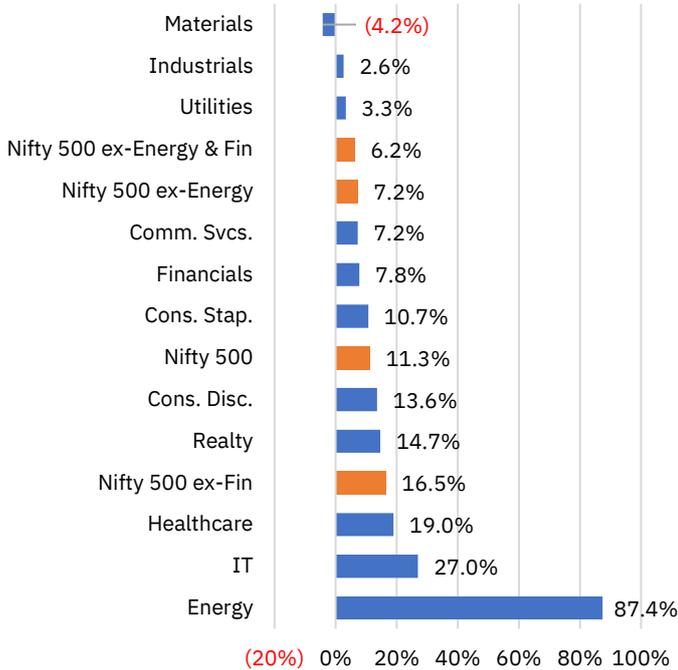
Figure 65: Sector-wise EBITDA growth of Nifty 500 companies (ex-Nifty 50) in 9MFY26
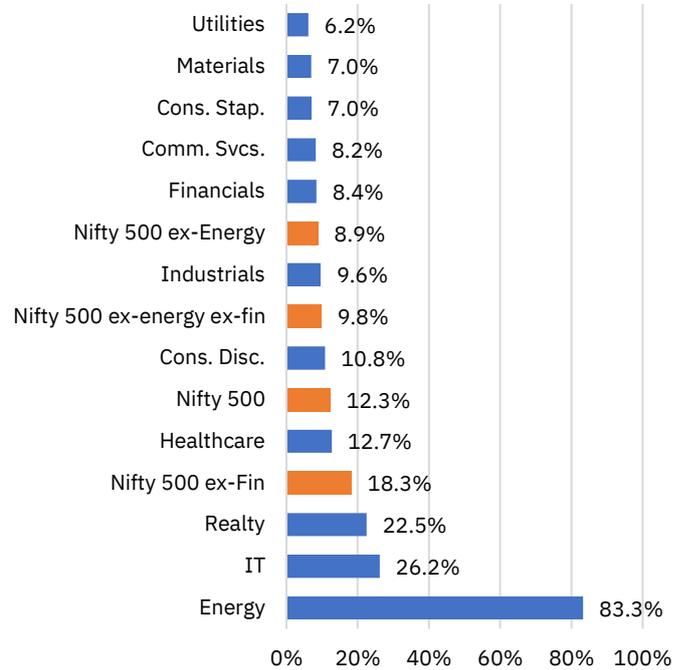
Sector	Value
Utilities	6.2%
Materials	7.0%
Cons. Stap.	7.0%
Comm. Svcs.	8.2%
Financials	8.4%
Nifty 500 ex-Energy	8.9%
Industrials	9.6%
Nifty 500 ex-energy ex-fin	9.8%
Cons. Disc.	10.8%
Nifty 500	12.3%
Healthcare	12.7%
Nifty 500 ex-Fin	18.3%
Realty	22.5%
IT	26.2%
Energy	83.3%

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 500 index as on December 31st, 2025 and excludes Nifty 50 companies.

Figure 66: Sector-wise EBITDA margin of Nifty 500 companies (ex-Nifty 50) in Q3FY26

Sector	Value
Energy	11.1%
Cons. Stap.	12.8%
Cons. Disc.	13.4%
IT	14.7%
Nifty 500 ex-Fin	16.8%
Industrials	19.1%
Materials	19.3%
Nifty 500 ex-Energy & Fin	19.4%
Healthcare	25.8%
Utilities	26.3%
Nifty 500	27.5%
Nifty 500 ex-Energy	32.0%
Realty	37.7%
Comm. Svcs.	41.1%
Financials	51.3%
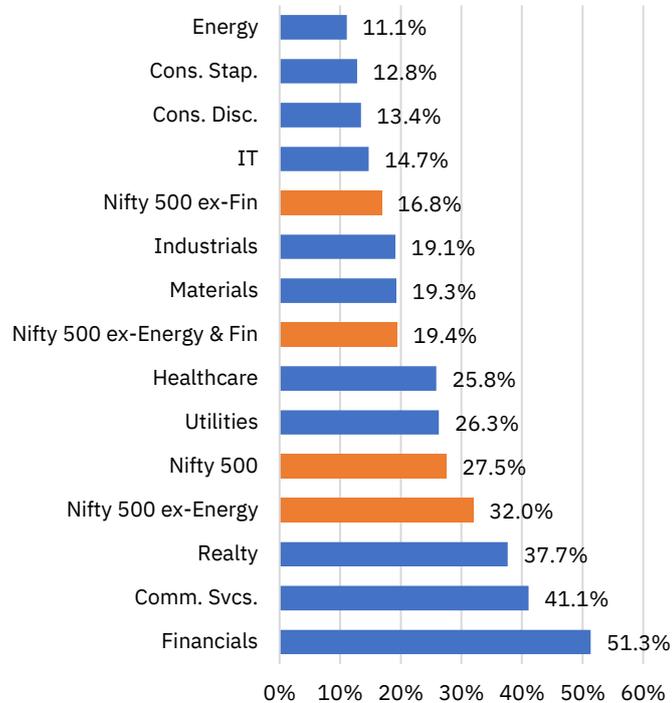
Figure 67: Sector-wise EBITDA margin of Nifty 500 companies (ex-Nifty 50) in 9MFY26
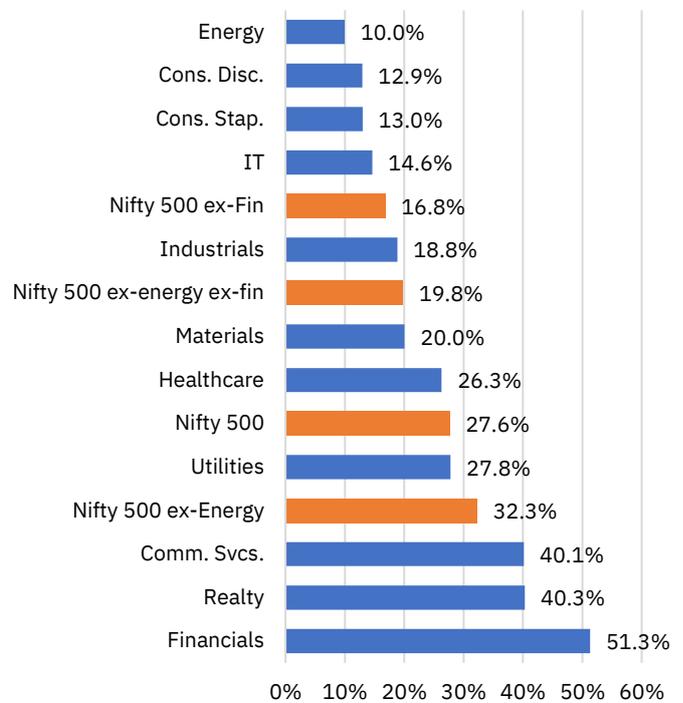
| Sector	Value
Energy	10.0%
Cons. Disc.	12.9%
Cons. Stap.	13.0%
IT	14.6%
Nifty 500 ex-Fin	16.8%
Industrials	18.8%
Nifty 500 ex-energy ex-fin	19.8%
Materials	20.0%
Healthcare	26.3%
Nifty 500	27.6%
Utilities	27.8%
Nifty 500 ex-Energy	32.3%
Comm. Svcs.	40.1%
Realty	40.3%
Financials	51.3%

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 500 index as on December 31st, 2025 and excludes Nifty 50 companies.

Table 31: Sector-wise contribution of Nifty 500 companies (ex-Fin/Nifty 50) to EBITDA growth in Q3FY26

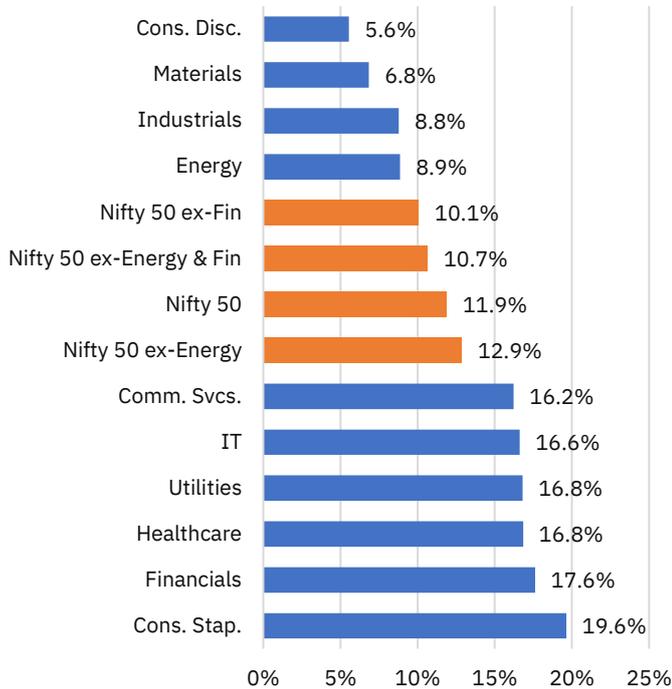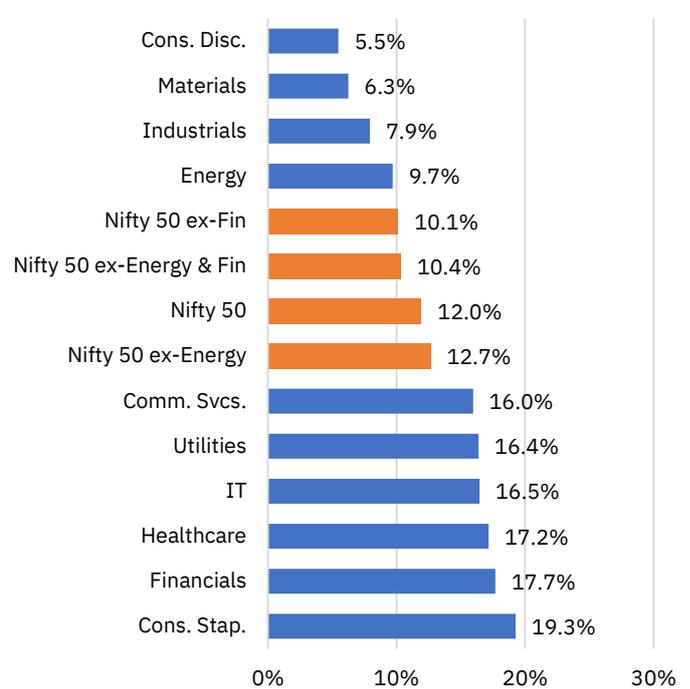| Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	15,312	0.3	0.4
Consumer Discretionary	29,161	1.2	1.5
Consumer Staples	12,568	0.2	0.5
Energy	55,704	4.3	11.1
Health Care	22,122	(0.0)	1.5
Industrials	36,610	1.4	0.4
Information Technology	14,035	0.4	1.3
Materials	50,782	(1.3)	(0.9)
Real Estate	6,646	(0.1)	0.4
Utilities	30,799	(2.3)	0.4
Nifty 500 ex-Financials	**2,73,738**	**4.1**	**16.5**
Nifty 500 ex-energy ex-fin	**2,18,034**	**4.3**	**16.9**

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Nifty 50 companies.

Figure 68: Quarterly trend in Nifty 500 EBITDA growth (YoY)
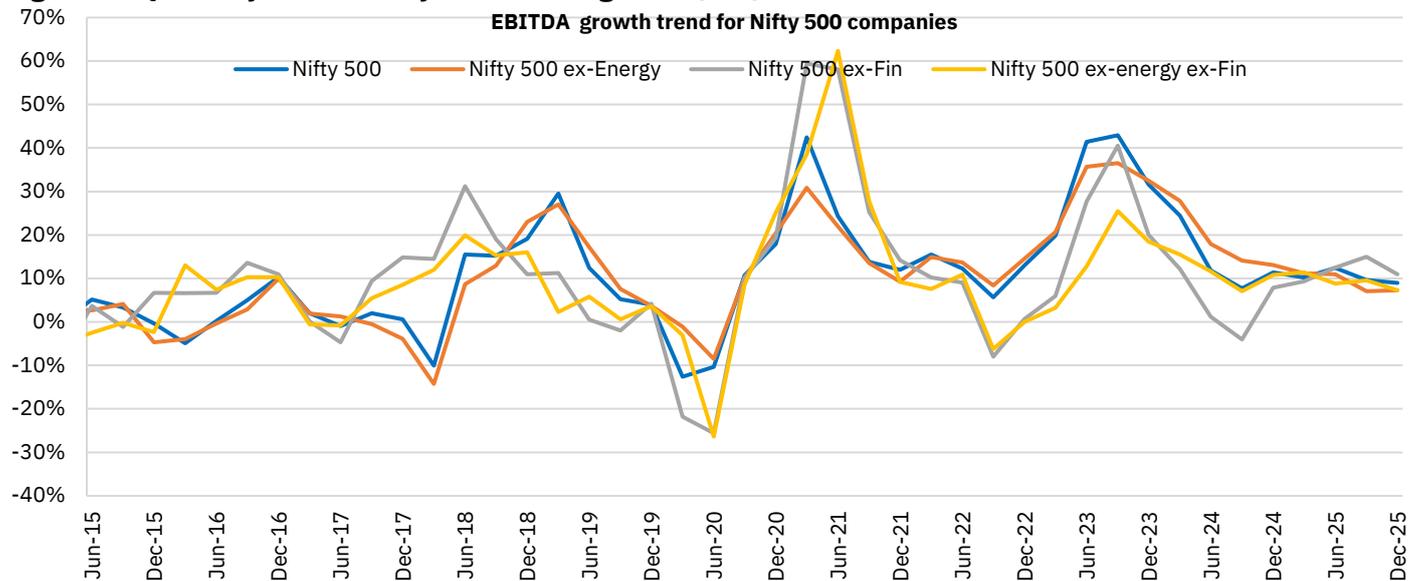
Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

Figure 69: Nine-month EBITDA growth trend for Nifty 500 over 11 Years (YoY)

EBITDA growth trend for Nifty 50 companies in last 11 years
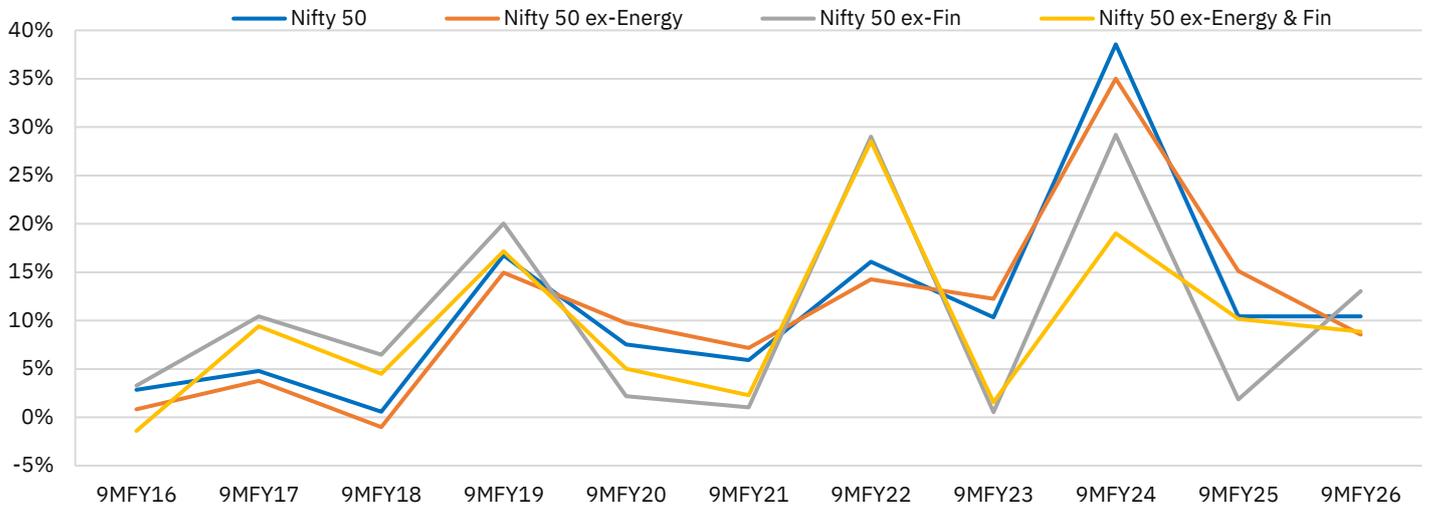
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 500 index as at the end of December 31st of the respective fiscal years.
2. YoY growth is calculated based on interim financial data.

Figure 70: Quarterly trend in EBITDA margin of Nifty 500 companies

EBITDA margin trend for Nifty 500 companies
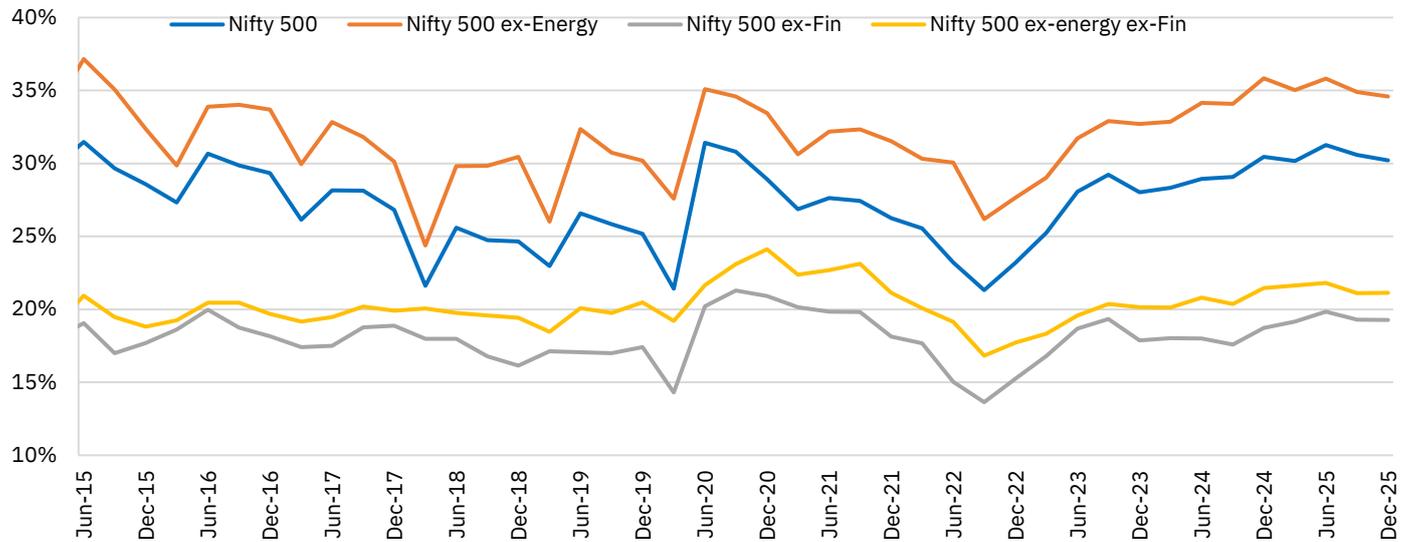
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

Figure 71: Nine-month EBITDA margin trend of Nifty 500 companies over 11 years

EBITDA margin trend for Nifty 50 companies in last 11 years
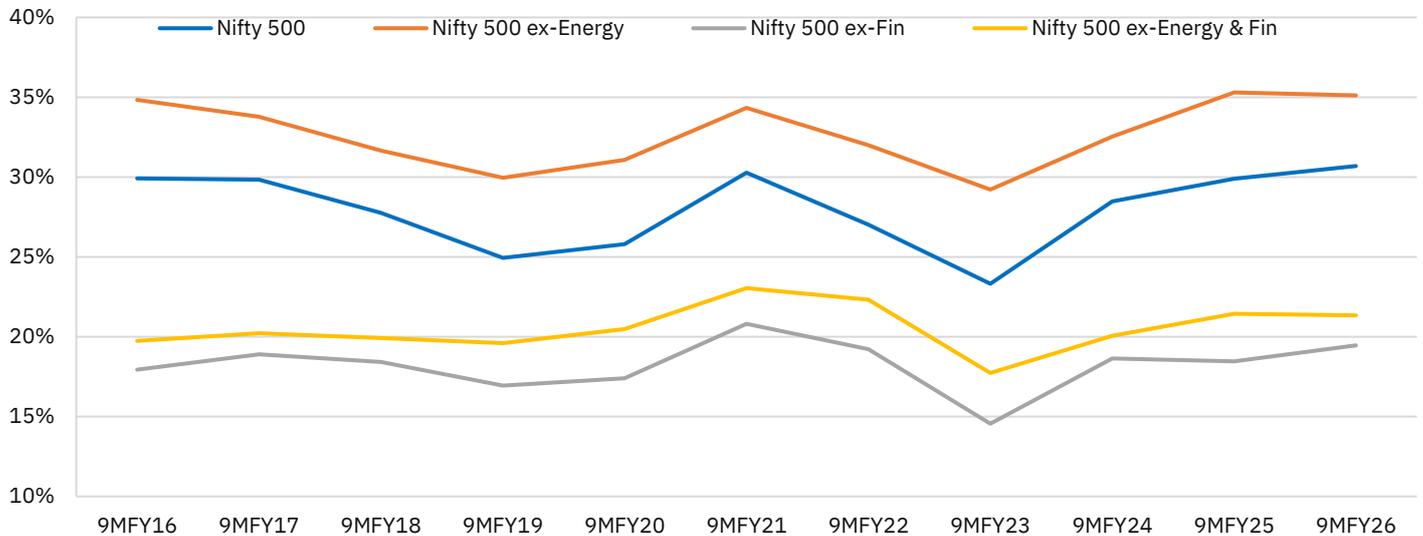
Source: CMIE Prowess, LSEG Workspace, NSE EPR

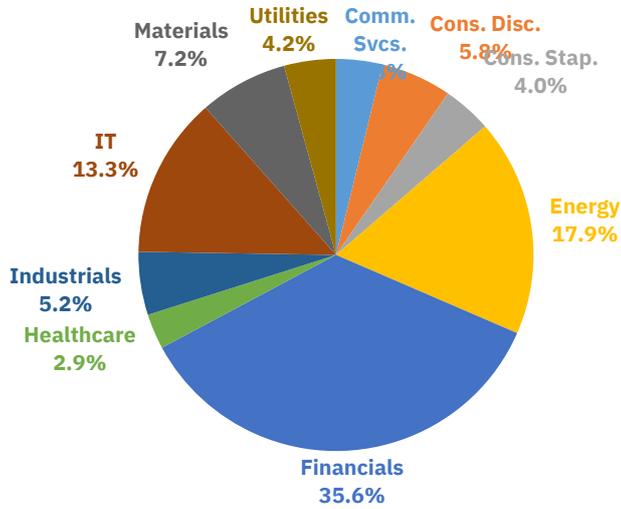Note: 1. The above chart includes companies in the Nifty 500 index as at the end of December 31st of the respective fiscal years.
2. EBITDA margin is calculated based on interim financial data.

PAT growth remained strong beyond Nifty 50; Margins led by Nifty 50: In Q3 FY26, adjusted PAT for Nifty 500 companies (excluding Nifty 50) rose 24.5% YoY to Rs 2.18 lakh crore, moderating from the elevated 30.7% growth recorded in Q2, reflecting normalisation after a strong Q2. Median PAT growth stood at 19.1% YoY, significantly higher than the 10.1% median for the Nifty 50 cohort, underscoring sustained earnings momentum beyond the top 50, particularly within Energy and Financials.

Within this universe, the Nifty Next 50 accounted for 48% of the YoY PAT expansion, with median growth of 13%. The Nifty Midcap 150 and Nifty Smallcap 250 together contributed the remaining 52%, delivering median growth of 19.1% and 21.8%, respectively. This highlights the relatively stronger earnings trajectory among mid- and small-cap companies, supported by robust revenue growth.

Profitability metrics remained resilient. Operating margins expanded 108 bps YoY and 34 bps sequentially to 9.3%, a multi-quarter high, while median PAT margins stood at 10.9%. Segment-wise, the Nifty Next 50 led with a 15.3% median PAT margin, followed by the Nifty 50 at 13.9%, the Midcap 150 at 11.6%, and the Smallcap 250 at 10.2%, indicating relatively stronger cost absorption capacity among larger companies.

Sectorally, Energy and Financials were the principal drivers, contributing 46% and 27% of YoY PAT growth, respectively, aided by solid revenue expansion and improved operating efficiency. Excluding these two sectors, the remaining companies recorded a more moderate 13.9% YoY and 1.4% QoQ increase in PAT, suggesting that earnings growth was concentrated in select segments.

Earnings breadth improved in Q3. Within the Nifty 500 (ex-Nifty 50), 327 companies reported YoY PAT growth and 280 posted sequential gains, up from 272 and 245 in Q2. Approximately 95% of the cohort reported positive PAT margins, although over 70% operated with margins below 20%, indicating that profitability remains modest for a majority of firms.

For 9M FY26, aggregate PAT for the Nifty 500 (ex-Nifty 50) rose 21.8% YoY to Rs 6.1 lakh crore, a marked acceleration from 9.9% in the corresponding period last year and above the 12.3% growth recorded by the Nifty 50. PAT margins expanded 160 bps YoY to 8.9%, a multi-year high, though still below the 12.6% margin for the Nifty 50, underscoring the superior profitability profile of large-cap companies.

Table 32: Sector-wise PAT growth of Nifty 500 companies

Sector	QoQ growth			YoY growth			9MFY26	
	Dec-24	Sep-25	Dec-25	Dec-24	Sep-25	Dec-25	(Rs crore)	Growth (%)
Communication Services	NA	56.6	2.8	NA	NA	41.6	0.16	510.7
Consumer Discretionary	24.7	(33.6)	43.5	1.2	(19.6)	(7.4)	0.70	(8.7)
Consumer Staples	(1.7)	(5.8)	7.1	0.6	3.2	12.5	0.50	6.2
Energy	33.5	(14.8)	17.3	(12.4)	60.7	41.2	2.06	47.0
Financials	2.7	2.4	7.8	18.7	7.0	12.3	4.95	8.9
Health Care	0.4	6.5	(0.2)	18.2	12.9	12.2	0.55	9.5
Industrials	35.8	(9.9)	32.5	28.6	4.7	2.5	0.81	3.9
Information Technology	6.9	5.1	6.5	11.2	14.1	13.8	1.11	12.7
Materials	17.6	(6.1)	8.6	5.7	36.4	26.6	1.17	28.1
Real Estate	26.8	20.5	(0.1)	43.7	50.5	18.7	0.12	26.4
Utilities	(33.5)	(8.1)	(15.3)	(1.1)	(5.7)	20.0	0.67	2.4
Nifty 500	**10.0**	**(4.3)**	**10.3**	**11.4**	**15.5**	**15.9**	**12.80**	**14.9**
Nifty 500 ex-Energy	**7.2**	**(2.1)**	**9.1**	**16.2**	**10.0**	**12.1**	**10.74**	**10.3**
Nifty 500 ex-Financials	**15.5**	**(8.2)**	**12.0**	**7.1**	**21.9**	**18.4**	**7.85**	**19.1**
Nifty 500 ex-energy ex-fin	**11.3**	**(5.7)**	**10.3**	**14.2**	**12.8**	**12.0**	**5.79**	**11.6**
Nifty 500 ex-Tata Motors	**9.5**	**(2.3)**	**9.6**	**12.1**	**18.0**	**18.2**	**12.83**	**16.7**

Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above table provides data for companies in the Nifty 500 index as on December 31st, 2025.
2. NA: Not Applicable

Table 33: Sector-wise PAT margin of Nifty 500 companies in Q3FY26

Sector	PAT Margin	QoQ change (bps)	YoY change (bps)
Communication Services	6.9	2	136
Consumer Discretionary	5.6	138	(84)
Consumer Staples	11.7	34	18
Energy	7.4	50	187
Financials	14.6	37	(28)
Health Care	15.0	(57)	(23)
Industrials	9.6	166	(98)
Information Technology	14.0	23	44
Materials	8.0	68	114
Real Estate	23.3	(352)	20
Utilities	11.0	(143)	178
Nifty 500	**10.5**	**47**	**57**
Nifty 500 ex-Energy	**11.3**	**50**	**12**
Nifty 500 ex-Financials	**8.9**	**52**	**78**
Nifty 500 ex-energy ex-fin	**9.5**	**56**	**25**
Nifty 500 ex-Tata Motors	**(2.8)**	**355**	**(771)**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025.

Table 34: Sector-wise PAT margin of Nifty 500 companies in 9MFY26

Sector	PAT Margin	YoY change (bps)
Communication Services	6.2	498
Consumer Discretionary	5.3	(91)
Consumer Staples	11.6	(50)
Energy	7.4	224
Financials	14.2	9
Health Care	15.2	(31)
Industrials	8.9	(56)
Information Technology	13.9	54
Materials	7.8	113
Real Estate	24.1	128
Utilities	12.2	6
Nifty 500	**10.3**	**69**
Nifty 500 ex-Energy	**11.1**	**18**
Nifty 500 ex-Financials	**8.8**	**91**
Nifty 500 ex-energy ex-fin	**9.4**	**24**
Nifty 500 ex-Tata Motors	**10.5**	**78**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025.

Figure 72: Sector-wise PAT growth of Nifty 500 companies in Q3FY26

Sector	Value
Industrials	2.5%
Nifty 500 ex-Energy & Fin	12.0%
Nifty 500 ex-Energy	12.1%
Healthcare	12.2%
Financials	12.3%
Cons. Stap.	12.5%
IT	13.8%
Nifty 500	15.9%
Nifty 500 ex-Fin	18.4%
Realty	18.7%
Utilities	20.0%
Materials	26.6%
Energy	41.2%
Comm. Svcs.	41.6%

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above charts provide data for companies in the Nifty 500 index as of December 31st, 2025.
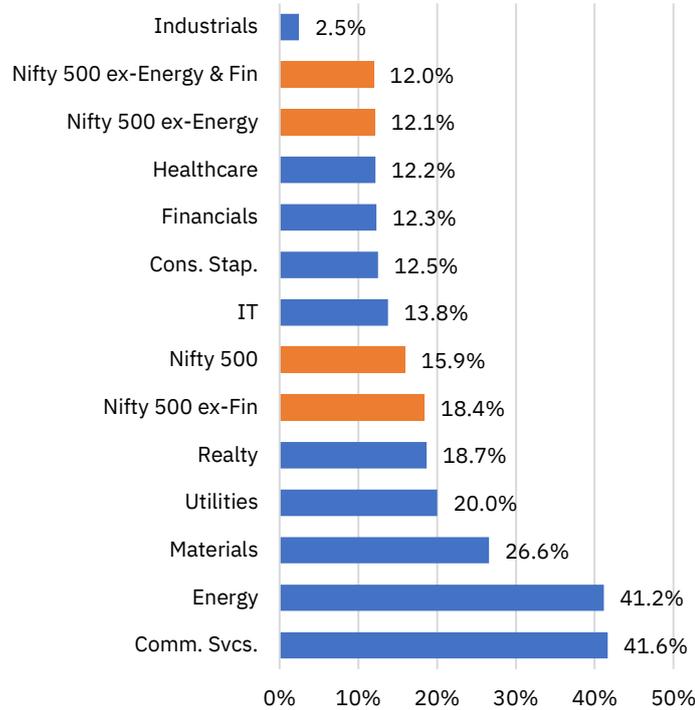
Figure 73: Sector-wise PAT growth of Nifty 500 companies in 9MFY26
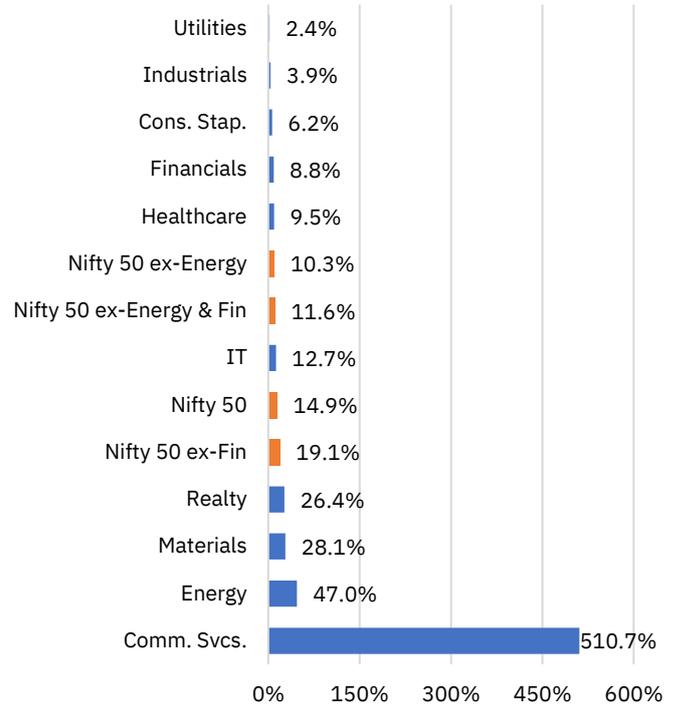
Sector	Value
Utilities	2.4%
Industrials	3.9%
Cons. Stap.	6.2%
Financials	8.8%
Healthcare	9.5%
Nifty 50 ex-Energy	10.3%
Nifty 50 ex-Energy & Fin	11.6%
IT	12.7%
Nifty 50	14.9%
Nifty 50 ex-Fin	19.1%
Realty	26.4%
Materials	28.1%
Energy	47.0%
Comm. Svcs.	510.7%

Figure 74: Sector-wise PAT margin of Nifty 500 companies in Q3FY26

Sector	Value
Cons. Disc.	5.6%
Comm. Svcs.	6.9%
Energy	7.4%
Materials	8.0%
Nifty 500 ex-Fin	8.9%
Nifty 500 ex-Energy & Fin	9.5%
Industrials	9.6%
Nifty 500	10.5%
Utilities	11.0%
Nifty 500 ex-Energy	11.3%
Cons. Stap.	11.7%
IT	14.0%
Financials	14.6%
Healthcare	15.0%
Realty	23.3%

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above charts provide data for companies in the Nifty 500 index as of December 31st, 2025.
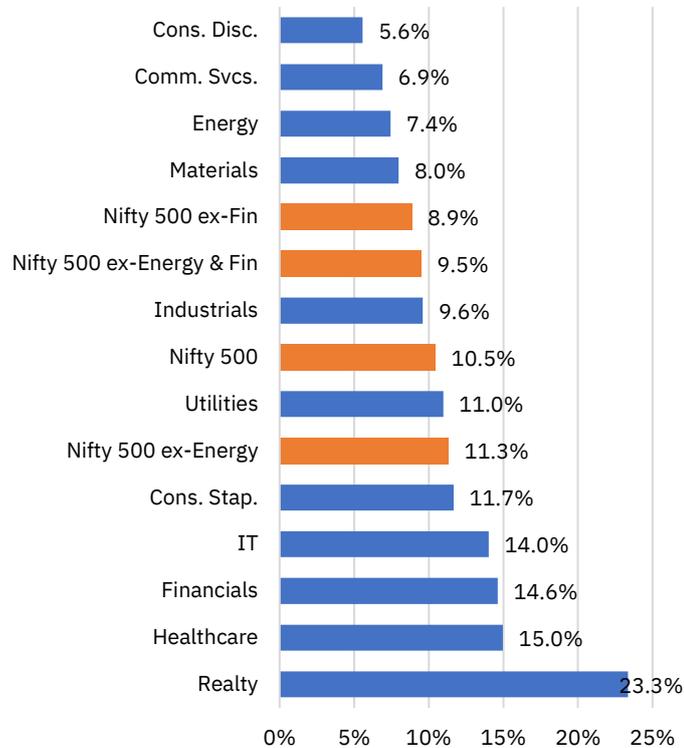
Figure 75: Sector-wise PAT margin of Nifty 500 companies in 9MFY26
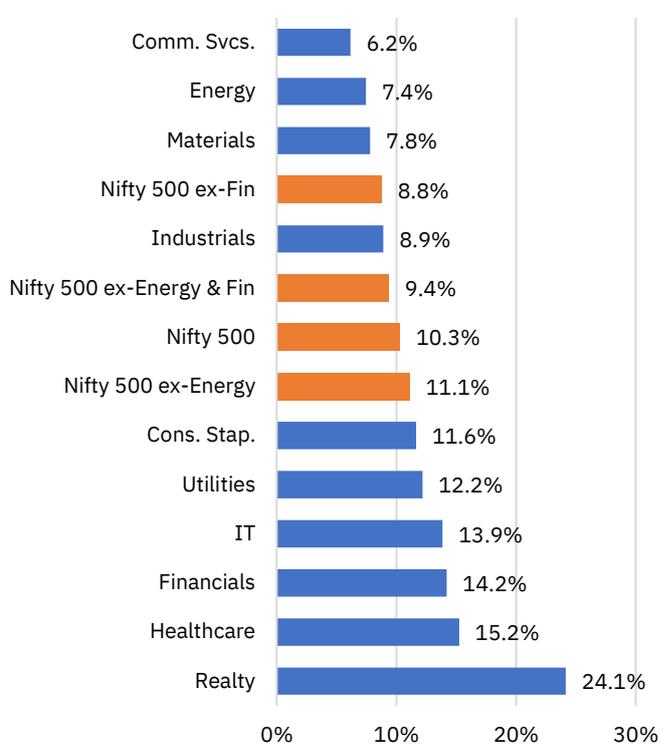
Sector	Value
Comm. Svcs.	6.2%
Energy	7.4%
Materials	7.8%
Nifty 500 ex-Fin	8.8%
Industrials	8.9%
Nifty 500 ex-Energy & Fin	9.4%
Nifty 500	10.3%
Nifty 500 ex-Energy	11.1%
Cons. Stap.	11.6%
Utilities	12.2%
IT	13.9%
Financials	14.2%
Healthcare	15.2%
Realty	24.1%

Table 35: Sector-wise contribution of Nifty 500 companies to PAT growth in Q3FY26

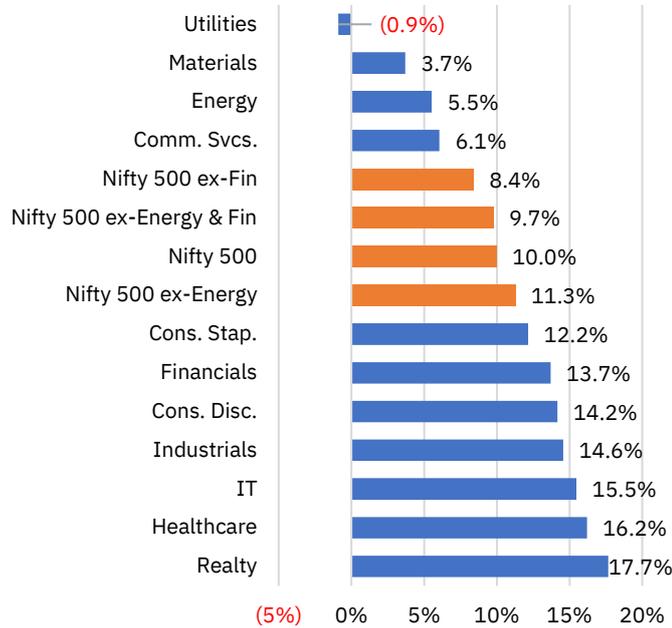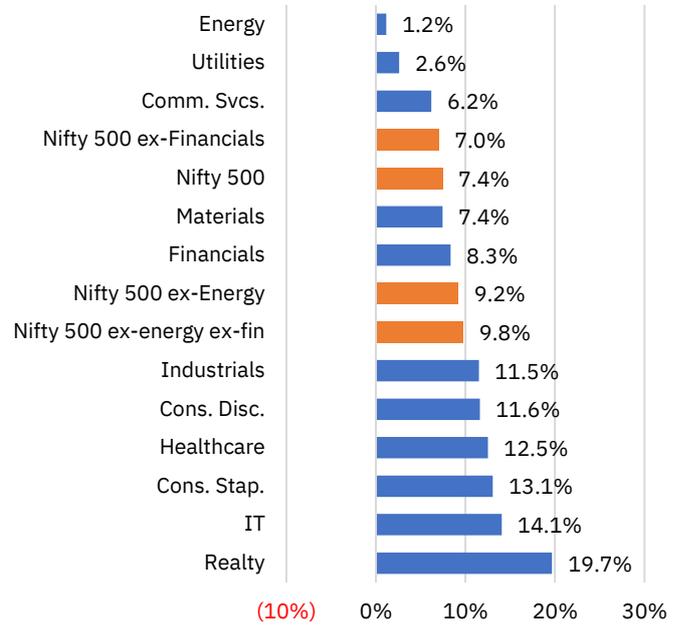| Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	6,286	0.0	0.5
Consumer Discretionary	25,534	1.9	(0.5)
Consumer Staples	16,965	0.3	0.5
Energy	72,273	2.6	5.4
Financials	1,74,732	3.1	4.9
Health Care	18,791	(0.0)	0.5
Industrials	31,470	1.9	0.2
Information Technology	39,196	0.6	1.2
Materials	40,531	0.8	2.2
Real Estate	4,121	(0.0)	0.2
Utilities	19,237	(0.9)	0.8
Nifty 500	**4,49,134**	**10.3**	**15.9**
Nifty 500 ex-Energy	**3,76,862**	**7.7**	**10.5**
Nifty 500 ex-Financials	**2,74,403**	**7.2**	**11.0**
Nifty 500 ex-energy ex-fin	**2,02,130**	**4.6**	**5.6**
Nifty 500 ex-Tata Motors	**4,51,100**	**9.7**	**17.9**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025.

Table 36: Sector-wise PAT growth of Nifty 500 companies (ex-Nifty 50)

Sector	QoQ growth			YoY growth			9MFY26	
	Dec-24	Sep-25	Dec-25	Dec-24	Sep-25	Dec-25	(Rs lakh crore)	Growth (%)
Communication Services	NA	NA	NA	NA	NA	NA	-0.09	NA
Consumer Discretionary	16.3	7.1	18.8	4.1	22.8	25.4	0.32	14.9
Consumer Staples	3.5	(6.8)	8.5	7.0	7.9	13.1	0.22	7.5
Energy	284.2	5.7	36.4	(42.4)	690.3	180.5	0.75	188.0
Financials	9.4	5.8	8.9	14.9	14.8	14.3	2.58	11.3
Health Care	(3.7)	7.2	0.3	18.0	17.6	22.5	0.35	13.3
Industrials	44.0	18.4	11.8	63.9	23.2	(3.6)	0.51	7.1
Information Technology	4.9	7.3	15.1	18.3	24.1	36.1	0.23	31.7
Materials	27.7	(6.3)	0.1	29.7	24.8	(1.5)	0.73	11.7
Real Estate	26.8	20.5	(0.1)	43.7	50.5	18.7	0.12	26.4
Utilities	(53.1)	(7.1)	(32.1)	(0.1)	(6.6)	35.1	0.38	2.2
Nifty 500	**14.1**	**4.7**	**8.5**	**13.7**	**30.7**	**24.5**	**6.10**	**21.8**
Nifty 500 ex-Energy	**9.0**	**4.6**	**5.0**	**21.4**	**18.2**	**14.1**	**5.35**	**12.7**
Nifty 500 ex-Financials	**18.5**	**4.0**	**8.3**	**12.7**	**45.3**	**33.3**	**3.52**	**30.9**
Nifty 500 ex-energy ex-fin	**8.6**	**3.6**	**1.4**	**28.2**	**21.4**	**13.9**	**2.77**	**14.1**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above table provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Nifty 50 companies.
2. NA: Not Applicable

Table 37: Sector-wise PAT margin of Nifty 500 companies (ex-Nifty 50) in Q3FY26

Sector	PAT Margin	QoQ change (bps)	YoY change (bps)
Communication Services	(6.6)	23	518
Consumer Discretionary	5.6	61	50
Consumer Staples	7.8	26	6
Energy	6.1	104	383
Financials	12.7	74	6
Health Care	14.1	(60)	73
Industrials	10.2	32	(191)
Information Technology	9.0	53	136
Materials	9.0	33	(48)
Real Estate	23.3	(352)	20
Utilities	8.1	(290)	215
Nifty 500	**9.3**	**34**	**108**
Nifty 500 ex-Energy	**10.1**	**25**	**25**
Nifty 500 ex-Financials	**7.7**	**20**	**144**
Nifty 500 ex-energy ex-fin	**8.4**	**(7)**	**30**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Nifty 50 companies.

Table 38: Sector-wise PAT margin of Nifty 500 companies (ex-Nifty 50) in 9MFY26

Sector	PAT Margin	YoY change (bps)
Communication Services	(7.8)	419
Consumer Discretionary	5.1	67
Consumer Staples	7.9	55
Energy	5.3	345
Financials	12.0	122
Health Care	14.3	169
Industrials	9.6	64
Information Technology	8.6	208
Materials	9.2	96
Real Estate	24.1	504
Utilities	10.2	23
Nifty 500	**8.9**	**160**
Nifty 500 ex-Energy	**9.9**	**112**
Nifty 500 ex-Financials	**7.5**	**178**
Nifty 500 ex-energy ex-fin	**8.5**	**105**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Nifty 50 companies.

Figure 76: Sector-wise PAT growth of Nifty 500 companies (ex-Nifty 50) in Q3FY26

Sector	Value
Industrials	(3.6%)
Materials	(1.5%)
Cons. Stap.	13.1%
Nifty 500 ex-Energy & Fin	13.9%
Nifty 500 ex-Energy	14.1%
Financials	14.3%
Realty	18.7%
Healthcare	22.5%
Nifty 500	24.5%
Cons. Disc.	25.4%
Nifty 500 ex-Fin	33.3%
Utilities	35.1%
IT	36.1%
Energy	180.5%
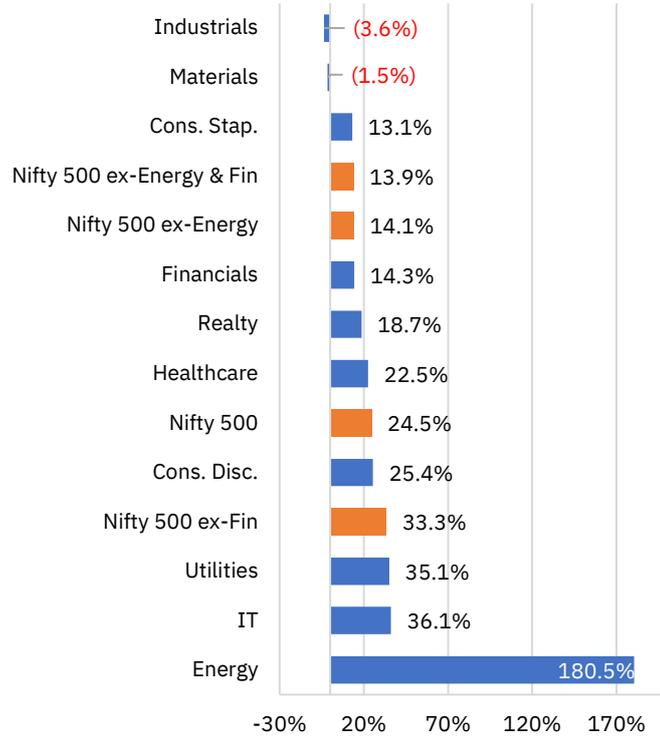
Figure 77: Sector-wise PAT growth of Nifty 500 companies (ex-Nifty 50) in 9MFY26
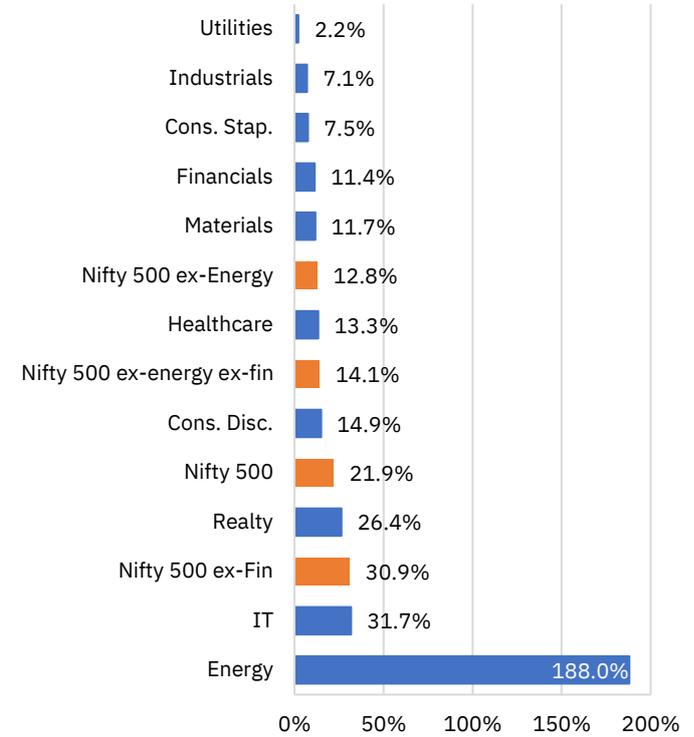
Sector	Value
Utilities	2.2%
Industrials	7.1%
Cons. Stap.	7.5%
Financials	11.4%
Materials	11.7%
Nifty 500 ex-Energy	12.8%
Healthcare	13.3%
Nifty 500 ex-energy ex-fin	14.1%
Cons. Disc.	14.9%
Nifty 500	21.9%
Realty	26.4%
Nifty 500 ex-Fin	30.9%
IT	31.7%
Energy	188.0%

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above charts provide data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Nifty 50 companies.

Figure 78: Sector-wise PAT margin of Nifty 500 companies (ex-Nifty 50) in Q3FY26

Sector	Value
Comm. Svcs.	(6.6%)
Cons. Disc.	5.6%
Energy	6.1%
Nifty 500 ex-Fin	7.7%
Cons. Stap.	7.8%
Utilities	8.1%
Nifty 500 ex-Energy & Fin	8.4%
IT	9.0%
Materials	9.0%
Nifty 500	9.3%
Nifty 500 ex-Energy	10.1%
Industrials	10.2%
Financials	12.7%
Healthcare	14.1%
Realty	23.3%
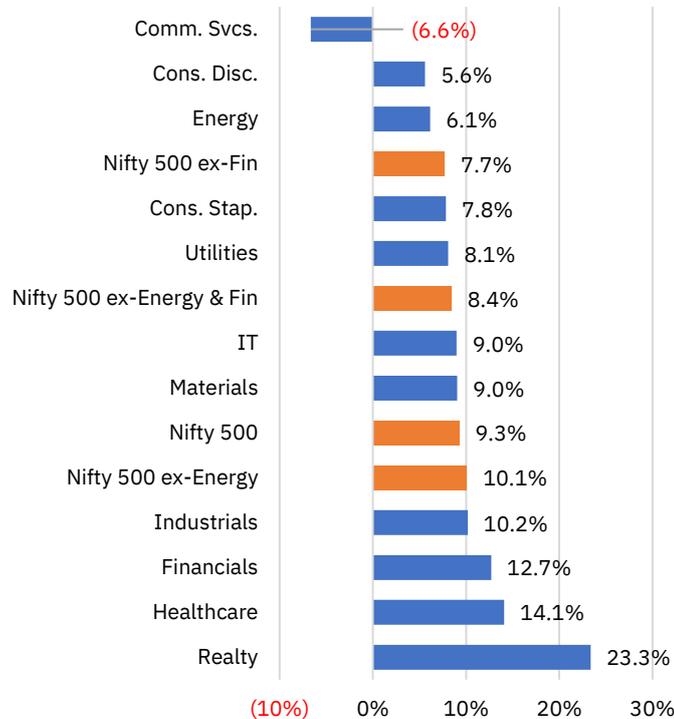
Figure 79: Sector-wise PAT margin of Nifty 500 (ex-Nifty 50) companies in 9MFY26
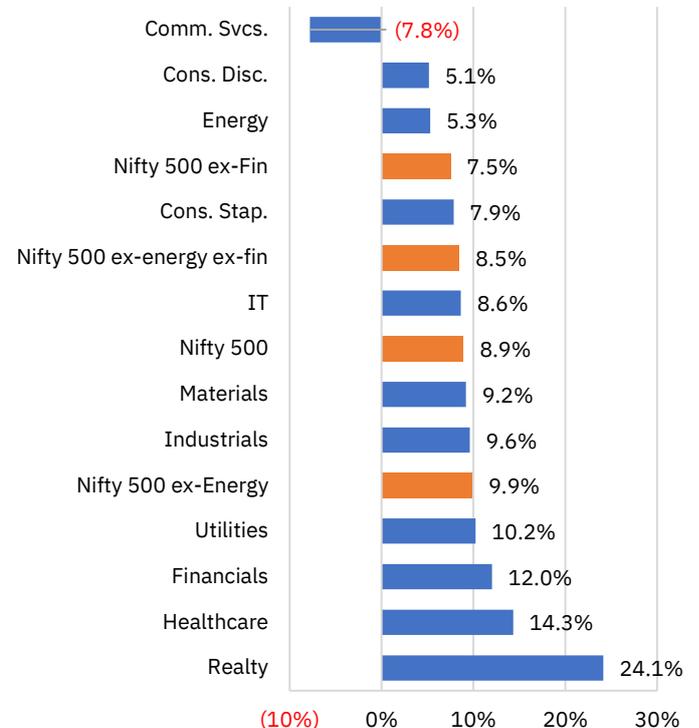
Sector	Value
Comm. Svcs.	(7.8%)
Cons. Disc.	5.1%
Energy	5.3%
Nifty 500 ex-Fin	7.5%
Cons. Stap.	7.9%
Nifty 500 ex-energy ex-fin	8.5%
IT	8.6%
Nifty 500	8.9%
Materials	9.2%
Industrials	9.6%
Nifty 500 ex-Energy	9.9%
Utilities	10.2%
Financials	12.0%
Healthcare	14.3%
Realty	24.1%

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above charts provide data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Nifty 50 companies.

Table 39: Sector-wise contribution of Nifty 500 companies (ex-Nifty 50) to PAT growth in Q3FY26

Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	-2,474	0.0	1.0
Consumer Discretionary	12,148	1.0	1.4
Consumer Staples	7,684	0.3	0.5
Energy	30,903	4.1	11.3
Financials	92,482	3.7	6.6
Health Care	12,074	0.0	1.3
Industrials	19,475	1.0	(0.4)
Information Technology	8,569	0.6	1.3
Materials	23,811	0.0	(0.2)
Real Estate	4,121	(0.0)	0.4
Utilities	9,453	(2.2)	1.4
Nifty 500	**2,18,246**	**8.5**	**24.5**
Nifty 500 ex-Energy	**1,87,343**	**4.4**	**13.2**
Nifty 500 ex-Financials	**1,25,764**	**4.8**	**17.9**
Nifty 500 ex-energy ex-fin	**94,861**	**0.7**	**6.6**

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Nifty 50 companies.

Figure 80: Share of Nifty index constituents in overall PAT growth of Nifty 500 universe in Q3FY26

Contribution of Nifty index constituents to the overall PAT growth (%YoY) in Q3FY26
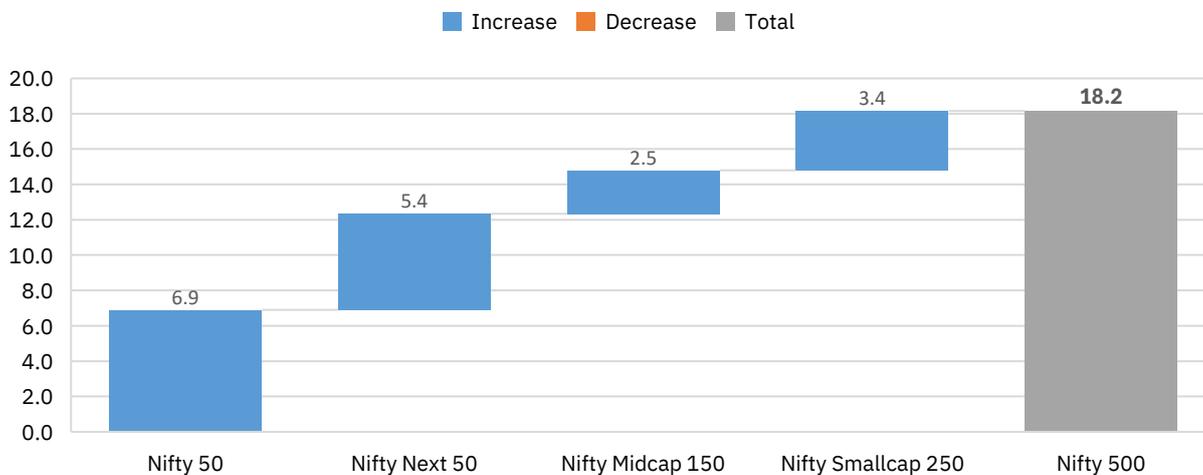
Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above chart provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 40: Segment-wise distribution of companies based on YoY aggregate and median PAT growth across Nifty 500 constituents

Index	<=0%	0% - 10%	10% -20%	20% - 30%	30% - 40%	40% - 50%	> 50%	Median (%)
Nifty 50	9	15	7	8	3	2	4	10.1%
Nifty Next 50	8	13	9	8	3	3	5	13.0%
Nifty Midcap 150	25	25	25	15	13	8	34	19.1%
Nifty Smallcap 250	63	26	22	29	23	12	54	21.8%
Nifty 500	**105**	**79**	**63**	**60**	**42**	**25**	**97**	**18.4%**

Source: CMIE Prowess, LSEG Workspace, NSE

Note: The above chart provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 41: Segment-wise distribution of companies based on PAT margin across Nifty 500 constituents

Index	<=0%	0% - 10%	10% -20%	20% - 30%	30% - 40%	40% - 50%	> 50%	Median (%)
Nifty 50	0	19	16	11	3	0	0	13.9%
Nifty Next 50	0	18	18	9	1	1	2	15.3%
Nifty Midcap 150	4	54	56	25	4	2	4	11.6%
Nifty Smallcap 250	19	102	65	37	15	6	5	10.2%
Nifty 500	**23**	**193**	**155**	**82**	**23**	**9**	**11**	**11.0%**

Source: CMIE Prowess, LSEG Workspace, NSE

Note: The above chart provides data for companies in the Nifty 500 index as of December 31st, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 81: Quarterly trend in Nifty 500 PAT growth (YoY)
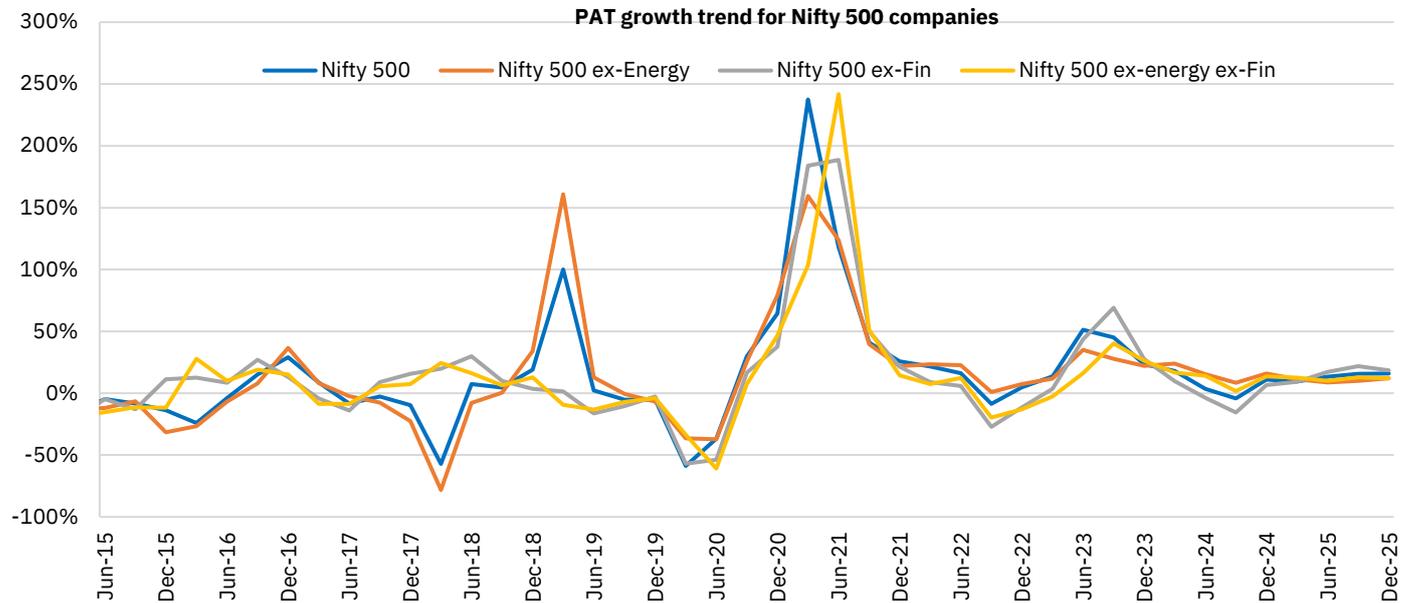
Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

Figure 82: Nine-month PAT growth trend for Nifty 500 over 11 Years (YoY)
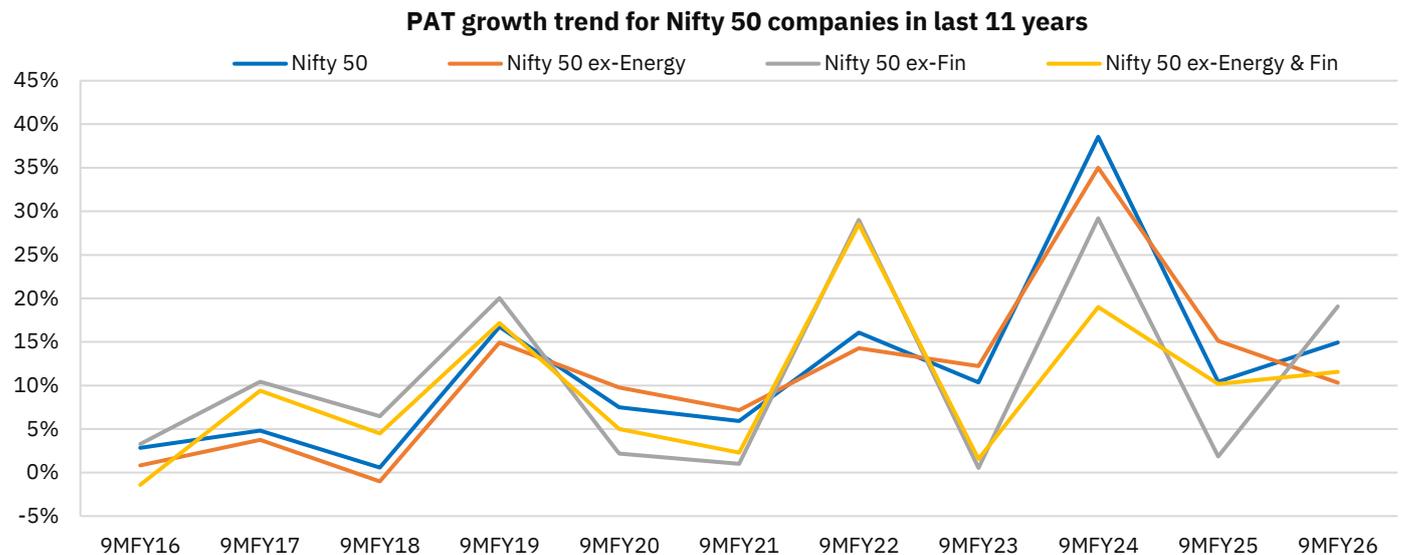
Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as at the end of December 31st of the respective fiscal years.
2. YoY growth is calculated based on interim financial data.

OFF

Figure 83: Quarterly trend in PAT margin of Nifty 500 companies
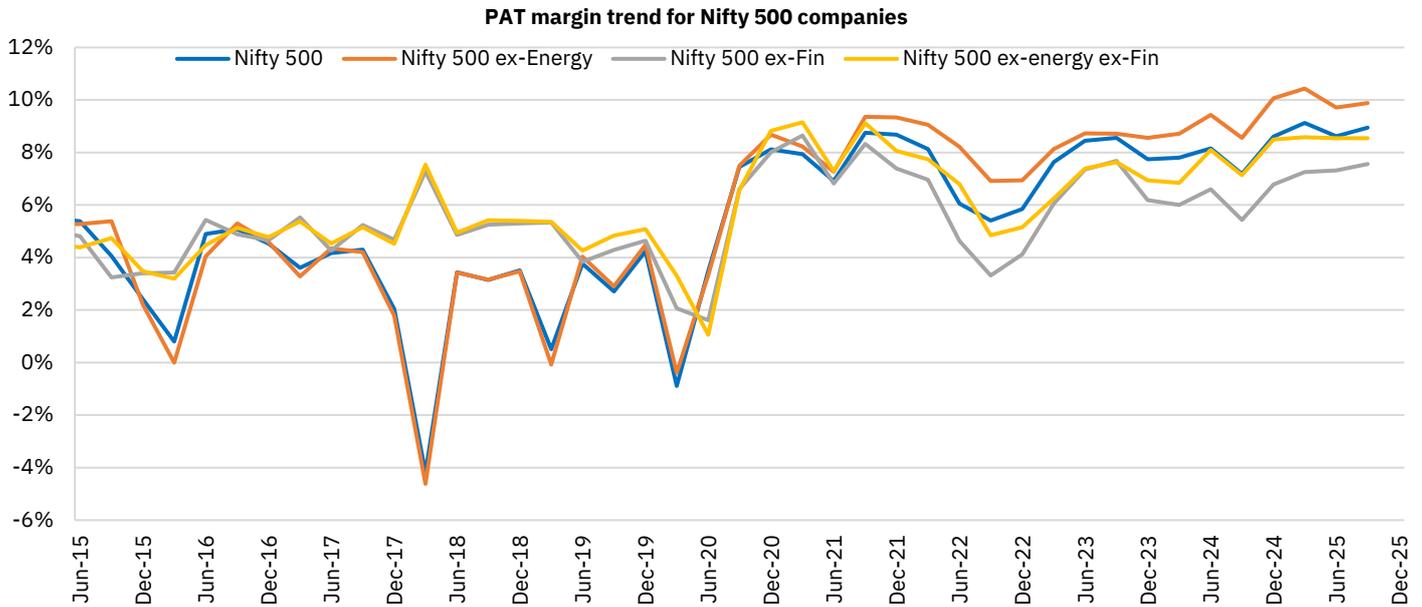
PAT margin trend for Nifty 500 companies

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

Figure 84: Nine-month PAT margin trend for Nifty 500 over the last 11 fiscal years
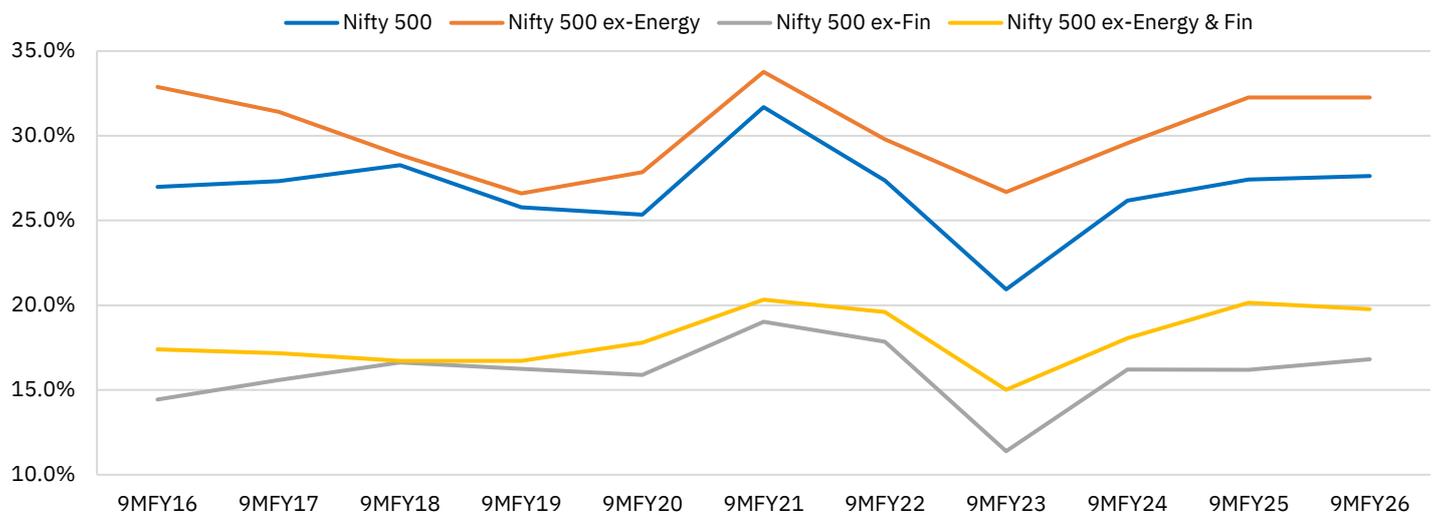
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 500 index as at the end of December 31st of the respective fiscal years.
2. PAT margin is calculated based on interim financial data.

Earnings concentration analysis

To assess the breadth and resilience of India Inc.'s earnings base, we analyse concentration trends across the Nifty 50, Nifty 500, and the Nifty 500 ex-Nifty 50 universes using the Herfindahl–Hirschman Index (HHI). The HHI provides a quantitative measure of how evenly revenues and profits are distributed across listed firms: higher values indicate greater concentration in a few companies, while lower readings signal broader participation. By computing the HHI for sales, EBITDA, and PAT across these three cohorts over the past decade, we evaluate whether India's corporate growth cycle is becoming more top-heavy or more broad-based, and how this dispersion has evolved across large, mid-, and small-cap segments.

Understanding the Herfindahl–Hirschman Index (HHI)

The HHI is a widely used measure of concentration that captures how evenly (or unevenly) activity is distributed across a set of firms. It is calculated by squaring each firm's share of the total and summing these squared shares:

$$\text{HHI} = \sum_{i=1}^{N} (s_i)^2$$

where s_i represents the percentage share of firm i.

Higher values indicate that a small number of firms account for a large portion of activity, while lower values point to a more diffused and competitive structure. The index ranges from **0 to 10,000**, with commonly used thresholds distinguishing low, moderate, and high concentration.

Because larger shares exert a disproportionate influence when squared, the index rises quickly when a few firms dominate.

1. **Below 1,500** → activity is spread across many firms.

2. **1,500–2,500** → moderate concentration.

3. **Above 2,500** → high concentration.

4. **10,000** represents a single firm holding the entire market.

Why is HHI relevant for corporate earnings?

HHI serves as a clean indicator of how widely distributed earnings are within an index or sector.

- A higher value means that a small cluster of companies accounts for most of the revenue or profit.

- A lower value means earnings contributions are more evenly spread across the universe.

Tracking changes in HHI helps identify whether an earnings cycle is broadening—with greater participation from mid- and small-cap firms—or becoming increasingly top-heavy and dependent on a few leaders. This, in turn, aids in assessing the robustness and sustainability of corporate performance.

Concentration in Nifty 50 sales fell to a five-quarter low in Q3FY26: Revenue concentration within the Nifty 50 declined to 473 in Q3 FY26, a five-quarter low, indicating a broader distribution of sales growth across constituents. In contrast, concentration in the Nifty 500 (excluding Nifty 50) edged up marginally to 261 from 257 in Q2, suggesting that growth was driven by a relatively narrower set of companies. This is consistent with 354 firms reporting sequential revenue gains in Q3, compared with 358 in the previous quarter.

Sectorally, concentration eased notably in Consumer Discretionary, falling to multi-quarter lows as festive-led demand supported a wider-based recovery in sales. Revenue concentration also declined in Financials and Energy—the two largest sectors across the Nifty 50 and broader Nifty 500—reflecting stronger and more evenly distributed growth during the December quarter.

Since the pandemic, concentration dynamics have diverged across segments. The Nifty 50 initially experienced a broad-based disruption, followed by increased dominance of large players, particularly in Energy, IT and Consumer Staples. While there has been some normalisation since, concentration remains elevated relative to pre-pandemic levels. By contrast, the Nifty 500—especially excluding Nifty 50 constituents—has exhibited structurally improving dispersion, driven by the expansion of mid- and small-cap participation and a more diversified sectoral recovery.

Figure 85: HHI Index for net sales for Nifty 50 companies
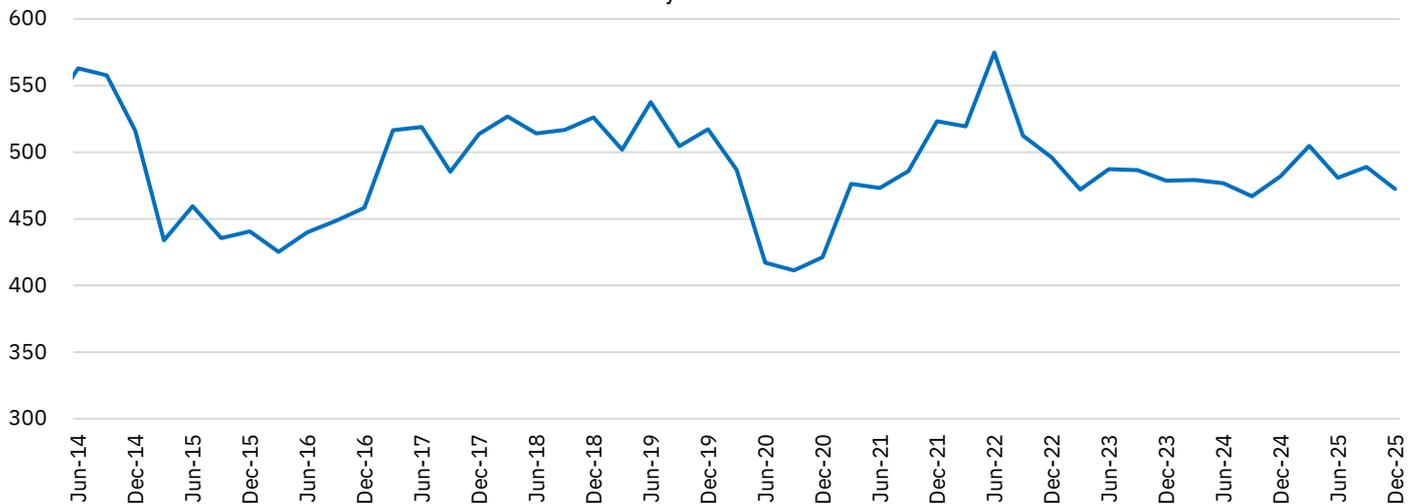
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 86: HHI Index for net sales for Nifty 500 companies

HHI: Nifty 500 sales
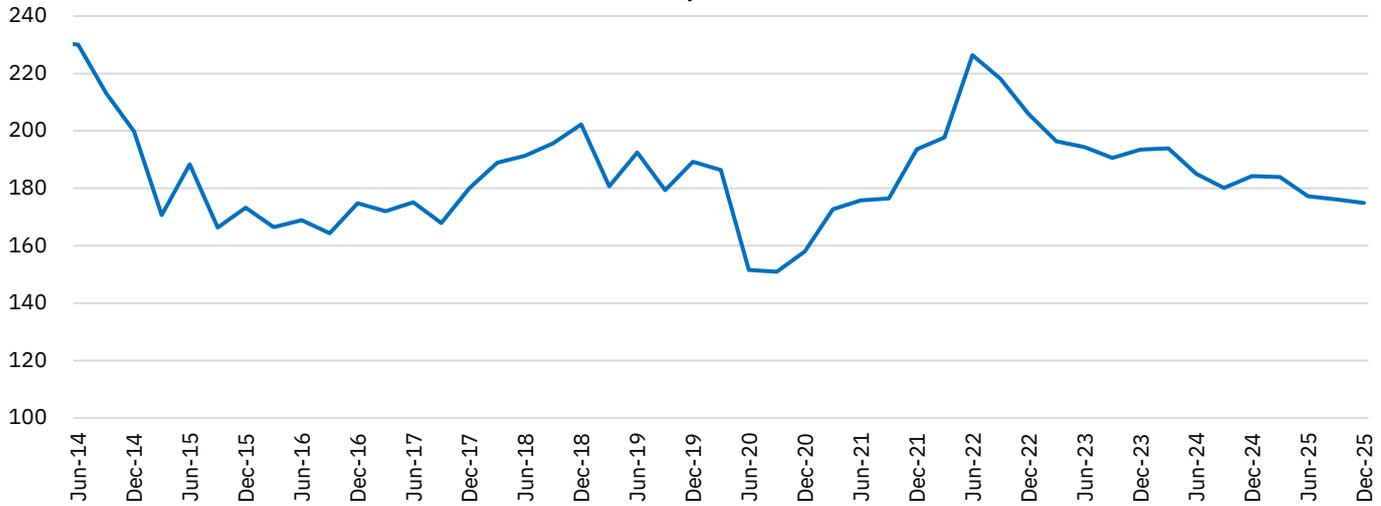
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 87: HHI Index for net sales for Nifty 500 excluding Nifty 50 companies

HHI: Nifty 500 ex Nifty 50 sales
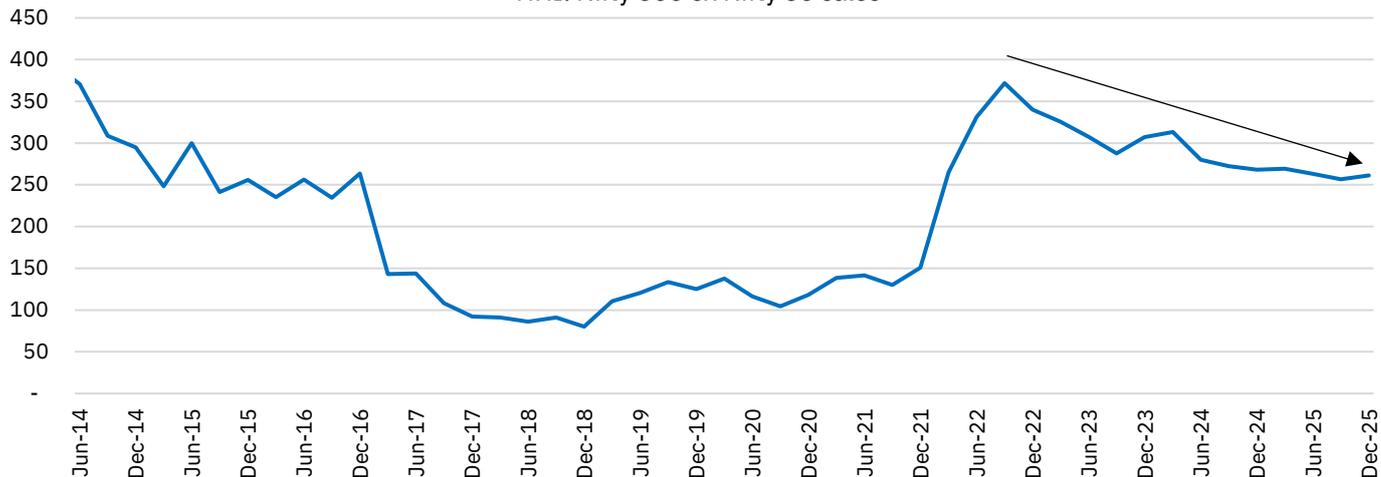
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Table 42: Sector-wise HHI for net sales for Nifty 500 companies

Sectors	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Comm. Svcs	2,393	2,580	2,784	2,509	2,473	2,922	2,717	2,785	2,849	3,070	3,287	3,803
Cons.Disc,	1,648	1,593	1,629	1,468	1,258	1,181	1,382	1,156	1,202	1,077	1,102	651
Cons.Staples	1,057	976	944	810	824	782	819	901	783	763	781	793
Energy	1,802	1,779	1,781	1,816	1,753	1,766	1,708	1,781	1,766	1,780	1,778	1,805
Financials	572	579	549	513	422	454	436	439	801	752	704	682
Healthcare	737	708	623	566	527	516	511	466	514	476	483	460
Industrials	637	674	572	631	577	675	607	597	662	678	655	678
IT	1,544	1,521	1,504	1,444	1,517	1,488	1,544	1,469	1,430	1,409	1,367	1,242
Materials	560	484	523	530	564	523	534	579	559	571	571	579
Real Estate	946	1,364	1,329	1,271	1,504	1,618	1,496	1,461	1,471	1,617	1,320	1,566
Utilities	1,511	1,233	1,212	1,251	1,302	1,244	1,554	1,647	1,802	1,489	1,448	1,324

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

EBITDA concentration trends in Q3FY26 broadly mirrored revenue patterns: EBITDA concentration among non-financial Nifty 50 companies moderated in Q3, with the EBITDA-HHI easing sequentially from 157 to 152. This points to a more even distribution of operating profit growth across constituents. In contrast, EBITDA concentration within the Nifty 500 (excluding Nifty 50) rose from 25 to 30, indicating that profit expansion was driven by a narrower set of companies—primarily within the Energy sector, which accounted for nearly two-thirds of the YoY EBITDA increase in this segment.

Despite the uptick, EBITDA concentration remained below revenue concentration levels, suggesting relatively better dispersion in operating profitability than in topline performance.

Sectorally, EBITDA concentration increased in Healthcare, Industrials, Realty and Utilities. Conversely, consumption- and commodity-linked sectors witnessed a decline in concentration, reflecting broader operating leverage and improved cost absorption across companies.

Over the longer term, EBITDA concentration within the Nifty 500 has broadly tracked revenue concentration trends. However, the past year has seen some divergence, signalling a shift in margin dynamics. Recent dispersion in profitability appears to be driven less by revenue concentration and more by operating efficiency gains and sector-specific cost movements. Excluding Nifty 50 constituents, EBITDA concentration in the broader cohort has remained relatively volatile.

Figure 88: HHI Index for EBITDA for Nifty 50 companies (ex-Financials)

HHI: Nifty 50 EBITDA

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 89: HHI Index for EBITDA for Nifty 500 companies (ex-Financials)

HHI: Nifty 500 EBITDA
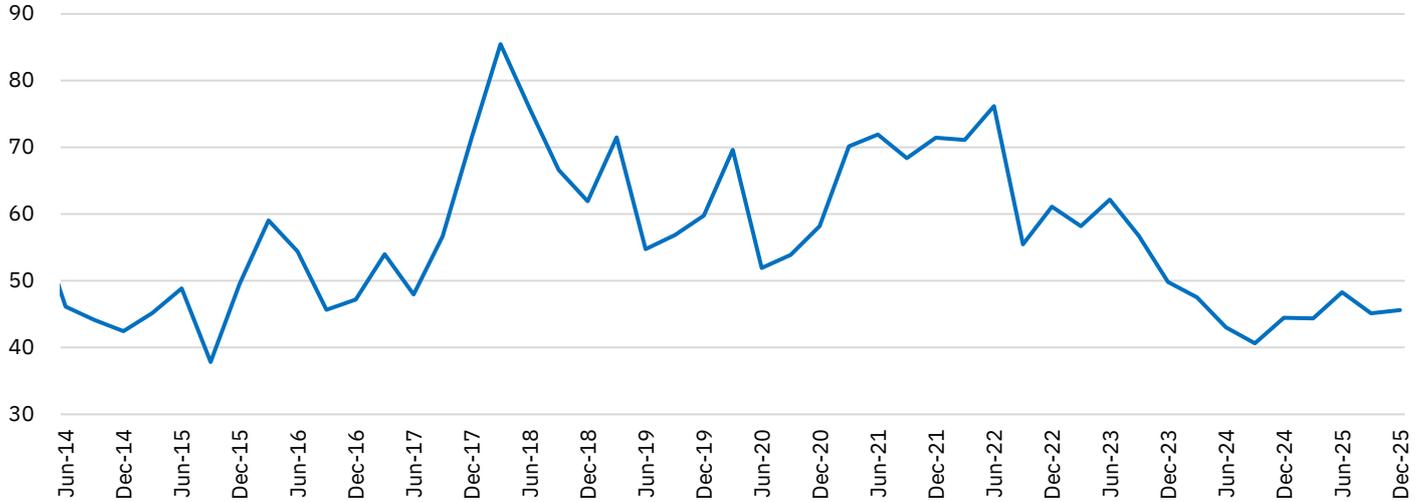
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 90: HHI Index for EBITDA for Nifty 500 excluding Nifty 50 companies (ex-Financials)

HHI: Nifty 500 ex Nifty 50 EBITDA
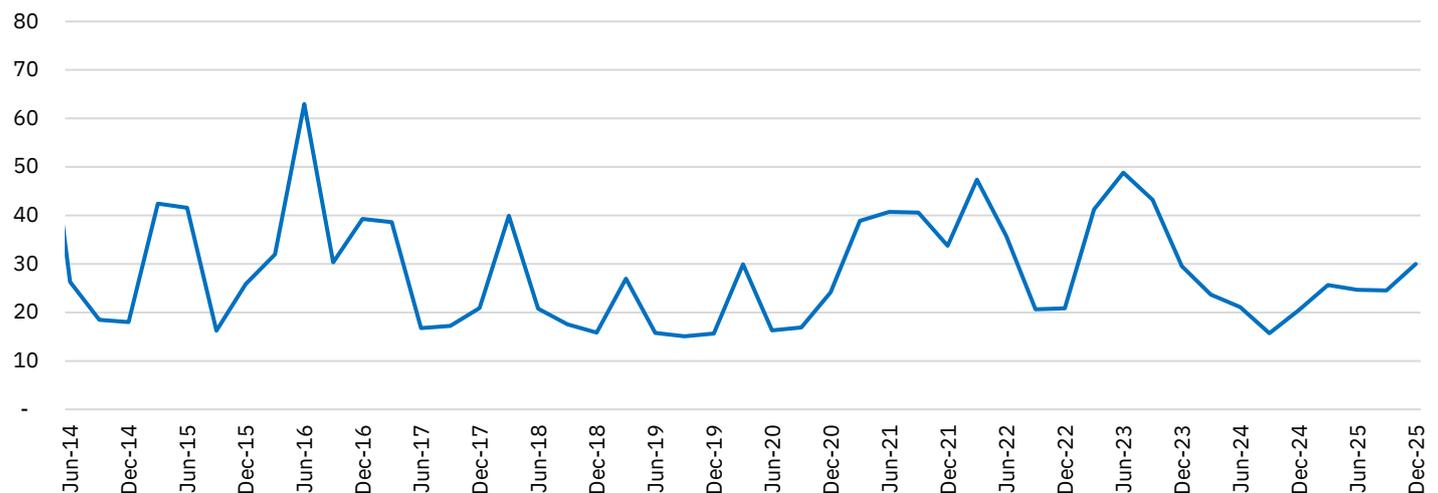
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Table 43: Sector-wise HHI for EBITDA for Nifty 500 companies (ex-Financials)

Sectors	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Comm. Svcs	2,641	2,898	3,863	3,372	3,050	3,196	3,017	2,847	4,412	4,340	4,420	4,775
Cons.Disc,	1,745	1,441	942	1,328	922	956	1,372	909	1,070	1,153	990	644
Cons.Staples	2,536	2,003	1,891	1,751	1,644	1,628	1,390	1,578	1,537	1,343	1,269	1,245
Energy	2,326	1,823	1,773	1,904	2,569	2,378	2,220	2,286	2,533	2,234	2,425	2,037
Financials	538	586	542	500	586	649	558	574	598	624	593	586
Healthcare	965	903	770	646	729	602	574	606	603	549	563	566
Industrials	690	554	631	718	672	836	834	687	685	665	615	595
IT	2,044	2,098	2,131	2,027	2,118	2,001	1,974	1,973	1,959	2,011	1,931	1,687
Materials	710	568	665	617	632	538	530	711	533	549	553	552
Real Estate	1,281	1,914	1,757	1,617	1,876	1,497	1,692	1,517	1,662	1,614	1,571	1,494
Utilities	1,402	1,212	1,246	1,284	1,415	1,485	1,775	1,905	1,991	1,469	1,459	1,385

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

PAT concentration in Q3FY26 broadly tracked the trends observed in revenue and EBITDA: PAT concentration within the Nifty 50 declined in Q3 FY26, signalling a more even distribution of net profit growth across large-cap companies. In contrast, PAT concentration in the Nifty 500 (excluding Nifty 50) increased sequentially, indicating that bottom-line gains beyond the top 50 were driven by a relatively narrower group of companies. On an aggregate basis, overall PAT concentration for the Nifty 500 remained broadly unchanged QoQ, as the decline within the Nifty 50 offset the uptick in the broader universe.

Sectorally, PAT concentration rose within Financials—the largest sector in the Nifty 500—even as revenue concentration moderated. This suggests that profit growth was concentrated among select companies benefiting from stronger margins and treasury gains. Conversely, Energy—the second-largest sector—saw a decline in PAT concentration alongside robust profitability, pointing to a more broad-based earnings recovery across firms during the quarter.

Over the past decade, PAT concentration has generally tracked trends in revenue and EBITDA, albeit at lower absolute levels. Within the Nifty 50, PAT-HHI has trended upward since the pandemic, reflecting profit gains skewed towards dominant large-cap leaders. In contrast, the Nifty 500—particularly excluding Nifty 50 constituents—continues to exhibit greater dispersion, with mid- and small-cap companies maintaining a more diversified earnings profile.

Figure 91: HHI Index for PAT for Nifty 50 companies
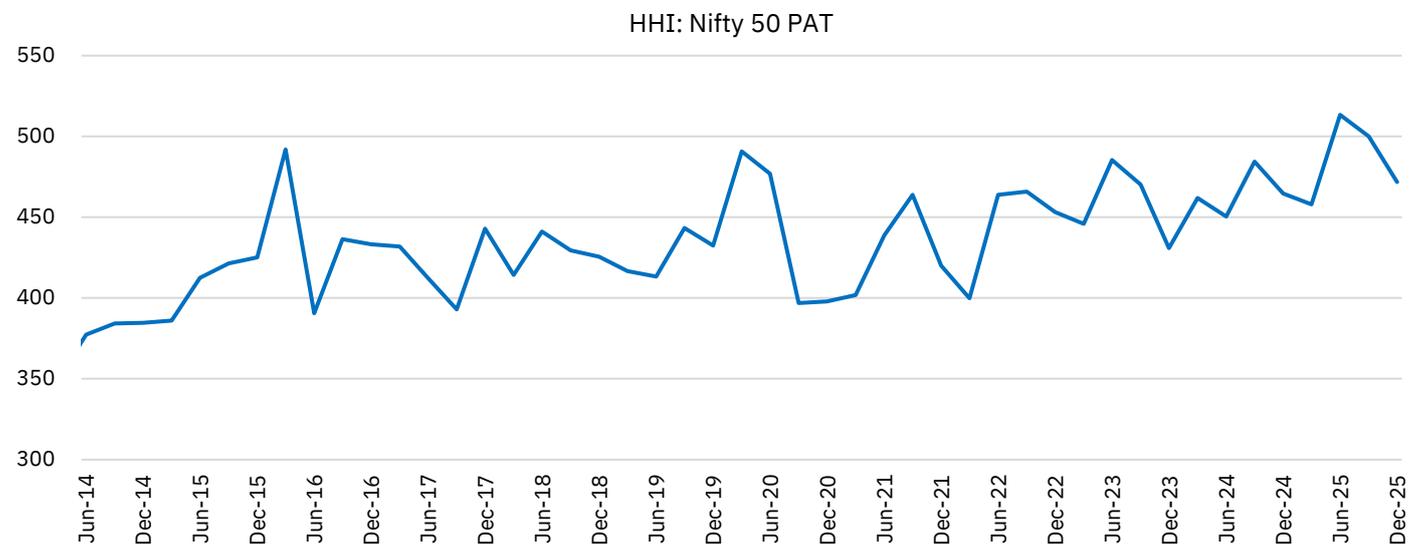
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 92: HHI Index for PAT for Nifty 500 companies

HHI: Nifty 500 PAT
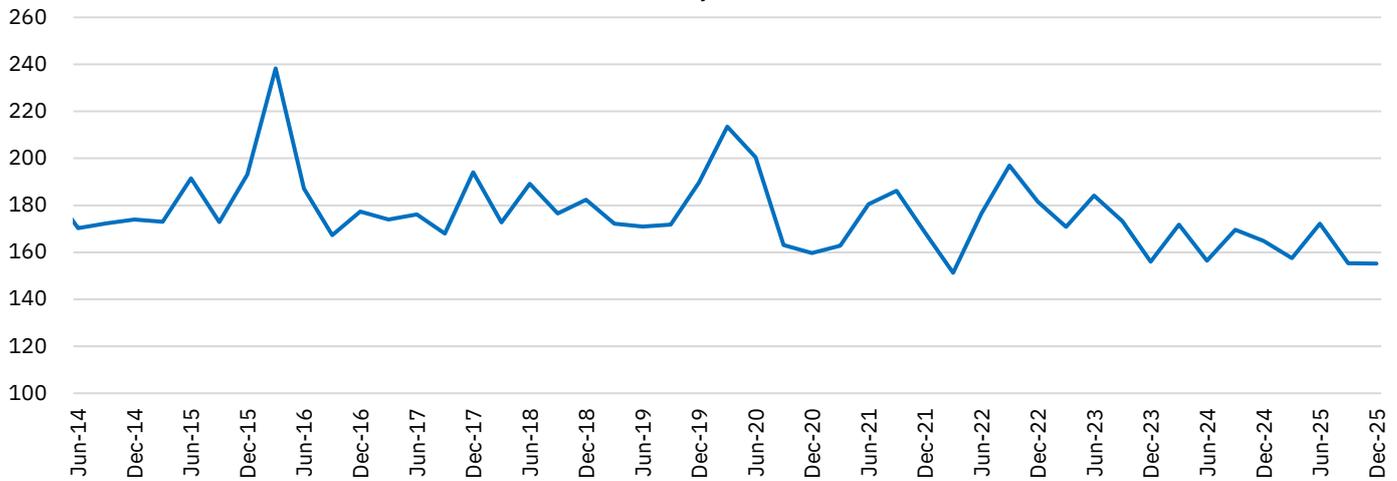
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 93: HHI Index for PAT for Nifty 500 excluding Nifty 50 companies

HHI: Nifty 500 ex Nifty 50 PAT
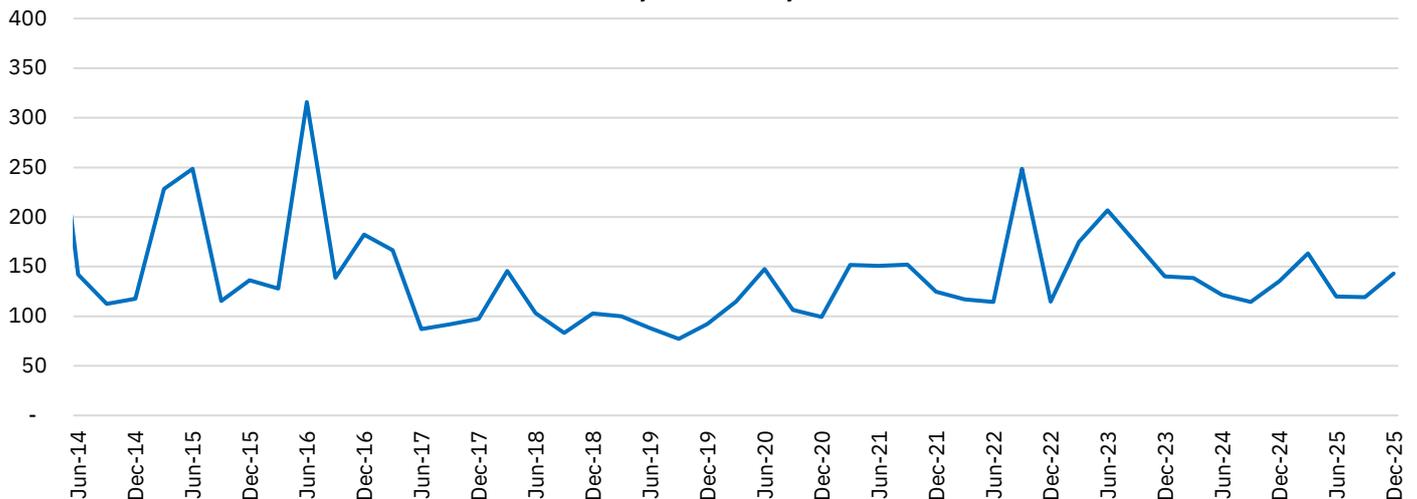
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Table 44: Sector-wise HHI for PAT for Nifty 500 companies

Sectors	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Comm. Svcs	2,048	1,842	1,887	1,761	1,771	1,899	1,556	2,761	3,658	3,575	5,587	4,925
Cons.Disc,	1,574	1,058	818	691	633	670	864	654	767	1,034	883	699
Cons.Staples	2,719	2,236	2,139	1,743	1,788	1,841	1,506	1,728	1,810	1,512	1,429	1,408
Energy	2,378	2,032	1,785	1,869	2,701	2,453	2,680	2,292	2,609	2,066	2,577	1,818
Financials	607	706	623	671	588	754	627	574	547	500	553	543
Healthcare	859	1,202	866	664	787	576	620	628	769	697	735	653
Industrials	655	528	571	657	628	853	727	624	540	623	730	549
IT	2,163	2,275	2,301	2,190	2,258	2,145	2,050	2,030	2,098	2,219	2,079	1,788
Materials	1,005	814	902	701	578	558	477	729	572	458	568	566
Real Estate	763	1,480	1,038	1,347	1,646	1,476	2,541	2,280	2,206	2,022	2,029	1,883
Utilities	1,871	1,638	1,639	1,360	1,724	1,549	1,602	1,937	1,932	1,485	1,515	1,524

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Earnings revision analysis

Consensus FY27 aggregate PAT estimates upgraded further: Aggregate profitability for the Nifty 500 universe strengthened further in Q3 FY26, reflecting broad-based improvement led by robust credit offtake, firmer realisations in metals and commodity-linked sectors, and festive-led consumption demand. The recovery was driven predominantly by mid-cap companies, offsetting relatively muted earnings from large-caps. Consequently, the share of Nifty 50 profits within the Nifty 500 declined from 54% in FY25 to ~51% in Q3 FY26, indicating a widening earnings contribution across the broader market. Despite this improvement in operating momentum, consensus earnings estimates were marginally trimmed for FY26, with downgrades limited in magnitude and concentrated in select sectors, even as FY27 saw further upgrades. This possibly reflects geopolitical tensions, external demand uncertainty, and tariff-related overhang.

Our analysis of earnings revisions of the top 200 well-covered companies by market capitalisation[1] shows that FY26 aggregate earnings estimates fell by a modest 0.1% since end-December, implying projected growth of 12% as of February 27th, 2026. Downgrades were led primarily by Consumer Discretionary and Information Technology. Excluding these two sectors, FY26 earnings estimates rose by 0.7%. Financials, Energy and Materials recorded notable upgrades, together accounting for 64% of total FY26 earnings within this cohort, underscoring their outsized contribution to overall profit growth.

For FY27, aggregate earnings estimates were revised upward by 0.7% since December 2025, lifting the expected growth rate from 14.8% to 15.7% as of 27 February 2026. Upgrades were led by Materials, where estimates increased by 7.3% YTD, followed by Financials. These gains were partly offset by downgrades in Consumer Staples, Utilities and Consumer Discretionary. Excluding Materials and Financials, FY27 earnings estimates declined by 0.6%. On balance, the implied annualised profit growth over FY25–27 improved to 13.9% as of February 27th, 2026, up from 13.4% at end-December and 13.1% at end-September, signalling a gradual strengthening in the medium-term earnings trajectory despite near-term sectoral divergences.

Figure 94: Aggregate consensus profit growth estimate for top 200 covered companies (% YoY)
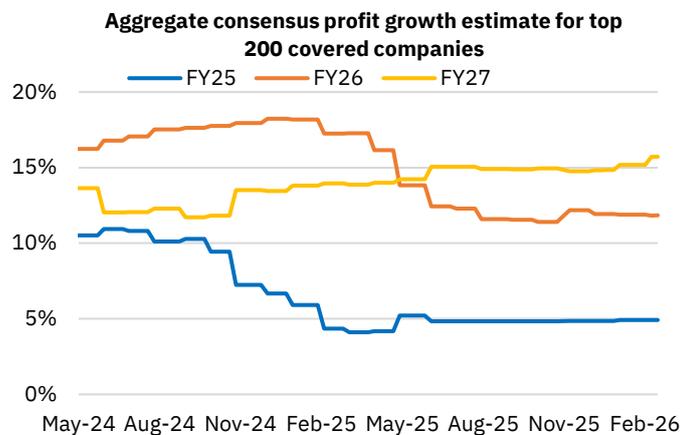
Figure 95: Aggregate consensus earnings revisions since Apr'25 for top 200 covered companies

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as of February 27th, 2026.

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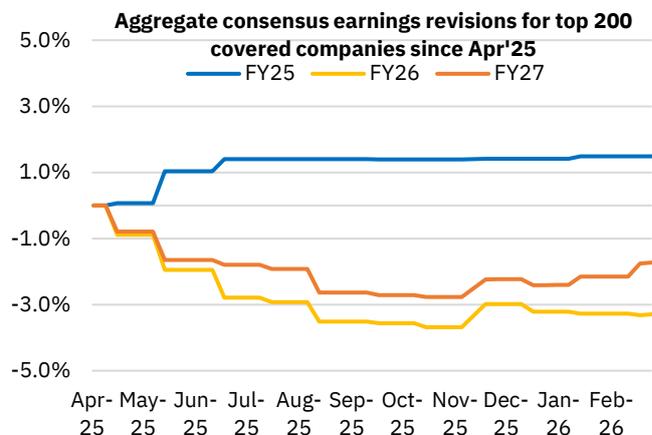
[1] The sample set consists of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five or more analysts during the previous 12 months using IBES estimates from LSEG Workspace.

Table 45: Monthly trend of sector-wise FY26 consensus earnings growth estimate (% YoY)

Sectors	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Comm. Svcs.	343.2	225.0	47.7	27.3	31.1	22.3	18.0	8.7	21.6	24.1	27.8	11.2
Consumer Disc.	19.6	17.8	8.4	6.1	5.7	3.9	3.5	3.1	3.3	1.0	-0.3	-6.3
Consumer Staples	13.8	13.5	12.8	11.6	11.1	9.0	8.5	8.3	7.2	7.1	6.3	6.4
Energy	19.7	17.4	15.6	19.0	19.5	21.1	23.9	23.9	25.2	25.0	25.6	28.1
Financials	11.1	11.0	10.7	8.4	8.4	7.6	7.0	6.7	8.2	8.2	8.4	9.3
Health Care	16.8	16.5	12.8	10.7	10.3	8.2	7.7	7.4	7.6	7.4	7.9	8.6
Industrials	23.8	23.4	19.6	17.1	16.6	16.6	16.2	16.5	14.6	13.6	13.7	11.7
IT	12.6	9.0	7.0	6.9	5.7	5.8	5.6	6.1	6.9	7.0	5.8	5.2
Materials	36.5	36.5	34.6	31.8	31.6	29.7	29.4	29.0	30.7	30.5	30.8	32.2
Real Estate	19.0	18.1	18.7	13.3	12.2	12.4	11.5	11.5	12.8	13.5	12.5	11.8
Utilities	8.8	8.8	10.9	7.2	7.1	5.2	4.7	5.3	2.0	1.9	1.5	-0.5
Total	**17.3**	**16.2**	**13.8**	**12.4**	**12.3**	**11.6**	**11.6**	**11.4**	**12.2**	**11.9**	**11.9**	**11.9**

Source: LSEG Workspace, NSE EPR.
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. * Data is as of February 27th, 2026.

Table 46: Monthly trend of sector-wise FY27 consensus earnings growth estimate (% YoY)

Sectors	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Comm. Svcs.	93.6	105.3	136.0	129.0	127.9	143.6	147.0	158.8	137.5	131.8	127.5	158.8
Consumer Disc.	16.4	16.9	17.1	17.8	17.6	18.1	18.5	18.7	15.0	16.2	16.3	24.4
Consumer Staples	12.4	12.7	13.0	13.2	13.3	13.9	14.0	14.0	14.4	14.4	11.3	9.4
Energy	10.6	10.5	10.6	10.8	10.1	8.3	5.5	5.2	5.1	4.7	4.8	2.1
Financials	12.4	12.5	12.1	13.8	14.0	14.0	15.1	15.3	15.1	15.2	15.4	14.9
Health Care	10.4	10.3	10.8	11.1	11.3	12.1	12.3	12.6	11.7	11.8	11.0	9.7
Industrials	18.3	18.5	18.8	19.7	19.6	19.8	19.8	19.9	21.5	21.7	21.9	23.3
IT	11.9	11.0	10.4	10.6	10.6	10.1	10.0	9.6	8.8	8.9	11.1	12.2
Materials	16.7	17.0	18.5	19.0	18.9	19.3	19.4	20.2	22.2	22.6	24.6	29.8
Real Estate	25.8	25.8	26.3	27.1	27.9	26.5	26.6	26.6	25.3	25.3	25.0	24.8
Utilities	8.6	8.6	9.0	9.6	9.6	10.1	10.2	10.2	10.7	10.8	11.1	11.6
Total	**13.9**	**14.0**	**14.2**	**15.1**	**15.1**	**14.9**	**14.9**	**15.0**	**14.8**	**14.8**	**15.2**	**15.7**

Source: LSEG Workspace, NSE EPR.
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. * Data is as of February 27th, 2026.

Figure 96: Sector-wise revision in FY26 earnings estimates for top 200 companies since December 2025

Sector-wise revision in FY26 earnings estimates since Dec 2025
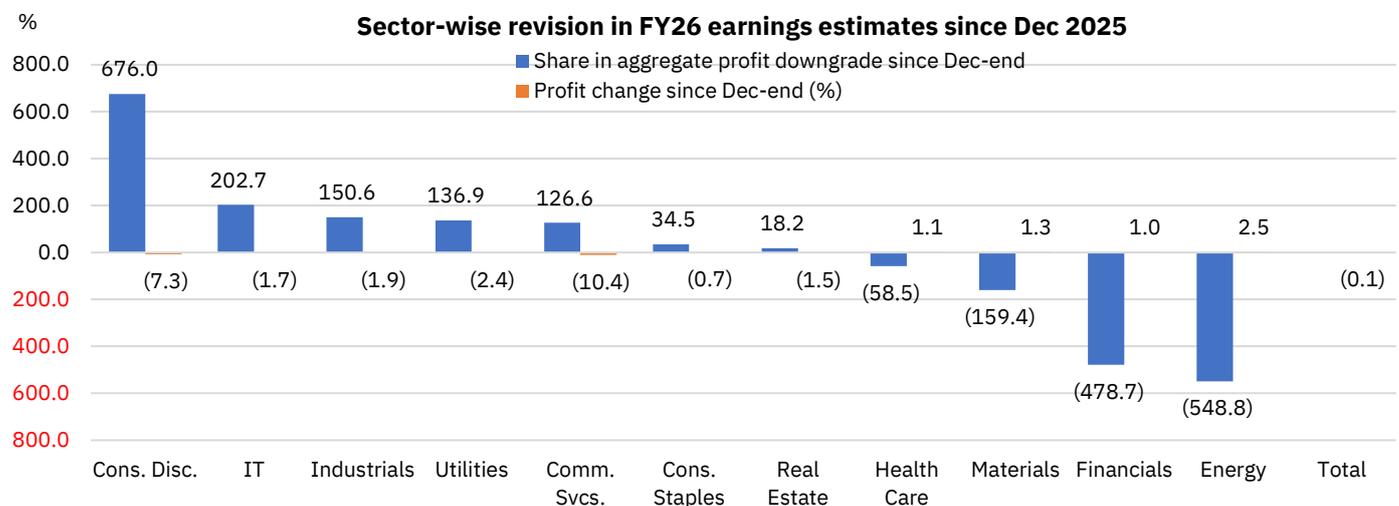
Source: LSEG Workspace, NSE EPR
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as on February 27th, 2026.

Figure 97: Sector-wise revision in FY27 earnings estimates for top 200 companies since December 2025

%

Sector-wise revision in FY27 earnings estimates since December 2025
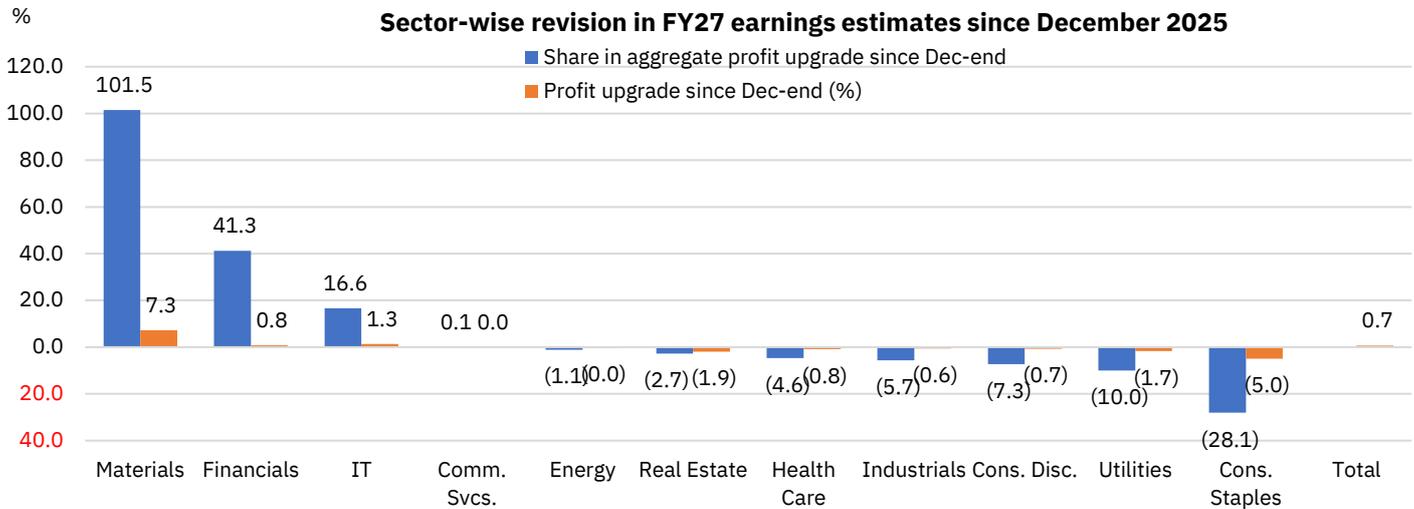
Source: LSEG Workspace, NSE EPR.

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as on February 27th, 2026.

Financials, Energy and Materials to account for nearly 68% of the incremental earnings over the next two years: Financials, which accounted for 38.4% of aggregate earnings of the top 200 companies in FY25, are projected to see their share moderate to 37.5% in FY26 and 37.2% in FY27. Despite this marginal decline, the sector remains the principal engine of profit expansion, contributing 33% of the total incremental earnings expected over FY25–27.

Materials ranks second in terms of incremental contribution, accounting for 19.2% of additional earnings over the same period, despite representing only about 10% of aggregate profits. Earlier downward revisions during the fiscal year have largely been retraced, with FY27 estimates revised upward. As a result, the sector's share of total profits is projected to rise from 8% in FY25 to 10.5% by FY27.

Energy is expected to maintain a broadly stable earnings profile, with its share of aggregate profits projected at 15.1% in FY27 and a slightly higher 15.5% contribution to incremental earnings over FY25–27, indicating steady but not outsized growth.

Communication Services presents a contrasting trajectory. After moving from losses in FY24 to meaningful profitability in FY25, the sector is projected to expand at a CAGR of nearly 70% over the next two years. Although it accounts for just 1.9% of aggregate earnings, this sharp turnaround translates into a 5.3% share of incremental earnings.

Consumption-oriented sectors remain comparatively subdued. Consumer Staples and Consumer Discretionary together are expected to contribute only 6.7% of incremental profits over FY25–27. Their combined share in aggregate earnings is projected to decline from 12.9% in FY24 to 10.5% in FY26E, before a modest recovery to 10.8% in FY27E.

In contrast, Industrials are projected to contribute 8.3% of incremental earnings—above their 6.5% share in aggregate profits—suggesting a more constructive medium-term earnings outlook relative to their current weight in the profit pool.

Figure 98: Sector-wise share and contribution to earnings
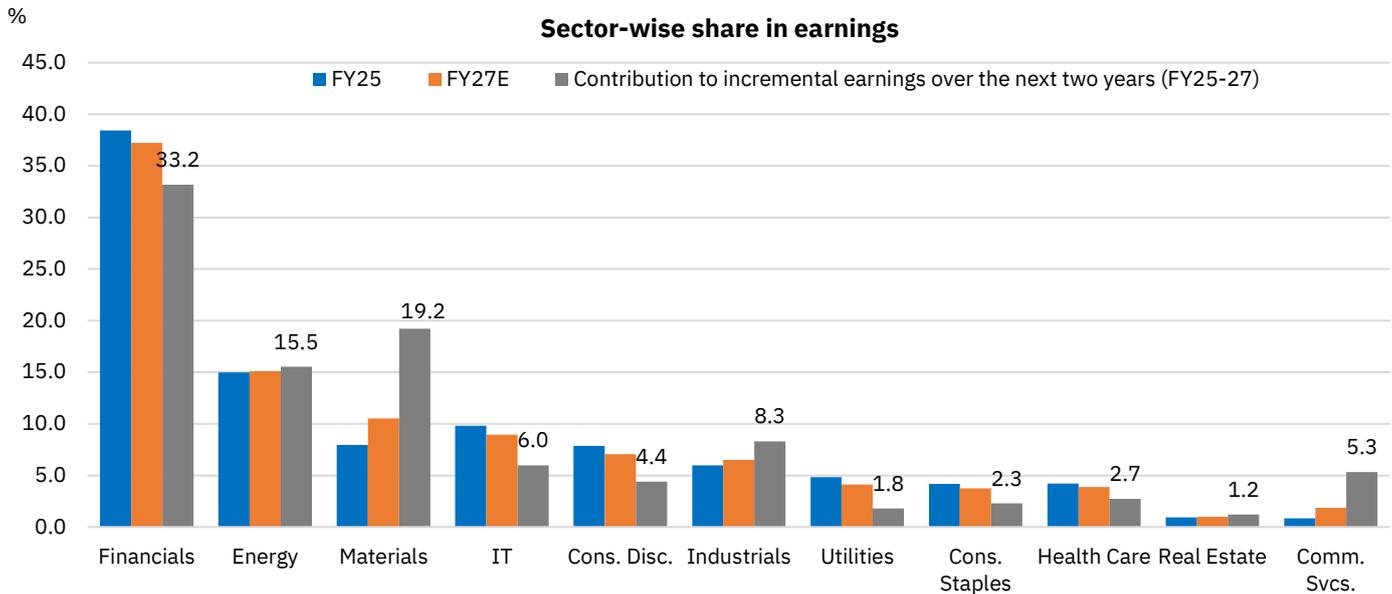
%

Sector-wise share in earnings

- ■ FY25 ■ FY27E ■ Contribution to incremental earnings over the next two years (FY25-27)

33.2

15.5

19.2

6.0

4.4

8.3

1.8

2.3

2.7

1.2

5.3

Financials · Energy · Materials · IT · Cons. Disc. · Industrials · Utilities · Cons. Staples · Health Care · Real Estate · Comm. Svcs.

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as of February 27th, 2026.

The chart captures a persistent feature of consensus earnings behaviour: projections typically begin each calendar year on an optimistic note, only to be revised lower as growth conditions, margins and external risks become clearer. Barring 2023, this pattern of early-year buoyancy followed by progressive downgrades has characterised India's earnings cycle for over a decade.

The same dynamic is visible in 2025 and 2026. Since the start of this year, consensus EPS estimates for the Nifty 50 have been trimmed by 1.9% for CY2025 and 2.6% for CY2026. Relative to April 2025, cumulative downgrades now stand at 5.9% and 8.7%, respectively. The revisions reflect softer domestic and global demand conditions, lingering trade-policy uncertainty and renewed volatility in commodity prices.

Importantly, the intensity of downgrades appears to have moderated in recent months. Revision momentum has stabilised, with early signs of improvement, consistent with the recovery in reported corporate earnings over the past two quarters.

Figure 99: Yearly trend of NIFTY 50 Consensus EPS estimates

Weighted mean Nifty EPS estimates for calendar years
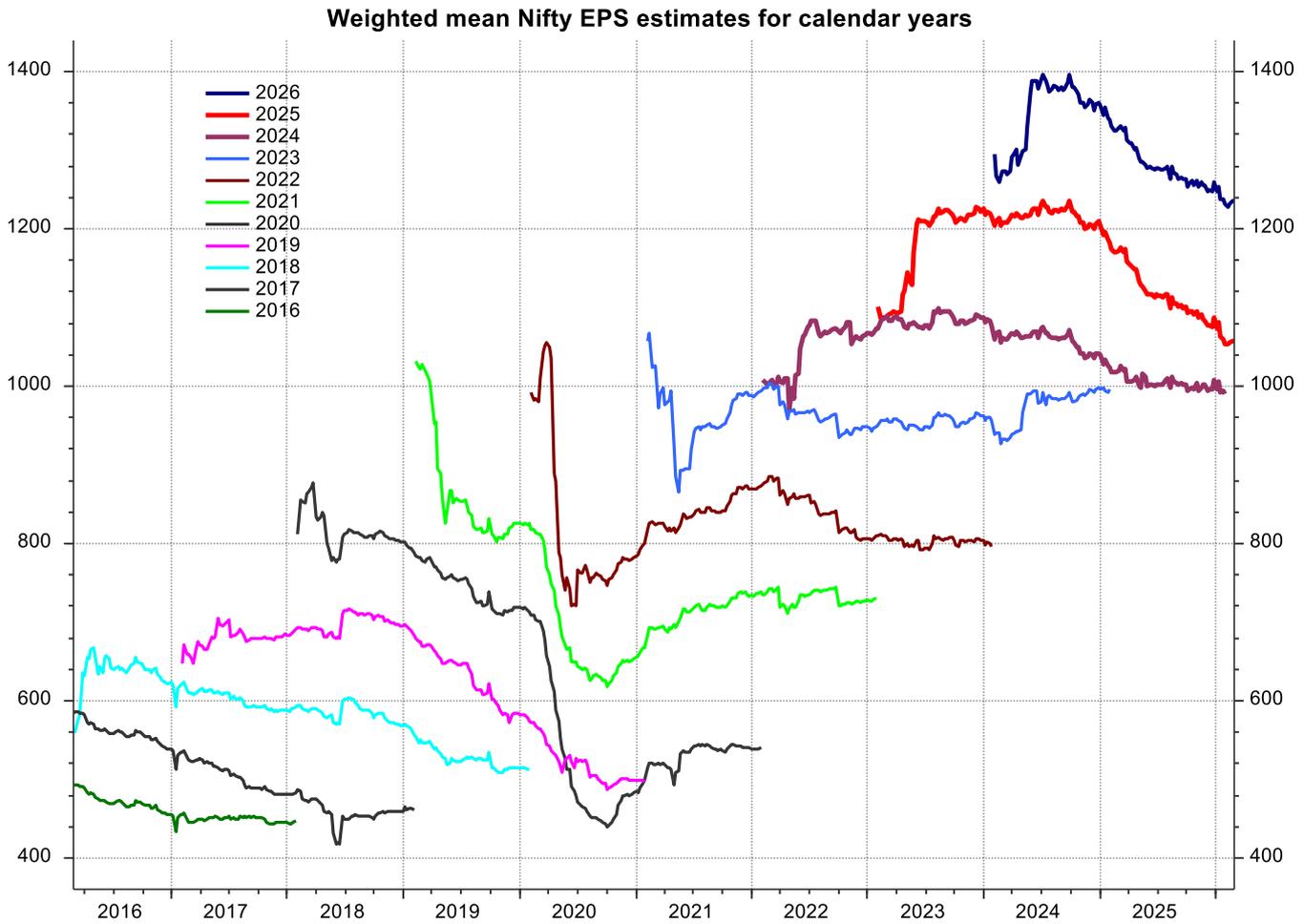
Source: LSEG Workspace, NSE EPR

Nifty 50 Earnings Revision Indicator slips back into the negative territory: The Earnings Revision Indicator (ERI) measures the breadth of analyst sentiment by calculating the proportion of index constituents receiving upward EPS revisions minus those receiving downward revisions over a specified period. A positive ERI signals that upgrades outnumber downgrades, while a negative reading indicates the reverse. It is therefore a compact gauge of the direction of revisions across Nifty 50 companies. Importantly, ERI captures breadth rather than magnitude: aggregate earnings can still rise even when the ERI is negative, if the quantum of upgrades outweighs downgrades. In that sense, the indicator reflects the distribution of revisions, not their depth.

After remaining firmly in negative territory through much of last year and into June 2025, the ERI has improved gradually, though it has softened again in recent months. Following a brief return to positive readings, the indicator slipped back into contraction territory this year, suggesting that downgrades once again exceed upgrades—albeit less sharply than during the early part of last year.

The partial recovery over the past six months is consistent with the broader stabilisation in earnings revisions. However, elevated geopolitical tensions, along with domestic and external demand headwinds, continue to weigh on the durability of sustained earnings upcycle.

Figure 100: Nifty 50 Earnings Revision Indicator (since January 2019)

NIFTY 50 Earnings Revisions
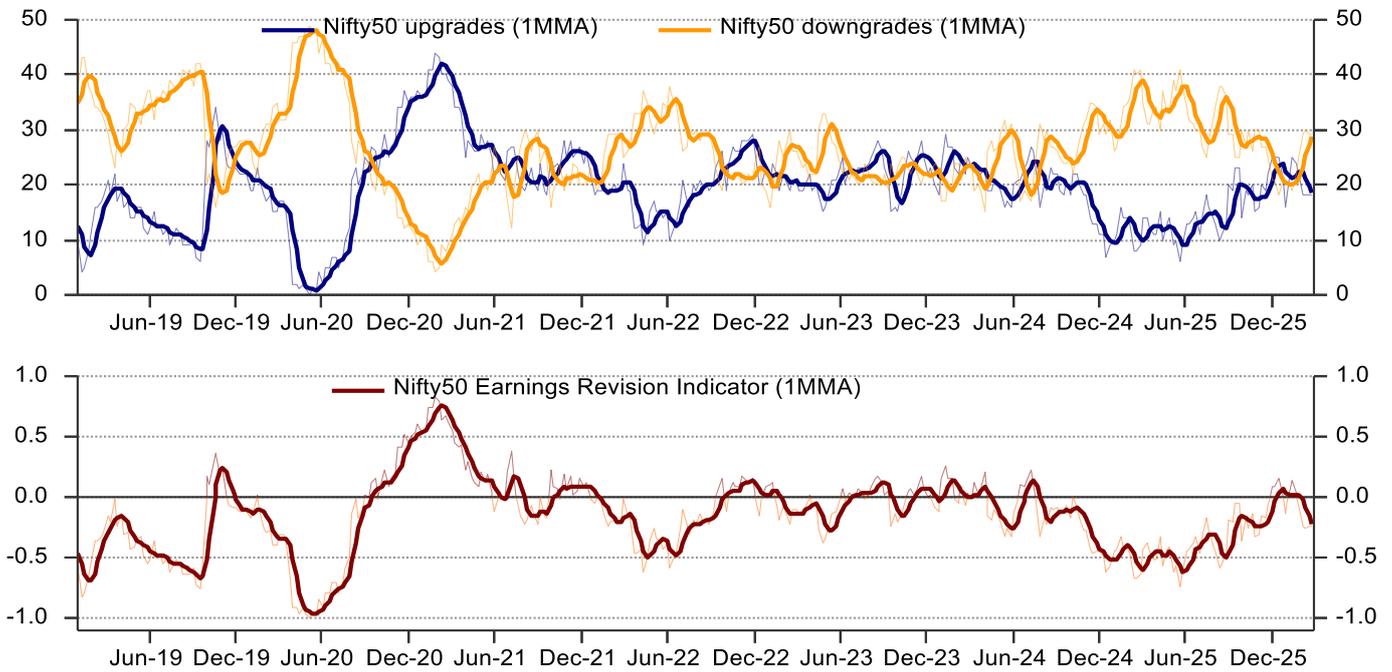
Source: LSEG Workspace, NSE EPR.

Figure 101: Nifty 50 Earnings Revision Indicator (10-year trend)

NIFTY 50 Earnings Revisions
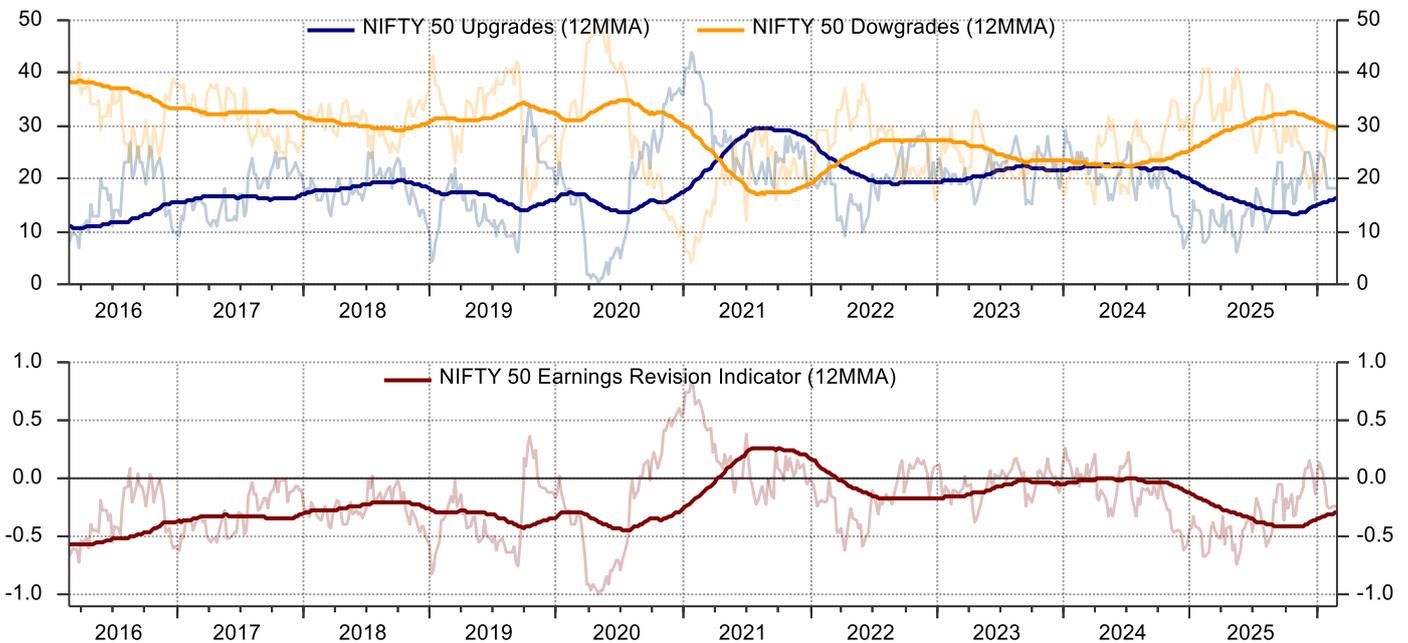
Source: LSEG Workspace, NSE EPR.

Figure 102: Short-term trend of Earnings Revision Indicator across MSCI sectors

India Earnings Revision Indicator across sectors: Short-term (2MMA)
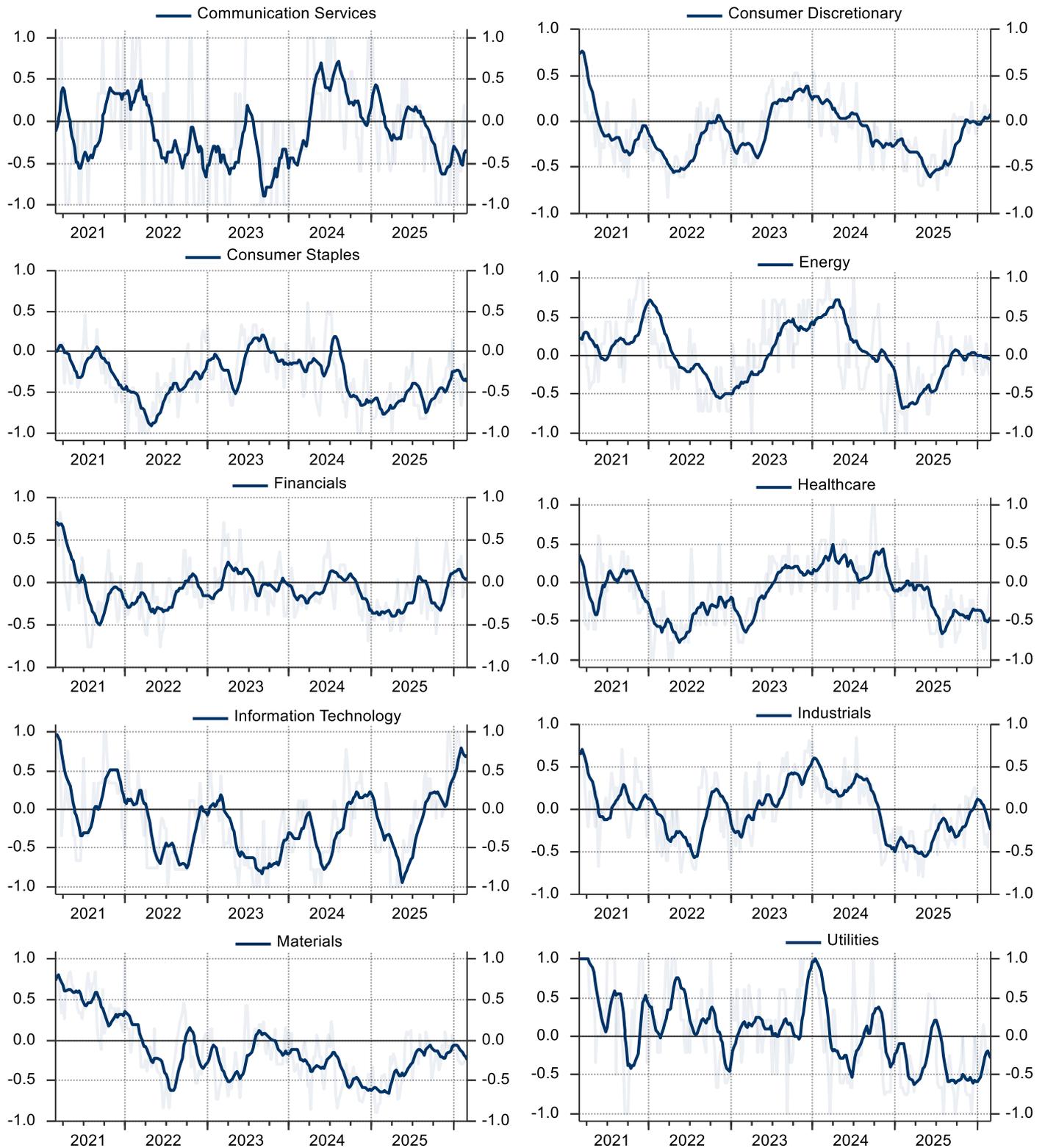
Source: LSEG Workspace, NSE EPR.

Figure 103: Long-term trend of Earnings Revision Indicator across MSCI sectors

India Earnings Revision Indicator (ERI) across sectors: Long-term (12MMA)
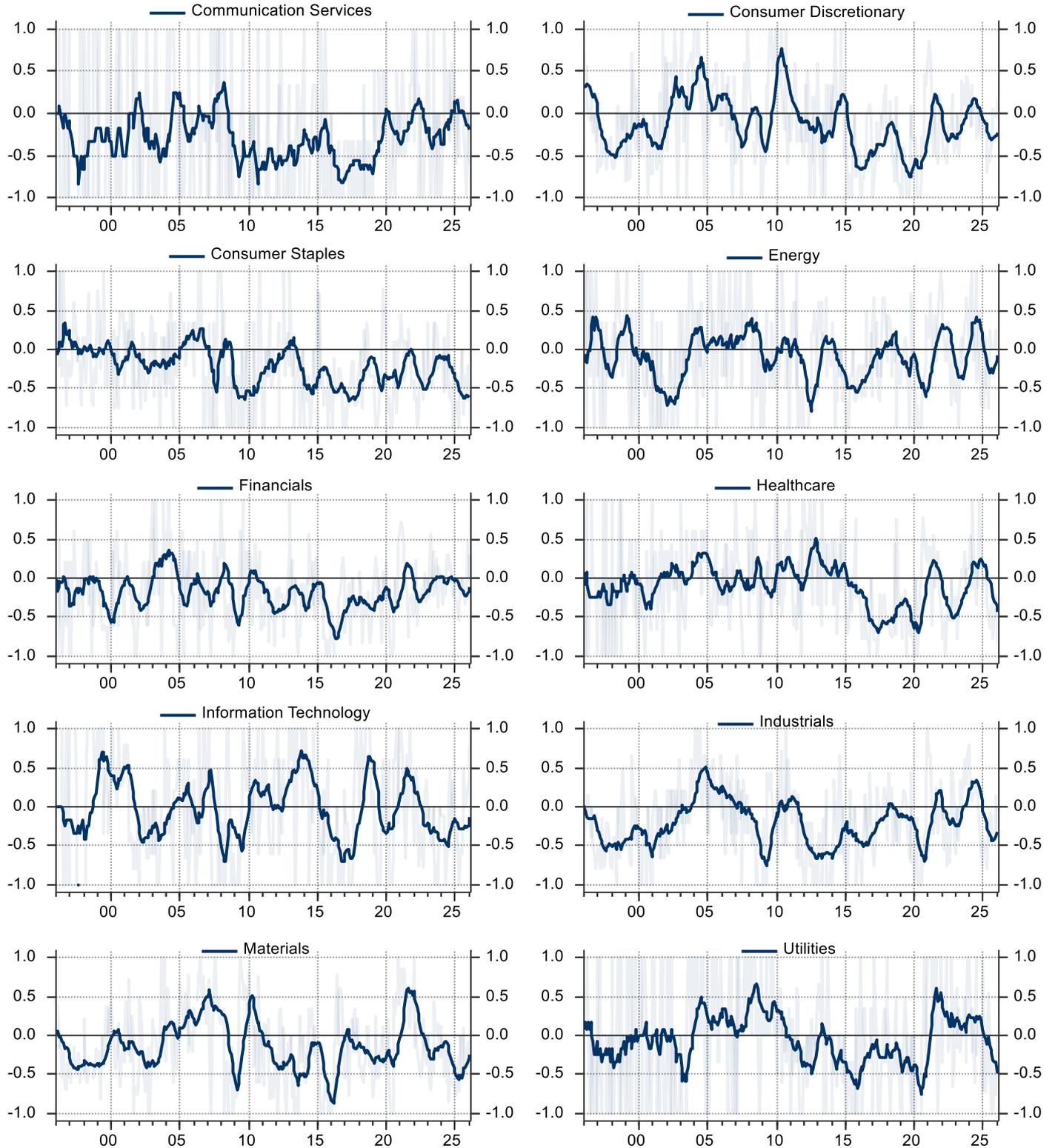
Source: LSEG Workspace, NSE EPR.

Chart of the Month

West Asia conflict: A fortnight of energy shock

What began as another episode of geopolitical signalling in early 2026 has, within a fortnight, escalated into a full-fledged energy and macro-financial shock. With no clear de-escalation in sight, the West Asia conflict has already had outsized implications for the global economy and financial markets. Crude oil and natural gas prices have remained on a roller-coaster ride, reacting sharply to alternating signals on escalation and de-escalation, but the balance of risks has stayed skewed to the upside amid fears of prolonged supply disruption. A key faultline has been the disruption to the *Strait of Hormuz*, a critical artery for around one-fourth of global oil and ~20% of LNG flows each, especially for energy-dependent Asian economies. The halt in trade flows, alongside production halts in parts of the region, has deepened concerns of a fresh supply shock with stagflationary concerns. For India, the vulnerability is more acute: the country imports more than 85% of its crude oil needs, about half of its LNG requirements, and around 60% of LPG consumption, with a significant share sourced from the Gulf. Financial markets have responded in a textbook risk-off fashion: global equities have corrected, the US dollar has remained firm on safe-haven demand, and currencies have come under pressure. Our sensitivity analysis suggests that every US$10/bbl increase in crude prices could raise CPI inflation by 50-70 bps, widen the annual import bill by about US$18 bn, and push the current account deficit higher by around 0.4-0.5% of GDP, thereby complicating growth-inflation dynamics and threatening the Goldilocks phase of the Indian economy. While the government response has been measured and proactive, the eventual macro impact will depend critically on the duration and intensity of the conflict. The *Chart of the Month* captures the key contours of this unfolding shock and its implications for global and Indian markets.

Timeline of the current West Asia crisis

Figure 104: Key events characterising the West Asia crisis during Jan-March 2026
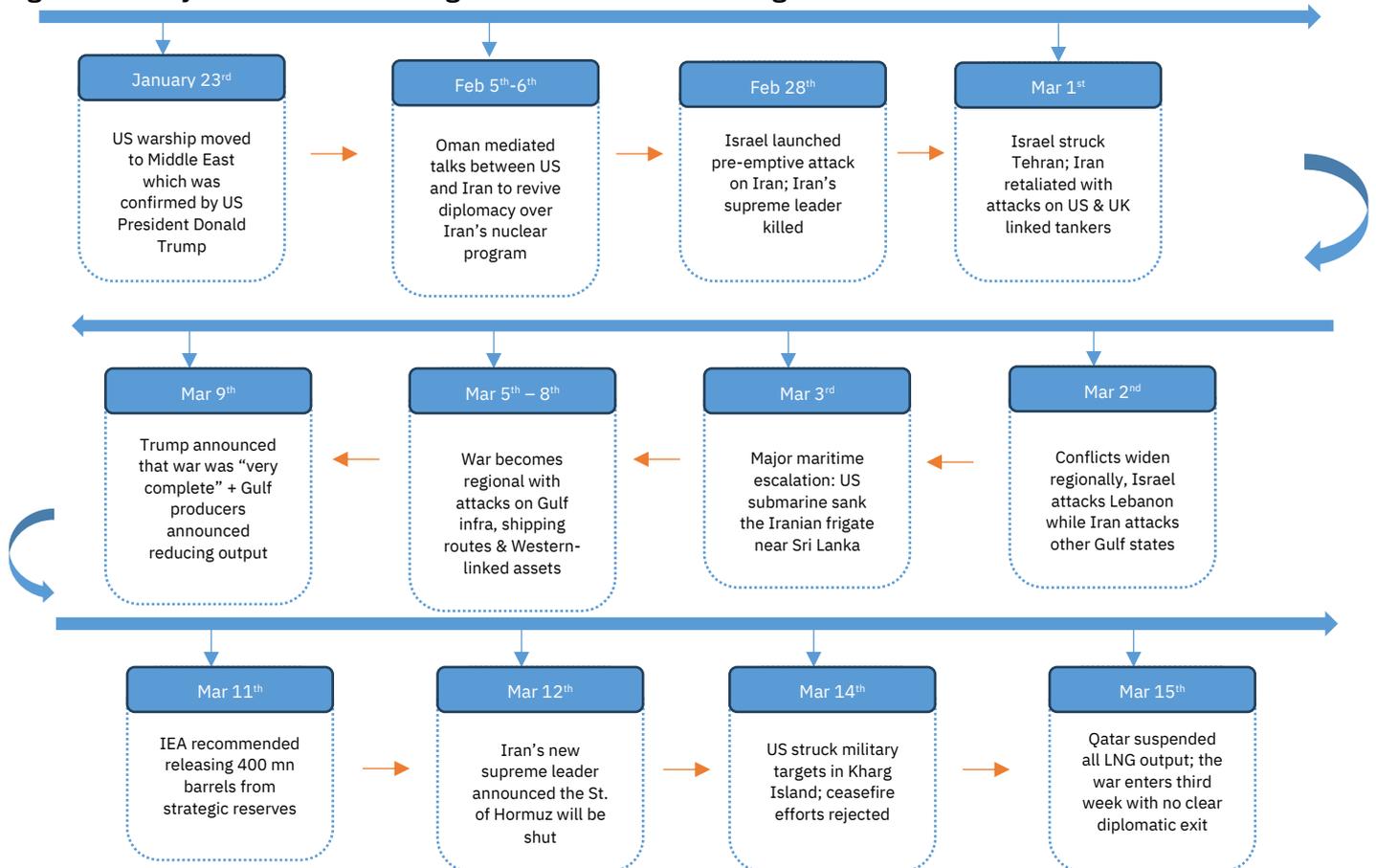
Source: Media reports, NSE EPR Notes: 1) The timeline has been updated till March 15th, 2026

- **How have the events unfolded and why do they matter?:** Over the past fortnight, the conflict has moved from a bilateral Israel-Iran military confrontation into a wider regional and global economic shock. Earlier strategic signalling in Jan-Feb by key leaders had pointed to a wider conflagration and those risks have become tangible. The immediate trigger was the start of the US-Israeli war with Iran on February 28, after which Iran retaliated with missile and drone attacks, and the Strait of Hormuz effectively became severely disrupted, with tanker and LNG movements sharply affected. The sharpest impact has been on energy markets. Crude prices have risen by over 40% and natural gas prices by around 60% till March 13th, 2026, reflecting fears of disrupted supply. Brent crude also touched an intraday high of about US$120/bbl, while projections that prices could climb to US$150-200/bbl under a prolonged disruption scenario have added to market fears. This matters because higher energy prices feed into input costs for various sectors, squeeze household purchasing power, worsen trade balances for importers, and complicate the inflation-growth trade-off for central banks.

Figure 105: Trends in crude oil and natural gas prices in FY26 so far

Crude prices and natural gas has increased by 40% and 60% since the conflict began
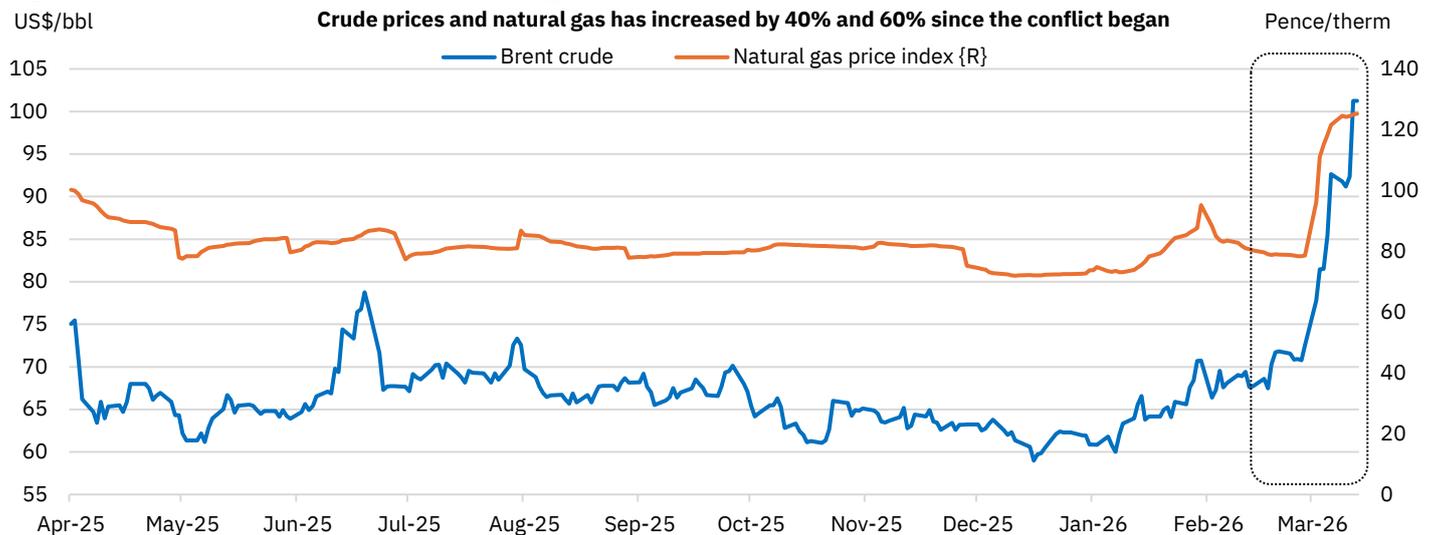
Source: LSEG Workspace, NSE EPR Notes: 1) Data is as of March 13th, 2026

Importance of St. of Hormuz for Asia

- **The strategic importance of the St. of Hormuz...:** Geographically, the Strait of Hormuz is a narrow sea passage between Iran and the Arabian Peninsula, linking the Persian Gulf with the Gulf of Oman and the Arabian Sea and is only 29 nautical miles wide, with just two-mile-wide shipping lanes in either direction. Its importance stems from the sheer scale of energy flows it carries: ~20 mb/d of crude oil and petroleum products, or around 25% of global seaborne oil trade, transited the Strait in 2025. Data from US Energy Information Administration (EIA) shows that of the total maritime oil trade of ~80 million barrels per day (mb/d), the St. of Hormuz is the second busiest chokepoint following the St. of Malacca which carries nearly 22-23 mb/d, accounting for nearly 30% of the world maritime trade.

- **...With the Strait being a principal export outlet for oil produced in Gulf:** The Strait of Hormuz is the principal export artery for the Gulf's major oil-producing economies and remains especially critical for the region's biggest players. In terms of crude and condensate flows through the Strait, Saudi Arabia is the largest origin

at 5.4 mb/d (36%), followed by Iraq at 3.3 mb/d (22%), the UAE at 2 mb/d (14%), and Iran at 1.7 mb/d (11%). The importance of Hormuz is equally pronounced for the demand side, with Asia being by far the largest destination for these flows. China is the single biggest importer at 5.4 mb/d (37%), followed by India at 2 mb/d (14%), while South Korea and Japan each account for 1.7 mb/d (11-12% each). This concentration of flows toward large Asian economies shows why any disruption in the Strait has particularly serious implications for Asia's energy security, import bill, and broader macroeconomic stability.

- **...With the natural gas dimension equally important:** The Strait of Hormuz is equally critical for global LNG trade. In 2025, a little over 112 billion cubic metre (bcm) of LNG transited through Hormuz, accounting for nearly one-fifth of global LNG trade, with almost all LNG exports from Qatar (93%) and the UAE (96%) passing through this route. Around 90% of these flows were destined for Asia, and LNG moving through Hormuz accounted for about 27% of Asia's LNG imports in 2025, compared with only about 7% of Europe's LNG inflows. With alternative routes for gas being extremely limited, any disruption in Hormuz carries significant implications for global LNG markets.

Figure 106: Map of the St. of Hormuz

Source: EIA, NSE EPR Notes 1) mb/d stands for million barrel per day

Figure 107: Trends in volumes of crude oil & petroleum products passing through the St. of Hormuz
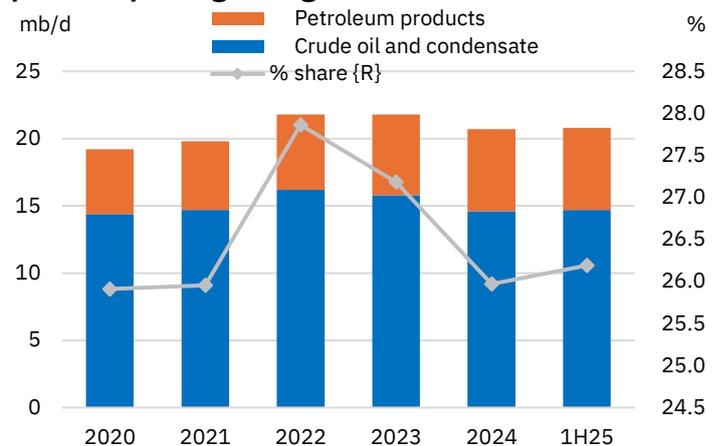
Figure 108: Region-wise daily crude exports passing through St. of Hormuz

2025: 15 mb/d
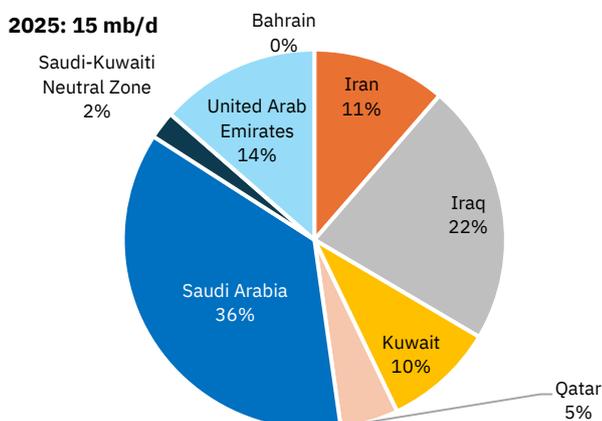
Figure 109: Region-wise volume of crude transported; destination-based

H12025: 14.7 mb/d
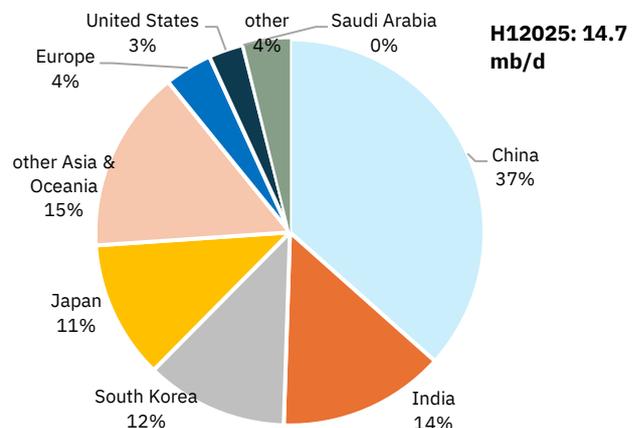
Source: EIA, NSE EPR Note: 1) Both the charts include volumes of crude oil and condensate transported through the St. of Hormuz. 2) mb/d stands for million barrel per day

India's petroleum and natural gas trade dynamics

- **Higher import dependence on crude imports amid diversification...:** The recent Iran-Israel conflict has highlighted the country's structural dependence on imported crude oil, even as its sourcing strategy has become more diversified over time. India's crude oil dependence has gradually increased from an average of 70% in the decade ended 2010 to three-fourth in FY14 and to nearly 90% in FY26TD, reflecting the widening gap between production and consumption. Domestic crude production declined from 37.8 million metric tonne (MMT) in FY14 to 28.7 MMT in FY25, while consumption of petroleum products rose from 158.4 MMT to 239.2 MMT over the same period.

  At the same time, India has broadened its crude sourcing base significantly, with the number of source countries rising from 27 in FY07 to 40 now, which has helped reduce exclusive dependence on any single geography. That said, GCC suppliers continue to remain central to India's crude import basket, accounting for 31.2% of crude imports in FY26TD. Together with Iraq's 17.8% share, this takes the combined share to about 49%, although this has moderated from an average of 53.2% during FY15-FY19. Russia has emerged as a major supplier, rising from just 0.6% in FY15-FY19 to 30.3% in FY26TD, while the US share has also increased from 0.7% to 7.7%

Figure 110: Trends in crude oil imports & dependency
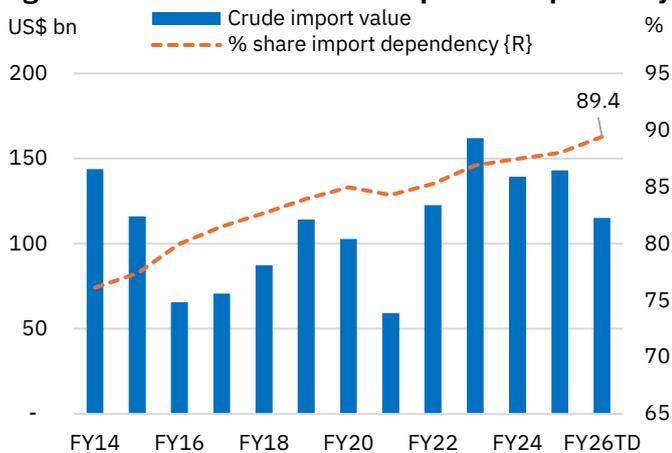
Figure 111: Trends in LNG imports & dependency
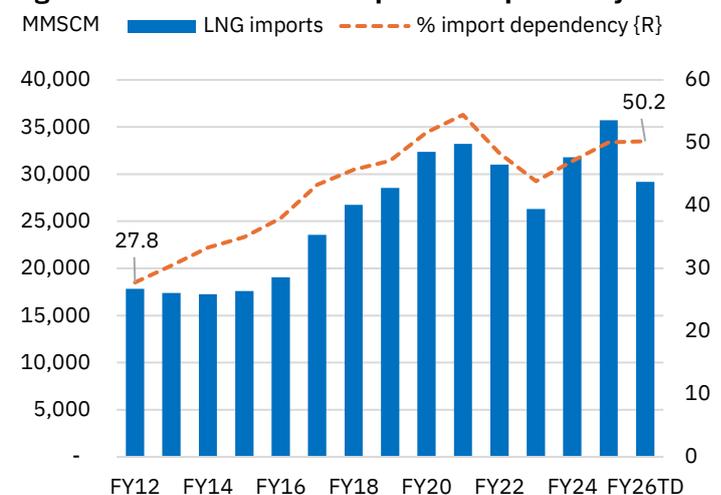
Source: PPAC, CMIE Economic Outlook, NSE EPR, Notes: 1) In the crude import value, only crude petroleum is considered, and refinery products have been excluded. Along with petroleum crude & products, the import value will be at US$ 186 bn in FY25 (vs. US$ 143 bn without it) 2) FY26TD is the period during April-January 2026 3) For computing import dependency (% share), the indigenous production includes condensates as well. 4) MMSCM stands for Million standard cubic metres. 5) The share of import dependency has been computed in quantity terms.

- **...With reliance on imports from GCC significantly higher in LNG and LPG:** India's dependence on imported gas-based fuels has also increased significantly over time, with LNG imports rising from 27.8% of total natural gas consumption in FY12 to about half in recent years, while LPG import dependence rose from ~40% in FY14 to around three-fifths in FY26TD (Apr-Jan), after touching 66% in FY25. Within LNG imports too, the GCC remains the dominant supplier, with its share rising from 58.8% in FY19 to 63.7% in FY25, even as imports from the US have more than tripled with the share rising to nearly 17% in FY25. The dependence is even more concentrated in LPG, where Gulf suppliers such as the UAE, Qatar, Saudi Arabia,

Kuwait and Oman together account for more than 90% of India's imports, underlining the critical role of the region in India's cooking fuel supply.

Figure 112: Region-wise breakup of crude oil imports
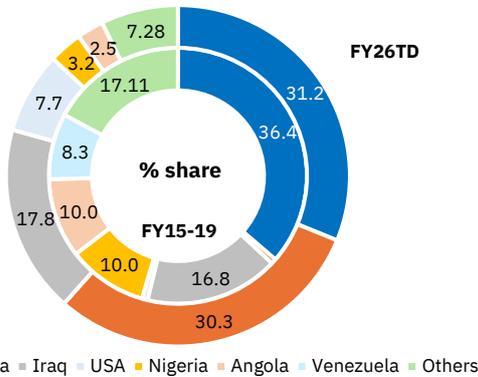
Figure 113: Region-wise breakup of LNG imports
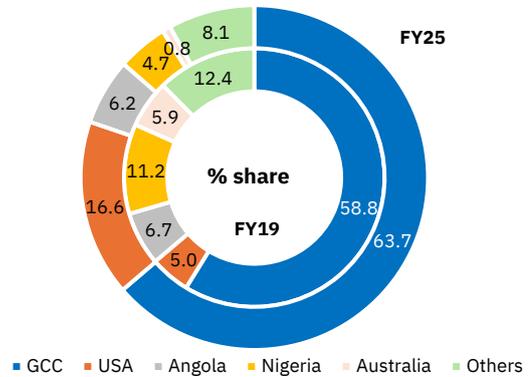
Source: CMIE Economic Outlook, TradeStat (Ministry of Commerce and Industry) NSE EPR; Notes: 1) Data for FY26TD is for the period April-January 2026 2) GCC countries include Saudi Arabia, UAE, Kuwait, Oman, Qatar and Bahrain 3) The HS code used for LNG imports is 27111100

Figure 114: Trends in LPG imports in India since FY2000
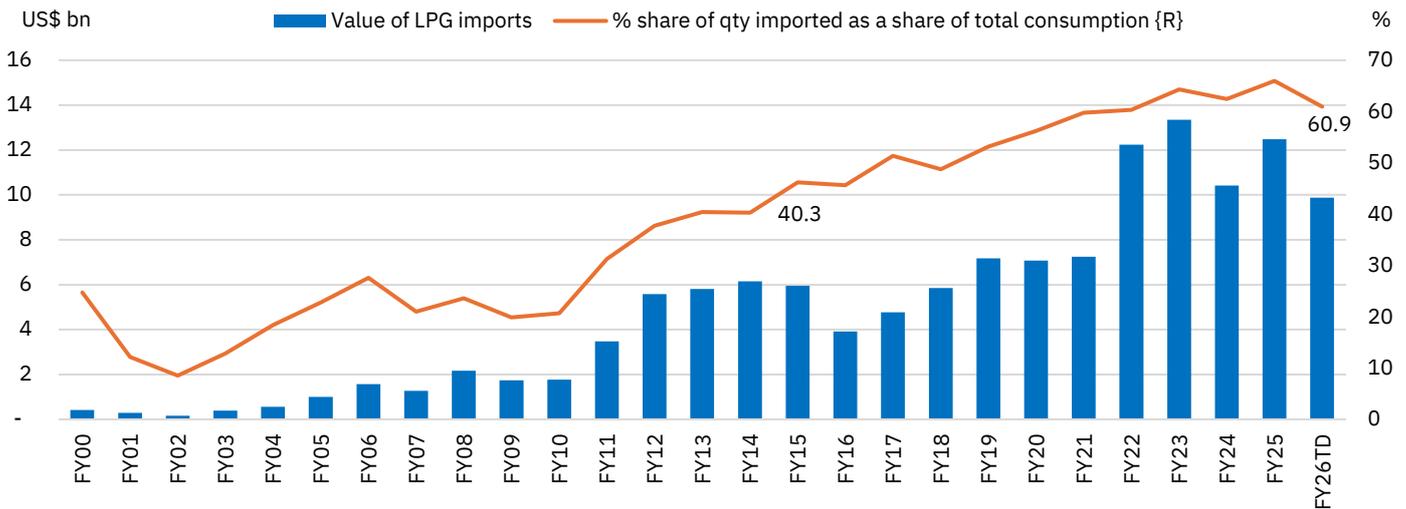
Source: PPAC, NSE EPR Notes: 1) Data for FY26TD is for the period April-January 2026

Figure 115: Country-wise breakup of LPG imports in FY25 (% share)
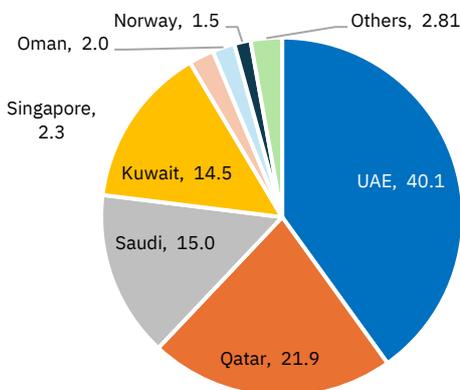
Figure 116: Country-wise breakup of fertilisers (% share)
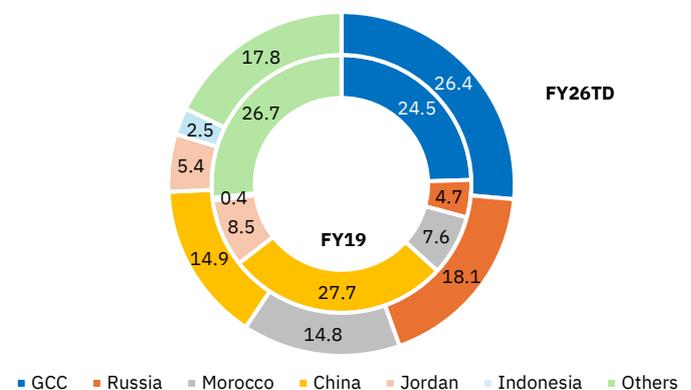
Source: TradeStat (Ministry of Commerce and Industry), NSE EPR Notes: 1) Data for FY26TD is for the period April-January 2026 2) GCC countries include Saudi Arabia, UAE, Kuwait, Oman, Qatar and Bahrain 3) In case of LPG imports, there are four HS-codes which have been considered which include: Propane (27111200), Butane (27111300), LPG for non-automotive purposes (27111910), LPG for automotive purpose (27111920) and LPG others (27111990). The data for LPG auto was not available.

Historical evidence: Financial market implications during major oil shocks

- **Crude oil price spikes have historically coincided with supply shocks...:** Sharp increases in global energy prices have typically occurred during periods of geopolitical instability involving key oil-producing regions. One of the earliest major episodes was the 1973 Iran oil Crisis, when oil prices quadrupled to US$15.5/bbl following the Arab oil embargo. A similar supply shock occurred during the Iranian Revolution in 1979, which disrupted crude production and led to oil prices doubling within a year. Subsequent geopolitical developments such as the Arab Spring in 2011 and the Russian invasion of Ukraine in 2022 also triggered significant increases in oil prices, with Brent once again crossing the US$120/bbl mark amid heightened concerns over supply disruptions from major exporting regions.

- **....And similar pattern seen in natural gas market -** Natural gas markets have exhibited similar upswings during the California Electricity Crisis in 2000–01 (up by around 147%) and again in 2005 following production disruptions caused by Hurricane Katrina and Hurricane Rita, when prices surged by nearly 294%. This was followed by an unprecedented surge during the Russia–Ukraine conflict in 2022, when prices spiked to an all-time high of US$471.32 as disruptions to Russian energy supplies tightened global markets. Although prices have moderated since their peak, natural gas markets remain highly sensitive to geopolitical developments, including ongoing tensions linked to the Israel–Hamas War.

- **Equity markets exhibited mixed albeit weaker performance:** While global equity markets have exhibited a rising trend over the long term, periods of sharp oil price increases have often coincided with weaker market performance as higher energy costs compress corporate margins and dampen growth expectations. During the Iran oil shock (1979–80), however, equity markets showed relative resilience, with the MSCI World Index rising by 4.9% and the S&P 500 gaining 8.4%, while Asian markets such as the Hang Seng Index recorded a strong increase of 56.1%. In contrast, the Gulf War (1990–91) saw a broad-based correction across global equities, with MSCI World declining by 13.4%, the S&P 500 by 15.9%, and the Nikkei 225 falling sharply by 25.3%, reflecting heightened uncertainty following the invasion of Kuwait. More recently, following the Russian invasion of Ukraine, global equities again witnessed a risk-off phase, with MSCI World declined by around 5% over 90 days and 14% over 180 days, while the S&P 500 fell by about 3% and 12% respectively, highlighting the vulnerability of equity markets to geopolitical energy shocks.

Figure 117: Daily crude oil price (Brent) movement since 1970s

US$ /bbl

Global Financial crisis 2008 - Bent crossed $140

Arab spring 2011- Supply disruptions

Russian invasion of Ukraine 2022 - Bent crossed $120

Iranian Revolution (1979-80) - Supply shock, prices doubled

1990 Gulf War - Sharp short-term spike

Iraq war 2003

1973 Oil crisis - Oil prices quadrupled
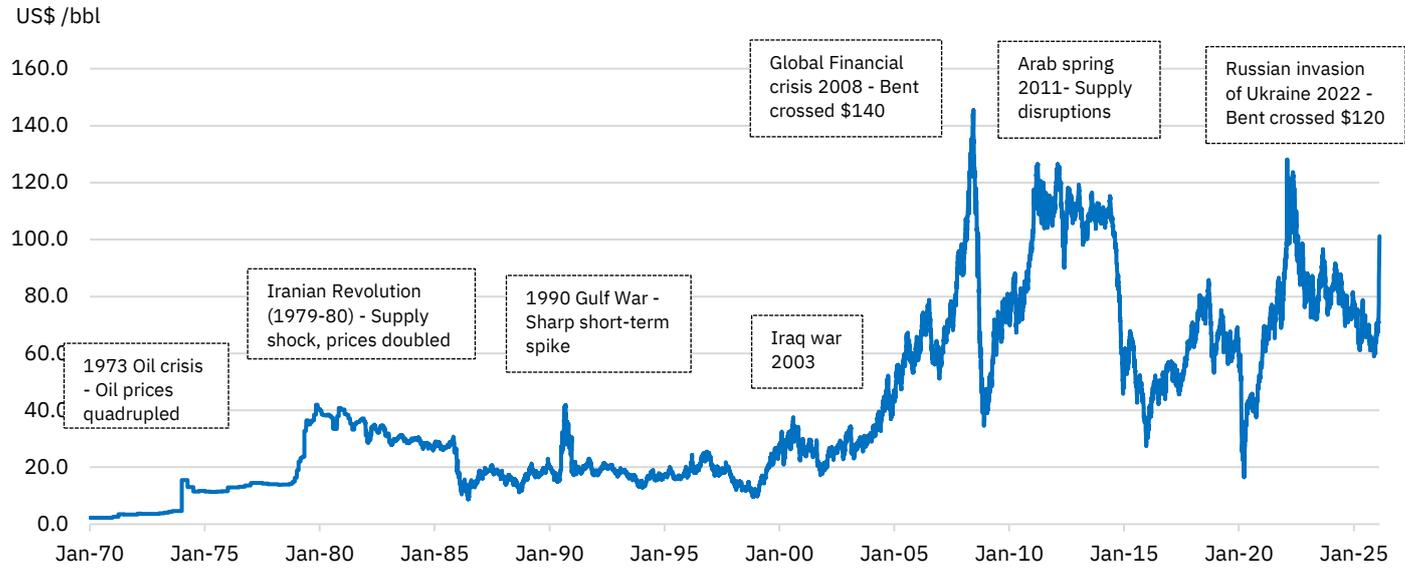
Source: LSEG Workspace, NSE EPR. Data for 2026 is available till 13th March 2026.

Figure 118: Daily natural gas price index movement since 2000s

Pence/therm

London Natural Gas price index

Russian invasion of Ukraine 2022 - Index crossed $471

Covid 19 (2020) - Historical collapse in oil demand

Israel–Hamas War 2023-24

Hurricane Katrina & Hurricane Rita 2005 - Disruption of production in the Gulf of Mexico caused a sharp price spike

Global financial crisis 2008

U.S. shale gas revolution (2010-14)- Rapid supply growth and price moderation

Oil price crash 2014-16 due to oversupply

California electricity crisis (2000-01) - Higher natural gas demand for power generation

Source: LSEG Workspace, NSE EPR. Data for 2026 is available till 13th March 2026.

Figure 119: Movement in daily crude oil price (Brent) 20 days prior and after to the event date
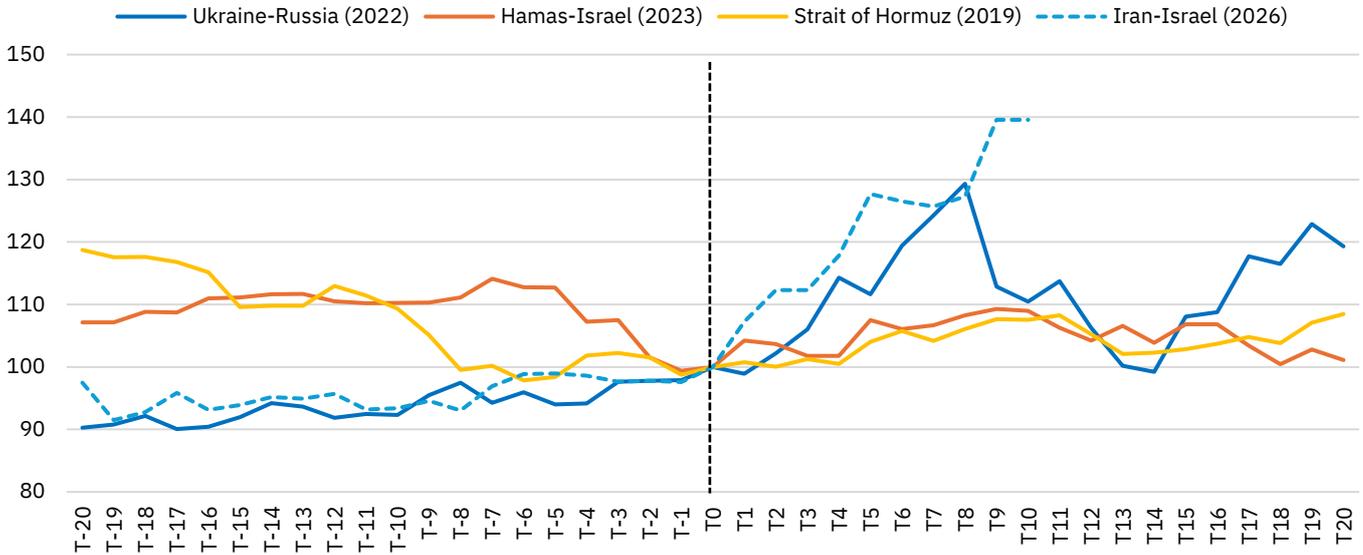
Source: LSEG Workspace, NSE EPR Notes: 1) The index has been based as 100 on the T0 date which is the event date/day of the strike. The corresponding T0 dates used are 27 February 2026 for the Iran–Israel conflict, 24 February 2022 for the Russia–Ukraine war, 6 October 2023 for the Hamas–Israel conflict, and 13 June 2019 for the Strait of Hormuz crisis. Data for the Iran–Israel conflict is available up to 13th March 2026.

Figure 120: Movement in Natural gas price index 20 days prior and after to the event date
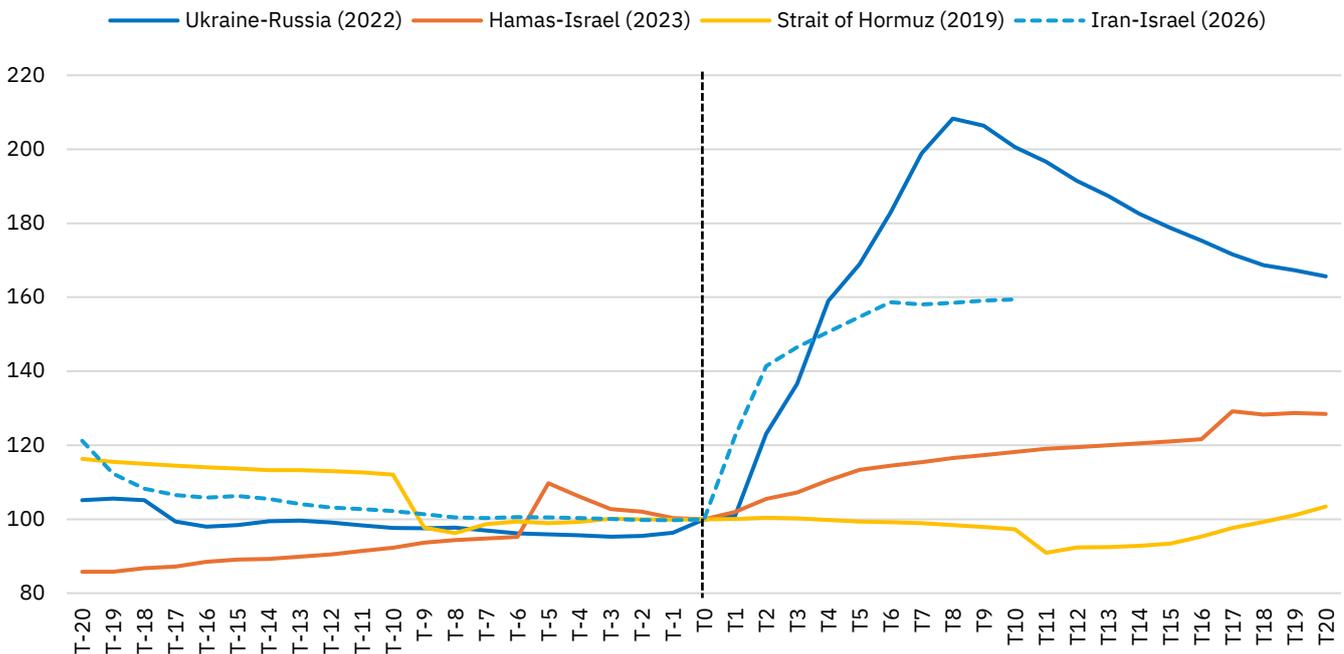
Source: LSEG Workspace, NSE EPR 1) The index has been based as 100 on the T0 date which is the event date/day of the strike. The corresponding T0 dates used are 27 February 2026 for the Iran–Israel conflict, 24 February 2022 for the Russia–Ukraine war, 06 October 2023 for the Hamas–Israel conflict, and 13 June 2019 for the Strait of Hormuz crisis. Data for the Iran–Israel conflict is available up to 13th March 2026.

Market Pulse

Table 47: Market performance across key asset classes during historical oil supply shocks (%)

	Iran Oil Shock (1979–80)	Gulf War (1990–91)	Arab Spring (2011)	Russia-Ukraine War (2022)
Start date	16-01-1979	01-08-1990	17-12-2010	22-11-2021
End date[1]	28-12-1979	11-10-1990	08-03-2012	08-03-2022
Brent Oil Price	158.5	90.5	37.9	29.3
MSCI World	4.9	-13.4	10.1	-3.7
S&P 500	8.4	-15.9	9.4	-2.8
Nikkei 225	7.4	-25.3	-4.4	-4.5
Hang Seng	56.1	-15.5	4.8	-9.3
US 10Y Yield (bps)	113.6	106.4	99.2	94.9
Gold Price	130.4	2.9	12.4	6.8
DXY	-	-4.9	-9.0	2.1

Source: LSEG Workspace, NSE EPR. Notes – 1. The end date is defined as the point when crude oil prices reached their peak during the respective crisis period.

Implications for the markets in the recent conflict

- **Global equity rout in the grip of the oil shock:** The equity market selloff since the escalation of the Iran-Israel conflict has been driven primarily by the oil-price channel, as higher crude prices have raised inflation risks, pushed out expectations of rate cuts and weighed on equity valuations. The uncertainty has stemmed not only from the direct fallout of the conflict, but also from disruptions to trade flows, attacks on commercial shipping and the risk of supply bottlenecks in and around the Strait of Hormuz. Markets are now assessing whether elevated oil prices persist long enough to create a broader stagflation risk rather than a temporary risk-off correction.

  Among advanced markets, the S&P 500 fell 3.6%, the Dow 4.9% and MSCI World 5%, while Europe saw sharper losses, with the FTSE 100 down 6% and Euro Stoxx 50 down 6.9%. The relatively muted impact on US markets reflects the fact that the US economy is better insulated from an oil shock than many other regions, given its much lower dependence on imported energy and the partial cushion that higher oil prices provide to domestic energy producers.

  In contrast, the correction has been deeper across emerging and Asia-heavy markets, with MSCI EM down 8.8%, Nikkei 225 down 8.5%, KOSPI down 12.1% and Nifty50 down 8.1%, pointing to greater stress in energy-importing and externally exposed economies.

Figure 121: Equity market returns for select developed markets

Source: LSEG Workspace, NSE EPR Notes: 1) The data considered here is till March 13th, 2026 2) The base date considered is January 30th, 2026 with an index of 100 3) The markets have been classified based on the ones which are part of the MSCI World and MSCI EM respectively
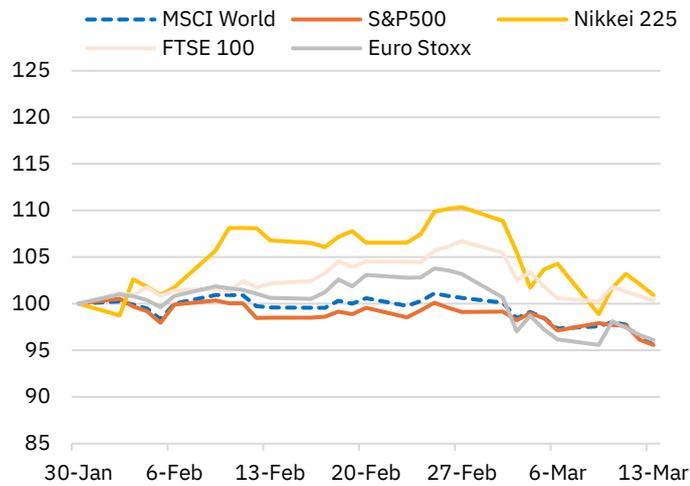
Figure 122: Equity market returns for select emerging markets

Figure 123: Index-wise equity returns since the start of the Iran-Israel-US war
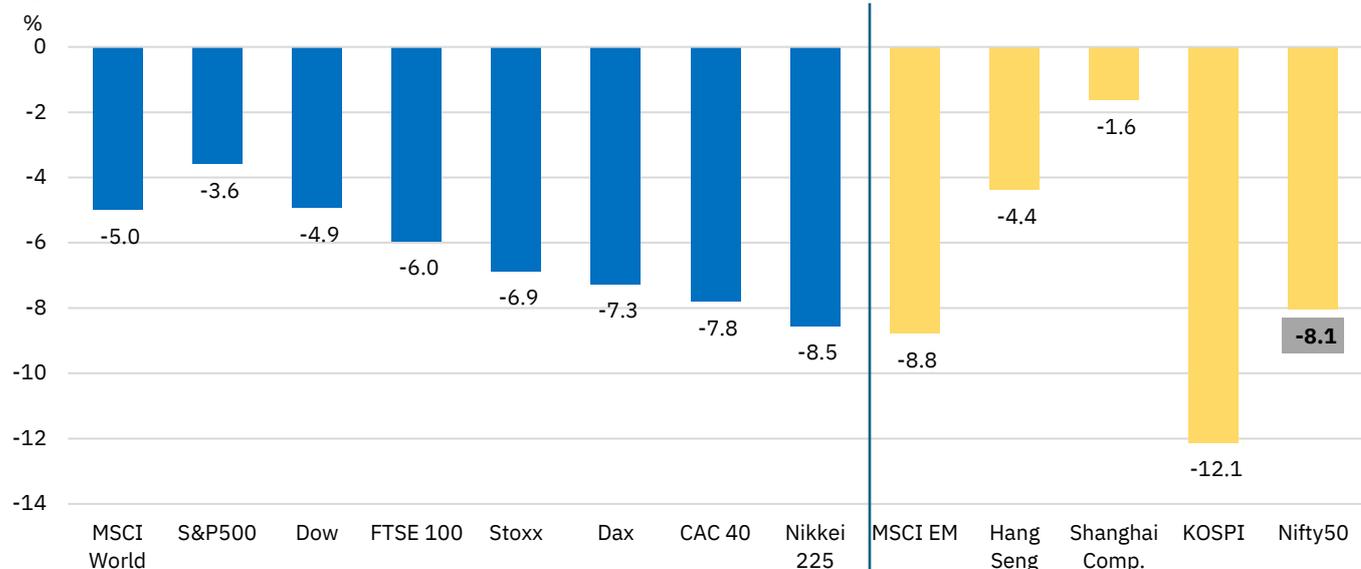
Source: LSEG Workspace, NSE EPR Notes: 1) The data considered here is till March 13th, 2026 2) The returns computed is the absolute percentage change between February 27th (eop) and March 13th (eop). 3) Blue shade denotes countries which are part of the MSCI World index while yellow shade denotes countries which are part of the MSCI EM index

- **Safe-haven gold demand offset by oil shock and firm USD...:** Gold and the DXY both reflected safe-haven demand immediately after the commencement of the war, but their behaviour diverged after the initial shock. Gold rose sharply from $5,177 on February 26th to a peak of $5,298 on March 2nd as investors rushed into defensive assets amid fears of a wider regional conflict, trade disruption and oil supply stress. Thereafter gold has eased back to US$ 5,032 on March 13th, even as the DXY strengthened to above the 100-mark (up 2.8% since Feb 27th). The divergence seen between gold prices and DXY underscores how the oil shock increasingly fed into inflation concerns and diminished rate cuts expectations. A firmer dollar and higher yields typically weigh on gold, as it is a non-yielding asset and becomes more expensive for non-dollar buyers.

- **...Which also pushed up yields and weighed on EM currencies:** The war has strengthened the USD, pushed up US yields and put renewed pressure on several currencies. Since February 27th, the DXY has risen by 2.8%, while most major currencies have weakened, including the EUR (-3.4%), JPY (-2.3%), INR (-1.6%), CNY (-0.7%), IDR (-1.0%), and ZAR (-6.1%). This reflects both a flight to dollar safety and the fact that higher oil prices worsen the outlook for net energy-importing economies. At the same time, US 10Y yields have risen by 32 bps since February 27, from 3.96% to 4.29% on March 13th, with Germany seeing a similar 32 bps increase and 14bps increase in Japanese 10Y treasury yields. The Indian 10Y yield — which has continued to remain elevated since the start of the calendar year — remained broadly steady in the 6.65%-6.7% range as the pressure on the macro-fundamentals and higher borrowings have been met by recent liquidity support by the RBI via open market operations (OMOs).

Figure 124: Trends in gold prices and DXY since start of February
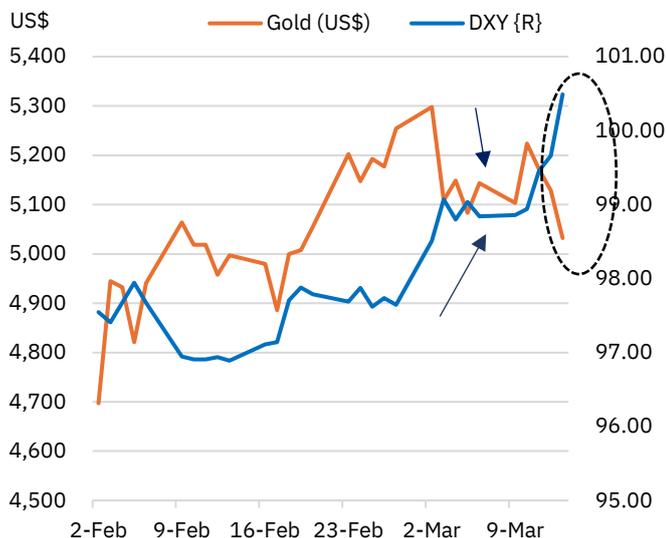
Figure 125: FPI equity flows and USD/INR movement
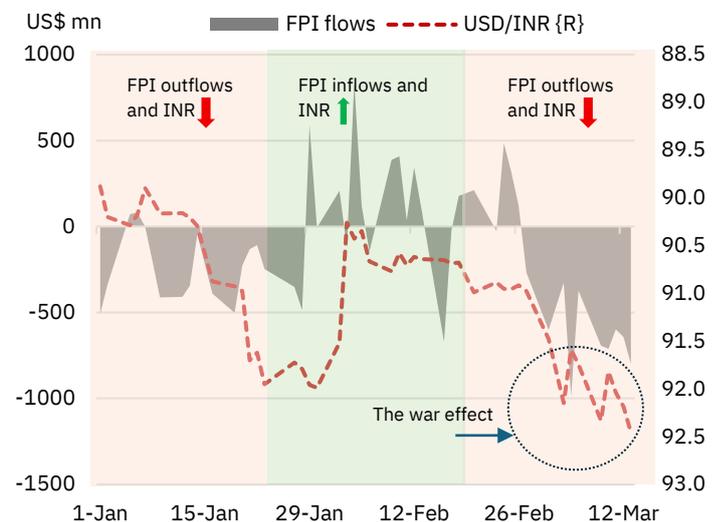
Source: LSEG Workspace, NSE EPR Notes: 1) The data considered here is till March 13th, 2026

- **Rupee hits a record low amid sustained FPI outflows:** After appreciating through much of February alongside a return of FPI inflows, the rupee came under renewed pressure following the escalation of the Iran-Israel conflict. Since the start of the war, the USD/INR has depreciated by 1.6% and slipped to a fresh record low compounded by FPI equity outflows of nearly US$ 6 bn. The relief for the rupee and the returning back of the FPIs in February has been short-lived. The current phase reflects a war-led deterioration characterised by uncertainty around trade disruptions, high and volatile prices for an import-dependent economy, concerns over inflation and growth and renewed pullback by FPIs.

Figure 126: Changes in 10Y G-Sec yield of select economies
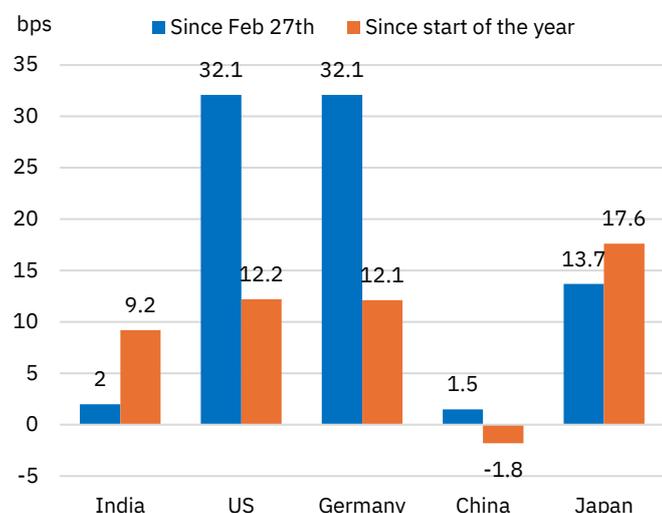
Figure 127: Currency movements since the start of the war
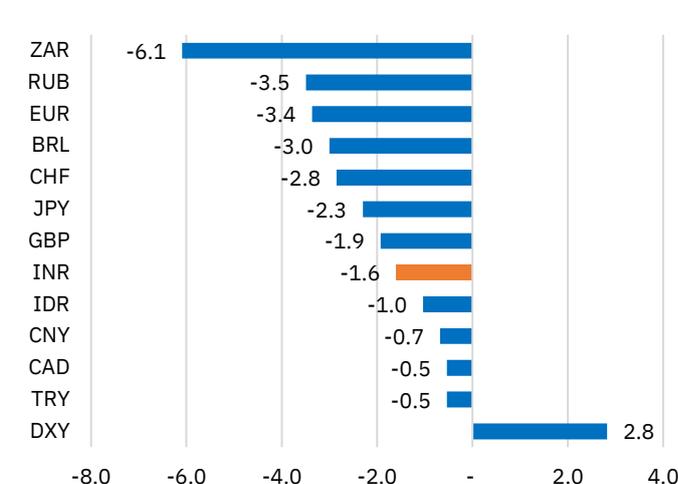
Source: LSEG Workspace, NSE EPR Notes: 1) The data considered here is till March 13th, 2026 2) DXY= US Dollar Index, CAD= Canadian dollar, TRY= Turkish Lira, CNY= Chinese Yuan Renminbi, IDR= Indonesian Rupiah, INR= Indian Rupee, GBP= British Pound Sterling, CHF= Swiss France, JPY= Japanese Yen, BRL= Brazilian Real, EUR= Euro, RUB= Russian Ruble, ZAR= South African Rand

Impact on India's macro fundamentals

- **Historical oil shocks underscore the inflation and external sector transmission:** With India's heavy reliance on import of crude oil, past episodes of sharp increases in oil prices have typically coincided with periods of elevated inflation and wider external imbalances for the economy. During the 2008 oil spike, when crude surged to around US$145/bbl, CPI inflation rose to 9.1% while the merchandise trade deficit widened to 10% of GDP. A similar pattern was observed during the Arab Spring in 2011, when crude peaked near US$126/bbl, coinciding with persistently high CPI (8.4%) and WPI (9.0%) inflation and a widening of the current account deficit to 4.3% of GDP. More recently, the Russia–Ukraine conflict in 2022 pushed crude prices to about US$128/bbl, leading to a surge in WPI inflation to 9.6% and a widening of the trade deficit to 7.9% of GDP, although the current account deficit remained relatively contained at 2.0% of GDP due to stronger services exports.

Table 48: Movement in macro-economic indicators in historic episodes of shock

Events	Movement in crude oil price (US$/bbl)	CPI inflation (YoY%)*	WPI inflation (YoY%)**	Merchandise trade deficit (% of GDP)	Current account deficit (% of GDP)
Global financial crisis (2008)	Peaked to US$145/bbl	9.1	8.1	10.0	2.3
Arab Spring (2011)	Peaked to US$126/bbl	8.4	9.0	10.4	4.3
Russia-Ukraine war (2022)	Peaked to US$128/bbl	5.5	13.0	6.7	2.1

Source: CMIE Economic Outlook, NSE EPR. Note: *CPI inflation for the GFC period and Arab Spring (2011) corresponds to CPI-Industrial Workers as the Combined CPI series was available from Jan 2014. CPI inflation during Russia-Ukraine corresponds to Combined CPI series (2024 base). **WPI inflation corresponds to 2011-12 base and for older events like GFC and Arab Springs, WPI has been spliced with the old base of 2004-05. For GFC, the period of FY09 has been considered for the key macro variables; For Arab Springs, FY12 and for Russia-Ukraine war, FY22 has been considered.

- **Impact on wholesale inflation to be more than retail due to higher fuel weight:** Movements in crude oil prices tend to transmit more strongly to wholesale inflation than retail inflation, primarily due to the higher weight of fuel-related items in the WPI basket. As seen below, episodes of sharp increases in Brent crude prices have typically coincided with pronounced spikes in WPI inflation, while CPI inflation has responded more gradually and with relatively lower amplitude. Fuel accounts for

10.4% of the WPI basket, which includes crude oil, natural gas, petrol, diesel and other crude derivatives as compared with 6.8% in the CPI basket (2024 base) which includes petrol, diesel, LPG cylinder and piped natural gas, CNG, coal and kerosene. However, the revision in the CPI base has increased the weight of fuel and light from 4.2% in the 2011–12 base to 6.8% in the 2024 base, making retail inflation relatively more sensitive to oil price movements than earlier.

Figure 128: Movement in CPI and WPI inflation with brent crude oil prices
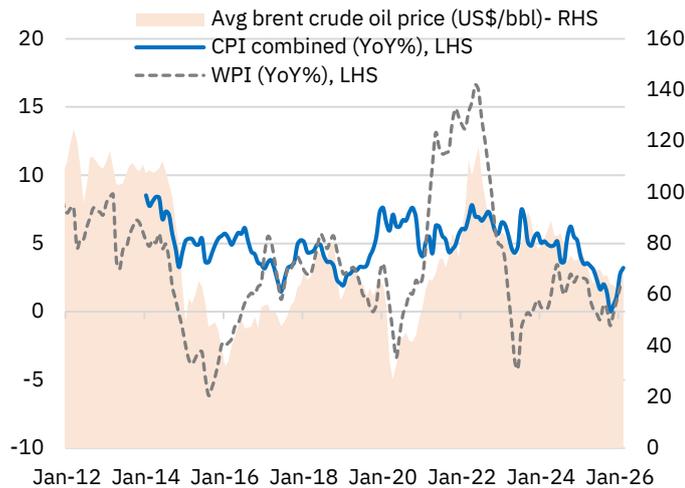
Figure 129: Weight of fuel and non-fuel items in CPI and WPI series
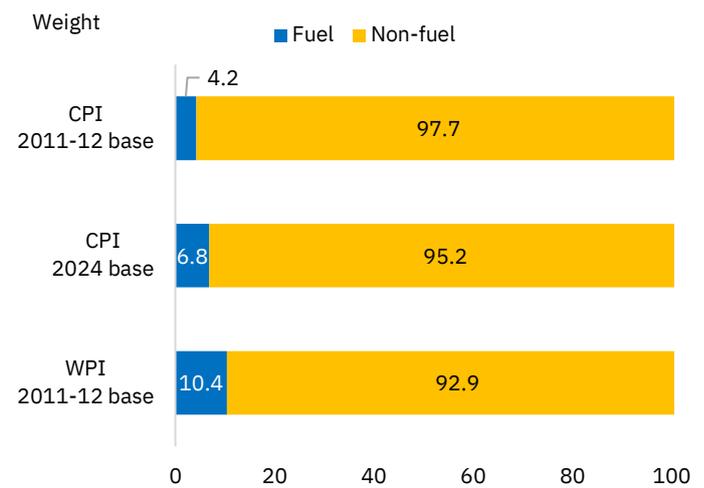
Source: LSEG Workspace, CMIE Economic Outlook, NSE EPR Notes: 1) CPI inflation corresponds to base year 2024 and WPI corresponds to base year 2011-12. 2) Fuel items in the CPI and WPI basket include petrol, diesel, LPG cylinder and piped natural gas, CNG, coal and kerosene.

A clear divergence in the behaviour of CPI and WPI inflation around the event window reflects the higher energy intensity of wholesale prices and the faster pass-through of crude prices to intermediate input costs. Retail price transmission largely also depends on seasonality and broader consumption basket dynamics leading to a more gradual adjustment. The peak deviations in WPI are also larger than those observed for CPI, indicating that oil price shocks feed first into wholesale prices before gradually transmitting to consumer inflation.

Figure 130: Movement in CPI inflation rate months prior and after the event date
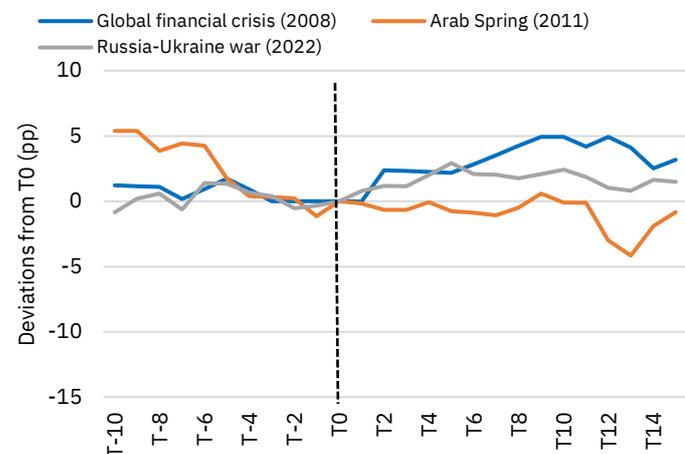
Figure 131: Movement in WPI inflation rate months prior and after the event date
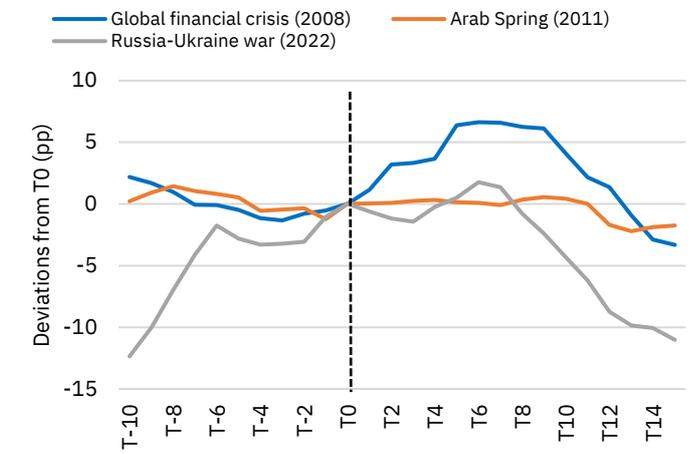
Source: LSEG Workspace, CMIE Economic Outlook, NSE EPR Notes: 1) CPI inflation for the GFC period and Arab Spring (2011) corresponds to CPI-Industrial Workers as the Combined CPI series was available from Jan 2014. CPI inflation during Russia-Ukraine corresponds to Combined CPI series (2024 base). 2) WPI inflation corresponds to 2011-12 base and for older events like GFC and Arab Springs, WPI has been spliced with the old base of 2004-05. 3) The T0 month considered in the calculation are: GFC: Jan 2008, Arab Spring: December 2011 and Russia-Ukraine: November 2021

- **Crude oil imports account for largest component of India's import basket:** Crude oil and petroleum imports accounted for the largest share in India's merchandise import basket, at 22.8% in FY26TD, even though it has come down from 27.4% in FY19. India imports more than 85% of its total oil demand. While the composition of imports has gradually diversified with rising shares of electronics and engineering goods, crude oil remains a dominant driver of import costs. Consequently, movements in global oil prices have historically been closely mirrored in India's external balance.

Figure 132: Breakup of India's goods import
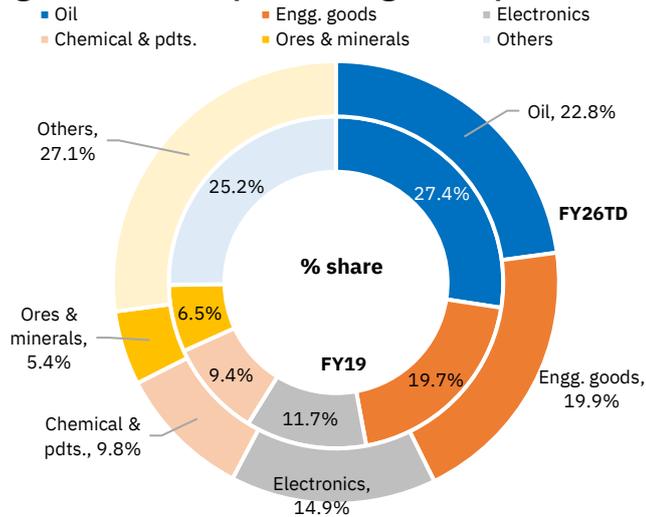
Figure 133: Oil prices versus India's current account
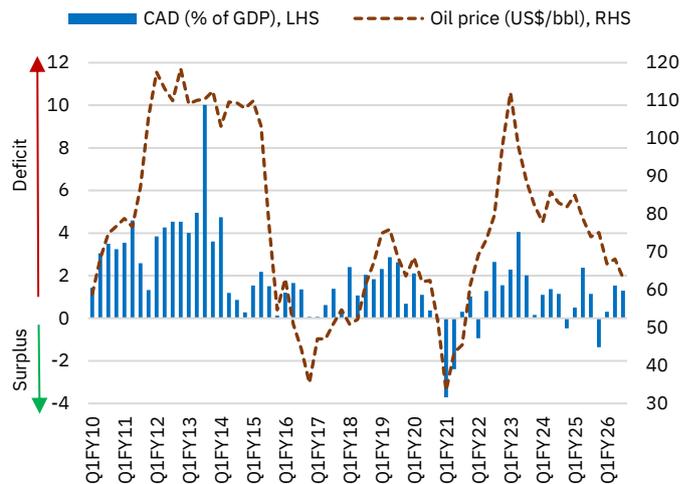
Source: CMIE Economic Outlook, NSE EPR Notes: Data for FY26TD corresponds to April 2025-January 2026.

Sensitivity analysis

- **Inflation:** While fuel accounts for 6.8% and 10.4% in the CPI and WPI basket respectively, the weight of components within fuel that will directly be impacted in the current crisis (diesel, petrol, and LNG) account for 4.8% of the CPI basket and 7.1% of the WPI basket. Assuming a full pass-through into retail selling prices of fuel takes place, every US$10/bbl increase in crude oil prices could increase retail inflation by 50-70bps and wholesale price inflation by 70-100bps. However, oil marketing companies will likely absorb part of the rise in crude oil prices, thereby limiting the impact on retail inflation. Although indirect effects could arise through higher input costs.

- **Import bill and balance of payment:** As per Petroleum & Planning Analysis Cell (PPAC), India imports 20.6 million metric tonnes of crude oil each month, putting India's oil import bill at approx. US$ 120bn annually. A US$10/bbl increase in crude oil price could increase India's import bill by US$ 18bn annually (US$ 1.5bn monthly) widening the current account deficit by 0.4-0.5% of GDP. Other risks also include lower remittance inflows from Gulf countries, FPI outflows and shipping disruptions that could impact India's export to Gulf region and put pressure on balance of payments. These would also weigh on INR and GDP.

Table 49: Sensitivity analysis of India's current account deficit and inflation wrt changes in crude oil prices

Events	CPI inflation	WPI inflation	Net import bill (annual)	Current account deficit (% of GDP)
A **US$10/bbl increase** in Brent crude oil price	**Increase** by 50-70bps	**Increase** by 70-100bps	**Increase** by US$1.5bn per month (US$18bn annually)	**Widen** by 0.5% of GDP

Source: CMIE Economic Outlook, PPAC, NSE EPR.

Table 50: Impact on central government's fiscal math

Particulars	Impact on central government's fiscal math
Loss in revenue	To limit the pass-through of higher crude oil prices to consumers, central government might lower excise duties on petrol and diesel, decreasing their indirect tax revenue (Excise duty collection FY27BE: Rs 3.9 lakh crore)
Higher subsidy burden	Prolonged rise in fertilizer and LNG prices might require additional subsidy to fertilizer companies, pushing government's fertilizer subsidy bill (FY27BE: Rs 1.7 lakh crore)
Impact on corporate tax	Elevated crude oil prices, if sustained for a long period, could exert pressure on companies' margins impacting the centre's corporate tax collections (FY27BE: Rs 12.3 lakh crore)
Lower dividends by Oil Marketing Companies (OMCs)	OMCs may face margin compression which can translate into lower dividend payments to the government

Source: NSE EPR.

How has the Indian government responded

Crude oil

- **Diversification**
  - Government has confirmed India imports from around 40 countries
  - 70% of crude imports are now coming from routes outside St. of Hormuz (vs. 55% earlier)

- Indian refiners have started tapping Russian oil (Mar 5th)

- First ship carrier to reach India since the war carrying Saudi crude arrived on March 12th

Natural gas and LPG

- Domestic LPG cylinder hike of Rs 60/cylinder and Rs 115 for commercial cylinder (March 7th)
- LPG control order directing refineries to maximise LPG yields (March 8th); production hiked by 25-28% in a few days
- Natural Gas control order under Essential Commodities Act announced (March 9th)
- Three-member committee set up in cordination with state governments to restrict supply of commercial LPG to 20% of avg. monthly requirement
- 100% supply to domestic piped natural gas (PNG) and transport CNG; cuts supply to industrial, commercial users (to 80%) and fertilisers (to 70%)
- A 25/45 days minimum booking gap has been introduced in urban/rural areas

Others

- The Indian embassy in Tehran has relocated Indian students, assisted business travelers and kept 24x7 helplines active
- The Directorate General of Shipping has constituted a Quick Response Team for 24x7 support function

Macroeconomy

Geopolitical risks take centre-stage yet again

Following a brief reprieve from tariff-related tensions, the global economy has been confronted with a renewed shock in the form of sharply rising energy prices, heightening uncertainty around the global outlook. Crude oil prices crossed the US$100/bbl mark on March 12th, 2026 – the first time since 2022, when prices surged following Russia's invasion of Ukraine. Since the start of the Iran-Israel-US conflict, crude oil prices are up more than 40% (till March 13th). While tariff measures primarily weighed on the US economy by pushing up prices and dampening aggregate demand, the surge in fuel prices is likely to have broader repercussions, particularly across Asia, which remains heavily dependent on Middle Eastern energy supplies. Any disruption to global trade routes or shipping could further intensify inflationary pressures. In this context, several central banks that were expected to begin or continue policy easing in 2026, including US Fed, are likely to adopt a cautious "wait-and-watch" stance, balancing renewed inflation risks against the possibility of a slowdown in growth. There could be some downside risk to IMF's global growth forecast of 3.3% in 2026.

For India, the recently released GDP growth of 7.8% YoY in Q3FY26 and 7.7% YoY during 9MFY26 underscores the resilience of domestic economic activity. Recent high-frequency indicators also point to continued momentum, with GST collections at Rs 1.9 lakh crore, tractor sales rising 34% YoY in February, bank credit expanding 15.4% YoY, and both manufacturing and services PMI remaining in expansionary territory, suggesting growth should remain robust in the current fiscal year. IMF estimates India's GDP to grow the fastest at 7.4%/6.4%/6.4% in 2025/26/27 respectively. On the external front, despite a widening trade deficit driven by elevated gold imports, India's CAD remained contained at 1.3% of GDP in Q3FY26, supported by strong services exports. However, the ongoing geopolitical tensions could raise oil import costs and thereby CAD (0.5% of GDP for every US$10/bbl increase) (link). Higher fuel prices may also transmit into both retail and wholesale inflation (CPI in Feb: 3.2%; WPI: 2.1%). If the geopolitical tensions prove short-lived, the growth outlook should remain broadly intact. The RBI, while closely monitoring the inflationary implications of higher energy prices, will likely continue focusing on ensuring effective monetary transmission as the C-D ratio remains at a high of 82.5% in Feb 2026.

- **Q3FY26 BOP in deficit amid capital outflows and wider goods trade deficit:** India's current account deficit narrowed to 1.3% of GDP in Q3FY26 from 1.5% in the previous quarter, supported by record services receipts. However, the improvement was partly offset by a record merchandise trade deficit (9.2% of GDP) driven by a surge in gold and silver imports and softer remittance inflows. On the capital account, flows turned negative during the quarter, led by outflows in FDI and other capital segments, though inflows through NRI deposits and external commercial borrowings provided partial support. As a result, the overall BoP deficit widened in Q3 and cumulative pressures persisted through FY26 to date. Looking ahead, India's external sector is expected to remain broadly manageable, supported by strong services exports, resilient remittances and comfortable foreign exchange reserves, although risks from global financial conditions, geopolitical developments and energy price volatility could introduce episodic pressures.

- **CPI inflation at a 10-month high:** Retail inflation rose to 3.2% YoY in Feb 2026 (vs. 2.7% in the previous month), partly due to adverse base effect even as sequential movement has remained subdued and partly a pickup in food prices. Food inflation rose to 3.4% YoY from 2.1% in January, with the increase largely broad-based across categories such as vegetables, pulses, fruits, meat and edible oils, even as cereal prices registered some moderation. Core inflation remained unchanged at 3.4% YoY, driven mainly by higher inflation in personal care and

miscellaneous goods and services amid a surge in gold and silver prices, while price pressures across most other core components stayed subdued.

- **Industrial activity moderated in January:** The growth in IIP slowed to 4.8% YoY in Jan 2026, easing from a 27-month high of 8% recorded last month. The moderation was primarily driven by softer growth in manufacturing (4.8% YoY vs. 8.4% in Dec 25) and mining (4.3% YoY vs 6.9%). Within manufacturing, while 14 of the 23 industries registered positive, many heavy-weight industries such as pharma, textiles, coke & refined petroleum products registered a de-growth. Across use-based categories, growth decelerated in most segments, with the exception of infra/construction goods which continued to record double-digit expansion, while consumer non-durables declined by 2.7% YoY. Core sector growth also remained subdued at 4% YoY. That said, PMI manufacturing rose to 56.9 in February, signaling an acceleration in manufacturing activity while services PMI remained largely unchanged at 58.1.

- **CD-ratio at fresh highs:** The credit-deposit ratio in February continued to remain high at 82.4% as outstanding bank credit grew by 14.5% YoY (as per WSS data on 28th Feb 2026) and outstanding bank deposit growth lagged behind at 11.9% YoY. The deposit growth has been lagging credit growth since July 2025 and the gap between credit and deposit growth has widened to 2.6pp. Industry-wise data till Jan 2026 indicates credit pickup was largely led by micro & small business and retail lending such as vehicle loans and loans against jewellery and services such as tourism while advances on credit cards and loans for consumer durables and education declined. As of Feb 2026, the outstanding amount of CDs reached a record high of Rs 6.6 lakh crore. The banks are increasing relying on short-term market borrowing to bridge a gap between credit and deposit growth.

- **Merchandise trade deficit declined while net services at record high levels:** India's trade position improved in February with the merchandise trade deficit narrowing to US$ 27.1 bn led by a broad-based moderation in imports to US$ 63.7 bn (-10.5% MoM) even as exports remained broadly stable at US$ 36.6 bn, supported by engineering goods and G&J. However, on a YoY basis, the merchandise trade deficit has nearly doubled with imports expanding by 24.1% YoY driven by gold, silver and non-oil, non-gold-non-silver imports. Ahead of the Middle eastern crisis, oil trade deficit narrowed to a five-month low even when oil exports have fallen to a five-year low. Net services receipts rose to a record US$ 23.2 bn (+35.1% YoY) as growth in services exports outpaced services imports. The gains in services exports and a notable sequential decline in merchandise imports helped compress the overall trade deficit to US$ 4bn.

- **Fiscal deficit contained at 63% of revised estimates:** The fiscal deficit of the central government stood at Rs 9.8 lakh crore during Apr–Jan FY26, accounting for 63% of FY26RE, lower than 74.5% in the corresponding period last year. Centre's revenue receipts grew by 12% YoY in FYTD26, supported by both direct (9% YoY) and indirect taxes (8% YoY) while non-tax revenues rose sharply by 19% YoY providing additional support to overall receipts. Total expenditure growth, on the other hand, moderated to 3% YoY in FY26TD, primarily driven by revenue expenditure, which expanded by only 1.3% YoY in FY26TD even as growth remained robust (+11% YoY in FYTD26).

BOP in deficit in Q3 amid capital account outflows and wider goods trade deficit

India's current account deficit (CAD) narrowed sequentially to US$ 13.2 bn (1.3% of GDP) in Q3FY26 from US$ 14.1 bn (1.5% of GDP; revised higher) in Q2FY26, though it widened from US$ 11.3 bn (1.1% of GDP) in the corresponding quarter last year. The CAD improved sequentially in Q3, aided by record quarterly net services receipts of US$ 57.5 bn (13% QoQ) even as the gains were partly offset by record quarterly merchandise trade deficit of US$ 93.6 bn (9.2% of GDP) and softer workers' remittance inflows. Merchandise imports growth outpaced exports in Q3FY26, led by a sharp increase in gold (19% QoQ) and silver imports (99% QoQ), resulting in a wider trade deficit. On the capital account, flows turned negative, with net outflows of US$ 10 bn in Q3FY26 (-1.0% of GDP), reversing inflows of US$ 2.1 bn (0.2% of GDP) in the previous quarter, driven by record quarterly outflows in the FDI and other capital segment. Robust inflows through NRI deposits (US$ 5.1 bn; five-quarter high), higher external commercial borrowings and relative moderation in FPI outflows have partially supported the capital account. The pressure on the capital account has weighed on the overall Balance of Payment (BOP), which recorded a higher deficit of US$ 24.4 bn in Q3 (vs. US$ 10.9 bn in Q2). As a result, the cumulative BOP deficit widened to US$ 30.8 bn during 9MFY26, more than double the level seen in the same period last year. Thus, despite a marginal improvement in the current account, weaker capital flows have kept the BoP in deficit so far this year.

Going forward, India's external sector is expected to remain broadly manageable, although evolving global developments may introduce episodic volatility. Progress toward a US–India trade agreement could support export prospects. At the same time, escalating geopolitical tensions in the Middle East and the associated rise in global crude oil prices pose an upside risk to India's import bill. The current account will continue to be supported by strong services exports and remittance inflows, even as resilient domestic demand keeps imports elevated. Capital flows are likely to remain mixed, with FDI expected to strengthen gradually amid strong domestic macroeconomic fundamentals, while portfolio flows remain sensitive to global financial conditions. India's foreign exchange reserves—around US$ 728.5 bn and covering over 11 months of imports—provide a significant buffer against external shocks. Over the medium term, progress in trade negotiations alongside sustained strength in services exports and remittances could help the external sector gradually move toward a modest BOP surplus.

- **CAD moderated in Q3 supported by net services…:** India's CAD eased to US$ 13.2 bn (1.3% of GDP) in Q3FY26 from US$ 14.1 bn (1.5% of GDP) in Q2FY26 *(revised higher* from *US$ 12.3 bn)*, though it widened from US$ 11.3 bn (1.1% of GDP) in the corresponding quarter last year. Notwithstanding a record quarterly merchandise trade deficit of US$ 93.6 bn in Q3, the sequential moderation in CAD can be ascribed primarily to record quarterly net services receipts of US$ 57.5 bn (+13% QoQ), reflecting solid improvement in exports of software services (+7.3% QoQ). Pursuant to record inflows through remittances in Q2, flows sequentially moderated to US$ 24.4 bn from US$ 26.8 bn, though they remained higher than US$ 21.7 bn recorded in Q3FY25, providing support to the current account balance.

  On a YoY basis, the CAD widened by about 16.4%, mainly due to higher merchandise trade deficit, though this was partly offset by continued growth in net services receipts (software & business services) and resilient worker's remittance inflows of US$ 24.4 bn (+12.3% YoY). The CAD narrowed to US$ 30.2 bn (1% of GDP) during 9MFY26, marking its lowest level in the last four years.

- **…While partly weighed down by record quarterly merchandise trade deficit:** The sequential widening of the merchandise trade deficit in Q3FY26 reflects stronger import growth relative to exports amid resilient domestic demand. Merchandise imports rose to US$ 205.3 bn in Q3 (+8.6% QoQ), supported by robust gold (19%) and silver (99%). The sequential improvement in exports is seen as a

India's current account balance recorded a deficit of US$13.2 bn or 1.3% of GDP in Q3FY26.

recovery after a weak October, pointing towards recovery in core manufacturing exports. The merchandise trade deficit at US$ 251.6 bn (8.8% of GDP) during 9MFY26 is the highest level on record during this period owing to strong non-oil import growth of 11.3% YoY.

- **Capital account flows turned negative amid weak foreign investment…:** Capital account flows reversed into net outflows of US$ 10 bn (1% of GDP) in Q3FY26, the second highest outflows on record, driven by record quarterly outflows in the FDI and other capital segments. FDI flows deteriorated significantly, shifting from an inflow of US$ 1.9 bn to an outflow of US$ 3.7 bn, partly reflecting higher repatriations and outward investment. Portfolio investment outflows moderated sharply to US$ 0.2 bn from US$ 5.7 bn in the previous quarter, reflecting better earnings expectations, progress on US-India trade deal and improved relative valuations. External commercial borrowings increased to US$ 2.1 bn (vs.US$ 0.1 bn), while NRI deposits recorded stronger inflows of US$ 5.1 bn (vs. US$ 2.5 bn in Q2). During 9MFY26, the capital account recorded marginal net inflows of US$ 0.1 bn, sharply lower than US$ 22.2 bn in the same period last year.

- **…Thereby widening BoP deficit further in Q3FY26:** The overall balance of payments (BoP) recorded a deficit of US$ 24.4 bn in Q3FY26, widening from US$ 10.9 bn in Q2FY26, as a deterioration in capital account flows outweighed the modest improvement in the current account balance. On a YoY basis, the BoP position improved from a deficit of US$ 37.7 bn in Q3FY25. During 9MFY26, the BoP deficit widened to US$ 30.8 bn from US$ 13.8 bn in the corresponding period last year, reflecting weaker capital inflows amid volatile global financial conditions.

- **Outlook remains broadly manageable, albeit with evolving global risks:** India's BOP position in FY26 is expected to remain under pressure, marking the second consecutive fiscal of deficit. Progress toward a US–India trade agreement could support export prospects, while rising crude oil prices amid geopolitical tensions in the Middle East pose risks to the import bill. The current account will continue to be supported by strong services exports and remittance inflows, even as robust domestic demand keeps imports elevated. Capital flows are likely to remain mixed, with FDI expected to strengthen gradually, while portfolio flows remain sensitive to global financial conditions. Over the medium term, tariff normalisation under a potential US–India trade framework, alongside continued strength in invisibles, could help the external sector gradually move toward a modest BOP surplus. India's foreign exchange reserves of about US$ 728.5 bn provide a strong buffer against external shocks.

Table 134: Balance of Payments – Quarterly account

US$ bn	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Current account	**-10.4**	**4.6**	**-4.5**	**-20.9**	**-11.3**	**13.6**	**-2.9**	**-14.1**	**-13.2**
CAB/GDP (%)	*-1.1*	*0.5*	*-0.5*	*-2.4*	*-1.1*	*1.4*	*-0.3*	*-1.5*	*-1.3*
Trade balance	-71.6	-52.0	-59.8	-88.5	-79.3	-59.3	-68.9	-89.1	-93.6
Trade balance/GDP (%)	*-7.9*	*-5.5*	*-6.7*	*-10.1*	*-8.0*	*-5.9*	*-7.3*	*-9.7*	*-9.2*
Merchandise exports	106.6	121.6	115.2	100.6	109.8	116.5	112.7	109.0	111.7
Merchandise imports	178.3	173.6	175.0	189.2	189.1	175.8	181.6	198.1	205.3
Oil imports	46.0	48.8	51.5	41.5	48.4	44.3	49.2	42.9	43.3
Non-oil imports	132.3	124.9	123.4	147.7	140.8	131.4	132.3	155.2	162.0
Invisibles	61.2	56.6	55.3	67.7	68.0	72.9	66.0	75.0	80.4
Net services	45.0	42.7	39.9	44.5	51.2	53.3	47.9	50.9	57.5
Software earnings	36.3	36.6	37.4	39.6	41.1	41.5	41.5	43.9	47.1
Transfers	29.3	28.7	26.3	32.4	33.2	31.5	30.9	36.3	35.1
Investment income	-14.2	-15.7	-12.0	-10.2	-17.6	-12.9	-13.9	-13.2	-13.3
Other invisibles	1.1	0.9	1.2	1.0	1.1	1.0	1.1	1.0	1.1
Capital account	**17.2**	**25.5**	**8.9**	**39.9**	**-26.6**	**-5.6**	**7.9**	**2.1**	**-10.0**
Capital acc./GDP (%)	*1.9*	*2.7*	*1.0*	*4.5*	*-2.7*	*-0.6*	*0.8*	*0.2*	*-1.0*
Foreign investments	16.0	13.7	7.2	17.0	-14.2	-5.5	6.4	-3.9	-3.8
FDI	4.0	2.3	6.2	-2.8	-2.8	0.4	4.8	1.9	-3.7
FII	12.0	11.4	0.9	19.9	-11.4	-5.9	1.6	-5.7	-0.2
Loans	-2.8	3.9	5.1	9.5	9.1	5.7	5.2	4.5	13.3
ECBs	-4.5	1.6	1.5	2.0	4.4	8.0	4.5	0.1	2.1
Banking capital	16.4	6.9	2.9	6.1	-9.8	-9.0	-1.6	1.9	0.7
NRI deposits	3.9	5.4	4.0	6.2	3.1	2.8	3.6	2.5	5.1
Others	-12.3	1.1	-6.2	7.3	-11.7	3.2	-2.1	-0.4	-20.2
Errors & Omissions	-0.8	0.6	0.8	-0.4	0.3	0.8	-0.5	1.1	-1.2
Overall balance (BoP)	**6.0**	**30.8**	**5.2**	**18.6**	**-37.7**	**8.8**	**4.5**	**-10.9**	**-24.4**

Source: RBI, CMIE Economic Outlook, NSE EPR. Notes: 1) -ve value stands for deficit/outflows while +ve value stands for surplus/inflows

Table 135: Balance of Payments – Nine-monthly account

US$ bn	9M-FY23	9M-FY24	9M-FY25	9M-FY26
Current account	**-65.7**	**-30.7**	**-36.7**	**-30.2**
CAB/GDP (%)	(2.76)	(1.20)	(1.33)	(1.05)
Trade balance	-212.7	-192.9	-227.6	-251.6
Trade balance/GDP (%)	(8.93)	(7.58)	(8.26)	(8.75)
Merchandise exports	340.3	319.8	325.6	333.4
Merchandise imports	553.0	512.7	553.3	585.0
Oil imports	158.6	130.0	141.4	135.4
Non-oil imports	394.3	382.7	411.9	449.6
Invisibles	147.0	162.2	190.9	221.4
Net services	104.2	120.1	135.5	156.3
Software earnings	96.9	105.4	118.1	132.4
Transfers	76.1	77.1	91.9	102.3
Investment income	-35.9	-37.9	-39.7	-40.4
Other invisibles	2.5	2.9	3.3	3.3
Capital account	**52.4**	**63.9**	**22.2**	**0.1**
Capital acc./GDP (%)	2.20	2.51	0.81	0.00
Foreign investments	18.1	40.5	10.0	-1.3
FDI	21.6	7.9	0.6	3.0
FII	-3.5	32.7	9.4	-4.3
Loans	5.2	2.7	23.7	23.0
ECBs	-5.4	-1.7	7.9	6.7
Banking capital	25.0	33.6	-0.8	1.0
NRI deposits	5.4	9.3	13.3	11.1
Others	4.0	-13.0	-10.6	-22.7
Errors & Omissions	-1.4	-0.2	0.6	-0.7
Overall balance (BoP)	**-14.7**	**32.9**	**-13.8**	**-30.8**

Source: RBI, CMIE Economic Outlook, NSE EPR. 1) -ve value stands for deficit/outflows while +ve value stands for surplus/inflows

Figure 136: Quarterly trade balance trend
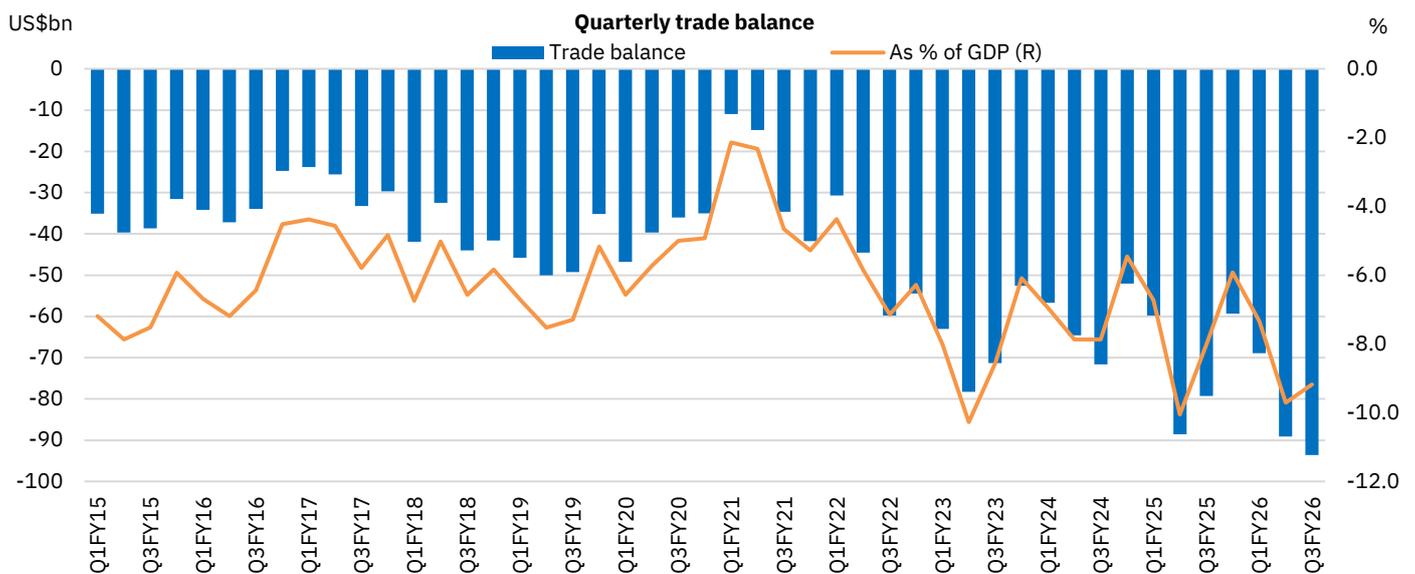
Source: RBI, CMIE Economic Outlook, NSE EPR.

Figure 137: Quarterly current account balance trend
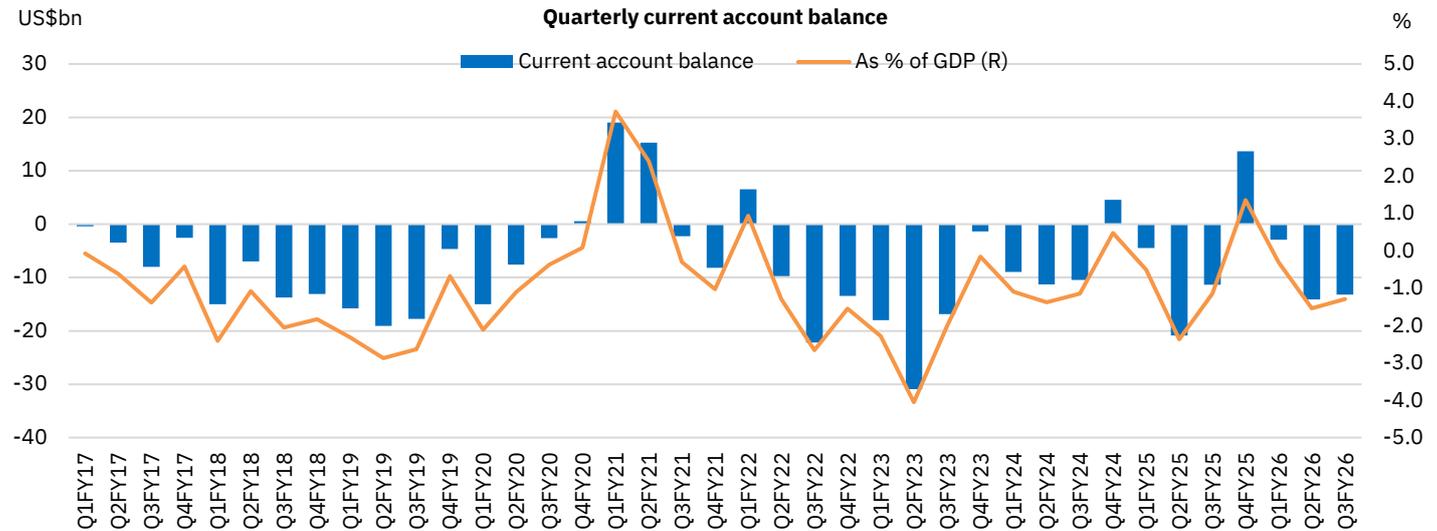
Source: CMIE Economic Outlook, NSE EPR.

Figure 138: India's Balance of Payments decomposition
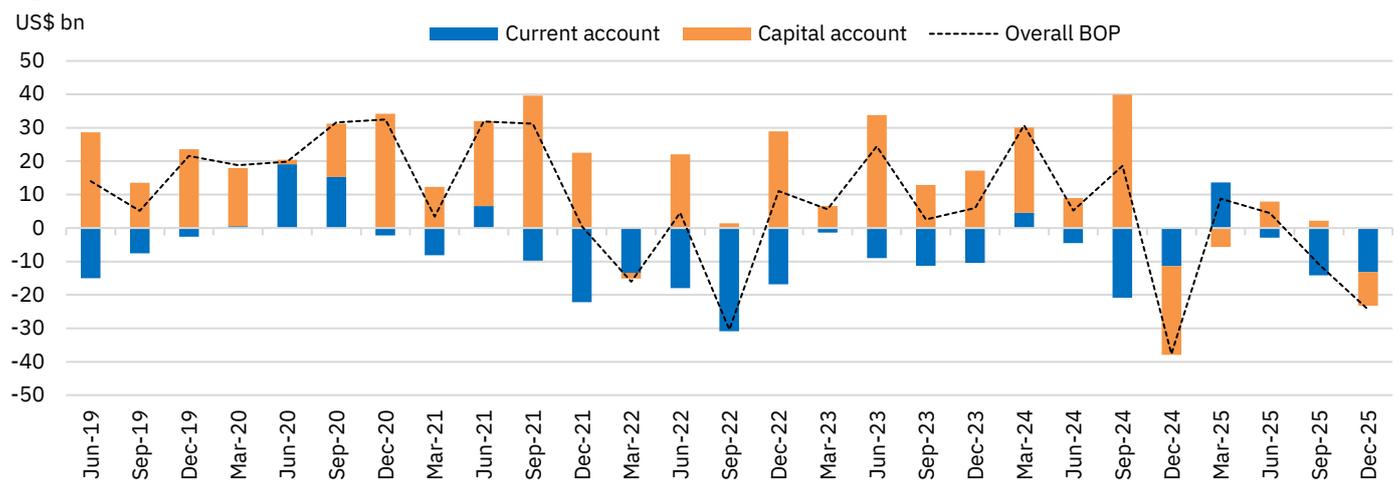
Source: CMIE Economic Outlook, NSE EPR.

Figure 139: Quarterly Balance of Payments trend by channels
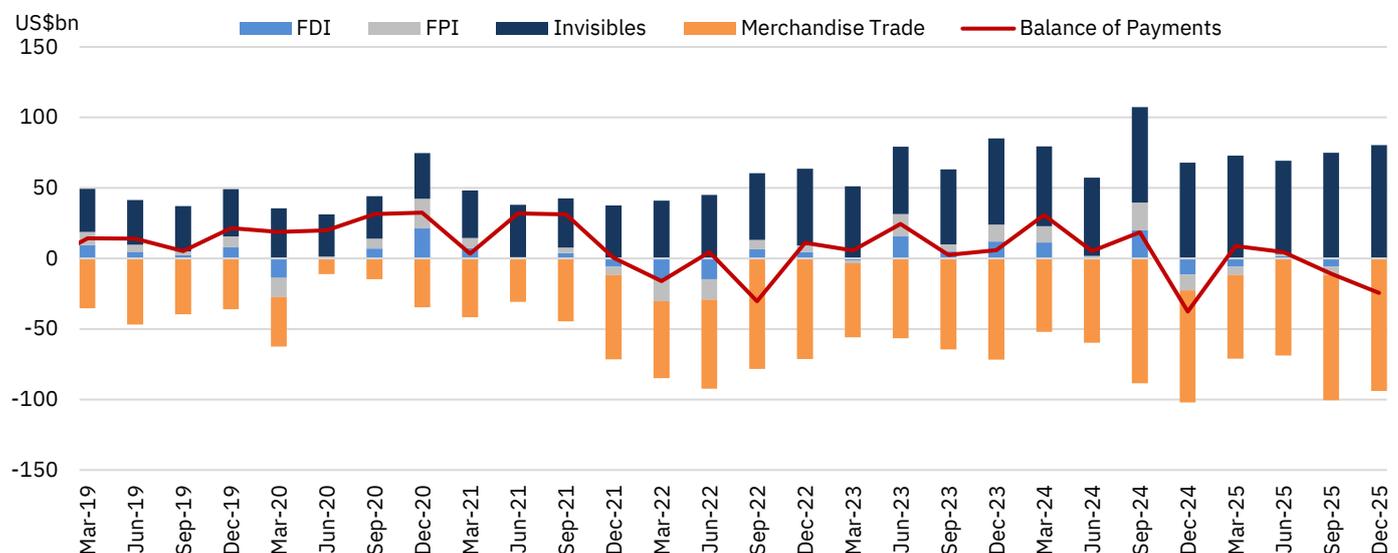
Source: CMIE Economic Outlook, NSE EPR.

Figure 140: Quarterly Trends in current account balance, services and workers remittances

US$ bn

— Current account — Services — Workers Remittances (part of BPM6)
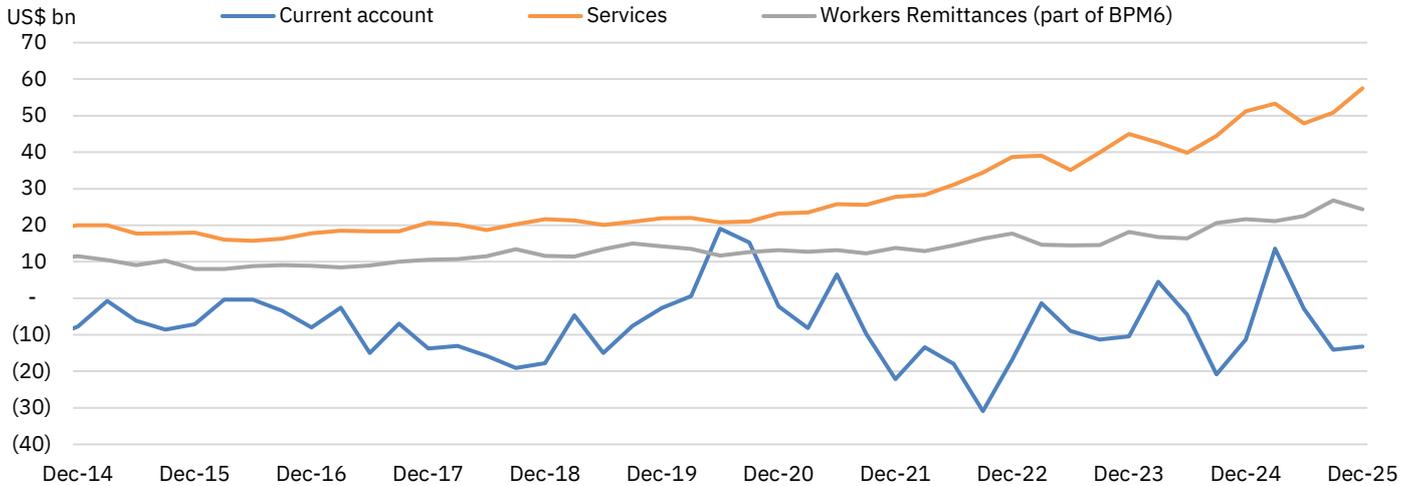
Source: CMIE Economic Outlook, NSE EPR.

Figure 141: Quarterly net FDI and ECB flows vs. INR

US$ bn

Net FDI and ECB flows into India

■ Net FDI flows — Net ECB flows — Average USDINR - RHS
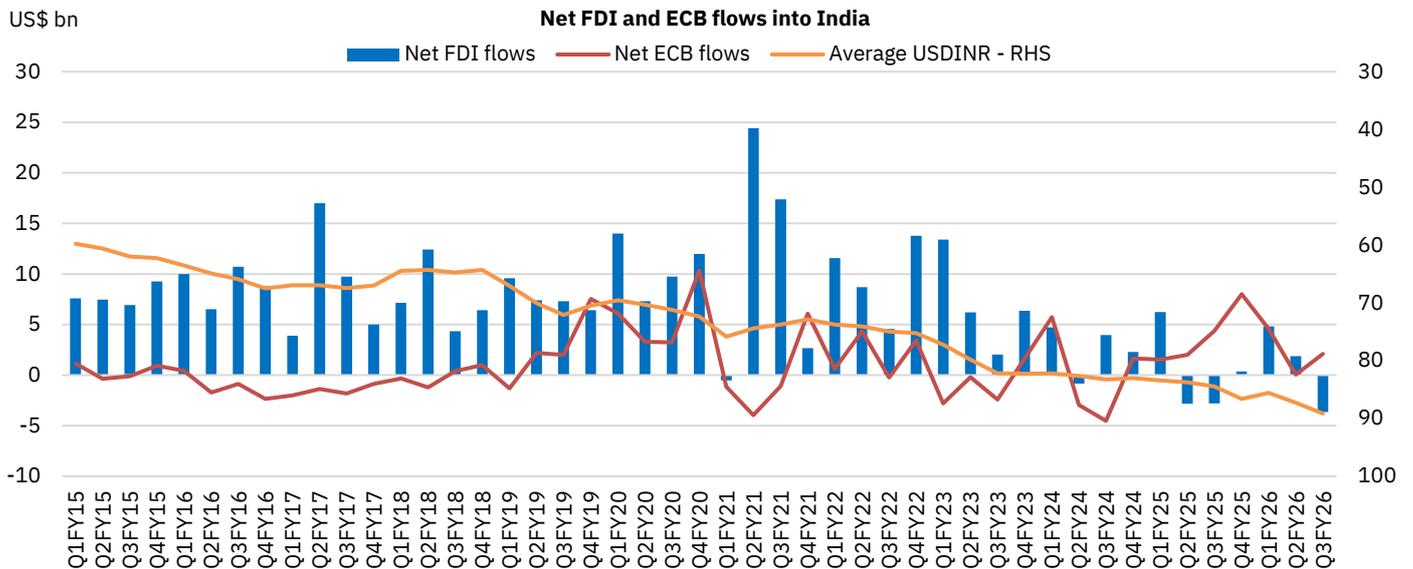
Source: CMIE Economic Outlook, NSE EPR.

Figure 142: Annual net FPI flows into equity

US$ bn

Annual FPI equity flows
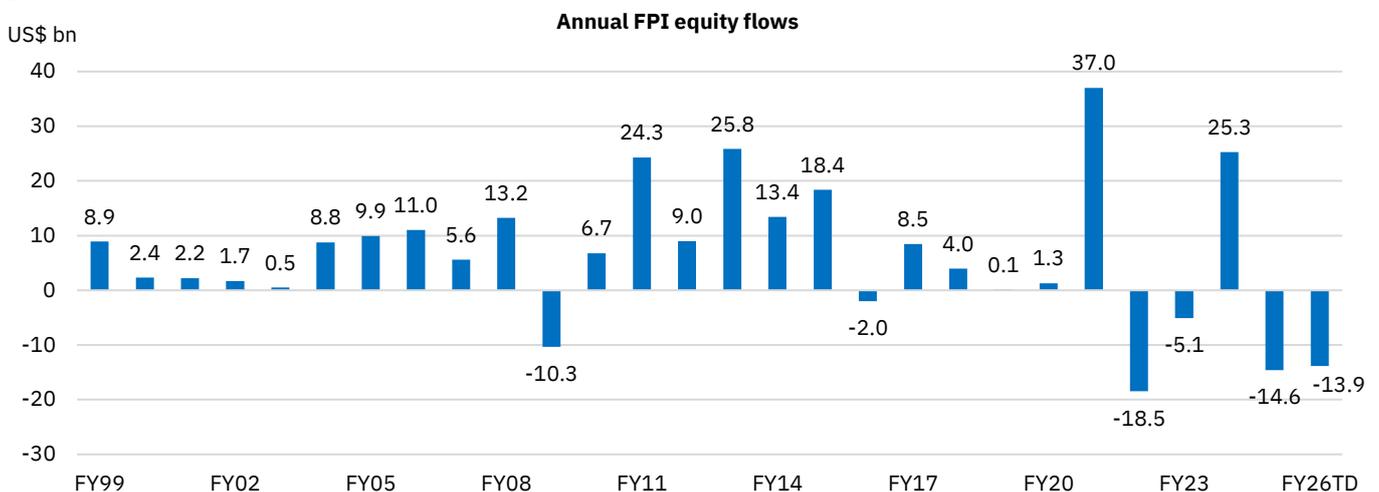
Source: NSDL, NSE EPR. Data for FY26TD is till March 16th, 2026

Figure 143: Annual net FPI flows into debt

Annual FPI debt flows

US$ bn
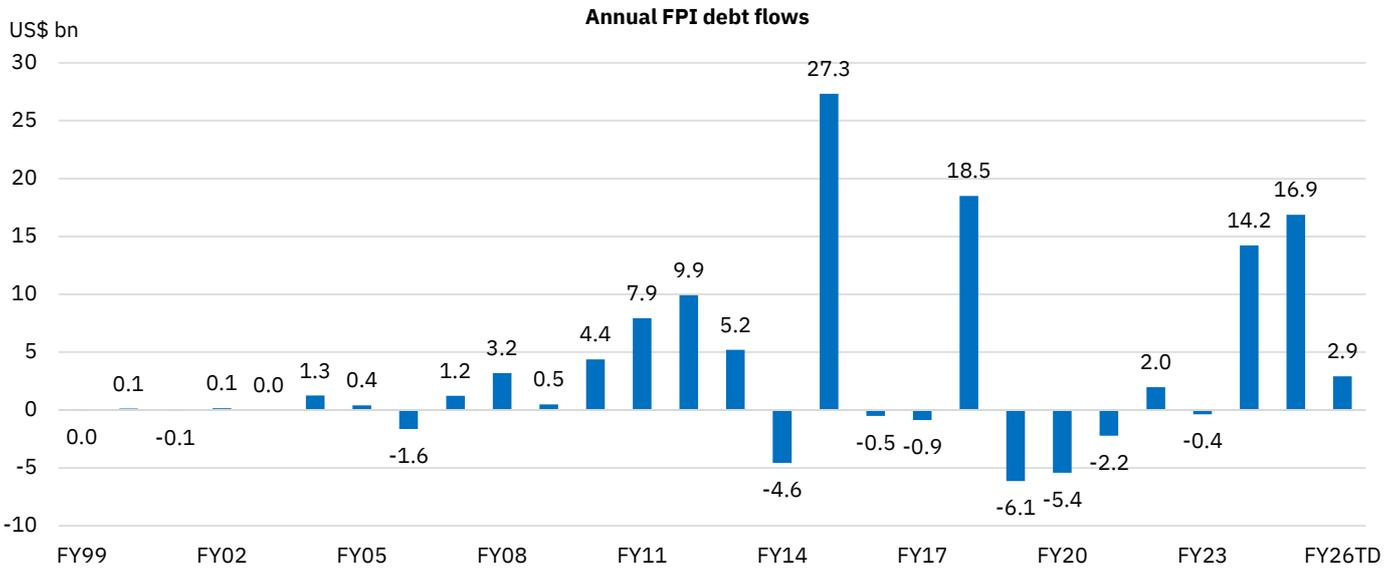
Source: NSDL, NSE EPR. Data for FY26TD is till March 16th, 2026

Figure 144: Change in INR vs other major currencies

INR & Key Currencies vs. the USD (1M, 3M, 12M)
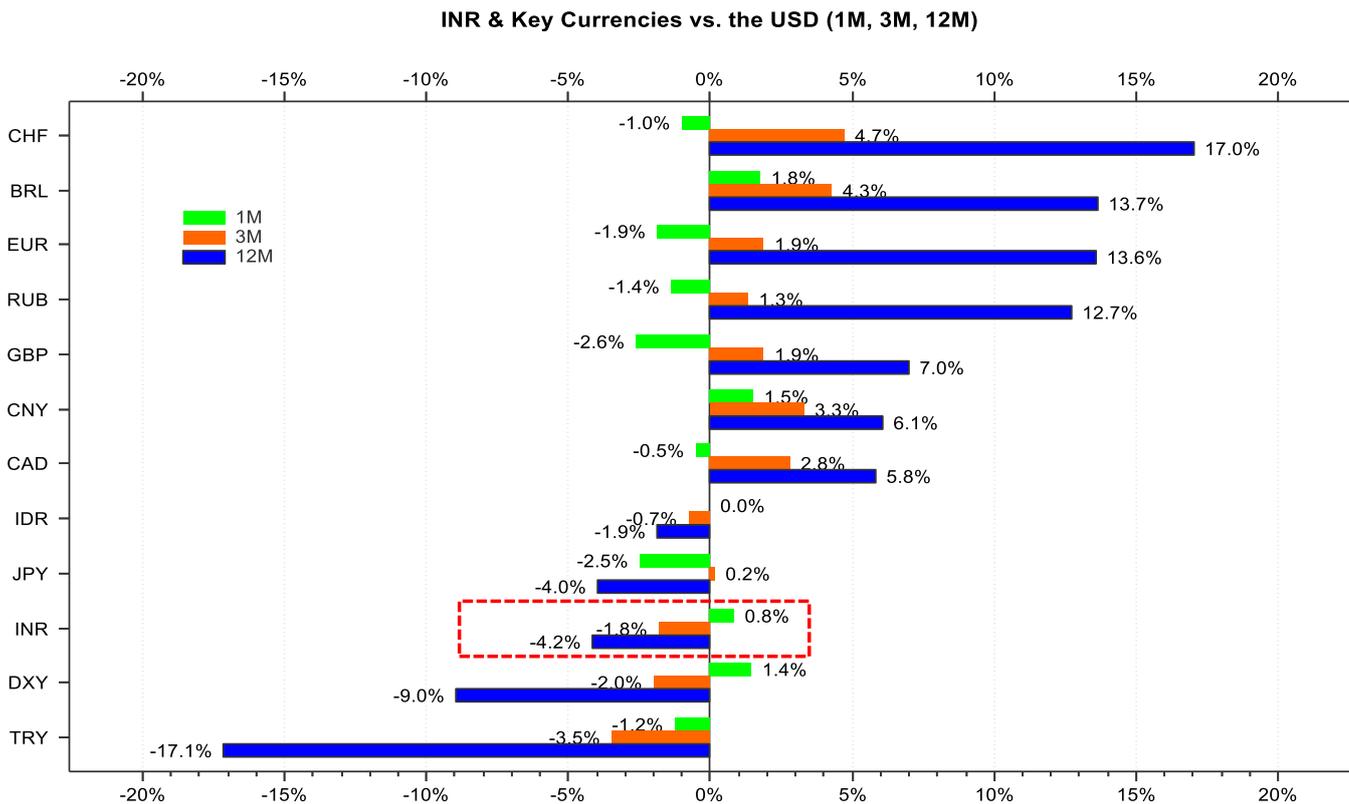
Source: LSEG Workspace, NSE EPR (Data as of February 27th, 2026)

Industry: Activity moderated in January

Table 51: India industrial production for January 2026 (%YoY)

%YoY		Weight (%)	Jan-26	Dec-25	Jan-25	FY26TD	FY25TD
IIP			**4.8**	**8.0**	**5.2**	**4.0**	**4.2**
Sector-based indices	Mining	14.4	4.3	6.9	4.4	0.6	3.4
	Manufacturing	77.6	4.8	8.4	5.8	4.9	4.2
	Electricity	8.0	5.1	6.3	2.4	0.9	5.1
Use-based Goods	Primary Goods	34.0	3.1	4.4	5.5	1.1	4.1
	Capital Goods	8.2	4.3	8.3	10.2	7.0	5.6
	Intermediate Goods	17.2	6.0	7.8	5.3	5.6	4.6
	Infra/Construction Goods	12.3	13.7	12.8	7.3	10.0	6.4
	Consumer Goods	**28.2**	**0.9**	**10.0**	**2.8**	**2.3**	**2.6**
	Consumer Durables	12.8	6.3	12.4	7.1	5.7	8.5
	Consumer non-durables	15.3	-2.7	8.5	0.1	0.0	-1.2

Source: CMIE Economic Outlook, NSE EPR. Note: FYTD corresponds to April-January.

Figure 145: Sub-industries wise break of manufacturing IIP growth rates (YoY%)– January 2026
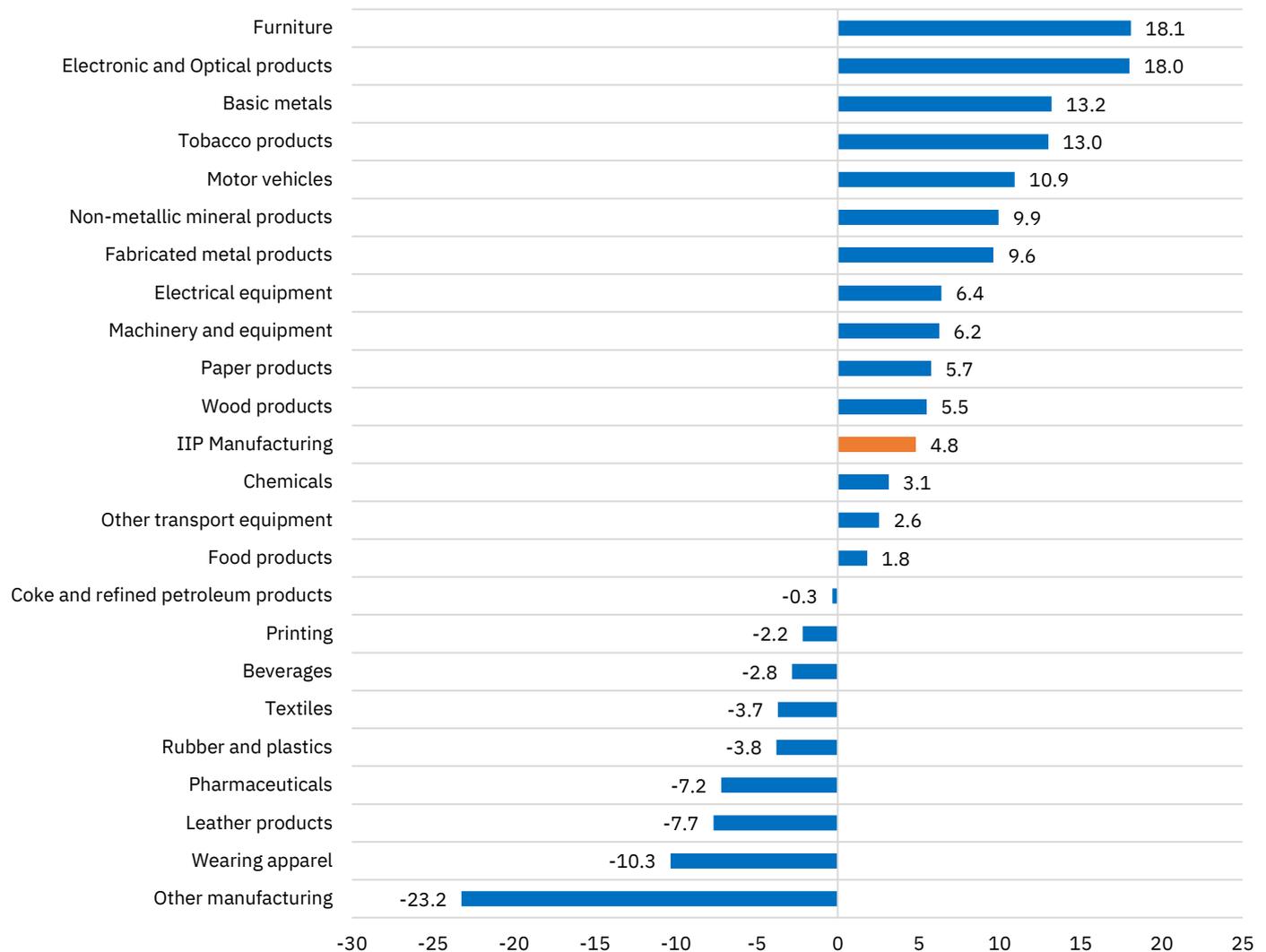
Source: CMIE Economic Outlook, NSE EPR.

Figure 146: India industrial production (3MMA)

Industrial production (3MMA, %YoY) — Jan 26: 4.83%

Mining (3MMA, %YoY) — Jan 26: 4.31%

Manufacturing (3MMA, %YoY) — Jan 26: 4.83%

Electricity (3MMA, %YoY) — Jan 26: 5.05%
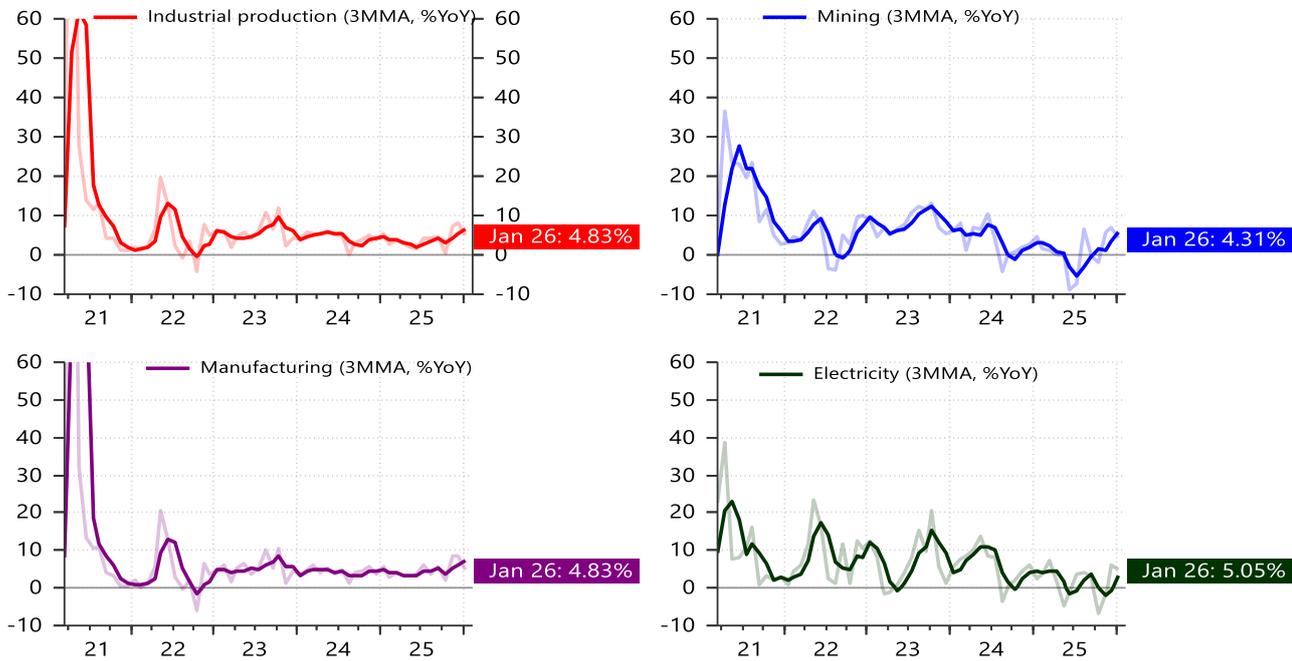
Source: LSEG Workspace, NSE EPR.

Figure 147: India industrial production use-based goods (3MMA)

Primary goods (3MMA, %YoY) — Jan 26: 3.13%

Capital goods (3MMA, %YoY) — Jan 26: 4.27%

Intermediate goods (3MMA, %YoY) — Jan 26: 5.97%

Infrastructure/Construction goods (3MMA, %YoY) — Jan 26: 13.74%

Consumer durable (3MMA, %YoY) — Jan 26: 6.3%

Consumer non-durable (3MMA, %YoY) — Jan 26: -2.7%
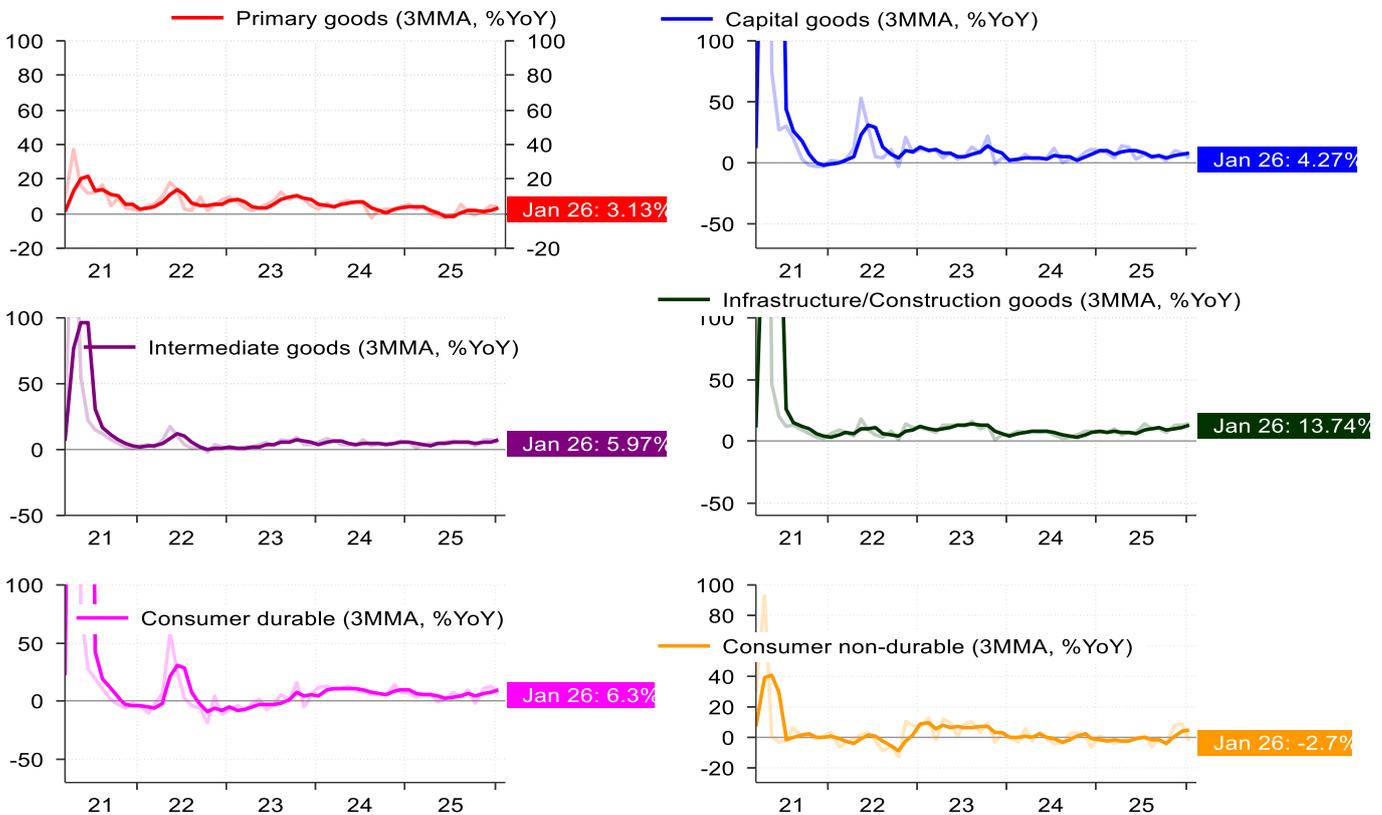
Source: LSEG Workspace, NSE EPR.

Figure 148: Long-term industrial production trend (12MMA)

Industrial Production trend

- IIP %YoY 12mma
- Eight core growth 12mma
- IIP Manufacturing 12mma

Source: LSEG Workspace, NSE EPR.

Figure 149: Monthly trends in Eight core industries and IIP growth (% YoY)

%YoY

- IIP
- Eight-core industries

4.8
4.0
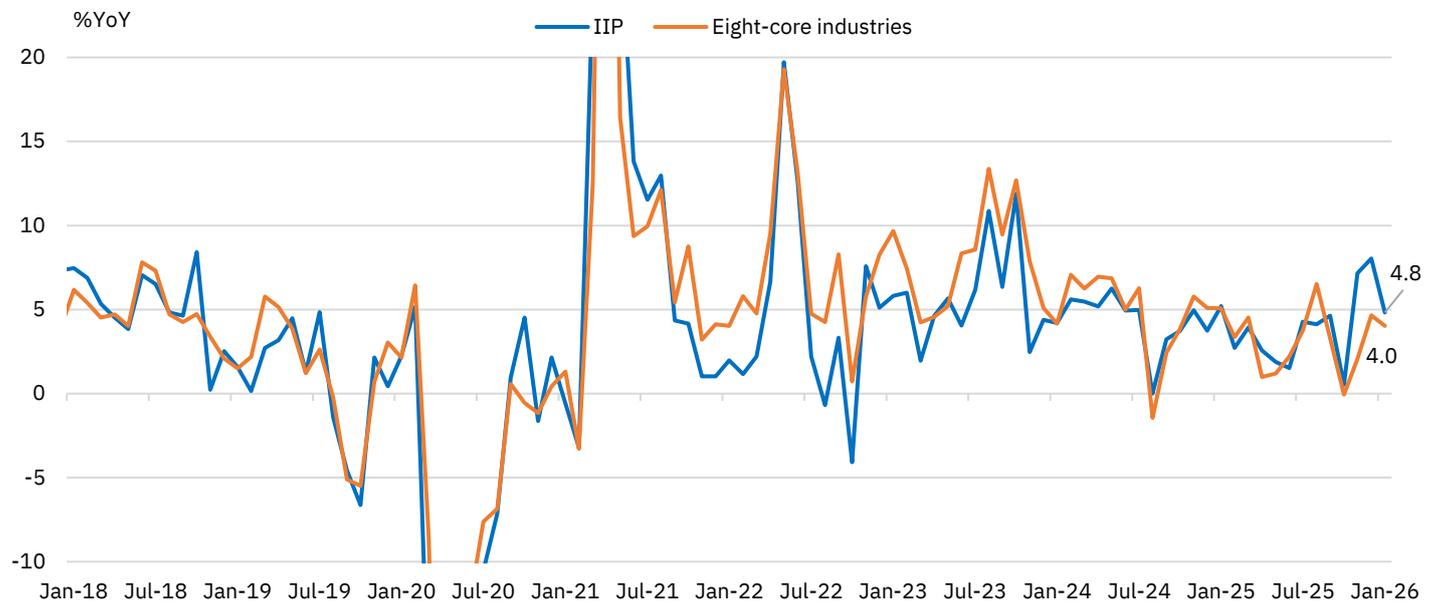
Source: CMIE Economic Outlook, NSE EPR.

Table 52: Sector-wise core sector growth for January 2026 (%YoY)

	Weights	Jan-26	Dec-25	Jan-25	FY26TD	FY25TD
Eight-core sector	100.0	4.0	4.7	5.1	2.9	4.6
Coal	10.3	3.1	3.6	4.6	(0.3)	6.0
Crude oil	9.0	(5.8)	(5.6)	(1.1)	(2.2)	(2.0)
Natural gas	6.9	(5.0)	(4.4)	(1.5)	(3.4)	0.5
Refinery products	28.0	-	(1.0)	8.3	0.1	3.3
Fertilizers	2.6	3.7	4.1	3.0	1.9	1.7
Steel	17.9	9.9	10.1	4.7	9.8	6.6
Cement	5.4	10.7	13.7	14.3	9.1	5.1
Electricity	19.9	3.8	6.3	2.3	0.8	5.1

Source: CMIE Economic Outlook, NSE EPR. FYTD corresponds to April- January.

Figure 150: Manufacturing PMI across countries

Latest Manufacturing PMI across countries

India 56.9, Taiwan 55.2, Indonesia 53.8, Japan 53.0, China 52.1, UK 51.7, US 51.6, S. Korea 51.1, Germany 50.9, Eurozone 50.8, Italy 50.6, France 50.1, Spain 50.0, Russia 49.5, SA 47.4, Brazil 47.3
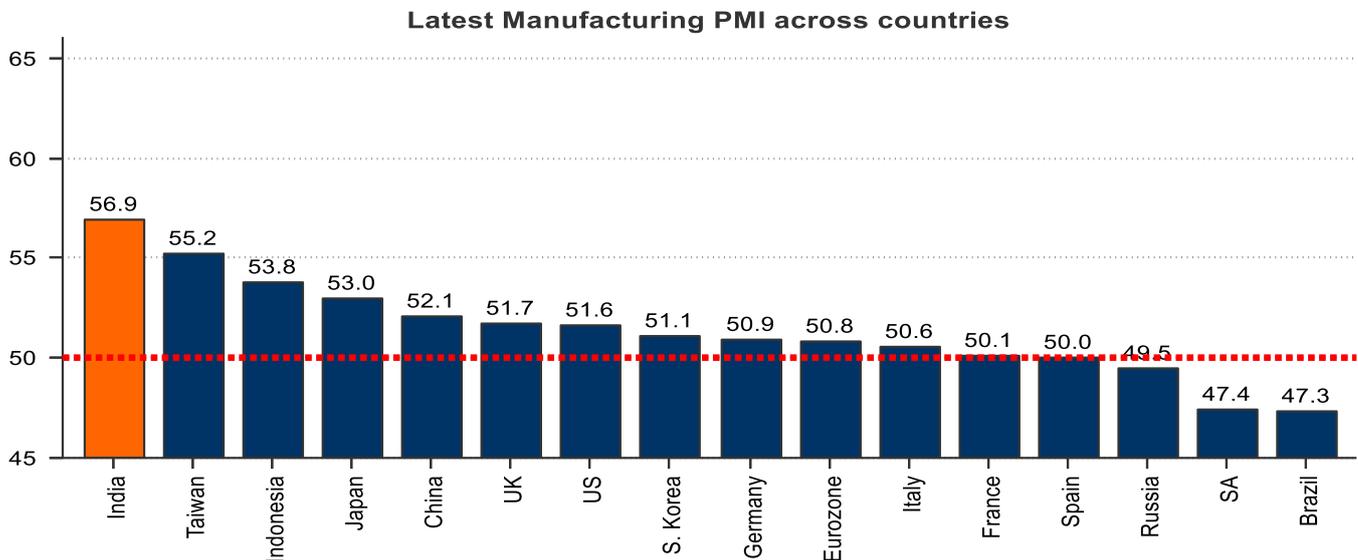
Source: LSEG Workspace, NSE EPR. The data is as of February 2026

Figure 151: India's Manufacturing and Services PMI monthly trend
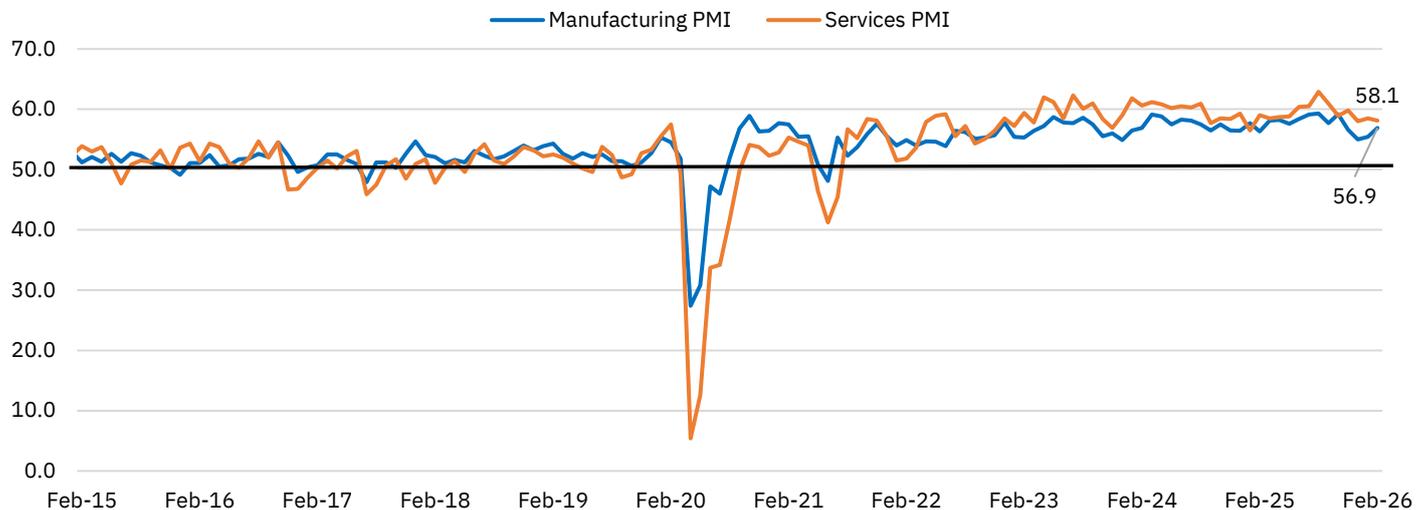
Source: CMIE Economic Outlook, NSE EPR.

Inflation: CPI inflation at a 10-month high

Figure 152: Trends in monthly headline CPI
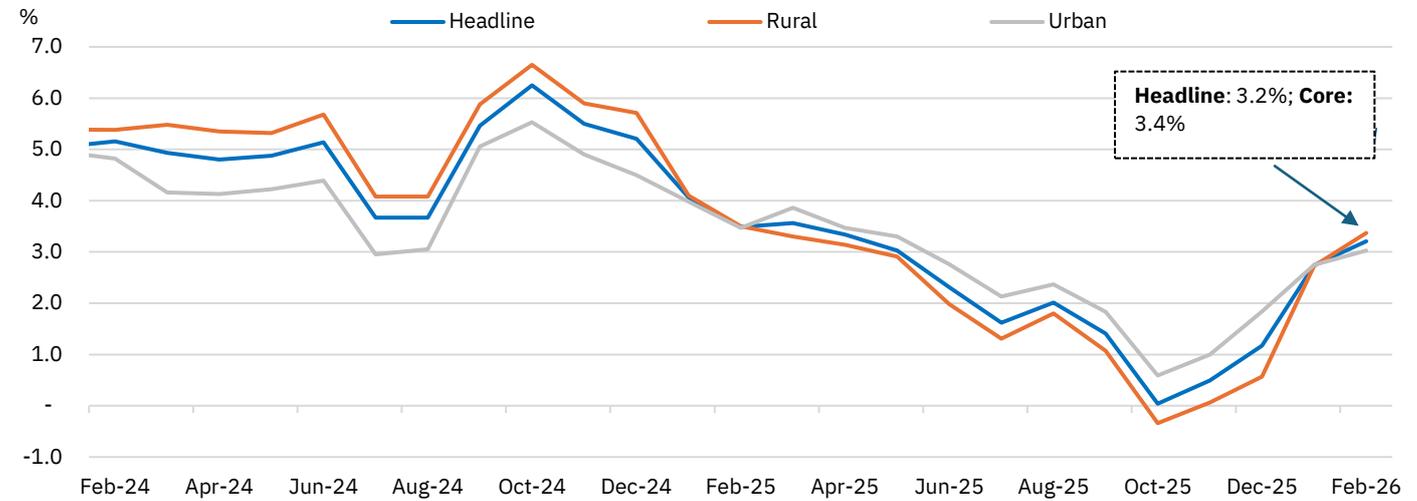
Source: CMIE Economic outlook, MOSPI, NSE EPR

Table 53: Consumer Price Inflation in February 2026

% YoY	Weight (%)	Feb-26	Jan-26
CPI		**3.2**	**2.7**
Food & Beverages	36.75	3.4	2.1
Paan, tobacco and intoxicants	2.99	3.5	2.9
Clothing & Footwear	6.38	2.8	3.0
Housing, water, electricity, gas and other fuels	17.66	1.5	1.5
Furnishings, household equipment and routine household maintenance	4.47	1.4	1.5
Health	6.10	1.9	2.2
Transport	8.80	-0.1	0.1
Information and communication	3.61	0.2	0.2
Recreation, sport and culture	1.52	2.2	2.3
Education services	3.33	3.3	3.4
Restaurants and accommodation services	3.35	2.7	2.9
Personal care, social protection and miscellaneous goods and services	5.04	19.6	19.1
Core Inflation[1]	**54.9**	**3.4**	**3.4**

Source: CSO, NSE EPR; Note: [1]Headline inflation excluding food & beverages, pan, tobacco & intoxicants and fuel & light.

Figure 153: Division-wise headline inflation
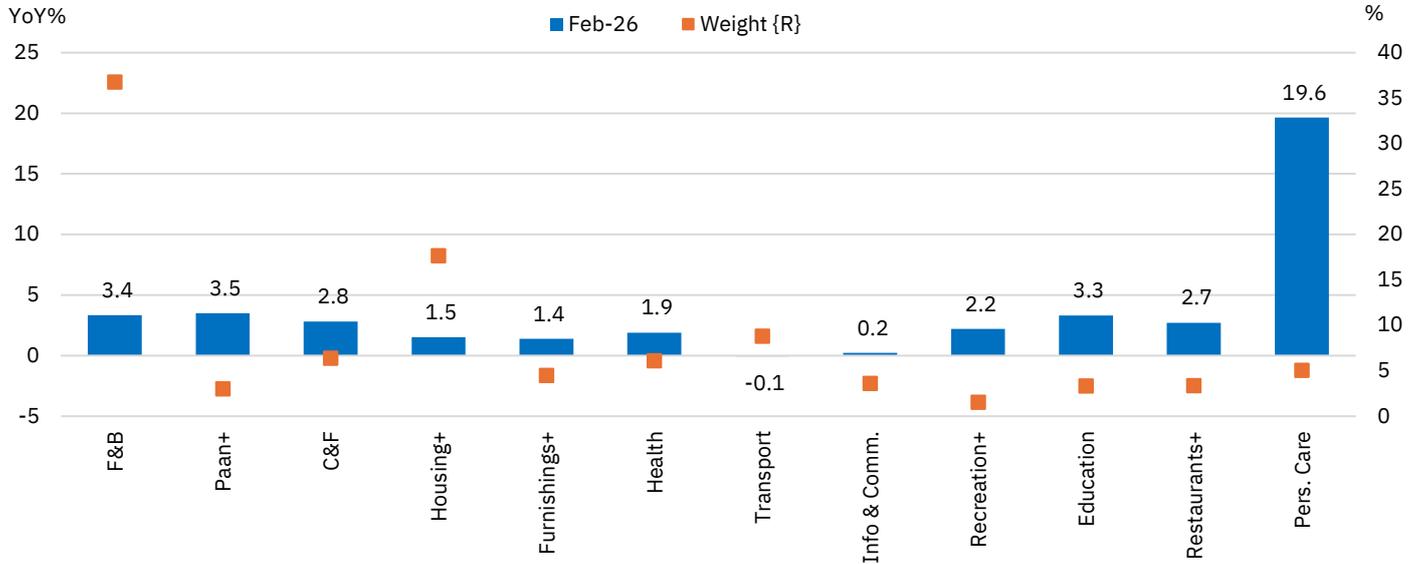
Source: CMIE Economic outlook, MOSPI, NSE EPR; Notes: 1) F&B= Food and beverages; Paan+ = Paan, tobacco and intoxicants, C&F= Clothing & Footwear, Housing+ = Housing, water, electricity, gas and other fuels, Furnishings+ = Furnishings, household equipment and routine household maintenance, Recreation+ = Recreation, sport and culture, Restaurants+ = Restaurants and accommodation services, Pers, care= Personal care, social protection and miscellaneous goods and services

Figure 154: State-wise headline inflation in February 2026
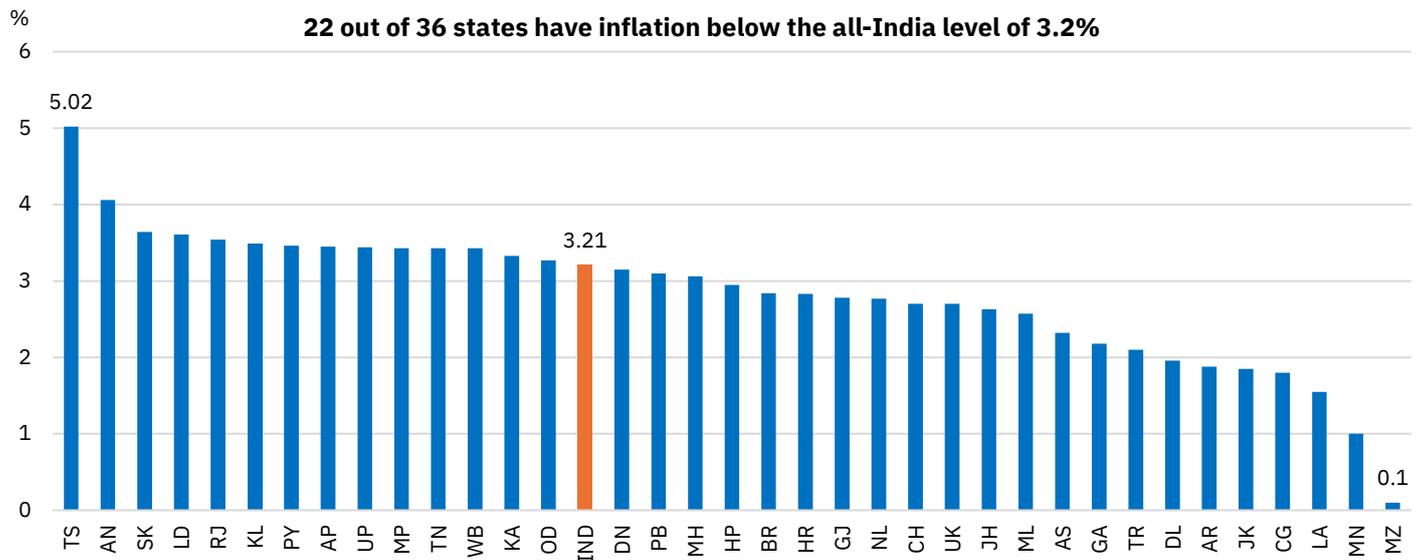
Source: CMIE States of India, MOSPI, NSE EPR; Notes: 1) TS= Telangana, AN= Andaman & Nicobar, KL= Kerala, PY= Puducherry, TN= Tamil Nadu, RJ= Rajasthan, SK= Sikkim, LD= Lakshadweep, KA= Karnataka, HP= Himachal Pradesh, AP= Andhra Pradesh, WB= West Bengal, IND= India, MP= Madhya Pradesh, PB= Punjab, UP= Uttar Pradesh, MH= Maharashtra, DH= Daman & Nagar Haveli & Daman & Diu, HR= Haryana, BR= Bihar, NL= Nagaland, CH= Chandigarh, GJ= Gujarat, DL= Delhi, UK= Uttarakhand, JH= Jharkhand, GA= Goa, LA= Ladakh, ML= Meghalaya, CG= Chhattisgarh, TR= Tripura, AR= Arunachal Pradesh, AS= Assam, MZ= Mizoram, MA= Manipur.

Table 54: Wholesale price inflation for February 2025 (%YoY)

	Weight (%)	Feb-26	Jan-26	Feb-25	FY26TD	FY25TD
WPI		**2.1**	**1.8**	**2.4**	**0.4**	**2.3**
Primary articles	**22.6**	**3.3**	**2.2**	**2.9**	**-1.7**	**5.5**
Food articles	15.3	2.2	1.6	3.4	-2.7	7.8
Non-food articles	4.1	8.8	7.6	5.0	4.0	-0.6
Minerals	0.8	11.1	12.8	1.3	7.0	4.7
Crude petroleum & natural gas	2.4	-2.6	-7.8	-4.1	-8.7	-1.0
Fuel & power	**13.2**	**-3.8**	**-4.0**	**-1.0**	**-3.2**	**-1.5**
Coal	2.1	1.8	1.8	-0.3	0.7	-0.6
Mineral oils	8.0	-5.4	-5.6	-0.8	-4.8	-1.8
Electricity	3.1	-3.0	-3.6	-1.7	-1.4	-1.1
Manufactured products	**64.2**	**2.9**	**2.9**	**3.0**	**2.2**	**1.6**
Food group	**24.4**	**1.8**	**1.4**	**6.2**	**-0.3**	**7.5**

Source: CSO, CMIE Economic Outlook. NSE EPR. FYTD data corresponds to April-February

Figure 155: India wholesale price inflation (WPI)
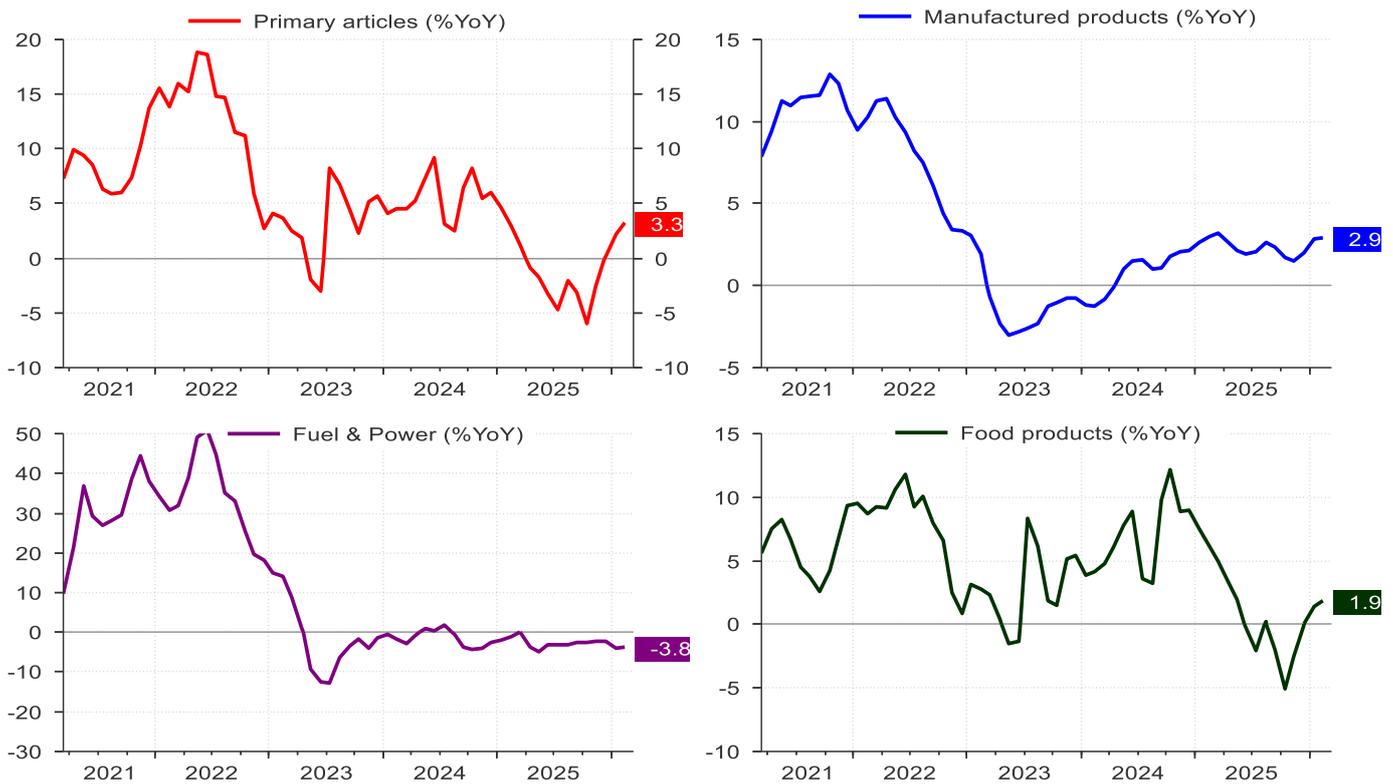
Source: LSEG Workspace, NSE EPR.

Trade: Goods deficit narrowed led by broad-based fall in imports

Table 55: India's merchandise trade balance for February 2026

Period	Merchandise Exports		Merchandise Imports								Trade balance (US$ bn)
	Total (US$ bn)	%YoY	Total (US$ bn)	%YoY	Oil imports (US$ bn)	%YoY	Non-oil imports (US$ bn)	%YoY	Gold imports (US$ bn)	% YoY	
Feb-26	36.6	(0.8)	63.7	24.1	13.0	9.1	50.7	28.7	7.4	218.5	(27.1)
Jan-26	36.5	0.6	71.2	19.9	13.4	(0.3)	57.8	25.7	12.1	349.2	(34.7)
Feb-25	36.9	(10.8)	51.3	(15.7)	11.9	(29.6)	39.4	(29.6)	2.3	(62.0)	(14.4)
FY26TD	402.9	1.8	713.5	8.6	161.8	(3.0)	551.8	12.5	68.9	28.7	(310.6)
FY25TD	395.7	0.1	657.1	5.8	166.8	2.7	490.3	6.9	53.5	21.6	(261.5)

Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR. FYTD data corresponds to April-February.

Figure 156: Monthly trends in India's merchandise imports, exports and trade balance
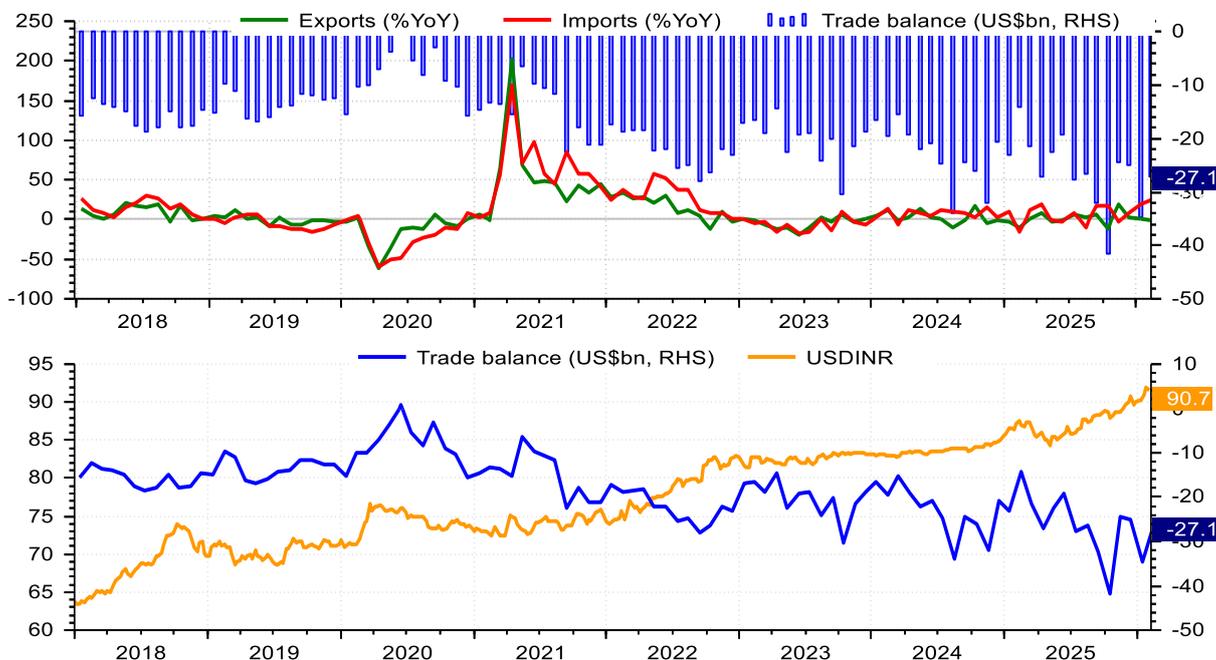
Source: LSEG Workspace, NSE EPR.

Figure 157: Non-oil, non-gold imports
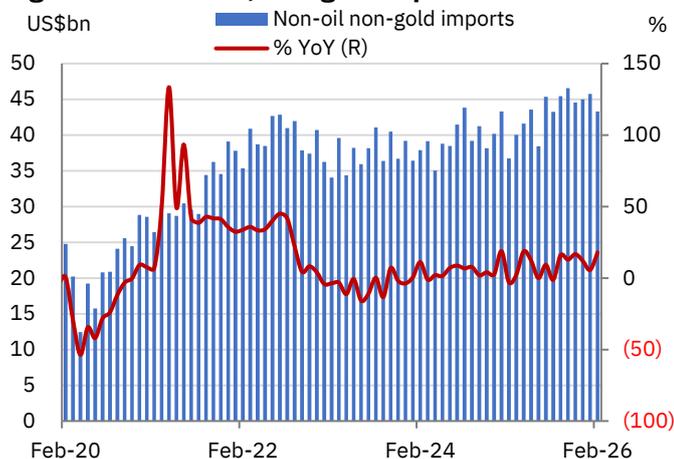
Figure 158: Oil imports trend
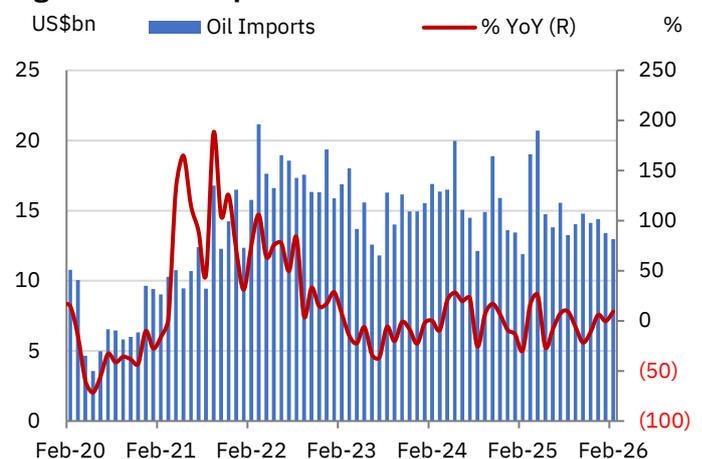
Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR.

Figure 159: Oil imports vs. Brent crude oil prices trend
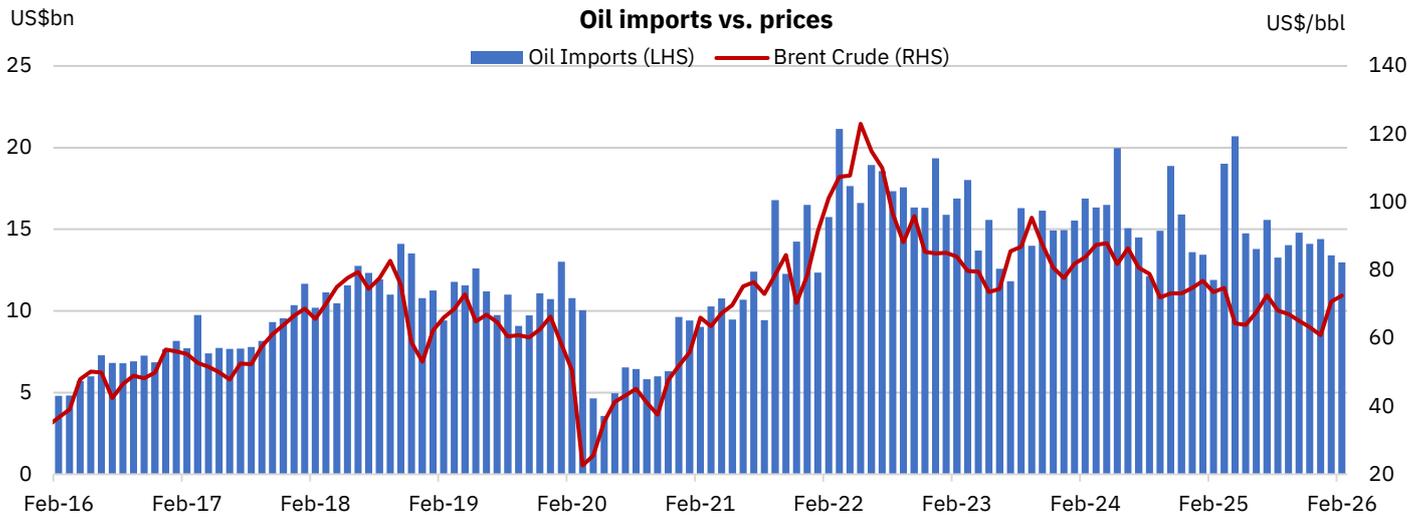
Source: LSEG Workspace, CMIE Economic Outlook, NSE EPR.

Figure 160: Monthly trend in monthly services exports, imports and net balance
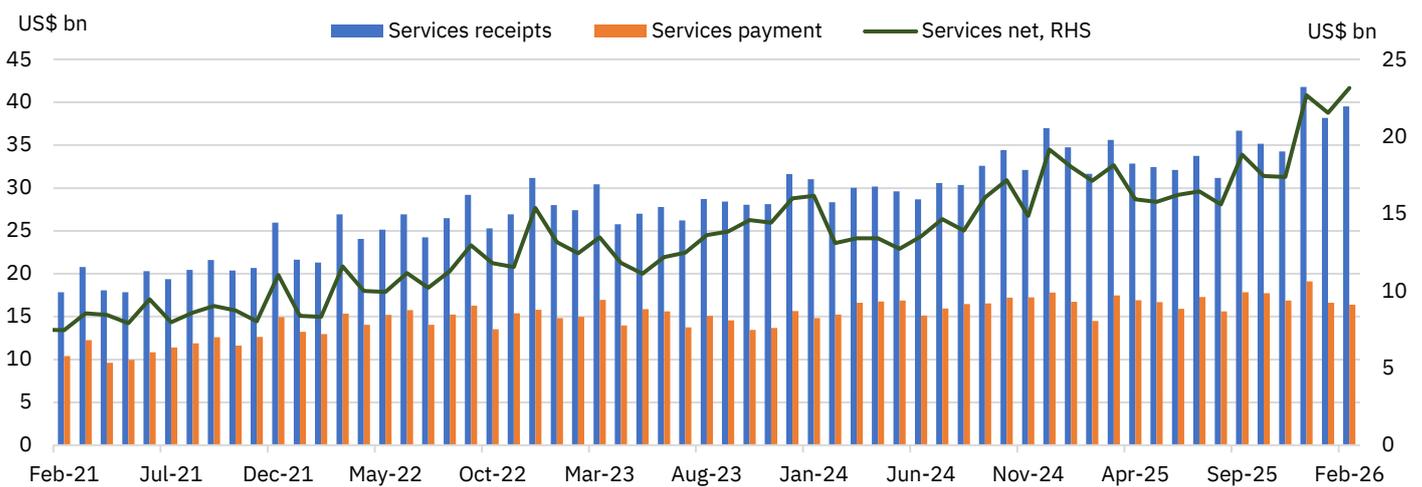
Source: CMIE Economic Outlook, NSE EPR.

Figure 161: Annual trend in merchandise trade
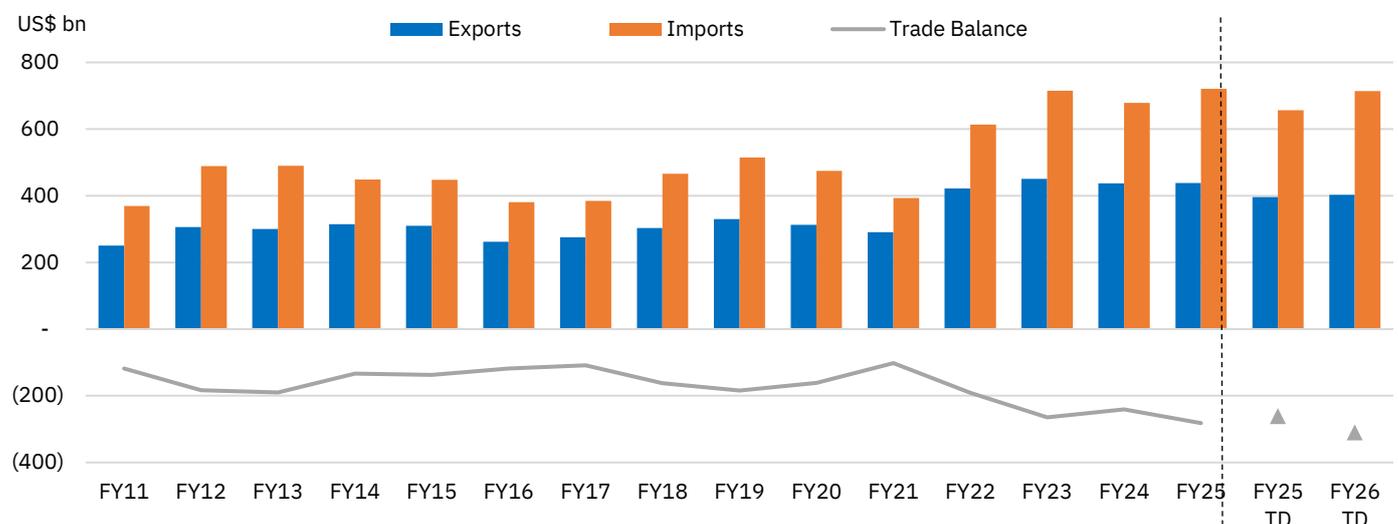
Source: CMIE Economic Outlook, NSE EPR. Notes: 1) FYTD data corresponds to April-February.

Figure 162: Annual trend in services trade
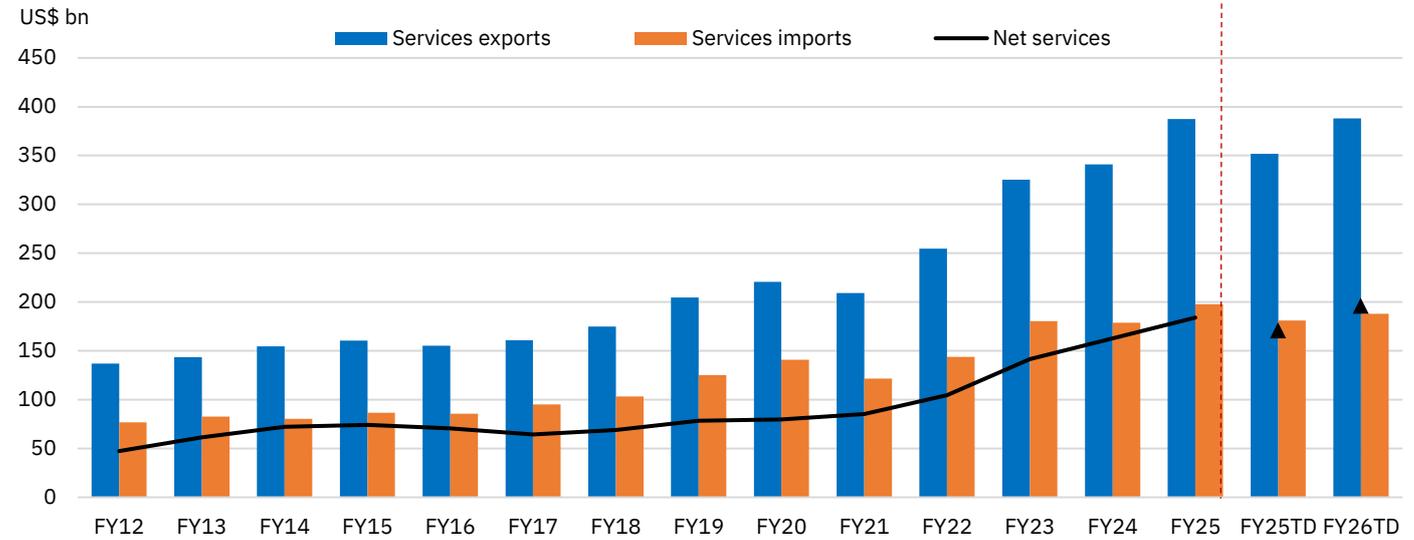
Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Data in FY26TD corresponds to April-February.

Figure 163: Forex reserves and import cover (months)
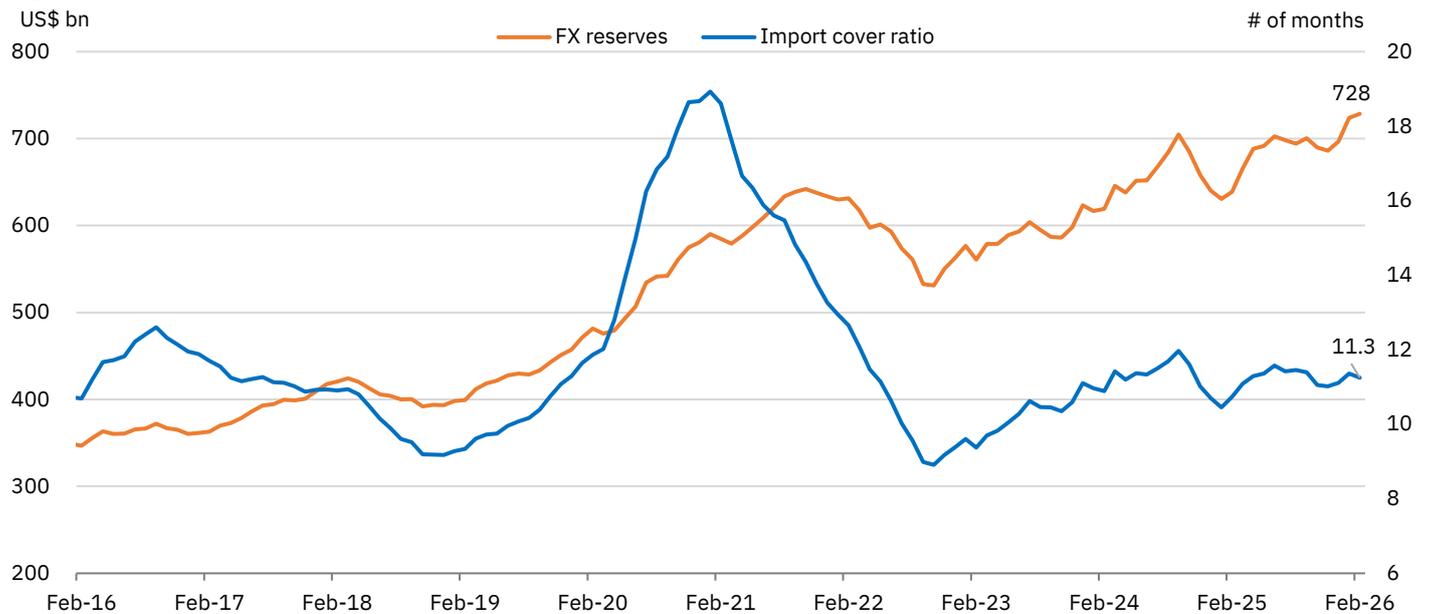
Source: LSEG Workspace, RBI, NSE EPR; Forex reserves as of February 28th, 2025.

Union finances: Fiscal deficit contained at 63% of revised estimates

Figure 164: Centre's gross fiscal trend (% GDP)

Source: LSEG Workspace, CMIE Economic Outlook, CGA, NSE EPR.
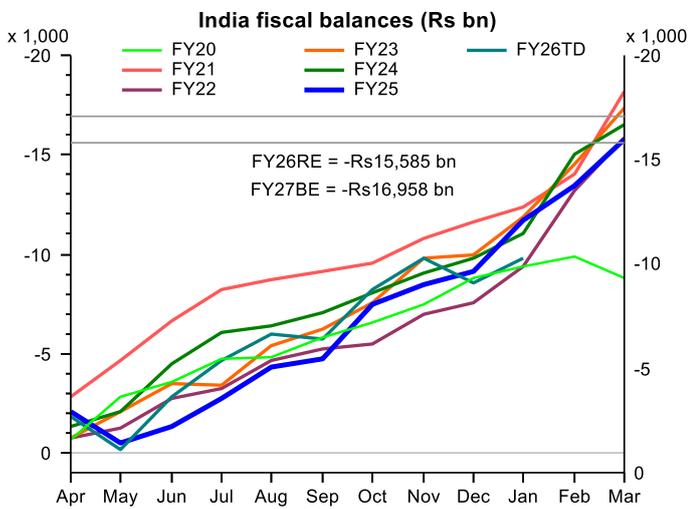
Figure 165: Gross fiscal deficit as % of budget targets during April-January
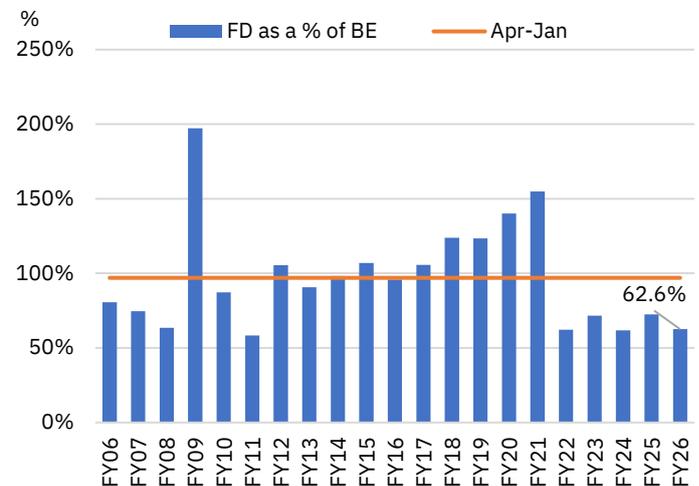
Figure 166: Centre's gross fiscal trend (% GDP)
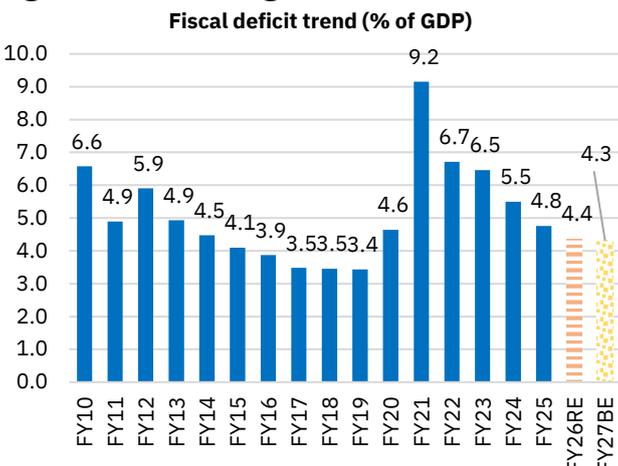
Table 56: Fiscal Balance Snapshot

Rs crore	FY25	FY26RE	% YoY	FY27BE	% YoY
Net tax rev	25.0	26.7	7.0	28.7	7.2
Non-tax rev	5.4	6.7	24.4	6.7	-0.2
Non-debt cap rec.	0.4	0.6	53.1	1.2	84.9
Total receipts	**30.8**	**34.1**	**10.7**	**36.5**	**7.2**
Revenue Exp	36.0	38.7	7.4	41.3	6.6
Capital Exp	10.5	11.0	4.2	12.2	11.5
Total exp.	**46.5**	**49.6**	**6.7**	**53.5**	**7.7**
Fiscal deficit	**15.7**	**15.6**	**-1.0**	**17.0**	**8.8**
GDP	330.7	357.1	8.0	393.0	10.0
% of GDP	**4.8**	**4.4**		**4.3**	

Source: CMIE Economic Outlook, CGA, NSE. BE = Budget Estimates, PA = Provisional actuals; Note: 1) % YoY growth in FY27BE is over the revised estimates of FY26 2) Total receipts in the above table include net tax revenue, non-tax revenue and non-debt capital receipts and excludes debt receipts. 3) The GDP figures have been sourced from the Union Budget and are based on the previous GDP series (base year 2011-12)

Figure 167: Direct tax collections during Apr-Jan

Source: CMIE Economic Outlook, CGA, NSE EPR.
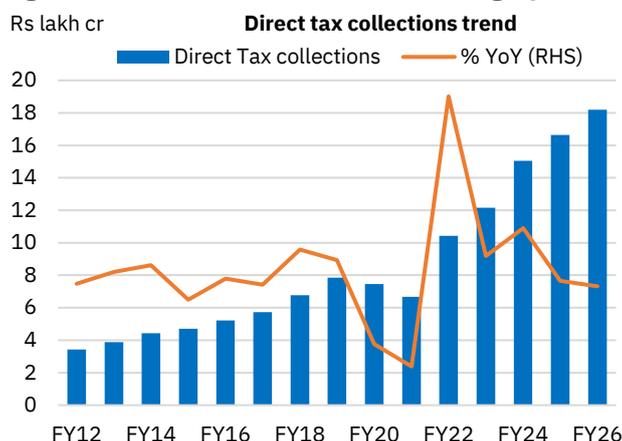
Figure 168: Indirect tax collections during Apr-Jan
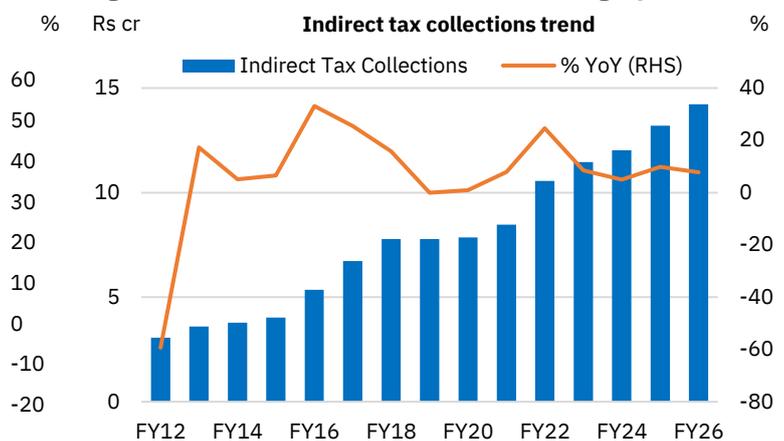
Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 169: Year average of monthly collections*

Rs lakh crore
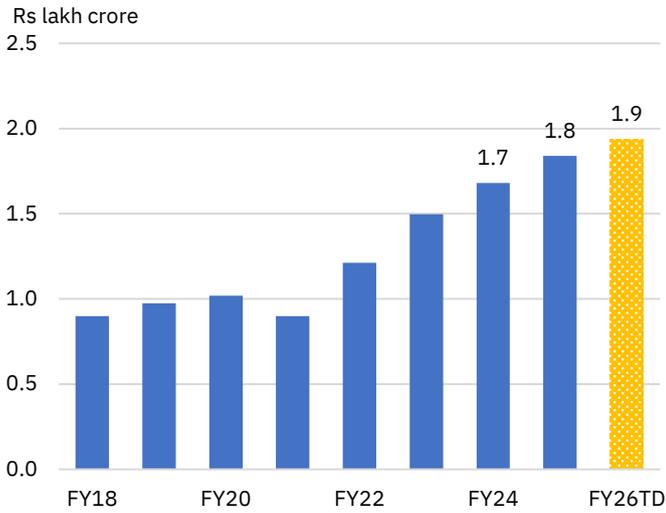
*FY26TD – FY26 Till Date (Apr-Feb)
Source: CMIE Economic Outlook, CGA, PIB, NSE EPR.

Figure 170: GST collections trend

Rs lakh crore

Monthly GST collections
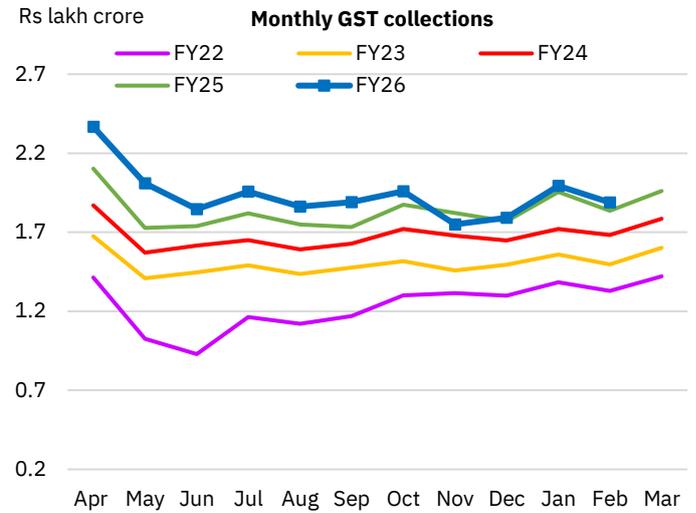
Source: CMIE Economic Outlook, NSE EPR.

Figure 171: Revenue and capital exp during Apr-Jan
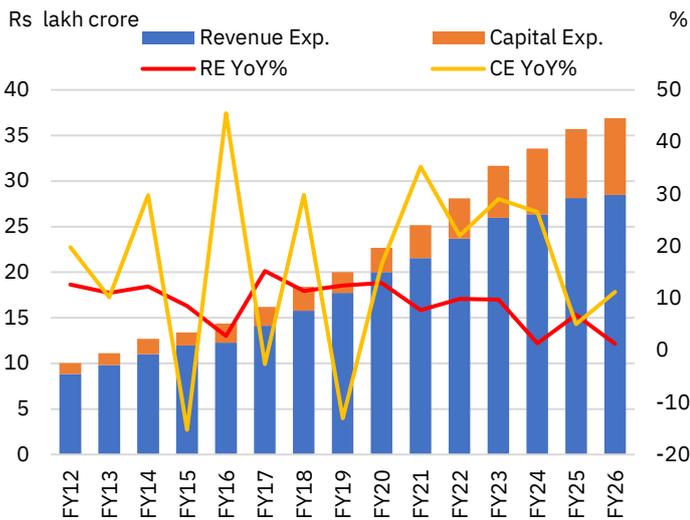
Rs lakh crore

Source: CMIE Economic Outlook, CGA, PIB, NSE EPR.

Figure 172: Expenditure mix during Apr-Jan

%
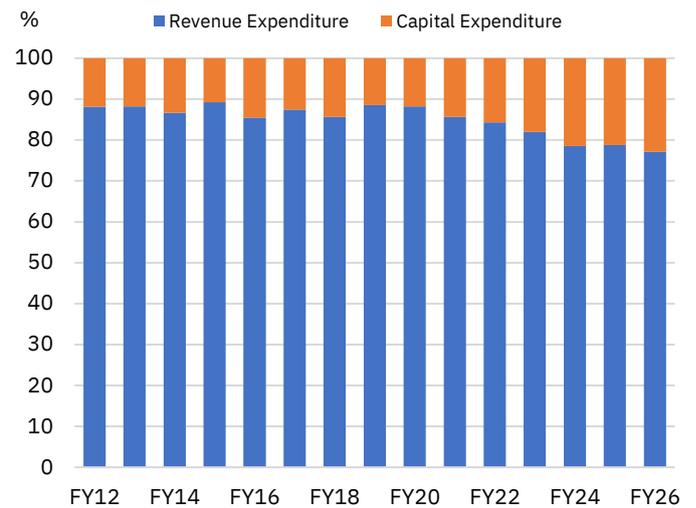
Table 57: A snapshot of government finances (April-January FY26)

Items	Apr-January (FY25)	Apr-January (FY26)		Utilisation rate	
	Rs lakh crore	Rs lakh crore	% YoY	10MFY25	10MFY26
Net tax revenues	**19.0**	**20.9**	**10.0%**	**74.4%**	**78.3%**
Gross tax revenues	**29.8**	**32.4**	**8.6%**	**77.4%**	**79.5%**
Of which:					
Direct Tax	16.6	18.2	**9.3%**	**74.4%**	**75.1%**
Corporation tax	7.5	8.6	14.7%	76.7%	77.7%
Income tax	9.1	9.6	4.9%	72.6%	73.0%
Indirect Tax	**13.2**	**14.2**	**7.8%**	**81.7%**	**85.9%**
Goods and service tax	8.5	9.1	6.2%	80.4%	86.6%
Custom Duties	1.9	2.2	15.5%	80.9%	85.0%
Excise Duties	2.3	2.5	10.0%	74.1%	73.9%
States Share	-10.7	-11.4	6.1%	83.5%	81.8%
Transferred to NCCD	-0.1	-0.1	18.1%	68.9%	77.1%
Non-Tax Revenue	**4.7**	**5.6**	**19.2%**	**88.1%**	**83.5%**
Dividends and profits	2.9	3.8	33.3%	98.8%	101.4%
Other non-tax revenues	1.8	1.8	-3.0%	88.8%	70.5%
Total revenue receipts	23.7	26.5	**11.8%**	76.8%	**79.3%**
Non-Debt Capital Receipts	0.3	0.6	95.5%	49.5%	89.2%
Recovery of Loans	0.2	0.2	-1.2%	77.7%	66.1%
Misc. Receipts (include divestment)	0.1	0.4		27.3%	109.8%
Total Receipts	**24.0**	**27.1**	**12.8%**	**76.3%**	**79.5%**
Revenue Expenditure	**28.1**	**28.5**	**1.3%**	**76.1%**	**73.6%**
Interest Payments	8.8	9.9	12.9%	76.9%	77.6%
Major subsidies	3.4	3.5	5.1%	78.9%	75.6%
Food	1.7	1.6	-4.5%	86.4%	71.4%
Fertilizer	1.6	1.8	14.3%	93.5%	98.2%
Petroleum	0.1	0.1	26.5%	47.5%	58.4%
Other revenue expenditure	16.0	15.0	-5.9%	75.0%	70.8%
Capital Expenditure	**7.6**	**8.4**	**11.2%**	**74.4%**	**76.9%**
Total Expenditure	**35.7**	**36.9**	**3.4%**	**75.7%**	**74.3%**
Fiscal Deficit	**11.7**	**9.8**	**-16.1%**	**74.5%**	**63.0%**

Source: CMIE Economic Outlook, CGA, Budget Documents, NSE EPR.

Table 58: A snapshot of Government finances in financial year 2025-27

Items	FY25		FY26				FY27	
	Rs lakh crore	% YoY	BE (Rs lakh crore)	RE (Rs lakh crore)	% YoY	% chg. from BE	BE (Rs lakh crore)	% YoY over FY26RE
Central govt. net tax revenue	**25.0**	**7.4**	**28.4**	**26.7**	**7.0**	**(5.7)**	**28.7**	**7.2**
Gross tax revenues	**38.0**	**9.5**	**42.7**	**40.8**	**7.4**	**(4.5)**	**44.0**	**8.0**
Of which:								
Direct Tax	**22.2**	**13.6**	**25.2**	**24.2**	**9.0**	**(3.9)**	**27.0**	**11.4**
Corporation tax	9.9	8.3	10.8	11.1	12.4	2.5	12.3	11.0
Income tax	12.4	18.2	14.4	13.1	6.2	(8.8)	14.7	11.7
Indirect Tax	**15.7**	**4.3**	**17.5**	**16.6**	**5.2**	**(5.3)**	**17.1**	**3.0**
Goods and service tax	10.3	7.3	11.8	10.5	1.9	(11.2)	10.2	(2.6)
Custom Duties	2.3	0.0	2.4	2.6	10.8	7.6	2.7	5.0
Excise Duties	3.0	(1.7)	3.2	3.4	12.1	6.2	3.9	15.6
States Share	(12.9)	13.9	(14.2)	(13.9)	8.2	(2.1)	(15.3)	9.6
Transferred to NCCD	(0.1)	7.8	(0.1)	(0.1)	7.2	(2.3)	(0.1)	7.6
Non-Tax Revenue	**5.4**	**33.5**	**5.8**	**6.7**	**24.4**	**14.5**	**6.7**	**(0.2)**
Dividends and profits	3.1	80.5	3.3	3.8	21.8	15.6	3.9	4.1
Central govt. revenue receipts	**30.4**	**11.3**	**34.2**	**33.4**	**10.1**	**(2.3)**	**35.3**	**5.7**
Non-Debt Capital Receipts	0.4	(30.0)	0.8	0.6	53.1	(15.8)	1.2	84.9
Divestment proceeds	0.2	(48.1)	0.5	0.3	96.7	(28.0)	0.8	136.4
Total Receipts	**30.8**	**10.4**	**35.0**	**34.1**	**10.7**	**(2.6)**	**36.5**	**7.2**
Revenue Expenditure	36.0	3.1	39.4	38.7	7.4	(1.9)	41.3	6.6
Interest Payments	11.2	4.9	12.8	12.7	14.2	(0.2)	14.0	10.2
Subsidy outgo	4.2	(2.8)	4.3	4.7	11.1	10.2	4.5	(3.1)
Capital Expenditure	**10.5**	**10.8**	**11.2**	**11.0**	**4.2**	**(2.3)**	**12.2**	**11.5**
Total Expenditure	**46.5**	**4.7**	**50.7**	**49.6**	**6.7**	**(2.0)**	**53.5**	**7.7**
Fiscal Deficit	**15.7**	**4.8**	**15.7**	**(15.6)**	**(1.0)**	**(0.7)**	**17.0**	**8.8**
Fiscal Deficit/GDP	**4.8**		**4.4**	**(4.4)**			**4.3**	

Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; A = Actual. Notes: 1) Total receipts in the above table include net tax revenue, non-tax revenue and non-debt capital receipts and excludes debt receipts.

Bank credit outpaced deposit growth; CD-ratio at fresh highs

Figure 173: Outstanding bank credit and deposit

Rs lakh crore

Outstanding Bank Credit and Deposits

Legend: Agriculture | Industry | Personal loans | Services | Non-food | Total Deposits

248.8
203.9

Jan-20 · Jul-20 · Jan-21 · Jul-21 · Jan-22 · Jul-22 · Jan-23 · Jul-23 · Jan-24 · Jul-24 · Jan-25 · Jul-25 · Jan-26
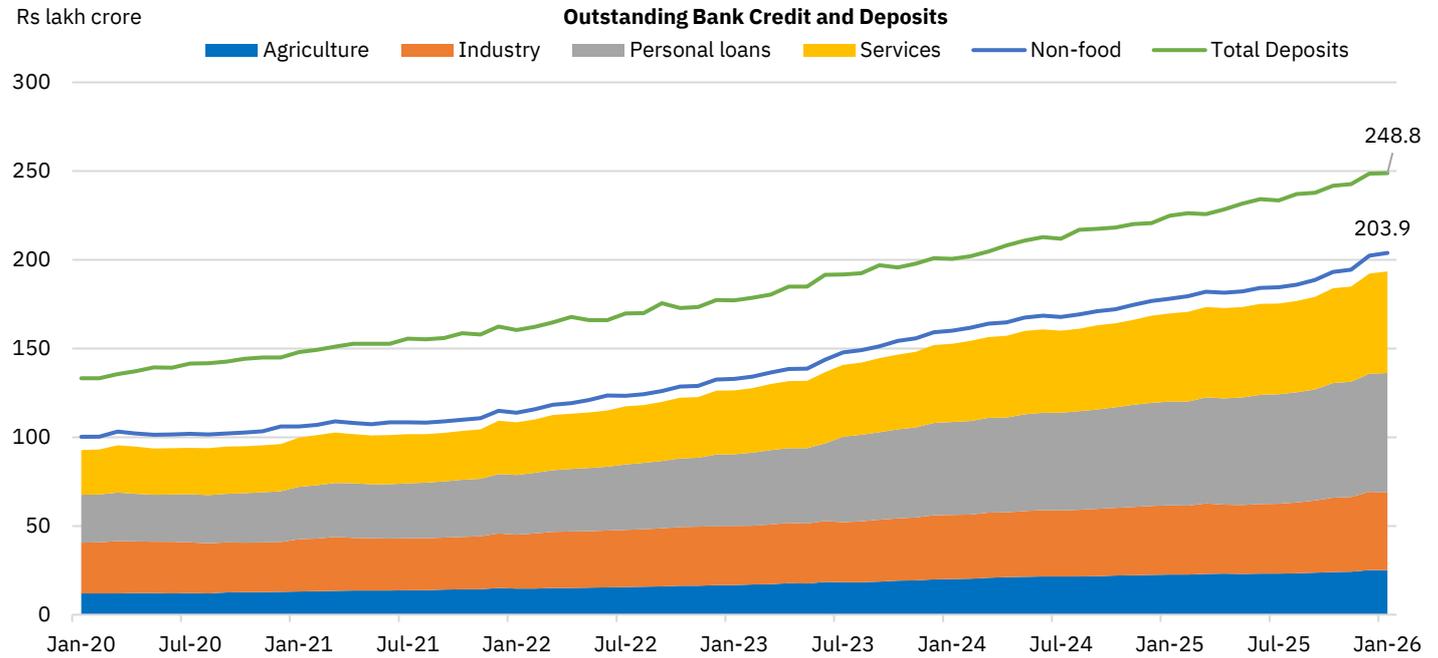
Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Data for total deposits for Jan'26 is from the Weekly Statistical Statement for the fortnight ended Jan'31st, 2026

Figure 174: Growth in bank credit across key heads

% YoY

Sector-wise growth in bank credit

Legend: Jan-25 | Jan-26

	Total	Non-food	Agriculture	Industry	Services	Personal loans
Jan-25	11.4	11.3	12.2	8.3	12.3	11.9
Jan-26	14.6	14.4	11.4	12.1	15.5	14.9
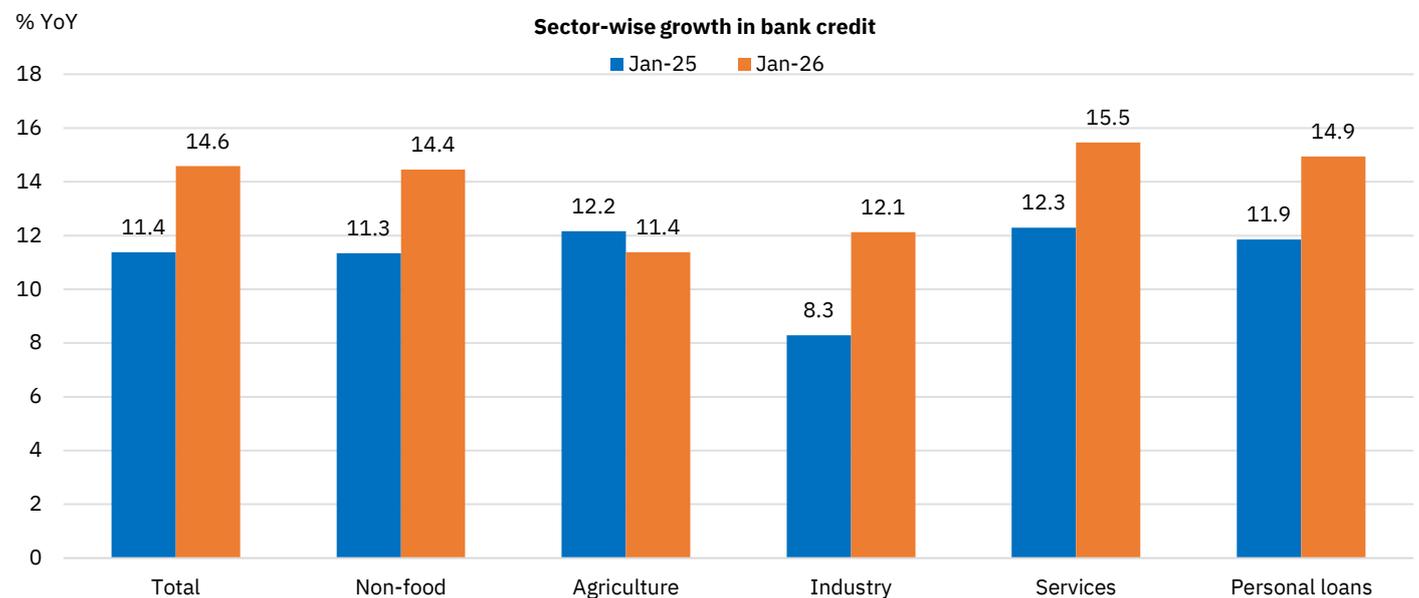
Source: CMIE Economic Outlook, NSE EPR.

Figure 175: Size-wise growth in industrial bank credit

% YoY — Industry, Micro & small, Medium, Large
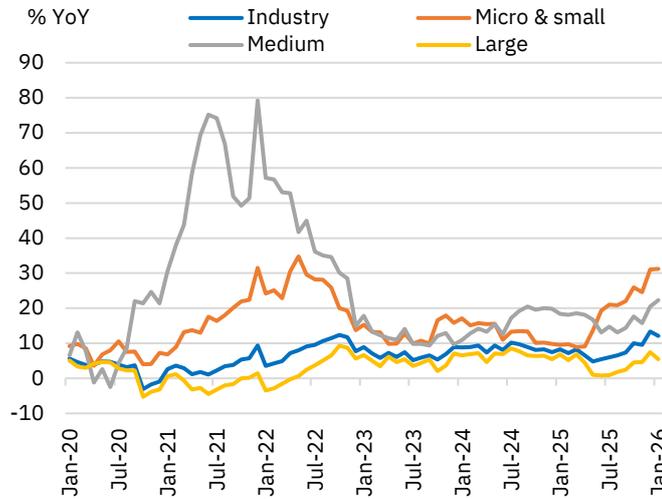
Source: CMIE Economic Outlook, NSE EPR.

Figure 176: Credit growth in key industrial segments

% YoY

Sub-industry wise growth rate (% YoY)

Jan-25, Jan-26

Segment	Jan-25	Jan-26
Infra	1.6	6.4
Basic metals	14.1	13.8
Chemicals	9.5	15.1
Textiles	5.8	10.0
Engg.	18.1	35.9
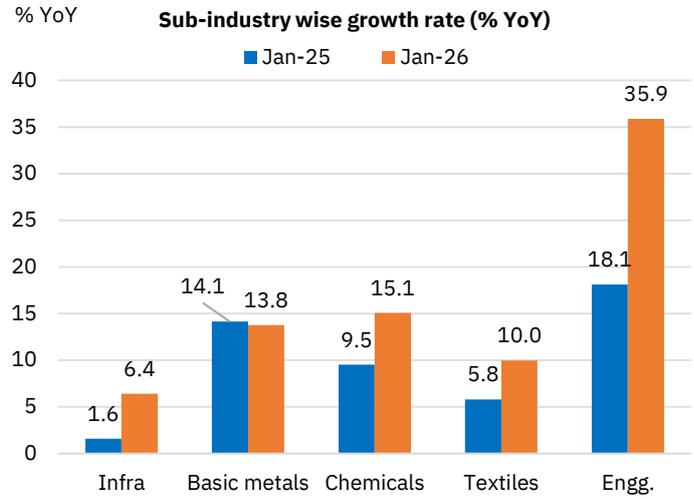
Figure 177: Growth in bank credit across segments of services

% YoY

Segment wise growth rate (%YoY) in credit to services

Jan-25, Jan-26

Segment	Jan-25	Jan-26
NBFCs	8.2	17.8
Trade	14.5	16.1
Real Estate	14.1	16.2
Transport	12.0	4.3
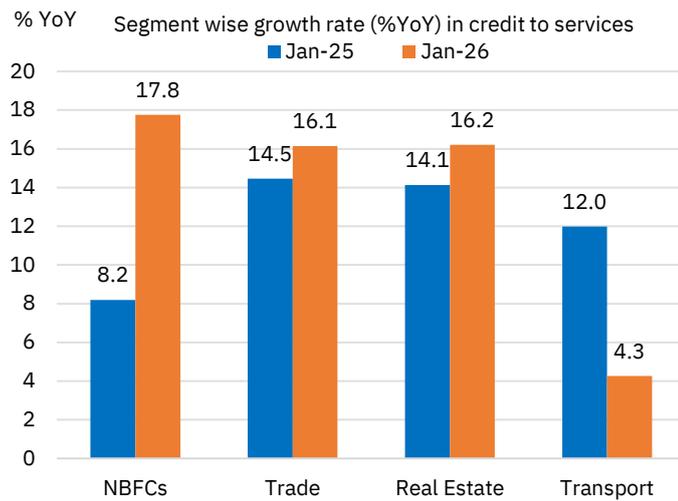
Source: CMIE Economic Outlook, NSE EPR.

Figure 178: Growth in bank credit across segments of personal loans

% YoY

Segment wise growth rate (%YoY) in credit to personal loans

Jan-25, Jan-26

Segment	Jan-25	Jan-26
Housing	11.0	11.1
Vehicle	9.7	17.1
Credit cards	13.0	1.5
Loan against gold jewellery	91.4	128.8
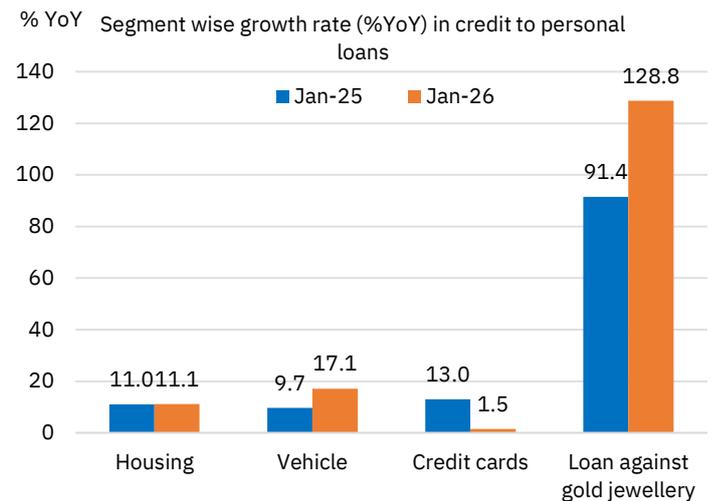
Figure 179: Growth rate in loans against gold jewellery

% YoY

128.8

Source: CMIE Economic Outlook, NSE EPR.

Figure 180: Trends in bank credit and deposit growth
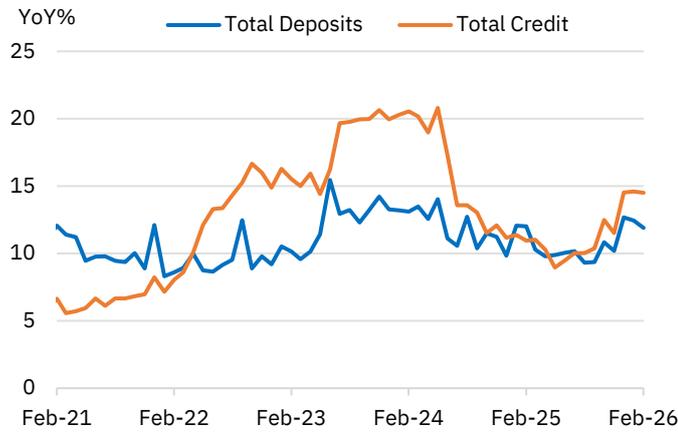
Figure 181: Comparison of credit and deposit growth based on latest values
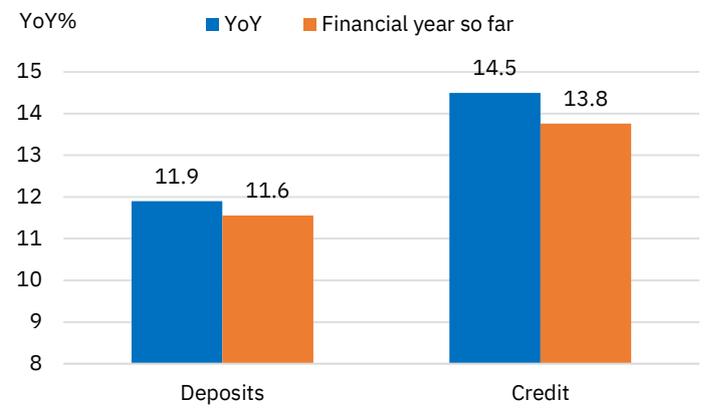
Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for February'26 as of February 28ᵗ,2026 from the Weekly Statistical Statement of RBI (latest).

Figure 182: Growth in demand and time deposits
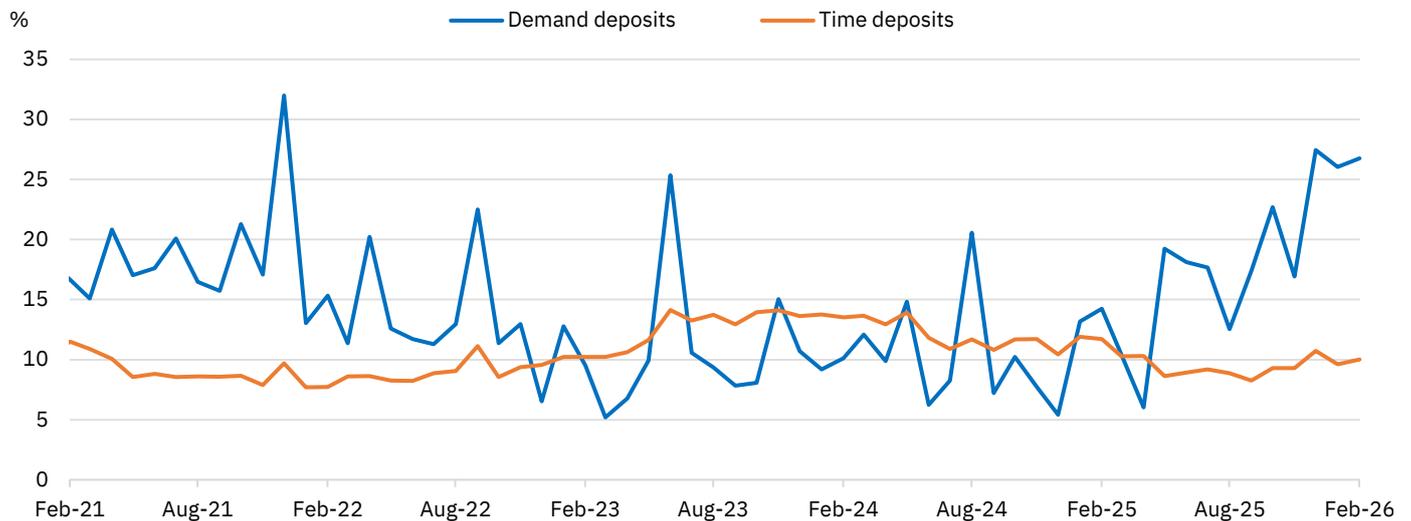
Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for February'26 as of February 28, 2026 from the Weekly Statistical Statement of RBI

Figure 183: Credit to Deposit ratio (%)

Source: CMIE Economic Outlook, RBI, NSE EPR. Data for February'26 as of February 28, 2026 from the Weekly Statistical Statement of RBI

Figure 184: Issued and outstanding amount of Certificate of Deposits
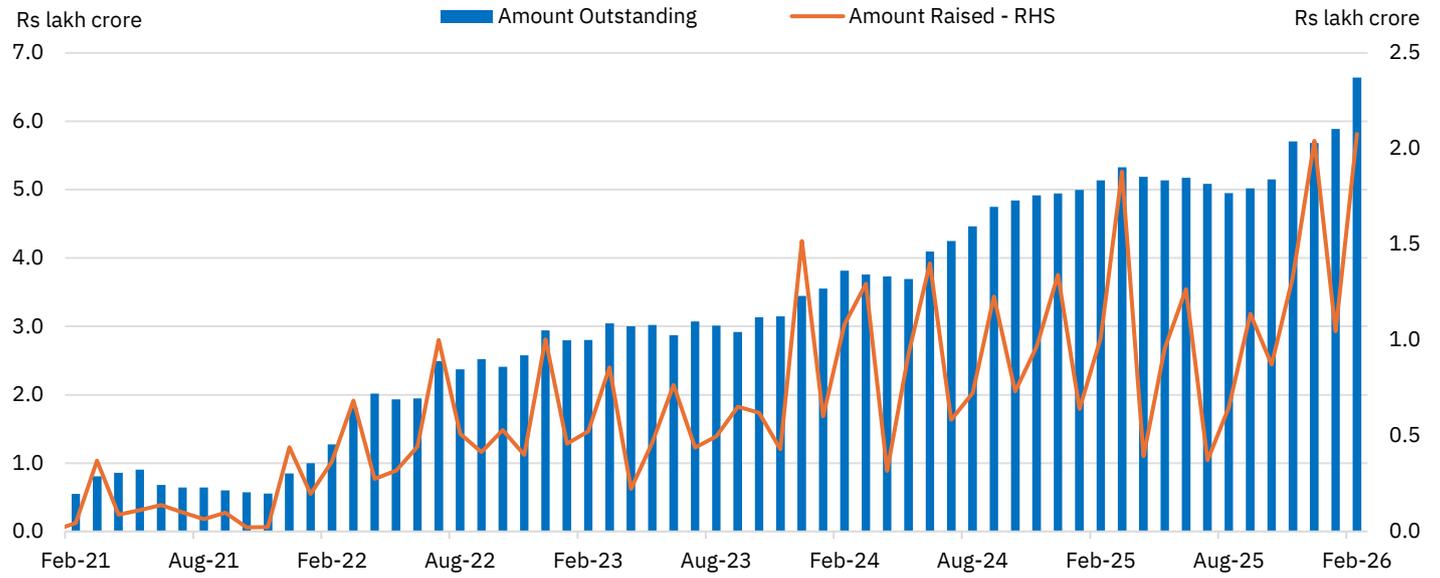
Source: CMIE Economic Outlook, NSE EPR.

Global snippets: Geopolitical risks take centre-stage

Figure 185: Monthly trends in World Uncertainty Index (WUI)

WUI, GDP weighted average

1,22,423
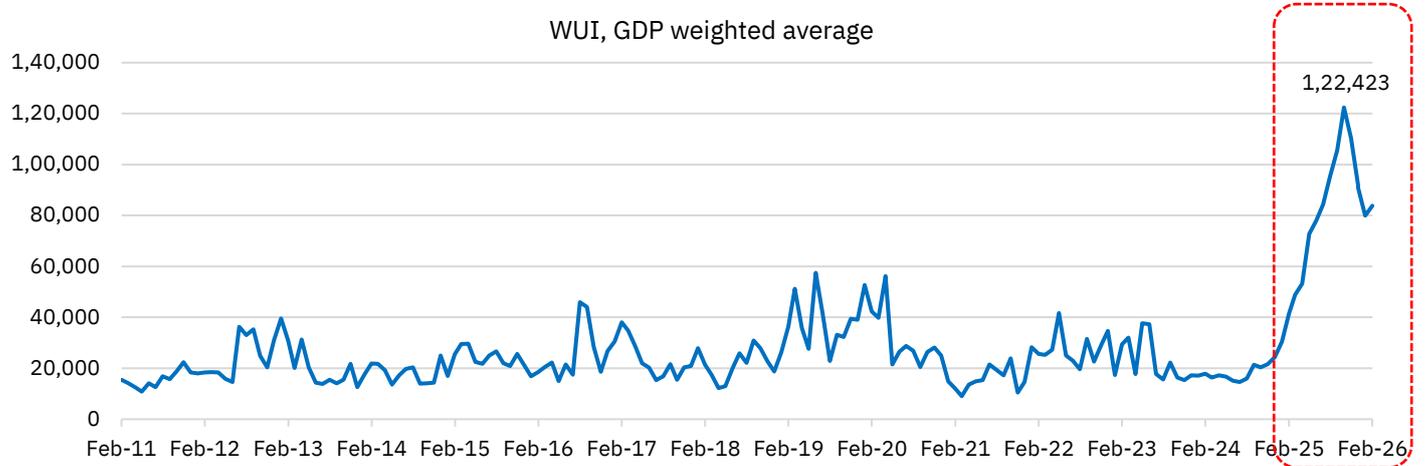
Source: Hites Ahir & Nicholas Bloom & Davide Furceri, 2022. "The World Uncertainty Index," NBER Working Papers 29763, National Bureau of Economic Research, Inc.

Figure 186: Geopolitical Risk Index (30-day moving average)

Russia-Ukraine crisis

Source: Caldara, Dario and Matteo Iacoviello (2022), "Measuring Geopolitical Risk", American Economic Review, April 112(4), pp. 1194-1225

Figure 187: Monthly trends in US economic policy uncertainty index

US economic policy uncertainty
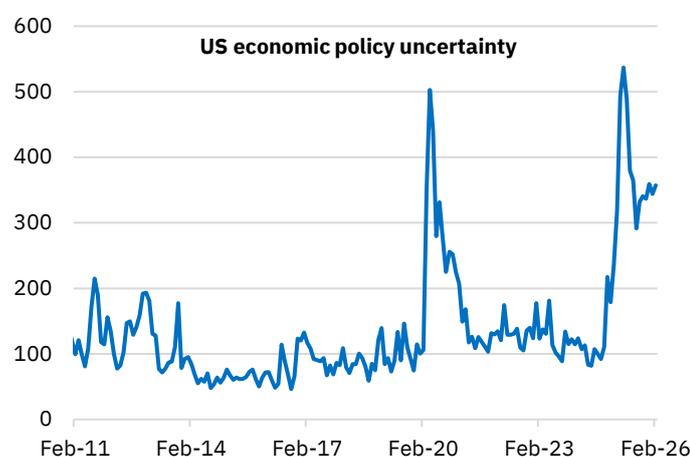
Figure 188: Monthly trends in US trade policy uncertainty

US Trade Policy Uncertainty
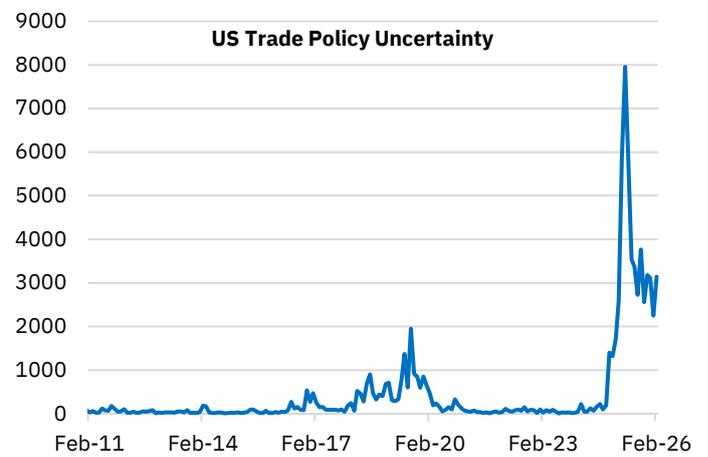
Source: Baker, S. R., Bloom, N., & Davis, S. J. (2016). *Measuring economic policy uncertainty*. *The Quarterly Journal of Economics, 131*(4), 1593–1636

Figure 189: Growth across major economies
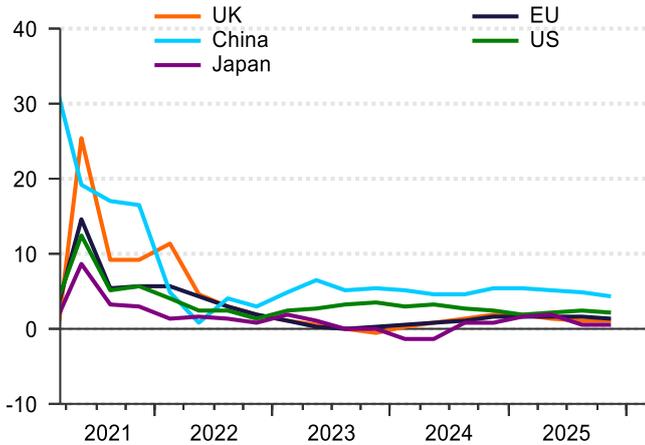
Source: LSEG Workspace, NSE EPR.

Figure 190: Inflation across major economies

Source: LSEG Workspace, NSE EPR.
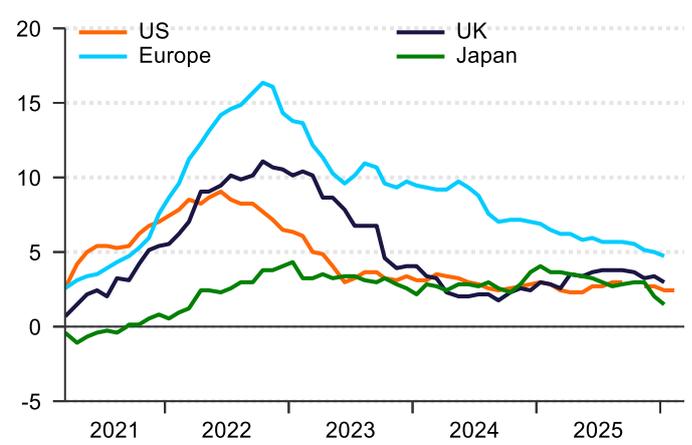
Figure 191: Policy rates across advanced economies
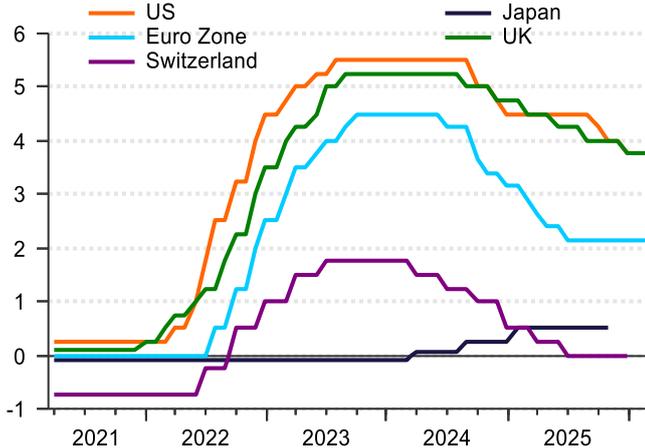
Source: LSEG Workspace, NSE EPR.

Figure 192: Policy rates across emerging economies
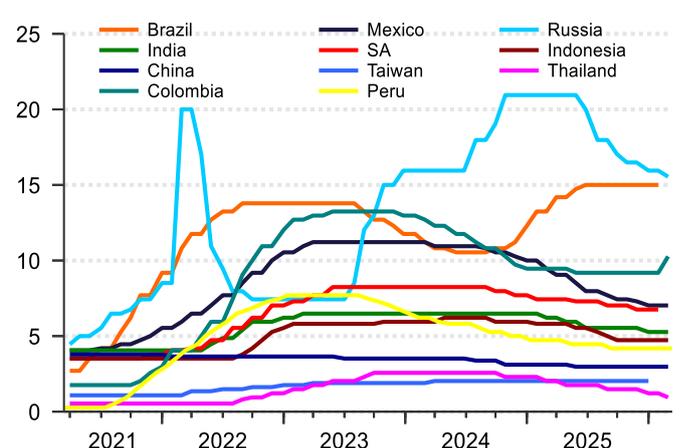
Figure 193: Unemployment rates across major developed economies
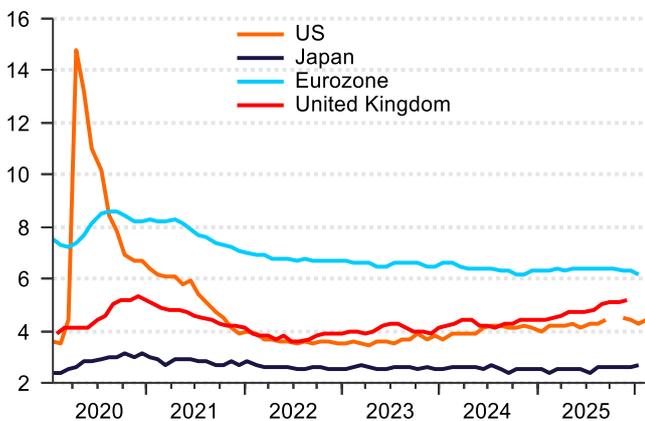
Source: LSEG Workspace, NSE EPR.

Figure 194: Trends in industrial production (YoY%) across major economies
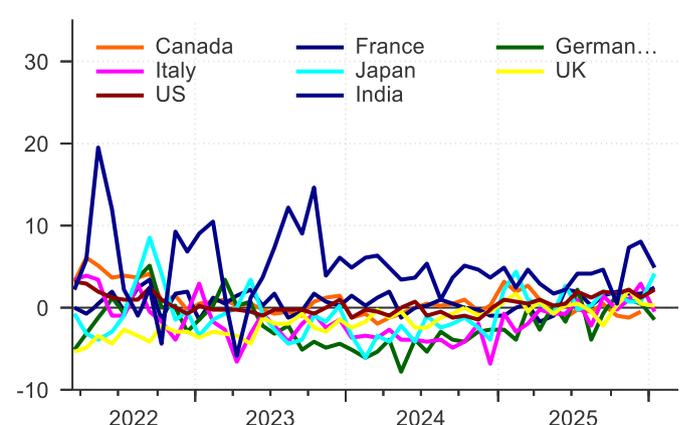
Figure 195: Trend in PMI manufacturing across countries

Manufacturing (SA) PMIs: Developed Markets
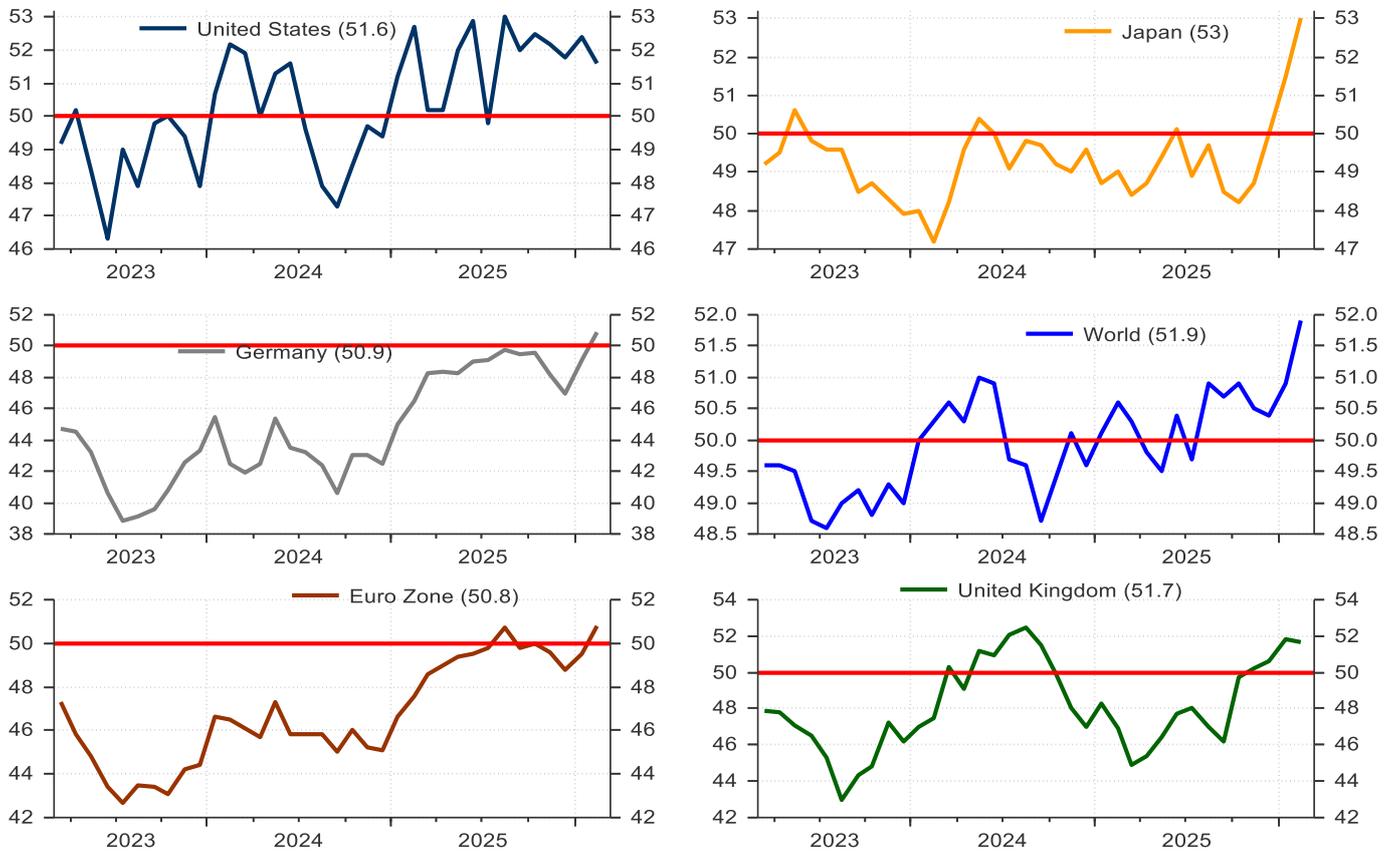
Source: LSEG Workspace, NSE EPR.

Insights

From national income to GDP: How the world learned to measure growth

An intellectual journey from crisis accounting to the modern limits of economic measurement

The history of modern macroeconomics is not only the history of how economists explained growth, crises, and recovery; it is also the history of how they learned to measure an economy at all. Before national accounting was systematized, policymakers lacked a coherent statistical picture of production, income, and expenditure at the aggregate level. What now appears routine—the reporting of GDP, national income, savings, and investment—was in fact the outcome of decades of conceptual debate, empirical experimentation, and international standardization.

That effort began in response to crisis. The Great Depression made clear that governments could not stabilise economies they could not measure. Early work on national income emerged from the practical need to quantify economic collapse, assess recovery, and understand the distribution of losses across sectors and households. From this starting point, economists gradually moved beyond producing a single macroeconomic total toward building a structured accounting framework that could relate production, income, consumption, savings, and investment within one internally consistent system.

As the field matured, GDP emerged as the central measure of domestic production. This was a major conceptual advance. It meant that the economy could be viewed not only through the incomes earned within it, but also through the value of output produced and the expenditures made on final goods and services. In time, national accounting became more than a statistical exercise; it became the common language through which governments compared performance, designed policy, and interpreted structural change. The distinction between GDP and GNP further clarified whether the focus was on production within national borders or income accruing to national residents.

Once the measurement framework was firmly in place, the literature moved to a deeper question: not merely how large an economy is, but why it grows. Growth accounting opened the way for separating the contributions of labour, capital, and technological progress. Yet the evolution of the field did not stop there. Later contributions made an equally important correction: GDP is indispensable for measuring output, but it is not a complete measure of welfare, social progress, or sustainability. The papers featured in this Insights section trace that full arc—from the birth of national income accounting to the recognition that measuring growth and measuring well-being are not the same task.

Key takeaways from the papers

The literature on national income and GDP evolves from constructing an aggregate measure of the economy, to organizing it into a coherent accounting system, to distinguishing output from welfare.

1. **Why did national income measurement emerge? –** Kuznets (1934), in National Income, 1929–1932, marks the starting point of the story by producing one of the earliest systematic estimates of aggregate income during the Great Depression. His contribution was to make the economy statistically visible, allowing policymakers to assess the scale of collapse, recovery, and sectoral distress. The first achievement of the literature, therefore, was not yet GDP as we know it today, but the creation of a credible aggregate measure of economic activity.

2. **How did economists move from one estimate to a full accounting system? –** Hicks (1940) clarified the conceptual meaning of income in The Valuation of the Social Income, helping distinguish income from capital and sharpening the theoretical foundations of measurement. Meade and Stone (1941), in The Construction of Tables of National Income, Expenditure, Savings and Investment,

moved the discipline beyond isolated estimates by linking production, expenditure, savings, and investment within one tabular framework. Stone (1947), in Definition and Measurement of the National Income and Related Totals, further formalized these concepts and helped shape the architecture of modern national accounting. Together, these studies transformed national income estimation into an internally consistent accounting system.

3. **How did GDP become the standard measure of domestic production? –** The decisive step toward international standardization came with the United Nations (1953) publication, A System of National Accounts and Supporting Tables. This framework established a common accounting language across countries and placed GDP at the centre of domestic production measurement. The significance of this shift was that output, income, and expenditure were no longer treated as separate macro aggregates, but as three consistent ways of arriving at the same total. GDP thus became the principal measure of production taking place within a country's borders.

4. **Why did GDP come to be preferred over GNP? –** The distinction between output produced domestically and income accruing to nationals became clearer over time, and this was institutionally consolidated in the BEA's 1991 comprehensive revision of the U.S. national accounts. That revision formally shifted emphasis from GNP to GDP, reflecting the view that GDP is the more appropriate measure for tracking domestic production and is more consistent with international accounting practice. The conceptual insight here is that GDP measures production by location, whereas GNP measures income by ownership or residence.

5. **How did the literature move from measuring the size of the economy to explaining growth? –** Solow (1957), in Technical Change and the Aggregate Production Function, opened the field of growth accounting by separating output growth into the contributions of labour, capital, and technical change. Jorgenson and Griliches (1967), in The Explanation of Productivity Change, refined that framework by improving the treatment of inputs and capital services, thereby making productivity measurement more rigorous. Once output could be measured reliably, the literature naturally advanced to the question of what drives long-run growth.

6. **What are the limits of GDP as a measure of progress? –** Nordhaus and Tobin (1972), in Is Growth Obsolete?, were among the first to argue systematically that conventional output measures do not fully capture welfare. This line of thinking was later developed more comprehensively by Stiglitz, Sen and Fitoussi (2009) in the Report of the Commission on the Measurement of Economic Performance and Social Progress, which clarified that GDP is indispensable for measuring production, but insufficient for evaluating well-being, inequality, quality of life, or sustainability. The final lesson of the literature, therefore, is not that GDP is flawed, but that its scope is narrower than welfare.

Papers in brief

- Kuznets (1934) — **Measuring the Great Depression through national income accounting:** The paper presents one of the earliest systematic attempts to quantify the scale and structure of the Great Depression through national income

measurement. Its central contribution is the distinction between national income "paid out" to individuals and national income "produced," which also includes business savings or losses. Using this framework, Kuznets shows that income paid out declined from $81.1 billion in 1929 to $48.9 billion in 1932, while income produced fell more sharply from $83.0 billion to $39.4 billion as business savings turned into heavy losses. By classifying income both by type of payment and by industrial source, the study shows that the contraction was uneven across income groups and sectors, with especially severe declines in construction, mining, agriculture, and manufacturing. Overall, the paper establishes an early statistical framework for analysing macroeconomic crisis with greater conceptual clarity and precision.

- Hicks (1940) — **Valuing social income: Welfare versus productivity** — By 1940, the methodology for valuing the diverse collection of goods and services that constitute social (or national) income remained highly contested, particularly with respect to the treatment of indirect taxes and publicly provided services. Hicks (1940) examines the conceptual foundations underlying these valuation choices, arguing that the appropriate system of weights depends fundamentally on the objective of the calculation. Specifically, the study distinguishes between two analytical purposes: measuring economic welfare and measuring productive activity. The author demonstrates that if the objective is to measure economic welfare, goods and services should be valued at market prices inclusive of indirect taxes, since these prices reflect the marginal utilities faced by consumers in the market. In contrast, valuation at factor cost (excluding indirect taxes) attempts to measure productivity by isolating the returns to factors of production. However, Hicks (1940) argues that this approach is theoretically problematic, as the presence of imperfect competition undermines the assumption that factor payments accurately represent marginal productivity. The paper therefore clarifies that the choice of valuation method is not purely technical but depends on the conceptual purpose of national income measurement.

- Meade and Stone (1941) — **How Should National Income Be Measured Consistently?:** This paper develops a systematic framework for organizing national income statistics through a set of interlinked accounting tables. It addresses the inconsistencies that arise when national income is estimated separately from income, production, or expenditure data. The authors construct a balanced accounting structure that links income, output, expenditure, savings, and investment within a single system, allowing different estimates to be reconciled and statistically cross-checked. By organizing economic transactions within a coherent framework, the approach clarifies relationships between production, consumption, savings, and investment while improving the reliability of national income measurement. The methodology later influenced the development of modern national accounting systems used in macroeconomic analysis.

- Stone (1947) — **Conceptual basis of social accounting**: The report introduced the concept of social accounting as a systematic way of organizing national income statistics. Developed under the United Nations statistical framework, the study proposed recording economic transactions between different sectors of the economy to better understand the relationships between production, income

distribution, and expenditure. By emphasising the interdependence of economic activities, the report moved beyond simple aggregate measures of national income and provided a conceptual framework for analysing economic structure. This work laid the intellectual foundation for the later development of the System of National Accounts (SNA) used for measuring economic activity across countries.

- Berman (1960) — **Establishment of an international framework for national income accounting:** The report represents a major step toward creating a standardized system for measuring and organizing national income statistics. Developed by the United Nations Statistical Office, the study aimed to bring uniformity to the methods used by different countries to record economic activity. The report introduces a comprehensive accounting framework that systematically records production, income generation, expenditure, capital formation, and transactions with the rest of the world. It also demonstrates that national output can be measured through three consistent approaches—production, income, and expenditure—within a unified accounting structure. In addition, the system proposes standardized classifications and statistical tables that improve the comparability and reliability of macroeconomic data across countries. By integrating the various flows of economic activity into a coherent system of accounts, the report laid the foundation for the modern System of National Accounts (SNA), which continues to serve as the global standard for measuring economic performance and supporting economic policy analysis.

- Solow (1957) — **What Drives Long-Term Economic Growth**?: This paper examines the sources of economic growth by analysing how output is generated from capital, labour, and technological progress within an aggregate production framework. Using U.S. data for 1909–1949, the study decomposes output growth into the contributions of factor accumulation and a residual component reflecting improvements in productivity. The analysis shows that increases in capital and labour explain only a part of the observed rise in output per worker, while a much larger share is associated with technological change. By estimating shifts in the production function over time, the paper introduces a systematic approach to growth accounting and highlights the central role of productivity improvements in sustaining long-term economic growth. This framework later became a key tool for understanding the drivers of economic development and productivity trends.

- Jorgenson and Griliches (1967) — **Reinterpreting productivity growth as a measurement problem:** The paper challenges the conventional view that total factor productivity is a large autonomous residual reflecting technical progress. Instead, the authors argue that once output and inputs are measured correctly within a consistent production-theoretic and social-accounting framework, most output growth can be explained by input growth itself. Using data for the U.S. private domestic economy over 1945–65, they show that input growth initially explains only 52.4 per cent of output growth, but after correcting major errors in the measurement of output, capital, labour, prices, and utilisation, it explains 96.7 per cent, reducing estimated productivity growth from 1.60 per cent per year to just 0.10 per cent. The paper's central contribution is therefore methodological: it shifts growth accounting away from treating the residual as evidence of technological advance and toward rigorous measurement of output and factor inputs.

- Carson (1975) — **The evolution of US national economic accounts:** The paper examines the transformative development of the United States national income and product accounts between 1932 and 1947. Prompted by the severe economic data shortages of the Great Depression, the Department of Commerce, cooperating with the National Bureau of Economic Research, published the first official national income estimates in 1934. However, it was the logistical demands of World War II that catalysed the critical shift from measuring income to calculating Gross National Product (GNP) at market prices. Planners urgently needed these product estimates to allocate wartime resources and formulate anti-inflationary tax policies. By 1947, these efforts culminated in a formalized, double-entry system of macroeconomic sector accounts. Ultimately, the author demonstrates how historical crises transformed isolated statistics into an integrated analytical framework that has fundamentally shaped modern macroeconomic policy.

- Nordhaus and Tobin (1972) — The authors ask whether economic growth is obsolete once welfare, not output, becomes the benchmark. They argue GNP is a production measure, not a welfare measure, and build a Measure of Economic Welfare (MEW) that reclassifies regrettable expenditures, adds leisure and household production, and subtracts urban disamenities. Using U.S. data for 1929-65, they find per capita MEW still rises, but more slowly than per capita NNP, showing that conventional accounts overstate welfare growth without making progress illusory. They also find little reason to stop growth purely to conserve natural resources if substitution and technology continue, while environmental damage should be addressed through correct pricing. Finally, slower population growth, including zero population growth, can materially raise sustainable consumption per person. Growth is not obsolete, in their view; crude growth accounting is.

- Stiglitz et al. (2009) **— Measuring Economic Performance and Social Progress Beyond GDP:** The report reassesses the adequacy of Gross Domestic Product (GDP) as the primary indicator of economic progress. It argues that GDP measures market production but fails to capture key dimensions of societal well-being such as income distribution, quality of life, and environmental sustainability. The Commission proposes a shift from production-based metrics to a broader framework centred on household living standards, multidimensional well-being, and long-term sustainability. Rather than relying on a single indicator, it recommends a dashboard of measures tracking income, wealth, quality-of-life indicators, and the stocks of physical, human, social, and natural capital that underpin future prosperity.

National Income, 1929–1932[2]

Simon Kuznets (1934)

Summary

In National Income, 1929–1932, Simon Kuznets (1934) presents one of the earliest systematic attempts to quantify the scale and structure of the Great Depression through national income accounting. Prepared by the Department of Commerce in cooperation with the National Bureau of Economic Research in response to a request from the United States Senate, the study moves beyond impressionistic accounts of economic distress and constructs a statistical picture of the nation's final net product. A central distinction in the paper is between national income "paid out" to individuals and national income "produced," which additionally incorporates business savings or losses. On this basis, Kuznets shows that income paid out declined from $81.1 billion in 1929 to $48.9 billion in 1932, while income produced fell from $83.0 billion to $39.4 billion, reflecting the dramatic conversion of business savings into large business losses.

Introduction

Kuznets opens from the premise that the recent economic changes in the United States were so dramatic that they were visible even without formal measurement, yet he argues that observation alone is insufficient. The essential questions, in his formulation, are quantitative: how extensive the contraction from the 1929 peak was, how did it evolve year by year, and how did it affect different industries and factors of production. National income measurement is presented as an attempt to answer these questions systematically by describing the economy under one unifying aspect - the size of its final net product.

This makes the paper more than a descriptive memorandum. It is an effort to construct a coherent statistical language for understanding the Depression. Kuznets makes clear at the outset that the available data are imperfect and that large gaps remain, but he nevertheless insists that an "all-inclusive statistical picture" can and should be attempted. The introduction therefore frames the exercise not as one of statistical perfection, but as one of disciplined approximation in the service of clearer economic understanding.

A further purpose of the introduction is conceptual preparation. Before presenting the estimates, Kuznets argues that readers must understand the definitions and classifications underlying them. This is important because the study is not simply measuring "income" in a loose sense; it is distinguishing between different forms of national income and carefully classifying them so that the resulting totals can be interpreted correctly. In this respect, the paper anticipates the later national accounts tradition, in which conceptual precision is treated as a prerequisite for meaningful macroeconomic analysis.

Literature

Unlike later macroeconomic papers built around formal models, Kuznets's study is primarily an accounting and measurement exercise. Its most direct point of comparison is the earlier income series compiled by Willford I. King, which Kuznets treats as authoritative but not directly comparable with the new estimates because the present study draws on the Census of 1929 and additional information unavailable to earlier work. In that sense, the paper stands at a transitional point in the evolution of macroeconomic measurement: it is less a debate with theory than a major effort to improve the statistical foundations on which later theory and policy analysis would depend.

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[2] Kuznets, S. (1934). *National Income, 1929–1932*. National Bureau of Economic Research.

Contribution

The central contribution of Kuznets's paper lies in its careful distinction between national income paid out and national income produced. Income paid out refers to the flow of payments received by individuals in money or in kind, whereas income produced additionally incorporates the net savings or losses of business establishments. This distinction is analytically important because it shows that household receipts alone do not fully capture the condition of the economy. During periods of severe contraction, individuals may continue to receive incomes even as firms suffer substantial losses, making the productive structure of the economy weaker than aggregate payments to households might suggest. In this way, Kuznets provides a more rigorous basis for interpreting the depth of the Depression.

A second major contribution is the paper's dual classification of national income. Kuznets organises income both by type of payment—including wages, salaries, interest, dividends, entrepreneurial withdrawals, and business savings or losses—and by industrial source, covering sectors such as agriculture, mining, manufacturing, construction, transportation, communication, trade, finance, government, and services. This framework allows the analysis to move beyond a single aggregate total and instead identify how the contraction was distributed across both income categories and sectors of the economy. The paper therefore explains not only that national income declined sharply, but also which groups and industries were affected most severely.

Theoretical framework

Kuznets defines national income produced as the value of all commodities and direct services generated during the year minus the value of goods used up in producing them, including both raw materials and capital equipment. National income paid out, by contrast, is the total of payments received by individuals in money or kind. These two magnitudes would coincide only if all productive activity were paid out exactly at market value; in reality, business savings and losses create a wedge between them. This distinction gives the paper a disciplined accounting foundation and anticipates later concerns with separating income generation from income distribution.

Results

The paper documents a contraction of exceptional severity between 1929 and 1932, both in terms of household incomes and the underlying condition of the productive economy. Kuznets shows that net income paid out to individuals declined by about 40 per cent, while business savings of roughly $1.9 billion in 1929 turned into losses of about $9.5 billion by 1932. This indicates that the weakening in productive activity was even sharper than the decline visible in household receipts alone.

The contraction was also highly uneven across income groups:

- Labour income fell by about 40 per cent

- Entrepreneurial income declined by about 45 per cent

- Property income fell by about 30 per cent

Within labour income, the burden was not evenly distributed. Kuznets shows that wages were hit more severely than salaries, with wages in selected industries declining by about 60 per cent, compared with a 41 per cent decline in salaries. This suggests that workers directly linked to cyclical and industrial activity experienced a sharper fall in earnings than relatively more stable salaried groups.

The industrial distribution of the decline was equally revealing. The deepest contractions were recorded in construction, mining, agriculture, manufacturing. By contrast, government income payments showed virtually no decline over the

period. The results therefore make clear that the Depression was not simply a uniform fall in national income, but a highly uneven collapse across both sectors and categories of income.

Implications

A key implication of the paper is that aggregate decline alone is not sufficient to understand the true nature of an economic crisis. What matters equally is how that decline is distributed across income groups, occupations, and sectors. Kuznets shows that the Depression imposed a much heavier burden on wage earners, entrepreneurs, and cyclical industries, while property incomes and government-related payments were relatively more resilient.

The paper also highlights the importance of distinguishing between income received and income produced. Even when individuals continue to receive some income, the productive base of the economy may be under far greater strain if business firms are absorbing heavy losses. This makes national income accounting more than a descriptive statistical exercise; it becomes a tool for identifying where economic stress is concentrated and how deeply it is embedded in the structure of production.

More broadly, the study demonstrates three enduring lessons:

- Aggregate figures can conceal major distributive differences

- Sectoral analysis is essential to understanding the depth of contraction

- Reliable national income estimates require clear concepts and transparent measurement

In this sense, Kuznets's paper remains important not only for quantifying the Depression, but also for showing how macroeconomic decline should be interpreted. Its emphasis on conceptual clarity, sectoral breakdown, and statistical caution gives it lasting value as an early model of rigorous national income analysis

Conclusion

Kuznets's paper is ultimately more than a record of economic decline; it is an effort to construct a coherent statistical language for describing the economy as a whole. By distinguishing income produced from income paid out, classifying income by payment type and industrial source, and documenting the unequal incidence of contraction, the study establishes a framework through which macroeconomic crises can be analysed with greater precision. Even where data limitations remain severe, the paper shows how disciplined accounting can transform scattered evidence into an interpretable picture of national economic change.

The Valuation of the Social Income [3]

J. R. Hicks (1940)

Summary

Hicks (1940) examines the conceptual problem of how to measure and value *social income*—the aggregate value of goods and services produced in an economy. The paper addresses a fundamental difficulty in national income accounting: while social income consists of diverse goods and services, these must be expressed in a common monetary unit for meaningful aggregation. He argues that the choice of valuation method depends on the purpose of measurement, particularly whether the objective is to measure economic welfare, productivity, or economic activity. Using insights from welfare economics and price index theory, Hicks (1940) shows that market prices offer a practical way to value goods and services, although they do not perfectly capture the welfare individuals derive from them. The paper thus concludes that national income, when valued at market prices, should be interpreted primarily as a measure of productive activity rather than economic welfare, thereby clarifying the conceptual foundations of national income accounting.

Introduction

Estimating a nation's social (or national) income first requires identifying the real goods and services produced in the economy and then expressing them in a common monetary unit. In practice, statisticians typically valued these aggregates using prevailing market prices. However, significant methodological disagreements arose regarding how certain components—particularly indirect taxes and publicly provided services—should be treated in national income calculations.

Hicks (1940) argues that resolving this disagreement cannot be achieved through statistical adjustment alone; rather, it requires examining the conceptual purpose of national income measurement itself. The paper contends that a single valuation system cannot adequately serve all analytical objectives. In particular, the prices appropriate for comparing real income over time may not be suitable for analysing production or distribution. Hicks (1940) therefore introduces a fundamental distinction between social income as an index of economic welfare and social income as a measure of productivity. By separating these two analytical purposes, the study develops a framework for determining the appropriate valuation principles and price weights under different economic contexts.

Literature

Hicks (1940) situates his analysis within the broader tradition of welfare economics and national income theory. A central intellectual influence is A. C. Pigou's *The Economics of Welfare*, which sought to derive an index of economic welfare from the concept of social income. Hicks builds upon Pigou's framework while refining it using developments in index-number theory, drawing on the work of scholars such as R. Frisch and H. Staehle to provide a more rigorous analytical treatment of welfare comparisons.

The paper also engages directly with contemporary debates on the empirical construction of national income statistics. In particular, the author examines the contrasting methodologies proposed by Colin Clark and Professor Bowley, especially regarding whether the proceeds of indirect taxation should be included in aggregate income and how public services ought to be valued within national accounts.

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[3] Hicks, J. R. (1940). The Valuation of the Social Income. *Economica*, 7(26), 105–124.

Finally, Hicks (1940) considers Irving Fisher's definition of social income, which excluded investment and focused only on consumption as the true measure of income. By contrasting Fisher's approach with alternative definitions, Hicks highlights how the treatment of saving and capital accumulation differs depending on whether social income is interpreted as a measure of economic welfare or of productive activity. Through this synthesis, the paper situates its argument within ongoing theoretical and methodological debates surrounding the measurement of national income.

Contribution

The study advances the theoretical foundations of national income accounting through four principal contributions:

1. **Dual-purpose valuation framework**: Hicks (1940) establishes that the valuation of social income must be distinguished according to its analytical objective. In doing so, the study clearly separates the measurement of economic welfare from the measurement of productivity, demonstrating that each requires a different system of price weights.

2. **Refinement of welfare comparison criteria**: The paper formalizes the conditions under which a society can be considered better off across time. Using concepts from consumer theory and index-number analysis, Hicks shows how comparisons of real income can be evaluated through tests analogous to Laspeyres and Paasche indices, thereby providing a rigorous basis for welfare comparisons.

3. **Clarification of the indirect tax controversy**: Hicks (1940) resolves the contemporary debate between Colin Clark and Professor Bowley by demonstrating that, for welfare measurement, goods should be valued at retail prices inclusive of indirect taxes and subsidies, since these reflect the relative marginal utilities faced by consumers.

4. **Valuation of non-market and public goods**: The study develops theoretical principles for incorporating goods that lack observable market prices into national income measures. These include rationed commodities, newly introduced products, and publicly provided services, for which appropriate valuation must rely on indirect or cost-based methods.

Through these contributions, Hicks (1940) provides a conceptual framework that clarifies how national income aggregates should be valued under different analytical objectives.

Methodology

Hicks (1940) develops his analytical framework by applying microeconomic consumer theory—particularly ordinal utility and indifference curve analysis—to the problem of valuing social income. The analysis proceeds under the simplifying assumption of constant preferences ("constant wants"), allowing welfare comparisons across different economic situations. The author considers a representative consumer facing two sets of prices and quantities—Situation I and Situation II—and uses the resulting choice behaviour to infer preference orderings.

The core logic is based on a cost comparison of consumption bundles. If the expenditure required to purchase the consumption bundle from Situation I, evaluated at the prices of Situation II, is lower than the individual's expenditure in Situation II, then the individual must be better off in the latter situation. Hicks (1940) extends this reasoning from the individual level to the economy as a whole in order to evaluate changes in real social income.

To operationalize this comparison, the author translates the theoretical welfare conditions into observable index-number tests, particularly the Laspeyres (L) and Paasche (P) indices. These indices provide measurable criteria for determining whether real income has increased or decreased across periods.

For the alternative objective of measuring productivity, Hicks (1940) modifies the analytical framework by replacing indifference curves with production substitution curves. Instead of evaluating goods according to consumer preferences, the analysis assesses their value in terms of production costs and marginal productivity. The author examines how these valuation principles operate under different market structures, including both constant returns to scale and imperfect competition, highlighting the limitations of using factor-cost measures as indicators of productive efficiency.

Results

The theoretical analysis yields several key principles for structuring and valuing social income.

1. **Market prices as the basis for welfare valuation**: When the objective is to measure economic welfare, the prices used to weight goods and services must correspond to the relative marginal utilities faced by consumers. Consequently, the appropriate weights are the retail prices actually paid in the market, including the effects of indirect taxes and subsidies.

2. **Adjustments for rationed goods and newly introduced products**: In situations where goods are rationed, consumers cannot freely purchase their preferred quantities, and observed market prices no longer accurately reflect marginal utilities. In such cases, the valuation of these goods must theoretically be adjusted upward. Similarly, when new goods appear in the current period but were absent previously, index-number comparisons require estimating the hypothetical price that would have reduced demand for those goods to zero in the earlier period.

3. **Valuation of public services**: Goods and services that are not traded in markets—such as defence, justice, and other government services—should generally be valued at their average cost of production. However, Hicks cautions against indiscriminately including all public expenditures in national income. Certain services, such as infrastructure used in production, may merely facilitate the production of private goods and therefore risk double counting if treated as independent final output.

4. **Limitations of productivity measures based on factor cost**: Valuing output at factor cost (excluding indirect taxes) is intended to measure productive activity by isolating returns to factors of production. Hicks (1940) shows, however, that under real-world conditions of imperfect competition and increasing returns, prices before taxation do not reliably correspond to marginal production costs. As a result, the factor-cost measure of productivity becomes theoretically unstable.

5. **Different treatment of saving and investment**: The treatment of saving and investment depends on the purpose of measurement. When assessing productivity, consumption and investment are both regarded as components of total output. In contrast, when measuring current economic welfare, only consumption contributes directly, while the welfare value of saving depends on individuals' expectations regarding their future consumption possibilities.

Implications

Hicks (1940) had a lasting influence on the conceptual development of national income accounting and welfare economics by clarifying how national income aggregates should be interpreted and used. The paper helped shift the focus of national accounting away from attempts to measure economic welfare directly and toward the more practical objective of measuring economic activity and output. This distinction became foundational in later statistical systems, where aggregates such as GDP are explicitly interpreted as measures of production rather than well-being. The study also contributed to the integration of consumer theory and index-number analysis into macroeconomic measurement. Hicks' formalization of welfare comparisons using price indices influenced later work on cost-of-living indices, real

income measurement, and price statistics, areas that became central to both macroeconomic analysis and official statistical practice.

Conclusion

Hicks (1940) provides a foundational interpretation of how a nation's social income should be valued. By systematically demonstrating that the correct pricing method depends entirely on whether the aggregate is meant to measure economic welfare or productivity, he successfully untangled contemporary disputes surrounding indirect taxation and public services. In doing so, the paper bridged the gap between microeconomic consumer theory and the practical measurement of macroeconomies, establishing valuation rules that remain central to economic analysis today.

The Construction of Tables of National Income, Expenditure, Savings and Investment[4]

J. E. Meade and Richard Stone (1941)

Summary

This paper develops a systematic framework for constructing national income accounts through a set of interlinked tables covering income, output, expenditure, savings, and foreign transactions. At the time of writing, national income estimates were produced using different definitions and statistical methods, often leading to inconsistencies in economic analysis. The authors address this problem by proposing a structured system of accounting tables that ensures internal balance between income, output, and expenditure while enabling different estimation methods to be cross-checked.

The framework organizes national accounts into five tables that trace the flow of production, income generation, expenditure, savings, and investment within the economy. By ensuring that these accounts balance, the methodology provides both conceptual clarity and statistical verification for national income estimation.

Beyond improving measurement accuracy, the framework enhanced the analytical usefulness of national income statistics. By organizing economic data into a consistent accounting structure, it clarified relationships between production, consumption, savings, and investment and later influenced the development of modern national accounting systems.

Introduction

National income can be defined and measured in several ways, and differences in definitions have historically created confusion in economic analysis. Estimates based on income, production, or expenditure data often diverge due to variations in classification and measurement, making it difficult to reconcile national income statistics.

The authors address this issue by proposing a systematic framework for organizing national income accounts. The paper develops a set of balanced accounting tables designed to reconcile different measures of national income within a single structure and enable statistical cross-checking of estimates.

By establishing a consistent accounting framework, the study aimed to improve the clarity, reliability, and comparability of national income statistics.

Framework: Structure of the national accounting tables

The core contribution of the paper lies in a system of five interconnected accounting tables designed to represent the flow of income, production, expenditure, savings, and foreign transactions within an economy.

Table A forms the foundation of the system by aligning national income, national output, and national expenditure so that their totals must balance. Table B explains how national income translates into personal income and how it is divided between consumption and savings. Table C traces the flow of savings in the economy and their use in financing investment and government deficits. Table D incorporates the external sector by accounting for foreign receipts, payments, and investment flows. Table E reconciles domestic income and expenditure to derive the level of home investment.

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[4] Meade, J. E., & Stone, R. (1941). The construction of tables of national income, expenditure, savings and investment. *The Economic Journal*, *51*(202/203), 216-233.

Together, these tables create a coherent accounting structure in which each component of the economy is systematically linked and internally consistent.

Table A: Core accounting framework

Table A forms the backbone of the Stone–Meade framework. It presents national income statistics from three complementary perspectives that together ensure internal consistency within the accounting system.

The table records national accounts in three columns.

Net National Income at Factor Cost measures income generated by the factors of production—rent, profits, interest, wages, and salaries.

Net National Output at Factor Cost records the value added across industries including agriculture, manufacturing, mining, transport, and services.

Net National Expenditure at Factor Cost shows how national income is used within the economy. Expenditure is divided into personal consumption, government consumption of goods and services, and capital formation.

A defining feature of Table A is that the totals of its three columns must balance. Total income generated in production must equal both the value of output produced and the expenditure incurred on that output. This identity allows different statistical methods of estimating national income to be cross-checked.

- **Several methodological principles ensure consistency in the accounts:** Factor cost accounting: Income and output are measured at factor cost, requiring adjustments for indirect taxes and subsidies.

- **Domestic production principle:** Only domestically produced output generates domestic income, even though expenditure may include imports.

- **Net measurement:** Depreciation and capital maintenance are deducted so that investment reflects the net addition to the capital stock.

Through these principles, Table A provides the core structure for verifying national income estimates and forms the foundation of the accounting framework.

Table B: Personal income and its uses

Table B explains how national income translates into personal income and how that income is allocated between consumption and savings, linking the national accounting framework to household-level economic activity. It derives personal income from national income after accounting for transfers, taxes, and institutional incomes not distributed to individuals.

The table presents personal income through three perspectives: the composition of personal income, the distribution of income across different income groups, and the allocation of income between consumption and savings. By definition, total personal income must equal the sum of personal consumption and personal savings.

Table B also functions as a statistical cross-check within the accounting system, as different sources—such as tax records, business accounts, household surveys, and consumption data—can be used to estimate its components. By connecting national income with household income, spending, and saving, the table provides a framework for analysing income distribution, consumer demand, and savings behaviour within the broader national accounts.

Table C: Flow of savings

Table C illustrates how savings generated within the economy are ultimately used. Savings originate from two main sources: personal savings by households and undistributed profits retained by firms.

These savings finance two types of economic activity. They support investment, both domestic and foreign, and they finance government budget deficits when government expenditure exceeds current revenue.

Unlike the earlier tables, Table C does not introduce new statistical estimates. Instead, it reorganizes information already contained in Tables A and B to highlight the relationship between savings, investment, and government borrowing. The budget deficit is defined as the combined financial position of public authorities, excluding transfers between different levels of government. Within this framework, the deficit represents the portion of national savings absorbed by government borrowing.

By presenting the sources and uses of savings in one structure, Table C clarifies how private savings, corporate savings, and government finance interact within the national accounting system.

Table D: Foreign investment

Table D incorporates international transactions into the accounting framework and verifies the calculation of foreign investment recorded in Table A.

The table shows that foreign investment arises when a country's current receipts from abroad exceed its current expenditure abroad. Receipts include export earnings, income from foreign assets, and spending by foreign visitors, while expenditures include imports, payments for services abroad, and spending by domestic residents overseas.

If receipts exceed payments, the country accumulates foreign assets. This increase in foreign asset holdings represents foreign investment. The table therefore establishes the accounting identity:

Foreign Investment = Current Receipts from Abroad – Current Expenditure Abroad

By linking external transactions with asset accumulation, Table D provides a statistical cross-check for the foreign investment figures used in the national accounts.

Table E: Home investment

Table E derives the level of home investment by isolating purely domestic economic activity. This is done by combining information from Tables A and D.

First, national income and expenditure are converted from factor cost to market prices by adjusting for indirect taxes and subsidies. Next, foreign components are removed by deducting income earned from abroad and expenditure made abroad.

The remaining figures represent income generated within the domestic economy and expenditure made within it. The difference between the two equals home investment, or the amount spent on domestic capital development.

Ensuring balance in the national accounts

A central requirement of the framework is that the accounting tables must balance, total income generated in the economy must equal the expenditure that gives rise to that income. Maintaining this balance depends on how transactions are defined and recorded.

Key principles include:

- **Income–expenditure correspondence:** Each monetary flow should appear once as income and once as expenditure.

- **Clear definitions of transactions:** Proper classification ensures that items are recorded consistently across the accounts.

- **Avoiding double counting:** Transactions must not be recorded twice on the same side of the accounts.

When these principles are applied correctly, national income, output, and expenditure measures align automatically within the accounting system.

Classification of transactions in the accounting system

Correct classification of transactions is essential to maintaining balance in the accounts. As money circulates through the economy, each flow should appear alternately as income and expenditure rather than being repeatedly recorded on the same side of the accounts.

The framework also simplifies institutional classification by dividing the economy into three sectors: government, businesses, and persons. Organizations such as hospitals, charities, and clubs are treated as channels through which individuals receive income and undertake expenditure or saving. This approach maintains clarity while ensuring that all transactions remain properly recorded in the national accounts.

Implications

The framework proposed in the paper laid the foundation for modern national income accounting. By organizing economic transactions into a consistent system of interlinked tables, the approach enables:

- More reliable national income estimates through statistical cross-checking of income, output, and expenditure measures.
- Clearer analysis of macroeconomic relationships linking production, consumption, savings, and investment.
- Greater comparability of economic statistics across countries through standardized accounting structures.

These principles later became central to the development of modern national accounting frameworks such as the System of National Accounts (SNA), the framework now used by most countries to measure GDP and other macroeconomic aggregates.

Conclusion

The paper represents a major methodological contribution to economic statistics. Instead of estimating national income through isolated methods, the authors develop a structured accounting framework that links income, output, expenditure, savings, and investment.

By organizing economic data into balanced tables, the system ensures consistency between different measures of national income while enabling statistical verification of estimates. This approach significantly improved both the reliability and analytical usefulness of national income statistics.

The framework later influenced the development of post-war national accounting systems adopted by governments and international organizations and formed part of the broader contributions for which Richard Stone received the Nobel Memorial Prize in Economic Sciences for advancing systems of national accounts, while co-author James E. Meade was awarded the Nobel Memorial Prize in Economic Sciences for his work in international trade theory. Many of the principles introduced in the paper continue to underpin modern economic measurement and remain fundamental to the analysis of national economies today.

Measurement of National Income and the Construction of Social Accounts[5]

Richard Stone (1947)

Summary

The report "Measurement of National Income and the Construction of Social Accounts" was prepared by the Sub-Committee on National Income Statistics of the League of Nations Committee of Statistical Experts and later published by the United Nations in 1947. The study represents one of the earliest systematic attempts to develop a comprehensive framework for measuring national income and organizing economic statistics in a coherent and consistent manner. Prior to this work, national income studies were mainly concerned with estimating aggregate totals such as national income or gross national product. However, economists increasingly recognized that such aggregates alone were insufficient to understand the structure and functioning of an economy.

The report therefore proposes a broader framework known as the social accounting system, which records the flow of economic transactions among different sectors of the economy. By focusing on the interrelationships among production, income generation, expenditure, saving, and investment, the report seeks to provide a clearer picture of the economic system. The approach not only improves the measurement of national income but also enhances the usefulness of economic statistics for policy formulation, economic planning, and international comparisons.

Introduction

The measurement of national income has long been considered essential for understanding the performance and structure of an economy. By the early twentieth century, economists and policymakers increasingly relied on national income statistics to assess economic growth, employment, and living standards. However, early national income estimates were often fragmented and lacked a consistent methodological framework. Different countries used varying definitions, classifications, and statistical methods, making it difficult to interpret economic data accurately or compare economic performance across nations.

In response to these challenges, the report Measurement of National Income and the Construction of Social Accounts sought to develop a more systematic approach to organizing economic statistics. Instead of focusing solely on estimating aggregate income measures, the study emphasized the need to understand the relationships among different economic transactions within the economy. It introduced the concept of social accounting, which records the flow of income, expenditure, and production between various sectors such as households, enterprises, and government institutions. By presenting economic activity within an integrated accounting framework, the report aimed to improve the analytical usefulness of national income statistics and provide a foundation for more comprehensive systems of national accounting in the future.

Objectives of the study

The primary objective of the study is to develop a systematic and standardized method for measuring national income and organizing economic statistics. Specifically, the report aims to:

- Establish a comprehensive framework for national income accounting that captures the relationships between different economic transactions.

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[5] Stone, Richard. *Measurement of national income and the construction of social accounts: Report of the Sub-committee on National Income Statistics of the League of Nations Committee of Statistical Experts*. No. 7. UN, 1947.

- Develop a system of social accounts that records the flows of income, expenditure, and production across various sectors of the economy.

- Improve the consistency and comparability of national income estimates across countries.

- Provide policymakers with a reliable statistical framework for economic analysis, planning, and policy formulation.

- Address both the conceptual and practical challenges involved in measuring national income.

Through these objectives, the study seeks to transform national income measurement from a simple calculation of economic aggregates into a structured analytical system that reflects the functioning of the entire economic economy.

Methodology

The report adopts a methodological approach based on social accounting, which emphasizes the recording of economic transactions between different economic entities rather than focusing only on aggregate totals. The method begins by identifying the main sectors of the economy, such as households, enterprises, financial institutions, and government. Each sector engages in a variety of economic transactions, including the production of goods and services, the distribution of income, consumption expenditure, saving, and investment. These transactions are recorded in a system of accounts that show both the sources and uses of funds within the economy. Economic activity is thus represented as a series of flows of money and goods between different sectors. National income and other macroeconomic aggregates are derived from the combination of these individual transactions.

This approach has several advantages. It makes the economic system easier to understand by showing how different sectors interact with one another. It also allows economists to trace the flow of income from production to distribution and finally to expenditure. In this way, the social accounting approach highlights the circular flow of income in the economy, demonstrating how production generates income, which is then spent or saved, thereby influencing further production. Furthermore, by starting with detailed transactions rather than final totals, the approach ensures greater consistency in statistical measurement and helps identify gaps in economic data. As a result, the method provides both a conceptual framework for economic analysis and a practical tool for statistical measurement.

Usefulness of an overall system of social accounts

The report highlights the significant usefulness of developing a comprehensive system of social accounts for understanding and managing the economy. An integrated accounting framework enables economists and policymakers to examine the relationships between different economic variables rather than analysing them in isolation. By organizing economic statistics into a coherent system, social accounts provide a clearer picture of how income flows through the economy and how different sectors interact. Such a system is particularly valuable for economic policy formulation. Governments require reliable statistical information to design policies related to employment, taxation, investment, and economic growth. The social accounting system helps policymakers evaluate the impact of these policies by showing how changes in one part of the economy affect other sectors.

The report also notes that the rapid development of national income accounting during the Second World War demonstrated its importance for economic planning and resource allocation. Governments relied heavily on national income statistics to monitor production, manage wartime resources, and plan post-war reconstruction. In the post-war period, the continued use of national accounts became essential for maintaining economic stability and promoting economic development. Overall, the system of social accounts provides a powerful analytical tool that helps governments and researchers understand the structure of the economy and make informed economic decisions.

Basis for international comparison

One of the major motivations behind the development of the recommended accounting framework is the need to facilitate international comparisons of economic performance. Countries differ significantly in their economic structures, institutional arrangements, and statistical practices. As a result, national income estimates prepared by different countries may not be directly comparable. The report addresses this problem by proposing a standardized system of national accounts based on commonly accepted definitions and classifications. By using consistent concepts and accounting principles, countries can produce national income statistics that are more comparable across different economies.

International comparability is important for several reasons. It enables economists to compare economic growth, productivity, and living standards across countries. It also helps international organizations and policymakers evaluate global economic trends and coordinate economic policies. For example, comparable national income statistics are essential for international economic cooperation, development planning, and global economic analysis. Although the report recognizes that perfect comparability may not always be possible due to differences in economic institutions and data availability, the adoption of a standardized accounting framework greatly improves the reliability and usefulness of cross-country comparisons.

Advantages of social accounting approach

The recommended system of social accounts offers several significant advantages over earlier methods of national income estimation. First, it provides a comprehensive and integrated framework that links production, income distribution, consumption, saving, and investment within a single accounting system. This integration ensures that all economic transactions are recorded consistently and that different components of the economy are properly connected. Second, the system improves the transparency of economic statistics by clearly showing how national aggregates are derived from individual transactions. This makes it easier for economists and policymakers to understand the structure of the economy and to interpret national income statistics.

Third, the framework allows for detailed analysis of the relationships between different sectors of the economy. For example, it becomes possible to examine how income generated by enterprises is distributed among households, governments, and financial institutions, and how this income is subsequently used for consumption or investment. Fourth, the system helps identify gaps and inconsistencies in statistical data, thereby encouraging improvements in statistical methods and data collection. Over time, this leads to more accurate and reliable national income estimates. Finally, the social accounting framework provides a strong foundation for advanced economic analysis, including studies of economic growth, structural change, and the impact of economic policies.

Economic problems involved in defining and interpreting the accounting system

Despite its advantages, the report acknowledges that several conceptual challenges arise when defining and interpreting national accounting systems. One major difficulty concerns the definition of income itself. Economists must determine which types of economic activities should be included in national income and which should be excluded. For example, the treatment of household production, unpaid services, and informal economic activities raises important conceptual questions.

Another challenge involves distinguishing between current income and capital transactions. Certain financial gains, such as capital gains resulting from asset price changes, may not represent new production but can still influence economic behaviour. Deciding whether and how to include such items in national income accounts requires careful consideration. The report also discusses the problem of valuing services that do not have clear market prices, such as government

services and certain financial services. Since these activities do not generate observable market transactions, statisticians must use indirect methods to estimate their value.

These conceptual difficulties highlight the importance of interpreting national income statistics carefully. While national accounts provide valuable information about economic activity, they do not necessarily measure economic welfare directly and must therefore be used alongside other indicators when evaluating economic performance.

Practical problems of measurement

In addition to conceptual issues, the report identifies several practical difficulties associated with measuring national income. Collecting reliable data on economic transactions can be challenging, especially in economies where statistical systems are still developing. Many economic activities are not recorded systematically, making it necessary to rely on estimates and approximations. Some components of national income, such as depreciation, inventory changes, and non-market services, must be estimated using indirect statistical techniques. Differences in accounting practices across industries and institutions may also create inconsistencies in data. Another practical problem involves coordinating data collection across multiple government agencies and statistical organizations. Effective national income accounting requires cooperation between various institutions responsible for collecting economic data, including ministries of finance, statistical offices, and central banks.

Despite these challenges, the report emphasizes that the proposed accounting framework provides a useful guide for organizing available data and gradually improving the accuracy of national income statistics over time.

Implications

The framework developed in this report has far-reaching implications for both economic analysis and public policy. First, it provides the conceptual foundation for modern national accounting systems, including the System of National Accounts (SNA) used internationally today. Second, it enhances the ability of governments to design and evaluate economic policies by providing reliable and comprehensive economic statistics. Third, it facilitates international comparisons of economic performance, thereby supporting global economic cooperation and development planning.

More broadly, the social accounting approach helps economists understand the complex interactions between different sectors of the economy and provides a valuable tool for analysing economic growth, structural change, and macroeconomic stability. As a result, the report remains a landmark contribution to the field of economic statistics and continues to influence the measurement and analysis of national economies.

Conclusion

The report makes a significant contribution to the development of modern national income accounting by introducing the concept of social accounting as an integrated framework for measuring economic activity. By emphasizing the relationships between production, income distribution, expenditure, and saving, the study moves beyond the simple calculation of economic aggregates and provides a more comprehensive understanding of how economies function.

The proposed system of accounts offers a structured method for recording economic transactions and deriving national income statistics in a consistent and transparent manner. Although the report recognizes several conceptual and practical challenges associated with national income measurement, it demonstrates that a well-designed accounting framework can greatly improve the organization and interpretation of economic statistics.

A System of National Accounts and Supporting Tables[6]

L. S. Berman (1960)

Summary

This report developed the first internationally standardised framework for measuring national income and economic activity. Prepared by the United Nations Statistical Office, it aimed to address inconsistencies in national income estimation across countries and to establish a unified statistical system. The study introduces a comprehensive accounting structure that records the production of goods and services, the generation and distribution of income, and the expenditure of that income within an economy. It organizes economic transactions into interconnected accounts covering production, households, government, capital formation, and the rest of the world. The report also emphasizes that national output can be measured through three equivalent approaches: the production, income, and expenditure methods. To support empirical implementation, it proposes standardised classifications and statistical tables that present economic data in a consistent and comparable format. These tables allow policymakers and researchers to analyse sectoral contributions to output, patterns of consumption and investment, and the distribution of income.

By integrating production, income distribution, and expenditure into a single accounting framework, the system provides a comprehensive picture of economic activity. The report also highlights the importance of saving and investment relationships and the role of international transactions in national accounting. Despite acknowledging measurement challenges and data limitations, the framework significantly improved the reliability and comparability of macroeconomic statistics. The report ultimately laid the foundation for the modern System of National Accounts (SNA), which continues to serve as the global standard for measuring economic performance and guiding macroeconomic policy analysis.

Background and motivation

By the mid-twentieth century, national income statistics had become an essential tool for economic analysis and policy formulation. However, countries used different definitions, classifications, and accounting methods, which made international comparisons difficult and limited the usefulness of economic statistics for global analysis. Recognizing this problem, the United Nations Statistical Office undertook the task of designing a unified and standardized system of national accounts that could serve as a common statistical framework for measuring economic activity.

The resulting report introduced the first internationally recognized System of National Accounts (SNA). The system was designed to organize economic transactions into a coherent set of accounts that capture the production of goods and services, the generation and distribution of income, and the expenditure of that income across different sectors of the economy. By linking these activities within a consistent accounting structure, the system provides a comprehensive representation of the functioning of an economy and establishes a foundation for international economic comparisons.

Conceptual foundations of the national accounting system

The system proposed in the report is based on the principle that economic activity can be understood through the circular flow of production, income, and expenditure. Production generates income for factors of production such as labour and capital, and this income is then used for consumption or saving. Consumption and investment expenditures in turn stimulate further production, creating a continuous cycle of economic activity. To measure these flows accurately, the report establishes several conceptual foundations. One important concept is the production boundary,

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[6] Berman, L. S. (1960). A System of National Accounts and Supporting Tables.

which defines which activities are included in national income calculations. Only activities involving the production of goods and services for the market or institutional use are included, ensuring that national income reflects measurable economic output.

Another key concept is the distinction between intermediate goods and final goods. Intermediate goods are inputs used in production, while final goods are consumed or invested. This distinction prevents the problem of double counting when calculating national income. The report also explains how economic activity can be valued at market prices or factor cost, clarifying how taxes, subsidies, and depreciation adjustments influence national income aggregates.

Standard accounting structure

A major contribution of the report is the creation of a standard accounting structure that organizes economic transactions into interconnected accounts. These accounts collectively describe how income is generated, distributed, and used within the economy.

The framework includes several core accounts:

- **Domestic product account**, which records the production of goods and services within the economy and forms the basis for calculating gross domestic product.

- **National income account**, which shows how income generated through production is distributed among households, enterprises, and government institutions.

- **Capital formation account**, which records investment activities and changes in inventories.

- **Household and private non-profit institutions account**, which tracks household income and consumption behaviour.

- **Government account**, which records government revenues, expenditures, and transfers.

- **Rest of the world account**, which captures transactions between the domestic economy and foreign economies.

Together, these accounts form an integrated system that ensures consistency between production, income distribution, and expenditure within the national economy.

Institutional sector classification

The system also introduces the classification of the economy into institutional sectors, allowing analysts to examine how income flows between different economic agents. These sectors typically include households, private enterprises, government institutions, non-profit organizations, and the rest of the world. By organising economic transactions according to these sectors, the national accounts make it possible to analyse how income is generated in one sector and redistributed or spent in another. This sectoral perspective is essential for understanding economic relationships such as government taxation and expenditure, household consumption patterns, and enterprise investment behaviour.

Measurement approaches to national product

An important conceptual contribution of the system is the recognition that national output can be measured through three alternative but equivalent approaches:

1. **Production Approach** – calculating the sum of value added by all industries in the economy.

2. **Income Approach** – calculating the total income generated from production, including wages, profits, rents, and interest.

3. **Expenditure Approach** – calculating total spending on final goods and services, including consumption, investment, government expenditure, and net exports.

Within the national accounting framework, these three approaches represent different perspectives of the same economic activity and should produce consistent estimates of national income when properly measured.

Supporting tables and statistical framework

To facilitate practical implementation, the report provides a series of supporting statistical tables that present economic data in a standardized format. These tables summarize key components of national accounts and help organize economic statistics for analytical use. Examples of the tables include expenditure on gross national product, industrial origin of output, distribution of national income, composition of private consumption expenditure, government revenue and expenditure, and external transactions with the rest of the world. These tables enable policymakers and researchers to analyse economic activity from multiple perspectives, including sectoral contributions to output, patterns of consumption and investment, and the distribution of income within the economy.

Saving, investment, and capital formation

The system also highlights the relationship between saving, investment, and capital formation, which plays a central role in economic growth. The capital account records how savings generated within the economy are used to finance investment activities such as the construction of infrastructure, acquisition of machinery and equipment, and accumulation of inventories. This framework illustrates the fundamental macroeconomic identity that total saving must equal total investment, either domestically or through transactions with the rest of the world. By capturing these relationships, the national accounts provide valuable insights into the processes of capital accumulation and economic development.

Another important feature of the system is the inclusion of a rest-of-the-world account, which records transactions between the domestic economy and foreign economies. These transactions include exports, imports, cross-border income flows, and international transfers. By incorporating the external sector within the national accounting framework, the system ensures consistency between national accounts and balance of payments statistics. This integration allows economists to analyse how international trade and financial flows influence domestic economic activity.

Policy relevance and analytical applications

The System of National Accounts was designed not only as a statistical framework but also as a tool for economic policy and macroeconomic analysis. Governments use national accounts to monitor economic growth, analyze sectoral performance, and evaluate fiscal and monetary policies. The system also helps policymakers understand patterns of consumption, investment, and income distribution within the economy. By providing a comprehensive and consistent set of economic statistics, the national accounts support informed decision-making and enable governments to design policies aimed at promoting economic stability and development.

Limitations and measurement challenges

Despite its advantages, the report acknowledges several limitations and measurement challenges associated with national accounting. Certain economic activities, particularly non-market services and informal sector production, are difficult to measure accurately. In addition, reliable statistical data may not always be available, especially in developing economies.

Estimating depreciation of capital assets, inventory changes, and the value of government services also presents methodological challenges. These difficulties highlight the importance of interpreting national income statistics carefully and recognizing that they provide an approximation rather than a perfect measure of economic activity.

Conclusion and significance

Overall, the report represents a major milestone in the development of modern economic statistics. By establishing a standardized framework for recording economic transactions, it transformed national income measurement into an integrated system of accounts that captures the complex relationships between production, income, and expenditure. The framework significantly improved the reliability, consistency, and comparability of national income statistics across countries. Over time, the system evolved into later revisions of the System of National Accounts, which continue to serve as the global standard for measuring economic activity and guiding macroeconomic policy analysis.

Technical Change and the Aggregate Production Function[7]

Robert Solow (1957)

Summary

Solow (1957) develops a framework to measure how much of economic growth is driven by capital accumulation, labour expansion, and technological progress. Using U.S. data from 1909–1949, Solow shows that increases in output cannot be fully explained by capital and labour alone. A significant share of growth instead arises from improvements in technology and productivity, later referred to as the Solow Residual. The study estimates an aggregate production function and decomposes output growth into contributions from capital, labour, and a time-varying technology factor. Solow finds that technical change accounts for most of the long-term increase in output per worker, while capital accumulation explains a smaller portion. The paper introduces an early empirical framework for growth accounting, which later became a core tool in macroeconomic analysis.

Introduction

The paper begins by addressing the broader challenge of analysing economic growth through an aggregate production framework. While production relationships are typically studied at the firm or industry level, macroeconomic analysis requires a simplified structure that links overall output with key inputs such as capital and labour. Solow highlights the need for such a framework to better understand the sources of long-term economic growth.

Against this backdrop, the paper explores how changes in productive efficiency contribute to economic expansion. In addition to increases in capital and labour, improvements in technology and organization can raise the productivity of these inputs and shift the economy's production capacity over time. Solow refers to these improvements broadly as technical change, encompassing innovations, better methods of production, and efficiency gains within the economy.

The study therefore seeks to examine how technological progress can be incorporated into an aggregate production function and how its influence on output growth can be identified empirically. By doing so, the paper provides a structured approach to understanding the relative roles of factor accumulation and productivity improvements in driving economic growth.

Theoretical basis

The author models aggregate output as a function of capital, labour, and time-dependent technological change. In the framework, capital and labour represent physical inputs, while time captures improvements in production efficiency. The production relationship assumes constant returns to scale, meaning that if both capital and labour increase proportionally, output increases by the same proportion.

Technical change is introduced as a shift in the production function over time rather than as a change in the relationship between capital and labour. This is referred to as neutral technical change, meaning it raises productivity without altering the relative importance of capital and labour.

Under this assumption, technological progress simply raises the level of output achievable with a given combination of inputs. This approach allows the author to isolate productivity improvements as a separate component of economic growth.

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[7] Solow, R. M. (1957). Technical change and the aggregate production function. *The review of Economics and Statistics*, *39*(3), 312-320.

Literature review

The empirical and theoretical foundations of Robert Solow's analysis draw upon several earlier contributions in growth economics and production theory. A key conceptual reference is Robinson (1953), who examined the theoretical challenges of defining capital and questioned the validity of the aggregate production function. Solow acknowledges these concerns but proceeds with the aggregate framework as a practical tool for macroeconomic analysis. In examining fluctuations in capital utilisation, Solow also refers to Fellner (1956), whose work on trends and cycles in economic activity highlights how variations in the intensity of capital use—particularly during wartime multi-shift production—can influence the measurement of capital input.

Empirical discussions of productivity growth are informed by Fabricant (1954), who documented that a large share of long-term increases in U.S. output per capita could be attributed to technological progress. Similarly, Abramovitz (1956) analysed long-term resource and output trends in the United States and identified a substantial unexplained component of growth, a gap that Solow's framework attempts to quantify more systematically. Comparative insights are also drawn from Valavanis-Vail (1955), whose econometric model estimated the pace of economic growth, and Schmookler (1952), who analysed changes in output per unit of input in the American economy. Methodologically, Solow relies on statistical approaches discussed by Prais and Houthakker (1971) and Prais (1952–53) to evaluate alternative functional forms and regression fits. The empirical analysis further depends on historical datasets compiled by Goldsmith (1956) for capital stock estimates, Douglas(1930) for labour statistics, and Burkhead (1953) for income distribution shares, which together provide the quantitative basis for Solow's growth accounting exercise.

Data and empirical application

To empirically estimate the model, the author applies the framework to U.S. private non-farm economy data between 1909 and 1949. Three main data series are required output per worker (or per man-hour), capital per worker, and capital's share of income. Output is proxied using real Gross National Product (GNP) for the private non-farm sector. Solow avoids using total national output because government activity and agriculture introduce measurement difficulties. Capital stock estimates are derived from historical investment data, though the author acknowledges that measuring capital accurately is challenging due to depreciation and variations in utilization. Despite these limitations, the dataset provides a consistent time series that allows for estimation of productivity trends.

Derivation of growth decomposition

The key methodological contribution is the growth accounting framework, which decomposes total output growth into contributions from inputs and technology. Output growth can be expressed as the sum of growth in capital inputs, growth in labour inputs, and growth in technological efficiency.

In essence, if output grows faster than what can be explained by increases in capital and labour, the remaining growth must come from improvements in productivity or technology. This decomposition allows economists to measure how much economic growth results from input accumulation versus efficiency improvements. The unexplained component of growth becomes the technical change term, later widely known as the Solow residual.

Estimation of technical change index

The author constructs a time series for technological progress denoted as A(t). This index measures how much the production function shifts upward over time.

The estimation procedure works as follows:

1. Calculate growth in output per worker.

2. Subtract the portion explained by increases in capital per worker.

3. The remaining component represents technical progress.

Using this method, the author generates an annual series for the technology index. The resulting estimates show that productivity improvements fluctuate over time but generally follow an upward trend. The study also notes temporary declines in productivity during major disruptions such as World War I and World War II, reflecting structural changes in the economy.

Aggregate production function estimation

After correcting for technological shifts, Solow estimates the shape of the aggregate production function. By adjusting output for technological change, the observations can be plotted as a relationship between output per worker and capital per worker. The author tests several functional forms to fit the data, including linear relationships, semi-logarithmic forms, and Cobb–Douglas production functions. Among these alternatives, the Cobb–Douglas specification fits the data particularly well, indicating that output increases with capital but at a diminishing rate. This confirms the theoretical expectation of diminishing returns to capital: as more capital is added per worker, each additional unit contributes less to output.

Results and findings

The empirical results yield several important conclusions:

1. **Technical change played a dominant role in economic growth:** Over the 40-year period studied, most of the increase in output per worker was attributed to productivity improvements.

2. Output per worker roughly doubled between 1909 and 1949.

3. Approximately seven-eighths of this increase resulted from technological progress, while the remaining share came from higher capital intensity.

4. The estimated production function exhibits diminishing returns to capital, meaning capital accumulation alone cannot sustain long-term growth.

These findings suggest that technological innovation and efficiency improvements are the primary drivers of sustained economic expansion.

Implications and Conclusion

This paper fundamentally reshaped how economists understand economic growth. The study demonstrates that capital accumulation alone cannot explain long-term increases in productivity. Instead, technological progress and improvements in efficiency play the central role. This insight laid the foundation for modern growth theory, where productivity, innovation, and human capital are viewed as key determinants of economic development. The paper also introduced the concept of Total Factor Productivity (TFP), which continues to be widely used by economists, policymakers, and financial analysts to evaluate economic performance. Solow's broader contributions to growth theory were later recognized with the Nobel Memorial Prize in Economic Sciences.

Although the methodology relies on simplifying assumptions—such as neutral technical change and competitive factor markets—the framework remains one of the most influential tools in macroeconomic research. More broadly, Solow's work highlights that sustainable economic growth depends not only on increasing investment but also on continuous improvements in technology, knowledge, and production efficiency.

The Explanation of Productivity Change[8]

D. W. Jorgenson and Z. Griliches (1967)

Summary

In The Explanation of Productivity Change, Jorgenson and Griliches (1967) challenge the standard interpretation of total factor productivity as a large autonomous residual representing technical progress or "advance of knowledge." Their central claim is that once output and input are measured correctly within a consistent social-accounting framework, most observed growth in output can be explained by growth in inputs, leaving only a small residual for productivity change. Using data for the U.S. private domestic economy over 1945–65, they show that input growth initially explains 52.4 per cent of output growth, but after correcting major measurement errors it explains 96.7 per cent, reducing estimated productivity growth from 1.60 per cent per year to just 0.10 per cent. The paper is thus a major intervention in growth accounting, shifting attention from residual attribution to measurement discipline.

Introduction

The authors begin from a production-theoretic framework in which changes in real product and real factor input can be decomposed into movements along a production function and shifts of the production function itself. If quantities of output and input are measured accurately, they argue, most growth in real output should be attributable to growth in real input. Total factor productivity is then the difference between the growth of output and the growth of input, not an independently observed primitive.

The authors state that their claim can be expressed in two equivalent ways: first, in the language of production theory, growth in total output is largely explained by growth in total input; second, in the language of social accounting, if output and input are properly accounted for, the observed growth in total factor productivity should be negligible. This is a strong departure from approaches that begin by accepting a large productivity residual and then seek to interpret it.

They also emphasise that their hypothesis is testable because the existing literature has often focused more on measuring the residual than on explaining it. In recognition of that fact, total factor productivity had acquired labels such as "The Residual" and "The Measure of Our Ignorance." The introduction therefore positions the paper as an effort to turn productivity analysis into a more disciplined inquiry by confronting the measurement foundations of the residual itself.

Conceptual framework

The paper is grounded in production theory and social accounting. The authors define total factor productivity as the difference between the growth of total output and the growth of total input, and they emphasise that changes in measured productivity can arise not only from genuine shifts in productive efficiency, but also from errors in the way output and inputs are aggregated and priced. They therefore argue that the standard residual should not automatically be interpreted as technological progress.

A major conceptual contribution of the paper is its insistence that output, labour, and capital should be measured through a consistent index-number framework. In particular, the authors use Divisia indexes and show that aggregation in constant prices can generate distortions, especially when dealing with heterogeneous investment goods, capital

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[8] Jorgenson, D. W., & Griliches, Z. (1967). The explanation of productivity change. *The Review of Economic Studies, 34*(3), 249–283.

services, and categories of labour. In this framework, only the portion of output growth that remains after accurately measured input growth is netted out should be viewed as productivity change.

Literature

Jorgenson and Griliches (1967) position their paper against a post-war productivity literature that had largely treated the unexplained part of growth as evidence of technical progress. In their reading, influential contributions by Mills (1952), Schmookler (1952), Fabricant (1959), Solow (1957), Kendrick (1961), and Abramovitz (1962) broadly suggested that a substantial share of output growth was being driven by growth in output per unit of conventionally measured inputs. The authors argue that this conclusion rests on weaknesses in the measurement of output and factor inputs rather than on a secure identification of autonomous productivity change. Their critique is therefore methodological as much as substantive: before the productivity residual is interpreted as technical progress, the underlying measures of output, capital services, and labour services must first be corrected for major conceptual and empirical errors.

Data and methodology

The empirical analysis covers the U.S. private domestic economy over 1945–65. The authors begin with initial estimates of total output, total input, and total factor productivity and then progressively adjust them for measurement errors. In the initial estimates, output growth averaged 3.49 per cent per year, input growth 1.83 per cent, and total factor productivity growth 1.60 per cent, implying that input growth explained only 52.4 per cent of the growth in output.

The strength of the paper lies in its stepwise correction procedure. The authors successively correct for errors in aggregation of consumption and investment goods, errors in investment-goods prices, changes in utilisation of labour and capital, aggregation errors in capital services, and aggregation errors in labour services.

This layered methodology is central to the paper's argument, because it shows how the measured productivity residual changes as the accounting framework becomes more precise. Rather than offering a single revised estimate, the paper demonstrates the cumulative effect of correcting each major source of mismeasurement

Key findings

The paper's principal finding is that the conventional productivity residual shrinks sharply once major measurement errors are corrected. For the period 1945–65, the authors show that the share of output growth explained by input rises from 52.4 per cent initially to 96.7 per cent after eliminating aggregation errors and correcting for utilisation changes in labour and capital. Correspondingly, measured total factor productivity growth falls from 1.60 per cent per year to 0.10 per cent per year.

The authors also show that the reduction in the productivity residual is not driven by one isolated adjustment alone. As corrections are introduced sequentially, the explanatory role of input rises materially. For example, once errors in capital-input aggregation are eliminated, input explains 82.7 per cent of output growth and the productivity residual falls further; after labour-service corrections are also incorporated, the residual declines to a very small level.

Taken together, these results imply that much of what had previously been attributed to productivity advance was, in fact, a consequence of inaccurate measurement of output and factor inputs. The paper therefore argues that movements along the production function explain most observed growth, while shifts in the production function explain only a small remainder.

Implications

The central contribution of the paper is methodological. Jorgenson and Griliches demonstrate that productivity analysis cannot be separated from the quality of national accounting. By showing how the residual changes when measurement is improved, they caution against treating total factor productivity as a direct proxy for technological progress, efficiency gains, or the "advance of knowledge."

A broader implication is that growth accounting should assign greater analytical weight to the proper measurement of:

- capital services rather than capital stock alone,

- labour quality rather than undifferentiated labour units, and

- relative prices and utilisation adjustments rather than constant-price aggregation alone.

For economic interpretation, the paper suggests that a large productivity residual may often reflect weaknesses in measurement rather than genuine autonomous shifts in productive efficiency. This has important implications for how economists think about long-run growth, technological change, and the relative importance of input accumulation. In that sense, the paper helped move the productivity literature away from residual-based explanation and toward more rigorous measurement.

Conclusion

The authors conclude by reversing the conventional narrative of postwar productivity analysis. They argue that much of what earlier researchers attributed to technical progress was in fact the result of incomplete or inconsistent measurement of outputs and inputs. By grounding productivity estimation firmly in production theory and social accounting, they reduce the explanatory burden placed on the residual and elevate the importance of statistical accuracy. The paper remains a landmark precisely because it shows that better measurement can fundamentally alter the interpretation of economic growth.

The History of the United States National Income and Product Accounts: The Development of an Analytical Tool[9]

Carol S. Carson (1975)

Summary

By the mid-1970s, the national income and product accounts were a cornerstone of macroeconomic analysis, yet their specific developmental history remained underexplored. Carson (1975) investigates the evolution of these accounts in the United States, concentrating on the critical period from 1932 to 1947. The author reveals how the single national income aggregate developed into a comprehensive double-entry system of accounts and emerged as a vital analytical tool for economic policy. Driven by the informational voids of the Great Depression and the logistical demands of World War II, the estimates were transformed from isolated historical statistics into an integrated macroeconomic framework essential for modern policy formulation. This expanded analysis specifically highlights the independent development of product estimates during the 1930s, the wartime applications that solidified the Gross National Product (GNP) concept, and the 1947 formalization of the interconnected sector accounts.

Introduction

Prior to World War I, national income estimates in the United States were the sporadic work of individual investigators such as George Tucker, Ezra C. Seaman, Charles B. Spahr, and Willford I. King. These estimates relied largely on decennial censuses to assess public finance and the burden of public debt. During World War I, Adolph C. Miller of the Federal Reserve prepared one of the first government estimates of national income to evaluate the country's financial capacity for the war effort. During the 1920s, organizations like the National Bureau of Economic Research (NBER) began providing more professional estimates, though these still suffered from significant time lags and lacked the frequency needed for business cycle forecasting.

The Great Depression exposed a severe lack of current, reliable economic data required for major policy decisions, leading to a 1932 Senate resolution proposed by Senator Robert M. La Follette, Jr. that officially mandated the Department of Commerce to prepare estimates of the national income. Carson (1975) traces the narrative from this initial mandate—executed under the direction of Simon Kuznets—through the rapid conceptual expansions triggered by World War II.

The study poses a central historical puzzle: how did a fragmented set of income measurements evolve into the Gross National Product (GNP) and a fully articulated set of sector accounts? By examining the transition from a single aggregate to a double-entry accounting system, the author highlights how the accounts became an analytical tool of the first order for government and private economists.

Literature

Carson (1975) builds upon and expands the historical literature regarding national income accounting, most notably supplementing John W. Kendrick's broader survey of global national income estimates. The study engages with the foundational statistical traditions established by early pioneers like Willford I. King, Wesley C. Mitchell, and the Federal Trade Commission's brief 1926 foray into national income estimates. Furthermore, Carson (1975) contextualizes the conceptual shift toward product and expenditure estimates within the emerging macroeconomic traditions of the

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[9] Carson, C. S. (1975). THE HISTORY OF THE UNITED STATES NATIONAL INCOME AND PRODUCT ACCOUNTS: THE DEVELOPMENT OF AN ANALYTICAL TOOL. *Review of Income and Wealth, 21*(2), 153–181.

1930s, documenting the independent, largely pre-Keynesian efforts of Clark Warburton, Simon Kuznets, and Lauchlin Currie. By integrating these theoretical shifts with institutional history, the author links the development of macroeconomic theory with the evolution of national accounting practices.

Contribution

The study advances the historical understanding of economic statistics through three main contributions:

1. **Detailed genealogy of product estimates:** Carson (1975) expands upon the isolated 1930s efforts to estimate output by expenditure, demonstrating how Warburton, Kuznets, and Currie's group independently laid the groundwork for the modern "C + I + G" approach, before Keynesian theory became dominant.

2. **Documentation of the shift from income to product:** The author provides a detailed history of the GNP concept, highlighting how Milton Gilbert, as chief of the National Income Division in 1941, redefined national aggregates by valuing output at market prices and incorporating taxes and depreciation into GNP.

3. **Tracing the origin of the modern accounting framework:** The study details the development of the 1947 interconnected double-entry system of sector accounts, including the introduction of a consolidated saving and investment account that reconciled institutional debates over presentation.

Data and methodology

To reconstruct this history, Carson (1975) utilizes a combination of primary historical documents, internal government memoranda, and extensive personal interviews. The documentary evidence includes Senate resolutions, War Production Board records, and original reports such as *National Income, 1929-32* and the *National Income, 1947 Edition*. To capture the ideas and motivations that shaped the accounts, the author extensively utilized interviews conducted in 1969 and 1970 with key participants, including Simon Kuznets, Milton Gilbert, George Jaszi, Clark Warburton, and V Lewis Bassie. This qualitative, historical methodology enables the author to trace not only the published statistical outcomes but also the behind-the-scenes debates over methodology, terminology, and policy applications.

Results

The historical analysis yields several central findings regarding the evolution of the accounts:

1. **Initial baseline of the 1930s:** The 1934 report *National Income, 1929-32*, under Kuznets' leadership, established the first official government estimates, defining "national income produced" and "national income paid out". The scope was conservative, explicitly cautioning against using these metrics as strict measures of economic welfare due to the exclusion of non-market activities, like housewives' services, and transfers.

2. **Independent pioneering of product estimates:** During the 1930s, the expenditure approach developed along three independent lines.

- Clark Warburton produced what appears to be the first print use of the term "gross national product" in 1934, emphasizing the need to track consumption versus capital expenditure to understand business fluctuations.

- Simon Kuznets developed estimates of gross capital formation using a "flow-of-goods" approach. In this framework, gross national product was defined as the value of commodities and services produced, gross of capital goods consumed but net of raw materials.

- Lauchlin Currie and V Lewis Bassie developed expenditure estimates at the Federal Reserve to analyse compensatory fiscal policy and the "net contribution" of government to buying power. Bassie's 1940 memorandum for the defence program was credited as the first to present GNP compiled entirely from the product side, building these estimates into formalized forecasting models.

3. **World War II and the conceptual shift to market prices:** Milton Gilbert, becoming chief of the National Income Division in 1941, sought to use the accounts to "explain" rather than merely "reflect" the economy. Wartime planning required a clear answer to a central question: given large military expenditures, how much output would remain available for civilian use? Gilbert argued that national income was not suitable for this comparison because war spending occurred at market prices. He therefore promoted measuring output as GNP at market prices, adding business taxes and depreciation back into national income. This represented a significant shift from Simon Kuznets' earlier framework. At the same time, related statistical work expanded the scope of the accounts. William H. Shaw produced estimates of finished commodities, while R. B. Bangs developed an extended series on disposable income and compared it with consumer spending to estimate the emerging "inflationary gap."

4. **Wartime policy applications:** The emerging GNP and income estimates became essential tools for wartime economic policy. They were used extensively in the 1942 "Feasibility Dispute" over the Victory Program, where Simon Kuznets and Robert Nathan demonstrated that early military production goals exceeded the nation's productive capacity, leading to a revision of wartime production plans. Concurrently, the Treasury and Office of Price Administration utilized the emerging personal sector accounts to calculate the "inflationary gap," determining the exact tax increases required to siphon off excess consumer purchasing power and prevent inflation.

5. **Formalization of the accounting approach:** The 1947 revision, supervised by Milton Gilbert and George Jaszi, transformed the estimates into an interrelated system of national economic accounting. To resolve disagreements over how the aggregates should be presented, Gilbert introduced a consolidated gross saving and investment account. This structure made it possible to construct balanced sector accounts for business, government, households, and the rest of the world, while keeping capital financing transactions separate from the main current accounts. The system also formalized five aggregates—national income, GNP, NNP, personal income, and disposable income—which remain core indicators in national accounting today.

Conclusion

Carson (1975) offers a comprehensive historical interpretation of the development of the US national income and product accounts. By detailing the transition from a single income aggregate generated to combat the data deficits of the Great Depression, to a fully integrated macroeconomic accounting system forged in the crucible of World War II, she frames this statistical evolution as the creation of a vital analytical tool. In doing so, Carson (1975) demonstrates that the architecture of modern economic data was not merely an abstract statistical exercise, but a direct, evolving response to the most pressing economic and geopolitical crises of the 20th century, permanently transforming how modern governments measure, forecast, and manage their economies.

Is Growth Obsolete?[10]

William D. Nordhaus and James Tobin (1972)

Summary

Nordhaus and Tobin (1972) ask whether economic growth should still be treated as a sensible objective once the economy is judged by welfare rather than by gross production. They do not defend raw GNP; they argue instead that national income accounts mix genuine welfare gains with costs, overheads, and activities that are only instrumental. Their response is to construct an experimental Measure of Economic Welfare (MEW), distinguish actual from sustainable welfare, and then revisit the growth debate through three linked questions: how badly GNP mismeasures welfare, whether natural resources impose a binding limit to future growth, and whether slower population growth raises living standards. The central result is disciplined rather than ideological. After substantial corrections for leisure, nonmarket household work, capital services, urban disamenities, and regrettable expenditures, per capita welfare still rises over 1929-65, though more slowly than per capita NNP in the preferred specification. Authors also find little evidence that resource scarcity, by itself, justifies arresting growth, provided substitution and technology continue to operate, while pollution and other public environmental harms are better understood as pricing failures. On population, they argue that lower fertility and even zero population growth can materially increase sustainable consumption per person. Growth, then, is not obsolete; careless growth accounting is.

Introduction

Postwar economics had made growth the organizing objective of policy and theory, but by the late 1960s critics were attacking both the moral and analytical status of that objective. Growth was now accused of neglecting environmental damage, distributional strain, and the difference between output and well-being. This paper addresses this criticism. The authors accept that GNP is not a welfare measure and that economists often encourage confusion when production statistics are used as if they were direct indicators of social performance. At the same time, they reject the direct inference from "GNP is imperfect" to "growth is meaningless." Their introduction recasts the controversy into a tractable research agenda built around three questions: whether current output measures capture welfare, whether natural resources make continued growth impossible, and how population growth changes sustainable living standards. That framing is the foundation of the paper. It removes the debate from slogans about pro-growth and anti-growth ideology and places it back inside economics, where claims must be tied to accounting definitions, production possibilities, externalities, and intergenerational trade-offs.

Literature review

Authors position the paper between historically minded development thinkers and the stripped-down equilibrium growth models that dominated postwar economics. They explicitly note the richer visions of Marx, Schumpeter, and Kuznets, while also acknowledging the analytical power of Harrod-style dynamic growth theory and later neoclassical macroeconomics. But they argue that mainstream growth theory had become too comfortable with labour, capital, and exogenous technology, leaving little room for environmental assets, nonmarket time use, and demographic structure. The paper also leans on growth-accounting and scarcity literature, especially Denison on the sources of U.S. growth, Barnett and Morse on measured scarcity, Easterlin on fertility and long swings, and Samuelson on social income. What much of this earlier work lacked, in their reading, was an integrated welfare metric that could connect national accounts to consumption, sustainability, and external costs. The literature discussion is therefore not ornamental. It establishes that neither conventional national accounting nor broad anti-growth criticism is sufficient. Growth theory had structure

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[10] Nordhaus, W. (1972). Is Growth Obsolete? William Nordhaus and James Tobin. *Economic Research: Retrospect and Prospect*, 5.

but weak welfare content; social criticism had urgency but weak measurement. This paper attempts to combine the two.

Contribution

The paper's first major contribution is the Measure of Economic Welfare (MEW), which shifts the unit of analysis from output to consumption and from aggregate production to per capita welfare. MEW is built as a rearrangement of the national accounts rather than as a wholesale rejection of them. Authors subtract intermediate and regrettable outlays, treat consumer durables and certain public and private expenditures as capital, impute the service flows from that capital, add leisure and household production, and deduct urban disamenities. More importantly, they distinguish actual MEW from sustainable MEW, the latter being the level of consumption compatible with maintaining capital and keeping per capita consumption on a steady growth path. This is a deeper move than it first appears because it shows why even NNP can overstate sustainable per capita consumption in a growing population.

The second contribution is empirical moderation. Their preferred per capita MEW still grows from 1929 to 1965, but at about 1.1 per cent annually versus 1.7 per cent for per capita NNP. They also estimate that urban disamenities amount to roughly 5 per cent of GNP and show that overhead and regrettable expenses rose substantially over time. The third contribution is analytical breadth: the same paper that repairs welfare accounting also tackles resource scarcity and population growth inside formal growth logic.

Data and methodology

The welfare-accounting exercise uses U.S. data from 1929 to 1965, mostly converted to 1958 prices, and draws from national income and product accounts, public and private wealth estimates, time-use assumptions, census material, and related macro sources. MEW begins by reclassifying expenditure categories. Defence, parts of commuting and other overhead costs, and certain government services are treated as instrumental rather than direct welfare. Consumer durables, education, health, and government capital are treated more like investment, and corresponding service flows are imputed back into consumption. Authors then add the value of leisure and nonmarket household production, presenting three variants depending on whether unpaid time is deflated by wages or by consumption prices. Their preferred version, variant B, deflates leisure by the wage rate and household production by the consumption deflator. They also estimate the disamenity cost of urbanization by using cross-sectional county regressions to infer the income premium associated with higher density and urban exposure. The result is a welfare series that looks very different from NNP: larger in level because of imputations, slower in per capita growth because of deductions and sustainability corrections, and explicitly centred on per capita consumption rather than output.

For natural resources, authors move beyond rhetoric and test three-factor production structures where output depends on capital, labour, and resources. They simulate 405 specifications with different elasticities of substitution and factor-augmenting technical change and judge them against stylized facts such as rising per capita income, declining resource shares, and a slowly falling capital-output ratio. The best-fitting cases imply either high substitutability between natural resources and the capital-labour composite or very rapid resource-augmenting technical change, with capital and labour themselves close to unit substitution. They then estimate parameters of a preferred model econometrically and interpret the result as supportive of high substitution. On population, authors compare equilibrium demographic structures generated by 1960 fertility-mortality rates, 1967 rates, and a hypothetical zero population growth case, then embed these in a life cycle saving framework to calculate wealth-income ratios, capital-output ratios, and sustainable consumption levels. They are also unusually candid about error: the time components of MEW, the disamenity adjustment, capital consumption, and net MEW investment are all acknowledged as high or very high error estimates.

Implications

If welfare is the objective, then raw GNP growth cannot be used as a sufficient indicator of social improvement. But the remedy is not to abandon growth as such. The paper argues that much of what anti-growth critics attribute to growth is a problem of mispricing and mismeasurement. Pollution, congestion, and other harms tied to public natural resources arise because the price system lets users treat scarce environmental services as free. In that setting, dirty technologies and wasteful patterns of consumption are effectively subsidized. The correct response is to adjust relative prices, force polluters to face social costs, and redirect innovation toward cleaner techniques. Authors are equally clear that appropriable resources already priced through markets do not, on the evidence they review, show signs of imminent macroeconomic exhaustion. If substitution continues, per capita income growth may even rise slightly rather than collapse as resource shares decline. Their estimate is modest, around one-tenth of 1 per cent per year over the next fifty years, but the larger point is analytical: zero growth is a blunt and expensive instrument for solving what is fundamentally a pricing problem.

The population result is more consequential than the resource result. Authors argue that lower population growth raises sustainable consumption per capita through two channels: it reduces the capital-widening requirement, and it changes the age structure in ways that increase desired wealth-income and capital-output ratios. Their calculations suggest that a zero-population growth equilibrium would yield sustainable consumption per person roughly 9 to 10 per cent higher than the equilibrium associated with 1960 demographic conditions, and a little over 3 per cent higher than the 1967 case. They also suggest that such a transition need not be coercive, since voluntary fertility decline, wider access to contraception, and legal abortion could move reproduction toward replacement levels. Still, the paper does not become utopian. Authors admit that a stationary or older population may alter institutions in ways that are slower or more painful, and they emphasize that their welfare estimates are tentative. The practical implication is therefore not "stop growth," but "measure welfare properly, price environmental damage honestly, and treat population policy as a first-order macroeconomic variable.

Conclusion

Nordhaus and Tobin close from a position that is stronger than either side of the original polemic. They do not rescue GNP as a social objective, and they do not deny that modern growth carries heavy overheads, environmental costs, and accounting distortions. Their own preferred welfare series grows more slowly than conventional per capita NNP, and they openly admit that several components of MEW are imprecise. But after all those corrections, the underlying conclusion remains that economic progress is real. Natural resources, on the evidence available to them, do not justify arresting general economic growth, though public environmental assets do require much better pricing and more serious research. Population growth, by contrast, is treated as a meaningful welfare burden because slower growth can raise sustainable living standards. The paper therefore rejects two bad positions at once: that more GNP automatically means more welfare, and that the failures of GNP accounting prove that growth itself is obsolete. Its lasting contribution is to force growth economics to answer a harder question—growth of what, for whom, at what social cost, and under what sustainability constraint—without collapsing into either complacency or fatalism.

Report by the Commission on the Measurement of Economic Performance and Social Progress[11]

Stiglitz, J. E., Sen, A., & Fitoussi, J.-P (2009)

Summary

The Stiglitz-Sen-Fitoussi Commission Report (2009) on the Measurement of Economic Performance and Social Progress (CMEPSP) argues that the prevailing reliance on Gross Domestic Product (GDP) provides an incomplete view of economic progress. While GDP effectively measures market production, it does not capture many aspects of societal well-being, including income distribution, environmental sustainability, and quality of life. When policy decisions rely excessively on GDP growth, they risk encouraging outcomes that increase production while neglecting broader social welfare. The report proposes a shift from a production-focused measurement framework to one centred on the well-being of current and future generations. It organizes its analysis around three major themes:

- **Classical GDP Issues:** Improving the measurement of economic activity, particularly services, government output, and quality change in goods and services.

- **Quality of Life:** Expanding measurement systems to include multidimensional indicators such as health, education, social connections, and subjective well-being.

- **Sustainability:** Assessing whether current levels of well-being can be sustained by monitoring the stocks of physical, human, social, and natural capital that support future prosperity.

Together, these pillars form the basis for a broader statistical framework designed to better measure economic performance, societal well-being, and long-term sustainability.

Introduction

In 2008, French President Nicolas Sarkozy convened a commission led by Joseph Stiglitz, Amartya Sen, and Jean-Paul Fitoussi to evaluate the adequacy of existing measures of economic performance. The initiative reflected growing concerns that widely used indicators such as GDP do not align with citizens' perceptions of economic conditions or living standards. The report argues that measurement systems influence both policy priorities and public understanding of economic outcomes. When indicators fail to capture important aspects of economic and social life, they can lead policymakers to pursue misleading objectives. As the Commission notes:

"*What we measure affects what we do; and if our measurements are flawed, decisions may be distorted.***"**

The global financial crisis reinforced these concerns. In the years preceding the crisis, many economies recorded strong GDP growth, yet existing statistical systems failed to provide early warning signals about emerging economic vulnerabilities. The Commission notes that part of the apparent growth during this period may have been a "mirage" built on unsustainable dynamics. This experience underscored the need for measurement systems capable of capturing both current well-being and the sustainability of economic performance.

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[11] Stiglitz, J. E., Sen, A., & Fitoussi, J. P. (2009, September). *Report by the commission on the measurement of economic performance and social progress.*

Literature review

Concerns regarding the adequacy of Gross Domestic Product (GDP) as a measure of economic and social progress have a long history in economic thought. The Commission's work builds upon several foundational strands of literature, starting with early efforts to construct broader welfare measures. Nordhaus and Tobin (1973) provided a seminal contribution with the Measure of Economic Welfare (MEW), which adjusted national income to account for leisure, household production, and the environmental costs of urbanization. It draws on the work of Hicks (1939) and Kuznets (1951) to distinguish between "final" utility and "defensive expenditures," arguing that certain market activities—such as spending on police, prisons, and national defence—are regrettably necessary inputs to maintain society rather than direct sources of utility or progress. The report is heavily influenced by Amartya Sen's (1985) capability approach, which defines well-being in terms of the actual freedoms and opportunities individuals possess to pursue lives they value. This framework is complemented by research into subjective well-being, which examines how individuals evaluate their own life satisfaction.

Finally, the report's framework for sustainability is grounded in a stock-based or "wealth" approach. This tradition stems from Weitzman (1976), who established the theoretical link between net national product and intertemporal well-being, viewing current wealth as the basis for future consumption possibilities. It also incorporates the Hartwick Rule (1977), which dictates that sustainability requires reinvesting the rents from exhaustible natural resources into other forms of capital.

Conceptual framework and contribution

The report's central contribution lies in its call to shift the emphasis of economic measurement from economic production to human well-being. While GDP remains an important indicator of economic activity, the Commission argues that it should not be interpreted as a comprehensive measure of social progress. Instead, the report proposes a broader statistical framework organised around three key pillars.

Pillar 1 - From Production to Household Living Standards: The Commission argues that GDP measures market output but provides only a limited picture of material well-being. It therefore advocates a stronger household perspective, focusing on indicators such as household income, consumption, and wealth. These measures incorporate taxes, social transfers, and government services provided in kind—such as health care and education—thereby providing a more accurate reflection of citizens' living standards.

Pillar 2 - Multidimensional Quality of Life: The report emphasizes that well-being is inherently multidimensional and cannot be captured by a single monetary indicator. Quality of life depends on a range of objective conditions and capabilities, including health, education, personal activities, political participation, social relationships, and environmental quality. The Commission therefore proposes measuring these dimensions using both objective indicators and subjective measures of well-being, such as life evaluations and hedonic experiences.

Pillar 3 - Sustainability and Capital Stocks: Finally, the Commission introduces a framework for assessing whether current levels of well-being can be maintained for future generations. Sustainability is evaluated by monitoring changes in the "balance sheets" of the economy—the stocks of capital—physical, human, natural, and social—that support future prosperity. Rather than relying on a single index, the report recommends a dashboard of indicators that tracks these underlying assets and their evolution over time.

Together, these pillars establish a measurement framework that complements traditional economic statistics with broader indicators of well-being and sustainability.

Data and Methodology

The report adopts a conceptual and statistical approach to evaluating existing measurement systems. It analyses the System of National Accounts and identifies areas where statistical improvements are necessary. Key methodological recommendations include:

- **Output-based service measurement:** Improving measurement of government-provided services, particularly in health and education—from input-based costs to output-based indicators that account for quality changes and productivity gains.

- **Household-centric data:** Expanding the use of household-level data to track the distribution of income, consumption, and wealth.

- **Time-use valuation:** Incorporating time-use surveys to capture non-market activities such as household production and leisure, through satellite accounts.

- **Comprehensive Balance Sheets:** Developing wealth accounts and "balance sheets of the economy" that track changes in economic assets and liabilities and stocks of physical, human, natural and social capital.

- **Physical Environmental Indicators:** Introducing environmental indicators, including measures of greenhouse gas concentrations and resource depletion, where monetary valuation remains uncertain.

- **Subjective well-being metrics:** Integrating questions into official surveys to capture subjective life evaluations and hedonic experiences as valid statistical measures of quality of life.

Together, these methodological shifts aim to create a statistical system capable of capturing the complexity and sustainability of modern economies.

Results and findings

The Commission identifies systemic limitations in current statistical systems that can lead to distorted policy decisions and a failure to signal emerging economic crises.

1. **Production vs. Living standards:** GDP measures production but does not directly reflect living standards or well-being. In some countries, real household income and GDP per capita have diverged significantly due to factors such as international income flows (e.g. profits sent abroad), effects of depreciation or changes in income distribution.

2. **The "Average" Fallacy:** Aggregate economic indicators can obscure significant inequality. Rising average income does not necessarily imply improved living standards for most individuals. This creates a marked gap between official statistics and public perception.

3. **The "Mirage" of Sustainability:** Standard metrics failed to provide "early warning signals" before the global financial crisis. Growth during the pre-crisis period was often a "mirage" built on asset bubbles and increasing indebtedness that depleted future prospects.

To address these gaps, the Commission presents twelve formal recommendations organised around three areas:

- **Shift to income and consumption** rather than production to track net national disposable income.

- **Focus on household perspectives:** Prioritize household-level data that accounts for taxes, benefits, and services provided in-kind by governments (e.g. health and education).

- **Balance Sheet Integration:** Integrate income and consumption with comprehensive wealth accounts that track assets and liabilities.

- **Median vs. Mean:** Highlight distributional measures to reflect the situation of the typical individual.

- **Valuing non-market activities:** Develop satellite accounts to measure unpaid household production and leisure time.

- **Develop and improve indicators** for health, education, personal activities, and social conditions.

- **Inequality Mapping:** Assess inequalities across populations, specifically by gender and socio-economic status.

- **Joint Distribution:** Design surveys to analyse how disadvantages in different dimensions interact.

- **Scalar Indices:** Enable the construction of summary measures of quality of life based on diverse perspectives.

- Incorporate **subjective** well-being data (life evaluations and hedonic experiences) into official surveys.

- Develop **dashboards of stock-based sustainability indicators** such as variations in the underlying stocks of physical, natural, human and social capital.

- **Physical Climate Indicators:** Use physical indicators to monitor proximity to dangerous climate change levels, specifically greenhouse gas concentrations, rather than relying solely on monetary valuation.

Implications

The report has profound implications for economic policy design and financial markets, arguing that the "compass" used to steer the economy must be fundamentally recalibrated.

For policymakers, adopting broader measurement frameworks can lead to policies that prioritize long-term well-being of current and future generations rather than short-term production growth. By moving beyond aggregate GDP to track household-level welfare and the distribution of income and wealth, policymakers can better identify the "typical" individual's experience rather than being misled by averages.

For financial markets, expanded measurement systems may improve risk assessment by highlighting vulnerabilities associated with environmental degradation, excessive indebtedness, or declining wealth stocks. Monitoring natural capital and environmental pressures alongside traditional economic indicators provides a clearer picture of long-term economic stability and a country's underlying wealth and liabilities.

Conclusion

The Stiglitz-Sen-Fitoussi Commission Report (2009) represents a landmark effort to rethink how economic progress is measured. While GDP remains an important indicator of economic activity, it cannot serve as a comprehensive measure of societal well-being or the sustainability of economic performance. The Commission calls for a transition toward a broader statistical framework that integrates measures of material living standards, quality of life, and sustainability. By developing more comprehensive indicators of economic and social progress, policymakers and citizens can better assess whether economic growth translates into genuine improvements in human welfare that can be sustained for the future.

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Market performance

Market round-up

Global equities under pressure as geopolitical risks intensify

Global markets remained constructive through February, but the tone turned more selective and materially weaker in March. Developed market equities (MSCI World) rose 0.6% in February, supported by softer US inflation, easing bond yields and resilient earnings, while emerging markets outperformed again, with MSCI EM gaining 5.4% as a weaker US dollar and continued strength in Asian technology markets lifted sentiment. Europe outperformed the US, with strong gains in the Euro Stoxx 50, CAC 40 and FTSE 100, while Asian performance remained mixed but favourable overall, led by Korea and Taiwan. This constructive backdrop reversed in March as the escalation in the Middle East, higher crude prices and renewed inflation concerns triggered a broad risk-off correction, with MSCI EM down 8.8% and MSCI World down 5.0% as of March 13th. Commodity markets also turned more risk-sensitive, with energy and precious metals gaining on geopolitical stress, while the rupee, after appreciating 1.1% in February, weakened sharply in March amid rising oil prices and renewed capital outflows.

Indian equities remained under pressure in February and corrected sharply in March. The month opened weakly after the Union Budget, where the proposed increase in STT on futures and options and the absence of fresh measures to attract foreign capital weighed on sentiment. Although the India–US trade deal and better-than-expected earnings helped sentiment recover, the rebound remained incomplete as weakness in IT stocks, firmer crude prices and renewed West Asia tensions capped gains. The Nifty 50 fell 0.6% in February, though the broader market was more resilient, with the Nifty Midcap 150 and Nifty Smallcap 250 rising 1.7% and 0.75%, respectively. The selloff intensified in March, with the Nifty down 8.1% in the month and 11.4% YTD as of March 13th. Domestic flows remained the principal stabilising force: DIIs recorded net inflows of Rs 38,423 crore in February, extending their buying streak to 31 months, while SIP inflows remained strong at Rs 29,845 crore. FPIs briefly turned buyers in February, with inflows of about US$2.5 bn, but resumed selling in March, with net outflows since 27 February reaching nearly US$6 bn by March 13th.

Global fixed income markets performed well in February, with yields declining across most major developed markets as softer inflation and expectations of eventual policy easing supported bonds. Indian fixed income markets also recovered after January's weakness: the benchmark 10-year G-sec yield softened to 6.66% by end-February, with the rally led by the short end as improved liquidity conditions and lower US yields supported demand. The long end, however, remained constrained by the heavy FY27 borrowing calendar, resulting in further curve steepening.

- **Indian equities remained under pressure in February but sold off sharply in March:** After a subdued start to the new year, the pressure on Indian equities continued in February. The sharp selloff on Budget day, triggered by the proposed increase in STT on futures and options and the lack of any fresh measures to attract foreign capital, set a weak tone at the outset. Sentiment improved thereafter as the India–US trade framework reduced external uncertainty and corporate earnings turned out better than anticipated. However, the recovery remained incomplete. By the end of the month, a steep correction in IT stocks, coupled with renewed tensions in West Asia and firmer crude prices, had again weighed on risk appetite. Even so, domestic liquidity continued to provide an important source of stability. DIIs remained strong net buyers, with inflows of Rs 38,423 crore in February 2026, extending the streak of monthly net purchases to 31 consecutive months. Retail financial participation also stayed firm, with SIP inflows at Rs 29,845 crore, reinforcing the role of domestic savings as a buffer against external volatility.

  Indian equity markets extended the sell-off in March, taking the YTD drop to 11.4% by March 13th, 2026.

  Against this backdrop, the Nifty 50 declined 0.6% in February, marking its third consecutive monthly fall. However, the weakness at the index level overstated the

softness in the broader market. The Nifty 50 USD Index rose 0.5%, supported by a 1.1% appreciation in the rupee against the US dollar, while the Nifty Midcap 150 and Nifty Smallcap 250 gained 1.7% and 0.75%, respectively. This indicates that the correction remained concentrated in select large-cap segments, particularly IT, rather than reflecting a broad-based deterioration in market conditions.

Market sentiment deteriorated more sharply in March. The escalation in Middle East tensions triggered a clear risk-off move, as higher crude prices, rupee weakness and concerns over imported inflation and growth weighed on investor sentiment. As of March 13th, 2026, the Nifty 50 had fallen 8.1% in the month, taking its YTD decline to 11.4%, broadly in line with the correction across emerging markets.

After a meaningful increase in January, trading activity on NSE moderated somewhat in February. Turnover in the equity cash segment declined by 4.1% MoM to Rs 1.14 lakh crore. In contrast, activity in equity derivatives remained firm. Average daily turnover (premium) in equity options rose a further 5.4% month-on-month, following a sharp 35.4% increase in January, to reach a 20-month high of Rs 70,056 crore. Equity futures activity, however, eased, with average daily turnover declining 6.0% month-on-month to Rs 1.7 lakh crore, after touching a 15-month high in the previous month.

- **Indian bond markets remained under pressure:** Global fixed income markets delivered a strong performance in February 2026, with yields declining across most major developed markets. In the US, Treasury yields softened across the curve, with the 10-year yield falling about 30 bps to 3.96%, supported by benign inflation prints and renewed expectations of Fed easing later in the year, even as the Federal Reserve kept policy rates unchanged in late January. Euro area bonds also firmed modestly as markets priced continued disinflation and an eventual easing bias from the ECB, which left rates unchanged on 5 February. UK gilts outperformed on softer growth expectations and rising rate-cut bets, while Japanese government bonds also recovered after January's underperformance.

  Indian fixed income markets recovered in February following the weakness seen in January. Although the Union Budget's record borrowing programme initially kept yields elevated, the benchmark 10-year G-sec yield softened to 6.66% by end-February. The rally was more pronounced at the short end, with yields on sovereign securities with residual maturity of less than three years declining by 15–22bps over the month. This easing was driven primarily by a marked improvement in system liquidity, which pushed overnight rates lower and supported demand for government securities, particularly at the front end of the curve. Lower US Treasury yields provided an additional external tailwind. The long end, however, remained relatively constrained by supply concerns linked to the heavy FY27 borrowing calendar, resulting in a further steepening of the yield curve.

- **DII buying continued for the 31st consecutive month; FPI selling strengthened in March:** After their heaviest monthly selling in 11 months in January 2026, FPIs turned net buyers in February, with net inflows of about US$2.5 billion, supported by the India–US trade deal and an improvement in risk sentiment towards Indian assets. The reversal was short-lived, however. Selling resumed in March, with FPIs remaining net sellers throughout the period following the outbreak of the US–Iran

conflict on 27 February. By 13 March, cumulative net equity outflows since the outbreak of the conflict had reached nearly US$6 bn, amid higher oil prices, rupee weakness and a broader risk-off shift. In this environment, domestic investors once again provided the principal stabilising anchor for the market. After turning strong buyers in January, individual investors as direct participants in NSE's secondary markets turned renewed sellers in February, with net outflows of Rs 7,665 crore. Notwithstanding volatile direct participation, indirect participation through mutual funds remained robust, as reflected in strong SIP inflows. DIIs consequently recorded net inflows of Rs 38,423 crore in February, marking the 31st consecutive month of net buying. Buying strengthened further in the first seven trading sessions of March, with net inflows of about Rs 70,527 crore, taking total DII inflows in FY26TD to a record Rs 7.77 lakh crore. The depth and consistency of domestic flows continued to cushion foreign selling pressure and underscored the growing resilience of India's equity markets.

- **Global equity markets continued gains into the new year:** Global equities remained constructive in February 2026, though the tone turned more selective by month-end. Developed market equities continued to advance, with the MSCI World Index up 0.6% in February and 2.9% YTD as of February 27th, supported by softer-than-expected US inflation, continued resilience in corporate earnings and still-favourable sentiment around AI-related growth themes, even as lofty technology valuations began to draw scrutiny late in the month. Emerging markets outperformed once again: the MSCI EM Index rose 5.4% in February, taking its YTD gain to 14.7% by February 27th, aided by a weaker US dollar, improving risk appetite and continued strength in key Asian markets. The tone shifted materially in March. As of March 13th, global equities had turned risk-off amid the escalation in the Middle East, the sharp rise in oil prices and renewed concerns over inflation and growth. The MSCI EM Index fell by 8.8% until March 13th, underperforming the MSCI World Index, which was down about 5.0% over the same period, led by a broad-based decline.

    US: US equity markets delivered a mixed performance in February 2026 after the strong start to the year. The month began on a constructive note, supported by softer inflation readings, easing bond yields, and continued optimism around AI-driven investment in technology. However, momentum moderated toward the latter half of the month as concerns emerged around stretched valuations in large tech stocks and uncertainty around trade and geopolitical developments increased. As a result, S&P 500 ended the month 0.9% lower, while the Nasdaq 100 Index fell by 2.3%, reflecting the impact of correction in major technology names. The Dow Jones Industrials Average Index held up fairly steady, reflecting a rotation towards cyclicals and defensive sectors. Market sentiment weakened further in early March. The escalation of tensions in the Middle East, and the resulting surge in crude oil prices triggered a broader risk-off move, reversing part of the gains accumulated earlier in the year and increasing volatility across US equity indices, with all major flagship indices down 2-5% in March till date (As of March 13th, 2026)

    The US economy showed signs of gradual cooling in February 2026, even as activity remained broadly resilient. Labor market showed some weakness, with the US economy losing 92k jobs as compared to a downwardly revised increase of 126k in

January. This was also much lower than an expected 59k increase in non-farm payrolls during the month. Further, unemployment rate inched up to 4.4% in February from 4.3% in the previous month, higher than market expectations. Manufacturing PMI also slipped from 53.4 in January to 51.6 in February, down from the initial market expectations of 52.6. Services PMI also dropped to 51.7 from 52.7 in the previous month, revised lower from the preliminary estimate of 52.3 and lower than market expectations of 53. On the policy front, while the US Federal Reserve kept the policy rates unchanged, Fed officials are divided over the future course of interest rates, with markets continuing to price in rate cuts later in the year.

Europe: European equities performed strongly in February 2026, extending their outperformance relative to the US markets. The rally was led by cyclical sectors— particularly financials, industrials and defence—supported by improving earnings expectations and continued fiscal support across major European economies. As a result, the Euro Stoxx 50 Index rose by 3.2% in February, taking the last 3/6-month return as of February 28th, 2026 to 8.3%/14.7% respectively. While Germany's DAX Index rose by 3%, France's CAC 40 Index outperformed with a 5.6% return in February. Investor sentiment was aided by expectations that the European Central Bank would gradually move towards policy easing later in the year as inflation continued to moderate. However, the momentum moderated towards the end of the month and into early March as rising geopolitical tensions in the Middle East and higher energy prices triggered a broader risk-off shift across global markets.

Economic activity in the Euro area remained subdued but stable in February 2026. Labour markets continued to be resilient, with the unemployment rate falling to historic low of 6.1% in January 2026. Industrial activity, however, remained weak, reflecting soft external demand and ongoing adjustments in the manufacturing sector, particularly in Germany, with the industrial production falling by 1.2% YoY in January 2026, marking the first YoY contraction in the past 12 months. After three months of contraction, Manufacturing PMI improved to 50.8 in February 2026, marking the strongest reading since June 2022. Services PMI also inched up marginally to 51.9 in February 2026 from 51.6 in the previous month. Meanwhile, headline inflation picked up to 1.9% in February from a 16-month low of 1.7% in the previous month. On the policy front, On the policy front, after a cumulative rate cut of 75bps in 2025, the ECB decided to keep the policy rates unchanged in the first policy meet of 2026, citing comfortable growth-inflation dynamics.

UK equities delivered a strong performance in February 2026, broadly in line with the constructive tone across European markets, on the back of resilient company earnings, expectations of Bank of England rate cuts, and attractive valuations compared to global peers. The FTSE 100 Index surged to record highs and gained 6.7% in February—the highest monthly returns in the past 63 months, supported by a weak pound boosting foreign earnings, while market rotation away from AI-driven stocks benefited sector diversity. In March thus far, UK equities experienced significant volatility, driven by a sharp escalation in Middle East tensions that disrupted energy markets, compounded by domestic inflation concerns.

Asia: Asian equity markets remained broadly constructive in February 2026, though performance across the region was more mixed than the strong rally seen

at the start of the year. Technology-led markets continued to outperform: South Korea's KOSPI gained about 19.5% in February, while Taiwan's TAIEX advanced around 10.5%, supported by sustained global demand for semiconductors and AI-related infrastructure. Chinese equities recorded more modest gains, with the Shanghai Composite rising about 1.1%, while Hong Kong underperformed mainland markets as the Hang Seng fell by 2.8% during the month. In contrast, regional gains were tempered by weaker performance in parts of Southeast Asia and India, where foreign outflows and global risk aversion weighed on sentiment. While Indonesia's IDX Composite Index ended 1.1% lower, India's Nifty 50 Index fell by a more modest 0.6%. Markets, however, came under significant pressure in March in the light of escalating Middle East conflict and resultant surge in crude oil and other energy prices, led by steep losses in Korea, Indonesia and Indian equities.

- **Safe haven surge and supply disruptions drive divergence in commodities:** In February 2026, commodity markets shifted from the broad-based surges of Jan'26 towards a more selective, risk-driven divergence. Energy prices rose 2.6% MoM as geopolitical tensions surrounding US-Israel operations against Iran pushed crude prices beyond US$80/bbl. Heightened uncertainty also drove strong safe-haven demand for precious metals, with gold rising 4.5% MoM and silver surging 10.8% MoM, aided by softer US Treasury yields and a catch-up rally in silver. Industrial metals showed mixed trends: Tin (+11.6% MoM) remained a standout due to continued Myanmar-DRC supply disruptions. Conversely, Iron Ore (-4.3%) and Zinc (-2.8%) were weighed down by weak Chinese property sector demand and seasonal slowdowns during the Lunar New Year. The agricultural sector saw localized supply shocks override global surpluses. Wheat (+11.3% MoM) prices strengthened due to frost risks in parts of the US and Europe and uncertainty over Black Sea grain flows. Corn prices increased 2.3% MoM amid persistent drought conditions across parts of US Midwest & South, Brazil and Argentina. Raw Sugar prices (+0.2% MoM) remained stable as massive Asian production neutralized the ethanol parity typically triggered by high oil prices.

The S&P GSCI Index shot up 2.13% MoM in Feb'26.

- **Rupee stabilises in February but witnessed renewed weakness in March:** The Indian Rupee (INR) appreciated by 1.1% MoM in Feb'26, supported by a reversal in portfolio flows (US$2.5 bn net equity inflows versus US$4.0 bn outflows in Jan'26) and developments relating to the proposed US–India trade agreement, while foreign exchange reserves remained elevated at US$728.5 bn (as of 27th February). However, the rupee weakened to around 92.5 (as of 13th March) amid renewed portfolio outflows, rising geopolitical tensions and a spike in crude oil prices above US$110/bbl. Meanwhile, REER and NEER continued to moderate, extending the currency's undervaluation phase, while annualised INR volatility remained contained at 4.7% relative to EM peers. One-year forward premia eased to 2.43%, suggesting a modest recalibration in forward pricing. Overall, the rupee remained sensitive to portfolio flows and external shocks, though supported by strong reserve buffers and contained volatility.

Performance across asset classes

Table 59: Performance across equity, fixed income, currency, and commodity markets (As on February 28th, 2026)

Indicator Name	Feb-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	25,179	25,321	26,203	22,125	-0.6	-3.9	3.1	13.8	-3.6
NIFTY 500	23,167	23,080	23,933	19,881	0.4	-3.2	3.1	16.5	-3.0
MSCI INDIA	2,991	2,985	3,075	2,574	0.2	-2.7	4.2	16.2	-2.7
India Volatility Index (%)	13.7	13.6	11.6	13.9	0.5	18.0	16.6	-1.5	44.6
MSCI WORLD	4,557	4,528	4,398	3,805	0.6	3.6	9.1	19.7	2.9
S&P 500 COMPOSITE	6,879	6,939	6,849	5,955	-0.9	0.4	6.5	15.5	0.5
DOW JONES INDUSTRIALS	48,978	48,892	47,716	43,841	0.2	2.6	7.5	11.7	1.9
HANG SENG	26,631	27,387	25,859	22,941	-2.8	3.0	6.2	16.1	3.9
FTSE 100	10,911	10,224	9,721	8,810	6.7	12.2	18.8	23.9	9.9
NIKKEI 225	58,850	53,323	50,254	37,156	10.4	17.1	37.8	58.4	16.9
Fixed Income*									
India 10YR Govt Yield (%)	6.66	6.70	6.55	6.72	-4bps	12bps	7bps	-6bps	7bps
India 5YR Govt Yield (%)	6.39	6.37	6.22	6.64	3bps	17bps	4bps	-25bps	7bps
India 1YR Govt Yield (%)	5.56	5.70	5.60	6.58	-14bps	-4bps	-8bps	-102bps	-12bps
India 3Month T-Bill Yield (%)	5.30	5.46	5.47	6.61	-16bps	-17bps	-34bps	-131bps	-7bps
US 10YR Govt Yield (%)	3.96	4.26	4.02	4.20	-30bps	-6bps	-26bps	-23bps	-20bps
Germany 10YR Govt Yield (%)	2.65	2.84	2.69	2.39	-19bps	-4bps	-7bps	27bps	-20bps
China 10YR Govt Yield (%)	1.83	1.80	1.83	1.78	3bps	0bps	4bps	5bps	-3bps
Japan 10YR Govt Yield (%)	2.11	2.25	1.80	1.37	-14bps	31bps	50bps	74bps	4bps
Currency									
USD/INR	91.0	92.0	89.4	87.5	-1.1	1.7	3.1	4.0	1.2
EUR/USD	1.2	1.2	1.2	1.0	-0.8	1.7	0.9	13.5	0.5
GBP/USD	1.3	1.4	1.3	1.3	-2.0	1.5	-0.5	6.8	-0.0
USD/YEN	156.1	154.3	156.1	150.7	1.2	0.0	6.3	3.6	-0.4
USD/CHF	1.3	1.3	1.2	1.1	0.1	4.4	3.9	17.3	3.0
USD/CNY	6.9	6.9	7.1	7.3	-1.3	-3.2	-3.9	-5.9	-1.9
Commodities									
Brent Crude Oil (US$/bbl)	72.6	70.7	63.2	73.6	2.6	14.7	6.5	-1.4	19.2
LME Aluminium (US$/MT)	3,127.9	3,117.3	2,842.1	2,621.1	0.3	10.1	19.5	19.3	5.4
LME Copper (US$/MT)	13,294.0	13,067.6	11,233.7	9,338.1	1.7	18.3	35.4	42.4	6.8
LME Lead (US$/MT)	1,917.4	1,963.1	1,938.6	1,967.0	-2.3	-1.1	-1.7	-2.5	-2.6
LME Nickel (US$/MT)	17,640.8	17,732.9	14,632.2	15,266.9	-0.5	20.6	15.7	15.6	6.9
LME Tin (US$/MT)	57,747.0	51,728.0	39,284.0	31,133.0	11.6	47.0	64.1	85.5	42.1
LME Zinc (US$/MT)	3,298.7	3,393.6	3,279.9	2,762.8	-2.8	0.6	16.8	19.4	7.0
SHC Iron Ore Spot (US$/MT)	100.5	105.0	106.9	106.0	-4.3	-6.0	-3.8	-5.2	-7.5
Gold Spot Price (US$/troy ounce)	5,254.1	5,030.4	4,200.1	2,851.3	4.5	25.1	52.7	84.3	21.5
Silver Spot Price (US$/troy ounce)	93.8	84.7	56.4	31.2	10.8	66.4	136.4	201.2	31.6
Platinum Spot Price (US$/ounce)	2,366.0	2,300.0	1,640.0	943.0	2.9	44.3	75.7	150.9	16.7
Palladium Spot Price (US$/ounce)	1,793.0	1,820.0	1,448.0	918.0	-1.5	23.8	63.9	95.3	14.4
Soyabeans (US$/bushel)	11.3	10.4	11.0	9.9	9.2	2.7	10.2	14.9	11.8
Corn (c/lb)	438.3	428.3	435.3	453.0	2.3	0.7	10.0	-3.3	-0.6
Wheat (US$/bushel)	5.9	5.3	5.4	5.5	11.3	9.3	21.6	8.0	17.6
Cotton (US$/lb)	0.6	0.6	0.6	0.6	4.4	1.4	-0.6	0.6	2.6
Raw Sugar (c/lb)	14.0	14.0	14.9	18.7	0.2	-5.6	-16.1	-25.1	-5.2

Source: LSEG Workspace, Cogencis, NSE EPR. *Returns over different periods shown in terms of absolute change in basis points.

Table 60: Performance (total returns) across global asset classes

Asset performance (Ranked by % change each year)

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Bitcoin 122.7	Bitcoin 1,394.5	Nifty 50 4.6	Bitcoin 94.1	Bitcoin 304.5	Bitcoin 59.4	WTI Crude 6.7	Bitcoin 153.5	Bitcoin 121.9	Gold 64.7	WTI Crude 58.5
WTI Crude 45.0	MSCI EM $ 37.8	Nasdaq 100 0.0	Nasdaq 100 39.5	Nasdaq 100 48.9	WTI Crude 55.8	Nifty 50 5.7	Nasdaq 100 55.1	Gold 27.1	MSCI EM $ 34.4	Gold 18.9
FTSE100 19.1	Nifty 500 37.7	Gold -1.7	WTI Crude 35.3	Gold 24.8	Nifty 500 31.6	FTSE100 4.7	Nifty 500 26.9	Nasdaq 100 25.9	FTSE100 25.8	MSCI EM $ 7.0
DJIA 16.5	Nasdaq 100 33.0	Nifty 500 -2.1	S&P500 31.5	Russell 1000 21.0	S&P500 28.7	Nifty 500 4.3	Russell 1000 26.5	S&P500 25.0	MSCI World 21.6	FTSE100 4.0
Russell 1000 12.1	Nifty 50 30.3	DJIA -3.5	Russell 1000 31.4	MSCI EM $ 18.7	Nasdaq 100 27.5	Gold -0.4	S&P500 26.3	Russell 1000 24.5	Nasdaq 100 21.0	SSE Comp 3.9
S&P500 12.0	DJIA 28.1	S&P500 -4.4	MSCI World 28.4	S&P500 18.4	Russell 1000 26.5	DJIA -6.9	MSCI World 24.4	MSCI World 19.2	STOXX 600 20.6	STOXX 600 1.3
MSCI EM $ 11.6	MSCI World 23.1	Russell 1000 -4.8	STOXX 600 27.6	Nifty 500 17.9	Nifty 50 25.6	STOXX 600 -10.1	Nifty 50 21.3	Nifty 500 16.2	SSE Comp 18.4	MSCI World -0.3
Gold 9.0	S&P500 21.8	MSCI World -8.2	DJIA 25.3	MSCI World 16.5	STOXX 600 25.5	SSE Comp -15.1	STOXX 600 16.5	DJIA 15.0	S&P500 17.9	DJIA -0.9
MSCI World 8.2	Russell 1000 21.7	FTSE100 -8.7	SSE Comp 22.3	Nifty 50 16.1	MSCI World 22.4	MSCI World -17.7	DJIA 16.2	SSE Comp 12.7	Russell 1000 17.4	Russell 1000 -1.2
Nasdaq 100 7.3	Gold 12.6	STOXX 600 -10.2	MSCI EM $ 18.9	SSE Comp 13.9	DJIA 21.0	S&P500 -18.1	Gold 13.8	Nifty 50 10.1	DJIA 14.9	S&P500 -1.3
Nifty 500 5.1	WTI Crude 12.5	MSCI EM $ -14.2	Gold 18.7	DJIA 9.7	FTSE100 18.4	Russell 1000 -19.1	MSCI EM $ 10.3	FTSE100 9.7	Nifty 50 11.9	Nasdaq 100 -2.3
Nifty 50 4.4	FTSE100 12.0	SSE Comp -24.6	FTSE100 17.3	STOXX 600 -1.5	SSE Comp 4.8	MSCI EM $ -19.7	FTSE100 7.9	STOXX 600 9.5	Nifty 500 7.8	Nifty 500 -5.7
STOXX 600 2.4	STOXX 600 11.2	WTI Crude -25.3	Nifty 50 13.5	FTSE100 -11.6	MSCI EM $ -2.2	Nasdaq 100 -32.4	SSE Comp -3.7	MSCI EM $ 8.1	Bitcoin -6.3	Nifty 50 -6.3
SSE Comp -12.3	SSE Comp 6.6	Bitcoin -74.2	Nifty 500 9.0	WTI Crude -21.0	Gold -4.0	Bitcoin -64.1	WTI Crude -10.4	WTI Crude 0.8	WTI Crude -21.0	Bitcoin -22.2

Source: LSEG Workspace, NSE EPR. Note: Returns for equity indices are based on total return index values except for Shanghai SE Composite Index.

Equity market performance and valuations

Table 61: Performance across NSE equity indices (As on February 28th, 2026)

February-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	-0.6	-3.9	13.8	13.3	11.6	-0.5	-3.8	15.1	14.6	12.9
Nifty Next 50	2.8	0.8	22.2	23.2	15.3	2.9	1.0	23.2	24.1	16.2
Nifty 100	0.0	-3.1	15.2	14.9	12.0	0.0	-3.0	16.4	16.1	13.3
Nifty 200	0.2	-3.1	16.6	16.4	13.2	0.3	-3.0	17.7	17.5	14.4
Nifty 500	0.4	-3.2	16.5	16.9	13.7	0.5	-3.1	17.6	18.0	14.9
Nifty Midcap 50	0.4	-3.8	23.8	25.6	19.8	0.6	-3.6	24.6	26.4	20.8
Nifty Midcap 100	1.2	-3.2	23.4	25.2	20.5	1.3	-3.0	24.2	26.0	21.4
Nifty Midcap 150	1.7	-2.5	23.1	24.2	19.9	1.8	-2.3	23.9	24.9	20.8
Nifty Midcap Select	0.7	-3.9	25.3	25.7	17.1	0.8	-3.8	26.0	26.5	18.0
Nifty Smallcap 50	1.4	-4.6	17.0	26.2	15.2	1.5	-4.5	17.8	27.1	16.2
Nifty Smallcap 100	0.3	-5.1	15.2	22.7	16.0	0.4	-4.9	15.9	23.6	17.0
Nifty Smallcap 250	0.8	-5.1	14.7	21.2	18.2	0.8	-5.0	15.4	21.9	19.0
Nifty LargeMidcap 250	0.8	-2.8	19.1	19.6	16.0	0.9	-2.7	20.1	20.6	17.1
Nifty MidSmallcap 400	1.4	-3.4	20.1	23.1	19.3	1.5	-3.2	20.9	23.9	20.2
Nifty500 Multicap 50:25:25	0.6	-3.5	17.1	18.9	15.7	0.7	-3.3	18.0	19.9	16.8
Nifty Microcap 250	0.1	-7.9	9.3	27.3	26.4	0.2	-7.8	9.8	27.9	27.1
Nifty Total Market	0.4	-3.4	16.3	17.1	14.0	0.4	-3.3	17.3	18.2	15.2
Thematic Indices										
Nifty India Consumption	0.6	-7.5	13.6	17.5	14.8	0.7	-7.4	14.6	18.6	16.0
Nifty MidSmall India Consumption	3.3	-7.1	5.3	20.7	15.9	3.6	-6.8	6.0	21.3	16.5
Nifty Non-Cyclical Consumer	-0.2	-8.9	5.5	14.0	13.0	-0.2	-8.8	6.4	15.0	14.1
Nifty India Manufacturing	4.8	3.1	30.2	25.7	20.0	4.8	3.1	31.1	26.5	21.0
Nifty Infrastructure	4.2	-1.3	24.4	23.9	18.3	4.2	-1.2	25.3	24.9	19.5
Nifty Services Sector	-2.4	-4.9	9.9	12.1	9.5	-2.4	-4.8	11.3	13.5	10.8
Nifty Commodities	3.2	8.1	31.1	22.8	18.3	3.4	8.3	32.3	23.9	19.8
Nifty CPSE	4.0	11.4	31.5	35.0	30.9	4.7	12.2	34.4	38.1	34.9
Nifty PSE	2.8	7.3	29.7	33.6	26.7	3.4	7.9	32.2	36.2	30.3
Nifty Energy	5.4	4.2	23.4	19.6	14.5	5.8	4.6	24.9	21.2	16.5
Nifty MNC	4.2	4.3	27.2	18.6	15.0	4.3	4.4	28.7	19.9	16.4
Nifty India Digital	-12.9	-16.6	-2.7	14.8	9.7	-12.8	-16.4	-1.5	16.0	11.0
Nifty India Defence	-0.7	1.5	58.4	56.8	54.0	-0.5	1.7	59.3	57.9	55.6
Nifty Mobility	4.5	-1.6	31.4	30.0	20.4	4.6	-1.5	32.4	30.8	21.4
Nifty100 Liquid 15	3.1	-0.6	24.0	20.1	15.2	3.1	-0.6	25.0	21.1	16.3
Nifty Midcap Liquid 15	-2.9	-9.5	23.5	27.4	21.2	-2.8	-9.3	24.3	28.3	22.4
Nifty Corp. Grp Index - Aditya Birla Group	-1.2	5.9	32.4	21.7	15.8	-1.2	5.9	33.0	22.2	16.3
Nifty Corp. Grp Index - Mahindra Group	-5.9	-8.6	21.9	26.2	23.2	-5.9	-8.6	22.8	27.2	24.9
Nifty Corp. Grp Index - Tata Group	-3.8	-4.7	-3.0	6.6	9.3	-3.8	-4.0	-1.3	8.3	10.8
Nifty Corp Grp Index - Tata Group 25% Cap	0.8	0.7	7.1	15.4	15.6	0.8	1.1	8.3	16.5	16.8
Nifty Shariah 25	-4.5	-6.9	5.7	10.6	8.8	-4.4	-6.5	7.3	12.3	10.6
Nifty50 Shariah	-7.4	-7.2	0.6	5.7	6.1	-7.4	-6.9	2.4	7.6	8.0
Nifty500 Shariah	-2.0	-4.4	9.3	11.8	11.0	-1.9	-4.1	10.5	13.1	12.4
Nifty SME EMERGE	-0.9	-17.0	0.3	25.8	47.9	-0.9	-17.0	0.3	25.9	48.2
Nifty100 ESG	-0.7	-2.8	16.7	16.2	12.0	-0.7	-2.7	18.0	17.5	13.3
Nifty100 Enhanced ESG	-0.8	-2.9	16.7	16.2	12.0	-0.7	-2.8	17.9	17.4	13.2
Nifty100 ESG Sector Leaders	-1.6	-4.7	13.7	14.1	11.1	-1.5	-4.6	14.8	15.3	12.3

February-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty IPO	0.3	-5.8	11.9	16.4	6.1	0.3	-5.8	12.2	16.6	6.4
Nifty REITs & InvITs	0.8	1.6	22.2	12.0	7.1	1.7	2.7	27.6	16.9	13.5
Nifty Core Housing	2.9	-4.4	9.5	13.8	9.7	2.9	-4.4	10.1	14.5	10.4
Nifty500 Multicap India Mfg. 50:30:20	4.0	-0.5	23.5	24.1	19.3	4.1	-0.4	24.4	24.9	20.3
Nifty500 Multicap Infra 50:30:20	3.4	-2.5	21.1	21.9	18.9	3.5	-2.4	22.0	22.8	20.0
Nifty EV & New Age Automotive	4.5	-1.2	21.0	21.1	22.5	4.6	-1.2	21.9	21.9	23.4
Nifty India Tourism	1.2	-13.6	-1.1	17.3	17.1	1.2	-13.5	-0.8	17.6	17.4
Nifty Rural	2.8	-0.7	23.7	19.4	15.6	2.9	-0.6	25.0	20.6	16.8
Nifty Capital Markets	-1.0	-3.7	48.9	58.9	30.8	-1.0	-3.6	50.1	60.3	32.4
Nifty India New Age Consumption	1.3	-7.9	12.1	24.6	16.6	1.4	-7.8	12.7	25.2	17.2
Nifty India Select 5 Corp Groups (MAATR)	-1.0	-3.9	19.0	18.2	16.5	-1.0	-3.8	19.8	18.9	17.3
Nifty India Railways PSU	-5.7	-4.8	3.2	29.7	-	-5.3	-4.4	4.6	31.4	-
Nifty India Internet	-8.1	-18.0	5.9	27.9	-	-8.0	-17.9	6.2	28.3	-
Nifty Waves	-0.4	-4.4	-1.1	2.6	5.5	-0.4	-4.3	-0.6	3.1	6.0
Nifty India Infrastructure & Logistics	3.3	-0.4	24.1	27.4	21.5	3.5	-0.2	25.1	28.5	22.7
Strategy Indices										
Nifty Alpha 50	4.2	-2.8	19.9	26.1	18.7	4.2	-2.7	20.3	26.8	19.5
Nifty100 Alpha 30	3.4	-1.7	18.9	23.2	14.9	3.4	-1.7	19.6	24.2	16.0
Nifty Alpha Low-Volatility 30	3.4	0.7	15.0	18.0	15.1	3.5	0.8	16.0	19.2	16.4
Nifty Alpha Quality Low-Volatility 30	2.7	-1.0	15.6	18.6	14.1	2.9	-0.7	17.1	20.2	15.8
Nifty Alpha Quality Value Low-Volatility 30	-0.7	-3.3	14.4	22.7	18.4	-0.6	-3.0	16.2	24.6	20.5
Nifty200 Alpha 30	4.4	-1.7	23.7	27.0	21.2	4.4	-1.7	24.2	27.9	22.3
Nifty Dividend Opportunities 50	-1.4	1.1	14.9	18.0	16.3	-1.2	1.5	17.4	20.4	19.0
Nifty Growth Sectors 15	-4.3	-7.8	8.5	10.2	10.4	-4.2	-7.5	10.2	12.2	12.3
Nifty High Beta 50	0.2	-4.6	26.6	22.6	16.1	0.3	-4.4	27.8	23.6	17.2
Nifty Low Volatility 50	1.0	-2.0	13.2	17.7	13.8	1.1	-1.9	14.4	18.9	15.3
Nifty100 Low Volatility 30	0.2	-2.6	14.6	16.7	13.3	0.3	-2.5	15.9	18.0	15.0
Nifty100 Quality 30	-4.2	-4.6	11.5	13.3	11.3	-4.1	-4.4	13.1	14.8	12.9
Nifty Quality Low-Volatility 30	-0.9	-4.8	8.8	12.2	10.7	-0.7	-4.5	10.4	13.7	12.4
Nifty200 Quality 30	-4.1	-5.6	11.0	12.8	11.1	-3.9	-5.2	12.7	14.6	13.0
Nifty50 Equal Weight	1.2	-0.4	20.1	19.3	16.0	1.3	-0.3	21.3	20.5	17.5
Nifty100 Equal Weight	2.0	-0.1	21.1	20.9	15.1	2.1	0.0	22.2	21.9	16.3
Nifty50 Value 20	-2.5	-1.8	7.7	11.9	12.8	-2.5	-1.6	9.6	14.0	15.1
Nifty500 Value 50	5.5	12.5	40.3	35.8	28.5	5.8	12.8	42.2	37.6	31.1
Nifty Midcap150 Quality 50	1.3	-3.6	14.4	14.2	11.2	1.5	-3.3	15.6	15.2	12.3
Nifty200 Momentum 30	3.4	-2.4	17.6	20.6	17.1	3.5	-2.4	18.2	21.5	18.2
Nifty Midcap150 Momentum 50	2.0	-3.0	21.4	25.5	24.0	2.1	-2.8	21.9	26.2	24.7
Nifty Smallcap250 Quality 50	-0.1	-6.7	7.1	17.0	18.0	0.1	-6.4	8.3	18.2	19.4
Nifty Smallcap250 Momentum Quality 100	-0.8	-6.5	8.0	16.1	15.7	-0.7	-6.3	8.8	17.0	16.7
Nifty MidSmallcap400 Momentum Qtly 100	0.3	-4.6	14.9	19.8	18.2	0.5	-4.4	15.7	20.8	19.3
Nifty500 Equal Weight	1.4	-3.7	17.5	21.4	17.6	1.5	-3.6	18.3	22.2	18.5
Nifty500 Momentum 50	3.1	-4.4	16.7	22.6	20.0	3.2	-4.3	17.0	23.3	20.8
Nifty500 LargeMidSmall Equal-Cap Wgtd	0.8	-3.6	17.7	20.2	16.8	0.9	-3.4	18.6	21.1	17.8
Nifty200 Value 30	6.0	14.2	46.2	38.3	30.0	6.3	14.5	48.2	40.2	32.8
Nifty Top 10 Equal Weight	-3.3	-7.5	6.0	8.4	9.7	-3.3	-7.3	7.3	9.8	11.1

February-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty500 Multicap Momentum Quality 50	0.0	-4.8	15.1	20.2	17.9	0.2	-4.6	16.2	21.5	19.2
Nifty Top 15 Equal Weight	-0.9	-5.0	14.1	13.0	12.8	-0.9	-4.9	15.5	14.4	14.0
Nifty Top 20 Equal Weight	-0.8	-4.8	12.3	13.6	12.8	-0.8	-4.6	13.7	15.0	14.1
Nifty500 Quality 50	-1.8	-4.9	14.0	18.5	14.2	-1.7	-4.6	15.4	20.0	15.8
Nifty500 Low Volatility 50	1.9	-0.4	19.8	21.5	16.9	2.1	-0.1	21.0	22.7	18.3
Nifty500 Multifactor MQVLv 50	3.9	1.4	22.7	26.2	19.7	4.2	1.7	24.0	27.7	21.6
Nifty500 Flexicap Quality 30	-5.9	-9.0	0.6	9.2	12.4	-5.8	-8.7	2.3	10.7	14.0
Sectoral Indices										
Nifty Auto	5.3	1.4	37.4	30.3	22.6	5.4	1.5	38.8	31.4	23.7
Nifty Bank	1.5	1.3	25.2	14.6	11.7	1.5	1.3	26.2	15.5	12.5
Nifty Private Bank	0.2	-0.6	18.1	11.6	9.1	0.2	-0.6	18.8	12.4	9.7
Nifty PSU Bank	8.9	15.3	73.8	39.0	32.6	8.9	15.4	75.0	40.0	33.9
Nifty Financial Services	2.0	-0.1	21.0	15.7	11.6	2.0	0.0	22.2	16.9	12.6
Nifty Financial Services Ex-Bank	1.5	-2.5	29.2	25.3	15.1	1.6	-2.4	30.2	26.4	16.1
Nifty Financial Services 25/50	1.5	-0.6	23.5	20.6	13.9	1.6	-0.6	24.6	21.8	15.0
Nifty MidSmall Financial Services	-0.2	-1.3	48.9	36.1	20.1	-0.1	-1.2	49.6	37.0	21.3
Nifty FMCG	-0.1	-8.0	0.9	4.4	9.5	-0.1	-7.9	2.4	6.1	11.5
Nifty IT	-19.5	-18.2	-18.0	1.1	4.7	-19.5	-17.8	-16.1	3.2	6.9
Nifty MidSmall IT & Telecom	-13.6	-17.3	-3.2	11.9	15.6	-13.6	-17.2	-2.5	12.7	16.6
Nifty Media	2.2	-3.6	2.1	-6.0	-2.7	2.3	-3.4	2.8	-5.5	-2.1
Nifty Metal	3.5	18.9	48.9	32.4	26.2	3.6	19.0	49.9	33.2	27.9
Nifty Pharma	5.7	-0.2	15.8	25.0	14.0	5.9	0.0	16.7	25.9	14.8
Nifty Realty	-0.3	-13.6	-2.2	25.7	17.4	-0.3	-13.6	-1.9	26.1	17.8
Nifty Consumer Durables	9.3	-0.8	9.1	16.2	12.3	9.3	-0.8	9.5	16.6	12.8
Nifty Oil & Gas	4.0	1.9	27.9	20.9	14.8	4.1	2.0	28.9	21.9	16.3
Nifty Healthcare Index	7.0	-1.1	17.2	25.6	15.8	7.2	-0.9	17.9	26.4	16.6
Nifty MidSmall Healthcare	5.4	-0.6	18.4	31.3	16.2	5.4	-0.5	18.9	31.9	16.8
Nifty Transportation & Logistics	3.0	-3.5	29.4	28.6	21.1	3.1	-3.4	30.5	29.4	22.1
Nifty Housing	4.0	2.0	21.4	18.2	14.3	4.1	2.0	22.3	19.1	15.3
Nifty Chemicals	-0.2	-3.6	10.1	7.7	13.4	-0.2	-3.5	10.7	8.3	14.0
Nifty500 Healthcare	6.5	-1.6	15.7	26.3	15.2	6.6	-1.4	16.4	27.0	15.9

Source: NSE Indices, NSE EPR

Note: Returns for the period up to one year are absolute returns. Returns for a period greater than one year are CAGR returns.

Table 62: Performance across NSE sector indices based on Price Return Index

Indicator Name	Feb-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Sector indices									
Auto	28,159	26,750	27,775	20,499	5.3	1.4	12.8	37.4	-0.1
Bank	60,529	59,610	59,753	48,345	1.5	1.3	12.8	25.2	1.6
Energy	37,045	35,138	35,548	30,018	5.4	4.2	10.1	23.4	4.9
FMCG	51,142	51,215	55,596	50,689	-0.1	-8.0	-8.9	0.9	-7.8
IT	30,604	38,036	37,406	37,318	-19.5	-18.2	-13.0	-18.0	-19.2
Infrastructure	9,533	9,153	9,654	7,666	4.2	-1.3	7.4	24.4	-0.9
Media	1,416	1,385	1,468	1,387	2.2	-3.6	-12.2	2.1	-2.0
Metals	12,241	11,828	10,293	8,219	3.5	18.9	33.7	48.9	9.6
Pharma	22,952	21,715	22,998	19,814	5.7	-0.2	5.3	15.8	1.0
Real Estate	781	783	903	798	-0.3	-13.6	-10.4	-2.2	-11.1

Source: Cogencis, NSE EPR.

Figure 196: NIFTY sector performance in February 2026

Rebased to 0 on February 1st, 2026
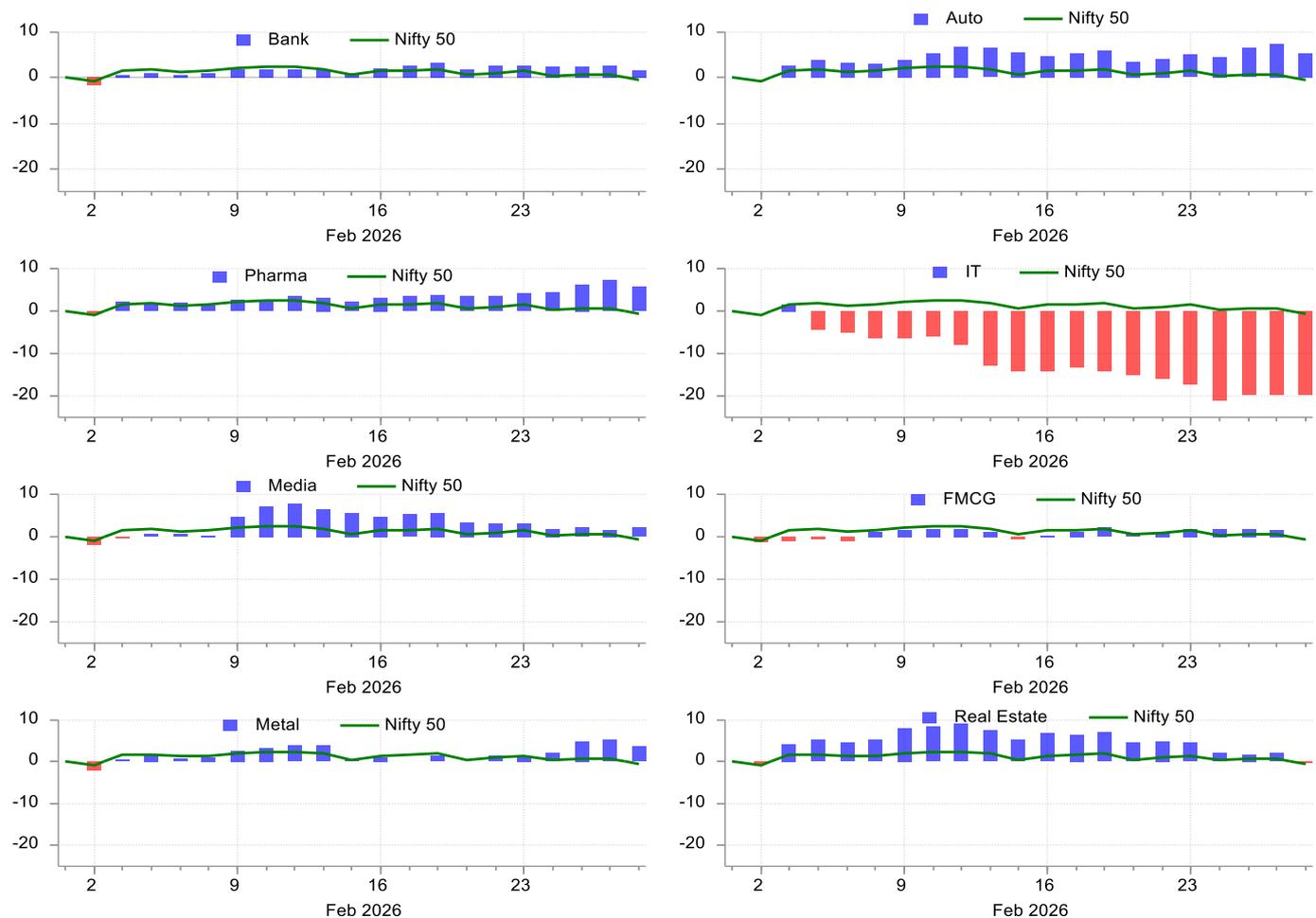
Source: LSEG Workspace, NSE EPR.

Figure 197: NIFTY sector performance in 2026 till date (Jan-Feb'26)

Rebased to 0 on January 1st, 2026
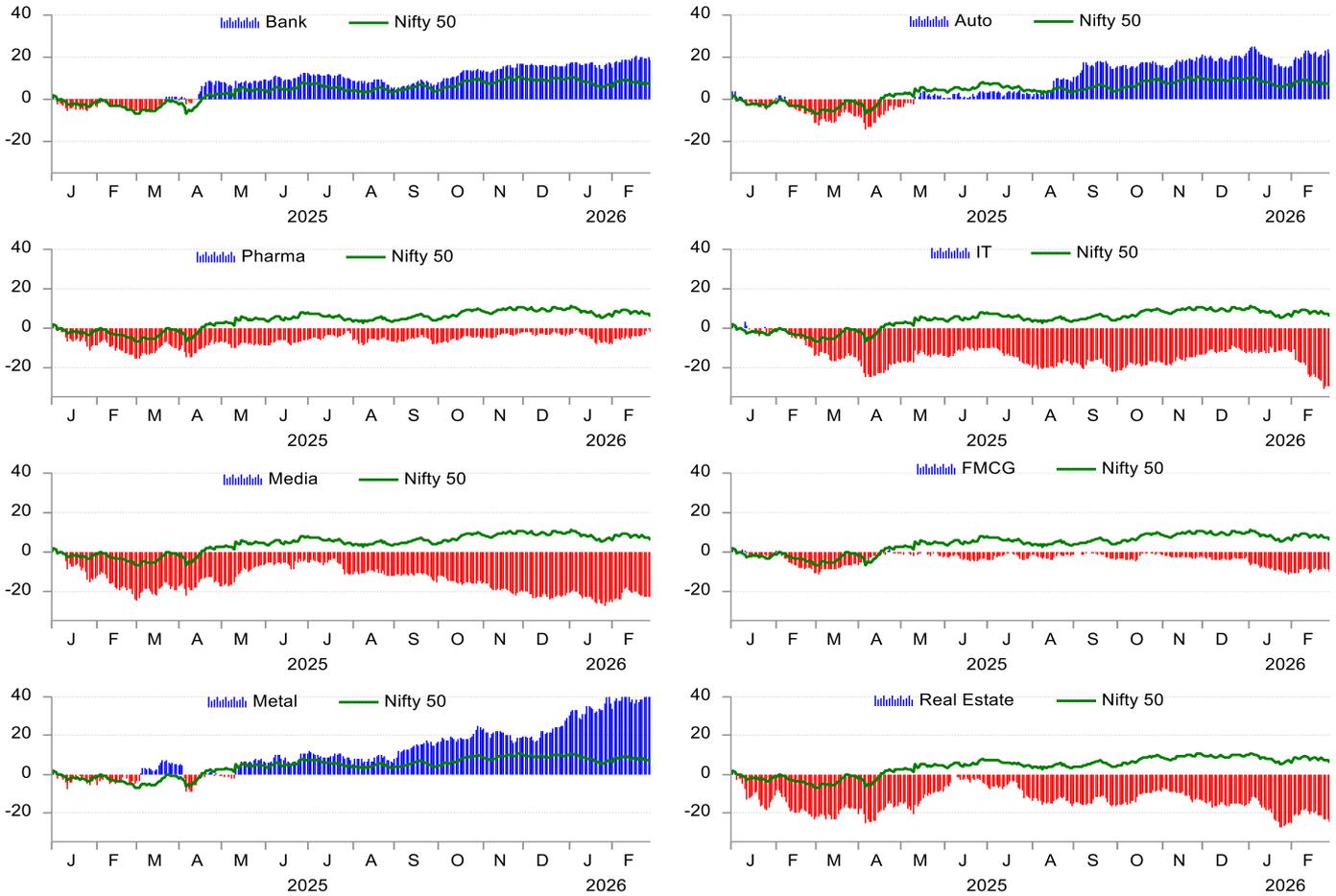
Source: LSEG Workspace, NSE EPR.

Figure 198: Nifty 50 and Nifty 50 USD since inception
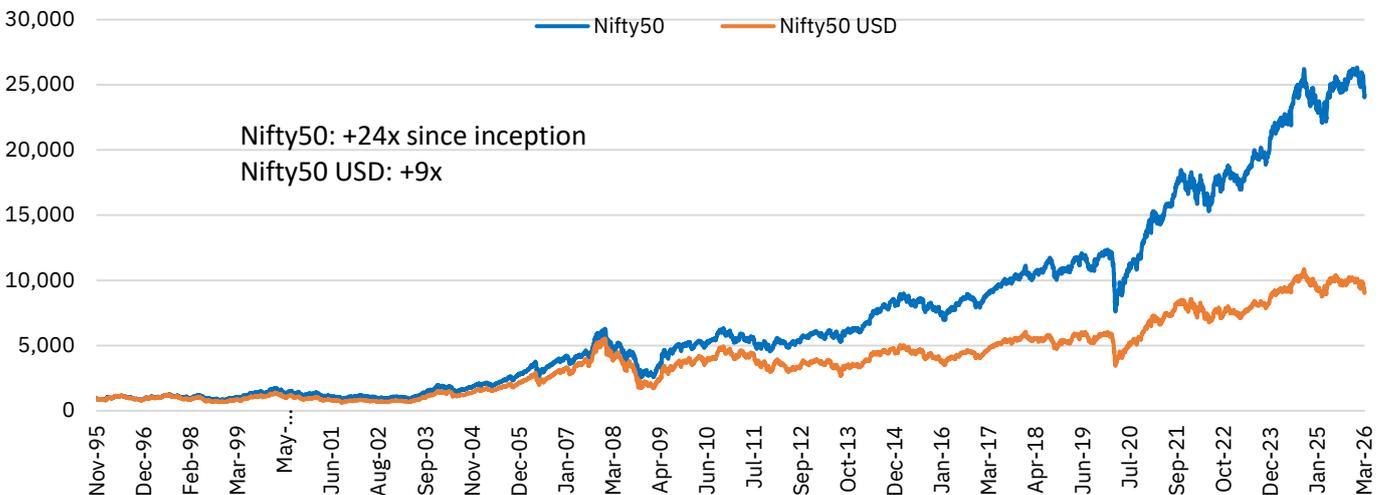
Source: Nifty Indices, NSE EPR.

First launched on 22 April 1996, with 3 November 1995 as its base date, the Nifty 50 has become the definitive barometer of India's equity market and one of the clearest markers of long-term financial wealth creation in the country. By April 2025, the index had completed 29 years, and from inception it advanced to a lifetime high of 26,216 on 26 September 2024—an increase of more than 26 times, equivalent to an annualised return of about 12%.

Market conditions, however, turned materially more volatile through 2025 and into early 2026. Even as the Nifty 50 ended 2025 with gains for the tenth consecutive year, the path was shaped by persistent external uncertainty: trade frictions, geopolitical stress, sustained foreign portfolio outflows, rupee depreciation and elevated valuations. These pressures were partly offset by strong and durable domestic institutional participation, which continued to provide an important anchor to the market. The correction extended into 2026. After a 3.1% decline in January and a further 0.6% fall in February, the market came under sharper pressure in March as the escalation in West Asia pushed Brent crude to above US$100 per barrel, weakened the rupee to a record low near 92.43 per US dollar, and triggered renewed risk aversion in equities. By March 13th, 2026, the Nifty 50 had fallen about 8.1% since the outbreak of the Iran war.

The broader perspective, however, remains favourable. Despite relatively subdued returns over the past two years, India continues to rank among the stronger long-horizon equity performers globally. Over the past 25 years, the Nifty 50 has delivered annualised returns of 12.4% in INR terms and 9.4% in USD terms, outperforming major benchmarks such as the S&P 500, MSCI World and MSCI Emerging Markets. In that sense, the recent correction appears less as a break in the long-term story and more as a reminder that even structurally strong markets remain sensitive to global shocks in the short run.

Figure 199: Annualised return of major indices across different time periods (As of February 28th, 2026)

Annualised return over different time periods

Legend: Nifty50, Nifty50 USD, Nifty 500, S&P500

Period	Nifty50	Nifty50 USD	Nifty 500	S&P500
1Y	13.8	9.5	16.5	15.5
3Y	13.3	9.8	16.9	20.1
5Y	11.6	7.0	13.7	12.5
10Y	13.7	10.5	14.8	13.5
15Y	10.9	5.9	12.0	11.6
20Y	11.1	7.2	11.4	8.8
25Y	12.4	9.4	13.6	7.1
30Y	11.4	7.9	12.4	8.2
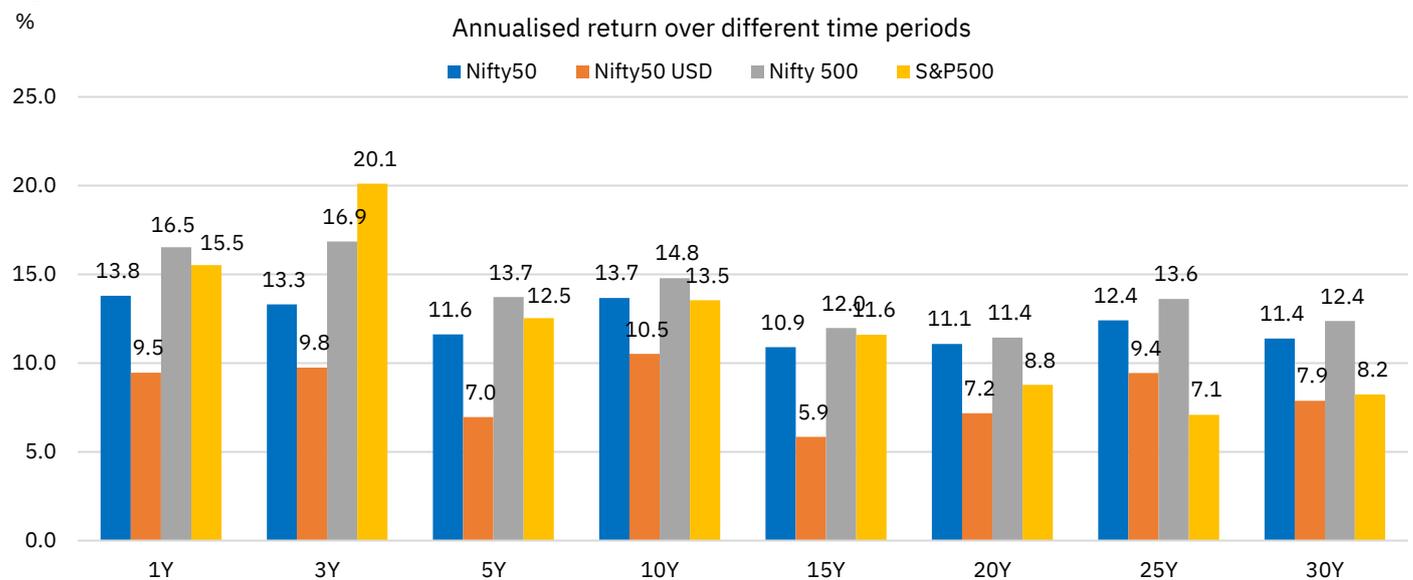
Source: Nifty Indices, LSEG Workspace, NSE EPR.

Market growth and concentration

Market capitalisation of NSE listed companies rose marginally in February 2026 only to fall sharply in March: After rising 7.9% in 2025—its seventh consecutive year of gains—the aggregate market capitalisation of NSE-listed companies corrected by 3.3% in January

2026, before recovering modestly by 0.8% in February. March, however, has seen a renewed and sharper retracement. As of March 13th, 2026, the total market capitalisation of NSE-listed companies appears to have fallen by around 5% in rupee terms from end-February levels, reflecting the broad-based sell-off triggered by the escalation in West Asia, the surge in crude oil prices and the return of risk aversion. In US dollar terms, the decline has been steeper—closer to 6.5%—as it has been compounded by rupee weakness.

Across segments, the market remained relatively resilient through February despite pressure on the headline indices. The aggregate market capitalisation of Nifty 50 companies declined by 0.5% month-on-month to Rs 201 lakh crore, taking their share in total listed market capitalisation to 43.6%. In contrast, the Nifty Next 50 rose 4.6% to Rs 74.8 lakh crore. The broader market also remained constructive, with aggregate market capitalisation increasing by 2.3% in the mid-cap segment, 0.8% in small-caps and 0.4% in micro-caps. The pattern is consistent with the broader tone of February: weakness in the large-cap headline indices, but relative stability and selective strength across the rest of the market.

Notwithstanding the recent correction, the long-term trajectory remains firmly positive. Over the past two decades, the total market capitalisation of NSE-listed companies has expanded at a CAGR of 15.7% in rupee terms and 11.6% in US dollar terms. On a rolling three-month average basis, listed market capitalisation now stands at roughly 138% of GDP under the new 2022–23 GDP series, up from about 60% in March 2014. That increase captures not merely valuation gains, but the deeper structural expansion of India's equity markets, reflected in greater listing depth, stronger household participation and a steadily rising role of capital markets in national savings and capital formation.

Figure 200: Market cap to GDP ratio trend (NSE listed companies)
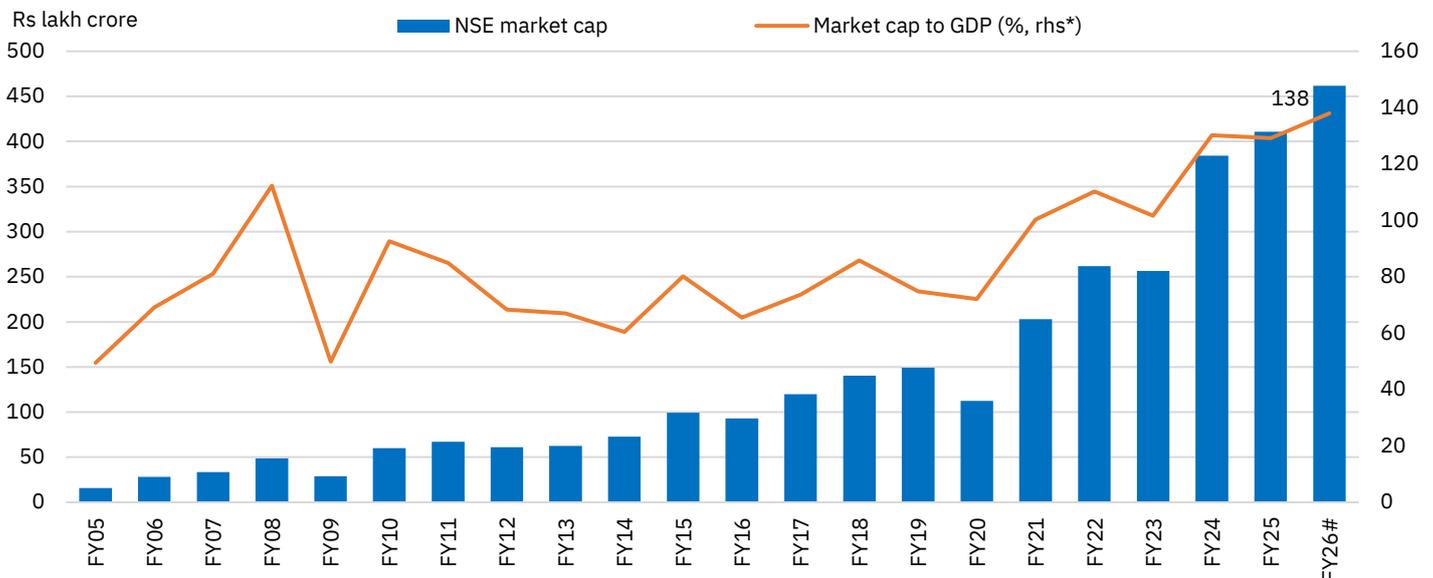
Source: CMIE Economic Outlook, NSE EPR. # As of January 31st, 2026. * Based on average market cap over the last three months of the period and actual nominal GDP for the last four quarters. GDP data from FY23 onwards is based on the base year 2022-23

Share of top 100 companies in total market capitalisation remained steady in February 2026 while that of mid-caps rose marginally: After rising by 1.6pp in the previous month and a further 38bps in January, the combined share of the top 100 companies in the total market capitalisation of NSE-listed firms remained broadly stable in February. This relative

steadiness masked an important internal rotation: following the US trade deal and better-than-expected corporate earnings, market participation broadened and mid-caps regained traction after a period of lull. Within the top 100, the share of the Nifty 50 declined by 56bps MoM to a five-month low of 43.6%, while the share of the Nifty Next 50 rose by an equivalent margin to a five-month high of 16.2%. In the broader market, the share of mid-cap companies, represented by the Nifty Midcap index, increased by 28bps to a multi-year high of 19.5% in February 2026. By contrast, the shares of small- and micro-cap companies, represented by the Nifty Smallcap 250 and Nifty Microcap 250 indices, remained broadly unchanged at 9.1% and 3.6%, respectively.

Even so, the medium-term trend continues to point to a gradual dilution in the dominance of the Nifty 50. Its share in the total market capitalisation of NSE-listed companies has declined from 62.3% in FY14 to 43.6% currently, alongside a sharp expansion in the listed universe from 422 companies in FY96 to 2,959 by February 2026. This shift reflects not only a broader market base, but also stronger relative performance in non-large-cap segments. Over the past five years, the Nifty Midcap 150 and Nifty Smallcap 250 have delivered CAGRs of 19.9% and 18.2%, respectively, compared with 11.6% for the Nifty 50. Taken together, these trends point to a structurally deeper market in which mid- and small-cap companies are contributing increasingly to both market breadth and long-term return generation.

Figure 201: Index-wise distribution of total market cap of NSE listed companies (Rs lakh crore)

Rs lakh crore

Index-wise market cap distribution of NSE listed companies
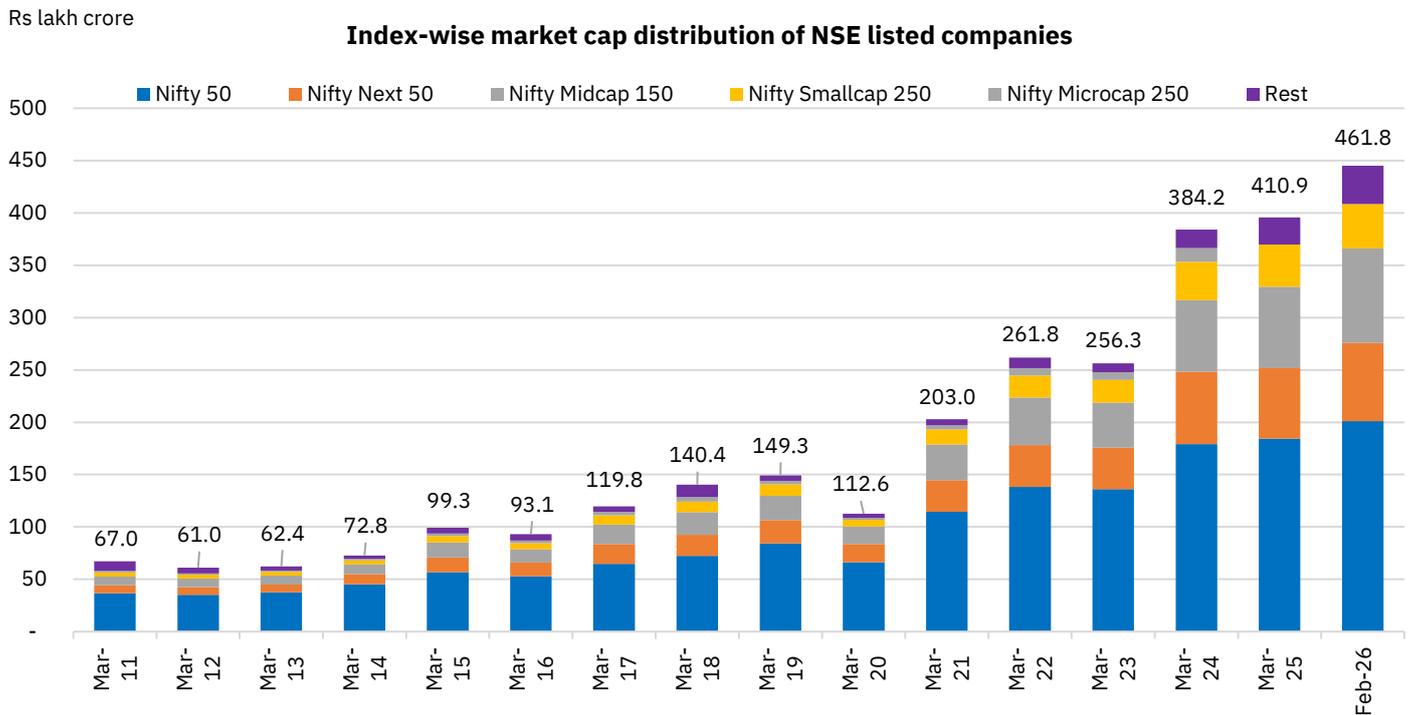
Source: Nifty Indices, NSE EPR.

Figure 202: Index-wise share in total market cap of NSE listed companies

% | Index-wise share in total market cap of NSE listed companies
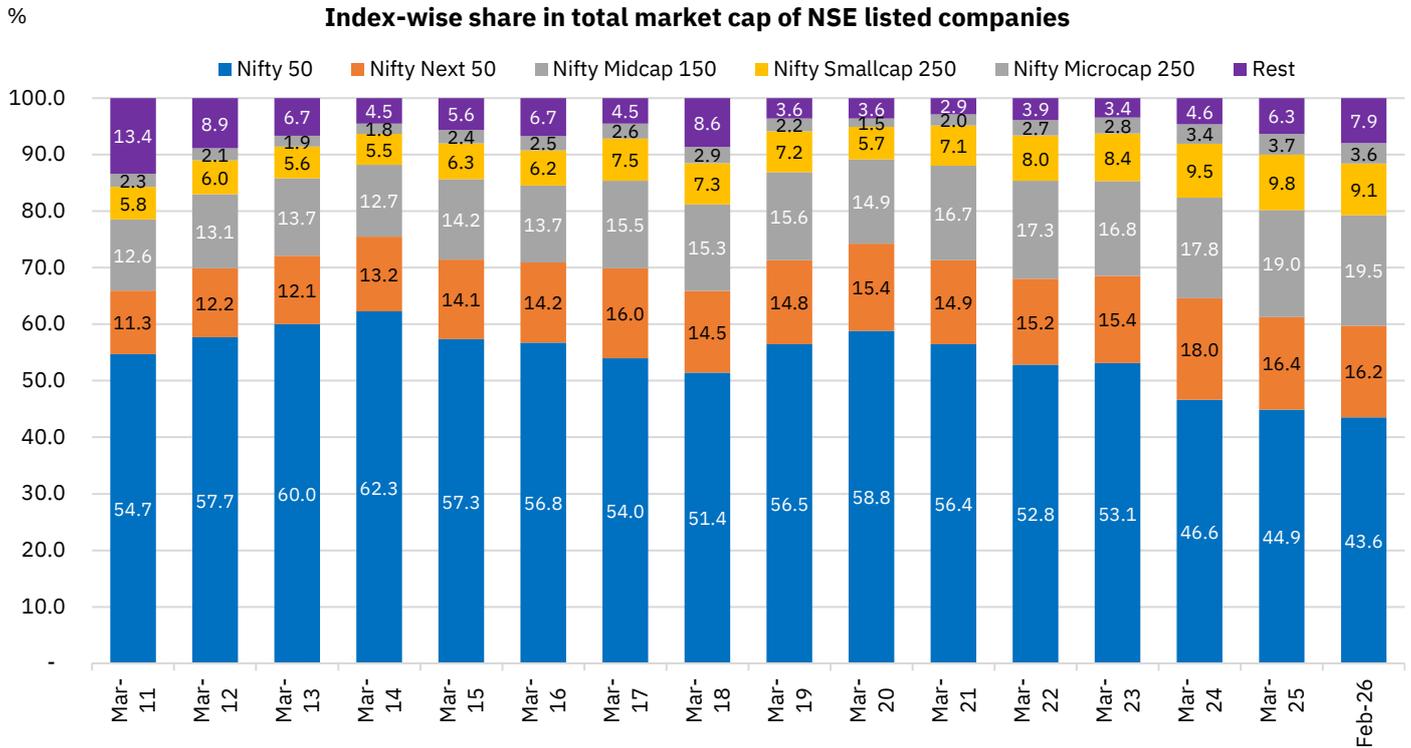
Source: Nifty Indices, NSE EPR.

Market HHI fell marginally in February 2026: An assessment of market concentration using the Herfindahl–Hirschman Index (HHI), based on market capitalisation, suggests that India's equity market has continued to broaden over time. Concentration had risen sharply to an 11-year high of 173 in March 2020, when the pandemic shock drove investors decisively towards large-cap stocks. Since then, however, the aggregate HHI has moved lower in line with wider participation across market segments. As of February 2026, the HHI for the full universe of NSE-listed companies stood at a multi-year low of 77, down marginally from 80 in the previous month and 89 a year earlier.

Within the top 750 companies, concentration remains highest in the Nifty 50, although even here the trend has been one of gradual moderation. The index recorded an HHI of 351 in February 2026, unchanged from the previous month but lower than 381 a year earlier, and well below its March 2009 peak of 476. The Nifty Next 50 also registered a sequential easing in concentration, with its HHI declining to 252 from 260 in January 2026 and 266 in February 2025. By contrast, the broader mid-, small- and micro-cap segments continue to exhibit low concentration, with HHIs of 80, 50 and 50, respectively.

Taken together, these trends indicate that while periods of uncertainty still produce temporary rotations into large caps, the underlying structure of the market has become progressively more diversified. The decline in concentration reflects not only an expanding listed universe, but also sustained investor participation beyond the top tier of stocks.

Figure 203: Index-wise share in total market cap of NSE listed companies

HHI of market capitalisation across different indices

Source: Nifty Indices, NSE EPR.
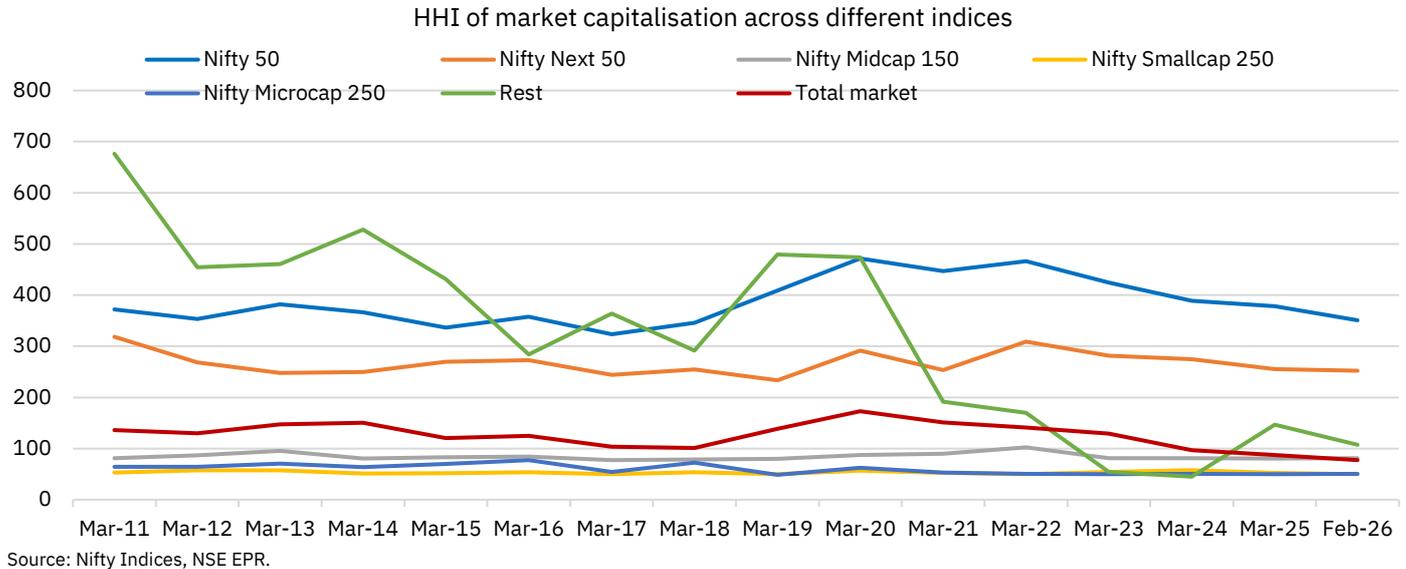
Decile-wise distribution of total market cap: A decile-wise analysis of market capitalisation across the NSE-listed universe indicates that concentration in large-cap stocks rose sharply during the pandemic, before easing as participation broadened across the market. The share of the top decile reached a record 86.8% in FY20, while the top two deciles together accounted for more than 95% of total market capitalisation, highlighting the pronounced flight to established names during a period of exceptional uncertainty.

This concentration moderated in the subsequent period. The share of the top decile declined to 81.8% by March 2024 and further to a six-year low of 80.1% in December 2024, before rising again to 83.3% by February 2026 as investors rotated back towards larger and relatively more resilient companies amid trade-related uncertainty and geopolitical tensions.

At the lower end, the bottom five deciles accounted for 0.8% of total market capitalisation in February 2026, broadly unchanged on a MoM basis and still above the pandemic low of 0.47%. Overall, the pattern suggests that while episodes of uncertainty continue to trigger a short-term preference for safety, the market structure remains meaningfully more diversified than it was at the height of the pandemic, with mid- and small-cap segments retaining a stronger presence in the aggregate market-cap mix.

Figure 204: Decile-wise distribution of total market cap of NSE listed companies

Distribution of market cap of NSE listed companies by deciles

Rs lakh crore
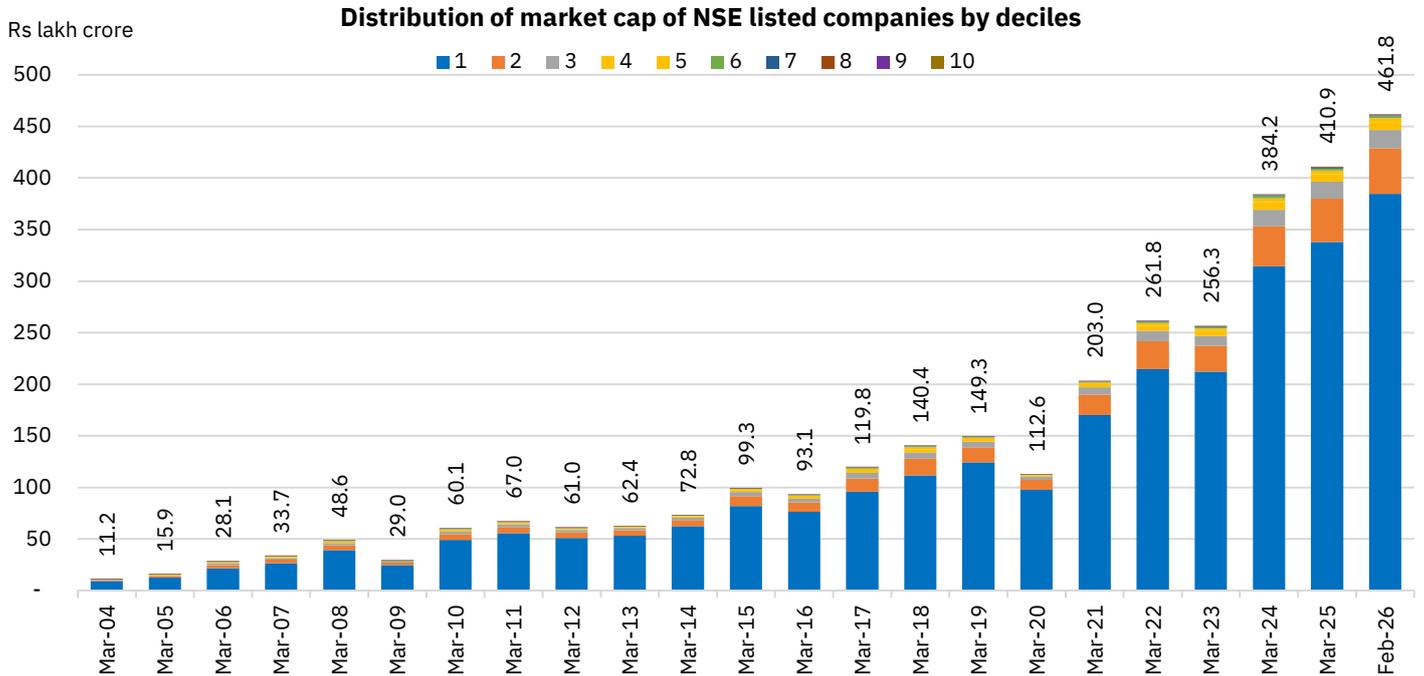
Source: NSE EPR.

Figure 205: Decile-wise share of total market cap of NSE listed companies

Decile-wise share in total market cap of NSE listed companies

%
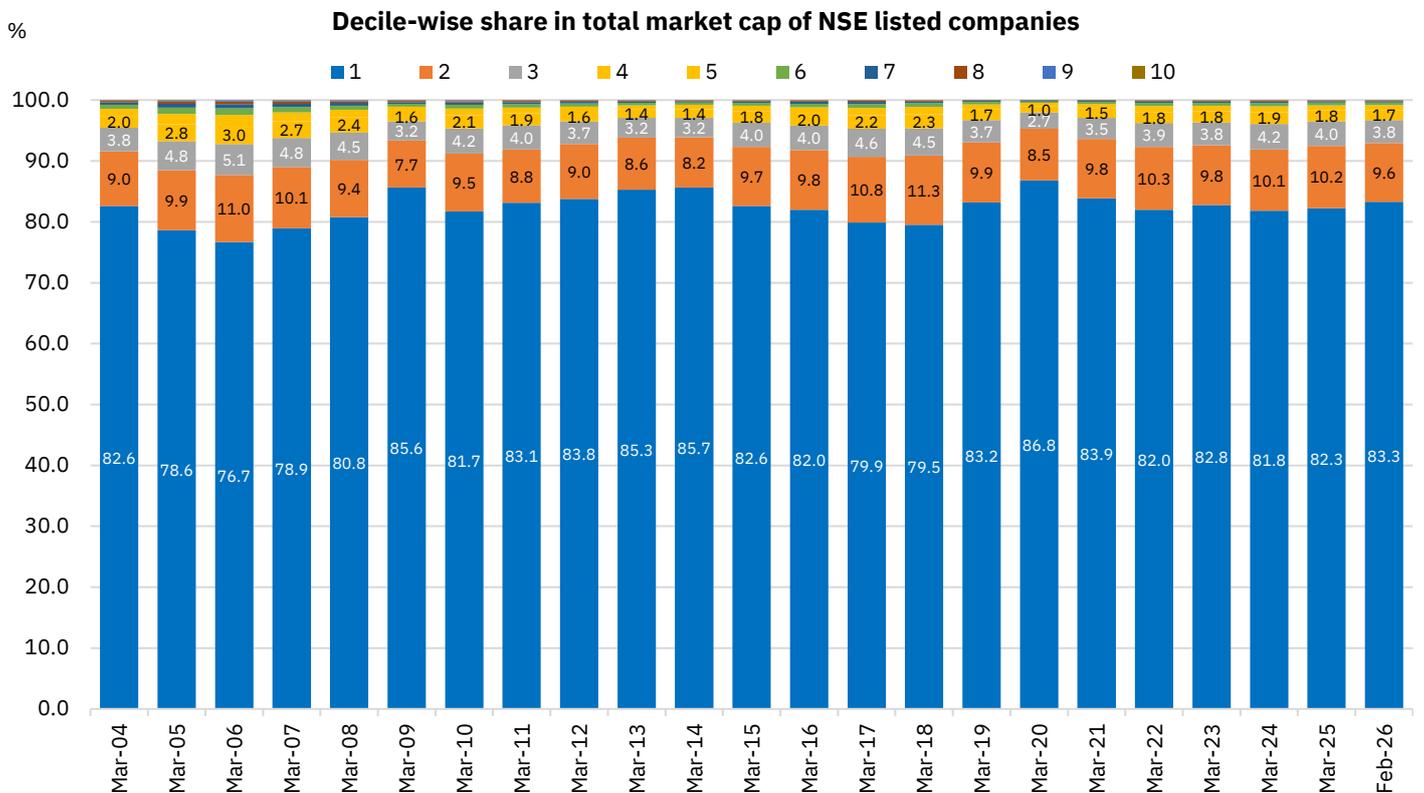
Source: NSE EPR.

Nifty50 performance attribution analysis

Indian equities remained under pressure in February: Indian equities were mixed in February. After the sharp budget-day selloff on February 1st—when the proposed increase in STT on futures and options, along with the absence of fresh measures to attract foreign capital, dragged the Nifty down 1.96%—sentiment improved through much of the month on the back of the India–US trade framework, easing trade tensions, and corporate earnings that were better than feared. By month-end, however, benchmark gains had been capped by a severe correction in IT stocks amid global concerns over AI-led disruption to profitability, while renewed West Asia tensions and higher crude prices also kept investors cautious. On the positive side, DIIs continued to act as a key stabilising force, recording net inflows of Rs 38,423 crore in February 2026—the 31st consecutive month of net buying. This was underpinned by robust retail participation through mutual funds, with SIP inflows sustaining at a strong Rs 29,845 crore in February.

Against this backdrop, the Nifty ended February down 0.6%, extending its losing streak to a third consecutive month. The Nifty 50 USD Index, however, rose 0.5%, aided by a 1.1% appreciation in the rupee against the US dollar. Broader markets were relatively resilient: the Nifty Midcap 150 and Nifty Smallcap 250 gained 1.7% and 0.75%, respectively, indicating that weakness remained concentrated in select large-cap segments rather than being fully broad-based.

Market conditions deteriorated further in March. Sentiment turned decisively risk-off as the escalation in Middle East tensions pushed crude prices higher, weakened the rupee and revived concerns around imported inflation and growth. As of March 13th, 2026, the Nifty 50 had fallen 8.1% in the month, taking its year-to-date decline to 11.4%, broadly in line with the wider correction across emerging markets. The decline was led by sharp weakness in IT, auto and banking stocks.

Even so, the medium-term picture remained constructive. Over the 12 months ending February 2026, the Nifty 50 was still up 13.8%. Financials accounted for nearly 46% of the index's gains over this period, followed by Industrials, Consumer Discretionary and Materials, while IT and Consumer Staples continued to lag.

Figure 206: Sector-wise contribution to Nifty 50 price return in February 2026

Contribution to Nifty50 Index percentage change (February 2026)
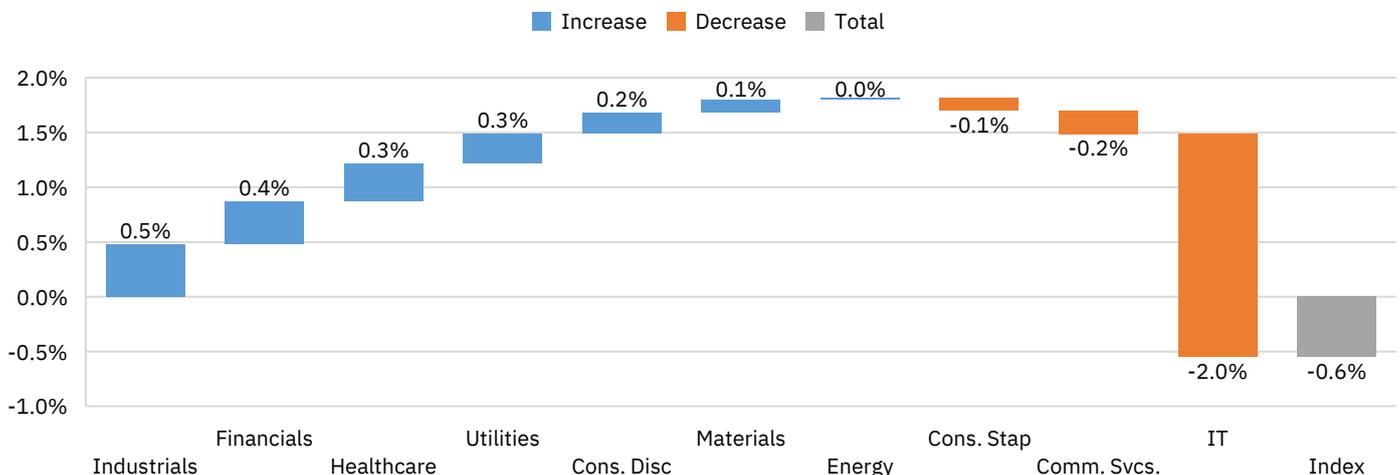
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 207: Sector-wise contribution to Nifty 50 Index change (points) in February 2026

Contribution to absolute Nifty50 Index change (February 2026)
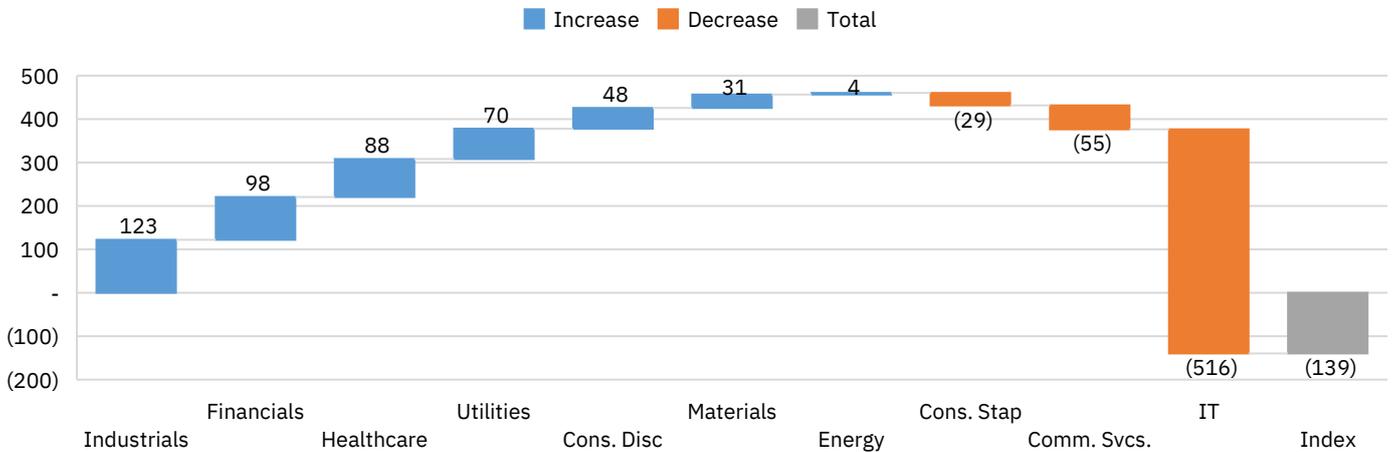
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 208: Sector-wise contribution to Nifty 50 price return in the last 12 months

Contribution to Nifty50 Index percentage change (One-year)
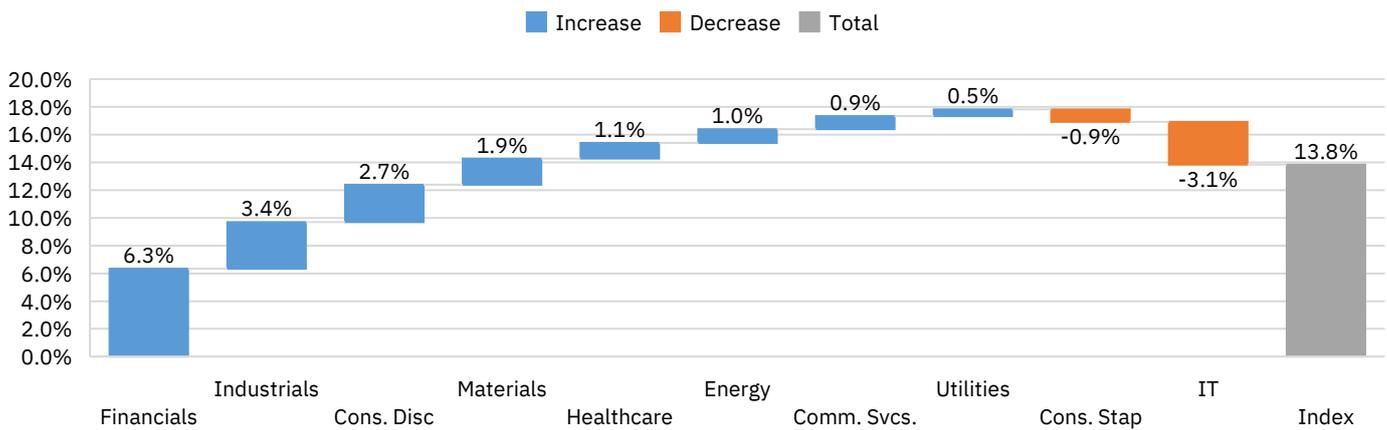
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 209: Sector-wise contribution to Nifty 50 Index change (points) in the last 12 months

Contribution to absolute Nifty50 Index change (One-year)
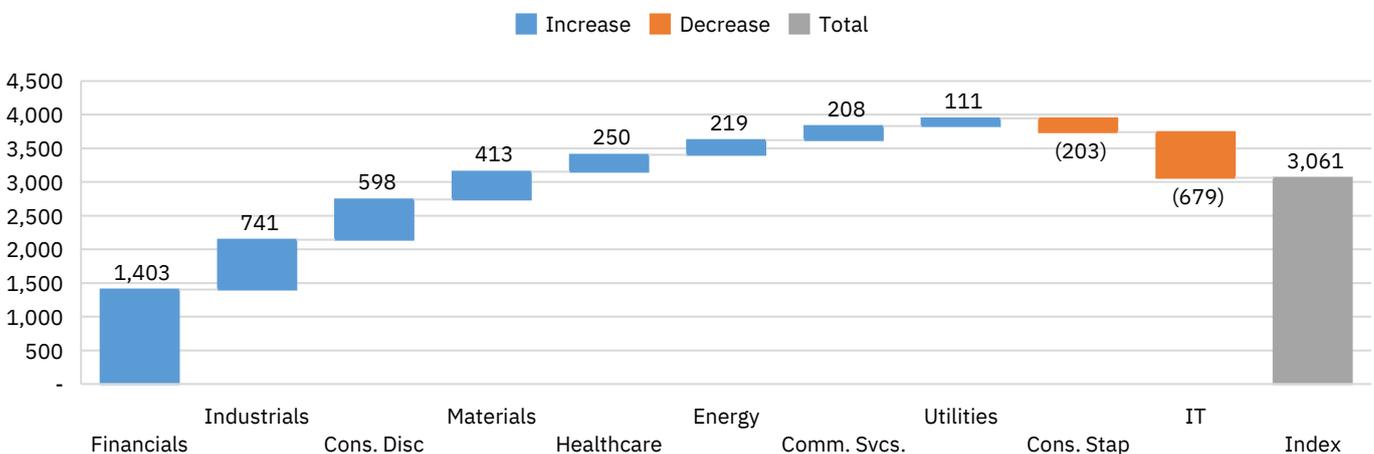
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 210: Nifty 50 Index monthly movement across sectors over the last 12 months

Index points

NIFTY 50 index movement across sectors

Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.
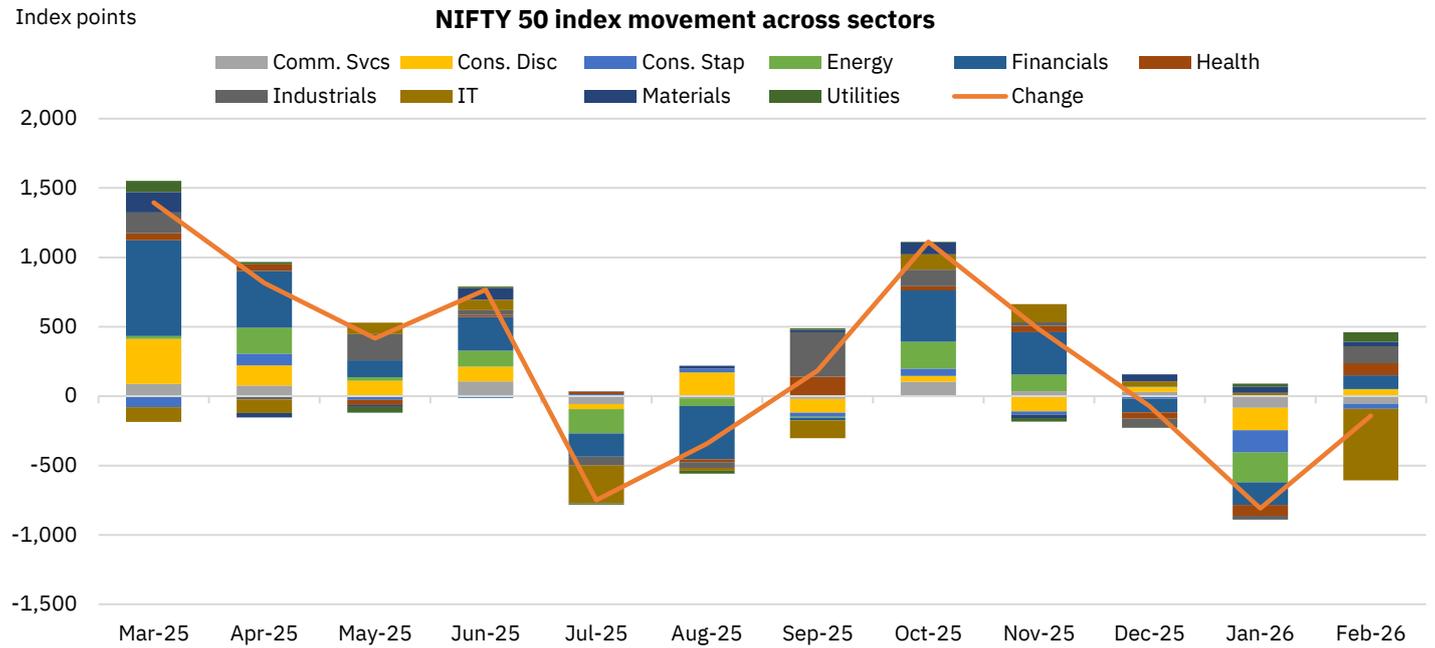
Figure 211: Nifty 50 Index monthly return across sectors over the last 12 months

NIFTY 50 index (%) returns across sectors

Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.
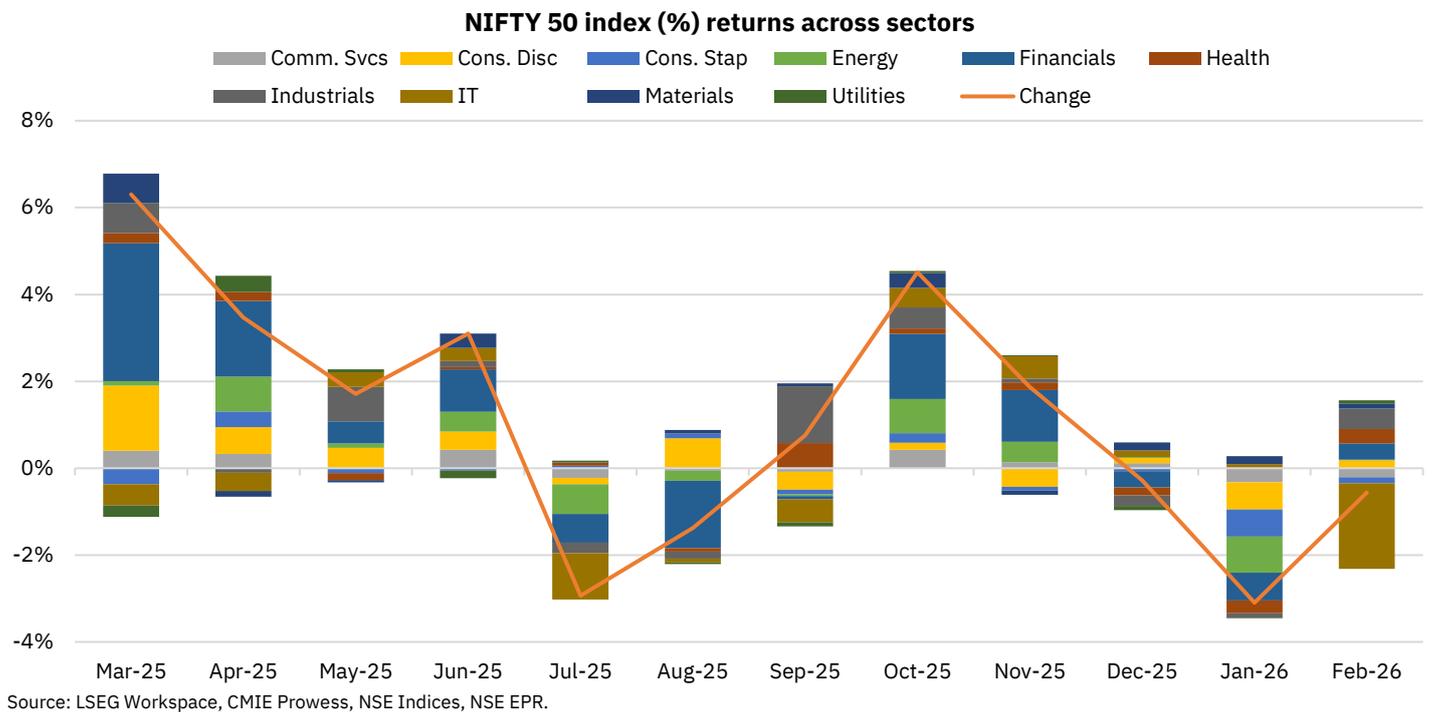
Figure 212: Sector-wise Nifty50 Index attribution (2005-)
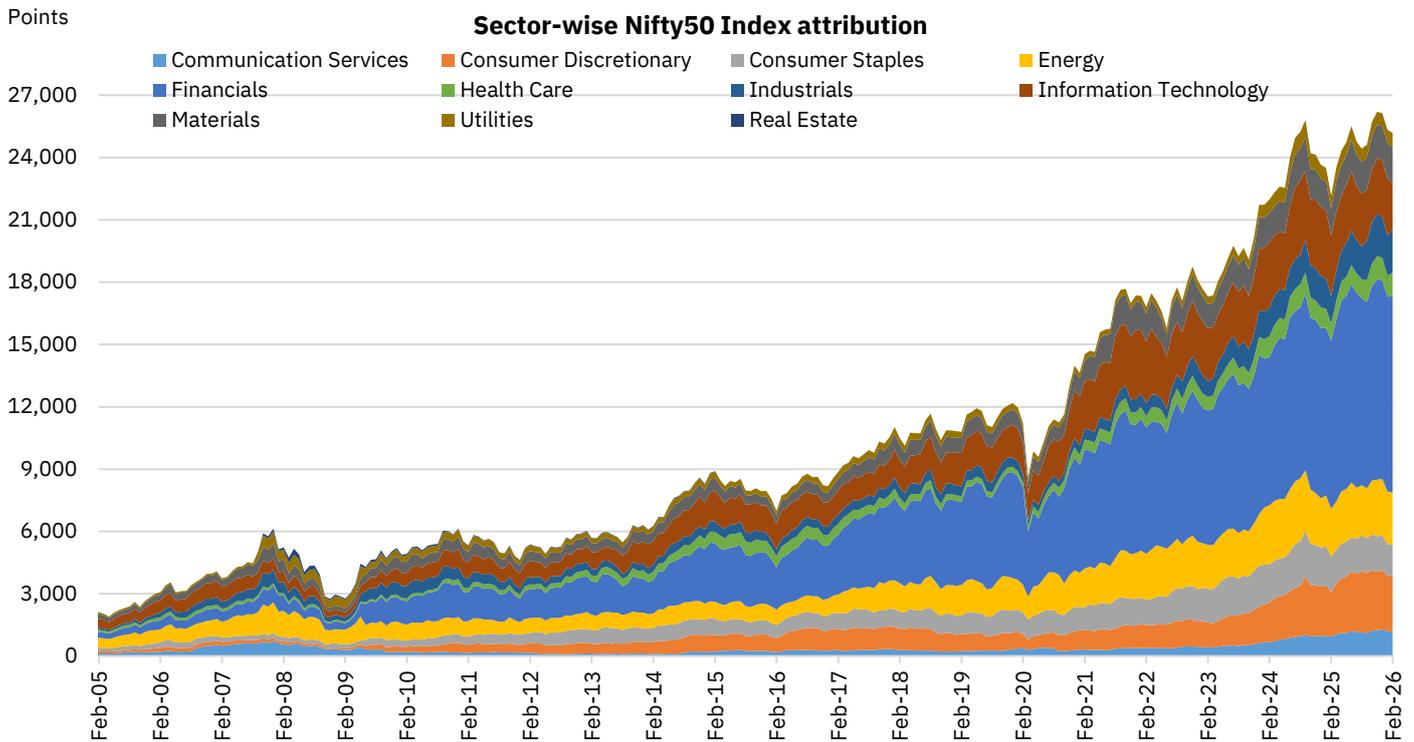
Source: LSEG Workspace, CMIE Prowess, NSE EPR.

The relative outperformance of Financials, Industrials and Healthcare in February 2026 lifted their weights in the Nifty 50 by 60bps, 53bps and 37bps, respectively, to 37.7%—a seven-month high—8.2%, the highest in over 14 years, and 4.35%, an 18-month high. This shift in sectoral composition came largely at the expense of Information Technology, whose weight fell sharply by 2pp to 8.9%, its lowest level in nearly 17 years. Over the past 12 months, Industrials has seen the largest increase in index weight, up 222bps, followed by Financials at 114bps and Consumer Discretionary at 107bps to 10.8%. These gains have been offset primarily by a steep 429bps decline in Information Technology and a further 173bps reduction in Consumer Staples, pointing to sustained relative underperformance in these sectors.

Figure 213: Nifty 50 sector weightage (February 2025)   **Figure 214: Nifty 50 sector weightage (February 2026)**
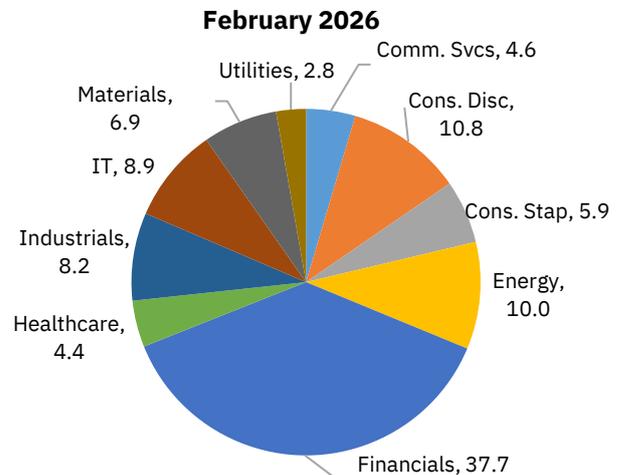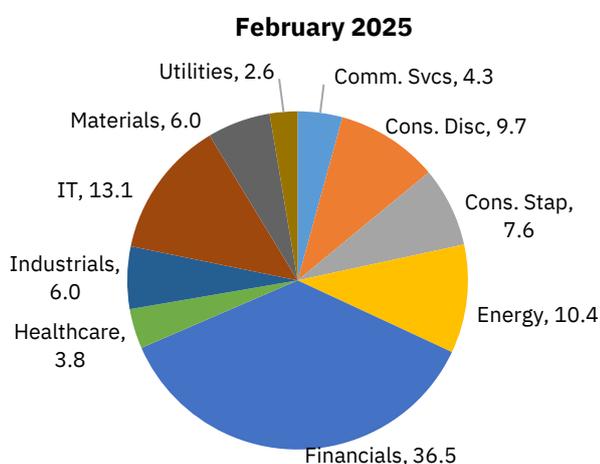
Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Figure 215: Sector weights in the Nifty 50 Index (2005-)

%
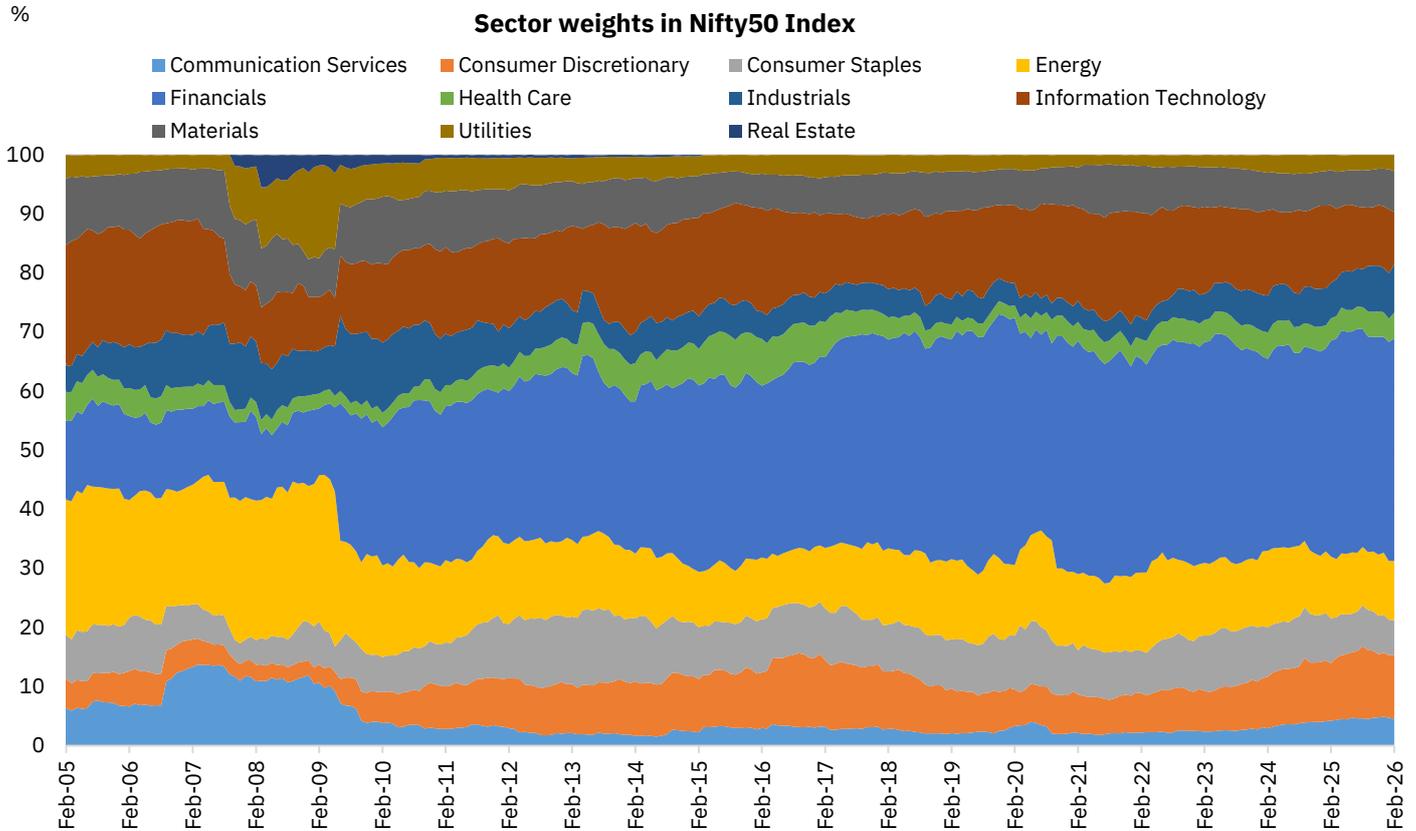
Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 63: Top five Nifty 50 Index gainers in February 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
State Bank Of India	SBIN	11.6	0.4	113
Larsen & Toubro Ltd.	LT	8.8	0.4	90
Power Grid Corpn. Of India Ltd.	POWERGRID	16.4	0.2	41
I C I C I Bank Ltd.	ICICIBANK	1.8	0.2	38
Bajaj Finance Ltd.	BAJFINANCE	7.1	0.1	37
Total			**1.3**	**320**
Nifty 50 Index	**NIFTY 50**	**-0.6**	**-0.6**	**-142**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 64: Top five Nifty 50 Index gainers in the last 12 months

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
State Bank Of India	SBIN	74.5	2.3	502
Eternal Ltd.	ETERNAL	10.9	1.8	388
Larsen & Toubro Ltd.	LT	35.2	1.2	271
I C I C I Bank Ltd.	ICICIBANK	14.5	1.2	264
Reliance Industries Ltd.	RELIANCE	16.1	1.1	248
Total			**7.6**	**1,673**
Nifty 50 Index	**NIFTY 50**	**13.8**	**13.8**	**3,054**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 65: Top five Nifty 50 Index losers in February 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Infosys Ltd.	INFY	-20.8	-1.0	-261
H D F C Bank Ltd.	HDFCBANK	-4.5	-0.5	-136
Tata Consultancy Services Ltd.	TCS	-15.6	-0.4	-107
H C L Technologies Ltd.	HCLTECH	-18.1	-0.3	-70
Bharti Airtel Ltd.	BHARTIARTL	-4.5	-0.2	-55
Total			**-2.5**	**-629**
Nifty 50 Index	**NIFTY 50**	**-0.6**	**-0.6**	**-142**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 66: Top five Nifty 50 Index losers in the last 12 months

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Infosys Ltd.	INFY	-23.0	-1.6	-357
Tata Consultancy Services Ltd.	TCS	-23.2	-0.9	-203
I T C Ltd.	ITC	-20.6	-0.7	-156
Trent Ltd.	TRENT	-19.6	-0.2	-52
H C L Technologies Ltd.	HCLTECH	-11.8	-0.2	-49
Total			**-3.7**	**-817**
Nifty 50 Index	**NIFTY 50**	**13.8**	**13.8**	**3,054**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Valuation analysis

Market valuations eased further amid broad-based market sell-off: After a sharp uptick in October 2025, market valuations have moderated steadily, with the correction extending into the new year. The recent compression reflects a broad-based sell-off driven by renewed foreign outflows amid escalating tensions in the Middle East, rupee depreciation and higher energy prices. As of 13 March 2026, the Nifty 50 was trading at a 12-month forward P/E of 20.2x, down from 21.5x at end-December. Even after this correction, valuations remain elevated—around 20% above the long-term average, though marginally below one standard deviation above the historical mean. On a forward price-to-book basis, the index stood at 3.0x, compared with a long-term average of 2.5x. In other words, while valuations have eased, they continue to embed a premium consistent with India's relatively stronger growth outlook and macroeconomic stability.

...But with steady valuation premium to EM equities: Indian equities have historically traded at a premium to other emerging markets, reflecting India's relatively stronger macroeconomic fundamentals and more durable growth outlook. That premium narrowed sharply by mid-March 2025 during a period of relative underperformance. Although April saw a brief recovery, continued strength in key emerging market peers—particularly Taiwan, China and Korea—compressed India's valuation premium once again, bringing it close to its long-term average of around 57% by mid-October. Over the following two months, the premium widened as domestic equities outperformed the broader EM pack, before easing briefly in January and recovering modestly in February. On a 12-month forward P/E basis, MSCI India currently trades at a 66% premium to EM peers, up from about 56% in early October. Even so, this remains well below the 2025 peak of 91% and the September 2024 high of 110%, though still about 20pp above the 15-year average.

On a forward P/B basis, the premium has compressed more meaningfully and on a more sustained basis, declining from 128% in April 2025 to 59% at present. This places it below the long-term average of 87% and closer to one standard deviation below the historical mean. Taken together, these trends suggest that while India continues to command a valuation premium over emerging market peers, that premium has moderated materially from the extremes seen in 2024 and early 2025.

Figure 216: Nifty 50 NTM P/E trend for last 15 years

Nifty 50 12-month forward P/E

Source: LSEG Workspace, NSE EPR.

Figure 217: Nifty 50 NTM P/B trend for last 15 years

Nifty 50 12-month forward P/B
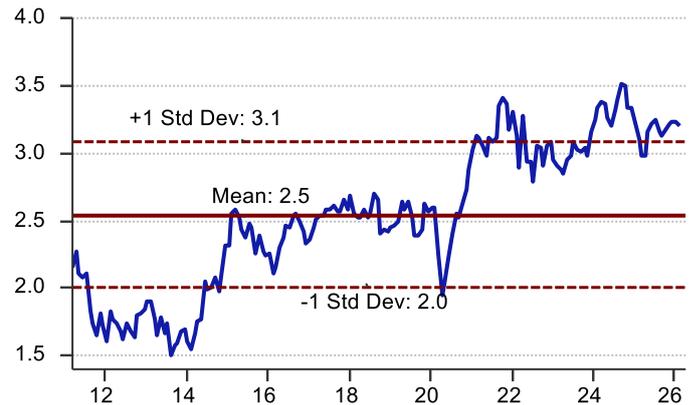
Source: LSEG Workspace, NSE EPR.

Figure 218: Nifty 50 NTM P/E (Last three-year trend)

Nifty 50 12-month forward P/E

Source: LSEG Workspace, NSE EPR.

Figure 219: Nifty 50 NTM P/B (Last three-year trend)

Nifty 50 12-month forward P/B

Source: LSEG Workspace, NSE EPR.

Figure 220: Five-year trend of Nifty 50 values at different 12-month forward P/E bands

Nifty 50 PE bands
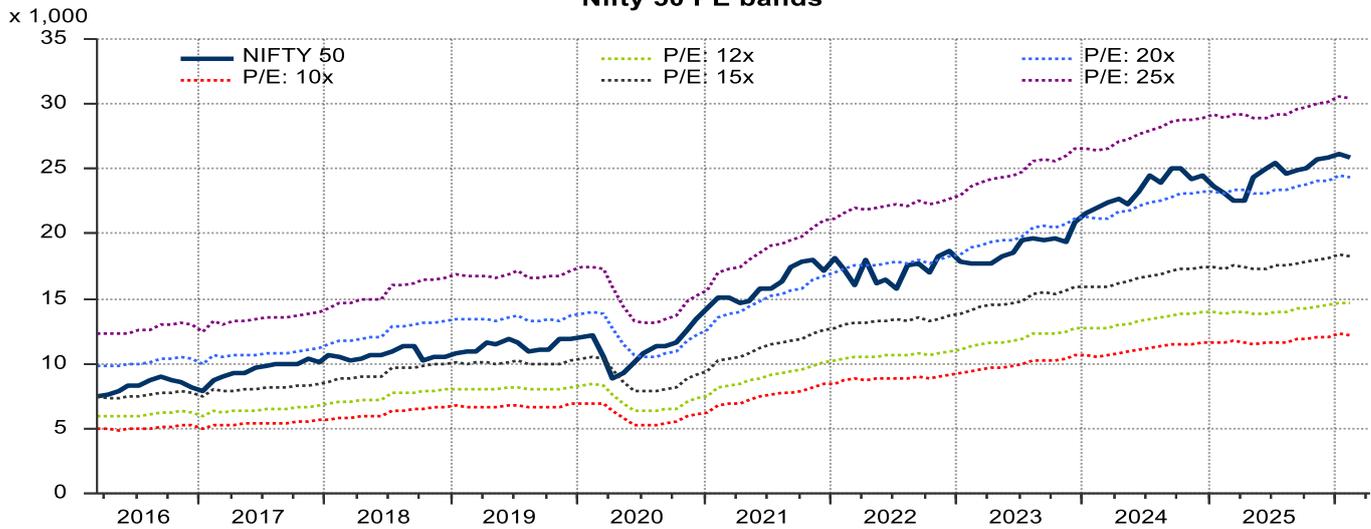
Source: LSEG Workspace, NSE EPR

Figure 221: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

MSCI India currently trades at a premium of 66% to MSCI EM on 12-month forward P/E, broadly steady over the last two months but much lower than 110% in Sep'24.

12-months forward P/E (Relative premium)
IBES MSCI India vs MSCI Emerging Markets
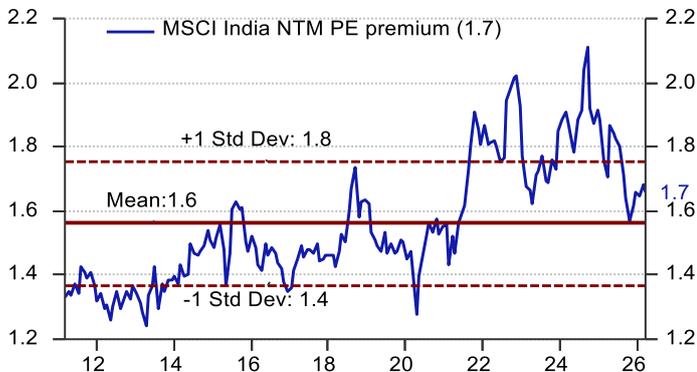
Source: LSEG Workspace, NSE EPR

Figure 222: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B, India's valuation premium to MSCI EM has declined further from 128% by April'25 to 59% currently, much below the long-term average of 87%.

12-month forward P/B (Relative Premium)
IBES MSCI India vs MSCI Emerging Markets
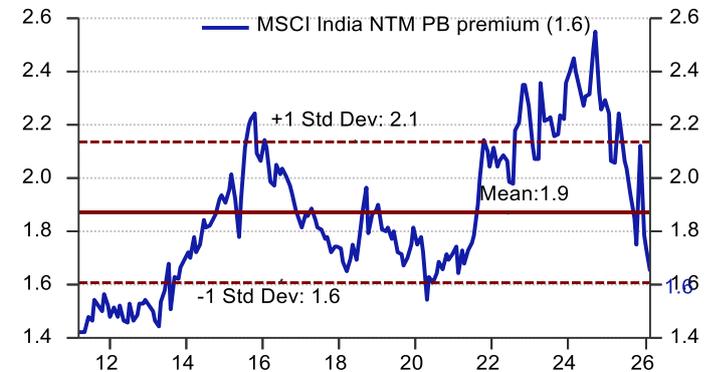
Source: LSEG Workspace, NSE EPR

Figure 223: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)

12-months forward P/E (Relative premium)
IBES MSCI India vs MSCI Emerging Markets

+1 Std. Dev. : 1.8
15-year mean: 1.6
-1 Std. Dev. : 1.4
1.7
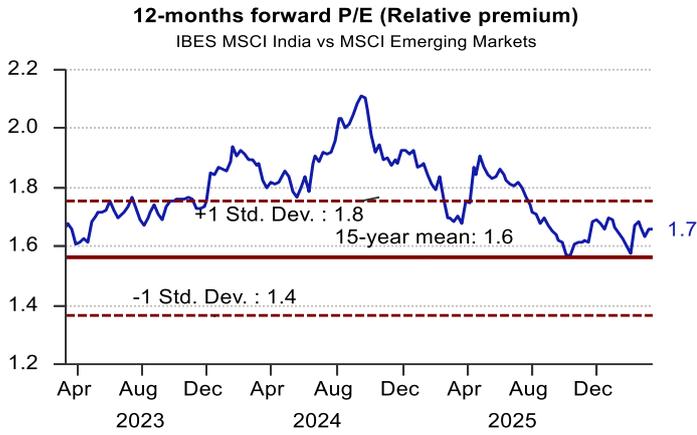
Source: LSEG Workspace, NSE EPR.

Figure 224: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)

12-months forward P/B (Relative premium)
IBES MSCI India vs MSCI Emerging Markets

+1 Std. Dev. : 2.1
15-year mean: 1.9
-1 Std. Dev. : 1.6
1.6
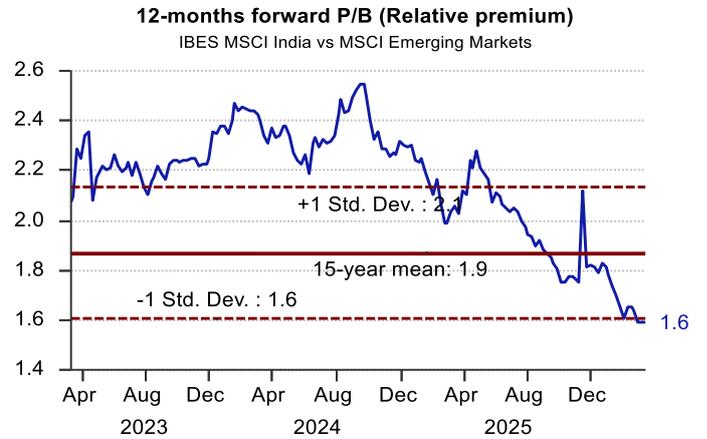
Source: LSEG Workspace, NSE EPR.

Figure 225: Nifty 50 forward earnings yield* vs. 10-year G-sec yield

Spread between Nifty 50 forward earnings yields and 10-year G-sec yield

- Nifty 50 forward earnings yield (%)
- 10-year G-sec yield (%)
- Gap between Nifty50 forward earnings yield and 10Y G-sec yield (RHS)
- Average spread = -153 bps

Average spread = -153 bps
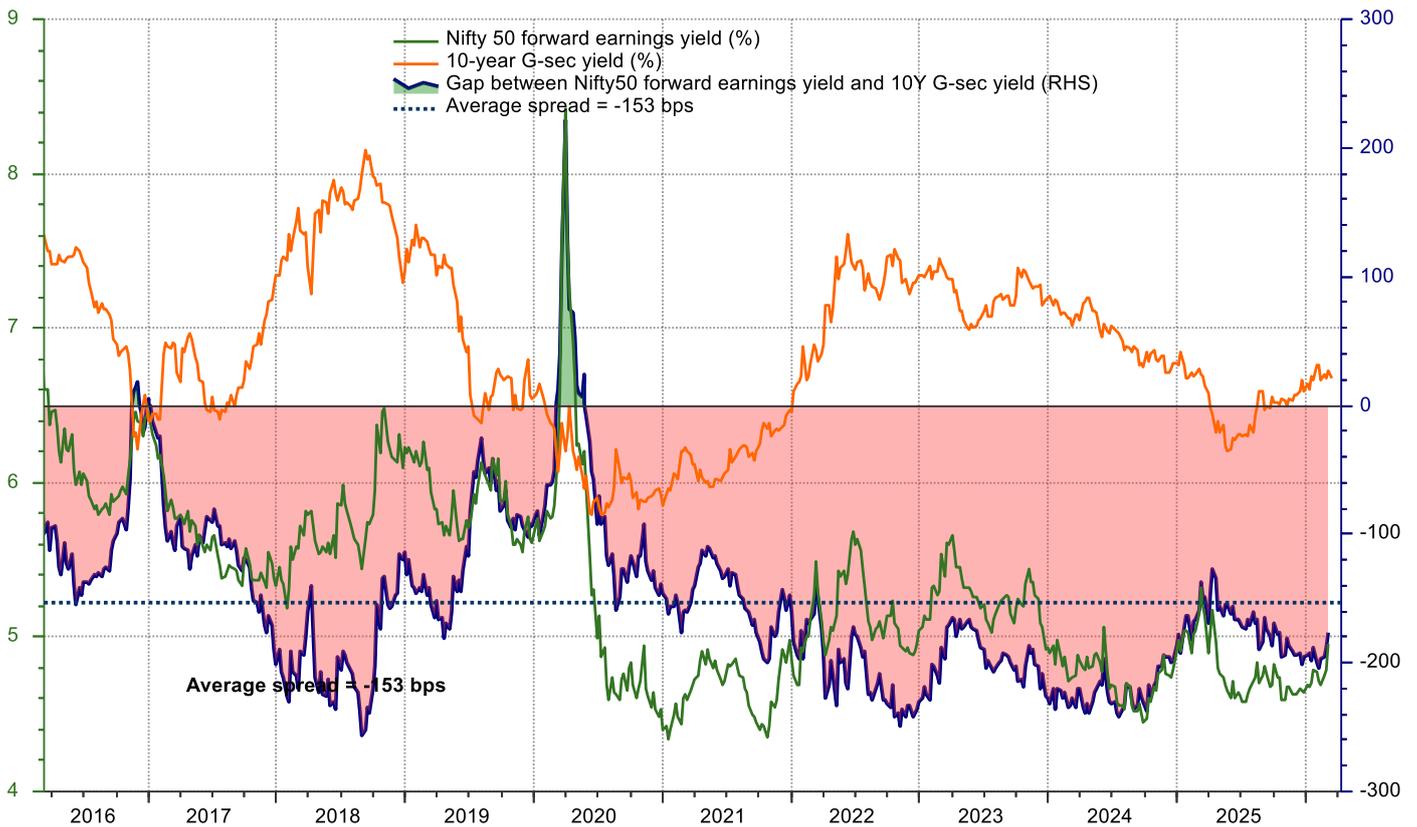
Source: LSEG Workspace, NSE EPR. * Forward earnings yield for Nifty 50 is calculated as (1/12-month forward PE).

Fixed income market performance

Table 67: Performance of key debt indices (As of February 28th, 2026)

Category	Index name	Absolute returns (%)				CAGR returns (%)		
		1M	3M	6M	1Y	2Y	3Y	5Y
G-sec	Nifty 5yr Benchmark G-sec Index	1.0	1.4	3.1	7.9	8.3	8.4	6.6
	Nifty 10 yr Benchmark G-Sec	0.7	0.5	2.2	6.0	7.5	8.2	5.6
	Nifty Composite G-sec Index	0.8	1.0	3.0	6.3	7.6	8.3	6.4
SDL	NIFTY 10 Year SDL Index	0.1	(3.3)	(5.2)	(5.0)	1.6	4.1	4.6
AAA credit	NIFTY AAA Ultra Short Duration Bond Index	0.5	1.3	2.9	6.7	7.3	7.4	6.4
	NIFTY AAA Short Duration Bond Index	0.7	0.9	2.5	7.2	7.3	7.4	6.0
	NIFTY AAA Low Duration Bond Index	0.6	1.2	2.7	6.8	7.1	7.2	6.1
	NIFTY AAA Medium Duration Bond Index	0.8	0.1	2.1	6.7	6.8	7.1	5.9
	NIFTY AAA Medium to Long Duration Bond Index	0.8	(0.3)	1.1	5.1	6.2	6.8	5.8
	NIFTY AAA Long duration Bond Index	0.8	(1.0)	(0.0)	1.8	4.0	5.6	4.9
Composite	NIFTY Liquid Index	0.5	1.5	3.0	6.4	6.9	7.0	6.0
	NIFTY Money Market Index	0.6	1.5	3.0	6.8	7.3	7.4	6.2
	NIFTY Ultra Short Duration Debt Index	0.6	1.5	3.0	7.0	7.5	7.6	6.5
	NIFTY Short Duration Debt Index	0.7	1.1	2.7	7.2	7.4	7.5	6.3
	NIFTY Low Duration Debt Index	0.6	1.3	2.8	6.9	7.3	7.5	6.3
	NIFTY Medium Duration Debt Index	0.8	0.6	2.6	7.0	7.3	7.5	6.3
	NIFTY Medium to Long Duration Debt Index	0.7	(0.2)	1.2	4.7	6.3	7.1	6.1
	NIFTY Long Duration Debt Index	0.7	(0.1)	1.1	2.8	5.2	6.7	5.9
	NIFTY Composite Debt Index	0.7	0.4	1.9	5.4	6.6	7.2	6.2
	NIFTY Corporate Bond Index	0.7	0.8	2.5	7.1	7.3	7.5	6.4

Source: NSE Indices, NSE EPR.

Major global sovereign bond yields generally eased in February 2026: The US 10-year Treasury yields fell by 30 bps MoM reaching 3.96% by February-end, supported by stable consumer inflation, strong labour market data, and investors shifting toward safer assets. Similar declines were witnessed in core European sovereigns. UK 10-year Gilt yields dipped 22 bps MoM as the Bank of England held rates, and German Bund yields eased 19 bps. In contrast, Japanese 10-year yields rose in early February following signals from the Bank of Japan regarding potential accelerated policy normalization, before eventually tracking global peers lower to close at 2.11%. The broad-based decline changed course in early March 2026: a Middle East conflict led to oil prices surging and inflation fears reviving, triggering a bond sell-off. By March 11th, 2026, US 10-year treasury yields jumped 25bps and 10-year Gilt and German Bund yields jumped 38 bps and 28 bps from February-end, as markets pared back expectations of central banks easing rates in the near-term.

India's sovereign bond yields softened in February 2026: Indian sovereign bond yields rose in early-Feb, driven by record government borrowing programme for the next year, however the yields declined by end-Feb, especially at the shorter end, amid ample liquidity, steady central bank policy and robust FPI investment flows. By late February, the benchmark 10-year G-Sec yields remained steady at 6.7% (-4 bps MoM). The spread between the 10-year and 2-year yields expanded to approximately 93-100 bps in February from an average 80 bps in January, as shorter-end rates witnessed a steeper fall by nearly 14-16 bps during the month. This, in turn, resulted in further steepening of the yield curve. In March 2026, the longer tenors remained steady as government

borrowings remained stable during the month, however, shorter tenors witnessed increase in yields amid geopolitical shocks raising inflationary concerns in the near term.

Central government borrowings stood at Rs 1.25 lakh crore in February 2026, the same level as in January 2026, taking cumulative borrowings in FY26 to Rs 14 lakh crore as of February 28th, 2026. This is already close to the Rs 13.9 lakh crore raised during the whole of last fiscal year (FY25), contributing to an upward bias at the longer end of the yield curve.

Figure 226: Sovereign yields curve across major economies as on February 28th, 2026
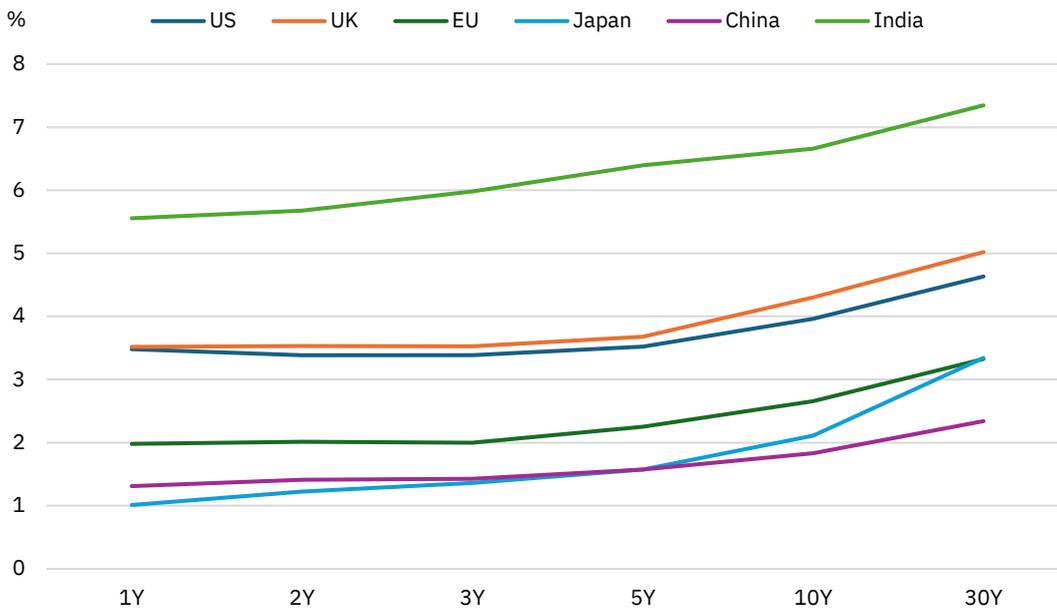
Source: NSE Cogencis, LSEG Workspace, NSE

Figure 227: Change in sovereign yields across major economies in February 2026
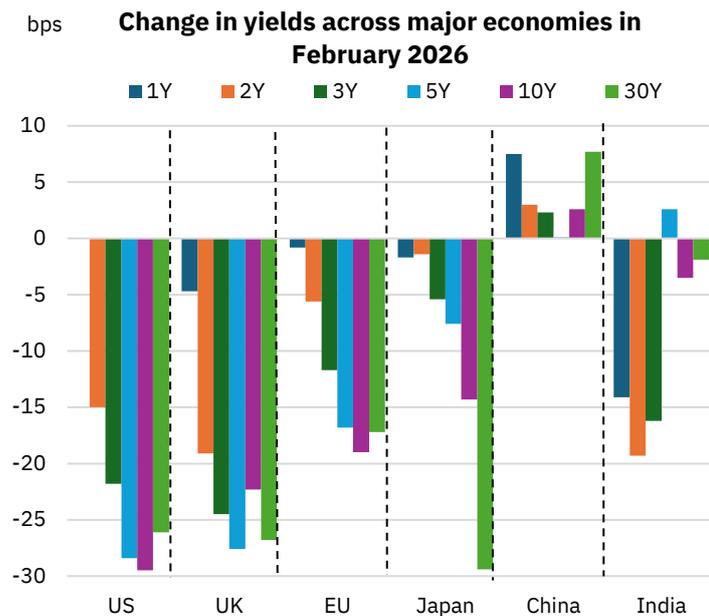
Figure 228: Change in sovereign yields across major economies in CY26 (As on February 28th, 2026)

Source: NSE Cogencis, LSEG Workspace, NSE
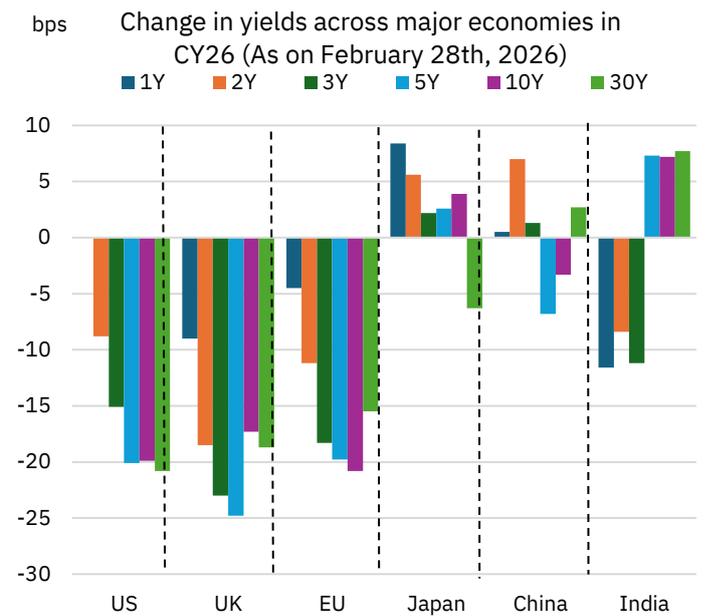
Figure 229: India 10Y G-sec yield—long-term trend

India 10-year benchmark g-sec yield-long-term trend
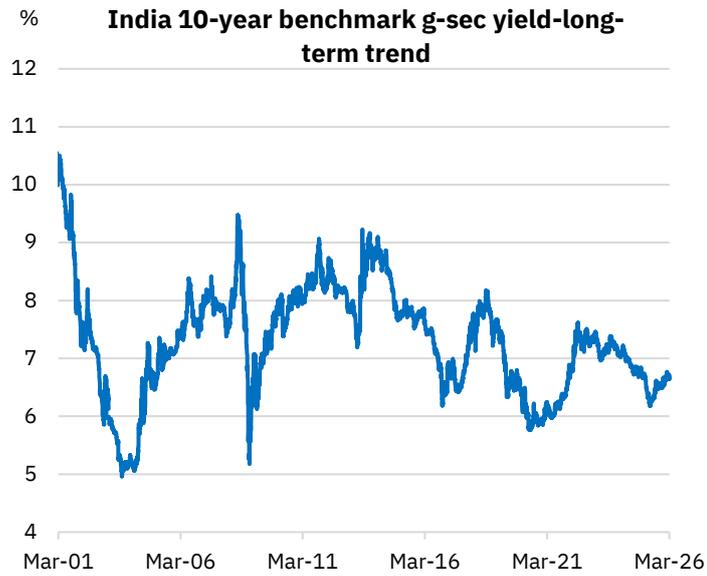
Source: NSE Cogencis, NSE EPR.

Figure 230: India 10Y G-sec yield—last one-year trend

India 10-year benchmark g-sec yield movement in the last 12 months
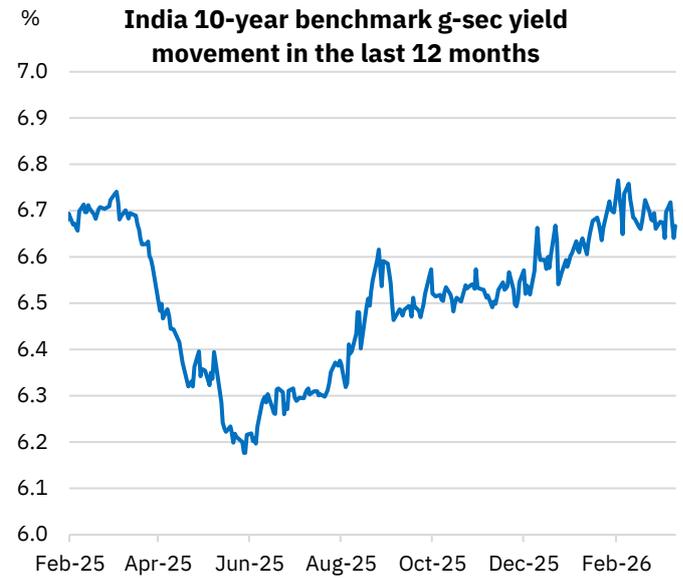
Figure 231: India sovereign yield curve

India sovereign yield curve
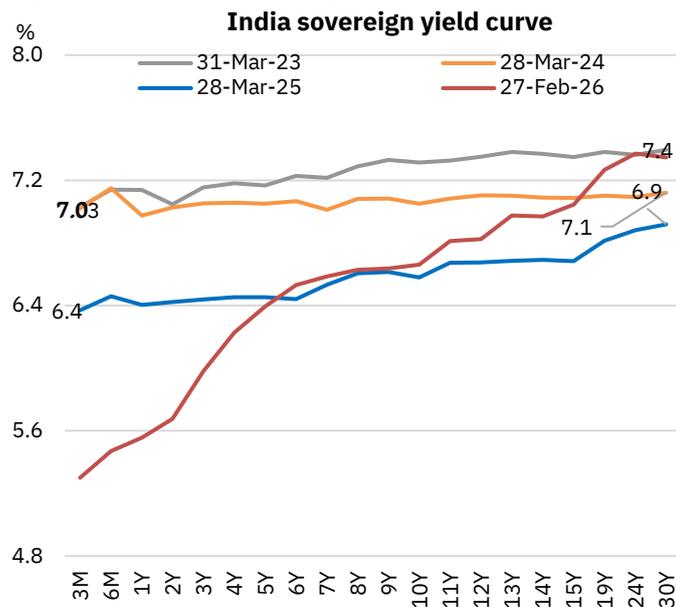
Source: NSE Cogencis, NSE EPR.
Note: Data is as of February 28th, 2026.

Figure 232: Change in sovereign yields across the curve so far in FY26 (As on February 28th, 2026)

Change in yields across the curve so far in FY26
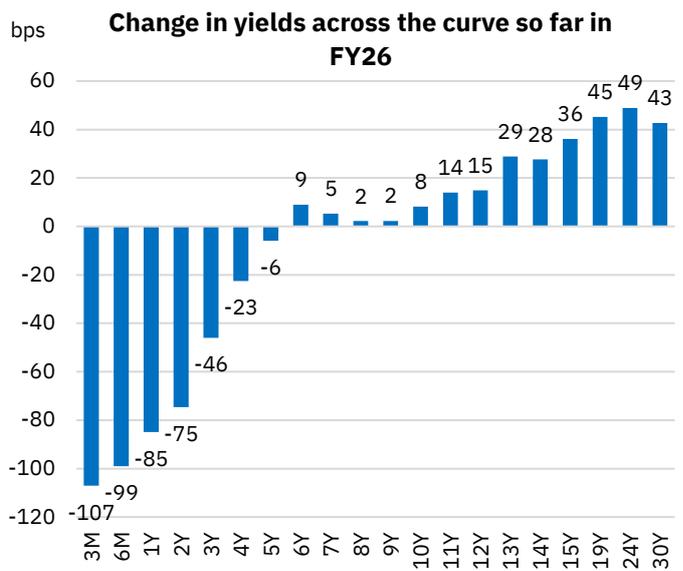
Figure 233: India sovereign bonds term premia
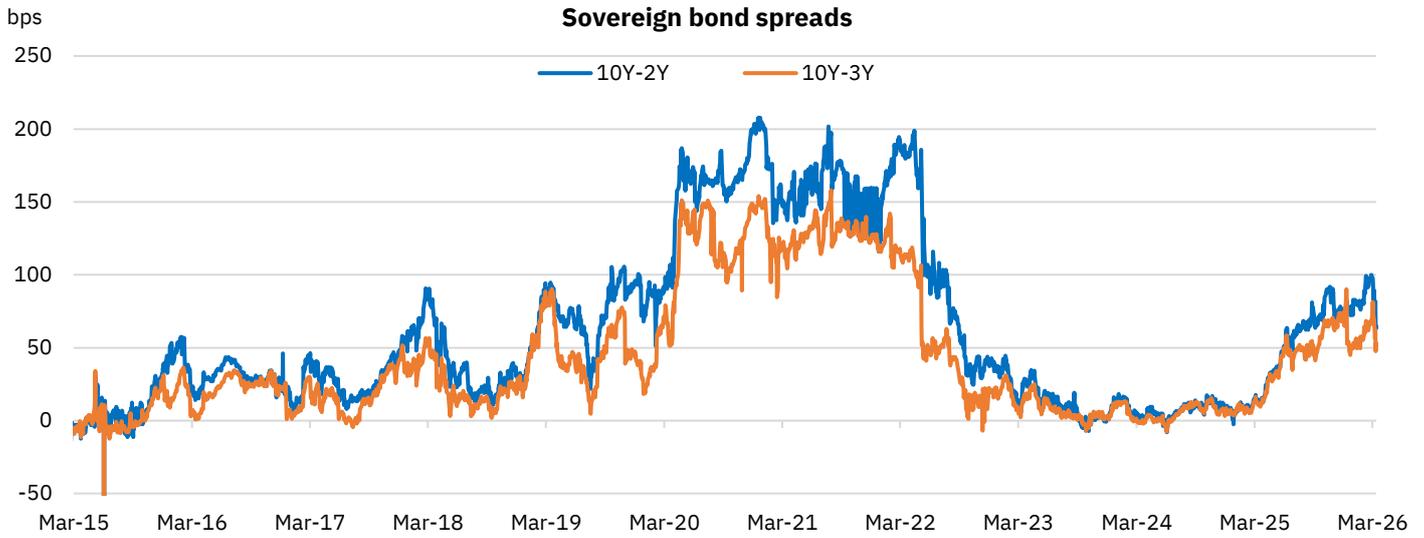
Source: NSE Cogencis, NSE EPR.

Figure 234: Annual trend of Centre's market borrowings

Figure 235: Centre's market borrowings in the last 12 months
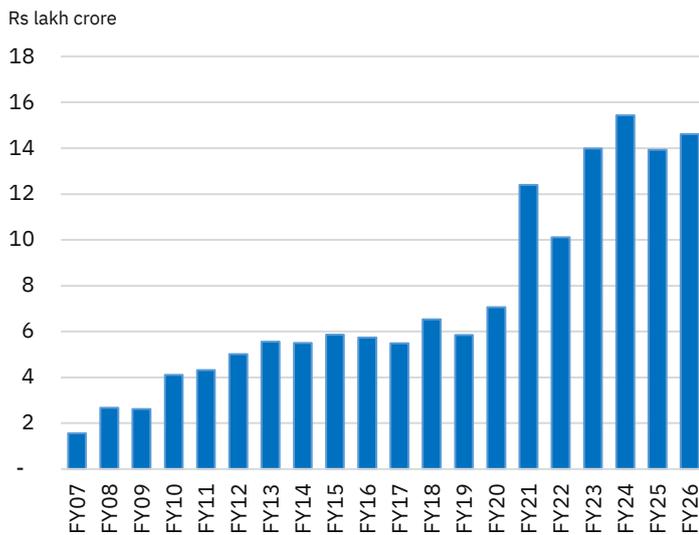
Source: RBI, NSE EPR.

Note: 1. FY26 and Mar-26 data is as on March 9th, 2026.

2. Above charts are based on date of issue.
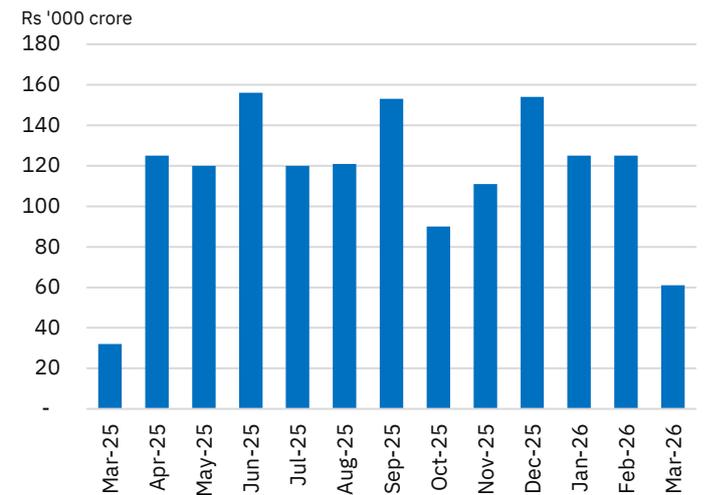
Figure 236: **Inflation, yields and spreads in India vs. US**
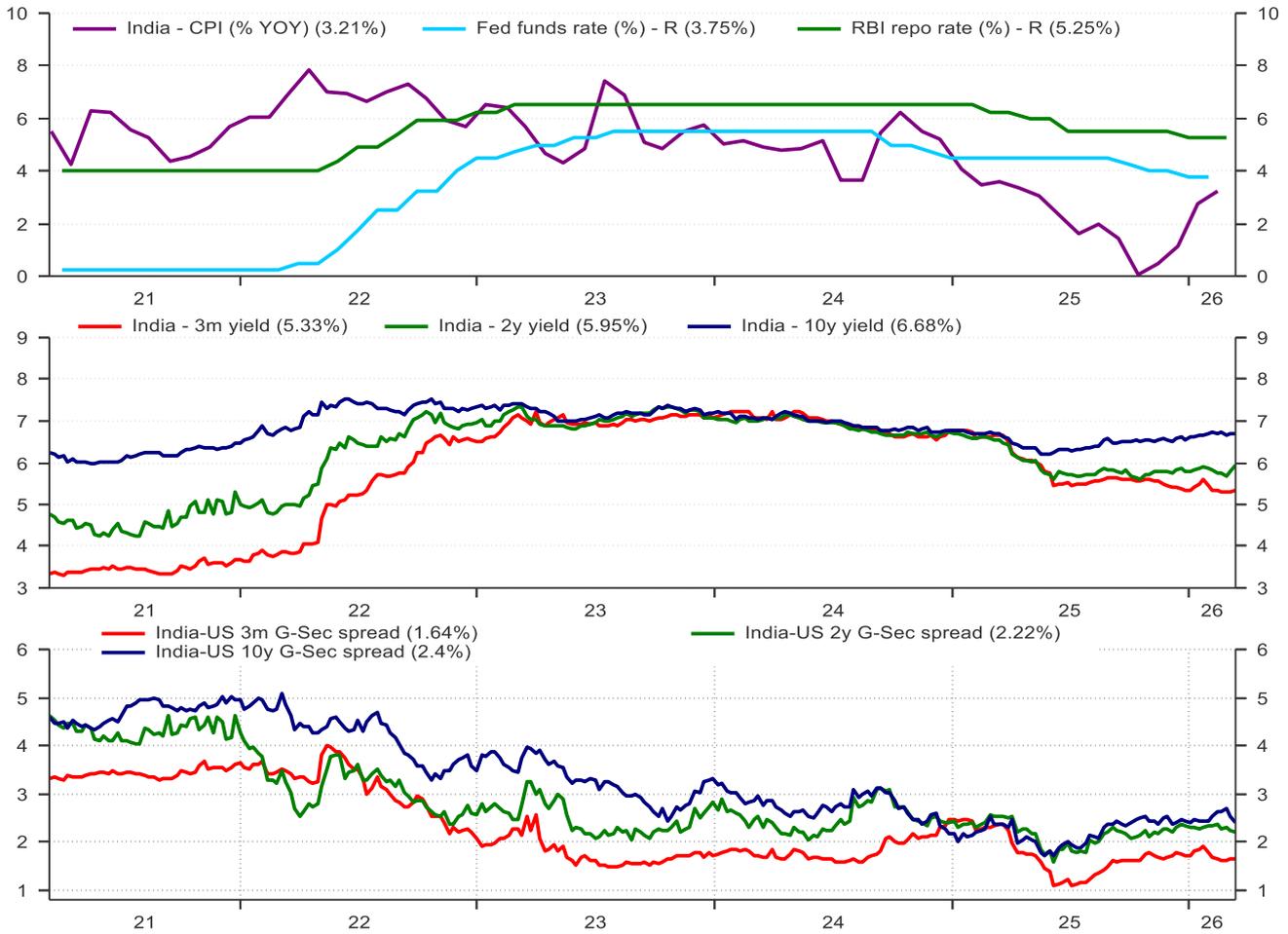
Source: LSEG Workspace, NSE EPR.

State government borrowings continued to pressure SGBs' yields in February: State government borrowings increased by sharper 58.2% MoM to Rs 1.71 lakh crore in February compared to Rs 1.08 lakh crore in the previous month. The state governments raised another Rs 91,290 crores in the first 10 days of March 2026. The robust borrowings by state governments have continued to weigh on state government bond yields, keeping spreads over central G-Secs elevated. SGB yields touched 7.68% during the month – the highest in two years – with spreads over central G-Secs touching nearly 96 bps before easing to 87 bps by end-Feb.

Figure 237: **Spreads between 10-year SGS and G-sec yields**

Source: NSE Data and Analytics (NDAL), NSE Cogencis, NSE EPR.

Figure 238: Annual state government borrowings

Figure 239: State government borrowings in the last 12 months
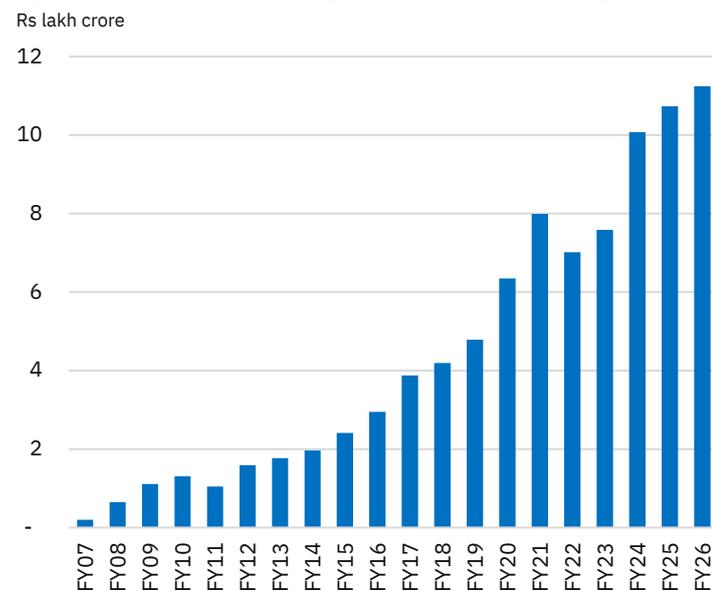
Source: RBI, NSE EPR.
Note: 1. FY26 and Mar-26 data is as on March 11th, 2026.
2. Above charts are based on date of issue.
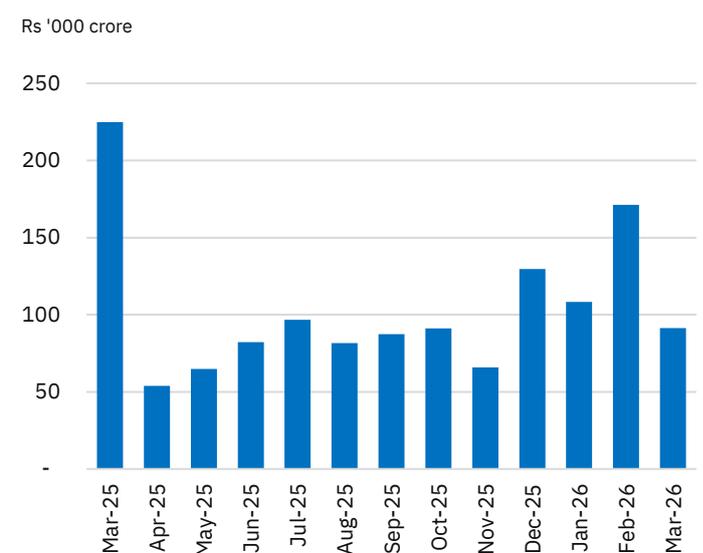
Corporate bond market performance

Corporate bond markets witnessed a rally in February 2026, mimicking the trend seen in G-secs: Primary issuances touched Rs 1.31 lakh crore in February 2026, marking the highest level in the past 23 months. While spreads over central G-Secs remained broadly stable on a MoM basis for longer tenors, they widened at the shorter end, reflecting relatively higher supply in the near-term maturities. Average spreads for AAA-rated corporate bonds stood at 179 bps, 137 bps and 116 bps for one-, two- and three-year tenors, respectively, while spreads for equivalent AA+ rated bonds were higher at 229 bps, 188 bps and 168 bps. Cumulatively, corporate borrowings in FY26 to date (as on February 28th, 2026) reached nearly Rs 9 lakh crore across more than 4,000 issuances.

Figure 240: Monthly trend in corporate bond issuances

Monthly trend in corporate bond issuances
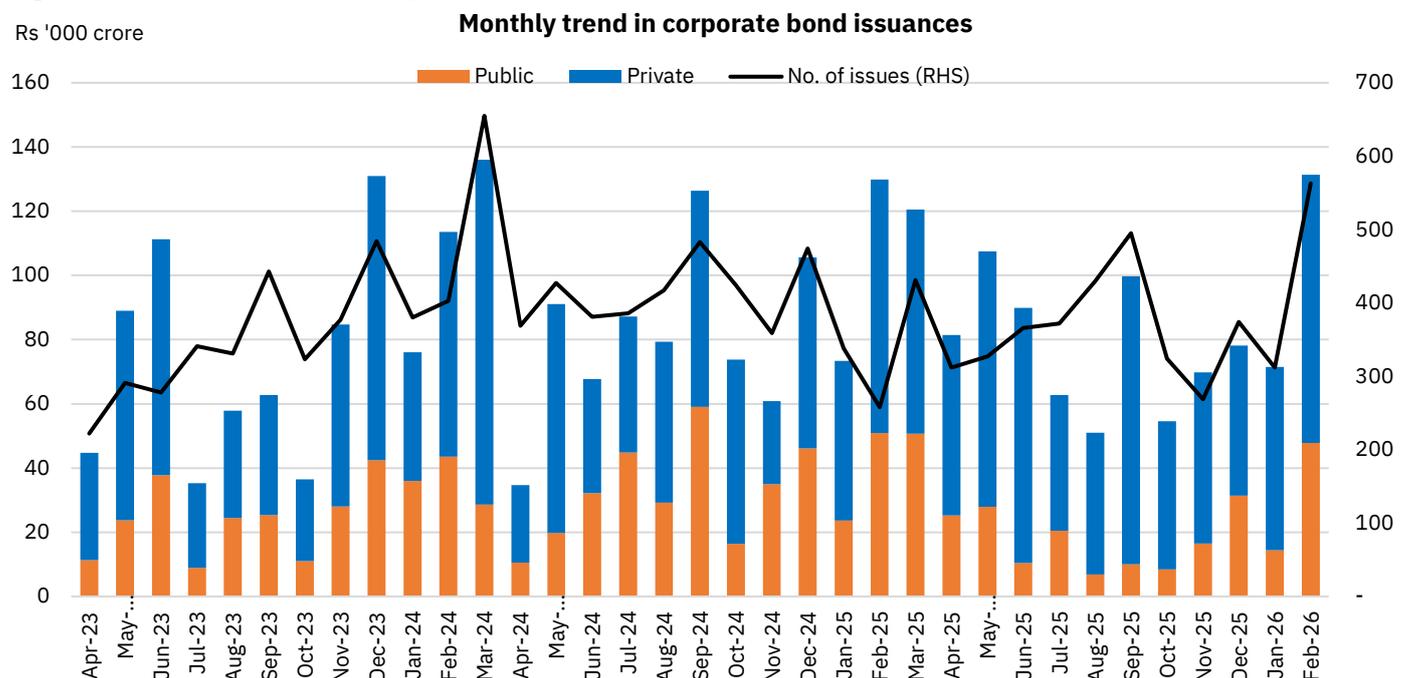
Source: NSDL India Bond Info, NSE EPR.
Note: 1. Includes issuance of fully and partly convertible corporate bonds.

Figure 241: Corporate bond term premia between 10-year and 1-year yields

Corporate bond term premia
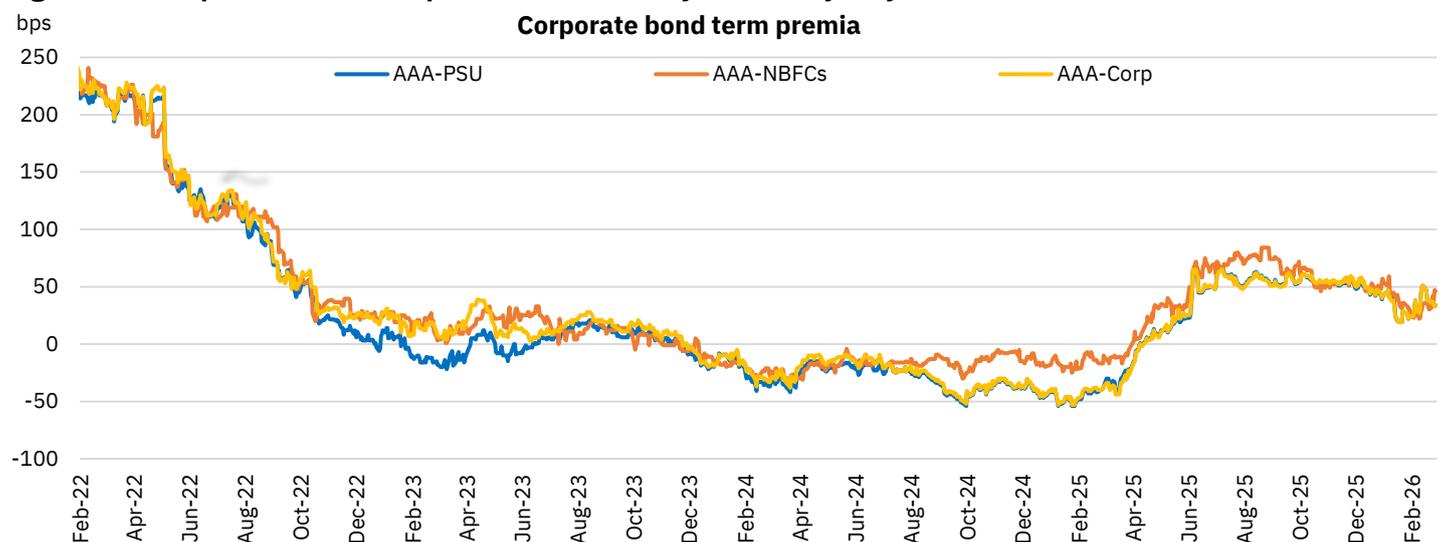
Source: NSE Data and Analytics (NDAL), NSE EPR.

Figure 242: AAA-rated corporate bond yield curve

AAA PSU yield curve

%

Legend: 31-Mar-23, 31-Mar-24, 31-Mar-25, 28-Feb-26

X-axis: 1Y, 2Y, 3Y, 5Y, 10Y
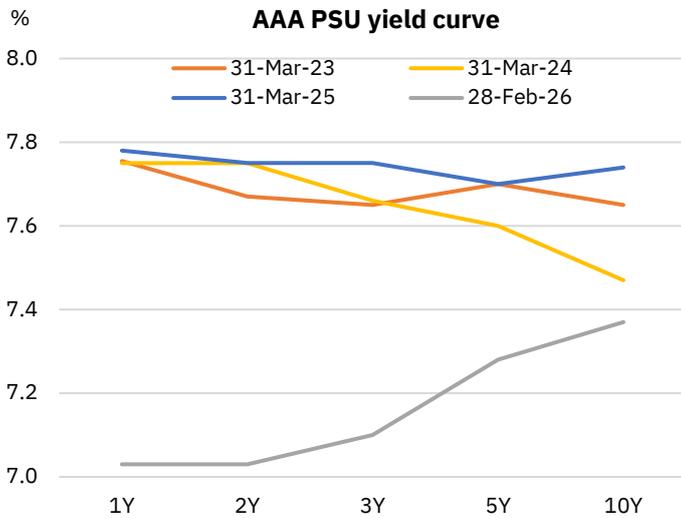
Source: NSE Data and Analytics (NDAL), Cogencis,

Figure 243: AA+ rated corporate bond yield curve

AA+ PSU yield curve

%

Legend: 31-Mar-23, 31-Mar-24, 31-Mar-25, 28-Feb-26

X-axis: 1Y, 2Y, 3Y, 5Y, 10Y
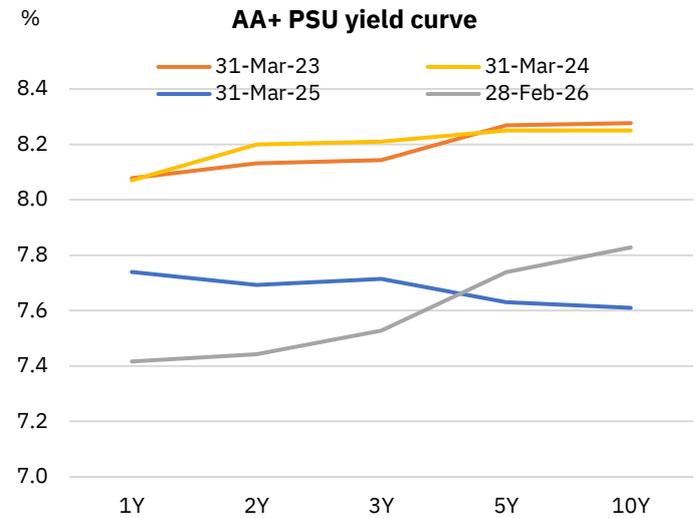
Figure 244: Change in AAA corporate bond and G-sec yields in FY26
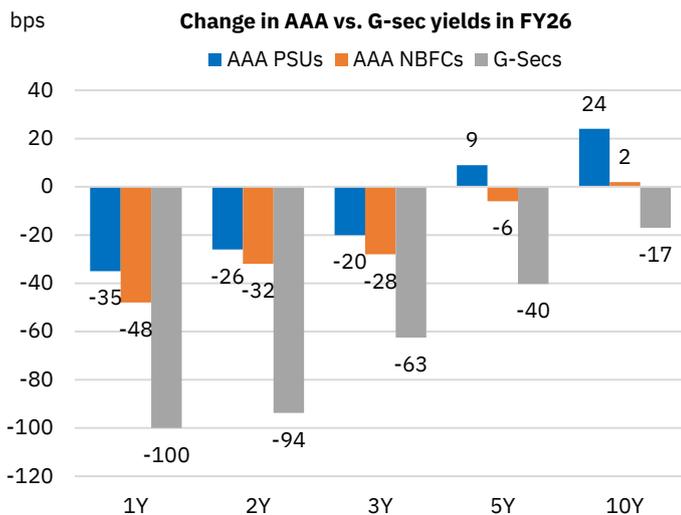
bps

Change in AAA vs. G-sec yields in FY26

Legend: AAA PSUs, AAA NBFCs, G-Secs

Tenor	AAA PSUs	AAA NBFCs	G-Secs
1Y	-35	-48	-100
2Y	-26	-32	-94
3Y	-20	-28	-63
5Y	9	-6	-40
10Y	24	2	-17

Figure 245: Change in AA+ corporate bond and G-sec bond yields in FY26

bps

Change in AA+ vs. G-sec yields in FY26

Legend: AA+ PSUs, AA+ NBFCs, G-secs

Tenor	AA+ PSUs	AA+ NBFCs	G-secs
1Y	-32	-40	-100
2Y	-25	-20	-94
3Y	-19	-12	-63
5Y	11	9	-40
10Y	22	16	-17

Source: NSE Data and Analytics (NDAL), NSE Cogencis, NSE EPR.
Note: Data is as of February 28th, 2026.
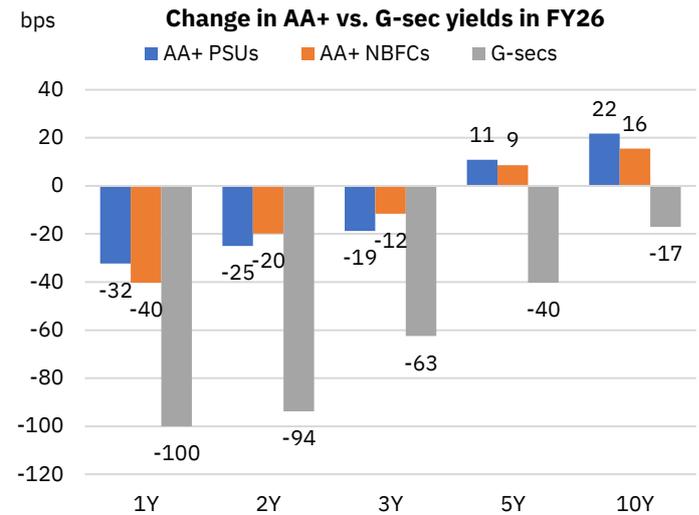
Figure 246: Spreads for one-year AAA-rated corporate bonds across segments
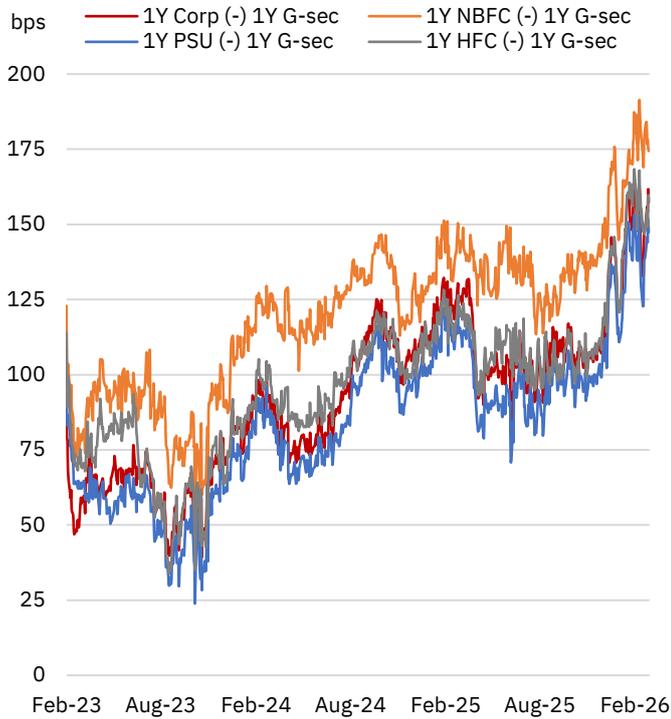
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 247: Spreads for three-year AAA-rated corporate bonds across segments
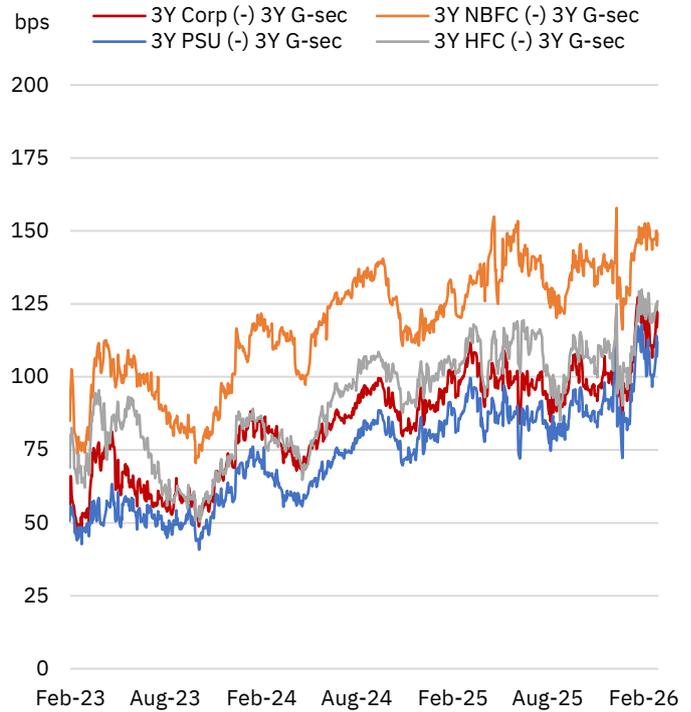
Figure 248: Spreads for five-year AAA-rated corporate bonds across segments
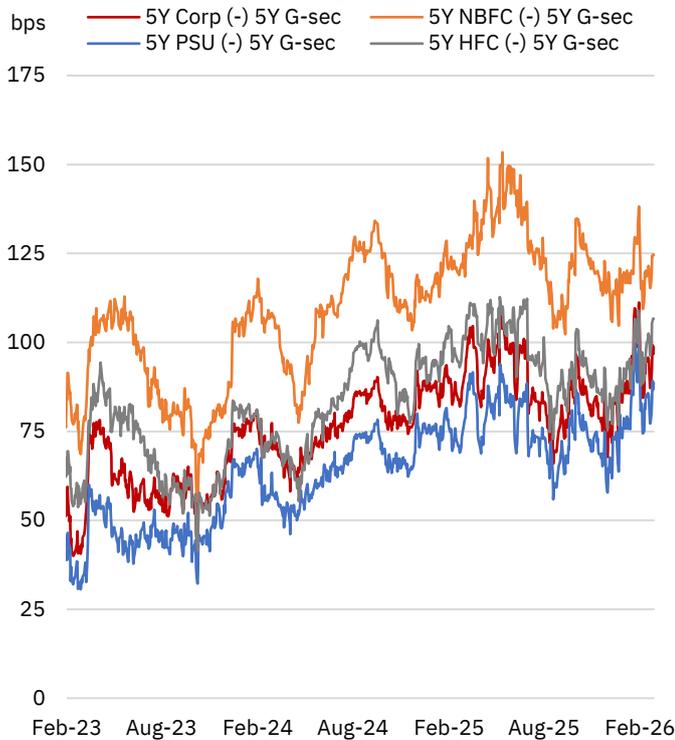
Source: NSE Data and Analytics (NDAL), NSE Cogencis, NSE EPR

Figure 249: Spreads for 10-year AAA-rated corporate bonds across segments
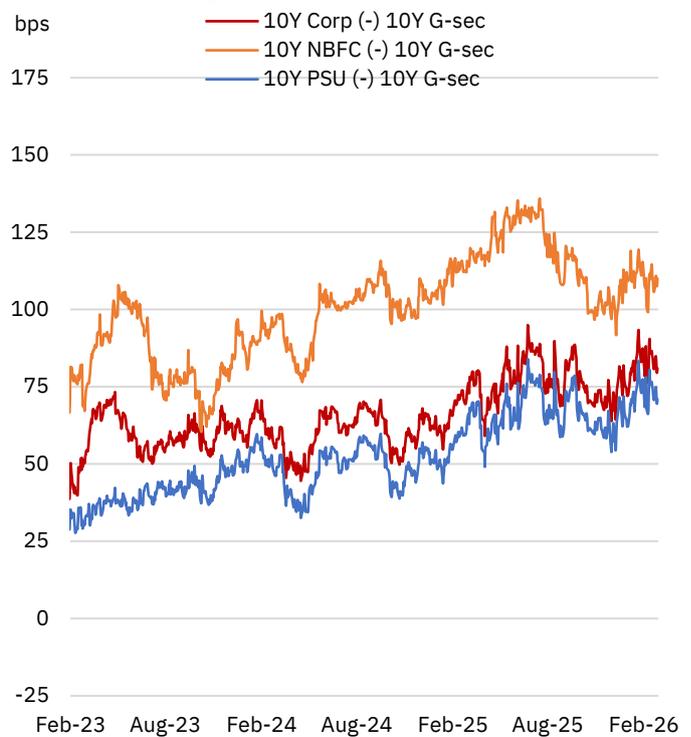
Commodity market performance

Risk driven divergence emerges across commodity markets: February 2026 marked a shift from January's broad-based volatility to a more selective, risk-driven divergence across commodity markets. Late-month geopolitical escalations in the Middle East pushed crude prices beyond US$ 80/bbl. This volatility funnelled liquidity into precious metals, where Gold and Silver benefitted on strong safe-haven demand. Industrial metals displayed a bifurcated performance. Tin continued its upward trajectory amid persistent supply deficits, while Iron Ore remained under pressure from seasonal slowdown during the Lunar New Year period and weak demand from China's property sector. Agricultural commodities, meanwhile, generally trended higher in Feb'26 driven by weather-related supply risks and logistical disruptions across key exporting nations.

- **Energy Sector**: Crude oil prices ended Feb'26 2.6% higher MoM, while remaining highly volatile amid geopolitical developments surrounding US-Iran nuclear negotiations and Russia-Ukraine peace talks that ended without a breakthrough. The month culminated with a joint US-Israel military operation against Iran, which triggered a price rally towards US$ 80/bbl.

- **Precious Metals:** Escalating US-Iran frictions, including stalled nuclear talks and US military posturing, drove investors toward precious metals. This was compounded by global equity weakness, prompting a risk-off shift towards such metals. Gold prices posted strong gains in Feb'26 (+4.5% MoM) driven by intensified safe-haven demand as geopolitical tensions escalated. Bullion's appeal was further supported by softer US Treasury yields, which dipped below 4% following softer inflation readings, and a weaker US dollar amid erratic trade policy signals—including Supreme Court rulings striking down certain tariffs followed by fresh 15% tariff threats. Beyond these immediate catalysts, the rally was anchored by structural shifts such as aggressive central-bank gold purchases and a broader pivot away from sovereign debt. Silver prices also rose 10.8% MoM. This increase masks the "catch-up" rally which ensued after silver entered Feb'26 significantly undervalued relative to gold. The net gain was propelled by both safe haven flows and robust underlying demand, echoing gold's rally but amplified by silver's dual role as a precious and industrial metal.

  While platinum prices rose 2.9% MoM, palladium fell 1.5% MoM. The divergence in the sister metals (both are used to make catalytic converters in gasoline vehicles) was brought about by platinum's supply constraints and its growing appeal as an industrial metal in the green hydrogen economy, alongside continued substitution of palladium with platinum by the automotive industry. Meanwhile, palladium—almost exclusively tied to Internal Combustion Engines (ICE)—remained under pressure as rising EV penetration increased in China and Europe dampened automotive demand.

- **Industrial Metals:** Aluminium prices remained broadly stable (+0.3% MoM) despite ongoing policy uncertainty around potential adjustments to the 50% US tariffs on steel and aluminium imports. Meanwhile, copper prices rose 1.7% MoM in Feb'26, supported by firmer demand in China, the world's largest copper consumer, as markets reopened after the Lunar New Year. Sentiment in Chinese markets improved after the US Supreme Court struck down emergency tariffs,

lifting expectations for stronger industrial activity in the country. Earlier, dip-buying by investors also helped prices of the red metal recover from declines at the start of the month. Notably, the gains came despite rising exchange inventories. Lead prices, however, declined 2.3% MoM, reflecting ample supply and elevated exchange inventories that have kept the market in surplus. Sentiment also remained weak due to structural demand pressures, as the shift from internal combustion engine vehicles to new energy vehicles, which use smaller lead-acid batteries, limits the metal's demand outlook.

Parallelly, nickel prices also trended lower by 0.5% MoM. Despite Indonesia announcing a steep production cut at the world's biggest nickel mine at Weda Bay in line with its *hilirisasi* policy, to address oversupply, prices remained under pressure. The price drop can also be associated with the metal's declining importance in the e-mobility narrative, as Chinese automakers are increasingly switching to non-nickel batteries. Tin prices continued to be on the rise, increasing 11.6% MoM, amid tight global supply conditions and strong structural demand generated due to energy and digital transitions. Supply remains limited due to ongoing operational uncertainties in Myanmar and conflict-related disruptions in the Democratic Republic of Congo (DRC). Conversely, zinc prices continued to decline, registering a 2.8% fall in prices MoM. Iron ore, a key steel-making ingredient, saw prices fall by a significant 4.3% MoM, pressured by seasonally weaker steel demand in China during the Lunar New Year celebrations, which led mills to cut hot-metal output. Prices were further weighed down by rising port inventories, as supply from major producers in Australia and Brazil remained strong. Meanwhile a prolonged downturn in the Chinese property sector continued to erode domestic steel consumption, adding structural pressure on prices.

- **Agricultural Sector:** Prices of agricultural commodities trended higher than general in Feb'26 owing to weather-related supply risks, and logistical disruptions in major exporting nations, which tightened near-term supply expectations. Wheat and soyabean emerged as the standouts, rising 11.3% and 9.2% MoM respectively. Wheat prices were supported by frost risks in parts of the US and Europe alongside continued uncertainty around Black Sea grain flows, while soyabeans were buoyed by renewed Chinese buying interest and harvest delays in Brazil. Cotton rose 4.4% MoM amid steady textile demand. Corn prices increased 2.3% MoM amid persistent drought conditions across parts of US Midwest & South, Brazil and Argentina. Raw sugar prices increased only marginally (+0.2% MoM) in Feb'26 amid prospects of higher Indian and Thai sugar production (the world's second and third largest producers, respectively).

Figure 250: Movement in key commodity indices

(As of March 9th, 2026)
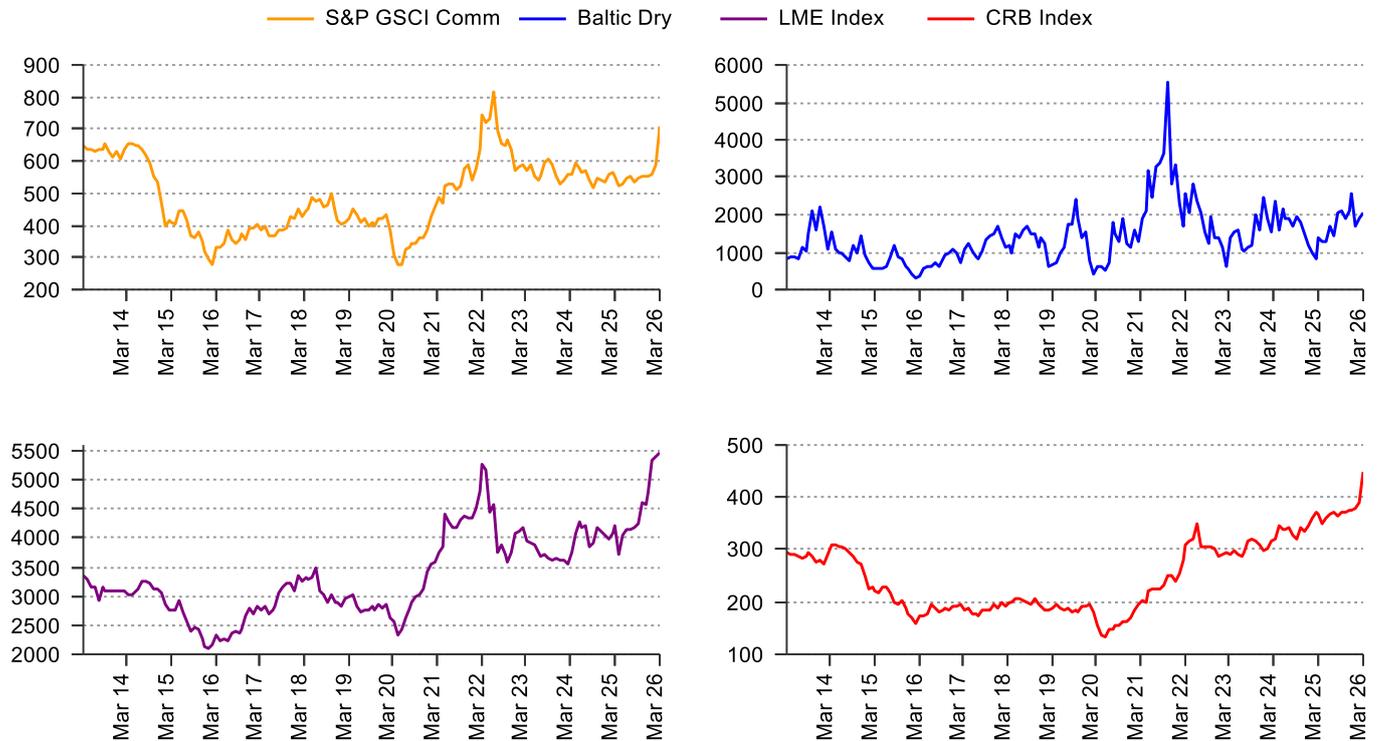
Source: LSEG Workspace, NSE EPR.

Figure 251: Movement in key commodity indices since 2020

Rebased to 100 on March 31st, 2020 (As of March 9th, 2026)
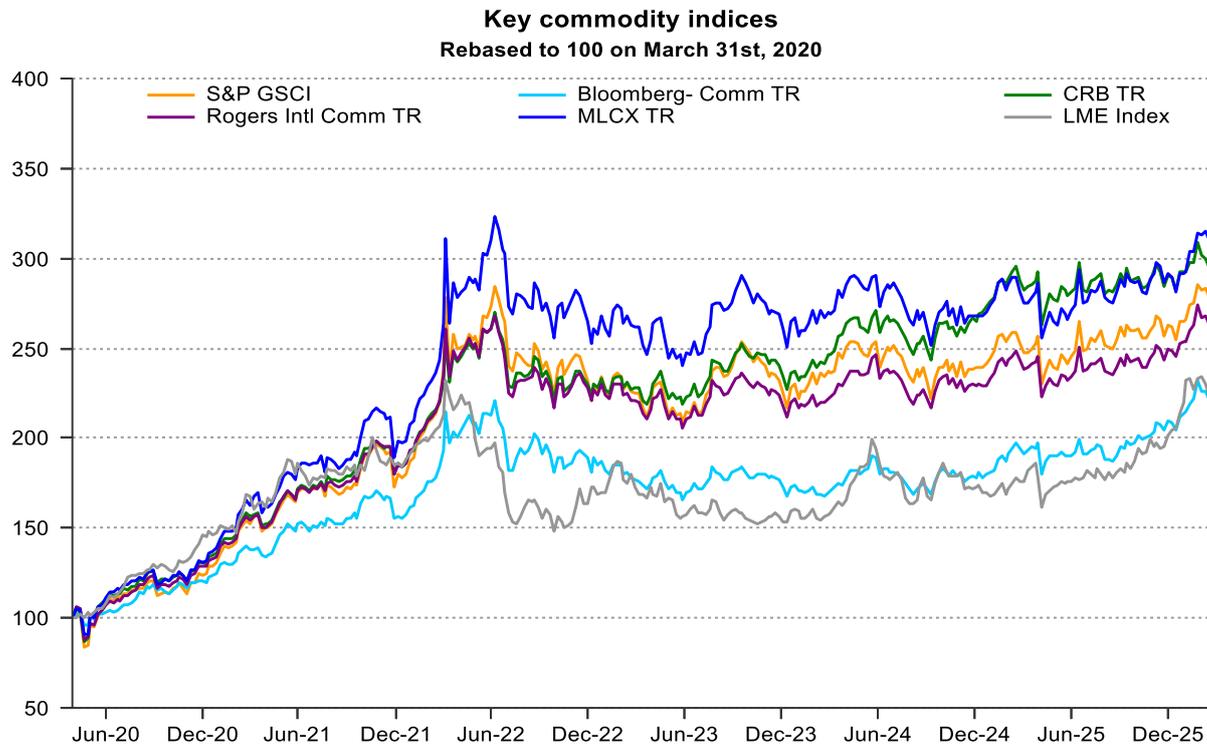
Source: LSEG Workspace, NSE EPR.

Figure 252: Returns of key precious metals in 2024, 2025 and 2026 till date

(As of March 9th, 2026)

Returns of key Precious Metals

Gold
- 2024: 27.11%
- 2025: 64.73%
- 2026TD: 18.01%

Silver
- 2024: 21.53%
- 2025: 146.70%
- 2026TD: 22.08%

Palladium
- 2024: -18.77%
- 2025: 72.39%
- 2026TD: 5.30%

Platinum
- 2024: -9.15%
- 2025: 121.77%
- 2026TD: 5.18%
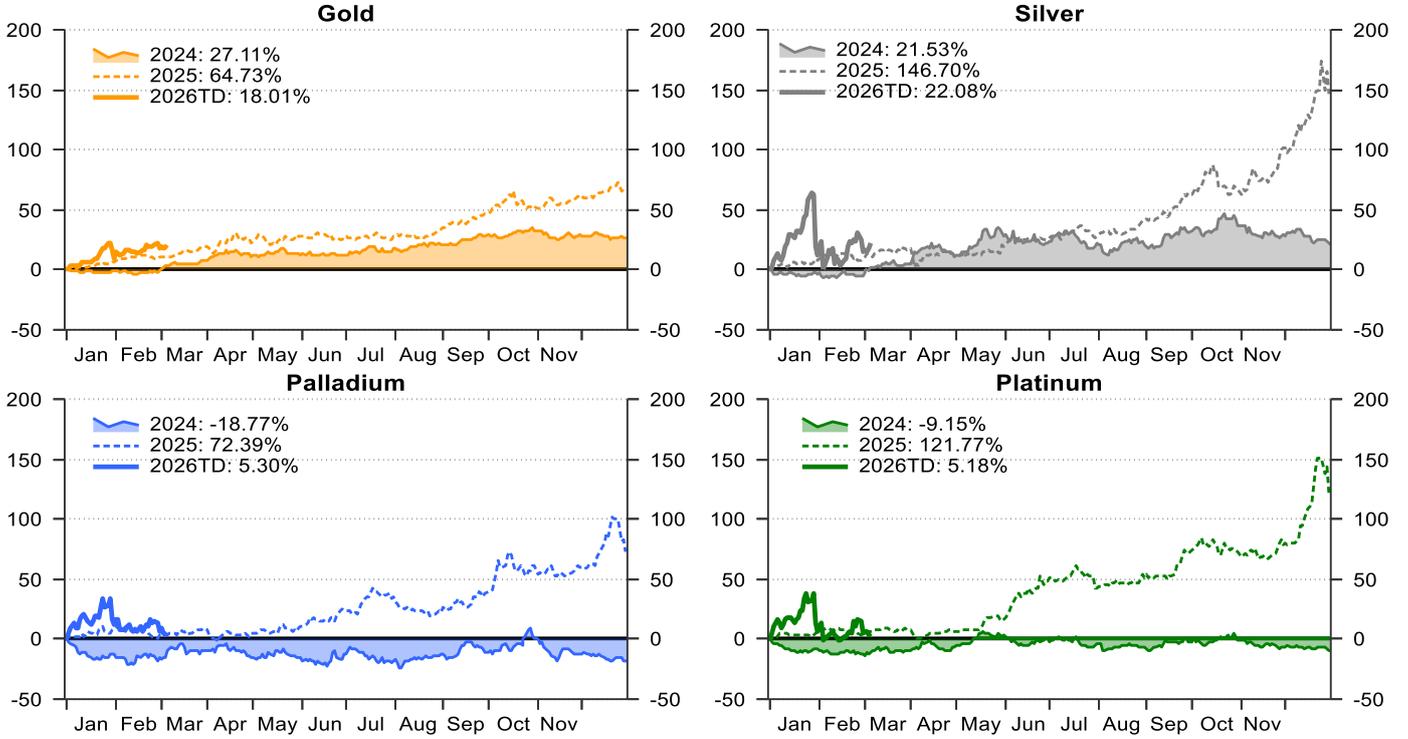
Source: LSEG Workspace, NSE EPR.

Figure 253: Returns of key industrial metals in 2024, 2025 and 2026 till date

(As of March 9th, 2026)

Returns of key Industrial Metals
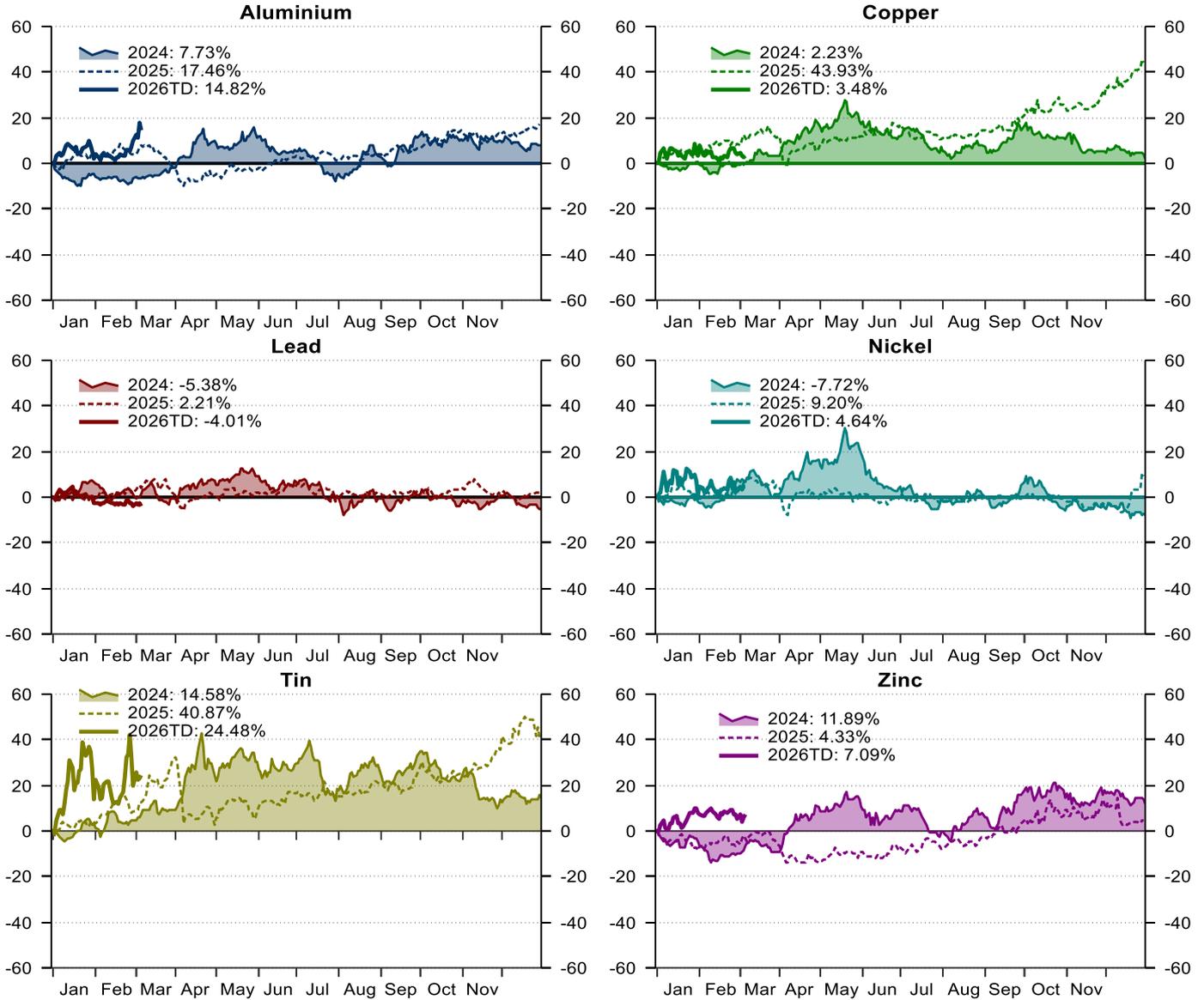
Source: LSEG Workspace, NSE EPR.

Figure 254: Returns of key agricultural commodities in 2024, 2025 and 2026 till date

(As of March 9th, 2026)

Returns of key agri commodities

Soybean
- 2024: -22.71%
- 2025: 3.37%
- 2026TD: 14.81%

Corn
- 2024: -2.55%
- 2025: -3.87%
- 2026TD: -0.45%

Wheat
- 2024: -11.06%
- 2025: -11.01%
- 2026TD: 20.12%

Cotton
- 2024: -15.92%
- 2025: -6.06%
- 2026TD: 0.97%

Cocoa
- 2024: 154.06%
- 2025: -45.11%
- 2026TD: -46.14%

Sugar
- 2024: -11.09%
- 2025: -18.74%
- 2026TD: -3.45%
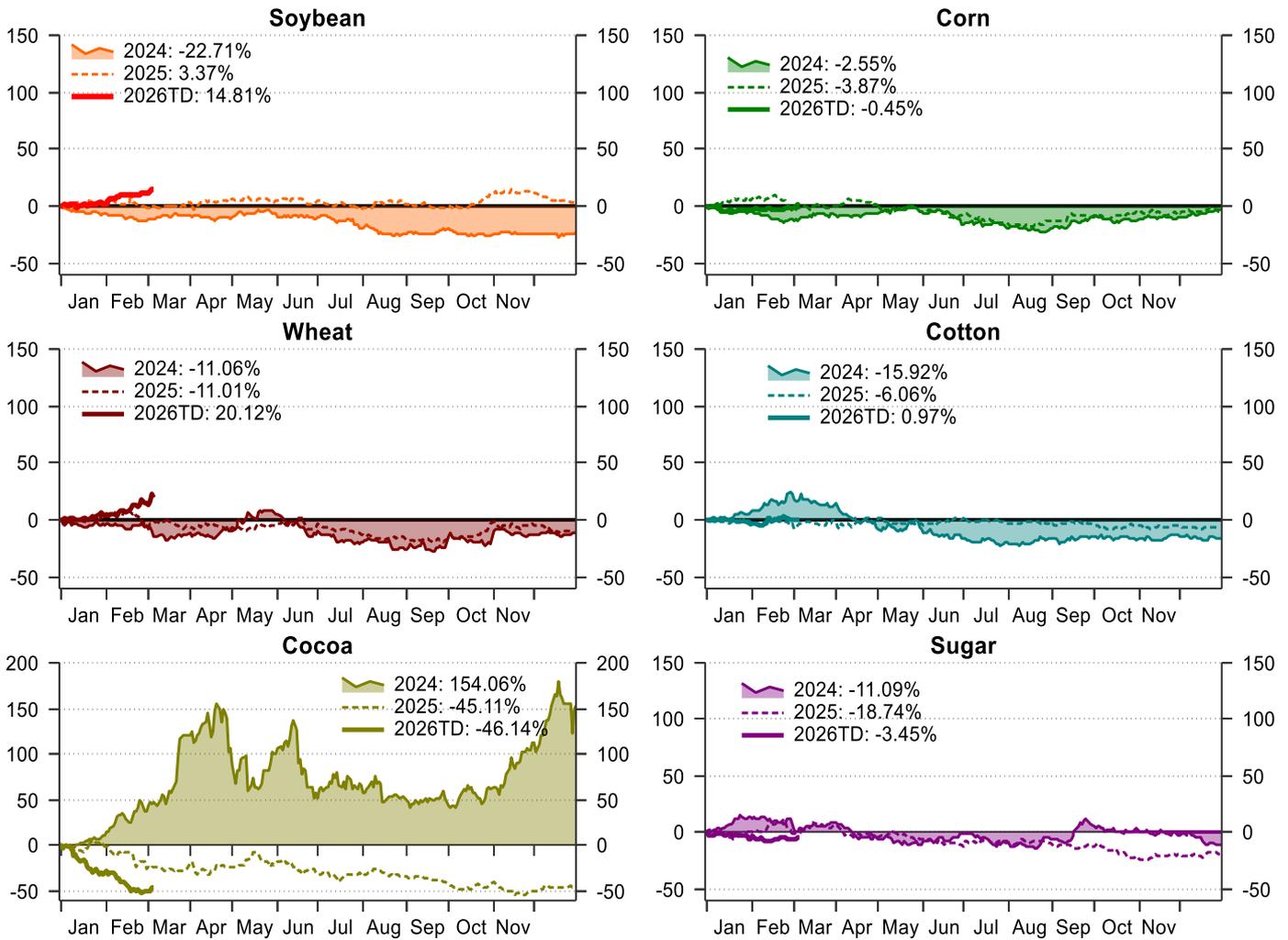
Source: LSEG Workspace, NSE EPR.

Figure 255: Returns of key energy commodities in 2024, 2025 and 2026 till date

(As of March 9ᵗʰ, 2026)

Returns of key energy commodities
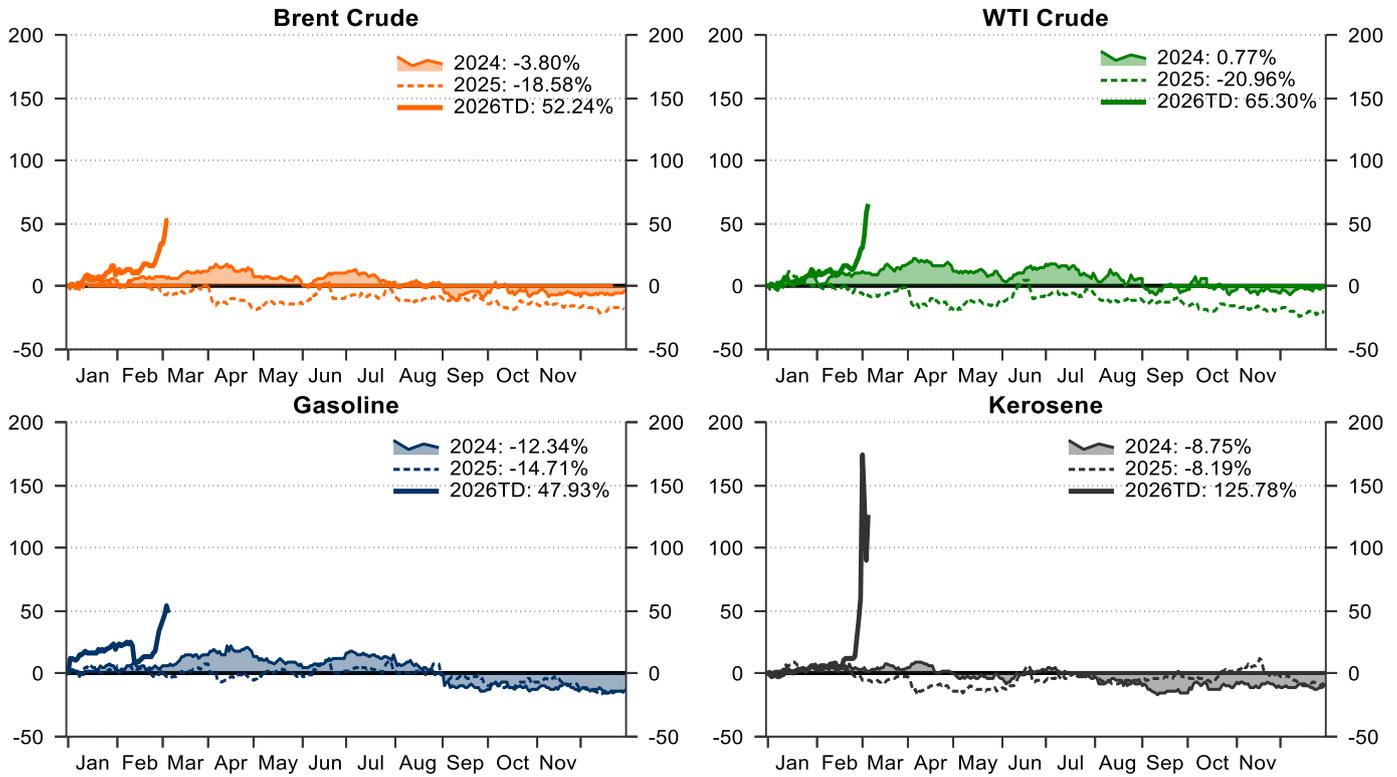
Source: LSEG Workspace, NSE EPR.

Table 68: Annual performance across commodities

(As of March 9th, 2026)

Annual performance across commodities (Ranked by % change each year)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026TD
Lead -2.5	Zinc 60.6	Palladium 57.6	Palladium 19.6	Palladium 52.0	Silver 47.8	Tin 91.7	Nickel 43.1	Gold 13.8	Gold 27.1	Silver 146.7	WTI 65.3
Gold -10.5	Brent Crude 54.5	Aluminium 32.4	Gold -1.7	WTI 35.3	Copper 26.0	WTI 55.8	Brent Crude 8.3	Tin 1.7	Silver 21.5	Platinum 121.8	Brent Crude 52.2
Silver -11.8	Tin 45.3	Copper 30.5	Tin -2.9	Nickel 31.6	Gold 24.8	Brent Crude 51.1	Platinum 7.5	Copper 1.2	Tin 14.6	Palladium 121.8	Tin 24.5
Aluminium -17.8	WTI 45.0	Zinc 30.5	Silver -8.6	Brent Crude 24.8	Palladium 22.0	Aluminium 42.2	Palladium 7.5	Aluminium -0.2	Zinc 11.9	Gold 64.7	Silver 22.1
Tin -24.9	Palladium 20.7	Nickel 27.5	Platinum -14.4	Platinum 22.3	Zinc 19.7	Zinc 31.5	WTI 6.7	Silver -0.8	Aluminium 7.7	Copper 43.9	Gold 18.0
Copper -26.1	Copper 17.4	Lead 24.3	Nickel -16.5	Gold 18.7	Tin 19.6	Nickel 26.1	Silver 2.9	Platinum -2.4	Copper 2.2	Tin 40.9	Aluminium 14.8
Zinc -26.5	Silver 15.1	Brent Crude 17.5	Aluminium -17.4	Silver 15.2	Nickel 18.7	Copper 25.7	Lead -0.1	Palladium -2.4	WTI 0.8	Aluminium 17.5	Zinc 7.1
Platinum -28.0	Aluminium 13.6	Gold 12.6	Copper -17.5	Copper 3.4	Aluminium 10.8	Lead 18.3	Gold -0.4	Brent Crude -8.5	Brent Crude -3.8	Nickel 9.2	Platinum 5.2
WTI -30.5	Nickel 13.5	WTI 12.5	Lead -19.2	Aluminium -4.4	Platinum 10.0	Gold -4.0	Copper -14.1	WTI -10.4	Lead -5.4	Zinc 4.3	Palladium 5.2
Palladium -31.6	Lead 11.3	Silver 6.4	Brent Crude -20.2	Lead -4.7	Lead 3.3	Platinum -10.2	Aluminium -16.3	Zinc -12.1	Nickel -7.7	Lead 2.2	Nickel 4.6
Brent Crude -35.1	Gold 9.0	Platinum 3.2	Zinc -24.5	Zinc -9.5	WTI -21.0	Palladium -10.2	Zinc -16.3	Lead -12.9	Platinum -9.2	Brent Crude -18.6	Copper 3.5
Nickel -41.8	Platinum 3.5	Tin -5.2	WTI -25.3	Tin -12.0	Brent Crude -21.8	Silver -11.7	Tin -37.1	Nickel -45.2	Palladium -9.2	WTI -21.0	Lead -4.0

Source: LSEG Workspace, NSE EPR.

Currency market performance

Rupee stabilised in February before renewed weakness in March: Following January's sharp depreciation, the Indian Rupee (INR) traded in a relatively tight range of 90.3–91.5 during February 2026, closing the month at 91.0 and registering a 1.1% MoM appreciation – its first monthly gain since April 2025. The recovery coincided with a reversal in FPI flows, with net equity inflows of US$2.5 bn in Feb'26, compared to outflows of US$4.0 bn recorded in January, alongside developments relating to the proposed US–India trade agreement during the month. Meanwhile, foreign exchange reserves remained elevated at US$728.5 bn as of February 27th, 2026, continuing to provide a strong external buffer, and supporting orderly market conditions.

However, currency volatility increased in early March amid escalating geopolitical tensions and renewed foreign portfolio outflows. The rupee weakened from around 91.0 at the end of February to 92.5 by 13 March 2026, representing one of the sharpest short-term depreciations in recent months, with the rupee weakening by 2.0% between 13 February and 13 March, 2026. The renewed depreciation pressures coincided with rising geopolitical risks and sharp volatility in global energy markets. Crude oil prices spiked above US$110 per barrel during the period amid escalating tensions in West Asia, a region that accounts for around 47% of India's crude oil imports, with roughly half of India's crude shipments transiting through the Strait of Hormuz. In response to the disruption risks, India has reportedly rerouted around 70% of shipments away from the Strait of Hormuz, partially mitigating supply vulnerabilities.

Major currencies diverge as the dollar strengthens: In February 2026, currency movements against the US dollar were mixed, reflecting a firmer dollar backdrop (DXY: +0.6% MoM). Among developed markets, the Euro (-0.3% MoM), the Pound Sterling (–1.5% MoM), the Japanese Yen (–0.8% MoM), and the Canadian Dollar (–0.2% MoM) depreciated against the greenback, while the Swiss Franc posted a modest gain (+0.6% MoM). Emerging market currencies also witnessed an uneven performance. The Brazilian Real (+2.1% MoM), the Chinese Yuan (+1.4% MoM), and the South African Rand (+0.8% MoM) registered gains against the USD, while the Russian Rouble (–1.5% MoM) and the Turkish Lira (–1.0% MoM) weakened. The Indonesian Rupiah remained broadly stable (+0.1% MoM). Overall, currency movements reflected differentiated regional dynamics amid a modest strengthening of the US dollar.

Figure 256: Movement in INR and major DM currencies against dollar since end of 2023
(Rebased to 100 on December 29th, 2023)
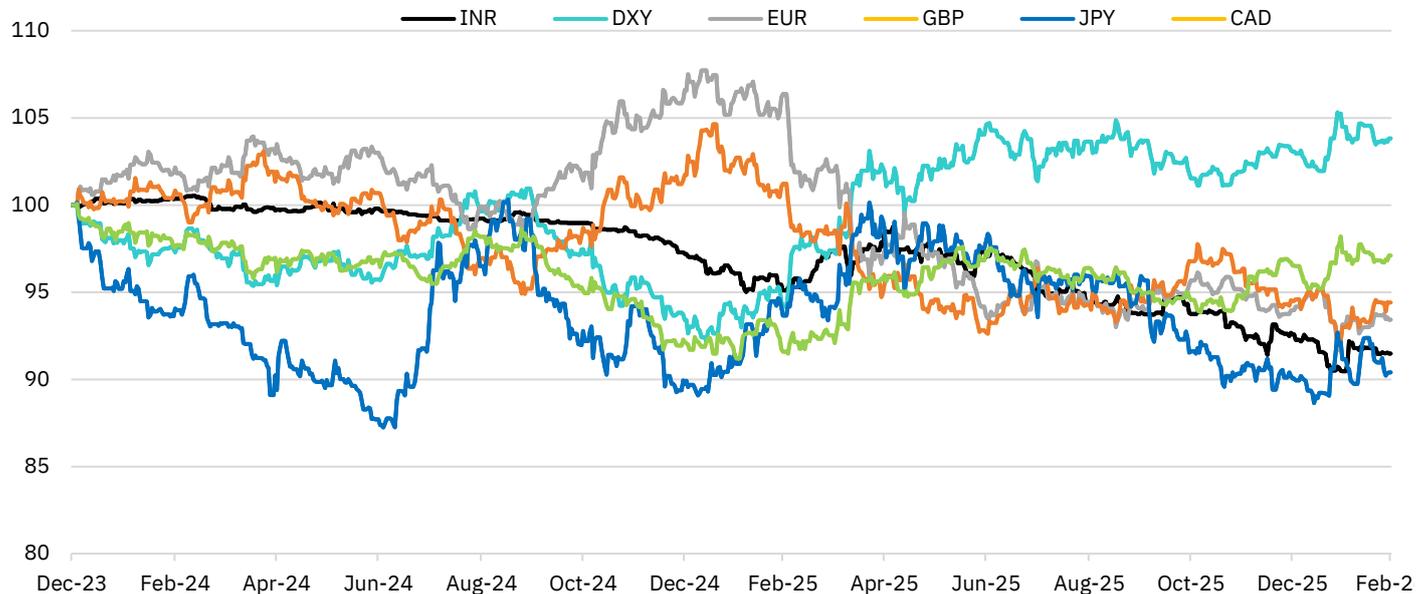
Source: LSEG Workspace, NSE EPR.

Figure 257: Movement in INR and major EM currencies against dollar since end of 2023
(Rebased to 100 on December 29th, 2023)
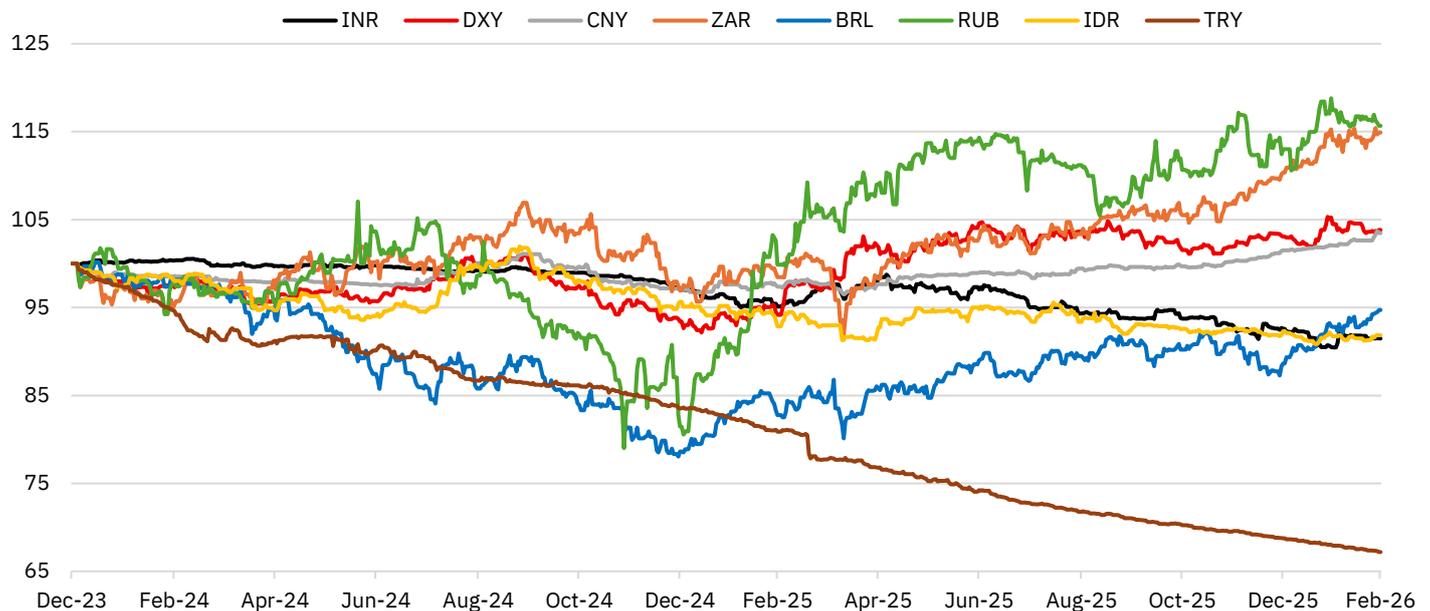
Source: LSEG Workspace, NSE EPR.

Portfolio flows continue to influence near-term currency dynamics: The chart below indicates that phases of sustained net FPI equity outflows at a five-day aggregate level broadly coincided with periods of INR weakness through March 13, 2026. While the relationship is not perfectly synchronous on a daily basis, sustained flow pressures overlapped with phases of rupee depreciation, underscoring the influence of portfolio flows on near-term currency dynamics. February's appreciation followed a temporary reversal in portfolio outflows after January's pronounced depreciation, while early March has again seen renewed rupee weakness alongside fresh foreign portfolio outflows.

Figure 258: INR and Net Equity Portfolio flows

Source: LSEG Workspace and NSDL, NSE EPR.
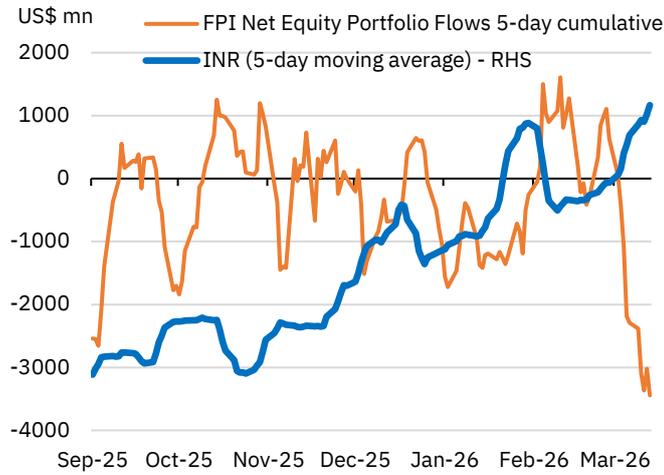
Figure 259: Monthly USDINR % change

Source: LSEG Workspace, NSE EPR. Data for March 2026 is till 13th March, 2026.
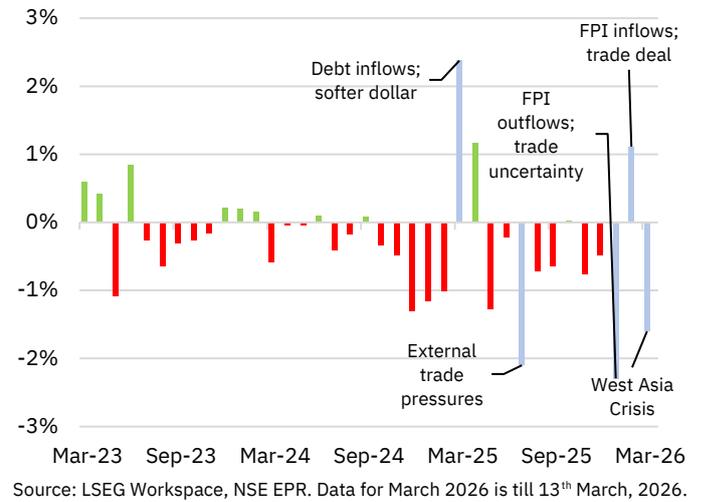
INR annualised volatility edged higher but remained contained: On a monthly basis, the INR's volatility rose to 4.7% in Feb'26 from 4.5% in Jan'26, reflecting a modest uptick, while remaining at the lower end of the range among major emerging market peers. Volatility across other EM currencies remained elevated, led by the Russian Rouble (14.2%), followed by the Brazilian Real (10.7%) and the South African Rand (10.0%), while the Chinese Yuan (2.2%) and Turkish Lira (3.4%) recorded lower prints. The Indonesian Rupiah registered volatility comparable to the INR at 4.7%. Among developed market currencies, the Japanese Yen (10.0%) remained the most volatile, followed by the Euro (7.3%) and the Pound Sterling (7.0%), while the Canadian Dollar stood at 4.7%. Overall, the INR's volatility profile continues to compare favourably within the broader global FX complex, even as external uncertainties persist.

Figure 260: Annualised volatility of INR and other DM & EM currencies

Source: LSEG Workspace, NSE EPR.
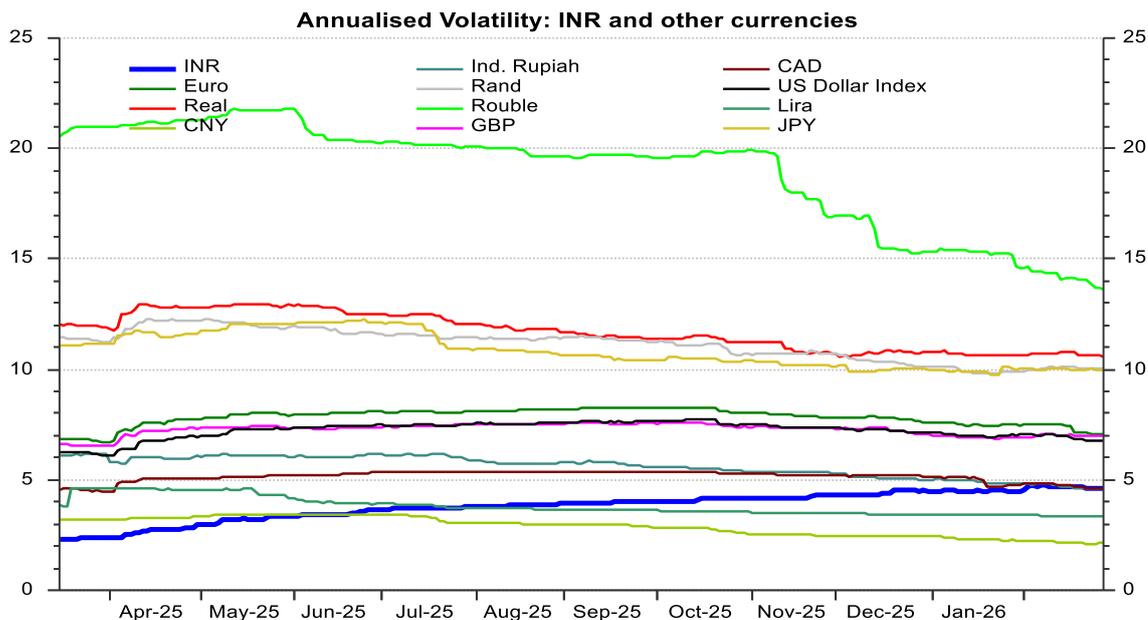
Figure 261: Change in INR and major DM & EM currencies (as on February 28th, 2026)

INR & Key Currencies vs. the USD (1M, 3M, 12M)
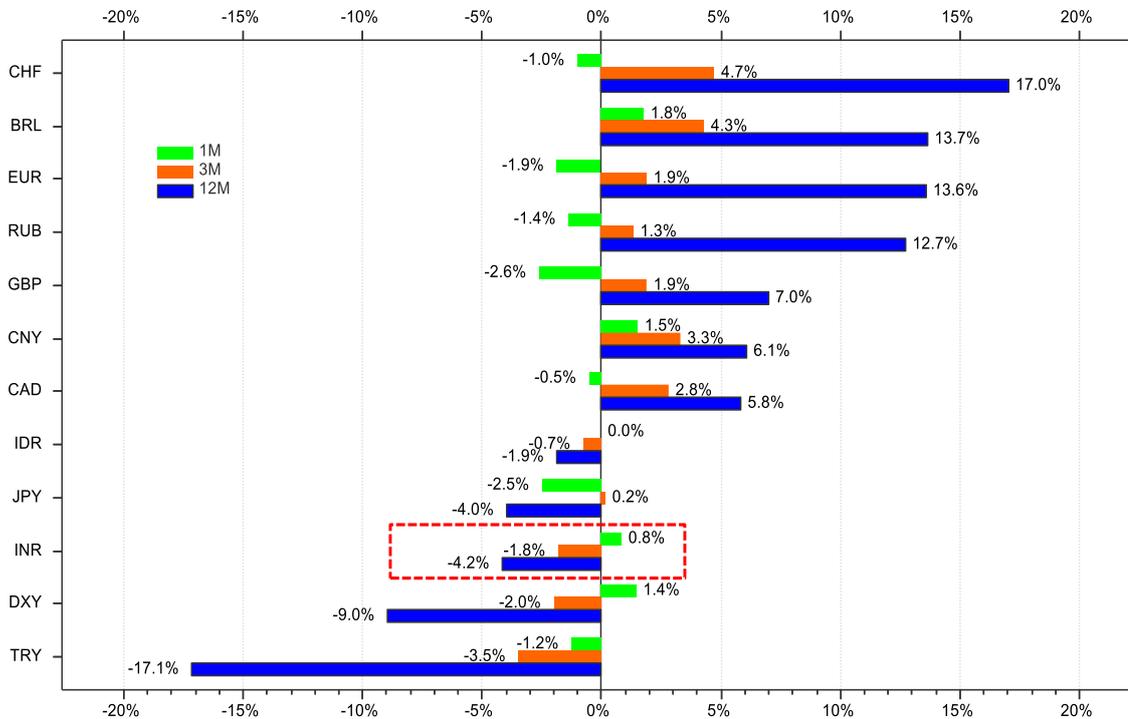
Source: LSEG Workspace, NSE EPR.

Figure 262: RBI forex reserves and USDINR
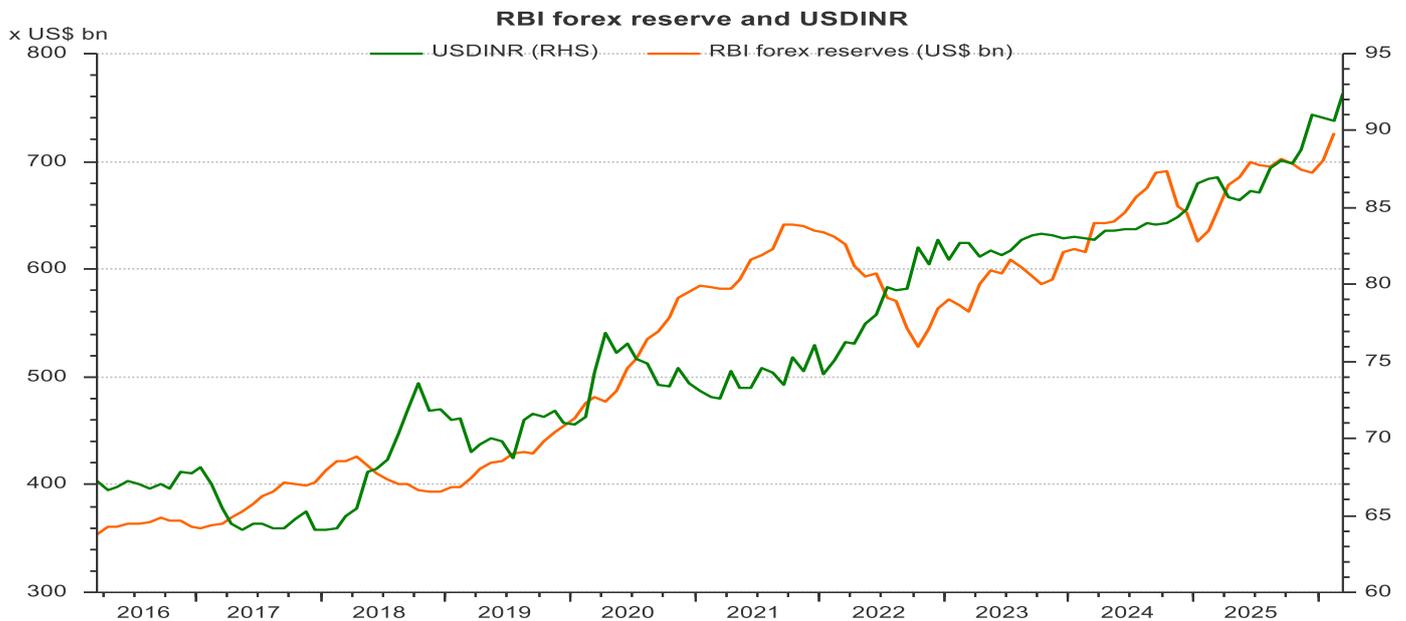
Source: LSEG Workspace, NSE EPR.

INR's undervaluation extends further: The valuation adjustment in the INR continued into January 2026, with the Real Effective Exchange Rate (REER)—based on a 40-currency basket—declining to 94.8 from 95.3 in Dec'25 (−54 bps MoM). The Nominal Effective Exchange Rate (NEER) also moderated to 82.1 from 82.7 in the previous month

(−52 bps MoM), reflecting continued nominal depreciation pressures. These incremental declines suggest a further deepening of the ongoing undervaluation phase that began in late 2025, reinforcing the currency's movement away from its earlier overvalued regime. While improved price competitiveness may provide a supportive backdrop, the pass-through to trade performance is likely to remain gradual given prevailing global demand conditions and geopolitical uncertainties.

Figure 263: Real and nominal effective exchange rates of INR

Consumer Price Index-based, 2015-2016 = 100
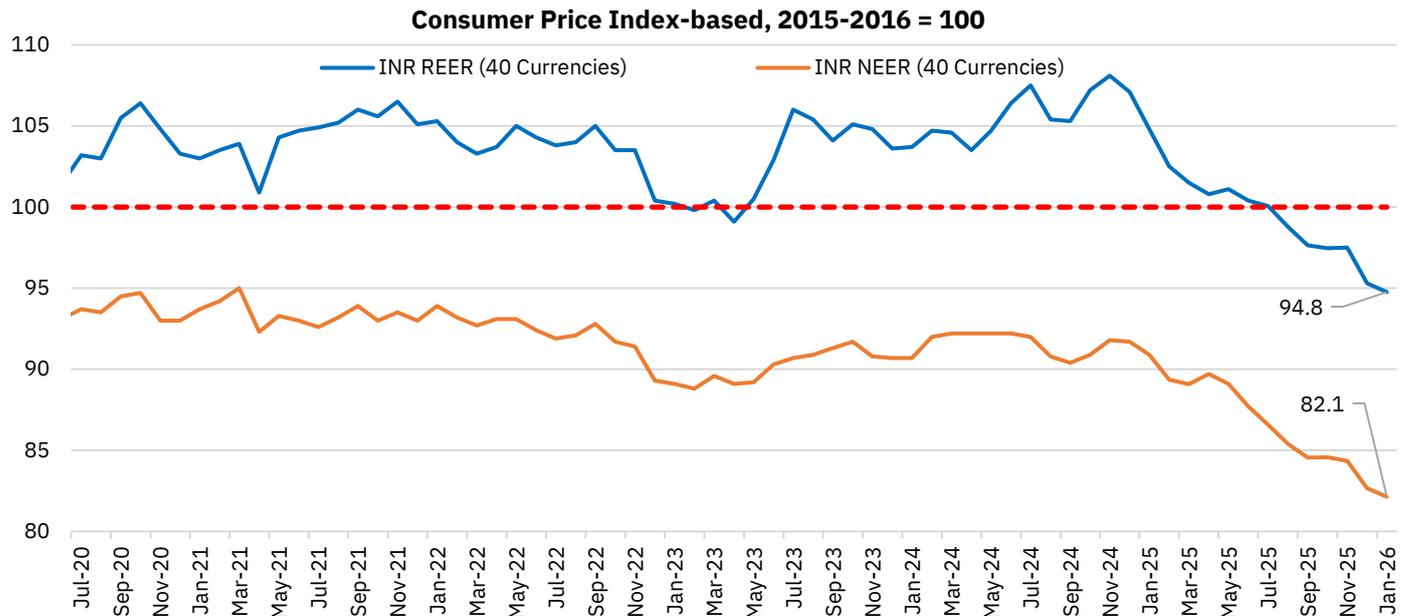
Source: CMIE Economic Outlook, NSE EPR.

One-year forward premium moderates…: The monthly average one-year forward premium on the INR eased in Feb'26 to 220.9 paise from 231.7 paise in Jan'26, slipping in yield terms to 2.43% (from 2.55% in the previous month). During Feb'26, the forward premium fluctuated between 210.5 and 239 paise, before settling at 239 paise on 27th Feb 2026. The moderation in the monthly average indicates a marginal recalibration in forward pricing relative to January levels. Despite the recent compression, the premium remains above levels observed in mid-2025, indicating that forward positioning remains cautious. At the same time, it remains well below its post-pandemic peak of 5.3%.

Figure 264: USDINR and 1-year forward premium
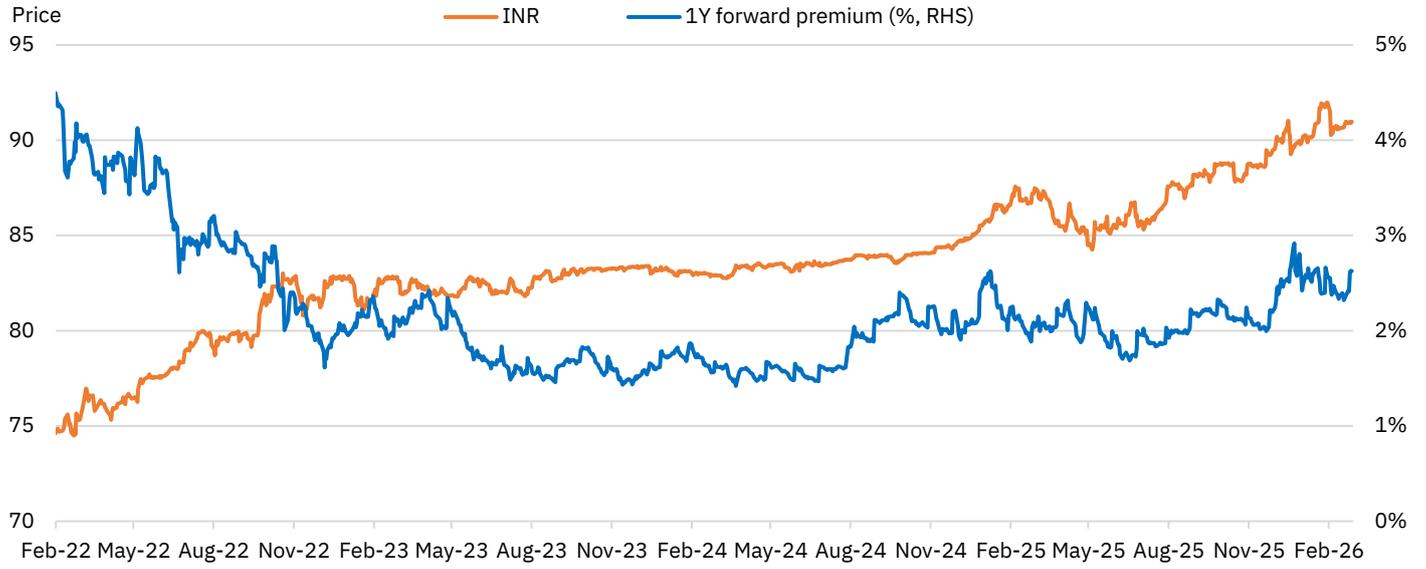
Source: NSE Cogencis, NSE EPR.

Institutional flows across market segments in India

FPIs turned net buyers of Indian equities in February 2026 before renewed selling in March: After recording net outflows of US$4.0 bn in January 2026, FPIs turned net buyers of Indian equities in February, investing US$2.5 bn during the month. The turnaround coincided with developments around the proposed US–India trade agreement and an appreciation in the rupee, which together helped improve foreign investor sentiment. Notably, the February inflows marked the largest monthly inflow since September 2024, signalling a temporary recovery following the heavy selling witnessed at the start of the year. In comparison, FPIs had recorded net outflows of US$4.0 bn in February 2025, highlighting improved foreign investor positioning relative to the same period last year. However, foreign investor sentiment weakened again at the start of March amid escalating geopolitical tensions. As of March 13th, 2026, FPIs recorded equity outflows of US$5.7 bn, representing the largest monthly sell-off since January 2025 (US$9.0 bn). The sharp reversal has taken cumulative FPI equity outflows in FY26 to US$12.7 bn, reflecting heightened volatility in foreign portfolio activity following the brief recovery seen in February. The renewed outflows occurred amid escalating geopolitical tensions and heightened volatility in global financial markets, which also placed pressure on the rupee during the period.

...With debt markets also witnessing strong inflows in February before turning negative in March: FPI participation in the debt segment strengthened further in February 2026. After recording net inflows of US$663.2 m in January, FPIs added another US$2.1 bn in February–the largest monthly inflow since March 2025 and exceeding the US$1.2 bn of inflows recorded in February 2025. The sustained inflows reflected continued investor interest in Indian fixed-income assets amid improving currency conditions and evolving global financial dynamics. However, this momentum reversed in March alongside broader foreign portfolio outflows. As of March 13th, 2026, FPIs recorded net debt outflows of US$690.3 m, taking cumulative FPI debt flows in FY26 to US$3.1 bn. The shift in flows indicates a moderation in foreign participation in Indian debt markets following the strong inflows recorded in February. The simultaneous reversal in both equity and debt flows points to a broader pullback in foreign portfolio allocations amid heightened global uncertainty.

Figure 265: Net inflows by FPIs in Indian equity and debt markets
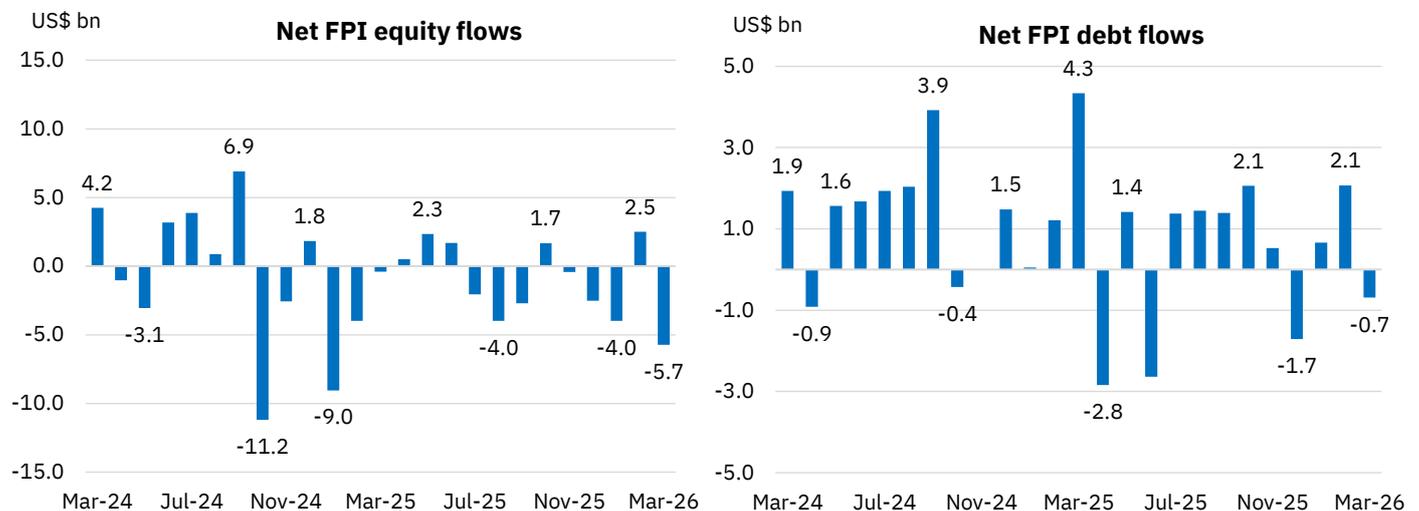
Source: NSDL, NSE EPR. Data for March is as of March 13th, 2026.

DIIs continued to anchor domestic participation in Indian equities, while remaining net sellers in Indian debt: DIIs remained steady buyers of Indian equities in February 2026, extending their buying streak to the 31st consecutive month. DIIs invested Rs 38.4k crore in February, continuing to cushion the impact of volatile foreign portfolio activity. However, the pace of inflows moderated, with February purchases marking the lowest monthly inflow since April 2025 (Rs 28.2k crore) and nearly half the level recorded in January 2026 (Rs 69.2k crore). The moderation likely reflects a normalisation following the strong inflows seen in the previous month. Domestic support strengthened further in March, with DIIs investing Rs 70,527 crore as of March 13th, 2026, taking cumulative inflows in FY26 to Rs 7.8 lakh crore. The sharp pickup in domestic inflows coincided with renewed foreign portfolio outflows during March, reinforcing the role of domestic investors in absorbing foreign selling pressure during periods of heightened external volatility.

Among DIIs, DMFs recorded net equity investments of Rs 11.4k crore (US$1.3 bn) in February 2026, marking the lowest monthly inflow since July 2023. The moderation in flows likely reflects a more cautious pace of allocations amid heightened market volatility during the month. Cumulatively, DMF equity investments in FY26 stood at Rs 4.8 lakh crore (US$54.9 bn) as of March 12th, underscoring the continued strength of domestic retail participation in equity markets. In contrast, DMFs remained significant net sellers in the debt segment, recording outflows of Rs 96.4k crore (US$10.6 bn) in February, marking the largest monthly debt outflow in the historical series since FY2000. Selling persisted into early March, with an additional Rs 59.7k crore (US$6.5 bn) of outflows recorded as of March 12, taking cumulative DMF debt outflows in FY26 to Rs 6.4 lakh crore (US$72.3 bn). The continued selling reflects a preference for lower duration and higher liquidity, amid uncertainty around interest rate trajectories and elevated market volatility.

Figure 266: Monthly net inflows by DIIs in Indian equity markets

Monthly net inflows by DIIs into Indian equities
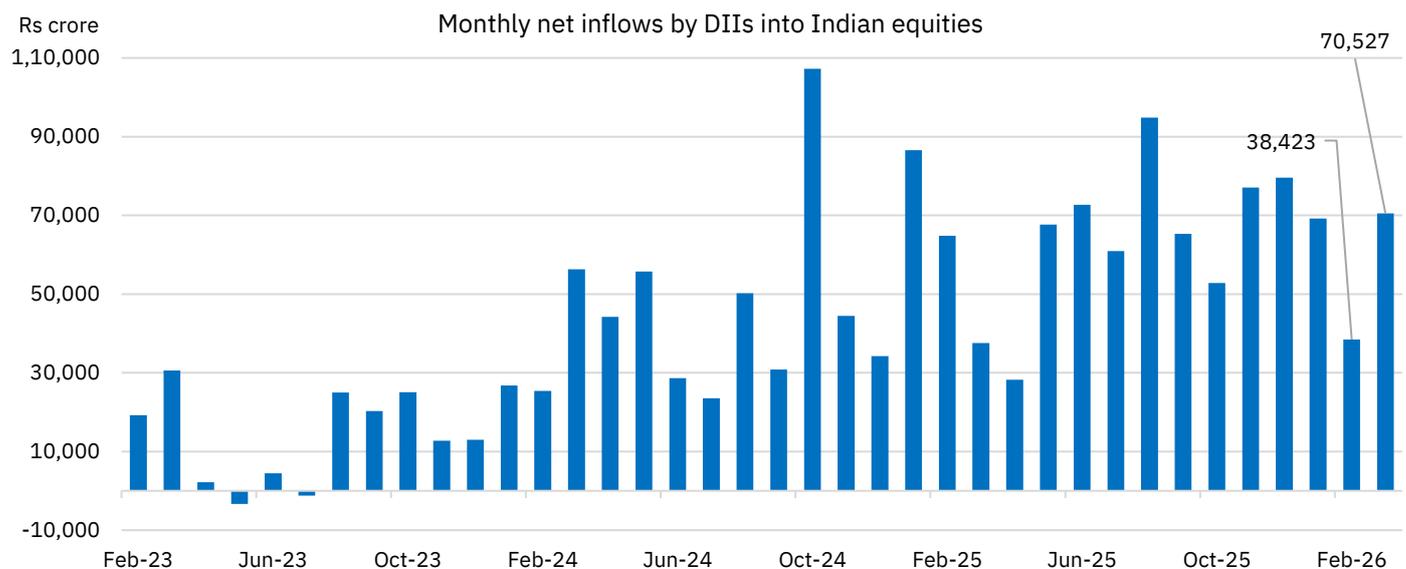
Source: LSEG Workspace, NSE EPR. Data for February is as of March 13th, 2026. Note: The figure above shows total traded value executed by DIIs across exchanges, compiled based on trading codes entered by Trading Members at the time of order entry and corresponding client category classification provided by trading members.

Figure 267: Annual net inflows by DIIs in Indian equity markets

Rs lakh crore

Net DII inflows into Indian equities
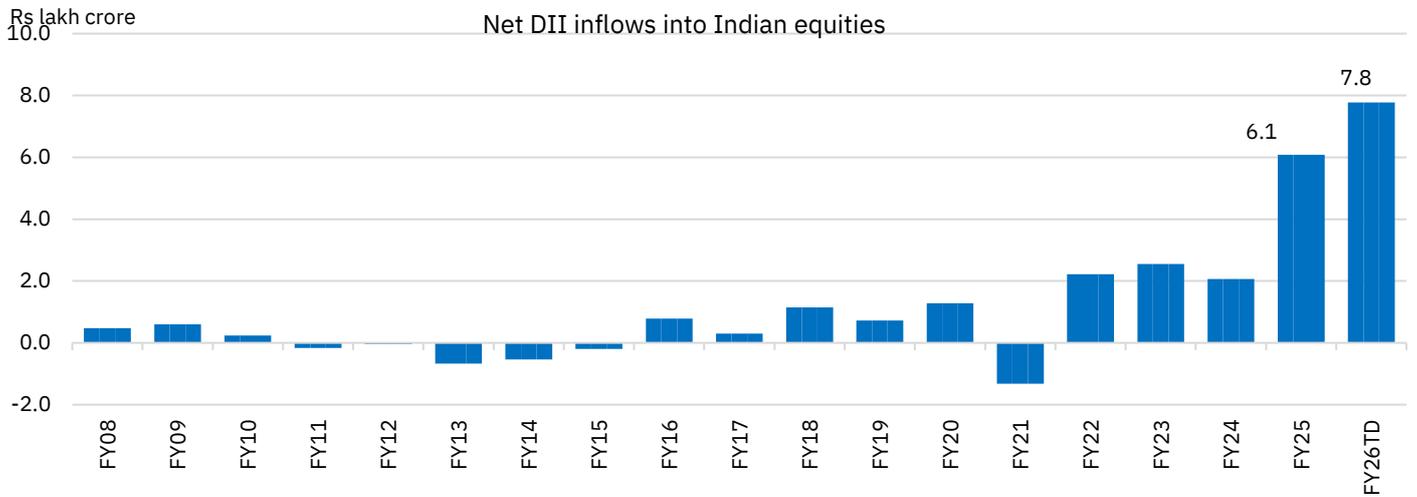
Source: LSEG Workspace, NSE EPR. Note: 1) Data for FY26TD is as of March 13th, 2026. Note: The figure above shows total traded value executed by DIIs across exchanges, compiled based on trading codes entered by Trading Members at the time of order entry and corresponding client category classification provided by trading members.

Figure 268: Annual net inflows by domestic mutual funds in Indian equity markets

Rs Lakh crore

Net DMF inflows into Indian equities
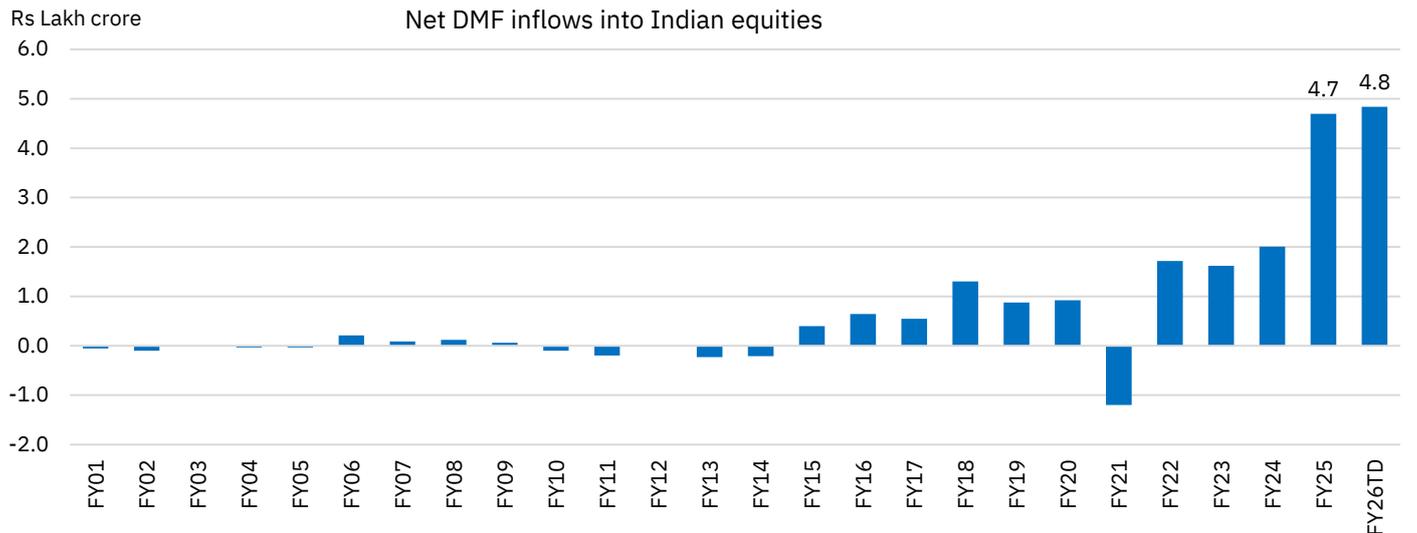
Source: CMIE Economic Outlook, NSE EPR. Note: 1) Data for FY26TD is as of March 12th, 2026.

Figure 269: Annual net inflows by domestic mutual funds in Indian debt markets

Rs lakh crore

Net DMF inflows into Indian debt
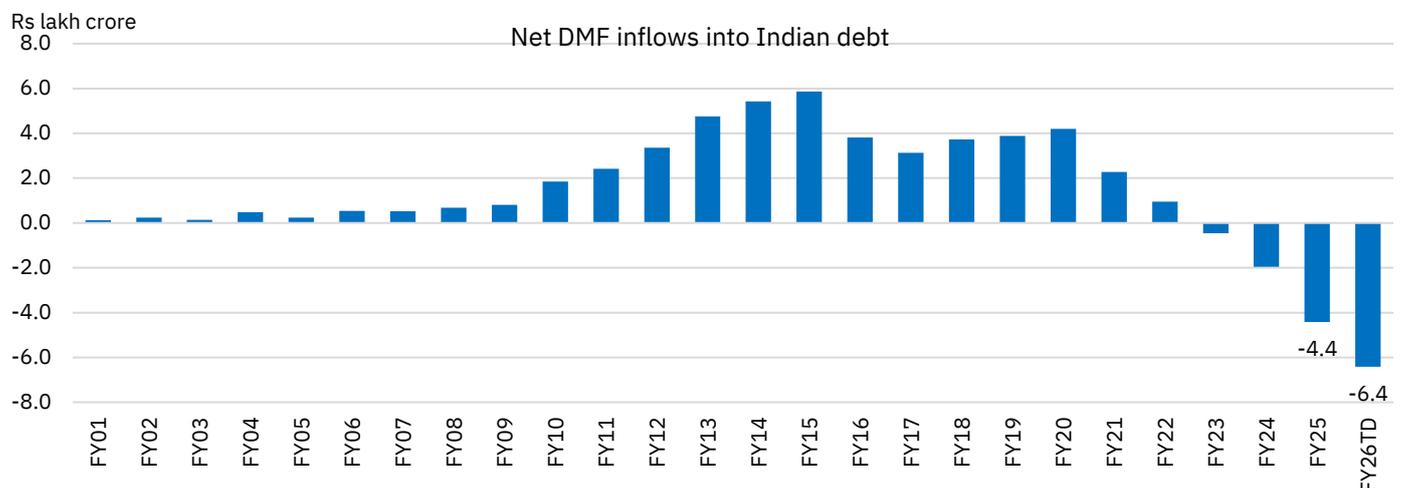
Source: CMIE Economic Outlook, NSE EPR. Note: 1) Data for FY26TD is as of March 12th, 2026.

Markets in depth

Broadening investor participation, yet trading remains concentrated

Primary market activity in FY26 (till February) remained robust, with mainboard IPOs nearing 100 and raising a record Rs 1.7 lakh crore, while further issuances strengthened capital mobilisation. Despite a moderation in February—particularly in equity fundraising—overall mobilisation remained strong, supported by debt market. The investor base continued to expand, led by strong growth in newer regions, even as Maharashtra retained its leadership position. Demographically, participation remained skewed toward younger investors, with individuals below 30 years driving a majority of new additions. Trading activity, however, continued to exhibit significant concentration across both cash and derivatives segments, with a small cohort of high-value participants contributing disproportionately to total turnover.

- **Record fund mobilisation led by Mainboard IPOs:** Primary market activity in FY26 remained resilient, with mainboard IPO listings approaching the 100 mark and mobilising a record Rs 1.7 lakh crore, highlighting the depth and maturity of India's capital markets. While SME IPO volumes moderated, the continued rise in average issue size highlights a scaling up of capital raising among smaller enterprises. Additional capital mobilisation through further equity issuances remained robust during the fiscal so far. However, primary equity market activity witnessed some moderation in February amid evolving geopolitical uncertainties, with overall fund mobilisation remaining strong, largely led by debt issuances.

- **Maharashtra becomes first state to cross 2-crore unique investors:** Investor base expansion continued to exhibit strong regional momentum. In February 2026, Maharashtra became the first state to surpass the 2-crore registered unique investor milestone, retaining its leading position with a 15.7% share, although its proportion has moderated from 19.5% in FY21, reflecting faster growth across other regions. Uttar Pradesh and Gujarat remained key contributors, accounting for 1.5 crore (11.7%) and 1.1 crore (8.6%) unique investors, respectively.

- **Investor base gets younger with new additions:** The demographic profile of investors highlights sustained participation from younger cohorts. The median age of registered investors was stable at ~32–33 years, with the mean age at ~36 years during 2023-2026. Notably, individuals below 30 years accounted for over 56% of new investor additions in FY26TD, with the median age of new entrants in the 27–29-year range, reinforcing the role of young investors in driving market expansion.

- **High-value investors continue to dominate market turnover:** Trading activity in February 2026 continued to exhibit a high degree of concentration across both equity cash and derivatives segments. The skew between participation and turnover remained pronounced, with investors trading above Rs 10 crore—just 0.2% of the active base—accounting for 78% of equity cash turnover. Similar concentration trends persisted in derivatives, where the top 0.3% of investors contributed 70% of equity options premium turnover, while in equity futures, the top 8.5% accounted for nearly 94% of total turnover.

- **Active investor participation concentrated in equity cash:** As of February 28, 2026, the unique investor base reached 12.8 crore mark, of which 1.48 crore were active during the month across segments. Participation remained predominantly concentrated in the equity cash market, with 1.09 crore investors (around 9% of the total base) trading exclusively in equity cash. In contrast, equity derivatives participation remained relatively limited, with 20.89 lakh investors (1.6% of the total base) active solely in the F&O segment.

Strong IPO momentum in FY26, though February activity eases

Primary market activity in FY26 remained robust, with mainboard IPO listings nearing the 100-mark and raising a record Rs 1.7 lakh crore so far, reflecting the depth of India's capital markets. While SME IPO activity moderated in terms of number of issues, the average issue size continued to rise, indicating growing scale of capital raising by smaller enterprises. Companies also accessed markets through further issuances, raising Rs 2.4 lakh crore during the fiscal so far. However, primary market activity slowed in February amid geopolitical uncertainties. Overall fund mobilisation remained strong, largely driven by debt issuances, while equity fund raising declined during the month.

Fund mobilisation and new listings

Mainboard IPO issuances near the 100-mark record level…: In FY26 so far till February, 99 companies have been listed on the mainboard, collectively raising Rs 1.7 lakh crore, with the average IPO size standing at Rs 1,667 crore. This marks an increase compared to FY25, when 79 companies were listed and mobilised Rs 1.6 lakh crore during the entire fiscal year. Overall, this represents the highest-ever annual level in terms of both the number of listings and the amount raised, highlighting the continued depth and resilience of India's primary markets.

…SME IPO activity moderates; average issue size continues to rise: In contrast, activity on the SME-focused EMERGE platform has been relatively lower this fiscal year so far, with 105 IPOs raising Rs 5,121 crore, compared to 163 IPOs that mobilised Rs 7,111 crore in the entire FY25. Despite the moderation in the number of issues, the average IPO size on the EMERGE platform has increased steadily over the years, rising from Rs 13 crore in FY20 to Rs 44 crore in FY25, and further to Rs 49 crore in FY26 so far. This trend highlights the growing scale of capital raising by SMEs as well as increasing investor participation in SME IPOs.

Further issuances continue to remain a key avenue for capital formation…: Beyond IPOs, companies have increasingly accessed the markets through further issuances, with a substantial Rs 2.4 lakh crore raised during the fiscal so far, up 3% compared to the entire FY25. Among these, preferential issues accounted for the largest share at 53%, followed by Qualified Institutional Placements (QIPs) at 29% and rights issuances at 18%.

…However, monthly primary market activity moderated in February: Nonetheless, primary market activity moderated during February, with a total of nine listings across the mainboard and EMERGE platforms raising Rs 4,315 crore, marking the lowest monthly fund mobilisation in the last ten months. The moderation comes amid heightened geopolitical uncertainties. Most recently, tensions in West Asia have contributed to a rise in global crude oil prices, following disruptions in the Strait of Hormuz that affected vessel movements. Such developments could have broader implications for global economic activity and price stability. Notably, issuer and investor sentiment remains critical for sustaining stable capital market activity, and any easing of geopolitical tensions could support improved market conditions.

Institutional participation dominates February IPO allocations: During the month, three IPOs were listed on the mainboard, raising Rs 4,009 crore. Qualified Institutional Buyers (QIBs) accounted for 78% of the allocation, significantly higher than 61% share held in FY26 so far, marking the highest monthly share in the current fiscal year. In contrast, the share of Retail Individual Investors (RIIs) stood at 10% in February, lower than 24% held in FY26 so far and the lowest monthly share this fiscal.

Similarly, six IPOs were listed on the EMERGE platform during February, raising Rs 306 crore. QIBs accounted for 42% of the allocation, followed by RIIs at 33% and Non-Institutional Investors (NIIs) at 19%. This compares with the FY26 cumulative allocation pattern till February, where QIBs held a 39% share, RIIs 37%, and NIIs 18% on the EMERGE platform.

Table 69: Monthly trends for fund mobilisation (Rs crore) through equity and debt in FY26

Segments	Modes	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-35	Dec-25	Jan-26	Feb-26
Equity (Main Board) - Primary markets	Fresh listing	-	4,921	7,078	7,464	7,803	5,679	10,909	11,754	7,365	1,816	1,824
	OFS	-	355	1,497	17,096	5,115	3,984	29,491	21,260	14,493	2,949	2,185
	IPO (Fresh + OFS)	**-**	**5,276**	**8,575**	**24,559**	**12,918**	**9,664**	**40,400**	**33,014**	**21,858**	**4,765**	**4,009**
	FPO	-	-	-	-	-	-	-	-	-	-	-
	Rights	48	1,008	6,030	1,698	3,149	1,349	582	1,073	26,488	381	74
	Preferential	42,644	2,370	3,649	4,028	2,763	4,101	6,475	19,180	7,861	27,134	3,119
	QIPs	5,969	110	10,106	30,539	1,202	2,000	1,100	1,200	11,086	4,150	-
Equity (SME) - Primary markets`	Fresh listing	121	218	837	565	791	643	309	213	622	253	282
	OFS	37	3	11	40	53	55	17	-	24	5	24
	IPO (Fresh + OFS)	**157**	**222**	**848**	**604**	**843**	**698**	**326**	**213**	**646**	**258**	**306**
	FPO	-	-	-	-	-	-	-	-	-	-	-
	Rights	7	-	49	40	-	35	-	91	-	-	-
	Preferential	90	268	199	161	86	139	195	206	546	34	263
	QIPs	25	-	-	70	-	85	-	-	-	-	-
Secondary markets	OFS	**4,086**	**3,860**	**354**	**35**	**828**	**1,304**	**252**	**51**	**4,061**	**3,313**	**8,265**
Total equity raised		**53,026**	**13,114**	**29,810**	**61,733**	**21,790**	**19,375**	**49,329**	**55,027**	**72,545**	**40,035**	**16,037**
InvITS	Fresh listing	-	-	-	1,300	-	-	400	-	-	-	-
	Rights	-	-	-	-	-	-	-	-	-	-	-
	Preferential	-	141	-	-	-	-	-	1,789	-	-	-
	QIPs	-	-	-	-	-	-	3,248	-	1,250	1,500	-
REITs	Fresh listing	-	-	-	-	4,800	-	-	-	-	-	-
	Rights	-	-	-	-	-	-	-	-	-	-	-
	Preferential	-	-	-	-	-	1,000	-	-	-	1,819	-
	QIPs	-	-	-	-	-	-	-	-	3,500	-	-
Total business trusts raised		**-**	**141**	**-**	**1,300**	**4,800**	**1,000**	**3,648**	**1,789**	**4,750**	**3,319**	**-**
Debt	CPs	87,828	67,395	88,460	74,483	65,826	1,04,444	55,775	77,160	86,964	39,261	1,26,645
	NCDs (Private)	55,299	58,408	62,952	27,879	20,593	47,088	43,703	38,051	51,585	25,462	40,363
	NCDs (Public)	700	-	-	1,000	174	-	200	-	-	1,000	601
Total debt raised		**1,43,827**	**125,803**	**1,51,412**	**1,03,362**	**86,593**	**1,51,532**	**99,678**	**1,15,214**	**1,38,549**	**65,723**	**1,67,608**
Total fund mobilisation		**1,96,853**	**1,39,057**	**1,81,222**	**1,66,395**	**1,13,182**	**1,71,907**	**152,655**	**1,72,030**	**2,15,844**	**1,09,077**	**1,83,646**

Source: NSE EPR. Note: Debt issuances include reissuances.

Table 70: Annual trends for fund mobilisation (Rs crore) through equity and debt

Segments (Rs crore)	Modes	FY24	FY25	FY26TD
Equity (Main Board) - Primary markets	Fresh listing	28,763	57,639	66,612
	OFS	32,611	1,04,878	98,424
	Fresh listing + OFS	61,374	1,62,517	1,65,036
	FPO	-	18,000	
	Rights	13,437	15,670	41,880
	Preferential allotment	34,549	62,688	1,23,323
	QIPs	66,891	1,28,488	67,462
Equity (SME) - Primary markets	Fresh listing	4,348	6,695	4,854
	OFS	273	416	267
	Fresh listing + OFS	4,622	7,111	5,121
	FPO	27	150	-
	Rights	120	426	222
	Preferential allotment	371	1,668	2,188
	QIPs	80	215	180
Equity – Primary markets		1,81,471	3,96,933	4,05,411
Secondary markets	OFS	21,769	29,077	26,409
Total equity raised		**2,03,239**	**4,26,010**	**4,31,820**
InvITs	Fresh listing	10,868	1,578	1,700
	Rights	5,629	1,715	-
	Preferential allotment	8,978	10,382	1,929
	QIPs	6,850	5,455	5,998
REITs	Fresh listing	3,200	-	4,800
	Rights	-	-	-
	Preferential allotment	400	1,841	2,819
	QIPs	2,305	3,500	3,500
Total business trusts raised		**38,230**	**24,471**	**20,747**
Debt	CPs	5,90,582	7,70,812	8,74,240
	NCDs (Private)	5,40,350	6,44,372	4,71,386
	NCDs (Public)	11,145	3,259	3,674
Total debt raised		**11,42,077**	**14,18,443**	**13,49,301**
Total fund mobilisation		**13,83,547**	**18,68,924**	**18,01,868**

Source: NSE EPR.
Notes: 1. Debt issuances include reissuances.
2. FY26TD is as of Feb'26

Table 71: New listing on Mainboard platform during the month

Company Name	Issue Price	Listing Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
Aye Finance Limited	129	129	0%	710	300	1,010	2,938.0
Fractal Analytics Limited	900	876	-3%	1,024	1,810	2,834	13,387.5
Gaudium IVF and Women Health Limited	79	83	5%	90	75	165	584.2

Source: NSE EPR.
Note: Listing gain/ loss has been calculated based on opening price

Table 72: New listing on Emerge platform during the month

Company Name	Issue Price	Listing Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
C K K Retail Mart Limited	163	163	0%	72	16	88	414.2
Brandman Retail Limited	176	183	4%	86	-	86	313.3
Grover Jewells Limited	88	96	9%	34	-	34	237.0
Biopol Chemicals Limited	108	111	3%	31	-	31	103.4
Marushika Technology Limited	117	120	3%	27	-	27	88.1
Manilam Industries India Limited	69	55.2	-20%	32	8	40	114.6

Source: NSE EPR.
Note: Listing gain/ loss has been calculated based on opening price

Figure 270: Sector distribution for newly listed companies through IPO (based on capital raised) in FY26
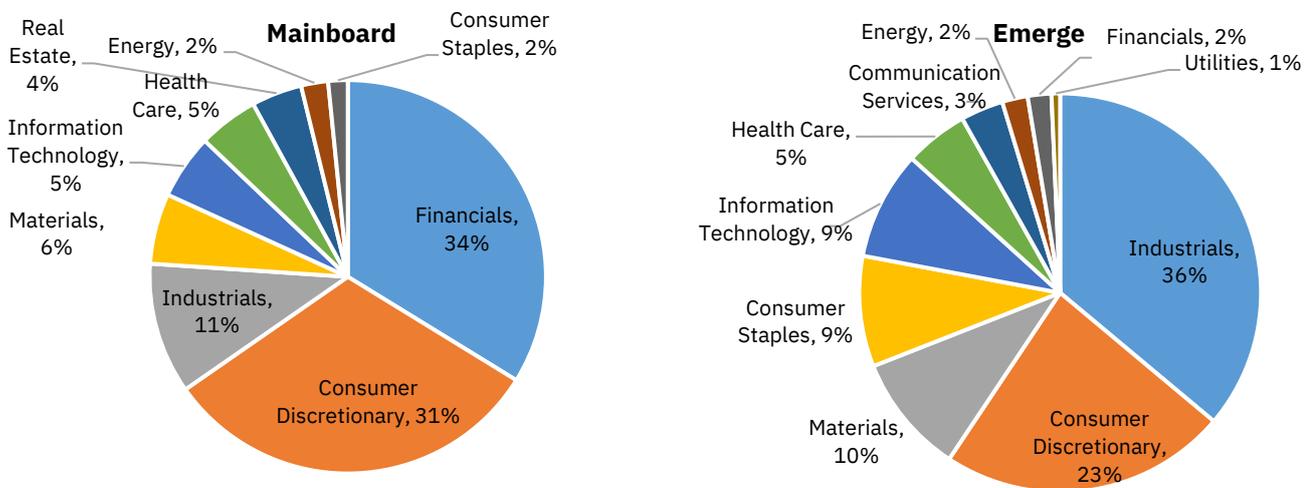
source: LSEG workspace. NSE EPR.
Notes: 1. Data is based on fund raising by companies
2. Data is as of Feb 28tht, 2026

Table 73: Month wise IPO allocation for Mainboard for FY26 (till February 2026)

Month	No. of issuances	Amount raised (Rs crore)			Allocation by categories (%)				
		Under section 6(1)	Under section 6(2)	Total	Retail Individual Investors	Non-Institutional Investors	Qualified Institutional Buyers	Market Makers	Others
Apr	-	-	-	-	-	-	-	-	-
May	3	2,150	3,126	5,276	20.5%	12.3%	67.2%	0.0%	0.1%
Jun	6	1,775	6,800	8,575	13.8%	13.4%	72.8%	0.0%	0.0%
Jul	13	21,510	3,050	24,559	29.2%	14.4%	51.0%	0.0%	5.4%
Aug	15	9,427	3,491	12,918	28.5%	14.5%	56.8%	0.0%	0.1%
Sep	17	6,927	2,736	9,664	28.1%	14.9%	57.0%	0.0%	0.0%
Oct	17	34,772	5,627	40,400	30.1%	13.7%	56.0%	0.0%	0.2%
Nov	12	7,946	25,068	33,014	16.3%	12.0%	71.6%	0.0%	0.1%
Dec	10	13,975	7,883	21,858	25.1%	14.4%	58.0%	0.0%	2.5%
Jan	3	1,069	3,696	4,765	14.6%	13.5%	68.5%	0.0%	3.4%
Feb	3	165	3,844	4,009	10.4%	11.3%	77.6%	0.0%	0.8%

Source: NSE EPR.

Table 74: Month wise IPO allocation for Emerge for FY26 (till February 2026)

Month	No. of issuances	Amount raised (Rs crore)	Allocation by categories (%)				
			Retail Individual Investors	Non-Institutional Investors	Qualified Institutional Buyers	Market Makers	Others
Apr	3	157	34.8%	19.2%	40.8%	5.0%	0.1%
May	6	222	38.4%	26.8%	29.7%	5.1%	0.0%
Jun	15	848	36.5%	15.2%	42.6%	5.0%	0.7%
Jul	13	604	34.6%	18.7%	39.5%	7.2%	0.0%
Aug	16	843	37.8%	21.3%	35.3%	4.7%	0.9%
Sep	15	698	38.8%	15.4%	40.1%	5.6%	0.1%
Oct	8	326	37.1%	20.6%	37.3%	5.0%	0.0%
Nov	4	213	38.6%	16.5%	39.9%	5.0%	0.0%
Dec	14	646	39.5%	16.8%	38.4%	5.3%	0.0%
Jan	5	258	39.0%	18.5%	35.5%	6.5%	0.5%
Feb	6	306	33.4%	19.4%	42.1%	5.1%	0.0%

Source: NSE EPR.

Table 75: Top 10 state-wise issuance on Emerge platform since inception (till February 2026)

State	No of listing	Amount raised (Rs crore)	Market Capitalisation (Rs crore)
Maharashtra	197	5,830	48,428
Gujarat	180	4,794	47,764
NCT of Delhi	100	3,643	39,182
West Bengal	44	1,407	8,864
Tamil Nadu	23	1,102	8,039
Rajasthan	33	941	14,430
Madhya Pradesh	33	860	11,143
Karnataka	19	826	5,914
Haryana	18	606	4,459
Telangana	20	522	2,222
Others	48	1,456	17,690
Grand Total	**715**	**21,987**	**2,08,136**

Source: NSE EPR. Note: Market cap data is as of Feb 28tht, 2026

Figure 271: Annual trend of listing and market capitalisation on NSE Emerge (SME Platform)
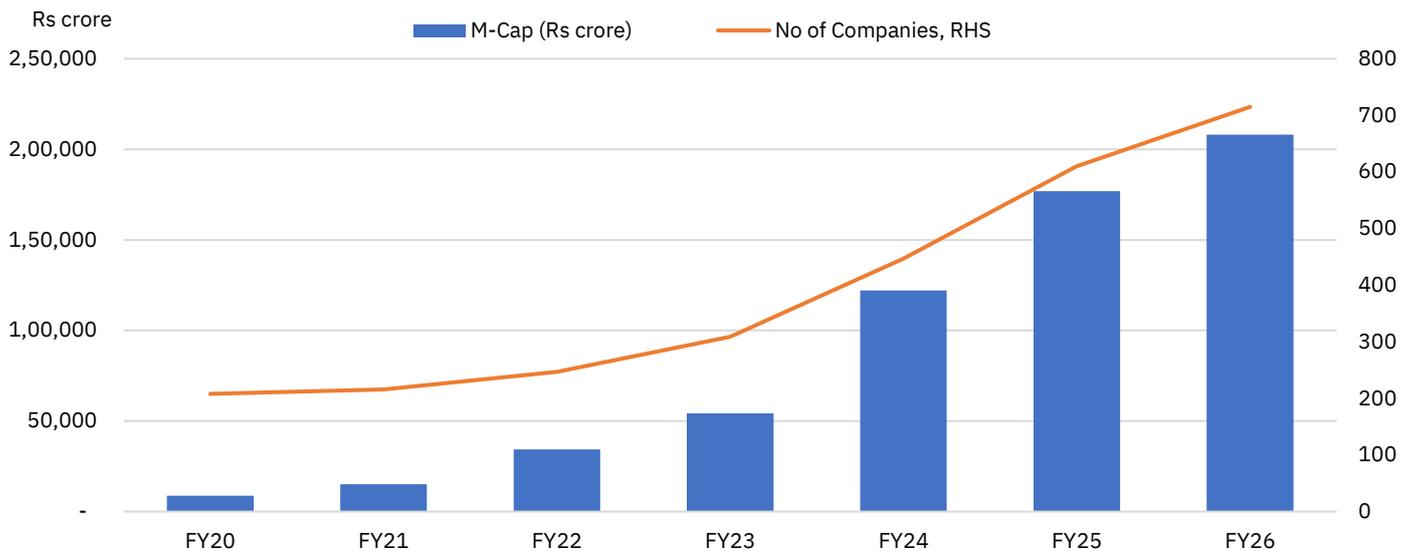
Source: NSE EPR.
Notes: 1. Market cap data for FY26 is as of Feb 28tht 2026.
2. Data includes companies that are migrated to the mainboard of the exchange

Investor participation: Investor base grows steadily; MH surpasses 2-crore mark

Region-wise distribution of total registered investors

Registered investor base reaches 12.8 crore in February 2026; monthly additions decline sharply: NSE's registered investor base stood at 12.8 crore as of February 2026, with 13.3 lakh new investors added during the month, representing a 24.5% MoM decrease. This marks the steepest fall in investor registrations in FY26 till date. The total number of unique client codes crossed 25 crore (250 million) on 12 February 2026, reflecting the structural expansion of India's retail investor base.

The overall growth in the registered investor base on a YoY basis has remained stable at 14.4% over the past three months. Between April 2025 and February 2026, the average monthly addition stood at 13.6 lakh investors, compared with 18.2 lakh during the corresponding period in the previous year.

The expansion of the investor base has accelerated significantly over the years. The investor base crossed 11 crore in January 2025 and 12 crore in September 2025, indicating that it took barely eight months to add one crore investors, underscoring the continued deepening of retail participation in capital markets vs. the initial 14 years to reach the first crore of registered investors.

Sequentially, the pace of registered investors growth moderated in West India by 0.7% MoM in Feb (vs. 1.2% MoM in Jan), while others remained largely stable. North India continues to lead with 4.7 crore registered investors, followed by Western India (3.8 crore), Southern India (2.7 crore) and Eastern India (over 1.5 crore).

State-level distribution of registered investors

Maharashtra becomes the first state to have 2 crore investors till date: Maharashtra, in February 2026, crossed the 2 crore-mark in registered investor base, continuing to hold the top position, with a share of 15.7%, although its proportion has declined notably from 19.5% in FY21, reflecting the faster pace of investor growth in other regions.

Apart from Maharashtra, Uttar Pradesh and Gujarat remain key contributors to the overall investor base, accounting for 1.5 crore investors (11.7% share) and 1.1 crore investors (8.6% share) respectively.

Collectively, the top five states (including West Bengal and Rajasthan) accounted for 48% of the total investor base. Top 10 states had a share of ~78% in FY15, which has now decreased to 73.1% in FY26TD with significant changes in the state ranking over the years. This indicates a gradual broadening of investor participation across emerging regions.

Interestingly, states outside the top 10 currently account for 27% of the investor base versus 22.8% in FY20. Among the top 10 states, investor registrations in Bihar grew over 9 times since FY20. Apart from the top 10, the northeastern states like Arunachal Pradesh (12.7x), Assam (12.6x), Mizoram (13.3x) and others have shown significant increase in their investor base since FY20. The multi-fold growth rates in smaller states housing mostly Tier II/Tier III cities reflect the increasing penetration of capital markets beyond traditional financial centres.

Figure 272: Trend of region wise total unique registered investors

While first crore of investors took nearly 14 years to achieve, subsequent increments were attained at a markedly faster pace

1,278
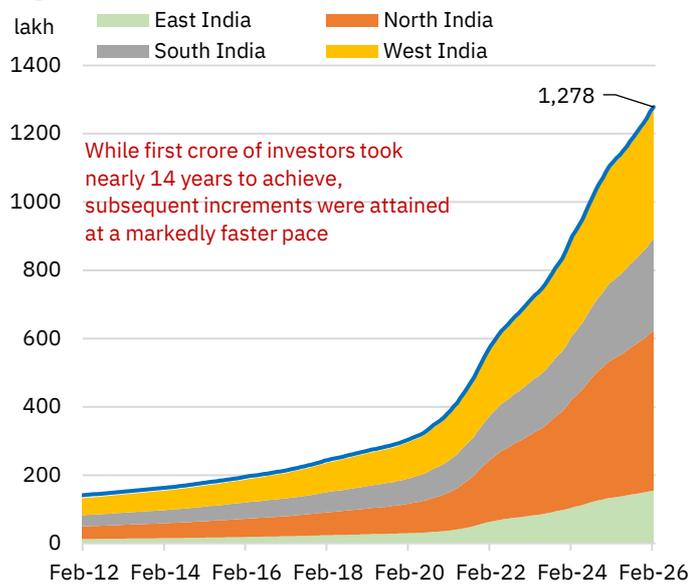
Figure 273: Trend of region wise total unique registered investors (% share)
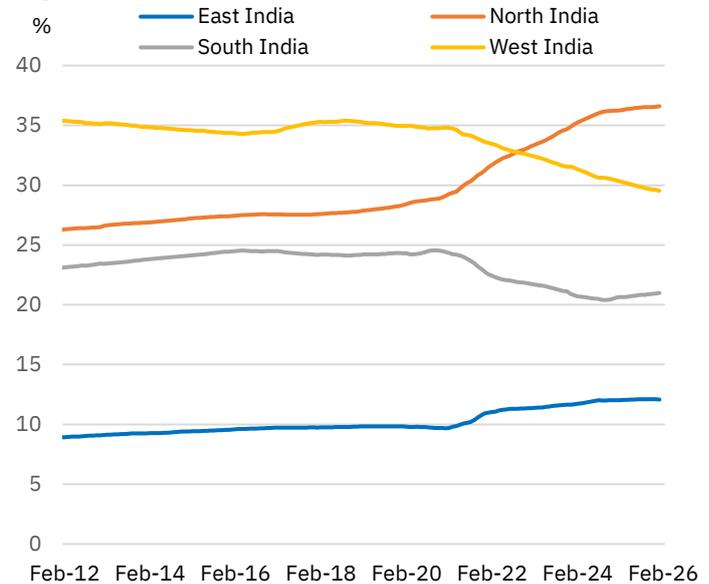
Source: NSE EPR. Note: East India includes Mizoram, Odisha, West Bengal, Assam, Manipur, Arunachal Pradesh, Tripura, Nagaland, Meghalaya, Sikkim, Chhattisgarh; West India includes Maharashtra, Gujarat, Madhya Pradesh, Daman & Diu, Goa, Dadra & Nagar Haveli; North India includes Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Haryana, Delhi, Punjab, Jammu & Kashmir, Himachal Pradesh, Chandigarh, Ladakh and Rajasthan; South India includes Telangana, Kerala, Andhra Pradesh, Tamil Nadu, Karnataka, Pondicherry, Lakshadweep and Andaman & Nicobar.

Table 76: Region-wise distribution of total unique registered investors (in lakh) at end of each fiscal year

Region	FY15	FY20	FY25	FY26TD
East India	17.0	30.4	135.8	154.7
North India	49.0	88.4	409.6	468.3
South India	43.4	75.1	232.9	268.9
West India	62.0	108.4	341.0	376.2
Others[#]	8.2	7.7	8.6	10.3
Total	**179.6**	**310.0**	**1127.9**	**1278.4**

Source: NSE EPR.

Note: Data for FY26TD is as of February 2026. #Others include Army Personnel Officers and investors for whom state mapping is unavailable

Table 77: State-wise distribution of total unique registered investors at end of each fiscal year

States	FY15		FY20		FY25		FY26TD*	
	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)
Maharashtra	3575	19.9	5963	19.2	18376	16.3	20084	15.7
Uttar Pradesh	1248	6.9	2302	7.4	12827	11.4	14953	11.7
Gujarat	2055	11.4	3797	12.2	9939	8.8	11004	8.6
West Bengal	1175	6.5	1990	6.4	6614	5.9	7548	5.9
Rajasthan	667	3.7	1328	4.3	6454	5.7	7329	5.7
Tamil Nadu	1287	7.2	2182	7.0	6261	5.6	7208	5.6
Karnataka	1165	6.5	1949	6.3	6239	5.5	7091	5.5
Madhya Pradesh	518	2.9	984	3.2	5460	4.8	6176	4.8
Andhra Pradesh	1002	5.6	1581	5.1	5137	4.6	6153	4.8
Bihar	294	1.6	670	2.2	5085	4.5	5938	4.6
Delhi	1197	6.7	1853	6.0	4922	4.4	5391	4.2
Haryana	531	3.0	971	3.1	3845	3.4	4283	3.4
Punjab	389	2.2	704	2.3	2991	2.7	3395	2.7
Kerala	583	3.2	942	3.0	2817	2.5	3269	2.6
Telangana	279	1.6	813	2.6	2694	2.4	3003	2.3
Orissa	250	1.4	494	1.6	2446	2.2	2824	2.2
Assam	109	0.6	221	0.7	2527	2.2	2787	2.2
Jharkhand	258	1.4	444	1.4	1989	1.8	2303	1.8
Chhattisgarh	129	0.7	252	0.8	1422	1.3	1613	1.3
Uttarakhand	123	0.7	234	0.8	1194	1.1	1361	1.1
Himachal Pradesh	60	0.3	123	0.4	759	0.7	855	0.7
Jammu & Kashmir	65	0.4	112	0.4	651	0.6	758	0.6
Goa	48	0.3	82	0.3	250	0.2	278	0.2
Chandigarh	63	0.3	100	0.3	245	0.2	258	0.2
Tripura	13	0.1	24	0.1	184	0.2	216	0.2
Manipur	5	0.0	18	0.1	125	0.1	151	0.1
Pondicherry	22	0.1	41	0.1	115	0.1	133	0.1
Meghalaya	6	0.0	12	0.0	76	0.1	95	0.1
Nagaland	3	0.0	8	0.0	62	0.1	78	0.1
Arunachal Pradesh	2	0.0	6	0.0	58	0.1	72	0.1
Dadra & Nagar Haveli	6	0.0	9	0.0	48	0.0	54	0.0
Sikkim	3	0.0	7	0.0	42	0.0	50	0.0
Mizoram	1	0.0	3	0.0	26	0.0	34	0.0
Andaman & Nicobar Islands	3	0.0	5	0.0	29	0.0	33	0.0
Daman & Diu	4	0.0	6	0.0	24	0.0	26	0.0
Ladakh	0	0.0	0	0.0	2	0.0	5	0.0
Lakshadweep	0	0.0	0	0.0	2	0.0	3	0.0
Others	823	4.6	773	2.5	853	0.8	1029	0.8
Total	17,960	100.0	31,004	100.0	1,12,791	100.0	1,27,839	100.0

Source: NSE EPR.
Note: Data for FY26TD is as of February 28th, 2026.

Figure 274: State-wise distribution of registered investors as of February 2026

Source: NSE EPR.
Note: The maps above are created using the state-level shapefile from ([Link](#))

Region-wise distribution of new investor registrations

New investor registrations decline to 13 lakh, marking steepest fall in FY26TD: New investor additions stood at 13 lakh in February 2026, representing a 24.5% decline from the previous month. This marks the steepest fall in investor registrations in FY26 to date.

Despite the overall investor base continuing to expand, the pace of additions moderated. Between April 2025-February 2026 (FY26TD), a total of 1.5 crore investors were added to the total base, compared with nearly 2 crore additions in the corresponding period last year.

From a regional perspective, North India accounted for the largest share of new registrations at 39.8%, followed by South India (25%), West India (21.5%), and East India (13.4%). Comparing from five years ago, North India has retained its position as the top contributor to investor base, its share of investor additions in India's total increasing by 6.9pp between FY21 and FY26TD. However, West India has shown a significant fall – share falling from 34% in FY21 to 23.7% in FY26TD.

State-wise trends in new investor registrations: Investor registrations were led by Uttar Pradesh, accounting for 14.8% of total registrations, followed by Maharashtra (10.6%), Tamil Nadu (7%), West Bengal (6.9%), and Bihar (6.4%). Together, these states accounted for 45.7% of the month's incremental investor additions and 66 lakh new investors have been added from these states in FY26 till date.

All states experienced a MoM decline in their monthly registration pace. While Uttar Pradesh held the highest share, the additions in the states fell by 22% MoM. The sharpest decline in new registrations was observed in Gujarat (-50.4%).

District-level trends in investor registrations

Share of top districts moderates slightly as registrations decline across regions: In February 2026, the top 10 districts accounted for 16.7% of new investor additions, lower than 17.4% in January 2026.

The top 50 districts together contributed 36% of the new registrations during the month. Delhi-NCR recorded the highest number of new investor registrations at over 70,748, although it also witnessed a 25.7% MoM decline.

The MoM decline in registrations was visible across all top 50 districts. Among the leading districts, Surat and Ahmedabad in Gujarat recorded the sharpest MoM declines of 49.8% and 46.5% respectively, reflecting the broader decline in investor registrations observed in Gujarat (-50.4% MoM).

Figure 275: Region-wise monthly distribution of new investor registrations
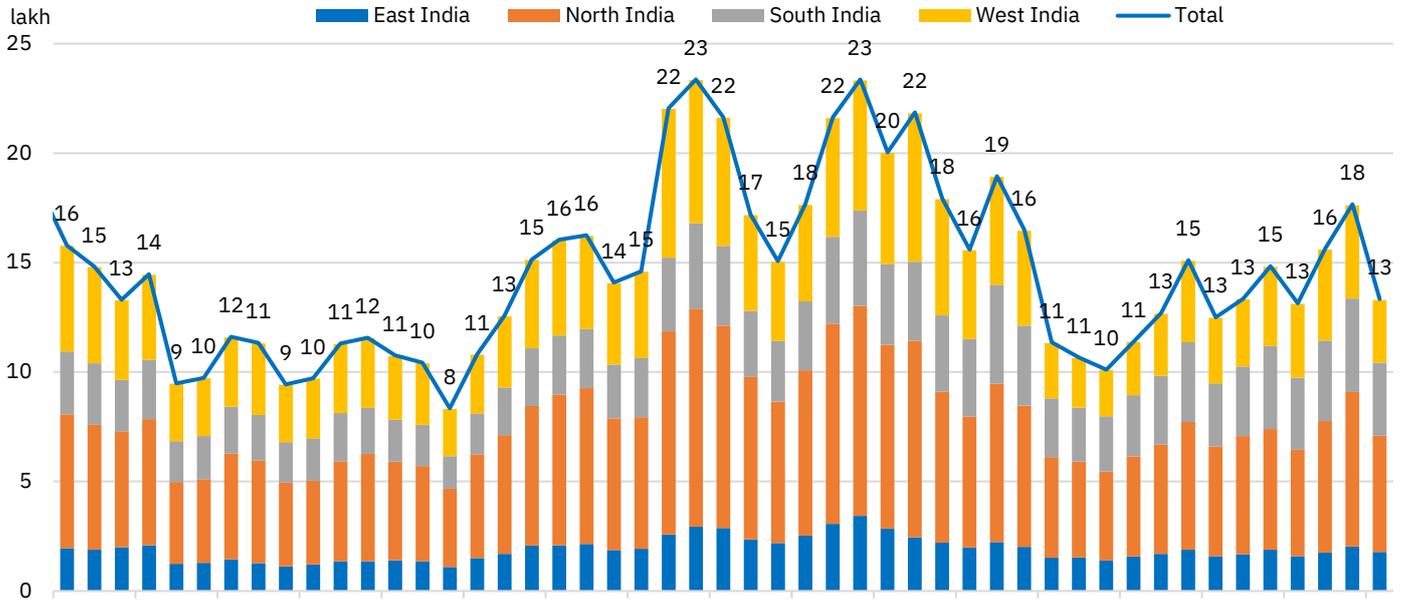
Source: NSE EPR. Note: East India includes Mizoram, Odisha, West Bengal, Assam, Manipur, Arunachal Pradesh, Tripura, Nagaland, Meghalaya, Sikkim, Chhattisgarh; West India includes Maharashtra, Gujarat, Madhya Pradesh, Daman & Diu, Goa, Dadra & Nagar Haveli; North India includes Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Haryana, Delhi, Punjab, Jammu & Kashmir, Himachal Pradesh, Chandigarh, Ladakh and Rajasthan; South India includes Telangana, Kerala, Andhra Pradesh, Tamil Nadu, Karnataka, Pondicherry, Lakshadweep and Andaman & Nicobar.

Figure 276: Region-wise distribution of new investors registered each financial year
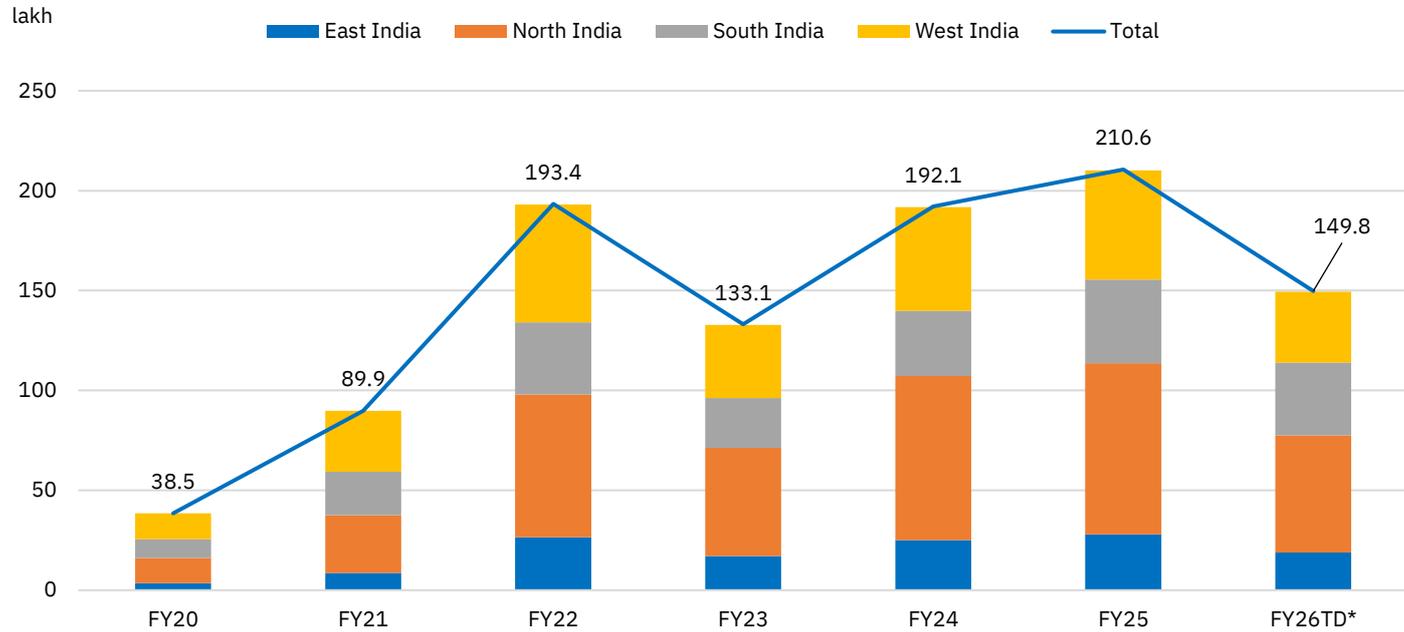
Source: NSE EPR. * Data for FY26TD is from April 2025-February 2026

Table 78: Number of new investors registered in top 25 states (in '000)

State	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Uttar Pradesh	196.3	196.8	172.0	212.1	253.9	197.8
Maharashtra	151.6	171.4	160.2	171.5	184.9	141.8
Tamil Nadu	87.9	101.5	87.6	102.0	117.2	93.3
West Bengal	79.0	91.2	76.3	84.7	100.4	91.9
Bihar	82.5	83.7	74.4	92.6	109.4	84.9
Karnataka	77.3	87.4	77.9	86.0	98.6	75.4
Gujarat	83.9	117.3	112.0	164.0	149.6	74.1
Rajasthan	75.3	82.8	74.1	99.1	107.1	73.3
Madhya Pradesh	67.3	70.1	62.3	77.8	88.9	67.8
Andhra Pradesh	62.3	77.6	69.2	79.0	88.9	67.2
Telangana	49.2	62.1	57.3	62.9	73.3	56.7
Delhi	43.7	44.0	39.7	46.8	56.0	41.3
Kerala	40.8	48.0	36.5	36.8	47.9	39.9
Haryana	40.0	42.6	36.1	46.0	53.4	36.4
Punjab	38.0	35.2	30.2	35.0	41.8	33.9
Orissa	36.5	42.3	33.1	35.9	39.1	31.2
Jharkhand	28.6	30.1	26.2	30.2	36.1	26.7
Assam	21.8	23.2	22.4	24.6	26.4	24.6
Chattisgarh	19.1	20.0	17.2	20.0	23.7	18.2
Uttarakhand	15.7	15.8	13.8	16.4	19.5	15.2
Jammu & Kashmir	8.8	9.7	8.5	10.0	13.4	9.9
Himachal Pradesh	9.1	9.2	8.2	9.5	11.9	9.0
Tripura	2.9	3.2	3.0	3.2	3.8	3.6
Manipur	2.3	2.3	2.3	2.2	2.8	2.6
Goa	2.7	2.9	2.4	2.3	2.8	2.2
Others	12.1	12.7	11.8	12.7	16.1	14.2
Total	**1335**	**1483**	**1315**	**1563**	**1767**	**1333**

Source: NSE EPR.
Note: Data for the top 25 states are chosen based on last month's data

Figure 277: Number of new investors registered in the top ten districts (in '000)
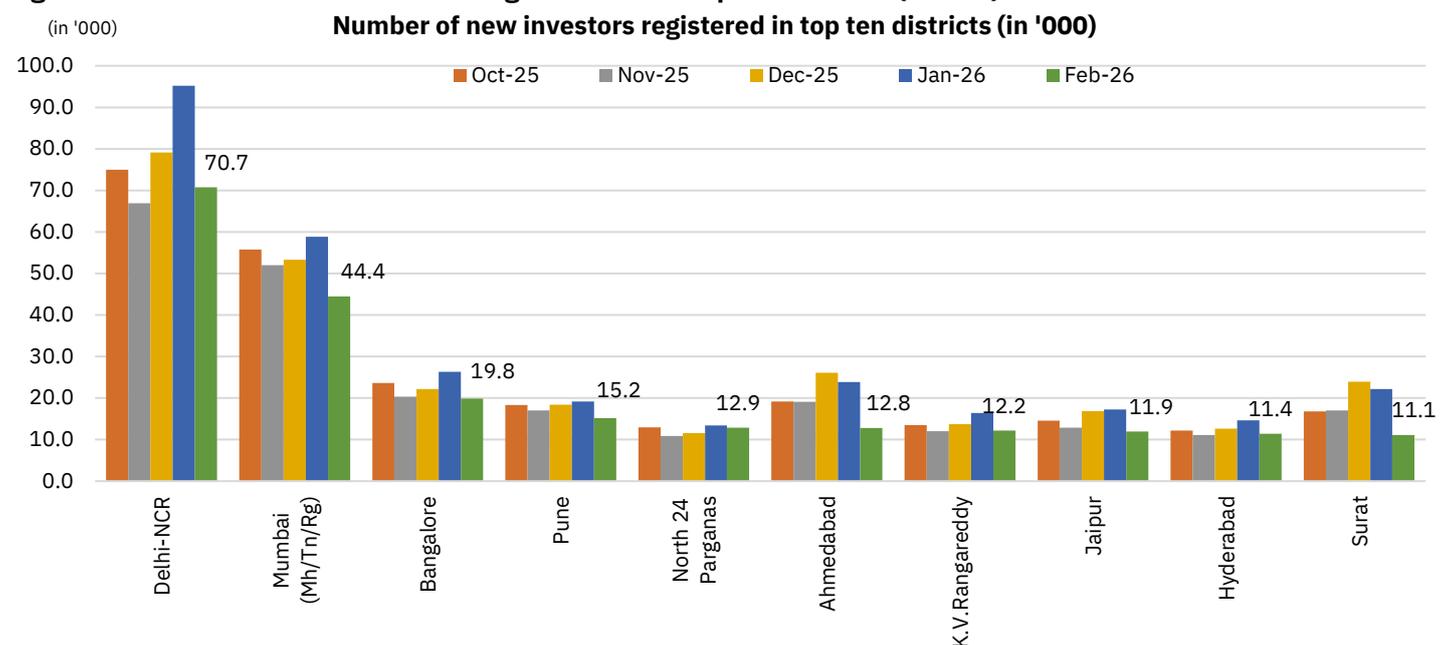
Source: NSE EPR, Note: Top 10 districts are chosen based on last month's data.

Investor profile

Younger investors continue to dominate the investor base: Over the past three years, the age profile of NSE's registered individual investors has remained distinctly young, albeit with some moderation at the margin. Investors below 30 years accounted for 38.5% of the base in March 2023, rising to 40.0% in March 2024 before easing slightly to 38.4% in February 2026; even so, they continued to constitute the single largest segment of the investor base. The 30–39-year cohort remained broadly steady at around 29–30%, while the share of investors in the 40–49-year category edged up modestly from 15.6% to 16.3% over the same period. By contrast, investors aged 50 years and above accounted for only around 15% of the total base in recent years.

This youthful skew is also reflected in summary age statistics. The median age of registered investors remained broadly stable at around 32–33 years, while the mean age stayed close to 36 years during 2023–2026. The pattern is even more pronounced among new investor additions: individuals below 30 years accounted for more than half of annual additions, with their share standing at 56.3% in FY26TD. Correspondingly, the median age of new investors remained in the 27–29-year range, underlining the central role of younger cohorts in expanding India's retail investor base.

Table 79: Distribution of registered individual investor base across age groups

Age category	Share of registered investor base (%)							
	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Feb'26
Less than 30 years	22.6	23.5	29.4	37.5	38.5	40.0	39.5	38.4
30-39 years	31.1	31.2	30.4	28.9	29.2	29.1	29.6	30.0
40-49 years	20.1	19.7	17.9	15.8	15.6	15.4	15.8	16.3
50- 59 years	13.1	12.6	11	9.1	8.6	8.1	8.0	8.2
60 years and above	13.1	13	11.2	8.7	8.1	7.4	7.1	7.1

Source: NSE EPR.
Note: Only individuals and sole proprietorship firms have been considered in the above table

Table 80: Mean and median age of registered individual investors

Age (years)	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Feb'26
Median	38	38	36	33	33	32	32	33
Mean	41.3	41.1	39.2	36.8	36.4	36.8	35.8	36.1

Source: NSE EPR. Note: 1. Only individuals and sole proprietorship firms have been considered in the above table. 2. Age is calculated at the end of period.

Table 81: Age distribution of new investors added every year (%)

Age category	Share of new investor additions (%)							
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26TD
Less than 30 years	45.1	52.1	57.8	59.1	58.3	58.8	53.2	56.3
30-39 years	27.0	26.5	25.4	23.9	24.4	23.6	25.7	23.1
40-49 years	12.0	10.7	9.5	10.0	10.4	10.7	12.5	12.1
50- 59 years	8.2	6.0	4.6	4.7	4.5	4.5	5.6	5.5
60 years and above	7.8	4.7	2.7	2.4	2.4	2.4	2.9	2.9

Source: NSE EPR. Note: Only individuals and sole proprietorship firms have been considered in the above table.

Table 82: Mean and median age of new investors added each fiscal year

Age (years)	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Feb'26
Median	31	29	28	27	27	27	29	28
Mean	35.1	32.6	30.7	30.4	30.4	30.3	31.5	30.9

Source: NSE EPR. Note: 1. Only individuals and sole proprietorship firms have been considered in the above table. 2. Age is calculated at the end of period.

Female investors account for a quarter of the registered investor base: The share of female investors within NSE's investor base has continued to rise, from 22.5% in FY23 to ~25% as of Feb'26. Among the leading states in terms of the investor base, Maharashtra continued to dominate in female participation growth, with 29% of its investors being female (+3.4pp since FY23). Even as UP's share at 19% remains below the national average of 24.9%, it has risen from 16.9% in FY23. Moreover, smaller states, including Arunachal Pradesh (28.1% female investor share, +5.4pp since FY23), Sikkim (31.5% female investor share, +5.7pp since FY23) and Mizoram (32.6% female investor share, +4.4 pp since FY23) have shown rapid progress in the past three fiscal years, reiterating the widening reach of investor awareness initiatives in India.

Table 83: State-wise gender share (%) of unique registered investors

States	FY23		FY24		FY25		FY26TD*	
	Female	Male	Female	Male	Female	Male	Female	Male
Andaman and Nicobar	19.9%	80.1%	21.0%	79.0%	23.1%	76.9%	24.4%	75.6%
Andhra Pradesh	20.3%	79.7%	21.5%	78.5%	23.2%	76.8%	24.2%	75.8%
Arunachal Pradesh	22.7%	77.3%	23.6%	76.4%	26.3%	73.7%	28.1%	71.9%
Assam	30.9%	69.1%	30.0%	70.0%	29.7%	70.3%	29.5%	70.5%
Bihar	13.8%	86.2%	14.6%	85.4%	15.7%	84.3%	16.4%	83.6%
Chandigarh	30.6%	69.4%	31.0%	69.0%	31.9%	68.1%	32.4%	67.6%
Chhattisgarh	19.1%	80.9%	20.3%	79.7%	22.4%	77.6%	23.1%	76.9%
Dadra and Nagar Haveli	17.8%	82.2%	18.2%	81.8%	19.9%	80.1%	20.6%	79.4%
Daman and Diu	18.7%	81.3%	19.3%	80.7%	20.7%	79.3%	21.3%	78.7%
Delhi	27.6%	72.4%	28.6%	71.4%	30.3%	69.7%	31.0%	69.0%
Goa	30.2%	69.8%	31.0%	69.0%	32.5%	67.5%	33.3%	66.7%
Gujarat	26.6%	73.4%	26.5%	73.5%	27.8%	72.2%	28.4%	71.6%
Haryana	21.6%	78.4%	22.8%	77.2%	24.6%	75.4%	25.3%	74.7%
Himachal Pradesh	16.8%	83.2%	18.2%	81.8%	20.7%	79.3%	21.8%	78.2%
Jammu and Kashmir	13.8%	86.2%	14.3%	85.7%	15.9%	84.1%	16.7%	83.3%
Jharkhand	18.1%	81.9%	18.9%	81.1%	20.6%	79.4%	21.5%	78.5%
Karnataka	24.7%	75.3%	25.8%	74.2%	27.4%	72.6%	28.2%	71.8%
Kerala	25.6%	74.4%	26.2%	73.8%	27.5%	72.5%	28.2%	71.8%
Lakshadweep	10.7%	89.3%	13.3%	86.7%	15.3%	84.7%	16.1%	83.9%
Madhya Pradesh	18.6%	81.4%	20.2%	79.8%	21.8%	78.2%	22.3%	77.7%
Maharashtra	25.6%	74.4%	26.4%	73.6%	28.2%	71.8%	29.0%	71.0%
Manipur	21.9%	78.1%	23.0%	77.0%	24.8%	75.2%	26.0%	74.0%
Meghalaya	25.1%	74.9%	25.1%	74.9%	26.3%	73.7%	26.9%	73.1%
Mizoram	28.2%	71.8%	30.0%	70.0%	31.6%	68.4%	32.6%	67.4%
Nagaland	25.8%	74.2%	26.5%	73.5%	28.5%	71.5%	29.7%	70.3%
Odisha	17.3%	82.7%	18.2%	81.8%	20.0%	80.0%	21.2%	78.8%
Pondicherry	26.5%	73.5%	27.1%	72.9%	28.2%	71.8%	29.0%	71.0%
Punjab	23.2%	76.8%	24.7%	75.3%	26.5%	73.5%	27.3%	72.7%
Rajasthan	18.7%	81.3%	18.9%	81.1%	20.3%	79.7%	20.7%	79.3%
Sikkim	25.8%	74.2%	27.2%	72.8%	29.9%	70.1%	31.5%	68.5%
Tamil Nadu	25.6%	74.4%	26.8%	73.2%	27.8%	72.2%	28.6%	71.4%
Telangana	22.2%	77.8%	23.2%	76.8%	24.8%	75.2%	25.6%	74.4%
Tripura	15.4%	84.6%	16.2%	83.8%	18.1%	81.9%	19.0%	81.0%
Uttar Pradesh	16.9%	83.1%	17.3%	82.7%	18.5%	81.5%	19.0%	81.0%
Uttarakhand	19.3%	80.7%	20.3%	79.7%	22.1%	77.9%	23.0%	77.0%
West Bengal	22.1%	77.9%	22.2%	77.8%	23.2%	76.8%	23.7%	76.3%
India	**22.5%**	**77.5%**	**23.0%**	**77.0%**	**24.3%**	**75.7%**	**24.9%**	**75.1%**

Source: NSE EPR. Note: The gender classification is based on investor data where the gender was disclosed. The mapping is based on India Post's pin code level mapping (GoI). * Data for FY26TD is as of 28th February, 2026

Market activity across segments and investor categories

Equity cash turnover moderates; Index options ADT at 16-month high

Market activity across segments showed mixed trends during February 2026. The equity cash segment moderated slightly, with average daily turnover (ADT) declining 4% MoM to Rs 1.1 lakh crore after reaching a 16-month high in the previous month, alongside a 5% MoM decline in unique investor participation. In the equity derivatives segment, equity futures ADT declined 6% MoM, while equity options activity strengthened, with premium turnover rising 5% MoM to Rs 70,056 crore. Index options ADT reached a 16-month high, largely driven by Nifty50 options following regulatory changes that consolidated weekly contracts in this index. Meanwhile, activity across other segments remained mixed, with currency derivatives turnover declining while interest rate futures and commodity options witnessed growth. In commodities, electricity futures continued to dominate trading value, and the exchange has further expanded its product offering with the introduction of Gold 10-gram futures contracts starting March.

Equity cash turnover moderates after recent peak: The average daily turnover (ADT) in the equity cash segment, which had reached a 16-month high in the previous month, moderated slightly in February 2026. ADT declined 4% MoM to Rs 1.1 lakh crore; however, it remained 10% higher than the average ADT recorded in FY26 so far (till February). The average trade size (ATS) in the equity cash segment increased marginally by 1% MoM to Rs 33,933 in February 2026 and registered a notable 43% YoY rise compared with February 2025. The moderation in ADT was largely in line with a decline in unique investor participation, which fell 5% MoM to 1.27 crore investors during the month, to be discussed in detail in the investor participation section.

Equity derivatives show divergent trends across products: In the equity derivatives segment, trends were mixed across product categories. Equity futures ADT declined 6% MoM to Rs 1.7 lakh crore, primarily driven by a 7% decline in stock futures, while index futures recorded a marginal 1% decline. In contrast, ADT in equity options (based on premium turnover) increased 5% MoM to Rs 70,056 crore, highest in last 20 months.

This rise was led by index options, where ADT increased 6%, while stock options recorded a marginal 1% growth. Notably, ADT in index options reached a 16-month high of Rs 61,141 crore, supported by strong activity in Nifty50 index options, which rose 7% MoM and registered an impressive 81% YoY growth.

Nifty50 options dominate index derivatives turnover: The surge in Nifty50 options activity can largely be attributed to regulatory changes that consolidated weekly options trading exclusively in Nifty50 while discontinuing weekly contracts in other index options. Consequently, ADT in Bank Nifty, Midcap Nifty, and Fin Nifty options declined 45%, 45%, and 52% YoY, respectively. As a result, Nifty50 index options accounted for 91% of overall index options premium turnover in February 2026, compared with 76% in February 2025. Remarkably, the ADT in Nifty50 index options stood at Rs 55,925 crore, marking an all-time monthly high. The rise in options activity coincided with an increase in investor participation in the derivatives segment, with the number of unique investors trading in equity options rising 9% MoM to 38 lakh during February.

Equity options ATS rises; Index options at 8-month high, stock options at 16-month high: The average trade size (ATS) in index options (based on premium turnover) increased 9% MoM to Rs 10,241 crore in February 2026, marking the highest level in eight months. ATS in stock options stood at Rs 14,308 crore (highest in 16-month), registering a modest 1% MoM increase. Within equity futures, ATS in index futures rose 2% MoM to

Rs 26 lakh, while ATS in stock futures declined 1% MoM to Rs 8.4 lakh. Notably, the exchange revised the lot sizes for index derivatives effective December 30, 2025, with the lot sizes for Nifty50, Nifty Bank, Fin Nifty, and Midcap Nifty revised to 65, 30, 60, and 120 contracts, respectively. In the preceding month (January 2026), ADT in index futures had declined 8% MoM to Rs 25.5 lakh.

Notably, recent changes in Securities Transaction Tax (STT), announced in the Union Budget 2026, will come into effect from April 1, 2026. The STT on futures (applicable on the sale of futures contracts) will increase to 0.05% from 0.02%. Similarly, the STT on options (applicable on the sale of options contracts) and on exercised options will increase to 0.15% from 0.10% and 0.125%, respectively.

Mixed trends across currency, interest rate and commodity derivatives: Activity across other derivative segments presented mixed trends during February. The ADT in the currency derivatives segment declined by 3% MoM to Rs 3,770 crore, reflecting relatively subdued trading. In contrast, trading activity in interest rate futures strengthened, with ADT increasing by 20% MoM to Rs 120 crore, the highest level recorded in the last sixteen months.

Commodity derivatives also showed varied trends across products. The ADT in commodity options rose by 16% MoM to Rs 49 crore premium, marking the highest level in ten months, while commodity futures turnover declined by 4% MoM to Rs 55 crore. However, on a YoY basis, commodity futures trading rose sharply, nearly 41 times higher than February 2025. This increase was largely driven by electricity futures contracts, which accounted for about 87% of the total trading value, followed by crude oil futures with a share of about 12%. Further expanding its product offerings, the exchange has also announced the launch of gold 10-gram futures contracts, effective March 16, 2026.

Table 84: Monthly trend of turnover (Rs crore) across segments

Month	Equity cash	Equity Futures			Equity Options			Currency derivatives		Interest rate futures	Commodity derivatives	
		Stock Futures	Index Futures	Total	Stock options	Index Options	Total	Futures	Options		Futures	Options
Feb-25	18,33,226	25,44,197	6,48,506	31,92,703	1,48,472	8,09,583	9,58,054	98,892	1.1	2,039	28.1	755.1
Mar-25	18,75,160	23,90,587	5,86,218	29,76,805	1,25,339	8,44,112	9,69,451	74,366	1.2	1,817	29.7	1,049.2
Apr-25	19,06,257	26,60,015	7,16,860	33,76,875	1,52,925	9,51,969	11,04,895	74,328	2.0	1,136	45.2	1,129.4
May-25	23,32,568	27,31,553	8,02,210	35,33,763	1,65,481	10,85,911	12,51,392	74,673	2.4	1,038	35.7	561.7
Jun-25	23,82,248	27,00,815	6,62,756	33,63,570	1,49,906	8,80,137	10,30,043	55,023	2.4	952	81.0	545.7
Jul-25	21,84,895	26,52,976	5,50,179	32,03,155	1,41,398	8,60,919	10,02,317	50,292	1.4	864	1,048.7	801.0
Aug-25	17,77,362	22,99,875	4,99,973	27,99,848	1,10,086	7,89,317	8,99,404	42,834	2.5	1,438	1,997.5	744.9
Sep-25	21,62,875	25,20,339	5,03,362	30,23,701	1,37,236	9,33,318	10,70,553	68,372	1.6	1,661	2,335.4	863.2
Oct-25	20,73,539	27,11,781	5,87,061	32,98,842	1,42,690	10,41,799	11,84,489	83,625	1.2	1,836	1,083.8	835.6
Nov-25	19,86,953	24,95,117	5,23,609	30,18,726	1,23,624	9,13,277	10,36,901	74,036	1.2	2,207	1,202.5	524.8
Dec-25	20,78,923	25,64,597	5,25,951	30,90,548	1,33,042	9,46,923	10,79,965	82,991	2.2	1,936	1,068.4	635.4
Jan-26	23,91,197	30,30,657	5,82,392	36,13,049	1,76,100	11,53,154	13,29,254	78,015	1.0	2,004	1,191.5	884.5
Feb-26	24,07,596	29,59,273	6,04,938	35,64,211	1,87,214	12,83,969	14,71,183	71,636	1.9	2,287	1,144.5	1,028.7

Source: NSE EPR. Note: Premium has been considered for options contracts.

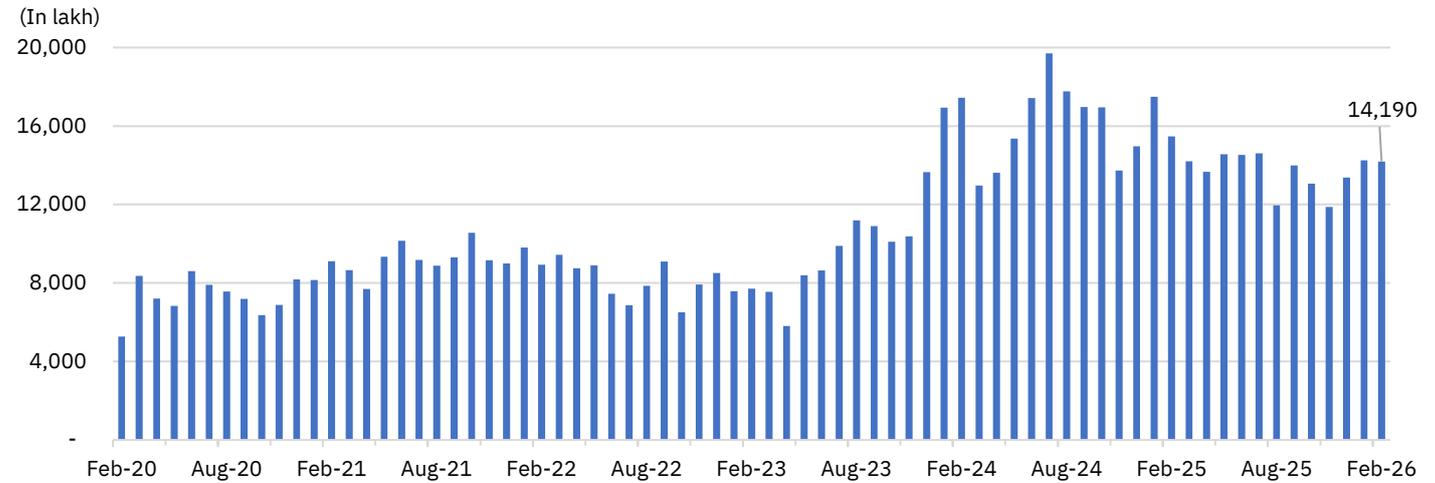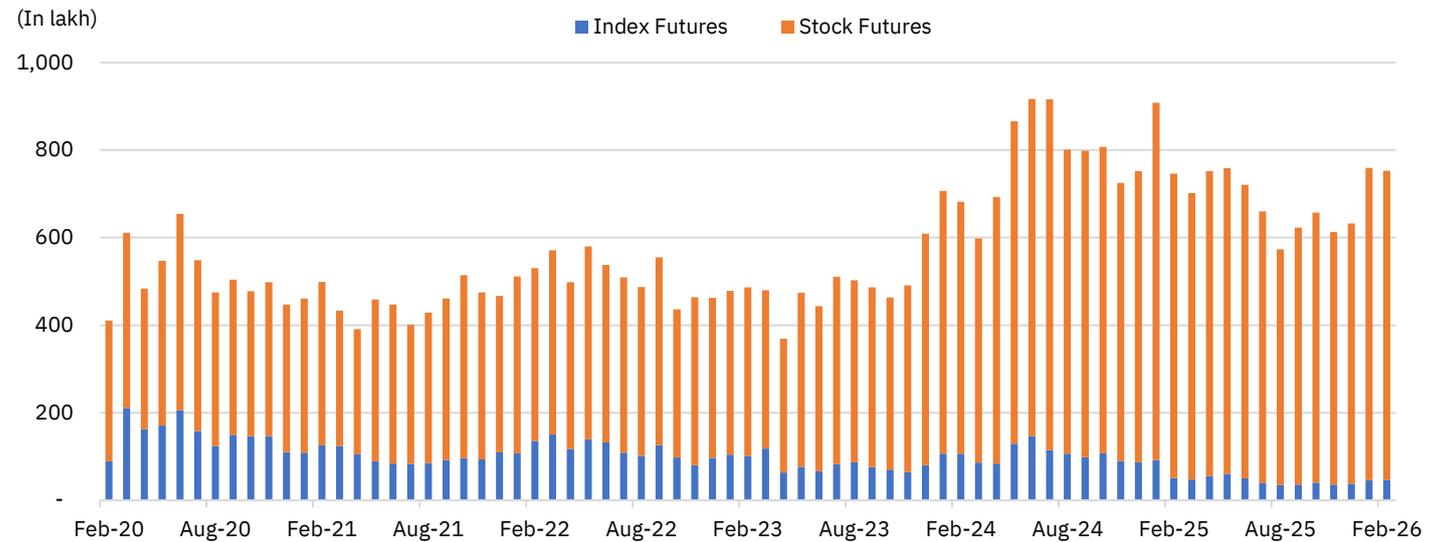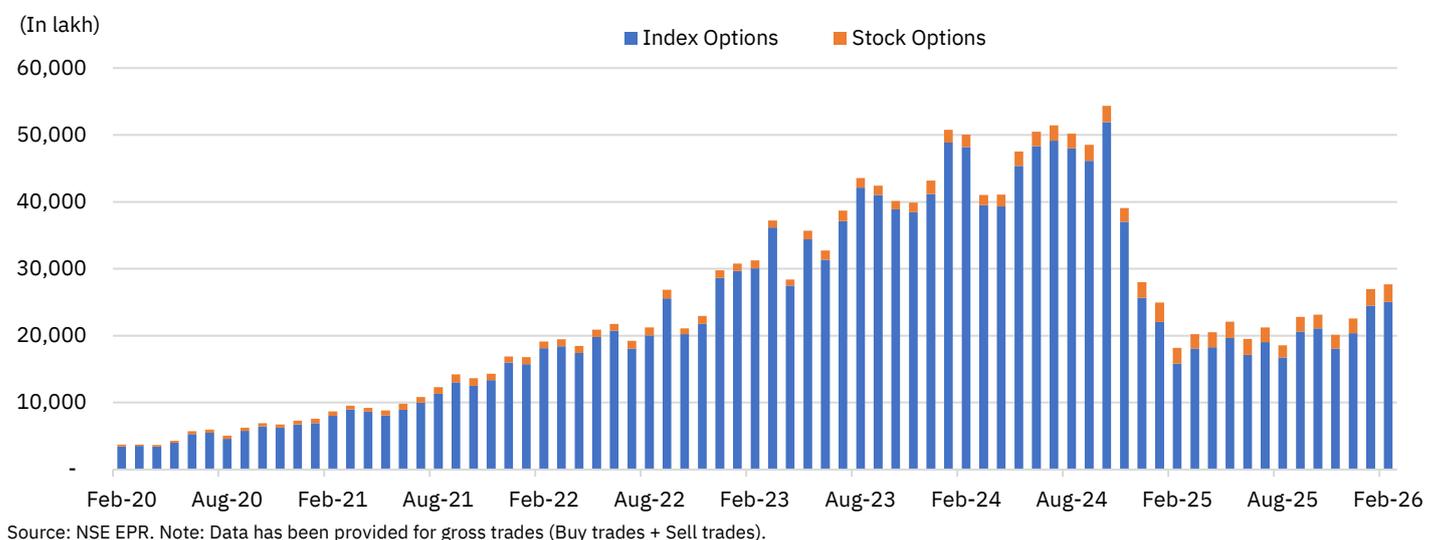**Table 85: Monthly trend of average daily turnover (Rs crore) across segments**

Month	Equity cash	Equity Futures			Equity Options			Currency derivatives		Interest rate futures	Commodity derivatives	
		Stock Futures	Index Futures	Total	Stock options	Index Options	Total	Futures	Options		Futures	Options
Feb-25	91,661	1,27,210	32,425	1,59,635	7,424	40,479	47,903	5,494	0.06	113	1.3	36.0
Mar-25	98,693	1,25,820	30,854	1,56,674	6,597	44,427	51,024	3,914	0.06	96	1.4	50.0
Apr-25	1,00,329	1,40,001	37,729	1,77,730	8,049	50,104	58,152	4,129	0.11	63	2.2	53.8
May-25	1,11,075	1,30,074	38,200	1,68,274	7,880	51,710	59,590	3,734	0.12	52	1.6	25.5
Jun-25	1,13,440	1,28,610	31,560	1,60,170	7,138	41,911	49,050	2,620	0.12	45	3.9	26.0
Jul-25	94,995	1,15,347	23,921	1,39,268	6,148	37,431	43,579	2,187	0.06	38	45.6	34.8
Aug-25	93,545	1,21,046	26,314	1,47,360	5,794	41,543	47,337	2,254	0.13	76	99.9	37.2
Sep-25	98,312	1,14,561	22,880	1,37,441	6,238	42,424	48,662	3,256	0.07	79	106.2	39.2
Oct-25	98,740	1,29,132	27,955	1,57,088	6,795	49,609	56,404	3,982	0.06	87	49.3	38.0
Nov-25	1,04,576	1,31,322	27,558	1,58,880	6,507	48,067	54,574	3,897	0.06	116	60.1	26.2
Dec-25	94,496	1,16,573	23,907	1,40,479	6,047	43,042	49,089	3,772	0.10	88	48.6	28.9
Jan-26	1,19,560	1,51,533	29,120	1,80,652	8,805	57,658	66,463	3,901	0.05	100	56.7	42.1
Feb-26	1,14,647	1,40,918	28,807	1,69,724	8,915	61,141	70,056	3,770	0.10	120	54.5	49.0

Source: NSE EPR. Note: Premium has been considered for options contracts.

Table 86: Monthly trends for trades (in lakh) in equity cash and derivatives segment for NSE

Month	Equity Cash	Equity Futures		Equity Options	
		Index	Stock	Index	Stock
Feb-25	15,481	51	695	15,828	2,364
Mar-25	14,208	47	654	18,088	2,143
Apr-25	13,672	55	697	18,286	2,228
May-25	14,557	61	698	19,666	2,445
Jun-25	14,536	50	670	17,150	2,345
Jul-25	14,614	40	620	19,059	2,155
Aug-25	11,952	35	538	16,748	1,813
Sep-25	13,987	36	587	20,627	2,198
Oct-25	13,069	40	617	21,076	2,053
Nov-25	11,875	35	577	18,095	2,019
Dec-25	13,365	38	594	20,358	2,201
Jan-26	14,251	46	714	24,471	2,494
Feb-26	14,190	47	706	25,075	2,617

Source: NSE EPR. Note: Data is presented for total trades i.e., no. of buy trades + no. of sale trades.

Figure 278: Monthly trend of total trades in NSE cash market segment

(In lakh)

Source: NSE EPR. Note: Data has been provided for gross trades (Buy trades + Sell trades).

Figure 279: Monthly trend of total trades in equity futures

(In lakh)

Source: NSE EPR. Note: Data has been provided for gross trades (Buy trades + Sell trades).

Figure 280: Monthly trend of total trades in equity options

(In lakh)

Source: NSE EPR. Note: Data has been provided for gross trades (Buy trades + Sell trades).
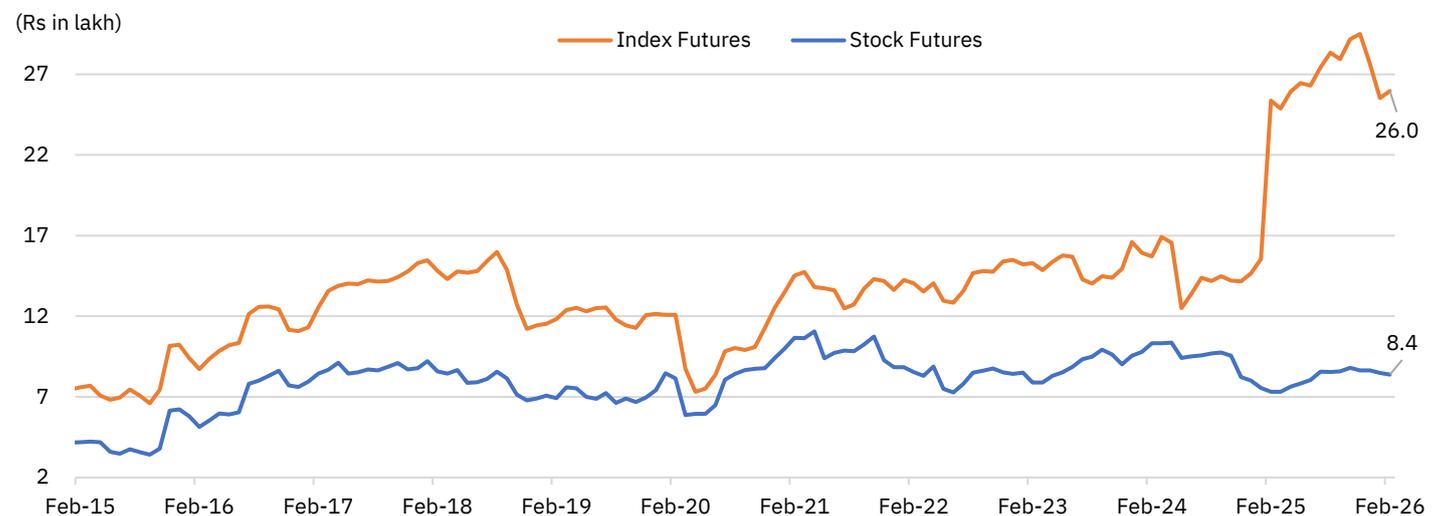
Table 87: Monthly trends for average trade size (Rs) in equity cash and derivatives segment for NSE

| Month	Equity Cash	Equity Futures		Equity Options	
		Index Futures	Stock Futures	Index Options	Stock Options
Feb-25	23,684	25,38,114	7,32,127	10,230	12,559
Mar-25	26,396	24,88,540	7,30,670	9,333	11,698
Apr-25	27,886	25,93,550	7,63,725	10,412	13,727
May-25	32,047	26,46,025	7,82,715	11,044	13,535
Jun-25	32,778	26,29,556	8,05,668	10,264	12,788
Jul-25	29,900	27,43,428	8,55,572	9,034	13,125
Aug-25	29,742	28,35,177	8,55,206	9,426	12,147
Sep-25	30,927	27,94,897	8,59,112	9,049	12,488
Oct-25	31,731	29,18,513	8,79,499	9,886	13,898
Nov-25	33,464	29,50,964	8,64,446	10,094	12,244
Dec-25	31,110	27,63,372	8,63,358	9,303	12,087
Jan-26	33,559	25,52,905	8,48,916	9,425	14,122
Feb-26	33,933	25,96,224	8,38,030	10,241	14,308

Source: NSE EPR. Note: Premium has been considered for options contract.

Figure 281: Monthly trend of average trade size in NSE cash market segment

Source: NSE EPR.

Figure 282: Monthly trend in average trade size in equity futures

Source: NSE EPR.

Figure 283: Monthly trend in average trade size in equity options premium
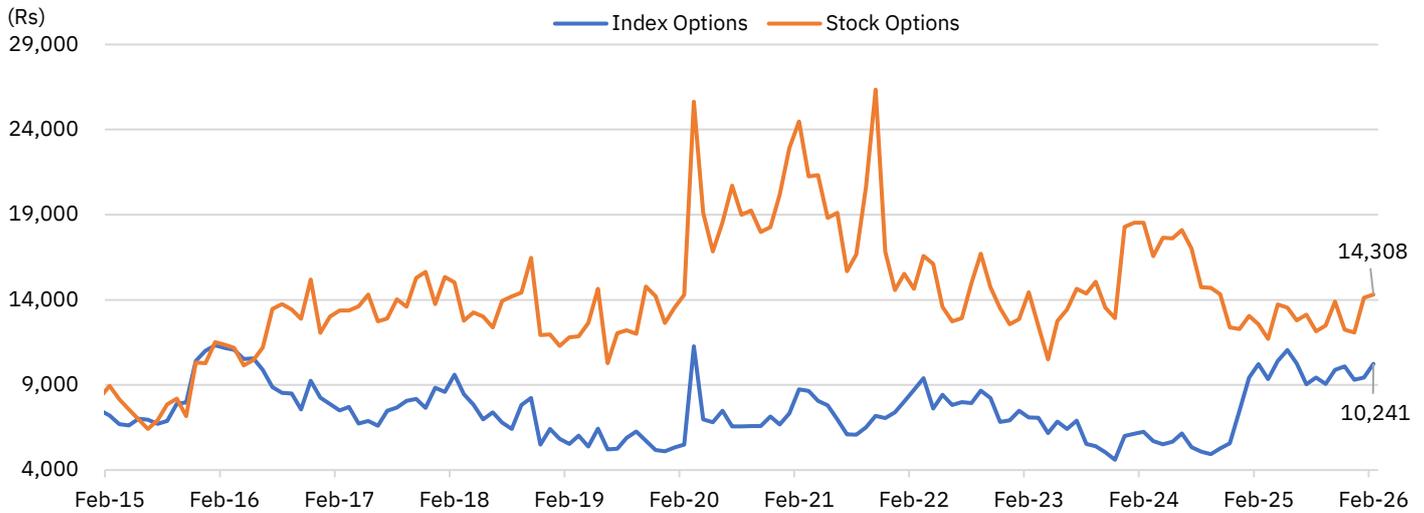
Source: NSE EPR. Note: Premium has been considered for calculating average trade size.

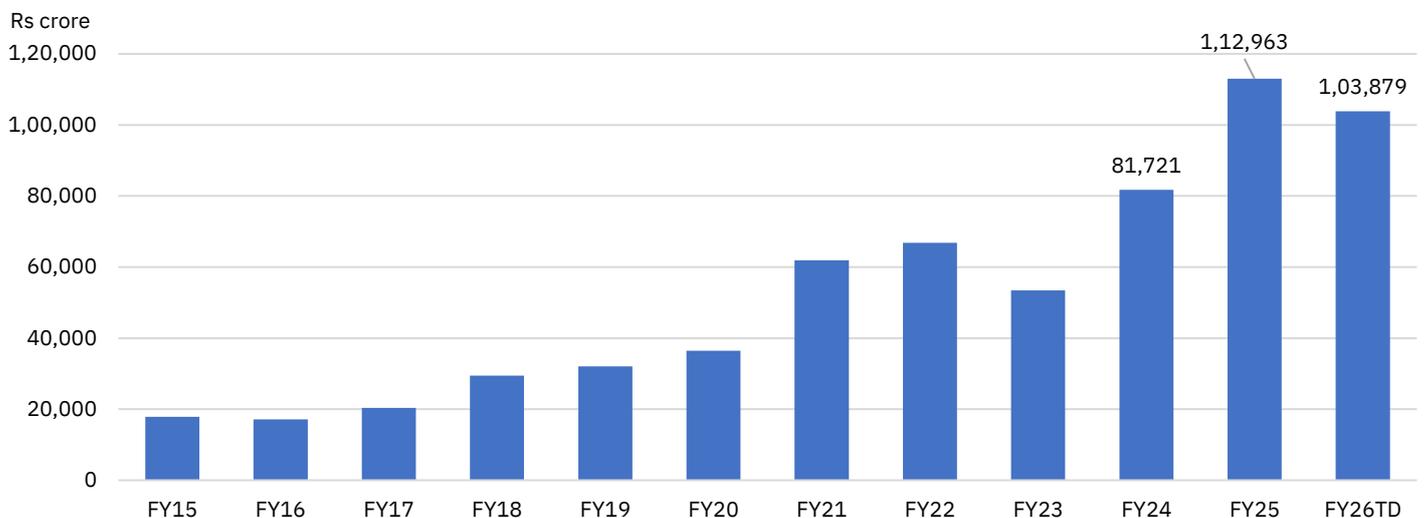**Table 88: Average daily turnover (Rs crore) in NSE CM Segment**

Products	Feb-26	Jan-26	Feb-25	% MoM change	% YoY Change	FY26TD	FY25	2026TD
Capital Market	**114,647**	**119,560**	**91,661**	**(4.1)**	**25.1**	**103,879**	**112,963**	**117,044**
Equities (Main Board)	105,239	105,932	89,572	(0.7)	17.5	99,118	110,710	105,577
Exchange Traded Funds	8,864	13,204	1,703	(32.9)	420.5	4,249	1,568	10,981
SME Emerge	180	186	214	(3.1)	(15.9)	258	379	183
Sovereign Gold Bonds	37	43	17	(14.8)	115.9	24	13	40
InvITs	57.9	40	24.8	43.6	133.5	59	57	49
REITs	213.9	63	61.0	241.6	250.7	85	92	140
Others	56	92	69	(39.3)	(19.9)	87	144	73

Source: NSE EPR.
Notes: 1. Average daily turnover (ADT) excludes auction market turnover. Equities (Main Board) include stocks in EQ, BE, BL and BZ series.
2. Others include corporate and government debt instruments (excl. SGBs), preferential shares, partly paid-up shares, warrants etc., among others.
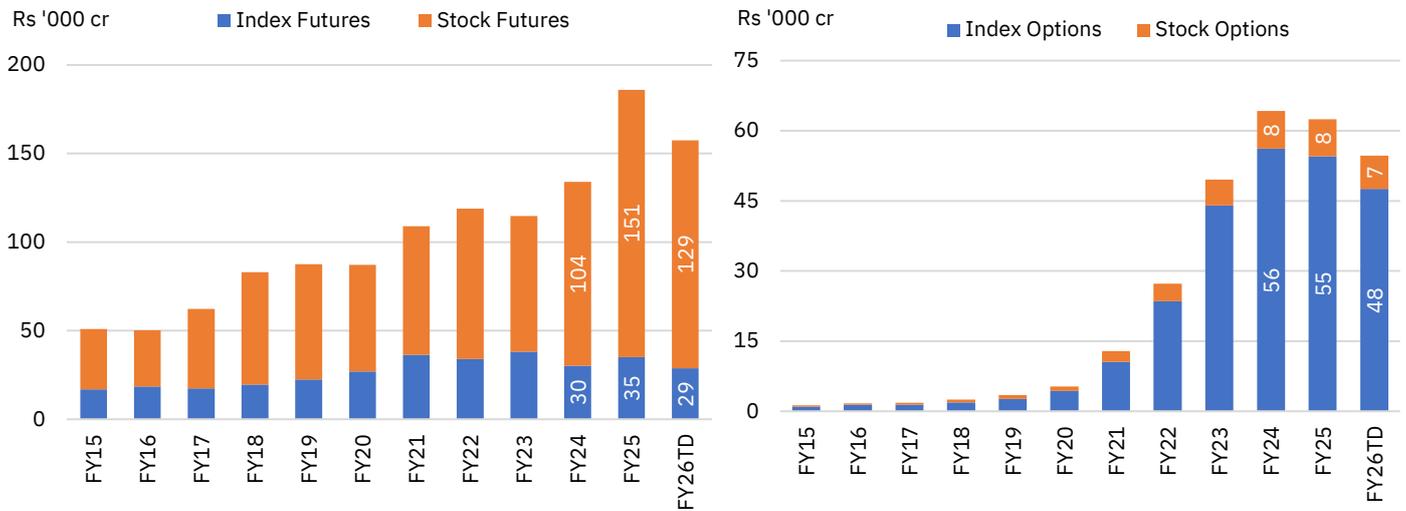3. Figures in brackets indicate negative numbers. 4. FY26TD and 2026TD are as of Feb'26.

Figure 284: Annual trends in average daily turnover in NSE CM segment

Source: NSE EPR.
Note: 1. Average daily turnover (ADT) excludes auction market turnover.
2. FY26TD data is as of Jan'26.

Figure 285: Annual trends in average daily turnover in NSE's equity derivatives segment

Source: NSE EPR. Notes: 1. The above figure reports premium turnover for options contracts. 2. FY26TD data is as of Feb'26.

Table 89: Average daily turnover (Rs crore) in NSE's equity derivatives segment

Product	Feb-26	Jan-26	Feb-25	% MoM change	% YoY Change	FY26TD	FY25	2026TD
Equity Futures	**1,69,724**	**1,80,652**	**1,59,635**	**(6.0)**	**6.3**	**1,57,396**	**1,85,901**	**1,75,055**
Stock futures	**1,40,918**	**1,51,533**	**1,27,210**	**(7.0)**	**10.8**	**1,28,627**	**1,50,752**	**1,46,096**
Index futures	**28,807**	**29,120**	**32,425**	**(1.1)**	**(11.2)**	**28,769**	**35,149**	**28,959**
BANKNIFTY	6,759	6,335	10,314	6.7	(34.5)	7,605	13,021	6,552
NIFTY50	20,310	20,992	20,137	(3.2)	0.9	19,615	20,598	20,643
FINNIFTY	85	83	123	3.1	(30.8)	94	236	84
MIDCPNIFTY	1,564	1,625	1,686	(3.8)	(7.3)	1,379	1,213	1,594
NIFTYNXT50	89	85	164	5.1	(45.7)	76	80	87
Equity Options	**70,056**	**66,463**	**47,903**	**5.4**	**46.2**	**54,651**	**62,449**	**68,303**
Stock options	**8,915**	**8,805**	**7,424**	**1.2**	**20.1**	**7,104**	**7,933**	**8,861**
Index options	**61,141**	**57,658**	**40,479**	**6.0**	**51.0**	**47,547**	**54,516**	**59,442**
BANKNIFTY	4,509	4,322	8,255	4.3	(45.4)	5,165	21,553	4,418
NIFTY50	55,925	52,476	30,900	6.6	81.0	41,628	25,434	54,242
FINNIFTY	127	111	264	13.8	(52.0)	142	4,489	119
MIDCPNIFTY	579	747	1,061	(22.4)	(45.4)	610	3,036	661
NIFTYNXT50	1.60	1	0.73	51.3	119.4	1	3	1

Source: NSE EPR. Notes: 1. The above table reports premium turnover for Options contracts. 2. FY26TD and 2026TD are as of Feb'26 3. Figures in brackets indicate negative numbers.

**Table 90: Average daily open interest (Rs crore) in NSE's equity derivatives segment**

Product	Feb-26	Jan-26	Feb-25	% MoM change	% YoY Change	FY26TD	FY25	2026TD
Equity Futures	**5,74,327**	**5,83,340**	**4,80,672**	**-1.5**	**19.5**	**5,41,573**	**4,67,162**	**5,78,724**
Stock Futures	**5,16,421**	**5,23,895**	**4,14,867**	**-1.4**	**24.5**	**4,80,617**	**4,11,790**	**5,20,067**
Index Futures	**57,906**	**59,445**	**65,805**	**-2.6**	**-12.0**	**60,956**	**55,373**	**58,657**
NIFTY	44,112	47,102	43,453	-6.3	1.5	44,685	37,046	45,570
BANKNIFTY	10,247	8,754	18,328	17.1	-44.1	12,596	15,276	9,518
FINNIFTY	130	125	161	4.0	-19.6	176	180	127
MIDCPNIFTY	3,278	3,311	3,578	-1.0	-8.4	3,342	2,746	3,294
NIFTYNXT50	139	154	285	-9.5	-51.1	157	124	146
Equity Options	**17,83,530**	**17,03,141**	**15,83,542**	**4.7**	**12.6**	**17,00,951**	**16,08,744**	**17,44,316**
Stock Options	**3,61,126**	**3,42,587**	**3,04,034**	**5.4**	**18.8**	**3,17,269**	**2,96,012**	**3,52,083**
Index Options	**14,22,404**	**13,60,554**	**12,79,508**	**4.5**	**11.2**	**13,83,682**	**13,12,732**	**13,92,233**
NIFTY	12,19,926	11,70,175	9,75,997	4.3	25.0	11,42,567	8,43,865	11,95,657
BANKNIFTY	1,77,440	1,65,509	2,74,611	7.2	-35.4	2,16,430	4,00,921	1,71,620
FINNIFTY	4,910	2,907	8,658	68.9	-43.3	5,243	40,037	3,933
MIDCPNIFTY	19,980	21,872	20,046	-8.7	-0.3	19,336	27,639	20,903
NIFTYNXT50	148	91	197	63.1	-24.5	107	272	120

Source: NSE EPR. Notes: 1. The above table reports notional turnover. 2. FY26TD and 2026TD are as of Feb'26.

Table 91: Average daily turnover in commodity derivatives

Product (Rs crore)	Feb-26	Jan-26	Feb-25	% MoM change	% YoY Change	FY26TD	FY25	2026TD
Futures	**54.5**	**56.7**	**1.3**	**(3.9)**	**3969.8**	**47.8**	**1.0**	**55.6**
SILVER	0.2	2.2	0.2	(93)	3	0.6	0.2	1.2
NATURALGAS	0.0	-	0.0	-	306	0.0	0.1	0.0
CRUDEOIL	6.8	5.3	1.2	(29)	(471)	3.3	0.6	6.0
ELECMBL	47.6	49.3	-	(3)	-	43.9	-	48.4
Options	**49.0**	**42.1**	**36.0**	**16.3**	**36.2**	**36.4**	**17.9**	**45.6**
SILVER	0.1	0.4	1.7	(71)	(93)	0.6	1.4	0.3
NATURALGAS	-	0.0	0.0	(100)	(100)	0.0	0.0	0.0
WTICRUDE	-	-	-	-	-	-	1.7	-
CRUDEOIL	48.9	41.7	34.2	17	43	35.8	14.7	45.3

Source: NSE EPR. Notes: 1. The above table reports premium turnover for Options contracts. 2. FY26TD and 2026TD are as of Feb'26. 3. Figures in brackets indicate negative numbers.

**Figure 286: Annual trends in average daily turnover in commodity derivatives segment**
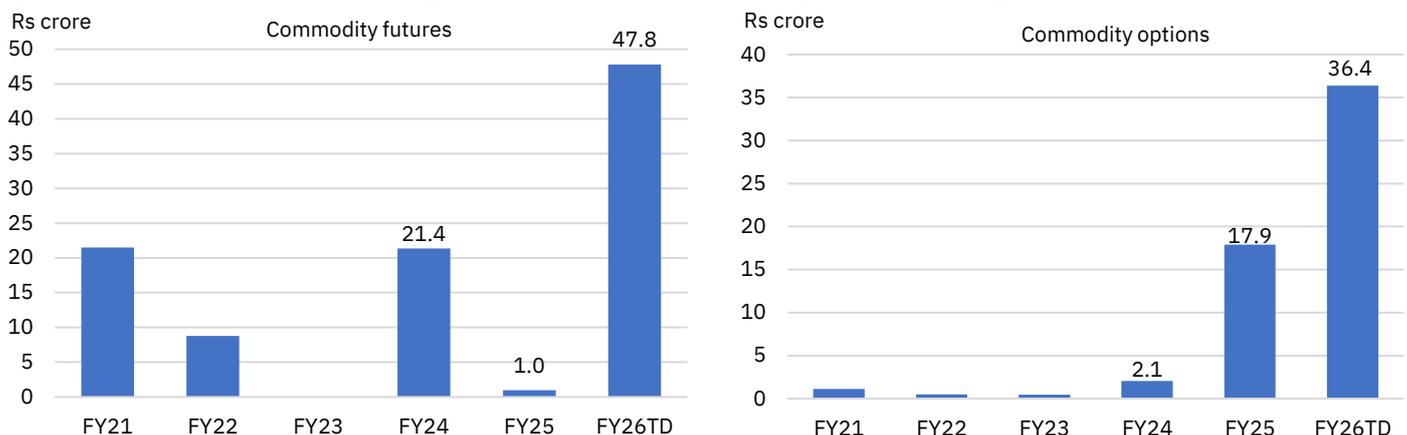
Source: NSE EPR. Notes: 1. Above figure reports premium turnover for options contracts. 2. FY26TD data is as of Feb'26.

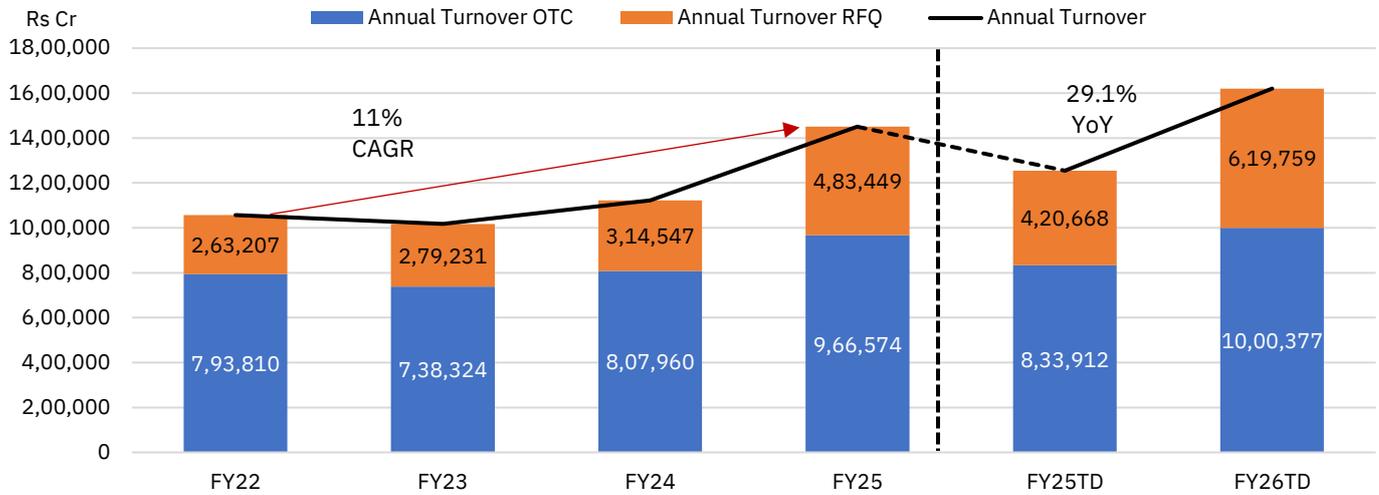**Secondary market activity in corporate bonds showed mixed movements across trading venues in February 2026:** OTC turnover rose modestly to Rs 72,429 crore, recovering from Rs 70,136 crore in January 2026 (+3.3% MoM). In contrast, RFQ turnover declined further by 7.3% MoM to Rs 49,585 crore from Rs 53,483 crore in January 2026, extending the softening observed in the previous month. Despite the divergence in monthly turnover movements, the longer-term evolution of market structure continued to reflect a gradual increase in the role of electronic trading platforms. The share of RFQ-based transactions in total secondary-market turnover has increased from an average of 24.9% in FY22 to 38.3% in FY26TD, reflecting the rising contribution of RFQ-based transactions to overall secondary-market activity. On a fiscal year-to-date basis (FY26TD: April 2025–February 2026), trading activity across both platforms has witnessed a consistent decline. More broadly, secondary market activity continues to evolve alongside changes in market structure and broader financial conditions, which influence liquidity conditions and trading behaviour in the corporate bond market.

The movement in monthly turnover was broadly reflected in ADT dynamics. OTC ADT increased to Rs 3,812 crore in February 2026 from Rs 3,507 crore in January 2026, while RFQ ADT declined to Rs 2,610 crore from Rs 2,674 crore over the same period, taking combined ADT to Rs 6,422 crore. The continued softening in RFQ ADT relative to the recovery in OTC activity suggests that recent variations in overall turnover have been driven primarily by changes in RFQ trading volumes rather than negotiated OTC transactions.
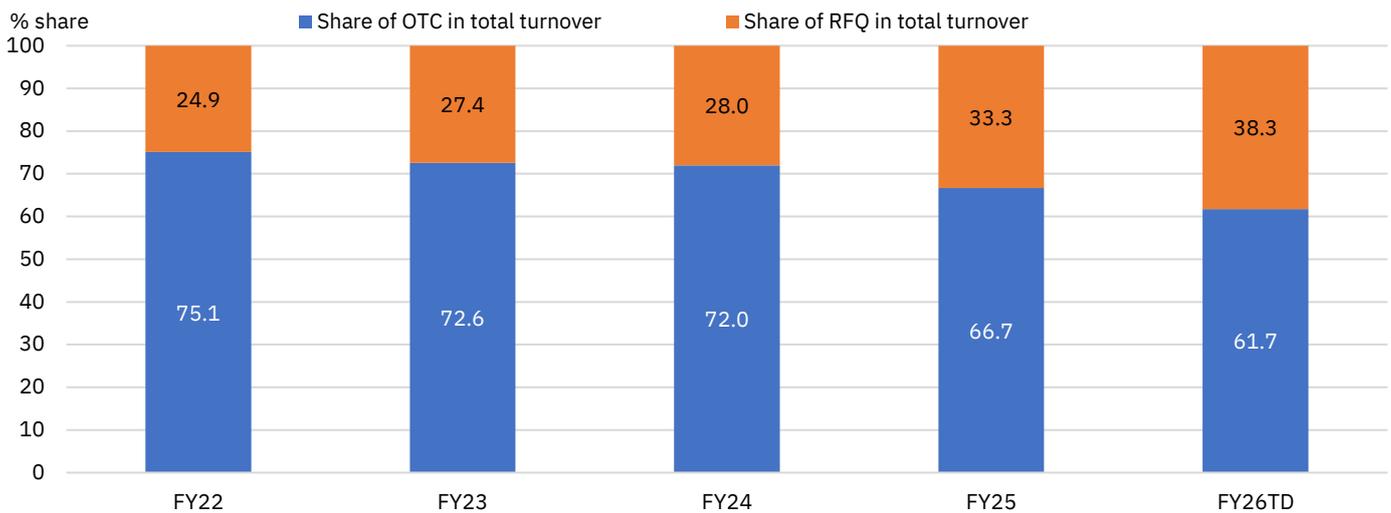
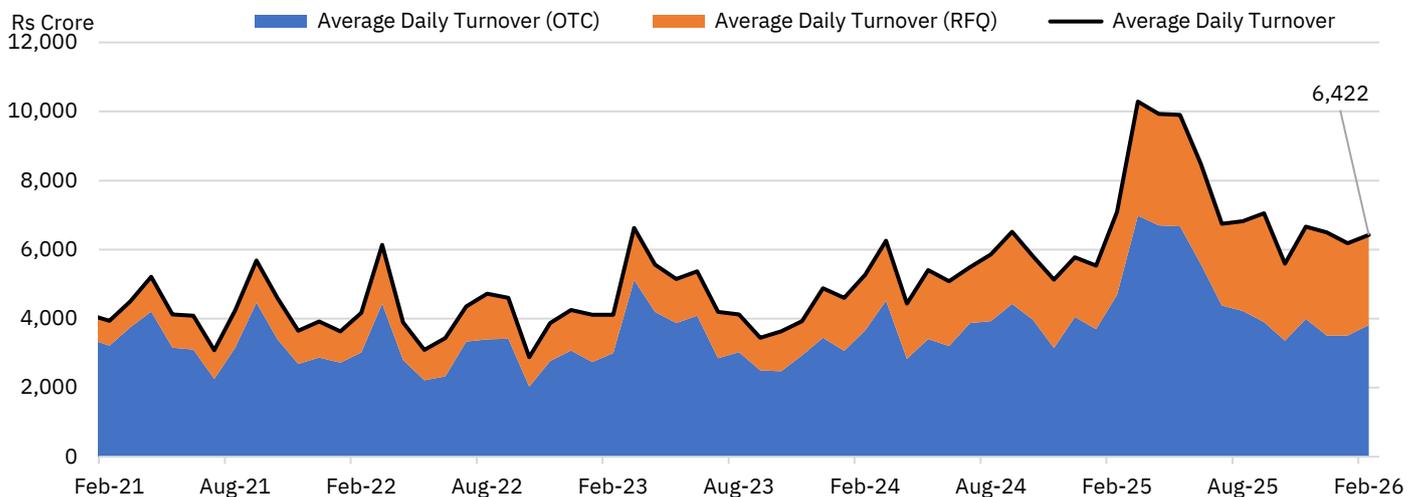**Figure 287: Monthly trends of turnover in debt segment**
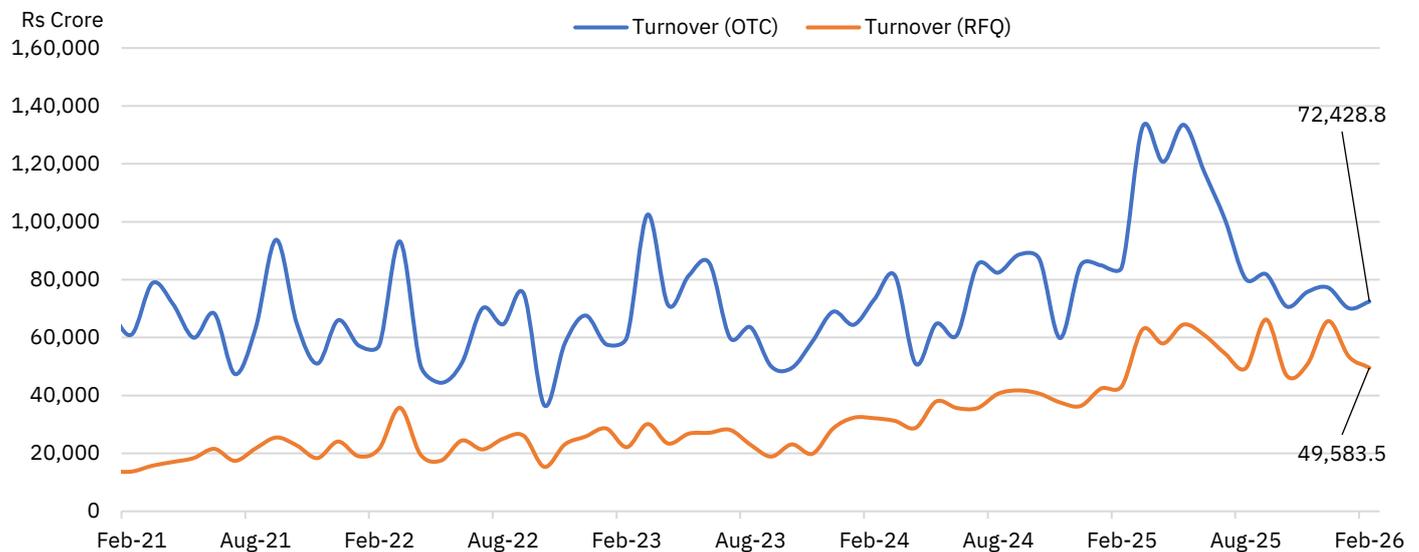
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 288: Annual trend in total turnover across segments

Rs Cr

Annual Turnover OTC ■ Annual Turnover RFQ — Annual Turnover

|	FY22	FY23	FY24	FY25	FY25TD	FY26TD
RFQ	2,63,207	2,79,231	3,14,547	4,83,449	4,20,668	6,19,759
OTC	7,93,810	7,38,324	8,07,960	9,66,574	8,33,912	10,00,377

11% CAGR

29.1% YoY

Source: NSE EPR. Note: Year-to-Date data corresponds to April 2025-February 2026. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 289: Monthly share in total turnover across segments

% share

■ Share of OTC in total turnover ■ Share of RFQ in total turnover

	FY22	FY23	FY24	FY25	FY26TD
RFQ	24.9	27.4	28.0	33.3	38.3
OTC	75.1	72.6	72.0	66.7	61.7

Source: NSE EPR. Note: Year-to-Date data corresponds to April 2025-February 2026. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 290: Monthly trends of average daily turnover in debt segment

Rs Crore

■ Average Daily Turnover (OTC) ■ Average Daily Turnover (RFQ) — Average Daily Turnover

6,422

Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Average trade size remains divergent across platforms: Average trade size continued to display clear divergence across execution venues in February 2026. OTC average trade size increased marginally to Rs 12.5 crore from Rs 12.1 crore in January 2026, indicating a modest recovery in block-size executions following the moderation seen in the previous month. In contrast, RFQ average trade size remained compressed at around Rs 0.3 crore (down from Rs 3 crore in April 2024), continuing the pattern of small-ticket, granular transactions observed in recent months, reflecting the impact of surge in retail participuation. The persistence of significantly smaller ticket sizes on RFQ, alongside larger OTC trades, underscores the continued divergence in execution patterns across platforms rather than a meaningful shift in trading preference.

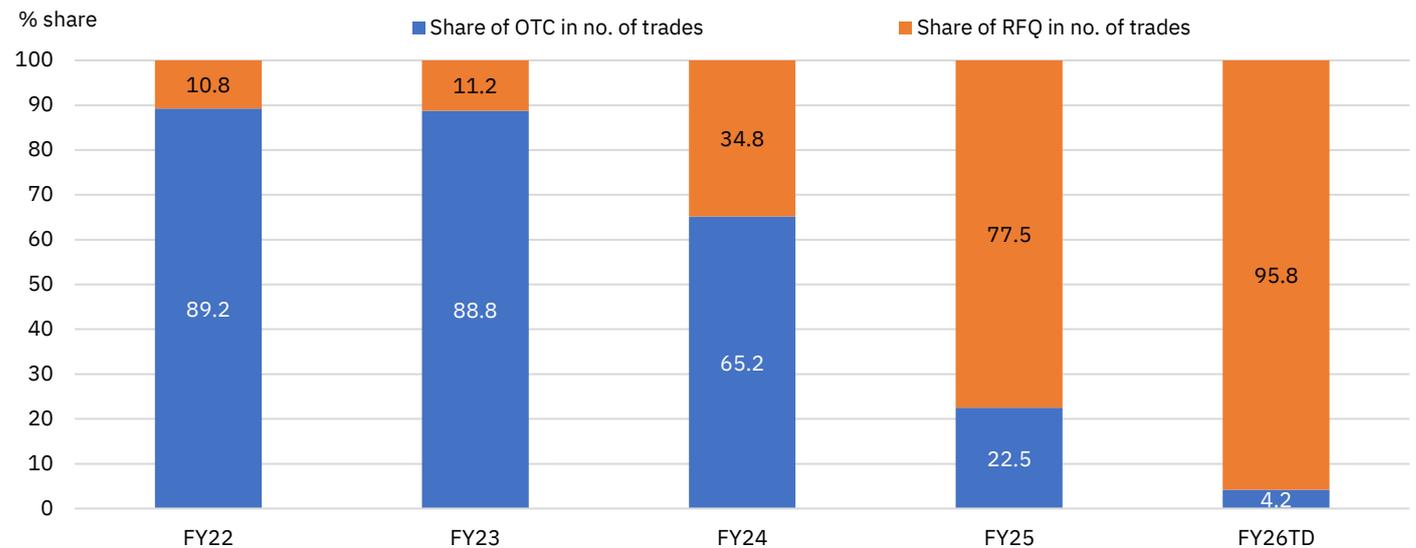**Figure 291: Monthly trend in average trade size in debt segment**
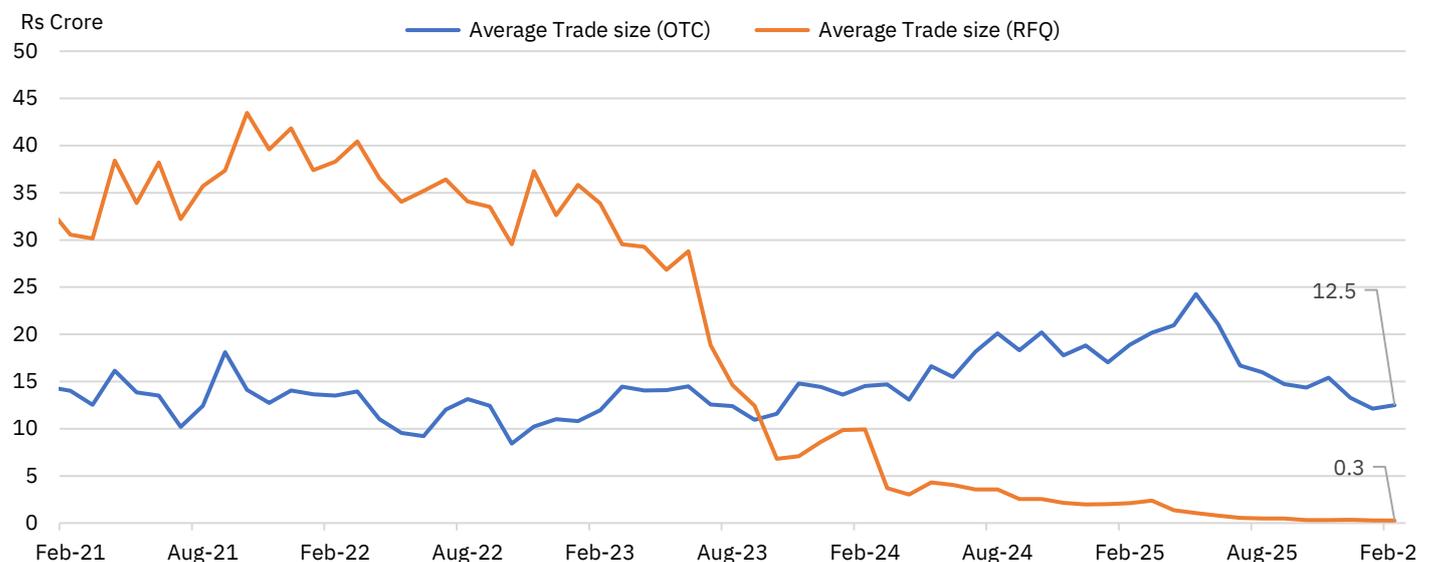
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Trade counts signal sustained market granularity despite marginal moderation: OTC trades remained broadly stable at 5,795 orders in February 2026, marginally higher than 5,789 trades recorded in January 2026, while RFQ trades declined to 182,274 orders (-3.8% MoM) over the same period. The moderation in RFQ trade counts, alongside persistently small average trade sizes, suggests a marginal pullback in transaction frequency rather than a shift toward larger-ticket trades. Despite the month-on-month decline, RFQ continued to account for the overwhelming share of reported trades (95.8% in FY26TD compared with 10.8% in FY22), indicating that the easing in activity reflects lower transaction volumes within an already fragmented electronic market structure rather than a structural reversion toward OTC execution. The sharp contrast between RFQ's dominance in trade counts and its smaller share in total turnover (~38%) reflects the increasingly granular nature of secondary-market transactions, with smaller-ticket trades executed electronically while block transactions remain concentrated in the OTC segment. On a year-on-year basis, RFQ trade counts remain substantially elevated— around 9x higher than in February 2025— highlighting the sustained rise in transaction frequency alongside persistently small ticket sizes.

Figure 292: Monthly trend in number of trades reported across platforms
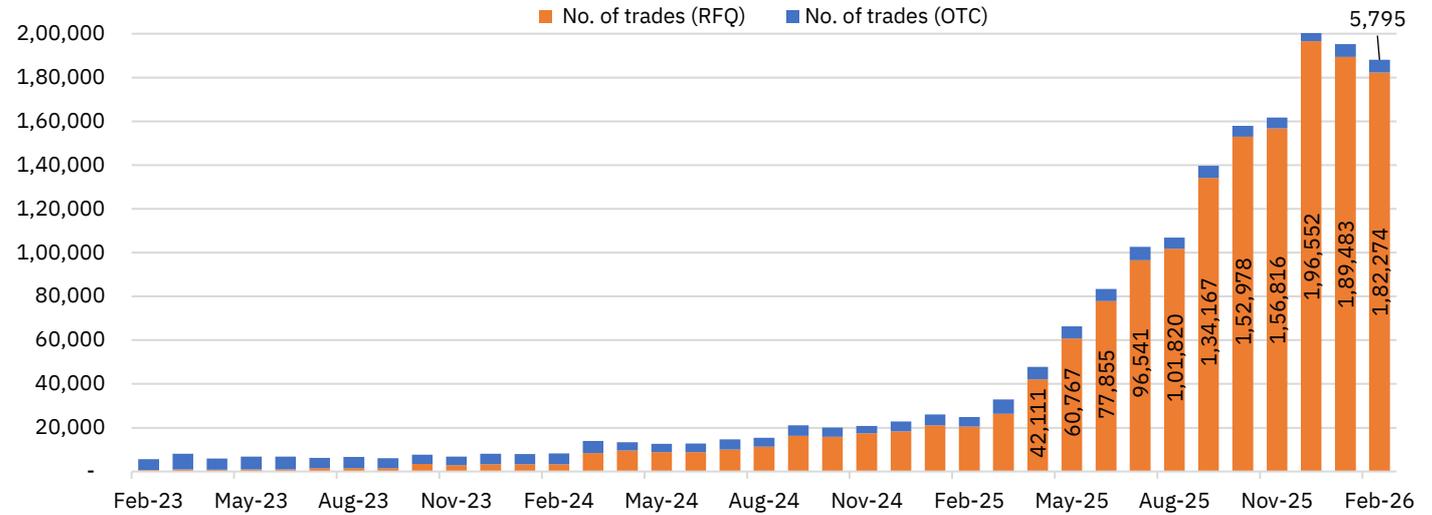
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 293: Share in number of trades reported across platforms

Source: NSE EPR. Note: Year-to-Date data corresponds to April 2025-February 2026. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 294: RFQ platform activity — Rising trade counts and declining average trade size
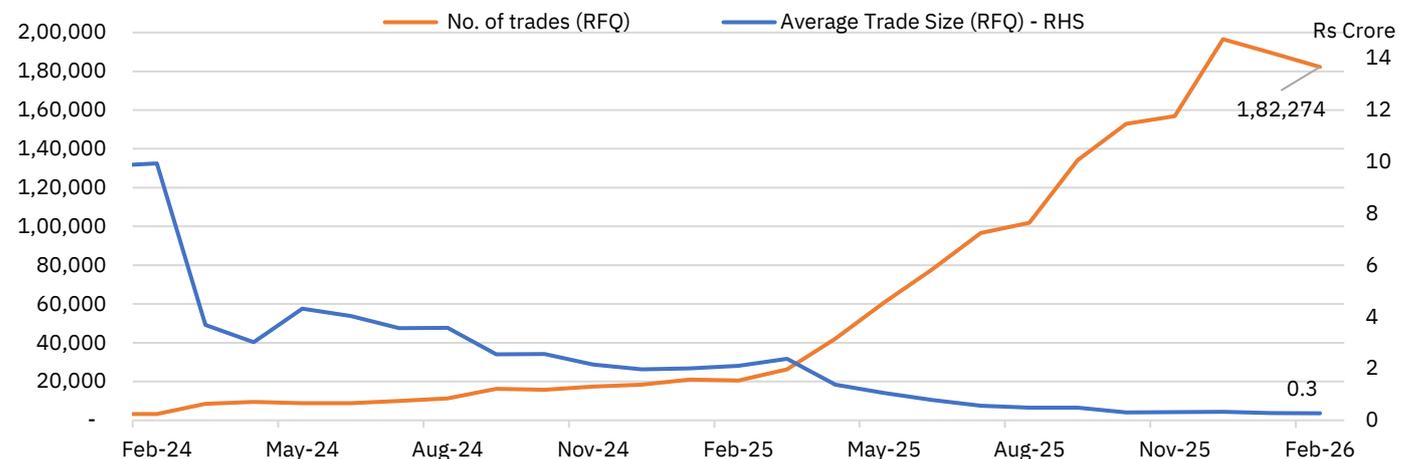
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Category-wise participation across segments: Proprietary and individuals drive market activity

Market participation in February 2026 remained broadly stable, led by proprietary traders and individual investors across segments. Cash market turnover hit a 17-month high, with both groups contributing nearly two-thirds of activity. In equity derivatives, proprietary traders maintained dominance, with rising participation in options and futures, while retail shares improved. Interest rate futures saw increased proprietary presence but declining corporate and retail participation. In commodity derivatives, participation dynamics showed a strengthening of proprietary and retail presence. Overall, institutional participation remained stable, with only marginal shifts in foreign and domestic investor shares.

Client participation across client categories remained broadly stable MoM in CM segment: Total turnover in the cash market (CM) segment rose to a 17-month high of Rs 24.07 lakh crore in February 2026, with proprietary traders and individual investors together accounting for 66.8% of the total turnover. Proprietary traders retained the largest share for second consecutive month at 33.6%, though their participation moderated by 65 bps MoM. Individual investors, on the other hand, increased their share to 33.1%, up 65 bps MoM and 250 bps YoY, continuing to account for roughly a third of overall CM turnover, though number investors who traded in the segment declined MoM during the month. Among institutional participants, foreign investors' share edged up to 13.5% (+30 bps MoM) – a three-month high – though it remained lower compared with 16.5% in February 2025. In contrast, domestic institutional investors (DIIs) saw a marginal moderation in participation, with their share declining to 13.6%, down 21 bps MoM and 60 bps YoY.

Proprietary trading touched multi-month highs in equity futures and options: In the equity options segment (premium turnover), participation shares also remained largely stable. Individual investors' share increased by 15 bps MoM to 38.0%, while proprietary traders' share rose marginally by 8 bps to 50.6% - a six-month high. In contrast, foreign investors' participation declined by 50 bps MoM to 6.9%. Notably, the 11% MoM increase in options premium turnover in February was primarily driven by individual investors and proprietary traders, who contributed 39.4% and 51.4% of the incremental turnover, respectively, highlighting their continued dominance in driving derivatives market activity. Notably, proprietary traders' share in equity futures also touched an eight-month high of 33% (+33 bps MoM).

Across the overall equity derivatives segment, proprietary remained the largest contributors with a 58.2% share of notional turnover, despite a 50 bps MoM moderation. Meanwhile, individual investors' share edged up to 30.4% (+17 bps MoM, +342 bps YoY). Foreign investors' participation was broadly stable at 6.9%, slightly higher than 6.4% a year ago.

Proprietary participation rises as corporate and retail interest in rate futures declines: Client participation in interest rate futures (IRF) continued to reflect a shift in composition in February 2026, with proprietary traders emerging as the dominant participant category, as their share increased to 49.7% from 46.9% in January (+278 bps MoM. In contrast, corporate participation edged down to 44.3% (-59 bps MoM) and remained significantly below 79% a year earlier, while individual investors' share fell to 5.7% (-165 bps MoM). Foreign investors' participation slipped to 0.2% (-27 bps MoM and domestic institutional investors contributed a negligible 0.1%, with both categories continuing to play a minimal role in the segment.

Proprietary and retail participation strengthens in commodity derivatives: Client participation in the commodity derivatives segment witnessed a shift in February 2026, led by stronger proprietary and retail activity. In commodity futures, proprietary traders strengthened their dominance with a 64.4% share (+533 bps MoM), while individual investors' participation rose to 8.8% (+185 bps MoM). In contrast, participation from the 'Others' category moderated to 24.3% (-697 bps MoM). In commodity options (premium turnover), proprietary traders retained leadership with a 49.6% share (+345 bps MoM), contributing nearly 70% of the incremental monthly turnover. Individual investors' share also increased to 27.9% (+67 bps MoM), accounting for around 31% of the incremental turnover, while foreign investors' participation eased to 21.9% (-424 bps MoM) during the month.

Table 92: Share of client participation in NSE cash market segment (%)

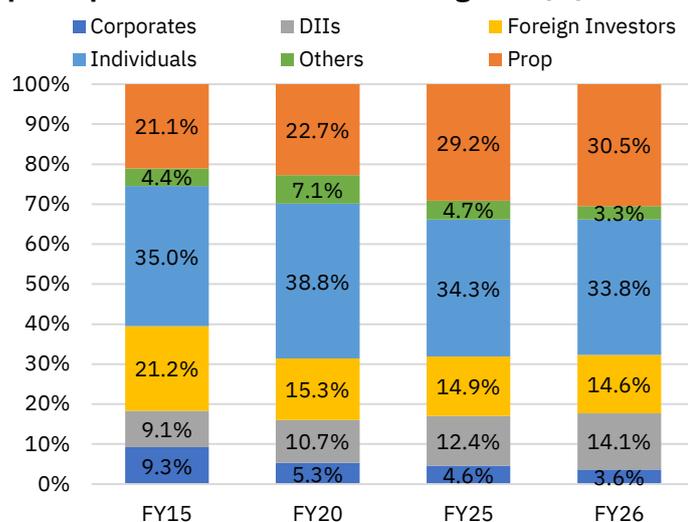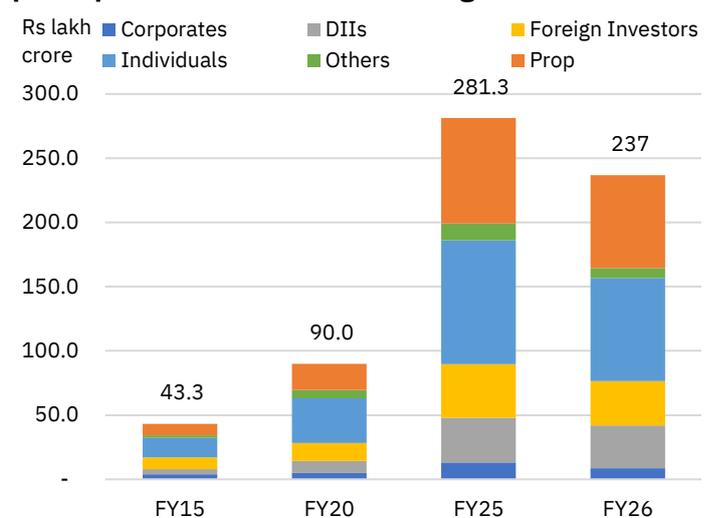| Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	3.5	3.6	4.0	(9)	(58)	3.6	4.6	3.5
DIIs	13.6	13.8	14.2	(21)	(60)	14.1	12.4	13.7
Foreign Investors	13.5	13.2	16.5	30	(297)	14.6	14.9	13.4
Individuals	33.1	32.5	30.6	65	250	33.8	34.3	32.8
Prop	33.6	34.3	30.3	(65)	336	30.5	29.2	34.0
Others	2.6	2.6	4.4	1	(171)	3.3	4.7	2.6

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26TD and CY26TD are as of Feb'26.

Figure 295: Annual trends in share of client participation in NSE cash market segment (%)

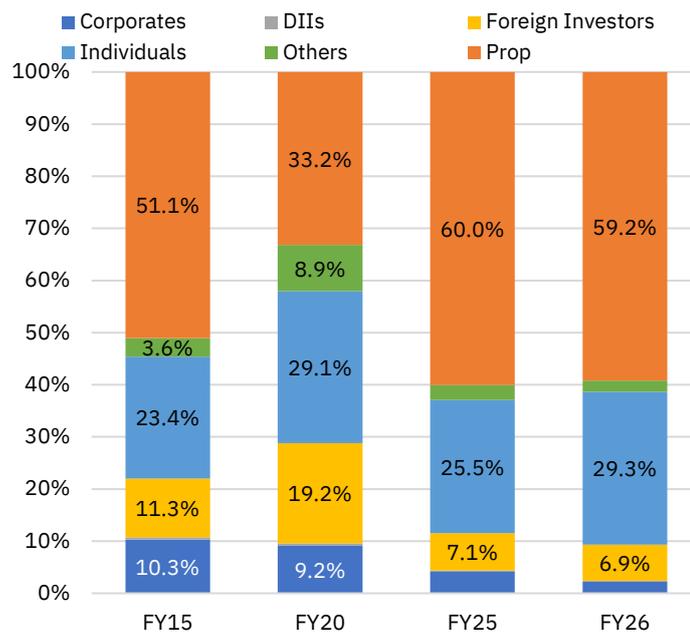**Figure 296: Annual trends in share of client participation in NSE cash market segment**

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 as of Feb'26.

Table 93: Share of client participation in Equity Derivatives segment (Notional turnover) of NSE (%)

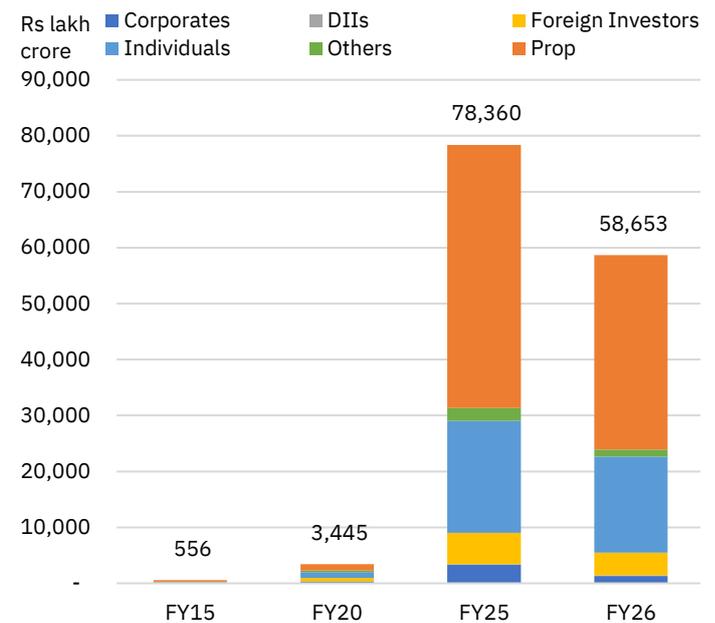| Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	2.1	2.0	2.6	9	(51)	2.2	4.2	2.1
DIIs	0.3	0.2	0.3	3	1	0.2	0.1	0.3
Foreign Investors	6.9	6.9	6.4	6	49	6.9	7.1	6.9
Individuals	30.4	30.3	27.0	17	342	29.3	25.5	30.3
Prop	58.2	58.7	61.2	(50)	(301)	59.2	60.0	58.5
Others	2.0	1.9	2.4	14	(39)	2.2	2.9	1.9

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26TD and CY26TD are as of Feb'26.

Figure 297: Annual trends in share of client participation in Equity Derivatives (Notional Turnover) at NSE (%)

Figure 298: Annual trends in share of client participation in Equity Derivatives (Notional Turnover) at NSE
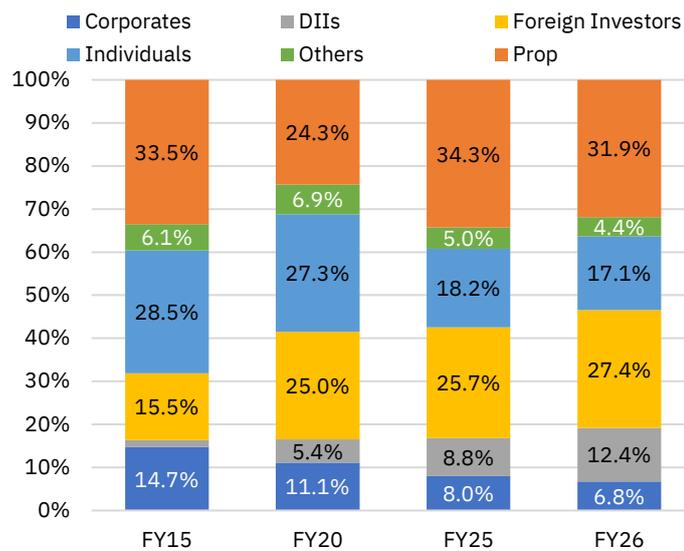

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4 Data for FY26 is as of Feb'26.

Table 94: Share of client participation in Equity futures (Notional Turnover) segment of NSE (%)

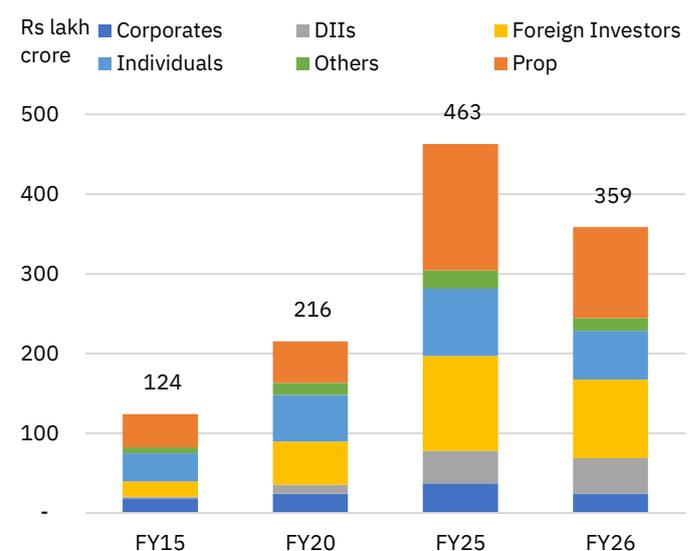| Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	6.8	7.0	6.5	(21)	32	6.8	8.0	6.9
DIIs	12.3	12.3	11.0	3	136	12.4	8.8	12.3
Foreign Investors	27.8	27.8	27.0	(6)	78	27.4	25.7	27.8
Individuals	16.1	15.9	16.7	14	(63)	17.1	18.2	16.0
Prop	33.0	32.8	34.6	13	(165)	31.9	34.3	32.9
Others	4.1	4.1	4.3	(2)	(19)	4.4	5.0	4.1

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

4 Data for FY26TD and CY26TD are as of Feb'26.

Figure 299: Annual trends in share of client participation in Equity futures (Notional Turnover) at NSE (%)

Figure 300: Annual trends in share of client participation in Equity futures (Notional Turnover) at NSE

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.

4. Data for FY26 is as of Feb'26.

Table 95: Share of client participation in Equity options segment (Premium Turnover) of NSE (%)

Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	2.2	2.1	2.1	8	2	2.1	3.9	2.1
DIIs	0.2	0.2	0.1	4	6	0.1	0.1	0.2
Foreign Investors	6.9	7.4	7.6	(50)	(62)	7.2	9.6	7.2
Individuals	38.0	37.9	35.6	15	243	37.7	34.6	38.0
Prop	50.6	50.5	52.1	8	(146)	50.7	48.9	50.6
Others	2.1	1.9	2.5	16	(43)	2.1	2.8	2.0

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4 Data for FY26TD and CY26TD are as of Feb'26.

Figure 301: Annual trends in share of client participation in Equity options (Premium Turnover) at NSE (%)
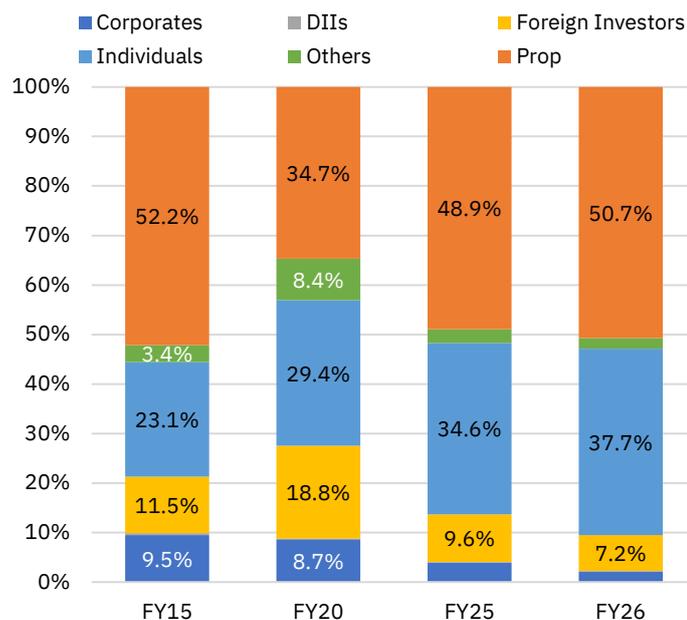
Figure 302: Annual trends in share of client participation in Equity options (Premium Turnover) at NSE
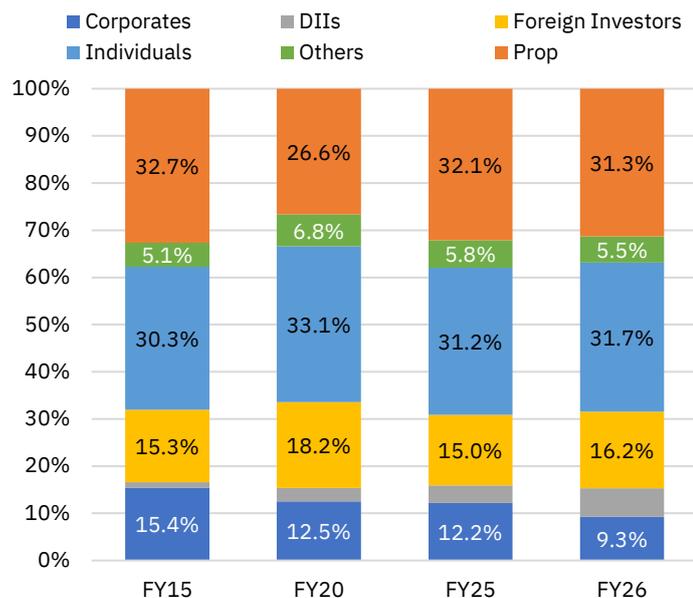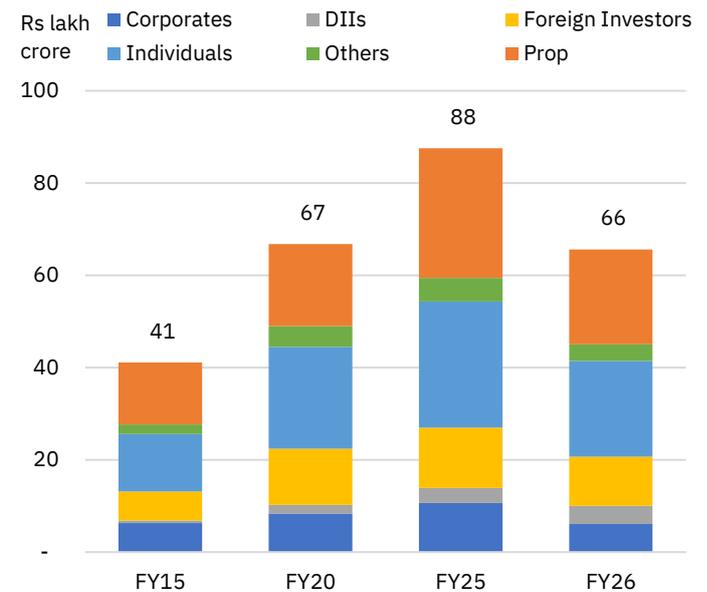

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4 Data for FY26 is as of Feb'26.

Table 96: Share of client participation in Index Futures of NSE (%)

Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	8.7	8.8	9.6	(13)	(94)	9.3	12.2	8.7
DIIs	6.3	5.1	5.4	123	94	6.0	3.7	5.7
Foreign Investors	16.7	18.6	17.0	(188)	(27)	16.2	15.0	17.7
Individuals	29.7	30.6	31.5	(95)	(179)	31.7	31.2	30.1
Prop	33.4	31.6	31.4	180	196	31.3	32.1	32.5
Others	5.2	5.3	5.1	(6)	10	5.5	5.8	5.3

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5 Data for FY26TD and CY26TD are as of Feb'26.

Figure 303: Annual trends in share of client participation in Index Futures at NSE (%)

Figure 304: Annual trends in share of client participation in Index Futures at NSE
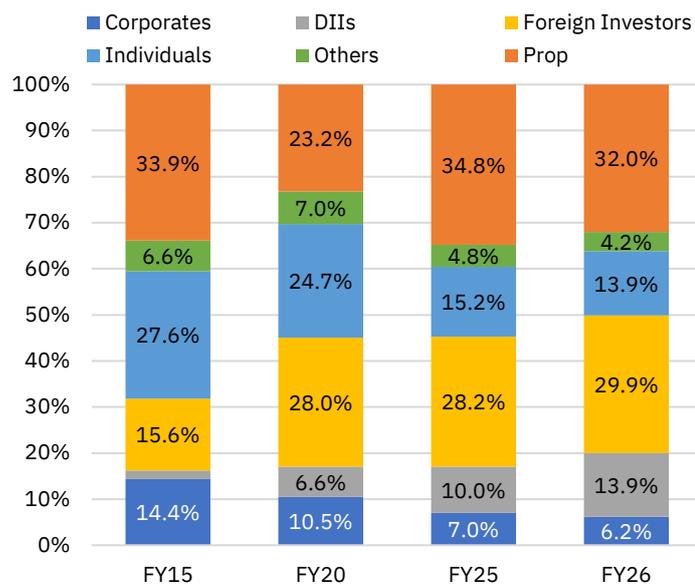

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4 Data for FY26 is as of Feb'26.

Table 97: Share of client participation in Stock Futures of NSE (%)

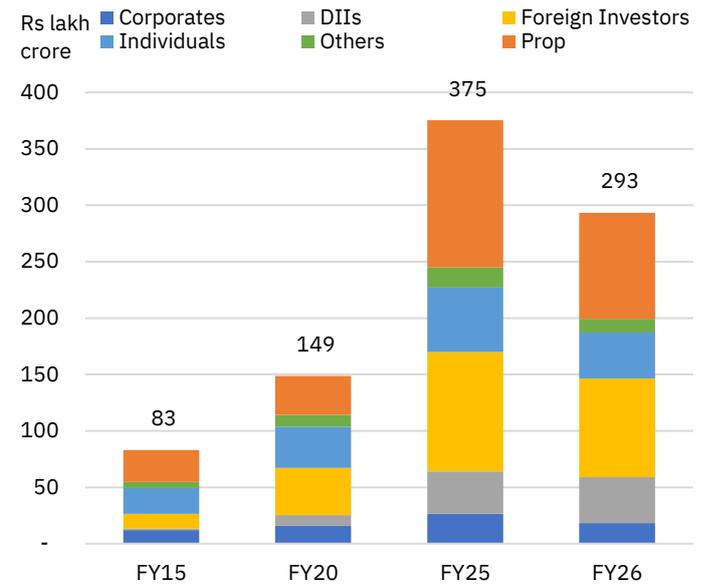| Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	6.4	6.6	5.7	(25)	74	6.2	7.0	6.5
DIIs	13.5	13.7	12.4	(13)	117	13.9	10.0	13.6
Foreign Investors	30.0	29.6	29.5	42	49	29.9	28.2	29.8
Individuals	13.3	13.1	12.9	19	36	13.9	15.2	13.2
Prop	32.9	33.1	35.4	(20)	(255)	32.0	34.8	33.0
Others	3.9	3.9	4.1	(3)	(20)	4.2	4.8	3.9

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5 Data for FY26TD and CY26TD are as of Feb'26.

Figure 305: Annual trends in share of client participation in Stock Futures at NSE (%)

Figure 306: Annual trends in share of client participation in Stock Futures at NSE
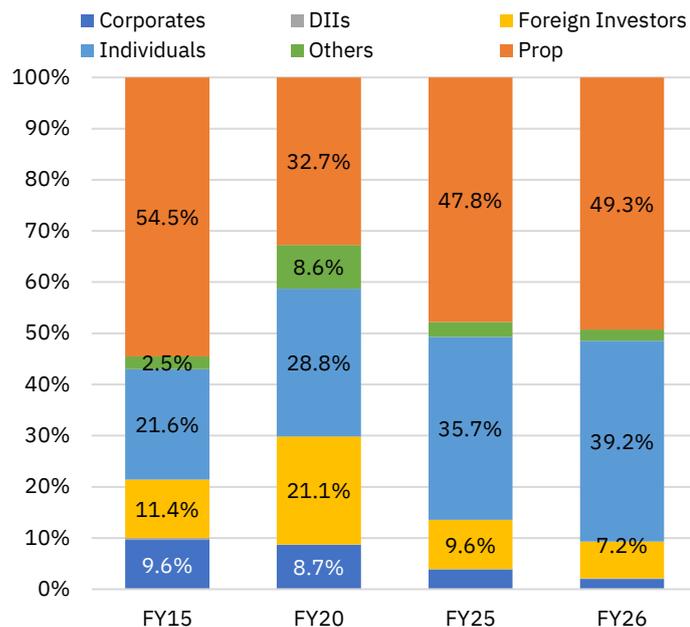

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Feb'26.

Table 98: Share of client participation in Index Options (Premium Turnover) of NSE (%)

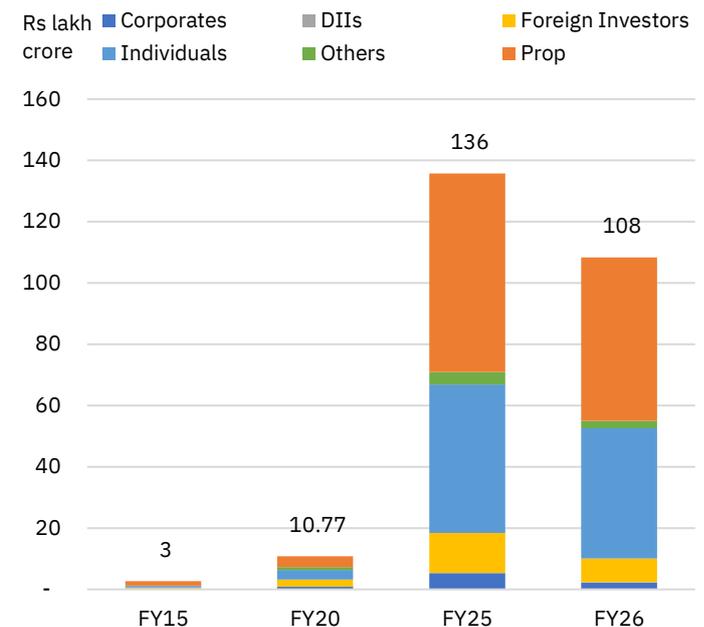| Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	2.1	2.0	2.1	15	7	2.0	3.9	2.1
DIIs	0.1	0.1	0.1	3	4	0.1	0.1	0.1
Foreign Investors	7.2	7.8	6.5	(54)	70	7.2	9.6	7.5
Individuals	39.6	39.6	37.6	(4)	200	39.2	35.7	39.6
Prop	48.8	48.6	51.1	19	(231)	49.3	47.8	48.7
Others	2.1	1.9	2.6	21	(50)	2.2	3.0	2.0

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. Data for FY26TD and CY26TD are as of Feb'26.

Figure 307: Annual trends in share of client participation in Index Options (premium turnover) at NSE (%)

Figure 308: Annual trends in share of client participation in Index Options (premium turnover) at NSE
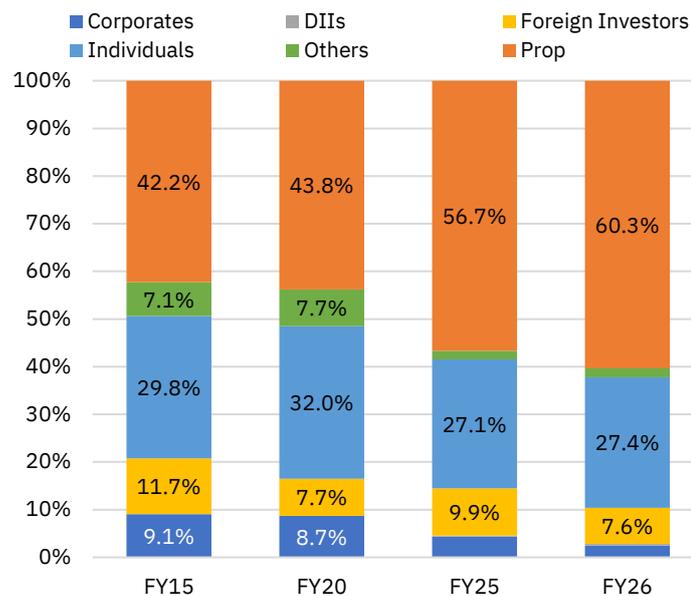

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4 Data for FY26 is as of Feb'26.

Table 99: Share of client participation in Stock Options (Premium Turnover) of NSE (%)

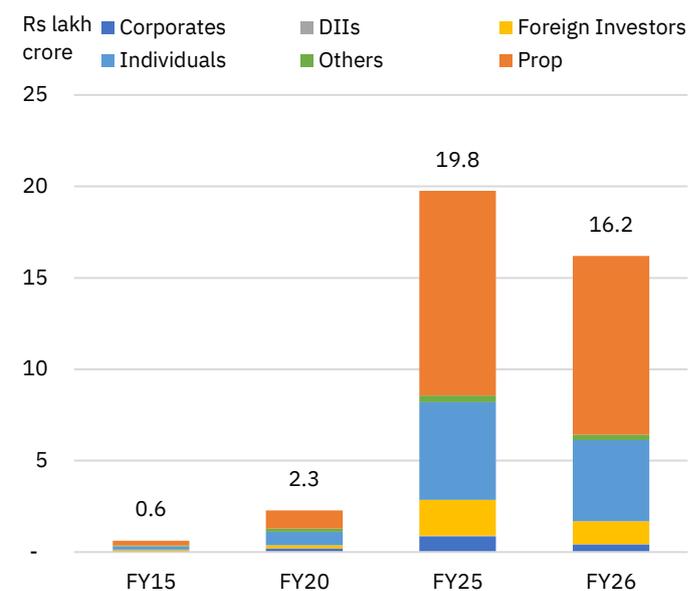| Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	2.4	2.7	2.6	(37)	(21)	2.5	4.4	2.5
DIIs	0.5	0.4	0.2	8	24	0.3	0.2	0.4
Foreign Investors	4.9	5.2	13.2	(34)	(827)	7.6	9.9	5.0
Individuals	27.3	26.5	24.7	88	259	27.4	27.1	26.9
Prop	63.2	63.3	57.4	(7)	574	60.3	56.7	63.2
Others	1.8	1.9	1.9	(17)	(10)	1.9	1.8	1.8

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. Data for FY26TD and CY26TD are as of Feb'26.

Figure 309: Annual trends in share of client participation in Stock Options (Premium Turnover) at NSE (%)

Figure 310: Annual trends in share of client participation in Stock Options (Premium Turnover) at NSE
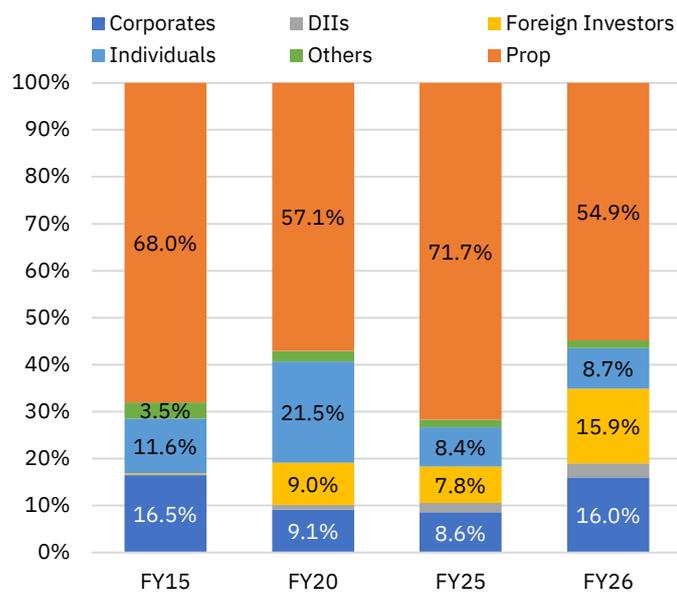

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Feb'26.

Table 100: Share of client participation in Currency Derivatives segment (Notional Turnover) of NSE (%)

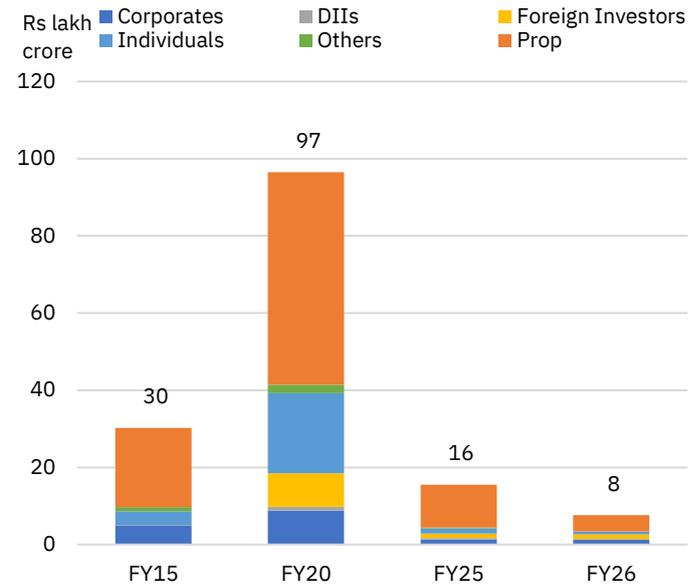| Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	17.3	15.5	10.6	180	671	16.0	8.6	16.3
DIIs	1.1	2.0	4.5	(87)	(337)	2.9	2.0	1.6
Foreign Investors	16.5	15.9	13.6	58	290	15.9	7.8	16.2
Individuals	8.1	7.5	4.1	59	401	8.7	8.4	7.8
Prop	55.7	57.6	66.4	(196)	(1,076)	54.9	71.7	56.7
Others	1.4	1.5	0.9	(13)	50	1.6	1.6	1.4

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5 Data for FY26TD and CY26TD are as of Feb'26.

Figure 311: Annual trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE (%)

Figure 312: Annual trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE
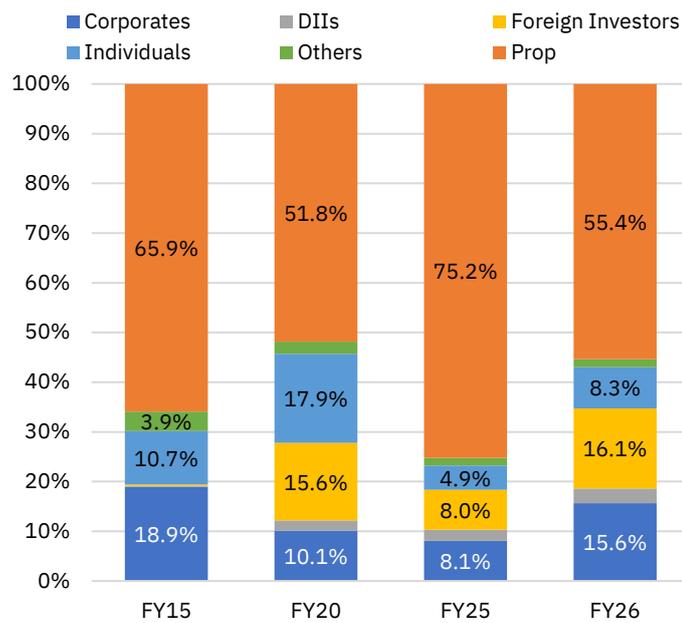

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Feb'26.

Table 101: Share of client participation in Currency Futures of NSE (%)

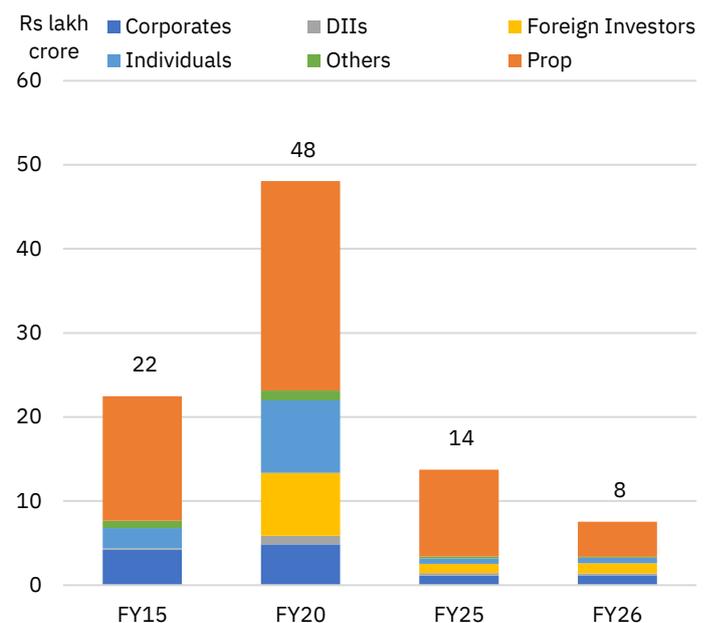| Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	16.7	15.2	10.4	143	629	15.6	8.1	15.9
DIIs	1.1	2.0	4.5	(87)	(339)	3.0	2.2	1.6
Foreign Investors	16.7	16.0	13.7	69	302	16.1	8.0	16.4
Individuals	7.8	7.2	3.6	55	416	8.3	4.9	7.5
Prop	56.3	58.0	66.9	(168)	(1,059)	55.4	75.2	57.2
Others	1.4	1.5	0.9	(11)	51	1.6	1.5	1.4

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5 Data for FY26TD and CY26TD are as of Feb'26.

Figure 313: Annual trends in share of client participation in Currency Futures at NSE (%)

Figure 314: Annual trends in share of client participation in Currency Futures at NSE
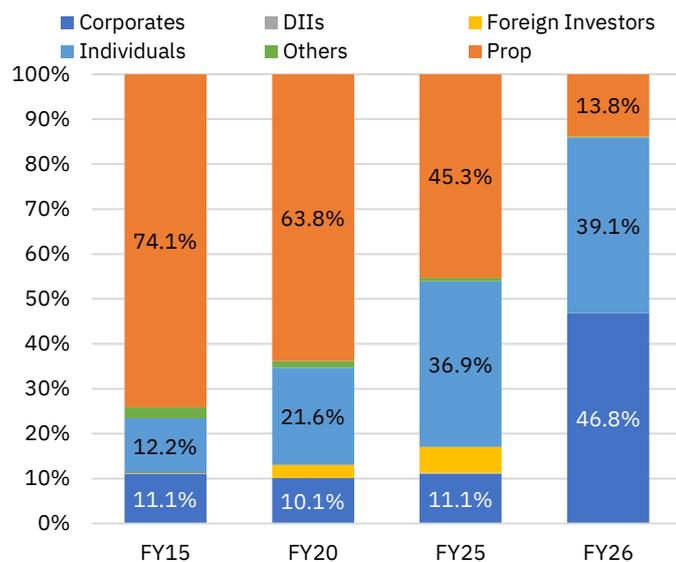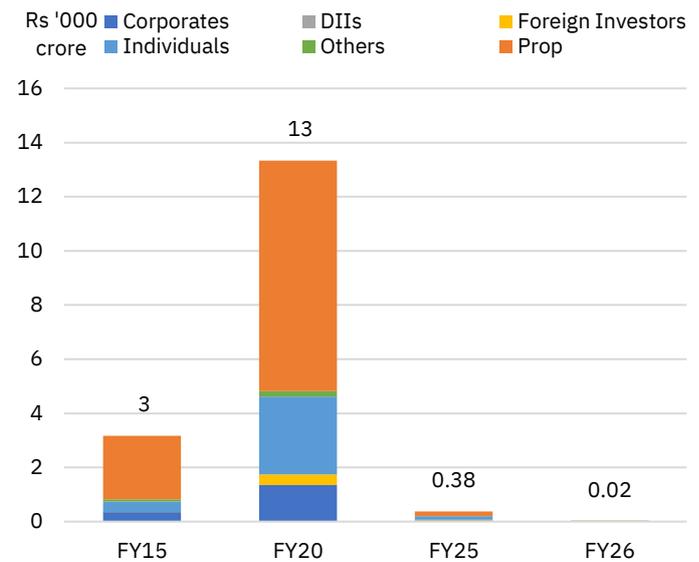

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Feb'26.

Table 102: Share of client participation in Currency Options (Premium Turnover) of NSE (%)

Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	61.2	40.2	33.6	2,094	2,759	48.2	11.1	53.8
DIIs	0.0	0.0	0.0	-	-	0.0	0.2	0.0
Foreign Investors	0.0	0.0	1.2	-	(122)	0.0	5.7	0.0
Individuals	30.5	54.9	57.5	(2,441)	(2,701)	38.2	36.9	39.0
Prop	8.4	4.4	7.7	398	65	13.3	45.3	7.0
Others	0.0	0.5	0.0	(51)	-	0.3	0.8	0.2

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5 Data for FY26TD and CY26TD are as of Feb'26.

Figure 315: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE (%)

Figure 316: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
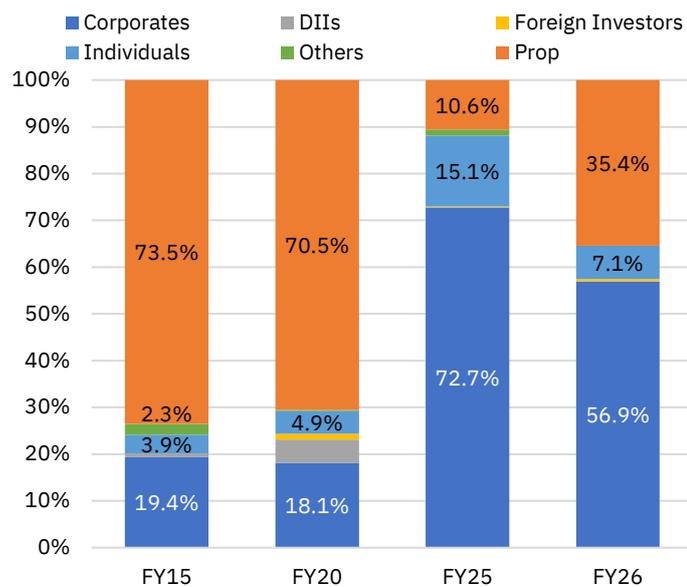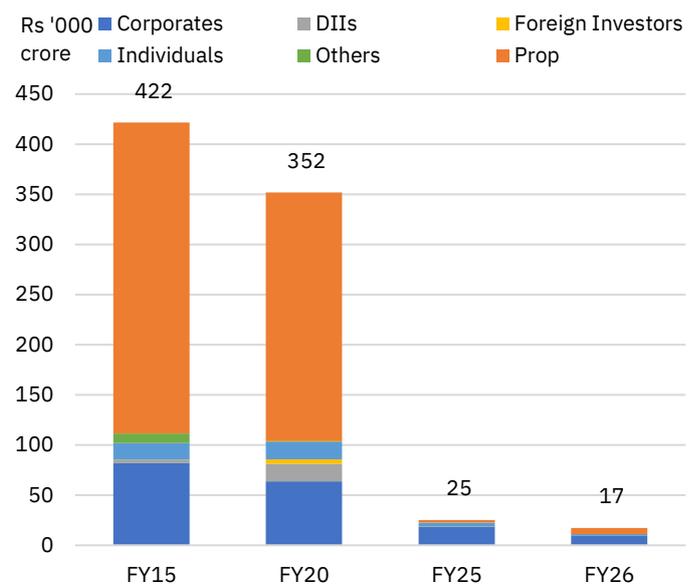2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Feb'26.

Table 103: Share of client participation in Interest Rate Futures of NSE (%)

Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Corporates	44.3	44.9	79.0	(59)	(3,465)	56.9	72.7	44.6
DIIs	0.1	0.4	0.0	(26)	11	0.1	0.0	0.2
Foreign Investors	0.2	0.5	0.4	(27)	(18)	0.5	0.2	0.3
Individuals	5.7	7.3	14.4	(165)	(875)	7.1	15.1	6.4
Prop	49.7	46.9	6.1	278	4,363	35.4	10.6	48.4
Others	0.0	0.0	0.2	-	(16)	0.0	1.3	0.0

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. Data for FY26TD and CY26TD are as of Feb'26.

Figure 317: Annual trends in share of client participation in Interest Rate Futures at NSE (%)

Figure 318: Annual trends in share of client participation in Interest Rate Futures at NSE

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4 Data for FY26 is as of Feb'26.

Table 104: Share of client participation in Commodity derivatives segment of NSE (%)

Client category	Feb-26	Jan-26	Feb-25	MoM Change (bps)	YoY Change (bps)	FY26TD	FY25	CY26TD
Commodity Futures								
Corporates	1.8	1.7	0.0	6	177	1.9	0.0	1.7
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	0.7	1.0	0.0	(27)	70	0.5	0.0	0.8
Individuals	8.8	6.9	2.7	185	611	6.9	5.9	7.8
Prop	64.4	59.1	94.7	533	(3,021)	76.3	78.2	61.7
Others	24.3	31.3	2.7	(697)	2,163	14.4	15.9	27.9
Commodity Options (Premium Turnover)								
Corporates	0.3	0.2	0.1	15	25	0.3	0.0	0.3
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	21.9	26.1	0.0	(424)	2,188	10.8	0.0	23.8
Individuals	27.9	27.2	23.8	67	407	29.2	14.1	27.5
Prop	49.6	46.2	62.2	345	(1,255)	58.7	74.0	48.0
Others	0.3	0.4	14.0	(3)	(1,364)	1.0	11.8	0.3
Commodity Derivatives (Notional Turnover)								
Corporates	0.5	0.6	0.5	(4)	9	0.6	0.2	0.6
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	9.5	14.0	0.0	(452)	948	4.5	0.0	11.5
Individuals	23.1	22.6	7.0	52	1,618	16.6	4.2	22.9
Prop	63.8	60.6	79.9	326	(1,605)	76.2	84.7	62.3
Others	3.0	2.2	12.7	78	(970)	2.1	10.9	2.7

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

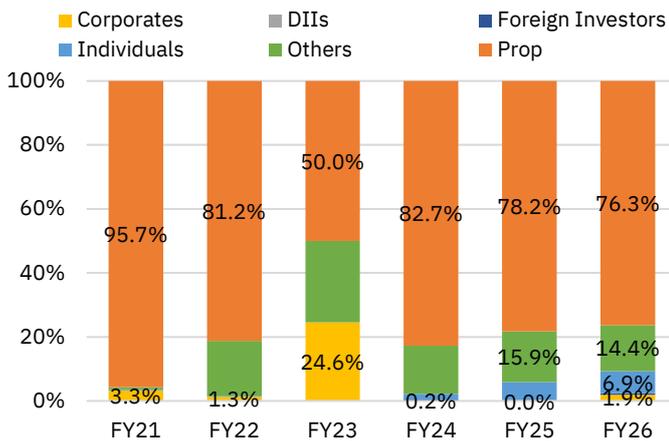5 Data for FY26TD and CY26TD are as of Feb'26.

Figure 319: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover) (%)
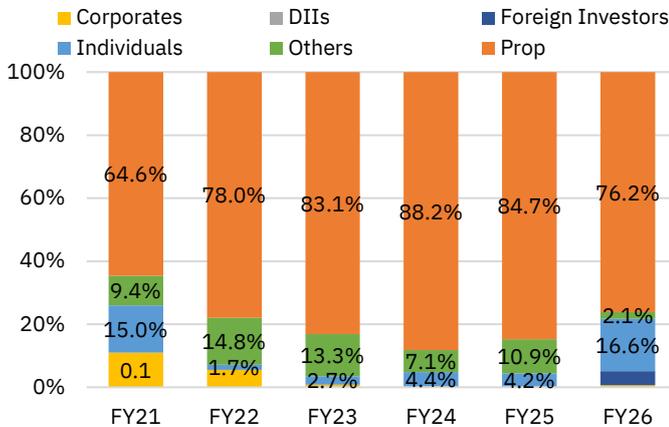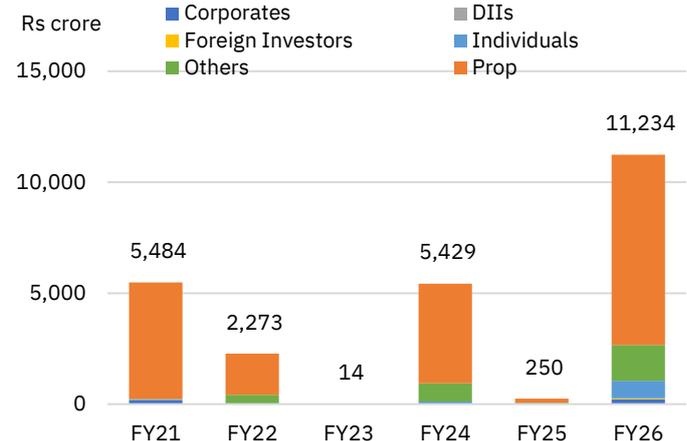

Figure 320: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover)
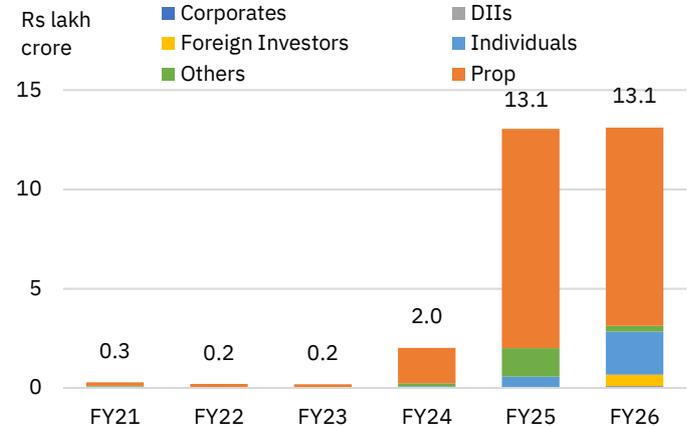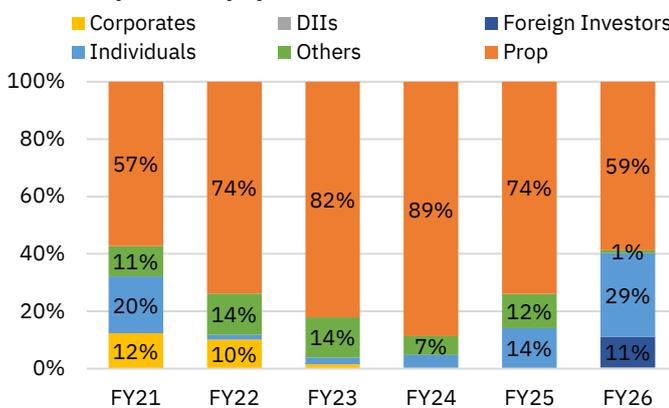

Figure 321: Annual trends in share of client participation in Commodity Futures at NSE (%)
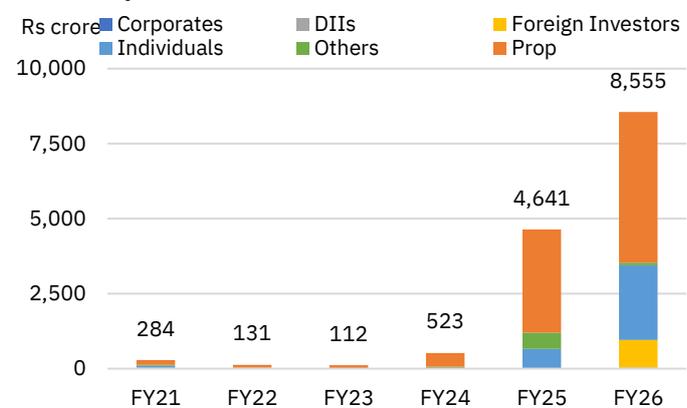

Figure 322: Annual trends in share of client participation in Commodity Futures at NSE

Figure 323: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE (%)

Figure 324: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
i.e., (buy-side turnover + sell-side turnover)/2.
3. Data for FY26 as of Feb'26.

Channel wise turnover distribution: Technology channels strengthen; mobile share in equity options hits record high

The overall channel mix in February indicates a continued tilt toward technology-enabled and automated trading across segments. Colocation sustained its dominant position in equities, with shares of 42.6% in equity cash, 53.7% in equity options (premium-based) and 51.6% in equity futures, reflecting continued strength of low-latency and professionally managed trading. In equity cash, mobile trading strengthened to 22.6%, while in equity options it remained structurally elevated at 29.6%, with index options accounting for a larger share of mobile-based activity. IBT moderated in cash to 6.7% and softened across equity derivatives. DMA remained meaningful in equity futures at 16.5% and eased sequentially in options to 5.6%.

In commodity derivatives (based on notional turnover), CTCL/NEAT terminals remained the principal access route, and their share increased by 386 bps MoM to 69.6% in Feb'26, though it was still 1522 bps lower YoY, indicating that alternate channels retained part of their earlier gains. IBT moderated in commodity futures, while DMA and mobile trading continued to hold a meaningful presence in commodity options, even as CTCL retained leadership.

Colocation strength and rising mobile usage underline continued technology preference in equity cash: Connectivity trends in the equity cash segment continue to reflect a structural shift toward technology-enabled execution. The share of colocation rose to an all-time high of 42.6% during the month, up 62 bps MoM and 239 bps YoY. The share of mobile trading strengthened by 112 bps MoM to 22.6%, and was 332 bps higher YoY, further reinforcing its elevated contribution. Traditional dealer-led routes weakened further, with the share of CTCL/NEAT terminals declining 124 bps MoM and 473 bps YoY to 21.4%, while the share of DMA eased 13 bps MoM and 270 bps YoY to 3.7%. IBT's share stood at 6.7%, down 78 bps MoM and 33 bps YoY. The evolving channel mix points to deeper adoption of automated infrastructure alongside sustained expansion in mobile-based investor participation.

Colocation remains above half of turnover as institutional participation stays firm in equity futures: Equity futures activity remained institutionally driven. The share of colocation was broadly stable at 51.6% in Feb'26, up 1 bp MoM and 136 bps YoY, sustaining its majority position in turnover. DMA's share eased 24 bps MoM to 16.5% and remained 34 bps lower YoY. IBT declined 3 bps MoM and 62 bps YoY to 5.8%, while mobile participation rose 48 bps MoM and 47 bps YoY to 9.0%. The share of CTCL/NEAT terminals fell 22 bps MoM and 88 bps YoY to 17.1%. Overall, February's flow mix continued to be driven by latency-sensitive and professionally managed trading, with colocation retaining its lead and mobile posting incremental gains.

Mobile trading gains traction while colocation continues to anchor equity options: In equity options, colocation retained leadership with its share inching up 21 bps MoM to 53.7%, though it was 80 bps lower YoY. Mobile trading rose 155 bps MoM and 482 bps YoY to 29.6% (at record level), highlighting sustained expansion in app-based participation. Mobile activity remained more concentrated in index options than in stock options, reflecting a blend of strong proprietary intensity and expanding individual investors engagement. DMA eased 46 bps MoM to 5.6%, while it was down 88 bps YoY. Meanwhile, the share of IBT and CTCL/NEAT terminals edged lower both sequentially and annually to 8.6% and 2.5% respectively.

Wider adoption of DMA, IBT and mobile continues to reshape commodity derivatives channel mix: At an aggregate level, CTCL/NEAT terminals remained the principal access

route, and their share rose 386 bps MoM to 69.6% in Feb'26, though it was still 1,522 bps lower YoY, indicating that non-CTCL terminal retained part of their earlier gains. The share of IBT in the commodity futures segment remained elevated at 24.6% as the second preferred channel for trading, despite moderating by 798 bps MoM; it was still up 2,316 bps YoY. In options, DMA and mobile continued to hold a meaningful presence, with DMA at 20.8% (-457 bps MoM; +2,076 bps YoY) and mobile trading rising to 23.2% (+296 bps MoM; -298 bps YoY), even as CTCL retained leadership at 51.9% (+407 bps MoM; -1,211 bps YoY). Overall, the evolving mix points to ongoing diversification in execution platforms across the commodity ecosystem, even with some sequential recovery in terminal-based channels.

Table 105: Monthly trend in share (%) of different channels of trading in NSE CM segment

Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Colocation	42.6	42.0	40.2	62	239	38.9	36.5	42.3
Direct Market Access (DMA)	3.7	3.8	6.4	-13	-270	4.9	6.8	3.8
Internet Based Trading (IBT)	6.7	7.5	7.0	-78	-33	7.8	7.8	7.1
Mobile	22.6	21.5	19.3	112	332	21.6	20.7	22.1
Smart order routing	3.0	2.6	1.0	42	205	1.8	0.7	2.8
CTCL/ Neat terminal	21.4	22.6	26.1	-124	-473	25.1	27.5	22.0

Source: NSE EPR. Notes: 1. The above figures have been computed based on traded value. 2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover. 3. Data for FY26TD and CY26TD are as of Feb'26.

Figure 325: Annual turnover trend for different channels in the NSE CM segment
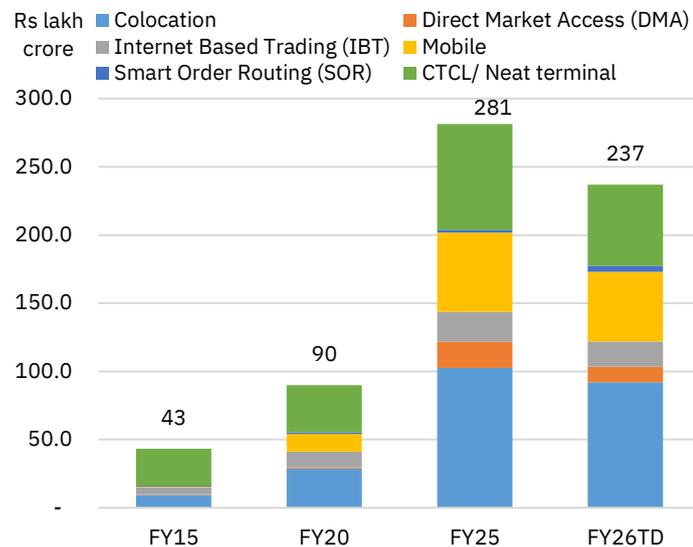
Figure 326: Annual trend in turnover share for different channels in the NSE CM segment
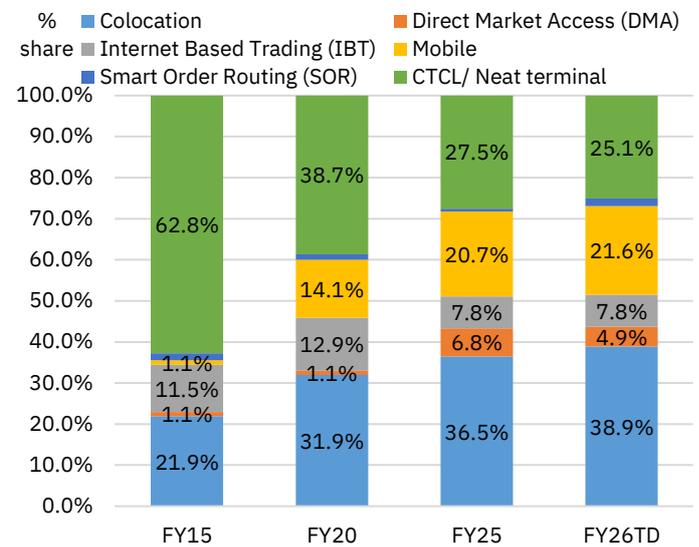
Source: NSE EPR. Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. 2. Data for FY26TD is as of Feb'26.

Figure 327: Annual trends in share (%) for modes of trading in NSE CM segment
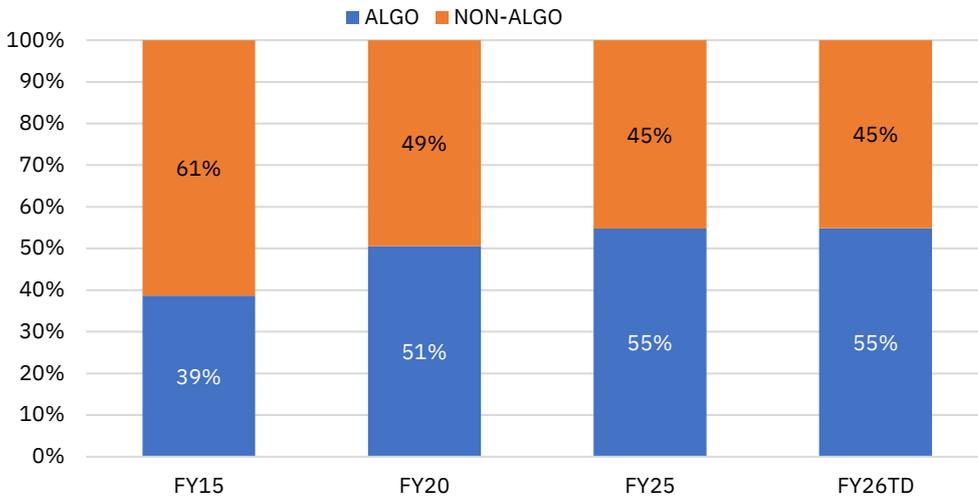
Source: NSE EPR. Notes: 1. The above figures have been computed in terms of % share on the basis of net turnover. 2. Data for FY26TD is as of Feb'26.

Table 106: Share (%) of different channels of trading in equity derivatives segment (notional turnover)
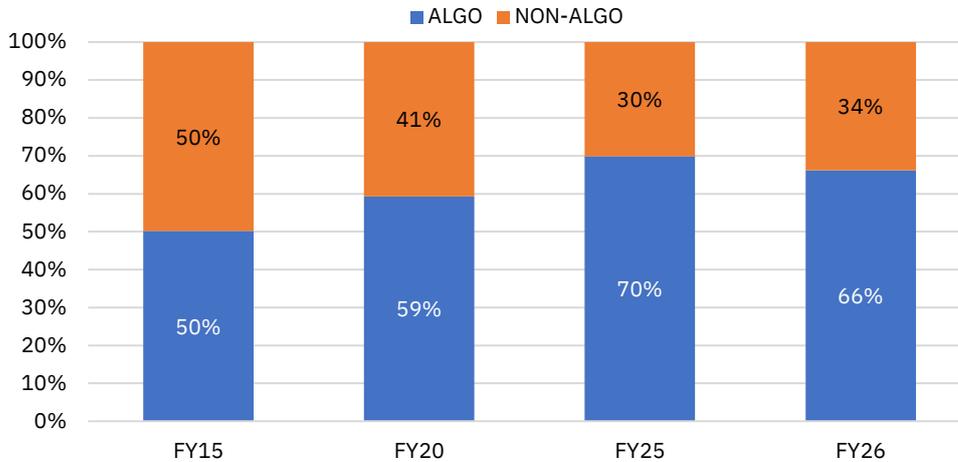
Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Colocation	59.2	59.5	61.5	-30	-228	59.5	61.5	59.3
Direct Market Access (DMA)	6.3	6.2	6.0	6	24	6.3	6.7	6.2
Internet Based Trading (IBT)	6.9	7.8	8.1	-92	-126	8.0	7.9	7.3
Mobile	23.7	22.5	18.6	120	509	21.4	17.5	23.1
Smart order routing	0.0	0.0	0.0	0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	4.0	4.0	5.8	-4	-179	4.8	6.4	4.0

Source: NSE EPR
Notes: 1. The above figures have been computed based on traded value.
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover.
3. Data for FY26TD and CY26TD are as of Feb'26.

Figure 328: Annual turnover trend for different channels in the equity derivatives segment
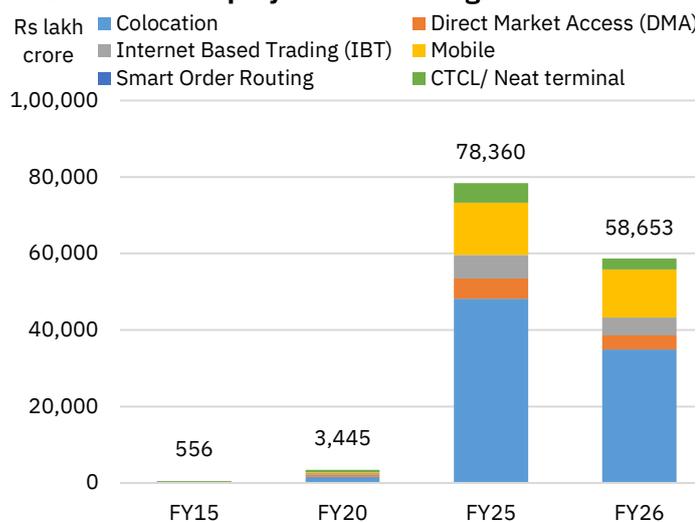
Figure 329: Annual trend in turnover share for different channels in the equity derivatives segment
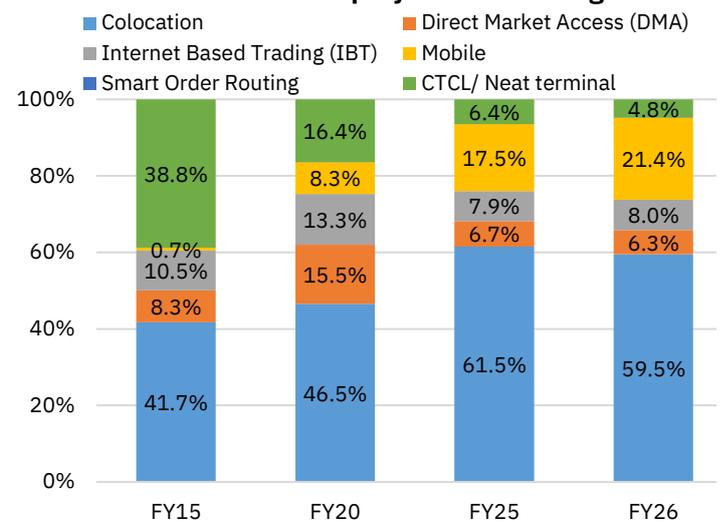
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of traded turnover.
3. Data for FY26 is as of Feb'26.

Figure 330: Annual trends in share (%) for modes of trading in equity derivatives

Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share based on notional turnover.
2. Data for FY26 is as of Feb'26.

Table 107: Monthly trend in share (%) of different channels of trading in Equity futures (based on turnover)
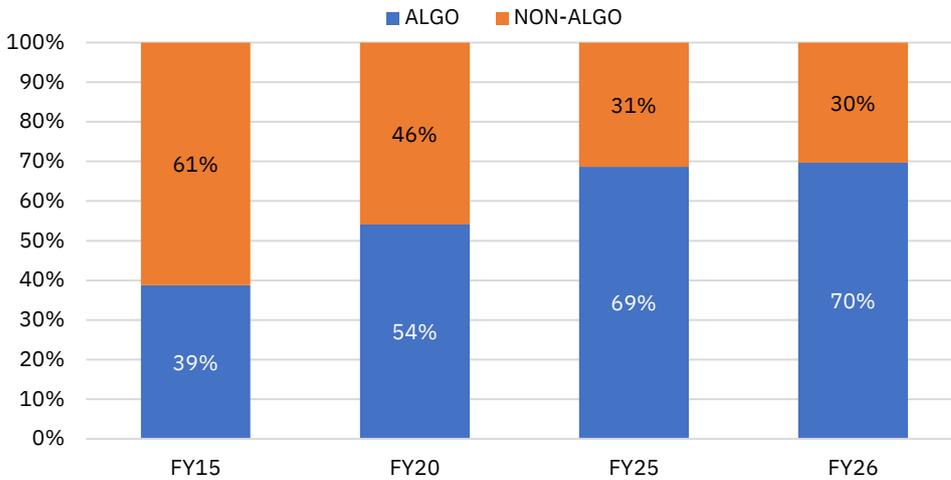
Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Colocation	51.6	51.6	50.2	1	136	50.5	49.9	51.6
Direct Market Access (DMA)	16.5	16.8	16.8	-24	-34	16.0	16.3	16.6
Internet Based Trading (IBT)	5.8	5.8	6.4	-3	-62	6.2	6.7	5.8
Mobile	9.0	8.6	8.6	48	47	9.1	9.2	8.8
Smart order routing	0.0	0.0	0.0	0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	17.1	17.3	18.0	-22	-88	18.2	17.9	17.2

Source: NSE EPR
Note: 1. The above figures have been computed based on traded value.
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover.
3. Data for FY26TD and CY26TD are as of Feb'26.

Figure 331: Annual turnover trend for different channels in the equity futures segment
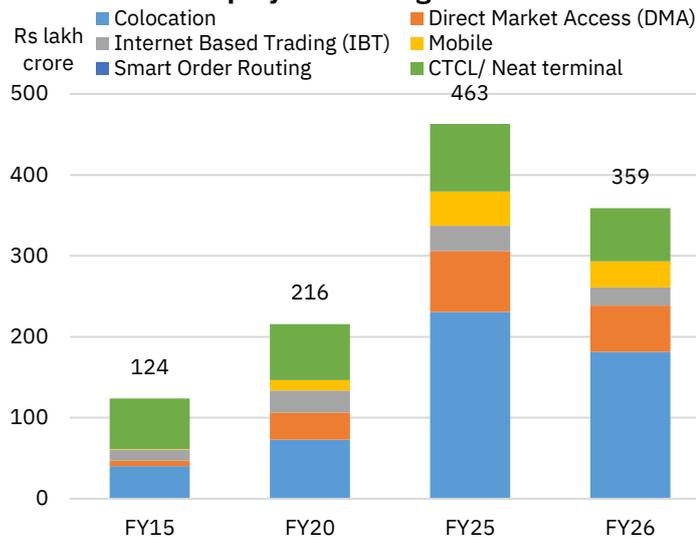
Figure 332: Annual trend in turnover share for different channels in the equity futures segment

Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of traded turnover.
3. Data for FY26 is as of Feb'26.
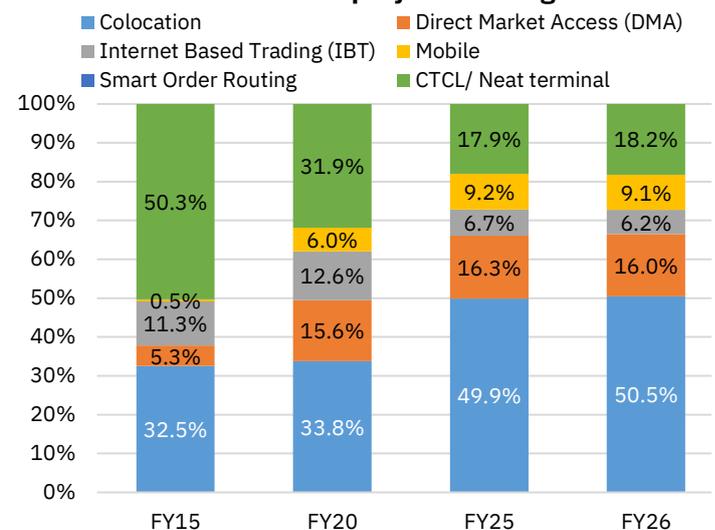
Figure 333: Annual trends in share for modes of trading in equity futures turnover

Source: NSE EPR.

Notes: 1. The above figures have been computed in terms of % share based on turnover.

2. Data for FY26 is as of Feb'26.

Table 108: Monthly trend in share (%) of different channels of trading in Equity options (Premium value)
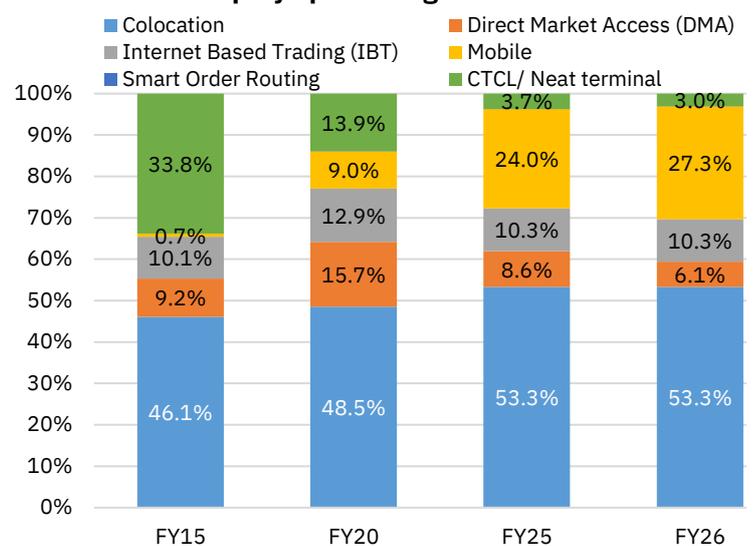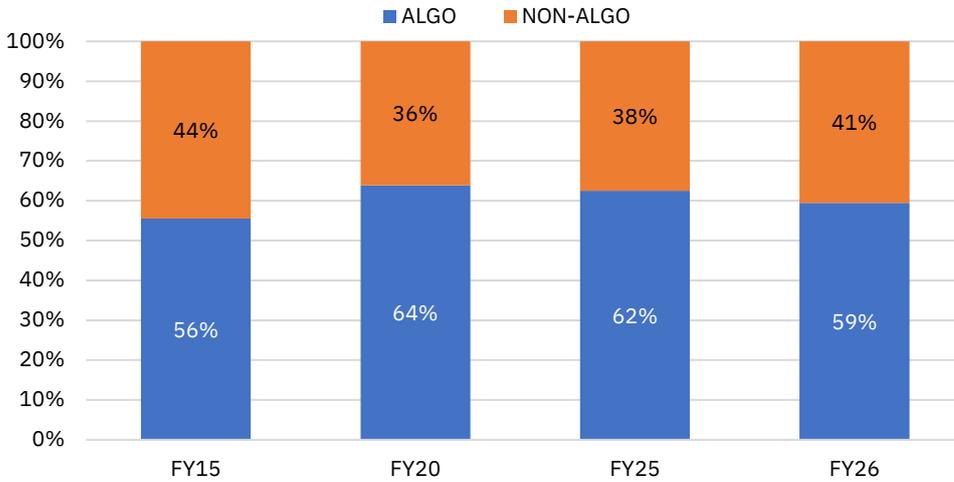
Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Colocation	53.7	53.5	54.5	21	-80	53.3	53.3	53.6
Direct Market Access (DMA)	5.6	6.1	6.5	-46	-88	6.1	8.6	5.8
Internet Based Trading (IBT)	8.6	9.9	10.5	-123	-190	10.3	10.3	9.2
Mobile	29.6	28.0	24.7	155	482	27.3	24.0	28.8
Smart order routing	0.0	0.0	0.0	0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	2.5	2.6	3.7	-7	-124	3.0	3.7	2.5

Source: NSE EPR.

Notes: 1. The above figures have been computed based on premium traded value.

2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover.

3. Data for FY26TD and CY26TD are as of Feb'26.

Figure 334: Annual turnover trend for different channels in the equity options segment
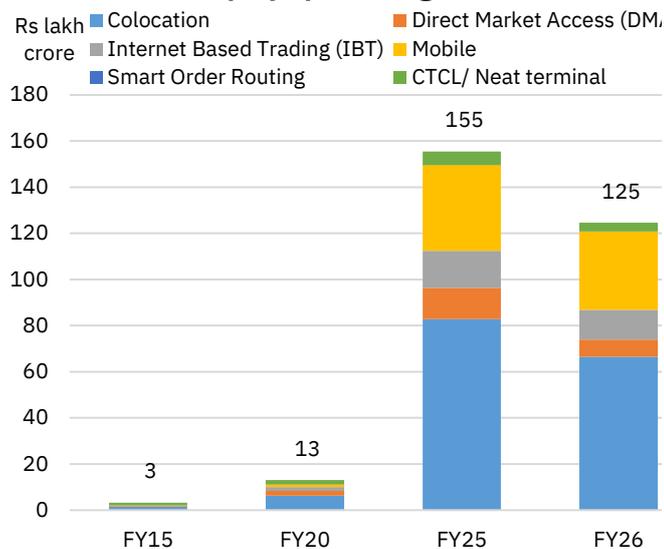
Figure 335: Annual trend in turnover share for different channels in the equity options segment

Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed in % share based on premium turnover.

3. Data for FY26 is as of Feb'26.

Figure 336: Annual trends in share for modes of trading in equity options premium turnover
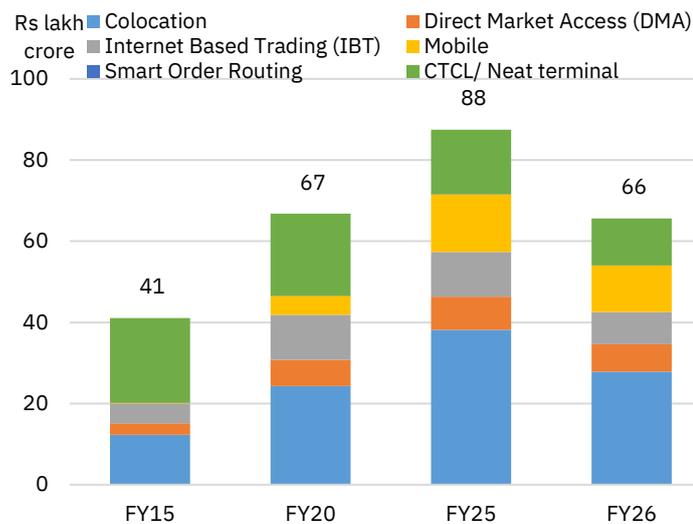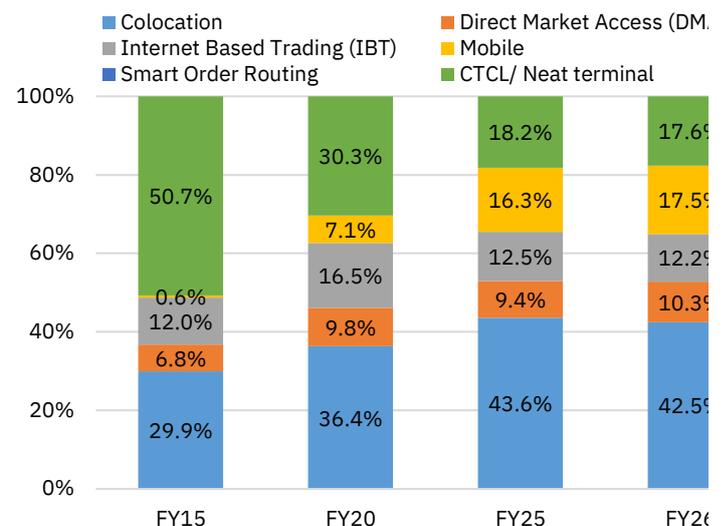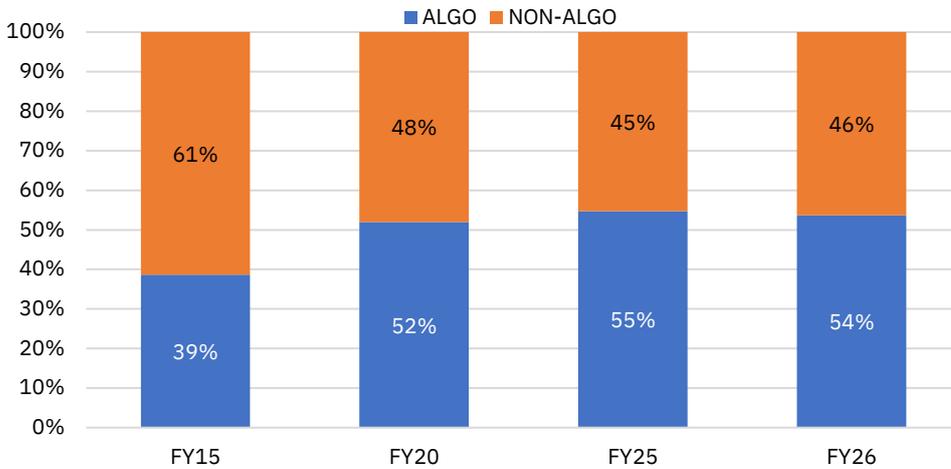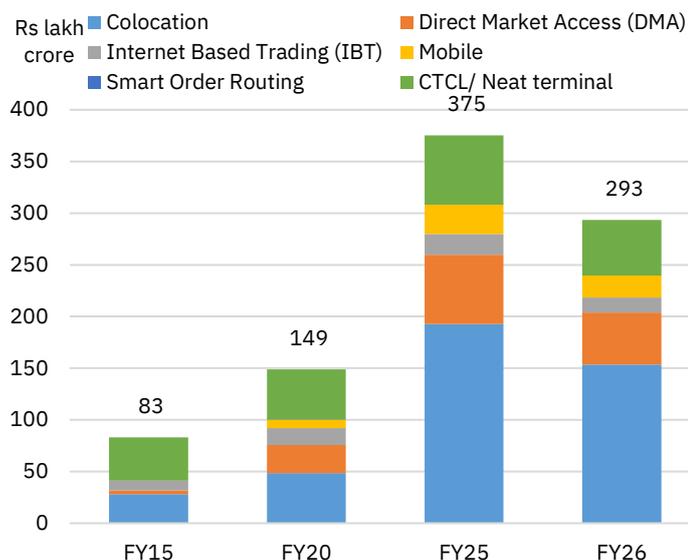

Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share based on turnover.
2. Data for FY26 is as of Feb'26.

Table 109: Monthly Share (%) of different channels in index futures turnover

Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Colocation	44.2	42.7	41.4	156	287	42.5	43.6	43.5
Direct Market Access (DMA)	10.1	11.6	9.9	-146	18	10.3	9.4	10.8
Internet Based Trading (IBT)	11.3	11.5	12.9	-18	-161	12.2	12.5	11.4
Mobile	17.8	17.5	16.4	31	143	17.5	16.3	17.7
Smart order routing	0.0	0.0	0.0	0	0	0.0	0.0	0.0
CTCL/ Neat terminal	16.5	16.8	19.4	-23	-286	17.6	18.2	16.7

Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % based on turnover.
3. Data for FY26TD and CY26TD are as of Feb'26.

Figure 337: Annual turnover trend for different channels in Index futures

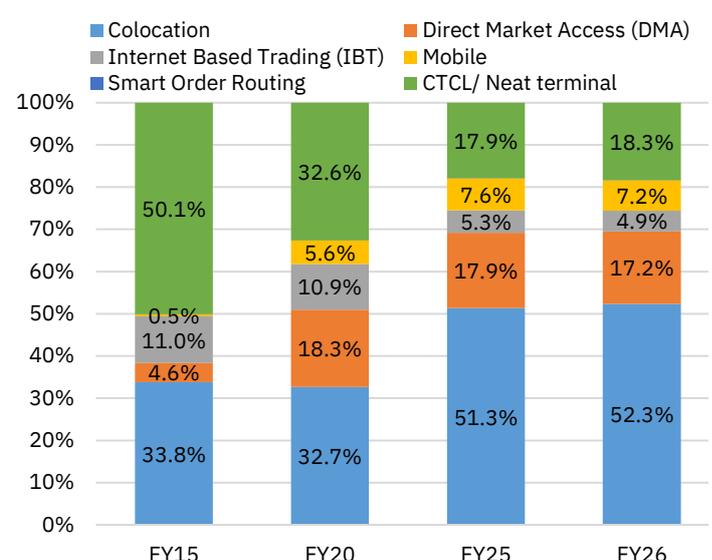**Figure 338: Annual trend in turnover share for different channels in Index futures**
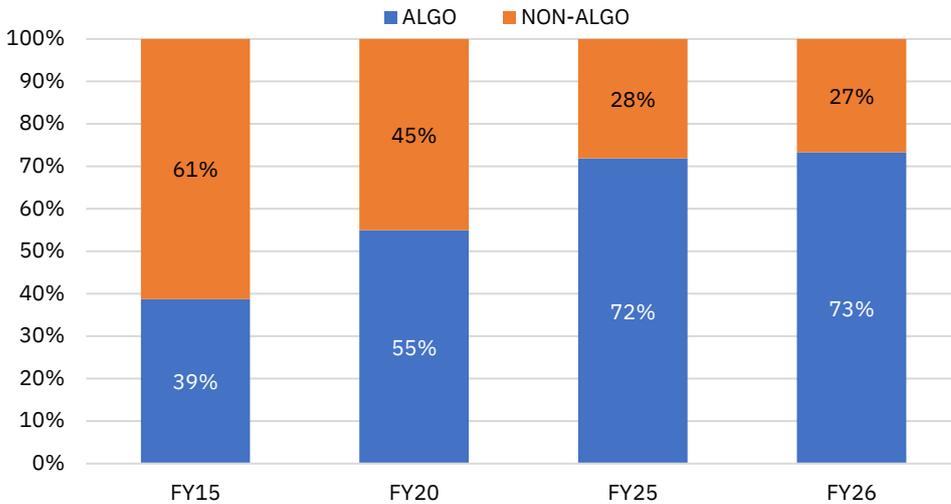

Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on turnover
3. Data for FY26 is as of Feb'26.

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Figure 339: Annual trends in share for different modes in index futures turnover

Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share based on turnover
2. Data for FY26 is as of Feb'26.

Table 110: Monthly share (%) of different channels in stock futures turnover

Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Colocation	53.1	53.3	52.5	-20	61	52.3	51.3	53.2
Direct Market Access (DMA)	17.8	17.7	18.6	7	-79	17.2	17.9	17.8
Internet Based Trading (IBT)	4.6	4.7	4.7	-6	-9	4.9	5.3	4.7
Mobile	7.2	6.8	6.6	40	67	7.2	7.6	7.0
Smart order routing	0.0	0.0	0.0	0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	17.2	17.4	17.6	-21	-40	18.3	17.9	17.3

Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed based on turnover.
3. Data for FY26TD and CY26TD are as of Feb'26.

Figure 340: Annual turnover trend for different channels in stock futures

Figure 341: Annual trend in turnover share for different channels in stock futures

Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on turnover
3. Data for FY26 is as of Feb'26.

Figure 342: Annual trends in share for different modes in stock futures turnover

Source: NSE EPR.

Notes: 1. The above figures have been computed in terms of % share based on turnover.

2. Data for FY26 is as of Feb'26.

**Table 111: Monthly share (%) of different channels in index options premium turnover**

Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Colocation	52.2	51.9	53.9	34	-170	52.2	52.6	52.0
Direct Market Access (DMA)	5.7	6.2	5.2	-47	49	5.8	8.4	5.9
Internet Based Trading (IBT)	9.1	10.4	11.3	-129	-223	10.8	10.8	9.7
Mobile	30.8	29.4	26.1	144	471	28.4	24.8	30.1
Smart order routing	0.0	0.0	0.0	0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	2.2	2.2	3.5	-2	-128	2.7	3.4	2.2

Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been presented in % based on premium turnover.

3. Data for FY26TD and CY26TD are as of Feb'26.

Figure 343: Annual turnover trend for different channels in Index options premium
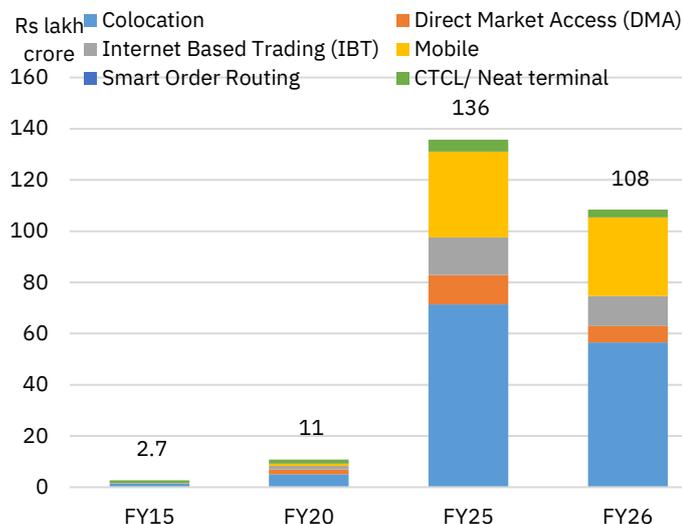
Figure 344: Annual trend in turnover share for different channels in Index options premium

Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed in % share based on premium turnover

3. Data for FY26 is as of Feb'26.
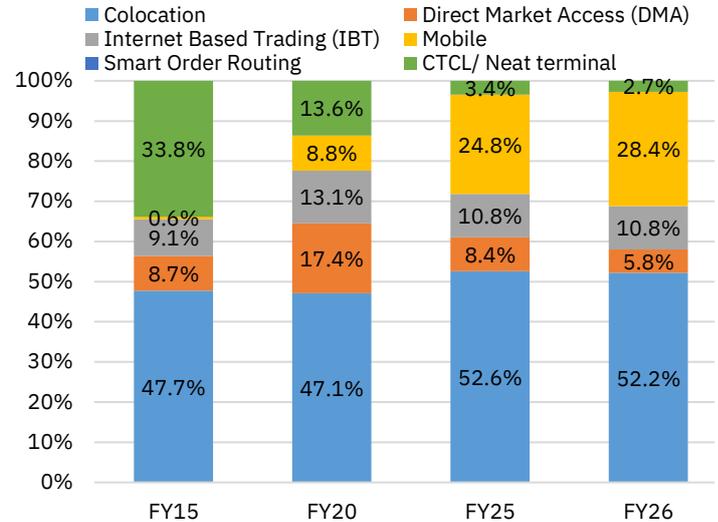
Figure 345: Annual trends in share for different modes in index options premium turnover
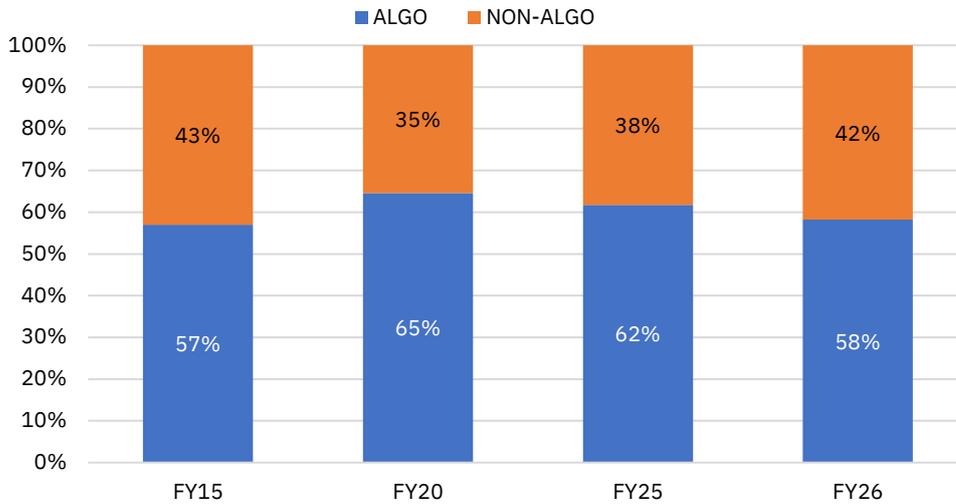
Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share based on premium turnover
2. Data for 2025 is as of Feb'26.

Table 112: Monthly share (%) of different channels in stock options premium turnover

Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Colocation	63.9	64.1	57.7	-17	617	60.9	58.2	64.0
Direct Market Access (DMA)	4.8	5.3	13.3	-43	-849	7.7	10.1	5.0
Internet Based Trading (IBT)	5.5	6.5	6.2	-99	-77	6.6	6.9	6.0
Mobile	21.1	19.2	17.4	190	366	19.8	18.8	20.2
Smart order routing	0.0	0.0	0.0	0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	4.7	5.0	5.3	-30	-57	5.0	6.0	4.8

Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of net turnover.
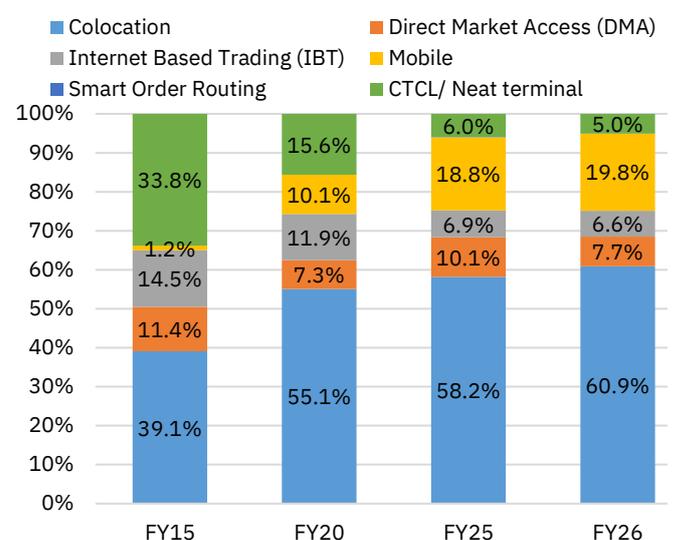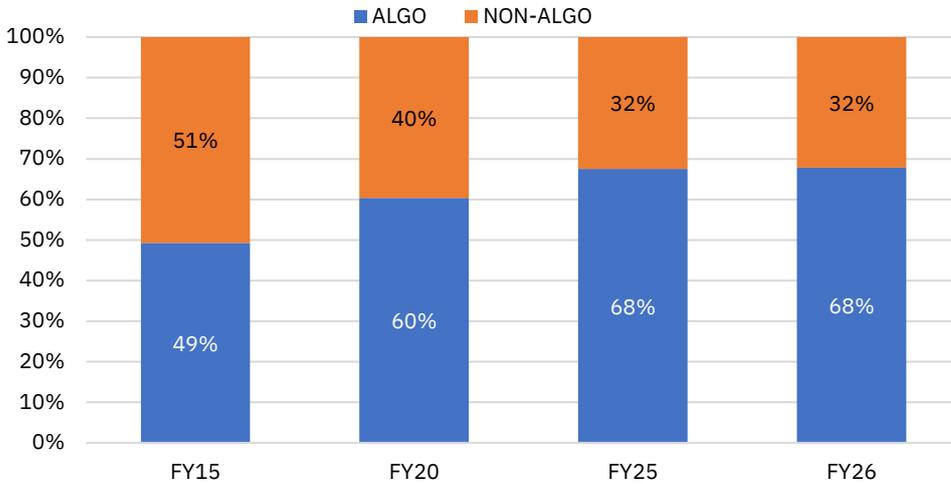3. Data for FY26TD is as of Feb'26.

Figure 346: Annual turnover trend for different channels in stock options premium
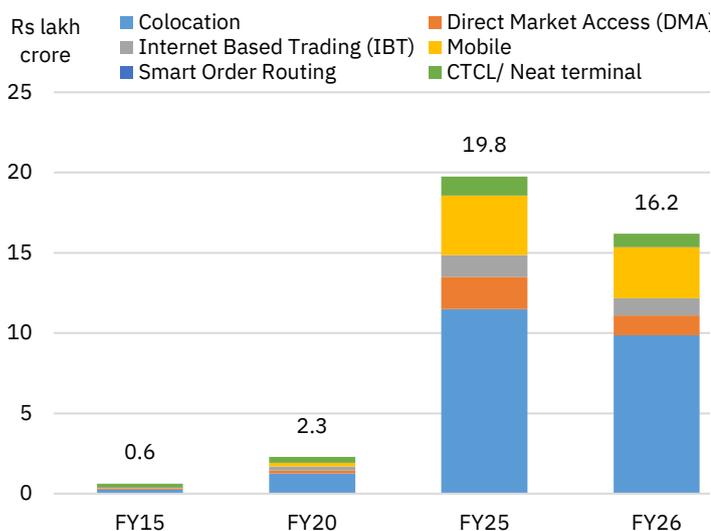
Figure 347: Annual trend in turnover share for different channels in stock options premium

Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been presented in % share based on the premium turnover
3. Data for FY26 is as of Feb'26.

Figure 348: Annual trends in share for different modes in stock options premium turnover
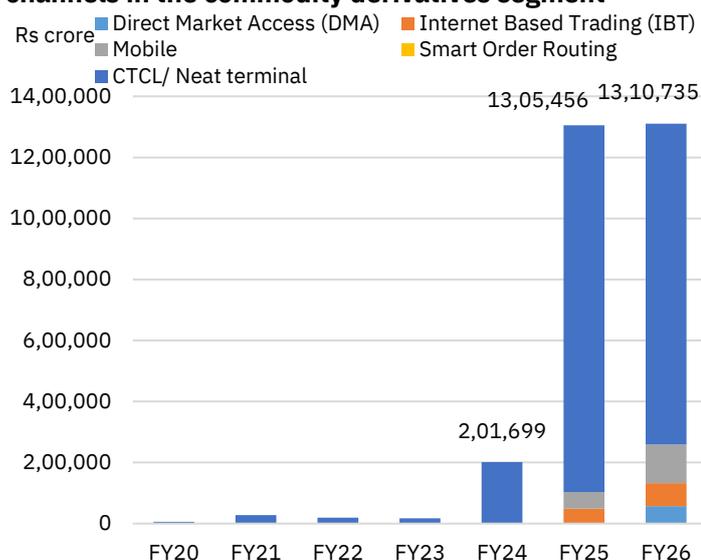

Source: NSE EPR.

Notes: 1. The above figures have been computed in terms of % share on the basis of net turnover.

2. Data for FY26 is as of Feb'26.

Table 113: Share (%) for different channels of trading in commodity derivatives

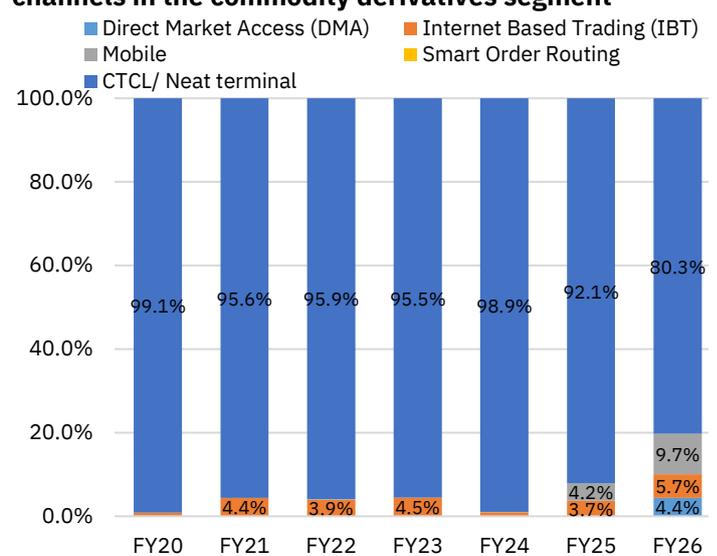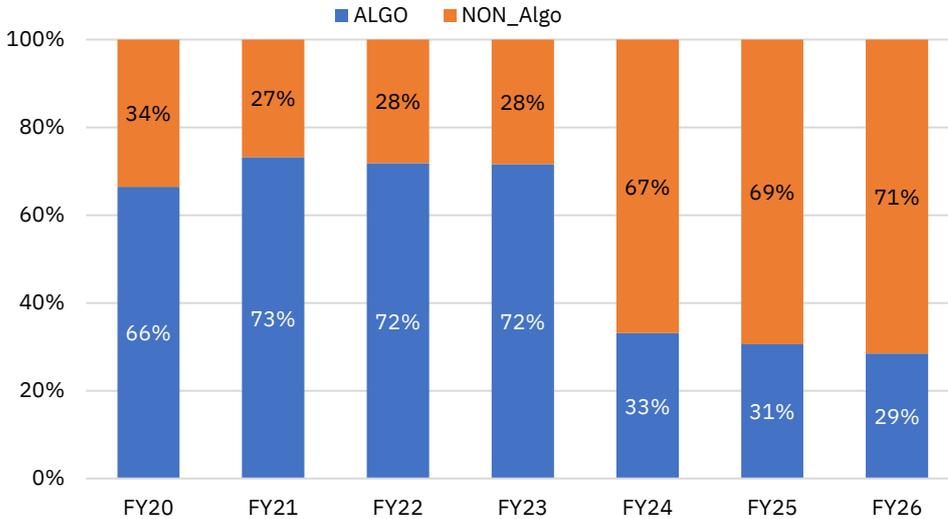| Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Direct Market Access (DMA)	9.3	13.8	-	-450	925	4.4	0.0	11.3
Internet Based Trading (IBT)	4.7	6.6	7.5	-184	-272	5.7	3.7	5.6
Mobile	16.4	13.9	7.7	248	869	9.7	4.2	15.3
CTCL/ Neat terminal	69.6	65.7	84.8	386	-1,522	80.3	92.1	67.8

Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed based on notional turnover.

3. Data for FY26TD and CY26TD are as of Feb'26.

Figure 349: Annual turnover trend for different channels in the commodity derivatives segment

Figure 350: Annual trend in turnover share for different channels in the commodity derivatives segment

Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed in % share based on notional turnover

3. Data for FY26 is as of Feb'26.

Figure 351: Annual trends in share for different modes in commodity derivatives

Source: NSE EPR.
Notes: 1. The above figures have been computed in % share based on notional turnover.
2. Data for FY26 is as of Feb'26.

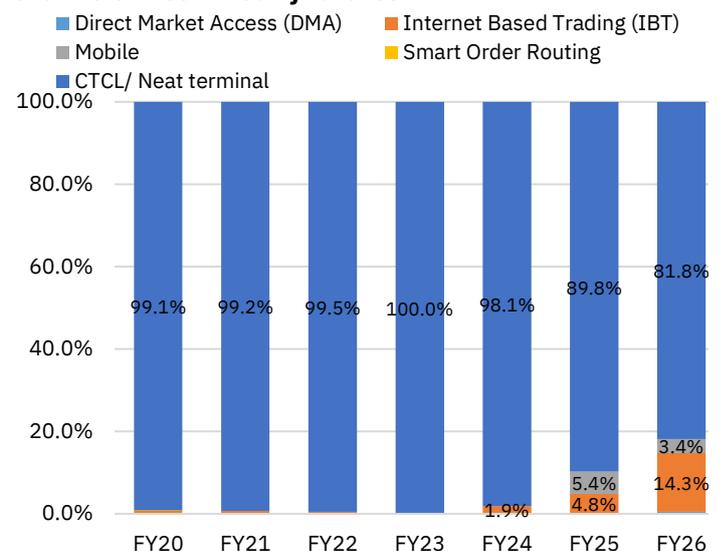**Table 114: Share (%) of different channels of trading in commodity futures turnover**

Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Direct Market Access (DMA)	0.7	1.0	-	-27	70	0.5	-	0.8
Internet Based Trading (IBT)	24.6	32.6	1.5	-798	2,316	14.3	4.8	28.7
Mobile	7.7	4.5	3.1	321	459	3.4	5.4	6.0
CTCL/ Neat terminal	67.0	62.0	95.4	503	-2,845	81.8	89.8	64.4

Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed based on turnover.
3. Data for FY26TD and CY26TD are as of Feb'26.

Figure 352: Annual turnover trend for different channels in commodity futures
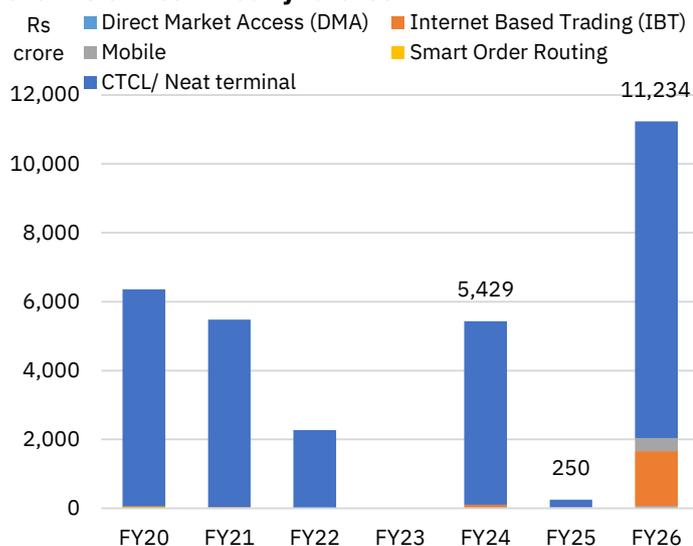
Figure 353: Annual trend in turnover share for different channels in commodity futures

Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on turnover.
3. Data for FY26 is as of Feb'26.

Figure 354: Annual trends in share for different modes in commodity futures
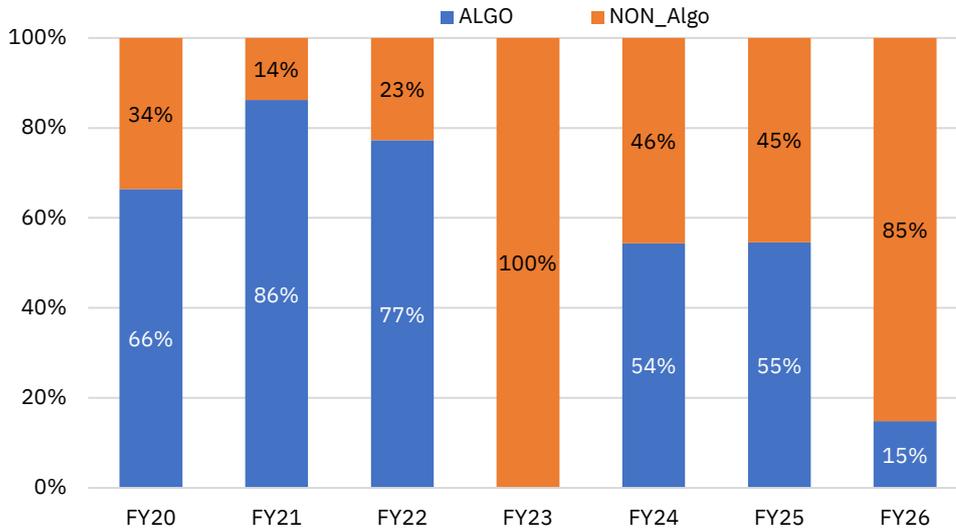
Source: NSE EPR.
Notes: 1. The above figures have been computed in % share based on turnover.
2. Data for FY26 is as of Feb'26.

Table 115: Monthly share (%) of different channels in commodity options premium turnover

Channel	Feb-26	Jan-26	Feb-25	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY26TD
Direct Market Access (DMA)	20.8	25.3	-	-457	2,076	10.5	0.0	22.9
Internet Based Trading (IBT)	4.1	6.5	9.8	-246	-567	7.9	6.5	5.2
Mobile	23.2	20.3	26.2	296	-298	21.2	14.8	21.9
CTCL/ Neat terminal	51.9	47.9	64.0	407	-1,211	60.5	78.7	50.1

Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed based on premium turnover
3. Data for FY26TD and CY26TD are as of Feb'26.

**Figure 355: Annual turnover trend for different channels in commodity options**
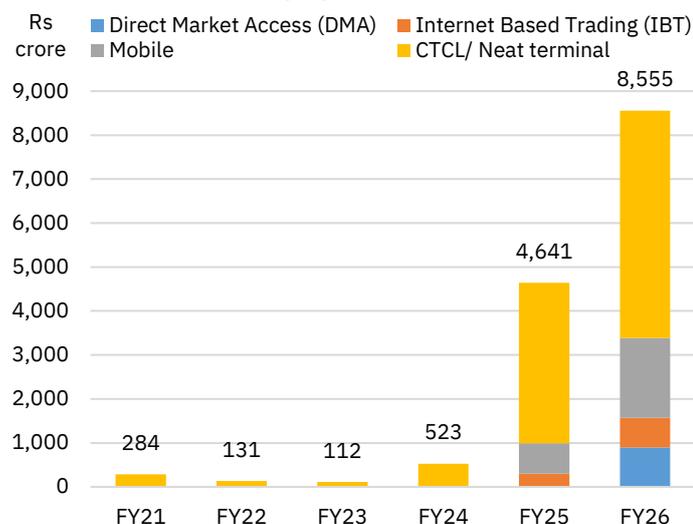
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on premium turnover.
3. Data for FY26 is as of Feb'26.

Figure 356: Annual trend in turnover share for different channels in commodity options
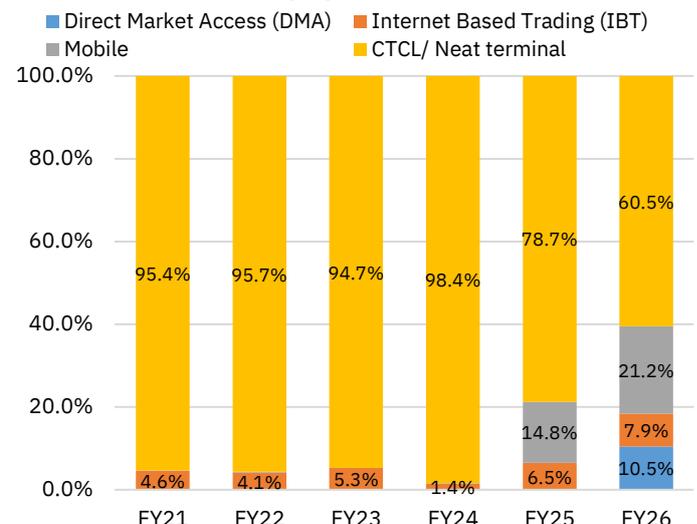
Figure 357: Annual trends for different modes in commodity options premium turnover
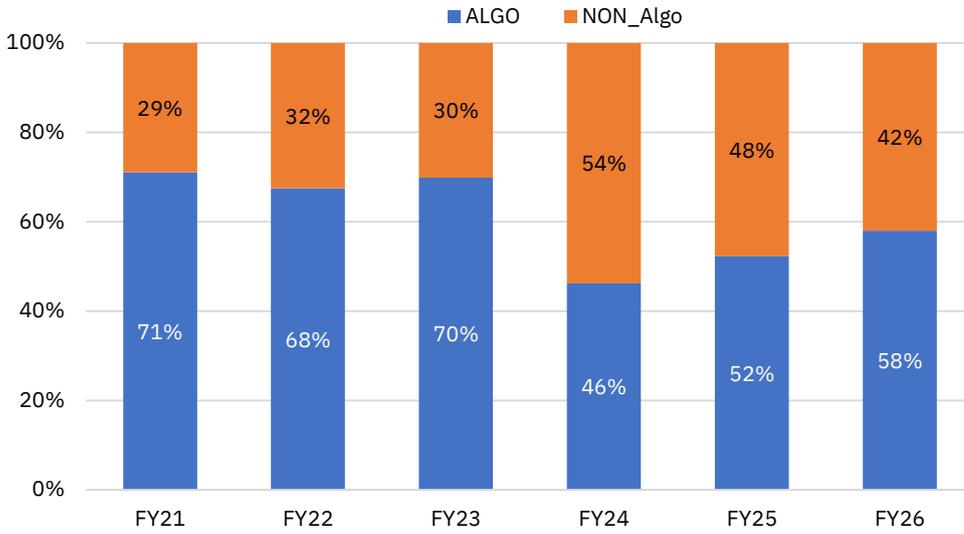
Source: NSE EPR.

Notes. 1. The above figures have been computed based on premium turnover.

2. Data for FY26 is as of Feb'26.

Distribution of trading activity by turnover: Large investors continue to dominate market turnover across segment

Trading activity across the equity cash and derivatives segments in February 2026 continued to reflect a strong concentration of turnover among large-value participants. In the equity cash market, monthly turnover increased marginally by 0.7% MoM, despite a 5% MoM decline in investor participation, largely due to a sharp contraction in the lower turnover cohorts. The divergence between participation and value traded remained significant: investors trading above Rs 10 crore, representing just 0.2% of the active investor base, contributed 78.4% of total turnover. When combined with investors trading between Rs 1–10 crore, this share rose to 91.5% of the monthly turnover. A similar pattern was observed in the equity options segment, where the top 0.3% of active investors accounted for 70.4% of the monthly premium turnover. In the equity futures segment as well, trading activity remained highly concentrated, with the top 8.5% of investors contributing nearly 94% of the total turnover during the month.

Top investor cohorts continue to drive majority of equity cash trading: The divergence between investor participation and traded value remained pronounced in the equity cash segment. The highest turnover cohort (>Rs 10 crore) accounted for 78.4% of the total monthly turnover but represented only 0.2% of active unique investors during the month. When investors trading between Rs 1-10 crore are included, the combined share rises to 91.5% of total turnover, even though these two cohorts together comprise only ~2% of active unique investors. In contrast, investors trading below Rs 10 lakh constituted nearly 90% of active unique investors but contributed just 2.2% of the total turnover. Although there was a notable decline in participation among investors trading below Rs 10 lakh, the corresponding reduction in turnover from these investors had a limited impact on overall market activity. Meanwhile, the top turnover cohort (above Rs 10 crore) continued to be dominated by proprietary traders and institutional participants during the month.

Nearly 70% of incremental premium turnover from top cohort, led by proprietary traders: A similar concentration pattern was observed in the equity options segment, mirroring trends in the cash market. The growth in monthly options premium activity continued to be heavily concentrated among large-value participants. While investors trading below Rs 10 lakh accounted for 2/3rd of the incremental rise in investor participation, their contribution to the additional premium turnover was only 1.6%, highlighting the widening gap between participation and value traded. Notably, investors in more than Rs 10 crore turnover cohort alone accounted for ~71% of the incremental premium turnover, despite being 0.3% of the active investors base during the month. Furthermore, this cohort generated 70% of the total premium turnover, led by proprietary traders, who accounted for about 72% of the cohort's turnover during the month.

Equity futures turnover eases; top cohort drives 94% of the trading: Turnover in the equity futures segment eased in February 2026, declining 1.4% MoM, alongside a marginal 0.7% MoM decline in investor participation. The moderation in activity was driven largely by the top turnover cohort (above Rs 10 crore). Despite representing only 8.5% of active investors, this cohort accounted for 94% of the total monthly turnover, highlighting the strong concentration of trading activity among high-value participants. Interestingly, investors trading in the Rs 1–10 crore turnover bracket—constituting ~40% of participants—contributed only ~5% of the total turnover, highlighting the relatively limited role of mid-tier participants in shaping overall market activity. The institutional character of the equity futures market is also evident from the category-wise distribution of turnover. Proprietary traders, DIIs, and foreign investors collectively accounted for around 73% of the total turnover during the month.

Figure 358: Distribution of trading activity by turnover in NSE CM segment in February 2026
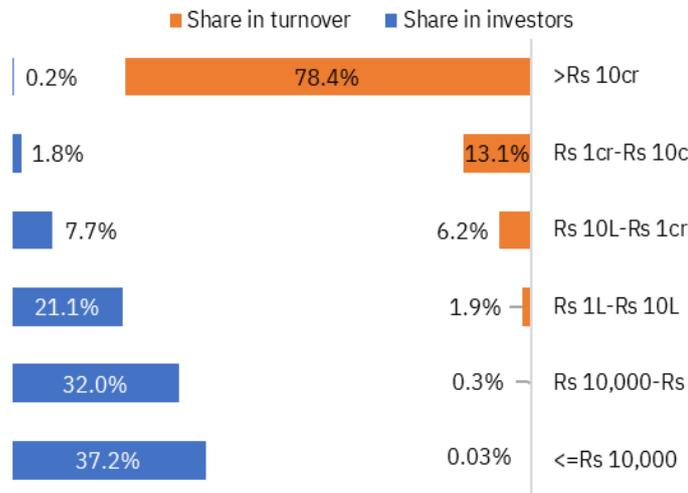
Figure 359: Distribution of trading activity by turnover in NSE CM segment in February 2025
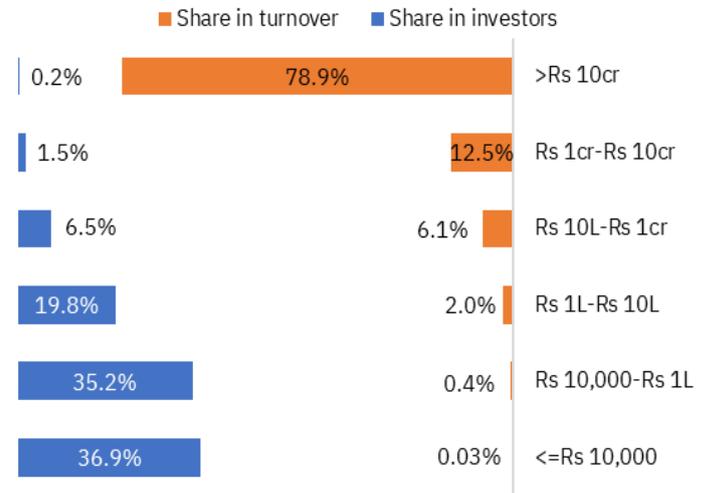
Source: NSE EPR.

Table 116: Distribution of turnover by range in NSE CM segment for all investors

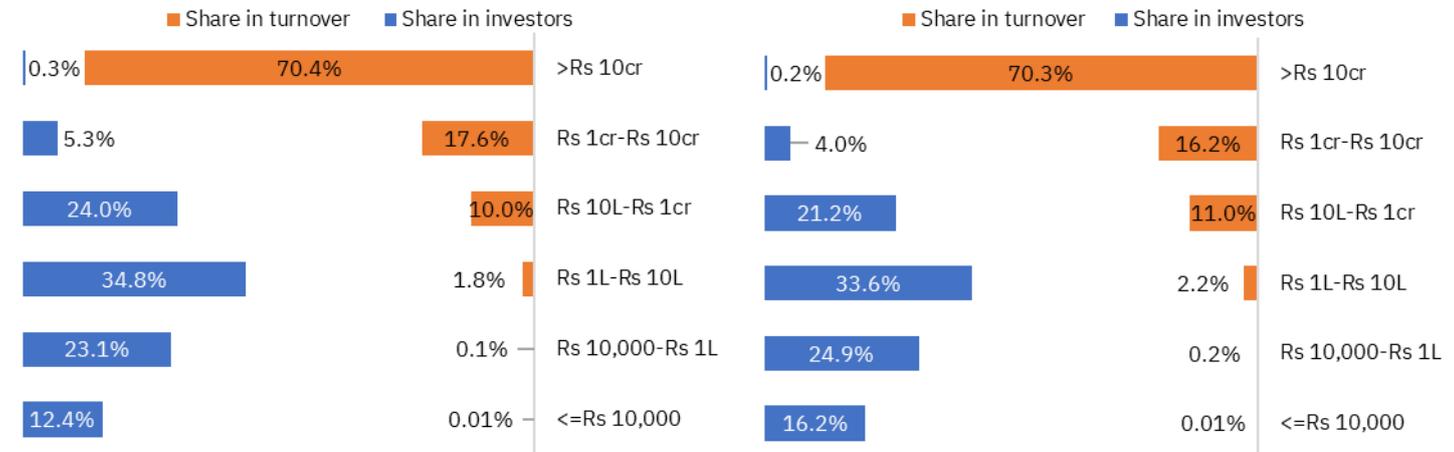| Turnover range	Feb-25		Jan-26		Feb-26			
	Turnover (Rs crore)	Investors (In lakh)	Turnover (Rs crore)	Investors (In lakh)	Turnover (Rs crore)	Share in turnover	Investors (In lakh)	Share in investors
<= Rs 10,000	625	41.2	687	46.9	674	0.03%	47.2	37%
Rs 10,000 - Rs 1 lakh	7,443	39.4	8,694	45.2	7,832	0.3%	40.6	32%
Rs 1 lakh - Rs 10 lakh	36,142	22.1	48,885	29.1	45,212	2%	26.8	21%
Rs 10 lakh - Rs 1 crore	1,12,578	7.3	1,51,352	9.9	1,50,248	6%	9.7	8%
Rs 1 crore - Rs 10 crore	2,29,113	1.7	2,98,964	2.2	3,15,753	13%	2.3	1.8%
> Rs 10 crore	14,47,325	0.2	18,82,616	0.3	18,87,876	78%	0.3	0.2%
Total	**18,33,226**	**111.8**	**23,91,197**	**133.6**	**24,07,596**	**100%**	**126.9**	**100%**

Source: NSE EPR. Notes: 1. Turnover ranges are based on gross traded value i.e. buy traded value + sell traded value. 2. Categorisation is based on gross traded value. 3. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2. 4. Investor count is based on unique PANs that have traded during the period.

Table 117: Category-wise share in turnover across turnover ranges in NSE CM segment in February 2026

Turnover range	Turnover (Rs crore)	Share in turnover (%)	Client category-wise turnover share (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	674	0.03%	0.0%	0.0%	0.0%	99.8%	0.0%	0.2%
Rs 10,000 - Rs 1 lakh	7,832	0.3%	0.0%	0.0%	0.0%	99.5%	0.0%	0.4%
Rs 1 lakh - Rs 10 lakh	45,212	2%	0.2%	0.3%	0.0%	98.8%	0.0%	0.7%
Rs 10 lakh - Rs 1 crore	1,50,248	6%	0.7%	0.3%	0.0%	98.0%	0.0%	0.9%
Rs 1 crore - Rs 10 crore	3,15,753	13%	1.8%	0.4%	0.3%	96.1%	0.1%	1.4%
> Rs 10cr	18,87,876	78%	4.1%	17.3%	17.2%	15.6%	42.9%	3.0%
Total	**24,07,596**	**100%**	**3.5%**	**13.6%**	**13.5%**	**33.1%**	**33.6%**	**2.6%**

Source: NSE EPR.
Notes: 1. Turnover ranges are based on gross turnover. 2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2
3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc.
4. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.

Figure 360: Distribution of trading activity by turnover in equity options premium turnover in February 2026

Figure 361: Distribution of trading activity by turnover in equity options premium turnover in February 2025

Source: NSE EPR

Table 118: Distribution of turnover by range in NSE equity options premium turnover for all investors

Turnover range	Feb-25		Jan-26		Feb-26			
	Premium Turnover (Rs crore)	Investors (In lakh)	Premium Turnover (Rs crore)	Investors (In lakh)	Premium Turnover (Rs crore)	Share in turnover	Investors (In lakh)	Share in investors
<Rs 10,000	89	5.2	79	4.3	86	0.01%	4.7	12%
Rs 10,000-Rs 1 lakh	1,712	8.0	1,779	8.2	1,908	0.1%	8.8	23%
Rs 1 lakh - Rs 10 lakh	21,263	10.8	24,335	12.2	26,518	2%	13.3	35%
Rs 10 lakh - Rs 1 crore	1,05,817	6.8	1,33,473	8.3	1,47,343	10%	9.1	24%
Rs 1 crore – Rs 10 crore	1,55,409	1.3	2,33,783	1.8	2,59,178	18%	2.0	5.3%
>Rs 10 crore	6,73,764	0.07	9,35,804	0.12	10,36,151	70%	0.13	0.3%
Total	**9,58,054**	**32.1**	**13,29,254**	**34.9**	**14,71,183**	**100%**	**38.1**	**100%**

Source: NSE EPR. Notes: 1. Turnover ranges are based on gross premium turnover i.e. buy premium turnover + sell premium turnover. 2. Categorisation is based on gross premium turnover. 3. Data has been provided for single side i.e. (Buy premium turnover + sell premium turnover)/2. 4. Investor count is based on unique PANs that have traded during the period.

Table 119: Distribution of turnover and the share of investors categories in equity options in February 2026

Turnover range	Premium Turnover (Rs crore)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	86	0.01%	0.0%	0.0%	0.0%	99.9%	0.0%	0.1%
Rs 10,000 - Rs 1 lakh	1,908	0.1%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 1 lakh - Rs 10 lakh	26,518	2%	0.1%	0.0%	0.0%	99.7%	0.0%	0.1%
Rs 10 lakh - Rs 1 crore	1,47,343	10%	0.2%	0.0%	0.0%	99.5%	0.0%	0.3%
Rs 1 crore- Rs 10 crore	2,59,178	18%	0.8%	0.0%	0.0%	98.3%	0.1%	0.7%
> Rs 10cr	10,36,151	70%	2.8%	0.3%	9.8%	12.5%	71.8%	2.8%
Total	**14,71,183**	**100%**	**2.2%**	**0.2%**	**6.9%**	**38.0%**	**50.6%**	**2.1%**

Source: NSE EPR
Notes: 1. Turnover ranges are based on gross premium turnover 2. Data has been provided for single side i.e. (Buy premium turnover + sell premium turnover)/2
3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc
4. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades

Table 120: Distribution of turnover by range in equity futures market for all investors

Turnover range	Feb-25		Jan-26		Feb-26			
	Turnover (Rs cr)	Investors (In lakh)	Turnover (Rs cr)	Investors (In lakh)	Turnover (Rs cr)	Share in turnover	Investors (In lakh)	Share in investors
Rs 1 lakh - Rs 10 lakh	812	0.2	547	0.2	599	0.02%	0.2	6%
Rs 10 lakh - Rs 1 crore	27,620	1.3	28,208	1.3	27,389	0.8%	1.3	45%
Rs 1 crore – Rs 10 crore	1,75,890	1.1	1,84,558	1.1	1,86,313	5%	1.1	40%
>Rs 10 crore	29,88,380	0.2	33,99,737	0.2	33,49,910	94%	0.2	9%
Total	**31,92,703**	**2.9**	**36,13,049**	**2.9**	**35,64,211**	**100%**	**2.9**	**100%**

Source: NSE EPR. Notes: 1. Turnover ranges are based on gross turnover i.e., buy turnover + sell turnover. 2. Categorisation is based on gross turnover. 3. Data has been provided for single side i.e. (Buy turnover + sell turnover)/2. 4. Investor count is based on unique PANs that have traded during the period.

Table 121: Distribution of turnover and the share of investors categories in equity futures in February 2026

| Turnover range	Turnover (Rs crore)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
Rs 1 lakh - Rs 10 lakh	599	0.02%	0.6%	0.0%	0.0%	98.8%	0.0%	0.6%
Rs 10 lakh - Rs 1 crore	27,389	0.8%	0.8%	0.0%	0.0%	98.4%	0.0%	0.8%
Rs 1 crore - Rs 10 crore	1,86,313	5%	1.7%	0.0%	0.0%	96.9%	0.1%	1.3%
> Rs 10 crore	33,49,910	94%	7.1%	13.1%	29.6%	10.9%	35.1%	4.3%
Total	**35,64,211**	**100%**	**6.8%**	**12.3%**	**27.8%**	**16.1%**	**33.0%**	**4.1%**

Source: NSE EPR. Notes: 1. Turnover ranges are based on gross turnover. 2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2
3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc. 4. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.

Individual investors' activity in the equity segment: Investor investors turn net sellers

Individual investors turn net sellers in February 2025: In February 2026, individual investors turned net sellers in the CM segment following the strong inflows recorded in January, with net sales amounting to Rs 7,665 crore. This marked the seventh month of net outflows in the current fiscal year. Investment through primary market issuances also remained subdued during the month, with net allocations of Rs 518 crore. Despite the net selling trend, overall trading activity among retail investors continued to pick up. Total turnover by individual investors rose by 2.7% month-on-month to Rs 7.97 lakh crore, extending the upward momentum seen in trading activity over the past three months. This indicates that while participation in terms of trading volumes has remained active, it has not necessarily translated into sustained net investments in the cash market.

At an aggregate level, retail investments in FY26 thus far (As of February 28th, 2026), including allocations through the primary market, stood at Rs 33,537 crore, substantially lower than Rs 1.59 lakh crore recorded in FY25. The moderation suggests that while individual investors have continued to deploy capital during periods of relative market stability, their overall investment stance has been more cautious than in the previous year. This more measured approach appears to reflect sensitivity to prevailing valuations, earnings visibility, liquidity conditions, and evolving global geopolitical developments.

Figure 362: Annual net inflows by individual investors in NSE's CM segment (secondary market)
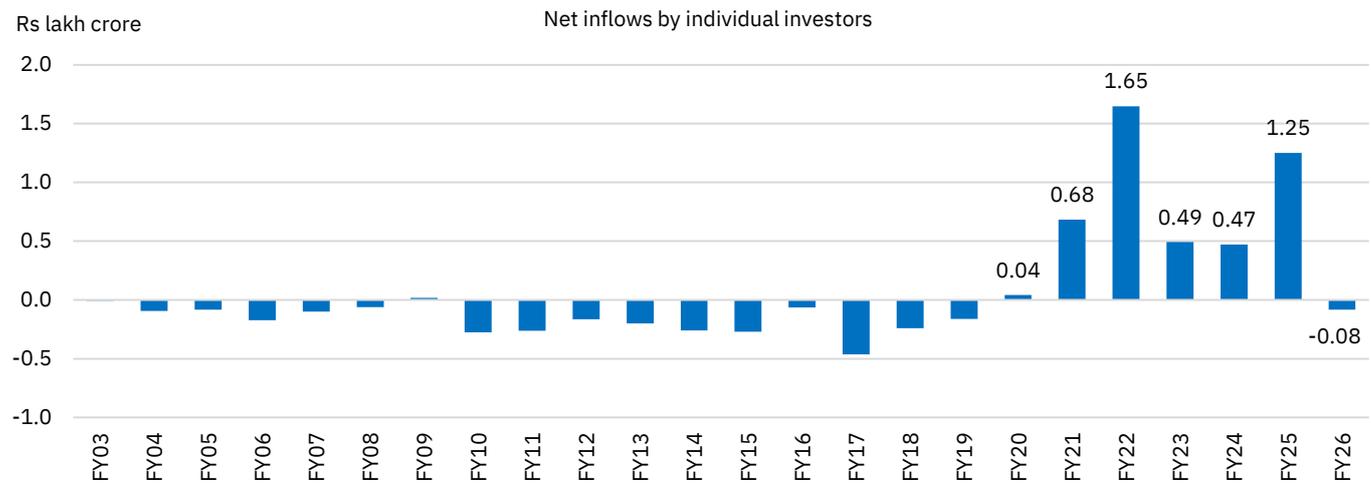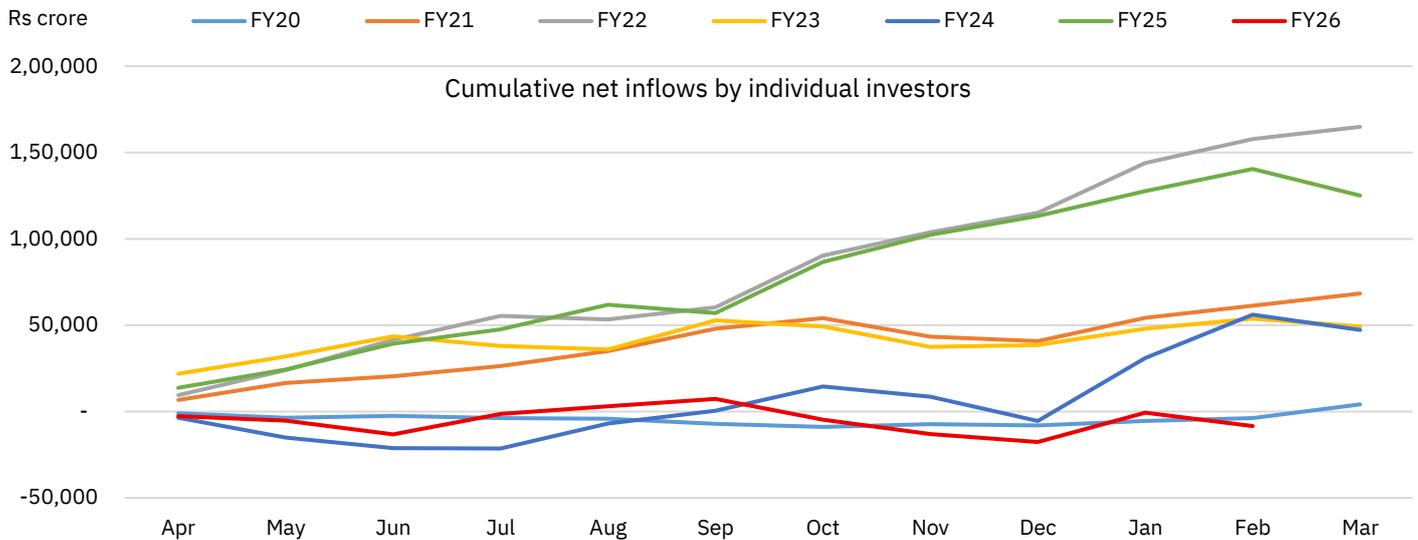

Source: NSE EPR.
Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. FY26 data is as on February 28th, 2026.

Table 122: Annual net inflows by individual investors in primary and secondary market

FY	NSE CM Segment (Rs crore)	Primary Market (Rs crore)	Net flows (Rs crore)
FY21	68,357	7465	75,822
FY22	1,64,892	19,539	1,84,431
FY23	49,225	13,448	62,673
FY24	47,241	18,057	65,298
FY25	1,25,127	34,336	1,59,463
FY26	-8,353	41,890	33,537

Source: NSE EPR.
Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. Primary market investments by Retail Individual Investors (investors applying up to Rs 2 lakh) only considered in the table above.
3. FY26 data is as on February 28th, 2026.

Figure 363: Overall cumulative net inflows of individual investors in NSE's CM segment in last six years
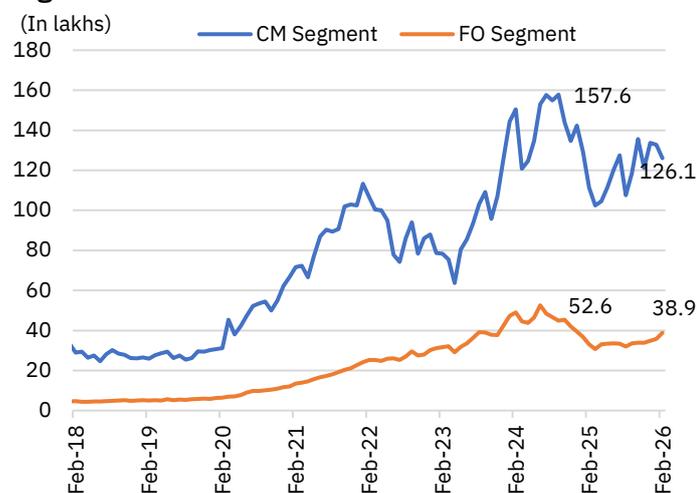

Source: NSE EPR.

Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

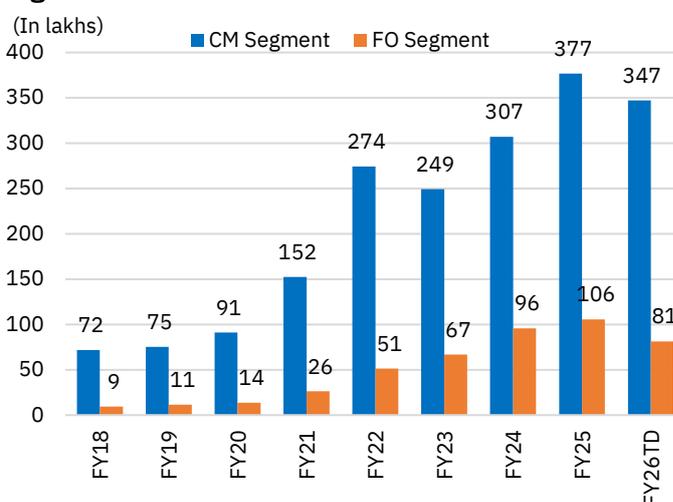**Investor participation in CM and equity derivatives continued to show mixed MoM trends in February 2026:** On a monthly basis, individual investor participation in the CM segment declined for two consecutive months falling from 1.34 crore in December 2025 to 1.33 crore in January 2026 and further to 1.26 crore in February 2026. In contrast, participation in the equity derivatives segment rose from 34.8 lakh to 35.8 lakh and 38.9 lakh during the same period, with February marking the highest level in the past 14 months. On an annual basis, number of individual investors that traded in both segments in FY26 (As on February 28th, 2026) stood at 3.47 crore and 81 lakh respectively.

Over the past decade, the individual investor base in the market has expanded markedly, with the growth particularly pronounced in the CM segment. This trend aligns with the broader financialisation of household savings, wider digital access to markets, and increasing familiarity among retail investors with exchange-traded instruments. Participation in the CM segment increased from around 45 lakh during Mar'15-Feb'16 to 3.57 crore in Mar'25-Feb'26. Over the same period, participation in the equity derivatives segment rose from 7.1 lakh to 83.6 lakh. The number of investors participating solely in derivatives has remained comparatively limited and largely steady at around 20 lakh in the last two years. Over the past year, the count of investors trading exclusively in the CM segment and those trading only in equity derivatives has remained broadly stable. However, the number of investors active in both segments has moderated, suggesting some consolidation in trading patterns among investors who previously maintained simultaneous activity across the two segments.

Figure 364: Monthly trend of individual investors' participation in the NSE CM and equity derivative segments

(In lakhs)

— CM Segment — FO Segment

157.6

126.1

52.6 38.9

Figure 365: Yearly trend of individual investors' participation in the NSE CM and equity derivative segments

(In lakhs)

■ CM Segment ■ FO Segment

	CM	FO
FY18	72	9
FY19	75	11
FY20	91	14
FY21	152	26
FY22	274	51
FY23	249	67
FY24	307	96
FY25	377	106
FY26TD	347	81

Source: NSE EPR.

Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. The chart above gives the count of individual investors who traded at least once in the month/fiscal year.

Table 123: Trend of individual investors participation (in lakhs) in NSE cash and equity derivatives
(For the last 12-month period ending February of each year)

Period	CM Total	FO Total	CM Alone	FO Alone	CM & FO Both
Mar'15-Feb'16	45.0	7.1	39.0	1.1	6.0
Mar'16-Feb'17	50.0	7.2	43.9	1.1	6.1
Mar'17-Feb'18	70.4	9.2	62.3	1.1	8.1
Mar'18-Feb'19	75.8	11.4	65.8	1.4	10.0
Mar'19-Feb'20	84.4	13.4	72.7	1.8	11.6
Mar'20-Feb'21	145.6	24.9	122.8	2.1	22.8
Mar'21-Feb'22	265.5	49.1	221.6	5.2	43.9
Mar'22-Feb'23	255.9	66.0	201.4	11.5	54.5
Mar'23-Feb'24	301.7	93.6	226.7	18.6	75.0
Mar'24-Feb'25	378.0	107.5	291.0	20.5	87.0
Mar'25-Feb'26	356.7	83.6	293.3	20.2	63.4

Source: NSE EPR.

Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

Participation concentrated among investors trading on few days during the month: Across both the CM and equity derivatives segments, the distribution of individual investors by number of trading days in January and February 2026 indicates that participation remained heavily skewed towards investors trading on only a limited number of days. The largest share of investors traded on a single day during the month, followed by those active for two or three days, with the number of participants declining steadily as the number of trading days increased, indicating that regular or high-frequency participation was limited to a smaller subset of market participants.

In the CM segment, the number of single-day investors moderated slightly from around 50.9 lakh (38.4%) in January to about 49.5 lakh (39%) in February, while participation across other trading-day buckets remained broadly stable with minor variations. The

persistence of this distribution indicates that a significant share of CM investors continue to approach the market opportunistically rather than as frequent traders.

A comparable pattern was visible in the equity derivatives segment, where single-day traders rose from 4.8 lakh (13.7%) in January to roughly 5.4 lakh (13.9%) in February, continuing to represent the largest group of participants. As in the CM segment, the number of investors declined gradually with an increase in trading days, highlighting that sustained derivatives activity is concentrated among a relatively smaller group of traders.

However, despite their numerical dominance, these investors contribute only a limited share of overall trading activity. Market turnover continues to be driven primarily by a smaller cohort of investors who transact across multiple trading days during the month, underscoring the role of more consistent participants in sustaining market liquidity and depth. Single-day traders contribute less than 1% of the CM turnover, while those who trade on all days contribute nearly 8% of the CM turnover.

Figure 366: Distribution of the count of individual investors by trading days in CM segment in Jan and Feb'26
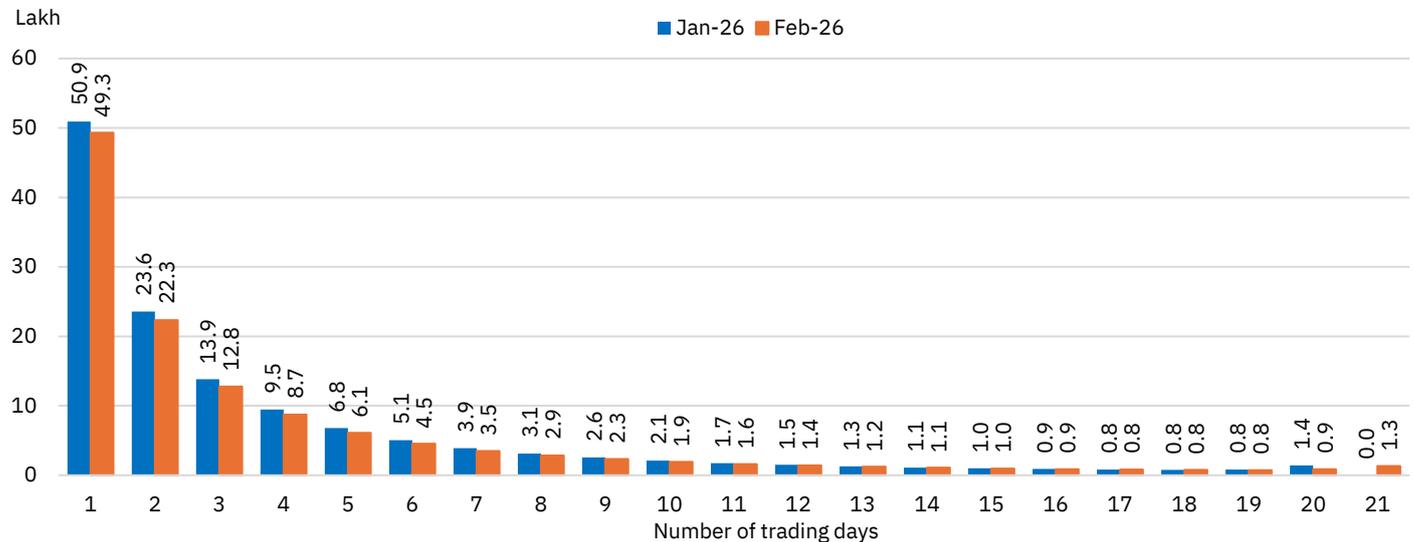
Source: NSE EPR. Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. Above data represents the average number of individual investors that traded during the respective years.

Figure 367: Distribution of the count of individual investors by trading days in equity derivatives in Jan and Feb'26
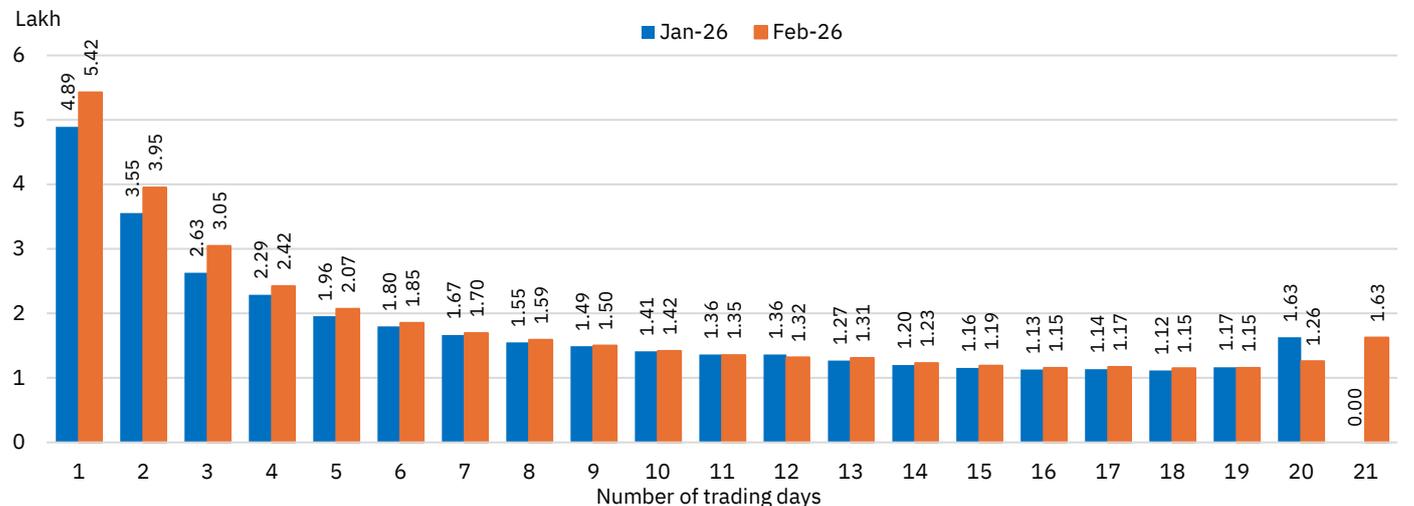
Source: NSE EPR. Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. Above data represents the average number of individual investors that traded during the respective years.

Investor participation in February 2026 (no. of investors who traded at least once)

As of February 28th, 2026, out of a total 12.8 crore unique registered investors, about 1.48 crore traded at least once during the month across equity cash and derivatives. Participation remained heavily skewed toward the cash market, with 1.09 crore investors—around 9% of the total base—trading exclusively in the cash segment. Derivatives participation was relatively limited: 20.89 lakh investors (1.6% of the total base) traded only in F&O. Within the derivatives-only category, activity was overwhelmingly options-driven—20.06 lakh investors traded only in options, predominantly index options (15.3 lakh), followed by stock options (85,799) and those trading both (3.9 lakh). Futures-only participation was modest at 33,386 investors, largely concentrated in stock futures (26,402). Overall, trading patterns continue to reflect a clear dominance of the cash segment, while participation in equity derivatives remains miniscule.

Figure 368: Investor participation across segments in February 2026
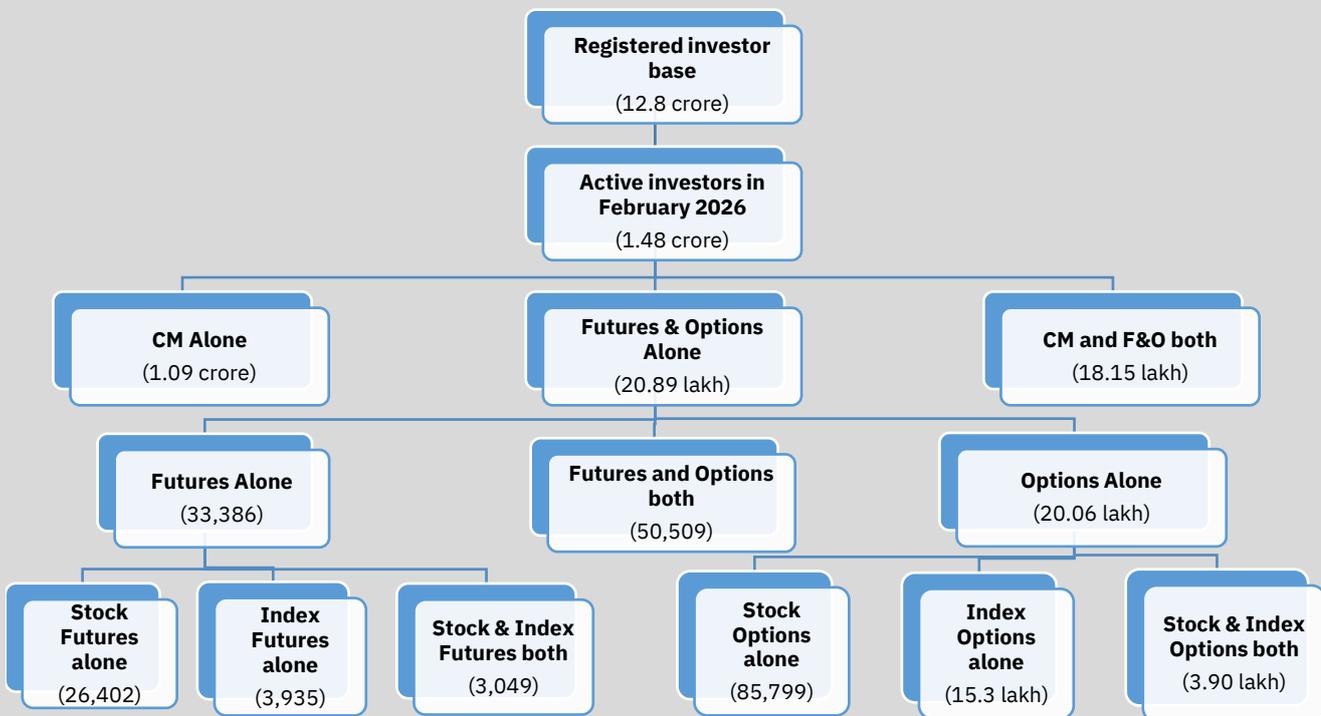
Source: NSE EPR
Note: All investor categories considered in the above table.

Figure 369: Investor participation in equity derivatives in February 2026

Investor participation in the Indian markets

Derivatives share in February 2026

Total registered investors (12.8 cr)
Only F&O (0.21 cr, 1.6%)
Only options (0.20 cr, 1.6%)
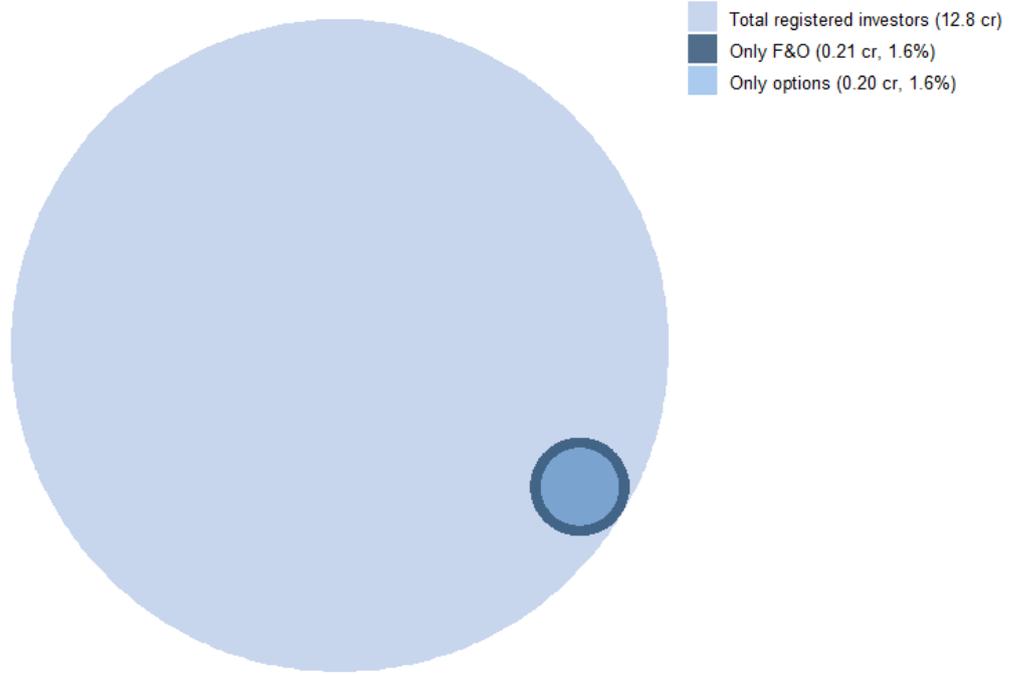
Source: NSE EPR.

Spatial distribution of individual investor activity in the cash market

Region-wise individual investor activity

Individual investors' turnover rises for 3rd consecutive month but at a slower pace; remains below FY26TD peak: The total turnover of individual investors rose for the third consecutive month in Feb'26, by 2.7% MoM albeit at a slower pace than previous months to Rs 15.9 lakh crore. This sequential momentum was the slowest recorded in FY26TD so far. Regionally, turnover rose most significantly during the month in the Western region (+3.8% MoM) to Rs 5.1 lakh crore, comprising a 32.2% share in turnover, followed by the Eastern region, which witnessed a 3.5% MoM increment in cash market turnover (Rs 1.4 lakh crore, 8.5% turnover share) and South India, which saw its turnover increasing to Rs 4.2 lakh crore in Feb'26 (2.3% MoM, 26.3% turnover share). The Northen region, despite accounting for 31.4% of cash market turnover in Feb'26 (Rs 5 lakh crore) posted the smallest sequential gain in turnover in Feb'26.

Additionally, the average monthly turnover in the cash market segment in FY26TD stood at Rs 14.6 lakh crore (vs Rs 16.3 lakh crore in FY25TD, -10.8% YoY). In the past three years since FY23, the cash market turnover has grown 2x from an average of Rs 8 lakh crore (FY23) to Rs 15.9 lakh crore currently.

Additionally, the regional distribution of active investors indicates that the Northern region holds the highest share with 33.6% in Feb 2026, with the Western region following closely at 31.6%. The Southern region accounted for 23.1% while the Eastern region held a share of 10%.

Figure 370: Region-wise distribution of individual investors' turnover in equity cash
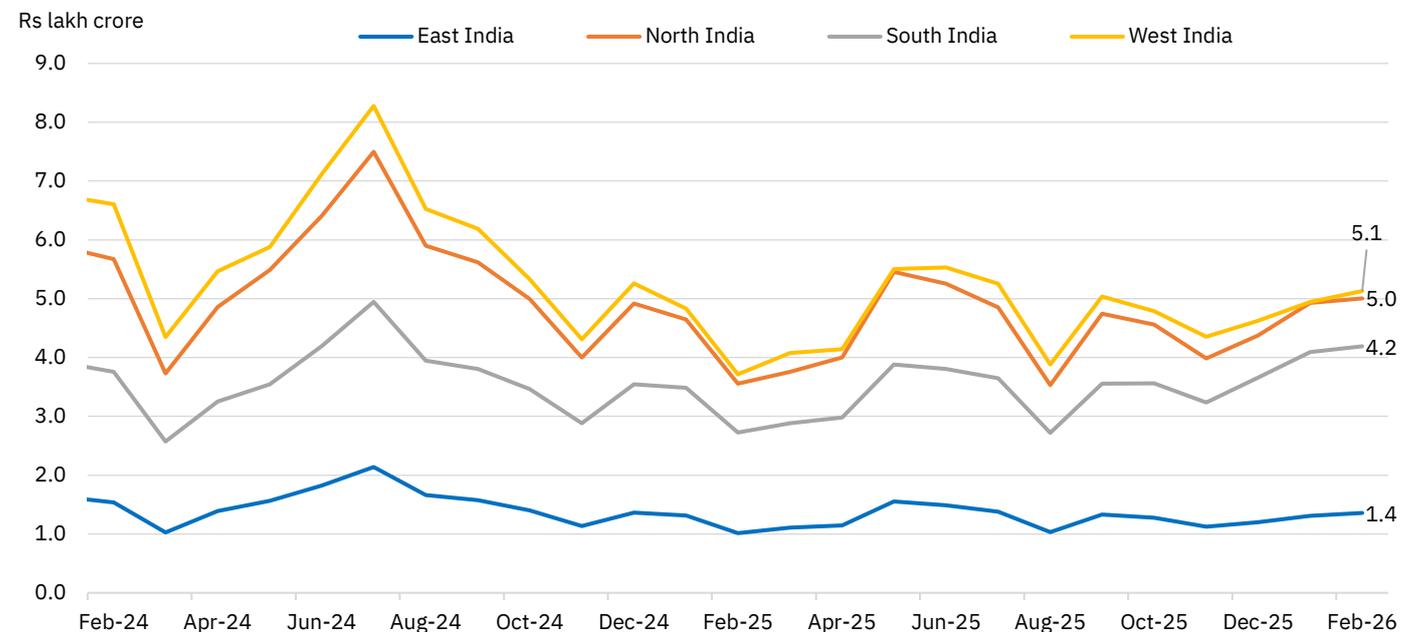
Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF.

Figure 371: Region-wise share of individual investors' turnover in cash market (%)
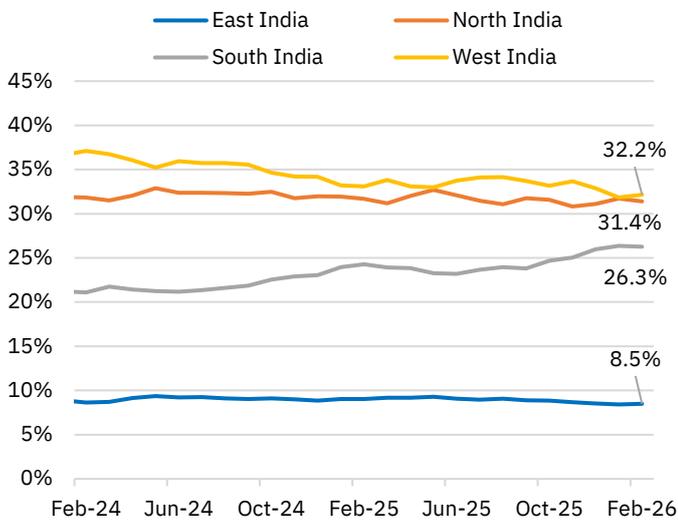
Figure 372: Region-wise share of individual investors in cash market (%)
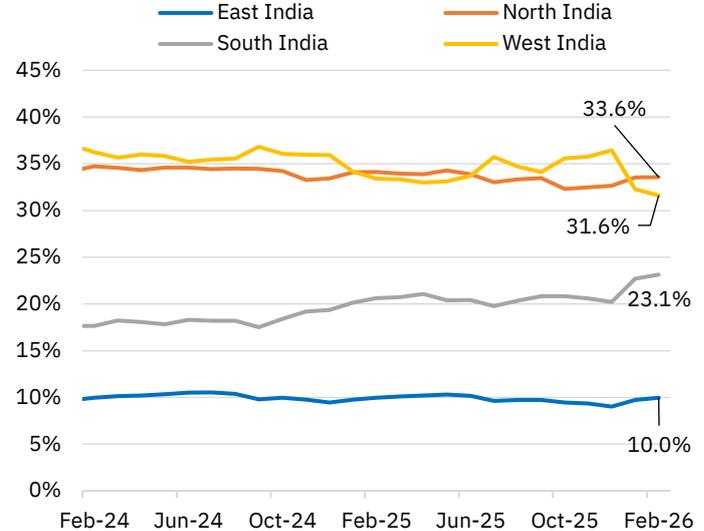
Source: NSE EPR. Note: 1. Individual investors include Individual / Proprietorship firms and HUF who trade once a month. 2. "Others"— not provided in the charts above--include pin codes for which region mapping was not available. The shares of the respective regions are calculated considering turnover/number of individual investors in "Others".

Maharashtra and Gujarat continue to remain top contributors to individual investor turnover: Despite the turnover of the top 10 states declining for the second consecutive month, Maharashtra and Gujarat continued to lead in terms of cash market turnover recorded by individual investors in Feb'26, recording Rs 2.9 lakh crore and Rs 1.7 lakh crore in turnover respectively (2% MoM and 6.8% MoM respectively). The top five states combined accounted for ~50% of cash market turnover during the month. All the top 10 states, apart from Karnataka and Delhi, recorded sequential increments in cash market turnover during the month, with Haryana and Gujarat experiencing the most notable uptick (7.1% and 6.8% MoM respectively). Additionally, the share of states outside the top 10 in cash market turnover is 23.9% in Feb'26.

Maharashtra also continued to remain top ranked state in terms of individual investor participation, contributing 16.7% (22 lakh active investors), despite the number of active investors declining by 4.2% MoM in the state in Feb'26. Gujarat, in second place, accounted for ~11% of active investors during the month (14 lakh investors, -10.7% MoM), while Uttar Pradesh ranked third in terms of individual investor participation with 12.6 lakh active investors in Feb'26 (9.6% share, -4.6% MoM). All the states except for smaller NE states recorded a MoM decline in the number of active investors in Feb'26, with Gujarat and Rajasthan recording the largest sequential decline. Moreover, the top 3 states contributed 37% of active individual investors during the month, with the top 10 states accounting for nearly three-fourth of active investors in Feb'26.

Figure 373: Top 10 states based on turnover of individual investors in equity cash

Rs lakh crore
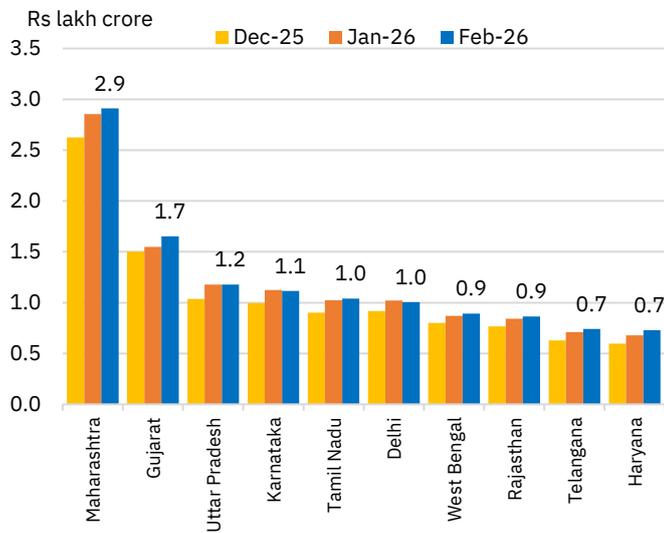
Figure 374: Top 10 states based on individual investor participation in equity cash
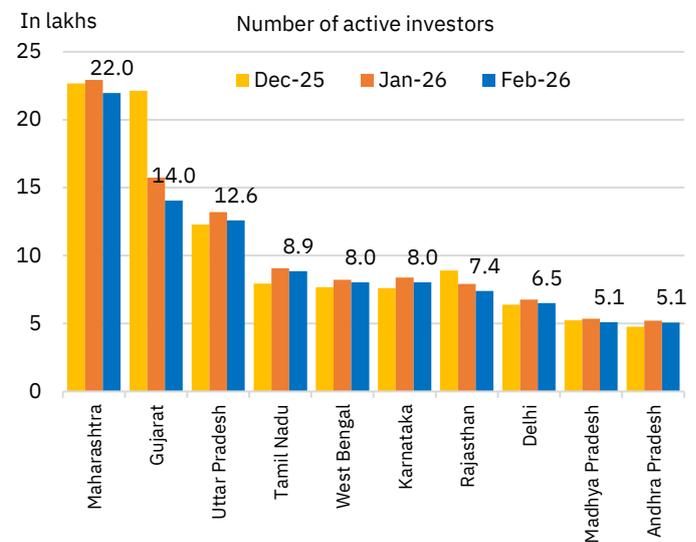
In lakhs   Number of active investors

Source: NSE EPR. Note: 1. Individual investors include Individual / Proprietorship firms and HUF; 2. The top ten states are chosen based on latest month's data.

Figure 375: Share of the top 10 states based on turnover of individual investors in equity cash
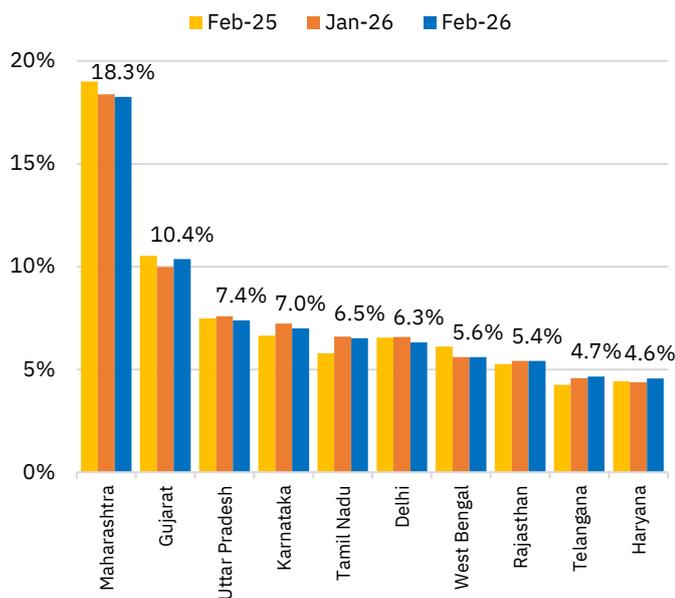
Figure 376: Share of the top 10 states based on individual investors' participation in equity cash
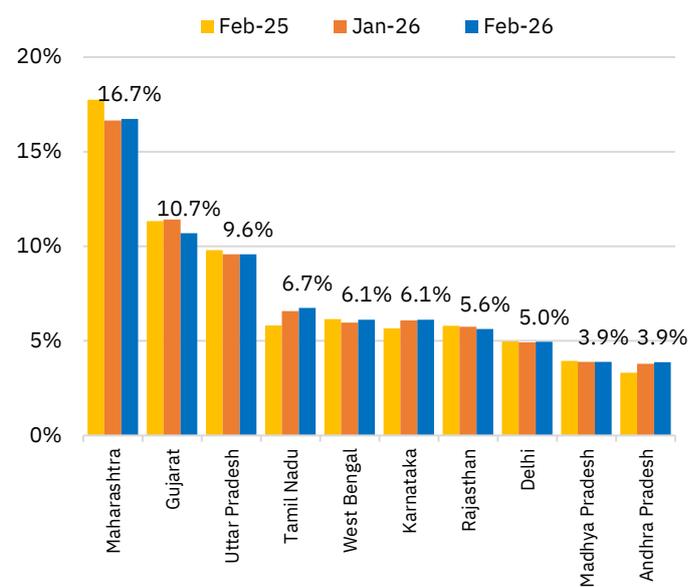
Source: NSE EPR. Note: 1. Individual investors include Individual / Proprietorship firms and HUF; 2. The top ten states are chosen based on latest month's data.

District-wise individual investor activity:

Individuals' turnover in the top 10 districts rises; marks the third consecutive MoM increment since Nov'25...: Individual investors' turnover in the top 10 districts rose in Feb'26, rising by a marginal 1.3% MoM, to Rs 4.5 lakh crore, which translates to ~28% of cash market turnover during the month. Mumbai Suburban and Bengaluru Urban retained their positions as the top two ranked districts, with turnover of Rs 1 lakh crore (+0.6% MoM, 6% share) and Rs 67k crore (-2.1% MoM, 4.2% share). Among the top 10 districts, Surat (+7.4% MoM, Rs 29k crore) and Ahmedabad (+4.7% MoM, Rs 53k crore) and Thane (+2.5% MoM, Rs 31k crore) experienced the most notable uptick in turnover. Additionally, the top 50 districts accounted for over 54.5% of cash market turnover during the month.

...accompanied by 2nd consecutive MoM decline in the number of active investors: The number of individual investors, who traded at least once during the month in the top 10 districts, declined to ~27 lakh in Feb'26 (-4.9% MoM), for the second consecutive month. The monthly run-rate of active investors within these districts stood at 27.2 lakh in FY26TD(Apr'25-Feb'26), a 13.4% YoY decline from 31.4 lakh investors on average in FY25TD. Within the top 10 districts, Mumbai Suburban continues to occupy the top spot, despite the count of investors declining for the second consecutive month to 4.8 lakh investors (3.7% share) in February, with Bengaluru Urban occupying the second spot, with over 3.7 lakh active investors (2.8% share, -3.5% MoM).

The top 10 districts accounted for 20.5% of active investors in Feb'26 (vs 23.4% in Jul'23), while the top 50 districts accounted for ~44% of active investors during the month. Among the top 10 districts, Surat (-11.1% MoM, 2.5 lakh investors), Ahmedabad (-7.6% MoM, 3.5 lakh investors) and Jaipur (-6% MoM, 1.7 lakh investors) witnessed a significant reduction in the number of active investors, in line with the previous month.

Among the top 10 districts in terms of active investors, four below to Maharashtra, two from Gujarat, and one each from Tamil Nadu, Karnataka and Rajasthan and West Bengal.
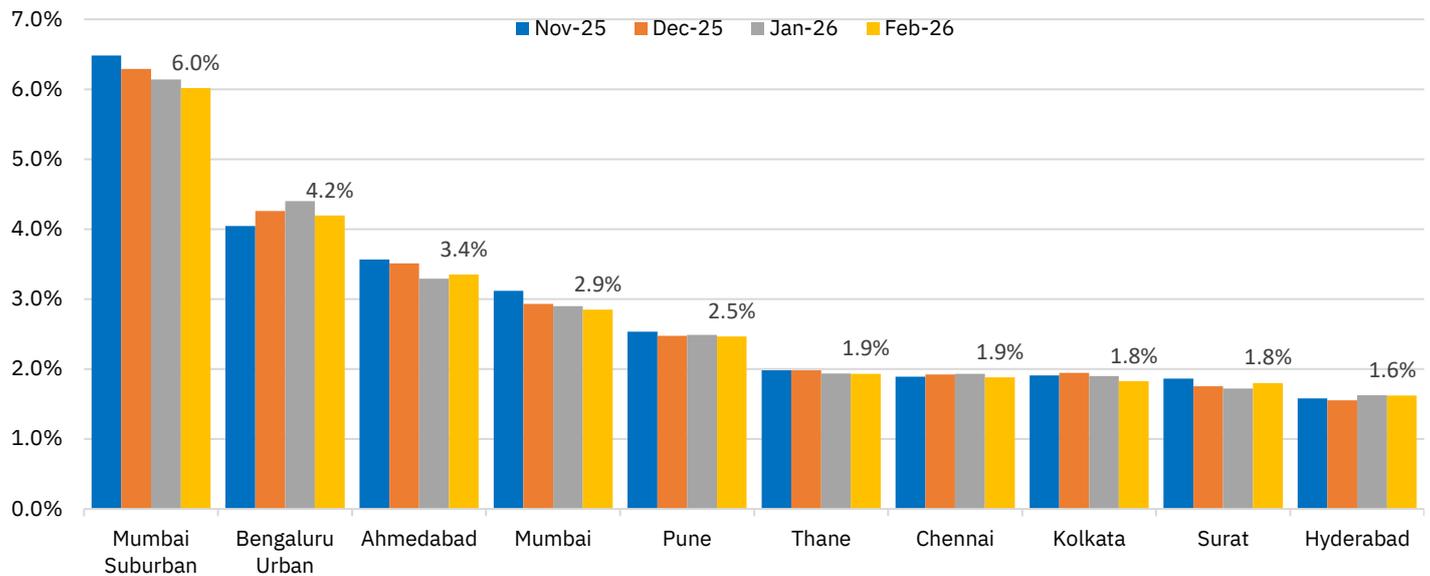
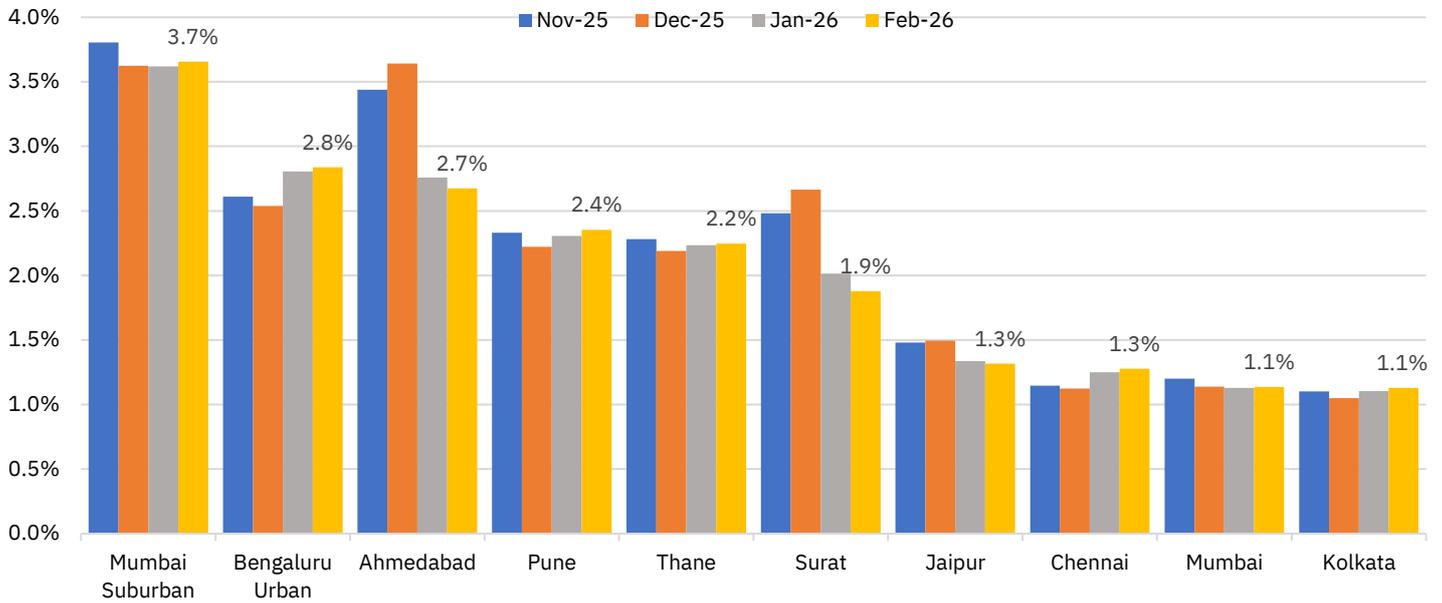**Figure 377: Top 10 districts based on equity cash turnover of individual investors**
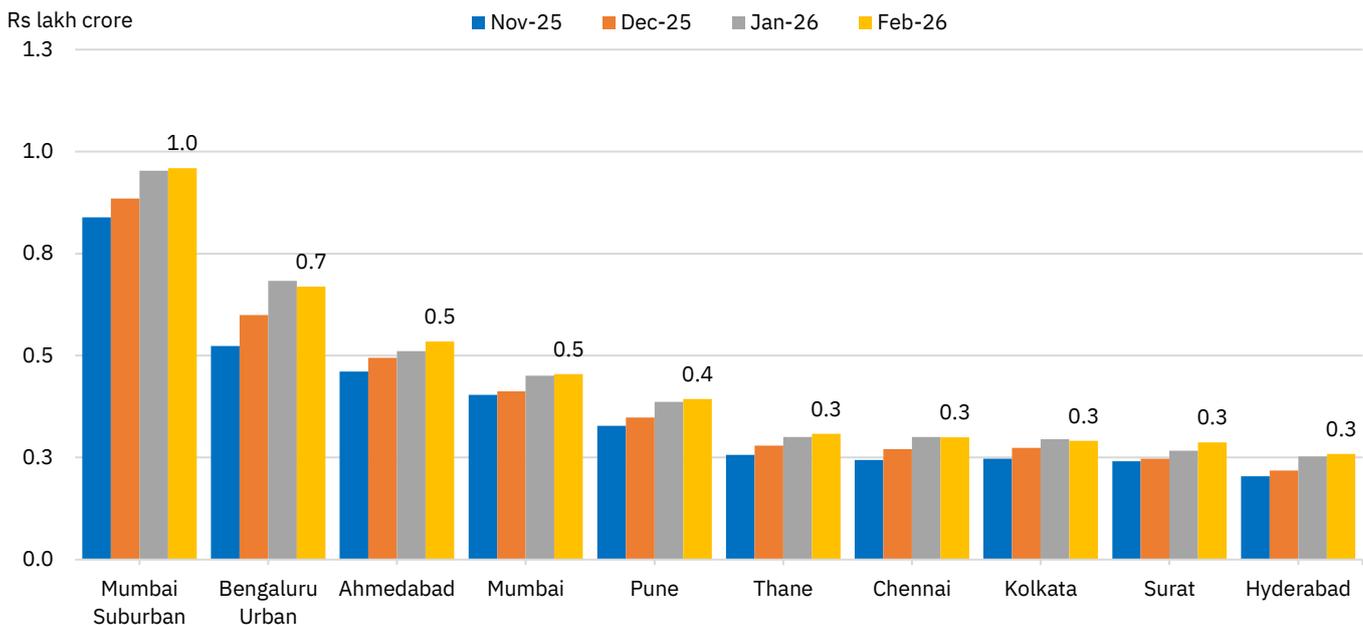
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 378: Top 10 districts based on individual investors participation in the equity cash market
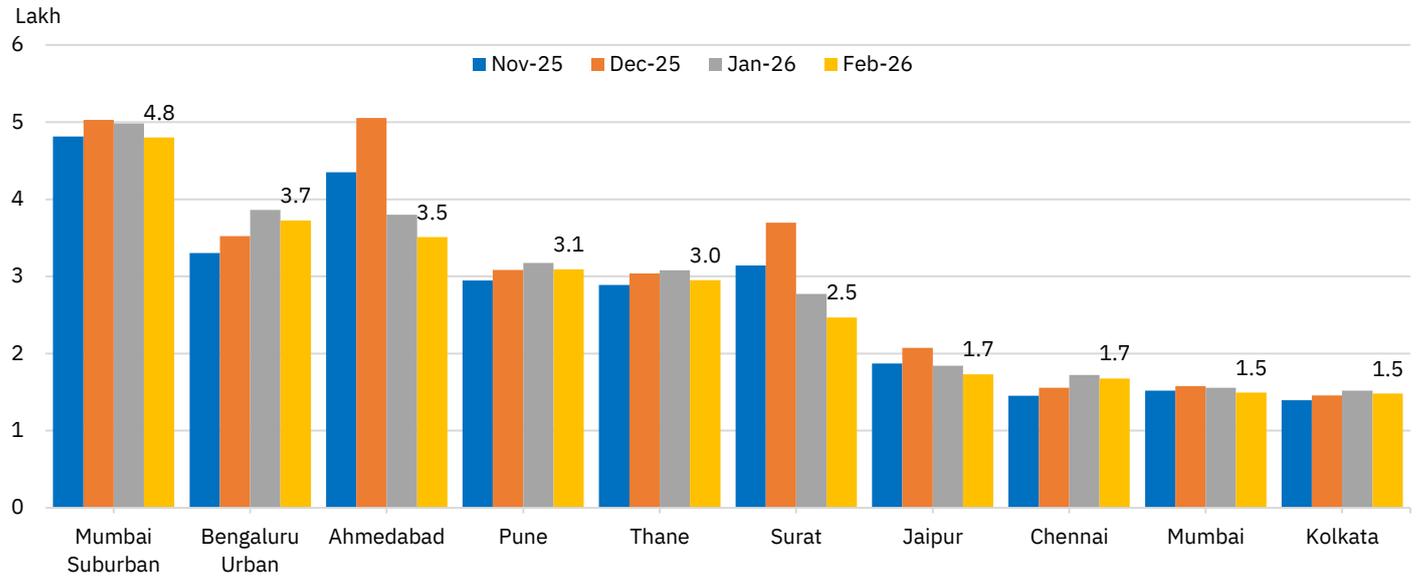
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 379: Share of the top 10 districts based on individual investors' turnover in equity cash

Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 380: Share of the top 10 districts based on individual investors traded in the cash market

Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Turnover of top 10 traded securities during February 2026

Turnover of the top 10 securities in the CM segment remained largely steady in February 2026: The combined turnover of the top 10 traded securities edged up marginally to Rs 3.94 lakh crore in February 2026 from Rs 3.92 lakh crore in January 2026, registering a modest 0.6% MoM increase. Their share in total turnover remained broadly unchanged at 16.4%, slipping marginally by 0.02 percentage points from the previous month.

Among individual counters, Infosys Ltd. recorded the strongest growth with a 118.9% MoM surge in turnover, followed by State Bank of India (+105.3%), BSE Ltd. (+77.2%), Tata Consultancy Services Ltd. (+52.3%) and Bharti Airtel Ltd. (+22.6%). On the other hand, Hindustan Copper Ltd. saw the sharpest decline in turnover at 47.2%, followed by Nippon India Silver ETF (-33.8%), Reliance Industries Ltd. (-20.1%), HDFC Bank Ltd. (-11.9%) and ICICI Bank Ltd. (-10.7%). In absolute terms, the increase in turnover was led by Infosys Ltd., State Bank of India and BSE Ltd., while the decline was driven largely by Nippon India Silver ETF and Hindustan Copper Ltd., resulting in a largely offsetting movement within the top 10 cohort.

Overall market turnover rose 0.7% MoM to Rs 24.08 lakh crore in February 2026. Of the total increase in market turnover during the month, only around 13% was contributed by the top 10 securities, indicating that unlike January, trading activity in February was relatively more broad-based and less concentrated within a narrow set of highly traded counters

Table 124: Top 10 traded securities in NSE CM segment in February 2026

Securities Name	Feb-26	Jan-26	%Change
Nippon India Silver ETF	55,814	84,346	(33.8)
HDFC Bank Ltd.	53,568	60,775	(11.9)
Infosys Ltd.	49,226	22,492	118.9
State Bank of India	39,779	19,376	105.3
ICICI Bank Ltd.	38,063	42,632	(10.7)
BSE Ltd.	36,715	20,720	77.2
Reliance Industries Ltd.	32,250	40,352	(20.1)
Hindustan Copper Ltd.	30,867	58,465	(47.2)
Bharti Airtel Ltd.	29,158	23,787	22.6
Tata Consultancy Services Ltd.	28,285	18,577	52.3
Top 10 scrips turnover	**393,724**	**391,523**	**0.6**
Total turnover	**2,407,596**	**2,391,197**	**0.7**
% share of Top 10 scrips	**16.4**	**16.4**	**(0.02pp)**

Source: NSE EPR.
Note: 1. Figures in brackets indicate negative numbers.
　　　2. The scrip-wise turnover data for the previous month is based on the current month's top 10 scrips.

Top 10 stock futures and options turnover became more concentrated in February 2026: Total stock futures notional turnover declined 2.4% MoM to Rs 29.59 lakh crore, while the combined turnover of the top 10 stock futures rose 2.3% MoM to Rs 5.63 lakh crore from Rs 5.50 lakh crore in January 2026 for the same set. Consequently, their share in total stock futures turnover increased to 19.0% from 18.2%, indicating higher concentration in leading contracts during the month. Among the major stock futures, Infosys Ltd. (+48.6% MoM), State Bank of India (+41.3% MoM), TCS Ltd. (+33.7% MoM), BSE Ltd. (+52.4% MoM), and MCX India Ltd. (+14.7% MoM) recorded higher activity, while HDFC Bank Ltd. (-9.9% MoM), ICICI Bank Ltd. (-27.8% MoM), Reliance Industries Ltd. (-20.8% MoM), and Axis Bank Ltd. (-27.0% MoM) saw moderation in turnover.

In the stock options segment, trading activity strengthened more sharply in February 2026, led by Infosys Ltd. (+257.7% MoM), TCS Ltd. (+146.1% MoM), State Bank of India (+142.1% MoM), HAL Ltd. (+110.4% MoM), and BSE Ltd. (+84.0% MoM), while MCX India Ltd. (+21.2% MoM) and Dixon Tech Ltd. (+2.7% MoM) also recorded higher premium turnover. In contrast, Reliance Industries Ltd. (-31.6% MoM), Vedanta Ltd. (-32.1% MoM), and Hindustan Zinc Ltd. (-57.4% MoM) saw lower activity. The top-10 contracts collectively recorded premium turnover of Rs 48,373 crore, up 26.2% MoM, significantly higher than the 6.3% MoM increase in total stock options premium turnover, lifting their share to 25.8% from 21.8% in the previous month. This indicates that derivative activity in February remained concentrated in a limited set of actively traded contracts, particularly across information technology, financials, and exchange-linked stocks.

Table 125: Top 10 traded scrips in stock futures segment in February 2026

Securities (Rs lakh cr)	Feb-26	Jan-26	%Change
HDFC Bank Ltd.	84,981	94,331	(9.9)
Infosys Ltd.	76,943	51,770	48.6
ICICI Bank Ltd.	63,189	87,506	(27.8)
State Bank of India	63,061	44,640	41.3
Reliance Ltd.	61,612	77,752	(20.8)
TCS Ltd.	50,000	37,389	33.7
MCX India Ltd.	42,470	37,020	14.7
BSE Ltd.	42,388	27,822	52.4
Bharti Airtel Ltd.	40,047	39,613	1.1
Axis Bank Ltd	38,195	52,355	(27.0)
Top 10 scrips turnover	**562,885**	**550,197**	**2.3**
Total stock futures notional turnover	**29,59,273**	**30,30,657**	**(2.36)**
% share of Top 10 scrips	**19.0%**	**18.2%**	**0.87pp**

Table 126: Top 10 traded scrips (premium turnover) in stock options in February 2026

Securities Name (Rs cr)	Feb-26	Jan-26	%Change
Infosys Ltd.	7,239	2,024	257.7
State Bank of India	7,050	2,912	142.1
BSE Ltd.	5,799	3,152	84.0
MCX India Ltd.	5,753	4,745	21.2
TCS Ltd.	4,508	1,832	146.1
Dixon Tech Ltd.	3,878	3,778	2.7
HAL Ltd.	3,758	1,786	110.4
Reliance Ltd.	3,691	5,398	(31.6)
Vedanta Ltd.	3,439	5,068	(32.1)
Hindustan Zinc Ltd.	3,256	7,641	(57.4)
Top 10 scrips premium turnover	**48,373**	**38,337**	**26.2**
Total stock options premium turnover	**1,87,214**	**1,76,100**	**6.3**
% share of Top 10 scrips	**25.8%**	**21.8%**	**4.07pp**

Source: NSE EPR.
Notes: 1. Figures in brackets indicate negative numbers.
2. The scrip-wise turnover data for the previous month is based on the current month's top 10 scrips.

Trading activity in Electricity Futures

This section covers trading activity in the recently launched electricity futures at NSE, highlighting price movement, trade volumes, and open interest. Across August 2025 to February 2026 contracts, NSE Electricity Futures recorded a total traded volume of 27,028 MUs, compared with 44,254 MUs in the spot market. This resulted into a futures-to-spot volume ratio of 0.61, indicating closer alignment between spot and futures markets and growing adoption of futures for price discovery and hedging.

Total turnover during the period reached Rs 10,135 crore, reflecting sustained trading interest and improving liquidity. NSE maintained a strong 73% market share, underscoring its position as a preferred platform for electricity derivatives trading and risk management.

Overall, consistent trading activity across successive contracts signals rising market confidence and broader adoption of electricity futures for managing price volatility in India's power market.

Trading Activity in NSE Electricity Futures – February 2026 Contract

The February 2026 Electricity Futures contract traded at an average price of Rs 3,925/MWh. Futures prices remained stable despite intermittent volatility in the spot market, indicating efficient price discovery. The contract recorded an aggregate turnover of Rs 1,037 crore.

Trading volumes exhibited steady momentum throughout the contract, with the highest single-day volume of 254.70 MUs recorded on 30th January 2026. Cumulative trading volume in the futures reached 2,927 MUs, compared with 7,341 MUs in the spot market, resulting in a futures-to-spot volume ratio of 0.40. This points to strengthening participation in the futures segment and a gradual progression in India's electricity market.

Open interest remained stable over the contract, with an average of 283.40 lots and reaching a peak of 696 lots on 24th February 2026. The sustained rise in open positions suggests increase in hedging and wider market participation.

Overall, the February 2026 contract exhibited stable pricing and closer alignment with movements in the underlying spot market. The combined growth in trading volumes and open interest underscores strengthening market depth and operational robustness of NSE's electricity futures. With a 73% market share, the contract's performance further reinforces NSE's role as a transparent and efficient platform for electricity price discovery and risk management in India's evolving electricity derivatives market.

A detailed primer on this newly launched electricity futures product is provided below.

Figure 381: Comparison of Spot VWAP and NSE Electricity Futures LTP - February 2026 Contract

(in Rs /MWh)

Source: NSE.
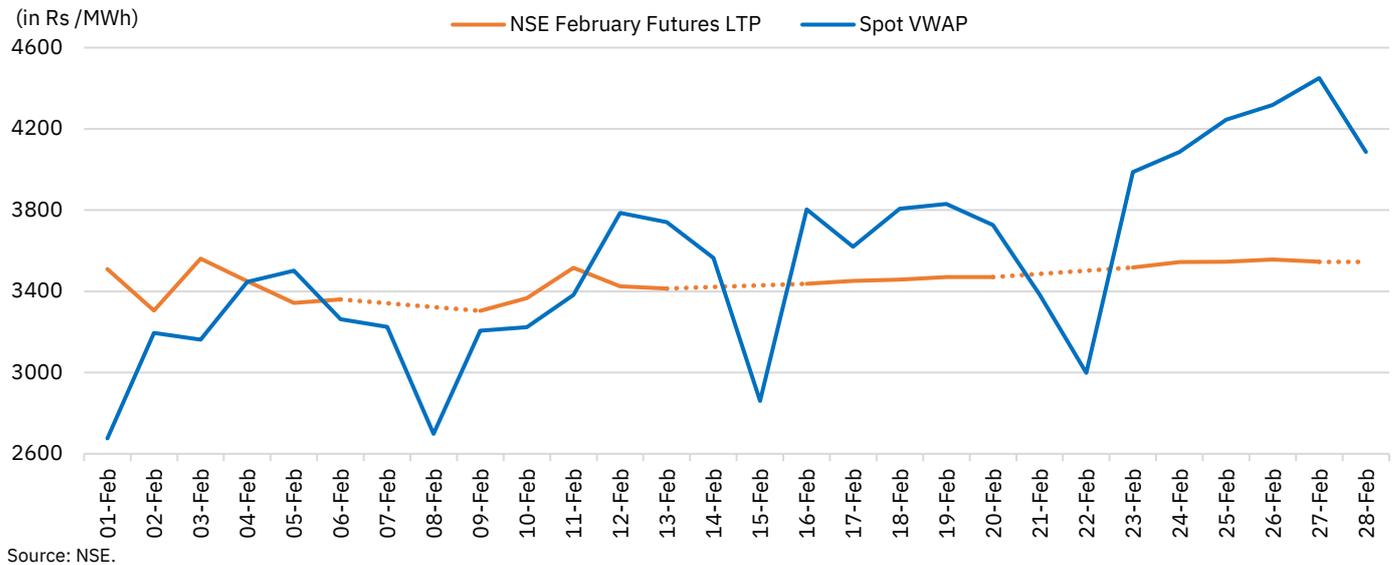
Figure 382: Comparison of NSE Electricity Futures Trade Volume and Spot Volume – February 2026 Contract

(in MUs)
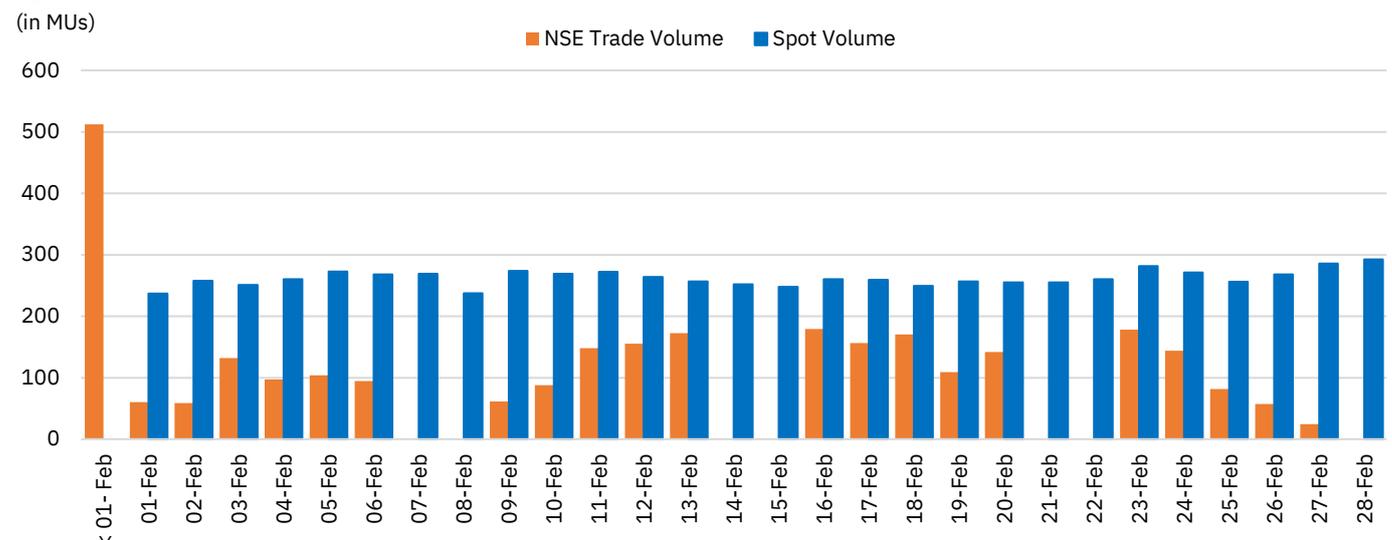
Source: NSE

Figure 383: Daily Open Interest in NSE Electricity Futures – February 2026 Contract

(in Lots)
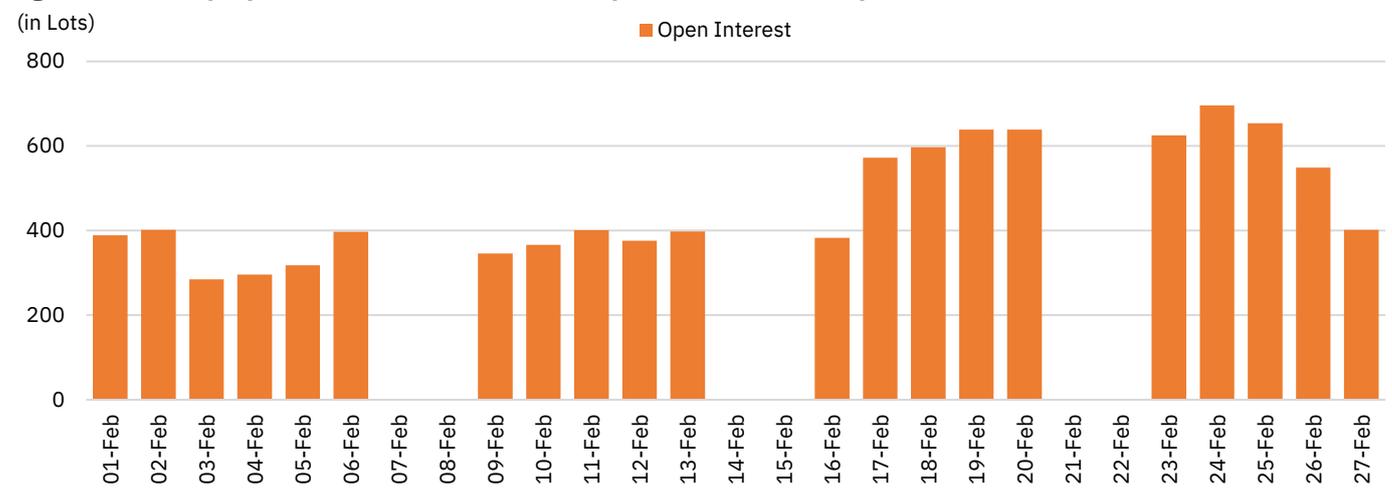
Source: NSE

Figure 384: Comparison of NSE Electricity Futures trade volume and spot volume (Aug'25 to Feb'26 contracts)

(in MUs)
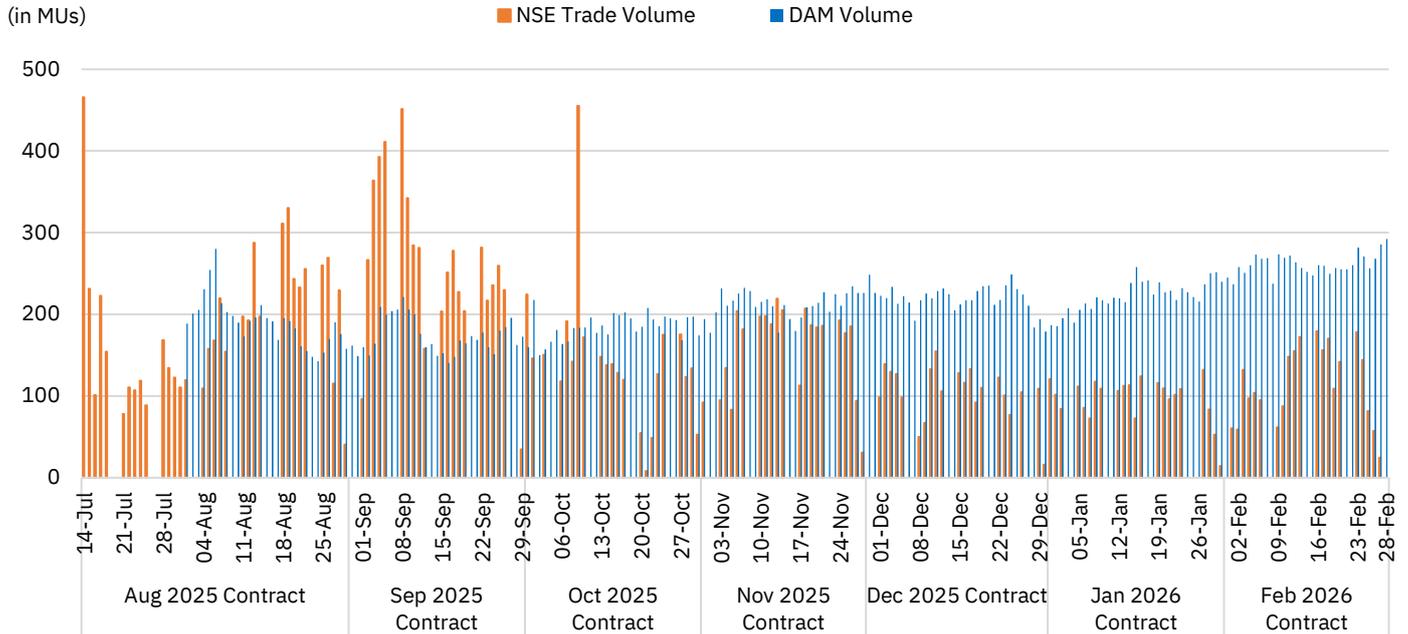
Source: NSE.

Figure 385: Comparison of Spot VWAP and NSE Electricity Futures LTP (Aug'25 to Feb'26 contracts)

(in Rs/MWh)
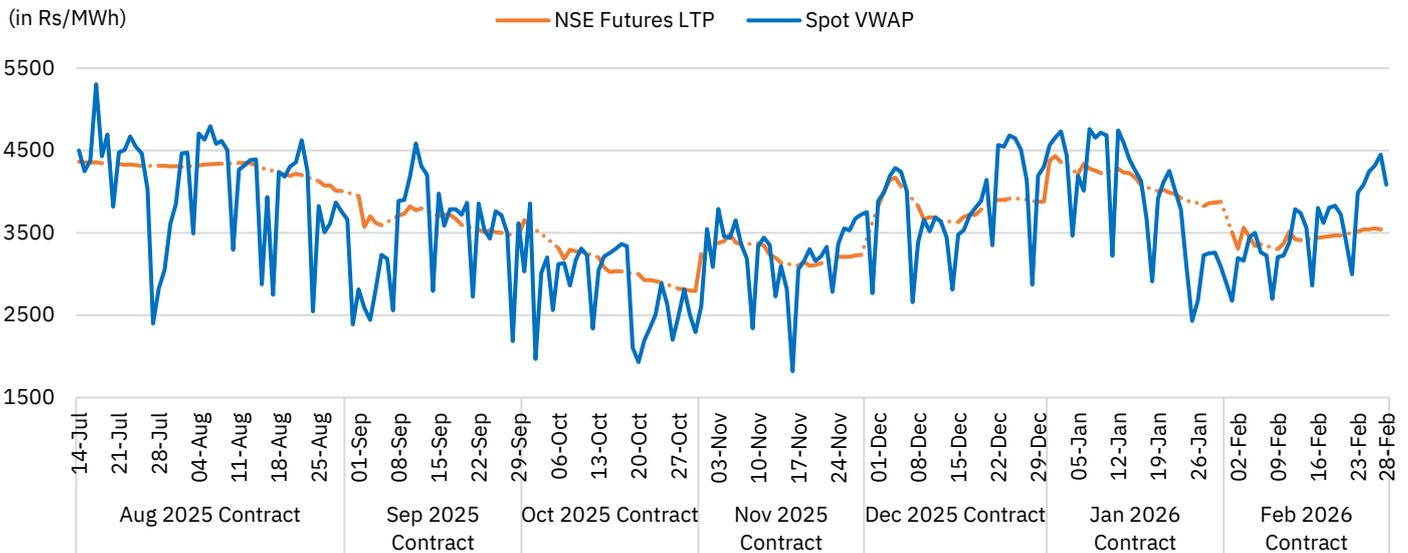
Source: NSE.

Market Trade Metrics: August 2025 to February 2026
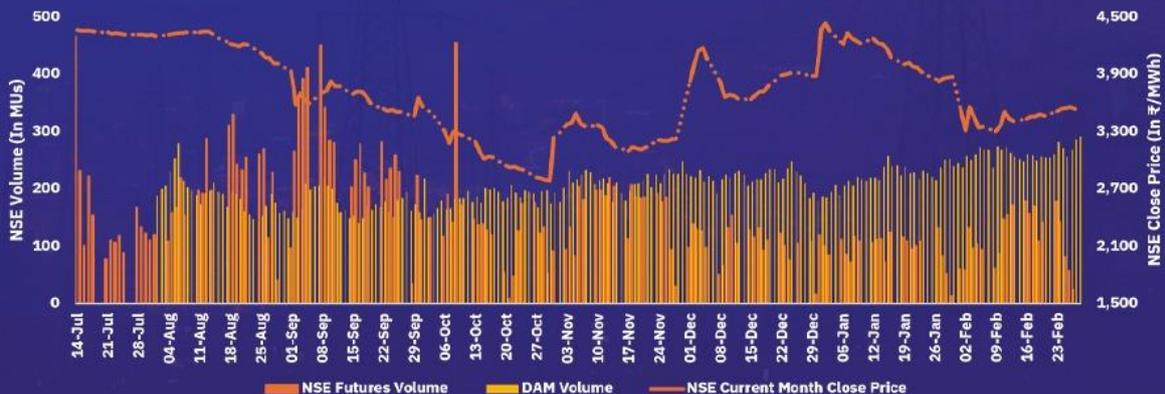
Primer: Electricity Futures Market

Why Electricity Futures Market is Needed

In FY 2025, India generated over **1,829.70 billion units (BU)** of electricity, of which nearly **1,623.5 BU** traded through long-term power purchase agreements (PPAs). Only **206.20 BU** was traded via short-term market mechanisms such as the Day-Ahead Market (DAM), Term-Ahead Market (TAM), Real-Time Market (RTM), and over the counter (OTC) trades. Despite spot exchanges like **IEX, PXIL, and HPX** handle only relatively **10%** of the total volume, they bear the brunt of price volatility and operational risk. This segment lacks **hedging instruments**, exposing generators to **earnings volatility**, DISCOMs to **cost uncertainty**, and financiers to **increased credit risk**.

Globally, electricity derivatives are integral for risk management and price discovery. Within the European Union, EEX supports trading of over 12,000 BU of electricity futures annually, more than 4 times the region's physical generation. In the United States, electricity derivatives markets exceed 3,000 BU, enabling market participants to hedge generation fluctuations and transmission constraints.

As India advances toward a net-zero energy future, renewable sources are expected to exceed 50% of installed capacity by 2030. Thus, power generation will become increasingly weather-dependent and intermittent. This shift increases financial uncertainty, particularly for capital-intensive projects with long investment horizons.

Given the substantial capital expenditure, the absence of financial instruments like electricity derivatives leaves these investments exposed to market risks—including sudden changes in electricity prices, fuel costs, and demand patterns. In this context, electricity futures serve as critical financial instrument allowing market participants to hedge price risk, stabilise cash flows, and make informed long-term investment decisions amid rising volatility.

Regulatory Clarity: An enabler for Electricity Derivatives in India

A landmark regulatory milestone was reached in October 2021, when the Supreme Court of India clarified jurisdiction over electricity market instruments. The ruling established that:

- The **Central Electricity Regulatory Commission (CERC)** will oversee contracts involving physical delivery of electricity, and

- The **Securities and Exchange Board of India (SEBI)** will regulate financial derivatives, including electricity futures and options.

This legal clarification resolved longstanding regulatory uncertainty and paved the way for the introduction of structured financial instruments in India's power sector.

What are Electricity Futures?

Electricity futures are standardised, cash-settled financial contract that allow market participants to lock in electricity prices today for financial settlement at a future date. These instruments are non-deliverable and operate independently of physical transmission logistics.

They function as a financial overlay to the physical market, offering forward price visibility without requiring asset ownership or operational coordination. Their primary value lies in enabling price certainty, improving budgeting accuracy, strengthening risk management, and supporting strategic procurement decisions in an inherently volatile market environment.

Benefits of Electricity Futures

Electricity futures function as a core risk-management tool, enabling generators, DISCOMs, traders, and large Commercial and Industrial consumers to hedge exposure to short-term price volatility. Market participants face uncertainty arising from real-time price fluctuations, demand uncertainty, and grid constraints—risks that cannot be effectively managed in the absence of financial hedging instruments. Electricity futures facilitate risk management, enhance market resilience, and contribute to more stable and predictable cash flows.

Stakeholders	Strategic advantages
Generators	• Hedge merchant exposure by locking in forward prices. • Enhance revenue predictability for credit assessments. • Mitigate downside risk from spot price volatility. • Strengthen financial viability for capital raising and refinancing. • Optimize maintenance scheduling and dispatch planning.
Distribution Companies (DISCOMs)	• Fix procurement costs ahead of demand surges. • Reduce reliance on reactive tariff adjustments and fuel cost pass-throughs. • Improve cash flow management and reduce regulatory lag.
Industrial Consumers	• Secure electricity costs ahead of production cycles. • Embed energy cost certainty into pricing and budgeting models. • Shift from reactive to strategic procurement behavior.
Traders & Market Intermediaries	• Exploit arbitrage opportunities across geographies and time horizons. • Enhance market liquidity and tighten bid-ask spreads. • Contribute to efficient price discovery.
Financial Institutions	• Develop structured products linked to energy markets. • Introduce electricity as a tradable asset class. • Facilitate renewable energy investments via hedging instruments.

Investment through mutual funds in India

Average Assets Under Management (AAUM) of MF industry scaled a record high…: AAUM scaled a fresh record high of Rs 83.4 lakh crore in February 2026, registering a growth of 1.7% MoM supported by inflows and MTM gains in both equity and debt. Asset movement during the month reflected a mix of supportive and offsetting forces. On the equity side, positive sentiments around the US-India trade deal, better-than-expected corporate earnings, stability around monetary policy supported the gains. These were broadly offset by post-Budget weak sentiments and sharp correction in IT sector. In debt, the gains from sustained liquidity measures from RBI were offset by bigger-than-expected market borrowings announced in the Budget.

… buoyed by sustained momentum in equity flows…: Net flows significantly declined to ~Rs 95k crore (vs. Rs 1.6 lakh crore) led by debt flows (Rs 42k crore) and passive funds (particularly gold and silver ETFs) even as momentum in equity funds (~Rs 26k crore) continued, marking the 60th consecutive month of inflow. Within equity schemes, flexi-cap funds recorded the highest inflows for the seventh consecutive month, and together with mid-cap and small-cap funds accounted for 57% of total equity inflows. Total flows so far this fiscal has remained broadly stable at the same level as last year at Rs 9.8 lakh crore driven by inflows into passive funds which have been offset by lower inflows into debt and equity segments. Although gold ETF inflows have reduced to one-fifth to Rs 5k crore in Feb, this segment emerged as the largest contributor among passive funds.

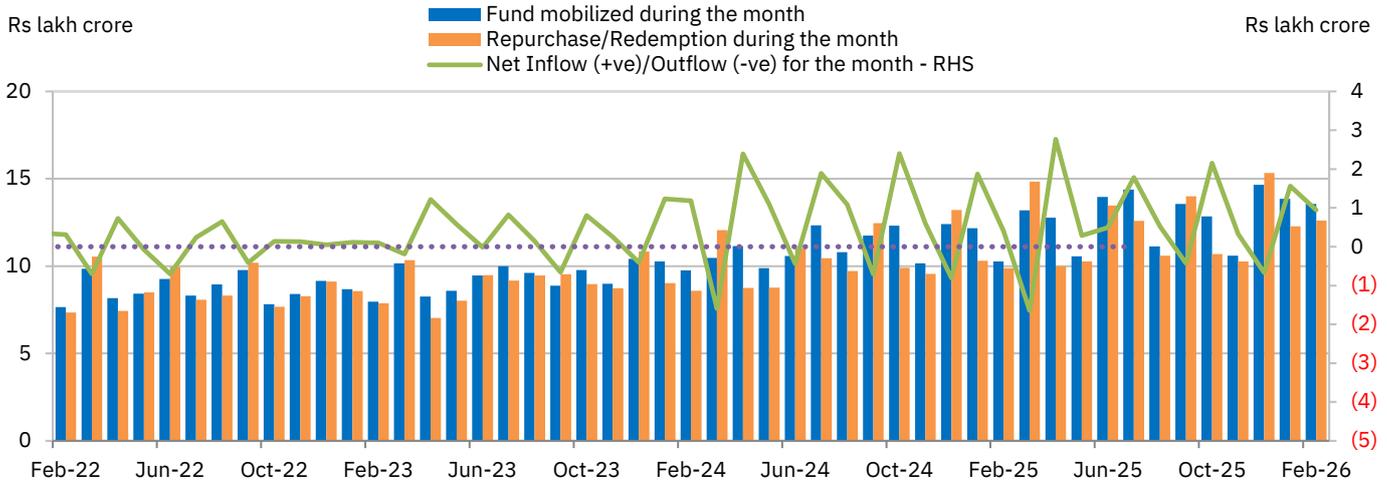**…even as SIP inflows recorded a marginal dip:** Monthly SIP inflows — which had remained above Rs 30k crore in Dec-Jan — stood at Rs 29,845 crore in February, 3.7% lower than the previous month. The marginal dip in SIP inflows is primarily ascribed to a shorter month. Average monthly SIP inflows stood at Rs 28,864 crore, 20.5% higher than the same period last year while the cumulative flows so far this fiscal of Rs 3.2 lakh crore has outpaced the flows of Rs 2.9 lakh crore in FY25.

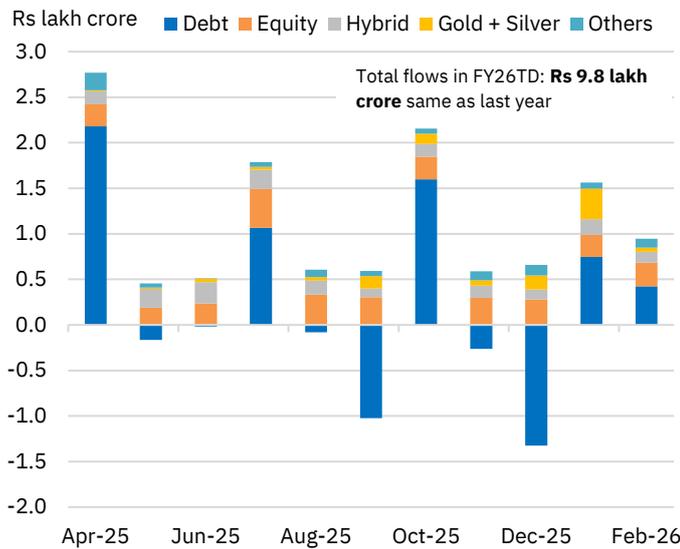**Figure 386: Monthly trend of total MF schemes and average AUM**
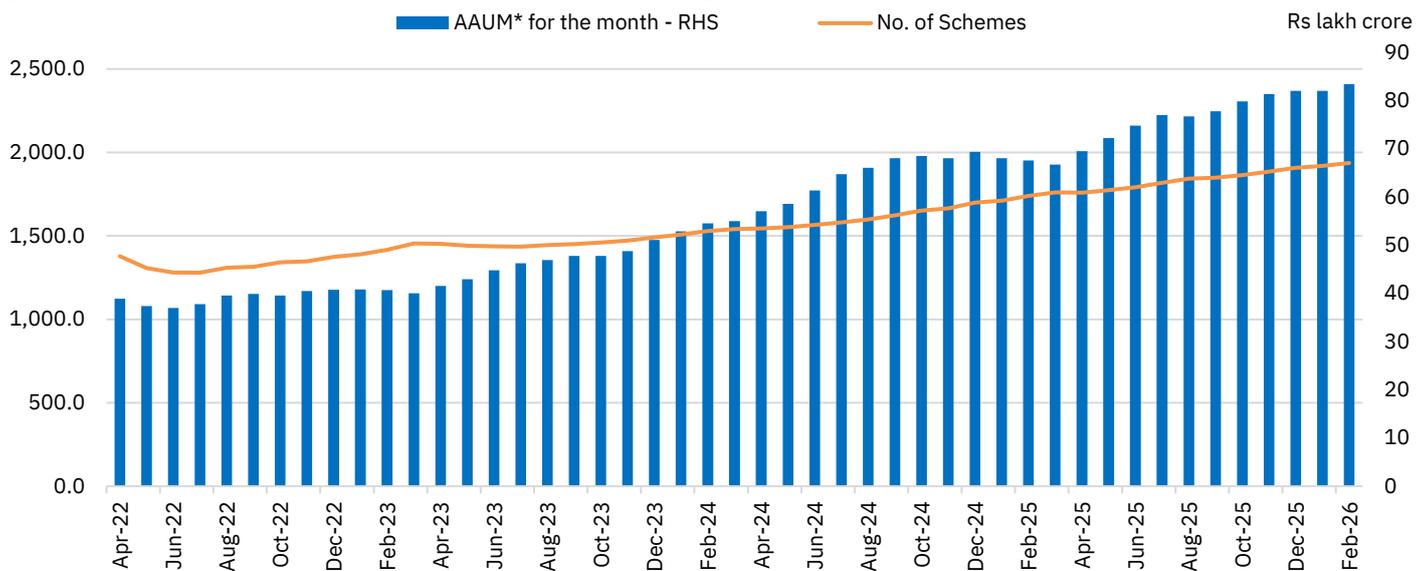
Source: AMFI, NSE EPR. *AAUM-Average Assets under Management.

**Figure 387: Monthly trend of total investment through mutual funds**

Rs lakh crore

- Fund mobilized during the month
- Repurchase/Redemption during the month
- Net Inflow (+ve)/Outflow (-ve) for the month - RHS

Rs lakh crore

Source: AMFI, NSE EPR.

Figure 388: Breakup of flows across broad categories

Rs lakh crore ■ Debt ■ Equity ■ Hybrid ■ Gold + Silver ■ Others

Total flows in FY26TD: **Rs 9.8 lakh crore** same as last year

Figure 389: Trends in equity vs gold & silver flows

Rs crore

Flows to equity MFs and gold & silver ETFs

— Equity — Gold + Silver

Sharp decline in net flows into gold and silver ETF in February

Source: AMFI, NSE EPR. Notes: 1) Debt and equity flows is a total of open and close-ended schemes 2) Others include solution-oriented, interval and other passive schemes
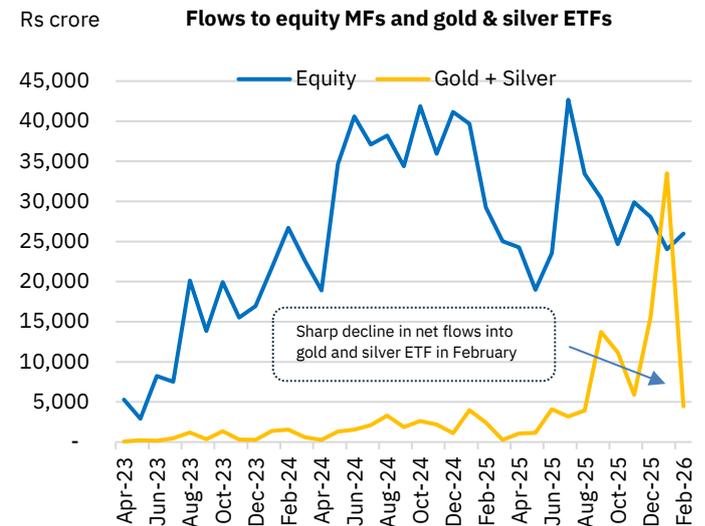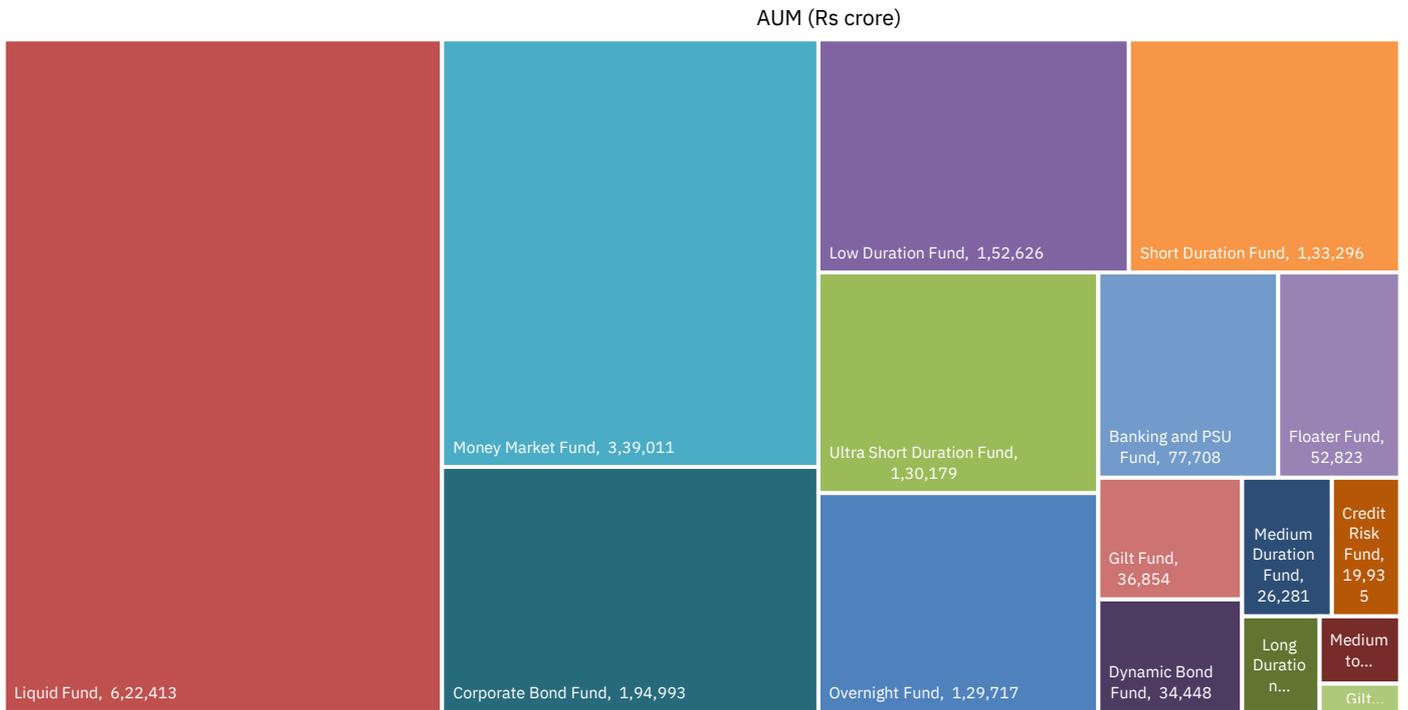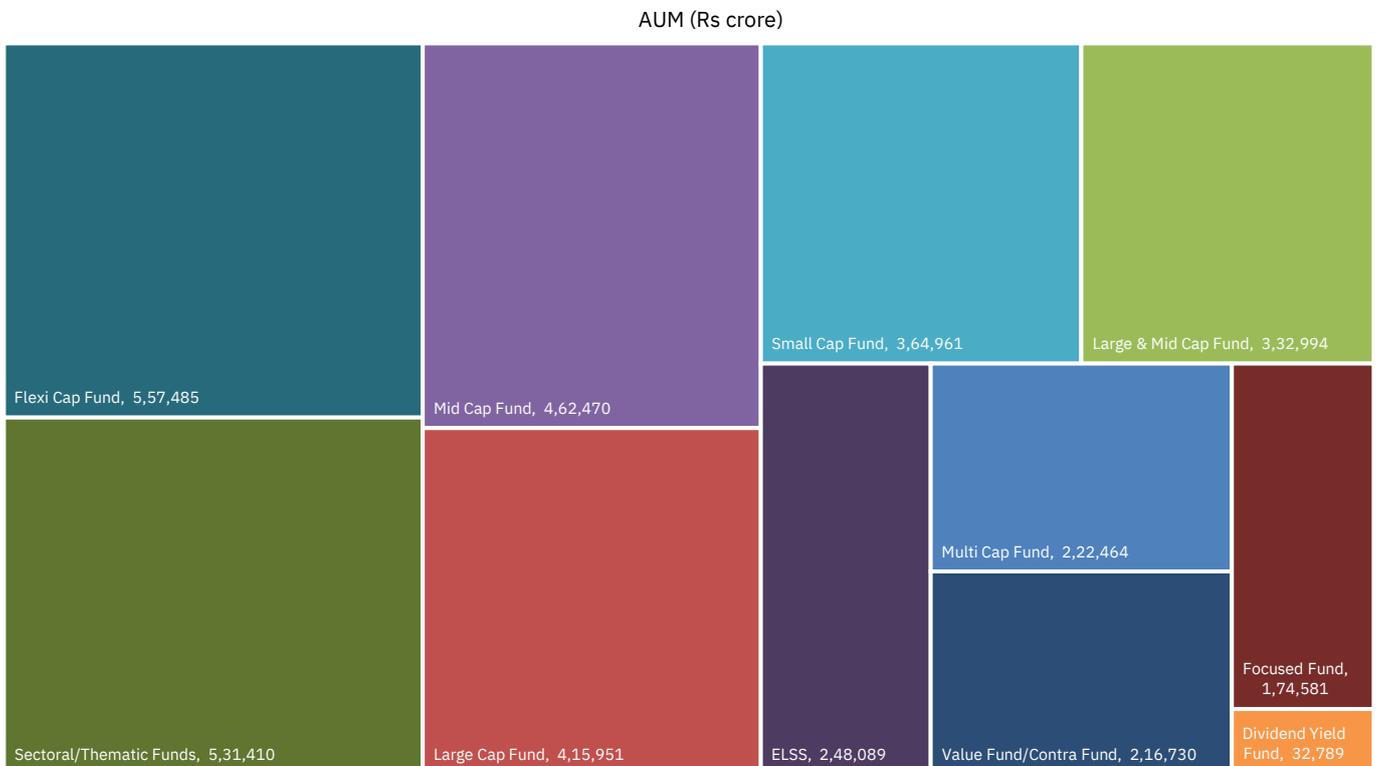
Table 127: Monthly trend in equity flows (open-ended scheme) across categories in FY26

Month	Multi Cap	Large Cap	Large & Mid Cap	Mid Cap	Small Cap	Dividend Yield	Value Fund/Contra	Focused	Thematic	ELSS	Flexi-cap	Total
Apr-25	2,552	2,671	2,552	3,314	4,000	51	1,073	885	885	-372	5,542	**23,153**
May-25	2,999	1,250	2,691	2,809	3,214	-21	-92	947	947	-678	3,841	**17,908**
Jun-25	2,794	1,694	3,497	3,754	4,025	46	1,159	965	965	-556	5,733	**24,077**
Jul-25	3,991	2,125	5,035	5,182	6,484	97	1,470	1,606	1,606	-368	7,654	**34,882**
Aug-25	3,193	2,835	3,326	5,331	4,993	-175	1,141	1,155	1,155	59	7,679	**30,692**
Sep-25	3,560	2,319	3,805	5,085	4,363	-168	2,108	1,407	1,407	-308	7,029	**30,608**
Oct-25	2,500	972	3,177	3,807	3,476	-179	368	939	939	-666	8,929	**24,263**
Nov-25	2,463	1,640	4,503	4,487	4,407	-278	1,219	2,040	2,040	-570	8,135	**30,086**
Dec-25	2,255	1,567	4,094	4,176	3,824	-254	1,089	1,057	1,057	-718	10,019	**28,165**
Jan-26	1,995	2,005	3,182	3,185	2,942	48	993	1,557	1,043	-594	7,672	**24,029**
Feb-26	1,934	2,112	3,138	4,003	3,881	21	727	901	2,987	-650	6,925	**25,978**

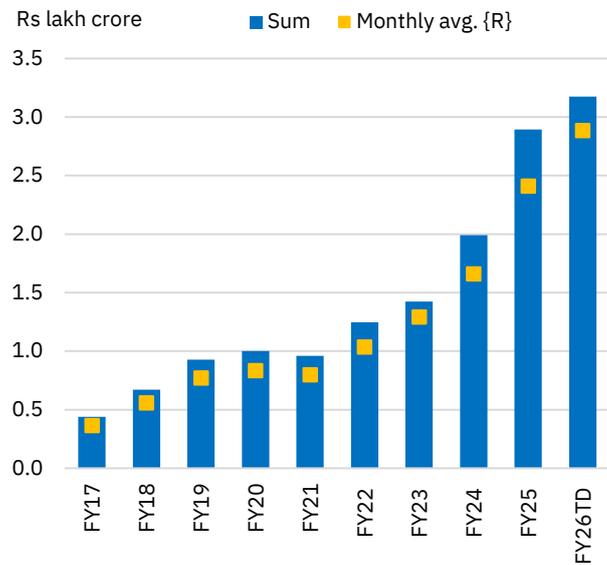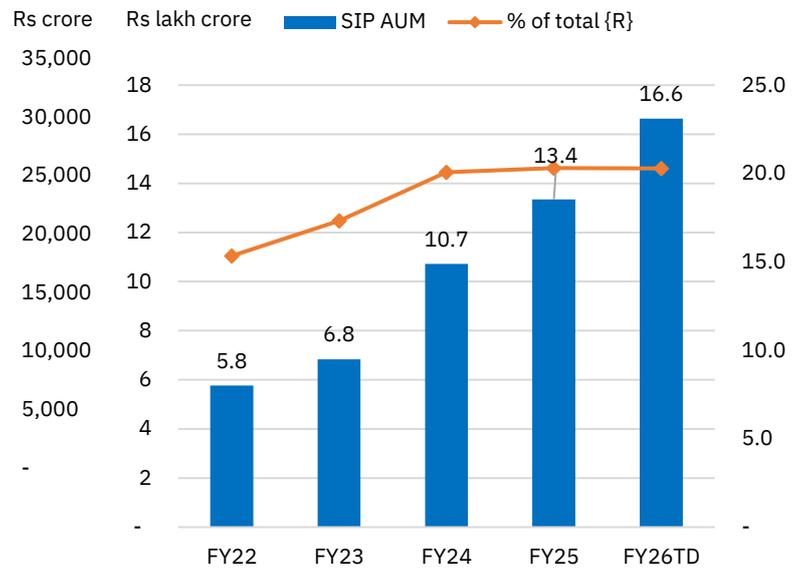Source: AMFI, NSE EPR. Notes: 1) ELSS stands for Equity Linked Savings Scheme

Figure 390: Category-wise AUM of open-ended debt schemes

AUM (Rs crore)

Liquid Fund, 6,22,413
Money Market Fund, 3,39,011
Corporate Bond Fund, 1,94,993
Low Duration Fund, 1,52,626
Short Duration Fund, 1,33,296
Ultra Short Duration Fund, 1,30,179
Overnight Fund, 1,29,717
Banking and PSU Fund, 77,708
Floater Fund, 52,823
Gilt Fund, 36,854
Dynamic Bond Fund, 34,448
Medium Duration Fund, 26,281
Credit Risk Fund, 19,935
Long Duration...
Medium to...
Gilt...

Source: AMFI, NSE EPR.

Figure 391: Category-wise AUM of open-ended equity schemes

AUM (Rs crore)

Flexi Cap Fund, 5,57,485
Sectoral/Thematic Funds, 5,31,410
Mid Cap Fund, 4,62,470
Large Cap Fund, 4,15,951
Small Cap Fund, 3,64,961
Large & Mid Cap Fund, 3,32,994
ELSS, 2,48,089
Multi Cap Fund, 2,22,464
Value Fund/Contra Fund, 2,16,730
Focused Fund, 1,74,581
Dividend Yield Fund, 32,789

Source: AMFI, NSE EPR.

Figure 392: Trends in annual SIP contribution

Rs lakh crore ▪ Sum ▪ Monthly avg. {R}   Rs crore

Figure 393: Trends in SIP AUM

Rs lakh crore ▪ SIP AUM ◆ % of total {R}

Source: AMFI, NSE EPR. Notes: 1) Data for FY26TD is till February 2026

Active AAUM of equity and debt stood at record high level of over Rs 55 lakh crore: Equity mutual AAUM, which grew notably by 24.2% YoY, has remained broadly range-bound in the last four months, slightly above Rs 45 lakh crore. Both active (Rs 35.6 lakh crore; 43% share) and passive fund equity AUM (Rs 10.1 lakh crore; 12.1% share) have registered growth of 23.7% and 26.1% YoY respectively. Within open-ended equity scheme, AAUM of flexi-cap funds have the highest AAUM accounting for more than 15%, followed by thematic funds (15%), mid-cap (13%) and large-cap funds (11.7%).

Active debt funds crossed the Rs 20 lakh crore mark again in February, with AAUM rising 11.8% YoY, in contrast to passive debt fund AAUM, which declined to Rs 2 lakh crore, down 2% YoY. Within open-ended debt funds, liquid funds (31.4%), money market fund (17.1%) and corporate bond fund account for ~10% of AAUM. Hybrid funds AAUM grew by 29.1% YoY to ~Rs 12 lakh crore led by sustained flows of Rs 1.7 lakh crore during the current fiscal so far. In the last six years, the share of active debt has declined from a half of the asset size to a fourth, while the share of active equity and others (predominantly passive funds) have grown 14pp and 11pp respectively.

**Table 128: Monthly trend of average AUM of mutual funds across categories**

Rs crore	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	% share
Total MF AUM	77,77,802	79,79,398	81,31,764	81,98,944	82,01,175	83,42,617	100.0
Equity	43,51,968	44,47,222	45,31,560	45,57,699	45,26,333	45,74,637	54.8
Active	34,12,637	34,81,272	35,43,231	35,54,828	35,25,609	35,64,144	42.7
Passive	9,39,331	9,65,950	9,88,330	10,02,871	10,00,725	10,10,493	12.1
Index funds	2,00,721	2,06,840	2,12,482	2,15,059	2,15,490	2,18,984	2.6
Domestic	1,94,292	2,00,248	2,05,868	2,08,286	2,08,616	2,12,143	2.5
International	6,430	6,593	6,614	6,773	6,874	6,842	0.1
ETFs	7,38,610	7,59,109	7,75,847	7,87,812	7,85,235	7,91,509	9.5
Domestic	7,22,145	7,42,129	7,58,712	7,70,363	7,67,675	7,74,489	9.3
International	16,465	16,980	17,135	17,449	17,560	17,020	0.2
Debt	21,25,933	21,67,915	22,06,088	21,99,078	21,51,724	22,05,009	26.4
Active	19,23,281	19,64,231	20,02,016	19,95,553	19,48,624	20,03,369	24.0
Passive	2,02,652	2,03,684	2,04,072	2,03,525	2,03,100	2,01,640	2.4
Index funds	1,06,365	1,06,354	1,06,279	1,04,860	1,03,617	1,02,198	1.2
Domestic	1,06,365	1,06,354	1,06,279	1,04,860	1,03,617	1,02,198	1.2
ETFs	96,288	97,330	97,793	98,665	99,483	99,441	1.2
Hybrid	10,93,890	11,22,090	11,45,449	11,62,111	11,77,654	11,95,277	14.3
Others*	2,06,010	2,42,171	2,48,666	2,80,056	3,45,464	3,67,694	4.4

Source: AMFI, NSE EPR. *Others include Gold and silver ETFs, other ETFs and index funds, solution-oriented schemes, interval schemes, FoFs investing overseas in active and passive funds.

Figure 394: Share of overall mutual fund AUM across asset classes
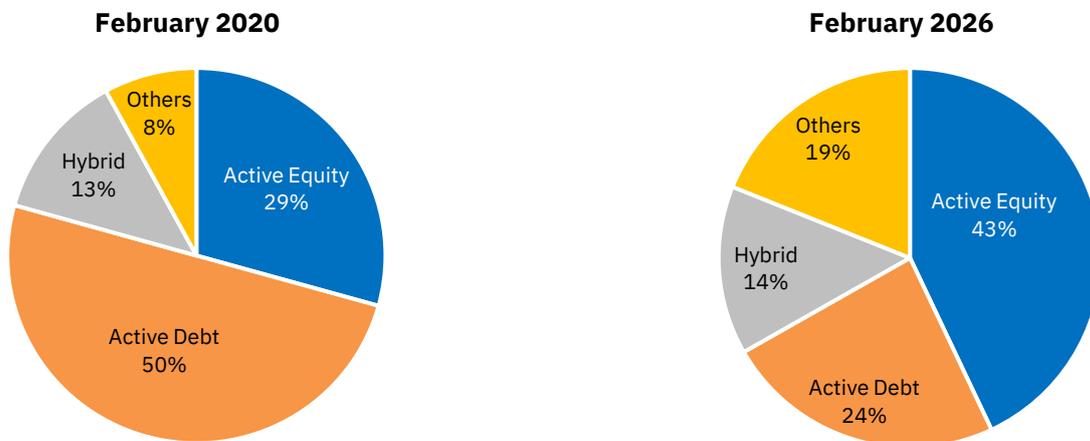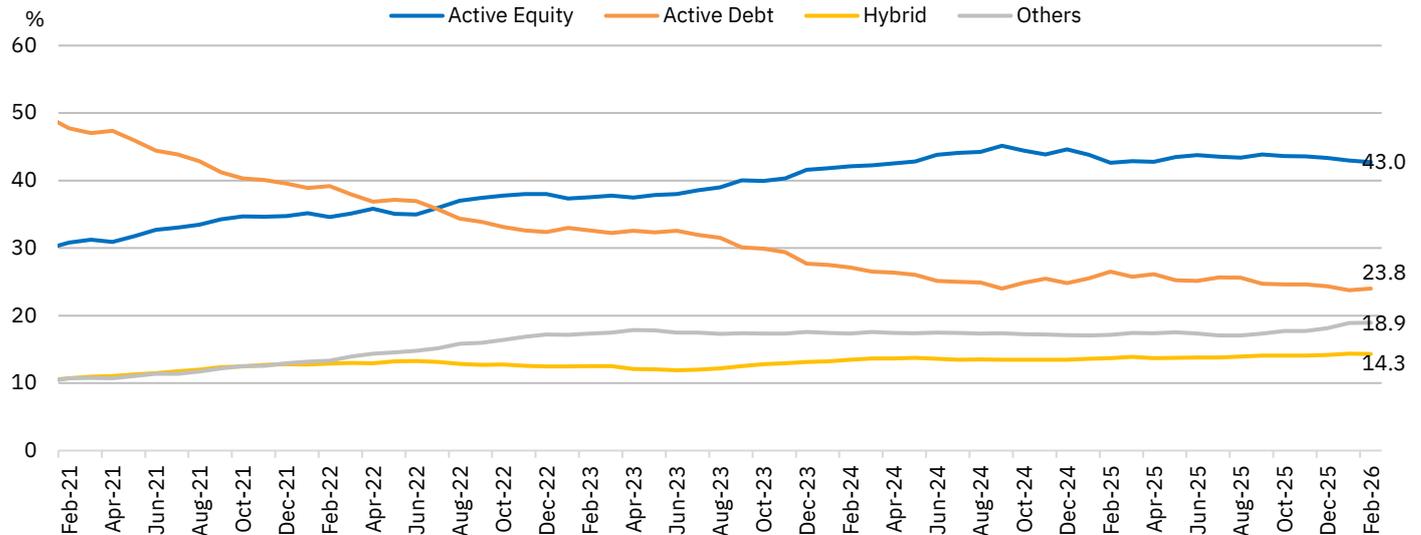

February 2020

February 2026

Source: CMIE Economic Outlook, AMFI, NSE EPR

Note: 1) Equity and debt funds include both actively and passively managed funds. Others include Index funds, ETFs, solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Figure 395: Category-wise mutual fund AUM split*
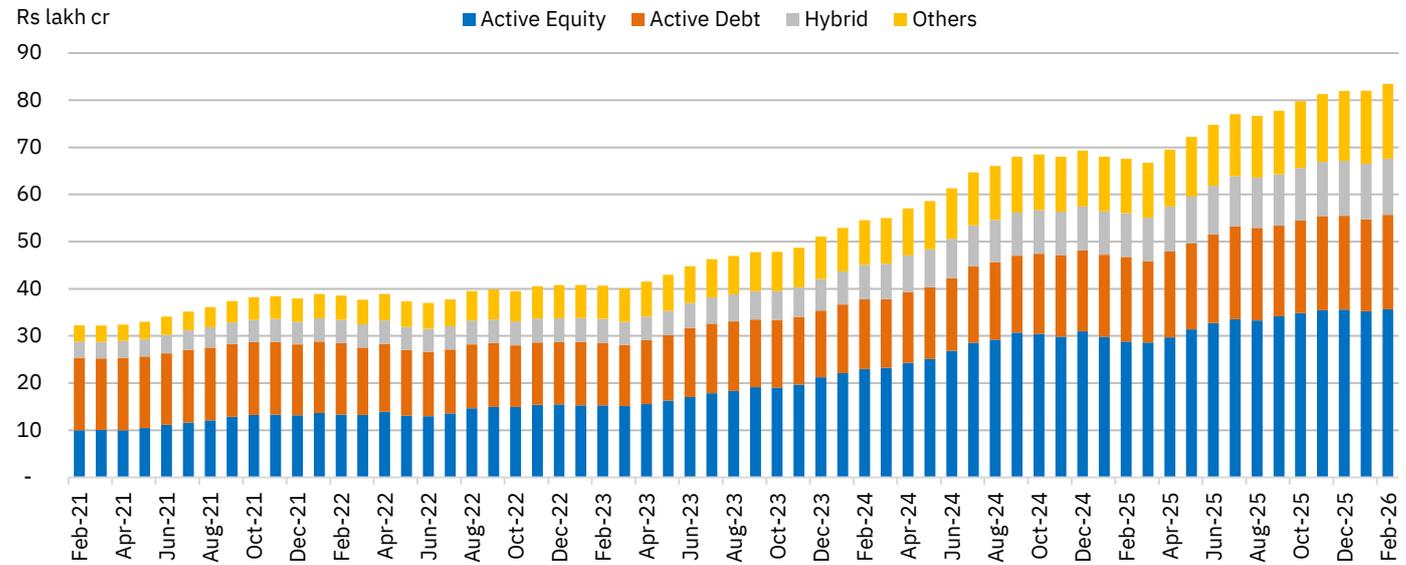
Source: CMIE Economic Outlook, AMFI, NSE EPR.
Note: 1) Equity and debt funds include both actively and passively managed funds. *Others include Index funds, ETFs, solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Figure 396: Category-wise share in mutual fund AUM*

Source: CMIE Economic Outlook, AMFI, NSE EPR.
Note: 1) Equity and debt funds include both actively and passively managed funds. *Others include Index funds, ETFs, solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Passive funds AAUM[12] registered 37% YoY growth to over Rs 15 lakh crore: Passive funds AAUM — which accounted for 18% of the total AAUM — has grown by 2% MoM and 37.3% YoY to Rs 15.2 lakh as of February 2026. There was a positive investor interest in passive funds with net inflows of Rs 14k crore, albeit almost one-third of the net inflows in January. While inflows into gold ETFs have reduced to almost one-fifth to Rs 5k crore, silver ETFs recorded net outflows for the first time since November 2023. So far this fiscal, net inflows have aggregated Rs 1.8 lakh crore, 43% higher than the same period last year and primarily led by flows into gold and silver ETFs. The cumulative flows in gold

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[12] Includes domestic and international equity index funds and ETFs, domestic debt index funds and ETFs, gold and silver ETFs, fund of fund investing overseas and other index funds and ETFs.

and silver ETFs stood at nearly Rs one lakh crore, which is 54% of the net inflows into passive funds.

The share of gold and silver ETFs in overall passive fund AAUM has risen from 3.5% in April 2023 to 17.5% with the AAUM of Rs 2.7 lakh crore as of February. Since March 2025, the AAUM of these two ETFs have almost quadrupled while equity passive fund AAUM (share: ~66%) has grown by 26.1 YoY%, reflecting the growing adoption of passive investment strategies among investors seeking cost-efficient exposure.

Figure 397: Monthly trend of average AUM of passive mutual funds across categories
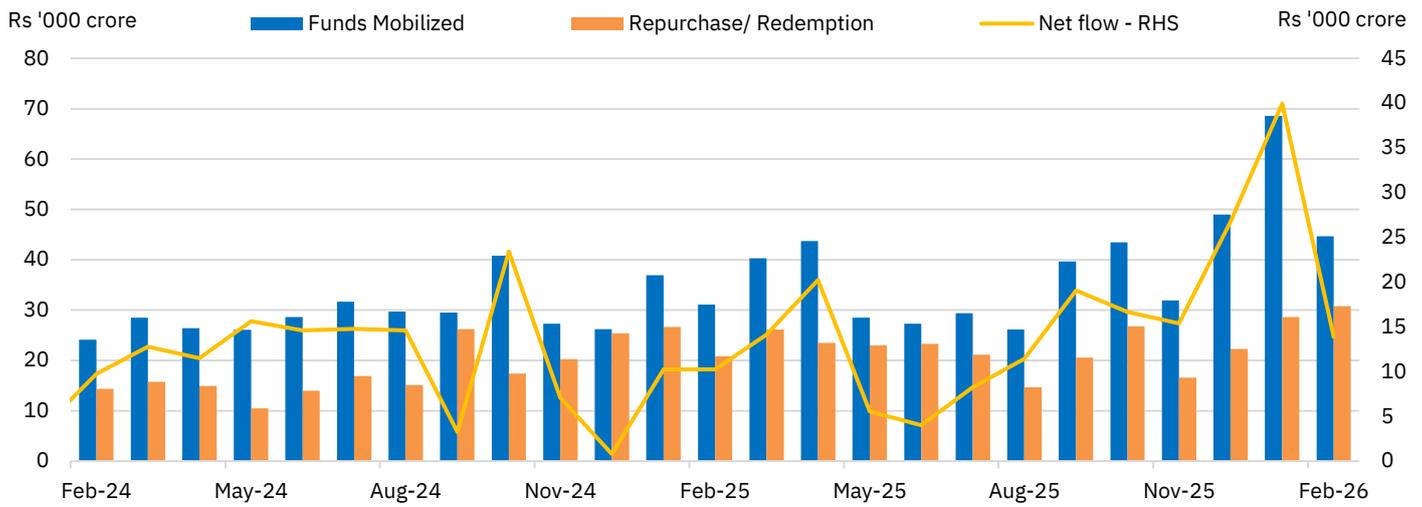
Source: CMIE Economic Outlook, AMFI, NSE EPR.

Figure 398: Monthly trend of gold and silver ETF AAUM
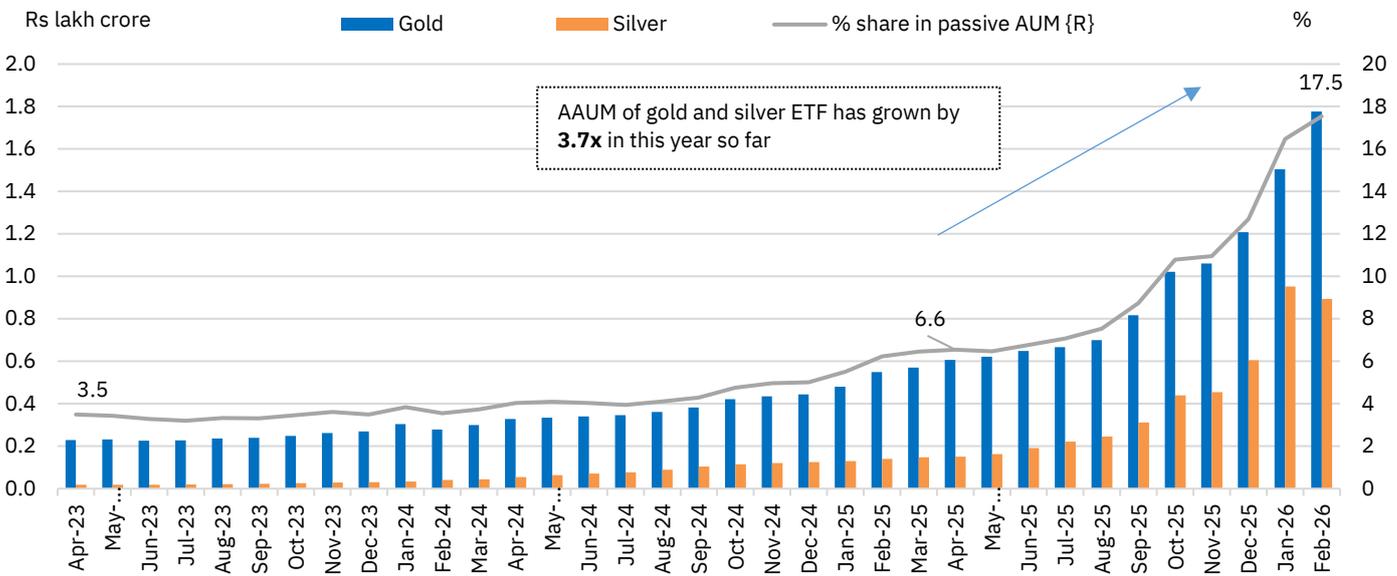
Source: AMFI, CMIE Economic Outlook, NSE EPR

Top 10 states account for more than 80% of equity AAUM: There has been a sequential improvement in the AAUM of most states in February with the growth of top 10 states ranging between 0.4% to 1.5% MoM. These states have recorded impressive 20+% growth led by Maharashtra, Rajasthan, Karnataka (27% YoY each). The top 10 states accounted for nearly 82% of the equity AAUM of little more than Rs 45 lakh crore. 27 States/UTs have equity AAUM of less than Rs 1 lakh crore and have seen their assets grow

by 24.5% YoY to Rs 8.2 lakh crore. Within the top 15 states, the equity AAUM has grown in the range of 2.6x-3.1x during the last four years led by Rajasthan (3.1x), Haryana (3.1x) and Madhya Pradesh (2.9x). Maharashtra has nearly 61% of the AUM into non-equity while Delhi has a share of 54%, reflecting greater institutional depth and stronger participation from institutions and corporate treasuries.

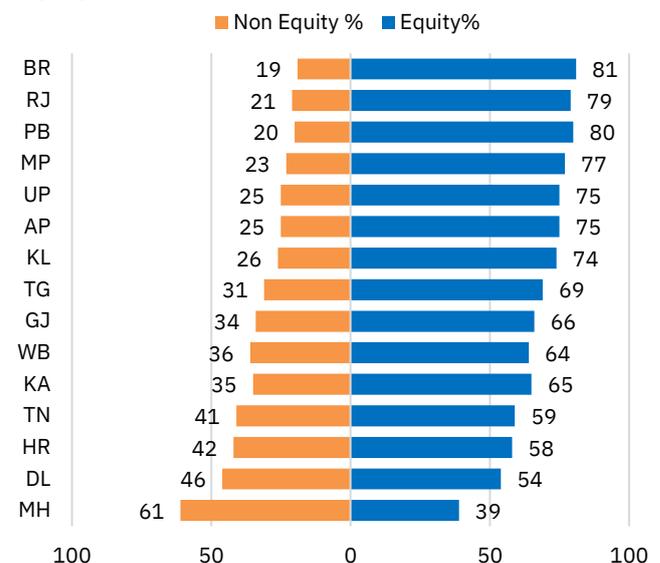**Figure 399: State-wise distribution of equity schemes AUM in February'26**
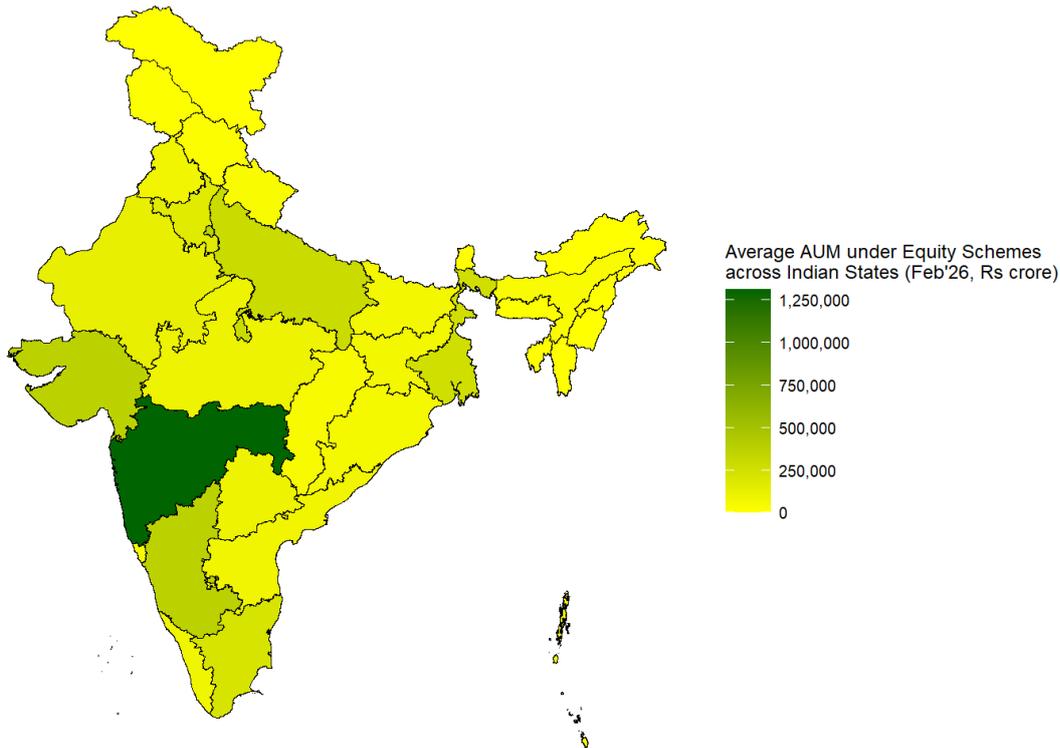
Source: AMFI, NSE EPR. Note: The map is created using the state-level shapefile: Link

Figure 400: State-wise share in total equity AAUM
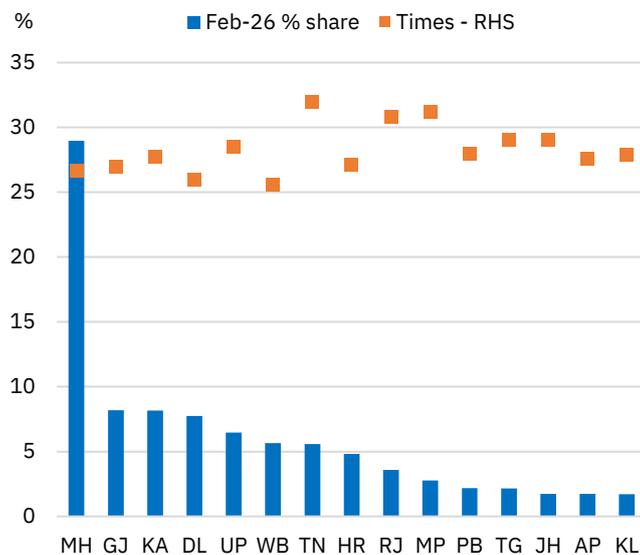
Figure 401: State-wise breakup of equity vs non-equity in total AUM

Source: AMFI, CMIE Economic Outlook, NSE EPR; Notes: Fullform: 1) MH= Maharashtra, DL- New Delhi, HR= Haryana, TN= Tamil Nadu, KA= Karnataka, WB= West Bengal, GJ= Gujarat, TG= Telangana, KL= Kerala, AP= Andhra Pradesh, UP= Uttar Pradesh, MP= Madhya Pradesh, PB= Punjab, RJ= Rajasthan, BR= Bihar

22 NFOs in February led by passive and equity schemes: In the first two months of 2026, 34 NFOs were announced with Rs 7,296 crore garnered and an average fund mobilisation of Rs 215 crore. This is, however, lower than 41 NFOs in the same period last year with inflows of Rs 8,573 crore. Eight of the new fund offers were in the equity segment, collective mobilising ~Rs 4k crore, with majority coming from sector-wise/thematic schemes. Out the 11 NFOs in the "others" section, four were index funds while the remaining were ETFs.

Figure 402: Monthly trend of total investment through new schemes
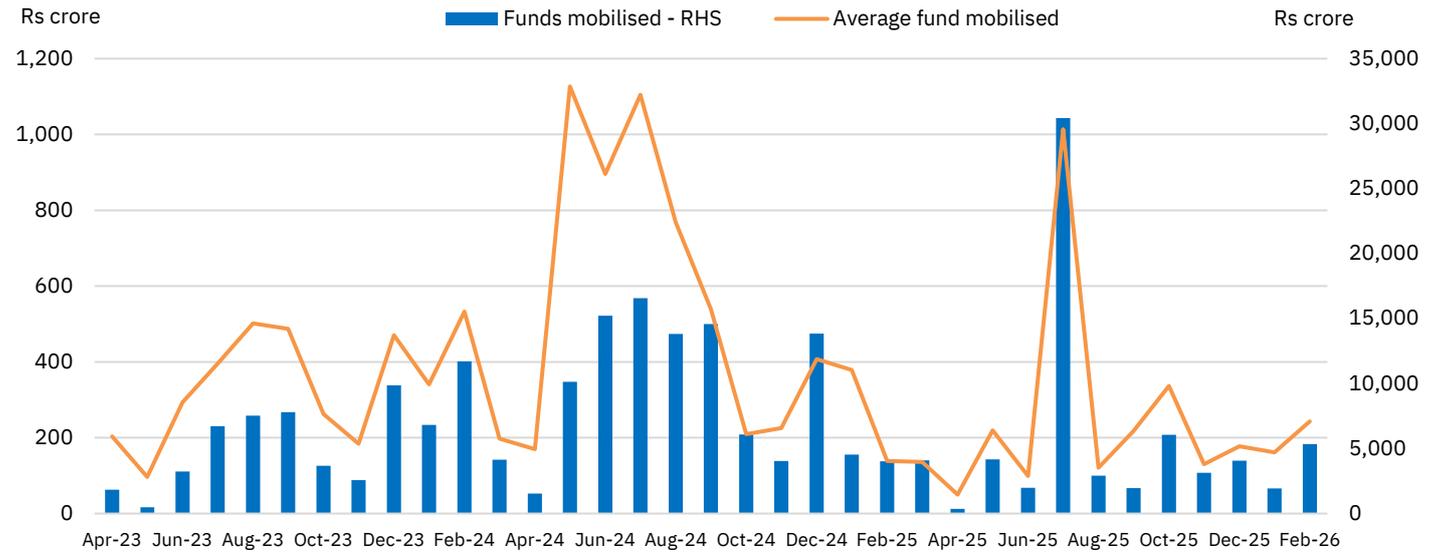
Source: AMFI, NSE EPR.

Figure 403: Annual trend of total investment through new schemes
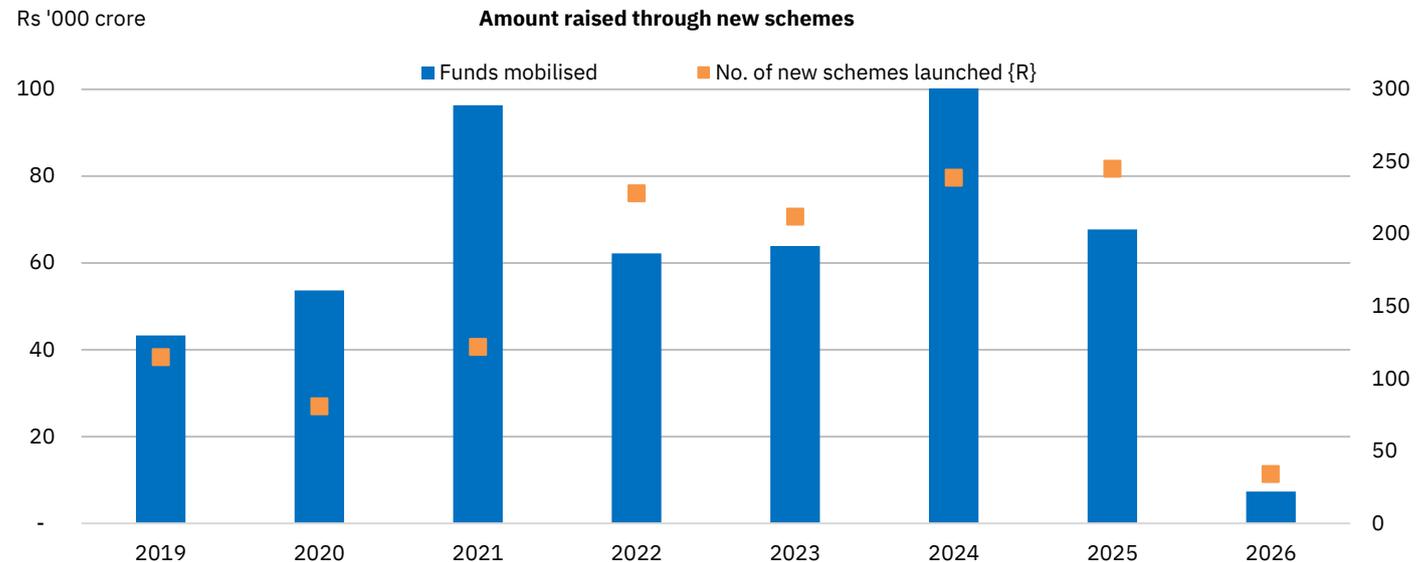
Source: AMFI, NSE EPR.

Comparison of trading activities across major exchanges globally

Global asset markets ended 2025 firmly in positive territory despite a volatile start. Developed-market equities (MSCI World) gained 19.5% in 2025, following 17% in 2024, marking the first post-pandemic year in which all major asset classes delivered positive returns. Emerging markets outperformed with a 30.6% USD return, led by AI- and technology-driven gains in Korea, Taiwan and China. However, the year 2026 started on a weak note, with MSCI World Index generating 6.2% USD return, even as MSCI EM Index remained subdued at 3.9%.

Comparing the trading activities across major exchanges globally, the combined market capitalisation of the top ten exchanges rose 16.2%YoY in 2025, led by strong gains in major US exchanges. The NSE ranked ninth globally with a market capitalisation of US$ 5.3tn, while equity trading activity across exchanges expanded, with the NSE retaining its third position despite some moderation in volumes. Primary markets were robust worldwide, with global IPO listings rising 13.5%YoY, as India emerged as the leading contributor, supported by strong investor participation and favourable regulatory conditions.

This section explores the overall trend of trading patterns and shifts in the securities market over the past three years in various segments across global stock exchanges. We use data from the World Federation of Exchanges (WFE) over the period Jan'14-Dec'25, covering a total of 154 exchanges, the majority of which are from EMEA region, followed by Asia-Pacific, and the rest from the Americas. We have also highlighted NSE's share across asset classes in cash and spot markets based on market capitalization and trading activity. The key takeaways of the analysis are as follows.

- **NSE market cap at US$ 5.3tn as of December 2025:** As of December 2025, global equity markets remained firm, with the combined market capitalisation of the top ten exchanges rising by 16.2%YoY. On a sequential basis, however, growth was more subdued at 0.8%MoM. The NSE ranked ninth globally, with a market capitalisation of approximately US$ 5.3tn, reflecting a 2.7% YoY increase. Nasdaq **retained** its position as the largest exchange worldwide, with a market capitalisation of US$ 38tn, up 2.1% MoM and 22.6% YoY, followed by the NYSE at US$ 31.4tn, which recorded a marginal sequential decline and was broadly flat on an annual basis. The top five was completed by the SSE, Euronext and JPX, with market capitalisations of US$ 9.3tn, US$ 7.9tn and US$ 7.6tn, respectively.

- **NSE retains third position globally in 2025 in equity trading activity**: In 2025, equity trading activity across the top ten global exchanges expanded by 18%YoY, aided by buoyant primary market activity and improved investor participation. The SZSE, accounting for 26.4% of total trades among the top ten, retained its leadership with 1,718 crore trades during the year, reflecting a 33% annual increase, followed by the SSE with 1,174 crore trades. The NSE continued to rank third globally; however, its trading volumes moderated by 14%YoY to 825 crore trades, compared with 957 crore in the previous year. Overall, both developed and emerging market exchanges witnessed a recovery in trading activity during 2025, with the rebound more pronounced among developed markets.

- **NSE remains the largest derivatives exchange globally by contracts traded:** NSE continued to remain the largest derivatives exchange in terms of number of contracts traded, holding a share of 50.6%, followed by B3 (11% share). Even though the number of contracts traded fell by 72% YoY to 3,451 crore in 2025 (from 12,397 crore in 2024) after SEBI implemented several regulations in October 2024 aimed to strengthen the derivatives market and protect retail investors.

- **220 new IPO listings with NSE in 2025:** India emerged as the global leader in IPO activity in 2025, with 367 listings accounting for 28.4% of total global IPO volumes.

Of these, 220 IPOs were listed on the NSE. This strong performance reflected sustained macroeconomic stability, continued depth in investor participation and a supportive regulatory environment for capital raising. Across the top ten global exchanges, a total of 1,538 new IPOs were recorded in 2025, marking a 13.5%YoY increase. BSE led in terms of number of listings with a 17.8% share (255 IPOs), followed closely by the NSE with a 15.3% share, while Nasdaq accounted for 10.9% of total new listings.

Figure 404: Domestic market cap of top ranked exchanges*

Domestic market capitalization (US$trn)*
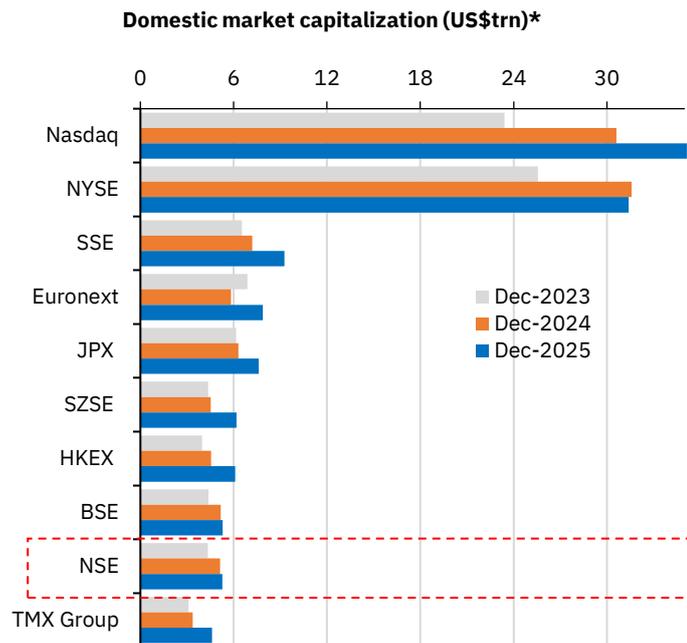
Source: WFE monthly statistics, NSE EPR

Figure 405: Number of trades in Cash market of top ten exchanges*

Number of trades - Cash market (cr)
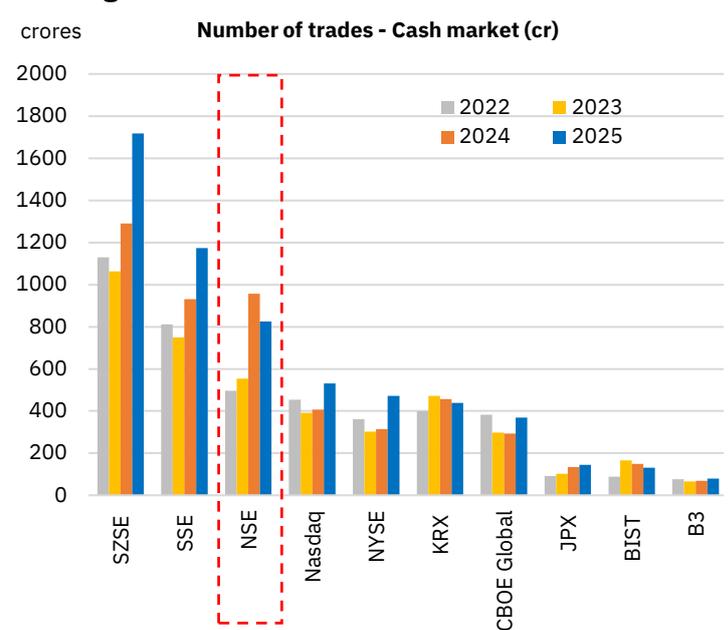
Source: WFE monthly statistics, NSE EPR

Table 129: No. of trades (cr) in the top 10 exchanges in cash market*

Exchange	2023	2024	2025
SZSE	1064	1291	1718
SSE	750	931	1174
NSE	**553**	**957**	**825**
Nasdaq	391	407	531
NYSE	303	314	473
KRX	473	457	439
CBOE Global	298	293	369
JPX	103	134	145
BIST	166	149	130
B3	66	68	79

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025.

Table 130: Market share of trades within top 10 exchanges in cash market*

Exchange	2023	2024	2025
SZSE	25.5%	25.8%	29.2%
SSE	18.0%	18.6%	20.0%
NSE	**13.3%**	**19.1%**	**14.0%**
Nasdaq	9.4%	8.1%	9.0%
NYSE	7.3%	6.3%	8.0%
KRX	11.3%	9.1%	7.5%
CBOE Global	7.1%	5.9%	6.3%
JPX	2.5%	2.7%	2.5%
BIST	4.0%	3.0%	2.2%
B3	1.6%	1.4%	1.3%

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025.

Table 131: No. of contracts traded (cr) in equity derivatives segment*

Exchange	2023	2024	2025
NSE	**8,021**	**12,397**	**3,451**
B3	680	751	748
TSE	122	237	624
CBOE Global	239	254	324
BIST	195	186	297
Nasdaq	178	204	246
KRX	185	240	199
CME Group	167	173	186
NYSE	106	135	159
MIAX	94	102	138

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025

Table 132: Global Market share of contracts traded in equity derivatives segment*

Exchange	2023	2024	2025
NSE	**77.3%**	**82.1%**	**50.6%**
B3	6.5%	5.0%	11.0%
TSE	1.2%	1.6%	9.2%
CBOE Global	2.3%	1.7%	4.8%
BIST	1.9%	1.2%	4.4%
Nasdaq	1.7%	1.4%	3.6%
KRX	1.8%	1.6%	2.9%
CME Group	1.6%	1.1%	2.7%
NYSE	1.0%	0.9%	2.3%
MIAX	0.9%	0.7%	2.0%

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025

Table 133: Number of contracts traded (cr) traded in Stock futures of top-ranked exchanges*

Exchange	2023	2024	2025	% YoY
BIST	187.8	179.0	288.1	60.9
B3	138.6	154.4	124.5	-19.4
KRX	91.3	142.9	116.6	-18.3
NSE	**29.3**	**48.5**	**48.5**	**-0.1**
DBAG	9.5	13.8	11.7	-15.2
PSE	5.2	8.7	11.6	34.1
TAIFEX	5.2	6.6	7.2	9.4
TFEX	4.2	3.7	2.6	-31.3
Athens	1.0	0.9	1.4	56.2
BME	1.1	1.2	1.4	17.1

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025 figures

Table 134: Number of contracts traded (cr) traded in Stock options of top-ranked exchanges*

Exchange	2023	2024	2025	% YoY
TSE	122.4	236.8	624.2	163.6
Nasdaq	177.4	203.0	243.5	19.9
CBOE Global	144.1	150.4	200.0	33.0
NSE	**101.4**	**159.5**	**175.7**	**10.2**
NYSE	105.6	135.0	158.7	17.5
MIAX	93.9	101.6	138.1	36.0
B3	152.4	172.0	137.8	-19.9
ISE	59.7	82.6	105.3	27.5
HKEX	14.8	17.6	21.5	22.6
DBAG	17.3	17.4	19.1	10.0

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025 figures

Table 135: Number of contracts traded (cr) in Index futures of top ranked exchanges*

Exchange	2023	2024	2025	% YoY
B3	386.8	423.0	379.7	-10.2
CME Group	131.7	132.5	151.2	14.1
DBAG	46.8	40.3	35.9	-10.9
JPX	33.2	39.9	35.6	-10.6
SGX	15.5	16.8	17.1	1.9
HKEX	13.7	14.4	13.7	-5.2
TAIFEX	9.6	13.3	13.5	0.9
CFFEX	6.9	11.9	12.8	7.0
KRX	11.6	11.1	11.0	-1.0
ICE Futures US	5.5	5.4	5.4	0.5

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025 figures

Table 136: Number of contracts traded (cr) in Index options of top ranked exchanges*

Exchange	2023	2024	2025	% YoY
NSE	**7,881.6**	**12,175.9**	**3,222.4**	**-73.5**
CBOE Global	95.0	103.2	123.7	19.9
B3	2.0	1.9	106.5	5,508.6
KRX	77.0	70.4	61.5	-12.6
CME Group	35.8	40.0	34.8	-12.9
DBAG	40.4	38.1	34.1	-10.7
TAIFEX	17.6	19.4	17.2	-11.3
CFFEX	5.3	7.9	9.7	23.8
TASE	2.7	3.0	3.5	14.6
HKEX	3.4	3.5	2.9	-18.8

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025 figures

Table 137: Number of contracts traded (cr) in Currency futures of top ranked exchanges*

Exchange	2023	2024	2025	% YoY
B3	72.5	73.4	77.3	5.3
MTR.BA	19.0	13.0	28.9	122.4
CME Group	22.9	24.8	23.3	-6.2
KRX	11.0	13.3	14.3	7.0
NSE	**94.9**	**32.2**	**10.5**	**-67.3**
SGX	4.1	5.9	7.9	34.2
BIST	6.1	5.3	7.3	38.0
JSE	3.7	4.1	5.6	36.5
HKEX	1.0	2.5	2.7	7.5
BMV	0.8	0.7	1.2	68.4

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025 figures

Table 138: Number of contracts traded (in lakhs) in Currency options of top ranked exchanges*

Exchange	2023	2024	2025	% YoY
JSE	346.9	213.0	269.14	26.4
CME Group	97.0	112.4	133.41	18.7
TASE	89.8	92.2	105.35	14.2
BIST	6.5	22.4	60.87	172.3
B3	49.4	42.3	36.92	-12.8
NSE	**36,256.4**	**8,318.7**	**11.89**	**-99.9**
SGX	0.6	0.2	1.43	487.8
MX	0.1	0.7	1.02	56.4
DBAG	-	0.0	0.51	4,057.3
TFEX	-	-	0.16	NA

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on 2025 figures, in lakhs

Table 139: Number of Total New Listings in IPO of top ranked exchanges*

Exchange	2023	2024	2025
BSE	120	158	255
NSE	**176**	**268**	**220**
Nasdaq	98	126	157
HKEX	68	70	114
NZX	0	0	85
KRX	75	71	75
NYSE	21	50	66
KLSE	32	54	59
JPX	88	80	59
SZSE	133	45	48

Source: WFE monthly statistics, NSE EPR
Note: 1) The new listings data for NSE excludes REITs.
2) The data has been sorted based on 2025 figures

Table 140: Global share of Total New Listing in IPO of top ranked exchanges*

Exchange	2023	2024	2025
BSE	9.2%	12.6%	17.8%
NSE	**13.4%**	**21.3%**	**15.3%**
Nasdaq	7.5%	10.0%	10.9%
HKEX	5.2%	5.6%	7.9%
NZX	0.0%	0.0%	5.9%
KRX	5.7%	5.7%	5.2%
NYSE	1.6%	4.0%	4.6%
KLSE	2.4%	4.3%	4.1%
JPX	6.7%	6.4%	4.1%
SZSE	10.1%	3.6%	3.3%

Source: WFE monthly statistics, NSE EPR
Note: 1) The new listings data for NSE excludes REITs.
2) The data has been sorted based on 2025 figures
3) The global share has been calculated after excluding the overlaps between NSE and BSE.

* ASX -Australian Securities Exchange, BIST -Borsa Istanbul, BME -Spanish Exchanges, BMV-Bolsa Mexicana de Valores, BET-Budapest Stock Exchange, BYMA -Bolsa y Mercados Argentinos, CBOE -Chicago Board Options Exchange, CFFEX-China Financial Futures Exchange, DBAG -Deutsche Boerse AG, Euronext-Euronext, HKEX -Hong Kong Exchanges and Clearing, IDX-Indonesia Stock Exchange, IFB-Iran Fara Bourse Securities Exchange, India INX -India International Exchange, ISE -International Securities Exchange, JPX -Japan Exchange Group, JSE -Johannesburg Stock Exchange, KRX -Korea Exchange, MIAX -MIAX Exchange Group, MOEX -Moscow Exchange, MTR.BA-Matba Rofex, MX -Bourse de Montreal, Nasdaq– US - Nasdaq, NSE-National Stock Exchange of India, NYSE-NYSE, NZX- New Zealand Stock Exchange Limited, SET-The Stock Exchange of Thailand, SGX -Singapore Exchange, SIX-SIX Swiss Exchange, SSE -Shanghai Stock Exchange, SZSE -Shenzhen Stock Exchange, Tadawul -Saudi Exchange (Tadawul), TAIEX-Taiwan Stock Exchange, TAIFEX -Taiwan Futures Exchange, TASE -Tel-Aviv Stock Exchange, TFEX -Thailand Futures Exchange, TMX Group-TMX Group, TSE -Tehran Stock Exchange, LSE Group-LSE Group London Stock Exchange, PSE-Pakistan Stock Exchange, CME Group-CME Group, CBOE Europe-CBOE Europe, B3-B3 - Brasil Bolsa Balcão, DGCX-Dubai Gold and Commodities Exchange, CBOE Global-CBOE Global Markets, ICE Futures US-ICE Futures US, MSE-Metropolitan Stock Exchange of India, CBOE Futures-CBOE Futures Exchange, ICE Futures Europe-ICE Futures Europe, Athens-Athens Stock Exchange, GPW-Warsaw Stock Exchange, IFEU-ICE Futures Europe, BME -BME Spanish, IFUS-ICE Futures US, NSX-National Stock Exchange of Australia, BSE-Bombay Stock Exchange of India Limited, BVC-Bolsa de Valores de Colombia, NSEIX-NSE IX India, Bursa Malaysia – KLSE, NEEQ - National Equities Exchange and Quotations, VSE - Vienna Stock Exchange. Only WFE member exchanges are included in the analysis.

Contract size matters: Evidence from global exchanges

The NSE has remained the top derivatives exchange in the world since 2019 in terms of the number of contracts traded. In 2024, there were over 12,397 crore contracts traded across equity and index futures and options, over 82% of the global total. Even as contracts traded declined in 2025, after SEBI regulations, NSE still dominates with 51% share. This dominance in contract count also reflects the average contract size compared to markets like the U.S., underscoring the need to distinguish between number of contracts and premium value traded when comparing market scale. In these days of technology-driven trading, a smaller contract size allows more trading activity (in terms of number of contracts) for the same quantum of capital at hand. Large contracts translate into relatively fewer trades, on the other hand. Indian markets trade nearly 3.8x the US in terms of contracts traded, but a fifth of the premium value traded.

Table 141: Comparison of contract size of S&P 500 and Nifty 50 Index options

	S&P 500 (SPX)	Mini-SPX (XSP)	Nifty 50 Index
Contract size	100	10	75
Index closing (As of December 31st, 2025)	6,846	6,846	26,130
Notional value*	US$684,550	US$68,455	US$21,811

Source: CBOE, NSE. * Calculated as Index level.

Figure 406: Comparison of contract size of S&P 500 and Nifty 50 Index options

Comparison of contract size: India versus US
S&P 500 and Nifty 50 Index options

S&P 500 (SPX), 31x
Mini-SPX (XSP), 3x
NIFTY50 Index, x
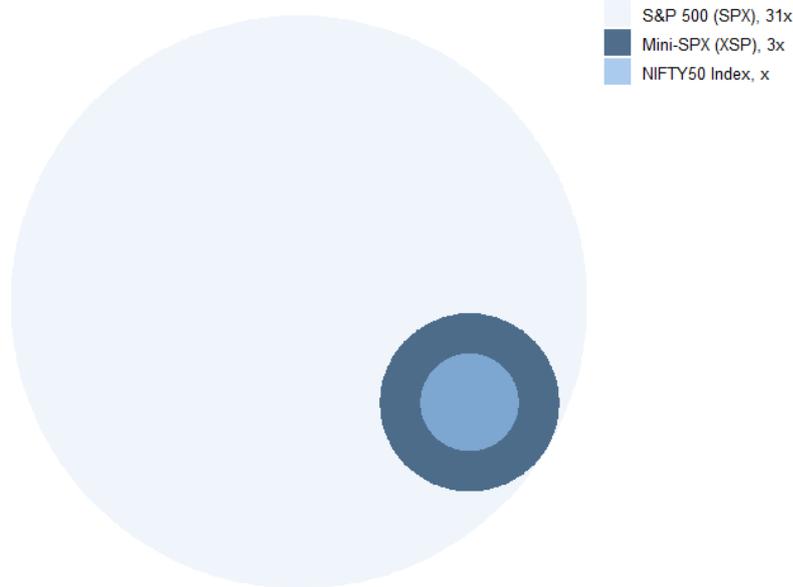
Source: CBOE, NSE. * Calculated as Index level.

Figure 407: Total options turnover (premium): India vs. US

US$ bn

Total options premium turnover: India vs. US
■ US ■ India
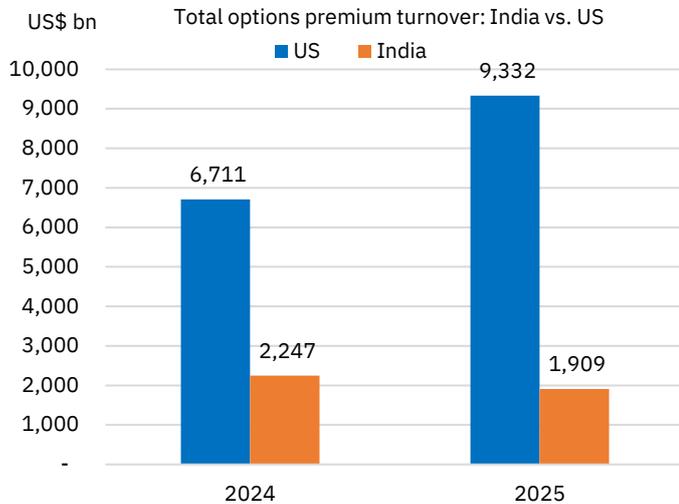
Figure 408: Total options contracts traded: India vs. US

Billion

Total options contracts traded: India vs. US
■ US ■ India

Source: OCC, NSE, BSE.
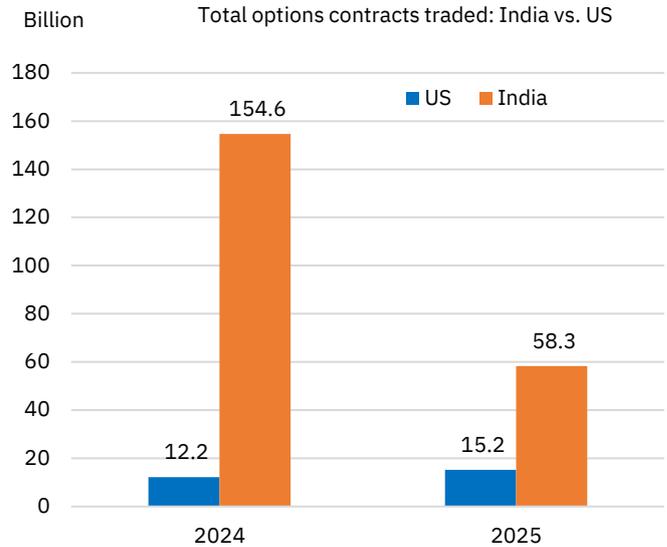
Lessons from Brazil's B3 exchange

Events at the Brazilian exchange B3 illustrate the relationship between contract size and traded contracts better. In early 2025, B3—the largest Futures exchange in Latin America, slashed its contract size for index options by 99% to improve trading, resulting in a 56x jump in the number of contracts traded in index options in 2025 compared to a similar period in the previous year. For good measure, they also introduced contracts on indices with weekly expiries. Since then, the number of index option contracts traded at B3 has exploded.

B3 vs. India

The revised index option contract size by 99% at B3 dropped the contract from a multiple of the Ibovespa index (1) to a fraction (0.01). This reduced the value of a typical contract from ~US$22,050 in February 2024 to ~US$220. The average traded premium in the exchange dropped from BRL 5000 to BRL 50,[13] i.e., US$871 to US$8.71 in dollar terms. This became the primary driver of the rise in trading at the exchange. To understand this better, it is instructive to compare the contract size at B3 vs. India and the US.

Before the lot size revisions in early 2025, a Nifty50 contract (lot size 25) was valued at ~Rs 5.9 lakh (~US$6,900). This has since more than tripled to ~Rs19.6 lakh (~US$21,811), thanks to an increase in the Nifty50 contract size to 75 in January 2025. In other words, Brazilian index option contracts changed from being 3.2x Indian index option contracts to 0.03x now.

US vs. India

The trading activity of an equity derivatives contract is influenced by its value. The extent to which this matter becomes clear when comparing the Indian markets with those in the US, the world's largest equity derivatives market by far. Unlike India's exchange-traded derivatives (futures and options on stocks and indexes), the US markets are far more complex, spanning 18 exchanges, off-exchange venues, and a broader range of

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[13] https://clientes.b3.com.br/en/w/reduction-in-options-on-ibovespa-contract-size?

derivatives, i.e., futures and options, not just on stocks and indexes, but also on index futures.

Notwithstanding the increase early this year, the Nifty50's option contract value remains puny compared to the contract value of S&P index option contracts. As of December 31st, 2025, a single lot of the S&P 500 (SPX) index option had a notional value of around US$684,550. Even the mini-SPX contracts—sized at one-tenth—carry a notional value of US$68,455. That makes one US SPX contract over 31 times larger than a Nifty contract in value terms, and even a mini-SPX contract over three times larger. So, while India leads in the count of contracts, it lags significantly behind the US in terms of total value traded.

India's options market is a fraction of the US market in terms of premium turnover: Indian exchanges (NSE, BSE) trade over 3.8x that of the exchange-traded options in the US, i.e., options with underlying as stocks, indexes and ETFs (cleared on Options Clearing Corporation). In terms of premium turnover, however, Indian options market was close to 17% of the US options premium turnover in December 2025, falling from 20% a year ago and averaging at 21% in 2025. It is to be noted that this comparison relates only to exchange-traded, centrally settled (On OCC) futures and options on stocks, indexes and ETFs alone, and does not include said derivatives on index futures (at CME), that represent an additional ~25% of trading activity.

Table 142: Exchange-wise options volume and premium traded in the US during 2025

Exchanges	Total Premium turnover during 2025 (US$bn)				Total contracts traded during 2025 (m)			
	Stock	Index	ETF	Total	Stock	Index	ETF	Total
AMEX	320	0	131	450	585	0	506	1,092
ARCA	463	0	142	606	1,001	0	546	1,547
BATS	153	2	43	197	387	1	205	592
BOX	516	-	120	637	605	-	364	969
C2	77	6	35	119	234	3	173	410
CBOE	544	3,422	409	4,375	892	1,234	567	2,693
EDGX	146	-	81	227	487	-	426	913
EMLD	118	-	43	161	291	-	196	488
GEM	71	5	56	132	222	0	284	506
ISE	275	60	86	420	556	10	372	939
MCRY	95	-	37	131	274	-	210	484
MEMX	99	-	36	135	315	-	207	522
MIAX	254	-	99	353	600	-	501	1,101
MPRL	78	-	28	106	224	-	159	383
NOBO	29	-	13	43	114	-	108	222
NSDQ	114	-	36	150	315	-	174	489
PHLX	698	72	204	974	924	10	510	1,444
SPHR	84	-	32	116	241	-	171	412
US total	**4,134**	**3,568**	**1,630**	**9,332**	**8,270**	**1,258**	**5,680**	**15,207**
India	198	1,711	-	1,909	1,757	56,494	-	58,251
India vs. US	5%	48%		20%	21%	4492%		383%

Source: OCC, NSE, BSE.

Figure 409: Monthly trend of average daily options contracts traded in the US and India

Average daily option contracts traded
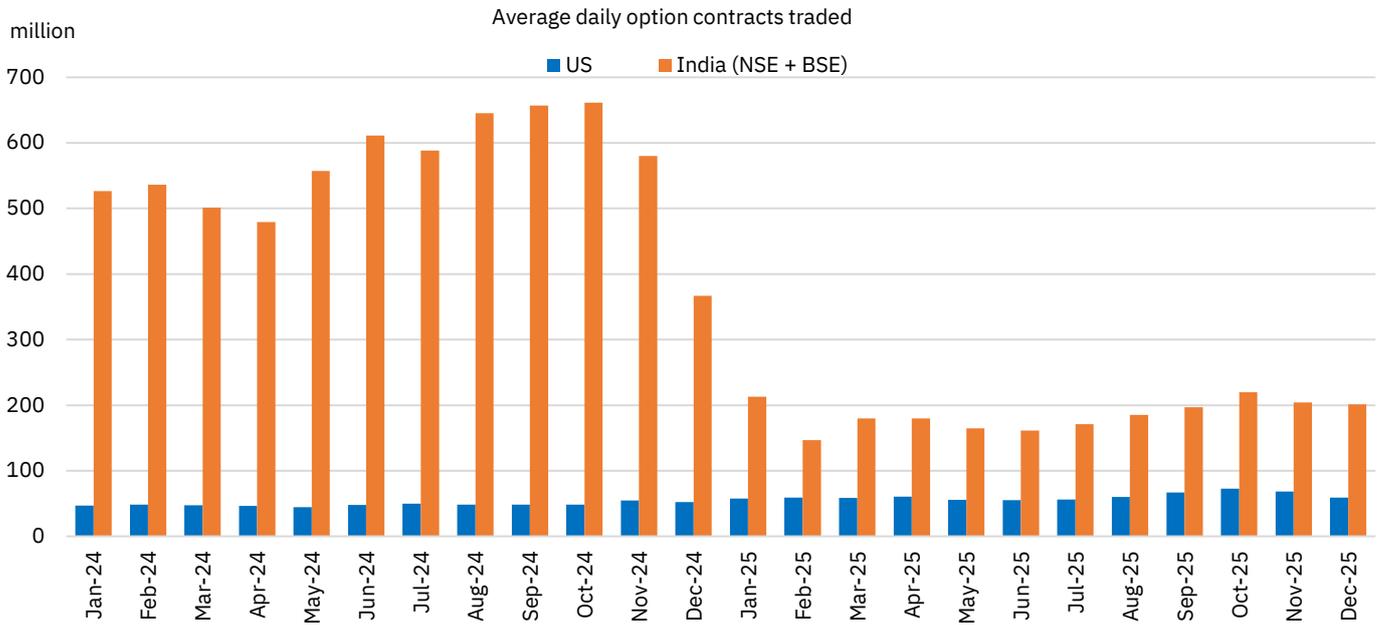
Source: OCC, NSE, BSE.

Figure 410: Monthly trend of the ratio of India and US options contracts traded

India vs. US options contracts traded
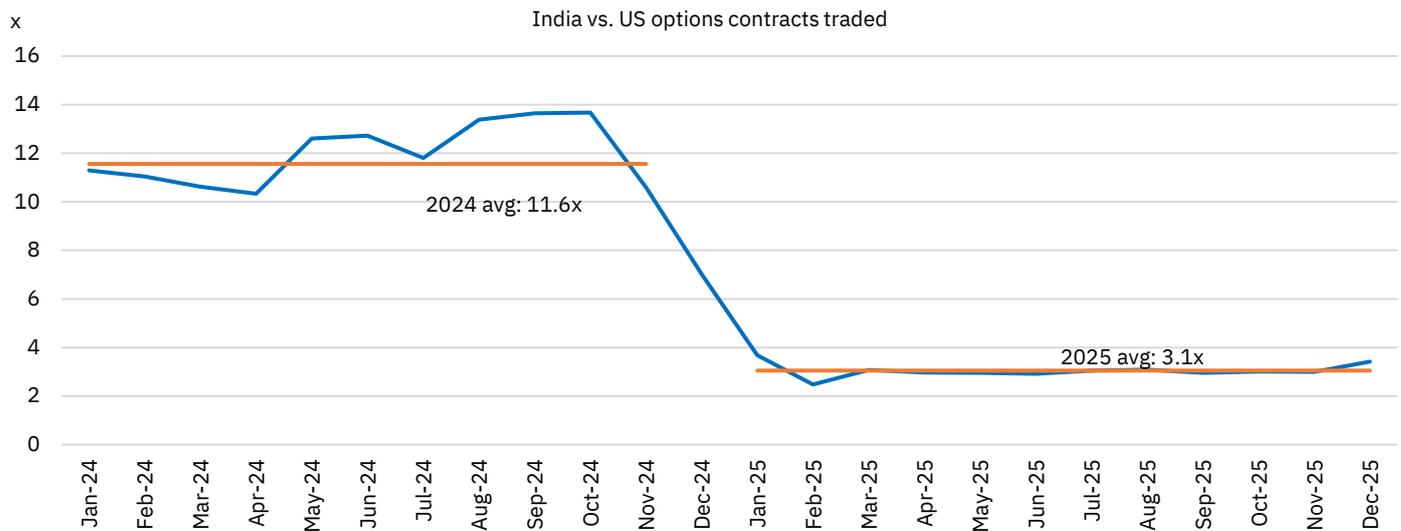
Source: OCC, NSE, BSE.

Figure 411: Monthly trend of average daily options premium turnover in the US and India

US$bn

ADT in Options
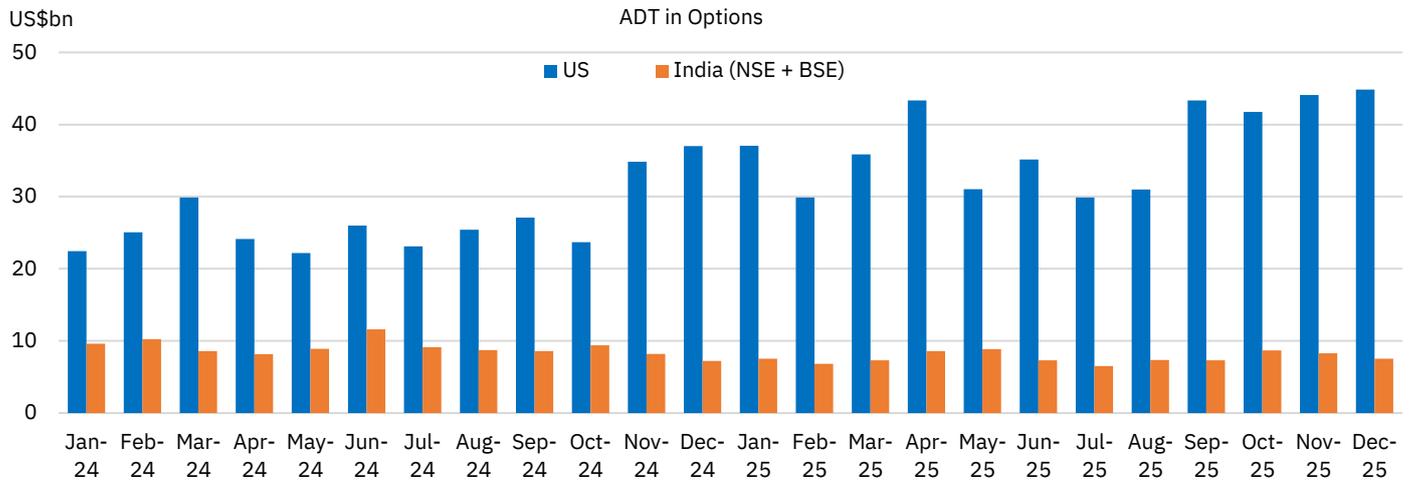
Source: OCC, NSE, BSE. Turnover is across exchanges (as available) in the two countries.

Figure 412: Monthly trend of the ratio of India and US options premium turnover

India vs. US options premium turnover

2024 avg: 34.9%

2025 avg: 21.0%
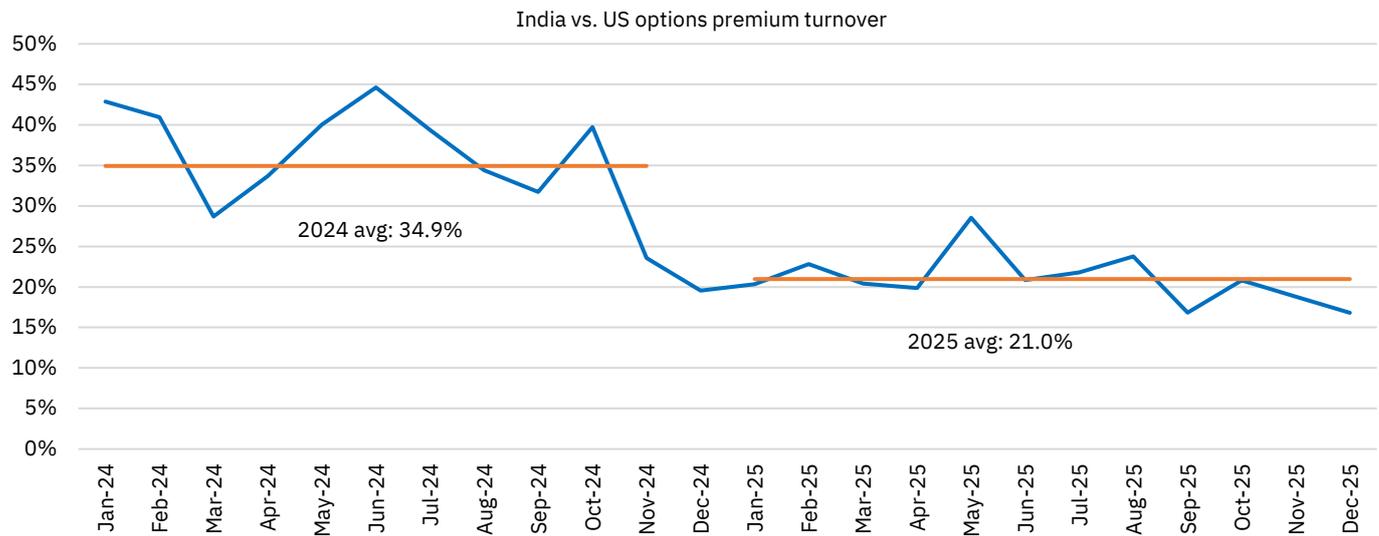
Source: OCC, NSE, BSE. Turnover is across exchanges (as available) in the two countries

Annual macro snapshot

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
National income								
GDP (Current) (Rs lakh crore)	189	201	198.5	236	261.2	289.8	318.1	345.5
GDP (Current) Growth (%)	10.6	6.4	-1.2	18.9	14	10.97	9.7	8.6
GDP (Constant) Growth (%)	6.5	3.9	-5.8	9.7	7.6	7.2	7.1	7.6
GVA (Constant) Growth (%)	5.8	3.9	-4.2	9.4	7.2	7.2	7.3	7.7
Agriculture growth (%)	2.1	6.2	4	4.6	6.3	2.64	4.2	2.4
Industry growth (%)	5.3	-1.4	-0.4	12.2	2.5	10.9	8.3	8.8
Services growth (%)	7.2	6.4	-8.4	9.2	10.3	7.02	7.9	9.0
Per Capita GDP (Curr) (Rs)	1,44,620	1,52,504	1,48,586	1,72,422	1,88,862	2,07,699	2,25,896	2,43,180
Prices								
CPI Inflation (%)	3.4	4.8	6.2	5.5	6.7	5.4	4.6	
Food & beverages (%)	0.7	6	7.3	4.2	6.7	7	6.7	
Core inflation (%)	5.8	4	5.3	6.1	6.3	4.4	3.6	
WPI Inflation (%)	4.3	1.7	1.3	13	9.4	-0.7	2.3	
Primary articles (%)	2.7	6.8	1.7	10.3	10	3.5	5.2	
Fuel & power (%)	11.5	-1.8	-8	32.5	28.1	-4.6	-1.3	
Manuf. prods (%)	3.7	0.3	2.8	11.1	5.6	-1.7	1.7	
Money, banking & interest rates								
Money supply (M3) growth (%)	10.5	8.9	12.2	8.8	9	11.1	9.7	
Aggregate deposit growth (%)	10	7.9	11.4	8.9	9.6	13.5	10.3	
Bank credit growth (%)	13.3	6.1	5.6	8.6	15	20.2	11	
Non-food credit growth (%)	13.4	6.1	5.5	8.7	15.4	20.2	11	
Cash Reserve Ratio (%, eop)	4	4	3	4	4.5	4.5	4	
Bank Rate (%, eop)	6.5	4.65	4.25	4.25	6.75	6.75	6.5	
Public Finance								
GOI rev. receipts growth (%)	8.2	8.5	-3	32.8	9.8	14.5	11.3	10.1
Gross tax receipts growth (%)	8.4	-3.4	0.9	33.7	12.7	13.5	9.5	7.4
GOI Expenditure growth (%)	8.1	16	30.7	8.1	10.5	6	4.7	6.7
Subsidies growth (%)	-0.7	17.7	189	-33.5	14.7	-24.7	-2.8	11.1
Interest expense growth (%)	10.2	5.1	11.1	18.5	15.3	14.6	4.9	14.2
External transactions								
Exports growth (%)	8.8	-5.2	-7.1	45.1	6.7	-3	0.1	
POL exports growth (%)	24.5	-11.6	-37.6	162.8	43.9	-13.5	-24.8	
Non-POL exports (%)	6.6	-4.1	-2.5	33.7	-0.4	-0.1	6.1	
Imports growth (%)	10.5	-7.8	-17.1	56.2	16.3	-5.7	6.2	
Non-POL imports growth (%)	4.6	-7.9	-9.6	45.4	12.1	-1.3	7	
POL imports growth (%)	29.9	-7.5	-36.9	96.7	29.1	-14.6	3.9	
Net FDI (US$bn)	30.7	43	44	38.6	28	10.2	0.1	
Net FPI (US$bn)	-2.4	1.4	36.1	-16.8	-5.2	44.1	3.6	
Trade Balance: RBI – (US$bn)	-180.3	-157.5	-102.2	-189.5	-265.3	-244.9	-287.2	
Current Acc. Balance (US$bn)	-57.2	-24.6	24	-38.8	-67.1	-26.1	-23.4	
Forex Reserves (US$bn)	411.9	475.6	579.3	617.6	578.4	645.6	665.4	
Exchange rate (USDINR)	69.9	70.9	74.2	74.5	80.4	82.8	84.5	

Source: CMIE Economic Outlook, NSE; Notes: 1) The data in case of national income has been based on the revised/new methodology for the period FY23-FY26 2) For public finance, date for FY25 is actual while FY26 is revised estimate.

Glossary

Indicators	Definition
General	
Compounded Annual Growth Rate (CAGR)	*Average annual rate of return on an investment over a specified time period, assuming the profits are reinvested each year.*
Fiscal Year (FY)	The 12-month period from April 1 to March 31 of the following year, used by Indian government and businesses for financial reporting and budgeting.
Month to Date (MTD)	The period from the beginning of the current month up to the current date, used to measure performance or track data over the partial month so far.
Month-over-Month (MoM)	A comparison of data from one month to the previous month.
Year to Date (YTD)	The period from the beginning of the current calendar or fiscal year up to the present date, used to assess performance or analyse data for the year in progress.
Year-over-Year (YoY)	A comparison of data from one year to the previous year.
Macro	
Balance of Payments (BOP)	A comprehensive record of a country's economic transactions with the rest of the world, including trade, investment, and financial transfers.
Capital Expenditure (Capex)	The amount of money used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, or equipment over a specific period. It is essential for business operations and growth.
Capital Account	A component of the balance of payments that records all transactions involving the purchase and sale of assets, including foreign investments and loans.
Consumer Price Index (CPI)	A measure of average change in prices paid by consumers for a basket of goods and services over time.
Crowding Out	A situation where increased government spending leads to a reduction in private sector investment, often due to higher interest rates resulting from increased borrowing.
Current Account Deficit	A situation where a country's total imports of goods, services, and transfers exceed its total exports, indicating a net outflow of domestic currency to foreign markets.
Deflation	A decrease in the general price level of goods and services, often associated with a reduction in the supply of money or credit.
Economic Cycle	Natural fluctuation of the economy between periods of expansion (growth) and contraction (recession), typically measured by changes in GDP growth.
Exchange Rate	The value of one currency for the purpose of conversion to another, which affects international trade and investment flows.
Fiscal Deficit	The financial situation when a government's total expenditure exceeds its total revenues, excluding money from borrowings.
Fiscal Policy	The use of government spending and taxation to influence the economy with an aim to manage economic fluctuations and promote economic growth.
Foreign Direct Investment (FDI)	Investment made by a company or individual in business interests in another country, typically through establishing business operations or acquiring assets. It indicates a long-term interest in the foreign economy.
Gross Domestic Product (GDP)	The total monetary value of all finished goods and services produced within a country's borders in a specific time-period. It is a comprehensive measure of a nation's overall economic activity and health.
Gross Value Added (GVA)	The monetary value of goods and services produced by an economy after subtracting the cost of intermediate goods and services used.
Index of Industrial Production (IIP)	A measure of change in the production of a basket of industrial products during a given period with respect to that in a chosen base period.
Monetary Policy	The process by which a central bank manages the money supply and interest rates to achieve macroeconomic objectives such as controlling inflation, consumption, growth, and liquidity.
Monetary Stance	The central bank's position on monetary policy, typically classified as hawkish (favouring higher rates to control inflation), dovish (preferring lower rates), neutral (balanced approach), or accommodative (expanding money supply to boost growth).
Nominal Effective Exchange Rate (NEER)	An unadjusted weighted average rate at which a country's currency is exchanged for a basket of multiple foreign currencies.
Policy Rates	Interest rates set by central banks to influence monetary policy, affecting costs, inflation, and overall economic activity.
Public Debt	The total amount of money that a government owes to creditors, resulting from borrowing to finance budget deficits and other expenditure.

Real Effective Exchange Rate (REER)	A measure of the value of a country's currency against a basket of other currencies, adjusted for inflation, reflecting its competitiveness in international trade.
Trade Balance	Difference between a country's total value of exports and total value of imports over a specific period.
Wholesale Price Index (WPI)	A measure of average change in prices of goods at the wholesale level before retail sale over time.

Markets

Algorithmic (Algo) Trading	A trading strategy based on computer programming, where orders are placed automatically based on pre-defined sets of conditions and algorithms, often used for high-frequency trading.
Average Daily Turnover (ADT)	Average value of securities traded on the exchange each day, indicating the liquidity and activity level of the market over a specific period.
Average Trade Size	Average monetary value of individual trades executed on an exchange, calculated by dividing the total traded value by the number of trades over a specific period.
Bonds	Debt securities where investors lend money to an entity (typically a corporation or government) for a defined period at a variable or fixed interest rate.
Cash Market (CM)	A marketplace where financial instruments, such as stocks and bonds, are bought and sold for immediate delivery and payment.
Colocation (Colo) Trading	The practice of positioning trading servers near exchange servers to minimize data transmission delays and optimize trade execution speed.
Credit Rating	An assessment of the creditworthiness of an individual, corporation, or government, evaluating their ability to repay borrowed funds.
Derivatives	Financial instruments whose value is derived from an underlying asset, such as stocks, bonds, and commodities, among others.
Direct Market Access (DMA)	A facility allowing investors to directly access exchange trading systems through their broker's infrastructure without manual intervention.
Domestic Institutional Investors (DII)	Financial institutions based within a country that invest in that country's financial markets, including mutual funds, insurance companies, and pension funds.
Equity Derivatives	Financial instruments whose value is derived from the value of an underlying equity securities, such as stock.
Equity Futures	Financial contracts obligating parties to buy or sell the underlying asset at a predetermined price on a specified future date.
Equity Options	Financial contracts give the holder the right, but not obligation, to buy (call) or sell (put) a specific quantity of stocks at a predetermined price within a set timeframe.
Follow-on Public Offering (FPO)	A process through which a company that is already publicly traded issues additional shares to raise more capital, allowing existing shareholders to sell their shares as well.
Foreign Portfolio Investment (FPI)	Investments made by foreign investors in financial assets in another country, primarily in stocks and bonds, without acquiring significant control or influence over the companies.
Index Options	Contracts that give the buyer the right but not the obligation to buy or sell a specified quantity of a stock market index at a predetermined price on a specified expiration date.
Initial Public Offering (IPO)	Process through which a private company offers its shares to the public for the first time, allowing it to raise capital, and/or provide an exit opportunity for existing investors.
Institutional Investors	Organisations that pool and invest large sums of money on behalf of others, such as pension funds, mutual funds, and insurance companies.
Internet Based Trading (IBT)	A process of buying and selling financial securities through online platforms, enabling direct trading of various financial instruments via the internet without traditional brokers.
Liquidity	The ease with which an asset can be quickly bought or sold in the market without affecting its price, indicating how quickly an asset can be converted into cash.
Market Capitalisation	Total market value of a company's outstanding shares, calculated by multiplying the current share price by the total number of outstanding shares.
Market Maker	A financial intermediary that provides liquidity by continuously quoting buy and sell prices for specific securities, facilitating smooth trading in financial markets.
Market Volatility	The degree of variation in the price of a financial asset or market over time.
Mutual Funds	An investment vehicle that pools money from multiple investors to buy a diversified portfolio of stocks, bonds, or other securities.
Nifty50 Index	A benchmark Indian stock market index representing the weighted average of 50 of the largest Indian companies listed on the National Stock Exchange.
Offer for Sale (OFS)	A method through which existing shareholders, typically promoters or large stakeholders, sell their shares to the public or institutional investors.
Option Premium	Price paid by an investor to purchase an option contract, comprising both its intrinsic value and time value.

Preferential Allotments	The issuance of shares or securities to specific investors, usually at a predetermined price, to raise funds for a company while bypassing public offerings.
Price-to-Book Value (P/B)	A ratio comparing a company's market capitalisation to its book value, indicating how much investors are willing to pay for each unit of net assets.
Price-to-Earnings (P/E)	A ratio comparing a company's current share price to its Earnings per Share (EPS), indicating how much investors are willing to pay for each unit of earnings.
Qualified Institutional Buyers (QIB)	Institutional investors that meet certain criteria set by regulators, allowing them to invest in unregistered securities and participate in private placements.
Retail Individual Investors	Non-professional, individual investors who buy and sell securities, such as stocks and bonds, primarily for personal investment purposes rather than for institutional or commercial reasons.
Rights Issue	An offer to existing shareholders to purchase additional shares at a discounted price, typically to raise capital for the company.
Smart Order Routing (SOR)	A technology that automatically directs trade orders to the most favorable venues, optimizing execution by considering factors such as price, speed, and liquidity.
Turnover	The total value of all transactions (buying and selling) that occur within a specific period, reflecting the volume of trading activity on the exchange.
Unique Client Code (UCC)	Unique identification code is allocated to each client by a stockbroker for the purpose of trading in the securities market.
Unique Registered Investors	The total number of distinct investors registered with an exchange based on their Permanent Account Number (PAN).
Valuation	The process of determining the current worth or fair market value of an asset, company, or investment.
World Federation of Exchanges (WFE)	A global trade association representing publicly regulated stock, futures, and options exchanges, as well as central counterparties, fostering collaboration and standardization in the financial markets industry.
Electricity Futures	
Electricity Futures Lot size	50 Megawatt Hours (MWh)
Day Ahead Market (DAM)	A segment of the Electricity Spot Market where participants trade electricity for delivery on the following day.
Green Day Ahead Market (GDAM)	A segment within Electricity Spot Market for trading renewable electricity (Solar, Non-Solar, Hydro) for next-day delivery.
High Price Day Ahead Market (HPDAM)	The High Price Day Ahead Market is designed for high-cost generation sources to trade electricity for next-day delivery.
Electricity Spot Market	Short-term physical trading platform where electricity is bought and sold for next-day delivery. It includes market segments such as DAM, GDAM and HPDAM.
Spot VWAP	Benchmark price for electricity futures contracts.
Electricity Futures	Electricity futures are standardized, cash-settled derivative contracts that enable market participants to lock in a price today for electricity to be financially settled at a future date.

Note: This glossary provides concise definitions for key Economic and Financial terms. While these definitions aim to capture the essence of each concept, many of these terms have nuanced meanings that may vary slightly depending on context or specific applications in Economics, or Financial market analysis. For more comprehensive understanding, readers are encouraged to consult specialized literature or seek advice from domain experts. It's important to note that this glossary may not be exhaustive or holistic in its current form. We aim to expand and refine these definitions in future editions to provide a more comprehensive resource.

Our reports on the economy and markets since January 2023

Sr. No.	Date	Report
1	03-Mar-26	Q3FY26 Corporate Earnings Review
2	18-Feb-26	Policy signals, market structure and the disciple of growth
3	14-Feb-26	Who owns India Inc.? DMFs scale new highs, FPI share eases further
4	06-Feb-26	RBI Monetary Policy: Status quo with transmission in focus
5	01-Feb-26	Union Budget 2026-27: Confidence and continuity
6	16-Dec-25	Market Pulse December 2025: From national priorities to domestic engines: Markets, ownership and capital formation in 2025
7	05-Dec-25	Macro Review: RBI Monetary Policy
8	29-Nov-25	Macro Review: Q2FY26 India GDP
9	26-Nov-25	Q2FY26 Corporate Earnings Review
10	14-Nov-25	Market Pulse November 2025: The engines within: Savings and the architecture of collective wealth
11	11-Nov-25	India Ownership tracker Q2FY26
12	15-Oct-25	Market Pulse October 2025: The engines within: Investment as the core of India's growth momentum
13	01-Oct-25	Macro Review: RBI Monetary Policy
14	12-Sep-25	Market Pulse September 2025: National priorities, corporate signals
15	29-Aug-25	Macro Review: Q1FY26 India GDP
16	12-Aug-25	Market Pulse August 2025: National priorities, shared prosperity
17	08-Aug-25	India Ownership tracker Q1FY26
18	29-Jul-25	Market Pulse July 2025: National priorities, private consequences
19	27-Jun-25	Market Pulse June 2025: National priorities, global consequences
20	27-Jun-25	Q4FY25 Corporate Earnings Review
21	06-Jun-25	Macro Review: RBI Monetary Policy
22	30-May-25	Macro Review: Q4FY25 India GDP
23	28-May-25	Market Pulse May 2025: Shifting trade, shaky grounds
24	23-May-25	India Ownership tracker Q4FY25
25	28-Apr-25	Market Pulse April 2025: Navigating an uncertain equilibrium in the new fiscal
26	09-Apr-25	Macro Review: RBI Monetary Policy
27	27-Mar-25	Market Pulse March 2025: Global trade and its discontents
28	01-Mar-25	Macro Review: Q3FY25 India GDP
29	28-Feb-25	Market Pulse February 2025: Global debt and its discontents; A responsible Budget and a rate cut
30	20-Feb-25	India Ownership tracker Q3FY25
31	07-Feb-25	Macro Review: RBI Monetary Policy
32	01-Feb-25	Union Budget 2025-26: Consumption boost
33	28-Jan-25	Market Pulse January 2025 (Annual Edition): Trump 2.0 in novo anno
34	24-Dec-25	Market Pulse December 2024: Sayonara 2024
35	17-Dec-24	NSE-CFA BRSR Report
36	06-Dec-24	Macro Review: RBI Monetary Policy
37	30-Nov-24	Macro Review: Q2FY25 India GDP

Economic Policy & Research

Name	Email Id	Contact no.
Tirthankar Patnaik, PhD	tpatnaik@nse.co.in	+91-22-26598149
Prerna Singhvi, CFA	psinghvi@nse.co.in	+91-22-26598316
Prosenjit Pal	ppal@nse.co.in	+91-22-26598163
Ashiana Salian	asalian@nse.co.in	+91-22-26598163
Sushant Hede	shede@nse.co.in	+91-22-26598237
Stuti Bakshi	sbakshi@nse.co.in	+91-22-26598163
Puja Parmar, PhD	pujap@nse.co.in	
Aratrik Chakraborty	aratrikc@nse.co.in	
Sahil Bagdi	sbagdi@nse.co.in	
Research Associates		
Taruna Bajaj	consultant_tbajaj@nse.co.in	
Akancha Kaushal	consultant_akaushal@nse.co.in	
Khushi Kumari Singh	consultant_ksingh@nse.co.in	
Divya Rose Rojan	consultant_drojan@nse.co.in	