

MARKET PULSE

A monthly review of the
Indian economy and markets



Market Pulse

Volume 8, Issue 5

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.

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Market Pulse

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NSE at a glance

NSE's positioning and reach

NSE's global positioning		Domestic market share		Reach	
1	Largest multi-asset class exchange	Three-month rolling share (%)		1,322	Trading members
3	Third largest equity exchange by no. of trades (11.4% share in FY26 as per WFE)	EQ Cash	93.1	99+%	Pin codes covered
		EQ Futures	99.7	13.0 Crore	Unique registered PANs
1	Largest derivatives exchange by contracts traded (FY26 share: 51.3% in eq. F&O as per WFE)	EQ Options*	72.2	US\$91.2bn*	Total passive AUM (domestic + global) tracking Nifty indices
		FX Futures	100.0		
8	Market capitalization*	FX Options*	100.0	US\$4.88trn	Market capitalisation of NSE listed cos.
* Source: WFE (Data is as of April 2026)		* Based on premium turnover		As of April 30 th , 2026, unless specified otherwise; * As of March 31 st , 2026.	
		** As of April 30 th , 2026			

NSE's contribution to the economy

Catalyst for capital formation	Listing snapshot	Market capitalisation																																				
Rs 20 lakh crore Total capital raised through equity and debt in FY26 2,986 Companies listed#	Rs 1.8 lakh crore Total capital raised through IPOs 108 Mainboard IPOs 111 SME IPOs	■ NSE market cap — Market cap to GDP (% , rhs*) <table border="1"> <thead> <tr> <th>Year</th> <th>NSE market cap (Rs lakh crore)</th> <th>Market cap to GDP (%)</th> </tr> </thead> <tbody> <tr><td>FY17</td><td>120</td><td>75</td></tr> <tr><td>FY18</td><td>140</td><td>90</td></tr> <tr><td>FY19</td><td>150</td><td>80</td></tr> <tr><td>FY20</td><td>110</td><td>75</td></tr> <tr><td>FY21</td><td>200</td><td>95</td></tr> <tr><td>FY22</td><td>260</td><td>110</td></tr> <tr><td>FY23</td><td>250</td><td>100</td></tr> <tr><td>FY24</td><td>380</td><td>125</td></tr> <tr><td>FY25</td><td>410</td><td>125</td></tr> <tr><td>FY26</td><td>410</td><td>125</td></tr> <tr><td>FY27TD</td><td>450</td><td>125</td></tr> </tbody> </table>	Year	NSE market cap (Rs lakh crore)	Market cap to GDP (%)	FY17	120	75	FY18	140	90	FY19	150	80	FY20	110	75	FY21	200	95	FY22	260	110	FY23	250	100	FY24	380	125	FY25	410	125	FY26	410	125	FY27TD	450	125
Year	NSE market cap (Rs lakh crore)	Market cap to GDP (%)																																				
FY17	120	75																																				
FY18	140	90																																				
FY19	150	80																																				
FY20	110	75																																				
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FY24	380	125																																				
FY25	410	125																																				
FY26	410	125																																				
FY27TD	450	125																																				
#Companies including AMCs and ITP listing as of April 30th, 2026	* Data is for FY26	* Market cap to GDP is based on 3M avg. market cap and nominal GDP for the last four quarters. #Data for FY27TD is as of April 30th, 2026																																				

Investor growth

Unique investor base

Period	Unique PANs on NSE (Lakh)
FY20	310
FY21	400
FY22	594
FY23	727
FY24	916
FY25	1,128
FY26	1,291
FY27TD	1,302

Individual investors' participation*

(in lakh)

Period	CM Segment	FO Segment
Apr'16	45	7
Apr'17	53	7
Apr'18	72	10
Apr'19	76	12
Apr'20	94	14
Apr'21	159	28
Apr'22	282	53
Apr'23	240	67
Apr'24	315	98
Apr'25	375	104
Apr'26	359	85

New investor registrations

Period	East India	North India	South India	West India	Total
FY21	89.9	30.0	20.0	20.0	159.9
FY22	193.4	60.0	40.0	40.0	333.4
FY23	133.1	50.0	40.0	40.0	263.1
FY24	192.1	80.0	40.0	40.0	352.1
FY25	210.6	80.0	40.0	40.0	370.6
FY26	162.1	60.0	40.0	40.0	302.1
FY27TD*	10.7	5.0	5.0	5.0	25.7

* As of April 30th, 2026

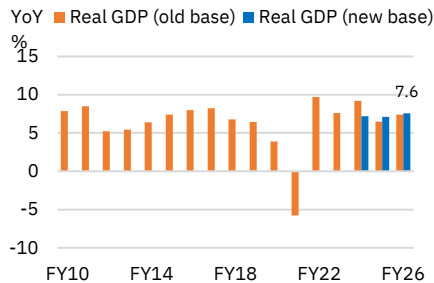
*Individuals investors' participation is defined here as investors who have traded at least once in the year.

*Above data is on 12-month rolling ending April.

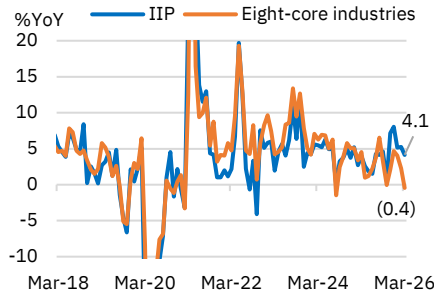
Key macro charts

Growth outlook robust

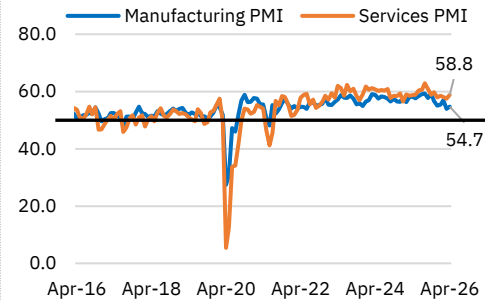
Real GDP growth



Industrial activity moderated



PMI in the expansion zone

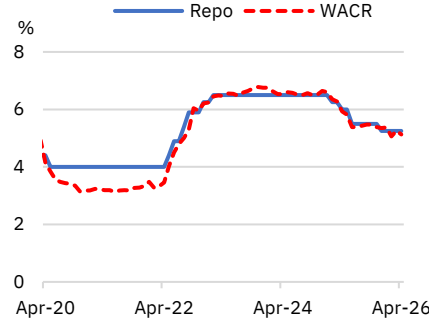


Inflation inches up; RBI remains on wait & watch mode

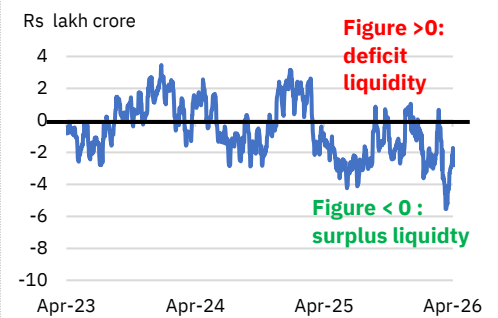
Retail inflation picked up



WACR closer to repo rate

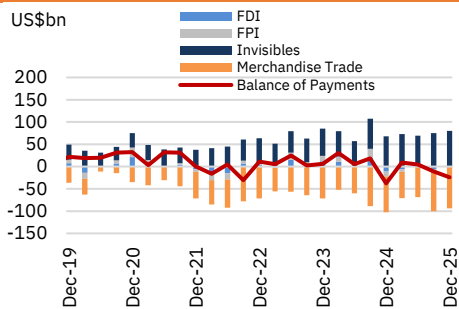


Liquidity remained in surplus

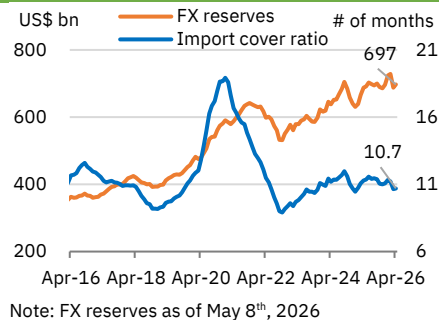


External situation concerning yet manageable; forex reserves at ~US\$ 697 bn

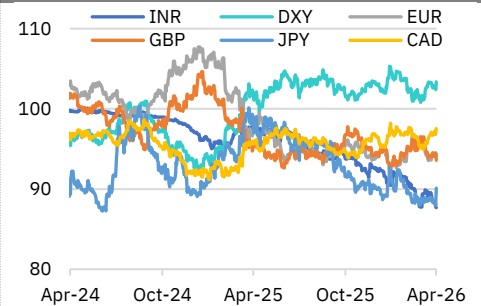
Overall BOP in deficit in Q3



Forex reserves

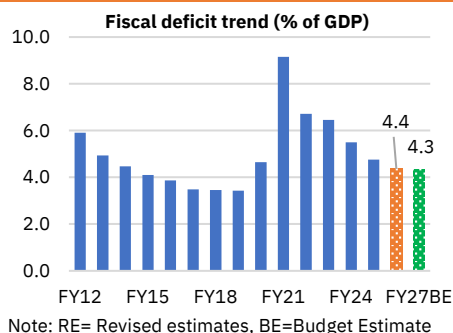


Rupee at record low levels

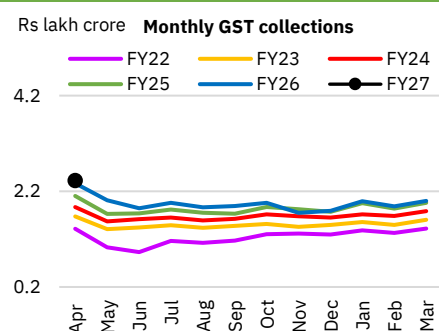


Fiscal prudence but with higher capex

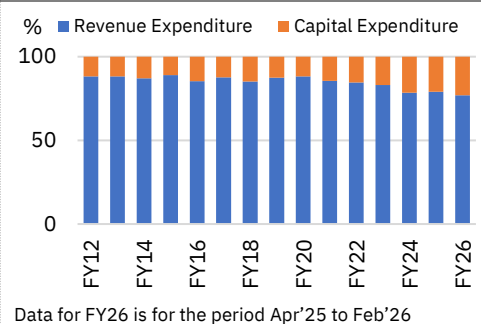
Fiscal consolidation underway



GST collections robust in April-26

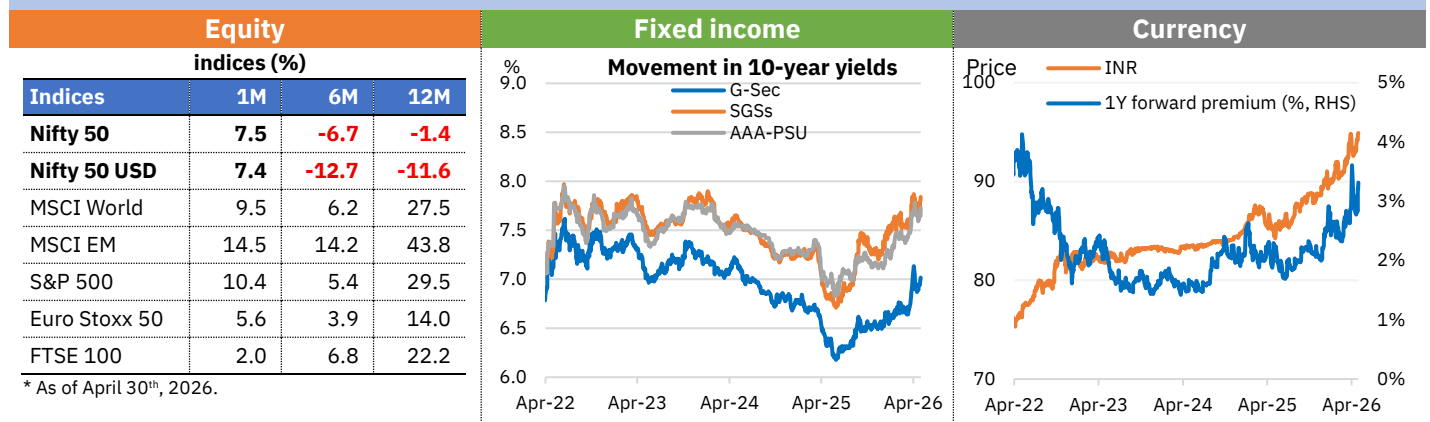


Share of capex rising

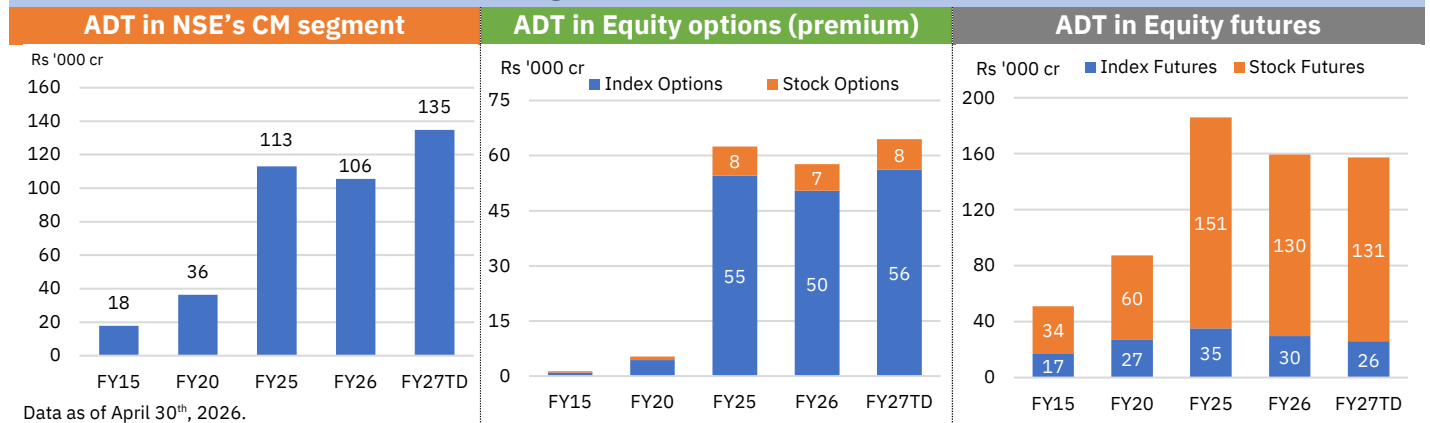


Key market charts

Performance across asset classes



Segment-wise turnover trend



Market activity

Category-wise gross turnover and share in April 2026							Average daily open interest				
Client category	CM		Equity options#		Equity futures		Instruments	FY25		FY26	
	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)		Contracts (in '000)	Value (Rs crore)	Contracts (in '000)	Value (Rs crore)
Corporates	198	3.7	61	2.4	422	6.7					
DIIs	720	13.4	5	0.2	798	12.7	Index Futures	729	55,373	343	61,723
FIs	638	11.8	170	6.6	1,940	30.8	Stock Futures	5,888	4,11,790	7,285	4,81,515
Individuals	1,822	33.8	996	38.6	1,110	17.6	Index Options	17,055	13,12,732	7,579	13,70,395
Others	143	2.7	91	3.5	243	3.9	Stock Options	4,203	2,96,012	4,810	3,18,037
Prop	1,867	34.6	1,256	48.7	1,779	28.3					
# Based on premium turnover * Data is as of Apr'26							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	-1,91,969
DIIIs	-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	3,01,688
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	32,545
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	-20.7
DIIIs	-4.8	10.4	5.2	14.0	16.0	6.0	-4.8	12.6	35.7	22.0	63.0	90.4	32.7
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	3.5

* As of April 30th, 2026. # Data for individuals include net flows on NSE in the secondary market only. Individuals include individual /proprietorship firms, HUF and NRI.



India's relationship
with gold is timeless.

Choose a smarter way
to participate in India's gold
economy


NSE EGR

**Shift from physical holding
to digital ownership**



**Mobilise existing
domestic gold**



**Build a transparent gold
marketplace**



**Create smarter investment
opportunities beyond jewellery
demand**



AI GENERATED CONTENT



How to create NSE EGR



A depositor submits a request through their **Depository Participant**.



The gold is collected and **verified** by a vault manager.



Depository credits the corresponding EGRs directly into the depositor's **demat account**.



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Executive Summary

Prolonged conflict, policy constraints and the deepening of domestic finance

The West Asia conflict has now entered its third month, and what initially appeared as a sharp external shock has increasingly become a condition markets and policymakers must live with. Multiple rounds of talks have yielded pauses but not closure, and each announcement has generated alternating hope and disappointment across asset classes. By now, the broad macro contours of the shock are clearer. Duration is emerging as the critical variable: the longer the conflict persists, the greater the cumulative deterioration in growth, inflation, external balances and policy flexibility. This is true globally and no less so for India. The shift from a disinflation-led easing environment to an energy-led inflation shock, first visible in March and more clearly understood in April, is now feeding into fiscal, monetary and market choices. India enters this phase with stronger domestic buffers than in earlier episodes, but the costs of a prolonged conflict are no longer hypothetical.

The global macroeconomic landscape has correspondingly become more difficult. The IMF now projects global growth at 3.1% in 2026 and 3.2% in 2027, with inflation expected at 4.4% in 2026 before easing thereafter. The downside risks are more severe, with scenarios closer to 2% growth and 6% inflation no longer implausible if energy prices remain elevated and supply disruptions intensify. The composition of global risks has changed materially. Inflation expectations have moved up, major central banks have paused easing, and oil-importing emerging economies face renewed external-sector pressure. At the same time, advanced economies linked to the AI boom—notably the US, Taiwan and South Korea—have continued to benefit from strong technology-led investment, reflected in robust first-quarter growth. The global economy is therefore not uniformly weak; rather, it is increasingly bifurcated between economies benefiting from AI-led capex and those more exposed to energy, food and shipping disruptions.

Since the onset of the West Asia crisis, the rupee has weakened by 5%, crossing the 95-per-US dollar mark on 11 May 2026 and moving further thereafter. Persistent FPI outflows, rising crude oil and gold prices, and continued dollar strength have all weighed on the balance of payments. The domestic economy, however, has remained more resilient than the exchange rate alone might suggest. High-frequency indicators point to continued strength in both rural and urban demand, reflected in double-digit growth in two-wheeler, passenger-vehicle and tractor sales. Bank credit growth remained robust at 16% year-on-year in April. Yet the policy challenge has become sharper. WPI inflation accelerated to 8.3% year-on-year in April, its highest level in 42 months, signalling that energy and commodity pressures are feeding into the production pipeline. CPI inflation has not yet fully reflected these pressures, but the combined effect of higher fuel prices and the recent MSP hike for kharif crops could add an estimated 25–35 bps to headline inflation. If the conflict persists into the first half of FY27, the pressure on inflation, the current account and policy coordination will intensify further.

Financial markets have moved in line with this changing backdrop. Global equities rebounded strongly in April after the sharp March correction, with the MSCI World Index rising 9.5% and the MSCI EM Index gaining 14.5%, supported by renewed confidence in earnings and a renewed rotation into technology and AI-linked sectors. Emerging markets outperformed, particularly Korea and Taiwan, which benefited from investor interest in semiconductors and AI supply chains. Indian equities also recouped part of their earlier losses. The Nifty 50 rose 7.5% in April, its strongest monthly gain in 28 months, supported by better global cues, more reasonable valuations after the March correction and continued domestic liquidity support. That recovery, however, lost momentum in the first half of May. Higher crude prices, rupee weakness, IT-sector concerns and continued foreign selling brought the Nifty 50 down 1.5% by 15 May. Flow dynamics remain highly divergent. Foreign portfolio investors extended their selling streak, with outflows of US\$6.5 bn in April and US\$2.8 bn in the first half of May, taking CY2026 outflows to US\$23.5 bn. Domestic institutional investors remained the key stabilising force, investing Rs 51,064 crore in April and extending their buying streak to 33 months, supported by resilient equity mutual fund inflows and sustained SIP contributions.

Bond markets have been steadier, but not immune. Global fixed income was mixed in April, with credit outperforming sovereigns and major government yields remaining sensitive to inflation, oil and fiscal concerns. In India, the 10-year government security yield softened to around 6.86% by mid-April before hardening again toward end-March levels. The long end continues to be constrained by crude prices, hawkish Fed commentary, tighter liquidity and supply concerns, while the RBI's decision to leave the repo rate unchanged at 5.25% has kept the domestic policy backdrop steady but not especially accommodative. In this setting, close fiscal-monetary coordination is becoming more important, particularly if energy-driven inflation persists while growth remains exposed to external weakness.

This month's twin Stories of the Month both speak to the structure of Indian finance under stress. The first, on ownership trends, shows the continued domesticisation of equity market risk. FPI ownership compressed further in the March quarter, amid record annual outflows of US\$19.6 bn, to a 17-year low of 15.8% in NSE-listed companies. Domestic mutual funds, by contrast, rose to a fresh high of 11.4%, marking the eleventh straight quarter of record highs. DII ownership in NSE-listed companies reached 19.6%, remaining above FPI ownership for the sixth consecutive quarter, a position last seen in 2003. Direct individual ownership declined to a five-year low of 9.1%, though on a combined basis—directly and through mutual funds—individuals still account for 18.7% of the market, near the high seen in September 2025. Household equity wealth did fall during FY26, driven by the sharp erosion in the March quarter, but cumulative wealth creation since April 2020 remains substantial at around Rs 44 lakh crore. The message is not that domestic participation removes vulnerability; rather, it alters how that vulnerability is distributed and absorbed.

The second story, on India's corporate bond market, shifts the focus from ownership to financing architecture. India's corporate bond market has grown steadily, with outstanding bonds now at around Rs 59 lakh crore in FY26, or roughly 17% of GDP, and primary issuance exceeding Rs 9 lakh crore. Yet it remains relatively shallow compared to larger global peers, concentrated in higher-rated issuers and still overwhelmingly privately placed. The secondary market remains the weaker link, though digital execution through EBP, RFQ and OBPP has improved transparency and access. In a period where banks remain central but external conditions are becoming more volatile, the depth of the corporate bond market matters more. A more developed bond market would broaden financing channels, improve price discovery and reduce excessive dependence on banks during periods of stress.

The Insights section on corporate bonds provides the analytical backdrop to this story. The literature shows that corporate bond spreads are not simply compensation for default risk. They also capture liquidity premia, institutional frictions, taxes and the effects of fund-flow dynamics. Research over the past five decades has established that spreads can signal broader macroeconomic stress, redistribute shocks across firms depending on market access, and expose fragilities in market structure, especially where dealer intermediation is weak and liquidity is episodic. For emerging markets, the lessons are particularly relevant: institutional quality, market structure and currency exposure all shape how corporate bond markets develop and how they behave under pressure. In that sense, the bond market is not just a financing mechanism; it is also an increasingly important lens on financial stability.

Exchange data for April show both deepening and concentration. Equity fundraising rebounded sharply, led primarily by preferential issuances, while IPO mobilisation remained cautious at the start of FY27. The total registered investor base at NSE surpassed the 13-crore mark, with the ecosystem broadening geographically and skewing younger, the median investor age now at 33. The equity cash segment recorded strong trading activity, with average daily turnover rising to Rs 1.3 lakh crore and average trade size reaching a 65-month high. Yet turnover remained highly concentrated among higher-value investors, even as lower-value participants accounted for the majority of active investors. The cash market continues to function as the primary entry point into Indian capital markets, but value traded remains disproportionately driven by a small set of larger participants. This divergence between participation breadth and turnover concentration remains a central feature of market structure in India.

NSE has also broadened its product architecture in recent months through new instruments linked more closely to hedging needs in commodities. Monthly electricity futures, smaller gold contracts and dated Brent crude oil futures point to a gradual widening of formal risk-management avenues, while Electronic Gold Receipts (EGRs) could deepen

the organised market for investment gold by enabling dematerialised ownership with the option of physical delivery. Over time, this may help connect a large stock of privately held gold more meaningfully with formal market infrastructure.

Taken together, the developments of the past two months point to a familiar but increasingly consequential pattern. Transmission of external shocks through energy, currencies, inflation and capital flows, and the longer they persist the less room policymakers have to treat them as temporary disturbances. India's domestic economy and capital markets remain better placed than in earlier episodes, supported by stronger domestic participation, more diversified financing channels and more stable macro fundamentals. But resilience is not immunity.

The longer the conflict persists, the less it can be treated as a temporary disturbance and the more it must be understood as a macro condition. Its costs accumulate through energy prices, inflation, capital flows and a gradual narrowing of policy room. India is better placed than in earlier episodes, but resilience is not only a matter of absorbing shocks after they arrive; it also depends on preparedness in advance—through stronger buffers, deeper markets and continued policy coordination. In uncertain times, prudence lies in preserving readiness. On that prudent we present the May edition of the Market Pulse. As always, we welcome your comments and suggestions.

Tirthankar Patnaik
Chief Economist

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Story of the Month

India's corporate bond market: Steady progress and scope for further deepening

Global debt has reached record levels, but the structure and depth of debt markets differ significantly across economies. Overall global debt stood at US\$348tn by December 2025, exceeding 300% of global GDP, with non-financial corporate debt and financial-sector debt together accounting for more than half of the total.¹ In OECD economies, over 60% of outstanding debt is by corporates via bonds and syndicated loans. Corporate bond depth, however, remains uneven across countries. India's corporate bond outstanding, at around 17% of GDP in FY26, has improved over time but remains below economies such as the US, China, South Korea and Malaysia.

India's financial system has historically been bank-led, with the corporate bond market developing gradually through successive reforms and committee recommendations. Outstanding corporate bonds rose to around Rs 59 lakh crore in FY26, growing at an annualised pace of 13.5%, but their share in India's overall debt market remains contained at little more than one-fifth, with Government securities continuing to dominate. Primary issuances have grown steadily to a little more than Rs 9 lakh crore in FY26, though they remain largely privately placed (>95%) and concentrated in higher-rated issuers. The secondary market has been the weaker link, but recent gains in digital execution through platforms such as Electronic Book Provider (EBP), Request for Quote (RFQ) and Online Bond Platform Provider (OBPP) point to improving transparency, access and trading infrastructure.

Overall, India's corporate bond market has made steady progress, but its next phase will require deeper secondary-market liquidity, stronger market-making, more active repo markets, wider retail and FPI participation, better risk-management tools, improved long-tenor pricing and faster recovery outcomes. As noted in [NITI Aayog's report](#), India's corporate bond market has the potential to exceed Rs 100–120 lakh crore by 2030, supporting the country's journey towards Viksit Bharat @ 2047.

This report covers global bond market trends, India's primary and secondary corporate bond markets, NSE's trading activity including participant-wise analysis, corporate bond spreads, key investors such as FPIs and mutual funds, and recent regulatory measures and challenges.

- **Global debt levels at record high; depth of corporate bond varies...:** Global debt reached a record US\$348 tn by December 2025, exceeding 300% of global GDP, with government and non-financial corporate debt each crossing the US\$100 tn mark. While debt markets remain largely government-led, corporate bond depth varies widely across major economies. Several Asian economies such as South Korea, Hong Kong and Malaysia show deeper corporate bond markets relative to GDP than larger economies such as USA and China. India's corporate bond market depth has improved gradually but remains modest compared to these peers.
- **...While India's corporate bond market is deepening at a steady pace:** India's corporate bond outstanding has grown at a 15-year CAGR of 13.5% to Rs 59.1 lakh crore in FY26. As a share of GDP, it has expanded from 11.7% in FY12 to a peak of 18.2% in FY21, before settling at 17.1% in FY26. However, India's debt market remains largely dominated by G-secs, with corporate bonds accounting for 21.5% of overall debt outstanding in FY26, down from a peak of nearly 25% in FY19.
- **Corporate bond issuances have increased, led by private placements...:** Corporate bond issuances have increased over the years but remain largely driven by private placements, growing from Rs 2.2 lakh crore in FY10 to Rs 9 lakh crore in FY26, with more than 95% of the issuances happening through private placements in most years. The rating profile also remains concentrated in higher-rated

¹ As per Institute of International Finance, global debt level has further expanded to a record of US\$ 353 tn by end-March 2026 and it stood at 305% of GDP

instruments, although the mix has broadened in recent years. The share of AAA-rated issuances declined from 77.9% in FY24 to 60.6% in FY26, while the combined share of bonds rated AA and below rose from 22.1% to 39.4%.

- ...While secondary market activity remains modest, albeit jumped in FY26:** Secondary market activity in corporate bonds has remained relatively muted compared with the expansion in primary market activity. Annual turnover doubled to ~Rs 15 lakh crore during FY15–FY20 and remained broadly range-bound thereafter till FY25. Trade counts, which were largely stable during FY15–FY19, increased noticeably in FY20–21 and remained steady until FY25. FY26 marked a distinct shift, with both turnover and number of trades rising sharply, indicating a pick-up in activity and the possible lagged impact of earlier market reforms.
- NSE's corporate bond trading activity has grown steadily...:** NSE's corporate bond turnover across OTC (over the counter) and RFQ segments has grown at a CAGR of 13.8% from Rs 10.6 lakh crore in FY22 to Rs 17.7 lakh crore in FY26. RFQ has been a key driver, with turnover rising 40.7% YoY in FY26 to Rs 6.8 lakh crore, compared with 12.8% YoY growth in OTC turnover to Rs 10.9 lakh crore. RFQ's share in total turnover rose from 24.9% in FY22 to 38.4% in FY26, indicating a gradual shift towards digital execution of trades, even as OTC remains the larger turnover segment with a share over 60% in FY26.
- ...With RFQ platform supporting higher trade frequency and broader activity:** This shift is also visible across OTC and RFQ trading patterns. RFQ accounted for 95.9% of total trades in FY26 but only 38.4% of turnover, reflecting concentration of smaller-sized transactions, with increased participation of individual investors. Average trade size on RFQ declined from Rs 38.1 crore in FY22 to Rs 0.4 crore in FY26, while trade count surged from 1.9 lakh in FY25 to 15.9 lakh in FY26. In contrast, OTC trades remained larger, with average trade size at Rs 16.1 crore, continuing to account for over half of turnover even with limited trade counts.
- UCC count in debt segment rises to ~13 lakh; individual drive trade count, institutions drive turnover:** NSE's secondary market debt platform has seen a sharp broadening in participation alongside the expansion in RFQ activity, with cumulative unique registrations reaching 12.7 lakh by Apr'26. However, turnover is largely led by institutions, with Mutual Funds, Other DFIs and Banks accounting for over 70%. RFQ turnover was led by Mutual Funds at 51.6%, while OTC turnover was led by other domestic financial institutions (DFIs) at 26.5%. In contrast, trade-count data points to increasing granularity, with individuals accounting for 77.3% of overall trades and 80.1% of RFQ trades, despite a very small share in turnover.
- Recent measures** aimed at deepening India's corporate bond market by improving transparency, access and liquidity include a) strengthening price discovery through EBP, RFQ, ISIN capping and the centralised bond database; b) widening participation through lower face values, OBPP and liquidity window facilities; and c) building market resilience through corporate bond repo, CDMDF, sustainable debt disclosures, market-making, credit index derivatives and total return swaps.
- Key challenges include:** 1) Concentration in private placements and highly rated issuers; 2) Limited secondary-market liquidity, market-making and repo activity; 3) Narrow retail and FPI participation; and 4) Gaps in risk-management tools, settlement infrastructure, long-tenor pricing and recovery timelines.

Global corporate bond developments

- Global debt has surged to record levels....** Overall global debt levels rose to US\$ 348 tn as of December 2025, exceeding 300% of global GDP. Of the total, the share of sovereign/government debt is around 31% of outstanding followed by non-financial corporate debt (~29%), financial sector debt (22%) and household (18%).² Both the Government and non-financial corporate debt have crossed the US\$ 100 tn mark as of December 2025. Among OECD countries, the total outstanding debt has reached US\$ 121 tn, of which both Government and corporate outstanding debt have an equal share of 50%. Of the total outstanding corporate outstanding debt of OECD countries, more than 60% has been through corporate bonds, while the balance has been through syndicated loans. In OECD countries, corporate borrowings from markets had reached its highest level ever at US\$ 13.7 tn, reflecting greater reliance on market-based financing to support capital expenditure and investment in emerging growth areas.
- ...With debt markets across countries primarily dominated by Government:** The debt market remains heavily Government-led in most countries with outstanding sovereign debt accounting for more than 70%. A few countries like Denmark (84.6%), Australia (65.2%), Norway (51.7%) and South Korea (44.5%) have a higher share of financial sector debt. Conversely, non-financial corporate debt is generally limited across countries barring Malaysia (35.5%), Russia (25%), Thailand (24.6%) and Israel (23.8%) which have a relatively higher share in overall debt. US and China have a relatively balanced structure with both having Government share in total of around half while non-financial corporate debt share in the range of 15-18%. Overall, debt as a direct financing channel for non-financial corporates remains uneven across countries.

Figure 1: Break-up of total global debt in 2025

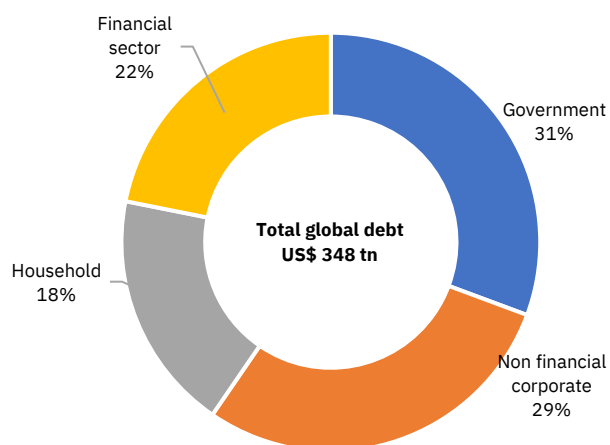
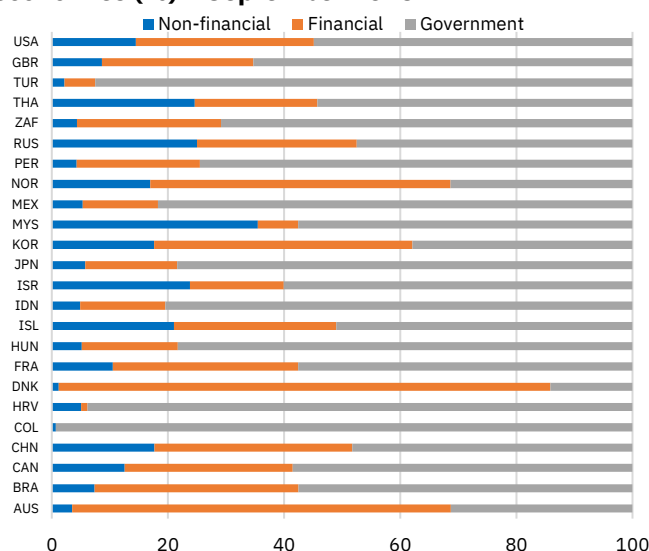


Figure 2: Break-up of debt securities across select economies (%) – September 2025



Source: Institute of International Finance, Bank of International Settlements, NSE EPR Notes: 1) Country codes: AUS= Australia, BRA= Brazil, CAN= Canada, CHN= China, COL= Colombia, HRV= Croatia, DNK= Denmark, FRA= France, HUN= Hungary, ISL= Iceland, IDN= Indonesia, ISR= Israel, JAP= Japan, KOR= South Korea, MYS= Malaysia, MEX= Mexico, NOR= Norway, PER= Peru, RUS= Russia, ZAF= South Africa, THA= Thailand, TUR= Turkey, GBR= United Kingdom, USA= United States of America 2) The data of breakup of debt securities is for the quarter ended September 2025, which is latest available 3) Break-up of debt securities includes only domestic debt

² <https://www.reuters.com/business/finance/government-spending-lifts-global-debt-record-348-trillion-2025-says-iif-2026-02-25/>

- Corporate bond market depth varies across economies:** Corporate bond market depth varies significantly across countries, with some Asian economies standing out even against large-sized economies such as the USA and China. South Korea has the deepest corporate bond market (from the shortlisted sample), with outstanding at 75.7% of GDP in 2025, well above China's 38.4% and the US (38.2%). Hong Kong and Malaysia also compare favourably, with corporate debt at 60.6% and 54.7% of GDP respectively, indicating a relatively higher reliance on market-based corporate financing. In comparison, while China and the US have much larger corporate bond markets in absolute terms, their corporate bond-to-GDP ratios are lower than these Asian peers.

In Japan, India, Indonesia and the Philippines, debt markets remain largely Government-led, with sovereign debt far exceeding corporate bond debt. Japan is the most striking case, with government debt securities at nearly 197% of GDP compared with corporate debt of only 17%. India also shows a similar pattern, with government debt at 74% of GDP against corporate debt of 17%.³ On the other hand, the outstanding corporate bond as a % of GDP is higher than Government in Hong Kong (60.6% vs. 9.6%) and South Korea (75.7% vs 51.5%). This suggests that while sovereign borrowing dominates in many economies, some Asian markets have developed much deeper corporate bond ecosystems.

Figure 3: Country-wise outstanding corporate bond (% of GDP): 2015 vs 2025

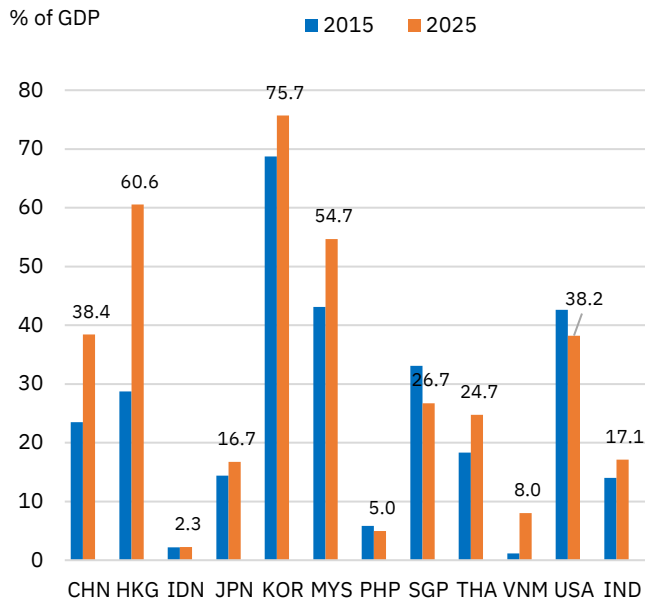
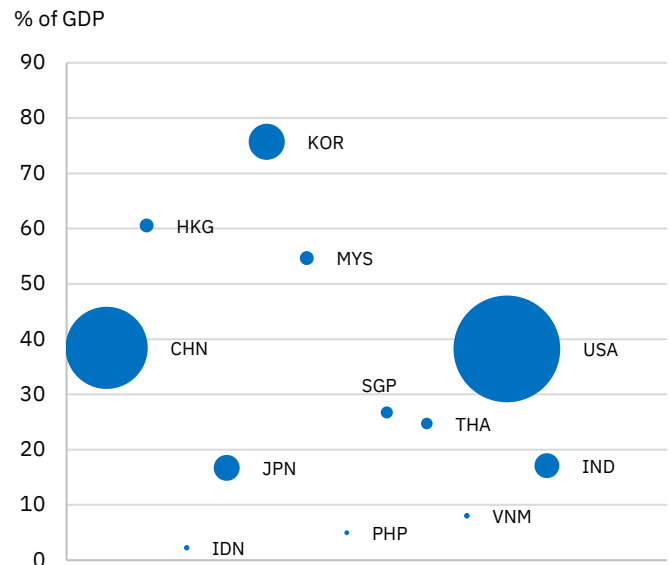


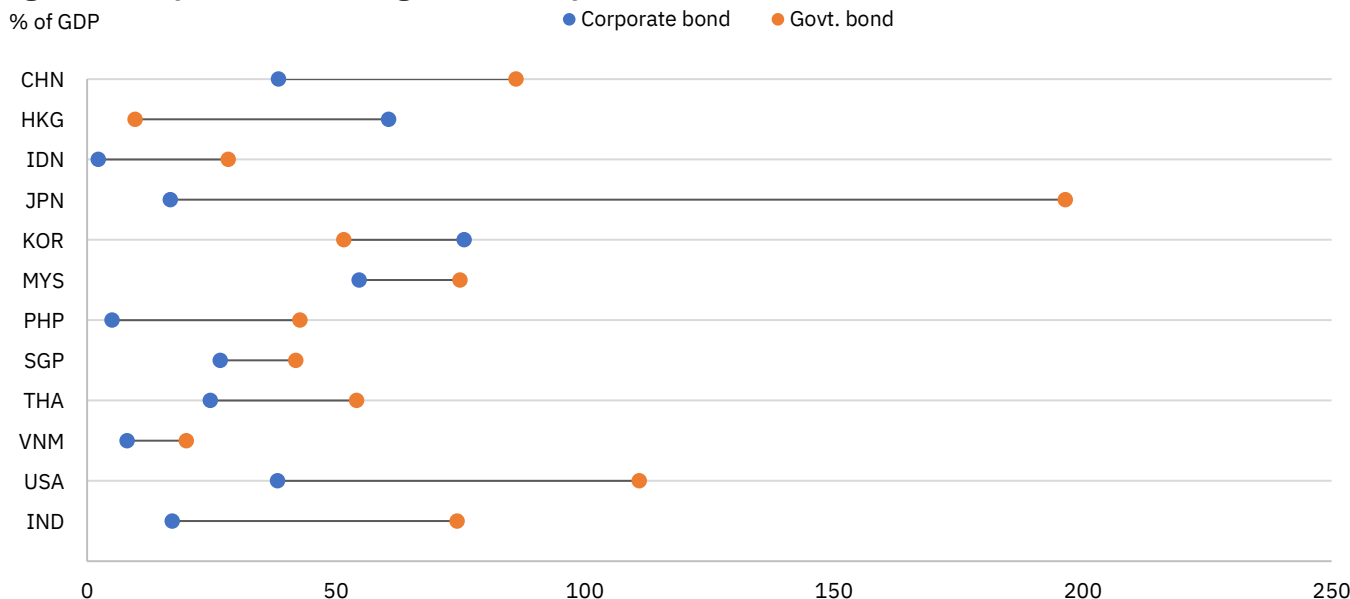
Figure 4: Country-wise o/s corporate bond (% of GDP and absolute) in 2025



Source: Asia Bond Online, SIFMA, SEBI, NSE EPR Notes: 1) Country codes: CHN= China, HKG= Hong Kong, IDN= Indonesia, JPN= Japan, KOR= South Korea, MYS= Malaysia, PHP= Philippines, SGP= Singapore, THA= Thailand, VNM= Vietnam, USA= United States of America, IND= India 2) Figures for Thailand is as of 2024 instead of 2025 and for India is it as of FY26. 3) Values for GDP has been sourced from IMF for the period ended 2025

³ Government debt to GDP for India includes market loans (GSecs) for Central Government, State Development Securities (SDS) and Treasury bills only

Figure 5: Comparison of sovereign debt vs corporate debt (% of GDP) for select economies in 2025



Source: Asia Bond Online, SIFMA, SEBI, NSE EPR Notes: 1) Country codes: CHN= China, HKG= Hong Kong, IDN= Indonesia, JPN= Japan, KOR= South Korea, MYS= Malaysia, PHP= Philippines, SGP= Singapore, THA= Thailand, VNM= Vietnam, USA= United States of America, IND= India 2) Figures for Thailand is as of 2024 instead of 2025 and for India is it as of FY26. 3) Values for GDP has been sourced from IMF for the period ended 2025.

Textbox 1: Corporate bond markets to play a larger role in financing AI expansion (Insights from OECD's Global Bond Market Report, 2026)

The expansion of artificial intelligence is expected to require substantial investment in data centres, computing infrastructure, chips, power and related digital infrastructure. This marks a shift for the technology sector, which has historically operated with relatively low capital intensity. In 2024, the median capital expenditure-to-sales ratio of global technology firms stood at 2.2%, the lowest across industries. However, the AI investment cycle is pushing large technology firms, especially hyperscalers, towards a more capital-intensive model, reducing the ability to rely only on internal cash flows and equity funding.

This shift is already visible in corporate bond markets. In 2025, nine major hyperscalers issued US\$122bn of bonds, the highest on record in real terms and more than three times their historical annual average since 2000. This accounted for 45% of total global technology-sector bond issuance during the year. Future funding needs are expected to be much larger, with consensus estimates placing hyperscaler capital expenditure at US\$4.1tn during 2026–2030, including US\$3.5tn by the four largest players alone. Given this scale, corporate bonds are likely to play a more central role in financing AI expansion, alongside syndicated loans, private credit and structured financing vehicles.

AI-related debt issuance could also increase concentration in corporate bond markets, as future borrowing is expected to be driven by a small group of large hyperscalers. Historically, global corporate bond concentration has been relatively stable, with the 100 largest issuers accounting for around one-third of total outstanding debt over the past 25 years. This could change as nine major hyperscalers, which already represented 12% of global equity market capitalisation and 24% of US market capitalisation at end-2025, increase bond issuance to fund AI capex. The technology sector's share in global non-financial corporate bond issuance rose to 9.6% in 2025, the highest since 2000, reinforcing the sector's growing role in debt markets.

India's corporate bond market developments

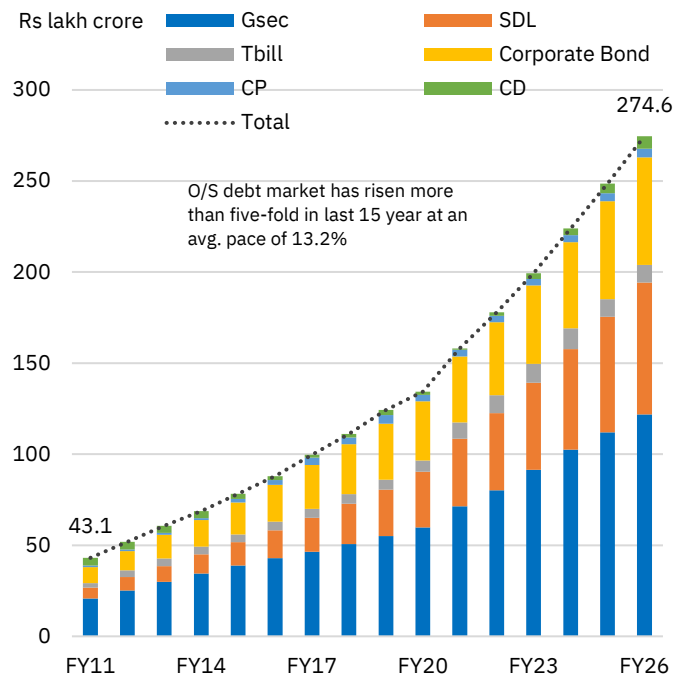
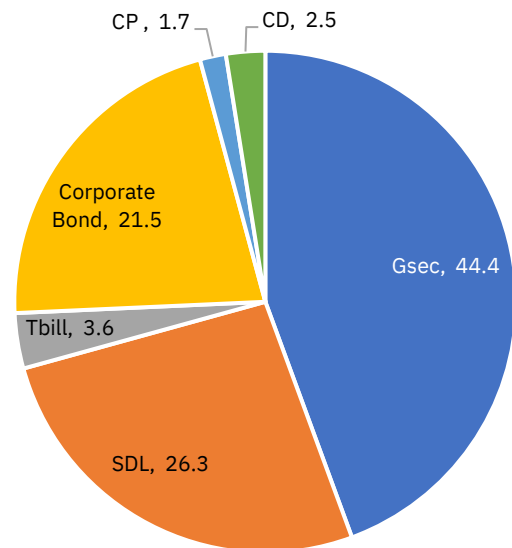
- India's debt market expansion led by public sector borrowing...:** India's outstanding debt market has expanded sharply over the last decade and a half, rising from Rs 52 lakh crore in FY12 to nearly Rs 275 lakh crore in FY26, translating to an average annual growth of 13.2%. This expansion has been led by the Government (GSecs), with State Development Securities (SDS) growing at a much faster pace of 18%, outpacing GSecs at 12.6% and corporate bonds at 13.5%. Consequently, the share of government debt in total outstanding debt, despite periods of volatility and intermittent decline, has broadly risen from around two-thirds in FY11 to nearly three-fourths in FY26.⁴ In contrast, the share of corporate bonds, which had increased to nearly one-fourth of total outstanding debt in FY19, eased to 21.5% in FY26. Taken together, corporate bonds, commercial papers (CPs) and certificate of deposits (CDs) accounted for 25.7% of total outstanding debt in FY26, lower than 32.4% in FY11, underscoring the continued dominance of public-sector/Government debt in India's debt market.
- ...with corporate bond gaining scale supported by reforms:** Within this broader debt landscape, the corporate bond market has grown steadily and has emerged as an important complement to bank financing. Outstanding corporate bonds increased from Rs 10.5 lakh crore in FY12 to Rs 59.1 lakh crore in FY26, growing at an average annual pace of 13.6%. This was faster than overall bank credit growth of 12.1% and bank credit to industry and services at 10.2% over the same period. The expansion has been supported by regulatory initiatives, greater participation by institutional investors, improved market infrastructure and the increasing use of bond markets by large, better-rated corporates for diversifying their funding sources. This has led to a gradual improvement in corporate bond market depth, with corporate bonds outstanding rising from 11.7% of GDP in FY11 to a peak of 18.2% in FY21, before settling at 17.1% in FY26.

Conversely, equity market capitalisation of NSE-listed companies stood at Rs 411.3 lakh crore as of end FY26, significantly higher at 119% of GDP. Equity financing remains important, but it may not be sufficient to meet the full range of India's investment needs, particularly in areas such as infrastructure, MSMEs and emerging technologies. Strengthening and further deepening the bond market, which has grown steadily over the years, will be important to meet the evolving financing needs and long-term growth aspirations of the economy.

- Market-based financing has improved, but India remains largely bank-funded:** The relative movement of corporate bonds and bank credit also points to a gradual diversification in corporate financing. Outstanding bank credit to industry and services moderated from ~33% of GDP in FY11 to 30.8% in FY26, after touching a trough of 26.7% in FY22. This suggests that, over the longer term, part of the financing requirement of larger corporates has shifted towards bond markets. However, the post-pandemic trend is more nuanced. Corporate bonds outstanding have remained broadly range-bound at 16–17% of GDP, while bank credit to industry and services has recovered from 26.7% of GDP in FY22 to 30.8% in FY26, supported by stronger credit demand, higher working-capital requirements and a revival in services-sector lending. Overall bank credit to GDP also rose from 51.6%

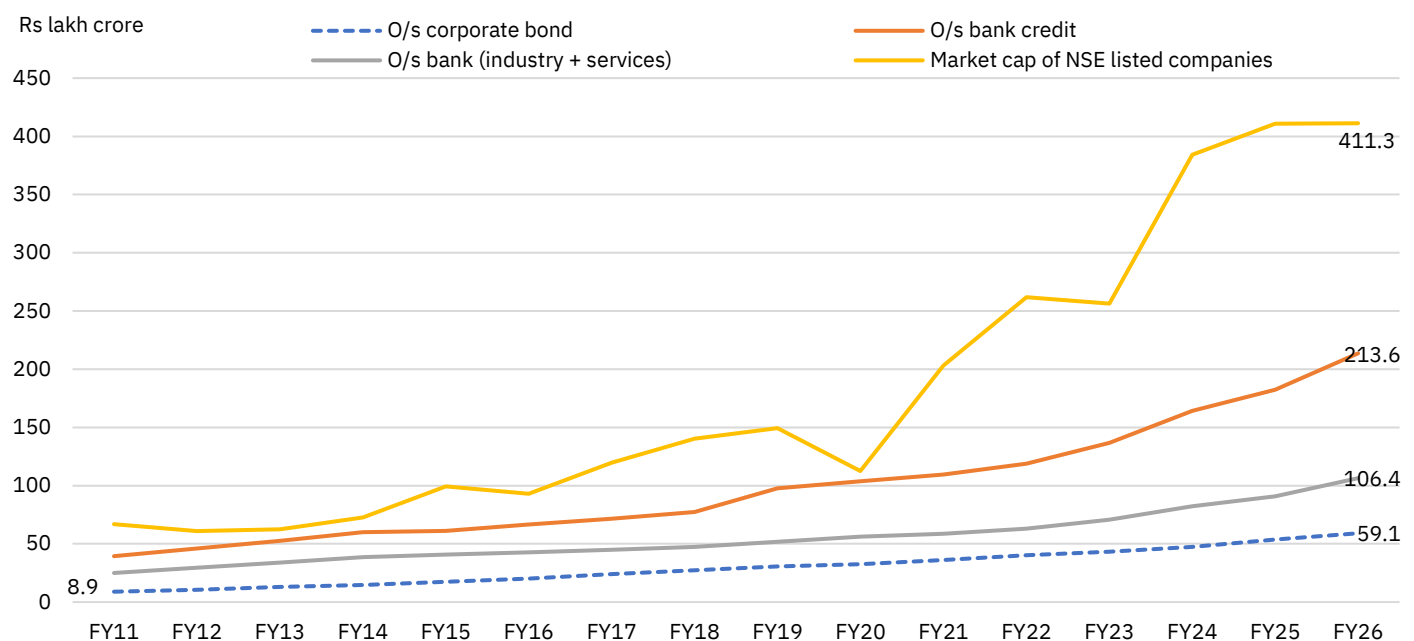
⁴ Government securities includes GSecs/market loans, Treasury Bills and State Development Securities only for computation. This does not include compensation and other bonds, securities issues to international financial institutions and other external debt

in FY11 to 61.8% in FY26, reinforcing that India continues to remain largely a bank-funded economy. Even so, the steady increase in corporate bond outstanding reflects meaningful progress in market-based financing, although India's corporate bond market depth remains relatively modest compared to several global peers.

Figure 6: Trends in outstanding debt market in India

Figure 7: Share of outstanding bond market (FY26, %)


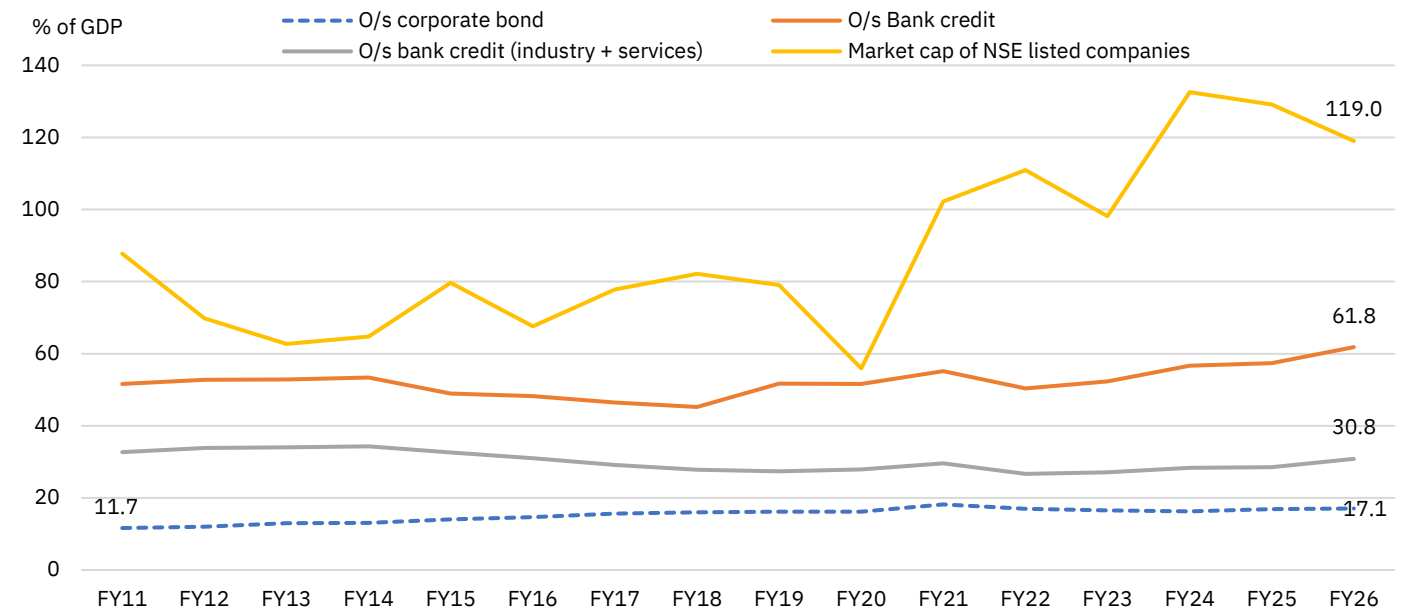
Total outstanding: Rs 275 lakh crore

Source: CMIE Economic outlook, SEBI, RBI, NSE EPR Notes: 1) The outstanding value for SDL in FY26 is an estimate based on an average growth of 14% during FY22-FY25. CP= Commercial papers, CD = Certificate of deposits

Figure 8: Trend of equity market capitalisation, outstanding bank credit and corporate bonds


Source: SEBI, CMIE Economic Outlook, RBI, NSE EPR

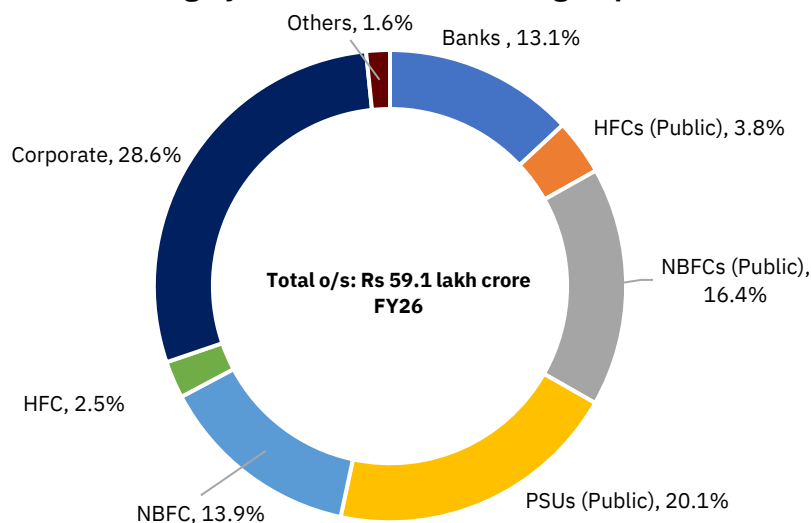
Figure 9: Trend of equity market capitalisation, outstanding bank credit and corporate bonds (% of GDP)



Source: SEBI, CMIE Economic Outlook, RBI, NSE EPR Notes: 1) GDP used for the period starting from FY22 onwards is based on the new GDP series

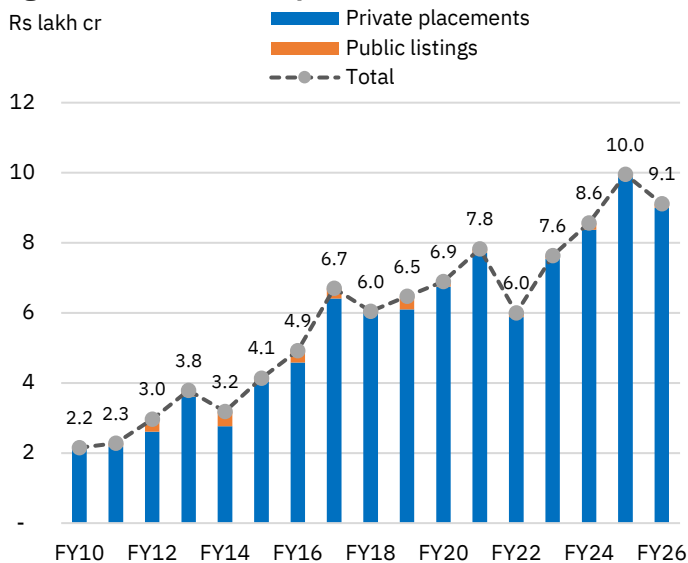
- Corporate bond issuers are concentrated among large corporates & PSUs:** In FY26, corporate bond outstanding was led by corporates, which accounted for the largest share at 28.6%. Public-sector entities also had a significant presence, with PSUs/statutory bodies contributing 20.1%, while bank/PSU/government-owned NBFCs accounted for another 16.4%. Banks and NBFCs had broadly comparable shares at 13.1% and 13.9%, respectively. The financial sector remains a key pillar of bond market activity, with banks, NBFCs, and HFCs collectively contributing over 49% of outstanding corporate bond, reflecting their structural dependence on debt markets for funding and liquidity management. Overall, India's corporate bond outstanding is fairly distributed across issuer categories, led by corporates, PSUs/statutory bodies and financial institutions, including banks, NBFCs and HFCs.

Figure 10: Issuer category wise share of outstanding corporate bond

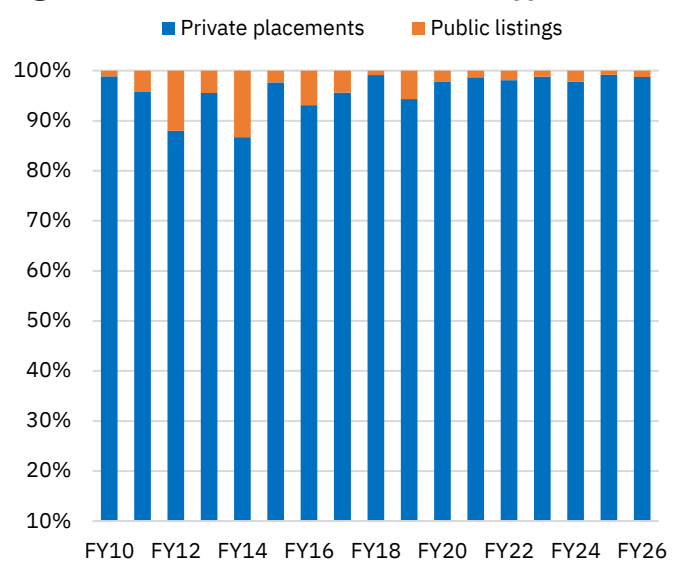


Source: SEBI, CMIE Economic Outlook. Notes: 1) HFCs (Public) includes Bank/PSU/Government Owned HFCs 2) NBFCs (Public) includes Bank/PSU/Government Owned NBFCs 3) PSUs (Public) includes PSUs/Statutory Bodies.

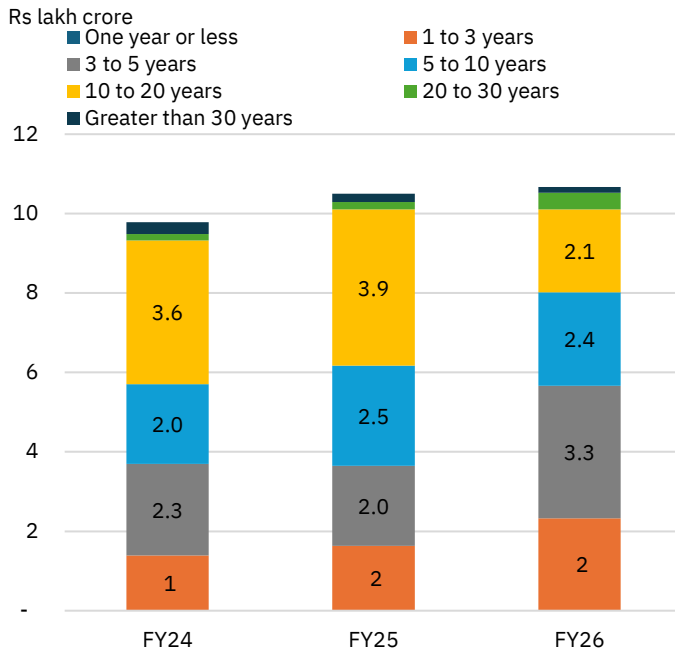
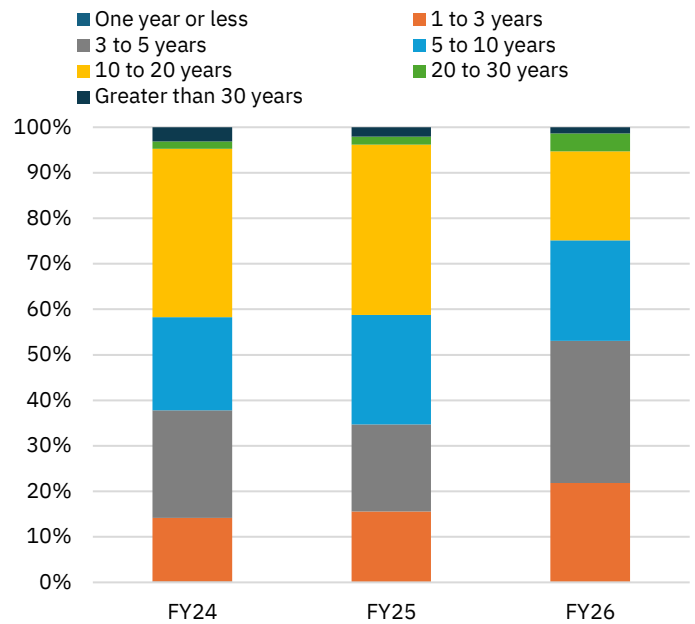
- Private placements continue to dominate corporate bond issuances:** Corporate bond issuances in India are driven by private placements, which have consistently accounted for more than 95% of total issuances in most years. In FY26, private placements stood at Rs 9 lakh crore, accounting for 98.8% of total corporate bond issuances, while public placements remained marginal at Rs 11,343 crore, or just 1.2% of the total. This reflects the continued preference of issuers and institutional investors for the private placement route, given its relative flexibility, efficiency and suitability for large-ticket debt mobilisation.

Figure 11: Trends in corporate bond issuances


Source: CMIE Economic Outlook, NSE EPR

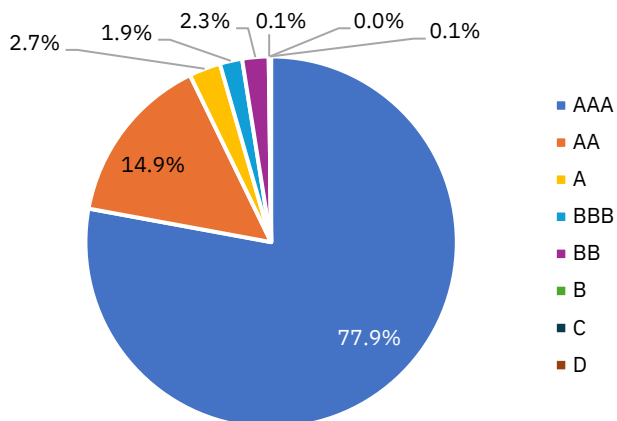
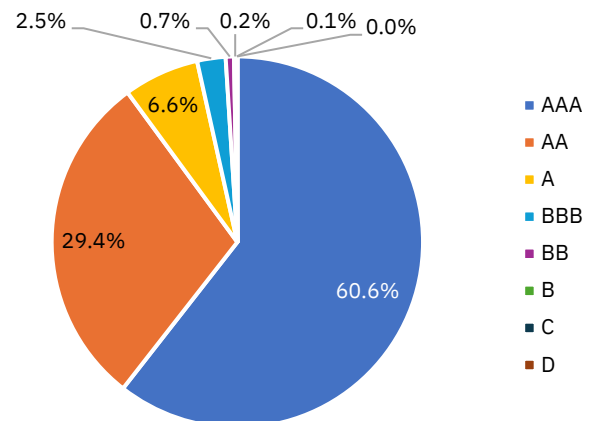
Figure 12: Share of issuances based on type


- Share of short and medium-term corporate bond issuances has increased in the last three years:** Maturity profile of corporate bond issuances has witnessed a gradual shift towards shorter and medium-term borrowings in recent years. The share of issuances in the 1–3-year maturity segment increased from 14.1% in FY24 to 21.7% in FY26 increasing at a CAGR of 29.8%, while the share of 3–5-year issuances rose from 23.6% to 31.2% increasing at a CAGR of 20.2% during the same period. In contrast, the proportion of long-term borrowings in the 10–20-year segment declined significantly from 37% in FY24 to 19.5% in FY26. The share of issuances in the 5–10-year segment remained relatively stable. The changing maturity composition indicates a preference among issuers for shorter and medium-tenor fundraising, caution towards longer-duration exposure amidst heightened uncertainty alongside changing interest rate expectations and investor demand dynamics.

Figure 13: Maturity-wise corporate bond issuances

Figure 14: Maturity-wise share in corporate bond issuances


Source: NSDL, NSE EPR Notes: 1) Maturity has been calculated at an instrument-level by computing the difference between the maturity date and issuance date.

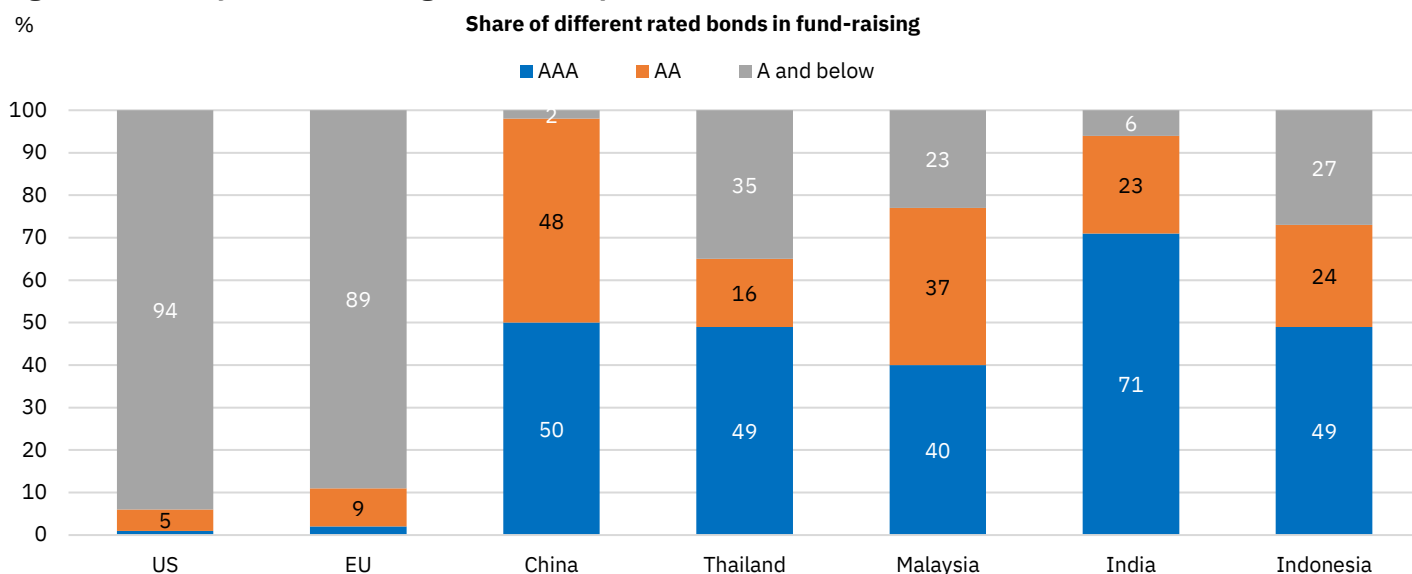
- Participation of investment-grade corporate bond issuers has witnessed a gradual increase:** The credit rating profile of corporate bond issuances indicates increased participation by relatively lower-rated issuers during the period. The share of AAA-rated issuances declined from 77.9% in FY24 to 60.6% in FY26, although AAA-rated bonds continued to account for the majority of issuances. In contrast, the share of AA-rated bonds increased from 14.9% to 29.4%, while the proportion of A-rated issuances rose from 2.7% to 6.6% during the same period. Consequently, the combined share of bonds rated AA and below increased from 22.1% in FY24 to 39.4% in FY26. The trend suggests broader participation in the corporate bond market beyond the highest-rated issuers. However, issuances below investment grade categories (AAA to BBB) remained negligible, indicating that the market continued to be predominantly investment-grade in nature.

Figure 15: Credit rating-wise corporate bond issuances in FY24

Figure 16: Credit rating-wise corporate bond issuances in FY26


Source: NSDL, NSE EPR

- Rating-wise distribution across countries:** The rating composition of corporate bond issuances varies significantly across countries. The US and EU show a much larger share of issuances in the A-rated and below category at 94% and 89%, respectively, indicating broader market access across the credit spectrum. In contrast, India's issuance profile remains concentrated in higher-rated bonds, with AAA-rated bonds accounting for 71% and AA for 23%, while A and below forms only 6%. China, Thailand, Malaysia and Indonesia show a more mixed profile, with relatively higher participation from lower-rated issuers than India.

Figure 17: Country-wise and rating-wise breakup of issuances



Source: Niti Aayog Report December 2025; Note 1) This country-wise comparison is as of 2020

Secondary market activity in India's corporate bond market

India's corporate bond secondary market has evolved from a predominantly institutional, large-ticket market toward a more granular and electronically intermediated structure. Set against the broader backdrop of corporate bond outstanding rising from Rs 17.5 lakh crore in FY15 to Rs 59.1 lakh crore in FY26, growth in secondary market activity has remained below the pace of expansion in outstanding corporate bonds over the same period. However, FY26 recorded a significant increase in both turnover and trading activity, with data suggesting evolving trading and execution patterns across market segments.

Trends in turnover and trade activity (All-India corporate bonds)

- Gradual evolution in secondary market activity; sharp rise in FY26:** The secondary corporate bond market has moved through three broadly distinct phases over the past decade, each characterised by a different relationship between turnover and trading activity.

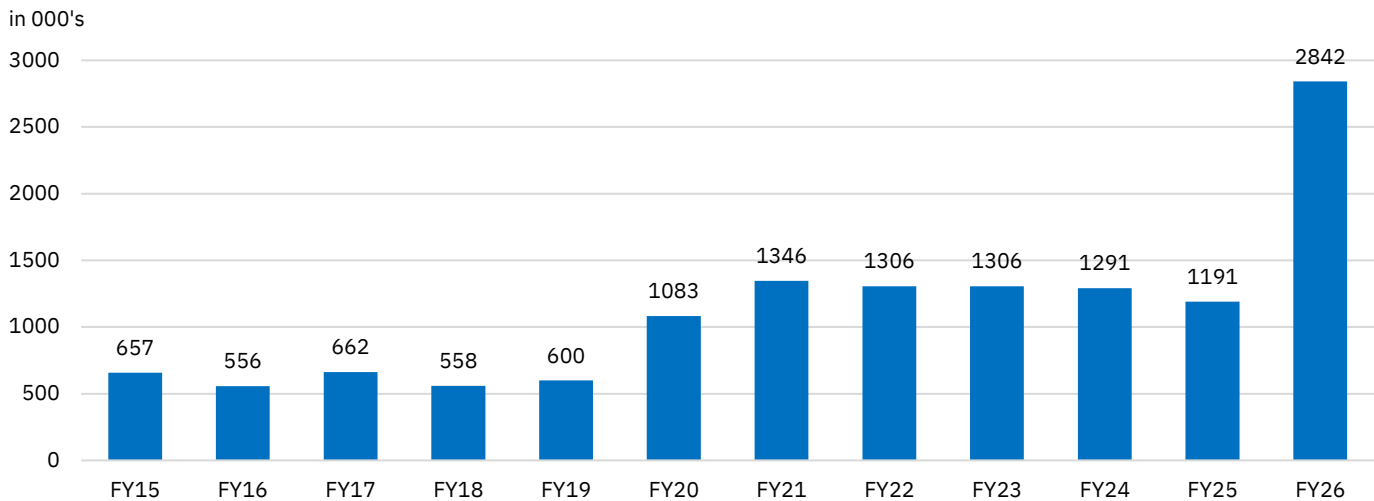
Between FY15 and FY20, annual turnover nearly doubled from Rs 7.5 lakh crore to Rs 14.9 lakh crore (CAGR: ~14.7%), while the number of trades remained broadly stable in the range of 5.6–6.6 lakh annually, barring a spike in FY20. This divergence between rising turnover and stable trade counts reflects an increase in average trade sizes over the period — consistent with a market where institutional

participants accounted for the bulk of activity and transactions were largely conducted through bilateral OTC channels.

From FY21 to FY25, trade counts stabilised at a higher level of ~12–13 lakh annually, while turnover remained range-bound at Rs 13–15 lakh crore before recovering to Rs 17.1 lakh crore in FY25. This phase was characterised by higher trade counts alongside relatively stable turnover, indicating some moderation in average trade sizes while market activity remained largely OTC-driven.

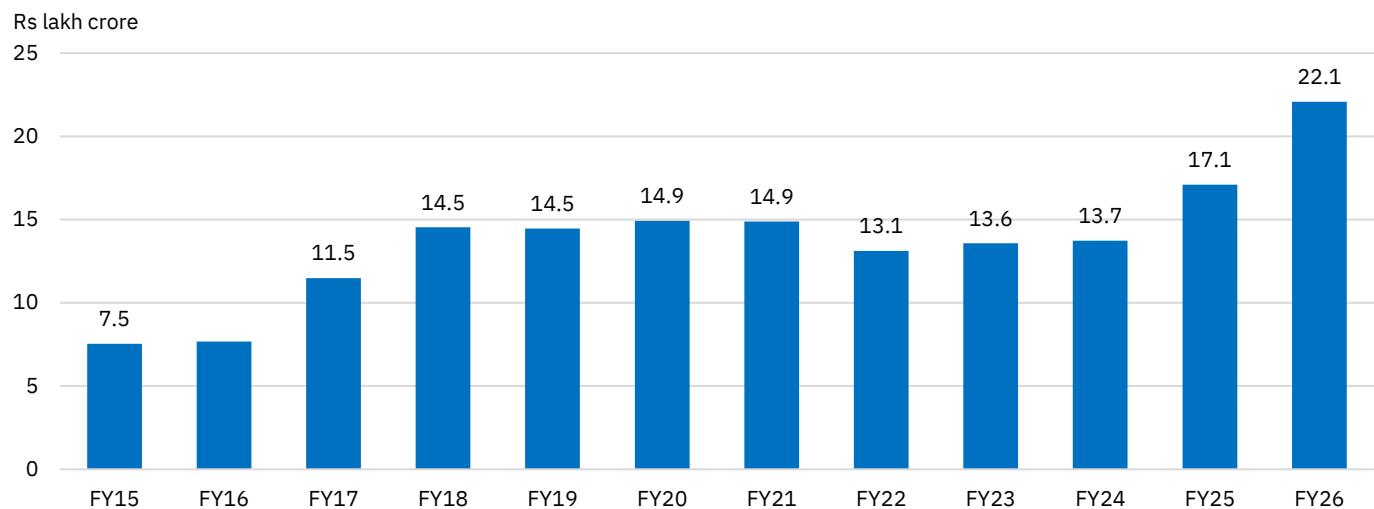
FY26 saw a simultaneous increase in both trade counts and turnover. Trade counts surged to 28.4 lakh, more than doubling from FY25, while turnover rose to Rs 22.1 lakh crore, the highest in the observed period. Average daily trading volume rose to Rs 9,158 crore in FY26, from Rs 3,180 crore in FY15 — a near-threefold increase over the decade, though this remains significantly below equity market turnover levels.

Figure 18: Annual number of trades settled in secondary markets (all-India)



Source: SEBI.

Figure 19: Annual total turnover in secondary markets (all-India)



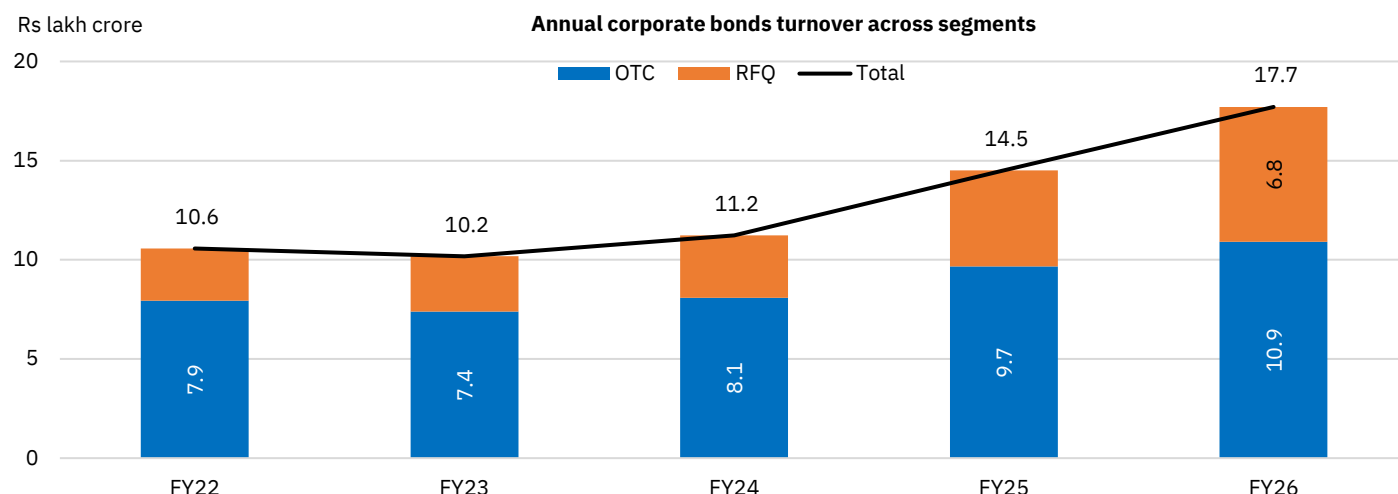
Source: SEBI.

Trading and turnover activity in NSE platform

Developments on the NSE platform, which covers corporate bonds reported across OTC and RFQ segments, reflect both expansion in scale and a change in the composition of market activity. Aggregate annual turnover across both platforms rose from Rs 10.6 lakh crore in FY22 to Rs 17.7 lakh crore in FY26, reflecting a CAGR of 13.8%. Within this, OTC turnover increased to Rs 10.9 lakh crore in FY26, up 12.8% YoY, while RFQ turnover expanded at a faster pace of 40.7% YoY to Rs 6.8 lakh crore. RFQ accounted for ~60% of the incremental increase in total turnover between FY25 and FY26. Consequently, RFQ's share of total turnover rose to 38.4% in FY26, from 33.3% in FY25 and 24.9% in FY22, marking a sustained shift in the composition of secondary market activity.

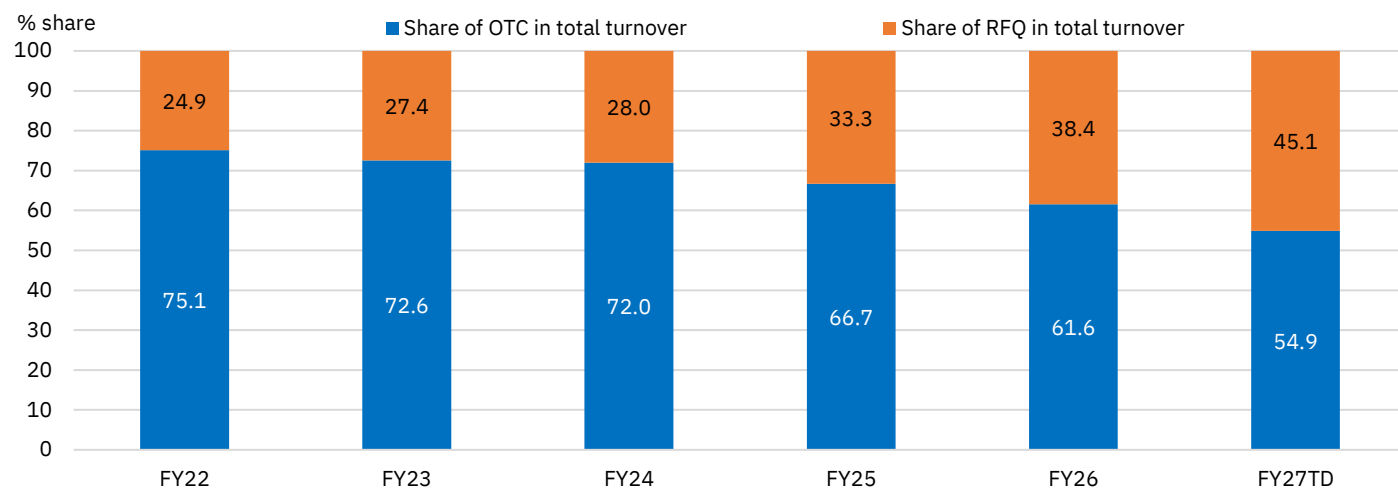
These trends were also reflected in average daily turnover, which rose to Rs 7,347 crore in FY26 from Rs 6,017 crore in FY25, a 22.1% YoY increase. OTC ADT rose to Rs 4,525 crore and RFQ ADT to Rs 2,822 crore in FY26. March 2026 ADT stood higher at Rs 8,359 crore (+30% MoM) – the highest in the last nine months, reflecting a pickup in activity toward fiscal year-end across both platforms.

Figure 20: Annual trend in total corporate bonds turnover across segments

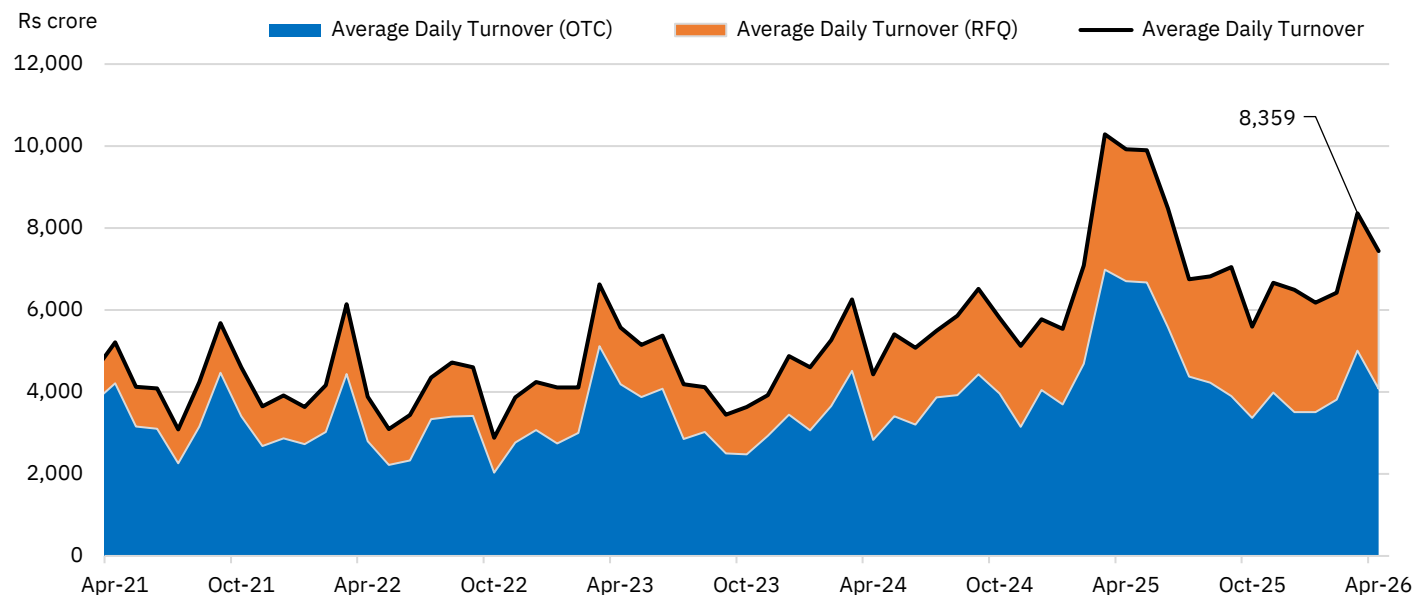


Source: NSE EPR. Notes: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 21: Annual share in total corporate bonds turnover across segments



Source: NSE EPR. Notes: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2) The data for FY27TD is as of April 2026.

Figure 22: Monthly trends of average daily turnover of corporate bonds


Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

- Divergence across execution segments:** The aggregate FY26 figures obscure an important divergence in the behaviour of the two segments across the year. H1 FY26 was characterised by broad-based expansion, with total turnover rising 51.2% YoY to Rs 9.9 lakh crore, driven by robust growth in both OTC turnover, which rose 46.5% against H1 FY25, and RFQ turnover, which grew 60.3% over the same period. However, H2 FY26 presented a different picture. OTC turnover contracted 14.5% YoY and 28.0% sequentially in H2 FY26, while RFQ turnover continued to grow, rising 24.2% YoY though moderating 7.6% sequentially from H1 FY26 levels. The result was a marginal contraction of 1.7% in total H2 FY26 turnover to Rs 7.8 lakh crore. The divergence across H2 FY26 reflects differing turnover patterns across OTC and RFQ segments during the period.

Table 1: Half-yearly turnover across segments (Rs crore)

Period	OTC Turnover	RFQ Turnover	Total Turnover	OTC YoY (%)	RFQ YoY (%)	Total YoY (%)
H1 FY25	4,32,695	2,20,409	6,53,104	+5.1	+49.6	+16.8
H2 FY25	5,33,879	2,63,039	7,96,918	+34.8	+57.3	+41.5
H1 FY26	6,34,100	3,53,402	9,87,501	+46.5	+60.3	+51.2
H2 FY26	4,56,481	3,26,662	7,83,024	-14.5	+24.2	-1.7

Source: NSE EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. YoY compares H1 FY26 vs H1 FY25 and H2 FY26 vs H2 FY25.

- RFQ platform sees higher trades alongside lower average trade size...:** Market activity in FY26 continued to display divergence across OTC and RFQ segments in terms of transaction size and trade frequency. Despite accounting for 95.9% of total trades, RFQ represented only 38.4% of total turnover, reflecting a concentration of smaller-sized transactions on the electronic platform alongside continued dominance of larger-value transactions in the OTC segment.

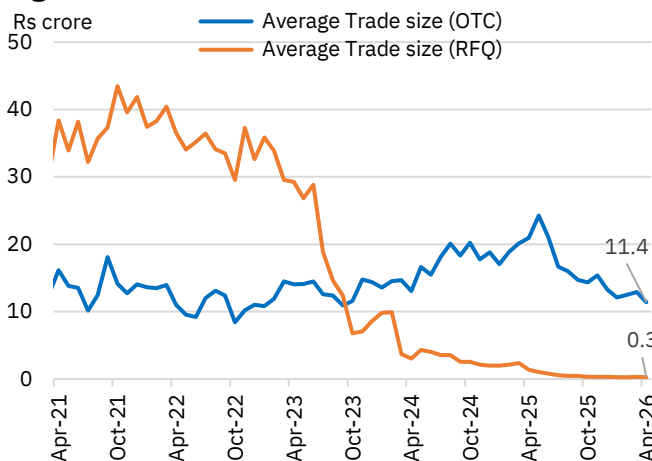
Average trade size on the RFQ platform declined from Rs 38.1 crore in FY22 — when the platform was relatively nascent and used primarily by larger institutional participants — to Rs 2.6 crore in FY25 and further to Rs 0.4 crore in FY26, an 84% decline in a single year. This trend coincided with a significant expansion in RFQ

trade counts, which rose to 15.9 lakh in FY26 from 1.9 lakh in FY25, an increase of more than 8x YoY. The rise in the number of trades alongside compression in average trade size points to increasing granularity in RFQ-based execution, with a growing share of smaller-sized transactions contributing to overall market activity on the platform.

- ...While average trade size in OTC remains elevated despite some moderation:**

On the OTC side, average trade size moderated only slightly from Rs 18.0 crore in FY25 to Rs 16.1 crore in FY26, following a rise from Rs 13.9 crore in FY22. OTC trade counts rose more moderately to 67,654 in FY26, up 26.3% YoY. By April 2026, RFQ trade counts rose further to 2,09,522 trades (+7.5% MoM), the highest monthly level recorded in the series, while OTC trade counts moderated to 6,796 (-2.5% MoM). Activity across both execution platforms remained elevated at the beginning of FY27. The OTC segment continued to account for over 55% of total turnover in April 2026 despite representing roughly 3% of total trade counts, reflecting the continued divergence between value concentration and trading frequency across execution channels.

Figure 23: Monthly trend in average trade size across segments



Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 24: Annual trend in average trade size across segments

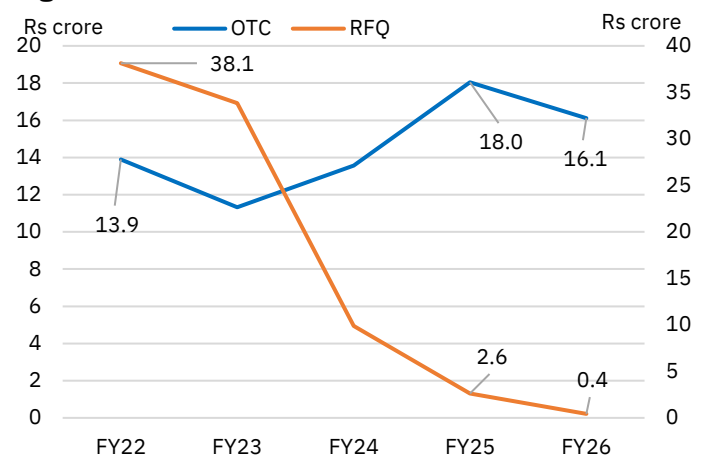
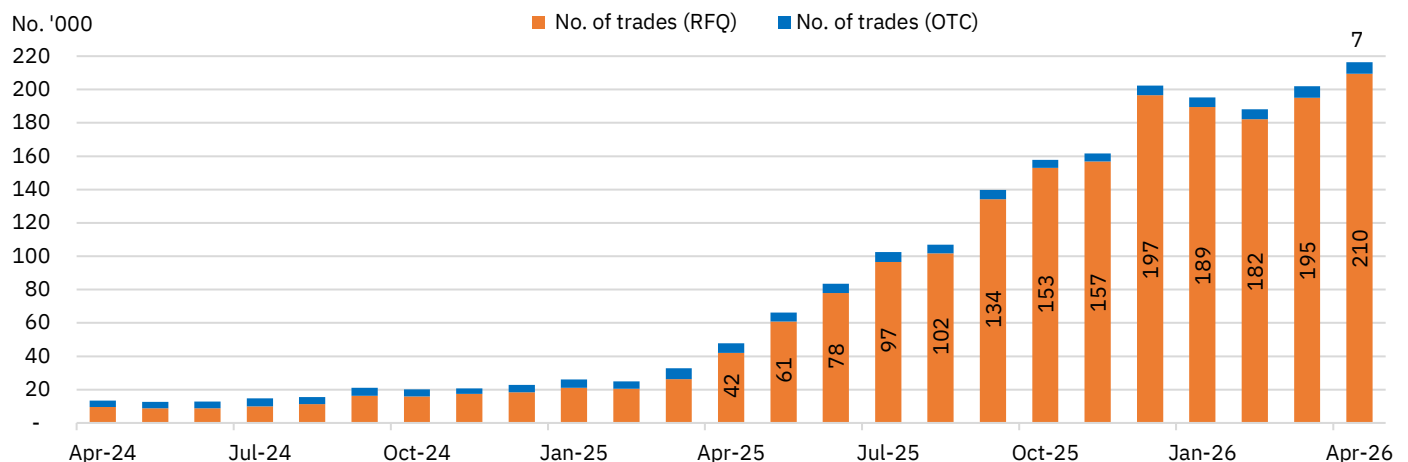
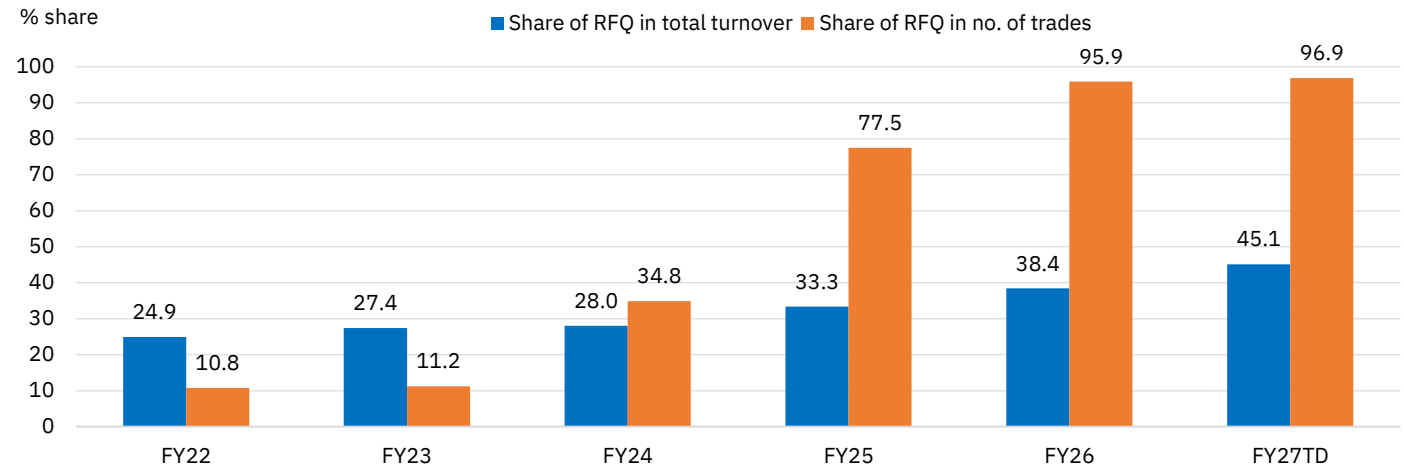


Figure 25: Monthly trend in number of trades in corporate bonds reported across platforms



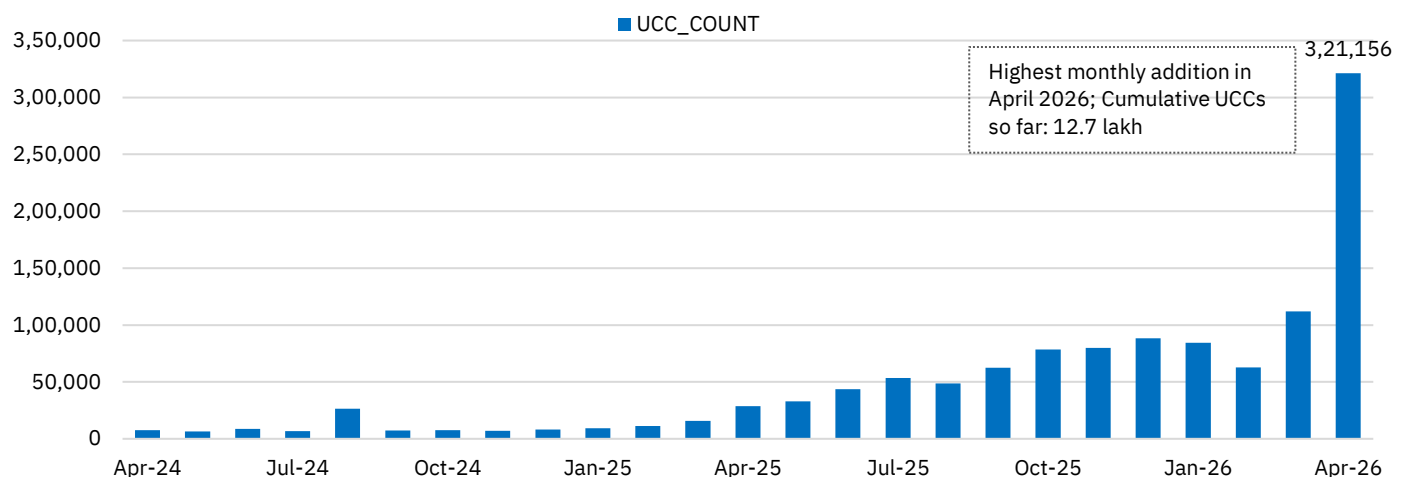
Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 26: RFQ share in total trades and total turnover of corporate bonds


Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of April 2026.

Participation trends across execution venues

- Unique client codes see record monthly addition in April'26, ~13 lakh cumulative:** The expansion in RFQ-based activity was accompanied by a broadening in platform participation. Unique client registrations on the NSE secondary market debt platform expanded sharply over the last three fiscal years (FY24-FY26), broadly coinciding with the rise in RFQ trade counts. Monthly client additions on the NSE secondary market debt platform increased from an average of ~200 during FY20–FY21 to 3000 in FY24 and further to nearly 65,000 in FY26, indicating a significant rise in platform onboarding activity over recent years. April 2026 recorded 3,21,156 new client registrations — the highest single-month addition in the series and nearly eleven times the level recorded in April 2025. Cumulative client registrations on the platform have risen to approximately 12.7 lakh since April 2019, underscoring the rapid expansion in platform participation over recent years. The increase in client registrations, alongside higher RFQ trade counts and smaller average trade sizes, is consistent with higher participation through smaller-sized transactions on electronic platforms.

Figure 27: Monthly count of UCCs registered in secondary debt market


Source: NSE EPR. Notes: 1) UCC stands for Unique client codes

• Mutual funds, banks and insurance account for nearly three-fifth of turnover....:

Mutual Funds continued to hold the largest share of secondary market turnover in FY26 at 32.0%, followed by Other Domestic Financial Institutions (DFIs) at 20.8% and Banks at 18.6%. The combined share of Mutual Funds, Banks and Insurance remained close to 60% in FY26, indicating that institutional investors continued to account for a significant share of aggregate turnover despite the broadening of participation across categories. April 2026 data indicate a continuation of these participation trends, with Mutual Funds accounting for 34.5% of total turnover and Other DFIs for 22.7%, while the share of Banks moderated to 14.5%.

Table 2: Participant share in total secondary market turnover (% share)

Fiscal Year	Banks	Corporate	FII / FPI	Individual	Insurance	Mutual Funds	Other DFIs	Prop	Others
FY21	17.9	11.1	4.0	0.9	7.8	29.8	19.8	8.7	0.0
FY22	18.2	10.0	4.6	1.0	8.4	33.7	16.3	7.7	0.1
FY23	17.0	8.5	3.7	1.2	9.5	33.1	17.6	9.3	0.1
FY24	18.1	8.6	4.4	0.9	9.5	28.9	21.1	8.3	0.2
FY25	21.0	8.7	5.8	0.8	8.8	28.8	20.0	6.2	0.1
FY26	18.6	7.2	5.6	1.2	8.5	32.0	20.8	6.1	0.1
FY27TD	14.5	5.8	7.5	1.7	6.9	34.5	22.7	6.2	0.2

Source: NSE, EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. Data for FY27TD corresponds to April 2026. 3. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

- **...With divergence in participation across segments:** Participant composition across segments also evolved during this period, with differences emerging between OTC and RFQ execution profiles. In the OTC segment, Other DFIs remained the largest category with a turnover share of 26.5% in FY26, followed by Banks at 20.7% and Mutual Funds at 19.7%, consistent with the concentration of large-value negotiated transactions among institutional participants. On the RFQ platform, Mutual Funds held the highest share at 51.6% in FY26, though their share declined from 74.4% in FY21. Over the same period, the share of Banks in RFQ turnover increased from 7.7% to 15.2%, Other DFIs from 4.1% to 11.7%, and FII/FPI participation rose from negligible levels in FY21 to 6.1% in FY26, reflecting a gradual broadening in the institutional participant base on the platform. The combined share of Mutual Funds, Other DFIs and Banks – in RFQ turnover declined from approximately 86% in FY21 to around 78% in FY26, indicating increasing participation across a wider set of investor categories over the period. Within the RFQ segment, Mutual Funds continued to account for over half of platform turnover in FY27TD (51.8%), while FII/FPI participation increased to 10.2%.

Table 3: Participant share in OTC secondary market turnover (% share)

Fiscal Year	Banks	Corporate	FII / FPI	Individual	Insurance	Mutual Funds	Other DFIs	Prop	Others
FY21	20.0	13.1	4.8	1.1	7.3	20.5	23.0	10.1	0.1
FY22	21.2	12.9	6.1	1.4	8.4	19.6	20.7	9.7	0.1
FY23	19.7	11.4	5.0	1.7	9.4	19.1	21.3	12.2	0.2
FY24	21.2	11.0	5.0	1.2	8.7	18.8	24.3	9.4	0.3
FY25	25.0	11.6	5.0	0.9	8.9	18.8	23.6	6.1	0.1
FY26	20.7	10.6	5.3	1.0	9.6	19.7	26.5	6.6	0.1
FY27TD	15.4	9.6	5.3	1.6	8.2	20.3	31.0	8.2	0.4

Source: NSE, EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. The data for FY27TD corresponds to April 2026. 3. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

Table 4: Participant share in RFQ secondary market turnover (% share)

Fiscal Year	Banks	Corporate	FII / FPI	Individual	Insurance	Mutual Funds	Other DFIs	Prop	Others
FY21	7.7	1.2	0.0	0.0	10.7	74.4	4.1	1.9	0.0
FY22	9.3	1.2	0.0	0.0	8.4	76.3	3.0	1.8	0.0
FY23	9.7	0.9	0.1	0.0	9.7	70.3	7.6	1.7	0.0
FY24	10.1	2.4	3.1	0.1	11.5	54.6	12.7	5.5	0.0
FY25	13.0	2.7	7.4	0.6	8.4	48.8	12.7	6.3	0.0
FY26	15.2	1.9	6.1	1.4	6.7	51.6	11.7	5.4	0.0
FY27TD	13.3	1.3	10.2	1.9	5.3	51.8	12.6	3.7	0.0

Source: NSE, EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. The data for FY27TD corresponds to April 2026. 3. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

- **Individuals dominated in terms of trade counts....:** However, participation patterns differed significantly when measured by number of trades rather than turnover. Individual investors accounted for 77.3% of the total number of trades in FY26, compared with only 1.2% of total turnover, reflecting the increasing prevalence of smaller-sized transactions in the secondary market. Proprietary participants accounted for a further 11.1% of the number of trades. The combined share of Mutual Funds, Banks and Insurance in the total number of trades declined sharply relative to their turnover share. These trends indicate that market activity has become increasingly granular in execution terms even as turnover remains institutionally concentrated.

Table 5: Participant share in total number of secondary market trades (% share)

Fiscal Year	Banks	Corporate	FII / FPI	Individual	Insurance	Mutual Funds	Other DFIs	Prop	Others
FY21	7.6	19.0	1.4	7.2	5.2	13.4	25.6	20.5	0.1
FY22	7.8	20.0	1.4	7.8	5.2	13.9	21.9	21.8	0.1
FY23	6.6	20.0	1.5	7.8	4.5	12.1	22.8	24.1	0.6
FY24	5.5	14.4	1.3	22.1	4.2	9.4	22.3	20.5	0.4
FY25	3.1	7.8	0.6	59.1	2.2	4.2	9.5	13.5	0.1
FY26	0.4	7.2	0.1	77.3	0.4	0.8	2.7	11.1	0.0
FY27TD	0.2	7.2	0.1	73.4	0.3	0.5	2.6	15.7	0.0

Source: NSE, EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. The data for FY27TD corresponds to April 2026. 3. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

- **...Reflecting the increasing granularity in transactions:** When measured by number of trades, OTC activity remained relatively diversified across institutional and proprietary categories, with Other DFIs accounting for 31.3% of the number of OTC trades in FY26, followed by corporate participants at 20.9% and Proprietary participants at 16.2%. Individual investors accounted for 10.8% of OTC trade execution, indicating that negotiated OTC activity continued to remain largely institutionally oriented in both value and execution terms.

RFQ execution activity displayed a sharply different participation profile from both the OTC segment and from RFQ turnover composition. Individual investors accounted for 80.1% of the number of RFQ trades in FY26, compared with only 1.4% of RFQ turnover, while proprietary participants accounted for a further 10.8% of RFQ execution frequency.

The divergence between RFQ turnover and RFQ execution frequency also suggests that reductions in minimum denomination sizes and expansion of OBPP-linked execution channels may have contributed to increased smaller-ticket activity, with individual and proprietary participants accounting for the predominant share of the number of trades while institutional participants continued to anchor the platform's turnover base. The divergence between turnover and trade-count composition indicates that the expansion in RFQ activity has been driven simultaneously by institutional liquidity provision in value terms and increased participation through smaller-ticket individual investors and proprietary transactions in terms of execution frequency. The pattern is also consistent with the substantial decline in RFQ average trade sizes observed during FY24–FY26, indicating that the expansion in RFQ activity has been driven increasingly by smaller-ticket transactions.

Table 6: Participant share in total number of OTC secondary market trades (% share)

Fiscal Year	Banks	Corporate	FII / FPI	Individual	Insurance	Mutual Funds	Other DFIs	Prop	Others
FY21	7.7	20.5	1.5	7.9	4.2	8.7	27.3	22.0	0.1
FY22	7.8	22.2	1.6	8.7	4.1	7.6	24.0	23.9	0.1
FY23	6.5	22.4	1.5	8.7	3.5	6.6	23.6	26.6	0.7
FY24	7.0	18.4	1.6	8.7	4.0	6.9	27.0	25.9	0.6
FY25	10.7	18.6	1.7	6.9	5.5	7.9	30.1	18.2	0.5
FY26	6.8	20.9	1.7	10.8	4.8	6.8	31.3	16.2	0.7
FY27TD	4.0	19.6	1.5	15.1	3.7	5.5	34.5	15.3	0.8

Source: NSE, EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. The data for FY27TD corresponds to April 2026. 3. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

Table 7: Participant share in total number of RFQ secondary market trades (% share)

Fiscal Year	Banks	Corporate	FII / FPI	Individual	Insurance	Mutual Funds	Other DFIs	Prop	Others
FY21	5.6	2.6	0.0	0.0	16.0	65.1	6.8	3.9	0.0
FY22	8.0	2.1	0.0	0.0	14.4	66.3	4.8	4.4	0.0
FY23	7.6	1.4	1.0	0.2	12.7	55.4	16.8	4.9	0.0
FY24	2.5	7.0	0.7	47.3	4.5	14.1	13.5	10.4	0.1
FY25	0.8	4.6	0.3	74.2	1.2	3.2	3.5	12.2	0.0
FY26	0.1	6.7	0.0	80.1	0.2	0.5	1.5	10.8	0.0
FY27TD	0.1	6.8	0.1	75.3	0.1	0.4	1.6	15.7	0.0

Source: NSE, EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. The data for FY27TD corresponds to April 2026. 3. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

**Textbox 2: Changing liquidity dynamics in US corporate bond markets
(Insights from the Global Debt Report 2026)**

US corporate bond markets have undergone a structural shift since the global financial crisis, moving from a largely dealer-intermediated OTC model towards a more electronic and diversified trading ecosystem. The investor base has broadened beyond traditional buy-and-hold institutions such as pension funds and insurers, with mutual funds, ETFs, hedge funds and principal trading firms playing a larger role. This has made trading more frequent and closer to the equity-market model. The structural difference, however, remains large: at the beginning of 2026, non-financial companies in the S&P 500 had only 443 outstanding equity securities, but as many as 7,459 outstanding bonds, highlighting the fragmentation that makes corporate bond trading harder to standardise.

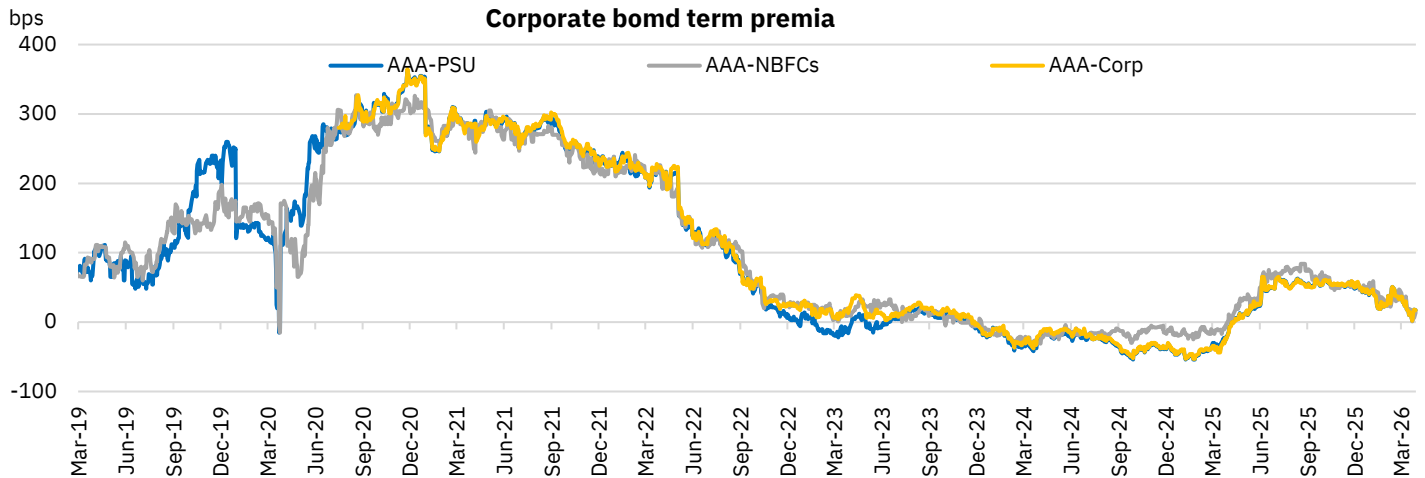
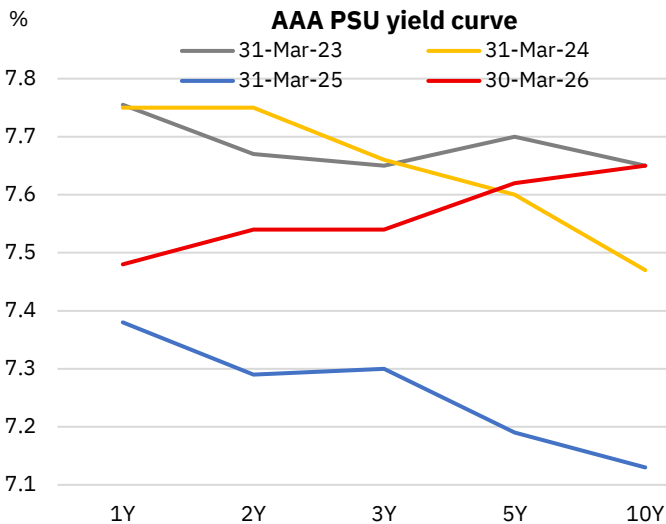
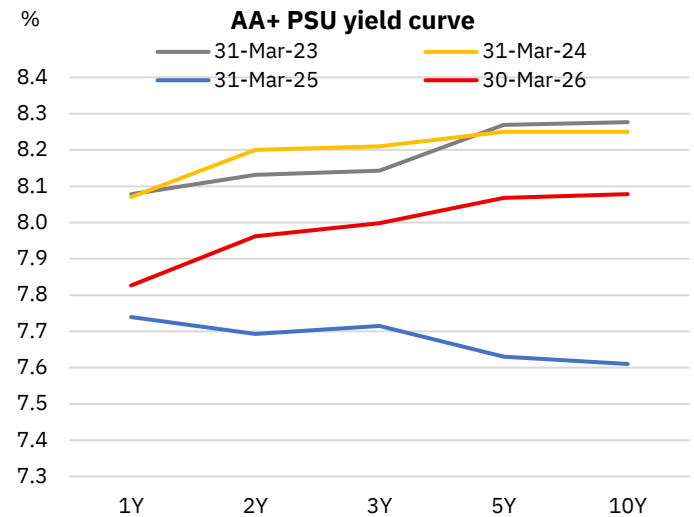
Electronification has improved transparency, lowered transaction costs and supported newer trading formats such as RFQ and portfolio trading. In the US, electronic trading accounted for around 50% of corporate bond trading by November 2025. Portfolio trading, where investors trade baskets of bonds — called as “portfolio trading” instead of individual securities, has also improved liquidity, with research suggesting that transaction costs can be over 40% lower on average compared with RFQ trading, particularly for less liquid bonds (*Meli and Todorova, 2023*). Evidence suggests that growing use of electronic trading alongside reduced role of banks in trade intermediation have supported an improvement in liquidity conditions: average bid-ask spreads narrowed from around 77 bps of par value in early 2013 to 33 bps by end-2025, while the share of investment-grade corporate bonds that did not trade weekly fell from 30% in 2016 to 10% in 2025 (*Todorova, 2025*). However, liquidity remains uneven because trading is still spread across thousands of bonds, with activity concentrated in a smaller set of frequently traded securities.

References:

- Meli, J. and Z. Todorova (2023), Portfolio Trading in Corporate Bond Markets
- Todorova, Z. (2025), Why the bond market still relies on voice, Financial Times

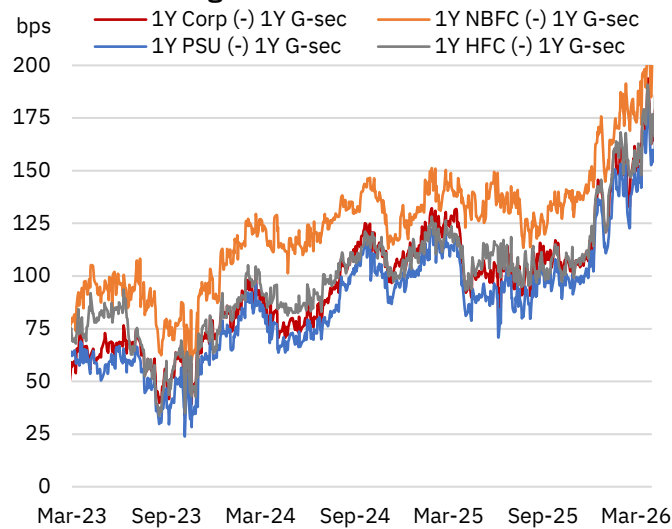
Corporate bond yield performance

- **Corporate bond term premia witnessed a sharp correction post 2021:** The sharp correction in the corporate bond term, measured as the spread between 10-year and 1-year yields, across all segments (PSUs, NBFCs and Corporates) after 2021, reflects easing long-term yield pressure. The term premia surged sharply during 2020 and remained elevated through 2021, with spreads crossing 300 bps, indicating heightened uncertainty, liquidity stress and higher premium demanded by investors for holding long-term bonds during the pandemic. The spreads have declined steadily from 2022 onwards across all segments, reflecting normalisation in financial conditions and easing risk perceptions. During 2023-2024, the term premia turned negative, suggesting temporary inversion of the yield curve amid tightening monetary condition and elevated policy rates in response to persistent inflationary pressures. In 2025, term premia recovered from negative territory, supported by monetary policy easing and moderation in short-term interest rates.

Figure 28: Corporate bond term premia between 10-year and 1-year yields

Figure 29: AAA-rated corporate bond yield curve

Figure 30: AA+ rated corporate bond yield curve


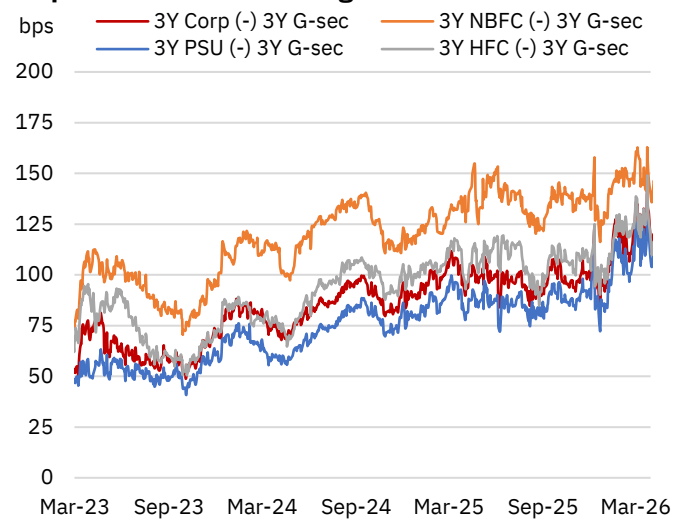
- Corporate bond spreads broadly widened across maturities and segments in the last three years:** Corporate bond spreads over G-Secs, across all tenor buckets, generally trended upward in the last three years, with a sharper rise during 2025–26 period, indicating a gradual increase in funding costs and risk premia in the corporate bond market. Shorter-tenor instruments exhibited relatively higher volatility, reflecting greater sensitivity to changing liquidity conditions and near-term interest rate expectations. In contrast, longer-tenor bonds exhibited comparatively smoother movements, albeit a sustained spread widening over the same period. Segment-wise, NBFC and HFC issuances consistently traded at higher spreads relative to corporate issuances, suggesting a relatively elevated credit and liquidity risk perception in these issuer categories.

Figure 31: Spreads for one-year AAA-rated corporate bonds across segments



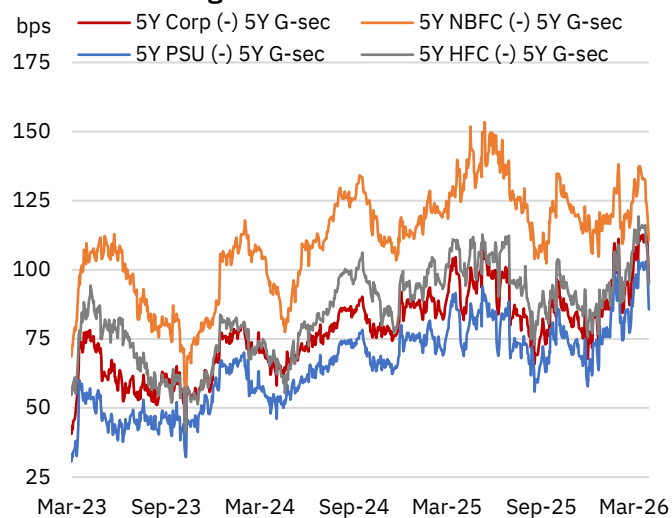
Source: NSE Data and Analytics (NDAL), NSE Cogencis, NSE EPR

Figure 32: Spreads for three-year AAA-rated corporate bonds across segments



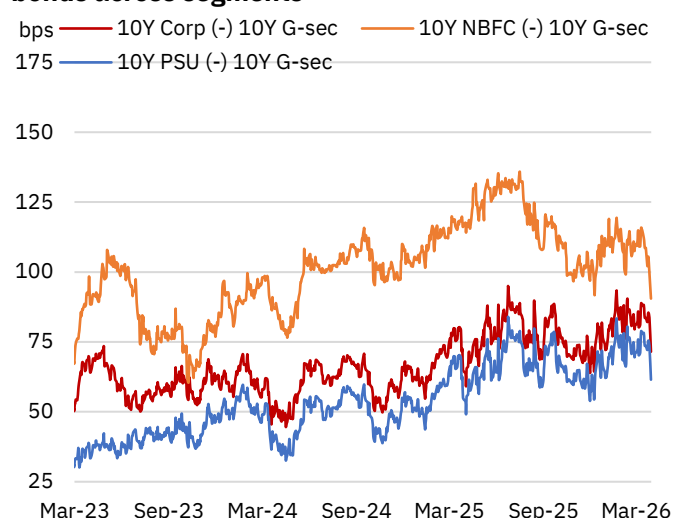
Source: NSE Data and Analytics (NDAL), NSE Cogencis, NSE EPR

Figure 33: Spreads for five-year AAA-rated corporate bonds across segments



Source: NSE Data and Analytics (NDAL), NSE Cogencis, NSE EPR

Figure 34: Spreads for 10-year AAA-rated corporate bonds across segments



Source: NSE Data and Analytics (NDAL), NSE Cogencis, NSE EPR

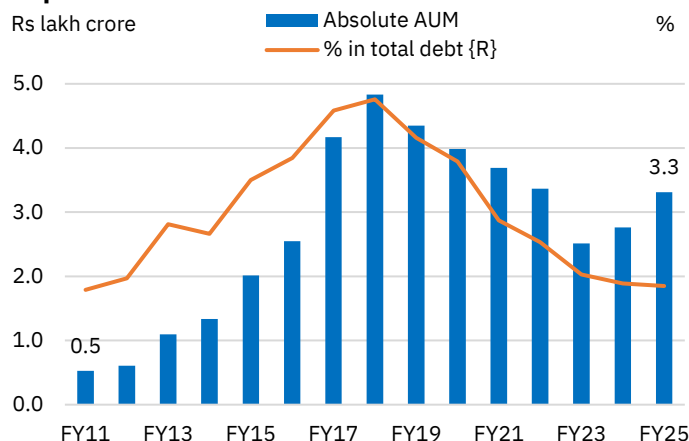
Mutual fund investments in corporate bond market

- Mutual fund deployment in corporate debt has seen strong growth...:** Mutual fund deployment in corporate debt has expanded significantly over the long term, rising from Rs 52,695 crore in FY11 to Rs 3.3 lakh crore in FY25, implying a 6.3x increase and an average annual growth of 17.4% during FY12–FY25. However, the expansion has not been linear, with several years of decline after the FY18 peak of Rs 4.8 lakh crore primarily attributable to the period of risk reduction in debt mutual fund portfolios pursuant to specific credit events in the NBFC sector and concomitant spillover in credit market sentiments. Corporate debt AUM moderated to Rs 2.5 lakh crore in FY23, before recovering over the next two years, supported by a broad-based deployment across categories.

- ...But share in debt AUM is lower than earlier peak levels:** As a share of overall mutual fund deployment into debt instruments, corporate debt had initially increased, reaching 38.1% in FY18, but has since moderated to 14.8% in FY25. This suggests that while corporate debt holdings have recovered in absolute terms, their relative share in the overall debt deployment mix remains lower than earlier highs. Of the total mutual fund debt AUM of Rs 22.4 lakh crore in FY25, money market and short-term instruments accounted for the largest share at over half of the total, followed by government securities at around 19%. Public and private corporate bonds together accounted for nearly 28%, with private corporate bonds forming around 15% of total debt AUM.

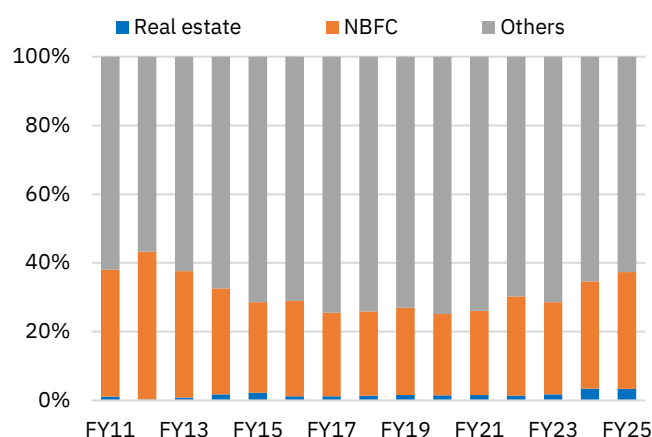
Within the corporate debt portfolio, deployment towards NBFCs declined from 43.0% of corporate debt AUM in FY12 to 23.7% in FY20, reflecting sector-specific concerns during that period. The share has since recovered to 34% in FY25, with NBFC corporate debt exposure at Rs 1.1 lakh crore. Real estate exposure remains limited, but its share has gradually increased from below 1% in FY12–FY13 to above 3% in recent years, reaching 3.3% in FY25.

Figure 35: Trends in deployment of MF assets into corporate debt



Source: CMIE Economic Outlook, NSE EPR

Figure 36: Category-wise deployment into corporate debt



- Corporate bond AUM remains largely tilted towards longer maturities:** The maturity profile of mutual fund corporate bond AUM has remained structurally oriented towards longer-tenor instruments. Securities with residual maturity of one year and above accounted for 71.6% of total corporate bond AUM on average during FY21–FY25, broadly in line with 70.1% in FY11–FY15 and 71.3% in FY16–FY20. At the shorter end, exposure has moderated over time. The share of securities with residual maturity of less than 90 days declined from an average of 11.2% during FY11–FY15 to 8.7% during FY21–FY25. The 90–182 days bucket also eased marginally, while the 182 days to one year bucket increased, indicating some shift towards intermediate maturities.

Figure 37: Sub-category-wise breakup of debt AUM in FY25*

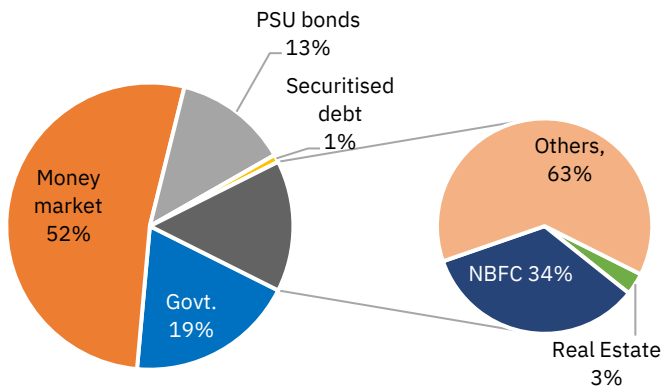
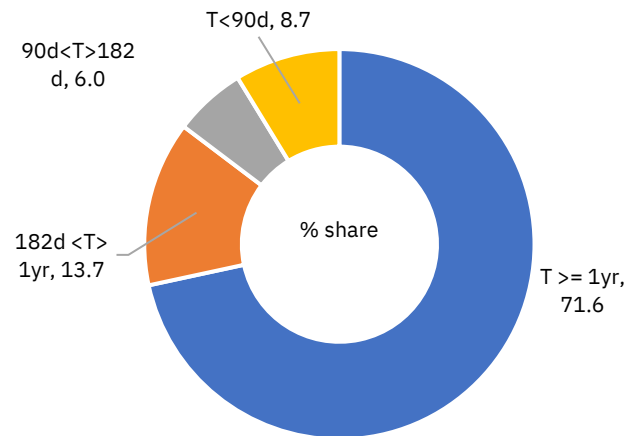


Figure 38: Maturity-share wise deployment into corporate debt during FY21-FY25*

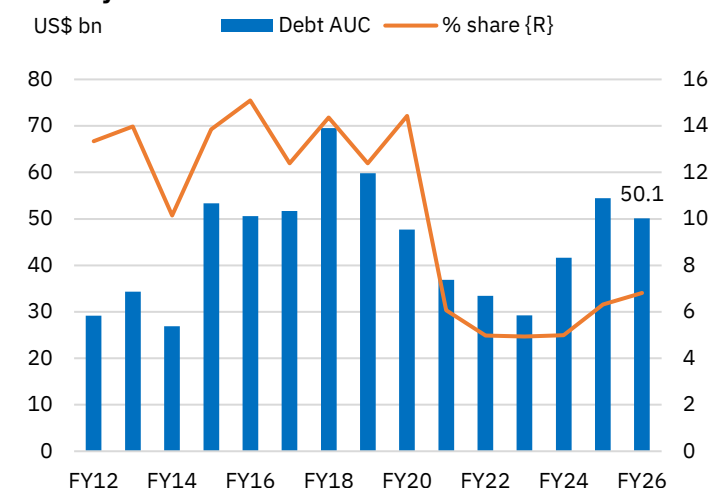


Source: CMIE Economic Outlook Notes: 1) *FY25 data is the latest available for analysis and we have considered the average AUM during this period under review 2) T= Maturity period

FPI investment in corporate bonds

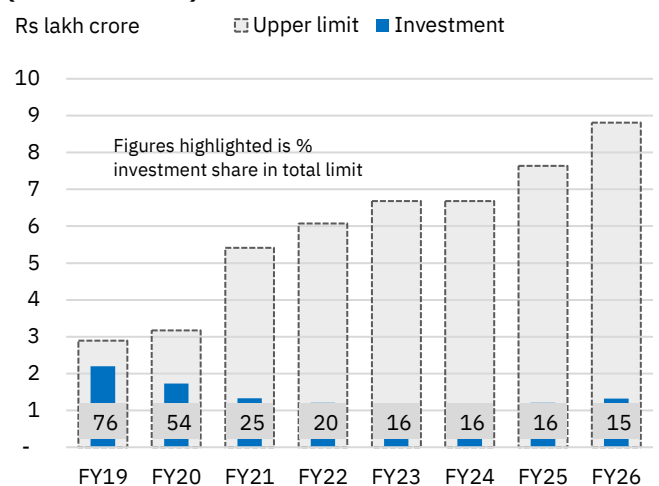
- FPI participation in corporate bonds has been relatively modest:** In FY26, FPI debt Assets Under Custody (AUC) stood at US\$50.1 bn, forming 6.8% of total FPI AUC, compared with an average share of around 13.3% during FY12–FY20. While the share of debt had fallen sharply to an average of around 5% during FY22–FY24, it has seen a modest recovery over the last two years. Within debt, FPI investment in corporate bonds remain well below the permissible ceiling. The investment limit for FPIs in corporate bonds is linked to 15% of the outstanding stock of corporate bonds, with the upper limit rising from Rs 2.9 lakh crore in FY19 to Rs 8.8 lakh crore in FY26. However, actual FPI investment in corporate bonds declined from Rs 2.2 lakh crore in FY19 to Rs 1 lakh crore in FY23, before recovering gradually to Rs 1.3 lakh crore in FY26. As a result, utilisation of the available limit fell sharply from 76% in FY19 to 15% in FY26, indicating substantial unused headroom for foreign participation in India’s corporate bond market.

Figure 39: Trends in overall debt assets under custody held by FPI



Source: NSDL, NSE EPR

Figure 40: Trends in FPI investment in corporate bonds (actual vs limit)



Recent measures for corporate bond market development:

Recent regulatory and policy measures have focused on strengthening India's corporate bond market across primary issuance, secondary trading, retail participation, funding infrastructure and stress-period liquidity support, with emphasis on improving transparency, widening access and supporting price discovery.

- **Secondary market transparency:** The RFQ platform, introduced in 2020, has supported the shift from bilateral OTC trading to an electronic, exchange-based mechanism. The platform supports trading in various debt securities and pursuant to the SEBI 2023 circular, all types of participants are allowed access. In May 2025, SEBI strengthened the framework through wider investor access, standardised yield-to-price conversion and disclosure of bond cash-flow schedules in the centralised corporate bond database.
- **Additional exit option through Liquidity Window Facility:** SEBI's liquidity window framework — introduced in October 2024 — allows issuers to offer scheduled buyback windows for listed debt securities through exchanges, providing an additional exit route, especially for retail and non-institutional investors in less frequently traded bonds.
- **Primary market price discovery:** The Electronic Book Provider (EBP) platform — mandated by SEBI in 2016 — has expanded transparent electronic bidding in private placements. The mandatory threshold has been reduced from Rs 500 crore in 2016 to Rs 200 crore in 2018, Rs 100 crore in 2021, Rs 50 crore in 2022 and Rs 20 crore in 2025. Its scope was widened in May 2025 to include debt securities, Non-convertible Redeemable Preference Shares (NCRPS) and municipal bonds with issue sizes of Rs 20 crore and more.
- **Reducing fragmentation by capping of ISIN limit:** SEBI's 2023 ISIN-capping framework limits the number of ISINs maturing in a financial year to 14, including nine for plain-vanilla instruments with tenor below five years and five for structured instruments with tenor above five years, to reduce liquidity dispersion and improve tradability.
- **Enhanced retail participation through changes in face value:** The minimum face value of privately placed listed debt securities was reduced from Rs 10 lakh to Rs 1 lakh in 2022 and further to Rs 10,000 in 2024, lowering entry barriers for retail investors. The Online Bond Platform Provider (OBPP) framework, introduced in 2022, brought digital bond platforms under regulatory oversight through norms on registration, transparency, KYC, investor protection and grievance redressal. OBPPs formalised digital bond investing and are required to route all transactions through stock exchange's RFQ platforms.
- **Repo and funding infrastructure:** AMC Repo Clearing Limited, incorporated in 2021 and operationalised as a Limited Purpose Clearing Corporation, supports tri-party repo in corporate debt securities through clearing, settlement, risk management and settlement guarantee, improving the collateral utility of corporate bonds.
- **Stress-period liquidity support:** The Corporate Debt Market Development Fund and the Guarantee Scheme for Corporate Debt, launched in 2023, are designed to

provide liquidity support during market stress by enabling purchase of investment-grade corporate debt securities, particularly during mutual fund redemption pressures.

- **Sustainable debt market:** SEBI's green bond guidelines, introduced in 2017, along with BRSR in 2021 and BRSR Core in 2023, have strengthened disclosure standards for green, social, sustainability and transition-linked debt instruments.
- **Development of information repository of listed bonds:** SEBI set up a centralised bond database in 2021 to bring information on all listed bonds onto a single platform. Hosted by the depositories and available for public access, the database aims to improve transparency, ease of information access and investor awareness in the bond market.
- **Next phase of reforms:** The Union Budget 2026–27 proposed a market-making framework for corporate bonds, supported by access to funds, derivatives on corporate bond indices and total return swaps. In February 2026, RBI proposed a revised credit derivatives framework to consolidate CDS norms and introduce instruments such as credit index derivatives and Total Return Swaps (TRS), with wider participation by banks, NBFCs, institutional investors and FPIs.

Figure 41: Snapshot of recent measures for corporate bond market development

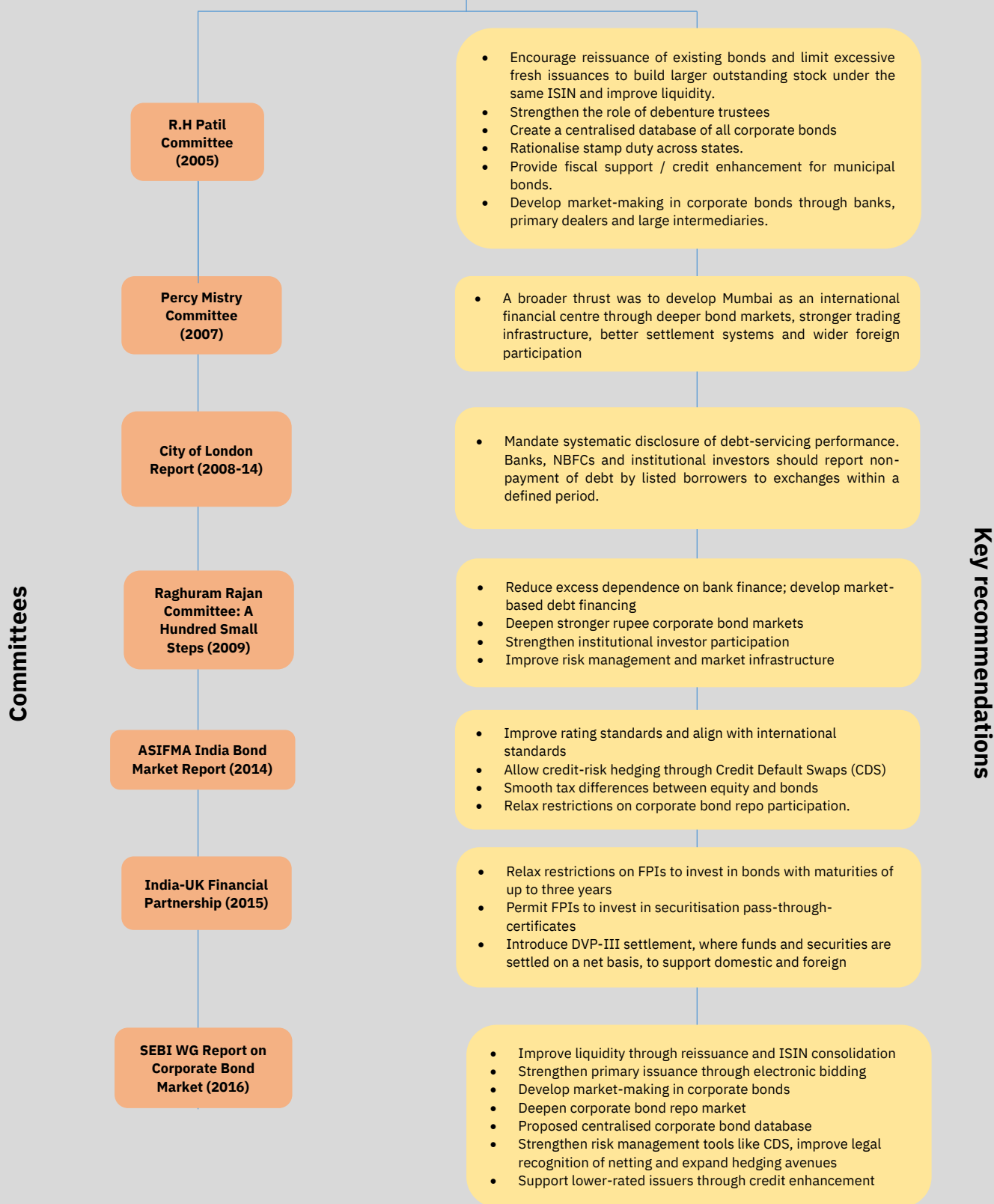


Textbox 3: NITI Aayog's report on deepening India's corporate bond market (December 2025)

NITI Aayog's report, *Deepening the Corporate Bond Market in India*, provides a timely assessment of India's corporate bond ecosystem and acknowledges the market's steady expansion alongside continuing structural constraints. The report highlights the role of corporate bonds in diversifying financing beyond bank credit, supporting long-term capital formation and meeting India's investment needs. It reviews India's market development in comparison with global peers, examines reforms introduced by SEBI and RBI, and identifies gaps relating to liquidity, issuer diversity, investor participation, market infrastructure and risk-management tools. The report also underscores that a deeper corporate bond market can play a pivotal role in addressing three emerging priorities for the Indian economy: *financing green and digital transitions, bridging infrastructure gaps, and supporting innovation-driven enterprises*. It finally sets out a reform-oriented roadmap to build a deeper, more resilient and inclusive corporate bond market.

The report notes that its recommendations form part of a comprehensive reform strategy aimed at making India's corporate bond market more globally competitive, resilient and inclusive. Implemented in a phased and coordinated manner, these reforms can help address near-term frictions while building the institutional depth required for long-term market development. With sustained policy focus, technological innovation and harmonised regulation, the report estimates that India's corporate bond market could expand to over Rs 100–120 lakh crore by 2030, emerging as a key pillar of the financial system and supporting India's long-term growth journey towards Viksit Bharat @ 2047.

Textbox 4: Important Committees/Reports for the development of the corporate bonds*



*Fullform of key words in the textbox: ASIFMA = Asia Securities Industry & Financial Markets Association, WG= Working Group, ISIN = International Securities Identification Number, DVP= Delivery Versus Payment

Challenges in corporate bond market development

India's corporate bond market has expanded over the last decade, supported by higher issuances and reforms such as the IBC, Electronic Book Provider platform and Request for Quote platform. However, the market remains concentrated in private placements and highly rated issuers, with limited secondary-market liquidity, narrow investor participation, shallow hedging markets and delayed recovery outcomes.

- **Issuance remains concentrated in private placements:** Public issuances continue to account for a small share of the market, partly reflecting higher disclosure and approval requirements. Private placements increased from Rs 2.8 lakh crore in FY14 to around Rs 9 lakh crore in FY26, while share of public issues declined from over 13% of total issuance volume to an average of around 1.5% over the last five years. During FY22–FY26, corporates raised around Rs 60,000 crore through 193 public issues, compared with Rs 40.7 lakh crore through more than 7,800 private placements.
- **Secondary-market liquidity remains shallow:** Average daily trading volume in corporate bonds increased from Rs 3,180 crore in FY15 to Rs 9,158 crore in FY26 but remains well below NSE's cash-market average daily turnover of over Rs 1 lakh crore. India's annual bond turnover ratio of around 0.3 also indicates limited churn, reflecting the dominance of buy-and-hold investors, limited market-making and relatively weak price discovery.⁵
- **Regulatory and compliance frictions persist:** The market operates under a multi-regulatory framework involving SEBI, RBI, MCA, CCIL and exchanges. Differences in disclosure norms, documentation requirements and approval processes may increase compliance costs and issuance timelines, particularly for NBFC-issued bonds, hybrid instruments and emerging structures such as covered bonds.
- **Trading and settlement infrastructure needs further deepening:** While Delivery-Versus-Payment (DVP) based clearing is available for exchange-traded and platform-reported trades, parts of the OTC market continue to rely on bilateral settlement. This may expose participants to payment and settlement risks where cash and securities settlement are not fully synchronised.
- **Market-making capacity remains limited:** Corporate bond market-making is still concentrated in highly rated instruments. Banks and financial institutions largely act as arrangers, while only a limited set of intermediaries provide market-making support, reflecting balance-sheet, inventory and risk-management constraints.
- **Repo and lending markets are still developing:** Tri-party repo and AMC Repo Clearing Limited have created infrastructure for repo in corporate debt securities. However, activity remains at an early stage and is largely concentrated in higher-rated bonds, limiting the use of corporate bonds for short-term funding, inventory management and broader liquidity support.
- **FPI participation remains constrained:** Foreign investor participation is affected by multiple investment routes, operational requirements, documentation needs, tax uncertainty, limited hedging avenues and weak secondary-market liquidity.

⁵ https://niti.gov.in/sites/default/files/2025-12/Deepening_the_Corporate_Bond_Market_in_India.pdf

Concentration of issuance in highly rated bonds also limits the investible universe for diversified foreign participation.

- **Issuance is concentrated in highly rated borrowers:** Institutional investment norms and internal risk limits continue to favour high-rated issuers. In FY26, issuers rated below AA accounted for only around 10% of total issuances, limiting market access for mid- and lower-rated firms, including manufacturing, infrastructure and project-stage companies.
- **Risk-management markets remain shallow:** Interest-rate and credit-risk transfer instruments remain underdeveloped. Although Credit Default Swaps (CDS) guidelines are in place, usage has remained limited due to restricted participation, limited eligible instruments and absence of central clearing, constraining credit and interest-rate risk management.
- **Recovery outcomes remain delayed:** The IBC has improved the legal framework for bondholder recovery, but resolution timelines remain extended. As of March 2025, the average CIRP resolution time was around 713 days, above the statutory limit of 330 days, with delays, litigation and haircuts affecting recovery outcomes.
- **Long-tenor pricing remains constrained:** Liquidity in the government securities curve is concentrated in select tenors, particularly the 7–10-year segment, limiting reliable pricing benchmarks across the curve. This affects long-tenor corporate bond pricing, including infrastructure and ESG-linked instruments, and constrains funding options for long-gestation projects.

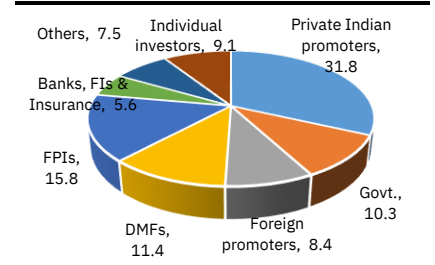
Who owns India Inc.? – DMFs scale fresh peaks; FPI share hits 17-year low

The March 2026 edition of our flagship quarterly report, *India Inc. Ownership Tracker*,⁶ provides a detailed assessment of ownership trends across NSE-listed companies, evolving investor behaviour, and household wealth creation through equities. It also examines portfolio concentration and sector positioning across investor categories, with insights into diversification and capital allocation. Key takeaways include:

- 1) FPI⁷ (foreign portfolio investors) ownership compressed further amid record annual outflows of US\$19.6bn in FY26 and rising domestic participation. Their share in NSE-listed companies fell to a 17-year low of 15.8%, with sharper declines in the Nifty 50 (-2.0pp QoQ to 21.8%) and Nifty 500 (-1.2pp QoQ to 16.8%).
- 2) DMF (domestic mutual funds) share rose to a fresh high of 11.4% in the March quarter (Active: 9.3%, Passive: 2.1%)⁸, aided by sustained equity buying amid steady SIP inflows, marking the 11th straight quarter of record highs. Overall domestic institutional investors'⁹ (DIIs) ownership in NSE-listed companies stood at 19.6%, up 56bps QoQ, staying above FPI ownership for the sixth consecutive quarter—a position last seen in 2003.
- 3) Promoter share rose slightly to 50% in NSE-listed companies, 40.8% in Nifty 50 and 49.3% in Nifty 500, led by a rise in Government share—reflecting the impact of outperformance of PSU companies during the quarter.
- 4) Direct ownership of individual investors in NSE-listed companies fell for the second quarter in a row by 17bps QoQ to a five-year low of 9.1%; On a combined basis—direct and through DMFs—individuals now hold 18.7% of the market, closer to the 22-year peak of 18.75% recorded in September 2025.
- 5) Despite the Q4 correction, cumulative household equity wealth creation since Apr'20 remains substantial at ~Rs 44 lakh crore, although FY26 saw a dip of Rs 2.5 lakh crore, led by the Rs 12.6 lakh crore erosion in the March quarter; total household holdings now stand at Rs 76.5 lakh crore, with a CAGR of 29.6% since Mar'20.
- 6) FPIs significantly trimmed their OW¹⁰ position on Financials and retained OW on Communication Services. They remained UW on Materials and Consumer Staples, turned neutral on Energy, became more cautious on Industrials, and retained broadly neutral positioning across other sectors.
- 7) DMFs strengthened their OW on Financials to a seven-quarter high and retained a positive bias towards mid-cap Consumer Discretionary. They stayed UW on Energy, Materials and Consumer Staples, trimmed Industrials to neutral, and remained neutral on Healthcare, IT and Utilities.
- 8) Institutional investors' allocation to Nifty50 fell to 69.2% (Nifty 50 share in total market cap: 44.3%), but rose sharply in the top decile stocks, reflecting higher allocation to large- and mid-cap stocks after the correction.

Promoter share inched up, led by Government and foreign promoters....: Total promoter ownership in NSE-listed, Nifty 50 and Nifty 500 companies rose by 15bps, 53bps and 36bps QoQ to 50%, 40.8% and 49.3%, respectively, even as it has fallen slightly in FY26 for the broader universe. The sequential rise was driven by higher Government and foreign promoter ownership, while private Indian promoter share fell by 42bps QoQ to a 27-quarter low of 31.8% in the overall listed universe, a large part of which was led by the Nifty 50 companies. In value terms, promoter holdings in NSE-listed companies declined 12.9% QoQ to Rs 204 lakh crore, reflecting the sharp market correction during the quarter.

Who owns India Inc.? Ownership pattern in NSE listed companies in Mar'26



⁶ The "India Inc. Ownership Tracker" report examines quarterly ownership trends and patterns in Indian companies listed on the NSE since 2001.

⁷ FII ownership includes ownership through depository receipts held by custodians.

⁸ Passive funds track an index by maintaining a portfolio that mimics the index, while active funds involve active investment decisions on the part of the fund manager.

⁹ Includes DMFs, Insurance, Banks and other domestic institutions.

¹⁰ Overweight (OW), neutral (N) or underweight (UW) stance on any sector is with respect to the sector's weight in the Index. An OW/UW position on a sector implies more than 100bps higher/lower allocation to the sector than its weight in the Index. A 'N' position on a sector implies an allocation within +/- 100bps of the sector's weight

Government share rose sharply in March quarter: Government ownership in NSE-listed companies rose by 46bps QoQ to a six-quarter high of 10.3% in the March 2026 quarter, taking the FY26 increase to 33bps. This followed a cumulative decline of 1.6pp over the previous five quarters. The increase was much stronger at 1.6pp QoQ to a 27-quarter high of 8.3% in the Nifty 50 universe, even as that in Nifty 500 was in-line with the broader listed universe at 31bps QoQ to 11.1%. The increase coincided with the relative outperformance of CPSE stocks, with the Nifty CPSE Index rising 8.4% during the quarter, even as the Nifty Total Market Index fell 14.1%. In value terms, however, Government holdings in NSE-listed companies declined 9.2% QoQ to Rs 42 lakh crore.

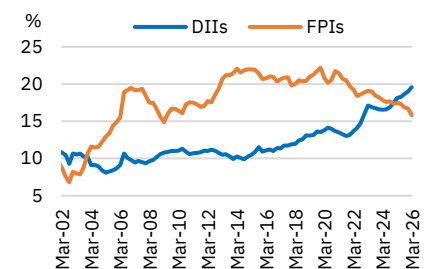
FPI ownership declined further to a 17-year low: FPI ownership in NSE-listed companies declined sharply in the March 2026 quarter, falling 90bps QoQ to 15.8%—its lowest level in 17 years. This took the FY26 decline to 166bps, reflecting persistent outflows as well as the rising domestic ownership base. The decline in FPI share in Nifty 50 and Nifty 500 companies was even stronger at 2pp and 1.2 QoQ to near 14- and 17-year lows of 21.8% and 16.8% respectively. FPI net outflows stood at a record US\$19.6bn in FY26, with nearly 72% or US\$14.2bn, occurring in Q4 alone. In value terms, FPI holdings in NSE-listed companies fell 17.9% QoQ to Rs 64.6 lakh crore as of March 31st, 2026.

FPIs continued to maintain an OW stance on Financials as of March 2026, though the extent of the OW position narrowed sharply to the lowest level since the beginning of the analysis. Their OW position in Communication Services was retained for the seventh quarter in a row. At the margin, FPIs turned less negative on commodity-oriented sectors, aided by relative outperformance and incremental allocations, even as they maintained a long-standing UW position on Materials, while retaining a neutral stance on Energy. FPIs also turned incrementally less negative on Consumer Staples and Information Technology, while retaining an UW stance in the former and a neutral in the latter. Among other sectors, FPIs turned more negative on Industrials, while maintaining broadly neutral positioning in Consumer Discretionary, Healthcare and Utilities.

DMF extended the record run for the 11th successive quarter: DMF ownership reached fresh record highs across market segments in March 2026, marking the 11th consecutive quarter of new peaks, aided by sustained equity inflows. DMFs invested a record Rs 5.37 lakh crore in FY26, the fifth consecutive year of net positive investments, with Q4FY26 marking the 20th straight quarter of net inflows. This was led by continued retail participation through SIPs. Average monthly SIP inflows rose to Rs 30,978 crore in Q4FY26, up 3.3% QoQ and 18.7% YoY, and averaged Rs 29,132 crore for FY26. Consequently, DMF ownership in NSE-listed companies, the Nifty 50 and the Nifty 500 rose by 35bps, 43bps and 23bps QoQ to fresh record highs of 11.4%, 14.0% and 11.9%, respectively. Within total DMF ownership in listed companies, passive funds edged up 9bps QoQ to an all-time high of 2.1%, while actively managed funds rose by a larger 26bps QoQ to 9.3%.

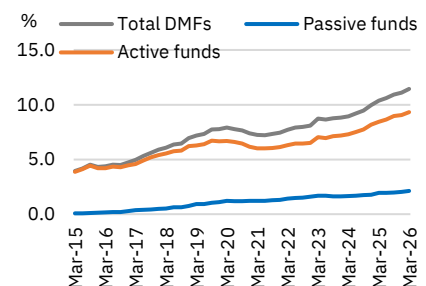
Unlike FPIs, DMFs further strengthened their OW stance on Financials in Q4 FY26, with the tilt rising to a seven-quarter high, even as positioning across other sectors remained selective. They retained an UW stance on commodity-linked

DII vs. FPI ownership in NSE-listed companies

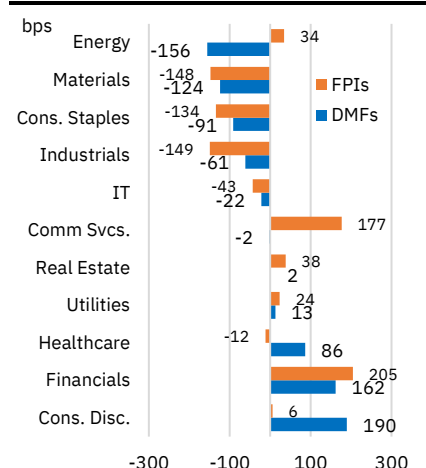


Source: CMIE Prowess, NSE EPR

DMF ownership in NSE-listed companies



FPI and DMF portfolio OW/UW in Nifty 500 vs. the index (March 2026)



Source: CMIE Prowess, AMFI, SEBI, NSE EPR.

sectors, including Energy and Materials, as well as on Consumer Staples, while maintaining a positive bias towards mid-cap Consumer Discretionary names. DMFs also continued to hold a neutral position in Healthcare, Information Technology and Utilities. Exposure to Industrials was trimmed during the quarter, reducing the positive bias but leaving the sector broadly neutral—a stance that has broadly persisted for several quarters.

Individual investors' direct share fell further in Q4 FY26: Direct ownership by individual investors in NSE-listed universe fell for the second straight quarter by 17bps QoQ to a five-year low of 9.1% as of March 2026. This took the cumulative decline from the post-pandemic peak of 9.8% in December 2024 to 66bps. The moderation was in line with volatile direct participation, with individual investors turning modest net sellers in NSE's secondary markets in FY26 for the first time in seven years. Their share in Nifty 50 and Nifty 500 companies also fell by 18 and 22bps QoQ to six and eight-year lows of 7.5% and 8.2% respectively.

Individuals—through direct holdings and mutual fund investments—held 18.7% of total NSE-listed market capitalisation as of March 2026, up 9bps QoQ and close to the record high of 18.75% seen in September 2025. In value terms, combined individual holdings stood at Rs 76.5 lakh crore, down 12.7% QoQ amid the sharp market correction, but still reflecting an annualised growth of 29.6% since March 2020. This marked the sixth consecutive quarter in which combined individual ownership exceeded FPI ownership, a crossover first seen in 2024 after nearly two decades. The ownership gap, which stood at 11pp in favour of FPIs in March 2014, has now reversed to 2.9pp in favour of individuals. Despite the Q4 correction, cumulative household equity wealth creation since April 2020 remains substantial at around Rs 44 lakh crore, although FY26 saw a decline of Rs 2.5 lakh crore, led by the Rs 12.6 lakh crore erosion in the March quarter.

Institutional allocation shifted away from Nifty 50 but rose in top-decile

stocks: Institutional allocation to Nifty 50 stocks fell by 1.7pp QoQ to 59.2% in Q4 FY26, reversing the increase seen over the previous two quarters and partly reflecting sharper underperformance of large caps. This remains 13.2pp below the pre-pandemic peak of 72.4% in Dec'19, underscoring the structural widening of institutional exposure beyond the large caps. Individual investors also reduced their Nifty 50 allocation by 60bps QoQ to 36.5%. A decile-wise view, however, shows a renewed tilt towards the broader top-decile universe. DMFs raised their allocation to top-decile stocks by 3.6pp QoQ to a 23-year high of 87.8%, while FPIs raised theirs by 1.6pp to a five-year high of 92.0%. Individual investors' top-decile allocation also rose sharply by 4.2pp QoQ to 61.0%, indicating a shift towards established large- and mid-cap names after the recent correction.

Institutional allocation shifted away from Nifty 50 but rose in top-decile

stocks: Institutional allocation to Nifty 50 stocks fell by 1.7pp QoQ to 59.2% in Q4 FY26, reversing the increase seen over the previous two quarters and partly reflecting sharper underperformance of large caps. This remains 13.2pp below the pre-pandemic peak of 72.4% in Dec'19, underscoring the structural widening of institutional exposure beyond the large caps. Individual investors also reduced their Nifty 50 allocation by 60bps QoQ to 36.5%. A decile-wise view, however, shows a renewed tilt towards the broader top-decile universe. DMFs raised their allocation to top-decile stocks by 3.6pp QoQ to a 23-year high of 87.8%, while FPIs raised theirs by 1.6pp to a five-year high of 92.0%. Individual investors' top-decile allocation also rose sharply by 4.2pp QoQ to 61.0%, indicating a shift towards established large- and mid-cap names after the recent correction.

Decile-wise portfolio share (Mar'26)

Deciles	FPIs	DMFs	Ind.	Total mkt cap
1	92.0	87.8	70.9	84.0
2	6.0	9.0	14.2	9.4
3	1.4	2.5	7.0	3.6
4	0.3	0.6	3.7	1.5
5	0.1	0.1	2.0	0.7
6	0.0	0.0	1.0	0.4
7	0.0	0.0	0.6	0.2
8	0.0	0.0	0.3	0.1
9	0.0	0.0	0.2	0.0
10	0.0	0.0	0.1	0.0

Source: CMIE Prowess, NSE EPR.

Sector-wise HHI of portfolios (Mar'26)

Sector	FPIs	DMFs	Ind.
Comm. Svcs.	6,553	5,083	1,226
Cons. Disc.	654	394	292
Cons. Staples	832	1,018	805
Energy	5,363	4,407	4,595
Financials	1,163	886	393
Health Care	616	425	246
Industrials	472	524	314
IT	1,823	1,415	642
Materials	482	417	226
Real Estate	1,393	1,167	535
Utilities	1,483	1,847	798
Total	208	141	65

Source: CMIE Prowess, NSE EPR.

Annual India Inc. ownership trends

Table 8: Ownership trend across promoters and non-promoters in the NSE-listed universe

	Promoters (%)				Non-promoters (%)			Market cap (Rs lakh crore) *
	Private Indian promoters	Government	Foreign	Total promoters	Institutional	Non-Institutional	Total non-promoters	
FY01	32.2		8.9	41.1	21.6	37.3	58.9	6.1
FY02	33.3		8.0	41.3	19.6	39.1	58.7	7.1
FY03	33.8		6.2	40.1	18.5	41.4	59.9	6.9
FY04	40.8		5.5	46.2	20.7	33.0	53.8	13.1
FY05	43.8		5.7	49.6	21.1	29.4	50.4	17.7
FY06	43.2		6.2	49.3	24.7	26.0	50.7	29.8
FY07	30.9	15.5	7.7	54.1	28.6	17.3	45.9	33.9
FY08	31.0	19.0	6.5	56.6	27.1	16.3	43.4	48.8
FY09	26.4	23.0	8.2	57.6	25.7	16.8	42.4	29.1
FY10	26.5	22.3	7.6	56.3	27.5	16.2	43.7	60.3
FY11	26.6	22.1	7.2	55.9	28.2	15.9	44.1	67.1
FY12	27.3	19.8	8.0	55.1	28.7	16.2	44.9	61.0
FY13	28.4	16.9	7.5	52.8	31.2	15.9	47.2	62.5
FY14	29.4	13.9	8.4	51.7	32.3	15.9	48.3	72.8
FY15	29.6	11.9	9.5	51.0	32.4	16.5	49.0	100.5
FY16	31.0	10.1	9.3	50.4	31.9	17.7	49.6	94.5
FY17	30.4	10.7	8.9	50.1	32.0	18.0	49.9	120.7
FY18	31.3	9.7	9.4	50.4	32.0	17.6	49.6	142.4
FY19	31.5	8.7	9.2	49.4	34.0	16.5	50.6	149.7
FY20	33.3	6.6	11.1	50.9	34.6	14.5	49.1	112.0
FY21	34.7	5.9	9.4	50.0	35.0	15.0	50.0	203.1
FY22	36.3	5.7	8.7	50.7	32.9	16.3	49.3	261.0
FY23	33.2	7.9	8.8	49.9	36.2	13.9	50.1	254.2
FY24	32.7	10.7	8.0	51.4	34.4	14.2	48.6	382.1
FY25	32.5	9.5	8.1	50.1	35.6	14.3	49.9	408.9
FY26	31.8	9.7	8.4	50.0	35.4	14.6	50.0	408.6

Source: CMIE Prowess, NSE EPR.

Notes: 1. Ownership across promoters and non-promoters are based on total market cap and add up to 100.

2. Market cap is for all companies whose ownership data was available for the quarter.

3. Government ownership was not available separately prior to FY07 and was a part of private Indian promoters.

Table 9: Ownership trend across non-promoter shareholders by total market cap in the NSE-listed universe

	Non-promoters (%) ^										Market cap (Rs lakh crore) #
	Institutional					Non-institutional					
	Domestic MFs	Banks, FIs & Insurance	FPIs*	Other inst.	Total	Non-promoter corporate	Ind. investors	Other non-inst. **	Total	Total	
FY01	5.8	7.0	8.7	0.0	21.6	16.0	16.9	4.4	37.3	58.9	6.1
FY02	4.3	6.5	8.8	0.0	19.6	18.1	16.6	4.4	39.1	58.7	7.1
FY03	3.4	7.1	8.0	0.0	18.5	19.1	16.8	5.5	41.4	59.9	6.9
FY04	3.1	6.0	11.6	0.0	20.7	12.7	13.6	6.8	33.0	53.8	13.1
FY05	2.7	5.4	13.0	0.0	21.1	10.4	12.9	6.1	29.4	50.4	17.7
FY06	3.5	5.6	15.5	0.0	24.7	7.9	11.6	6.5	26.0	50.7	29.8
FY07	3.8	5.4	19.2	0.3	28.6	4.2	10.1	3.0	17.3	45.9	33.9
FY08	3.8	5.4	17.5	0.4	27.1	4.3	9.1	2.9	16.3	43.4	48.8
FY09	3.8	6.7	14.9	0.3	25.7	4.5	8.7	3.6	16.8	42.4	29.1
FY10	3.9	6.9	16.4	0.3	27.5	4.5	8.5	3.3	16.2	43.7	60.3
FY11	3.6	6.9	17.5	0.3	28.2	4.5	8.2	3.2	15.9	44.1	67.1
FY12	3.6	7.2	17.7	0.2	28.7	4.4	8.5	3.2	16.2	44.9	61.0
FY13	3.5	6.9	20.7	0.1	31.2	4.3	8.0	3.6	15.9	47.2	62.5
FY14	3.4	6.8	22.1	0.1	32.3	4.0	8.0	4.0	15.9	48.3	72.8
FY15	3.9	5.9	22.0	0.6	32.4	4.2	8.7	3.7	16.5	49.0	100.5
FY16	4.4	6.4	20.8	0.3	31.9	5.8	9.1	2.8	17.7	49.6	94.5
FY17	4.9	6.2	20.6	0.2	32.0	5.8	9.3	2.9	18.0	49.9	120.7
FY18	6.1	5.6	20.1	0.3	32.0	5.6	9.0	3.0	17.6	49.6	142.4
FY19	7.2	5.5	21.0	0.4	34.0	5.0	8.6	3.0	16.5	50.6	149.7
FY20	7.9	5.5	20.8	0.4	34.6	3.3	8.4	2.7	14.5	49.1	112.0
FY21	7.2	5.1	21.5	1.2	35.0	3.1	9.0	2.9	15.0	50.0	203.1
FY22	7.7	4.5	19.2	1.5	32.9	3.6	9.7	3.1	16.3	49.3	261.0
FY23	8.7	6.1	19.1	2.3	36.2	1.7	9.4	2.8	13.9	50.1	254.2
FY24	8.9	5.6	17.9	2.0	34.4	1.9	9.5	2.7	14.2	48.6	382.1
FY25	10.4	5.6	17.5	2.2	35.6	1.9	9.5	2.9	14.3	49.9	408.9
FY26	11.4	5.6	15.8	2.6	35.4	1.8	9.1	3.7	14.6	50.0	408.6

Source: CMIE Prowess, NSE EPR.

Notes: 1. Ownership shares provided here for non-promoters are based on total market cap and therefore do not add up to 100.

2. Institutional and non-institutional share add up to the total non-promoter share.

3. *FPI ownership includes ownership through depository receipts held by custodians.

4. **Other non-institutions include other non-institutional non-promoters and government non-promoter.

5. #Market cap is for all companies whose ownership data was available for the quarter.

Listed universe ownership trends

Ownership pattern of the NSE-listed universe (March 2026)

Promoter share in NSE listed companies inched up marginally in the March quarter...

After a modest decline in the December quarter, promoter ownership in NSE-listed companies inched up by 15bps QoQ to 50.0% in the March quarter, although it remained 14bps lower for FY26 as a whole. Despite the rise in ownership share, the value of promoter holdings declined 12.9% QoQ to Rs 204 lakh crore as of March 2026, broadly unchanged from a year earlier. This reflected the sharp market sell-off in the March quarter, triggered by the West Asia crisis, with the overall market capitalisation of NSE-listed companies falling 13.2% QoQ to Rs 409 lakh crore. The marginal increase in promoter share during the quarter was driven primarily by higher Government and foreign promoter ownership, even as private Indian promoter ownership declined after remaining broadly stable in the December quarter.

Private Indian promoter ownership fell 42bps QoQ to a 27-quarter low of 31.8% in the March quarter, marking the steepest sequential decline in three years. The value of their holdings declined 14.3% QoQ to Rs 130 lakh crore, the sharpest quarterly fall since the pandemic. This decline was entirely led by non-individual private promoters, whose share fell to a 34-quarter low of 25.0%, while the share of private individual promoters remained broadly stable. In contrast, foreign promoter ownership rose 11bps QoQ to an 11-quarter high of 8.4% as of March 2026, even as the value of their holdings fell 12.1% QoQ to Rs 34 lakh crore amid the broader market correction.

...Led by an increase in Government ownership: Government ownership in NSE-listed companies, including both promoter and non-promoter holdings, declined steadily between 2010 and 2022, largely reflecting the Government's disinvestment-led revenue strategy. This trend reversed sharply between April 2022 and March 2024, with the Government's ownership share rising by about 5.2pp, driven mainly by LIC's listing and strong performance of public sector enterprises. The increase, however, was short-lived, with Government shareholding moderating through FY25 and remaining broadly range-bound in the first three quarters of FY26 before rising again in the March quarter.

Government ownership rose by 46bps QoQ to a six-quarter high of 10.3% in the March 2026 quarter, taking the FY26 increase to 33bps. This followed a cumulative decline of 1.6pp over the preceding five quarters. In value terms, however, Government holdings fell 9.2% QoQ to a four-quarter low of Rs 42 lakh crore, marking the steepest sequential decline in five quarters. Despite this quarterly fall, the value of Government holdings rose by a modest 3.2% over FY26, outpacing the growth in the overall market capitalisation of NSE-listed companies. The increase in ownership share during the quarter coincided with the relative outperformance of CPSE stocks: the Nifty CPSE Index rose 8.4%, even as the Nifty Total Market Index declined 14.1%.

Total promoter share inched up by a modest 15bps QoQ to 50% in the March 2026 quarter, led by a rise in Government and foreign promoter share.

Government ownership in the listed space rose by 46bps QoQ to a six-quarter high of 10.3% in the March quarter.

FPI ownership in the listed universe dropped for the fourth quarter in a row to 17-year lows...

Except for brief upticks in two of the last 12 quarters, FPI ownership in NSE-listed companies has been on a sustained decline since March 2023, reflecting both heightened volatility in foreign portfolio flows and the structural rise in domestic institutional participation. The decline deepened in FY26, with FPI share falling by 166bps over the year and 90bps in the March quarter alone to 15.8%—its lowest level in 17 years. The sharp fall in FPI share was not merely a result of persistent, broad-based FPI selling, but also reflected strong countervailing purchases by DIIs, which raised the domestic ownership base and contributed to the reduction in FPIs' relative share.

FPI net outflows in FY26 stood at a record US\$19.6bn, with nearly 72% of this, or US\$14.2bn, occurring in the March quarter. Over the same period, net DII buying stood at US\$95.8bn—nearly five times the scale of FPI outflows—underscoring the growing domestic institutional offset to foreign selling. In value terms, FPI holdings in NSE-listed companies declined 17.9% QoQ to Rs 64.6 lakh crore as of March 31st, 2026.

The recent decline in ownership share, however, should be seen in perspective. The value of FPI holdings in NSE-listed companies has still grown at a compounded annual rate of 18.5% in rupee terms over the past six years. Further, notwithstanding the weakness of the last two years, FPIs have been net buyers of Indian equities in 20 of the last 27 years, reaffirming India's enduring position as a preferred long-term destination for foreign portfolio capital.

...While DMF shareholding surged further to fresh record high levels: DMF ownership in NSE-listed companies continued its steady upward trajectory for the 11th consecutive quarter, rising 35bps QoQ to a fresh record high of 11.4% in the March 2026 quarter—an increase of around 3.35pp since December 2022. In value terms, however, DMF holdings declined 10.5% QoQ from a record Rs 52.2 lakh crore in December 2025 to Rs 46.8 lakh crore in March 2026. The decline was lower than the fall in overall market capitalisation, supported by sustained net equity inflows. DMFs invested a record Rs 5.37 lakh crore in FY26, marking the fifth consecutive year of net positive investments, with Q4 FY26 being the 20th straight quarter of net inflows.

This strength was underpinned by continued retail participation through systematic investment plans. Average monthly SIP inflows rose to Rs 30,978 crore in Q4 FY26, up 3.3% QoQ and 18.7% YoY, and averaged Rs 29,132 crore for FY26 as a whole. Within total DMF ownership, passive funds edged up 9bps QoQ to an all-time high of 2.1%, while actively managed funds rose by a relatively higher 26bps QoQ to 9.3%.

Ownership by banks, financial institutions and insurance companies remained broadly stable at 5.6%, both sequentially and relative to the year-ago period. This segment has stayed within a narrow range of 5.3–5.6% over the past 10 quarters, indicating steady institutional participation.

Overall ownership by domestic institutions rose for the eighth consecutive quarter to an all-time high of 19.6% in the March 2026 quarter, exceeding FPI ownership by 3.8pp—the widest gap in the last 100 quarters, since June 2001.

FPI share in the NSE listed companies fell by 166bps in FY26 to a 17-year low of 15.8%—a consequence of persistent FPI outflows and structural rise in domestic participation.

DMF share in NSE listed universe rose further to a fresh all-time high of 11.4% in the March 2026 quarter, rising by 4.2pp in the last five years.

Individual investors' combined direct and indirect ownership in NSE listed companies

rose marginally in the March quarter: After remaining broadly range-bound in the first half of FY26, individual investor ownership in NSE-listed companies as direct participants declined for the second quarter in a row by 17bps QoQ to a five-year low of 9.1% in the March 2026 quarter. This implies a cumulative decline of 66bps from the post-pandemic peak of 9.8% recorded in December 2024.

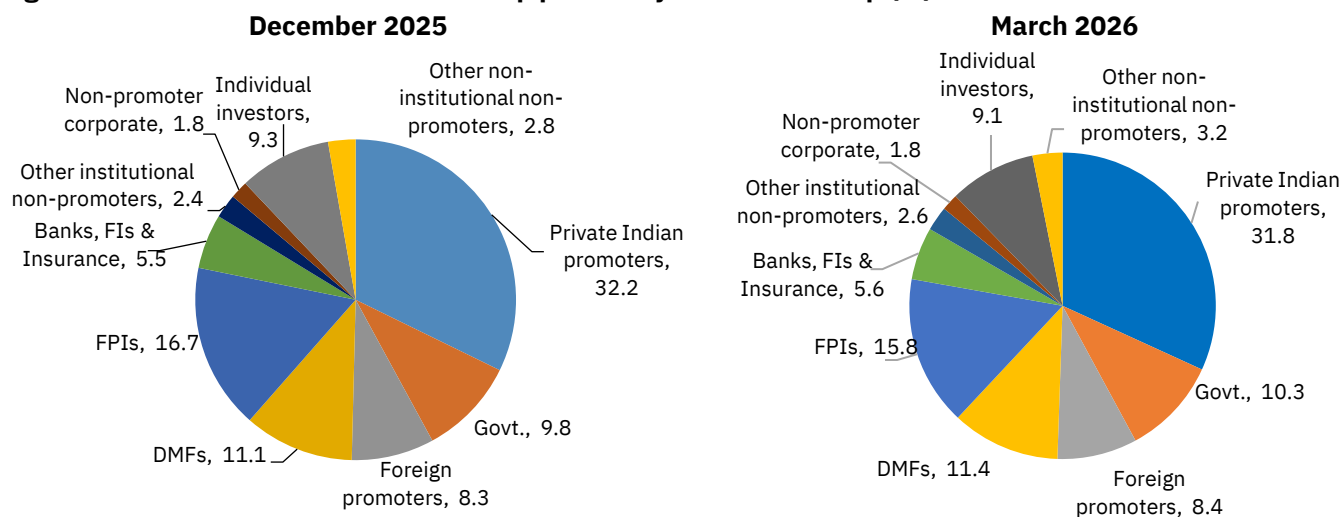
The decline reflected more volatile participation by individuals through the direct equity route in recent quarters. Individual investors were modest net sellers in NSE's secondary markets in FY26, the first such annual outflow in seven years. In value terms, direct individual holdings fell 14.8% QoQ to Rs 37.4 lakh crore, slightly outpacing the decline in overall market capitalisation. These holdings are now 16.9% below the September 2024 peak, reached before markets corrected amid heightened global uncertainty, including the US elections and geopolitical tensions in the Middle East. Since the onset of the pandemic in March 2020, however, the value of direct individual holdings has expanded at an annualised pace of 29.2%, underscoring sustained participation and significant long-term wealth creation.

When indirect ownership through mutual funds is also considered—where individuals, including retail investors and HNIs, accounted for nearly 84% of equity AUM as of March 2026—the effective share of individuals as non-promoter shareholders inched up 9bps QoQ to a near-record high of 18.7%. In value terms, this amounted to Rs 76.5 lakh crore, growing at an annualised pace of 29.6% since March 2020.

Consequently, the gap between the combined direct and indirect ownership share of individuals and FPI ownership widened to 2.9pp, underscoring the growing centrality of individual investors in India's equity markets.

Individuals' share in equity markets as non-promoter shareholders (direct and indirect) at near record-high of 18.7% in the March 2025 quarter has remained ahead of FPIs for the sixth quarter in a row.

Figure 42: NSE-listed universe: Ownership pattern by total market cap (%)



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians. Government ownership includes promoter as well as non-promoter ownership.

Table 10: NSE-listed universe: Value held by key stakeholders over the last three years

Rs lakh crore	Private Indian promoters	Govt.@	Foreign promoters	Passive DMFs ^	Active DMFs \$	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **	Total
Jun-23	97.6	24.5	25.2	4.9	20.3	17.1	55.5	5.5	27.4	13.7	291.6
Sep-23	104.1	29.6	26.3	5.1	22.4	18.0	58.0	6.2	30.5	14.5	314.8
Dec-23	118.9	36.6	28.6	5.9	25.8	20.0	65.5	7.1	34.7	16.3	359.5
Mar-24	124.9	42.7	30.6	6.3	27.9	21.3	68.3	7.4	36.4	16.3	382.1
Jun-24	140.0	49.5	35.9	7.3	32.5	23.3	76.0	8.3	41.6	18.1	432.5
Sep-24	153.6	49.1	38.8	8.2	36.2	25.2	82.7	9.2	45.0	20.3	468.3
Dec-24	142.7	43.5	35.7	7.8	35.7	23.3	75.8	8.6	42.8	20.6	436.6
Mar-25	132.8	40.7	33.2	7.9	34.5	22.8	71.5	7.6	38.9	19.0	408.9
Jun-25	147.3	46.3	37.1	8.9	39.5	25.0	79.2	8.6	43.9	21.3	457.2
Sep-25	143.6	44.7	37.3	8.8	40.0	24.2	75.2	8.3	42.7	21.4	446.1
Dec-25	151.7	46.3	39.2	9.6	42.6	25.9	78.7	8.5	43.9	24.4	470.7
Mar-26	130.0	42.0	34.5	8.7	38.1	22.7	64.6	7.2	37.4	23.5	408.6
% QoQ	-14.3%	-9.2%	-12.1%	-9.4%	-10.7%	-12.6%	-17.9%	-15.0%	-14.8%	-3.7%	-13.2%

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters. ^ Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. \$ Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding. @ Includes shares held by the Government as promoters as well as non-promoters.

Table 11: NSE-listed universe: Ownership trend of key stakeholders by total market cap over the last three years

%	Private Indian promoters	Govt.@	Foreign promoters	Passive DMFs ^	Active DMFs \$	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **
Jun-23	33.5	8.4	8.6	1.7	7.0	5.9	19.0	1.9	9.4	4.7
Sep-23	33.1	9.4	8.3	1.6	7.1	5.7	18.4	2.0	9.7	4.6
Dec-23	33.1	10.2	7.9	1.6	7.2	5.6	18.2	2.0	9.7	4.5
Mar-24	32.7	11.2	8.0	1.7	7.3	5.6	17.9	1.9	9.5	4.3
Jun-24	32.4	11.5	8.3	1.7	7.5	5.4	17.6	1.9	9.6	4.2
Sep-24	32.8	10.5	8.3	1.7	7.7	5.4	17.7	2.0	9.6	4.3
Dec-24	32.7	10.0	8.2	1.8	8.2	5.3	17.4	2.0	9.8	4.7
Mar-25	32.5	10.0	8.1	1.9	8.4	5.6	17.5	1.9	9.5	4.6
Jun-25	32.2	10.1	8.1	1.9	8.6	5.5	17.3	1.9	9.6	4.7
Sep-25	32.2	10.0	8.4	2.0	9.0	5.4	16.9	1.9	9.6	4.8
Dec-25	32.2	9.8	8.3	2.0	9.1	5.5	16.7	1.8	9.3	5.2
Mar-26	31.8	10.3	8.4	2.1	9.3	5.6	15.8	1.8	9.1	5.7
QoQ change	-42bps	46bps	11bps	9bps	26bps	4bps	-90bps	-4bps	-17bps	57bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters. ^ Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. \$ Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding. @ Includes shares held by the Government as promoters as well as non-promoters.

Institutional ownership in NSE floating stock inched up marginally on higher domestic institutional share: DMF ownership in the NSE free float increased for the 11th consecutive quarter, rising 76bps QoQ—the steepest quarterly increase in three years—to a fresh all-time high of 22.9% in the March 2026 quarter. This translated into a cumulative increase of 2.1pp in FY26, with the rise broad-based across market segments.

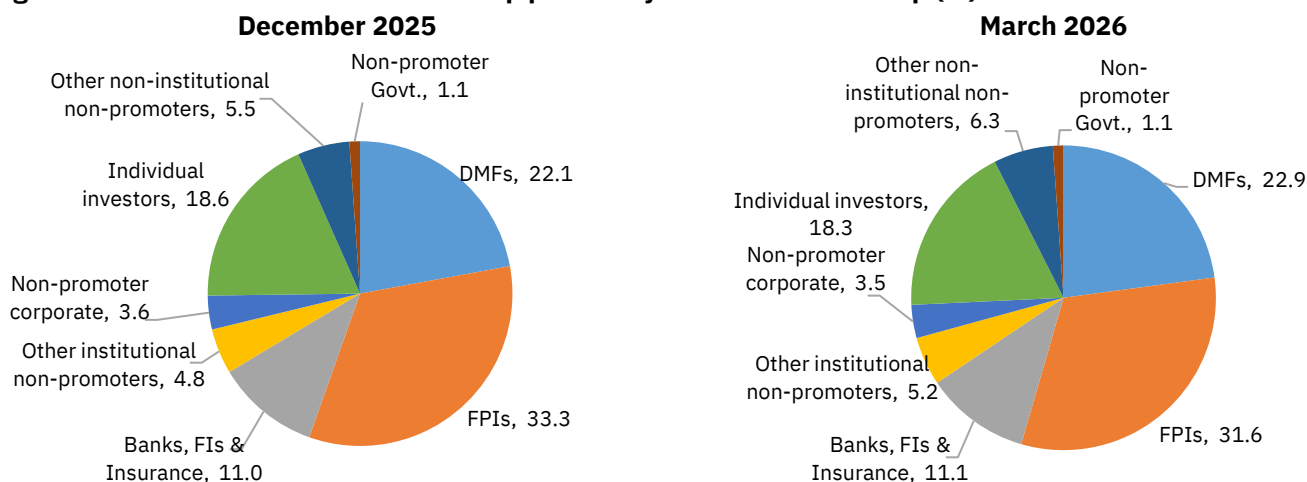
In contrast, FPI ownership in the free float of NSE-listed companies declined sharply by 1.7pp QoQ to a 20-year low of 31.6%, marking the fourth consecutive quarterly decline.

FPI share in the NSE free float is now 14.1pp below its peak recorded 12 years ago in March 2014.

Ownership by banks, financial institutions and insurance companies edged up marginally by 11bps QoQ to 11.1%. As a result, overall institutional ownership of the NSE free float declined 47bps QoQ to 70.7% in the March 2026 quarter, remaining 1.6pp below the all-time high of 72.3% recorded in March 2023.

Individual investors' ownership of NSE free-float market capitalisation also fell modestly, declining 28bps QoQ to a five-year low of 18.3% in the March 2026 quarter. The decline was driven largely by reduced exposure to large- and mid-cap companies. In contrast, individual ownership in the NSE-listed universe excluding Nifty 500 constituents rose sharply by 4.0pp QoQ to 42.9%, indicating a continued tilt towards smaller companies. Despite this, individuals' share in the NSE free float remains 10.8pp below the peak observed over the past 26 years.

Figure 43: NSE-listed universe: Ownership pattern by free float market cap (%)



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

Table 12: NSE-listed universe: Ownership across key stakeholders by floating stock over the last three years

%	Passive DMFs ^	Active DMFs \$	Banks, FI & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Jun-23	3.4	13.9	11.7	38.1	3.8	18.8	10.3
Sep-23	3.3	14.3	11.5	37.1	4.0	19.5	10.2
Dec-23	3.3	14.6	11.3	37.0	4.0	19.6	10.2
Mar-24	3.4	15.0	11.4	36.7	4.0	19.6	9.8
Jun-24	3.5	15.5	11.1	36.3	4.0	19.9	9.8
Sep-24	3.6	15.8	11.0	36.1	4.0	19.6	9.9
Dec-24	3.6	16.5	10.8	35.0	4.0	19.8	10.4
Mar-25	3.9	16.9	11.2	35.0	3.7	19.1	10.2
Jun-25	3.9	17.3	10.9	34.6	3.8	19.2	10.3
Sep-25	4.0	17.9	10.9	33.7	3.7	19.2	10.6
Dec-25	4.1	18.1	11.0	33.3	3.6	18.6	11.4
Mar-26	4.2	18.6	11.1	31.6	3.5	18.3	12.6
QoQ change	19bps	57bps	11bps	-170bps	-6bps	-28bps	117bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters. ^ Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. \$ Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

Long-term ownership trend of the NSE-listed universe

Promoter ownership: from post-2009 decline to recent range-bound trends: Promoter ownership in NSE-listed companies rose steadily between 2001 and 2009, peaking at a 19-year high of 57.6% in March 2009, before declining through the following decade and settling into a largely range-bound pattern thereafter. The reversal after 2010 coincided with SEBI's mandate to raise the minimum public shareholding requirement from 10% to 25%. The subsequent decline in promoter ownership was driven primarily by a reduction in Government holdings, reflecting policy efforts to widen public participation in CPSEs and mobilise resources through disinvestment. More recently, the moderation has also been influenced by a decline in private Indian promoter ownership. Government ownership saw a temporary rebound between December 2021 and June 2024, supported by LIC's listing in 2022 and the strong performance of PSU stocks during this period, before easing by 1.2pp over the past seven quarters. Private promoter ownership, comprising both Indian and foreign promoters, moved differently. It rose by about 11.6pp between June 2010 and December 2021, partly offsetting the decline in Government ownership, before moderating by 4.6pp thereafter.

DMF ownership gains from a structural rise in domestic financialisation: DMF ownership in NSE-listed companies has risen steadily over the past decade, with only a brief interruption in FY21. This sustained increase reflects the deepening of retail participation in equity mutual funds, underpinned by the continued growth of SIPs and a broader structural shift in household portfolios towards equities. The share of equities—held directly and indirectly through mutual funds—in household gross financial savings rose sharply from 1.8% in FY12 to 15.2% in FY25. Over the same period, equities as a share of household financial assets increased from 11.2% in March 2012 to nearly 23% in March 2025. Sustained equity market outperformance, lower interest rates, rising financial awareness and an enabling digital ecosystem have all contributed to this transition.

The temporary dip in DMF ownership in FY21 coincided with the pandemic-induced slowdown, when pressure on household cash flows and heightened uncertainty led to weaker SIP inflows and elevated redemptions. Part of these outflows appears to have been redirected towards direct equity investments, as reflected in the contemporaneous rise in individual investor ownership. From mid-2021 onwards, the recovery in SIP contributions supported a renewed and persistent increase in DMF ownership, which has since reached record highs.

In contrast, the combined ownership share of banks, financial institutions and insurance companies has followed a broadly declining trend since 2012, barring a one-off increase of 158bps in FY23 that was subsequently reversed.

FPI ownership on a steady declining trend since the pandemic amid domestic financialisation and global risk pricing: FPI ownership in NSE-listed companies rose steadily between 2002 and 2015, barring a brief interruption during the 2007–08 global financial crisis. The share moderated over the next three years amid heightened global uncertainty, including the US–China trade dispute and Brexit-related risks, before recovering through December 2019. The onset of the COVID-19 pandemic in early 2020 triggered a sharp but short-lived decline as global risk aversion surged. Subsequent

Barring a pandemic-led dip in FY21, DMF ownership has been steadily rising since FY15 to touch fresh record-highs in the March 2026 quarter, aided by strong SIP inflows.

liquidity support by major central banks restored risk appetite, leading to a rebound in FPI inflows in H2 2020.

Since then, however, the ownership mix has increasingly shifted in favour of domestic investors, driven by the deepening of domestic financialisation and sustained institutional flows. This structural shift has coincided with a more challenging global backdrop, including China's slowdown, rising geopolitical tensions, aggressive monetary tightening by the US Fed, and more recently, renewed trade frictions.

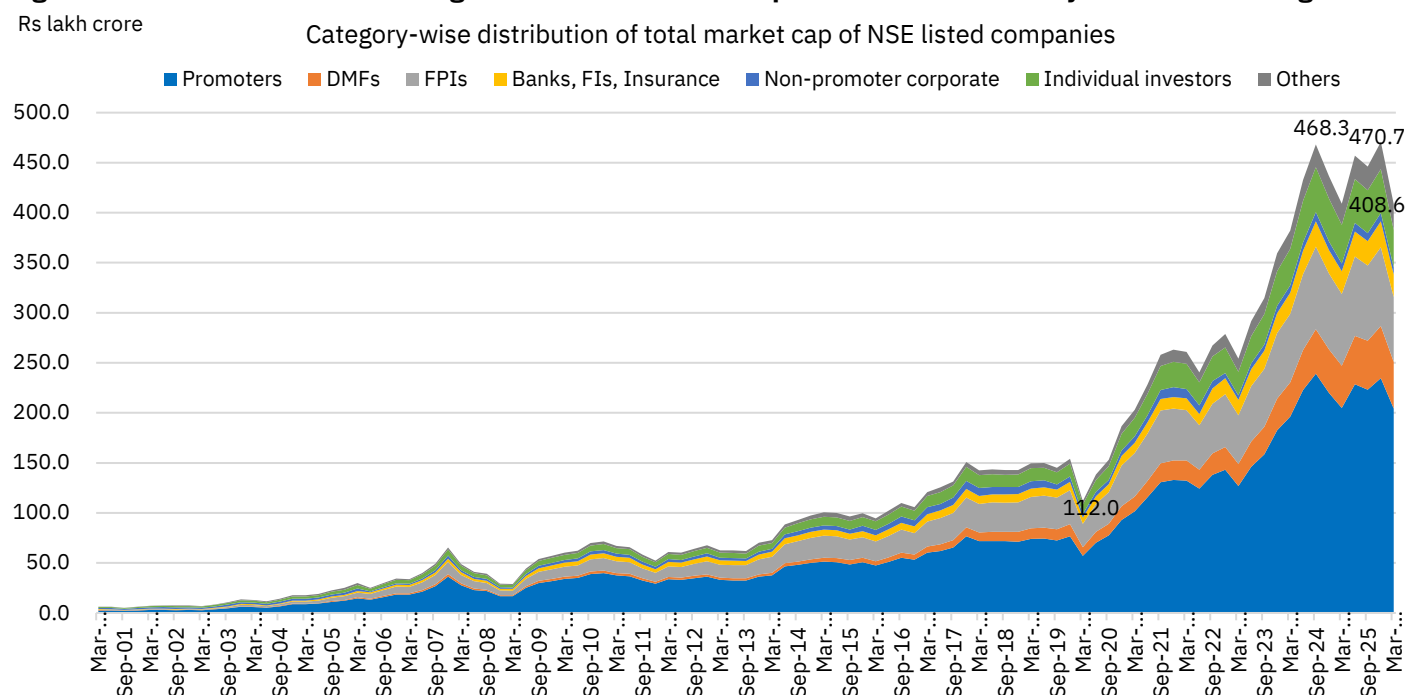
Cyclical pressures have reinforced this trend over the past 18 months. Tariff-related uncertainty, the West Asia conflict and its implications for crude prices, inflation and the rupee, India's relatively richer valuations compared with other emerging markets, and the diversion of global capital towards AI-led markets have all weighed on foreign allocations to Indian equities. Consequently, FPI ownership has fallen by nearly 3.3pp over the last three years, and by 6.4pp since December 2019, to a 17-year low of 15.8%. Nearly half of this decline occurred in the last four quarters alone.

Direct individual holding has remained between 8% to 10% for more than 11 years

now: While SIP-led investments by individuals have grown steadily in recent years, barring a brief disruption in FY21, direct equity ownership has remained relatively stable. This suggests a gradual maturation of the investor base, with households increasingly accessing equities through mutual funds rather than relying only on direct holdings. Individual ownership in NSE-listed companies had declined steadily between 2001 and 2012, but has since recovered gradually and remained broadly within a narrow band of 9–10% for more than a decade. The recent moderation therefore points less to a retreat from equities and more to a shift in the mode of participation—from direct stock ownership to indirect exposure through mutual funds.

Direct individual ownership fell steadily between 2001 and 2012 and has since risen marginally, barring the recent dip.

Figure 44: NSE-listed universe: Long-term trend of market cap distribution across key shareholder categories



Source: CMIE Prowess, NSE EPR.

Notes: 1. FPI ownership includes ownership through depository receipts held by custodians.
2. Only includes companies where shareholding data is available as of the end of every quarter.

Figure 45: NSE-listed universe: Long-term ownership trend across key stakeholders by total market cap

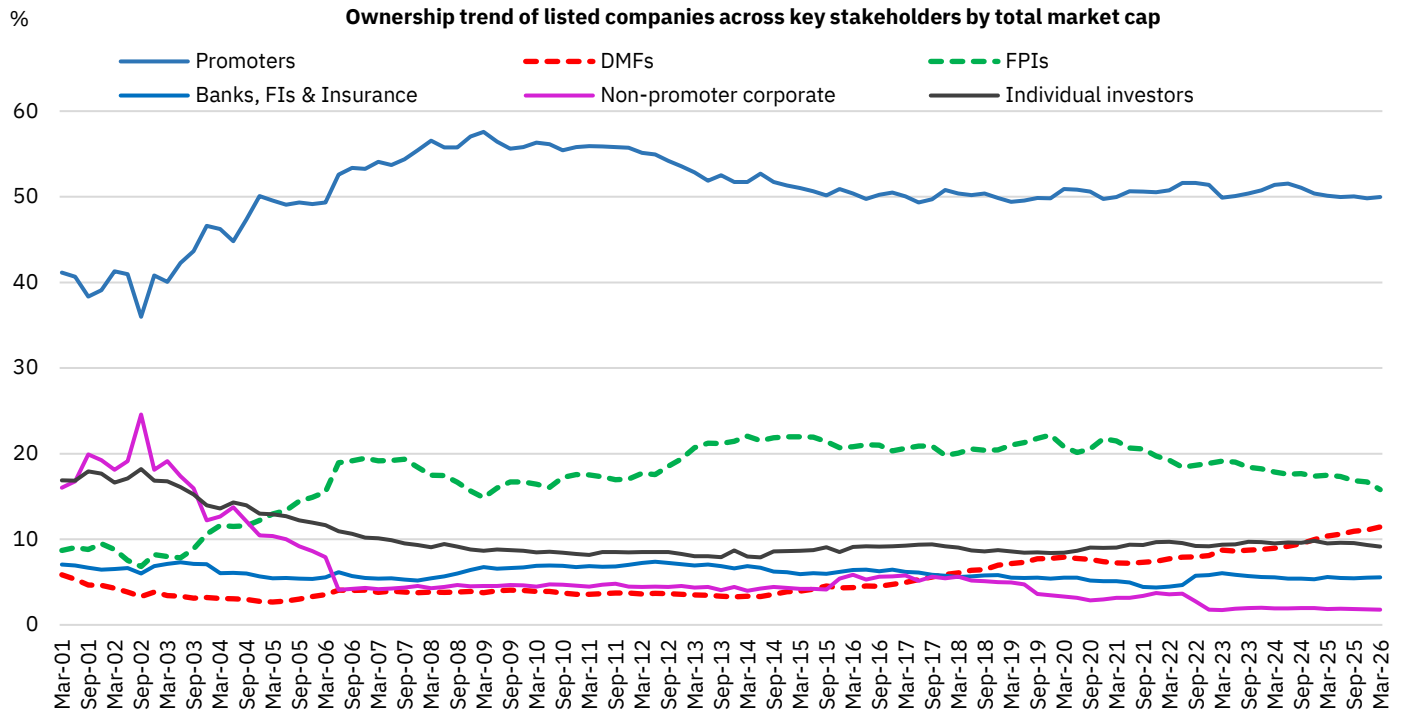


Figure 46: Total promoter ownership trend of NSE-listed companies by total market cap

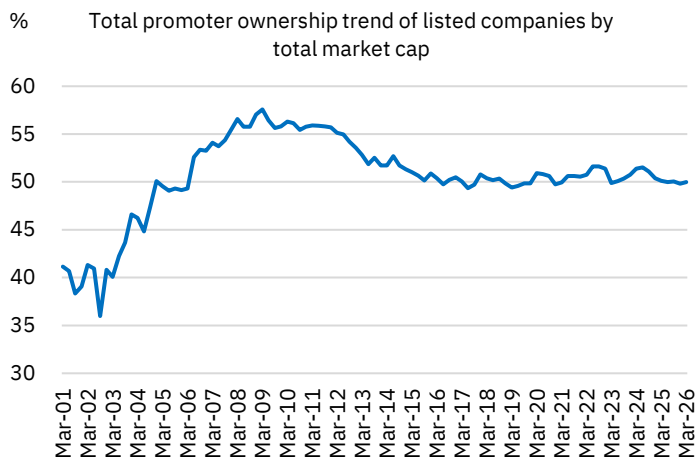


Figure 47: Indian and foreign promoter ownership trend of NSE-listed companies by total market cap

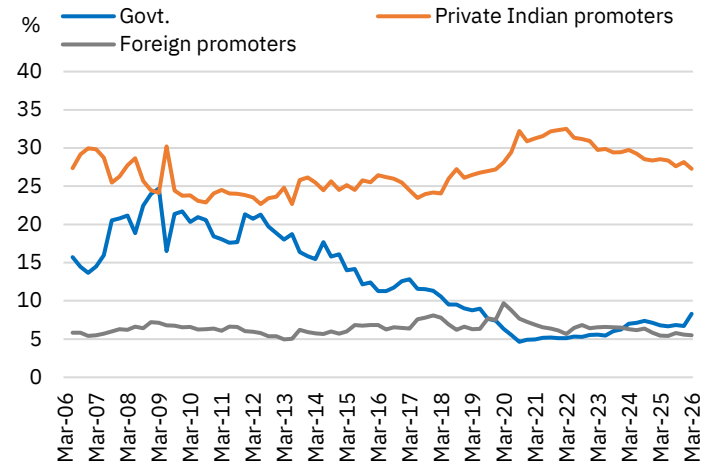


Figure 48: DMF ownership trend of NSE-listed companies by total market cap

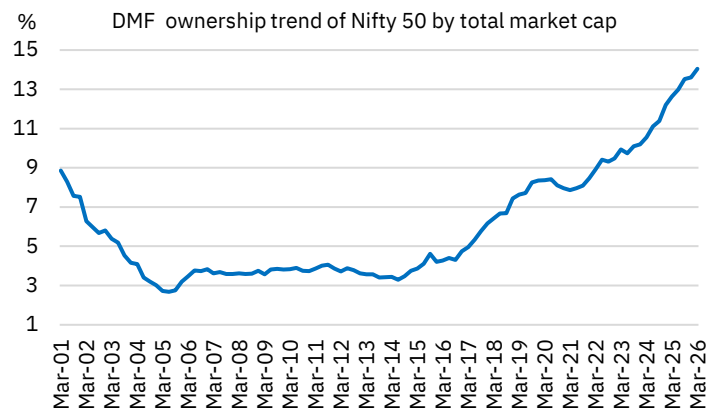
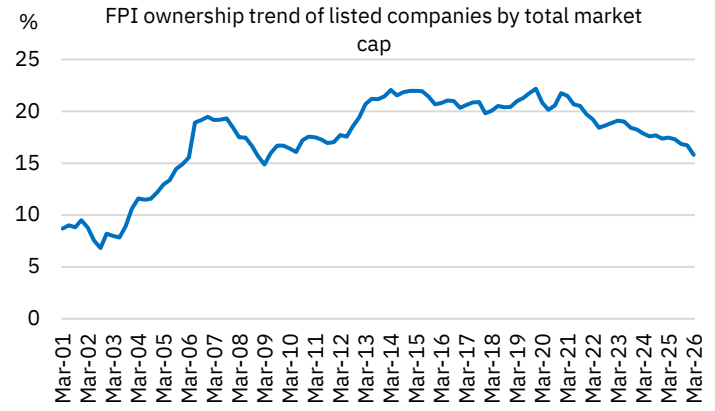


Figure 49: FPI ownership* trend of NSE-listed companies by total market cap



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 50: Banks, FIs & Insurance ownership trend of NSE-listed companies by total market cap

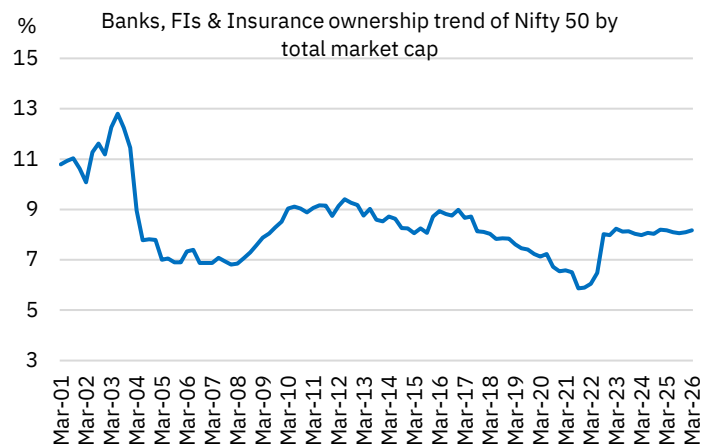
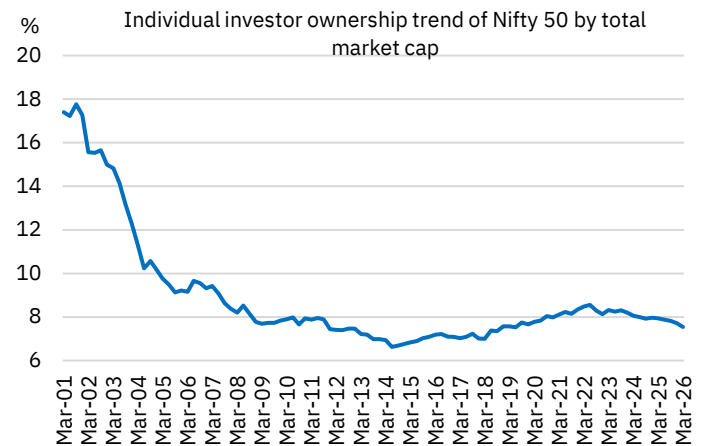
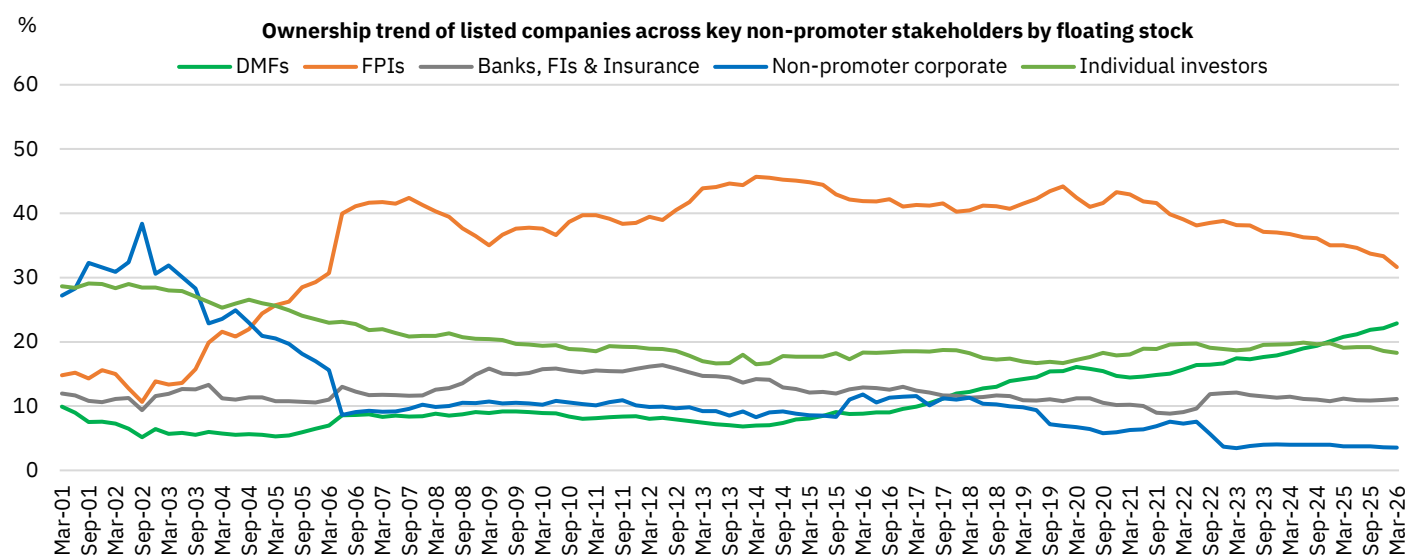


Figure 51: Individual ownership trend of NSE-listed companies by total market cap



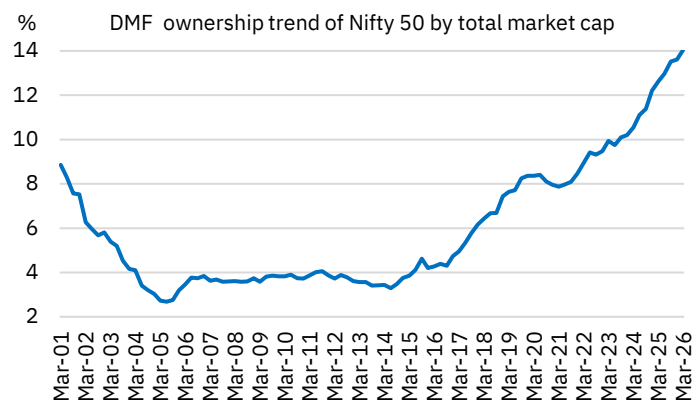
Source: CMIE Prowess, NSE EPR.

Figure 52: NSE-listed universe: Long-term ownership trend across key stakeholders by free float market cap



Source: CMIE Prowess, NSE EPR. Notes: 1. FPI ownership includes ownership through depository receipts held by custodians. 2. Only includes companies where shareholding data is available as of the end of every quarter.

Figure 53: DMF ownership trend of NSE-listed companies by free float market cap



Source: CMIE Prowess, NSE EPR.

Figure 54: FPI ownership trend of NSE-listed companies by free float market cap

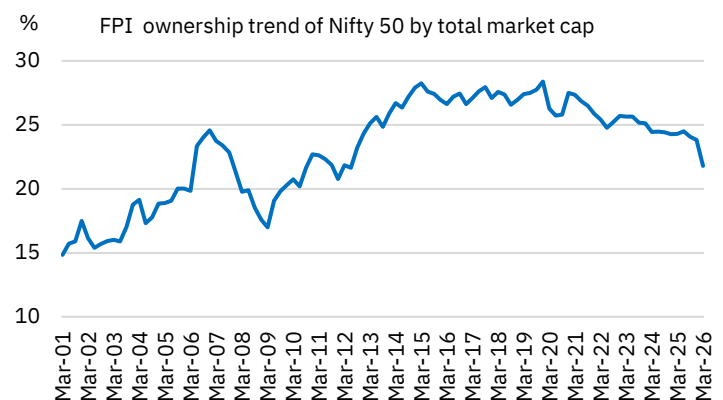
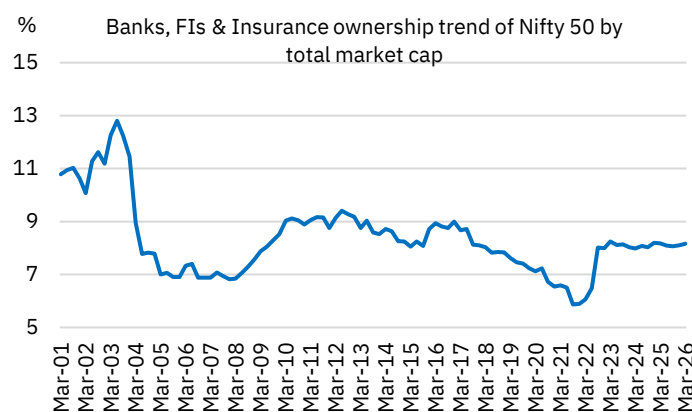
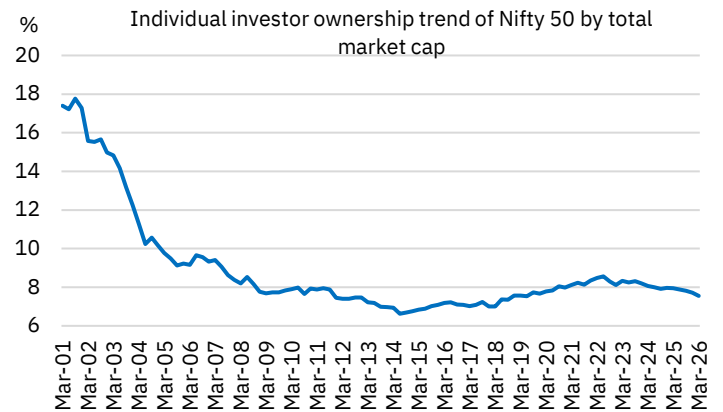


Figure 55: Banks, FIs & Insurance ownership trend of NSE-listed companies by free float market cap



Source: CMIE Prowess, NSE EPR.

Figure 56: Individual ownership trend of NSE-listed companies by free float market cap



SIP inflows remained resilient despite market sell-off: Systematic investment plans have remained the preferred route for individual participation in equities, barring a brief interruption in FY21. After the temporary dislocation in 2020, when some investors shifted from mutual funds to direct equities amid heightened market volatility, SIP inflows recovered quickly, with only a short pause in early FY22 during the second wave of the pandemic.

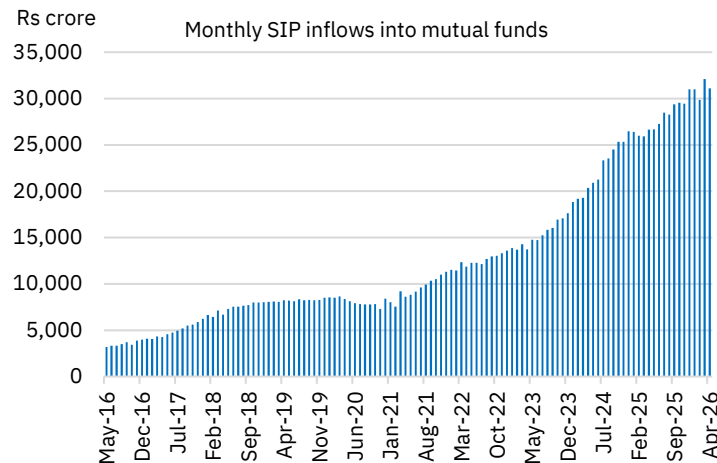
Despite elevated volatility and subdued market sentiment, average monthly SIP inflows rose 3.3% QoQ and 18.7% YoY to Rs 30,978 crore in Q4 FY26, marking the 22nd consecutive quarter of sequential growth. For FY26 as a whole, average monthly SIP inflows increased 20.8% YoY to Rs 29,132 crore, implying an annualised growth of 25.9% between FY17 and FY26. March 2026 recorded a fresh all-time high, with monthly SIP contributions crossing Rs 32,000 crore for the first time to reach Rs 32,087 crore. Importantly, three-month rolling QoQ growth in SIP inflows has remained positive since November 2020, supporting the steady expansion of DMF ownership and assets under management.

This sustained momentum underscores the resilience of retail participation and the structural deepening of household engagement with capital markets. It has also

Average monthly SIP inflows continued to rise, up 16.7% YoY to Rs 29,992 crore in Q3 FY26.

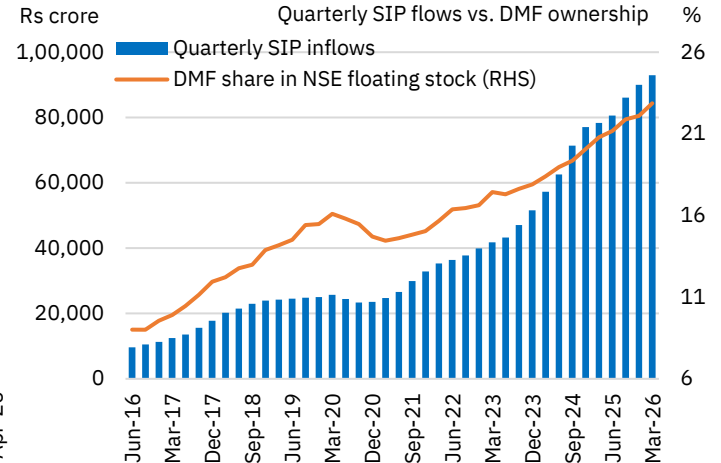
strengthened the domestic institutional bid, helping reduce the sensitivity of Indian equities to global shocks and episodic FPI outflows.

Figure 57: Monthly SIP inflows into mutual funds



Source: AMFI, NSE EPR.

Figure 58: Quarterly SIP inflows vs DMF ownership

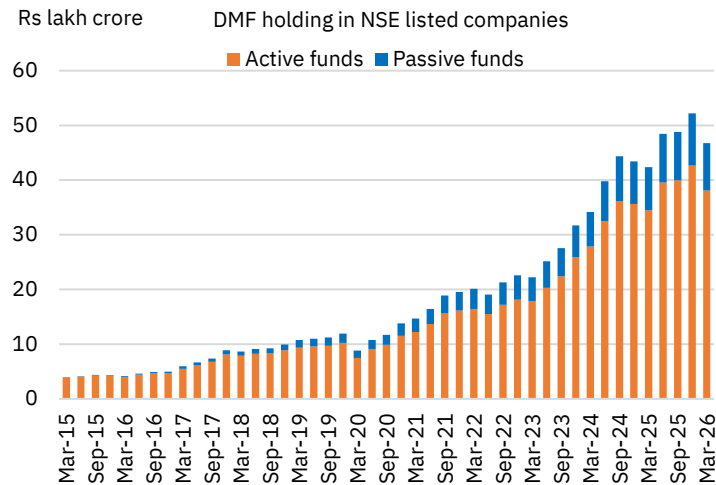
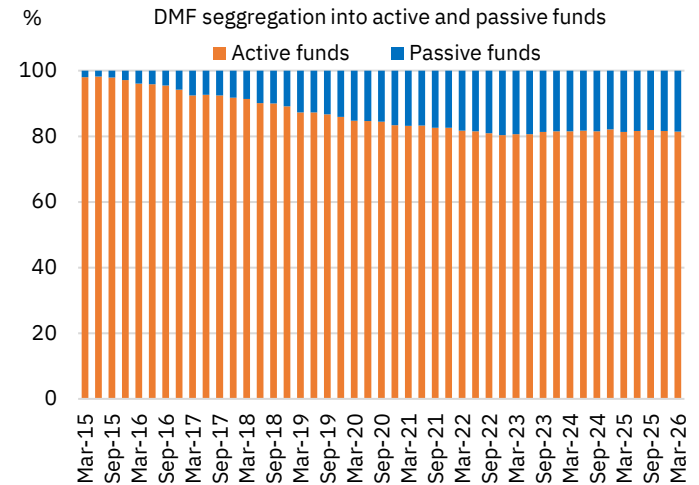


DMF ownership via passive as well as active funds rose further in the March quarter:

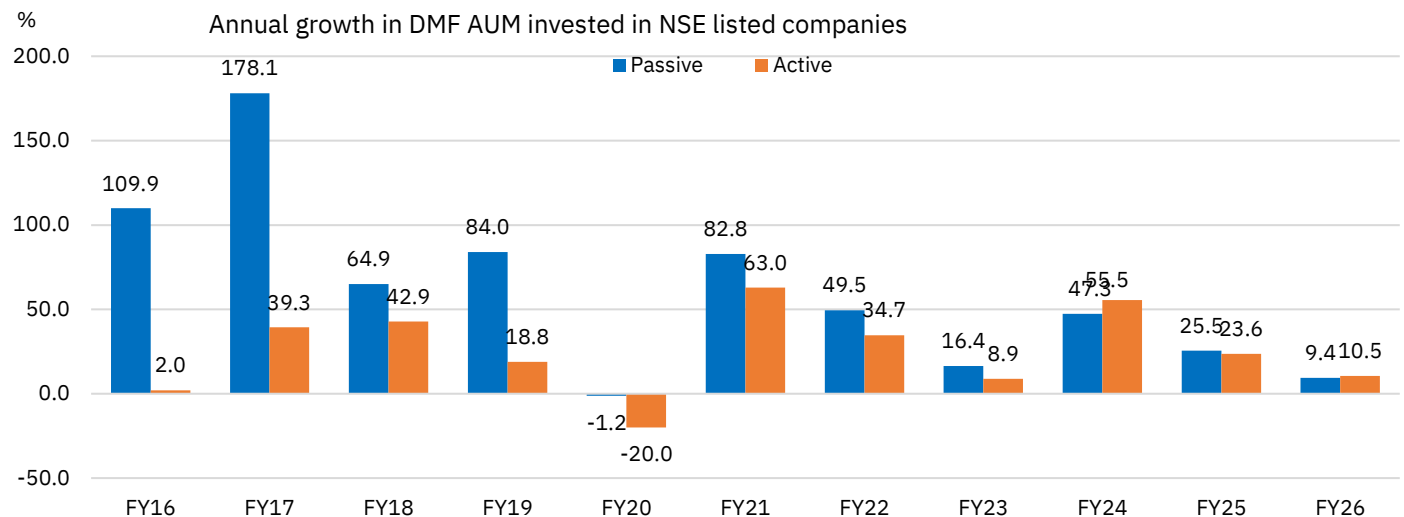
Passive investments by DMFs in NSE-listed companies—primarily through ETFs and index funds—have expanded sharply in recent years. Over the past decade, AUM of passive equity funds has grown at a robust CAGR of 48.9%, significantly outpacing the 25.4% CAGR recorded by actively managed funds, albeit from a lower base. This acceleration reflects rising investor preference for rule-based investment strategies, reinforced by a more than five-fold increase in the number of passive funds since the pandemic.

In Q4 FY26, passive equity fund AUM declined 9.4% QoQ to Rs 8.7 lakh crore, although it remained up 9.4% for FY26 as a whole. Consequently, passive fund ownership in NSE-listed companies edged up 9bps QoQ to an all-time high of 2.1% as of March 2026. By comparison, actively managed equity fund AUM declined by a slightly higher 10.7% QoQ to Rs 38.1 lakh crore, but remained up 10.5% in FY26, supported by robust SIP inflows. As a result, the ownership share of active mutual funds rose 26bps QoQ and 89bps YoY to a fresh record high of 9.3%, marking the 11th consecutive quarterly increase.

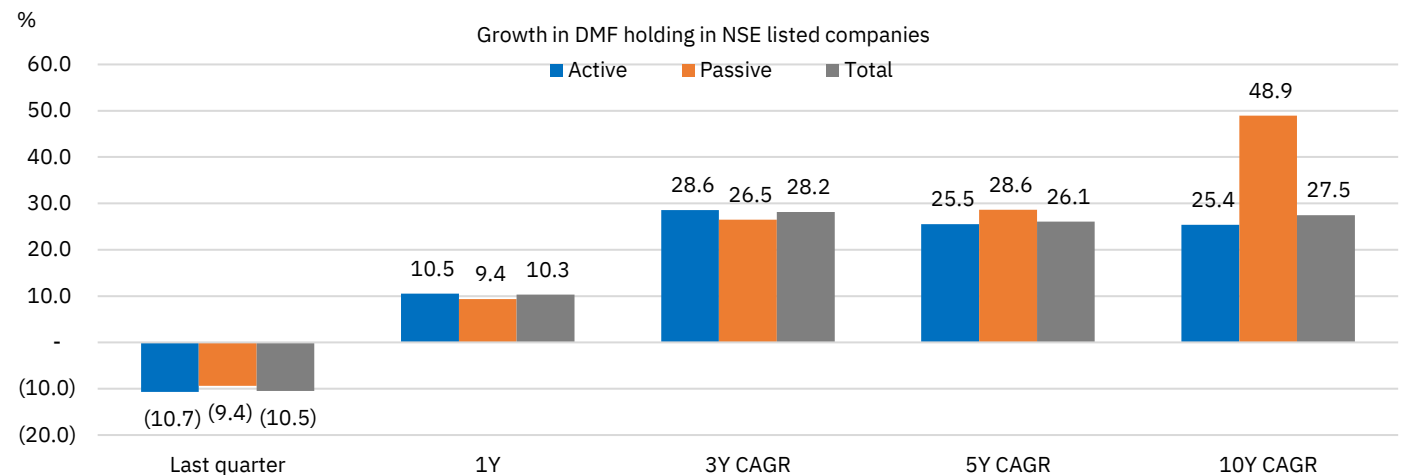
Measured against free-float market capitalisation, passive funds' share rose 19bps QoQ to a new all-time high of 4.2%, while active funds' share increased 57bps QoQ to 18.6%. This extends the steady rise in domestic institutional participation, with passive strategies gaining scale while active funds continue to account for the bulk of DMF ownership.

Figure 59: DMF holding in NSE listed universe

Figure 60: DMF segregation: active and passive funds


Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

Figure 61: Annual growth of DMF holding in the NSE-listed universe


Source: AMFI, MFI Explorer, NSE EPR. Note: Passive funds track indices by replicating their constituents and weights. Active funds are those which involve active investment decisions on the part of the fund manager; their share is estimated by deducting passive AUM from the overall DMF holding.

Figure 62: CAGR of DMF holding in the NSE-listed universe


Source: AMFI, MFI Explorer, NSE EPR. Note: Passive funds track indices by replicating their constituents and weights. Active funds are those which involve active investment decisions on the part of the fund manager; their share is estimated by deducting passive AUM from the overall DMF holding. * Data is as of March 31st, 2026.

Figure 63: DMF ownership in total market cap of NSE listed companies

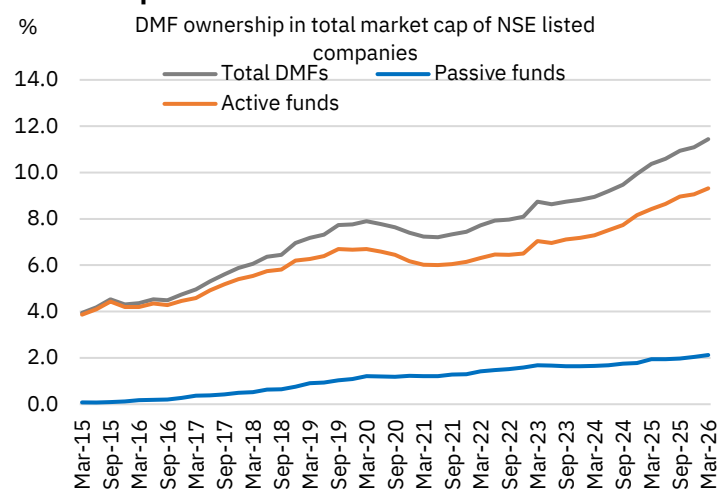
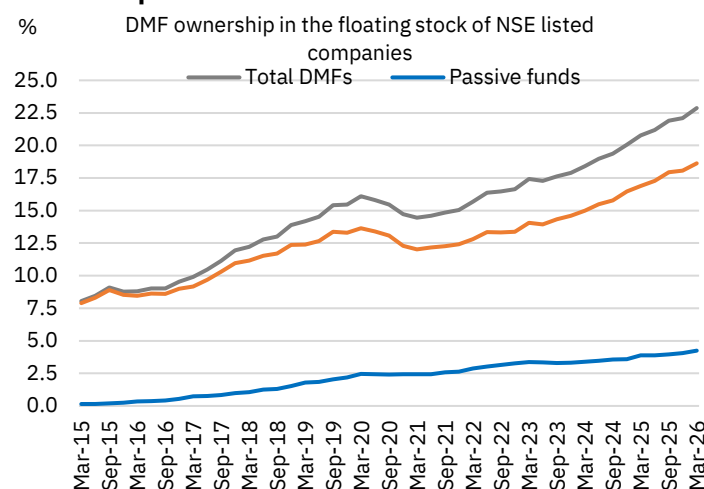


Figure 64: DMF ownership in floating market cap of NSE listed companies



Source: CMIE Prowess, AMFI, MFI Explorer, NSE EPR. Note: Passive funds track indices by replicating their constituents and weights. Active funds are those which involve active investment decisions on the part of the fund manager; their share is estimated by deducting passive AUM from the overall DMF holding.

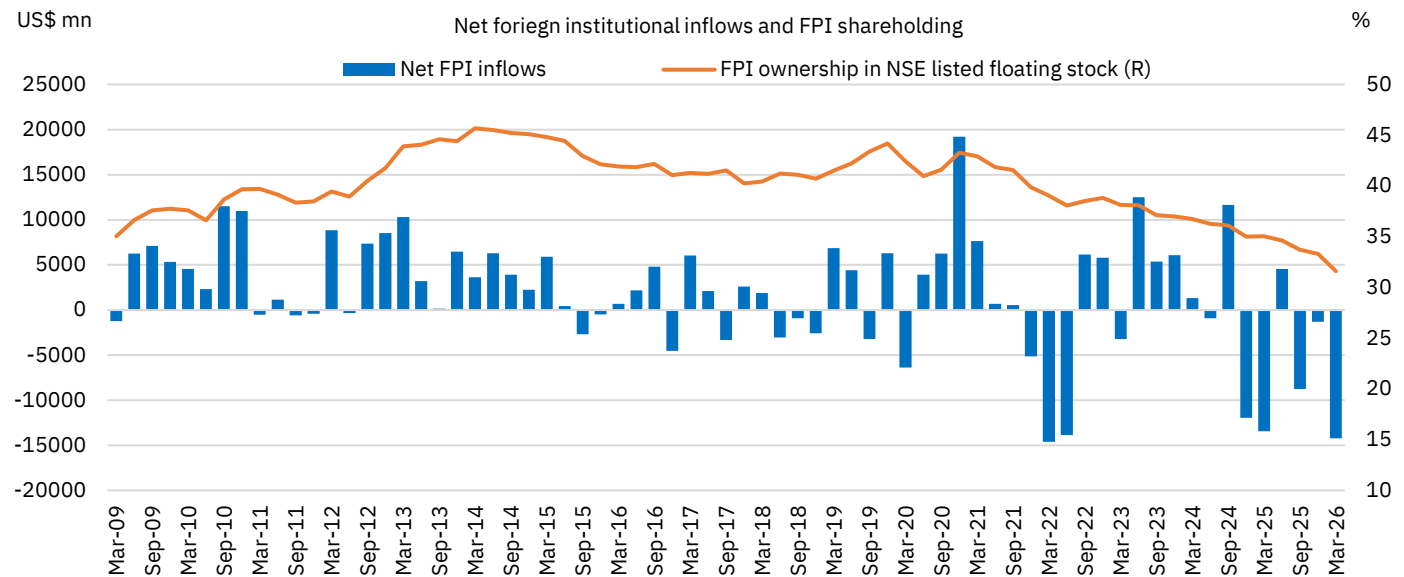
Table 13: Shareholding of DMFs across active and passive funds in the NSE listed companies

%	AUM (Rs lakh crore)			Ownership in NSE total market cap (%)			Ownership in NSE floating stock (%)		
	Active	Passive	Total	Active	Passive	Total	Active	Passive	Total
FY15	3.9	0.1	4.0	3.9	0.1	3.9	7.9	0.2	8.1
FY16	4.0	0.2	4.1	4.2	0.2	4.4	8.5	0.3	8.8
FY17	5.5	0.4	6.0	4.6	0.4	4.9	9.2	0.7	9.9
FY18	7.9	0.7	8.6	5.5	0.5	6.1	11.2	1.0	12.2
FY19	9.4	1.4	10.7	6.3	0.9	7.2	12.4	1.8	14.2
FY20	7.5	1.3	8.8	6.7	1.2	7.9	13.6	2.5	16.1
FY21	12.2	2.5	14.7	6.0	1.2	7.2	12.0	2.4	14.5
FY22	16.5	3.7	20.1	6.3	1.4	7.7	12.8	2.9	15.7
FY23	17.9	4.3	22.2	7.0	1.7	8.7	14.1	3.4	17.4
FY24	27.9	6.3	34.2	7.3	1.7	8.9	15.0	3.4	18.4
FY25	34.5	7.9	42.4	8.4	1.9	10.4	16.9	3.9	20.8
FY26	38.1	8.7	46.8	9.3	2.1	11.4	18.6	4.2	22.9

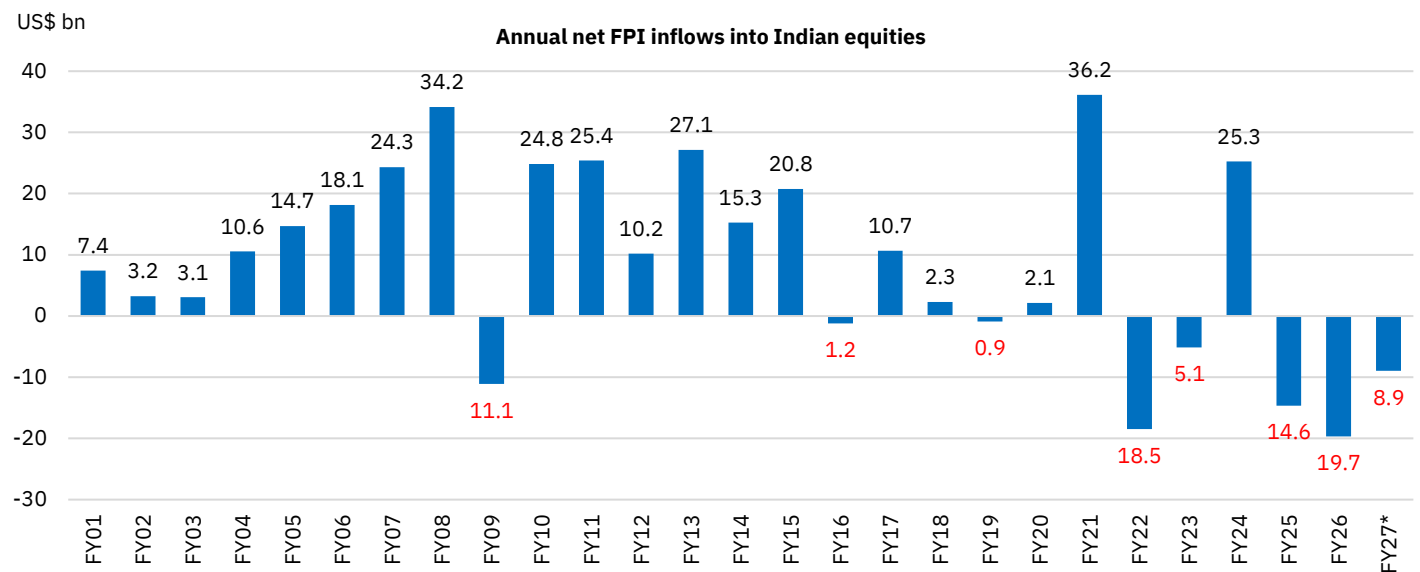
Source: CMIE Prowess, AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

FPIs turned heavy sellers of Indian equities in the March quarter: FPIs strengthened their selling spree in the March quarter, recording net outflows of US\$14.2 billion—the highest quarterly selling in the last four years, of which nearly 90% happened in the month of March alone—reflecting the impact of weakened investor appetite after the commencement of West Asia crisis. This translated into net outflows of US\$ 19.7bn in FY26—the record high seen in any fiscal year. The selling pressure has extended into the new fiscal year, with net outflows already reaching US\$8.9bn in the Q1 FY26 (As of May 12th, 2026). This, along with robust DII buying, resulted in FPI ownership in NSE-listed companies falling to a 17-year low by March 2026, driven largely by top 50 companies, excluding which FPI share in NSE-listed companies inched up marginally.

Net FPI outflows in FY26 stood at a record high of US\$19.7bn.

Figure 65: Net foreign institutional inflows and FPI shareholding in the NSE-listed floating stock


Source: Bloomberg, CMIE Prowess, NSE EPR. * FPI ownership includes ownership through depository receipts held by custodians.

Figure 66: Annual net FPI inflows trend


Source: Refinitiv Datastream, NSE EPR. * As of May 12th, 2026.

Direct participation by individual investors moderated further in the March quarter:

Individual investor participation in Indian equities rose sharply during 2020 and 2021, triggered by the steep market correction in March 2020 and the rapid recovery that followed. Elevated volatility during the pandemic drew a large number of new participants into the market, with retail investors turning net buyers for the first time in over a decade. This momentum continued over the next two-and-a-half years, resulting in cumulative net investments of Rs 2.8 lakh crore in NSE's secondary markets between January 2020 and December 2022, before moderating through 2023.

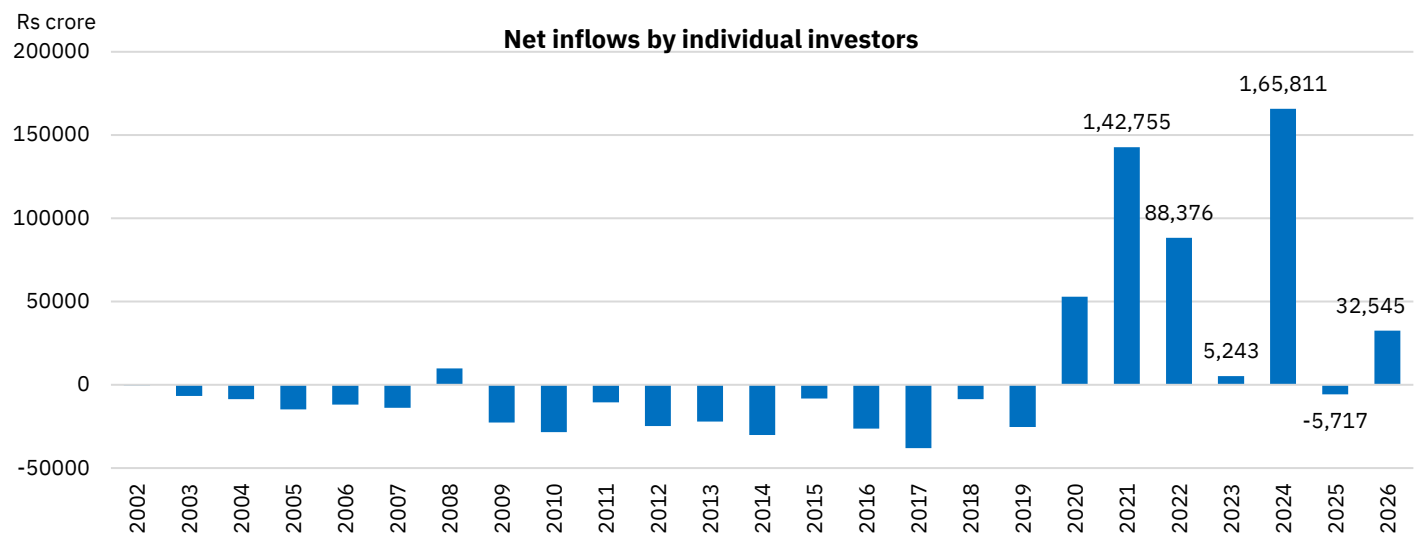
Participation strengthened again in FY25, when individuals recorded net purchases of Rs 1.25 lakh crore—exceeding the combined inflows of the preceding two fiscal years and marking the fifth consecutive year of net buying. In FY26, however, direct market participation turned more volatile, with individuals being net buyers in two quarters and

net sellers in two. For the year as a whole, this translated into modest net outflows of Rs 5,804 crore.

Notwithstanding this recent moderation, the past few years have seen a structural deepening of retail participation. The number of unique registered investors on NSE has nearly quadrupled over the last six years to 13 crore by April 2026. Similarly, the number of individuals executing at least one trade annually rose more than four-fold from 91 lakh in FY20 to 377 lakh in FY25, before moderating to 358 lakh in FY26.

The expansion is also visible in demat account growth. Total demat accounts across NSDL and CDSL have risen by around 5.5 times since the pandemic, with nearly 75% of outstanding accounts added in the last five years. This underscores the scale and persistence of retail engagement in Indian equities, even as direct secondary-market flows have moderated in the latest year.

Figure 67: Net inflows by individual investors in the NSE's CM segment (2002-)



Source: NSE EPR.

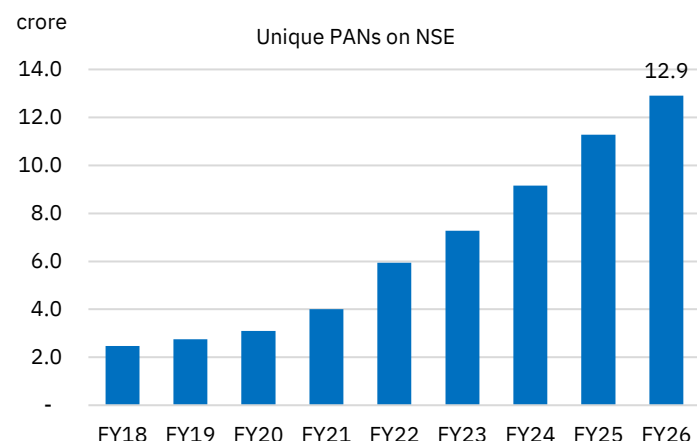
Note: 1. Note: Retail investors: individual domestic investors, NRIs, sole proprietorship firms and HUFs.

2. Net flows include investments in securities in EQ, BE, SM, and ST series including ETFs only.

3. Net flows are calculated as buy traded value – sell traded value.

4. Data for 2026 is for the period Jan-Apr 2026.

Figure 68: Annual trend of unique registered investors at NSE



Source: NSE EPR. Active investors are defined as investors who have traded at least once in the 12-month period.

Figure 69: Active investors in a 12-month period of respective month-ends

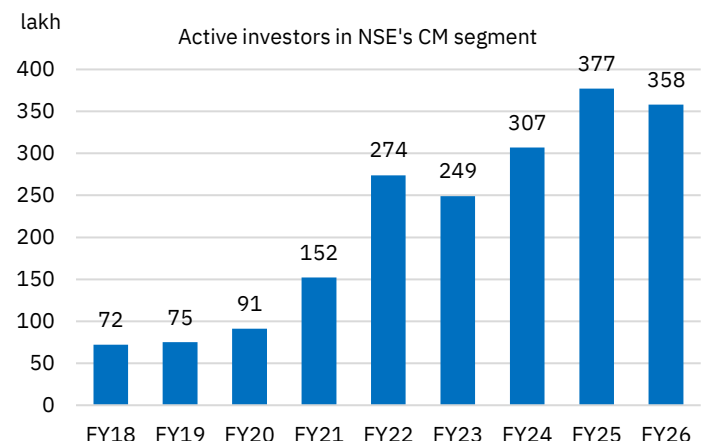
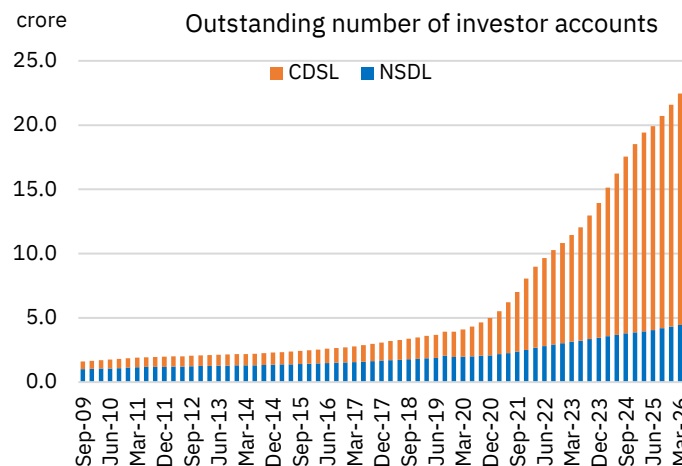
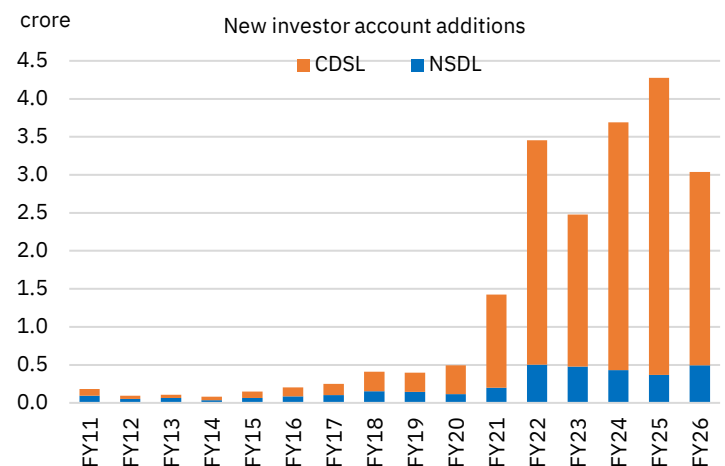


Figure 70: Quarterly trend of number of investor accounts with depositories



Source: SEBI Bulletin, NSE EPR.

Figure 71: Annual trend of new investor account additions with depositories

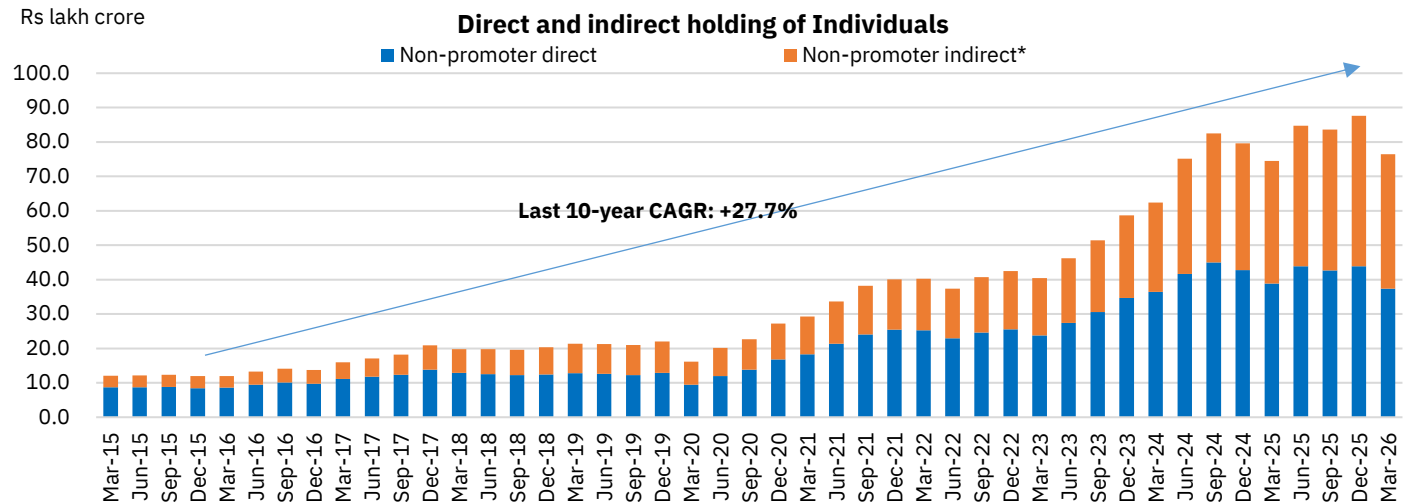


Individuals' combined ownership rose in the March quarter to near-record high levels: Individual investors—both directly and through mutual funds—have emerged as a central force in Indian equities since the pandemic. As of March 31st, 2026, direct individual ownership in NSE-listed companies declined by 17bps QoQ to 9.1% of total market capitalisation, valued at Rs 37.4 lakh crore. While this marked a 14.8% QoQ decline in value amid the broader market correction, direct individual holdings were still nearly four times the March 2020 level of Rs 9.4 lakh crore, implying an annualised growth rate of 25.8% over the period.

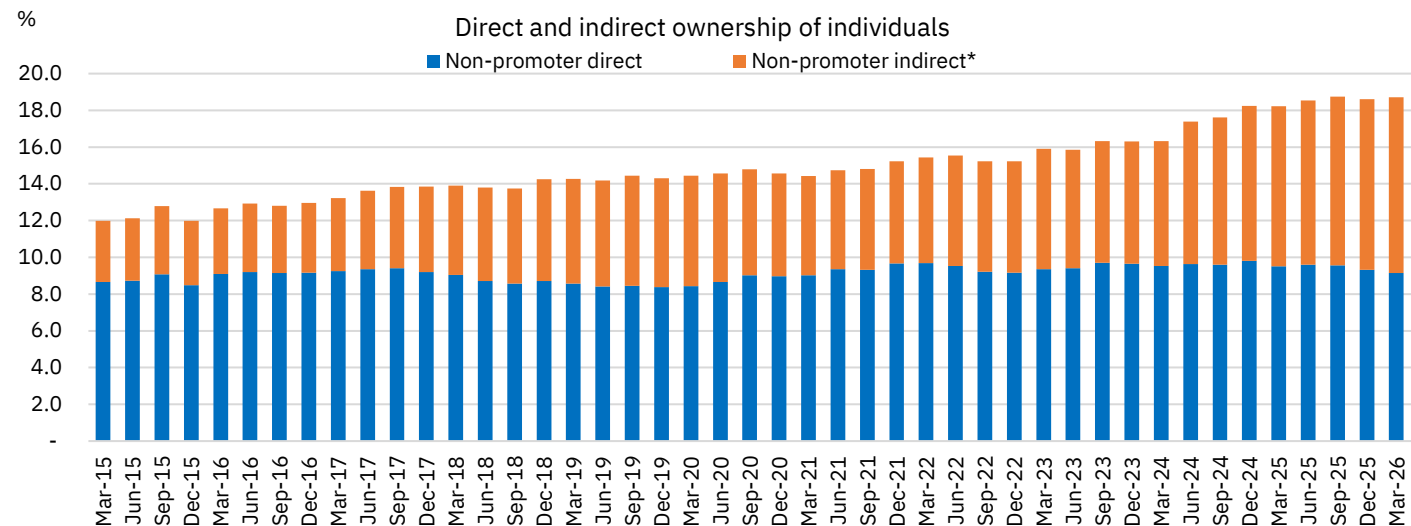
Indirect participation has strengthened meaningfully. Individuals accounted for nearly 84% of mutual funds' total equity AUM, resulting in indirect individual ownership rising by 26bps QoQ to a fresh record high of 9.6%—more than three times the 3.0% share recorded over 13 years ago. In value terms, indirect holdings stood at Rs 39.1 lakh crore, down 10.7% QoQ but up 9.6% in FY26, compared with broadly flat growth in overall market capitalisation.

Combined direct and indirect holdings declined 12.7% QoQ but rose a modest 2.6% YoY to Rs 76.5 lakh crore by March 2026. This translates into an annualised growth rate of 29.6% since March 2020, with the 10-year compounded annual growth rate also strong at around 20.0%. Overall, individuals now account for 18.7% of India's listed market capitalisation, close to the record high of 18.75% recorded in September 2025.

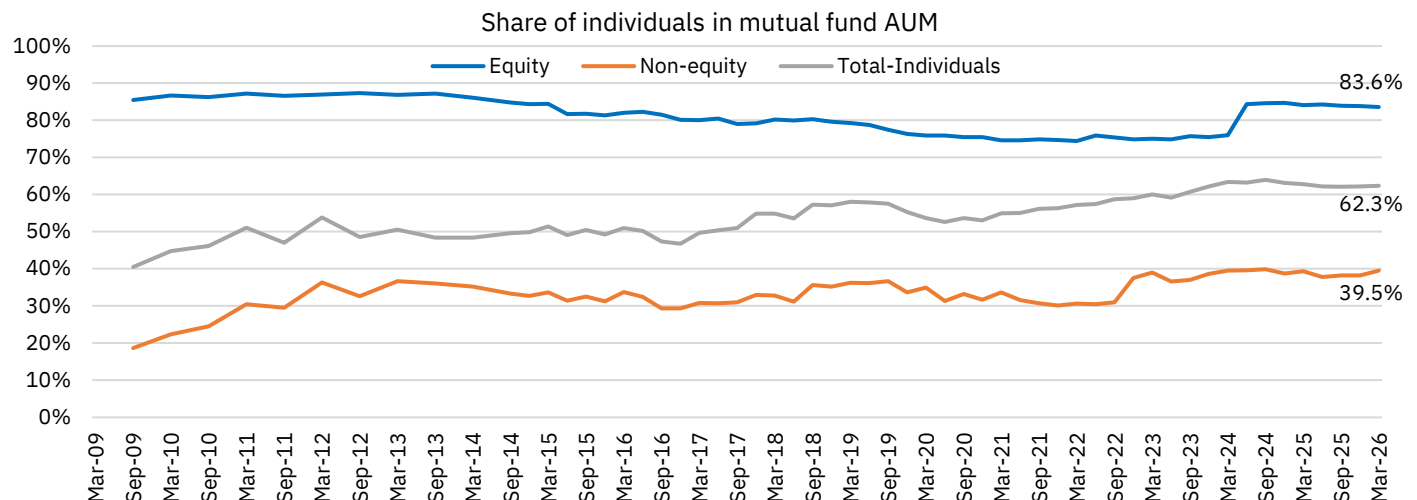
Importantly, combined individual ownership has exceeded FPI ownership for six consecutive quarters—a shift first observed in 2024 after nearly two decades. For context, individuals' ownership share was 11pp lower than that of FPIs in March 2014; this gap has since reversed to a positive 2.9pp, underscoring the structural rise and growing resilience of India's retail investor base.

Figure 72: Non-promoter direct and indirect holding of individuals in equity markets in value terms


Source: CMIE Prowess, AMFI, NSE EPR. * Holding through mutual funds

Figure 73: Non-promoter direct and indirect ownership of individuals in equity markets


Source: CMIE Prowess, AMFI, NSE EPR. * Holding through mutual funds.

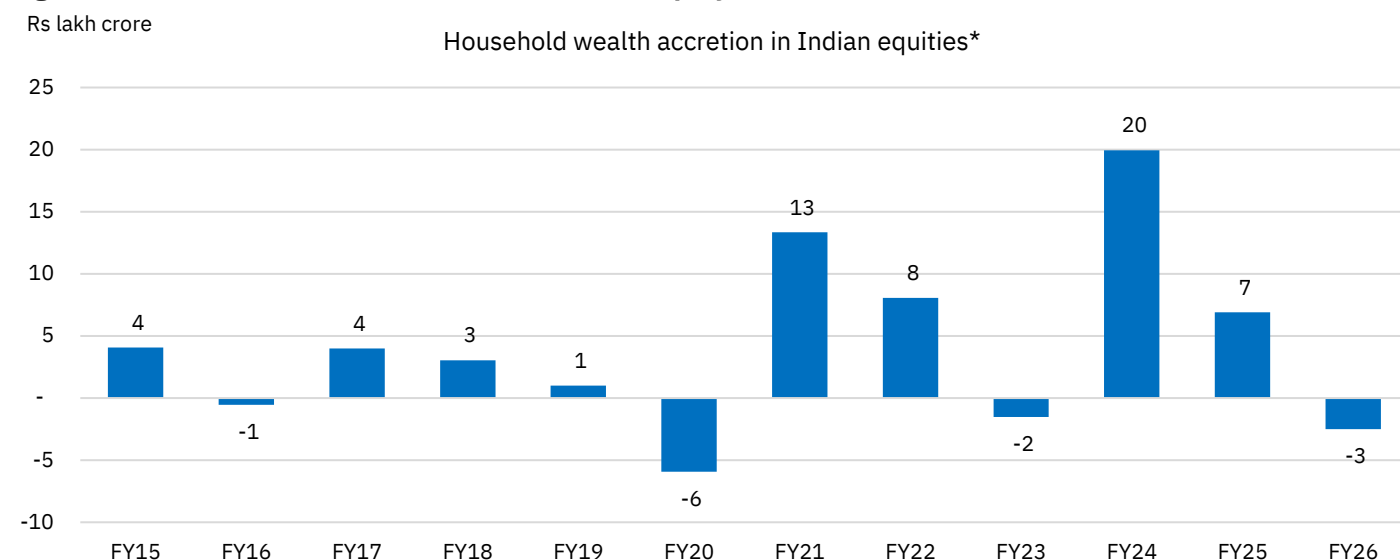
Figure 74: Share of individuals in mutual fund AUM


Source: CMIE Prowess, AMFI, NSE EPR. * Holding through mutual funds.

Household equity wealth drops in FY26; accretion since April 2020 still stands at a strong Rs 44 lakh crore: After rebounding in the December quarter, household equity exposure fell sharply in the March quarter, more than offsetting the cumulative gains recorded in the first three quarters of FY26. Based on our estimates, total household holdings in Indian equities—comprising direct holdings and indirect exposure through mutual funds—declined by Rs 12.6 lakh crore during the March quarter, reflecting the sharp market sell-off. This resulted in an overall decline of Rs 2.5 lakh crore in household equity exposure for FY26 as a whole.

Despite the volatility during the year, cumulative household wealth creation since April 2020 remains substantial at around Rs 44 lakh crore. This is equivalent to nearly 58% of individuals' total equity exposure of Rs 76.5 lakh crore as of March 2026. These estimates are based on quarterly changes in the value of individual holdings in NSE-listed companies, adjusted for net fresh investments. For mutual funds, individual contributions have been apportioned in line with their share in total equity AUM.

Figure 75: Accretion to household wealth in Indian equity markets



Source: CMIE Prowess, AMFI, NSE EPR calculations. * NSE listed companies considered for the analysis.

Sector-wise ownership of the NSE-listed universe (March 2026): Sectoral ownership patterns in Q4 FY26 continued to underscore the dominance of promoters across most sectors. Real Estate retained the highest promoter share at 62.9%, up 20bps QoQ. Utilities followed at a 13-quarter high of 60.4% (+13bps QoQ), while Materials stood at 55.6%, despite declining for the third consecutive quarter. Industrials (54.3%, +6bps QoQ) and Energy (53.0%, +48bps QoQ) followed. Consumer Staples moved up two positions, overtaking Information Technology and Healthcare, with promoter ownership rising to a 13-quarter high of 52.2%, supported by significant promoter buying during the quarter. In contrast, promoter ownership in Information Technology fell for the fourth consecutive quarter to a 17-year low of 51.6%. Materials and Financials also recorded sequential declines of 36bps and 26bps to 55.6% and 41.7%, respectively.

Government ownership remained the highest in Utilities for the 13th successive quarter, rising 1.2pp QoQ to 24.8% as of March 2026, partly reversing the decline seen over the previous three quarters. Financials ranked second, with Government ownership rising 64bps QoQ to 19.0%. Energy followed, with a sharp 2.5pp QoQ increase, partly reflecting

Government share remained the highest in the Utilities sector, followed by Industrials and Energy.

Financials retained the top spot in terms of DMF share, followed by Consumer Discretionary and Healthcare.

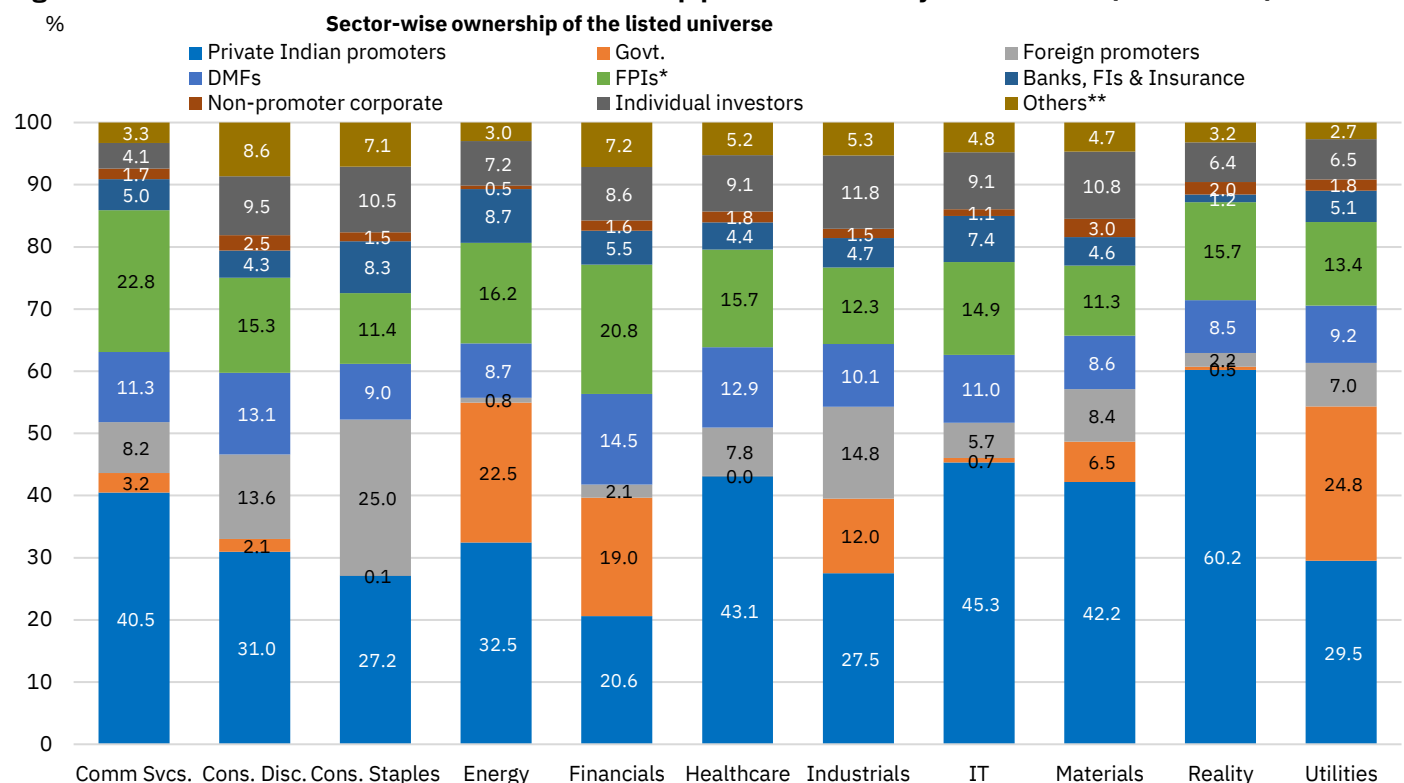
the relative outperformance of energy companies during the quarter. Elsewhere, Government ownership in Industrials declined for the third consecutive quarter to a two-year low of 12.0%, while Communication Services also saw a dip to 3.2% (-31bps QoQ) after rising steadily over the previous three quarters. Government ownership in most other sectors remained broadly stable.

DMF share continued to rise across most sectors. Financials led for the eighth consecutive quarter, with DMF ownership increasing for the ninth straight quarter by 78bps QoQ to a fresh record high of 14.5%. Consumer Discretionary followed at a record high of 13.1% (+35bps QoQ), while Healthcare also reached a fresh peak of 12.9% (+30bps QoQ). All sectors except Consumer Staples and Energy recorded sequential increases in DMF ownership, with the strongest gains seen in Real Estate, Financials and Communication Services. This points to the broad-based nature of domestic institutional inflows. Notably, 6/11 sectors saw DMF share rise to record-high levels in the March quarter.

FPI ownership, in contrast, showed a mixed trend. Barring Materials and Utilities, where FPI share increased, most sectors saw either stable or declining foreign ownership. Financials recorded the steepest fall, with FPI ownership declining 2.6pp QoQ to a 22-year low of 20.8%, likely reflecting the impact of a strong overweight position in the sector. As a result, Financials ceded the top rank in FPI ownership to Communication Services. Real Estate, Information Technology and Communication Services also saw FPI ownership decline by 85–100bps during the quarter to 15.7%, 14.9% and 22.8%, respectively. Within Information Technology, FPI ownership in the NSE-listed universe fell to its lowest level since June 2002. Consumer Discretionary, Consumer Staples and Energy also recorded declines, while Industrials and Healthcare remained broadly stable.

Sector-wise, Communication Services overtook Financials to become the sector with the highest FPI share of 22.8%; FPI share in Financials fell by a steep 2.6pp QoQ to a 22-year low of 20.8%.

Figure 76: NSE-listed universe: Sector-wise ownership pattern across key stakeholders (March 2026)



Source: CMIE Prowess, NSE EPR. * FPI ownership includes ownership through depository receipts held by custodians. **Others include other institutional and non-institutional non-promoter investors

Sector allocation in the NSE-listed universe for key stakeholders (March 2026): The table below presents sectoral allocations across major shareholder categories in NSE-listed companies as of March 2026. Government ownership remained highly concentrated in four sectors—Financials, Energy, Utilities and Industrials—which together accounted for 88.5% of total Government holdings. Among foreign promoters, Industrials had the highest allocation at a seven-quarter high of 22.9%, followed by Consumer Staples at 19.6% and Consumer Discretionary at 19.4%, despite a 1.9pp QoQ decline in the latter. For DMFs, Financials further consolidated its position as the largest sectoral allocation, with its share rising 33bps QoQ to 30.9%. Consumer Discretionary remained the second-largest allocation at 13.8%, despite a 54bps QoQ decline, followed by Industrials at 11.5%, up 19bps QoQ.

DMFs and FPIs displayed a contrasting view on Financials in the March quarter. While FPIs significantly trimmed their exposure, DMFs strengthened it.

Table 14: Sector allocation of the NSE-listed universe for key stakeholders (March 2026)

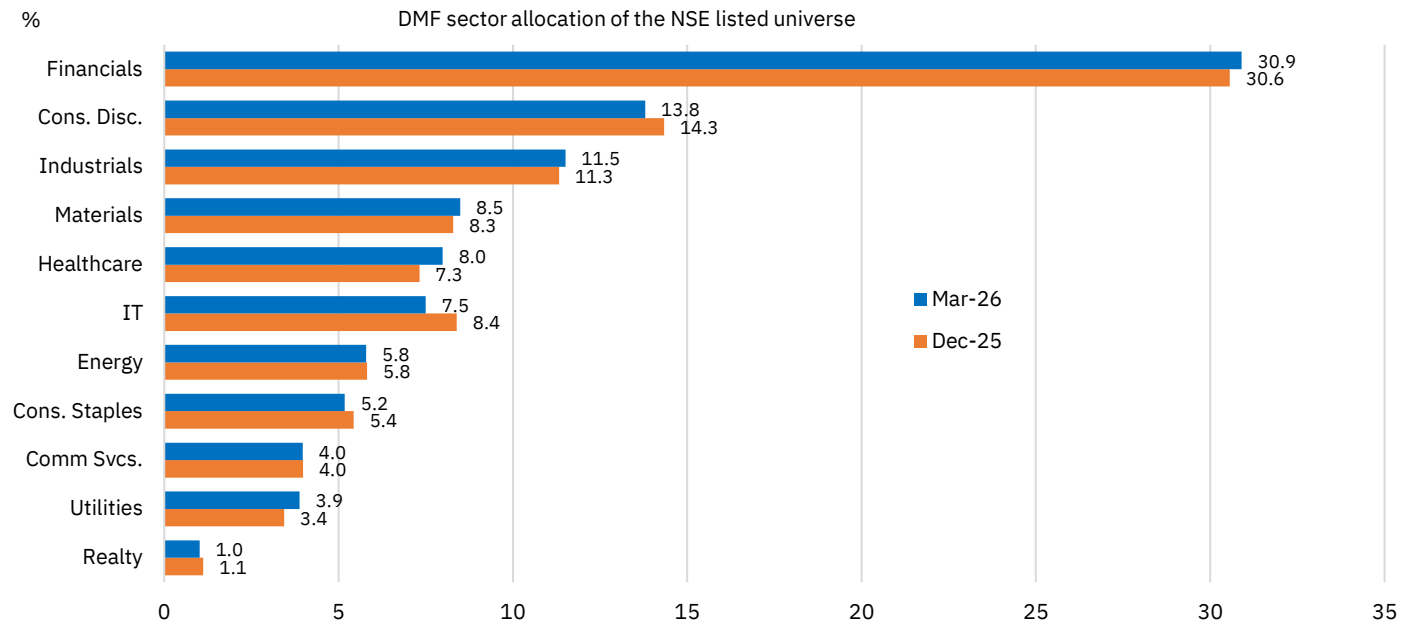
%	Pvt. Indian promoters	Govt^	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, Insurance	Non-promoter corporate	Individuals
Communication Services	5.1	1.2	3.9	4.0	5.8	3.6	3.9	1.8
Consumer Discretionary	11.7	2.4	19.4	13.8	11.6	9.4	17.1	12.4
Consumer Staples	5.6	0.0	19.6	5.2	4.7	9.9	5.5	7.6
Energy	7.7	16.6	0.7	5.8	7.8	11.9	2.3	6.0
Financials	15.8	44.9	6.2	30.9	32.0	24.0	22.5	22.8
Health Care	9.6	0.0	6.5	8.0	7.0	5.6	7.1	7.0
Industrials	11.3	15.3	22.9	11.5	10.2	11.2	11.2	16.9
Information Technology	11.1	0.5	5.3	7.5	7.4	10.5	4.9	7.8
Materials	15.0	7.1	11.3	8.5	8.1	9.3	19.0	13.3
Real Estate	2.6	0.1	0.3	1.0	1.4	0.3	1.5	1.0
Utilities	4.5	11.6	4.0	3.9	4.1	4.4	4.9	3.4
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: CMIE Prowess, NSE EPR. * FPI ownership includes ownership through depository receipts held by custodians. ^ Includes Government ownership as promoters as well as non-promoters.

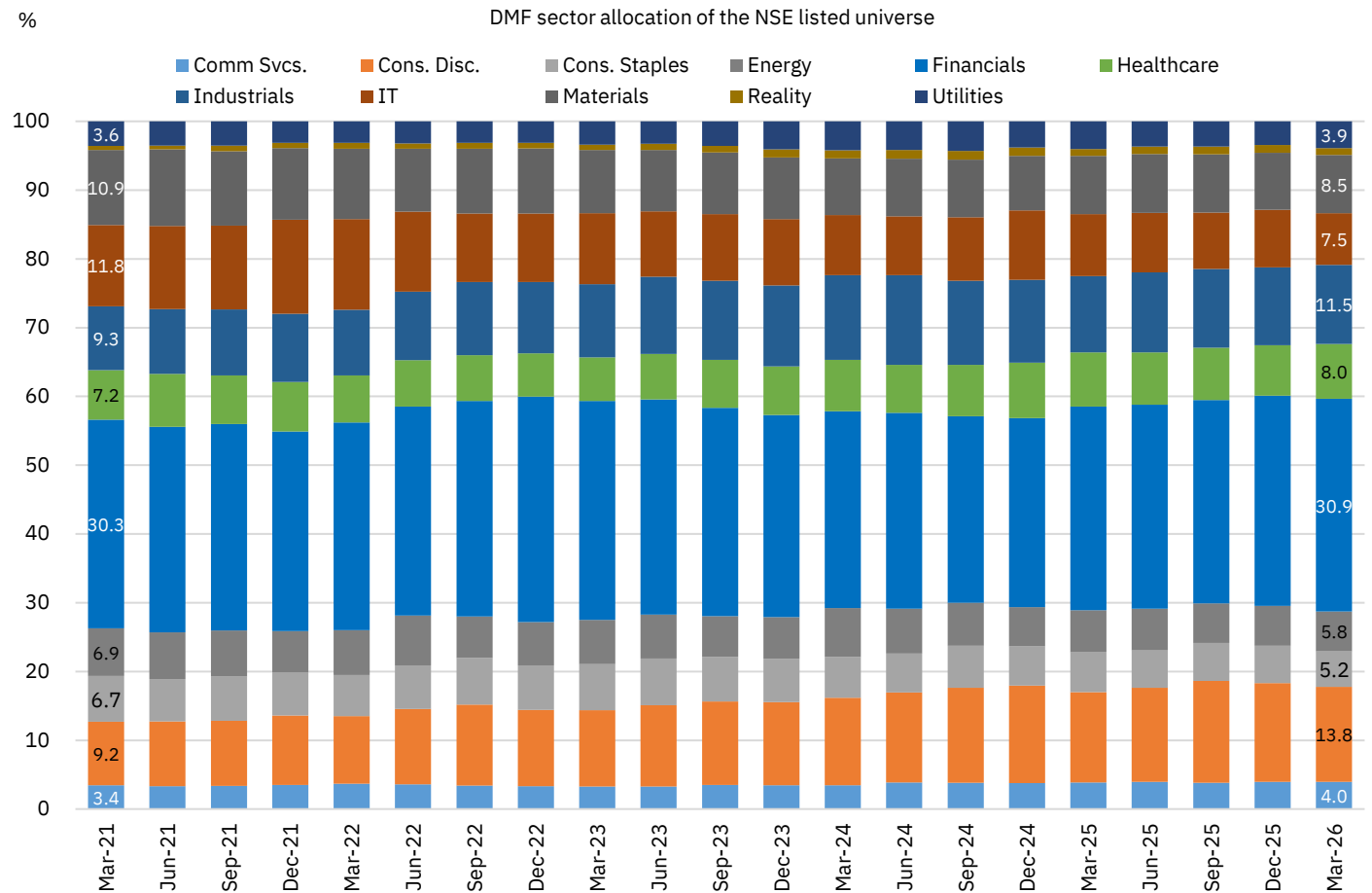
DMFs strengthened their OW position on Financials and turned incrementally more negative on commodity-oriented sectors: DMFs increased their exposure to Financials by 33bps QoQ to 30.9% in Q4 FY26, marking the second consecutive quarterly increase and further strengthening their overweight position in the sector. This came despite a sell-off in financial stocks, broadly in line with the wider market correction.

DMFs also deepened their negative tilt towards commodity-linked sectors, with a stronger underweight stance in Materials and Energy. Their exposure to Industrials remained below the sector's share in overall market capitalisation, reaffirming the underweight position. Apart from Financials, DMFs continued to retain an overweight stance in Consumer Discretionary and, to a lesser extent, Healthcare.

Elsewhere, DMFs turned incrementally cautious on Information Technology while broadly maintaining a neutral stance. Exposure to Communication Services and Real Estate remained largely balanced relative to their market weights

Figure 77: DMF sector allocation of the NSE-listed universe (March 2026 vs. December 2025)


Source: CMIE Prowess, NSE EPR.

Figure 78: DMF sector allocation of the NSE-listed universe over last five years


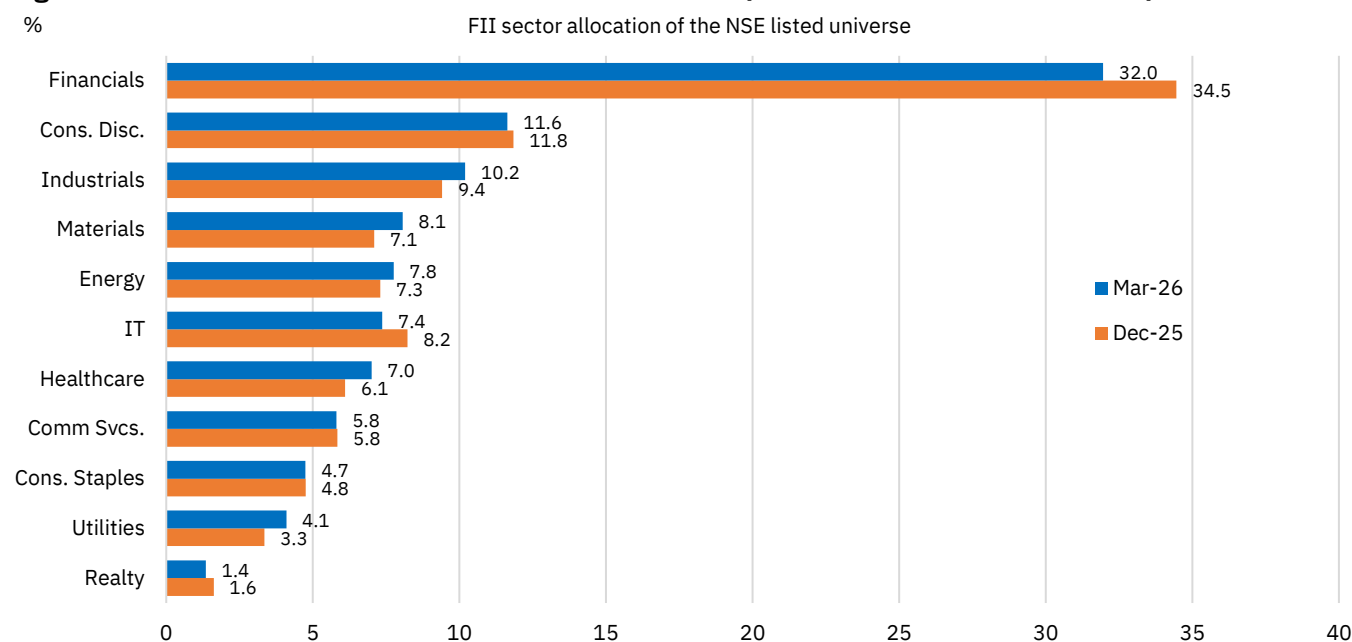
Source: CMIE Prowess, NSE EPR.

FPIs further trimmed their outsized OW position on Financials: FPIs further pared their exposure to Financials during the quarter, although the sector continued to remain structurally overweight in their portfolios. Financials accounted for 32.0% of FPI holdings in NSE-listed companies, well above the sector's 24.3% share in overall NSE-listed market capitalisation. That said, the extent of the overweight position narrowed for the third consecutive quarter to its lowest level in 25 years.

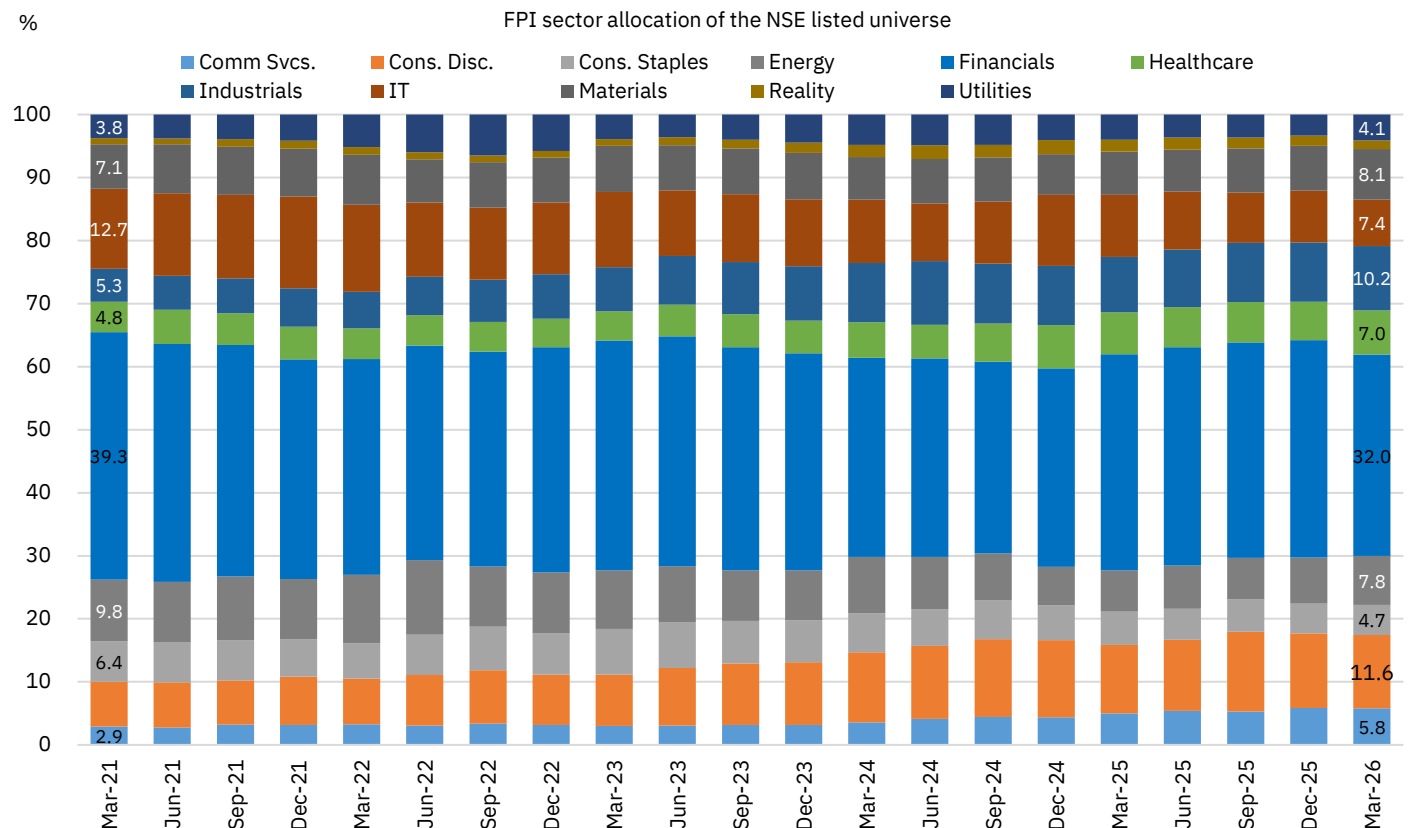
FPIs also retained an overweight position in Communication Services, with the sector's share in aggregate FPI holdings remaining broadly steady. At 5.8%, FPI portfolio exposure to Communication Services is now at its highest level in nearly 17 years, having almost doubled over the last five years.

In contrast, FPIs maintained an underweight stance in Materials, Industrials and Consumer Staples, although the extent of underweight position moderated during the quarter. This signals continued caution towards commodity-linked, consumption-oriented and cyclical segments. Elsewhere, FPIs remained broadly neutral on Utilities, Consumer Discretionary, Energy, Information Technology and Real Estate.

Figure 79: FPI sector allocation of the NSE-listed universe (March 2026 vs. December 2025)



Source: CMIE Prowess, NSE EPR. * FPI ownership includes ownership through depository receipts held by custodians

Figure 80: FPI sector allocation of the NSE-listed universe over last five years


Source: CMIE Prowess, NSE EPR. * FPI ownership includes ownership through depository receipts held by custodians.

Nifty 50 ownership trends

Ownership pattern of the Nifty 50 universe (March 2026)

Promoter stake in the Nifty 50 universe inched up further in Q4FY26: Promoter ownership in Nifty 50 companies edged up for the second quarter in a row by 53bps QoQ to a five-quarter high of 40.8%, translating into a modest 23bps increase in the whole of FY26. This trend is in line with the broader listed universe and Nifty 500, albeit moderately so. In value terms, promoter holdings in the Nifty 50 declined by 13.0% QoQ to Rs 73.8 lakh crore, better than the 14.2% decline seen in the index's total market capitalisation. This increase was entirely led by a rise in Government share, even as private promoters' share—both Indian and foreign—declined in the quarter gone by.

Private Indian promoters saw their share falling by 89bps QoQ to a 25-quarter low of 27.3%, more than reversing the increase seen in the previous quarter. The value of their holdings fell by a steep 16.9% QoQ to Rs 49.3 lakh crore. In contrast, foreign promoter ownership declined by 21 bps QoQ to 5.5%, marking the second decline in a row. In value terms, foreign promoter holdings declined by 16.1% QoQ to a 12-quarter low of Rs 9.9 lakh crore.

Government ownership (including both promoter and non-promoter stakes), on the other hand, rose by a steep 1.6pp QoQ to a 27-quarter high of 8.3%, reflecting the impact of a sharp surge in stock prices of Government-owned large-cap companies. For instance, the aggregate market capitalisation of seven companies within the Nifty 50 universe where

Promoter ownership in Nifty 50 edged up to a five-quarter high of 40.8% in the March 2026 quarter.

Government ownership is more than 25% rose by 5.5% QoQ in Q4FY26, as compared to 16.3% QoQ dip in aggregate market cap of the remaining 43 companies. In value terms, Government holding in Nifty 50 companies rose by 6.3% QoQ to a six-quarter high of Rs 15.0 lakh crore.

Institutional ownership declined sharply to a six-quarter low: Institutional ownership in the Nifty 50 declined sharply in the March 2026 quarter after rising steadily over the previous six quarters and remaining broadly stable in Q3 FY26. Overall institutional share fell by 1.3pp QoQ to a six-quarter low of 47.3%. This headline decline masked divergent trends across institutional categories, with continued gains in DMF ownership more than offset by a sharp reduction in FPI ownership.

DMF ownership in Nifty 50 market capitalisation rose by 43bps QoQ to a fresh all-time high of 14.0%, marking the 11th consecutive quarterly increase. This takes the cumulative rise over this period to 4.3pp. The sustained expansion was supported by robust net inflows, underpinned by steady household participation through SIPs, which continued to cushion volatility in foreign flows. In value terms, however, DMF holdings in Nifty 50 constituents declined 11.4% QoQ to Rs 25.4 lakh crore from the record high recorded in the previous quarter, reflecting the impact of the broader market sell-off.

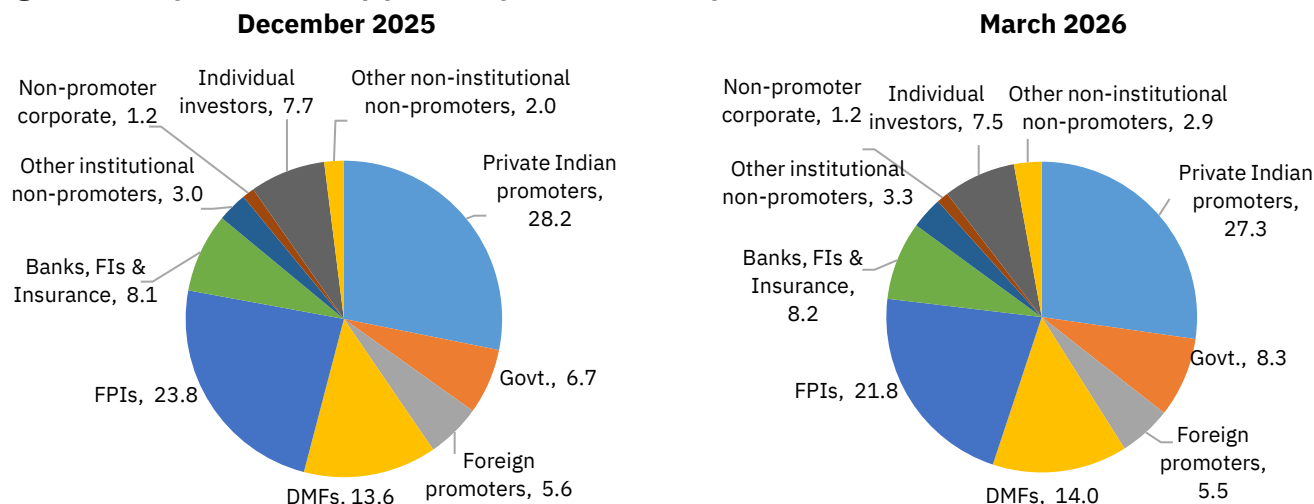
In contrast, FPI share in the Nifty 50 fell by 2.0pp QoQ to 21.8%, its lowest level in nearly 14 years and broadly in line with trends seen in the wider listed universe. This marked the fourth consecutive quarterly decline, and the sharpest QoQ dip since the pandemic. For FY26 as a whole, FPI ownership declined by 1.7pp—the fifth consecutive annual fall—taking the cumulative decline over this period to 5.7pp. Following the recent moderation, FPI share now stands 6.4pp below its pre-pandemic peak recorded in December 2019. In value terms, FPI holdings in Nifty 50 companies declined 17.9% QoQ, the sharpest quarterly fall since the pandemic. While part of this reflects the broader market correction, it also points to continued paring of FPI exposure to large Indian corporates.

Meanwhile, ownership by banks, financial institutions and insurance companies remained broadly stable at 8.2%, continuing to move within a narrow 8.0–8.2% range over the past 15 quarters.

Individual investors' ownership in Nifty50 companies declined to near 7.5-year low in Q4FY26: Aggregate individual investor ownership in Nifty 50 companies declined by 18bps QoQ to 7.5% as of March 2026, near a seven-and-a-half-year low, taking the total decline in FY26 to 40bps. In value terms, individual holdings fell 16.1% QoQ to a 10-quarter low of Rs 13.6 lakh crore, translating into an 8.4% decline for FY26—more than twice the fall in the total market capitalisation of Nifty 50 companies. Notwithstanding the recent moderation, individual shareholding in the Nifty 50 has broadly remained within a narrow 7.5–8.5% range for over 30 quarters, indicating relative stability in direct retail exposure to large-cap stocks.

DMF ownership in the Nifty 50 market cap rose by 43bps QoQ (+1.4pp in FY26) to a fresh record high of 14.0% in the March 2026 quarter, supported by strong SIP inflows.

FPI share dipped by a steep 2pp QoQ to near 14-year low of 21.8%.

Figure 81: Nifty 50: Ownership pattern by total market cap (%)


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

Table 15: Nifty 50: Value held by key stakeholders over the last three years

Rs lakh crore	Private Indian promoters	Govt.	Foreign promoters	DMFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **	Total
Jun-23	45.4	8.3	10.0	14.8	12.3	38.9	1.9	12.5	7.6	151.8
Sep-23	45.4	9.3	10.1	15.6	12.5	38.8	1.9	12.8	7.8	154.2
Dec-23	50.4	10.7	11.1	17.5	13.8	43.0	2.1	14.0	8.5	171.2
Mar-24	53.5	12.6	11.3	18.9	14.3	43.9	2.2	14.5	8.5	179.6
Jun-24	56.0	13.7	11.8	21.3	15.4	46.8	2.2	15.3	8.8	191.3
Sep-24	59.6	15.4	13.3	23.8	16.8	51.0	2.5	16.5	9.8	208.6
Dec-24	53.3	13.4	11.0	22.9	15.4	45.7	2.2	15.0	9.0	188.0
Mar-25	53.5	12.8	10.3	23.7	15.3	45.6	2.5	14.9	9.1	187.7
Jun-25	57.6	13.5	11.0	26.3	16.4	49.7	2.6	16.0	9.8	202.8
Sep-25	54.6	13.5	11.5	26.7	15.9	47.6	2.5	15.5	9.9	197.8
Dec-25	59.4	14.1	11.8	28.7	17.1	50.2	2.6	16.3	10.6	210.8
Mar-26	49.3	15.0	9.9	25.4	14.8	39.4	2.2	13.6	11.2	180.9
% QoQ	-16.9%	6.3%	-16.1%	-11.4%	-13.5%	-21.5%	-15.1%	-16.1%	5.1%	-14.2%

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

Table 16: Nifty 50: Ownership trend across key stakeholders by total market cap over the last three years

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual investors	Others*
Jun-23	29.9	5.5	6.6	9.7	8.1	25.7	1.3	8.2	5.0
Sep-23	29.4	6.0	6.5	10.1	8.1	25.2	1.3	8.3	5.0
Dec-23	29.4	6.3	6.5	10.2	8.0	25.1	1.3	8.2	5.0
Mar-24	29.8	7.0	6.3	10.5	8.0	24.5	1.2	8.1	4.7
Jun-24	29.3	7.1	6.2	11.1	8.1	24.5	1.2	8.0	4.6
Sep-24	28.5	7.4	6.4	11.4	8.0	24.4	1.2	7.9	4.7
Dec-24	28.4	7.1	5.8	12.2	8.2	24.3	1.2	8.0	4.8
Mar-25	28.5	6.8	5.5	12.6	8.2	24.3	1.4	7.9	4.8
Jun-25	28.4	6.7	5.4	13.0	8.1	24.5	1.3	7.9	4.8
Sep-25	27.6	6.8	5.8	13.5	8.1	24.1	1.3	7.8	5.0
Dec-25	28.2	6.7	5.6	13.6	8.1	23.8	1.2	7.7	5.0
Mar-26	27.3	8.3	5.5	14.0	8.2	21.8	1.2	7.5	6.2
QoQ change	-89bps	160bps	-12bps	43bps	7bps	-203bps	-1bps	-18bps	114bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

Institutional ownership of Nifty50 floating stock fell below the 80% mark in Q4FY26:

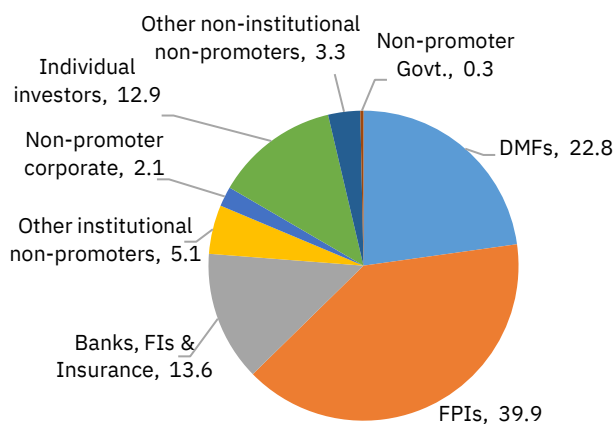
Institutional ownership in the Nifty 50 universe, measured as a share of free float, declined by 1.4pp QoQ to 79.9% in Q4 FY26. This marked the first sub-80% print in eight quarters and the first sequential decline in 10 quarters. The decline was entirely led by FPIs, whose share in the floating stock of Nifty 50 companies fell by a steep 3.1pp QoQ to a more than 21-year low of 36.8%. This marked the third consecutive quarterly decline and the steepest sequential fall since the beginning of this analysis in 2001. FPIs' share in Nifty 50 free float is now nearly 15pp below the peak of around 52% recorded in December 2014.

DMFs, in contrast, continued to gain share, with their ownership in the floating stock of Nifty 50 companies rising for the 11th consecutive quarter. DMF free-float ownership increased by 93bps QoQ to a fresh record high of 23.7% in the quarter ended March 2026. Ownership by banks, financial institutions and insurance companies also inched up for the second consecutive quarter to a five-quarter high of 13.8%, even as it remained within a narrow 13.4–14.1% range over the past 15 quarters.

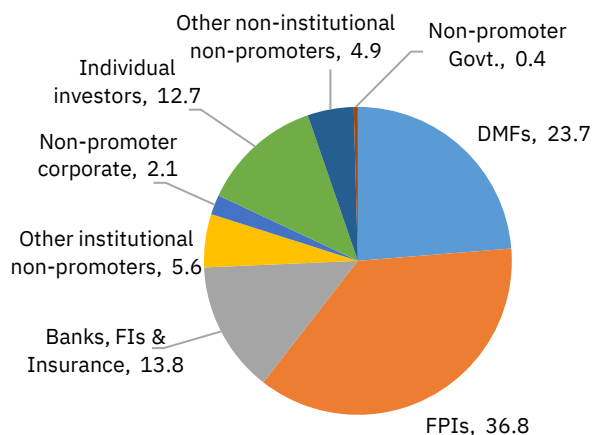
Meanwhile, individual investors' share in Nifty 50 free float declined for the 10th successive quarter, falling 18bps QoQ to an eight-year low of 12.7%. This represents a decline of 2.3pp from the post-pandemic high of 15.0% recorded in June 2022 and reflects the broader shift in retail participation from direct equity ownership to indirect exposure through mutual funds in the recent past. Notably, the decline was concentrated in the top 500 companies. Excluding Nifty 500 constituents, individuals' ownership in floating stock rose sharply by 4.0pp QoQ to 42.9%, partly reversing the decline seen in the previous quarter. This reflects the relative outperformance of smaller companies, where individual investors hold a larger share.

Among other investor categories, holdings of non-institutional non-promoter entities—mainly trusts, clearing members and HUFs—rose by 1.5pp QoQ to a 14-quarter high of 4.85%. Other institutional non-promoter ownership also improved modestly, rising 49bps QoQ to 5.6%.

Figure 82: Nifty 50: Ownership pattern by free float market cap (%)
December 2025



March 2026



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

Table 17: Nifty 50: Ownership trend across key stakeholders by free float market cap over last the three years

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investors	Others**
Jun-23	16.7	13.9	44.1	2.2	14.2	8.9
Sep-23	17.3	14.0	43.2	2.2	14.3	9.0
Dec-23	17.6	13.8	43.3	2.2	14.1	8.9
Mar-24	18.4	14.0	42.8	2.1	14.1	8.7
Jun-24	19.3	14.0	42.4	2.0	13.9	8.4
Sep-24	19.7	13.9	42.2	2.1	13.7	8.5
Dec-24	20.7	13.9	41.3	2.0	13.5	8.5
Mar-25	21.3	13.7	40.9	2.3	13.4	8.5
Jun-25	21.7	13.5	41.0	2.2	13.2	8.4
Sep-25	22.5	13.4	40.1	2.1	13.0	8.7
Dec-25	22.8	13.6	39.9	2.1	12.9	8.8
Mar-26	23.7	13.8	36.8	2.1	12.7	10.9
QoQ change	93bps	23bps	-307bps	0bps	-18bps	209bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

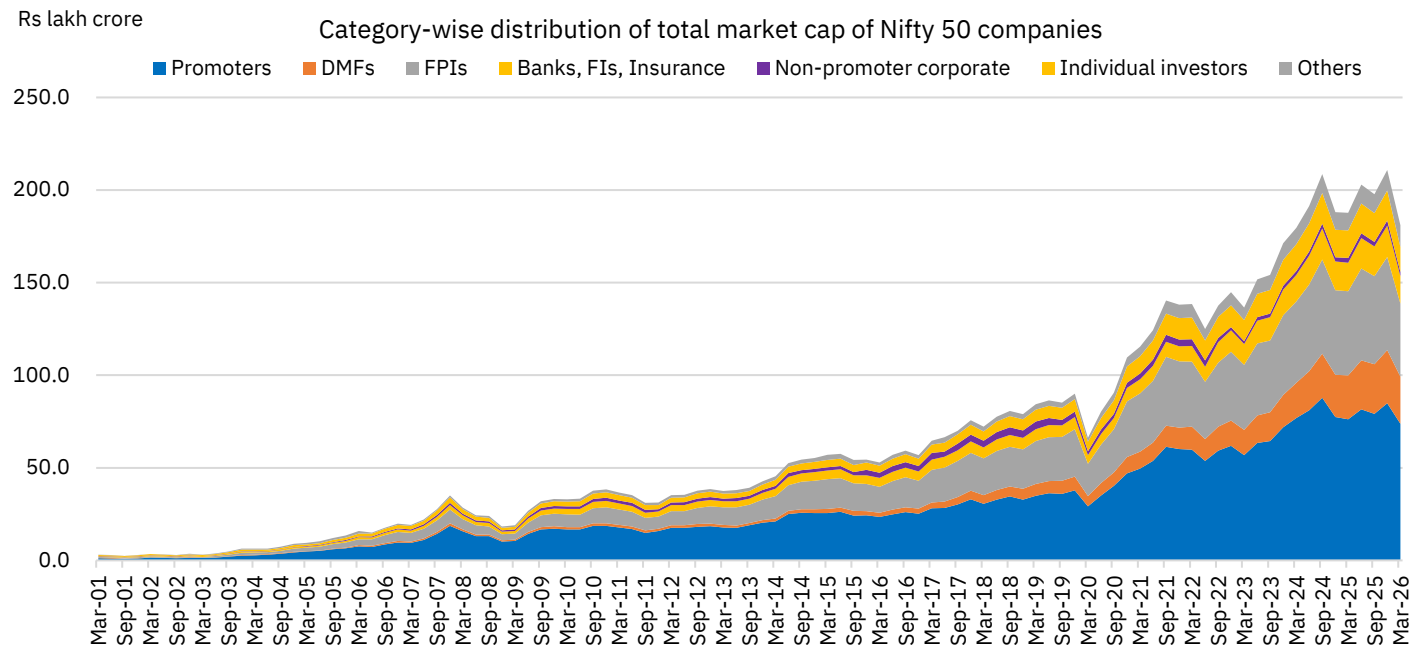
Long-term ownership trend of the Nifty 50 universe: The long-term ownership trajectory of the Nifty 50 broadly mirrors the trends observed in the wider listed universe. Promoter shareholding declined steadily between 2009 and March 2019, followed by a brief recovery over the next year and a half before moderating again. The earlier decline was driven mainly by lower Government ownership, even as private Indian promoters gradually increased their stakes during this period. Since 2019, Government ownership has largely moved within a narrow range before rising sharply in the latest quarter. Private Indian promoter ownership, however, has declined steadily, falling by nearly 5pp over this period. Foreign promoter holdings have remained broadly stable over time, barring short-lived fluctuations in the post-pandemic phase.

DMF ownership has risen sharply since 2014, with only a brief interruption in 2020, and now stands at record levels. This has been supported by sustained inflows and the deepening participation of Indian households in equity markets through mutual funds. FPI ownership followed a different path: it increased steadily after the Global Financial

Crisis, peaked at 28.3% in March 2015, and remained broadly range-bound until 2019. Since the onset of the pandemic, however, foreign ownership has trended lower, apart from a brief rebound in late 2020.

Unlike the broader NSE-listed universe, individual investor ownership in the Nifty 50 increased consistently between 2014 and 2022 before softening over the last three years. This recent moderation is consistent with the broader shift in retail participation from direct equity holdings towards indirect exposure through DMFs.

Figure 83: Nifty 50: Long-term trend of market cap distribution across key shareholder categories

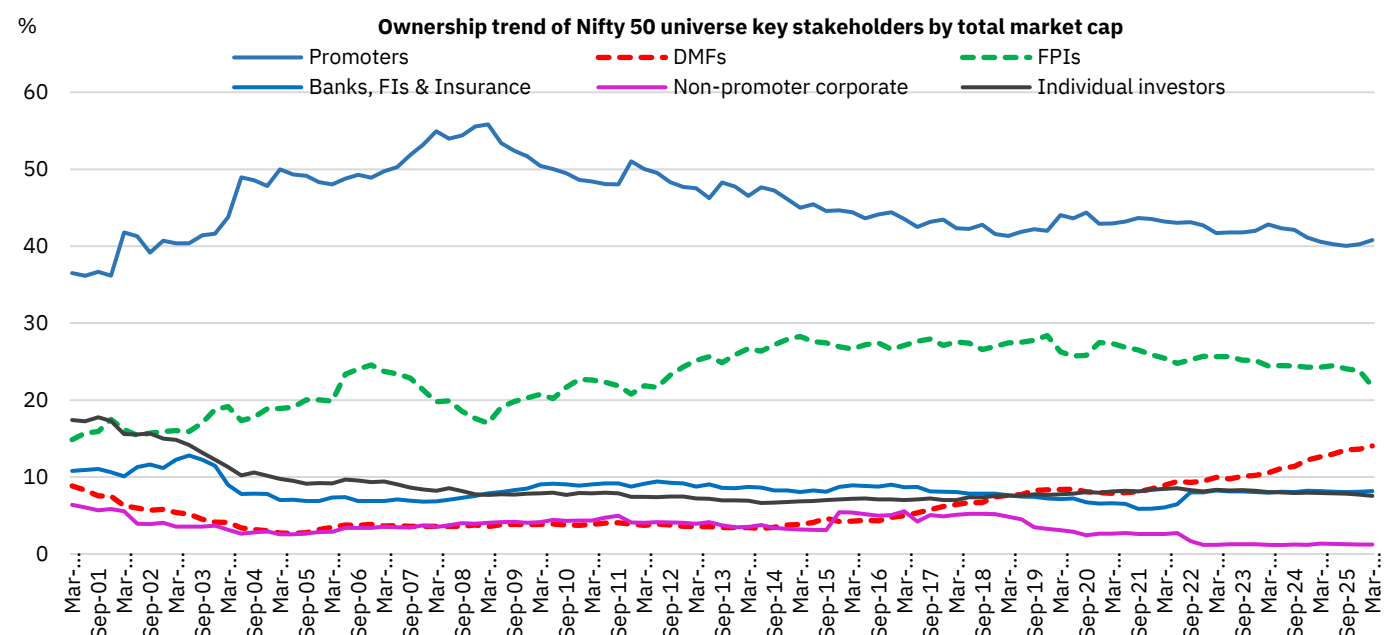


Source: CMIE Prowess, NSE EPR.

Notes: 1. FPI ownership includes ownership through depository receipts held by custodians.

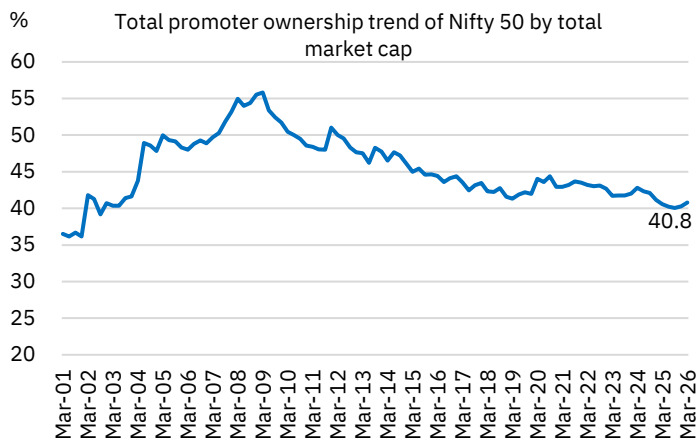
2. Only includes companies where shareholding data is available as of the end of every quarter.

Figure 84: Nifty 50: Long-term ownership trend across key stakeholders by total market cap



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 85: Total promoter ownership trend of the Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 86: Indian and foreign promoter ownership trend of the Nifty 50 universe by total market cap

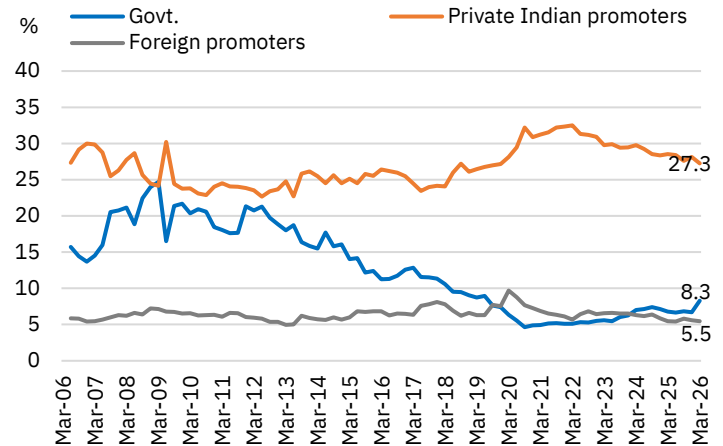


Figure 87: DMF ownership trend of Nifty 50 universe by total market cap

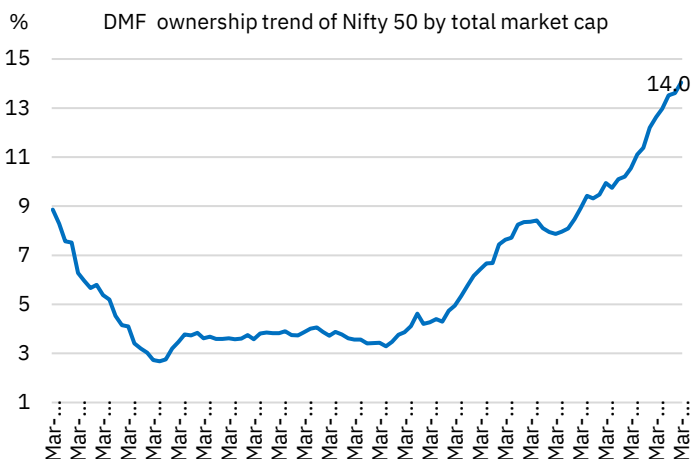
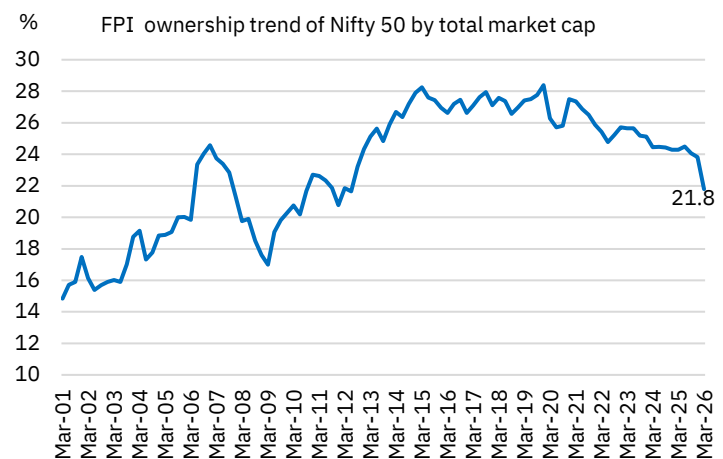


Figure 88: FPI ownership trend of Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 89: Banks, FIs & Insurance ownership trend of Nifty 50 universe by total market cap

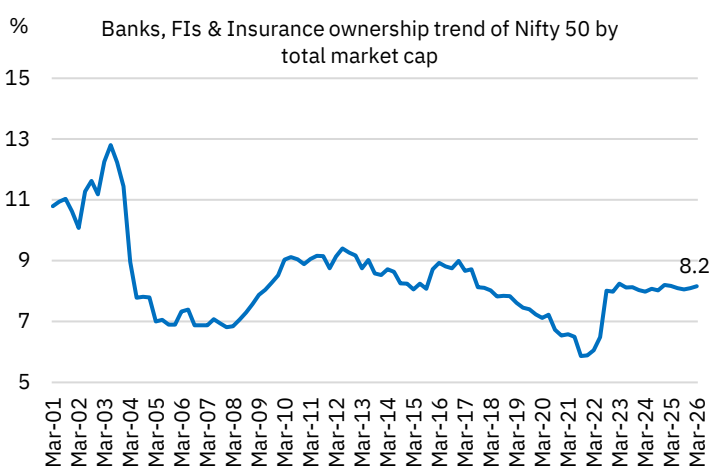
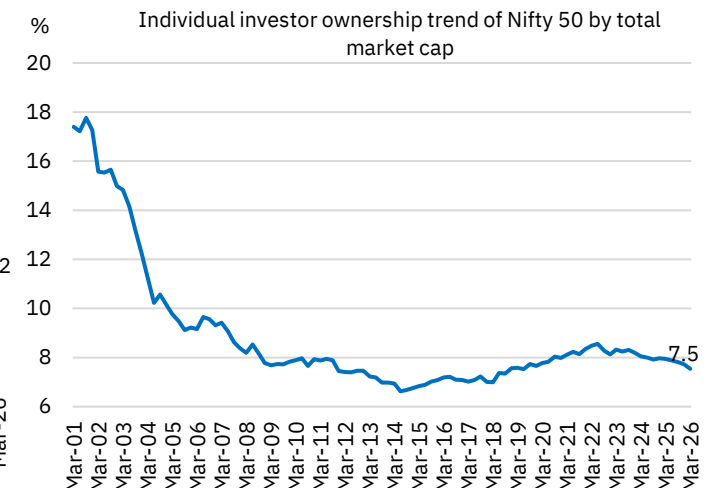


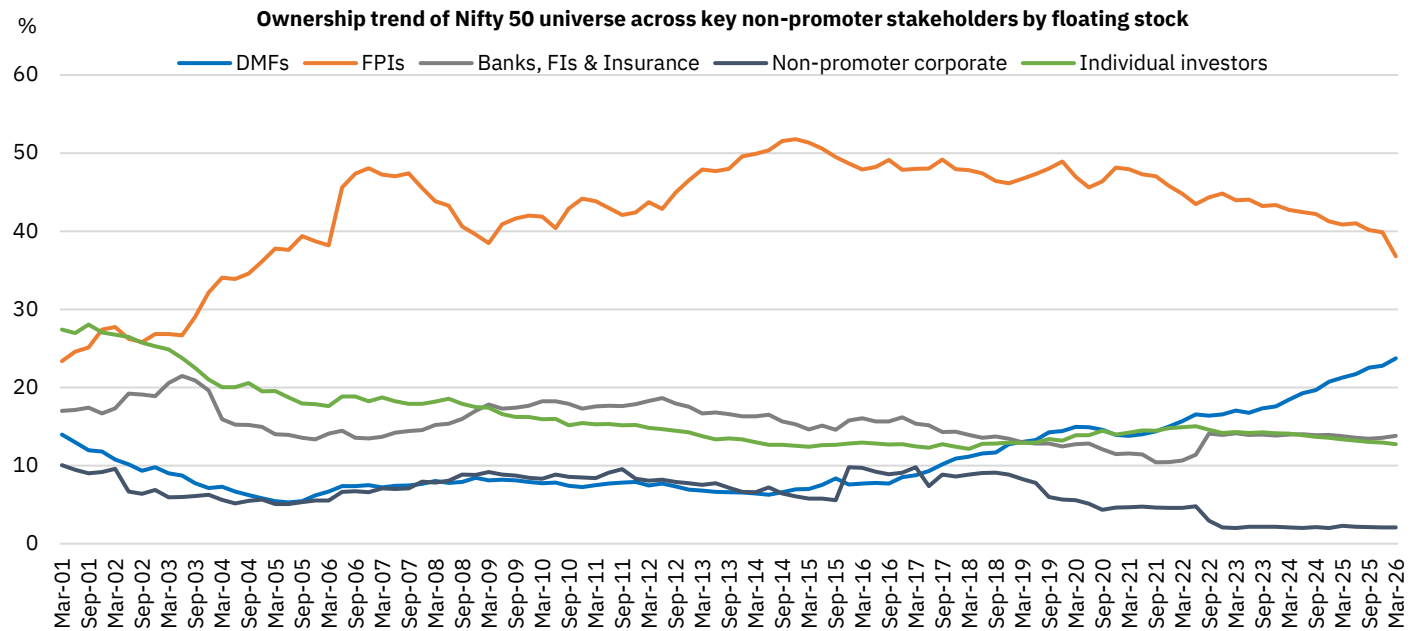
Figure 90: Retail ownership trend of Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Our long-term ownership analysis on the free float market cap of the Nifty 50 Index also shows that while DMF ownership is currently at the highest ever level of 23.7%, while FPI ownership is ~15pp lower than the peak share of 51.8% observed in December 2014.

Figure 91: Nifty 50: Long-term ownership trend across key stakeholders by free float market cap



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 92: DMF ownership trend of the Nifty 50 universe by free float market cap

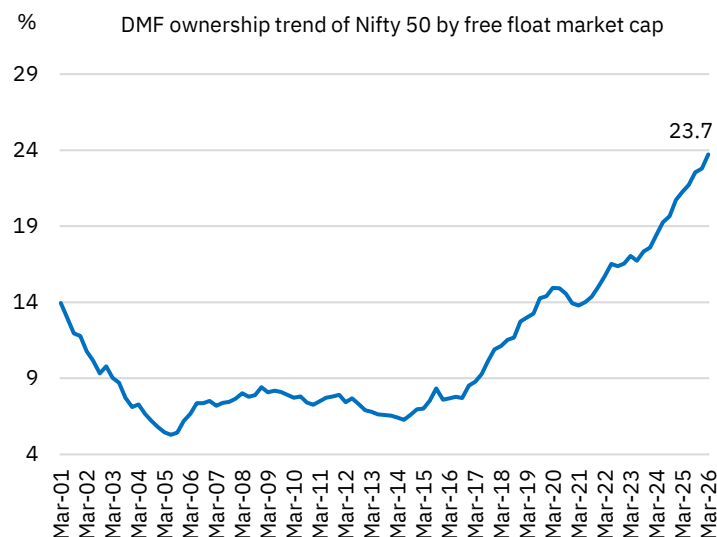
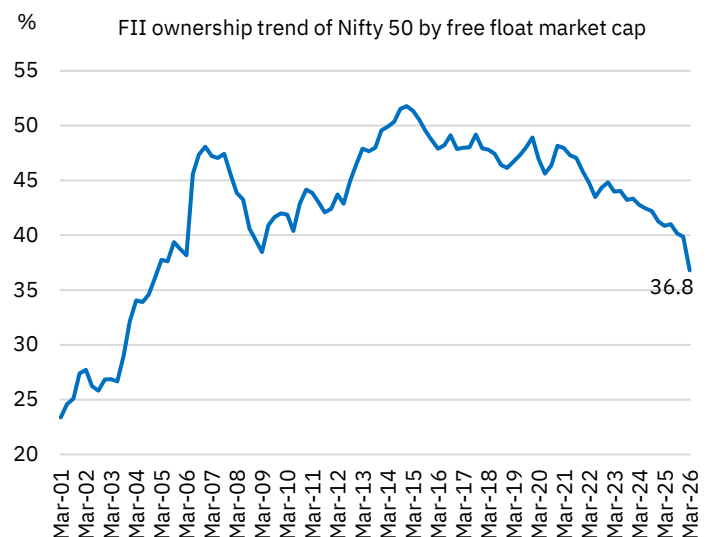


Figure 93: FPI ownership trend of the Nifty 50 universe by free float market cap



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 94: Banks, FIs & Insurance ownership trend of the Nifty 50 universe by free float market cap

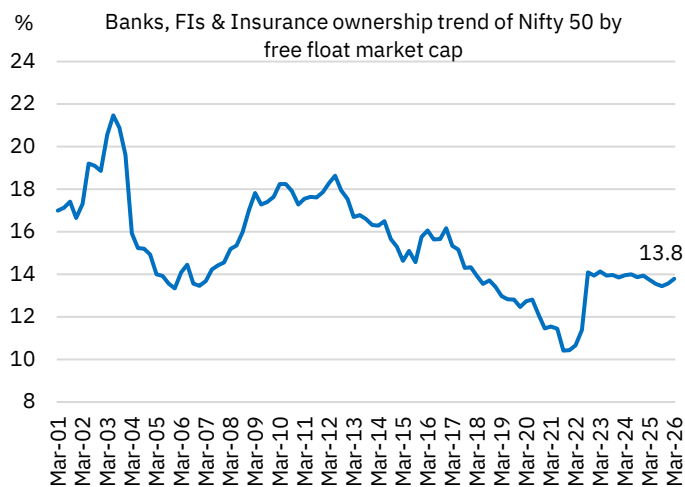
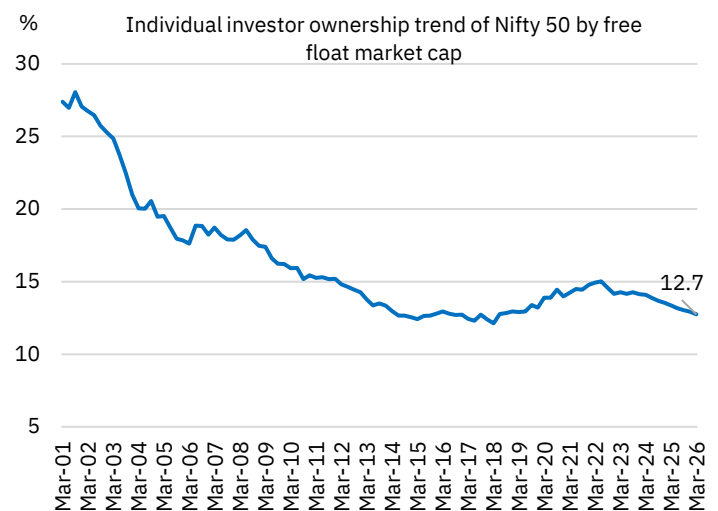


Figure 95: Individual ownership trend of the Nifty 50 universe by free float market cap



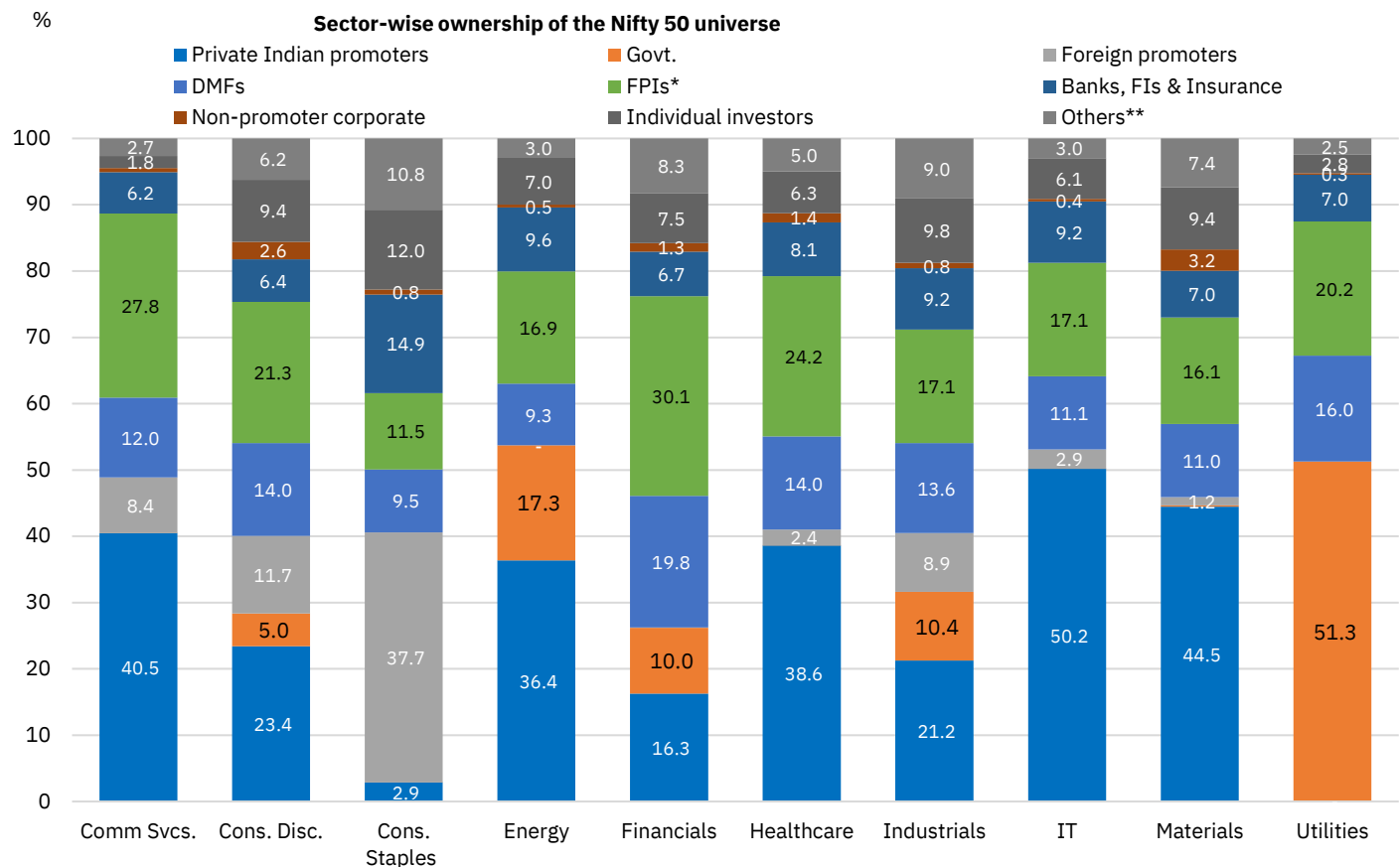
Source: CMIE Prowess, NSE EPR.

Sector-wise ownership of the Nifty 50 universe (March 2026): Ownership patterns across Nifty 50 sectors saw notable shifts in the March 2026 quarter. Information Technology continued to have the highest promoter share at 53.1%, despite a 60bps QoQ decline, followed by Energy at 52.1% (+62bps QoQ) and Utilities at 51.2%. Barring Information Technology and Materials, promoter ownership across other sectors either increased or remained broadly stable. The sharpest gains were seen in Consumer Staples, where promoter share rose 3.0pp QoQ to a 13-quarter high of 40.6%, followed by Financials (+77bps QoQ to an 11-quarter high of 26.2%), Energy and Healthcare (+57bps QoQ to 41.0%).

Among sectors, DMFs held the highest share in Financials for the ninth consecutive quarter, supported by sustained inflows and partly aided by the sector's relative underperformance in recent quarters. DMF ownership in Financials rose to a record 19.8% of the sector's Nifty 50 market capitalisation. Besides Financials, Consumer Discretionary and Materials also saw DMF ownership rise to new highs. With the exception of Utilities, and marginal declines in Consumer Staples and Healthcare, every GICS sector within the Nifty 50 reported either stable or higher DMF ownership, pointing to broad-based domestic institutional participation.

FPI positioning, by contrast, reflected selective de-risking. FPI ownership in Financials declined sharply by 5.4pp QoQ to 30.1%, its lowest level in nearly 22 years. Despite a cumulative reduction of 10.3pp since December 2023, Financials remained the most FPI-owned sector. Communication Services ranked second, with FPI share falling 96bps QoQ to 27.8%, after rising cumulatively by 4.4pp over the previous four quarters. Healthcare followed at 24.2%, despite a 2.8pp decline in the second half of FY26, partly reversing the gains seen in the first half. Barring Materials and Utilities, which saw modest increases, all other Nifty 50 sectors recorded a sequential decline in FPI ownership.

Despite the recent moderation, FPIs remain the largest non-promoter shareholder category across most Nifty 50 sectors, with Consumer Staples and Real Estate being the only exceptions. This underscores the continued importance of foreign institutional investors in shaping ownership dynamics within India's large-cap universe.

Figure 96: Nifty 50: Sector-wise ownership pattern across key stakeholders (March 2026)


Source: CMIE Prowess, NSE EPR.

* FPI ownership includes ownership through depository receipts held by custodians **Others include other institutional and non-institutional non-promoter investors.

Sector allocation of the Nifty 50 universe for key shareholders (March 2026): Sectoral ownership across Nifty 50 constituents as of March 2026 continued to show meaningful concentration across key stakeholder groups, even as the quarter saw some realignment in allocations.

Government ownership remained heavily concentrated in Financials, Energy and Utilities. Together, these three sectors accounted for 83.2% of total Government holdings in the Nifty 50, up 1.25pp QoQ. Within this, Government allocation to Energy and Utilities rose to 28.3% and 21.7%, respectively, with a combined increase of 3.5pp QoQ, reflecting the relative outperformance of these sectors during the quarter. In contrast, Government exposure to Financials declined by 2.2pp QoQ to 33.2%. Notably, Government holdings in the Nifty 50 remain more concentrated than in the broader listed universe, where these three sectors account for 73.2% of total Government holdings.

Foreign promoter ownership remained skewed towards consumption-oriented sectors. Consumer Staples and Consumer Discretionary together accounted for 67.8% of total foreign promoter exposure in the Nifty 50. Allocation to Consumer Discretionary declined sharply by 3.0pp QoQ to 23.3%, while Consumer Staples rose by 2.8pp QoQ to a four-quarter high of 44.5%. Along with Communication Services at 9.2% (+8bps QoQ) and Industrials at an 18-year high of 13.1% (+20bps QoQ), these four sectors together accounted for a steady 90.1% of total foreign promoter exposure. Within overall promoter holdings of Nifty 50 companies, Financials remained the largest sector for the third

consecutive quarter at 17.8% (+13bps QoQ), followed by Energy at 17.3% (+1.1pp QoQ) and Information Technology at 14.8% (-2.2pp QoQ).

Among domestic institutions, DMFs increased their allocation to Utilities, Energy, Healthcare and Materials, partly reflecting the relative outperformance of these sectors during the quarter. DMFs also modestly raised exposure to Financials, suggesting incremental buying even as the sector's market weight declined marginally. This was funded by lower allocations to Information Technology (-85bps QoQ to a 53-quarter low of 8.9%), Industrials (-47bps QoQ to 7.8%, fully reversing the increase seen in the previous quarter), Consumer Discretionary (-43bps QoQ to 10.9%) and Consumer Staples (-37bps QoQ to a 38-quarter low of 4.4%). DMF exposure to Communication Services remained broadly stable.

FPIs reduced their allocation to Financials by 3.4pp QoQ, largely reflecting significant selling in the sector. Despite this moderation, Financials continued to account for a substantial 38.3% of FPI holdings within the Nifty 50. Information Technology's share in the FPI portfolio also fell by 60bps QoQ to 8.9%, the lowest allocation since the beginning of the analysis. The reduction in these sectors was largely offset by higher allocations to Energy, Materials and Utilities, each of which rose by around 1pp QoQ to 10.5%, 5.75% and 3.3%, respectively. These marked a six-quarter high for Energy, a four-year high for Materials and a six-quarter high for Utilities. FPI allocation to Healthcare also rose by 78bps QoQ to a nine-year high of 5.1%.

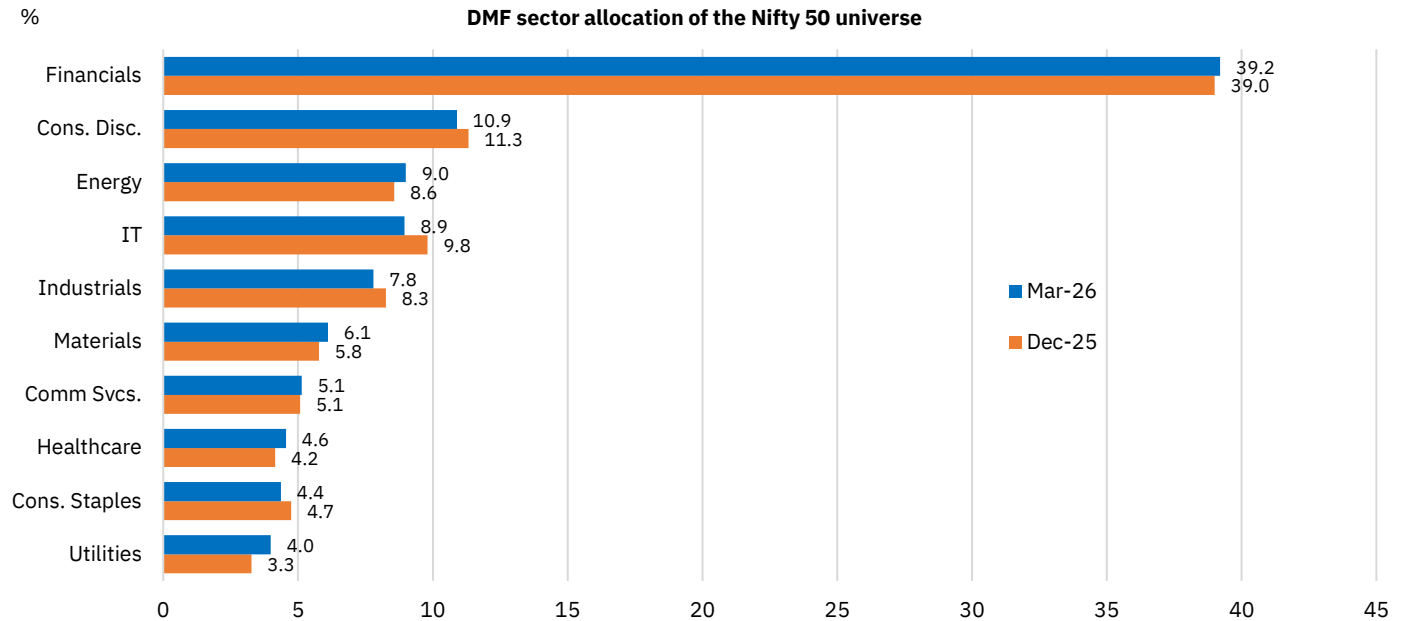
Table 18: Sector allocation of the Nifty 50 universe for key stakeholders (March 2026)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	8.9	0.0	9.2	5.1	7.7	4.6	3.0	1.4
Consumer Discretionary	9.4	6.5	23.3	10.9	10.7	8.6	23.5	13.6
Consumer Staples	0.7	0.0	44.5	4.4	3.4	11.8	4.1	10.3
Energy	18.1	28.3	0.0	9.0	10.5	16.0	5.2	12.6
Financials	16.5	33.2	0.1	39.2	38.4	22.8	28.9	27.6
Health Care	6.5	0.0	2.0	4.6	5.1	4.5	5.1	3.8
Industrials	6.3	10.0	13.1	7.8	6.3	9.1	5.4	10.5
Information Technology	20.9	0.0	6.0	8.9	8.9	12.9	3.5	9.2
Materials	12.7	0.2	1.8	6.1	5.8	6.7	20.5	9.7
Utilities	0.0	21.7	0.0	4.0	3.3	3.0	0.8	1.3
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

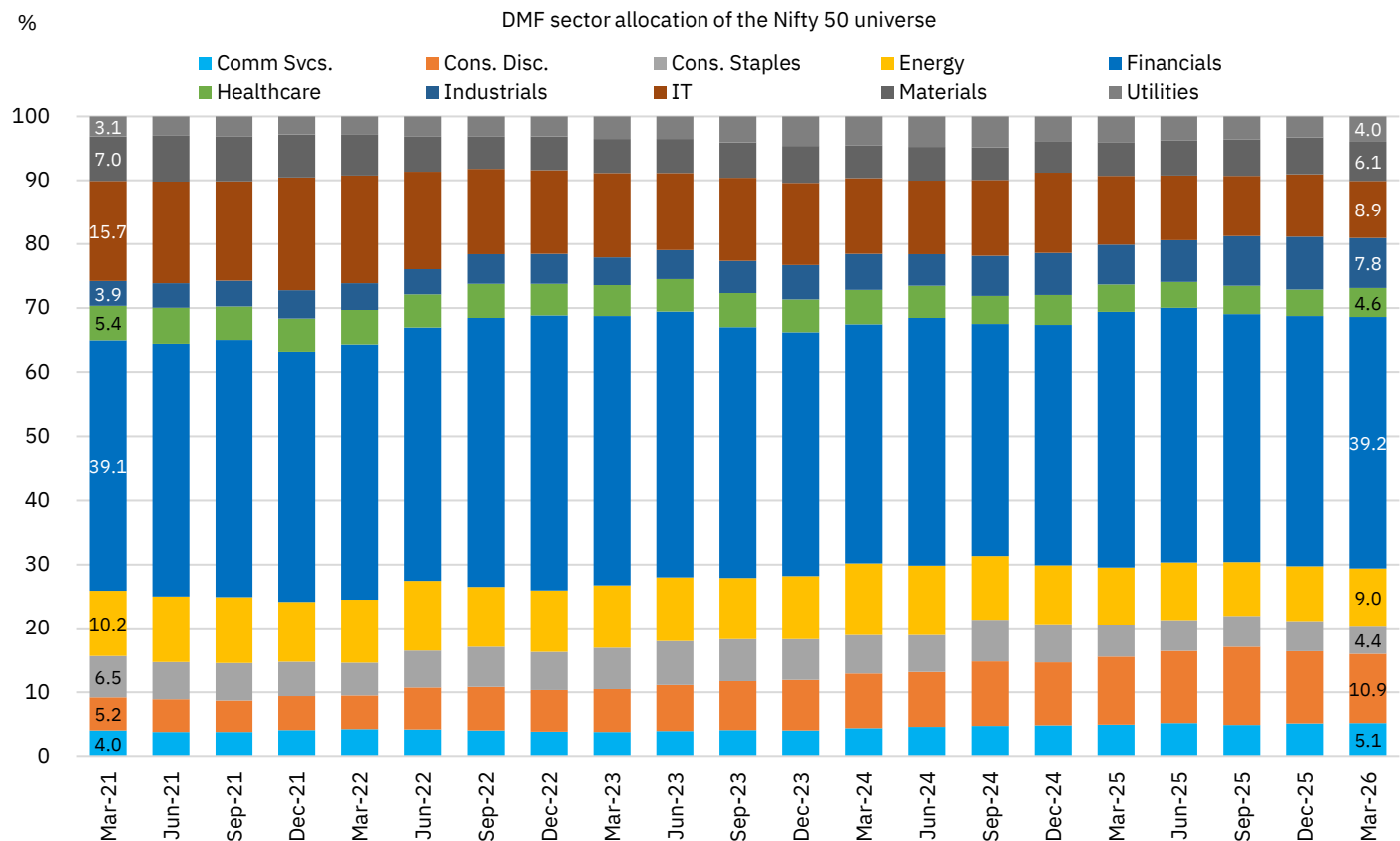
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

DMFs strengthened their outsized bet on Financials and turned incrementally negative on Industrials: During the March 2026 quarter, DMFs further strengthened their overweight stance on Financials, taking it to a seven-quarter high. This came alongside a reduction in exposure to Industrials, where DMFs trimmed their positive bias while retaining a broadly neutral position—a stance that has largely persisted for the past 25 quarters. DMFs also marginally reduced exposure to Communication Services and Materials, while maintaining a neutral stance on both sectors. Exposure to other sectors remained broadly stable, with DMFs retaining an underweight position in Energy and Consumer Staples, and a neutral stance on Consumer Discretionary, Healthcare, Information Technology and Utilities.

DMFs strengthened their OW stance on Financials, at the expense of trimmed exposure to Industrials, Communication Services and Materials.

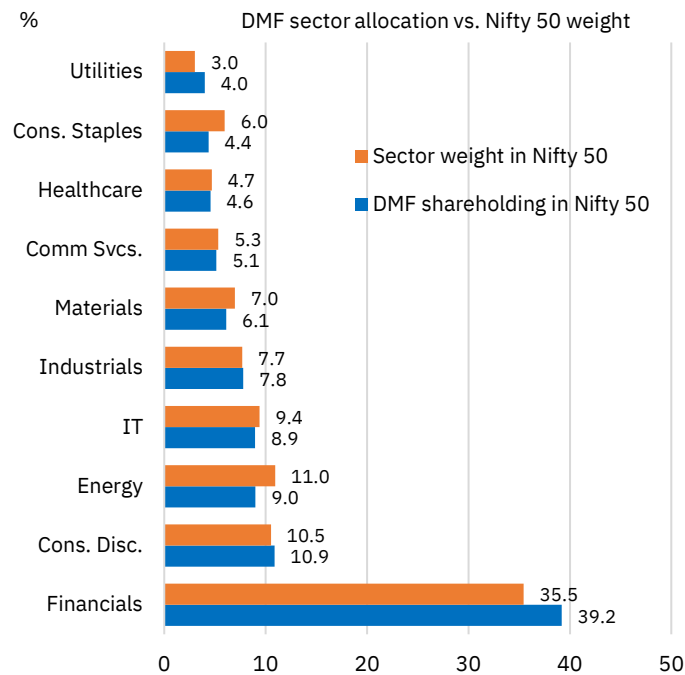
Figure 97: DMF sector allocation of the Nifty 50 universe (March 2026 vs. December 2025)


Source: CMIE Prowess, NSE EPR.

Figure 98: DMF sector allocation of the Nifty 50 universe over the last five years


Source: CMIE Prowess, NSE EPR.

Figure 99: DMF sector allocation vs sector weight in Nifty 50 (March 2026)



Source: CMIE Prowess, NSE EPR.

Figure 100: DMF sector-wise OW/UW in Nifty 50 relative to sector weight in the index (March 2026)

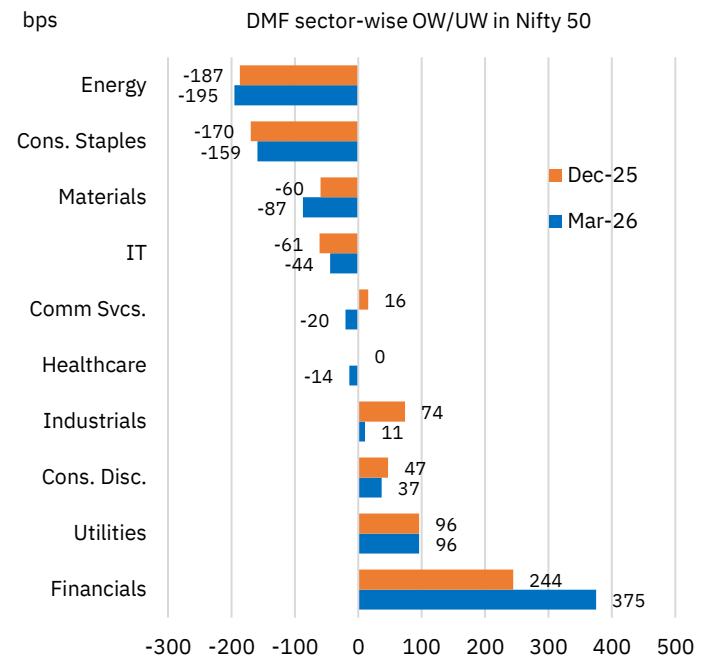
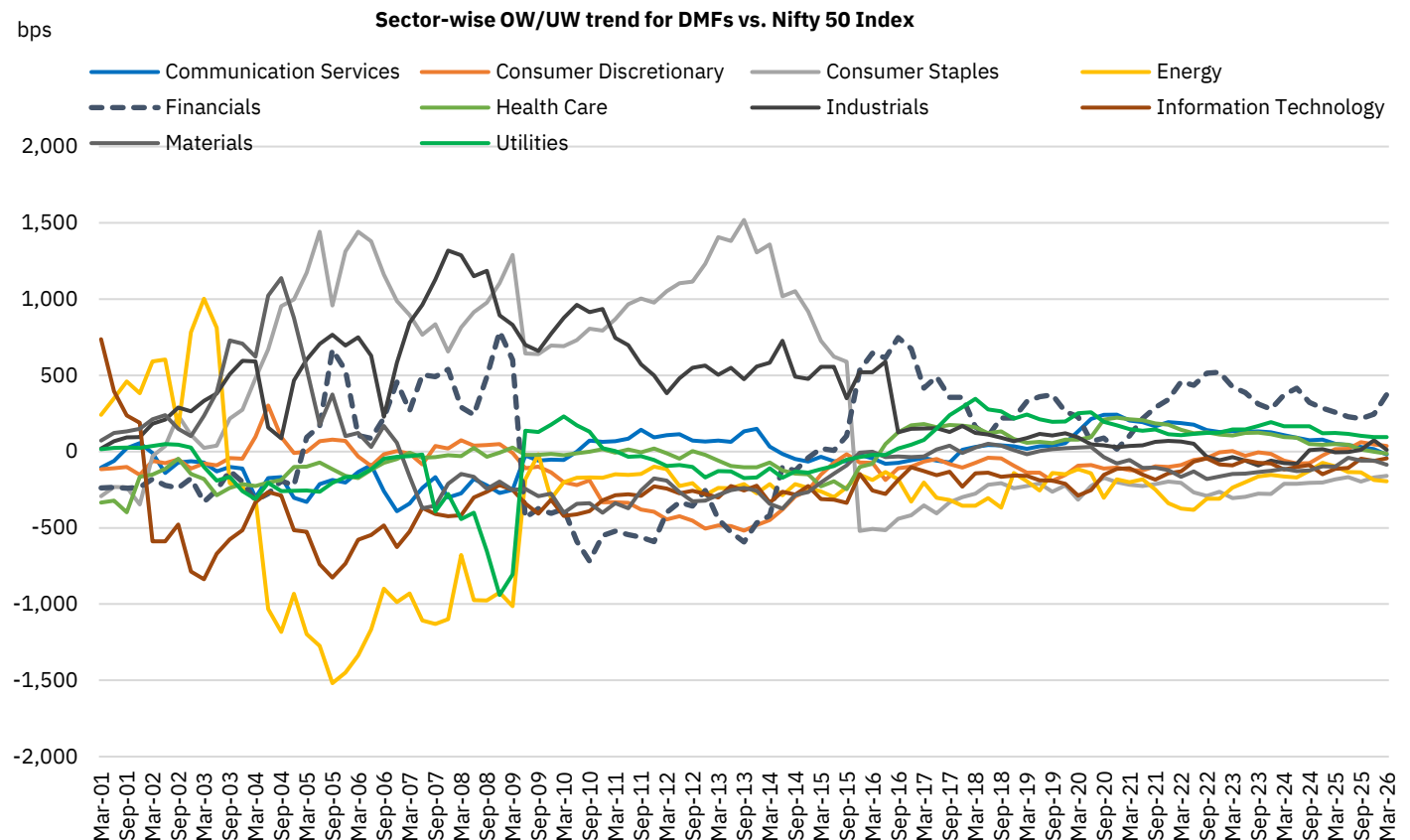


Figure 101: DMF vs Nifty 50—Sector-wise OW/UW trend (bps)



Source: CMIE Prowess, NSE EPR.

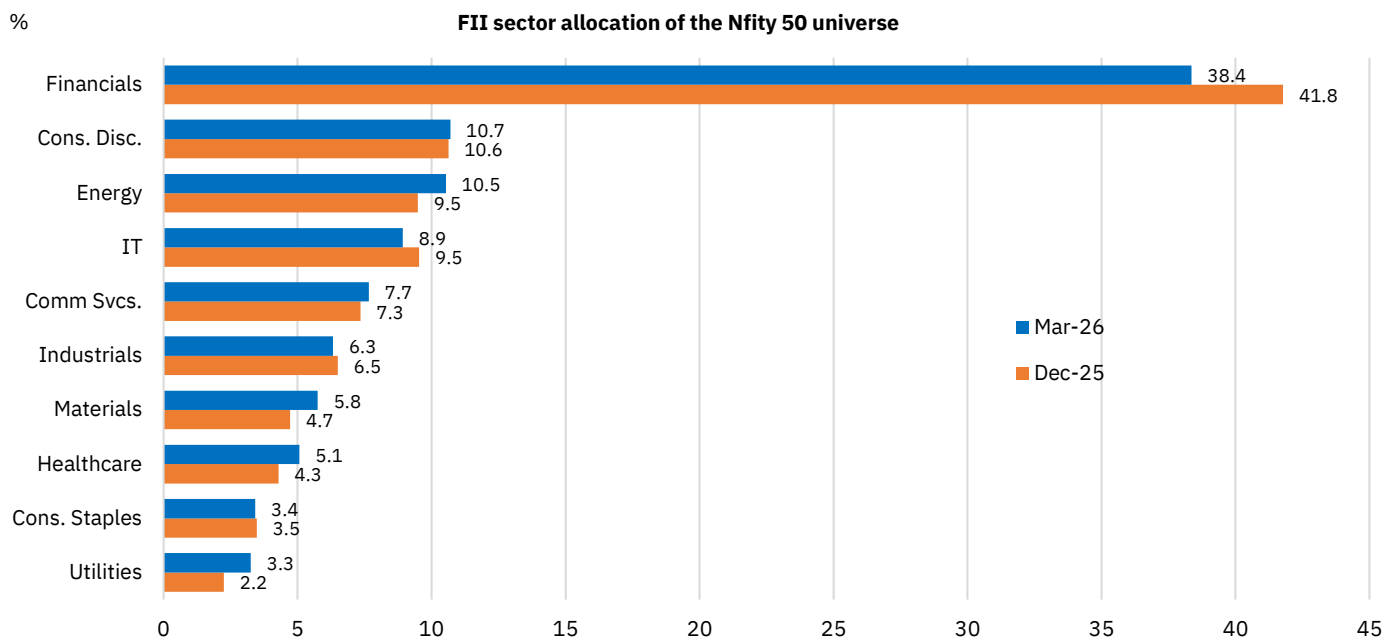
FPIs trimmed their overweight in Financials, turned incrementally negative on Industrials and reduced UW stance on commodity sectors: In the March 2026 quarter, FPIs significantly reduced their long-standing outsized exposure to Financials, bringing the extent of their overweight position to the lowest level since the beginning of the analysis in 2001. The sector nevertheless remained overweight in FPI portfolios, with the moderation reflecting both lower allocations and the sector's relative underperformance during the quarter.

At the margin, FPIs turned less negative on commodity-oriented sectors such as Energy and Materials, aided by relative outperformance and incremental allocations. While Materials remained underweight for the 43rd consecutive quarter, FPIs moved to a neutral stance on Energy. They also turned incrementally less negative on Consumer Staples and Information Technology, while retaining an underweight stance in the former and a neutral stance in the latter.

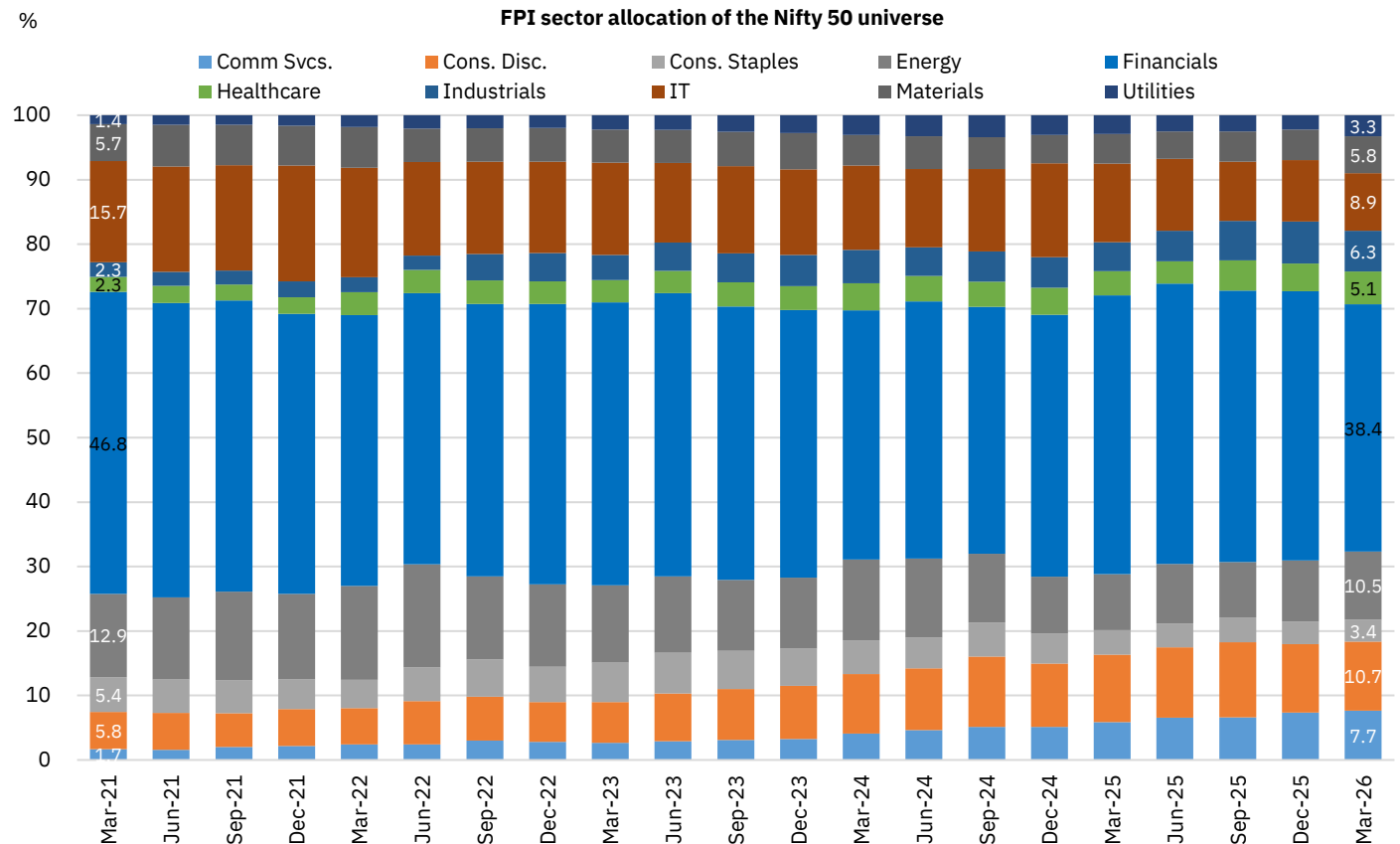
The overweight position in Communication Services was maintained for the seventh consecutive quarter. Among other sectors, FPIs turned incrementally more negative on Industrials, while maintaining a broadly neutral position in Consumer Discretionary, Healthcare and Utilities.

FPIs significantly trimmed their OW position on Financials, turned incrementally negative on Industrials and reduced the UW stance on commodity-oriented sectors after the recent rally.

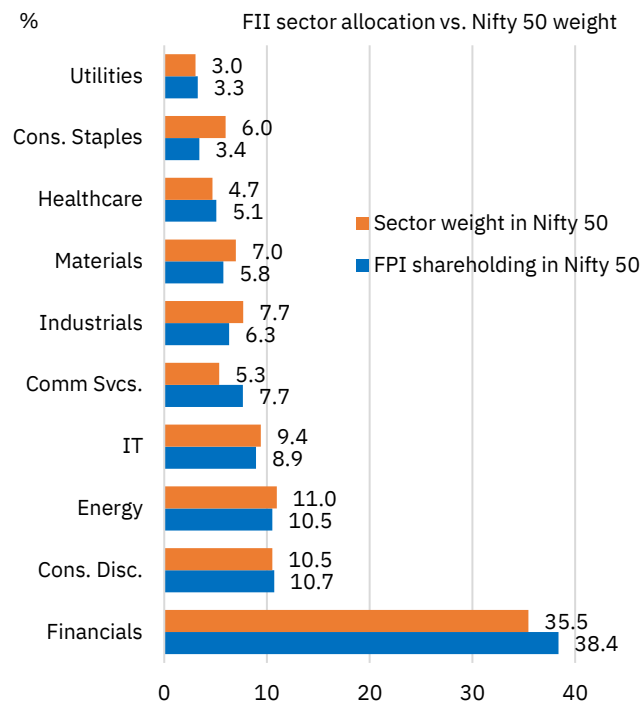
Figure 102: FPI sector allocation of the Nifty 50 universe (March 2026 vs. December 2025)



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 103: FPI sector allocation of the Nifty 50 universe over last five years


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 104: FPI sector allocation vs sector weight in Nifty 50 (March 2026)


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

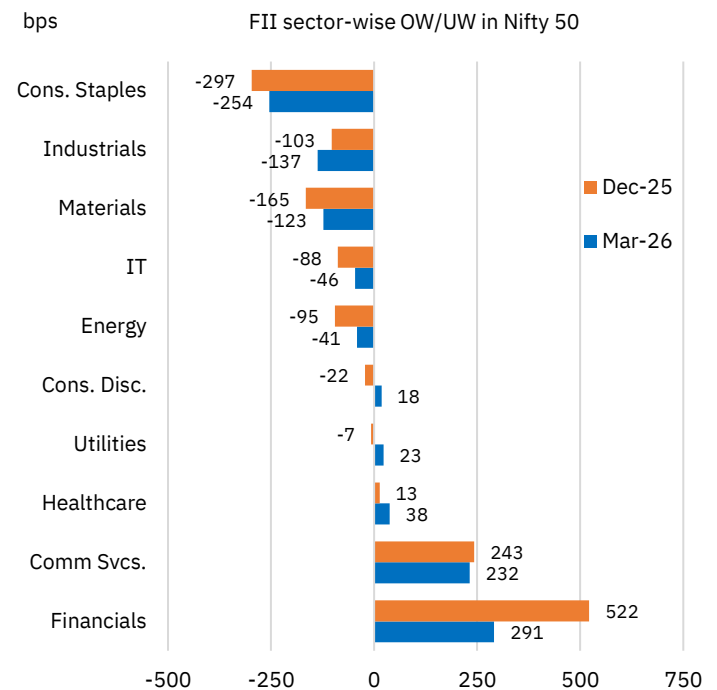
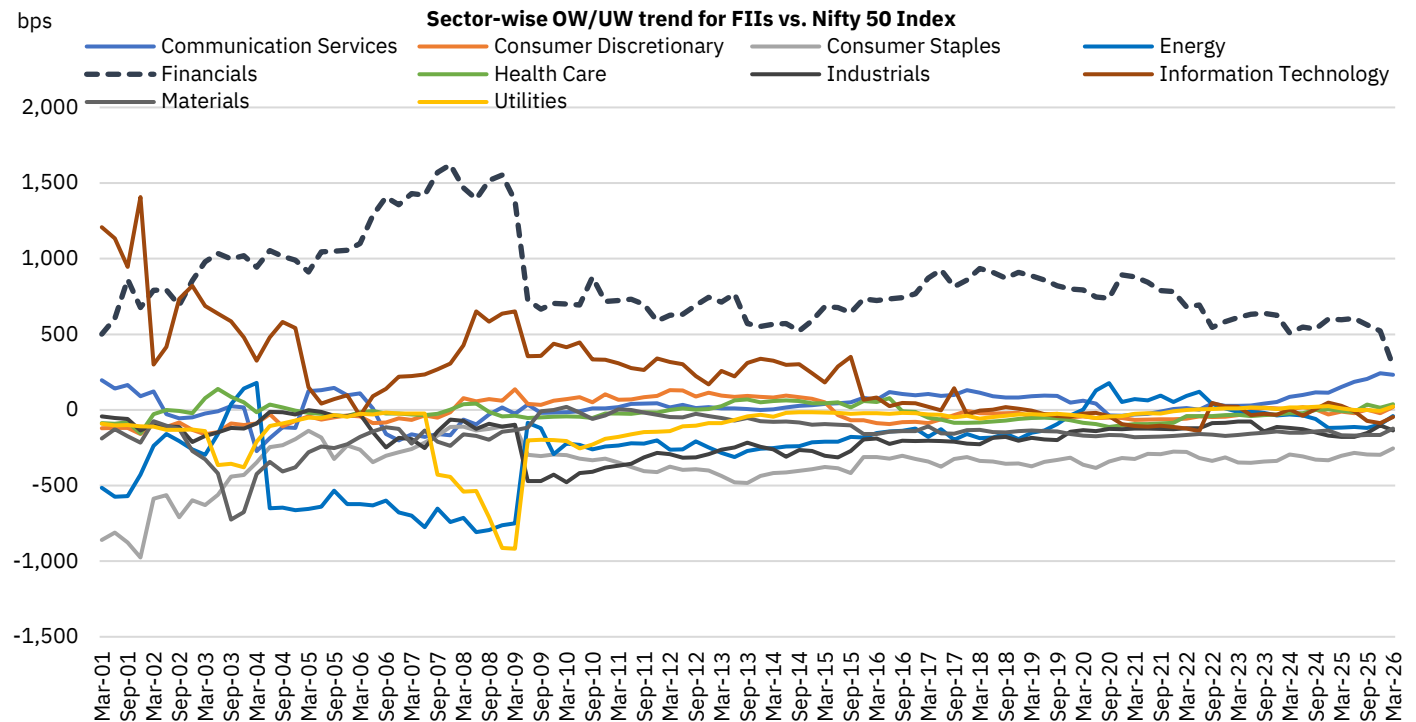
Figure 105: FPI sector-wise OW/UW in Nifty 50 relative to sector weight in the index (March 2026)


Figure 106: FPI vs Nifty 50—Sector-wise OW/UW trend (bps)



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

Nifty 500 ownership trends

Ownership pattern of the Nifty 500 universe (March 2026)

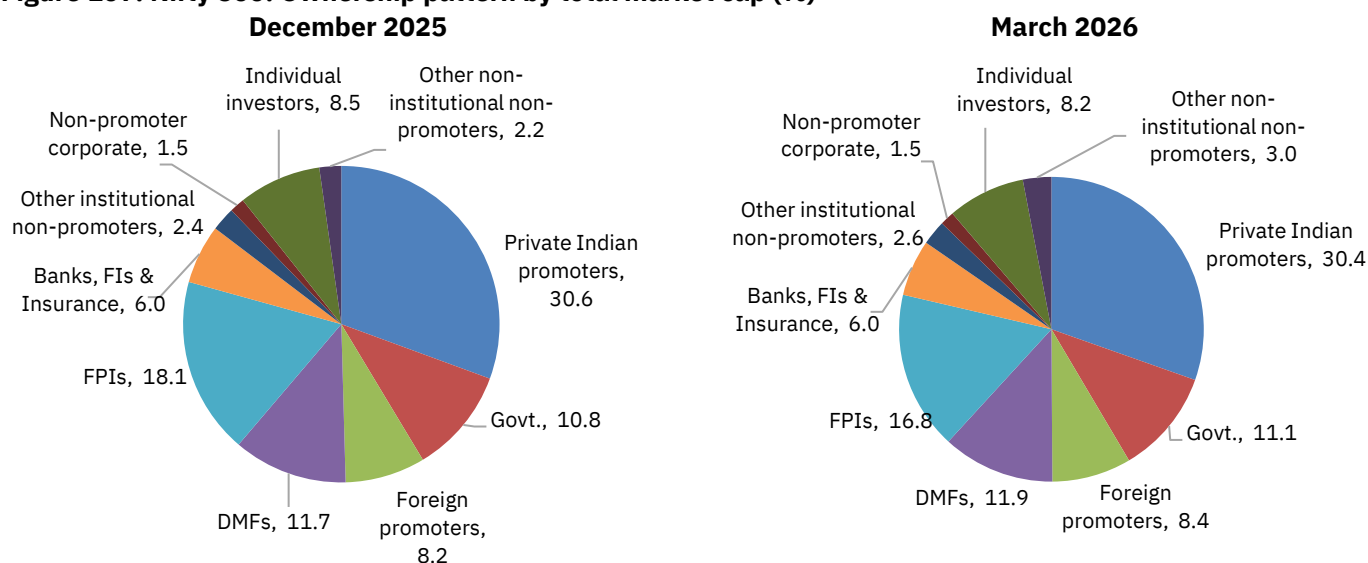
Promoter ownership rose to a one-year high: In line with the trend in Nifty 50 and overall market, promoter ownership in the Nifty 500 universe rose by 36bps QoQ to a one-year high of 49.3% in March 2026 led by foreign promoter and Government ownership. Notwithstanding the sequential increase, promoter ownership continues to remain below 50% for the sixth consecutive quarter. There is a divergence across the promoter groups, with the private Indian promoter ownership falling to a 32-quarter low of 30.4% while Government promoter (10.5%; +32bps QoQ) and foreign ownership (8.4%; +22bps QoQ) increased sequentially as well as on a YoY basis. At an aggregate promoter level, the sequential fall in value terms has been sharp at 10.9% QoQ with a broad-based decline across sub-categories. Conversely on a YoY basis, the decline in Indian promoter ownership (*in value terms*) of 3.6% has outweighed the gains in Government promoter ownership (+2.5% YoY) and foreign promoter (+3.7% YoY). Individual private promoter ownership — after having peaked at 6% in December 2021 — has remained in the narrow range of 5-5.6% in the last four years.

DMF ownership share inched up to record high; falls in value terms...: DMF ownership scaled a fresh record for the ninth consecutive quarter of 11.9% in March 2026. The share has inched up despite a 9.8% QoQ decline in value terms, attributed to mark-to-market losses during the quarter. However, robust SIP flows coupled with continued investor participation during market corrections — evidenced through over Rs 90k crore of net equity flows in Q4FY26 — capped the downside. Net investments by DMFs continued to remain healthy at Rs 1.5 lakh crore (US\$ 16.5 bn) with the record levels of net monthly investment in March providing support amid market weakness. On a YoY basis, DMF ownership in value terms has grown by 10.2% while the share has inched up 1.2pp. DMF ownership in the Nifty 500 is lower than the Nifty50 (14%) but significantly higher than the universe excluding the Nifty 500 space (6.6%). The share of banks, FIs and insurance inched marginally lower but remained closer to the 6%

...While FPI ownership declined to near 17-year lows; gap with DII widens further: FPI ownership falls sequentially by 1.2 pp to a near 17-year low of 16.8% amidst close to record levels of quarterly outflows of US\$ 14.2 bn. This decline can be ascribed to global risk aversion, rupee depreciation amidst heightened geopolitical tensions, India's relatively higher energy dependence with concomitant implications on macroeconomic fundamentals. In the last two fiscals, the ownership share has done down by 2.1pp with cumulative net outflows of US\$34.3 bn in these years. In value terms, the fall was sharper with investments declining 17.6% QoQ and 9.8% YoY to 10-quarter low. The gap between DIIs and FPI ownership has widened further to 3.7pp, the highest level since September 2002. This is the fifth consecutive quarter when the DII ownership has outpaced FPI ownership, a sharp reversal from the pre-pandemic (Dec'19) level, when FPI ownership led DIIs by 9.1pp. The FPI ownership in the Nifty 500 universe is lower than the Nifty 50 space of 21.8% but significantly higher than the all-listed space ex. Nifty 500 (5.4%).

Individual investors' ownership fell to a six-year low: In line with the broad market trend, individual investor ownership fell to a six-year low of 8.2% in March 2026, 22bps lower QoQ and 38bps lower YoY. This marked the third consecutive quarter when the share has declined, reflecting periods of outflows or muted net inflows during FY26. Even as net inflows in Q4FY26 were positive aggregating Rs 11,828 crore, the mark-to-market losses weighed on holdings, leading to a 13.9% QoQ decline in the quarter ended March 2026. The relative underperformance compared to other owner categories further contributed to the fall in share. In the last three years, individual investor ownership has remained in a narrow range of 8.2%-8.8%. Individual investors' share in Nifty500 has been higher than Nifty50 (7.5%) but lower than the all-listed space ex. Nifty 500 (18.5%).

Figure 107: Nifty 500: Ownership pattern by total market cap (%)



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

Table 19: Nifty 500: Value held by key stakeholders over the last three years

Rs lakh crore	Private Indian promoters	Govt.	Foreign promoters	DMFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **	Total
Mar-23	77.8	20.6	21.3	21.6	15.2	47.9	3.7	20.9	11.1	240.1
Jun-23	88.6	23.7	23.8	24.4	16.9	54.6	4.5	23.7	12.7	272.9
Sep-23	92.7	28.4	24.6	26.5	17.6	56.6	4.9	25.5	13.1	289.8
Dec-23	104.5	35.0	26.6	30.4	19.6	63.8	5.5	28.6	14.4	328.5
Mar-24	111.9	41.3	28.6	32.7	20.9	66.8	6.0	30.7	14.8	353.7
Jun-24	123.1	47.8	33.3	37.8	22.9	74.2	6.5	34.6	16.0	396.2
Sep-24	133.4	48.0	36.3	42.1	24.8	80.4	7.1	36.9	17.6	426.8
Dec-24	120.6	42.5	31.5	40.8	22.8	73.1	6.4	34.1	16.9	388.8
Mar-25	117.4	39.9	30.2	40.2	22.3	69.5	6.1	32.3	16.9	374.9
Jun-25	128.6	45.4	32.6	45.8	24.5	76.7	6.7	35.9	18.8	415.1
Sep-25	123.5	44.0	34.2	46.3	23.8	72.9	6.4	34.7	18.8	404.7
Dec-25	128.9	45.4	34.5	49.2	25.4	76.1	6.4	35.6	19.7	421.2
Mar-26	113.2	41.3	31.3	44.4	22.3	62.7	5.6	30.7	21.0	372.4
% QoQ	-12.1%	-9.1%	-9.2%	-9.8%	-12.5%	-17.6%	-13.1%	-13.9%	6.7%	-11.6%

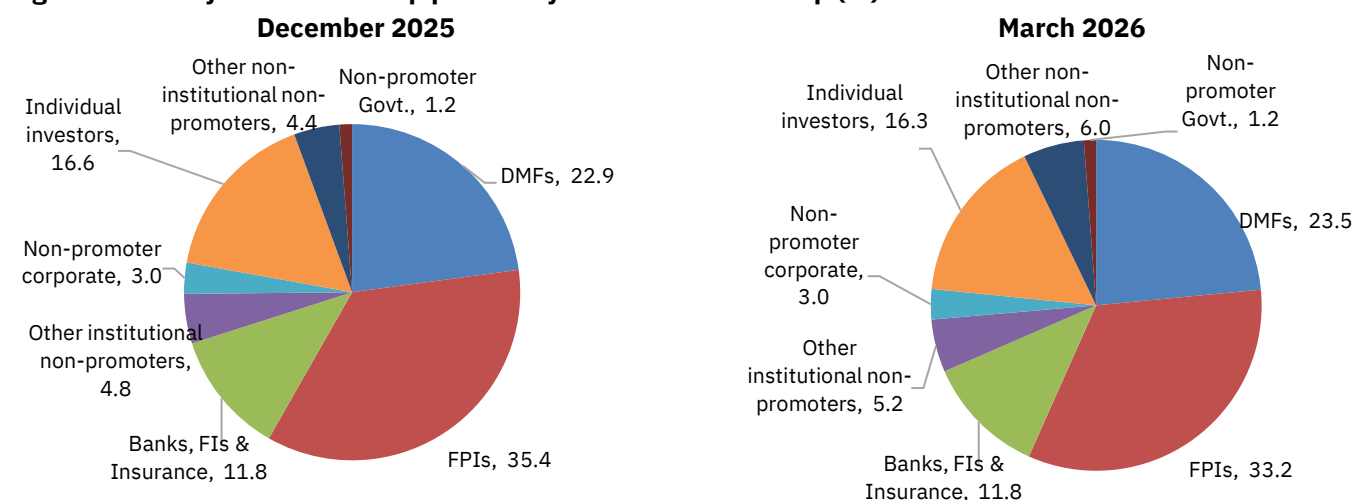
Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

Table 20: Nifty 500: Ownership trend across key stakeholders by total market cap over last the three years

%	Private Indian promoters	Govt.	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others**
Dec-22	33.5	8.8	9.0	8.4	6.1	19.8	1.6	8.5	4.3
Mar-23	32.4	8.6	8.9	9.0	6.3	20.0	1.6	8.7	4.6
Jun-23	32.5	8.7	8.7	8.9	6.2	20.0	1.7	8.7	4.6
Sep-23	32.0	9.8	8.5	9.1	6.1	19.5	1.7	8.8	4.5
Dec-23	31.8	10.7	8.1	9.3	6.0	19.4	1.7	8.7	4.4
Mar-24	31.6	11.7	8.1	9.3	5.9	18.9	1.7	8.7	4.2
Jun-24	31.1	12.1	8.4	9.5	5.8	18.7	1.6	8.7	4.0
Sep-24	31.3	11.3	8.5	9.9	5.8	18.8	1.7	8.7	4.1
Dec-24	31.0	10.9	8.1	10.5	5.9	18.8	1.7	8.8	4.3
Mar-25	31.3	10.6	8.1	10.7	6.0	18.5	1.6	8.6	4.5
Jun-25	31.0	10.9	7.9	11.0	5.9	18.5	1.6	8.7	4.5
Sep-25	30.5	10.9	8.5	11.4	5.9	18.0	1.6	8.6	4.7
Dec-25	30.6	10.8	8.2	11.7	6.0	18.1	1.5	8.5	4.7
Mar-26	30.4	11.1	8.4	11.9	6.0	16.8	1.5	8.2	5.6
QoQ change	-19bps	31bps	22bps	23bps	-6bps	-124bps	-3bps	-22bps	97bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

Within the floating stock of Nifty 500 companies, DMFs share rose by 62bps QoQ to a fresh record high of 23.5% share. This marked the eleventh consecutive quarter of increase in DMFs share in the Nifty500 floating stock. Conversely, the FPI ownership in floating stock has declined to its lowest level since September 2005 at 33.2%, lagging DII ownership by 7.3pp, a sharp reversal from December 2019 when FPI ownership exceeded DII by around ~18 pp. Individual ownership declined by 32bps QoQ and 84bps YoY to 16.3% while share of banks, FIs & insurance in floating stock remained broadly unchanged at 11.8%. The highest gains during the quarter were recorded by other non-institutional non-promoters, whose share grew by 1.6pp to ~6%, its highest level since September 2017.

Figure 108: Nifty 500: Ownership pattern by free float market cap (%)


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

Table 21: Nifty 500: Ownership trend across key stakeholders by free float market cap over the last three years

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Dec-22	17.1	12.5	40.3	3.3	17.2	9.7
Mar-23	17.8	12.5	39.4	3.1	17.2	10.0
Jun-23	17.7	12.2	39.6	3.3	17.2	10.1
Sep-23	18.2	12.1	38.9	3.4	17.5	10.0
Dec-23	18.5	11.9	38.9	3.4	17.4	9.8
Mar-24	18.8	12.0	38.4	3.4	17.6	9.6
Jun-24	19.5	11.8	38.2	3.4	17.8	9.5
Sept-24	19.9	11.7	38.1	3.4	17.5	9.4
Dec-24	20.8	11.6	37.3	3.3	17.4	9.6
Mar-25	21.3	11.8	36.7	3.2	17.1	9.9
Jun-25	21.8	11.6	36.4	3.2	17.1	10.0
Sept-25	22.6	11.6	35.5	3.1	16.9	10.3
Dec-25	22.9	11.8	35.4	3.0	16.6	10.4
Mar-26	23.5	11.8	33.2	3.0	16.3	12.3
QoQ change	62bps	-4bps	-219bps	-3bps	-32bps	195bps

Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters and government non-promoters.

Long-term ownership trend of the Nifty 500 universe: Overall promoter ownership in Nifty 500 has also seen a steady decline since 2009 until March 2019, albeit at a slower pace than the Nifty 50 Index, entirely led by a sharp dip in Government ownership, while the share of private Indian promoters has significantly increased during this period. Post the COVID-19 pandemic in March 2020, promoter share has been range-bound in the 49-51% range and has remained below 50% for the previous six consecutive quarters. In the last two fiscals (FY25-FY26), promoter ownership has cumulatively fallen by 159 bps, after gaining 153 bps in FY24.

Over the past five years, foreign promoter share has remained broadly stable in the 8-9% range. Private Indian promoter ownership has been falling at gradual pace in the last four years from 35.5% in FY22 to 30.4% in FY26. Government promoter ownership, which rose sharply following the LIC listing and the subsequent rally in public sector stocks, has eased in recent quarters, though it has remained in double digits for 10th consecutive quarter. The 135bps decline in overall promoter ownership in FY25 marks the steepest annual drop since FY13. In FY26, the fall in Indian promoter ownership has been partly offset by gains in foreign promoter (+35bps) and Government ownership (+32bps).

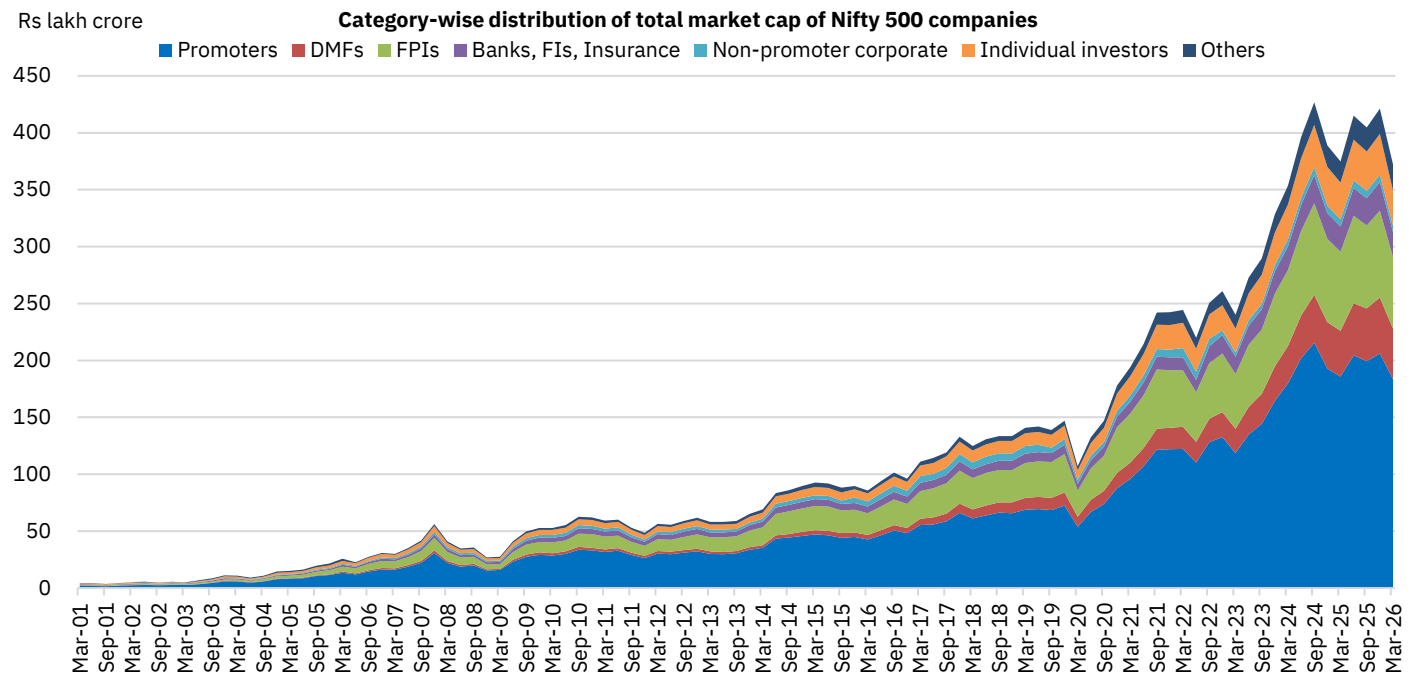
DMF ownership in the Nifty 500 Index saw a gradual increase beginning 2014, barring a temporary decline in the COVID year, to reach record levels, aided by strong SIP inflows. FPI ownership in the Nifty 500 universe improved meaningfully post the GFC until 2015 but has since hovered between 21-23% band until 2021, post which there has been a steady decline. Over the last few years, FPI sentiments have been weighed by a slew of unfavorable developments on the global front including recurring COVID variants, followed by the Russia-Ukraine war, elevated inflation, steep rate hikes by global central banks and China slowdown. This decline has been accentuated further owing to the West Asia crisis, with elevated outflows dragging the share to multi-year lows. Over the last five years, DMF ownership has increased by 4.5pp, helping cushion the impact of FPI outflows, even as FPI ownership declined by 5.4pp during the same period. Banks, financial institutions, and insurance have been steadily reducing their exposure to Indian

FPI ownership in Nifty 500 saw a steady rise post the GFC until 2015, hovered in the 21-23% range until 2021 only to drop steadily after that.

Individual ownership has oscillated in a narrow range of 8.5%-8.8% during the previous three years.

equities over the last decade until 2021 only to see a meaningful spike in Sept'22-Mar'23. Since then, the share tapered off and has remained range-bound during the previous three years. Individual investor ownership in the Nifty 500 Index fell sharply from the north of 16% in 2001 to sub-8% in 2013 and hovered around these levels until December 2019 only to rise steadily until FY22. The share of individual investors has oscillated in a narrow range of 8.2%-8.8% in the last three years.

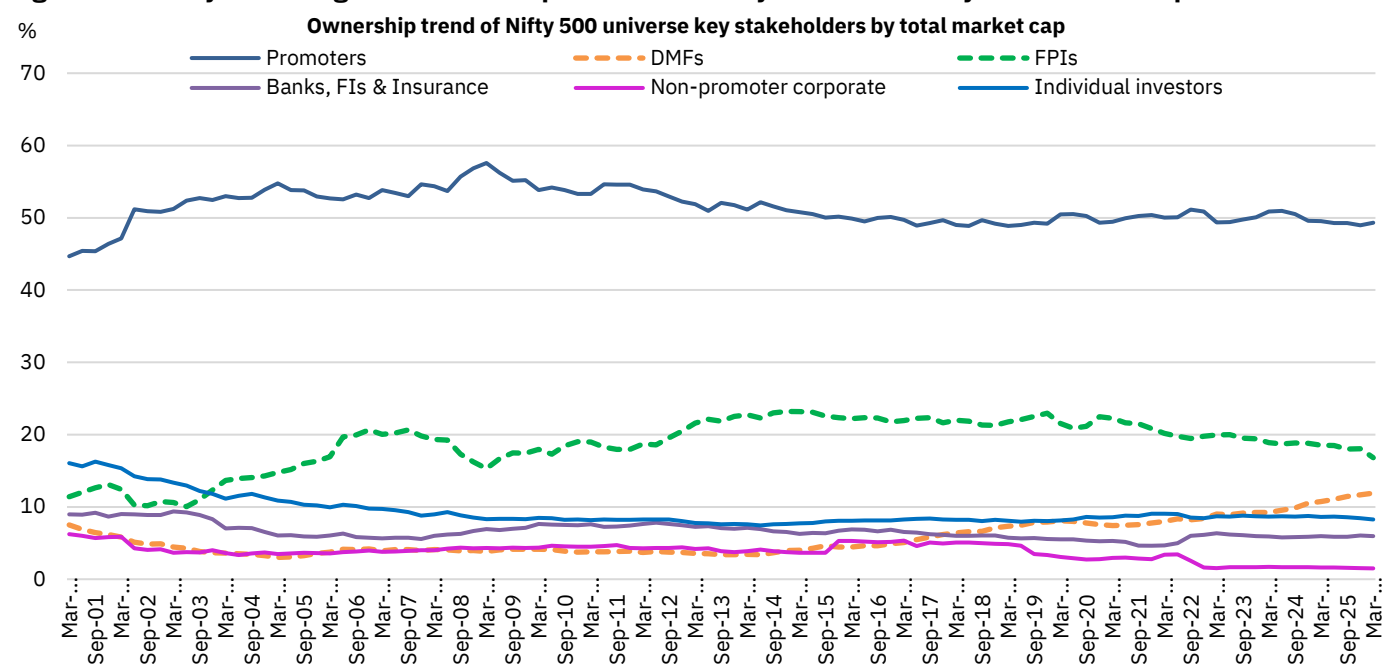
Figure 109: Nifty 500: Long-term trend of market cap distribution across key shareholder categories



Source: CMIE Prowess, NSE EPR.

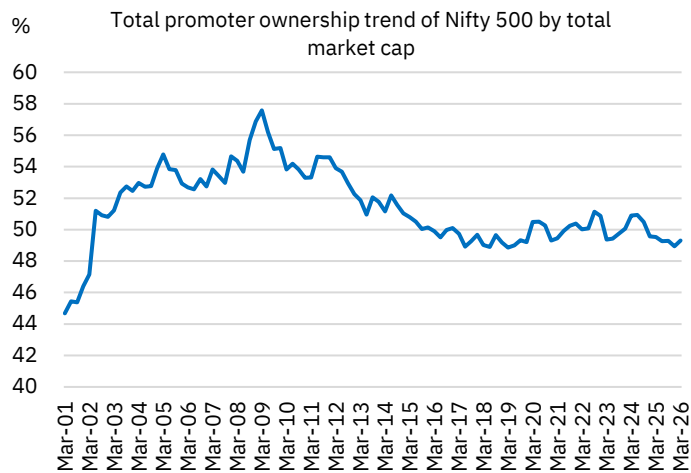
Notes: 1. FPI ownership includes ownership through depository receipts held by custodians.
2. Only includes companies where shareholding data is available as of the end of every quarter.

Figure 110: Nifty 500: Long-term ownership trend across key stakeholders by total market cap



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 111: Total promoter ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 112: Indian and foreign promoter ownership trend of the Nifty 500 universe by total market cap

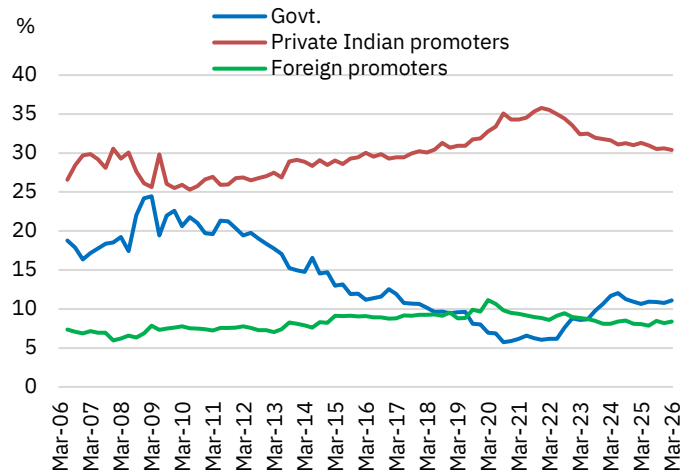


Figure 113: DMF ownership trend of the Nifty 500 universe by total market cap

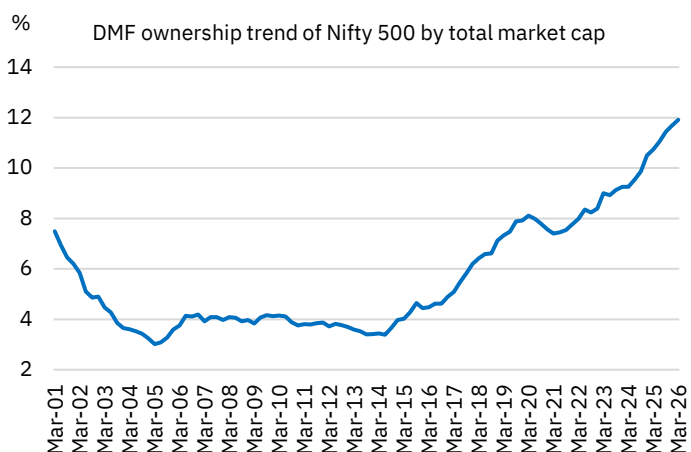
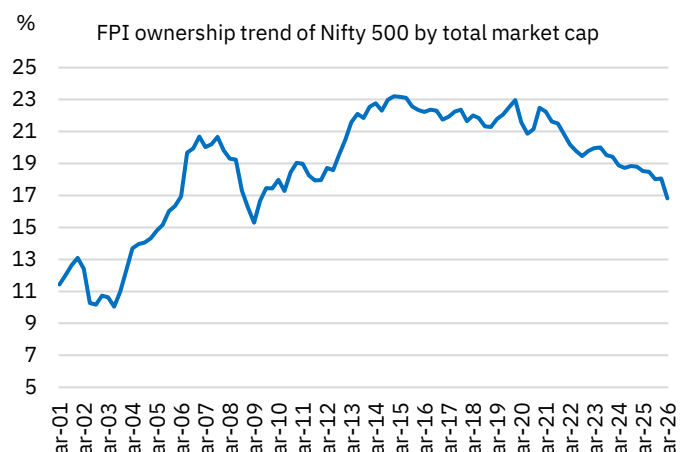


Figure 114: FPI ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 115: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by total market cap

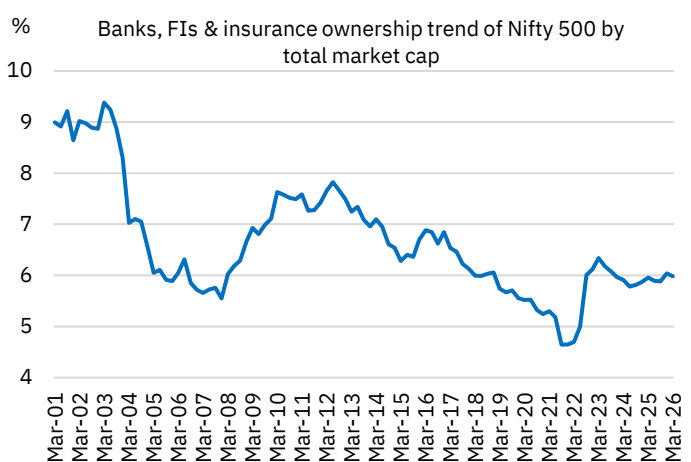
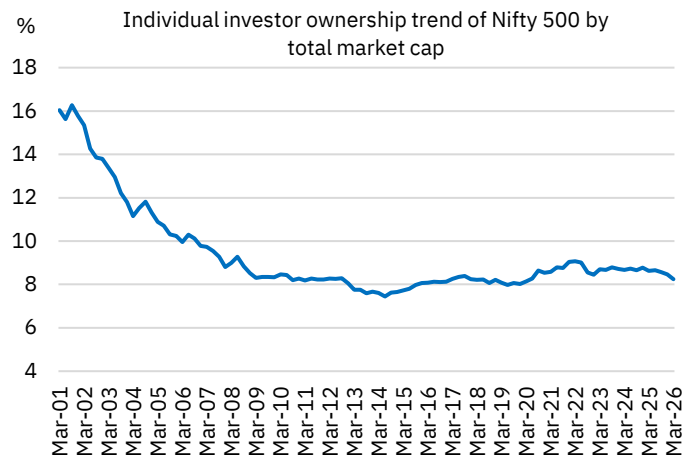


Figure 116: Individual ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 117: Nifty 500: Long-term ownership trend across key stakeholders by free float market cap

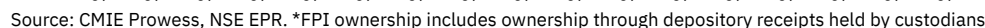
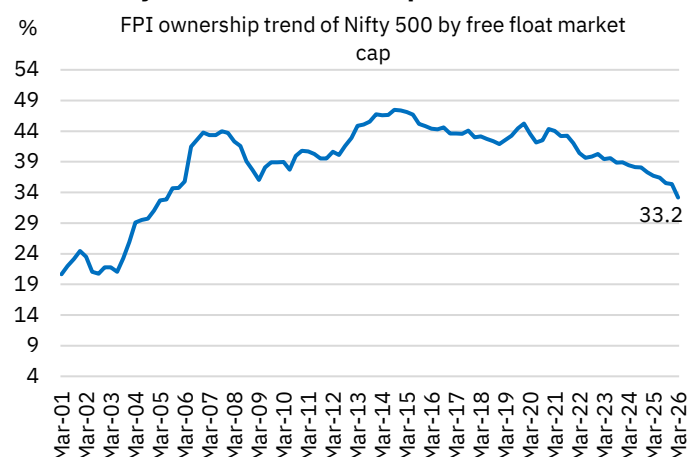
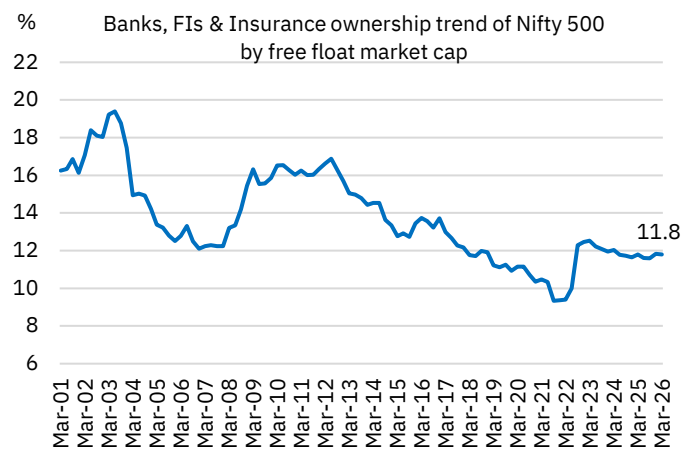


Figure 119: FPI ownership trend of the Nifty 500 universe by free float market cap



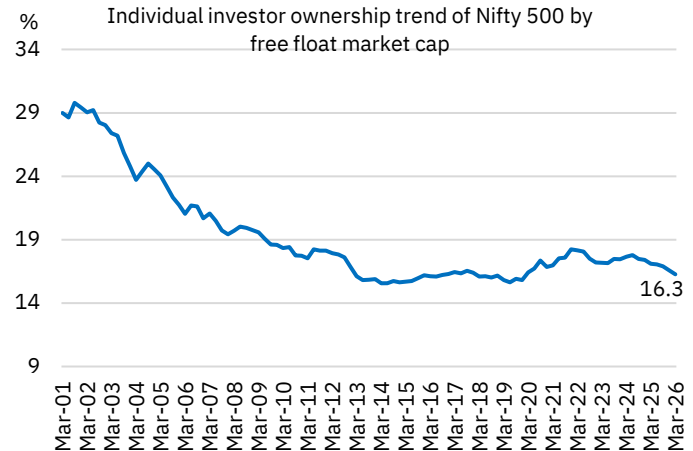
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 120: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by free float market cap



Source: CMIE Prowess, NSE EPR.

Figure 121: Individual ownership trend of the Nifty 500 universe by free float market cap



Category-wise market cap share across sectors of the Nifty 500 universe (March 2026):

In addition to market-level trends, sectoral ownership patterns reveal meaningful variation across investor categories. Real Estate has the highest promoter share at 63.7%, followed by Utilities (60.9%) and Materials (54.6%) implying relatively lower free-float availability. Communication Services, Consumer Discretionary, Financials and Healthcare have promoter ownership below the 50% mark.

Communication Services has seen a structural decline in promoter ownership. From average levels above 60% during the 2010s and around 55% in the three years ended December 2022, promoter share has fallen by more than 3.5pp YoY to 48.7% in March 2026, reflecting equity offloading and rising institutional participation. Healthcare, too, has seen promoter ownership dip below 50% for the third consecutive quarter, after remaining above that threshold since March 2007. Financials — which has the lowest promoter shareholding at 41.7% — has seen a marginal rebound in promoter ownership in this quarter. Similarly, the highest gains on a YoY basis were recorded in Consumer Staples, whose share has gone up to a 13-quarter high of 51.4%.

Government ownership (including both promoter and non-promoter holdings) remains concentrated in Utilities (25.6%), Energy (22.7%), and Financials (19.4%). In contrast, Government presence remains minimal in Real Estate, Healthcare, Consumer Staples, and Information Technology, each at below 1%. Government ownership in Energy sector rose sharply by 2.5pp QoQ in the quarter ended March 2026 while a sharp fall on 1pp was observed in the Industrials sector.

DMF ownership across sectors have also scaled multi-year highs. Six of the eleven GICS sectors viz. Communication services, Consumer Staples, Financials, Healthcare, Information Technology and Materials have DMF ownership at a record high level, underscoring sustained domestic inflows and diversified positioning.

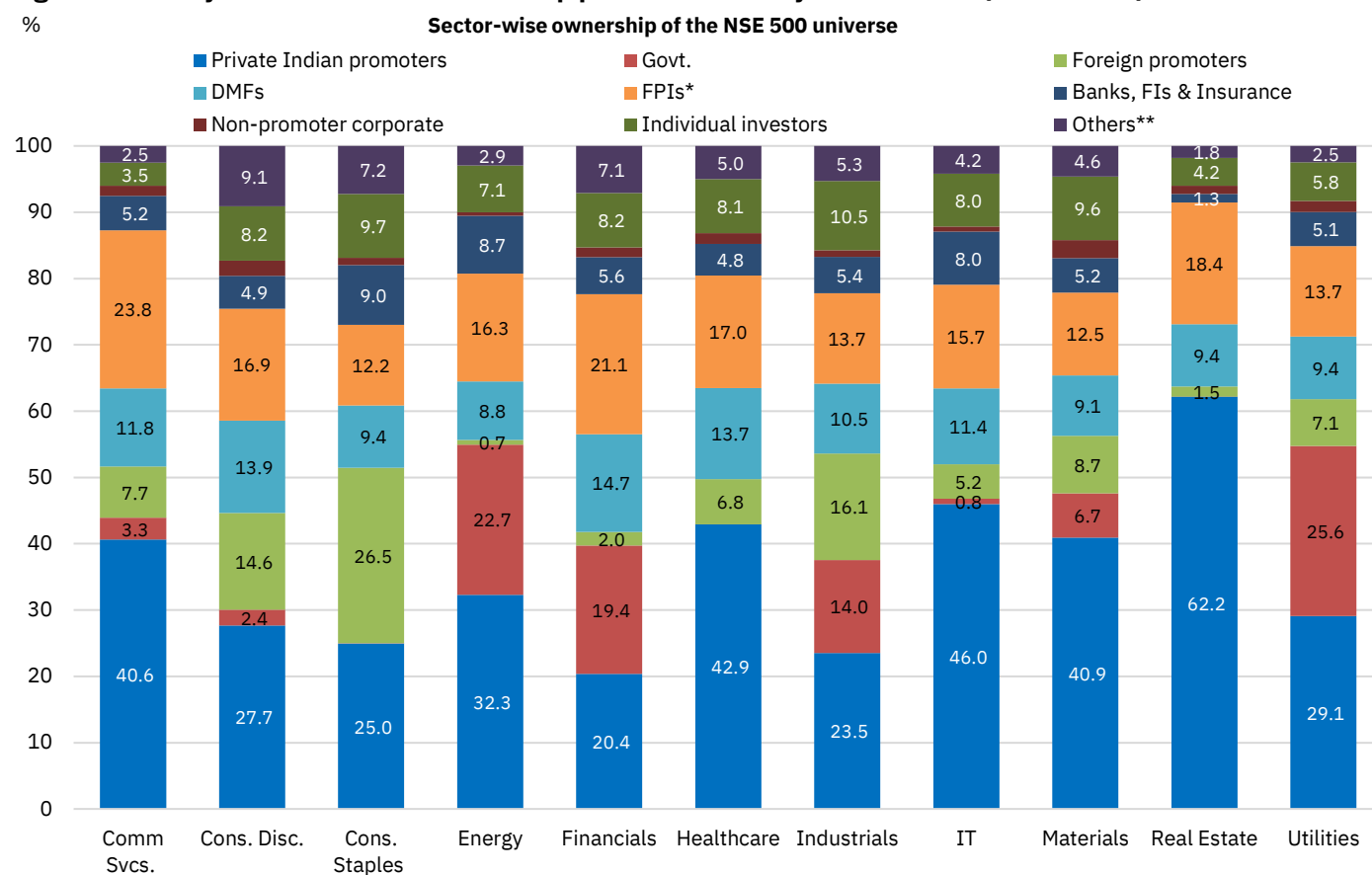
Financials remain central to DMF portfolios, supported by stable credit growth, improved asset quality, and profitability. Healthcare and Consumer Staples have attracted allocations as defensive anchors amid macro uncertainty, while Materials has benefited from the domestic capex cycle. Consumer Discretionary has the second highest DMF ownership share of 13.9%, reflecting long-term consumption and premiumisation

DMFs' share within the sectoral market capitalization in six out of the 11 sectors namely Financials, Consumer Staples, Healthcare, Communication Services, Information Technology, and Materials has been the highest since March'01.

themes. Communication Services has also gained traction on the back of pricing discipline and its role in digital infrastructure. DMF ownership in Real Estate has grown by ~3pp to 9.4% reflecting a move to a relatively formalised ecosystem alongside increase in residential and commercial demand.

FPI ownership is the highest in Communication Services (23.9%), followed by Financials (21.1%), which are the only two sectors which has FPI ownership above the 20% mark. In contrast to the record exposure of DMFs to the financial sector, the FPI exposure to this sector has fallen by 4.7pp YoY to its lowest level since March 2004, which can be linked to global macro uncertainty and firming bond yields. All sectors barring Materials, Utilities and Industrials recorded a sequential fall in FPI ownership in the March 2026 quarter. After Financials, Real Estate and Information technology have seen the highest decline in the FPI ownership with the reason for the latter attributable to rotation towards AI-led markets, alongside muted corporate earnings.

Figure 122: Nifty 500: Sector-wise ownership pattern across key stakeholders (March 2026)



Source: CMIE Prowess, NSE EPR. * FPI ownership includes ownership through depository receipts held by custodians.

**Others include other institutional and non-institutional non-promoter investors.

Sector allocation of the Nifty 500 universe for key stakeholders (March 2026): The table below shows sector-wise allocation across key stakeholder groups in Nifty 500 companies as of March 2026. Private Indian promoters remained most exposed to Financials (17.4%), Materials (14.3%), Information Technology (12%) and Consumer Discretionary (10.3%), together accounting for nearly 54% of their Nifty 500 holdings. There has been a notable uptick in the share of private Indian promoters in the Healthcare

and Financial sector by atleast 1pp QoQ as against a sharp fall of 1.6pp in Information Technology.

Government ownership — promoter and non-promoter stakes — was largely concentrated in Financials, Energy, Industrials and Utilities, which together accounted for 89.4% of the total holdings. This concentration was marginally above the 88% share observed in the broader listed universe but lower than 93.2% share in the Nifty 50. Government ownership remained lower than 2% each in five out the 11 sectors with nil exposure to Real Estate, Healthcare and Consumer Staples. Foreign promoter ownership in Industrials (23.2%), Consumer Staples (20.4%), Consumer Discretionary (19.6%) and Materials (11%) account for nearly three-fourth of the holdings of these promoters.

DMFs allocated 32.2% of their Nifty 500 portfolio to Financials, followed by Consumer Discretionary (13.2%) and Industrials (10.7%), together accounting for nearly 56% of DMF holdings in the Nifty 500 universe. Similarly, FPI's allocated nearly 54% of their Nifty 500 portfolio to these same sectors viz. Financials, Consumer Discretionary and Industrials, underscoring sustained institutional confidence. Strong fundamentals of the banking sector (high capital adequacy and improved asset quality), a stable recovery in urban consumption and a healthy domestic capex and manufacturing push have contributed to higher confidence and institutional allocation towards these sectors.

FPIs have reduced their allocation to Financials by 2.4pp amidst the recent selloff during FY26 owing to recent spike in bond yields with likely implications for financial performance, coupled with sector's high liquidity making it a preferred sector to cut exposure. The increase in FPI allocation towards Industrials and Materials in FY26 is linked to India's infrastructure and industrial cycle.

Table 22: Sector allocation of the Nifty 500 universe for key stakeholders (March 2026)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, & Insurance	Non-promoter corporate	Individual Investors
Communication Services	5.6	1.2	3.8	4.1	5.9	3.6	4.2	1.8
Consumer Discretionary	10.3	2.4	19.6	13.2	11.3	9.3	17.4	11.2
Consumer Staples	5.3	0.0	20.4	5.1	4.7	9.8	4.7	7.6
Energy	8.8	16.9	0.7	6.1	8.0	12.1	2.7	7.1
Financials	17.4	45.4	6.3	32.2	32.6	24.3	25.6	25.9
Health Care	9.6	0.0	5.5	7.9	6.9	5.4	7.3	6.7
Industrials	9.4	15.4	23.2	10.7	9.9	11.1	8.2	15.4
Information Technology	12.0	0.6	4.9	7.6	7.4	10.6	4.0	7.7
Materials	14.3	6.4	11.0	8.1	7.9	9.2	19.3	12.3
Real Estate	2.4	0.0	0.2	0.9	1.3	0.3	1.0	0.6
Utilities	4.9	11.8	4.3	4.0	4.1	4.4	5.6	3.6
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

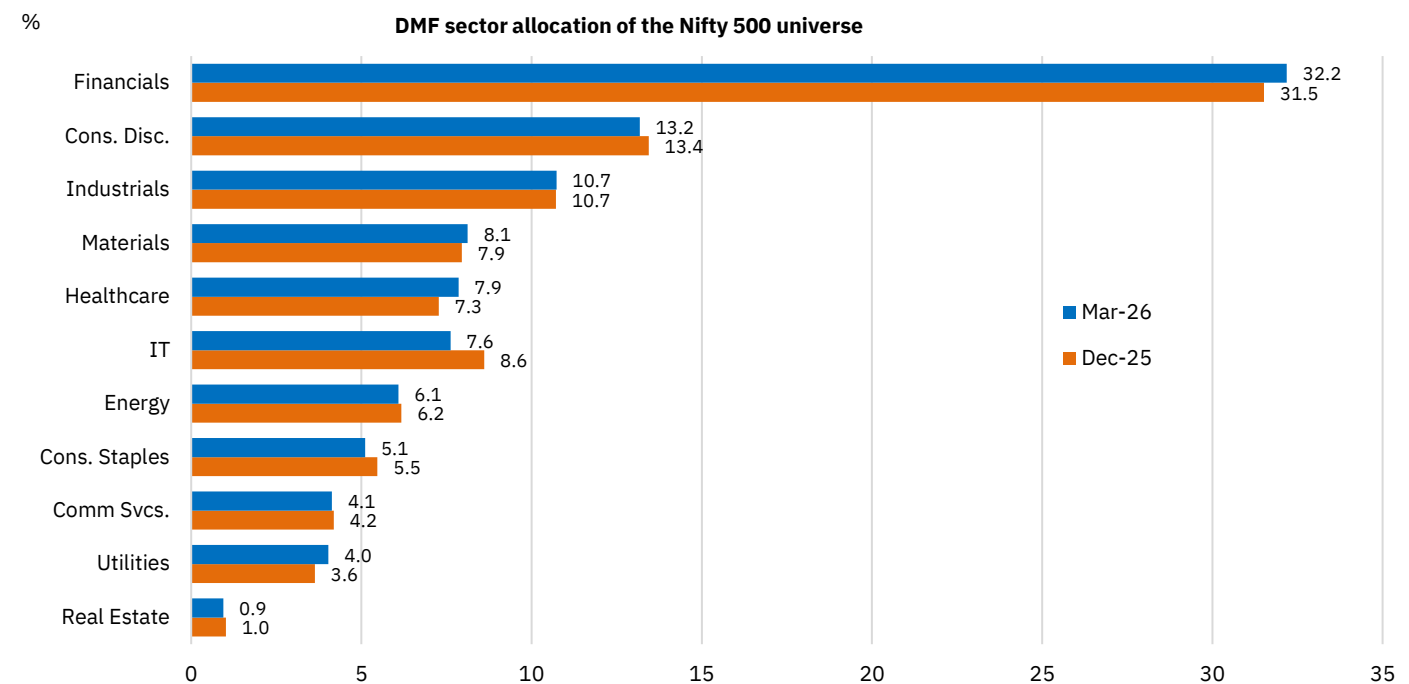
DMFs have an OW stance on Consumer Discretionary and Financials; UW on Energy and Materials: For the quarter ended March 2026, DMFs were OW on Consumer Discretionary and Financials while remaining UW on Energy and Materials. In case of Materials there has been a shift from neutral to UW position after a span of six quarters while Financials has moved from a neutral position to OW position in March 2026.

DMFs remained OW in the Consumer Discretionary and Financials sector while was UW on Energy and Materials.

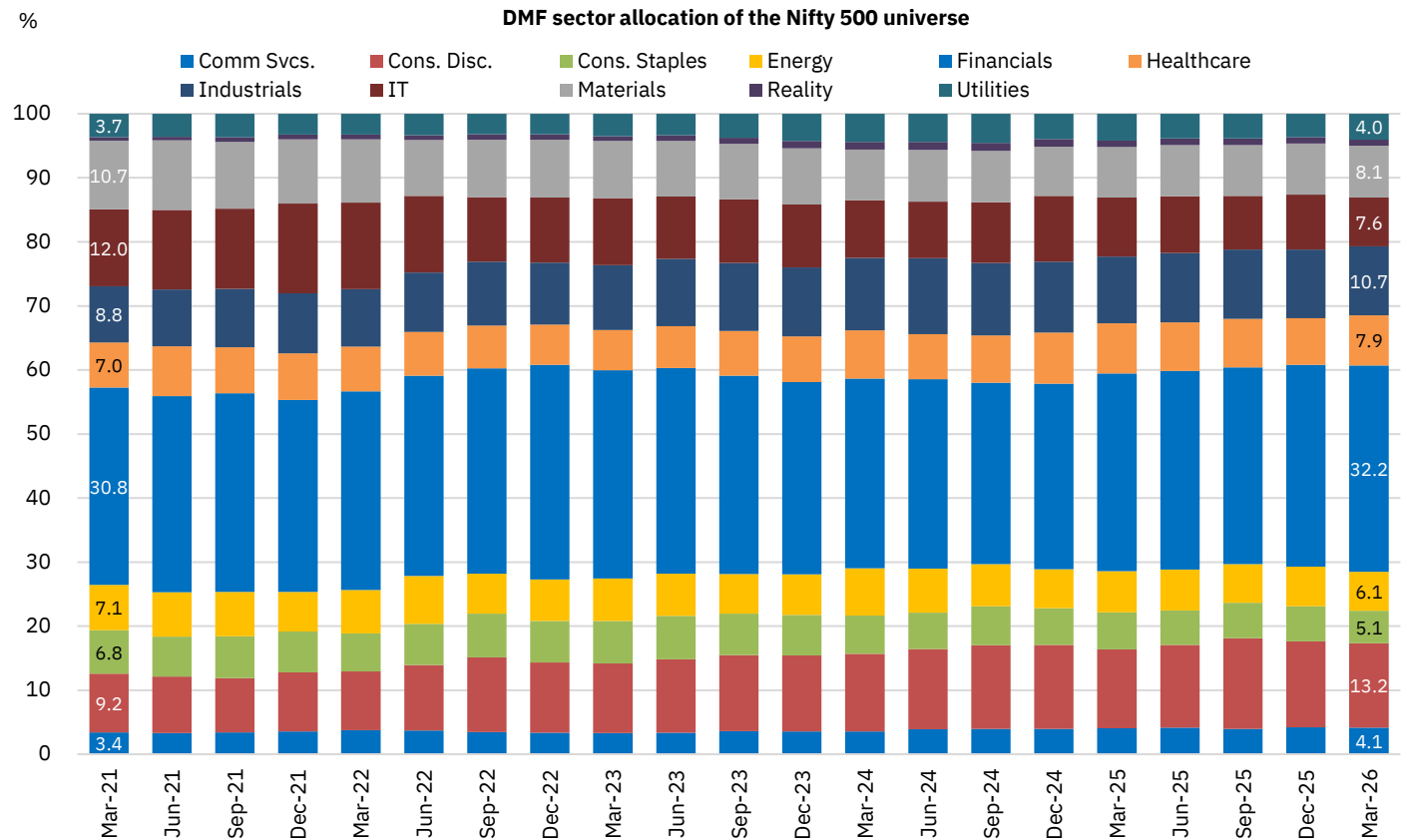
DMFs retained an OW stance in Consumer Discretionary for the 18th consecutive quarter, reflecting conviction in India's structural growth drivers, including rising household incomes, urbanisation, and premiumisation trends. The OW position in Financials by DMFs reflects the earnings visibility, healthier balance sheets, improved asset quality and growth linkages. The UW in Energy can be ascribed to relatively lower earnings visibility, transition risks associated with fossil fuels, and a broader tilt toward domestic capex and consumption themes.

Across most other sectors, DMFs maintained a neutral stance. However, the bias remains positive in Healthcare and Utilities while remains negative in Consumer Staples, Industrials and Information Technology.

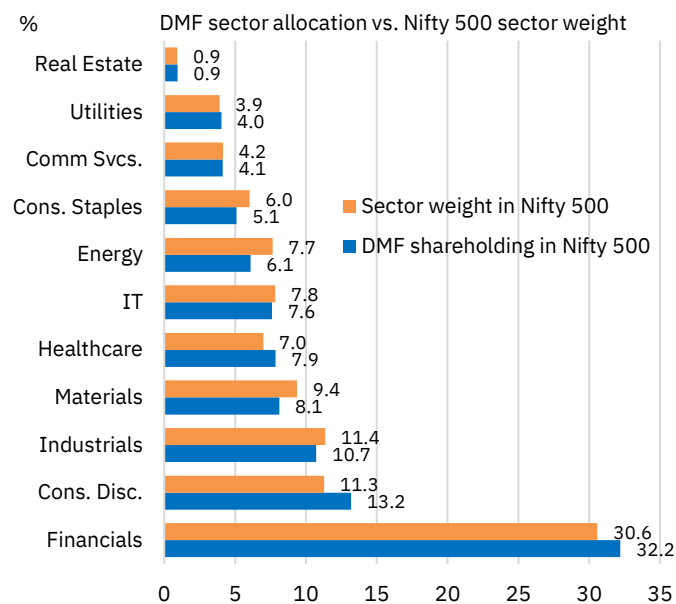
Figure 123: DMF sector allocation of the Nifty 500 universe (March 2026 vs. December 2025)



Source: CMIE Prowess, NSE EPR.

Figure 124: DMF sector allocation of the Nifty 500 universe over last five years


Source: CMIE Prowess, NSE EPR.

Figure 125: DMF sector allocation vs sector weight in Nifty 500 (March 2026)


Source: CMIE Prowess, NSE EPR.

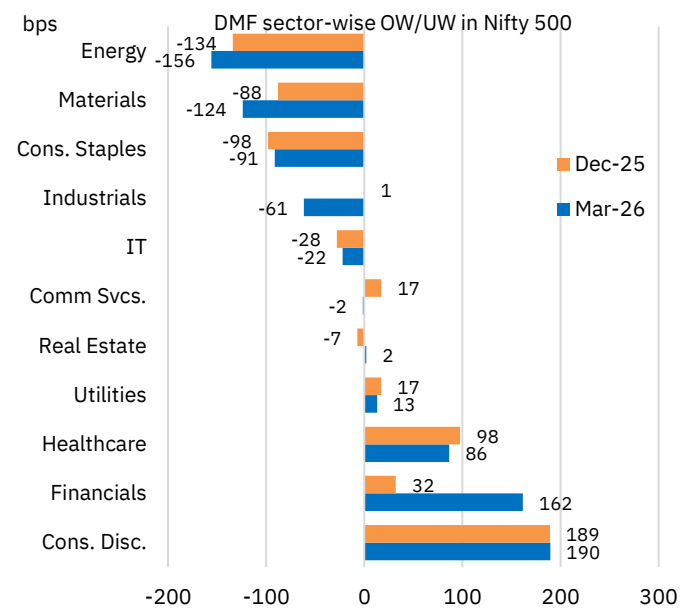
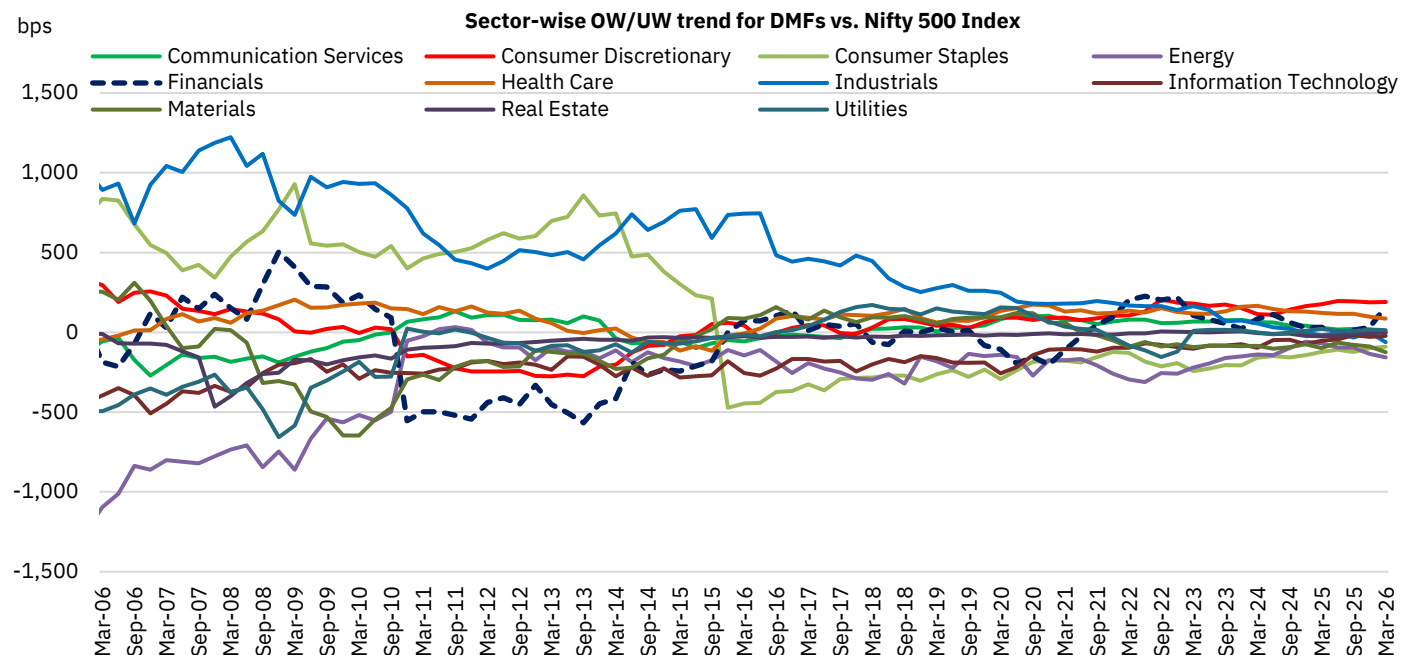
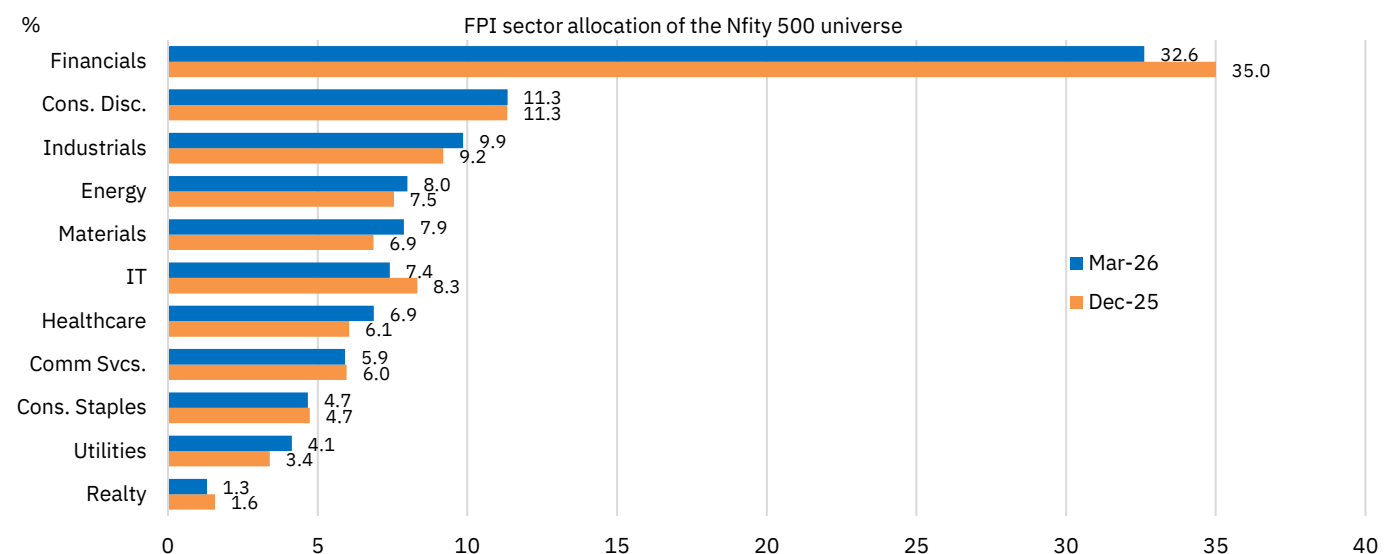
Figure 126: DMF sector-wise OW/UW in Nifty 500 relative to sector weight in the index (Mar 2026 vs Dec 2025)


Figure 127: DMF vs Nifty 500—Sector-wise OW/UW trend (bps)


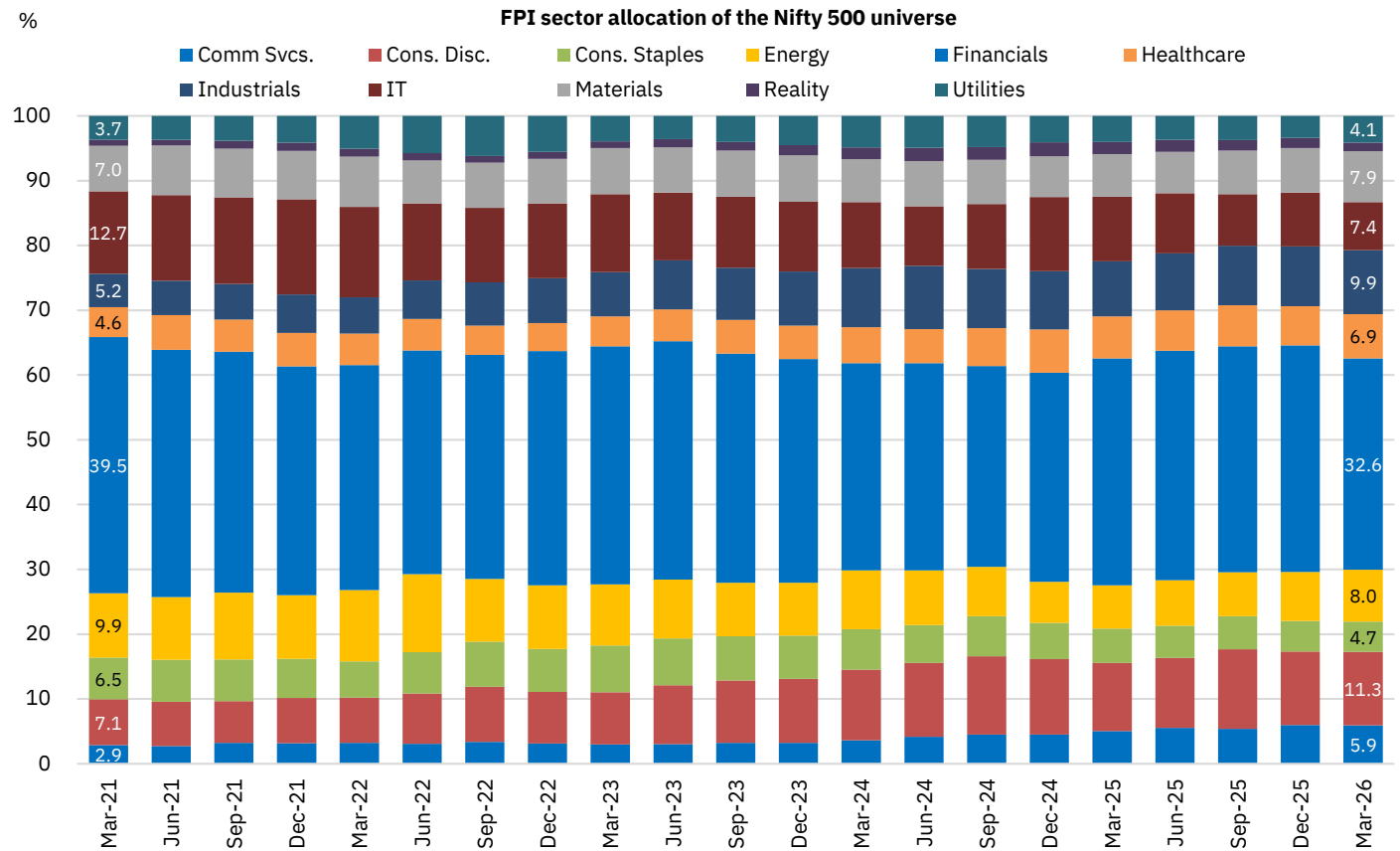
Source: CMIE Prowess, NSE EPR.

FPIs' are OW on Communication Services & Financials; UW on Consumer Staples, Industrials and Materials: Communication Services and Financials are the only two sectors where FPIs retained OW stance in the quarter ended March 2026. That said, there has been a strong decline in the OW position in Financials, in line with the strong net outflows during the quarter. Communication Services remained overweight for the fifth consecutive quarter, supported by rising data usage, tariff increases, and ongoing digital adoption. In contrast, Consumer Staples, Industrials and Materials continued to have an UW position for multiple years. Both DMFs and FPIs remain underweight in the Materials sector, as elevated commodity prices in the current uncertain global environment could weigh on corporate profit margins. For the remaining sectors—Consumer Discretionary, Energy, Healthcare, IT, Real Estate, and Utilities—FPIs maintained a neutral allocation.

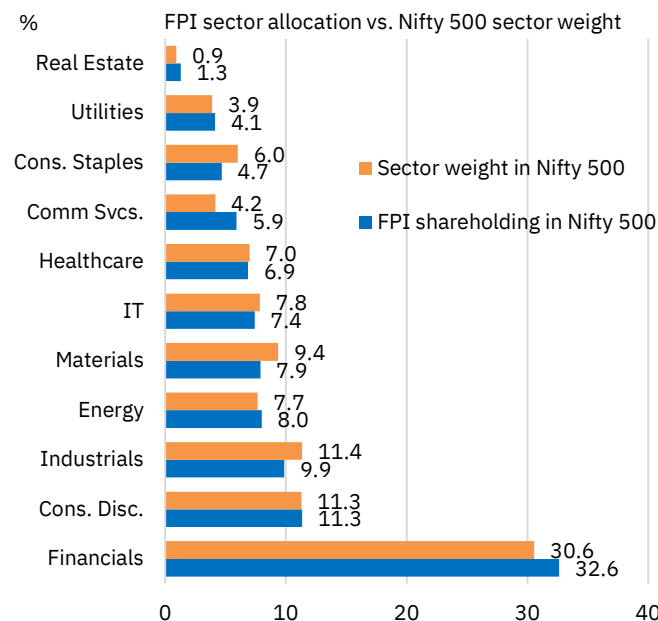
FPIs remained OW on Financials and Communication Services while maintained an UW stance on Consumer Staples, Industrials and Materials.

Figure 128: FPI sector allocation of the Nifty 500 universe (March 2026 vs. December 2025)


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 129: FPI sector allocation of the Nifty 500 universe over last five years


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

Figure 130: FPI sector allocation vs sector weight in Nifty 500 (March 2026)


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

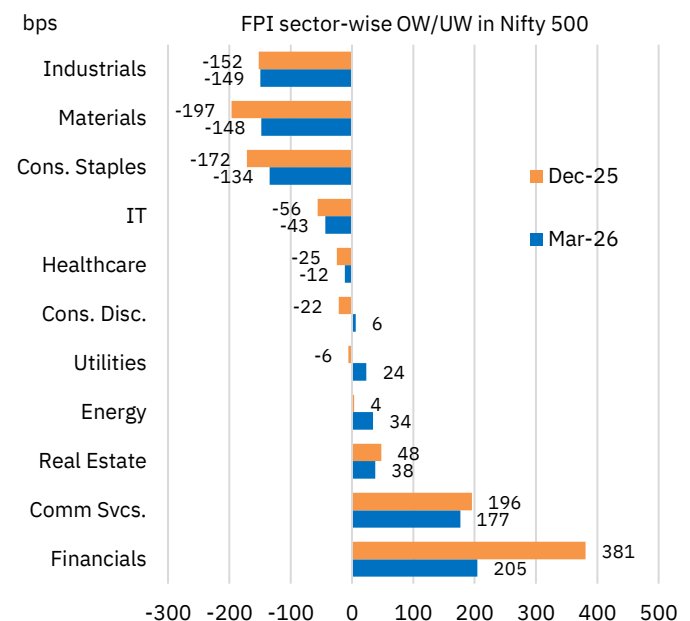
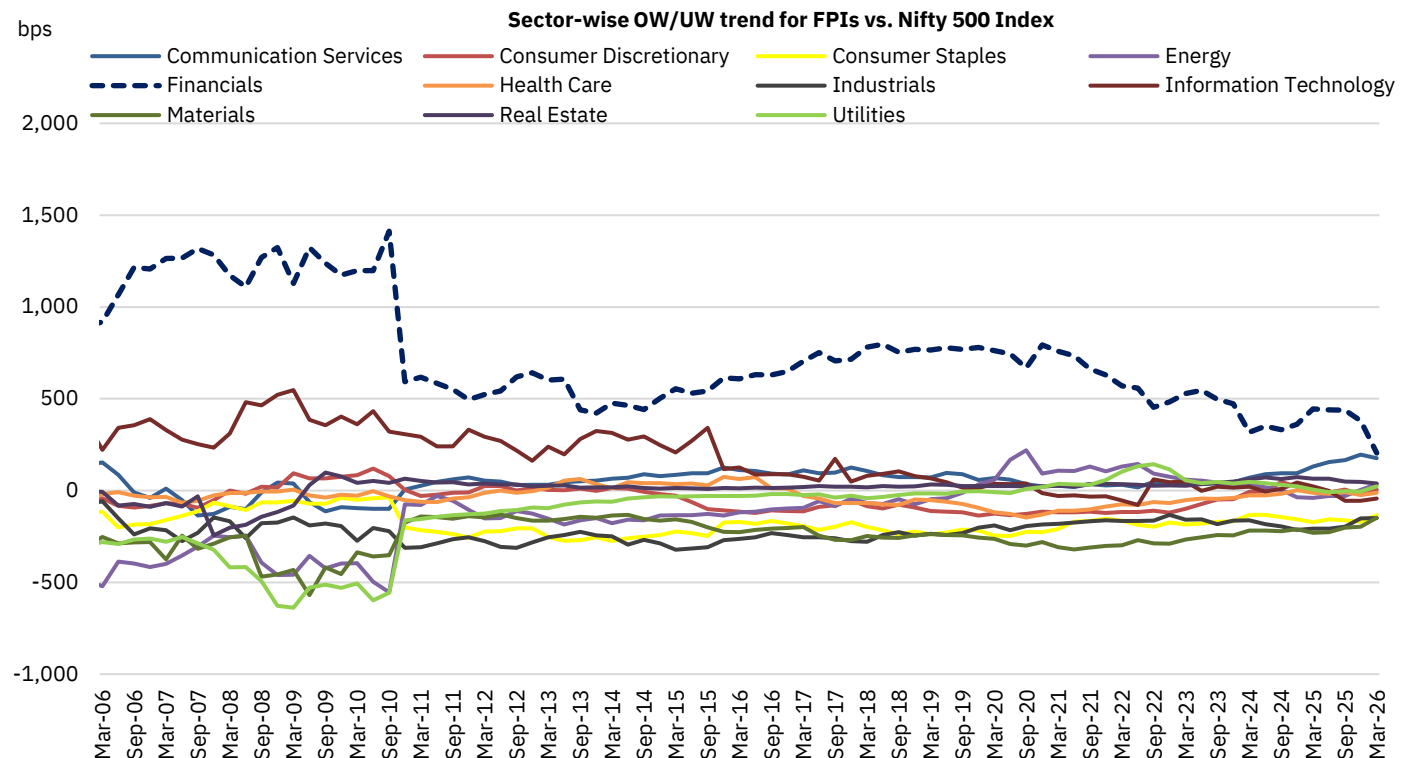
Figure 131: FPI sector-wise OW/UW in Nifty 500 relative to sector weight in the index (March 2026 vs. Dec 2025)


Figure 132: FPI vs Nifty 500—Sector-wise OW/UW trend (bps)


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

Ownership concentration analysis

Institutional investor allocation to Nifty50 declined in the March 2026 quarter....

Quarterly data on institutional ownership across market capitalisation segments for March 2026 points to a shift in allocation towards mid- and small-cap segments, reversing the trend seen over the previous two quarters. Institutional portfolios have historically been tilted towards Nifty 50 companies, although this bias weakened in the post-pandemic period and fell to a 24-year low in December 2024. The second half of 2025 saw the share of Nifty 50 companies rise again in institutional portfolios, reflecting their relative outperformance amid heightened volatility and global trade-related uncertainty. This trend marginally reversed in the March quarter, partly reflecting a sharper correction in large caps relative to mid- and small-cap segments.

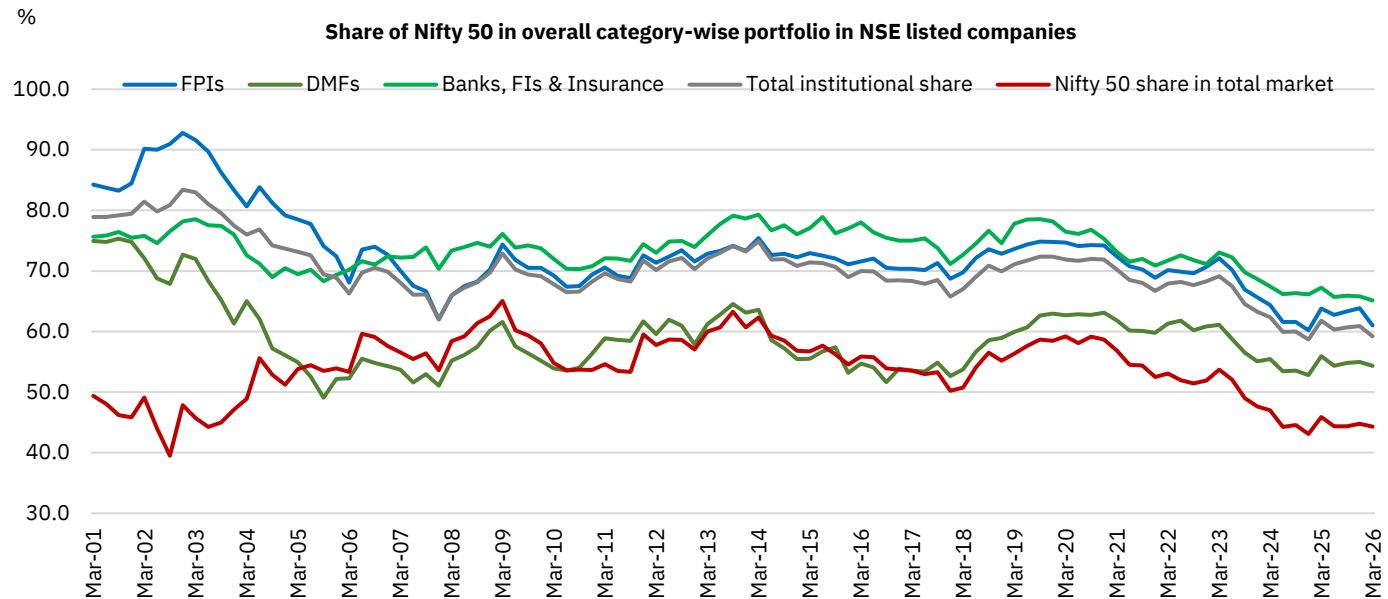
As of March 2026, Nifty 50 constituents accounted for 59.2% of total institutional ownership in NSE-listed companies, down 1.7pp QoQ. While part of this decline reflected Nifty 50 underperformance, higher incremental outflows from large-caps as opposed to mid- and small-cap segments contributed. Institutional allocation to the Nifty 50 is now 13.2pp below its pre-pandemic peak of 72.4% in December 2019, underscoring the sustained broadening of institutional exposure beyond the largest stocks.

Performance differentials help explain this shift. Over the three- and five-year periods ending March 31st, 2026, the Nifty 50 delivered annualised returns of 8.8% and 8.7%, respectively. In contrast, the Nifty Midcap 150 returned 19.6% and 16.7%, while the Nifty Smallcap 250 delivered 17.6% and 15.5%.

The share of Nifty50 companies in overall institutional investments declined by 1.7pp QoQ to 59.2%, largely led by FPIs who trimmed their exposure to Nifty 50 by 2.8pp QoQ to 61%.

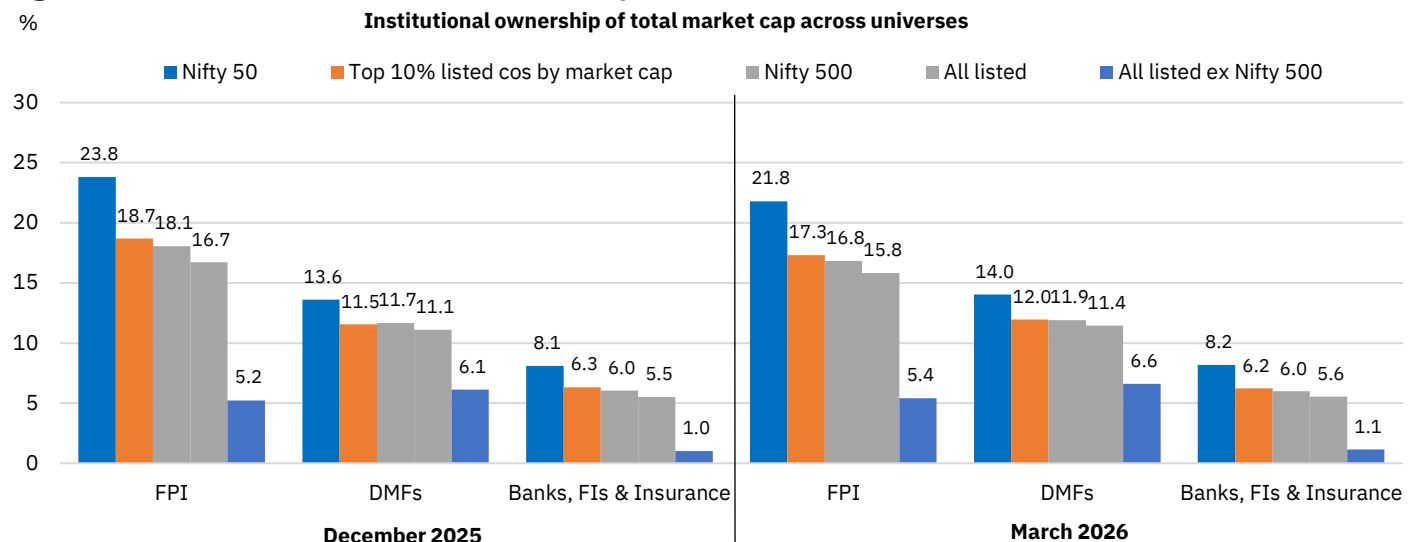
Across investor categories, banks, financial institutions and insurance companies remained the most concentrated in Nifty 50 stocks, though their allocation declined by 69bps QoQ to an all-time low of 65.1%. FPIs reduced their large-cap exposure more sharply, with allocation to the Nifty 50 falling by 2.8pp QoQ to 61.0%, possibly reflecting greater profit-booking in large caps. DMFs also trimmed their allocation modestly, down 60bps QoQ to 54.4%, leaving their exposure 8.6pp below the December 2019 peak of 63.0% and indicating continued diversification beyond the largest stocks.

Figure 133: Trend of category-wise portfolio allocation to Nifty 50 companies

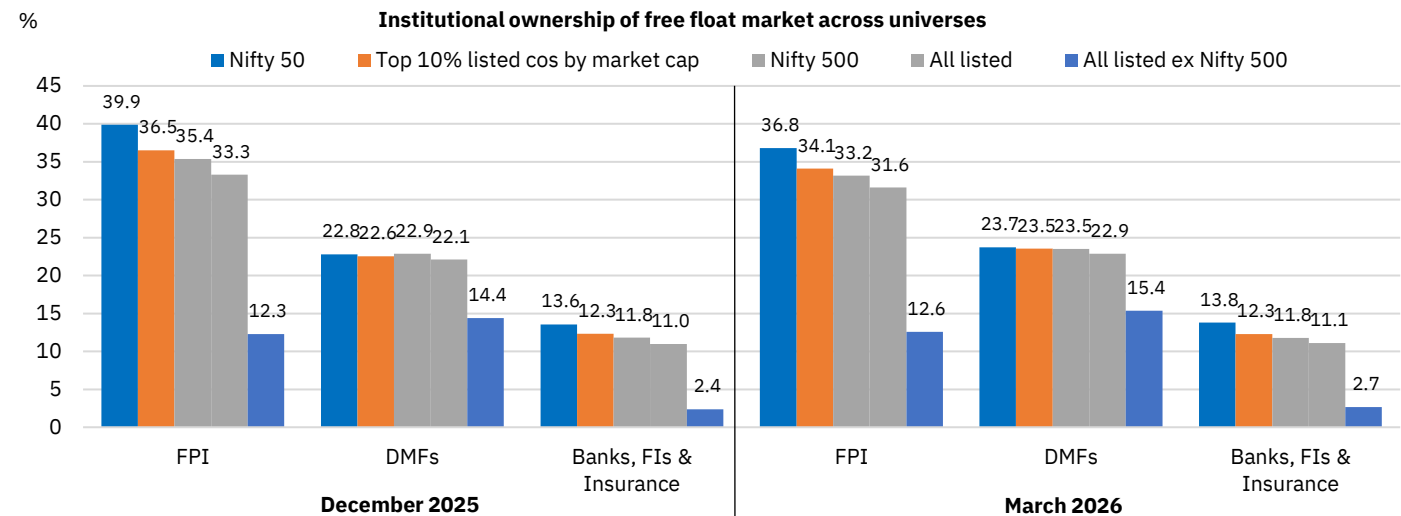


Source: CMIE Prowess, NSE *FPI ownership includes ownership through depository receipts held by custodians.

Figure 134: Institutional share of total market cap (March 2026 vs. December 2025)



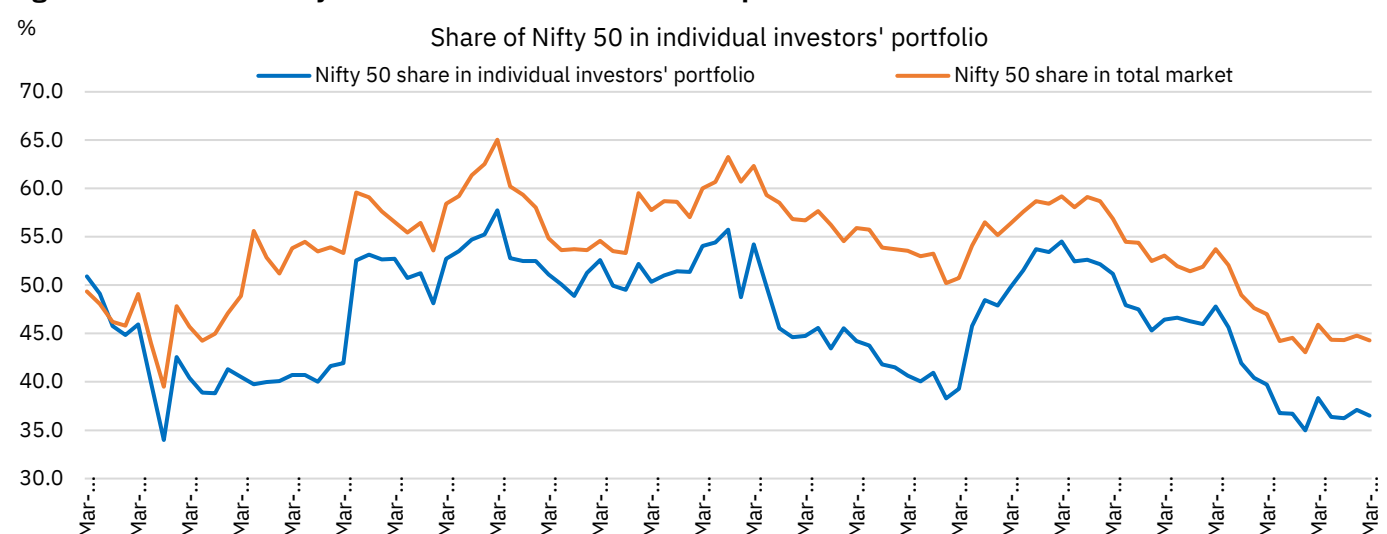
Source: CMIE Prowess, NSE *FPI ownership includes ownership through depository receipts held by custodians.

Figure 135: Institutional ownership of floating stock (March 2026 vs. December 2025)


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

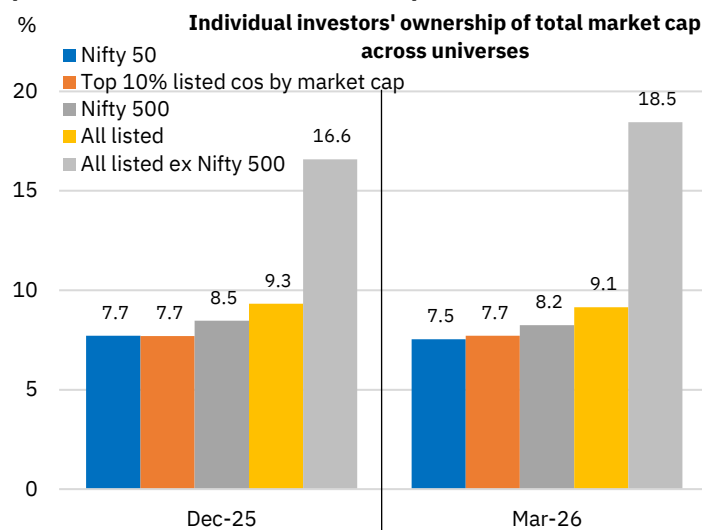
...And so is for individual investors: Individual investors, broadly in line with institutional trends, reduced their exposure to Nifty 50 companies in the March 2026 quarter. Their allocation fell by 60bps QoQ to 36.5%, partly reversing the increase seen in the previous quarter. This was broadly consistent with the 51bps QoQ decline in the Nifty 50's share of overall market capitalisation to 44.3%. Over a longer horizon, retail portfolios have diversified meaningfully beyond large caps. Since March 2020, the Nifty 50's share in individual holdings declined from 54.5% to an all-time low of 35.0% in December 2024, before recovering modestly in recent quarters. Between March 2020 and March 2026, this implies a cumulative 18pp decline in large-cap allocation, steeper than the 14.9pp fall in the Nifty 50's share of overall market capitalisation over the same period.

This sustained divergence reflects retail investors' preference for mid- and small-cap opportunities amid their strong multi-year outperformance. More broadly, it points to a structural broadening of retail participation beyond the Nifty 50 universe, even as short-term allocations continue to respond to changing market conditions.

Figure 136: Trend of Nifty 50 share in individual investors' portfolio


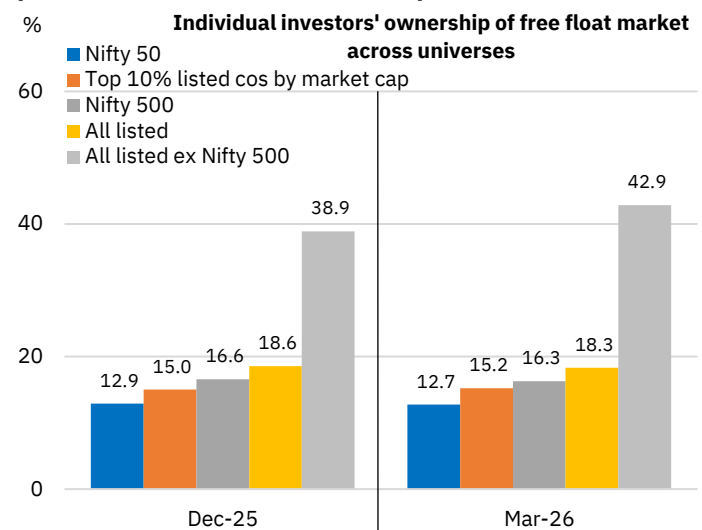
Source: CMIE Prowess, NSE EPR.

Figure 137: Individual share of total market cap (March 2026 vs. December 2025)



Source: CMIE Prowess, NSE EPR.

Figure 138: Individual ownership of floating stock (March 2026 vs. December 2025)



Decile-wise analysis shows a sharp rise in the share of top decile stocks in institutional investors' portfolio: Portfolio distribution across market-cap deciles in the March 2026 quarter points to a sharper tilt towards top-decile stocks—comprising the top 300-odd companies by market capitalisation—across major investor categories. This partly reflected relatively higher FPI exposure to mid-cap names within the top decile, even as other institutional categories did not increase their allocations by as much as the rise in this segment's share in overall market capitalisation.

Individual investors increased their exposure to top-decile NSE-listed companies by a steep 4.2pp QoQ to a five-year high of 61.0%, reinforcing the incremental shift towards established large- and mid-cap names. Their exposure to the second decile also rose modestly by 15bps QoQ to 14.2%. At the lower end, the bottom 50% of listed companies accounted for just 2.1% of total individual holdings, the lowest in five years and down 1.2pp QoQ. This is less than half the 17-year high of 4.3% recorded in December 2024, and only marginally above the 1.5% level seen in March 2020.

DMFs also saw a sharp increase in top-decile allocation, rising 3.6pp QoQ to a 23-year high of 87.8%. This is now 8.2pp above the post-pandemic low of 79.5%. The increase came at the expense of reduced allocation to the remaining nine deciles, suggesting some rebalancing towards more liquid large- and mid-cap stocks after the recent correction. Supporting this, the share of the next four deciles—roughly the next 1,150 companies—in DMF portfolios fell by 3.6pp QoQ, compared with a smaller 2.75pp decline in their share of overall market capitalisation.

FPIs, in contrast, raised their top-decile allocation by a relatively lower 1.6pp QoQ to a five-year high of 92.0%. Their exposure to the second decile fell by 40bps to a 13-quarter low of 6.0%, though the fall was smaller than the decline in this segment's share of overall market capitalisation. Banks, financial institutions and insurance companies retained the strongest large-cap orientation, with 94.3% of their portfolios invested in the top decile—up 1.6pp QoQ and the highest since the beginning of this analysis—underscoring their continued preference for market leaders amid elevated domestic and global uncertainty.

Table 23: Distribution of total value held by individual investors across market capitalization deciles

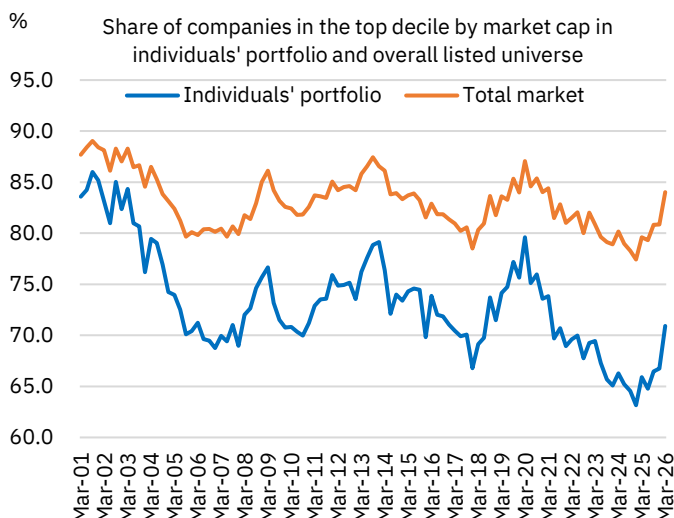
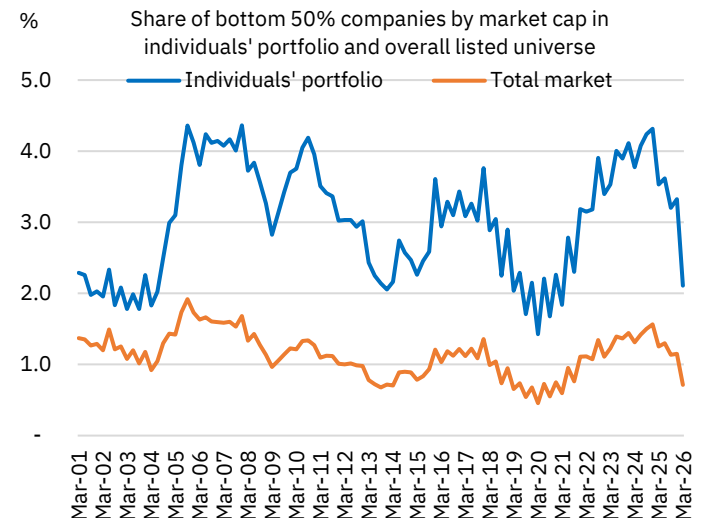
Rs lakh cr	FY23				FY24				FY25				FY26			
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
1	16.1	16.7	17.7	16.5	18.4	20.1	22.6	24.1	27.2	29.0	27.0	25.6	28.4	28.4	29.3	26.5
2	3.0	3.3	3.3	3.0	3.6	4.3	4.9	5.2	5.9	6.4	6.3	5.6	6.7	6.3	6.2	5.3
3	1.6	1.8	1.9	1.8	2.2	2.6	3.0	3.0	3.7	3.9	3.8	3.3	3.7	3.5	3.7	2.6
4	0.9	1.1	1.1	1.0	1.3	1.5	1.7	1.7	2.0	2.3	2.4	1.8	2.1	2.0	2.0	1.4
5	0.6	0.8	0.7	0.7	0.8	0.9	1.1	1.0	1.2	1.5	1.5	1.2	1.3	1.2	1.3	0.8
6	0.4	0.4	0.4	0.4	0.5	0.6	0.7	0.7	0.8	0.9	0.9	0.6	0.7	0.6	0.7	0.4
7	0.2	0.3	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.2
8	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1
9	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	22.9	24.7	25.6	23.8	27.4	30.5	34.7	36.4	41.6	45.0	42.8	38.9	43.9	42.7	43.9	37.4

Source: CMIE Prowess, NSE EPR.

Table 24: Market cap decile-wise share of individuals' portfolio in NSE listed companies

	FY23				FY24				FY25				FY26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	70.0	67.8	69.3	69.4	67.3	65.7	65.1	66.3	65.2	64.5	63.2	65.9	64.8	66.5	66.7	70.9
2	13.3	13.3	13.0	12.5	13.0	14.0	14.1	14.2	14.2	14.1	14.7	14.4	15.3	14.7	14.1	14.2
3	6.9	7.4	7.3	7.5	7.9	8.6	8.6	8.3	8.8	8.7	8.9	8.5	8.4	8.1	8.4	7.0
4	4.1	4.5	4.3	4.3	4.7	4.8	4.9	4.6	4.7	5.2	5.5	4.7	4.9	4.7	4.6	3.7
5	2.6	3.2	2.7	2.8	3.1	3.1	3.1	2.8	3.0	3.2	3.4	3.0	3.0	2.8	2.9	2.0
6	1.5	1.8	1.6	1.7	1.9	2.0	2.0	1.9	2.0	2.0	2.0	1.6	1.7	1.5	1.6	1.0
7	0.9	1.1	0.9	1.0	1.1	1.0	1.1	1.0	1.1	1.2	1.2	1.0	1.0	0.9	0.9	0.6
8	0.5	0.6	0.5	0.5	0.6	0.5	0.6	0.5	0.6	0.6	0.7	0.6	0.5	0.5	0.5	0.3
9	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
10	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Source: CMIE Prowess, NSE EPR.

Figure 139: Share of the top decile companies by market cap in individuals' portfolio and overall listed universe

Figure 140: Share of bottom 50% companies by market cap in individuals' portfolio and overall listed universe


Source: CMIE Prowess, NSE EPR. Note: Deciles are created based on market capitalisation at the end of each quarter.

Table 25: Distribution of total value held by DMFs across market capitalization deciles

Rs lakh cr	FY23				FY24				FY25				FY26			
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
1	15.8	17.0	18.7	18.1	20.0	22.0	25.4	27.5	31.6	35.3	34.9	35.0	40.0	41.3	43.9	41.0
2	2.3	2.9	2.6	2.8	3.5	3.7	4.2	4.5	5.5	6.0	5.4	4.7	5.6	5.1	5.5	4.2
3	0.7	0.9	0.8	0.9	1.1	1.2	1.4	1.4	1.7	2.0	2.0	1.7	1.9	1.7	1.9	1.2
4	0.2	0.3	0.3	0.3	0.5	0.5	0.6	0.6	0.7	0.8	0.8	0.7	0.7	0.5	0.6	0.3
5	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.1	0.2	0.0
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	19.1	21.3	22.6	22.2	25.2	27.5	31.7	34.2	39.8	44.4	43.4	42.4	48.4	48.8	52.2	46.8

Source: CMIE Prowess, NSE EPR.

Table 26: Market cap decile-wise share of DMFs' portfolio in NSE listed companies

	FY23				FY24				FY25				FY26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	82.7	80.0	83.0	81.5	79.5	79.8	80.0	80.6	79.5	79.5	80.4	82.6	82.5	84.7	84.2	87.8
2	12.0	13.4	11.6	12.7	13.8	13.6	13.3	13.2	13.8	13.5	12.4	11.2	11.5	10.4	10.6	9.0
3	3.6	4.2	3.7	3.9	4.3	4.3	4.3	4.0	4.2	4.4	4.6	4.1	4.0	3.5	3.6	2.5
4	1.1	1.6	1.2	1.4	1.8	1.8	1.8	1.7	1.9	1.9	1.9	1.5	1.4	1.1	1.2	0.6
5	0.4	0.6	0.4	0.4	0.5	0.4	0.5	0.4	0.4	0.6	0.5	0.5	0.5	0.3	0.4	0.1
6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.0	0.1	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

Figure 141: Share of the top decile cos. by market cap in DMFs' portfolio and overall listed universe

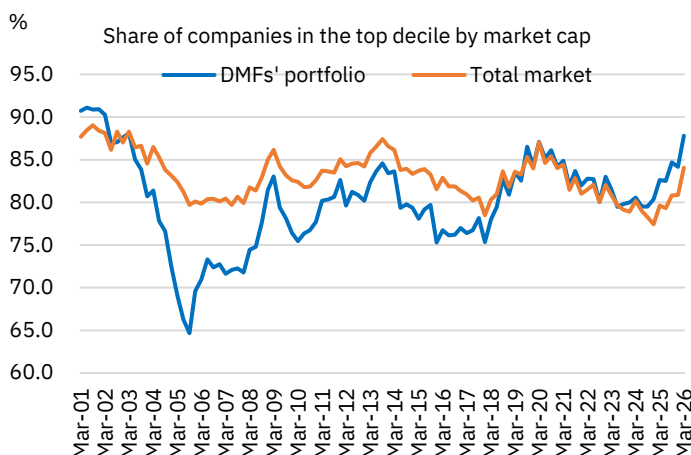
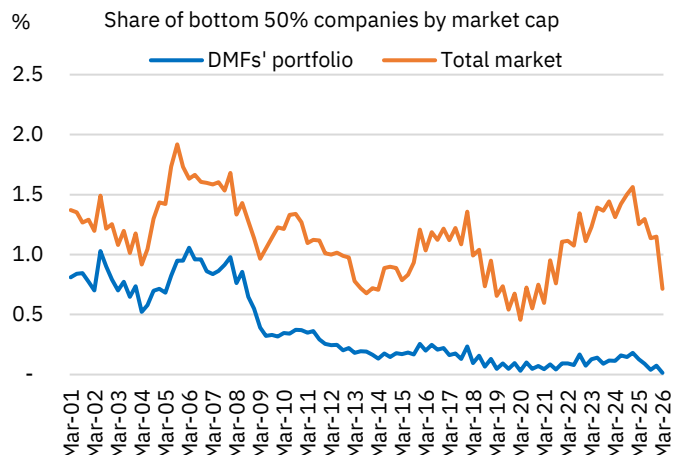


Figure 142: Share of bottom 50% cos. by market cap in DMFs' portfolio and overall listed universe



Source: CMIE Prowess, NSE EPR. Note: Deciles are created based on market capitalisation at the end of each quarter.

Table 27: Distribution of total value held by FPIs across market capitalization deciles

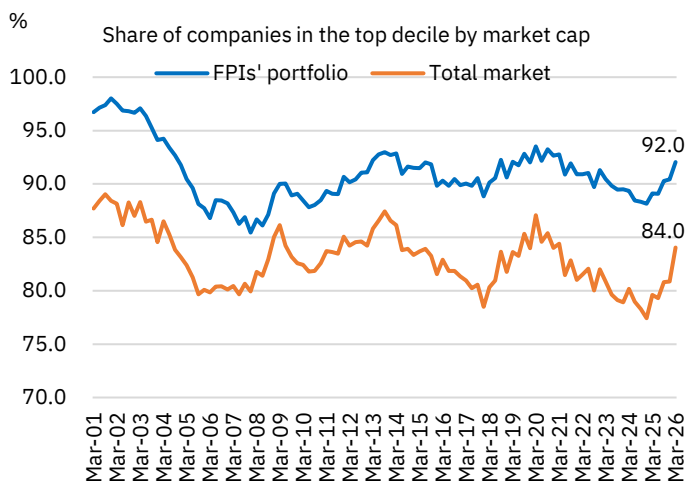
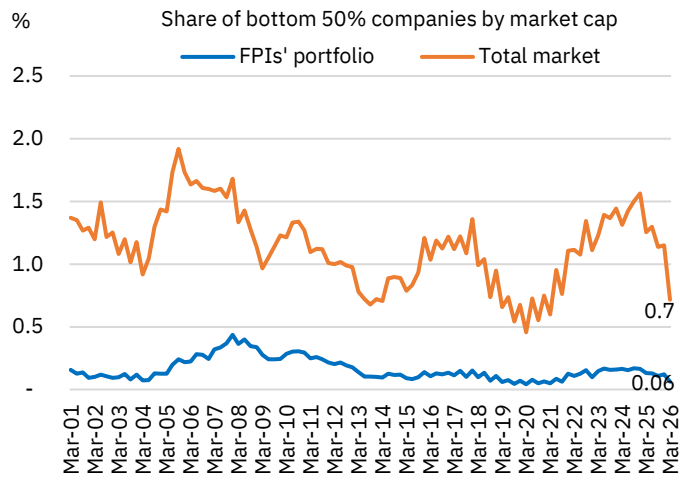
Rs lakh cr	FY23				FY24				FY25				FY26			
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
1	40.3	44.7	48.1	43.9	49.8	51.9	58.6	61.0	67.3	73.1	66.8	63.7	70.5	67.9	71.1	59.5
2	2.8	3.4	3.2	3.1	3.8	4.0	4.5	4.9	5.9	6.3	5.7	5.2	5.8	5.0	5.0	3.9
3	0.8	1.1	0.9	1.0	1.2	1.4	1.5	1.5	1.9	2.3	2.2	1.7	2.0	1.6	1.7	0.9
4	0.2	0.4	0.3	0.3	0.4	0.4	0.6	0.6	0.7	0.7	0.8	0.6	0.6	0.4	0.5	0.2
5	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1
6	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	44.3	49.8	52.6	48.6	55.5	58.0	65.5	68.3	76.0	82.7	75.8	71.5	79.2	75.2	78.7	64.6

Source: CMIE Prowess, NSE EPR.

Table 28: Market cap decile-wise share of FPIs' portfolio in NSE listed companies

	FY23				FY24				FY25				FY26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	91.0	89.7	91.3	90.4	89.8	89.5	89.5	89.3	88.4	88.3	88.1	89.1	89.1	90.3	90.4	92.0
2	6.3	6.8	6.0	6.5	6.8	7.0	6.9	7.2	7.7	7.6	7.5	7.3	7.3	6.7	6.4	6.0
3	1.8	2.3	1.8	2.0	2.1	2.4	2.3	2.3	2.5	2.8	2.9	2.4	2.5	2.2	2.2	1.4
4	0.5	0.7	0.6	0.7	0.8	0.8	0.9	0.8	0.9	0.9	1.0	0.8	0.7	0.5	0.6	0.3
5	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1
6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

Figure 143: Share of the top decile cos. by market cap in FPIs' portfolio and overall listed universe

Figure 144: Share of bottom 50% cos. by market cap in FPIs' portfolio and overall listed universe


Source: CMIE Prowess, NSE EPR. Note: Deciles are created based on market capitalisation at the end of each quarter.

Table 29: Market capitalization of NSE listed companies distributed across deciles

Rs lakh cr	FY23				FY24				FY25				FY26			
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
1	197.3	214.0	228.7	205.5	232.3	249.1	283.7	306.4	341.6	366.6	338.1	325.5	362.6	360.5	380.6	343.4
2	24.5	29.3	28.0	26.9	32.1	35.0	40.3	40.7	48.6	54.1	51.9	45.4	51.0	47.0	48.9	38.6
3	9.3	11.4	10.8	10.6	12.8	14.8	17.1	17.2	20.5	22.9	22.3	18.8	21.6	19.7	20.7	14.6
4	4.4	5.8	5.3	5.2	6.7	7.4	8.6	8.3	10.3	11.5	11.5	9.3	10.4	9.2	9.9	6.2
5	2.5	3.2	2.9	2.8	3.7	4.1	4.7	4.5	5.4	6.1	6.0	4.8	5.6	4.7	5.2	3.0
6	1.3	1.9	1.6	1.6	2.1	2.3	2.7	2.6	3.2	3.6	3.5	2.6	3.0	2.5	2.8	1.5
7	0.7	1.0	0.8	0.8	1.1	1.2	1.4	1.4	1.7	1.9	1.9	1.4	1.6	1.3	1.5	0.8
8	0.4	0.5	0.4	0.4	0.5	0.6	0.7	0.7	0.8	1.0	1.0	0.7	0.8	0.7	0.7	0.4
9	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.4	0.4	0.3	0.2
10	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total	240.5	267.4	278.9	254.2	291.6	314.8	359.5	382.1	432.5	468.3	436.6	408.9	457.2	446.1	470.7	408.6

Source: CMIE Prowess, NSE EPR.

Table 30: Market cap decile-wise share in total market capitalization of NSE listed companies

	FY23				FY24				FY25				FY26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	82.1	80.0	82.0	80.9	79.7	79.1	78.9	80.2	79.0	78.3	77.4	79.6	79.3	80.8	80.9	84.0
2	10.2	11.0	10.1	10.6	11.0	11.1	11.2	10.6	11.2	11.6	11.9	11.1	11.2	10.5	10.4	9.4
3	3.8	4.3	3.9	4.2	4.4	4.7	4.8	4.5	4.7	4.9	5.1	4.6	4.7	4.4	4.4	3.6
4	1.8	2.2	1.9	2.0	2.3	2.3	2.4	2.2	2.4	2.5	2.6	2.3	2.3	2.1	2.1	1.5
5	1.0	1.2	1.1	1.1	1.3	1.3	1.3	1.2	1.2	1.3	1.4	1.2	1.2	1.1	1.1	0.7
6	0.6	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.6	0.7	0.6	0.6	0.4
7	0.3	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.3	0.3	0.2
8	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1
9	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

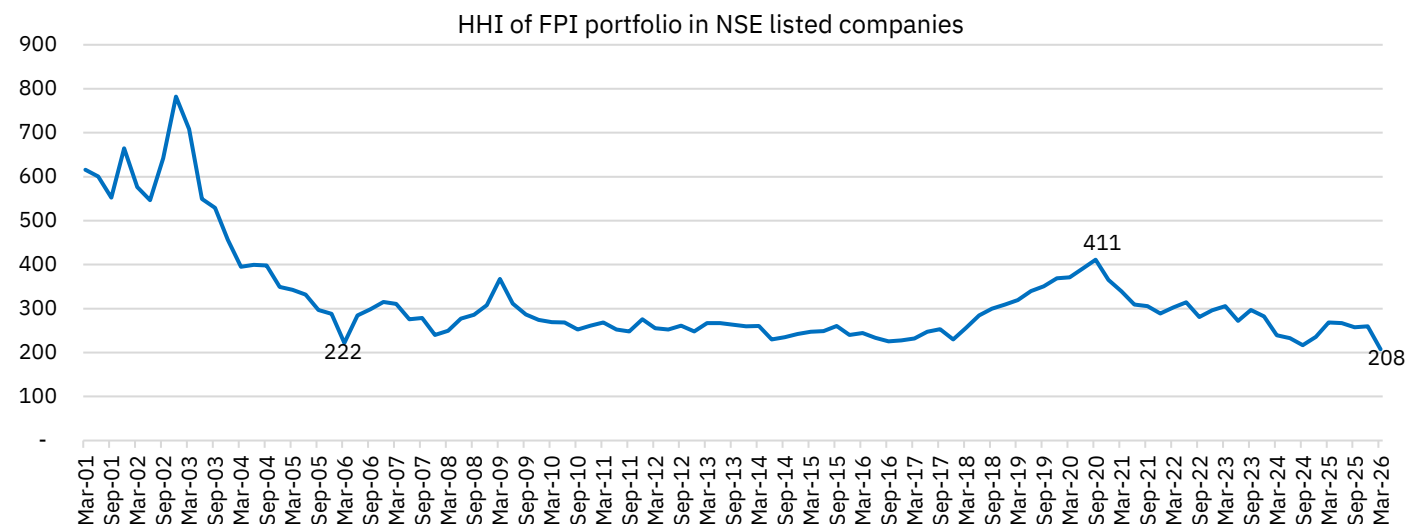
HHI levels fell marginally in the March quarter, reflecting widening exposure to mid-tier large caps: The Herfindahl–Hirschman Index (HHI)—a key measure of portfolio concentration—has largely remained within the 200–400 range across investor groups over the past two decades, well below the 1,500 threshold typically associated with elevated concentration. This points to a structurally diversified ownership pattern across market participants. After a brief post-pandemic increase, when investors temporarily favoured safer and more liquid names, concentration levels have generally trended lower, interrupted only by occasional quarterly upticks.

For overall institutional holdings in NSE-listed companies, the HHI declined to 161 in the March 2026 quarter from 188 in the previous quarter. It is now nearly half the post-pandemic peak of 320 recorded in September 2020, indicating a gradual broadening of institutional exposure beyond the top benchmark stocks and towards mid-cap names over the past few years.

Among institutional categories, DMFs saw their HHI ease to 141, well below the post-pandemic high of 189 in December 2020, pointing to greater portfolio dispersion. FPIs continued to display the highest concentration among institutional groups, although their HHI fell sharply to 208 from 260 in the December 2025 quarter, reflecting wider exposure to mid- and small-cap stocks during the quarter. Notably, this is the lowest level since the beginning of our analysis in 2001 and nearly half the post-pandemic peak of 411 recorded in September 2020, underscoring meaningful broadening in foreign portfolios. FPIs now hold positions in 2,217 listed companies, up from around 1,200 five years earlier, marking a sharp expansion after a decade of stagnation. Banks, financial institutions and insurers also recorded a modest decline in HHI to 189, the lowest since the beginning of the analysis.

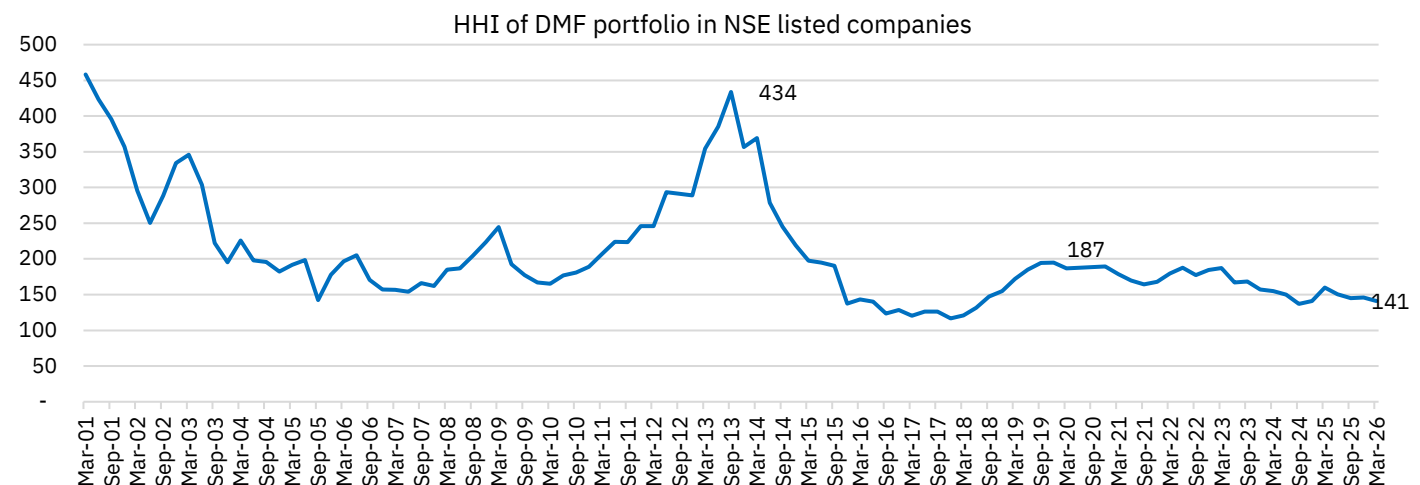
As expected, individual investors continued to exhibit the lowest HHI among all investor segments at 65, consistent with their larger exposure to mid-, small- and micro-cap stocks, and reaffirming the inherently diversified character of retail portfolios.

Figure 145: HHI of FPI portfolio in NSE listed companies



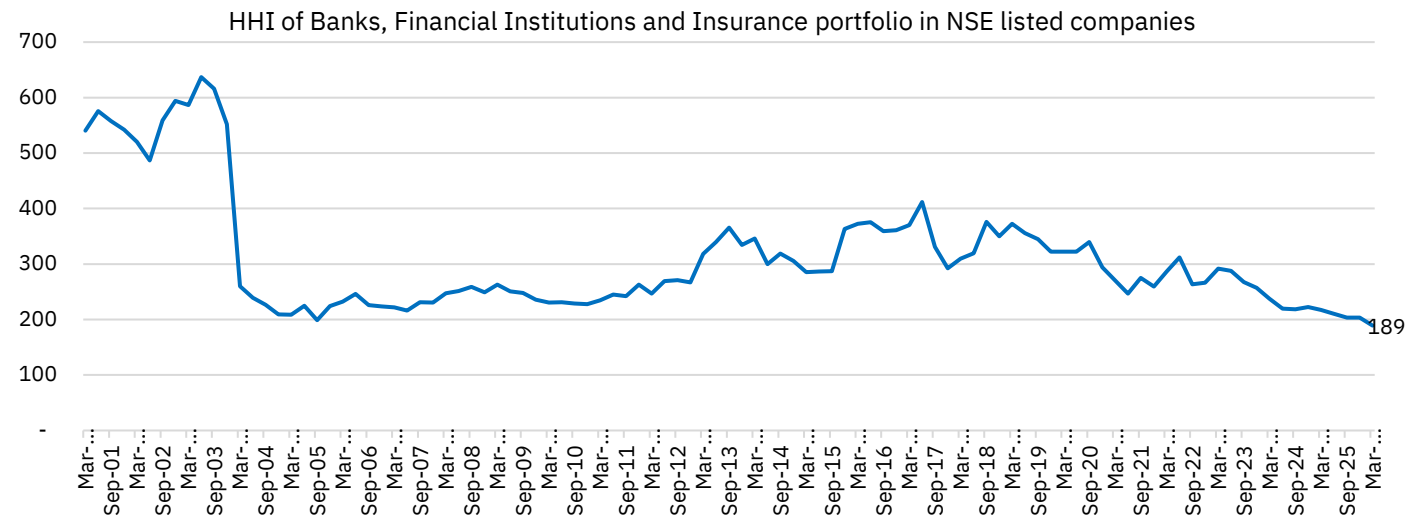
Source: CMIE Prowess, NSE EPR.

Figure 146: HHI of DMF portfolio in NSE listed companies



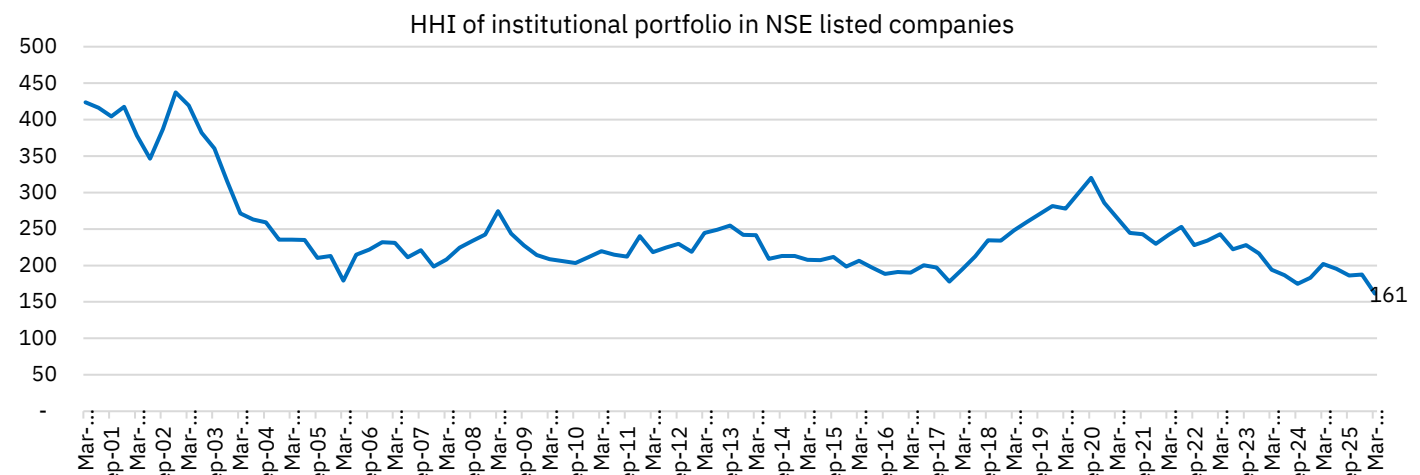
Source: CMIE Prowess, NSE EPR.

Figure 147: HHI of Banks, Financial Institutions & Insurance portfolio in NSE listed companies



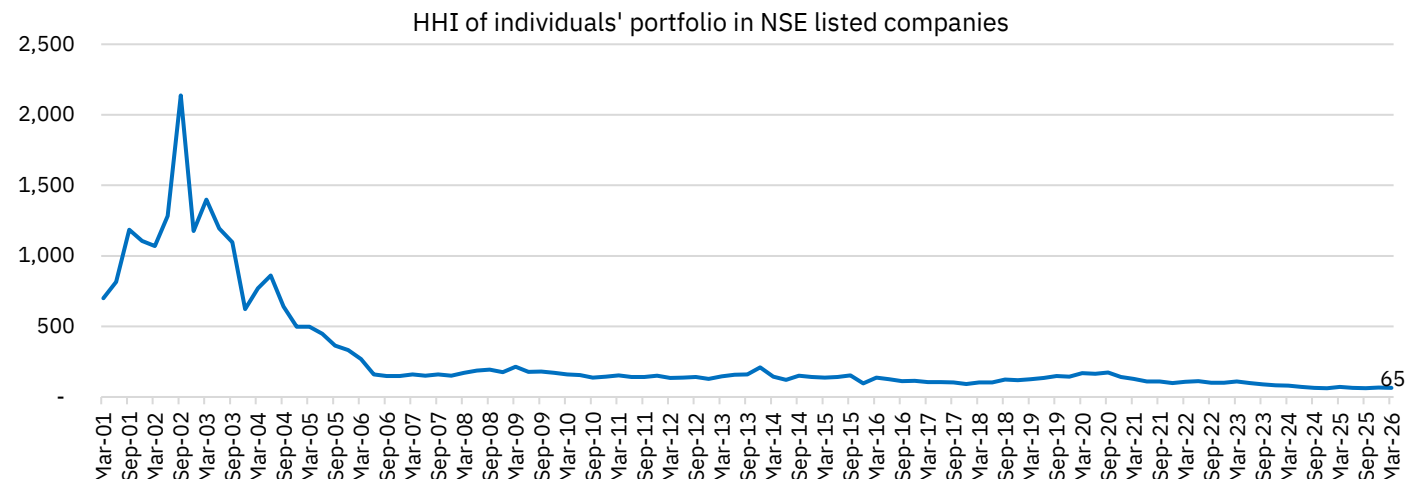
Source: CMIE Prowess, NSE EPR.

Figure 148: HHI of institutional investors' portfolio in NSE listed companies



Source: CMIE Prowess, NSE EPR.

Figure 149: HHI of individuals' portfolio in NSE listed companies



Source: CMIE Prowess, NSE EPR.

Sector-wise HHI differs meaningfully: Aggregate HHI readings indicate that investor portfolios are reasonably diversified overall, but sector-level data show clear pockets of concentration. Individual investors remain relatively well dispersed across most sectors, with HHI values below the 1,500 threshold. Energy is the main exception, where holdings are more concentrated, although the degree of concentration has reduced over the past five years.

For FPIs and DMFs, concentration is much higher in Energy and Communication Services, with HHI levels above 4,000. This is largely a function of sector structure, as both sectors are dominated by a small number of large, investable companies, resulting in naturally higher exposure to a few names. In addition to Energy and Communication Services, Banks, financial institutions and insurance companies also show relatively high concentration in Consumer Staples, consistent with their preference for large, stable and defensive businesses. Outside Energy and Communication Services, however, concentration has generally eased across investor categories over time. This points to a gradual broadening of ownership and improved portfolio diversification across India's listed universe.

Table 31: Sector-wise HHI of FPI portfolio in NSE listed companies

Sector	Mar-06	Mar-11	Mar-16	Mar-21	Mar-26
Comm. Svcs.	3,611	3,494	1,617	2,379	6,553
Cons. Disc.	1,119	1,530	898	688	654
Cons. Staples	2,120	1,523	1,664	1,387	832
Energy	3,496	3,799	3,523	7,759	5,363
Financials	1,288	1,188	1,310	1,329	1,163
Health Care	790	1,147	1,418	577	616
Industrials	1,114	827	712	778	472
IT	2,484	4,149	2,637	2,498	1,823
Materials	725	716	629	619	482
Real Estate	2,728	1,697	1,260	1,971	1,393
Utilities	2,425	1,240	1,732	1,349	1,483
Total	222	269	245	339	208

Source: CMIE Prowess, NSE EPR.

Table 32: Sector-wise of DMF portfolio in NSE listed companies

Sector	Mar-06	Mar-11	Mar-16	Mar-21	Mar-26
Comm. Svcs.	1,407	2,671	1,225	5,339	5,083
Cons. Disc.	480	468	527	376	394
Cons. Staples	4,641	5,352	1,479	1,273	1,018
Energy	2,240	1,824	1,941	3,664	4,407
Financials	970	952	934	1,029	886
Health Care	514	724	821	705	425
Industrials	821	1,302	1,018	648	524
IT	1,434	2,696	2,191	2,531	1,415
Materials	429	387	331	363	417
Real Estate	2,009	856	1,460	1,411	1,167
Utilities	1,213	1,227	1,431	1,947	1,847
Total	197	207	143	179	141

Source: CMIE Prowess, NSE EPR.

Table 33: Sector-wise HHI of Individuals' portfolio in NSE listed companies

Sector	Mar-06	Mar-11	Mar-16	Mar-21	Mar-26
Comm. Svcs.	6,346	941	6,683	877	1,226
Cons. Disc.	383	508	373	386	292
Cons. Staples	1,747	1,562	1,382	1,359	805
Energy	3,382	4,508	3,933	6,398	4,595
Financials	589	462	563	603	393
Health Care	865	617	548	327	246
Industrials	646	1,136	890	628	314
IT	1,789	2,293	1,648	1,573	642
Materials	402	409	292	276	226
Real Estate	1,325	992	677	1,050	535
Utilities	1,631	1,050	783	656	798
Total	270	152	138	127	65

Source: CMIE Prowess, NSE EPR.

Table 34: Sector-wise HHI of Banks, Financial Inst. & Insurance portfolio in NSE listed companies

Sector	Mar-06	Mar-11	Mar-16	Mar-21	Mar-26
Comm. Services	2,163	3,386	5,437	5,791	6,958
Cons. Disc.	1,097	1,335	1,327	894	719
Cons. Staples	3,952	4,777	6,662	3,726	2,556
Energy	2,271	3,264	2,509	4,493	4,052
Financials	1,385	1,142	996	962	742
Health Care	1,295	1,096	2,471	1,529	927
Industrials	1,740	2,096	2,130	1,654	1,449
IT	2,107	3,031	3,673	3,193	1,889
Materials	688	861	641	563	526
Real Estate	3,742	1,629	1,028	1,541	1,077
Utilities	1,649	1,663	2,273	1,513	1,427
Total	232	234	372	270	189

Source: CMIE Prowess, NSE EPR.

Ownership concentration in terms of no. of companies with holding greater than 5%:

An assessment of institutional ownership breadth—measured through both the number of companies held and the depth of ownership stakes—points to a sustained widening of market participation since the pandemic. The expansion is visible not only in the number of companies with institutional presence, but also in the distribution of meaningful holdings across the listed universe.

For FPIs, the investee universe has widened significantly. The number of NSE-listed companies with FPI ownership rose from around 1,200 in December 2020 to over 1,450 by end-2021 and further to more than 1,770 by end-2022. After a temporary moderation to about 1,450 companies in Q4 FY23, coverage recovered steadily, crossed 2,000 companies in the September 2025 quarter, and increased further to 2,217 companies by March 2026. This points to a clear broadening of foreign investor participation beyond the traditional large-cap universe.

The depth of FPI holdings has also improved, though more selectively. The number of companies where FPIs hold a stake of 5% or more has risen to 762, compared with 540 in September 2020. However, such companies now account for 34.4% of the total FPI investee universe, well below the pre-pandemic share of around 50%. This suggests that while FPIs are present across a much wider set of companies, higher-conviction positions are now spread across a smaller proportion of their overall investee base. In other words, the foreign ownership footprint has broadened, but meaningful ownership remains concentrated in a more selective subset.

DMFs show a similar broadening, but with relatively deeper participation. As of March 2026, DMFs held positions in a record 1,481 NSE-listed companies, with sizeable stakes of 5% or more in 699 of them. These companies accounted for 47.2% of DMFs' total investee base, the second-highest proportion on record. This indicates that domestic mutual funds are expanding their coverage across the listed universe while also taking meaningful positions in a relatively large share of companies. The trend reflects both the growth of domestic institutional assets and the increasing ability of DMFs to allocate beyond the largest benchmark names.

Figure 150: Number of listed cos with FPI holding >5%

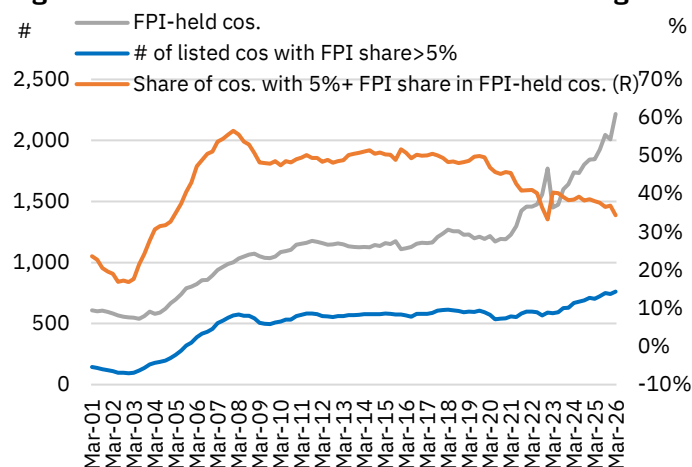
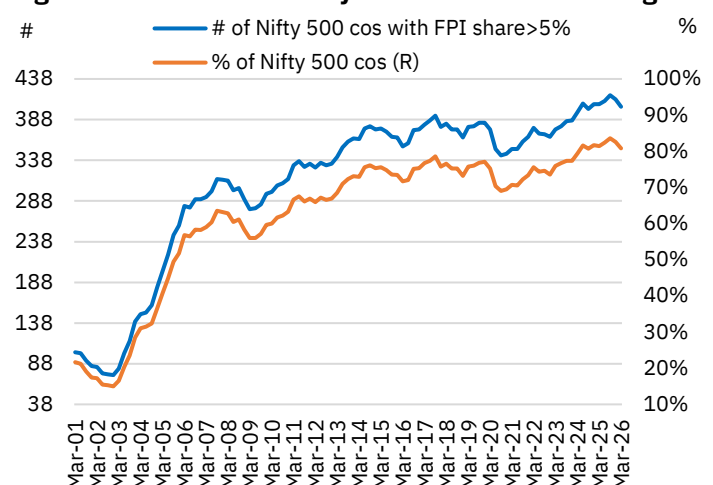
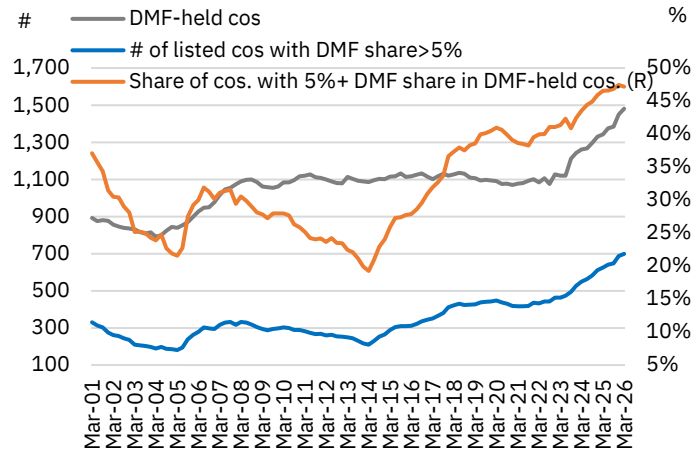
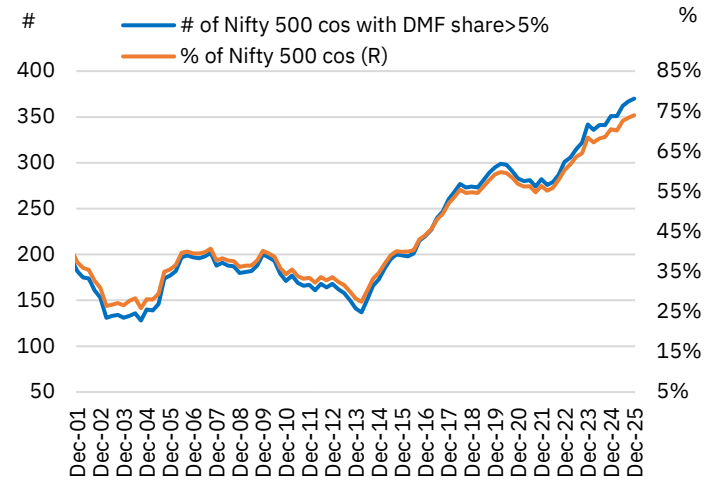


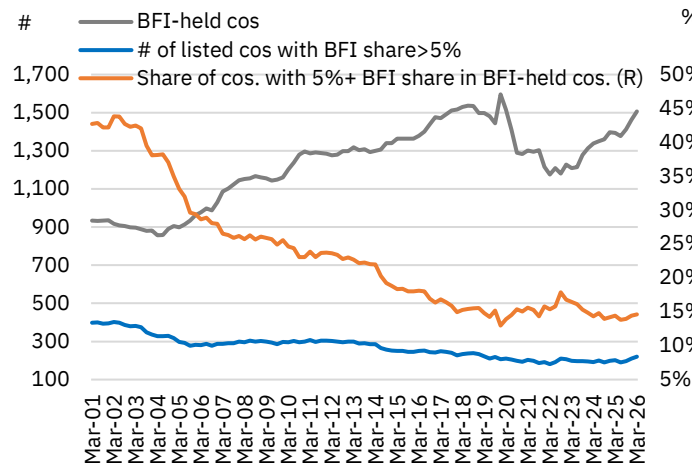
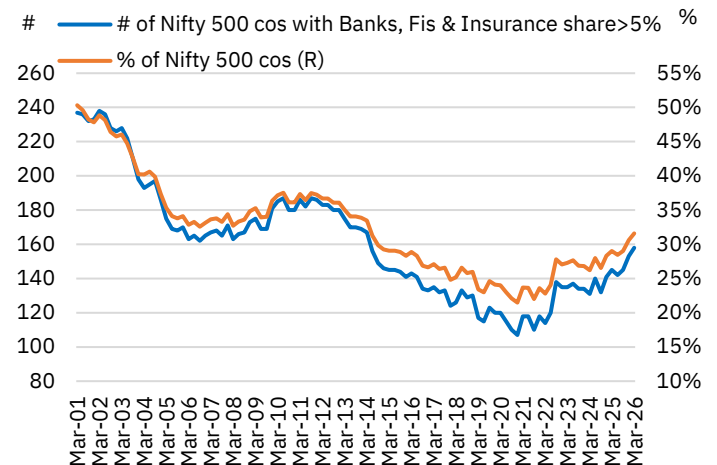
Figure 151: Number of Nifty500 cos with FPI holding >5%



Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 152: Number of listed cos with DMF holding >5%

Figure 153: Number of Nifty500 cos with DMF share >5%


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 154: Number of listed companies with Banks, FIs & Insurance holding >5%

Figure 155: Number of Nifty500 companies with Banks, FIs & Insurance holding >5%


Source: CMIE Prowess, NSE EPR. BFI = Banks, Financial Institutions, and Insurance Companies.

Macroeconomy

India: Navigating energy shocks in an AI-driven world

Global macroeconomic landscape has become even more challenging as the West Asia conflict has shifted the narrative from a disinflation-driven easing cycle to an energy-led inflation shock. Although global growth remains relatively resilient (IMF est. 3.1%/3.2% in 2026/27), the composition of risks has changed: inflation expectations have moved up (IMF: 4.4% in 2026), central banks have paused their easing cycle, oil-importing emerging economies face renewed external-sector pressures, and financial markets remain vulnerable. That said, advanced economies, such as US, South Korea, Taiwan have benefitted from the current AI boom reflected in their strong Q1 2026 growth. US Q1 2026 GDP grew at an annualised growth of 2% while Taiwan recorded a robust 13.7% YoY growth and South Korea grew by 3.6% YoY. While the activity remained relatively resilient, the inflation backdrop remains less comfortable. Major central banks including the Fed, ECB, BoE, Bank of Canada, RBNZ and BoJ, kept policy rates unchanged in April, reflecting caution amid evolving inflation risks. Emerging economies, having a higher share of their inflation basket exposed to energy and food, are expected to feel price pressures more keenly. Hence for central banks, the balance between supporting growth and containing renewed inflation pressures becomes even more delicate. Alongside this, fiscal pressures are likely to persist with the governments absorbing a part of the increase in energy prices through subsidies.

For India, one of the key concerns for policymakers remains the rising external risks and weaker currency. Since the onset of the West Asia crisis, the rupee has weakened by 5%, crossing the Rs 95-per-US dollar mark on 11th May 2026 and has even hit a life-time low crossing Rs 96 mark till the time of publication. While external factors, including persistent FPI outflows, rising crude oil and gold prices, and continued dollar strength might hurt the BOP balance, the domestic economy has remained surprisingly resilient with government absorbing most of the impact for now. Recent high-frequency indicators suggest continued strength in both rural and urban demand, reflected in double-digit growth in two-wheeler sales, passenger vehicle sales and tractor sales. Bank credit growth also remained robust at 16% YoY in April. However, a prolonged WA conflict could create broader pressures on India's macroeconomic fundamentals, particularly during H1FY27. Geopolitical tensions also continue to pose a significant upside risk to the inflation outlook, particularly through commodity and energy price channels which have also started to emerge more visibly, with WPI inflation accelerating sharply to 8.3% YoY in April, its highest level in 42 months. Although the impact is yet to materialise on CPI inflation, the combined effect of higher fuel prices (petrol and diesel) and the recent MSP hike ([link](#)) for kharif crops could raise headline inflation by an estimated 25–35 bps. In this backdrop, close fiscal–monetary coordination will be important, particularly given the additional upside risks to food inflation from potential El Nino conditions this year.

- **Retail inflation at 13M high; WPI feels the pinch of West Asia crisis:** India's CPI inflation inched up to 3.5% YoY in April 2026 from 3.4% YoY in March, led by firmer food prices and higher inflation in restaurants and accommodation services. Food & beverages inflation rose to 4%, reflecting seasonal summer pressures intensified by heatwaves in north-west India. Core inflation remained broadly stable at 3.3% YoY suggesting limited demand-side pressures for now, while fuel inflation (0.7% YoY) stayed muted amid limited pass-through from higher crude prices and deflation in electricity. However, the West Asia crisis was clearly visible in WPI inflation, which surged to a 42-month high of 8.3% YoY, driven by fuel and power inflation of 24.7% YoY, crude petroleum and natural gas (67.2% YoY), and firmer manufactured products inflation alongside low base effect. While CPI remains within the RBI's comfort band, second-round effects from input-cost pressures, rising summer temperatures, heatwaves and expectations of below-normal monsoon warrant close monitoring.

- IIP at five-month low; activity moderates in March:** IIP growth eased to 4.1% YoY in March, with manufacturing (4.3% YoY) and electricity (0.8% YoY) moderated, while mining grew by a strong 5.5% YoY. Within manufacturing, 14/23 industries expanded in growth, led by heavy-weight industries such as basic metals, machinery and motor vehicles. On the use-based front, capital goods growth rose to double-digit growth (29-month high) while construction and intermediate goods weakened to nine-month and five-month lows. The eight core industries also mirrored the trend, contracting 0.4% YoY, signalling stress in key infrastructure inputs. Meanwhile, services and manufacturing PMI for April picked up to 58.8 and 54.7 after a decline in the previous month, respectively.

On an annual basis, FY26 IIP growth remained steady at 4.1% YoY, in line with FY25, driven primarily by manufacturing (3.8pp). Investment indicators remained robust, with capital (8.2% YoY) and infrastructure goods (9.8% YoY) reflecting sustained activity. However, the core sector slowed to 2.5%, with broad-based weakness across most sectors except cement (8.9% YoY) and electricity (8.6% YoY).

- Bank credit accelerated to 16% YoY in April; outpacing deposit mobilisation:** Credit growth remained robust, expanding by 16% YoY as of 30th April 2026 (latest by RBI WSS), outpacing deposit growth of 12.3%. Sector-wise credit deployment as of Mar 26 indicated the expansion was broad-based, with strong traction across industry (~15% YoY; particularly MSMEs and key sectors such as engineering and metals), services (~19%), and agriculture (~15.7%). On the retail front, personal loans (~16%) vehicle and gold loans continued to grow. Meanwhile, the credit-deposit ratio remained elevated at 82%. Outstanding Certificates of Deposit (CDs) saw a marginal easing to Rs 6.87 lakh crore in April 2026, while fresh issuances declined sharply to Rs 0.46 lakh crore.
- India's trade deficit widens as imports grow due to rising commodity prices:** India's trade deficit widened to US\$ 28.4 bn in April (vs. US\$ 20.7 bn in March), primarily driven by a rise in imports to US\$ 71.9 bn (+10% YoY). The increase was led by gold imports (up 82% YoY/84% MoM) and oil imports (up 53% MoM) reflecting a spike in prices. Electronic goods import (38% YoY) grew more than the exports (34%), leading to an all-time high electronic trade deficit of US\$ 7.6bn. Exports, at the same time, grew by 13.8% YoY to a four-year high, supported by petroleum exports reaching a 24-month high of US\$ 9.6 bn (35% YoY/ 85% MoM). The services trade surplus remained steady at US\$ 20.6bn, partially offsetting the merchandise deficit and bringing the overall trade deficit to US\$ 7.8 bn. Meanwhile, forex reserves remained stable at US\$ 696bn as of May 8th, 2026, covering 10.7 months of imports.

Table 35: High frequency indicators

Indicators		Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Consumption								
Auto volumes - passenger (domestic)	YoY%	8.5	15.9	36.6	-5.1	-3.8	6.7	32.7
2W volumes (domestic)	YoY%	2.2	21.2	39.4	26.2	35.2	19.3	28.4
Tractor volumes	YoY%	14.8	30.1	37.1	43.0	34.2	29.1	26.8
Vehicle registrations	YoY%	41.7	2.9	15.6	18.4	27.4	28.0	14.6
Personal loans	YoY%	14.0	12.8	14.4	14.9	15.2	16.2	
IIP-Consumer durables	YoY%	-1.3	11.2	12.4	7.2	7.1	5.3	
IIP-Consumer non-durables	YoY%	-5.2	8.0	8.5	-2.3	-0.5	1.1	
Petrol Consumption	YoY%	7.4	2.6	7.1	6.1	6.1	7.6	6.8
Diesel Consumption	YoY%	-0.3	4.8	5.2	3.3	4.3	8.1	0.9
GST collections	Rs lakh crore	2.0	1.8	1.8	2.0	1.9	2.0	2.4
MGNREGA Work Demand	YoY%	-35.7	-32.0	-28.6	-25.0	-10.9	-21.8	
CPI	YoY%	0.0	0.5	1.2	2.7	3.2	3.4	3.5
WPI	YoY%	-1.2	-0.1	1.0	1.7	2.3	3.9	8.3
Investment								
IIP-Capital goods	YoY%	2.1	10.1	8.3	4.1	12.4	14.6	
Central government capex	YoY%	-28.3	-13.8	-24.5	-24.5	59.6		
IIP- Infra/ construction goods	YoY%	7.1	13.0	12.8	14.6	11.1	6.7	
External Sector								
Merchandise exports	YoY%	-12.5	18.7	1.3	0.4	-0.8	-7.4	13.8
Merchandise imports	YoY%	17.9	-1.5	10.3	19.9	25.0	-6.2	10.0
Non-POL, Non-gold and silver imports	YoY%	9.0	16.1	13.7	3.1	14.7	9.6	14.1
Services (net)	YoY%	1.5	17.0	18.3	19.4	4.1	15.7	29.1
Foreign exchange reserves	US\$ bn	690	686	697	723.8	728.5	688.1	698.5
Business activity								
IIP	YoY%	0.5	7.2	8.0	5.1	5.1	4.2	
IIP-Manufacturing	YoY%	2.0	8.5	8.4	5.3	5.9	4.3	
Core sector: Coal	YoY%	-8.6	2.1	3.6	3.1	2.3	-4.0	
Core sector: Steel	YoY%	5.9	6.7	10.1	9.9	7.6	2.2	
Core sector: Cement	YoY%	5.2	14.6	13.8	10.7	8.9	4.0	
Core sector: Electricity	YoY%	-6.9	-1.5	6.3	3.8	2.3	-0.5	
Manufacturing PMI	Index	59.2	56.6	55.0	55.4	56.9	53.9	54.7
Domestic cargo traffic	YoY%	-2.3	20.5	4.3	8.7	18.5	10.8	
International cargo traffic	YoY%	-2.4	12.7	12.6	8.4	17.6	-6.0	
Port cargo	YoY%	3.0	12.4	8.0	3.7	4.3	-1.5	
E-way bills	YoY%	8.2	27.6	23.6	15.8	18.8	12.9	11.8
Services/ banking								
Services PMI	Index	58.9	59.8	58.0	58.5	58.1	57.5	58.8
Domestic passengers traffic	YoY%	3.5	7.0	-4.9	3.1	-0.1	-1.3	
International passengers traffic	YoY%	9.7	7.5	6.0	7.1	3.0	-18.5	
Bank deposit	YoY%	10.8	10.2	12.7	12.5	11.3	16.2	12.3
Bank credit	YoY%	12.5	11.5	14.5	14.6	14.0	17.1	16.0
Banking system liquidity (Net injection (+)/ absorption (-))	Rs lakh crore	-1.2	-1.5	-0.5	-1.8	-2.8	-3.1	-2.6

Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Port cargo traffic is cargo traffic including transshipment for all commodities. 2) Bank credit and deposit growth for April 2026 corresponds to RBI WSS.

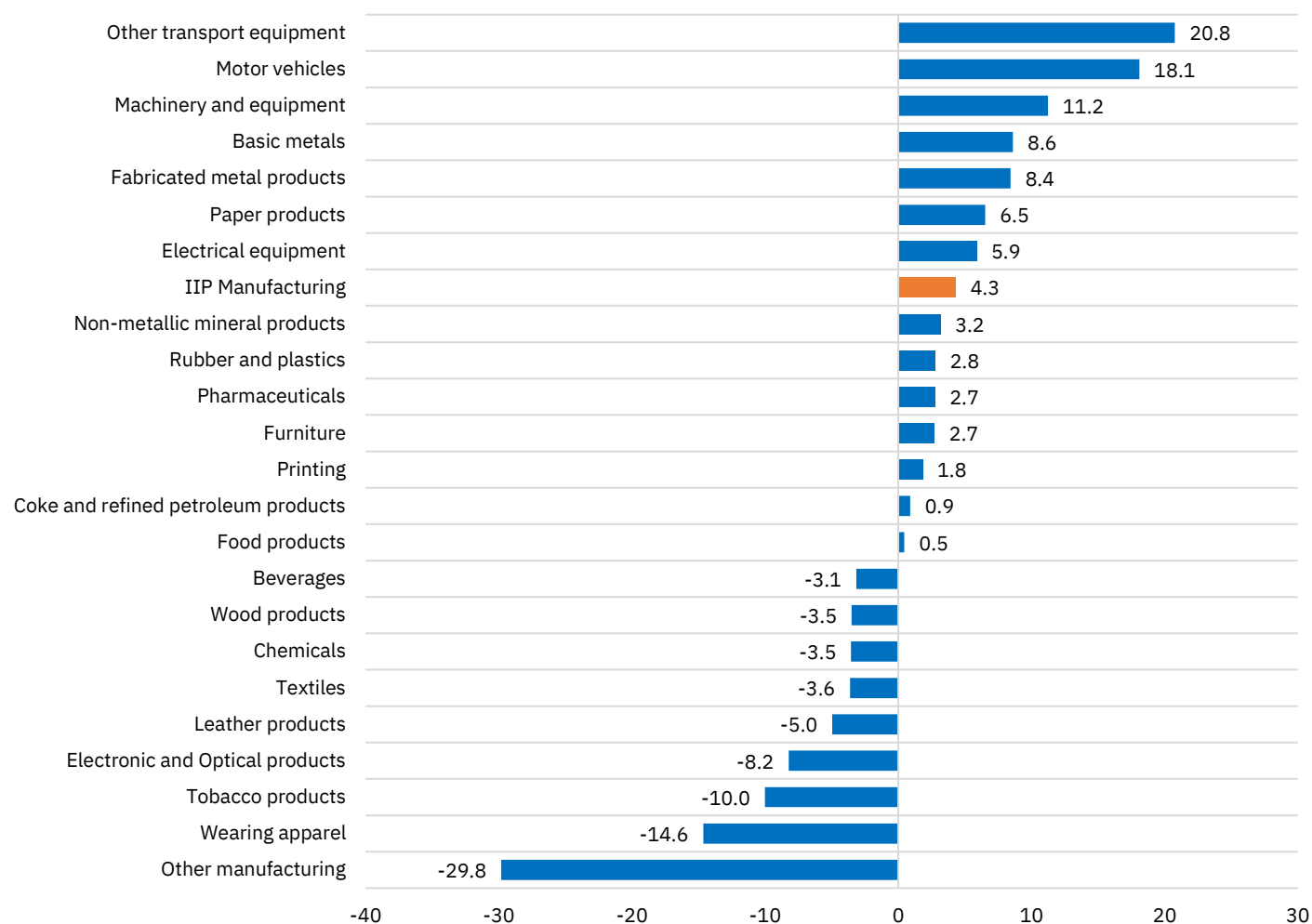
Industrial activity moderates in March with IIP at a five-month low

Table 36: India industrial production for March 2026 (%YoY)

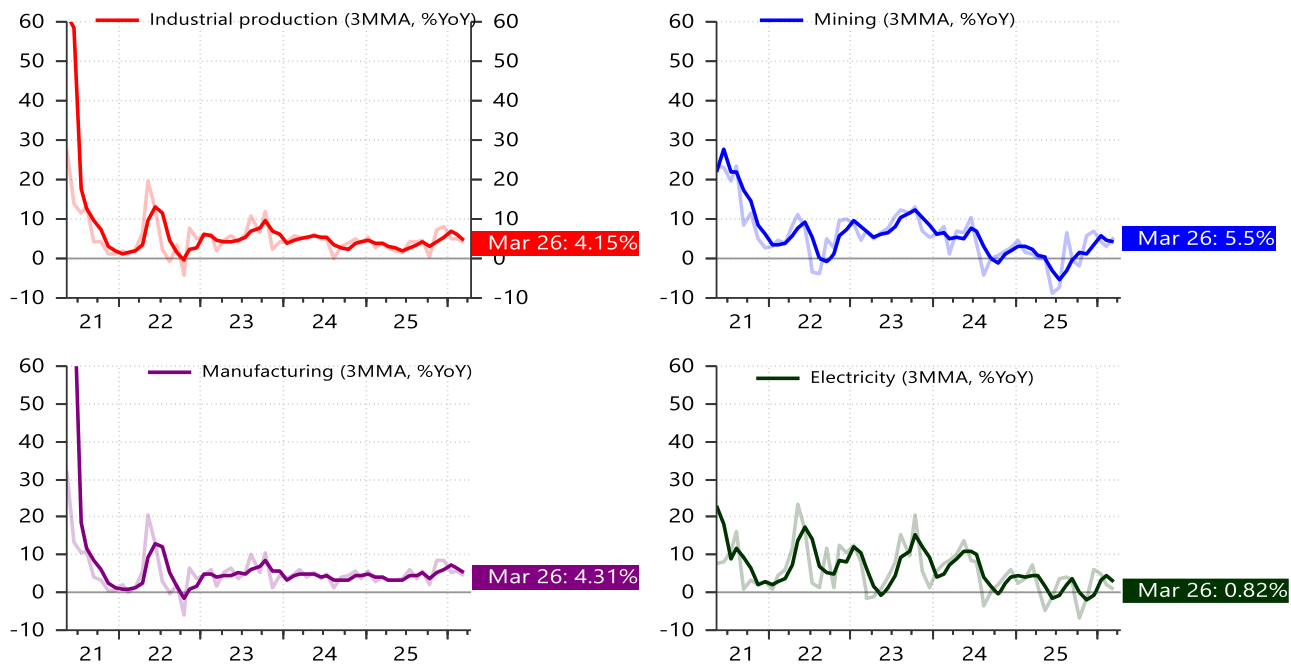
	%YoY	Weight (%)	Mar-26	Feb-26	Mar-25	FY26	FY25
IIP			4.1	5.2	3.9	4.1	4.1
Sector-based indices	Mining	14.4	5.5	3.1	1.2	1.3	3.0
	Manufacturing	77.6	4.3	6.0	4.0	5.0	4.1
	Electricity	8.0	0.8	2.3	7.5	1.0	5.2
Use-based Goods	Primary Goods	34.0	2.2	1.8	3.9	1.2	3.9
	Capital Goods	8.2	14.6	12.5	3.6	8.2	5.6
	Intermediate Goods	17.2	3.3	7.7	3.8	5.6	4.2
	Infra/Construction Goods	12.3	6.7	11.2	9.9	9.8	6.8
	Consumer Goods	28.2	2.9	2.8	0.5	2.5	2.2
	Consumer Durables	12.8	5.3	7.3	6.9	5.9	8.0
	Consumer non-durables	15.3	1.1	-0.6	-4.0	0.0	-1.5

Source: CMIE Economic Outlook, NSE EPR.

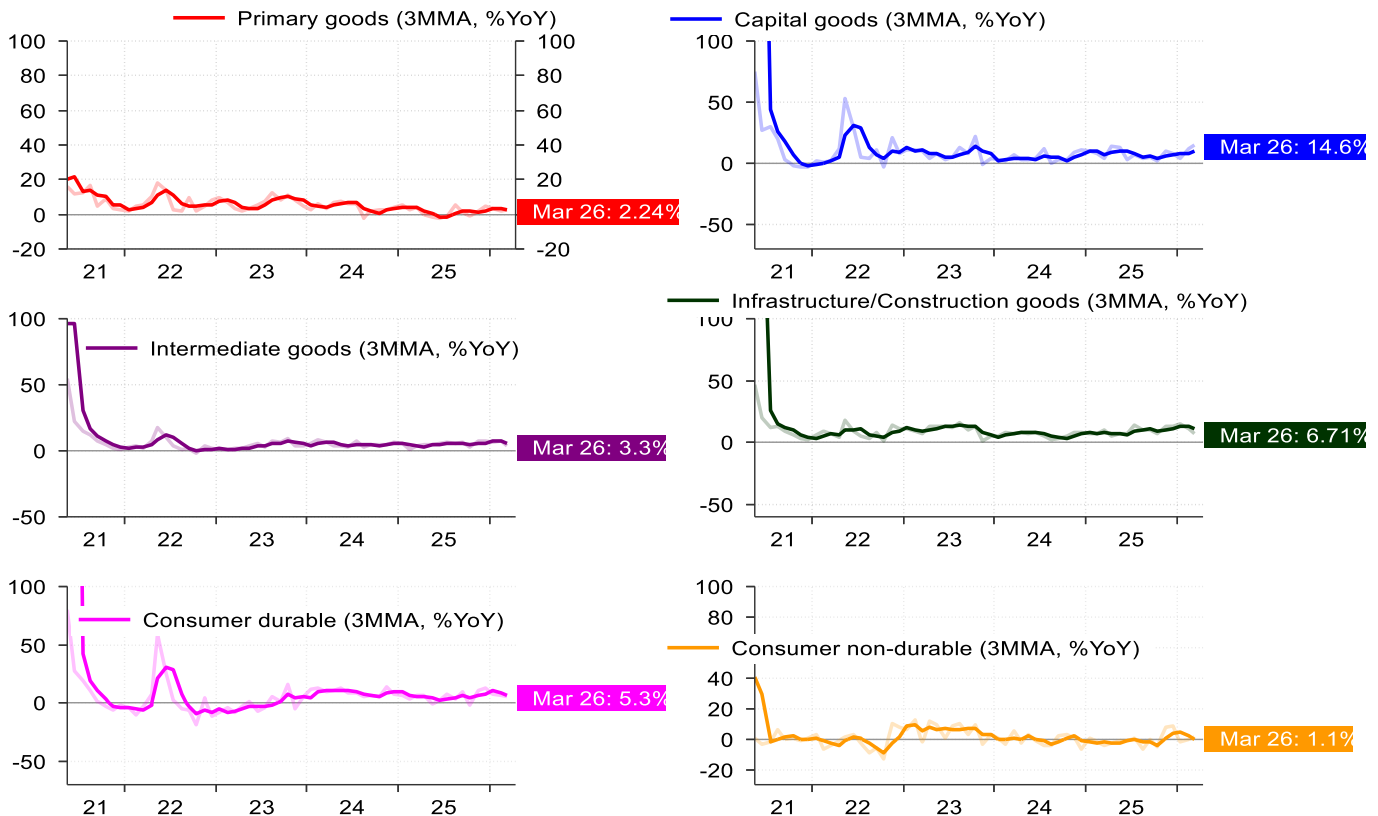
Figure 156: Sub-industries wise break of manufacturing IIP growth rates (YoY%)– March 2026



Source: CMIE Economic Outlook, NSE EPR.

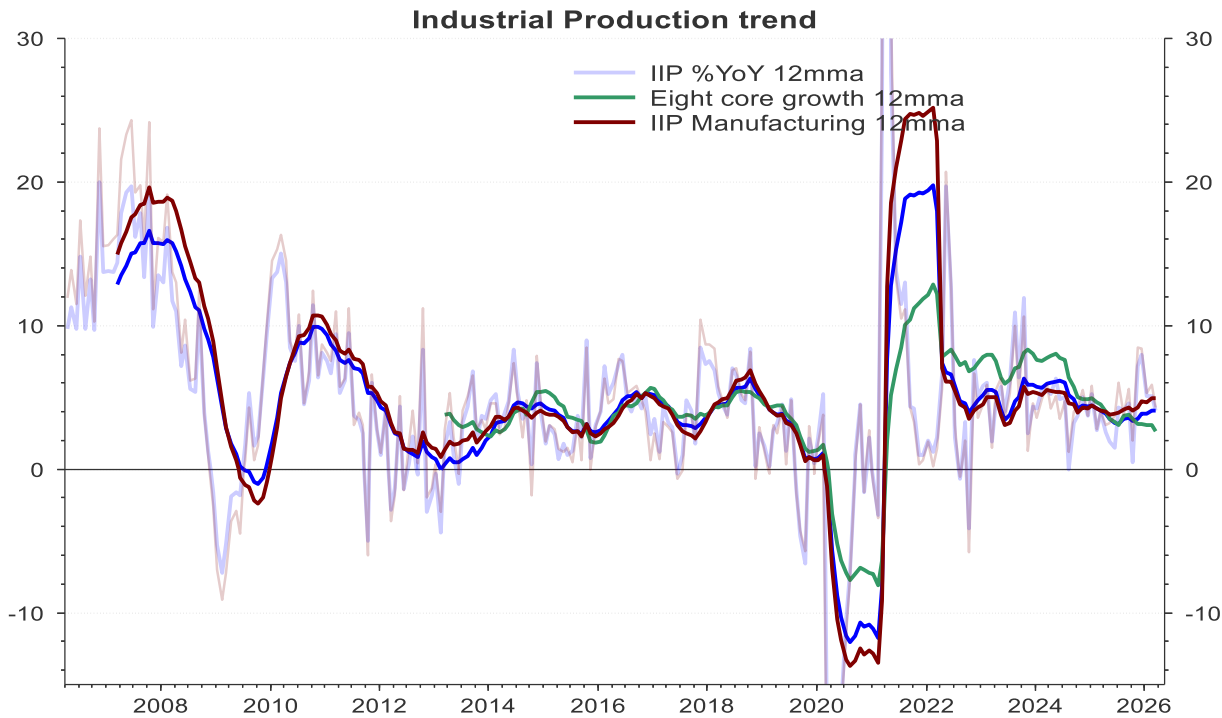
Figure 157: India industrial production (3MMA)


Source: LSEG Workspace, NSE EPR.

Figure 158: India industrial production use-based goods (3MMA)


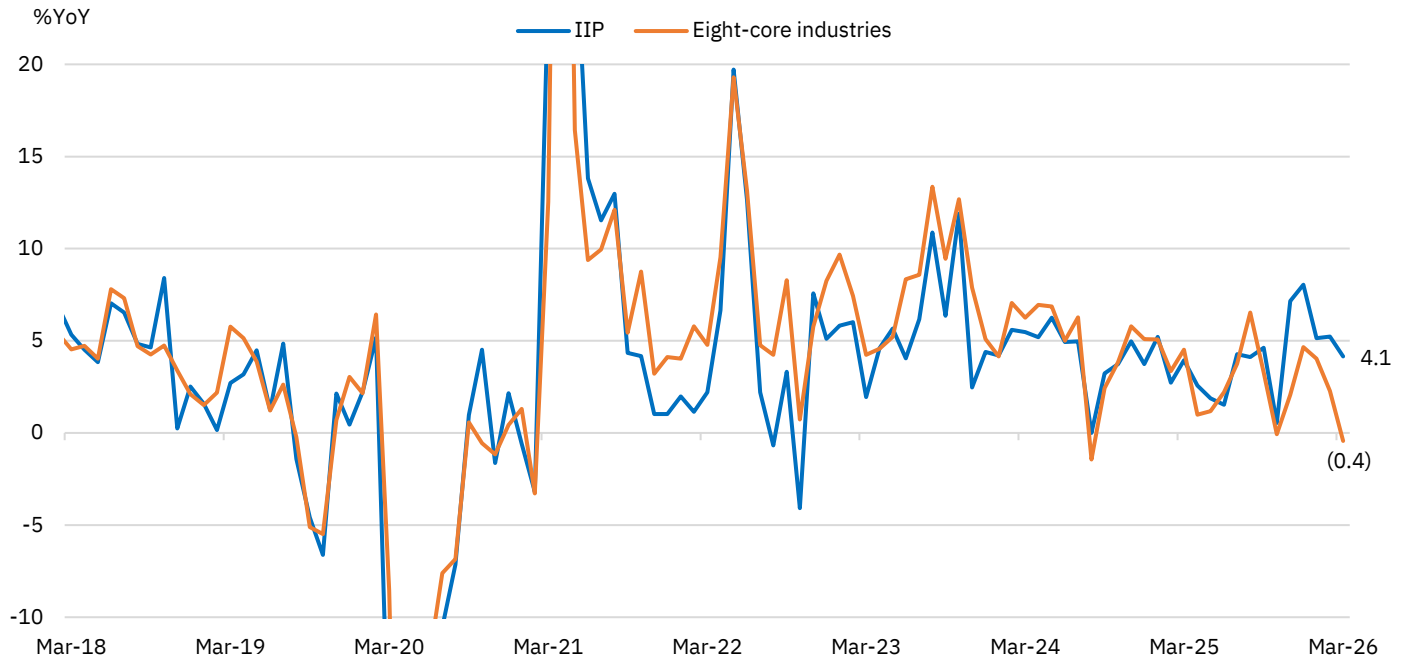
Source: LSEG Workspace, NSE EPR.

Figure 159: Long-term industrial production trend (12MMA)



Source: LSEG Workspace, NSE EPR.

Figure 160: Monthly trends in Eight core industries and IIP growth (% YoY)

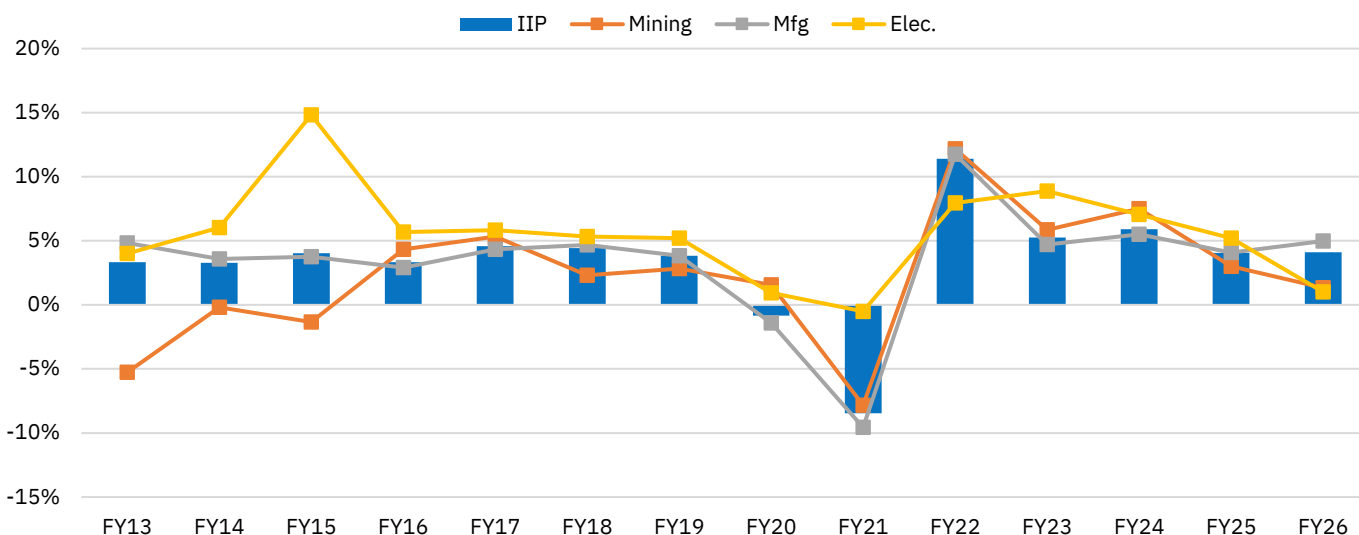


Source: CMIE Economic Outlook, NSE EPR.

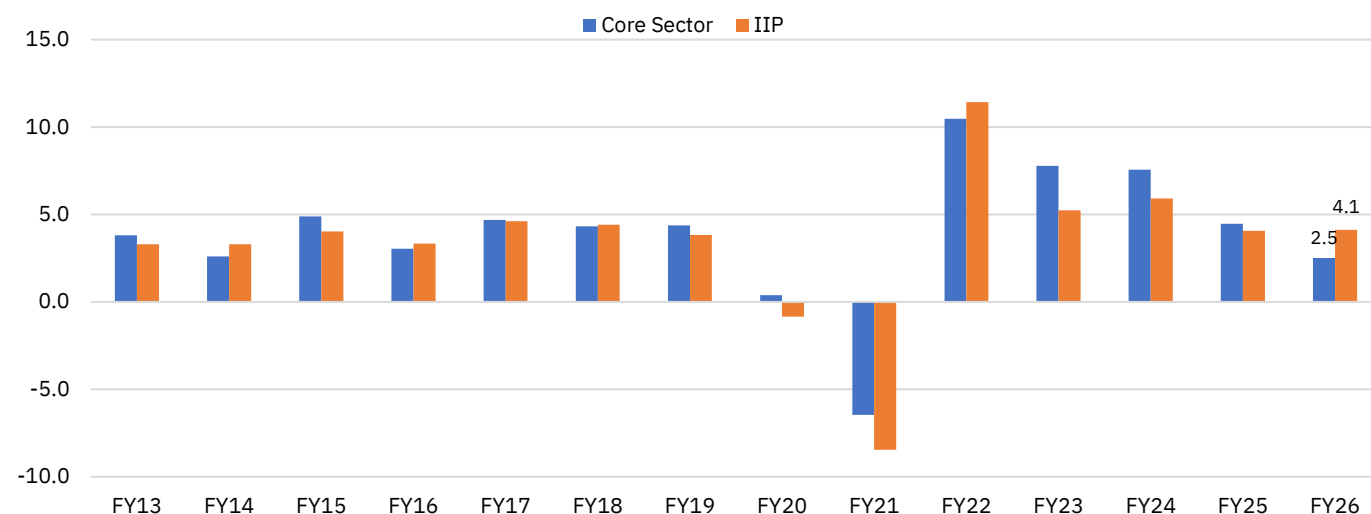
Table 37: Sector-wise core sector growth for March 2026 (%YoY)

	Weights	Mar-26	Feb-26	Mar-25	FY26	FY25
Eight-core sector	100.0	(0.4)	2.3	4.5	2.5	4.5
Coal	10.3	(4.0)	2.3	1.6	(0.4)	5.1
Crude oil	9.0	(5.7)	(5.2)	(1.9)	(2.7)	(2.2)
Natural gas	6.9	6.4	(5.0)	(12.7)	(2.7)	(1.2)
Refinery products	28.0	0.1	(1.0)	0.2	(0.0)	2.8
Fertilizers	2.6	(24.6)	3.4	8.8	(0.1)	2.9
Steel	17.9	2.2	7.2	8.7	8.9	6.8
Cement	5.4	4.0	9.3	12.2	8.6	6.3
Electricity	19.9	(0.5)	0.5	7.5	0.6	5.2

Source: CMIE Economic Outlook, NSE EPR.

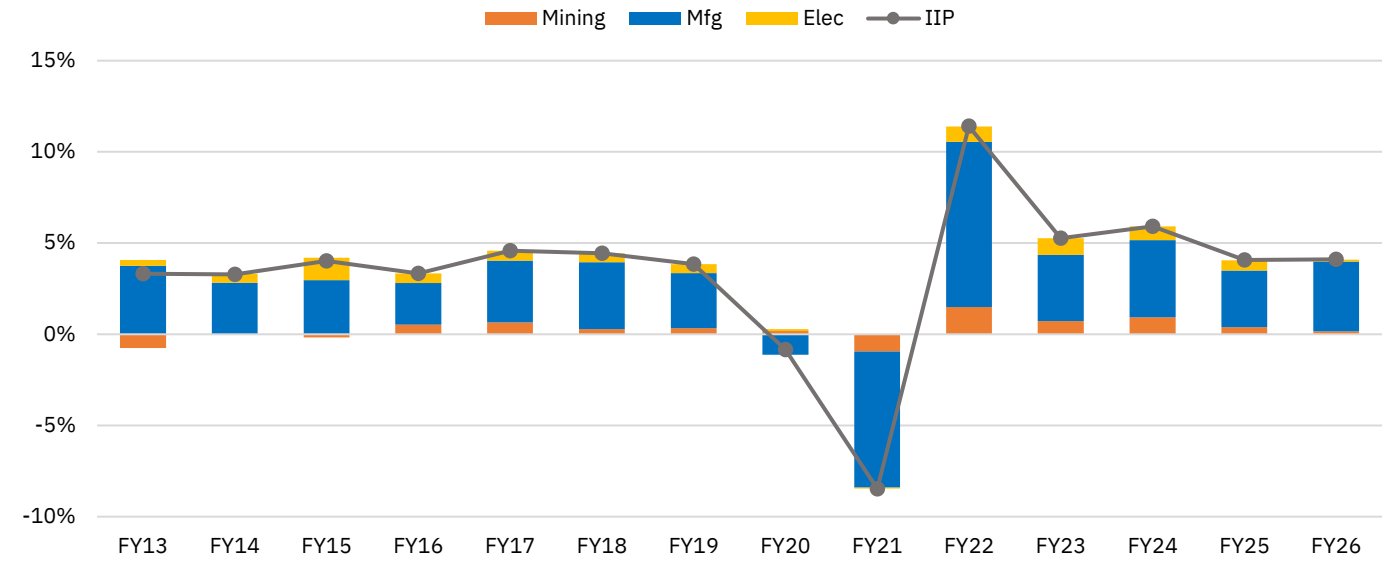
Figure 161: Annual trends in IIP growth (% YoY)


Source: CMIE Economic Outlook, NSE EPR.

Figure 162: Annual trends in Eight core industries and IIP growth (% YoY)


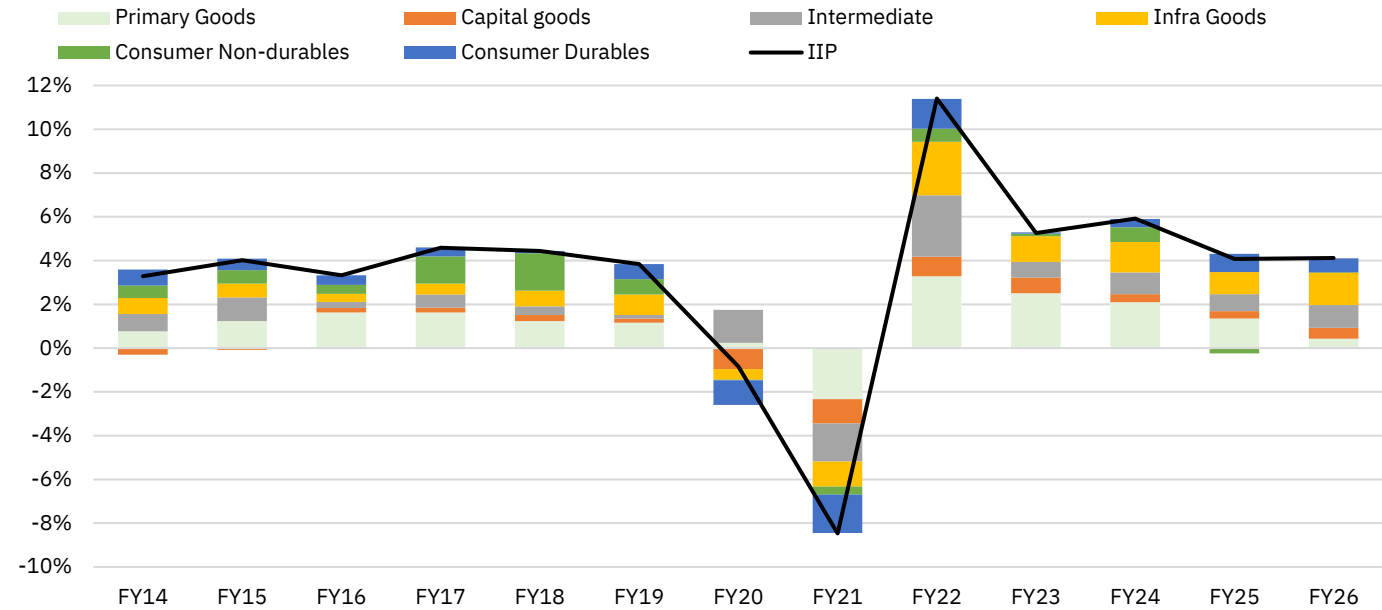
Source: CMIE Economic Outlook, NSE EPR.

Figure 163: Annual sectoral contribution to IIP growth (% points)



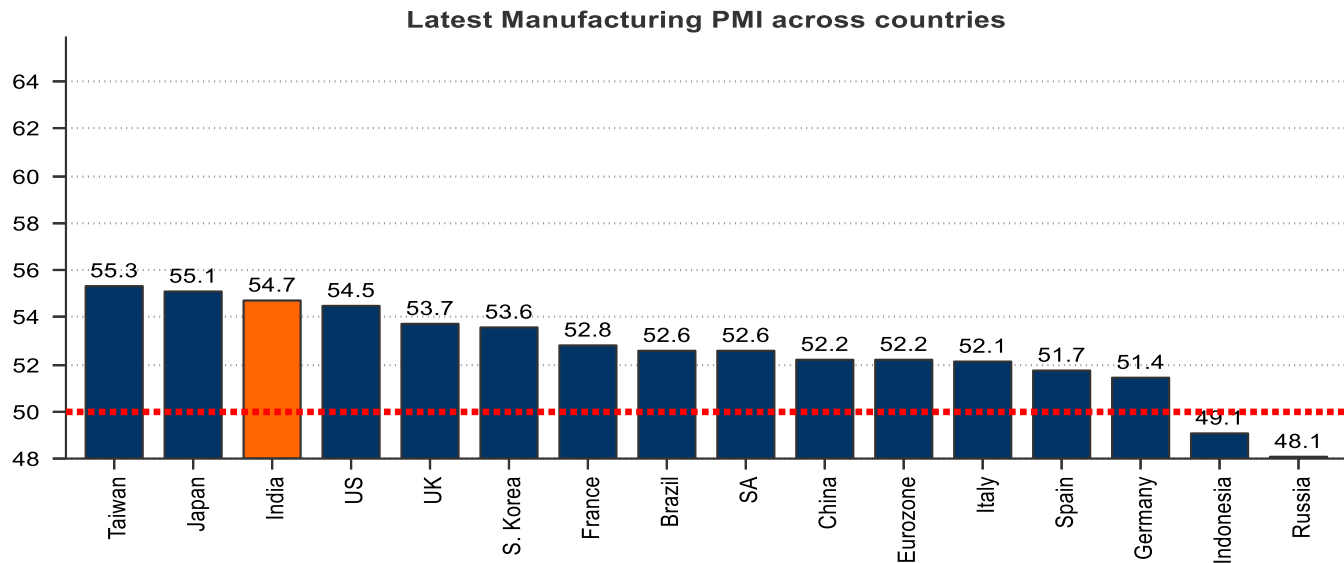
Source: CMIE Economic Outlook, NSE EPR.

Figure 164: Annual IIP growth decomposition by use-based (% points)



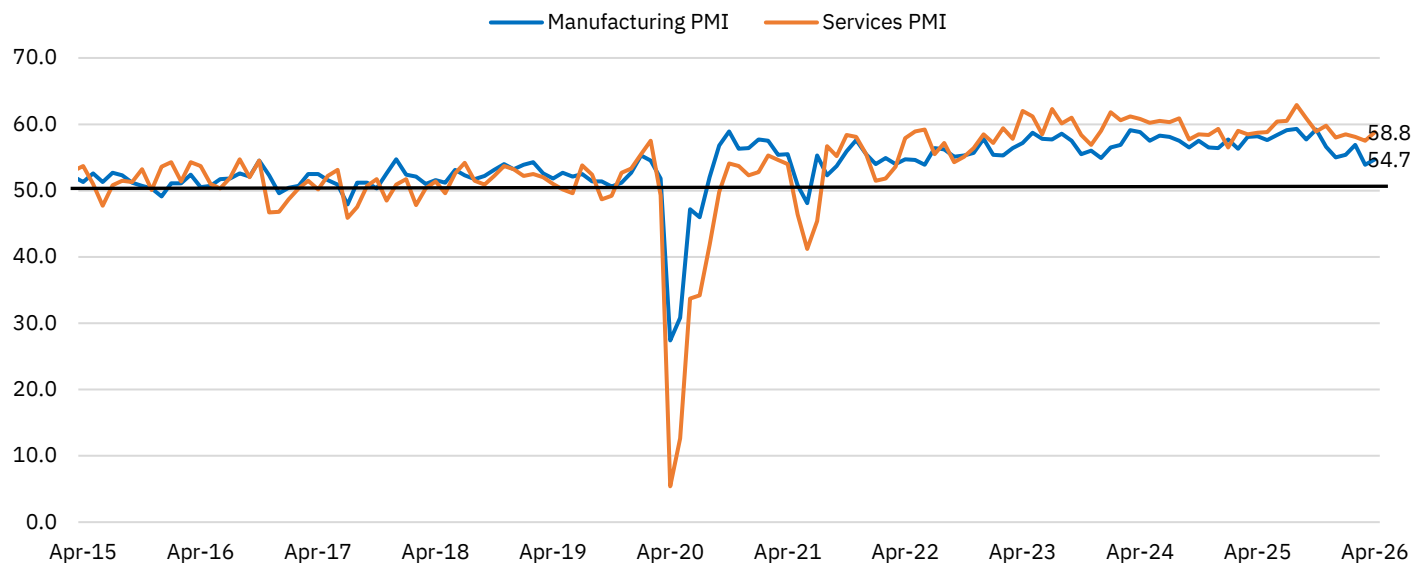
Source: CMIE Economic Outlook, NSE EPR.

Figure 165: Manufacturing PMI across countries



Source: LSEG Workspace, NSE EPR. The data is as of April 2026

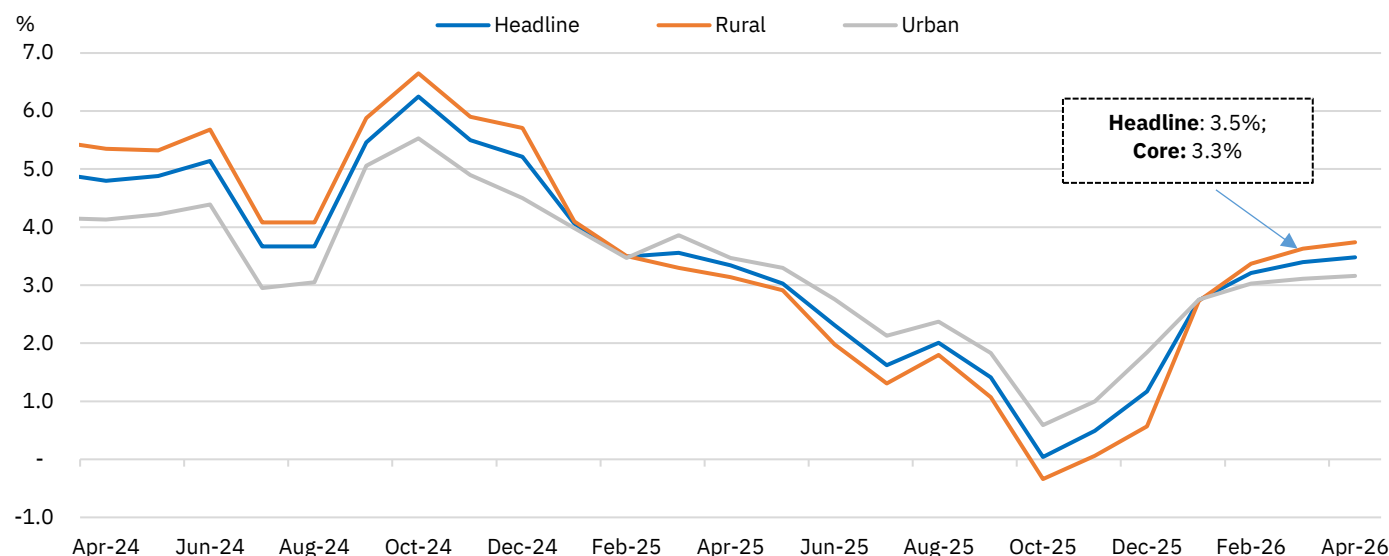
Figure 166: India's Manufacturing and Services PMI monthly trend



Source: CMIE Economic Outlook, NSE EPR.

Inflation moves higher amid persistent energy-led pressures

Figure 167: Trends in monthly headline inflation



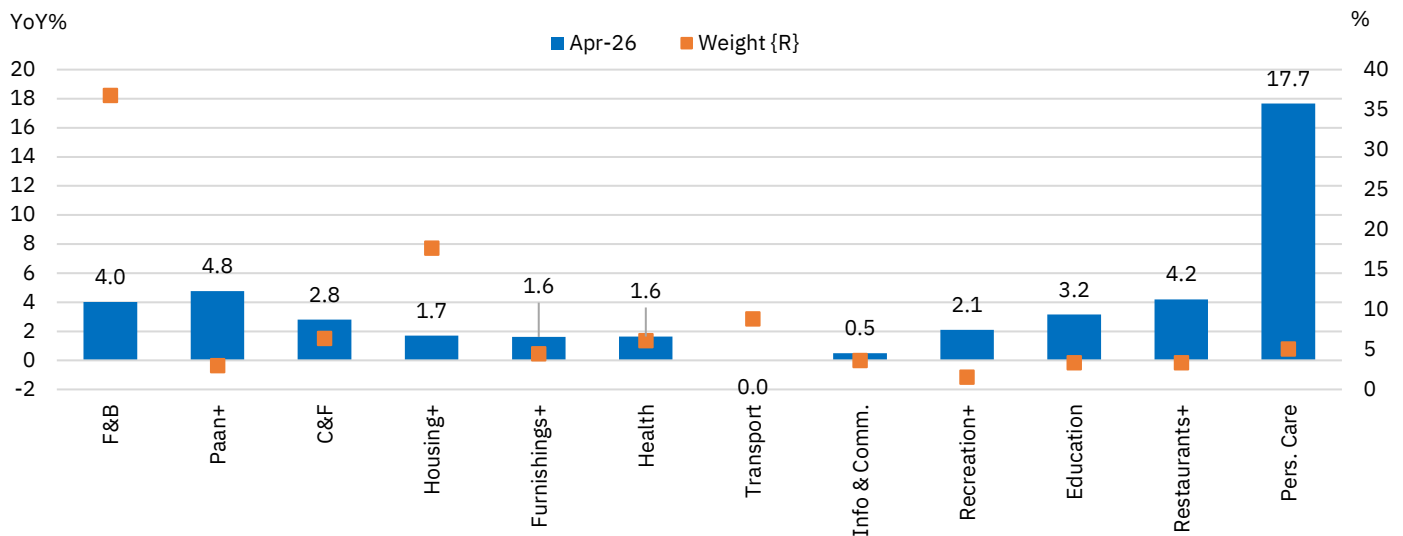
Source: CMIE Economic outlook, MOSPI, NSE EPR; Notes: 1) Headline inflation excluding food & beverages, pan, tobacco & intoxicants and electricity, gas & other fuels is core inflation.

Table 38: Component-wise Consumer Price Inflation in April 2026 (%YoY)

	Weight (%)	Apr-26	Mar-26
CPI		3.5	3.4
Food & Beverages	36.75	4.0	3.7
Paan, tobacco and intoxicants	2.99	4.8	4.2
Clothing & Footwear	6.38	2.8	2.8
Housing, water, electricity, gas and other fuels	17.66	1.7	2.0
Furnishings, household equipment & routine household maintenance	4.47	1.6	1.4
Health	6.10	1.6	1.8
Transport	8.80	-0.0	0.0
Information and communication	3.61	0.5	0.3
Recreation, sport and culture	1.52	2.1	2.3
Education services	3.33	3.2	3.3
Restaurants and accommodation services	3.35	4.2	2.9
Personal care, social protection and miscellaneous goods & services	5.04	17.7	18.7
Core Inflation¹	54.9	3.3	3.3

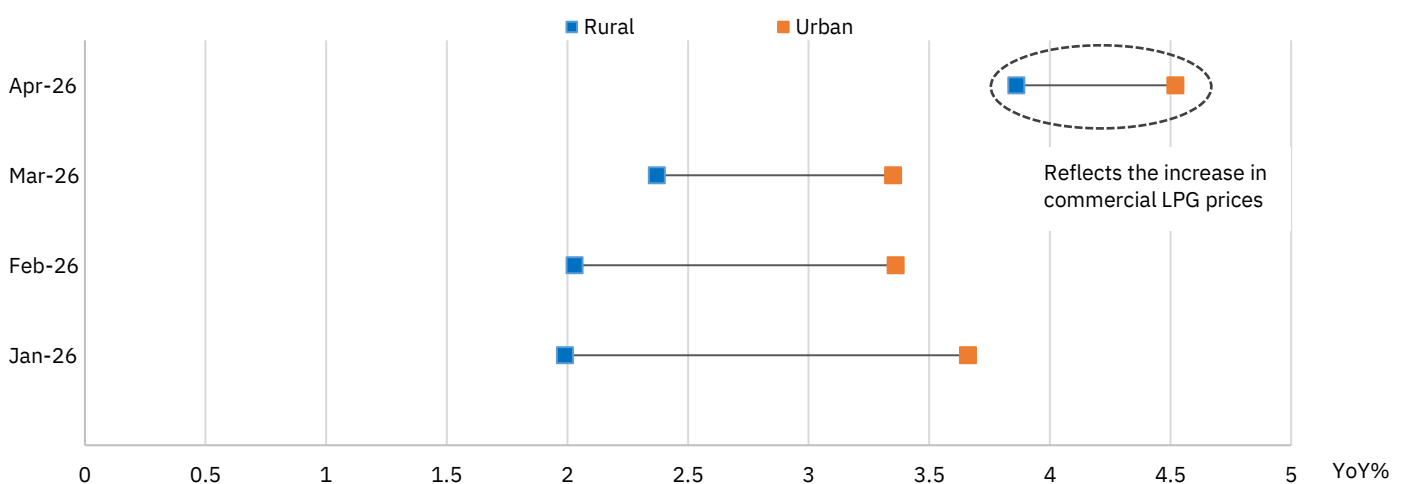
Source: CSO, NSE EPR; Note: ¹Headline inflation excluding food & beverages, pan, tobacco & intoxicants and electricity, gas & other fuels.

Figure 168: Division-wise headline inflation

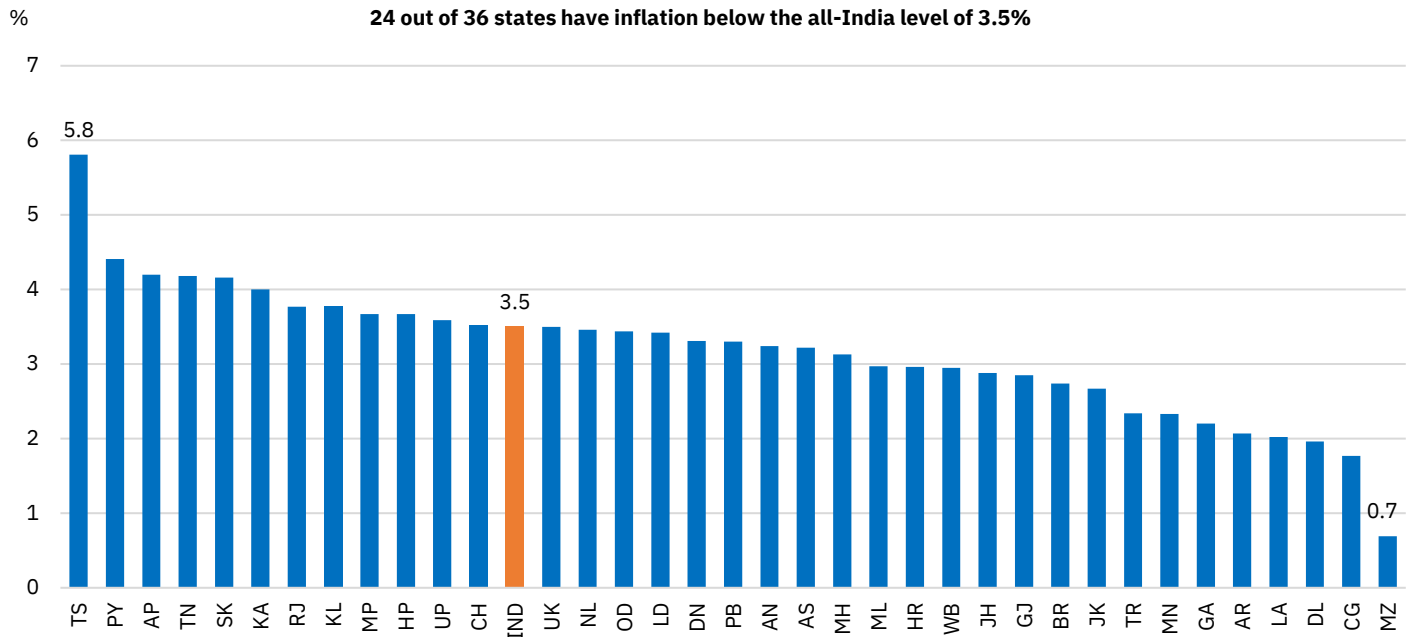


Source: CMIE Economic outlook, MOSPI, NSE EPR; Notes: 1) F&B= Food and beverages; Paan+ = Paan, tobacco and intoxicants, C&F= Clothing & Footwear, Housing+ = Housing, water, electricity, gas and other fuels, Furnishings+ = Furnishings, household equipment and routine household maintenance, Recreation+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

Figure 169: Trends in CPI restaurant and accommodation services inflation across rural and urban segments



Source: CMIE Economic Outlook, NSE EPR

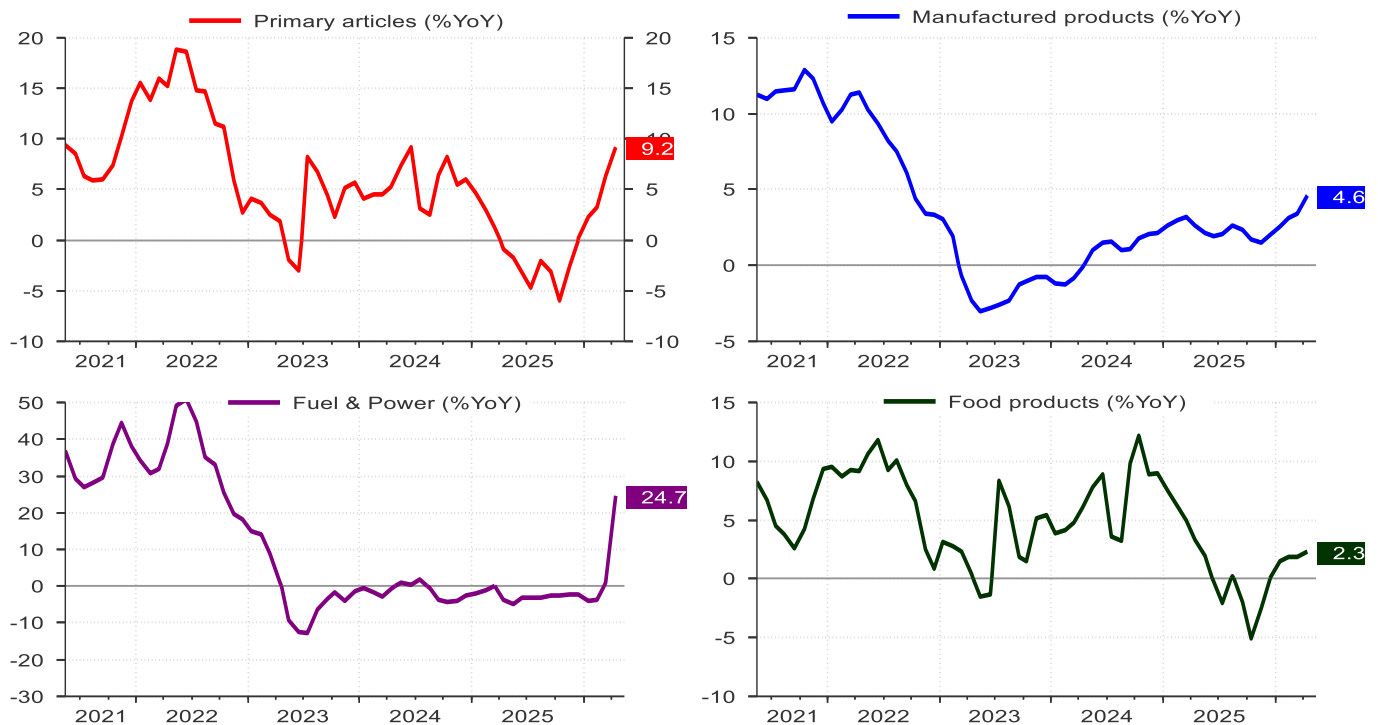
Figure 170: State-wise headline inflation in April 2026


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, DN= 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

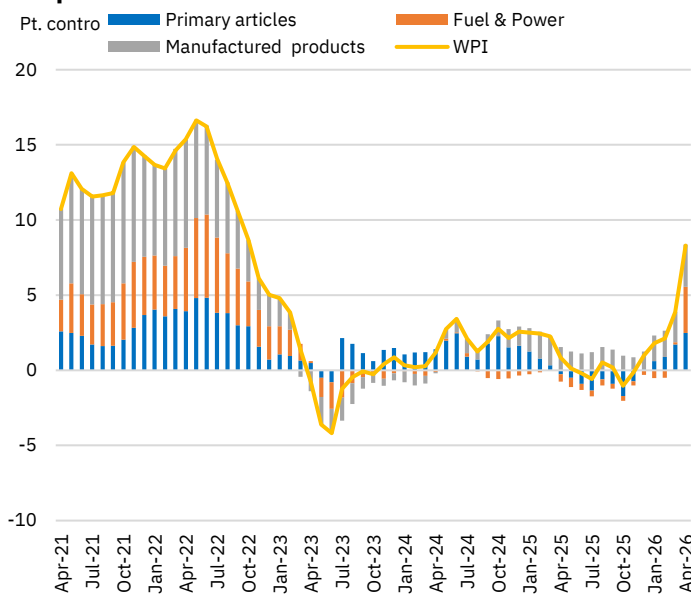
Table 39: Wholesale price inflation for April 2026 (%YoY)

	Weight (%)	Apr-26	Mar-26	Apr-25	FY26	FY25
WPI		8.3	3.9	0.9	0.7	2.3
Primary articles	22.6	9.2	6.4	-0.9	-1.1	5.2
Food articles	15.3	2.0	1.9	0.3	-2.3	7.3
Non-food articles	4.1	12.2	11.5	1.5	4.6	-0.5
Minerals	0.8	12.1	3.2	1.8	6.7	5.4
Crude petroleum & natural gas	2.4	67.2	36.0	-15.6	-5.2	-1.3
Fuel & power	13.2	24.7	1.1	-3.8	-2.9	-1.3
Coal	2.1	1.4	1.8	0.1	0.8	-0.6
Mineral oils	8.0	39.5	3.5	-5.6	-4.1	-1.7
Electricity	3.1	-0.9	-6.0	-0.9	-1.8	-0.6
Manufactured products	64.2	4.6	3.4	2.6	2.3	1.7
Food group	24.4	2.3	1.8	3.3	-0.2	7.3

Source: CSO, CMIE Economic Outlook. NSE EPR.

Figure 171: India wholesale price inflation (WPI)


Source: LSEG Workspace, NSE EPR.

Figure 172: Trends in point contribution of key components to WPI inflation


Source: CMIE Economic Outlook, NSE EPR

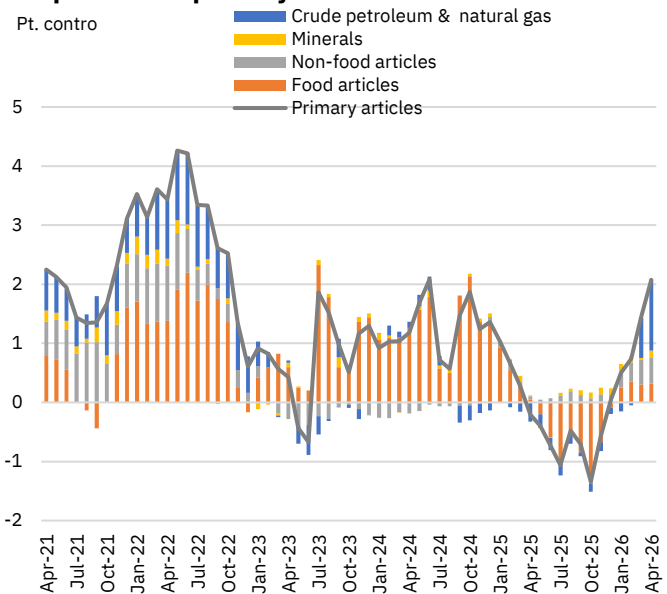
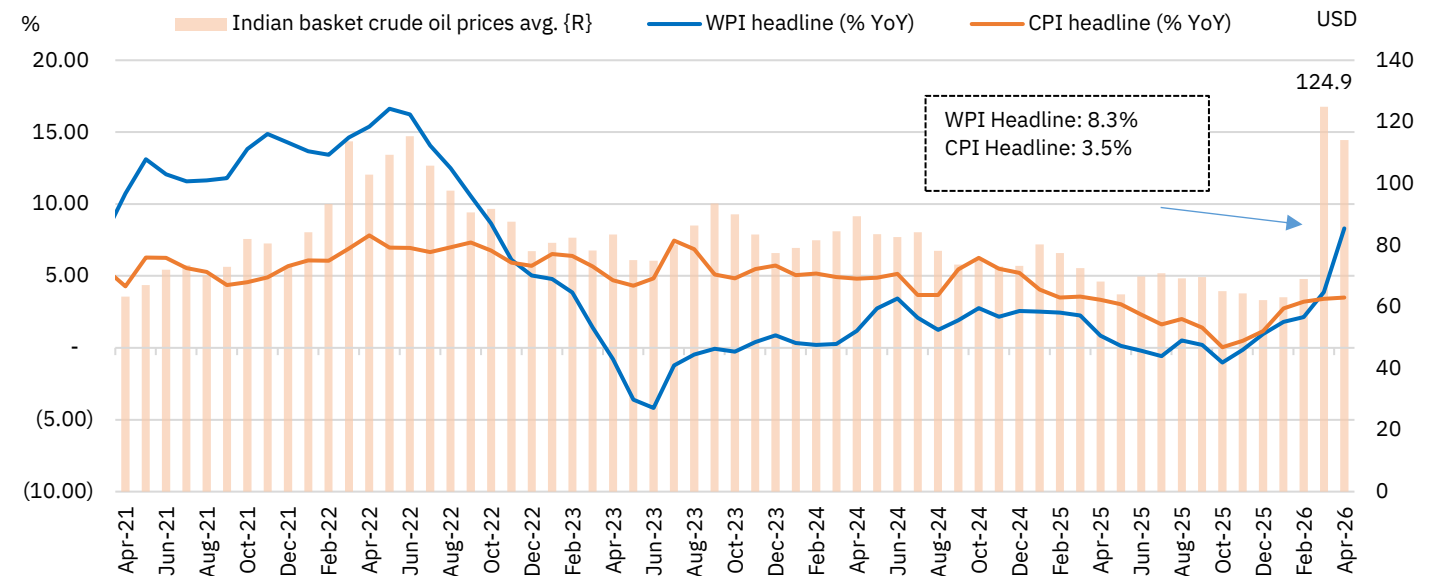
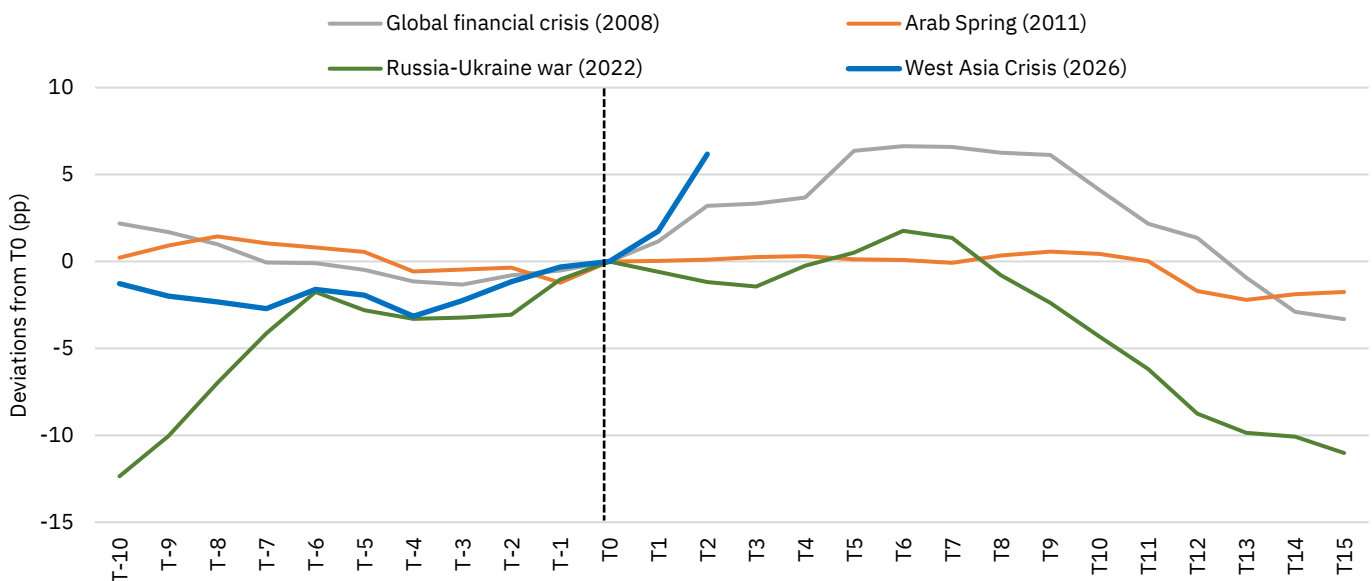
Figure 173: Trends in point contribution of key components to primary articles WPI


Figure 174: Monthly movement in CPI and WPI inflation and Indian basket of crude oil prices


Source: CMIE Economic outlook, MOSPI, NSE EPR

Figure 175: Movement in WPI inflation rate months prior and after the event date


Source: CMIE Economic outlook, MOSPI, NSE EPR. Note: 1) 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. 2) The T0 month considered in the calculation are: GFC: Jan 2008, Arab Spring: December 2011, Russia-Ukraine: November 2021 and West Asia crisis: February 2026. 3) Deviations from inflation have been calculated as the difference between WPI inflation in time period T and the WPI inflation in event period T0.

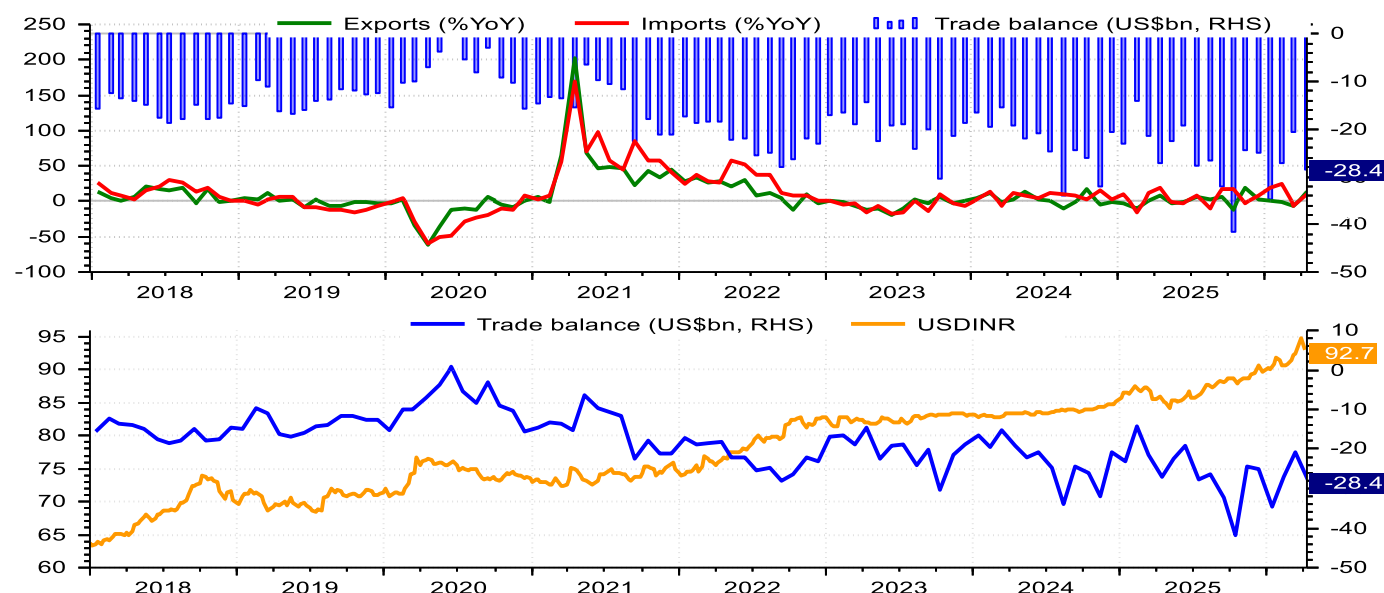
Trade deficit widens as imports increase due to rising commodity prices

Table 40: India's merchandise trade balance for April 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	
Apr-26	43.6	13.8	71.9	10.0	18.6	(10.0)	53.3	19.3	5.6	81.7	(28.4)
Mar-26	38.9	(7.4)	59.6	(6.5)	12.2	(35.9)	47.4	6.0	3.1	(31.6)	(20.7)
Apr-25	38.3	(3.8)	65.4	20.0	20.7	25.5	44.7	25.5	3.1	4.9	(27.1)
FY26	441.8	0.9	775.0	7.6	173.9	(6.4)	601.0	12.4	72.0	24.1	(333.2)
FY25	437.7	0.1	720.5	6.2	185.8	3.9	534.7	7.0	58.0	27.4	(282.8)

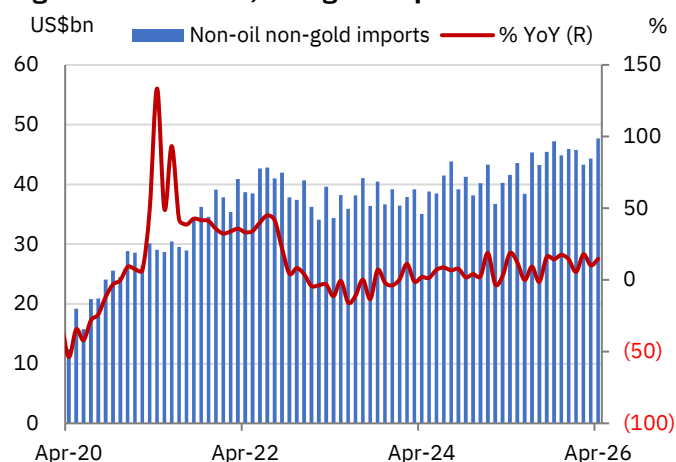
Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR.

Figure 176: Monthly trends in India's merchandise imports, exports and trade balance



Source: LSEG Workspace, NSE EPR.

Figure 177: Non-oil, non-gold imports



Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR.

Figure 178: Oil imports trend

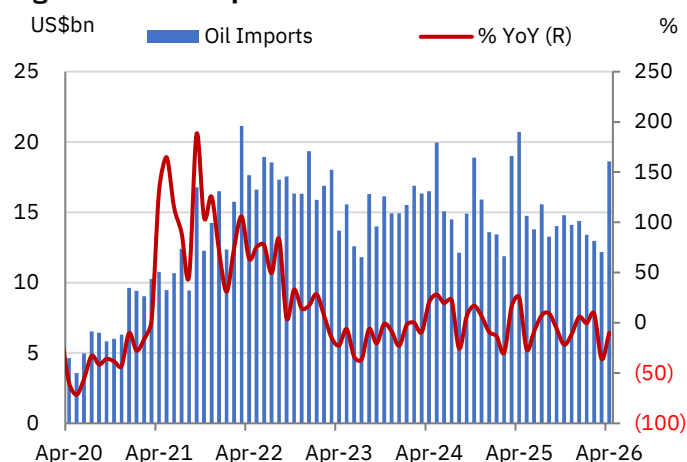


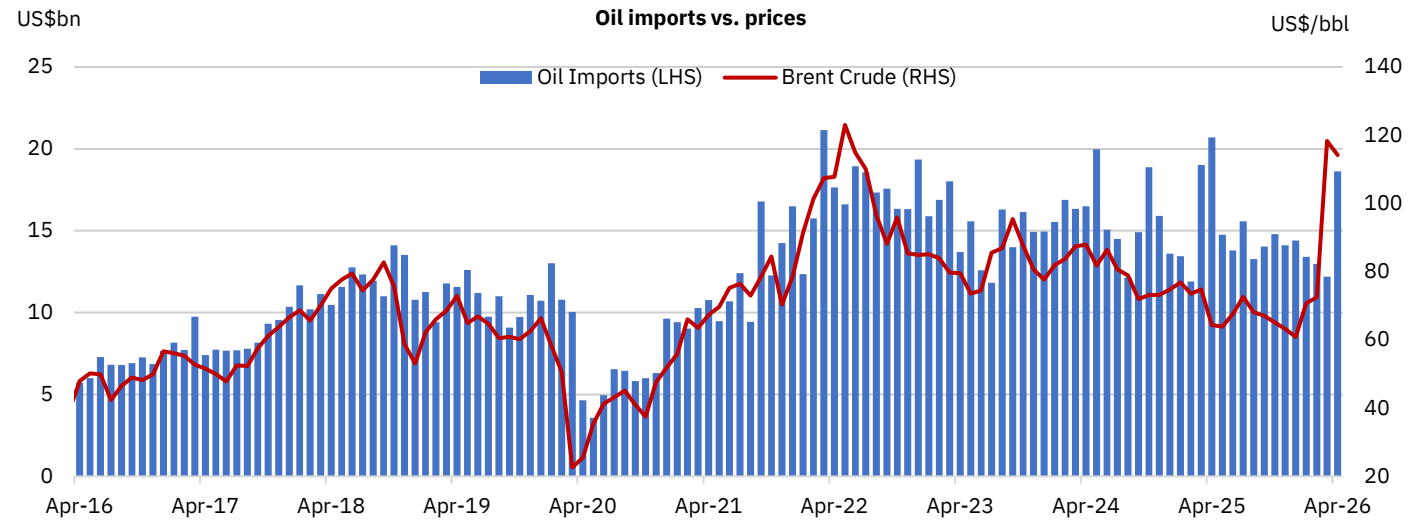
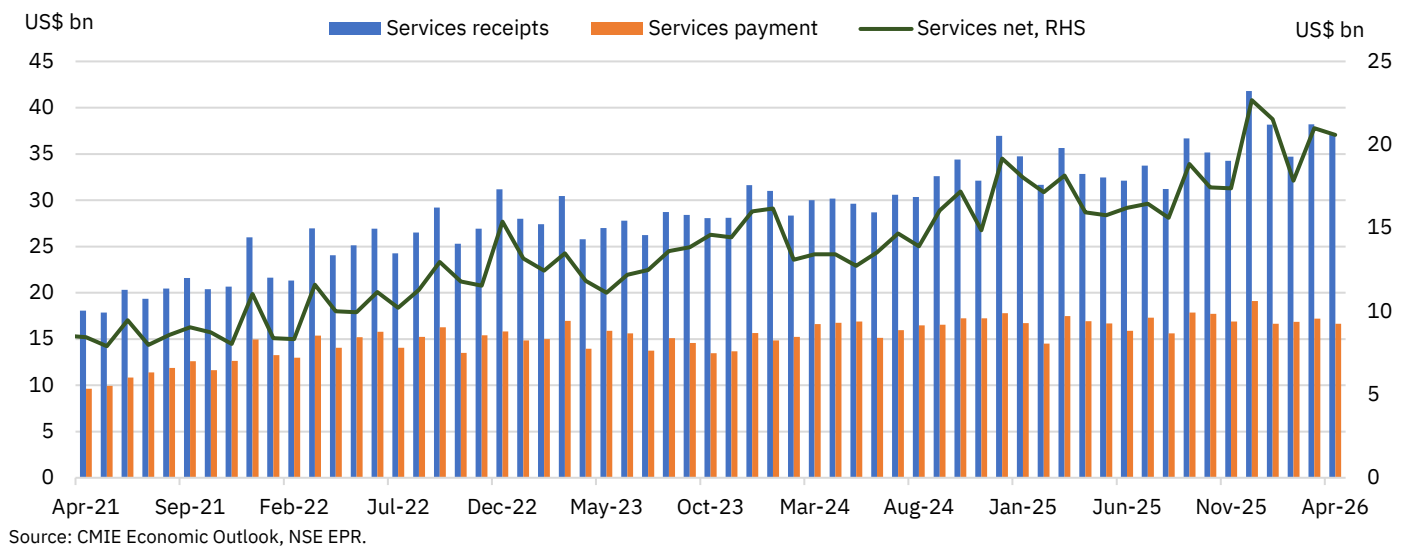
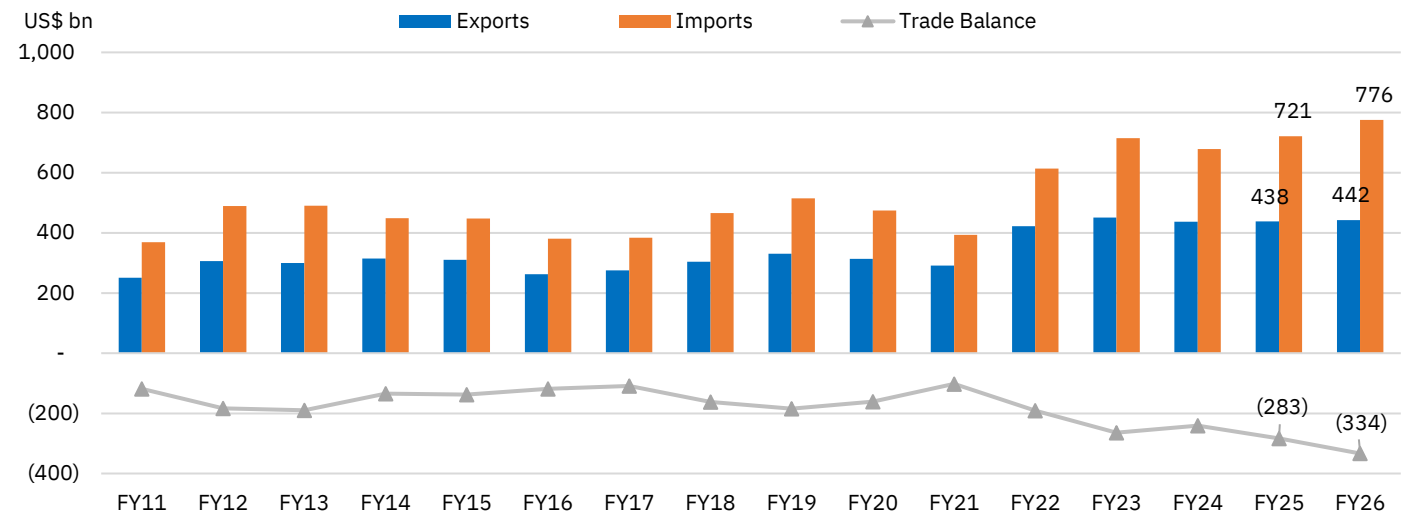
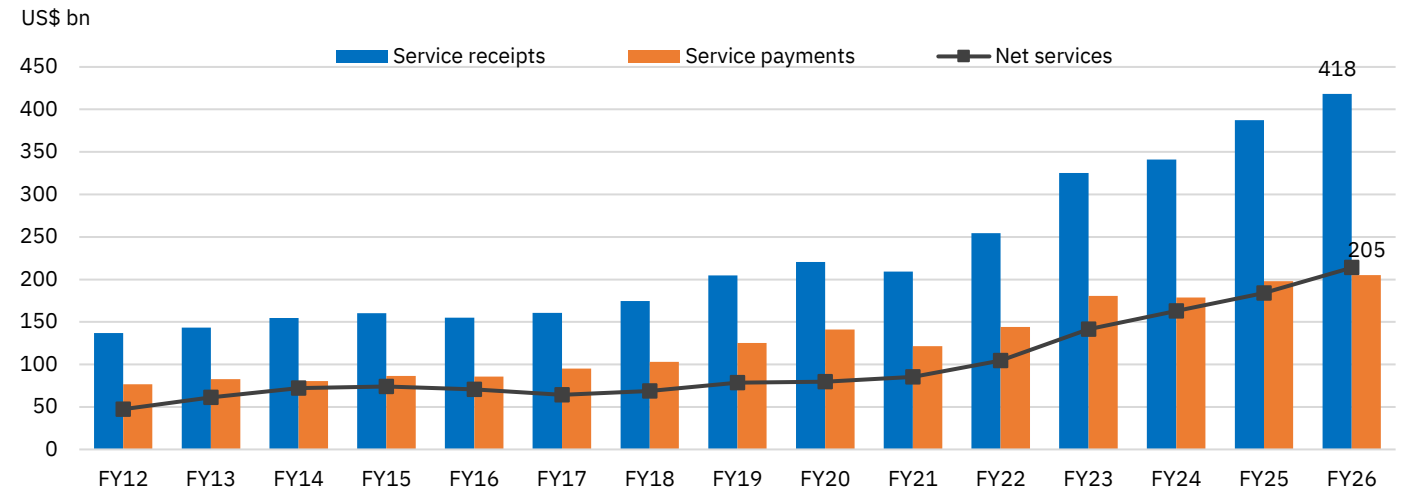
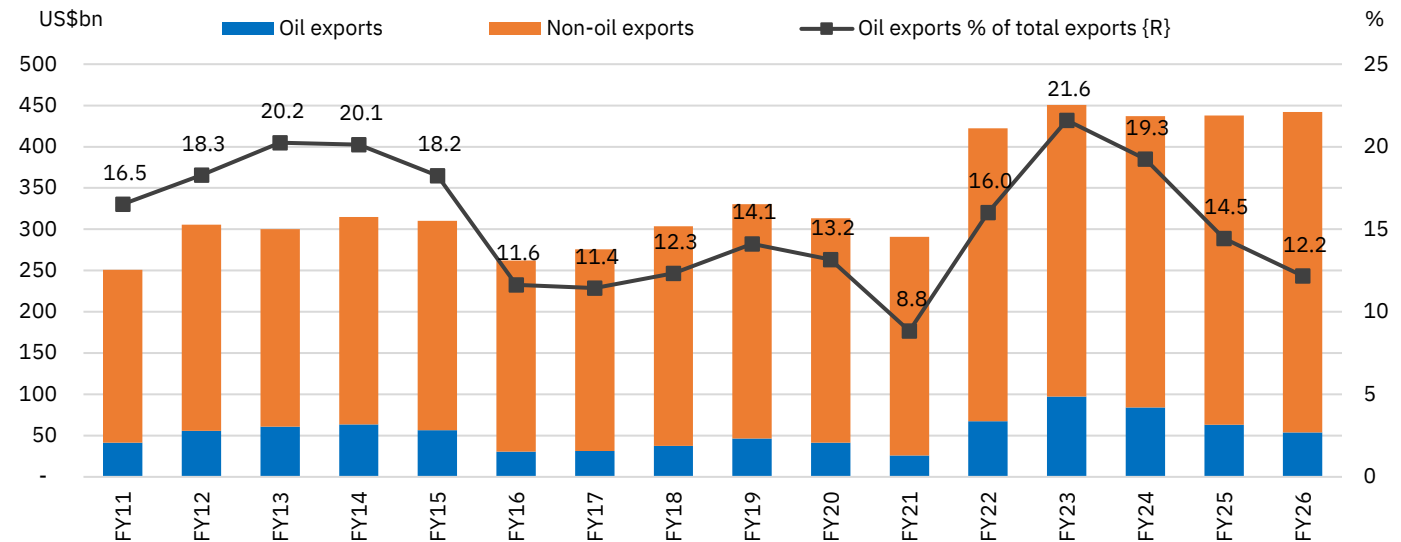
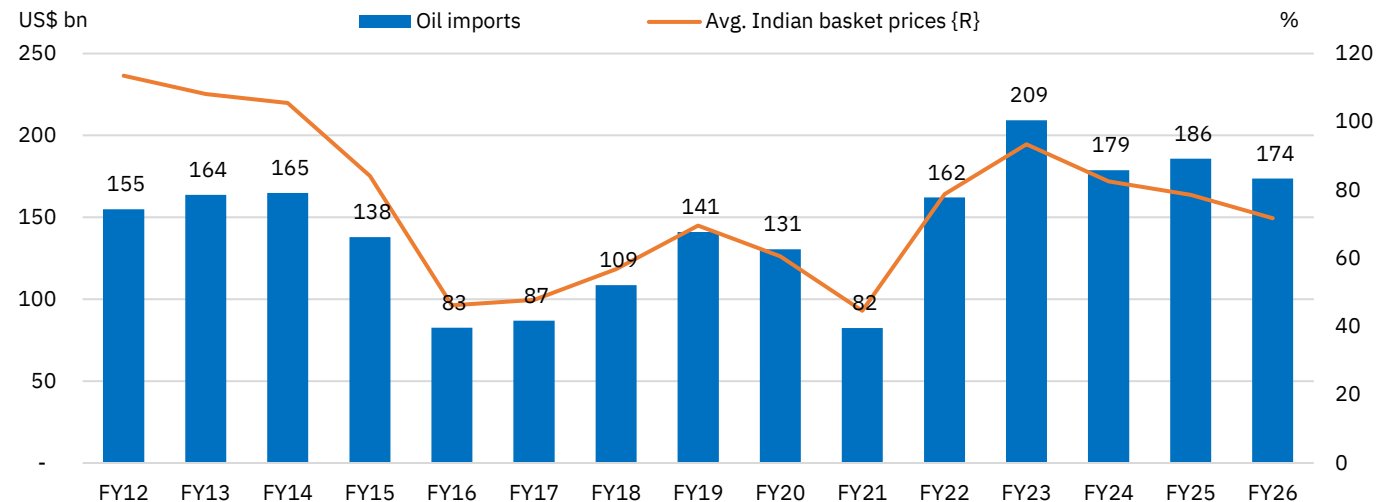
Figure 179: Oil imports vs. Brent crude oil prices trend

Figure 180: Monthly trend in monthly services exports, imports and net balance

Figure 181: Annual trend in merchandise trade


Figure 182: Annual trend in services trade


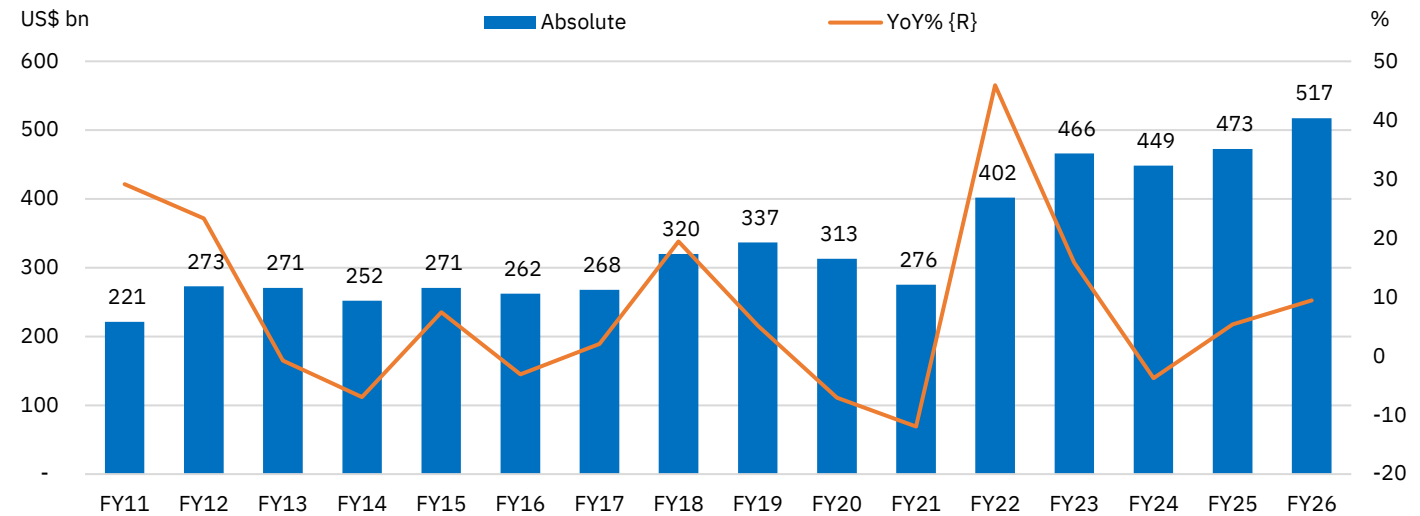
Source: CMIE Economic Outlook, NSE EPR.

Figure 183: Annual trend in oil and non-oil exports


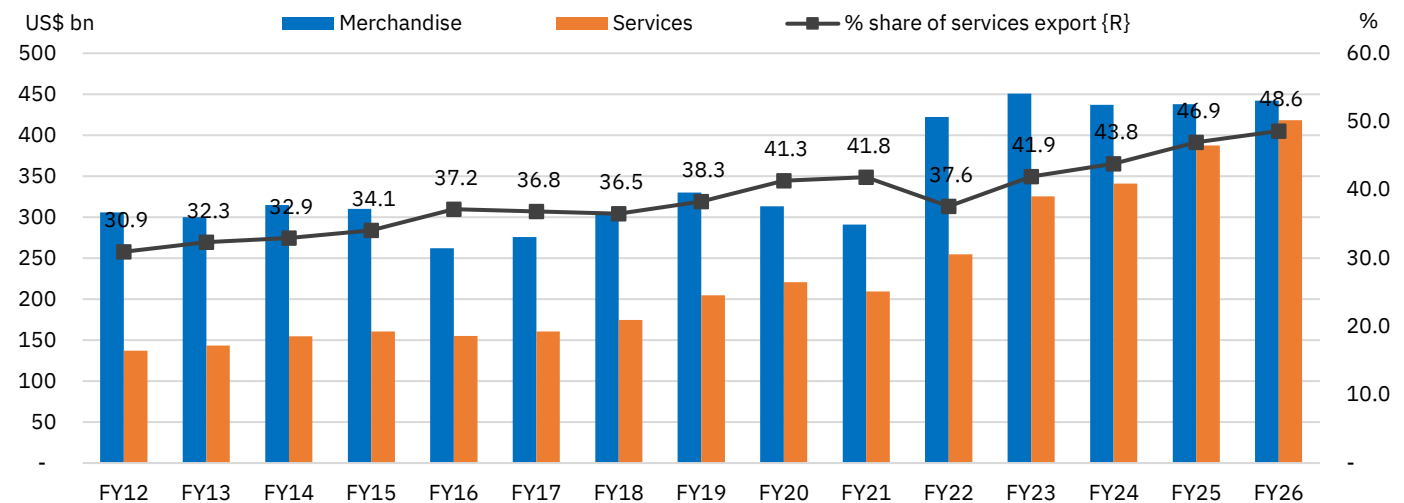
Source: CMIE Economic Outlook, NSE EPR

Figure 184: Annual trend in oil imports and average crude oil prices


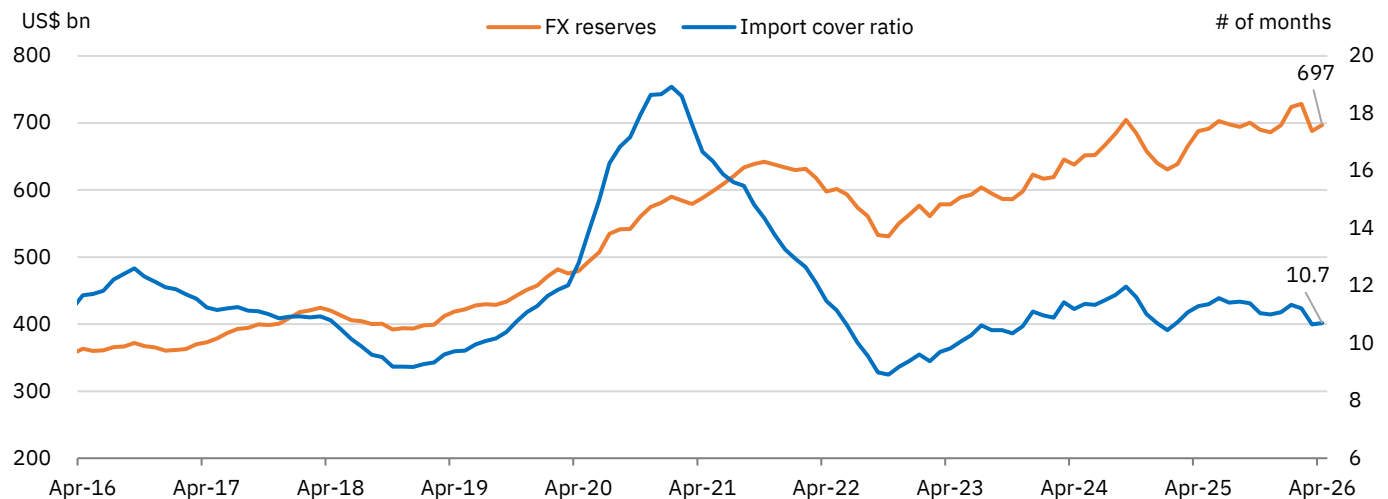
Source: CMIE Economic Outlook, NSE EPR

Figure 185: Annual trend in non-oil, non-gold, non-silver imports


Source: CMIE Economic Outlook, NSE EPR

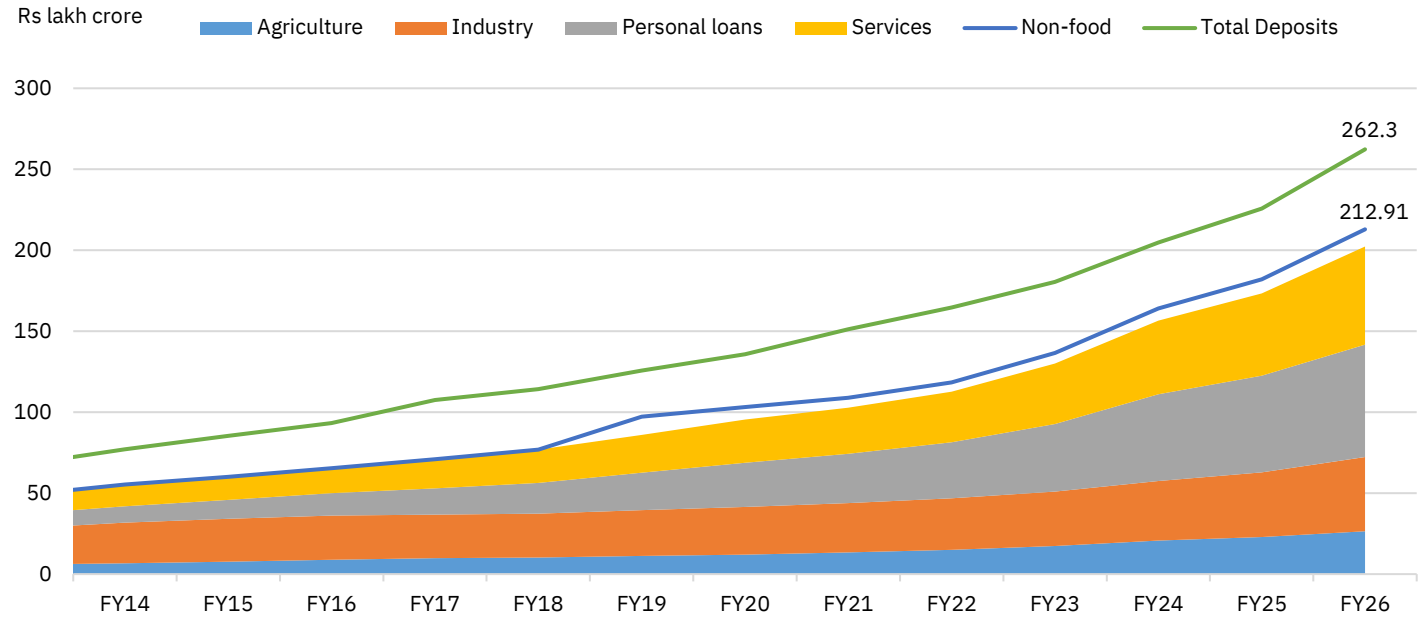
Figure 186: Annual trend in merchandise and services exports


Source: CMIE Economic Outlook, NSE EPR

Figure 187: Forex reserves and import cover (months)

Source: LSEG Workspace, RBI, NSE EPR; Forex reserves as of May 8th, 2026

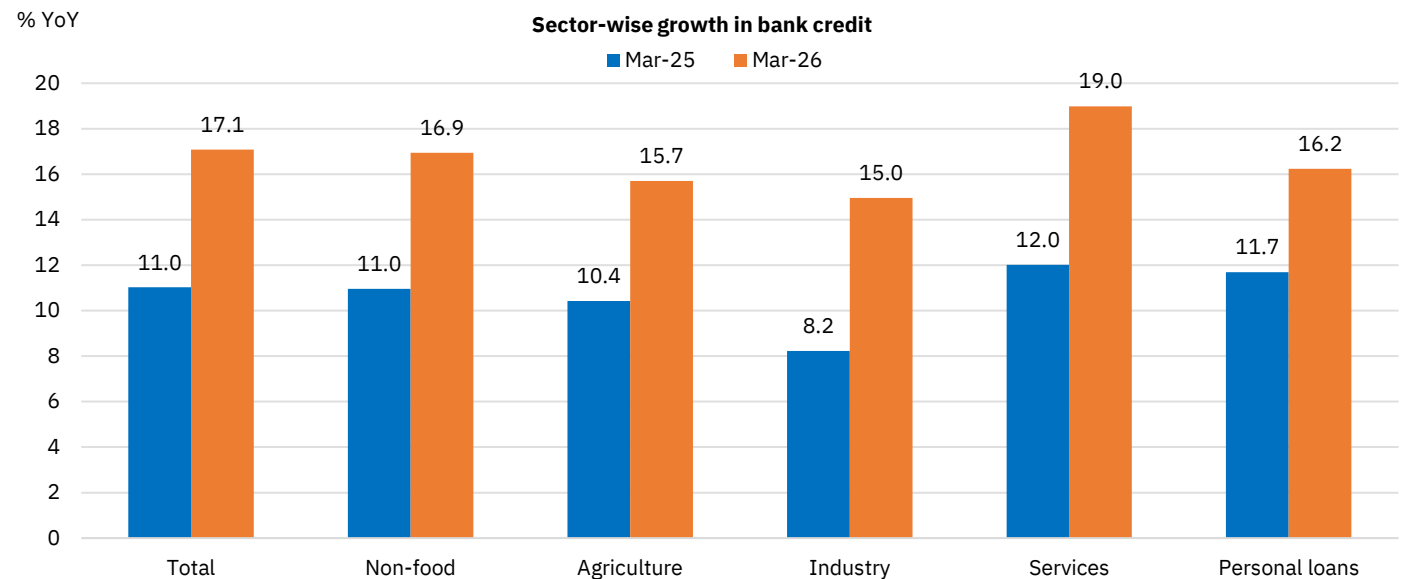
Bank credit accelerated to 16% YoY in April; outpacing deposit mobilisation

Figure 188: Annual trends in Outstanding bank credit and deposit

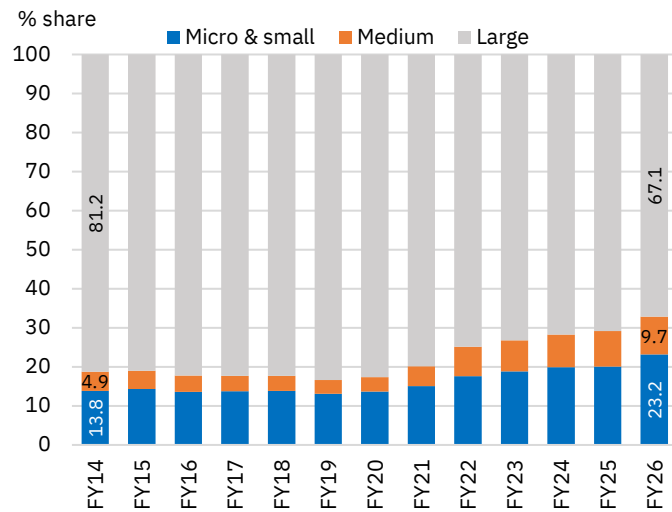


Source: CMIE Economic Outlook, RBI, NSE EPR.

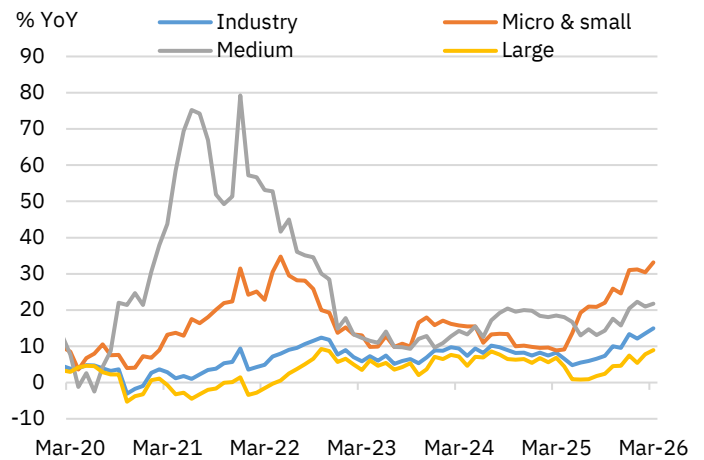
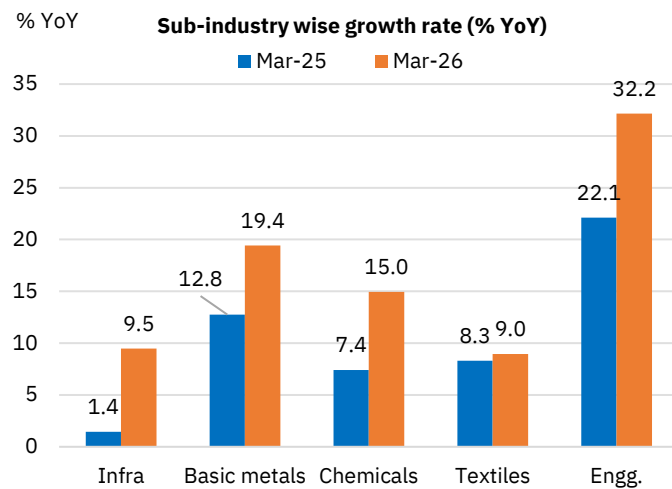
Figure 189: Growth in bank credit across key heads



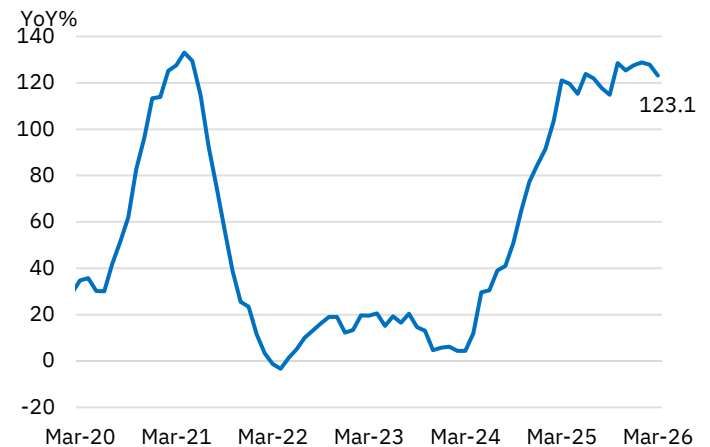
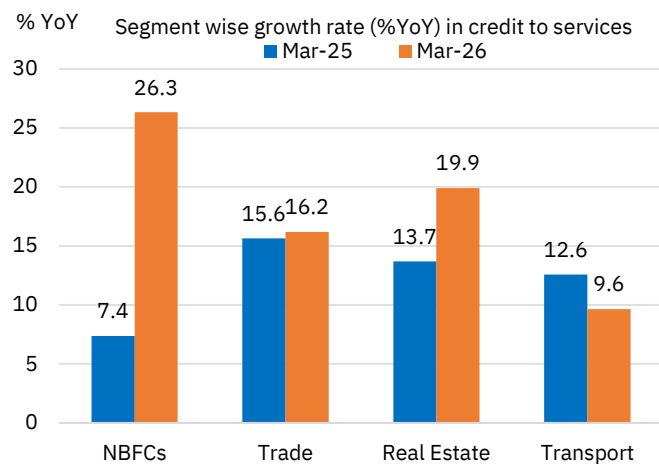
Source: CMIE Economic Outlook, NSE EPR.

Figure 190: Break of industrial bank credit (% share)


Source: CMIE Economic Outlook, NSE EPR.

Figure 191: Size-wise growth in industrial bank credit (% YoY)

Figure 192: Credit growth in key industrial segments


Source: CMIE Economic Outlook, NSE EPR.

Figure 193: Growth rate in loans against gold jewellery (% YoY)

Figure 194: Growth in bank credit across segments of services


Source: CMIE Economic Outlook, NSE EPR.

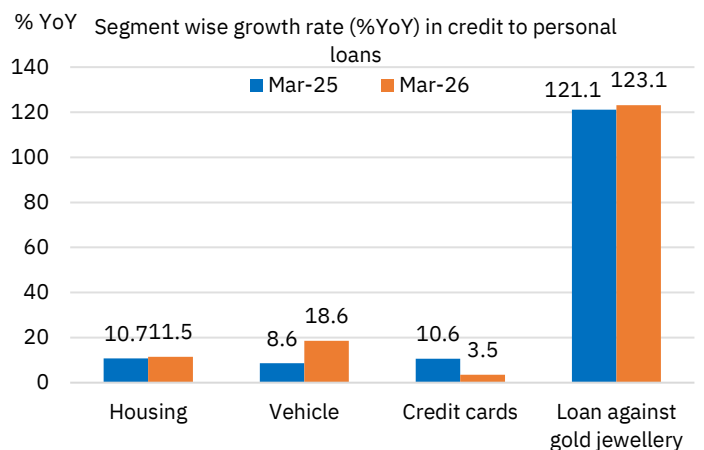
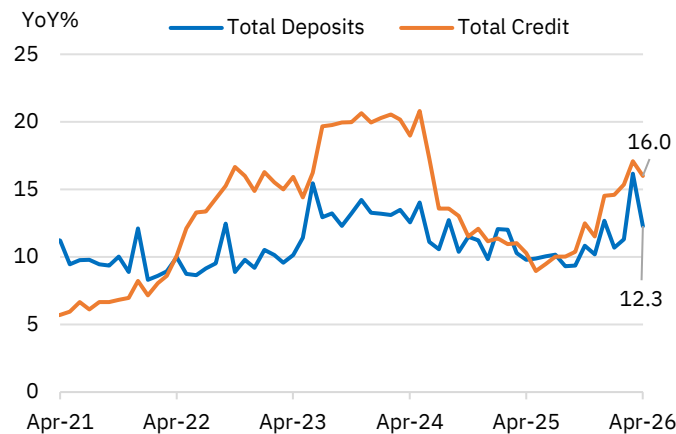
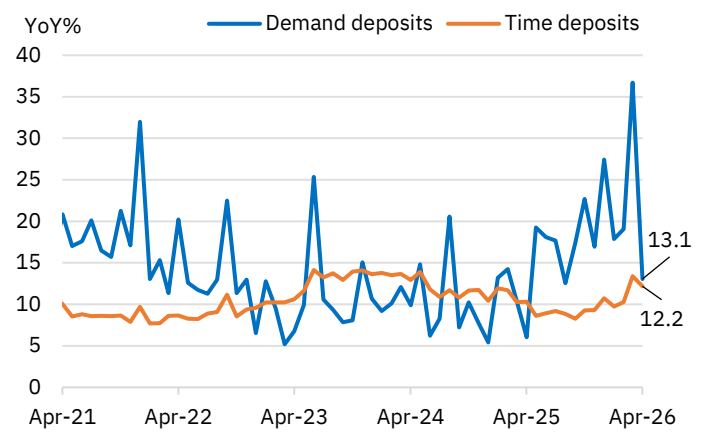
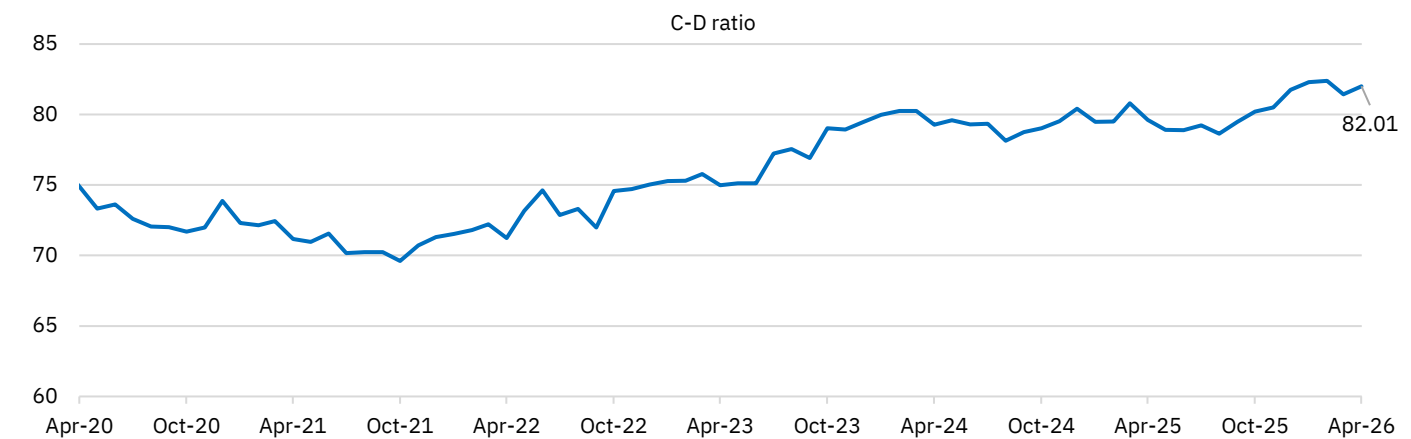
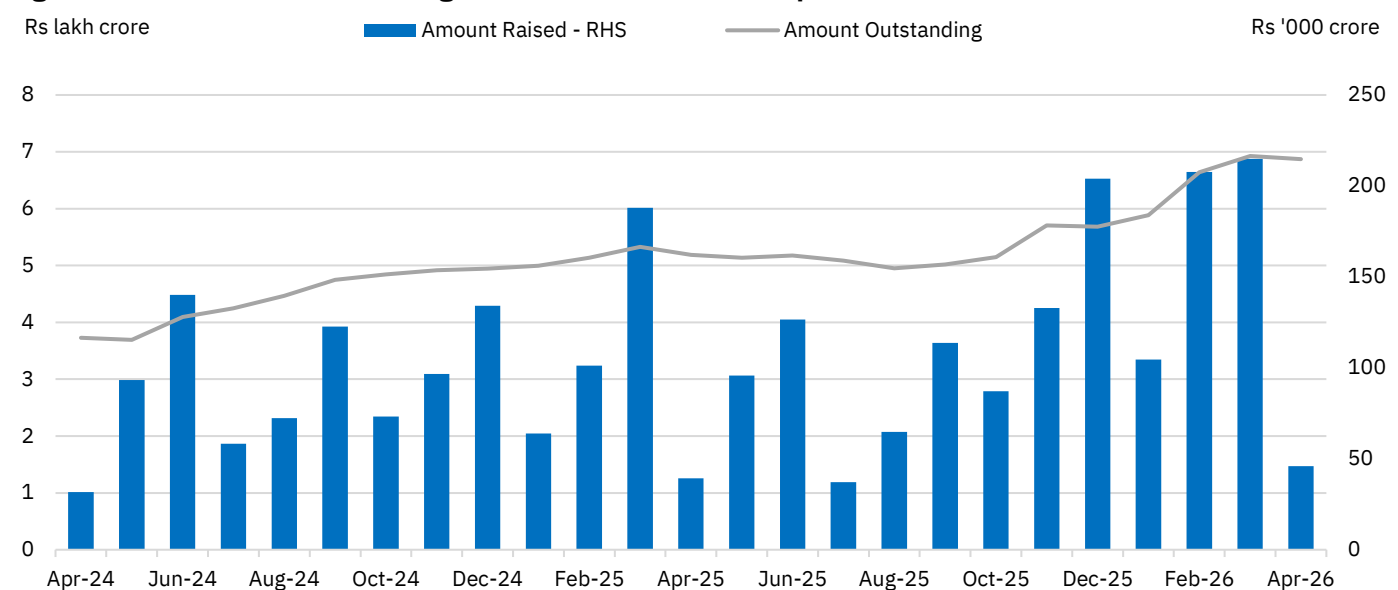
Figure 195: Growth in bank credit across segments of personal loans


Figure 196: Trends in bank credit and deposit growth

Figure 197: Growth in demand and time deposits


Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for April 2026 as of April 30, 2026 from the Weekly Statistical Statement of RBI (latest).

Figure 198: Credit to Deposit ratio (%)


Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for April'26 as of April 30th, 2026 from the Weekly Statistical Statement of RBI (latest).

Figure 199: Issued and outstanding amount of Certificate of Deposits


Source: CMIE Economic Outlook, NSE EPR. Note: Data for April'26 as of April 30th, 2026 from the Weekly Statistical Statement of RBI (latest).

Global snippets: Elevated global uncertainty and AI-led confidence

Figure 200: Geopolitical Risk Index (30-day moving average)

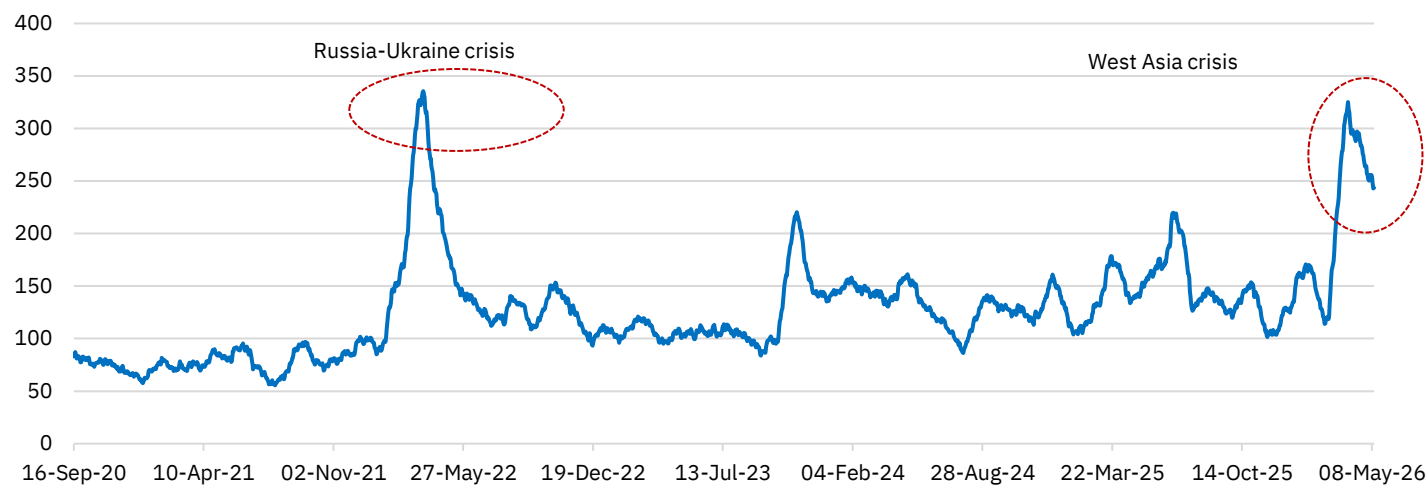


Figure 201: US economic policy uncertainty index

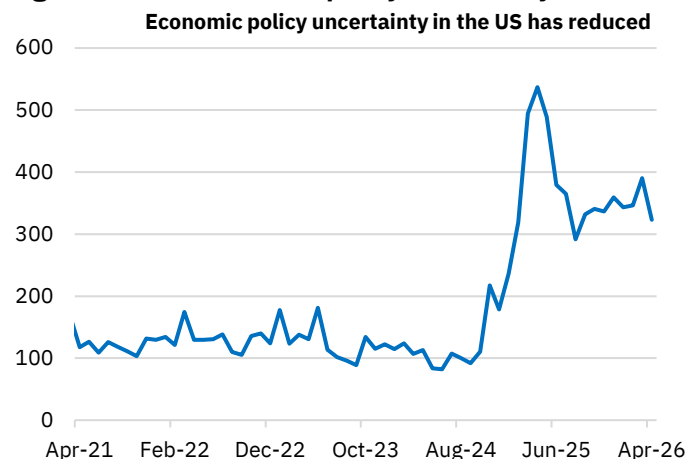


Figure 202: US business confidence (manufacturing)

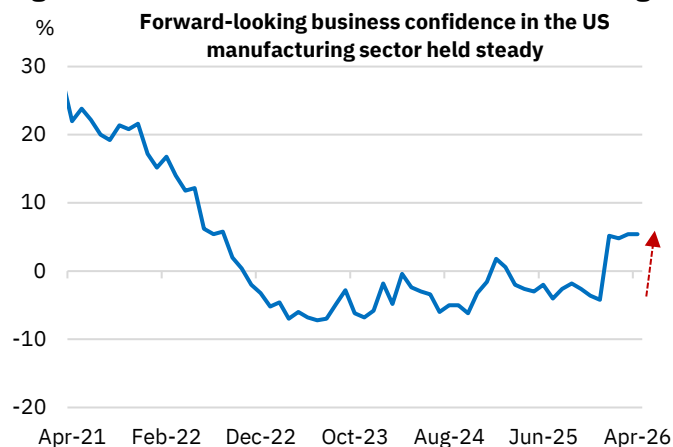
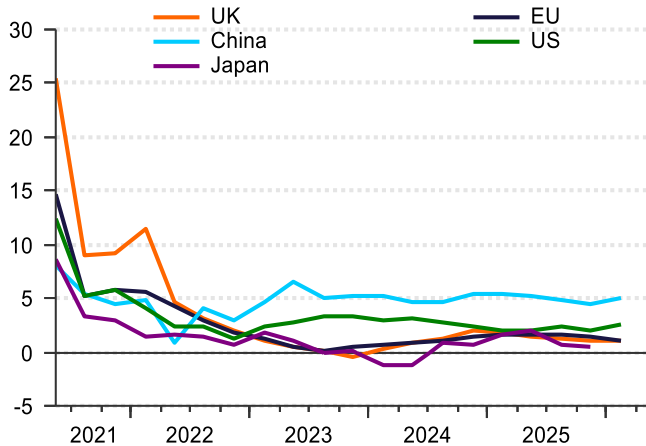


Table 41: Region-wise growth forecast by IMF and OECD

Growth outlook	IMF projections			Difference from Jan 2026 (pp)		OECD projections	
	2025	2026	2027	2026	2027	2026	2027
World	3.4	3.1	3.2	-0.2	0	2.9	3
Advanced Eco	1.9	1.8	1.7	0	0	NA	NA
USA	2.1	2.3	2.1	-0.1	0.1	2	1.7
Euro Area	1.4	1.1	1.2	-0.2	-0.2	0.8	1.2
Germany	0.2	0.8	1.2	-0.3	-0.3	0.8	1.5
France	0.9	0.9	0.9	-0.1	-0.3	0.8	1
Japan	1.2	0.7	0.6	0	0	0.9	0.9
UK	1.3	0.8	1.3	-0.5	-0.2	0.7	1.3
Canada	1.7	1.5	1.9	-0.1	0	1.2	1.7
EMDE	4.4	3.9	4.2	-0.3	0.1	NA	NA
China	5.0	4.4	4.0	-0.1	0	4.4	4.3
India	7.6	6.5	6.5	0.1	0.1	6.1	6.4
Russia	1.0	1.1	1.1	0.3	0.1	0.6	0.8
Brazil	2.3	1.9	2.0	0.3	-0.3	1.5	2.1

Source: IMF World Economic Outlook (April 2026), OECD, NSE EPR Notes: 1) NA= Not available

Figure 203: Growth across major economies



Source: LSEG Workspace, NSE EPR.

Figure 204: Inflation across major economies

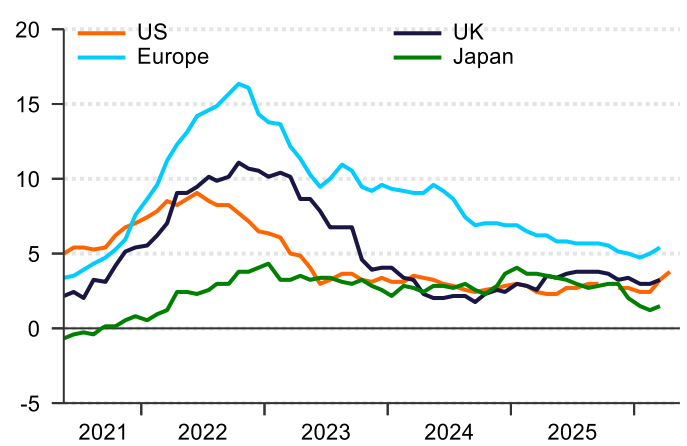
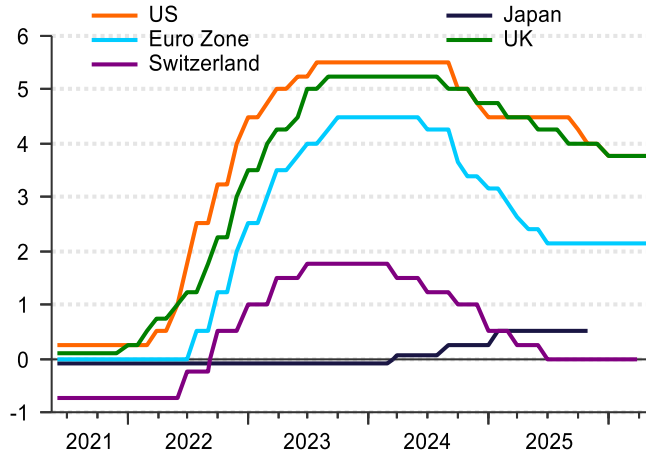


Figure 205: Policy rates across advanced economies



Source: LSEG Workspace, NSE EPR.

Figure 206: Policy rates across emerging economies

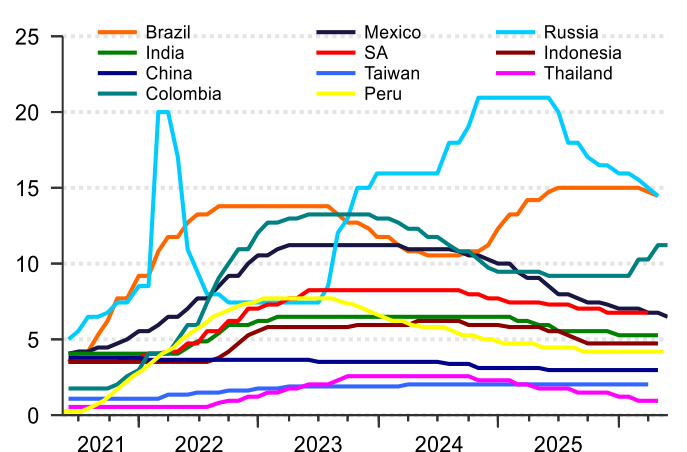
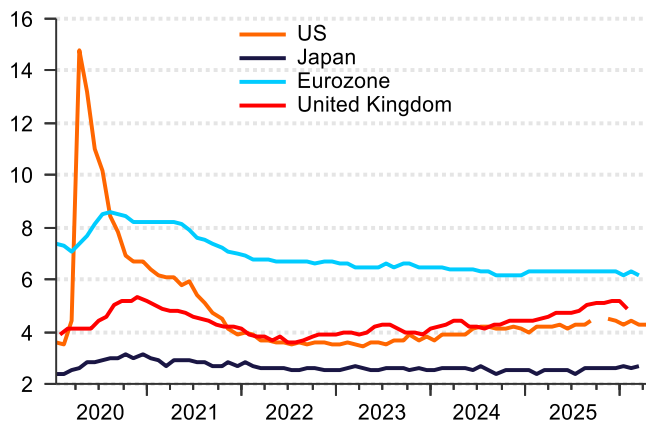


Figure 207: Unemployment rates across major developed economies



Source: LSEG Workspace, NSE EPR.

Figure 208: Trends in industrial production (YoY%) across major economies

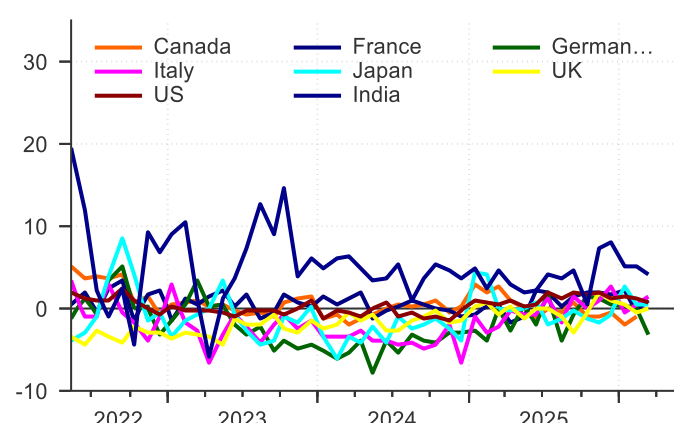
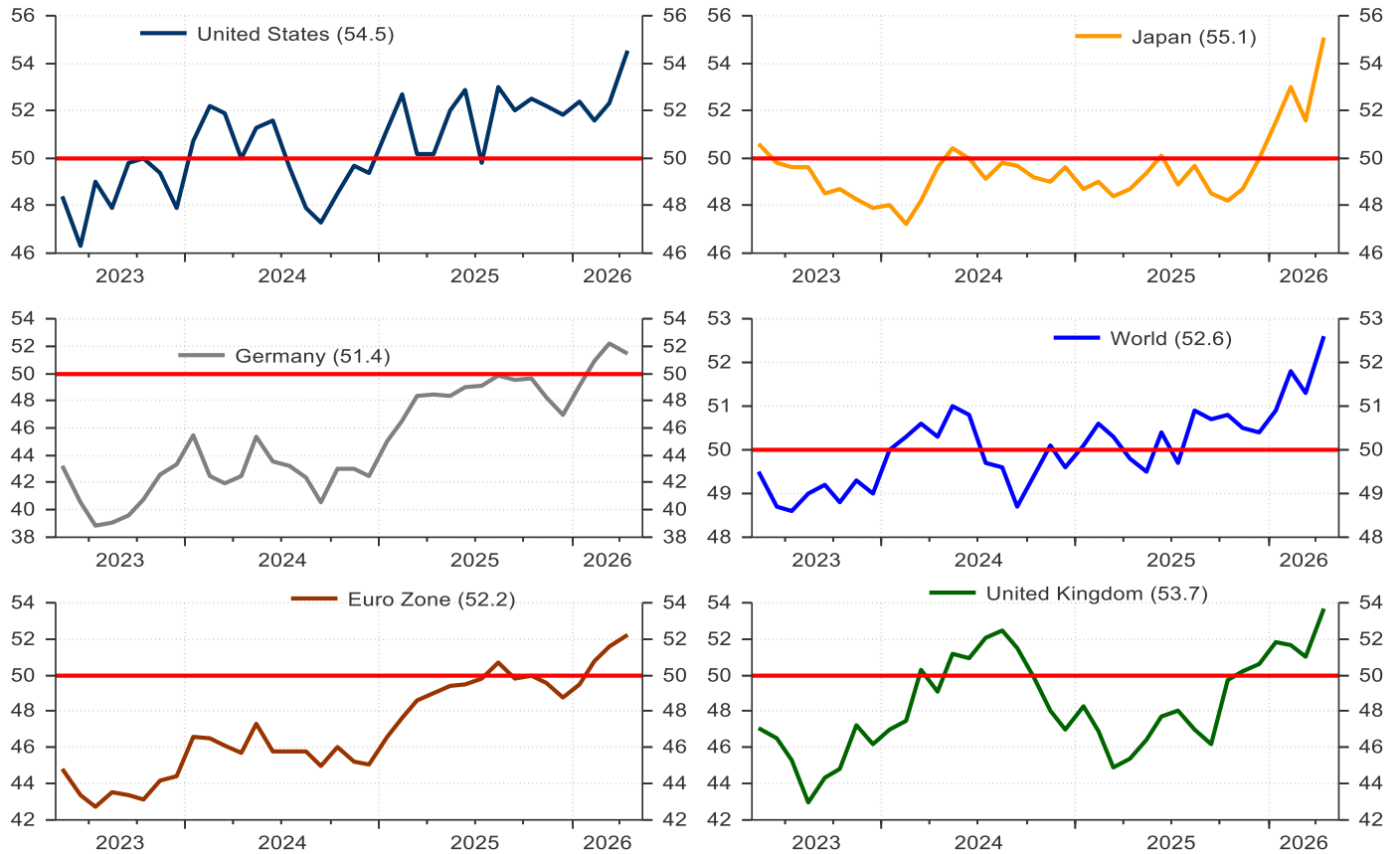


Figure 209: Trend in PMI manufacturing across countries

Manufacturing (SA) PMIs: Developed Markets



Source: LSEG Workspace, NSE EPR.

Insights

The price of promises: Understanding corporate bond markets

Risk, intermediation, and the architecture of credit

The Story of the Month for this edition of Market Pulse examines corporate bond markets—an asset class that has grown from a peripheral instrument of corporate finance into a central pillar of global capital markets. This Insights section intends to provide the academic foundation for that discussion, drawing on five decades of research to contextualise the structural, institutional, and macroeconomic forces that shape the market today.

At their core, corporate bonds are contractual promises. Firms borrow from investors at a fixed rate of interest, committing to repay at maturity. In exchange for bearing the risk that those obligations may not be honoured in full, investors demand compensation over the risk-free rate in the form of a yield spread. In principle, the mechanism is straightforward.

In practice, it is considerably more complex. Decades of research have shown that default risk explains only a fraction of observed corporate bond spreads. The remainder reflects a broader set of forces: liquidity premia, tax treatment, institutional incentives, investor risk appetite, and the pressures created by modern fund intermediation during periods of stress. The spread is thus not simply a measure of creditworthiness, but a composite price shaped by the interaction of markets, institutions, and macro-financial conditions.

That insight has reshaped how economists and policymakers understand corporate credit markets. Credit spreads are now treated as indicators of financial stress and economic vulnerability; rating agencies have come under scrutiny for issuer-pays distortions; and the rapid expansion of bond mutual funds, electronic trading platforms, and cross-border dollar borrowing has raised new concerns about market resilience during episodes of widespread selling. Corporate bond markets have thus emerged as a critical component of the global financial system—one capable of absorbing shocks, transmitting them, or amplifying them.

Key takeaways from the papers

Research on corporate bond markets has unfolded across five decades, moving from first principles about pricing default to unsettling discoveries about what spreads actually measure, and finally to the real-world consequences—for economic forecasting, for emerging markets, and for financial stability.

1. **How should default risk be priced?** — [Merton \(1974\)](#) and [Duffie and Singleton \(1999\)](#) offer two enduring answers. Merton started with a simple insight: a company's equity is like a call option on its assets—shareholders benefit if the firm does well but can walk away if the firm fails. The debt, then, is the flip side: bondholders get paid only if assets exceed what the firm owes. Default happens when assets fall below debt—a rational choice by shareholders. Duffie and Singleton took a different path: rather than modelling why default happens, they model when it might happen, treating default as an unpredictable event whose probability can be inferred from market prices. Structural models (Merton) explain the economics of default; reduced-form models (Duffie-Singleton) fit the data. Both are still used—the former for intuition, the latter for trading.
2. **What, then, do credit spreads actually measure?** — Not just default risk. [Longstaff et al. \(2005\)](#) used credit default swap prices to isolate the pure default component of corporate bond spreads. Their finding was uncomfortable for the textbook view: for investment-grade bonds, default risk explains only 30–50% of the spread. The

remainder is liquidity, taxes, and risk premia unrelated to default. [Becker and Milbourn \(2011\)](#) uncovered a separate distortion: rating agencies, paid by the issuers they rate, inflate their assessments when competition increases—because firms shop for the most favourable rating. Together, these papers show that the information in a spread is noisier and more contingent on market structure than textbook models assume.

3. **Do spreads predict the real economy?** — Yes, and reliably. [Gilchrist and Zakrajšek \(2012\)](#) constructed the "excess bond premium"—the part of spreads not explained by firm-level default risk—and showed it forecasts GDP growth, industrial production, and unemployment. The Federal Reserve now monitors it. [Becker and Ivashina \(2014\)](#) asked a different question: when spreads rise and banks tighten lending, who gets credit? Their answer: firms with bond market access switch to issuing bonds, cushioning the shock. Smaller firms without that access bear the full brunt. The corporate bond market, then, is not just a mirror of economic conditions but a mechanism that redistributes the impact of those conditions across firms of different sizes.
4. **What does bond market development mean for emerging economies?** — [Eichengreen and Luengnaruemitchai \(2006\)](#) examined why many developing countries have thin corporate bond markets. The answer is not culture or income level but addressable factors: weak institutions, volatile exchange rates, and concentrated banking sectors. [Bruno and Shin \(2017\)](#) added a sharp warning: when emerging-market firms issue dollar-denominated bonds, they effectively borrow in a currency they do not control. A strengthening dollar raises their debt burden in local terms, and because many firms hedge incompletely, financial instability can propagate from currency moves to corporate balance sheets to the broader economy.
5. **How have bond markets changed in the last decade, and with what consequences?** — Two developments stand out. First, the rise of green bonds: [Flammer \(2021\)](#) provided causal evidence that firms issuing green bonds improve their environmental performance, attract a distinct class of long-term investors, and pay a slightly lower yield—a "greenium." Second, the transformation of market structure: [O'Hara and Zhou \(2025\)](#) document that corporate bond markets have grown larger, more electronified, and more dependent on open-ended funds. Each improvement has introduced new vulnerabilities. Dealer intermediation has eroded; electronic platforms perform poorly under stress; fund outflows amplify selling pressure. The March 2020 dash-for-cash, they argue, was not a freak accident but a structural inevitability—the logical consequence of a market too large and too interconnected to clear freely.

These studies collectively reveal corporate bond markets as far more than a corporate finance backwater. They are early warning systems for central banks, distributional engines that favour large firms over small ones, arenas where institutional incentives can go badly wrong, and—most recently—sites of both innovation and newly visible fragility.

Papers in brief

- Merton (1974) — A structural framework for pricing corporate debt through default risk:** The paper develops a theoretical framework in which corporate debt is valued as a contingent claim on the firm's asset value, with default risk arising endogenously from the firm's financial structure. It models firm value as a stochastic process and shows that the distribution of this value determines the payoffs to debt and equity holders. Within this setup, equity is equivalent to a call option on the firm's assets, with the strike price equal to the promised debt repayment. Conversely, debt can be viewed as a risk-free bond combined with a short put option, reflecting the lender's exposure to default risk. The model demonstrates that the value of debt and the probability of default depend on key factors such as leverage, asset volatility, and time to maturity. Higher leverage and volatility increase default risk and thus widen credit spreads. By linking these firm-level characteristics to bond pricing, the paper provides a structural explanation for the risk structure of interest rates.
- Duffie and Singleton (1999) — Defaultable Bond Valuation through Credit Risk and Recovery:** Duffie and Singleton provide a tractable reduced-form framework for valuing bonds and other claims exposed to default risk. The paper treats default as an unpredictable event governed by a hazard-rate process and shows that defaultable securities can be priced in a manner similar to default-free bonds by using a default-adjusted short rate, which combines the risk-free rate with the risk-neutral expected loss from default. By linking default probability, recovery assumptions and interest-rate dynamics within a unified term-structure framework, the study highlights that credit spreads should not be interpreted as default risk alone, as they also reflect expected recovery, risk premia and interest-rate conditions. The paper further shows that bond prices may not separately identify default probability and loss given default, while derivatives on defaultable bonds may provide additional information due to their nonlinear payoffs. Overall, the paper provides an important theoretical foundation for corporate bond valuation, credit-spread interpretation, risk management and the development of credit-risk transfer instruments.
- Longstaff et al. (2005) – Corporate yield spreads: Default risk versus liquidity – Longstaff et al. (2005)** examine whether corporate bond yield spreads primarily compensate investors for default risk or reflect broader non-default factors such as liquidity. Using data from the rapidly expanding credit default swap (CDS) market, the authors compare CDS premia with corporate bond spreads across different credit ratings. Their findings challenge earlier literature which argued that default risk explained only a small fraction of corporate spreads. Instead, the study shows that default risk accounts for the majority of spreads, particularly for lower-rated bonds, while a significant residual component is linked largely to liquidity conditions rather than taxation. The paper further demonstrates that liquidity effects are highly time varying and connected to market-wide liquidity conditions. By integrating CDS market information into corporate bond analysis, the study establishes credit risk as the dominant driver of corporate spreads while demonstrating that liquidity introduces important temporary distortions into corporate debt pricing.

- [Becker and Milbourn \(2011\)](#) – **The competition "quality" paradox:** This paper investigates the unexpected impact of competition on the credit rating industry. Traditionally, regulators believed that introducing more competitors into a market automatically improves product quality and accuracy. However, by analysing the corporate debt market when a third agency, Fitch, challenged the historic dominance of Moody's and Standard & Poor's, the authors discovered a surprising paradox. As competition heated up, the overall quality of credit ratings declined. Ratings became artificially inflated, less connected to real market yields, and worse at predicting actual defaults. This happened because the companies being rated are the ones who pay the rating agencies. Instead of competing to provide the most accurate risk assessments to investors, the agencies competed for corporate clients by handing out more favourable, lenient ratings. Ultimately, the study reveals that when the subject of an evaluation pays the evaluator, increased competition can erode the truth rather than protect it.
- [Gilchrist and Zakrajšek \(2012\)](#) – **Credit spreads and business cycle fluctuations:** The paper shows that corporate bond credit spreads are strong leading indicators of future economic activity, but their meaning depends on whether they reflect borrower default risk or broader financial-market stress. Using bond-level data, the authors construct the GZ credit spread and show that it predicts future weakness in employment, industrial production and GDP better than standard spread measures. They further decompose the spread into measured default risk and the excess bond premium (EBP), a residual premium linked to investors' compensation for bearing credit risk. The key finding is that the EBP carries most of the macroeconomic information in credit spreads, indicating that widening spreads often reflect weaker intermediary risk-bearing capacity and tighter credit supply. Overall, the paper highlights EBP as an important early-warning indicator of financial stress and future economic slowdown.
- [Becker and Ivashina \(2014\)](#) – **When banks pull back: Firm-level evidence on the cyclicity of credit supply** – When recessions hit, bank lending contracts sharply, but it has historically been difficult to determine whether this reflects weaker borrower demand or reduced bank willingness to lend. This paper addresses this problem using a simple yet powerful identification strategy: if a firm successfully raises debt during a downturn, it clearly wants to borrow; therefore, a shift from bank loans to public bonds signals a contraction in bank credit supply. Examining U.S. firms between 1990 and 2010, the authors show that firms systematically substitute toward bond financing whenever banks experience stress, measured through tighter lending standards, rising non-performing loans, falling bank stock prices, or restrictive monetary policy. Quantitatively, tighter lending conditions reduce the probability of bank borrowing by roughly 1.4 to 3.6 percentage points relative to a baseline probability of 13.5%. Crucially, the authors show that this substitution behaviour strongly predicts whether smaller, bank-dependent firms can obtain credit and continue investing, implying that contractions in bank credit supply disproportionately transmit economic stress onto firms lacking access to public debt markets.
- [Eichengreen & Luengnaruemitchai \(2004\)](#) – **Bank dominance and institutional gaps behind Asia's weak bond markets:** The paper argues that Asia's relatively

underdeveloped bond markets are the outcome of deep-rooted structural reliance on bank-based finance, weak institutional frameworks, and macroeconomic and policy constraints. Using cross-country evidence, it shows that factors such as economic size, openness, governance quality, accounting standards, banking sector dynamics, and capital account policies jointly determine bond market development. Importantly, the study finds that bond markets are not inherently constrained in Asia, but their growth has been shaped by historical financial structures and policy environments that favour banks over market-based financing.

- [Bruno and Shin \(2017\)](#) — **The corporate "carry trade" illusion:** This paper investigates why international companies, particularly in emerging markets, borrow heavily in U.S. dollars. Traditionally, experts assumed non-financial firms took on foreign debt to fund real, on-the-ground investments like building factories or expanding operations. However, by analysing corporate bond issuances, the authors uncover a surprising reality. Firms already sitting on large piles of cash are the most likely to issue dollar-denominated bonds. Instead of investing this newly borrowed money into their businesses, they simply add it to their existing cash reserves and short-term assets. In essence, these everyday corporations are acting like financial speculators—borrowing cheap dollars to exploit global interest rate differences, a practice known as a "carry trade". Ultimately, the study reveals that this hidden financial manoeuvring turns ordinary companies into shadow banks, leaving emerging markets highly vulnerable to sudden shifts in U.S. monetary policy.
- [Flammer \(2021\)](#) — **Corporate green bonds: Signalling environmental commitment through sustainable finance** – [Flammer \(2021\)](#) examines the rapid expansion of the corporate green bond market and evaluates whether green bonds represent credible environmental commitments, greenwashing mechanisms, or attempts to obtain cheaper financing. Using a global sample of corporate green bond issuances between 2013 and 2018, the study analyses stock market reactions, environmental performance outcomes, investor ownership changes, and bond pricing differentials. The findings show that investors respond positively to green bond announcements, particularly for certified bonds and first-time issuers, supporting the interpretation that green bonds function as credible signals of environmental commitment. Firms issuing green bonds subsequently improve environmental ratings, reduce carbon emissions, and attract long-term and environmentally conscious investors. At the same time, the study finds little evidence of a meaningful “greenium,” suggesting that firms do not issue green bonds primarily to reduce financing costs. Overall, the paper establishes green bonds as signaling instruments that strengthen firms’ sustainability credibility within capital markets.
- [O'Hara and Zhou \(2025\)](#) — **Structural transformation and liquidity risk in the US corporate bond market:** The authors examine how the \$11 trillion US corporate bond market has become more efficient but dangerously fragile. Historically, large bank dealers ensured market stability by holding massive bond inventories. However, post-2008 regulations like the Volcker rule made warehousing these bonds too expensive, sharply reducing the market's traditional shock absorbers. Consequently, the market shifted toward electronic "request-for-quote" (RFQ)

trading and saw a surge of retail investors via mutual funds and ETFs. While these innovations lower costs during normal periods, they create severe vulnerabilities during financial panics. Mutual funds offer daily cash withdrawals for underlying bonds that are fundamentally difficult to sell quickly, creating a dangerous "liquidity mismatch." During crises like in March 2020 (onset of Covid), panicked investors rush to withdraw, forcing funds into fire sales. With banks no longer stepping in to buy, electronic platforms freeze. The authors warn that without structural reforms—such as better pre-trade price transparency and encouraging stable, long-term buyers—the Federal Reserve will repeatedly be forced to bail out the market as a "market maker of last resort."

On the pricing of corporate debt: The risk structure of interest rates¹¹

Robert C. Merton (1974)

Summary

The paper presents a foundational framework for understanding the pricing of corporate debt by integrating insights from option pricing theory with corporate finance. It addresses a critical gap in the literature by providing a systematic model for valuing risky debt, where the probability of default is explicitly modeled rather than treated exogenously. The approach is based on the idea that the total value of a firm is distributed across its liabilities debt and equity depending on future realizations of firm value.

By modeling firm value as a stochastic process, the paper derives a general pricing equation for all corporate securities, showing that their valuation depends on firm value, volatility, interest rates, and contractual features. A central contribution is the demonstration that equity is equivalent to a European call option on the firm's assets, while debt can be interpreted as a risk-free bond adjusted for default risk via an implicit put option. This insight allows the application of the Black-Scholes framework to derive closed-form solutions for risky debt prices and yields.

Introduction

The paper begins by identifying a key limitation in existing financial theory. A substantial progress had been made in understanding the term structure of interest rates however no comparable framework to analyse the risk structure arising from default risk. [Merton \(1974\)](#) argues that the value of corporate debt depends fundamentally on three elements: the risk-free rate, contractual features of the bond (such as maturity and seniority) and the probability of default.

The study is motivated by the need to develop a model where default risk is not treated as an exogenous parameter but instead arises endogenously from the firm's financial structure and asset dynamics. Building on the option pricing framework of Black and Scholes, the paper proposes that corporate liabilities can be analysed as contingent claims on the underlying value of the firm. This perspective enables a more precise and theoretically grounded understanding of bond pricing and credit spreads.

Literature

The study builds upon and synthesises several foundational strands of financial economics, integrating insights from option pricing, capital structure theory, and stochastic asset pricing. At its core, the paper extends the option pricing framework developed by [Black and Scholes \(1973\)](#), which provides a no-arbitrage approach to valuing contingent claims using observable variables. [Merton \(1973\)](#), the earlier work of Merton further generalized this framework, making it applicable to a broader class of financial securities, including corporate liabilities. In addition, the paper is closely related to the Modigliani-Miller theorem developed in [Modigliani and Miller \(1958\)](#) paper, which establishes the irrelevance of capital structure under ideal market conditions. Merton incorporates this principle and demonstrates that even in the presence of default risk, firm value can be decomposed into debt and equity without altering total value, thereby reinforcing the theoretical consistency of his framework.

The study also draws on the efficient market hypothesis, developed by [Fama \(1970\)](#) and [Samuelson \(1965\)](#) contributions to justify modelling firm value as a continuous stochastic process with unpredictable movements. This assumption underpins the use of diffusion processes and stochastic calculus, which are central to the model's

¹¹ [Merton, R. C. \(1974\). On the pricing of corporate debt: The risk structure of interest rates. *Journal of Finance*, 29\(2\), 449-470.](#)

formulation. Beyond these well-known contributions, the paper also implicitly builds on advances in stochastic process theory and dynamic optimization, including the application of Itô calculus as discussed by [McKean \(1969\)](#), which provides the mathematical foundation for deriving the pricing equation.

Theoretical hypotheses

The paper is structured around a set of foundational theoretical propositions:

- Corporate securities are contingent claims on firm value, and their valuation depends on the distribution of future asset values
- Default occurs endogenously when firm value at maturity is insufficient to meet debt obligations
- Equity holders have a residual claim equivalent to a call option, with limited liability
- Debt holders effectively hold a risk-free claim subject to default risk, equivalent to a risk-free bond minus a put option
- Credit spreads reflect compensation for default risk and depend on leverage, volatility, and maturity

Data & methodology

The paper adopts a purely theoretical and model-based approach, relying on a set of key economic variables rather than empirical datasets to derive the pricing of corporate debt. The analysis is built on fundamental inputs, including the current value of the firm (V), the promised debt repayment or face value of debt (B), the risk-free interest rate (r), the volatility of firm value (σ^2), and the time to maturity (T). These variables are either directly observable in financial markets or can be estimated, allowing the framework to remain empirically relevant despite its theoretical nature.

The paper employs a continuous-time stochastic framework, in which firm value is assumed to follow a diffusion process governed by Brownian motion. Using Itô's Lemma, the study derives the dynamic behaviour of claims written on firm value and formulates a partial differential equation (PDE) that must be satisfied by all corporate securities. A central feature of the methodology is the use of a no-arbitrage condition, achieved by constructing a dynamically hedged portfolio that eliminates risk through continuous rebalancing. This ensures that the return on the hedged portfolio equals the risk-free rate, leading to a consistent pricing relationship.

The model is then applied to value a zero-coupon corporate bond, where default occurs if the firm's value at maturity falls below its debt obligations. By exploiting the equivalence between equity and a call option, the solution is obtained using the Black-Scholes option pricing framework, yielding closed-form expressions for both equity and debt values. This integrated data-methodology approach enables the paper to establish a structural relationship between firm characteristics and credit risk, forming the foundation of modern contingent claims analysis in corporate finance.

Implications

The model generates several important implications for credit markets by establishing a structural relationship between firm characteristics and bond pricing. It shows that credit spreads increase with leverage, as a higher debt-to-firm value ratio raises the probability of default. Similarly, greater volatility of firm value leads to wider spreads, reflecting increased uncertainty and higher default risk. The effect of time to maturity is non-linear, since longer horizons increase uncertainty but may also provide scope for recovery, thereby influencing default probabilities in complex ways. The framework also reveals that corporate debt exhibits hybrid characteristics, behaving partly like risk-free debt when default risk is low and increasingly like equity as default risk rises.

Furthermore, the model emphasizes that risk premiums are determined by firm-specific fundamentals, such as leverage and volatility, rather than investor preferences, highlighting the structural nature of credit risk. It also points out that yield spreads alone may not fully capture default risk, particularly when comparing bonds of different maturities, as the relationship between risk and maturity is not straightforward. Overall, the model provides a deeper and more nuanced understanding of how credit risk is priced in financial markets.

Conclusion

The paper concludes that corporate debt pricing can be rigorously analysed within a contingent claim framework, where default risk is not imposed externally but arises endogenously from the stochastic evolution of firm value. By modelling firm assets as a continuous stochastic process, the study establishes a clear and precise relationship between firm value, capital structure, and the valuation of corporate securities, thereby offering a unified explanation for the risk structure of interest rates. This framework allows for a deeper understanding of how changes in leverage, volatility, and time to maturity systematically influence default probabilities and credit spreads.

One of the paper's most significant contributions lies in demonstrating that complex financial instruments can be decomposed into simpler contingent claims, making it possible to apply option pricing techniques to a wide range of corporate liabilities. This insight not only enhances the analytical tractability of credit risk but also provides an economically intuitive interpretation of default as an option-like feature embedded in debt contracts. The framework has had a profound and lasting impact on financial economics, forming the foundation for modern structural credit risk models, the pricing of credit derivatives, and advancements in corporate finance theory. Consequently, the paper remains a cornerstone in the literature, fundamentally shaping the way economists and practitioners understand credit risk, asset pricing, and financial structure.

Modeling term structures of defaultable bonds¹²

Darrell Duffie and Kenneth J. Singleton (1999)

Summary

Duffie and Singleton (1999) provide a tractable reduced-form framework for valuing bonds and other contingent claims exposed to default risk. The paper treats default as an unpredictable event governed by a hazard-rate process, and models expected losses at default through the fractional reduction in market value. Its central contribution is to show that a defaultable claim can be priced in a manner similar to a default-free claim by replacing the risk-free short rate with a default-adjusted short rate, which combines the risk-free rate with the risk-neutral expected loss from default. This creates a unified pricing structure in which default probability, recovery and interest-rate dynamics are incorporated into a single term-structure framework.

The paper is important because it shifts credit-risk modelling from a purely balance-sheet-driven view of default to a market-based valuation approach. It shows that the pricing of defaultable debt depends not only on the level of default risk, but also on recovery assumptions, correlations between credit spreads and risk-free rates, and the behaviour of spreads under alternative term-structure specifications. The framework is also extended to callable corporate bonds and credit-spread derivatives, making it relevant for both cash bond valuation and credit-risk management.

Introduction

The valuation of corporate and sovereign bonds requires a framework that accounts for the possibility that promised payments may not be made in full or on time. Traditional default-free term-structure models focus on interest-rate risk, while structural credit-risk models link default to the value of the issuer's assets. Paper instead adopt a reduced-form approach in which default arrives unpredictably and is governed by a hazard rate. This allows default risk to be incorporated directly into bond pricing without explicitly modelling the issuer's asset-value process.

The paper's main insight is that the impact of default can be summarized through the product of the hazard rate and expected fractional loss, referred to as the risk-neutral mean-loss rate. When this mean-loss process is treated as exogenous, standard default-free term-structure models can be adapted to defaultable bonds by replacing the risk-free short rate with a default-adjusted rate. This makes the framework analytically convenient and suitable for empirical modelling of corporate bond yields and credit spreads.

Literature

Duffie and Singleton (1999) build on two important strands of credit-risk literature. The first is the structural approach, beginning with Black and Scholes (1973) and Merton (1974), where risky debt is valued as a contingent claim and default is linked to the value of the firm's assets. While these models provide the foundation for corporate debt pricing, they require assumptions about firm value, asset volatility and the default boundary.

The second strand is the reduced-form approach, where default is treated as an uncertain event governed by a hazard-rate or intensity process. Jarrow and Turnbull (1995) and Lando (1998) are particularly relevant in this context, as they model credit-risky securities directly through default intensity and recovery assumptions. Paper extend this literature by showing that defaultable bonds can be valued using a default-adjusted short rate, thereby linking credit risk with standard term-structure models such as Cox et al. (1985) and Heath et al. (1992).

¹² Duffie, D., & Singleton, K. J. (1999). Modeling term structures of defaultable bonds. *Review of Financial Studies*, 12(4), 687–720.

Contribution

The study makes an important contribution to credit-risk modelling by providing a tractable framework for valuing defaultable bonds and other claims exposed to credit risk. The paper links default probability, recovery assumptions and interest-rate dynamics within a unified term-structure model, making credit-risk valuation closer to standard default-free bond-pricing approaches.

- **Default-adjusted valuation framework:** The paper provides a simple valuation rule for defaultable claims. Under appropriate conditions, defaultable securities can be valued by discounting promised cash flows at a default-adjusted short rate, which combines the risk-free short rate with the risk-neutral expected loss from default. This makes credit-risk valuation operationally similar to default-free bond valuation, while allowing for stochastic default intensity and recovery.
- **Role of recovery assumptions:** The paper highlights that recovery is central to defaultable bond pricing. It compares recovery of market value, recovery of face value and recovery of Treasury value, showing that the choice of recovery convention affects pricing, tractability and interpretation. Recovery assumptions therefore influence how default losses enter pricing models and how credit spreads respond to market conditions.
- **Limits of information from bond prices:** The paper shows that defaultable bond yields alone may not separately identify default probability and loss given default, as the hazard rate and fractional loss enter the pricing equation mainly through their product. However, derivatives written on defaultable bonds may help separate these components because their payoffs are nonlinear in the underlying bond price.

Data & methodology

The authors develop the framework in both discrete-time and continuous-time settings. The discrete-time formulation motivates the pricing intuition, while the continuous-time model provides the formal no-arbitrage valuation result. The model defines default through a stopping time and incorporates the recovery payment received upon default. Under risk-neutral pricing, the defaultable claim is valued using an adjusted discounting process that accounts for both the timing and severity of default losses.

The paper then applies the framework to corporate bond valuation. It analyses alternative recovery conventions and examines how affine term-structure models can be used to describe defaultable bond yields and credit spreads. Particular attention is given to the correlation between risk-free rates and credit spreads, since empirical evidence often shows that credit spreads and Treasury yields may move in opposite directions. The paper also develops a defaultable version of the Heath-Jarrow-Morton framework and applies the model to callable bonds and credit-spread options.

Key findings

The findings of [Duffie and Singleton \(1999\)](#) are theoretical rather than empirical. The paper shows that defaultable bonds can be valued using a default-adjusted short rate, which combines the risk-free short rate with the risk-neutral expected loss from default. This makes the valuation of defaultable claims operationally similar to default-free bond pricing, while still allowing for default intensity and recovery risk. The paper also shows that recovery assumptions are central to credit-risk valuation, as different recovery conventions—such as recovery of market value, face value or Treasury value—can affect pricing and the interpretation of credit spreads. Importantly, the paper highlights that bond prices alone generally do not separately identify default probability and loss given default, since both enter the pricing framework through expected default loss. However, derivatives written on defaultable bonds may provide additional information because their payoffs are nonlinear in the underlying bond price.

Implications

The paper has important implications for corporate bond markets, credit-risk pricing and risk management, particularly in markets where bond valuation, spread interpretation and credit-risk transfer instruments are becoming increasingly important.

- **Credit spreads require careful interpretation:** Observed credit spreads reflect a combination of default probability, expected recovery and the risk-free term structure. A widening spread should therefore not be interpreted only as a rise in default risk, as it may also reflect changes in recovery expectations, liquidity conditions, risk premia or the relationship between credit spreads and interest rates.
- **Useful framework for corporate bond valuation:** The default-adjusted short-rate approach provides a consistent framework for valuing defaultable bonds. This is relevant for pricing, portfolio valuation, collateral assessment and stress testing, especially as corporate bond markets deepen and require more robust valuation practices.
- **Relevance for market infrastructure and risk management:** By linking credit spreads with default risk and recovery assumptions, the framework supports better measurement of credit risk across bonds and related instruments. It can help market participants assess how changes in default intensity, recovery rates and interest rates affect the value of credit-risky securities.
- **Importance for credit derivatives:** The paper shows that derivatives written on defaultable bonds may contain information not fully available from cash bond prices. Since derivative payoffs are nonlinear, they can help distinguish between default probability and loss given default, which is important for developing transparent credit-risk transfer markets.
- **Policy and market-development relevance:** For emerging corporate bond markets, the paper highlights the need for clear recovery assumptions, reliable pricing models and transparent credit-spread interpretation. These elements are important for improving investor confidence, secondary-market pricing and risk-management practices.

Conclusion

[Duffie and Singleton \(1999\)](#) provide a foundational reduced-form framework for modelling the term structure of defaultable bonds. By introducing the default-adjusted short rate, the paper offers a tractable bridge between interest-rate modelling and credit-risk valuation. Its core insight is that defaultable securities can be priced using familiar term-structure tools when the discount rate is adjusted for the expected loss from default.

The paper also clarifies the limits of information contained in credit spreads. Bond prices can identify the risk-neutral mean-loss rate, but not necessarily the separate components of default probability and recovery. This distinction remains central to credit-market analysis, particularly when interpreting spread movements, valuing corporate bonds and designing credit derivatives. For Market Pulse, the paper is useful because it provides a rigorous theoretical foundation for understanding how default risk, recovery assumptions and interest-rate dynamics jointly shape corporate bond pricing.

Corporate yield spreads: Default risk or liquidity? New evidence from the credit default swap market¹³

Francis A. Longstaff, Sanjay Mithal, and Eric Neis (2005)

Summary

Longstaff et al. (2005) investigate the determinants of corporate yield spreads using information from the credit default swap (CDS) market. Analysing CDS premia and corporate bond spreads across firms with different credit ratings; the authors assess whether corporate spreads primarily reflect expected default losses or broader non-default factors such as liquidity and taxation. Their findings show that default risk explains most corporate yield spreads across all rating categories, contradicting earlier studies that attributed only a small fraction of spreads to credit risk. However, the study also identifies a substantial non-default component linked primarily to liquidity conditions. This liquidity component varies over time and is strongly associated with both bond-specific and market-wide liquidity factors. Overall, the paper demonstrates that corporate bond spreads are fundamentally anchored in default risk, while liquidity conditions generate important but largely transitory distortions in credit markets.

Introduction

The determinants of corporate bond yield spreads have long occupied a central position in financial economics because corporate spreads directly influence borrowing costs, capital structure decisions, portfolio allocation, and credit market stability. Traditionally, the key debate concerned whether observed spreads primarily compensate investors for expected default losses or whether substantial portions reflect non-default factors such as taxes, liquidity, or market frictions. Earlier empirical studies frequently concluded that default risk alone could not account for observed corporate spreads, especially for investment-grade bonds. However, much of this literature relied exclusively on corporate bond market data, making it difficult to isolate the default component embedded within observed yields.

This study addresses this limitation by incorporating information from the rapidly expanding credit default swap (CDS) market. Since CDS contracts function as insurance against corporate default, CDS premia provide a direct market-based measure of credit risk. By comparing CDS spreads with corporate bond spreads, the authors are able to separate default-related pricing from broader non-default components. The study emerged during a period of rapid expansion in credit derivatives markets. As noted by the authors, the notional amount of credit derivatives increased from approximately \$180 billion in 1997 to nearly \$2 trillion by the end of 2002. This expansion created new opportunities to empirically evaluate the pricing of corporate credit risk using market-based measures rather than relying solely on structural assumptions.

Literature

Longstaff et al. (2005) situate their study within the extensive literature on the determinants of corporate bond yield spreads, particularly the debate over whether observed spreads primarily reflect default risk or nondefault factors such as liquidity, taxes, and market frictions. Earlier structural credit risk models developed by Merton (1974) and extended by studies such as Jones et al. (1984), Longstaff and Schwartz (1995), and Duffie and Singleton (1997), generally attempted to explain corporate bond spreads through default risk. However, several empirical studies, including Elton et al. (2001), Collin-Dufresne et al. (2001), and Huang and Huang (2003), found that structural models explained only

¹³ Longstaff, F. A., Mithal, S., & Neis, E. (2005). Corporate yield spreads: Default risk or liquidity? New evidence from the credit default swap market. *Journal of Finance*, 60(5), 2213-2253.

a limited fraction of observed investment-grade corporate spreads, suggesting an important role for nondefault components.

The paper also builds on the emerging literature on credit derivatives and credit default swaps (CDS), which provided a new market-based mechanism for isolating default risk more directly. Theoretical work by [Duffie \(1998, 1999\)](#), [Lando \(1998\)](#), [Jarrow and Turnbull \(1995\)](#), and [Hull and White \(2000\)](#) established the pricing foundations of CDS contracts and demonstrated their close relation to default probabilities. Because CDS contracts are designed to insure against credit events, their premia can serve as market-implied measures of default risk, allowing researchers to separate default-related compensation from other components embedded in corporate bond spreads.

Finally, [Longstaff et al. \(2005\)](#) contribute to the broader literature on market liquidity and fixed-income pricing. Prior studies such as Amihud and Mendelson (1991), [Elton et al. \(2001\)](#), and [Longstaff \(2004\)](#) emphasised that corporate bond spreads may contain compensation for illiquidity, tax differences, and Treasury market specialness. The paper extends this literature by using CDS data to decompose corporate spreads directly into default and nondefault components, thereby providing new empirical evidence on the relative importance of default risk versus liquidity in corporate debt markets.

Contribution

The paper advances the corporate finance and fixed-income literature through three principal contributions:

1. **Direct decomposition of corporate spreads:** The study provides one of the earliest large-scale empirical decompositions of corporate bond yield spreads into default and nondefault components using credit default swap market data.
2. **Integration of CDS and bond markets:** By jointly analysing corporate bond prices and CDS premia, the paper introduces a novel empirical framework for estimating the extent to which bond spreads reflect actual default risk rather than liquidity-related distortions.
3. **Reassessment of prior spread puzzle findings:** The study challenges earlier conclusions that default risk explains only a small fraction of corporate spreads, showing instead that default risk accounts for the majority of observed spreads across most credit ratings, including investment-grade bonds.

Data & methodology

The empirical analysis relies on proprietary weekly CDS data obtained from Citigroup's Global Credit Derivatives desk between 2001 and 2002. The study focuses primarily on five-year CDS contracts because these represented the most actively traded segment of the CDS market. For each reference firm, the authors identify corporate bonds with maturities close to the five-year CDS horizon, allowing direct comparisons between bond spreads and CDS premia.

Methodologically, the study combines direct spread comparisons with a reduced-form pricing framework based on [Duffie and Singleton \(1997, 1999\)](#) and [Lando \(1998\)](#). Within this framework, corporate bond prices depend on the risk-free rate, default intensity, and a liquidity or convenience yield process. The default intensity process follows square-root dynamics, while the liquidity process follows Gaussian dynamics, allowing the authors to separate default-related pricing from liquidity effects. To ensure robustness, spreads are calculated relative to Treasury, Refcorp, and swap benchmark curves.

Results

The empirical analysis reveals major differences between the default and non-default components of corporate bond spreads, challenging the view that spreads mainly reflect default risk.

1. **Divergence between CDS premia and bond yield spreads:** Using Enron as a case study, the paper shows that credit default swap (CDS) premia frequently diverged from corporate bond yield spreads during 2001, especially as the firm approached bankruptcy. While CDS spreads increased sharply with rising default risk, bond spreads also reflected significant non-default factors such as liquidity conditions.
2. **Sharp rise in default risk before bankruptcy:** The estimated default intensity for Enron rose steadily from nearly 150 basis points in early 2001 to more than 800 basis points by October 2001, shortly before the firm filed for bankruptcy in December 2001. This increase coincided with major negative events such as SEC investigations, earnings losses, and credit rating downgrades.
3. **Significant role of liquidity in explaining spreads:** The liquidity component remained economically important across all benchmark curves used in the analysis. Average liquidity effects were estimated at 8.1 basis points using the Treasury curve, -27 basis points using the Refcorp curve, and -66.4 basis points using the swap curve. The findings show that corporate spreads cannot be interpreted purely as measures of default risk.
4. **CDS premia are imperfect measures of default risk:** The study finds substantial time variation in the relationship between CDS premia and actual default components. During periods of relatively stable spreads, CDS premia tended to underestimate default risk, while near bankruptcy they became upward-biased estimates. This indicates that CDS spreads alone may not provide fully accurate measures of corporate credit risk.
5. **Default risk explains a larger share of spreads for lower-rated firms:** Extending the analysis to 68 firms between 2001 and 2002, the study finds that the proportion of spreads explained by default risk rises as credit quality deteriorates. Using the Treasury curve, default risk explains approximately 49% of spreads for AAA/AA-rated bonds, 53% for A-rated bonds, 68% for BBB-rated bonds, and 84% for below-investment-grade bonds. This implies that non-default factors are particularly important for investment-grade corporate bonds.
6. **Importance of model-based decomposition:** The results demonstrate that separating spreads into default and non-default components provides a more accurate understanding of corporate bond pricing. Liquidity and market frictions account for a substantial share of spreads, especially for highly rated firms.

Implications

[Longstaff et al. \(2005\)](#) show that corporate bond spreads are not determined solely by default risk, especially for investment-grade bonds. Since default risk explains only about 49% of spreads for AAA/AA-rated bonds and 53% for A-rated bonds, liquidity conditions and market frictions also play a major role in bond pricing. This challenges earlier credit risk models that treated spreads mainly as compensation for expected default losses.

The study also demonstrates that credit default swap (CDS) premia are useful but imperfect measures of default risk, as they may either understate or overstate actual credit risk depending on market conditions. This has important implications for risk management, pricing, and financial regulation.

Finally, the paper highlights that periods of financial distress increase both credit risk and liquidity risk simultaneously. The Enron case shows that worsening default conditions were accompanied by significant liquidity pressures, indicating that corporate debt markets become more vulnerable during crises.

Conclusion

[Longstaff et al. \(2005\)](#) provide important evidence regarding the determinants of corporate yield spreads by integrating information from the CDS market into corporate bond analysis. Their findings demonstrate that default risk explains the majority of corporate spreads across all rating categories, contradicting earlier literature that minimized the role of credit risk. At the same time, the study identifies a meaningful non-default component linked primarily to liquidity conditions. Although liquidity effects generate substantial time variation in spreads, these distortions are largely transitory. Overall, the paper establishes corporate yield spreads as fundamentally rooted in default risk while demonstrating that liquidity conditions exert an important secondary influence on corporate debt pricing.

How did increased competition affect credit ratings? ¹⁴

Bo Becker and Todd Milbourn (2011)

Summary

[Becker and Milbourn \(2011\)](#) examine how increased competition in the credit rating industry affected the quality of corporate bond ratings. Using the rise of Fitch as a third major agency competing against Moody's and S&P as a natural experiment, the paper challenges the conventional regulatory belief that more competition necessarily improves informational quality. The authors show that stronger competition coincided with systematically higher ratings, weaker correlations between ratings and bond yields, and lower predictive power of ratings for future defaults. Their central argument is that competition weakened the reputational incentives that previously sustained rating quality within an issuer-paid market structure. As future reputational rents declined, agencies faced stronger incentives to accommodate issuers through more favourable ratings.

Introduction

Credit ratings play a central role in financial markets because they reduce information asymmetries regarding default risk and repayment capacity. Ratings are deeply embedded in regulation, institutional investment mandates, and private contracting, making their informational quality systemically important.

However, the structure of the ratings industry creates an inherent conflict of interest. Rating agencies are paid by issuers, while the ultimate users of ratings are investors and regulators. Issuers prefer favourable ratings because these reduce borrowing costs, whereas investors require accurate assessments of credit risk. This creates a tension between maintaining credibility and satisfying paying clients.

Against this backdrop, regulators long argued that increased competition among rating agencies would improve quality by weakening oligopolistic power. [Becker and Milbourn \(2011\)](#) directly test this assumption by studying Fitch's rapid expansion in the corporate bond market during the late 1990s and early 2000s. Their central question is whether competition strengthens or weakens informational quality in a reputation-based information industry.

Literature

Early reputation models such as [Klein and Leffler \(1981\)](#) argue that firms maintain quality because future economic rents depend on preserving credibility. This logic was extended to financial markets by [Diamond \(1989\)](#) and [Chemmanur and Fulghieri \(1994\)](#), who show that reputational concerns incentivize costly information production and monitoring. Within the ratings industry, [Cantor and Packer \(1994\)](#) similarly argue that reputational incentives historically constrained opportunistic behaviour by rating agencies.

The paper also engages with theoretical work on competition and ratings inflation. [Shapiro and Bar-Issac \(2010\)](#) show that stronger competition can reduce future reputational rents and thereby weaken incentives to maintain informational quality. Likewise, [Bolton et al. \(2009\)](#) and [Skreta and Veldkamp \(2009\)](#) model how competition may intensify issuer-friendly behaviour and ratings inflation, especially when issuers can exploit differences across agencies.

¹⁴ [Becker, B., & Milbourn, T. \(2011\). How did increased competition affect credit ratings? *Journal of Financial Economics*, 101\(3\), 493-514.](#)

Contribution

The paper makes four important contributions.

1. It provides a causal empirical examination of how competition affects informational quality in the credit ratings industry by exploiting Fitch's expansion as a quasi-natural experiment.
2. It demonstrates that increased competition produced systematic ratings inflation. Ratings became more favorable, less informative about bond prices, and weaker predictors of future defaults.
3. It identifies reputational erosion as the primary mechanism linking competition to declining quality. As competition intensified, future rents associated with maintaining credibility declined, weakening incentives for strict monitoring and conservative assessments.

It challenges the broader assumption that competition necessarily improves market efficiency in information-based industries. In settings where credibility itself is the core product, stronger competition may undermine the incentives that sustain informational quality.

Theoretical framework

The analysis is grounded in a reputation-based model of information production. Credit ratings are valuable because investors interpret them as credible signals of default risk. Since defaults occur infrequently and over long horizons, direct verification of ratings quality is slow and imperfect. Under such conditions, reputation functions as the primary enforcement mechanism sustaining informational accuracy.

Competition alters this equilibrium by reducing the future payoff from preserving reputation. When agencies operate in a relatively concentrated market, future reputational rents remain high, incentivizing costly information production and conservative standards. As competition intensifies, these rents decline, making it more attractive to issue issuer-friendly ratings to retain business.

The framework therefore predicts that increased competition will generate ratings inflation and weaker informational content. Importantly, the mechanism is not merely correlated with competition; competition changes the incentive structure governing information production itself.

Data & methodology

The empirical analysis combines several large datasets covering corporate bond ratings, bond yields, defaults, and firm characteristics from 1995–2006. Ratings data are primarily drawn from the Mergent Fixed Income Securities Database (FISD), while issuer-level accounting data comes from Compustat.

Competition is measured using Fitch's market share within industry-year cells, defined as the proportion of total ratings issued by Fitch relative to Moody's, S&P, and Fitch combined. The identification strategy exploits substantial variation in Fitch's expansion across industries over time.

The paper evaluates ratings quality along three dimensions:

1. **Ratings levels** – whether increased competition systematically raises ratings toward investment-grade categories.
2. **Information content** – whether ratings remain strongly correlated with market-implied bond yields.
3. **Default prediction** – whether ratings continue to predict future defaults accurately.

Methodologically, the analysis employs fixed effects regressions, ordered probit models, yield-spread regressions, and default prediction models. To address endogeneity concerns, the authors additionally use an instrumental variables strategy based on predicted Fitch market share derived from pre-existing industry penetration patterns.

Results

The evidence consistently indicates that increased competition reduced ratings quality.

1. Higher Fitch market share is associated with systematically higher ratings from Moody's and S&P. Ratings move upward toward investment-grade categories as competition intensifies, consistent with issuer-friendly inflation.
2. Ratings become less informative about bond prices. The correlation between ratings and bond yield spreads weakens significantly in industries where Fitch's competitive presence is larger. This implies that ratings contain less market-relevant information under stronger competition.
3. Ratings lose predictive accuracy for future defaults. In one specification, speculative-grade firms are 7.7 times more likely to default than investment-grade firms under low competition, but only 2.2 times more likely to be under high competition.

The paper also shows that these findings are difficult to reconcile with simple ratings shopping explanations. Fitch-rated bonds tend to receive lower incumbent ratings at the bond level, implying that selection effects work against the aggregate patterns observed in the data.

Implications

The findings imply that informational quality in financial markets may depend critically on the preservation of reputational rents. In industries where credibility functions as the primary enforcement mechanism, stronger competition can weaken rather than strengthen information production. The results therefore challenge the regulatory assumption that greater competition necessarily improves market efficiency. In the context of credit ratings, competition generated ratings inflation, reduced informational precision, and weakened default prediction. Rather than eliminating distortions, competition shifted incentives toward issuer accommodation within an issuer-paid business model. More broadly, the paper suggests that market structure and incentive design are central determinants of information quality in financial intermediation. Where information production relies heavily on reputation rather than direct verification, excessive competitive pressure may destabilize the very mechanisms that sustain credibility.

Conclusion

[Becker and Milbourn \(2011\)](#) demonstrate that increased competition in the credit ratings industry coincided with a measurable deterioration in ratings quality. Using Fitch's expansion as a natural experiment, they show that competition led to higher ratings, weaker informational content, and poorer default prediction. The paper's central insight is that reputation-based information markets do not necessarily benefit from stronger competition. When informational quality depends on preserving future reputational rents, competitive entry can weaken incentives for accurate information production and increase pressure to satisfy paying clients.

Credit spreads and business cycle fluctuations¹⁵

Gilchrist and Zakrajšek (2012)

Summary

This paper examines how corporate bond credit spreads relate to business cycle fluctuations. It constructs the GZ credit spread from secondary-market prices of individual bonds issued by U.S. nonfinancial corporations and shows that this measure has stronger predictive content for future activity than standard spread indicators. The authors then decompose the spread into a component explained by measured issuer default risk and a residual EBP. The key finding is that the EBP accounts for most of the macroeconomic information in credit spreads, linking weaker intermediary risk-bearing capacity to tighter credit supply and softer output, investment and consumption.

Introduction

The paper is set against the 2007-2009 financial crisis, when credit spreads became a central gauge of financial-system stress. The authors begin with a core empirical observation: credit spreads contain information about future economic activity. Their deeper question is why that information exists. A spread may widen because investors expect higher borrower defaults, or because lenders and investors require more compensation to hold credit risk. This distinction changes the interpretation of credit spreads. Default-risk widening mainly reflects expectations about borrower fundamentals. EBP widening reflects a tightening in credit supply that can itself depress spending and production through financial accelerator channels.

Literature

The paper builds on two connected strands of macro-finance research. The first studies the forecasting content of asset prices and interest-rate spreads for real activity, including the term spread, commercial paper spreads and corporate bond spreads. Earlier work showed that financial prices often lead macroeconomic data, while standard credit-spread measures can lose information through aggregation, maturity mismatch and changing risk premia.

The second strand concerns financial frictions and the credit spread puzzle. Structural models of corporate debt link spreads to borrower balance sheets, yet empirical work finds that measured default risk explains part of spread variation. Gilchrist and Zakrajšek treat the unexplained component as an economic signal: a time-varying premium for bearing corporate credit risk, related to liquidity conditions, investor risk appetite and intermediary balance-sheet strength. The analysis connects predictive asset-pricing evidence with financial accelerator mechanisms. Once spreads are decomposed carefully, corporate bond prices can reveal changes in credit supply that have independent effects on the macroeconomy.

Methodology

- **Bond-level spread construction:** The study uses month-end secondary-market prices of senior unsecured fixed-coupon bonds issued by U.S. nonfinancial corporations. The sample covers January 1973 to September 2010 and includes 5,982 securities issued by 1,112 firms. Each corporate bond is matched to a synthetic risk-free Treasury security with the same promised cash flows, producing a spread measure that avoids the maturity mismatch embedded in conventional indexes.

¹⁵ Gilchrist, S., & Zakrajšek, E. (2012). Credit Spreads and Business Cycle Fluctuations. *American Economic Review*, 102(4), 1692-1720.

- **Forecasting framework:** The paper tests whether credit spreads predict private payroll employment, unemployment, manufacturing industrial production and real GDP growth. The forecasting regressions include controls such as the Treasury term spread, the real federal funds rate and lags of the dependent variable, allowing the GZ spread to be compared with the BAA-AAA spread and the commercial paper-bill spread.
- **Default-risk decomposition:** Issuer default risk is measured with a Merton-style distance-to-default framework based on equity valuations, liabilities and asset volatility. The bond-spread regressions control for distance to default, duration, issue size, coupon rate, issue age, callability, industry effects, credit-rating effects and option-adjustment terms for callable bonds. The fitted spread captures measured default risk and bond characteristics; the actual-minus-fitted residual is the EBP.
- **Macroeconomic transmission:** To study EBP shocks, the paper adds the premium to a VAR containing real personal consumption expenditures, real business fixed investment, real GDP, GDP-deflator inflation, the excess bond premium, excess stock-market returns, the ten-year Treasury yield and the federal funds rate. A separate VAR links broker-dealer returns and CDS spreads to the EBP, providing evidence on the intermediary balance-sheet channel.

Contribution

The first contribution is measurement. By constructing spreads from individual corporate bonds and matching each bond to a cash-flow-equivalent Treasury security, the paper builds a cleaner credit-spread index than standard aggregate series and demonstrates stronger predictive content for future activity.

The second contribution is decomposition. The paper separates spread movements linked to measured borrower risk from the residual EBP, converting the credit spread puzzle into a usable macro-financial indicator.

The third contribution is macroeconomic interpretation. The paper shows that EBP shocks are followed by weaker consumption, investment and output, lower inflation, easier monetary policy and lower equity prices. The evidence links these shocks to the profitability and creditworthiness of broker-dealers, supporting the view that intermediary risk-bearing capacity is central to credit supply.

Key findings

- **The GZ spread is a strong leading indicator:** The GZ credit spread is statistically and economically significant across payroll employment, unemployment, manufacturing industrial production and real GDP. A 100 bps rise in the GZ spread predicts an almost 3 percentage point annualized decline in manufacturing industrial production growth over the next three months and more than 1.25 percentage points lower real GDP growth over the next four quarters.
- **Standard spreads are weaker macro signals:** The commercial paper-bill spread and Baa-Aaa spread contain some short-horizon information, but their explanatory power is modest and fades at longer horizons. The GZ spread delivers materially larger improvements in in-sample fit, especially at the 12-month horizon.
- **Measured default risk leaves a residual pricing component:** Distance to default is a significant determinant of corporate bond spreads, and the paper also controls for ratings, bond characteristics, callability, industry effects and Treasury term-structure effects. The remaining residual is the EBP, the paper's measure of the premium for bearing corporate credit risk beyond measured borrower fundamentals.
- **The EBP rises around downturns:** With the exception of the 1990-1991 recession, the EBP increased significantly before or during cyclical downturns. It reached a record high of 275 bps in October 2008, consistent with severe credit-market stress during the global financial crisis.
- **The EBP dominates the macro signal:** A 100 bps rise in the EBP predicts more than 1.5 percentage points lower real GDP growth over the subsequent four quarters. In the post-1985 sample, the predicted default-risk component

loses GDP forecasting power, while the EBP remains strongly informative and implies about 2 percentage points lower output growth over the next four quarters.

- **EBP shocks have sizable real effects:** A one-standard-deviation EBP shock, about 20 bps, lowers real GDP roughly 0.5 percentage point below trend after five quarters. Investment falls more sharply and persistently, inflation declines, the Federal Reserve eases policy, long-term yields fall and the broad stock market drops by about 7 percentage points relative to trend.
- **The intermediary channel is central:** The EBP co-moves with bank lending standards, financial-sector profitability and broker-dealer CDS spreads. An adverse shock to broker-dealer returns raises near- and longer-term CDS spreads and produces a sustained increase in the EBP, consistent with a decline in the effective risk-bearing capacity of key credit-market intermediaries.

Implications

- **Decompose spreads before interpreting them:** A wider credit spread can reflect higher borrower default risk, a higher market price of credit risk, or both. The decomposition matters for market interpretation and policy response.
- **Use the EBP as an early-warning indicator:** Because it captures market compensation for bearing credit risk beyond measured default risk, the EBP can signal stress in financial intermediation before the full deterioration appears in macroeconomic data.
- **Put intermediary balance sheets at the center of cycle analysis:** The findings support the view that intermediary risk appetite and capital strength are core macroeconomic variables. When risk-bearing capacity weakens, credit supply contracts and the real economy slows.
- **Treat lower risk-free rates as an incomplete stabilizer:** The VAR evidence shows policy rates and long-term Treasury yields falling after an EBP shock, while output, investment and stock prices still decline. Impaired intermediation can blunt the stabilizing effect of lower risk-free rates.
- **Monitor credit prices and quantities together:** Loan growth and issuance data show how much credit is being extended; the EBP shows the price at which balance-sheet risk is being absorbed. Together, they give a fuller picture of credit conditions.
- **Apply the framework with market-depth discipline:** The evidence is U.S.-based and relies on a deep corporate bond market with detailed bond-level data. Comparable applications in other economies require similar market depth and enough data to separate borrower fundamentals from market-wide risk appetite.

Conclusion

The authors show that corporate bond spreads carry two distinct signals: measured borrower default risk and a residual premium tied to the financial sector's capacity to bear credit risk. In their evidence, the EBP is the stronger macro signal because it forecasts weaker activity and behaves like a credit-supply disturbance. The practical lesson is precise: headline credit spreads should be interpreted through borrower risk and intermediary balance-sheet conditions. Monitoring the EBP gives analysts a sharper reading of whether spread widening reflects ordinary borrower-risk repricing or a broader tightening in financial conditions.

Cyclicality of credit supply: Firm level evidence¹⁶

Bo Becker and Victoria Ivashina (2014)

¹⁶ Becker, B., & Ivashina, V. (2014). Cyclicality of credit supply: Firm level evidence. *Journal of Monetary Economics*, 62, 76-93.

Summary

Corporate bond markets play a central role in [Becker and Ivashina's \(2014\)](#) explanation of how modern credit cycles operate. The paper shows that when banks come under stress during recessions, large firms increasingly substitute away from bank loans toward issuing corporate bonds. This migration provides a powerful signal that the contraction originates from bank credit supply rather than weaker borrowing demand. Examining US firms between 1990 and 2010, the authors find that this shift intensifies whenever lending standards tighten, bank balance sheets weaken, or monetary policy becomes restrictive. However, the bond market does not eliminate the broader economic consequences of banking stress. While large, rated firms can access market-based finance, smaller firms remain dependent on banks and cannot substitute into bonds. As a result, contractions in bank lending ultimately reduce credit availability and investment for smaller firms, transmitting financial stress into the real economy.

Introduction

Credit is widely recognised as procyclical: lending volumes expand in booms and contract in recessions. A substantial theoretical literature—including [Holmström and Tirole \(1997\)](#), [Bernanke and Gertler \(1989\)](#), and [Kiyotaki and Moore \(1997\)](#)—attributes an important causal role to bank credit supply in amplifying business cycle fluctuations. Yet isolating supply-side movements in credit from concurrent shifts in demand has proven empirically elusive. When a firm does not receive a loan in a recession, it is unclear whether the bank was unwilling to lend or whether the firm simply did not need financing. Aggregate data on loan volumes, and even survey-based indicators such as the Federal Reserve's Senior Loan Officer Opinion Survey, cannot cleanly resolve this ambiguity since observed credit conditions may reflect demand, supply, or both.

[Becker and Ivashina \(2014\)](#) address this challenge by exploiting a distinctive feature of corporate financing: large firms with access to both bank loans and public bond markets can substitute between the two forms of debt. The key insight is a revealed preference argument—any firm that successfully raises new debt, in any form, has demonstrated a positive demand for external financing. Therefore, if such a firm switches from its typical reliance on bank loans to issuing bonds, it cannot be because it did not want credit. The substitution must instead reflect a constraint on the supply of bank loans. By restricting the analysis to quarters in which a firm raises new debt, the authors effectively hold demand constant and use the composition of that debt—loan versus bond—as a signal of supply conditions.

The paper also addresses a practical limitation of this approach: the substitution measure can only be constructed for large, rated firms with simultaneous access to both markets. These are precisely the least financially constrained firms, whose investment may be least sensitive to credit supply. [Becker and Ivashina \(2014\)](#) therefore extend the analysis out of sample, demonstrating that the loan-to-bond substitution rate among large firms is a strong predictor of credit availability for small, bank-dependent firms—those that cannot substitute—validating the broader relevance of the measure for understanding aggregate credit conditions and the macroeconomy.

Literature

[Becker and Ivashina \(2014\)](#) build on two primary strands of prior research. The first concerns the identification of bank credit supply shocks in a macroeconomic context. [Kashyap et al. \(1993\)](#) pioneered the approach of using aggregate shifts in the composition of external finance—the ratio of commercial paper to bank loans—as a signal of credit supply conditions. Their study established the logic that substitution away from bank debt signals a tightening of loan supply. However, as [Kashyap and Stein \(2000\)](#) noted, aggregate compositional changes may partly reflect shifts in the pool of firms raising debt, conflating supply with demand-side compositional effects. [Becker and Ivashina \(2014\)](#) address this by moving to firm-level data with firm fixed effects, explicitly ruling out such compositional explanations.

A related body of work used exogenous credit supply shocks—including the Japanese banking crisis ([Peek and Rosengren, 2000](#)), the introduction of certificates of deposit ([Leary, 2009](#)), and the 1998 Russian debt crisis ([Chava and Purnanandam, 2011](#))—to establish causal effects of credit supply on real activity in cross-sectional settings. While informative, the authors note that isolated historical episodes have limited applicability to understanding how credit supply moves across a typical business cycle.

The second strand concerns theories of bank versus market debt. [Diamond \(1991\)](#), [Rajan \(1992\)](#), [Chemmanur and Fulghieri \(1994\)](#), and [Bolton and Freixas \(2000\)](#) all argue that the advantage of bank debt over public debt is rooted in banks' superior monitoring and renegotiation capacity. These theories imply that bank debt should be more attractive in recessions, when uncertainty is high and monitoring is most valuable—predicting a counter-cyclical demand for bank loans. This prediction is central to [Becker and Ivashina's \(2014\)](#) interpretation: if firms theoretically should prefer bank borrowing during downturns, the observed substitution toward bonds is difficult to reconcile with demand-side explanations and instead strongly supports a contraction in bank loan supply.

Contribution

The study advances the measurement and understanding of credit cycles through three primary contributions:

1. **A new identification strategy for bank credit supply in the time series:** The revealed preference argument provides a clean and replicable methodology for isolating supply-side movements in bank lending across the full business cycle, rather than relying on isolated historical shocks. By working at the firm level with firm fixed effects, the approach rules out compositional demand shifts that confounded aggregate measures in prior work.
2. **A validated aggregate measure of credit conditions:** The loan-to-bond substitution rate among large, rated firms is shown to be a strong out-of-sample predictor of credit availability for small, unrated firms that lack bond market access. This establishes the substitution measure not merely as a sample-specific finding but as a genuine indicator of economy-wide bank lending conditions, with direct implications for understanding the transmission of monetary policy and the credit channel of business cycles.
3. **Quantification of real effects of credit supply:** By linking the loan-to-bond substitution measure to firm-level capital expenditure, the paper provides time-series evidence that contractions in bank credit supply translate into lower real investment — particularly for financially constrained, bank-dependent firms — contributing to the empirical literature on the macroeconomic consequences of financial frictions.

Data and methodology

The empirical analysis is based on a firm-quarter panel of US non-financial firms raising new debt between 1990 and 2010. Loan issuance data comes from Reuters' DealScan, covering large, syndicated loans; bond issuance data comes from Thomson One Banker, encompassing all non-convertible corporate debt issued in the US market. To ensure firms have meaningful access to the bond market, the sample is restricted to firms that issued bonds in the preceding five years. Financial statement data is drawn from Compustat. The baseline sample covers 12,227 firm-quarter observations of new debt issuance (term loans and bonds only), of which 11,801 involve exactly one type of new debt—the sample on which the core results are estimated.

The dependent variable in the main specification is a binary indicator equal to one if the firm obtained a bank loan in that quarter and zero if it issued a bond. This choice variable captures the debt financing mix conditional on a firm having positive demand for external capital. The key identifying assumption that all firms in the sample have non-zero demand for credit, is satisfied by construction, since each observation corresponds to a quarter in which the firm successfully raised new external financing.

To capture bank credit supply conditions, the authors use five quarterly time-series variables, each constructed from a distinct data source: the net fraction of loan officers reporting tightening lending standards from the Federal Reserve Senior Loan Officer Opinion Survey; the ratio of non-performing loans to total loans at large banks from Call Reports; the ratio of loan allowances to total loans at large banks, also from Call Reports; a market-adjusted bank stock price index from the Fama-French industry return data; and a measure of unexpected monetary policy tightening based on the deviation of the federal funds rate from a Taylor-rule implied target. These five variables are deliberately chosen to be uncorrelated in construction, providing complementary and independent tests of the same underlying hypothesis.

The baseline regression is estimated via OLS with firm fixed effects and standard errors clustered by quarter—the dimension on which the supply proxies vary. Firm-level controls include lagged assets, lagged property, plant and equipment, return on assets, one-year lagged stock return, leverage, and a dividend payer indicator. Alternative explanations, including counter-cyclical bond supply and time-varying relative demand for bonds, are ruled out by examining the relative cost of bonds and loans across the cycle, by testing the results on single-segment firms, and by considering predictions from the theoretical literature on the relative merits of bank and market debt.

Results

1. **Robust evidence of procyclical loan supply:** Across all five supply proxies, a tightening in credit conditions is significantly associated with a shift away from bank loans toward bonds, conditional on firms raising new debt. A one standard deviation tightening in lending standards reduces the probability that a firm's new debt takes the form of a bank loan by 1.4 percentage points. For the accounting-based measures—non-performing loans and loan allowances—the equivalent effect ranges from 2.7 to 3.6 percentage points, large relative to the unconditional mean probability of bank borrowing of 13.5 percent. These effects are robust to additional controls for debt maturity and amount, to the exclusion of the 2007-2009 financial crisis, and to varying the definition of firm fixed effects across subperiods.
2. **Aggregate cyclicity confirmed at the macro level:** Using 60 years of Flow of Funds data (1953-2010), the authors first document that bank debt is substantially more volatile and more procyclical than market debt. The standard deviation of real quarterly bank debt growth is 7.8 percent—more than twice the 3.6 percent standard deviation for market debt—and bank debt growth is significantly positively correlated with GDP growth, while market debt growth is not. The stock of bank debt contracted in 51 of the 234 quarters in the sample; the stock of market debt never contracted year-over-year. These aggregate patterns are consistent with a supply-driven interpretation and set the stage for the firm-level analysis.
3. **Bond supply expansion is not the cause:** To rule out the alternative explanation that firms substitute into bonds because bonds become relatively cheaper during downturns, the authors examine the relative cost of the two forms of debt across the cycle. Controlling for credit rating and maturity, correlations between relative debt costs and the loan-to-bond substitution measure are economically small and generally statistically insignificant. In cases where correlations are significant, the sign indicates that bank loans are actually cheaper in bad times—inconsistent with a bond supply expansion story and consistent with a loan supply contraction story.
4. **Stronger effects for weaker firms:** Cross-sectional heterogeneity reinforces the supply interpretation. Splitting the sample by leverage quintile, the loan-to-bond substitution effect increases monotonically with leverage across four of five supply proxies. Speculative grade firms exhibit substantially larger and more statistically significant coefficients than investment grade firms. These patterns are consistent with tighter credit supply binding more severely for firms that are already financially stretched, and cannot easily be attributed to demand-side differences.
5. **Out-of-sample predictive power for small firms:** The loan-to-bond substitution rate among large, rated firms is a strong predictor of the probability that unrated firms—which have never issued bonds and therefore cannot substitute—receive a bank loan in any given quarter. A one standard deviation increase in the substitution rate

corresponds to a 17 percent increase in the mean probability of a bank loan for unrated firms. This out-of-sample result confirms that the substitution behaviour of large firms captures aggregate bank-loan supply conditions rather than idiosyncratic dynamics of the rated segment.

6. **Real effects on investment:** The loan-to-bond substitution measure also predicts firm-level capital expenditure. A lower share of bank loans in aggregate new debt financing—signalling a credit supply contraction—is associated with lower investment both for firms with bond market access and, more strongly, for firms without it. The effect is largest for financially constrained firms, defined as those with above industry-median leverage and below industry-median market-to-book ratios, consistent with bank credit supply being a binding constraint on real activity for bank-dependent borrowers.

Conclusion

[Becker and Ivashina \(2014\)](#) advance the empirical literature on credit markets by showing that fluctuations in bank lending supply can be cleanly identified through firms' financing choices in corporate debt markets. By demonstrating that large firms systematically substitute away from bank loans toward public bonds during periods of banking stress, the study reveals how corporate bond markets partially absorb shocks originating in the banking system. However, this substitution mechanism also exposes a deeper asymmetry within the financial system: while large, rated firms can migrate toward market-based finance, smaller, bank-dependent firms cannot. Consequently, contractions in bank credit supply transmit disproportionately onto firms lacking bond-market access, reducing credit availability and investment. The paper therefore places corporate bond markets at the center of the modern credit transmission mechanism—not as replacements for banks, but as alternative financing channels whose availability determines how broadly banking-sector stress propagates through the real economy.

Why doesn't Asia have bigger bond markets?¹⁷

Barry Eichengreen and Pipat Luengnaruemitchai (2004)

Summary

The paper provides a comprehensive and systematic investigation into the determinants of bond market development, with a particular focus on Asia. It challenges the simplistic view that Asia's bond markets are underdeveloped solely due to their small size or lack of demand, instead demonstrating that the issue is multi-dimensional and deeply embedded in the region's financial architecture. Drawing on cross-country panel data and empirical analysis, the study finds that both structural factors (such as economic size and openness) and institutional factors (including corruption, regulatory quality, and transparency) play a central role in shaping bond market outcomes.

A key contribution of the paper is its finding that banking systems and bond markets are complementary rather than competing sources of finance, contradicting the conventional view that strong banks crowd out bond markets. At the same time, excessive concentration and political influence within banking systems can hinder market development. The paper also highlights the role of macroeconomic conditions, particularly fiscal policy and capital account restrictions, in influencing the supply of government securities and overall market liquidity. Ultimately, the study concludes that Asia's bond market underdevelopment is not due to inherent regional disadvantages but reflects a combination of historical evolution, institutional quality, and policy choices.

Introduction

The motivation for the paper arises from the financial vulnerabilities exposed during the Asian Financial Crisis of 1997-98, which revealed the risks associated with heavy reliance on bank-based financial systems. In many Asian economies, corporations depended extensively on short-term bank loans, often denominated in foreign currency. When exchange rates depreciated and investor confidence declined, these economies faced severe balance sheet crises, leading to widespread bankruptcies and financial instability.

This experience underscored the importance of developing diversified financial systems, particularly domestic bond markets, which can provide longer-term financing, reduce maturity mismatches, and improve financial resilience. Despite widespread recognition of these benefits and numerous policy initiatives including regional efforts such as the Asian Bond Fund bond markets in Asia have remained relatively underdeveloped. The paper seeks to address this puzzle by systematically identifying the key determinants of bond market development, moving beyond descriptive analysis to provide rigorous empirical evidence.

Literature

The paper has referred to a broad and interconnected body of literature on financial development, drawing on insights from financial intermediation, institutional economics, and capital market theory. It builds on the financial structure literature, particularly the contributions of [Boot and Thakor \(1997\)](#), which emphasize that banks and financial markets perform complementary roles rather than acting as substitutes. This perspective is crucial in understanding why the development of bond markets depends not only on reducing bank dominance but also on improving the overall efficiency of the financial system.

The study also draws heavily on the law and finance literature, especially [La Porta et al. \(1998\)](#), which highlights the importance of legal origin, investor protection, and institutional quality in shaping financial market development. Strong

¹⁷ [Eichengreen, B., & Luengnaruemitchai, P. \(2006\). Why doesn't Asia have bigger bond markets? List of participants and authors from Korea, 40.](#)

legal systems, effective enforcement, and transparency are shown to be critical determinants of deep and liquid bond markets. In addition, the paper relates to research on bank-based versus market-based financial systems, including work by [Demirgüç-Kunt and Levine \(2001\)](#), which argues that the structure of financial systems evolves with economic development and institutional maturity.

Further, the analysis incorporates insights from the institutional and governance literature, which underscores the role of factors such as corruption, bureaucratic quality, regulatory effectiveness, and disclosure standards in influencing financial market outcomes. Studies such as [Acemoglu et al. 2001](#)) reinforce the importance of institutions as fundamental drivers of long-term financial and economic development. The paper also connects with empirical research on bond markets, including [Eichengreen and Luengnaruemitchai \(2004\)](#) and [Claessens et al. \(2007\)](#), which examine structural and policy determinants of bond market growth across countries. By extending these strands, the paper contributes to the literature by offering a comprehensive cross-country empirical analysis that integrates structural, institutional, and macroeconomic factors.

Hypotheses

The paper develops a structured framework based on five key hypotheses:

1. **Historical path dependence:** Asian financial systems have historically been dominated by banks, creating institutional inertia and limiting the development of bond markets. Established relationships between banks, firms, and governments reinforce this dominance.
2. **Structural characteristics:** Economic size, openness, and legal systems influence bond market development. Smaller economies may lack the scale required for liquid markets, while legal traditions affect investor protection and market confidence.
3. **Stage of economic development:** Less developed economies tend to have weaker institutions, limited transparency, and underdeveloped market-supporting infrastructure, all of which constrain bond market growth.
4. **Financial system structure and regulation:** The quality of financial regulation, competition within the banking sector, and the presence of supporting infrastructure (such as rating agencies and yield curves) play a critical role in shaping bond markets.
5. **Macroeconomic environment:** Factors such as interest rate levels and volatility, exchange rate regimes, fiscal policy, and capital controls influence both the demand for and supply of bonds.

Data and methodology

The study utilizes a panel dataset covering 41 economies over the period 1990–2001, including both developed and emerging markets. The primary variable of interest is domestic bond market capitalisation as a percentage of GDP, sourced from the Bank for International Settlements (BIS).

The dataset incorporates a wide range of explanatory variables:

- Structural variables: GDP (PPP), trade openness, geographic indicators
- Institutional variables: corruption, law and order, bureaucratic quality (ICRG)
- Financial variables: bank credit, banking concentration
- Macroeconomic variables: interest rates, exchange rate volatility, fiscal balance, capital controls

It employs a panel Generalized Least Squares (GLS) regression framework to estimate the determinants of bond market development. The dependent variable is bond market capitalisation relative to GDP. The model includes variables representing structural, institutional, financial, and macroeconomic factors. This approach allows the author to identify both direct and indirect influences on bond market development.

Empirical implications

The empirical findings highlight several important determinants of bond market development. The results show that economic size and openness play a significant role, as larger and more globally integrated economies tend to have deeper and more liquid bond markets. Institutional quality emerges as a critical factor, with lower levels of corruption, stronger regulatory frameworks, and improved accounting standards being associated with more developed markets. The study also finds that banking systems and bond markets are complementary, indicating that well-developed banking sectors can support, rather than hinder, bond market growth. However, high bank concentration can be detrimental, as it may limit competition and discourage the expansion of market-based financing.

In addition, fiscal policy has a dual effect, where strong fiscal balances reduce the supply of government securities but do not necessarily impede private bond market development. The findings further reveal that capital controls significantly constrain bond market growth, primarily by restricting foreign participation and limiting market liquidity. Importantly, once structural, institutional, and macroeconomic factors are accounted for, there is no inherent regional disadvantage for Asia, suggesting that observed differences in bond market development are largely explained by measurable economic and policy variables rather than region-specific factors.

Conclusion

The paper concludes that the underdevelopment of bond markets in Asia is not the result of a single constraint but rather reflects a complex interaction of historical, structural, institutional, and macroeconomic factors. While the dominance of bank-based finance has shaped financial systems, it does not represent an insurmountable barrier to bond market development. The findings highlight the importance of policy-driven reforms, including improving regulatory quality, strengthening corporate governance, enhancing transparency, and promoting competition within the financial sector. At the same time, the study emphasizes the need for careful sequencing of financial liberalization, particularly with respect to capital account openness, to avoid financial instability.

Ultimately, the paper provides a nuanced and comprehensive framework for understanding bond market development, demonstrating that with the right combination of institutional improvements and policy interventions, Asian economies can develop deep, liquid, and resilient bond markets comparable to those in advanced economies.

Global dollar credit and carry trades: A firm-level analysis¹⁸

Valentina Bruno and Hyun Song Shin (2017)

Summary

[Bruno and Shin \(2017\)](#) examine how global dollar liquidity shapes the financing behaviour of non-financial firms in emerging markets through a firm-level analysis of US dollar bond issuance. The paper challenges the traditional pecking-order view of corporate finance by showing that firms with high existing cash holdings are often more likely to issue dollar-denominated bonds, particularly when exchange-rate conditions, interest-rate differentials, and low volatility make dollar-funded carry trade positions attractive.

Rather than using foreign borrowing solely to finance productive investment, many emerging market firms appear to use dollar debt to accumulate domestic-currency financial assets such as deposits and short-term instruments. In doing so, firms transmit global liquidity conditions into domestic financial systems while simultaneously creating currency mismatches on their balance sheets. The paper therefore reframes non-financial corporations not simply as productive entities, but as important conduits of global financial risk and liquidity transmission.

Introduction

The growing dominance of the US dollar in global finance has led to a sharp increase in dollar-denominated borrowing by firms outside the United States. Conventional explanations emphasize trade invoicing, export revenues, or financing needs in tradable sectors. [Bruno and Shin \(2017\)](#) argue that these explanations are incomplete because many firms issuing dollar debt already possess substantial internal liquidity. The paper proposes that firms respond to favourable global financial conditions by borrowing cheaply in dollars and holding domestic-currency financial assets.

Borrowed dollars are frequently converted into local-currency deposits or short-term instruments, creating balance sheets characterized by dollar liabilities and domestic-currency assets. Although the authors do not portray firms as purely speculative actors, the resulting structure resembles a corporate carry trade. This interpretation broadens the understanding of global liquidity transmission by showing that non-financial firms themselves can amplify domestic credit cycles and financial vulnerability.

Literature

The paper sits at the intersection of international finance, corporate finance, and macro-financial research on global liquidity cycles. Earlier studies such as [Gozzi et al. \(2010\)](#) documented the growing importance of international bond markets for firms outside advanced economies, while [Didier et al. \(2014\)](#) linked capital-raising activity to firm-level growth.

[Bruno and Shin \(2017\)](#) extend this literature by focusing not only on international borrowing itself, but also on the currency denomination and financial use of borrowed funds. The paper additionally contributes to research on corporate cash holdings, which traditionally emphasized precautionary motives or governance concerns. Here, large cash holdings may instead reflect heightened exposure to global financial conditions, since liquidity accumulation is accompanied by foreign-currency debt. The study also connects with research on foreign-currency borrowing and exchange-rate vulnerability in emerging markets. More broadly, the paper complements macro-financial work by [Borio \(2014\)](#), [Rey](#)

¹⁸ [Bruno, V., & Shin, H. S. \(2017\). Global dollar credit and carry trades: a firm-level analysis. *Review of Financial Studies*, 30\(3\), 703-749.](#)

(2015), and earlier research by [Bruno and Shin \(2017\)](#) on the global financial cycle, providing firm-level evidence on how global monetary conditions shape domestic leverage and risk-taking.

Contribution

The paper makes an important conceptual shift in the understanding of corporate foreign-currency borrowing. Rather than treating non-financial firms as passive recipients of external financing, [Bruno and Shin \(2017\)](#) show that firms actively respond to global financial incentives in ways that resemble financial intermediaries.

First, the paper shows that emerging market firms with high existing cash balances are more likely to issue USD-denominated bonds, contradicting standard pecking-order predictions. Second, dollar borrowing increases when local currencies appreciate, exchange-rate volatility is low, and interest-rate differentials favour dollar-funded positions. Borrowing behaviour therefore responds systematically to the attractiveness of carry trade-like opportunities.

Third, proceeds from dollar bond issuance disproportionately increase corporate cash holdings rather than fixed investment, suggesting that firms use external borrowing for financial positioning as well as productive activity. Finally, the paper links these financing decisions to broader macro-financial fragility. By recycling foreign borrowing into domestic financial assets, firms contribute to easier credit conditions while simultaneously increasing vulnerability to exchange-rate reversals and dollar appreciation shocks.

Theoretical framework

Under traditional pecking-order theory, firms primarily rely on internal funds and borrow externally only when internal liquidity is insufficient. [Bruno and Shin \(2017\)](#) show that this prediction does not hold for many emerging market firms. Instead, firms appear to exploit favourable global financial conditions by borrowing in dollars and holding domestic-currency financial assets. As long as local currencies appreciate and volatility remains low, firms benefit from interest-rate differentials and valuation gains associated with such positions.

The authors nevertheless distinguish this mechanism from speculative trading in the narrow sense. The funding decision originates within real-sector financing activity, but the resulting balance-sheet structure creates financial exposures like those associated with carry trades. Consequently, firms become vulnerable to exchange-rate reversals and dollar appreciation shocks. This framework links firm-level financing incentives with broader macroeconomic vulnerability. During periods of easy global liquidity, firms accumulate foreign-currency liabilities while domestic financial systems experience credit expansion fuelled by recycled external borrowing.

Data & methodology

The empirical analysis combines bond issuance data from Thomson Reuters SDC Platinum with firm-level balance-sheet data from Worldscope covering non-financial firms across 47 countries between 2002 and 2014. The sample contains more than 11,000 issuance-year observations consolidated at the ultimate parent level, allowing the authors to capture both domestic and offshore issuance activity.

Firms are classified into three groups: firms issuing majority USD-denominated bonds, firms issuing primarily non-USD bonds, and firms not issuing bonds. The authors employ multinomial logit models to estimate the determinants of issuance behaviour. Key explanatory variables include cash holdings, leverage, profitability, firm size, exchange-rate appreciation, GDP growth, and inflation. The paper also examines whether proceeds from dollar bond issuance subsequently increase corporate cash holdings. To test the carry-trade interpretation directly, the study evaluates whether dollar borrowing becomes more prevalent when local currencies appreciate, exchange-rate volatility declines, and interest-rate differentials increase.

Results

Emerging market firms with higher pre-existing cash holdings are significantly more likely to issue USD-denominated bonds, whereas this relationship is weak among firms in advanced economies. The evidence therefore contradicts the conventional pecking-order interpretation of corporate borrowing. Dollar borrowing also rises during periods of local-currency appreciation and low exchange-rate volatility, indicating that firms respond systematically to favourable global financial conditions rather than solely to domestic financing needs. The study further shows that proceeds from USD bond issuance disproportionately increase corporate cash holdings relative to other financing sources. A substantial portion of borrowed funds therefore remains in liquid financial form rather than being fully deployed toward fixed investment.

Implications

The paper implies that non-financial corporations have become important channels of global liquidity transmission. By borrowing in dollars and recycling the proceeds into domestic financial assets, firms indirectly loosen domestic financial conditions and support credit expansion. Corporate cash holdings may enter the banking system as deposits, flow into shadow banking products, or support short-term credit markets. At the same time, these balance-sheet structures create systemic fragility. During periods of dollar appreciation or capital-flow reversals, firms face rising debt burdens despite appearing liquid during favourable periods. Liquidity and vulnerability therefore increase simultaneously, challenging the assumption that high corporate cash holdings necessarily indicate financial resilience. More broadly, the findings reinforce arguments within the global financial cycle literature that monetary conditions in core economies increasingly shape financial conditions in emerging markets regardless of domestic policy autonomy.

Conclusion

[Bruno and Shin \(2017\)](#) provide a reinterpretation of foreign-currency borrowing by emerging market firms. The paper shows that USD bond issuance is driven not only by investment needs, but also by incentives created by global liquidity conditions. Firms with already high cash balances borrow more aggressively in dollars when exchange-rate conditions and interest-rate differentials are favourable. The paper's central insight is that non-financial corporations have become key intermediaries in the global financial cycle. By borrowing in dollars and accumulating domestic-currency financial assets, firms amplify domestic credit conditions while simultaneously increasing exposure to exchange-rate reversals and external financial shocks. The study ultimately bridges firm-level corporate finance with macro-financial analysis, showing that modern financial vulnerability increasingly emerges through the balance sheets of non-financial firms themselves.

Corporate green bonds¹⁹

Caroline Flammer (2021)

Summary

[Flammer \(2021\)](#) examines the emergence and rapid expansion of the corporate green bond market to evaluate whether green bonds represent credible environmental commitments, instruments of greenwashing, or mechanisms for obtaining cheaper financing. Using a global sample of corporate green bond issuances between 2013 and 2018, the study analyses stock market reactions, post-issuance environmental performance, investor ownership patterns, and bond pricing differentials. The findings show that investors respond positively to green bond announcements, particularly for certified bonds and first-time issuers, supporting the interpretation that green bonds function as credible signals of environmental commitment. Firms issuing green bonds subsequently improve environmental ratings, reduce carbon emissions, and attract long-term and environmentally focused investors. At the same time, the study finds little evidence of a significant pricing advantage or “greenium,” suggesting that green bonds are not primarily issued to reduce financing costs. Overall, the paper establishes corporate green bonds as signaling instruments that strengthen sustainability credibility within capital markets.

Introduction

The rapid growth of sustainable finance has significantly increased interest in financial instruments designed to support environmentally beneficial investment. Among these instruments, corporate green bonds have emerged as one of the most important developments within global capital markets. Green bonds are debt securities whose proceeds are specifically allocated toward environmentally beneficial projects such as renewable energy, energy efficiency, pollution reduction, and sustainable infrastructure. Although green bonds initially developed within supranational and sovereign markets, the corporate green bond market expanded rapidly after 2013. [Flammer \(2021\)](#) documents that corporate green bond issuance increased from approximately \$5 billion in 2013 to nearly \$95.7 billion by 2018. Despite this rapid expansion, the economic rationale for issuing green bonds remained unclear.

Unlike conventional bonds, green bonds impose restrictions on the use of proceeds and often require costly monitoring, reporting, and third-party certification procedures. Consequently, firms issuing green bonds face additional constraints relative to conventional debt issuance. The paper evaluates three competing explanations for green bond issuance: the signalling hypothesis, the greenwashing hypothesis, and the cost of capital hypothesis.

Under the signalling interpretation, firms issue green bonds to credibly communicate environmental commitment to investors. Under the greenwashing interpretation, firms issue green bonds primarily for reputational purposes without meaningful environmental improvements. Under the cost of capital hypothesis, firms issue green bonds to obtain cheaper financing from environmentally conscious investors.

Literature

[Flammer \(2021\)](#) situates the study within several strands of literature concerning signalling, sustainable finance, ESG investing, and environmental corporate performance. The signalling interpretation draws upon information asymmetry models developed by [Akerlof \(1970\)](#), [Spence \(1973\)](#), [Riley \(1979\)](#), and [Williamson \(1985\)](#), which argue that firms can undertake costly actions to credibly communicate otherwise unobservable characteristics to outside investors. Within environmental contexts, [Lyon and Maxwell \(2011\)](#) and [Lyon and Montgomery \(2015\)](#) highlight the informational difficulties investors face when evaluating firms’ environmental commitments. [Flammer \(2021\)](#) argues that green bonds

¹⁹ [Flammer, C. \(2021\). Corporate green bonds. *Journal of Financial Economics*, 142\(2\), 499-516.](#)

may help address these informational frictions because they impose restrictions on the use of proceeds and often require costly certification and reporting procedures.

The study also connects to literature examining investor responses to sustainability-oriented corporate actions and the relationship between ESG performance and firm value. Studies such as [Hamilton \(1995\)](#), [Klassen and McLaughlin \(1996\)](#), [Flammer \(2013\)](#), and [Krueger \(2015\)](#) document positive market reactions associated with strong environmental performance, while [Eccles et al. \(2014\)](#), [Edmans \(2011, 2012\)](#), [Flammer et al. \(2019\)](#), and [Guenster et al. \(2011\)](#) examine how sustainability-oriented corporate policies influence long-run firm outcomes and risk characteristics. Related work by [Godfrey et al. \(2009\)](#) and [Hoepner et al. \(2019\)](#) further analyses the relationship between ESG characteristics and downside risk.

Finally, [Flammer \(2021\)](#) contributes to the growing literature on green bond pricing and sustainable investment preferences. Studies such as [Baker et al. \(2018\)](#), [Karpf and Mandel \(2017\)](#), and [Zerbib \(2019\)](#) examine whether green bonds trade at pricing premiums or discounts relative to conventional bonds, while [Larcker and Watts \(2019\)](#) find limited evidence of systematic pricing differences after controlling for bond characteristics. The paper also relates to broader research on impact investing and sustainability-oriented investor preferences, including [Barber et al. \(2019\)](#), [Geczy et al. \(2019\)](#), [Cheng et al. \(2014\)](#), and [Krueger et al. \(2019\)](#). [Flammer \(2021\)](#) extends this literature by examining whether green bonds function primarily as signalling mechanisms, greenwashing devices, or financing-cost reduction instruments.

Contribution

The paper advances the sustainable finance literature through three principal contributions:

1. **Comprehensive analysis of corporate green bonds:** The study provides one of the earliest large-scale global analyses of corporate green bond issuance.
2. **Firm-level environmental outcomes:** Beyond analysing bond pricing, the paper examines whether firms issuing green bonds subsequently improve environmental performance.
3. **Signaling interpretation of green bonds:** The study provides evidence that green bonds function primarily as credible signals of environmental commitment rather than mechanisms for greenwashing or cheaper financing.

Data & methodology

The empirical analysis relies on a global dataset of corporate green bond issuances obtained from Bloomberg between 2013 and 2018. The study employs several complementary empirical approaches to evaluate investor reactions, environmental outcomes, ownership changes, and bond pricing effects associated with green bond issuance.

First, event-study analysis is used to measure cumulative abnormal returns surrounding green bond issuance announcements. Second, matched-sample methodologies compare green bond issuers with otherwise similar conventional bond issuers from the same country, industry, and year. The study also analyses post-issuance environmental performance using ASSET4 environmental ratings and carbon emissions data, while institutional ownership analysis examines whether green bond issuance alters investor clientele composition. Finally, the paper compares pricing differentials between green and conventional bonds issued by the same firms in order to evaluate the existence of a “greenium.”

Results

1. **Positive investor response:** Flammer finds that investors react positively to corporate green bond announcements. The event study reports cumulative abnormal returns of 0.49% around announcement dates, indicating that markets view green bond issuance as a favourable signal.
2. **Stronger effects for certified and first-time issuers:** Market reactions are significantly stronger for independently certified green bonds and firms issuing green bonds for the first time. This suggests that third-party certification increases the credibility of environmental commitments.
3. **Improvement in environmental performance:** Firms issuing green bonds subsequently improve environmental outcomes. Environmental ratings rise by about 7 percentage points, while carbon emissions intensity declines by 12.9%, providing evidence against the greenwashing hypothesis.
4. **Changes in investor clientele:** Green bond issuers attract a larger share of long-term and environmentally focused institutional investors. Ownership by long-term investors rises by 1.8–2.2 percentage points, while green investors increase ownership by 2.9 percentage points.
5. **Limited evidence of a greenium:** The study finds no significant pricing advantage for green bonds. The average yield difference between green and comparable conventional bonds is only 0.019% and statistically insignificant, implying that firms do not primarily issue green bonds to reduce borrowing costs.

Conclusion

[Flammer \(2021\)](#) provides important evidence regarding the motivations and consequences associated with corporate green bond issuance. The study demonstrates that investors respond positively to green bond announcements, particularly when issuance is supported by certification and first-time signaling effects. The findings further show that firms issuing green bonds subsequently improve environmental performance, reduce emissions, and attract sustainability-oriented investors. At the same time, the absence of significant pricing advantages indicates that green bonds are not primarily issued to reduce financing costs. Overall, the paper establishes corporate green bonds as credible signaling instruments that strengthen firms' environmental credibility within capital markets.

US corporate bond markets: Bigger and (maybe) better?²⁰

Maureen O'Hara and Xing (Alex) Zhou (2025)

Summary

The US corporate bond market has experienced massive growth and structural transformation, characterized by the rise of electronic trading and the entry of retail investors through mutual funds and exchange-traded funds (ETFs). While these changes have lowered transaction costs and improved efficiency in normal times, [O'Hara and Zhou \(2025\)](#) argue that the market has fundamentally become more fragile. Post-crisis regulations have constrained traditional dealer liquidity provision, while the shift towards a transaction-based model and the liquidity mismatch of mutual funds severely exacerbate "fire sales" during periods of financial stress. Ultimately, the authors contend that while the modern corporate bond market is more efficient, its inherent illiquidity and new structural vulnerabilities may force central banks to continually intervene as a "market maker of last resort."

Introduction

Corporate bonds have long served as the backbone of long-term corporate financing in the United States. Unlike bank loans, which are generally shorter-term and often feature floating interest rates, corporate bonds provide firms with stable, fixed-rate financing used for capital expenditures, mergers and acquisitions, research and development, and large-scale investment initiatives. By 2024, the US corporate bond market had become one of the largest financial markets in the world, with more than US\$ 11 trillion in outstanding bonds spread across nearly 90,000 individual bond issues from over 4,400 issuers.

Historically, the market was dominated by institutional "buy-and-hold" investors, such as insurance companies, and relied heavily on a decentralized, over the counter (OTC) dealer network to provide liquidity. While this system generated high transaction costs and limited transparency, it proved relatively stable because dealers were willing to commit capital during periods of market stress. However, the structure of the market has changed dramatically since the global financial crisis of 2008–2009. Regulatory reforms such as the Dodd-Frank Act, Basel III capital requirements, and the Volcker Rule significantly increased the cost of dealer intermediation and constrained proprietary trading activities. Simultaneously, the market is undergoing rapid evolution: electronic trading is replacing traditional voice-based venues, retail investors are participating en masse via mutual funds, and dealer inventories have structurally declined.

[O'Hara and Zhou \(2025\)](#) explore whether this "new" corporate bond market is actually "better." They frame their analysis around the fundamental challenge of episodic illiquidity—the difficulty of selling bonds without steep price discounts during market stress. Furthermore, they highlight a massive compositional shift in the market: whereas nonfinancial firms dominated issuance in 2001, the largest issuers today are major financial institutions, tightly linking bond market stress to the broader banking sector.

Literature

[O'Hara and Zhou \(2025\)](#) synthesize five strands of literature, each contributing a distinct layer to their argument about efficiency and fragility in the modern corporate bond market. The first strand concerns the foundational mechanics of over-the-counter dealer markets. [Duffie et al. \(2005\)](#) established the theoretical basis for understanding how search frictions and bilateral bargaining shape liquidity in decentralised markets. Building on this, [O'Hara et al. \(2018\)](#) and [Goldstein and Hotchkiss \(2020\)](#) provided empirical grounding, documenting how dealer inventories, customer

²⁰ O'Hara, M., & Zhou, X. (Alex). (2025). US Corporate Bond Markets: Bigger and (Maybe) Better? *The Journal of Economic Perspectives*, 39(2), 215–234.

relationships, and market power jointly determined transaction costs in the pre-electronic era. This literature establishes the baseline against which subsequent structural changes are measured.

The second strand examines how post-2008 regulatory reforms altered dealer behaviour. [Duffie \(2012\)](#) identified the conceptual ambiguity in the Volcker Rule — the difficulty of distinguishing legitimate market-making from prohibited proprietary trading — and predicted its chilling effect on liquidity provision in illiquid markets. [Adrian et al. \(2017\)](#) and [Bao et al. \(2018\)](#) confirmed this empirically, showing that dealers subject to tighter balance sheet constraints intermediated fewer trades and committed less capital during stress periods. [Berndt et al. \(2025\)](#) quantified the enduring cost consequence, estimating wholesale funding costs for large banks at roughly 170 percent above pre-crisis levels. Together, this body of work explains why the traditional shock-absorbing capacity of the dealer community has structurally eroded, which is the precondition for the fragility argument the paper advances.

The third strand addresses the efficiency gains from electronic trading. [Hendershott and Madhavan \(2015\)](#) showed that RFQ platforms increase dealer competition and reduce search costs, while [O'Hara and Zhou \(2021\)](#) documented the wide-ranging impact of electronic trading on transaction costs across the market cycle. Critically, however, both studies also identified the limits of these gains — concentrated among liquid, investment-grade bonds and smaller trade sizes, and largely absent during stress. This nuance is essential to the paper's core claim that efficiency improvements are conditional rather than unconditional.

The fourth strand concerns the fragility introduced by mutual funds and exchange-traded funds. [Goldstein et al. \(2017\)](#) identified the asymmetric flow-performance relationship in corporate bond funds — outflows are disproportionately sensitive to bad performance relative to how inflows respond to good performance — establishing the theoretical basis for first-mover incentives and fire-sale dynamics. [Ma et al. \(2022\)](#) and [Haddad et al. \(2021\)](#) then demonstrated empirically that these dynamics materialised during the COVID-19 crisis, with mutual fund redemptions directly depressing underlying bond prices in a measurable and significant way. This literature transforms the investment fund growth story from a benign broadening of market access into a structural source of systemic risk.

Finally, the paper draws on central banking theory to frame the Fed's role. [Buiter and Seibert \(2007\)](#) argued that in modern financial systems, where fixed-income markets are larger than the banking sector, liquidity crises manifest not as bank runs but as disorderly markets without a credible market maker. Their prescription — that the central bank must act as a market maker of last resort, willing to purchase assets or fund others to do so — provides the conceptual background [O'Hara and Zhou \(2025\)](#) use to interpret the Fed's March 2020 interventions and to raise the moral hazard concerns that follow from institutionalising such a role.

Contribution

The study provides a comprehensive structural overview of the modern corporate bond market, offering five primary contributions:

1. **Reframing modern bond market evolution:** [O'Hara and Zhou \(2025\)](#) argue that the evolution of corporate bond markets represents a trade-off between efficiency and resilience. While transaction costs, search costs, and opacity have declined, market fragility has increased substantially.
2. **Documenting the collapse of dealer intermediation:** The paper demonstrates how post-crisis regulations and higher funding costs sharply reduced dealer inventories and market-making capacity, fundamentally altering liquidity provision in bond markets.
3. **Evaluating electronic trading dynamics:** The study provides a detailed assessment of RFQ and all-to-all electronic trading systems, showing that electronic trading improves liquidity during normal periods but performs poorly during crises.

4. **Highlighting financial system interconnectedness:** By examining the rapid growth of mutual funds and ETFs in bond markets, the paper shows how liquidity mismatches and redemption dynamics amplify systemic instability.
5. **Conceptualizing the Fed as market maker of last resort:** The study provides one of the clearest modern interpretations of the Federal Reserve's role in stabilizing fixed-income markets during crises, particularly during the COVID-19 shock.

Structural evolution and dynamics of modern bond markets

Rather than relying on a single regression, [O'Hara and Zhou \(2025\)](#) map the structural evolution of the corporate bond market by analysing major institutional shifts and directly linking them to their empirical consequences during periods of financial stress. By combining the market's structural changes with their resulting dynamics, the authors identify several precise vulnerabilities:

1. **The diminishing role of dealers and the necessity of a Fed backstop:** Prior to the 2008 global financial crisis, large bank dealers accommodated customer trades by warehousing massive bond inventories, holding over \$350 billion in 2007. However, post-2008 regulations—such as the Dodd-Frank Act, Basel III, and the Volcker rule—fundamentally altered dealer incentives. Because holding large inventories became prohibitively expensive and legally complex, the traditional shock-absorbing capacity of the market evaporated, with aggregate dealer positions approaching zero by 2022. The devastating result of this shift materialized during the March 2020 meltdown. Overwhelmed by selling pressure, dealers shifted from supplying to demanding liquidity, resulting in a negative \$8 billion inventory position. With dealers incapacitated, the Federal Reserve was forced to intervene with the Primary Dealer Credit Facility (PDCF) and the Secondary Market Corporate Credit Facility (SMCCF), directly purchasing bonds and acting as the ultimate "market maker of last resort".
2. **The rise and fragility of electronic trading:** As dealer inventories shrank, trading migrated to electronic platforms (e.g., MarketAxess, TradeWeb) using Request-for-Quote (RFQ) protocols, which increase dealer competition and reduce search costs. However, the authors find that electronic liquidity is highly fragile. While RFQ and electronic trading lower transaction costs (converging to 10-20 basis points) during normal periods, this liquidity evaporates during crises. During bond downgrades or massive shocks like COVID-19, electronic transaction costs spike, and traders actively revert to traditional, relationship-based voice trading to source liquidity. Furthermore, attempts to bypass dealers using "all-to-all" trading—which allows direct investor-to-investor matches—remain a small fraction of overall volume, largely because valuing complex corporate bonds requires specialized pricing capabilities that most buy-side investors lack.
3. **The growth of investment funds as shock amplifiers:** Investment funds have increasingly entered the asset class, growing their ownership of corporate bonds to roughly 20% by 2024. These vehicles transform illiquid underlying assets into highly liquid investments, creating a dangerous structural mismatch. The data reveals that these funds act as severe shock amplifiers. Unlike equity mutual funds, bond fund outflows are highly sensitive to bad performance, incentivizing investors to run early due to a "first-mover advantage". During the March 2020 crisis, unprecedented mutual fund redemptions overwhelmed the market, and fund-held bonds suffered massive fire-sale price drops. Similarly, ETF creation and redemption arbitrage can mechanically drain liquidity from the underlying bond market during periods of extreme stress, as large redemptions force the underlying bonds onto the balance sheets of authorized participants.
4. **The stabilizing role of long-term investors:** In contrast to the fragility of electronic platforms and mutual funds, the data reveals that long-term investors provide crucial market resilience. Insurance companies, which strive to match long-term liabilities with long-term assets, possess highly stable funding that is relatively immune to market runs. During the worst of the COVID-19 panic—between March 6 and March 19, before the Fed intervened—insurers

acted as crucial "value investors". While dealers were shedding inventory, insurers were net buyers of \$2.5 billion in corporate bonds, providing a vital backstop to the market.

Implications

The findings carry significant implications for market design, regulatory policy, and financial stability. The most immediate concern is moral hazard. If dealers, fund managers, and investors operate with the expectation that the Federal Reserve will intervene in future crises—as it did in March 2020—their incentives to maintain private liquidity buffers are correspondingly weakened. The very success of the Fed's intervention may therefore accelerate the atrophy of the relationship-based liquidity infrastructure it was called upon to replace, making periodic central bank backstops more rather than less likely over time. A related and underappreciated concern is the compositional shift in bond market issuance. In 2001, the largest issuers were nonfinancial corporations; by 2023, the twenty largest issuers were all financial institutions, with JPMorgan Chase Financial alone carrying 10,000 outstanding bond issues. This transformation means that stress in the corporate bond market now transmits directly into the balance sheets of major banks — a feedback channel that was largely absent when bonds were primarily a financing tool for industrial firms. The systemic implications of this interdependency are substantial and warrant explicit regulatory attention.

To build resilience without permanent reliance on central bank intervention, the authors identify two reform directions. First, encouraging long-term institutional investors—particularly insurance companies—to play a more active countercyclical role. This may require revisiting capital charge frameworks that currently penalize insurers for holding high-yield bonds during downturns, precisely when their purchasing capacity would be most stabilizing. Second, enhancing pre-trade price transparency in the corporate bond market, following the approach recently pursued for US Treasury markets. A consolidated pre-trade data facility would reduce valuation uncertainty during stress, lowering the informational barriers that currently prevent buy-side institutions from participating as liquidity providers in all-to-all trading when dealers step back.

Conclusion

[O'Hara and Zhou \(2025\)](#) demonstrate that while technological and structural innovations have made the US corporate bond market larger, cheaper, and more accessible, they have fundamentally failed to solve its underlying illiquidity problem. By shifting from a relationship-based dealer model to a transaction-based electronic model, and by introducing the liquidity mismatches inherent in mutual funds and ETFs, the market is now highly efficient in normal times but dangerously fragile during crises. Ultimately, maintaining stability in this highly interconnected market requires structural reforms to transparency and liquidity provision, lest the Federal Reserve be forced to permanently serve as the market maker of last resort.

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Market performance

Market round-up

Global equities rebound in April, but external risks keep markets fragile

Global equities recovered sharply in April 2026 after a weak March, as risk appetite improved and investors looked past the immediate shock from the West Asia conflict. The MSCI World Index rose 9.4% during the month, supported by renewed confidence in corporate earnings and a rotation back into technology and AI-linked stocks. Emerging markets outperformed even more sharply. The MSCI EM Index rose 14.5% in April—one of its strongest monthly performances in a decade—led by exceptional gains in Korea and Taiwan, which benefited from renewed investor interest in the global AI and semiconductor supply chain.

Indian equities recouped part of the earlier losses in April, with the Nifty 50 rising 7.5%—its strongest monthly gain in 28 months—and broader markets outperforming sharply. The recovery was supported by better global cues, easing geopolitical concerns, attractive valuations after the correction and strong domestic liquidity. The rebound, however, lost momentum in the first half of May, with the Nifty 50 down 1.5% by May 15 amid higher crude prices, rupee weakness, IT-sector concerns and continued FPI outflows. Flow trends remained sharply divergent. FPIs extended their selling streak, with outflows of US\$6.5bn in April and US\$2.8bn in the first half of May, taking CY2026 outflows to US\$23.5bn. DIIs remained the key stabilising force, investing Rs 51,064 crore in April and extending their buying streak to 33 months, supported by resilient equity mutual fund inflows and SIP contributions.

Global fixed income markets were mixed. Credit outperformed sovereigns, while major government bond yields remained under pressure from inflation, oil prices and fiscal concerns. In India, fixed income markets stayed range-bound after March's sharp hardening. The 10-year G-sec yield, which had risen 37bps in March to 7.04%, softened to around 6.86% by mid-April before hardening again to close near end-March levels. The long end remained constrained by crude prices, hawkish Fed commentary, tighter liquidity and supply concerns, while the RBI's unchanged repo rate at 5.25% kept the domestic policy backdrop steady.

- Indian equities recoup part of the losses in April after a strong rebound:** Indian equities staged a strong rebound in April 2026 after four consecutive months of decline. The recovery was led by a sharp improvement in risk appetite, supported by easing geopolitical concerns, better global cues, attractive valuations after the recent correction and continued domestic liquidity support. The Nifty 50 rose 7.5% during the month—its strongest monthly gain in 28 months—while the Sensex gained 6.9%. The rebound was even stronger in the broader market, with the Nifty Midcap 100 and Nifty Smallcap 100 rising 13.6% and 18.4%, respectively, as investors rotated back into segments that had corrected more sharply in the preceding months. Equity mutual fund flows remained resilient, with net inflows of Rs 38,440 crore in April, while SIP contributions stayed strong at Rs 31,115 crore. This domestic support helped offset continued foreign selling, with FPIs pulling out US\$ 6.5bn (Rs 60,847) crore from Indian equities during the month.

Indian equity markets recovered meaningfully in April, even as the YTD decline remain significant at 9.5% (As of May 15th, 2026).

The recovery, however, lost some momentum in the first half of May. Renewed pressure from higher crude oil prices, rupee weakness and persistent foreign outflows weighed on sentiment, while IT stocks corrected amid concerns over AI-led disruption to earnings. As of May 15, the Nifty 50 had fallen 1.5% in the month to close at 23,643.50, taking the cumulative decline in 2026 so far to 9.5%. The weakness was more pronounced in large caps: during the first 15 days ended May 15, the mid-cap index (Nifty Mid-cap 150) rose by a modest 1.2% while the small-cap index (Nifty Small-cap 250) stayed flat. This marginal reversal underscores that

while domestic liquidity remains an important stabiliser, Indian equities continue to remain sensitive to external shocks, particularly crude prices, currency movements and sustained FPI outflows.

After a slight moderation in February, trading activity on NSE has been on a rising trend since. Turnover in the equity cash segment rose by 7.6% MoM to a 22-month high of Rs 1.35 lakh crore and improved further by 5.2% in the first 15 days of May to Rs 1.42 lakh crore. In contrast, activity in equity derivatives came off after recording a strong March. Average daily turnover (premium) in equity options fell by 31.2% MoM to Rs 64,488 crore, albeit off a robust 33.9% MoM growth in March. Equity futures activity also eased, with average daily turnover declining 14.5% MoM to Rs 1.57 lakh crore, after touching a 17-month high in the previous month.

- Indian bond markets remained under pressure:** Global fixed income markets delivered a mixed performance in April 2026 after the March volatility. The Bloomberg Global Aggregate returned 1.2%, supported by tighter credit spreads and improved risk appetite, even as elevated oil prices, inflation concerns and fiscal-sustainability risks weighed on sovereign bonds. Government bond performance was uneven. US Treasuries were relatively resilient, with the 10-year yield rising modestly by about 7bps to around 4.39% by month-end, as the Fed kept rates unchanged, but markets continued to price a higher-for-longer backdrop. German Bunds were broadly stable, with the 10-year yield up 2bps to around 3.03%, while UK gilts underperformed, with the 10-year yield rising about 10bps to above 5.0%. JGBs were the weakest major sovereign segment, with the 10-year yield rising 17bps to 2.5%, reflecting higher inflation expectations and a more hawkish Bank of Japan tone. Credit markets fared better than sovereigns, with spread sectors posting positive returns as global risk sentiment improved. High-yield bonds outperformed investment-grade credit, while emerging market debt also benefited from higher carry and more stable currency conditions

Indian fixed income markets remained largely range-bound in April after the sharp yield hardening seen in March, with the long end holding steady and the short end easing slightly from March-end levels. The 10-year benchmark G-sec yield, which had risen 37bps in March to 7.04%, softened to around 6.86% by mid-April before hardening again to close the month near end-March levels. The initial rally was supported by improved risk appetite and expectations of yield stabilisation, while the subsequent reversal reflected renewed pressure from higher crude oil prices, hawkish Fed commentary, tighter banking-system liquidity and supply concerns. The RBI's decision to keep the repo rate unchanged at 5.25% kept the domestic policy backdrop steady. Overall, the long end remained under pressure from global and supply-side factors, even as the curve retained a relatively firm bias despite the temporary mid-month rally.

- DII buying continued for the 33rd consecutive month; FPI remained strong sellers:** FPIs extended their selling spree for the sixth consecutive month, with net outflow of US\$6.5bn in April on top of record monthly outflows of US\$12.7bn in the previous month. The first 15 days of May also saw net outflows to the tune of US\$2.8bn, taking the YTD outflows to US\$23.5bn (As of May 15th, 2026), already surpassing the record-high annual outflows of US\$18.9bn in 2025. Domestic investors, however, again provided the principal counterweight. DIIs recorded net

inflows of about Rs 51,064 crore in April, marking the 33rd consecutive month of buying and extending the sustained domestic bid that has helped absorb persistent foreign selling pressure. This translates into cumulative net investments of Rs 3.4 lakh crore (US\$ 36.9bn) in the year thus far (As of May 15th, 2026). This was supported by resilient mutual fund flows, with equity-oriented schemes receiving net inflows of Rs 38,440 crore in April—the 62nd consecutive month of positive inflows—while SIP contributions remained strong at Rs 31,115 crore, despite easing modestly from the March peak. 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 posted robust gains in April:** Global equities recovered sharply in April 2026 after a weak March, as risk appetite improved and investors looked past the immediate shock from the West Asia conflict. The MSCI World Index rose 9.4% during the month, supported by renewed confidence in corporate earnings and a rotation back into technology and AI-linked stocks. US equities led the rebound in the developed market pack, with the S&P 500 rising 10.5%, while Japan and Europe also posted strong gains of 16.5% (Nikkei 225 Stock Average) and 5.6% (Euro Stoxx) respectively. Emerging markets outperformed even more sharply. The MSCI EM Index rose 14.5% in April—one of its strongest monthly performances in a decade—led by exceptional gains in Korea and Taiwan, which benefited from renewed investor interest in the global AI and semiconductor supply chain. Korea's KOSPI Index rose 30.6% and Taiwan's TAIEX Index 22.7%, while China delivered a more modest 5.7% gain.

Flows also turned supportive after the March risk-off phase. According to IIF data, emerging-market portfolio flows across debt and equity rebounded to US\$58.3bn in April, reversing much of the US\$66.2bn outflow seen in March. Debt flows accounted for most of the recovery, though EM equities also saw a positive turn with inflows of US\$6.4bn. Overall, April marked a clear revival in global equities, driven by improved risk appetite, resilient earnings expectations, technology-led leadership and a partial normalisation of EM flows after the sharp March disruption.

US: US equity markets rebounded sharply in April 2026 after the March risk-off phase. The recovery was led by renewed optimism around corporate earnings, continued strength in AI-linked tech names, easing volatility and improved sentiment following ceasefire-related developments in the West Asia conflict. The S&P 500 rose about 10.5% in April—its strongest monthly gain since November 2020—while the Nasdaq 100 surged 15.6%, its best monthly performance since October 2002, helped by its overweight exposure to technology and AI-related stocks. The Dow Jones Industrial Average also gained strongly, rising around 7.1% in April—the highest in the last 17 months, though its gains lagged the tech-heavy indices. The rally extended to May as well, with Nasdaq 100 and S&P 500 reporting gains of 2.8% and 6.1% respectively in May thus far (As of May 15th, 2026).

The latest US macro data suggest a resilient but uneven economy, with activity holding up even as inflation pressures have resurfaced. Real GDP grew at an annualised 2.0% in Q1 2026, up from 0.5% in Q4 but below expectations of 2.3%, supported by investment, exports, consumption and government spending. Labour markets remained broadly stable, with non-farm payrolls rising by 115k in April and

the unemployment rate unchanged at 4.3%. High-frequency indicators were mixed. The Manufacturing PMI rose to 54.5 in April from 52.3, the strongest since May 2022, partly reflecting inventory-building, while the Services PMI recovered modestly to 51.0 from 49.8. Retail sales rose 0.5% MoM and industrial production increased 0.7% MoM. Inflation re-emerged as the key concern, with headline CPI rising to 3.8% YoY in April from 3.3% in March, led by higher energy prices. Against this backdrop, the Fed kept rates unchanged at 3.50–3.75%, noting solid activity but elevated inflation and softer job gains.

Europe: After a weak March, European equities revived sharply in April 2026, supported by the ceasefire-led improvement in risk appetite, lower volatility and hopes of a negotiated settlement in West Asia. The EURO STOXX 50 rose 5.6%, while the broader STOXX Europe 600 gained 4.8%, rebounding from its weakest month since the COVID-19 shock of March 2020. Germany's DAX outperformed with a 7.1% gain, supported by the broader risk-on move and strength in industrials and technology, while France's CAC 40 rose 3.8%, lagging regional peers amid relatively weaker performance in luxury and consumer-facing names. That said, the recovery lagged the US, weighed down by the region's greater exposure to external shocks. Further, gains were tempered by renewed inflation concerns from higher oil and energy prices. Consequently, the ECB kept rates unchanged in April while flagging intensifying upside risks to inflation.

Economic activity in the Euro area remained weak and uneven. Real GDP grew by just 0.1% QoQ in Q1 2026, while annual growth slowed to 0.8%. Labour markets remained resilient, with unemployment easing to 6.2% in March. Industrial production rose 0.2% MoM in March but remained 2.1% lower YoY, pointing to continued industrial weakness. High-frequency indicators weakened in April, with the Composite PMI falling to 48.8 from 50.7 in March, led by a contraction in services, even as Manufacturing PMI improved to 52.2. Inflation re-accelerated to 3.0% in April from 2.6% in March, driven by higher energy prices. Against this backdrop, the ECB kept policy rates unchanged at its April meeting, while flagging upside risks to inflation and downside risks to growth.

UK equities recovered in April 2026 after the sharp risk-off move in March, though the rebound was more measured than in the US and parts of continental Europe. The FTSE 100 rose 2.0% during the month, while the more domestically oriented FTSE 250 outperformed with a 5.9% gain. The recovery was supported by improved global risk appetite, the temporary easing of West Asia tensions following the US–Iran ceasefire, lower oil prices during part of the month, and better earnings momentum. The FTSE 100's gains were capped by its relatively higher exposure to energy and defensive global earners, while the stronger FTSE 250 performance reflected renewed appetite for domestic cyclicals and rate-sensitive stocks. Sentiment was also helped by expectations of eventual Bank of England easing, although persistent inflation risks and energy-price volatility kept the market's recovery more restrained than the sharper rebound seen in US equities.

Asia: Asian equity markets rebounded strongly in April 2026 after the sharp risk-off move in March, with gains led by technology-heavy North Asian markets. South Korea's KOSPI surged 30.6%, while Taiwan's TAIEX rose 22.7%, supported by renewed global investor interest in the AI and semiconductor supply chain. Japan

also participated in the recovery, with the Nikkei 225 gaining 16.1%, led by strength in large-cap technology and export-oriented names.

Elsewhere, gains were positive but more modest. India's Nifty 50 rose 7.5% in April, supported by improved global cues and strong domestic liquidity, even as foreign outflows persisted. China's Shanghai Composite advanced 5.7%, while Hong Kong's Hang Seng gained 4.0%, reflecting a comparatively measured recovery. Indonesia remained an outlier, with the Jakarta Composite ending the month lower amid continued foreign-flow pressures and domestic macro concerns. Overall, April marked a broad recovery across Asian equities, led primarily by North Asian technology markets and supported by improved global risk appetite, some easing in geopolitical concerns and a reversal of pessimism seen in March.

- **Commodity markets recalibrate amid persistent geopolitical disruption:**

Disruptions linked to the Strait of Hormuz continued to shape pricing across sectors in Apr'26. Crude oil remained highly volatile, swinging from ~US\$94/bbl following the brief US–Iran ceasefire announcement to a four-year high of ~US\$126/bbl after negotiations collapsed, before settling near ~US\$114/bbl by month-end, with the UAE's surprise decision to exit OPEC introducing an additional layer of supply uncertainty. Industrial metals emerged as the strongest performers, led by nickel (+14% MoM) on Indonesian production cuts and rising sulphur costs, while copper (+5.3%), tin (+5.2%), and zinc (+4.3%) gained on supply disruptions, smelter constraints, and sustained demand from EVs, AI infrastructure, and renewable energy. Precious metals remained divided along investment and industrial lines—gold and silver softened amid higher-for-longer rate expectations, whereas platinum and palladium advanced on tightening supply concerns linked to potential U.S. tariffs on Russian exports. In agriculture, cotton surged 12.1% MoM due to weather-related supply shortfalls and substitution away from costlier polyester, while sugar fell 6.4% amid expectations of abundant Brazilian and Indian supply.

The S&P GSCI Index shot up 3.12% MoM in Apr'26.

- **Rupee remained under pressure in April despite dollar weakness:** The INR remained under pressure in April 2026, trading within a range of Rs 92.6–94.9 and closing marginally weaker at Rs 94.9 as of Apr 30th, 2026, despite a 1.9% MoM decline in the DXY, thereby reversing the partial recovery seen in early April. The muted response to dollar weakness reflected continued external pressures, particularly from sustained foreign capital outflows. This was accompanied with continued undervaluation of rupee against its major trading partners, with the 40-currency trade-weighted REER declining to 92.7 (–127 bps MoM) and the NEER easing to 80.8 (–90 bps MoM) in March 2026. Meanwhile, the one-year forward premium on the INR extended its upward trajectory in April 2026, with the monthly average rising to 3.05% (from 2.73% in March 2026), marking the highest level since September 2022. Overall, the rupee remained sensitive to portfolio flows and external shocks, with the depreciating trend continuing in May, breaching the 96-mark against the dollar during the month so far (MTD: -2%).

Performance across asset classes

Table 42: Performance across equity, fixed income, currency, and commodity markets (As on April 30th, 2026)

Indicator Name	Apr-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	23,998	22,331	25,321	24,334	7.5	-5.2	-6.7	-1.4	-8.2
NIFTY 500	22,684	20,528	23,080	22,030	10.5	-1.7	-4.3	3.0	-5.0
MSCI INDIA	2,896	2,652	2,985	2,849	9.2	-3.0	-4.4	1.7	-5.8
India Volatility Index (%)	18.5	27.9	13.6	18.2	-33.8	35.4	51.9	1.3	94.8
MSCI WORLD	4,661	4,258	4,528	3,656	9.5	2.9	6.2	27.5	5.2
S&P 500 COMPOSITE	7,209	6,529	6,939	5,569	10.4	3.9	5.4	29.5	5.3
DOW JONES INDUSTRIALS	49,652	46,342	48,892	40,669	7.1	1.6	4.4	22.1	3.3
HANG SENG	25,777	24,788	27,387	22,119	4.0	-5.9	-0.5	16.5	0.6
FTSE 100	10,379	10,176	10,224	8,495	2.0	1.5	6.8	22.2	4.5
NIKKEI 225	59,285	51,064	53,323	36,045	16.1	11.2	13.1	64.5	17.8
Fixed Income*									
India 10YR Govt Yield (%)	7.04	6.66	6.59	6.58	-2bps	32bps	48bps	66bps	43bps
India 5YR Govt Yield (%)	6.76	6.39	6.32	6.45	1bps	40bps	59bps	68bps	45bps
India 1YR Govt Yield (%)	5.95	5.56	5.67	6.41	-15bps	10bps	9bps	-20bps	13bps
India 3Month T-Bill Yield (%)	5.42	5.30	5.37	6.53	-12bps	-16bps	-30bps	-77bps	-7bps
US 10YR Govt Yield (%)	4.32	3.96	4.16	4.21	7bps	14bps	30bps	24bps	23bps
Germany 10YR Govt Yield (%)	3.01	2.65	2.85	2.73	2bps	19bps	39bps	59bps	18bps
China 10YR Govt Yield (%)	1.82	1.83	1.86	1.88	-7bps	-5bps	-1bps	13bps	-11bps
Japan 10YR Govt Yield (%)	2.35	2.11	2.07	1.48	17bps	27bps	86bps	121bps	45bps
Currency									
USD/INR	94.9	94.8	92.0	84.5	0.1	3.2	6.9	12.3	5.6
EUR/USD	1.2	1.2	1.2	1.1	1.8	-1.4	1.6	3.2	-0.1
GBP/USD	1.4	1.3	1.4	1.3	3.0	-1.0	3.4	1.7	1.0
USD/YEN	156.7	159.1	154.3	142.6	-1.5	1.6	1.7	9.9	-0.0
USD/CHF	1.3	1.2	1.3	1.2	2.7	-1.5	2.6	5.1	1.3
USD/CNY	6.8	6.9	6.9	7.3	-1.1	-1.7	-3.9	-5.9	-2.2
Commodities									
Brent Crude Oil (US\$/bbl)	114.2	118.3	70.7	64.3	-3.5	61.4	75.4	77.4	87.6
LME Aluminium (US\$/MT)	3,530.2	3,521.2	3,117.3	2,371.7	0.3	13.2	22.6	48.9	18.9
LME Copper (US\$/MT)	12,910.8	12,256.8	13,067.6	9,118.2	5.3	-1.2	18.7	41.6	3.7
LME Lead (US\$/MT)	1,942.2	1,872.1	1,963.1	1,947.2	3.8	-1.1	-2.4	-0.3	-1.3
LME Nickel (US\$/MT)	19,284.0	16,916.1	17,732.9	15,219.0	14.0	8.8	28.4	26.7	16.9
LME Tin (US\$/MT)	49,035.0	46,627.0	51,728.0	31,153.0	5.2	-5.2	35.7	57.4	20.7
LME Zinc (US\$/MT)	3,359.8	3,220.2	3,393.6	2,557.1	4.3	-1.0	7.0	31.4	9.0
SHC Iron Ore Spot (US\$/MT)	110.8	109.4	105.0	99.0	1.3	5.5	2.1	11.9	1.9
Gold Spot Price (US\$/troy ounce)	4,619.7	4,623.3	5,030.4	3,308.1	-0.1	-8.2	16.1	39.7	6.8
Silver Spot Price (US\$/troy ounce)	73.8	75.1	84.7	32.6	-1.8	-12.9	51.5	126.1	3.5
Platinum Spot Price (US\$/ounce)	1,959.0	1,908.0	2,300.0	972.0	2.7	-14.8	23.3	101.5	-3.4
Palladium Spot Price (US\$/ounce)	1,484.0	1,448.0	1,820.0	933.0	2.5	-18.5	1.3	59.1	-5.3
Soyabeans (US\$/bushel)	11.6	11.4	10.4	10.2	2.0	12.0	8.9	13.9	14.6
Corn (c/lb)	463.3	458.5	428.3	467.0	1.0	8.2	7.5	-0.8	5.1
Wheat (US\$/bushel)	6.3	6.2	5.3	5.2	2.1	18.9	19.5	21.8	25.6
Cotton (US\$/lb)	0.8	0.7	0.6	0.6	12.1	25.1	20.9	18.5	22.9
Raw Sugar (c/lb)	14.8	15.8	14.0	17.6	-6.4	5.4	4.2	-16.3	-0.3

Source: LSEG Workspace, Cogencis, NSE EPR. *Returns over different periods shown in terms of absolute change in basis points.

Table 43: 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 6.4	Bitcoin 153.5	Bitcoin 121.9	Gold 64.7	WTI Crude 82.8
WTI Crude 44.8	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	MSCI EM \$ 23.1
FTSE100 19.1	Nifty 500 37.7	Gold -1.7	WTI Crude 35.4	Gold 24.8	Nifty 500 31.6	FTSE100 4.7	Nifty 500 26.9	Nasdaq 100 25.9	FTSE100 25.8	Nasdaq 100 17.4
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	S&P500 10.0
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	Russell 1000 9.5
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	MSCI World 9.3
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	Gold 8.3
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	FTSE100 6.0
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	STOXX 600 5.9
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	SSE Comp 5.3
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	DJIA 4.7
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 -5.1
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	Bitcoin -7.3
SSE Comp -12.3	SSE Comp 6.6	Bitcoin -74.2	Nifty 500 9.0	WTI Crude -20.9	Gold -4.0	Bitcoin -64.1	WTI Crude -10.3	WTI Crude 0.8	WTI Crude -21.0	Nifty 50 -9.2

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 44: Performance across NSE equity indices (As on April 30th, 2026)

April-26 Index Name	PR Index Returns (%)					TR Index Returns (%)				
	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	7.5	-5.2	-1.4	9.9	10.4	7.5	-5.2	-0.3	11.2	11.7
Nifty Next 50	15.4	2.7	8.0	20.8	14.9	15.5	3.0	9.1	21.8	15.9
Nifty 100	8.8	-3.9	0.2	11.6	11.0	8.9	-3.8	1.3	12.8	12.2
Nifty 200	9.7	-2.8	2.0	13.4	12.3	9.7	-2.6	3.0	14.5	13.5
Nifty 500	10.5	-1.7	3.0	14.2	12.9	10.5	-1.6	4.0	15.3	14.0
Nifty Midcap 50	12.7	1.1	10.2	23.5	20.2	12.7	1.3	10.9	24.3	21.2
Nifty Midcap 100	13.6	2.3	10.5	23.4	19.8	13.6	2.5	11.2	24.2	20.7
Nifty Midcap 150	13.2	2.4	10.7	22.6	19.2	13.2	2.5	11.4	23.3	20.1
Nifty Midcap Select	13.7	3.2	14.5	24.1	18.4	13.7	3.3	15.2	24.9	19.3
Nifty Smallcap 50	17.7	7.3	10.6	25.6	15.5	17.7	7.4	11.4	26.5	16.4
Nifty Smallcap 100	18.4	6.7	9.5	23.0	16.0	18.5	6.8	10.2	23.8	16.9
Nifty Smallcap 250	17.1	6.1	8.9	21.2	18.1	17.1	6.2	9.6	22.0	19.0
Nifty LargeMidcap 250	11.0	-0.8	5.4	17.1	15.2	11.1	-0.6	6.3	18.1	16.2
Nifty MidSmallcap 400	14.5	3.6	10.0	22.1	18.9	14.5	3.7	10.7	22.8	19.7
Nifty500 Multicap 50:25:25	12.0	0.2	5.1	16.9	15.0	12.0	0.3	6.0	17.9	16.0
Nifty Microcap 250	21.6	8.0	9.6	27.0	26.2	21.6	8.1	10.1	27.6	26.9
Nifty Total Market	10.9	-1.4	3.2	14.6	13.2	10.9	-1.2	4.2	15.7	14.4
Nifty Smallcap 500	18.2	6.6	9.1	22.2	19.5	18.2	6.7	9.7	22.9	20.4
Nifty MidSmallcap400 50:50	15.2	4.3	9.9	21.9	18.7	15.2	4.4	10.5	22.7	19.6
Thematic Indices										
Nifty India Consumption	10.5	-0.5	0.9	15.0	14.4	10.5	-0.4	1.8	16.1	15.5
Nifty MidSmall India Consumption	11.8	1.4	-6.9	18.7	15.5	11.8	1.7	-6.3	19.4	16.2
Nifty Non-Cyclical Consumer	11.3	-0.5	-5.9	11.8	12.5	11.3	-0.5	-5.1	12.8	13.6
Nifty India Manufacturing	10.8	3.3	15.1	23.1	18.4	10.8	3.5	16.0	23.9	19.4
Nifty Infrastructure	10.0	2.9	7.2	20.7	18.4	10.0	3.0	8.1	21.7	19.5
Nifty Services Sector	6.7	-8.7	-6.0	8.4	8.2	6.7	-8.6	-4.8	9.8	9.5
Nifty Commodities	12.2	6.1	20.2	21.0	16.9	12.2	6.4	21.5	22.1	18.3
Nifty CPSE	8.1	9.4	19.1	34.7	32.7	8.1	10.3	21.7	37.8	36.5
Nifty PSE	11.2	4.5	11.2	31.4	27.3	11.2	5.3	13.5	34.1	30.7
Nifty Energy	17.0	16.0	19.1	19.8	17.7	17.0	16.5	20.5	21.4	19.6
Nifty MNC	14.7	4.8	18.0	17.2	14.9	14.8	5.2	19.7	18.5	16.3
Nifty India Digital	6.8	-14.0	-7.8	13.9	9.2	6.9	-13.8	-6.7	15.2	10.4
Nifty India Defence	24.4	9.7	25.9	57.4	58.1	24.4	10.0	26.6	58.4	59.6
Nifty Mobility	9.7	-2.8	10.2	24.4	19.5	9.7	-2.7	11.0	25.3	20.5
Nifty100 Liquid 15	10.2	-0.4	7.6	16.9	14.5	10.2	-0.4	8.5	17.8	15.6
Nifty Midcap Liquid 15	16.1	2.8	14.6	27.4	22.8	16.1	3.0	15.3	28.4	23.9
Nifty Corp. Grp Index - Aditya Birla Group	13.0	-1.7	18.7	19.1	15.0	13.0	-1.7	19.3	19.6	15.5
Nifty Corp. Grp Index - Mahindra Group	5.8	-11.4	5.4	25.3	22.6	5.8	-11.4	6.2	26.3	24.2
Nifty Corp. Grp Index - Tata Group	10.1	-6.3	-8.6	5.2	7.5	10.1	-6.3	-7.0	6.8	8.9
Nifty Corp Grp Index - Tata Group 25% Cap	10.7	-1.5	-0.7	12.8	13.3	10.7	-1.5	0.4	13.9	14.5
Nifty Shariah 25	7.4	-6.0	-3.5	9.0	7.4	7.6	-5.7	-2.0	10.7	9.1
Nifty50 Shariah	5.4	-9.5	-8.1	5.4	4.3	5.5	-9.4	-6.5	7.3	6.1
Nifty500 Shariah	9.7	-2.4	0.1	11.2	9.5	9.8	-2.2	1.2	12.5	10.8
Nifty SME EMERGE	26.1	8.5	2.3	26.5	46.6	26.1	8.5	2.3	26.7	46.8
Nifty100 ESG	8.8	-4.7	2.5	13.2	10.7	8.8	-4.5	3.7	14.4	11.9

April-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty100 Enhanced ESG	26.1	8.5	2.3	26.5	46.6	26.1	8.5	2.3	26.7	46.8
Nifty100 ESG Sector Leaders	8.8	-4.7	2.5	13.2	10.7	8.8	-4.5	3.7	14.4	11.9
Nifty IPO	19.4	9.6	15.9	18.0	7.8	19.4	9.6	16.2	18.2	8.2
Nifty REITs & InvITs	2.4	-1.2	17.6	9.1	6.9	2.8	0.1	23.3	14.1	13.3
Nifty Core Housing	13.6	0.6	-4.4	11.4	8.9	13.6	0.6	-3.9	12.1	9.6
Nifty500 Multicap India Mfg. 50:30:20	11.6	4.8	12.5	22.4	17.6	11.6	4.9	13.3	23.2	18.6
Nifty500 Multicap Infrastructure 50:30:20	13.6	5.1	7.5	20.2	19.7	13.6	5.2	8.3	21.1	20.8
Nifty EV & New Age Automotive	13.9	1.4	10.0	18.2	21.7	13.9	1.5	10.9	19.1	22.6
Nifty India Tourism	12.5	-4.8	-18.1	12.3	16.9	12.5	-4.8	-17.9	12.5	17.2
Nifty Rural	9.9	-1.8	6.0	15.2	14.7	9.9	-1.7	7.1	16.4	16.0
Nifty Capital Markets	23.2	12.7	40.3	64.4	34.3	23.2	12.8	41.3	65.8	36.0
Nifty India New Age Consumption	12.6	-0.5	0.1	21.7	17.5	12.6	-0.5	0.7	22.3	18.2
Nifty India Select 5 Corp Groups (MAATR)	13.8	1.4	10.1	16.7	15.7	13.8	1.4	10.8	17.5	16.6
Nifty India Railways PSU	16.8	-5.5	-6.6	23.3	26.4	16.8	-4.9	-5.3	25.0	28.8
Nifty India Internet	12.5	-5.9	0.2	26.9		12.5	-5.8	0.5	27.3	
Nifty Waves	23.0	1.9	-1.8	3.6	5.9	23.0	1.9	-1.3	4.0	6.5
Nifty India Infrastructure & Logistics	17.2	7.9	11.7	25.6	22.0	17.2	8.2	12.6	26.6	23.1
Nifty India FPI 150	9.4	-2.3	3.0	14.8		9.4	-2.1	4.1	15.9	
Nifty Conglomerate 50	13.5	0.1	7.9	14.9	13.2	13.5	0.1	8.7	15.8	14.1
Nifty Cement	7.7	-8.6	-7.8	8.3	7.3	7.7	-8.6	-7.4	8.7	7.8
Nifty REITs & Realty	9.9	-1.5	5.5	14.8		10.1	-0.6	9.8	19.4	
Strategy Indices										
Nifty Alpha 50	14.4	4.6	6.7	22.5	15.7	14.4	4.7	7.1	23.2	16.4
Nifty100 Alpha 30	11.9	0.5	3.4	17.8	12.1	12.0	0.6	4.0	18.8	13.2
Nifty Alpha Low-Volatility 30	7.3	-2.2	-2.0	13.5	12.5	7.3	-2.2	-1.1	14.6	13.7
Nifty Alpha Quality Low-Volatility 30	9.4	0.2	2.7	15.5	12.9	9.4	0.5	4.0	17.0	14.5
Nifty Alpha Quality Value Low-Volatility 30	8.0	-3.9	1.5	18.9	17.0	8.0	-3.7	3.1	20.7	18.9
Nifty200 Alpha 30	13.4	2.5	7.5	22.7	18.0	13.4	2.6	7.8	23.5	19.1
Nifty Dividend Opportunities 50	7.3	-5.5	3.0	15.3	14.8	7.4	-5.1	5.3	17.6	17.4
Nifty Growth Sectors 15	5.2	-8.6	-1.9	7.5	8.9	5.2	-8.4	-0.3	9.3	10.8
Nifty High Beta 50	22.8	8.0	18.7	21.9	17.8	22.8	8.3	19.9	22.9	18.9
Nifty Low Volatility 50	7.1	-2.9	-1.8	14.3	12.0	7.1	-2.8	-0.8	15.5	13.3
Nifty100 Low Volatility 30	7.3	-3.9	0.9	13.4	11.9	7.4	-3.8	2.1	14.7	13.5
Nifty100 Quality 30	10.4	-4.3	3.2	12.1	11.2	10.6	-4.0	4.8	13.6	12.8
Nifty Quality Low-Volatility 30	8.1	-4.1	-3.3	9.3	9.5	8.1	-3.9	-1.9	10.7	11.0
Nifty200 Quality 30	10.7	-4.1	1.8	11.4	10.7	10.8	-3.7	3.5	13.1	12.6
Nifty50 Equal Weight	9.2	-1.3	6.8	16.0	14.6	9.2	-1.2	7.9	17.2	16.0
Nifty100 Equal Weight	12.7	1.1	7.9	18.3	14.3	12.8	1.3	8.9	19.3	15.5
Nifty50 Value 20	5.8	-7.3	-2.8	9.7	10.6	5.9	-7.2	-1.1	11.7	12.9
Nifty500 Value 50	10.8	3.7	23.2	31.2	27.7	10.8	4.1	25.0	33.1	30.2
Nifty Midcap150 Quality 50	12.2	0.6	1.6	13.3	10.3	12.3	0.9	2.7	14.4	11.3
Nifty200 Momentum 30	11.4	-0.6	3.0	16.0	13.0	11.4	-0.4	3.5	16.9	14.0
Nifty Midcap150 Momentum 50	12.2	1.0	5.9	23.1	20.7	12.3	1.2	6.4	23.8	21.4
Nifty Smallcap250 Quality 50	14.1	2.4	1.4	16.2	16.4	14.1	2.6	2.5	17.4	17.7
Nifty Smallcap250 Momentum Quality 100	17.1	4.7	4.3	15.4	14.9	17.1	4.8	5.1	16.3	15.9

April-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty MidSmallcap400 Momentum Qlty 100	15.4	5.3	7.4	19.7	17.7	15.5	5.6	8.2	20.7	18.7
Nifty500 Equal Weight	15.8	4.3	9.0	20.4	17.4	15.9	4.5	9.8	21.2	18.3
Nifty500 Momentum 50	12.6	1.9	4.0	18.8	16.5	12.6	2.0	4.3	19.4	17.3
Nifty500 LargeMidSmall Equal-Cap Wtd.	13.1	1.5	6.7	18.6	16.3	13.1	1.6	7.5	19.5	17.2
Nifty200 Value 30	10.5	2.0	24.2	32.6	27.8	10.5	2.5	26.0	34.5	30.5
Nifty Top 10 Equal Weight	6.4	-8.9	-9.3	5.0	8.5	6.4	-8.9	-8.2	6.3	9.9
Nifty500 Multicap Momentum Quality 50	14.2	2.7	5.7	19.1	16.0	14.2	3.0	6.7	20.4	17.2
Nifty Top 15 Equal Weight	7.5	-7.5	-2.4	9.0	11.6	7.5	-7.5	-1.2	10.3	12.9
Nifty Top 20 Equal Weight	6.5	-6.9	-3.2	10.0	11.8	6.6	-6.8	-1.9	11.4	13.1
Nifty500 Quality 50	16.1	4.5	8.7	19.5	14.6	16.2	4.7	10.1	20.9	16.1
Nifty500 Low Volatility 50	7.7	-1.3	6.3	18.2	15.3	7.7	-1.0	7.4	19.2	16.6
Nifty500 Multifactor MQVLv 50	8.6	-0.7	4.3	20.9	17.0	8.6	-0.3	5.5	22.3	18.8
Nifty500 Flexicap Quality 30	8.5	-7.1	-6.4	7.5	11.0	8.6	-6.8	-4.8	9.0	12.6
Nifty Total Market Momentum Quality 50	13.5	4.2	8.1	20.3	15.4	13.6	4.4	8.8	21.2	16.3
Nifty500 Momentum 50	12.6	1.9	4.0	18.8	16.5	12.6	2.0	4.3	19.4	17.3
Nifty500 LargeMidSmall Equal-Cap Wtd.	13.1	1.5	6.7	18.6	16.3	13.1	1.6	7.5	19.5	17.2
Nifty200 Value 30	10.5	2.0	24.2	32.6	27.8	10.5	2.5	26.0	34.5	30.5
Nifty Top 10 Equal Weight	6.4	-8.9	-9.3	5.0	8.5	6.4	-8.9	-8.2	6.3	9.9
Nifty500 Multicap Momentum Quality 50	14.2	2.7	5.7	19.1	16.0	14.2	3.0	6.7	20.4	17.2
Nifty Top 15 Equal Weight	7.5	-7.5	-2.4	9.0	11.6	7.5	-7.5	-1.2	10.3	12.9
Nifty Top 20 Equal Weight	6.5	-6.9	-3.2	10.0	11.8	6.6	-6.8	-1.9	11.4	13.1
Nifty500 Quality 50	16.1	4.5	8.7	19.5	14.6	16.2	4.7	10.1	20.9	16.1
Nifty500 Low Volatility 50	7.7	-1.3	6.3	18.2	15.3	7.7	-1.0	7.4	19.2	16.6
Nifty500 Multifactor MQVLv 50	8.6	-0.7	4.3	20.9	17.0	8.6	-0.3	5.5	22.3	18.8
Nifty500 Flexicap Quality 30	8.5	-7.1	-6.4	7.5	11.0	8.6	-6.8	-4.8	9.0	12.6
Nifty Total Market Momentum Quality 50	13.5	4.2	8.1	20.3	15.4	13.6	4.4	8.8	21.2	16.3
Sectoral Indices										
Nifty Auto	9.0	-3.1	16.2	25.3	21.9	9.0	-3.0	17.4	26.3	23.0
Nifty Bank	9.1	-8.0	-0.4	8.3	10.9	9.1	-8.0	0.4	9.2	11.7
Nifty Private Bank	8.9	-8.0	-4.3	6.3	8.4	8.9	-8.0	-3.7	7.0	9.0
Nifty PSU Bank	7.7	-6.0	29.7	26.7	32.8	7.7	-6.0	30.6	27.7	34.1
Nifty Financial Services	9.1	-6.1	-1.8	10.2	10.5	9.1	-6.1	-0.8	11.3	11.5
Nifty Financial Services Ex-Bank	14.2	-0.2	13.3	22.6	15.0	14.3	0.0	14.2	23.7	16.1
Nifty Financial Services 25/50	8.8	-6.1	0.5	15.0	12.7	8.8	-6.0	1.4	16.2	13.7
Nifty MidSmall Financial Services	17.5	3.0	31.3	35.0	22.2	17.5	3.0	31.9	35.9	23.3
Nifty FMCG	12.2	-0.3	-9.5	2.2	8.7	12.2	-0.2	-8.2	3.8	10.6
Nifty IT	1.0	-22.8	-18.0	1.9	2.7	1.2	-22.7	-16.0	4.2	4.9
Nifty MidSmall IT & Telecom	9.7	-13.3	-8.7	10.6	13.6	9.7	-13.3	-8.0	11.3	14.6
Nifty Media	15.4	5.1	-3.8	-5.3	-1.2	15.4	5.2	-3.2	-4.8	-0.6
Nifty Metal	15.2	8.5	49.5	30.3	21.5	15.3	8.9	51.0	31.2	23.1
Nifty Pharma	4.7	7.2	6.9	22.6	11.6	4.7	7.4	7.6	23.5	12.4
Nifty Realty	21.9	1.4	-10.4	21.3	20.7	21.9	1.3	-10.1	21.7	21.1
Nifty Consumer Durables	12.9	8.4	0.5	15.4	12.3	12.9	8.4	0.9	15.8	12.8
Nifty Oil & Gas	8.4	-0.8	4.6	16.0	13.3	8.4	-0.6	5.6	17.0	14.7
Nifty Healthcare Index	5.1	7.4	6.2	23.0	13.1	5.1	7.6	6.8	23.8	13.8
Nifty MidSmall Healthcare	7.8	7.8	10.2	29.1	14.6	7.9	7.9	10.6	29.7	15.2

April-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty Transportation & Logistics	9.6	-3.6	10.6	23.8	20.3	9.6	-3.5	11.5	24.7	21.3
Nifty Housing	13.2	2.8	7.7	15.0	13.0	13.2	2.9	8.5	15.9	14.1
Nifty Chemicals	14.2	2.4	-2.4	6.4	10.0	14.2	2.4	-1.9	7.0	10.6
Nifty500 Healthcare	6.3	7.3	5.6	23.9	12.7	6.3	7.4	6.2	24.6	13.4

Source: NSE Indices, NSE EPR

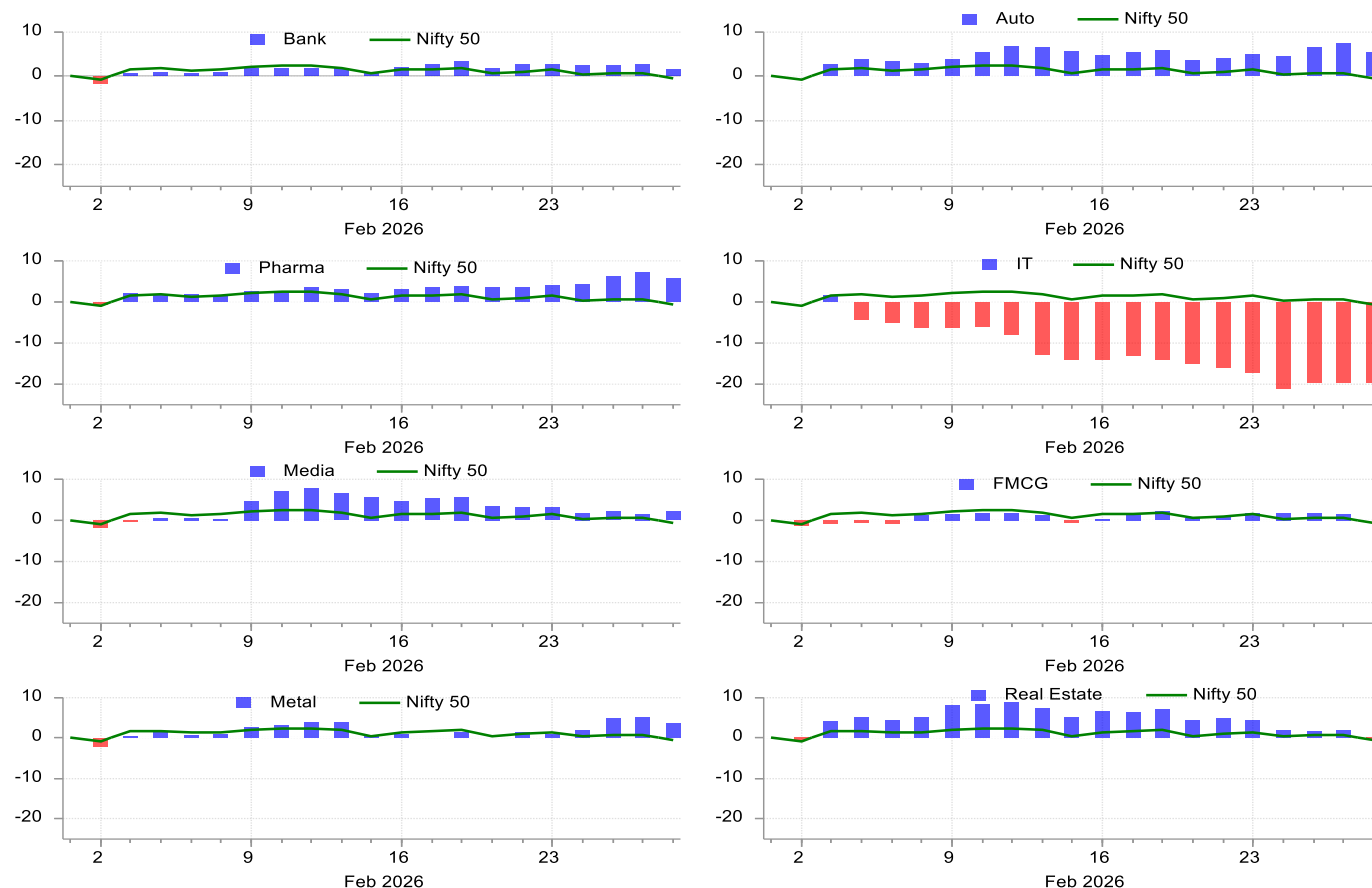
Note: Returns for the period up to one year are absolute returns. Returns for a period greater than one year are CAGR returns.

Table 45: Performance across NSE sector indices based on Price Return Index

Indicator Name	Apr-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Auto	25,918	23,770	26,750	22,308	9.0	-3.1	-3.3	16.2	-8.1
Bank	54,863	50,275	59,610	55,087	9.1	-8.0	-5.0	-0.4	-7.9
Energy	40,772	34,850	35,138	34,242	17.0	16.0	12.4	19.1	15.4
FMCG	51,072	45,539	51,215	56,445	12.2	-0.3	-9.1	-9.5	-7.9
IT	29,354	29,063	38,036	35,795	1.0	-22.8	-17.8	-18.0	-22.5
Infrastructure	9,419	8,561	9,153	8,786	10.0	2.9	-1.5	7.2	-2.1
Media	1,456	1,262	1,385	1,514	15.4	5.1	-5.4	-3.8	0.8
Metals	12,833	11,138	11,828	8,582	15.2	8.5	20.9	49.5	14.9
Pharma	23,268	22,232	21,715	21,772	4.7	7.2	4.9	6.9	2.4
Real Estate	794	651	783	886	21.9	1.4	-16.3	-10.4	-9.6

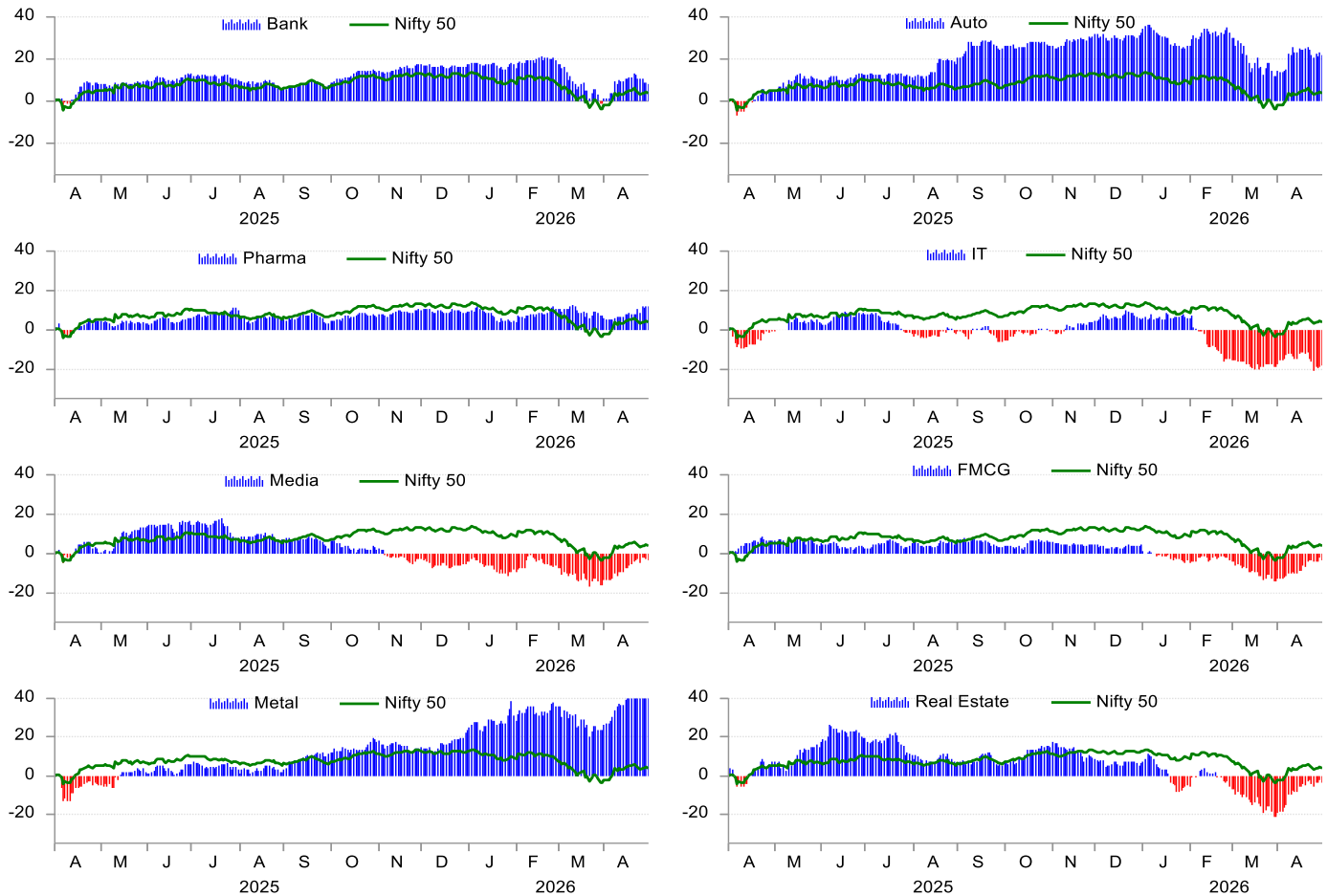
Source: Cogencis, NSE EPR.

Figure 210: NIFTY sector performance in April 2026

Rebased to 0 on April 1st, 2026


Source: LSEG Workspace, NSE EPR.

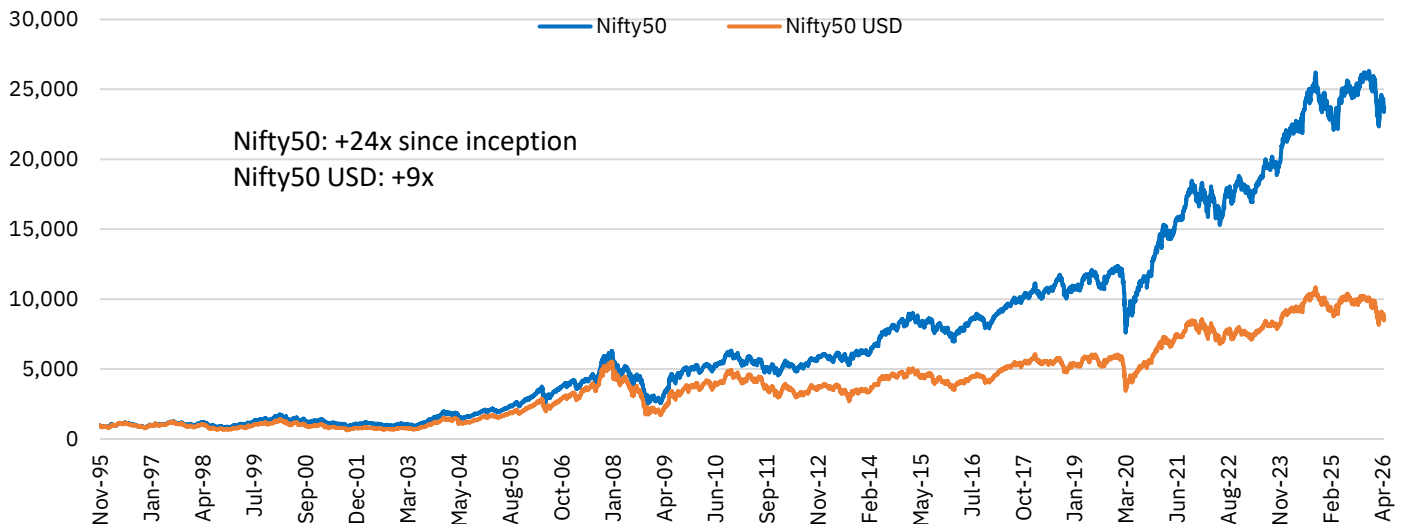
Figure 211: NIFTY sector performance in 2026 till date (Jan-Apr'26)

Rebated to 0 on January 1st, 2026


Source: LSEG Workspace, NSE EPR.

Figure 212: Nifty 50 and Nifty 50 USD since inception

Movement in Nifty50 and Nifty50 USD since inception
Rebated to 1000 on November 3rd, 1995



Source: Nifty Indices, NSE EPR.

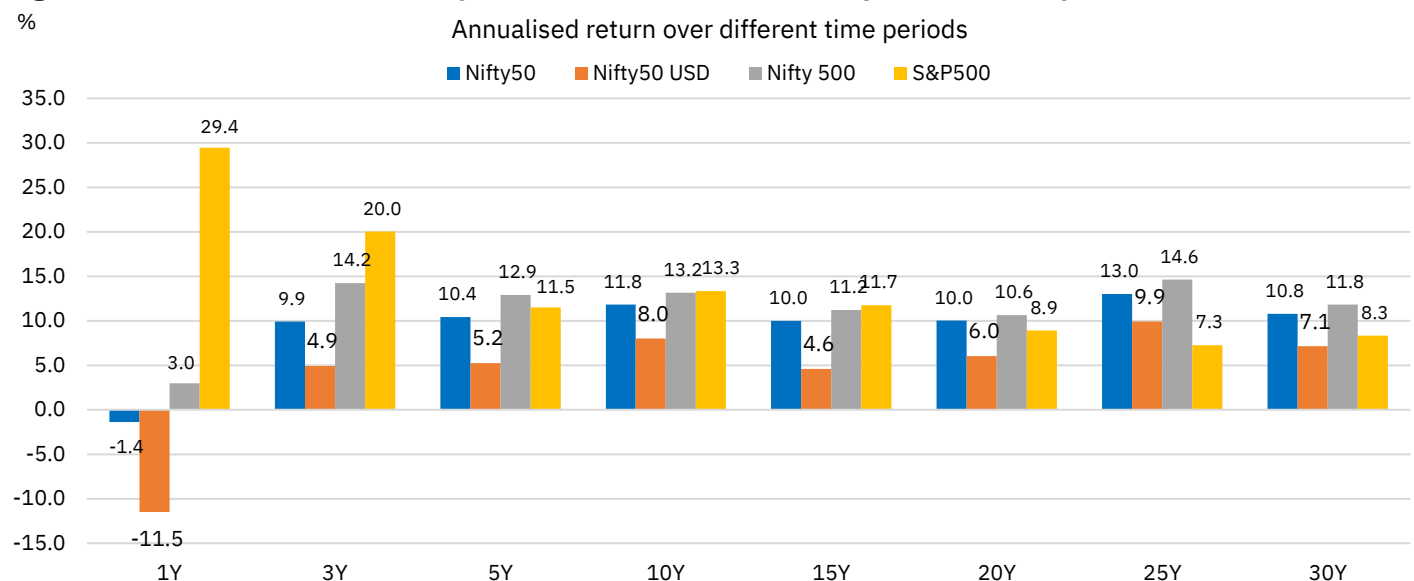
Launched on April 22nd, 1996, with November 3rd, 1995 as the base date, the Nifty 50 has evolved into India's most widely tracked equity benchmark and a useful lens to assess long-term wealth creation through listed equities. By April 2025, the index had completed 29 years. From its base value, it scaled a record high of 26,216 on September 26, 2024, representing a rise of more than 26 times and translating into an annualised return of around 12%.

The recent phase, however, has been more challenging. After a decade of uninterrupted annual gains through 2025, market returns became increasingly uneven, weighed down by a combination of external and domestic headwinds. Trade-related uncertainty, geopolitical risks, sustained FPI outflows, rupee weakness and valuation concerns kept risk appetite subdued. At the same time, resilient domestic institutional flows provided an important counterbalance, limiting the impact of foreign selling on market stability.

This correction carried into 2026. The Nifty 50 declined for four consecutive months between December 2025 and March 2026, falling 14.8% over this period. April brought a sharp rebound, with the index gaining 7.5%—its strongest monthly performance in 28 months—supported by improved global cues, some easing in geopolitical concerns and continued domestic liquidity. The recovery, however, lost momentum in May, as rising crude prices and renewed currency weakness revived concerns around India's external balance and inflation outlook. Up to May 15, the index was down 1.5% for the month, taking the cumulative decline in 2026 to 9.5%.

Even so, the long-term performance record remains robust. Despite subdued returns over the last two years, Indian equities continue to compare favourably with major global benchmarks over longer horizons. Over the past 25 years, the Nifty 50 has delivered annualised returns of 13.0% in rupee terms and 9.9% in US dollar terms, outperforming the S&P 500, MSCI World and MSCI Emerging Markets indices.

Figure 213: Annualised return of major indices across different time periods (As of April 30th, 2026)



Source: Nifty Indices, LSEG Workspace, NSE EPR.

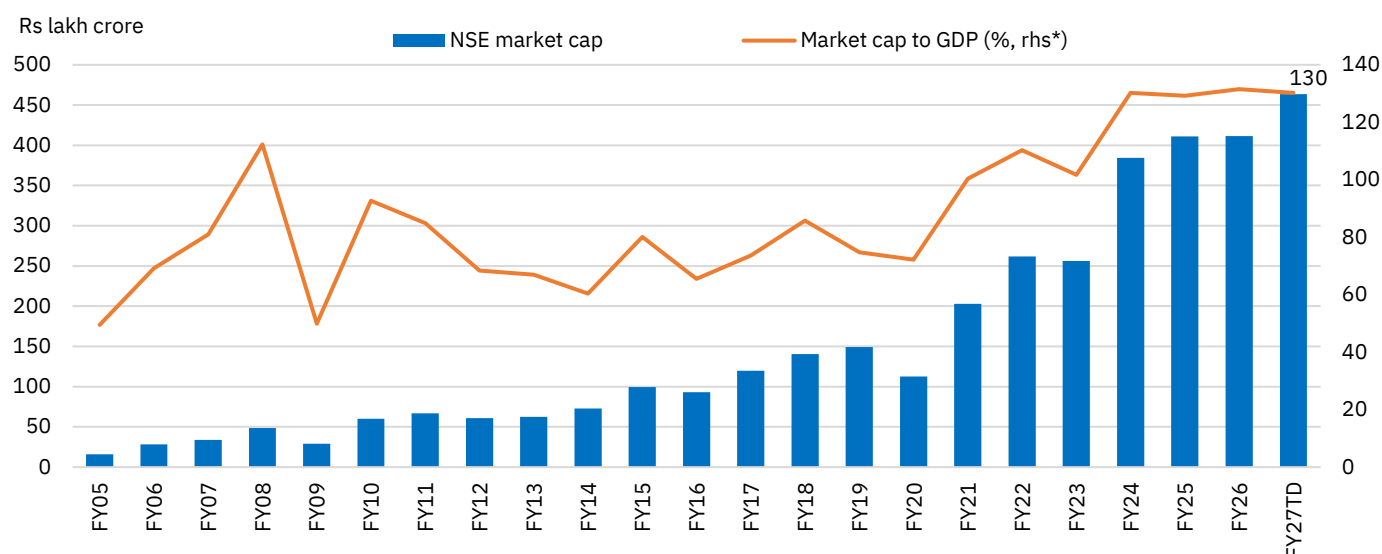
Market growth and concentration

Market capitalisation of NSE listed companies rose sharply in April 2026: After rising 7.9% in 2025—its seventh consecutive year of gains—the aggregate market capitalisation of NSE-listed companies corrected by 13.2% in the first quarter of 2026. This was followed by a sharp 12.6% rebound in April, before renewed weakness emerged in May. As of May 15th, 2026, total market capitalisation of NSE-listed companies was down 0.5% in rupee terms from end-April levels, reflecting a pause after the strong April rally. In US dollar terms, the decline was steeper at around 1.6%, compounded by rupee weakness.

The April rebound in market capitalisation was broad-based, led primarily by mid- and small-cap segments. The aggregate market capitalisation of Nifty 50 companies rose 8.5% MoM to Rs 195.5 lakh crore by end-April, partly reversing the March decline. Even so, its share in total listed market capitalisation fell sharply to 42.2%. In contrast, the Nifty Next 50 market capitalisation rose by a stronger 13.8% to Rs 73.1 lakh crore. The broader market performed even better, with aggregate market capitalisation rising 13.3% in the mid-cap segment, 17.4% in small-caps and 20.6% in micro-caps. This was consistent with the broader tone of April, marked by the relative outperformance of mid- and small-caps amid a renewed risk-on environment. For CY2026 so far, up to April, the aggregate market capitalisation of NSE-listed companies declined by a modest 2.1%, led mainly by a 4.4% fall in the market capitalisation of the top 100 companies. Mid-, small- and micro-cap segments, however, recorded strong gains over the same period.

Notwithstanding the recent correction, the long-term trajectory remains firmly positive. Over the past two decades, total market capitalisation of NSE-listed companies has expanded at a CAGR of 14.7% in rupee terms and 10.5% in US dollar terms. On a rolling three-month average basis, listed market capitalisation now stands at around 132% of GDP under the new 2022–23 GDP series, up from about 60% in March 2014. This increase reflects not merely valuation gains, but also the deeper structural expansion of India's equity markets, visible in greater listing depth, stronger household participation and the rising role of capital markets in national savings and capital formation.

Figure 214: Market cap to GDP ratio trend (NSE listed companies)



Source: CMIE Economic Outlook, NSE EPR. # As of April 30th, 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 Nifty 50 in total market capitalisation dropped sharply in April 2026, while

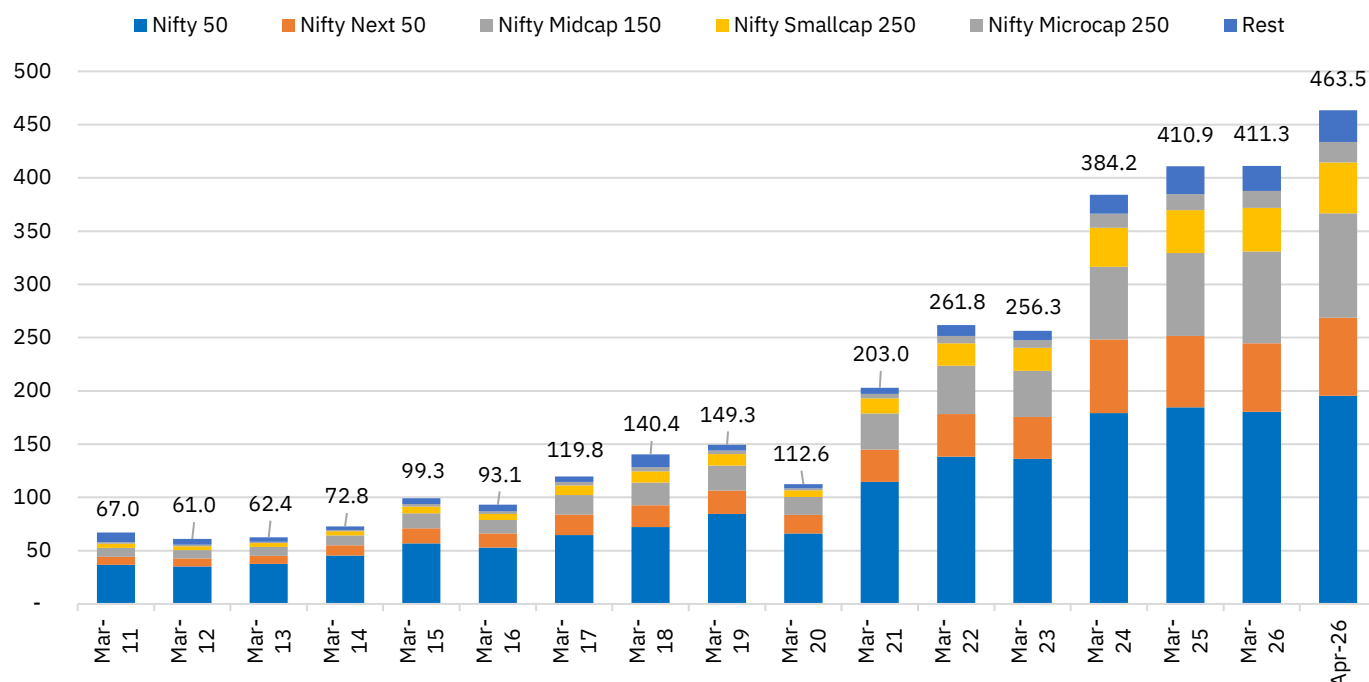
that of mid- and small-caps expanded: After moving within a narrow range of 43.6–44.1% over the previous five months, the Nifty 50's share in the total market capitalisation of NSE-listed companies fell sharply by 1.7pp MoM to a 16-month low of 42.2%. In contrast, the share of the Nifty Next 50 rose modestly by 32bps MoM to 15.8%, while the shares of the Nifty Midcap 150 and Nifty Smallcap 250 increased more meaningfully—by 1.8pp and 98bps MoM to 21.1% and 10.3%, respectively. This points to an improvement in risk appetite, supported by easing geopolitical concerns and relatively more comfortable valuations in the mid- and small-cap segments.

The medium-term trend continues to indicate 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 42.2% currently, alongside a sharp expansion in the listed universe from 422 companies in FY96 to 2,986 by April 2026. This shift reflects both a broader market base and 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 19.2% and 18.1%, respectively, compared with 10.4% for the Nifty 50. Together, these trends point to a structurally deeper market, with mid- and small-cap companies contributing increasingly to market breadth and long-term return generation.

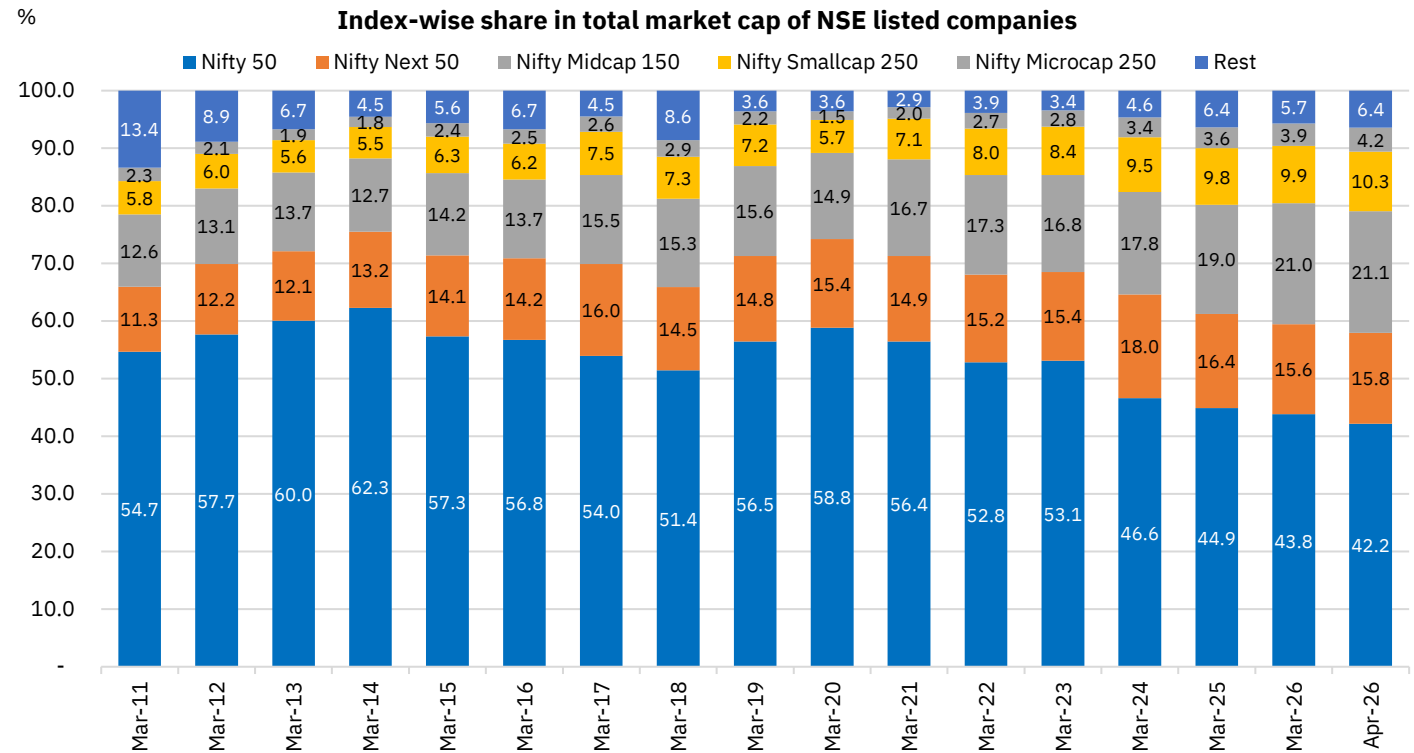
Figure 215: Index-wise distribution of total market cap of NSE listed companies (Rs lakh crore)

Rs lakh crore

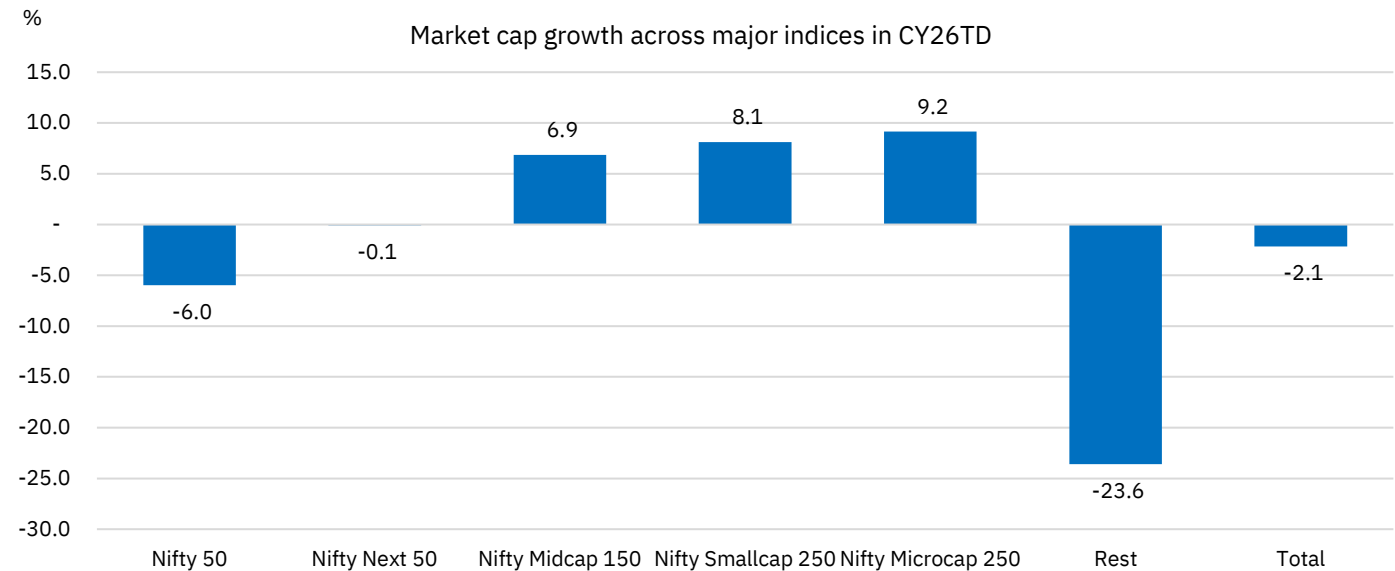
Index-wise market cap distribution of NSE listed companies



Source: Nifty Indices, NSE EPR.

Figure 216: Index-wise share in total market cap of NSE listed companies


Source: Nifty Indices, NSE EPR.

Figure 217: Index-wise drop in aggregate market capitalisation in CY26TD (Jan-Apr 2026)


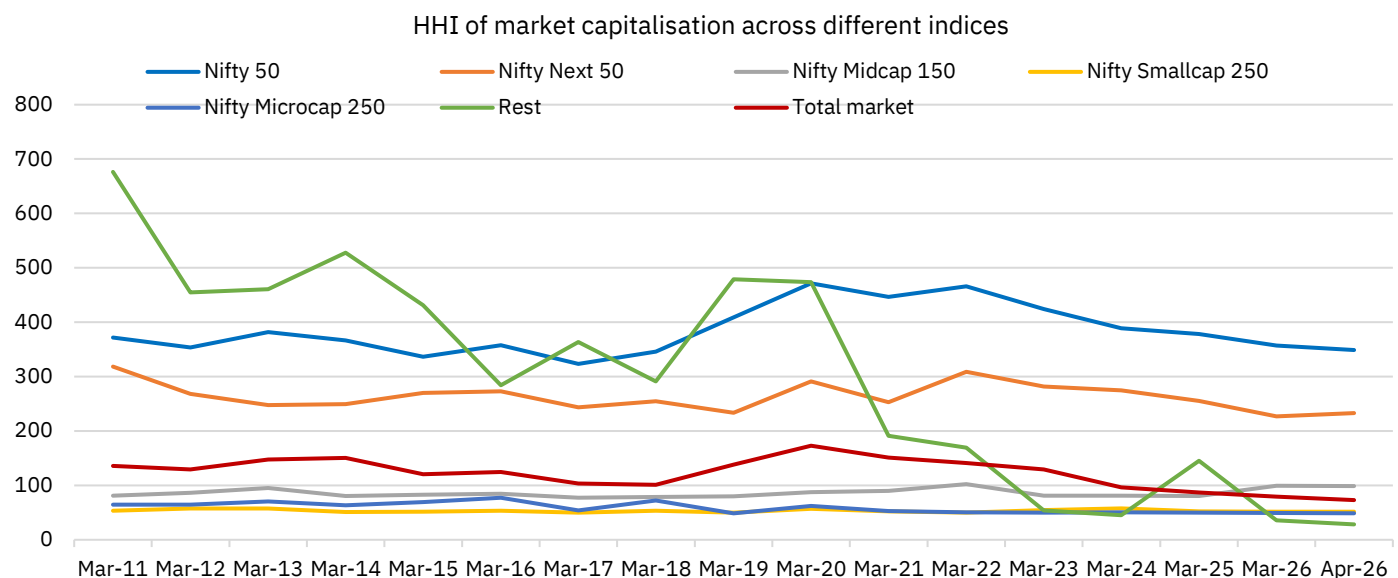
Source: Nifty Indices, NSE EPR.

Market HHI fell marginally in April 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, as the pandemic shock triggered a decisive rotation towards large-cap stocks. Since then, however, the aggregate HHI has declined steadily, reflecting wider participation across market segments. As of April 2026, the HHI for the full universe of NSE-listed companies stood at a multi-year low of 73, down from 79 in the previous month and 89 a year earlier.

Within the top 750 companies, concentration remains highest in the Nifty 50, although the trend has also been one of gradual moderation. The index recorded an HHI of 349 in April 2026, lower than 357 in the previous month and 386 a year earlier, and well below its March 2009 peak of 476. The Nifty Next 50, however, saw a marginal increase in concentration, with its HHI rising to 233 from 227 in January 2026, even as the broader 12-month trend remains downward. By contrast, the mid-, small- and micro-cap segments continue to show relatively low concentration, with HHIs of 98, 52 and 49, respectively.

Taken together, these trends suggest that while periods of uncertainty can still trigger temporary rotations towards large caps, the underlying market structure has become progressively more diversified. The decline in concentration reflects not only an expanding listed universe, but also sustained investor participation beyond the largest companies.

Figure 218: Index-wise share in total market cap of NSE listed companies



Source: Nifty Indices, NSE EPR.

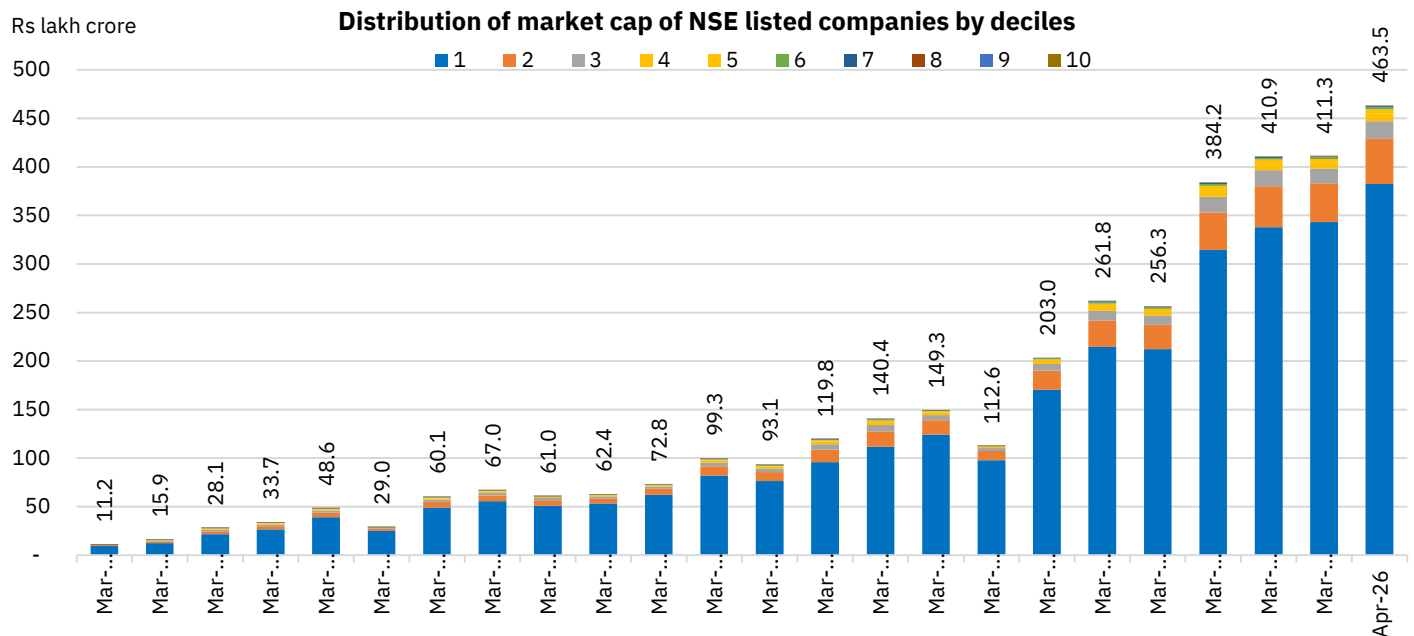
Decile-wise distribution of total market cap: A decile-wise analysis of market cap across the NSE-listed universe suggests that concentration in large-cap stocks rose sharply during the pandemic, before easing as participation broadened across the market. The share of the top decile reached a record 86.8% in FY20, while the top two deciles together accounted for more than 95% of total market capitalisation, reflecting a pronounced flight to established names during a period of exceptional uncertainty.

This concentration moderated thereafter. 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 83.4% by March 2026 as investors rotated back towards larger and relatively more resilient companies amid trade-related uncertainty and geopolitical tensions. April, however, saw some return of risk appetite, supported by easing geopolitical concerns, improving global cues, attractive valuations and sustained domestic buying. Consequently, the share of top-decile stocks, comprising about 293 companies, in total market capitalisation fell by 89bps MoM to a five-month low of 82.5%.

At the lower end, the bottom five deciles accounted for 0.9% of total market capitalisation in March 2026, up 14bps QoQ and nearly double the post-pandemic low of 0.47%. Overall, the pattern suggests that while episodes of uncertainty continue to trigger a

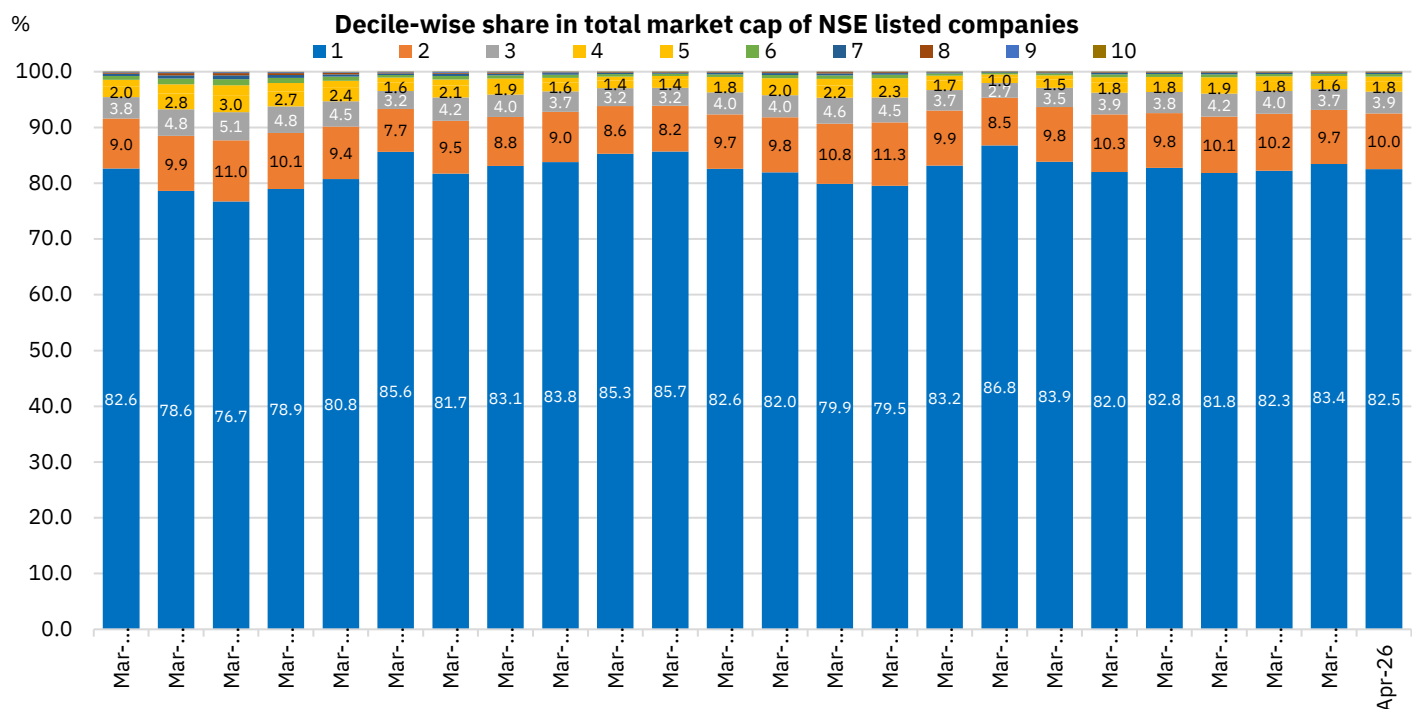
short-term preference for safety, the market structure remains meaningfully more diversified than at the height of the pandemic, with mid- and small-cap segments retaining a stronger presence in the aggregate market-cap mix.

Figure 219: Decile-wise distribution of total market cap of NSE listed companies



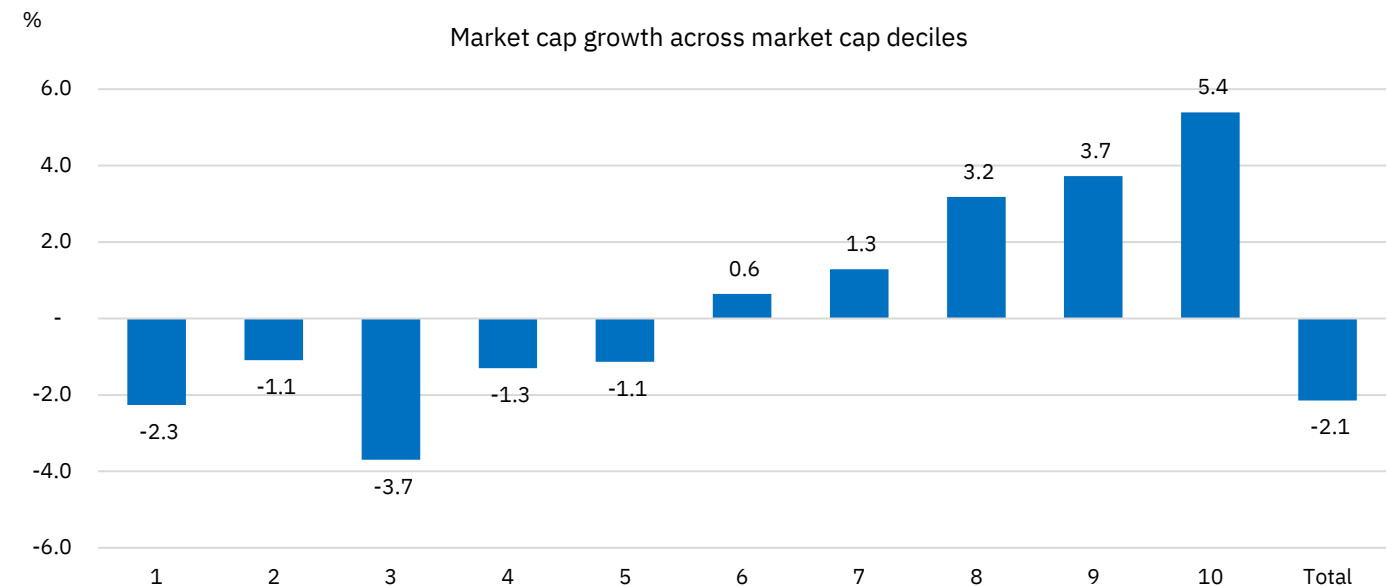
Source: NSE EPR.

Figure 220: Decile-wise share of total market cap of NSE listed companies



Source: NSE EPR.

Figure 221: Decile-wise change in aggregate market capitalisation in CYTD (Jan-April 2026)



Source: NSE EPR.

Nifty50 performance attribution analysis

Indian equities witnessed a rebound in April: Following four months of negative returns, Indian equities witnessed a strong rebound in April. The Nifty 50 rose 7.5% during the month—its strongest monthly gain in 28 months, led by a broad-based rally across sectors, while the Nifty 50 USD index rose by a tad higher 8.3%. The recovery was even sharper in the broader market, with the Nifty Midcap 150 and Nifty Smallcap 200 rising 13.2% and 17.1%, respectively, as investors rotated back into segments that had corrected more sharply in the preceding months.

The rebound was supported by a combination of improved global risk appetite, some easing in geopolitical concerns, attractive valuations after the recent correction, and continued domestic liquidity support. Mutual fund flows remained resilient, with equity schemes receiving net inflows of Rs 38,440 crore in April, marking the 62nd consecutive month of positive flows into equity-oriented schemes. SIP contributions also remained strong at Rs 31,115 crore, despite moderating from the record level seen in March.

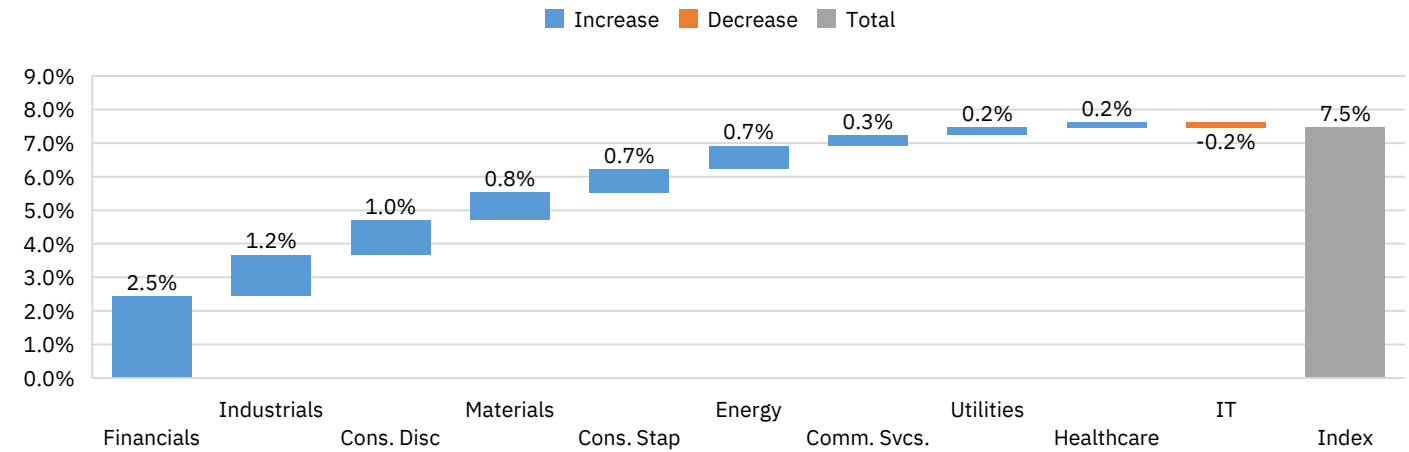
Importantly, the rally came despite continued foreign selling. FPIs pulled out US\$6.5bn (Rs 60,847 crore) from Indian equities in April, taking cumulative FPI outflows in the first four months of 2026 to US\$20.7bn (Rs 1.92 lakh crore). This underscores the growing role of domestic investors in absorbing external shocks and supporting market stability.

Markets came under renewed pressure in May as rising crude prices and renewed currency weakness revived concerns around India's external balance and inflation outlook. Up to May 15, the index was down 1.5% for the month, taking the cumulative decline in 2026 to 9.5%.

In the last 12 months ending April 2026, Nifty 50 has registered a decline of 1.4%. Sell-off in Financials, Information Technology and Consumer Staples more than negated the rally seen in Industrials, Materials, Communication Services, Healthcare and Energy.

Figure 222: Sector-wise contribution to Nifty 50 price return in April 2026

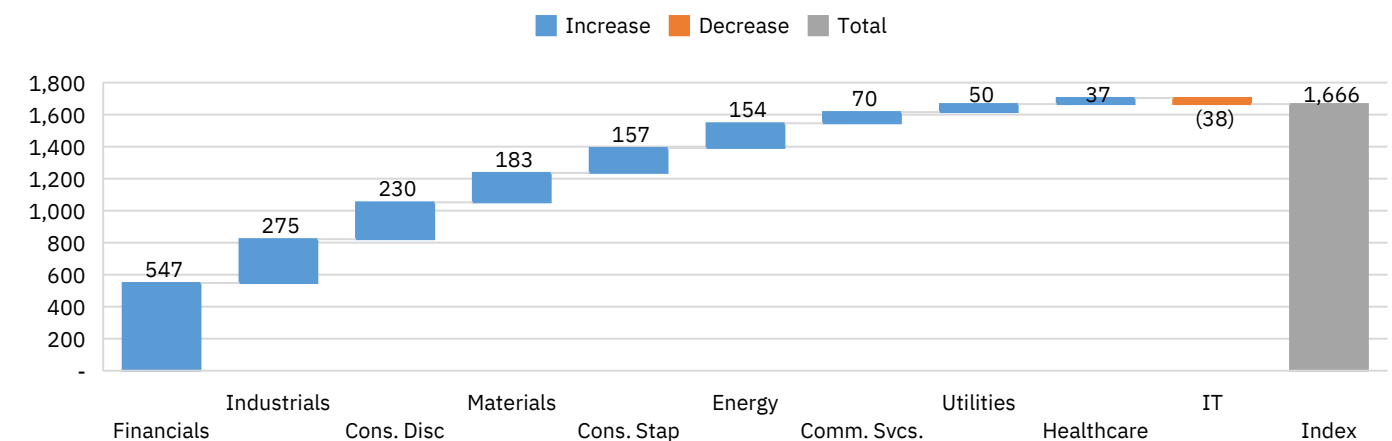
Contribution to Nifty50 Index percentage change (April 2026)



Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 223: Sector-wise contribution to Nifty 50 Index change (points) in April 2026

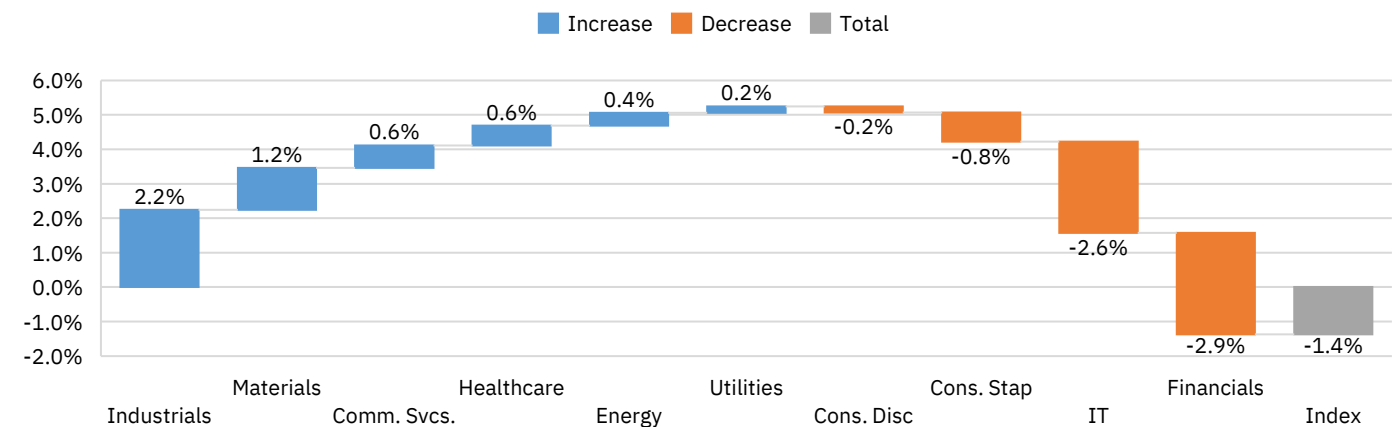
Contribution to absolute Nifty50 Index change (April 2026)



Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 224: Sector-wise contribution to Nifty 50 price return in the last 12 months

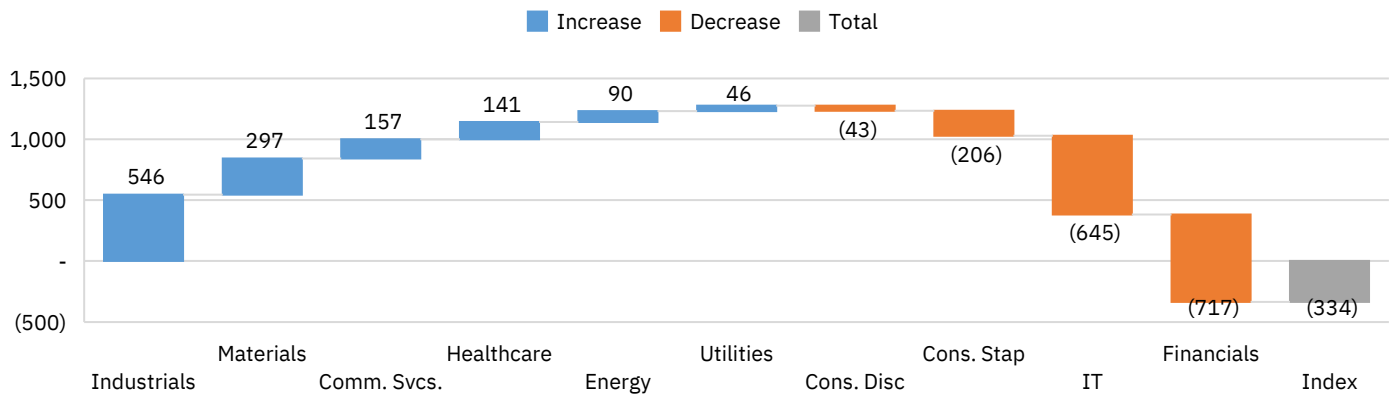
Contribution to Nifty50 Index percentage change (One-year)



Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 225: Sector-wise contribution to Nifty 50 Index change (points) in the last 12 months

Contribution to absolute Nifty50 Index change (One-year)

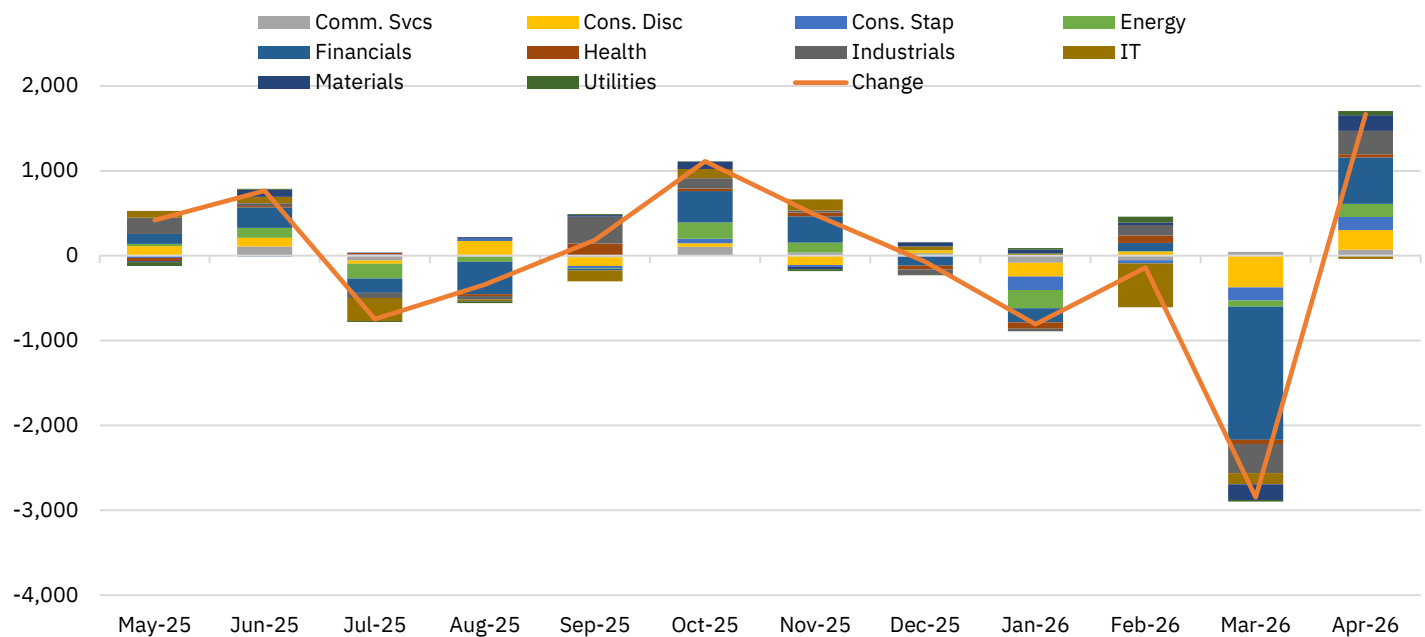


Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 226: 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 227: Nifty 50 Index monthly return across sectors over the last 12 months

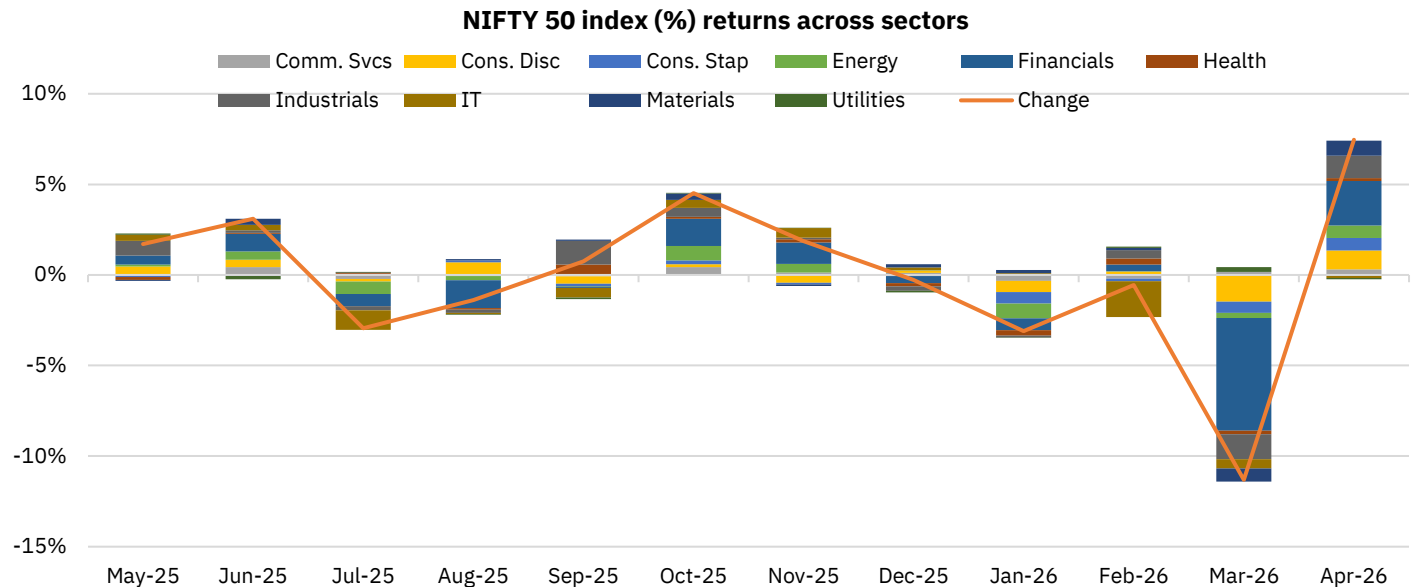
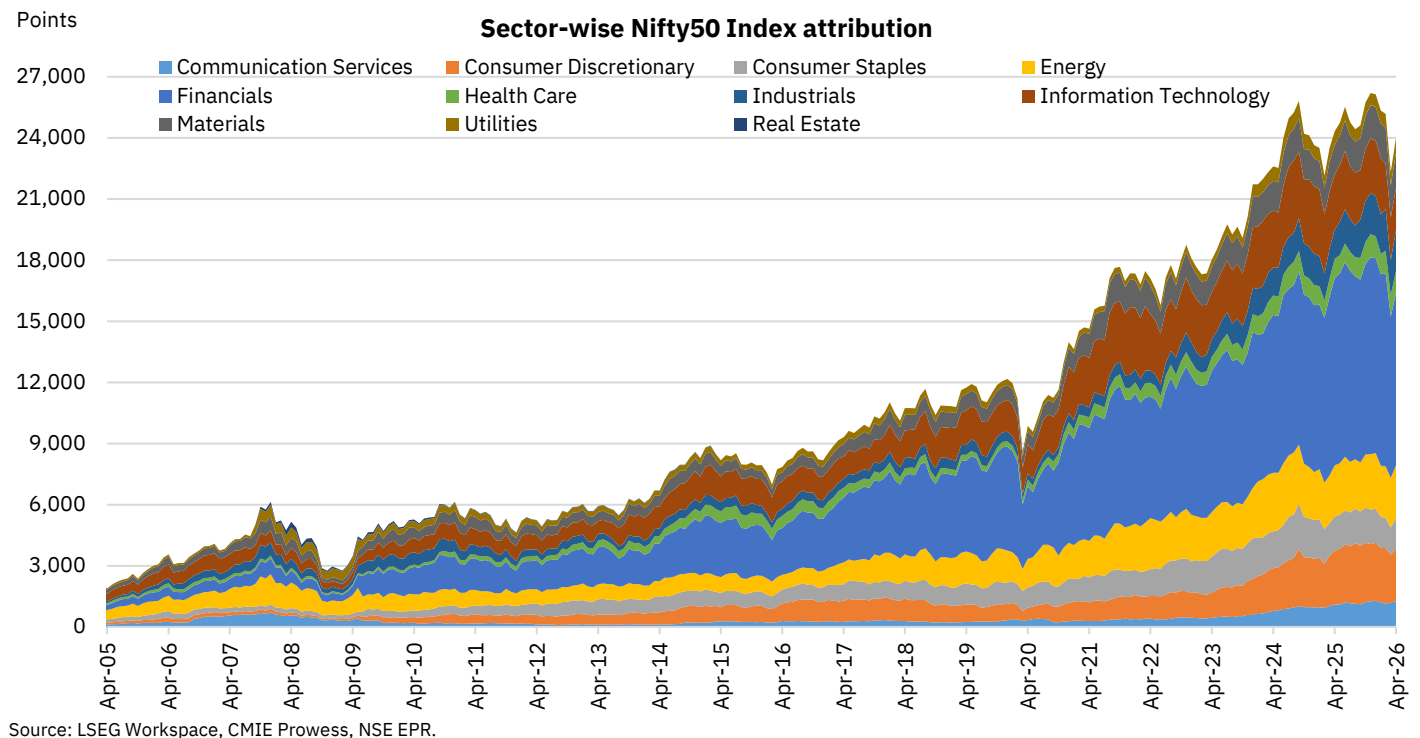


Figure 228: Sector-wise Nifty50 Index attribution (2005-)



The relative outperformance of Industrials, Materials, Consumer Discretionary and Consumer Staples in April 2026 led to an increase in their weights in the Nifty 50. Industrials' weight rose by 61bps MoM to 8.3%—the highest in nearly 14.5 years—while Materials gained 28bps to 7.3%, its highest level in 44 months. Consumer Discretionary and Consumer Staples also saw their weights increase by 23bps and 24bps to 10.75% and 6.2%, respectively. This shift in sectoral composition came largely at the expense of Information Technology, whose weight declined by 81bps MoM to 8.3%, near a 17-year

low. Financials, Healthcare and Energy also saw modest reductions in their index weights during the month.

Over the past 12 months, Industrials has recorded the largest increase in Nifty 50 weight, rising by 236bps, followed by Materials at 132bps and Communication Services at 72bps. The weight of Communication Services now stands at 5.3%, its highest level in over 16 years. Energy and Healthcare have also seen modest increases over the same period. These gains have come mainly at the expense of Financials and Information Technology, whose weights have declined sharply by 246bps and 253bps, respectively, followed by Consumer Staples, which has seen its weight fall by 76bps over the last 12 months.

Figure 229: Nifty 50 sector weightage (April 2025)

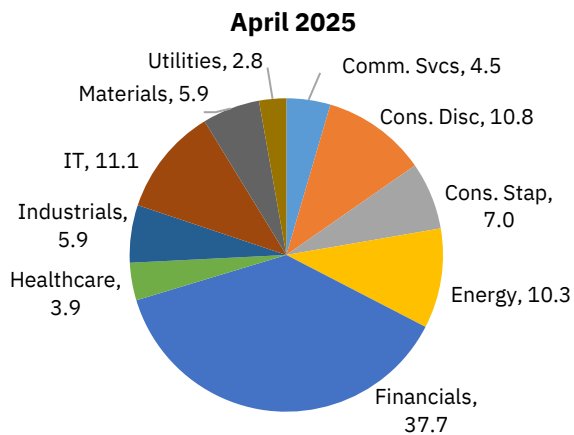
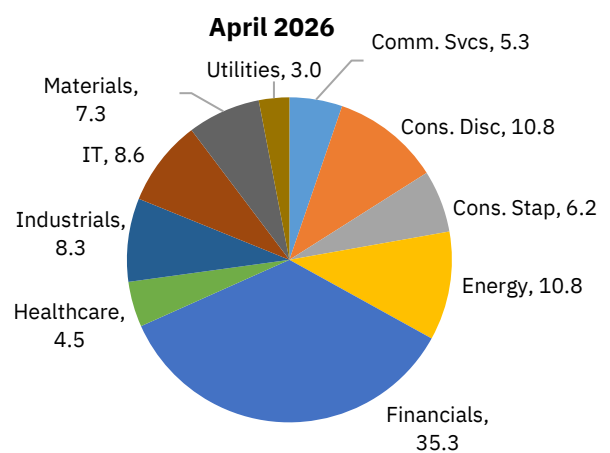
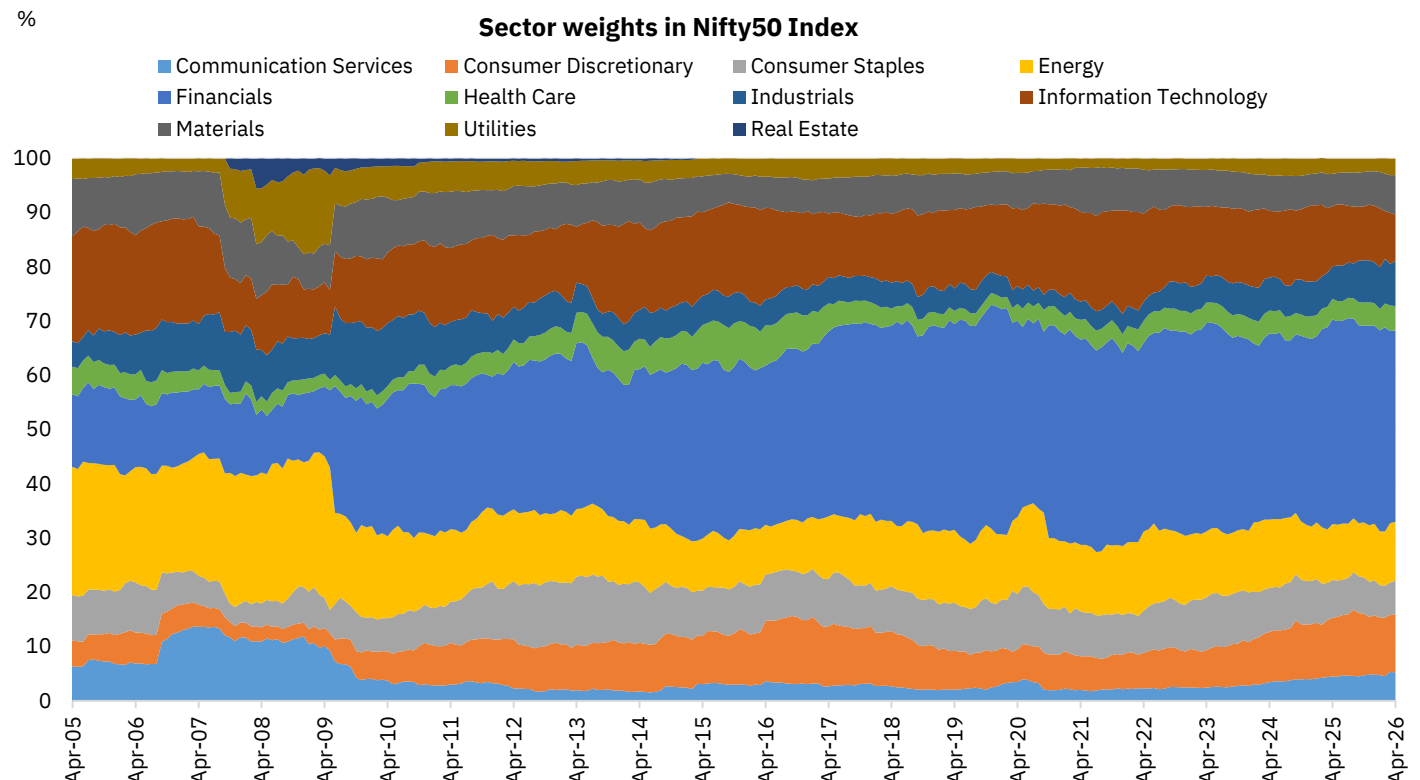


Figure 230: Nifty 50 sector weightage (April 2026)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Figure 231: Sector weights in the Nifty 50 Index (2005-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 46: Top five Nifty 50 Index gainers in April 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
H D F C Bank Ltd.	HDFCBANK	5.5	0.6	132
Reliance Industries Ltd.	RELIANCE	6.5	0.6	126
Bajaj Finance Ltd.	BAJFINANCE	16.9	0.4	80
Bharti Airtel Ltd.	BHARTIARTL	5.9	0.3	70
Axis Bank Ltd.	AXISBANK	9.2	0.3	66
Total			2.1	475
Nifty 50 Index	NIFTY 50	7.5	7.5	1,666

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 47: 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	35.5	1.2	298
Larsen & Toubro Ltd.	LT	20.1	0.7	161
Tata Motors Passenger Vehicles Ltd.	TMPV	-12.4	0.6	156
Hindalco Industries Ltd.	HINDALCO	66.2	0.5	129
Tata Steel Ltd.	TATASTEEL	50.9	0.5	126
Total			3.6	870
Nifty 50 Index	NIFTY 50	-1.4	-1.4	-337

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 48: Top five Nifty 50 Index losers in April 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Infosys Ltd.	INFY	-5.5	-0.2	-53
H C L Technologies Ltd.	HCLTECH	-10.6	-0.1	-32
H D F C Life Insurance Co. Ltd.	HDFCLIFE	-0.6	0.0	-2
Apollo Hospitals Enterprise Ltd.	APOLLOHOSP	2.9	0.0	3
S B I Life Insurance Co. Ltd.	SBILIFE	2.3	0.0	3
Total			-0.4	-81
Nifty 50 Index	NIFTY 50	7.5	7.5	1,666

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 49: Top five Nifty 50 Index losers in the last 12 months

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
H D F C Bank Ltd.	HDFCBANK	-19.6	-2.7	-662
Infosys Ltd.	INFY	-21.2	-1.2	-293
I C I C I Bank Ltd.	ICICIBANK	-11.5	-1.1	-256
Tata Consultancy Services Ltd.	TCS	-27.3	-0.9	-227
I T C Ltd.	ITC	-26.0	-0.9	-214
Total			-6.8	-1,651
Nifty 50 Index	NIFTY 50	-1.4	-1.4	-337

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Valuation analysis

Market valuations recovered in April: After a sharp uptick in October 2025, market valuations moderated steadily, with the correction extending into early 2026. The steep decline in March reflected a broad-based sell-off, driven by renewed foreign outflows, escalating tensions in the Middle East, rupee depreciation and higher energy prices. Valuations, however, recovered partly in April, supported by the rebound in Indian equities amid improved global risk appetite, some easing in geopolitical concerns and stronger domestic buying.

As of May 15th, 2026, the Nifty 50 was trading at a 12-month forward P/E of 19.5x, recovering from the early-April low of 18.0x. This implies a premium of 15.5% to its long-term average multiple, while still remaining 5.3% below the level corresponding to one standard deviation above the historical mean.

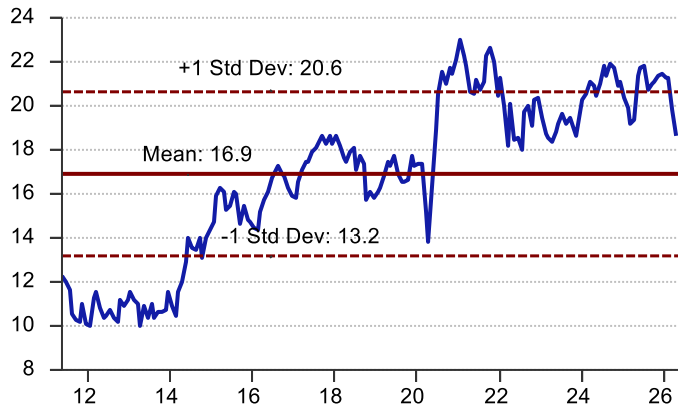
On a forward P/B basis, the index traded at 2.9x, compared with its long-term average of 2.5x. Overall, valuations have recovered from recent lows, with the premium to long-term averages widening again, supported by the broad-based market rally in April.

...Accompanied with widening of valuation premium to EM equities: Indian equities have historically traded at a premium to other emerging markets, reflecting India's stronger macroeconomic fundamentals and more durable growth outlook. This premium narrowed sharply by mid-March 2025 amid relative underperformance, before recovering briefly in April. Continued strength in key EM peers—particularly Taiwan, China and Korea—compressed India's valuation premium again, bringing it close to its long-term average of around 57% by mid-October. The premium widened over the next two months as domestic equities outperformed the broader EM universe, eased briefly in January, and recovered over the subsequent three months. On a 12-month forward P/E basis, MSCI India currently trades at a 78% premium to EM peers, up from around 60% in January. This remains well below the 2025 peak of 91% and the September 2024 high of 110%, though still about 22pp above the 15-year average.

On a forward P/B basis, the compression has been sharper and more sustained, with the premium falling from 128% in April 2025 to 49% currently. This is well below the long-term average of 87% and below the level corresponding to one standard deviation below the historical mean of 61%. Overall, India continues to command a valuation premium over EM peers, but the premium has moderated materially from the extremes seen in 2024 and early 2025, particularly on book-value-based valuations.

Figure 232: Nifty 50 NTM P/E trend for last 15 years

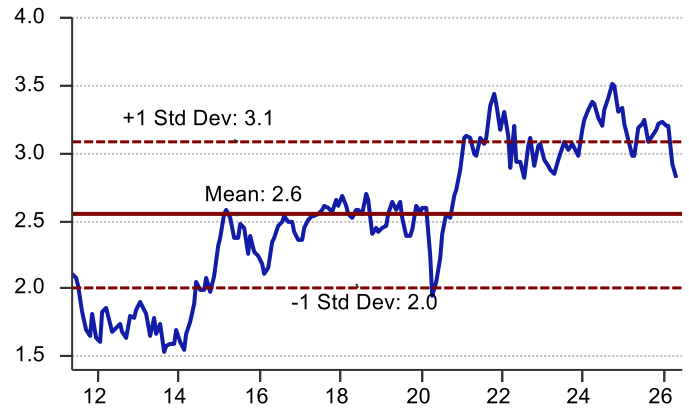
Nifty 50 12-month forward P/E



Source: LSEG Workspace, NSE EPR.

Figure 233: Nifty 50 NTM P/B trend for last 15 years

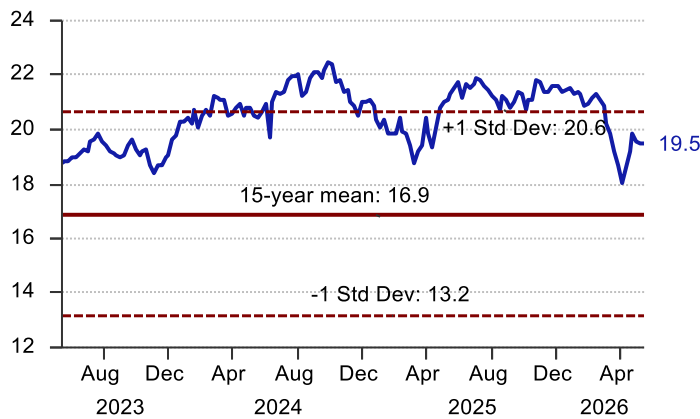
Nifty 50 12-month forward P/B



Source: LSEG Workspace, NSE EPR.

Figure 234: Nifty 50 NTM P/E (Last three-year trend)

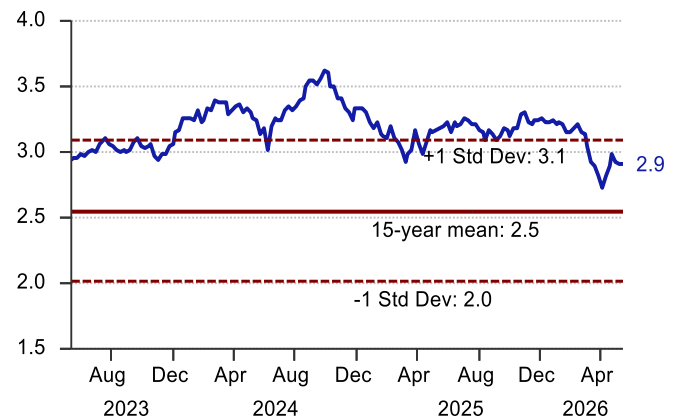
Nifty 50 12-month forward P/E



Source: LSEG Workspace, NSE EPR.

Figure 235: Nifty 50 NTM P/B (Last three-year trend)

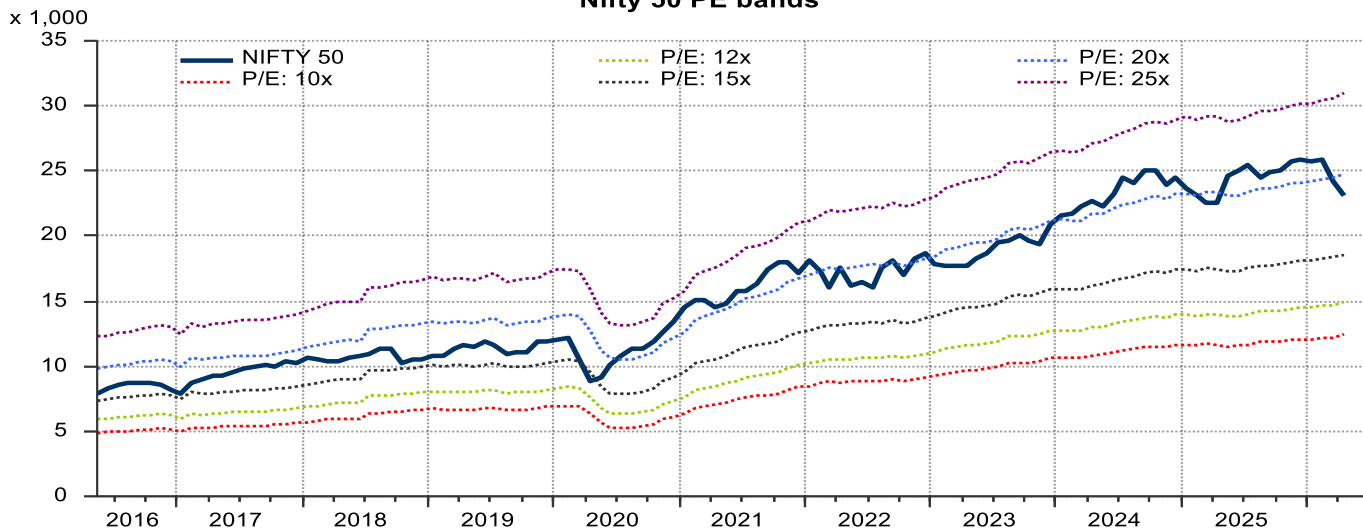
Nifty 50 12-month forward P/B



Source: LSEG Workspace, NSE EPR.

Figure 236: Five-year trend of Nifty 50 values at different 12-month forward P/E bands

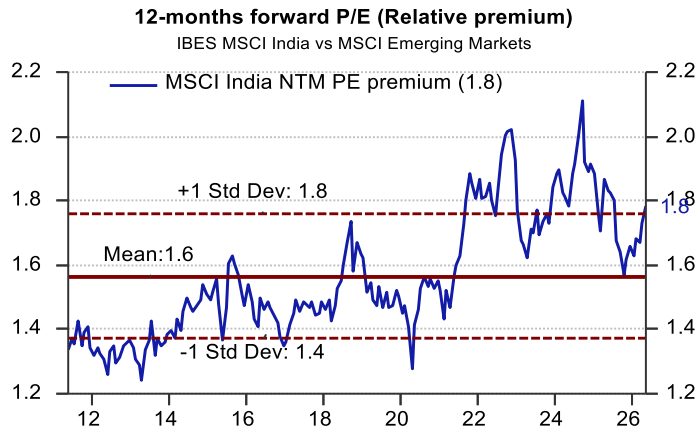
Nifty 50 PE bands



Source: LSEG Workspace, NSE EPR

Figure 237: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

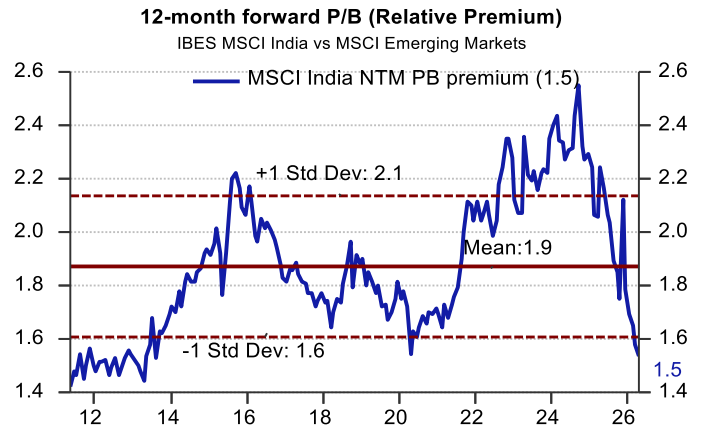
MSCI India currently trades at a premium of 78% to MSCI EM on 12-month forward P/E, recovering over the last one month but still lower than 110% in Sep'24.



Source: LSEG Workspace, NSE EPR

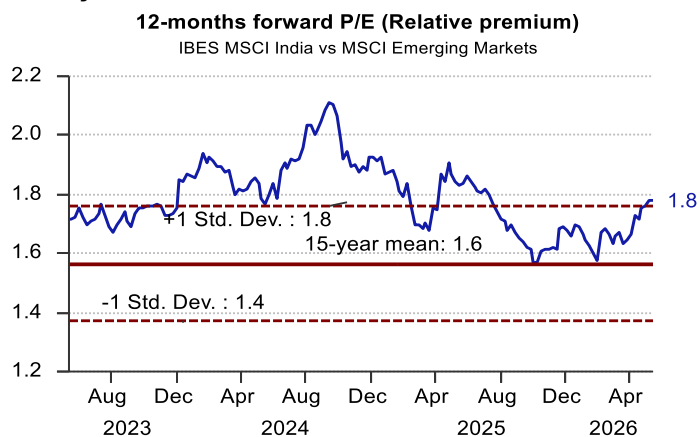
Figure 238: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B, India's valuation premium to MSCI EM has declined further from 128% in April'25 to 49% currently, much below the long-term average of 87%.



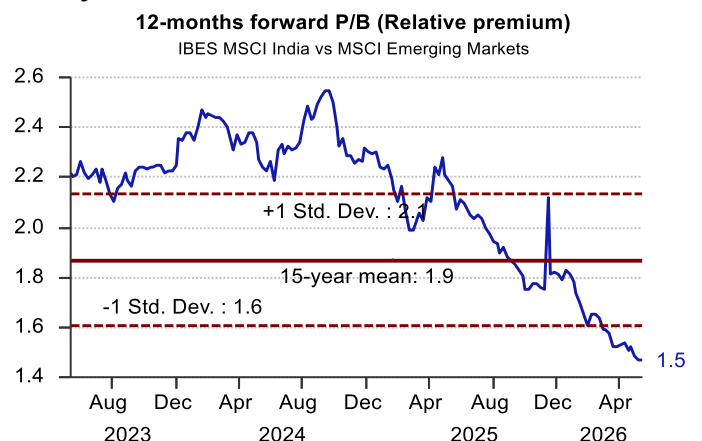
Source: LSEG Workspace, NSE EPR

Figure 239: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR.

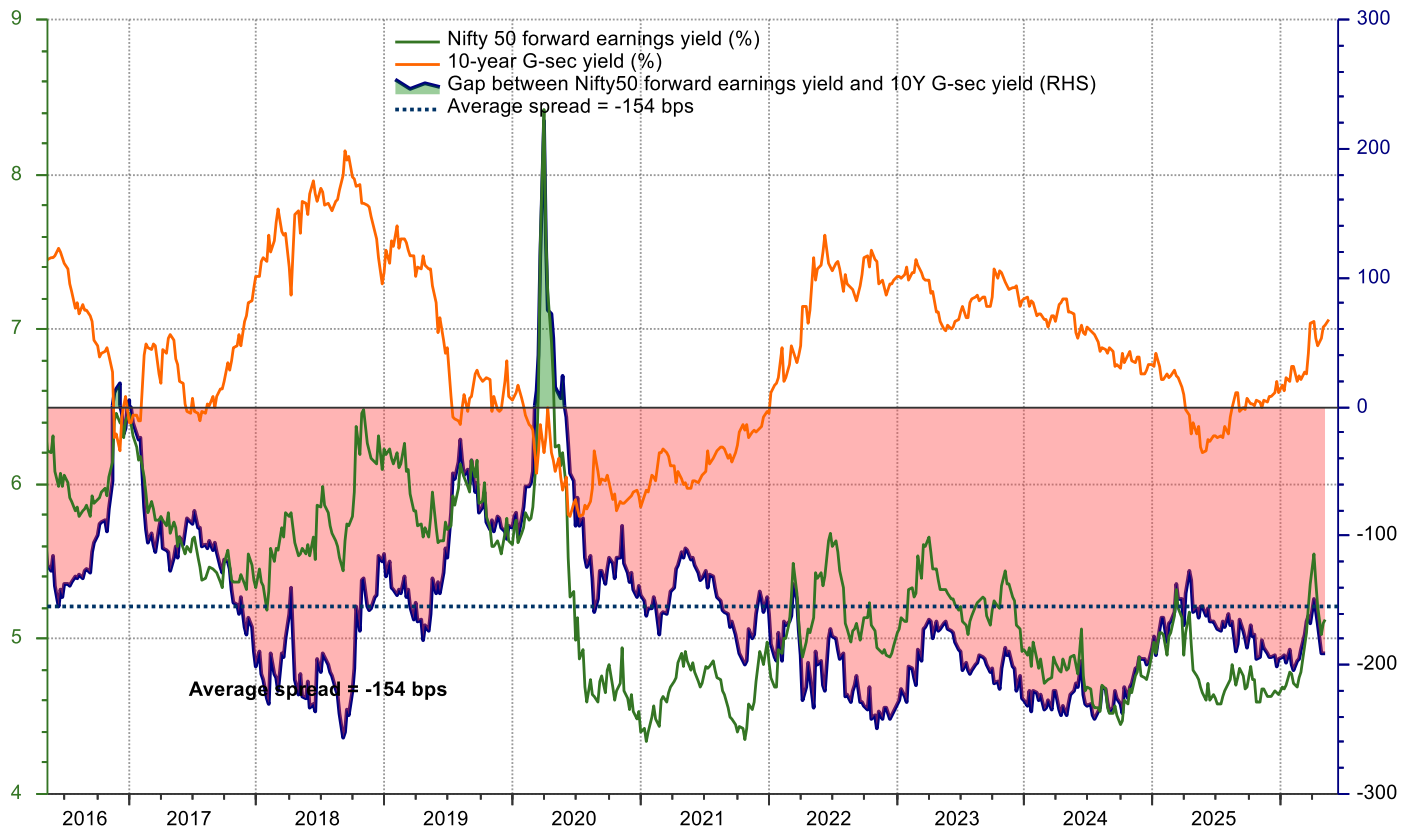
Figure 240: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR.

Figure 241: Nifty 50 forward earnings yield* vs. 10-year G-sec yield

Spread between Nifty 50 forward earnings yields and 10-year G-sec yield



Source: LSEG Workspace, NSE EPR. * Forward earnings yield for Nifty 50 is calculated as (1/12-month forward PE).

Fixed income market performance

Table 50: Performance of key debt indices (As of April 30th, 2026)

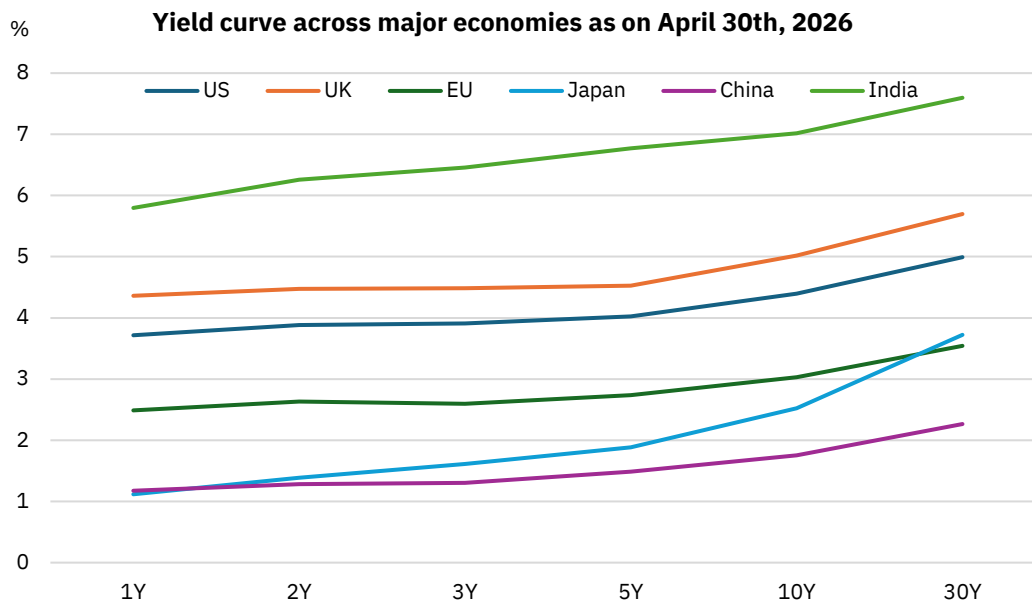
Category	Index name	Absolute returns (%)				CAGR returns (%)		
		1M	3M	6M	1Y	2Y	3Y	5Y
G-sec	Nifty 5yr Benchmark G-sec Index	1.1	0.6	1.4	4.0	7.8	7.3	6.0
	Nifty 10 yr Benchmark G-Sec	0.6	(0.5)	(0.5)	1.1	6.8	6.6	4.9
	Nifty Composite G-sec Index	1.1	(0.2)	0.2	1.0	6.9	6.8	5.8
SDL	NIFTY 10 Year SDL Index	(1.3)	(3.3)	(7.1)	(12.0)	(0.4)	2.0	3.1
AAA credit	NIFTY AAA Ultra Short Duration Bond Index	0.8	1.9	3.2	6.6	7.3	7.4	6.5
	NIFTY AAA Short Duration Bond Index	0.3	0.8	1.5	4.8	6.8	6.8	5.7
	NIFTY AAA Low Duration Bond Index	0.7	1.5	2.6	6.0	6.9	7.0	6.1
	NIFTY AAA Medium Duration Bond Index	(0.0)	0.0	(0.3)	2.9	6.0	6.1	5.3
	NIFTY AAA Medium to Long Duration Bond Index	(0.1)	(0.3)	(1.2)	0.8	5.2	5.5	5.0
	NIFTY AAA Long duration Bond Index	(0.0)	(1.2)	(2.8)	(2.9)	2.5	3.9	3.8
Composite	NIFTY Liquid Index	0.6	1.7	3.2	6.4	6.9	7.0	6.2
	NIFTY Money Market Index	0.7	1.8	3.2	6.6	7.2	7.3	6.3
	NIFTY Ultra Short Duration Debt Index	0.8	1.9	3.3	6.8	7.4	7.5	6.6
	NIFTY Short Duration Debt Index	0.5	1.0	1.8	5.2	6.9	7.0	6.0
	NIFTY Low Duration Debt Index	0.7	1.7	2.9	6.3	7.2	7.3	6.3
	NIFTY Medium Duration Debt Index	0.4	0.2	0.5	3.5	6.5	6.5	5.7
	NIFTY Medium to Long Duration Debt Index	(0.0)	(0.6)	(1.2)	(0.1)	5.2	5.7	5.3
	NIFTY Long Duration Debt Index	0.8	(1.1)	(1.9)	(3.1)	4.1	5.1	4.9
	NIFTY Composite Debt Index	0.4	(0.2)	(0.3)	1.1	5.7	6.0	5.5
	NIFTY Corporate Bond Index	0.3	0.7	1.2	4.5	6.7	6.8	6.0

Source: NSE Indices, NSE EPR.

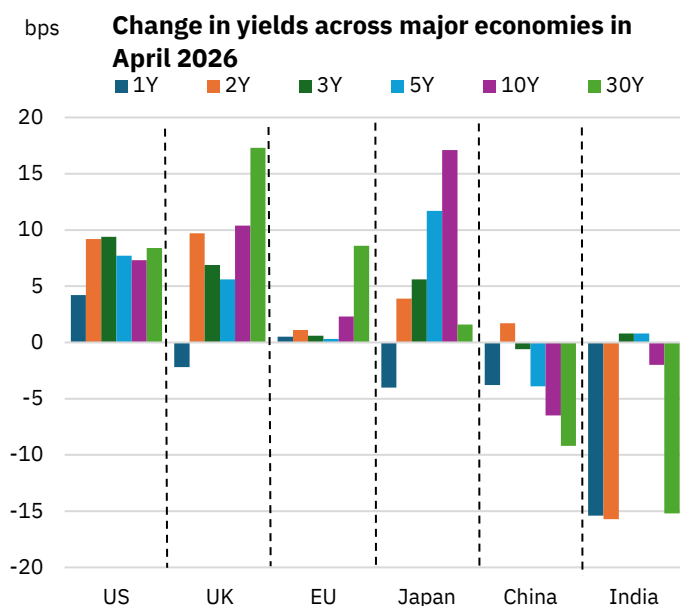
While global sovereign bond yields witnessed significant upward pressure in April...:

Global sovereign bond yields advanced steadily through April 2026 before stabilising at elevated levels in early May 2026, reflecting impact of geopolitical shocks, inflation risk and persistent fiscal concerns. The 10-year US Treasury yield climbed approximately 7 bps MoM to 4.39%, extending further to 4.48% in the first half of May, amid elevated oil prices and expectations of higher-for-longer interest rates. UK 10-year gilts rose 10 bps MoM to 5.02% by April-end, touching an 18-year high of 5.1% on May 12th, 2026, before easing modestly, due to a combination of factors such as inflation risk and domestic political concerns. Japanese 10-year JGB yields witnessed the sharpest MoM rise of 17 bps to 2.52% and a further 11 bps by mid-May to 2.63% - the highest in 29 years, following a sharp rise in inflation and expectations of increase in policy rate by Bank of Japan.

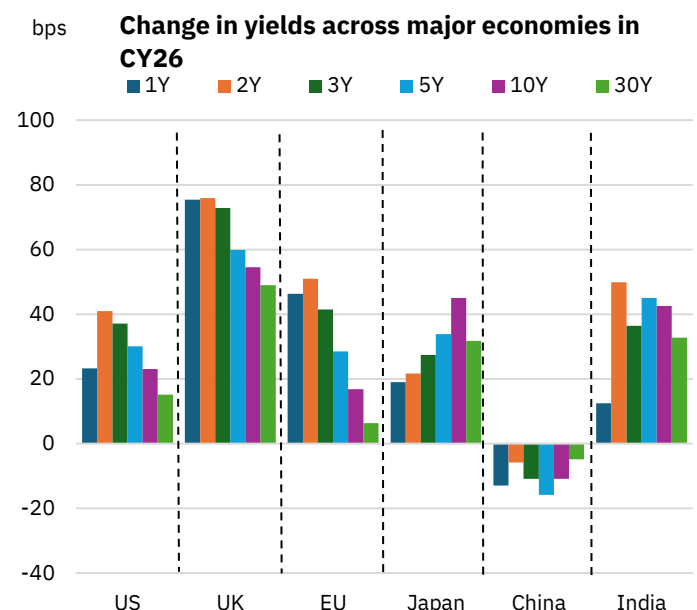
On the other hand, German Bunds remained relatively stable but yields crept higher towards 3.15% by mid-May, as Euro area annual inflation was revised upwards to 3% in April 2026 – the highest since September 2023 and up from 2.6% in March 2026. China's 10-year sovereign yields edged lower amid sustained domestic investor demand, while the country's diversified energy mix provided a buffer against inflationary pressures and energy shocks.

Figure 242: Sovereign yields curve across major economies as on April 30th, 2026


Source: NSE Cogencis, LSEG Workspace, NSE

Figure 243: Change in sovereign yields across major economies in April 2026 (As on April 30th, 2026)


Source: NSE Cogencis, LSEG Workspace, NSE

Figure 244: Change in sovereign yields across major economies in CY26 (As on April 30th, 2026)


...RBI's liquidity management prevented G-Sec yields from rising further: While Indian G-Sec yields crossed the 7% mark by end of March 2026 for the first time since July 2024, driven by elevated crude oil prices, FPI outflows and depreciation pressure on the INR amid the West Asia conflict, liquidity management measures and the RBI's neutral policy stance helped contain the upward pressure on yields. Consequently, the 10-year benchmark yield stood at 7% by the end of April, after trading as high as 7.13% intra-month, reflecting a decline of 2 bps MoM, and remained at similar levels through mid-May. However, the yield curve retained its steep upward slope as markets continued to price in limited monetary easing. The average spread between 10Y and 2Y yields increased from 70bps in March to 82 bps in April before easing to 68 bps in May. After a

brief fall in the month of March, central government borrowings touched Rs 1.27 lakh crore, close to average monthly borrowings of Rs 1.23 lakh crore in the previous fiscal year.

Figure 245: India 10Y G-sec yield—long-term trend

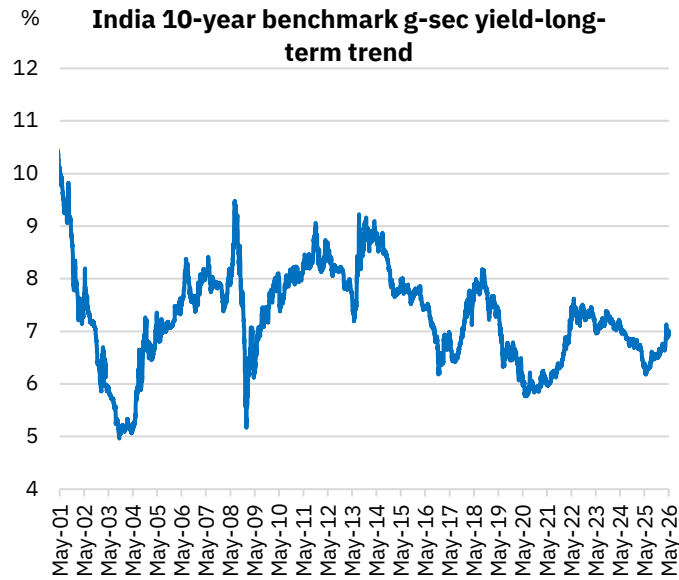


Figure 246: India 10Y G-sec yield—last one-year trend

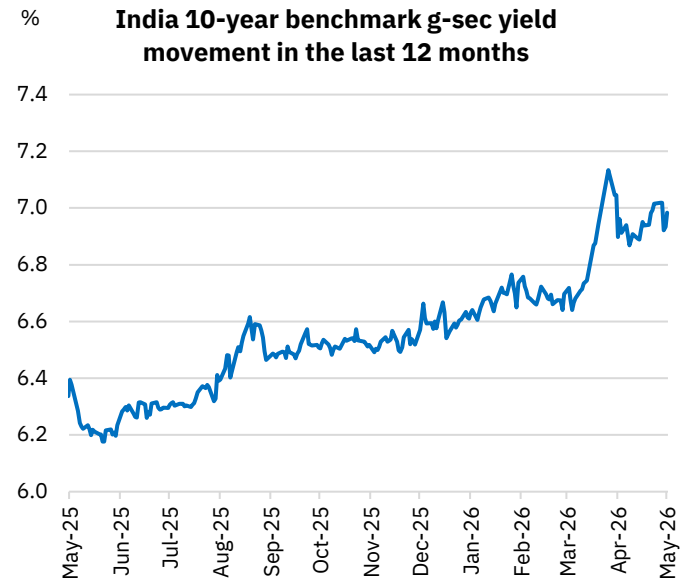


Figure 247: India sovereign yield curve

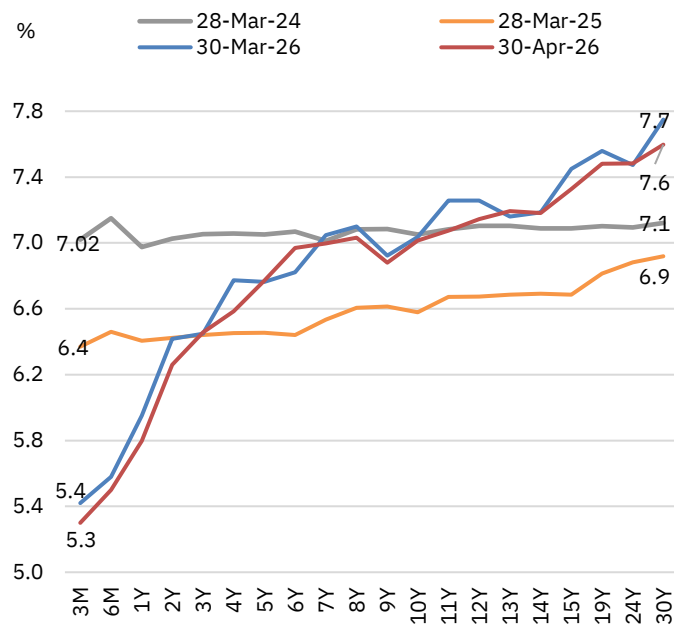


Figure 248: Change in sovereign yields across the curve so far in April 2026

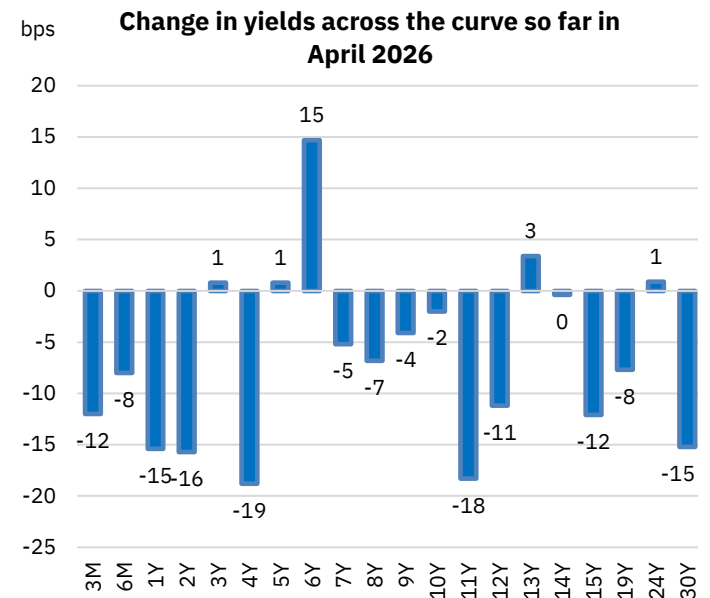
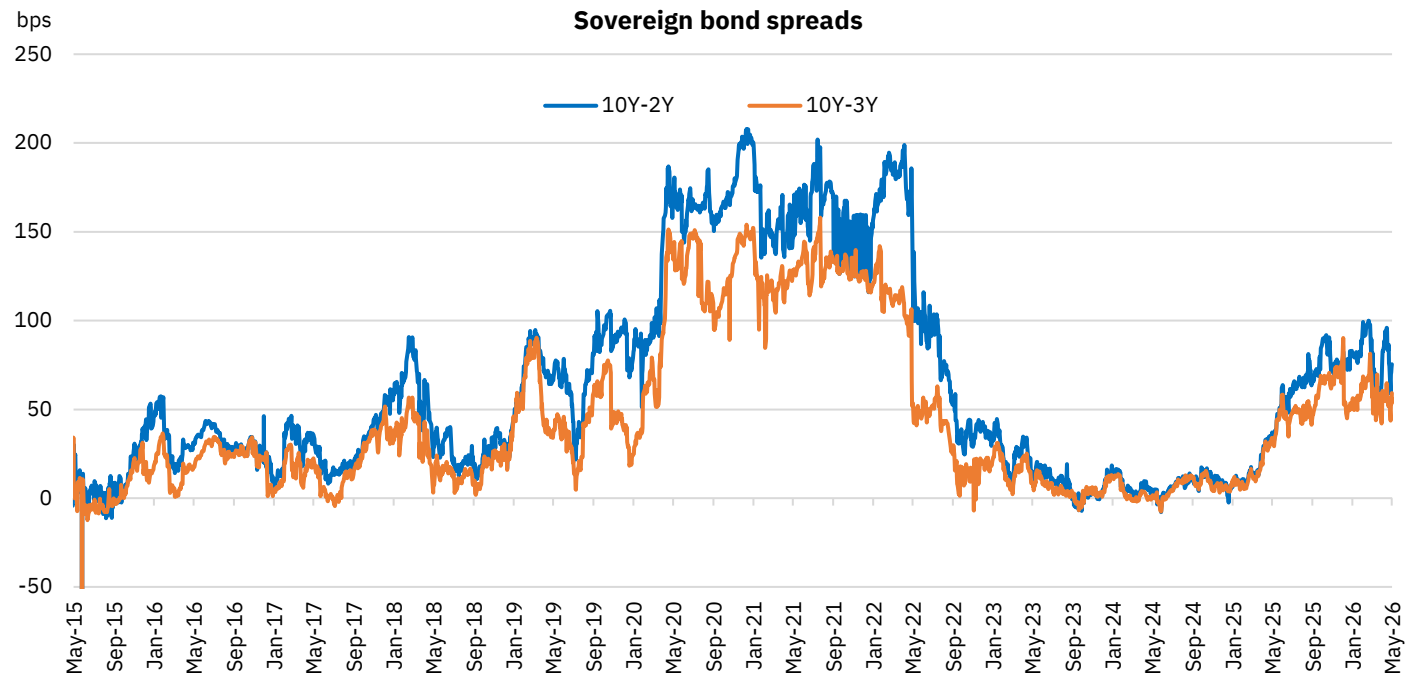
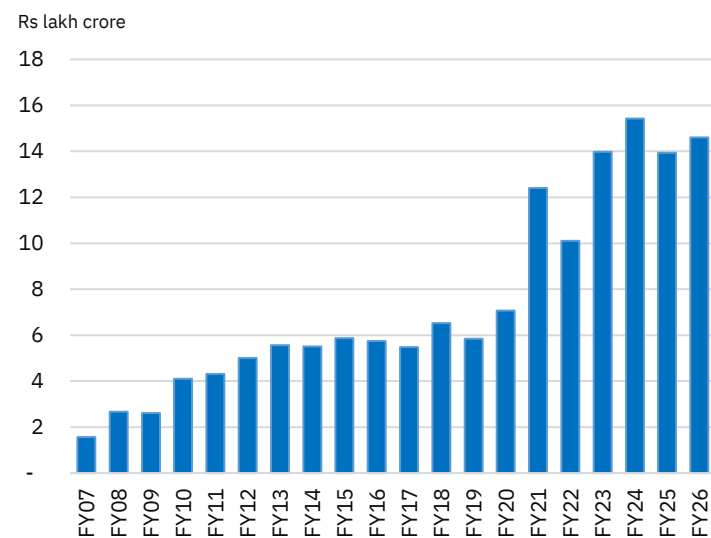


Figure 249: India sovereign bonds term premia


Source: NSE Cogencis, NSE EPR.

Note: Data is as of May 8th, 2026.

Figure 250: Annual trend of Centre's market borrowings


Source: RBI, NSE EPR.

Note: 1. Above charts are based on date of issue.

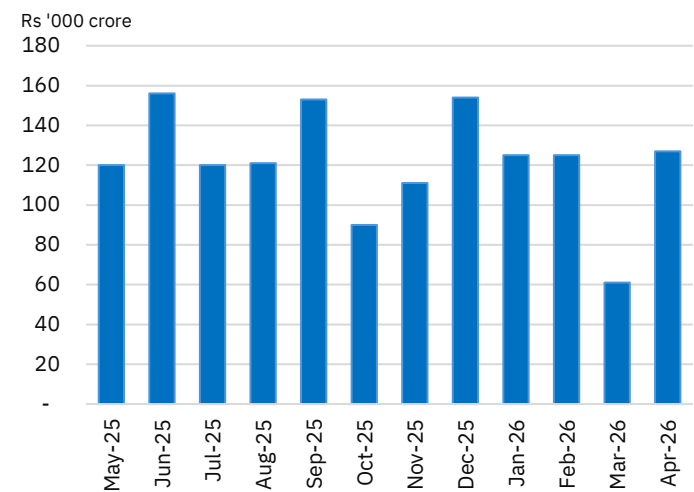
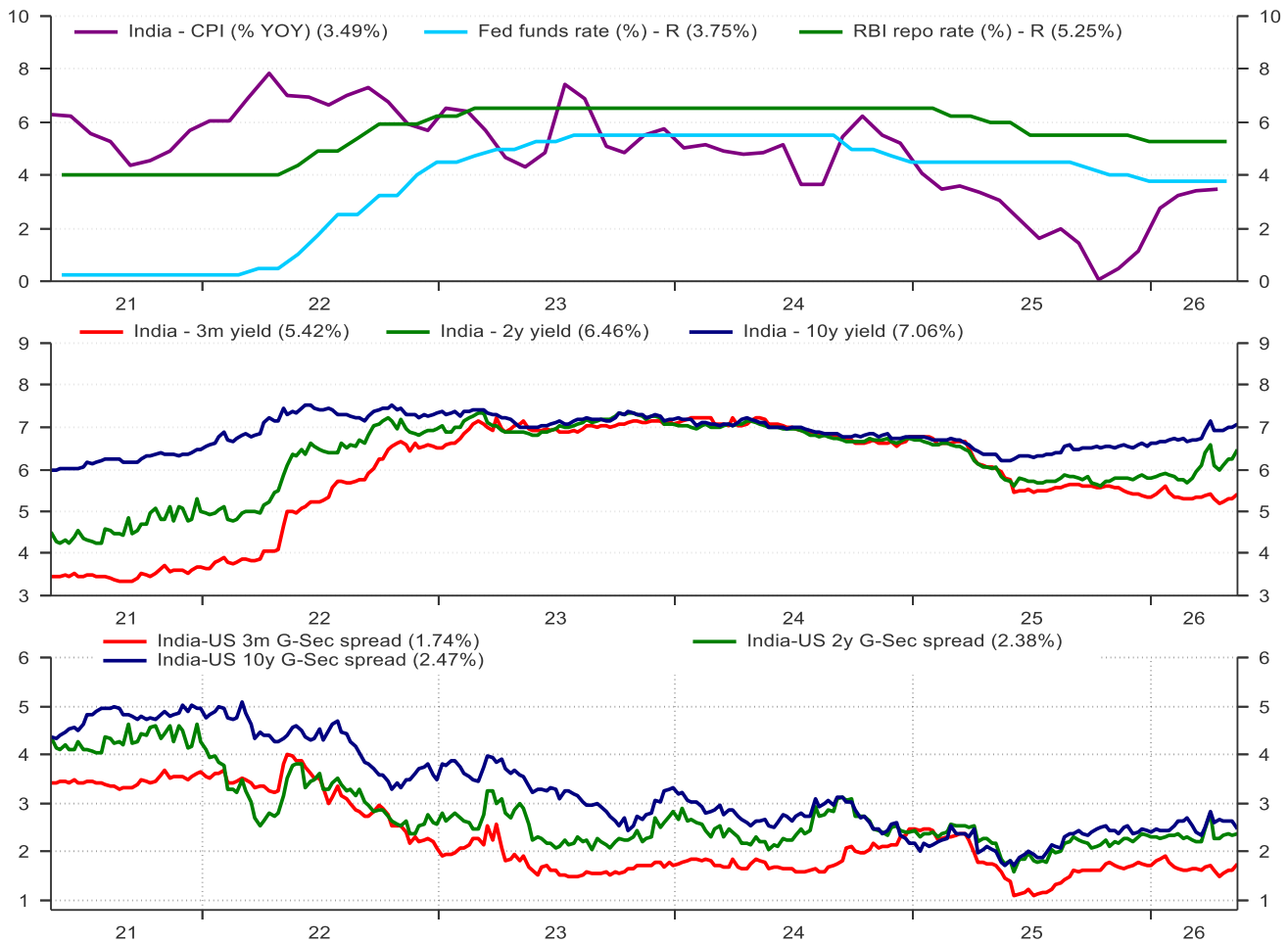
Figure 251: Centre's market borrowings in the last 12 months


Figure 252: Inflation, yields and spreads in India vs. US



Source: LSEG Workspace, NSE EPR.

SGS witnessed sharper yield pressure than G-Secs during April: 10-year SGS yields increased 10 bps MoM to 7.84% in April from 7.74% in March, rising higher than central G-Sec yields, even as total borrowings fell to Rs 62,105 crores after record borrowings in March. Spreads over G-Secs, while lower than March levels, remained elevated to 80 bps compared to historical trends, reflecting heavy supply of state government securities hitting the market. In short, SGS yields edged up in line with G-Secs, keeping spreads roughly in their recent band.

Figure 253: Spreads between 10-year SGS and G-sec yields

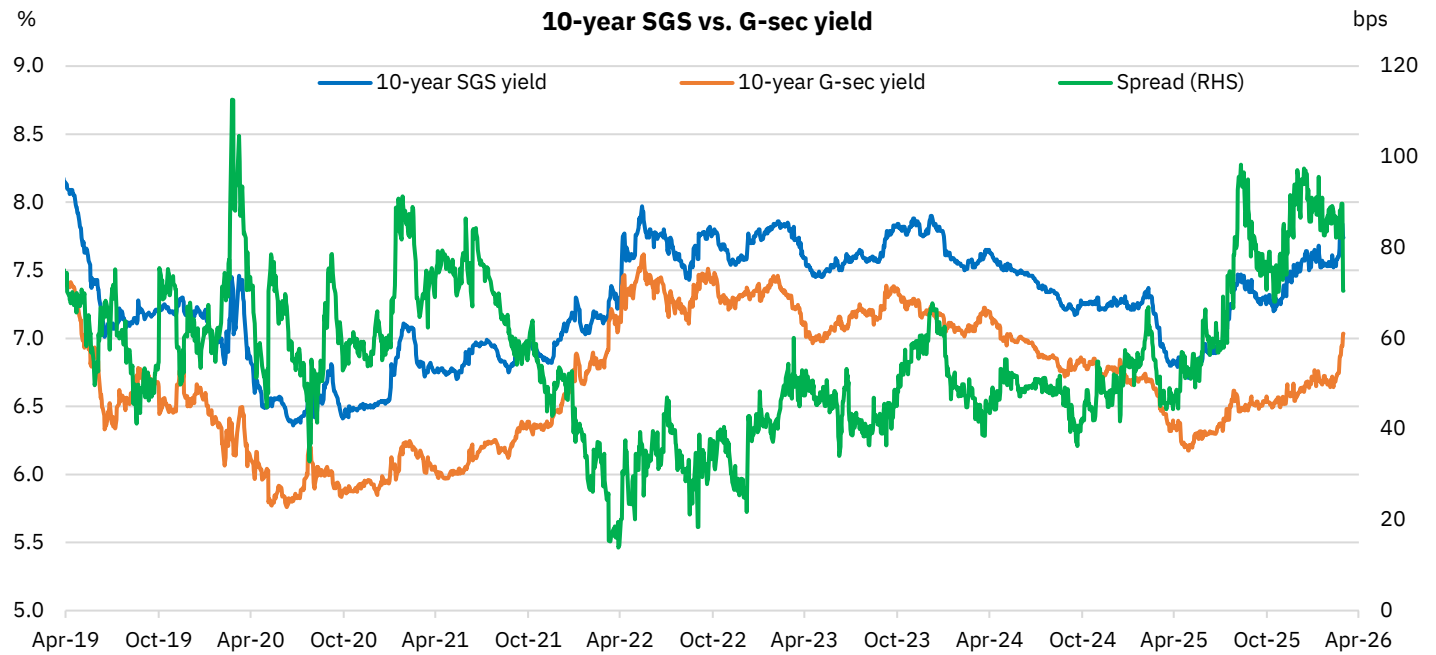
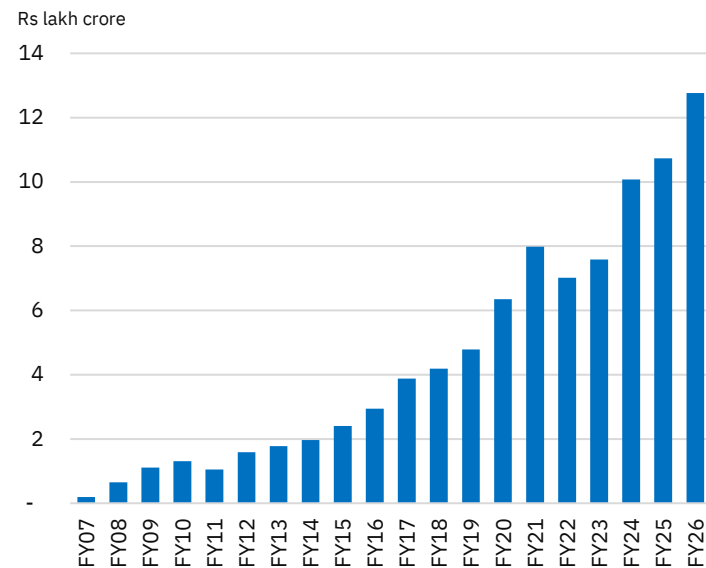
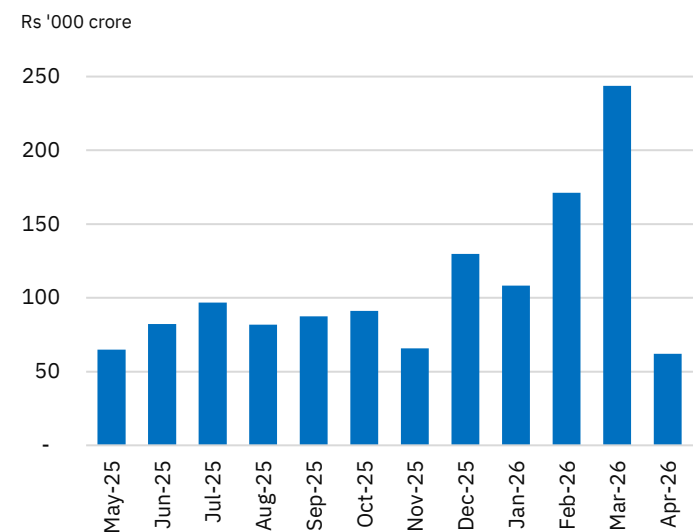


Figure 254: Annual state government borrowings



Note: Above charts are based on date of issue.

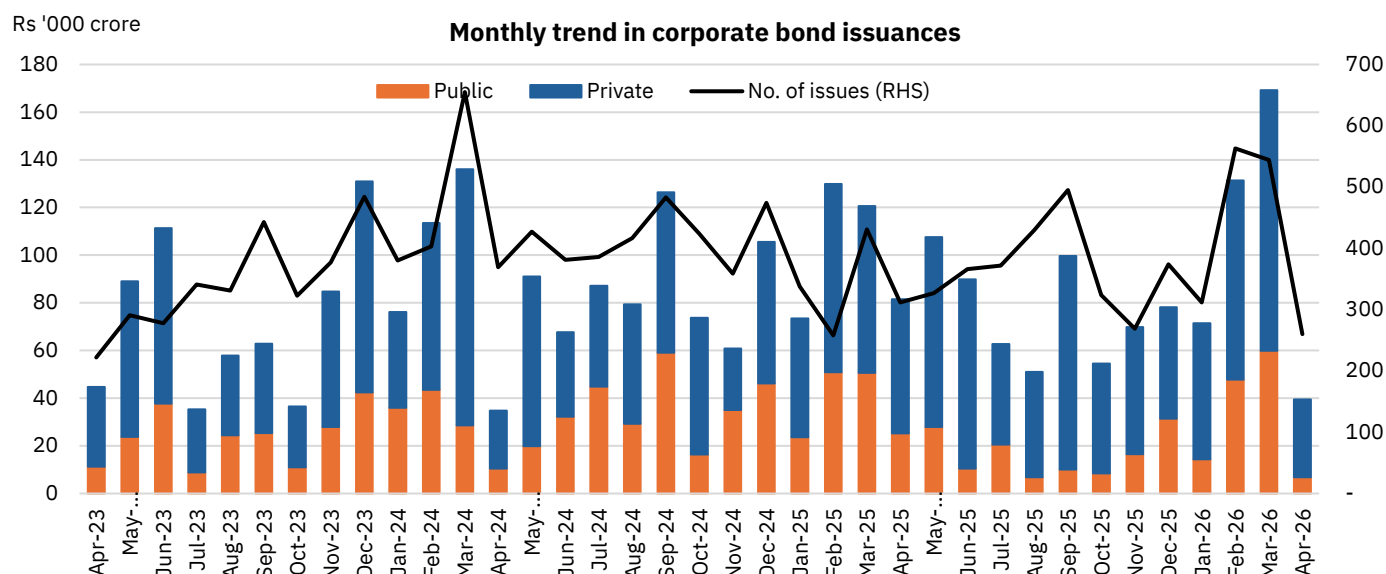
Figure 255: State government borrowings in the last 12 months



Corporate bond market performance

Corporate bond issuances touched two-year low in the month of April 2026: Corporate bond issuances declined 77% MoM to Rs 39,539 crore – the lowest since May 2024, driven by elevated borrowing costs and a shift in borrower preferences. Issuances during the month were primarily concentrated in the 3-to-5-year segment, which accounted for nearly one-third of total issuances, followed by the 5-to-10-year and 1-to-3-year segments at 27% and 23%, respectively. In terms of credit profile, AAA-rated bonds constituted 41% of total issuances, while AA-rated instruments accounted for 47%. Increase in the sovereign bond yields pushed corporate bond yields even further. Average corporate bond spreads over G-Secs remained elevated during the month of April. While 10-year AAA bonds traded at spreads ranging from 70 to 80 bps over G-Sec, 5-year tenor bonds cleared higher between 95 to 106 bps over G-Secs.

Figure 256: Monthly trend in corporate bond issuances



Source: NSDL India Bond Info, NSE EPR.

Note: 1. Includes issuance of fully and partly convertible corporate bonds.

Table 51: Fiscal trend in corporate bond issuances

	FY24	FY25	FY26
Amount raised (Rs crore)	978,633	1,050,361	1,066,984
Public	321,039	418,393	279,349
Private	657,595	631,968	787,635
No. of Issues	4,528	4,747	4,688
Public	132	148	149
Private	4,396	4,599	4,539

Source: NSDL India Bond Info, NSE EPR. Note: 1. Includes issuance of fully and partly convertible corporate bonds.

Figure 257: Maturity profile of corporate bonds issued in the month of April 2026

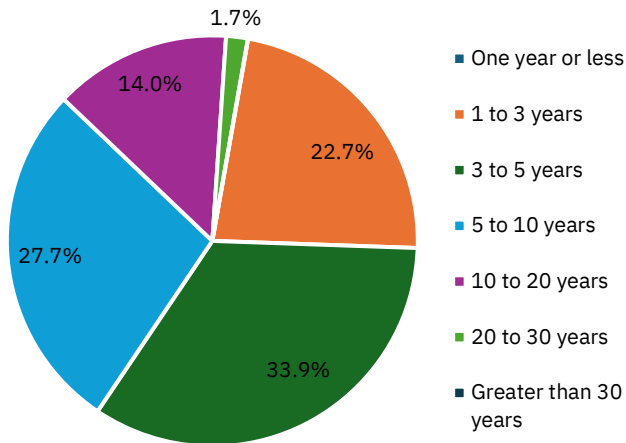
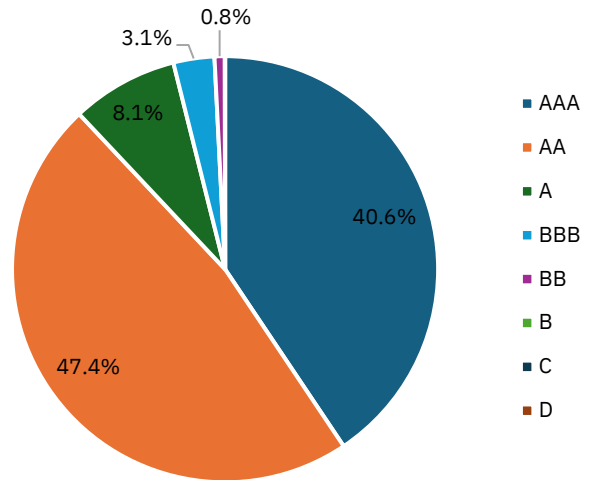
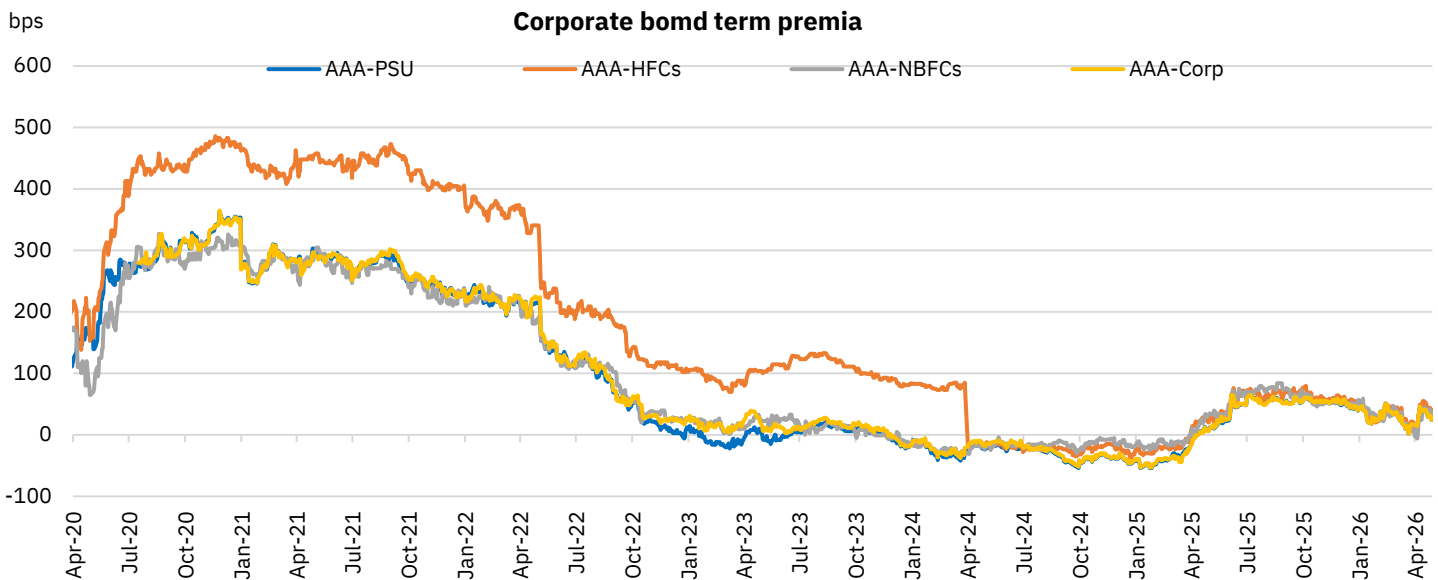


Figure 258: Credit profile of corporate bonds issued in the month of April 2026

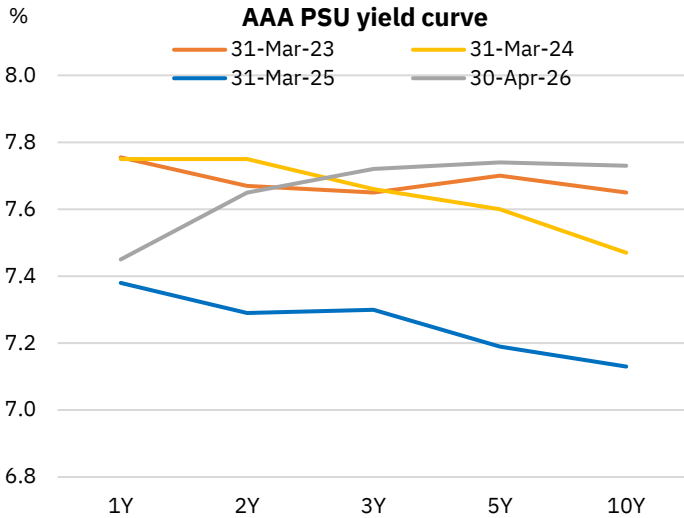


Source: NSDL India Bond Info, NSE EPR. Note: 1. Includes issuance of fully and partly convertible corporate bonds.

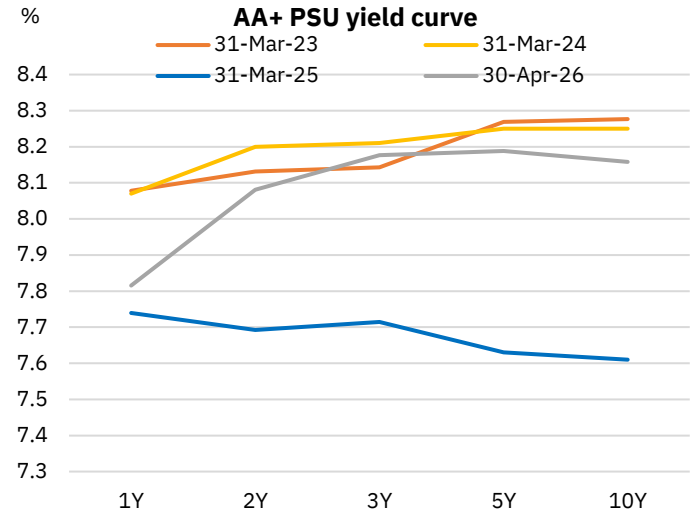
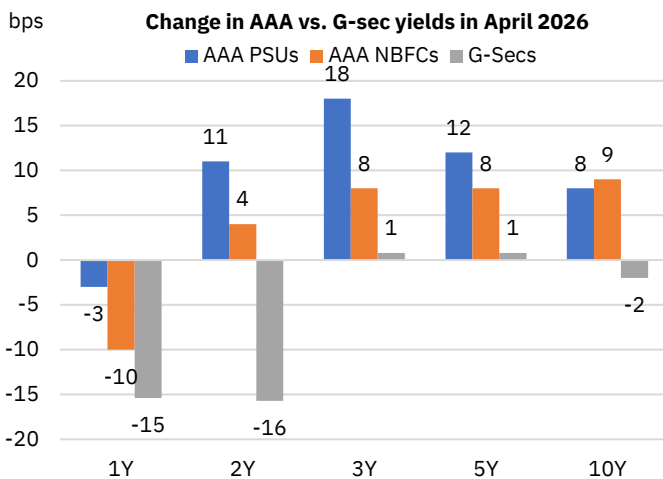
Figure 259: Corporate bond term premia between 10-year and 1-year yields



Source: NSE Data and Analytics (NDAL), NSE EPR.

Figure 260: AAA-rated corporate bond yield curve


Source: NSE Data and Analytics (NDAL), Cogencis,

Figure 261: AA+ rated corporate bond yield curve

Figure 262: Change in AAA corporate bond and G-sec yields in April 2026


Source: NSE Data and Analytics (NDAL), NSE Cogencis, NSE EPR.

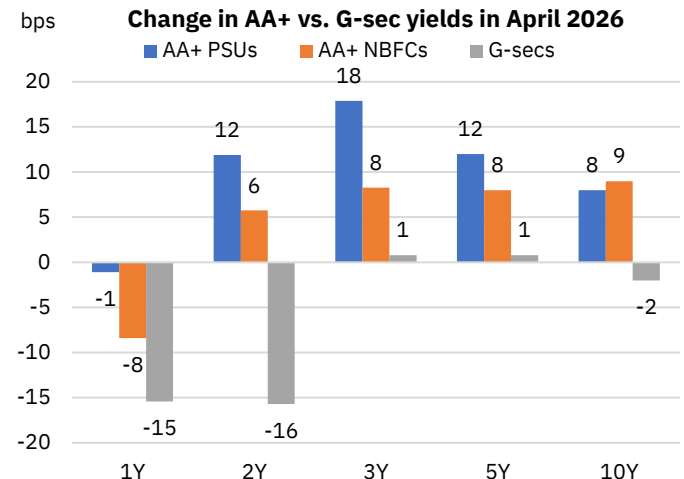
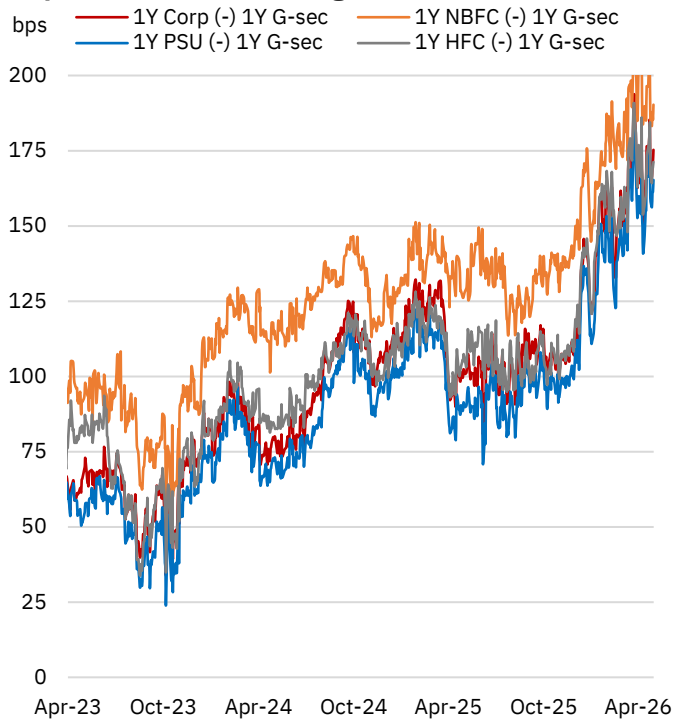
Figure 263: Change in AA+ corporate bond and G-sec bond yields in April 2026


Figure 264: Spreads for one-year AAA-rated corporate bonds across segments



Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 265: Spreads for three-year AAA-rated corporate bonds across segments

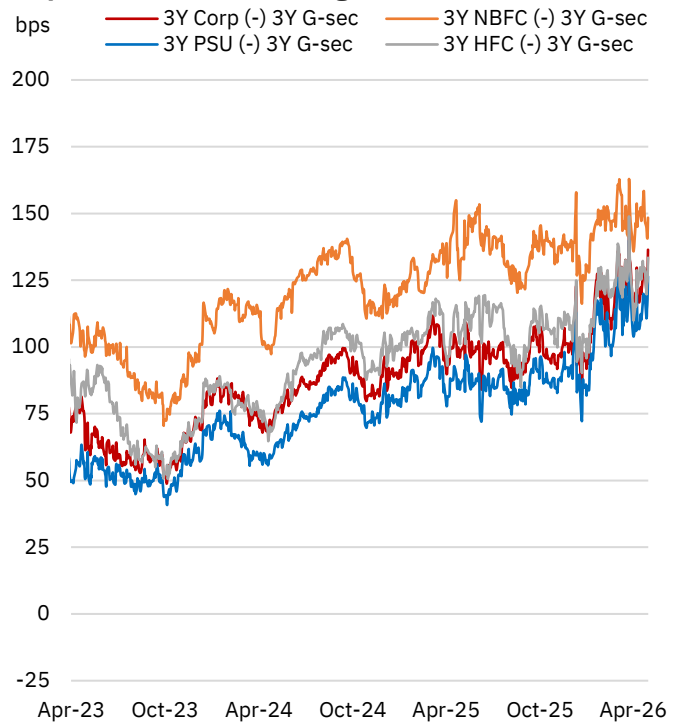
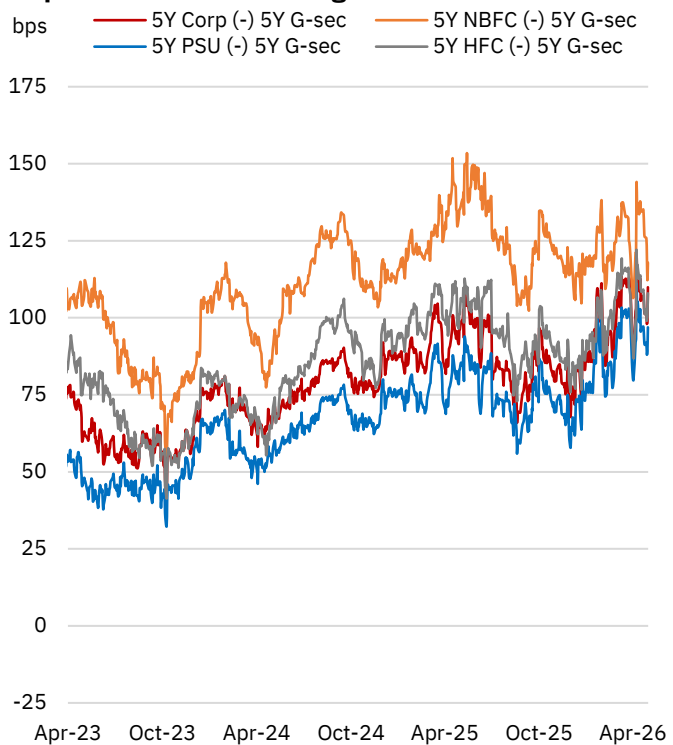
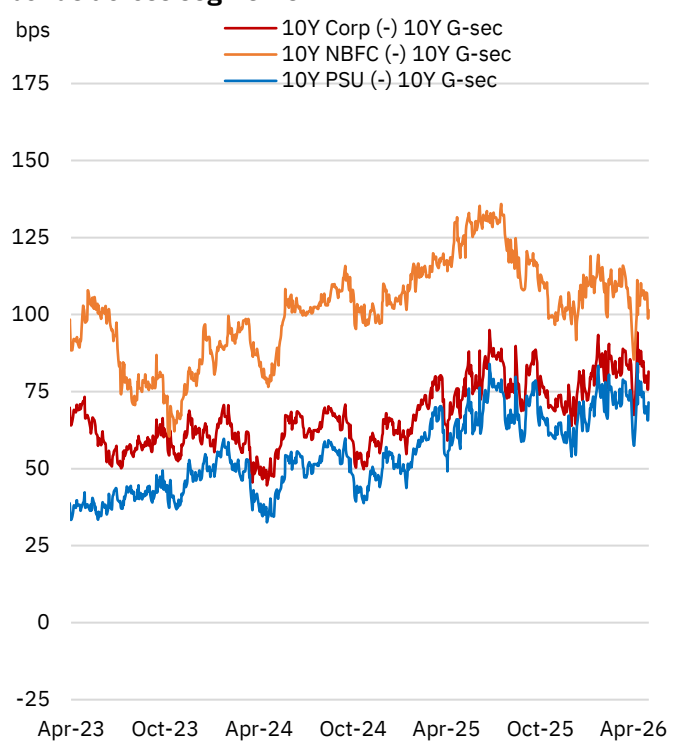


Figure 266: Spreads for five-year AAA-rated corporate bonds across segments



Source: NSE Data and Analytics (NDAL), NSE Cogencis, NSE EPR

Figure 267: Spreads for 10-year AAA-rated corporate bonds across segments



Commodity market performance

From shock to consolidation: Commodity markets recalibrate amid Hormuz hangover

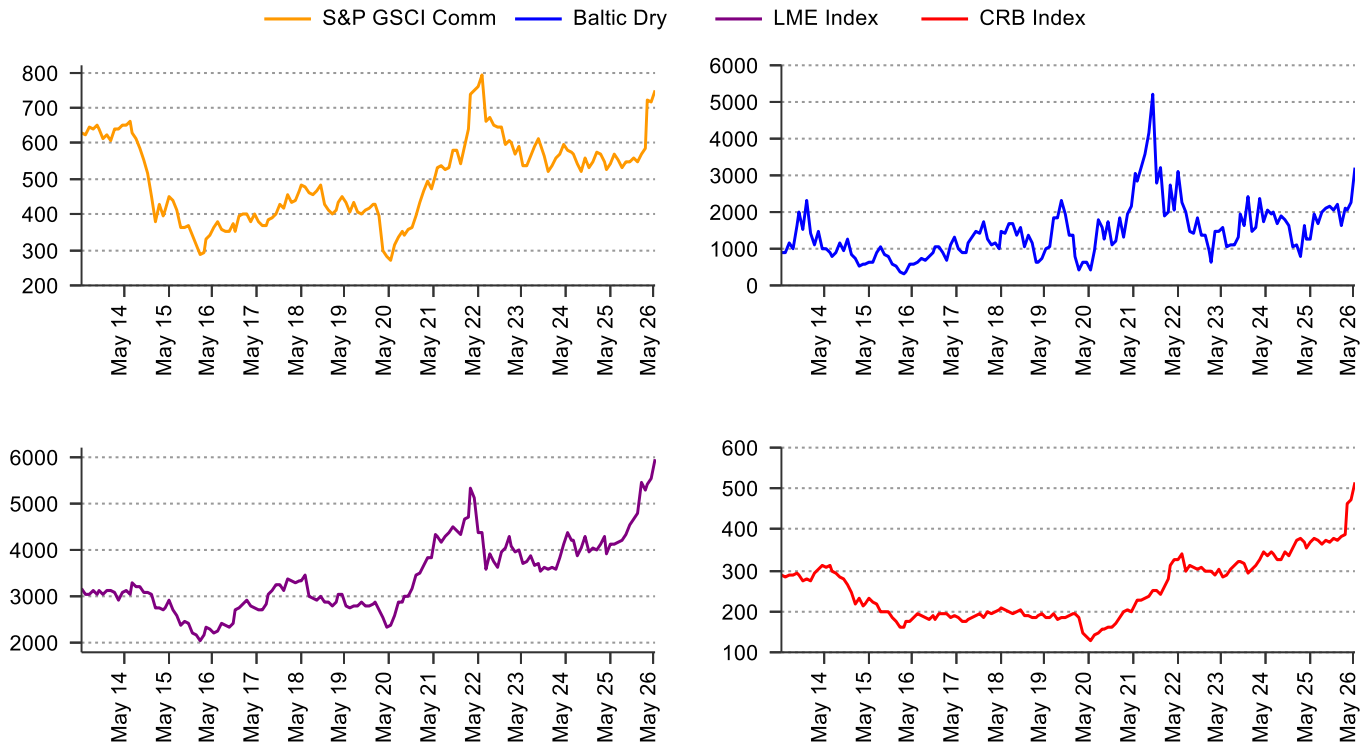
– Commodity markets in Apr'26 were shaped by geopolitical volatility, supply disruptions, and diverging sectoral dynamics. Crude oil declined modestly (-3.5% MoM) but remained elevated amid continued Strait of Hormuz disruptions and the collapse of a short-lived US-Iran ceasefire, with prices fluctuating between ~\$94/bbl and ~\$126/bbl during the month. Precious metals were mixed, with gold and silver weighed down by a higher-for-longer rate environment, while platinum and palladium gained on tightening supply concerns. Industrial metals broadly rallied—nickel led gains (+14% MoM) on Indonesian production cuts, followed by copper (+5.3%), tin (+5.2%), and zinc (+4.3%). In agriculture, cotton surged (+12.1% MoM) on supply shortfalls, while sugar fell (-6.4% MoM) due to expectations of abundant global output.

- **Energy sector:** Crude oil prices declined modestly by 3.5% MoM in Apr'26 but remained highly volatile, reflecting shifting geopolitical signals and supply expectations. Prices initially dropped to around US\$94/bbl following a short-lived US–Iran ceasefire announcement that briefly enabled partial reopening of the Strait of Hormuz. However, as negotiations faltered and the ceasefire collapsed, prices rebounded sharply, touching a four-year high of ~US\$126/bbl before easing to ~US\$114/bbl by month-end. While the UAE's unexpected decision to exit OPEC (effective May 1, 2026) introduced expectations of higher future supply and exerted some downward pressure, prices remained elevated overall due to the continued disruption of oil flows through the Strait of Hormuz and persistent geopolitical uncertainty.
- **Precious metals:** Precious metals in Apr'26 exhibited a clear divergence between investment-driven and industrial metals, reflecting the interplay of macro-financial pressures and supply-side risks. Gold (-0.1% MoM) and silver (-1.8% MoM) remained subdued, as stronger-than-expected U.S. economic data and persistently high oil prices reinforced expectations of a “higher for longer” interest rate environment. This lifted bond yields and increased the opportunity cost of holding non-yielding assets, weighing on investment demand. In contrast, platinum (+2.7% MoM) and palladium (+2.5% MoM) gained, supported by tightening supply conditions amid reports of potential U.S. duties on Russian palladium, with dumping margins estimated at over 800%. Since Russia is a top producer, the threat of these tariffs tightened the global market.
- **Industrial metals:** Industrial metals moved higher in April 2026, driven primarily by renewed supply-side pressures. Nickel led gains, rising 14% MoM, as Indonesian production cuts and a surge in sulphur prices—critical for HPAL-based battery-grade nickel production—tightened market conditions. Copper rebounded 5.3% MoM amid ongoing disruptions at Freeport's Grasberg and Ivanhoe's Kamoakakula mines, tighter smelting conditions linked to China's sulphuric acid export restrictions, and continued demand from AI data centres, electric vehicles, renewables, and grid expansion. Additionally, the U.S. administration's restructuring of Section 232 copper tariffs and the prospect of broader duties on refined copper triggered precautionary stockpiling, further reinforcing price gains.

Zinc prices also rebounded 4.3% MoM as higher sulphur-related input costs constrained smelter economics despite weak Chinese property demand. Tin recovered 5.2% MoM, supported by persistent supply disruptions in Myanmar and the DRC alongside firm semiconductor and electronics demand. Lead gained 3.8% MoM, tracking the broader recovery in base metals, with additional support from stronger backup power and UPS demand from hospitals, data centres and telecom operators amid geopolitical uncertainty. In contrast, aluminium remained broadly stable (+0.3% MoM) after March's sharp rally, even as the underlying supply deficit demand remained intact. Iron ore edged up 1.3% MoM, as signs of solid Chinese demand offset concerns over rising supply, with futures hitting the highest since October 2024.

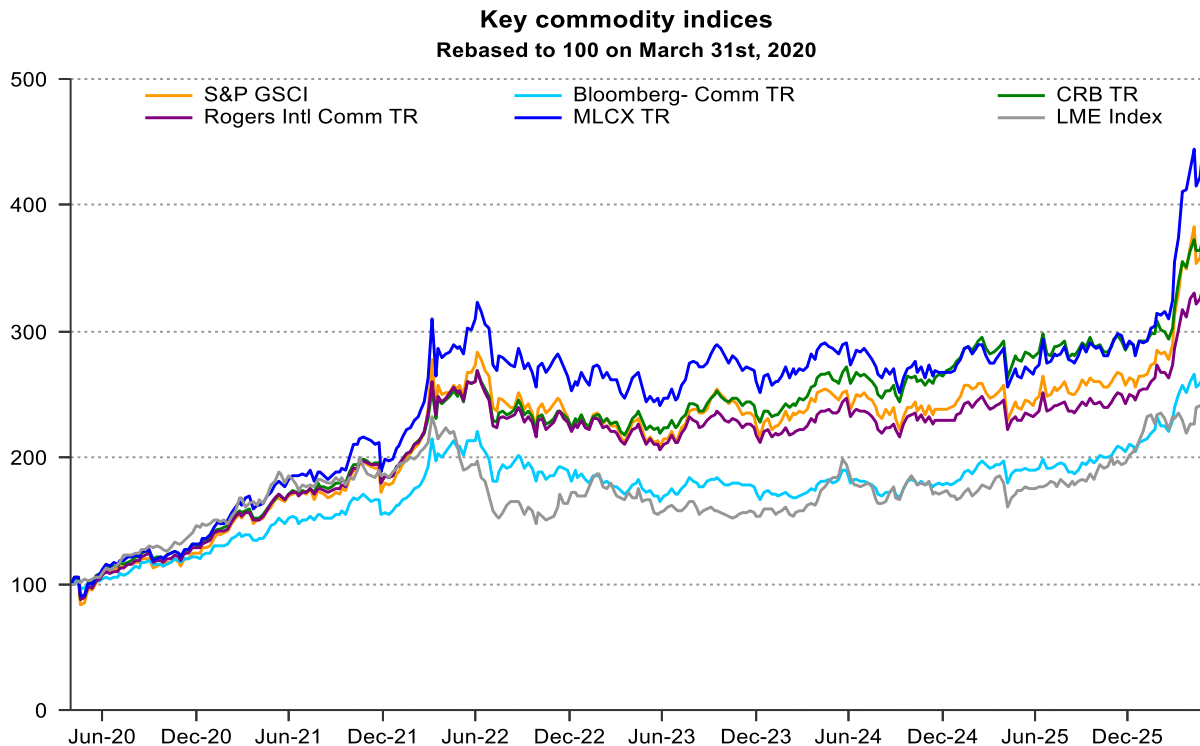
- **Agricultural sector:** Soyabean (+2% MoM), corn (+1%), and wheat (+2.1%) edged higher in Apr'26, supported by residual input cost pressures and steady demand conditions. In contrast, cotton surged 12.1% MoM, driven by a tightening global balance as production in key regions such as the U.S. and Brazil due to adverse weather. Higher crude oil prices further supported cotton by raising polyester costs, encouraging substitution toward natural fibres. Sugar, however, declined 6.4% MoM, weighed down by a strong global supply outlook. Indian output rose on the back of favourable weather and a stable export policy, easing supply concerns. While intermittent support emerged from higher oil prices (via ethanol diversion incentives) and some supply disruptions linked to the Strait of Hormuz, these were insufficient to offset the dominant bearish narrative of abundant global supply.

Figure 268: Movement in key commodity indices

(As of May 14th, 2026)


Source: LSEG Workspace, NSE EPR.

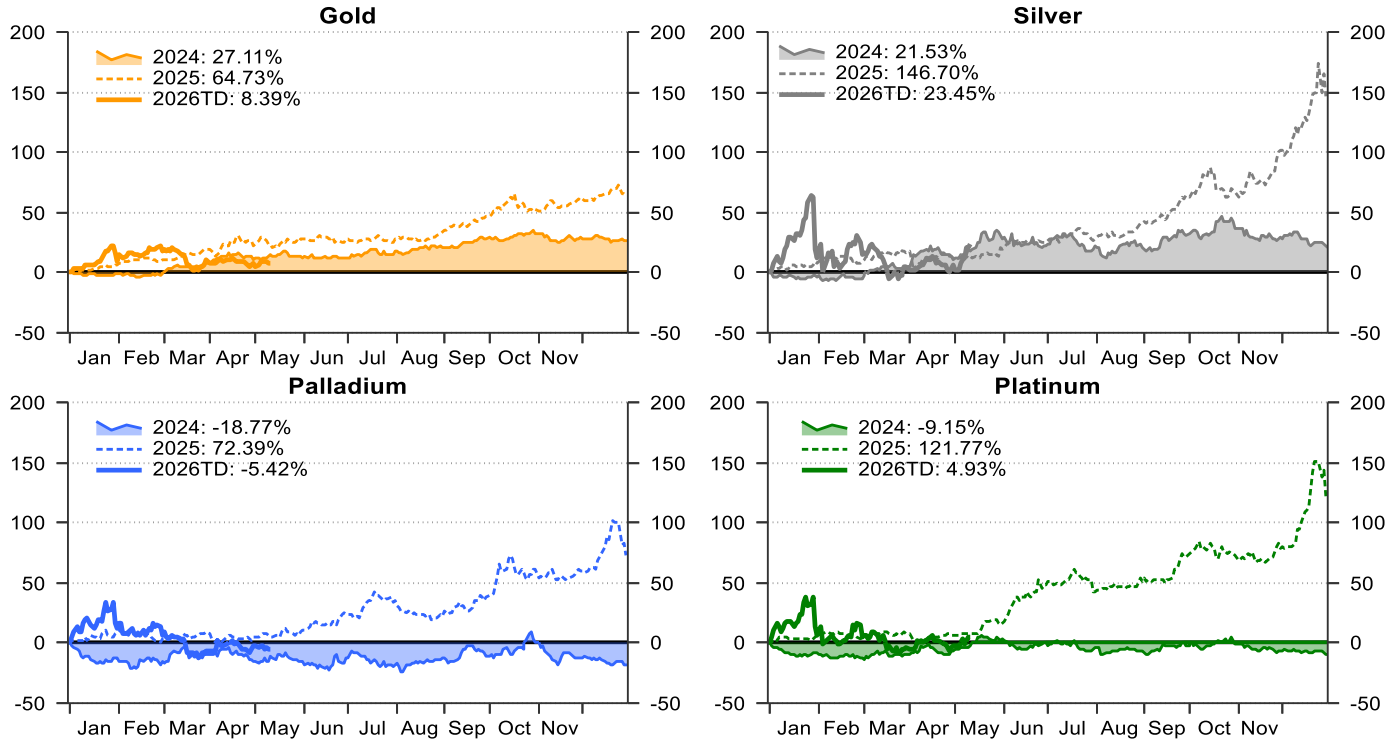
Figure 269: Movement in key commodity indices since 2020

Rebased to 100 on March 31st, 2020 (As of May 14th, 2026)


Source: LSEG Workspace, NSE EPR.

Figure 270: Returns of key precious metals in 2024, 2025 and 2026 till date
(As of May 14th, 2026)

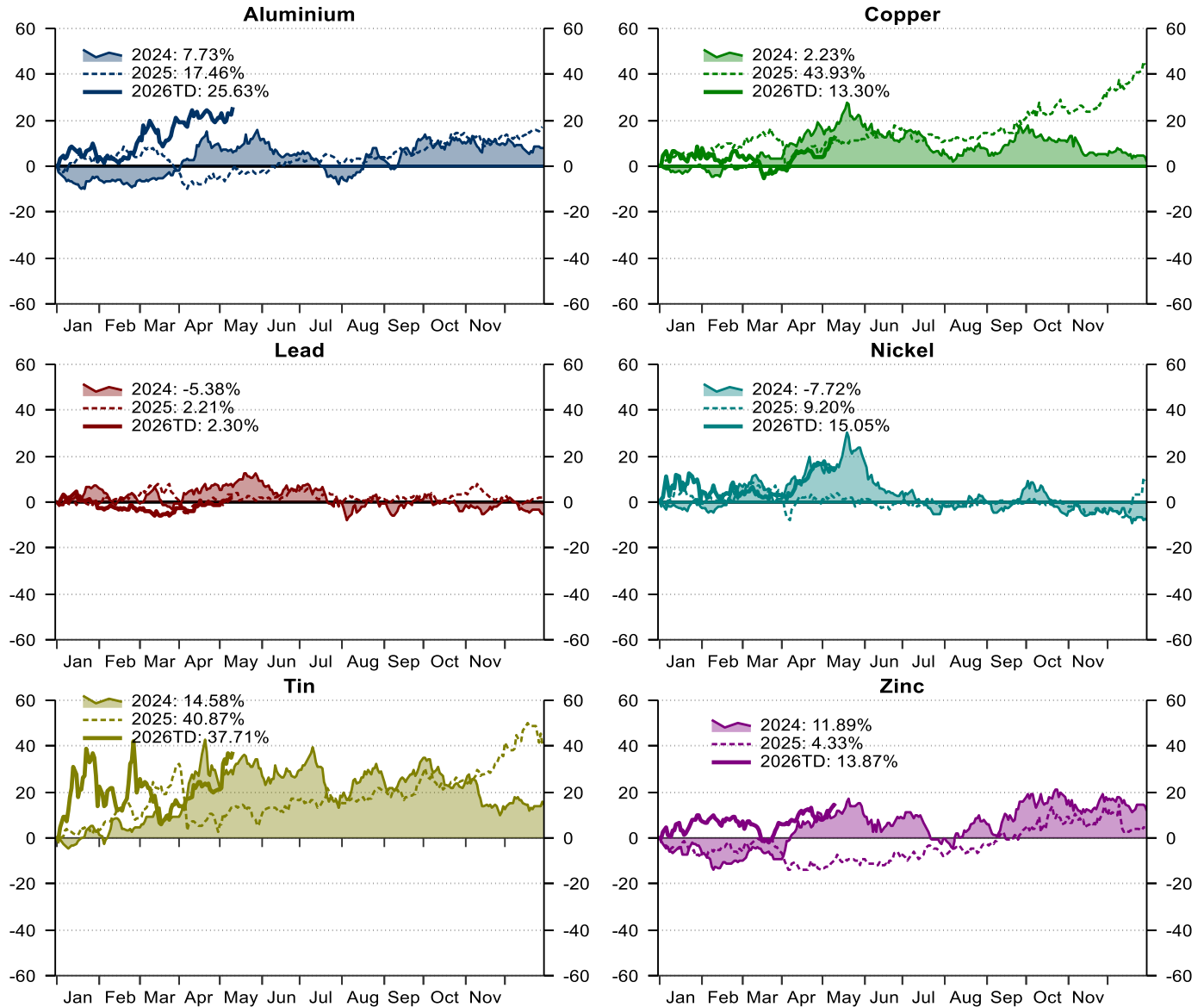
Returns of key Precious Metals



Source: LSEG Workspace, NSE EPR.

Figure 271: Returns of key industrial metals in 2024, 2025 and 2026 till date
(As of May 14th, 2026)

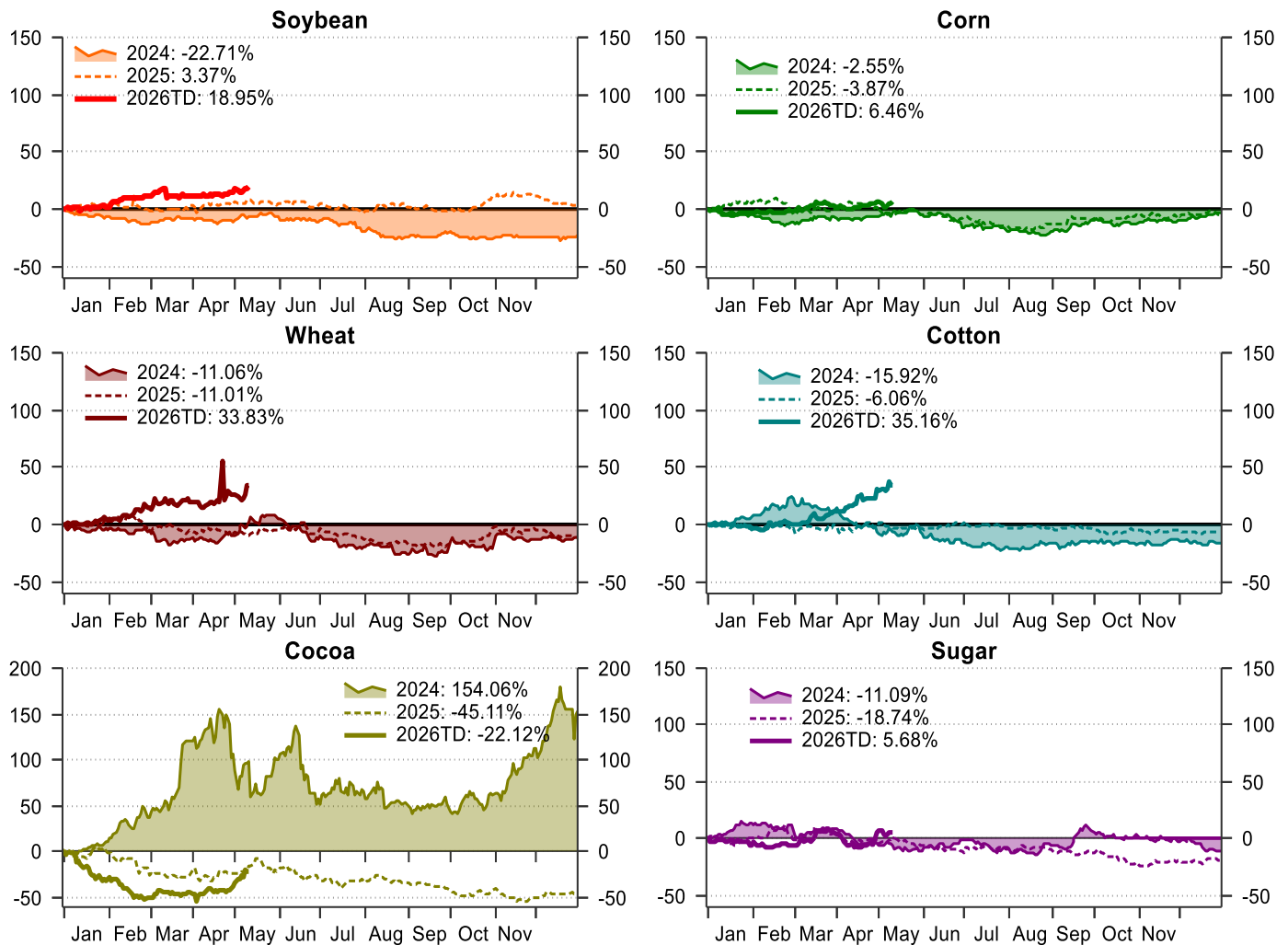
Returns of key Industrial Metals



Source: LSEG Workspace, NSE EPR.

Figure 272: Returns of key agricultural commodities in 2024, 2025 and 2026 till date
(As of May 14th, 2026)

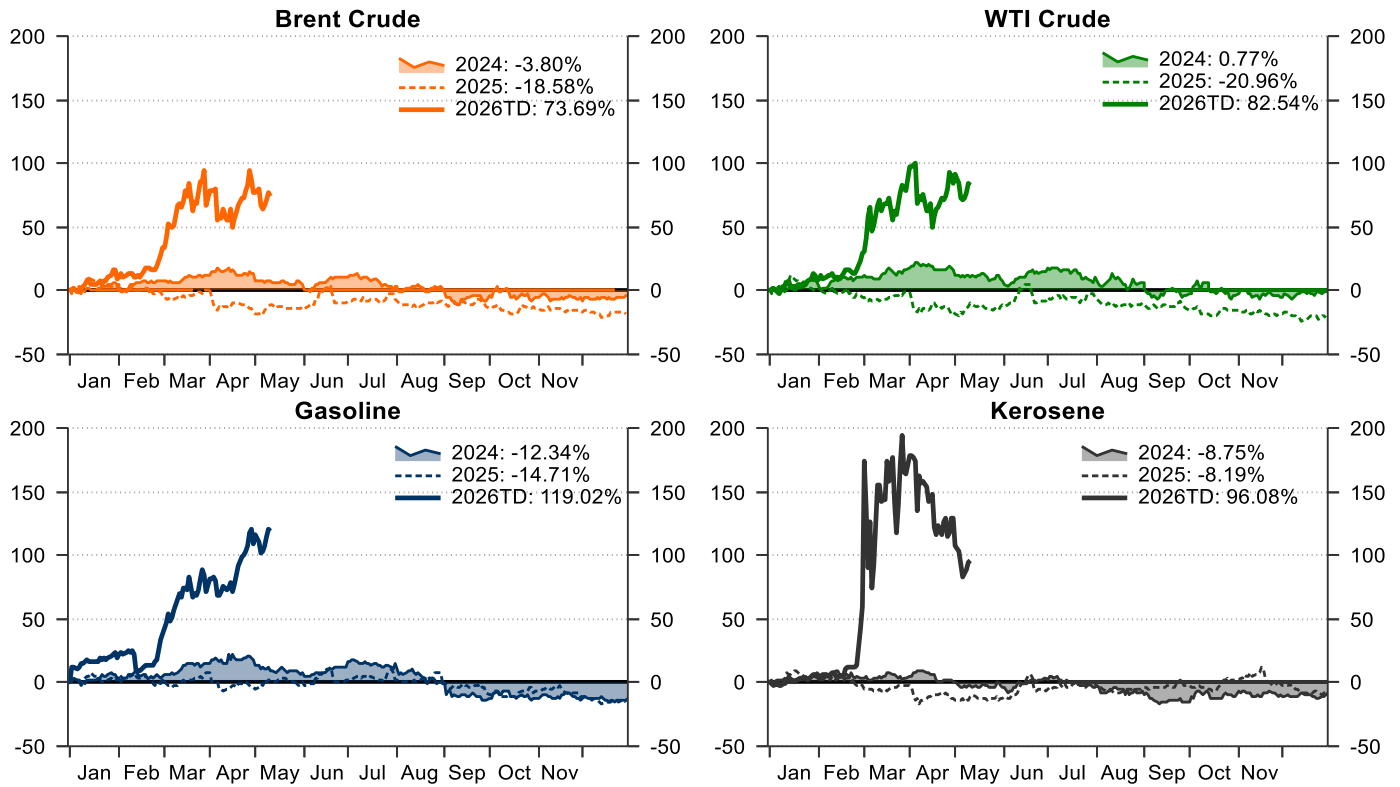
Returns of key agri commodities



Source: LSEG Workspace, NSE EPR.

Figure 273: Returns of key energy commodities in 2024, 2025 and 2026 till date
(As of May 14th, 2026)

Returns of key energy commodities



Source: LSEG Workspace, NSE EPR.

Figure 274: Annual performance across commodities

(As of May 14th, 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 82.5
Gold -10.5	Brent Crude 54.5	Aluminium 32.4	Gold -1.7	WTI 35.4	Copper 26.0	WTI 55.8	Brent Crude 8.3	Tin 1.7	Silver 21.5	Platinum 121.8	Brent Crude 73.7
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 37.7
Aluminium -17.8	WTI 44.8	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	Aluminium 25.6
Tin -24.9	Palladium 20.7	Nickel 27.5	Platinum -14.4	Platinum 22.3	Zinc 19.7	Zinc 31.5	WTI 6.4	Silver -0.8	Aluminium 7.7	Copper 43.9	Silver 23.5
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	Nickel 15.1
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 13.9
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	Copper 13.3
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 -10.3	Lead -5.4	Zinc 4.3	Gold 8.4
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	Platinum 4.9
Brent Crude -35.1	Gold 9.0	Platinum 3.2	Zinc -24.5	Zinc -9.5	WTI -20.9	Palladium -10.2	Zinc -16.3	Lead -12.9	Platinum -9.2	Brent Crude -18.6	Palladium 4.9
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 2.3

Source: LSEG Workspace, NSE EPR.

Currency market performance

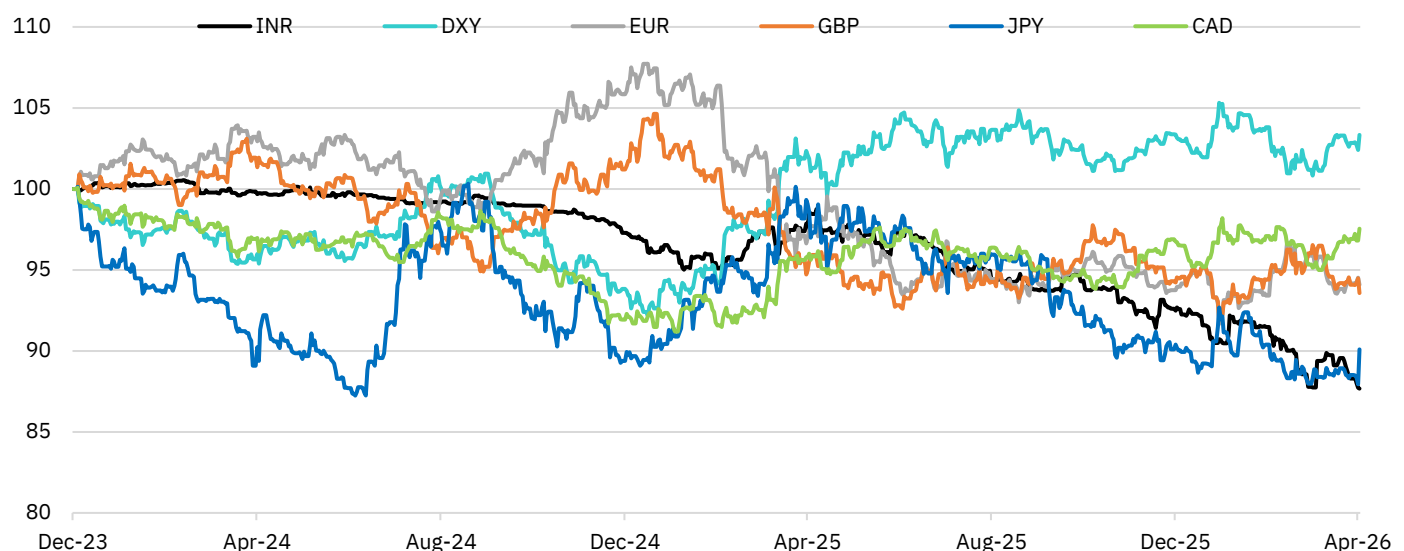
Rupee remains under pressure in April, closing marginally weaker despite dollar softness...

The INR remained under pressure in April 2026, trading within a range of Rs 92.6–94.9 and closing marginally weaker at Rs 94.9 as of 30th April 2026, despite a 1.9% MoM decline in the DXY, thereby reversing the partial recovery seen in early April. The muted response to dollar weakness reflected continued external pressures, particularly from sustained capital outflows, with the depreciation concentrated toward month-end. Net FPI equity outflows of US\$6.5 bn were recorded during the month, alongside debt outflows of US\$1.2 bn, extending the negative flow environment observed toward the end of FY26. Brent crude prices remained elevated, closing at US\$114.15/bbl on 30th April 2026, continuing to weigh on external balance expectations, given its high dependence on imported energy. Depreciation pressures persisted into May with the INR weakening further to Rs 95.8 (as of 14th May), marking a fresh historical low. Meanwhile, foreign exchange reserves rose marginally to US\$690.7 bn as of 1st May 2026 (from US\$688 bn at end-March), providing continued buffer and supporting orderly market conditions.

Major currencies gain amid dollar weakness... In April 2026, the US dollar weakened by 1.9% MoM, supporting a broad-based appreciation across major global currencies. Among developed markets, the Pound Sterling (+2.9% MoM), the Canadian Dollar (+2.5% MoM) and Swiss Franc (+2.3% MoM) led gains, while the Euro (+1.5% MoM) and Japanese Yen (+1.4% MoM) also strengthened. Emerging market currencies recorded a similar trend, with the Russian Rouble (+8.5% MoM) and Brazilian Real (+4.8% MoM) posting the strongest gains, alongside moderate appreciation in the South African Rand (+2.5% MoM) and Chinese Yuan (+1.1% MoM). In contrast, the Indonesian Rupiah (–1.8% MoM) and Turkish Lira (–1.6% MoM) depreciated during the period. Overall, recent movements reflect a phase of dollar weakness, with cross-country performance remaining differentiated.

Figure 275: 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 276: Movement in INR and major EM currencies against dollar since end of 2023

(Rebased to 100 on December 29th, 2023)

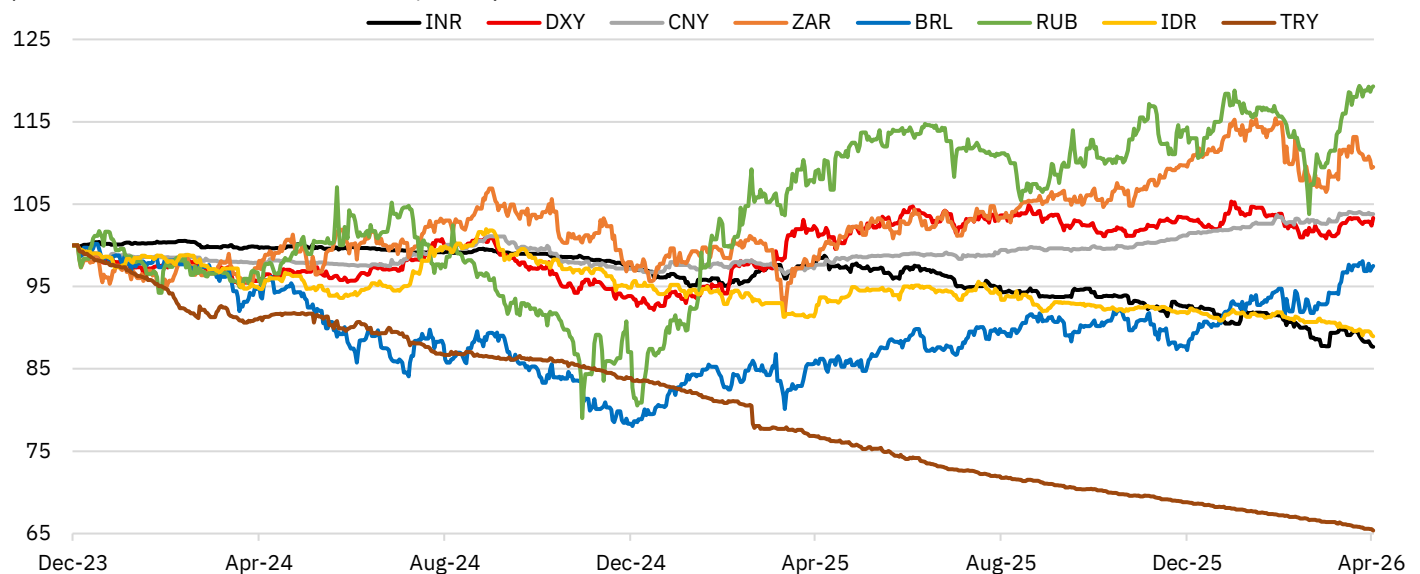


Figure 277: Global currency movements in April 2026 (% change MoM)

Depreciation (-)/Appreciation (+) MoM

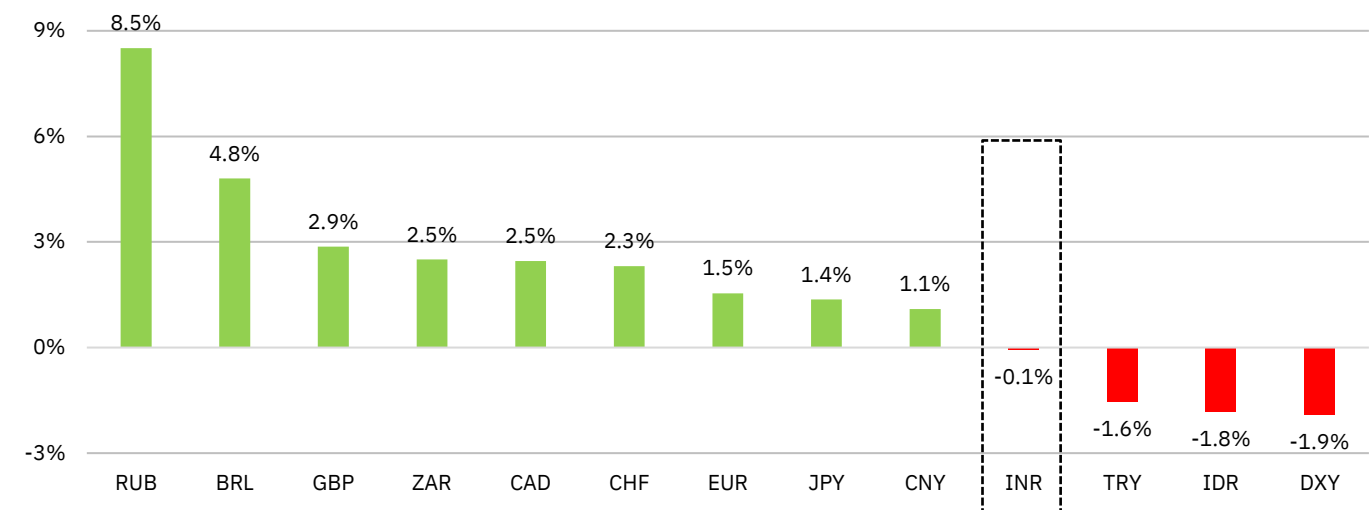
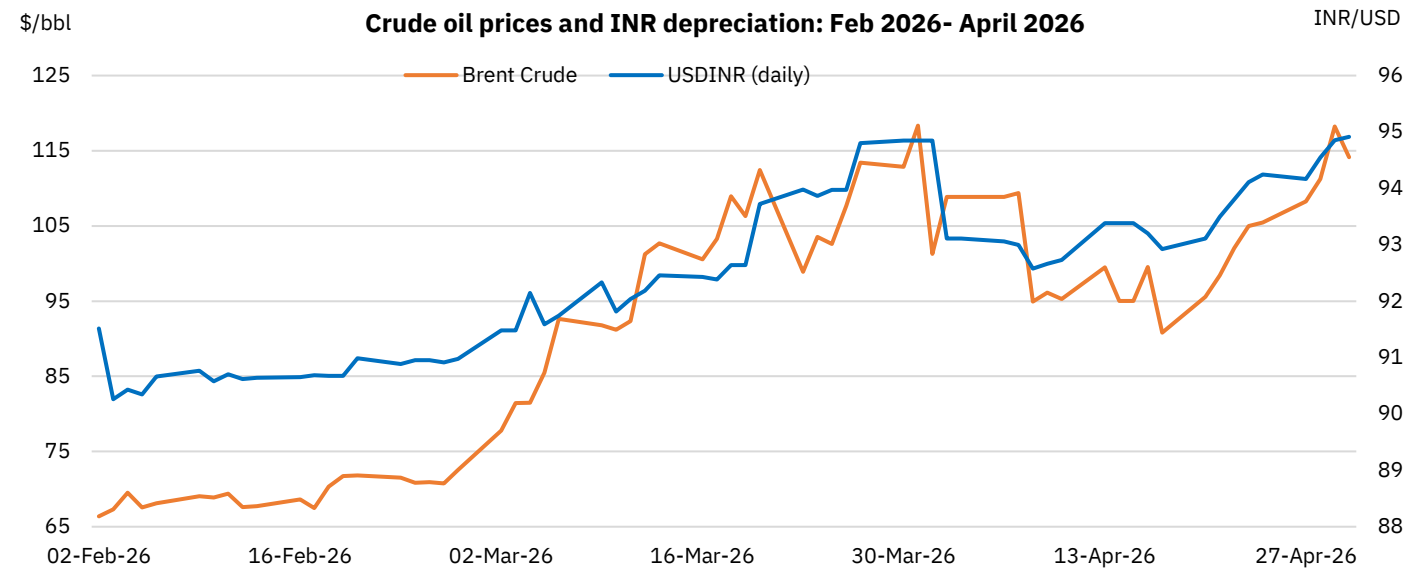


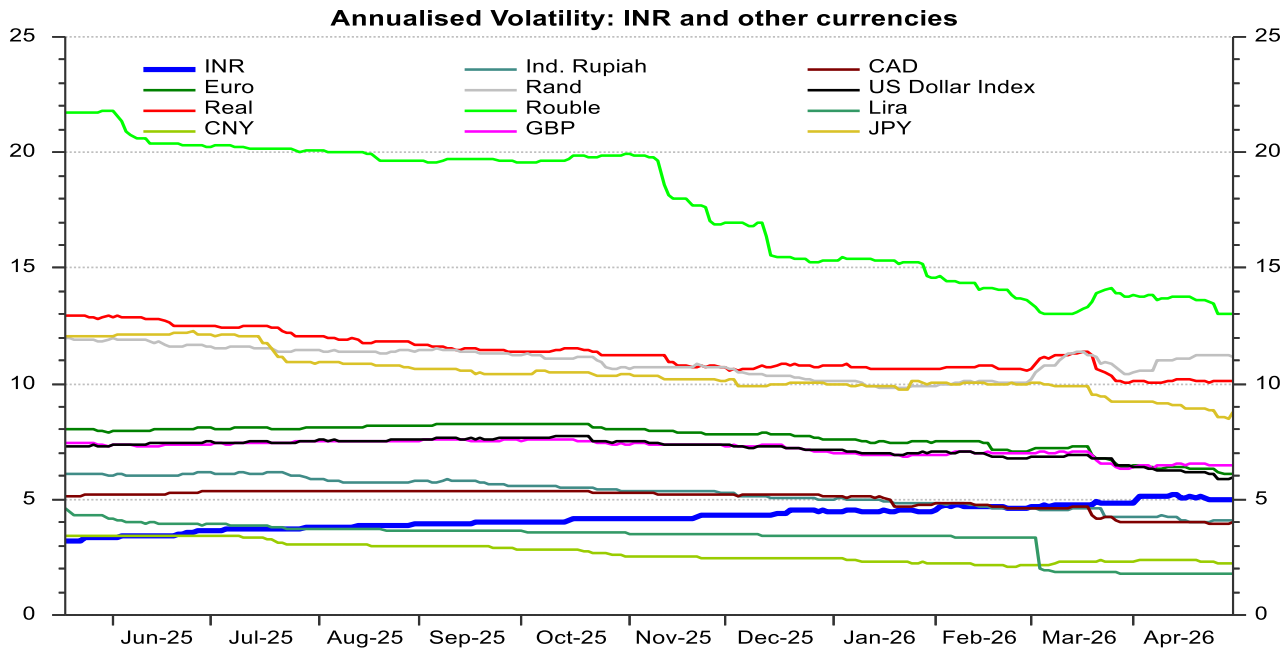
Figure 278: Brent Crude oil prices and INR movement (Feb-April 2026)



Source: LSEG Workspace, NSE EPR.

INR volatility edges higher in April amid moderation across peers: The INR's average annualised volatility rose to 5.1% in April 2026 (+30 bps MoM), extending its upward trend, even as volatility moderated across most major global currencies during the month. Despite the increase, the INR remained broadly within its recent range, consistent with the elevated market activity observed toward the end of FY26. Across peers, volatility declined or remained broadly stable, with the Russian Rouble (13.6%), South African Rand (11.0%), and Brazilian Real (10.1%) continuing to exhibit higher volatility relative to the INR, while the Chinese Yuan (2.3%) remained among the least volatile. Among developed market currencies, volatility moderated, with the Japanese Yen (9.0%), Euro (6.3%), and Pound Sterling (6.5%) recording lower levels. Overall, despite persistent depreciation pressures, the INR continued to exhibit lower volatility relative to several major emerging-market currencies, reflecting the cushioning role of India's reserve buffers, consistent with the broader FY26 pattern.

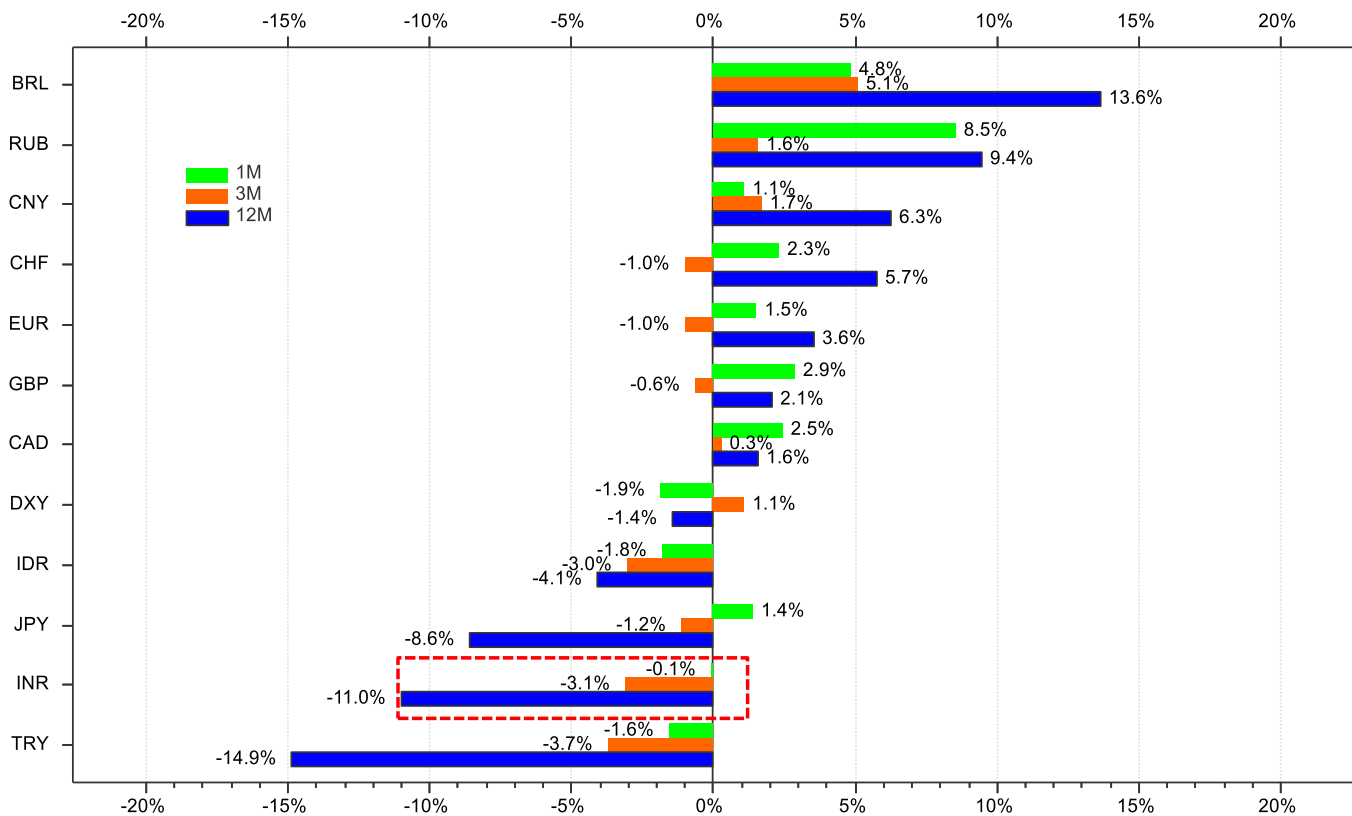
Figure 279: Annualised volatility of INR and other DM & EM currencies



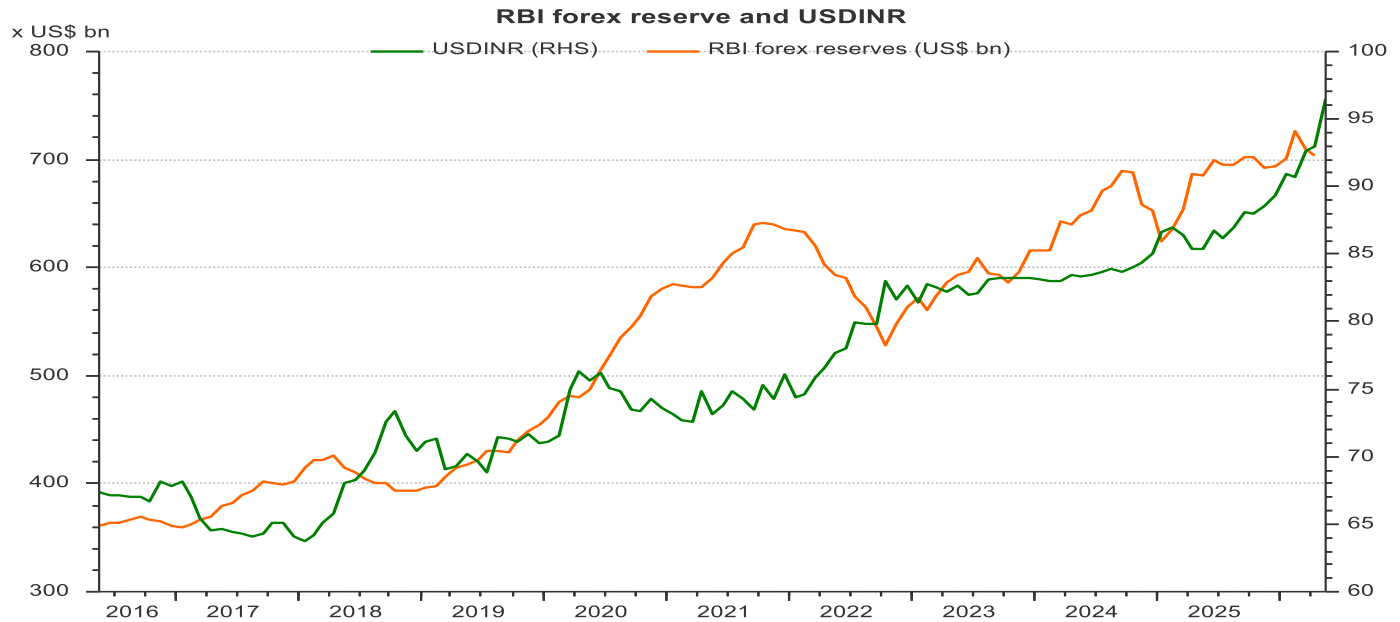
Source: LSEG Workspace, NSE EPR.

Figure 280: Change in INR and major DM & EM currencies (as on April 30th, 2026)

INR & Key Currencies vs. the USD (1M, 3M, 12M)

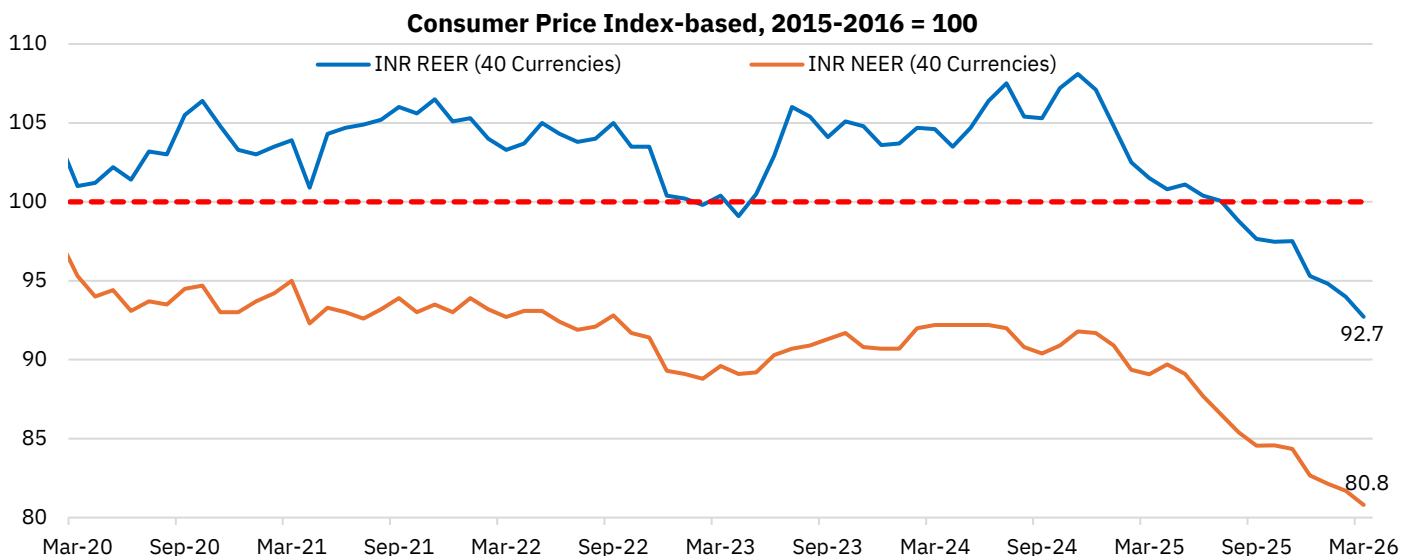


Source: LSEG Workspace, NSE EPR.

Figure 281: RBI forex reserves and USDINR


Source: LSEG Workspace, NSE EPR.

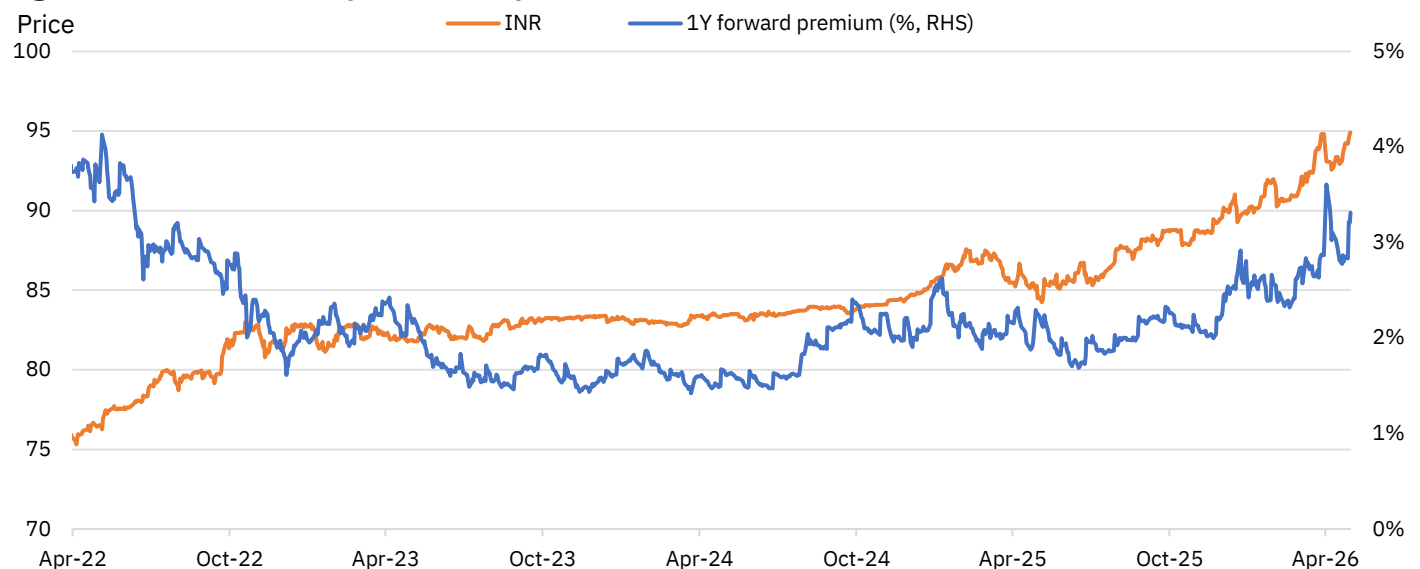
REER and NEER extend their decline, deepening INR undervaluation...: The INR's shift into undervaluation territory, which gathered pace through H2FY26, extended further in March 2026, with the 40-currency trade-weighted REER declining to 92.7 (–127 bps MoM) and the NEER easing to 80.8 (–90 bps MoM). The March readings mark a cumulative correction of approximately 15.4 points from the REER peak of 108.1 recorded in November 2024, reflecting the scale of the valuation adjustment that has unfolded over the intervening 16 months. The continued moderation in REER and NEER reflects a deepening of the undervaluation phase following the earlier overvaluation cycle, with implications for price competitiveness. However, the transmission to export performance is likely to remain gradual amid prevailing global demand uncertainties.

Figure 282: Real and nominal effective exchange rates of INR


Source: CMIE Economic Outlook, NSE EPR.

One-year forward premium extends its firming trend in April 2026...: The one-year forward premium on the INR extended its upward trajectory in April 2026, with the monthly average rising to 3.05% (from 2.73% in March 2026), marking the highest level since September 2022, and reflecting a continued recalibration in forward pricing amid evolving global monetary conditions. The premium fluctuated within a wide range of 258.5–336 paise, before settling at 314.5 paise as of 30th April 2026, indicative of heightened uncertainty in the forward curve following the sharp volatility observed in spot markets in March 2026. The sustained firming coincided with a period in which the RBI held its policy rate steady following prior easing, while the US Fed maintained rates in the 3.5%–3.75% range, with the prevailing interest rate differential supporting a gradual normalisation in forward premiums. Notwithstanding the recent acceleration, premiums remain well below the post-pandemic peak of 5.3%, and the broader trajectory since FY22 continues to reflect a normalisation cycle in INR forward markets rather than a structural dislocation.

Figure 283: USDINR and 1-year forward premium



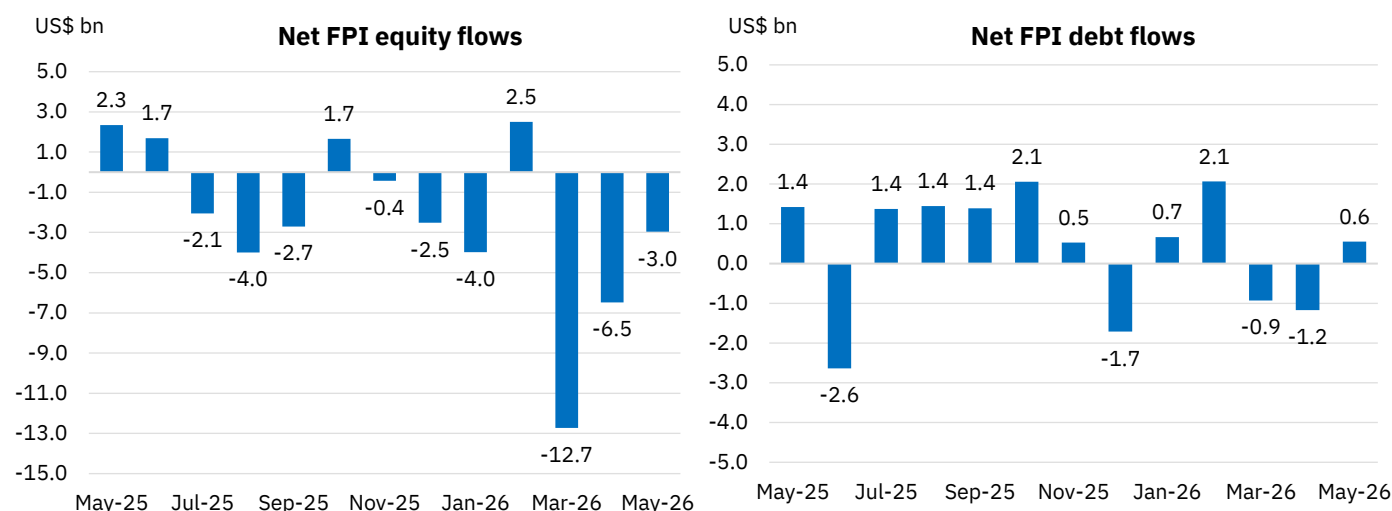
Source: NSE Cogencis, NSE EPR.

Institutional flows across market segments in India

FPI outflows from Indian equities persisted into FY27...: FPIs continued to withdraw from Indian equities at the start of FY27, extending the negative flow environment that dominated the latter half of FY26. Net equity outflows stood at US\$6.5 bn in April 2026, followed by further outflows of US\$3.0 bn in May (as of May 14th, 2026), in sharp contrast to net inflows of US\$510 m recorded in April 2025, when easing trade-related uncertainty and improving global risk sentiment had briefly supported foreign investor participation. Foreign investor positioning remained cautious amid continued geopolitical uncertainty surrounding the duration and economic impact of the West Asia crisis, persistent pressure on the INR, evolving regulatory and taxation-related concerns, and elevated global volatility. Brent crude prices remained elevated through April—rising from around US\$101/bbl at the start of the month to a peak of over US\$118/bbl towards end-April amid continued disruption around the Strait of Hormuz—thereby weighing on India’s external sector outlook and reinforcing foreign investor caution. Cumulatively, FPI equity outflows in FY27 stood at US\$9.4 bn as of May 14th, 2026, indicating that the adverse flow environment observed towards the close of FY26 had yet to meaningfully reverse.

...While debt market flows stabilised after outflows in April: FPI participation in the debt segment also remained subdued at the start of FY27. Net debt outflows of US\$1.2 bn in April 2026 reflected the continuation of the broad-based risk-off adjustment witnessed in March, although this remained materially lower than outflows of US\$2.8 bn recorded during April 2025. Flows turned marginally positive in May, with net inflows of US\$556 m (as of May 14th, 2026). The partial recovery in May suggests some stabilisation in foreign participation in Indian fixed-income assets following the sharp volatility witnessed during March and April. Cumulatively, FPI debt flows in FY27 remained in deficit at US\$613 m, although the negative position remained materially narrower than in the equity segment. The divergence between persistent equity outflows and the tentative recovery in debt flows points to a selective improvement in risk appetite within fixed-income segments rather than a broad-based return of foreign portfolio flows.

Figure 284: Monthly Net inflows by FPIs in Indian equity and debt markets



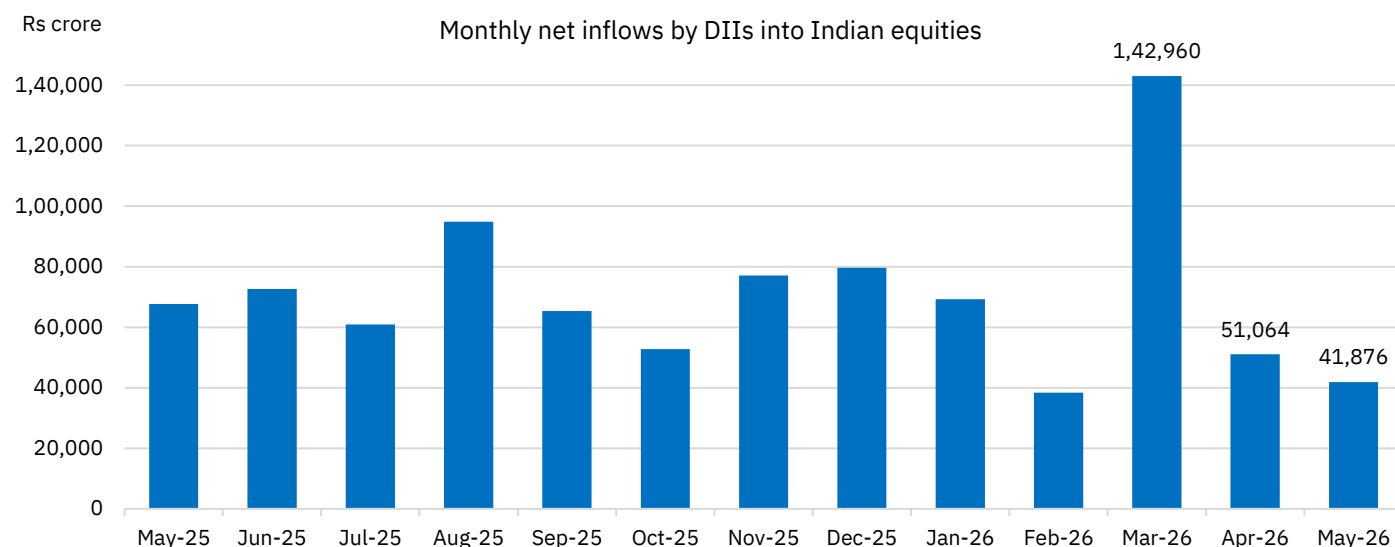
Source: NSDL, NSE EPR. Data for May is as of May 14th, 2026.

DIIs continued to provide support to Indian equities at the start of FY27: Domestic Institutional Investors (DIIs) maintained their buying streak into FY27, investing Rs 51.1k crore (US\$5.5 bn) in April 2026—significantly higher than inflows of Rs 28.2k crore (US\$3.3 bn) recorded in April 2025. The sustained buying extended into May, with DIIs adding a further Rs 41.9k crore (US\$4.4 bn) as of 14th May 2026, taking cumulative DII equity inflows in FY27 to Rs 92.9k crore (US\$9.9 bn). The persistence of domestic institutional participation at elevated levels—even as FPI outflows continued—reflects the structural support provided by SIP-led flows, reinforcing the growing role of domestic investors as a stabilising force in Indian equity markets during periods of heightened external volatility.

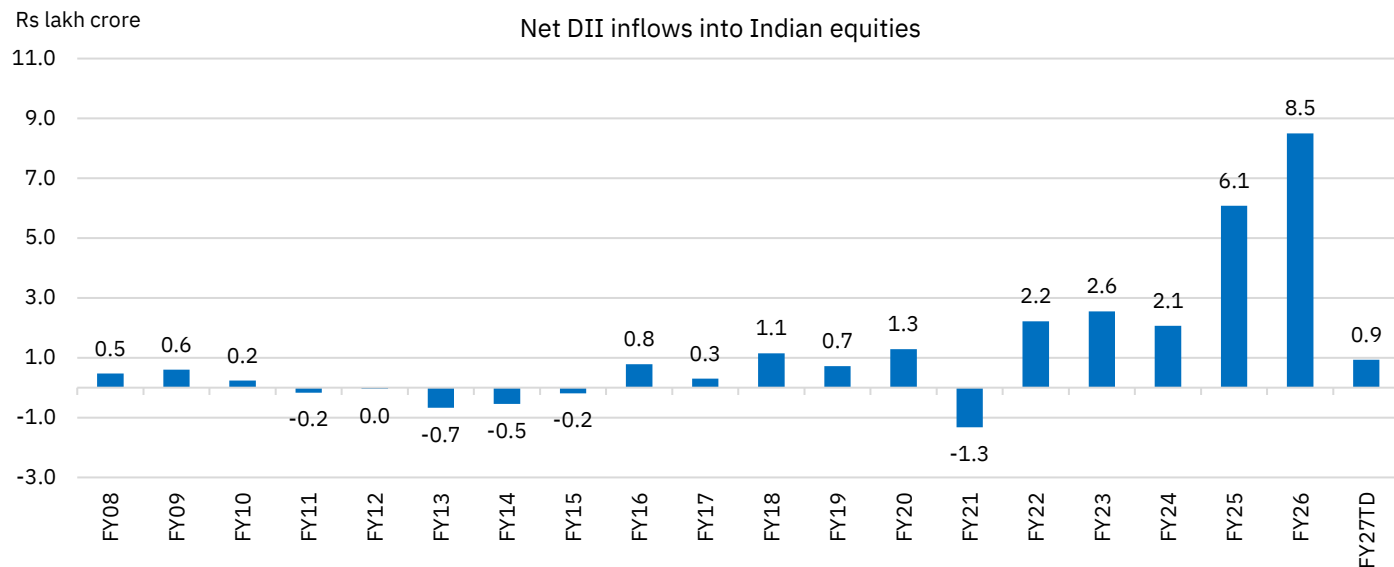
Among DIIs, Domestic Mutual Funds (DMFs) continued to anchor domestic equity inflows at the start of FY27. DMFs invested Rs 30.6k crore (US\$3.3 bn) in Indian equities in April 2026, significantly higher than inflows of Rs 18.1k crore (US\$2.1 bn) recorded during April 2025—sustaining the domestic retail participation momentum that characterised FY26. The pace of inflows extended in May, with net equity investments of Rs 22.6k crore (US\$2.4 bn) recorded as of 11th May 2026. Cumulatively, DMF equity inflows in FY27 stood at Rs 53.1k crore (US\$5.7 bn), reflecting continued SIP-led allocations towards equities despite heightened external volatility and persistent FPI selling.

In contrast to the persistent outflows witnessed through much of FY26, DMF flows into debt turned marginally positive in April 2026, with net inflows of Rs 1.7k crore (US\$0.2 bn), marking a notable reversal from outflows of Rs 23.9k crore recorded during April 2025. The improvement followed record debt outflows of Rs 7.1 lakh crore in FY26, including a historic monthly withdrawal of Rs 1.3 lakh crore in March 2026. However, the recovery proved short-lived, with DMFs recording fresh debt outflows of Rs 26.2k crore (US\$2.8 bn) in May 2026 (as of 11th May). Consequently, cumulative DMF debt outflows in FY27 stood at Rs 24.5k crore (US\$2.6 bn)—substantially lower than the heavy selling observed during the corresponding period last year, suggesting some moderation in the pace of portfolio reallocation away from fixed-income assets.

Figure 285: Monthly net inflows by DIIs in Indian equity markets

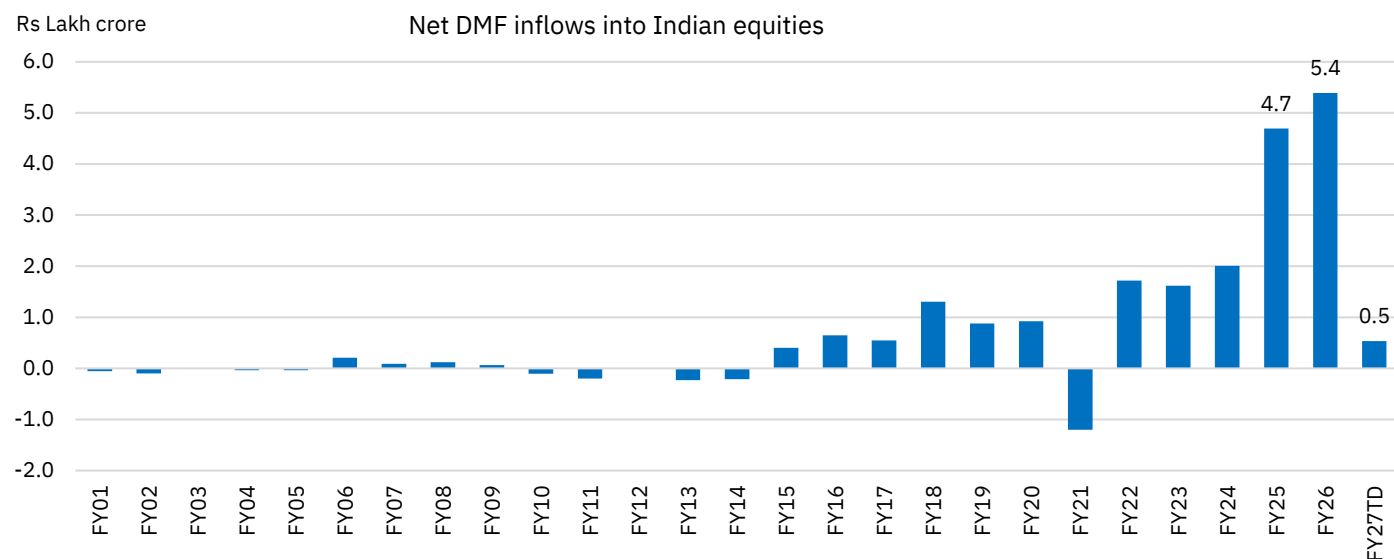


Source: LSEG Workspace, NSE EPR. Data for May is as of May 14th, 2026. Note: The figure above shows total traded value executed by DIIs across exchanges, compiled based on trading codes entered by Trading Members at the time of order entry and corresponding client category classification provided by trading members.

Figure 286: Annual net inflows by DIIs in Indian equity markets


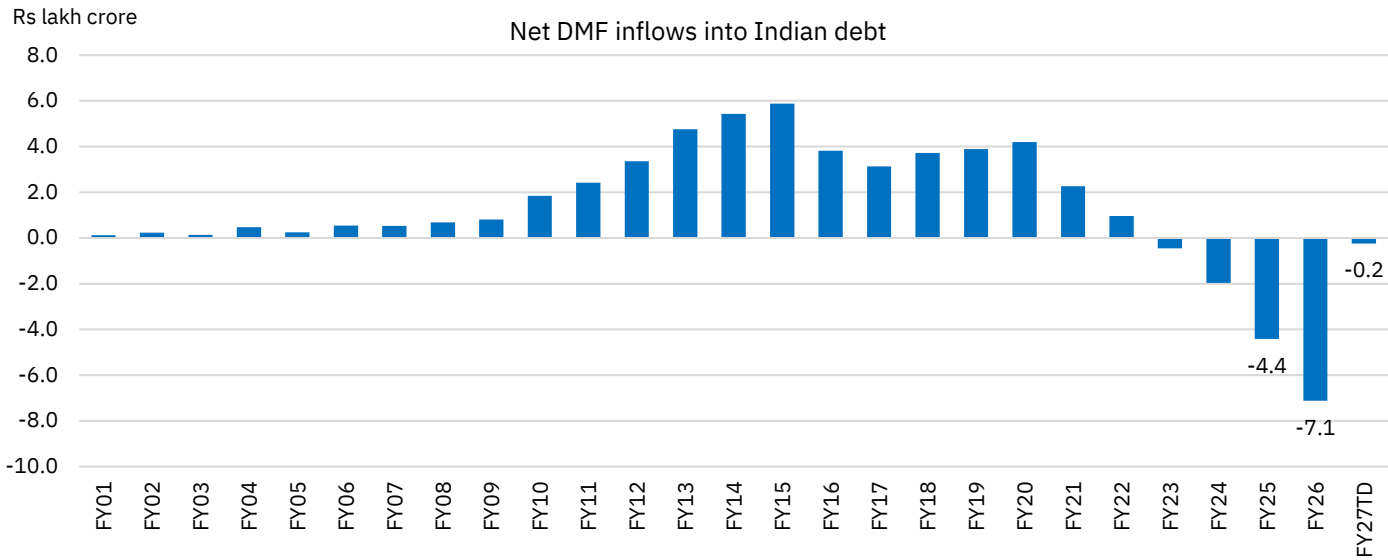
Source: LSEG Workspace, NSE EPR. Data for FY27TD is as of May 14th, 2026.

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 287: Annual net inflows by domestic mutual funds in Indian equity markets


Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of May 11th, 2026.

Figure 288: Annual net inflows by domestic mutual funds in Indian debt markets



Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of May 11th, 2026.

Markets in depth

Indian capital markets reflect expanding reach; equity fundraising rebound in April

Equity fundraising activity rebounded sharply in April 2026, led primarily by preferential issuances by listed companies, while IPO mobilisation moderated amid cautious global market sentiment at the start of FY27. India's investor ecosystem continued to deepen, with the total number of unique registered investors at NSE surpassing the 13-crore milestone. The investor base increasingly shifted towards younger participants, with the median investor age declining to 33 years. On the activity side, the equity cash segment recorded strong growth, with average daily turnover and average trade size reaching multi-month highs. However, turnover remained highly concentrated among higher-value investors, despite lower-value investors constituting the majority of participants. Overall participation trends indicate that the equity cash market continues to serve as the primary entry point for investors in Indian capital markets.

Preferential issuances lead equity fundraising amid cautious market conditions:

Equity fundraising activity witnessed a sharp rebound in April 2026, largely driven by preferential issuances by listed companies. In contrast, IPO mobilisation moderated, reflecting uncertain global market conditions. During the month, the Mainboard segment recorded four listings, while the NSE Emerge platform saw two SME listings. Debt fundraising also softened, declining to Rs 1.2 lakh crore; commercial papers continued to dominate, accounting for more than 83% of total borrowings. Between Apr'24 and Apr'26, Maharashtra emerged as the leading state in both Mainboard and SME IPO fundraising, followed by Karnataka, NCT of Delhi and Gujarat. Sector-wise, Consumer Discretionary, Financials and Industrials led the Mainboard fundraising, while Industrials, Consumer Discretionary and Materials dominated activity in the SME segment, highlighting broad-based capital formation across sectors and regions.

Investor ecosystem broadens across regions and demographics: The investor ecosystem in India continued to deepen, with the unique registered investors at NSE surpassing the 13-crore milestone as of April 2026. Maharashtra retained its leadership position and became the first state to cross the 2-crore mark in March 2026. Importantly, investor participation is increasingly broad-based geographically, with states outside the top 10 accounting for 27% of the investor base as of April 2026, compared with 22% in FY17. Several northeastern states have recorded particularly strong growth since FY17, including Arunachal Pradesh, Mizoram and Assam, highlighting the growing penetration of capital markets beyond traditional financial centres. The investor base also continues to exhibit a clear demographic shift towards younger participants. The share of investors below 30 years rose from 23.5% in Mar'20 to 38.3% in Apr'26 while the share of investors aged 50 years and above declined from 25.6% to 15.3% over the same period. Reflecting this transition, the median age of registered investors declined from 38 years to 33 years, highlighting the increasing participation of younger investors in Indian capital markets.

Higher-value participation drives cash market turnover growth: The equity cash segment delivered a strong performance, with average daily turnover rising 8% MoM to a 21-month high of Rs 1.3 lakh crore in Apr'26. Average Trade Size also rose sharply by 15% MoM to a 65-month high of Rs 36,057. Despite higher turnover, the count of unique investors participating in the cash segment declined 4% MoM to 1.13 crore, indicating that trading activity became increasingly concentrated among higher-value participants. The concentration in turnover was particularly evident across investor cohorts. Investors trading above Rs 10 crore, representing only 0.3% of the active investor base, accounted

for nearly 79% of the monthly turnover in Apr'26. In contrast, investors trading below Rs 1 lakh constituted 66.3% of active participants but contributed merely 0.3% to turnover.

Equity cash market dominates investor participation landscape: As of April 30th, 2026, around 1.34 crore investors traded at least once during the month across equity cash and derivatives, out of the total 13 crore registered investor base. Of these, approximately 98 lakh investors traded exclusively in the cash segment, representing nearly 7.5% of the overall investor base. In comparison, only 20.1 lakh investors traded exclusively in equity derivatives. The participation profile highlights the equity cash market remains the primary entry point and participation avenue for the broader investor base.

Preferential issuances drive surge in equity fundraising in April

Overall capital mobilisation trends in April 2026 reflected a mixed but resilient fundraising environment across equity, debt, and business trust segments. Equity fundraising surged 230% MoM to ~ Rs 52,700 crore, primarily driven by preferential issuances by listed companies, while IPO mobilisation moderated to Rs 2,303 crore, indicating a relatively softer start to FY27 amid cautious global market sentiment. The Mainboard segment recorded four listings, while the NSE Emerge platform witnessed two SME listings during the month. Debt fundraising also moderated to Rs 1.2 lakh crore from Rs 2.1 lakh crore in March 2026, with commercial papers continuing to dominate market borrowings, accounting for over 83% of total issuances. Between April 2024 and April 2026, Maharashtra emerged as the leading state in both Mainboard and SME IPO fundraising, followed by Karnataka, NCT of Delhi, and Gujarat. Sector-wise, Consumer Discretionary, Financials, and Industrials remained dominant across Mainboard issuances, while Industrials, Consumer Discretionary, and Materials led fundraising activity in the SME segment during the same period.

Fund mobilisation and new listings

Further equity issuances rise sharply, led by Preferential issuances...: Overall fund mobilisation through equity surged 230% MoM to ~ Rs 52,700 crore in April 2026, primarily driven by further equity issuances by listed companies. Within these issuances, preferential allotments accounted for over 90% of the total and increased nearly sevenfold over the previous month to around Rs 46,700 crore.

...While IPO fundraising moderates: Total IPO mobilisation stood at approximately Rs 2,303 crore in April 2026, compared with Rs 8,297 crore in March 2026. The Mainboard segment recorded four listings, collectively raising Rs 2,099 crore, comprising Rs 1,558 crore through fresh issuances and Rs 541 crore through Offer for Sale (OFS). The SME segment witnessed two listings on the NSE Emerge platform, mobilising Rs 205 crore, including Rs 179 crore through fresh issuances and Rs 26 crore through OFS. The moderation in IPO fundraising suggests a relatively softer start to FY27, even as listing activity remained resilient amid a cautious global market environment.

Debt fundraising moderates; Commercial Papers continue to dominate issuances: Debt fundraising stood at Rs 1.2 lakh crore in April 2026, lower than Rs 2.06 lakh crore recorded in March 2026. Commercial paper (CP) issuances continued to dominate the debt market, accounting for over 83% of total issuances at more than Rs 1 lakh crore. Meanwhile, private placements of non-convertible debentures (NCDs) mobilised Rs 21,170 crore, representing around 17% of overall debt fundraising. The continued predominance of CP issuances reflects sustained reliance on short-term market-based borrowing instruments. Fund mobilisation through business trusts amounted to Rs 3,705 crore during the month. InvITs raised Rs 1,105 crore through fresh listings, while REITs mobilised Rs 2,600 crore through Qualified Institutional Placements (QIPs). Compared with March 2026, fundraising through business trusts moderated during the month.

Maharashtra leads Mainboard and SME IPO Fundraising: The state-wise distribution of Mainboard IPO issuances between April 2024 and April 2026 was led by Maharashtra, with 59 companies collectively raising Rs 97,640 crore. Karnataka and NCT of Delhi followed, mobilising Rs 66,562 crore and Rs 66,462 crore, respectively. Together, these three states accounted for 61% of total listings and 68% of the capital raised during the period.

In the SME IPO segment, Maharashtra also emerged as the leading contributor, with 74 companies raising Rs 3,480 crore, followed by Gujarat at Rs 2,240 crore and NCT of Delhi

at Rs 2,152 crore. Collectively, these three states accounted for 63% of SME listings and 62% of total funds raised. Since inception, the NSE Emerge platform has facilitated 723 listings, with cumulative fund mobilisation exceeding Rs 22,400 crore and an aggregate market capitalisation of Rs 2.3 lakh crore as of April 30, 2026. Notably, 160 companies have transitioned from the Emerge platform to the Mainboard.

Consumer Discretionary, Financials and Industrials dominate mainboard listings:

Sector-wise distribution of companies listed between April 2024 and April 2026 indicates that Consumer Discretionary, Financials, and Industrials dominated the Mainboard segment, accounting for 62% of total listings and 70% of capital raised. In the SME IPO segment, Industrials, Consumer Discretionary, and Materials emerged as the leading sectors, contributing 73% of total listings and 72% of the capital raised during the period.

Table 52: Monthly trends for fund mobilisation (Rs crore) through equity and debt in the last 10 months

Segments	Modes	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Equity (Main Board) - Primary markets	Fresh listing	7,464	7,803	5,679	10,909	11,754	7,365	1,816	1,824	2,784	1,558
	OFS	17,096	5,115	3,984	29,491	21,260	14,493	2,949	2,185	5,271	541
	IPO (Fresh + OFS)	24,559	12,918	9,664	40,400	33,014	21,858	4,765	4,009	8,056	2,099
	FPO	-	-	-	-	-	-	-	-	-	-
	Rights	1,698	3,149	1,349	582	1,073	26,488	381	74	780	1,260
	Preferential	4,028	2,763	4,101	6,475	19,180	7,861	27,134	3,119	5,423	46,317
	QIPs	30,539	1,202	2,000	1,100	1,200	11,086	4,150	-	182	2,500
Equity (SME) - Primary markets	Fresh listing	565	791	643	309	213	622	253	282	234	179
	OFS	40	53	55	17	-	24	5	24	7	26
	IPO (Fresh + OFS)	604	843	698	326	213	646	258	306	242	205
	FPO	-	-	-	-	-	-	-	-	-	-
	Rights	40	-	35	-	91	-	-	-	122	-
	Preferential	161	86	139	195	206	546	34	263	145	350
	QIPs	70	-	85	-	-	-	-	-	-	-
Secondary markets	OFS	35	828	1,304	252	51	4,061	3,313	8,265	1,020	-
Total equity raised		61,733	21,790	19,375	49,329	55,027	72,545	40,035	16,037	15,970	52,731
InvITS	Fresh listing	1,300	-	-	400	-	-	-	-	6,000	1,105
	Rights	-	-	-	-	-	-	-	-	-	-
	Preferential	-	-	-	-	1,789	-	-	-	1,314	-
	QIPs	-	-	-	3,248	-	1,250	1,500	-	2,469	-
REITs	Fresh listing	-	4,800	-	-	-	-	-	-	-	-
	Rights	-	-	-	-	-	-	-	-	-	-
	Preferential	-	-	1,000	-	-	-	1,819	-	-	-
	QIPs	-	-	-	-	-	3,500	-	-	-	2,600
Total business trusts raised		1,300	4,800	1,000	3,648	1,789	4,750	3,319	-	9,782	3,705
Debt	CPs	74,483	65,826	1,04,444	55,775	77,160	86,964	39,261	1,26,645	1,27,237	1,01,294
	NCDs (Private)	27,879	20,593	47,088	43,703	38,051	51,585	25,462	40,363	77,473	21,170
	NCDs (Public)	1,000	174	-	200	-	-	1,000	601	1,222	-
Total debt raised		1,03,362	86,593	1,51,532	99,678	1,15,214	1,38,549	65,723	1,67,608	2,05,931	1,22,463
Total fund mobilisation		1,66,395	1,13,182	1,71,907	152,655	1,72,030	2,15,844	1,09,077	1,83,646	2,31,684	1,78,899

Source: NSE EPR.

Note: 1) Debt issuances include reissuances.

2) Data for FY26 is as of March 30th, 2026.

3) Data for OFS Secondary market is computed as no of shares offered*floor price (Base issue+ Greenshoe)

Table 53: Annual trends for fund mobilisation (Rs crore) through equity and debt in FY25 and FY26

Segments	Modes	FY25	FY26	change
Equity (Main Board) - Primary markets	Fresh listing	57,639	69,396	20%
	OFS	1,04,878	1,03,695	-1%
	Fresh listing + OFS	1,62,517	1,73,091	7%
	FPO	18,000	-	-
	Rights	15,670	42,660	172%
	Preferential allotment	62,129	1,28,746	107%
	QIPs	1,28,488	67,644	-47%
Equity (SME) - Primary markets	Fresh listing	6,695	5,088	-24%
	OFS	416	275	-34%
	Fresh listing + OFS	7,111	5,363	-25%
	FPO	150	-	-100%
	Rights	426	345	-19%
	Preferential allotment	1,668	2,333	40%
	QIPs	215	180	-16%
Secondary markets	OFS	29,077	27,429	-6%
Total equity raised		4,25,451	4,47,790	5%
InvITs	Fresh listing	1,578	7,700	388%
	Rights	1,715	-	-100%
	Preferential allotment	10,382	3,243	-69%
	QIPs	5,455	8,467	55%
REITs	Fresh listing	-	4,800	-
	Rights	-	-	-
	Preferential allotment	1,841	2,819	53%
	QIPs	3,500	3,500	0%
Total business trusts raised		24,471	30,530	25%
Debt	CPs	7,70,812	10,01,477	30%
	NCDs (Private)	6,44,372	5,48,859	-15%
	NCDs (Public)	3,259	4,896	50%
Total debt raised		14,18,443	15,55,232	10%
Total fund mobilisation		18,68,365	20,33,552	9%

Source: NSE EPR.

Note:

1) Debt issuances include reissuances.

2) Data for OFS Secondary market is computed as No of shares offered*floor price (Base issue+ Greenshoe).

Table 54: New listing on Mainboard platform during April 2026

Company Name	Issue Price	Listing Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
Amir Chand Jagdish Kumar (Exports) Ltd	212	200	-6%	440	-	440	1,392.8
Sai Parenteral's Limited	392	400	2%	285	124	409	2,147.3
Powerica Limited	395	366	-7%	700	400	1,100	6,199.1
Om Power Transmission Limited	175	186	6%	133	18	150	665.3

Source: NSE

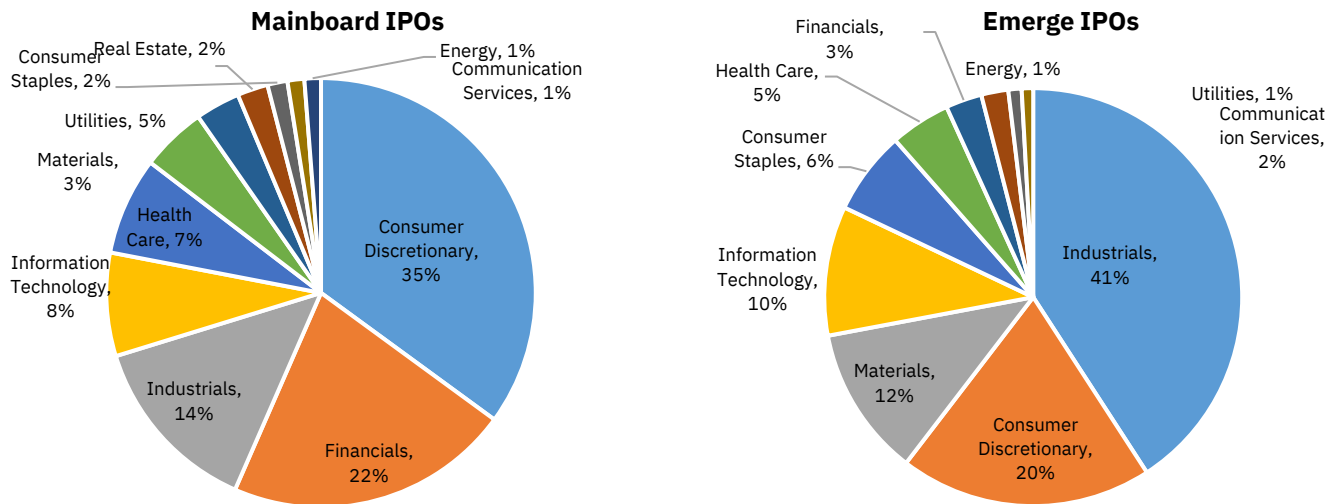
Note: 1) Listing gain/ loss has been calculated based on opening price. 2) Data for Market Cap is as of April 30th, 2026.

Table 55: New listing on Emerge platform during April 2026

Company Name	Issue Price	Listing Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
Vivid Electromech Limited	555	565	2%	105	26	131	613.7
Adisoft Technologies Limited	172	205	19%	74	-	74	351.2

Source: NSE

Note: 1) Listing gain/ loss has been calculated based on opening price. 2) Data for Market Cap is as of April 30th, 2026.

Figure 289: Sector distribution for IPOs during April 2024 and April 2026 (based on capital raised)


source: LSEG workspace. NSE EPR.

Notes: 1. Data is based on fund raising by companies

2. Data include companies that were listed between April 2024 to April 2026

Table 56: Top 10 State-wise fund raising (Period: Apr'24 – Apr'26) for Mainboard IPO issuances

States	No of listings	Amount raised (Rs crore)
Maharashtra	59	97,640
Karnataka	29	66,562
NCT of Delhi	28	66,462
Tamil Nadu	6	36,820
Gujarat	24	22,953
Haryana	10	20,283
Telangana	6	8,014
West Bengal	7	6,188
Uttar Pradesh	2	3,984
Jharkhand	3	3,410
Others	17	5,393
Grand Total	191	3,37,707

Source: NSE EPR. Note: Data includes companies that were listed between April 2024 to April 2026.

Table 57: Top 10 State-wise fund raising (Period: Apr'24 – Apr'26) for SME IPO issuances

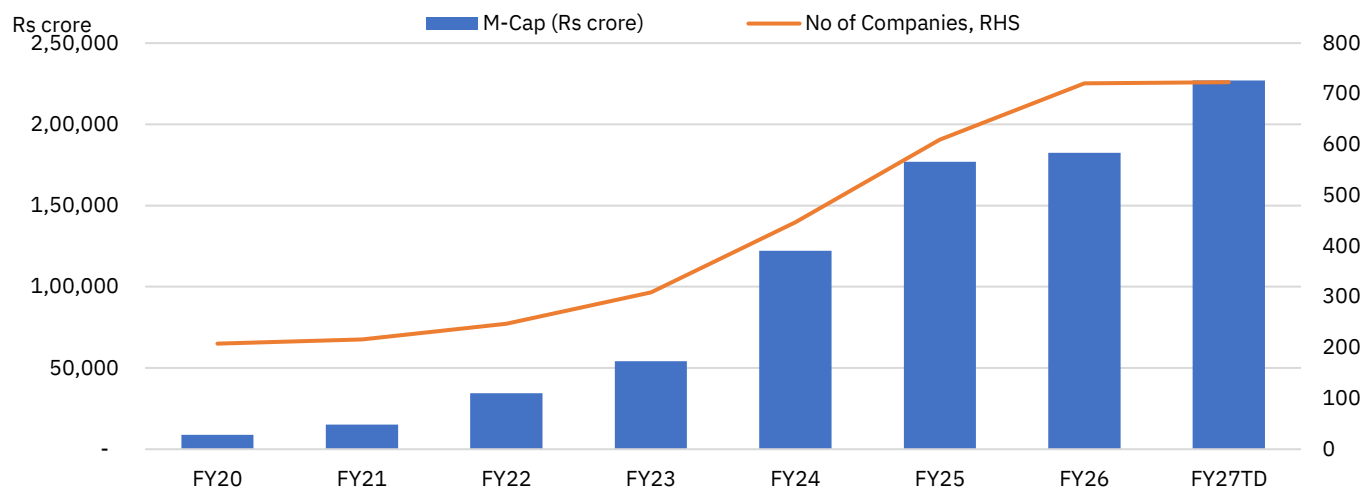
States	No of listings	Amount raised (Rs crore)
Maharashtra	74	3,480
Gujarat	53	2,240
NCT of Delhi	46	2,152
West Bengal	25	1,085
Rajasthan	13	688
Tamil Nadu	10	667
Karnataka	9	497
Haryana	9	435
Madhya Pradesh	9	359
Uttar Pradesh	7	328
Others	21	748
Grand Total	276	12,678

Source: NSE EPR. Note: Data includes companies that were listed between April 2024 to April 2026.

Table 58: Top 10 state-wise SME IPO issuances on Emerge platform since inception

State	No of listings	Amount raised (Rs crore)	Market Capitalisation (Rs crore)
Maharashtra	203	6,198	50,892
Gujarat	181	4,811	53,279
NCT of Delhi	100	3,679	43,834
West Bengal	42	1,386	9,796
Tamil Nadu	23	1,102	8,574
Rajasthan	33	941	16,291
Karnataka	21	876	7,684
Madhya Pradesh	33	860	10,854
Haryana	18	589	3,596
Telangana	20	522	2,637
Others	49	1469	19,554
Grand Total	723	22,431	2,26,992

Source: CMIE Prowess, NSE EPR. Note: Market cap data is as of Apr 30th, 2026

Figure 290: Annual trend of listing and market capitalisation on NSE Emerge (SME IPOs)


Source: NSE EPR.

Notes: Market cap data for FY27TD is as of Apr 30th 2026.2. Data includes companies that are migrated to mainboard of the exchange.

Investor participation: Investor base surpasses 13 crore

Region-wise distribution of total registered investors

Registered investor base surpasses 13 crore in April 2026: The registered investor base at NSE crossed a notable milestone, surpassing the 13-crore mark as of Apr'26. New investor registrations, declined on a MoM basis, with 10.7 lakh new investors added in April 2026, even as it was 6.1% higher compared with the same month last year.

During FY26, new investor additions have declined in five out of the twelve months, driven by tariff-related shocks and broader global uncertainty, which weighed on market sentiment and investor confidence. Despite these headwinds, the last crore of investors was added in just seven months. Additionally, in the past five years between FY21-FY26, the overall investor base grew at a 26.4% CAGR, much faster than 15.2% CAGR in the previous period (FY16-21).

Over a longer horizon, the structural deepening of the investor base has accelerated meaningfully, supported by rapid digitization, the proliferation of fintechs, supportive policy measures, and combined efforts by the regulator, MIIs, and the Government to strengthen financial literacy and inclusion.

Regionally, the composition of investors has evolved as well. North India, which overtook West India in 2022, has steadily increased its lead and now accounts for 36.7% of the total (4.8 crore investors), followed by West India with 29.2% (3.8 crore) and South India with 21% (2.7 crore). East India, while expanding, still trails with a 12.1% share (1.6 crore investors) as of April 2026.

State-level distribution of registered investors

Maharashtra continues to lead as investor base broadens across States: Maharashtra continues to remain the top ranked state in terms of registered investors, as of April 2026, having become the first state to surpass the 2-crore mark in March 2026. Its share in the overall investor base stands at 15.6%, having declined from nearly a fifth of the overall investor base in FY17, reflecting the impact of investor awareness programs across the nation. Uttar Pradesh, with over 1.5 crore investors (11.8% share) and Gujarat with 1.1 crore investors (8.5% share) are the other top ranked states in terms of the registered investor base. Collectively, the top five states (West Bengal and Rajasthan were the other two states) comprise 47.5% of all registered investors, as of April 2026.

Notably, states outside the top 10 account for 27% of the investor base, as of April 2026, vs 22.2% in FY17, which reflects the sustained expansion of capital markets beyond traditional financial centres. Within the top 10 states, Bihar demonstrated the fastest growth in terms of its investor base (~16x) since FY17. Outside of the top 10, northeastern states like Arunachal Pradesh (23.4x), Mizoram (26.8x) and Assam (20.1x) have also recorded significant gains in terms of their registered investor base since FY17. The rapid growth of the registered investor base in Tier 2/3 regions reflects the continued expansion of capital market penetration, supported by wider digital access and continued efforts of the regulators, MIIs and the Government to make capital markets more inclusive.

Figure 291: Trend of region wise total unique registered investors

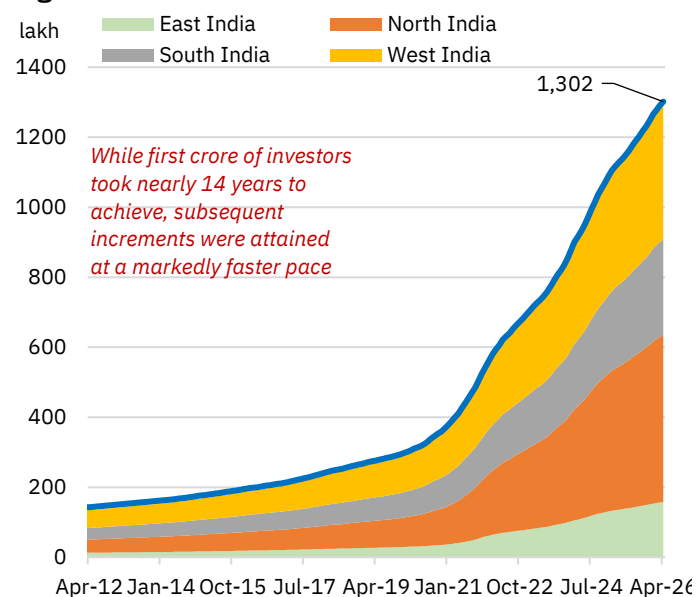
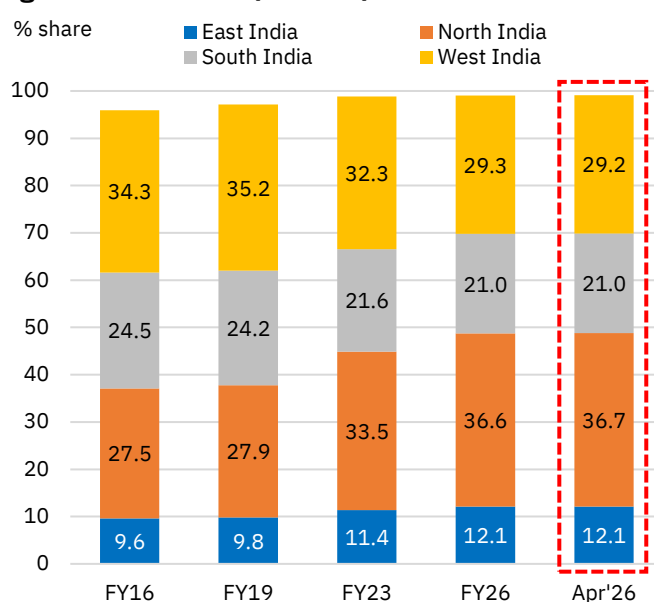


Figure 292: Trend of region wise total unique registered investors (% share)



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 59: Region-wise distribution of total unique registered investors (in lakh) at end of each fiscal year

Region	FY15	FY20	FY25	FY26	FY27TD
East India	17.0	30.4	135.8	156.3	157.8
North India	49.0	88.4	409.6	472.9	477.6
South India	43.4	75.1	232.9	271.4	273.9
West India	62.0	108.4	341.0	378.1	380.4
Others [#]	8.2	7.7	8.6	12.2	12.0
Total	179.6	310.0	1127.9	1290.9	1301.6

Source: NSE EPR.

Note: Data for FY27TD is as of April 2026#Others include Army Personnel Officers and investors for whom state mapping is unavailable

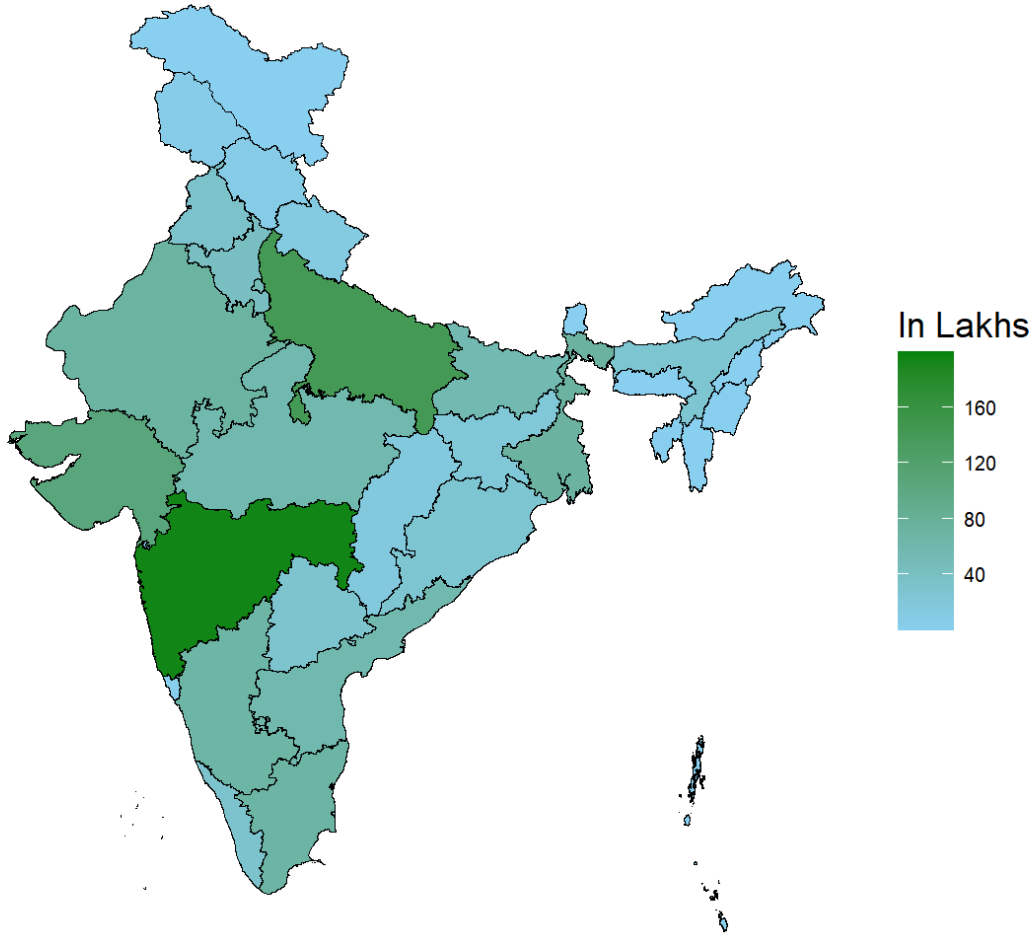
Table 60: State-wise distribution of total unique registered investors at end of each fiscal year

States	FY15		FY20		FY25		FY27TD*	
	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)
Maharashtra	3575	19.9	5963	19.2	18376	16.3	20306	15.6
Uttar Pradesh	1248	6.9	2302	7.4	12827	11.4	15311	11.8
Gujarat	2055	11.4	3797	12.2	9939	8.8	11084	8.5
West Bengal	1175	6.5	1990	6.4	6614	5.9	7705	5.9
Rajasthan	667	3.7	1328	4.3	6454	5.7	7448	5.7
Tamil Nadu	1287	7.2	2182	7.0	6261	5.6	7343	5.6
Karnataka	1165	6.5	1949	6.3	6239	5.5	7199	5.5
Andhra Pradesh	518	2.9	984	3.2	5460	4.8	6281	4.8
Madhya Pradesh	1002	5.6	1581	5.1	5137	4.6	6288	4.8
Bihar	294	1.6	670	2.2	5085	4.5	6080	4.7
Delhi	1197	6.7	1853	6.0	4922	4.4	5459	4.2
Haryana	531	3.0	971	3.1	3845	3.4	4346	3.3
Punjab	389	2.2	704	2.3	2991	2.7	3454	2.7
Kerala	583	3.2	942	3.0	2817	2.5	3329	2.6
Telangana	279	1.6	813	2.6	2694	2.4	3064	2.4
Orissa	250	1.4	494	1.6	2446	2.2	2881	2.2
Assam	109	0.6	221	0.7	2527	2.2	2838	2.2
Jharkhand	258	1.4	444	1.4	1989	1.8	2349	1.8
Chhattisgarh	129	0.7	252	0.8	1422	1.3	1634	1.3
Uttarakhand	123	0.7	234	0.8	1194	1.1	1389	1.1
Himachal Pradesh	60	0.3	123	0.4	759	0.7	870	0.7
Jammu & Kashmir	65	0.4	112	0.4	651	0.6	787	0.6
Goa	48	0.3	82	0.3	250	0.2	281	0.2
Chandigarh	63	0.3	100	0.3	245	0.2	259	0.2
Tripura	13	0.1	24	0.1	184	0.2	223	0.2
Manipur	5	0.0	18	0.1	125	0.1	155	0.1
Pondicherry	22	0.1	41	0.1	115	0.1	135	0.1
Meghalaya	6	0.0	12	0.0	76	0.1	98	0.1
Nagaland	3	0.0	8	0.0	62	0.1	80	0.1
Arunachal Pradesh	2	0.0	6	0.0	58	0.1	75	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	52	0.0
Mizoram	1	0.0	3	0.0	26	0.0	36	0.0
Andaman & Nicobar Islands	3	0.0	5	0.0	29	0.0	34	0.0
Daman & Diu	4	0.0	6	0.0	24	0.0	27	0.0
Ladakh	0	0.0	0	0.0	2	0.0	6	0.0
Lakshwadeep	0	0.0	0	0.0	2	0.0	3	0.0
Others	823	4.6	773	2.5	853	0.8	1197	0.9
Total	17,960	100.0	31,004	100.0	1,12,791	100.0	1,30,162	100.0

Source: NSE EPR.

Note: Data for FY27 is as of April 30th, 2026.

Figure 293: State-wise distribution of registered investors as of April 2026



Source: NSE EPR.

Note: The maps above are created using the state-level shapefile from [\(Link\)](#)

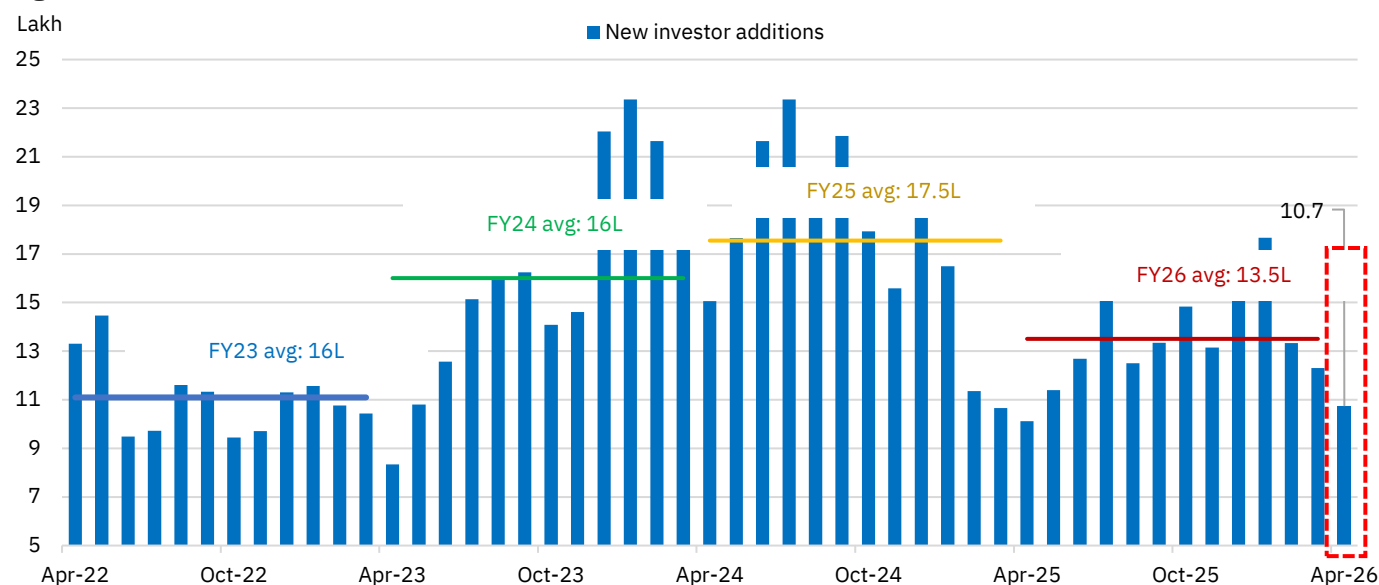
Region-wise distribution of new investor registrations

New investor registrations decline to 10.7 lakh monthly additions in Apr'26: New investor registrations declined for the third successive month, falling by 12.8% MoM to 10.7 lakh additions. All four regions contributed to this decline, with Southern and Western India leading the decline, recording 19.9% MoM and 12.1% MoM declines respectively. Northern India, however, recorded the slowest MoM decline at 9.3% MoM. In regional terms, North India accounted for the largest share of new additions at 41.8%, followed by South India (22.4%), West India (21.1%), and East India (14.4%). Northern India has maintained its top position in terms of regional share of new registrations, with its share rising by 4.9pp between FY22-FY27TD. However, West India has recorded a significant reduction of 9.4 pp in its regional share in the past five years.

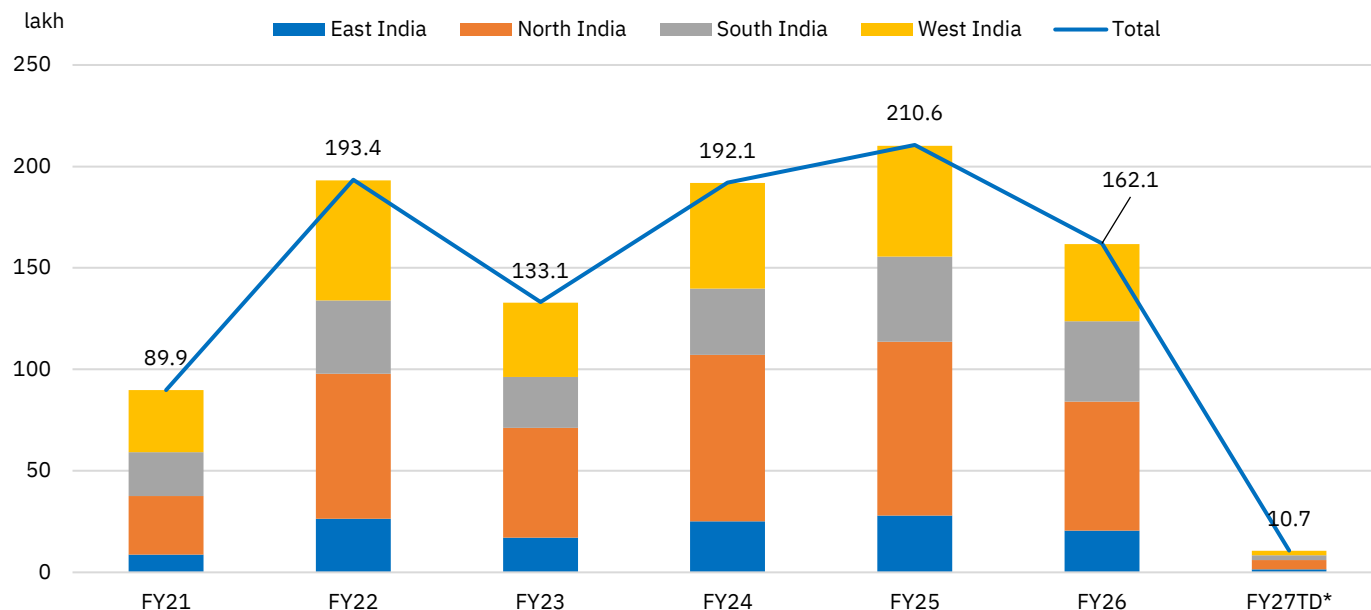
State-wise trends in new investor registrations

Uttar Pradesh leads, Tamil Nadu records the sharpest moderation in additions: Uttar Pradesh continued to lead new investor additions in Apr'26, accounting for 15.8% of registrations, followed by Maharashtra (11.1%), West Bengal (7.1%), Bihar (6.7%), Tamil Nadu (6.3%). Together, these states accounted for 47.1% of the month's new investor registrations. Uttar Pradesh added 1.7 lakh new investors in Apr'26, a 1.2% MoM decline. Maharashtra added 1.2 lakh new investors in Apr'26, followed by Gujarat with 75.7k additions. Of the top five states, Tamil Nadu recorded the steepest monthly decline in registrations, with new additions declining by 18.2% MoM to 67.7k in Apr'26. Across the top five states, new additions declined sequentially by 9.2% in Apr'26, while outside of the top 5 states, additions declined by 15.7% in Apr'26. All the top 10 states recorded a MoM decline in the number of additions, with Andhra Pradesh (-26.4% MoM) recording the most significant decline in registrations in Apr'26.

Figure 294: Trend in new investor additions



Source: NSE EPR.

Figure 295: Region-wise distribution of new investors registered each financial year


Source: NSE EPR. Data for FY27TD is as of April 2026.

Table 61: Number of new investors registered in top 25 states (in '000)

State	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Uttar Pradesh	172.0	212.1	253.9	197.8	172.1	170.1
Maharashtra	160.2	171.5	184.9	141.8	133.9	119.4
West Bengal	76.3	84.7	100.4	91.9	87.1	75.7
Bihar	74.4	92.6	109.4	84.9	80.9	72.5
Tamil Nadu	87.6	102.0	117.2	93.3	82.7	67.7
Rajasthan	74.1	99.1	107.1	73.3	64.6	58.8
Karnataka	77.9	86.0	98.6	75.4	66.9	57.1
Madhya Pradesh	62.3	77.8	88.9	67.8	61.4	52.9
Gujarat	112.0	164.0	149.6	74.1	60.6	52.7
Andhra Pradesh	69.2	79.0	88.9	67.2	62.3	45.8
Telangana	57.3	62.9	73.3	56.7	51.4	39.4
Delhi	39.7	46.8	56.0	41.3	64.2	33.5
Punjab	30.2	35.0	41.8	33.9	32.8	30.5
Haryana	36.1	46.0	53.4	36.4	22.0	30.2
Kerala	36.5	36.8	47.9	39.9	35.0	29.0
Orissa	33.1	35.9	39.1	31.2	32.0	28.0
Assam	22.4	24.6	26.4	24.6	25.7	24.9
Jharkhand	26.2	30.2	36.1	26.7	24.6	22.1
Chhattisgarh	17.2	20.0	23.7	18.2	17.1	14.9
Uttarakhand	13.8	16.4	19.5	15.2	14.6	12.8
Jammu & Kashmir	8.5	10.0	13.4	9.9	8.8	8.9
Himachal Pradesh	8.2	9.5	11.9	9.0	8.5	8.0
Tripura	3.0	3.2	3.8	3.6	3.6	3.2
Manipur	2.3	2.2	2.8	2.6	2.3	1.9
Meghalaya	1.7	1.6	2.1	1.9	1.9	1.8
Others	12.5	13.3	16.8	14.5	13.4	11.7
Total	1315	1563	1767	1333	1231	1074

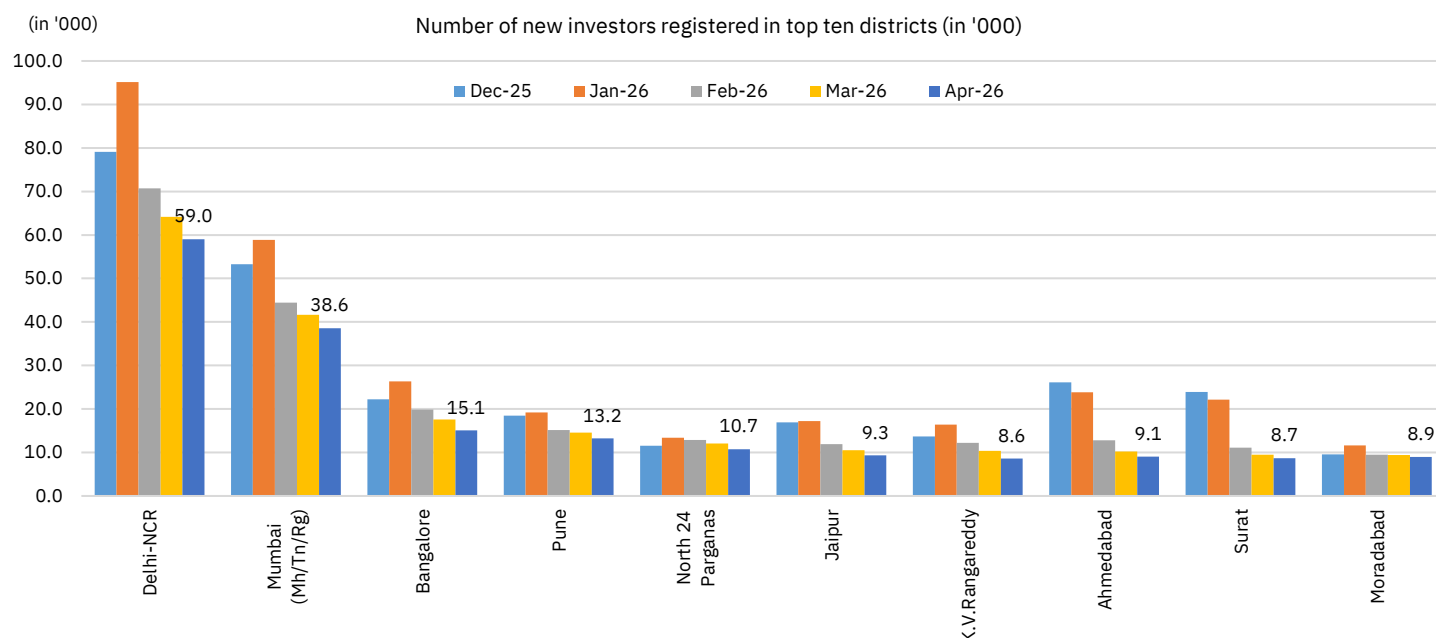
Source: NSE EPR.

Note: Data for the top 25 states are chosen based on last month's data.

District-level trends in investor registrations

Top 10 districts account for 16.9% of new additions; Delhi-NCR continues to lead, despite 3rd consecutive MoM decline in additions: In April 2026, the top 10 districts recorded a 16.9% share of new additions, marginally higher than the 16.3% recorded in Mar'26, with Delhi-NCR continuing to account for the highest share – 5.5% of new investor registrations, followed by Mumbai with a 3.6% share. The top 50 districts accounted for 35.9% of new additions, in line with the previous month. Among the top 50 districts, only Aligarh (0.3%) and Agra (4.2%) recorded MoM increments in new investor additions, while all the others recorded sequential declines in registrations. Of the top 10 districts, KV Rangareddy (-17.4% MoM), Bangalore (-14.5% MoM) and Ahmedabad (-11.4% MoM) recorded the strongest decline in investor registrations. New additions in Delhi-NCR declined to 59k in Apr'26, driven by a 8.1% MoM decline in new investor registrations.

Figure 296: 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

Median and mean age of new investors declined in April 2026: India's investor base exhibits a clear demographic shift towards younger participants, driven by sustained inflows of investors in lower age brackets. The share of registered investors below 30 years increased sharply from 23.5% in Mar'20 to 38.3% in Apr'26, while the share of investors aged 50 years and above declined from 25.6% to 15.3% during the same period. This changing composition is also reflected in the decline in the median age of registered investors from 38 years as of Mar'20 to 33 years as of Apr'26. The trend has been primarily driven by the age profile of incremental investor additions, where investors below 30 years consistently accounted for the largest share of new registrations, ranging between 53–59% between Apr'20 and Apr'26. Correspondingly, the median age of new investors remained significantly lower, in the range of 27–29 years. Although there has been some moderation in the share of younger investors in the overall registered investor base since March 2024, recent annual additions continue to indicate strong participation from younger cohorts, suggesting that the retail investor ecosystem in India remains structurally young and increasingly digitally driven.

Table 62: Distribution of registered individual investor base across age groups

Age category	Share of registered investor base (%)							
	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Mar'26	Apr'26
Less than 30 years	23.5	29.4	37.5	38.5	40.0	39.5	38.4	38.3
30-39 years	31.2	30.4	28.9	29.2	29.1	29.6	30.1	30.1
40-49 years	19.7	17.9	15.8	15.6	15.4	15.8	16.3	16.3
50- 59 years	12.6	11	9.1	8.6	8.1	8.0	8.2	8.2
60 years and above	13	11.2	8.7	8.1	7.4	7.1	7.1	7.1

Source: NSE EPR.

Note: Only individuals and sole proprietorship firms have been considered in the above table

Table 63: Mean and median age of registered individual investors

Age (years)	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Mar'26	Apr'26
Median	38	36	33	33	32	32	33	33
Mean	41.1	39.2	36.8	36.4	36.8	35.8	36.1	36.1

Source: NSE EPR.

Note: 1. Only individuals and sole proprietorship firms have been considered in the above table. 2. Age calculated at the end of period.

Table 64: Age distribution of new investors added every year (%)

Age category	Share of new investor additions (%)							
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27TD
Less than 30 years	52.1	57.8	59.1	58.3	58.8	53.2	56.4	59.1
30-39 years	26.5	25.4	23.9	24.4	23.6	25.7	23.1	22.2
40-49 years	10.7	9.5	10.0	10.4	10.7	12.5	12.1	11.3
50- 59 years	6.0	4.6	4.7	4.5	4.5	5.6	5.5	4.9
60 years and above	4.7	2.7	2.4	2.4	2.4	2.9	2.9	2.5

Source: NSE EPR

Note: Only individuals and sole proprietorship firms have been considered in the above table.

Table 65: Mean and median age of new investors added each year

Age (years)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27TD
Median	29	28	27	27	27	29	28	27
Mean	32.6	30.7	30.4	30.4	30.3	31.5	30.9	30.0

Source: NSE EPR.

Note: 1. Only individuals and sole proprietorship firms have been considered in the above table. 2. Age calculated at the end of period.

Female investors stand at ~25% of all individual investors as of Apr'26: Female investor share within NSE's individual investor base has risen steadily since FY23 and presently stands at 25% of individual investors as of Apr'26. Among the states with the largest number of registered investors, Maharashtra leads with women comprising 29% of the state's investor base as of Apr'26 (vs 26.4% share in FY24), followed by Tamil Nadu (with 28.7% share). In contrast, UP, despite being the second largest state in terms of investor count, falls in the bottom five, with female investor share at 19.1% of its investor base – considerably below the national average of 25%. Notably, smaller states including Arunachal Pradesh (28.3% female investor share, +4.7pp since FY24) and Sikkim (31.8% female investor share, +4.6pp since FY24) have demonstrated sustained progress in terms of female investor participation since FY24, reiterating the sustained democratisation of capital market access.

Table 66: State-wise gender share (%) of unique registered investors

States	FY24		FY25		FY26		FY27TD*	
	Female	Male	Female	Male	Female	Male	Female	Male
Andaman and Nicobar	21.0%	79.0%	23.1%	76.9%	24.5%	75.5%	24.5%	75.5%
Andhra Pradesh	21.5%	78.5%	23.2%	76.8%	24.3%	75.7%	24.4%	75.6%
Arunachal Pradesh	23.6%	76.4%	26.3%	73.7%	28.2%	71.8%	28.3%	71.7%
Assam	30.0%	70.0%	29.7%	70.3%	29.5%	70.5%	29.5%	70.5%
Bihar	14.6%	85.4%	15.7%	84.3%	16.5%	83.5%	16.5%	83.5%
Chandigarh	31.0%	69.0%	31.9%	68.1%	32.4%	67.6%	32.4%	67.6%
Chhattisgarh	20.3%	79.7%	22.4%	77.6%	23.2%	76.8%	23.2%	76.8%
Dadra and Nagar Haveli	18.2%	81.8%	19.9%	80.1%	20.7%	79.3%	20.7%	79.3%
Daman and Diu	19.3%	80.7%	20.7%	79.3%	21.3%	78.7%	21.3%	78.7%
Delhi	28.6%	71.4%	30.3%	69.7%	31.1%	68.9%	31.1%	68.9%
Goa	31.0%	69.0%	32.5%	67.5%	33.3%	66.7%	33.4%	66.6%
Gujarat	26.5%	73.5%	27.8%	72.2%	28.4%	71.6%	28.4%	71.6%
Haryana	22.8%	77.2%	24.6%	75.4%	25.3%	74.7%	25.3%	74.7%
Himachal Pradesh	18.2%	81.8%	20.7%	79.3%	21.9%	78.1%	21.9%	78.1%
Jammu and Kashmir	14.3%	85.7%	15.9%	84.1%	16.8%	83.2%	16.8%	83.2%
Jharkhand	18.9%	81.1%	20.6%	79.4%	21.6%	78.4%	21.6%	78.4%
Karnataka	25.8%	74.2%	27.4%	72.6%	28.3%	71.7%	28.3%	71.7%
Kerala	26.2%	73.8%	27.5%	72.5%	28.3%	71.7%	28.4%	71.6%
Lakshadweep	13.3%	86.7%	15.3%	84.7%	16.2%	83.8%	16.3%	83.7%
Madhya Pradesh	20.2%	79.8%	21.8%	78.2%	22.3%	77.7%	22.3%	77.7%
Maharashtra	26.4%	73.6%	28.2%	71.8%	29.0%	71.0%	29.0%	71.0%
Manipur	23.0%	77.0%	24.8%	75.2%	26.1%	73.9%	26.2%	73.8%
Meghalaya	25.1%	74.9%	26.3%	73.7%	27.0%	73.0%	27.0%	73.0%
Mizoram	30.0%	70.0%	31.6%	68.4%	32.6%	67.4%	32.8%	67.2%
Nagaland	26.5%	73.5%	28.5%	71.5%	29.8%	70.2%	29.9%	70.1%
Odisha	18.2%	81.8%	20.0%	80.0%	21.3%	78.7%	21.4%	78.6%
Pondicherry	27.1%	72.9%	28.2%	71.8%	29.1%	70.9%	29.1%	70.9%
Punjab	24.7%	75.3%	26.5%	73.5%	27.4%	72.6%	27.4%	72.6%
Rajasthan	18.9%	81.1%	20.3%	79.7%	20.7%	79.3%	20.7%	79.3%
Sikkim	27.2%	72.8%	29.9%	70.1%	31.6%	68.4%	31.8%	68.2%
Tamil Nadu	26.8%	73.2%	27.8%	72.2%	28.7%	71.3%	28.7%	71.3%
Telangana	23.2%	76.8%	24.8%	75.2%	25.7%	74.3%	25.8%	74.2%
Tripura	16.2%	83.8%	18.1%	81.9%	19.0%	81.0%	19.1%	80.9%
Uttar Pradesh	17.3%	82.7%	18.5%	81.5%	19.1%	80.9%	19.1%	80.9%
Uttarakhand	20.3%	79.7%	22.1%	77.9%	23.0%	77.0%	23.0%	77.0%
West Bengal	22.2%	77.8%	23.2%	76.8%	23.7%	76.3%	23.7%	76.3%
India	23.0%	77.0%	24.3%	75.7%	24.9%	75.1%	25.0%	75.0%

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 FY27 is as of April 30th, 2026

Market activity across segments and investor categories

Market activity reflects divergence across segments, shaped by geopolitical developments and STT hike

Market activity across segments exhibited sharp divergence in Apr'26, with the equity cash market demonstrating resilience even as derivatives activity moderated sharply. Equity cash ADT rose to a 21-month high, supported by a sharp increase in average trade size, indicating greater participation from higher-value traders despite a decline in the number of unique investors. In contrast, equity derivatives witnessed broad-based moderation following the implementation of higher STT rates w.e.f. April 1st, 2026, alongside cautious global sentiment amid persistent geopolitical tensions and a broader risk-off environment. The moderation was particularly visible in index futures and index options, while stock derivatives activity remained relatively stable. Commodity derivatives continued to maintain strong momentum, led by Crude Oil and Electricity contracts, whereas interest rate futures activity strengthened further.

Equity cash ADT rises to 21-month high; average trade size at a 65-month high: The equity cash segment recorded a strong performance in April 2026, with Average Daily Turnover (ADT) rising 8% MoM to Rs 1.3 lakh crore—the highest level observed in the last 21 months. Average Trade Size (ATS) also increased sharply by 15% MoM to Rs 36,057, marking a 65-month high. Interestingly, despite the rise in turnover, the number of unique investors participating in the segment declined 4% MoM to 1.13 crore. This indicates that market activity during the month was increasingly concentrated among higher-value participants, a trend discussed further in the turnover-by-trading-range analysis.

Within the equity cash segment, turnover growth was primarily led by Mainboard equities, where ADT increased 11% MoM. SME equities also recorded moderate growth, with ADT rising 3% MoM. In contrast, ETF trading activity moderated sharply, with ADT declining 40% MoM to ~Rs 4,750 crore, although remaining significantly higher on a YoY basis.

Equity derivatives ADT exhibited broad-based decline: Global market sentiment remained cautious amid persistent geopolitical tensions and continued uncertainty surrounding the reopening of the Strait of Hormuz. At the same time, economies across regions continued to grapple with supply-side disruptions and inflationary pressures. Domestically, the revision in Securities Transaction Tax (STT), effective April 1, 2026, also had a visible impact on derivatives trading activity.

Against this backdrop, equity futures activity moderated during the month, with ADT declining 15% MoM to Rs 1.6 lakh crore, the lowest level in four months. The decline was largely driven by index futures, where ADT fell sharply by 37% MoM, while stock futures witnessed a relatively lower decline of 8% MoM.

The moderation was more pronounced in the equity options segment. Premium ADT declined 31% MoM to Rs 64,488 crore, falling to a four-month low. The decline was concentrated in index options, where ADT dropped 34% MoM to Rs 56,220 crore. In comparison, stock options activity remained relatively resilient, with ADT declining marginally by 0.2% MoM.

Average trade size exhibited divergent trends between index and stock options: ATS trends highlighted the contrasting behaviour between index and stock derivatives. ATS in index options declined 6% MoM to Rs 11,658 crore, easing from the 14-year high recorded in the previous month. On the other hand, stock options ATS increased 5% MoM to Rs 15,900 crore, reaching a 21-month high. Notably, within equity futures, ATS in index

futures remained broadly stable at Rs 23.9 lakh, while stock futures ATS increased 6% MoM to Rs 8.35 lakh.

Commodity derivatives sustain strong participation; currency futures decline while interest rate futures surge: Among other segments, currency futures activity weakened considerably, with ADT declining 28% MoM to Rs 5,009 crore. In contrast, interest rate futures extended their recent momentum, with ADT rising 35% MoM to Rs 151 crore — the highest level recorded in the last 30 months.

Commodity derivatives continued to witness healthy participation during the month. Commodity futures ADT increased 19% MoM to Rs 111 crore, while commodity options ADT rose 5% MoM to Rs 75 crore premium. Within commodity futures, Crude Oil contracts accounted for the largest share of trading activity at 46%, followed by Electricity futures at 43% and Gold 10 gram contracts at 8%.

Table 67: 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
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
Mar-26	23,78,206	27,09,243	7,86,942	34,96,185	1,57,389	16,24,668	17,82,056	1,26,077	2.5	2,020	2,051.5	1,563.8
Apr-26	26,94,182	26,24,086	5,21,343	31,45,429	1,65,360	11,24,391	12,89,752	95,170	1.8	2,878	2,332.4	1,573.2

Source: NSE EPR. Note: Premium has been considered for options contracts.

Table 68: 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
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
Mar-26	1,25,169	1,42,592	41,418	1,84,010	8,284	85,509	93,792	7,004	0.14	112	93.3	71.1
Apr-26	1,34,709	1,31,204	26,067	1,57,271	8,268	56,220	64,488	5,009	0.09	151	111.1	74.9

Source: NSE EPR. Note: Premium has been considered for options contracts.

Table 69: Monthly trend of average daily activities in equity derivatives for exchanges (NSE+BSE)

Month	No of contracts traded (in crore)	Notional turnover (Rs lakh crore)	Turnover (Rs lakh crore) *
Apr-25	22.7	368.2	2.5
May-25	20.5	348.1	2.4
Jun-25	20.1	345.8	2.2
Jul-25	21.7	381.1	2.0
Aug-25	24.2	414.6	2.1
Sep-25	25.1	436.1	2.0
Oct-25	28.7	506.3	2.3
Nov-25	26.8	480.7	2.3
Dec-25	26.2	472.1	2.1
Jan-26	36.0	592.3	2.8
Feb-26	31.4	514.4	2.7
Mar-26	34.1	516.4	3.1
Apr-26	32.0	485.8	2.6

Source: NSE EPR. *Premium has been considered for options contracts.

Table 70: Monthly trend of average daily activities in equity derivatives for NSE & BSE

Month	NSE			BSE		
	No of contracts traded (in crore)	Notional turnover (Rs lakh crore)	Turnover (Rs lakh crore)*	No of contracts traded (in crore)	Notional turnover (Rs lakh crore)	Turnover (Rs lakh crore) *
Apr-25	13.8	229.6	2.4	8.9	138.6	0.16
May-25	12.7	221.0	2.3	7.8	127.1	0.16
Jun-25	12.3	217.8	2.1	7.8	128.1	0.14
Jul-25	12.6	229.5	1.8	9.2	151.7	0.13
Aug-25	13.2	236.9	1.9	11.0	177.7	0.17
Sep-25	14.9	270.1	1.9	10.2	166.0	0.16
Oct-25	15.4	285.3	2.1	13.3	221.0	0.21
Nov-25	14.5	272.0	2.1	12.3	208.6	0.19
Dec-25	14.5	271.4	1.9	11.8	200.7	0.19
Jan-26	18.9	305.8	2.5	17.2	286.6	0.29
Feb-26	18.0	290.9	2.4	13.4	223.5	0.26
Mar-26	19.5	291.4	2.8	14.6	225.0	0.34
Apr-26	14.4	216.9	2.2	17.6	268.9	0.34

Source: NSE EPR. *Premium has been considered for options contracts.

Table 71: Monthly trends for Notional to premium ratio in index options across exchanges

Month	NSE			BSE		
	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio
Apr-25	4,239	9.5	445	2,633	2.9	895
May-25	4,503	10.9	415	2,669	3.3	800
Jun-25	4,435	8.8	504	2,690	2.9	920
Jul-25	5,145	8.6	598	3,488	2.9	1,213
Aug-25	4,390	7.9	556	3,376	3.3	1,034
Sep-25	5,807	9.3	622	3,652	3.5	1,055
Oct-25	5,860	10.4	562	4,641	4.3	1,078
Nov-25	5,041	9.1	552	3,964	3.6	1,092
Dec-25	5,834	9.5	616	4,414	4.1	1,069
Jan-26	5,960	11.5	517	5,732	5.8	996
Feb-26	5,950	12.8	463	4,693	5.3	882
Mar-26	5,410	16.2	333	4,275	6.3	681
Apr-26	4,213	11.2	375	5,378	6.6	811

Source: NSE EPR.

Table 72: Monthly trends for Notional to premium ratio in stock options across exchanges

Month	NSE			BSE		
	Notional turnover (Rs crore)	Premium turnover (Rs crore)	Ratio	Notional turnover (Rs crore)	Premium turnover (Rs crore)	Ratio
Apr-25	89,54,215	1,52,925	59	170.74	0.97	176
May-25	1,02,93,641	1,65,481	62	14.27	0.15	95
Jun-25	1,04,57,535	1,49,906	70	9.93	0.10	99
Jul-25	1,00,21,452	1,41,398	71	10.60	0.17	62
Aug-25	84,13,398	1,10,086	76	4.25	-	-
Sep-25	1,04,59,428	1,37,236	76	37.19	0.52	72
Oct-25	98,86,986	1,42,690	69	10.46	0.12	87
Nov-25	97,63,209	1,23,624	79	13.73	0.22	62
Dec-25	1,05,98,952	1,33,042	80	35.70	0.42	85
Jan-26	1,19,20,408	1,76,100	68	3.68	0.07	53
Feb-26	1,23,13,230	1,87,214	66	13.63	0.29	47
Mar-26	91,53,739	1,57,389	58	6.27	0.08	78
Apr-26	93,86,439	1,65,360	57	3.07	0.03	102

Source: NSE EPR.

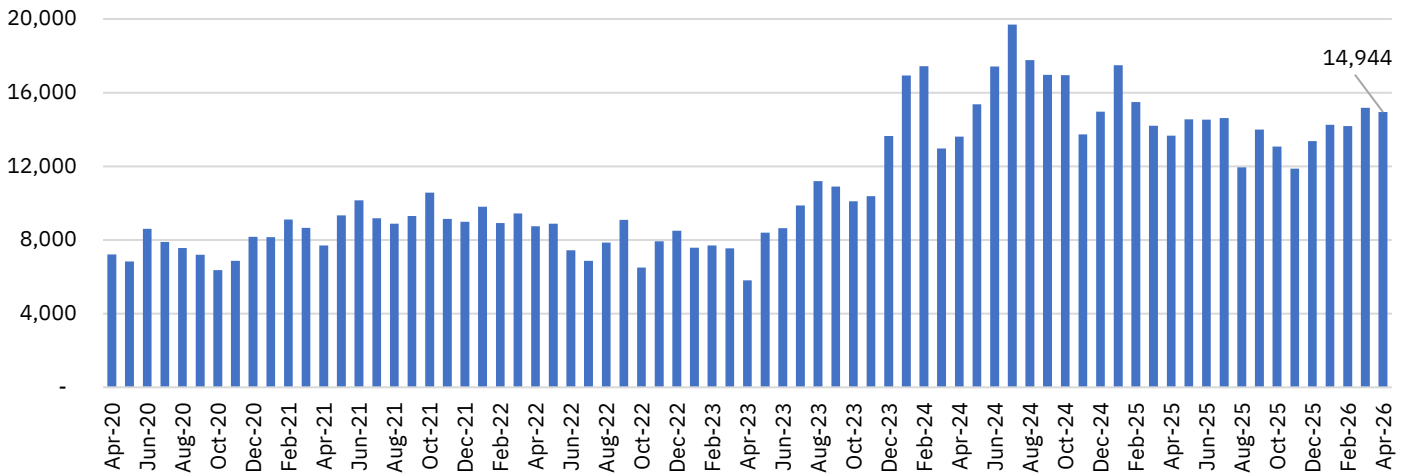
Table 73: Monthly trends for trades (in lakh) in equity cash and derivatives segment for NSE

Month	Equity Cash	Equity Futures		Equity Options	
		Index	Stock	Index	Stock
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
Mar-26	15,171	66	689	26,289	2,086
Apr-26	14,944	44	628	19,290	2,080

Source: NSE EPR. Note: Data is presented for total trades i.e., no. of buy trades + no. of sale trades.

Figure 297: Monthly trend of total trades in NSE cash market segment

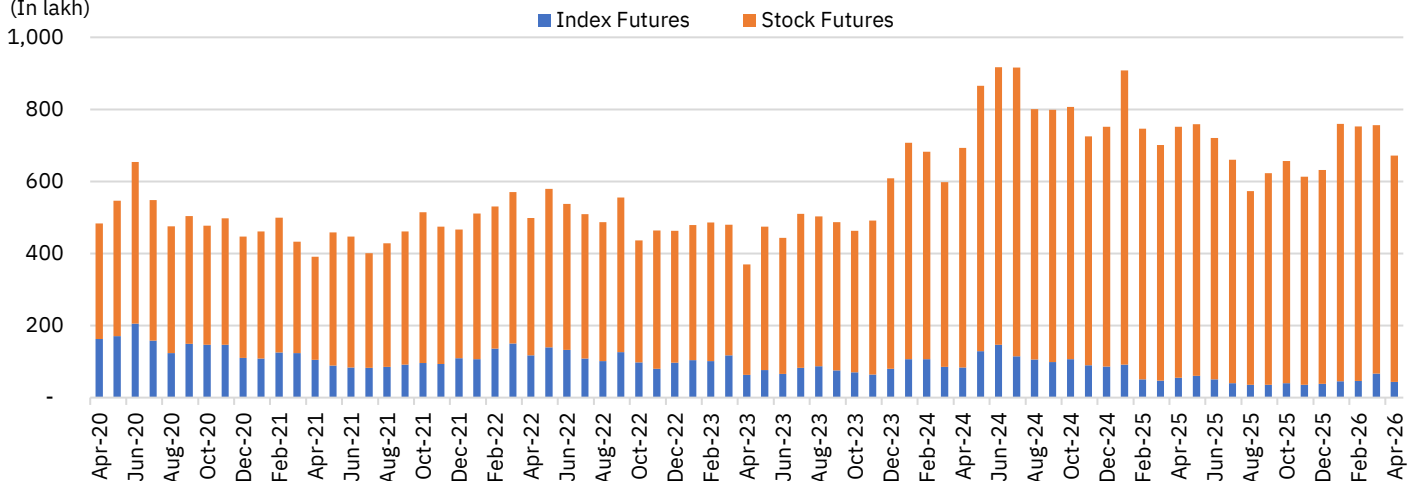
(In lakh)



Source: NSE EPR. Note: Data has been provided for gross trades (Buy trades + Sell trades).

Figure 298: Monthly trend of total trades in equity futures

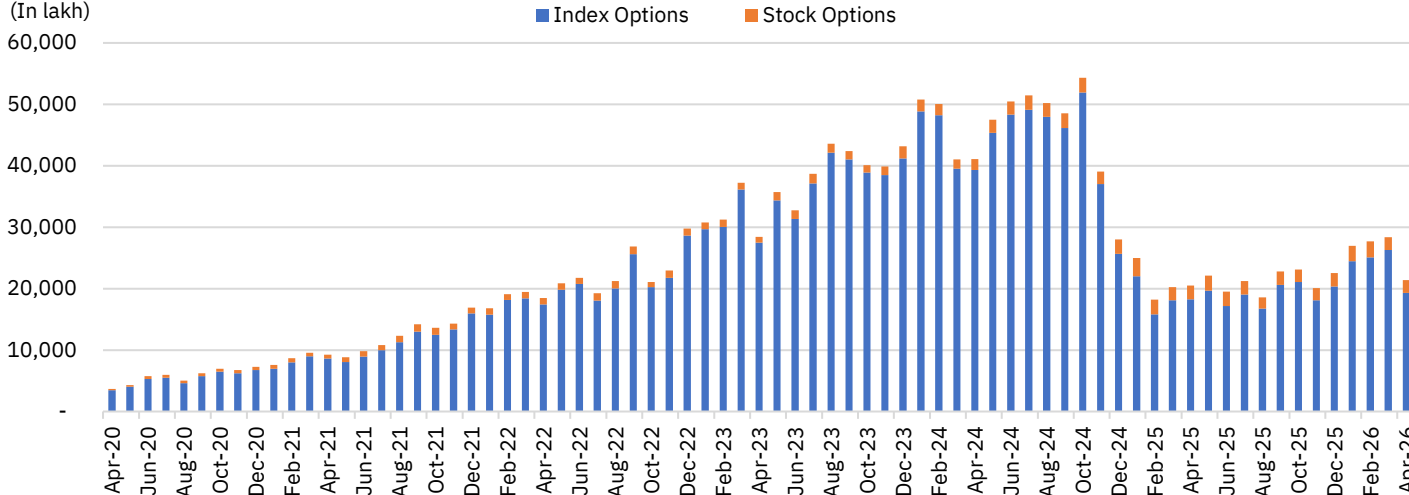
(In lakh)



Source: NSE EPR. Note: Data has been provided for gross trades (Buy trades + Sell trades).

Figure 299: 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).

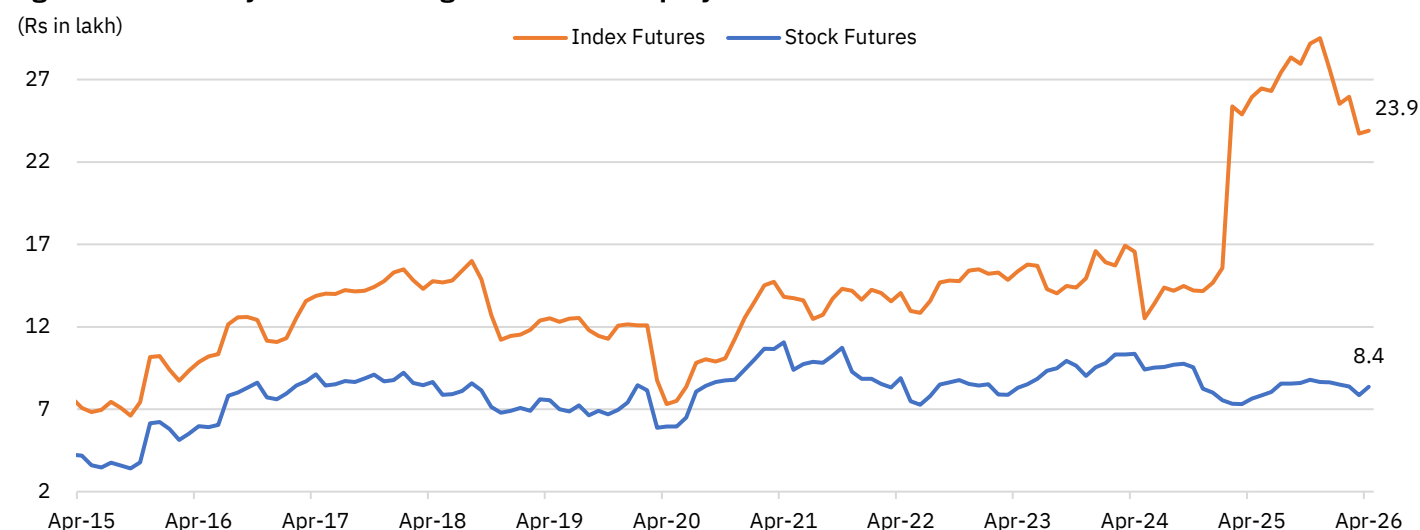
Table 74: Monthly trends for average trade size (Rs) in equity cash and derivatives segment for NSE

Month	Equity Cash	Equity Futures		Equity Options	
		Index Futures	Stock Futures	Index Options	Stock Options
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
Mar-26	31,352	23,71,584	7,85,896	12,360	15,089
Apr-26	36,057	23,90,225	8,35,055	11,658	15,900

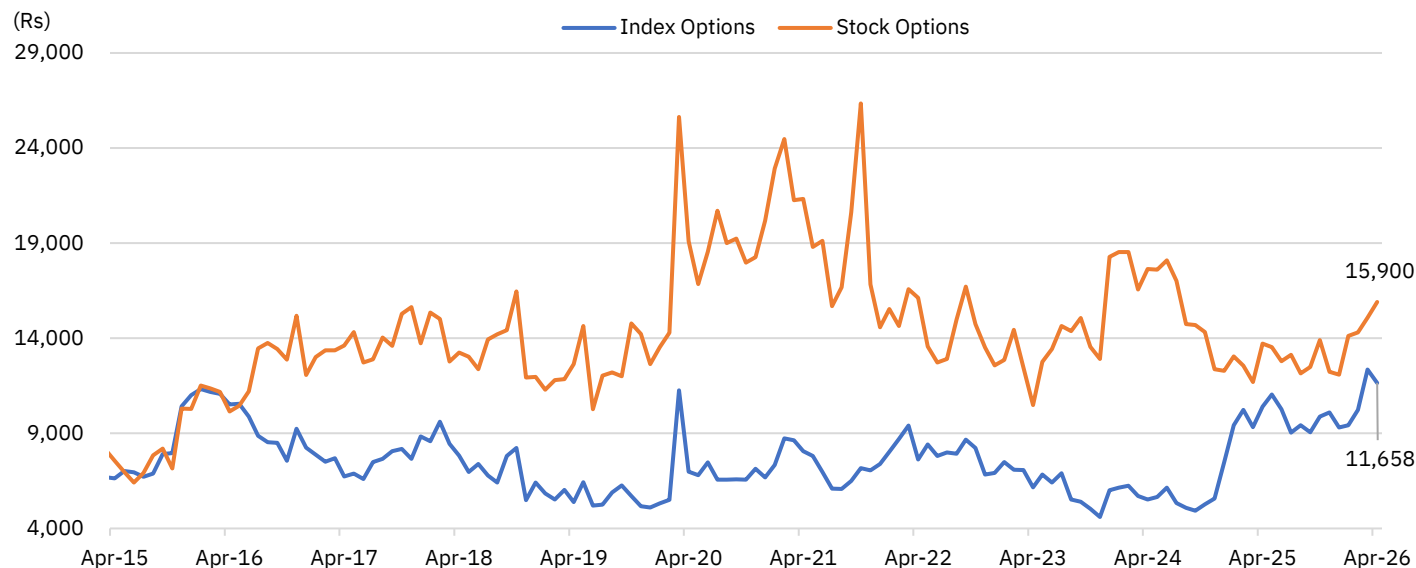
Source: NSE EPR. Note: Premium has been considered for options contract.

Figure 300: Monthly trend of average trade size in NSE cash market segment


Source: NSE EPR.

Figure 301: Monthly trend in average trade size in equity futures


Source: NSE EPR.

Figure 302: Monthly trend in average trade size in equity options premium


Source: NSE EPR. Note: Premium has been considered for calculating average trade size.

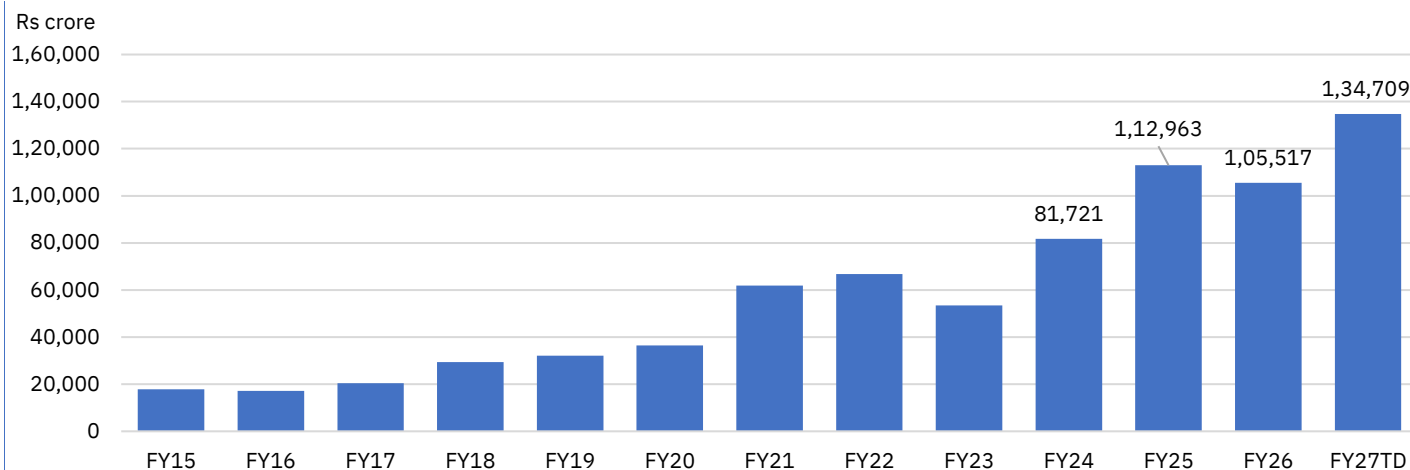
Table 75: Average daily turnover (Rs crore) in NSE CM Segment

Products	Apr-26	Mar-26	Apr-25	% MoM change	% YoY Change	FY26	FY25	2026TD
Capital Market	134,709	125,169	100,329	7.6	34.3	105,517	112,963	123,390
Equities (Main Board)	129,522	116,659	97,252	11.0	33.2	100,467	110,710	114,195
Exchange Traded Funds	4,746	7,968	2,646	(40.4)	79.3	4,535	1,568	8,707
SME Emerge	222	215	238	3.0	(6.7)	254	379	200
Sovereign Gold Bonds	23	45	29	(49.2)	(22.7)	26	13	37
InvITs	67.8	108	28.3	(37.4)	140.1	63	57	68
REITs	92.1	110	58.5	(16.3)	57.5	87	92	121
Others	36	63	77	(42.5)	(52.8)	85	144	62

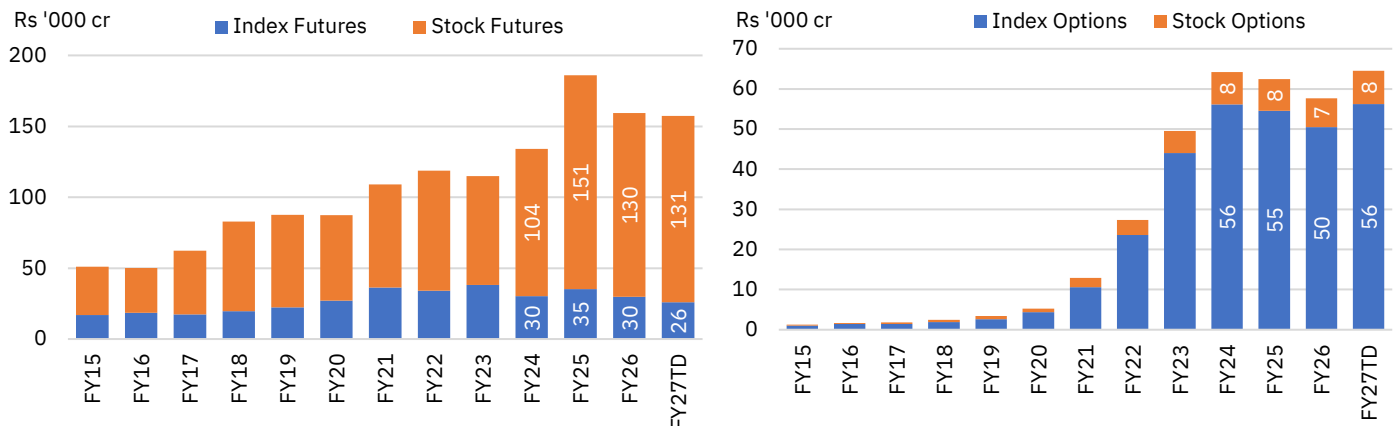
Source: NSE EPR. Notes: 1. Average daily turnover (ADT) excludes auction market turnover. Equities (Main Board) include stocks in EQ, BE, BL and BZ series.

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. 2026TD is as of Apr'26.

Figure 303: Annual trends in average daily turnover in NSE CM segment


Source: NSE EPR. Note: 1. Average daily turnover (ADT) excludes auction market turnover. 2. FY27TD refers to Apr'26 only.

Figure 304: 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. FY27TD refers to Apr'26 only.

Table 76: Average daily turnover (Rs crore) in NSE's equity derivatives segment

Product	Apr-26	Mar-26	Apr-25	% MoM change	% YoY Change	FY26	FY25	2026TD
Equity Futures	1,57,271	1,84,010	1,77,730	(14.5)	(11.5)	1,59,443	1,85,901	1,72,736
Stock futures	131,204	142,592	140,001	(8.0)	(6.3)	129,701	150,752	141,541
Index futures	26,067	41,418	37,729	(37.1)	(30.9)	29,742	35,149	31,195
BANKNIFTY	6,905	10,617	12,292	(35.0)	(43.8)	7,836	13,021	7,606
NIFTY50	17,878	28,854	23,600	(38.0)	(24.2)	20,326	20,598	21,902
FINNIFTY	45	92	179	(50.7)	(74.6)	94	236	76
MIDCPNIFTY	1,166	1,771	1,541	(34.2)	(24.4)	1,410	1,213	1,529
NIFTYNXT50	72	84	117	(14.7)	(38.7)	77	80	83
Equity Options	64,488	93,792	58,152	(31)	10.9	57,662	62,449	73,403
Stock options	8,268	8,284	8,049	(0.2)	2.7	7,195	7,933	8,576
Index options	56,220	85,509	50,104	(34.3)	12.2	50,467	54,516	64,827
BANKNIFTY	5,100	6,870	9,531	(25.8)	(46.5)	5,296	21,553	5,171
NIFTY50	50,690	77,883	39,540	(34.9)	28.2	44,417	25,434	58,969
FINNIFTY	45	115	263	(60.9)	(82.9)	140	4,489	100
MIDCPNIFTY	383	640	769	(40.1)	(50.1)	613	3,036	587
NIFTYNXT50	0.82	1	1.70	(18.6)	(52.0)	1	3	1

Source: NSE EPR. Notes: 1. The above table reports premium turnover for Options contracts. 2. 2026TD is as of Apr'26 3. Figures in brackets indicate negative numbers.

Table 77: Average daily open interest (Rs crore) in NSE's equity derivatives segment

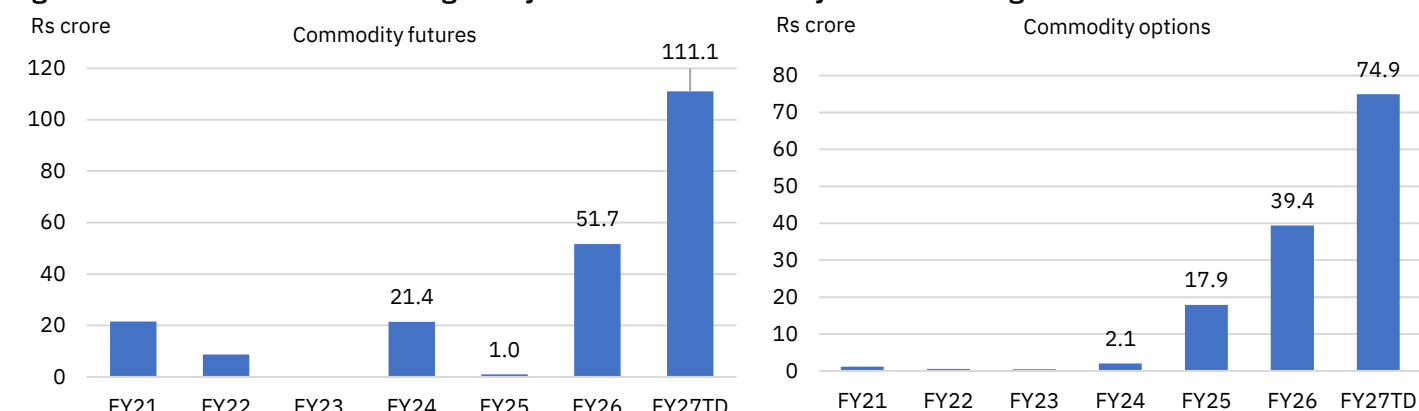
Product	Apr-26	Mar-26	Apr-25	% MoM change	% YoY Change	FY26	FY25	2026TD
Equity Futures	5,70,128	5,63,214	4,87,750	1.2	16.9	5,43,237	4,67,162	5,72,891
Stock Futures	5,02,827	4,92,292	4,30,742	2.1	16.7	4,81,515	4,11,790	5,09,160
Index Futures	67,301	70,922	57,008	(5.1)	18.1	61,723	55,373	63,731
NIFTY	49,897	50,404	37,525	(1.0)	33.0	45,124	37,046	47,800
BANKNIFTY	13,722	16,451	15,963	(16.6)	(14.0)	12,893	15,276	12,216
FINNIFTY	68	174	270	(61.0)	(75.0)	176	180	123
MIDCPNIFTY	3,478	3,759	3,066	(7.5)	13.4	3,374	2,746	3,451
NIFTYNXT50	136	135	185	1.0	(26.5)	155	124	141
Equity Options	14,41,614	15,38,198	16,64,088	(6.3)	(13.4)	16,88,432	16,08,744	16,19,687
Stock Options	2,86,308	3,27,250	2,74,793	(12.5)	4.2	3,18,037	2,96,012	3,29,741
Index Options	11,55,306	12,10,948	13,89,295	(4.6)	(16.8)	13,70,395	13,12,732	12,89,946
NIFTY	9,62,738	9,94,010	10,81,448	-3.1	-11.0	11,31,140	8,43,865	10,89,536
BANKNIFTY	1,77,205	1,95,439	2,83,657	-9.3	-37.5	2,14,816	4,00,921	1,78,673
FINNIFTY	1,337	4,507	8,803	-70.3	-84.8	5,186	40,037	3,420
MIDCPNIFTY	13,942	16,878	15,289	-17.4	-8.8	19,147	27,639	18,207
NIFTYNXT50	83	114	98	-26.5	-14.8	107	272	110

Source: NSE EPR. Notes: 1. The above table reports notional turnover. 2. 2026TD is as of Apr'26. 3. Figures in brackets indicate negative numbers.

Table 78: Average daily turnover in commodity derivatives

Product (Rs crore)	Apr-26	Mar-26	Apr-25	% MoM change	% YoY Change	FY26	FY25	2026TD
FUT	111.1	93.3	2.2	19	5056	51.7	0.9	79.1
SILVER	1.4	0.1	0.2	2035	694	0.6	0.2	1.0
CRUDE OIL	50.6	35.4	1.9	43	2576	6.1	0.6	24.6
ELECTRICITY	48.3	46.7	-	3	-	44.1	-	47.9
GOLD10G	9.4	11.1	-	(16)	-	0.9	-	5.2
OPT	74.9	71.1	53.8	5	39	39.4	17.9	59.4
SILVER	0.4	1.7	1.6	(77)	(75)	0.7	1.4	0.7
WTICRUDE	-	-	-	-	-	-	1.7	-
CRUDEOIL	74.5	69.3	52.1	7	43	38.7	14.7	58.7

Source: NSE EPR. Notes: 1. The above table reports premium turnover for Options contracts. 2. 2026TD is as of Apr'26. 3. Figures in brackets indicate negative numbers.

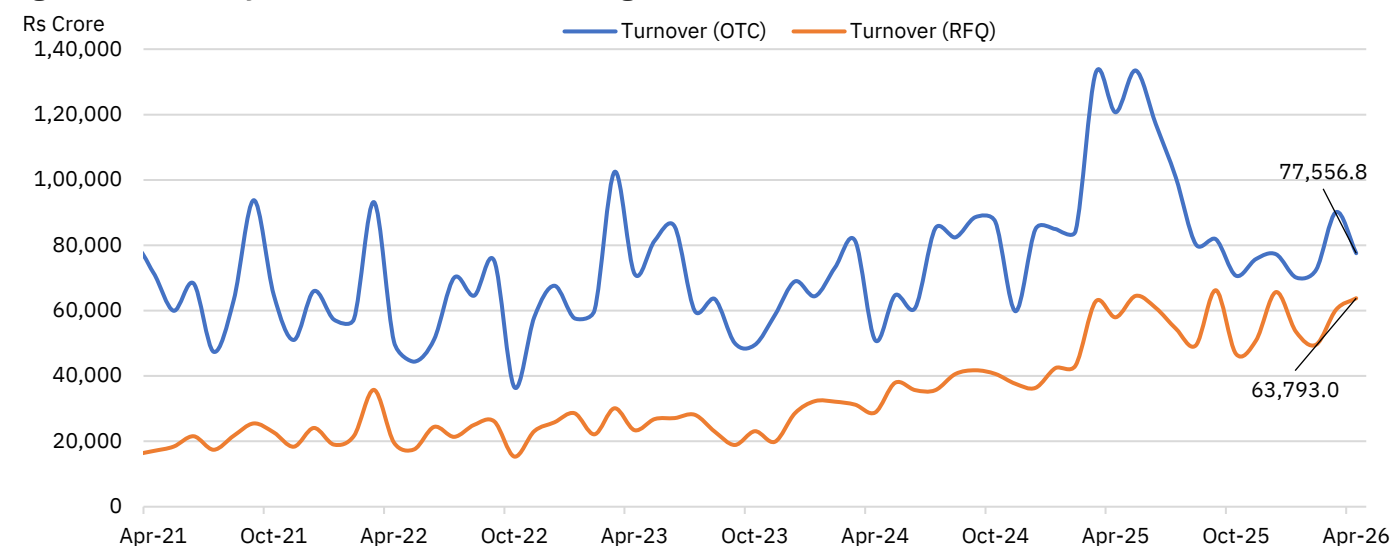
Figure 305: Annual trends in average daily turnover in commodity derivatives segment


Source: NSE EPR. Notes: 1. Above figure reports premium turnover for options contracts. 2. FY27TD refers to Apr'26 only.

Secondary market activity in corporate bonds remained mixed across trading venues

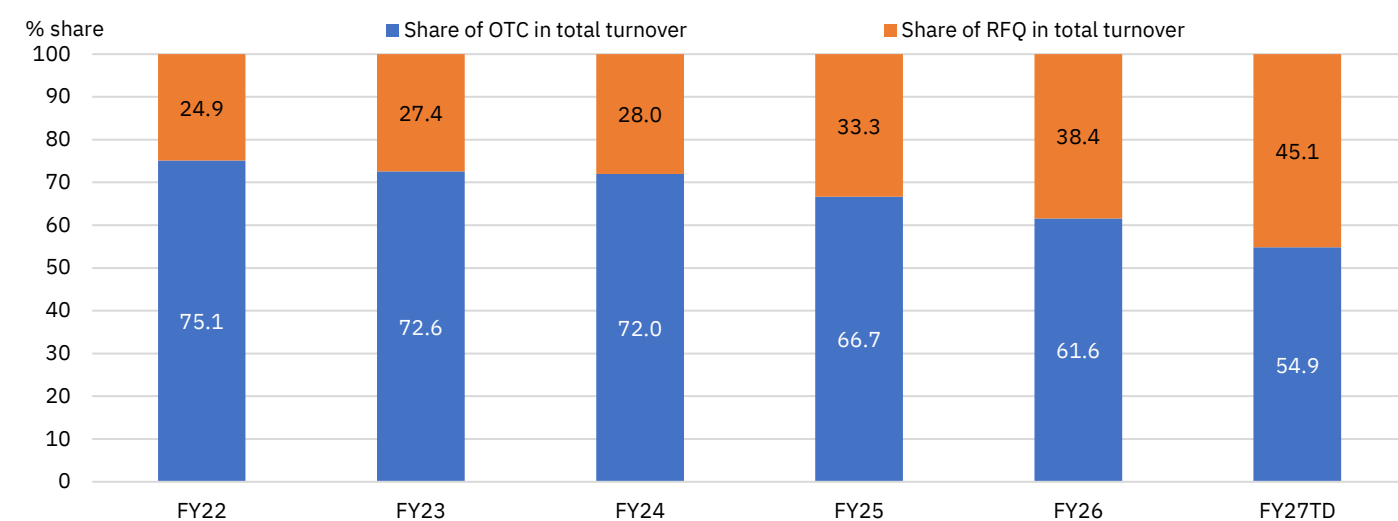
in April 2026: OTC turnover declined from Rs 90,159 crore in March 2026 to Rs 77,557 crore in April 2026 (-14.0% MoM), following the elevated activity recorded toward the close of FY26. In contrast, RFQ turnover increased to Rs 63,793 crore from Rs 60,306 crore in March (+5.8% MoM), taking aggregate turnover across both platforms to Rs 1.41 lakh crore. On a year-on-year basis, OTC turnover declined by 35.7% while RFQ turnover expanded by 10.1%, reinforcing the continued divergence in growth trajectories across platforms. Consequently, RFQ's share in total turnover rose to 45.1% in April 2026 – up from an average of 38.4% in FY26 and 24.9% in FY22 – the highest monthly level recorded in the series. The moderation in monthly turnover was also reflected in average daily turnover (ADT) trends. OTC ADT declined to Rs 4,082 crore in April 2026 from Rs 5,009 crore in March (-18.5% MoM), while RFQ ADT remained broadly stable at Rs 3,358 crore (+0.2% MoM). Combined ADT moderated to Rs 7,439.5 crore from Rs 8,359 crore in March 2026, consistent with the normalisation in activity following the fiscal year-end pickup.

Figure 306: Monthly trends of turnover in debt segment



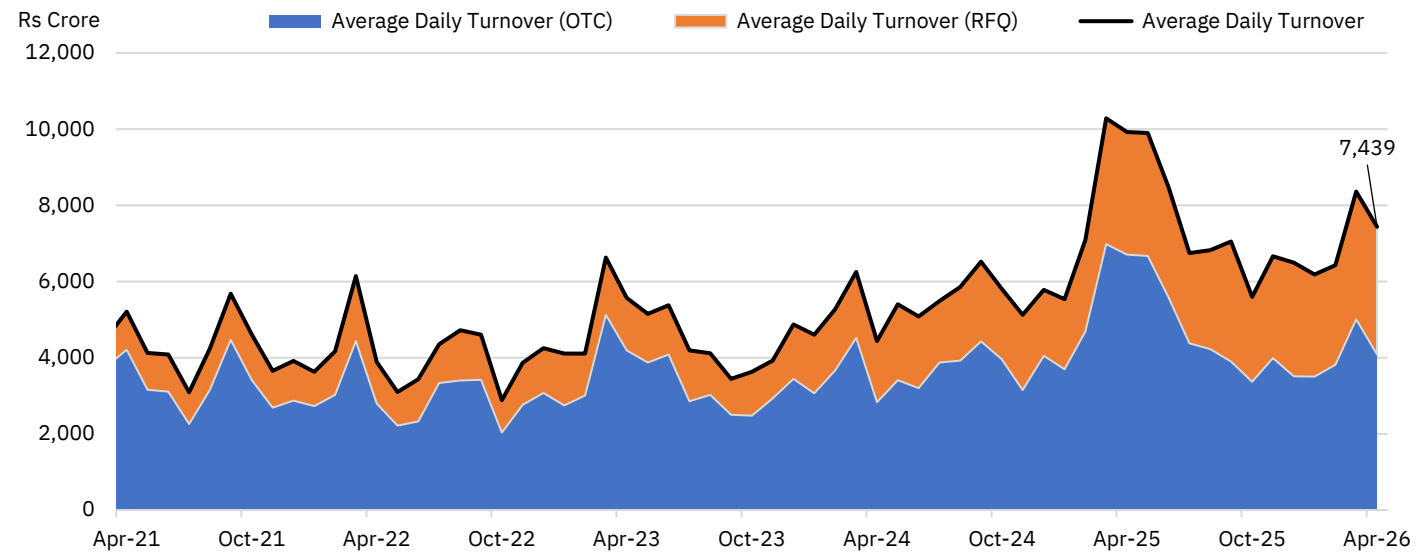
Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 307: Annual share in total turnover across segments



Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of April 2026.

Figure 308: Monthly trends of average daily turnover in debt segment

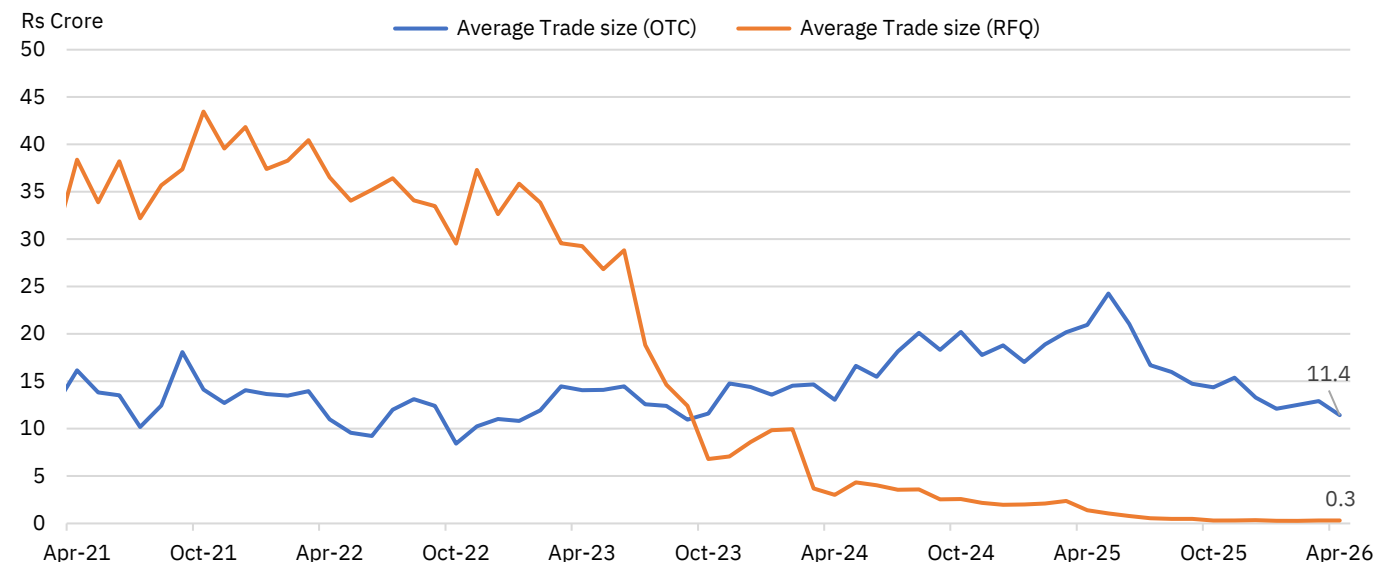


Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Average trade size continued to display a sharp divergence across execution venues

in April 2026: OTC average trade size declined to Rs 11.4 crore from Rs 12.9 crore in March (-11.6% MoM), indicating moderation in block-sized transactions following the year-end pickup. RFQ average trade size remained subdued at Rs 30.4 lakh and was broadly unchanged sequentially. The continued divergence in ticket sizes – with materially smaller trades on RFQ relative to OTC – highlights the persistent bifurcation in execution patterns across the two platforms.

Figure 309: Monthly trends of average trade size in debt segment



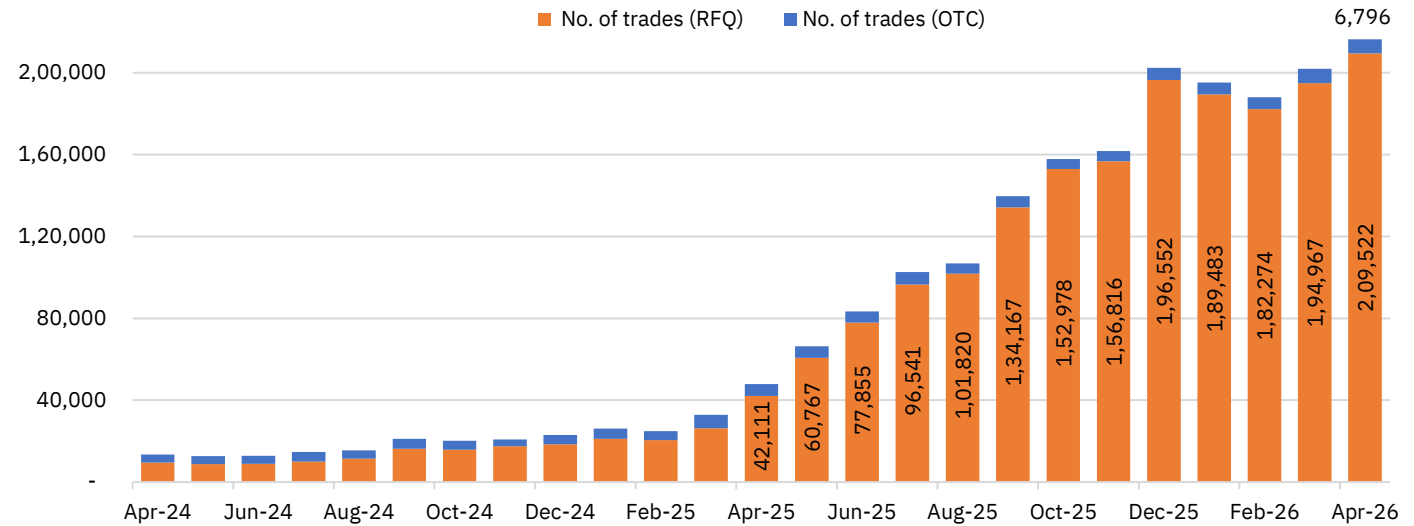
Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Trade count dynamics continued to point toward increasing market granularity in

April 2026: RFQ trade counts rose to 2,09,522 trades (+7.5% MoM), crossing 2 lakh for the first time, while OTC trades moderated marginally to 6,796 (-2.5% MoM). The sustained increase in RFQ trade counts alongside relatively stable turnover coincided with a further compression in average trade size, pointing to a larger number of smaller-sized transactions rather than concentrated block trades. Despite accounting for nearly

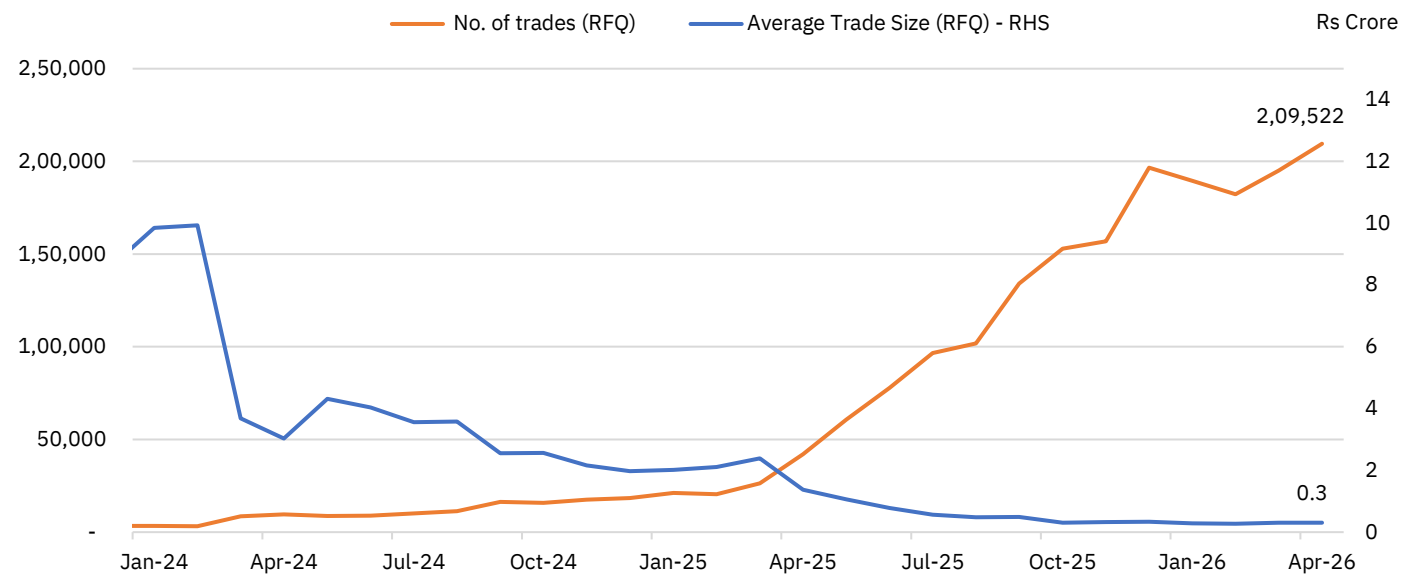
97% of total trades in April 2026, RFQ contributed 45.1% of total turnover, indicating that larger-value transactions continue to remain concentrated within the OTC segment—maintaining the divergence between trading frequency and value concentration observed throughout FY26.

Figure 310: Monthly trend in number of trades reported across platforms

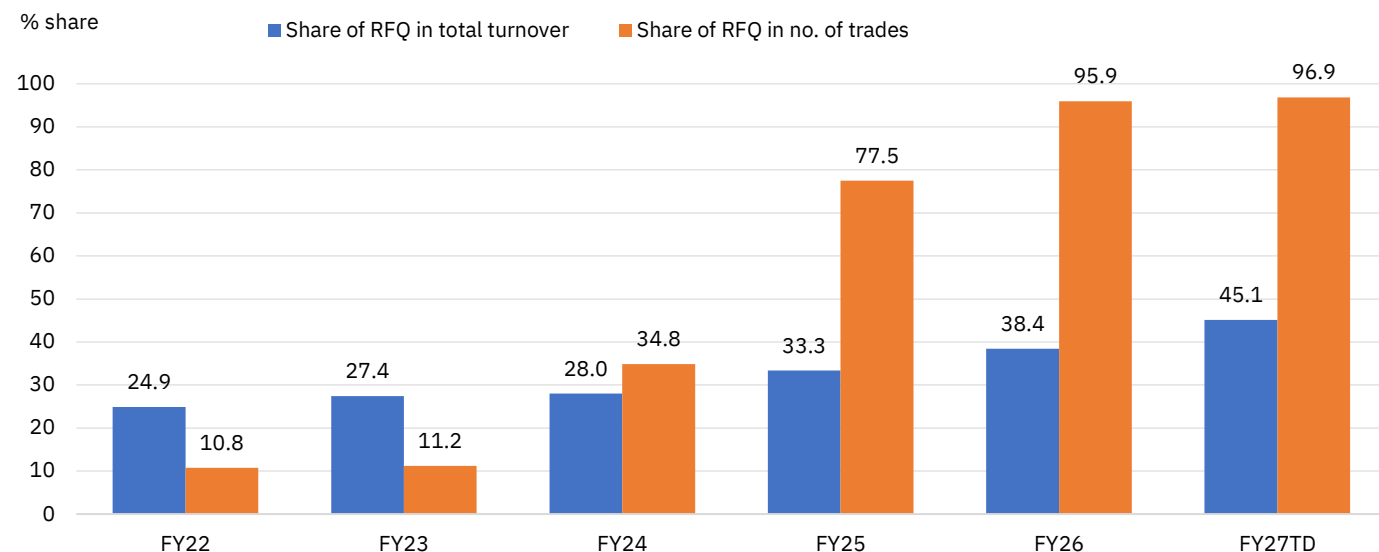


Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

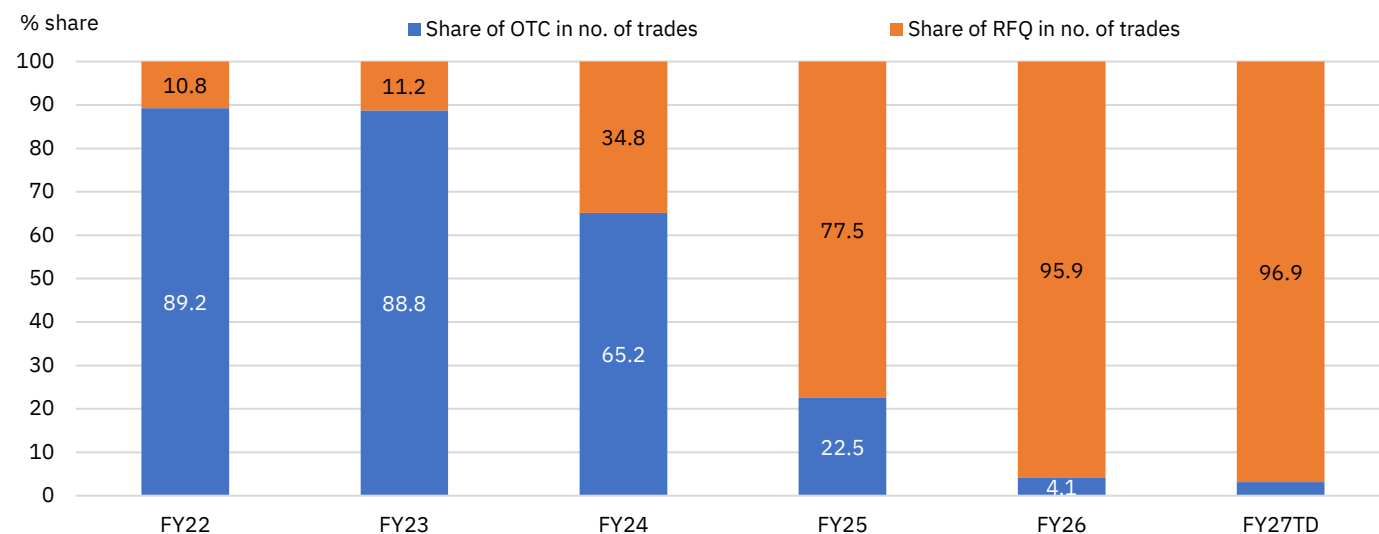
Figure 311: RFQ platform activity – Rising trade counts and declining average trade size



Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 312: RFQ share in total trades and total turnover


Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of April 2026.

Figure 313: Annual share in number of trades reported across platforms


Source: NSE EPR. Note: The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of April 2026.

Participant mix diverged across trading venues in terms of turnover and trades:

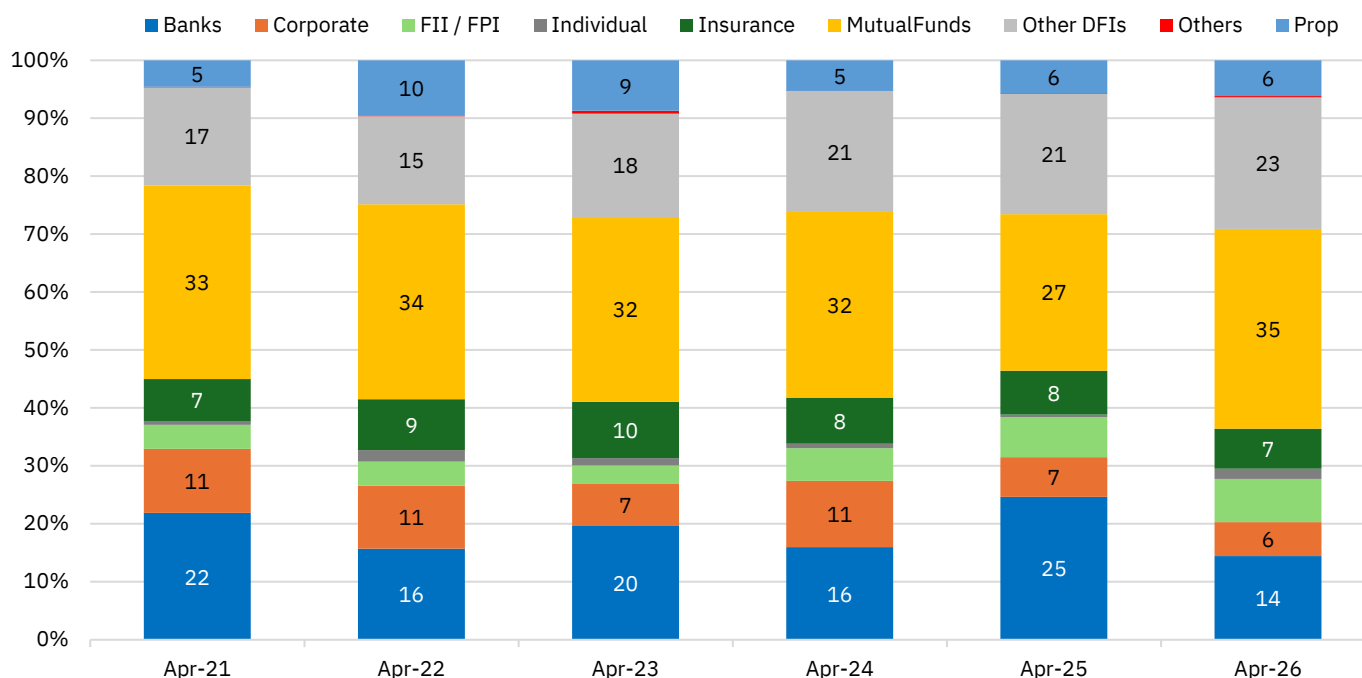
Mutual funds remained the largest participant category in April 2026, accounting for 34.5% of total secondary market turnover, followed by Other Domestic Financial Institutions at 22.7% and Banks at 14.5%. The combined share of Mutual Funds, Banks, and Insurance stood at 55.9% in April 2026, compared with 62.5% in April 2021, with participation gradually broadening across categories even as large institutional investors continued to anchor overall market activity.

Participation profiles diverged meaningfully across execution venues. In the OTC segment, Other Domestic Financial Institutions accounted for 31.0% of OTC turnover in April 2026 – the largest single category – followed by Mutual Funds at 20.3% and Banks at 15.4%, consistent with the concentration of large-ticket negotiated and treasury-driven transactions within these categories. On the RFQ platform, Mutual Funds remained

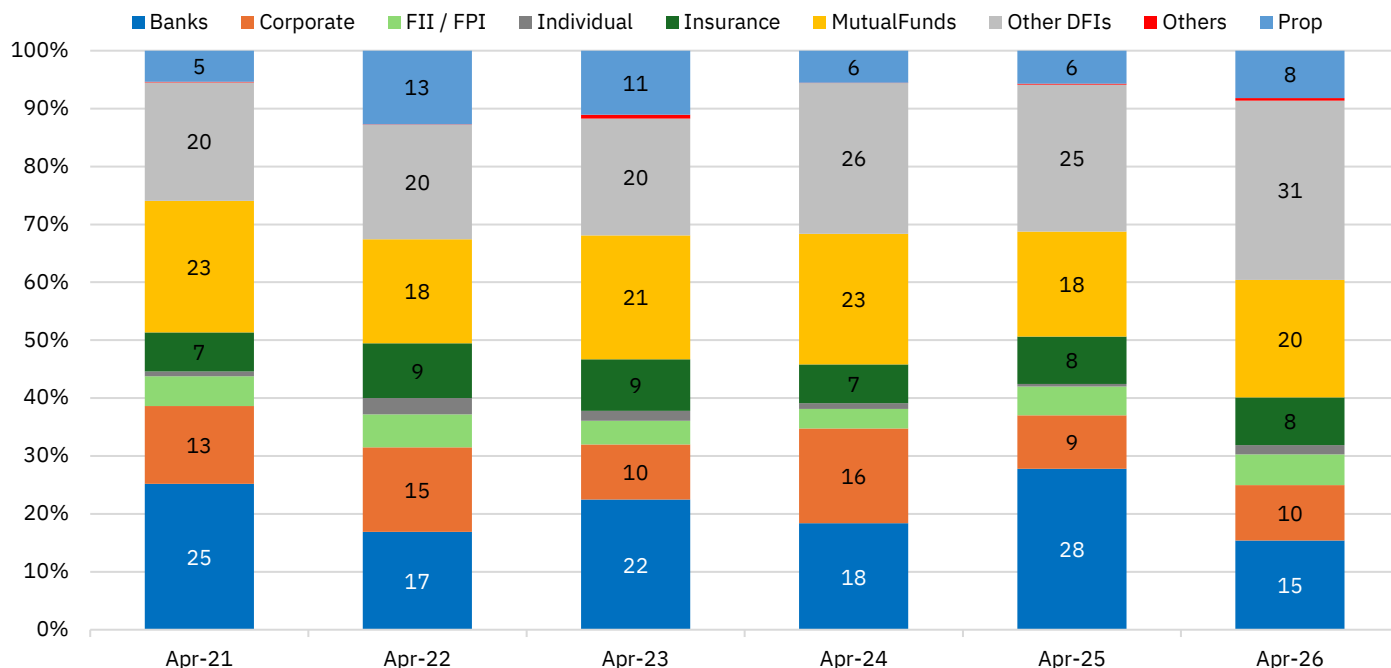
dominant at 51.8% of RFQ turnover, though their share has compressed from 78.4% in April 2021 – a decline of 26.6 percentage points over five years. Over the same period, FII/FPI participation on RFQ expanded from near zero to 10.2%, Other Domestic Financial Institutions increased their RFQ share from 2.1% to 12.6%, and Banks rose from 8.0% to 13.3%, reflecting a broadening of the platform's participant base across institutional categories.

The picture is meaningfully different when examined through the lens of trade counts. Individual and Proprietary participants (proprietary trading accounts) together accounted for approximately 91% of RFQ trade counts in April 2026, even as their combined share in RFQ turnover remained limited at around 5–6% only. This marks a significant shift from earlier years – Individual participation in RFQ trade counts was negligible through April 2023 before rising sharply to around 74% by April 2024, coinciding with regulatory developments aimed at broadening participation in the corporate bond secondary market. Mutual funds, by contrast, accounted for around 52% of RFQ turnover while contributing a much smaller share of total trades, indicating that institutional investors continued to dominate the platform in value terms even as trading activity became increasingly granular. OTC activity, meanwhile, remained concentrated among institutional categories in both turnover and trade counts, consistent with the continued dominance of large-ticket negotiated transactions. The sharp rise in RFQ trade counts alongside the sustained decline in average trade size during FY24–FY26 therefore suggests that the expansion in RFQ activity has increasingly been driven by a large number of small-ticket transactions by individual investors.

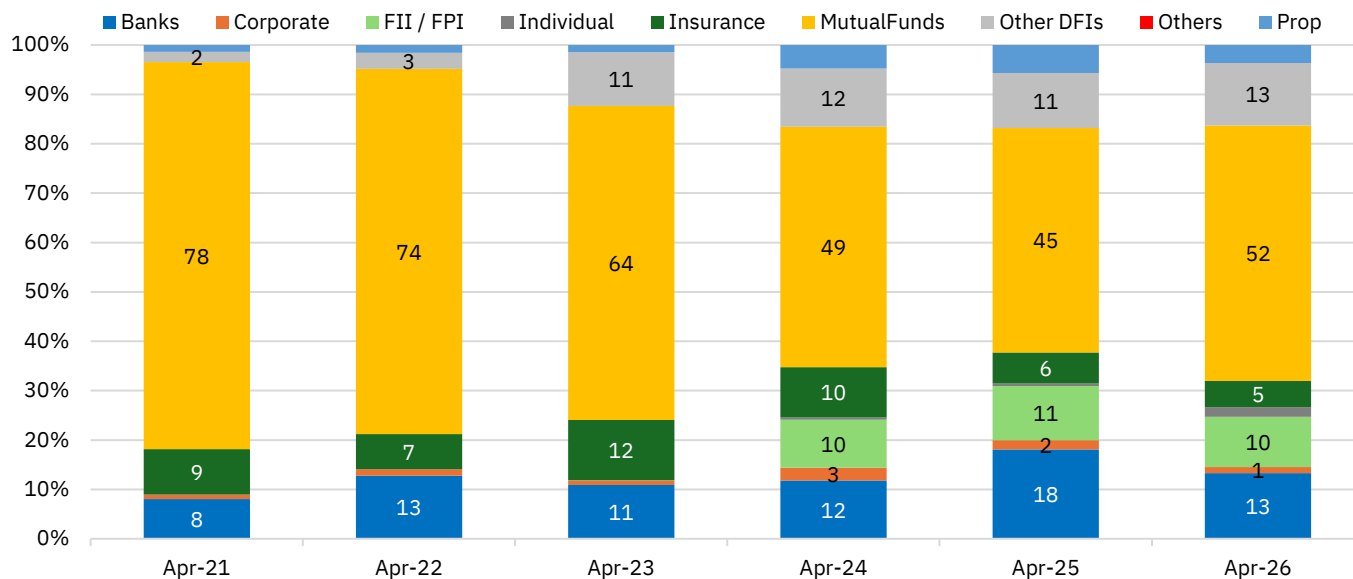
Figure 314: Share in total turnover across participant categories



Source: NSE EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

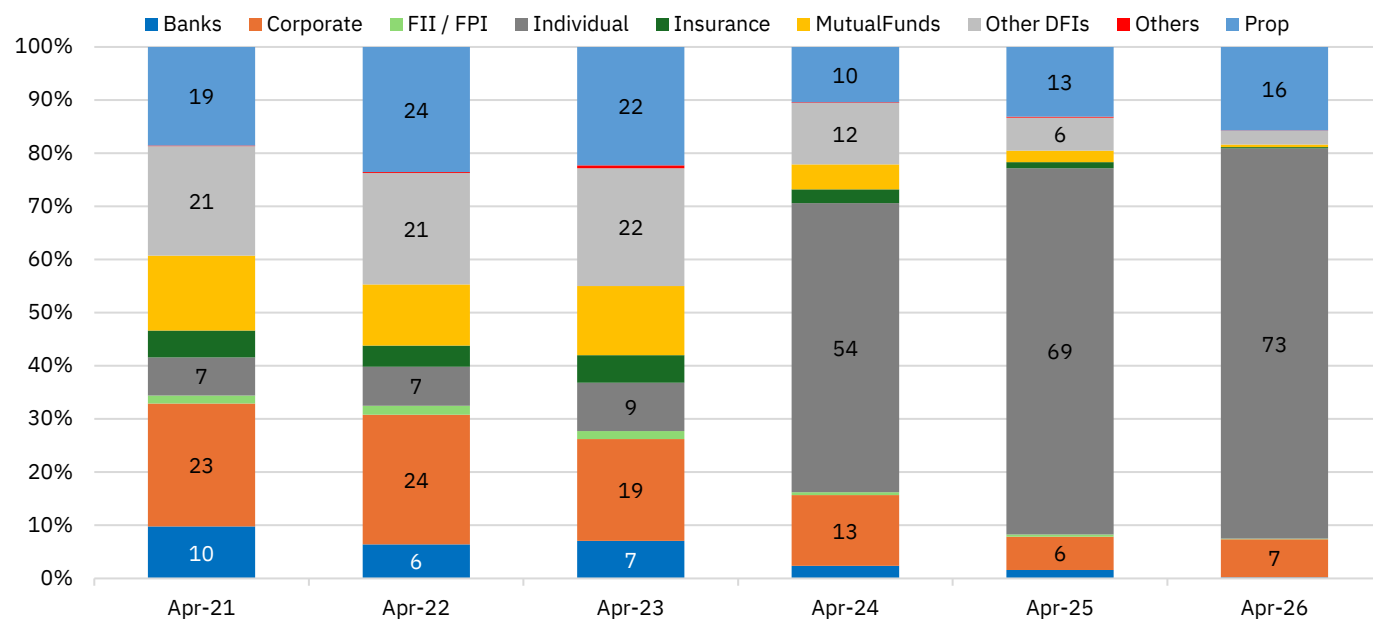
Figure 315: Share in OTC turnover across participant categories


Source: NSE EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

Figure 316: Share in RFQ turnover across participant categories


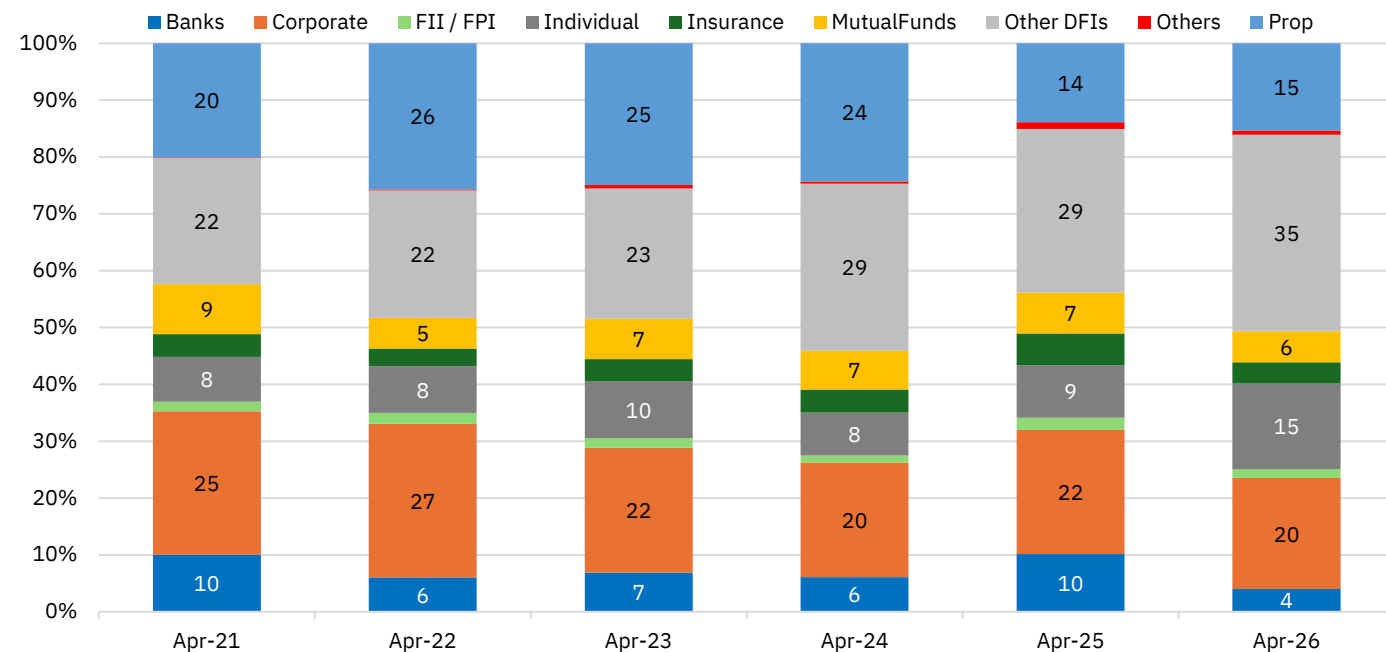
Source: NSE EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

Figure 317: Share in total trade counts across participant categories



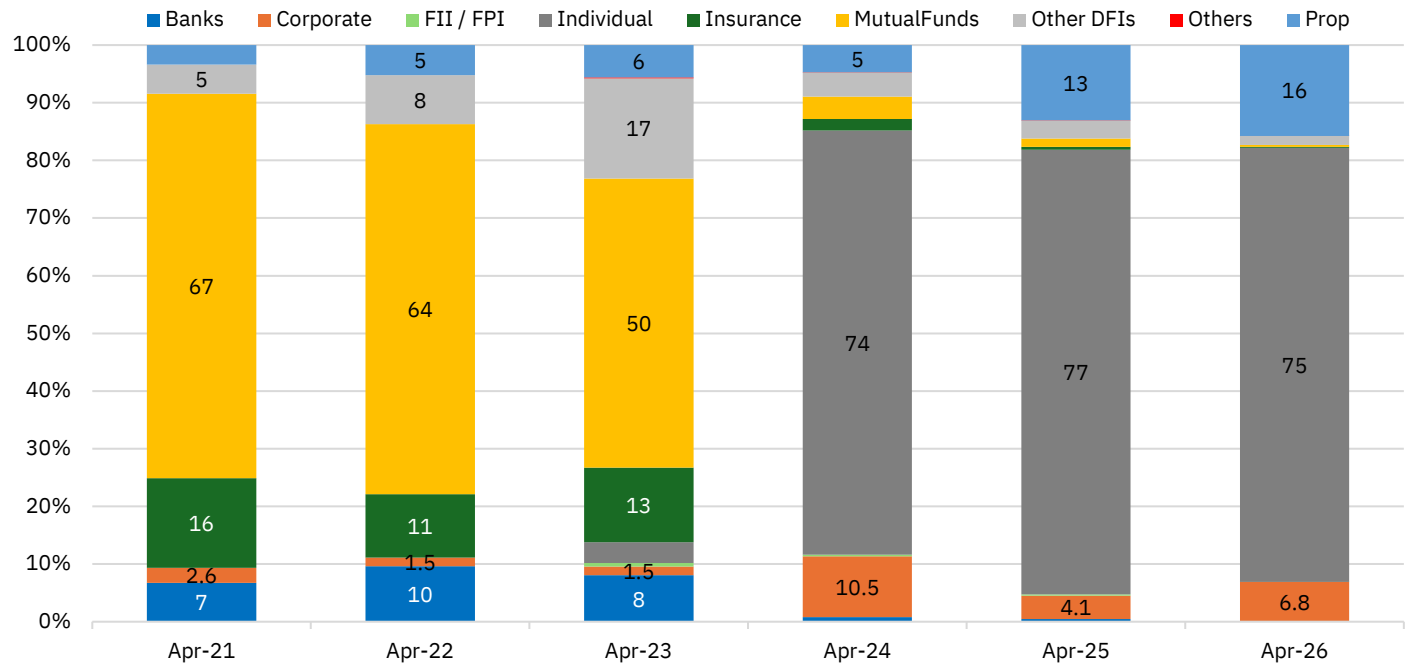
Source: NSE EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

Figure 318: Share in OTC trade counts across participant categories



Source: NSE EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

Figure 319: Share in RFQ trade counts across participant categories



Source: NSE EPR. Note: 1. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. 2. Individual includes proprietorship firms and HUFs; Other DFIs include AIFs, VCs, PMS; NBFCs, PF Trusts and Primary Dealers; Others include Partnership forms, other trusts etc.

Category-wise participation across segments: Individual investors' share broadens in April-26

Market participation in April 2026 highlighted shift in dynamics across segments, reflecting increased individual activity. In the cash market, retail participation rebounded, even as proprietary traders continued to anchor overall activity, while institutional flows showed moderation. A similar rebalancing was visible in equity derivatives following the STT hike, where institutional participation strengthened significantly in futures—led by foreign investors and DIIs—marking a shift away from proprietary dominance. In contrast, the options segment continued to be largely led by proprietary and retail participants, with retail activity gaining further traction. In commodity derivatives, the market exhibited a progressive broadening of participation, with proprietary dominance easing—most notably in futures where share fell to historic lows—alongside a strong recovery in retail activity and sustained foreign investor presence, signalling deepening market maturity. In contrast, the interest rate futures segment reflected a sharp concentration of activity, characterised by a surge in proprietary participation to multi-year highs, accompanied by a pronounced dip in corporate and retail shares.

Retail participation share rebounded in April 2026: Cash market turnover rose to a 21-month high of Rs 26.9 lakh crore in April 2026, up by 13% MoM, while participation trends indicated a renewed increase in retail activity. Individual investors' share increased to 33.8% (up by 417 bps MoM and 101 bps YoY), reversing the previous month's decline in share to a 11-year low, and re-establishing retail as a key contributor to market turnover. In contrast, proprietary traders' share remained broadly stable at 34.6% (-26 bps MoM), continuing to dominate the segment, with a strong +487 bps YoY increase. Institutional participation witnessed moderation during the month, with foreign investors' share declining sharply to 11.8% (-257 bps MoM, -365 bps YoY), marking a notable pullback in FII activity. Similarly, DII participation eased to 13.4% (-142 bps MoM, -104 bps YoY), while corporate participation remained stable at 3.7% (-23 bps MoM), while the 'Others' category edged up slightly (+31 bps MoM).

Proprietary share moderated in equity derivatives segment in April: Client participation in the equity derivatives segment in April 2026 reflected a moderation in proprietary dominance alongside rising retail participation. In equity futures, the proprietary share fell to 28.3% from 32.7% in March, while retail participation increased to 17.6% from 15.3% over the same period. Foreign investors' share increased to 30.8% (+167 bps MoM, +397 bps YoY) – marking an all-time high – and, for the first time, surpassing proprietary traders' share, due to increased participation in stock futures.

In the equity options segment (premium turnover), participation patterns also pointed to a moderation in proprietary share amid the implementation of the STT hike. Proprietary traders contributed nearly 55% of the overall MoM decline in equity options turnover, leading their share to ease to a 16-month low of 48.7% from 50.5%, although they remained the largest participant category. Individual investors accounted for around 29% of the decline in turnover, yet their share increased to 38.6% from 36.1%. Notably, both proprietary and retail turnover declined in index options but recorded growth in stock options, indicating a gradual shift in trading activity towards stock-specific contracts. Meanwhile, foreign investor participation moderated further, with their share declining to 6.6% (-101 bps MoM; -251 bps YoY). Overall, the segment reflected a broader rebalancing in market participation during the month.

Proprietary share hit a six-year low in commodity futures; retail participation expands: Client participation across commodity derivatives in April 2026 continued to shift towards retail investors, while the dominance of proprietary traders moderated further. In commodity futures, proprietary traders' share declined to a 6-year low of

49.4% (-178 bps MoM, -1,710 bps YoY), falling below the 50% mark while individual investors' participation rose to 26.2% (+263 bps MoM)—a 10-month high, indicating strong recovery in retail activity. Foreign investors and corporates also saw a marginal uptick, pointing to a gradual broadening of the participant base.

In commodity options (premium turnover), proprietary share remained broadly stable at 50.9% (+47 bps MoM), while individual participation recovered to 24.7% (+324 bps MoM) after recent moderation. Foreign investors continued to maintain a strong presence at 23.7%, despite a slight MoM decline. Overall, the trend highlights a progressive rebalancing in commodity markets, with declining proprietary concentration in futures and improving retail and institutional participation.

Proprietary participation surged to a six-year high while corporate fell to a 4.5-year low in IRF: Client participation in the interest rate futures (IRF) segment in April 2026 reflected a significant shift in market composition, driven by a surge in proprietary trading activity. Proprietary traders' share surged to 69.6% (+2,618 bps MoM; +5,838 bps YoY), reaching a six-year high and reinforcing their dominant presence in the segment. This sharp increase was accompanied by a steep decline in corporate participation, with their share falling to 27.8% (-2,350 bps MoM, -4,805 bps YoY)—a 4.5-year low, indicating a significant pullback after elevated participation in previous periods. Retail participation halved, with individual investors' share dropping to 2.1% (-281 bps MoM, -991 bps YoY) from 4.9%, reflecting subdued activity while institutional participation remained negligible.

Table 79: Share of client participation in NSE cash market segment (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	3.7	3.9	3.6	(23)	4	3.7	4.6	3.7
DIIIs	13.4	14.8	14.4	(142)	(104)	14.2	12.4	13.9
Foreign Investors	11.8	14.4	15.5	(257)	(365)	14.6	14.9	13.2
Individuals	33.8	29.6	32.8	417	101	33.4	34.3	32.3
Prop	34.6	34.9	29.8	(26)	487	30.9	29.2	34.4
Others	2.7	2.4	3.9	31	(123)	3.2	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 CY26TD is as of April'26.

Figure 320: Annual trends in share of client participation in NSE cash market segment (%)

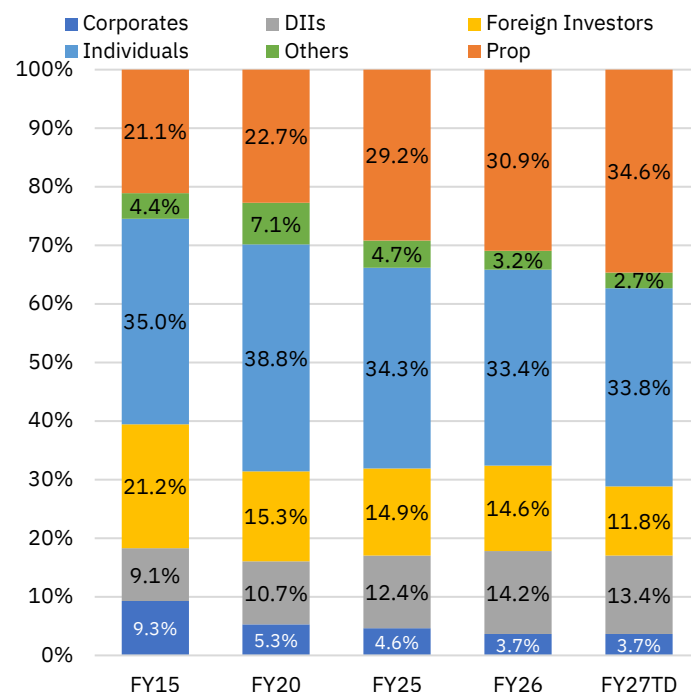
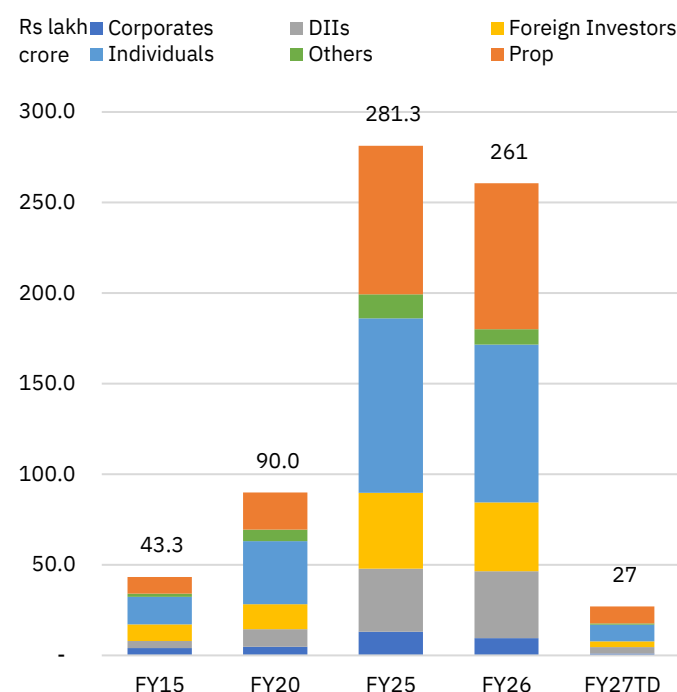


Figure 321: Annual trends in share of client participation in NSE cash market segment



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.
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3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY27TD is as of April'26.

Table 80: Share of client participation in Equity Derivatives segment (Notional turnover) of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	2.2	2.2	2.6	7	(36)	2.2	4.2	2.1
DII	0.2	0.2	0.3	1	(4)	0.2	0.1	0.3
Foreign Investors	6.3	7.1	8.3	(76)	(201)	6.9	7.1	6.8
Individuals	30.9	28.3	26.4	257	450	29.2	25.5	29.9
Prop	57.4	59.9	60.2	(247)	(280)	59.3	60.0	58.6
Others	2.9	2.3	2.1	58	72	2.2	2.9	2.2

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. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for CY26TD is as of April'26.

Figure 322: Annual trends in share of client participation in Equity Derivatives segment (Notional turnover) at NSE (%)

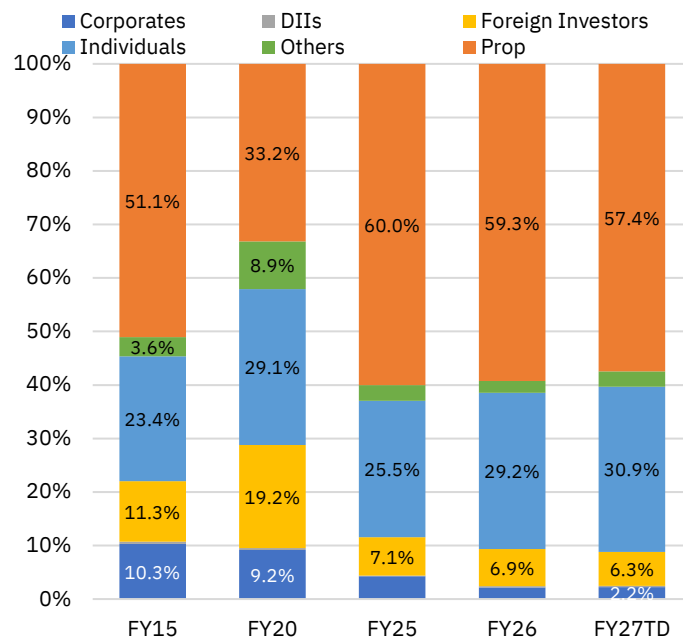
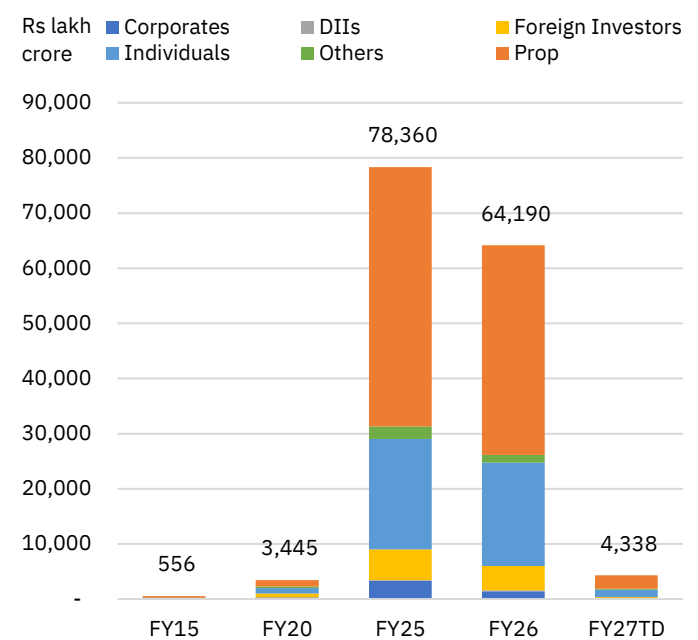


Figure 323: Annual trends in share of client participation in Equity Derivatives segment (Notional turnover) at NSE



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 FY27TD is as of April'26.

Table 81: Share of client participation in Equity futures (Notional Turnover) segment of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	6.7	7.3	6.7	(54)	(0)	6.8	8.0	6.9
DII's	12.7	11.4	11.1	129	162	12.3	8.8	12.2
Foreign Investors	30.8	29.2	26.9	167	397	27.5	25.7	28.8
Individuals	17.6	15.3	16.9	233	78	17.0	18.2	16.2
Prop	28.3	32.7	33.6	(448)	(531)	31.9	34.3	31.8
Others	3.9	4.1	4.9	(28)	(106)	4.4	5.0	4.1

Source: NSE EPR.

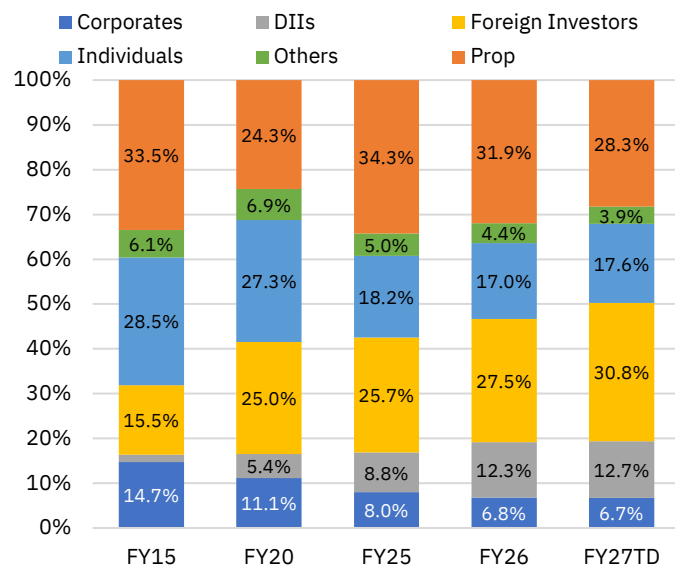
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, 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 CY26TD is as of April'26.

Figure 324: 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 FY27TD is as of April'26.

Figure 325: Annual trends in share of client participation in Equity futures (Notional Turnover) at NSE

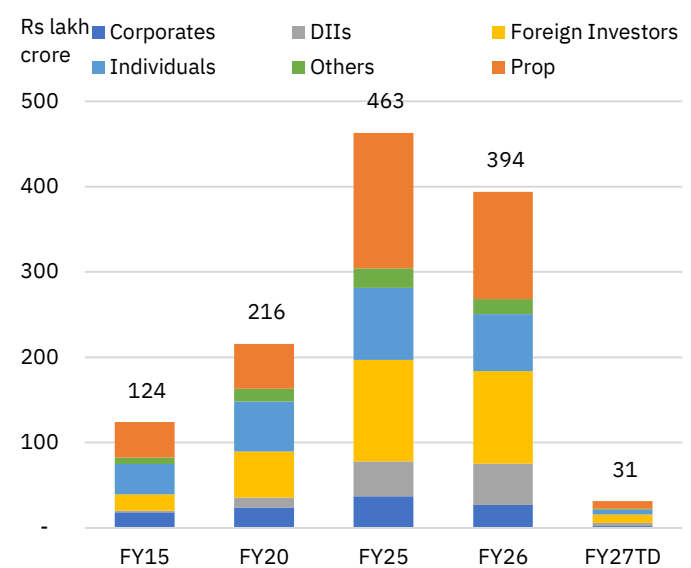


Table 82: Share of client participation in Equity options segment (Premium Turnover) of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	2.4	2.6	2.5	(25)	(11)	2.2	3.9	2.3
DIIs	0.2	0.2	0.2	(1)	1	0.1	0.1	0.2
Foreign Investors	6.6	7.6	9.1	(101)	(251)	7.3	9.6	7.2
Individuals	38.6	36.1	33.6	256	501	37.5	34.6	37.5
Prop	48.7	50.5	52.3	(180)	(362)	50.7	48.9	50.1
Others	3.5	3.0	2.3	51	122	2.2	2.8	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 CY26TD is as of April'26.

Figure 326: Annual trends in share of client participation in Equity options (Premium Turnover) at NSE (%)

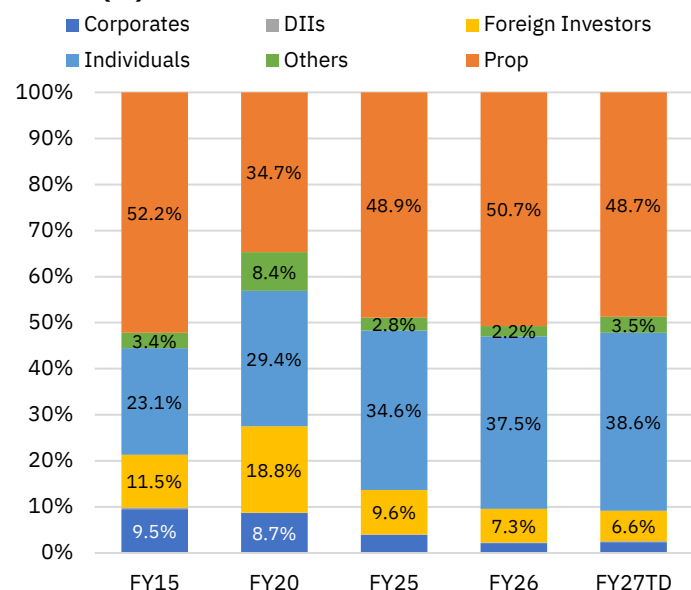
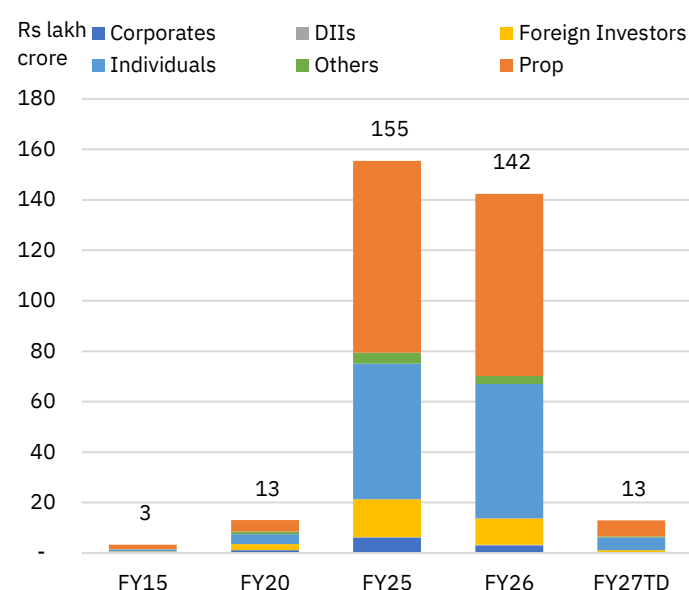


Figure 327: Annual trends in share of client participation in Equity options (Premium Turnover) at NSE



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 FY27TD is as of April'26.

Table 83: Share of client participation in Index Futures of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	10.0	9.3	9.8	64	15	9.3	12.2	9.2
DIIs	6.6	4.8	5.3	179	123	5.9	3.7	5.6
Foreign Investors	17.5	19.0	15.6	(147)	190	16.5	15.0	18.0
Individuals	36.9	29.5	30.0	733	684	31.4	31.2	31.4
Prop	23.7	31.9	32.9	(822)	(923)	31.4	32.1	30.5
Others	5.4	5.5	6.3	(6)	(89)	5.5	5.8	5.4

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 CY26TD is as of April'26.

Figure 328: Annual trends in share of client participation in Index Futures at NSE (%)

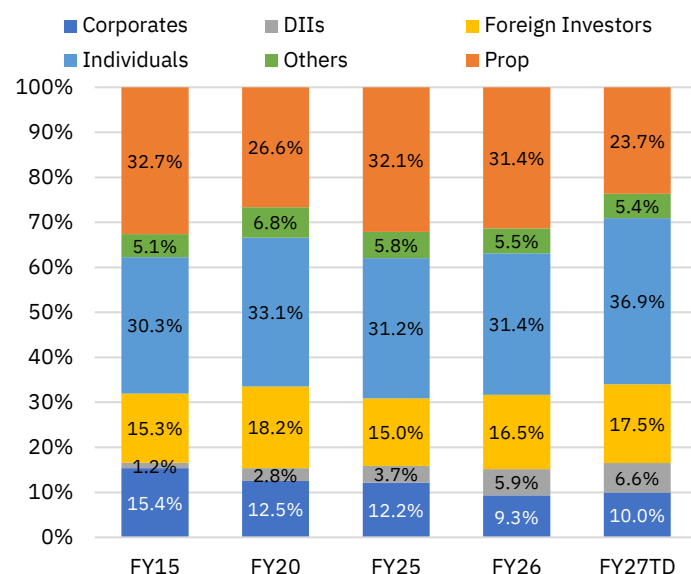
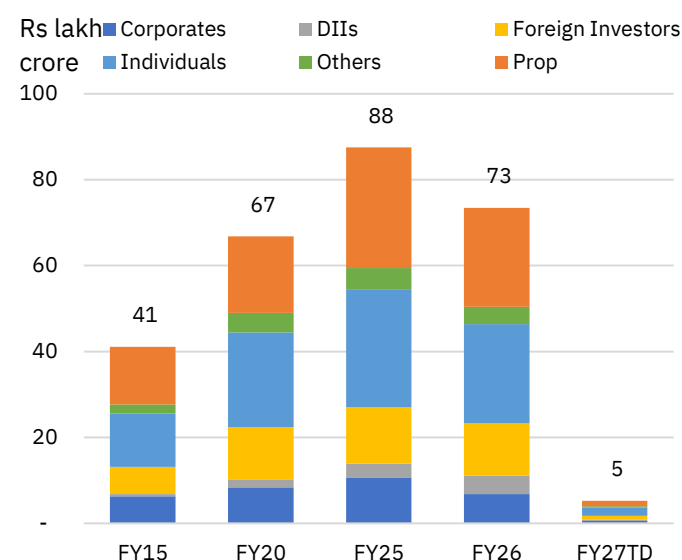


Figure 329: Annual trends in share of client participation in Index Futures at NSE



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 FY27TD is as of April'26.

Table 84: Share of client participation in Stock Futures of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	6.1	6.6	5.9	(58)	18	6.2	7.0	6.4
DIIIs	13.9	13.3	12.6	59	130	13.8	10.0	13.6
Foreign Investors	33.5	32.1	29.9	136	358	30.1	28.2	31.2
Individuals	13.8	11.2	13.3	264	51	13.7	15.2	12.8
Prop	29.2	33.0	33.8	(381)	(458)	32.1	34.8	32.1
Others	3.6	3.8	4.6	(21)	(100)	4.2	4.8	3.8

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 CY26TD is as of April'26.

Figure 330: Annual trends in share of client participation in Stock Futures at NSE (%)

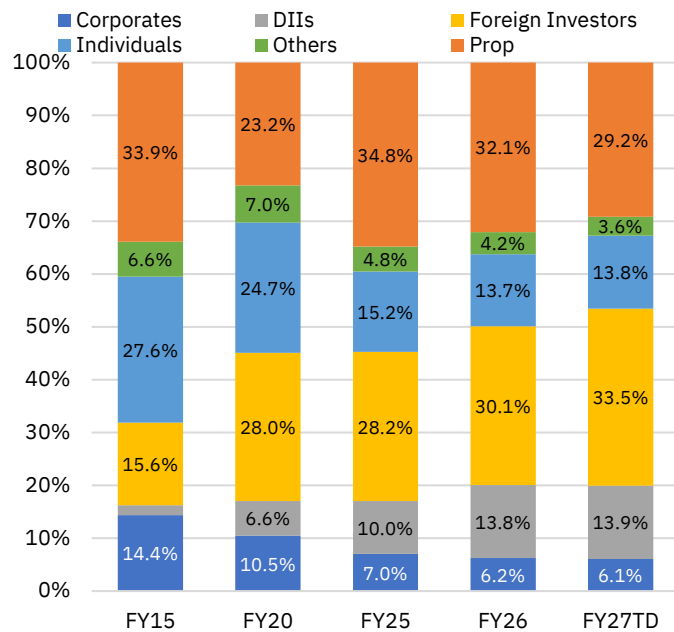
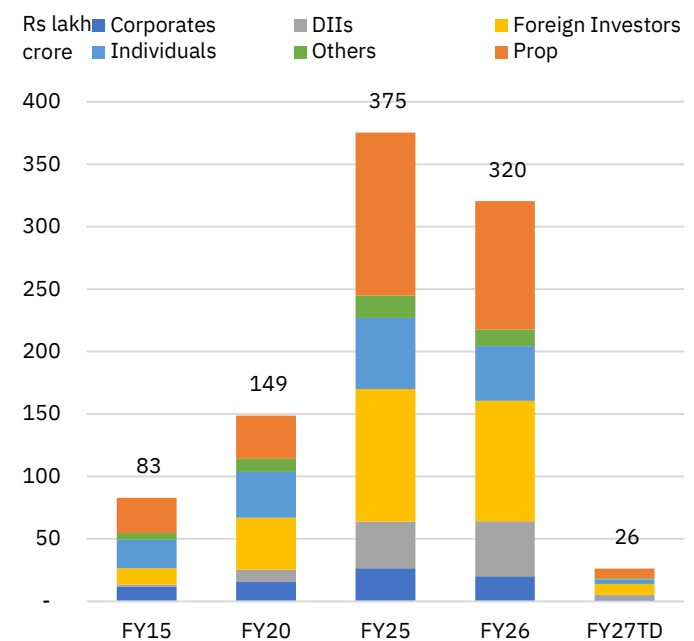


Figure 331: Annual trends in share of client participation in Stock Futures at NSE



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 FY27TD is as of April'26.

Table 85: Share of client participation in Index Options (Premium Turnover) of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	2.3	2.6	2.5	(27)	(15)	2.1	3.9	2.3
DII's	0.2	0.2	0.2	(2)	(3)	0.1	0.1	0.1
Foreign Investors	6.9	7.9	8.3	(97)	(137)	7.3	9.6	7.5
Individuals	40.4	37.1	35.1	326	527	39.0	35.7	39.0
Prop	46.4	49.1	51.6	(266)	(517)	49.3	47.8	48.3
Others	3.8	3.2	2.4	66	145	2.3	3.0	2.8

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.

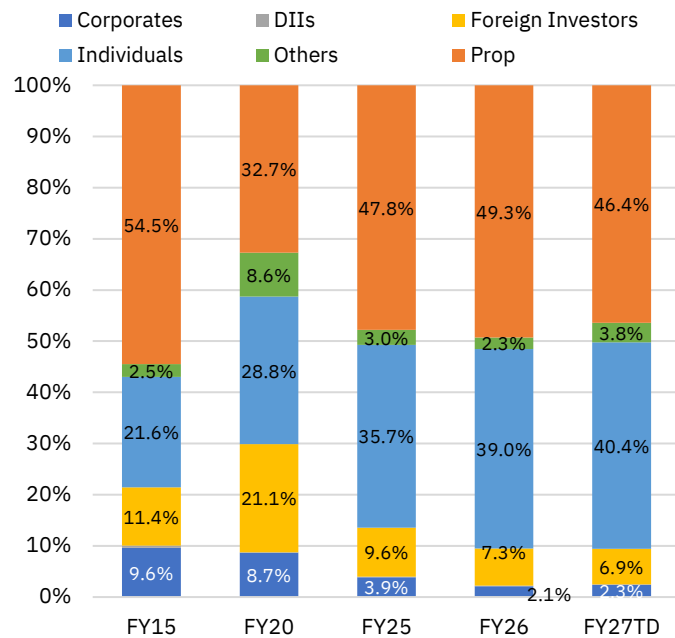
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies 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 CY26TD is as of April'26.

Figure 332: 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 FY27TD is as of April'26.

Figure 333: Annual trends in share of client participation in Index Options (premium turnover) at NSE

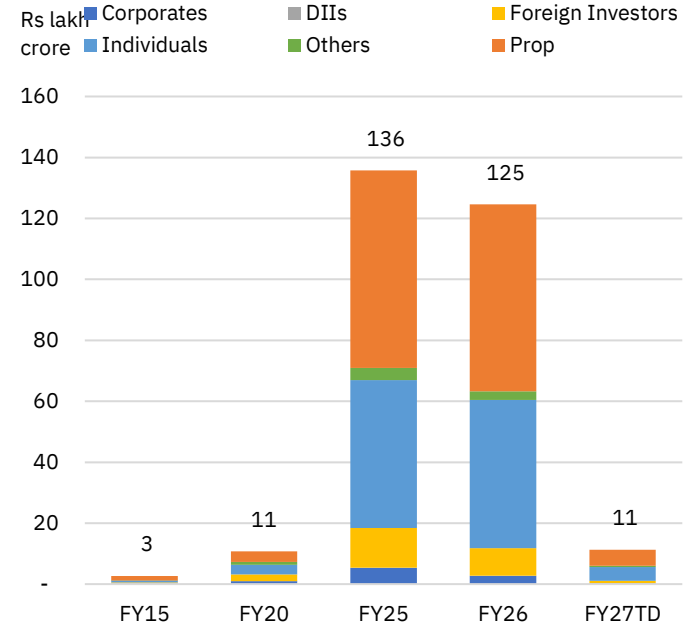


Table 86: Share of client participation in Stock Options (Premium Turnover) of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	2.6	2.7	2.4	(11)	17	2.5	4.4	2.6
DII's	0.6	0.6	0.3	(6)	26	0.3	0.2	0.5
Foreign Investors	4.4	4.6	14.1	(19)	(976)	7.4	9.9	4.8
Individuals	26.7	25.3	24.4	143	237	27.2	27.1	26.5
Prop	64.2	65.3	56.9	(104)	728	60.8	56.7	63.9
Others	1.5	1.6	1.9	(5)	(33)	1.9	1.8	1.7

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 CY26TD is as of April'26.

Figure 334: Annual trends in share of client participation in Stock Options (Premium Turnover) at NSE (%)

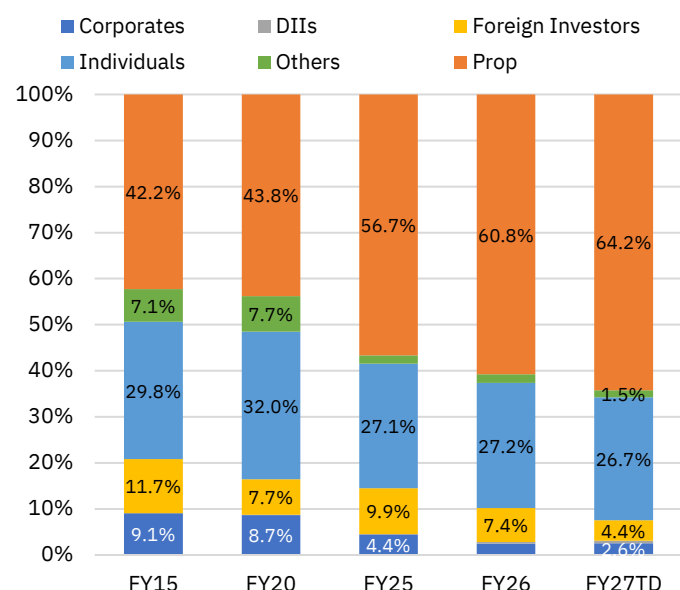
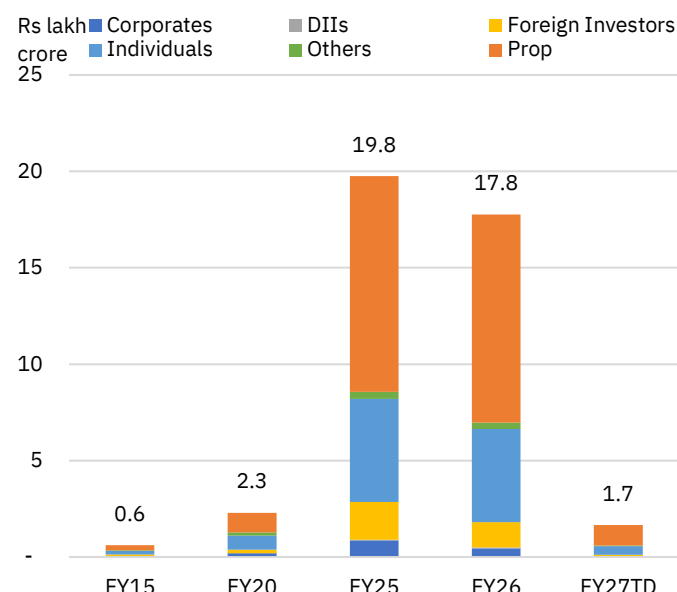


Figure 335: Annual trends in share of client participation in Stock Options (Premium Turnover) at NSE



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 FY27TD is as of April'26.

Table 87: Share of client participation in Currency Derivatives segment (Notional Turnover) of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	16.4	11.9	16.1	453	29	15.4	8.6	14.8
DIIIs	2.7	2.4	4.3	36	(156)	2.9	2.0	2.1
Foreign Investors	16.8	15.5	18.2	126	(140)	15.9	7.8	16.1
Individuals	10.6	6.1	6.3	447	433	8.3	8.4	8.0
Prop	51.8	62.5	53.4	(1,069)	(160)	56.0	71.7	57.4
Others	1.6	1.6	1.7	6	(6)	1.6	1.6	1.5

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.

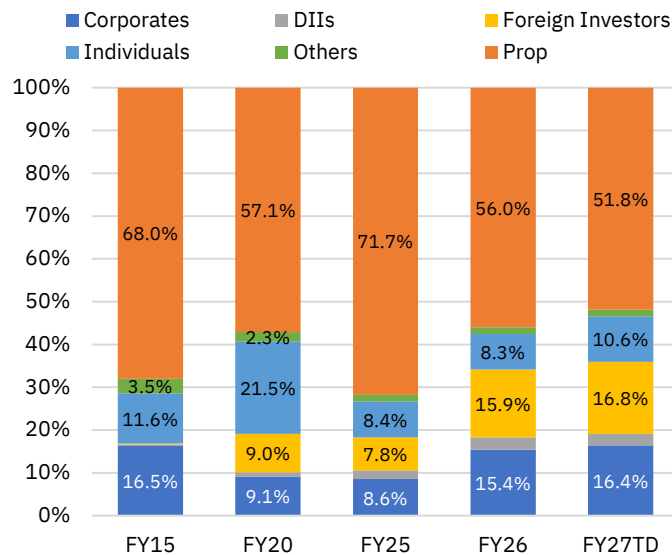
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFes, and OCBs. Corporate: Public and private companies 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 CY26TD is as of April'26.

Figure 336: 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 FY27TD is as of April'26.

Figure 337: Annual trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE

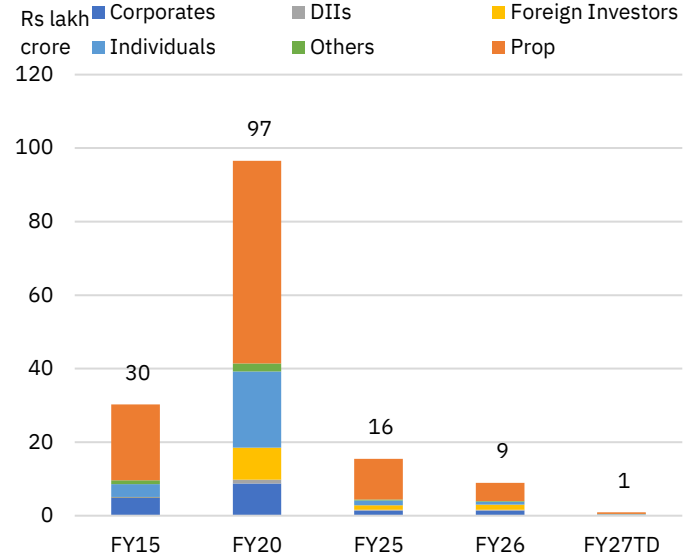


Table 88: Share of client participation in Currency Futures of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	16.1	11.6	15.9	454	16	15.1	8.1	14.5
DIIIs	2.8	2.4	4.3	37	(158)	2.9	2.2	2.1
Foreign Investors	17.0	15.7	18.4	131	(144)	16.1	8.0	16.3
Individuals	10.2	5.9	5.8	427	441	7.9	4.9	7.7
Prop	52.3	62.9	53.8	(1,055)	(148)	56.5	75.2	57.9
Others	1.6	1.6	1.7	7	(6)	1.6	1.5	1.5

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.

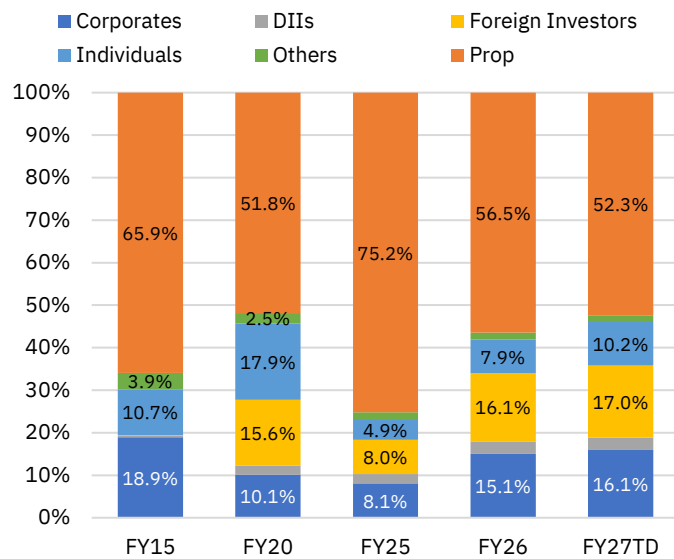
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies 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 CY26TD is as of April'26.

Figure 338: 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 FY27TD is as of April'26.

Figure 339: Annual trends in share of client participation in Currency Futures at NSE

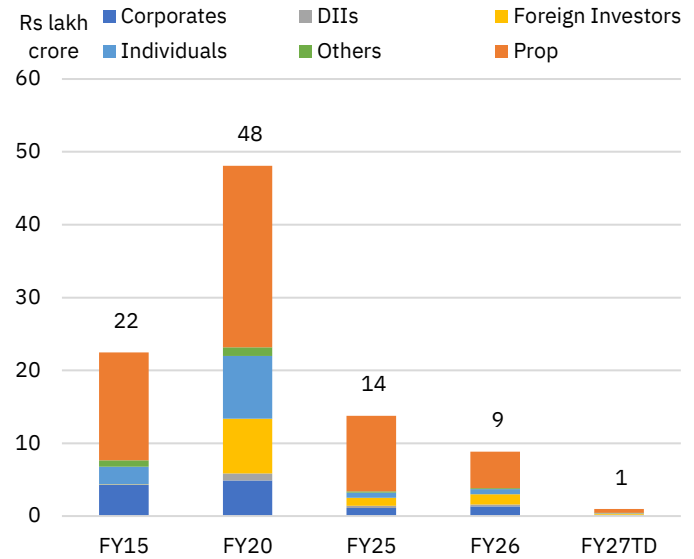


Table 89: Share of client participation in Currency Options (Premium Turnover) of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	41.1	52.1	35.6	(1,091)	552	48.6	11.1	50.0
DIIs	0.0	0.0	0.0	-	-	0.0	0.2	0.0
Foreign Investors	0.0	0.0	0.0	-	-	0.0	5.7	0.0
Individuals	58.8	34.0	49.2	2,482	959	37.8	36.9	42.2
Prop	0.0	14.0	15.2	(1,398)	(1,516)	13.4	45.3	7.7
Others	0.1	0.0	0.0	7	4	0.2	0.8	0.1

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. 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 CY26TD is as of April'26.

Figure 340: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE (%)

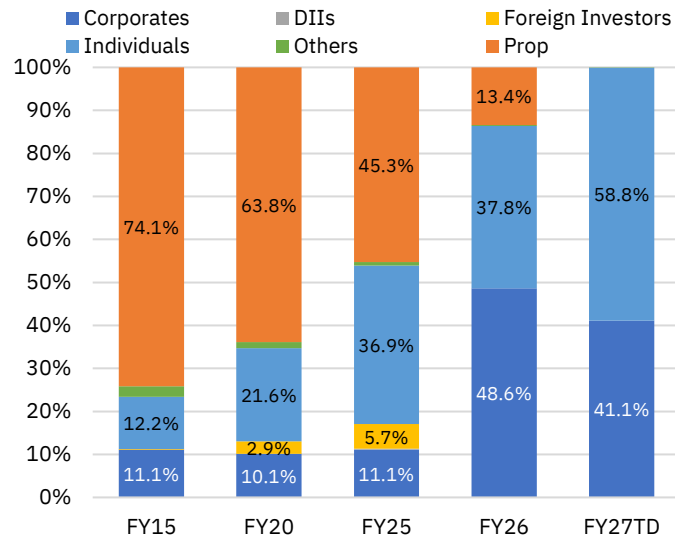
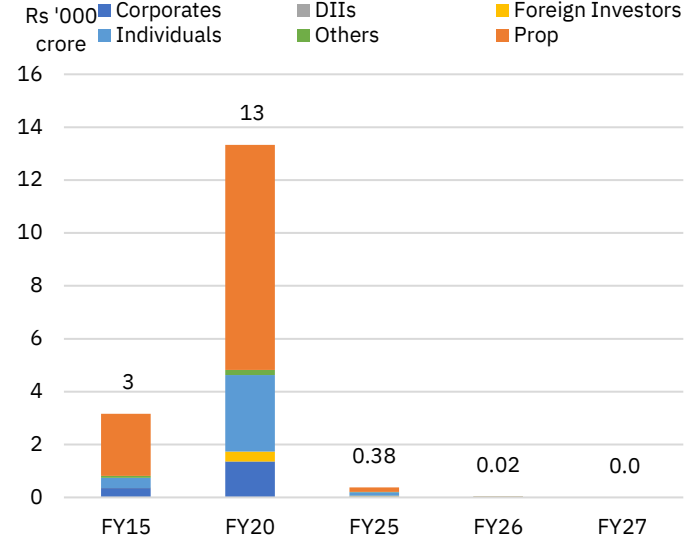


Figure 341: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE



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 FY27TD are as of April'26.

Table 90: Share of client participation in Interest Rate Futures of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Corporates	27.8	51.3	75.9	(2,350)	(4,805)	56.3	72.7	40.8
DIIIs	0.0	0.0	0.0	-	-	0.1	0.0	0.1
Foreign Investors	0.5	0.3	0.7	13	(27)	0.5	0.2	0.4
Individuals	2.1	4.9	12.0	(281)	(991)	6.9	15.1	4.7
Prop	69.6	43.5	11.3	2,618	5,838	36.2	10.6	54.0
Others	0.0	0.0	0.1	-	(14)	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 CY26TD is as of April'26.

Figure 342: Annual trends in share of client participation in Interest Rate Futures at NSE (%)

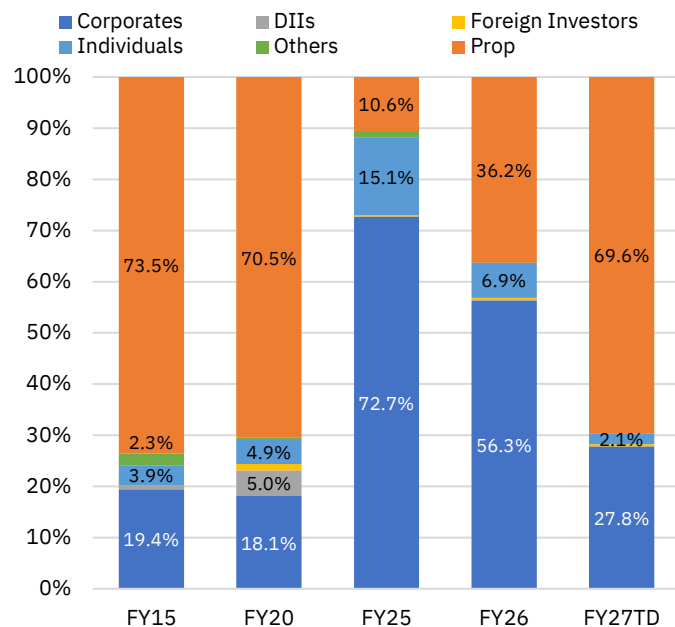
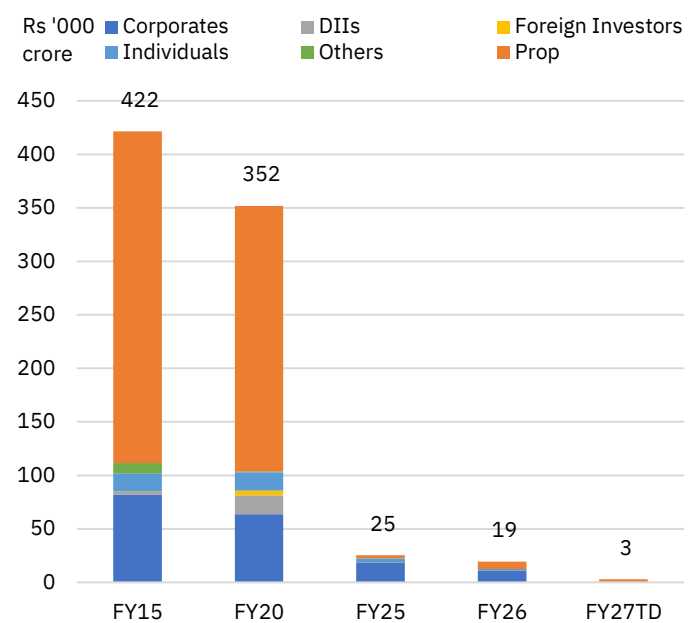


Figure 343: Annual trends in share of client participation in Interest Rate Futures at NSE



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 FY27TD are as of April'26.

Table 91: Share of client participation in Commodity derivatives segment of NSE (%)

Client category	Apr-26	Mar-26	Apr-25	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY26TD
Commodity Futures								
Corporates	2.6	1.6	1.5	105	111	1.9	0.0	2.0
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	5.6	4.9	5.2	71	40	1.2	0.0	3.7
Individuals	26.2	23.6	18.0	263	816	9.5	5.9	19.0
Prop	49.4	51.1	66.5	(178)	(1,710)	72.4	78.2	54.2
Others	16.2	18.8	8.8	(261)	743	15.1	15.9	21.1
Commodity Options (Premium Turnover)								
Corporates	0.5	0.3	0.7	15	(18)	0.3	0.0	0.4
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	23.7	27.1	0.2	(340)	2,352	13.3	0.0	24.8
Individuals	24.7	21.5	32.2	324	(745)	28.0	14.1	24.8
Prop	50.9	50.4	65.3	47	(1,443)	57.4	74.0	49.6
Others	0.2	0.7	1.7	(47)	(146)	0.9	11.8	0.4
Commodity Derivatives (Notional Turnover)								
Corporates	0.7	1.0	0.7	(29)	2	0.7	0.2	0.7
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	7.7	11.6	0.1	(384)	764	5.0	0.0	10.4
Individuals	32.8	24.5	15.6	824	1,715	17.1	4.2	26.2
Prop	56.1	57.9	81.1	(182)	(2,500)	74.9	84.7	59.5
Others	2.6	4.9	2.4	(228)	20	2.3	10.9	3.1

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. 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 CY26TD are as of April'26.

Figure 344: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover) (%)

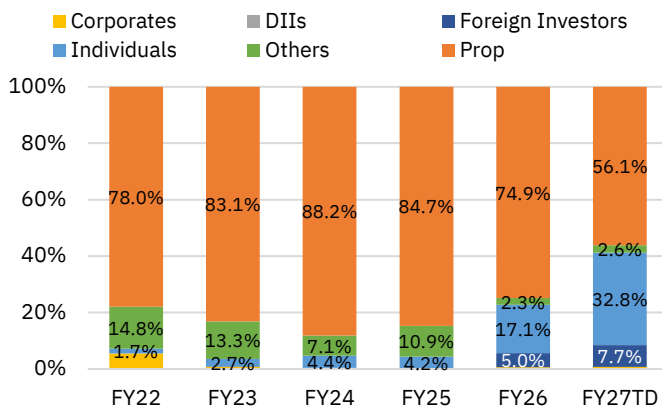


Figure 345: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover)

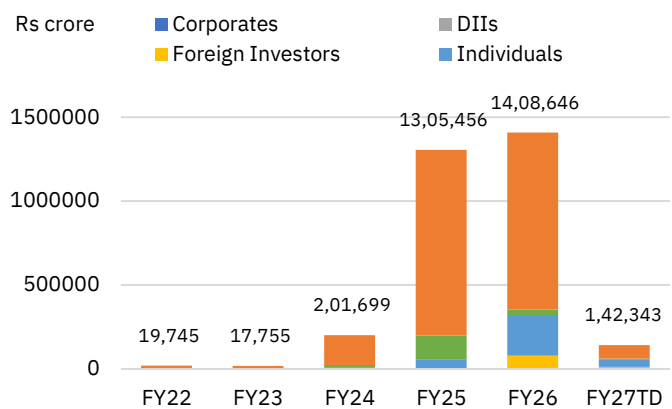


Figure 346: Annual trends in share of client participation in Commodity Futures at NSE (%)

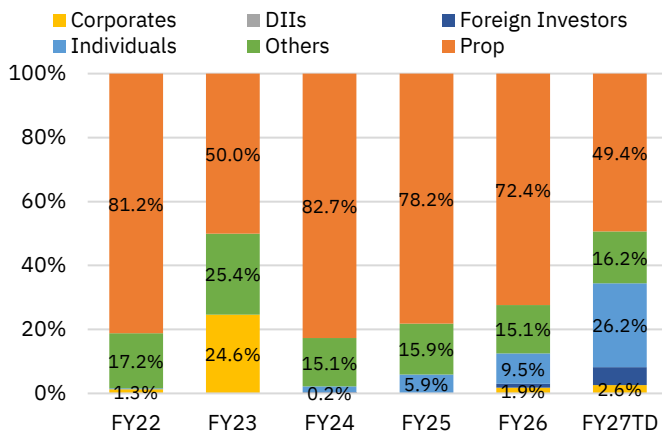


Figure 347: Annual trends in share of client participation in Commodity Futures at NSE

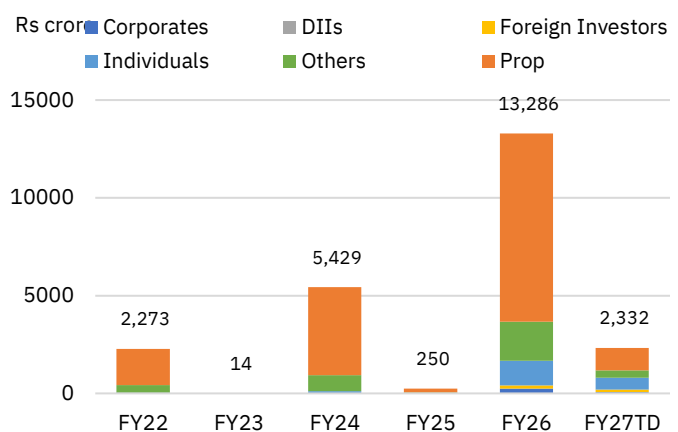


Figure 348: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE (%)

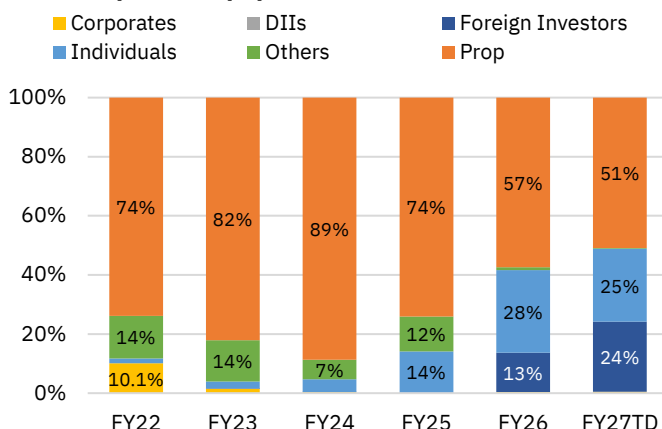
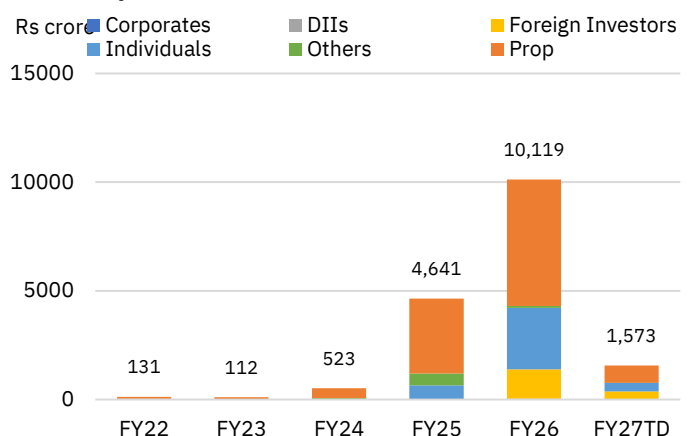


Figure 349: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE



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.

3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

4. Data for FY27TD are as of April'26.

Channel-wise turnover distribution: Mobile trading share rises across segments

The overall channel mix in April indicates continued dominance of tech-enabled channels across equity segments, with mobile participation gaining further ground in equity cash and derivatives. Colocation remained the largest mode of execution in equities, with 43.5% share in equity cash, 52.2% in equity options (premium-based) and 48.5% in equity futures, reflecting the continued prominence of low-latency connectivity. In equity cash, mobile trading rose to 23.4%, a 59-month high, while in equity options it increased further to 29.3%, with index options accounting for a larger share of mobile-based activity. IBT (Internet-based trading) remained broadly stable in cash at 6.2% and moderated across equity derivatives. DMA remained meaningful in equity futures at 17.4%, while it dropped in equity options to 6.2%. In commodity derivatives, CTCL/NEAT terminals remained the principal access route, but their share fell further by 4.0pp MoM and 25.1pp YoY to 59.5% in Apr'26, signalling continued migration toward alternate channels. Mobile trading expanded sharply in commodities, rising to 26.9%, at highest level, while DMA and IBT continued to retain a meaningful share across both futures and options, even as CTCL remained the leading channel overall.

Mobile trading rises to a 59-month high in equity cash: Connectivity trends in the equity cash segment continued to reflect a shift toward tech-enabled execution. Colocation stood at 43.5% in Apr'26, down 77 bps MoM but up 469 bps YoY. The share of mobile trading rose sharply by 325 bps MoM and 262 bps YoY to 23.4%, marking a 59-month high and reinforcing its growing contribution to cash-market activity. Traditional dealer-led routes weakened further, with the share of CTCL/NEAT terminals declining 168 bps MoM and 534 bps YoY to 20.5%, while the share of DMA eased 30 bps MoM and 261 bps YoY to 3.8%. IBT's share stood at 6.2%, with limited sequential movement (+7 bps) but remaining 122 bps lower YoY. Smart order routing stood at 2.7%, lower by 57 bps MoM.

DMA rises to an 18-month high in equity futures; colocation remains the largest channel at 48.5%: Equity futures activity remained institutionally oriented in April. The share of colocation stood at 48.5% in Apr'26, down 365 bps MoM, though it remained the largest mode of execution in the segment. DMA's share strengthened sequentially to 17.4% (+28 bps MoM; +89 bps YoY), marking an 18-month high. IBT eased 16 bps MoM to 5.7%, while mobile participation increased 161 bps MoM to 10.4%. The share of CTCL/NEAT terminals rose 192 bps MoM to 18.0% and was marginally down on a YoY basis (-14 bps). Overall, April's flow mix continued to be led by colocation and DMA, with mobile participation also moving higher.

Mobile trading share rises in equity options as well even as colocation remains dominant channel: In equity options, colocation retained leadership with a share of 52.2% in Apr'26, though it moderated by 199 bps MoM. Mobile trading rose further to 29.3%, up 175 bps MoM, highlight continued strength in mobile-based participation. Notably, the share of mobile activity remained more concentrated in index options than in stock options, with shares of 30.6% and 20.4%, respectively. DMA eased 65 bps MoM to 6.2%, while IBT declined to 7.8% (-58 bps MoM; -224 bps YoY). The share of CTCL/NEAT terminals rose to 4.5%, up 148 bps MoM, marking a 32-month high.

Commodity segment witnesses a similar trend: At an aggregate level, CTCL/NEAT terminals remained the principal access route, but their share fell further by 400 bps MoM and 2,509 bps YoY to 59.5% in Apr'26, indicating continued migration toward alternate channels. The share of mobile strengthened sharply across the segment, rising to 26.9% (+885 bps MoM; +1,793 bps YoY), an all-time high. In commodity futures, mobile trading increased to 22.1% (+199 bps MoM; +1,019 bps YoY), while the share of IBT stood at 17.5% despite moderating by 295 bps MoM; it was still up 1,245 bps YoY. In options, DMA remained meaningful at 23.7% (-325 bps MoM; +2,368 bps YoY), while mobile rose to

22.2% (+345 bps MoM; -163 bps YoY), even as CTCL retained leadership at 51.2% (-23 bps MoM; -1,609 bps YoY). Overall, the evolving mix points to ongoing diversification of execution platforms across the commodity ecosystem, with terminal dependence reducing further on both a monthly and annual basis.

Table 92: Monthly trend in share (%) of different channels of trading in NSE CM segment

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Colocation	43.5	44.3	38.8	-77	469	39.4	36.5	43.1
Direct Market Access (DMA)	3.8	4.1	6.4	-30	-261	4.8	6.8	3.8
Internet Based Trading (IBT)	6.2	6.1	7.4	7	-122	7.6	7.8	6.6
Mobile	23.4	20.1	20.8	325	262	21.4	20.7	22.0
Smart order routing	2.7	3.3	0.9	-57	186	2.0	0.7	2.9
CTCL/ Neat terminal	20.5	22.2	25.8	-168	-534	24.8	27.5	21.6

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. CY26TD is as of April 2026.

Figure 350: Annual turnover trend for different channels in the NSE CM segment

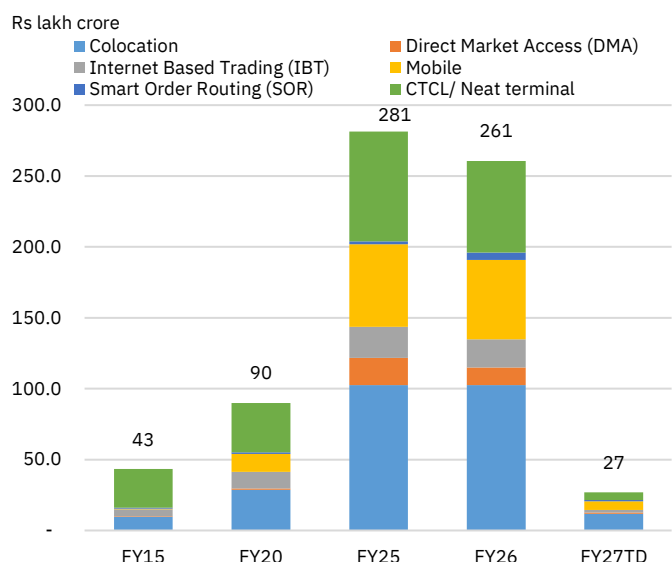
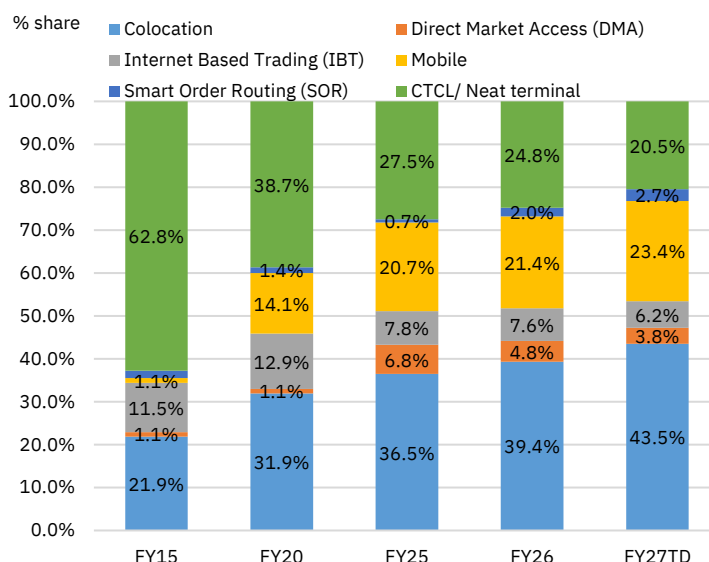
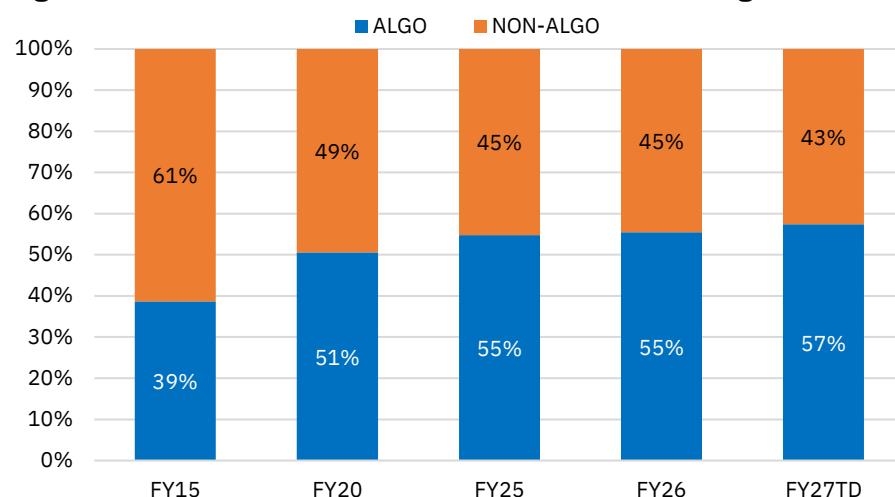


Figure 351: Annual trend in turnover share for different channels in the NSE CM segment



Source: NSE EPR. Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. 2. Data for FY27TD is as of Apr'26.

Figure 352: 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 FY27TD is as of Apr'26.

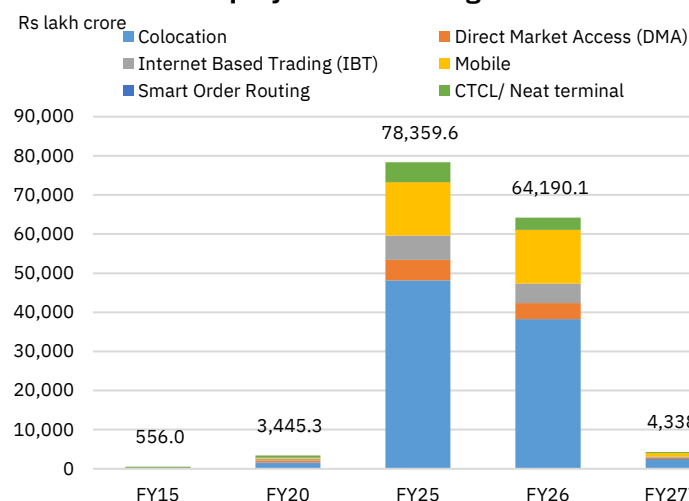
Table 93: Share (%) of different channels of trading in equity derivatives segment (notional turnover)

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Colocation	58.4	60.6	60.2	-221	-182	59.6	61.5	59.5
Direct Market Access (DMA)	6.1	6.8	8.1	-71	-201	6.4	6.7	6.4
Internet Based Trading (IBT)	5.7	6.3	7.8	-60	-209	7.8	7.9	6.8
Mobile	23.7	21.9	18.5	171	518	21.4	17.5	22.9
Smart order routing	0.0	0.0	0.0	-0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	6.1	4.3	5.4	182	74	4.8	6.4	4.5

Source: NSE EPR

Notes: 1. The above figures have been computed based on traded value.

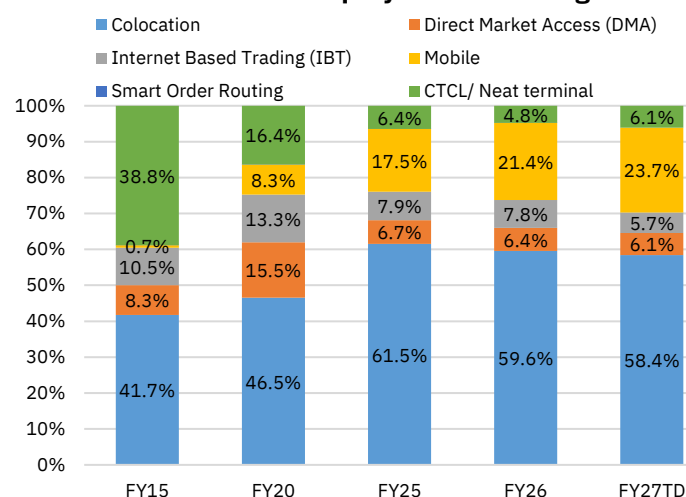
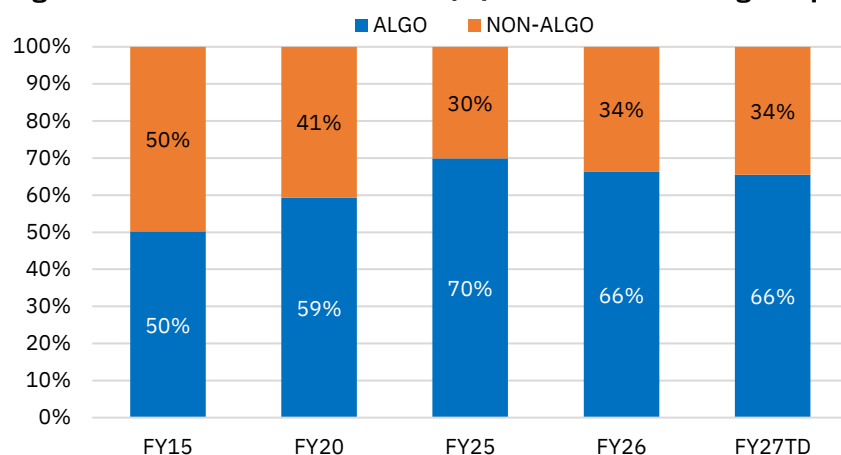
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover. 3. CY26TD is as of April 2026.

Figure 353: Annual turnover trend 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 FY27TD is as of Apr'26

Figure 354: Annual trend in turnover share for different channels in the equity derivatives segment

Figure 355: 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 FY27TD is as of Apr'26.

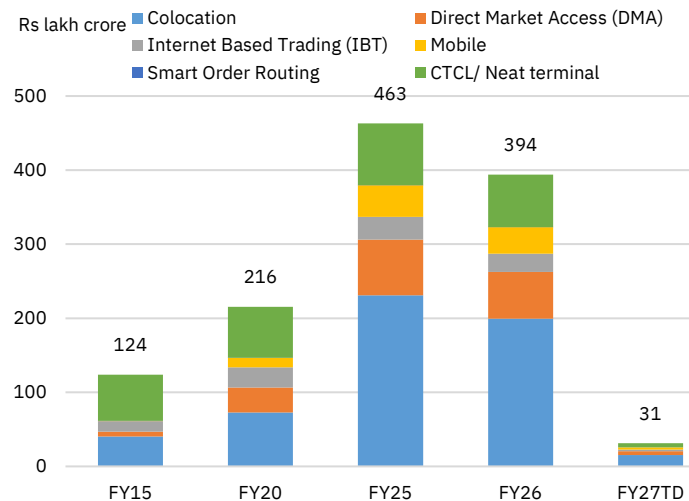
Table 94: Monthly trend in share (%) of different channels of trading in Equity futures (based on turnover)

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Colocation	48.5	52.2	50.0	-365	-148	50.7	49.9	51.0
Direct Market Access (DMA)	17.4	17.1	16.5	28	89	16.1	16.3	16.9
Internet Based Trading (IBT)	5.7	5.8	6.5	-16	-78	6.2	6.7	5.8
Mobile	10.4	8.8	8.9	161	151	9.1	9.2	9.2
Smart order routing	0.0	0.0	0.0	-0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	18.0	16.1	18.1	192	-14	18.0	17.9	17.1

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. CY26TD is as of April 2026.

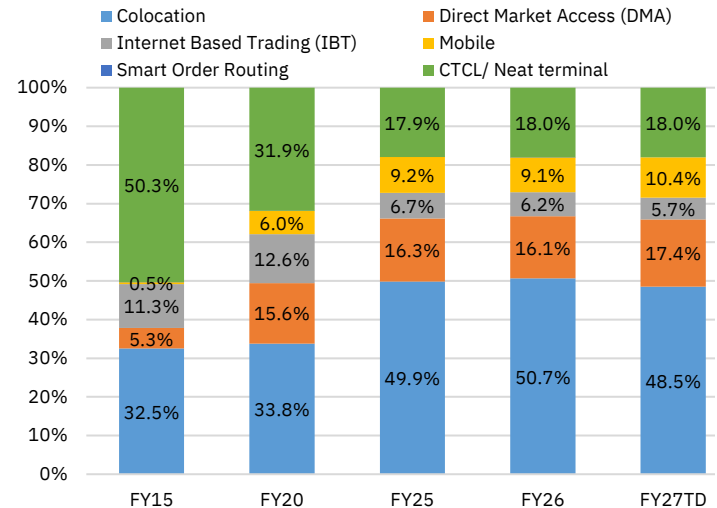
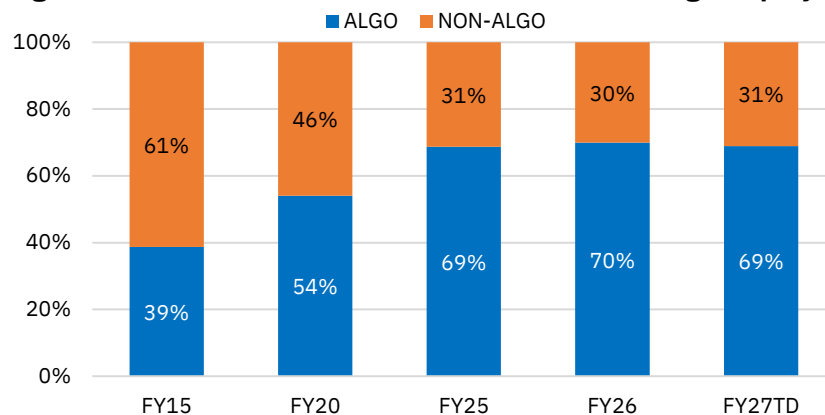
Figure 356: Annual turnover trend for different channels in the equity futures segment


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 FY27TD is as of Apr'26.

Figure 357: Annual trend in turnover share for different channels in the equity futures segment

Figure 358: 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 FY27TD is as of Apr'26.

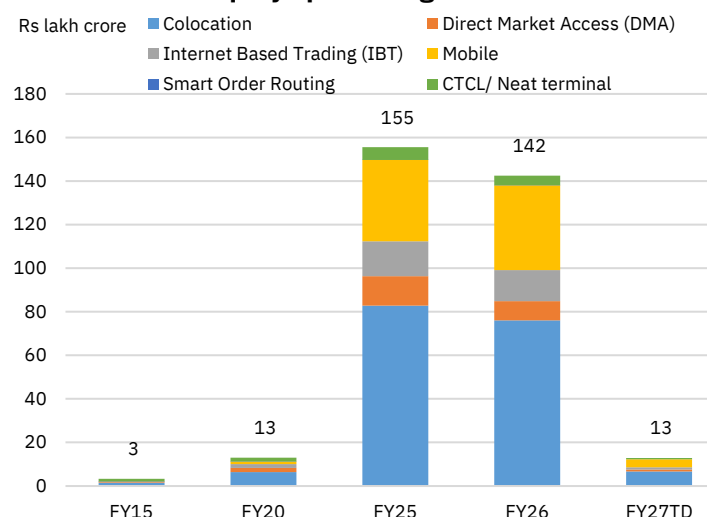
Table 95: Monthly trend in share (%) of different channels of trading in Equity options (Premium value)

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Colocation	52.2	54.2	54.9	-199	-267	53.4	53.3	53.5
Direct Market Access (DMA)	6.2	6.9	8.1	-65	-193	6.2	8.6	6.2
Internet Based Trading (IBT)	7.8	8.4	10.0	-58	-224	10.0	10.3	8.7
Mobile	29.3	27.5	23.2	175	603	27.3	24.0	28.5
Smart order routing	0.0	0.0	0.0	-0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	4.5	3.0	3.7	148	82	3.0	3.7	3.1

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. CY26TD is as of April 2026.

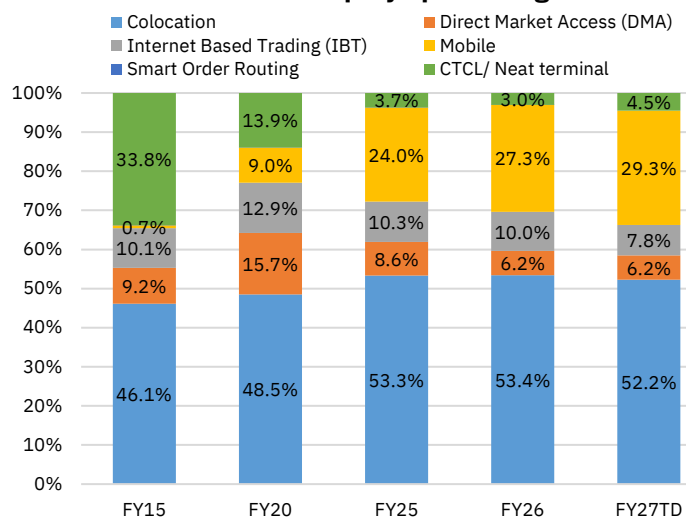
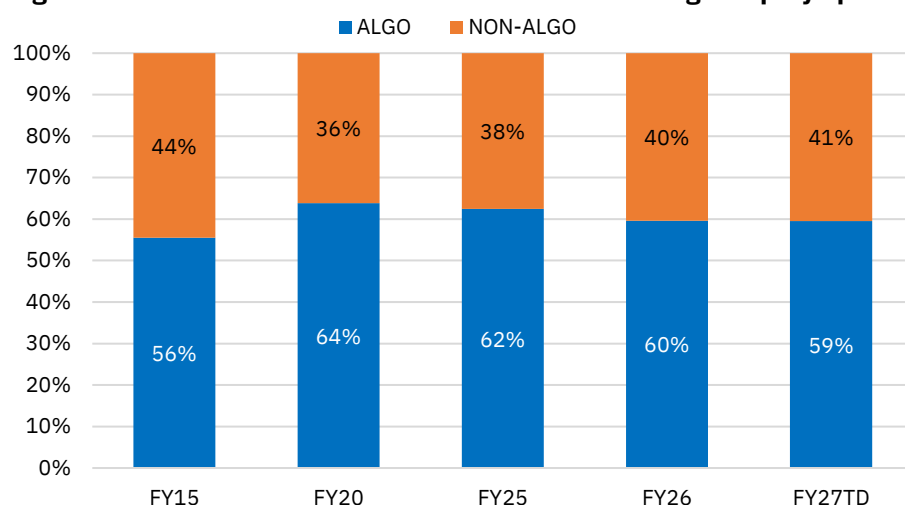
Figure 359: Annual turnover trend for different channels in the equity options segment


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 FY27TD is as of Apr'26.

Figure 360: Annual trend in turnover share for different channels in the equity options segment

Figure 361: 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 FY27TD is as of Apr'26.

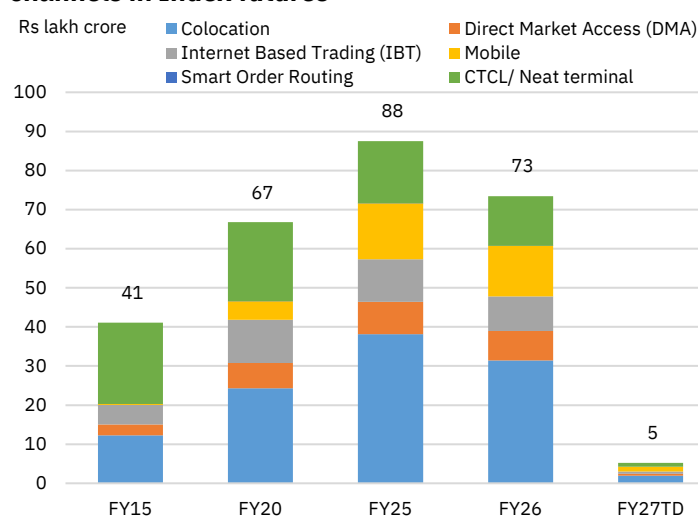
Table 96: Monthly Share (%) of different channels in index futures turnover

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Colocation	36.8	44.9	43.3	-808	-648	42.7	43.6	42.5
Direct Market Access (DMA)	9.8	10.5	9.8	-71	7	10.3	9.4	10.5
Internet Based Trading (IBT)	10.9	11.1	12.0	-17	-111	12.1	12.5	11.2
Mobile	23.5	18.3	16.4	520	710	17.6	16.3	19.1
Smart order routing	-	0.0	0.0	-0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	19.0	15.2	18.5	377	42	17.3	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. CY26TD is as of April 2026.

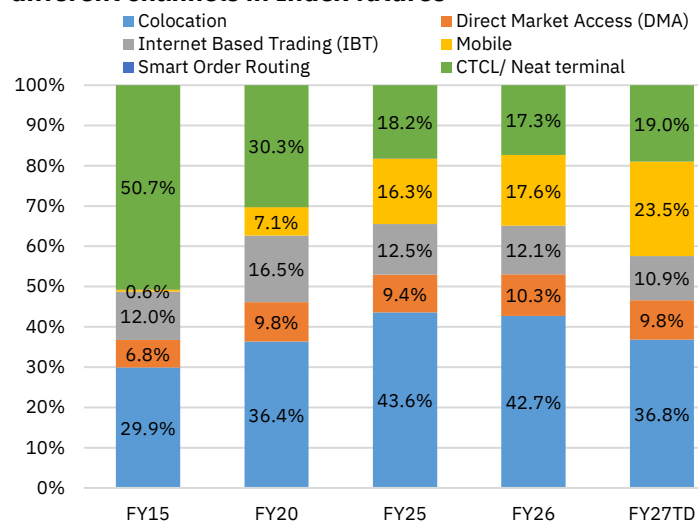
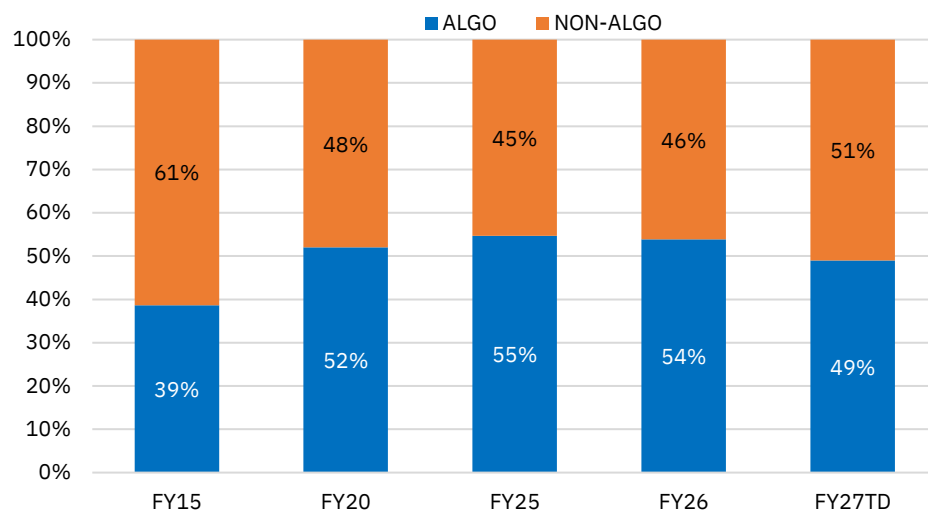
Figure 362: Annual turnover trend for different channels in Index futures


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 FY27TD is as of Apr'26.

Figure 363: Annual trend in turnover share for different channels in Index futures

Figure 364: 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 FY27TD is as of Apr'26.

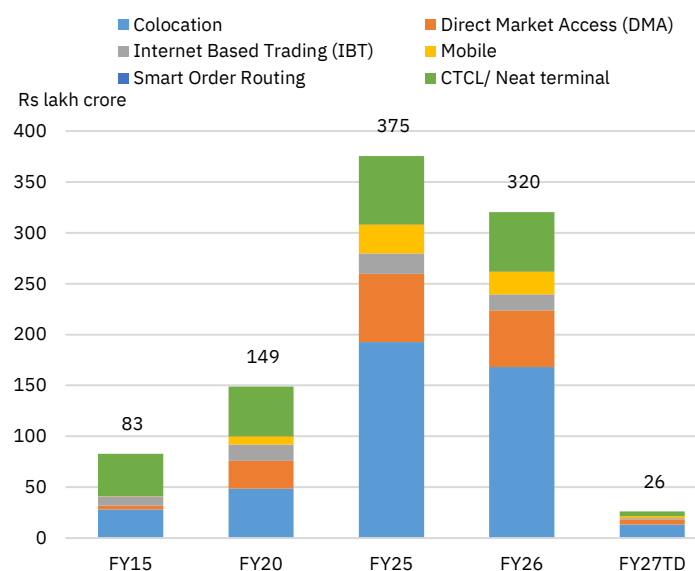
Table 97: Monthly share (%) of different channels in stock futures turnover

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Colocation	50.8	54.3	51.8	-344	-96	52.5	51.3	52.9
Direct Market Access (DMA)	18.9	19.0	18.3	-13	58	17.4	17.9	18.3
Internet Based Trading (IBT)	4.6	4.3	5.0	33	-32	4.9	5.3	4.6
Mobile	7.8	6.1	6.9	177	93	7.1	7.6	7.0
Smart order routing	0.0	0.0	0.0	-0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	17.8	16.4	18.0	147	-22	18.1	17.9	17.2

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. CY26TD is as of April 2026.

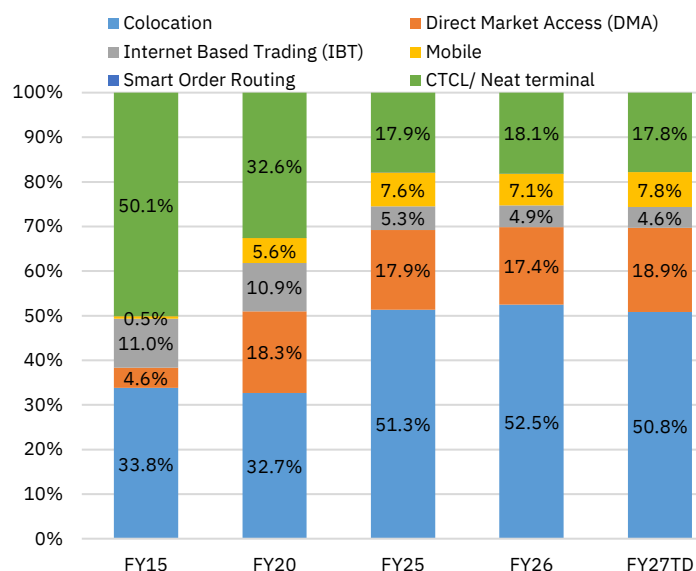
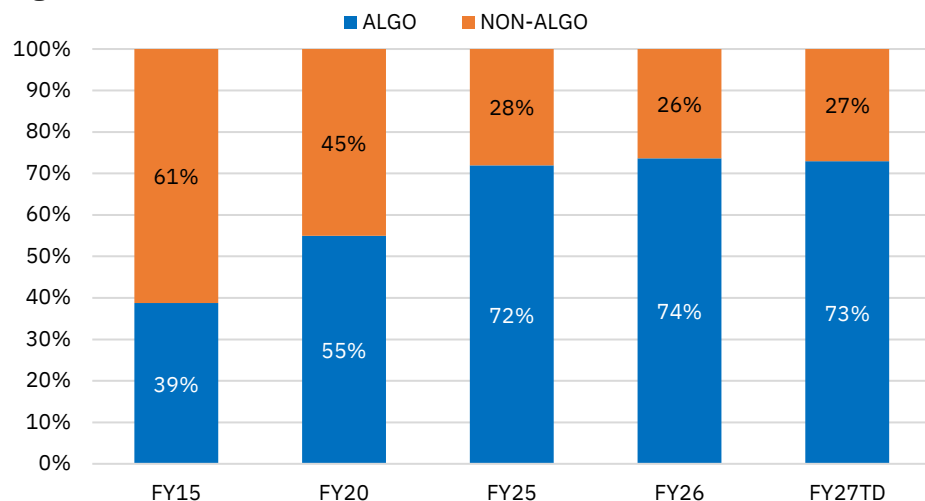
Figure 365: Annual turnover trend for different channels in stock futures


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 FY27TD is as of Apr'26.

Figure 366: Annual trend in turnover share for different channels in stock futures

Figure 367: 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 FY27TD is as of Apr'26.

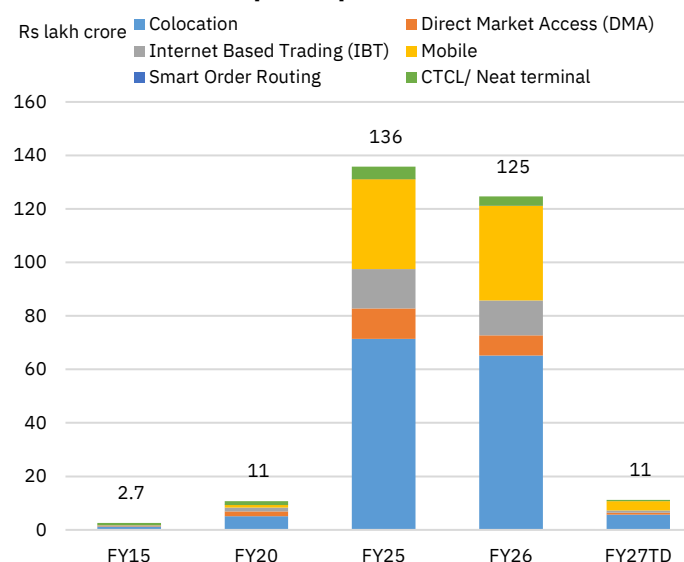
Table 98: Monthly share (%) of different channels in index options premium turnover

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Colocation	50.4	53.1	54.5	-272	-417	52.3	52.6	52.0
Direct Market Access (DMA)	6.5	7.1	7.1	-59	-65	6.0	8.4	6.4
Internet Based Trading (IBT)	8.2	8.7	10.6	-49	-244	10.5	10.8	9.1
Mobile	30.6	28.3	24.3	223	632	28.4	24.8	29.7
Smart order routing	0.0	0.0	0.0	-0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	4.4	2.8	3.5	157	94	2.7	3.4	2.9

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. CY26TD is as of April 2026.

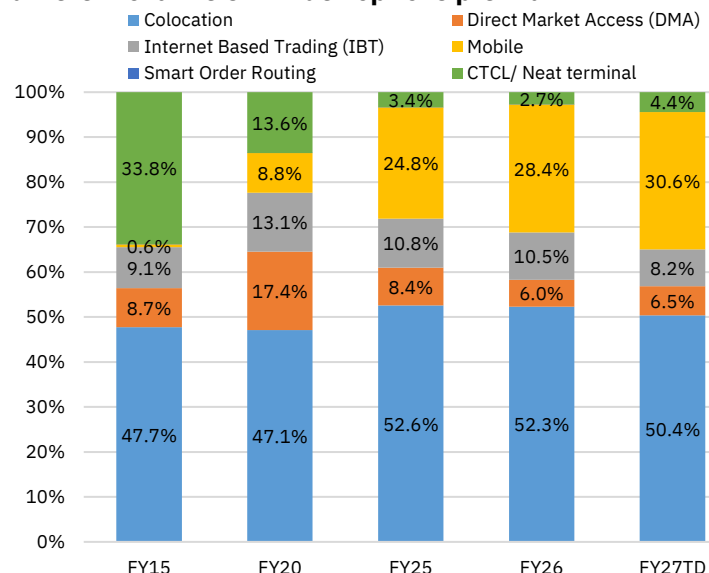
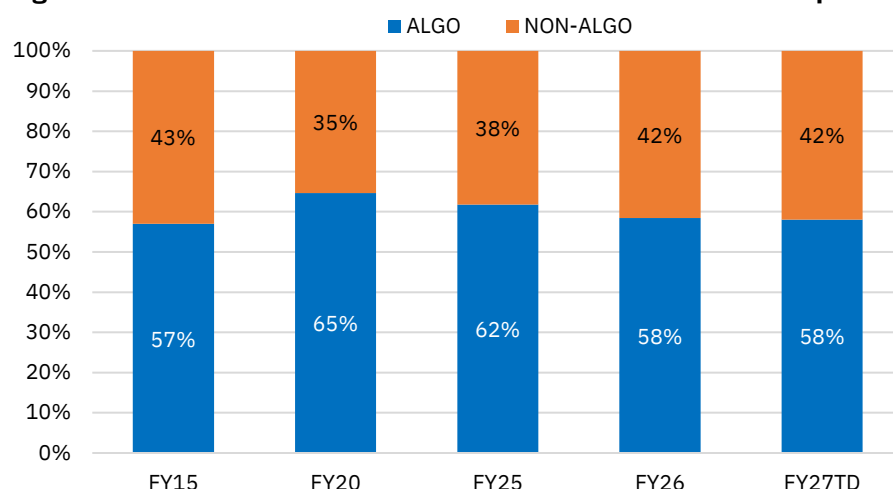
Figure 368: Annual turnover trend for different channels in Index options premium


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 FY27TD is as of Apr'26.

Figure 369: Annual trend in turnover share for different channels in Index options premium

Figure 370: 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 FY27TD is as of Apr'26.

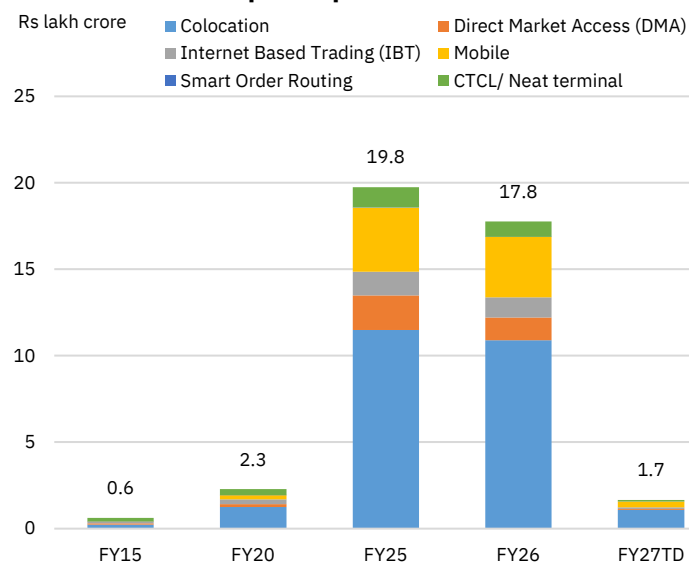
Table 99: Monthly share (%) of different channels in stock options premium turnover

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Colocation	65.1	66.3	57.4	-120	775	61.4	58.2	64.8
Direct Market Access (DMA)	4.2	4.5	14.4	-23	-1,012	7.4	10.1	4.7
Internet Based Trading (IBT)	5.1	5.2	6.3	-11	-123	6.5	6.9	5.6
Mobile	20.4	19.1	17.0	134	348	19.7	18.8	20.0
Smart order routing	0.0	0.0	0.0	-0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	5.1	4.9	5.0	20	11	5.0	6.0	4.9

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. CY26TD is as of April 2026.

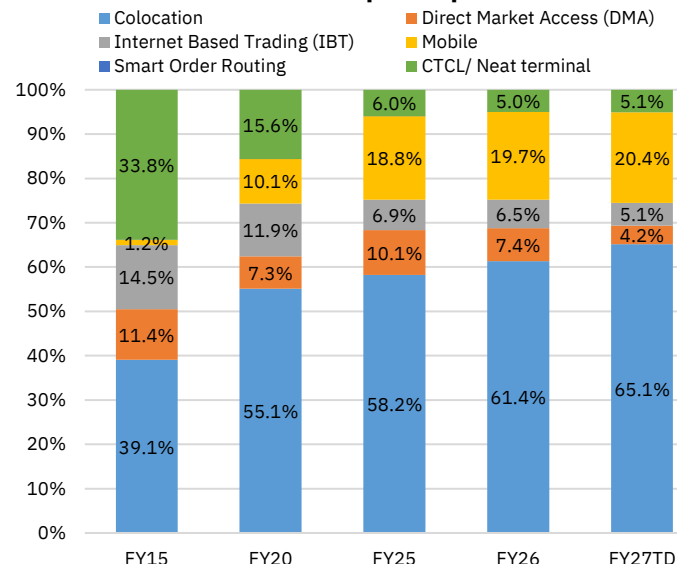
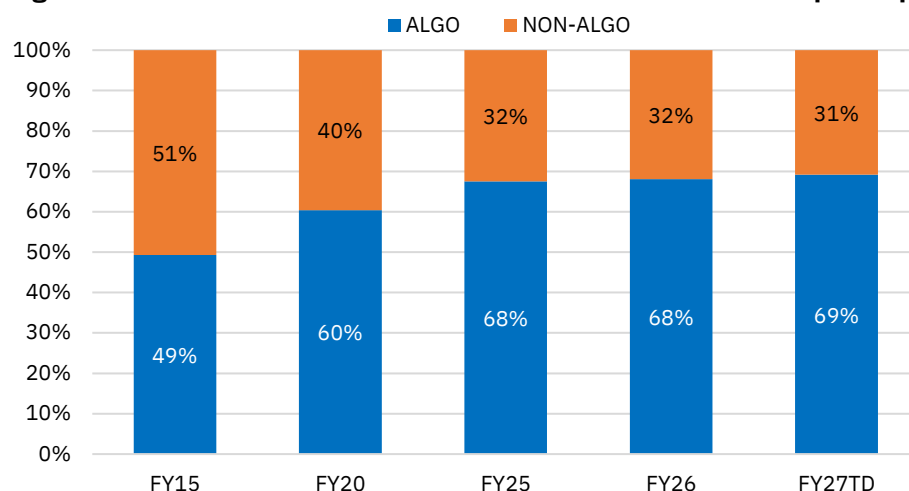
Figure 371: Annual turnover trend for different channels in stock options premium


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 FY27TD is as of Apr'26.

Figure 372: Annual trend in turnover share for different channels in stock options premium

Figure 373: 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 FY27TD is as of Apr'26.

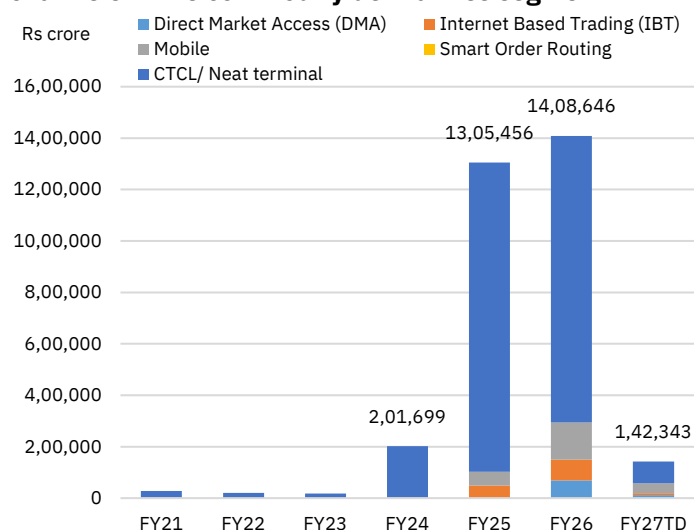
Table 100: Share (%) for different channels of trading in commodity derivatives

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Direct Market Access (DMA)	7.7	11.5	-	-376	774	4.9	0.0	10.3
Internet Based Trading (IBT)	5.8	6.9	6.4	-109	-58	5.8	3.7	5.9
Mobile	26.9	18.0	9.0	885	1,793	10.3	4.2	19.4
CTCL/ Neat terminal	59.5	63.5	84.6	-400	-2,509	79.1	92.1	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 notional turnover. 3. CY26TD is as of April 2026.

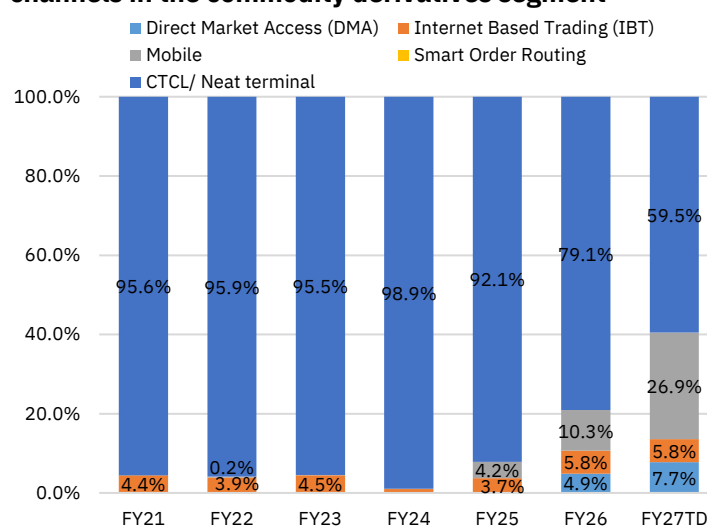
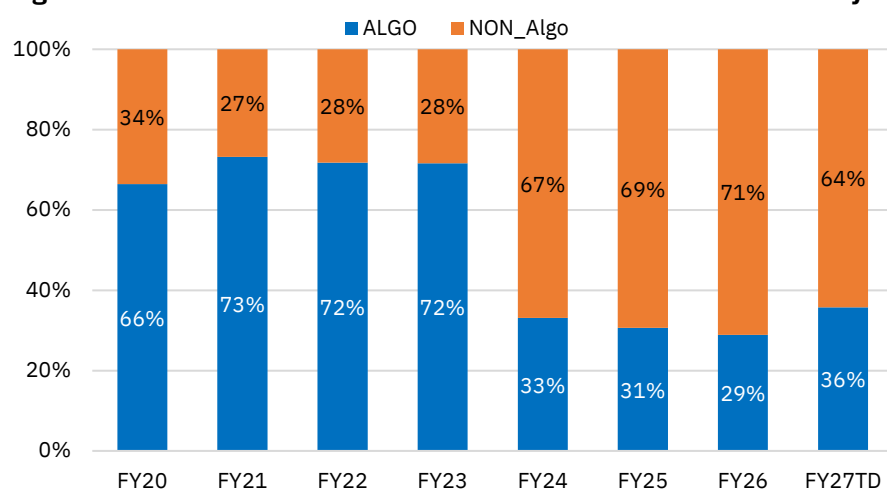
Figure 374: Annual turnover trend for different channels in the commodity derivatives segment


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 FY27TD is as of Apr'26

Figure 375: Annual trend in turnover share for different channels in the commodity derivatives segment

Figure 376: 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 FY27TD is as of Apr'26.

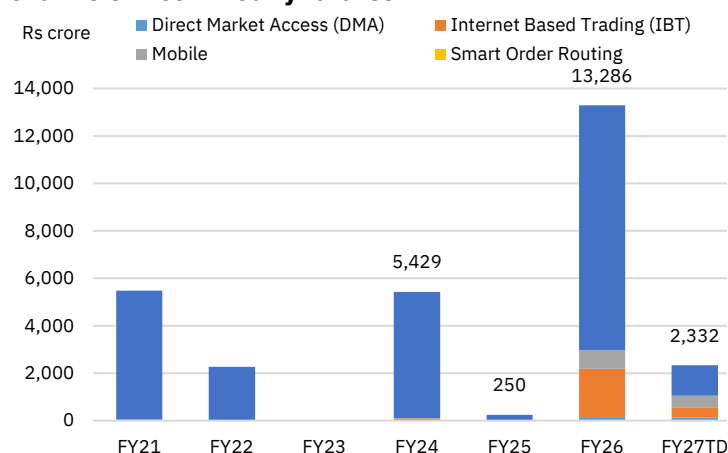
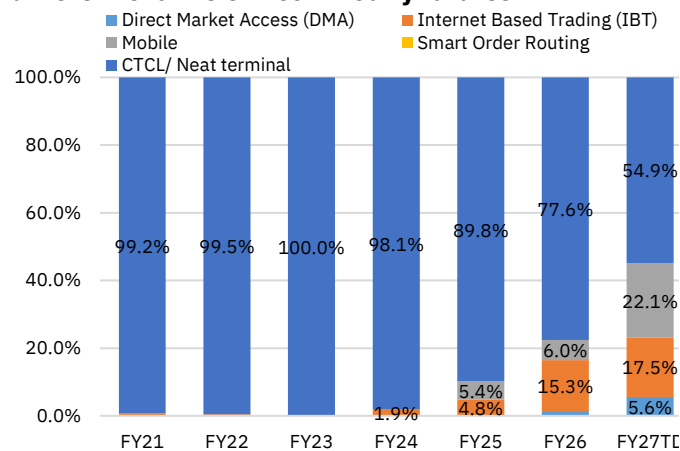
Table 101: Share (%) of different channels of trading in commodity futures turnover

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Direct Market Access (DMA)	5.6	4.9	-	71	560	1.1	-	3.7
Internet Based Trading (IBT)	17.5	20.4	5.0	-295	1,245	15.3	4.8	22.3
Mobile	22.1	20.1	11.9	199	1,019	6.0	5.4	15.9
CTCL/ Neat terminal	54.9	54.6	83.1	25	-2,824	77.6	89.8	58.1

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 turnover. 3. CY26TD is as of April 2026.

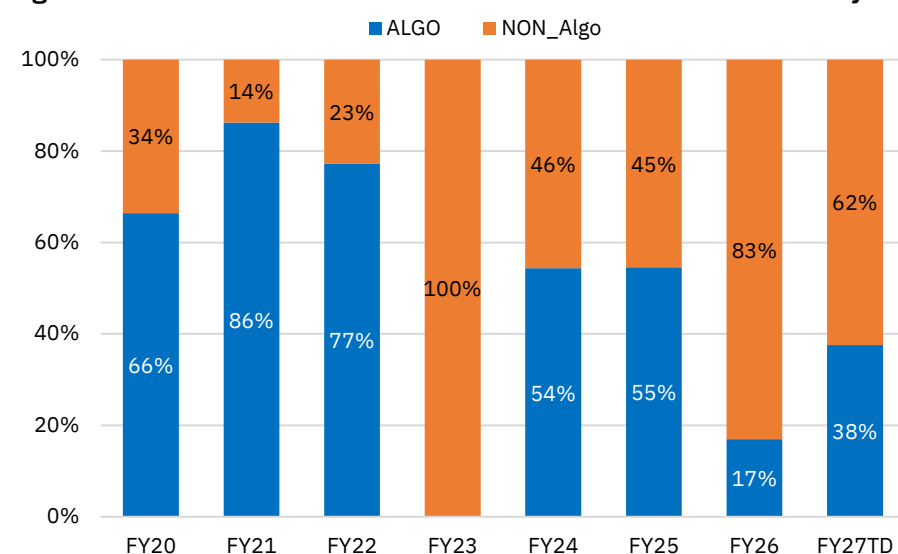
Figure 377: Annual turnover trend for different channels in commodity futures

Figure 378: 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 FY27TD is as of Apr'26.

Figure 379: 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 FY27TD is as of Apr'26

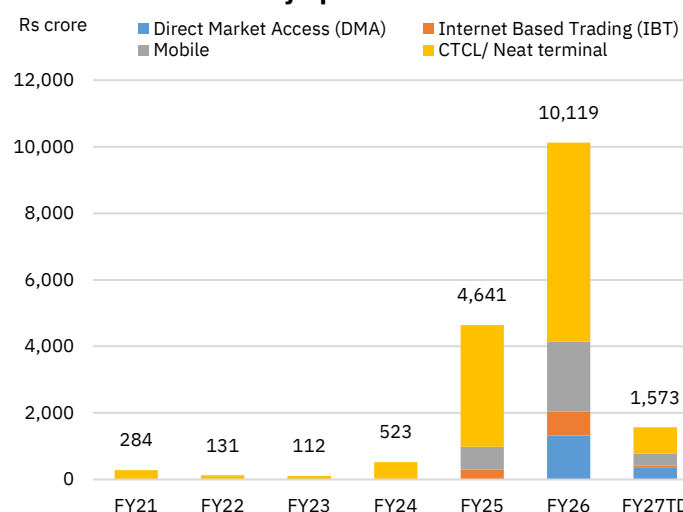
Table 102: Monthly share (%) of different channels in commodity options premium turnover

Channel	Apr-26	Mar-26	Apr-25	% MoM change	% YoY change	FY26	FY25	CY26TD
Direct Market Access (DMA)	23.7	26.9	-	-325	2,368	13.0	0.0	24.4
Internet Based Trading (IBT)	2.9	2.9	8.9	3	-596	7.1	6.5	3.8
Mobile	22.2	18.8	23.8	345	-163	20.8	14.8	21.0
CTCL/ Neat terminal	51.2	51.4	67.3	-23	-1,609	59.1	78.7	50.8

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 premium turnover. 3. CY26TD is as of April 2026.

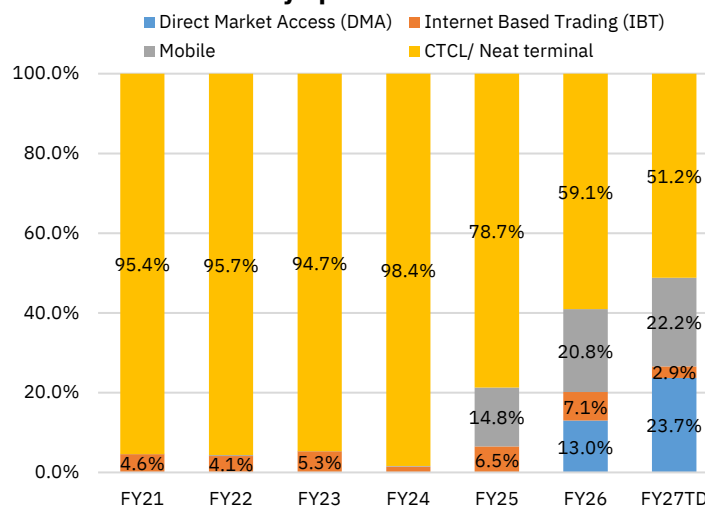
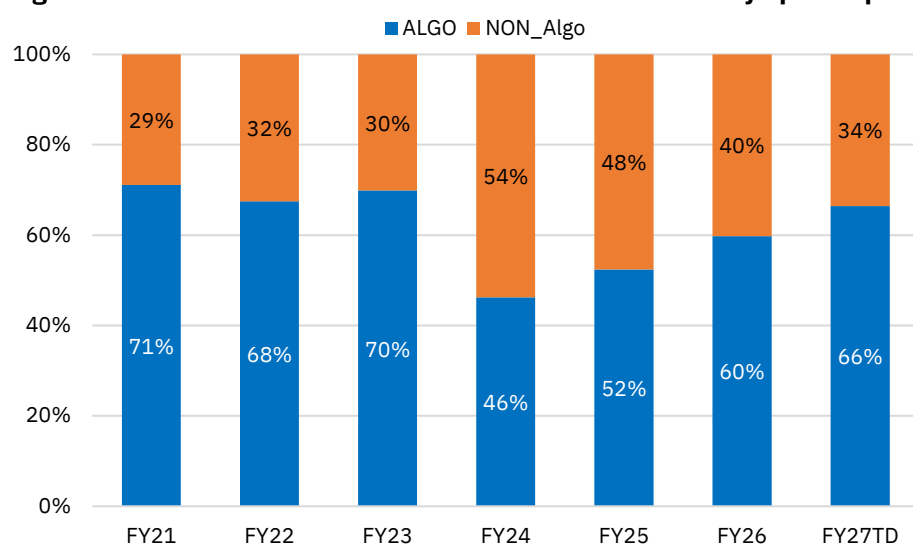
Figure 380: Annual turnover trend for different channels in commodity options


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 FY27TD is as of Apr'26.

Figure 381: Annual trend in turnover share for different channels in commodity options

Figure 382: 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 FY27TD is as of Apr'26.

Distribution of trading activity by turnover: Turnover remains concentrated within a narrow set of high-value participants

Trading activity across the equity cash and derivatives segments in April 2026 reaffirmed that there exists a sharp separation between where participation resides and where market impact originates. The conventional Pareto principle—where 20% of participants drive 80% of outcomes—understates the reality here by an order of magnitude. In each segment, both the level of turnover and the direction of its monthly change continued to be overwhelmingly shaped by an extremely small set of high-value participants, while the numerical majority of investors exerted little influence on aggregate activity. During Apr'26, in the cash segment, the top 0.3% of investors accounted for 79% of the monthly turnover and drove the bulk of the monthly increase in activity. A similar pattern persisted in derivatives, where the top cohort contributed 84% of the decline in options premium turnover and virtually the entire decline in futures turnover. In contrast, lower-value cohorts continued to dominate changes in participation but remained economically insignificant from a turnover perspective.

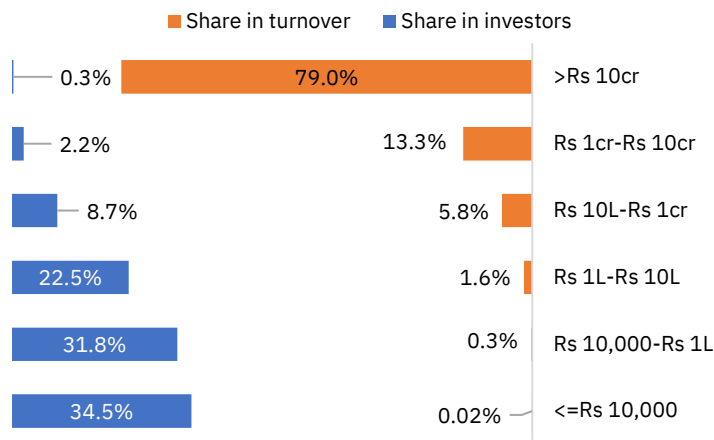
Equity cash—two-thirds of investors, a third of a percent of turnover: The top 0.3% of active investors in the equity cash segment—those trading above Rs 10 crore—contributed 79% of total monthly turnover in Apr'26. The two lowest cohorts combined—investors trading below Rs 1 lakh, who together account for 66.3% of the active investor base during the month—contributed just 0.3% to the monthly turnover.

The incremental turnover was no different in character: the top two cohorts (above Rs 1 crore) drove 94% of the increase, while the bottom two cohorts—which accounted for 96% of the gross decline in active investors—actually saw a decline of 8% in their monthly turnover. Notably, proprietary traders led the dominant cohort with a 44% share, alongside DIIs at 17% and foreign investors at 15% during the month.

Equity options—top 0.3% drives 84% of the monthly turnover decline: The equity options segment saw premium turnover decline in Apr'26, with 97% of that decline attributable to the top two investor cohorts, while investors trading above Rs 10 crore premium bracket alone accounted for 84% of the decline. Yet this same cohort represented just 0.3% of active investors in the month. On the other hand, the bottom two cohorts—those trading below Rs 1 lakh and constituting 35% of active investors—drove 43% of the gross investor decline. The moderation in options activity was therefore not a function of broad-based investors withdrawal, but of reduced positioning intensity among a small group of dominant participants. Proprietary traders remained overwhelmingly dominant within the top cohort with a 70% share in premium turnover for the month, followed by individual investors at 12% and foreign investors at 10%.

Equity futures—turnover dynamics driven almost entirely by institutional equity: The equity futures segment remained the most concentrated among all major segments. The top 8.5% of investors drove 93.2% of total monthly turnover in Apr'26; the remaining 91.5% collectively accounted for the residual 6.8%. More significantly, the entire MoM decline in turnover was effectively attributable to the top cohort, accounting for 99.9% of the gross fall, even as investor participation number remained broadly unchanged at 2.8 lakh. Within the top cohort, foreign investors led with 33% of turnover, followed closely by proprietary traders at 30% and DIIs at 14% — together accounting for over three-quarters of total segment activity and reinforcing the distinctly institutional character of the equity futures market.

Figure 383: Distribution of trading activity by turnover in NSE CM segment in April 2026



Source: NSE EPR.

Figure 384: Distribution of trading activity by turnover in NSE CM segment in April 2025

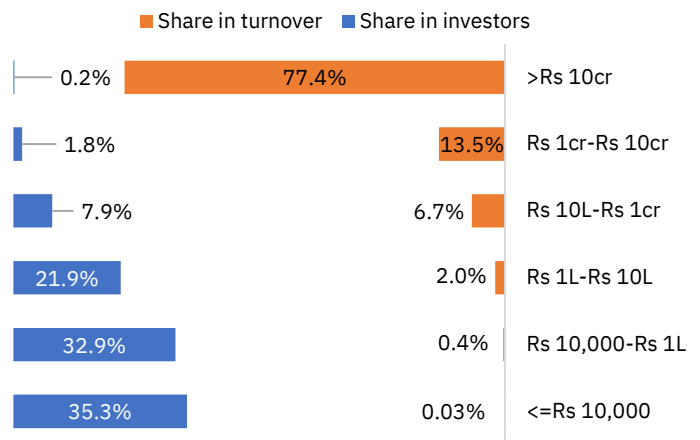


Table 103: Distribution of turnover by range in NSE CM segment for all investors

Turnover range	Apr-25		Mar-26		Apr-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	561	37.1	632	42.9	568	0.02%	39.2	34.5%
Rs 10,000 - Rs 1 lakh	6,740	34.6	7,604	38.9	7,017	0.3%	36.1	31.8%
Rs 1 lakh - Rs 10 lakh	38,722	22.9	43,219	25.8	43,384	1.6%	25.5	22.5%
Rs 10 lakh - Rs 1 crore	1,28,256	8.3	1,36,084	8.9	1,56,487	5.8%	9.9	8.7%
Rs 1 crore - Rs 10 crore	2,56,426	1.9	2,78,827	2.0	3,58,100	13.3%	2.5	2.2%
> Rs 10 crore	14,75,553	0.2	19,11,839	0.2	21,28,624	79.0%	0.3	0.3%
Total	19,06,257	105.0	23,78,206	118.7	26,94,182	100%	113.6	100%

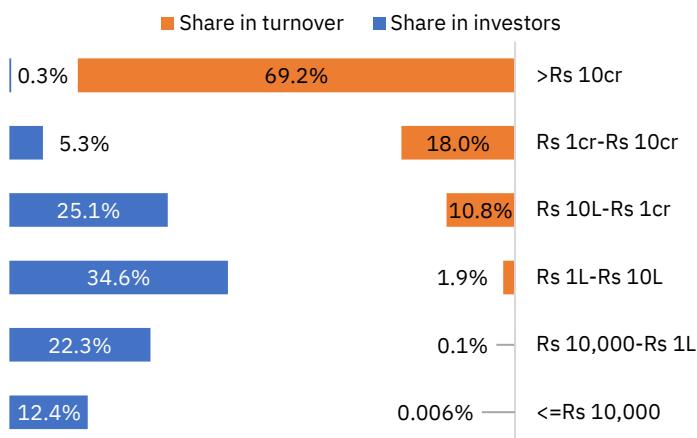
Source: NSE EPR. Notes: 1. Turnover ranges are based on gross traded value i.e. buy traded value + sell traded value. 2. Categorisation is based on gross traded value. 3. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2. 4. Investor count is based on unique PANs that have traded during the period.

Table 104: Category-wise share in turnover across turnover ranges in NSE CM segment in April 2026

Turnover range	Turnover (Rs crore)	Share in turnover (%)	Client category-wise turnover share (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	568	0.02%	0.0%	0.0%	0.0%	99.7%	0.0%	0.3%
Rs 10,000 - Rs 1 lakh	7,017	0.3%	0.0%	0.0%	0.0%	99.5%	0.0%	0.4%
Rs 1 lakh - Rs 10 lakh	43,384	1.6%	0.2%	0.3%	0.0%	98.8%	0.0%	0.7%
Rs 10 lakh - Rs 1 crore	1,56,487	5.8%	0.7%	0.3%	0.0%	98.0%	0.0%	1.0%
Rs 1 crore - Rs 10 crore	3,58,100	13.3%	1.6%	0.3%	0.3%	96.5%	0.1%	1.3%
> Rs 10cr	21,28,624	79.0%	4.3%	16.8%	14.9%	17.0%	43.8%	3.1%
Total	26,94,182	100%	3.7%	13.4%	11.8%	33.8%	34.6%	2.7%

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 385: Distribution of trading activity by turnover in equity options premium turnover in April 2026



Source: NSE EPR

Figure 386: Distribution of trading activity by turnover in equity options premium turnover in April 2025

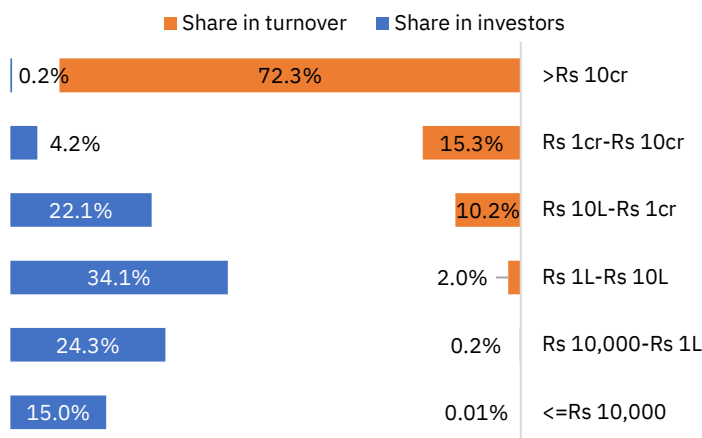


Table 105: Distribution of turnover by range in NSE equity options premium turnover for all investors in April 2026

Turnover range	Apr-25		Mar-26		Apr-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	85	4.9	85	4.9	76	0.01%	4.3	12.4%
Rs 10,000-Rs 1 lakh	1,686	7.8	1,785	8.3	1,689	0.1%	7.7	22.3%
Rs 1 lakh - Rs 10 lakh	21,722	11.0	24,878	12.4	24,155	1.9%	12.0	34.6%
Rs 10 lakh - Rs 1 crore	1,12,902	7.1	1,54,115	9.3	1,39,912	10.8%	8.7	25.1%
Rs 1 crore – Rs 10 crore	1,69,547	1.4	2,97,712	2.3	2,31,980	18.0%	1.8	5.3%
>Rs 10 crore	7,98,953	0.08	13,03,481	0.17	8,91,939	69.2%	0.11	0.3%
Total	11,04,895	32.3	17,82,056	37.3	12,89,752	100%	34.7	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 106: Distribution of turnover and the share of investors categories in equity options in April 2026

Turnover range	Premium Turnover (Rs crore)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DII's	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	76	0.01%	0.0%	0.0%	0.0%	99.9%	0.0%	0.1%
Rs 10,000 - Rs 1 lakh	1,689	0.1%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 1 lakh - Rs 10 lakh	24,155	1.9%	0.1%	0.0%	0.0%	99.7%	0.0%	0.2%
Rs 10 lakh - Rs 1 crore	1,39,912	10.8%	0.3%	0.0%	0.0%	99.4%	0.0%	0.3%
Rs 1 crore- Rs 10 crore	2,31,980	18.0%	0.9%	0.0%	0.1%	98.1%	0.1%	0.8%
> Rs 10cr	8,91,939	69.2%	3.2%	0.3%	9.5%	11.8%	70.4%	4.8%
Total	12,89,752	100%	2.4%	0.2%	6.6%	38.6%	48.7%	3.5%

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 107: Distribution of turnover by range in equity futures market for all investors

Turnover range	Apr-25		Mar-26		Apr-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	703	0.2	807	0.2	672	0.02%	0.2	7%
Rs 10 lakh - Rs 1 crore	26,660	1.2	27,685	1.3	27,391	0.9%	1.3	45%
Rs 1 crore – Rs 10 crore	1,86,047	1.1	1,69,280	1.0	1,85,850	6%	1.1	40%
>Rs 10 crore	31,63,465	0.2	32,98,414	0.2	29,31,515	93.2%	0.2	8.5%
Total	33,76,875	2.8	34,96,185	2.8	31,45,429	100%	2.8	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 108: Distribution of turnover and the share of investors categories in equity futures in April 2026

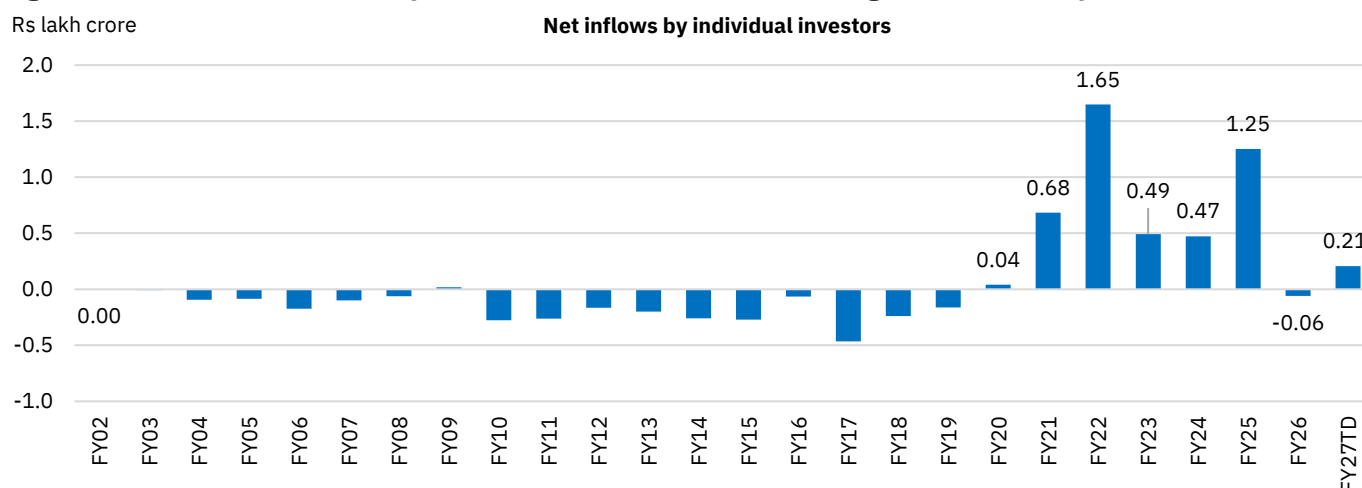
Turnover range	Turnover (Rs crore)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIIs	Foreign investors	Individuals	Prop	Others
Rs 1 lakh - Rs 10 lakh	672	0.02%	0.5%	0.0%	0.0%	98.8%	0.0%	0.6%
Rs 10 lakh - Rs 1 crore	27,391	0.9%	0.8%	0.0%	0.0%	98.4%	0.0%	0.8%
Rs 1 crore - Rs 10 crore	1,85,850	6%	1.6%	0.0%	0.0%	96.9%	0.1%	1.3%
> Rs 10 crore	29,31,515	93.2%	7.1%	13.6%	33.1%	11.8%	30.3%	4.1%
Total	31,45,429	100%	6.7%	12.7%	30.8%	17.6%	28.3%	3.9%

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. DIIIs 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 buyers

Individual investors turned net buyers in April 2026: After six consecutive months of net selling in the secondary market amounting to a cumulative outflow of Rs 50,206 crore, individual investors turned net buyers in April, with net purchases of Rs 20,717 crore. The inflows recorded during the month were also the highest since October 2024 when individual investors invested Rs 29,594 crores in a single month on net basis. This reversal in investor activity was accompanied by a 21-month high turnover in NSE's cash segment and a broad-based market recovery following the late-March correction, with the Nifty rallying nearly 7% during the month. Retail participation in the primary market remained subdued during the month, with investments amounting to only Rs 320 crore amid lower IPO activity. Consequently, aggregate investment by individual investors across the primary and secondary markets stood at Rs 21,037 crore during April. On an annual basis, FY26 marked a shift in investor behaviour, as individual investors turned net sellers in the cash market segment with cumulative outflows of Rs 5,803 crore, following six consecutive years of net inflows amounting to Rs 4.59 lakh crore.

Figure 387: 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. FY27TD data is as of April 30th, 2026.

Table 109: 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	-5,803	42,608	36,805
FY27TD	20,717	320	21,037

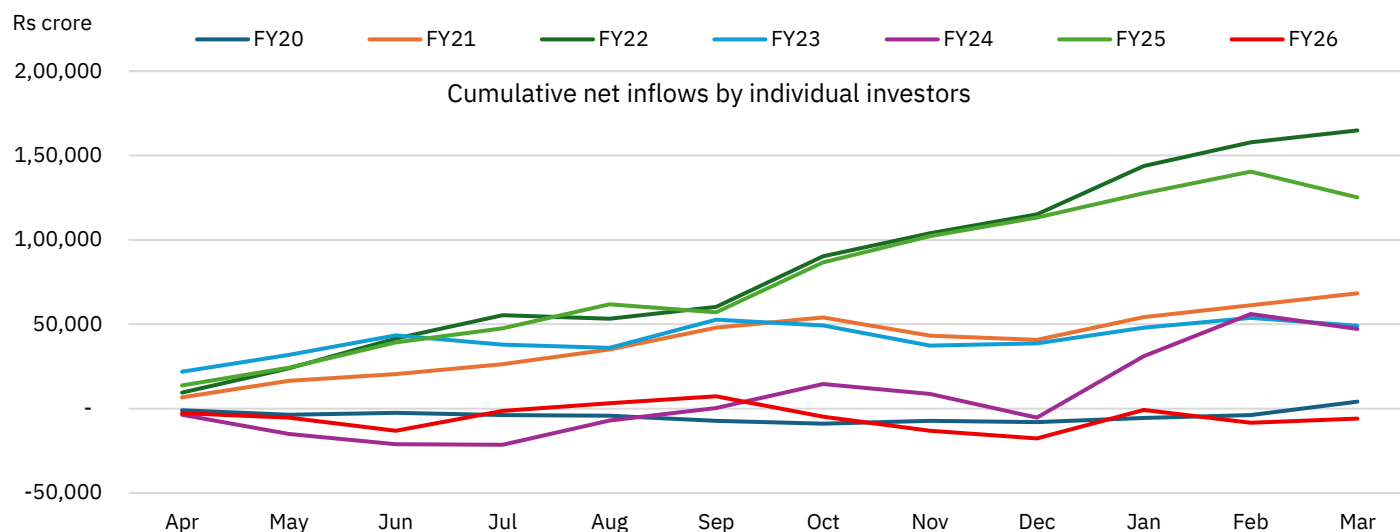
Source: NSE EPR.

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. FY27TD data is as of April 30th, 2026.

Figure 388: Overall cumulative net inflows of individual investors in NSE's CM segment in last seven years



Source: NSE EPR.

Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

Number of investors who traded in CM and equity derivatives declined in April 2026:

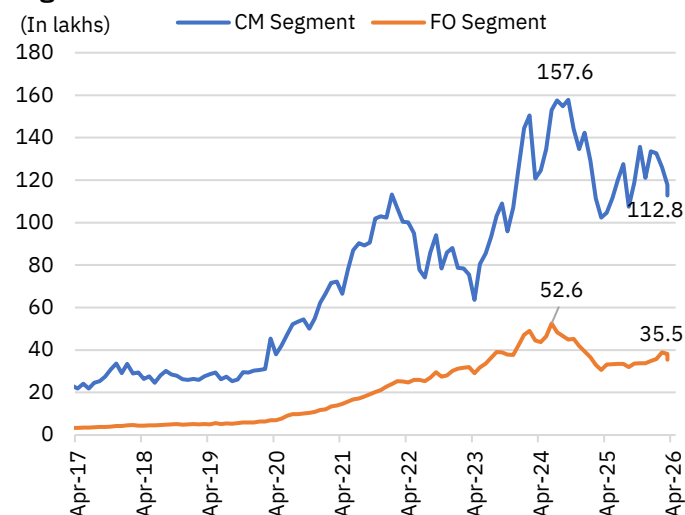
The number of investors participating in the cash market segment declined to 1.13 crore in April from 1.17 crore in the previous month. Similarly, participation in the equity derivatives segment also witnessed a decline from 38.2 lakh in March to 35.5 lakh in April. Although the moderation in investor participation during April can be partly attributed to the increase in STT in the derivatives segment, the number of active investors has been on a declining trend for the past four months in the cash market segment and for the last two months in the derivatives segment.

Within the cash market segment, the share of investors trading only on a single day during the month increased from 39.6% in March to 40.3% in April comprising only 0.6% of the total cash market turnover. At the same time, the proportion of investors trading on all trading days of the month also increased from 1.25% to 1.46% comprising 9.2% of the total cash market turnover. This suggests a large number of occasional investors contributes minimally to the turnover, while a small number of highly active investors continue to account for a larger share of market activity. In the equity derivatives segment, the share of investors trading only on one day declined from 15.6% to 14.1%, while the proportion of investors active on all trading days fell from 4.7% to 4% during the same period.

On an annual basis, the total number of individual investors who traded at least once during the last 12 months ending Apr'26 declined to 3.79 crore, compared to 3.95 crore in the 12-month period ending April 2025. This reduction was primarily driven by a sharp decline in the cohort active in both the cash market and equity derivatives segments, which fell from 84 lakh to 64 lakh during this period, reflecting a 23% YoY decrease. In contrast, the number of investors participating exclusively in either the cash market or equity derivatives segment remained broadly stable during the year. Notably, a significant proportion of equity derivatives participants, around 76 percent, also engage in the cash market segment, indicating substantial overlap between the two segments. Pure equity derivatives traders continue to comprise only 1.6% of the registered investor base.

Over the past decade, the base of active individual investors – who traded at least once during the year – in the market has expanded significantly from 45 lakh to over 3 crore, with growth especially pronounced in the CM segment. This expansion reflects the broader financialisation of household savings, improved digital access to trading platforms, and growing investor comfort with exchange-traded instruments.

Figure 389: Monthly trend of individual investors' participation in the NSE CM and equity derivative segments



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.
3. FY27TD data is as of April 30th, 2026.

Figure 390: Yearly trend of individual investors' participation in the NSE CM and equity derivative segments

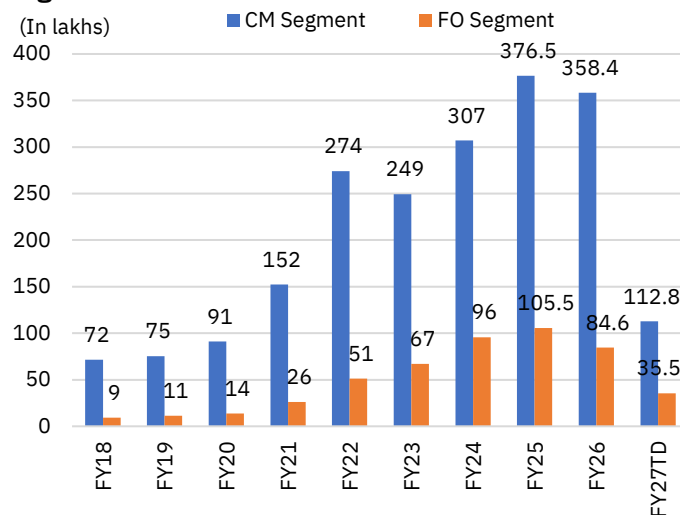


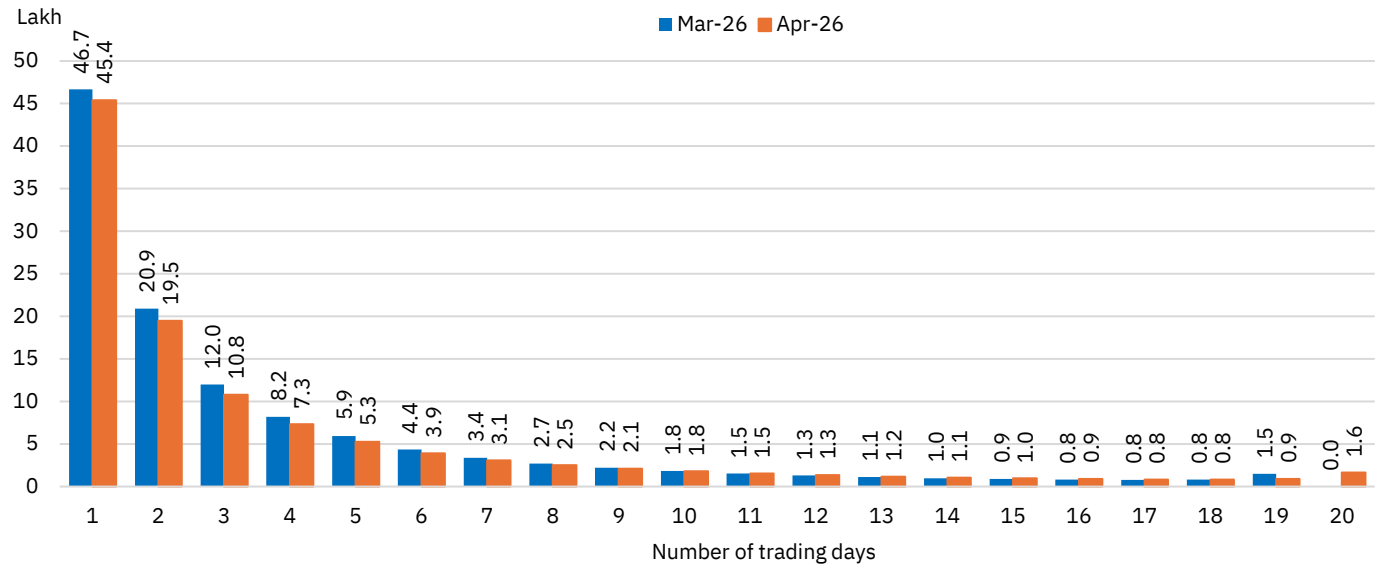
Table 110: Trend of individual investors participation (in lakhs) in NSE cash and equity derivatives
(For the last 12-month period ending April of each year)

Period	CM Total	FO Total	CM Alone	FO Alone	CM & FO Both
May'15-Apr'16	45	7	39	1	6
May'16-Apr'17	53	7	46	1	6
May'17-Apr'18	72	10	64	1	8
May'18-Apr'19	76	12	65	1	10
May'19-Apr'20	94	14	81	2	13
May'20-Apr'21	159	28	134	2	25
May'21-Apr'22	282	53	235	6	47
May'22-Apr'23	240	67	186	13	54
May'23-Apr'24	315	98	236	19	79
May'24-Apr'25	375	104	291	21	84
May'25-Apr'26	359	85	295	21	64

Source: NSE EPR.

Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

Figure 391: Trading frequency of individual investors participation in CM segment for March and April 2026

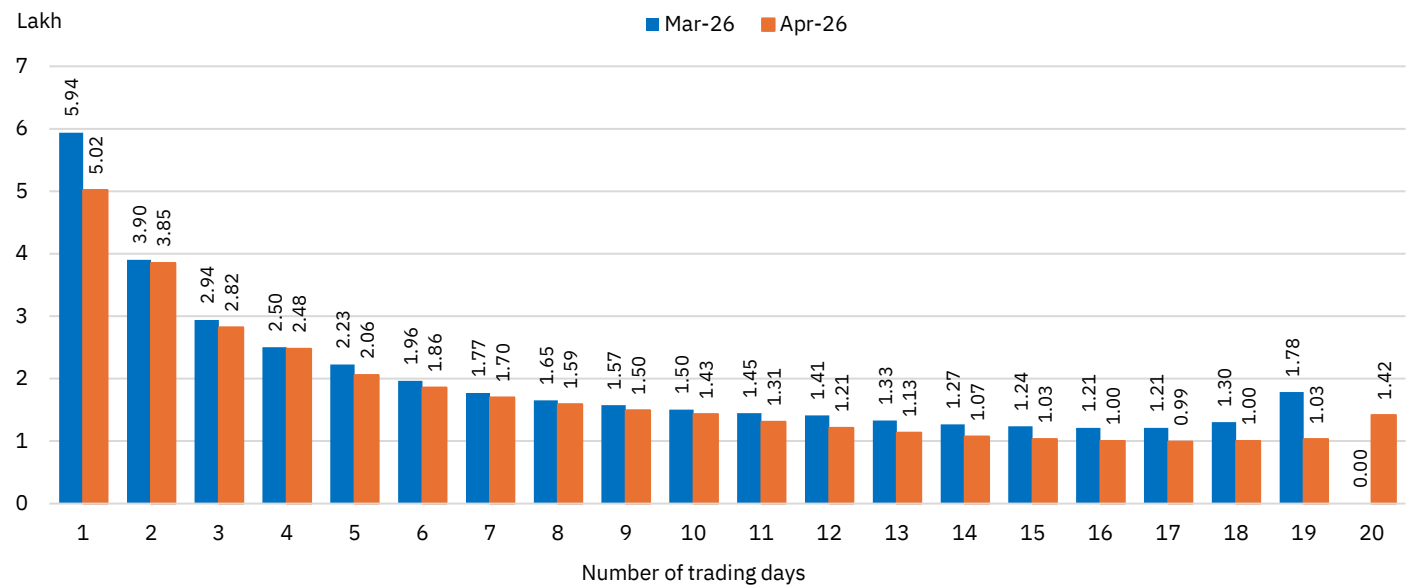


Source: NSE EPR.

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 392: Trading frequency of individual investors participation in equity derivatives for March and April 2026



Source: NSE EPR.

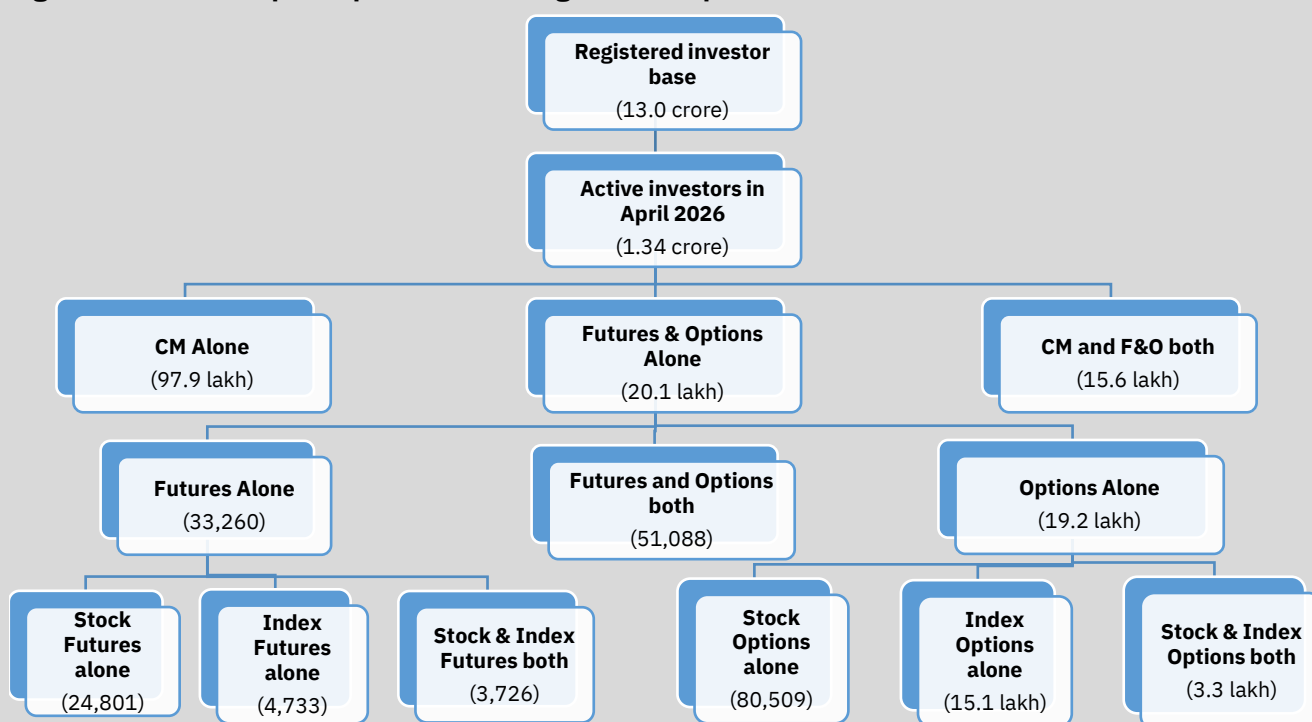
Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

2. Above data represents the average number of individual investors that traded during the respective years.

Investor participation in April 2026 (no. of investors who traded at least once)

As of April 30th, 2026, out of a total 13 crore unique registered investors, about 1.34 crore traded at least once during the month across equity cash and derivatives. Participation remained heavily skewed toward the cash market, with 98 lakh investors—around 7.5% of the total base—trading exclusively in the cash segment. Derivatives participation was relatively limited: 20.1 lakh investors (1.5% of the total base) traded only in F&O. Within the derivatives-only category, activity was overwhelmingly options-driven—19.2 lakh investors traded only in options, predominantly index options (15.1 lakh), followed by stock options (80,509) and those trading both (3.3 lakh). Futures-only participation was modest at 33,260 investors, largely concentrated in stock futures (24,801). Overall, trading patterns continue to reflect a clear dominance of the cash segment in terms of number of investors, while participation in equity derivatives remains miniscule.

Figure 393: Investor participation across segments in April 2026



Source: NSE EPR

Note: All investor categories considered in the above table.

Spatial distribution of individual investor activity in the cash market

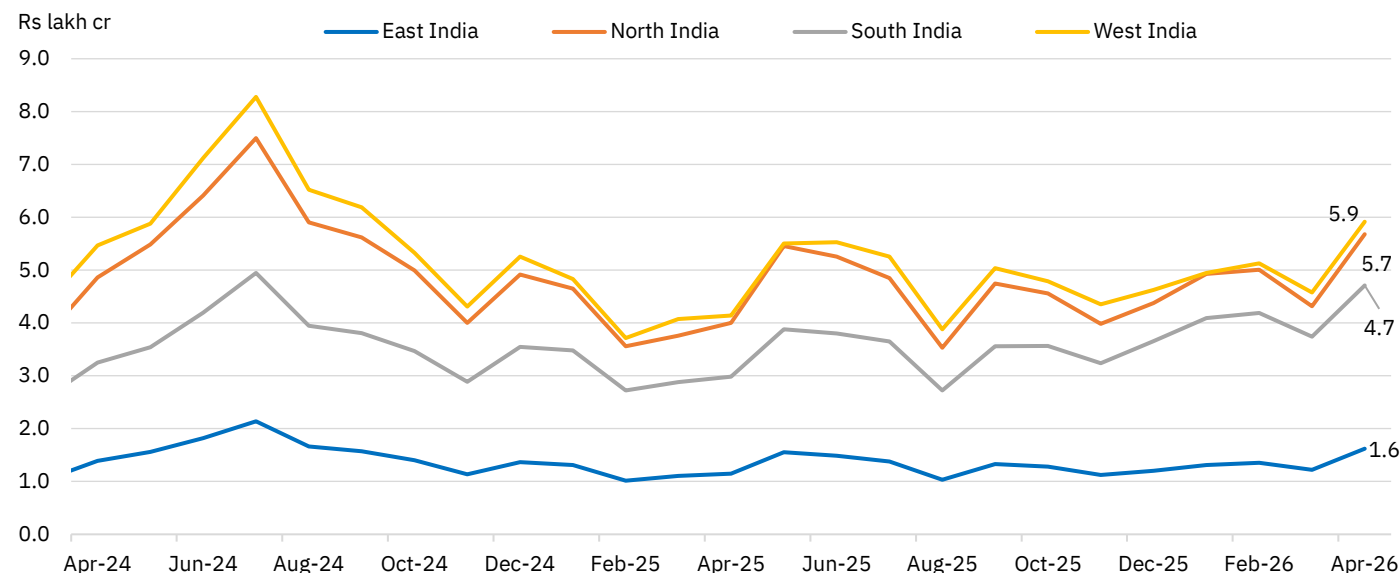
Region-wise individual investor activity

Individual investors' turnover rises in Apr'26; marks highest MoM rise in turnover since Sep'25:

The total turnover of individual investors in the equity cash segment rose by 29.2% MoM/45.7% YoY to Rs 18.2 lakh crore in Apr'26, off a 11.6% MoM decline in the previous month. Turnover has now reached its highest level since Aug'24, with sequential momentum at its highest since Sep'25. Regionally, turnover rose most significantly during the month in the Eastern region (+32.9% MoM) to Rs 1.6 lakh crore, with its turnover share continuing to remain below 10%. It was followed by the Northern region (Rs 5.7 lakh crore, +31.5% MoM), with turnover share of 31.2%, the Western region (Rs 5.9 lakh crore, +29.3% MoM), with turnover share of 32.5% and the Southern region, which witnessed a +26% MoM rise in turnover to Rs 4.7 lakh crore (25.9% turnover share). Notably, between Apr'22 and Apr'26, the Western region witnessed a significant 4.3 pp decline in its turnover share, which is in sharp contrast with the Northern and Southern regions, both of which have witnessed increments in their turnover share during the same period.

The distributional pattern in terms of individual investors has also changed significantly in the past four years. The Western region's share declined to 32.7% in Apr'26, driven by a 5.2 pp reduction in investor share between Apr'22-Apr'26. The majority of this decline in investor share has been absorbed by the Southern region, which grew from 18.4% in Apr'22 to 21.9% in Apr'26 and the Northern region, which grew from 32.4% in Apr'22 to 33.6% in Apr'26. The Eastern region's share stands at 10%, as of Apr'26, having remained virtually unchanged in the past four years.

Figure 394: Region-wise distribution of individual investors' turnover in equity cash



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF.

Figure 395: Region-wise share of individual investors' turnover in cash market (%)

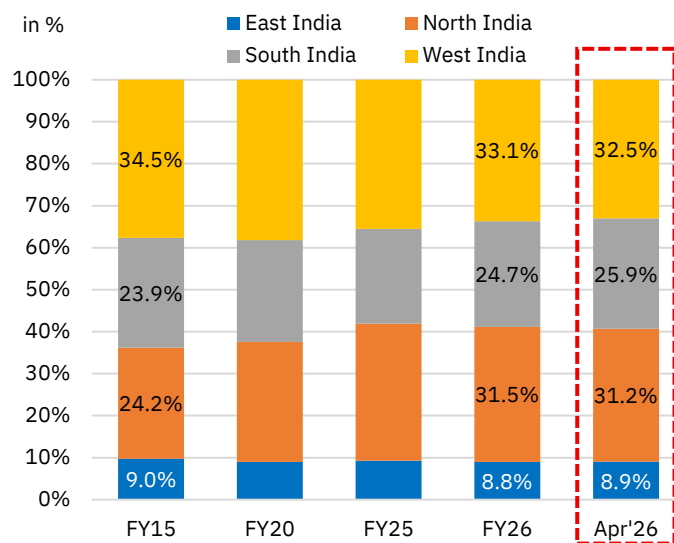
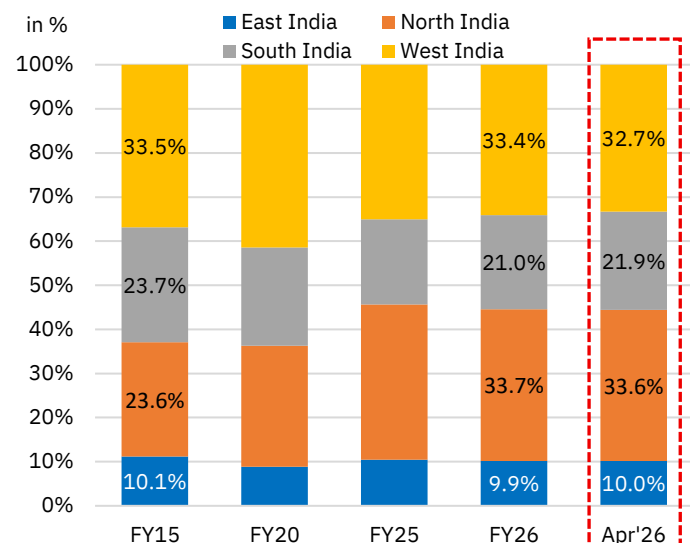


Figure 396: Region-wise share of individual investors in cash market (%)



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 in FY26, with turnover of the top ten states at its highest level since Aug'24:

As of April 2026, Maharashtra and Gujarat were the top ranked states in terms of equity cash turnover of individual investors, recording Rs 3.3 lakh crore and Rs 2 lakh crore in turnover respectively, driven by robust MoM gains (24% and 38.6%). The composition of the top 10 states by turnover remained fairly unchanged between Mar'26 and Apr'26, apart from Delhi and Tamil Nadu swapping positions to occupy the 5th and 6th places respectively. Uttar Pradesh, Karnataka and Delhi were the other states in the top five, with the top five states comprising 49.5% of equity cash turnover during the month. Within the top 10 states, Telangana and Gujarat recorded the highest sequential gains (+38.9% MoM and +38.6% MoM) during the month. Additionally, states outside the top 10 accounted for a 23.6% share in cash market turnover in Apr'26.

Reflecting the trends observed in turnover, Maharashtra continued to remain the top contributor to individual investor participation in Apr'26, accounting for 17.3% (24 lakh investors, up 12.1% MoM), followed by Gujarat, which recorded a MoM growth of 30.4% in its active investor count (20.5 lakh, 11.3% share) and Uttar Pradesh (12.6 lakh investors, +7.6% MoM). Notably, all of the top states recorded MoM growth in individual investor participation of greater than or close to 10%, apart from Uttar Pradesh and Delhi, with Gujarat recording the greatest sequential increment at 30.4%. Notably, the top five states accounted for 50.5% of the individual investor count that traded in April 2026. States outside of the top 10 contributed to 25.6% of individual investors participating in the cash market in Apr'26.

Figure 397: Top 10 states based on turnover of individual investors in equity cash

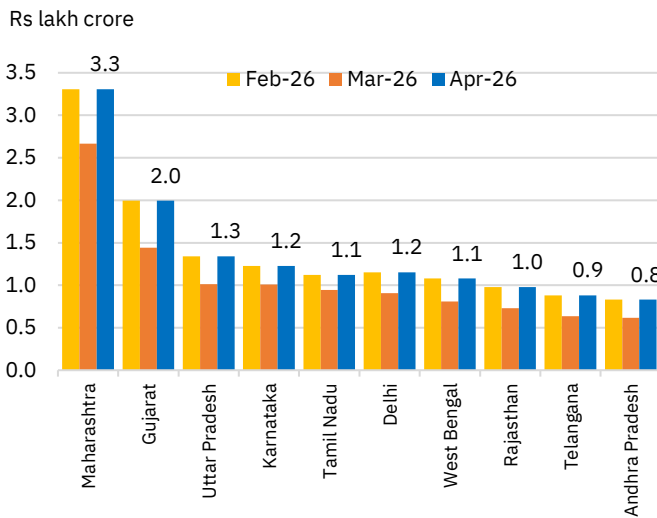
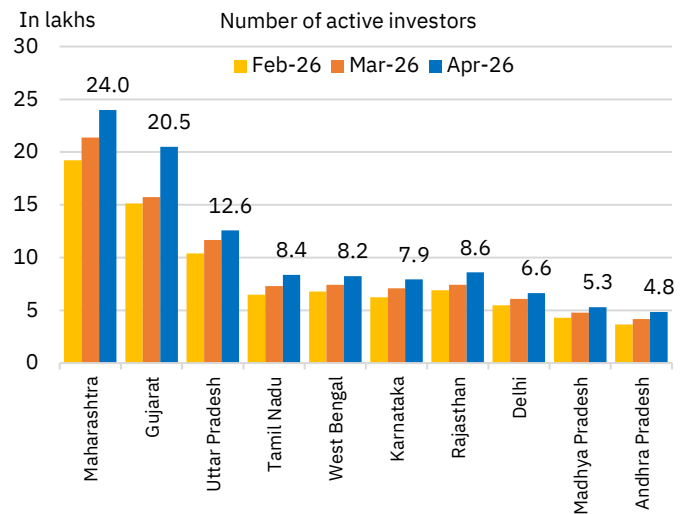


Figure 398: Top 10 states based on individual investors' participation in equity cash



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.

Figure 399: Share of the top 10 states based on turnover of individual investors in equity cash

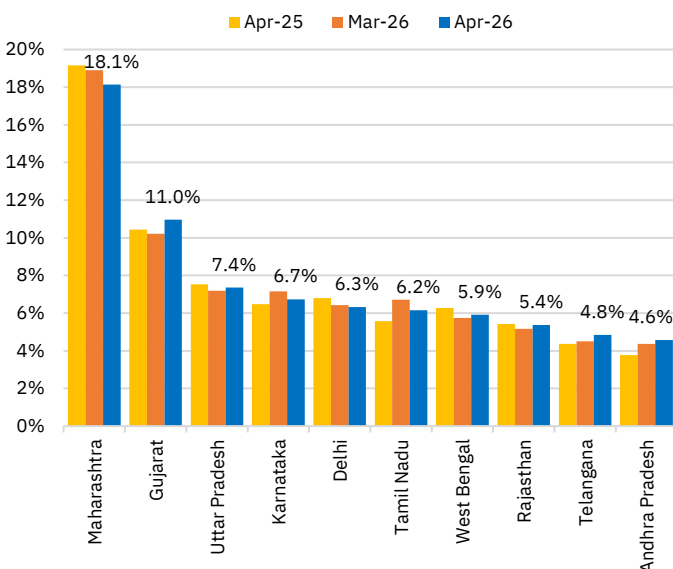
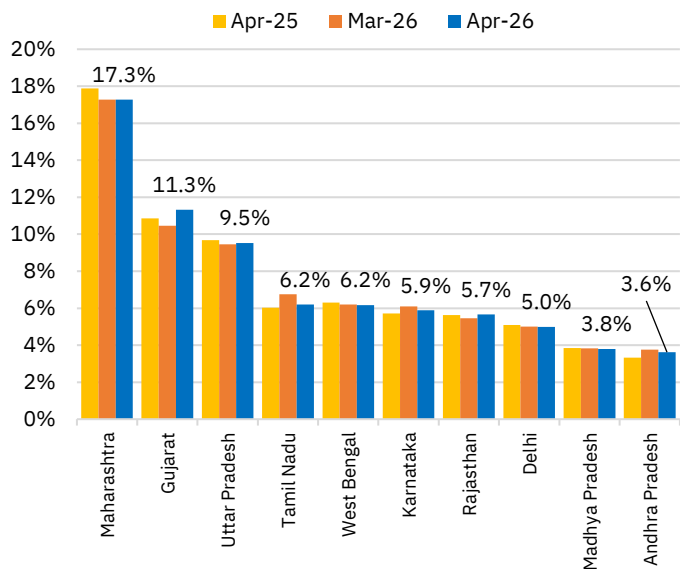


Figure 400: Share of the top 10 states based on individual investors' participation in equity cash



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 highest MoM increment since Sep'25....

Individual investors' turnover in the top 10 districts rose in Apr'26, rising by 26.9% MoM, to Rs 5.2 lakh crore (28.6% share in turnover). Mumbai Suburban and Bengaluru Urban were once again the top ranked districts, with turnover of Rs 1.1 lakh crore (+21.6% MoM, 5.9% turnover share) and Rs 74k crore (+20.4% MoM, 4.1% share). Within the top 10 districts, Hyderabad (+48.4% MoM, Rs 33k crore), Ahmedabad (+48.3% MoM, Rs 72k crore) and Surat (+32.1% MoM, Rs 33k crore) experienced the most notable increments in cash market turnover during the month. Moreover, all of the top 10 districts recorded growth in turnover. The top 50 districts accounted for 55.1% of cash market

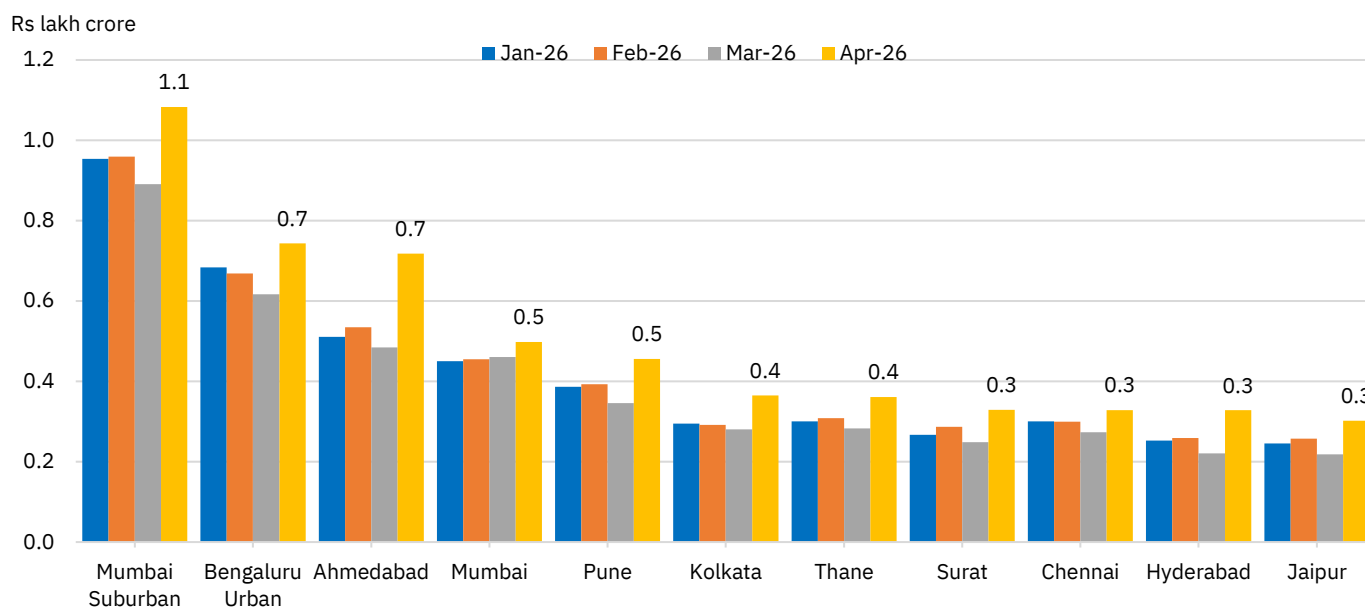
turnover in Apr'26, with average monthly cash market turnover between Jan'26-Apr'26 was Rs 4.5 lakh crore (vs Rs 3.7 lakh crore between Jan'25-Apr'25, +21.6% YoY).

...Accompanied by the 4th consecutive MoM decline in the number of active investors:

The number of individual investors, who traded at least once during the month, declined for the fourth consecutive month, decreasing by 2.2% MoM to 25.2 lakh (vs 23.4 lakh in Apr'25, +7.7% YoY), which marks the fourth consecutive MoM decline since Jan'26, across the top 10 districts. The monthly run-rate of active investors within these districts stood at 26.5 lakh between Jan'26-Apr'26, a 7.3% YoY increment from 24.7 lakh investors on average between Jan'25-Apr'25.

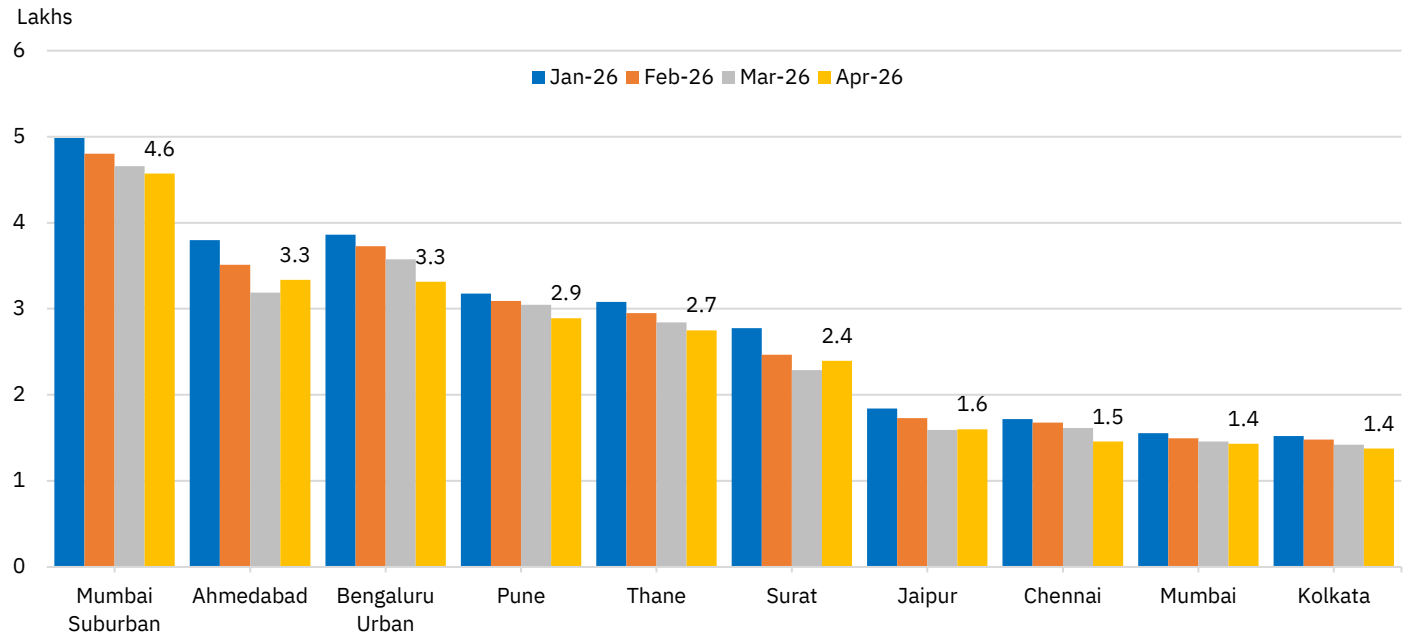
Within the top 10 districts, Mumbai Suburban continued to occupy the top position, despite the active investor count falling for the fourth consecutive month to 4.6 lakh investors (-1.9% MoM), with Ahmedabad occupying the second spot, recording an 4.6% MoM increment in the individual investor count to 3.3 lakh. Within the top 10 districts, Chennai (-9.6% MoM, 1.5 lakh investors), Bengaluru Urban (-7.3% MoM, 3.3 lakh investors) and Pune (-5.1% MoM, 2.9 lakh investors) recorded noticeable reductions in terms of the number of individual investors trading at least once a month. The top 10 districts accounted for 21.3% of active investors in Apr'26, while the top 50 districts accounted for 45.1% of active investors during the month.

Figure 401: Top 10 districts based on equity cash turnover of individual investors



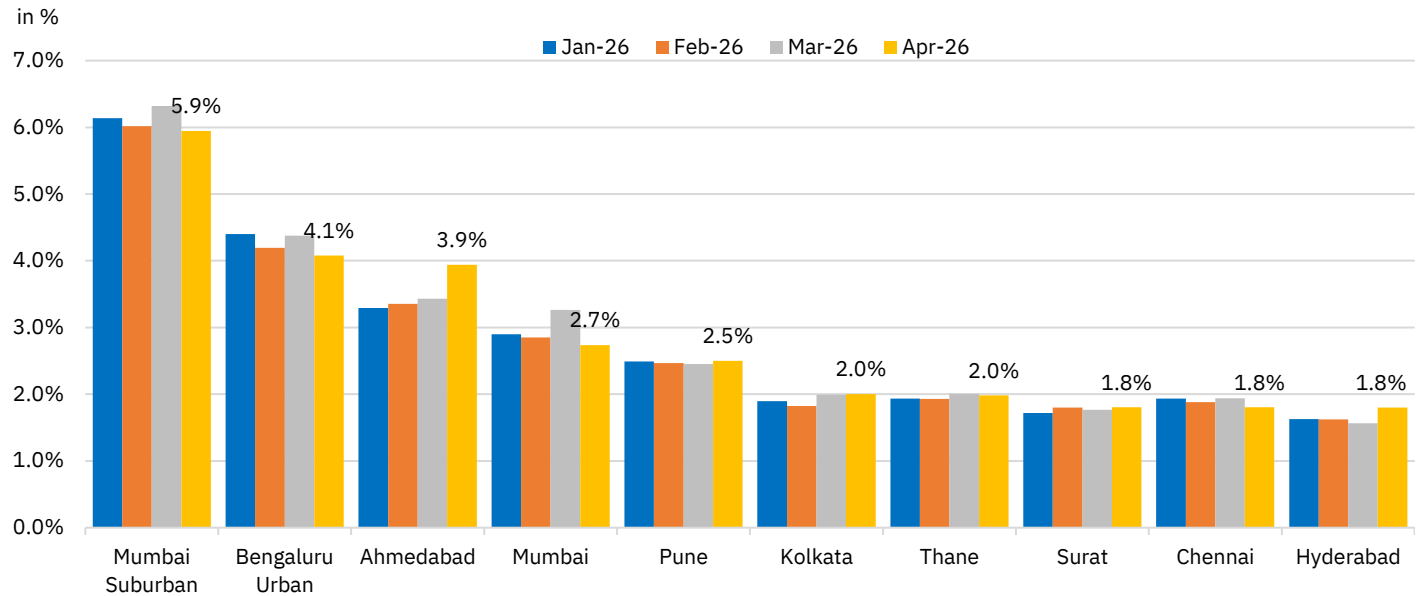
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 402: Top 10 districts based on individual investors participation in the equity cash market



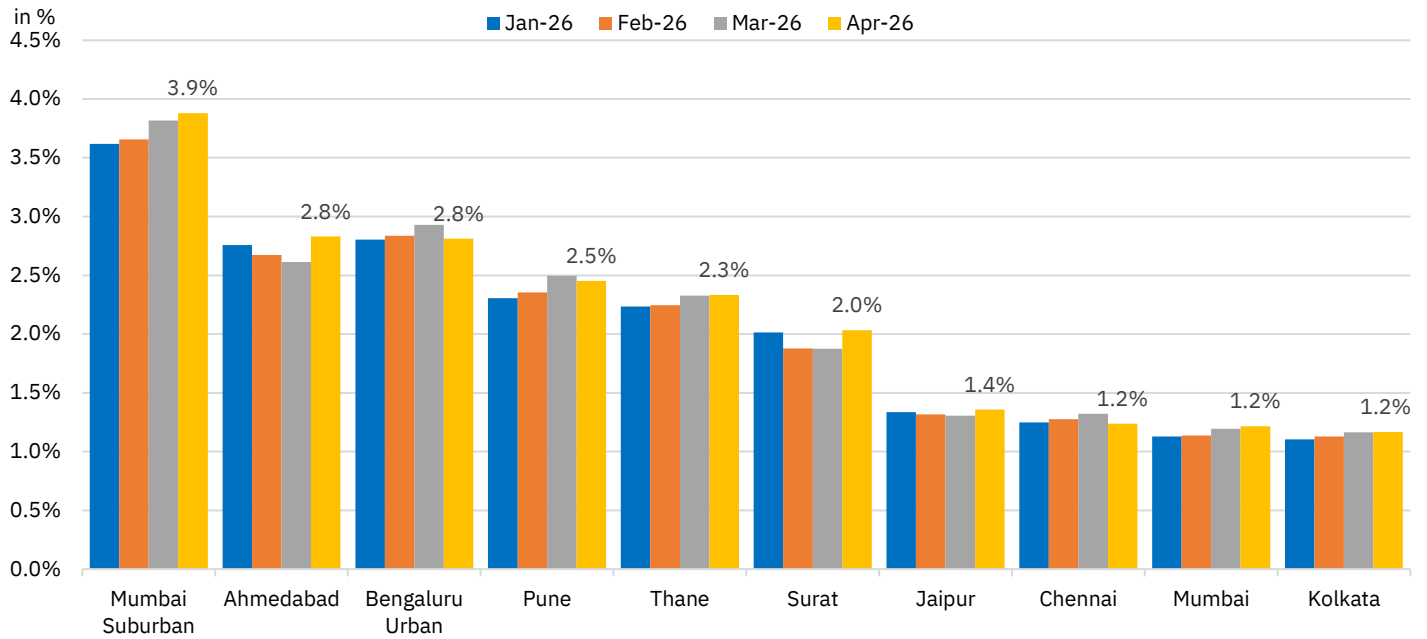
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest data.

Figure 403: 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 FY26 data.

Figure 404: 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 FY26 data.

Turnover of top 10 traded securities during April 2026

Turnover of the top 10 securities in the CM segment rose in Apr'26: The combined turnover of the top 10 traded securities stood at Rs 4.05 lakh crore in Apr'26, compared with Rs 3.79 lakh crore in Mar'26, registering a 6.9% MoM increase. Their share in total turnover, however, edged down to 15.0% from 15.9%, a decline of 90 bps, indicating a modest broadening of trading activity beyond the top 10 securities during the month.

Among individual counters, Groww recorded the strongest growth in turnover, rising 365.8% MoM, followed by Vedanta Ltd (+50.9%), Infosys Ltd (+32.1%), BSE Ltd (+23.3%) and ICICI Bank Ltd (+15.2%). On the other hand, Larsen & Toubro Ltd saw the sharpest decline at 25.1% MoM, followed by HDFC Bank Ltd (-22.3%) and Bharti Airtel Ltd (-12.8%).

Overall, the turnover profile of the top 10 securities in Apr'26 reflected a mixed trend across counters, with gains in select securities supporting aggregate growth, while their lower share in total turnover suggests broader market activity beyond the top 10 traded securities.

Table 111: Top 10 traded securities in NSE CM segment in April 2026

Securities Name	Apr-26	Mar-26	%Change
HDFC Bank Ltd	69,563	89,585	(22.3)
Reliance Industries Ltd	60,755	55,488	9.5
ICICI Bank Ltd	52,190	45,320	15.2
State Bank of India	37,799	35,828	5.5
Infosys Ltd	37,414	28,323	32.1
Bharti Airtel Ltd	34,340	39,376	(12.8)
Vedanta Ltd	30,373	20,128	50.9
BSE Ltd	28,835	23,382	23.3
Billionbrains Garage Ventures Ltd. (Groww)	27,014	5,799	365.8
Larsen & Toubro Ltd	26,671	35,602	(25.1)
Top 10 scrips turnover	404,954	378,830	6.9
Total turnover	2,694,182	2,378,206	13.3
% share of Top 10 scrips	15.0	15.9	(0.90)pp

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.

Turnover concentration declined in both stock futures and stock options in Apr'26:

Total stock futures notional turnover declined 3.1% MoM to Rs 26.24 lakh crore in Apr'26 from Rs 27.09 lakh crore in Mar'26. The combined turnover of the top 10 stock futures contracts fell more sharply, declining 7.4% MoM to Rs 4.93 lakh crore from Rs 5.32 lakh crore, partly reflecting reduced activity in highly traded securities following the STT hike. Consequently, their share in overall stock futures turnover eased to 18.8% from 19.6%, indicating a moderation in trading concentration among the leading contracts during the month. Among the major stock futures, Wipro Ltd. recorded the strongest increase in turnover at 52.6% MoM, followed by HCL Technologies Ltd. (+49.0%), TCS Ltd. (+13.4%) and Infosys Ltd. (+11.8%), while HDFC Bank Ltd. (-21.0%), Bharti Airtel Ltd. (-20.8%) and State Bank of India (-17.1%) recorded notable declines.

In the stock options segment, the top 10 contracts collectively recorded premium turnover of Rs 34,291 crore in Apr'26, down 11.4% MoM from Rs 38,715 crore in Mar'26, even as total stock options premium turnover increased 5.1% MoM to Rs 1.65 lakh crore from Rs 1.57 lakh crore. As a result, the share of the top 10 contracts in overall premium turnover declined to 20.7% from 24.6%, indicating a broadening of trading activity beyond a limited set of highly active contracts during the month. Among the leading stock options, BSE Ltd. recorded the strongest growth at 22.0% MoM, followed by TCS Ltd. (+18.8%), Infosys Ltd. (+18.1%) and ICICI Bank Ltd. (+8.8%), while HDFC Bank Ltd. saw the sharpest decline at 31.1% MoM, followed by MCX Ltd. (-23.2%), State Bank of India (-22.2%), Indigo (-22.2%) and Reliance Industries Ltd. (-21.7%).

Overall, turnover concentration moderated across both stock futures and stock options in Apr'26, with the top 10 contracts accounting for a lower share of segment activity compared with Mar'26.

Table 112: Top 10 traded scrips in stock futures segment in April 2026

Securities (Rs lakh cr)	Apr-26	Mar-26	%Change
HDFC Bank Ltd.	91,013	115,247	(21.0)
ICICI Bank Ltd.	64,674	75,767	(14.6)
Reliance Industries Ltd.	62,821	74,534	(15.7)
Infosys Ltd.	54,906	49,100	11.8
State Bank of India	45,371	54,740	(17.1)
TCS Ltd	42,215	37,232	13.4
Bharti Airtel Ltd.	35,445	44,764	(20.8)
Axis Bank Ltd.	34,650	39,954	(13.3)
HCL Technologies Ltd.	30,766	20,647	49.0
Wipro Ltd.	30,759	20,163	52.6
Top 10 scrips turnover	492,621	532,148	(7.4)
Total stock futures notional turnover	26,24,085	27,09,243	(3.14)
% share of Top 10 scrips	18.8	19.6	(4.4)pp

Table 113: Top 10 traded scrips (premium turnover) in stock options in April 2026

Securities Name (Rs cr)	Apr-26	Mar-26	%Change
Reliance Industries Ltd	5,603	7,151	(21.7)
BSE Ltd	4,316	3,539	22.0
HDFC Bank Ltd	3,798	5,510	(31.1)
State Bank of India	3,740	4,808	(22.2)
Infosys Ltd	3,103	2,628	18.1
MCX Ltd	2,904	3,781	(23.2)
TCS Ltd	2,898	2,441	18.8
Dixon Tech Ltd	2,710	3,141	(13.7)
ICICI Bank Ltd	2,706	2,486	8.8
Indigo	2,513	3,230	(22.2)
Top 10 scrips premium turnover	34,291	38,715	(11.4)
Total stock options premium turnover	1,65,360	1,57,389	5.1
% share of Top 10 scrips	20.7	24.6	(3.86)pp

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

Across August 2025 to Apr 2026 contracts, NSE Electricity Futures recorded cumulative trading volume of **31,416 MUs**, against spot market volumes of 57,473 MUs, resulting in a futures-to-spot volume ratio of **0.55**. The strong participation reflects increasing alignment between spot and futures markets and growing adoption of electricity futures for price discovery and risk management.

During the period, cumulative turnover reached **Rs 12,009 crore**, highlighting sustained market interest and improving liquidity. NSE maintained a dominant **71% market share**, reinforcing its position as a leading platform for electricity derivatives trading in India.

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.

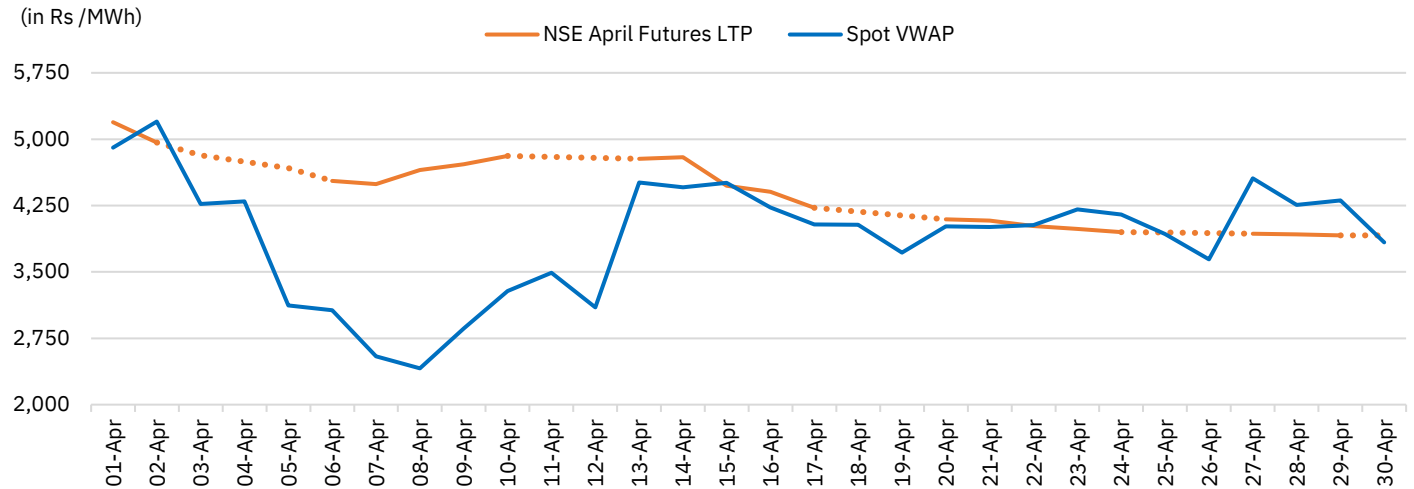
Trading Activity in NSE Electricity Futures – April 2026 Contract

The April 2026 Electricity Futures contract traded at an average price of **Rs 4,495/MWh**, demonstrating stable price behaviour despite intermittent volatility in the underlying spot market. The contract recorded aggregate turnover of **Rs 911 crore** and cumulative trading volume of **2,017 MUs**, compared with 5,559 MUs in the spot market, resulting in a futures-to-spot volume ratio of **0.36**. This points to strengthening participation in the futures segment and a gradual progression in India's electricity market.

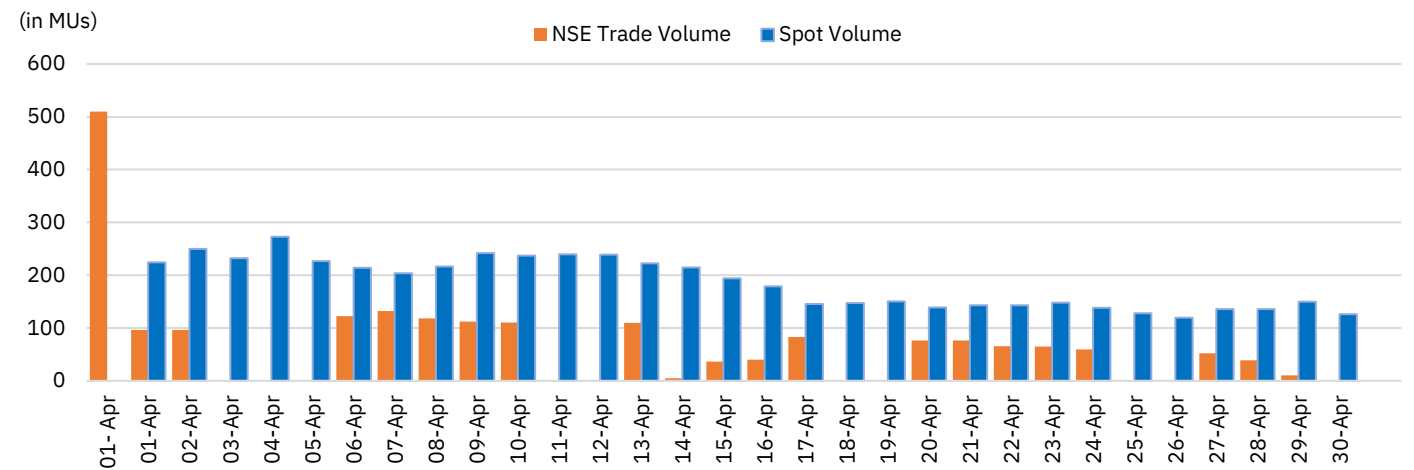
Trading activity remained robust throughout the contract, with the highest single-day trading volume of **132 MUs** recorded on 7 April 2026. Open interest remained stable over the contract, with an average of **594.78 lots** and reaching a peak of **1759 lots** on 27th April 2026, indicating continued growth in market participation and hedging activity.

Overall, the April 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 **57% 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.

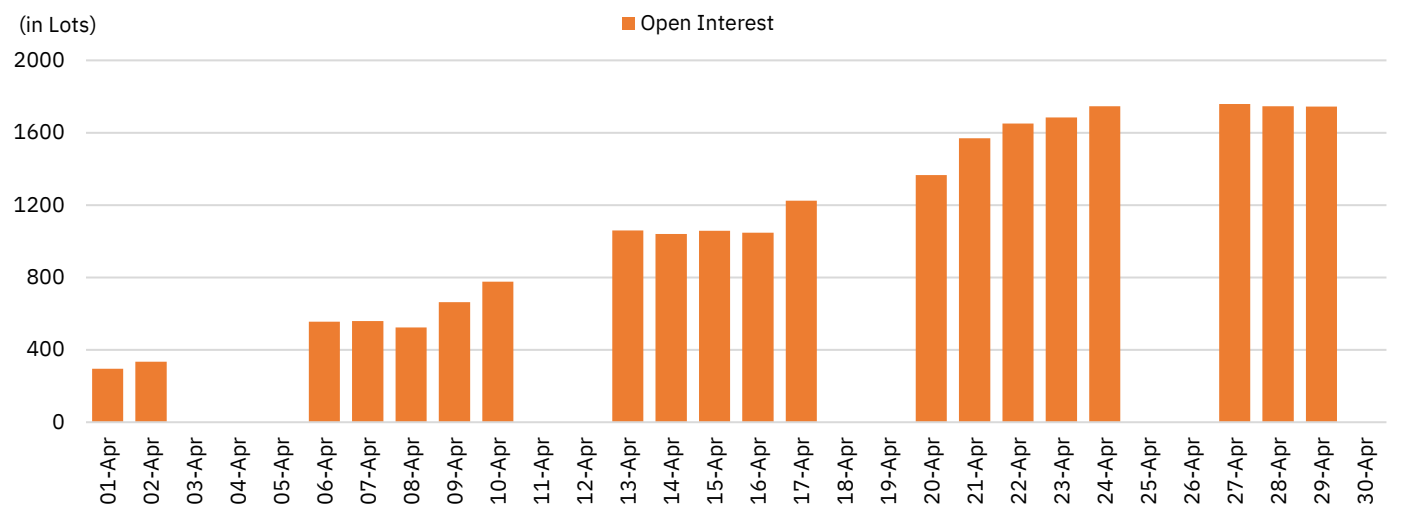
A detailed primer on this newly launched electricity futures product is provided below.

Figure 405: Comparison of Spot VWAP and NSE Electricity Futures LTP - April 2026 Contract


Source: NSE.

Figure 406: Comparison of NSE Electricity Futures Trade Volume and Spot Volume – April 2026 Contract


Source: NSE.

Figure 407: Daily Open Interest in NSE Electricity Futures – April 2026 Contract


Source: NSE.

Figure 408: Comparison of NSE Electricity Futures trade volume and spot volume (Aug'25 to Apr'26 contracts)

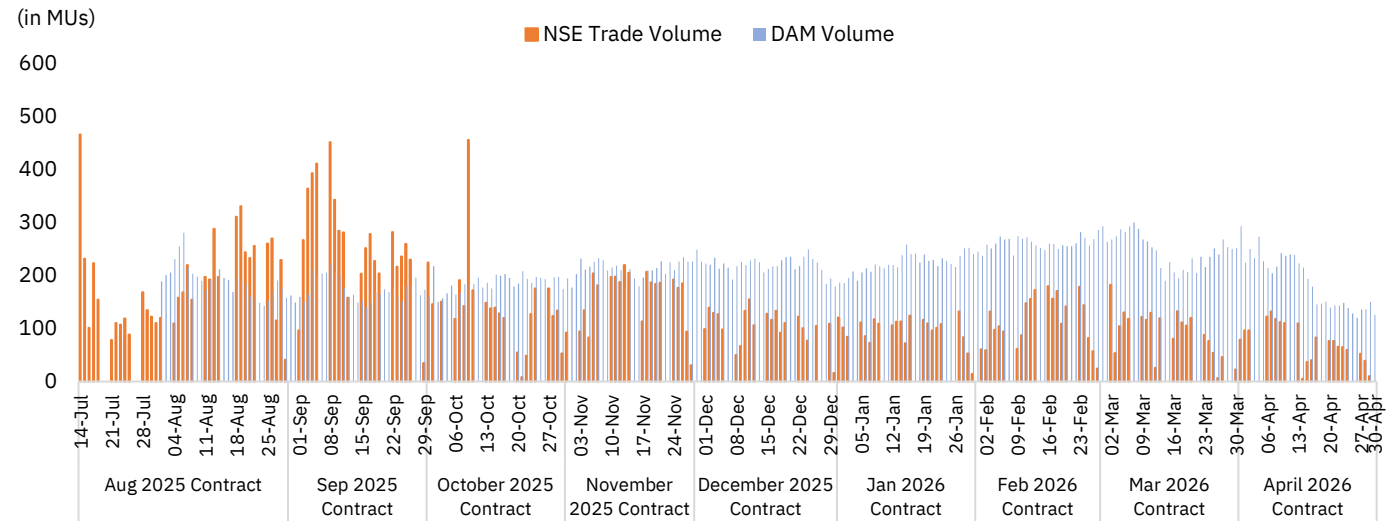
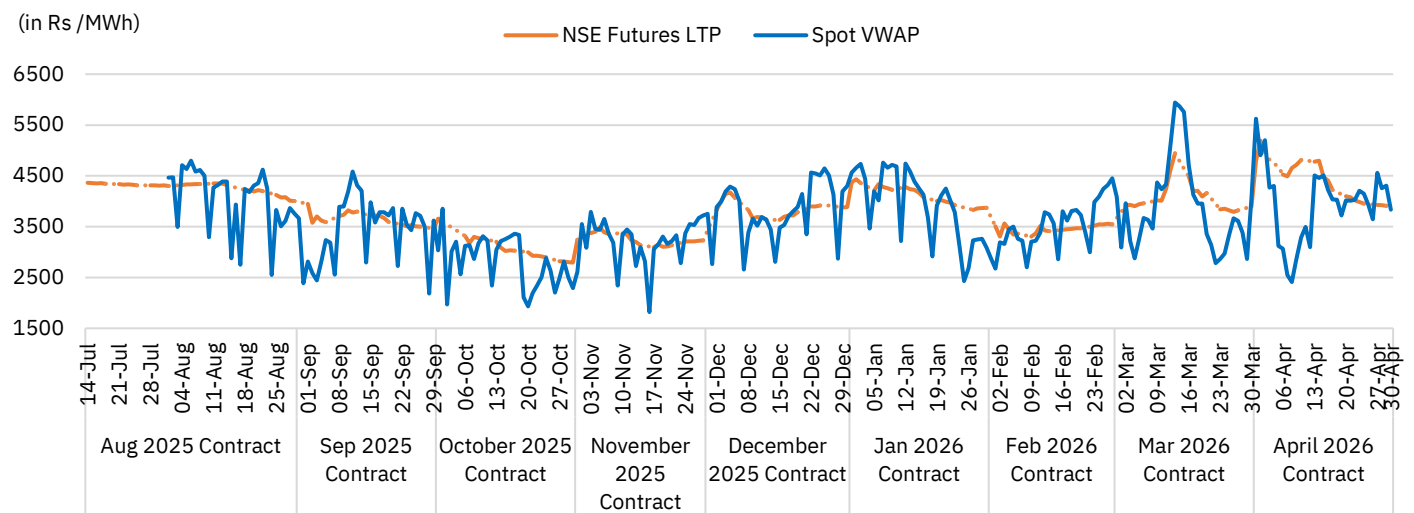


Figure 409: Comparison of Spot VWAP and NSE Electricity Futures LTP (Aug'25 to Apr'26 contracts)



Market Trade Metrics: August 2025 to April 2026



NSE ELECTRICITY FUTURES (ELECMBL) AUG 2025 TO APR 2026 SNAPSHOT

Price Movement

Start (Aug Contract)	₹4430 /MWh
DDR (Apr 2026)	₹3899 /MWh
Futures Price	12% ↓
Spot VWAP	13% ↓

DDR



NSE Market Share ~ 71%

Volume:

NSE Futures: 55% of DAM



Participation

 **6,28,322 Lots Traded**

 **12,009 Cr Turnover**

Volume & Price Trends



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 contracts 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.

Launch of Fundamentals of Electricity Derivatives Certificate Course

Recognizing the rising interest in electricity derivatives, NSE has developed a **free, self-paced online course** offering structured and comprehensive insights into this emerging market.

- This course is accessible to anyone interested to develop in-depth understanding of the strategic applications of electricity futures.
- You may **click the link or scan the below QR code** provided for course registration and access the learning platform: <https://nsefutures.wesence.com/>

Enrol Now for Free in the Fundamentals of Electricity Derivatives Certificate Course**"Electrify your skills, energize your FUTURES"** **NSE**
Fundamentals of Electricity Derivatives
"Electrify your skills, energize your FUTURES"
Join NSE's
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1 NATION GRID PRICE
CERTIFIED COURSE
Join successful traders from all walks of life to earn the official certification
7 COMPREHENSIVE MODULES
Self-paced learning with practical exercises and real-world scenarios
NSE OFFICIAL CERTIFICATE
Earn an industry-recognized digital certificate upon completion
Scan the QR code to enrol now

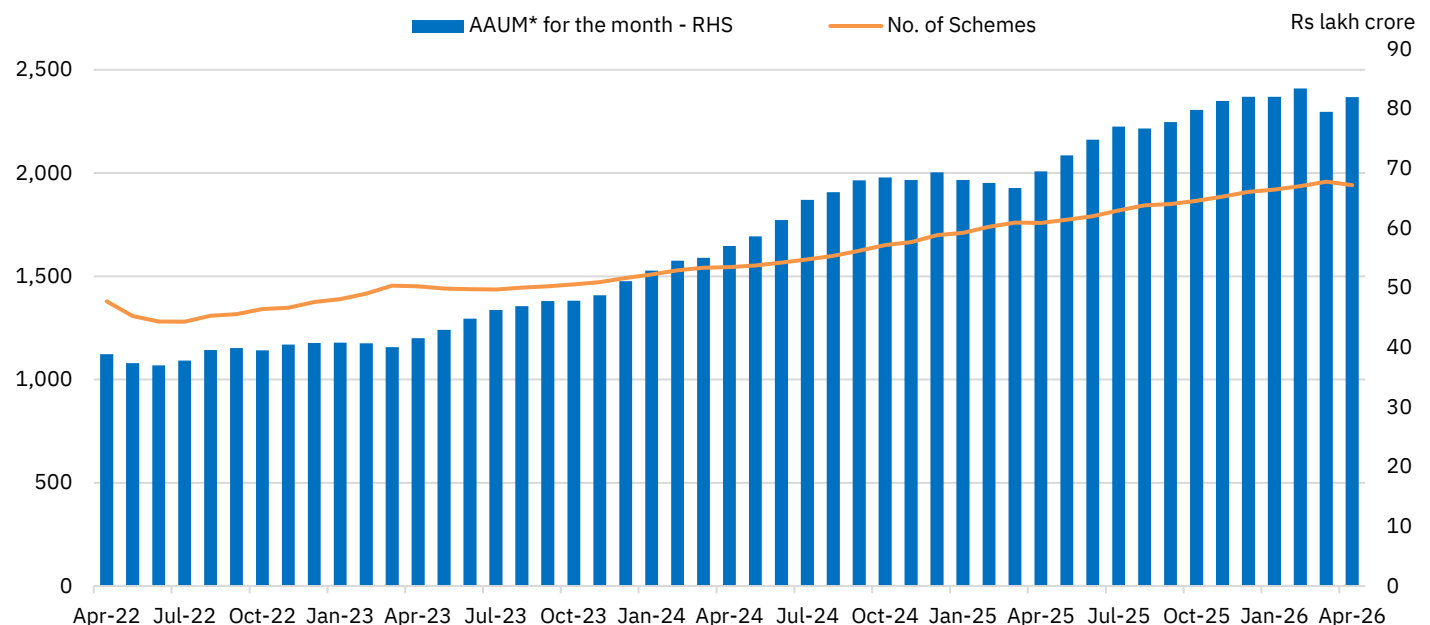

Investment through mutual funds in India

Average Assets Under Management (AAUM) rose to above Rs 80 lakh crore...: AAUM of the mutual fund industry rose by 3.1% MoM/17.9% YoY to nearly Rs 82 lakh crore in April 2026 supported by notable rise in debt and equity flows and mark-to-market gains during the month. The growth was primarily driven by improved investor sentiment fueled by expectations of de-escalation in geopolitical tensions alongside optimism around the corporate earnings for the fiscal, which further bolstered market confidence. The impact of global headwinds was cushioned by solid domestic fundamentals and continued policy support. Debt segment reversed the trend to register record inflows of Rs 2.5 lakh crore, reflecting investors' preference for safety amid heightened volatility.

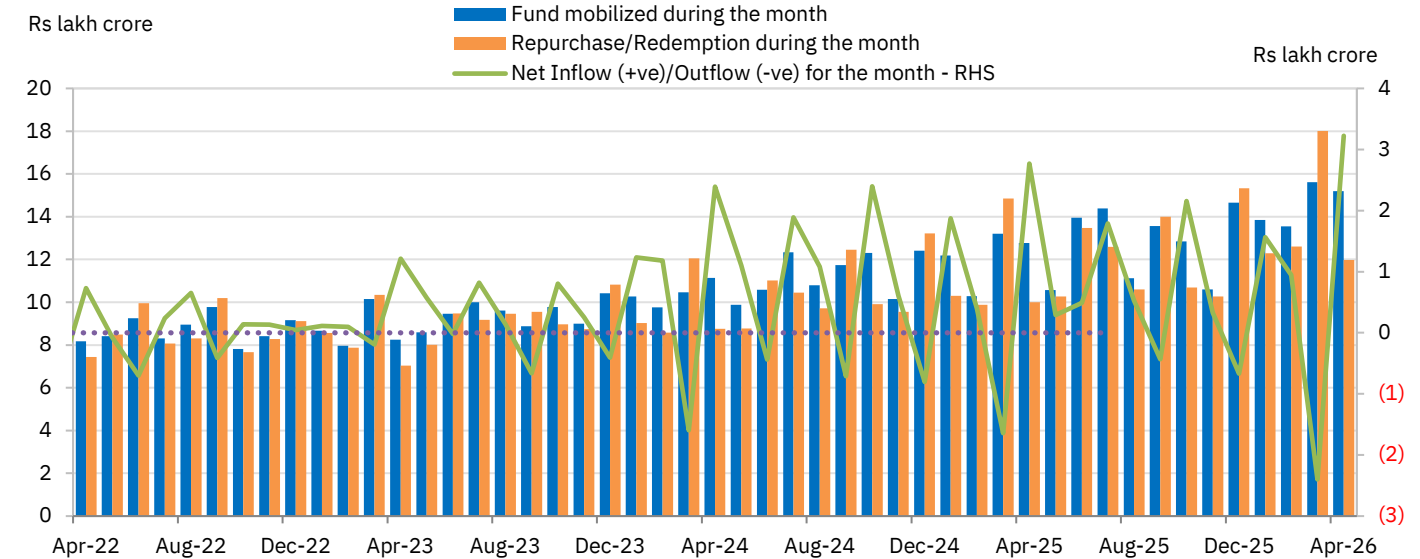
...With equity flows sequentially moderating albeit sustained inflows for 62 months in a row...: Net flows were at a record high level led by strong inflows of Rs 3.2 lakh crore across categories as against inflows of Rs 2.8 lakh crore in the same period last year and outflows of Rs 2.4 lakh crore in March'26. Equity funds (open-ended only) were driven by net inflows for the 62nd consecutive month, aggregating Rs 38,440 crore led by flexi-cap funds (Rs 10k+ crore), small-cap funds (Rs 6.9k crore) and mid-cap funds (6.5k crore). Hybrid funds — which had recorded outflows of Rs 16.5k crore in March 2026 — has seen a reversal with inflows of Rs 20.6k crore, recording a nine-month high. Although there has been a sequential improvement in gold ETF flows to Rs 3,040 crore, the three-month moving average is lower than the high of Rs 24k crore seen in January.

...While SIP flows record a marginal dip in April: Monthly SIP inflows have moderated sequentially to Rs 31,115 crore in April 2026 after scaling record high level in March. Notwithstanding the uncertainty dynamics in the global environment, SIP flows have been healthy and are 6.8% higher than the average monthly SIP flows in FY26. SIP assets, which had fallen to 15.1 lakh crore in March, rose by 11.5% MoM, accounting for 20.6% of overall mutual fund assets.

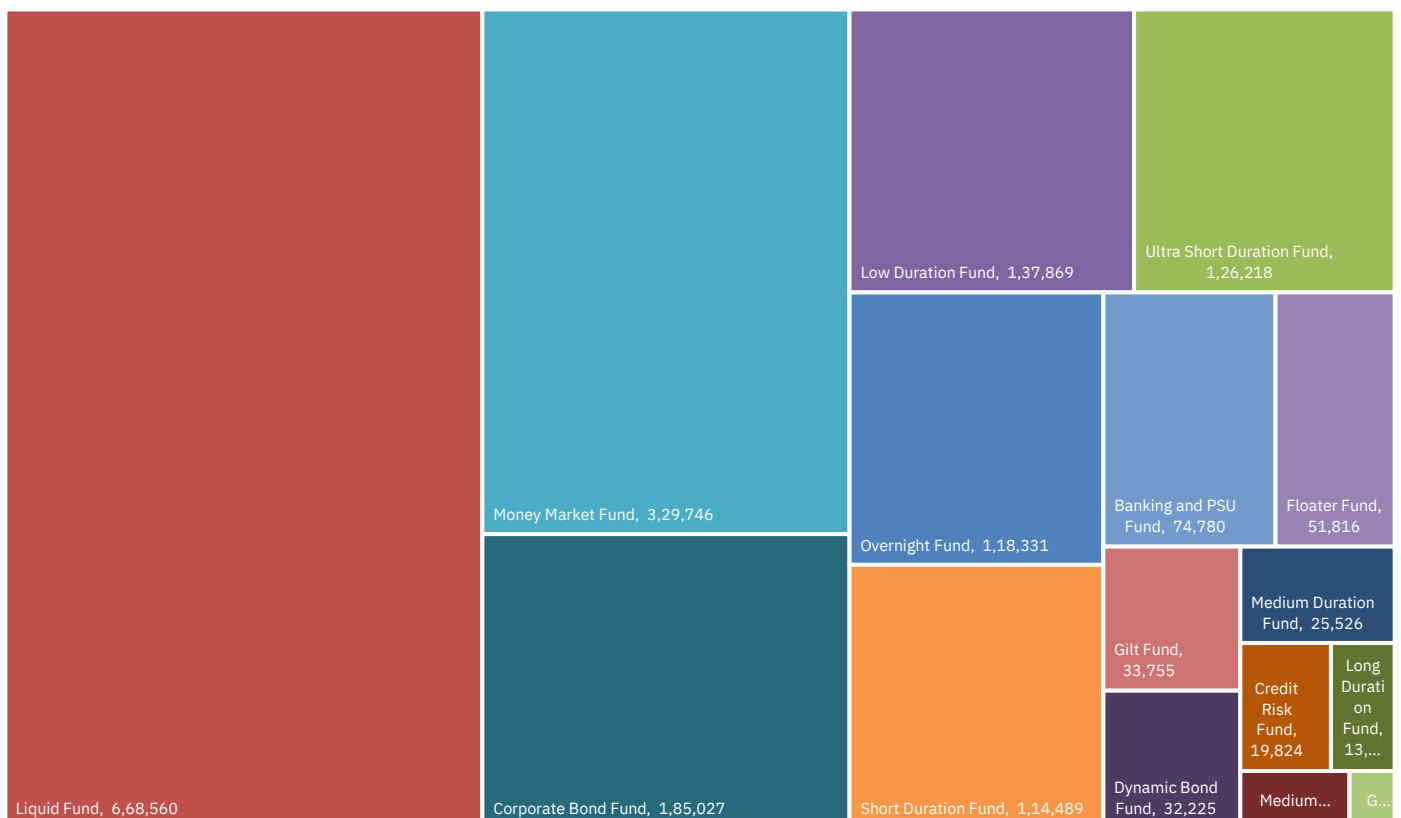
Figure 410: Monthly trend of total MF schemes and average AUM



Source: AMFI, NSE EPR. *AAUM-Average Assets under Management.

Figure 411: Monthly trend of total investment through mutual funds

Figure 412: Category-wise AUM of open-ended debt schemes

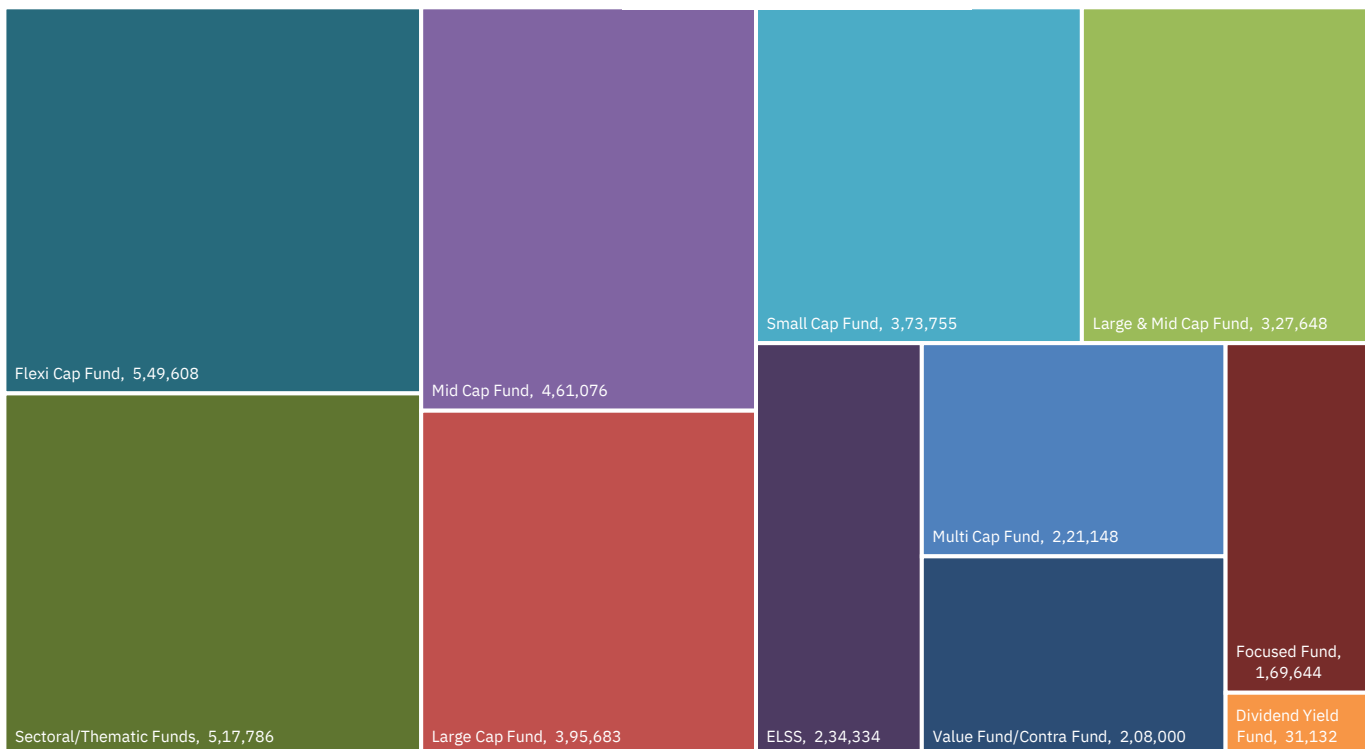
AUM (Rs crore) – April 2026



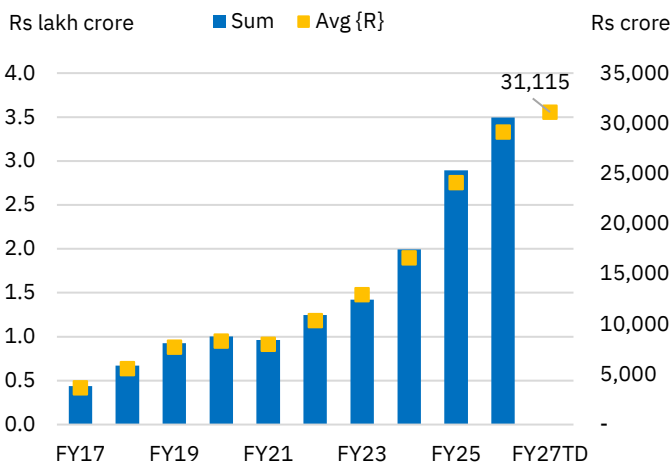
Source: AMFI, NSE EPR.

Figure 413: Category-wise AUM of open-ended equity schemes

AUM (Rs crore) – April 2026



Source: AMFI, NSE EPR.

Figure 414: Trends in annual SIP contribution


Source: AMFI, NSE EPR. Notes: 1) Data for FY27TD is value of April 2026 only

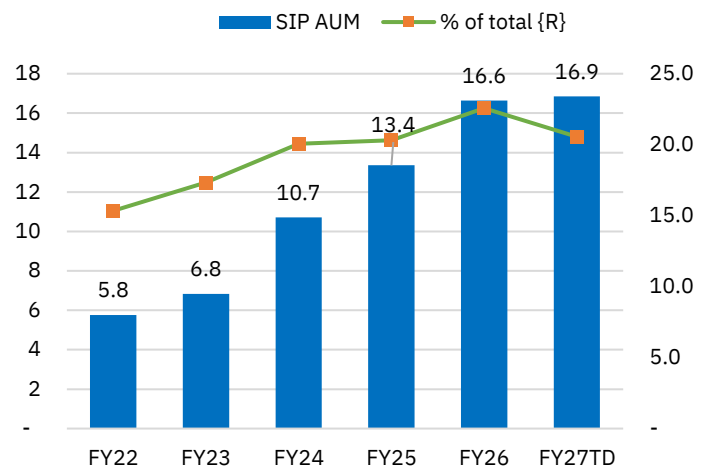
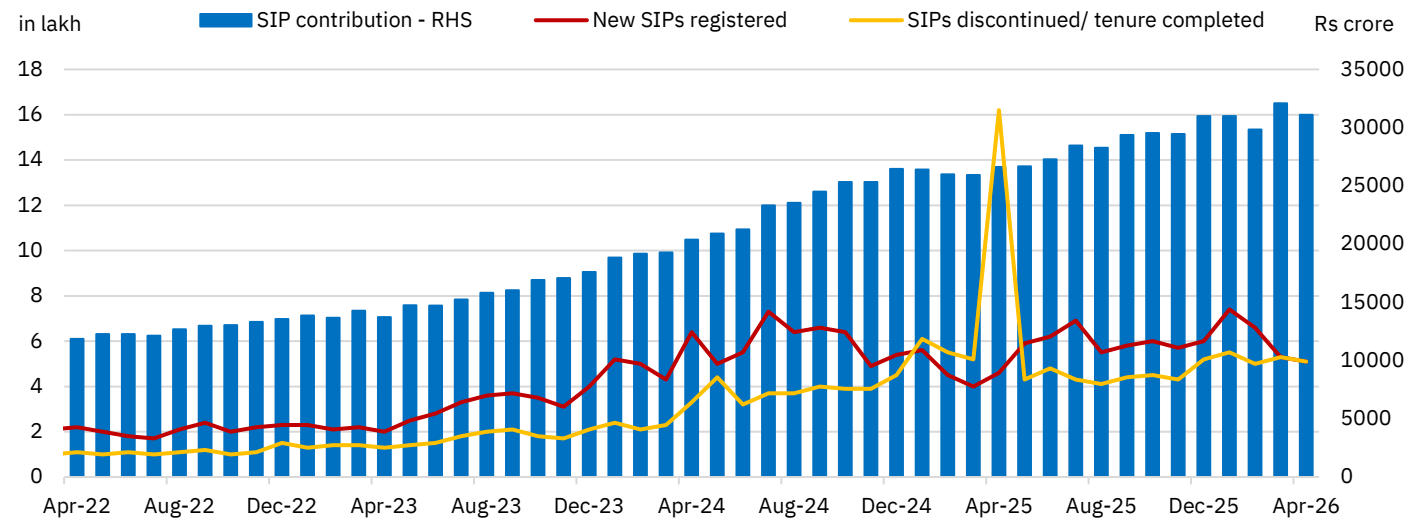
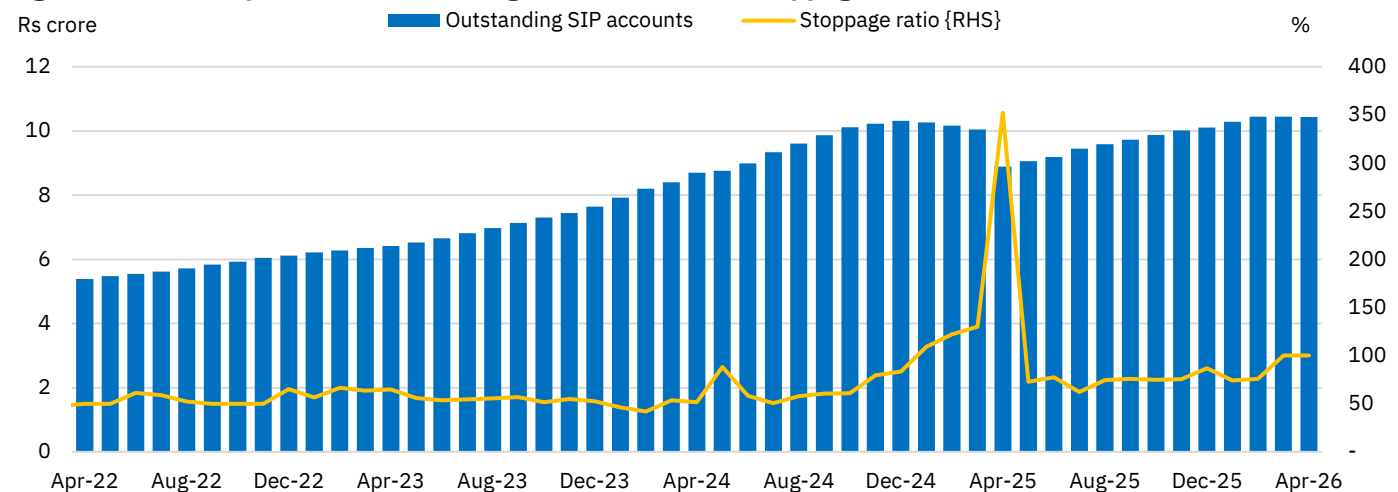
Figure 415: Trends in SIP AUM


Figure 416: Monthly trend of SIP contribution, SIP registered and discontinued


Source: AMFI, NSE EPR.

Figure 417: Monthly trend of outstanding SIP accounts and stoppage ratio


Source: AMFI, NSE EPR.

Active AAUM of equity and debt rose by more than 3.5% MoM in April: After moderating to a seven-month low of Rs 43.1 lakh crore in March 2026, AAUM of equity mutual fund rose 4.1% MoM and 17.7% YoY to nearly Rs 45 lakh crore and accounted for ~55% of overall average assets under management. Both active and passive equity funds registered strong sequential growth of over 4% in April and stood at ~Rs 35 lakh crore (42.6% share) and ~10 lakh crore (12.2% share) respectively as of April 2026. Of the open-ended equity funds, AAUM of flexi-cap funds have the highest AAUM accounting for more than 15%, followed by thematic funds (~15%), mid-cap (13.2%) and large-cap funds (11.3%).

Active debt funds AAUM rose sequentially by 2.8% MoM to Rs 21.7 lakh crore as of April 2026 accounting for 26.5% of overall average assets. However, on a YoY basis, the growth has been modest and in single digits at 7%. Passive funds across equity and debt have shown a contrasting pattern: YoY growth in passive equity has been more than 18% while the AAUM of passive debt has declined by 3.4%. Within open-ended debt funds, liquid funds accounted for more than one-third of the assets followed by money-market funds (~17%), reflecting high preference for liquidity and relatively lower appetite for

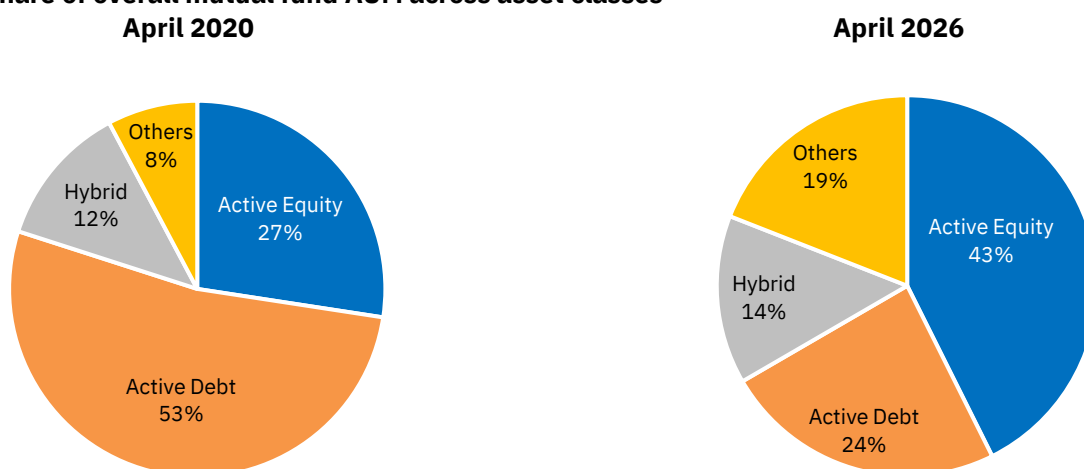
duration risk. Hybrid funds AAUM grew by 23.1% YoY to ~Rs 12 lakh crore supported by sustained flows and mark-to-market gains. In the last six years, the share of active debt has declined from half of the asset size to a fourth, while the share of active equity and others (predominantly passive funds) have grown 16pp and 11pp to ~43% and 19% respectively.

Table 114: Monthly trend of average AUM of mutual funds across categories

Rs crore	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	% share
Total MF AUM	81,31,764	81,98,944	82,01,175	83,42,617	79,46,028	81,94,396	100.0
Equity	45,31,560	45,57,699	45,26,333	45,74,637	43,12,193	44,90,875	54.8
Active	35,43,231	35,54,828	35,25,609	35,64,144	33,57,484	34,93,683	42.6
Passive	9,88,330	10,02,871	10,00,725	10,10,493	9,54,709	9,97,192	12.2
Index funds	2,12,482	2,15,059	2,15,490	2,18,984	2,08,060	2,23,313	2.7
Domestic	2,05,868	2,08,286	2,08,616	2,12,143	2,01,297	2,16,171	2.6
International	6,614	6,773	6,874	6,842	6,763	7,142	0.1
ETFs	7,75,847	7,87,812	7,85,235	7,91,509	7,46,649	7,73,879	9.4
Domestic	7,58,712	7,70,363	7,67,675	7,74,489	7,29,735	7,55,891	9.2
International	17,135	17,449	17,560	17,020	16,914	17,988	0.2
Debt	22,06,088	21,99,078	21,51,724	22,05,009	21,14,130	21,69,048	26.5
Active	20,02,016	19,95,553	19,48,624	20,03,369	19,12,431	19,66,574	24.0
Passive	2,04,072	2,03,525	2,03,100	2,01,640	2,01,699	2,02,474	2.5
Index funds	1,06,279	1,04,860	1,03,617	1,02,198	1,03,204	1,04,351	1.3
Domestic	1,06,279	1,04,860	1,03,617	1,02,198	1,03,204	1,04,351	1.3
ETFs	97,793	98,665	99,483	99,441	98,496	98,123	1.2
Hybrid	11,45,449	11,62,111	11,77,654	11,95,277	11,57,565	11,73,237	14.3
Others*	2,48,666	2,80,056	3,45,464	3,67,694	3,62,139	3,61,236	4.4

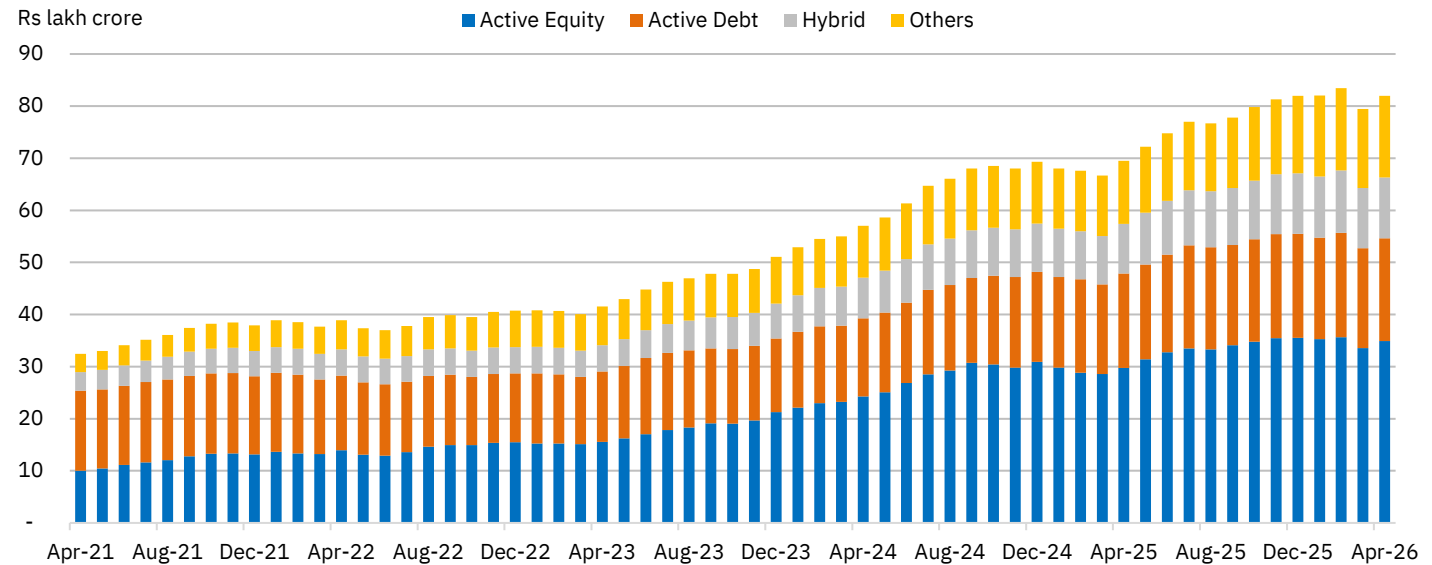
Source: AMFI, NSE EPR. *Others include Gold and silver ETFs, other ETFs and index funds, solution-oriented schemes, interval schemes, FoFs investing overseas in active and passive funds.

Figure 418: Share of overall mutual fund AUM across asset classes



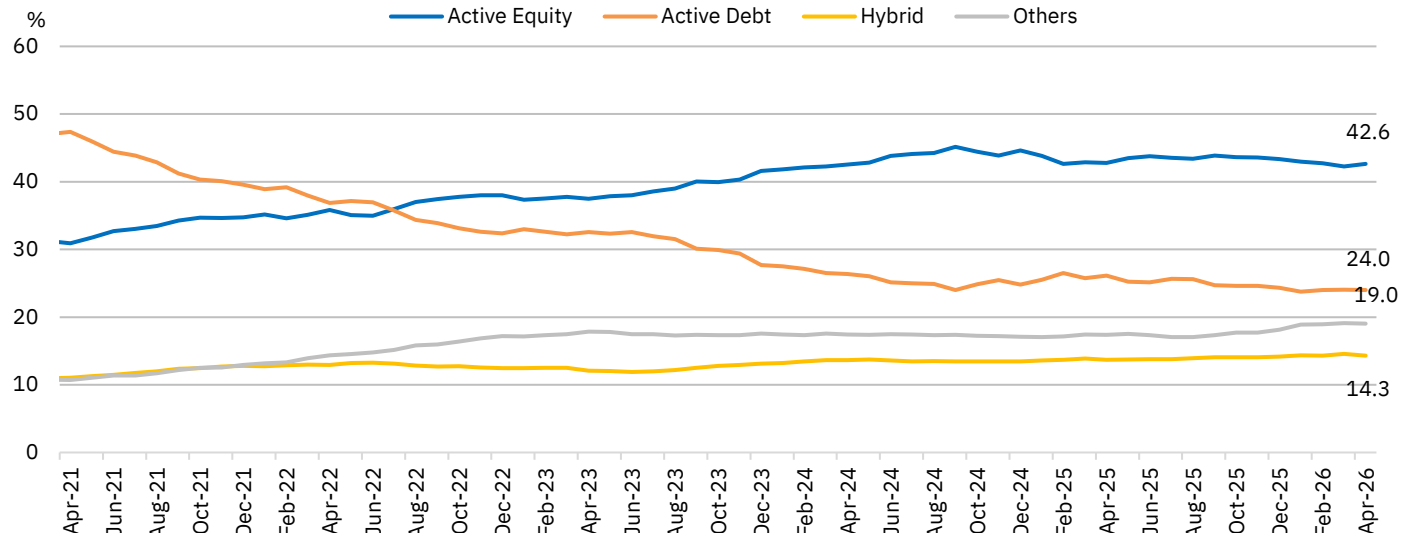
Source: CMIE Economic Outlook, AMFI, NSE EPR

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 419: 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 420: Category-wise share in mutual fund AUM*


Source: CMIE Economic Outlook, AMFI, NSE EPR.

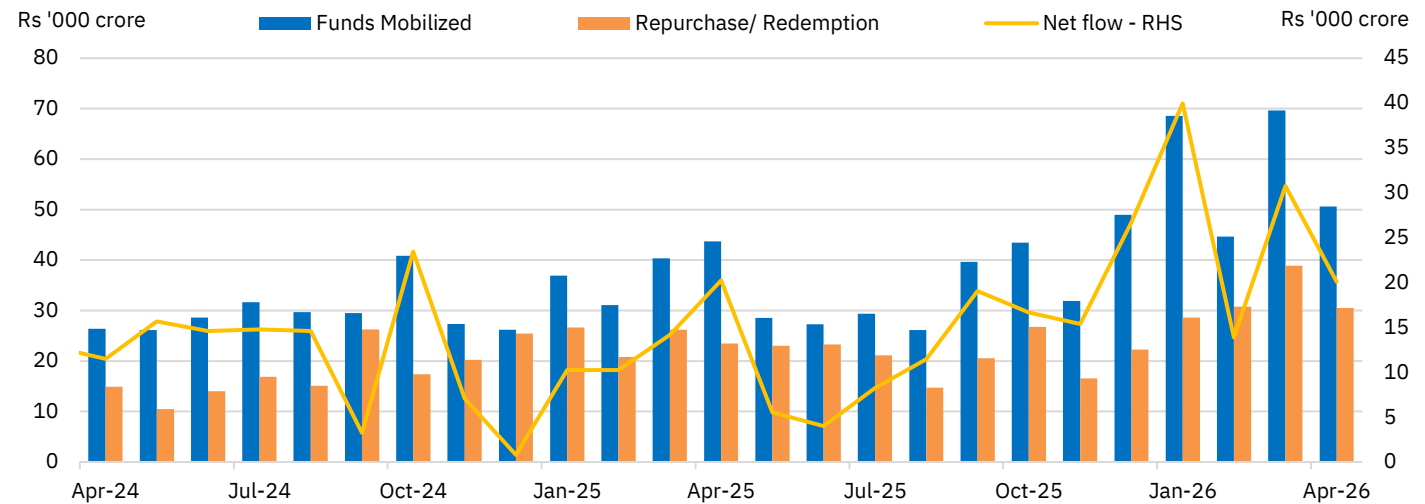
Note: 1) Equity and debt funds include both actively and passively managed funds. *Others include Index funds, ETFs, solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Passive funds AAUM²¹ registered 37% YoY growth to over Rs 15 lakh crore: Post a sharp 3.8% MoM sequential decline in AAUM of passive funds, the category recovered in April with a 2.8% MoM increase, taking asset value to Rs 15.4 lakh crore, equivalent to 18.4% of the total AAUM. The notable surge in passive funds' assets by 30.1% YoY has been led by equity (18.3% YoY) and commodities (gold: 190+% YoY, silver: 444% YoY). In the last three years, the share of debt passive funds has declined sharply from 27% in April'23 to 13% in April'26 which has been offset by sharp rise in the share of gold ETFs (12%) and silver ETFs (5%). This is the first month since May 2025 that the share of gold and silver ETFs in total passive fund ETFs has moderated sequentially to 17.2% in April

²¹ 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.

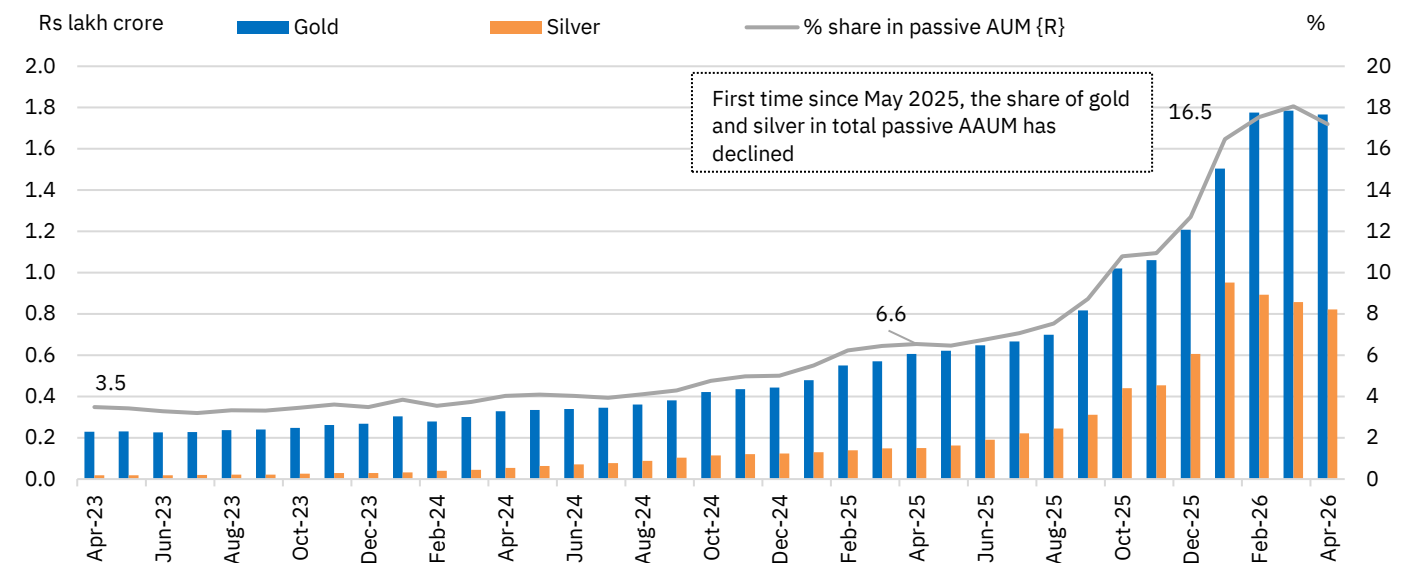
2026. Passive fund net flows have moderated sequentially by 34.7% MoM to Rs 20k crore led by a notable decline seen in equity-oriented ETFs which were partly offset by inflows into domestic index funds.

Figure 421: Monthly trend of average AUM of passive mutual funds across categories



Source: CMIE Economic Outlook, AMFI, NSE EPR.

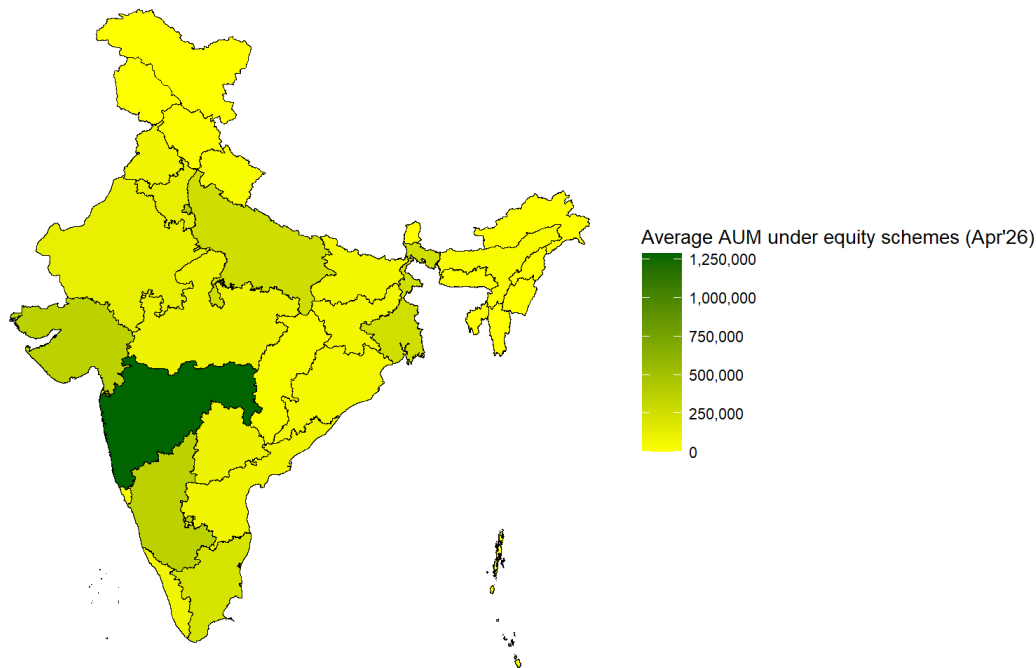
Figure 422: Monthly trend of gold and silver ETF AAUM



Source: AMFI, CMIE Economic Outlook, NSE EPR

Top 10 states account for nearly four-fifth of equity AAUM: Equity AAUM of the top five and ten states in India accounted for 60% and 79% of the overall equity AAUM in April 2026 led by Maharashtra (28.9%), New Delhi (9.3%) and Gujarat (8.2%). There has been some shuffle in the top five equity AAUM with New Delhi overtaking Gujarat and Karnataka. Barring Haryana, all the major states have registered a solid double-digit YoY growth in equity AAUM. 27 States/UTs have equity AAUM of less than Rs 1 lakh crore and their assets have grown by 18.3% YoY to Rs 8 lakh crore as of April 2026.

Figure 423: State-wise distribution of equity schemes AUM in April'26

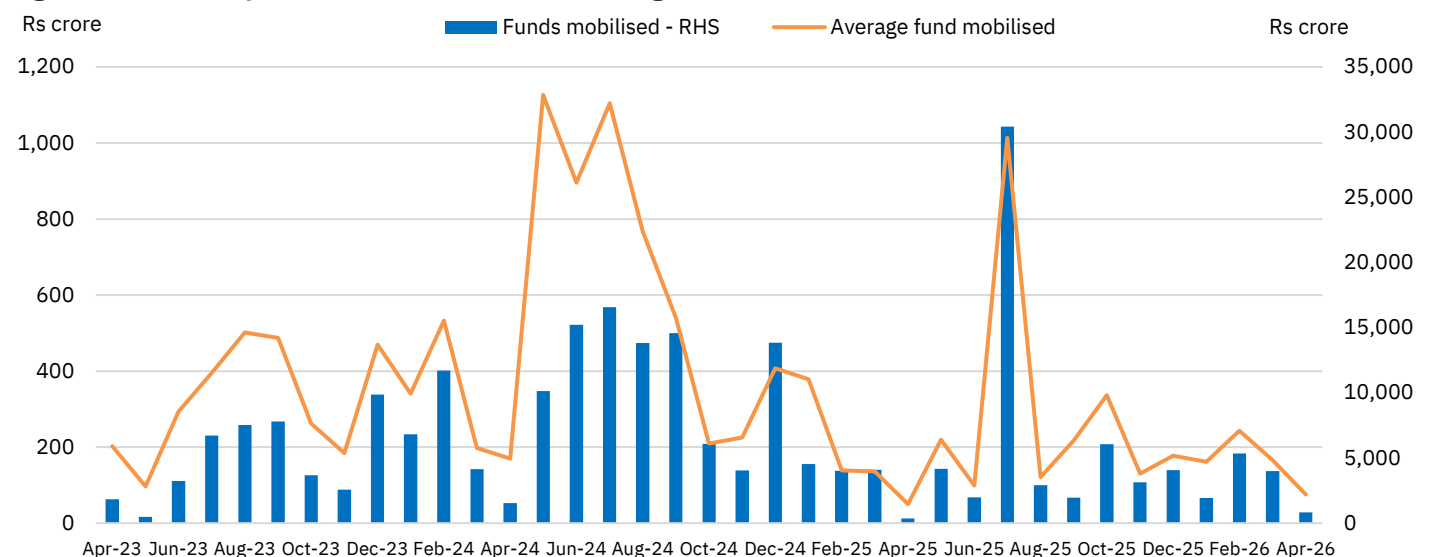


Source: AMFI, NSE EPR. Note: The map is created using the state-level shapefile: [Link](#)

Funds raised through NFOs in 2026 so far have been marginally lower than last year:

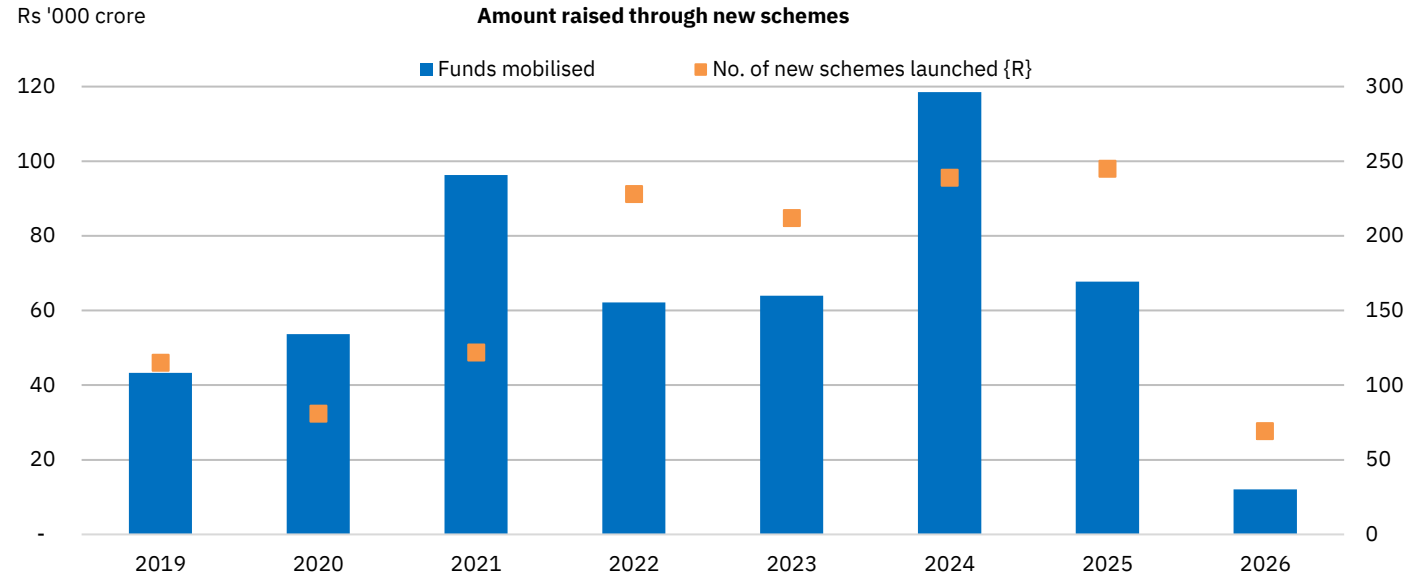
In 2026 so far, 69 NFOs have been announced which has raised Rs 12,109 crore as against 78 NFOs which raised little more than Rs 13k crore during the same period last year. In April 2026, only 11 NFOs raised funds of Rs 828 crore, significantly lower than the three-month average of Rs 3,760 crore during Jan-March 2026.

Figure 424: Monthly trend of total investment through new schemes



Source: AMFI, NSE EPR.

Figure 425: Annual trend of total investment through new schemes



Comparison of trading activities across major exchanges globally

After a volatile March, emerging markets outperformed their developed-market counterparts in April, with the MSCI EM Index delivering a USD return of over 14.5% on a YTD basis. The gains were largely led by Korea and Taiwan, as AI- and technology-linked stocks continued to dominate market performance. That said, persistent concerns around inflation, elevated oil prices and higher bond yields continued to restrain broader risk appetite. Within developed markets, US equities remained resilient, supported by improved investor sentiment, stronger-than-expected US economic data, a robust start to the earnings season and sustained enthusiasm around the AI theme. Japanese equities also rallied sharply during the month, benefiting from the improvement in global risk appetite and the outperformance of technology stocks. Overall, the MSCI World Index generated a USD return of over 9.5% on a YTD basis in April.

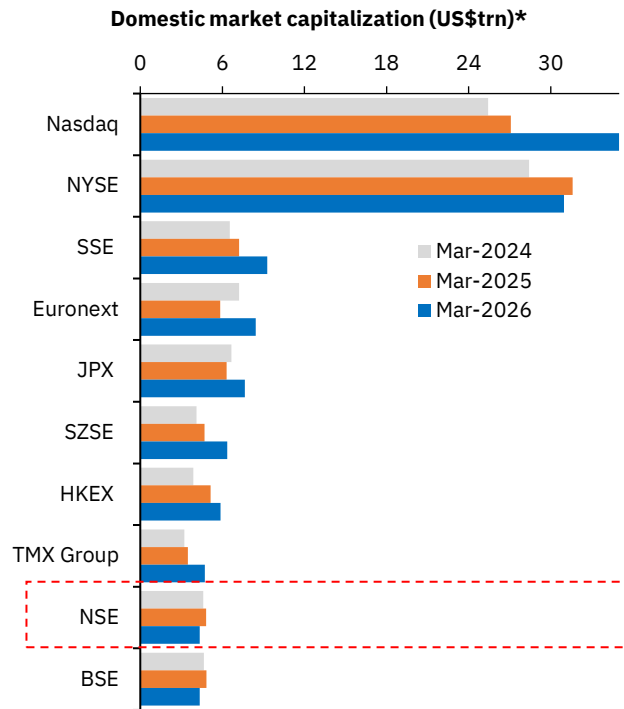
Comparing the trading activities across major exchanges globally during FY26, the combined market capitalisation of the top ten exchanges declined sequentially as of March 2026, reflecting the West Asia crisis effect. The NSE ranked ninth globally with a market capitalisation of US\$ 4.3tn. Equity trading activity remained the third largest at NSE despite moderation in volumes. Both developed and emerging market exchanges witnessed robust trading activity during FY26, with developed markets being more pronounced.

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-Mar'26, 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\$ 4.3tn as of FY26:** As of March 2026, the combined market capitalisation of the top ten global exchanges declined by 6% sequentially amid heightened volatility arising from the West Asia crisis. Among major exchanges, Japan Exchange Group, NSE and BSE witnessed relatively sharper corrections, with market capitalisation declining by nearly 15% MoM. Despite the moderation, the NSE retained its position as the ninth-largest exchange globally, with a market capitalisation of US\$ 4.3tn. Nasdaq continued to lead globally with a market capitalisation of around US\$ 35tn, followed by the NYSE at US\$ 31tn. On an annual basis, however, global equity markets remained resilient, with the aggregate market capitalisation of the top ten exchanges rising by 15.8% YoY.
- NSE retains third position globally in FY26 in equity trading activity:** In FY26, equity trading activity across the top ten global exchanges expanded by 24%YoY, aided by improved investor participation, particularly riven by AI- and technology-driven gains. The SZSE and SSE, accounting for half of total trades, led among the top ten, retaining their leadership with 1,849 crore and 1,298 crore trades respectively during the year. The NSE continued to rank third globally; however, its trading volumes moderated by 17%YoY to 795 crore trades. Overall, both developed and emerging market exchanges witnessed robust trading activity during FY26, with developed markets being more pronounced.
- NSE remains the largest derivatives exchange globally by contracts traded for the 7th consecutive year:** NSE continued to retain its position as the world's largest derivatives exchange by number of contracts traded, accounting for over half of global derivatives volumes with a 51.3% share, followed by B3 with an 11% share. However, the number of contracts traded on the NSE declined by 64% YoY to 3,694 crore in FY26 from 10,329 crore in FY25, following the implementation of multiple

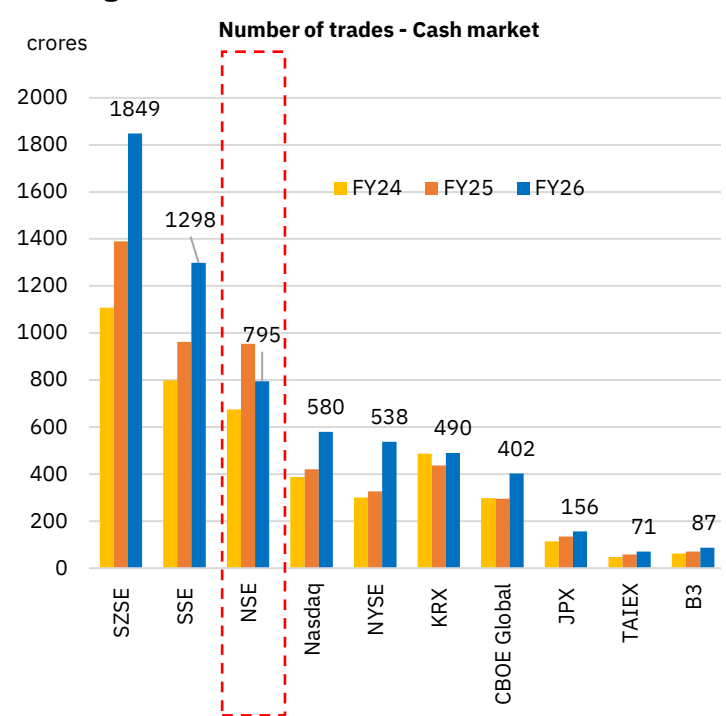
regulatory measures by SEBI in October 2024 aimed at strengthening the derivatives market framework and enhancing retail investor protection.

Figure 426: Domestic market cap of top ranked exchanges*



Source: WFE monthly statistics, NSE EPR. Note: Feb'26 data has been used for Mar'26 for Euronext due to its unavailability on the WFE portal

Figure 427: Number of trades in Cash market of top ten exchanges*



Source: WFE monthly statistics, NSE EPR.

Table 115: No. of trades (cr) in the top 10 exchanges in cash market

Exchange	FY24	FY25	FY26
SZSE	1107	1389	1849
SSE	799	962	1298
NSE	675	954	795
Nasdaq	388	420	580
NYSE	300	327	538
KRX	487	437	490
CBOE Global	298	295	402
JPX	114	134	156
TAIEX	48	58	71
B3	63	71	87

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26.

Table 116: Global Market share of trades of top 10 exchanges in cash market

Exchange	FY24	FY25	FY26
SZSE	22.3%	24.4%	26.5%
SSE	16.1%	16.9%	18.6%
NSE	13.6%	16.8%	11.4%
Nasdaq	7.8%	7.4%	8.3%
NYSE	6.1%	5.7%	7.7%
KRX	9.8%	7.7%	7.0%
CBOE Global	6.0%	5.2%	5.8%
JPX	2.3%	2.4%	2.2%
BIST	3.7%	2.3%	1.8%
B3	1.3%	1.2%	1.3%

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26.

Table 117: No. of contracts traded (cr) in equity derivatives segment*

Exchange	FY24	FY25	FY26
NSE	9,520	10,329	3,696
B3	708	729	788
TSE	165	262	688
BIST	194	204	331
CBOE Global	240	268	331
Nasdaq	181	212	255
CME Group	164	179	191
KRX	191	251	176
NYSE	108	139	162
MIAX	95	106	143

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26.

Table 118: Global Market share of contracts traded in equity derivatives segment*

Exchange	FY24	FY25	FY26
NSE	79.6%	78.7%	51.3%
B3	5.9%	5.6%	10.9%
TSE	1.4%	2.0%	9.5%
BIST	1.6%	1.6%	4.6%
CBOE Global	2.0%	2.0%	4.6%
Nasdaq	1.5%	1.6%	3.5%
CME Group	1.4%	1.4%	2.7%
KRX	1.6%	1.9%	2.4%
NYSE	0.9%	1.1%	2.3%
MIAX	0.8%	0.8%	2.0%

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26.

Table 119: Number of contracts traded (cr) traded in Stock futures of top-ranked exchanges*

Exchange	FY24	FY25	FY26	% YoY
BIST	187.6	196.1	322.0	64.2
KRX	97.2	154.8	101.4	-34.5
B3	134.7	165.8	107.3	-35.3
NSE	32.5	51.9	48.2	-7.0
DBAG	9.7	15.5	11.6	-25.1
TAIFEX	5.7	6.4	9.2	43.9
PSE	6.3	8.9	12.4	40.3
TFEX	3.5	3.7	3.3	-10.5
Athens	0.9	0.9	1.6	80.9
MX	1.7	1.6	0.9	-44.6

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26

Table 120: Number of contracts traded (cr) traded in Stock options of top-ranked exchanges*

Exchange	FY24	FY25	FY26	% YoY
Nasdaq	179.6	210.9	252.3	19.6
B3	177.8	136.6	149.1	9.1
CBOE Global	142.5	161.5	198.8	23.0
NSE	113.8	174.8	175.4	0.3
NYSE	108.1	139.3	162.3	16.5
MIAX	95.0	105.6	142.7	35.2
ISE	64.9	88.4	104.6	18.3
HKEX	14.6	19.4	21.4	10.1
DBAG	16.8	18.5	19.0	2.5
ASX	6.2	6.2	6.1	-1.5

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26

Table 121: Number of contracts traded (cr) in Index futures of top ranked exchanges*

Exchange	FY24	FY25	FY26	% YoY
B3	393.8	409.2	405.1	-1.0
CME Group	126.0	140.6	155.5	10.6
DBAG	42.6	40.4	36.2	-10.4
JPX	35.5	39.3	37.5	-4.5
TAIFEX	9.6	13.9	15.2	9.2
SGX	15.4	16.9	17.7	4.8
HKEX	14.0	14.5	13.6	-5.9
KRX	11.4	10.8	12.4	14.9
ICE Futures US	5.2	5.5	5.8	4.3
CBOE Futures	5.5	6.2	5.9	-4.1

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26

Table 122: Number of contracts traded (cr) in Index options of top ranked exchanges*

Exchange	FY24	FY25	FY26	% YoY
NSE	9,365.2	10,090.9	3,468.7	-65.6
CBOE Global	97.6	106.8	132.5	24.0
B3	1.8	17.7	126.6	615.3
DBAG	37.9	38.8	33.5	-13.5
CME Group	38.0	38.8	35.7	-8.1
KRX	76.7	67.2	55.2	-17.9
TAIFEX	18.4	18.5	18.0	-2.9
HKEX	3.3	3.4	3.0	-10.8
JPX	3.2	2.7	2.8	3.8
TASE	2.6	3.3	3.2	-3.5

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26

Table 123: Number of contracts traded (cr) in Currency futures of top ranked exchanges*

Exchange	FY24	FY25	FY26	% YoY
B3	67.4	78.1	78.2	0.2
CME Group	22.9	25.7	23.6	-8.2
BUE	-	-	6.6	NA
KRX	10.7	14.1	15.8	11.6
BIST	5.9	5.8	9.1	56.3
NSE	85.2	16.2	9.9	-39.1
SGX	4.4	6.5	8.9	35.8
JSE	3.8	4.4	5.9	34.2
TFEX	1.1	1.1	1.3	18.6
BMV	0.8	0.7	1.4	91.2

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26

Table 124: Number of contracts traded (in lakhs) in Currency options of top ranked exchanges*

Exchange	FY24	FY25	FY26	% YoY
JSE	313.5	210.3	303.94	44.6
BIST	10.1	25.9	101.10	290.2
CME Group	95.0	128.6	133.33	3.7
TASE	81.7	103.9	99.01	-4.7
B3	45.0	42.3	35.21	-16.7
NSE	33,703.2	209.8	11.79	-94.4
TFEX	-	-	0.91	NA
MX	0.2	0.7	1.33	91.5
BET	1.0	1.2	0.35	-71.9
SGX	0.5	0.5	1.24	172.6

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY26 figures, in lakhs

* ASX -Australian Securities Exchange, BIST -Borsa Istanbul, BME -Spanish Exchanges, BMV-Bolsa Mexicana de Valores, BET-Budapest Stock Exchange, BYMA -Bolsa y Mercados Argentinos, BUE- A3 Mercados, 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. Despite SEBI's regulation in 2025, 3,451 crore contracts traded across equity and index futures and options in 2025, over 50.6% of the global total. However, 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 4.7x the US in terms of contracts traded between January-April 2026, but a fifth of the value.

Table 125: Comparison of contract size of S&P 500 and Nifty 50 Index options

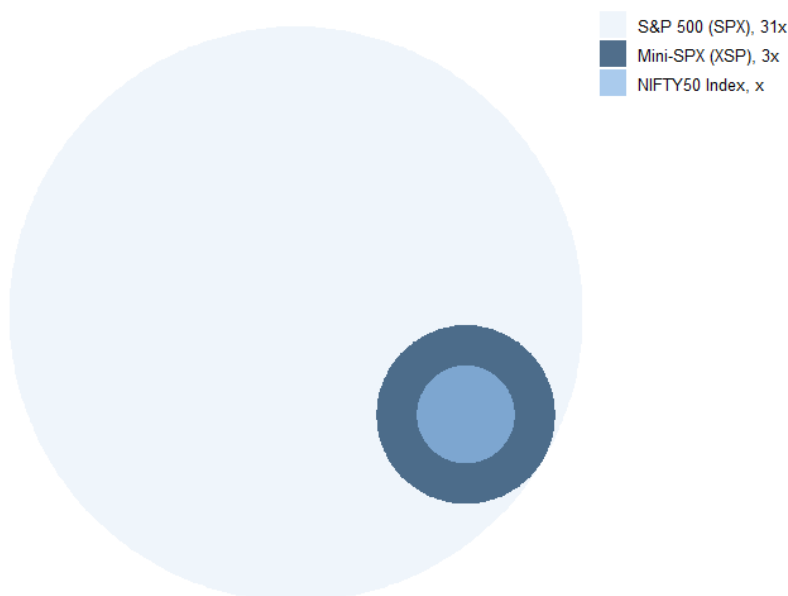
	S&P 500 (SPX)	Mini-SPX (XSP)	Nifty 50 Index
Contract size	100	10	75
Index closing (As of April 30 th , 2026)	7,209	7,209	23,998
Notional value*	US\$720,901	US\$72,090	US\$18,965

Source: CBOE, NSE. * Calculated as Index level * contract size.

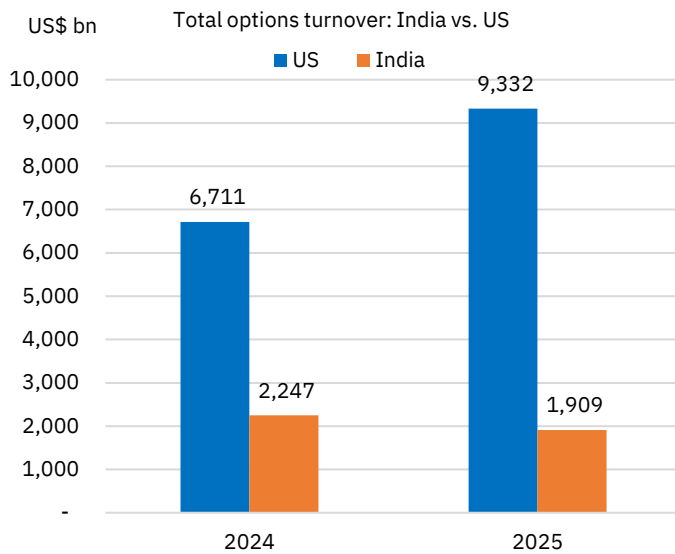
Figure 428: Comparison of contract size of S&P 500 and Nifty 50 Index options

Comparison of contract size: India versus US

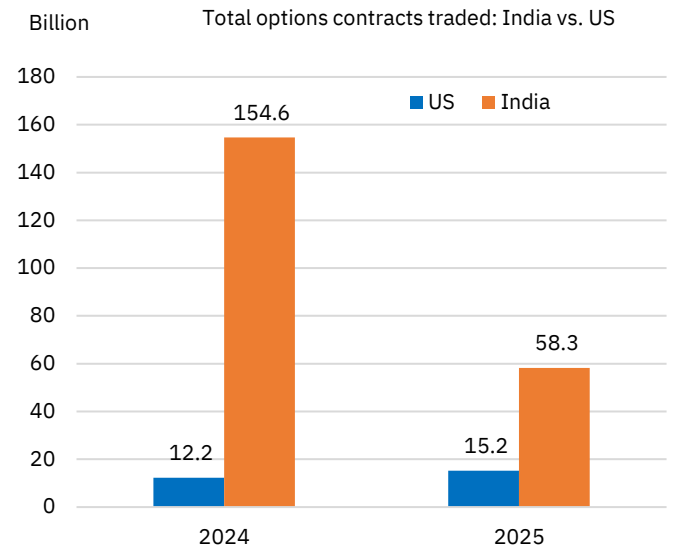
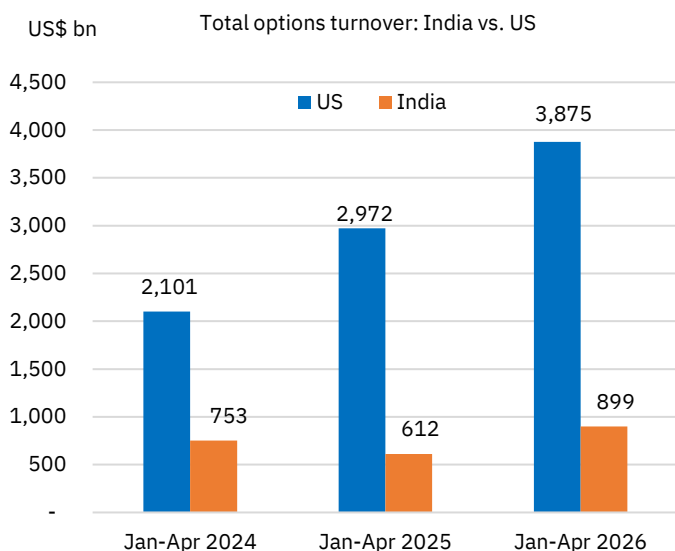
S&P 500 and Nifty 50 Index options



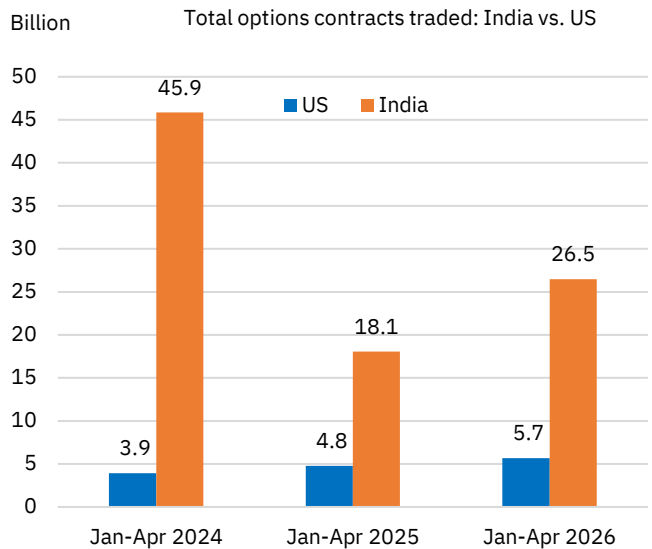
Source: CBOE, NSE. * Calculated as Index level.

Figure 429: Total options turnover: India vs. US


Source: OCC, NSE, BSE.

Figure 430: Total options contracts traded: India vs. US

Figure 431: Monthly trends in total options turnover: India vs. US


Source: OCC, NSE, BSE.

Figure 432: Monthly trends in total options contracts traded: India vs. US


Lessons from Brazil's B3 exchange

Events at the Brazilian exchange B3 illustrate the relationship between contract size and traded contracts better. In 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 this year to ~US\$220. The average traded premium in the exchange dropped from BRL 5000 to BRL 50,²² 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 earlier this year, a Nifty50 contract (lot size 25) was valued at ~Rs 5.9 lakh (~US\$6,900). This has since tripled to ~Rs18.0 lakh (~US\$18,965), thanks to an increase in the Nifty50 contract size to 75 in early January. 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 derivatives, i.e., futures and options, not just on stocks and indexes, but also on index futures.

Notwithstanding the increase in 2025, the Nifty50's option contract value remains puny compared to the contract value of S&P index option contracts. As of April 30th, 2026, a single lot of the S&P 500 (SPX) index option had a notional value of around US\$720,901. Even the mini-SPX contracts—sized at one-tenth—carry a notional value of US\$72,090. That makes one US SPX contract over 38 times larger than a Nifty contract in value terms, and even a mini-SPX contract close to four 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:

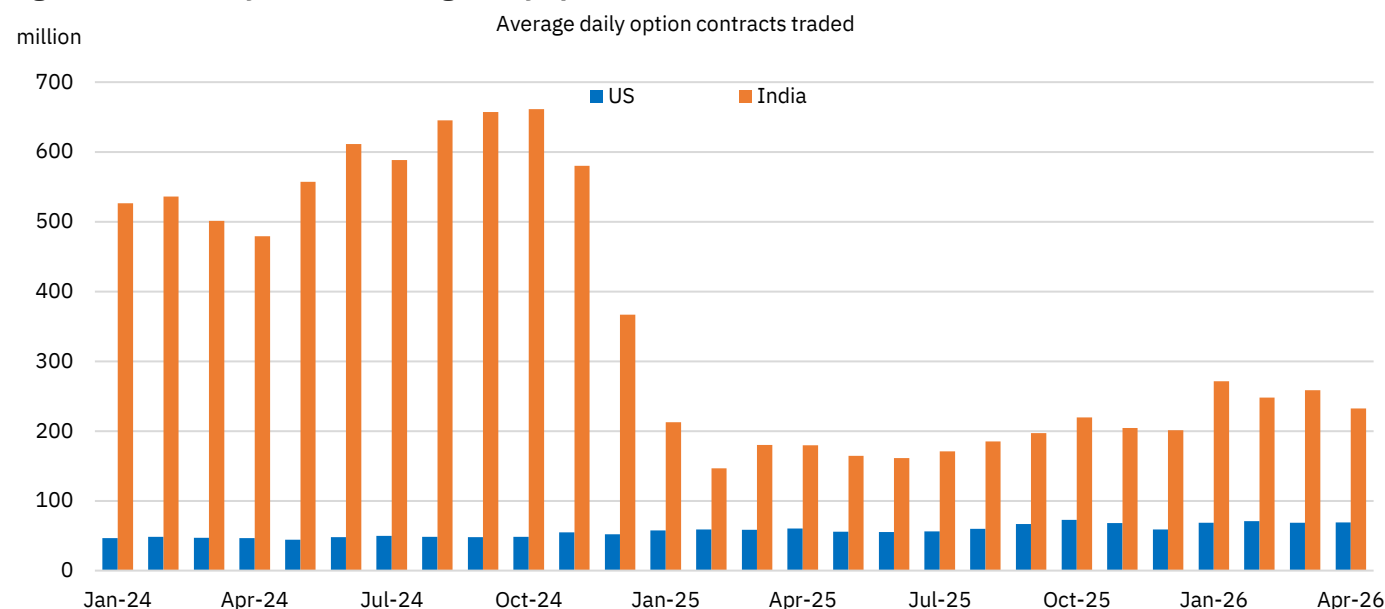
Between Jan-Apr 2026, Indian exchanges (NSE, BSE) trade over 4.7x that of the exchange-traded options in the US, i.e., options with underlying as stocks, indexes and ETFs (cleared on Options Clearing Corporation). In terms of premium turnover, however, Indian options market was close to 23% of the US options premium turnover. 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.

²² <https://clientes.b3.com.br/en/w/reduction-in-options-on-ibovespa-contract-size?>

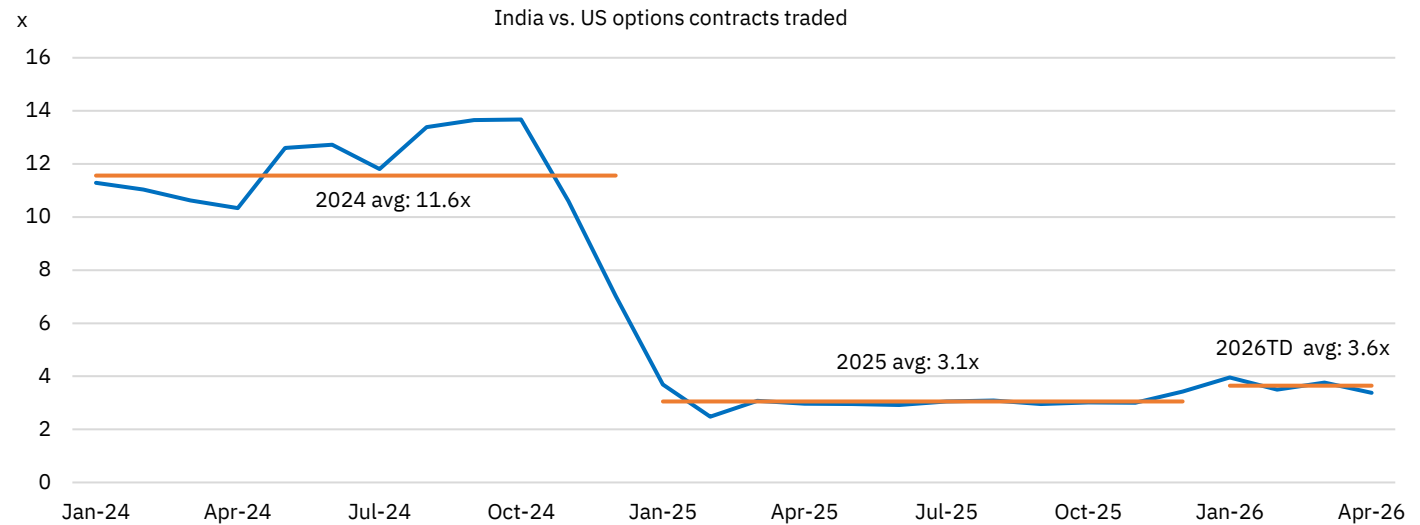
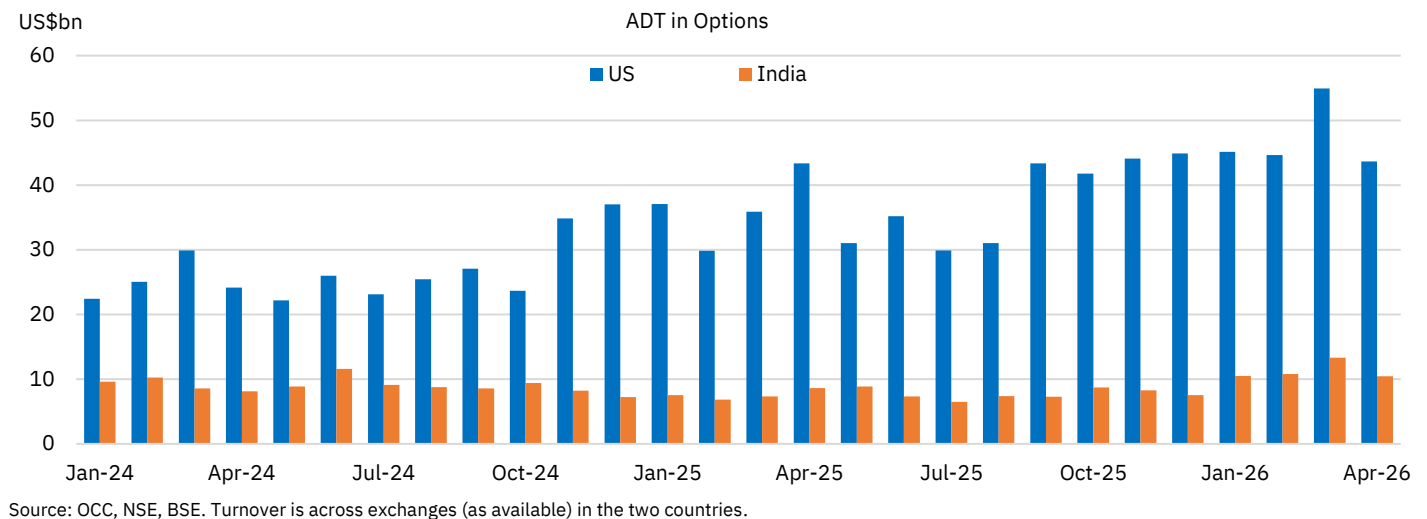
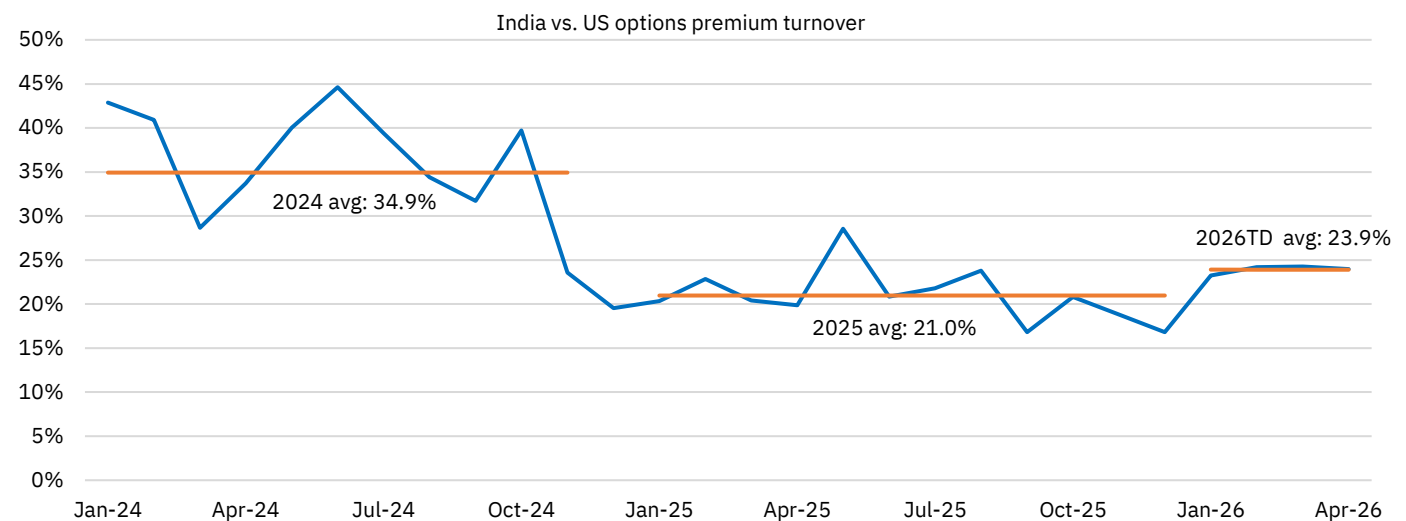
Table 126: Exchange-wise options volume and premium traded in the US during Jan-Apr 2026

Exchanges	Total Premium turnover during Jan-Apr 2026 (US\$bn)				Total contracts traded during Jan-Apr 2026 (m)			
	Stock	Index	ETF	Total	Stock	Index	ETF	Total
AMEX	131	0	78	209	235	0	275	511
ARCA	171	0	66	237	325	0	208	533
BATS	56	1	20	77	112	0	72	185
BOX	277	-	55	332	203	-	126	328
C2	28	3	17	48	75	1	71	148
CBOE	214	1,326	168	1,707	310	504	250	1,064
EDGX	46	-	29	74	131	-	138	269
EMLD	52	-	23	75	112	-	81	193
GEM	23	2	23	48	68	0	109	177
ISE	92	22	42	155	165	4	153	322
MCRY	35	-	23	58	97	-	122	219
MEMX	41	-	17	58	108	-	87	195
MIAX	95	-	46	141	193	-	198	391
MPRL	27	-	14	41	74	-	72	146
NOBO	8	-	5	14	29	-	38	68
NSDQ	26	-	11	38	74	-	57	131
PHLX	397	30	75	501	414	5	214	633
SPHR	40	-	21	61	85	-	82	167
US total	1,758	1,384	733	3,875	2,810	515	2,354	5,679
India	75	824	-	899	624	25,866	-	26,490
India vs. US	4%	60%		23%	22%	5025%		466%

Source: OCC, NSE, BSE.

Figure 433: Monthly trend of average daily options contracts traded in the US and India


Source: OCC, NSE, BSE.

Figure 434: Monthly trend of the ratio of India and US options contracts traded

Figure 435: Monthly trend of average daily options premium turnover in the US and India

Figure 436: Monthly trend of the ratio of India and US options premium turnover


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	2.1
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	0.7
Primary articles (%)	2.7	6.8	1.7	10.3	10	3.5	5.2	-1.1
Fuel & power (%)	11.5	-1.8	-8	32.5	28.1	-4.6	-1.3	-2.9
Manuf. prods (%)	3.7	0.3	2.8	11.1	5.6	-1.7	1.7	2.3
Money, banking & interest rates								
Money supply (M3) growth (%)	10.5	8.9	12.2	8.8	9	11.1	9.7	15.3
Aggregate deposit growth (%)	10	7.9	11.4	8.9	9.6	13.5	10.3	16.2
Bank credit growth (%)	13.3	6.1	5.6	8.6	15	20.2	11	17.1
Non-food credit growth (%)	13.4	6.1	5.5	8.7	15.4	20.2	11	16.9
Cash Reserve Ratio (% eop)	4	4	3	4	4.5	4.5	4	3
Bank Rate (% eop)	6.5	4.65	4.25	4.25	6.75	6.75	6.5	5.5
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	0.9
POL exports growth (%)	24.5	-11.6	-37.6	162.8	43.9	-13.5	-24.8	-15.1
Non-POL exports (%)	6.6	-4.1	-2.5	33.7	-0.4	-0.1	6.1	3.6
Imports growth (%)	10.5	-7.8	-17.1	56.2	16.3	-5.7	6.2	7.7
Non-POL imports growth (%)	4.6	-7.9	-9.6	45.4	12.1	-1.3	7	12.4
POL imports growth (%)	29.9	-7.5	-36.9	96.7	29.1	-14.6	3.9	-6.5
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	17.8
Current Acc. Balance (US\$bn)	-57.2	-24.6	24	-38.8	-67.1	-26.1	-23.05	-
Forex Reserves (US\$bn)	411.9	475.6	579.3	617.6	578.4	645.6	665.4	688
Exchange rate (USDINR)	69.9	70.9	74.2	74.5	80.4	82.8	84.5	88.3

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. 3) Money supply (M3) growth (%) for FY26 is M3 (Broad money) including HDFC merger.



How to convert **NSE EGR** to Physical Gold



Investor submits withdrawal request for **physical gold** to the DP



Depository Participant verifies details and approves the request.



Vault Manager validates **documents and releases** the gold



Depository debits/extinguishes EGR units from the **demat account**.



AI GENERATED CONTENT



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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	20-May-26	Who Own India Inc.? DMFs scale fresh peaks; FPI share hits 17-year low
2	17-Apr-26	Market Pulse April 2026: Geopolitics, growth and the persistence of risk
3	17-Mar-26	Market Pulse March 2026: Conflict, growth and adjustment: Markets under strain
4	03-Mar-26	Q3FY26 Corporate Earnings Review
5	18-Feb-26	Market Pulse February 2026: Policy signals, market structure and the disciple of growth
6	14-Feb-26	Who owns India Inc.? DMFs scale new highs, FPI share eases further
7	06-Feb-26	RBI Monetary Policy: Status quo with transmission in focus
8	01-Feb-26	Union Budget 2026-27: Confidence and continuity
9	14-Jan-26	Market Pulse January 2026: The year that was: Trade tensions, policy support and market resilience
10	16-Dec-25	Market Pulse December 2025: From national priorities to domestic engines: Markets, ownership and capital formation in 2025
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