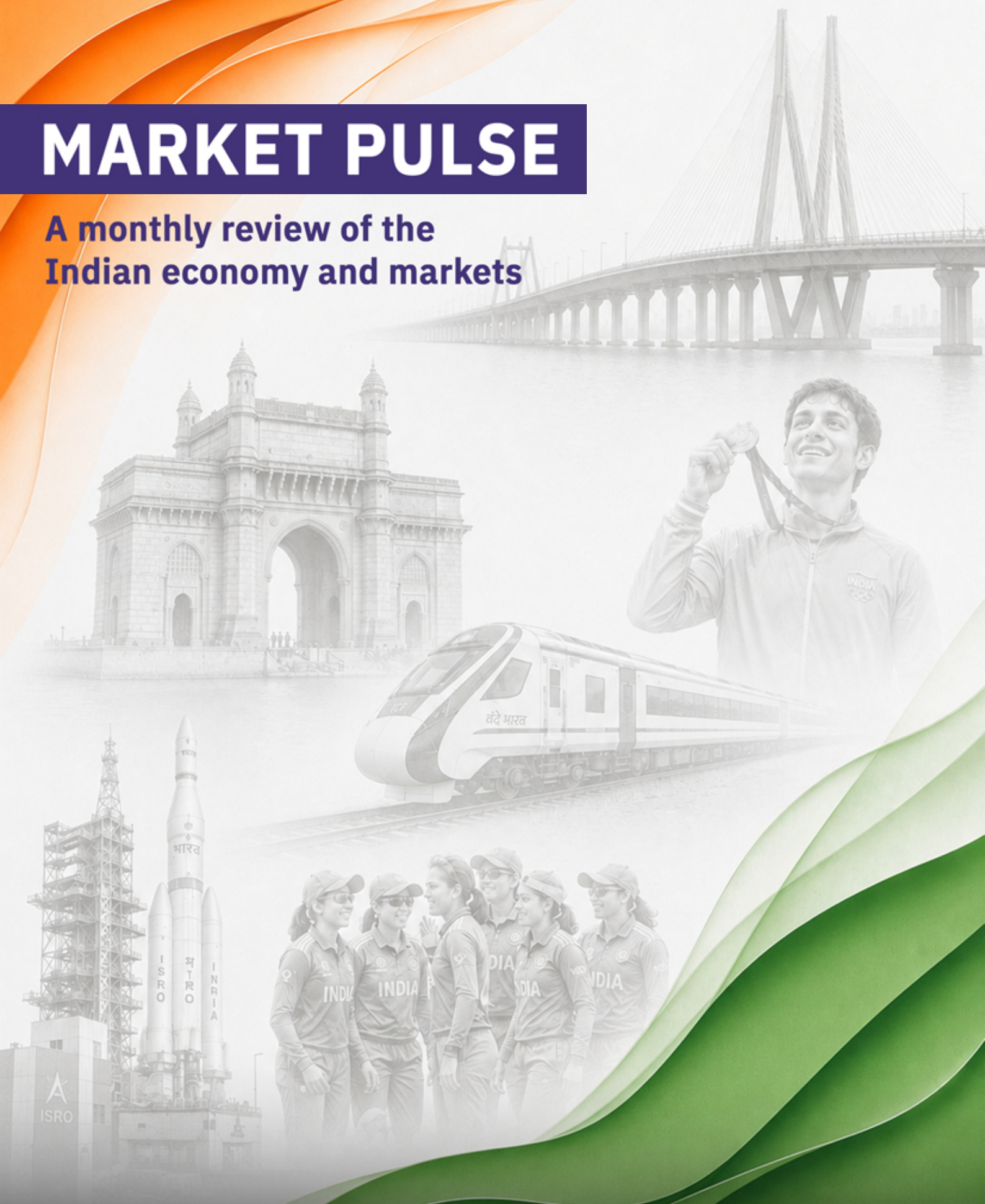


MARKET PULSE

**A monthly review of the
Indian economy and markets**



Market Pulse

Volume 8, Issue 8

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 (%) EQ Cash 92.6 EQ Futures 99.8 EQ Options* 68.7 FX Futures 100.0 FX Options* 100.0	1,329 Trading members 99+% Pin codes covered 13.4 Crore Unique registered PANs Total passive AUM (domestic US\$97.8bn* + global) tracking Nifty indices US\$5.09trn Market cap of listed entities
3 Third largest equity exchange by no. of trades (10.7% share in FY27TD* as per WFE)		
1 Largest derivatives exchange by contracts traded (FY27TD* share: 50.2% in eq. F&O (WFE))		
9 Market capitalization*		

*Source: WFE (Data is as of June 2026)

* Based on premium turnover
** As of July 31st, 2026

As of July 31st, 2026, unless specified otherwise; *As of June 30th, 2026.
^Represents the aggregate market value of all equity shares traded on NSE and units of Listed REITs and InvITs traded on NSE as on the last trading day of the relevant period/year

NSE's contribution to the economy

Catalyst for capital formation	SME Listing snapshot	Market capitalisation
Rs 61 lakh crore Total capital raised through equity and debt between FY24 to FY27 (till July 2026) 3,028 Companies listed#	Rs 23,428 crore Total capital raised through SME IPOs since inception (till July 2026) 741 SME IPOs 162 Migration to Main Board	Rs lakh cr Market cap of listed entities^ Market cap to GDP (% rth*) FY17 FY19 FY21 FY23 FY25 FY27TD

#Companies including AMCs and ITP listing as of July 2026

^Represents the aggregate market value of all equity shares traded on NSE and units of Listed REITs and InvITs traded on NSE as on the last trading day of the relevant period/year.
* 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 July 31st, 2026

Investor growth

Unique investor base	Individual investors' participation*	New investor registrations
Lakh Unique PANs on NSE FY20 310 FY21 400 FY22 594 FY23 727 FY24 916 FY25 1,128 FY26 1,291 FY27TD 1,337	(in lakh) CM FO Jul'16 46 7 Jul'17 56 8 Jul'18 74 10 Jul'19 77 12 Jul'20 106 17 Jul'21 189 33 Jul'22 283 58 Jul'23 245 72 Jul'24 344 107 Jul'25 365 95 Jul'26 355 85	lakh East India North India South India West India Total FY21 89.9 FY22 193.4 FY23 133.1 FY24 192.1 FY25 210.6 FY26 162.1 FY27TD* 46.1

* As of July 31st, 2026

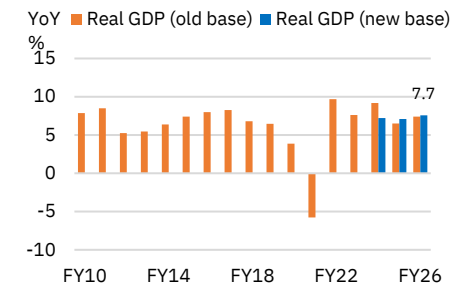
*Individuals investors' participation is defined here as investors who have traded at least once in the year. Above data is on 12-month rolling ending July.

The top five states (UP, MH, GJ, TN, WB) accounted for 46.6% of new investor registrations in Jul'26 (FY27TD* denotes data till Jul'26).

Key macro charts

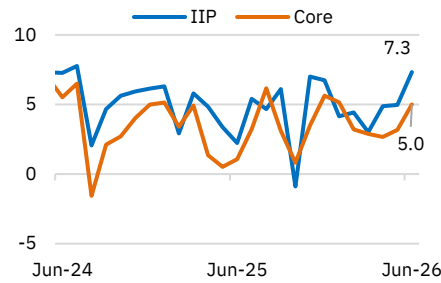
Growth outlook robust

Real GDP growth



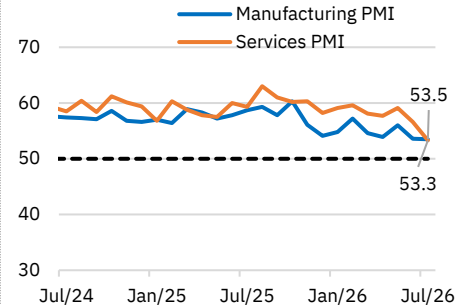
FY26 = Second advance estimate

Industrial activity strengthens



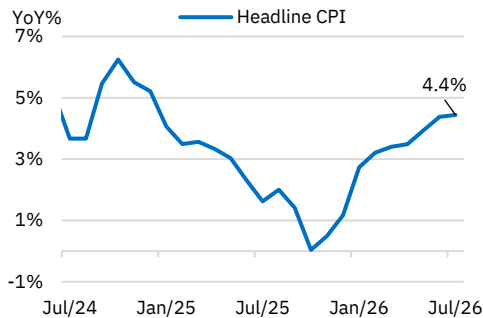
IIP and core is based on revised base year 2022-23.

PMI moderating

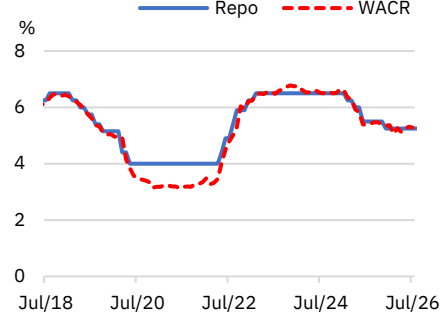


Inflation above 4% target

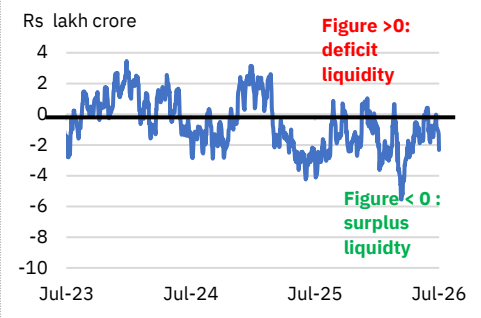
Retail inflation picked up



WACR closer to repo rate

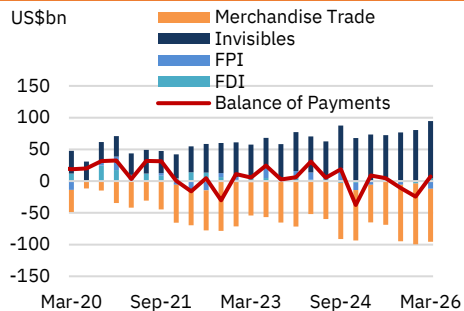


Liquidity remained in surplus

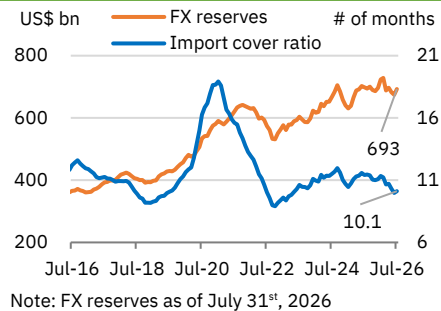


External situation remains manageable; forex reserves at ~US\$ 693 bn

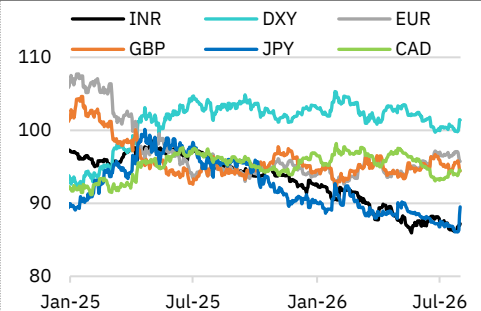
Highest BOP deficit in FY26



Forex reserves

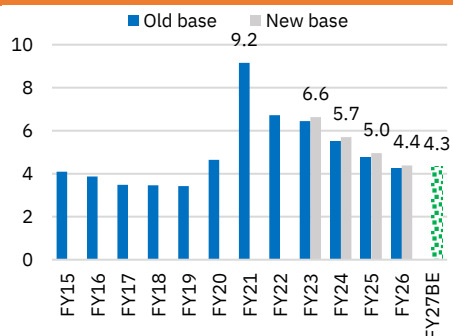

Note: FX reserves as of July 31st, 2026

Rupee under pressure in July

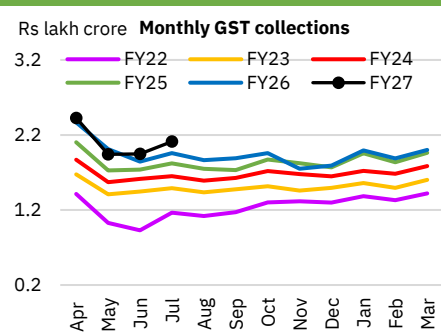


Fiscal prudence but with higher capex

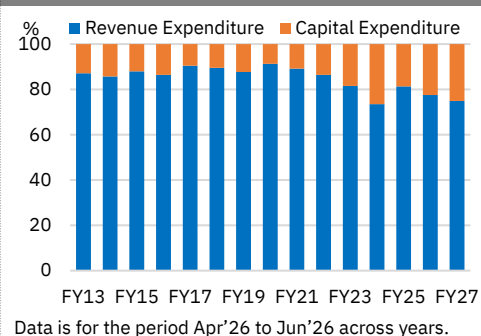
Fiscal deficit (% of GDP)



GST collections robust in July



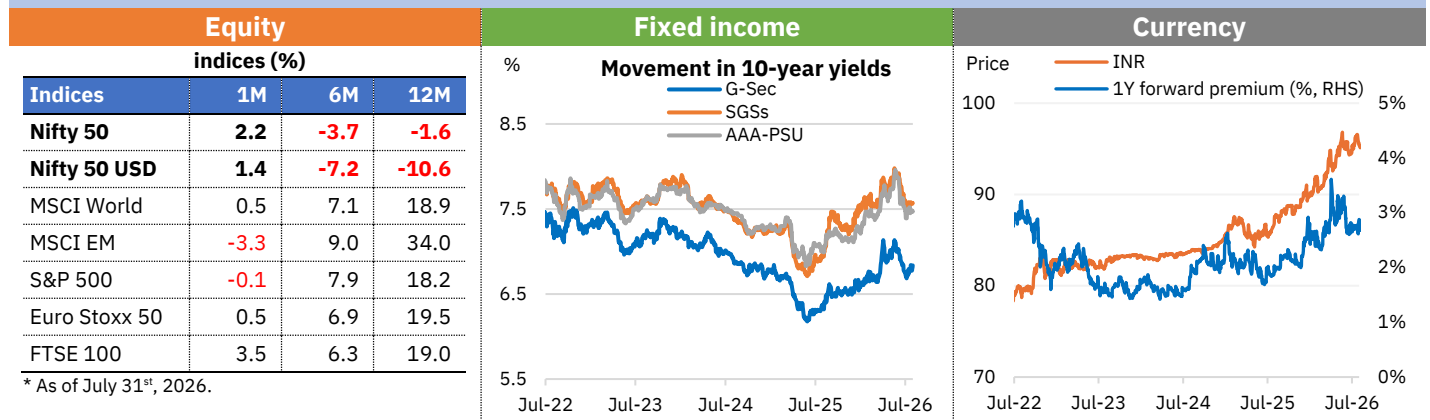
Share of capex



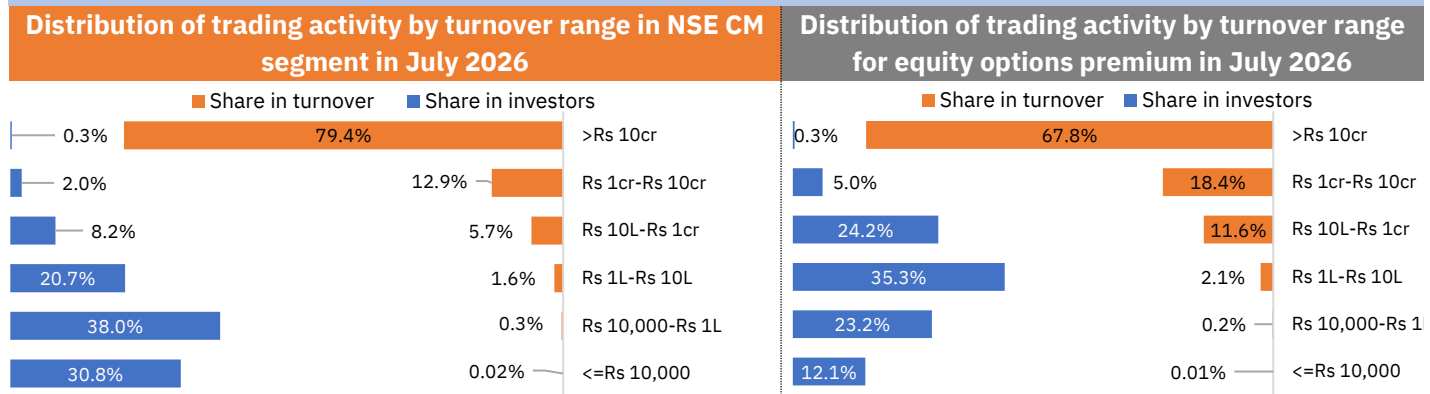
Data is for the period Apr'26 to Jun'26 across years.

Key market charts

Performance across asset classes



Distribution of trading activity by turnover



Market activity

Category-wise gross turnover and share in FY27TD							Average daily open interest				
Client category	CM		Equity options#		Equity futures		Instruments	FY26		FY27*	
	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	843	3.9	223	2.2	1,726	7.0	Index Futures	343	61,723	408	64,623
DIIs	2,888	13.2	21	0.2	3,256	13.2	Stock Futures	7,285	4,81,515	8,294	5,35,184
FIs	2,824	12.9	652	6.5	7,658	31.1	Index Options\$	7,579	13,70,395	8,133	12,78,909
Individuals	7,229	33.1	3,912	39.0	4,160	16.7	Stock Options\$	4,810	3,18,037	5,166	3,33,856
Others	678	3.1	365	3.6	988	4.0					
Prop	7,390	33.8	4,859	48.4	6,859	27.9					
# Based on premium turnover* Data is as of Jul'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	-2,54,073
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	5,05,236
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	50,881
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	-27.2
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	54.1
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	5.4

* As of July 31st, 2026. # Data for individuals include net flows on NSE in the secondary market only. Individuals include individual /proprietorship firms, HUF and NRI.

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Executive Summary

Taking the long view: Markets, ownership and trade

“Without a Vision, we cannot hope to look into the future at all.”

— A.P.J. Abdul Kalam

The month gone by offered a useful reminder that the forces shaping markets operate over very different horizons. July brought renewed geopolitical uncertainty, higher energy prices and rising bond yields. Slower shifts in ownership, trade and firm growth continue to reshape the Indian economy and its capital markets. This edition of Market Pulse places the month's market and macro developments alongside these longer transitions—who owns Indian companies, how India trades with the world and which firms are able to scale.

Global equities edged higher in July, with the MSCI World Index gaining around 0.5%, even as performance diverged sharply across regions and sectors. A reassessment of the AI-led rally weighed on semiconductor-heavy markets in Korea and Taiwan, while Chinese equities weakened amid continuing real estate stress and disappointing economic data. The MSCI Emerging Markets Index fell 3.3%. Energy, financials and other value-oriented sectors gained ground. Indian equities extended their recovery, with the Nifty 50 rising 2.2%, led by a 16.8% rebound in Information Technology. FIIs returned as net buyers after four months of selling, investing around US\$2.1bn, while DIIs remained buyers for the 36th consecutive month at around Rs35,099 crore.

Long-term sovereign yields rose across several developed economies in July, reaching multi-decadal highs. The latest move has partly been linked to large AI-related investment and financing requirements. It also comes amid a longer post-pandemic rise in public debt, fiscal deficits and government borrowing needs. Indian bonds weakened as well, with the benchmark 10-year G-sec yield rising around 9bps to 6.84%. Brent crude rose around 24% during July to about US\$90/bbl, while the rupee depreciated by around 0.8% to Rs95.4/US\$.

The global macro picture remains fragile. The US-Iran interim ceasefire in late June initially reduced geopolitical risk premia, but renewed concerns around shipping through the Strait of Hormuz and Bab el-Mandeb pushed crude above US\$100/bbl during July before some easing. The IMF expects global growth to slow from 3.5% in 2025 to 3.0% in 2026, before recovering to 3.4% in 2027. Elevated energy and food prices have complicated disinflation and constrained major central banks. Fresh US tariff actions, extreme heat, drought and strengthening El Niño conditions have added to the uncertainty.

India has remained relatively stable through this period. Activity indicators across industry, consumption, services, credit and investment continue to point to reasonable momentum. The RBI raised its FY27 growth projection to 6.7%, including a 40bps upward revision in Q1 growth to 7.0%, while projecting average inflation of 5.0%. The MPC unanimously retained the policy rate and its neutral stance. Foreign-exchange reserves stood at US\$707bn as of August 7th, while RBI measures mobilised nearly US\$57bn in foreign-currency inflows, including US\$52.3bn through FCNR(B) deposits. The immediate risks remain war and weather. The cumulative monsoon deficit stood at 13% as of August 17th, although kharif sowing was only 2% below last year and reservoir levels remained close to their long-term average.

Our *Story of the Month* is the June 2026 edition of the *India Inc. Ownership Tracker*, which documents a continuing shift in Indian equity ownership. FPI ownership in NSE-listed companies fell to 15.1% in the June quarter, its lowest level in over 17 years, following record quarterly outflows of US\$15.1bn in Q1 FY27. Domestic mutual fund ownership rose for the 12th consecutive quarter to a record 11.6%, taking overall DII ownership to 19.5%. DIIs have now held a larger share than FIIs for seven consecutive quarters, a position last seen in 2003. Direct individual ownership also increased to 9.5%, while combined direct and mutual-fund ownership by individuals reached a record 19.3%. Total household equity holdings stood at Rs90.3 lakh crore in June 2026, with cumulative wealth accretion since April 2020 estimated

at around Rs 56 lakh crore. Institutional portfolios have also broadened, with allocation to Nifty 50 companies falling to a record-low 56.1% alongside greater exposure to mid- and small-cap stocks.

Our *Chart of the Month* looks at how India's trade landscape has changed over the past decade. Total goods and services trade rose from 43.3% of GDP in 2015 to 46.2% in 2025, but the gains have been uneven. Merchandise exports grew at a CAGR of 5.2%, leaving India's share of global merchandise exports at 1.7%. Services have made greater progress: India's share of global services exports increased from 2.9% in 2014 to 4.3% in 2025, and the services trade surplus reached US\$216.6bn in FY26. Exports have tilted towards the US and Europe, while imports have become more concentrated around China and Russia. The Government's US\$2tn export objective for 2030–31 will require a substantial acceleration in merchandise exports, higher domestic value addition and deeper participation in global value chains. These objectives are being pursued as protectionism and trade fragmentation again shape global commerce. AI will also influence India's services advantage by raising productivity and opening higher-value opportunities, while increasing automation risk in routine IT and business-process work.

The *Insights* section examines what determines whether smaller firms are able to grow. Evidence from ten studies points to large differences within the SME universe in productivity, access to finance, management quality and organisational capacity. Informal firms rarely transition smoothly into formal enterprises, while Indian manufacturing firms exhibit relatively weak growth over their lifecycle. Credit constraints matter, but so do management practices, selection and the ability of founders to delegate as firms expand. The literature suggests that access to capital can help high-potential firms scale, and that public markets can support growth in revenues, assets and employment. Productivity gains depend on deeper changes within the firm.

In *Markets in depth* section, we introduce a new SME Corner this month, bringing information on the segment together in one place; the sub-section will be developed further over time.

NSE data for July show stronger fundraising alongside more moderate secondary-market activity. Equity fundraising rose 163% MoM to Rs1.1 lakh crore, supported by stronger IPO mobilisation and further issuances; around 85% of the 13 Main Board IPOs debuted at or above their issue prices. Cash-market ADT declined 9% MoM to Rs1.2 lakh crore, equity futures ADT fell 7% and options ADPT declined 18%. Investor participation remained resilient at 1.43 crore investors. Individuals turned net sellers after four months of buying, though their cumulative investment in FY27 remained positive at Rs39,053 crore. This edition also features reports on the NSE Natural Gas Futures contract, linked to the Indian domestic gas market, and the Nifty India FPI 150 Index, which tracks 150 Nifty 500 stocks selected by their six-month average foreign investible free-float market capitalisation.

India's 80th Independence Day offers a natural point to take stock of these longer-term changes. Over eight decades, the scale and structure of the economy, its engagement with the world and the architecture through which savings are channelled into investment have changed substantially. The *Viksit Bharat* horizon of 2047 is now just over two decades away. Reaching it will depend on sustained gains in productivity, investment, trade, firm-level scale and the efficiency of capital allocation. For institution-building and economic transformation, that horizon is already relatively short. The choices being made today will shape how much of that distance India is able to cover by 2047.

With that, we present the August 2026 edition of Market Pulse, and as always, welcome your comments and suggestions.

Tirthankar Patnaik
Chief Economist

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Story of the Month

Who owns India Inc.? – Domestic ownership strengthens; FPI share falls further

The June 2026 edition of our flagship quarterly report, *India Inc. Ownership Tracker*,¹ provides a detailed assessment of evolving ownership trends across NSE-listed companies, with a focus on the continued rise of domestic investors, shifts in FPI participation, household equity wealth creation and the broadening of portfolios beyond large caps. The report also examines sectoral positioning, market-cap allocation and portfolio concentration across major investor categories. Key takeaways include:

- 1) FPI² (foreign portfolio investors) ownership compressed further amid record quarterly outflows of US\$15.1bn in Q1FY27 and rising domestic participation. Their share in NSE-listed and Nifty 500 companies dipped to over 17-year lows of 15.1% and 16.2%, respectively, while that in the Nifty 50 fell to a 14.5-year low of 21.1%.
- 2) DMF (domestic mutual funds) share rose to a fresh high of 11.6% in the June quarter (Active: 9.5%, Passive: 2.1%)³, supported by sustained equity buying and steady SIP inflows, marking the 12th consecutive quarterly increase. Overall domestic institutional investors'⁴ (DIIs) ownership in NSE-listed companies stood at 19.5%, exceeding FPI ownership for the seventh consecutive quarter—a position last seen in 2003.
- 3) Direct individual ownership in NSE-listed companies rebounded by 36bps QoQ to 9.5%. On a combined basis—direct and through DMFs—individual ownership rose to a record high of 19.3%.
- 4) The market recovery lifted estimated household equity wealth by Rs 12.2 lakh crore in Q1 FY27, taking cumulative wealth accretion since April 2020 to around Rs 56 lakh crore. Total household equity holdings stood at a record Rs 90.3 lakh crore as of June 2026, implying a CAGR of 31.7% since March 2020.
- 5) Promoter ownership translated to 50.2% and 49.5% in NSE-listed and Nifty 500 companies, respectively, led by higher private Indian and foreign promoter holdings, partly offset by lower Government ownership. In contrast, promoter share in the Nifty 50 fell to 40.4%.
- 6) FPIs broadly retained their sectoral positioning in the June 2026 quarter, with Financials and Communication Services remaining the only OW⁵ sectors. They stayed UW on Consumer Staples and Industrials, while turning less negative on commodity-oriented sectors, particularly Materials.
- 7) DMFs strengthened their OW on Financials and retained a positive tilt towards Consumer Discretionary. They remained cautious on Energy, Materials and Consumer Staples, while positioning across most other sectors remained broadly neutral.
- 8) Institutional allocation to Nifty 50 stocks fell sharply to a record-low of 56.1%, alongside lower top-decile allocations, reflecting both greater allocation to and relative outperformance of mid- and small-cap stocks.

¹ The “*India Inc. Ownership Tracker*” report examines quarterly ownership trends and patterns in Indian companies listed on the NSE since 2001.

² FII ownership includes ownership through depository receipts held by custodians.

³ 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.

⁴ Includes DMFs, Insurance, Banks and other domestic institutions.

⁵ 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

Promoter share inched up, led by private Indian and foreign promoters...

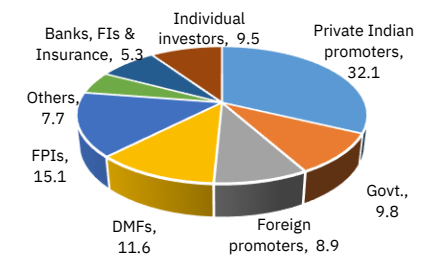
Total promoter share in NSE-listed, and Nifty 500 companies rose for the second quarter in a row by 21bps and 19bps QoQ to 50.2% and 49.5%, respectively, in the June quarter. This was driven by higher private Indian and foreign promoter share, partly offset by a dip in Government ownership. Private Indian promoter share rose by 29bps to 32.1% in the overall listed universe, with foreign promoters registering a 28bps QoQ increase to 30.7% in the June quarter. The Nifty 50 universe, however, saw promoter share falling by 42bps QoQ to 40.4%, led by Indian promoters—both private and Government. In value terms, promoter holdings in NSE-listed companies rose by a strong 15.2% QoQ to a seven-quarter high of Rs 235 lakh crore—the sharpest sequential rise in the last 22 quarters.

Government share fell sharply in the June quarter: Government ownership in NSE-listed companies, Nifty 50 and Nifty 500 companies fell by 53bps, 61bps and 37bps QoQ to 9.75%, 7.7% and 10.7% respectively. This partly reflected the underperformance of Government-owned companies during the quarter. The Nifty CPSE Index, for instance, declined by nearly 3% in the June quarter, even as the Nifty TotalMarket Index rose by 12.8%. In value terms, however, Government holdings still increased by 8.8% QoQ to Rs 45.7 lakh crore, significantly lagging the increase in overall market capitalisation.

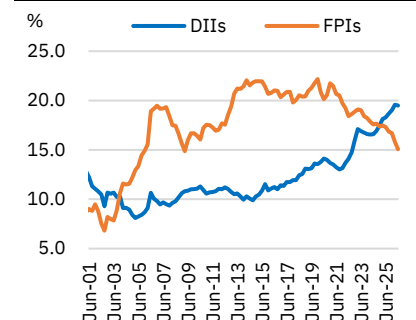
FPI ownership declined further to over 17-year lows: FPI ownership declined further in the June 2026 quarter, falling by 74bps QoQ to 15.1% in NSE listed-companies—the lowest level in 69 quarters, and by 66bps each to 21.1% and 16.2% in Nifty 50 and Nifty 500 companies respectively. This decline reflected not only persistent and broad-based foreign selling, but also strong countervailing purchases by DIIs, which continued to expand the domestic institutional ownership base. Following record annual net outflows of US\$19.6bn in FY26, FPI selling intensified further in Q1 FY27, with net outflows of US\$15.1bn—the highest recorded in any quarter. In value terms, FPI holdings in NSE-listed companies rose by 9.3% QoQ to Rs 70.7 lakh crore as of June 30th, 2026, aided by broad-based market recovery.

FPIs broadly retained their sectoral positioning in the June 2026 quarter, with Financials and Communication Services remaining the only OW sectors. The OW in Financials narrowed sharply in the first half of 2027 despite relative sector outperformance, while Communication Services retained its preferred status. Positioning towards commodity-linked sectors improved at the margin, with Materials moving to neutral after a prolonged UW stance and Energy remaining broadly neutral. FPIs continued to remain UW on Consumer Staples and Industrials, reflecting caution on consumption and cyclical exposures. Across other sectors, positioning was largely neutral, with Healthcare and Information Technology carrying a mild negative bias and Utilities and Real Estate a relatively positive bias.

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



DII vs. FPI ownership in NSE-listed companies



Source: CMIE Prowess, NSE EPR

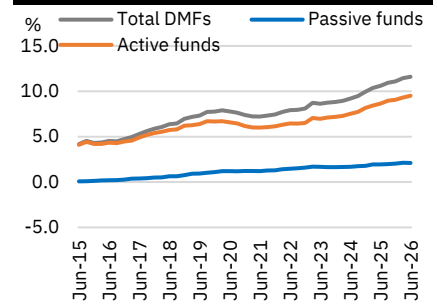
DMF extended the record run for the 12th successive quarter: DMF ownership reached fresh record highs across market segments in June 2026, marking the 12th consecutive quarter of new peaks, aided by sustained equity inflows. DMFs invested a record Rs 1.42 lakh crore in Q1 FY27, marking the 21st consecutive quarter of net inflows. This strength continued to be underpinned by sustained retail participation through SIPs, with average monthly SIP inflows rising to Rs 31,283 crore in Q1 FY27, up 1.0% QoQ and 16.5% YoY. Consequently, DMF ownership in NSE-listed companies rose by 35bps (+3pp in the last three years), 51bps and 28bps QoQ to fresh record highs of 11.6%, 14.6% and 12.2% and by 51bps respectively. Within overall DMF ownership in listed companies, the share of passive funds remained broadly steady near its all-time high at 2.1%, while that of actively managed funds rose by 19bps QoQ to 9.5%.

Unlike FPIs, DMFs further strengthened their OW stance on Financials in the June 2026 quarter, with the tilt rising to multi-quarter highs. They also retained a positive bias towards Consumer Discretionary, particularly in the broader market. DMFs maintained an UW stance on commodity-linked sectors, including Energy and Materials, while Consumer Staples also remained negatively positioned. Among other sectors, Healthcare retained a mild positive bias, while Information Technology turned incrementally negative during the quarter. Positioning in Industrials, Utilities and Communication Services remained broadly neutral.

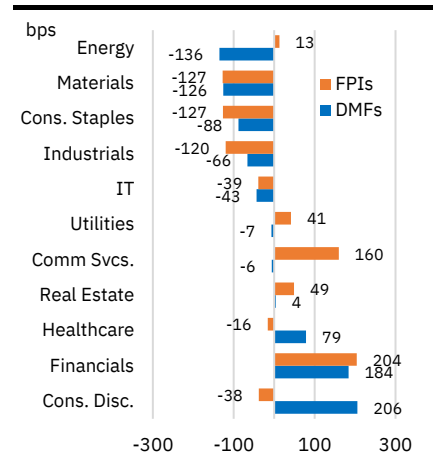
Individual investors' combined ownership rose to a fresh record high: After declining over the previous two quarters, direct ownership by individual investors in NSE-listed, Nifty 50 and Nifty 500 companies rose by 36bps, 22bps and 20 bps to 9.5%, 7.8%, and 8.4% respectively in June 2026. This was accompanied by renewed direct participation, with individuals turning net buyers in NSE's secondary markets after modest net selling in FY26. Net purchases stood at a six-quarter high of Rs 42.7k crore in Q1 FY27. In value terms, direct individual holdings rose by 19.3% QoQ to Rs 44.6 lakh crore, just 0.8% below the Sep'24 peak and reflecting an annualised growth of 28.2% since March 2020.

Individuals—through direct holdings and mutual fund investments—held a record-high 19.3% of total NSE-listed market capitalisation as of June 2026, up 55bps QoQ. In value terms, combined holdings increased by 18.1% QoQ to a record Rs 90.3 lakh crore, translating into annualised growth of 31.7% since March 2020. This marked the seventh consecutive quarter in which combined individual ownership exceeded FPI ownership, with the gap widening to 4.2pp from 2.9pp in the previous quarter. The market recovery also lifted estimated household equity wealth by Rs 12.2 lakh crore during Q1 FY27, taking cumulative wealth accretion since April 2020 to around Rs 56 lakh crore.

DMF ownership in NSE-listed companies



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



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

Institutional allocation shifted further away from Nifty 50 to mid- and small-

caps stocks: Institutional allocation to Nifty 50 stocks fell further by 3.1pp QoQ to a record low of 56.1% in Q1 FY27, taking the decline in the first half of 2026 to 4.8pp. This is now 16.3pp below the pre-pandemic peak of 72.4% in Dec'19, underscoring the sustained broadening of institutional exposure beyond large caps. Individual investors also reduced their Nifty 50 allocation sharply by 3.1pp QoQ to a record low of 33.4%. A decile-wise view points to a similar shift down the market-cap spectrum. DMF allocation to top-decile stocks fell by 4.3pp QoQ to 83.5%, while FPI allocation declined by around 3pp to a six-year low of 89.0%. Individual investors also cut their top-decile exposure sharply, with allocations rising across the remaining deciles, indicating a renewed tilt towards mid-, small- and micro-cap stocks during the quarter.

HHI levels declined further in Q1: The Herfindahl–Hirschman Index (HHI), a measure of portfolio concentration, declined further across investor groups in Q1 FY27, reinforcing the post-pandemic broadening in ownership. The aggregate HHI for institutional portfolios in NSE-listed companies fell to a record low of 145 in Jun'26 from 161 in Mar'26, less than half the post-pandemic peak of 320 recorded in Sep'20. Among institutions, DMF concentration eased further to a 33-quarter low of 131. FPIs remained the most concentrated institutional category, but their HHI fell sharply for the second consecutive quarter to a record low of 183, from 208 in Mar'26 and 260 in Dec'25, consistent with a wider spread of holdings across mid- and small-cap stocks. Banks, financial institutions and insurers also saw their HHI decline to a record low of 168. Individual investors continued to display the lowest concentration, with their HHI falling further to 56, reflecting their relatively wider exposure across the listed universe, although sector-level concentration remains elevated in select pockets such as Energy and Communication Services.

Decile-wise portfolio share (Jun'26)

Deciles	FPIs	DMFs	Ind.	Total mkt cap
1	89.0	83.5	64.0	79.0
2	7.1	10.9	15.4	11.3
3	2.7	3.9	8.8	4.8
4	0.8	1.3	4.9	2.4
5	0.3	0.4	3.1	1.3
6	0.1	0.1	1.8	0.7
7	0.0	0.0	1.0	0.4
8	0.0	0.0	0.5	0.2
9	0.0	0.0	0.3	0.1
10	0.0	0.0	0.1	0.0

Source: CMIE Prowess, NSE EPR.

Sector-wise HHI of portfolios (Jun'26)

Sector	FPIs	DMFs	Ind.
Comm. Svcs.	6,395	4,615	1,159
Cons. Disc.	578	379	262
Cons. Staples	790	911	746
Energy	4,979	4,274	4,277
Financials	1,086	851	377
Health Care	552	408	225
Industrials	438	453	277
IT	1,381	1,063	471
Materials	450	380	178
Real Estate	1,433	1,253	486
Utilities	1,218	1,355	716
Total	183	131	56

Source: CMIE Prowess, NSE EPR.

Annual India Inc. ownership trends

Table 1: 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
Q1FY27	32.1	9.2	8.9	50.2	34.6	15.2	49.8	468.8

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 2: 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
Q1FY27	11.6	5.3	15.1	2.6	34.6	1.8	9.5	3.9	15.2	49.8	468.8

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 (June 2026)

Private promoters drive overall promoter share in NSE listed companies higher in the June quarter...: Promoter ownership in NSE-listed companies rose further in the June quarter, increasing by 21bps QoQ to a six-quarter high of 50.2%, following a modest uptick in the previous quarter. In value terms, promoter holdings increased by 15.2% QoQ to a seven-quarter high of Rs 235 lakh crore—the sharpest sequential rise in the last 22 quarters—and marginally outpaced the 14.7% QoQ increase in aggregate market capitalisation of NSE-listed companies. The rise in promoter ownership was driven by higher holdings of private Indian and foreign promoters, partly offset by a decline in the Government promoter share.

Private Indian promoter ownership increased by 29bps QoQ to 32.1% as of June 2026, partly reversing the decline recorded in the previous quarter. The increase came entirely from individual private promoters, whose share rose by 36bps QoQ to a six-quarter high of 7.2%, even as the share of non-individual private promoters declined by 7bps QoQ to a 35-quarter low of 24.9%. The increase coincided with the broad-based recovery in Indian equities during the quarter, supported by easing West Asia tensions, lower crude oil prices and resilient domestic growth.

Foreign promoter ownership also rose sharply, increasing by 46bps QoQ to 8.9%—the highest level in 14 quarters. Their holdings in value terms increased by 21% QoQ to an all-time high of Rs 41.7 lakh crore, marking the strongest sequential increase since September 2009.

...while Government ownership dipped: Government share 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 the strong performance of public sector enterprises. The increase, however, proved short-lived, with Government ownership moderating through FY25 before recovering modestly in FY26.

The first quarter of FY27 saw some reversal, with Government ownership falling by 53bps QoQ to an 11-quarter low of 9.75% in the June 2026 quarter. In value terms, however, Government holdings still increased by 8.8% QoQ to Rs 45.7 lakh crore, significantly lagging the increase in overall market capitalisation. This partly reflected the underperformance of Government-owned companies during the quarter. The Nifty CPSE Index, for instance, declined by nearly 3% in the June quarter, even as the Nifty Total Market Index rose by 12.8%.

FPI ownership in the listed universe dropped for the fifth quarter in a row to over 17-year lows...: Barring brief upticks in two of the last 13 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, which deepened through FY26, extended into FY27, with FPI ownership falling sharply by 74bps QoQ to 15.1% in the June 2026 quarter—the lowest level in 69 quarters. The fall in FPI share reflected not only persistent and broad-based foreign selling, but also strong countervailing purchases by DIIs, which continued to expand the domestic institutional ownership base.

Total promoter share inched up further by 21bps QoQ to 50.2% in the June 2026 quarter, led by a rise in private Indian and foreign promoter share.

Government ownership in the listed space fell by 53bps QoQ to an 11-quarter low of 9.75% in the June quarter.

FPI share in the NSE listed companies fell for the fifth quarter in a row by 74bps QoQ to over 17-year low of 15.1%.

Following record annual net outflows of US\$19.6bn in FY26, FPI selling intensified further in Q1 FY27, with net outflows of US\$15.1bn—the highest recorded in any quarter. Over the same period, net DII purchases stood at US\$23.2bn, comfortably exceeding FPI outflows and underscoring the growing role of domestic institutions in absorbing foreign selling. Despite the decline in ownership share, the value of FPI holdings in NSE-listed companies rose by 9.3% QoQ to Rs 70.7 lakh crore as of June 30th, 2026, aided by the broad-based market recovery during the quarter.

The recent decline in FPI share, however, needs to be viewed in a longer-term perspective. The value of FPI holdings in NSE-listed companies has grown at a CAGR of 19.4% in rupee terms since March 2020. Further, notwithstanding the weakness over the last two years, FPIs have remained net buyers of Indian equities in 20 of the last 27 years, underscoring India's continued relevance as a long-term destination for foreign portfolio capital.

...while DMF shareholding rose further to a fresh record high: DMF ownership in NSE-listed companies continued its steady rise for the 12th consecutive quarter, increasing by 35bps QoQ to a fresh record high of 11.6% in the June 2026 quarter—an increase of 3pp over the last three years. In value terms, DMF holdings rose by a strong 16.3% QoQ to a record Rs 54.4 lakh crore, outpacing the increase in aggregate market capitalisation, supported by sustained net equity inflows. DMFs invested a record Rs 1.42 lakh crore in Q1 FY27, marking the 21st consecutive quarter of net inflows.

This strength continued to be underpinned by sustained retail participation through SIPs. Average monthly SIP inflows rose to Rs 31,283 crore in Q1 FY27, up 1.0% QoQ and 16.5% YoY, and above the FY26 monthly average of Rs 29,132 crore. Within overall DMF ownership, the share of passive funds remained broadly steady near its all-time high at 2.1%, while that of actively managed funds rose by 19bps QoQ to 9.5%.

Ownership by banks, financial institutions and insurance companies, on the other hand, declined by 23bps QoQ to a four-year low of 5.3%. That said, their combined share has remained within a narrow range of 5.3–5.6% over the last 11 quarters, indicating broadly stable institutional participation.

After rising for nine straight quarters, overall domestic institutional ownership declined marginally by 8bps QoQ to 19.5% in the June 2026 quarter. Even so, it exceeded FPI ownership by 4.4pp—the widest gap since the beginning of our analysis in March 2001.

Individual investors' combined direct and indirect ownership in NSE-listed companies rose to a fresh record high in the June quarter: After declining over the previous two quarters, direct ownership by individual investors in NSE-listed companies rose by 36bps QoQ to 9.5% in the June 2026 quarter, narrowing the gap from the post-pandemic peak of 9.8% recorded in December 2024 to around 30bps.

The increase reflected renewed participation by individuals through the direct equity route during the quarter. After turning modest net sellers in NSE's secondary market in FY26—the first annual net outflow in seven years—individual investors returned as buyers in FY27, with net inflows of Rs 42.7k crore in the June quarter, the highest in the last six quarters. In value terms, direct individual holdings rose by 19.3% QoQ to a seven-quarter high of Rs 44.6 lakh crore, comfortably outpacing the increase in overall market capitalisation and standing just 0.8% below the September 2024 peak, when equity markets were at record highs. Since March 2020, the value of direct individual holdings

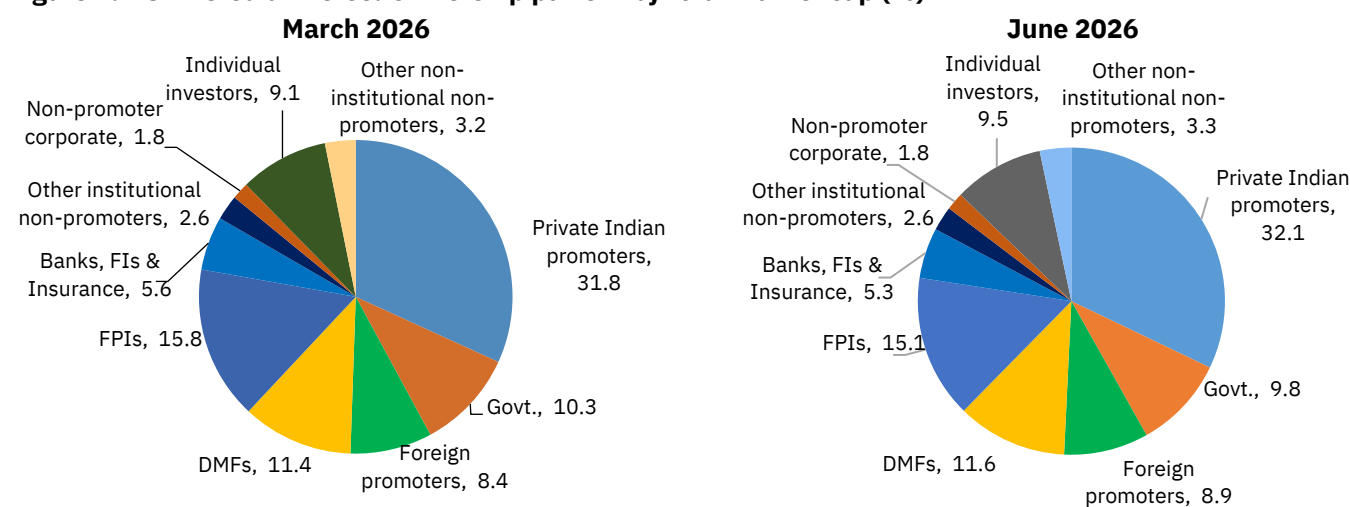
DMF share in NSE listed universe rose further to a fresh all-time high of 11.6% in the June 2026 quarter, expanding by ~3pp in the last three years.

Individuals' share in equity markets as non-promoter shareholders (direct and indirect) surged to record-high of 19.3% in the June 2026 quarter, remaining ahead of FPIs for the seventh quarter in a row.

has grown at an annualised rate of 28.2%, reflecting both sustained participation and significant wealth creation over this period.

When indirect ownership through mutual funds is also included—where individuals, comprising retail investors and HNIs, accounted for nearly 84% of equity AUM as of June 2026—the combined direct and indirect ownership share of individuals as non-promoter shareholders rose by a strong 55bps QoQ to a record high of 19.3%. In value terms, these holdings stood at Rs 90.3 lakh crore, having grown at an annualised rate of 31.7% since March 2020. Consequently, the gap between the combined direct and indirect ownership share of individuals and FPI ownership widened further to 4.2pp, underscoring the growing importance of individual investors in India's equity ownership landscape.

Figure 1: 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 3: 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
Sep-23	104.1	29.6	26.3	5.9	21.7	18.0	58.0	6.2	30.5	14.5	314.8
Dec-23	118.9	36.6	28.6	6.3	25.4	20.0	65.5	7.1	34.7	16.3	359.5
Mar-24	124.9	42.7	30.6	7.3	26.9	21.3	68.3	7.4	36.4	16.3	382.1
Jun-24	140.0	49.5	35.9	8.1	31.7	23.3	76.0	8.3	41.6	18.1	432.5
Sep-24	153.6	49.1	38.8	7.8	36.6	25.2	82.7	9.2	45.0	20.3	468.3
Dec-24	142.7	43.5	35.7	7.9	35.5	23.3	75.8	8.6	42.8	20.6	436.6
Mar-25	132.8	40.7	33.2	8.9	33.5	22.8	71.5	7.6	38.9	19.0	408.9
Jun-25	147.3	46.3	37.1	8.8	39.6	25.0	79.2	8.6	43.9	21.3	457.2
Sep-25	143.6	44.7	37.3	9.6	39.2	24.2	75.2	8.3	42.7	21.4	446.1
Dec-25	151.7	46.3	39.2	8.7	43.5	25.9	78.7	8.5	43.9	24.4	470.7
Mar-26	130.0	42.0	34.5	9.8	36.9	22.7	64.6	7.2	37.4	23.5	408.6
Jun-26	150.5	45.7	41.7	9.8	44.6	25.0	70.7	8.7	44.6	27.6	468.8
% QoQ	15.8%	8.8%	21.0%	0.1%	20.6%	10.0%	9.3%	20.3%	19.3%	17.5%	14.7%

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

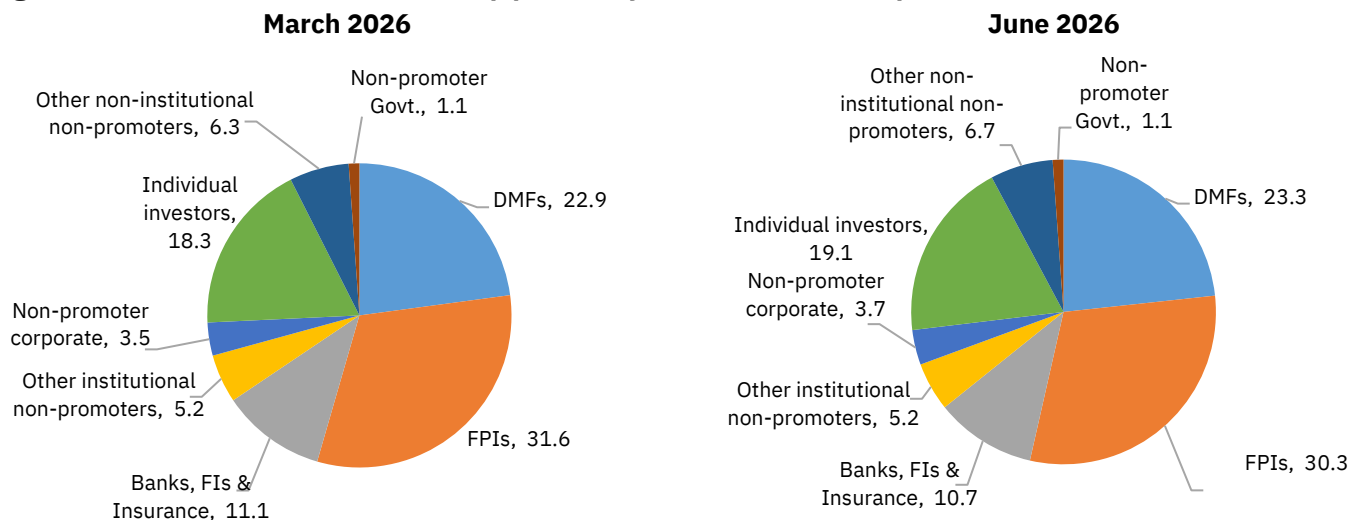
%	Private Indian promoters	Govt.@	Foreign promoters	Passive DMFs ^	Active DMFs \$	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **
Sep-23	33.1	9.4	8.3	1.9	6.9	5.7	18.4	2.0	9.7	4.6
Dec-23	33.1	10.2	7.9	1.8	7.1	5.6	18.2	2.0	9.7	4.5
Mar-24	32.7	11.2	8.0	1.9	7.0	5.6	17.9	1.9	9.5	4.3
Jun-24	32.4	11.5	8.3	1.9	7.3	5.4	17.6	1.9	9.6	4.2
Sep-24	32.8	10.5	8.3	1.7	7.8	5.4	17.7	2.0	9.6	4.3
Dec-24	32.7	10.0	8.2	1.8	8.1	5.3	17.4	2.0	9.8	4.7
Mar-25	32.5	10.0	8.1	2.2	8.2	5.6	17.5	1.9	9.5	4.6
Jun-25	32.2	10.1	8.1	1.9	8.7	5.5	17.3	1.9	9.6	4.7
Sep-25	32.2	10.0	8.4	2.1	8.8	5.4	16.9	1.9	9.6	4.8
Dec-25	32.2	9.8	8.3	1.8	9.3	5.5	16.7	1.8	9.3	5.2
Mar-26	31.8	10.3	8.4	2.4	9.0	5.6	15.8	1.8	9.1	5.7
Jun-26	32.1	9.8	8.9	2.1	9.5	5.3	15.1	1.8	9.5	5.9
QoQ change	29bps	-53bps	46bps	-31bps	47bps	-23bps	-74bps	9bps	36bps	14bps

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 free float declined on lower FPI share: DMF ownership in the free float of NSE-listed companies rose for the 12th consecutive quarter, increasing by 42bps QoQ to a fresh all-time high of 23.3% in the June 2026 quarter. This translates into a cumulative increase of 6pp over the last three years, with the rise broad-based across market segments.

In contrast, FPI ownership in the NSE free float fell sharply by 1.4pp QoQ to a 20½-year low of 30.3%, marking the fifth consecutive quarterly decline. FPI share in the free float is now 15.4pp below its peak recorded in March 2014. Ownership by banks, financial institutions and insurance companies also declined by 41bps QoQ to 10.7%. Consequently, overall institutional ownership of the NSE free float fell by 135bps QoQ to 69.4% in the June 2026 quarter, marking the second consecutive quarterly decline and taking it 2.9pp below the all-time high of 72.3% recorded in March 2023.

Individual investors' ownership of NSE free-float market capitalisation, on the other hand, rose by 81bps QoQ to 19.1%, almost entirely reversing the decline seen over the previous two quarters. The increase was led primarily by higher individual ownership in mid- and small-cap companies, while their share in micro-cap companies declined during the quarter. Reflecting this divergence, individual ownership in companies outside the Nifty 500 fell by 60bps QoQ to 42.3%. Despite the recent recovery, individuals' share in the NSE free float remains 10.0pp below its peak over the last 26 years.

Figure 2: 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 5: NSE-listed universe: Ownership across key stakeholders by floating stock over the last three years

%	Passive DMFs ^	Active DMFs \$	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Sep-23	3.8	13.9	11.5	37.1	4.0	19.5	10.2
Dec-23	3.6	14.4	11.3	37.0	4.0	19.6	10.2
Mar-24	3.9	14.5	11.4	36.7	4.0	19.6	9.8
Jun-24	3.9	15.1	11.1	36.3	4.0	19.9	9.8
Sep-24	3.4	16.0	11.0	36.1	4.0	19.6	9.9
Dec-24	3.7	16.4	10.8	35.0	4.0	19.8	10.4
Mar-25	4.4	16.4	11.2	35.0	3.7	19.1	10.2
Jun-25	3.8	17.3	10.9	34.6	3.8	19.2	10.3
Sep-25	4.3	17.6	10.9	33.7	3.7	19.2	10.6
Dec-25	3.7	18.4	11.0	33.3	3.6	18.6	11.4
Mar-26	4.8	18.1	11.1	31.6	3.5	18.3	12.6
Jun-26	4.2	19.1	10.7	30.3	3.7	19.1	13.0
QoQ change	-60bps	102bps	-41bps	-135bps	19bps	81bps	34bps

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 stabilisation: Promoter ownership in NSE-listed companies rose steadily through the 2000s, peaking at a 19-year high of 57.6% in March 2009, before declining over the following decade and becoming largely range-bound thereafter. The reversal after 2010 coincided with SEBI's decision to raise the minimum public shareholding requirement from 10% to 25%, while the subsequent decline was driven primarily by lower Government promoter ownership amid efforts to widen public participation in CPSEs and mobilise resources through disinvestment.

Private promoter ownership, comprising Indian and foreign promoters, partly offset this decline, rising by about 11.6pp between June 2010 and December 2021 before moderating thereafter. This trend saw some reversal in the June 2026 quarter, with

private Indian and foreign promoter ownership rising by 29bps and 46bps QoQ respectively, taking their combined share to 41.0%. The increase more than offset a decline in Government promoter ownership and lifted overall promoter share by 21bps QoQ to a six-quarter high of 50.2%. Despite the recent uptick, promoter ownership remains well below its 2009 peak, reflecting the structural increase in public and institutional ownership over the last decade and a half.

DMF ownership gains from a structural rise in domestic financialisation: DMF ownership in NSE-listed companies has risen steadily over the past decade, barring a brief interruption in FY21. This sustained increase reflects the deepening financialisation of household savings, with growing retail participation in equity mutual funds supported by the continued expansion of SIPs and a broader shift in household portfolios towards equities. The share of equities—held directly and indirectly through mutual funds—in household gross financial savings rose 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. Strong equity market performance, lower interest rates, rising financial awareness and easier digital access have all contributed to this transition.

The temporary dip in DMF share in FY21 coincided with the pandemic-related disruption, when pressure on household cash flows and heightened uncertainty weakened SIP inflows and increased redemptions. Some of these flows appear to have shifted towards direct equity participation, as reflected in the contemporaneous rise in individual ownership. From mid-2021 onwards, the recovery in SIP contributions supported a renewed and sustained increase in DMF ownership, taking it to successive record highs.

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

FPI ownership has trended lower since the pandemic amid domestic financialisation and changing global risk appetite: FPI ownership in NSE-listed companies rose steadily between 2002 and 2015, barring a temporary setback during the Global Financial Crisis. It moderated thereafter amid episodes of heightened global uncertainty, including the US–China trade dispute and Brexit-related risks, before recovering through end-2019. The onset of the COVID-19 pandemic triggered another sharp but short-lived decline as global risk aversion surged, followed by a strong rebound in foreign flows in the second half of 2020 as unprecedented monetary and fiscal support restored global risk appetite.

The trend has reversed more decisively since then. A structural deepening of domestic financialisation, supported by sustained household flows into mutual funds and greater direct equity participation, has progressively increased the role of domestic investors in the ownership of Indian equities. At the same time, the external environment has become less supportive, with aggressive monetary tightening in advanced economies, slowing growth in China, heightened geopolitical risks and periodic shifts in global portfolio allocations weighing on foreign participation.

More recently, these structural trends have been reinforced by cyclical headwinds. Elevated global interest rates, tariff-related uncertainty, West Asia tensions and their implications for crude oil prices and the rupee, relatively rich Indian equity valuations vis-

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

Direct individual share in NSE-listed companies has remained relatively stable for more than a decade, even as household participation in equities has deepened significantly. After declining steadily between 2001 and 2012, individual share recovered gradually and has since remained broadly within an 8–10% range. This relative stability stands in contrast to the sustained rise in SIP-led mutual fund participation in recent years, barring a brief disruption in FY21. The divergence suggests a gradual shift in the mode of household participation in equities rather than any meaningful retreat from the asset class. Households are increasingly accessing equity markets through mutual funds alongside direct stock ownership, reflecting a broader maturation of the investor base and greater diversification in the channels through which individuals participate in the market.

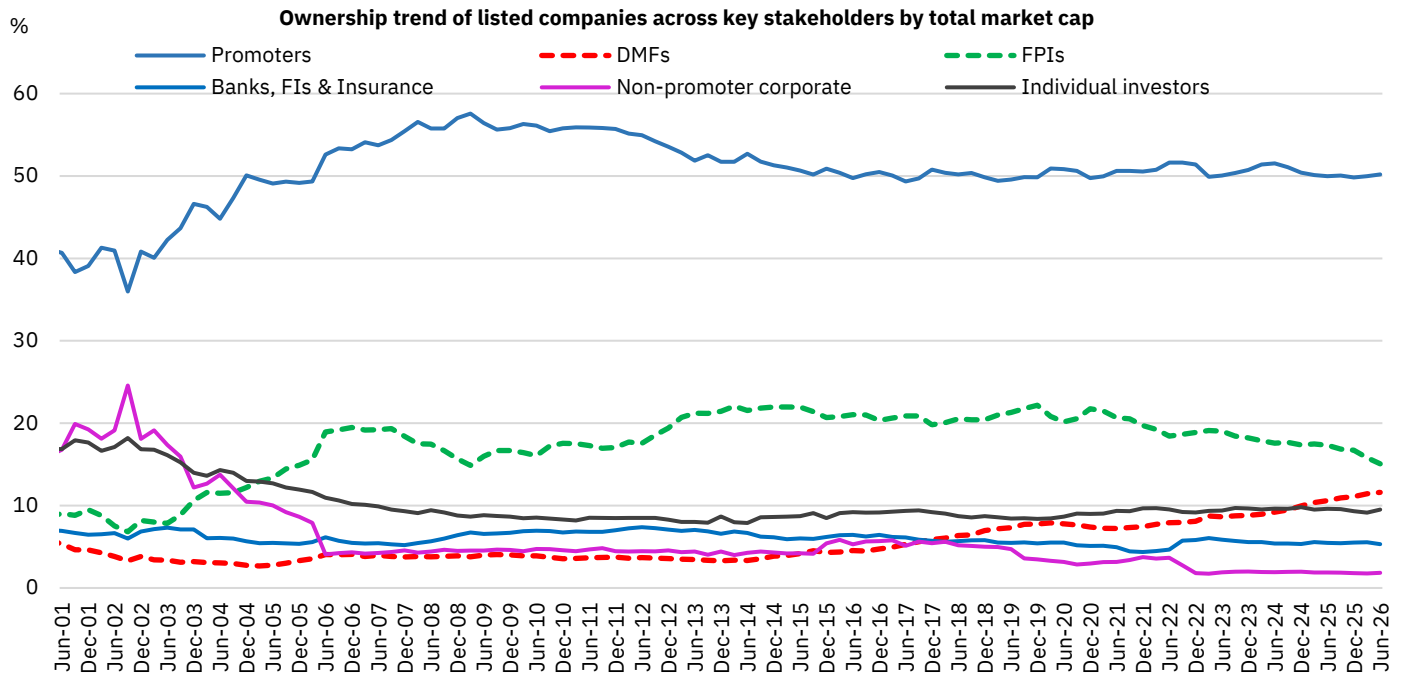
Direct individual ownership fell steadily between 2001 and 2012 and has since risen marginally, barring the recent dip.

Rs lakh crore

Stacked area chart showing the evolution of the market capitalization of the 100 most valued companies in the Latin American market from June 2001 to June 2026. The chart is divided into six categories: Promoters (dark blue), DMFs (orange), Non-promoter corporate (grey), Individual investors (green), Others (dark blue), and Banks, FIs, Insurance (yellow). The total market capitalization grows from near zero in 2001 to approximately 468.8 in 2026. Key data points are labeled: 112.0 in Dec-19, 468.3 in Jun-24, 470.7 in Dec-25, and 468.8 in Jun-26.

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

Figure 4: NSE-listed universe: Long-term ownership trend across key stakeholders by total market cap

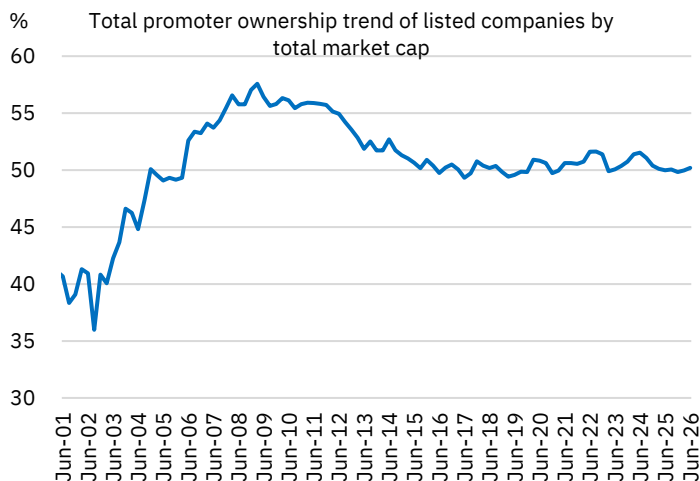


Source: CMIE Prowess, NSE EPR.

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



Source: CMIE Prowess, NSE EPR.

Figure 6: Indian and foreign promoter ownership trend of NSE-listed companies by total market cap

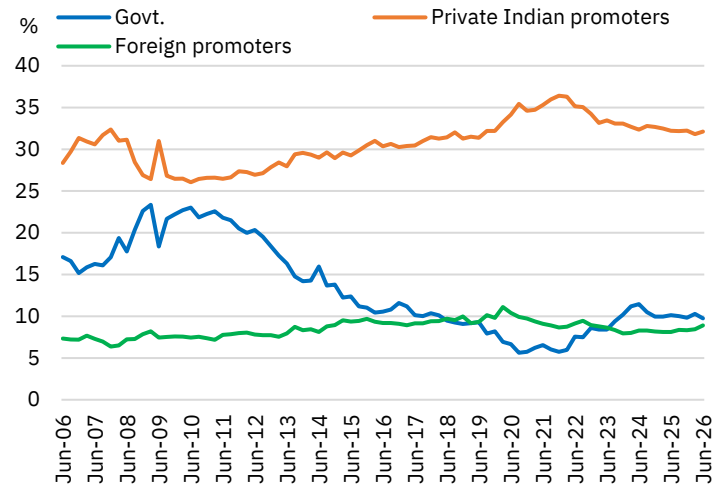
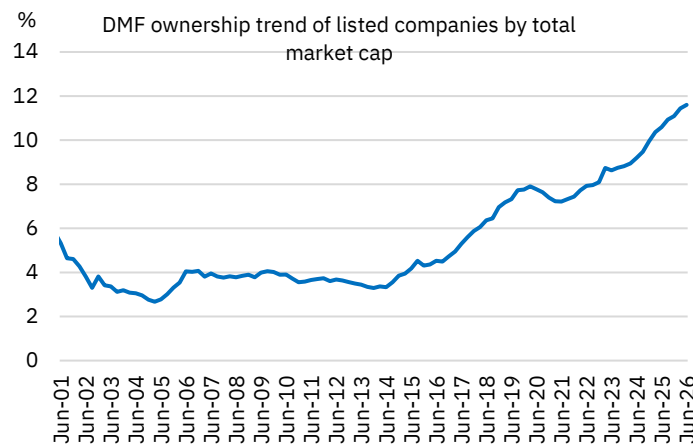


Figure 7: DMF ownership trend of NSE-listed companies by total market cap



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

Figure 8: FPI ownership* trend of NSE-listed companies by total market cap

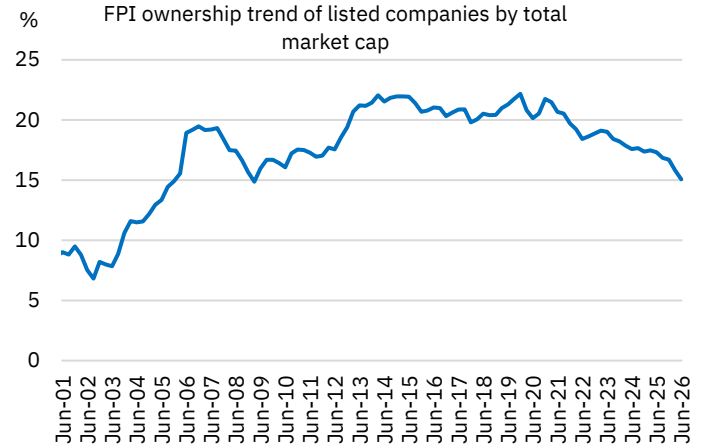
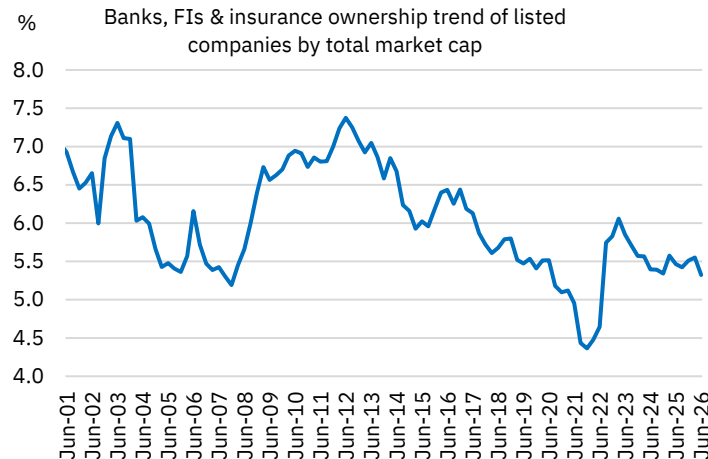


Figure 9: Banks, FIs & Insurance ownership trend of NSE-listed companies by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 10: Individual ownership trend of NSE-listed companies by total market cap

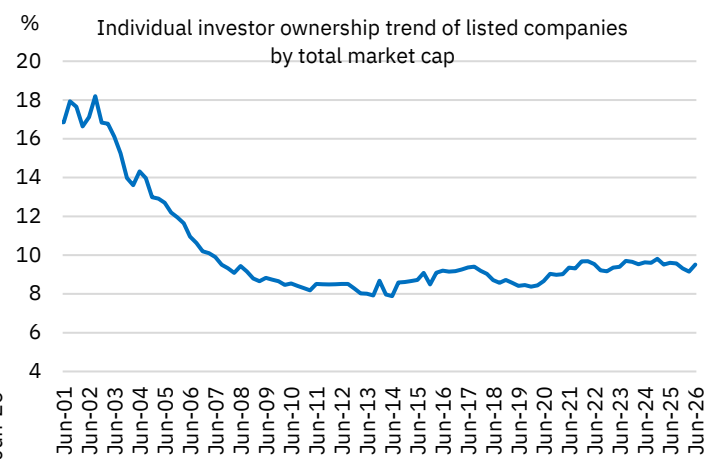
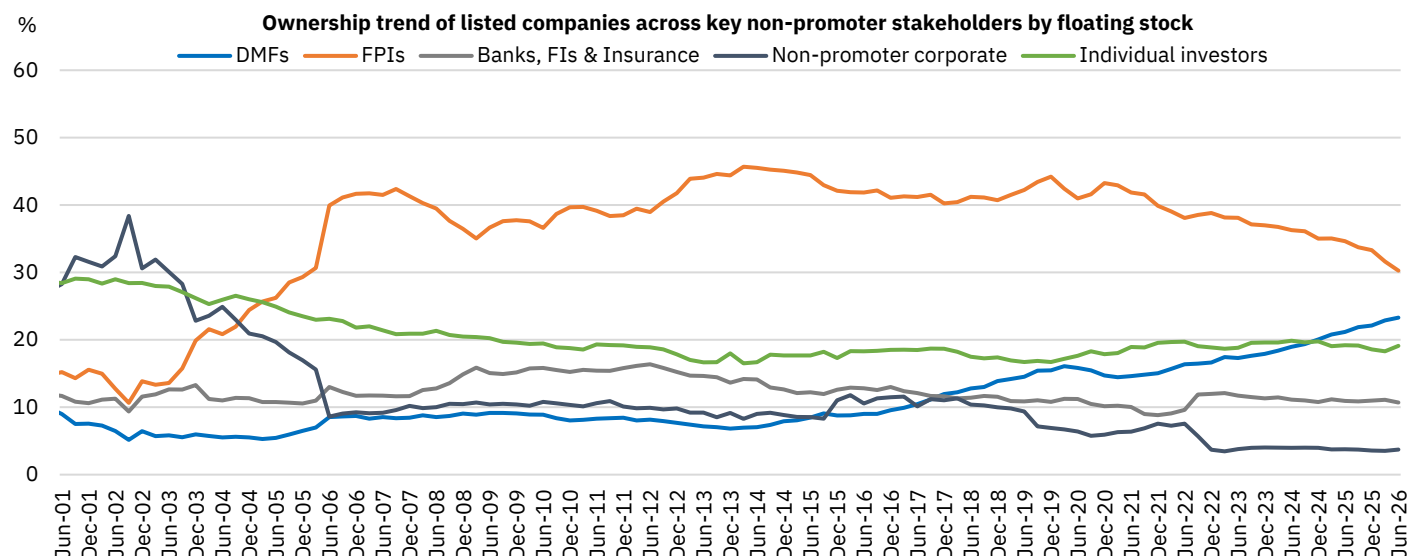
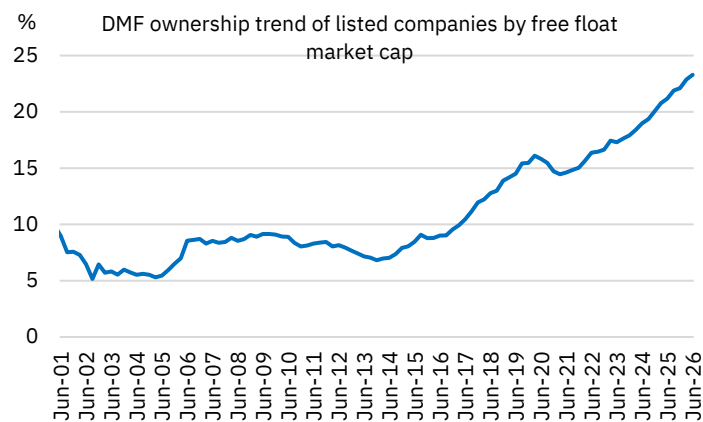


Figure 11: NSE-listed universe: Long-term ownership trend across key stakeholders by free float market cap



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

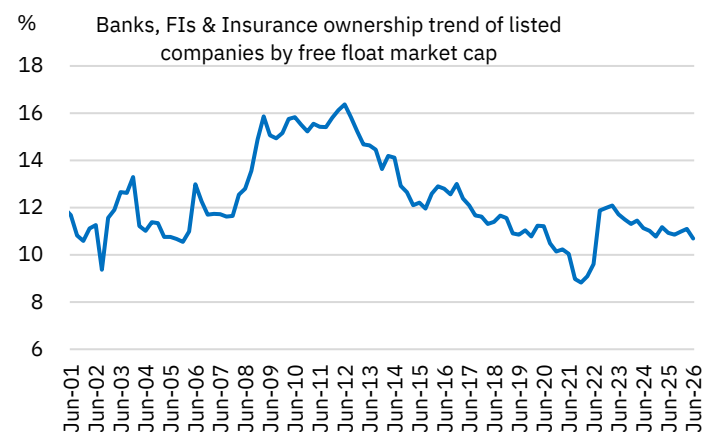


Source: CMIE Prowess, NSE EPR.

Figure 13: FPI ownership trend of NSE-listed companies by free float market cap

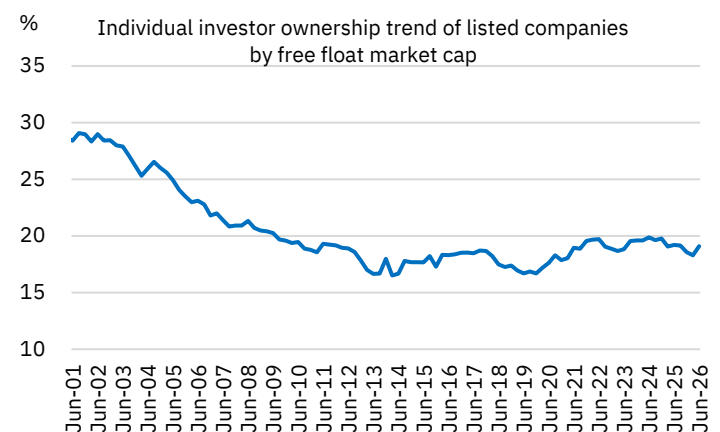


Figure 14: Banks, FIs & Insurance ownership trend of NSE-listed companies by free float market cap



Source: CMIE Prowess, NSE EPR.

Figure 15: Individual ownership trend of NSE-listed companies by free float market cap

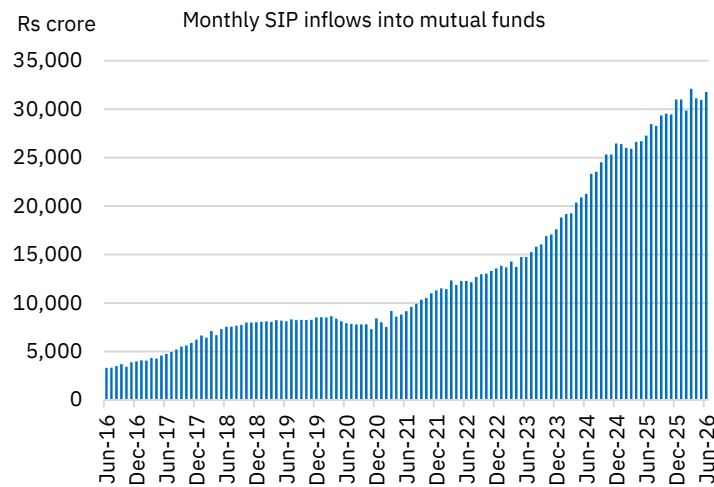


SIP inflows remained resilient: Systematic investment plans have remained the preferred route for individual participation in equities, barring a brief interruption in FY21. After the temporary dislocation in 2020, when some investors shifted from mutual funds to direct equities amid heightened market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

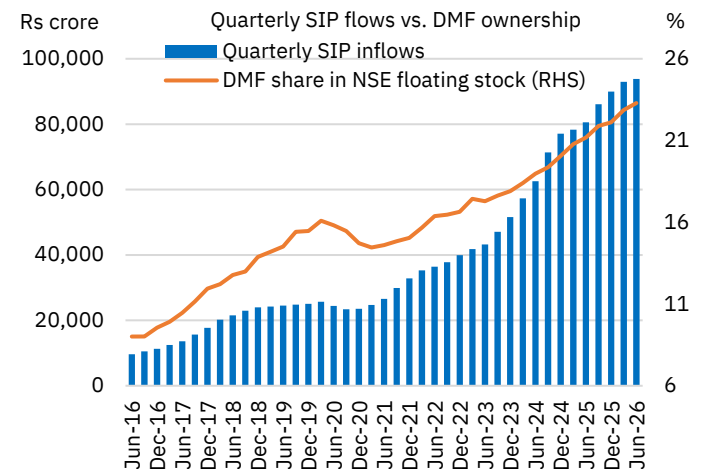
Despite elevated volatility and subdued market sentiment, average monthly SIP inflows rose 1.0% QoQ and 16.5% YoY to Rs 31,283 crore in Q1 FY27, marking the 23rd consecutive quarter of sequential growth. Importantly, three-month rolling QoQ growth in SIP inflows has remained positive since November 2020, 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 strengthened the domestic institutional bid, helping reduce the sensitivity of Indian equities to global shocks and episodic FPI outflows.

Average monthly SIP inflows continued to rise, up 16.5% YoY to Rs 31,283 crore in Q1 FY27.

Figure 16: Monthly SIP inflows into mutual funds


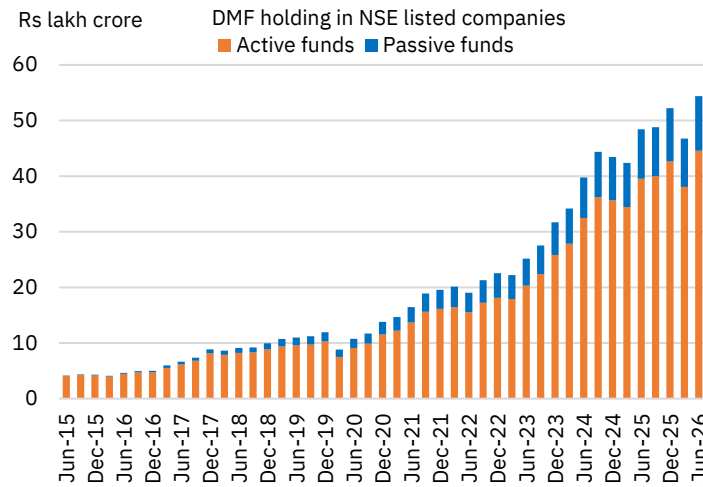
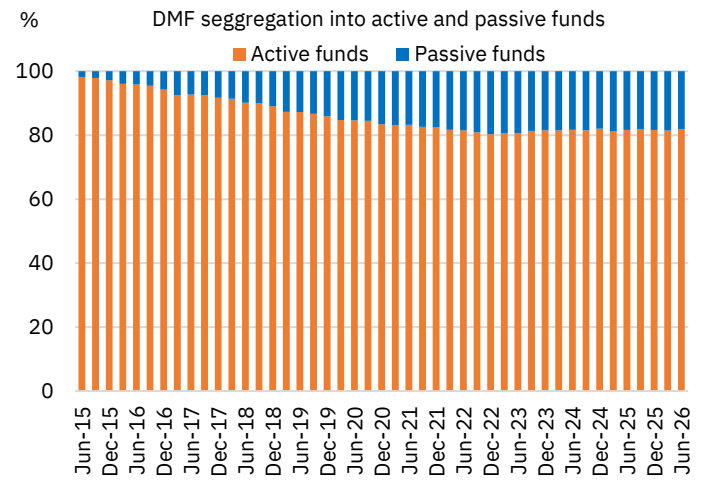
Source: AMFI, NSE EPR.

Figure 17: Quarterly SIP inflows vs DMF ownership


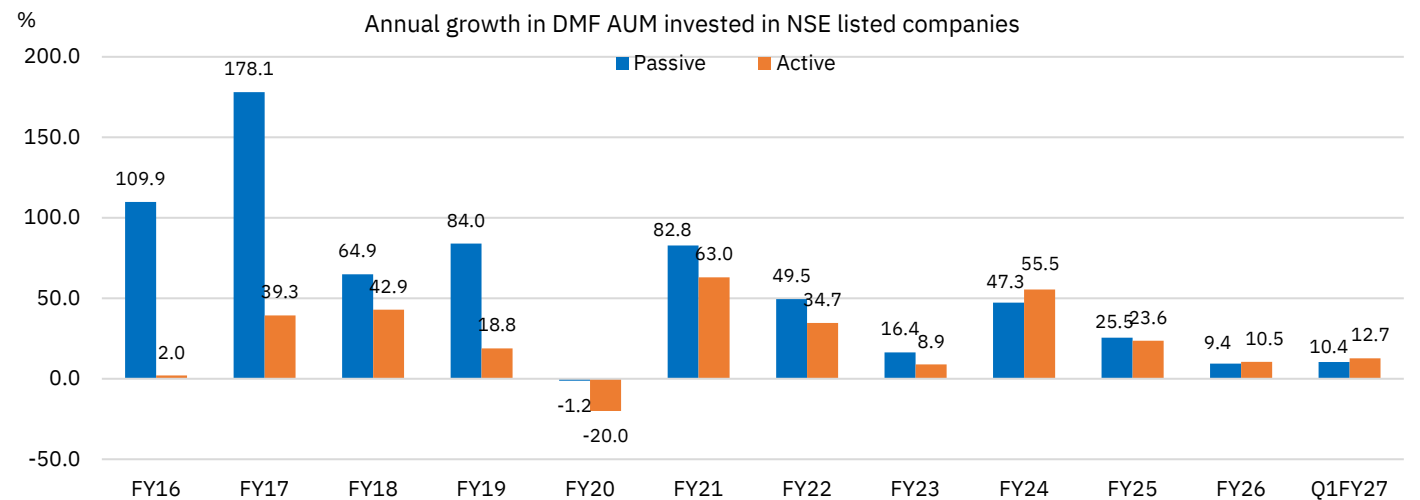
DMF ownership via active funds rose further in the June quarter; passive funds remained steady: Passive investments by DMFs in NSE-listed companies—primarily through ETFs and index funds—have expanded rapidly in recent years. Over the past decade, AUM of passive equity funds has grown at a CAGR of 48.2%, substantially faster than the 25.9% CAGR recorded by actively managed funds, albeit from a much smaller base. This expansion has been accompanied by a more than five-fold increase in the number of passive funds since the pandemic, reflecting the growing scale and adoption of rule-based investment strategies.

In Q1 FY27, passive equity fund AUM rose by 13.2% QoQ to Rs 9.8 lakh crore, while their ownership in NSE-listed companies remained broadly steady near its all-time high at 2.1% as of June 2026. Actively managed equity fund AUM grew even faster, rising 17.0% QoQ to Rs 44.6 lakh crore—the strongest QoQ increase in six years—aided by sustained SIP inflows. Consequently, active mutual fund ownership rose by 19bps QoQ and 86bps YoY to a fresh record high of 9.5%, marking the 12th consecutive quarterly increase.

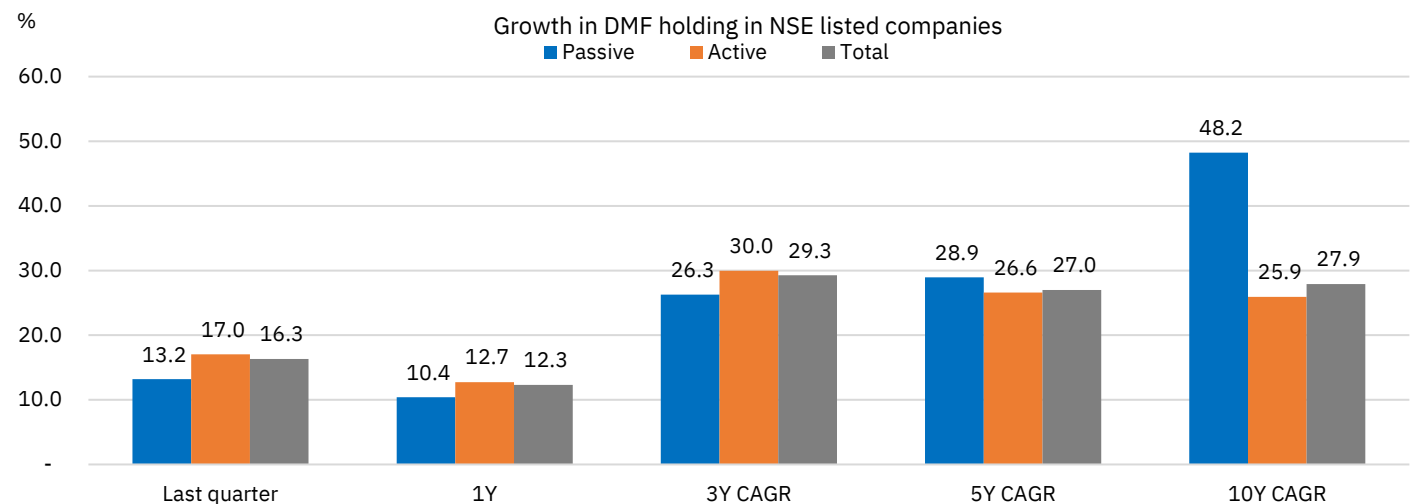
Measured against free-float market capitalisation, passive funds' share remained broadly unchanged near its all-time high of 4.2%, while the share of active funds increased by 46bps QoQ to 19.1%. The broader trend therefore remains one of steadily rising domestic institutional ownership, with passive strategies gaining scale rapidly even as actively managed funds continue to account for the dominant share of DMF ownership.

Figure 18: DMF holding in NSE listed universe

Figure 19: DMF segregation: active and passive funds


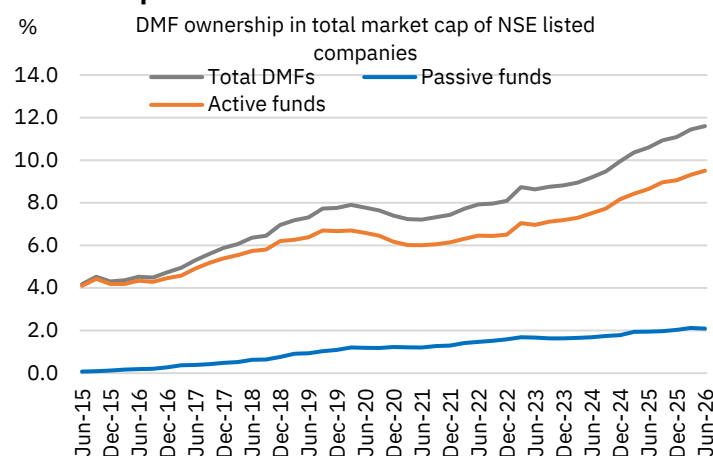
Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the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

Figure 20: Annual growth of DMF holding in the NSE-listed universe


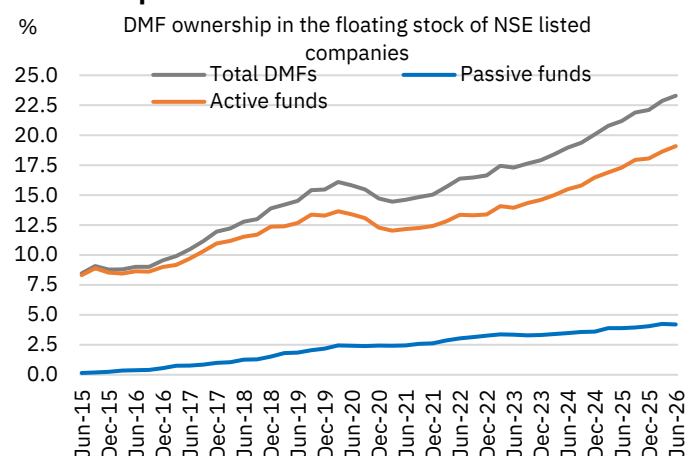
Source: AMFI, MFI Explorer, NSE EPR. Note: Passive funds track indices by replicating their constituents and weights. Active funds are those which involve active investment decisions on the part of the fund manager; their share is estimated by deducting passive AUM from the overall DMF holding.

Figure 21: 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 22: DMF ownership in total 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.

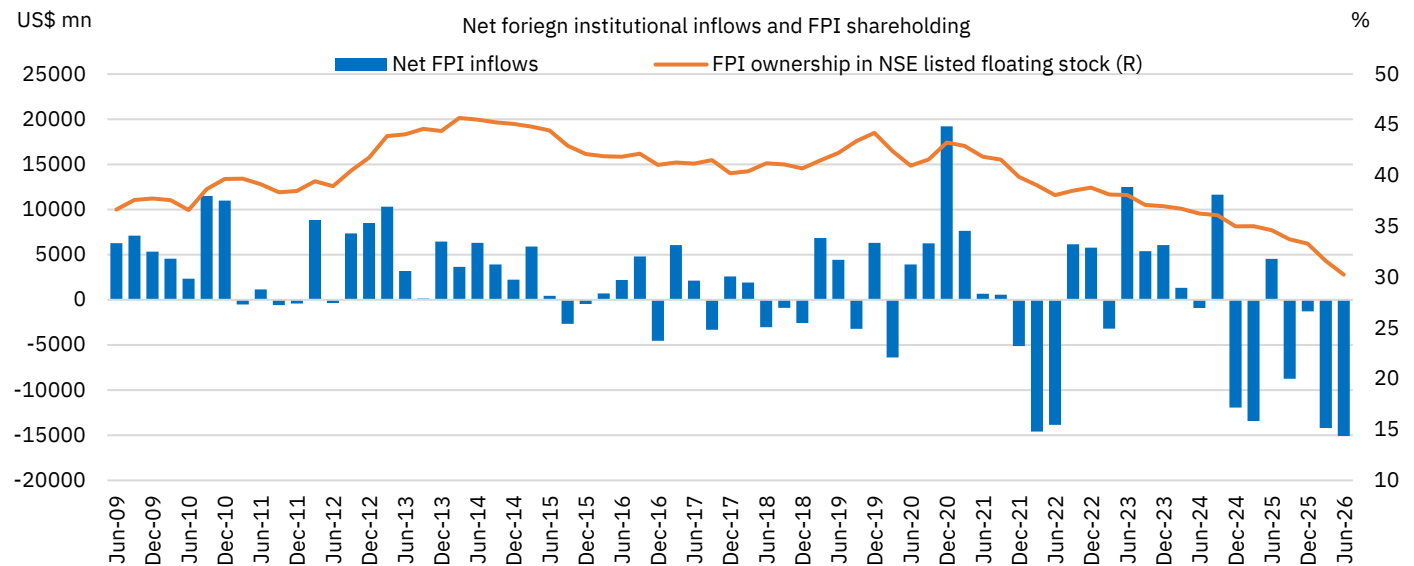
Figure 23: DMF ownership in floating market cap of NSE listed companies

Table 6: 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
Q1FY27	44.6	9.8	54.4	9.5	2.1	11.6	19.1	4.2	23.3

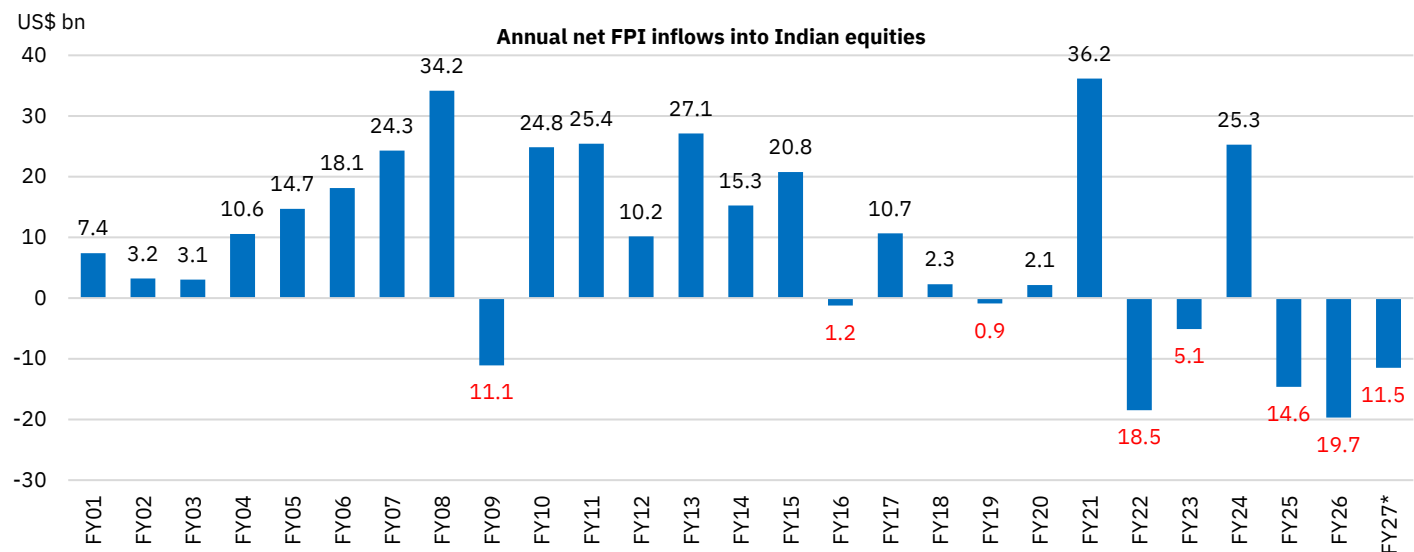
Source: CMIE Prowess, AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived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

FPIs selling intensified in the June quarter: FPIs strengthened their selling spree in the June quarter, recording net outflows of US\$15.1 billion—the highest ever—with selling particularly intense in April and first half of June. Persistence of West Asia conflict, sharp rupee depreciation, higher US yields and India’s relatively rich valuations continued to weigh on the risk appetite of FPIs. This, along with robust DII buying, resulted in FPI ownership in NSE-listed companies falling to over 17-year low by June 2026, driven largely by Nifty 500 companies, excluding which FPI share in NSE-listed companies inched up by 43bps QoQ to 5.8%. That said, the intensity of selling eased materially towards the end of the quarter. The decline in crude prices following some easing of West Asia tensions, stabilisation of the rupee and more attractive valuations in selected sectors brought FPIs back as net buyers in the second half of June.

Net FPI outflows in Q1FY27 stood at a record quarterly high of US\$15.1bn.

Figure 24: 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 25: Annual net FPI inflows trend


Source: Refinitiv Datastream, NSE EPR. * As of August 10th, 2026.

Direct participation by individual investors improved in the June quarter: Individual investor participation in Indian equities rose sharply during 2020 and 2021, supported by the steep market correction in March 2020 and the strong 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.

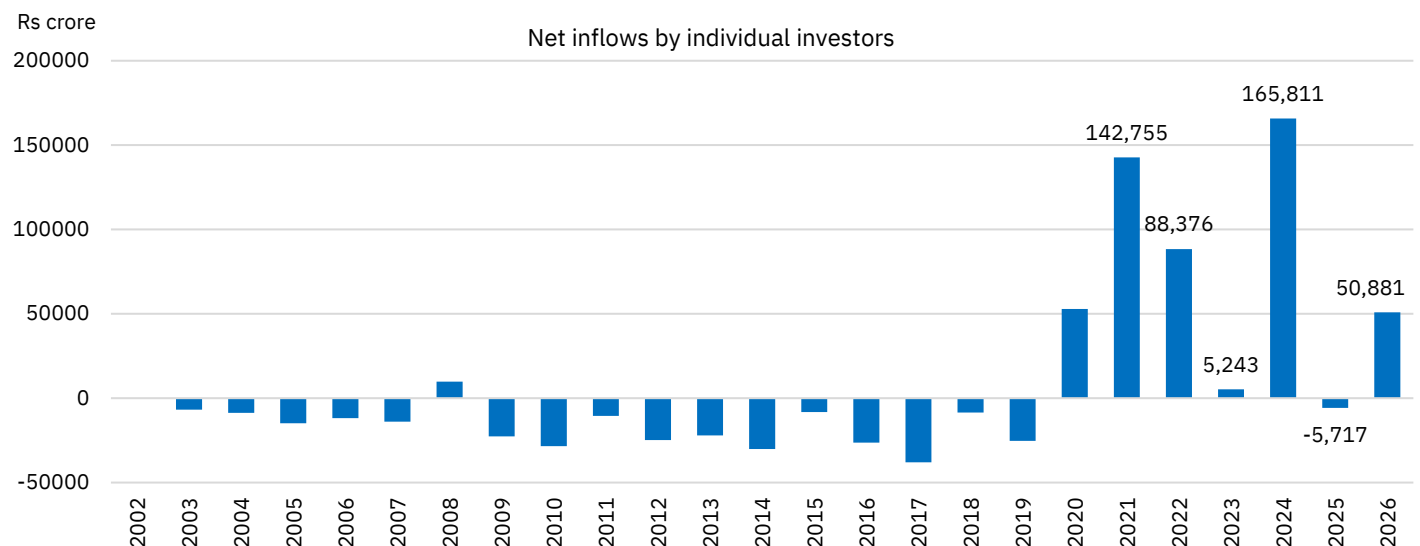
Participation strengthened again in FY25, when individuals recorded net purchases of Rs 1.25 lakh crore—exceeding the combined inflows of the preceding two fiscal years and marking the fifth consecutive year of net buying. In FY26, however, direct market participation turned more volatile, with individuals emerging as net buyers in two quarters and net sellers in the other two, resulting in modest net outflows of Rs 5,804 crore for the

year. This trend reversed in the first quarter of FY27, with individuals recording net inflows of Rs 42.7k crore in NSE's secondary markets—the highest in the last six quarters.

Notwithstanding this recent volatility in secondary-market flows, the past few years have seen a structural deepening of individual participation in Indian equities. The number of unique registered investors on NSE has more than quadrupled since March 2020 to 13.4 crore by July 2026. Similarly, the number of individuals executing at least one trade during a 12-month period has risen more than three-fold over this period to 355 lakh as of July 2026.

The expansion is also visible in demat account growth. The total number of demat accounts across NSDL and CDSL has increased by more than 5.6 times since the pandemic, with nearly 76% of outstanding accounts added over the last five years. This points to a sustained broadening of the individual investor base, even as direct secondary-market flows have become more variable in the recent period.

Figure 26: Net inflows by individual investors in the NSE's CM segment (2002-)



Source: NSE EPR.

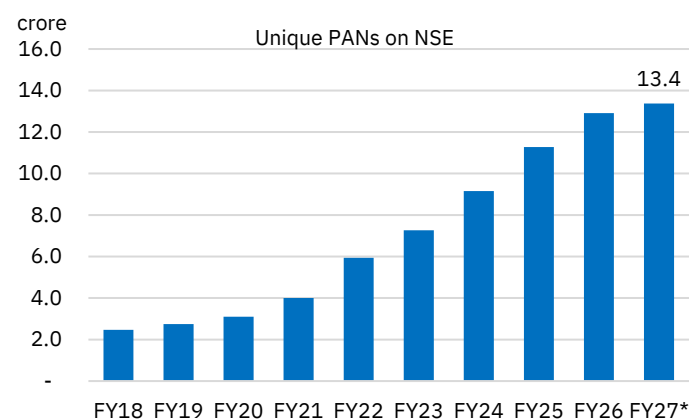
Note: 1. Note: Retail investors: individual domestic investors, NRIs, sole proprietorship firms and HUFs.

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-Jul 2026.

Figure 27: 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 28: Active investors in a 12-month period of respective month-ends

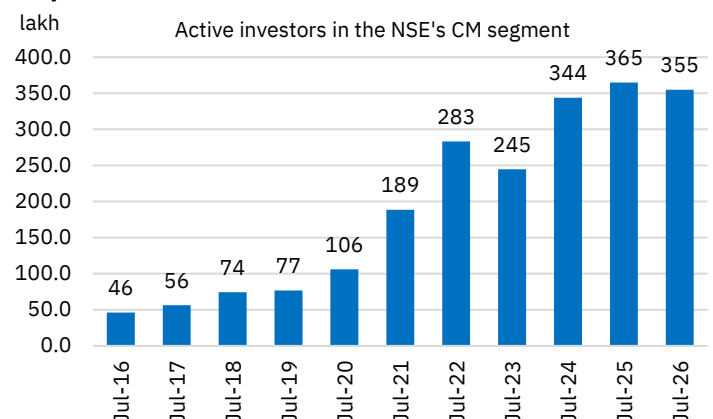
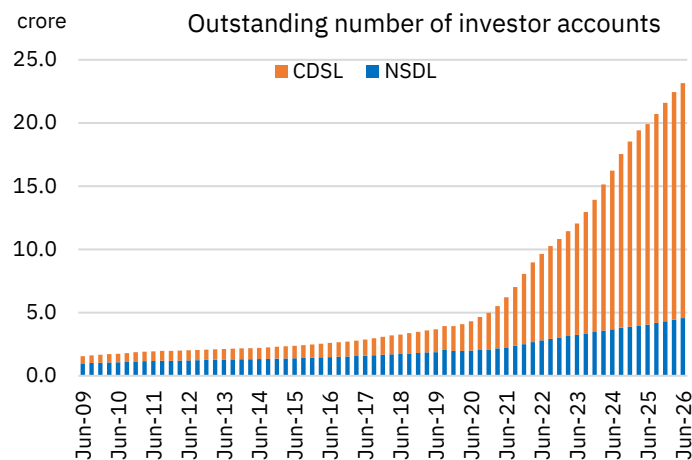
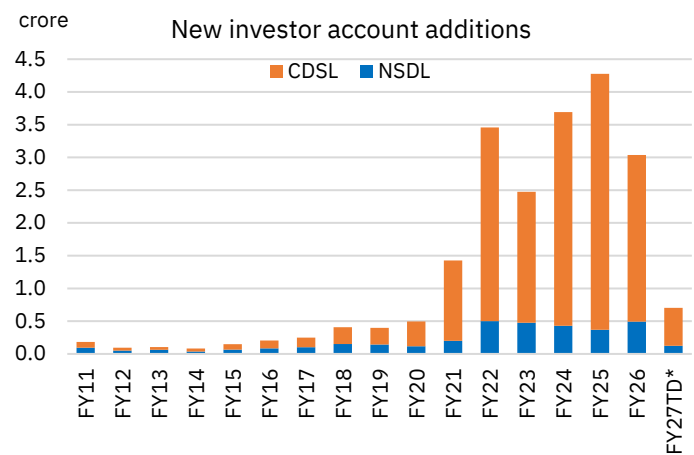


Figure 29: Quarterly trend of number of investor accounts with depositories



Source: SEBI Bulletin, NSE EPR.

Figure 30: Annual trend of new investor account additions with depositories



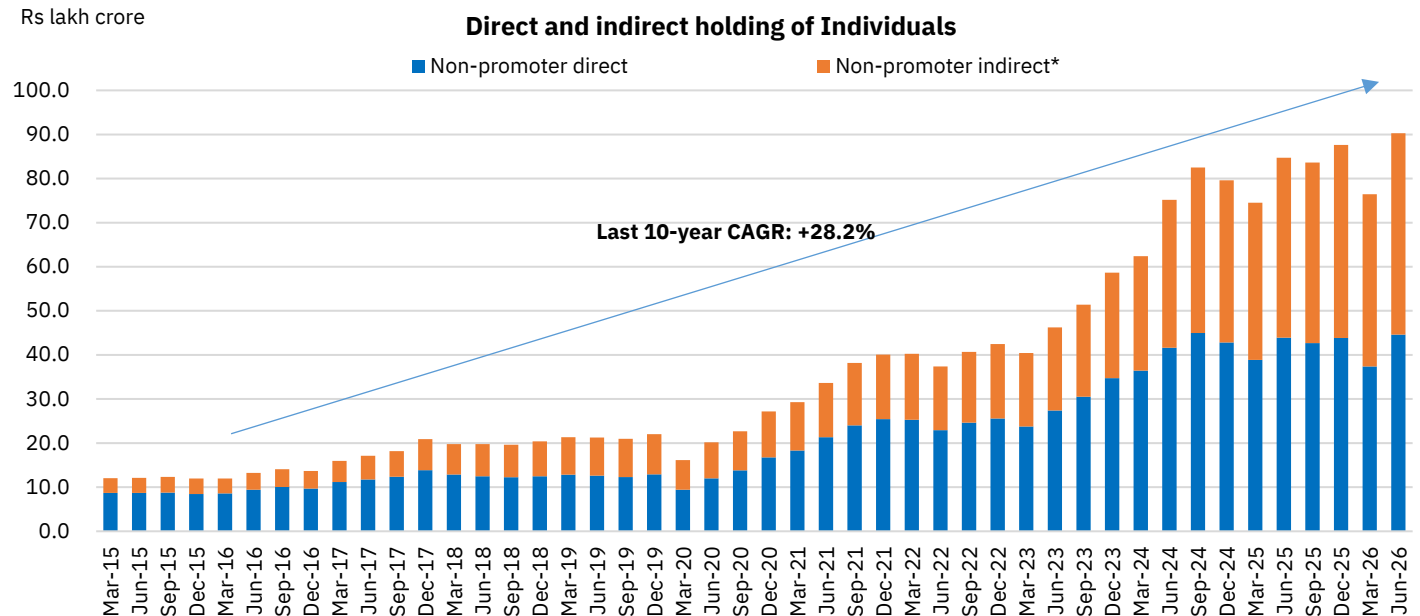
Individuals' combined ownership rose to a record high in the June quarter: Individual investors—both directly and through mutual funds—have emerged as an increasingly important force in Indian equities since the pandemic. As of June 30th, 2026, direct individual ownership in NSE-listed companies rose by 36bps QoQ to 9.5% of total market capitalisation, almost entirely reversing the decline seen over the previous two quarters. In value terms, direct individual holdings increased by 19.3% QoQ to Rs 44.6 lakh crore, outpacing the 14.7% increase in overall market capitalisation. Since March 2020, the value of direct individual holdings has grown at an annualised rate of 28.2%.

Indirect participation through mutual funds has strengthened even more significantly over the past few years. Individuals accounted for nearly 84% of mutual funds' equity AUM, taking their indirect ownership share to a fresh record high of 9.7%, up 18bps QoQ and more than three times its level 12 years ago. In value terms, indirect holdings rose by 16.9% QoQ to Rs 45.7 lakh crore, again outpacing overall market capitalisation growth. This translates into an annualised increase of 35.9% since March 2020 and a 10-year CAGR of 28.2%.

Taken together, direct and indirect individual holdings rose by 18.1% QoQ to a record Rs 90.3 lakh crore as of June 2026. This implies annualised growth of 31.7% since March 2020 and a 10-year CAGR of about 20.4%. Their combined ownership share increased to 19.3% of NSE-listed market capitalisation—the highest since the beginning of our analysis in 2001.

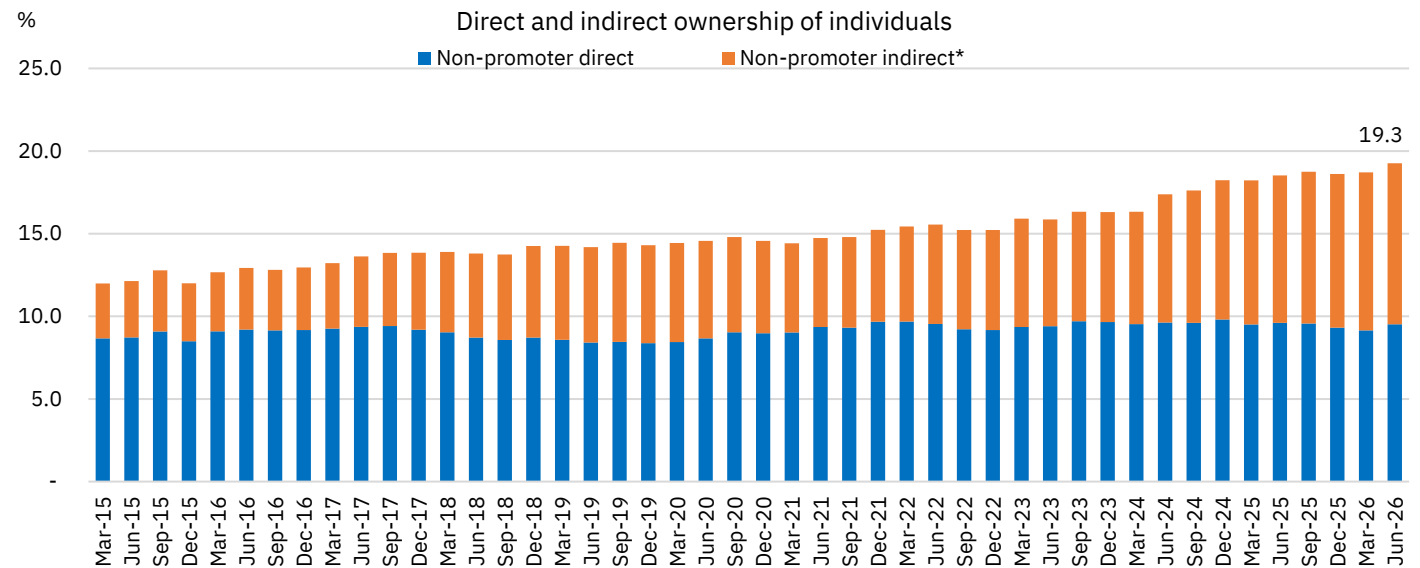
Importantly, combined individual ownership has now exceeded FPI ownership for seven consecutive quarters, marking a structural shift first seen in 2024 after nearly two decades of FPI dominance. For context, individual ownership was around 11pp below FPI ownership in March 2014; that gap has since reversed to a positive 4.2pp, highlighting the growing depth and importance of domestic individual participation in Indian equities.

Figure 31: Non-promoter direct and indirect holding of individuals in equity markets in value terms

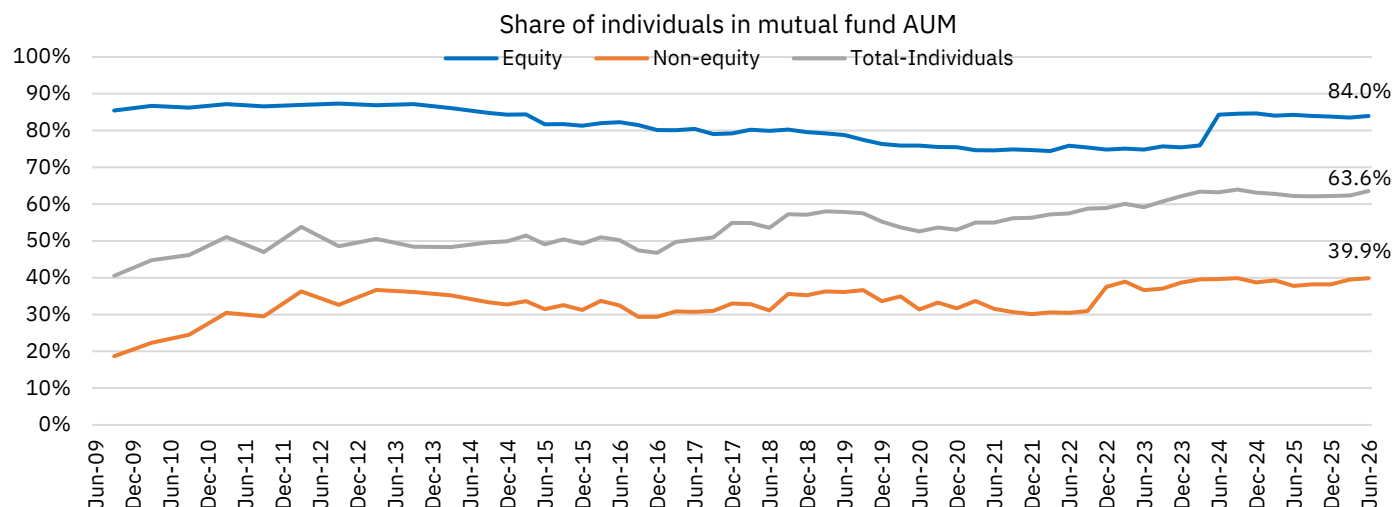


Source: CMIE Prowess, AMFI, NSE EPR. * Holding through mutual funds

Figure 32: Non-promoter direct and indirect ownership of individuals in equity markets



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

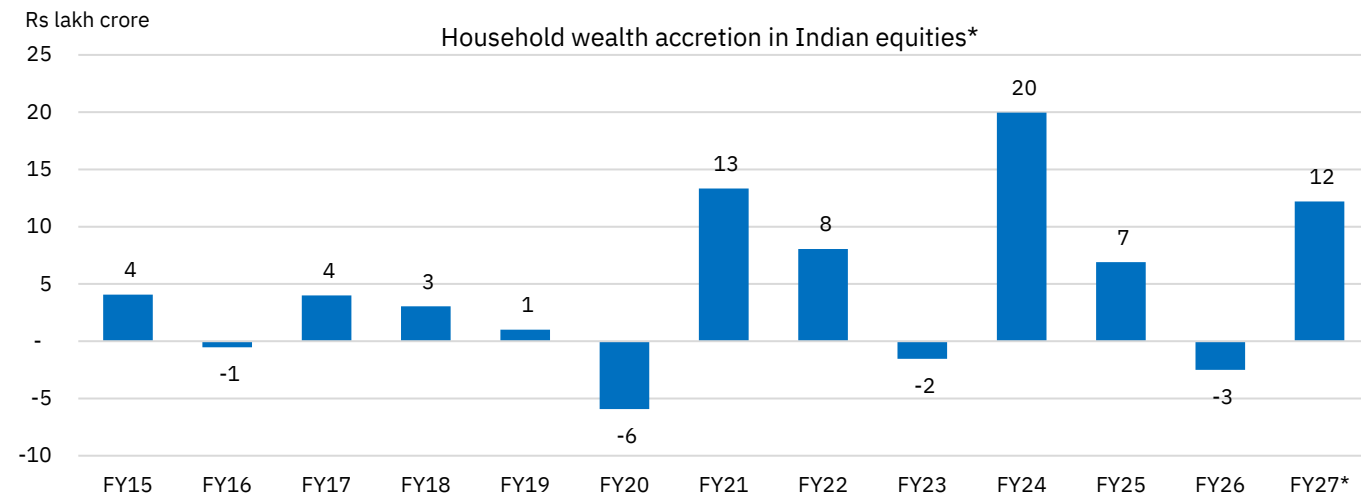
Figure 33: Share of individuals in mutual fund AUM


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

Household equity wealth surged in Q1 FY27; cumulative accretion since April 2020

remains strong at Rs 56 lakh crore: After a sharp decline in the March quarter amid a broad-based market sell-off and a volatile FY26, household equity wealth rebounded strongly in the June quarter, almost entirely reversing the previous quarter's decline. Based on our estimates, total household holdings in Indian equities—comprising both direct ownership and indirect exposure through mutual funds—increased by Rs 12.2 lakh crore during the quarter, supported by the broad-based market recovery, particularly the sharp rebound in April and renewed strength in the second half of June.

Despite heightened market volatility over the last couple of years, cumulative household equity wealth creation since April 2020 remains substantial at around Rs 56 lakh crore. This is equivalent to nearly 62.5% of individuals' total equity exposure of Rs 90.3 lakh crore as of June 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 holdings are estimated by applying their share in total equity AUM to overall mutual fund equity holdings.

Figure 34: 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 (June 2026): Sectoral ownership patterns in Q1 FY27 continued to underscore the dominance of promoters across most sectors. Real Estate retained the highest promoter share at 62.7%, despite a 23bps QoQ decline. Utilities followed at a 14-quarter high of 61.3% (+96bps QoQ), while promoter ownership in Materials stood at 55.8% (+17bps QoQ). Industrials and Energy followed at 54.8% (+57bps QoQ) and 53.1% (+10bps QoQ), respectively. Consumer Staples also recorded its second consecutive quarterly increase, with promoter ownership rising by 49bps QoQ to a 14-quarter high of 52.7%. In contrast, promoter ownership in Information Technology declined for the fifth consecutive quarter to a more than 17-year low of 51.1%. Healthcare and Communication Services also saw their promoter shares fall to a 14-quarter low of 50.8% and a 20-year low of 47.8%, respectively.

Government ownership declined across all major sectors where its presence remains significant. Energy had the highest Government share at 21.4%, despite a 1.1pp QoQ decline, followed closely by Utilities, where the share fell sharply by 3.8pp QoQ to a 14-quarter low of 21.1%. Financials ranked next, with Government ownership declining by 94bps QoQ to 18.9%, while Industrials saw an 83bps QoQ decline to an 11-quarter low of 11.2%.

DMF ownership, on the other hand, continued to rise across most sectors. Barring Utilities, Information Technology and Materials, all other sectors recorded an increase in DMF share during the quarter. Financials remained the largest sectoral exposure for the ninth consecutive quarter, with DMF ownership rising for the 10th straight quarter by 39bps QoQ to a fresh record high of 14.9%. Consumer Discretionary followed at a record 13.6% (+49bps QoQ), while Healthcare also reached a fresh peak of 13.1% (+14bps QoQ). The increase was broad-based, with DMF ownership reaching record highs in six of the 11 sectors in the June quarter.

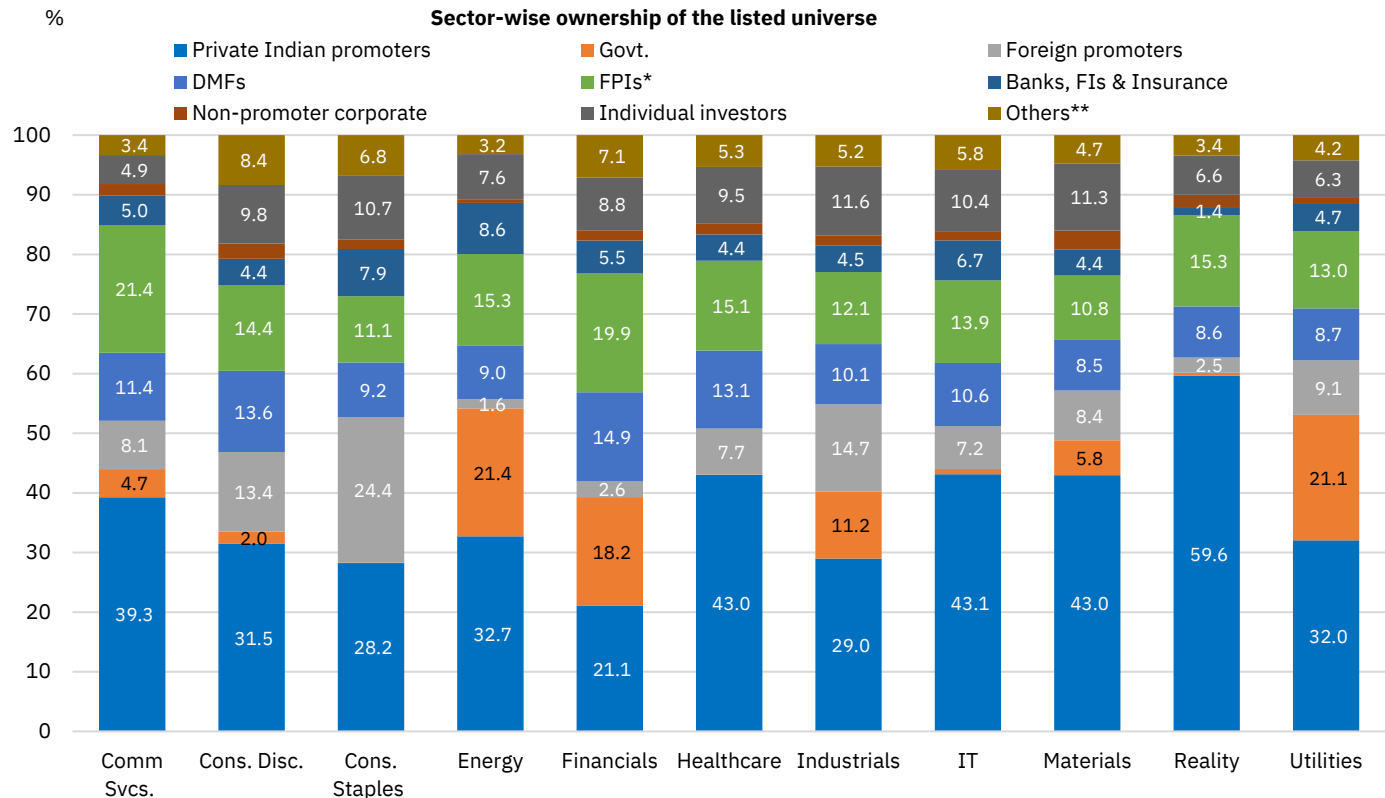
FPI ownership, in contrast, declined across all sectors in the June quarter. Communication Services recorded the steepest sequential fall, even as it continued to have the highest FPI ownership at 21.4% as of June 2026. Information Technology followed, with FPI share falling by nearly 1pp QoQ to 13.9%—the lowest since the beginning of our analysis and about 13.6pp below the peak of 27.5% recorded nearly 18 years ago. Consumer Discretionary, Financials and Energy also saw sizeable declines of around 90bps QoQ each, taking FPI ownership to 14.4%, 19.9% and 15.3%, respectively—the lowest levels in around 21 years, nine years and nearly 23 years. The decline in Financials has been particularly pronounced over the longer term, with FPI ownership now nearly 19pp below the peak of 38.9% recorded in March 2015.

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.

Sector-wise, all sectors saw a decline in FPI share in the June quarter led by Communication Services and Information Technology.

Figure 35: NSE-listed universe: Sector-wise ownership pattern across key stakeholders (June 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 (June 2026): The table below presents sectoral allocations across major shareholder categories in NSE-listed companies as of June 2026. Government holdings remained highly concentrated in Financials, Energy, Utilities and Industrials, which together accounted for 88.1% of the total. Among foreign promoters, Industrials had the largest allocation at an eight-quarter high of 24.5%, followed by Consumer Discretionary at 18.4%, despite a 95bps QoQ decline. Consumer Staples saw a sharper 2.4pp QoQ fall to a more than 15-year low of 17.2%. For DMFs, Financials strengthened its position as the largest sectoral allocation, rising for the third consecutive quarter by 58bps QoQ to a 13-quarter high of 31.5%. Consumer Discretionary remained second at 14.4%, followed by Industrials at a two-year high of 12.9%, up 1.4pp QoQ. Financials also remained the largest allocation for FPIs, although its share has declined substantially over time and has now nearly converged with the corresponding DMF allocation.

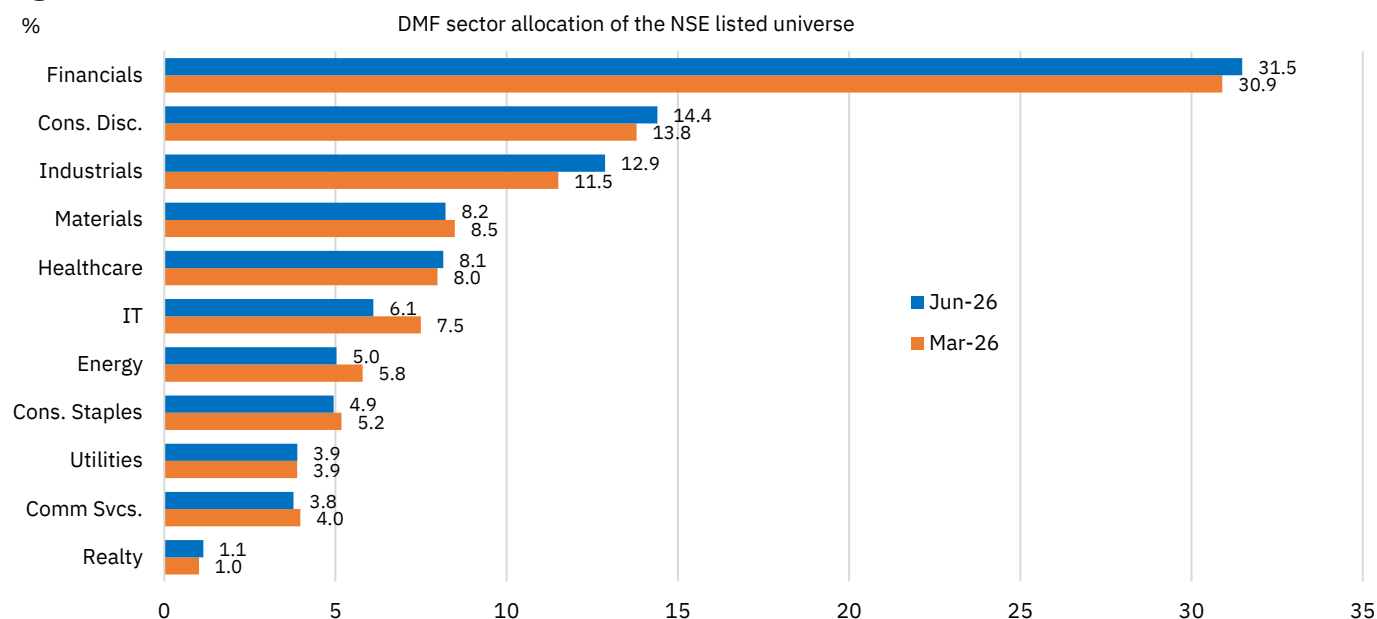
Table 7: Sector allocation of the NSE-listed universe for key stakeholders (June 2026)

%	Pvt. Indian promoters	Govt^	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, Insurance	Non-promoter corporate	Individuals
Communication Services	4.7	1.9	3.5	3.8	5.4	3.6	4.0	2.0
Consumer Discretionary	12.0	2.5	18.4	14.4	11.7	10.2	16.8	12.7
Consumer Staples	5.5	0.0	17.2	4.9	4.6	9.4	5.3	7.1
Energy	6.6	14.2	1.1	5.0	6.6	10.4	2.2	5.1
Financials	16.0	45.7	7.3	31.5	32.3	25.4	22.8	22.7
Health Care	9.7	0.0	6.3	8.1	7.2	6.0	7.4	7.2
Industrials	13.4	17.0	24.5	12.9	11.9	12.5	12.8	18.1
Information Technology	9.0	0.6	5.4	6.1	6.2	8.4	5.2	7.3
Materials	15.0	6.7	10.6	8.2	8.1	9.2	19.4	13.3
Real Estate	2.9	0.1	0.4	1.1	1.6	0.4	1.7	1.1
Utilities	5.2	11.2	5.3	3.9	4.4	4.6	2.4	3.4
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

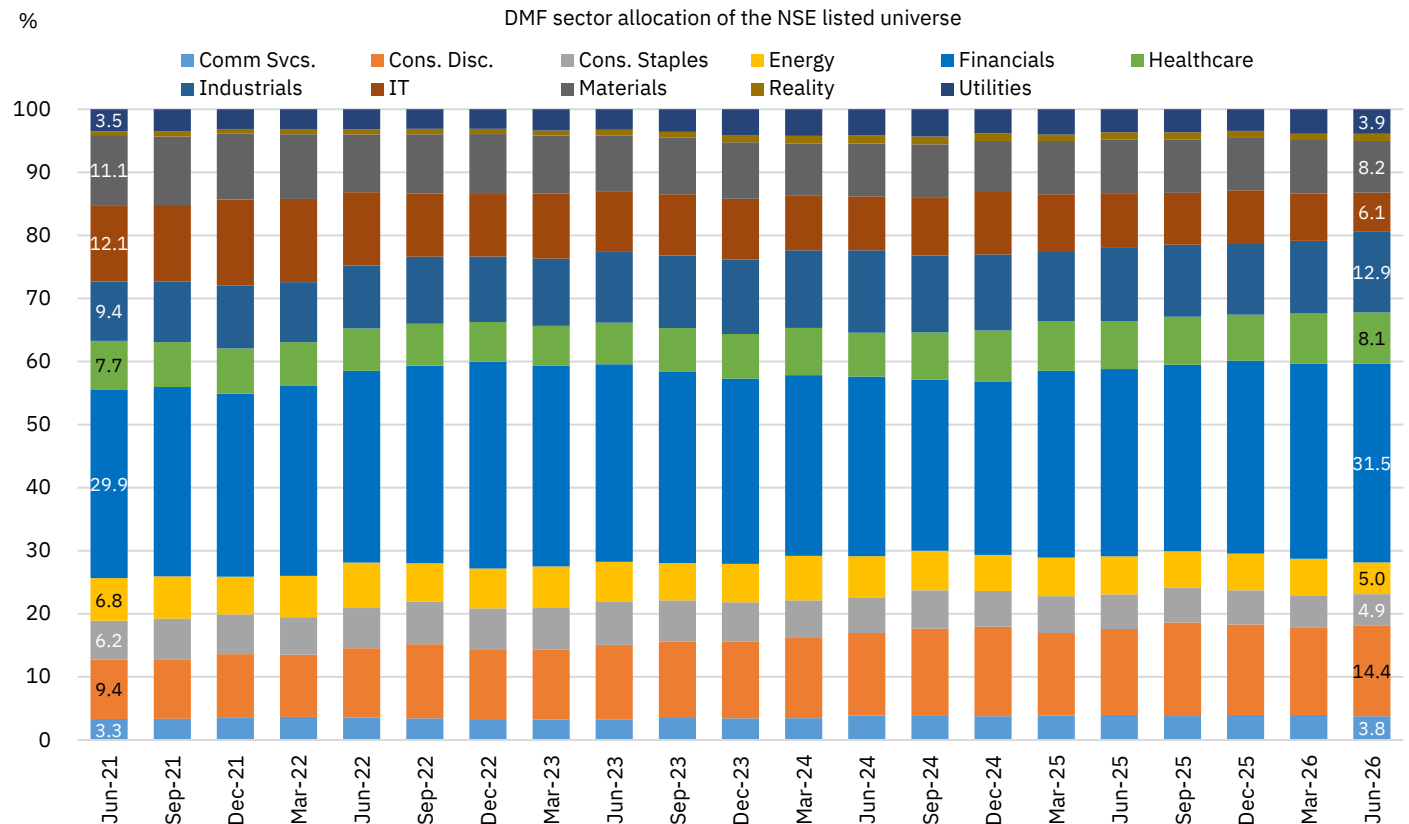
Source: CMIE Prowess, NSE EPR. * FPI ownership includes ownership through depository receipts held by custodians. ^ Includes Government ownership as promoters as well as non-promoters.

DMFs strengthened their OW position on Financials and turned incrementally more negative on Industrials:

DMFs increased their exposure to Financials for the third consecutive quarter, with the rise exceeding the corresponding increase in the sector's share of overall market capitalisation and further strengthening their overweight position to a 12-quarter high. They also turned incrementally more positive on Consumer Discretionary and retained a mildly OW stance on Healthcare. In contrast, DMFs deepened their UW position in Industrials for the seventh consecutive quarter, taking the extent of the UW to the highest since the beginning of our analysis in 2001. They also remained UW on the commodity-oriented Energy and Materials sectors, although the negative tilt towards Energy moderated during the quarter amid easing tensions in the Middle East. Elsewhere, DMFs trimmed exposure to Utilities, turning UW on the sector, maintained a negative view on Consumer Staples, and remained broadly neutral on Communication Services, Information Technology and Real Estate.

Figure 36: DMF sector allocation of the NSE-listed universe (June 2026 vs. March 2026)


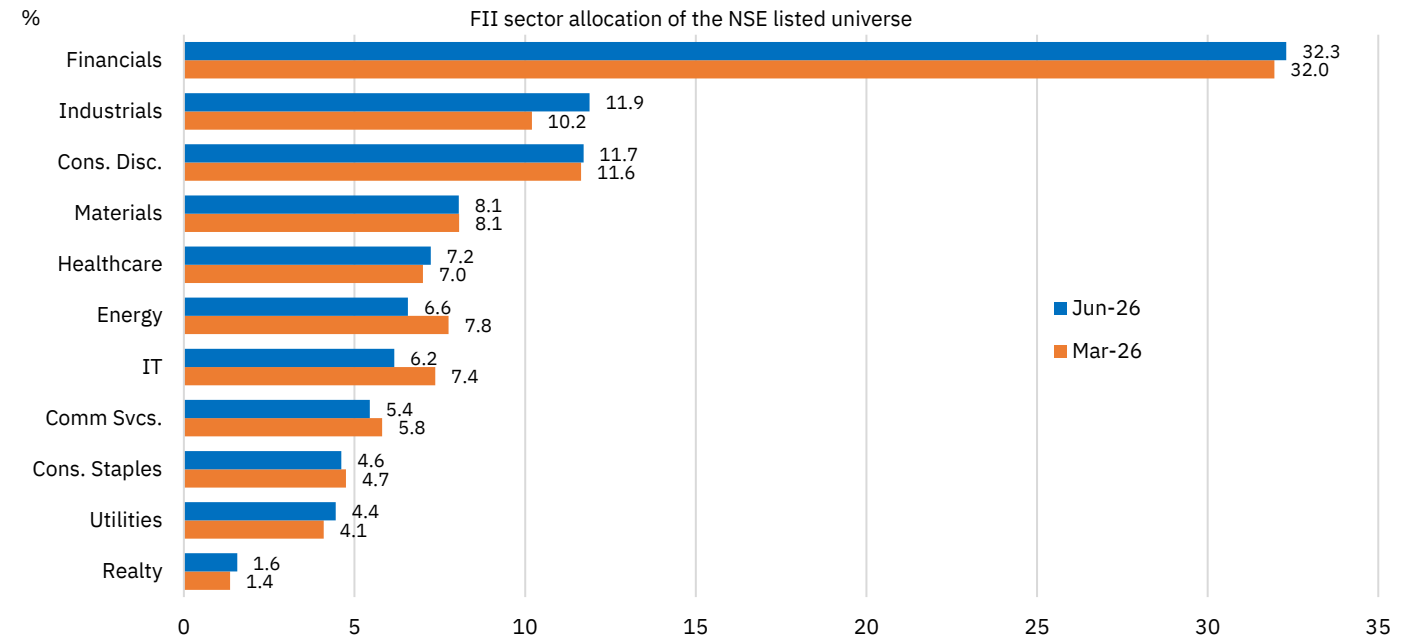
Source: CMIE Prowess, NSE EPR.

Figure 37: DMF sector allocation of the NSE-listed universe over last five years


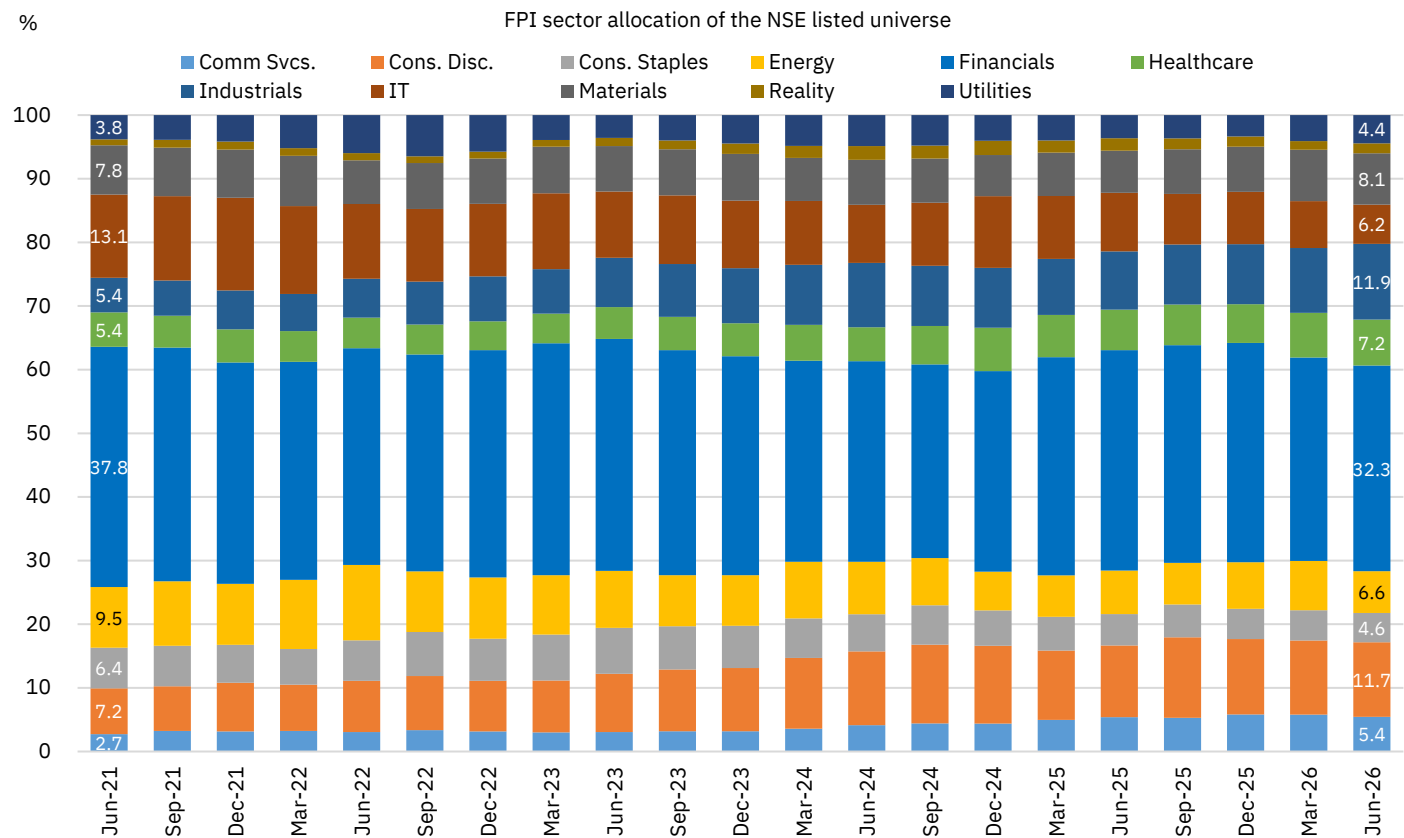
Source: CMIE Prowess, NSE EPR.

FPIs kept their portfolio positioning broadly steady in the June quarter: FPIs also increased their exposure to Financials during the quarter, retaining their perennial overweight for yet another quarter. Financials accounted for 32.3% of FPI holdings in NSE-listed companies, well above the sector's 24.4% share in overall NSE-listed market capitalisation. FPIs also retained an OW position in Communication Services, even with reduced exposure, reflecting the impact of underperformance of the sector during the June quarter. In fact, these are the only two sectors that FPIs have OW stance on in the broader listed universe.

In contrast, FPIs maintained an underweight stance in Materials, Industrials and Consumer Staples, indicating 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 38: FPI sector allocation of the NSE-listed universe (June 2026 vs. March 2026)


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

Figure 39: 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 (June 2026)

Promoter stake in the Nifty 50 universe declined in Q1FY27: Promoter ownership in Nifty 50 companies, unlike in the broader listed universe and the Nifty 500, declined by 42bps QoQ to 40.4% in the June quarter, almost entirely reversing the increase seen in the previous quarter. In value terms, promoter holdings rose by 5.1% QoQ to Rs 77.6 lakh crore, slightly trailing the 6.2% increase in the index's overall market capitalisation. The decline in ownership share was driven by lower holdings of private Indian and Government promoters, partly offset by a modest increase in foreign promoter ownership.

Private Indian promoter ownership fell for the second consecutive quarter, declining by 18bps QoQ to a 27-quarter low of 27.1%. This took the cumulative decline from the post-pandemic peak of 32.5% to 5.4pp. In value terms, their holdings increased by 5.5% QoQ to Rs 52 lakh crore. Government ownership, including both promoter and non-promoter stakes, also declined by 61bps QoQ to 7.7%, following a sharp 1.6pp increase in the previous quarter, partly reflecting the underperformance of Government-owned companies. In value terms, Government holdings in Nifty 50 companies fell by 1.7% QoQ to Rs 14.8 lakh crore.

Foreign promoter ownership, in contrast, rose by 32bps QoQ to 5.8%, reversing the decline seen over the previous two quarters. The value of foreign promoter holdings increased by 12.3% QoQ to Rs 11.1 lakh crore.

Institutional ownership in the Nifty 50 remained broadly steady at a seven-quarter low: Following a sharp decline in the March 2026 quarter, institutional ownership in the Nifty 50 remained broadly unchanged at 47.3% in the June quarter, as continued gains in DMF ownership were almost entirely offset by a further decline in FPI ownership.

DMF ownership in Nifty 50 market capitalisation rose by 51bps QoQ to a fresh all-time high of 14.6%, marking the 12th consecutive quarterly increase and taking the cumulative rise over this period to 4.8pp. The sustained increase was supported by robust net inflows, underpinned by steady household participation through SIPs, which continued to provide a counterbalance to volatile foreign flows. In value terms, DMF holdings in Nifty 50 constituents rose by 10.0% QoQ to Rs 28.0 lakh crore, partly reversing the sharp decline seen in the previous quarter.

In contrast, FPI ownership in the Nifty 50 fell by 66bps QoQ to 21.1% in the June quarter, its lowest level in 14.5 years and broadly consistent with the trend in the wider listed universe. This marked the fourth consecutive quarterly decline and, following the sharpest sequential fall since the pandemic in the March 2020 quarter, took the cumulative decline over the past year to 3.4pp. FPI ownership now stands 7.3pp below its pre-pandemic peak recorded in December 2019. In value terms, FPI holdings rose by a modest 2.9% QoQ, following a steep 21.5% decline in the previous quarter. The continued fall in ownership share despite the broader market recovery points to sustained paring of FPI exposure to large Indian corporates.

Promoter ownership in Nifty 50 companies declined by 42bps QoQ to 40.4% in the June 2026.

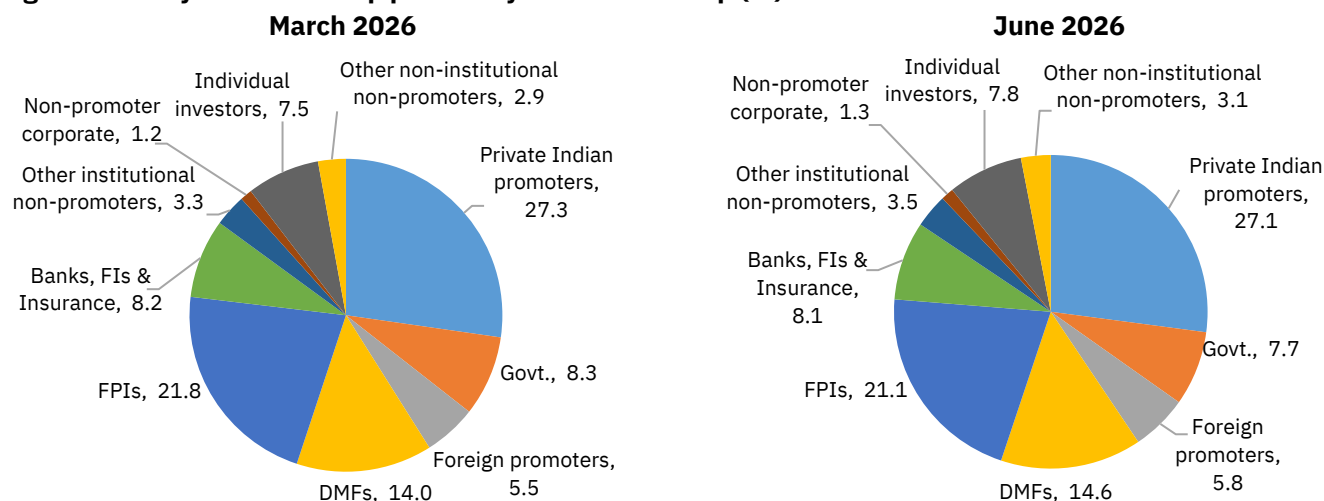
DMF ownership in the Nifty 50 market cap rose by 51bps QoQ to a fresh record high of 14.6% in the June 2026 quarter, supported by strong SIP inflows.

FPI share dipped further by 66pp QoQ to 21.1%—the lowest level in the last 14.5 years.

Meanwhile, ownership by banks, financial institutions and insurance companies remained broadly stable at 8.1%, continuing to move within a narrow 8.0–8.2% range over the past 16 quarters.

Individual investors' ownership in Nifty50 companies inched up in Q1FY27: Aggregate individual investor ownership in Nifty 50 companies increased by 22bps QoQ to 7.8% as of June 2026, reversing the decline seen in the previous quarter. In value terms, individual holdings rose by 9.3% QoQ to Rs 14.9 lakh crore, outpacing the 6.2% QoQ increase in total market capitalisation of Nifty 50 companies. Notwithstanding the modest increase, individual shareholding in the Nifty 50 has broadly remained within a narrow 7.5–8.5% range for over 31 quarters, indicating relative stability in direct retail exposure to large-cap stocks.

Figure 40: Nifty 50: Ownership pattern by total market cap (%)



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

Table 8: 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
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
Jun-26	52.0	14.8	11.1	28.0	15.6	40.6	2.5	14.9	12.5	192.1
% QoQ	5.5%	-1.7%	12.3%	10.0%	5.7%	2.9%	13.5%	9.3%	12.1%	6.2%

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 9: 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*
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
Jun-26	27.1	7.7	5.8	14.6	8.1	21.1	1.3	7.8	6.5
QoQ change	-18bps	-61bps	32bps	51bps	-3bps	-66bps	8bps	22bps	35bps

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.

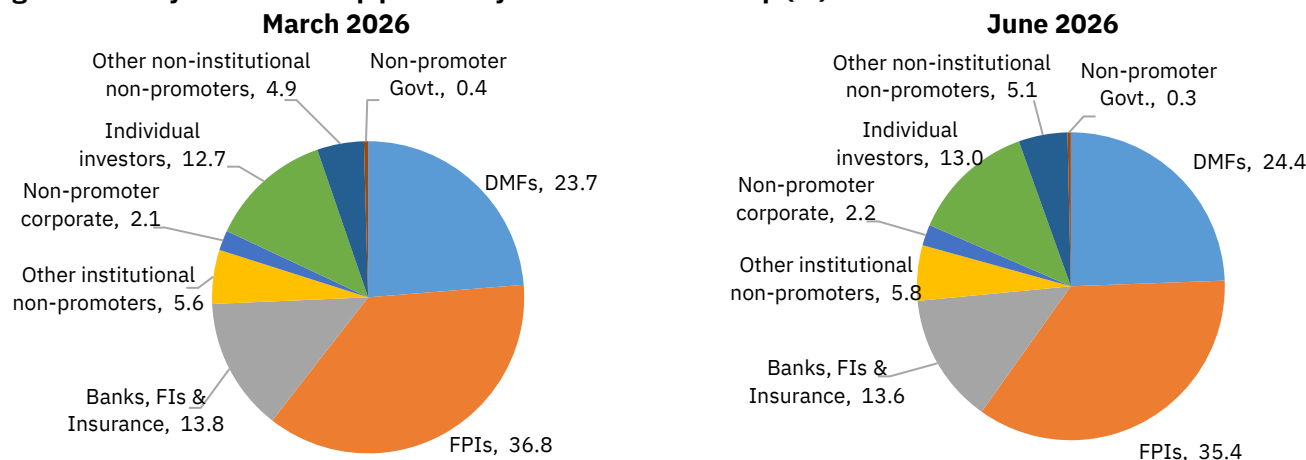
Institutional ownership of Nifty50 floating stock fell for the second quarter in a row

in Q1FY27: Institutional ownership in the Nifty 50, measured as a share of free float, declined for the second consecutive quarter, falling by 61bps QoQ to 79.3% in Q1 FY27. The decline was driven primarily by FPIs, whose share in the free float of Nifty 50 companies fell sharply by 1.4pp QoQ to a nearly 22-year low of 35.4%. This marked the fourth consecutive quarterly decline, taking the cumulative fall over the past year to 5.6pp. FPI ownership of Nifty 50 free float now stands 16.3pp below the peak of around 52% recorded in December 2014.

DMFs, in contrast, continued to gain share, with their ownership of Nifty 50 free float rising for the 12th consecutive quarter. DMF share increased by 69bps QoQ to a fresh record high of 24.4% in the June 2026 quarter. Ownership by banks, financial institutions and insurance companies declined by 15bps QoQ to 13.6%, reversing the increase seen in the previous quarter. Their share, however, has remained within a relatively narrow 13.4–14.1% range over the past four years.

Meanwhile, individual investors' share in Nifty 50 free float rose by 28bps QoQ to 13.0%, following a steady decline over the preceding 10 quarters and largely reversing the dip seen in the previous two quarters. Despite the recovery, their share remains 2.0pp below the post-pandemic peak of 15.0% recorded in June 2022, consistent with the broader shift in household participation from direct equity ownership towards indirect exposure through mutual funds.

Among other investor categories, ownership by non-institutional non-promoter entities—primarily trusts, clearing members and HUFs—rose for the second consecutive quarter by 28bps QoQ to a four-year high of 5.1%. Other institutional non-promoter ownership also increased modestly by 22bps QoQ to 5.8%, the highest level since the beginning of our analysis in 2001.

Figure 41: Nifty 50: Ownership pattern by free float market cap (%)


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

Table 10: 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**
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
Jun-26	24.4	13.6	35.4	2.2	13.0	11.3
QoQ chg	69bps	-15bps	-137bps	13bps	28bps	42bps

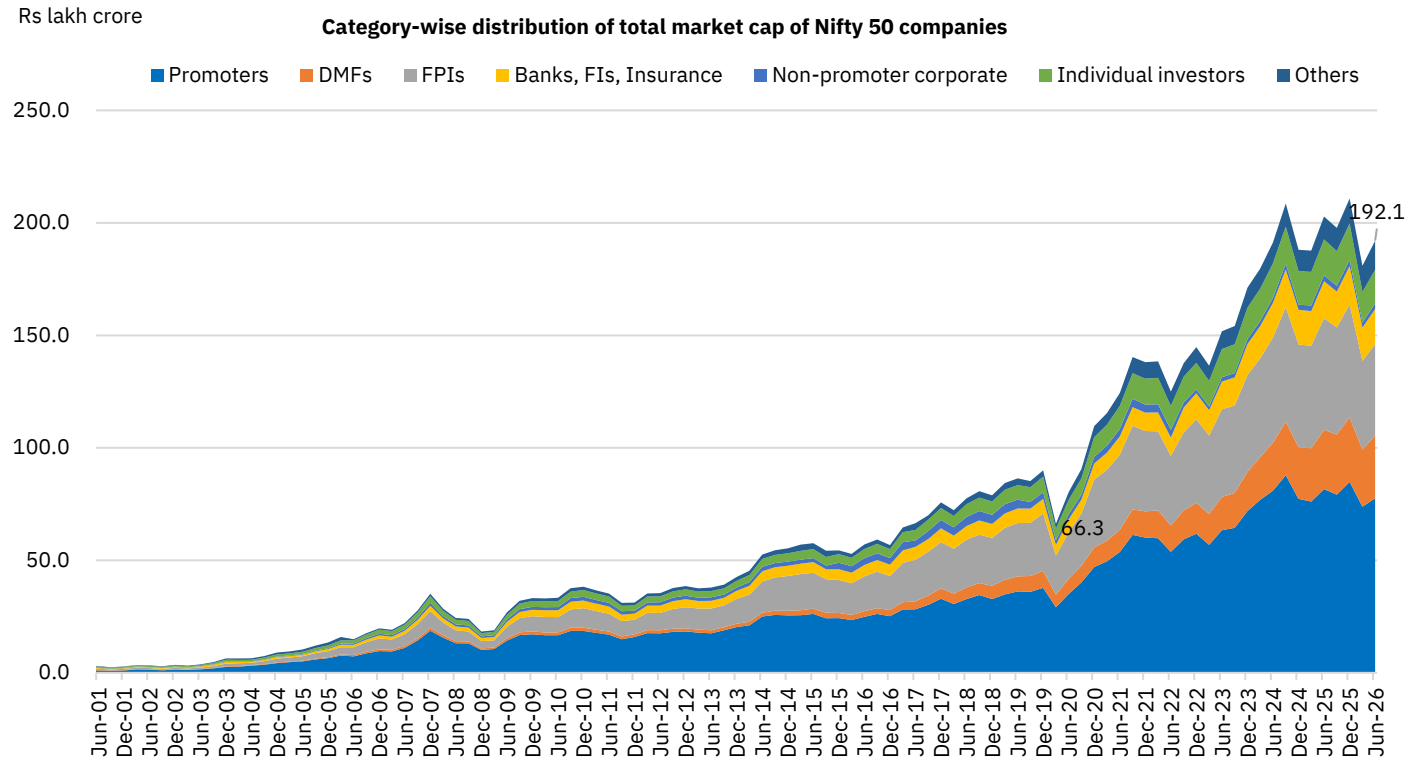
Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters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

Long-term ownership trend of the Nifty 50 universe: The long-term ownership trajectory of the Nifty 50 broadly mirrors that of the wider listed universe, albeit with some important differences across investor categories. Promoter share declined steadily between 2009 and March 2019, followed by a brief recovery before moderating again. The earlier decline was driven largely by lower Government ownership, even as private Indian promoters increased their stakes over much of this period. Since 2019, Government ownership has remained relatively range-bound, while private Indian promoter ownership has trended lower, falling by nearly 5pp. Foreign promoter share has remained broadly stable over the long term, barring some post-pandemic fluctuations.

DMF ownership, in contrast, has risen steadily since 2014, barring a brief interruption in 2020, and now stands at record levels. This reflects sustained domestic institutional inflows and the growing participation of households in equities through mutual funds. FPI share followed a different trajectory, rising steadily after the Global Financial Crisis to a peak of 28.3% in Mar'15 and remaining broadly range-bound until 2019. Since the pandemic, however, FPI share has trended lower, apart from a brief rebound in late 2020.

Unlike the broader NSE-listed universe, direct individual ownership in the Nifty 50 rose steadily between 2014 and 2022 before moderating over the last three years. This softening is consistent with the broader shift in household participation from direct equity ownership towards indirect exposure through mutual funds.

Figure 42: Nifty 50: Long-term trend of market cap distribution across key shareholder categories

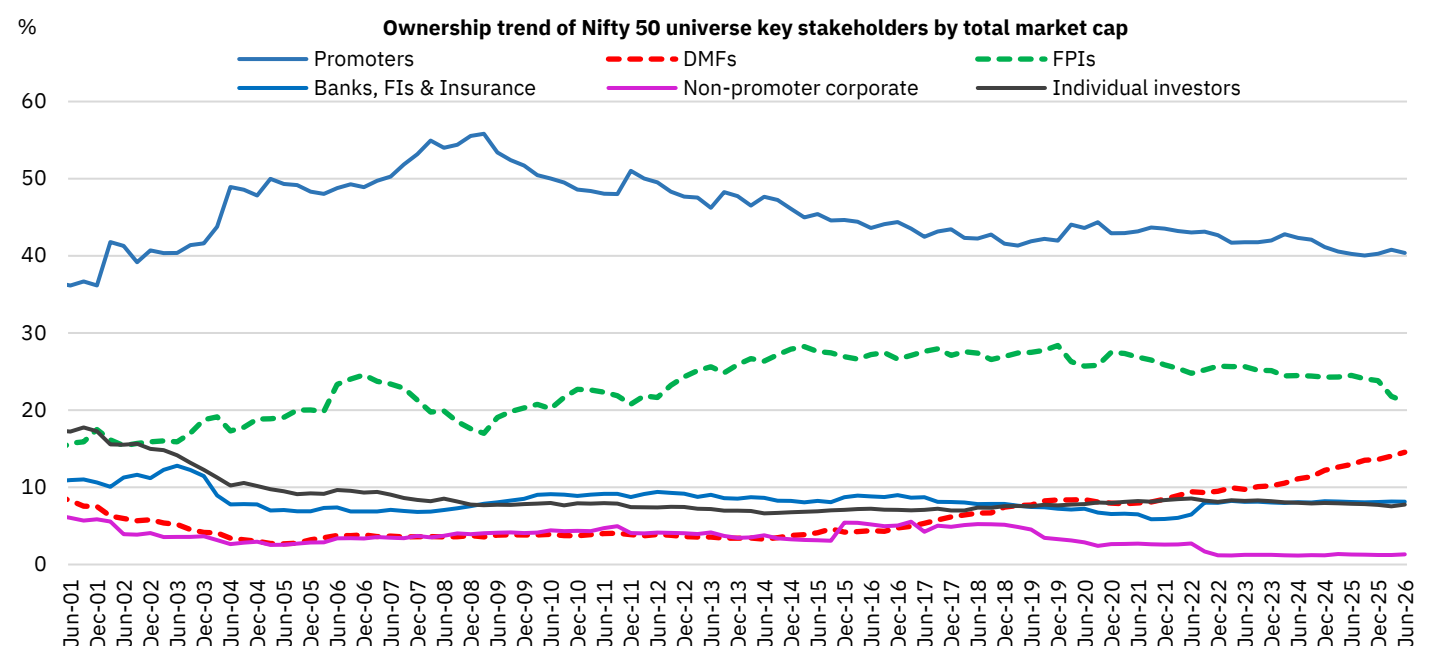


Source: CMIE Prowess, NSE EPR.

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

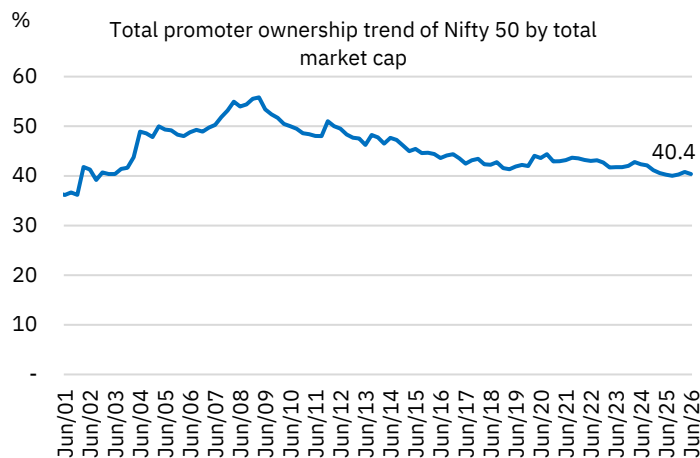
2. Only includes companies where shareholding data is available as of the end of every quarter.

Figure 43: 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 44: Total promoter ownership trend of the Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 45: Indian and foreign promoter ownership trend of the Nifty 50 universe by total market cap

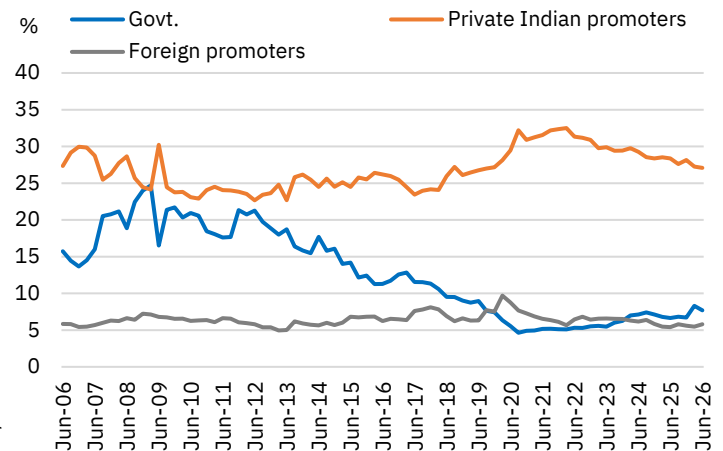


Figure 46: DMF ownership trend of Nifty 50 universe by total market cap

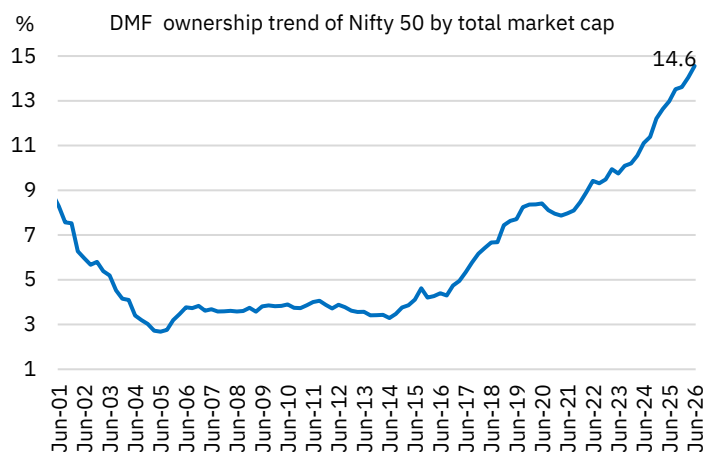
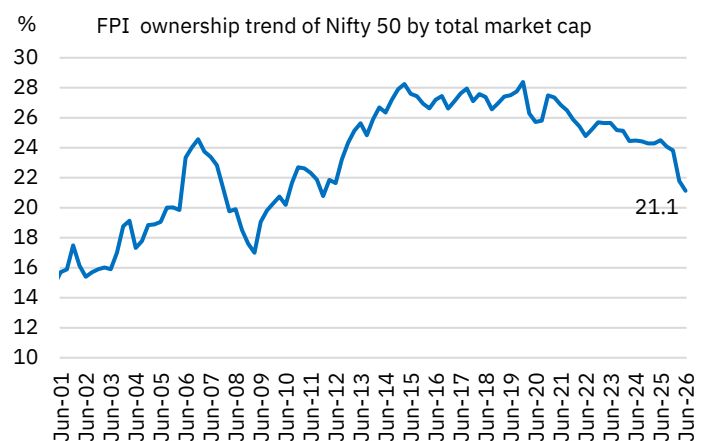


Figure 47: FPI ownership trend of Nifty 50 universe by total market cap



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

Figure 48: Banks, FIs & Insurance ownership trend of Nifty 50 universe by total market cap

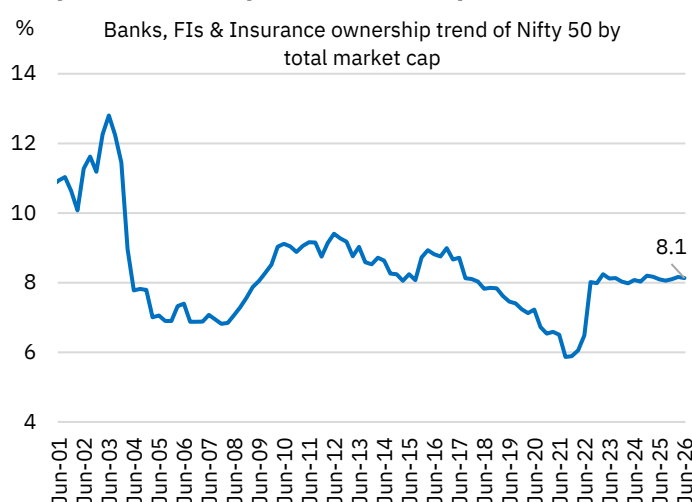
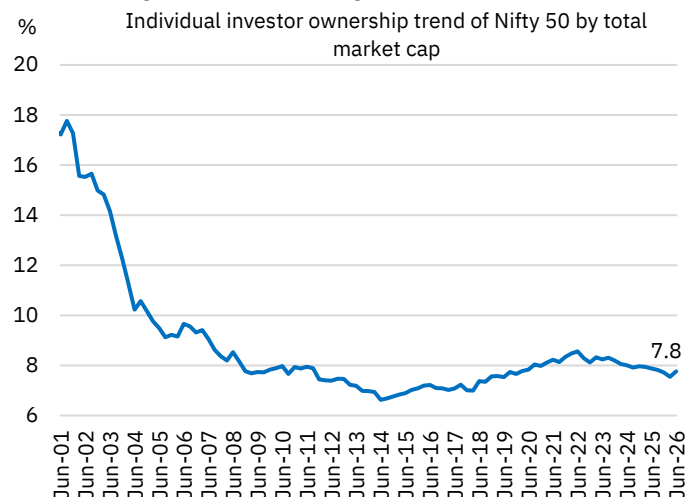


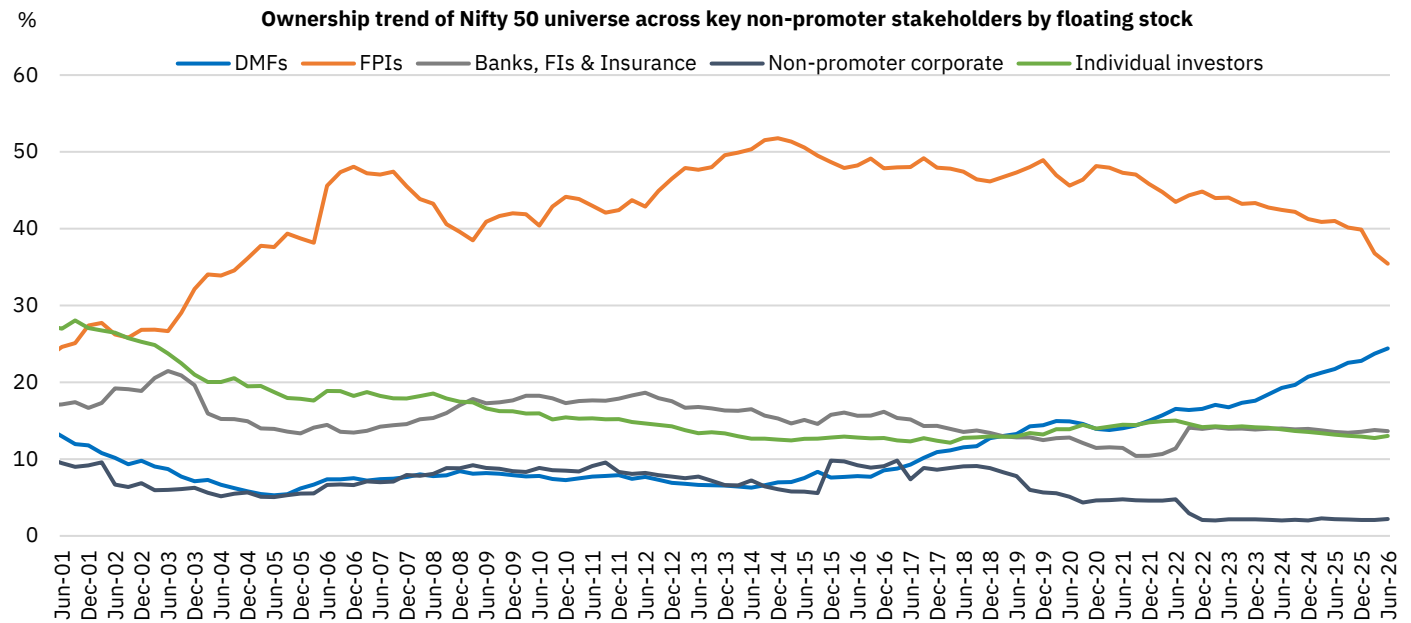
Figure 49: Individuals' ownership trend of Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

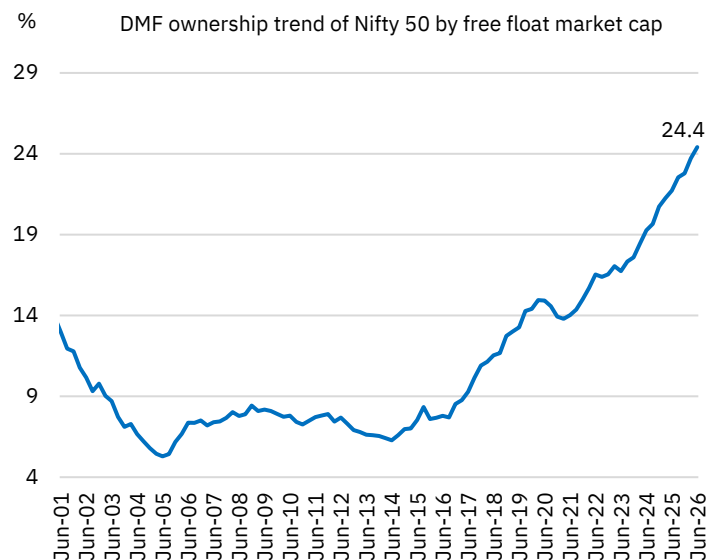
Our long-term ownership analysis on the free float market cap of the Nifty 50 Index also shows that while DMF ownership is currently at the highest ever level of 24.4%, while FPI ownership is ~16.3pp lower than the peak share of 51.8% observed in December 2014.

Figure 50: 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 51: DMF 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 52: FPI ownership trend of the Nifty 50 universe by free float market cap

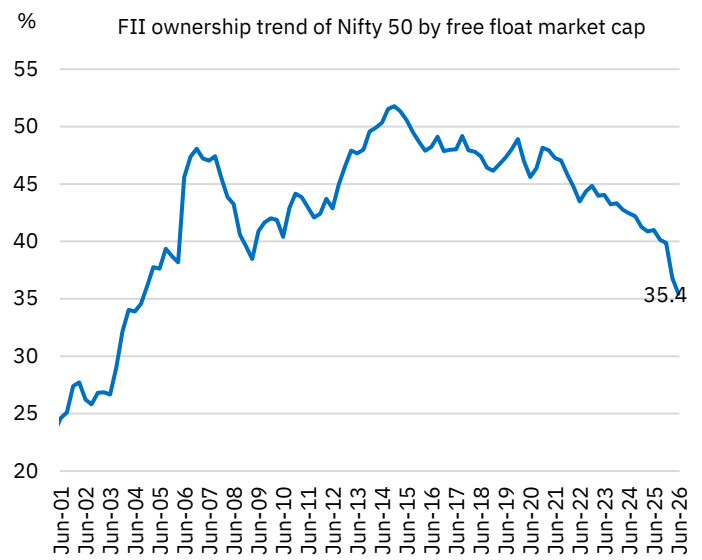
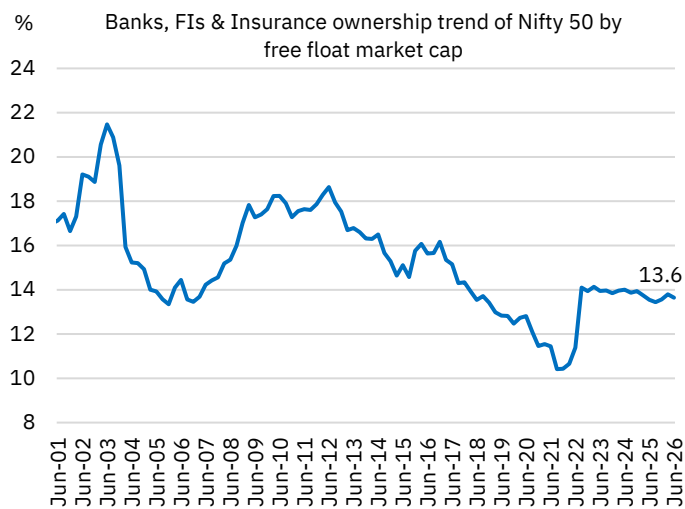
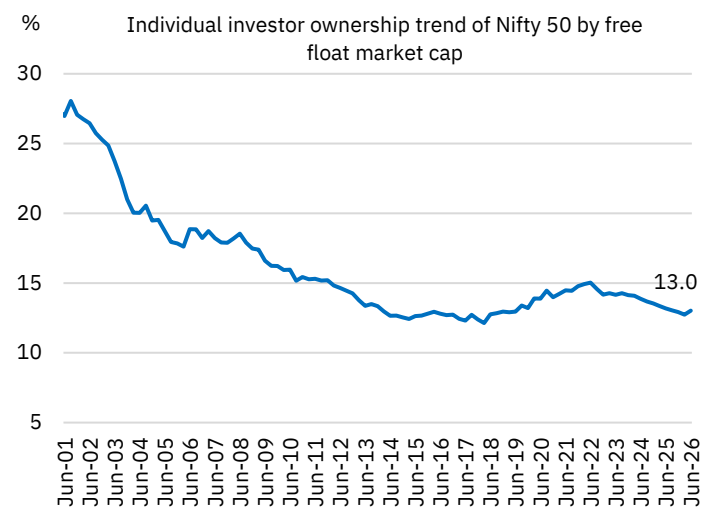


Figure 53: Banks, FIs & Insurance ownership trend of the Nifty 50 universe by free float market cap



Source: CMIE Prowess, NSE EPR.

Figure 54: Individual ownership trend of the Nifty 50 universe by free float market cap

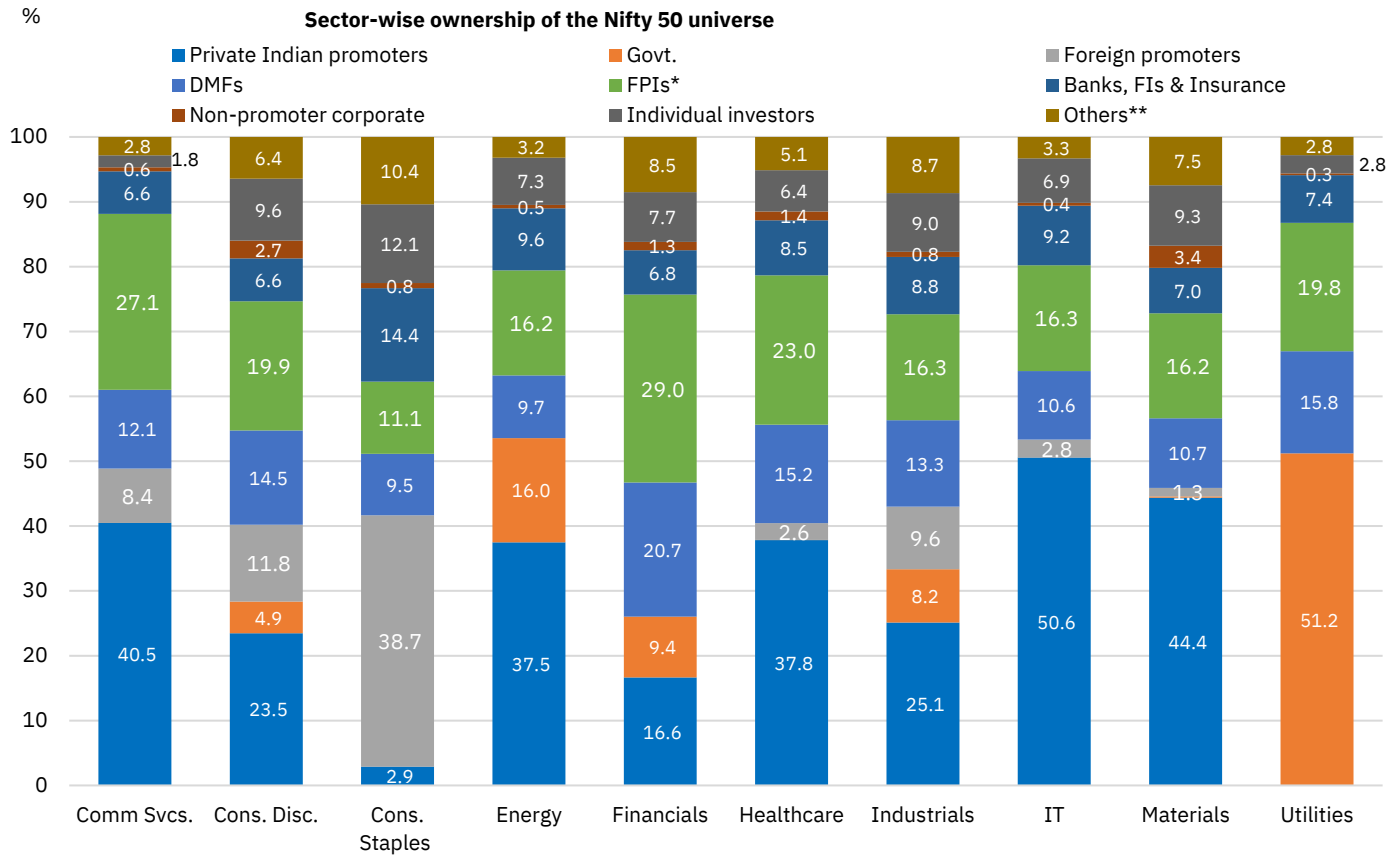


Sector-wise ownership of the Nifty 50 universe (June 2026): Ownership patterns across Nifty 50 sectors saw notable shifts in the June 2026 quarter. Information Technology continued to have the highest promoter share at 53.3%, up 25bps QoQ, followed by Energy at 52.2% and Utilities at 51.2%. Barring Energy and Healthcare, promoter ownership across sectors either increased or remained broadly stable. The sharpest increase was in Industrials, where promoter share rose by 2.5pp QoQ to a 14-quarter high of 42.9%, moving the sector up two places to sixth in terms of promoter ownership. Consumer Staples followed, with promoter share rising by 105bps QoQ to a four-year high of 41.6%.

DMFs continued to have their highest sectoral ownership in Financials for the 10th consecutive quarter, supported by sustained inflows and partly aided by the sector's relative outperformance. DMF ownership in Financials rose to a record 20.7% of the sector's Nifty 50 market capitalisation, narrowing the gap with FPI ownership to 8.3pp—the lowest since the beginning of our analysis. Healthcare, Consumer Discretionary and Energy also saw DMF ownership rise to fresh highs during the quarter. In contrast, DMF share declined in Information Technology, Materials, Industrials and Utilities, while remaining broadly stable in Communication Services and Consumer Staples.

FPI positioning, by contrast, reflected broad-based de-risking. FPI ownership in Financials fell below 30% for the first time since 2004, declining by 1.2pp QoQ to a nearly 23-year low of 29.0%. Despite a cumulative decline of 11.5pp since December 2023, Financials remained the sector with the highest FPI ownership. Communication Services ranked second, with FPI share falling by 67bps QoQ to 27.1%, marking the second consecutive quarterly decline. Barring a modest increase in Materials, 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 the only exception, underscoring their continued importance in the ownership structure of India's large-cap universe.

Figure 55: Nifty 50: Sector-wise ownership pattern across key stakeholders (June 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 (June 2026): Sectoral allocations across Nifty 50 constituents as of June 2026 continued to show significant concentration across major shareholder categories, even as the quarter saw some realignment in portfolios.

Government holdings remained concentrated in Financials, Energy and Utilities, which together accounted for 81.8% of total Government ownership in the Nifty 50, down 1.4pp QoQ. Within this, allocation to Financials rose by 2.2pp QoQ to 35.5%, fully reversing the decline seen in the previous quarter, while Energy fell sharply by 3.1pp QoQ to a 17-year low of 25.2%. Government ownership in the Nifty 50 remains more concentrated than in the broader listed universe, where these three sectors account for 71.1% of total holdings.

Foreign promoter ownership remained heavily skewed towards consumption-oriented sectors. Consumer Staples and Consumer Discretionary together accounted for 66.8% of total foreign promoter holdings in the Nifty 50. Allocation to Consumer Discretionary rose by 51bps QoQ to 23.9%, while Consumer Staples declined by 1.6pp QoQ to 42.9%, partly reversing the increase seen in the previous quarter. Industrials also saw a sharp increase of 3.3pp QoQ to a more than 19-year high of 16.4%, while Communication Services declined by 69bps QoQ to 8.5%. Together, these four sectors accounted for 91.7% of foreign promoter holdings—the highest in 25 quarters. Within overall promoter holdings, Financials remained the largest sector for the fourth consecutive quarter at 18.7%

(+92bps QoQ), followed by Energy at 15.6% (-1.75pp QoQ) and Information Technology at 12.0% (-2.8pp QoQ; -11.6pp since September 2024).

Among domestic institutions, DMFs increased allocations to Financials, Industrials, Consumer Discretionary and Healthcare. Exposure to Financials rose for the third consecutive quarter by 2.1pp QoQ to a three-year high of 41.3%, while Industrials increased to a 10-year high of 9.0%. Consumer Discretionary also gained 77bps QoQ to 11.7%. These increases were funded largely by lower allocations to Information Technology, which fell by 2.4pp QoQ to a more than 18-year low of 6.6%, Energy (-98bps QoQ to a nine-year low of 8.0%) and Utilities (-54bps QoQ to 3.5%). DMF allocations to Communication Services, Consumer Staples and Materials also declined modestly.

FPIs similarly increased their allocation to Financials by 1.5pp QoQ to 39.9%, aided partly by the sector's relative outperformance, keeping it by far the largest component of FPI holdings within the Nifty 50. Industrials also saw a sizeable 1.3pp QoQ increase to 7.6%, while Materials and Consumer Discretionary rose by 41bps and 32bps QoQ to 7.6% and 11.0%, respectively. These increases came largely at the expense of Information Technology and Energy. FPI allocation to Information Technology fell by 1.9pp QoQ to 7.0%—the lowest since the beginning of our analysis in 2001—while Energy declined by 1.3pp QoQ to 9.2%.

Table 11: Sector allocation of the Nifty 50 universe for key stakeholders (June 2026)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	8.8	0.0	8.5	4.9	7.5	4.7	2.8	1.4
Consumer Discretionary	10.1	7.4	23.8	11.7	11.0	9.5	24.4	14.4
Consumer Staples	0.7	0.0	42.9	4.2	3.4	11.4	3.8	10.1
Energy	16.7	25.2	0.0	8.0	9.2	14.2	4.7	11.3
Financials	17.9	35.5	0.1	41.3	39.9	24.5	28.7	28.7
Health Care	6.6	0.0	2.1	5.0	5.2	5.0	4.9	3.9
Industrials	9.1	10.5	16.4	9.0	7.6	10.7	5.9	11.5
Information Technology	16.9	0.0	4.3	6.6	7.0	10.2	3.0	8.0
Materials	13.2	0.2	1.8	5.9	6.2	6.9	21.0	9.7
Utilities	0.0	21.2	0.0	3.4	3.0	2.9	0.7	1.1
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

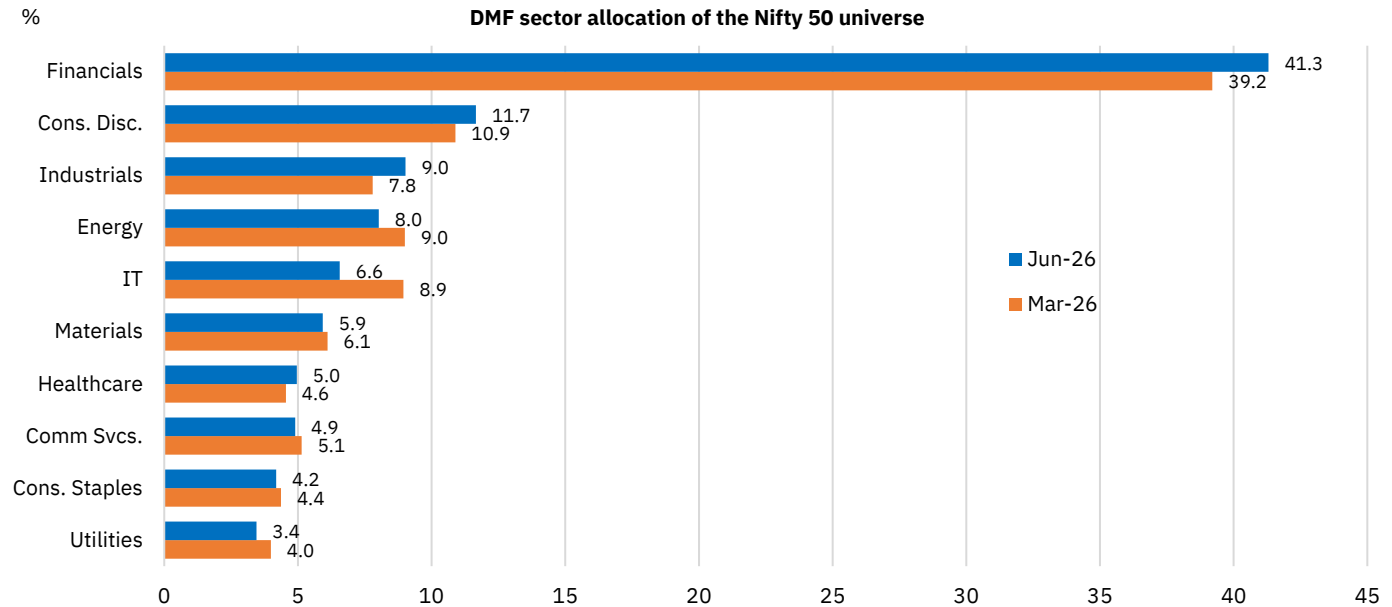
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

DMFs strengthened their overweight stance on Financials while remaining cautious on commodity-oriented sectors:

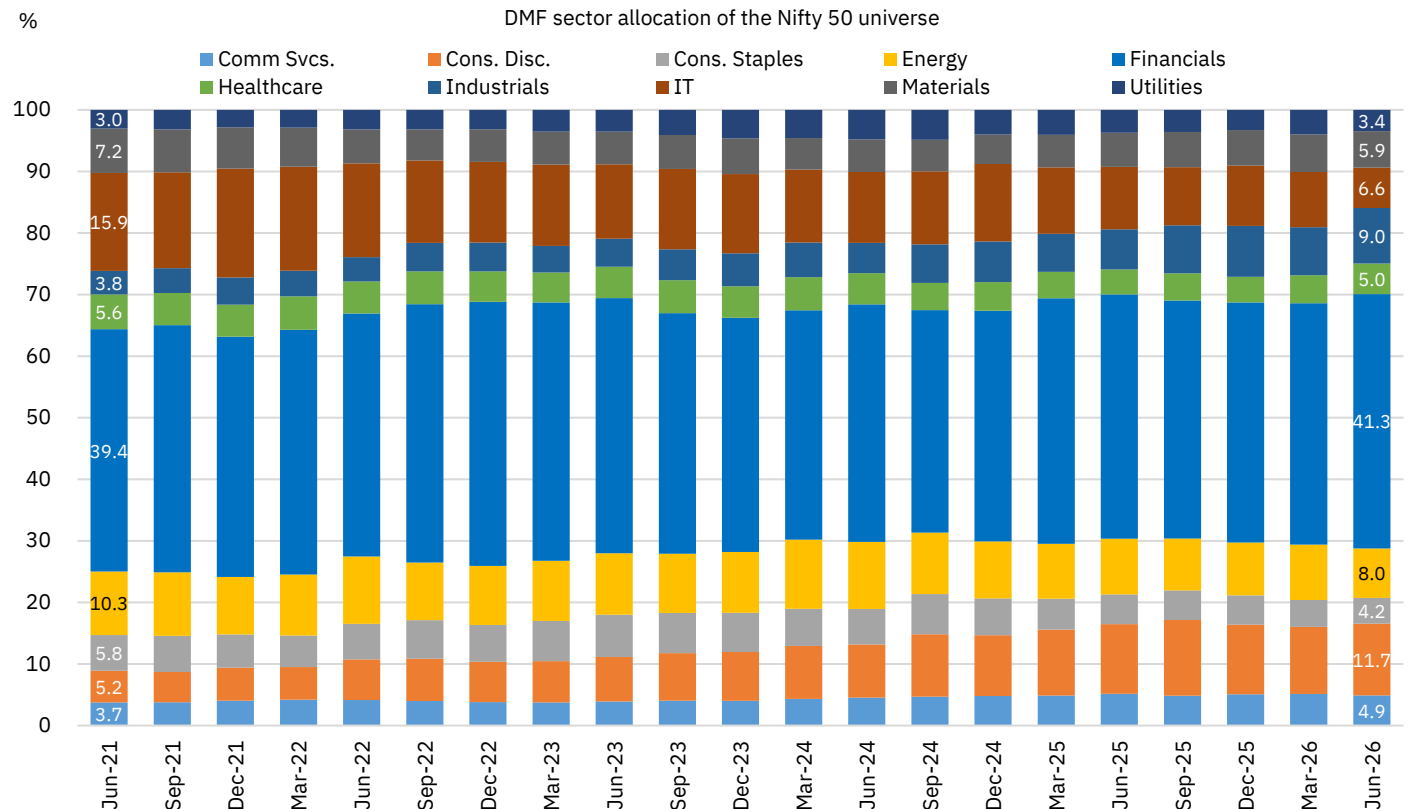
During the June 2026 quarter, DMFs further increased their overweight position in Financials, taking it to a 14-quarter high. This was accompanied by a reduction in exposure to Information Technology, where positioning turned mildly negative from broadly neutral levels.

DMFs also maintained a cautious stance on commodity-linked sectors. They turned underweight on Materials after remaining broadly neutral over the previous six quarters, while retaining an underweight position in Energy for the fifth consecutive quarter. Elsewhere, DMFs continued to remain underweight on Consumer Staples—a stance maintained for nearly 11 years—and broadly neutral on Consumer Discretionary, Communication Services, Healthcare, Industrials and Utilities.

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

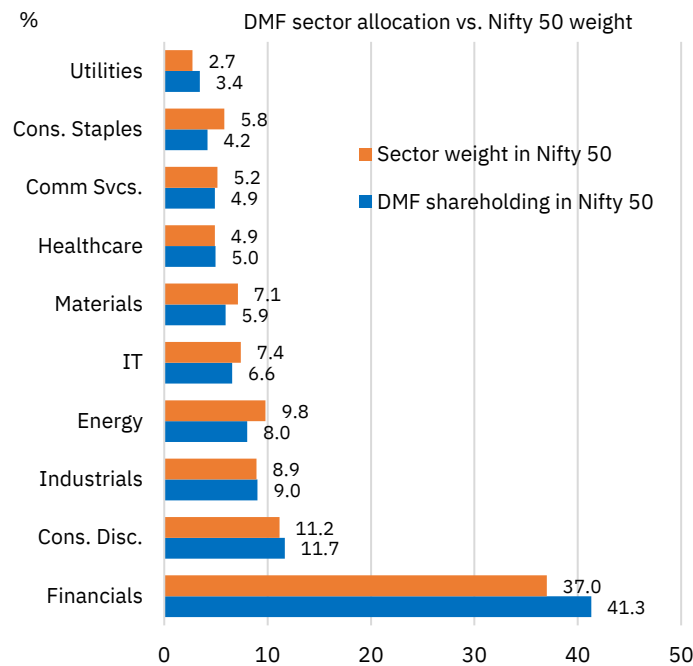
Figure 56: DMF sector allocation of the Nifty 50 universe (June 2026 vs. March 2026)


Source: CMIE Prowess, NSE EPR.

Figure 57: DMF sector allocation of the Nifty 50 universe over the last five years


Source: CMIE Prowess, NSE EPR.

Figure 58: DMF sector allocation vs sector weight in Nifty 50 (June 2026)



Source: CMIE Prowess, NSE EPR.

Figure 59: DMF sector-wise OW/UW in Nifty 50 relative to sector weight in the index (June 2026)

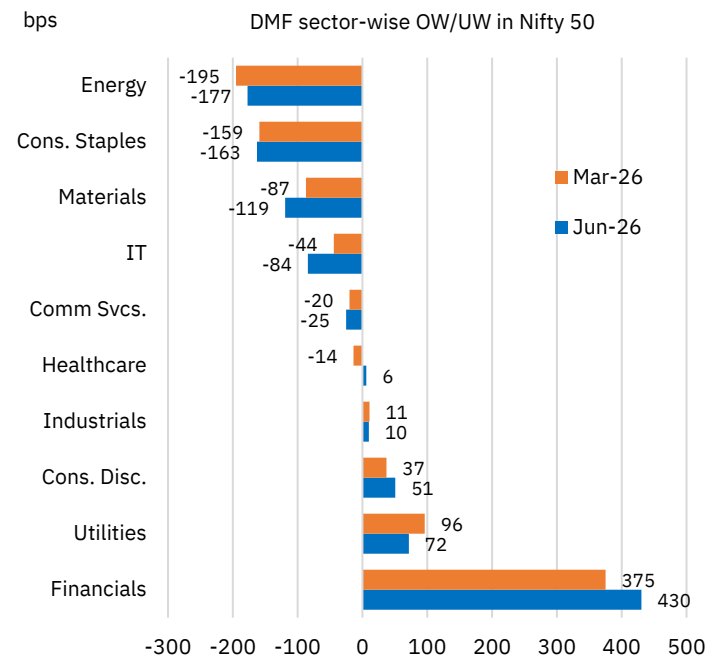
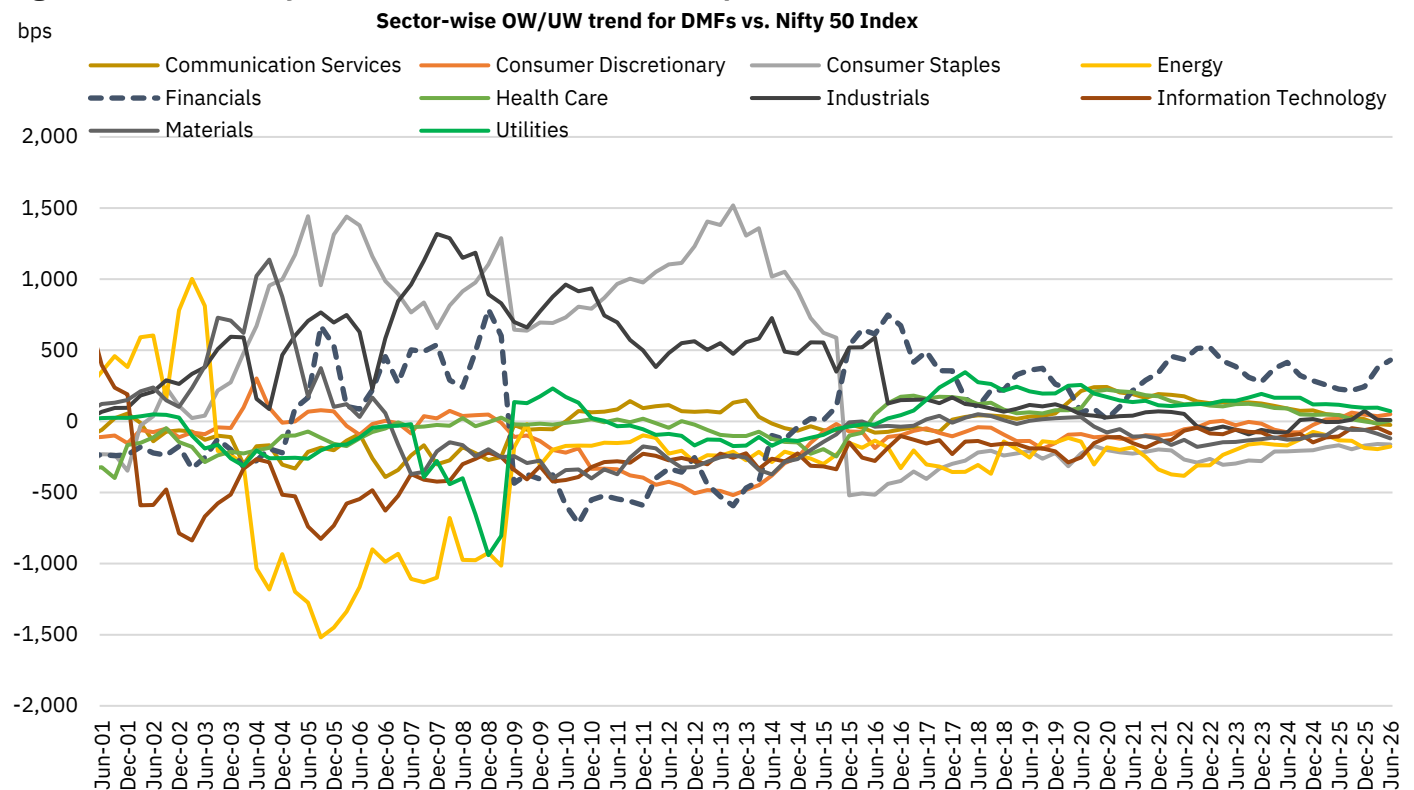


Figure 60: DMF vs Nifty 50—Sector-wise OW/UW trend (bps)



Source: CMIE Prowess, NSE EPR.

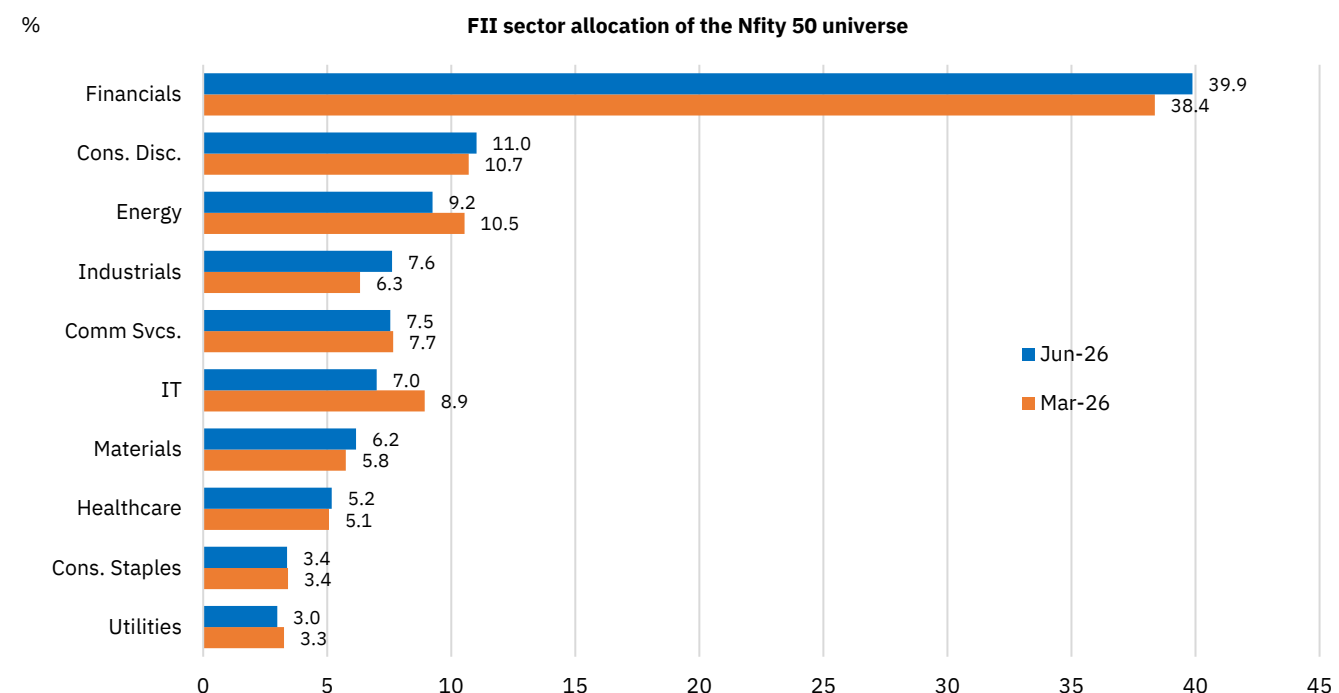
FPIs significantly trimmed their overweight in Financials in the last two quarters and remained negative on Consumer Staples and Industrials:

In the June 2026 quarter, FPIs broadly retained their existing sectoral positioning, with only modest changes across portfolios. They remained OW on Financials, although the extent of the OW narrowed further to the lowest level since the beginning of our analysis in 2001, notwithstanding the sector's relative outperformance during the quarter. FPIs also maintained an OW stance on Communication Services for the eighth consecutive quarter. These remained the only two sectors where FPIs were OW within the Nifty 50 universe.

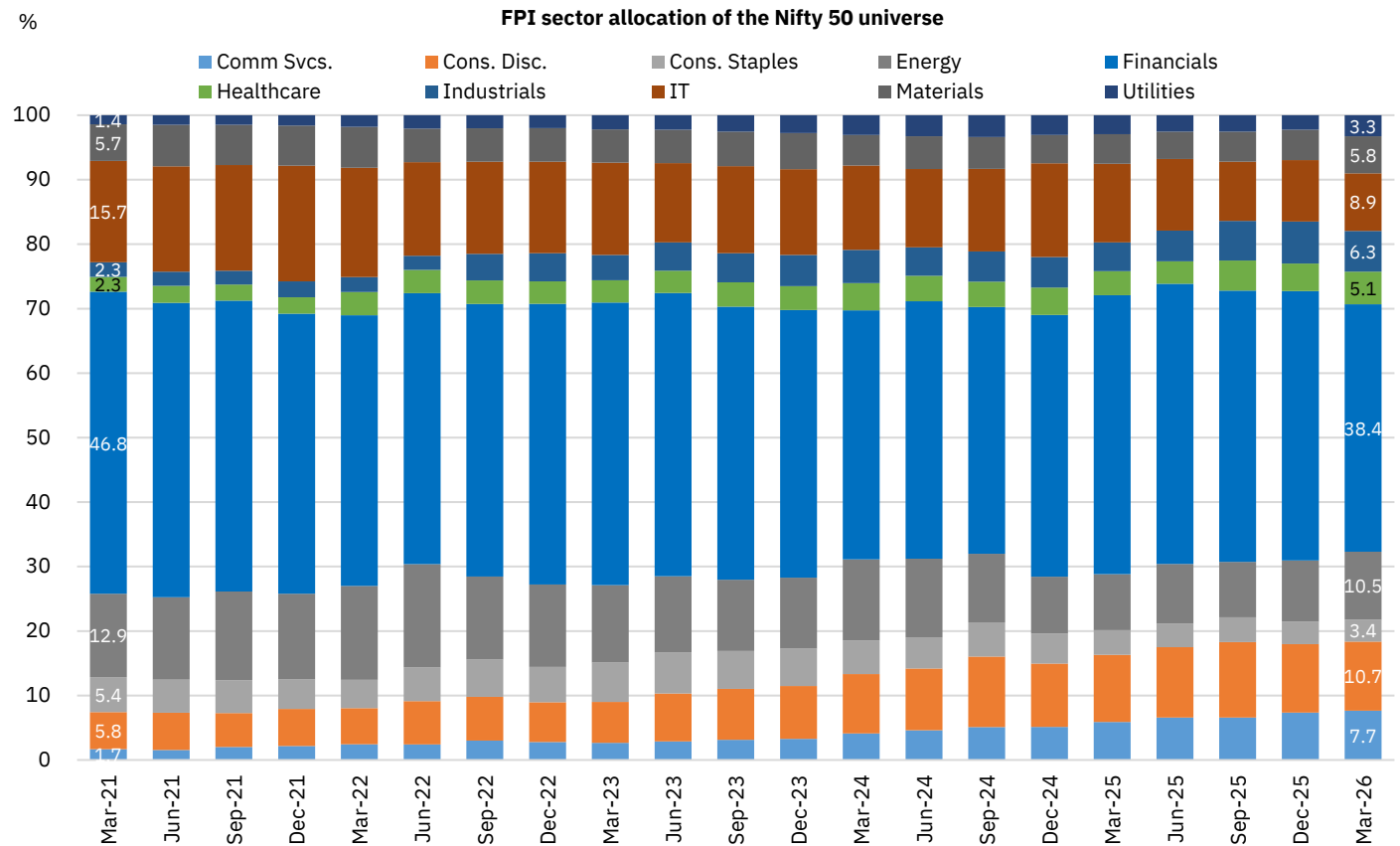
Among commodity-linked sectors, FPIs moved to a neutral stance on Materials after remaining UW for 43 consecutive quarters, while retaining a neutral position on Energy for the third quarter in a row. Elsewhere, they continued to remain UW on Consumer Staples and Industrials, while maintaining broadly neutral positioning in Consumer Discretionary, Healthcare, Information Technology and Utilities. Overall, FPI positioning remained concentrated around a preference for Financials and Communication Services, with a largely neutral-to-cautious stance across the rest of the Nifty 50 sectoral universe.

FPIs maintained their significantly trimmed OW position on Financials, retained an OW stance on Communication Services, remained negative on Consumer Staples and Industrials and neutral on others.

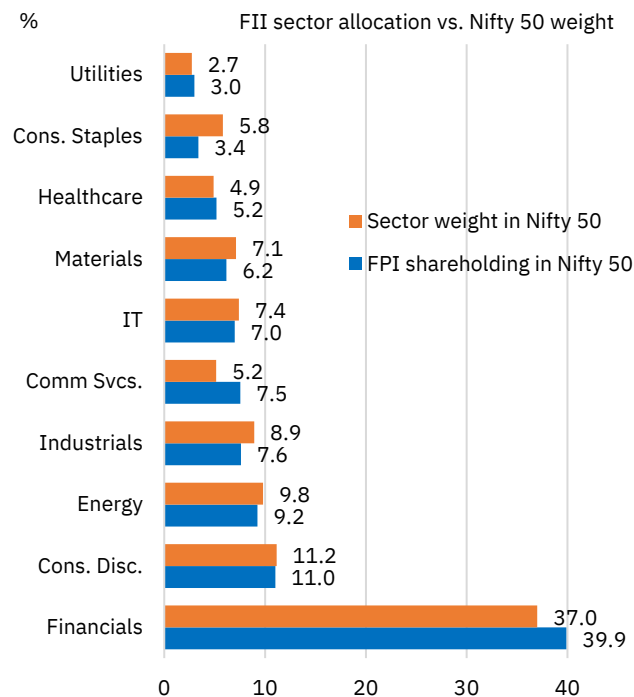
Figure 61: FPI sector allocation of the Nifty 50 universe (June 2026 vs. March 2026)



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

Figure 62: 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 63: FPI sector allocation vs sector weight in Nifty 50 (June 2026)


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

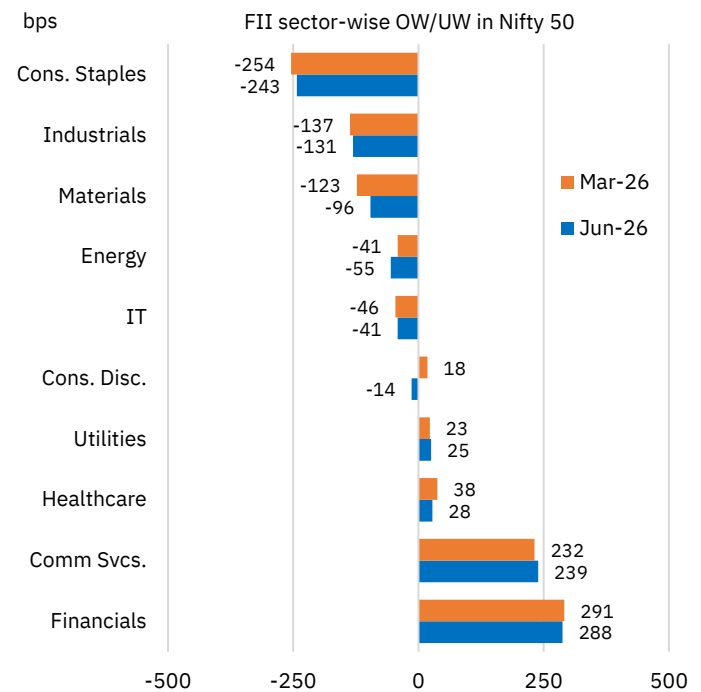
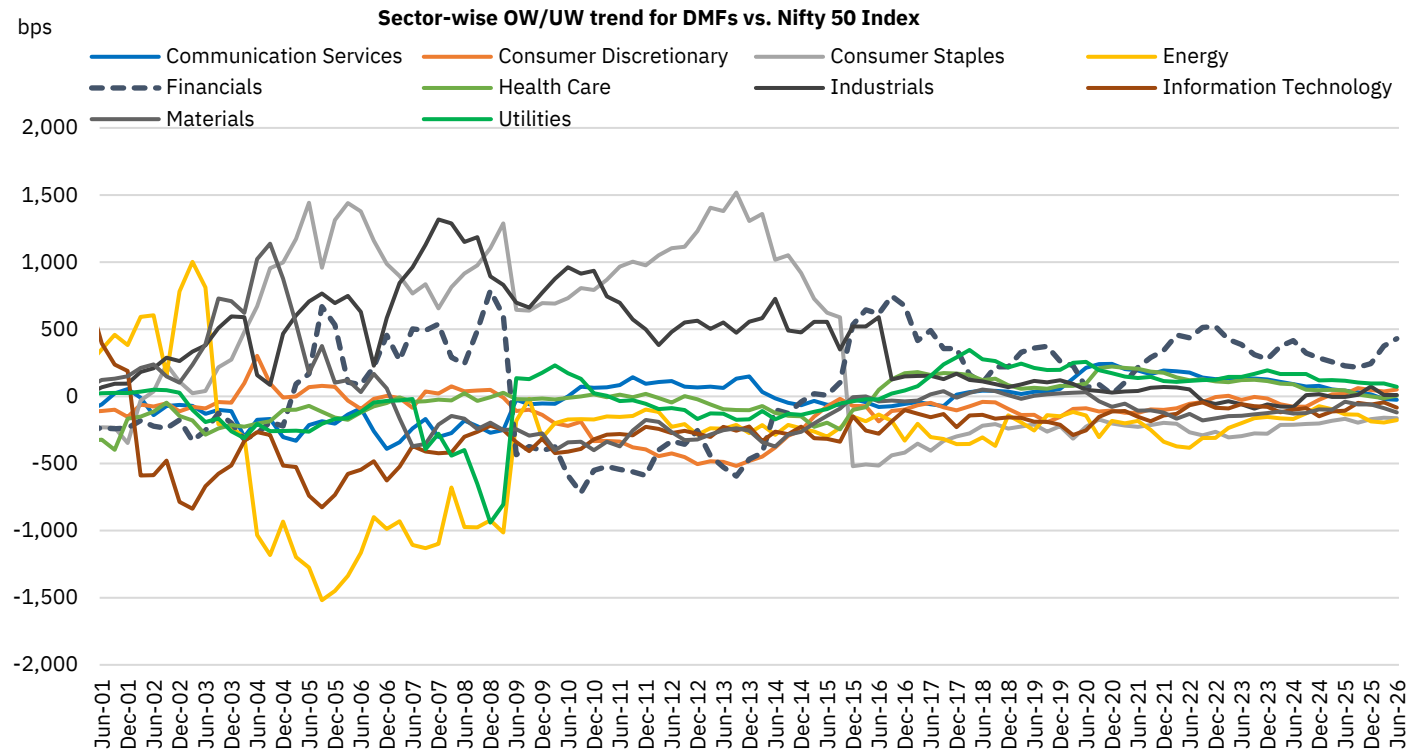
Figure 64: FPI sector-wise OW/UW in Nifty 50 relative to sector weight in the index (June 2026)


Figure 65: 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 (June 2026)

Promoter ownership in Nifty 500 rose for the second quarter in a row: Promoter ownership in the Nifty 500 universe increased for the second consecutive quarter to 49.5% in June'26, rising 19 bps QoQ, in contrast to the decline seen in promoter holdings in the Nifty 50. Although the promoter ownership has scaled a five-quarter high, this is the seventh consecutive quarter in which the level has been below the 50%-mark. The increase in private Indian promoter ownership (+28bps QoQ; 30.7%) and foreign promoter ownership (+29bps QoQ; 8.7%) has been partly offset by a fall in Government ownership to 10.7%, the lowest level in the last five months. *In value terms*, total promoter ownership rose by 12.9% QoQ led by a broad-based expansion across promoter sub-categories led by foreign promoters which registered a growth of 16.3% QoQ followed by private Indian promoters 13.5% QoQ. Within the private Indian promoter ownership, individual promoters accounted for 5.4%, while non-individual promoter entities held the remaining 25.3%.

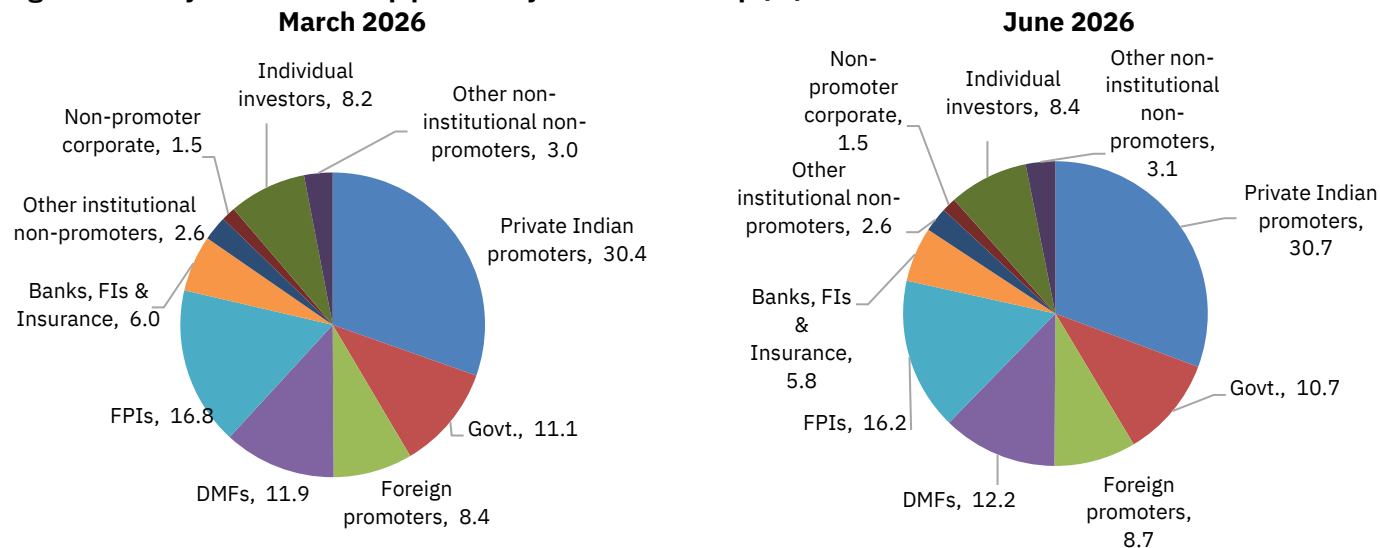
DMF ownership share scaled a fresh record high...: For the 10th consecutive quarter, DMF ownership scaled a record high and stood at 12.2% in June 2026. In value terms, DMF ownership grew by 15.1% QoQ and 11.4% YoY primarily on account of mark-to-market gains coupled with sustained equity flows of Rs 90k crore during the quarter. Amid lingering uncertainty surrounding the West Asia crisis and heightened market volatility, net investments by DMFs remained robust at Rs 1.4 lakh crore (~US\$ 15 bn), providing a key cushion against prevailing market weakness. DMF ownership in the Nifty 500 is lower than the Nifty50 (14.6%) 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 fell for the second consecutive quarter to 16.2%, recording its lowest level since June 2009 amidst record quarterly outflow of US\$ 15.1 bn. The fall in FPI ownership of 66bps QoQ during the quarter reflected heightened global risk aversion amid the West Asia crisis, which led to a surge in crude oil prices and renewed concerns around inflation and external-sector vulnerabilities. Elevated global bond yields, a stronger US dollar and consequent pressure on the rupee have further weighed on foreign investor sentiment. These global headwinds coupled with subdued corporate earnings visibility prompted FPIs to pare their exposure. The continued rise in DMF ownership share, alongside the decline in FPI ownership share, has further widened the gap between DII and FPI ownership, with the former rising to near-record levels. This marks the sixth consecutive quarter in which DII ownership has exceeded that of FPIs—a sharp reversal from the pre-pandemic period (December 2019), when FPI ownership was 9.1 pp higher than that of DIIs. The FPI ownership in the Nifty 500 universe is lower than the Nifty 50 space of 21.1% but significantly higher than the all-listed space ex. Nifty 500 (5.8%).

Individual investors' ownership inched up marginally in June quarter: Individual investor ownership rose by 20bps to 8.4% in June driven by quarterly inflows of Rs 42,744 crore alongside mark-to-market gains. In value terms, ownership has grown by 15.2% QoQ but declined marginally by 1.6% YoY from the same period last year. Since September 2022, the individual ownership share has remained in a narrow range of 8.2%

and 8.8%. Individual investors' share in Nifty500 has been higher than Nifty50 (7.8%) but lower than the all-listed space ex. Nifty 500 (18.5%).

Figure 66: Nifty 500: Ownership pattern by total market cap (%)



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

Table 12: 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
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
Jun-26	128.6	44.9	36.4	51.1	24.3	67.7	6.3	35.4	24.2	418.9
% QoQ	13.5%	8.8%	16.3%	15.1%	9.3%	8.1%	13.5%	15.2%	15.1%	12.5%

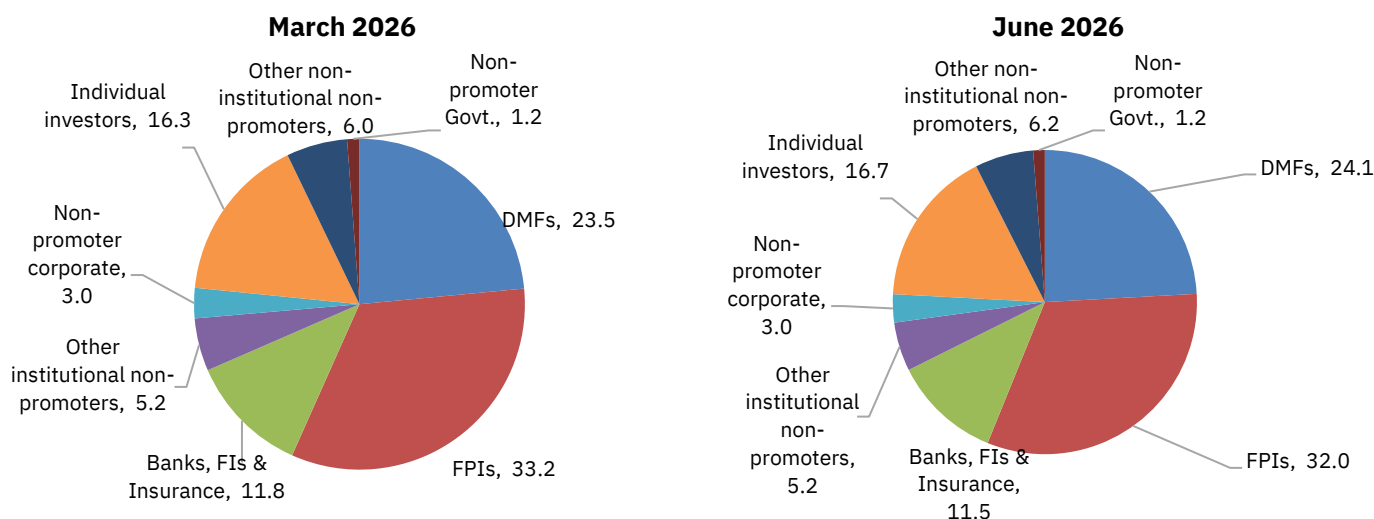
Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters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

Table 13: 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**
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
Jun-26	30.7	10.7	8.7	12.2	5.8	16.2	1.5	8.4	5.8
QoQ change	28bps	-37bps	29bps	28bps	-17bps	-66bps	1bps	20bps	13bps

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, DMF share rose by 64bps to its highest level of 24.1% in June 2026. This is the 12th consecutive quarter in which the DMF ownership share rose and had scaled a record high. Conversely, the FPI ownership fell to its lowest level since March 2005 at 32%, further widening the gap with DII ownership to 8.8 pp. This marks a sharp reversal from the pre-COVID period, when FPI ownership in the floating stock exceeded that of DIIs by nearly 18pp in December 2019. Although, individual ownership in floating stock inched up by 45bps QoQ to 16.7% as of June 2026, the share has declined from 18.1% three years ago.

Figure 67: 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 14: 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**
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
Jun-26	24.1	11.5	32.0	3.0	16.7	12.7
QoQ change	64bps	-29bps	-118bps	4bps	45bps	34bps

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 seven 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 ownership has remained broadly stable in the 8-9% range. Private Indian promoter shareholding has been falling gradually 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 years, though it has remained in double digits for 12th 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 share (+32bps).

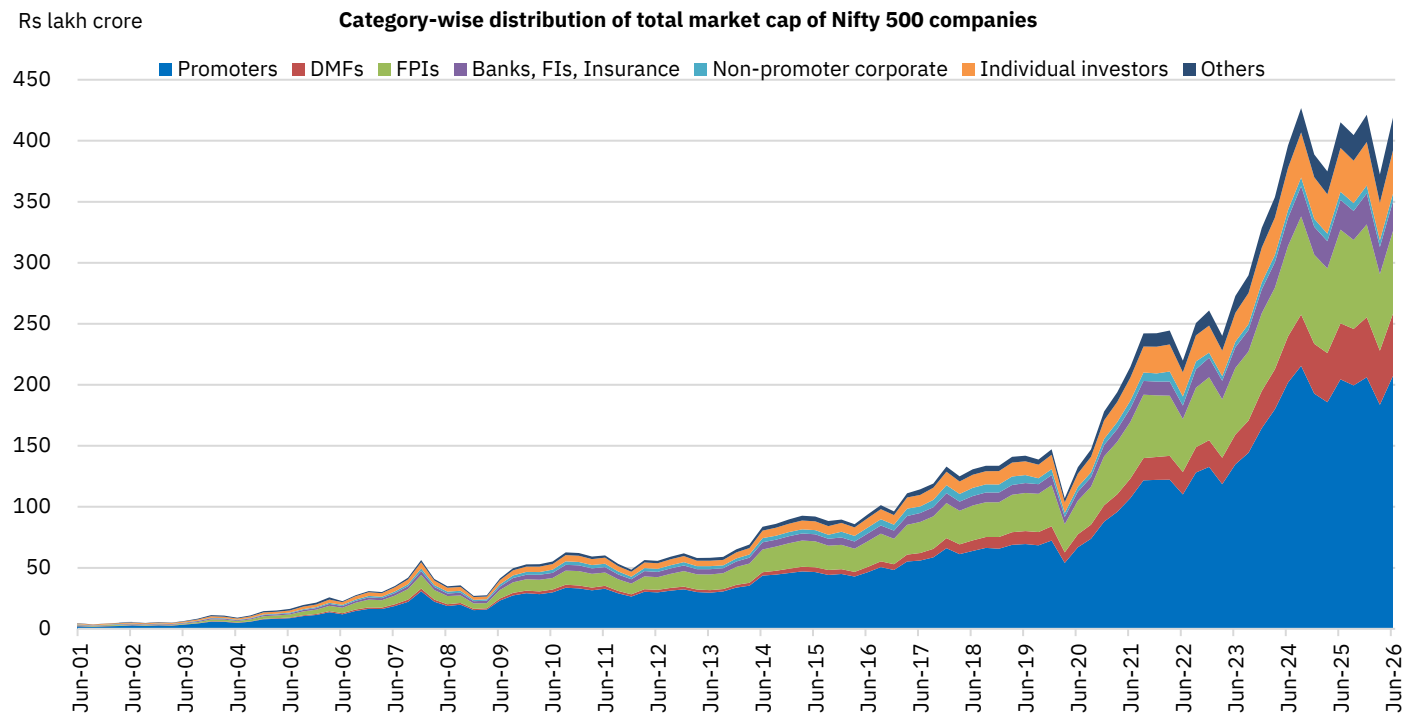
DMF ownership in the Nifty 500 Index saw a gradual increase beginning 2014, barring a temporary decline in the COVID year, to reach record levels, aided by strong SIP inflows. FPI ownership in the Nifty 500 universe improved meaningfully post the GFC until 2015 but has since hovered between 21-23% band 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 (ended June 2026), the DMF ownership has increased by 4.8pp, helping cushion the impact of FPI outflows, even as FPI ownership declined by 5.5pp during the same period. Banks, financial institutions, and insurance have been steadily reducing their exposure to Indian equities over the last decade until 2021 only to see a meaningful spike

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 to record low levels currently.

Individual ownership has oscillated in a narrow range of 8.2%-8.8% during the previous three years.

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

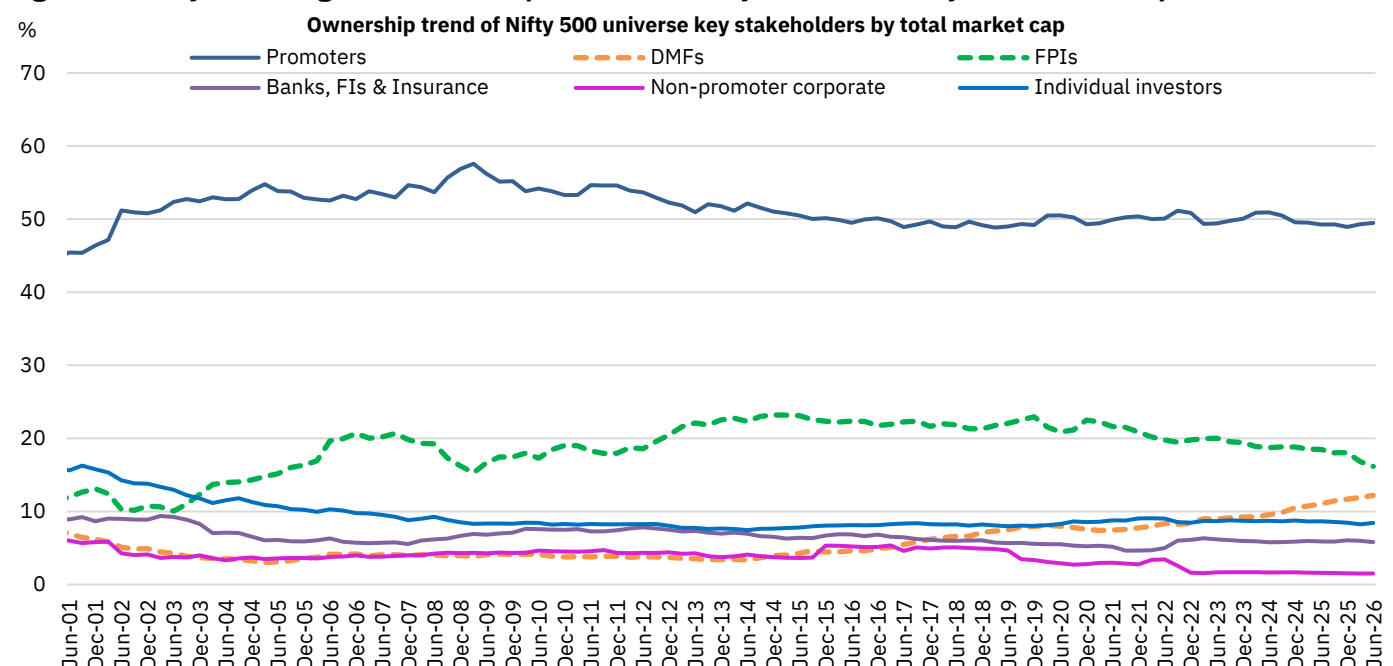


Source: CMIE Prowess, NSE EPR.

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

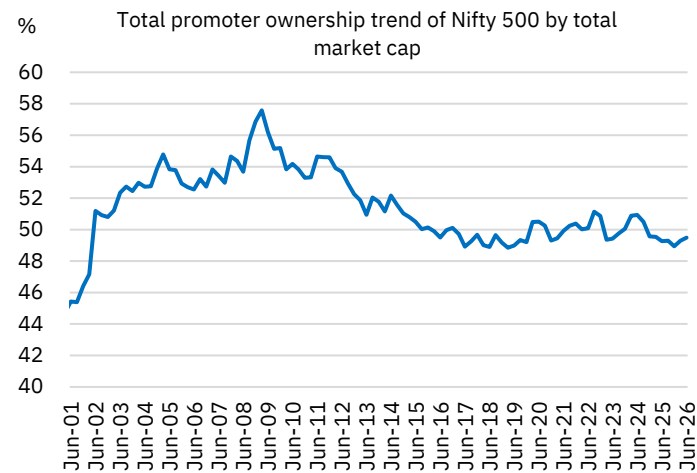
2. Only includes companies where shareholding data is available as of the end of every quarter.

Figure 69: 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 70: Total promoter ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 71: Indian and foreign promoter ownership trend of the Nifty 500 universe by total market cap

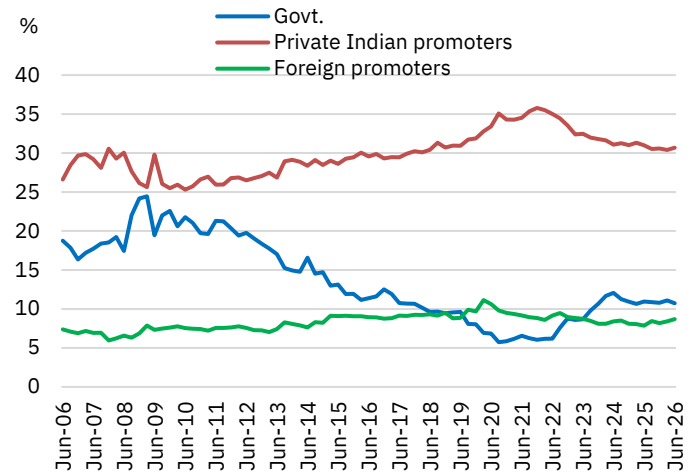
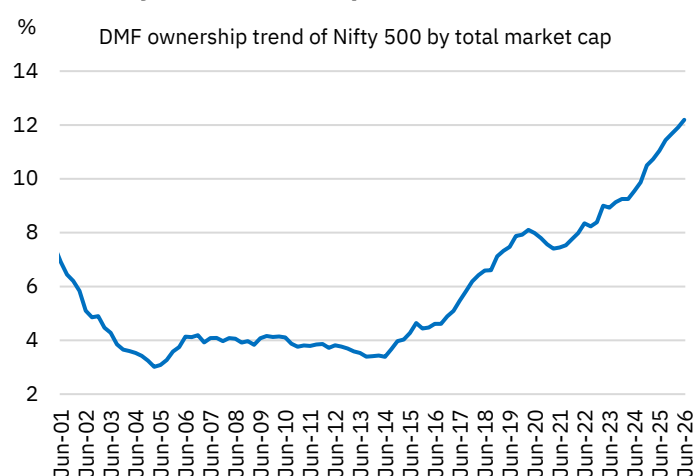


Figure 72: DMF ownership trend of the Nifty 500 universe by total market cap



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

Figure 73: FPI ownership trend of the Nifty 500 universe by total market cap

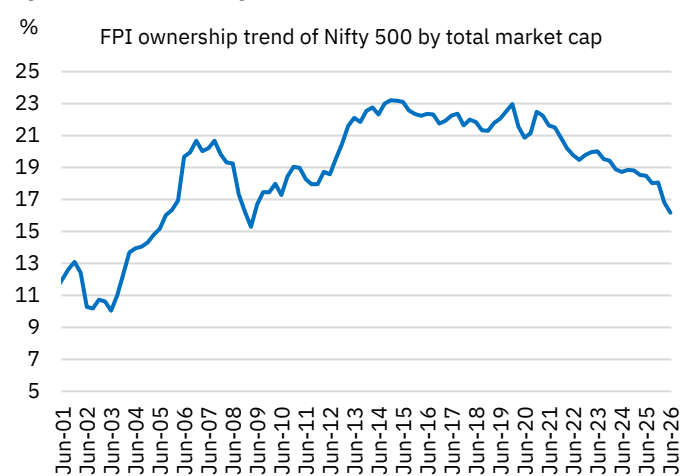
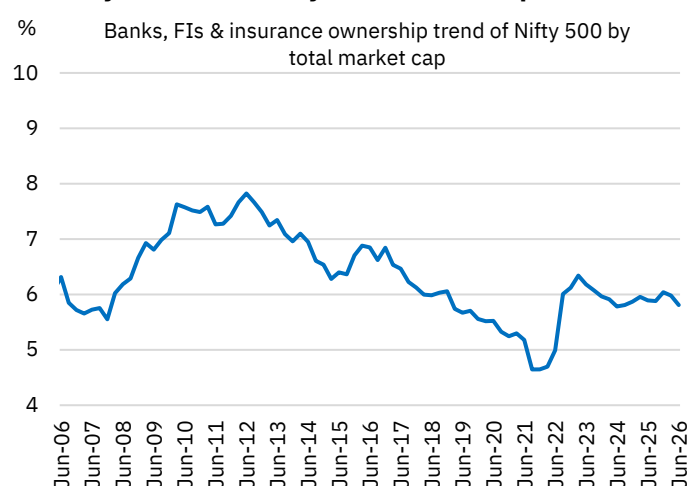


Figure 74: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 75: Individual ownership trend of the Nifty 500 universe by total market cap

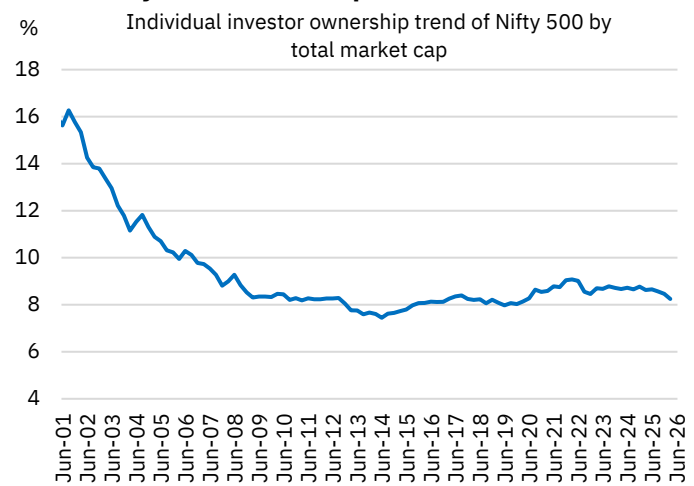


Figure 76: Nifty 500: Long-term ownership trend across key stakeholders by free float market cap

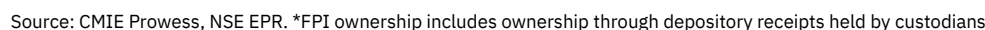
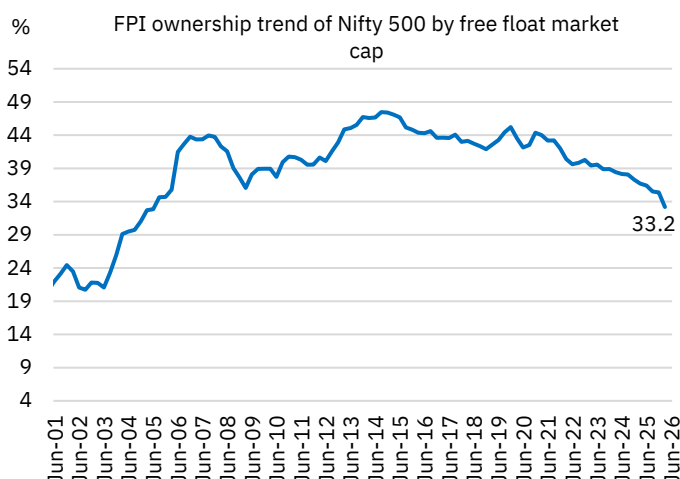
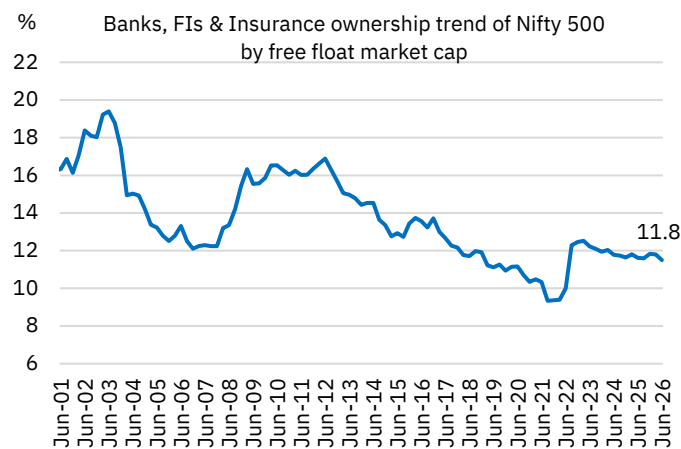


Figure 78: FPI ownership trend of the Nifty 500 universe by free float market cap



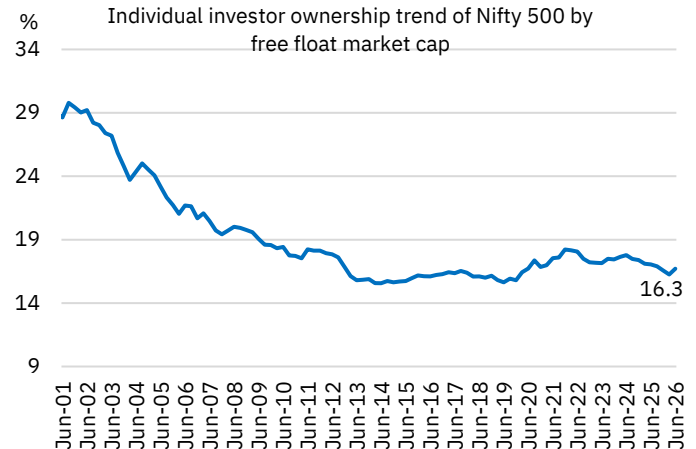
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

Figure 79: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by free float market cap



Source: CMIE Prowess, NSE EPR.

Figure 80: 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 (June 2026):

In addition to market-level trends, sectoral ownership patterns reveal meaningful variation across investor categories. Real Estate has the highest promoter share at 63.5%, followed by Utilities (62.2%) and Materials (54.8%) implying relatively lower free-float availability. Communication Services, Consumer Discretionary, Financials and Healthcare have promoter ownership below the 50% mark.

Promoter ownership in the Communication Services sector has declined structurally over time, falling from average levels of over 60% during the 2010s and around 55% in December 2022 to below 50% over the last four consecutive quarters, reaching its lowest level of 47.6% in June. Healthcare also recorded its fourth consecutive quarter with promoter ownership below 50%, while Financials continued to have the lowest promoter ownership across GICS sectors at 41.8%. In contrast, promoter ownership in the Utilities sector rose to a 14-quarter high of 62.2% in June'26, up 1.3pp QoQ/2.2pp YoY. Consumer Staples also recorded a notable rise, with promoter ownership increasing 67 bps QoQ and 2.3pp YoY to 52.1%.

Government ownership (including both promoter and non-promoter holdings) remains concentrated in Energy (21.8%), Utilities (21.5%), Financials (18.6%) and Industrials (13.2%). In contrast, Government presence remains minimal in Real Estate, Healthcare, Consumer Staples, and Information Technology, each at below 1%. In the quarter ended June'26, the Government ownership in Communication Services has sharply increased by 1.7pp to 4.9%, the highest level since September 2006.

DMF ownership across sectors has also scaled multi-year highs. Six of the eleven GICS sectors—Communication Services, Consumer Discretionary, Consumer Staples, Financials, Healthcare and Materials—recorded DMF ownership at record-high levels, underscoring sustained domestic inflows and increasingly diversified sectoral positioning.

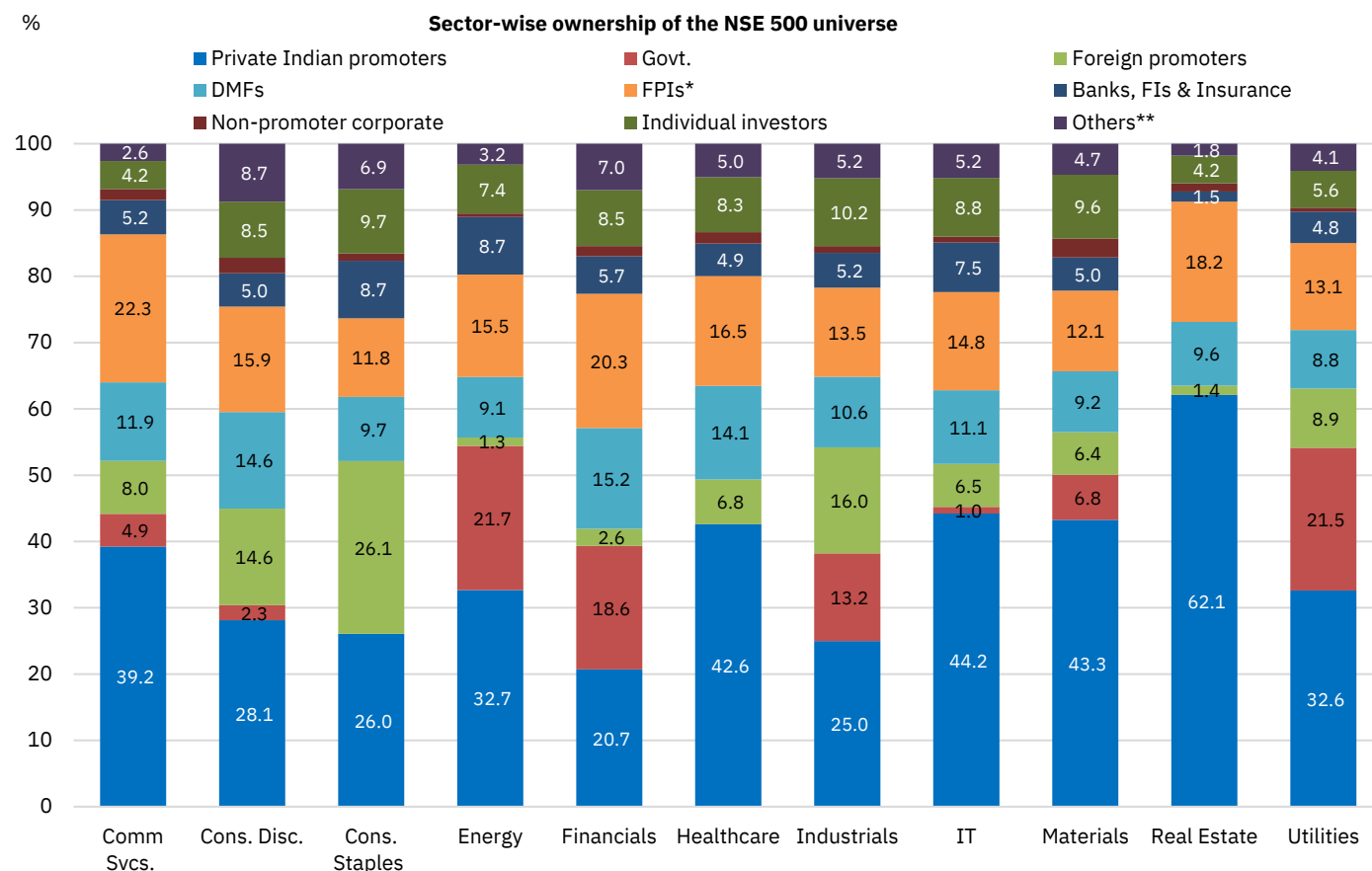
Financials remain a core component of DMF portfolios, supported by stable credit growth, improving asset quality and healthy profitability. Amid heightened macroeconomic uncertainty, Healthcare and Consumer Staples have attracted higher allocations as defensive plays, while Materials has benefited from the ongoing domestic capex cycle.

DMFs' share within the sectoral market capitalisation 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.

Consumer Discretionary has the second-highest DMF ownership share at 14.6%, reflecting continued investor preference for long-term consumption and premiumisation themes. Communication Services has also gained traction, supported by pricing discipline and the sector's growing role in digital infrastructure. Meanwhile, DMF ownership in Real Estate has risen by ~3pp YoY to 9.4%, reflecting the sector's transition towards a more formalised ecosystem alongside stronger residential and commercial demand.

FPI ownership declined across all GICS sectors in the quarter ended June'26, with the sharpest sequential declines seen in Communication Services and Consumer Discretionary. Despite the decline, Communication Services continued to have the highest FPI ownership at 22.3%, followed by Financials at 20.3%. Notably, FPI ownership in Financials fell to its lowest level since December 2003, even as DMF ownership in the sector scaled a record high, underscoring the growing divergence. FPI ownership in several other sectors also fell to more than two-decade lows, including Consumer Staples (11.9%), Consumer Discretionary (15.9%) and Information Technology (14.8%). The broad-based moderation in FPI ownership during the quarter was accompanied by sizeable portfolio outflows amid heightened geopolitical uncertainty surrounding the West Asia crisis and associated concerns over crude oil prices, alongside elevated global yields and pressure on the rupee.

Figure 81: Nifty 500: Sector-wise ownership pattern across key stakeholders (June 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 (June 2026): The table below shows sector-wise allocation across key stakeholder groups in Nifty 500

companies as of June 2026. Private Indian promoter holdings remained concentrated in Financials (17.9%), Materials (14.2%), Industrials (11.2%) and Consumer Discretionary (10.6%), which together accounted for nearly 54% of their Nifty 500 portfolio. The allocation to Financials and Consumer Discretionary has increased modestly while Information Technology and Energy has witnessed a notable decline during the June quarter.

Government holdings (promoter and non-promoter) remained highly concentrated in Financials (46.1%), Industrials (17.0%), Energy (14.5%) and Utilities (11.0%), with these four sectors accounting for nearly 89% of the total portfolio. Exposure remained below 2% in several sectors, with no allocation to Consumer Staples, Healthcare and Real Estate. Foreign promoter holdings were relatively concentrated in Industrials (25.4%), Consumer Discretionary (19.5%), Consumer Staples (18.7%) and Financials (7.9%), which together accounted for 70% of their Nifty 500 holdings.

DMFs and FPIs display broadly similar sectoral positioning, but with some notable differences in their relative preferences. Financials remained the largest allocation for both investor groups, accounting for 33.1% of DMF portfolios and 33.3% of FPI portfolios in the Nifty 500 universe. Industrials also featured prominently for both, at 12.0% and 11.5%, respectively. Beyond these common exposures, DMFs were relatively more tilted towards Consumer Discretionary (13.9% vs. 11.4% for FPIs) and Healthcare (8.1% vs. 7.1%), underscoring a stronger domestic institutional exposure to consumption and defensive themes. In contrast, FPIs had relatively higher allocations to Communication Services (5.6% vs. 4.0% for DMFs) and Energy (6.8% vs. 5.3%), while allocations to Information Technology and Materials were broadly similar across the two investor groups. Overall, Financials, Consumer Discretionary and Industrials accounted for 59% of DMF holdings compared with around 56% for FPIs, indicating a somewhat greater concentration of domestic mutual fund portfolios in these sectors.

Table 15: Sector allocation of the Nifty 500 universe for key stakeholders (June 2026)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, & Insurance	Non-promoter corporate	Individual Investors
Communication Services	5.2	1.9	3.7	4.0	5.6	3.6	4.5	2.0
Consumer Discretionary	10.6	2.4	19.5	13.9	11.4	10.1	17.9	11.6
Consumer Staples	5.3	0.0	18.7	4.9	4.6	9.3	4.5	7.2
Energy	7.6	14.5	1.0	5.3	6.8	10.7	2.5	6.2
Financials	17.9	46.1	7.9	33.1	33.3	25.8	27.0	26.6
Health Care	9.6	0.0	5.4	8.1	7.1	5.9	7.9	6.8
Industrials	11.2	17.0	25.4	12.0	11.5	12.5	9.4	16.7
Information Technology	9.6	0.6	5.0	6.1	6.1	8.6	4.0	7.0
Materials	14.2	6.4	7.5	7.6	7.6	8.7	19.1	11.5
Real Estate	2.7	0.0	0.2	1.1	1.5	0.4	1.1	0.7
Utilities	5.8	11.0	5.7	4.0	4.5	4.5	2.2	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:

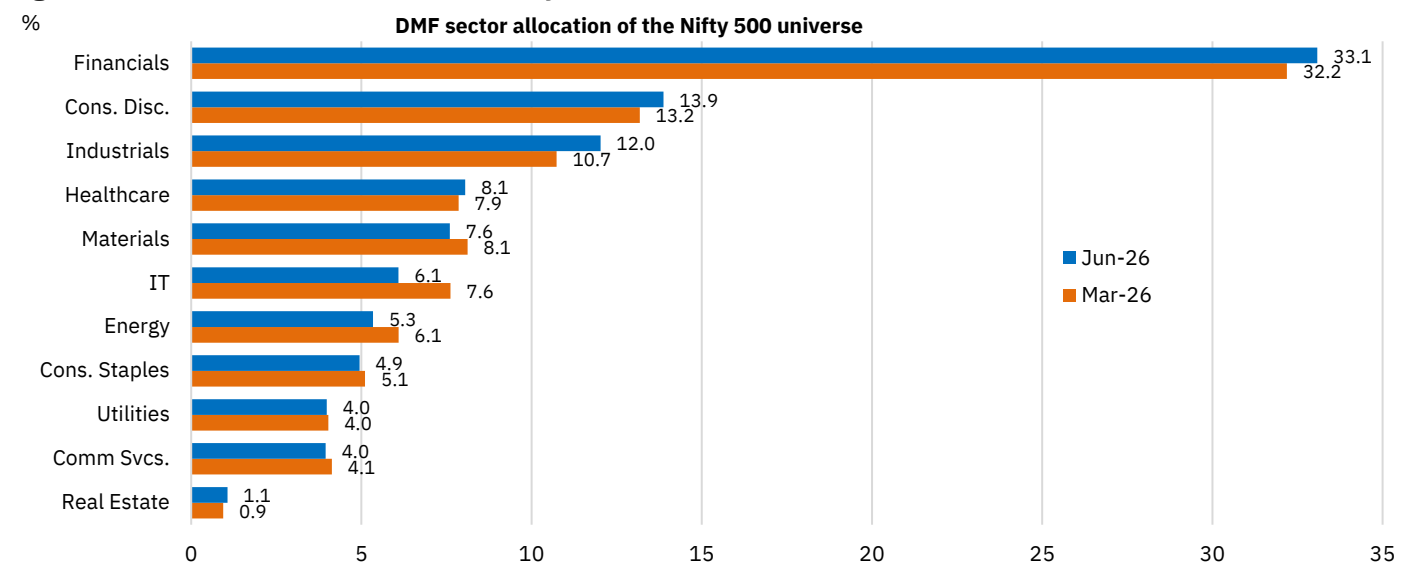
For the quarter ended June 2026, DMFs remained OW on Consumer Discretionary and Financials. Consumer Discretionary retained its OW position for the 19th consecutive quarter, reflecting sustained conviction in India's structural consumption story, supported by rising incomes, urbanisation, premiumisation and resilient discretionary demand. Financials remained OW for the second consecutive quarter, underpinned by healthy earnings visibility, stronger balance sheets, improved asset quality and sustained credit growth.

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

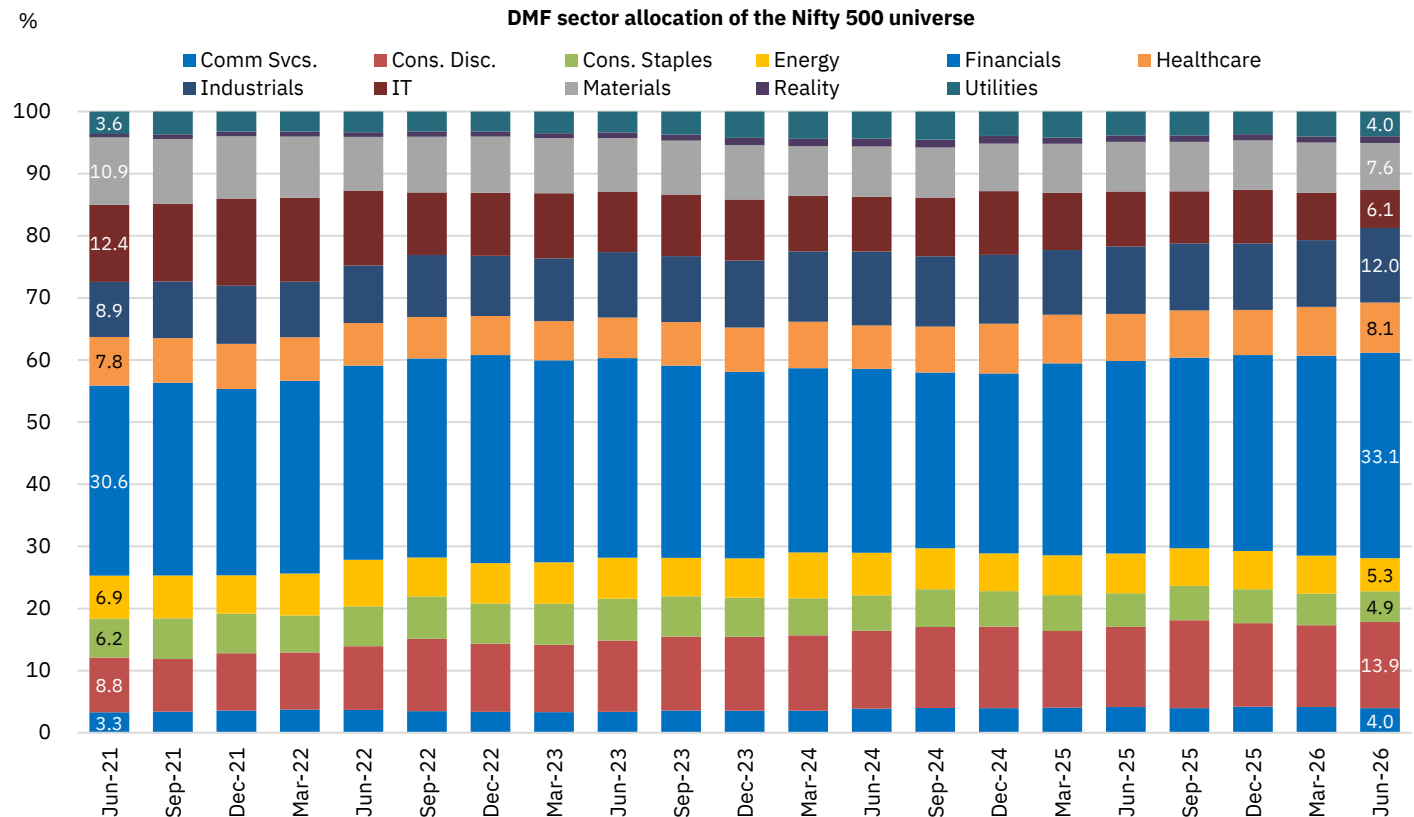
DMFs remained UW on Energy for the third consecutive quarter and on Materials for the second consecutive quarter. The UW stance in Energy may reflect longer-term transition risks, alongside a greater preference for domestic consumption and financial-sector themes. In Materials, the UW position likely reflects sensitivity to global commodity cycles.

Across most other sectors, DMFs maintained a broadly neutral stance. Within this, Healthcare retained a positive bias, supported by its defensive characteristics and relatively stable earnings outlook, while Consumer Staples, Industrials and Information Technology remained neutral with a negative bias.

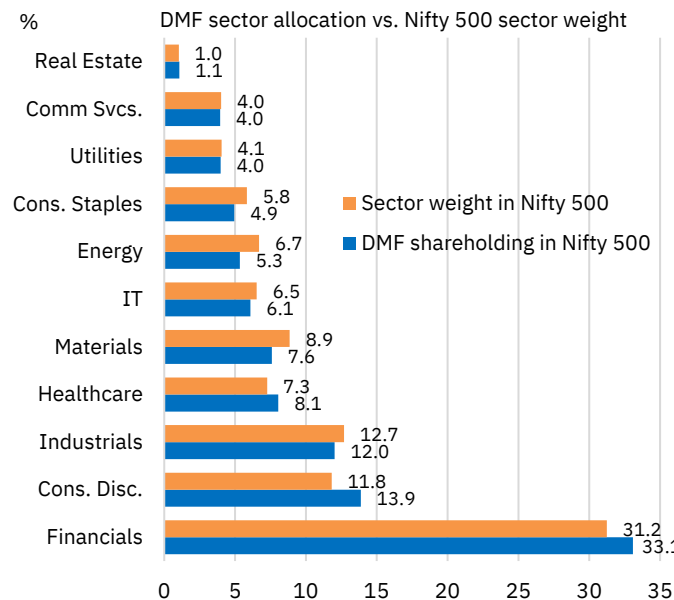
Figure 82: DMF sector allocation of the Nifty 500 universe (June 2026 vs. March 2026)



Source: CMIE Prowess, NSE EPR.

Figure 83: DMF sector allocation of the Nifty 500 universe over last five years


Source: CMIE Prowess, NSE EPR.

Figure 84: DMF sector allocation vs sector weight in Nifty 500 (June 2026)


Source: CMIE Prowess, NSE EPR.

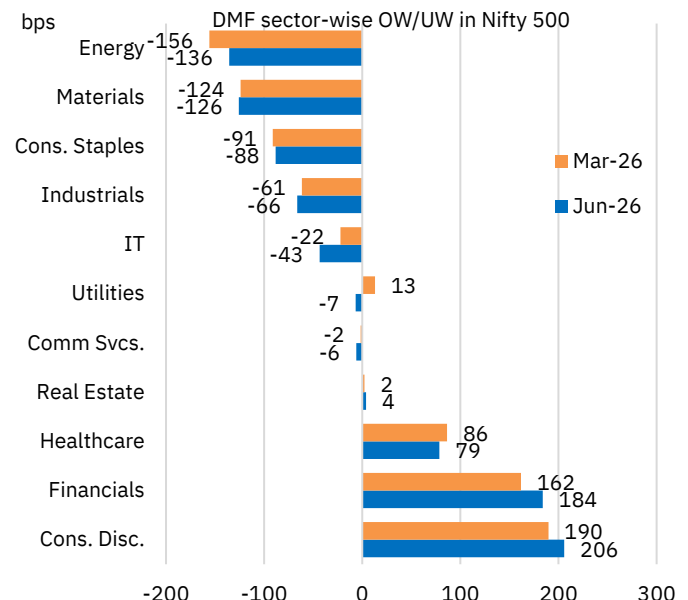
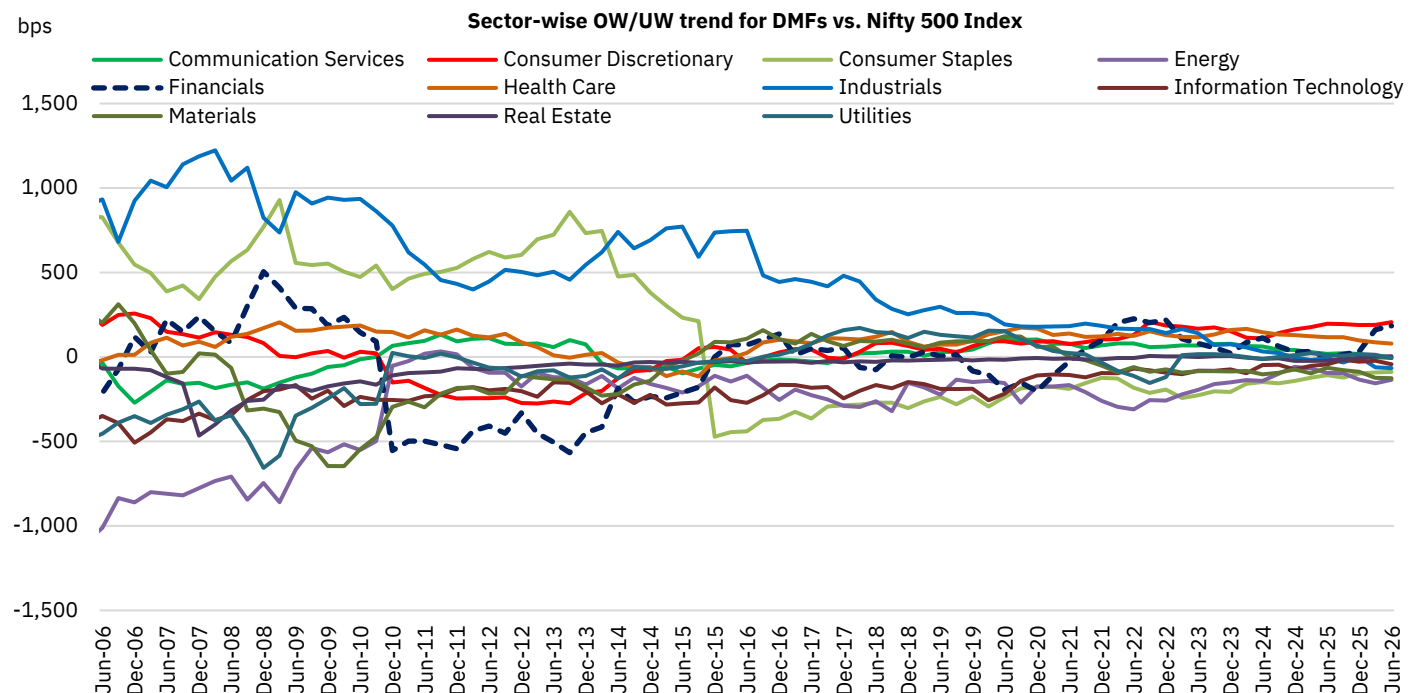
Figure 85: DMF sector-wise OW/UW in Nifty 500 relative to sector weight in the index (June 2026 vs March 2026)


Figure 86: DMF vs Nifty 500—Sector-wise OW/UW trend (bps)


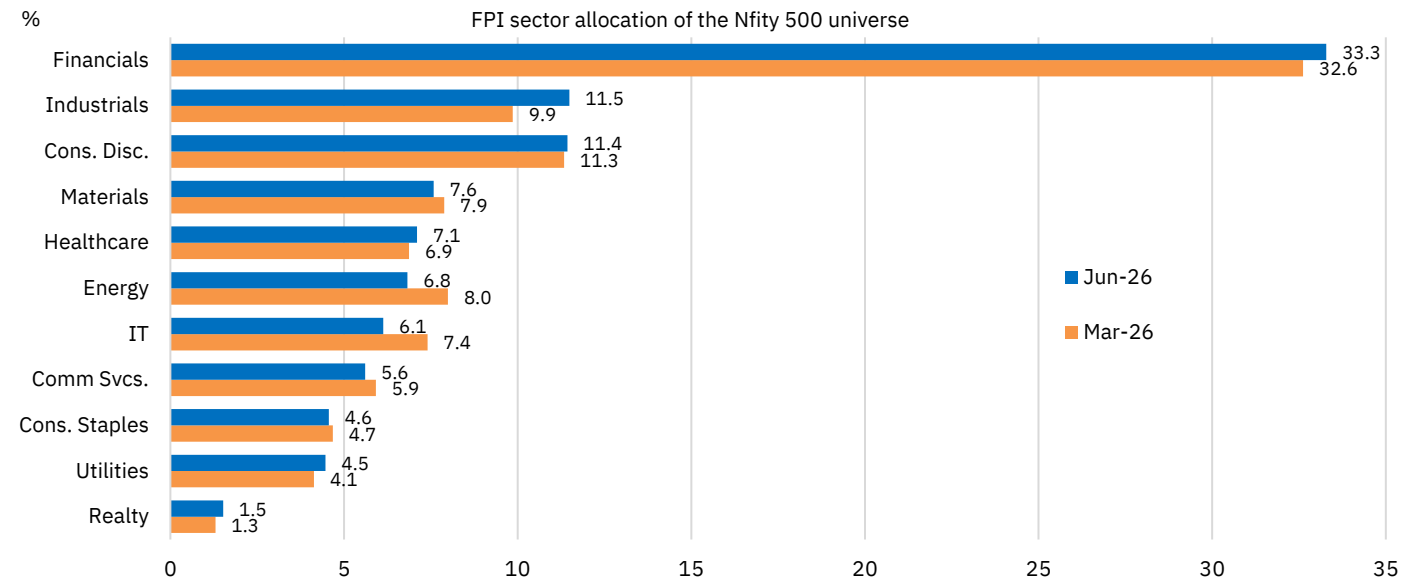
Source: CMIE Prowess, NSE EPR.

FPIs' are OW on Communication Services and Financials; UW on Consumer Staples, Industrials and Materials: Communication Services remained OW for the sixth consecutive quarter, supported by rising data consumption, better pricing via tariff hikes and continued digital adoption. Financials continued to remain structurally OW, although the magnitude of the overweight moderated in recent quarters amid elevated global yields and lingering macroeconomic uncertainty. In contrast, FPIs remained UW on Consumer Staples, reflecting moderate earnings growth and Materials amid sensitivity to global commodity cycles, volatile input prices and uncertainty around external demand. FPIs have also been UW in case of Industrials despite a supportive capex cycle.

Across the remaining sectors, FPI positioning was broadly neutral. Healthcare and Information Technology remained neutral with a negative bias, while Energy, Real Estate and Utilities exhibited a positive bias. Consumer Discretionary also remained neutral but witnessed an incremental shift towards a negative bias during the quarter, indicating some moderation in foreign investor positioning towards the sector.

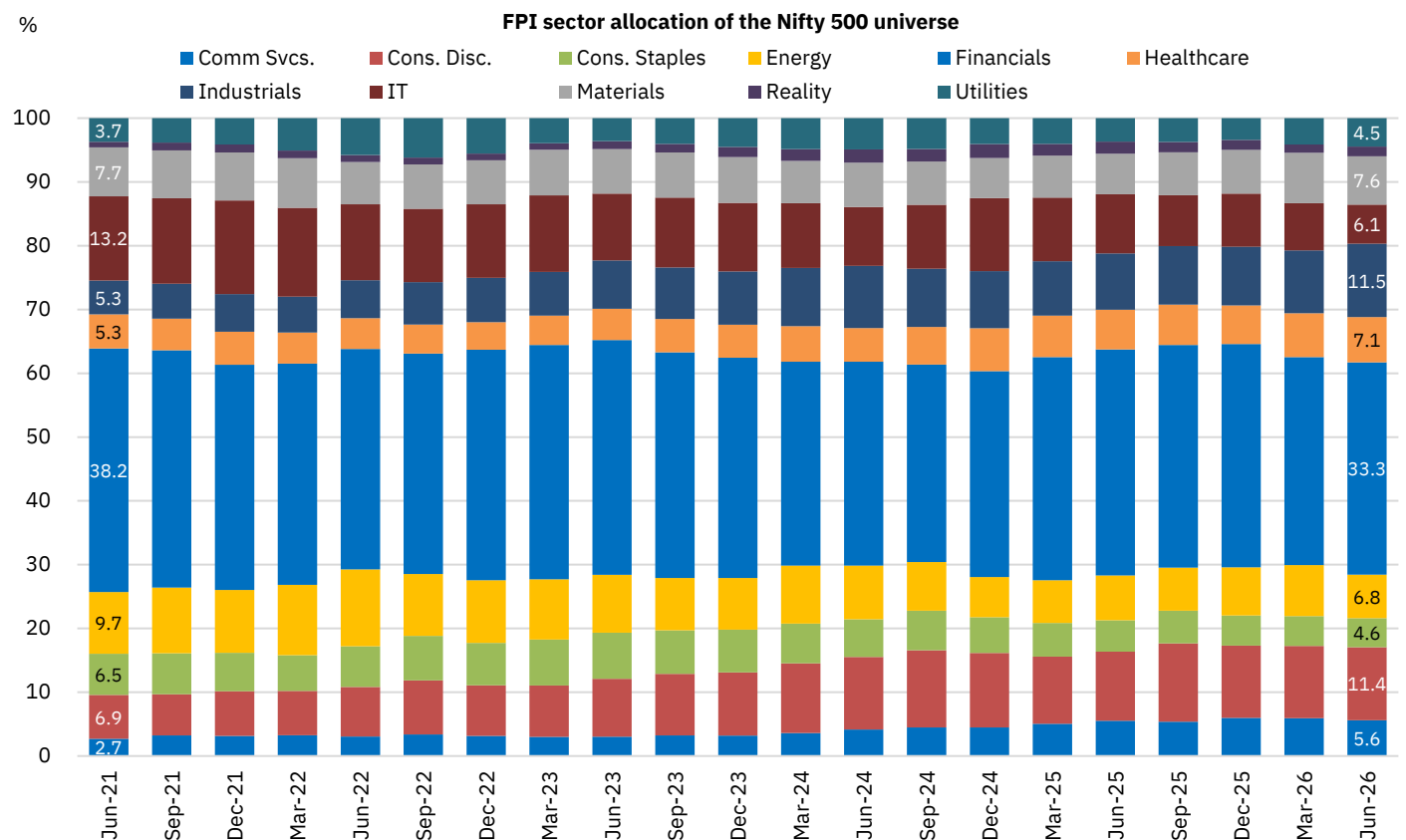
FPIs remained OW on Financials and Communication Services while maintained an UW stance on Consumer Staples, Industrials and Materials.

Figure 87: FPI sector allocation of the Nifty 500 universe (June 2026 vs. March 2026)



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

Figure 88: 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 89: FPI sector allocation vs sector weight in Nifty 500 (June 2026)

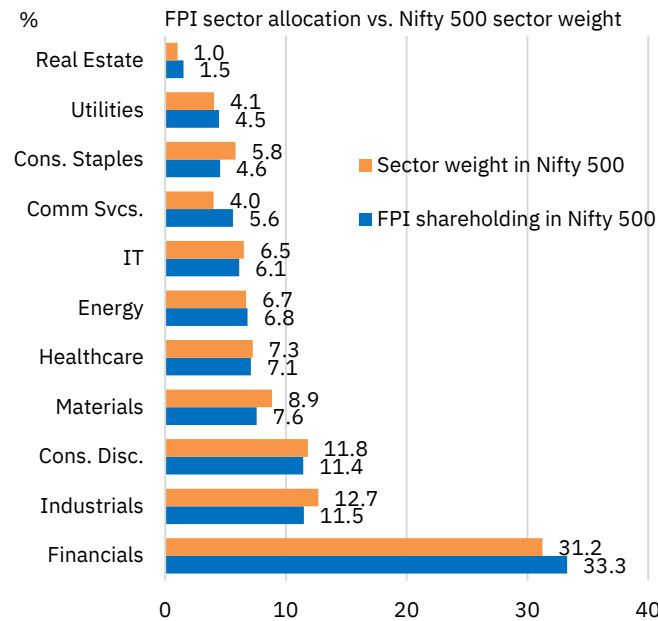
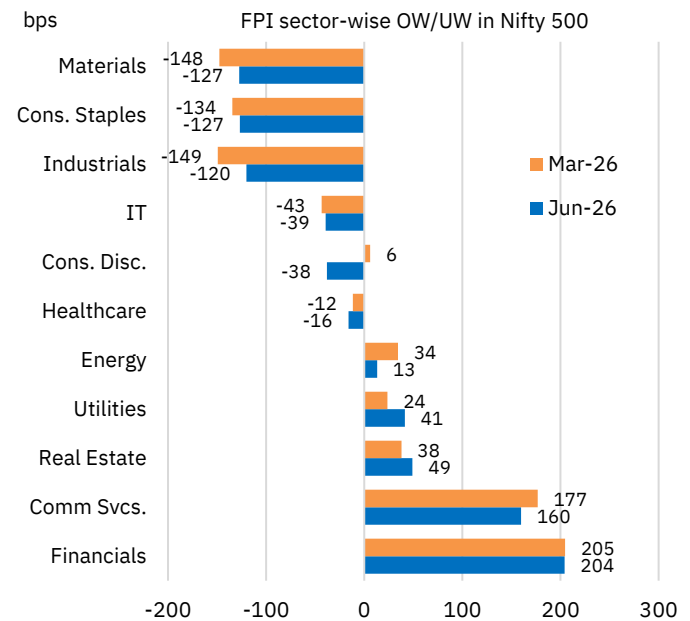
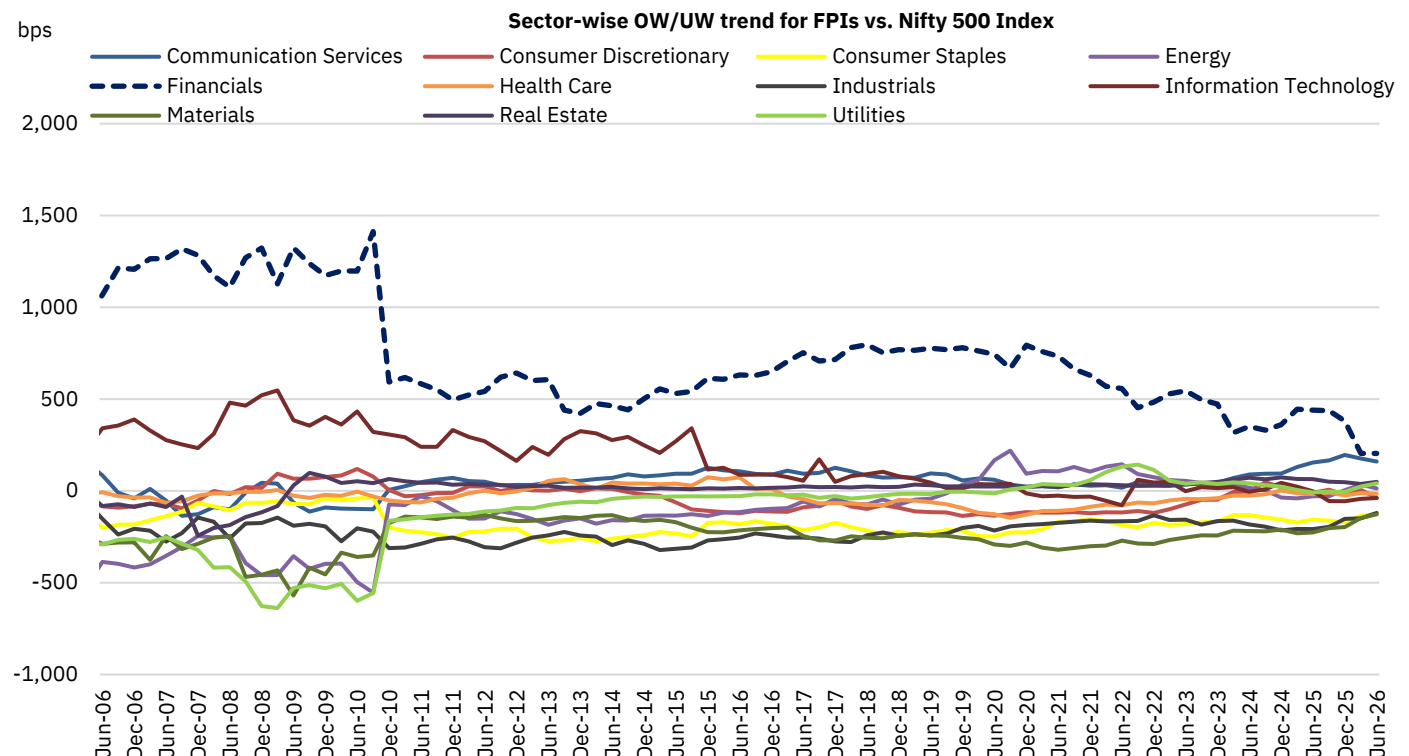


Figure 90: FPI sector-wise OW/UW in Nifty 500 relative to sector weight in the index (June 2026 vs. Mar 2026)



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

Figure 91: 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 sharply in the June 2026 quarter to all-time lows...: Quarterly data on institutional ownership across market-cap segments points to a further shift towards mid- and small-cap stocks in the June 2026 quarter, extending the trend seen in the previous quarter. Institutional portfolios have historically been tilted towards Nifty 50 companies, but this concentration has steadily weakened in the post-pandemic period. The share of Nifty 50 stocks in institutional portfolios fell to a 24-year low by December 2024, before recovering somewhat through 2025, partly reflecting the relative resilience of large-caps amid heightened global volatility and trade-related uncertainty. This trend reversed again in the first half of 2026, alongside the stronger performance of mid- and small-cap segments.

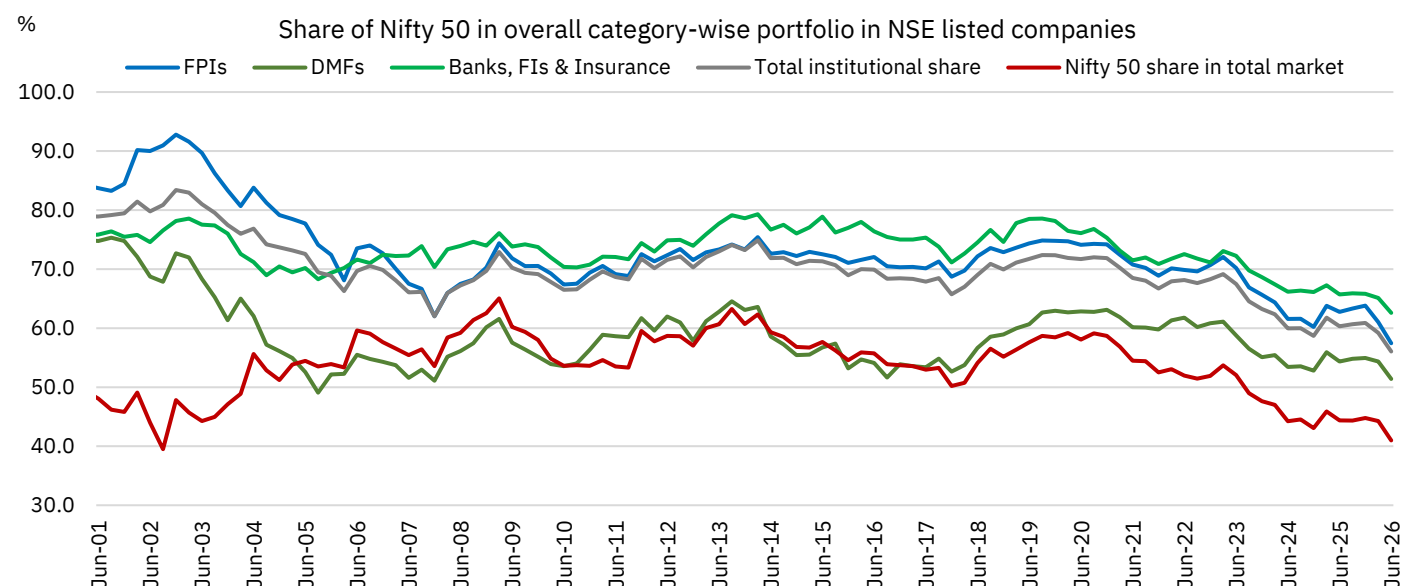
The share of Nifty50 companies in overall institutional investments declined for the second quarter in a row by 3.2pp QoQ to an all-time low of 56.1%, partly reflecting relative outperformance of mid- and small-cap segments during the quarter.

As of June 2026, Nifty 50 constituents accounted for 56.1% of total institutional holdings in NSE-listed companies, down a sharp 4.8pp in the first half of 2026 and the lowest share since the beginning of our analysis in 2001. Institutional allocation to the Nifty 50 is now 16.3pp below its pre-pandemic peak of 72.4% recorded in December 2019, underscoring the sustained broadening of institutional exposure beyond the largest companies.

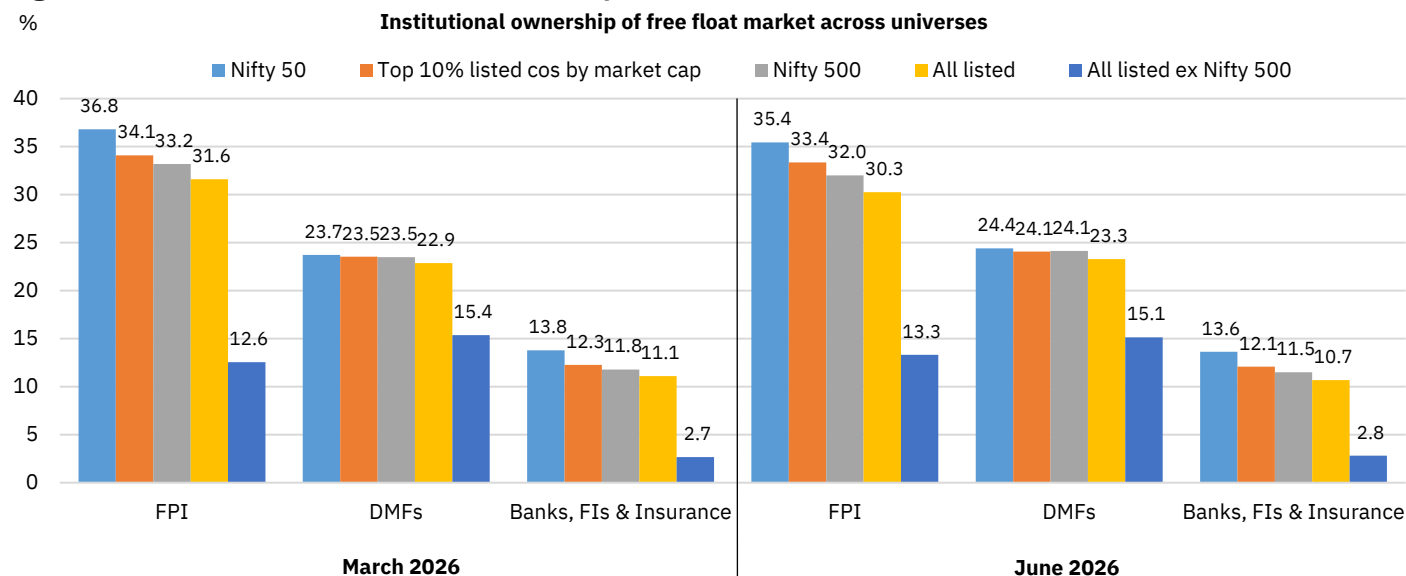
Relative performance has reinforced this shift. Over the three- and five-year periods ending June 30th, 2026, the Nifty 50 delivered annualised returns of 7.5% and 8.7%, respectively, compared with 19.3% and 17.5% for the Nifty Midcap 150 and 18.9% and 16.0% for the Nifty Smallcap 250.

Across investor categories, banks, financial institutions and insurance companies remained the most concentrated in Nifty 50 stocks, although their allocation declined by 2.5pp QoQ to a fresh all-time low of 62.6%. FPIs reduced their large-cap allocation more sharply, with the share of Nifty 50 stocks in their portfolios falling by 3.6pp QoQ to an all-time low of 57.4%. DMFs also trimmed their allocation by around 3pp QoQ to a more than 18-year low of 51.4%, leaving their Nifty 50 exposure 11.6pp below the December 2019 peak of 63.0%. Overall, the trend points to a continued broadening of institutional portfolios beyond the largest listed companies.

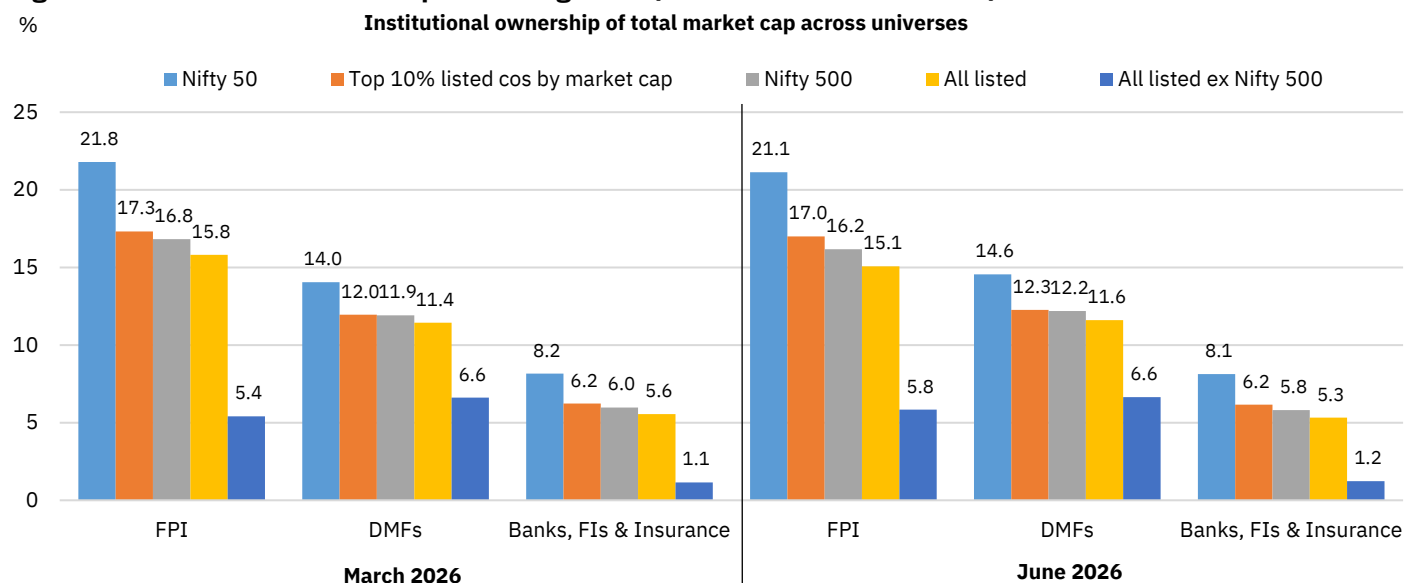
Figure 92: Trend of category-wise portfolio allocation to Nifty 50 companies



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

Figure 93: Institutional share of total market cap (June 2026 vs. March 2026)


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

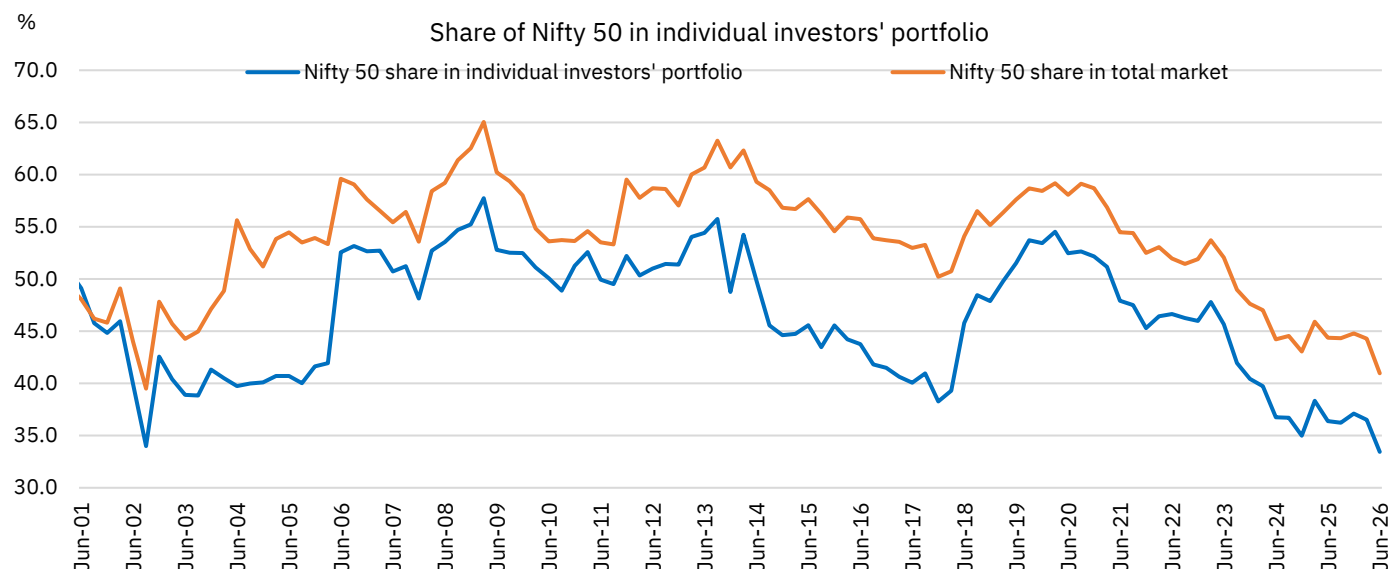
Figure 94: Institutional ownership of floating stock (June 2026 vs. March 2026)


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 sharply in the June 2026 quarter. Their allocation fell by 3.1pp QoQ to 33.4%—the lowest since the beginning of our analysis and the second consecutive quarterly decline. This broadly mirrored the 3.3pp QoQ fall in the Nifty 50's share of overall market capitalisation to a near 24-year low of 41%. The shift away from large-caps has been particularly pronounced since the pandemic. Between March 2020 and June 2026, the share of Nifty 50 companies in individual portfolios declined by 21.1pp, exceeding the 18.2pp fall in the index's share of overall market capitalisation over the same period. This suggests that the change reflects more than just relative market performance, with individual investors progressively broadening their portfolios beyond the largest companies.

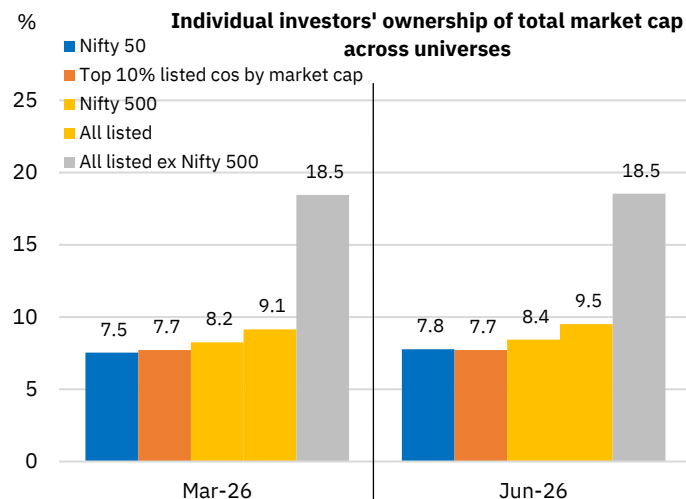
The trend has been supported by the strong multi-year performance of mid- and small-cap stocks, which has increased their weight in individual portfolios. More broadly, it points to a sustained diversification of retail participation beyond the Nifty 50 universe, even as near-term allocations continue to respond to relative market performance and changing risk appetite.

Figure 95: Trend of Nifty 50 share in individual investors' portfolio



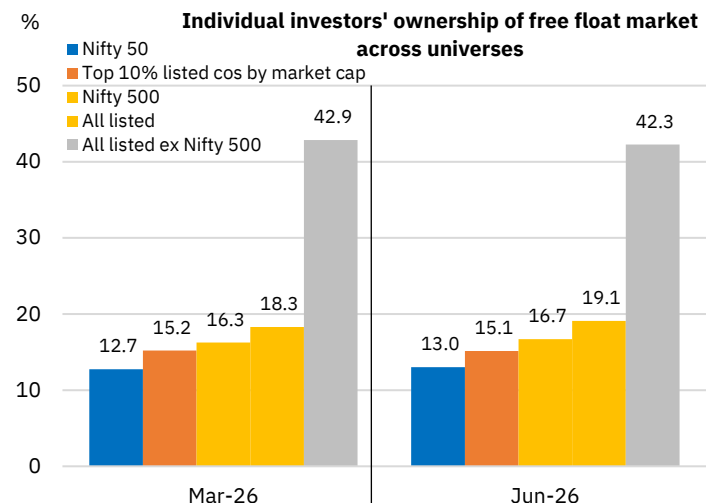
Source: CMIE Prowess, NSE EPR.

Figure 96: Individual share of total market cap (June 2026 vs. March 2026)



Source: CMIE Prowess, NSE EPR.

Figure 97: Individual ownership of floating stock (June 2026 vs. March 2026)



Decile-wise analysis shows a sharp decline in the share of top decile stocks in institutional investors' portfolio: Portfolio distribution across market-cap deciles in the June 2026 quarter points to a further shift towards mid- and small-cap stocks across major investor categories. The reallocation was particularly visible beyond the top 240-odd stocks, with increased exposure to companies in the second and third deciles. Even within the top decile, the decline was concentrated largely in large-cap stocks, while exposure to the next 150 stocks within this bucket increased during the quarter.

Individual investors reduced their exposure to the top-decile NSE-listed companies by a sharp 6.9pp QoQ to a six-quarter low of 64.0%, indicating a further broadening of portfolios beyond the largest stocks. Allocations increased across each of the remaining nine deciles, with the combined share of the second to fifth deciles rising by 5.3pp QoQ to 32.2% of individual portfolios. At the lower end, the bottom five deciles accounted for 3.7% of total individual holdings—the highest in six quarters, though still 60bps below the 17-year high of 4.3% recorded in December 2024.

DMFs also reduced their allocation to the top decile sharply, by 4.3pp QoQ to a four-quarter low of 83.5%, though this remained 4pp above the post-pandemic low of 79.5%. The decline extended beyond the Nifty 50, with the share of other top-decile stocks falling by 1.4pp QoQ. In contrast, the next two deciles, comprising largely small- and micro-cap stocks, saw their combined share in DMF portfolios rise by around 3.2pp QoQ to 14.7%, broadly in line with the corresponding increase in their share of overall market capitalisation. The bottom five deciles accounted for 1.3% of DMF portfolios, up 63bps QoQ and more than reversing the decline seen in the previous quarter.

FPIs displayed a similar broadening in allocation. Their exposure to the top decile declined to a six-year low of 89.0%, driven largely by lower allocation to Nifty 50 stocks. In contrast, the roughly 190 remaining stocks within the top decile saw their share in FPI portfolios rise by nearly 60bps QoQ to 31.6%—the highest since the beginning of our analysis. The next three deciles, comprising roughly 750 stocks, also gained share, with their combined allocation rising by 2.7pp QoQ to 10.5%.

Banks, financial institutions and insurance companies retained the strongest large-cap bias, despite a 2.9pp QoQ decline in top-decile allocation. At 91.4%, their portfolios remained overwhelmingly concentrated in the largest listed companies, underscoring their continued preference for market leaders.

Table 16: Distribution of total value held by individual investors across market capitalization deciles

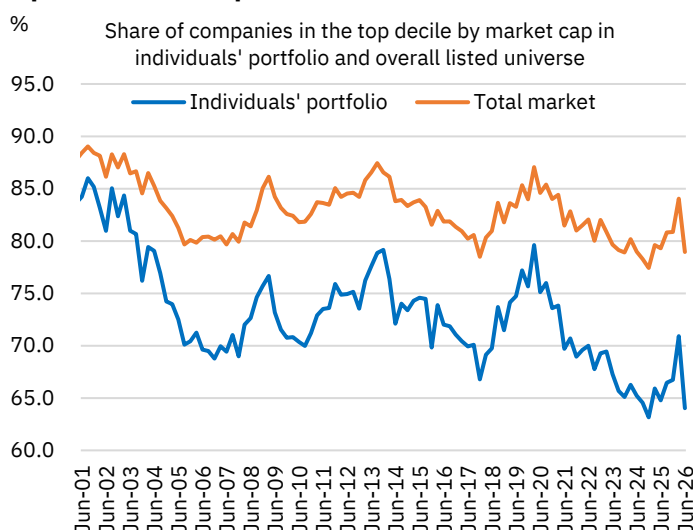
Rs lakh cr	FY23				FY24				FY25				FY26				FY27
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	16.1	16.7	17.7	16.5	18.4	20.1	22.6	24.1	27.2	29.0	27.0	25.6	28.4	28.4	29.3	26.5	28.6
2	3.0	3.3	3.3	3.0	3.6	4.3	4.9	5.2	5.9	6.4	6.3	5.6	6.7	6.3	6.2	5.3	6.9
3	1.6	1.8	1.9	1.8	2.2	2.6	3.0	3.0	3.7	3.9	3.8	3.3	3.7	3.5	3.7	2.6	3.9
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	2.2
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	1.4
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	0.8
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	0.4
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	0.2
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	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	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	44.6

Source: CMIE Prowess, NSE EPR.

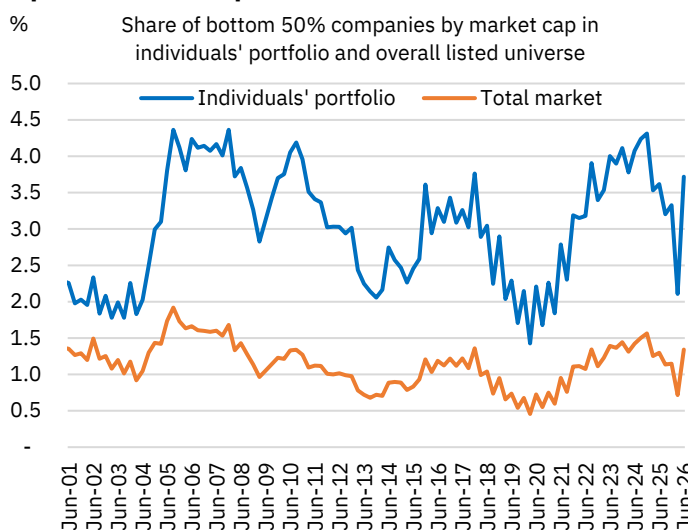
Table 17: Market cap decile-wise share of individuals' portfolio in NSE listed companies

	FY23				FY24				FY25				FY26				FY27
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q1
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	64.0
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	15.4
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	8.8
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	4.9
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	3.1
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	1.8
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	1.0
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	0.5
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	0.3
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	0.1

Source: CMIE Prowess, NSE EPR.

Figure 98: Share of the top decile 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.

Figure 99: Share of bottom 50% companies by market cap in individuals' portfolio and overall listed universe

Table 18: Distribution of total value held by DMFs across market capitalization deciles

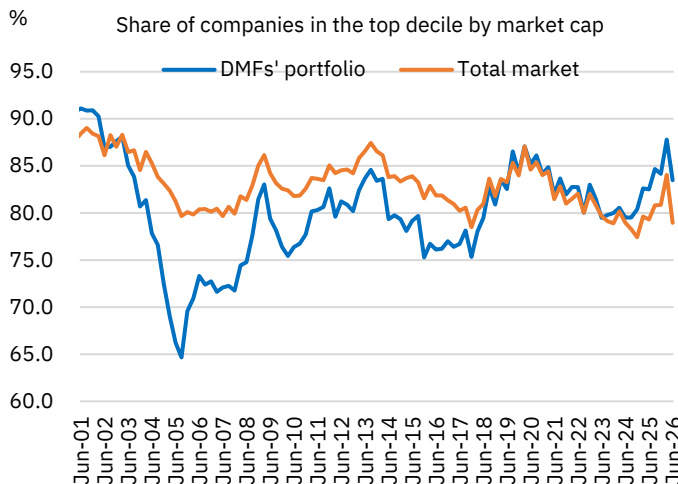
Rs lakh cr	FY23				FY24				FY25				FY26				FY27
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	15.8	17.0	18.7	18.1	20.0	22.0	25.4	27.5	31.6	35.3	34.9	35.0	40.0	41.3	43.9	41.0	45.4
2	2.3	2.9	2.6	2.8	3.5	3.7	4.2	4.5	5.5	6.0	5.4	4.7	5.6	5.1	5.5	4.2	5.9
3	0.7	0.9	0.8	0.9	1.1	1.2	1.4	1.4	1.7	2.0	2.0	1.7	1.9	1.7	1.9	1.2	2.1
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	0.7
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	0.2
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	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	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	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	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	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	54.4

Source: CMIE Prowess, NSE EPR.

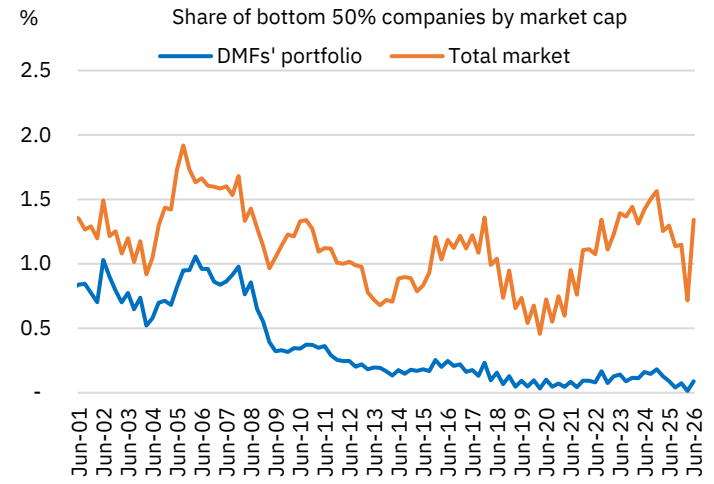
Table 19: Market cap decile-wise share of DMFs' portfolio in NSE listed companies

	FY23				FY24				FY25				FY26				FY27
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q1
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	83.5
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	10.9
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	3.9
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	1.3
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	0.4
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	0.1
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	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	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	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	0.0

Source: CMIE Prowess, NSE EPR.

Figure 100: Share of the top decile 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.

Figure 101: Share of bottom 50% cos. by market cap in DMFs' portfolio and overall listed universe

Table 20: Distribution of total value held by FPIs across market capitalization deciles

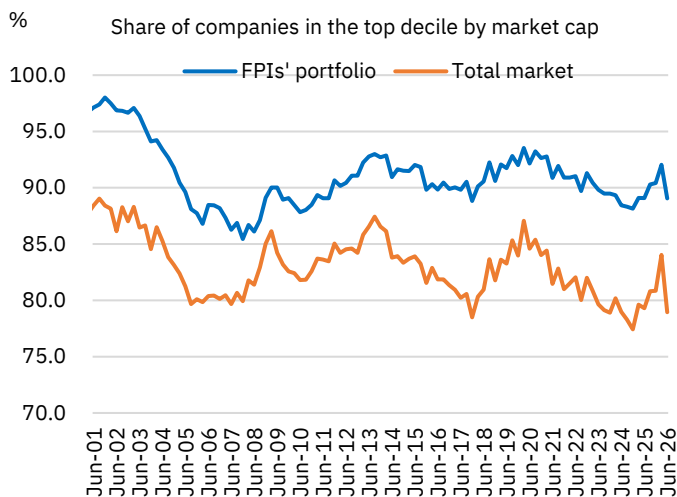
Rs lakh cr	FY23				FY24				FY25				FY26				FY27
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	40.3	44.7	48.1	43.9	49.8	51.9	58.6	61.0	67.3	73.1	66.8	63.7	70.5	67.9	71.1	59.5	62.9
2	2.8	3.4	3.2	3.1	3.8	4.0	4.5	4.9	5.9	6.3	5.7	5.2	5.8	5.0	5.0	3.9	5.0
3	0.8	1.1	0.9	1.0	1.2	1.4	1.5	1.5	1.9	2.3	2.2	1.7	2.0	1.6	1.7	0.9	1.9
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	0.5
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	0.2
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	0.1
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	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	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	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	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	70.7

Source: CMIE Prowess, NSE EPR.

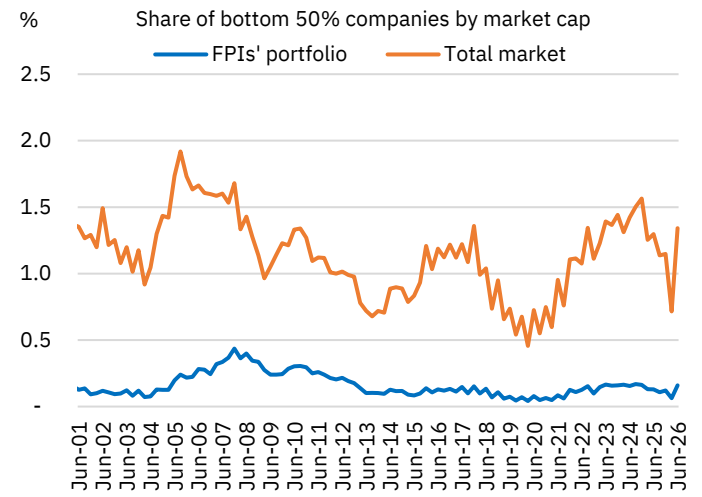
Table 21: Market cap decile-wise share of FPIs' portfolio in NSE listed companies

	FY23				FY24				FY25				FY26				FY27
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q1
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	89.0
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	7.1
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	2.7
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	0.8
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	0.3
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	0.1
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	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	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	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	0.0

Source: CMIE Prowess, NSE EPR.

Figure 102: Share of the top decile 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.

Figure 103: Share of bottom 50% cos. by market cap in FPIs' portfolio and overall listed universe

Table 22: Market capitalization of NSE listed companies distributed across deciles

Rs lakh cr	FY23				FY24				FY25				FY26				FY27
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
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	370.1
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	52.8
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	22.4
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	11.1
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	6.0
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	3.2
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	1.7
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	0.9
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	0.4
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	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	468.8

Source: CMIE Prowess, NSE EPR.

Table 23: Market cap decile-wise share in total market capitalization of NSE listed companies

	FY23				FY24				FY25				FY26				FY27
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q1
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	79.0
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	11.3
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	4.8
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	2.4
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	1.3
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	0.7
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	0.4
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	0.2
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	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	0.0

Source: CMIE Prowess, NSE EPR.

HHI levels fell further in the June quarter, reflecting widening exposure to mid and small-caps:

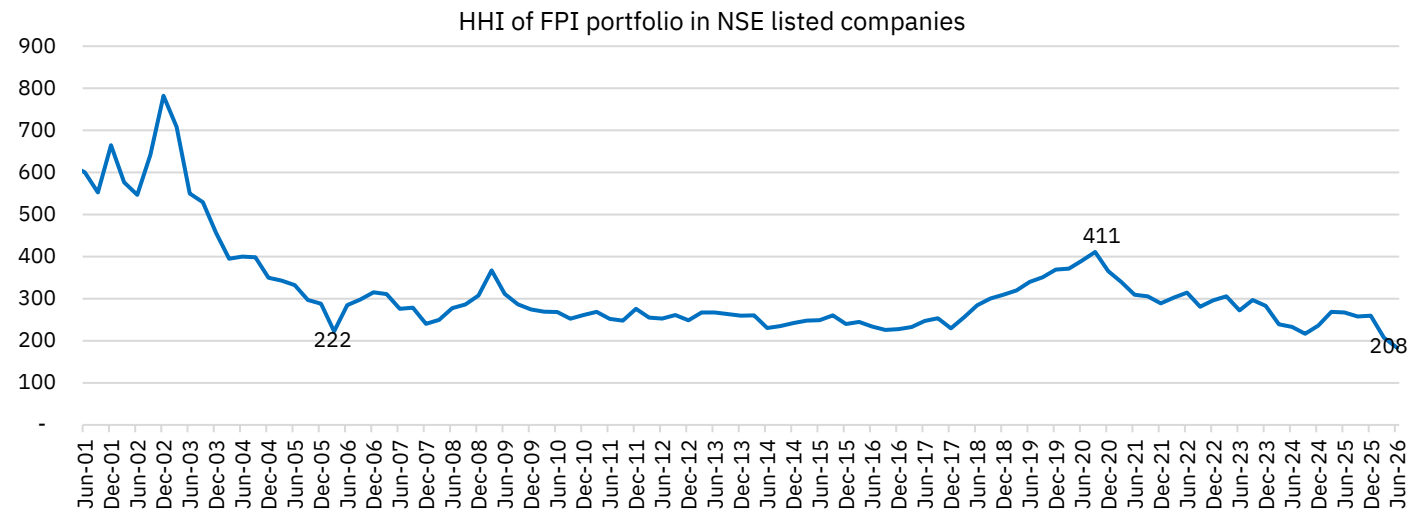
The Herfindahl–Hirschman Index (HHI)—a standard measure of portfolio concentration—has generally remained within the 200–400 range across investor groups over the past two decades, well below the 1,500 threshold typically associated with elevated concentration. This points to a structurally diversified ownership pattern across market participants. Following a brief post-pandemic rise, when investors temporarily gravitated towards larger and more liquid stocks, concentration has broadly trended lower, notwithstanding occasional quarterly reversals.

For overall institutional holdings in NSE-listed companies, the HHI fell to 145 in the June 2026 quarter from 161 in the previous quarter—the lowest since the beginning of our analysis in 2001. It is now less than half the post-pandemic peak of 320 recorded in September 2020, indicating a sustained broadening of institutional portfolios beyond the largest benchmark stocks and towards mid- and small-cap companies.

Among institutional categories, DMF concentration eased further, with the HHI declining to a 33-quarter low of 131, well below the post-pandemic high of 189 recorded in December 2020. FPIs continued to exhibit the highest concentration among institutional investors, although their HHI also declined sharply for the second consecutive quarter—from 260 in December 2025 to 208 in March 2026 and further to 183 in June 2026. This is the lowest level since the beginning of our analysis and less than half the post-pandemic peak of 411 recorded in September 2020, pointing to a meaningful broadening of foreign portfolios. This is also reflected in the number of companies held by FPIs, which has risen to over 2,000 from around 1,200 in 2021, following nearly a decade of relatively limited expansion. Banks, financial institutions and insurers also saw their HHI decline to 168, the lowest since 2001.

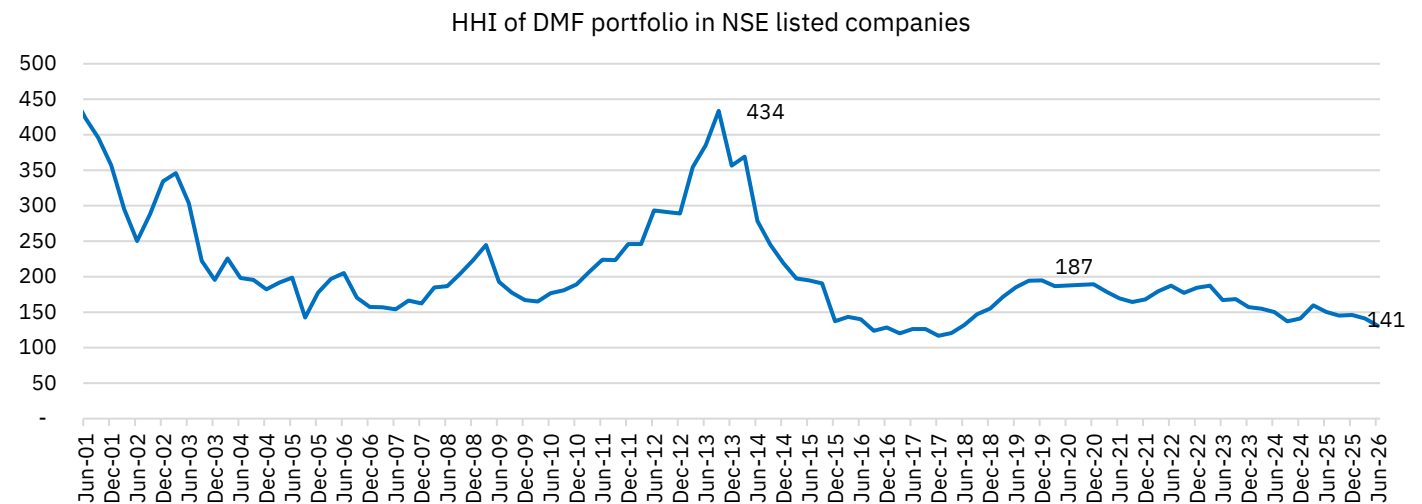
Individual investors continued to have the lowest HHI among all investor segments at 56, also the lowest since the beginning of our analysis. This is consistent with their relatively greater exposure to mid-, small- and micro-cap stocks and points to a more dispersed ownership profile than that of institutional investors.

Figure 104: HHI of FPI portfolio in NSE listed companies



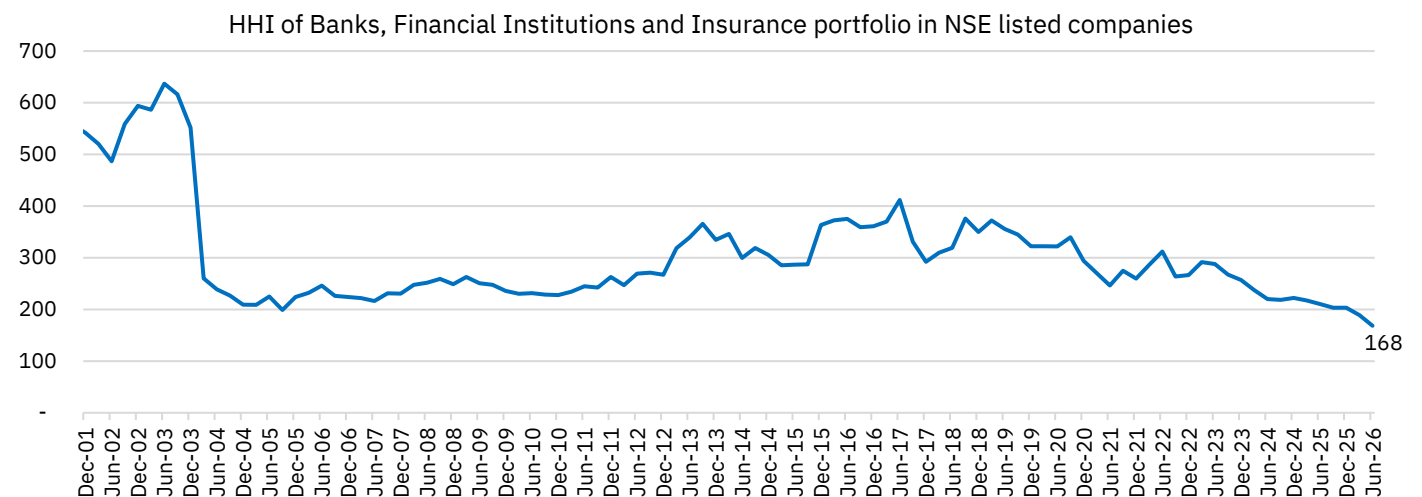
Source: CMIE Prowess, NSE EPR.

Figure 105: HHI of DMF portfolio in NSE listed companies

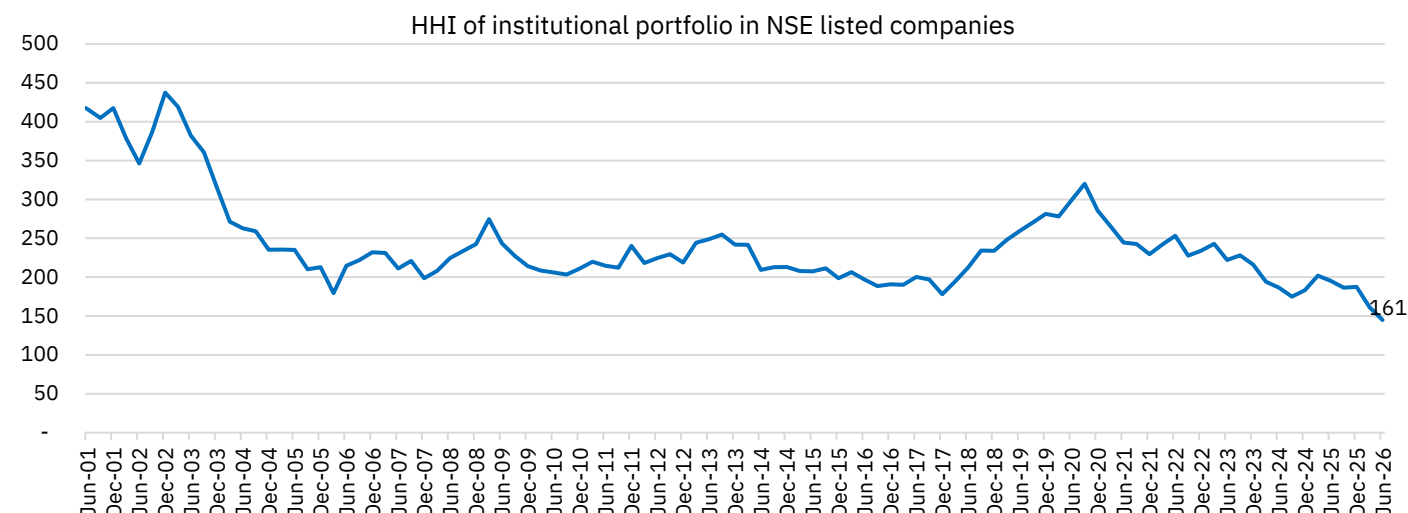


Source: CMIE Prowess, NSE EPR.

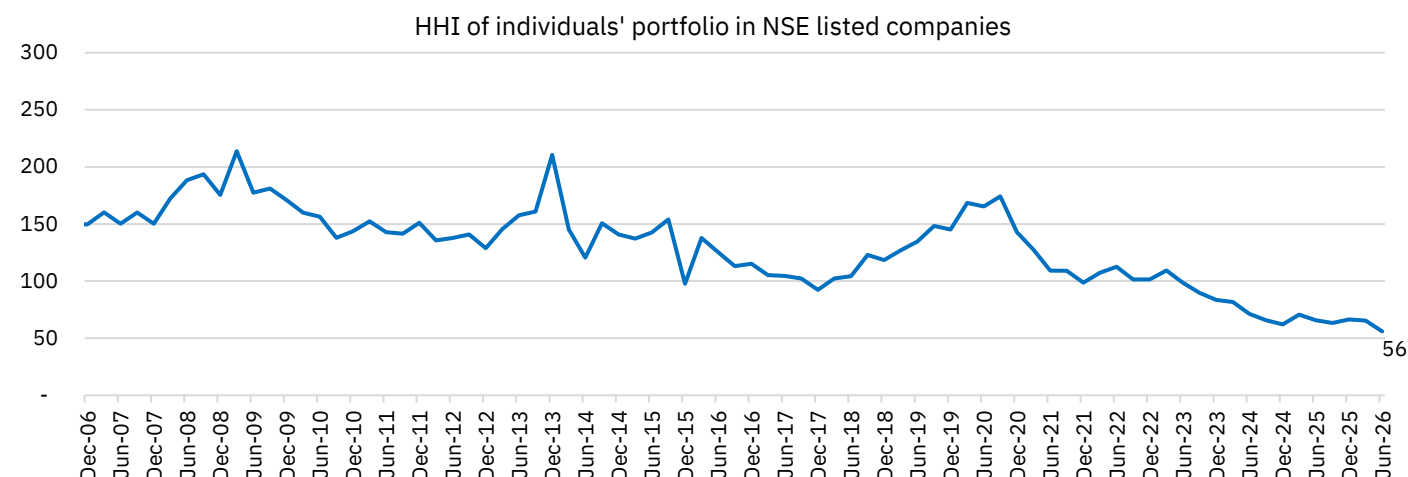
Figure 106: HHI of Banks, Financial Institutions & Insurance portfolio in NSE listed companies



Source: CMIE Prowess, NSE EPR.

Figure 107: HHI of institutional investors' portfolio in NSE listed companies


Source: CMIE Prowess, NSE EPR.

Figure 108: HHI of individuals' portfolio in NSE listed companies


Source: CMIE Prowess, NSE EPR.

Sector-wise HHI differs meaningfully: Aggregate HHI readings suggest that investor portfolios are reasonably diversified overall, although sector-level patterns reveal clear pockets of concentration. Individual investor holdings remain relatively dispersed across most sectors, with HHI values below the 1,500 threshold. Energy is the main exception, although concentration in the sector has moderated over the past few years.

For FPIs and DMFs, concentration remains significantly higher in Energy and Communication Services, with HHI readings above 4,000. This largely reflects the underlying structure of these sectors, where a relatively small number of large, investable companies account for a substantial share of market capitalisation. Banks, financial institutions and insurance companies also exhibit relatively high concentration in Consumer Staples, consistent with their greater exposure to large, established and defensive companies.

Outside Energy and Communication Services, concentration has generally eased across investor categories over time, pointing to a gradual broadening of ownership and greater portfolio dispersion across India's listed universe.

Table 24: Sector-wise HHI of FPI portfolio in NSE listed companies

Sector	Jun-06	Jun-11	Jun-16	Jun-21	Jun-26
Comm. Svcs.	3,407	3,597	1,606	2,301	6,395
Cons. Disc.	1,314	1,191	943	651	578
Cons. Staples	2,259	1,597	1,690	1,276	790
Energy	3,965	3,422	3,186	7,528	4,979
Financials	1,482	1,249	1,249	1,259	1,086
Health Care	917	1,081	1,266	587	552
Industrials	1,028	1,005	698	763	438
IT	3,193	3,877	2,698	2,456	1,381
Materials	870	687	593	613	450
Real Estate	2,127	1,511	1,297	1,711	1,433
Utilities	2,411	1,283	1,804	1,251	1,218
Total	285	252	234	310	183

Source: CMIE Prowess, NSE EPR.

Table 25: Sector-wise of DMF portfolio in NSE listed companies

Sector	Jun-06	Jun-11	Jun-16	Jun-21	Jun-26
Comm. Svcs.	1,506	2,875	1,237	4,782	4,615
Cons. Disc.	564	431	492	355	379
Cons. Staples	4,754	5,575	1,330	1,188	911
Energy	3,215	1,593	1,699	3,786	4,274
Financials	945	969	838	994	851
Health Care	512	735	824	659	408
Industrials	753	1,406	1,220	596	453
IT	1,602	2,597	2,164	2,352	1,063
Materials	462	366	326	353	380
Real Estate	2,337	960	1,426	1,359	1,253
Utilities	1,296	1,148	1,478	1,836	1,355
Total	205	224	140	170	131

Source: CMIE Prowess, NSE EPR.

Table 26: Sector-wise HHI of Individuals' portfolio in NSE listed companies

Sector	Jun-06	Jun-11	Jun-16	Jun-21	Jun-26
Comm. Svcs.	3,000	888	6,440	708	1,159
Cons. Disc.	420	478	369	354	262
Cons. Staples	1,878	1,584	1,352	1,175	746
Energy	4,004	4,067	3,390	5,997	4,277
Financials	706	474	533	559	377
Health Care	884	620	521	314	225
Industrials	666	1,305	1,001	514	277
IT	2,110	2,188	1,609	1,446	471
Materials	447	614	264	258	178
Real Estate	1,317	873	697	875	486
Utilities	1,678	1,046	807	599	716
Total	159	143	125	109	56

Source: CMIE Prowess, NSE EPR.

Table 27: Sector-wise HHI of Banks, Financial Inst. & Insurance portfolio in NSE listed companies

Sector	Jun-06	Jun-11	Jun-16	Jun-21	Jun-26
Comm. Services	2,134	3,539	5,197	5,121	6,990
Cons. Disc.	1,094	1,241	1,293	934	663
Cons. Staples	4,208	4,802	6,706	3,264	2,435
Energy	2,487	3,042	2,349	4,360	4,109
Financials	1,366	1,166	972	915	677
Health Care	1,329	1,094	2,428	1,346	847
Industrials	1,840	2,550	2,492	1,528	1,370
IT	2,226	3,050	3,544	2,994	1,673
Materials	747	880	586	520	495
Real Estate	3,090	1,558	1,055	1,550	1,197
Utilities	1,801	1,696	2,387	1,441	1,199
Total	246	245	375	246	168

Source: CMIE Prowess, NSE EPR.

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

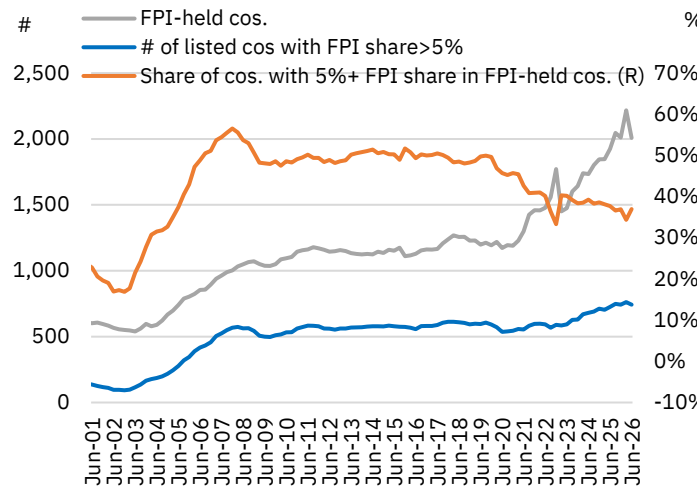
Institutional ownership has become progressively more dispersed across the listed universe since the pandemic, both in terms of the number of companies held and the spread of meaningful ownership stakes. The shift has been particularly visible among FPIs, whose presence has expanded well beyond the traditional large-cap universe.

The number of NSE-listed companies with FPI ownership increased from around 1,200 in December 2020 to more than 1,450 by end-2021 and over 1,770 by end-2022. After a temporary dip to around 1,450 companies in Q4 FY23, coverage resumed its upward trajectory and now exceeds 2,000 companies. The expansion in breadth has, however, been accompanied by greater selectivity in the size of individual positions. FPIs held stakes of 5% or more in 742 companies as of June 2026, up from 540 in September 2020 but marginally below 762 in the previous quarter. Such companies now account for 37.0% of the total FPI investee universe, compared with around half before the pandemic. The implication is that FPIs are participating in a much wider set of companies, while sizeable ownership stakes remain concentrated in a relatively smaller proportion of their portfolio universe.

DMFs have followed a similar path, but with greater depth of ownership. As of June 2026, they held positions in 1,472 NSE-listed companies, broadly unchanged from 1,481 in the previous quarter. At the same time, the number of companies in which DMFs held stakes of at least 5% increased to 712 from 699. These accounted for a record 48.4% of the DMF investee universe, indicating that the expansion in domestic mutual fund participation has been accompanied by meaningful ownership across nearly half of the companies they invest in.

Taken together, the data point to two related trends: a widening institutional footprint across the listed market and a gradual deepening of ownership outside the largest benchmark constituents. The latter is particularly evident for DMFs, reflecting the sustained growth in domestic institutional assets and a broader opportunity set across mid- and smaller-cap companies.

Figure 109: Number of listed cos with FPI holding >5%



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

Figure 110: Number of Nifty500 cos with FPI holding >5%

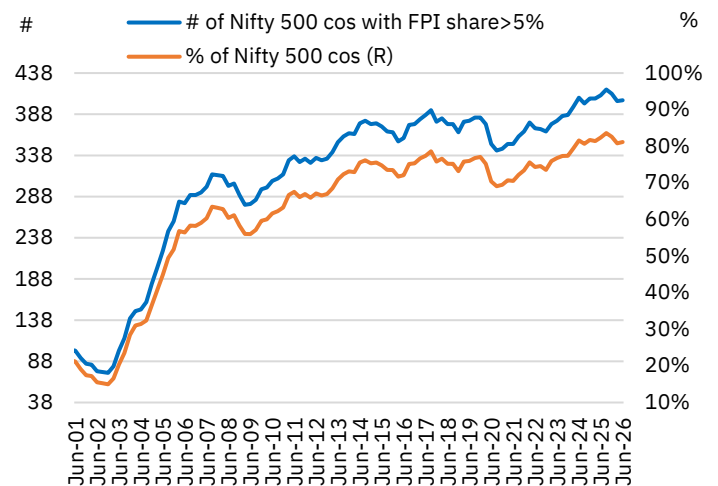
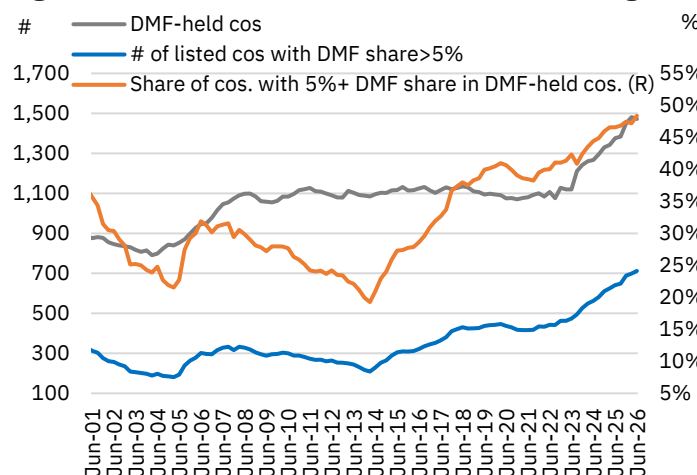


Figure 111: Number of listed cos with DMF holding >5%



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

Figure 112: Number of Nifty500 cos with DMF share >5%

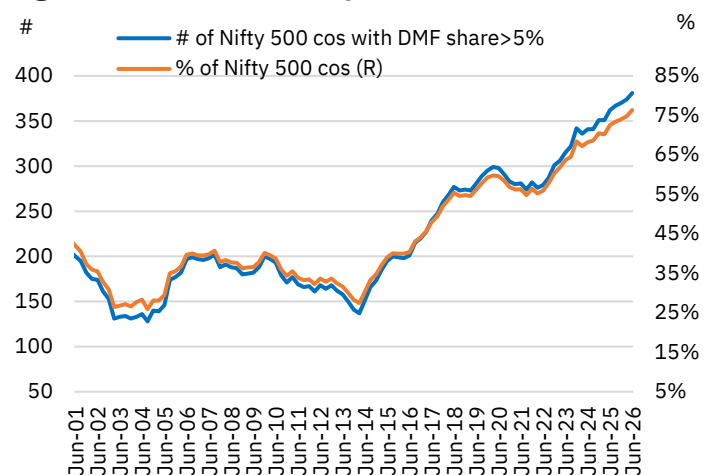
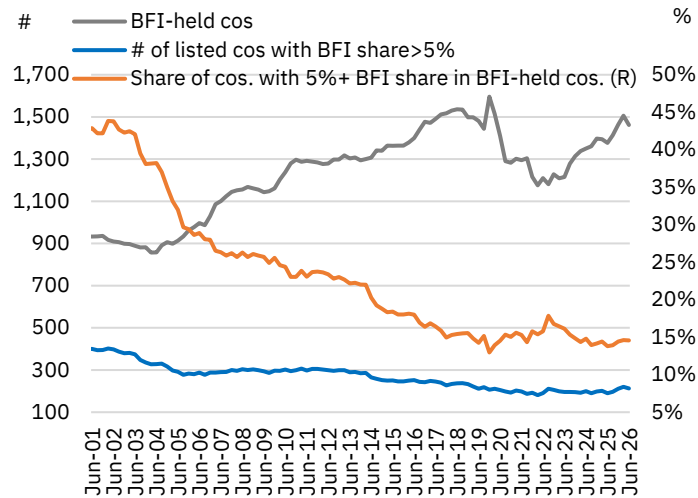


Figure 113: Number of listed companies with Banks, FIs & Insurance holding >5%



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

Figure 114: Number of Nifty500 companies with Banks, FIs & Insurance holding >5%

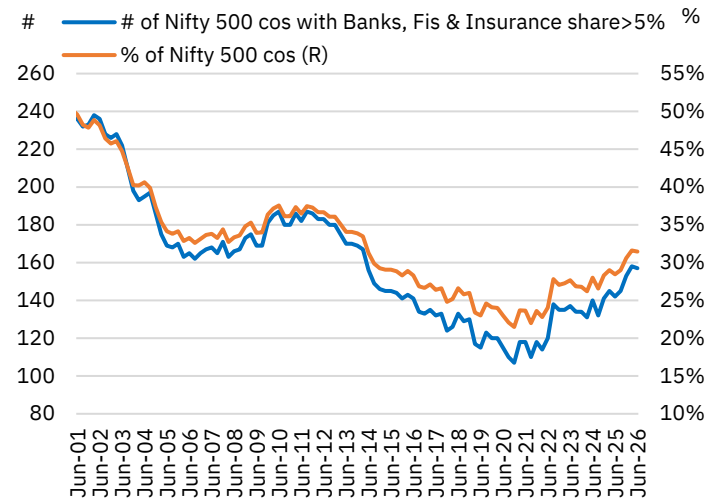


Chart of the Month

India's trade landscape in the last decade: Evolution and changing patterns

India's integration with global trade has strengthened over the past decade, with total trade in goods and services⁶ rising from 43.3% of GDP in 2015 to 46.2% in 2025. However, gains have been uneven: merchandise exports grew at a 5.2% CAGR during 2015–25, leaving India's global merchandise export share at 1.7%, while faster import growth widened the merchandise trade deficit. In contrast, services trade has emerged as a key competitive strength, with India's share of global services exports rising from 2.9% in 2014 to 4.3% in 2025 and the services surplus reaching US\$216.6 bn in FY26. Against this backdrop, India is seeking to scale its global trade footprint, with the government targeting US\$2 tn in total exports by 2030–31, equally split between merchandise and services.⁷ Achieving the target would, however, require a significant acceleration in merchandise exports, alongside higher domestic value addition and deeper integration into global value chains.

India's trade geography has shifted materially over the past decade, with exports increasingly tilting towards Western markets. The US has strengthened its position as India's largest merchandise export destination and largest bilateral surplus market, while European economies such as the Netherlands, Germany and Italy have also gained share. This has been accompanied by a decline in the relative importance of some Asian and Gulf destinations. Recent trade agreements with major markets provide further scope to diversify India's export base, supported by the growing contribution of electronics, engineering goods, pharmaceuticals and knowledge-intensive services. On the import side, sourcing has become increasingly concentrated around China and Russia. China now accounts for nearly one-fifth of India's merchandise imports, reflecting its importance across electronics and engineering items, while Russia's share has risen sharply to 7.1% (vs. <1% in FY15), largely on account of petroleum.

The services advantage is also entering a period of structural change with the rapid adoption of artificial intelligence. AI can improve productivity, reduce costs and allow Indian firms to move towards higher-value software, consulting and specialised business services. At the same time, India's concentration in IT and business-process exports makes the sector increasingly exposed to automation of routine tasks. This suggests that India's services competitiveness will increasingly depend on moving from labour-cost arbitrage towards AI-enabled, specialised and higher-value services.

Amid rising protectionism and trade fragmentation globally, even as India pursues greater trade integration and diversification through policy initiatives and new trade agreements, this month's Chart of the Month takes a closer look at the evolution of India's goods and services trade over the past decade, covering its position in global trade, changing trading partners, and shifts in its commodity and services trade basket.

Merchandise goods

India's merchandise exports have grown steadily but global share remains modest....

Over the past decade (2015–25), India's merchandise exports expanded at a CAGR of 5.2% to US\$ 445 bn in 2025, marginally outpacing the 4.7% growth in global merchandise exports, which stood at US\$ 26.3 bn in 2025. Export momentum strengthened significantly in the post-pandemic period, with India's exports growing at a 10% CAGR during 2020–25, compared with just 0.6% during 2015–20. This broadly mirrored the global trend, where merchandise export growth accelerated from 1.3% to 8.3% over the same periods, with India outperforming global growth in the post-pandemic years. Despite this relatively strong absolute performance, India's share in global merchandise exports increased only modestly from 1.6% in 2015 to 1.7% in 2025,

⁶ Total trade defined here is the sum of exports and imports for merchandise goods and services

⁷ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2256724&reg=3&lang=1>

while its global ranking improved from 19th to 18th, indicating only a gradual improvement in its relative position in world trade.

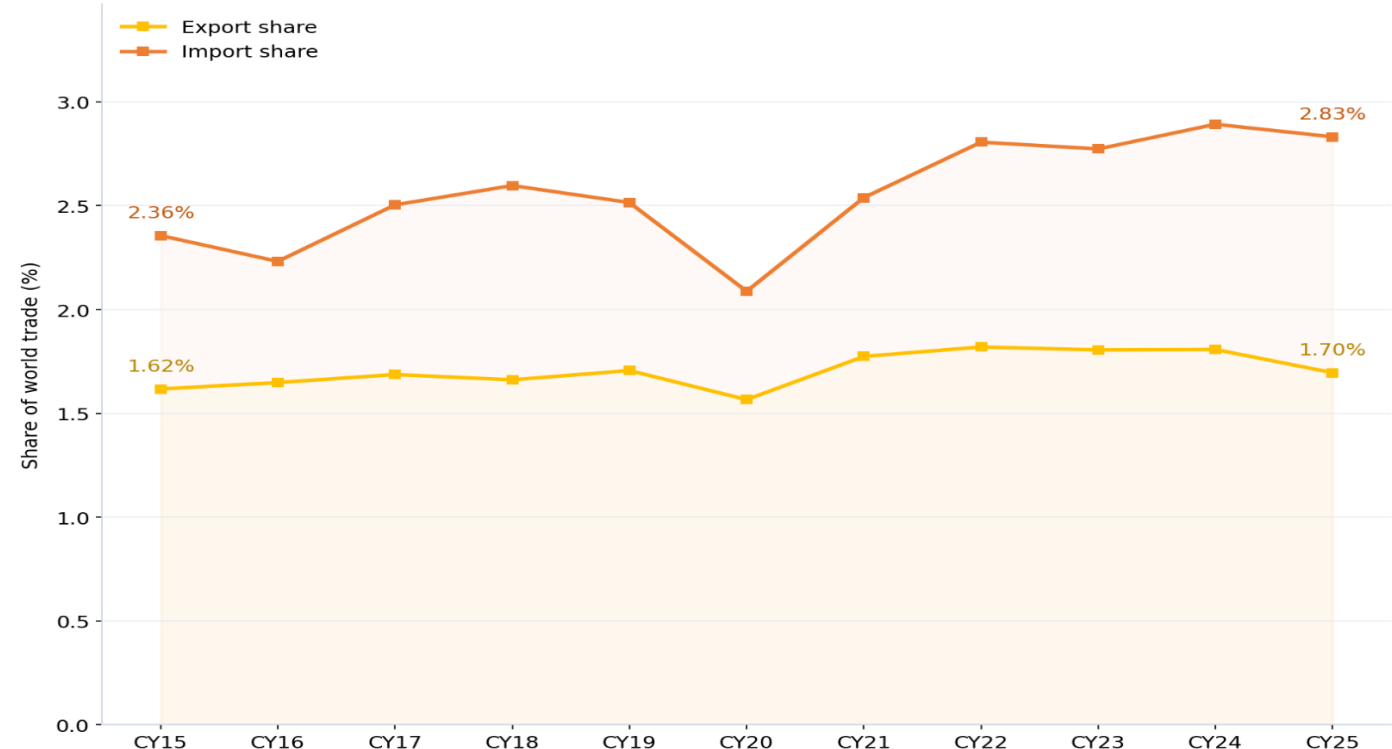
...While India's rising import share reflects strong demand and global integration:

Over 2015–2025, India's merchandise imports expanded at a CAGR of 6.7%, outpacing the 4.8% growth in global merchandise imports, reaching US\$753.5 bn in 2025 compared with global imports of US\$26.6 tn. Import growth accelerated sharply in the post-pandemic period, rising from 5.4% during 2015–19 to 15.1% during 2020–25, compared with an increase in global import growth from 3.7% to 8.3%. Consequently, India's share in global merchandise imports rose from 2.4% to 2.8%, while its global ranking improved significantly from 12th to 8th. The rising import share reflects strong domestic demand, growing requirements for intermediate and capital goods, and deeper integration with global supply chains, underscoring India's increasing importance as both a consumption and production hub in global trade.

... And trade deficit widened amid shifting global trade balances: The divergence between India's export and import growth has led to a substantial widening of its merchandise trade deficit, which increased 2.4x from US\$126.2 bn in 2015 to US\$308.2bn in 2025, with the deterioration becoming more pronounced after 2021. This has occurred alongside a broader widening and realignment of global trade balances. China's (including Hong Kong) trade surplus more than doubled from US\$545.6 bn in 2015 to US\$1.1 tn in 2025, while Taiwan's surplus more than tripled to US\$146.7 bn and those of the Netherlands and the UAE more than doubled to US\$118.8 bn and US\$87.8 bn, respectively. At the other end, the UK's deficit widened around 2.4x to US\$392.8 bn, while the US deficit increased from US\$812.7 bn to US\$1.3 tn, remaining the largest globally.

India's total trade in goods and services increased from 43.3% of nominal GDP in 2015 to 46.2% in 2025

Figure 115: Trends in India's share in global exports and imports in the last decade



Source: WTO, NSE EPR. Notes: 1) CY stands for calendar year.

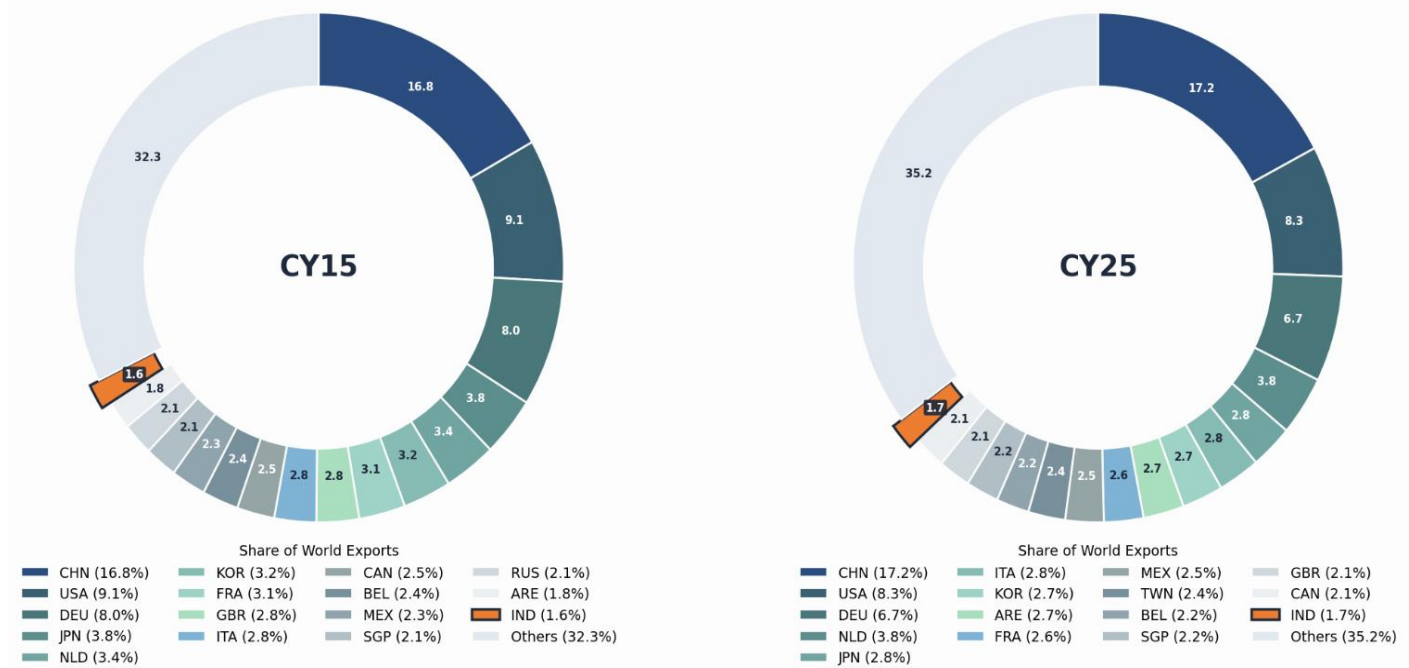
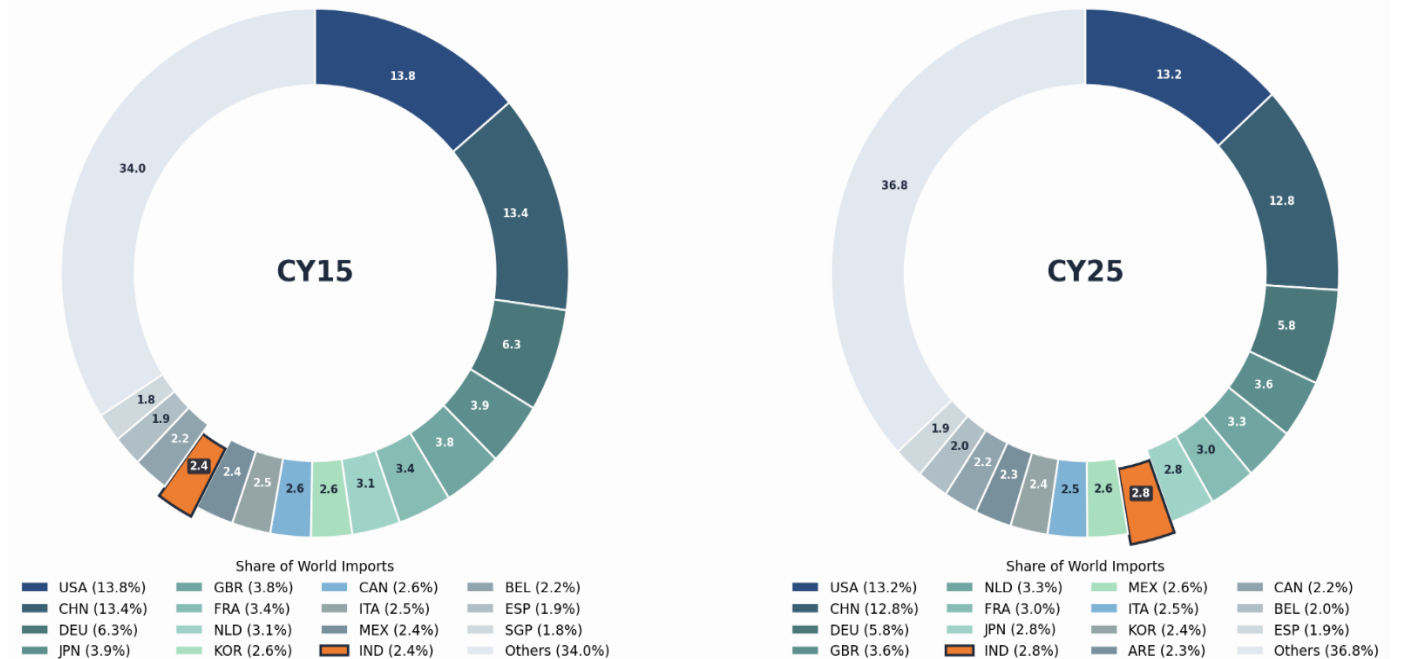
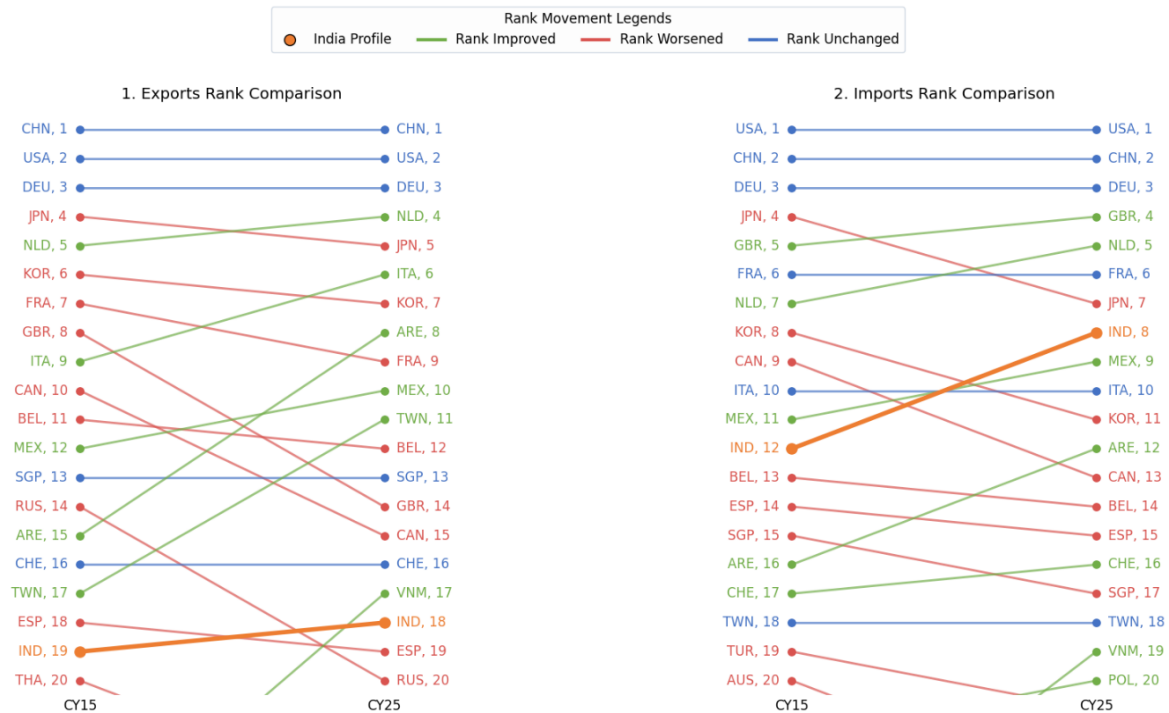
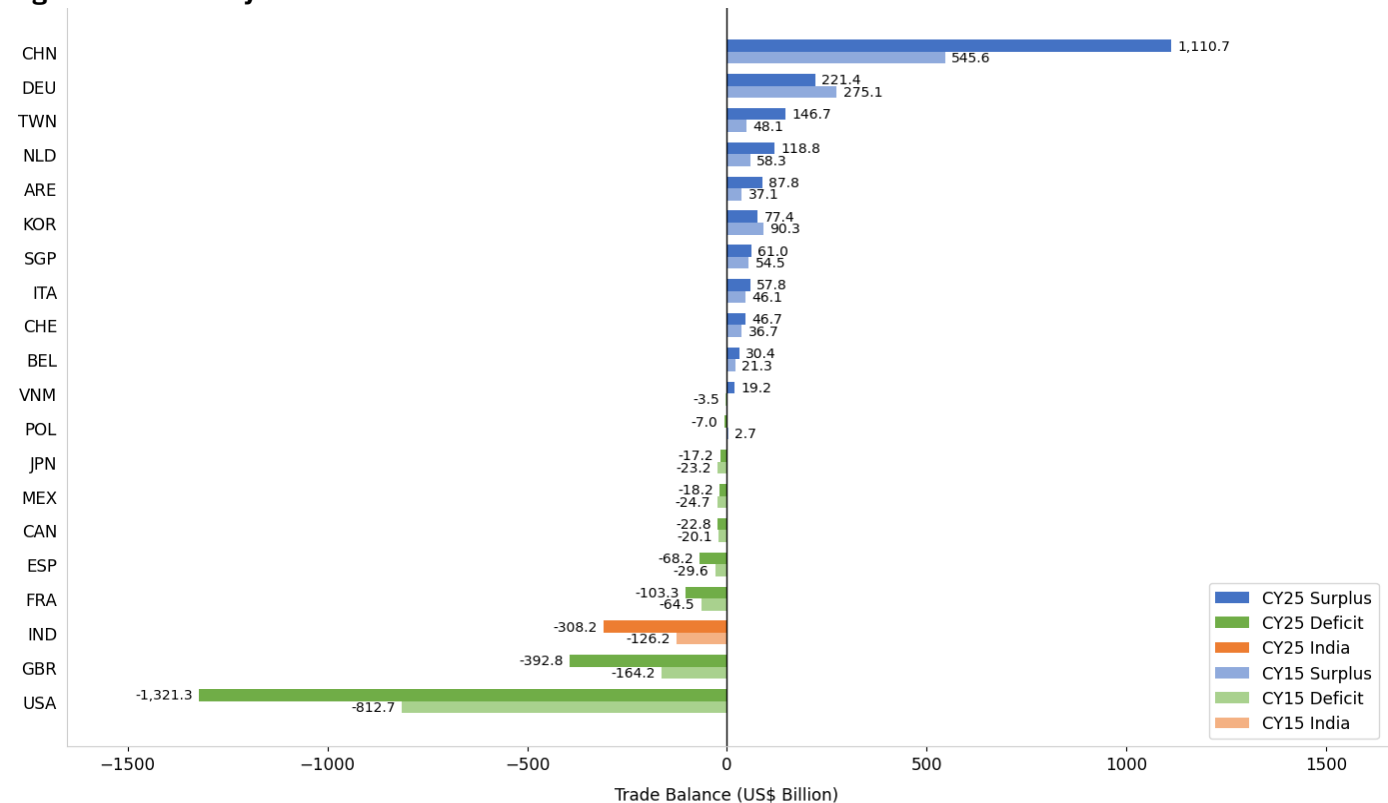
Figure 116: Country-wise share of global merchandise exports (CY15 vs CY25)

Figure 117: Country-wise share of global merchandise imports (CY15 vs CY25)


Figure 118: Country-wise rankings of merchandise exports and imports between CY15 and CY25



Source: WTO, NSE EPR. Country fullforms: 1) USA = United States of America, CHN =China, DEU = Germany, JPN = Japan, GBR = United Kingdom, FRA = France, NLD = Netherlands, KOR = South Korea, CAN = Canada, ITA = Italy, MEX = Mexico, IND = India, BEL = Belgium, ESP = Spain, SGP = Singapore, ARE = United Arab Emirates, CHE = Switzerland, TWN = Taiwan 2) Hong Kong's export and import has been included along with China to capture the ranking.

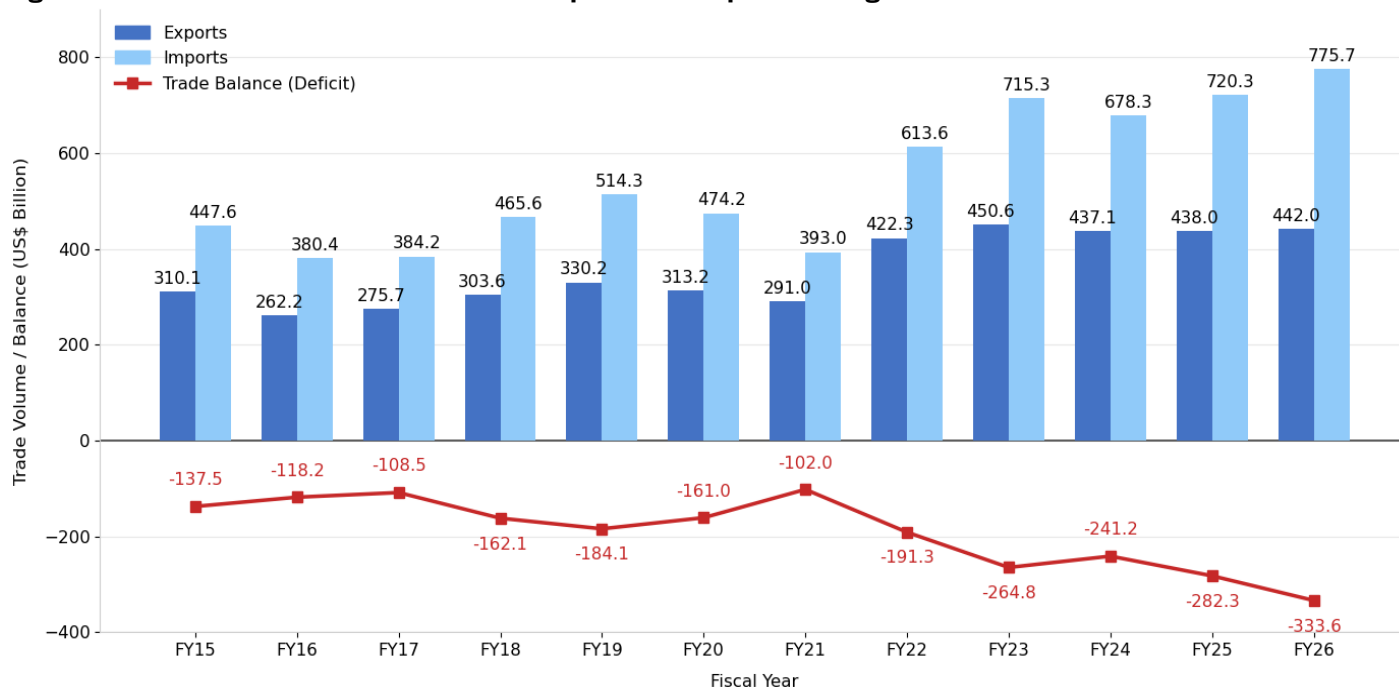
Figure 119: Country-wise trade balance in CY15 and CY25



Source: WTO, NSE EPR. Country fullforms: 1) USA = United States of America, CHN =China, DEU = Germany, JPN = Japan, GBR = United Kingdom, FRA = France, NLD = Netherlands, KOR = South Korea, CAN = Canada, ITA = Italy, MEX = Mexico, IND = India, BEL = Belgium, ESP = Spain, SGP = Singapore, ARE = United Arab Emirates, CHE = Switzerland, TWN = Taiwan, VNM = Vietnam 2) Top-20 economies have been selected based on total trade (exports + imports) at country level 3) Hong Kong's trade balance has included along with China.

India's exports have tilted westward and diversified...: India's export composition has changed over the past decade, with the US gaining prominence alongside a gradual increase in the importance of select European and neighbouring markets. The US strengthened its position as India's largest export destination, with its share rising from 13.7% in FY15 to 19.7% in FY26, translating into a bilateral trade surplus of US\$34.3 bn. This has been primarily supported by the share of electronic goods which has gained share in US exports from 2.8% in FY15 to 28.6% in FY26. Europe has also gained ground, led by the Netherlands (3.9%), whose share has nearly doubled from 2.0% in FY15, with India recording a trade surplus of US\$11.6 bn, supported partly by petroleum exports. Other European destinations such as Germany (2.6%), Italy (1.8%) and Spain (1.6%) have also gained share, while Great Britain (3.0%) remains an important market. Within Asia, China including Hong Kong (6.3%) and Singapore (2.7%) have ceded some share, while neighbouring markets such as Bangladesh (2.4%) and Nepal (1.7%) have gained modestly. Among Gulf economies, the UAE (8.4%) – India's second highest export partner –and Saudi Arabia (2.3%) have seen their shares decline. The expansion of India's trade agreement network should support further diversification, with nine FTAs spanning 38 countries concluded in recent years, widening preferential access across a broader set of markets.⁸

Figure 120: Trends in India's merchandise exports and imports during the last decade



Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Negative trade balance indicates deficit.

⁸ [Advancing self-reliance and export resilience: India's growing global footprint \(PIB press release\)](#)

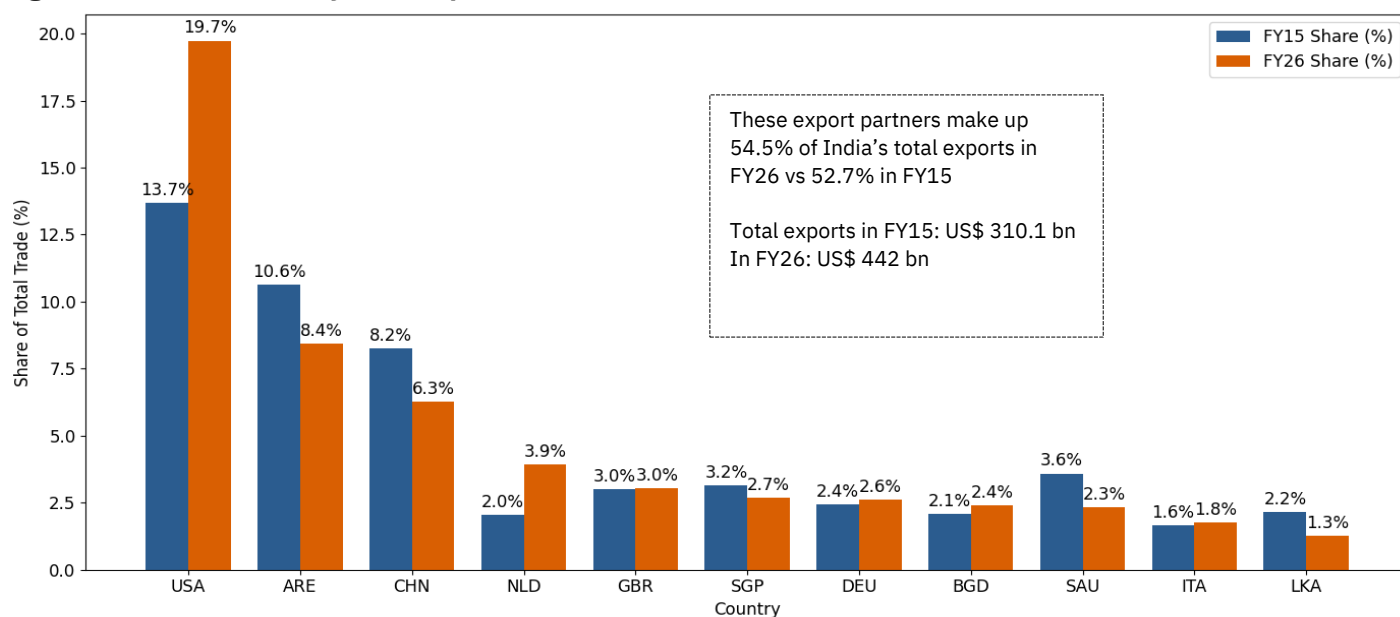
Box 1: India's trade agreements

India has accelerated its trade-agreement engagement since 2021, signing major agreements. These agreements use different forms of trade and economic partnerships: CECPA stands for Comprehensive Economic Cooperation and Partnership Agreement, CEPA for Comprehensive Economic Partnership Agreement, TEPA for Trade and Economic Partnership Agreement, and CETA for Comprehensive Economic and Trade Agreement. While the nomenclature differs, these agreements generally go beyond tariff reductions to cover areas such as trade in goods and services, investment, market access, customs and trade facilitation, and other economic cooperation provisions depending on the agreement. The expanding network provides India access to major markets supporting the objective of export diversification and deeper integration with global value chains. The list agreements signed are mentioned below:

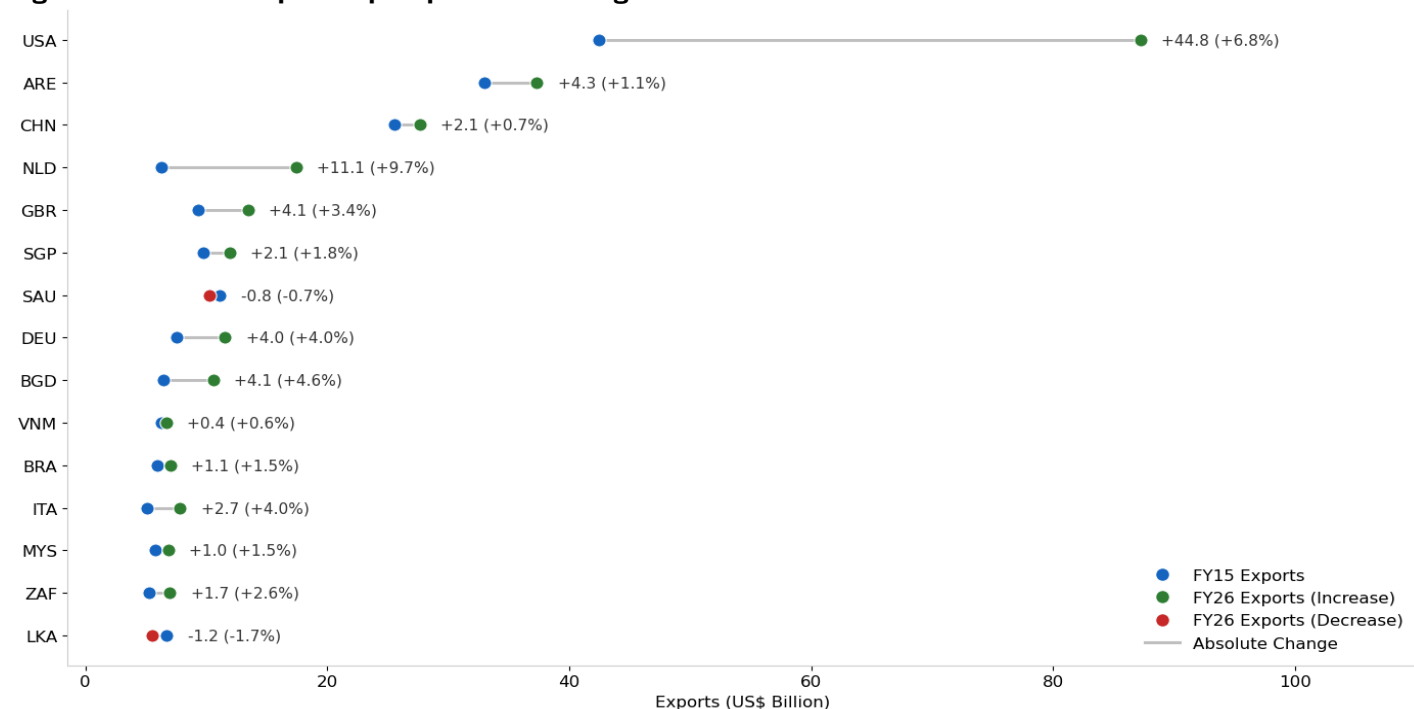
Indias's agreement with	Agreement type	Date on signing
Mauritius	CECPA	1st April 2021
Australia	CEPA	29th December 2022
UAE	CEPA	1st May 2022
European Free Trade Association	TEPA	10th March 2024
UK	CETA	24th July 2025
Oman	CEPA	18th December 2025
New Zealand	FTA	22nd December 2025
The European Union	FTA	27th January, 2026
United States of America	Interim trade framework	2 nd February, 2026

Source - Ministry of Commerce and Industry, Government of India (Lok Sabha USQ No. 2812 dated 18.03.2025). Note:1) *For India–Nepal and India–Bhutan, the dates indicated refer to the date of signing of the respective agreements 2) EFTA countries include Iceland, Norway, Switzerland, Liechtenstein

Figure 121: India's country-wise exports share for FY15 and FY26



Source: CMIE Economic Outlook, NSE EPR. Notes: Full forms 1) USA = United States of America, ARE = United Arab Emirates, CHN = China, NLD = Netherlands, GBR = United Kingdom, SGP = Singapore, DEU = Germany, BGD = Bangladesh, SAU = Saudi Arabia, ITA = Italy, LKA = Sri Lanka. 2) The country list represents the union of the top 10 export partners in FY15 and FY26 3) The export partners are ranked based on exports in FY26 while Sri Lanka (LKA) has been included as it was in the top-10 in FY15. 4) China's value includes Hong Kong as well.

Figure 122: India's top 15 export partners: Change between FY15 and FY26


Source: CMIE Economic Outlook, NSE EPR. Notes: Full forms 1) USA = United States of America, ARE = United Arab Emirates, CHN = China (including Hong Kong), NLD = Netherlands, GBR = United Kingdom, SGP = Singapore, DEU = Germany, BGD = Bangladesh, SAU = Saudi Arabia, ITA = Italy, NPL = Nepal, AUS = Australia, FRA = France, BRA = Brazil, ZAF= South Africa. 2) The top-15 have been shortlisted based on the average exports of countries in FY15 and FY26.

Table 28: Country-wise composition of merchandise good exports by product in FY26 (%)

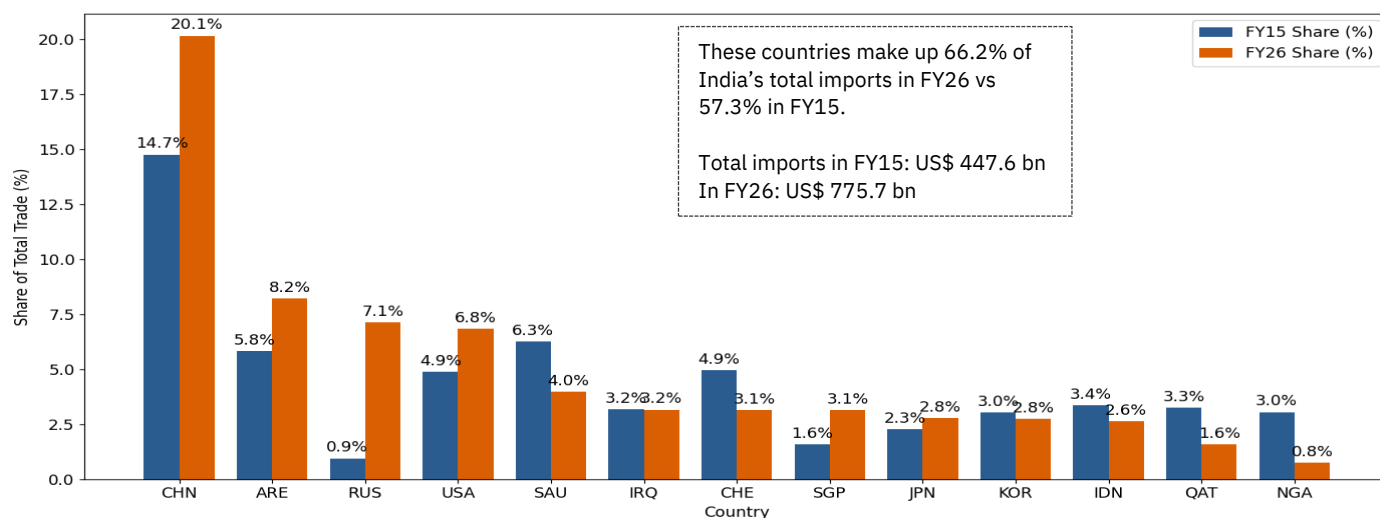
Countries	Petro. & crude	Agri. & allied	Ores & minerals	Leather	Chemicals	Engineering	Electronic	Textiles (excl. RMG)	RMG	Other manf. goods	Other commodities
USA	4.0	5.6	0.1	1.1	15.7	20.9	28.6	5.0	5.5	12.6	0.9
UAE	15.0	11.0	0.5	0.3	4.6	19.4	14.3	2.2	3.4	28.4	1.0
China	12.5	18.5	12.0	0.5	10.7	17.5	16.7	4.0	0.4	6.8	0.5
Netherlands	47.9	6.8	0.1	1.6	11.2	11.7	9.0	2.2	4.5	4.1	1.0
UK	4.7	7.9	0.6	3.1	10.7	33.4	8.2	4.6	11.2	14.9	0.8
Singapore	37.6	3.6	0.0	0.1	8.2	37.3	5.7	0.3	0.3	6.2	0.7
Germany	0.0	8.1	0.0	4.4	14.0	38.4	10.3	4.4	8.1	10.7	1.5
Bangladesh	7.6	19.3	2.1	0.2	10.9	16.6	1.8	22.1	0.2	5.5	13.8
Saudi Arabia	1.7	20.9	0.6	0.2	12.5	46.5	3.4	1.3	3.8	8.1	0.9
Italy	2.9	9.8	0.5	3.7	11.4	41.5	8.8	5.4	5.1	10.0	0.9

Source: CMIE Economic Outlook, NSE EPR. Notes – 1) Other manufacture goods include sports goods, rubber, footwear, gems & jewellery, glass, paper, handloom, stationery etc. 2) RMG = Readymade garments. 3) China's value includes Hong Kong.

...While merchandise imports deepen towards China and Russia: The import mix has shifted more sharply and has had a larger impact on India's bilateral trade balances. China's share (including Hong Kong) in merchandise imports increased from 14.7% in FY15 to 20.1% in FY26, reflecting its importance in manufacturing supply chains, particularly engineering, electronics and textiles. At the same time, China's share in India's exports declined, widening the bilateral trade deficit more than threefold from US\$40.5 bn in FY15 to around ~US\$129 bn in FY26. Russia has also emerged as a major import source, with its share rising from just 0.9% to 7.1%, largely driven by petroleum imports. Consequently, India's trade deficit with Russia widened sharply from around US\$2 bn in FY14 to US\$50.7 bn in FY26, after peaking at US\$58.9 bn in FY25. Russia accounted for little more than 25% of India's petroleum crude & product imports in FY26,

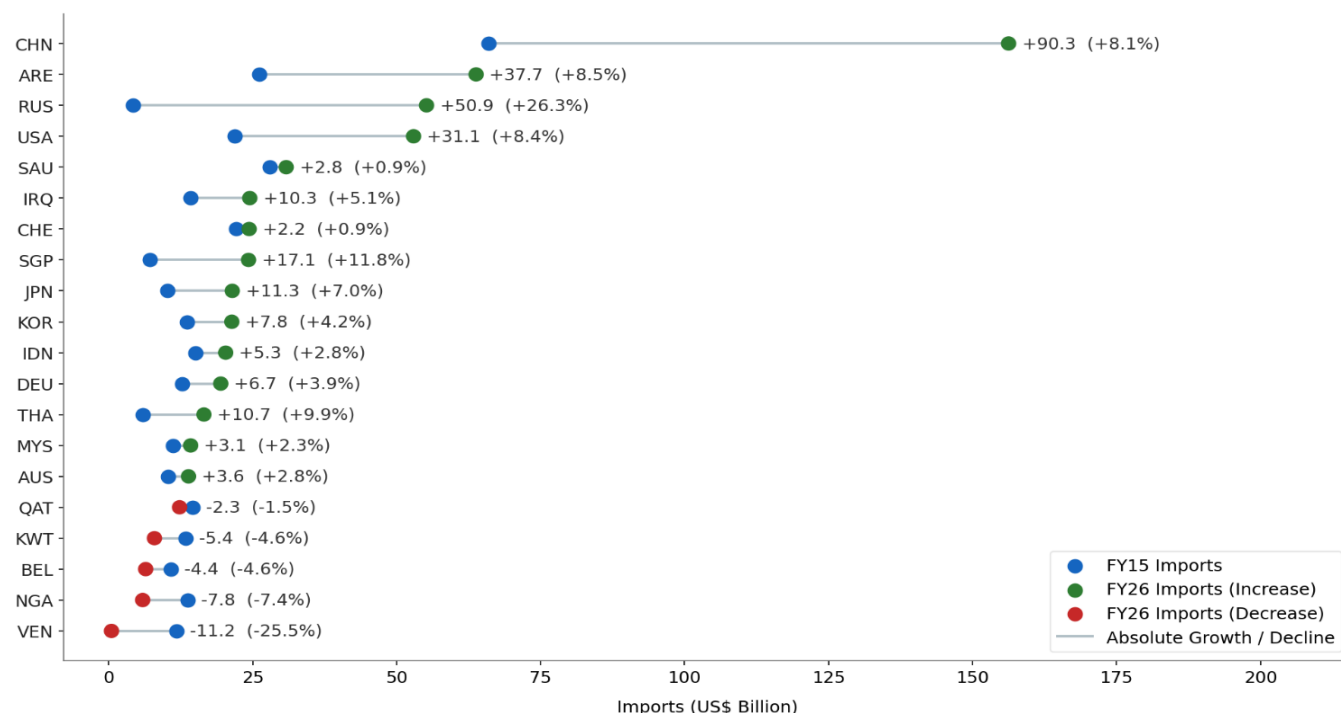
compared with less than 1% in FY15. This was accompanied by a decline in the combined share of traditional petroleum suppliers, Iraq, Saudi Arabia, Kuwait and Qatar, from 65.5% to 36.4%, indicating diversification in India's energy sourcing. Overall, the changing trade mix has resulted in sizeable surpluses with export-oriented partners such as the US and the Netherlands, while deficits have become increasingly concentrated with major import sources such as China and Russia.

Figure 123: India's country-wise imports share for FY15 and FY26



Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Full forms: CHN = China, ARE = United Arab Emirates, RUS = Russia, USA = United States of America, SAU = Saudi Arabia, IRQ = Iraq, CHE= Switzerland, SGP = Singapore, JPN = Japan, KOR= South Korea, IDN = Indonesia, QAT = Qatar, NGA = Nigeria 2) The import partners are ranked based on imports in FY26. 3) The country list represents the union of the top 10 import partners in FY15 and FY26 each. 4) China's value includes Hong Kong as well.

Figure 124: India's top 20 imports partners: Change between FY15 and FY26

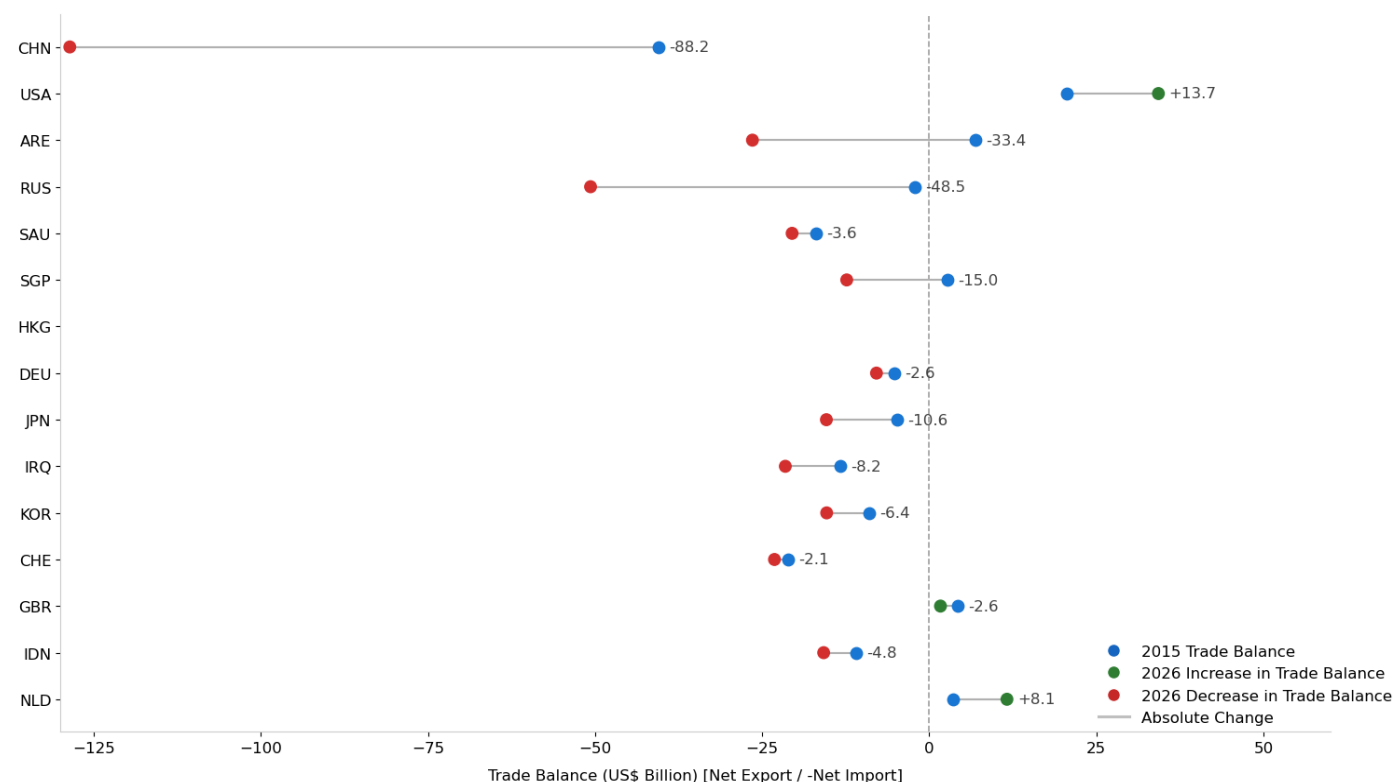


Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Full forms: CHN = China (Including Hong Kong), ARE = United Arab Emirates, RUS = Russia, USA = United States of America, SAU = Saudi Arabia, IRQ = Iraq, CHE= Switzerland, SGP = Singapore, JPN = Japan, KOR= South Korea, IDN = Indonesia, DEU = Germany, THA = Thailand, MYS = Malaysia, AUS= Australia, QAT = Qatar, KWT = Kuwait, BEL= Belgium, NGA = Nigeria, VEN = Venezuela 2) The top-20 import partners are ranked based on the average of imports in FY15 and FY26 each.

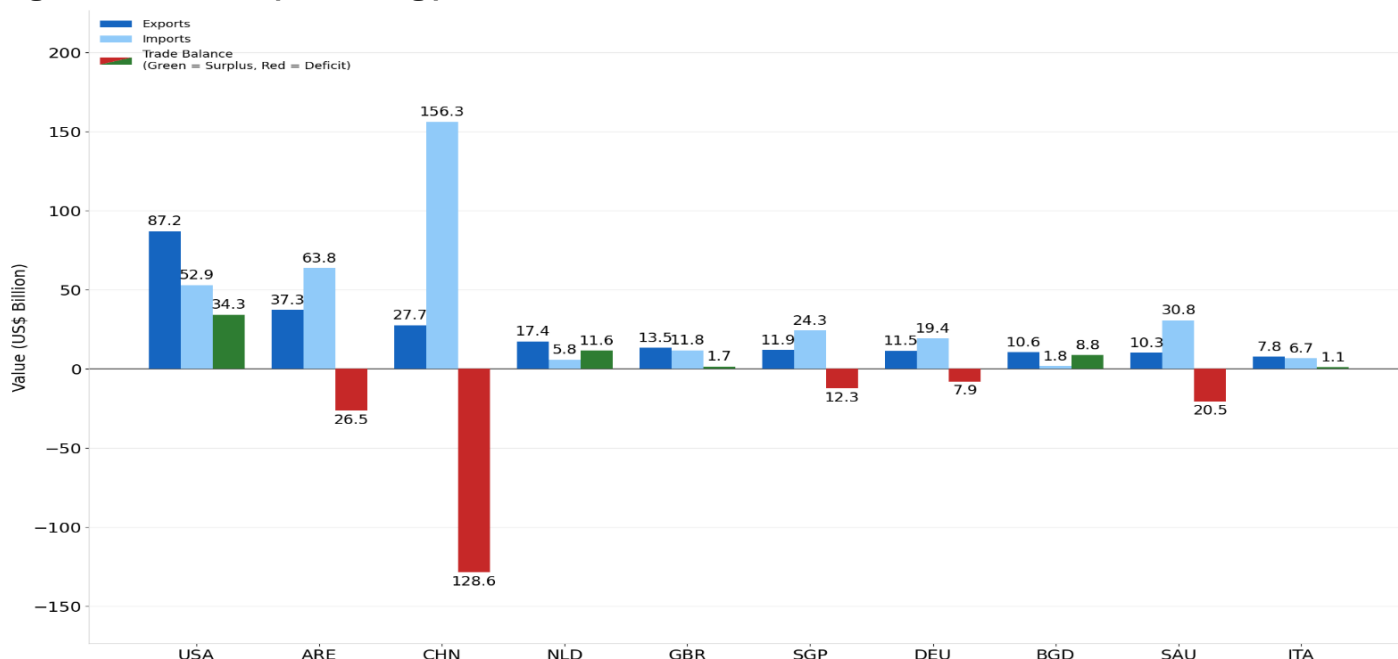
Table 29: Country-wise composition of merchandise goods imports in FY26

Countries	Petro. & crude	Agri. and allied	Ores and minerals	Leather	Chemicals	Engineering	Electronic	Textiles (excl. RMG)	RMG.	Other manf. goods	Other commodities
China	0.2	0.5	0.5	0.1	14.6	34.9	35.0	2.7	0.3	10.0	1.1
UAE	36.7	1.0	3.1	0.0	6.4	10.5	0.4	0.1	0.0	41.4	0.2
Russia	80.1	3.2	6.6	0.0	6.0	2.7	0.1	0.0	0.0	1.3	0.0
USA	25.1	4.8	6.5	0.0	8.5	17.7	15.5	0.4	0.0	19.2	2.3
Saudi Arab	70.7	0.1	0.6	0.0	14.0	6.8	0.1	0.0	0.0	7.6	0.1
Iraq	98.3	1.3	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Switzerland	0.1	1.3	1.2	0.0	3.7	5.0	2.3	0.0	0.0	86.3	0.1
Singapore	3.6	4.4	9.0	0.1	8.0	21.1	38.0	0.2	0.1	15.1	0.5
Japan	0.5	0.2	1.0	0.0	18.2	53.9	13.7	0.8	0.0	11.4	0.4
South Korea	6.7	0.3	0.4	0.0	9.8	40.3	26.2	0.5	0.0	14.2	1.7
Indonesia	0.1	26.2	36.6	0.3	11.7	14.5	3.7	1.4	0.1	4.5	1.0
Qatar	87.3	0.0	0.6	0.0	6.8	3.4	0.0	0.0	0.0	1.9	0.1
Nigeria	89.6	6.0	0.0	0.2	3.6	0.4	0.1	0.0	0.0	0.2	0.0

Source: CMIE Economic Outlook, NSE EPR. Notes – 1) Other manufacture goods include sports goods, rubber, footwear, gems & jewellery, glass, paper, handloom, stationery etc. 2) RMG = Readymade garments. 2) China's value includes Hong Kong as well.

Figure 125: India's top 15 trading partners: Change between FY15 and FY26


Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Full forms: CHN = China (including Hong Kong), ARE = United Arab Emirates, RUS = Russia, USA = United States of America, SAU = Saudi Arabia, IRQ = Iraq, CHE= Switzerland, SGP = Singapore, HKG = Hong Kong, JPN = Japan, KOR= South Korea, IDN = Indonesia, DEU = Germany, NLD = Netherlands, GBR= United Kingdom.

Figure 126: India's top 10 trading partners in FY26


Source: CMIE Economic Outlook, NSE EPR. Notes: 1) These top-15 trading partners have been finalised based on total merchandise trade (exports + imports) for FY26 2) Country full forms: 1) United States of America, ARE = Saudi Arabia, CHN = China (Including Hong Kong), NLD= Netherlands, GBR = United Kingdom, SGP= Singapore, DEU= Germany, SAU= Saudi Arabia, ITA = Italy, NPL= Nepal, AUS= Australia, FRA = France, BRA= Brazil, ZAF= South Africa. 3) The top-10 trading partners are shortlisted based on merchandise trade (exports + imports) in FY26.

Gradual shift towards manufactured product exports: India's merchandise export basket has changed over the past decade, with a clear shift towards manufactured and technology-linked products. Engineering goods, chemicals and electronics together accounted for half of merchandise exports in FY26 vs. a little more than one-third in FY15. Engineering goods remain the largest export category, with their share rising from 22.4% in FY15 to 26% in FY26, registering a 9.8% CAGR during FY21–26, supported by a sizeable participation from MSMEs (~35–40% of engineering goods exports).⁹ The most pronounced shift has been in electronics, whose share rose from just 2.3% to 11.4%, with a CAGR of ~33% CAGR FY21–26. Mobile-phone exports rose ~165x over the decade,¹⁰ helping India transition from a net importer to a net exporter of mobile phones. Chemicals have also gained importance, accounting for around 14% of exports, with drugs and pharmaceuticals contributing nearly half of the category. In contrast, the relative contribution of traditional categories such as gold, silver & jewellery, petroleum products and textiles have moderated.

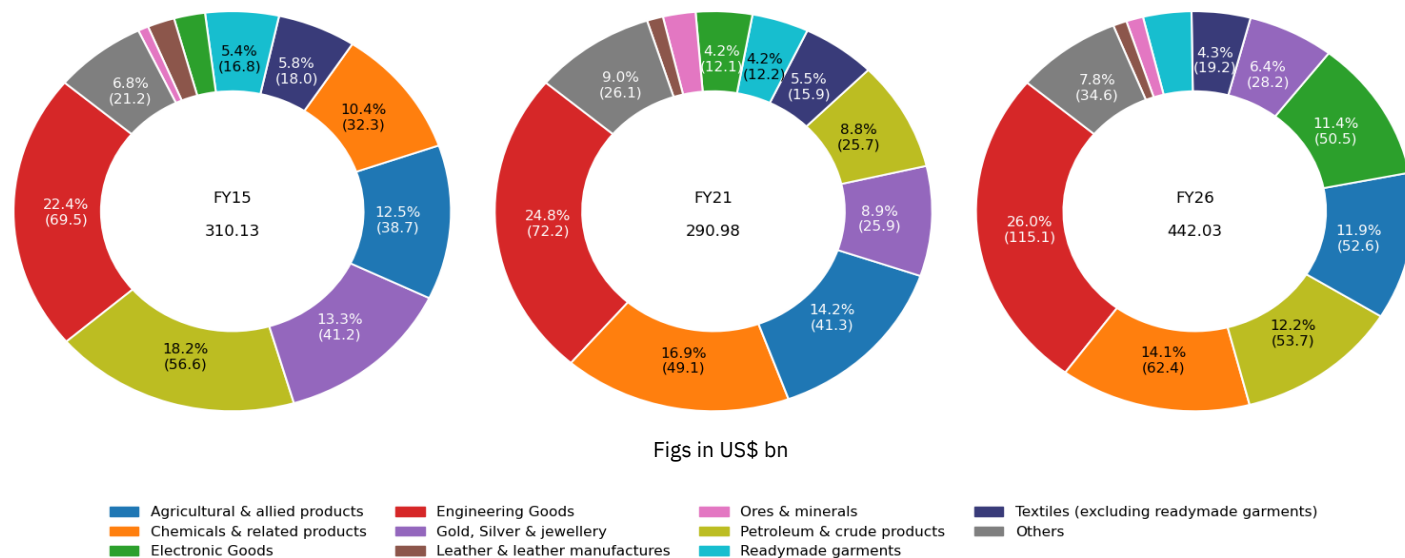
...While destination concentration remains high across key export categories: The country-commodity mix shows that this product diversification has not been matched by an equivalent broadening of export destinations. The US, which accounts for 19.7% of India's overall merchandise exports, is also the largest destination across several major product categories, including electronics (49.4%), readymade garments (30.5%), textiles (22.8%), chemicals (21.9%) and engineering goods (15.8%). Some categories, however, have a more diversified destination profile. Petroleum exports are spread across markets

⁹ https://www.commerce.gov.in/files/2026-04/Annual_0.pdf

¹⁰ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2284808&reg=48&lang=2>

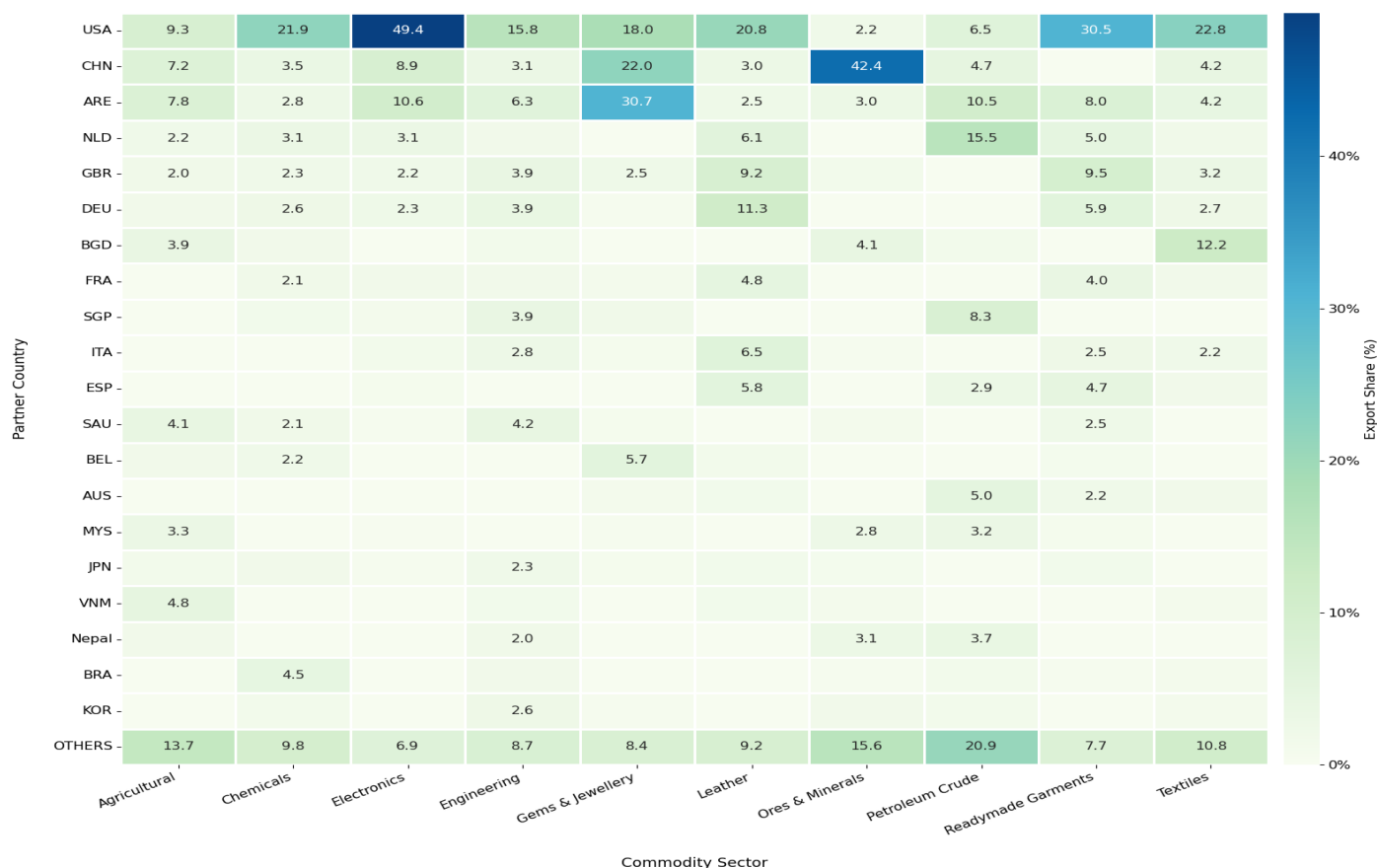
such as the Netherlands, UAE, Singapore, Brazil and Australia, while engineering goods have sizeable demand across the US, UAE, Great Britain, Germany and other markets.

Figure 127: Trends in India's export commodity basket



Source: CMIE Economic Outlook, NSE EPR Notes: 1) In each segment, the figures within the parenthesis are figures in US\$ bn while the figures in % are percentage share in total exports in respective years.

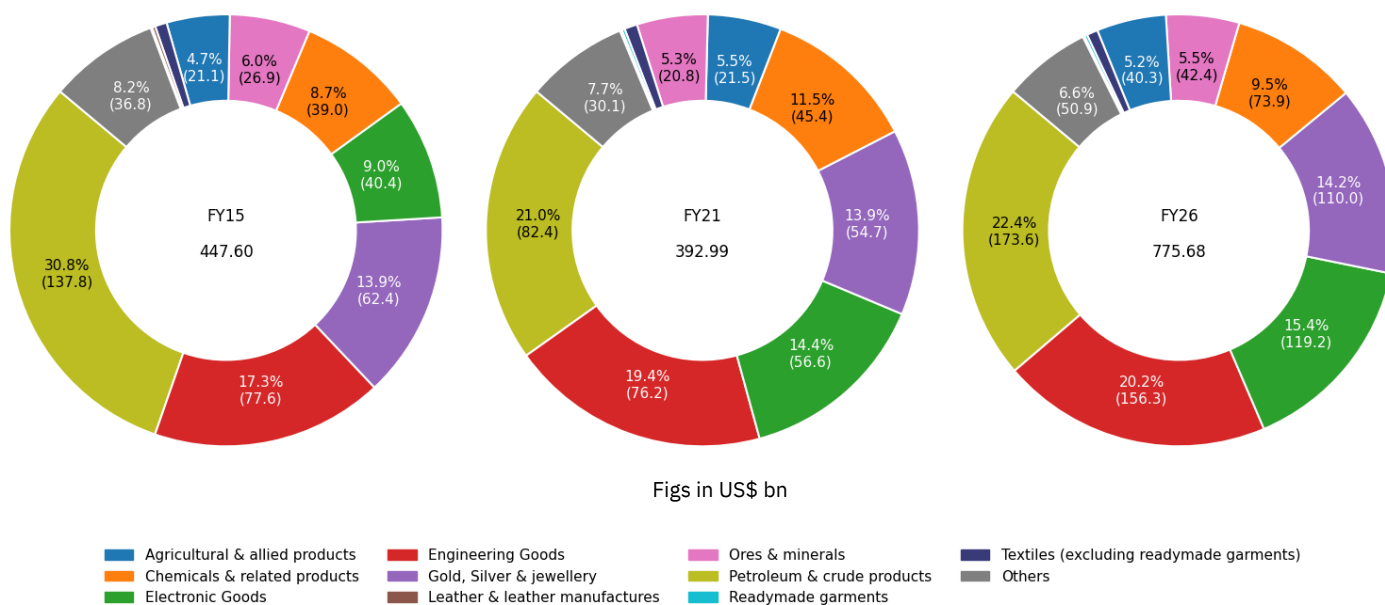
Figure 128: Product-wise composition of goods import by countries in FY26



Source: CMIE Economic Outlook, NSE EPR Notes: 1) The sum of the share for each commodity adds up to 100%. 2) Full form: USA = Unites States of America, CHN = China (including Hong Kong), ARE = United Arab Emirates, NLD = Netherlands, GBR = United Kingdom, DEU = Germany, BGD = Bangladesh, FRA = France, SGP = Singapore, ITA = Italy, ESP = Spain, SAU = Saudi Arabia, BEL = Belgium, AUS = Australia, MYS = Malaysia, JPN = Japan, VNM = Vietnam, BRA = Brazil, KOR= South Korea

Import mix shifts towards manufactured and intermediate inputs...: India's import basket has changed over the past decade, with the relative importance of petroleum declining even as energy remains a major component of the import bill. Petroleum and crude products accounted for around 31% of imports in FY15 compared with 22.4% in FY26, although rising energy requirements pushed petroleum imports (in quantity terms) up by around 1.3 times over this period. In contrast, manufactured and intermediate goods have gained prominence. Engineering goods and electronic goods now account for 20.2% and 15.4% of imports, respectively, having grown at five-year CAGRs of 15.4% and 16.1%, while gold, silver and jewellery continue to account for around 14%. The rising weight of electronics, machinery and other intermediate inputs suggests that import demand increasingly reflects requirements for domestic production, investment and export-oriented manufacturing, rather than consumption alone. This is particularly visible in electronics, where the rapid rise in finished goods exports has been accompanied by strong imports of components and intermediate inputs, reflecting improved participation in global value chains while also underscoring the scope for greater domestic value addition.

Figure 129: Trends in India's import commodity basket

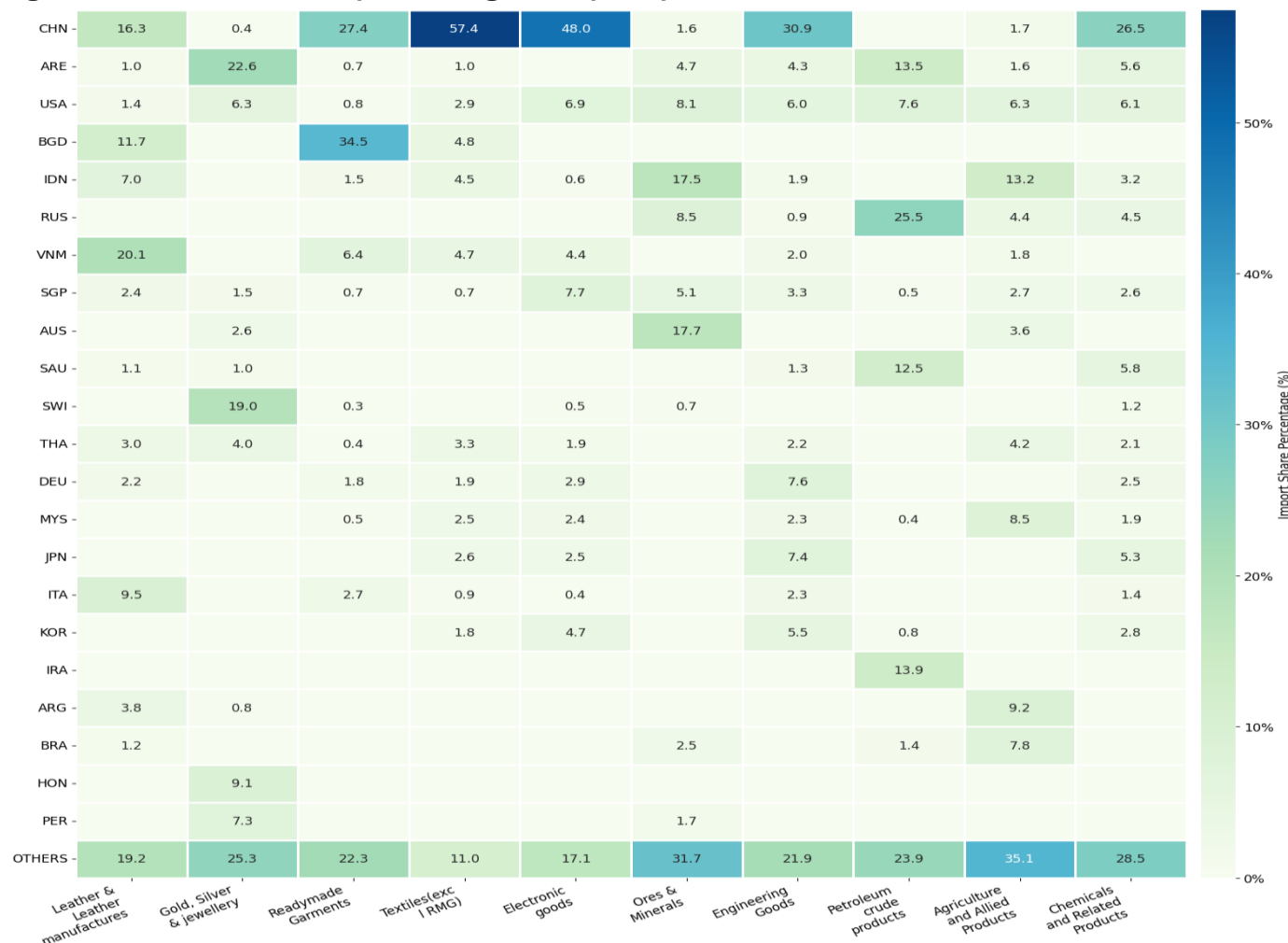


Source: CMIE Economic Outlook, NSE EPR 1) In each segment, the figures within the parenthesis are figures in US\$ bn while the figures in % are percentage share in total exports in respective years.

...While country-commodity linkages highlight distinct sourcing patterns: The country-commodity mix shows that India's major import commodity categories have distinctly different supplier profiles. China remains central to manufactured-input supply chains, accounting for around 48% of electronic goods imports, alongside sizeable shares in machinery, engineering, textile and other intermediate goods. This concentration has contributed to China's growing weight in India's overall import basket and the widening bilateral trade deficit. In energy, the sourcing pattern has changed sharply, with Russia accounting for around 25% of India's petroleum imports in FY26 compared with less than 1% in FY15, making it the largest individual source of petroleum imports. Other categories show a relatively broader supplier mix: Indonesia and Australia each account for around 17–18% of ores, minerals and coal imports, while precious-metal imports are concentrated around the UAE and Switzerland, with the UAE accounting for around 22.6%

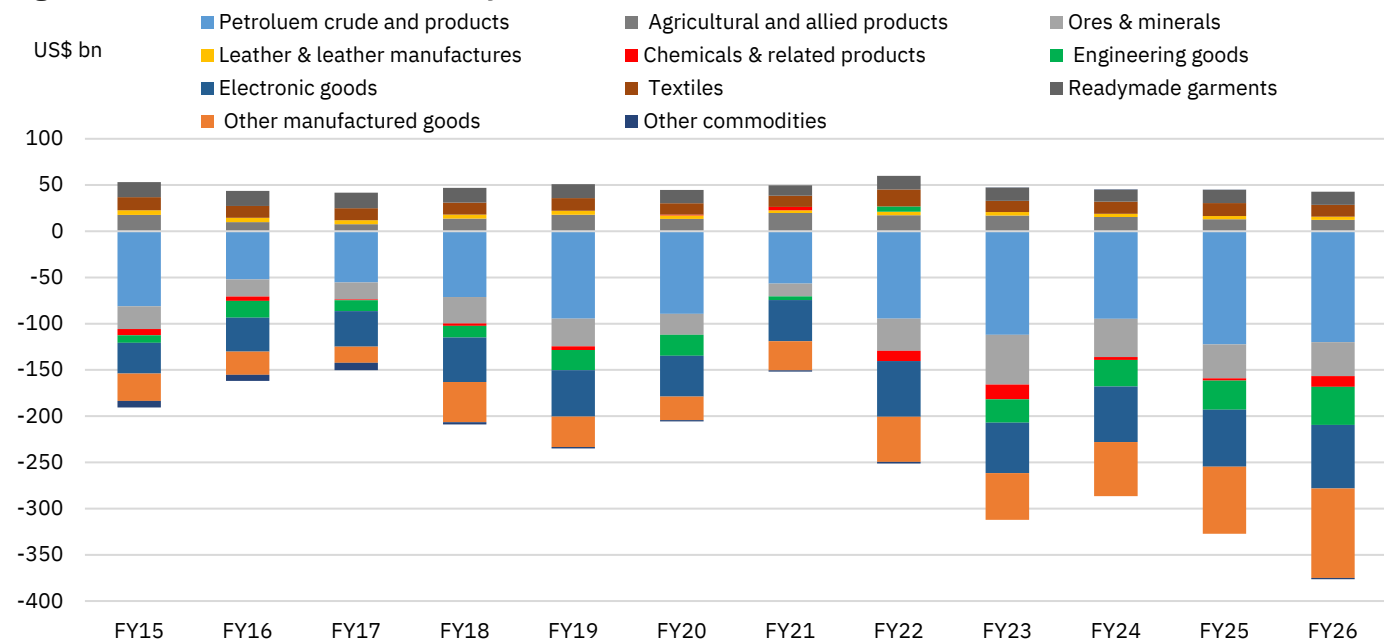
of gold, silver and jewellery imports. Regional supply chains are also visible in sectors such as garments and leather, with Bangladesh and Vietnam emerging as important suppliers. Overall, India's import sourcing has diversified in energy and some commodity categories, while dependence on a relatively concentrated supplier base remains more pronounced for key manufactured and intermediate inputs.

Figure 130: Product-wise composition of goods import by countries in FY26



Source: CMIE Economic Outlook, NSE EPR Notes: 1) Full form: USA = Unites States of America, CHN = China (including Hong Kong), ARE = United Arab Emirates, NLD = Netherlands, GBR = United Kingdom, DEU = Germany, BGD = Bangladesh, FRA = France, SGP = Singapore, ITA = Italy, ESP = Spain, SAU = Saudi Arabia, BEL = Belgium, AUS = Australia, MYS = Malaysia, JPN = Japan, VNM = Vietnam, BRA = Brazil, KOR= South Korea, IDN = Indonesia, RUS = Russia, SWI = Switzerland, THA =Thailand, JPN = Japan, IRA = Iran, ARG = Argentina, HON = Honduras, PER = Peru. The sum of the share for each commodity adds up to 100%.

Figure 131: Annual trend of commodity-wise contributors of merchandise trade balance



Source: CMIE Economic Outlook, NSE EPR Notes: 1) Other manufacture goods include sports goods, rubber, footwear, gems & jewellery, glass, paper, handloom, stationery etc

Services trade

Services trade is a key pillar of external sector resilience: India's services exports have expanded rapidly, rising from US\$154 bn in FY16 to US\$421 bn in FY26 (10Y CAGR: 10.6%), nearly threefold over the decade, while services imports increased from US\$81 bn to US\$205 bn. Export growth accelerated in the post-pandemic period, with services exports recording a 15.4% CAGR during FY21-26, compared with a 7.2% CAGR during FY15-19, indicating a strengthening of India's services export momentum. Services imports grew at a 9.2% CAGR during FY16-26 and remained below export growth over the longer period. Consequently, the services trade surplus expanded from around US\$77 bn in FY16 to US\$107 bn in FY22, before reaching a record US\$216 bn in FY26.

India's growing global footprint is also evident in its share of global services exports, which increased from 2.9% in 2014 to 4.3% in 2025, a gain of 135 bps, while its share of global services imports rose from 2.5% to 3.2%. Among the world's leading services trading economies, India recorded the fourth-fastest growth in services exports of 9.3% during 2014-2025, while services imports grew at the third-fastest pace of 7.3%, underscoring its rising importance in global services trade.

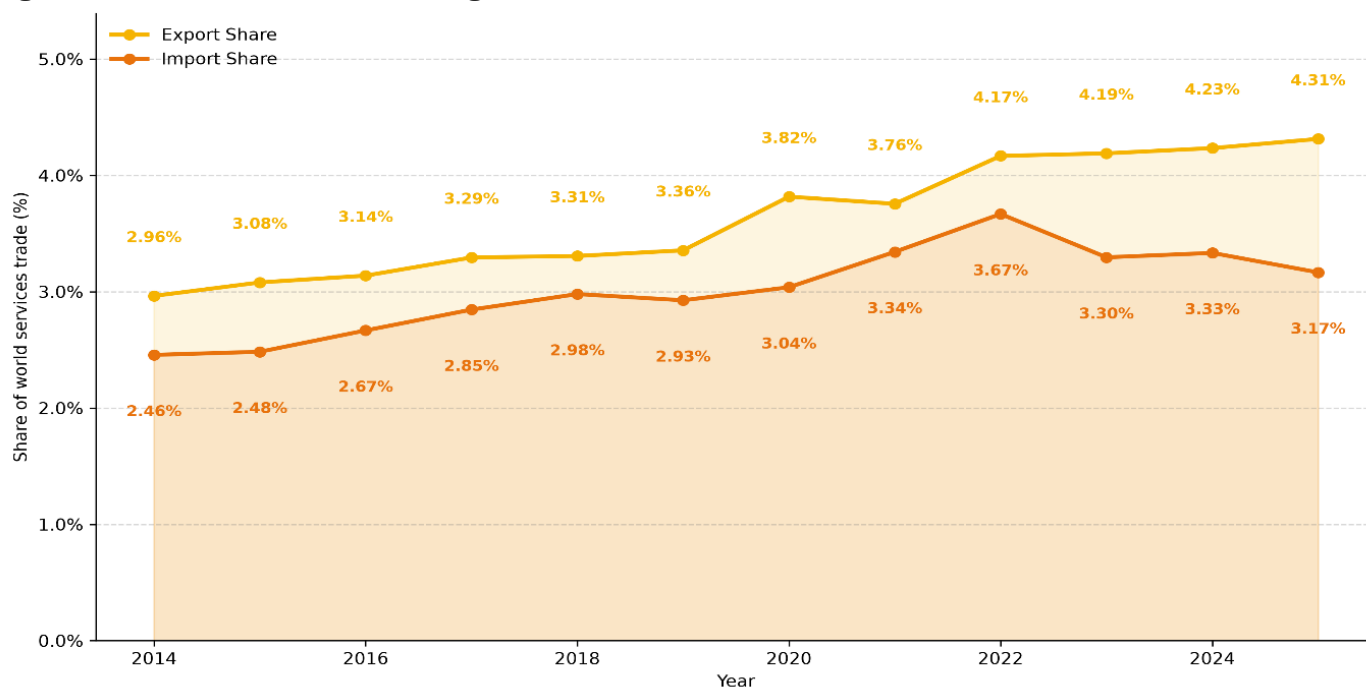
...With services surplus cushions but does not fully offset the merchandise trade deficit: India's expanding services surplus has increasingly helped absorb the pressure from a much larger merchandise trade deficit. The services surplus rose from US\$76.6 bn in FY15 to US\$216.6 bn in FY26, nearly tripling over the period. Even so, the merchandise deficit widened more sharply, from US\$137.5 bn to US\$333.6 bn, keeping the combined goods and services trade balance in deficit. The overall deficit widened to a peak of US\$121.5 bn in FY23, moderated to US\$78.5 bn in FY24, and rose again to US\$117 bn in FY26. In FY26, the services surplus offset around 65% of the merchandise trade deficit in FY26 (vs. 56% in FY15), highlighting its growing role in containing India's external trade imbalance.

Exports continue to be knowledge-driven...: The composition of services exports highlights India's comparative strength in digitally delivered and knowledge-intensive activities with computer services accounting 48.3% of services exports in FY26, (up from 46.4% in FY15). More significantly, the share of professional and management consulting services more than doubled from 9.8% to 22.5%, taking the combined share of these two categories to over 70% of services exports. In contrast, the shares of transport and travel declined from 11.1% and 12.9% to 7.6% each.

In comparison, India's services export composition differs significantly from that of both developed and emerging economies. Among some of the developed markets, travel accounts for 62% of Australia's services exports, 31% of Canada's while transport accounts for 33% of Singapore's total services exports. Emerging markets also display sector-specific strengths, with travel accounting for around 39% of Malaysia's exports, 58% in Mexico, and technical, trade-related and other business services accounts for 47% in the Philippines. In comparison, India's combination of 48.3% computer services and 22.5% professional and management consulting reflects a relatively strong specialisation in technology-enabled and knowledge-intensive services.

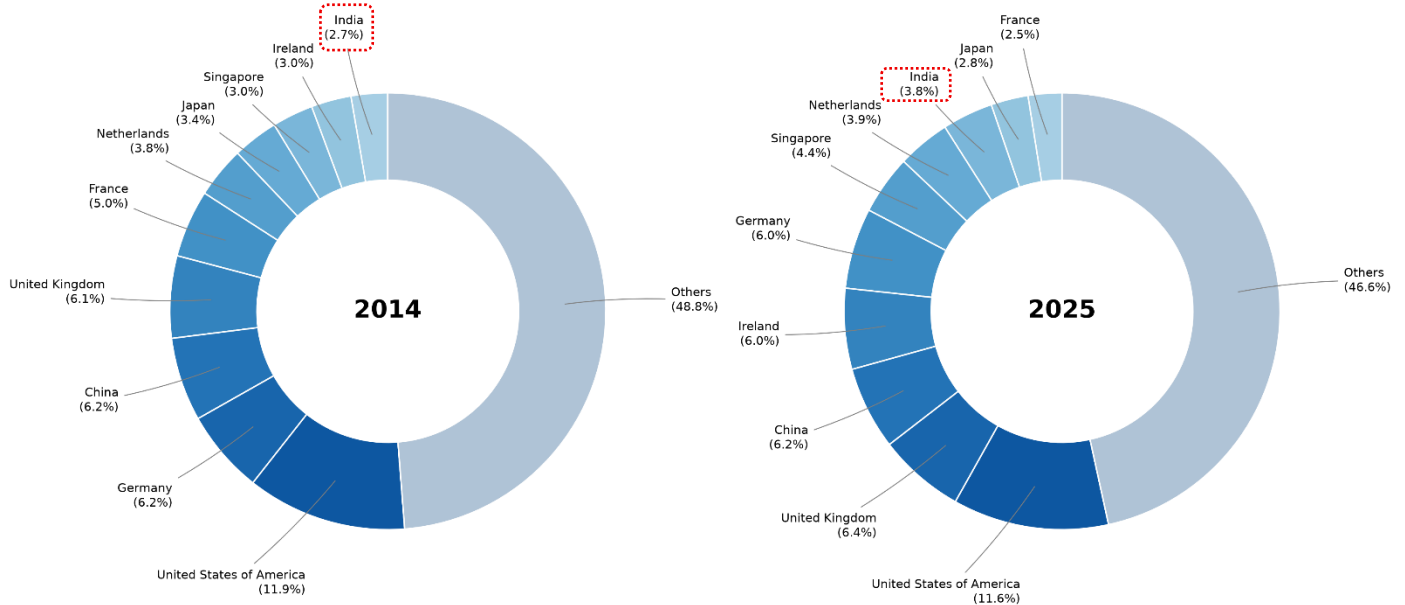
...While imports are more diversified: India's services import basket remains more diversified, with technical, trade-related and other business services accounting for 23.2%, followed by travel and transport at around 17% and 16%, respectively. The share of computer services imports also increased from 3.3% in FY15 to 11.8% in FY26, reflecting rising demand for digital technologies and specialised services. This contrasts with economies such as Australia, where travel accounts for 42% of services imports, and Singapore, where transport contributes around 35%. Among emerging markets, Mexico has a relatively high transport share of 36%, while the Philippines records a high 34% share of travel.

Figure 132: Trends in India's share in global services' trade



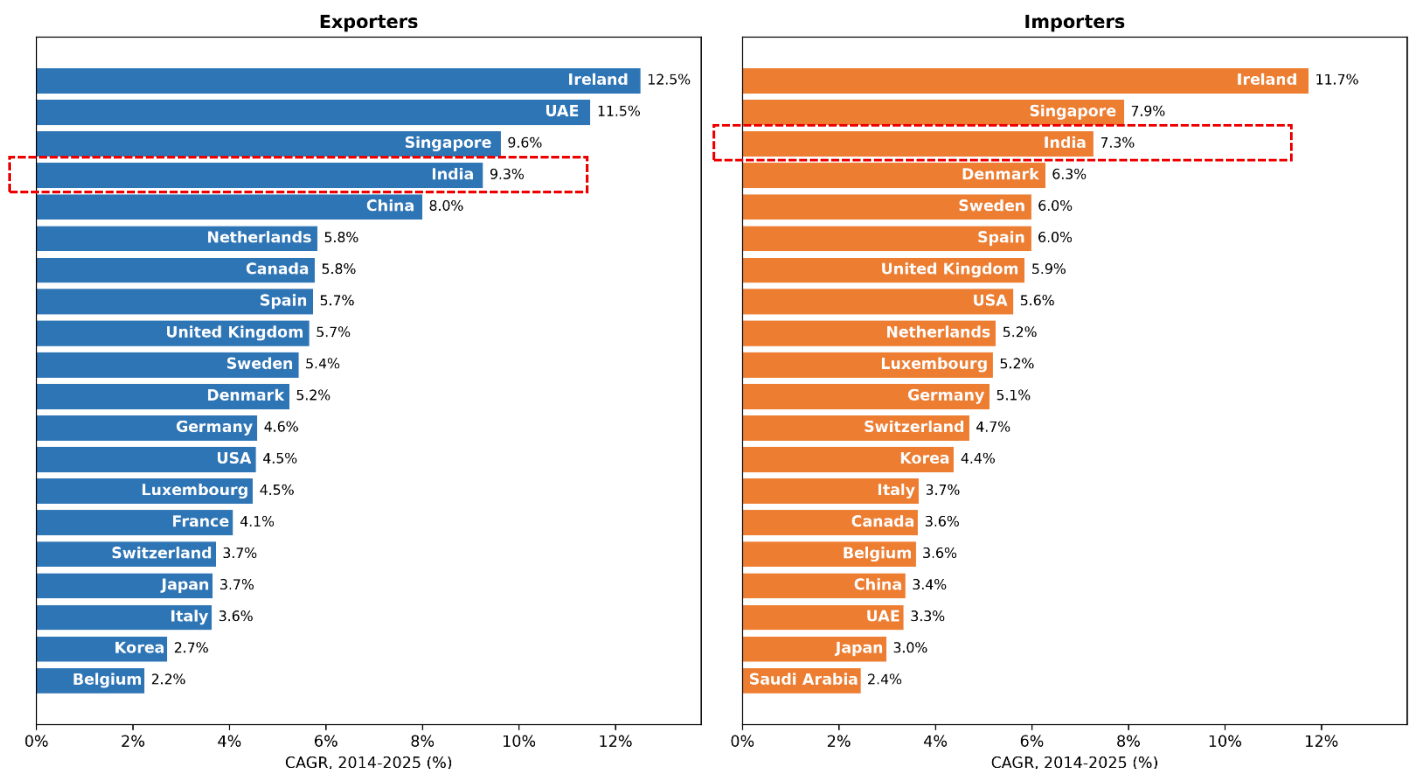
Source: WTO, NSE EPR Notes: 1) The latest data available is for the year ended 2025 and values for which are provisional estimates

Figure 133: Top 10 countries' share of world services trade



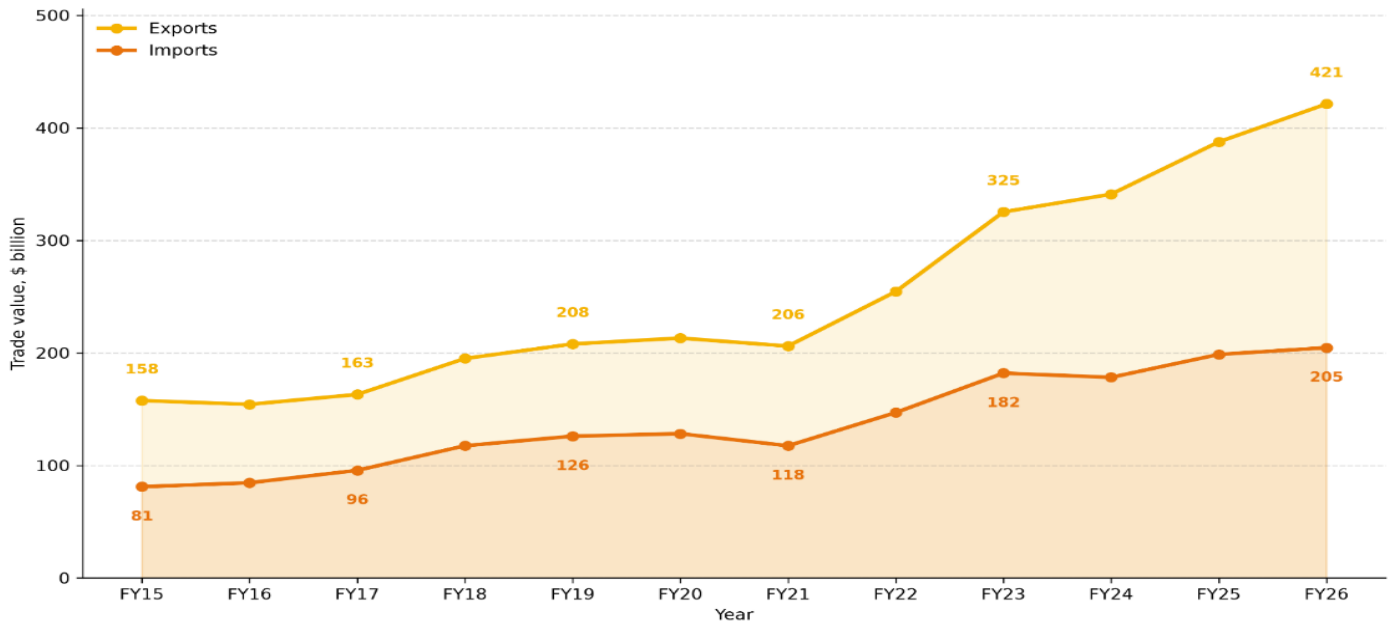
Source: WTO, NSE EPR Notes: 1) The latest data available is for the year ended 2025 and values for which are provisional estimates 2) Services trade defined here is the sum of services exports and imports

Figure 134: CAGR for services export and imports during 2014-2025



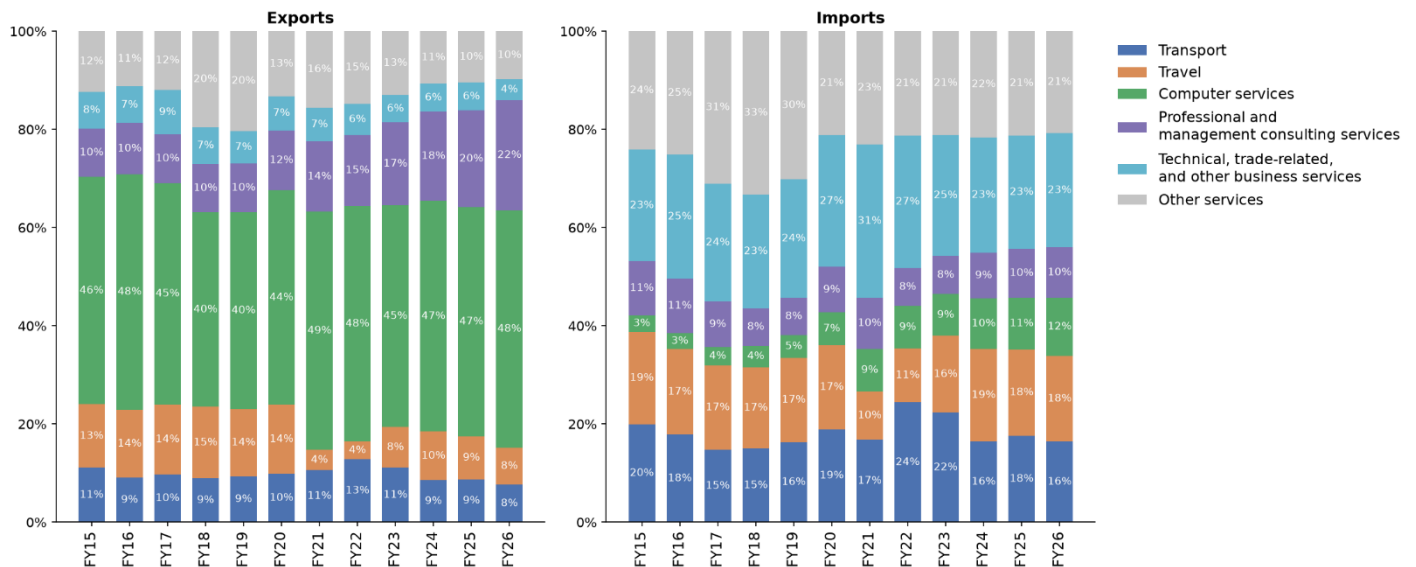
Source: WTO, NSE EPR Notes: 1) The latest data available for the year ended 2025 and values for which are provisional estimates

Figure 135: Trends in India's services exports and imports

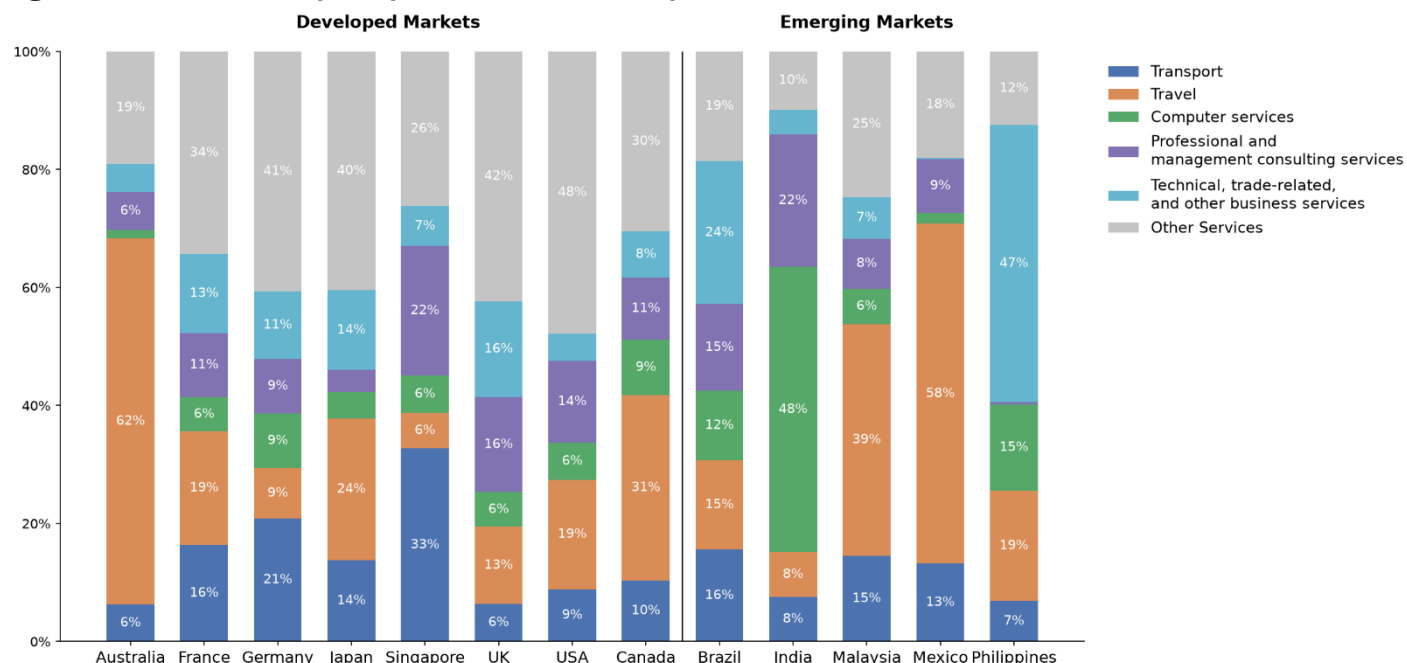


Source: CMIE Economic Outlook

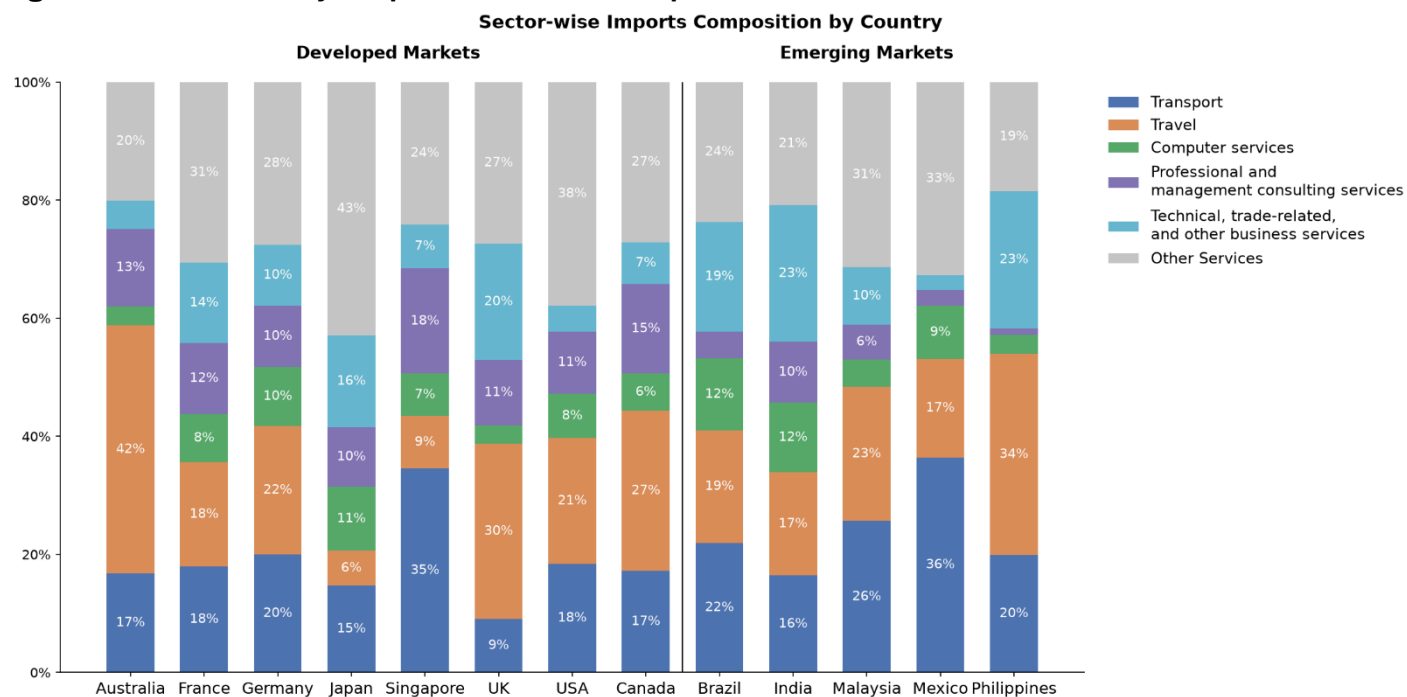
Figure 136: India's services trade composition by sector (FY15-FY26)



Source: CMIE Economic Outlook, NSE EPR Notes: 1) For India, the value is for the fiscal year ended 2026. 2) Other services include manufacturing services on physical inputs, maintenance and repair services, construction, insurance and pension services, financial services, charges for the use of intellectual property, telecommunication services, information services, research and development services and personal, cultural and recreational services.

Figure 137: Cross-country comparison of services' export (2024)


Source: WTO, CMIE Economic Outlook, NSE EPR Notes: 1) For India, the data pertains to the fiscal year ended 2026. 2) Other services include manufacturing services on physical inputs, maintenance and repair services, construction, insurance and pension services, financial services, charges for the use of intellectual property, telecommunication services, information services, research and development services and personal, cultural and recreational services.

Figure 138: Cross-country comparison of services' import (2024)


Source: WTO, CMIE Economic Outlook, NSE EPR Notes: 1) For India, the data pertains to the fiscal year ended 2026. 2) Other services include manufacturing services on physical inputs, maintenance and repair services, construction, insurance and pension services, financial services, charges for the use of intellectual property, telecommunication services, information services, research and development services and personal, cultural and recreational services.

Macroeconomy

Fragile world, stable India

The global economy entered July on a relatively favourable footing following the US–Iran interim ceasefire in the second half of June, which eased geopolitical risk premia and pulled crude oil prices lower. The respite, however, proved short-lived as renewed tensions around the St. of Hormuz and Bab el-Mandeb Strait revived energy supply concerns, pushing Brent above US\$100/bbl. Iran-Oman talks on shipping arrangements through St. of Hormuz has offered partial relief, but traffic remains severely restricted, while stalled US-Iran talks and fresh escalation threats cloud global prospects. Against this backdrop, the global outlook remains subdued, with the IMF projecting growth to slow from 3.5% in 2025 to 3.0%/ 3.4% in 2026/27 respectively. Elevated energy and food prices have complicated the disinflation process, leaving major central banks caught between weaker growth and upside inflation risks. Policy rates have therefore largely remained unchanged, while dissenting votes at the Fed, Bank of England and Bank of Japan highlight persistent stagflation concerns. Geopolitical risks have been further compounded by fresh US Section 301 tariff actions, extreme heat and drought across Europe and strengthening El Nino conditions, adding to an already fragile global environment. Amid these headwinds, continued momentum in AI-led investment has provided an important counterweight, particularly across major advanced economies.

Against a challenging global backdrop, the Indian economy has remained relatively resilient, with domestic macroeconomic fundamentals holding up well. Activity indicators remain supportive, reflected in stronger industrial production, upbeat auto sales, healthy GST collections, resilient services activity, healthy bank credit growth, strong merchandise exports, robust investment demand and sustained government capex. Reflecting this resilience, the RBI raised its FY27 GDP growth projection to 6.7%, including a 40bps upward revision in Q1 growth to 7.0%. Inflation is likely to inch up further (from 4.4% in July) and remain elevated through the remainder of FY27 amid risks from an uneven monsoon and global commodity prices, with the RBI projecting average inflation at 5%. Against this evolving growth-inflation balance, the MPC *unanimously* maintained the policy rate and its neutral stance. External-sector pressures have remained manageable despite bouts of rupee depreciation, supported by healthy foreign-exchange reserves of US\$707 bn (*as of August 7th*) and strong foreign-currency inflows. RBI's measures mobilised nearly US\$57bn, including US\$52.3bn through FCNR(B) deposits,¹¹ prompting an early closure of the eligible deposit window by August 31st. Risks nevertheless remain from both *war and weather*: the monsoon deficit stood at -13%,¹² even as *kharif* sowing caught up to just 2% below last year's level¹³ and reservoir levels remained close to the long-term average. Overall, India has navigated these “two Ws” relatively well so far, supported by resilient domestic fundamentals, healthy external buffers and proactive policy measures.

- **RBI MPC stays on hold, in line with expectations:** The RBI maintained the policy rate unchanged in August 2026 for the fourth consecutive MPC meeting and retained its neutral stance, reflecting a more comfortable growth-inflation balance than assessed in June. The MPC marginally raised its FY27 GDP growth forecast by 10 bps to 6.7%, while lowering its inflation projection by 10 bps to 5.0%, supported by resilient domestic activity and some moderation in inflationary pressures. With the near-term macroeconomic outlook appearing relatively balanced, the RBI is likely to remain cautious and data-dependent, with further policy action contingent on a material shift in the evolving growth-inflation dynamics.
- **Industrial activity strengthened in June:** India's industrial activity strengthened in June 2026, with IIP growth accelerating to a near two-year high of 7.3% YoY, led by a seven-month high in manufacturing growth and double-digit expansion in

¹¹ Data is as of August 13th, 2026, as reported by authorised dealer banks to RBI

¹² Data is cumulative and is as of August 17th, 2026

¹³ Data is as of August 15th, 2026

electricity, the strongest since May 2024. Use-based classification pointed to resilient investment demand, with capital goods (14.2% YoY), intermediate goods (9.3% YoY) and infrastructure/construction goods (7.5% YoY) recording robust growth. Similarly, core sector growth accelerated to a five-month high of 5% YoY, supported by cement and electricity, even as natural gas, crude oil, refinery products and fertilisers contracted amid West Asia-related disruptions. Meanwhile, PMI manufacturing (53.5) and services (51.9) remained in expansion territory but have eased sharply to near five-year lows.

- Headline inflation remained above 4% in July amid rising food prices:** Headline CPI inflation remained unchanged at 4.4% YoY in July, primarily reflecting elevated food inflation, which rose by 5.2% YoY. However, even with the rising food price pressures, it remained relatively contained despite an uneven monsoon, with rainfall 13% below the LPA in July. Within food, the price pressure was largely concentrated in dairy and poultry prices (which grew by 7.4% YoY due to a 16%YoY increase in meat prices), alongside higher inflation in fruits and oils & fats. Core inflation, on the other hand, remained steady for the second consecutive month at 3.8% YoY and super-core (excluding gold & silver jewellery) remained low at 2.5% YoY in July, indicating limited broad-based price pressures.
- Wholesale and producer inflation remains elevated:** Output PPI inflation remained unchanged, yet elevated, at 9.6% YoY in July, as acceleration in agriculture (7.8%) and electricity (1.1%) were offset by a moderation in manufacturing (10.5%) and mining & quarrying (14.0%). Manufacturing PPI eased to 10.5% from 11.0% in June, primarily driven by a sharp moderation in coke and refined petroleum products (32.0% vs. 45.9%). However, price pressures remained broad-based, with eight of 23 manufacturing sub-sectors recording double-digit inflation in July. On the other hand, WPI eased marginally to 9.78% YoY in July 2026, down from 9.87% YoY in June 2026, as a sharp moderation in fuel prices (20.1% YoY in July 2026, down from 27.4% YoY in June 2026) offset firming pressures in primary articles (8.5% YoY in July 2026 vs 7% YoY in June 2026) and manufactured products (8.3% YoY in July 2026 vs 7.5% YoY in June 2026).
- Monsoon deficit narrows, but outlook remains weak:** Cumulative rainfall during July 2026 was 13% below the LPA, improving sharply from a 40% deficit in June, with the shortfall remaining broadly unchanged at 13% as of August 17. IMD forecast below-normal rainfall (less than 94% of LPA) over the country during the second half of the Southwest Monsoon season (August–September) 2026, suggesting that monsoon conditions may remain subdued. Regionally rainfall distribution remained uneven, with the East and Northeast recording the highest deficit at 27%, followed by the South Peninsula at 21% and Northwest India at 12%. Of the 36 meteorological subdivisions, 16 subdivisions (38% of the area) received deficient rainfall as of August 17. Reservoir storage at 53% of total capacity as of August 6 (73% a year ago) and marginally below the 10-year average of 54.4%. Kharif sowing remained behind last year's pace, with total sowing at 87.6% of normal as of August 7, down 1.8% YoY, rice and pulses contracted by 4.4% YoY and 1.9% YoY.
- Trade deficit widened to six-month high led by broad-based rise in imports:** Goods exports maintained robust momentum in July, growing by ~20%YoY, largely led by growth in oil exports (68%YoY/42%MoM) while non-oil exports grew by

14%YoY driven by electronics and engineering goods. Goods imports increased by 18% YoY, reflecting a broad-based rise in non-oil non-gold imports and higher gold imports, even as oil imports moderated by 5% MoM. While goods trade deficit widened to US\$ 32bn, a higher services trade surplus of US\$17bn helped contain the overall trade deficit at US\$15bn (similar to the previous month).

- **Bank credit growth moderated slightly in July, while the credit-deposit gap remained elevated:** Outstanding bank credit growth moderated to 17.7% YoY in July from 18.6% in June, while deposit growth eased to 12.7% from 13.3% (latest data as of 15th July 2026 as per RBI WSS). Consequently, the CD ratio remained elevated at 82.7%, indicating a sustained credit-deposit gap. Sector-wise credit data for June showed broad-based growth, supported by retail credit, MSMEs, services and infrastructure-linked sectors, and NBFCs. Growth in loans against gold moderated to 93.3% YoY in June from a high of 133% YoY in May 2025, as gold prices declined. Banks' fresh CD issuances were at a 27-month low in July 2026 at Rs 0.4 lakh crore due to a rise in the FCNR(B) deposit issuances.
- **Centre's capital expenditure growth widened in Q1FY27:** Central government's fiscal account for Q1FY27 (Apr-Jun) showed fiscal deficit widening modestly to Rs 3.1 lakh crore in Q1FY27 (18.2% of FY27BE) from Rs 2.8 lakh crore in Q1FY26 due to a 23.7%YoY surge in capital expenditure (27.8% of FY27BE). Gross tax collections remained subdued, growing by just 3.7%YoY, weighed down by lower excise duty receipts (-22.7% YoY) following the duty cuts, even as net tax revenues recorded a strong 17.8% expansion. That said, non-tax revenues remained broadly flat, rising by 1.2%. On the expenditure side, revenue expenditure increased by 7.4%, driven by a sharp 37% rise in subsidies, even as interest payments declined by 10.3%YoY in this quarter.

Table 30: High frequency indicators

Indicators		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Consumption								
Auto volumes - passenger (domestic)	YoY%	-5.1	-3.8	6.7	32.7	28.8	15.7	37.6
2W volumes (domestic)	YoY%	26.2	35.2	19.3	28.4	14.8	18.6	22.6
Tractor volumes	YoY%	43.0	34.2	29.1	26.8	19.6	11.9	20.5
Vehicle registrations	YoY%	18.1	26.5	26.2	13.7	11.3	23.6	26.7
Personal loans	YoY%	14.9	15.2	16.2	16.0	15.4	15.8	
IIP-Consumer durables	YoY%	-0.3	4.2	2.4	5.6	8.0	7.7	
IIP-Consumer non-durables	YoY%	-1.2	1.6	-0.6	0.2	-0.4	4.9	
Petrol Consumption	YoY%	6.1	6.1	7.6	6.8	3.4	7.5	9.2
Diesel Consumption	YoY%	3.3	4.3	8.1	0.8	1.6	6.2	10.0
GST collections	Rs lakh cr	2.0	1.9	2.0	2.4	1.9	1.9	2.1
MGNREGA Work Demand	YoY%	-25.0	-10.9	-21.8	-36.0	-27.6	-17.4	
CPI	YoY%	2.7	3.2	3.4	3.5	3.9	4.4	4.5
WPI	YoY%	1.2	2.2	4.0	8.4	9.9	9.9	9.8
Investment								
IIP-Capital goods	YoY%	12.4	16.5	8.5	12.0	15.5	14.2	
Central government capex	YoY%	-24.5	59.6	-41.8	18.8	-0.6	66.0	
IIP- Infra/ construction goods	YoY%	12.9	10.1	5.2	6.1	6.6	7.5	
External sector								
Merchandise exports	YoY%	0.4	-0.8	-7.4	14.2	18.6	15.5	19.6
Merchandise imports	YoY%	19.9	25.0	-6.2	10.0	20.6	31.0	17.5
Non-POL, Non-gold and silver imports	YoY%	3.1	14.7	9.6	14.1	9.9	29.5	19.5
Services (net)	YoY%	19.3	4.1	15.7	16.7	-0.3	10.4	3.1
Foreign exchange reserves	US\$ bn	723.8	728.5	688.1	698.5	682.3	666.9	692.9
Business activity								
IIP	YoY%	4.2	4.4	3.0	4.9	5.0	7.3	
IIP-Manufacturing	YoY%	4.6	5.7	4.0	6.1	5.2	7.8	
Core sector: Coal	YoY%	3.1	2.3	-4.0	-8.8	-9.3		
Core sector: Steel	YoY%	11.5	7.6	7.7	5.5	5.0		
Core sector: Cement	YoY%	11.3	8.9	4.7	8.2	8.4		
Core sector: Electricity	YoY%	5.2	2.3	0.8	5.6	8.7		
Manufacturing PMI	Index	55.4	56.9	53.9	54.7	55.0	54.2	53.5
Domestic cargo traffic	YoY%	8.7	18.5	10.8	7.0	10.7	9.4	
International cargo traffic	YoY%	8.4	17.6	-6.0	11.6	10.4	19.4	
Port cargo	YoY%	3.7	4.3	-1.5	1.4	3.9	3.7	6.4
E-way bills	YoY%	15.8	18.8	12.9	11.8	11.0	14.5	6.0
Services/ banking								
Services PMI	Index	58.5	58.1	57.5	58.8	59.8	57.4	53.3
Domestic passengers traffic	YoY%	3.1	-0.1	-1.3	-2.9	7.7	-1.2	
International passengers traffic	YoY%	7.1	3.0	-18.5	-16.1	-9.1	-4.6	
Bank deposit	YoY%	10.6	11.3	16.2	13.3	12.2	13.3	12.7
Bank credit	YoY%	13.4	14.0	17.1	16.6	17.7	18.7	17.7
Banking system liquidity (Net injection (+)/absorption (-)	Rs lakh cr	-1.8	-2.8	-3.1	-2.6	-1.4	-1.8	-2.3

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 July 2026 corresponds to RBI WSS.

RBI Monetary Policy: An expected pause

The RBI's Monetary Policy Committee (MPC) kept the policy repo rate unchanged at 5.25% for the fourth consecutive meeting and retained its neutral stance amid a volatile global environment. In contrast to the divided votes seen at several major central banks, the decision was unanimous, reflecting confidence in India's macroeconomic resilience. With domestic activity stronger than anticipated, near-term inflation pressures largely supply-driven and crude oil prices easing from earlier highs, the MPC marginally lowered its FY27 CPI inflation forecast to 5.0% and raised its real GDP growth projection to 6.7%. The revisions point to a more favourable growth-inflation balance than envisaged in the previous policy review.

With banking-system liquidity remaining comfortably in surplus—at around Rs 1.1 lakh crore in July—the RBI reiterated its commitment to proactive liquidity management to support effective policy transmission. Going forward, the RBI is likely to maintain a cautious, data-dependent approach, with further rate action unlikely unless there is a material change in the growth-inflation outlook. Geopolitical uncertainty, an uneven monsoon and slower kharif sowing remain key risks, although inflation pressures are still largely supply-driven and underlying core inflation remains benign. Meanwhile, measures to attract capital through FCNR(B) deposits, which stood at US\$36.7 bn as of July 31st, have strengthened the external-sector buffer, eased pressure on the rupee and afforded the RBI greater flexibility to focus on domestic growth and inflation dynamics.¹⁴

- Status quo amid a volatile global backdrop:** Despite elevated geopolitical uncertainty, the growth-inflation balance has improved since the June monetary policy review. Domestic economic activity remained resilient through Q1FY27, as reflected in high-frequency indicators, while headline CPI inflation, at 3.9%, came in below the RBI's June projection of 4.2%. Crude oil prices also moderated from their earlier highs. Against this backdrop, the MPC unanimously kept the policy repo rate unchanged at 5.25% for the fourth consecutive meeting. Accordingly, the Standing Deposit Facility and Marginal Standing Facility rates—the lower and upper bounds of the liquidity adjustment facility corridor—remained unchanged at 5.0% and 5.5%, respectively. The MPC also retained its neutral stance, preserving policy flexibility amid an evolving external environment and changing domestic growth-inflation dynamics.
- Inflation projections eased....:** The MPC noted that near-term inflation pressures remain largely supply-driven, reflecting movements in food and fuel prices rather than broad-based demand pressures. In view of the softer-than-expected inflation trajectory, the RBI lowered its FY27 headline CPI inflation forecast by 10 basis points to 5.0%. The Q2FY27 projection was reduced by 40 basis points to 4.7%, while the Q3 forecast was retained at 5.9% and the Q4 projection was raised marginally by 10 basis points to 5.5%. The uneven distribution of rainfall amid El Niño conditions and volatility in global commodity prices, with potential spillovers to food, fuel and other input costs, remain key risks to the outlook. However, the MPC expects second-round effects to remain contained. Against this backdrop, FY27 core inflation is expected at 4.3%, 40 basis points below the previous policy estimate. Excluding precious metals, core inflation is likely to remain subdued in the near term.
- ...While GDP projections revised up:** The MPC noted that domestic economic activity remained more resilient than anticipated despite persistent global

The RBI's MPC unanimously decided to keep the policy repo rate unchanged for the fourth consecutive meeting at 5.25%, while retaining the stance at "Neutral."

FY27 inflation has been revised down by 10bps to 5% while GDP growth projected to be 10bps higher at 6.7%.

¹⁴ The data on forex inflows via FCNR (B) deposits, ECBs and OFCBs under RBI's swap facility stood at US\$ 56.9 bn as of August 13th, 2026, of which FCNR (B) deposits stood at US\$ 52.3 bn

uncertainty and intermittent disruptions arising from the conflict in West Asia. High-frequency indicators, healthy corporate earnings, resilient discretionary consumption and robust credit growth pointed to sustained momentum in Q1FY27. Reflecting the stronger-than-expected outturn, the RBI raised its FY27 real GDP growth forecast by 10 basis points to 6.7%. The Q1FY27 projection was revised sharply upwards to 7.0% from 6.6%, while growth was projected at 6.4% in Q2, 6.5% in Q3 and 6.8% in Q4. Growth in Q1FY28 was projected at 7.3%. Going forward, the RBI expects resilient services activity and robust investment, supported by high-capacity utilisation, healthy credit flows and continued public infrastructure spending. External demand is also expected to benefit from recent trade agreements. However, deficient and uneven monsoon conditions associated with El Niño remain a risk to agricultural output and rural demand, while renewed geopolitical tensions and potential disruptions to global supply chains pose downside risks to growth.

- Liquidity surplus has widened to above Rs 1 lakh crore:** After moderating significantly during April–June 2026, the average monthly banking-system liquidity surplus widened from Rs 0.9 lakh crore in June to around Rs 1.1 lakh crore in July. The comfortable liquidity position kept the weighted average call rate (WACR) closely aligned with the policy repo rate, averaging only 6bps above it between June 6 and July 31st, 2026. Policy transmission to bank rates has been substantial but remains incomplete. The weighted average lending rate on fresh rupee loans and the weighted average term-deposit rate on fresh deposits of scheduled commercial banks declined by 80bps and 83bps, respectively. However, both lending and deposit rates hardened somewhat during May–June. The RBI reiterated its commitment to proactive liquidity management, with the objective of maintaining adequate system liquidity and ensuring that the WACR remains closely aligned with the policy repo rate.
- Policy outlook remains data dependent:** The RBI is expected to remain vigilant and retain a data-dependent approach, with further rate action unlikely unless there is a material shift in the growth-inflation outlook. Geopolitical uncertainty, an uneven monsoon—with rainfall 12% below normal as of August 4th—and slower kharif sowing, down 2.9% year-on-year as of July 31st remain key risks. However, current inflation pressures are predominantly supply-driven, while underlying core inflation, excluding precious metals, remains benign. At the same time, the Government’s fiscal measures have absorbed a significant part of the fuel-price shock, while the RBI’s measures to augment capital inflows have strengthened the external-sector buffer. Between the June policy review and July 31st, 2026, foreign inflows of US\$40.8 bn were mobilised, including US\$36.7 bn through FCNR(B) deposits. These inflows have eased pressure on the rupee and improved the balance-of-payments outlook, affording the RBI greater policy flexibility to focus on domestic growth and inflation dynamics while complementing the broader policy response¹⁵.

The average WACR was at 5.31% since June meeting, only 6 bps above the repo rate, reflecting RBI’s nimble banking system liquidity operations.

¹⁵ The data on forex inflows via FCNR (B) deposits, ECBs and OFCBs under RBI’s swap facility stood at US\$ 56.9 bn as of August 13th, 2026, of which FCNR (B) deposits stood at US\$ 52.3 bn

Table 31: Current policy rates

The policy repo rate was unanimously kept unchanged at 5.25%, with the stance retained at “Neutral”.

Key rates	February 2026	April 2026	June 2026	August 2026
Repo Rate	5.25%	5.25%	5.25%	5.25%
Standing Deposit Facility (SDF)*	5.00%	5.00%	5.00%	5.00%
Marginal Standing Facility (MSF)	5.50%	5.50%	5.50%	5.50%
Bank Rate	5.50%	5.50%	5.50%	5.50%
Cash Reserve Ratio (CRR)	3.00%	3.00%	3.00%	3.00%

Source: RBI, NSE EPR. * Introduced in April 2022 policy as the new floor of the LAF corridor.

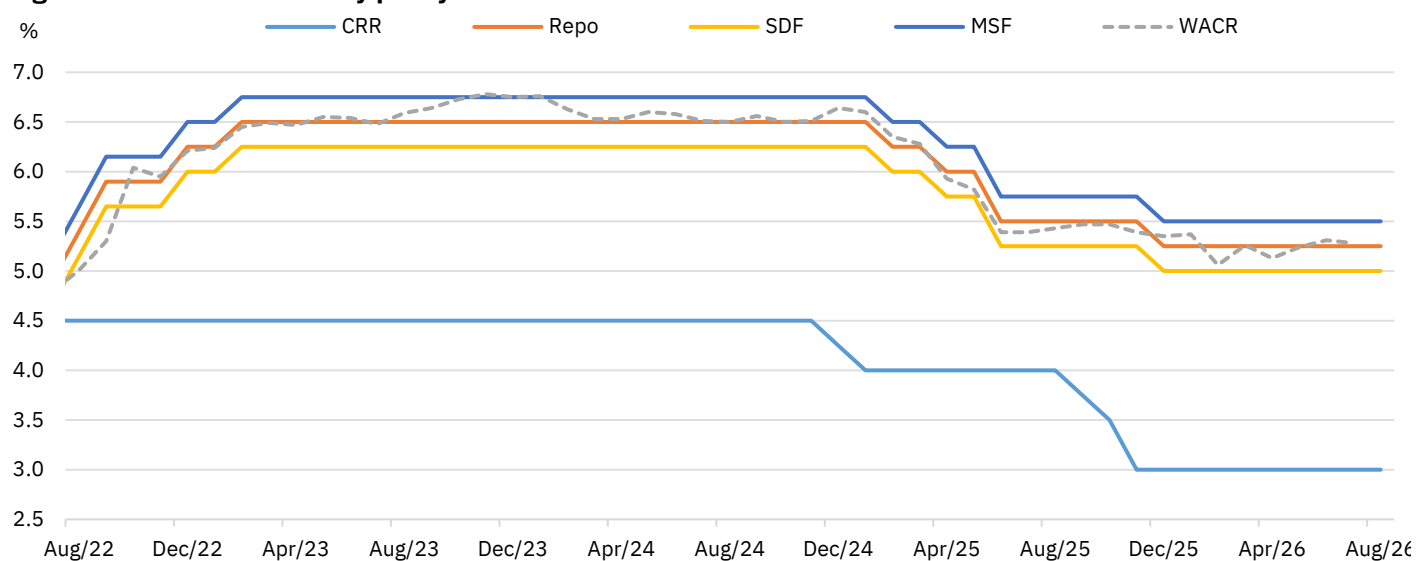
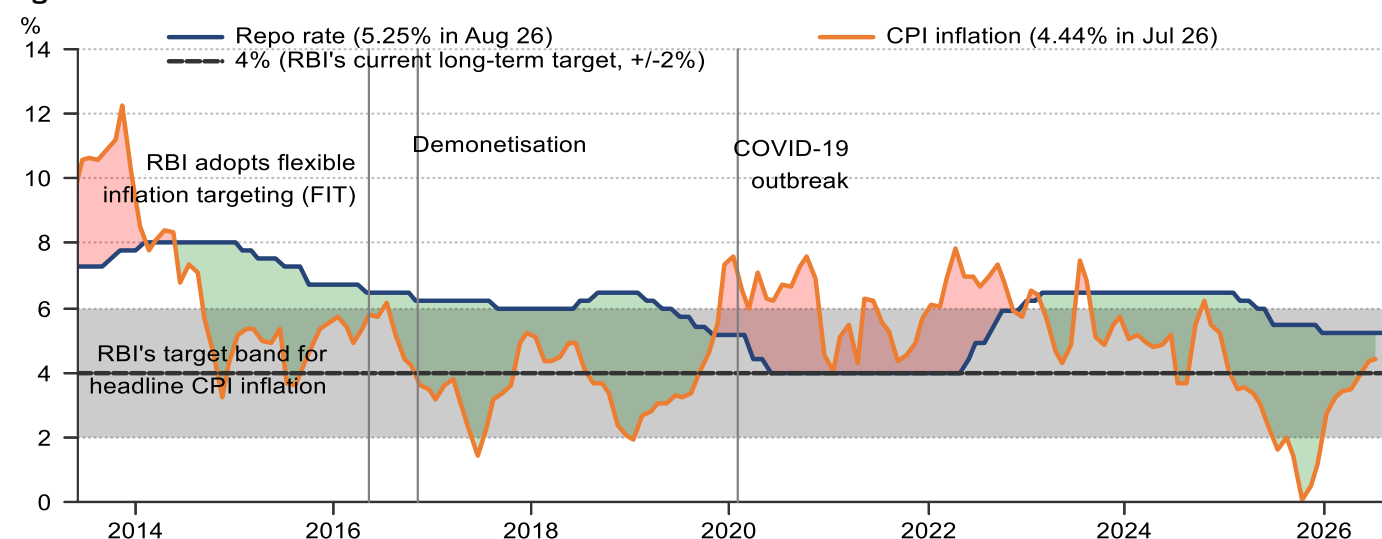
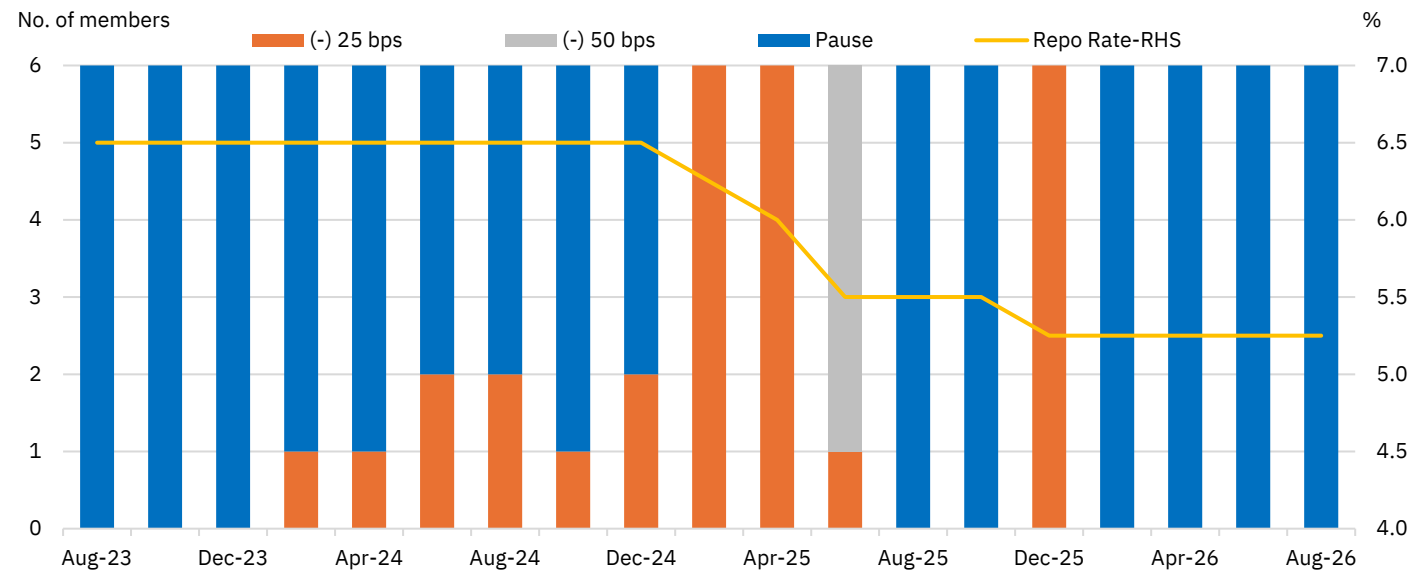
Figure 139: Movement in key policy rates

Figure 140: Movement in real interest rates


Figure 141: MPC members' voting pattern


Source: RBI, NSE EPR.

Figure 142: Net lending under RBI's Liquidity Adjustment Facility

Average banking system liquidity which had moderated from Rs 1.7 lakh crore in May'26 to Rs 0.9 lakh crore in June'26 has thereafter widened to Rs 1.1 lakh crore in July'2026.

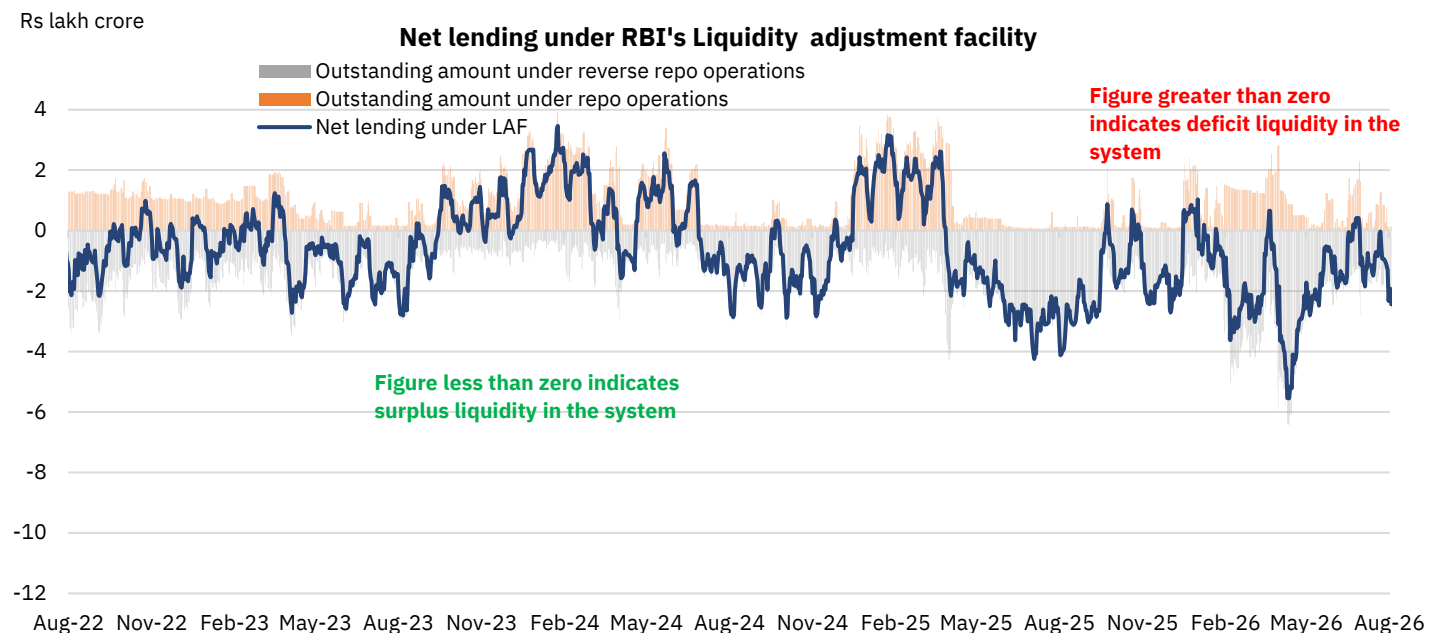
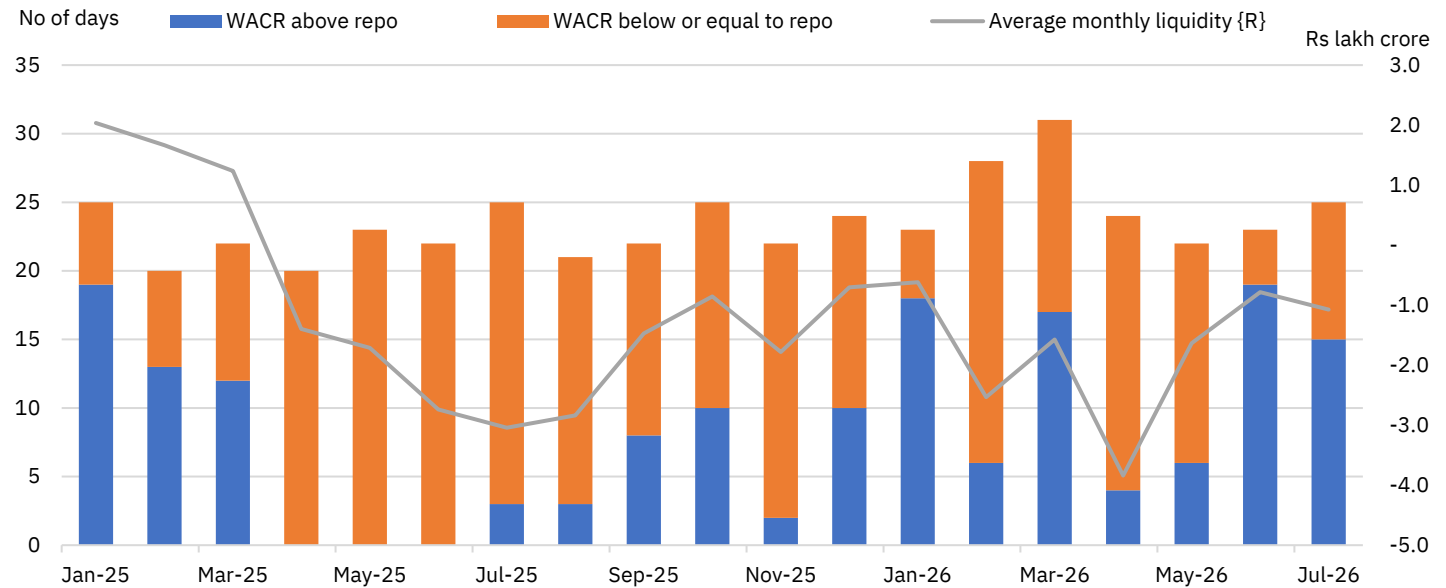
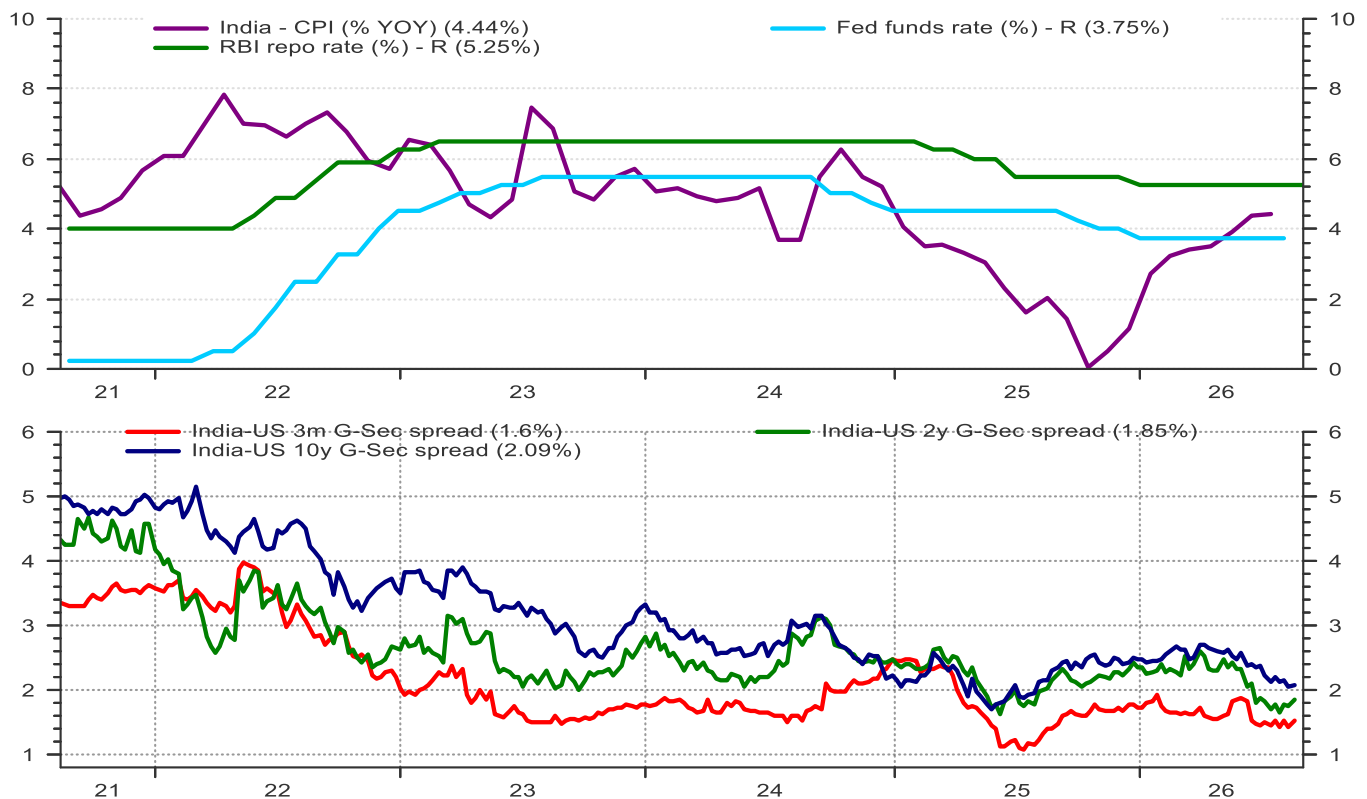
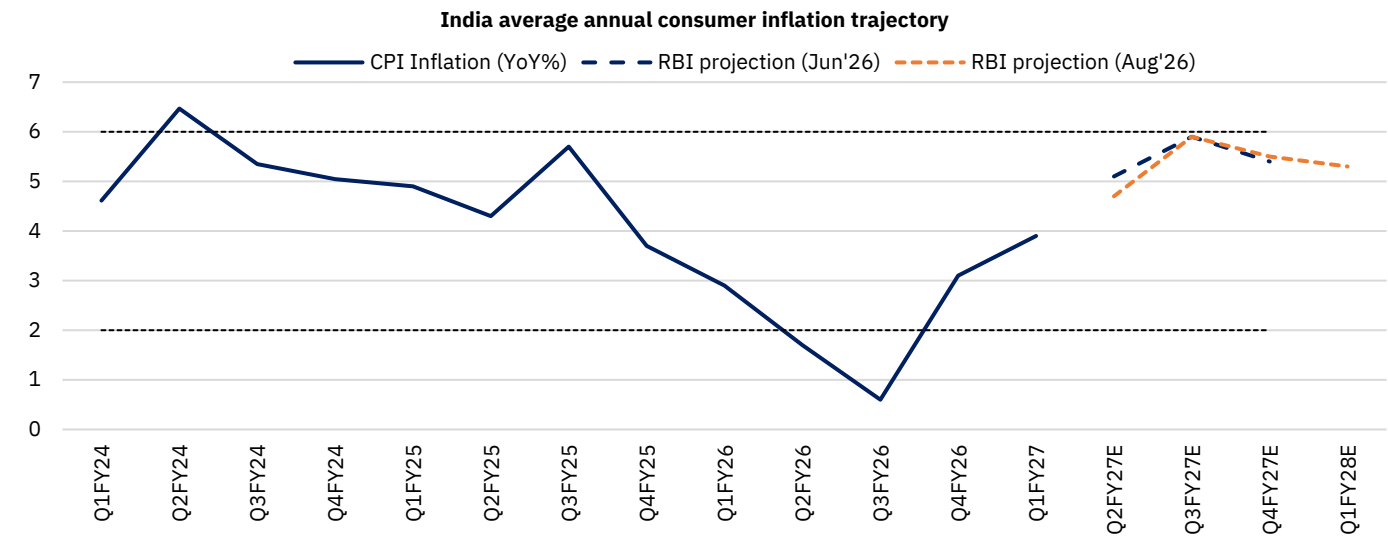

Source: CMIE Economic Outlook, NSE EPR. Note: Data till August 3rd, 2026

Figure 143: Monthly trend in weighted call money rate and average monthly banking liquidity


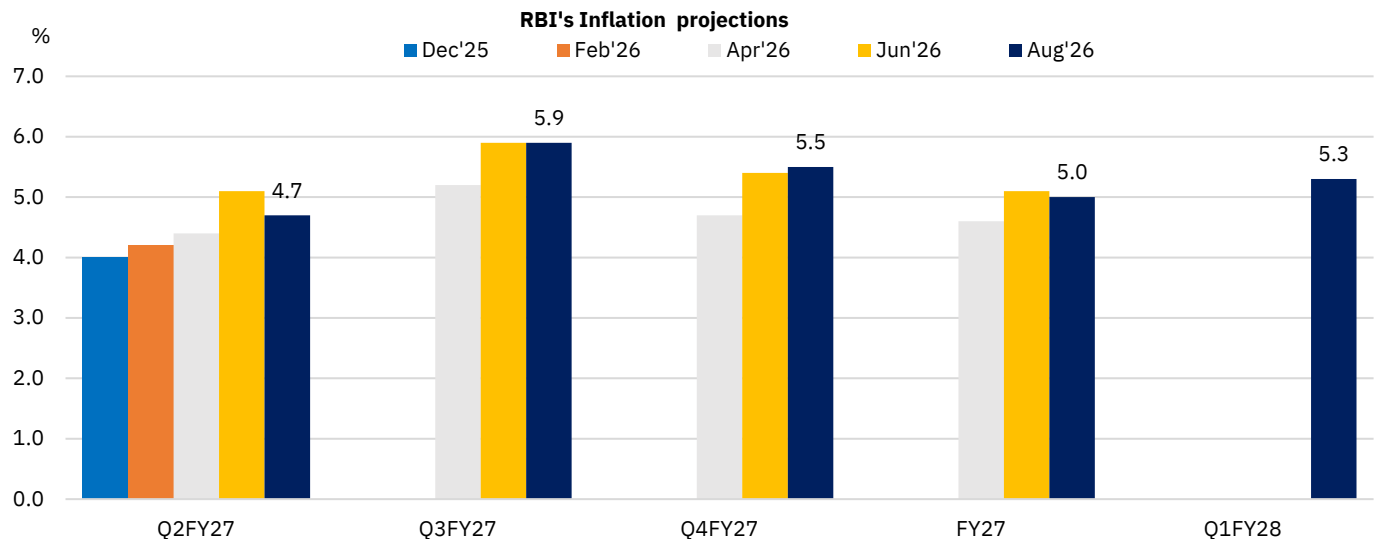
Source: CMIE Economic Outlook, NSE EPR. Note: 1) Positive values indicate deficit, while negative values indicate surplus

Figure 144: India vs. US policy rates and yield differential


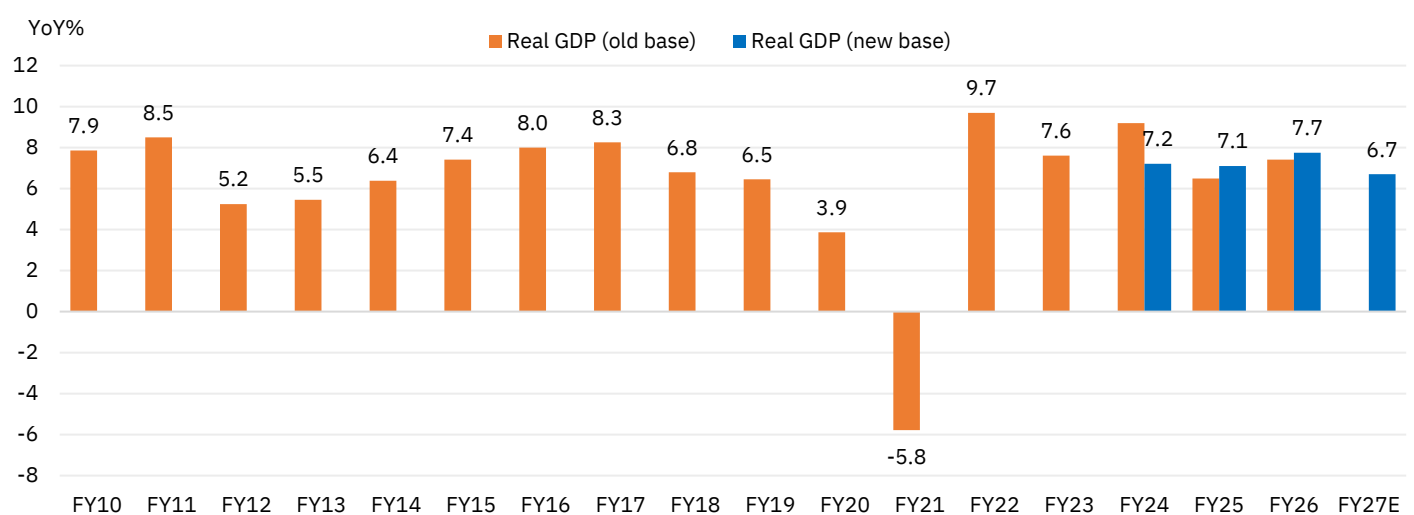
Source: LSEG Workspace, NSE EPR.

Figure 145: India's consumer inflation trajectory and RBI's forecasts


Source: CMIE Economic Outlook, RBI, NSE EPR.

Figure 146: Quarterly and annual inflation forecasts by RBI


Source: RBI, NSE EPR.

Figure 147: GDP growth trend and RBI's estimates


Source: CMIE Economic Outlook, RBI, NSE EPR. FY27E = RBI estimate

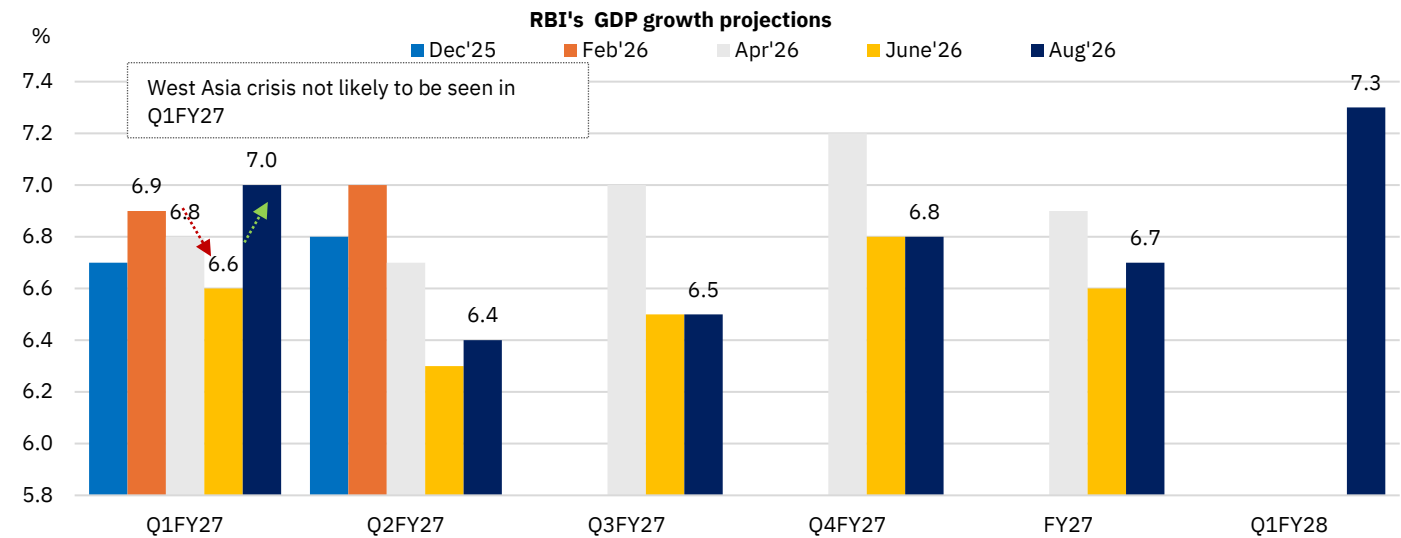
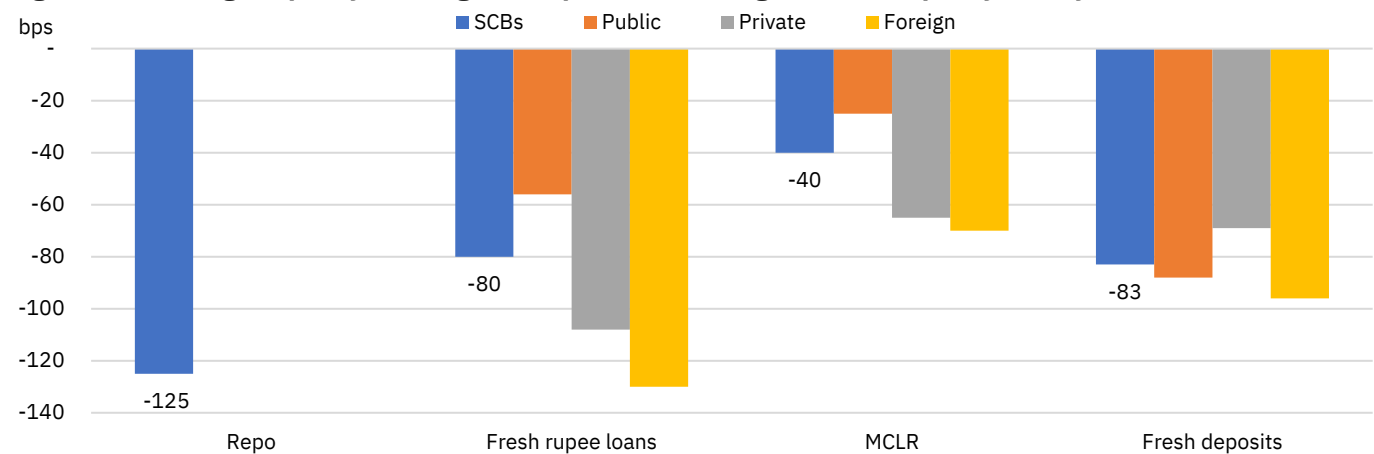
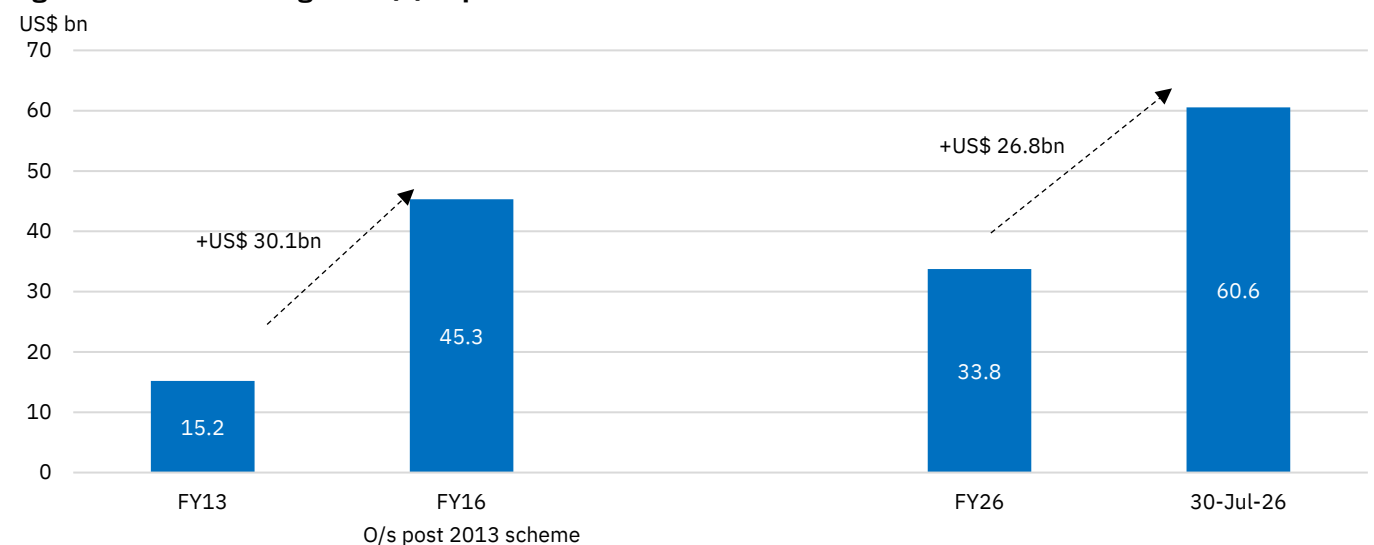
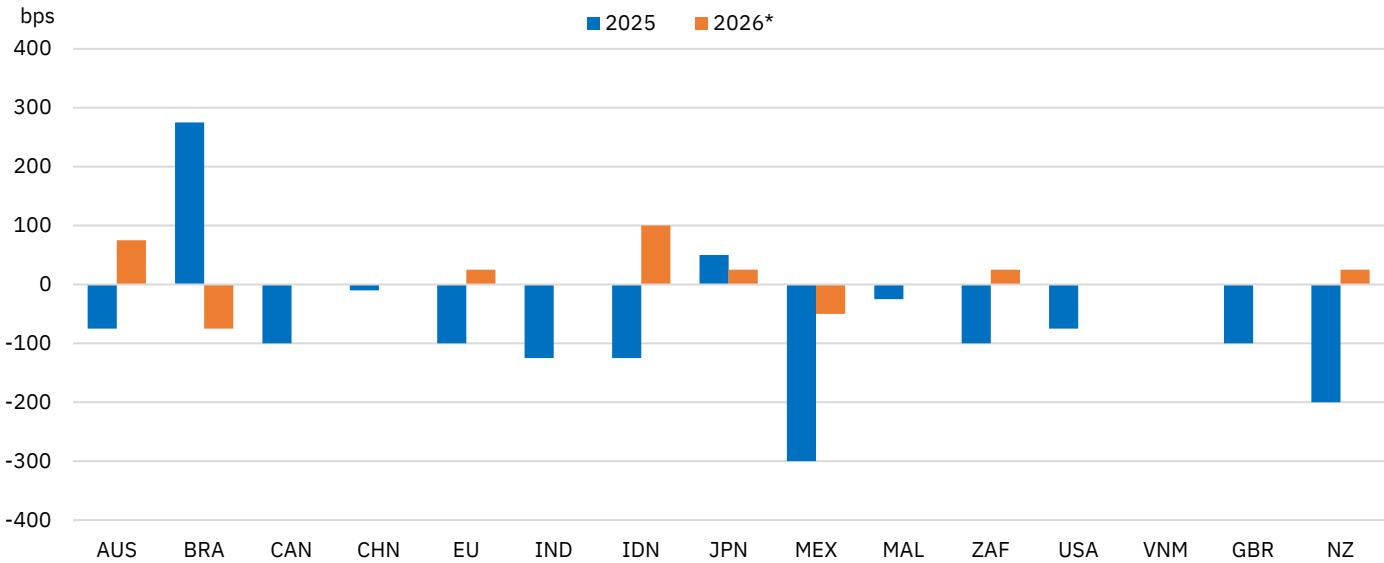
Figure 148: RBI's quarterly and annual GDP growth forecasts

Figure 149: Change in policy, lending and deposit rate during the current policy rate cycle

Figure 150: Outstanding FCNR(B) deposit inflows- 2013 vs. now




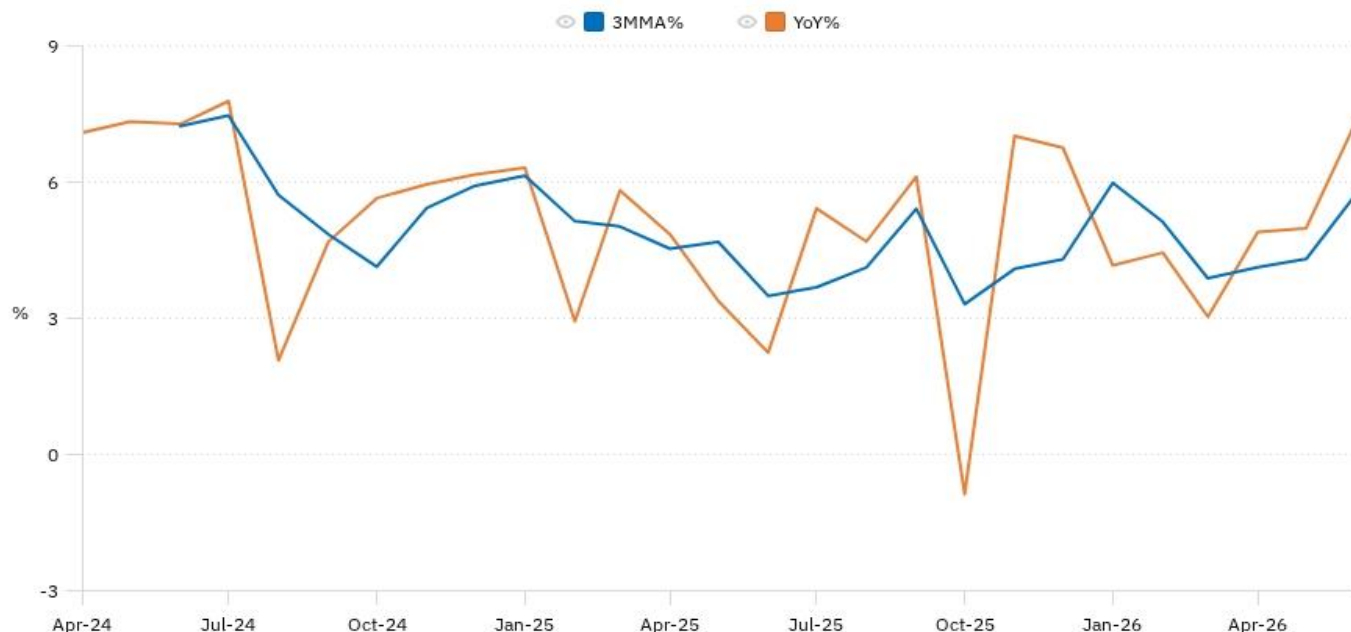
Figure 151: Variation in policy rates across countries



Source: CEIC, LSEG Workspace, NSE EPR. Notes: 1) For China, the loan prime rate for 1 year has been considered for computation 3) AUS = Australia, BRA = Brazil, CAN = Canada, CHN= China, EU = European Union, IND= India, INDO=Indonesia, JAP= Japan, MEX=Mexico, MAL=Malaysia, SA= South Africa, USA=United States of America, VIE=Vietnam, UK=United Kingdom, NZ= New Zealand. 2) Data captured for other countries is end-July 2026

Industrial activity strengthens

Figure 152: Monthly trends in headline IIP growth and three-month moving average



Source: CEIC, NSE EPR Notes: 1) The YoY growth plotted above is based on the new base year 2022-23 2) The recent data has been captured till June 2026

Table 32: Sub-component wise YoY growth in the last 12 months

	Smallest Value Largest Value												
	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
IIP	2.2	5.4	4.7	6.1	-0.9	7.0	6.7	4.1	4.4	3.0	4.9	5.0	7.3
Mining & quarrying	4.1	10.7	15.8	15.7	2.8	3.3	0.8	-0.5	-2.4	-2.6	-3.8	-1.4	1.0
Manufacturing	2.4	5.1	3.6	5.5	-0.7	8.8	7.7	4.6	5.7	4.0	6.1	5.2	7.8
Electricity & Gas Supply	-2.0	2.4	3.7	3.3	-7.0	-1.6	5.9	5.6	1.9	1.2	4.6	10.3	10.6
Water Supply+	7.9	7.5	6.9	6.2	6.0	4.3	4.4	5.1	5.6	6.4	6.6	5.5	6.1
Primary Goods	2.1	4.8	7.6	6.6	0.4	1.1	2.4	1.9	0.0	0.2	0.8	2.7	4.9
Capital Goods	3.4	5.9	6.0	13.2	5.4	16.6	12.9	12.4	16.5	8.5	12.0	15.5	14.2
Intermediate Goods	3.1	3.5	3.3	6.4	1.2	8.2	7.7	5.6	4.7	6.0	10.3	5.8	9.3
Infrastructure & Construction ...	6.6	11.2	9.2	9.8	5.1	12.0	12.3	12.9	10.1	5.2	6.0	6.6	7.5
Consumer Durables Goods	1.4	3.9	0.9	4.6	-6.0	13.0	7.4	-0.2	4.2	2.4	5.6	8.0	7.7
Consumer Non Durables Goods	-2.0	5.8	0.1	-0.5	-9.4	3.9	5.9	-1.2	1.6	-0.6	0.2	-0.4	4.9

Source: CEIC, NSE EPR Notes: 1) The YoY growth plotted above is based on the new base year 2022-23 2) Water Supply+ means water supply, sewerage and waste management.

Figure 153: Trends in YoY growth for sector-based classification

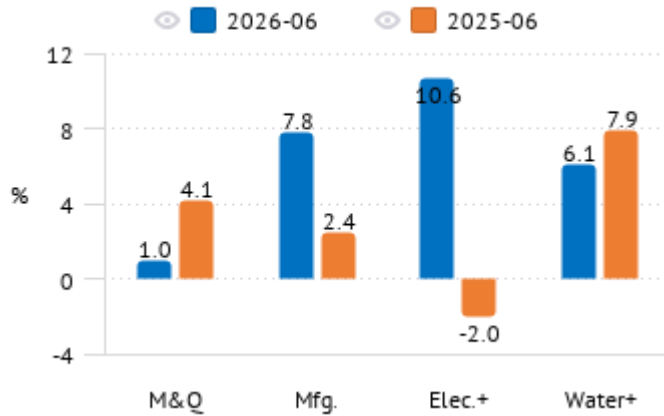
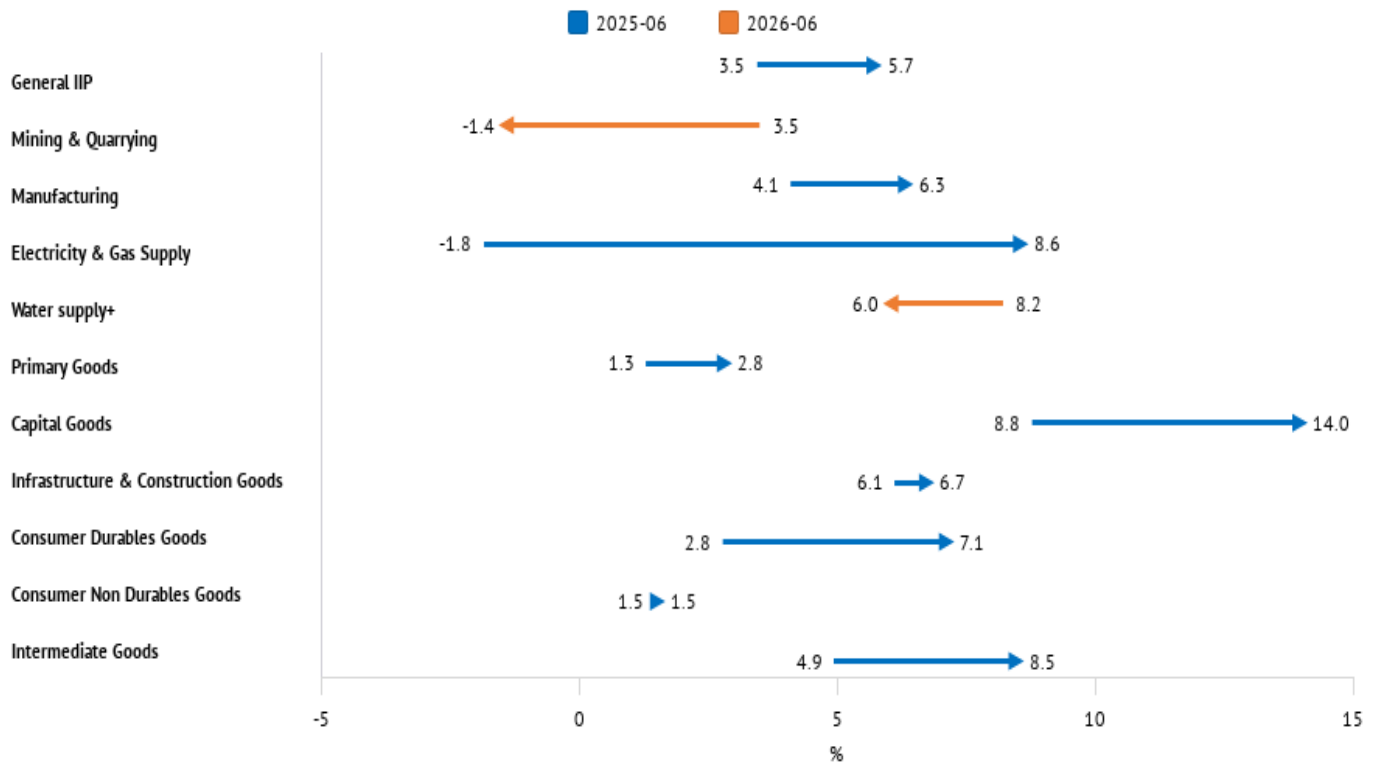


Figure 154: Trends in YoY growth for use-based classification



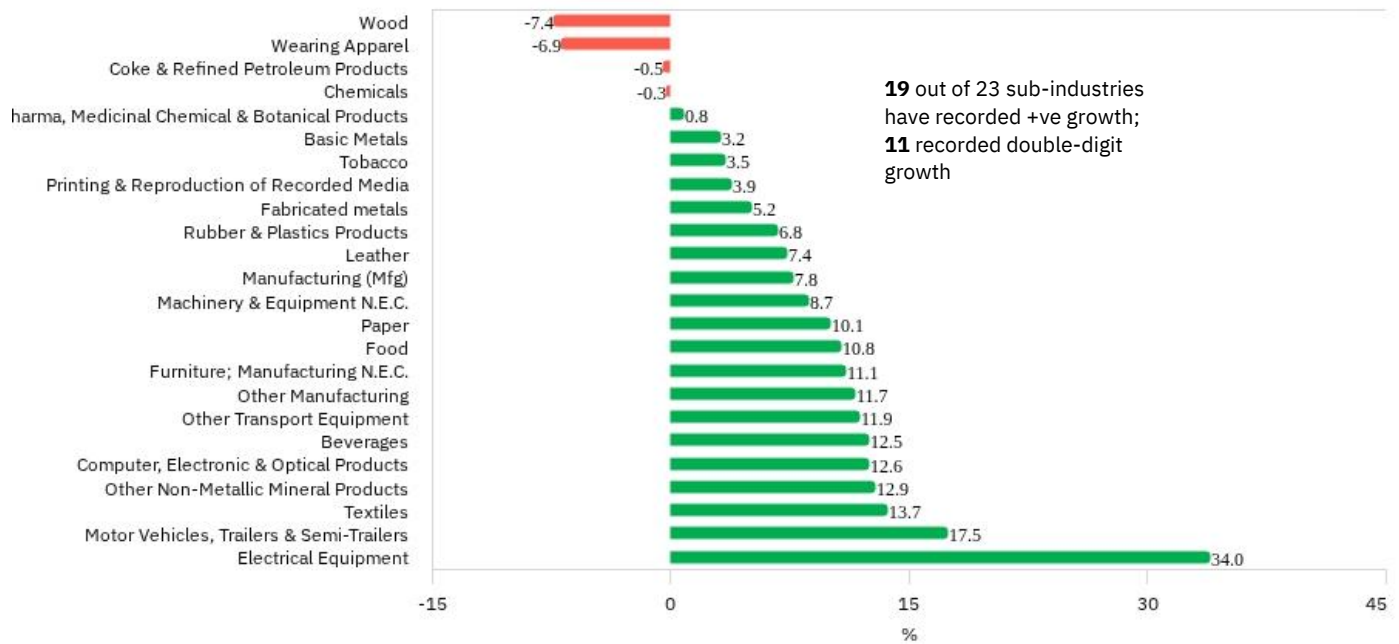
Source: CEIC, NSE EPR Notes: 1) Full forms: M&Q= Mining & Quarrying, Elec. = Electricity & Gas Supply, Water+ = Water supply, sewerage and waste management, Prim. = Primary goods, Cap. = Capital goods, Inter. = Intermediate goods, I & C= Infrastructure & Construction, CD = Consumer Durables, CND= Consumer Non-durables

Figure 155: Comparison of year-to-date growth rates across categories



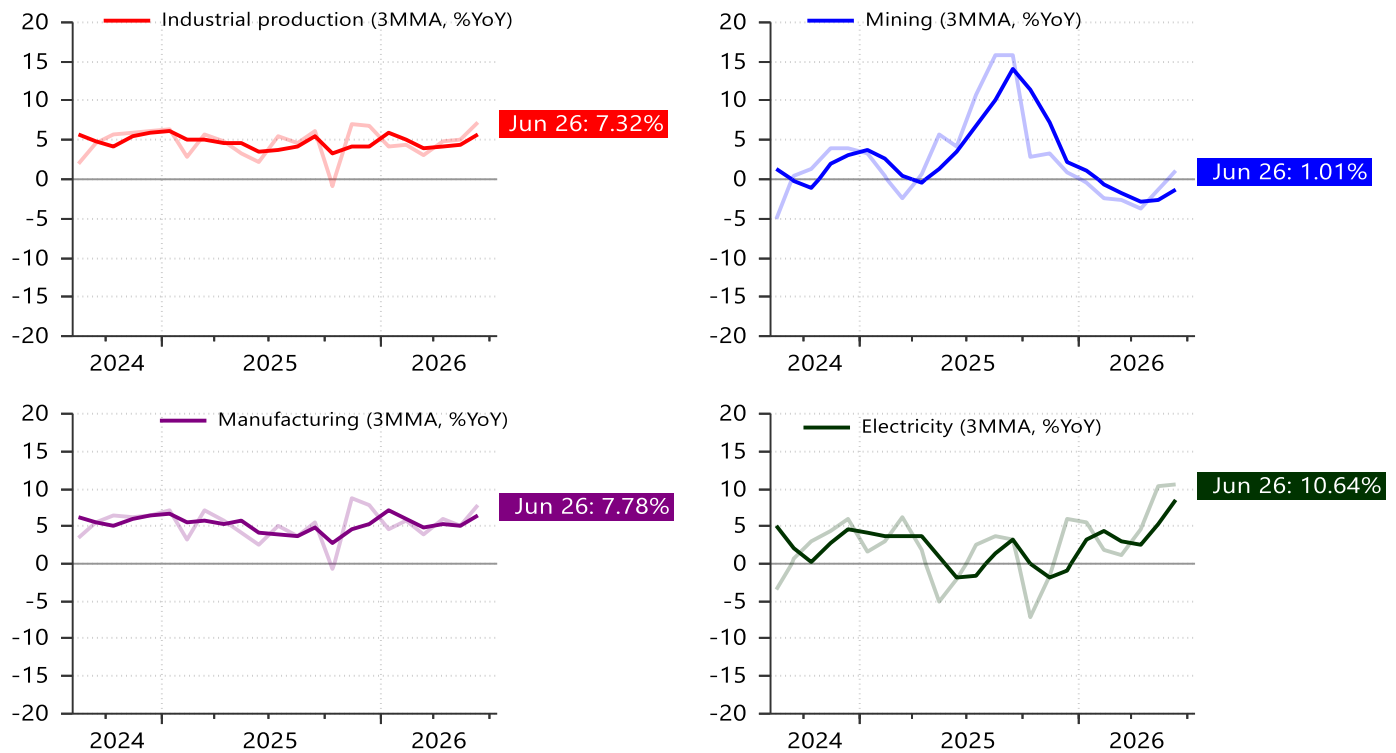
Source: CEIC, NSE EPR Notes: 1) The YoY growth plotted above is based on the new base year 2022-23 2) Water Supply means water supply, sewerage and waste management.

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

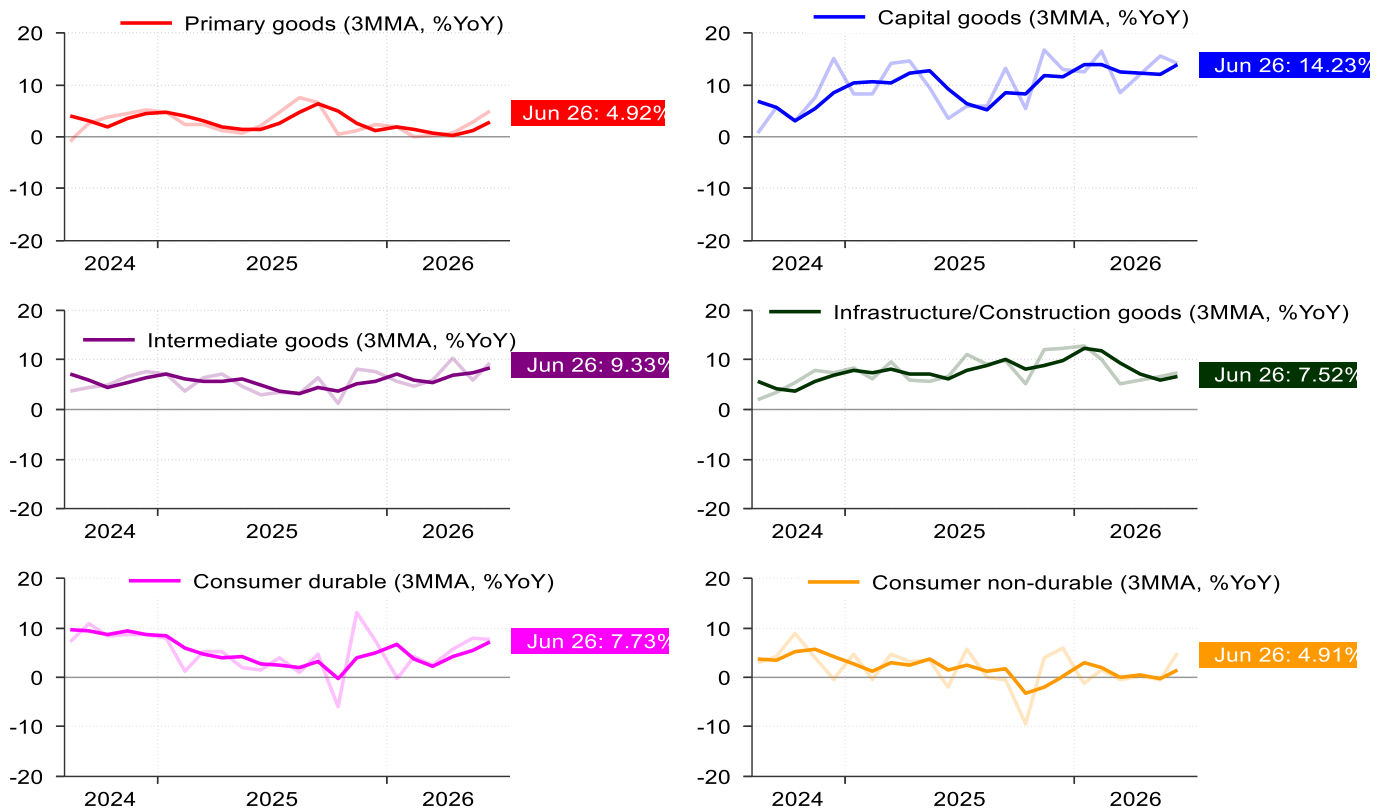


Source: CEIC, NSE EPR. Notes: 1) The YoY growth plotted above is based on the new base year 2022-23

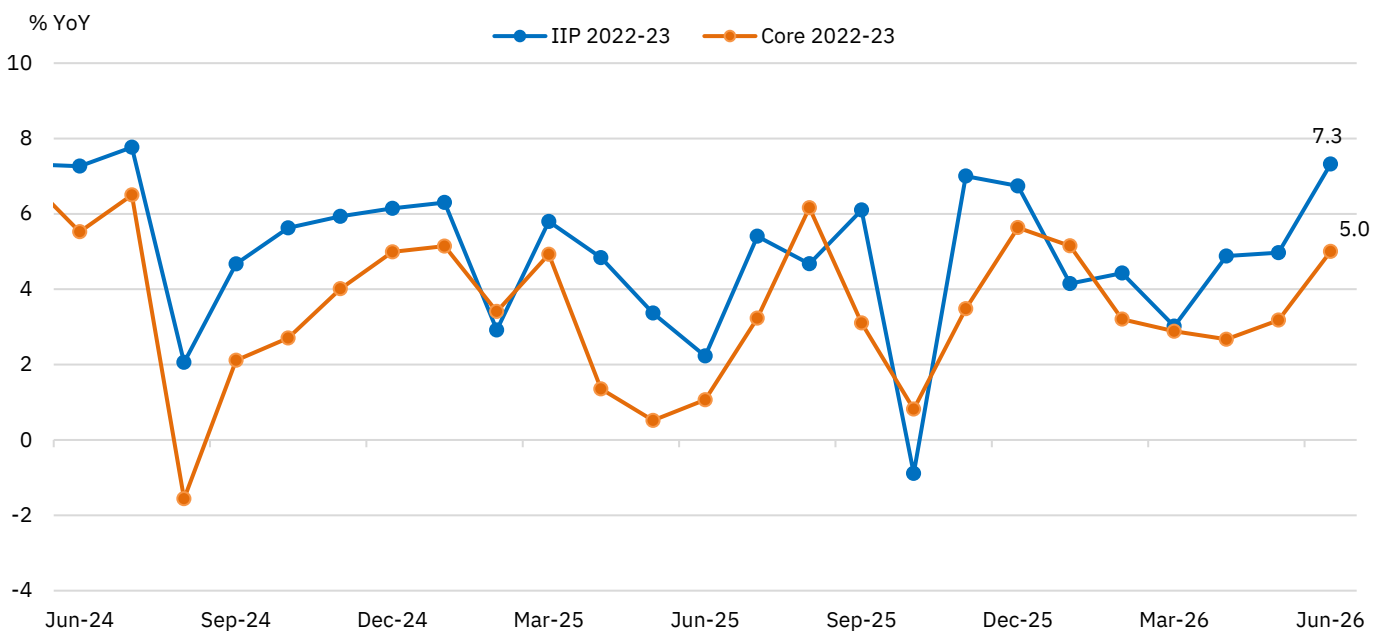
Figure 157: India industrial production (3MMA)



Source: LSEG Workspace, NSE EPR.

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


Source: LSEG Workspace, NSE EPR.

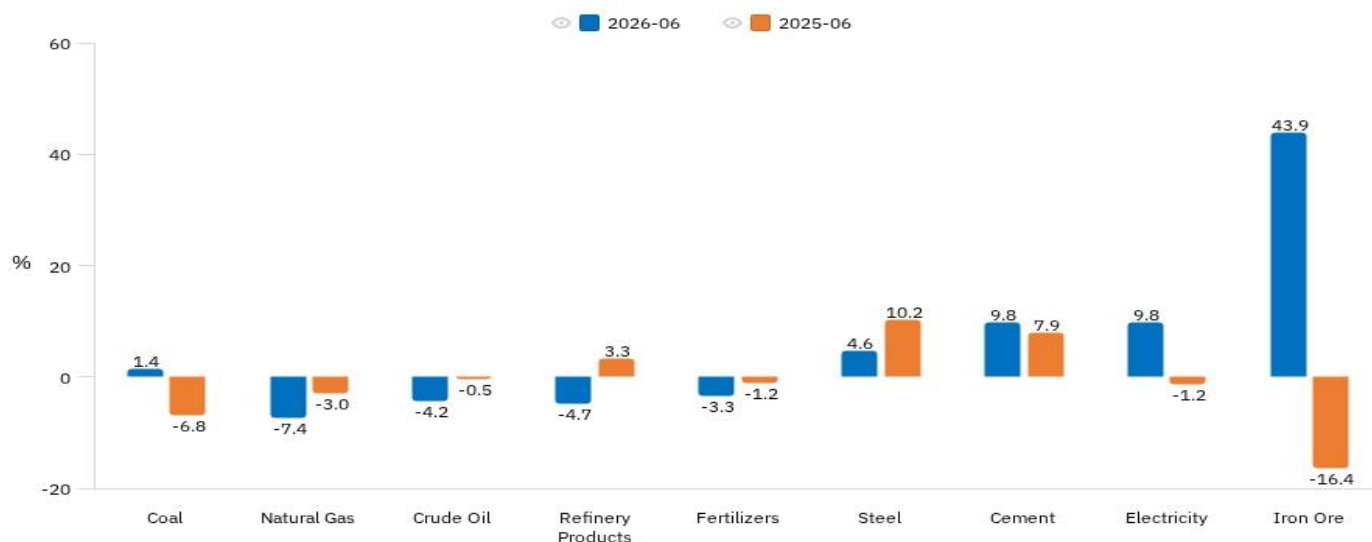
Figure 159: Monthly trends in Eight core industries and IIP growth - New base


Source: CEIC, NSE EPR. Notes: 1) The YoY growth plotted above is based on the new base year 2022-23.

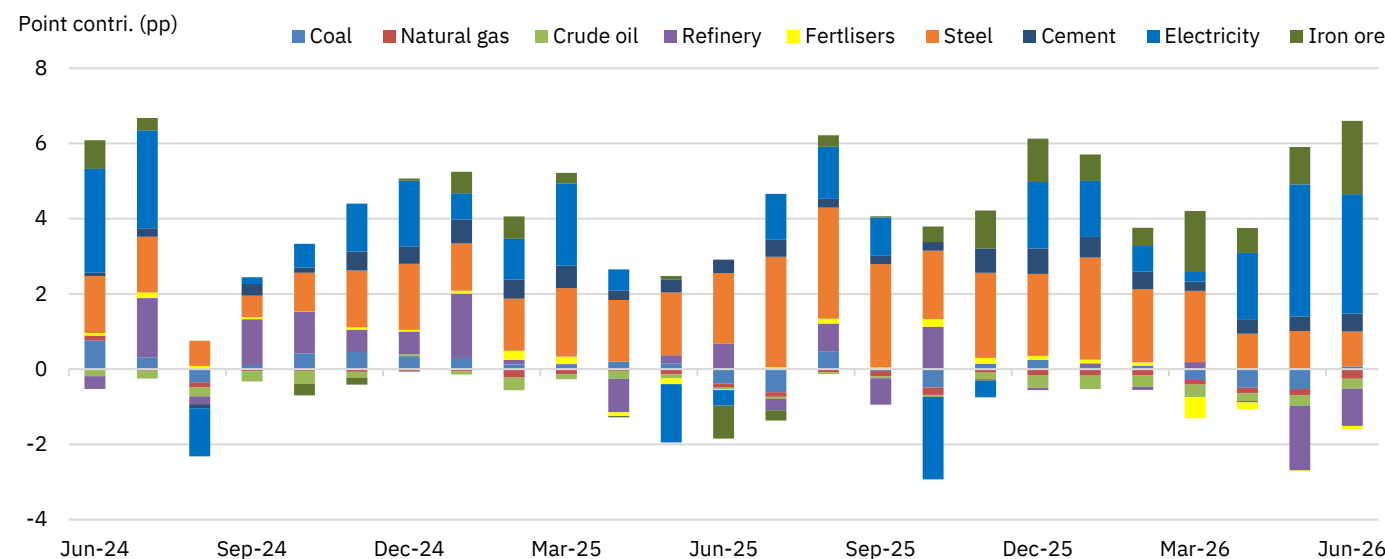
Table 33: Sector-wise core sector growth for June 2026 (%YoY)

Indicator	Weight	Jun-26	May-26	Jun-25	FY27TD	FY26TD
Core sector	100.0	5.0	3.2	1.1	3.6	1.0
Coal	5.6	1.4	-9.5	-6.8	-5.7	-0.1
Natural gas	3.8	-7.4	-5.0	-3.0	-5.5	-2.7
Crude oil	7.4	-4.2	-4.2	-0.5	-3.9	-1.8
Refinery	22.6	-4.7	-8.2	3.3	-4.4	0.1
Fertilisers	2.7	-3.3	-1.0	-1.2	-4.3	-3.8
Steel	17.6	4.6	5.1	10.2	4.8	9.4
Cement	4.4	9.8	8.4	7.9	8.8	7.3
Electricity	30.9	9.8	11.2	-1.2	8.8	-1.4
Iron ore	4.9	43.9	19.0	-16.4	25.1	-5.1

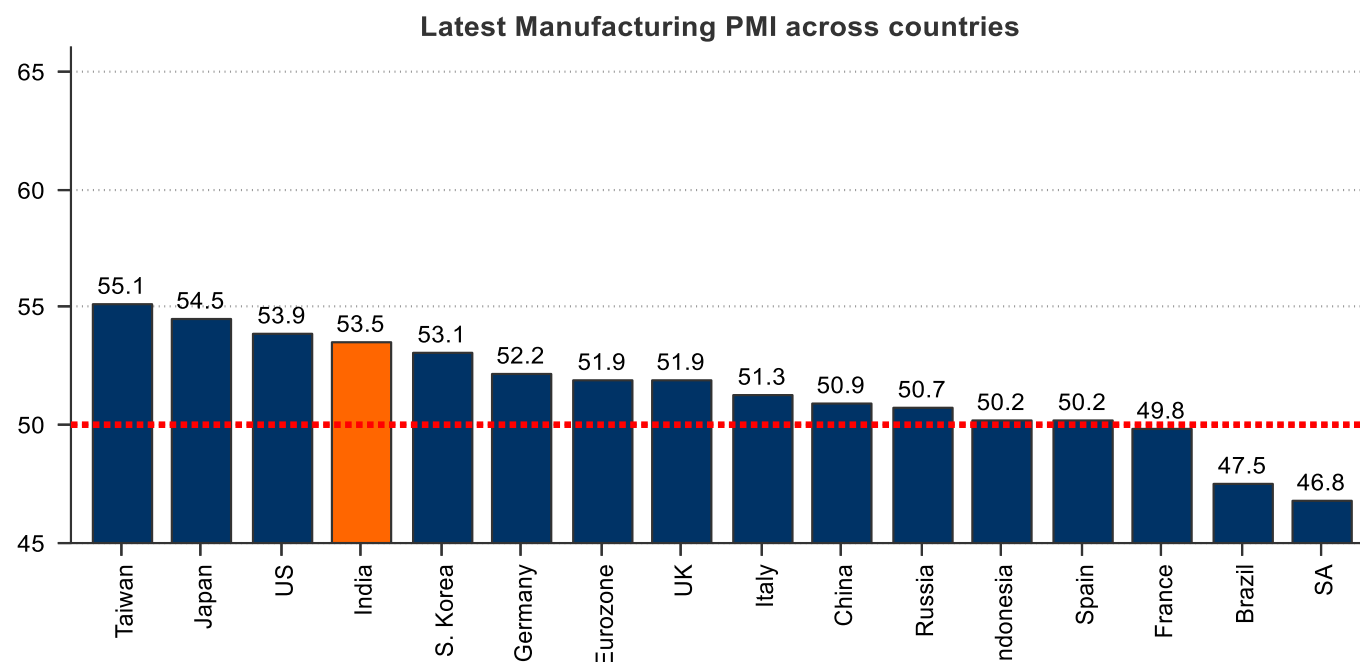
Source: CEIC, NSE EPR. Notes 1) FY26TD and FY27TD is for the period April-June. Notes: 1) The YoY growth plotted above is based on the new base year 2022-23.

Figure 160: Trends in Eight core industries sub sector wise YoY%


Source: CEIC, NSE EPR. Notes: 1) The YoY growth plotted above is based on the new base year 2022-23.

Figure 161: Point contribution of core sectors (YoY%)


Source: CEIC, NSE EPR

Figure 162: Manufacturing PMI across countries


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

Table 34: Services PMI across countries in the last one year

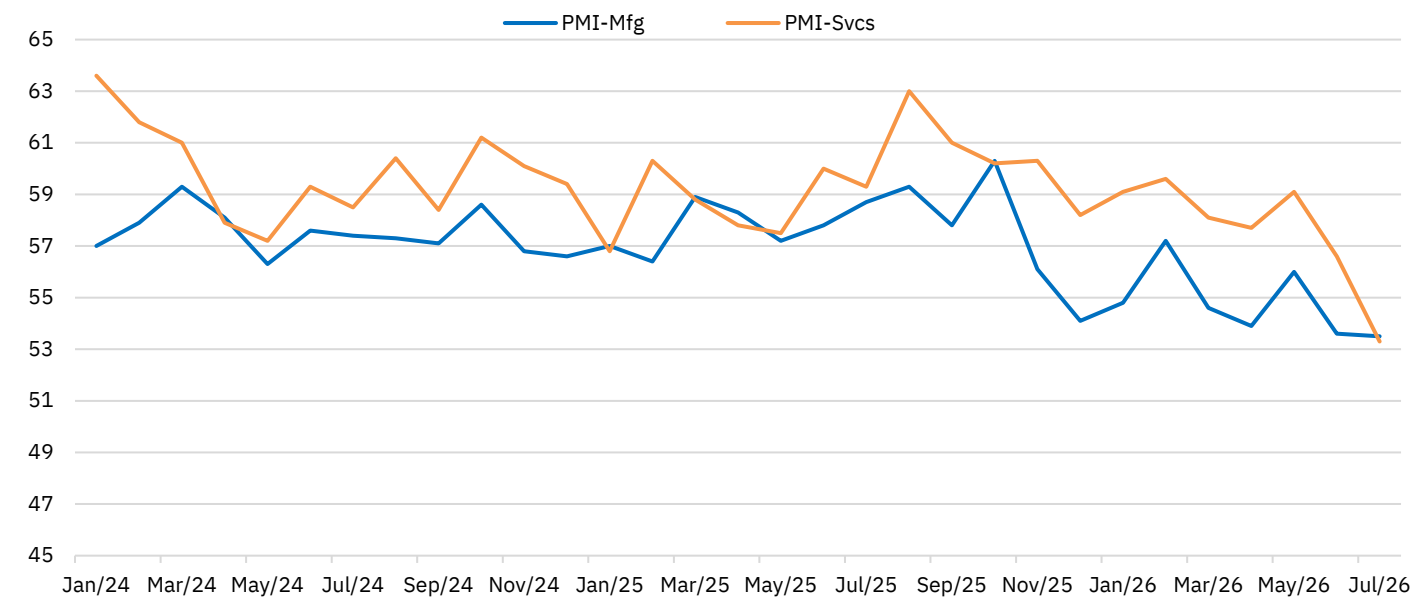
	Smallest Value Largest Value													
	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Australia	51.8	54.1	55.8	52.4	52.5	52.8	51.1	56.3	52.8	46.3	50.7	48.7	50.5	53.6
Brazil	49.3	46.3	49.3	46.3	47.7	50.1	53.7	51.3	53.1	50.1	52.3	50.4	51.3	49.7
Canada	44.3	49.3	48.6	46.3	50.5	44.3	46.5	45.8	46.5	47.2	49.2	50.6	47.1	49.1
China	50.6	52.6	53.0	52.9	52.6	52.1	52.0	52.3	56.7	52.1	52.6	54.4	54.1	50.4
France	49.6	48.5	49.8	48.5	48.0	51.4	50.1	48.4	49.6	48.8	46.5	44.3	46.8	49.6
Germany	49.7	50.6	49.3	51.5	54.6	53.1	52.7	52.4	53.5	50.9	46.9	48.1	48.6	49.8
India	60.4	60.5	62.9	60.9	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.4	53.3
Japan	51.7	53.6	53.1	53.3	53.1	53.2	51.6	53.7	53.8	53.4	51.0	50.0	52.2	51.2
Russian Federation	49.2	48.6	50.0	47.0	51.7	52.2	52.3	53.1	51.3	49.5	49.7	48.7	48.2	49.0
United Kingdom	52.8	51.8	54.2	50.8	52.3	51.3	51.4	54.0	53.9	50.5	52.7	49.3	48.8	52.1
United States	52.9	55.7	54.5	54.2	54.8	54.1	52.5	52.7	51.7	49.8	51.0	50.7	51.2	54.6

Source: CEIC, NSE EPR.

Table 35: Manufacturing PMI across countries in the last one year

	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
	Smallest Value Largest Value												
Australia	51.3	53.0	51.4	49.7	51.6	51.6	52.3	51.0	49.8	51.3	50.7	51.5	52.0
Brazil	48.2	47.7	46.5	48.2	48.8	47.6	47.0	47.3	49.0	52.6	49.1	50.8	47.5
Canada	46.1	48.3	47.7	49.6	48.4	48.6	50.4	51.0	50.0	53.3	52.9	53.0	53.5
China	49.5	50.5	51.2	50.6	49.9	50.1	50.3	52.1	50.8	52.2	51.8	51.7	50.9
France	48.2	50.4	48.2	48.8	47.8	50.7	51.2	50.1	50.0	52.8	49.7	51.2	49.8
Germany	49.1	49.8	49.5	49.6	48.2	47.0	49.1	50.9	52.2	51.4	50.1	50.3	52.2
India	59.1	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2	53.5
Indonesia	49.2	51.5	50.4	51.2	53.3	51.2	52.6	53.8	50.1	49.1	50.0	46.9	50.2
Japan	48.9	49.7	48.5	48.2	48.7	50.0	51.5	53.0	51.6	55.1	54.5	54.8	54.5
Korea	48.0	48.3	50.7	49.4	49.4	50.1	51.2	51.1	52.6	53.6	54.8	52.1	53.1
Malaysia	49.7	49.9	49.8	49.5	50.1	50.1	50.2	49.3	50.7	51.6	49.9	50.7	50.7
Mexico	49.1	50.2	49.6	49.5	47.3	46.1	46.3	47.1	48.9	47.7	49.6	51.3	51.3
Russia	47.0	48.7	48.2	48.0	48.3	48.1	49.4	49.5	48.3	48.1	48.8	50.3	50.7
United Kingdom	48.0	47.0	46.2	49.7	50.2	50.6	51.8	51.7	51.0	53.7	53.9	52.5	51.9
United States	49.8	53.0	52.0	52.5	52.2	51.8	52.4	51.6	52.3	54.5	55.1	53.9	53.9

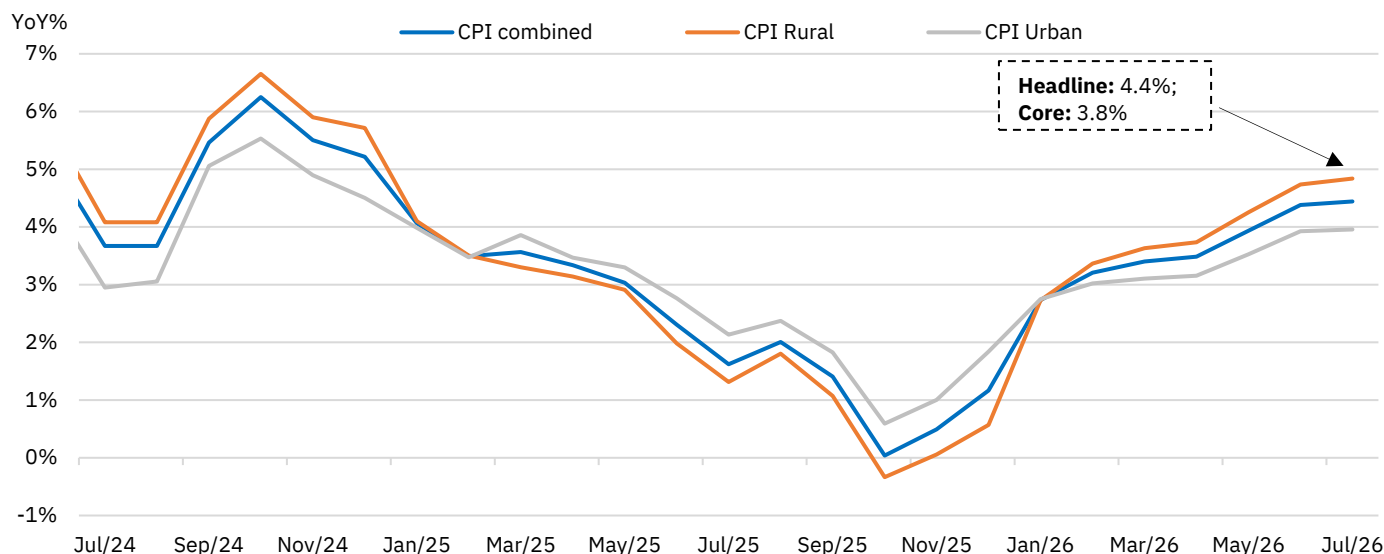
Source: CEIC, NSE EPR.

Figure 163: India's Manufacturing and Services PMI monthly trend in the last two years


Source: CEIC, NSE EPR.

Headline inflation remained above 4% in July due to high food prices

Figure 164: Trends in monthly headline inflation

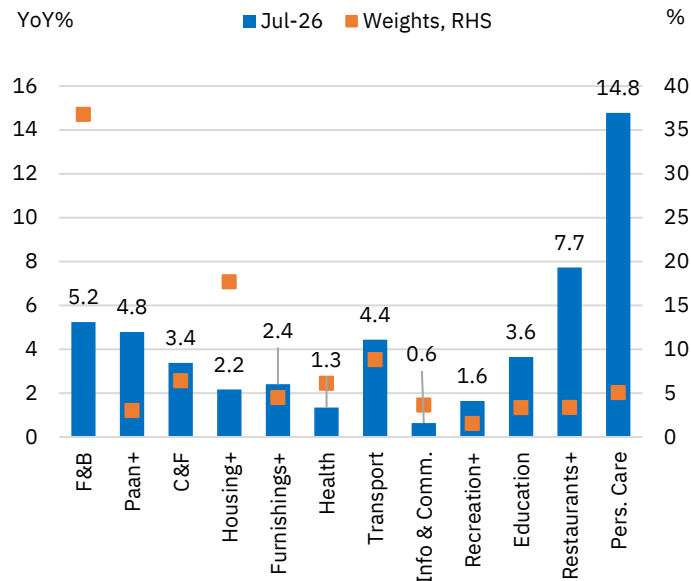
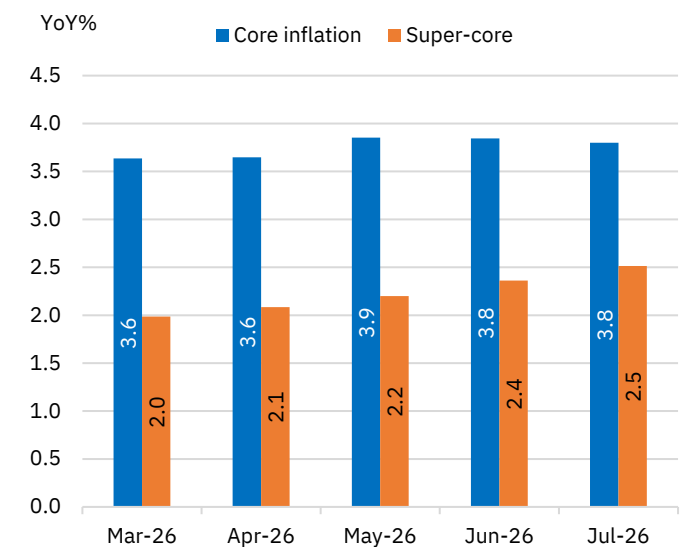


Source: CMIE Economic outlook, MOSPI, NSE EPR; Notes: 1) Core inflation defined here is the retail inflation excluding food, pan & tobacco and fuel. As per RBI, fuel represents two categories, viz., 'electricity, gas and other fuels'; and 'Fuels and lubricants for personal transport equipment' which includes 'petrol', 'diesel', and 'other natural gas (CNG)'.

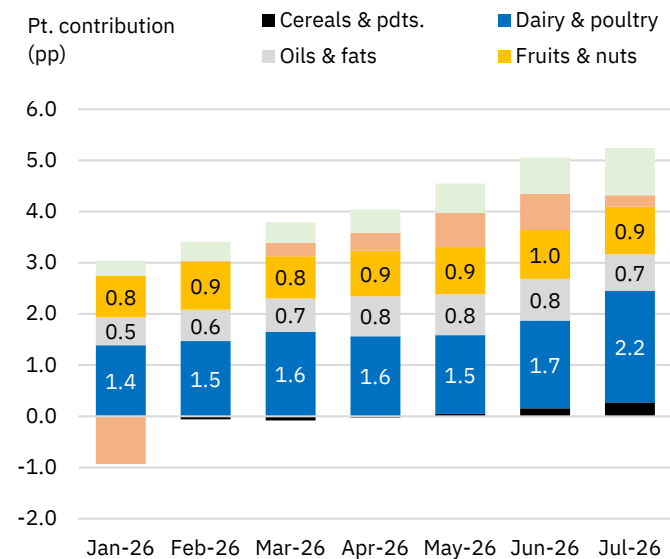
Table 36: Component-wise Consumer Price Inflation in July 2026

YOY%	Weight (%)	Jul-26	Jun-26
Headline CPI		4.4	4.4
Food & Beverages	36.8	5.2	5.1
Paan, tobacco and intoxicants	3.0	4.8	4.8
Clothing & Footwear	6.4	3.4	3.2
Housing, water, electricity, gas and other fuels	17.7	2.2	2.0
Furnishings, household equipment and routine household maintenance	4.5	2.4	2.2
Health	6.1	1.3	1.4
Transport	8.8	4.4	4.3
<i>Diesel</i>	0.3	8.4	8.4
<i>Petrol</i>	4.5	7.5	7.5
Information and communication	3.6	0.6	0.4
Recreation, sport and culture	1.5	1.6	1.7
Education services	3.3	3.6	3.4
Restaurants and accommodation services	3.3	7.7	6.9
Personal care, social protection and miscellaneous goods and services	5.0	14.8	16.7
Core Inflation¹	50.1	3.8	3.8

Source: CSO, NSE EPR; Notes: 1) Core inflation defined here is the retail inflation excluding food, pan & tobacco and fuel. As per RBI, fuel represents two categories, viz., 'electricity, gas and other fuels'; and 'Fuels and lubricants for personal transport equipment' which includes 'petrol', 'diesel', and 'other natural gas (CNG)'.

Figure 165: Division-wise headline inflation

Figure 166: Core inflation growth under different baskets


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. As per RBI, core inflation is defined as headline inflation excluding food, pan & tobacco and within fuel, 'electricity, gas and other fuels', 'petrol', 'diesel', and 'other natural gas (CNG)' while super-core inflation further excludes gold/diamond/platinum jewellery and silver jewellery also.

Figure 167: CPI food inflation contributors


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

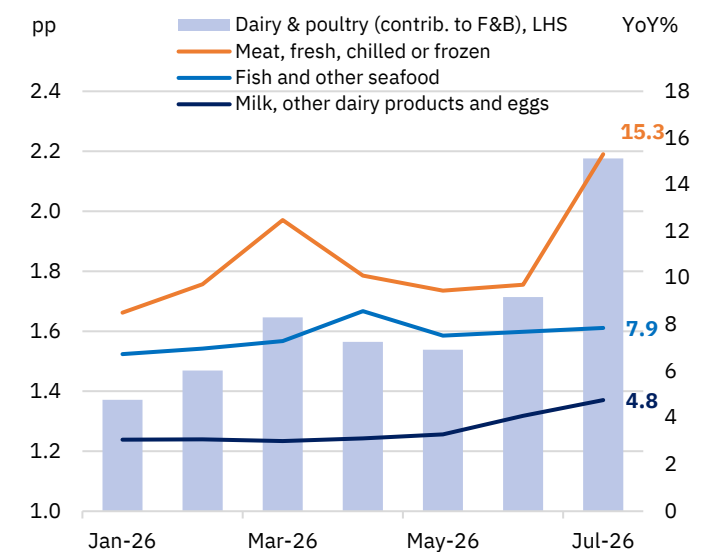
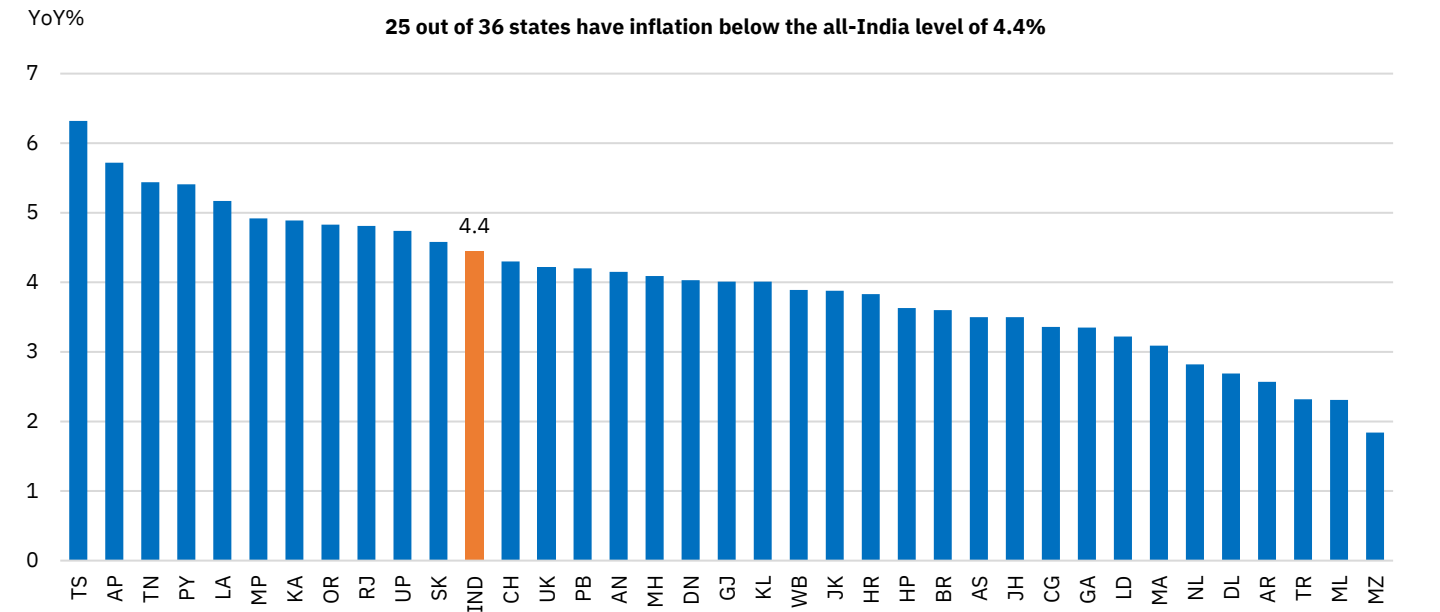
Figure 168: Dairy and poultry inflation has picked up


Figure 169: State-wise headline inflation in July 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

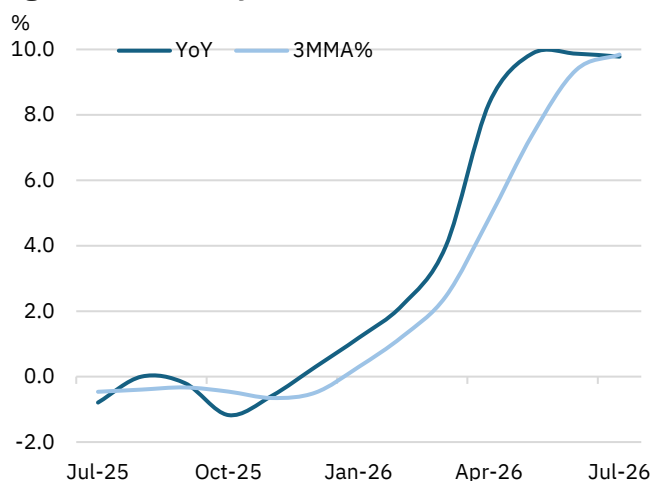
WPI Inflation continues to remain elevated

Table 37: Trend in wholesale price inflation

Indicator	Weight	Jul-26	Jun-26	Jul-25	FY26TD	FY27TD
Headline WPI	100	9.8	9.9	-0.8	-0.2	9.5
Food basket	25.0	6.6	6.1	-2.1	-0.5	5.2
Primary articles	22.8	8.5	7.0	-4.5	-2.3	6.2
Food articles	16.0	5.4	5.5	-5.2	-3.3	4.3
Non-food articles	5.5	17.7	11.1	-2.1	0.6	11.6
Minerals	1.3	13.3	9.4	-4.2	-1.7	9.2
Fuel & Power	14.1	20.0	27.4	-3.7	-3.9	25.8
Coal	0.7	-0.6	-1.6	-1.2	-0.6	-1.5
Mineral oils	8.2	32.4	46.5	-4.4	-5.5	42.4
Electricity	4.5	1.1	-0.8	-1.6	0.1	-0.7
Crude & Nat. gas	0.7	27.0	34.8	-11.6	-13.2	44.9
Manufacturing products	63.1	8.3	7.5	1.3	1.4	7.5

Source: DPIIT, NSE EPR. Note: YTD corresponds to April to July.

Figure 170: Monthly trends of overall WPI inflation



Source: DPIIT, Office of Economic Affairs, NSE EPR.

Figure 171: Monthly trends of primary goods inflation

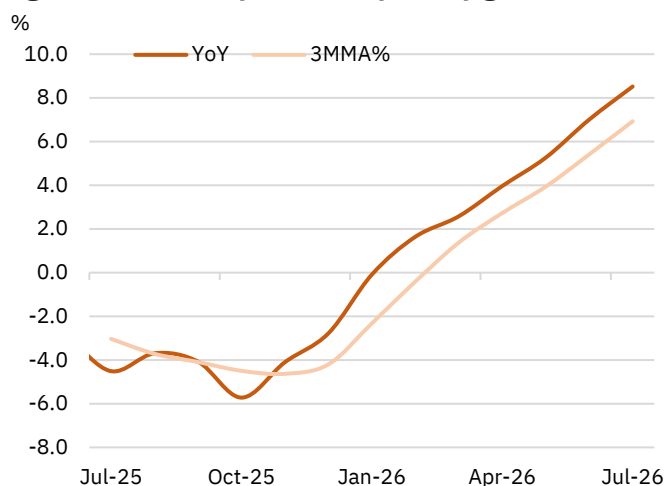
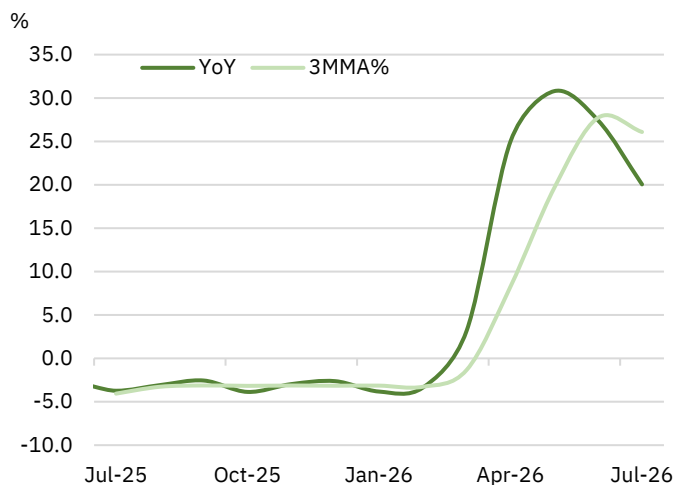


Figure 172: Trend in fuel & power inflation



Source: DPIIT, Office of Economic Affairs, NSE EPR.

Figure 173: Trend in manufacturing inflation

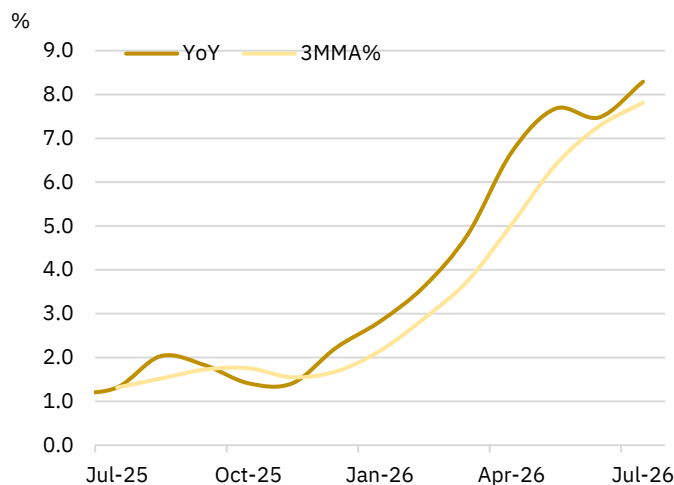
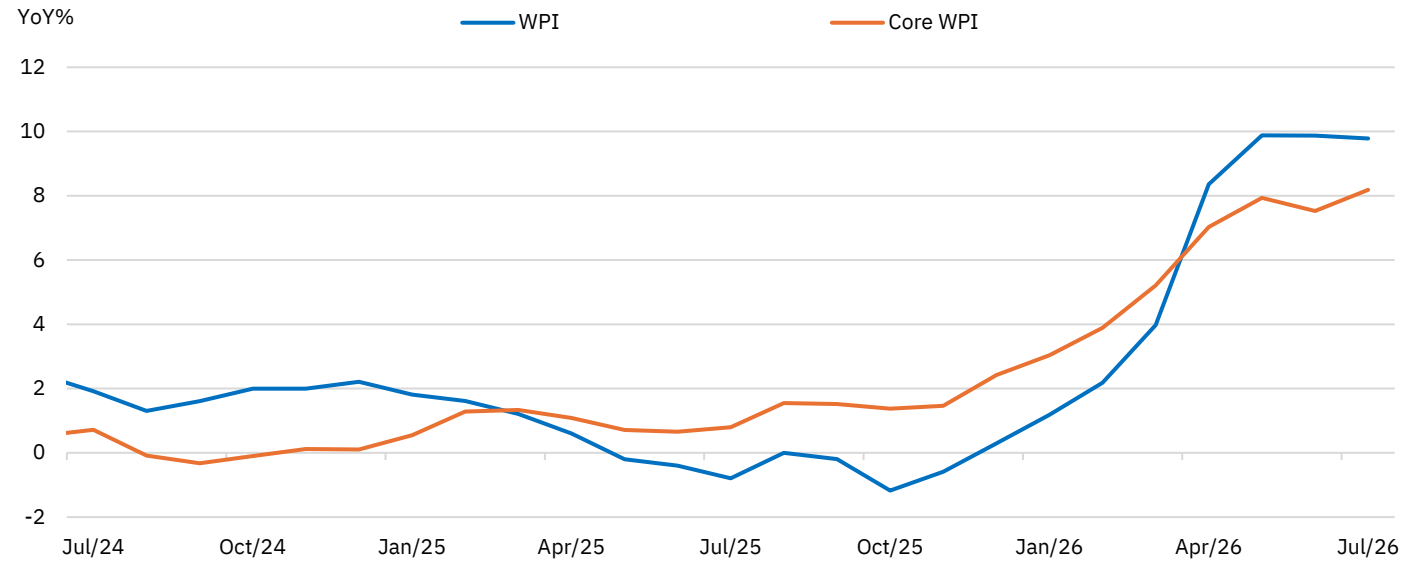
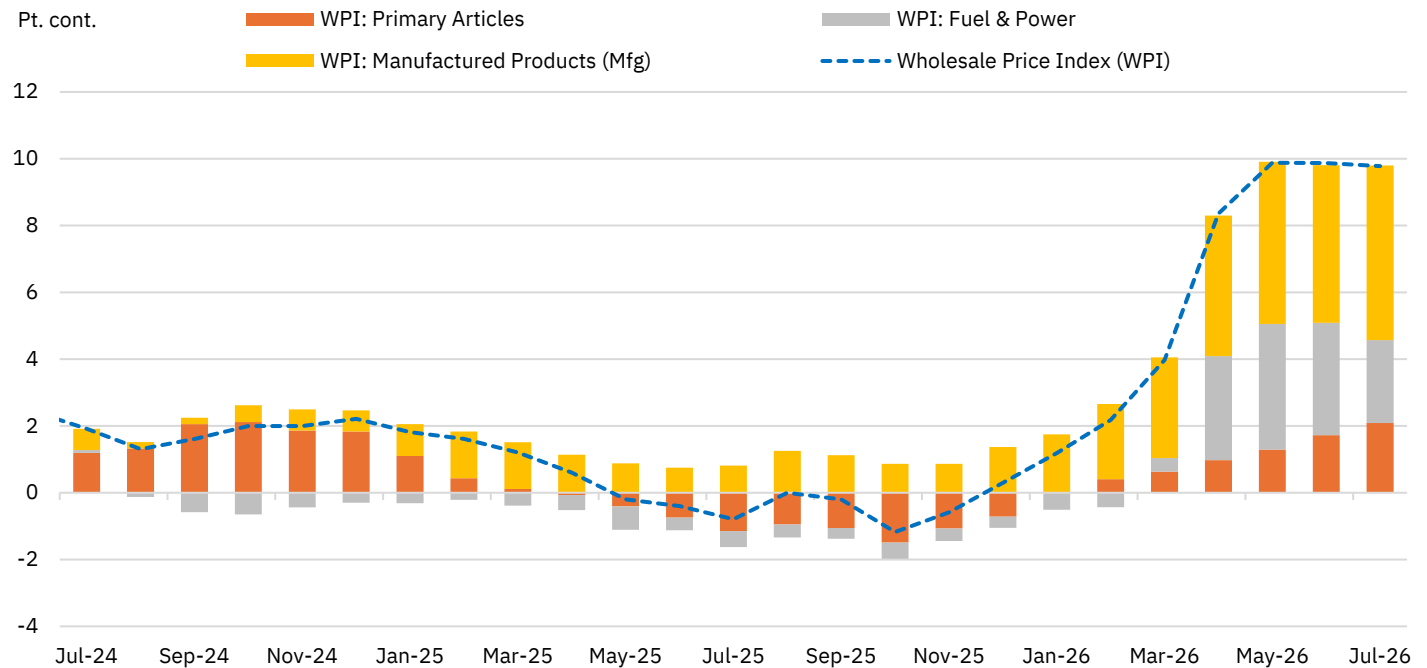


Figure 174: YoY trends in WPI inflation and Core WPI inflation



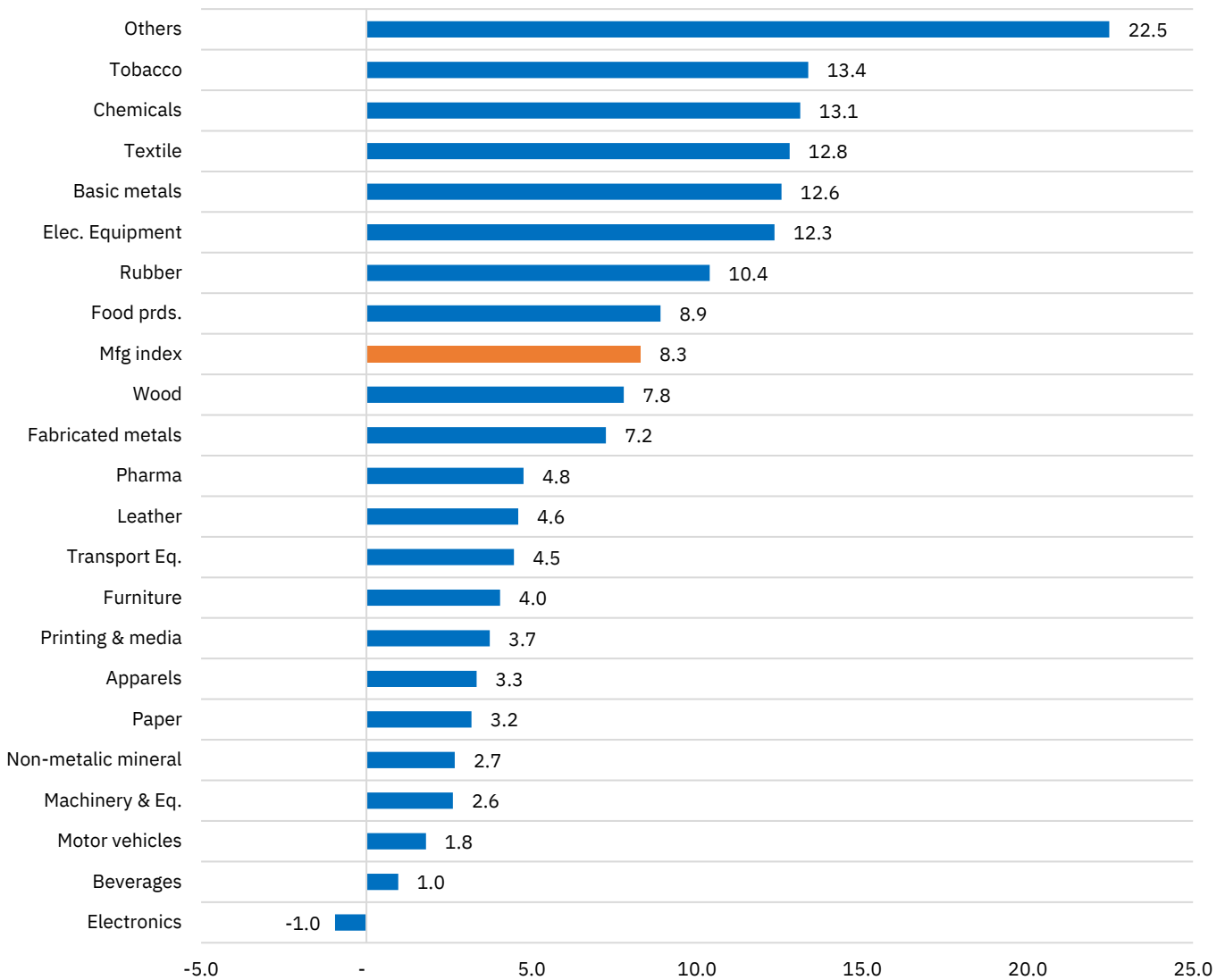
Source: DPIIT, Office of Economic Affairs, NSE EPR Note: Core WPI is overall WPI excluding fuel and food components.

Figure 175: Contribution of sub-components to WPI inflation



Source: DPIIT, Office of Economic Affairs, NSE EPR

Figure 176: Manufacturing sub-categories growth in WPI in July 2026 (YoY%)



Source: DPIIT, Office of Economic Affairs, NSE EPR

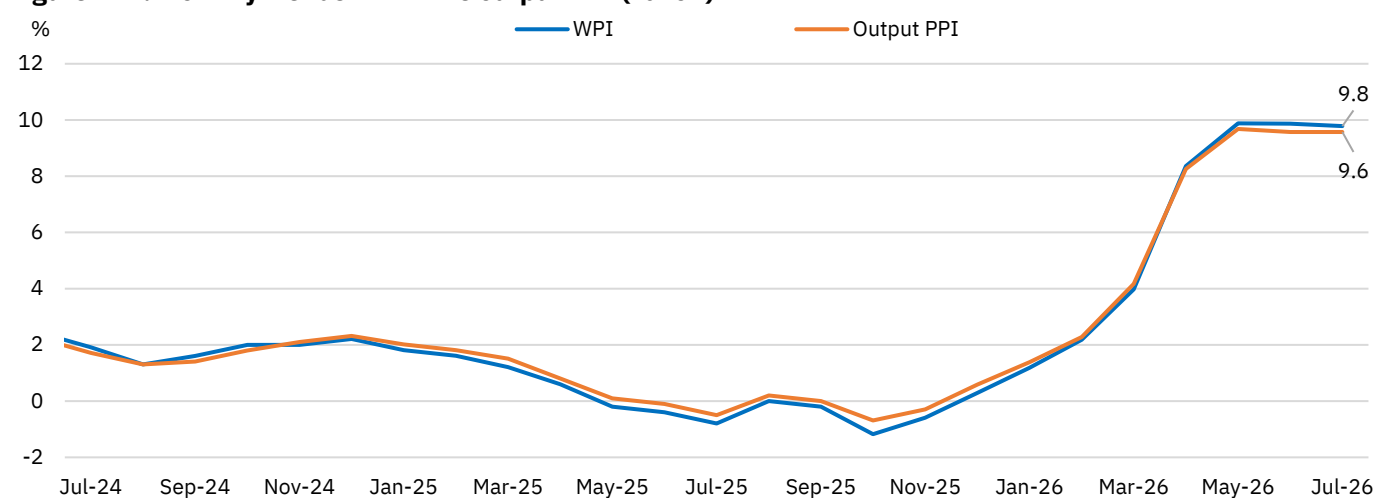
Output PPI elevated amid broad-based manufacturing pressures

Table 38: Output producer price index for July 2026 (%YoY)

Indicator	Weight	Jul-26	Jun-26	Jul-25	FY27TD	FY26TD
Output Producer Price Index	100.0	9.6	9.6	-0.5	9.3	0.1
Agri, forestry & fishing	22.2	7.8	6.5	-3.7	5.7	-1.9
Manufacturing	69.9	10.5	11.0	0.9	10.7	3.9
Mining & Quarrying	3.4	14.0	15.5	-2.7	18.2	5.8
Electricity	4.5	1.1	-0.6	-1.6	-0.6	-1.5

Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR. Note: YTD corresponds to April-July.

Figure 177: Monthly trends in WPI vs output PPI (%YoY)

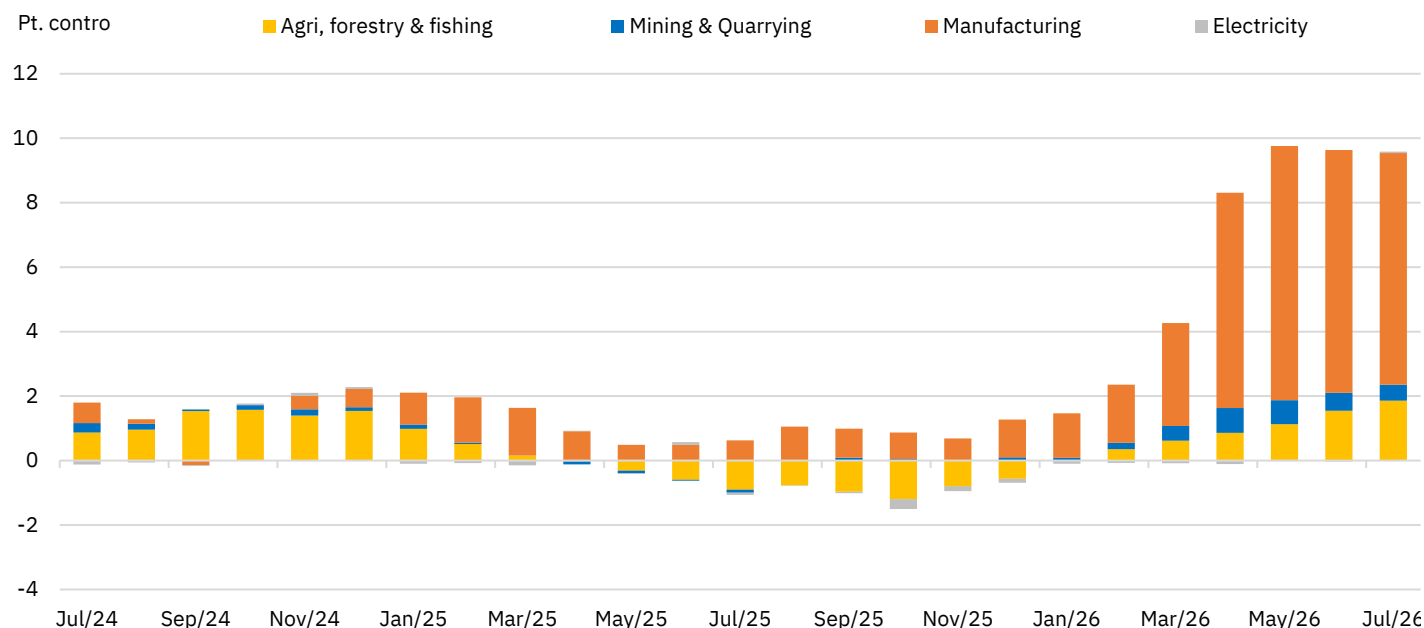


Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR. Notes – 1) WPI index is based on revised base year 2022-23.

Figure 178: Monthly trends in Output Producer Price Index and its categories (YoY%)



Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR.

Figure 179: Monthly point contribution to Output PPI


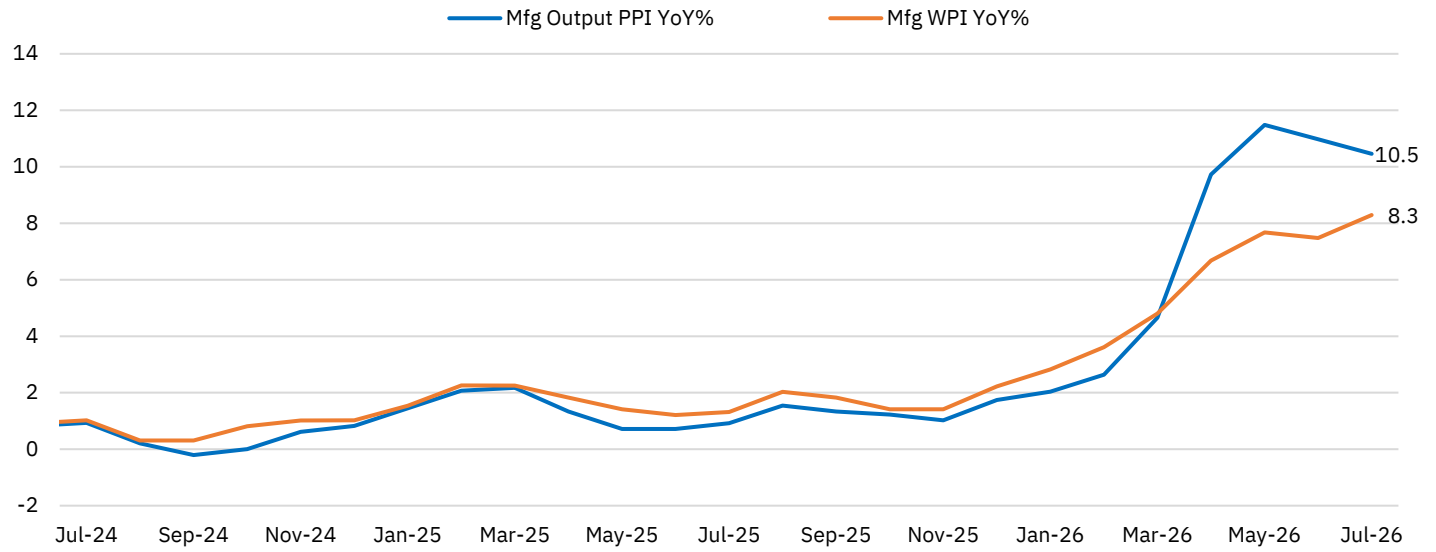
Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR

Table 39: Breakup of Output PPI - Manufacturing (YoY %)

Indicator	Weight	Jul-26	Jun-26	May-26	Apr-26
Manufacturing Products	69.9	10.5	11.0	11.5	9.7
Food products	8.5	9.1	7.4	6.5	4.7
Beverages	0.8	0.9	1.3	1.3	0.5
Tobacco products	0.3	16.5	16.8	15.2	14.3
Textiles	4.4	14.1	12.8	12.8	9.1
Wearing Apparel	1.2	3.3	2.6	3.7	2.6
Leather & Related Products	0.5	4.7	4.2	4.5	3.6
Wood & of Products of Wood & Cork	1.1	6.6	8.1	6.0	7.5
Paper & Paper Products	1.0	3.4	3.4	3.2	2.3
Printing & Reproduction of Recorded Media	0.3	4.3	3.8	4.1	4.0
Coke & Refined Petroleum Products	7.1	32.0	45.9	49.0	40.2
Chemicals & Chemical Products	5.7	13.0	12.8	14.6	13.3
Pharmaceuticals, Medicinal Chemical & Botanical Products	1.9	4.5	2.6	5.2	3.9
Rubber & Plastics Products	2.6	11.0	10.6	11.5	10.7
Other Non-Metallic Mineral Products	2.5	3.3	2.4	1.8	2.4
Basic Metals	7.5	12.9	12.6	13.4	10.7
Fabricated Metal Products, Except Machinery & Equipment	3.2	6.0	5.7	5.0	3.9
Computer, Electronic & Optical Products	1.8	-3.8	-2.9	-2.1	-2.1
Electrical Equipment	3.8	8.1	7.3	6.7	4.9
Machinery & Equipment	2.5	2.6	1.9	2.8	2.5
Motor Vehicles, Trailers & Semi-Trailers	4.4	1.8	1.9	0.8	1.3
Other Transport Equipment	1.3	4.7	4.2	4.2	3.5
Furniture	0.7	2.7	3.7	3.8	3.3
Other Manufacturing	6.8	13.4	11.6	12.3	12.8

Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR

Figure 180: Monthly trend of manufacturing in Output PPI vs WPI (YoY%)



Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR.

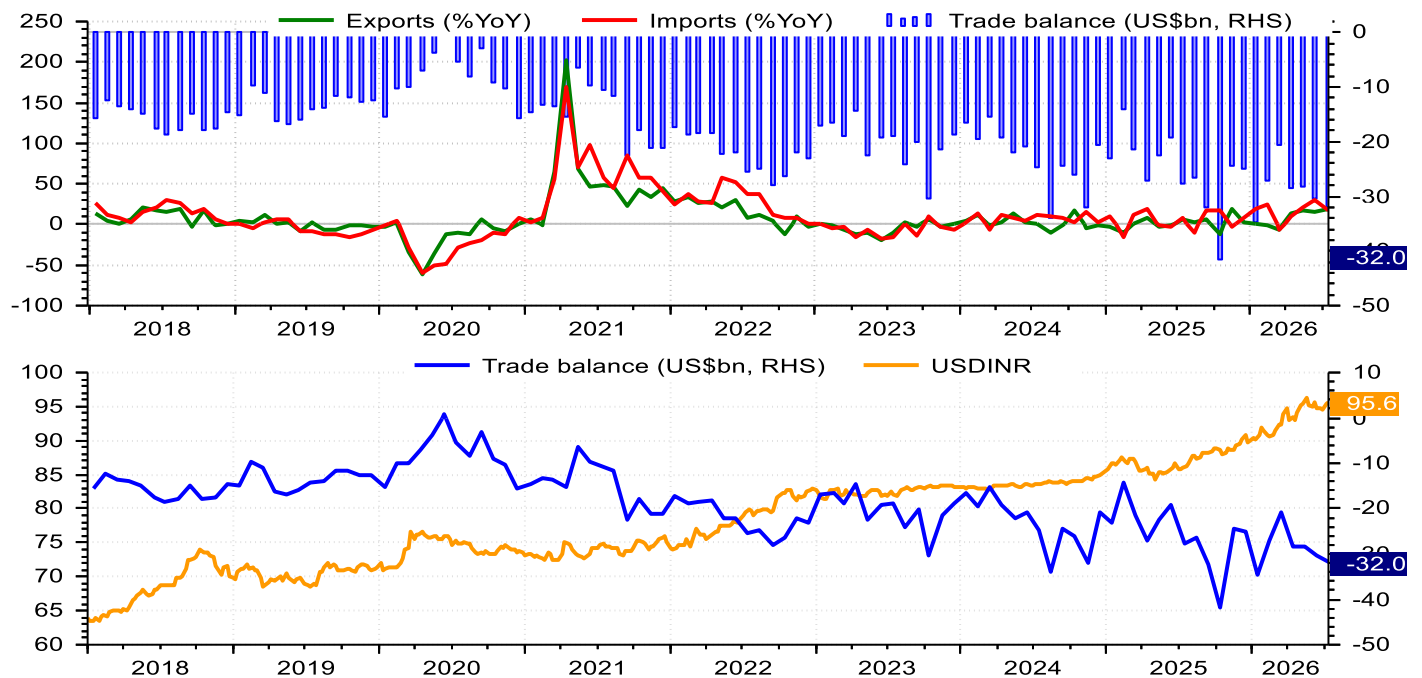
Trade deficit widened to six-month high led by broad-based rise in imports

Table 40: India's merchandise trade balance for July 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	
Jul-26	44.2	19.6	76.2	17.5	18.3	17.6	57.9	17.5	4.2	4.8	(32.0)
Jun-26	40.4	15.4	70.8	31.0	19.3	40.0	51.5	27.9	2.0	7.0	(30.4)
Jul-25	37.0	13.2	64.9	9.1	15.6	7.4	49.3	7.4	4.0	13.8	(27.9)
FY27TD	173.8	17.0	292.4	19.2	78.9	21.8	213.5	18.3	15.2	32.4	(118.6)
FY26TD	148.6	1.3	245.2	5.8	64.8	(1.8)	180.4	8.9	11.5	(3.2)	(96.6)

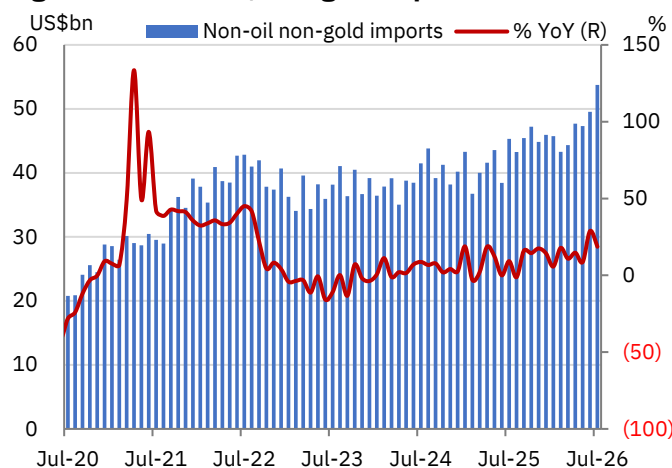
Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR. Note: YTD corresponds to April-July.

Figure 181: Monthly trends in India's merchandise imports, exports and trade balance



Source: LSEG Workspace, NSE EPR.

Figure 182: Non-oil, non-gold imports



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

Figure 183: Oil imports trend

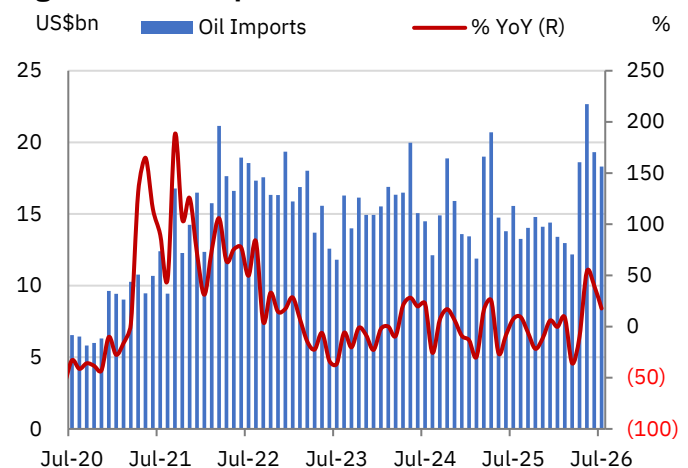
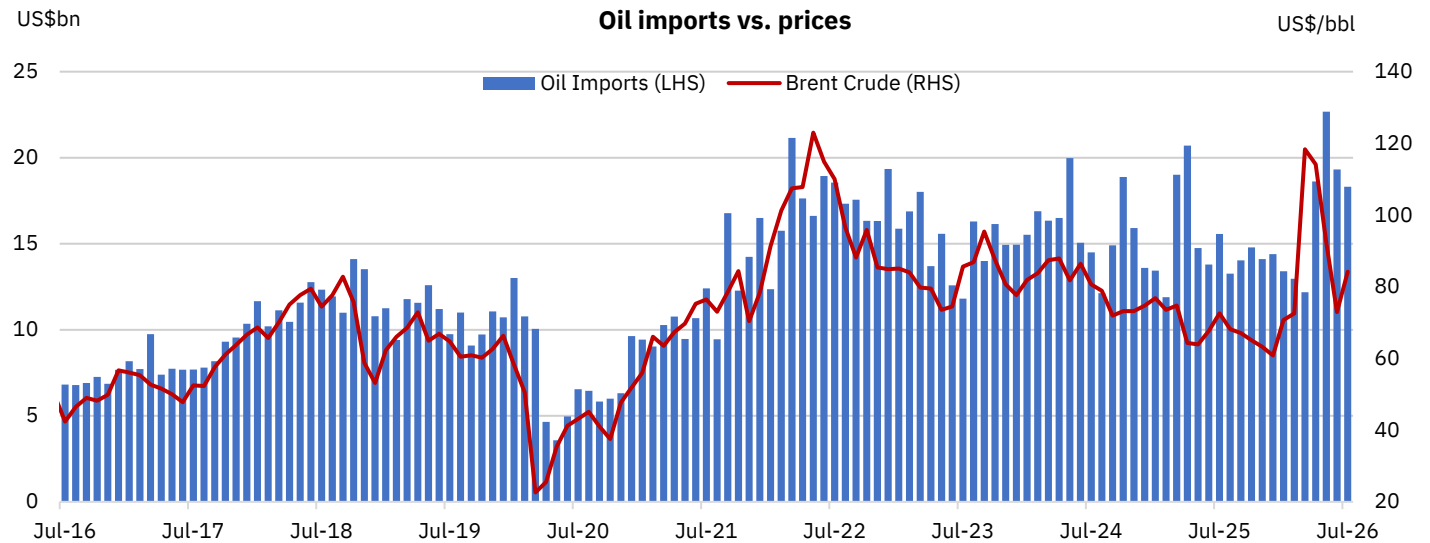
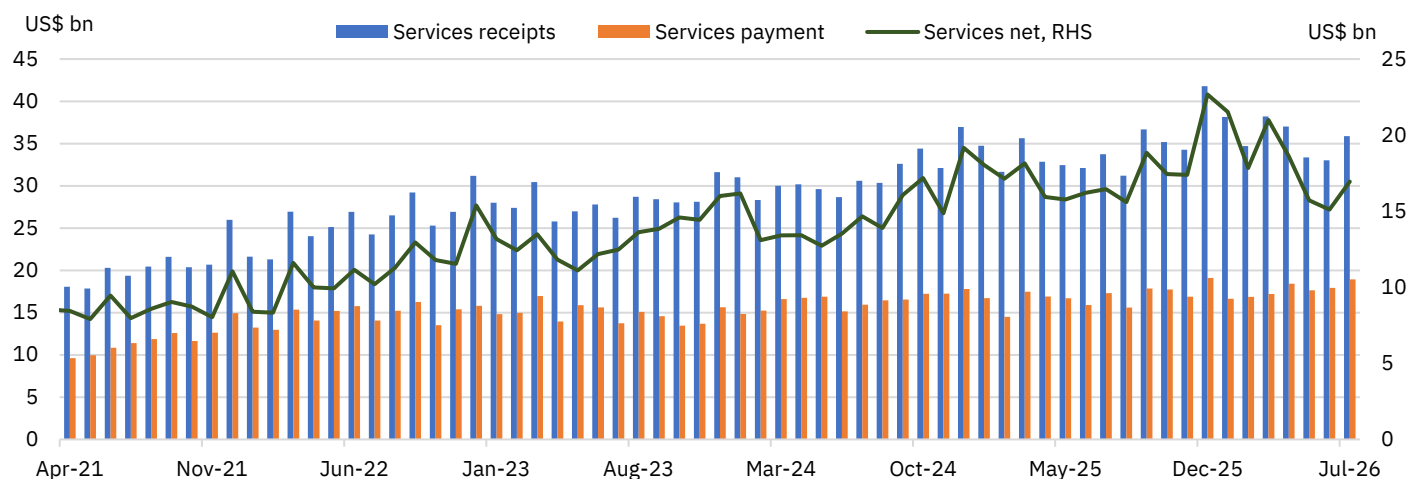
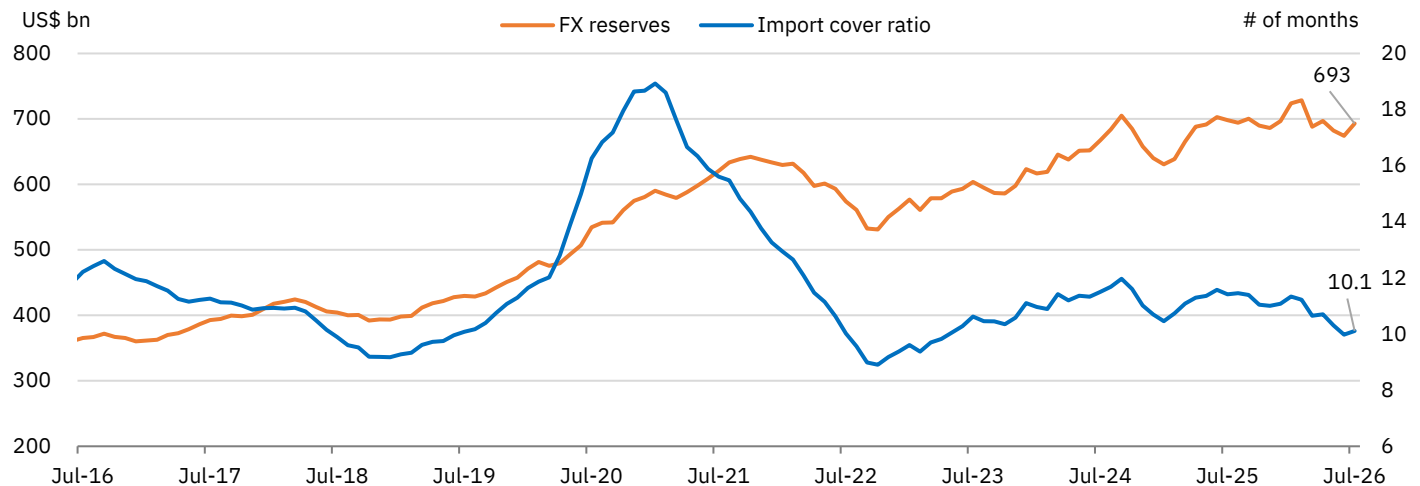
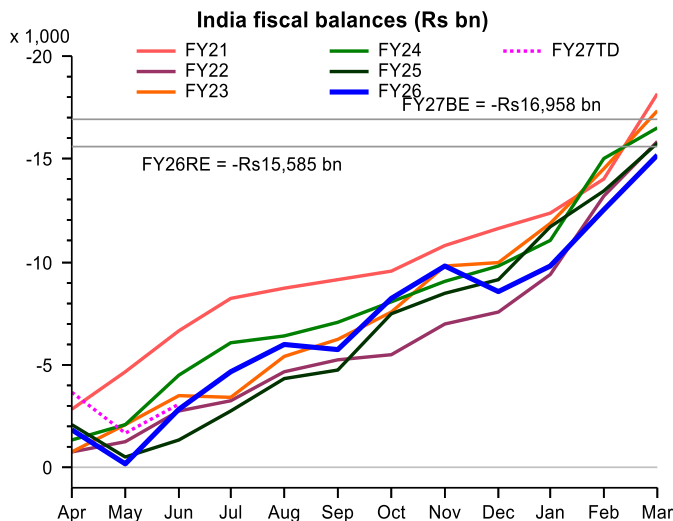


Figure 184: Oil imports vs. Brent crude oil prices trend

Figure 185: Monthly trend in monthly services exports, imports and net balance

Figure 186: Forex reserves and import cover (months)


Centre's capital expenditure growth widened in Q1FY27

Figure 187: Centre's gross fiscal trend (% GDP)



Source: LSEG Workspace, CMIE Economic Outlook, CGA, NSE EPR.

Figure 188: Gross fiscal deficit as % of budget targets during the month of Apr-Jun across years

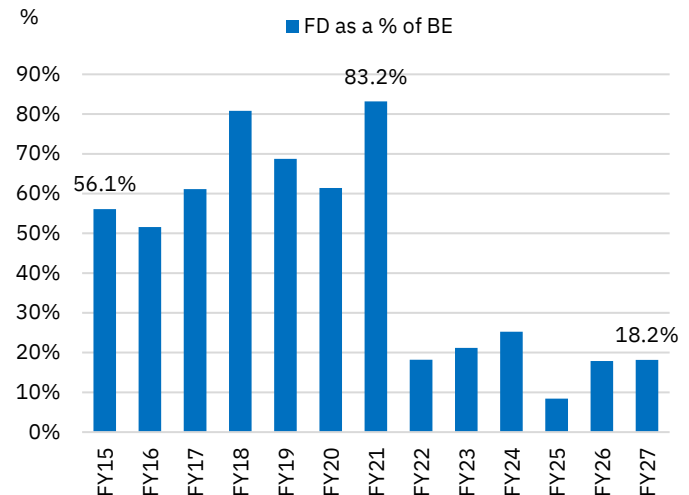
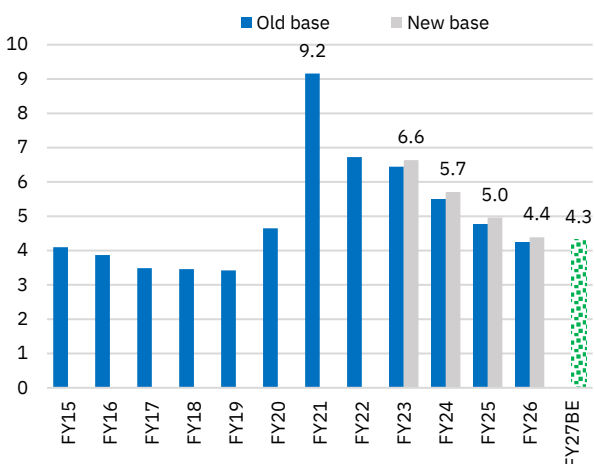


Figure 189: Centre's gross fiscal trend (% GDP)

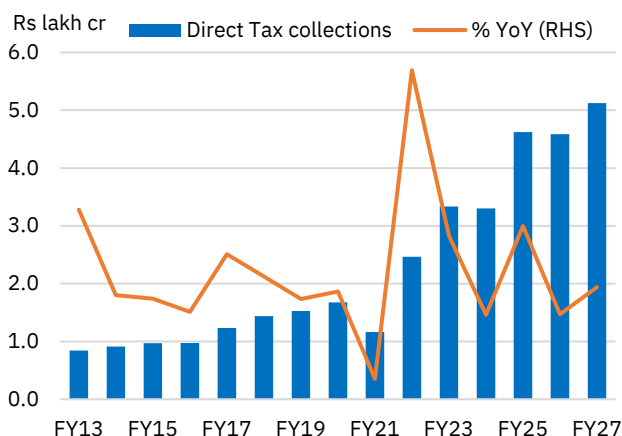


Source: CMIE Economic Outlook, CGA, NSE. BE = Budget Estimates, PA = Provisional actuals; Note: 1) % YoY growth in FY27BE is over the provisional estimates of FY26 2) Total receipts in the above table include net tax revenue, non-tax revenue and non-debt capital receipts and excludes debt receipts. 3) GDP for FY25 and FY26 are based on new base.

Table 41: Fiscal Balance Snapshot

Rs lakh crore	FY25	FY26	% YoY	FY27BE	% YoY
Net tax rev	25.0	26.2	4.9	28.7	9.3
Non-tax rev	5.4	6.8	26.5	6.7	-1.9
Non-debt cap rec.	0.4	0.8	100.3	1.2	41.4
Total receipts	30.8	33.9	10.0	36.5	7.8
Revenue Exp	36.0	38.4	6.5	41.3	7.5
Capital Exp	10.5	10.7	1.6	12.2	14.3
Total exp.	46.5	49.1	5.4	53.5	9.0
Fiscal deficit	15.7	15.2	-3.5	17.0	11.6
GDP	318.1	346.4	8.9	393.0	13.5
% of GDP	5.0	4.4		4.3	

Figure 190: Direct tax collections during Apr-Jun



Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 191: Indirect tax collections during Apr-Jun

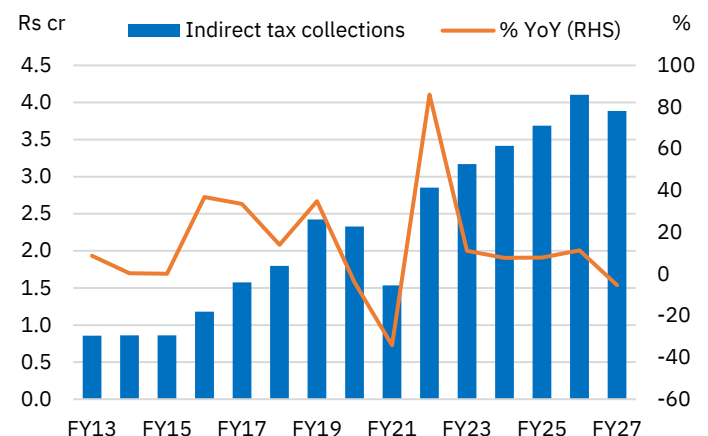
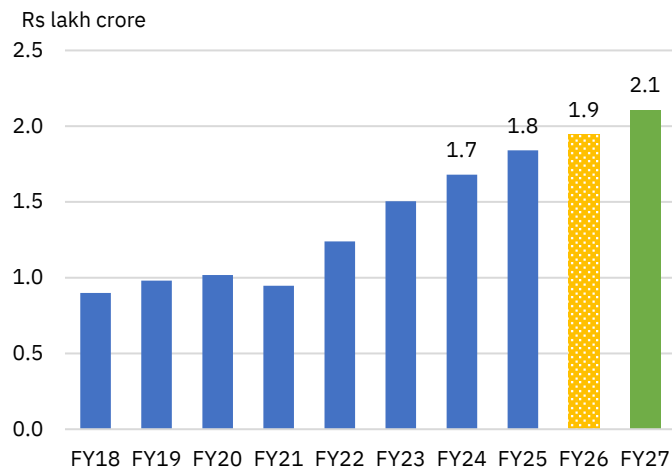
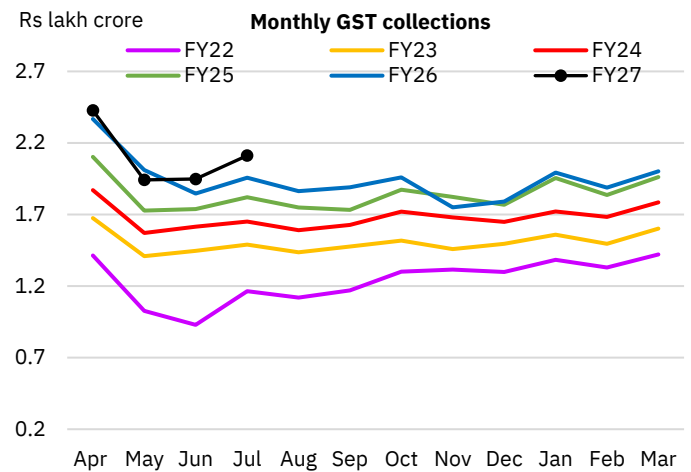
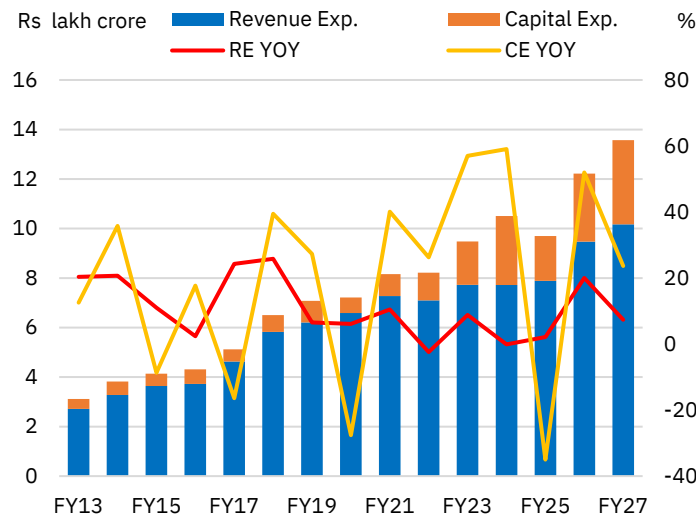


Figure 192: Monthly-run rate of GST collections


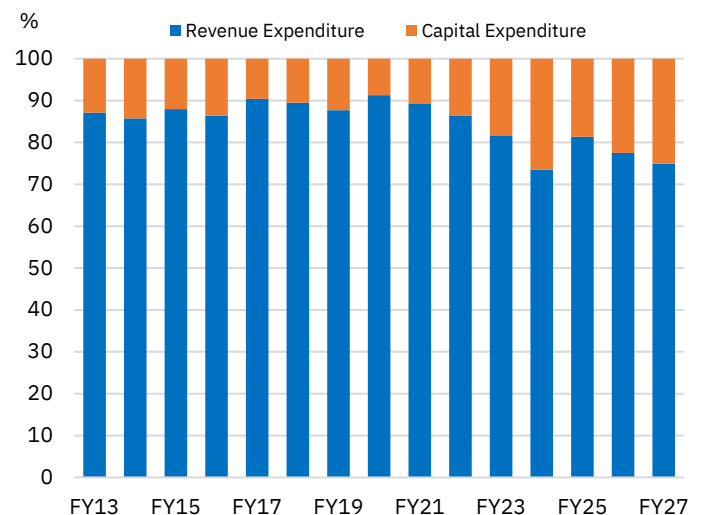
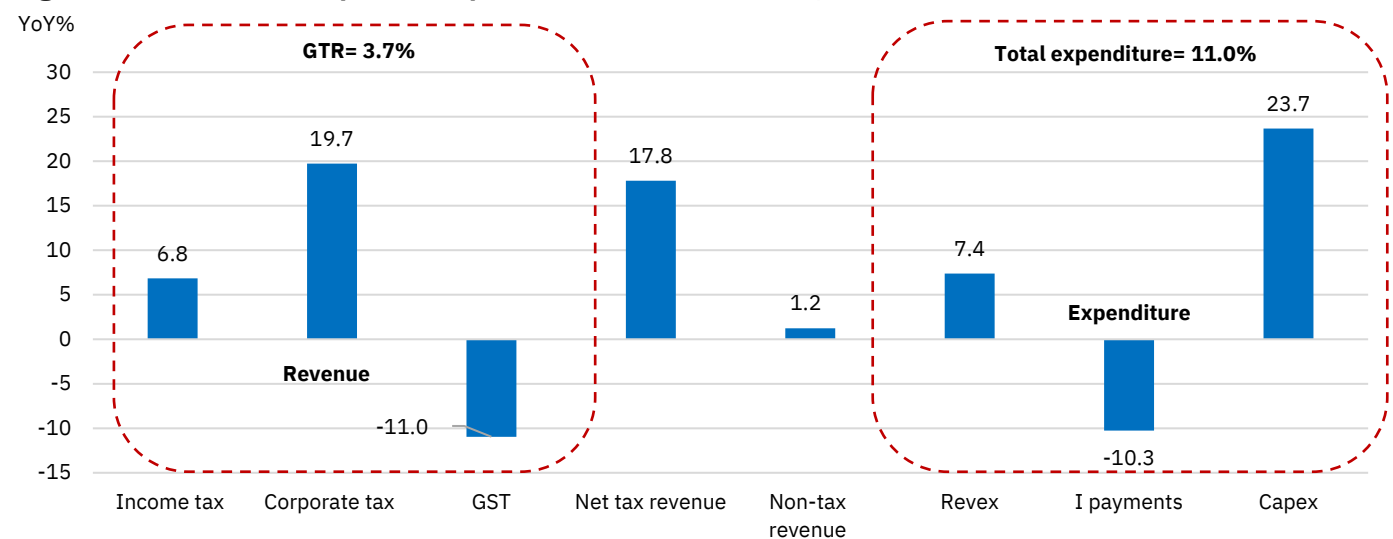
Source: CMIE Economic Outlook, CGA, PIB, NSE EPR. Data for FY27 is for April-July

Figure 193: Monthly GST collections trend


Source: CMIE Economic Outlook, NSE EPR.

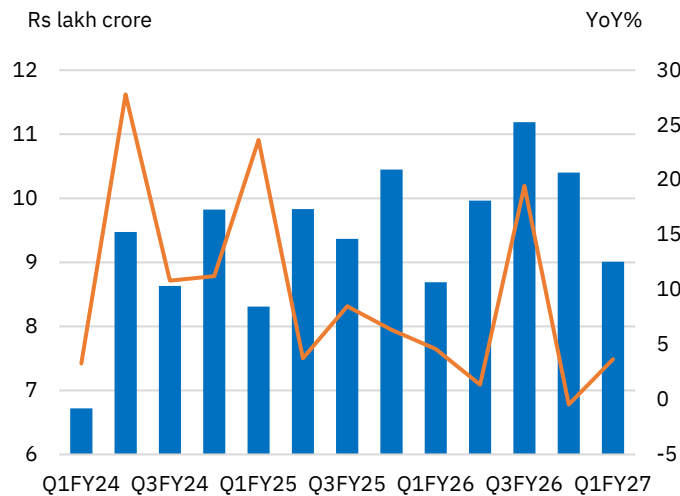
Figure 194: Revenue and capital exp during Apr-Jun


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

Figure 195: Expenditure mix during Apr-Jun

Figure 196: YoY% of receipts and expenditure for the month of Q1FY27


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

Figure 197: Quarterly trend of gross tax revenue, direct tax and indirect tax



Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 198: Quarterly trend of direct tax and indirect tax

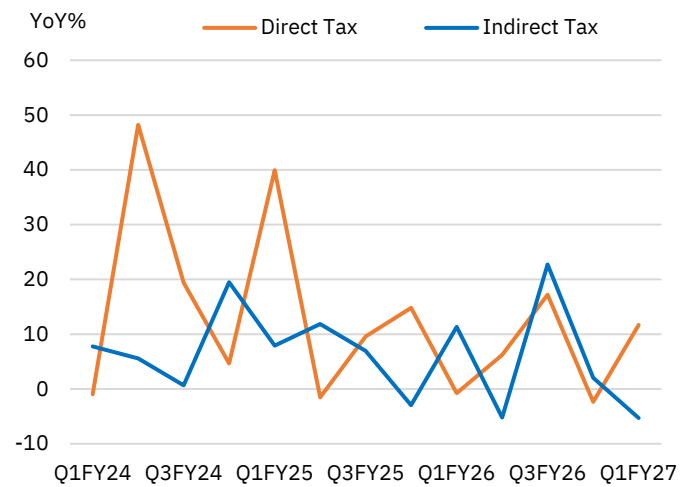
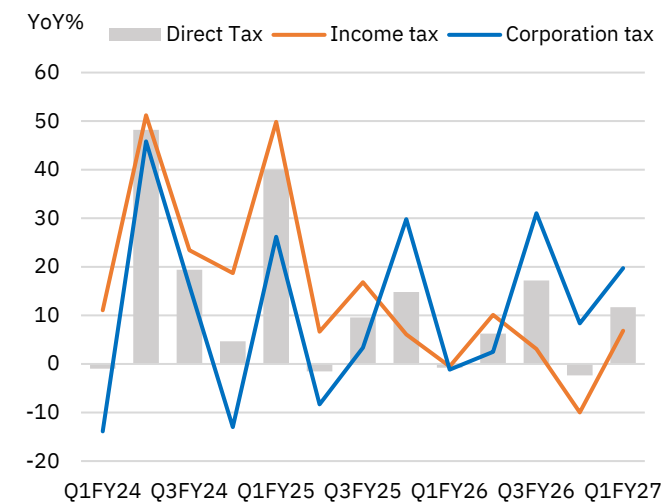


Figure 199: Breakup of direct taxes



Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 200: Quarterly movement of indirect tax

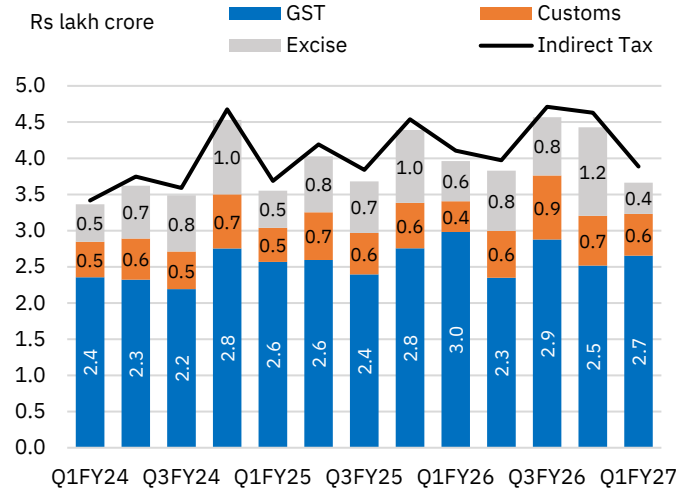
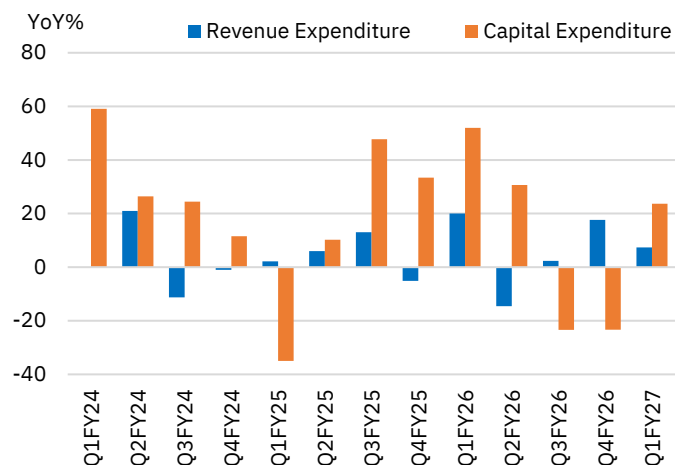


Figure 201: Quarterly trend of revenue and capital expenditure



Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 202: Quarterly trend of major subsidies outgo

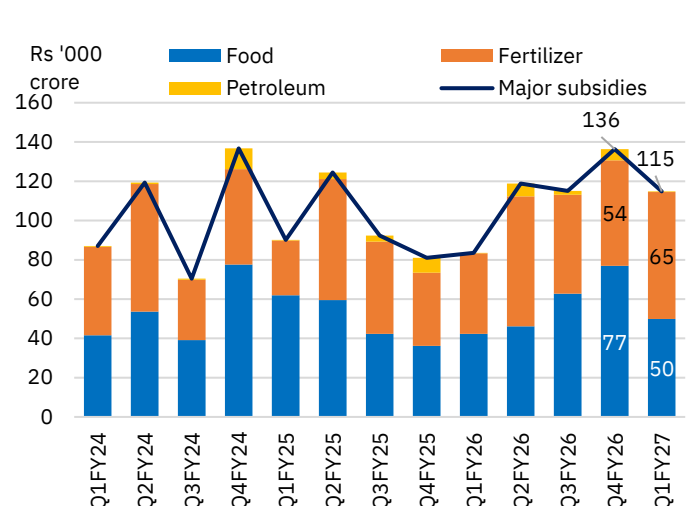


Table 42: A snapshot of government finances for FY26 and FY27 so far

Items	FY26TD	FY27TD	Realisation/utilisation rate		Avg. monthly required run-rate (Rs lakh crore)	
	Rs lakh crore	Rs lakh crore	3MFY26 (as % of RE)	3MFY27 (as % of BE)	9MFY26	9MFY27
Net tax revenues	5.4	6.4	20.2%	22.2%	2.4	2.5
Gross tax revenues	8.7	9.0	21.3%	20.5%	3.6	3.9
Of which:						
Direct Tax	4.6	5.1	18.9%	19.0%	2.2	2.4
Corporation tax	1.7	2.1	15.6%	16.8%	1.0	1.1
Income tax	2.9	3.1	21.8%	20.8%	1.1	1.3
Indirect Tax	4.1	3.9	24.8%	22.8%	1.4	1.5
Goods and service tax	3.0	2.7	27.8%	26.1%	0.9	0.8
Custom Duties	0.4	0.6	16.4%	21.3%	0.2	0.2
Excise Duties	0.6	0.4	16.5%	11.1%	0.3	0.4
States Share	-3.3	-2.6	23.5%	17.3%	-1.2	-1.4
Transferred to NCCD	0.0	0.0	17.3%	9.3%	0.0	0.0
Non-Tax Revenue	3.7	3.8	55.9%	56.7%	0.3	0.3
Dividends and profits	2.8	3.0	75.0%	77.3%	0.1	0.1
Other non-tax revenues	0.9	0.8	36.5%	32.5%	0.2	0.2
Total revenue receipts	9.1	10.1	27.3%	28.7%	2.7	2.8
Non-Debt Capital Receipts	0.3	0.4	43.8%	29.6%	0.0	0.1
Recovery of Loans	0.1	0.1	17.9%	26.2%	0.0	0.0
Misc. Receipts (include divestment)	0.2	0.2	66.9%	31.2%	0.0	0.1
Total Receipts	9.4	10.5	27.6%	28.7%	2.7	2.9
Revenue Expenditure	9.5	10.2	24.5%	24.6%	3.2	3.5
Interest Payments	3.9	3.5	30.3%	24.7%	1.0	1.2
Major subsidies	0.8	1.1	17.8%	25.2%	0.4	0.4
Food	0.4	0.5	18.5%	21.9%	0.2	0.2
Fertilizer	0.4	0.6	22.0%	37.9%	0.2	0.1
Petroleum	0.0	0.0	1.7%	2.3%	0.0	0.0
Other revenue expenditure	4.8	5.6	22.5%	24.5%	1.8	1.9
Capital Expenditure	2.8	3.4	25.1%	27.8%	0.9	1.0
Total Expenditure	12.2	13.6	24.6%	25.4%	4.2	4.4
Fiscal Deficit	2.8	3.1	18.0%	18.2%	1.4	1.5

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

Table 43: A snapshot of Government finances in financial year 2025-27

Items	FY25		FY26					FY27	
	Rs lakh crore	% YoY	BE (Rs lakh crore)	RE (Rs lakh crore)	PE (Rs lakh crore)	% YoY from RE	% YoY from BE	BE (Rs lakh crore)	% YoY over FY26PE
Net tax revenue	25.0	7.4	28.4	26.7	26.2	4.9	-7.6	28.7	9.4
Gross tax revenues	38.0	9.5	42.7	40.8	40.2	6.0	-5.8	44.0	9.3
Of which:									
Direct Tax	22.2	13.6	25.2	24.2	22.8	2.7	-9.4	27.0	18.3
Corporation tax	9.9	8.3	10.8	11.1	11.0	11.4	1.8	12.3	11.9
Income tax	12.4	18.2	14.4	13.1	11.8	-4.2	-17.8	14.7	24.2
Indirect Tax	15.7	4.3	17.5	16.6	12.2	-22.3	-30.1	17.1	55.6
Goods and service tax	10.3	7.3	11.8	10.5	6.1	-40.4	-48.2	10.2	-4.9
Custom Duties	2.3	0	2.4	2.6	2.6	13.4	10.2	2.7	2.1
Excise Duties	3.0	-1.7	3.2	3.4	3.4	13.9	6.8	3.9	14.1
States Share	12.9	13.9	-14.2	-13.9	13.9	8.2	-198.1	-15.3	-209.8
Transferred to NCCD	0.1	7.8	-0.1	-0.1	0.1	-14.2	-181.1	-0.1	-223.3
Non-Tax Revenue	5.4	33.5	5.8	6.7	6.8	26.5	17.1	6.7	-1.3
Dividends and profits	3.1	80.5	3.3	3.8	4.1	33.0	24.3	3.9	-4.9
Revenue receipts	30.4	11.3	34.2	33.4	33.0	8.7	-3.4	35.3	6.9
Non-Debt Capital Receipts	0.4	-30	0.8	0.6	0.8	100.3	4.7	1.2	43.3
Divestment proceeds	0.2	-48.1	0.5	0.3	0.6	243.8	18.3	0.8	35.3
Total Receipts	30.8	10.4	35	34.1	33.9	10.0	-3.3	36.5	7.8
Revenue Expenditure	36.0	3.1	39.4	38.7	38.4	6.5	-2.6	41.3	7.7
Interest Payments	11.2	4.9	12.8	12.7	12.4	11.4	-2.9	14	12.7
Subsidy outgo	4.2	-2.8	4.3	4.7	4.5	7.4	5.5	4.5	-0.8
Capital Expenditure	10.5	10.8	11.2	11	10.7	1.6	-4.5	12.2	14.1
Total Expenditure	46.5	4.7	50.7	49.6	49.1	5.4	-3.3	53.5	9.1
Fiscal Deficit	15.7	4.8	15.7	15.6	15.2	3.5	3.2	17	11.9
Fiscal Deficit/GDP	5.0		4.4	4.4	4.4			4.3	

Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; A = Actual. Notes: 1) Total receipts in the above table include net tax revenue, non-tax revenue and non-debt capital receipts and excludes debt receipts. 2) GDP estimates for FY25 and FY26(PE) are based on the revised new base year while GDP for FY27 is as per Budget Estimates.

Bank credit growth moderated slightly in July, but C-D gap continues to remain high

Figure 203: Outstanding bank credit and deposit

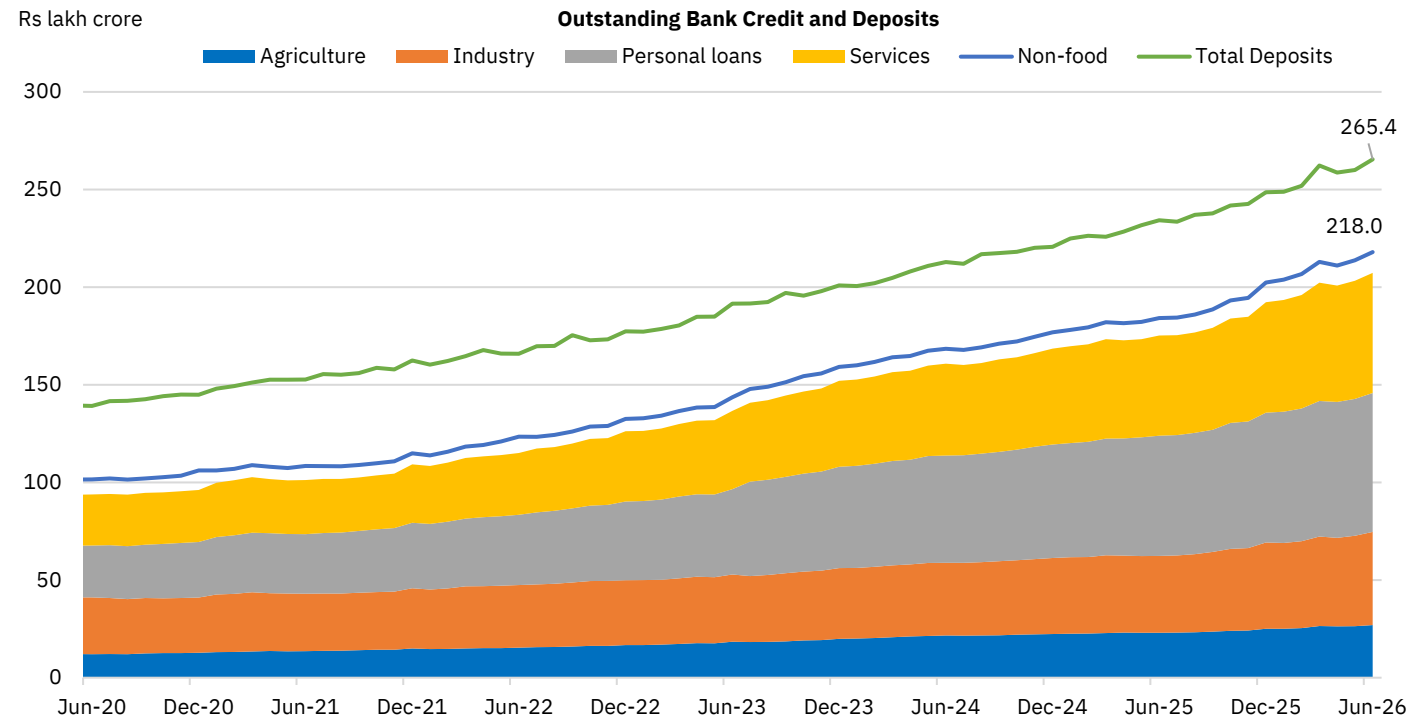


Figure 204: Growth in bank credit across key heads

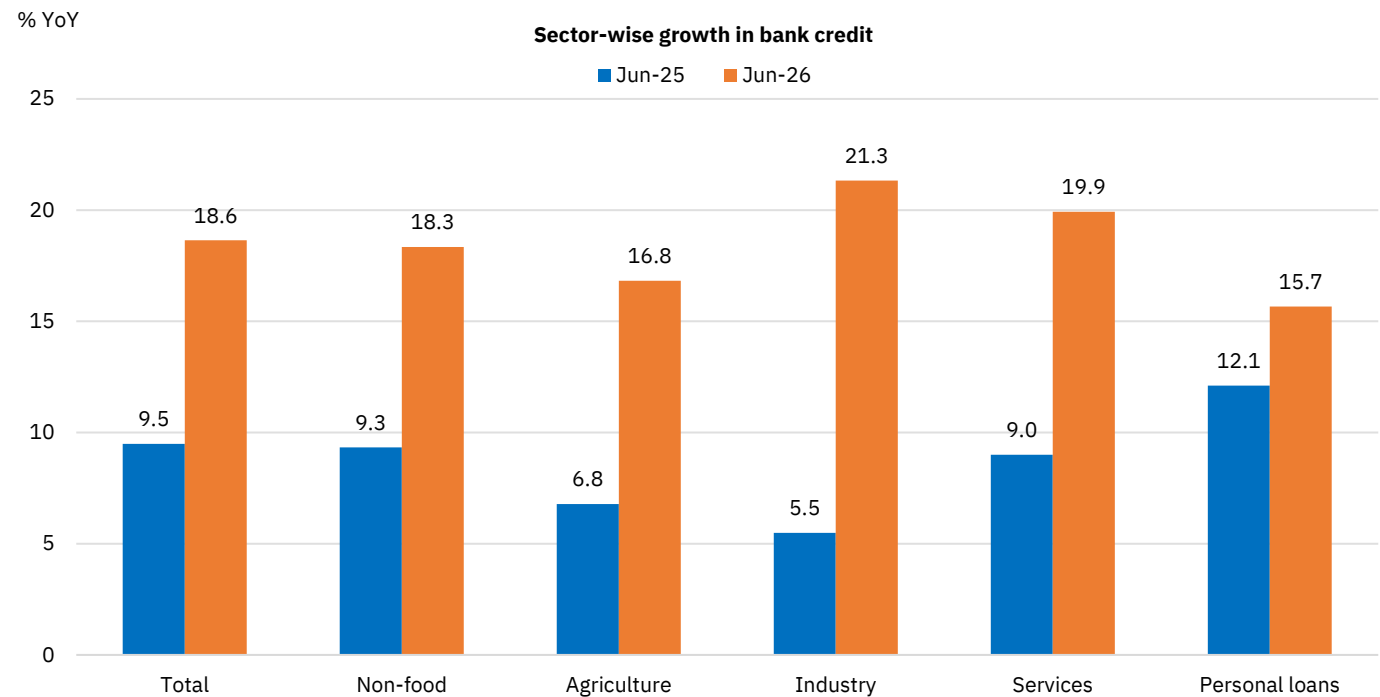
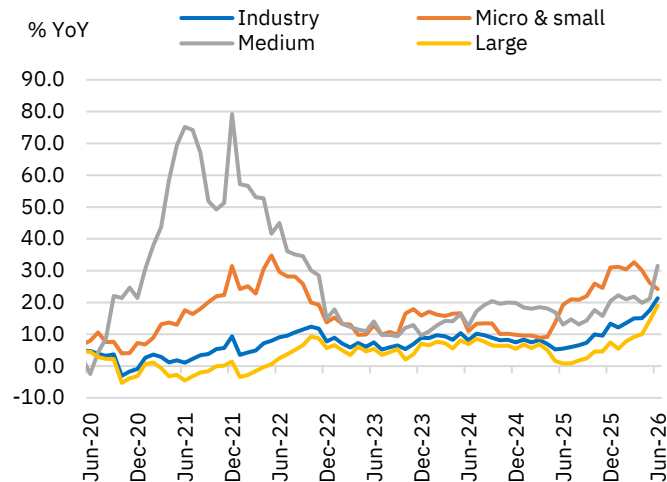
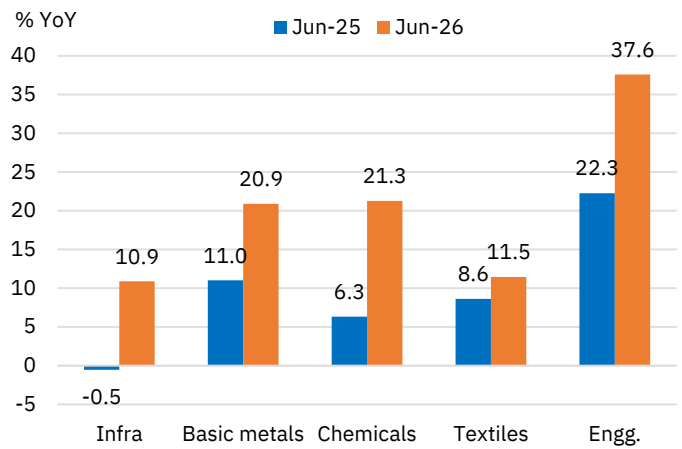
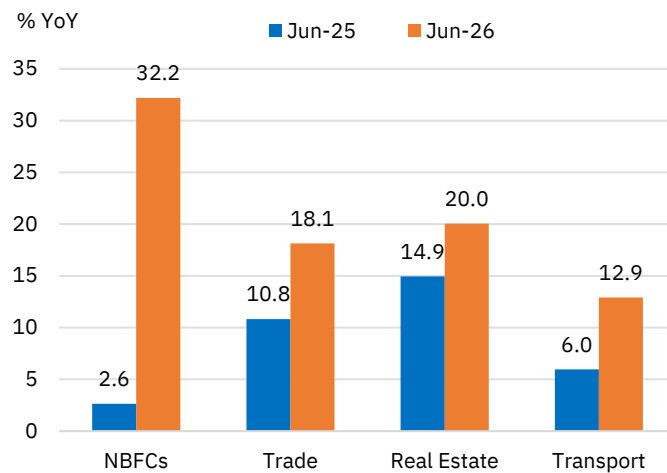
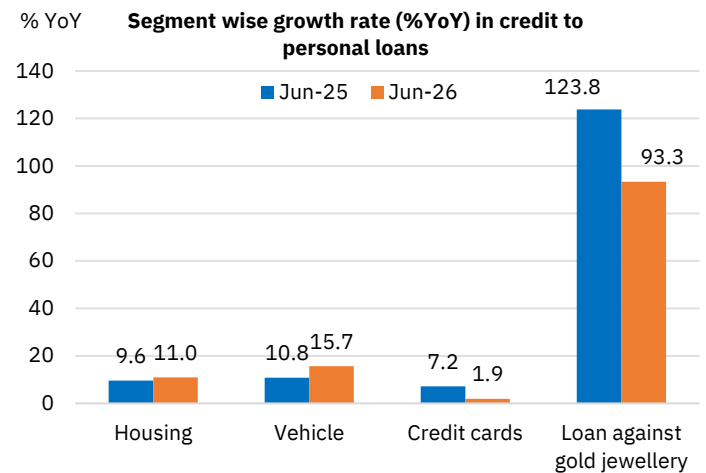
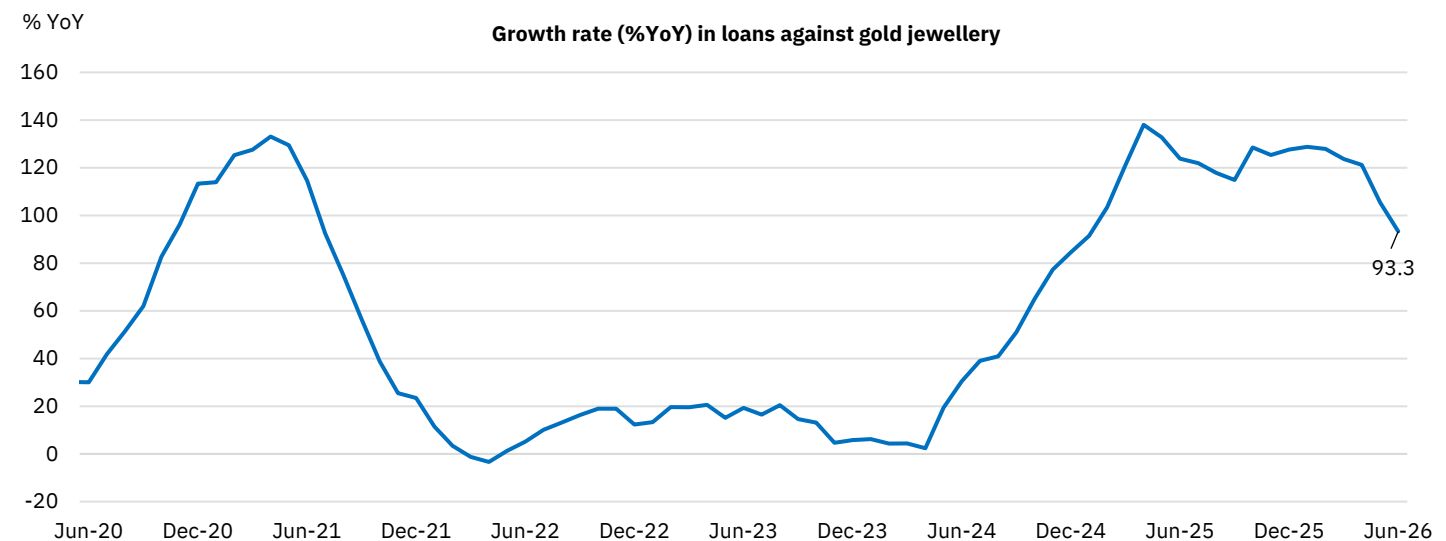


Figure 205: Size-wise growth in industrial bank credit


Source: CMIE Economic Outlook, NSE EPR.

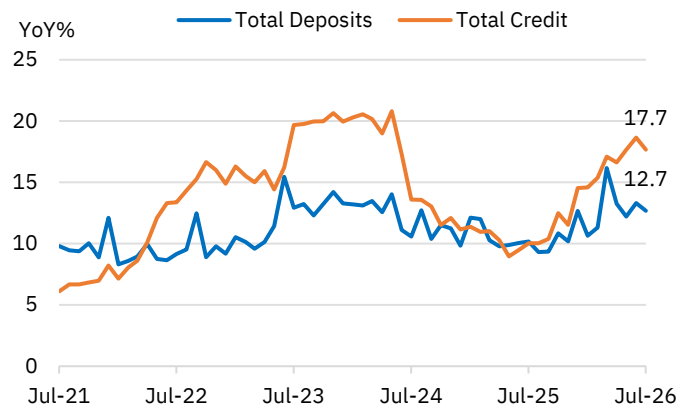
Figure 206: Size-wise growth in industrial bank credit (% YoY)

Figure 207: Growth in bank credit across segments of services (% YoY)


Source: CMIE Economic Outlook, NSE EPR.

Figure 208: Growth in bank credit across segments of personal loans

Figure 209: Growth rate in loans against gold jewellery (% YoY)


Source: CMIE Economic Outlook, NSE EPR

Figure 210: Trends in bank credit and deposit growth (% YoY)



Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for July 2026 as of July 15th, 2026 from the Weekly Statistical Statement of RBI (latest).

Figure 211: Trends in deposit growth (% YoY)

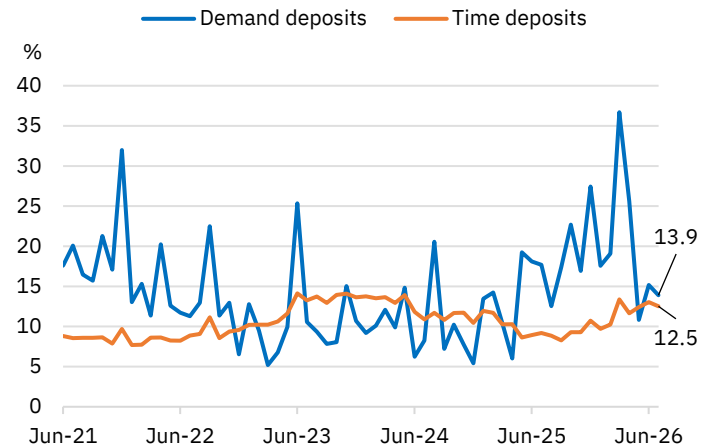
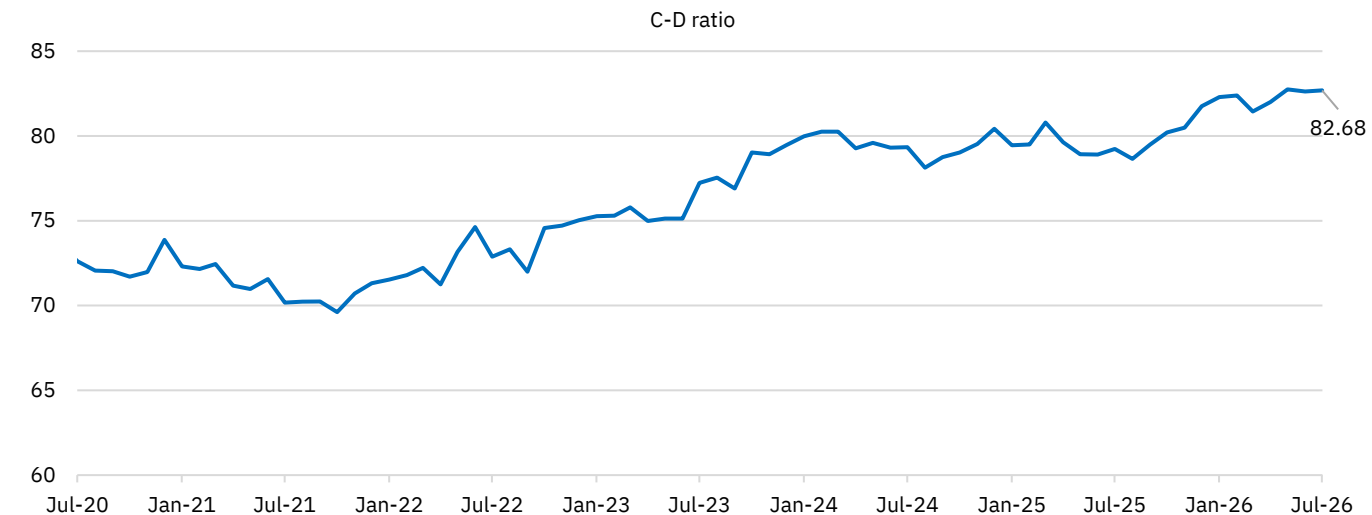
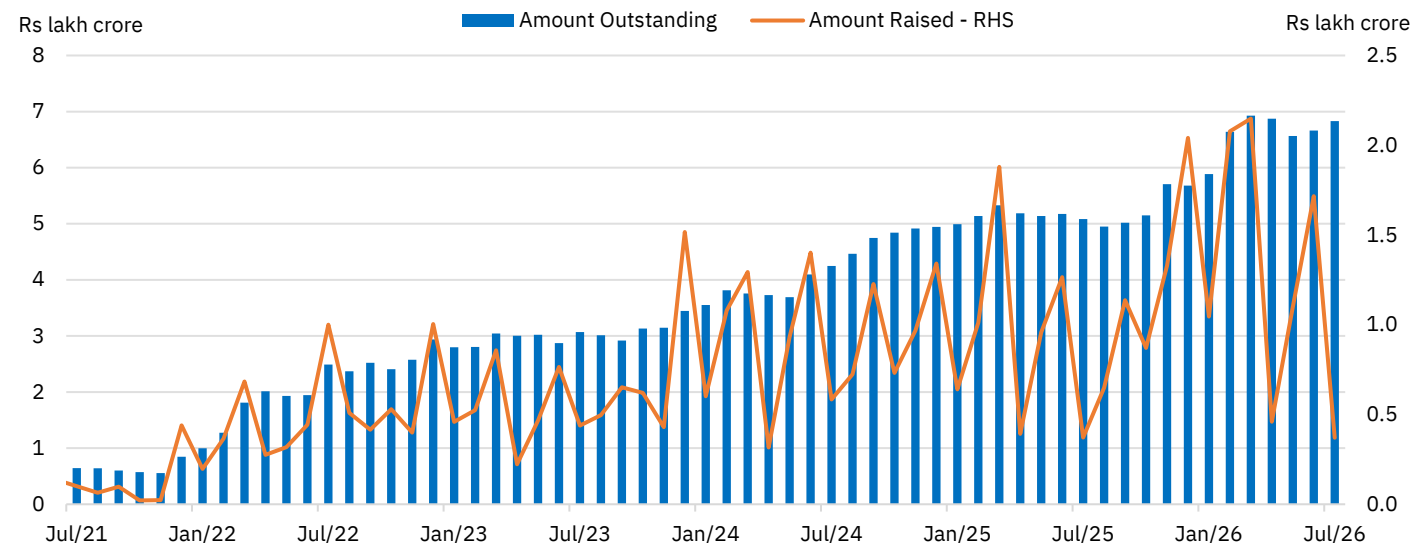


Figure 212: Credit to Deposit ratio (%)

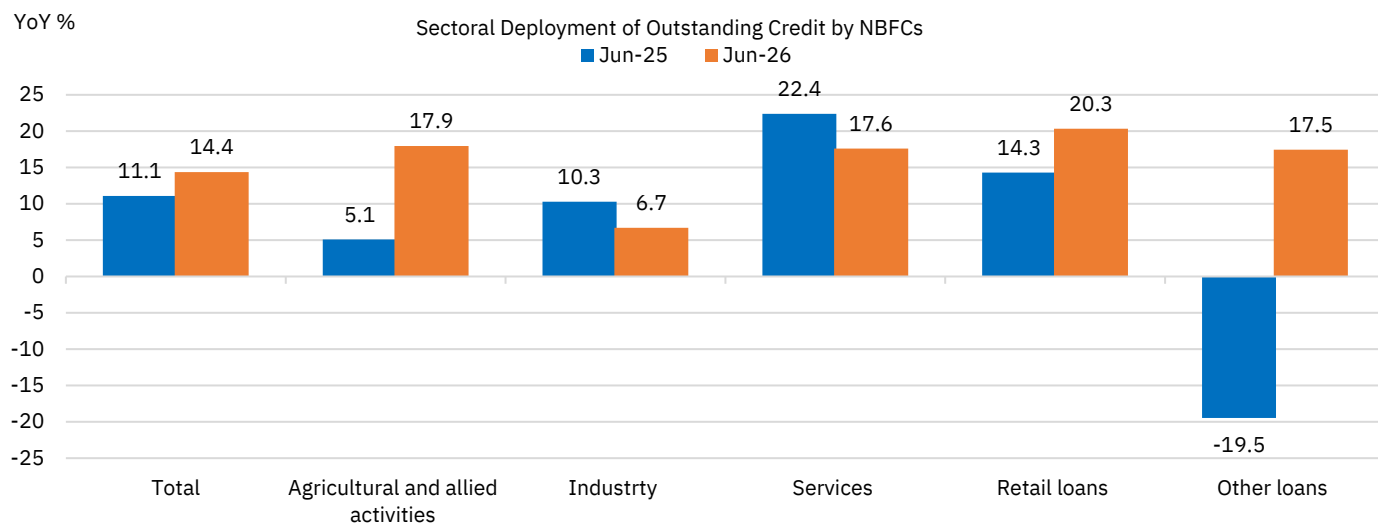


Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for July 2026 as of July 15th, 2026 from the Weekly Statistical Statement of RBI (latest).

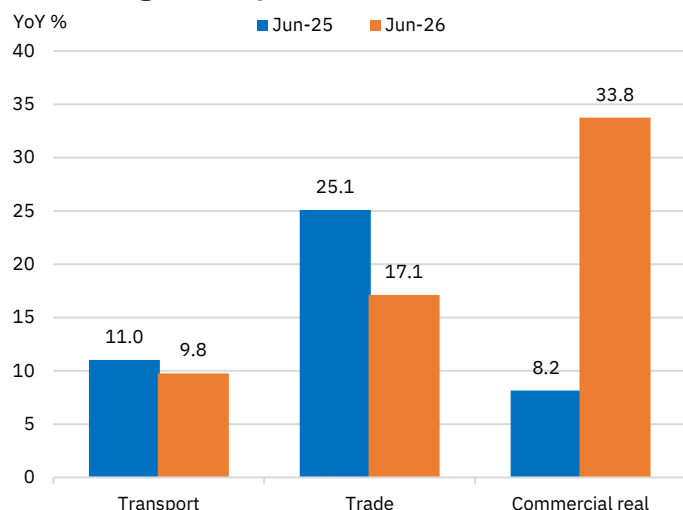
Figure 213: Issued and outstanding amount of certificate of deposits



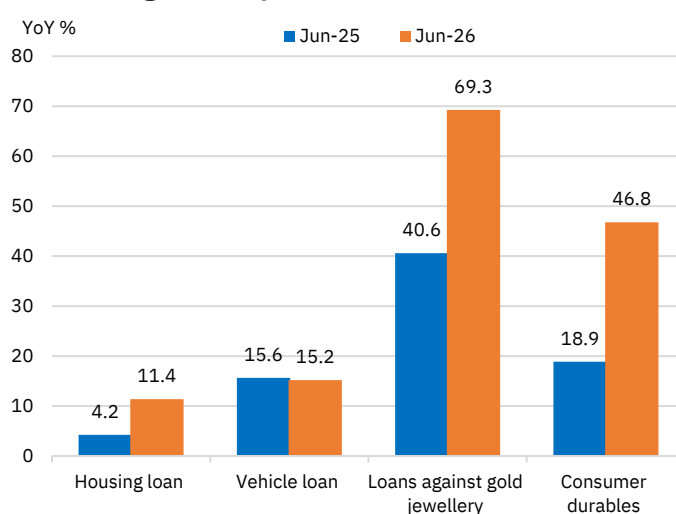
Source: CMIE Economic Outlook, NSE EPR.

Figure 214: Growth in sectoral deployment of outstanding credit by NBFCs


Source: CMIE Economic Outlook, RBI, NSE EPR.

Figure 215: Growth in sectoral deployment of outstanding credit by NBFCs within services


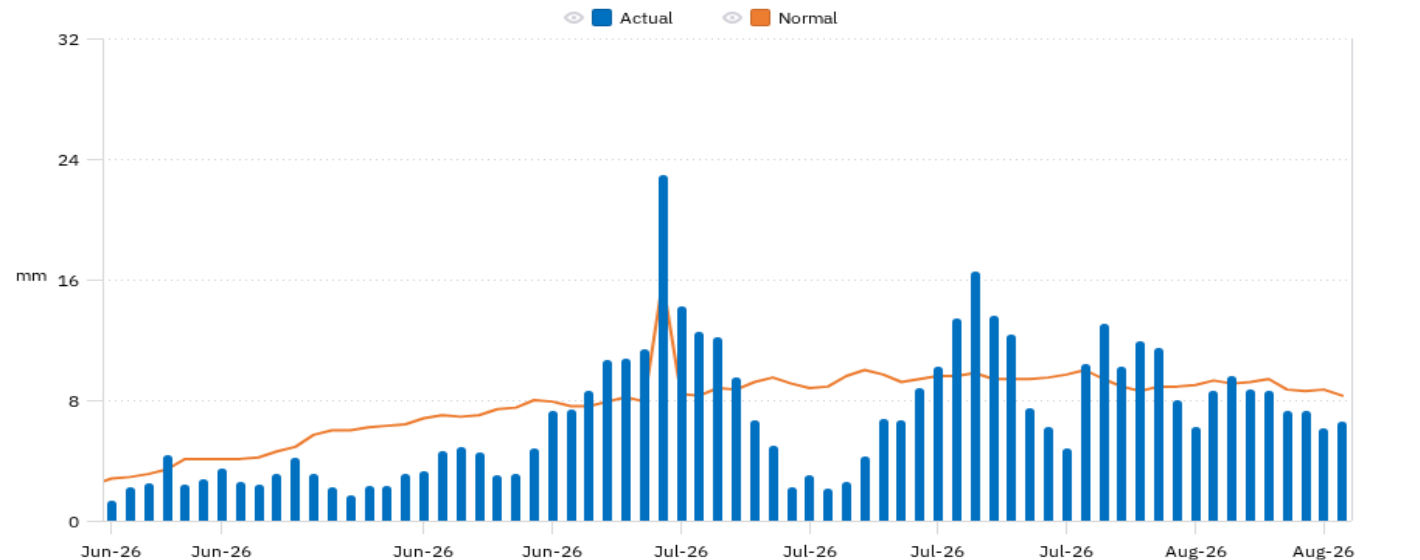
Source: CMIE Economic Outlook, RBI, NSE EPR.

Figure 216: Growth in sectoral deployment of outstanding credit by NBFCs within retail




Monsoon deficit narrows, but outlook remains weak

Figure 217: Daily mean rainfall in India

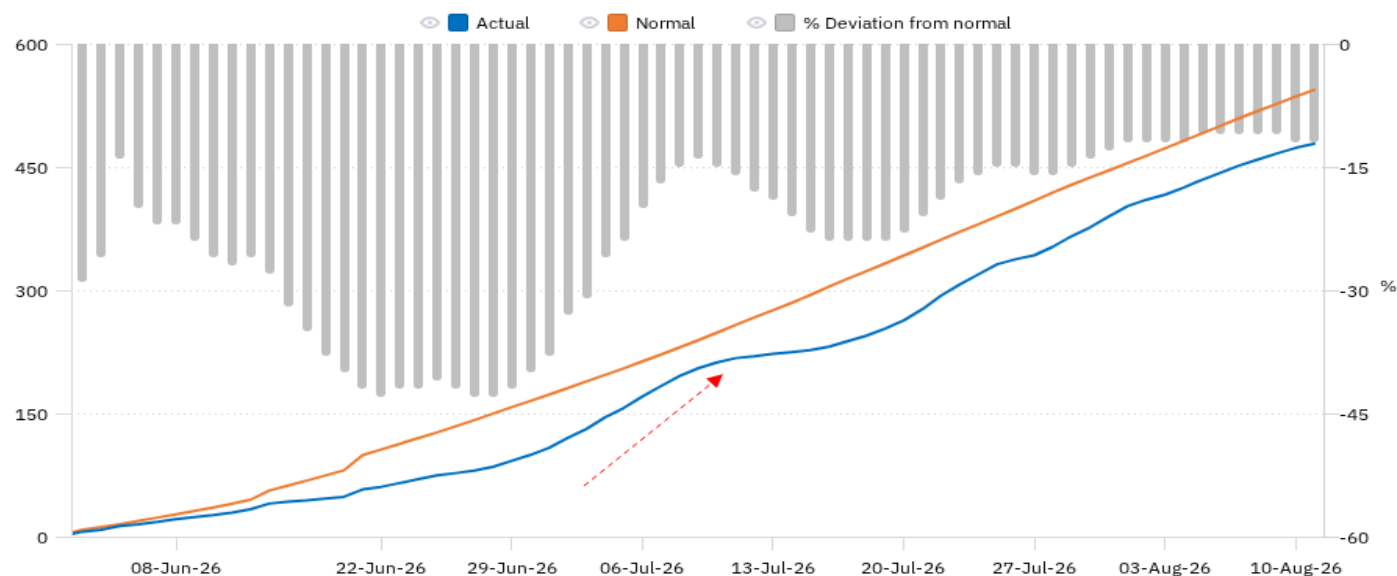


Source: CEIC, IMD, NSE EPR. Notes: 1) Data is as of August 11th, 2026.

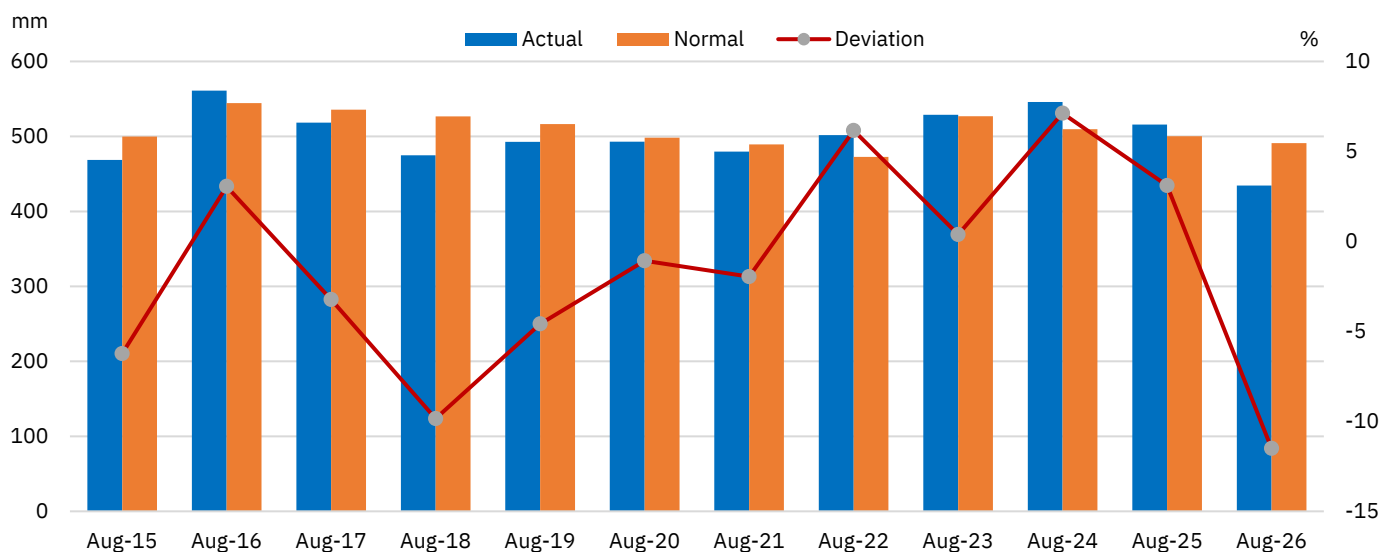
Table 44: Weekly deviation of rainfall across regions

	Smallest Value Largest Value									
	03-Jun-26	10-Jun-26	17-Jun-26	24-Jun-26	01-Jul-26	08-Jul-26	15-Jul-26	22-Jul-26	29-Jul-26	05-Aug-26
All India	-17.0	-18.0	-48.0	-47.0	-29.0	45.0	-51.0	-1.0	1.0	7.0
North West	75.0	-20.0	15.0	-60.0	-43.0	18.0	-27.0	5.0	4.0	-22.0
Central	26.0	-52.0	-74.0	-55.0	-19.0	137.0	-76.0	10.0	41.0	14.0
South	-12.0	14.0	-42.0	-47.0	-23.0	6.0	-77.0	-26.0	-33.0	39.0
East & NE	-62.0	-15.0	-47.0	-32.0	-37.0	-46.0	-23.0	-10.0	-51.0	2.0

Source: CEIC, IMD, NSE EPR.

Figure 218: Cumulative rainfall and percentage deviation


Source: CEIC, IMD, NSE EPR Note: 1) Data is captured during the period June 1st, 2026 to August 11th, 2026

Figure 219: Cumulative weekly rainfall and % deviation across years


Source: CMIE, IMD, NSE EPR Notes: 1) Data captured here is for the week ended August 5th, 2026 and the yearly comparison is done for the similar week-end period in the corresponding years.

Table 45: Division-wise distribution of cumulative rainfall

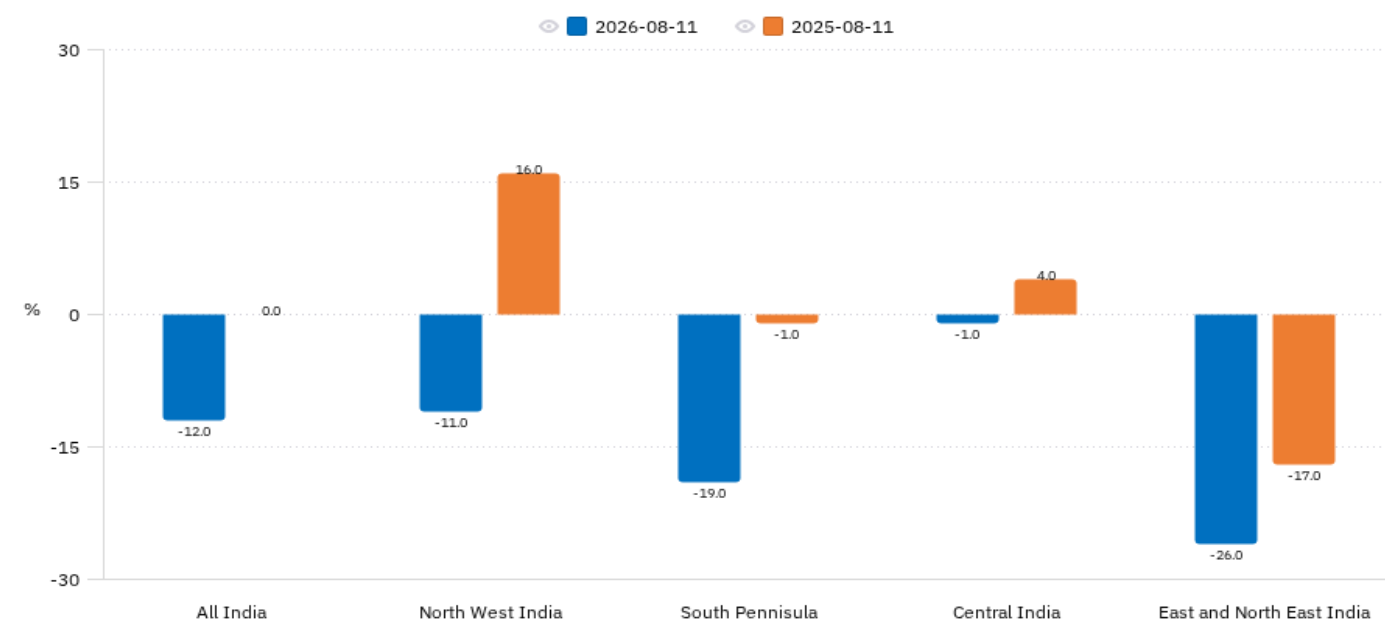
Subdivisions	Cumulative rainfall (Period: June 1 st to August 10 th)		
	Actual (mm)	Normal (mm)	% Deviation
East and North-East India	634.3	854	-26%
North-West India	317.1	358.5	-12%
Central India	607.6	606.7	0%
South Peninsula	353.4	432.4	-18%
Total	472.6	535.6	-12%

Source: IMD, NSE EPR.

Table 46: Category-wise number of subdivisions and % area (sub-divisional) of the country

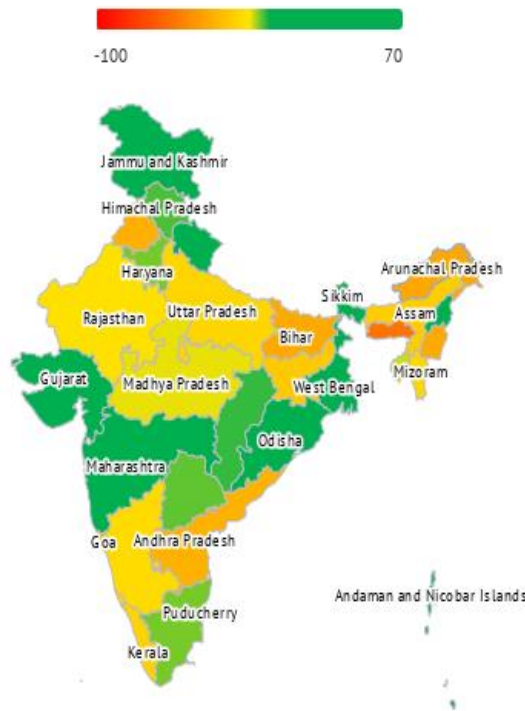
Category	Period: June 1 st to August 10 th , 2026	
	No. of subdivisions	% area of the country
Large excess	0	0%
Excess	3	0%
Normal	20	57%
Deficient	13	32%
Large Deficient	0	0%
No rain	0	0%

Source: IMD, NSE EPR.

Figure 220: Cumulative division rainfall deviation (%): current year vs last year


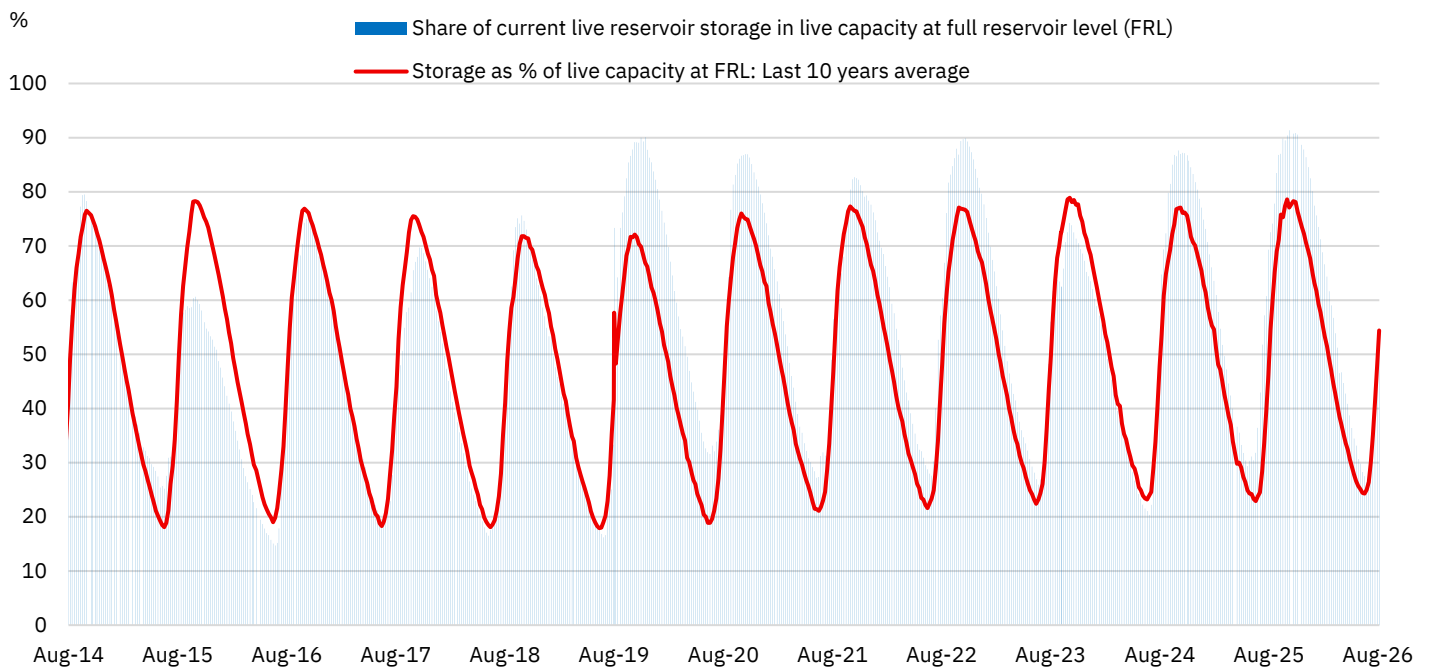
Source: CEIC, IMD, NSE EPR

Figure 221: State-wise rainfall deviation (%) (As of August 11th, 2026)

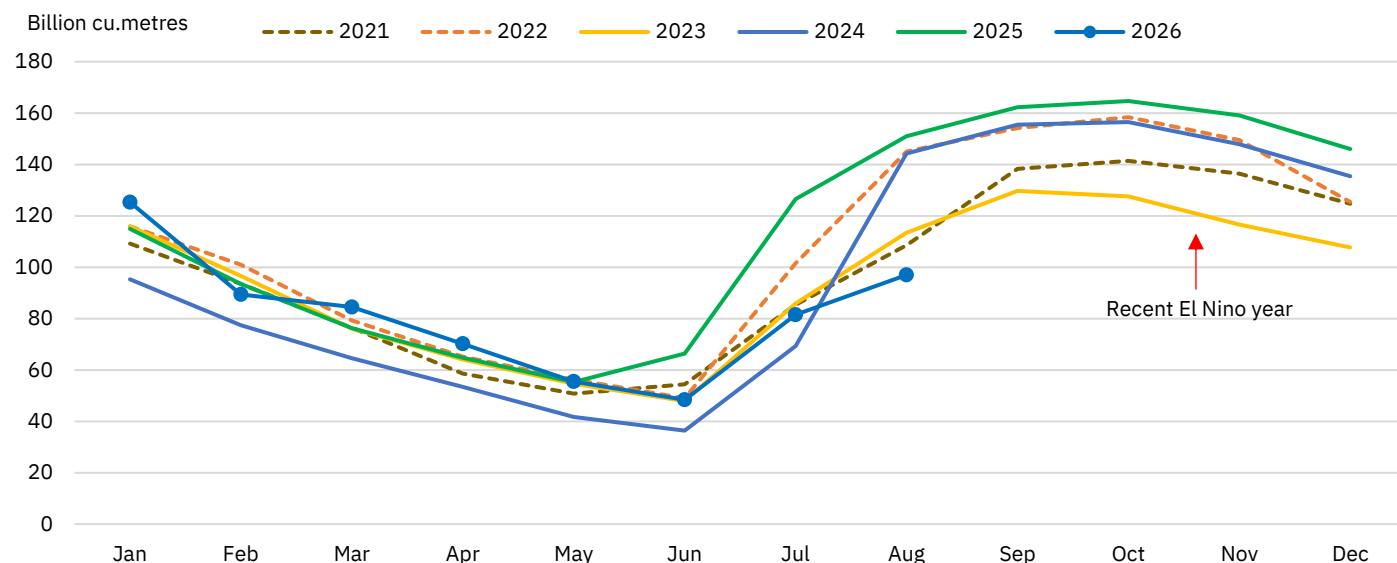
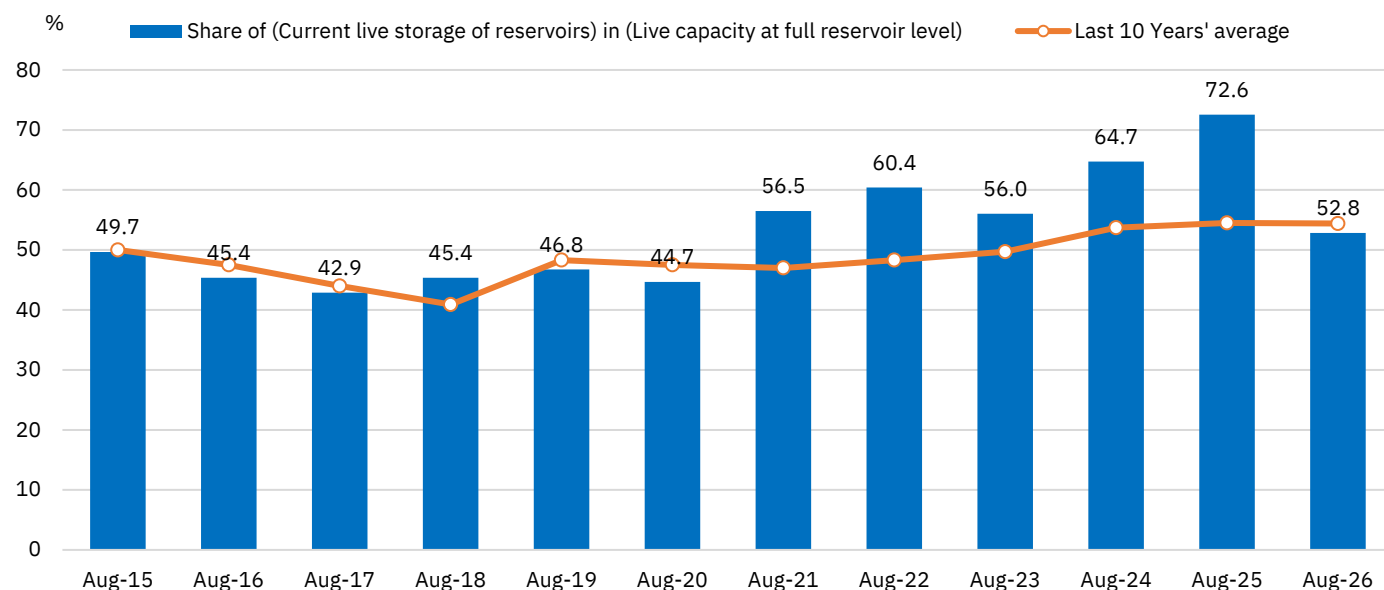


Source: CEIC, IMD, NSE EPR.

Figure 222: Trend of reservoir storage levels (as of August 6th, 2026)



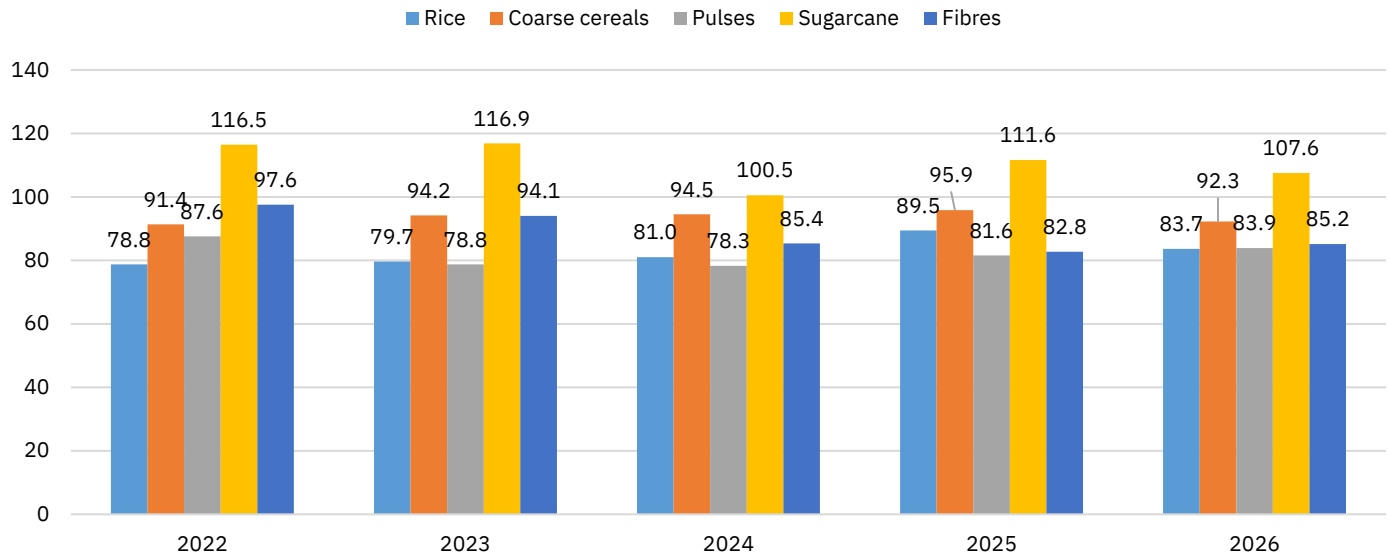
Source: CMIE Economic Outlook, NSE EPR

Figure 223: Monthly trend of reservoir storage levels over years

Figure 224: Live reservoir storage levels

Table 47: Division-wise reservoir storage levels

Year	Storage as % of live capacity at full reservoir level					India
	Northern region	Eastern region	Western region	Central region	Southern region	
Aug-20	47	33	47	49	42	45
Aug-21	40	43	50	49	77	57
Aug-22	50	25	69	54	77	60
Aug-23	77	36	63	56	51	56
Aug-24	46	47	65	66	77	65
Aug-25	72	55	75	73	78	73
Aug-26	46	47	77	47	46	53

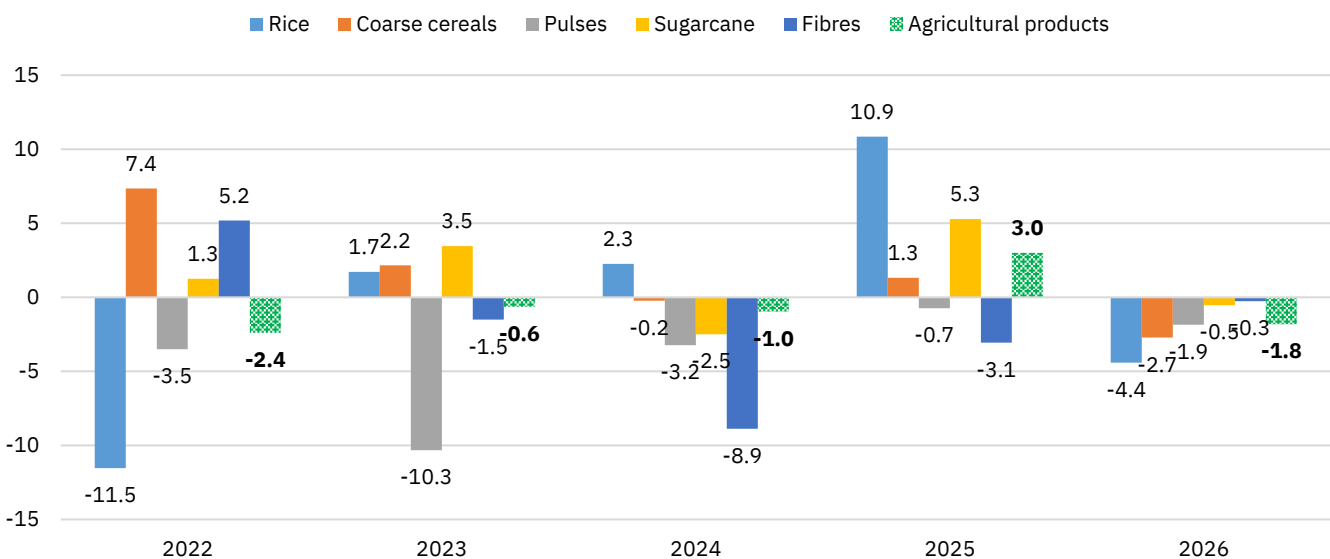
Source: CEIC IMD, NSE EPR Notes: 1) Data captured here is for the week ended August 6th, 2026 and the yearly comparison is done for the similar week-end period in the corresponding years.

Figure 225: Actual sown area as a % of normal area sown (as of August 7th, 2026)



Source: CMIE Economic Outlook, NSE EPR.

Figure 226: YoY % change in actual sown area (as of August 7th, 2026)



Source: CMIE Economic Outlook, NSE EPR

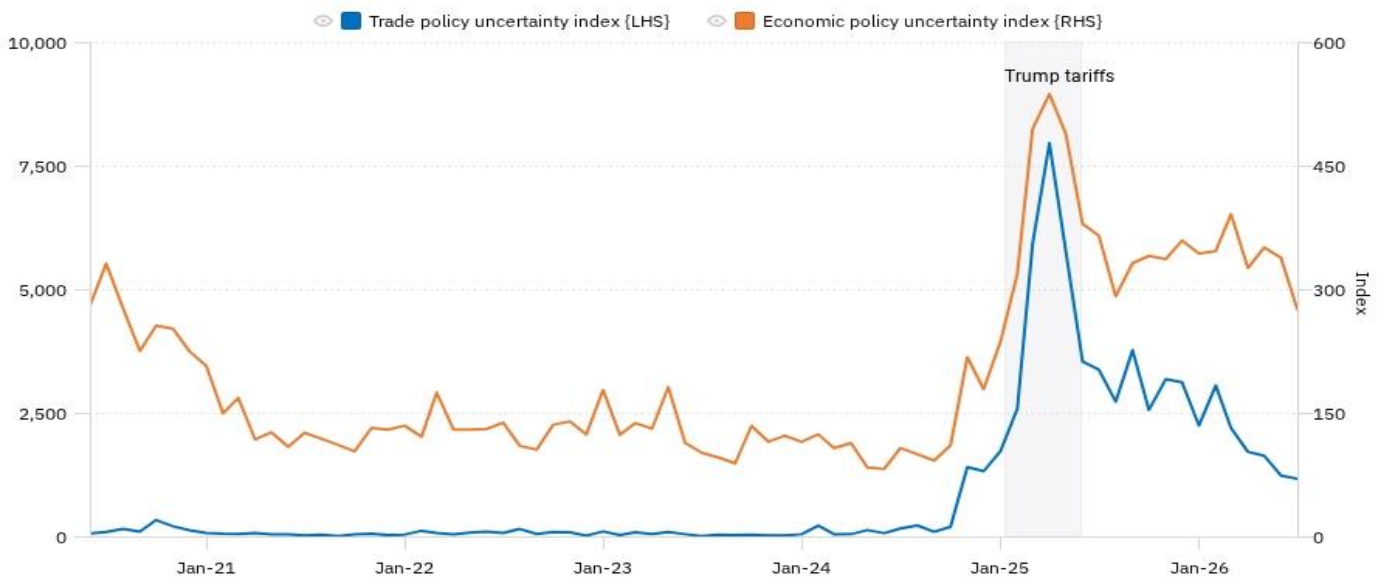
Global snippets: West Asia risks oscillate as policy paths diverge

Figure 227: Geopolitical risk index (30-day moving average)



Source: CEIC, NSE EPR Note: 1) Data is updated as of August 3rd, 2026

Figure 228: US trade and economic policy uncertainty index

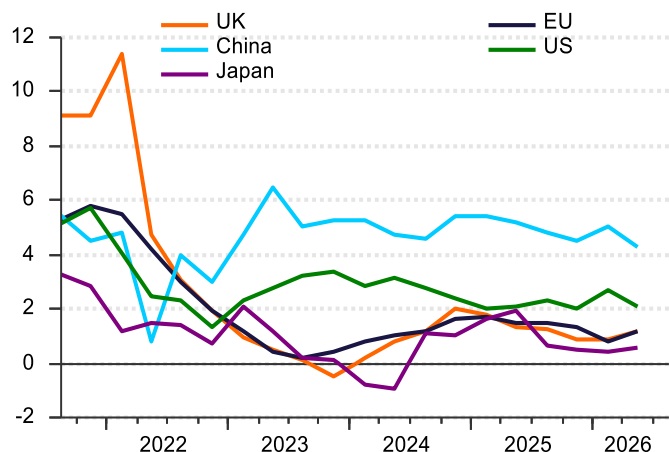


Source: CEIC, NSE EPR Note: 1) Data is updated as of July 31st, 2026

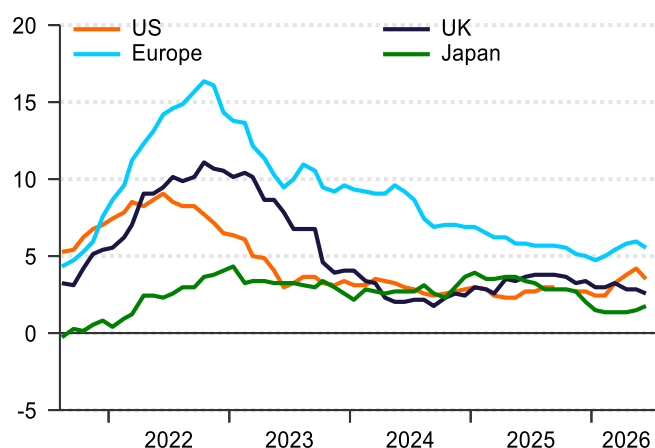
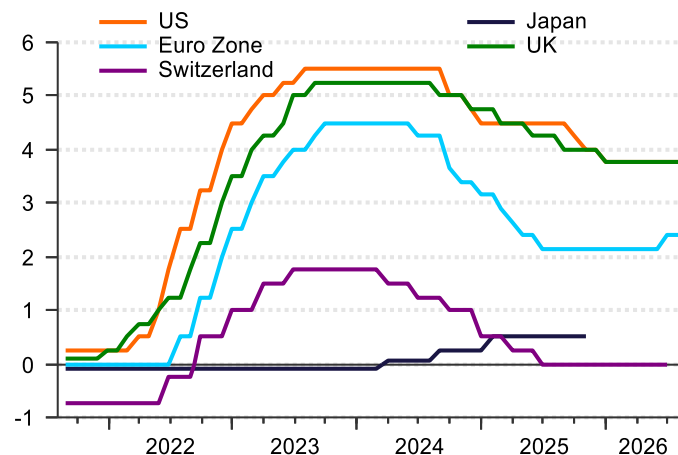
Table 48: IMF growth projections July 2026 WEO

Growth outlook			Projections (%)		Deviation from Apr 2026 (pp)	
	2024	2025	2026	2027	2026	2027
World	3.5	3.5	3.0	3.4	-0.1	0.2
Advanced Eco	1.9	1.9	1.7	1.8	-0.1	0.1
USA	2.8	2.1	2.3	2.2	0.0	0.1
Euro Area	1.0	1.4	0.9	1.2	-0.2	0
Germany	-0.5	0.2	0.7	1.0	-0.1	-0.2
France	1.4	0.9	0.6	0.9	-0.3	0
Japan	-0.2	1.1	0.6	0.7	-0.1	0.1
UK	1.0	1.4	1.0	1.3	0.2	0
Canada	2.0	1.9	1.1	1.7	-0.4	-0.2
EMDE	4.5	4.5	3.8	4.5	-0.1	0.3
China	5.0	5.0	4.6	4.1	0.2	0.1
India	7.1	7.7	6.4	6.7	-0.1	0.2
Russia	4.9	1.0	1.1	1.1	0	0
Brazil	3.4	2.3	2.4	2.2	0.5	0.2

Source: IMF World Economic Outlook, July 2026

Figure 229: Growth across major economies


Source: LSEG Workspace, NSE EPR.

Figure 230: Inflation across major economies

Figure 231: Policy rates across advanced economies


Source: LSEG Workspace, NSE EPR.

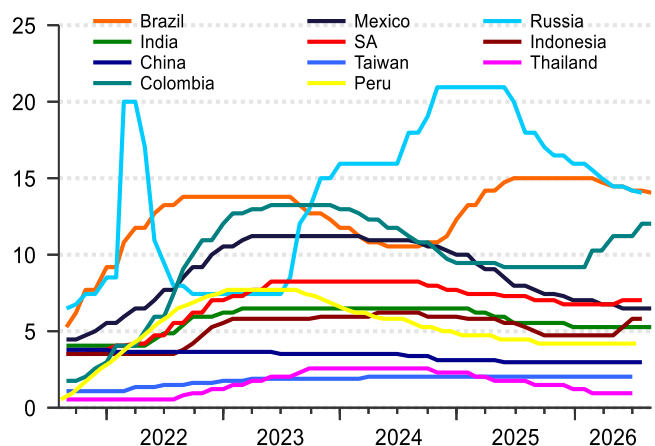
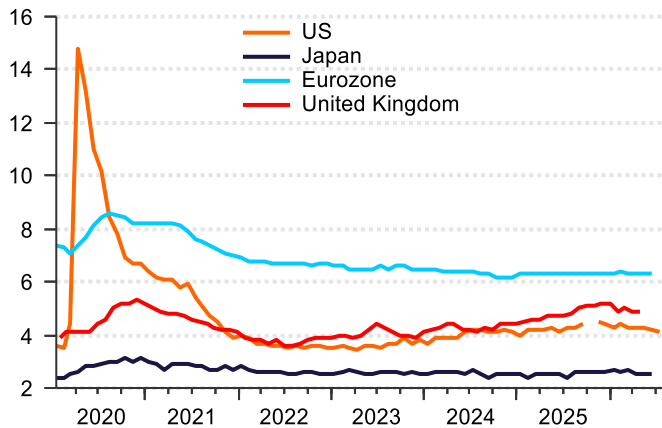
Figure 232: Policy rates across emerging economies


Figure 233: Unemployment rates across major developed economies



Source: LSEG Workspace, NSE EPR.

Figure 234: Trends in industrial production (YoY%) across major economies

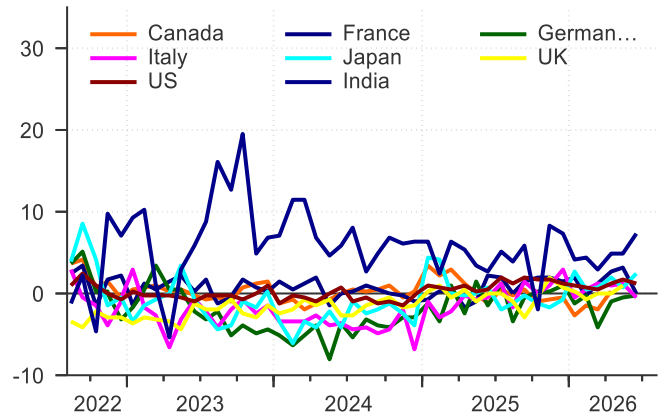
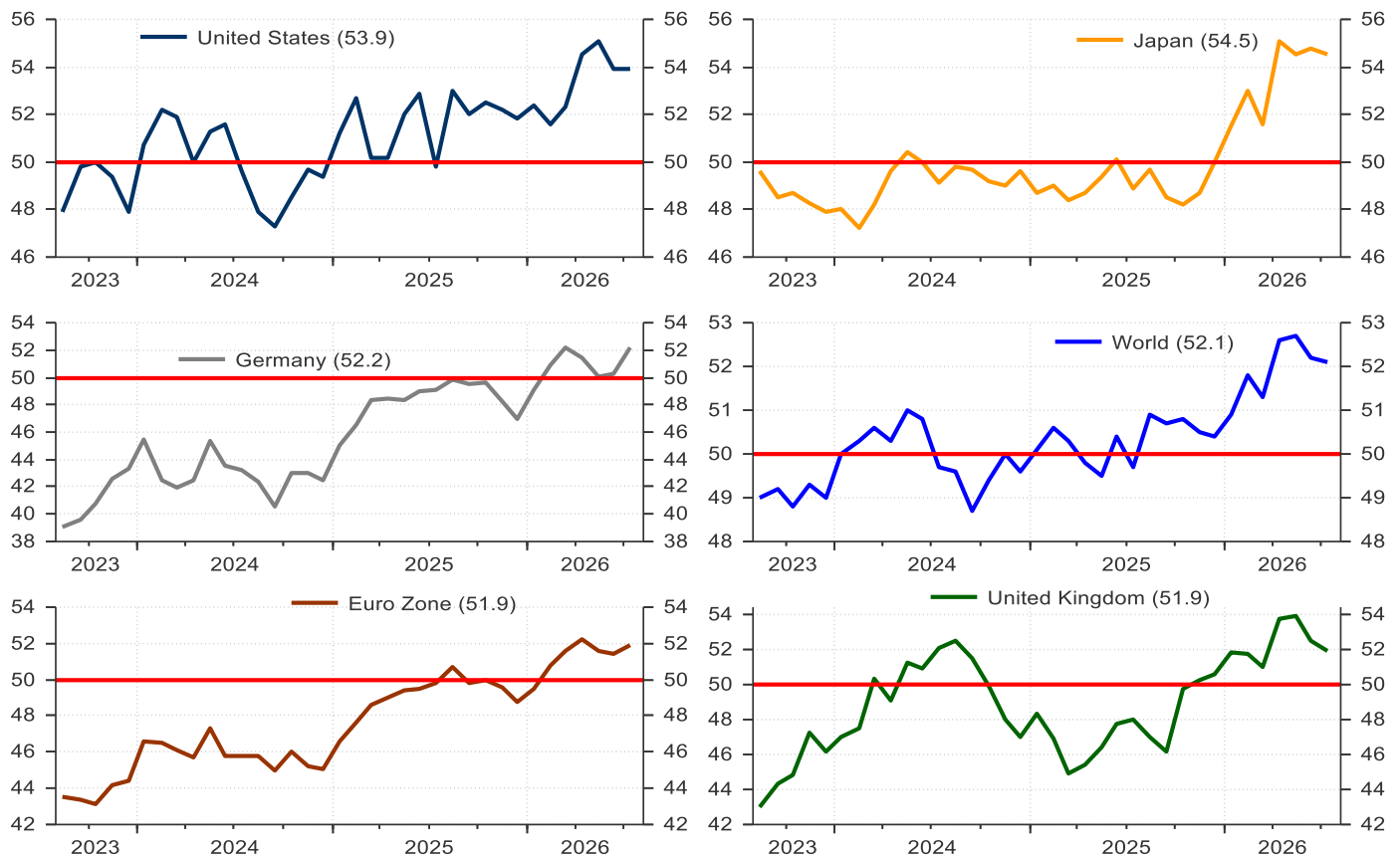


Figure 235: Trend in PMI manufacturing across countries

Manufacturing (SA) PMIs: Developed Markets



Source: LSEG Workspace, NSE EPR

Insights

From SME population to capital market graduation

An integrated review of theory and evidence from ten studies on the economic lifecycle of SMEs

Small and medium enterprises occupy an unusual position in economic discourse. They are celebrated as engines of employment, entrepreneurship and inclusion, and simultaneously described as chronically constrained, undercapitalised and slow to scale. Both characterisations are true, and neither is complete. What the aggregate label conceals is that "SME" is not a single economic species but a distribution—one whose lower tail is populated by informal subsistence firms that rarely transition into the formal sector, whose middle is populated by firms held back by identifiable constraints, and whose thin upper tail contains the small number of firms that eventually scale, professionalise and enter the formal capital-market universe. The intellectually and commercially interesting question is what determines a firm's position and transition in that distribution.

The modern literature has approached this question by shifting attention in two ways: from the average firm to the shape of the distribution, and from static snapshots to firm trajectories over time. A central finding to emerge over the past fifteen years is that a substantial part of the productivity gap between emerging and advanced economies reflects not the absence of technology or capital, but the way existing capital and labour are distributed across firms. The composition of the firm-level allocation itself accounts for a meaningful share of aggregate outcomes. This poses the SME question as one about the allocation mechanism—which frictions bind, for which firms, at which stage of growth, and which firms are positioned to scale once those frictions ease.

Key takeaways from the papers

1. **The structure of the SME population: Misallocation, informality and weak life-cycle growth** — [Hsieh & Klenow \(2009\)](#) show that how capital and labour are distributed across firms accounts for a large share of the India-US manufacturing productivity gap, with reallocation potentially raising Indian manufacturing TFP by 40-60%. This reframes the SME question as one about the allocation mechanism itself. [La Porta & Shleifer \(2014\)](#) document that informal firms are systematically smaller, less productive and rarely graduate into the formal sector, meaning formal and informal firms operate as distinct populations rather than stages of a common growth path. Within the formal sector, [Hsieh & Klenow \(2014\)](#) find that Indian manufacturing plants at age forty are only about 40% larger than at entry, versus roughly sevenfold for comparable US plants—firms do not only start small, but they also stay small.
2. **The mechanisms of stagnation: Capital, management and organisation** — [Banerjee & Duflo \(2014\)](#), using variation from India's priority sector lending programme, show that formal SMEs are credit-constrained at the margin. [De Mel et al. \(2008\)](#), through a randomised capital-grant experiment in Sri Lanka, find average returns of around 5% per month for male-owned microenterprises but near zero for female-owned ones — constraints bind very differently for different firms even within the same size class. [Bloom et al. \(2013\)](#), through a randomised consulting intervention with Indian textile firms, establish that standard management practices causally raise productivity, quality and output. Additionally, [Akcigit et al. \(2021\)](#) show that owners in developing countries struggle to delegate decision-making to non-family managers, creating an organisational ceiling that helps explain why firms stop growing once they exceed the founder's personal span of control.

3. **Selection and graduation: From protection to public markets** — [Martin et al. \(2017\)](#) study India's de-reservation of products previously restricted to small-scale industry and find that dismantling the protection shifted activity toward larger firms and new entrants while weaker small incumbents contracted—showing that protective distortions had been suppressing the natural process of reallocation. [McKenzie \(2017\)](#), through a Nigerian business-plan competition RCT, shows that a screening process combining application scoring and expert judgment can identify entrepreneurs who, when given capital grants, generate large and persistent increases in employment, profits and survival—the growth tail is neither random nor unobservable. [Revest and Sapio \(2013\)](#), studying the London Stock Exchange's AIM find that firms reaching a dedicated SME exchange grow faster in revenue, assets and employment than matched private peers, though without comparable gains in productivity per worker. Listing enables scale-growth private firms cannot achieve, but the underlying productivity constraints do not resolve automatically at the point of listing.

Papers in brief

- [Hsieh and Klenow \(2009\)](#) — **Misallocation and manufacturing TFP in China and India:** [Hsieh and Klenow \(2009\)](#) examine whether the misallocation of capital and labour across manufacturing plants can help explain differences in aggregate total factor productivity (TFP). Moving beyond explanations based solely on differences in plant-level productivity, the study examines whether distortions affecting individual plants prevent resources from flowing towards their most productive uses within narrowly defined industries. The authors develop a model of monopolistic competition with heterogeneous firms in which distortions create wedges affecting the marginal products of capital and labour. In an undistorted allocation, resources would flow towards more productive plants until marginal products are equalised within an industry. Using plant-level data from China, India and the United States, the authors estimate that bringing China and India to the U.S. level of allocative efficiency could raise manufacturing TFP by approximately 30%–50% in China and 40%–60% in India. These estimates are counterfactual gains from improved resource allocation rather than observed or forecast increases in productivity.
- [La Porta and Shleifer \(2014\)](#) – **Informality and development:** The authors examine the role of the informal economy in developing countries and evaluate competing explanations for why firms remain informal. Using cross-country evidence and World Bank Enterprise Surveys, the authors find that informal firms are substantially smaller and less productive than formal firms and rarely transition into the formal sector. In the median country, informal firms generate only around 15% of the value added per employee of formal firms, while their employment growth is approximately half that of formal firms. The authors argue that these patterns are most consistent with a dual view of informality, in which informal firms are fundamentally different from productive formal firms rather than simply formal firms facing regulatory barriers. They conclude that economic development occurs primarily through the expansion of productive formal firms, which gradually displace informal activity. Consequently, reducing registration costs alone is unlikely to generate large growth gains; policies that expand the supply of educated

entrepreneurs and managers may be more important for long-run formalization and development.

- **Hsieh and Klenow (2014) – Why some plants never grow: Misallocation, firm dynamics and productivity in India & Mexico** – A central challenge in development macroeconomics is explaining the vast differences in productivity and income across countries. While poorer economies are characterized by a large number of very small establishments, the forces driving this size distribution have received comparatively less attention. In the United States, new businesses typically start small but grow substantially if they survive, with a 40-year-old manufacturing plant employing more than seven times more workers than a startup (a plant younger than five years). Hsieh and Klenow (2014) show that this life-cycle growth is dramatically weaker in India and Mexico: over a 40-year horizon, the average Indian plant grows by only about 40%, while the average Mexican plant roughly doubles in size and then largely stops growing after age 25. The authors argue that the gap is driven not by unusually high exit rates, but by weak growth among surviving plants. They suggest that barriers that become increasingly binding as firms expand—including higher taxes, financial constraints, managerial and labour-market frictions, and transportation costs—reduce the incentives and ability to invest in technology, organisational capabilities, product quality, and wider markets. Their general-equilibrium exercises suggest that the weaker life-cycle growth of plants in India and Mexico could reduce aggregate manufacturing total factor productivity (TFP) by around 25% relative to the US.
- **Banerjee & Duflo (2014) – Testing credit constraints through directed lending:** This paper examines whether medium-sized firms in developing economies are genuinely constrained by limited access to credit. Using India's 1998 expansion and 2000 reversal of priority-sector lending eligibility, the authors exploit changes in access to directed bank credit to identify its effects on firms' borrowing and performance. Firms that became eligible for priority-sector lending increased their bank borrowing, while firms that subsequently lost eligibility reduced it, without corresponding changes in their borrowing rates. Importantly, there was no evidence that the additional directed credit substituted for other forms of borrowing; instead, it financed higher production, generating a substantial acceleration in sales and profit growth. The IV estimates show that the elasticity of sales with respect to bank credit was 0.75 and that of costs was 0.70. For the average firm, one additional rupee of bank credit increased profit before interest payments by approximately Rs. 1.05, compared with market borrowing costs estimated at 30–60%. The authors therefore conclude that many firms were severely credit constrained and faced very high marginal returns to working capital. The paper also finds evidence of capital misallocation, with returns for the affected firms exceeding aggregate estimates and the OLS–IV difference suggesting that less productive firms may receive disproportionately high credit.
- **De Mel et al. (2008) – Returns to capital in microenterprises: Evidence from a field experiment** – The paper examines the returns to capital among microenterprises using a randomized field experiment in Sri Lanka, where selected firms received cash or in-kind grants of 10,000 or 20,000 LKR. Using the grants as instruments for capital, the authors find very high marginal returns of around 4.6-

5.3% per month (55-63% annually) suggesting that limited access to finance is an important constraint on small enterprises. The paper further show that returns are higher among more able and financially constrained entrepreneurs, while risk aversion and uncertainty do not significantly explain the variation in returns. Thus, the findings suggest microenterprises are not trapped by indivisibilities in capital, offering an empirical foundation for the effectiveness of microfinance while also raising an open puzzle: why such high returns are not exploited through reinvestment of profits alone.

- Bloom et al. (2013) – Does management matter? Evidence from India:** This study provides the first experimental evidence on whether management practices causally affect firm productivity, using a randomized field experiment among large textile manufacturers in India. The authors partnered with an international management consultancy to deliver five months of intensive, individualized consulting to a randomly selected group of treatment plants, diagnosing gaps against 38 standard operational practices spanning factory operations, quality control, inventory management, human resources and order management, while control plants received only a one-month diagnostic. Treatment raised productivity by 17 percent within the first year, driven by improved quality, reduced inventory and higher output, and translated into an estimated \$325,000 in additional annual profit per plant against consulting costs of under \$3,000 per firm. Firms also grew faster over the following three years, opening more plants and delegating more decision authority to non-family plant managers. The initial adoption of these practices can be traced to informational barriers rather than to rational responses to local conditions, and argue that limits on trusted managerial capacity, itself a function of family size, constrained reallocation and allowed badly managed firms to persist despite competitive pressure.
- Akcigit et al. (2021) – Lack of selection and limits to delegation:** This paper examines why firms in developing countries remain disproportionately small and fail to grow as they age. The authors focus on the limited use of outside managers: while firms in advanced economies routinely delegate managerial tasks to professional managers as they expand, firms in developing countries often rely on family members. Using plant-level data from the United States and India, the authors develop and calibrate a model in which entrepreneurs have limited time to manage their businesses and must delegate as firms grow. The model shows that difficulties in delegation reduce firms' incentives to expand, allowing low-growth firms to survive and weakening the process of selection and creative destruction. The authors find that inefficiencies in the delegation environment account for around 11% of the income-per-capita gap between the US & India and contribute to the smaller size of Indian firms. The study highlights managerial delegation as a key institutional constraint on firm growth and aggregate development.
- Martin et al. (2017) – Removing small-scale reservations in India: Effects on entry, expansion and employment** – India's small-scale reservation policy restricted the production of selected manufactured goods to small establishments, based on the expectation that protecting labour-intensive producers would support employment. Martin et al. (2017) examine the consequences of dismantling this policy using establishment-level data from India's Annual Survey of Industries for

2000–2007 and variation in the timing of product de-reservation. The authors find that the effects differed across establishments. New entrants into previously reserved product markets increased employment, output, capital investment, real wages and labour productivity, while larger incumbents that had previously been constrained by the policy's investment ceiling also expanded. By contrast, smaller incumbent establishments generally contracted following de-reservation. At the district level, average exposure to de-reservation was associated with an estimated 6 percent increase in formal manufacturing employment between 2000 and 2007, with no statistically significant increase in unorganised manufacturing employment. The findings indicate that although product reservations protected certain small producers, they also restricted market entry, investment and expansion by other establishments. Overall, the study shows that removing size-based production restrictions reallocated manufacturing activity towards entrants and previously constrained larger producers, generating net employment growth in the formal manufacturing sector.

- **McKenzie (2017) – Capital constraints, rather than entrepreneurial ability, limits firm's growth....** This paper examines whether the small size of firms in developing countries reflects limited entrepreneurial talent or capital constraints. Using Nigeria's 2011 YouWin! business plan competition, the study exploits random assignment of grants averaging US\$50,000 among qualified semi-finalists to identify the causal effects of capital support. Tracking applicants for five years, including during a national recession, the study finds that grant recipients were more likely to operate and survive, employ ten or more workers, and achieve higher profits and sales. These effects persisted after grant payments ended. The evidence suggests that grants primarily enabled firms to acquire capital equipment and hire workers, rather than improving business skills, mentoring, or entrepreneurial confidence. The findings indicate that a subset of entrepreneurs possessed significant growth potential but were constrained by limited access to capital. The paper contributes to the literature on job creation, entrepreneurship policy, and the constraints limiting firm growth in developing economies.
- **Revest and Sapio (2013) – AIM boosts employment with limited productivity gains.** The paper examines whether the Alternative Investment Market (AIM) of the London Stock Exchange improves the real performance and growth of listed firms, or whether AIM primarily attracts firms that were already more growth-oriented. Using a panel of AIM-listed and comparable private UK manufacturing firms, the authors distinguish between selection effects and the causal treatment effect of listing. The findings show that AIM tends to select firms with stronger pre-existing growth in operating revenues and total assets, while the listing itself has a positive effect on employee growth. However, this employment expansion does not translate into higher value-added growth, resulting in a negative effect on productivity. Overall, the study suggests that while AIM supports employment expansion, its contribution to broader firm performance and productivity is limited.

Misallocation and Manufacturing TFP in China and India¹⁶

Chang-Tai Hsieh and Peter J. Klenow (2009)

Summary

Hsieh and Klenow (2009) develop a framework for analysing whether differences in the allocation of capital and labour across manufacturing plants contribute to differences in aggregate total factor productivity (TFP). The study argues that aggregate productivity depends not only on plant-level productivity but also on whether resources are allocated efficiently across plants within an industry. Under an efficient allocation, more productive plants should receive more resources, while marginal products of capital and labour should be equalised across plants. The authors use a model of monopolistic competition with heterogeneous firms, where distortions affecting output and capital generate differences in firms' marginal products. Using plant-level manufacturing data from China, India, and the United States, the authors find substantially greater dispersion in revenue productivity in China and India than in the United States. Their counterfactual estimates suggest that reducing misallocation to U.S. levels could increase manufacturing TFP by approximately 30%–50% in China and 40%–60% in India. These are model-based potential gains rather than realised productivity gains.

Introduction

The paper addresses a central question in development economics: why do large differences in output per worker persist between rich and poor countries? Such differences have been attributed, in significant part, to differences in total factor productivity (TFP), with earlier research focusing on technology differences within representative firms, including the gradual diffusion of technology from advanced to developing economies. Hsieh and Klenow (2009) examine a complementary explanation: misallocation of capital and labour across firms within an economy may itself reduce aggregate TFP.

The authors develop a framework in which firms may face distortions that create differences in the marginal products of capital and labour across otherwise comparable establishments. In an undistorted allocation, resources would be allocated across firms so that marginal products are equalised within an industry. The authors then use plant-level manufacturing data from China, India and the United States to measure the dispersion in marginal products and estimate the potential gains from moving towards a more efficient allocation.

Literature

The study is positioned within several strands of research on productivity and resource allocation. The authors build most directly on Restuccia and Rogerson (2008), which they identify as a close predecessor in examining how distortions that affect firms differently can generate resource misallocation and reduce aggregate TFP. The theoretical framework also draws on Melitz (2003), adapting a model of monopolistic competition with heterogeneous firms to examine resource allocation in a setting without international trade. The distinction between physical productivity (TFPQ) and revenue productivity (TFPR), highlighted by Foster et al. (2008), is central to the authors' approach to measuring resource misallocation. The paper also relates to Banerjee and Duflo (2005), who provide suggestive evidence that gaps in the marginal products of capital in India could contribute to the country's lower manufacturing TFP relative to the United States.

¹⁶ Hsieh, C. T., & Klenow, P. J. (2009). Misallocation and manufacturing TFP in China and India. *The Quarterly Journal of Economics*, 124(4), 1403–1448.

Contribution

A central contribution of the paper is its quantitative assessment of resource misallocation using plant-level manufacturing data from China, India and the United States. The United States serves as an important benchmark: rather than treating all observed dispersion in marginal products as economically relevant misallocation, the authors recognise that some dispersion may arise from measurement error and factors omitted from the model, such as adjustment costs and markup variation, even in a comparatively undistorted country such as the United States. They therefore estimate the potential gains from improving allocative efficiency in China and India relative to the level of efficiency observed in the United States.

Theoretical framework

The authors develop a model of monopolistic competition with heterogeneous manufacturing plants. The final consumption good is a Cobb–Douglas aggregate of differentiated goods produced by firms across manufacturing industries. Within each industry, firms differ in physical productivity, while distortions affecting output and capital are represented as output and capital wedges that create differences between firms' marginal products and their input prices. In the absence of such distortions, resources would be allocated across firms so that the marginal revenue products of capital and labour are equalised within an industry. The model distinguishes between physical productivity (TFPQ), which reflects how efficiently a plant transforms inputs into physical output, and revenue productivity (TFPR), which incorporates the price of output generated per unit of input. The authors define these measures as:

$$TFPQ_{si} \triangleq A_{si} = \frac{Y_{si}}{K_{si}^{\alpha_s} (\omega L_{si})^{1-\alpha_s}} \text{ and}$$

$$TFPR_{si} \triangleq P_{si} A_{si} = \frac{P_{si} Y_{si}}{K_{si}^{\alpha_s} (\omega L_{si})^{1-\alpha_s}}$$

where Y_{si} denotes plant output, P_{si} the plant-specific output price, K_{si} denotes capital and ωL_{si} denotes the wage bill used as the measure of labour input, and α_s is the capital share in production for industry s . In the absence of distortions, TFPR should be equalised across plants within an industry. A plant with relatively high TFPR is interpreted as facing barriers that raise its marginal products, rendering the plant smaller than optimal, while relatively low TFPR indicates a plant that is relatively large.

Data & methodology

The study draws on plant-level data from the Chinese Industrial Survey (1998–2005), the Indian Annual Survey of Industries (1987–1994), and the U.S. Census of Manufactures (1977, 1982, 1987, 1992, and 1997). The Chinese data cover all state-owned enterprises and non-state enterprises with annual revenue above 5 million yuan, while the Indian data combine a census of registered manufacturing plants with more than 50 workers (100 if without power) and a random one-third sample of smaller registered plants with more than 10 workers (20 if without power) but less than fifty (or one hundred) workers. The U.S. Census provides the benchmark against which the authors assess the extent of resource misallocation in China and India.

The authors use U.S. manufacturing industry factor shares as the benchmark, using the United States as a comparatively less-distorted benchmark. They scale up each industry's CM/ASM labour share by 3/2 to account for non-wage forms of compensation, such as fringe benefits and Social Security which are omitted from Census data. They infer plant-level capital distortions, output distortions and productivity from the model's first-order conditions using observed plant-level inputs (labour compensation and capital stock), revenue, and industry-level production elasticities. To reduce the influence of extreme observations, the authors trim the upper and lower 1% tails of log TFPR relative to industry TFPR and log productivity relative to industry productivity, pooling all industries.

The authors then estimate the potential gains from improved resource allocation by calculating how manufacturing TFP would change if TFPR were fully equalised across plants within narrowly defined industries. These resulting counterfactual gains are compared with the United States, where some dispersion in marginal products also exists, allowing the authors to assess the potential scope for improving allocative efficiency in China and India relative to the U.S. benchmark.

Results

The empirical results indicate substantial dispersion in revenue productivity and marginal products across manufacturing plants in China and India relative to the United States. In the latest available year for each country, the ratio of the 90th to 10th percentiles of TFPR was 5.0 in India and 4.9 in China, compared with 3.3 in the United States.

The authors' counterfactual calculations suggest substantial potential gains from improved resource allocation. If TFPR were equalised across plants within industries, manufacturing TFP would increase by 30.5% in China (2005) and 59.2% in India (1994). Relative to the dispersion observed in the United States, the authors estimate that reducing misallocation to U.S. levels would generate gains of approximately 30%–50% in China and 40%–60% in India. These are counterfactual estimates of potential gains from improved allocative efficiency, rather than observed increases in productivity.

The evolution of allocative efficiency also differs across the two countries. The authors find that China's dispersion in TFPR declined over 1998–2005, corresponding to an improvement in allocative efficiency of approximately 2% per year, while India's dispersion increased over 1987–1994, corresponding to a deterioration in allocative efficiency of approximately 1.8% per year.

The analysis also finds evidence that larger plants in China and India tend to have higher marginal products of capital and labour, suggesting that these plants could expand further under a more efficient allocation. This pattern is much weaker in the United States. In China, state-owned plants have substantially lower TFPR than private domestic plants, with the gap estimated at approximately 41% on average. The authors find that this gap narrowed over time, particularly by 2005.

Implications

The findings have several important implications for understanding productivity differences across economies:

1. **Closing the productivity gap:** Resource misallocation could account for a substantial share of the manufacturing TFP gap relative to the United States. The authors estimate that misallocation accounts for approximately 49% of the TFP gap between the United States and China and 35% of the gap between the United States and India.
2. **Investment amplification:** The potential gains from improved allocative efficiency could be amplified through capital accumulation. Under the authors' counterfactual assumptions, a 30% increase in TFP in China could ultimately raise long-run manufacturing output by 67%, while a 59% increase in TFP in India could raise long-run manufacturing output by approximately 153%. These are model-based long-run counterfactual estimates rather than forecasts of actual output growth.
3. **Role of resource allocation:** The findings suggest that improving aggregate productivity may depend not only on raising plant-level productivity but also on allocating capital and labour more efficiently across plants. Reducing differences in the marginal products of inputs could therefore generate substantial gains in aggregate manufacturing TFP.
4. **Institutional and policy factors:** The paper finds associations between resource misallocation and observable institutional and policy-related factors. In China, state-owned plants exhibit substantially lower TFPR than privately

owned domestic plants, while in India the authors examine the relationship between TFPR dispersion and industrial delicensing and size restrictions. These results provide evidence that institutional and policy environments can be relevant to allocative efficiency, although the authors do not treat these relationships as definitive causal estimates.

Conclusion

The study concludes that resource misallocation can be an important source of lower aggregate manufacturing productivity in China and India. While differences in plant-level productivity remain important, the findings suggest that improving the allocation of existing capital and labour across plants could generate substantial gains in aggregate TFP. The authors emphasise that measurement error and other limitations of the model warrant caution in interpreting the estimates and describe the analysis as a first pass at quantifying the potential costs of resource misallocation. The findings nevertheless highlight the potential importance of institutional and policy-related factors in shaping allocative efficiency and provide a framework for assessing the productivity gains that could arise from reducing misallocation.

Informality and Development¹⁷

Rafael La Porta and Andrei Shleifer (2014)

Summary

The authors examine the role of the informal economy in economic development and ask whether informal firms represent a source of untapped entrepreneurial potential or are instead a consequence of low productivity and poverty. Drawing on cross-country evidence and World Bank Enterprise Surveys, the authors show that informal firms are extremely prevalent in poor economies but are substantially smaller and less productive than formal firms. In the median country in their sample, an informal firm generates only around 15% of the value added per employee of a formal firm, while the average formal firm employs 126 workers compared with just four in the average informal firm.

The authors argue that the evidence is most consistent with a dual view of informality: formal and informal firms are fundamentally different types of businesses rather than firms at different stages of a common development path. Informal firms generally remain informal, grow slowly and rarely transition into the formal sector. Economic development instead occurs primarily through the creation and expansion of more productive formal firms, which gradually displace informal activity.

Introduction

Informal firms account for a substantial share of economic activity in developing countries, providing employment and livelihoods for billions of people. Their role in development, however, is highly contested. One view, associated particularly with [De Soto \(1989, 2000\)](#), sees informal entrepreneurs as productive businesses held back by excessive regulation, taxation and barriers to formal registration. From this perspective, reducing the cost of becoming formal could unlock substantial entrepreneurial potential.

A contrasting view emphasises the benefits informal firms receive from avoiding taxes and regulations. A third perspective, which the authors call the **dual view**, treats informality largely as a consequence of poverty. Under this view, formal firms are fundamentally different: they are operated by more educated entrepreneurs, are more productive and have greater incentives and ability to expand.

La Porta and Shleifer use international firm-level evidence to distinguish between these competing perspectives. They establish five broad facts: the informal economy is large in poor countries; informal firms are extremely unproductive; reducing registration costs does not induce widespread formalization; informal firms rarely transition into the formal economy; and informality declines as economies develop.

Literature

The paper sits within several strands of the development literature. The traditional dual-economy approach, beginning with [Lewis \(1954\)](#) and developed by [Harris and Todaro \(1970\)](#), views informality as part of the structural transformation from traditional to modern economic activity. [Rauch \(1991\)](#) formalises the interaction between formal and informal firms within this framework.

¹⁷ La Porta, R., & Shleifer, A. (2014). Informality and development. *Journal of Economic Perspectives*, 28(3), 109–126.

An alternative strand of the literature, associated with [De Soto \(1989, 2000\)](#), argues that excessive regulation and costly registration prevent informal entrepreneurs from realising their productive potential. The importance of regulatory barriers to entry was subsequently examined systematically by [Djankov et al. \(2002\)](#).

Furthermore, [La Porta and Shleifer \(2008\)](#), documented substantial productivity differences between formal and informal firms. The current paper builds on this evidence and combines it with subsequent research on entrepreneurship, managerial human capital and formalization. In particular, [Gennaioli et al. \(2013\)](#) demonstrate the importance of managerial education for productivity, while field experiments by [de Andrade, Bruhn and McKenzie \(2013\)](#) and [de Mel, McKenzie and Woodruff \(2013\)](#) examine whether reducing the costs of formalization induces informal firms to register.

Contribution

The paper's principal contribution is to challenge the interpretation of informal firms as “formal firms waiting to happen.” Rather than viewing informality primarily as a regulatory problem, the authors argue that differences in productivity, managerial ability and entrepreneurial human capital are central to understanding why firms remain informal.

The paper also connects firm-level productivity differences to the process of structural transformation. Informality declines not primarily because existing informal firms become formal, but because productive formal firms expand while low-productivity informal firms gradually disappear.

Finally, the paper has important policy implications. It suggests that policies designed simply to reduce registration costs may have limited effects if informal firms lack the productivity and managerial capabilities required to compete in the formal economy.

Data & Methods

The paper is primarily an empirical synthesis of cross-country and firm-level evidence, rather than a structural econometric model. The authors draw extensively on World Bank Enterprise Surveys covering formal and informal businesses in developing countries, alongside cross-country measures of the size of the informal economy. These include measures based on tax evasion, self-employment, electricity consumption and registered firms.

The evidence covers firm size, value added per employee, wages, employment growth, managerial education and firms' reported constraints. The authors also use evidence from field experiments that randomly vary registration information, registration costs and government enforcement to evaluate whether informal firms voluntarily choose to become formal.

The cross-country evidence shows that informality is strongly negatively related to income. Depending on the measure used, informal activity accounts for around 30–40% of economic activity in the poorest countries, compared with approximately 15–20% in the richest group.

Key Findings/Implications

- **Informality is concentrated in poorer economies:** Informal activity accounts for roughly 30–40% of economic activity in the poorest countries, compared with around 15–20% in the richest countries.
- **Large productivity gap:** In the median country, informal firms generate only about 15% of the value added per employee of formal firms, and the gap persists even among firms of similar size.

- **Limited firm growth:** Informal firms grow much more slowly than formal firms—around 5% versus 10% annual employment growth—and often survive for years without substantial expansion.
- **Informal firms rarely formalize:** Most informal firms remain informal for long periods; the evidence suggests that lowering registration costs alone does little to induce formalization.
- **Managerial human capital matters:** Only around 7% of informal firms have college-educated top managers, compared with 76% of formal firms, highlighting entrepreneurial and managerial skills as an important source of the productivity gap.
- **Formal firms drive development:** Economic development is associated primarily with the creation and expansion of productive formal firms, which gradually displace low-productivity informal businesses.
- **Registration reform has limited effects:** Simplifying registration is likely beneficial, but the evidence does not support the view that it will by itself unleash large amounts of productive entrepreneurship.
- **Caution against punitive policies:** Taxing or heavily regulating informal firms can destroy livelihoods without generating formalization if firms are fundamentally too unproductive to survive in the formal sector.
- **Policy should target productive entrepreneurship:** The authors argue that expanding the supply of educated entrepreneurs and managers may be more important for reducing informality than simply lowering the costs of registration.

Conclusion

The authors conclude that the evidence is most consistent with the dual view of informality. Informal firms are generally small, highly unproductive and managed by less-educated entrepreneurs. They rarely transition into the formal economy and often operate for many years with little growth. The paper therefore challenges the idea that informality is primarily a reservoir of productive entrepreneurial potential suppressed by excessive regulation. Instead, economic development itself is the principal force reducing informality: as productive formal firms emerge and expand, they gradually displace informal firms.

The policy implication is nuanced. Simplifying registration and reducing unnecessary barriers to formalization remain desirable, but such reforms are unlikely to generate large growth effects on their own. Policies that improve entrepreneurial human capital, managerial quality and the creation of productive formal firms may be more important for long-run development. At the same time, policies that impose additional costs on informal firms risk eliminating livelihoods without creating viable formal alternatives.

The life cycle of plants in India and Mexico¹⁸

Chang-Tai Hsieh and Peter J. Klenow (2014)

Summary

Hsieh and Klenow (2014) ask why manufacturing firms in developing economies often remain small instead of growing into larger, more productive businesses. Comparing plants in the United States, India, and Mexico, they find that firms follow very different growth paths as they age. In the United States, a typical plant grows to more than seven times its initial size by age 40. In India, a plant of the same age is only about 40% larger than when it started, while in Mexico it is roughly twice as large. The authors argue that this weak growth is linked to barriers that make expansion less attractive or more difficult for productive firms, limiting investment in technology, management, product quality, and access to wider markets. Their general-equilibrium analysis suggests that these differences in firm growth could reduce aggregate manufacturing productivity in India and Mexico by around 25% relative to the United States.

Introduction

The paper begins with a deceptively simple but consequential fact: manufacturing establishments in the United States grow substantially as they age, whereas plants in India and Mexico do not. A typical 40-year-old U.S. plant employs more than seven times as many workers as a plant younger than five years; in India, a plant of the same age is only about 40% larger, while in Mexico plants roughly double in size by age 25 and then largely stop growing. Hsieh and Klenow (2014) ask why this life-cycle growth is so much weaker in developing economies and whether the difference helps explain their lower aggregate productivity.

The authors interpret plant growth as more than an increase in scale. Following Atkeson and Kehoe (2005), they view it as a process through which establishments accumulate intangible, plant-specific capital by improving production processes, adopting new technologies, developing markets, and raising product quality. If plants in India and Mexico face greater barriers to expansion—such as higher taxes on larger firms, financial constraints, contractual and managerial frictions, labour-market restrictions, or higher transportation costs—the returns to these investments may be lower, slowing both productivity and employment growth as plants age.

This question also extends Hsieh and Klenow's (2009) earlier work on resource misallocation. Their earlier analysis showed that misallocation of capital and labour across existing plants could account for roughly one-third of manufacturing TFP differences between the United States and countries such as China and India. The 2014 paper takes this argument one step further: rather than asking only whether resources are inefficiently allocated across firms today, it asks whether distortions that disproportionately constrain larger establishments also discourage the investments that make firms more productive as they grow. In this sense, the paper shifts the focus from static misallocation to the dynamic process through which firms build productivity over their life cycle.

Literature

Hsieh and Klenow (2014) build on three related strands of research. First, they draw on the literature on firm and plant life-cycle dynamics. Dunne et al. (1989) and Davis et al. (1996) established the strong tendency of U.S. establishments to grow substantially with age, while Cabral and Matta (2003) provided comparable evidence for Portugal. Theoretical models by Jovanovic (1982), Hopenhayn (1992), Ericson and Pakes (1995), and Luttmer (2007) explain firm growth and survival through selection and learning. The authors also draw on Atkeson and Kehoe (2005), who interpret plant growth

¹⁸ Hsieh, C. T., & Klenow, P. J. (2014). The life cycle of plants in India and Mexico. *The Quarterly Journal of Economics*, 129(3), 1035-1084.

as the accumulation of organization capital, and [Foster et al. \(2013\)](#), who show that establishment growth can also reflect rising demand for a plant's products.

Second, the paper builds on the literature on resource misallocation and firm-level productivity, particularly [Hsieh and Klenow \(2009\)](#), [Restuccia and Rogerson \(2008\)](#), [Guner et al. \(2008\)](#), [Buera et al. \(2011\)](#), [Peters \(2012\)](#), and related work. This literature shows that taxes, regulations, financial frictions, labour-market institutions and other wedges can prevent resources from flowing toward their most productive uses. [Hsieh and Klenow \(2014\)](#) extend this logic dynamically: if these distortions become more severe as firms become larger or more productive, they can reduce the incentive to invest and therefore affect the evolution of productivity itself.

Third, the paper draws on research examining the specific constraints that can limit firm expansion. [Cooley and Quadrini \(2001\)](#), [Albuquerque and Hopenhayn \(2004\)](#), [Clementi and Hopenhayn \(2006\)](#), and [Buera et al. \(2011\)](#) show how financial constraints interact with firm growth and dynamics, while [Bloom et al. \(2013\)](#) highlight managerial and contractual frictions as barriers to expansion in developing economies. [Hsieh and Klenow \(2014\)](#) incorporate these broader insights into a general-equilibrium framework based on [Melitz \(2003\)](#) and [Atkeson and Burstein \(2010\)](#), allowing them to connect plant-level life-cycle dynamics with aggregate productivity.

Contribution

[Hsieh and Klenow \(2014\)](#) advance the literature through four principal contributions:

1. **A cross-country benchmark for plant life cycles:** Using a comprehensive establishment-level data covering both formal and informal producers, the authors provide a systematic comparison of plant growth and productivity by age in the United States, India, and Mexico. They establish a new stylised fact: surviving Indian and Mexican plants grow substantially more slowly than U.S. plants despite having broadly similar exit rates.
2. **A dynamic reinterpretation of misallocation:** The study moves beyond the static allocation of resources across existing firms and shows how distortions that increasingly constrain larger or more productive establishments can reduce their incentives to expand and invest. The much steeper relationship between revenue productivity and underlying productivity in India and Mexico is consistent with more productive plants facing higher effective taxes, factor costs, or other barriers.
3. **Quantifying the aggregate productivity cost of weak firm growth:** Using general equilibrium models of heterogeneous firms, life-cycle productivity, and entry, the authors show that replacing the U.S. life-cycle pattern with the Indian or Mexican pattern could reduce aggregate manufacturing TFP by roughly 25% in India and 18-23% in Mexico, depending on the model specification.
4. **Linking distortions to endogenous productivity growth:** The authors show that when taxes or other barriers rise with firm productivity, they reduce the payoff from investing in better technology and processes. More productive firms therefore have weaker incentives to innovate and expand, which can itself generate slower productivity growth as plants age. This extends the misallocation literature by showing that distortions can affect not only how resources are allocated today, but also how productive firms become over time.

Data & methodology

The empirical analysis combines establishment-level manufacturing data covering the broad size distribution of plants in the United States, India, and Mexico. For the United States, the authors use the Manufacturing Census from 1963 to 2002, while for India they combine the Annual Survey of Industries (ASI) with the National Sample Survey (NSS) of unorganised manufacturing, allowing both formal and informal producers to be captured. The Mexican data come from

the Economic Census for 1998, 2003, and 2008. The datasets contain information on employment, value added, capital, wages and industry, along with establishment age.

Since the datasets do not provide a continuous panel of the same establishments throughout their lives, the authors construct synthetic cohorts—groups of plants of similar age—and examine how their employment changes as they grow older. They complement this with evidence on plant exit rates and the growth of surviving establishments. This allows them to distinguish between two explanations for India's and Mexico's flatter life cycles: whether plants simply exit more frequently, or whether surviving plants themselves grow more slowly.

To investigate the productivity dimension, the authors use a [Melitz \(2003\)](#)-style model of monopolistic competition, in which plants face CES demand and operate with a Cobb-Douglas production function. Plants differ in their underlying productivity and can also face plant-specific distortions affecting revenue, labour, or capital. These distortions can capture forces such as taxes, financial constraints, transportation costs, labour-market regulations, or other barriers to expansion.

The authors thereafter distinguish TFPQ (quantity productivity), which captures the plant's underlying production efficiency, from TFPR (revenue productivity), which captures how effectively the plant turns its inputs into revenue given prevailing distortions. This distinction helps them assess whether highly productive establishments face disproportionately greater barriers to expansion in India and Mexico.

Finally, the authors use a series of general-equilibrium counterfactuals to translate these plant-level differences into economy-wide effects. They first simulate models in which productivity growth over the plant life cycle is given and then models in which firms choose how much to invest in productivity-enhancing innovation. Alternative specifications incorporate free entry, differences in entrant quality, overhead costs, adjustment costs, and productivity-dependent revenue taxes. The objective is straightforward: to quantify how much aggregate productivity would fall if firms in India or Mexico followed their observed, flatter life-cycle growth path rather than the much steeper U.S. path.

Results

1. **A divergence in plant growth:** The central empirical finding is that U.S. plants grow far more rapidly with age than their Indian and Mexican counterparts. By age 35, average employment per surviving plant has increased roughly tenfold in the United States, compared with only about 40% in India and around twofold in Mexico. In the cross-section, plants aged 40 and above account for almost 30% of manufacturing employment in the United States, but less than 5% in India and Mexico. The pattern is also remarkably consistent across industries.
2. **The flat life cycle is not explained by higher exit:** One possible explanation is that small Indian and Mexican plants simply disappear more frequently, leaving only a selected group of survivors. The evidence does not support this. Exit rates in India and Mexico are generally no higher than in the United States. Moreover, when the authors compare plants that survive from one period to the next, U.S. incumbents continue to grow substantially, while Indian survivors exhibit very little growth and, in the formal ASI sample, actually shrink with age. The weaker life cycle therefore reflects weak expansion by surviving plants rather than unusually high exit.
3. **Slower productivity growth explains much of the weaker employment growth:** The difference becomes clearer when the authors examine plant productivity. By age 35, productivity has risen by a factor of about 9.3 in the United States, 1.7 in Mexico, and 1.5 in India. Employment growth broadly mirrors these productivity patterns. This suggests that plants in India and Mexico are not simply choosing to remain small; they are accumulating process efficiency and other productivity-enhancing capabilities much more slowly as they age.
4. **More productive plants face greater barriers to growth:** The authors find that the gap in revenue productivity between highly productive and less productive plants is about five to six times larger in India and Mexico than in the United States. In simple terms, this suggests that as a plant becomes more productive, it also faces greater costs

or restrictions that make further expansion harder. These could include higher taxes, higher factor costs, transportation barriers, or other regulatory and financial constraints. As a result, the plants with the greatest potential to grow and become even more productive may also face the strongest obstacles to doing so.

5. **Weak plant growth translates into lower economy-wide productivity:** The authors then ask what would happen if plants in India and Mexico followed the same productivity growth path as U.S. plants. Their baseline simulations suggest that aggregate manufacturing TFP would be 25.1% lower for India and 18.2% lower for Mexico under their observed life-cycle patterns. Even after allowing more firms to enter the market, the losses remain large at 23.3% and 16.7%, respectively. Across alternative model assumptions, the estimated productivity losses range from roughly 13% to 24%.
6. **Barriers to growth can also discourage future productivity improvements:** The authors go one step further by allowing firms to choose how much to invest in improving their productivity. If more productive firms face higher taxes or similar barriers, the payoff from investing in better technology and production processes falls. Firms therefore have less incentive to innovate as they grow. In this exercise, the resulting aggregate TFP gap rises to about 36.5% for India and 53% for Mexico relative to the U.S. benchmark. The authors caution that this mechanism alone does not explain the full India–Mexico differences, pointing to other possible constraints such as managerial, financial, and transportation barriers.

Implications

[Hsieh and Klenow \(2014\)](#) helped shift the misallocation literature from a static question—how efficiently are resources allocated today?—to a dynamic one: how do distortions affect firms' ability to grow and become more productive over time? [Akcigit et al. \(2021\)](#) extend this idea by showing how weak managerial delegation can prevent productive Indian firms from expanding, with delegation inefficiencies accounting for about 11% of the US-India income gap. [Bento and Restuccia \(2017\)](#) formalise the role of productivity-dependent distortions, showing that stronger penalties on productive firms can sharply reduce both establishment size and aggregate output; later work by [Bento and Restuccia \(2021\)](#) extends this analysis across 127 countries. The Hsieh–Klenow life-cycle framework has since been applied across a range of developing economies, reinforcing the finding that firms often remain small not simply because of low productivity, but because expansion itself is costly or constrained.

Conclusion

[Hsieh and Klenow \(2014\)](#) show that cross-country productivity differences reflect not only how resources are allocated across firms, but also how firms grow over time. While U.S. manufacturing plants expand rapidly with age, surviving plants in India and Mexico grow far more slowly and accumulate productivity less rapidly. The authors argue that distortions disproportionately affecting larger and more productive plants reduce incentives to invest, innovate, and expand. Their general-equilibrium analysis suggests that weaker plant life cycles could reduce aggregate manufacturing TFP by around 25%, highlighting firm growth as a key driver of productivity and economic development. The paper therefore shifts the question from why developing economies have so many small firms to the more fundamental question of what prevents productive firms from growing into larger, more productive ones.

Do Firms Want to Borrow More? Testing Credit Constraints Using a Directed Lending Program¹⁹

Abhijit V. Banerjee and Esther Duflo (2014)

Summary

[Banerjee and Duflo \(2014\)](#) examine whether relatively large firms in India were genuinely credit constrained, meaning that they were unable to obtain as much external finance as they could profitably use. The paper exploits changes in India's priority-sector lending rules in 1998 and 2000, which temporarily expanded and subsequently reduced the eligibility of firms with investment in plant and machinery between Rs 650 lakh and Rs 300 lakh. The authors find that firms gaining access to directed bank credit increased their borrowing, sales, and profits, indicating that additional credit supported an expansion in production.

The paper's broader contribution is to connect credit constraints with capital misallocation. The estimated marginal effect of an additional rupee of bank credit on profit before interest is 105.5%, substantially above the roughly 10% return available to savers during the period. This large difference suggests that productive opportunities remained unrealized because capital was not reaching firms with sufficiently high marginal returns.

Introduction

Credit constraints are central to theories of development because firms may be unable to expand even when they have profitable investment opportunities. Observing that a firm borrows relatively little, however, does not establish that it is financially constrained. The firm may simply have limited demand for external finance. Similarly, a firm may welcome cheaper directed credit while having adequate access to finance from other sources.

[Banerjee and Duflo \(2014\)](#) address this identification problem by examining whether additional access to bank credit increases total financing and production. When additional credit primarily substitutes for existing sources of finance and production changes little, the evidence of a binding credit constraint is weak. When additional credit expands total financing and is accompanied by higher production and profits, the evidence of a binding credit constraint becomes substantially stronger. This approach allows the authors to move beyond observed borrowing patterns and identify whether firms genuinely face limits on the amount of external finance available to them.

Literature

The paper lies at the intersection of financial frictions, economic development, and capital misallocation. [Kiyotaki and Moore \(1997\)](#) incorporate credit constraints into models of investment and economic fluctuations, while [Banerjee and Newman \(1993\)](#) and [Galor and Zeira \(1993\)](#) examine how limited access to finance can influence investment and long-run development.

At the empirical level, [Rajan and Zingales \(1998\)](#) show that industries dependent on external finance grow more rapidly in countries with more developed financial systems. However, cross-country evidence provides limited information about whether individual firms with profitable opportunities are unable to obtain sufficient credit.

The paper also extends [Banerjee and Duflo \(2005\)](#), which documented high returns to capital among small firms in developing economies, by examining whether comparable constraints exist among larger, formally registered firms. It further relates to research on banking organization, including [Stein \(2002\)](#) and [Berger et al. \(2001\)](#), which highlights the role of information and lending incentives in determining credit allocation. The paper's distinctive contribution lies in

¹⁹ [Banerjee, A. V., & Duflo, E. \(2014\). Do firms want to borrow more? Testing credit constraints using a directed lending program. *Review of Economic Studies*, 81\(2\), 572-607.](#)

providing direct firm-level evidence that credit constraints can remain significant even among relatively large firms in a developing economy.

Contribution

The paper makes three closely connected contributions.

First, it provides direct micro-level evidence of binding credit constraints among relatively large Indian firms, extending a literature that had focused substantially on small enterprises and households.

Second, it establishes a clear distinction between firms seeking cheaper finance and firms facing an actual limitation in credit availability. The empirical test focuses on whether additional directed credit increases total borrowing and production, providing stronger evidence of a binding constraint.

Third, the paper connects these financing constraints to capital misallocation. The exceptionally high estimated return to additional credit indicates that some productive firms were unable to obtain sufficient financing even though savings were available elsewhere in the financial system.

Theoretical framework

The paper distinguishes between financially constrained and unconstrained firms.

An unconstrained firm can obtain as much external finance as it wants at the prevailing market rate. If it receives cheaper directed credit, it primarily substitutes this borrowing for more expensive sources of finance. Total financing and production therefore change relatively little.

A constrained firm faces a limit on the amount of external finance it can obtain. When additional bank credit becomes available, total borrowing increases, working capital expands, production rises, and profits improve. This difference in firm response provides the basis for identifying whether credit availability represents a genuine constraint.

The framework is particularly useful because it separates the price of credit from the quantity of credit available. A firm can benefit from a lower interest rate without previously being constrained by credit availability, whereas a firm that expands production after receiving additional finance provides stronger evidence of an underlying financing constraint.

Data & methodology

The authors study firms borrowing from a major Indian public-sector bank and exploit two changes in India's priority-sector lending rules. Before 1998, firms with investment in plant and machinery below Rs 650 lakh qualified as small-scale industries. In January 1998, eligibility was expanded to firms with investment up to Rs 300 lakh. In January 2000, the reform was partially reversed, excluding firms with investment between Rs 100 lakh and Rs 300 lakh.

This policy variation generated changes in firms' access to directed credit. The authors use detailed loan-folder data covering 249 firms, including information on balance sheets, profits, credit limits, interest rates, and lending decisions. The analysis compares firms whose eligibility changed with smaller firms that remained eligible throughout.

An important feature of the research design is that the priority-sector lending target was binding for the bank. Consequently, changes in eligibility affected the amount of credit available to firms within the program, making the policy changes useful for identifying the effects of credit access. The authors examine changes in borrowing, sales, revenues, costs, and profits. They then use the estimated effect of additional loans on profits to calculate the marginal return to capital.

Results

When firms with investment between Rs 650 lakh and Rs 300 lakh became eligible for priority-sector lending in 1998, their borrowing increased relative to firms that had already been eligible. When eligibility was partially withdrawn in 2000, borrowing declined. Importantly, there was no corresponding differential change in interest rates, strengthening the interpretation that the results were driven primarily by changes in credit availability.

The firms also did not simply replace other sources of finance. Their sales and profits accelerated following the expansion of credit access in 1998 and declined following the 2000 reversal. This response is consistent with firms having previously faced limitations in obtaining sufficient external finance.

The estimated marginal effect of an additional rupee of bank credit on profit before interest is approximately 105.5%. Given market borrowing rates of roughly 30–60% during the period, this estimated return is substantially above the cost of external finance and provides strong evidence that affected firms could not borrow as much as they would have profitably used.

The effects also vary across firms. The strongest responses are observed among private firms and firms with relatively low employment compared with their existing plant and machinery. This pattern is consistent with firms facing working-capital constraints that limited their ability to utilize existing productive capacity.

Implications

The paper's most important implication concerns the allocation of credit. Financial development depends on the ability of the financial system to direct funds toward productive firms with profitable investment opportunities. An economy can have substantial savings and an established banking system while some high-return firms remain underfinanced because credit allocation is inefficient.

The contrast between savers earning around 10% and constrained firms with estimated marginal returns exceeding 100% illustrates the scale of this financing wedge. The authors acknowledge that this evidence alone cannot establish inefficient allocation across the entire economy, but it indicates that at least some firms faced substantial unrealized productive opportunities because of limited credit access.

The findings also highlight the importance of banking institutions and lending incentives. The paper discusses how hierarchical banking structures may encourage loan officers to favor safer or established borrowers and engage in practices such as evergreening, potentially limiting the flow of credit toward firms with high-return opportunities.

More broadly, the study suggests that improvements in credit information, collateral enforcement, recovery mechanisms, and lending incentives can influence productivity through better capital allocation. Expanding the supply of finance is therefore only one component of financial development; the distribution of that finance across firms also matters for economic growth.

Conclusion

[Banerjee and Duflo \(2014\)](#) provide unusually direct evidence that relatively large Indian firms can remain substantially credit constrained even when financial resources are available elsewhere in the economy. Their policy-based identification strategy shows that when firms gained access to directed credit, they increased total borrowing, production, sales, and profits rather than simply replacing existing sources of finance. The paper's central insight is that financial constraints can create a substantial gap between the return generated by capital within productive firms and the return available to savers. The estimated 105.5% marginal return to additional bank credit highlights the potential scale of this gap and its implications for capital allocation. Ultimately, the paper shifts attention toward the efficiency of credit allocation. The development impact of a financial system depends on whether capital reaches firms with productive investment opportunities, and the evidence from India shows that significant gains can arise when previously constrained firms obtain greater access to finance.

Returns to capital in microenterprises: Evidence from a field experiment²⁰

Suresh De Mel, David McKenzie & Christopher Woodruff (2008)

Summary

This study examines the returns to capital in microenterprises and seeks to understand why entrepreneurs may operate with less capital than they would ideally choose. The paper uses a randomized field experiment in Sri Lanka, in which a randomly selected group of microenterprises receives cash or in-kind grants of 10,000 or 20,000 LKR. By creating an exogenous change in firms' capital, the authors address the endogeneity of capital and estimate its causal relationship with enterprise profitability. The study further examines how returns vary across entrepreneurs based on characteristics such as ability, household wealth, access to alternative sources of finance, risk aversion, uncertainty, and gender. Through this approach, the paper investigates whether high returns to capital are primarily associated with credit constraints or with risk and missing insurance markets, while also assessing the implications of these constraints for microenterprise finance and development.

Introduction

Microenterprises are an important source of employment and income in developing economies, yet many operate with relatively small amounts of capital. Understanding the returns to additional capital is therefore important for determining whether limited access to finance constrains the growth and productivity of these enterprises and for evaluating the potential role of microfinance and other credit interventions. However, estimating the causal return to capital is challenging because capital is endogenous: entrepreneurial ability, expected profitability, access to alternative sources of finance, and business conditions may influence both the amount of capital a firm holds and the profits it generates. Consequently, a simple comparison between firms with different levels of capital may not provide an unbiased estimate of the effect of capital on profitability.

The existing literature also faces a selection problem because much of the evidence comes from firms that voluntarily apply for or receive credit. Such firms may systematically differ from non-borrowing enterprises in terms of their risk preferences, financing options, expectations about investment returns, or perceived ability to obtain a loan. To overcome these challenges, the paper uses a randomized field experiment in Sri Lanka, providing randomly selected microenterprises with additional capital in the form of cash or in-kind grants. This experimental design allows generation of an exogenous change in capital and examine its effect on enterprise outcomes. The paper further investigates why some entrepreneurs may have substantially higher returns to capital than others, focusing on whether these differences are better explained by credit constraints, entrepreneurial ability, household wealth, risk aversion, or uncertainty.

Literature

The paper builds on a growing literature examining returns to capital, credit constraints, and microenterprise productivity in developing economies. Earlier theoretical work, such as [Banerjee and Newman \(1993\)](#) and [Aghion and Bolton \(1997\)](#), argued that financial constraints can affect occupational choice and the ability of low-wealth individuals to enter or expand businesses. This literature also raised the possibility of poverty traps, where insufficient initial capital prevents entrepreneurs from reaching a productive scale.

²⁰ de Mel, S., McKenzie, D., & Woodruff, C. (2008). Returns to Capital in Microenterprises: Evidence from a Field Experiment. *The Quarterly Journal of Economics*, 123(4), 1329–1372.

Empirical studies subsequently found evidence of high returns to capital among small producers. [McKenzie and Woodruff \(2008\)](#), using cross-sectional data from Mexican microenterprises, estimated returns of around 15% per month for firms with less than US\$ 200 of invested capital, with returns falling to 40-60% annually at higher capital levels. [Udry and Anagol \(2006\)](#) found returns of around 50% annually for traditional agricultural producers in Ghana and 250% for producers of non-traditional crops. [Banerjee and Duflo \(2004\)](#) exploited changes in Indian bank lending rules as an exogenous credit supply shock and estimated returns of 74–100% annually for firms affected by the policy.

However, these studies faced an important identification problem. Firms' capital choices may reflect unobserved entrepreneurial ability, while studies based on credit shocks generally identify returns only for firms that were eligible for or applied for credit. The paper addresses this gap by using randomized grants to generate an exogenous increase in capital for a broader sample of microenterprises, allowing them to estimate causal returns and examine whether high returns arise from credit constraints or risk and uncertainty.

Contributions

1. **Experimental evidence on returns to capital:** By using randomly assigned grants, the authors create a clean comparison between firms that received additional capital and those that did not, allowing them to study the impact of capital more reliably than earlier observational studies.
2. **Evidence on credit constraints at low capital levels:** The study provides evidence on whether entrepreneurs operating with limited capital are constrained by access to finance and whether insufficient capital can prevent otherwise productive businesses from expanding.
3. **Explaining heterogeneity in returns:** The paper goes beyond estimating an average return by examining how the productivity of capital varies with entrepreneurial ability, household wealth, liquidity, risk aversion, uncertainty, and gender, providing a more nuanced understanding of which entrepreneurs benefit most from additional capital.
4. **Distinguishing credit and insurance constraints:** By analyzing differences in treatment effects across entrepreneurs, the study contributes to the debate over whether high returns to capital arise primarily from imperfect credit markets or from risk and missing insurance markets, providing evidence in favour of the credit-constraint explanation.

Data & methodology

The study uses data from 408 microenterprises in Sri Lanka, surveyed over nine quarterly waves between 2005 and 2007. The firms had less than 100,000 LKR of invested capital, excluding land and buildings. The authors randomly selected firms to receive grants of 10,000 or 20,000 LKR, provided either in cash or in-kind. This random assignment creates an exogenous shock to firms' capital, allowing the authors to overcome the endogeneity problem that would arise if firms chose their own level of investment. The survey collects information on capital stock, monthly profits, owner labor hours, household wealth, education, cognitive ability, risk aversion and uncertainty.

The methodology proceeds in two stages. First, the paper estimates whether receiving the grant actually increases the firm's capital stock. They then use the randomized grant as an instrument for capital in an instrumental variables (IV) framework to estimate the causal effect of additional capital on profits. The regressions include enterprise and wave fixed effects, controlling for time-invariant differences across firms and common changes over time, with standard errors clustered at the enterprise level. Since the grants also increased owners' working hours, the paper adjusts profits for the value of additional owner labor to isolate the return attributable to capital.

It also examines heterogeneity in treatment effects by interacting the treatment with measures of entrepreneurial ability, household wealth and liquidity, risk aversion, uncertainty and gender. This allows them to test whether higher

returns are associated with binding credit constraints or instead with risk and missing insurance markets. Finally, the paper conducts robustness checks for attrition, spillovers, measurement error and alternative estimation methods, including comparisons between experimental and non-experimental estimates.

Results

1. **High returns to capital:** Additional capital significantly increases firm profits, with the estimated marginal return at around 4.6-5.3% per month, equivalent to approximately 55-63% annually. The effects remain broadly persistent over time.
2. **Returns vary by entrepreneurial ability:** More educated and cognitively able entrepreneurs experience higher returns to additional capital, suggesting that productive firms may be particularly constrained by limited access to finance.
3. **Evidence of credit constraints:** Returns are generally higher among less wealthy households and those with fewer alternative sources of household income, supporting the view that limited access to capital is an important constraint on investment.
4. **Risk does not explain high returns:** The authors find no significant relationship between treatment effects and risk aversion or uncertainty, providing greater support for the credit-constraint explanation than the missing-insurance explanation.
5. **Significant gender difference:** Returns are substantially higher for male-owned enterprises, while the treatment has no statistically significant positive effect for female-owned enterprises. This finding challenges the assumption that female entrepreneurs are necessarily more capital constrained.

Implications

The findings have important implications for microfinance, credit policy and enterprise development. The very high marginal returns suggest that limited access to finance can prevent productive entrepreneurs from expanding their businesses. However, the substantial heterogeneity in returns indicates that simply providing credit to all microenterprises may not be equally effective. Targeting entrepreneurs with high productive ability and binding financial constraints could generate larger economic benefits. At the same time, the lower returns observed for many female-owned enterprises caution against assuming that credit constraints and capital productivity are uniform across entrepreneurs.

Conclusion

This study conveys that access to finance can play an important role in the growth of small businesses, but simply providing more capital may not have the same impact for every entrepreneur. It highlights how differences in the ability and financial circumstances of entrepreneurs can shape how effectively they use additional capital. This suggests that financial policies should focus not just on expanding access to credit, but also on ensuring that finance reaches businesses where it can be used most effectively. More broadly, the paper shows how limitations in financial markets can affect the opportunities available to small entrepreneurs and provides useful evidence for thinking about how financial support can be designed more effectively.

Does Management Matter? Evidence from India²¹

Nicholas Bloom, Benn Eifert, Aprajit Mahajan, David McKenzie, John Roberts (2013)

Summary

The paper asks whether cross firm differences in management practices are a genuine cause of productivity differences, or merely a symptom of other underlying constraints. To answer this, the authors ran a randomized field experiment with 17 large, family-owned textile manufacturing firms operating 28 plants around Mumbai. Fourteen treatment plants received five months of consulting on 38 well defined management practices, covering factory operations, quality control, inventory, human resources and sales, while six control plants received only the initial diagnostic month. The intervention raised adoption of these practices by nearly 38 percentage points, and within a year lifted total factor productivity by 17 percent, chiefly through fewer quality defects, lower inventory holding and higher output. The effects proved durable, persisting after the consultants left, and treatment firms subsequently opened more plants and delegated more authority to professional managers. The authors conclude that the firms had simply not known these practices existed or believed them profitable, and that constraints on trusted managerial capacity, rooted in family ownership and weak contract enforcement, explain why competition had not already eliminated such badly managed firms.

Introduction

Economists have long debated why productivity varies so widely across firms, and the puzzle is especially stark in developing economies. The paper's own review of production data finds total factor productivity dispersion between the top and bottom deciles running as high as five to one among Indian and Chinese manufacturers (Hsieh & Klenow, 2009), several times the spread observed among comparable American plants (Foster, Haltiwanger, & Syverson, 2008). Management practice is an intuitive candidate explanation, an idea traceable to Walker (1887) and formalized in Lucas's (1978) span of control model, yet mainstream economics had remained skeptical of its importance. Two objections dominated. The first, associated with Stigler (1976), held that profit maximizing firms would already have adopted any genuine value-creating practice, so any residual variation must reflect efficient adaptation to local conditions rather than mismanagement. The second was simply that management is difficult to define and measure with the rigor economists require. Recent survey-based work had begun to chip away at the second objection by scoring specific, comparable practices across firms and documenting a robust correlation between these scores and measured performance. But correlation could not settle the causal question, since more profitable firms might simply find it easier to adopt good practices in the first place. What was missing, and what this paper set out to supply, was direct experimental evidence: a setting in which management practices were exogenously varied and firm performance tracked before and after.

Literature

The paper sits at the intersection of three literatures. The first documents the scale of cross firm productivity dispersion and has long speculated, without being able to confirm, that management explains much of it. Mundlak (1961) was an early voice attributing unexplained variation in production functions to differences in managerial ability, but as Syverson (2011) observes in his survey of the productivity literature, few areas of economics have seen a higher ratio of

²¹ Bloom, N., Eifert, B., Mahajan, A., McKenzie, D., & Roberts, J. (2013). Does management matter? Evidence from India. *The Quarterly journal of Economics*, 128(1), 1-51.

speculation to empirical study. Field experiments capable of adjudicating the question had been essentially absent, and none had previously worked with large, multiplant firms (McKenzie, 2010).

The second literature concerns the long running debate over whether good management is a universal, transferable technology or a contingent response to local circumstance. Taylor (1911) is the canonical statement of the “best practice” position, that certain operational disciplines raise output for any firm that adopts them, while Woodward (1958) argued the contrary “contingency view,” that optimal practices differ systematically with a firm's technology and environment, so that observed heterogeneity need not signal inefficiency. Prior empirical attempts to distinguish these views relied heavily on case studies and cross-sectional surveys, methods that struggle to rule out confounding, and consensus had not been reached. Related survey-based work by Bloom and Van Reenen (2007, 2010) established the measurement approach the present study builds on, scoring firms on a standardized set of monitoring, target setting and incentive practices; this work found large practice gaps between developed and developing country firms, a pattern the present paper's Indian data confirm at the plant level. Other studies looking at individual managers rather than practices, such as Bertrand and Schoar (2003), find that manager fixed effects matter for a wide range of corporate decisions, while Locke et al. (2007) and Bloom et al. (2010) link better management to outcomes as varied as labor standards and energy efficiency.

Third, the paper connects to a growing body of field experiments testing whether business training and advisory services improve outcomes for smaller enterprises, including Drexler et al. (2010), Karlan and Valdivia (2011), Bruhn and Zia (2011), Bruhn et al. (2012), and Karlan et al. (2012). That literature has produced mixed results, with the quality and intensity of training and the size of the recipient firm emerging as important moderators. By delivering high quality, sustained consulting to large, complex multiplant organizations rather than micro enterprises, the present study extends this literature to a segment where the stakes, and plausibly the returns to better management, are considerably higher.

Contribution

1. **First experimental evidence on management practices in large firms:** The paper is the first to randomize management consulting across plants within large, multiplant firms, moving the literature beyond correlational surveys and case studies to a design capable of identifying a causal effect.
2. **A precisely defined, implementable set of practices:** Rather than relying on an ordinal survey score, the authors work with 38 binary, well specified practices spanning factory operations, quality control, inventory, human resources, and sales and order management, making both the intervention and its measurement transparent and replicable.
3. **Small sample econometric methods for field experiments:** With only 28 plants across 17 firms, the authors develop and apply permutation tests and large T asymptotic estimators that do not rely on cross sectional asymptotics, offering a template for other field experiments constrained to small firm level samples but rich time series data.
4. **Evidence on why firms fail to adopt profitable practices:** Using a structured flowchart applied at the level of each unadopted practice, the paper distinguishes lack of awareness from mistaken beliefs about profitability, showing that the two frictions dominate at different stages of the intervention.
5. **A structural explanation for the persistence of badly managed firms:** The paper links weak rule of law and family-based governance to constraints on managerial span of control, explaining why competitive pressure had not already driven inefficient firms from the market.

Data & methodology

The study is empirical and experimental rather than observational. The sample comprises 17 large, family-owned cotton weaving firms operating 28 plants around the textile towns of Tarapur and Umbergaon near Mumbai, drawn from a Ministry of Corporate Affairs register of firms with 100 to 1,000 employees and narrowed to those willing to commit senior management time to an outside consulting engagement. Twenty five of the 28 plants had usable historical performance data and were randomized at the firm level, by computer, into eleven treatment firms with 14 plants and six control firms with 6 plants, with randomization staggered across three rounds between September 2008 and July 2009 because of consulting capacity constraints. Performance was tracked weekly using machine level and plant level records on quality defects, yarn inventory, output and total factor productivity, with productivity constructed as log value added net of capital and labour shares drawn from India's Annual Survey of Industry.

Identification rests on the randomized assignment of a structured consulting intervention: treatment plants received a one-month diagnostic followed by four months of implementation support across the 38 target practices, while control plants received only the diagnostic month. The core specification is an intention to treat regression of each performance outcome on a post intervention treatment indicator and a during implementation indicator, with plant and calendar week fixed effects absorbing time invariant plant characteristics and seasonality. Because the cross-sectional sample of firms is small, the authors supplement standard clustered standard errors with firm level permutation tests, which do not depend on asymptotic approximations in the number of firms, and with an alternative estimator that instead exploits the roughly 100 weeks of observations per plant, providing three separate routes to statistical inference that agree closely with one another.

Results

1. **Productivity rose substantially:** treatment plants saw total factor productivity increase by roughly 17 percent within the first year relative to control plants, translating into an estimated \$325,000 in additional annual profit per plant against direct implementation costs of under \$3,000.
2. **Quality defects fell sharply:** the quality defects index dropped by an estimated 43 percent by the end of the implementation period, driven by daily measurement and tracking of defects that allowed problems to be traced to specific looms, yarns or designs and corrected quickly rather than persisting for weeks.
3. **Inventory holdings declined:** treatment plants cut yarn inventory by close to 22 percent, largely by cataloguing and disposing of previously unrecognized dead stock and introducing restocking norms monitored on a weekly basis.
4. **Management practice adoption was durable:** treatment plants raised their adoption of the 38 target practices from 26 percent to 63 percent by the end of the main intervention, and adoption fell back by only 3 percentage points a year after the consultants left.
5. **Firms grew and delegated more:** over the following three years, treatment firms opened more plants than control firms or the wider industry and significantly increased delegation of hiring, spending and operational decisions to non-family plant managers.
6. **Adoption gaps traced mainly to information, not resources:** roughly half of unadopted practices were explained by owners never having heard of them, and most of the remainder by owners mistakenly believing existing performance was already adequate; direct capital constraints played little role given that median annual investment across sample firms exceeded \$140,000.

7. **Spillovers to other firms were minimal:** only 16 percent of nearby non-participating firms had even heard of the project two years on, and just 2 percent knew any specific practice details, though practices spread readily within firms, from experimental to non-experimental plants under the same ownership.

Implications

The central claim that management practices causally raise productivity, rather than merely correlating with it, has become a reference point for a wider empirical program testing whether the effect travels beyond one industry and one country. The authors themselves returned to the same Indian plants years later and found that most of the practice gains had persisted, addressing the natural objection that the initial results might have reflected a temporary burst of attention rather than a durable change in how firms operate ([Bloom et al. 2018](#)). Other researchers have tested the same causal claim in different settings: [Bruhn et al. \(2018\)](#) randomized comparable consulting services among small and medium firms in Mexico and found productivity and profitability gains consistent in direction with the Indian result, while [Lemos et al. \(2024\)](#) apply the same logic of measurable, adoptable management practices to Indian government schools rather than private firms, finding that personnel management quality predicts school level outcomes much as it predicts productivity on a factory floor.

The paper's account of why competition failed to eliminate badly managed firms, resting on constrained managerial trust and limited span of control, has also been picked up outside manufacturing. [Bloom et al. \(2015\)](#) study public hospitals in England, a setting with different ownership structures but a similar underlying question of whether competitive pressure disciplines management quality and find that hospitals facing more local competition tend to be better managed, a complementary result to the Indian finding that where competitive and reallocation pressures are blocked, weak management can persist for decades. Read as a body of work rather than a single result, this later literature suggests that the original paper's implications extend beyond Indian textile manufacturing to a more general proposition about the conditions, competitive pressure, organizational capacity, and reliable authority delegation, under which better management practices are adopted and sustained.

Conclusion

By randomizing access to intensive management consulting across large Indian textile plants, the paper supplies evidence that had been conspicuously missing from a decades old debate over whether management practices causally affect firm performance, and finds that they do, substantially. Beyond its headline productivity estimate, the study's more durable contribution may be its diagnosis of why profitable practices went unadopted for so long and why competition failed to correct the problem, an account centered on information gaps and constrained managerial trust rather than on capital or regulatory barriers. Both the empirical result and the accompanying small sample econometric toolkit continue to inform how researchers think about the sources of productivity dispersion and the design of firm level field experiments in developing economies.

Lack of Selection and Limits to Delegation: Firm Dynamics in Developing Countries²²

Ufuk Akcigit, Harun Alp & Michael Peters (2021)

Summary

The paper examines why firms in developing countries remain small and exhibit substantially weaker growth over their life cycle than firms in developed economies. The authors focus on the limited delegation of managerial responsibilities to outside managers as a potential explanation. While firms in advanced economies commonly expand by hiring professional managers, firms in developing countries often rely on owners and family members to perform managerial tasks. The authors argue that this limits the amount of managerial time available to growing firms, creating a span-of-control constraint that reduces incentives for productive firms to expand. Using a Schumpeterian model of firm dynamics calibrated to manufacturing data from the United States and India, the paper shows that inefficient delegation reduces firm growth and weakens the process of selection through which successful firms expand and replace stagnant firms. The authors estimate that differences in delegation efficiency account for 11% of the income-per-capita difference between the United States and India.

Introduction

Firm dynamics differ sharply between developed and developing economies. In the United States, firms typically enter small and subsequently either grow rapidly or exit, generating substantial reallocation of resources toward productive firms. In India, by contrast, many firms remain small for decades. The authors interpret this as a lack of selection: firms with little growth potential are not displaced quickly enough by more productive firms.

The paper argues that the problem is not simply that Indian firms themselves fail to grow. Rather, firms with the potential to grow do not expand sufficiently rapidly to force stagnant firms out of the market. This distinction is important because it shifts attention from constraints faced by small firms to the incentives and constraints faced by firms that could potentially become large.

The authors identify managerial delegation as a key mechanism behind this pattern. Entrepreneurs have a limited amount of time available for managing their businesses. As firms grow, owners increasingly need to delegate managerial tasks. When delegation to outside managers is difficult because of weak contractual enforcement or limited trust, firms face diminishing returns to expansion. This reduces their incentive to innovate and grow, slowing the process of creative destruction.

Theoretical hypothesis

The central hypothesis is that inefficient managerial delegation reduces firm growth and weakens selection.

The model combines three key elements. First, entrepreneurs differ in their potential to innovate and expand. Second, managerial time is an important input into production, while entrepreneurs have a fixed amount of time available. Third, entrepreneurs can hire outside managers, but doing so is subject to contractual frictions.

An owner-run firm therefore faces a span-of-control problem: as the number of products or activities managed by the entrepreneur increases, the owner's limited time must be spread more thinly. Delegating responsibilities can overcome

²² Akcigit, U., Alp, H., & Peters, M. (2021). Lack of selection and limits to delegation: Firm dynamics in developing countries. *American Economic Review*, 111(1), 231–275.

this constraint, but the benefits of delegation depend on the quality of the institutional environment. Weak contract enforcement increases the need for monitoring outside managers and therefore reduces the net return to delegation.

The model predicts that firms will begin delegating only after reaching a particular size threshold. Better delegation environments lower this threshold, increase incentives for firms with high growth potential to expand, and consequently increase creative destruction. More productive firms grow faster and replace stagnant firms, producing stronger selection and a steeper firm life-cycle.

Literature contribution

The paper builds on the literature emphasising the importance of managerial resources for firm expansion, beginning with [Penrose \(1959\)](#), who argued that managerial capacity can impose a fundamental constraint on firm growth. More recent empirical work by [Bloom and Van Reenen \(2007, 2010\)](#) documents substantial international differences in management practices, while [Bloom et al. \(2013\)](#) show that Indian textile firms face significant managerial constraints and that delegation to outside managers is limited.

The paper also relates to the literature on firm dynamics and selection. [Hsieh and Klenow \(2014\)](#) document the striking differences in firm life cycles between India, Mexico and the United States, while [Hsieh and Olken \(2014\)](#) highlight the prevalence of very small firms in developing economies. The theoretical framework builds particularly on [Klette and Kortum \(2004\)](#) and the Schumpeterian growth literature, incorporating heterogeneous firm growth potential and creative destruction into a model where managerial constraints influence firms' expansion decisions.

The paper's key departure from much of the existing development literature is therefore to connect within-firm managerial constraints to economy-wide firm selection and aggregate productivity.

Data and methodology

The authors combine establishment-level data from the United States and India with a quantitative model of firm dynamics. For the United States, they use the Business Dynamics Statistics, based on Census Bureau longitudinal establishment data. For India, they combine the Annual Survey of Industries (ASI), which covers larger formal manufacturing establishments, with the National Sample Survey (NSS), which captures the much larger population of small and largely informal manufacturing establishments. The analysis focuses on employment, firm age, firm size, managerial employment and family characteristics.

The authors first establish several empirical patterns: Indian firms display much weaker age-size growth, a large share of firms remain extremely small even at older ages, and managerial positions are much more likely to be filled by owners or family members rather than outside employees.

They then construct a Schumpeterian endogenous-growth model in which firms differ in their growth potential and compete through creative destruction. The model incorporates managerial delegation as a key determinant of firms' ability and willingness to expand. The parameters are calibrated separately to Indian and U.S. data, allowing the authors to capture other differences between the two economies rather than attributing the entire U.S.–India gap to managerial delegation. The model is additionally tested against the experimental evidence of [Bloom et al. \(2013\)](#) on improvements in management practices in Indian textile firms.

Contribution

The paper makes three main contributions. First, it provides a unified explanation for the small size and weak life-cycle growth of firms in developing countries, linking these outcomes to constraints on managerial delegation.

Second, it connects managerial constraints within individual firms to the broader process of selection and creative destruction. The paper argues that small firms can remain prevalent not because all small firms face unusually severe constraints, but because potentially successful firms do not grow rapidly enough to displace them. Third, the quantitative framework allows the authors to estimate the aggregate importance of delegation frictions and conduct counterfactual exercises. This moves the analysis beyond documenting differences in management practices toward measuring their implications for firm size, productivity, income and economic growth.

Key findings

- **Weak selection:** Developing economies exhibit a much weaker “up-or-out” process. Stagnant firms survive for long periods because firms with growth potential do not expand rapidly enough to displace them.
- **Delegation constrains growth:** Inefficient delegation reduces the returns to expansion because entrepreneurs cannot easily overcome their limited managerial time. This weakens innovation and firm growth.
- **Large firms benefit most:** The value of delegation rises with firm size, making delegation efficiency particularly important for firms attempting to scale. This creates a complementarity between managerial efficiency and other growth-enhancing factors.
- **Large aggregate effect:** Differences in delegation efficiency account for approximately 11% of the income-per-capita gap between the United States and India.
- **Firm size responds to delegation:** Raising India's delegation efficiency to U.S. levels increases average firm size and reduces the employment share of small firms, although the effects are relatively modest because other constraints on Indian firms remain.
- **Strong complementarity:** The effects are substantially larger when other constraints on firm growth are also favourable. Conversely, imposing India's delegation environment on U.S. firms produces much larger declines in firm size, highlighting the interaction between delegation and other determinants of firm growth.
- **Institutions matter:** The authors find that differences in legal institutions explain a substantial portion of the U.S.–India gap in delegation efficiency, while differences in managerial human capital explain considerably less.
- **Policy implication:** Policies aimed solely at supporting small firms may have unintended effects if they prevent resources from being reallocated toward more productive firms. Improving contract enforcement and the environment for managerial delegation can instead strengthen competition, selection and productivity growth.

Conclusion

The paper argues that the prevalence of small firms in developing countries should not automatically be interpreted as evidence that small firms themselves are the primary source of economic inefficiency. Instead, it may reflect a lack of selection caused by the insufficient expansion of high-potential firms. The central mechanism is managerial delegation. When entrepreneurs cannot effectively delegate responsibilities to outside managers, expanding firms face increasingly severe managerial constraints. This reduces their incentive to innovate and grow, allowing stagnant firms to survive and weakening the reallocation of resources toward more productive producers. The quantitative results suggest that improving delegation efficiency can generate meaningful gains in productivity and income but also demonstrate that delegation is complementary to other aspects of firm growth. Institutional improvements alone therefore cannot fully close the development gap; their effectiveness depends on the broader environment governing finance, competition, entry and firm expansion. The paper's broader contribution is to connect the microeconomics of management and contracts with the macroeconomics of firm dynamics, selection and economic development.

In with the Big, Out with the Small: Removing Small-Scale Reservations in India²³

Leslie A. Martin, Shanthi Nataraj, and Ann E. Harrison (2017)

Summary

A long-standing tenet of development policy holds that small enterprises are the principal engines of job creation and therefore merit protection from larger competitors. [Martin et al. \(2017\)](#) examine this proposition in the context of India, where, for nearly six decades, the government reserved the manufacture of hundreds of specific products exclusively for small-scale industries (SSIs). The authors analyse the consequences of the rapid dismantling of these reservations between 1997 and 2007. Using establishment-level panel data, they demonstrate that de-reservation stimulated aggregate employment and output growth rather than suppressing it. The gains were driven by the entry of new firms into previously reserved product spaces and by the expansion of incumbent firms that had been artificially constrained by capital-investment ceilings. The study thus establishes that policies protecting small firms by restricting their growth can be counterproductive: rather than generating employment, the reservation regime constrained the manufacturing sector, and its removal prompted a reallocation of resources toward younger, larger, and more productive establishments.

Introduction

A widely held view among policymakers is that small and medium enterprises (SMEs) are the "backbone" of the economy and superior creators of employment. On this premise, governments across the United States, Europe, China, and India routinely extend tax, credit, and regulatory advantages to smaller firms. India pursued this objective through one of its most distinctive industrial interventions: the reservation of specified products for exclusive production by small-scale units. Rooted in a socialist policy legacy, the regime was intended to mitigate capital-market imperfections, promote labour-intensive growth, and shield small producers from competition.

Critics, however, contended that the policy discouraged firms from upgrading technology or expanding beyond prescribed capital thresholds, thereby entrenching inefficiency. Beginning in 1997, and most intensively between 2000 and 2007, India rapidly removed products from the reserved list, leaving only a small residual by the end of the period. This paper exploits the staggered timing of this de-reservation to provide the first rigorous empirical test of whether protecting small enterprises actually delivers the employment gains its proponents claim. In doing so, the study speaks directly to the broader debate over whether SME promotion is an effective instrument for job creation.

Literature

[Martin et al. \(2017\)](#) situate their analysis within three related strands of research. The first concerns the relationship between firm size, age, and growth. A substantial body of work, including [Evans \(1987a, 1987b\)](#), [Hall \(1987\)](#), and [Sutton \(1997\)](#), examines the empirical regularities of firm dynamics, while [Haltiwanger et al. \(2013\)](#) and [Neumark et al. \(2011\)](#) question whether small firms per se, as opposed to young firms, are the primary source of net job creation. Comparable evidence from developing economies is provided by [Bigsten and Gebreeyesus \(2007\)](#), [Van Biesebroeck \(2005\)](#), [Sleuwaegen and Goedhuys \(2002\)](#), [Mead and Liedholm \(1998\)](#), and, for India specifically, [Das \(1995\)](#) and [Shanmugam and Bhaduri \(2002\)](#).

The second strand addresses the "missing middle" and the misallocation of resources in developing countries. [Hsieh and Olken \(2014\)](#) and [Tybout \(2000, 2014\)](#) interrogate the empirical basis for the missing-middle hypothesis, while [Li](#)

²³ Martin, L. A., Nataraj, S., and Harrison, A. E. (2017). "In with the Big, Out with the Small: Removing Small-Scale Reservations in India." *American Economic Review*, 107(2), 354–386.

and Rama (2015), La Porta and Shleifer (2008, 2014), and Ayyagari et al. (2011) assess the contribution of micro, small, and informal enterprises to employment and growth. Size-dependent distortions and their effects on productivity are analysed by Garicano et al. (2016) and, in the specific context of India's reservation laws, by García-Santana and Pijoan-Mas (2014).

The third strand examines India's broader programme of economic liberalisation and its effects on manufacturing. Contributions include Aghion et al. (2008) on the dismantling of the licence raj, Topalova (2010) and Nataraj (2011) on trade liberalisation, and Goldberg et al (2010a, 2010b) on imported inputs and product turnover. Institutional and policy assessments are provided by Mohan (2002), Panagariya (2008), Besley and Burgess (2004) on labour regulation, and Alfaro and Chari (2014) on deregulation and firm size. Building on this literature, the authors extend the analysis by directly evaluating the employment consequences of removing a size-contingent protection regime.

Contribution

The study advances the understanding of SME promotion and industrial policy through three principal contributions.

1. **First empirical evaluation of de-reservation:** The paper provides the first establishment-level test of the removal of India's SSI product reservations, exploiting the staggered timing of de-reservation across products to identify causal effects on employment and output.
2. **Evidence that protecting small firms constrained growth:** The authors demonstrate that de-reservation raised formal-sector employment, with gains concentrated among new entrants into previously reserved products and among incumbents whose expansion had been suppressed by capital-investment ceilings. This challenges the premise that protecting small firms generates employment.
3. **Clarification of the sources of job creation:** Consistent with international evidence, the study shows that younger and larger establishments, rather than small firms as a category, are the principal engines of employment growth, thereby informing the "missing middle" debate with direct policy-relevant evidence.

Data & methodology

The empirical strategy rests on a difference-in-differences design applied to India's Annual Survey of Industries (ASI) panel data for 2000–2007, complemented by unorganised-sector surveys. The identification exploits the staggered, product-by-product timing of de-reservation, allowing the authors to compare outcomes for products removed from the reserved list against those still protected. The analysis incorporates establishment fixed effects and industry-by-year controls, and its robustness is assessed through event-time trends and placebo tests that randomise the assignment of treatment. A complementary long-difference specification measures aggregate effects at the district level, using each district's pre-reform product composition to gauge its exposure to the reforms.

The framework distinguishes between two margins of adjustment. The first is the entry margin: the removal of reservations permits new firms of any size to enter formerly protected product spaces. The second is the incumbent margin: firms previously held below the capital-investment ceiling (approximately Rs 10 million in plant and machinery) become free to expand. The reservation regime is modelled as a size-contingent distortion that suppresses both entry by larger producers and the growth of constrained incumbents.

Results

1. **De-reservation raised the number of establishments and total employment in affected product spaces:** Products removed from the reserved list experienced an increase of approximately 15 percent in the number of

establishments and roughly 50 percent in employment (significant at the 1 percent level), indicating that the reservation regime had suppressed both entry and the scale of production rather than protecting a stable base of small producers.

2. **Output and capital expanded substantially following de-reservation:** The removal of reservations was associated with an increase in output of nearly 35 percent and in capital of approximately 45 percent (each significant at the 1 percent level), while labour productivity declined at the product level because employment growth outpaced the growth in output.
3. **The gains were driven disproportionately by new entrants:** Entrants into newly de-reserved product spaces recorded significant increases in employment of approximately 7.7 percent, output of approximately 26 percent, capital of approximately 9 percent, and wages of approximately 7 percent, indicating that liberalised entry rather than incumbent expansion was the primary channel of growth.
4. **Firms previously constrained by the size ceiling grew, while smaller protected units contracted:** Incumbents held above the investment ceiling expanded, raising employment by approximately 5 percent and output by approximately 6 percent, whereas smaller incumbents operating within the ceiling contracted by nearly 6 percent. Establishments situated just below the ceiling recorded the largest post-reform increases in capital and employment, confirming that the reservation constraint had been binding.
5. **The employment effects are evident at the district level:** Districts more exposed to de-reservation experienced approximately 6 percent higher employment, alongside gains in output, capital, and wages, while negative coefficients for neighbouring districts indicate a migration of economic activity toward the more affected districts rather than net job destruction elsewhere.
6. **The findings are robust to specification and falsification tests:** No significant differences in pre-reform trends were detected, and the results remained stable across alternative specifications and control sets. Placebo tests that randomised the timing of de-reservation across products yielded no significant effect in 91 to 96 percent of iterations, indicating that the estimated effects are unlikely to be spurious

Implications

First, the results indicate that promotional regimes which protect small firms by restricting their scale can be counterproductive for aggregate job creation, as the suppression of larger and more productive firms outweighs the protection afforded to small units. Second, the evidence cautions against treating firm size as a target of policy: interventions favouring small establishments may inadvertently sustain less productive, older firms while impeding the expansion of the younger, larger firms that generate most employment growth. Third, the results reinforce the broader literature on misallocation, suggesting that removing size-dependent distortions facilitates a reallocation of labour and capital toward higher-productivity uses.

Conclusion

[Martin et al. \(2017\)](#) reassess the widely held assumption that protecting small enterprises fosters employment. Drawing on the dismantling of India's small-scale reservation regime, the authors demonstrate that de-reservation generated net gains in employment and output, driven by the entry of new firms and the expansion of previously constrained incumbents. Rather than safeguarding jobs, the reservation policy had constrained the manufacturing sector and entrenched smaller, less dynamic units. Its removal prompted a reallocation toward younger, larger, and more productive firms. The study thus establishes that size-contingent protection is not a reliable instrument of job creation, and that permitting firms to grow may deliver the employment outcomes that promotional regimes are intended, but frequently fail, to achieve.

Identifying and Spurring High-Growth Entrepreneurship: Experimental Evidence from a Business Plan Competition²⁴

David McKenzie (2017)

Summary

This paper examines whether developing countries contain a pool of high-growth entrepreneurs whose expansion is constrained by lack of capital, and whether a public policy instrument, a national business plan competition can identify and support such individuals. Using data from Nigeria's YouWiN! programme, which distributed roughly US\$34 million in grants averaging US\$50,000 per winner, the study exploits random assignment of grants among a pool of qualified semi-finalists to estimate causal impacts. Applicants tracked over five years show that winning increased firm entry, survival, employment, profits, and sales, including a substantial rise in the likelihood of a firm reaching ten or more workers. The paper finds these effects operate primarily through capital accumulation rather than through improved business skills, networking, or confidence, and that impacts persist even three years after all grant payments concluded, including during a period of economic recession. The findings suggest that credit constraints, rather than a shortage of entrepreneurial talent, may explain the scarcity of larger firms in developing economies, and that competitively allocated grants can be an effective tool for identifying entrepreneurs with genuine growth potential.

Introduction

The paper opens by noting a puzzle in development economics: firms in developing countries are overwhelmingly small, with the modal firm employing only its owner, in sharp contrast to advanced economies. This pattern is difficult to reconcile with standard models of firm size unless entrepreneurial talent is assumed to be extremely scarce. The author sets out to test an alternative explanation, whereby capital market frictions, rather than a lack of talent, constrain firm growth. This is done by evaluating a large-scale, randomised business plan competition in Nigeria. The paper positions itself within three literatures: the determinants of job creation and the disproportionate role of a small number of high-growth firms; the effectiveness of business plan competitions as a policy tool, an area with limited prior rigorous evidence; and the broader debate over whether capital constraints or other factors (such as management ability or labour regulation) limit entrepreneurial growth. The study's stated aim is to use experimental variation from the competition's random allocation of large cash grants to identify both whether growth-constrained, high-potential entrepreneurs exist and whether policy can successfully identify and support them at a meaningful scale.

Literature

The paper situates itself relative to several strands of prior research. On job creation, it draws on work by [Haltiwanger, Jarmin, and Miranda \(2013\)](#) and [Ayyagari, Demirguc-Kunt, and Maksimovic \(2014\)](#) documenting the importance of young and small firms in generating employment, alongside reviews by [Henrekson and Johansson \(2010\)](#) on "gazelle" firms that account disproportionately for job growth despite being a small share of the overall firm population. On the specific question of firm size distribution in developing countries, the paper engages closely with [Hsieh and Olken \(2014\)](#), whose finding that almost all firms in India and Indonesia have fewer than ten workers motivates the paper's own threshold-based analysis, and with [Lucas's \(1978\)](#) classical model in which firm size is determined entirely by owner talent under complete markets.

²⁴ McKenzie, D. (2017). Identifying and spurring high-growth entrepreneurship: Experimental evidence from a business plan competition. *American Economic Review*, 107(8), 2278-2307.

Regarding business plan competitions specifically, the review notes this is a relatively young evaluation literature. [Klinger and Schündeln \(2011\)](#) use regression-discontinuity approaches across pooled competitions in multiple countries, generally finding positive effects on business start-up and expansion, though with far smaller samples of winners than the present study. [Fafchamps and Woodruff \(2014\)](#) conduct the only prior fully experimental evaluation the author identifies, testing individualised training without a cash component in Ghana, and find no significant impact on firm growth—a contrast the paper uses to motivate its focus on capital as the treatment of interest. Furthermore, the author distinguishes the present study by the much larger grant size (50 to 500 times that of earlier microenterprise studies), arguing this is necessary to test whether capital constraints bind for firms aiming to scale meaningfully beyond microenterprise status. Complementary theoretical work by [Buera, Kaboski, and Shin \(2017\)](#) on macro models of occupational choice and asset grants is also referenced as a framework the empirical results can speak to.

Theoretical framework

The paper develops a simple partial equilibrium model in which a firm's output depends on productivity, capital stock, the owner's entrepreneurial skill, and outside labour. Under complete markets, capital and labour are chosen so their marginal products equal prevailing market rates, meaning firm size is determined solely by owner talent. The model is used to generate distinct, testable predictions for four scenarios: if markets are complete and the programme is simply a lump-sum grant, no change in employment or output should occur (a lack of "additionality"); if the grant is conditional and paid in tranches, only a temporary increase in capital and labour should appear, reversing once payments end; if winning affects the firm's underlying productivity or the owner's skill (for example through networking, mentoring, or confidence effects), impacts could persist independent of capital constraints; and if firms are credit-constrained, the grant should durably raise capital stock and, depending on whether capital and labour are complements, may increase or decrease employment, while profits should rise regardless. Empirically, the paper exploits the random assignment of "ordinary winner" status among semi-finalists, estimating intent-to-treat effects via regressions that control for the randomisation strata (region and gender). This design allows the observed pattern of results to be mapped back onto the theoretical cases, letting the author distinguish which mechanism is most consistent with the data rather than assuming it in advance.

Implications

The empirical results are most consistent with the fourth theoretical case: firms were credit-constrained, and the grants relaxed this constraint rather than merely enriching owners or producing a temporary conditionality-driven effect. Winning firms showed sustained increases in capital stock, employment, sales, profits, and innovation that persisted well beyond the period when grant conditions applied, and even through Nigeria's 2016 economic downturn. Examination of intermediate channels indicated the grants worked mainly by allowing firms to purchase capital and hire labour, with little evidence of change in access to other financing, business networks, mentoring, or self-reported confidence. The additional firms induced to operate by the competition appeared, on observable characteristics, no less productive than firms in the control group, addressing concerns that the programme merely subsidised marginal, low-quality businesses. The estimated cost per job created (around US\$8,500) offers a benchmark for comparing this policy instrument against other job-creation interventions. Collectively, the results suggest that a meaningful subset of entrepreneurs in developing-country settings possess the ability to grow substantially if capital constraints are addressed, and that competitively structured grant programmes can identify this subset with some reliability.

Conclusion

The paper concludes that the YouWiN! business plan competition had large and durable effects on business start-up, survival, employment, profits, and sales among winning firms, and that these effects are inconsistent with a model of frictionless markets in which grants would simply supplement owner wealth without altering firm behaviour. Instead,

the pattern of results—persistence after all grant payments were completed, sustained increases in employment and capital, and limited change in non-capital channels such as mentoring or self-efficacy—points to capital constraints as the primary binding limitation on firm growth for the population studied. The author frames this as evidence that policy can play a meaningful role in identifying entrepreneurs with genuine high-growth potential who would otherwise remain constrained to microenterprise scale. The paper also acknowledges limits to interpretation, including the difficulty of fully ruling out general equilibrium effects on non-participating firms, and reliance on self-reported survey data, addressing both through supplementary checks. It closes by suggesting that further research is warranted on whether alternative, potentially lower-cost policy instruments could achieve similar identification and support of constrained high-growth entrepreneurs.

Does the alternative investment market nurture firm growth? A comparison between listed and private companies²⁵

Valerie Revest and Alessandro Sapio (2013)

Summary

The paper examines whether access to a lightly regulated public equity market improves the real economic performance of firms, using the UK's Alternative Investment Market (AIM) as a case study. The underlying policy rationale was that reducing listing barriers would ease financing constraints faced by SMEs, thereby supporting firm expansion, employment creation and productivity growth. However, the authors argue that simply observing faster growth among listed companies does not establish that listing itself caused the improvement. Firms that are already growing faster may be more likely to seek a listing, while Nominated Advisers (Nomads) may also selectively admit firms with stronger growth prospects. The paper therefore distinguishes between the treatment effect of AIM listing and the selection effect associated with firms entering AIM. Using a dynamic panel of UK manufacturing firms and System-GMM estimation, the study finds that AIM-listed firms indeed exhibit stronger employment growth, but this is accompanied by a significant negative effect on productivity. Meanwhile, the apparent superior growth in operating revenues and total assets largely disappears once selection and endogeneity are controlled for. The central conclusion is therefore that AIM selects firms that were already growing faster in revenues and assets and helps them expand employment but does not generate corresponding improvements in productive efficiency.

Introduction

The paper begins by discussing the development of junior stock markets in Europe during the 1990s. These markets were created largely in response to the financing difficulties faced by small and medium-sized enterprises (SMEs), which often found it difficult or costly to obtain finance through conventional stock exchanges. By lowering listing requirements and reducing the costs associated with going public, junior markets were expected to improve firms' access to equity capital and thereby encourage investment, entrepreneurship, employment and growth. The UK's Alternative Investment Market (AIM), established by the London Stock Exchange in 1995, is presented as an important example of this model. AIM imposed substantially fewer admission requirements than the main market: there was no minimum requirement relating to market capitalisation, assets, equity capital, trading history or free float. Instead, firms were required to appoint a Nominated Adviser (Nomad), who played an important role in assessing the suitability of firms, advising them on compliance and monitoring their continued participation in the market.

Although AIM expanded significantly, the authors argue that the success of such a market should not be evaluated only in terms of the number of firms listed, capital raised or market capitalisation. The more important question is whether easier access to public equity translates into better real performance by firms. In particular, the authors ask whether firms listed on a lightly regulated market grow faster than comparable private firms and whether listing itself contributes to improvements in employment, revenues, assets and productivity. A major methodological challenge arises because firms do not enter AIM randomly. Firms with stronger growth prospects may be more likely to seek a listing, while Nomads may also select firms that appear to have greater potential. Therefore, simply observing that AIM firms grow faster does not establish that AIM caused the growth. The paper consequently focuses on distinguishing selection effects from treatment effects.

²⁵ Revest, V., & Sapio, A. (2013). Does the alternative investment market nurture firm growth? A comparison between listed and private companies. *Industrial and Corporate Change*, 22(4), 953-979.

Objective

The primary objective of the paper is to determine whether listing on AIM causes firms to grow faster than comparable private companies and, more importantly, whether AIM itself nurtures the real performance of firms after listing. The authors are interested not simply in whether AIM-listed firms are larger or grow faster, but in whether this superior performance can be attributed to the benefits of being listed. A central issue is the distinction between selection and treatment effects. A positive relationship between AIM listing and firm growth could arise because listing provides firms with access to external equity, greater visibility, improved governance or monitoring by Nomads. This would constitute a treatment effect. Alternatively, firms with stronger growth prospects may be more likely to seek an AIM listing, while Nomads may selectively admit firms that already demonstrate strong performance and growth potential. In this case, the observed superior performance would largely represent a selection effect, rather than a benefit generated by AIM itself.

The study therefore tests two broad hypotheses. The first is that AIM-listed firms grow faster because AIM nurtures their performance, through easier access to public equity and the supervision provided by Nomads. The second is that AIM-listed firms grow faster because better-performing firms self-select into AIM or are preferentially selected by Nomads. Distinguishing between these two mechanisms is the key empirical challenge addressed by the paper.

Literature

The paper builds on several strands of literature concerning stock-market development, external finance, firm growth and selection effects. Research on junior stock markets has generally suggested that easier access to equity finance can help smaller firms expand. [Audretsch and Elston \(2006\)](#) examined Germany's Neuer Markt, while [Cassia et al. \(2009\)](#) investigated firms listed on AIM. This literature provides support for the idea that specialised equity markets can improve financing opportunities for smaller and younger businesses. However, a key limitation is that better performance among listed firms may not necessarily be caused by listing itself. This issue is closely connected to the literature on selection into external finance. [Engel and Keilbach \(2007\)](#), [Bertoni et al. \(2011\)](#) and [Colombo and Grilli \(2010\)](#) show that firms receiving external finance may already possess characteristics that make them more attractive to investors and more capable of achieving growth. Consequently, observed differences between financed and non-financed firms can reflect the selection of high-potential firms, rather than the causal impact of financing.

The paper also considers the role of intermediaries in this selection process. In AIM, Nomads perform an important screening and monitoring function by assessing firms before admission and advising them after listing. [Mallin and Ow-Yong \(2010\)](#) are therefore relevant to understanding how the institutional structure of AIM may influence which firms gain access to the market. This suggests that selection may operate through both firms' own decisions to list and the screening decisions of market intermediaries. The authors further draw on the literature on firm-growth dynamics, particularly [Coad \(2007, 2010\)](#), which emphasises that firm growth is highly heterogeneous and persistent and that relationships between firm size, employment and sales need to be examined dynamically. This is particularly important because simply comparing the levels of listed and private firms may produce misleading results if firms were already on different growth trajectories before listing.

Finally, the paper contributes methodologically to the literature on dynamic panels and endogeneity. The empirical strategy draws on the System-GMM framework developed by [Arellano and Bover \(1995\)](#) and [Blundell and Bond \(1998\)](#), with further guidance from [Bond \(2002\)](#) and [Roodman \(2009\)](#). Overall, the literature provides the foundation for the paper's main contribution: distinguishing whether AIM firms perform better because AIM improves their performance or because better-performing firms are more likely to enter AIM.

Data and methodology

The authors construct a longitudinal panel of UK manufacturing firms, covering approximately 1997–2009, and compare AIM-listed and privately held companies. The sample includes firms that were listed on AIM as well as firms that were subsequently delisted, allowing the authors to examine firm performance over time rather than relying only on a cross-sectional comparison. Private firms are selected to provide a meaningful comparison with AIM firms, particularly in terms of age, size and industry. Firm performance is evaluated using four major indicators: number of employees, operating revenues, total assets and productivity. Productivity is measured as value added per employee, allowing the authors to assess whether employment expansion is accompanied by corresponding improvements in the amount of value generated by each worker.

The empirical analysis begins with pooled OLS and fixed-effects approaches, broadly following a dynamic version of Gibrat's law of firm growth, in which current firm size depends partly on previous firm size. However, the authors recognise that AIM listing is likely to be endogenous. For example, firms may decide to list because they anticipate high growth, while unobserved firm characteristics may simultaneously affect both the probability of listing and subsequent performance. Therefore, a simple regression of firm growth on an AIM dummy cannot provide a reliable causal estimate. To address this problem, the study uses System-GMM, following the dynamic-panel framework of Arellano-Bover and Blundell-Bond. Lagged values of the relevant variables are used as internal instruments to deal with endogeneity, while the dynamic structure of the model allows the authors to account for the persistence of firm growth. The difference between the simpler OLS estimates and the System-GMM estimates provides useful evidence on the extent to which observed AIM performance reflects selection rather than treatment.

The authors also conduct several robustness checks. These include controlling for industry characteristics, operating profits, tangible fixed assets and collateral, as well as addressing potential sample attrition using the Semykina-Wooldridge correction. Diagnostic tests such as the Arellano-Bond autocorrelation tests and Hansen tests are also used to assess the validity of the instruments and the specification.

Key findings

The initial results from pooled OLS suggest that AIM-listed firms perform better than private firms across several dimensions. AIM firms show approximately 6.9% higher employee growth, 6.5% higher operating revenue growth and 7.7% higher asset growth, while productivity is lower. However, these results cannot distinguish whether the higher growth is caused by AIM listing or whether stronger firms were already more likely to enter the market. The System-GMM results provide a substantially different picture. After controlling for endogeneity and selection, the study finds a positive and statistically significant treatment effect on employment growth of approximately 17.1%. In contrast, the treatment effect on productivity is negative, at around 33.8%. The estimated effects on operating revenues and total assets are no longer statistically significant.

This comparison between the OLS and GMM results is central to the paper. The apparent asset-growth advantage of AIM firms is found to be almost entirely explained by selection, meaning that firms entering AIM were already characterised by stronger asset growth. Revenue growth also contains a significant selection component, while the evidence does not support a strong independent causal effect of AIM listing on revenue growth. The positive employment effect, however, survives the attempt to control for selection, suggesting that AIM listing itself contributes to employment expansion. At the same time, the negative productivity effect indicates that this additional employment is not matched by a proportionate increase in value added. In other words, firms appear to become larger in terms of their workforce without achieving a corresponding improvement in output or value added per employee.

The robustness analysis broadly supports these conclusions, although the magnitude and statistical significance of the employment effect change in some specifications when additional financial controls are introduced. The authors also

find limited evidence that sample attrition explains the main results. Overall, the empirical evidence supports a combination of strong firm selection before listing and a more limited, mixed causal effect after listing

Implications

The findings have important implications for both capital-market policy and firm-level financing decisions. First, the results suggest that the success of a junior stock market cannot be judged simply by observing that listed firms grow faster. Much of the observed growth in revenues and assets reflects the fact that higher-growth firms are more likely to enter AIM in the first place. Therefore, headline measures such as listings, capital raised or firm-size growth may overstate the actual economic contribution of the market.

Second, the positive employment effect suggests that AIM may nevertheless play a meaningful role in job creation and firm expansion. However, the simultaneous negative productivity effect raises concerns about the quality and efficiency of that expansion. Rapid employment growth may initially place pressure on managerial resources, consistent with the Penrose effect, or the benefits of additional employees may take time to materialise in higher value added.

The authors also consider the possibility of financialization as a broader explanation. Once firms become publicly traded, management may face stronger pressure to focus on financial objectives and short-term market performance. Such pressures could potentially divert attention from longer-term investments in productive efficiency. The discussion of reverse takeovers, cash-shell activities and relatively high delisting rates provides additional context for questioning whether all activity on lightly regulated markets necessarily reflects sustainable industrial expansion. The findings therefore suggest that policymakers should assess junior stock markets according to their real-economy outcomes, including productivity, value-added growth, employment quality and long-term firm performance, rather than only financial-market indicators. The institutional design of AIM also matters, particularly the balance between the advisory role of Nomads and formal market regulation.

Conclusion

The paper concludes that the relationship between AIM listing and firm growth is more complex than a simple positive relationship between financial access and firm performance. AIM clearly attracts firms that already demonstrate stronger growth in areas such as revenues and assets, indicating a significant selection effect. Once this selection is controlled for, however, most of the apparent advantage in revenue and asset growth disappears. The main causal benefit of AIM listing is found in employment growth, suggesting that access to public equity can help firms expand their workforce. However, this expansion is accompanied by a substantial negative effect on productivity, indicating that employment growth does not translate proportionately into value-added growth. Thus, AIM appears to support firm expansion and job creation more than productive efficiency.

The broader conclusion is that financial-market development does not automatically translate into stronger real-economy performance. Easier access to public equity can provide important financing opportunities, but its ultimate contribution depends on how firms use that finance and how the market is structured and regulated. The authors therefore argue that policymakers should carefully weigh the expected benefits of lightly regulated junior markets against their potential costs and should place greater emphasis on productivity and sustainable real growth, rather than viewing increased market participation itself as evidence of economic success.

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Market performance

Market round-up

Global markets rotate away from tech; Indian equities extend recovery

Global equities edged higher in July, but performance diverged sharply across regions and sectors as investors reassessed the sustainability of the AI-led rally. The MSCI World Index gained around 0.5%, supported by a rotation from technology towards energy, financials and other value-oriented sectors, while the MSCI Emerging Markets Index fell 3.3%, weighed down by sharp corrections in semiconductor-heavy Korea, and Taiwan. Chinese markets also witnessed a sell-off amid a deepening real estate crisis and disappointing economic data. US equities were broadly flat despite strong earnings, European markets posted modest gains and the UK outperformed.

Indian equities extended their recovery, with the Nifty 50 gaining 2.2% in July, its second consecutive monthly rise. The rally was led by a sharp 16.8% rebound in Information Technology, while mid- and small-caps recorded relatively modest gains after their strong performance in the June quarter. Foreign flows also turned supportive, with FPIs returning as net buyers after four months of selling and investing around US\$2.1 bn during July. DIIs remained net buyers for the 36th consecutive month, with purchases of around Rs 35,099 crore, while sustained mutual fund and SIP flows continued to support the domestic bid.

Global fixed income markets weakened as higher energy prices and resilient economic data pushed sovereign yields higher and prompted a reassessment of the monetary-policy outlook, with long-term yields (30-year) surging to multi-decadal highs. Indian bonds also gave back part of June's gains, with the benchmark 10-year G-sec yield rising by around 9bps to 6.84%. The increase in yields was more pronounced at the shorter end of the curve, barring the 30-year segment. Higher crude prices, firmer global yields and renewed inflation concerns weighed on bonds, while foreign selling towards month-end and uncertainty over India's inclusion in the Bloomberg Global Aggregate Index also tempered sentiment.

Commodities firmed in July, led by a sharp rebound in energy prices. Brent crude rose by around 24% MoM to about US\$90/bbl, reflecting renewed supply concerns amid West Asia tensions. The rupee depreciated by around 0.8% against the US dollar in July, ending the month near Rs 95.4/US\$, as higher crude prices and corporate dollar demand outweighed support from capital inflows and RBI intervention.

- Indian equities gained further growth in July:** The recovery in Indian equities strengthened in July, with the Nifty 50 rising 2.2% during the month, following a 1.4% gain in June, even as August thus far witnessed a range-bound performance (YTD: -7.1%, as of August 17th, 2026). Market leadership shifted meaningfully towards Information Technology, with the Nifty IT surging 16.8%—its strongest monthly rise in six years—supported by improving earnings sentiment and a rotation in global portfolios away from crowded AI-linked markets in North Asia. Foreign flows also turned supportive after the heavy selling seen in the first half of the year. Improving earnings expectations and RBI measures to support the rupee aided sentiment, even as intermittent volatility in crude prices and uncertainty around US interest rates capped the upside. In US dollar terms, the Nifty 50 USD Index gained much lower 1.4% in July, weight down by 0.8% appreciation of the rupee against the dollar.

Indian equity markets gained further ground in July, with the Nifty 50 Index rising by 2.2%, but remained range-bound in August thus far, taking the YTD decline to 7.1% (As of August 17th, 2026).

Broader markets continued to participate in the recovery, albeit at a slower pace than in the preceding quarter. The Nifty Midcap 150 rose by around 1.7% in July, while the Nifty Smallcap 250 gained about 1.1%. The more moderate gains,

following the sharp rebound in April–June, point to some consolidation in mid- and small-caps even as overall risk appetite remained supportive.

Domestic flows remained supportive in July, although equity mutual fund inflows moderated by 14.8% MoM to Rs 24,697 crore, marking the 65th consecutive month of positive flows into equity-oriented schemes. SIP contributions remained resilient, edging up from Rs 31,781 crore in June to Rs 31,961 crore in July, close to record levels. The persistence of household flows continued to provide an important domestic counterweight to volatility in foreign participation and supported the broader market recovery during the month.

Trading activity on NSE declined for the second month in a row in July across both equity cash and equity derivatives. Average daily turnover (ADT) in the equity cash segment fell by 8.8% MoM to Rs 1.2 lakh crore in July and remained broadly steady in the first half of August. ADT (premium) in equity options declined by a much steeper 18.5% to a seven-month low of Rs 50,211 crore. Equity futures activity also declined in July, with ADT at Rs 1.35 lakh crore, down 6.6% MoM.

- Indian bond markets remained under pressure:** Global fixed income markets weakened further in July 2026 as renewed energy-related inflation concerns, shifting expectations around monetary policy and fiscal worries pushed sovereign yields higher across major developed markets. Crude oil prices rose more than 23% during the month amid renewed Middle East tensions, reviving concerns around inflation and the persistence of restrictive monetary policy. The sell-off was broad-based across sovereign markets. The US 10-year Treasury yield rose by around 27bps to 4.7%, its highest level since January 2025, while the 30-year yield climbed to a 19-year high as the curve steepened sharply. European and UK bonds also weakened, with the 10-year German Bund and 10-year UK yields rising by 29bps each to 3.2% and 5.05%, respectively. Japanese bonds followed suit, with the 10-year JGB yield rising by around 10bps to 2.8%, close to three-decade highs. Major central banks largely stayed on hold during the month—the Fed, ECB, Bank of England and Bank of Japan all left policy rates unchanged—but retained a cautious bias amid renewed upside risks to inflation. Overall, July marked a renewed weakening in global bonds, driven primarily by higher energy prices, persistent inflation concerns and a repricing of the outlook for monetary policy.

Indian fixed income markets gave back part of June’s gains in July, as higher crude oil prices, firmer global yields and renewed inflation concerns outweighed continued support from foreign inflows and domestic liquidity. The benchmark 10-year G-sec yield rose by around 9bps MoM to 6.84% at end-July, after falling sharply in the previous month. Yields had initially eased to around 6.68% in early July, supported by strong foreign buying and expectations of India’s inclusion in the Bloomberg Global Aggregate Index, before reversing course as oil prices and global bond yields moved higher. The increase was more pronounced at the short end of the curve, resulting in a broad flattening bias, as shorter-maturity yields adjusted more sharply to the evolving inflation and policy outlook. The RBI’s unchanged repo rate of 5.25% and neutral stance provided some anchor to the curve, although expectations of an extended pause and firmer inflation prints led to greater repricing at shorter maturities. At the long end, relatively contained movements in

the 10-year and other longer-tenor yields reflected continued support from domestic demand and foreign flows, while the 30-year segment underperformed.

- **DII buying continued for the 36th consecutive month; FPI turned renewed buyers in July:** FPIs returned as net buyers of Indian equities in July, snapping four consecutive months of selling. Net purchases stood at around US\$2.1bn (Rs 20,200 crore) during the month and another US\$2.2bn in August thus far (As of August 17th, 2026), following net outflows of US\$29.3bn in the first half of 2026. The turnaround reflected easing concerns around crude oil and the rupee, relatively attractive valuations following the earlier correction and improving earnings sentiment, alongside some rotation of global flows back towards India. Cumulative net FPI outflows in 2026 consequently eased to around US\$25bn by August 17th.

Domestic investors, meanwhile, continued to provide a strong counterweight. DIIs recorded net purchases of Rs 35,099 crore in July, extending their buying streak to the 36th consecutive month, although the pace moderated from Rs 85,800 crore in June. Cumulative DII net investments in 2026 reached Rs 5.3 lakh crore, or US\$56.4 bn, as of August 17th, 2026. Mutual fund flows also remained resilient: equity-oriented schemes received net inflows of Rs 24,697 crore, down 14.8% MoM but marking the 65th consecutive month of positive flows. SIP contributions edged up further to Rs 31,961 crore, close to record levels. Notably, small-cap fund inflows rose to a record high even as large-cap funds recorded their first monthly outflow since December 2023, pointing to continued domestic appetite further down the market-cap spectrum.

- **Global equities edged higher in July amid sharp rotation away from technology:** Global equities posted modest gains in July, with the MSCI World Index rising 0.5% in US dollar terms, as strength in energy, financials and other value-oriented sectors offset a sharp correction in technology stocks. Concerns around the sustainability of returns from heavy AI-related investment weighed on semiconductors, with the MSCI World Information Technology Index falling 4.2%, while Energy and Financials gained 12.6% and 6.4%, respectively. Regional performance diverged sharply. US and European equities were broadly flat, while UK equities outperformed, supported by their greater exposure to Energy and Financials. Japanese markets were mixed, with the TOPIX broadly unchanged but the technology-heavy Nikkei 225 falling sharply. Emerging markets underperformed, with the MSCI EM Index declining 3.3% in US dollar terms, led by sharp corrections in Korea, Taiwan and China as semiconductor stocks sold off. Overall, July was characterised by a rotation away from technology and semiconductor-heavy markets towards value-oriented sectors, amid renewed energy-price volatility and greater scrutiny of the AI investment cycle.

US: US equities remained mixed in July, with a sharp rotation away from technology and growth stocks. The S&P 500 ended the month broadly flat, while the Nasdaq 100 fell 6.6%, as investors reassessed stretched valuations and the returns from heavy AI-related capital expenditure. In contrast, the Dow Jones Industrial Average gained 0.3%, aided by stronger performance in value-oriented sectors, particularly Energy and Financials. Strong Q2 earnings provided some support, but higher yields and the Fed's decision to keep rates unchanged at 3.50–3.75%, accompanied by continued concern over inflation, constrained broader gains.

US macro data pointed to moderating headline growth but relatively resilient underlying demand in July. Real GDP growth slowed to an annualised 1.5% in Q2 2026 from 2.1% in Q1. Labour-market momentum weakened further, with non-farm payrolls declining by 23,000 in July and May–June employment revised down by a cumulative 103,000, even as the unemployment rate edged lower to 4.1%. Business activity remained expansionary but uneven. The S&P Global Manufacturing PMI was unchanged at 53.9, while the Services PMI rose sharply to 54.6 from 51.2 in June. Inflation moderated further, with headline CPI easing to 3.4% YoY and core inflation to 2.5%. The Federal Reserve kept the policy rate unchanged at 3.50–3.75%, while noting that inflation remained above target; three members dissented in favour of a 25bps rate increase.

Europe: European equities delivered modest gains in July amid a pronounced rotation away from technology towards energy, financials and other value-oriented sectors. The EURO STOXX 50 gained 0.5%, while the broader STOXX Europe 600 rose 1.2%; the MSCI Europe ex-UK Index was broadly flat. Weakness in technology-related stocks was largely offset by gains in financials and industrials. UK equities significantly outperformed continental Europe, with the FTSE 100 Index rising 3.5%, supported by its relatively low technology exposure and higher weights in energy and financials, both of which benefited from higher oil prices and rising yields.

Euro-area activity improved in July, with recent data pointing to a firmer growth backdrop. GDP expanded by 0.4% QoQ in Q2 2026, after being flat in Q1, while annual growth strengthened to 1.0%. Labour markets remained resilient, with the unemployment rate at 6.3% in June, unchanged for the fourth month in a row, while industrial production was flat MoM and rose 0.1% YoY. Business surveys also improved, with the Eurozone Composite PMI rising to around 52 in July from 50.0 in June, signalling a return to expansion across both manufacturing and services. Inflation, however, edged higher, with headline inflation rising to 2.9% YoY in July from 2.8% in June, while core inflation (ex-energy, food, alcohol and tobacco) increased marginally to 2.5% from 2.4%. Against this backdrop, the ECB kept policy rates unchanged in July, with the deposit facility rate at 2.25%, while retaining a data-dependent stance amid persistent inflation and geopolitical uncertainty.

The UK macro backdrop remained mixed in July. Headline CPI inflation eased to 2.6% in June from 2.8% in May, while core inflation remained unchanged at 2.6% and services inflation moderated to 3.6% from 3.7%. Labour-market conditions remained relatively soft: unemployment stood at 4.9% in the three months to May, down marginally from the previous three-month period but higher YoY, while vacancies continued to decline. Against this backdrop, the Bank of England kept Bank Rate unchanged at 3.75% in July by a 6-3 vote, with three members favouring a 25bps increase, as the MPC remained concerned about upside inflation risks from elevated and volatile energy prices.

Asia: Technology-heavy North Asian markets corrected sharply after their strong first-half rally. South Korea's KOSPI fell 22.2%, its worst monthly performance since the Asian Financial Crisis, while Taiwan's TAIEX declined 6.5% and Japan's Nikkei 225 fell 8.1%. The sell-off reflected profit-taking in semiconductor and AI-

linked stocks, concerns around stretched valuations and heavy AI capital expenditure, and unwinding of crowded positions. All three markets staged a sharp rebound on the final trading day, but this was insufficient to offset the earlier losses.

Elsewhere, the rotation away from AI-heavy markets benefited several regional laggards. India's Nifty 50 gained 2.2%, supported by renewed FPI buying and resilient earnings, while Indonesia's Jakarta Composite surged 10.5% as foreign interest returned to relatively inexpensive banking and commodity stocks. Hong Kong was the strongest major market, with the Hang Seng rising 13.1%, supported by strong capital-market activity and improved investor appetite. Mainland China moved in the opposite direction, with the Shanghai Composite falling 6.4% amid weaker economic momentum and continued concerns around domestic demand. Overall, July saw a pronounced rotation away from the first-half winners in Korea, Taiwan and Japan towards India, Hong Kong and Indonesia.

- **Geopolitical risk premium rebuilds, driving broad-based commodity gains:**

Commodities staged a broad recovery in Jul'26, as the collapse of the fragile US-Iran ceasefire and renewed direct military strikes revived a significant geopolitical risk premium across the complex, pushing Brent crude up 23.5% MoM. Precious metals displayed mixed performance, with platinum (+3.8% MoM) and palladium (+4.6% MoM) extending gains on tightening physical markets, while gold (+0.3% MoM) remained broadly stable amid competing safe-haven demand and higher-rate expectations; silver (-1.6% MoM) was the sole decliner. Industrial metals broadly strengthened, led by tin (+7.3% MoM), nickel (+6.1% MoM), and copper (+3.7% MoM), supported by mine disruptions, constrained inventories, and resilient demand from AI infrastructure, electrification and renewable energy, although iron ore (-3.0% MoM) remained under pressure from weak Chinese steel demand and abundant supply. Agricultural commodities advanced across the board, driven by stronger export demand expectations, adverse weather across key producing regions, and higher crude oil prices, with cotton (+8.2% MoM) and corn (+6.8% MoM) leading the gains.

*The S&P GSCI Index was up
10.8% MoM in Jul'26*

- **Rupee came under renewed pressure in July amid external uncertainties and higher crude oil prices:**

The Indian Rupee depreciated by 0.8% MoM in July 2026, reversing the 0.4% appreciation recorded in June, despite a weakening US Dollar. Crude oil prices rose sharply from US\$ 71.7/bbl at the beginning of the month to US\$ 90.1/bbl by month-end amid renewed geopolitical tensions. The INR's average annualised volatility edged higher to 5.4% in July 2026, from 5.3% in June, even as volatility remained mixed across major peer currencies. Meanwhile, the 40-currency trade-weighted REER and NEER increased to 91.26 and 78.21, respectively, in June 2026, moderating the extent of the earlier undervaluation, while the one-year forward premium moderated to 2.74% from the elevated levels observed during April–May. Overall, the July depreciation, despite stronger portfolio inflows and a weaker US Dollar, underscored the rupee's continued sensitivity to external developments.

Performance across asset classes

Table 49: Performance across equity, fixed income, currency, and commodity markets (As on July 31st, 2026)

Indicator Name	Jul-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	24,384	23,866	23,998	24,768	2.2	1.6	-3.7	-1.6	-6.7
NIFTY 500	23,461	22,996	22,684	22,915	2.0	3.4	1.7	2.4	-1.7
MSCI INDIA	2,971	2,903	2,896	2,921	2.3	2.6	-0.5	1.7	-3.4
India Volatility Index (%)	11.8	13.6	18.5	11.5	-13.6	-36.3	-13.8	1.8	24.1
MSCI WORLD	4,848	4,826	4,661	4,076	0.5	4.0	7.1	18.9	9.4
S&P 500 COMPOSITE	7,490	7,499	7,209	6,339	-0.1	3.9	7.9	18.2	9.4
DOW JONES INDUSTRIALS	52,485	52,319	49,652	44,131	0.3	5.7	7.4	18.9	9.2
HANG SENG	25,884	22,881	25,777	24,773	13.1	0.4	-5.5	4.5	1.0
FTSE 100	10,868	10,497	10,379	9,133	3.5	4.7	6.3	19.0	9.4
NIKKEI 225	64,362	70,062	59,285	41,070	-8.1	8.6	20.7	56.7	27.9
Fixed Income*									
India 10YR Govt Yield (%)	6.84	6.75	7.02	6.38	9bps	-18bps	14bps	46bps	25bps
India 5YR Govt Yield (%)	6.45	6.43	6.77	6.10	1bps	-32bps	8bps	35bps	13bps
India 1YR Govt Yield (%)	5.75	5.70	5.80	5.60	4bps	-5bps	5bps	14bps	7bps
India 3Month T-Bill Yield (%)	5.34	5.26	5.30	5.52	8bps	4bps	-12bps	-18bps	-3bps
US 10YR Govt Yield (%)	4.71	4.44	4.39	4.36	27bps	32bps	45bps	35bps	55bps
Germany 10YR Govt Yield (%)	3.20	2.91	3.03	2.69	29bps	17bps	36bps	51bps	35bps
China 10YR Govt Yield (%)	1.71	1.74	1.75	1.73	-3bps	-4bps	-9bps	-2bps	-15bps
Japan 10YR Govt Yield (%)	2.79	2.69	2.52	1.56	10bps	27bps	54bps	123bps	72bps
Currency									
USD/INR	95.4	94.7	94.9	87.6	0.8	0.5	3.7	8.9	6.2
EUR/USD	1.2	1.1	1.2	1.1	0.6	-1.9	-3.3	0.5	-2.0
GBP/USD	1.3	1.3	1.4	1.3	1.4	-1.0	-1.9	1.7	0.1
USD/YEN	159.2	162.5	156.7	150.5	-2.0	1.6	3.2	5.8	1.6
USD/CHF	1.2	1.2	1.3	1.2	-0.3	-3.3	-4.8	0.4	-2.1
USD/CNY	6.7	6.8	6.8	7.2	-0.6	-1.3	-2.9	-6.2	-3.4
Commodities									
Brent Crude Oil (US\$/bbl)	90.1	72.9	114.2	72.6	23.5	-21.1	27.4	24.2	48.1
LME Aluminium (US\$/MT)	3,216.7	3,069.9	3,530.2	2,562.4	4.8	-8.9	3.2	25.5	8.4
LME Copper (US\$/MT)	13,835.7	13,348.9	12,910.8	9,560.2	3.7	7.2	5.9	44.7	11.1
LME Lead (US\$/MT)	1,833.4	1,837.4	1,942.2	1,929.6	-0.2	-5.6	-6.6	-5.0	-6.8
LME Nickel (US\$/MT)	17,064.4	16,088.4	19,284.0	14,735.8	6.1	-11.5	-3.8	15.8	3.4
LME Tin (US\$/MT)	54,928.0	51,172.0	49,035.0	32,694.0	7.3	12.0	6.2	68.0	35.2
LME Zinc (US\$/MT)	3,708.6	3,573.9	3,359.8	2,753.9	3.8	10.4	9.3	34.7	20.3
SHC Iron Ore Spot (US\$/MT)	99.1	102.2	110.8	102.0	-3.0	-10.6	-5.6	-2.8	-8.8
Gold Spot Price (US\$/troy ounce)	4,047.0	4,036.1	4,619.7	3,296.0	0.3	-12.4	-19.6	22.8	-6.4
Silver Spot Price (US\$/troy ounce)	57.7	58.6	73.8	36.8	-1.6	-21.8	-31.9	56.8	-19.1
Platinum Spot Price (US\$/ounce)	1,626.0	1,567.0	1,959.0	1,306.0	3.8	-17.0	-29.3	24.5	-19.8
Palladium Spot Price (US\$/ounce)	1,276.5	1,220.0	1,484.0	1,217.0	4.6	-14.0	-29.9	4.9	-18.5
Soyabeans (US\$/bushel)	11.7	11.1	11.6	9.5	5.0	0.3	12.3	22.3	15.0
Corn (c/lb)	440.5	412.5	463.3	394.0	6.8	-4.9	2.9	11.8	-0.1
Wheat (US\$/bushel)	6.1	5.8	6.3	5.0	4.4	-3.2	15.1	22.4	21.6
Cotton (US\$/lb)	0.8	0.7	0.8	0.6	8.2	0.8	26.1	19.3	23.9
Raw Sugar (c/lb)	15.2	15.0	14.8	16.7	1.4	2.9	8.5	-8.9	2.6

Source: LSEG Workspace, Cogencis, NSE EPR. *Returns over different periods shown in terms of absolute change in basis points.

Table 50: 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 46.7
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 \$ 23.0
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 19.5
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	MSCI World 14.7
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	S&P500 14.5
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	Russell 1000 14.5
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	STOXX 600 14.0
Gold 9.0	S&P500 21.8	MSCI World -8.2	DJIA 25.3	MSCI World 16.5	STOXX 600 25.5	SSE Comp -15.1	STOXX 600 16.5	DJIA 15.0	S&P500 17.9	DJIA 12.8
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	FTSE100 10.9
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	Gold 1.6
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	Nifty 500 -0.4
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	SSE Comp -1.1
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	Nifty 50 -5.9
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	Bitcoin -28.0

Source: LSEG Workspace, NSE EPR. Note: Returns for equity indices are based on total return index values except for Shanghai SE Composite Index. Data is as of August 17th, 2026.

Equity market performance and valuations

Table 51: Performance across NSE equity indices (As on July 31st, 2026)

Jul-26 Index Name	PR Index Returns (%)					TR Index Returns (%)				
	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	2.2	1.6	-1.6	7.3	9.1	2.4	2.3	-0.4	8.6	10.4
Nifty Next 50	2.8	5.8	9.8	17.6	13.4	3.0	6.1	10.9	18.6	14.3
Nifty 100	2.3	2.4	0.4	9.0	9.7	2.5	3.0	1.5	10.2	10.9
Nifty 200	2.2	2.9	2.1	10.5	10.9	2.4	3.5	3.2	11.7	12.1
Nifty 500	2.0	3.4	2.4	11.2	11.4	2.2	3.9	3.4	12.3	12.5
Nifty Midcap 50	2.9	7.3	11.7	18.7	18.8	3.1	7.5	12.4	19.4	19.8
Nifty Midcap 100	1.8	5.2	9.6	18.6	17.7	1.9	5.5	10.3	19.3	18.6
Nifty Midcap 150	1.6	5.2	8.3	17.8	17.1	1.7	5.4	9.0	18.5	17.9
Nifty Midcap Select	2.5	6.9	14.9	19.8	17.0	2.7	7.3	15.6	20.5	17.9
Nifty Smallcap 50	3.3	9.8	11.2	22.1	12.8	3.6	10.1	12.0	23.1	13.7
Nifty Smallcap 100	2.5	7.4	7.6	18.2	13.0	2.7	7.7	8.4	19.1	13.9
Nifty Smallcap 250	1.1	7.1	4.5	16.4	14.4	1.3	7.4	5.2	17.2	15.3
Nifty LargeMidcap 250	2.0	3.8	4.4	13.5	13.5	2.1	4.2	5.3	14.5	14.5
Nifty MidSmallcap 400	1.4	5.8	6.9	17.3	16.2	1.6	6.1	7.6	18.0	17.1
Nifty500 Multicap 50:25:25	1.8	4.3	3.6	13.2	12.9	2.0	4.8	4.5	14.2	13.9
Nifty Microcap 250	0.1	9.7	5.2	20.4	20.0	0.2	9.8	5.7	20.9	20.7
Nifty Total Market	1.9	3.7	2.5	11.5	11.7	2.1	4.2	3.5	12.6	12.8
Nifty Smallcap 500	0.8	7.7	4.7	17.1	15.4	0.9	7.9	5.3	17.8	16.3
Nifty MidSmallcap400 50:50	1.4	6.2	6.5	17.2	15.8	1.5	6.4	7.2	17.9	16.7
Thematic Indices										
Nifty India Consumption	4.9	5.8	2.9	12.9	13.7	5.3	6.4	3.8	14.0	14.8
Nifty MidSmall India Consumption	5.3	7.3	-3.0	14.0	14.1	5.6	7.7	-2.2	14.7	14.8
Nifty Non-Cyclical Consumer	3.4	4.5	-4.0	9.1	11.1	3.7	5.1	-3.3	10.1	12.1
Nifty India Manufacturing	2.9	5.0	14.8	19.0	16.7	3.1	5.5	15.8	19.9	17.8
Nifty Infrastructure	0.2	-0.1	3.8	15.5	16.3	0.4	0.4	4.7	16.6	17.4
Nifty Services Sector	2.5	3.4	-4.5	7.3	7.4	2.7	4.1	-3.3	8.7	8.7
Nifty Commodities	0.7	-3.7	12.8	15.7	12.9	0.9	-3.3	14.1	16.9	14.3
Nifty CPSE	-2.5	-12.4	2.3	23.0	26.2	-2.3	-12.3	4.7	25.9	29.9
Nifty PSE	-0.4	-6.5	2.7	21.7	22.6	-0.2	-6.3	4.9	24.3	25.9
Nifty Energy	-2.5	-5.0	10.3	13.0	15.4	-2.4	-4.8	11.8	14.6	17.2
Nifty MNC	1.7	3.7	15.0	13.7	13.2	2.0	4.2	16.5	15.0	14.6
Nifty India Digital	11.2	9.7	-4.2	12.0	7.5	11.5	10.2	-3.1	13.3	8.8
Nifty India Defence	-2.0	4.0	20.0	46.5	52.9	-1.9	4.1	20.7	47.5	54.3
Nifty Mobility	6.0	10.0	12.2	21.6	21.0	6.2	10.6	13.3	22.5	22.0
Nifty100 Liquid 15	2.5	4.7	10.7	13.5	13.2	2.7	5.4	11.8	14.4	14.3
Nifty Midcap Liquid 15	3.8	6.0	12.4	23.4	21.5	4.0	6.2	13.0	24.3	22.6
Nifty Corp. Grp Index - Aditya Birla Group	1.5	6.4	19.9	17.9	12.9	1.6	6.5	20.2	18.4	13.4
Nifty Corp. Grp Index - Mahindra Group	14.0	12.3	11.0	23.4	22.3	14.8	13.1	12.0	24.4	23.7
Nifty Corp. Grp Index - Tata Group	5.8	0.1	-4.4	1.2	5.5	6.1	1.3	-2.5	2.9	7.0
Nifty Corp Grp Index - Tata Group 25% Cap	4.7	-0.3	0.8	7.4	10.2	4.9	0.8	2.4	8.6	11.4
Nifty Shariah 25	6.9	4.3	0.8	7.2	6.1	7.2	5.0	2.4	8.9	7.8
Nifty50 Shariah	6.3	0.8	-5.0	2.6	2.3	6.6	1.3	-3.5	4.4	4.1
Nifty500 Shariah	3.4	3.1	-0.2	8.1	7.4	3.6	3.5	1.0	9.4	8.7
Nifty SME EMERGE	-0.3	0.5	-7.9	19.5	38.3	-0.3	0.6	-7.8	19.6	38.4
Nifty100 ESG	5.1	5.3	4.2	11.3	9.6	5.4	5.9	5.4	12.5	10.8

Jul-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty100 Enhanced ESG	5.1	5.3	4.1	11.2	9.6	5.4	5.8	5.4	12.4	10.8
Nifty100 ESG Sector Leaders	2.9	2.7	-1.1	9.4	9.0	3.1	3.3	0.0	10.6	10.1
Nifty IPO	-0.6	7.1	9.9	12.8	5.9	-0.5	7.2	10.3	13.0	6.3
Nifty REITs & InvITs	2.4	5.2	13.7	11.9	6.6	2.5	6.1	18.8	16.8	12.7
Nifty Core Housing	3.9	7.5	-1.3	9.5	7.5	4.1	7.9	-0.8	10.0	8.2
Nifty500 Multicap India Mfg. 50:30:20	3.2	4.5	11.1	18.3	15.9	3.5	5.0	12.0	19.1	16.8
Nifty500 Multicap Infrastructure 50:30:20	0.0	1.6	4.7	15.3	16.9	0.2	2.0	5.5	16.3	18.0
Nifty EV & New Age Automotive	5.0	8.8	12.5	15.7	20.6	5.2	9.4	13.5	16.6	21.5
Nifty India Tourism	-1.8	7.4	-13.8	10.1	14.0	-1.7	7.6	-13.5	10.4	14.3
Nifty Rural	3.7	2.9	6.3	11.4	13.2	4.0	3.6	7.4	12.6	14.5
Nifty Capital Markets	-2.6	1.3	22.2	53.6	27.1	-2.4	1.6	23.2	55.1	28.6
Nifty India New Age Consumption	5.4	9.9	3.5	19.0	16.7	5.7	10.3	4.2	19.6	17.3
Nifty India Select 5 Corp Groups (MAATR)	3.4	3.7	10.3	13.4	14.9	3.6	4.2	11.2	14.2	15.7
Nifty India Railways PSU	0.0	-10.6	-19.4	13.3	20.3	0.0	-10.6	-18.3	14.9	22.6
Nifty India Internet	7.7	12.1	-3.2	24.0		7.8	12.1	-2.9	24.3	
Nifty Waves	0.2	-0.3	-9.2	-3.1	0.5	0.2	-0.3	-8.7	-2.7	1.0
Nifty India Infrastructure & Logistics	-1.7	1.3	6.8	20.1	19.7	-1.6	1.6	7.7	21.1	20.8
Nifty India FPI 150	2.9	3.1	3.5	11.6		3.1	3.7	4.6	12.7	
Nifty Conglomerate 50	4.8	5.7	10.3	12.0	12.0	5.0	6.4	11.3	12.9	12.9
Nifty Cement	2.3	2.5	-13.7	6.2	3.7	2.5	2.8	-13.4	6.6	4.3
Nifty REITs & Realty	4.8	8.5	7.7	14.7	12.7	5.0	9.5	11.9	19.0	17.2
Strategy Indices										
Nifty Alpha 50	1.0	6.6	4.0	16.9	13.7	1.1	6.9	4.4	17.5	14.5
Nifty100 Alpha 30	1.0	2.6	-0.2	14.2	10.4	1.2	3.1	0.6	15.2	11.5
Nifty Alpha Low-Volatility 30	4.4	6.8	3.9	11.5	11.3	4.8	7.4	4.9	12.6	12.5
Nifty Alpha Quality Low-Volatility 30	3.3	4.9	5.4	12.7	11.6	3.7	5.5	6.8	14.2	13.2
Nifty Alpha Quality Value Low-Volatility 30	3.1	2.6	0.8	14.1	14.9	3.5	3.2	2.3	15.9	16.9
Nifty200 Alpha 30	-0.1	4.8	5.4	16.9	15.1	0.0	5.2	5.8	17.7	16.1
Nifty Dividend Opportunities 50	4.2	-1.9	1.2	10.1	11.8	4.4	-1.3	3.2	12.5	14.2
Nifty Growth Sectors 15	10.3	6.5	1.6	6.3	9.3	10.7	7.1	3.1	8.1	11.1
Nifty High Beta 50	3.4	9.0	21.7	17.9	17.2	3.6	9.3	23.0	18.9	18.3
Nifty Low Volatility 50	3.9	3.8	1.2	11.0	10.0	4.1	4.4	2.3	12.2	11.3
Nifty100 Low Volatility 30	4.5	4.7	2.9	10.8	10.8	4.8	5.4	4.1	12.1	12.3
Nifty100 Quality 30	5.3	2.1	3.1	9.1	9.3	5.7	2.7	4.6	10.7	10.9
Nifty Quality Low-Volatility 30	5.0	4.0	0.3	7.0	7.9	5.5	4.8	1.9	8.5	9.5
Nifty200 Quality 30	5.4	2.3	2.0	8.9	8.4	5.7	3.0	3.8	10.6	10.3
Nifty50 Equal Weight	3.2	3.5	7.7	13.0	13.3	3.4	4.1	8.9	14.3	14.7
Nifty100 Equal Weight	3.1	4.8	8.9	15.2	12.9	3.3	5.2	9.9	16.3	14.1
Nifty50 Value 20	1.1	-2.3	-4.3	5.8	8.0	1.2	-1.9	-3.0	7.7	10.0
Nifty500 Value 50	0.2	-2.5	16.5	23.8	23.4	0.4	-2.0	18.4	25.7	25.8
Nifty Midcap150 Quality 50	2.5	5.2	0.0	10.5	7.8	2.6	5.6	1.1	11.5	8.8
Nifty200 Momentum 30	-1.0	1.5	1.2	11.2	10.3	-0.9	1.8	1.9	12.1	11.3
Nifty Midcap150 Momentum 50	-0.5	2.9	2.8	17.6	18.0	-0.4	3.1	3.3	18.2	18.7
Nifty Smallcap250 Quality 50	2.4	2.6	-6.3	10.7	11.6	2.7	3.0	-5.1	11.9	12.9
Nifty Smallcap250 Momentum Quality 100	1.1	6.6	2.7	11.1	10.9	1.3	6.9	3.6	12.0	11.8

Jul-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty MidSmallcap400 Momentum Qlty 100	0.6	3.2	4.8	14.6	14.1	0.7	3.5	5.6	15.6	15.1
Nifty500 Equal Weight	1.7	5.4	4.8	15.9	14.3	1.8	5.7	5.6	16.6	15.1
Nifty500 Momentum 50	-1.1	3.1	2.7	13.2	14.3	-1.0	3.3	3.1	13.9	15.0
Nifty500 LargeMidSmall Equal-Cap Wtd.	1.7	4.9	4.6	14.6	13.9	1.8	5.3	5.4	15.5	14.9
Nifty200 Value 30	0.1	-2.4	18.1	24.8	24.5	0.3	-2.0	20.1	26.7	27.0
Nifty Top 10 Equal Weight	1.8	-0.6	-8.4	2.3	7.2	2.0	0.0	-7.4	3.7	8.6
Nifty500 Multicap Momentum Quality 50	-1.8	-2.0	-0.9	12.5	10.8	-1.6	-1.7	0.0	13.7	12.0
Nifty Top 15 Equal Weight	2.9	1.4	-1.5	6.3	10.4	3.1	2.1	-0.4	7.6	11.7
Nifty Top 20 Equal Weight	4.9	3.2	0.1	7.5	10.9	5.1	3.9	1.3	8.9	12.2
Nifty500 Quality 50	1.9	1.8	3.4	15.3	11.5	2.1	2.3	4.8	16.7	13.0
Nifty500 Low Volatility 50	4.8	2.8	6.4	14.1	13.7	5.1	3.3	7.6	15.2	15.0
Nifty500 Multifactor MQVLv 50	1.6	1.3	2.1	14.9	13.7	1.9	1.8	3.5	16.4	15.5
Nifty500 Flexicap Quality 30	6.5	4.8	-2.1	4.1	8.7	6.8	5.3	-0.6	5.6	10.2
Nifty Total Market Momentum Quality 50	-1.1	1.1	1.5	13.1	11.9	-0.9	1.4	2.3	14.0	12.8
Sectoral Indices										
Nifty Auto	8.6	10.9	21.5	22.3	23.4	9.0	11.7	23.0	23.5	24.6
Nifty Bank	-0.5	4.4	2.3	7.9	10.6	-0.5	4.9	3.1	8.7	11.5
Nifty Private Bank	-1.5	4.7	1.6	5.5	8.9	-1.4	5.1	2.2	6.3	9.6
Nifty PSU Bank	-1.5	-1.4	22.1	21.9	27.9	-1.5	-0.7	23.0	22.8	29.3
Nifty Financial Services	0.2	3.7	-0.2	9.3	10.1	0.2	4.3	0.8	10.4	11.1
Nifty Financial Services Ex-Bank	3.5	6.3	12.5	18.9	14.1	3.6	6.6	13.4	19.8	15.1
Nifty Financial Services 25/50	0.8	3.9	1.6	12.0	11.8	0.9	4.5	2.7	13.2	12.9
Nifty MidSmall Financial Services	0.8	5.1	24.9	28.3	21.1	0.9	5.3	25.4	29.1	22.2
Nifty FMCG	0.7	-3.8	-12.0	-2.3	6.4	0.9	-3.3	-11.1	-0.7	8.2
Nifty IT	16.8	4.6	-13.0	0.9	0.2	17.1	5.3	-11.2	3.0	2.2
Nifty MidSmall IT & Telecom	5.7	13.5	0.1	8.7	9.9	5.9	13.9	0.7	9.5	10.8
Nifty Media	9.5	11.2	-0.5	-7.8	-2.1	9.5	11.2	0.1	-7.2	-1.4
Nifty Metal	1.6	-0.9	37.0	23.5	17.1	1.8	-0.3	38.7	24.5	18.7
Nifty Pharma	4.8	14.0	16.5	21.0	13.0	5.0	14.4	17.2	21.8	13.8
Nifty Realty	8.7	13.6	-1.2	16.7	17.7	9.0	14.0	-0.7	17.1	18.2
Nifty Consumer Durables	10.0	7.5	4.7	13.5	10.9	10.2	7.8	5.1	13.9	11.4
Nifty Oil & Gas	2.0	-3.8	-0.1	11.4	11.5	2.0	-3.6	0.8	12.5	12.9
Nifty Healthcare Index	3.8	12.3	12.6	20.6	13.4	4.0	12.6	13.2	21.3	14.2
Nifty MidSmall Healthcare	3.2	15.1	14.4	26.3	15.3	3.3	15.3	14.8	26.8	15.8
Nifty Transportation & Logistics	6.6	10.9	11.8	20.6	21.7	6.9	11.4	12.8	21.5	22.6
Nifty Housing	0.3	0.9	5.2	11.3	10.5	0.4	1.5	6.1	12.3	11.5
Nifty Chemicals	1.6	5.7	-3.0	9.3	7.5	1.9	6.0	-2.5	10.0	8.1
Nifty500 Healthcare	3.3	13.8	11.6	21.4	13.3	3.4	14.1	12.1	22.1	14.0

Source: NSE Indices, NSE EPR

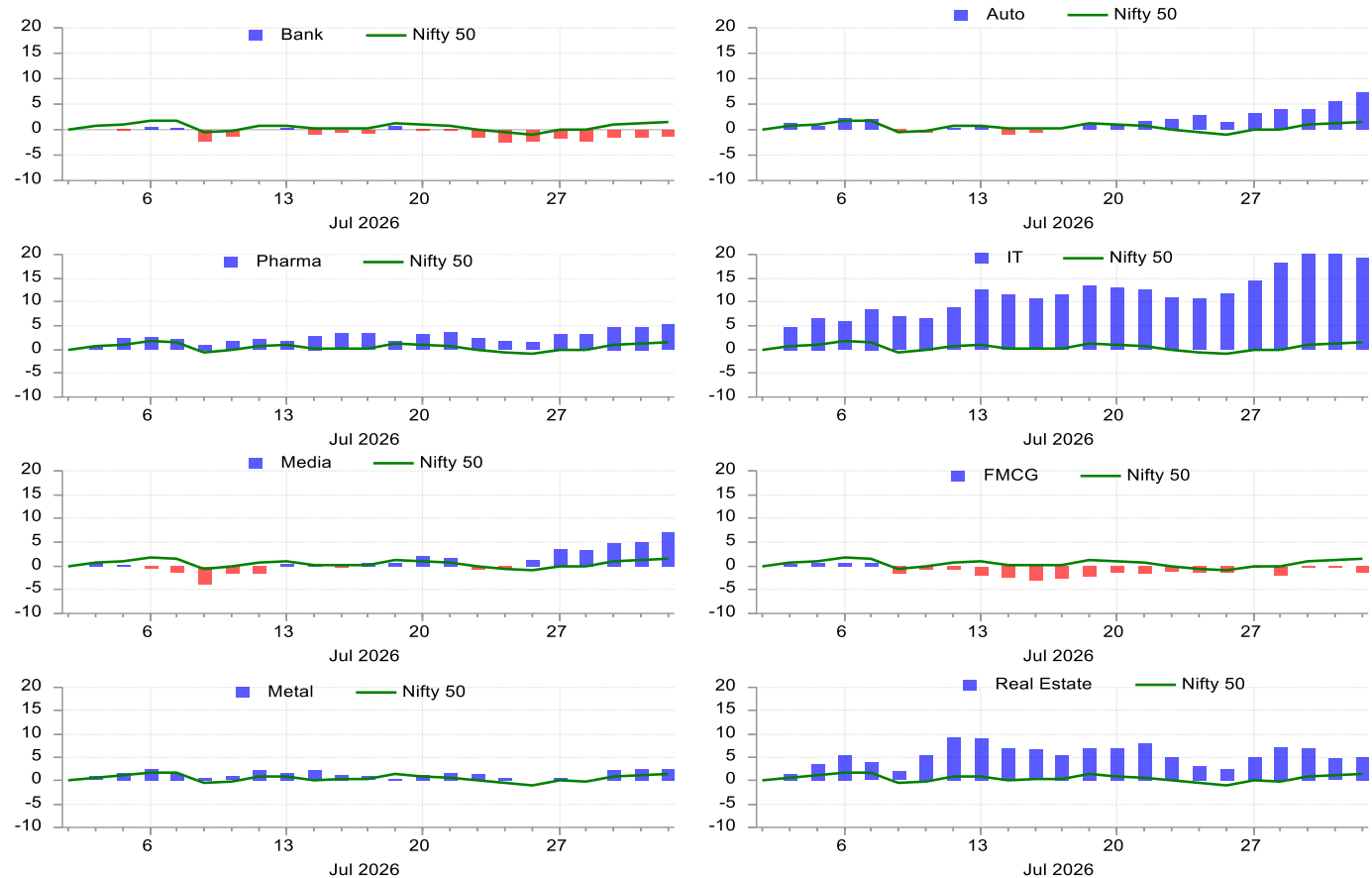
Note: Returns for the period up to one year are absolute returns. Returns for a period greater than one year are CAGR returns.

Table 52: Performance across NSE sector indices based on Price Return Index

Indicator Name	Jul-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Auto	28,744	26,480	25,918	23,656	8.6	10.9	7.5	21.5	2.0
Bank	57,265	57,543	54,863	55,962	-0.5	4.4	-3.9	2.3	-3.9
Energy	38,730	39,741	40,772	35,116	-2.5	-5.0	10.2	10.3	9.6
FMCG	49,121	48,794	51,072	55,812	0.7	-3.8	-4.1	-12.0	-11.5
IT	30,709	26,299	29,354	35,302	16.8	4.6	-19.3	-13.0	-18.9
Infrastructure	9,409	9,392	9,419	9,066	0.2	-0.1	2.8	3.8	-2.2
Media	1,619	1,478	1,456	1,626	9.5	11.2	16.9	-0.5	12.0
Metals	12,719	12,519	12,833	9,285	1.6	-0.9	7.5	37.0	13.9
Pharma	26,535	25,326	23,268	22,771	4.8	14.0	22.2	16.5	16.8
Real Estate	901	830	794	912	8.7	13.6	15.1	-1.2	2.7

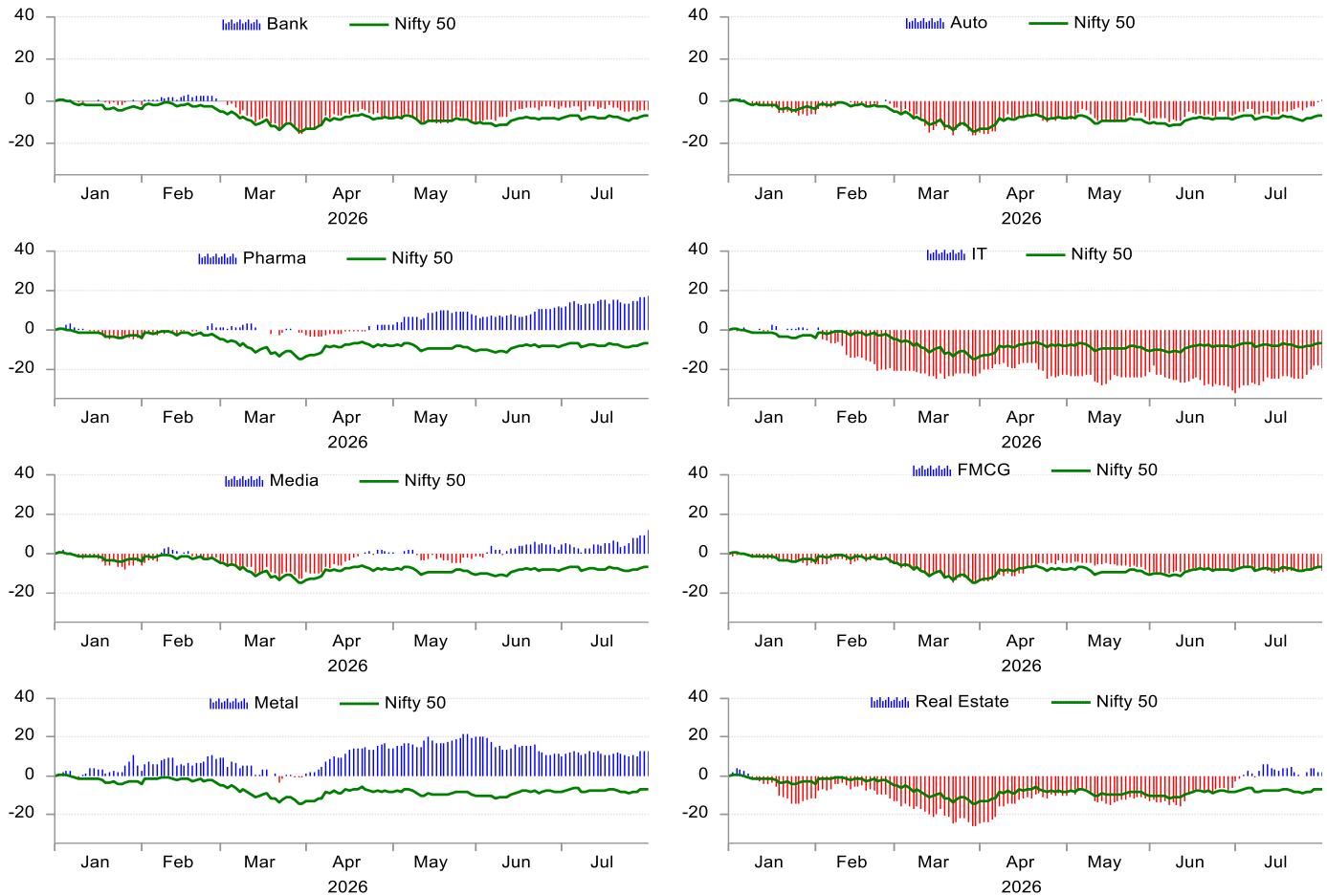
Source: Cogencis, NSE EPR.

Figure 236: NIFTY sector performance in July 2026

Rebased to 0 on July 1st, 2026


Source: LSEG Workspace, NSE EPR.

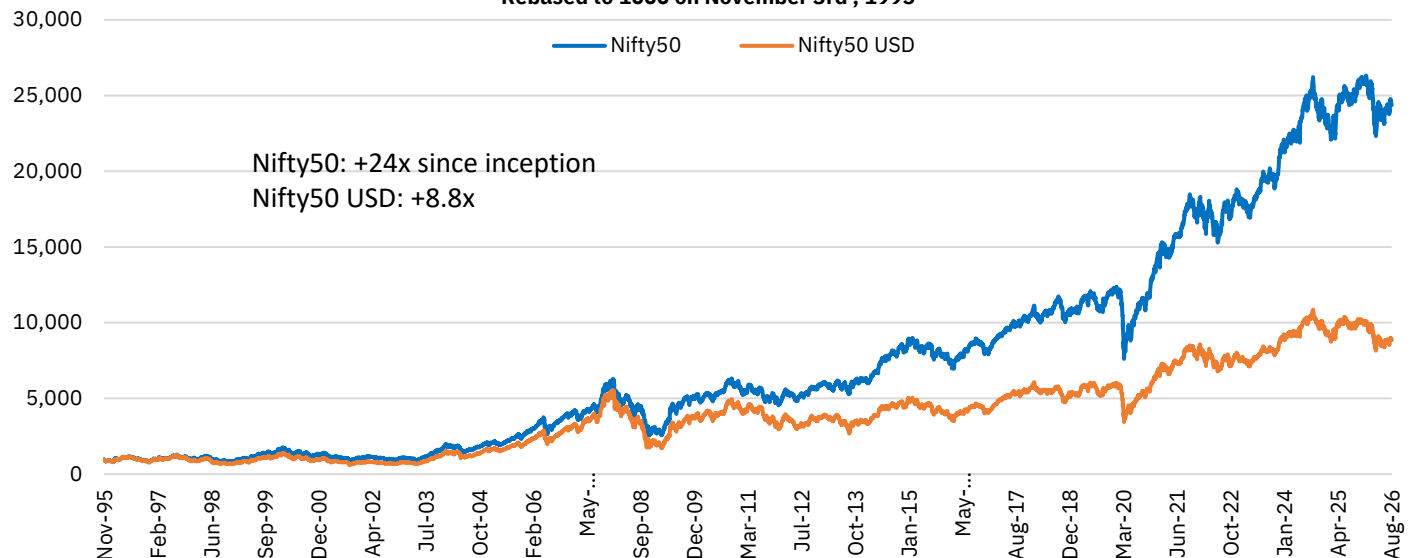
Figure 237: NIFTY sector performance in 2026 till date (Jan-Jul'26)

Rebated to 0 on January 1st, 2026


Source: LSEG Workspace, NSE EPR.

Figure 238: 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.

The Nifty 50 completed three decades in April 2026, having evolved into the principal benchmark of India's equity market since its launch in April 1996. From a base value of 1,000 on November 3rd, 1995, the index rose to a record high of 26,216 in September 2024, translating into long-term annualised returns of around 12%.

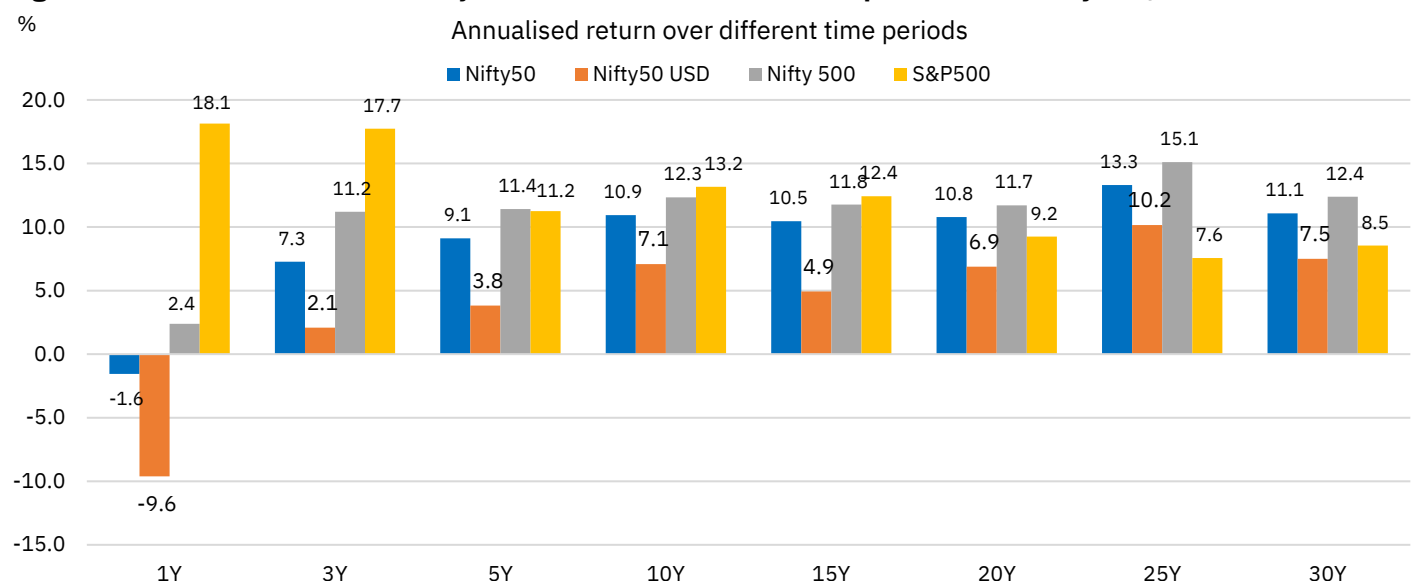
The period since the September 2024 peak has, however, been marked by heightened volatility. Global trade uncertainty, geopolitical tensions, elevated crude oil prices at various points, sustained foreign selling and pressure on the rupee weighed on Indian equities, while relatively rich valuations also affected foreign allocations. Strong domestic institutional flows provided an important counterbalance through much of this period.

These pressures intensified in early 2026, with the Nifty 50 falling for four successive months through March before rebounding sharply in April. The recovery lost some momentum in May but resumed thereafter. Following a 1.4% gain in June, the Nifty 50 rose another 2.2% in July, marking the second consecutive monthly increase. Market leadership also shifted meaningfully: Information Technology, which had been one of the biggest drags over the preceding year, surged sharply in July.

The July recovery was aided by improving corporate earnings, renewed foreign investor interest and a rotation away from crowded AI-linked trades in North Asian markets, which improved India's relative appeal. FPIs returned as net buyers during the month after record selling in the first half of the year, even as domestic institutional participation remained strong. The gains were achieved despite intermittent pressure from higher crude oil prices and continued uncertainty around the US interest-rate trajectory.

The longer-term performance remains significantly stronger than the recent cycle would suggest. Even after the correction from the Sep'24 peak, the Nifty 50's long-run compounding record remains robust, with annualised returns over the past 25 years of 13.3% in rupee terms and 10.2% in USD terms. The July recovery also narrowed the trailing 12-month decline substantially: on a total-return basis, the Nifty 50 was down just 0.4% YoY as of July-end (-1.6% on price-return basis), compared with materially weaker YoY performance a month earlier.

Figure 239: Annualised return of major indices across different time periods (As of July 31st, 2026)



Source: Nifty Indices, LSEG Workspace, NSE EPR.

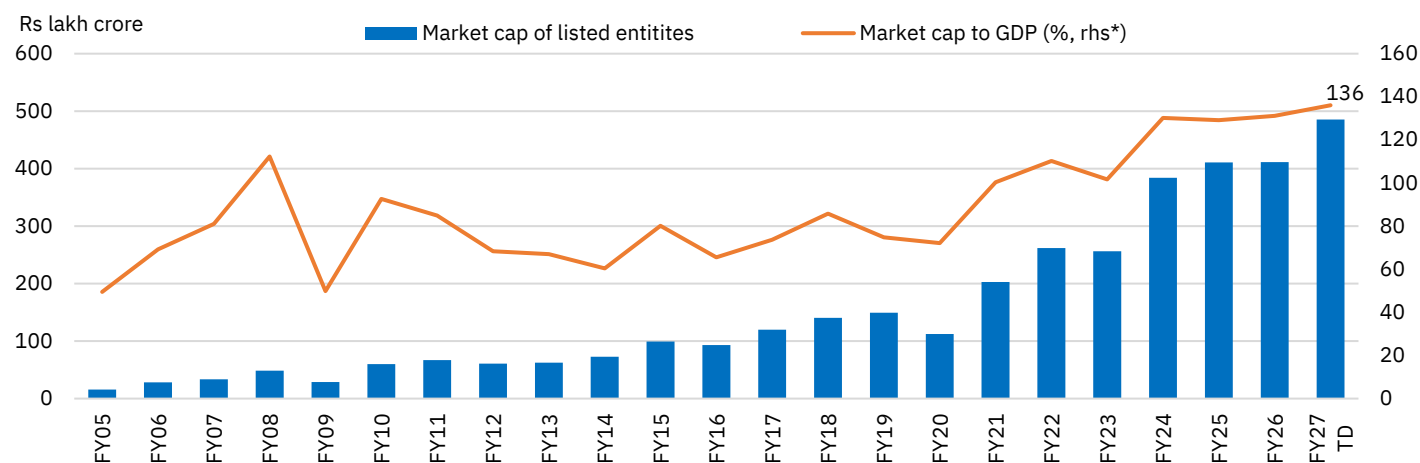
Market growth and concentration

Market capitalisation of listed entities²⁶ inched up further in July 2026: After rising 7.9% in 2025—its seventh consecutive annual gain—the aggregate market capitalisation of listed entities on NSE fell by 13.2% in Q1 2026. This was followed by a sharp 12.6% rebound in April, although momentum moderated thereafter. From end-April levels, total market capitalisation rose by 4.7% in rupee terms over the subsequent three months, with nearly half of the gain coming in July, indicating a range-bound performance after April's strong recovery. In US dollar terms, the increase was slightly lower at 4.2% over the last two months (+1.6% in July), weighed down by 0.8% rupee depreciation in July.

Across market segments, all categories recorded gains in July, led by the Nifty 50 Index as small-, mid- and micro-cap companies witnessed some moderation after the recent rally. The market cap of Nifty 50 companies rose by 3.1% MoM to Rs 198 lakh crore, even as the YTD growth remains at -4.8%. Consequently, the Nifty 50's share in total market capitalisation of listed entities improved marginally from a multi-year low of 40.5% in June to 40.8% by July-end. The market capitalisation of Nifty Next 50 companies rose by 2.5% MoM to Rs 76.4 lakh crore, registering a YTD growth of 4.4%. Broader market segments displayed some moderation, with market cap rising by 0.9% MoM for mid-cap companies, 1.1% for small-caps and 0.8% for micro-caps. On a CYTD basis, these segments were still up 12.0%, 15.5% and 20.4%, respectively. This reflected a rotation away from the largest index constituents towards segments that had corrected more sharply in 2025 and early 2026.

The recent moderation does not materially alter the longer-term trend. Over the past 20 years, the aggregate market capitalisation of listed entities on NSE has grown at a CAGR of 16.0% in rupee terms and 11.9% in US dollar terms. Based on a rolling three-month average, total market capitalisation is now close to 136% of GDP under the new 2022–23 GDP series, compared with around 60% in March 2014. This expansion reflects more than price appreciation alone. It points to the growing depth of India's equity markets, a broader listed universe, rising household ownership and the increasing role of capital markets in channelling savings into productive investment.

Figure 240: Market cap to GDP ratio trend



Source: CMIE Economic Outlook, NSE EPR. # As of July 31st, 2026. * Based on average market cap over the last three months of the period and actual nominal GDP for the last four quarters. GDP data from FY23 onwards is based on the base year 2022-23.

²⁶ Market capitalisation of listed entities on NSE represents the aggregate market value of all equity shares traded on NSE and units of Listed REITs and InvITs traded on NSE as on the last trading day of the relevant period/year.

Nifty 50 share improved marginally as the broader market segments saw some moderation: After a steady decline over the previous three months, the share of Nifty 50 companies in the aggregate market capitalisation of entities listed on NSE inched up by nearly 30bps MoM to 40.8% by July 2026. The shares of the Nifty Next 50, however remained steady at 15.7%, while that of the Nifty Midcap 150 declined by 30bps to 21.1%.

The share of the Nifty Smallcap 250 and Nifty Microcap 250 also witnessed modest declines of 14bps and 7bps MoM to 10.5% and 4.4% respectively. Notwithstanding this modest decline, their share in the total market capitalisation has improved meaningfully this year, reflecting continued rotation towards the broader market, supported by improved risk appetite and relatively more attractive valuations in segments that had corrected more sharply earlier.

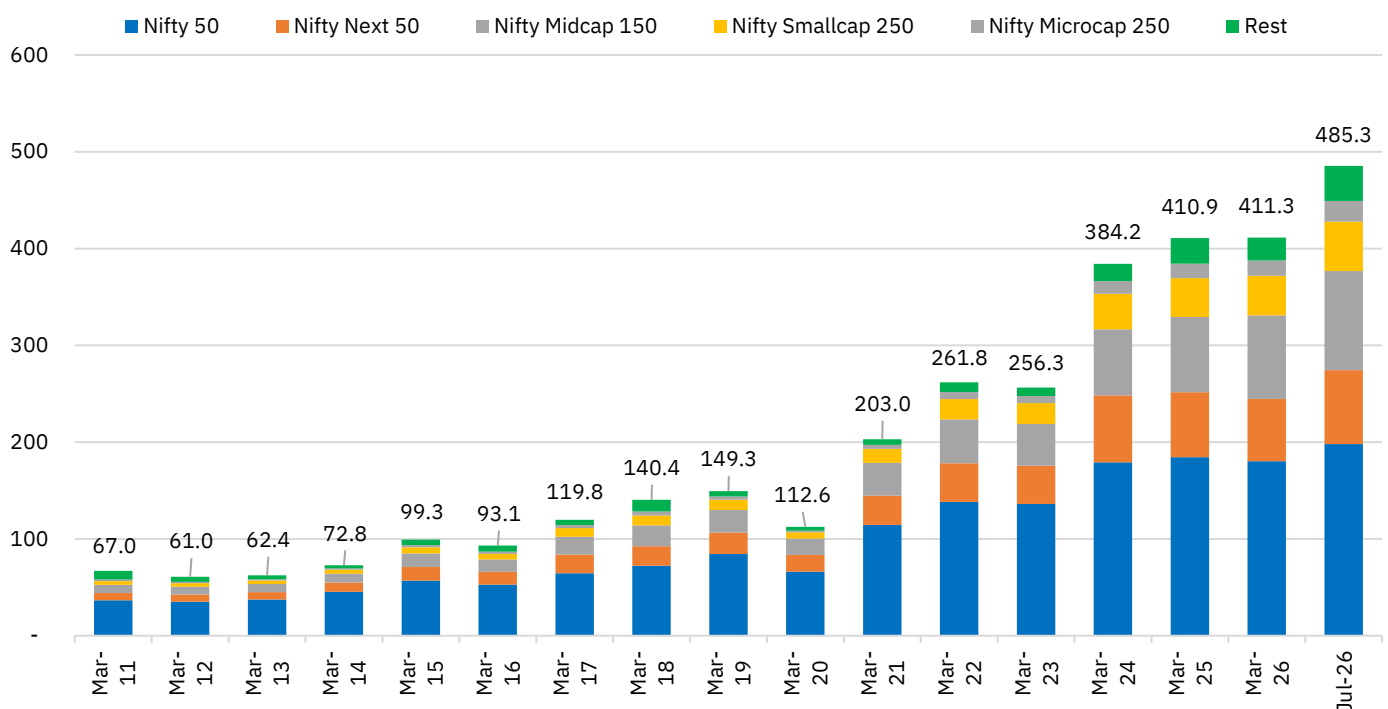
The longer-term trend similarly indicates a steady decline in the dominance of the largest companies. The Nifty 50's share in aggregate market capitalisation has fallen from 62.3% in FY14 to 40.5% in June before recovering slightly in July, even as the number of entities listed on the exchange has increased from 422 in FY96 to 3,028 by July 2026. This reflects both the expansion of the listed universe and stronger relative performance outside the largest index constituents.

Over the past five years, the Nifty Midcap 150 and Nifty Smallcap 250 have delivered CAGRs of 17.1% and 14.4%, respectively, compared with 9.1% for the Nifty 50. The gradual broadening of market capitalisation beyond the top 50 companies points to a deeper and more diversified equity market, with mid- and small-cap companies accounting for a growing share of market breadth and long-term return generation.

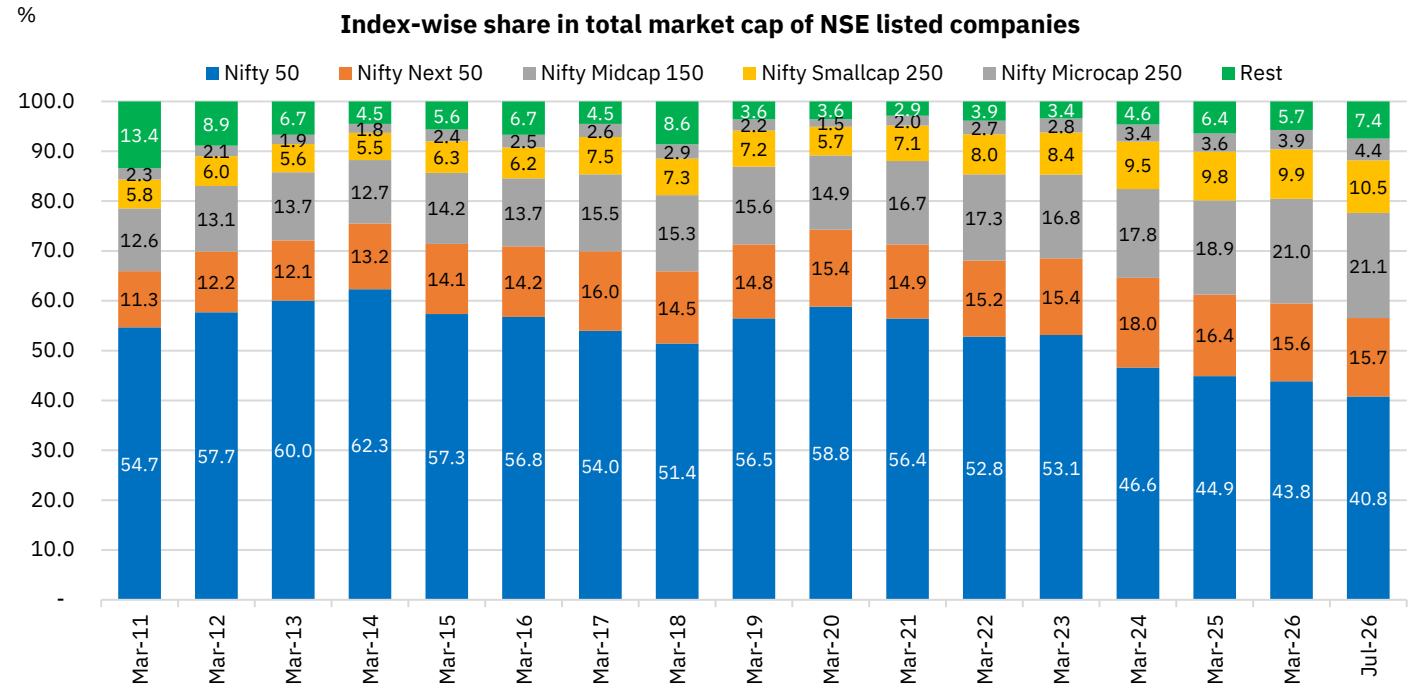
Figure 241: Index-wise distribution of total market capitalisation of listed entities

Rs lakh crore

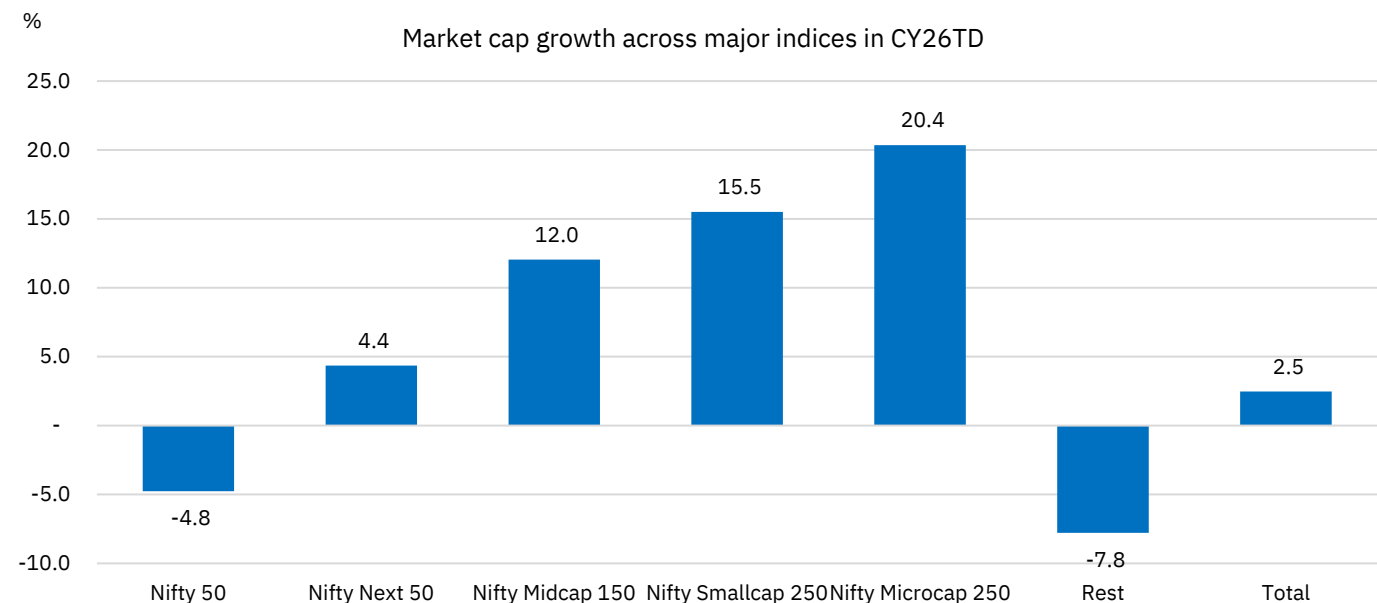
Index-wise market cap distribution of NSE listed companies



Source: Nifty Indices, NSE EPR.

Figure 242: Index-wise share in total market capitalisation of listed entities


Source: Nifty Indices, NSE EPR.

Figure 243: Index-wise change in total market capitalisation of listed entities in CY26TD (Jan-July 2026)


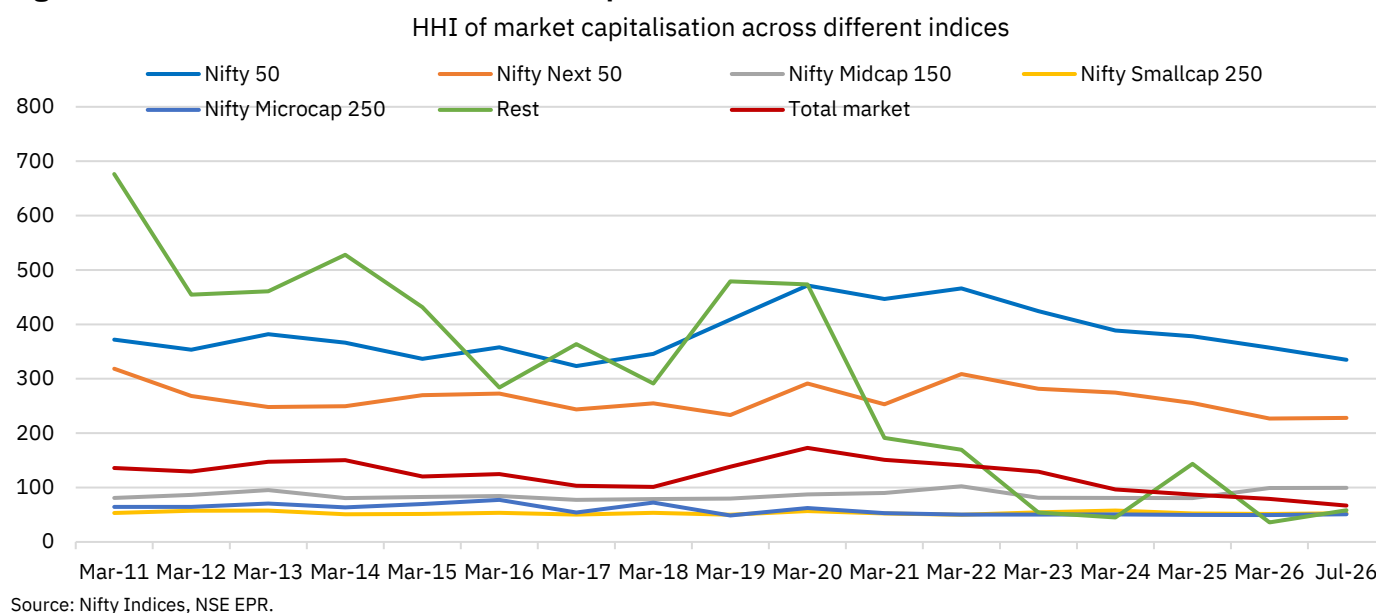
Source: Nifty Indices, NSE EPR.

Market concentration remained stable in July 2026: Market concentration, measured through the Herfindahl–Hirschman Index (HHI) based on market capitalisation, remained broadly steady at multi-year lows in July, indicating broadening of India's equity market over the last several years. Concentration had risen sharply to an 11-year high of 173 in March 2020, as the pandemic shock triggered a pronounced shift towards large-cap stocks. Since then, the aggregate HHI has moderated steadily, reflecting a wider distribution of market capitalisation across companies and segments. As of July 2026,

the HHI for the full universe of NSE-listed companies stood at a multi-year low of 67, steady MoM, but lower than and 81 a year earlier.

Within the top 750 companies, concentration remained highest in the Nifty 50. The Nifty 50 HHI eased marginally to 335 in July 2026, from 338 in June and 380 a year earlier, and remained well below its March 2009 peak of 476. The Nifty Next 50 also saw a modest dip in concentration, with its HHI falling for the second month in a row to 228 from 232 in the previous month and 262 a year ago. Concentration in the mid-, small- and micro-cap segments remained significantly lower and steady MoM, with HHIs of 99, 53 and 51, respectively.

Figure 244: Index-wise share in total market capitalisation of listed entities



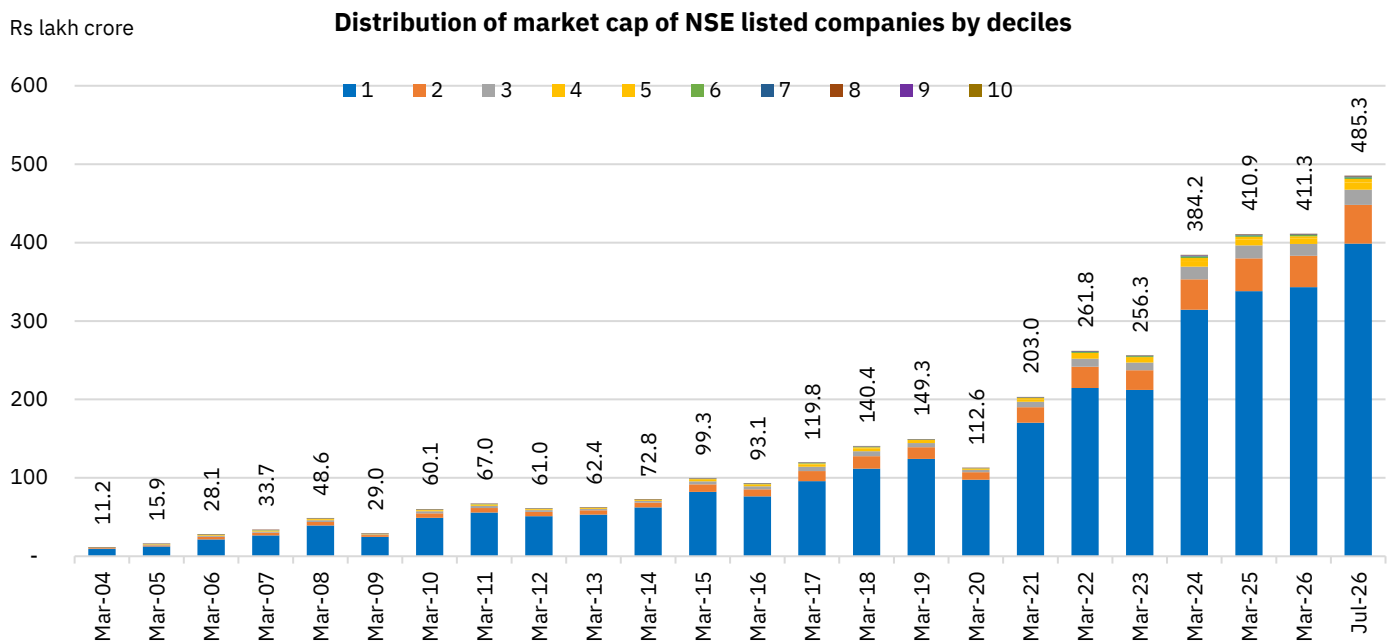
Top-decile share increased on relative outperformance of large-caps in July: A decile-wise analysis of all companies on NSE shows that market capitalisation became sharply more concentrated in large-cap stocks during the pandemic, before broadening thereafter. The share of the top decile rose to a record 86.8% in FY20, while the top two deciles together accounted for more than 95% of aggregate market capitalisation, reflecting a pronounced flight to established companies during a period of exceptional uncertainty.

The concentration moderated subsequently. The share of the top decile fell to 81.8% by March 2024 and further to a six-year low of 80.1% in December 2024. It then rose to 83.4% by March 2026 as investors rotated towards larger and relatively more resilient companies amid trade-related uncertainty and geopolitical tensions. Over the subsequent three months, however, improving risk appetite—supported by some easing of geopolitical concerns, more reasonable valuations and sustained domestic buying—led to a renewed broadening of the market. Consequently, the share of the top decile, comprising around 295 companies, declined to a seven-month low of 82.3%. The outperformance of Nifty 50 companies in July, however, resulted in a marginal uptick in the share by 37bps MoM to 82.2%, entirely reversing the dip seen in June.

At the other end of the distribution, the bottom five deciles accounted for 0.88% of aggregate market capitalisation of NSE listed and permitted-to-trade companies, broadly

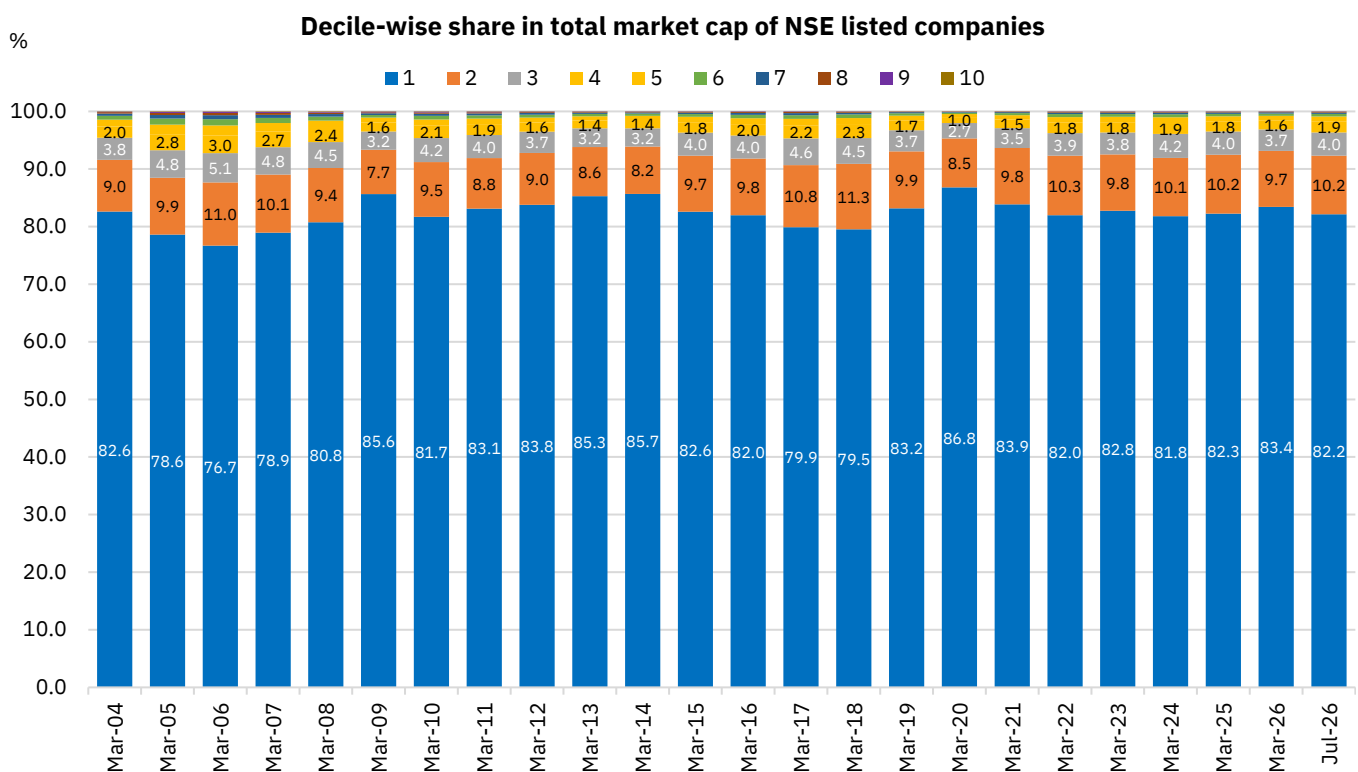
steady over the last four months and nearly twice the post-pandemic low of 0.47%. Overall, the data suggest that while periods of uncertainty continue to prompt a temporary preference for larger companies, the market remains materially more diversified than at the height of the pandemic, with mid- and small-cap segments retaining a greater share of aggregate market capitalisation.

Figure 245: Decile-wise distribution of total market capitalisation of listed entities



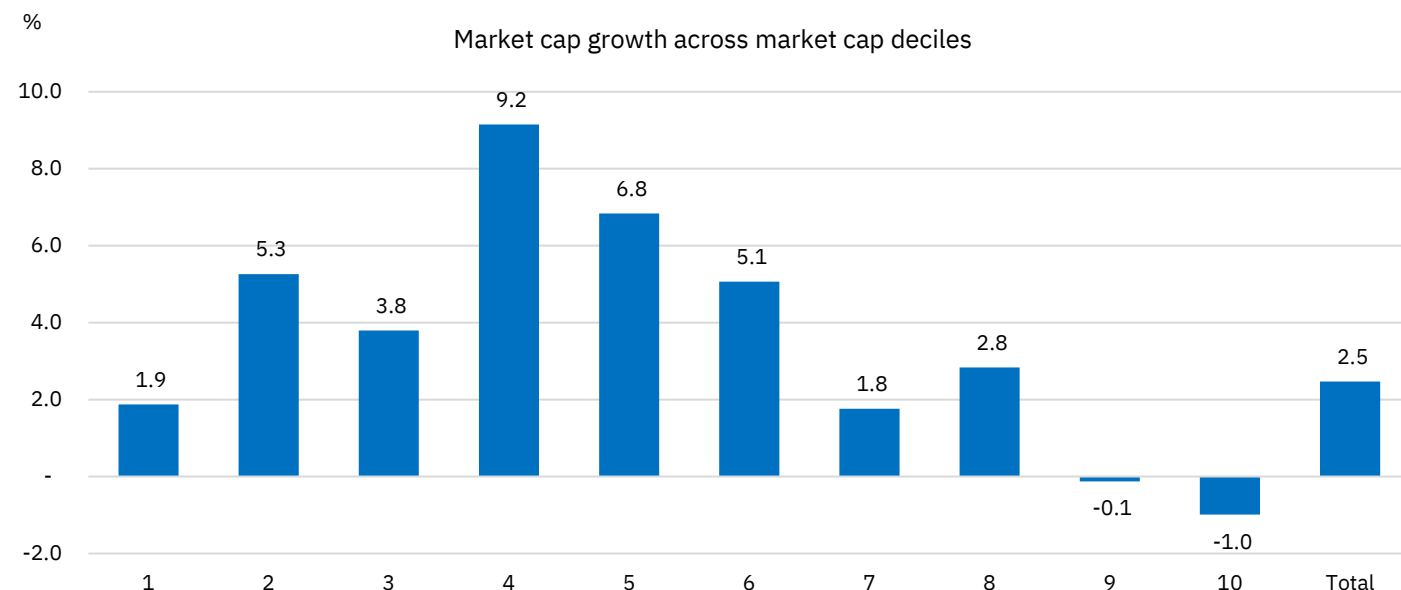
Source: NSE EPR.

Figure 246: Decile-wise share of total market capitalisation of listed entities



Source: NSE EPR.

Figure 247: Decile-wise change in total market capitalisation of listed entities in CYTD (Jan-July 2026)



Source: NSE EPR.

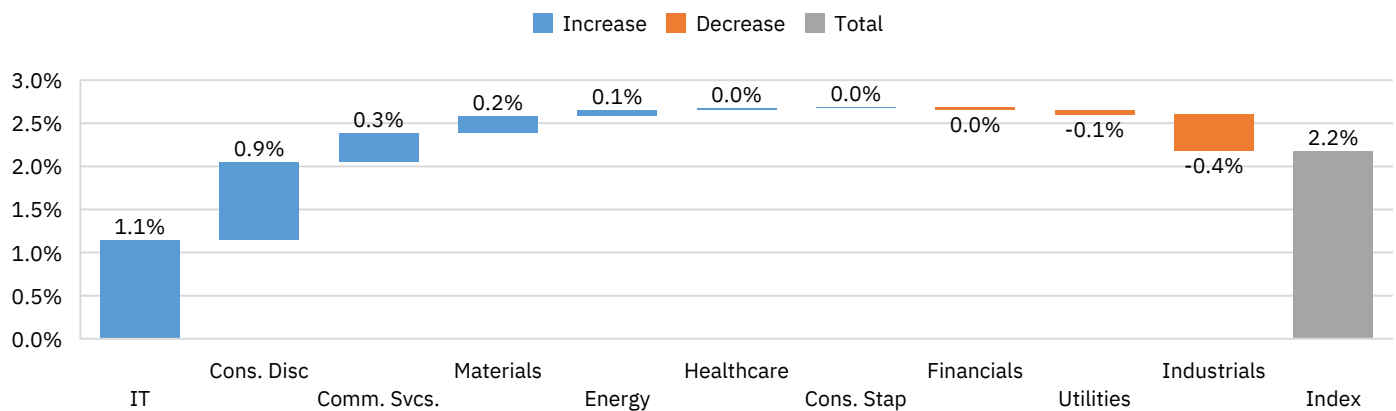
Nifty50 performance attribution analysis

Indian equities witnessed recovery for the second month in a row in July: Indian equities extended their recovery in July, with the Nifty 50 rising 2.2% during the month—its second consecutive monthly gain. Unlike June, the July rally was led by Information Technology, with the Nifty IT surging 16.8%, its strongest monthly performance in six years, as resilient earnings and a reversal of the crowded global AI trade prompted some rotation back towards Indian equities. Automobiles also recorded strong gains, while the broader market participated more moderately: the Nifty Midcap 150 and Nifty Smallcap 250 returned 1.6% and 1.1%, respectively. The gains came despite renewed crude oil pressures and a modest 0.8% depreciation of the rupee during the month.

Foreign flows also turned supportive. After four consecutive months of selling and record outflows of US\$29.3bn in H1 2026, FPIs returned as net buyers in July, investing around Rs 20,200 crore (US\$2.1bn) in Indian equities. Domestic institutions remained net buyers for the 36th consecutive month, with purchases of around Rs 35,100 crore, continuing to provide a steady domestic counterbalance. Equity mutual fund inflows moderated by 14.8% MoM to Rs 24,697 crore but remained positive for the 65th consecutive month. SIP contributions remained resilient, rising marginally to Rs 31,961 crore, close to record levels.

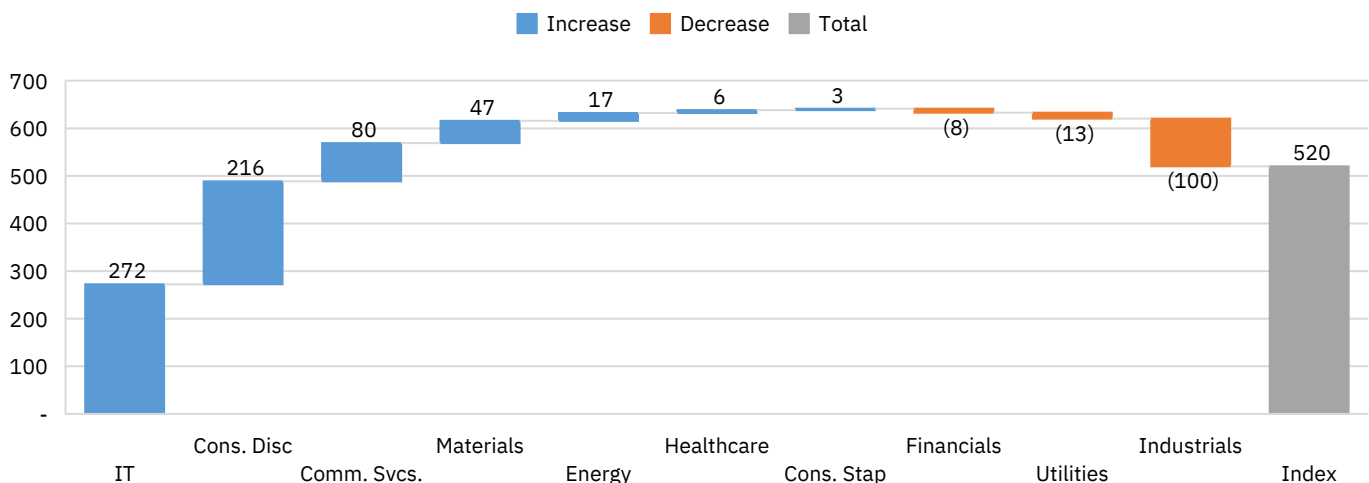
Over the 12 months to July 2026, the Nifty 50 remained modestly lower, with the price index down around 1.6%, a significant improvement from the 6.5% decline recorded over the 12 months to June. Financials and Information Technology remained the principal sectoral drags over this period despite the latter's sharp July rebound, while strong gains in Industrials, Healthcare, Materials, and Communication Services provided an offset. The July recovery therefore marked a notable change in market leadership, with the rebound broadening beyond Financials and increasingly supported by IT, improved foreign participation and resilient domestic flows.

Figure 248: Sector-wise contribution to Nifty 50 price return in July 2026
Contribution to Nifty50 Index percentage change (July 2026)



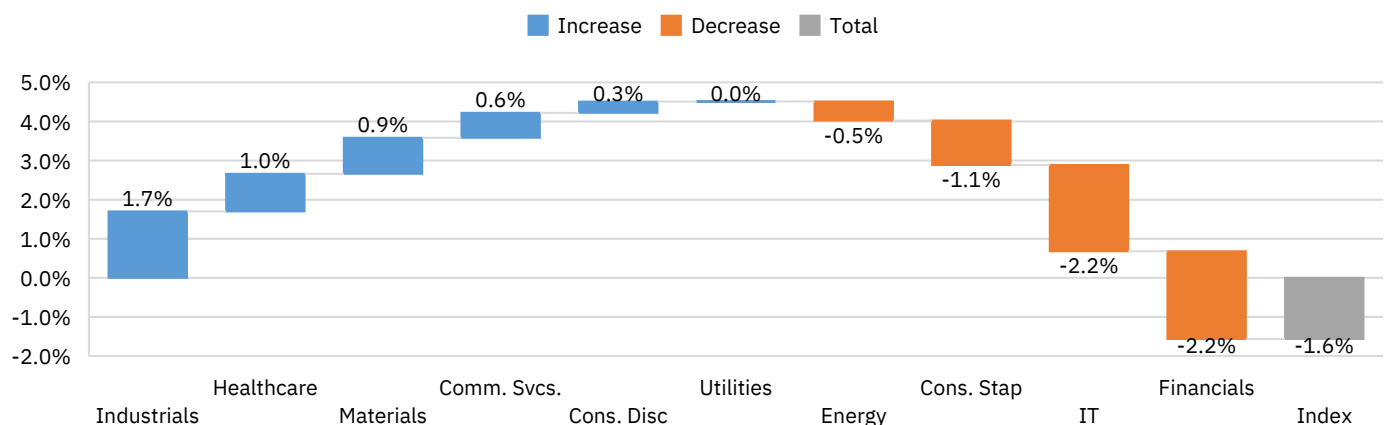
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 249: Sector-wise contribution to Nifty 50 Index change (points) in July 2026
Contribution to absolute Nifty50 Index change (July 2026)



Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

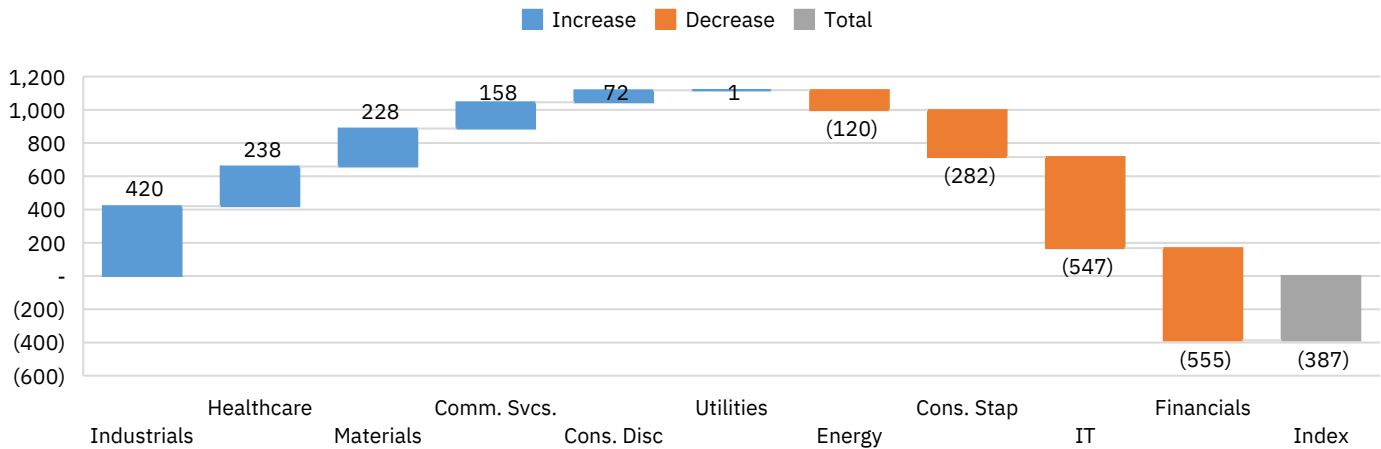
Figure 250: Sector-wise contribution to Nifty 50 price return in the last 12 months
Contribution to Nifty50 Index percentage change (One-year)



Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 251: Sector-wise contribution to Nifty 50 Index change (points) in the last 12 months

Contribution to absolute Nifty50 Index change (One-year)

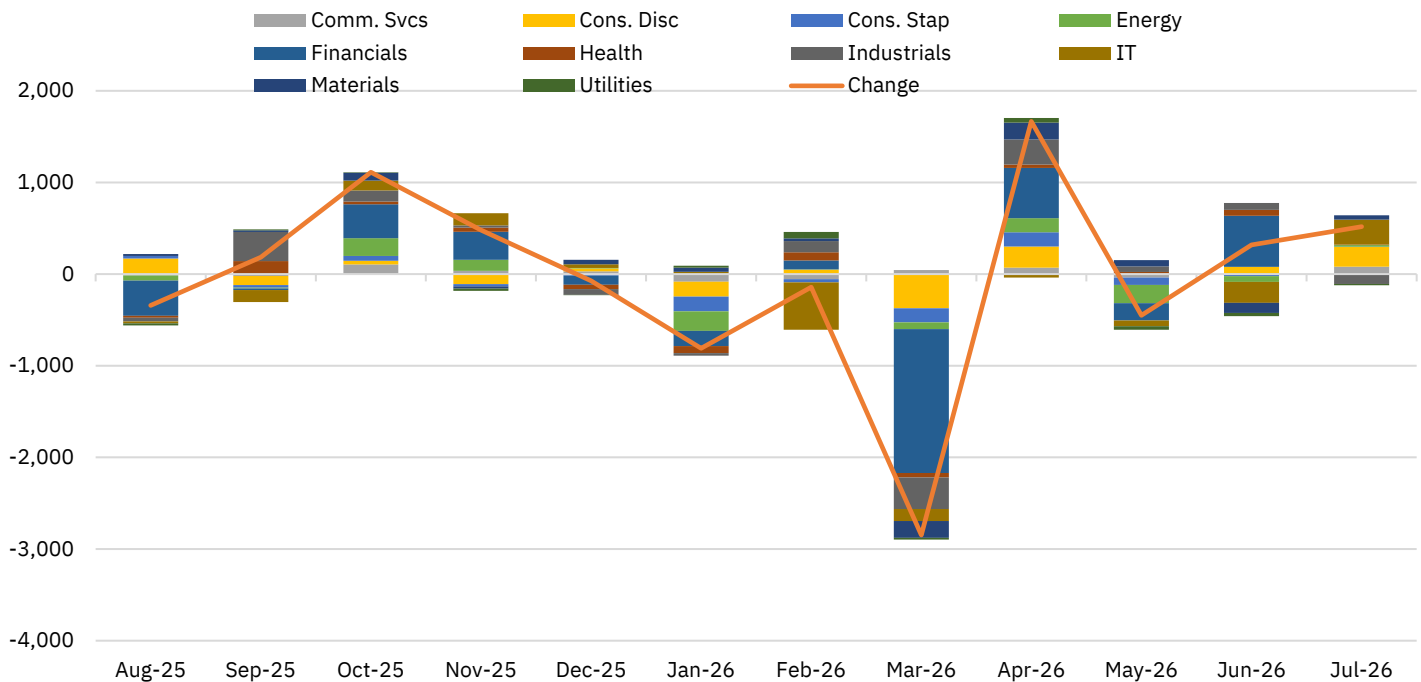


Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

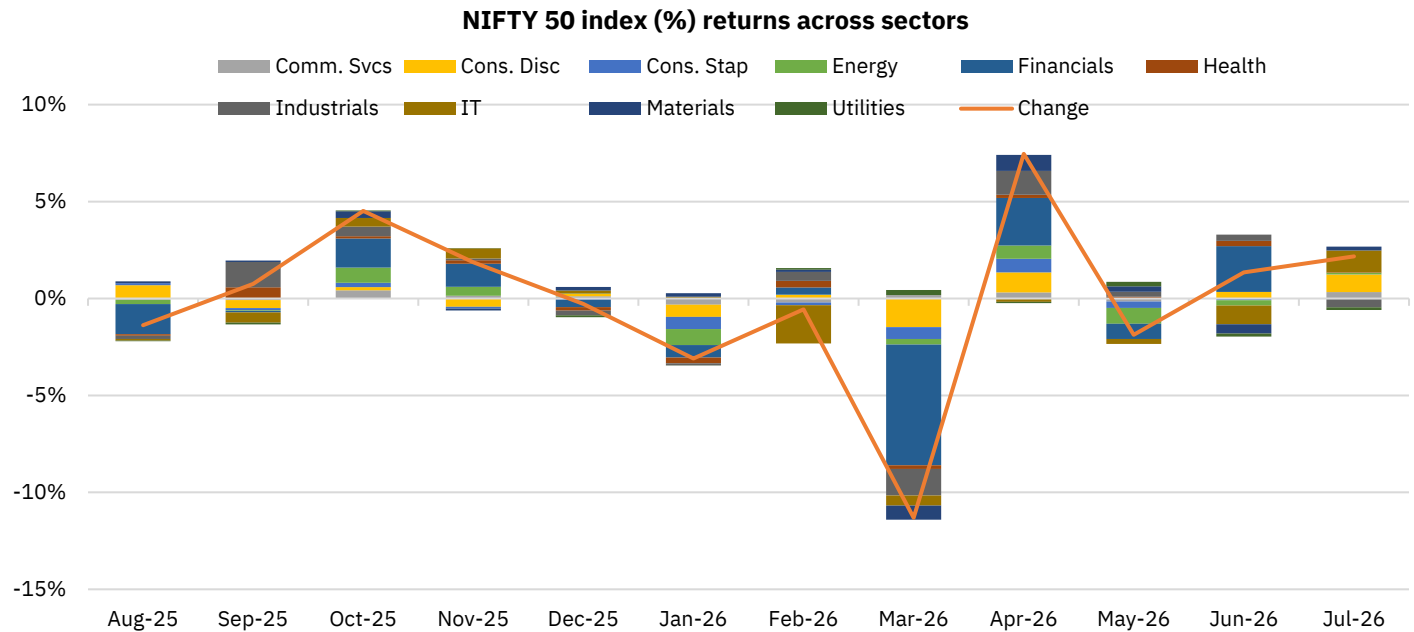
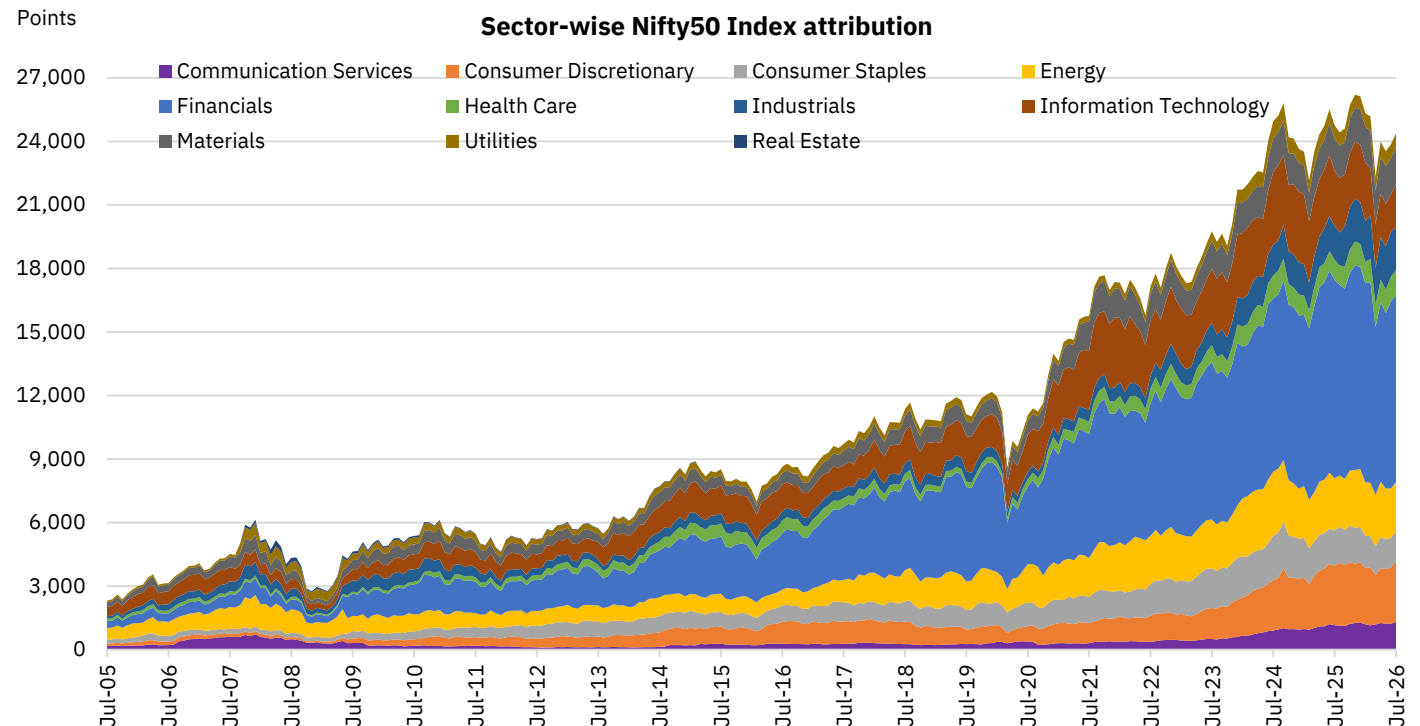
Figure 252: Nifty 50 Index monthly movement across sectors over the last 12 months

Index points

NIFTY 50 index movement across sectors



Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 253: Nifty 50 Index monthly return across sectors over the last 12 months

Figure 254: Sector-wise Nifty50 Index attribution (2005-)


The relative outperformance of Information Technology in July 2026 lifted the sector's weight in the Nifty 50 by nearly 1pp MoM to 8.4%, almost entirely reversing the decline seen in the previous month. Even so, its weight remains well below the peak of 21.2% recorded more than two decades ago. Consumer Discretionary also gained share, rising by 65bps MoM to an 11-month high of 11.8%. These increases came largely at the

expense of Financials and Industrials, whose weights declined by 82bps and 60bps MoM to 36.2% and 8.3%, respectively.

Over the last 12 months, Industrials, Healthcare, Materials and Communication Services have gained the most weight within the Nifty 50, rising by 183bps, 104bps, 103bps and 72bps to 8.3%, 4.8%, 7.2% and 5.4%, respectively, as of July 31st, 2026. These gains have come largely at the expense of Information Technology, Financials and Consumer Staples, each of which has seen its index weight decline by around 1–2pp over the same period.

Figure 255: Nifty 50 sector weightage (July 2025)

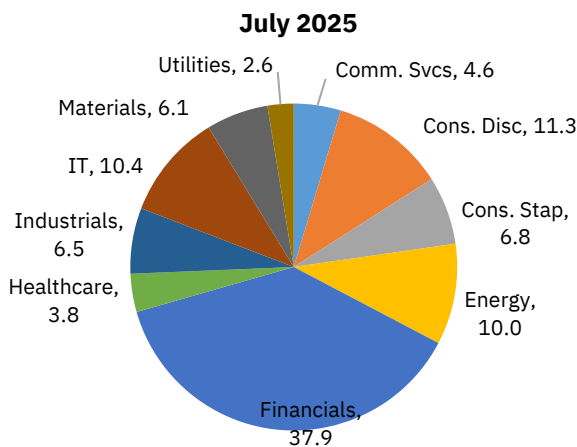
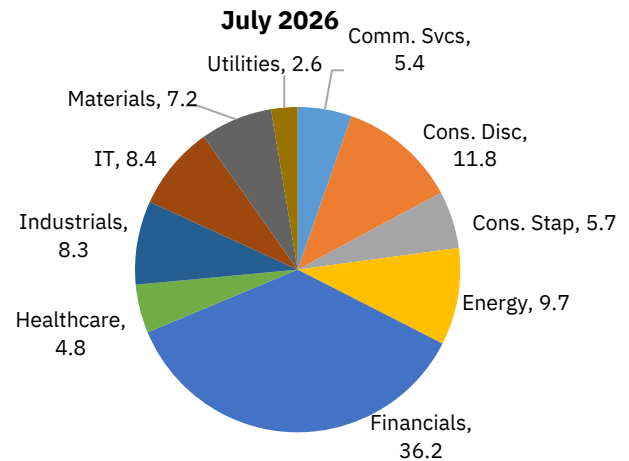
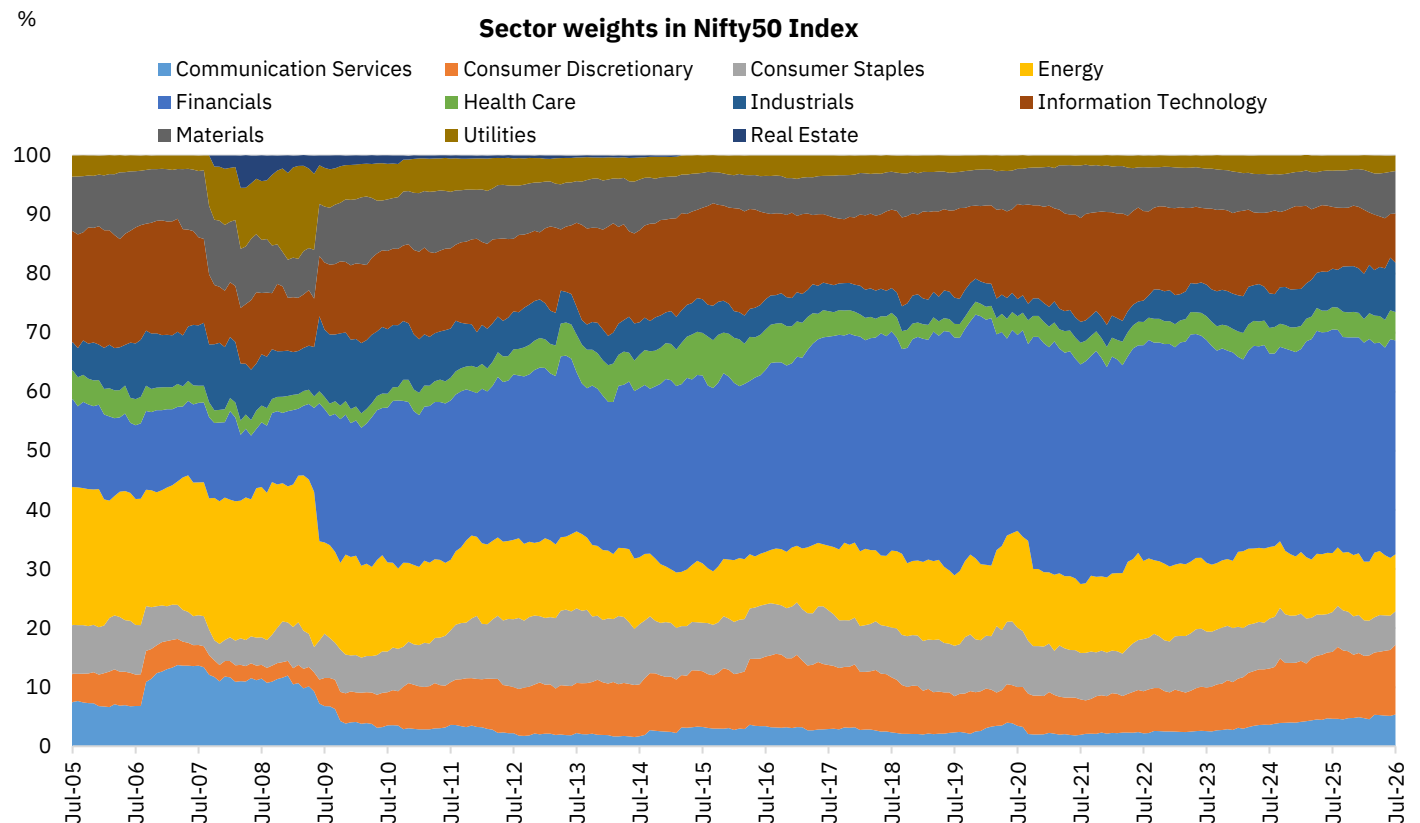


Figure 256: Nifty 50 sector weightage (July 2026)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Figure 257: Sector weights in the Nifty 50 Index (2005-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 53: Top five Nifty 50 Index gainers in July 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Infosys Ltd.	INFY	13.0	0.4	100
I C I C I Bank Ltd.	ICICIBANK	4.4	0.4	98
Bajaj Finance Ltd.	BAJFINANCE	13.6	0.3	81
Bharti Airtel Ltd.	BHARTIARTL	6.5	0.3	80
Tata Consultancy Services Ltd.	TCS	16.4	0.3	73
Total			1.8	432
Nifty 50 Index	NIFTY 50	2.2	2.2	518

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 54: 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	29.0	1.0	254
Bharti Airtel Ltd.	BHARTIARTL	3.0	0.6	158
Bajaj Finance Ltd.	BAJFINANCE	29.6	0.6	151
Titan Company Ltd.	TITAN	45.6	0.5	134
Shriram Finance Ltd.	SHRIRAMFIN	65.9	0.5	125
Total			3.3	822
Nifty 50 Index	NIFTY 50	-1.6	-1.6	-385

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 55: Top five Nifty 50 Index losers in July 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
H D F C Bank Ltd.	HDFCBANK	-6.2	-0.7	-164
Axis Bank Ltd.	AXISBANK	-8.6	-0.3	-74
Larsen & Toubro Ltd.	LT	-4.9	-0.2	-53
Dr. Reddy'S Laboratories Ltd.	DRREDDY	-15.4	-0.1	-28
Bharat Electronics Ltd.	BEL	-5.8	-0.1	-20
Total			-1.4	-339
Nifty 50 Index	NIFTY 50	2.2	2.2	518

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 56: 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	-25.9	-3.6	-891
Infosys Ltd.	INFY	-25.1	-1.3	-334
I T C Ltd.	ITC	-31.8	-1.0	-254
Tata Consultancy Services Ltd.	TCS	-21.0	-0.6	-158
Reliance Industries Ltd.	RELIANCE	-5.9	-0.6	-147
Total			-7.2	-1,784
Nifty 50 Index	NIFTY 50	-1.6	-1.6	-385

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Valuation analysis

Market valuations improved marginally in July: After a sharp dip in May 2026 and a largely range-bound June, market valuations improved in July amid a broad-based recovery, supported by renewed FPI inflows and continued domestic buying. As of August 14th, 2026, the Nifty 50 was trading at a 12-month forward P/E of 19.5x, up from around 18.6x a month earlier, though still below the 22.0x peak recorded when the market topped out in September 2024. The recent rerating has widened the premium to the long-term average, with the current multiple standing about 15% above its historical mean, while remaining nearly 6% below the level corresponding to one standard deviation above the mean.

On a forward P/B basis, the Nifty 50 traded at 2.8x, compared with a long-term average of 2.6x. Overall, valuations have recovered from recent lows but remain below April levels, even as the premium to long-term averages has widened modestly.

...Accompanied by a sharp rise in India's valuation premium to emerging markets:

Indian equities have historically traded at a premium to broader emerging markets, supported by stronger growth prospects, macroeconomic resilience and a deep domestic investor base. This premium moderated through much of 2025 from the elevated levels seen in 2024. After narrowing sharply by mid-March amid India's relative underperformance, it recovered briefly in April before compressing again as Taiwan, China and Korea outperformed. By mid-October 2025, India's forward P/E premium had moved close to its long-term average of around 57%.

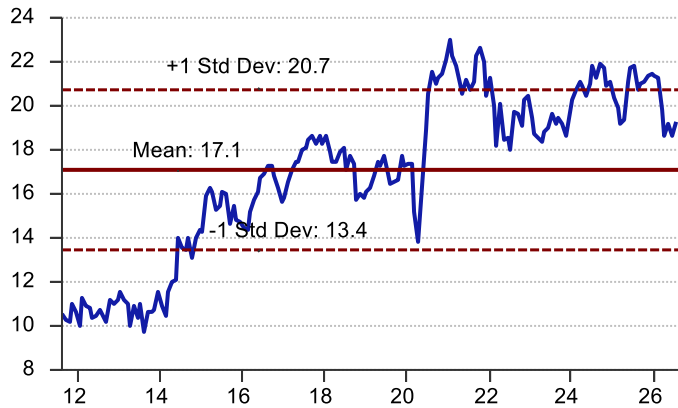
The premium widened again towards the end of 2025, eased in January 2026, recovered over the subsequent three months and then corrected sharply in May. Since June, however, it has risen significantly, aided by the relative outperformance of Indian equities. As of August 14th, 2026, MSCI India traded at a 108% premium to MSCI EM on a 12-month forward P/E basis, up from 64% at the beginning of June. This is close to the September 2024 peak of 110%, around 51pp above the 15-year average and 31pp above the one-standard-deviation band.

The rerating has been less pronounced on a forward P/B basis. India's premium, after falling to around 30% in early June, recovered to 52% by August 14th, 2026. It nevertheless remains well below the long-term average of 87% and below the one-standard-deviation-lower bound of around 60%.

Overall, India's valuation premium to emerging markets has widened sharply on earnings-based metrics, returning close to previous peaks, while remaining far more moderate on book-value-based measures.

Figure 258: Nifty 50 NTM P/E trend for last 15 years

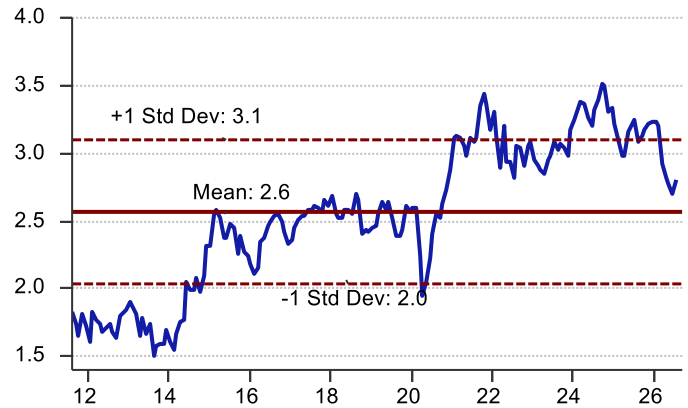
Nifty 50 12-month forward P/E



Source: LSEG Workspace, NSE EPR.

Figure 259: Nifty 50 NTM P/B trend for last 15 years

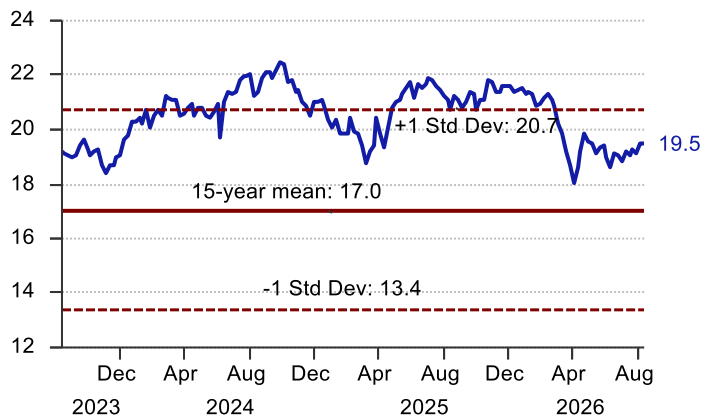
Nifty 50 12-month forward P/B



Source: LSEG Workspace, NSE EPR.

Figure 260: Nifty 50 NTM P/E (Last three-year trend)

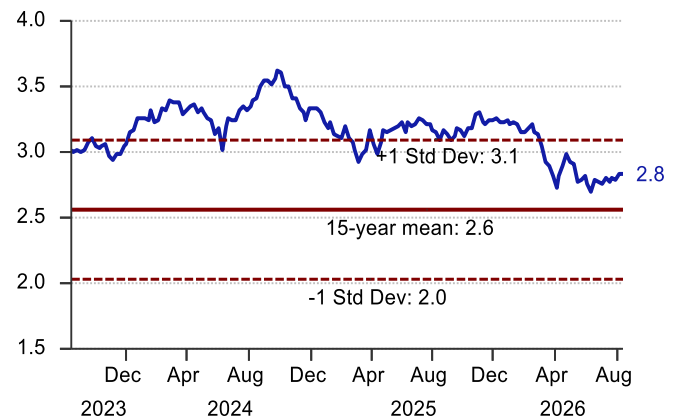
Nifty 50 12-month forward P/E



Source: LSEG Workspace, NSE EPR.

Figure 261: Nifty 50 NTM P/B (Last three-year trend)

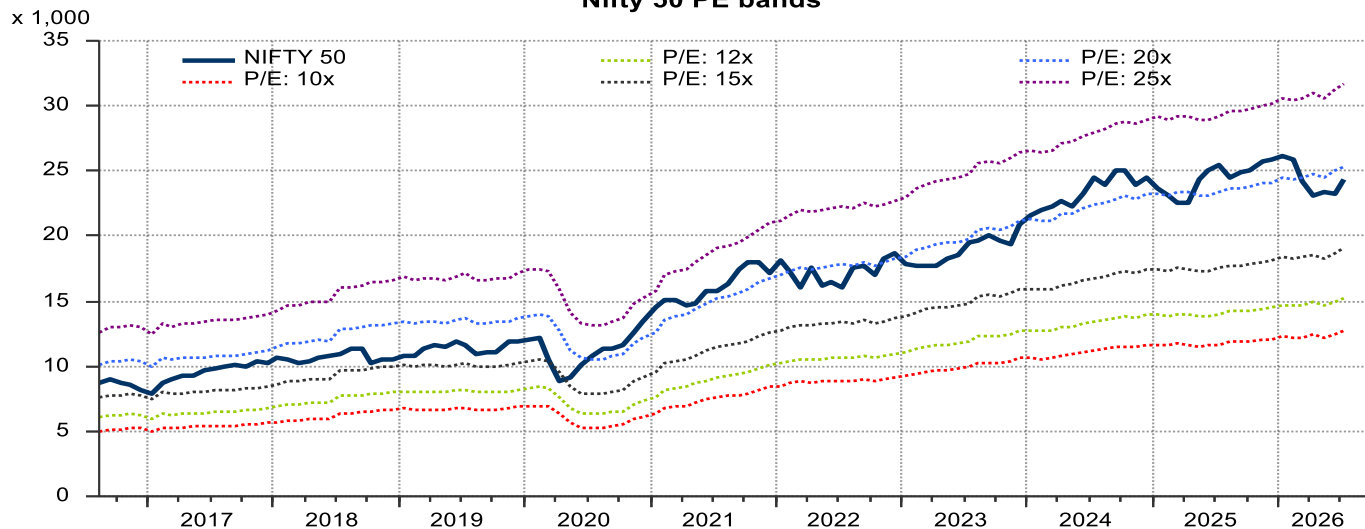
Nifty 50 12-month forward P/B



Source: LSEG Workspace, NSE EPR.

Figure 262: Five-year trend of Nifty 50 values at different 12-month forward P/E bands

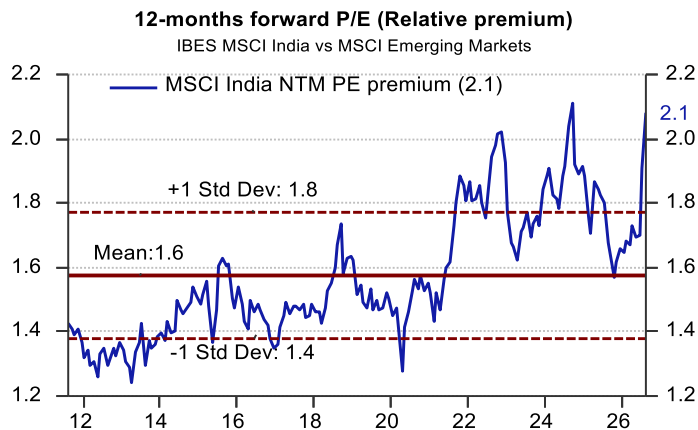
Nifty 50 PE bands



Source: LSEG Workspace, NSE EPR

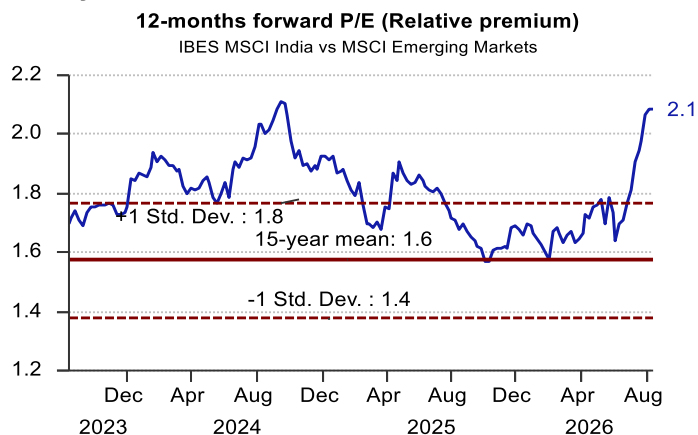
Figure 263: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

On a 12m forward P/E, India trades at a 108% premium to EM peers, up sharply from 64% in June-beginning. This is now very close to the Sep'24 peak of 110%, and it is ~51pp above the 15Y mean, and 31pp north of one std. dev above the mean.



Source: LSEG Workspace, NSE EPR

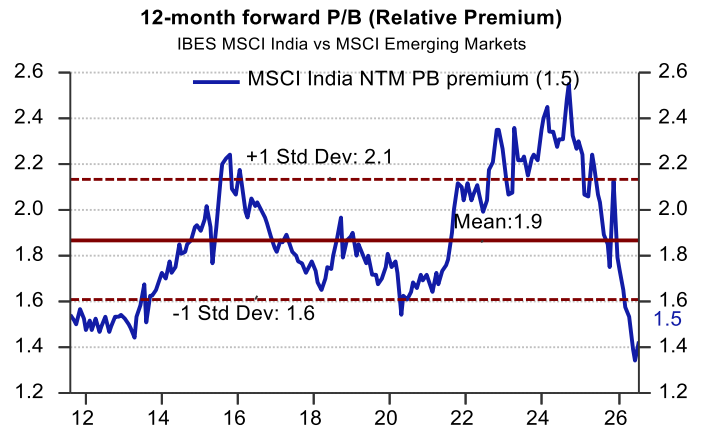
Figure 265: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR.

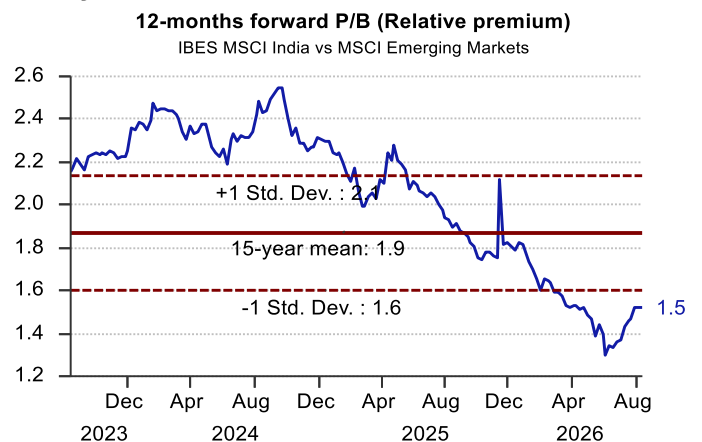
Figure 264: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B, India's valuation premium to MSCI EM has also improved, from 30% in June-beginning to 52% currently, even as it continues to remain south of one-standard deviation below the long-term mean.



Source: LSEG Workspace, NSE EPR

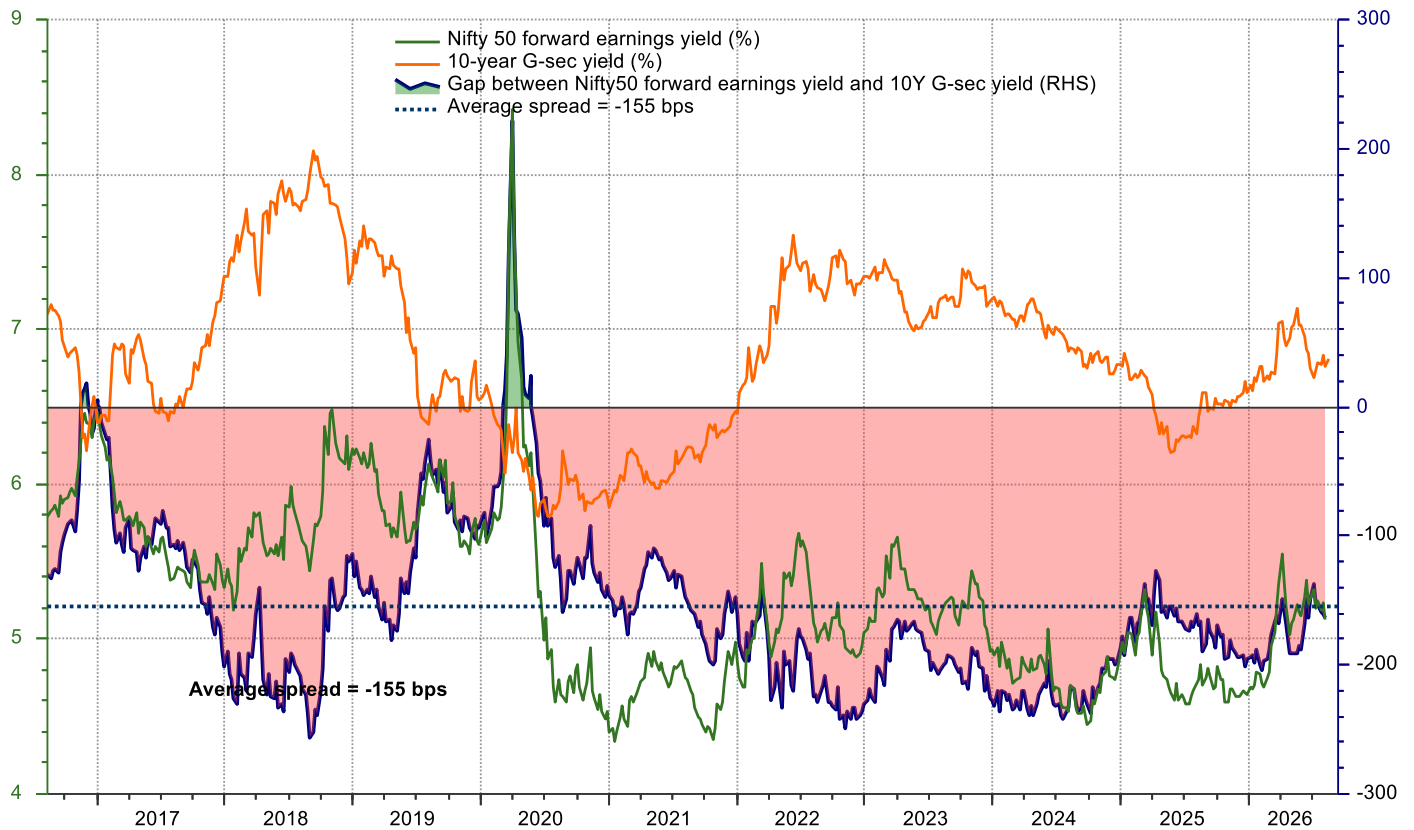
Figure 266: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR.

Figure 267: 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 57: Performance of key debt indices (As of July 31st, 2026)

Category	Index name	Absolute returns (%)				CAGR returns (%)		
		1M	3M	6M	1Y	2Y	3Y	5Y
G-sec	Nifty 5yr Benchmark G-sec Index	0.4	2.7	3.3	5.0	7.6	7.9	6.5
	Nifty 10 yr Benchmark G-Sec	(0.1)	2.6	2.3	2.7	6.3	7.1	5.5
	Nifty Composite G-sec Index	(0.1)	3.0	2.9	3.6	6.6	7.5	6.3
SDL	NIFTY 10 Year SDL Index	(1.0)	(0.2)	(3.3)	(11.3)	(2.0)	1.4	3.1
AAA credit	NIFTY AAA Ultra Short Duration Bond Index	0.6	1.7	3.7	6.6	7.2	7.4	6.7
	NIFTY AAA Short Duration Bond Index	0.1	1.8	2.8	4.8	6.7	6.9	5.8
	NIFTY AAA Low Duration Bond Index	0.4	1.6	3.2	5.8	6.8	7.0	6.2
	NIFTY AAA Medium Duration Bond Index	(0.2)	1.9	2.4	3.4	6.0	6.4	5.4
	NIFTY AAA Medium to Long Duration Bond Index	(0.1)	2.0	2.3	2.3	5.4	6.0	5.2
	NIFTY AAA Long duration Bond Index	0.2	1.9	1.3	(0.5)	2.7	4.2	4.1
Composite	NIFTY Liquid Index	0.5	1.7	3.4	6.5	6.8	7.0	6.3
	NIFTY Money Market Index	0.5	1.8	3.6	6.6	7.1	7.3	6.5
	NIFTY Ultra Short Duration Debt Index	0.6	1.8	3.8	6.8	7.4	7.5	6.8
	NIFTY Short Duration Debt Index	0.2	1.7	2.8	5.1	6.8	7.0	6.1
	NIFTY Low Duration Debt Index	0.5	1.8	3.5	6.3	7.1	7.3	6.5
	NIFTY Medium Duration Debt Index	(0.0)	1.7	2.2	3.7	6.3	6.7	5.8
	NIFTY Medium to Long Duration Debt Index	(0.2)	1.8	1.6	1.2	5.0	5.9	5.5
	NIFTY Long Duration Debt Index	(0.4)	2.3	1.4	(0.1)	3.7	5.5	5.3
	NIFTY Composite Debt Index	(0.2)	1.9	2.0	2.3	5.4	6.3	5.7
	NIFTY Corporate Bond Index	0.1	1.7	2.6	4.6	6.6	6.8	6.0

Source: NSE Indices, NSE EPR.

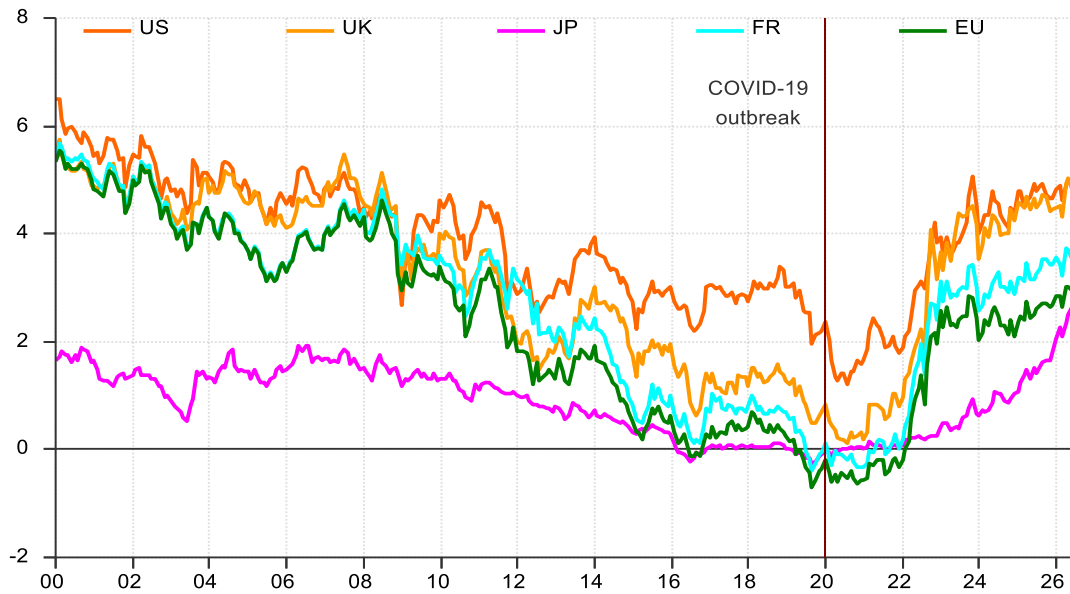
Global sovereign bond yields surged in July...: Major global sovereign bond yields witnessed a broad-based upward move through July 2026, driven primarily by escalation in Middle East geopolitical tensions, renewed inflation risks as Brent crude rose from USD 72 to USD 86 during the month and fiscal concerns, before a slight retracement in the month of August 2026. The 10-year US Treasury yield increased 27 bps during the month of July to around 4.71%, while the long-end 30-year yields increased by 32 bps MoM to 5.25% - the highest level in nearly 19 years. Federal Reserve held the fund rate at 3.5%-3.75% on July 29th, 2026, although three out of the nine members voted for a 25bps hike.

German 10-year Bund yields climbed roughly 29 bps MoM in July 2026 to around 3.2%, UK gilts exceeded 5% - for the first time since July 2008 – amid a rapid change in UK's political leadership. European Central Bank left its key interest rates unchanged, pausing after an increase in June, while emphasising that the policy remained focused on bringing back down inflation sustainably to its medium-term target of 2%. Japanese 10-year yields reached multi-decade highs of 2.88%, reflecting pressures from energy prices, fiscal concerns and central-bank normalisation.

Early August 2026 brought modest consolidation. US 10-year Treasury retreated to 4.62%, due to softer labour market data and easing oil prices, although underlying fiscal and inflation concerns continued to limit any meaningful decline in long-end yields across major markets. By August 11th, the US 10-year was hovered around 4.69%, the German 10-year Bund yields near 3.16%, while UK gilt yields remained around 4.96%.

Figure 268: Long-term trend of 10-year sovereign bond yields across major developed economies

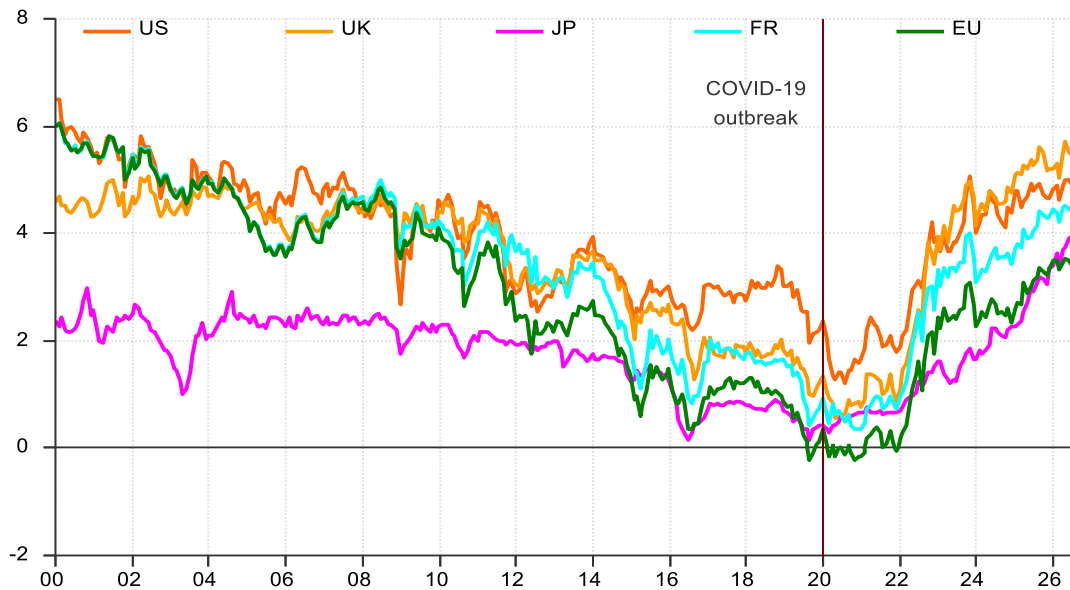
10-year global benchmark yields (%)



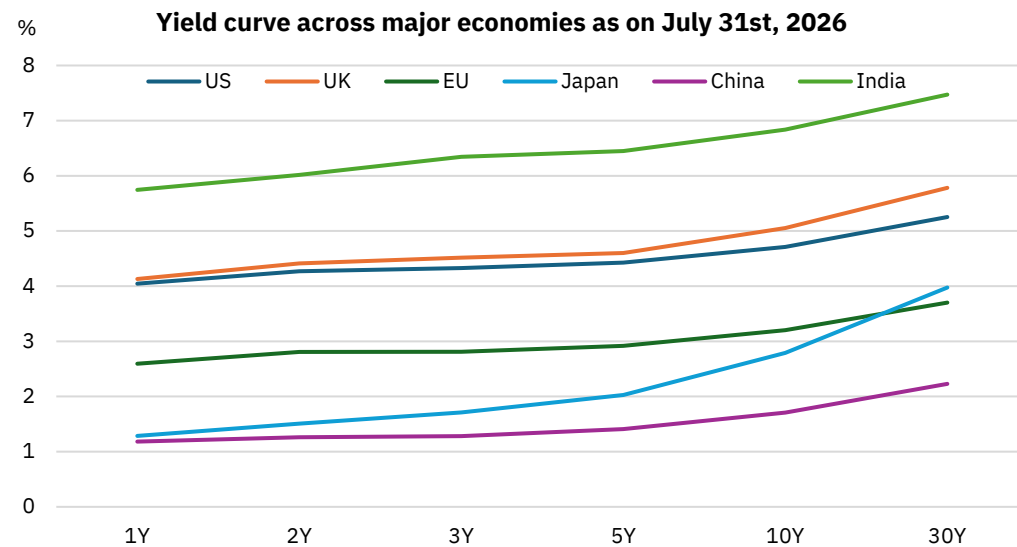
Source: LSEG Workspace, NSE EPR.

Figure 269: Long-term trend of 30-year sovereign bond yields across major developed economies

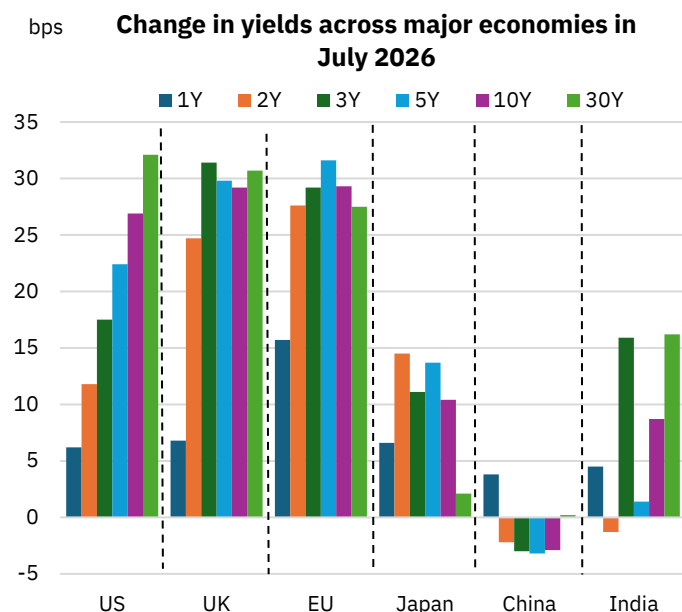
30-year global benchmark yields (%)



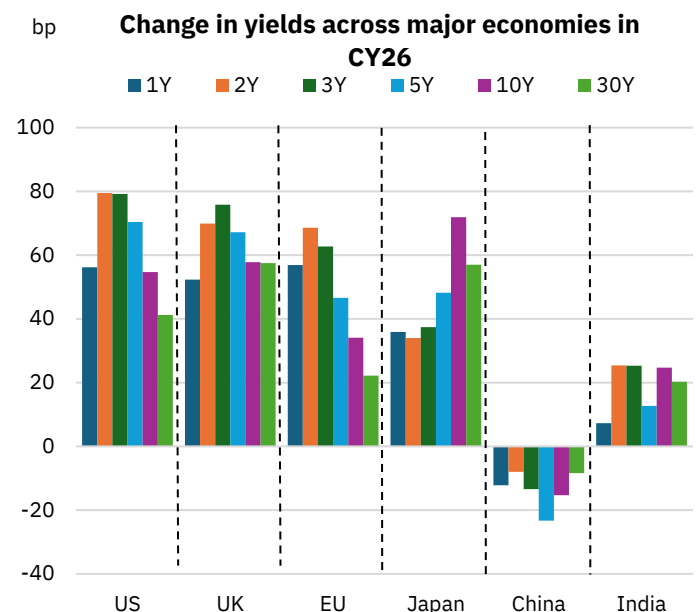
Source: LSEG Workspace, NSE EPR.

Figure 270: Sovereign yields curve across major economies


Source: NSE Cogencis, LSEG Workspace, NSE

Figure 271: Change in sovereign yields across major economies in July 2026


Source: NSE Cogencis, LSEG Workspace, NSE EPR.

Figure 272: Change in sovereign yields across major economies in CY26 (As on July 31st, 2026)


...While the Indian G-Sec market outperformed with only a modest uptick: Contrary to the global sovereign bond yield markets, Indian government securities demonstrated stability throughout July and early-August, anchored by benign core inflation, robust system liquidity and RBI's steady monetary policy stance. At its bi-monthly review meeting on August 5th, 2026, the Monetary Policy Committee unanimously voted to hold the repo rate at 5.25% for the fourth consecutive meeting, retaining its neutral stance. The 10-year G-Secs traded within a narrow range of 6.7% to 6.8% during the month in the secondary markets, as global crude volatility was offset by sustained FPI flows into debt under the FCNR scheme. Short-term rates remained broadly anchored supported by prevailing policy rate and surplus liquidity conditions. In early-August, G-Sec yields eased further to 6.76%, supported by easing of oil prices and continued institutional demand for long tenured bonds.

Figure 273: India 10Y G-sec yield—long-term trend

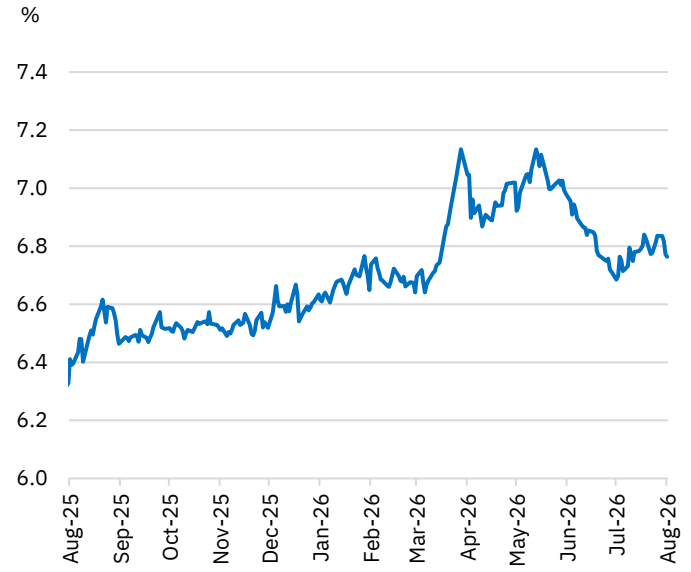
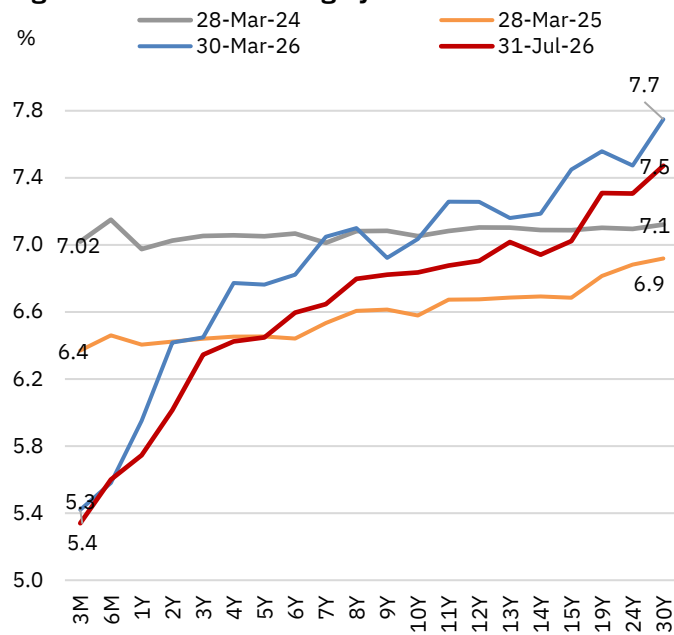
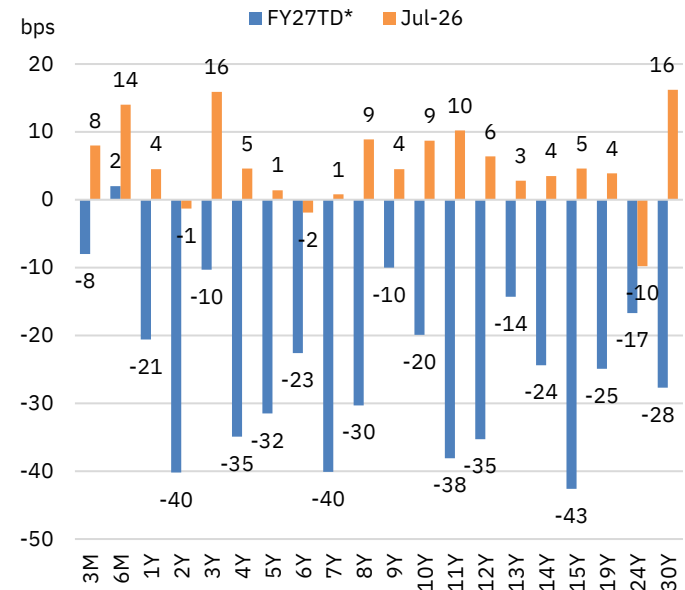
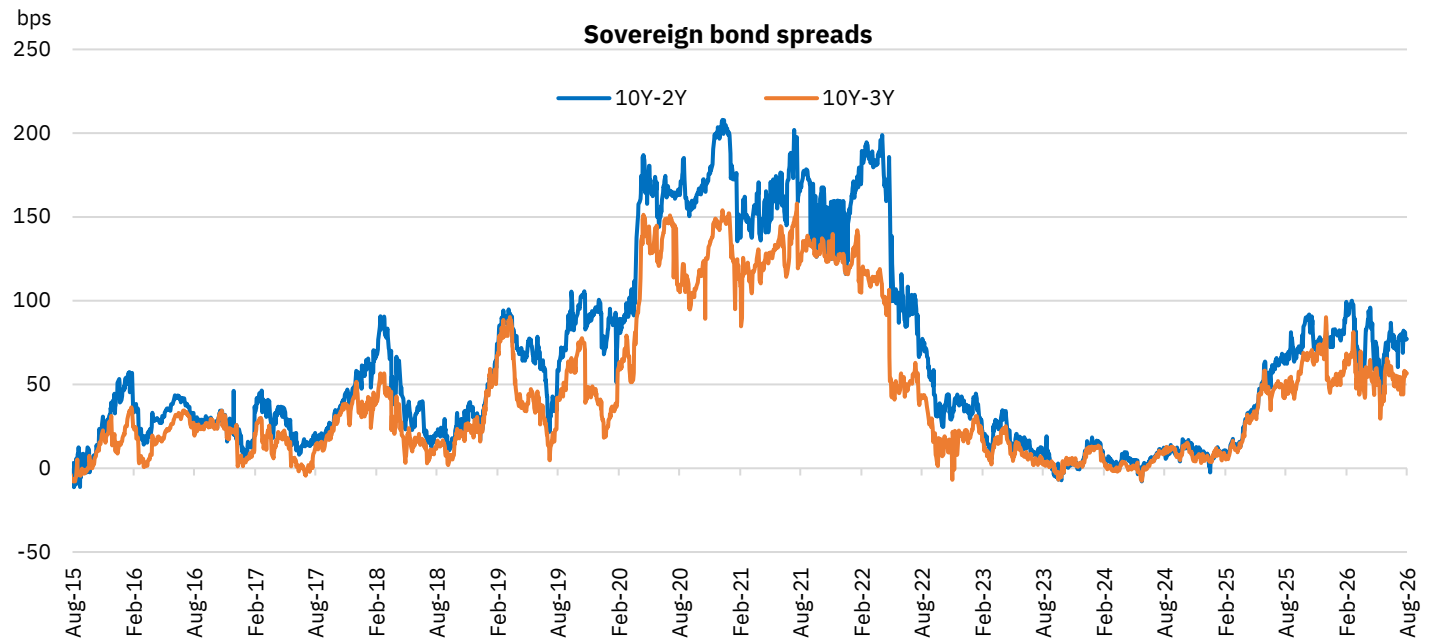
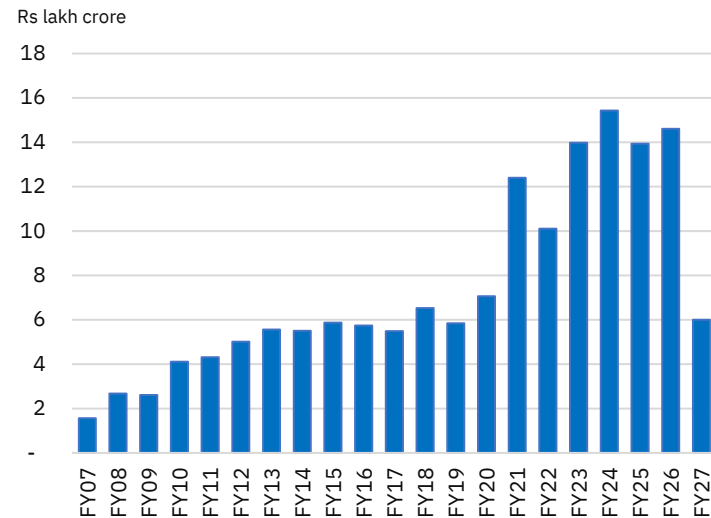
Figure 274: India 10Y G-sec yield—last one-year trend

Figure 275: India sovereign yield curve

Figure 276: Change in sovereign yields across the curve so far FY27 (As on July 31st, 2026)


Figure 277: India sovereign bonds term premia


Source: NSE Cogencis, NSE EPR.
Note: Data is as of August 6th, 2026.

Figure 278: Annual trend of Centre's market borrowings


Source: RBI, NSE EPR.

Note: 1. Above charts are based on date of issue.
2. FY27 data is as of August 11th, 2026.

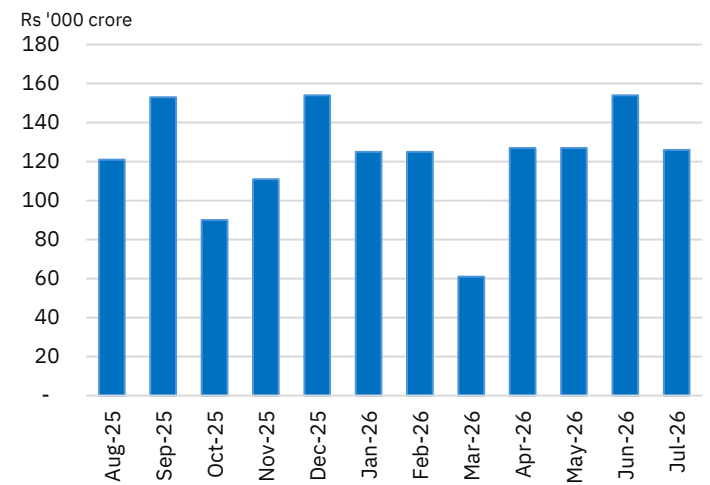
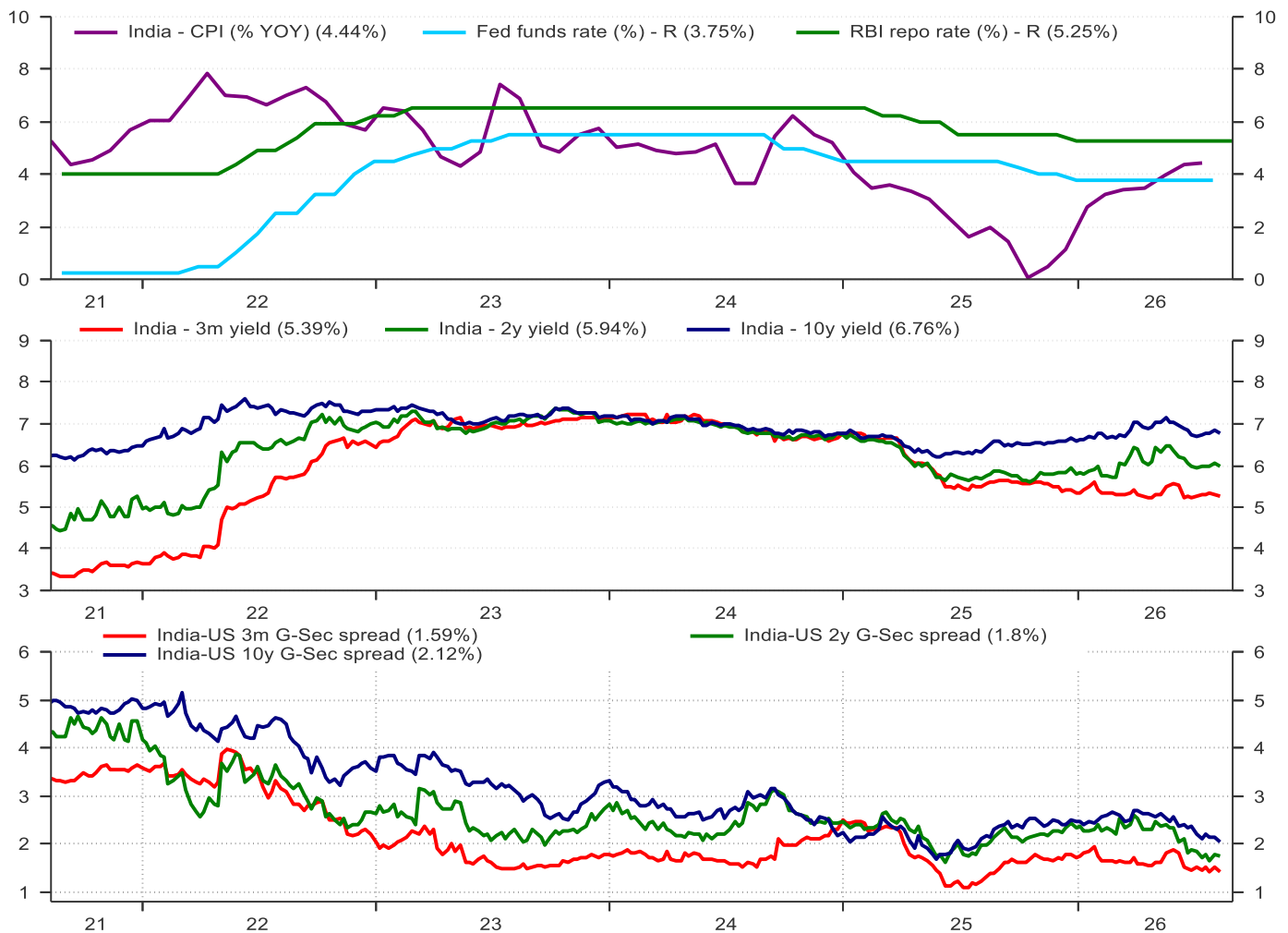
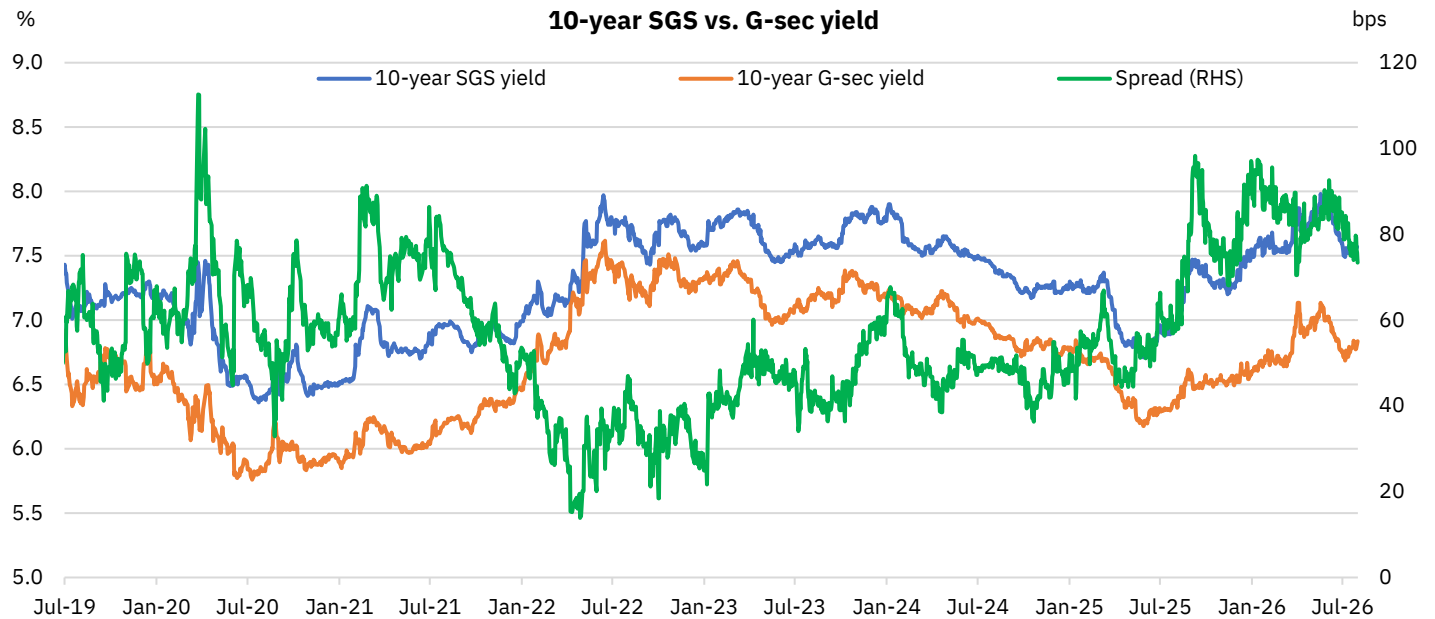
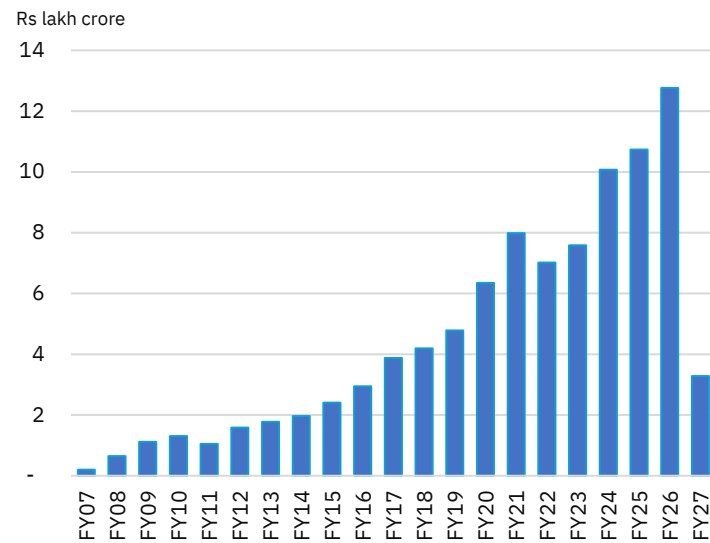
Figure 279: Centre's market borrowings in the last 12 months


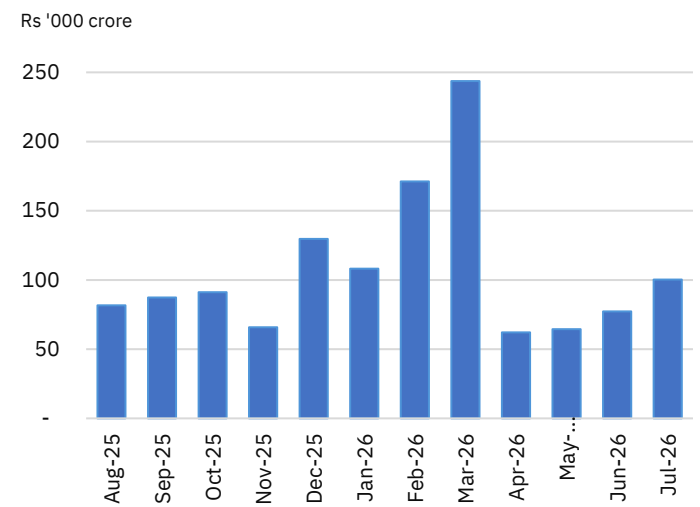
Figure 280: Inflation, yields and spreads in India vs. US


Source: LSEG Workspace, NSE EPR.

SGS traded within a narrow range in July 2026: Ten-year SGS traded within a narrow range of 7.48% to 7.58% yields broadly, broadly reflecting the movements in the G-sec market during the month, while average spreads over central government securities contracted marginally from 86 bps to 78 bps. However, 10-year SGS spreads have widened from over 50 bps in the first four months of previous fiscal year to over 80 bps during the corresponding period in the current fiscal year, reflecting elevated supply pressures. States raised approximately Rs 1 lakh crore during the month of July – the highest monthly borrowing since March 2026, resulting in total borrowing of Rs 3 lakh crore in the first four months of this fiscal year.

Figure 281: Spreads between 10-year SGS and G-sec yields

Figure 282: Annual state government borrowings


Note: 1. Above charts are based on date of issue. 2. Data for FY27 is as on August 11th, 2026.

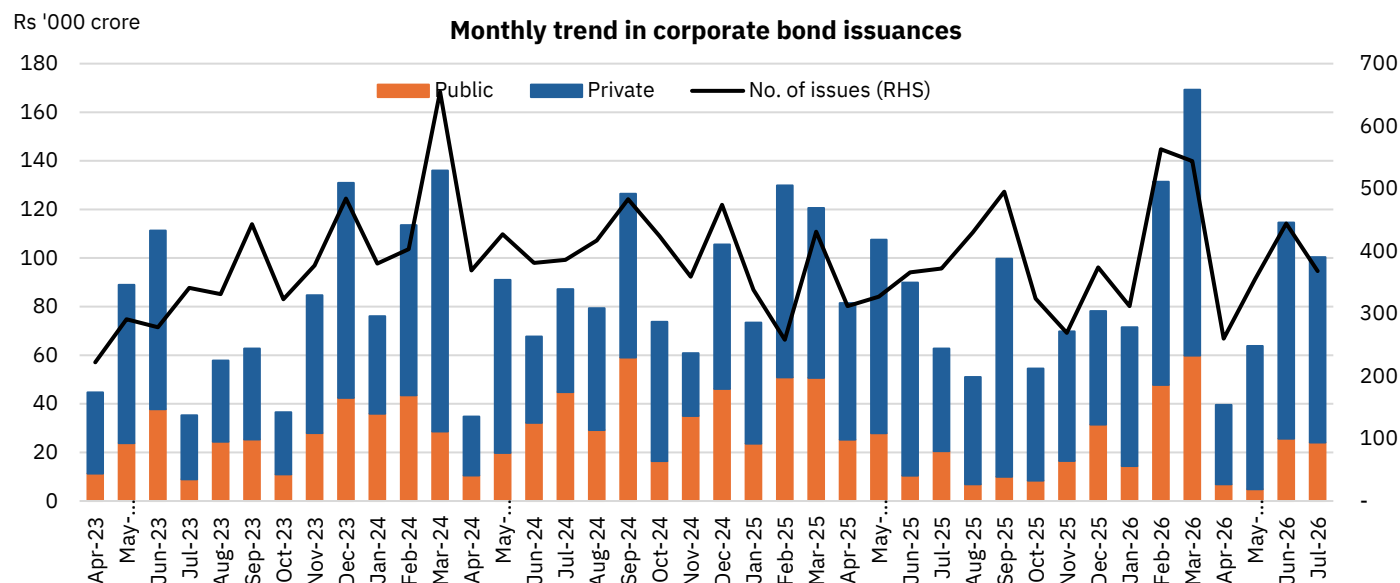
Figure 283: State government borrowings in the last 12 months


Corporate bond market performance

Corporate bond issuances remained robust in July: Corporate bond issuances exceeded Rs 1 lakh crore for the second consecutive month in July, though marginally lower than the Rs 1.14 lakh crore raised in June. This took cumulative issuances in the first four months of the current fiscal year to Rs 3.18 lakh crore, with the private sector accounting for 80% of the total. Issuances were concentrated in the 3-5-year segment, which constituted 50% of the total in the current fiscal, followed by the 5-10-year segment at 19.1%. In terms of credit quality, investment-grade securities dominated the market, accounting for nearly 92% of issuances, while medium credit quality issuances comprised 8%.

In secondary markets, average yields for 3-5-year AAA-rated corporate bonds (excluding HFCs and NBFCs) ranged from 7.36% to 7.52% during the month of July from 7.45%-7.66% in the month of June, reflecting slight easing in the interest rate environment during the month. Spreads over comparable G-Secs narrowed marginally to 93-122 bps from 95-125 bps in the previous month, although they remained above the levels seen a year earlier.

Figure 284: 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 58: Fiscal trend in corporate bond issuances

	FY24	FY25	FY26	FY27TD
Amount raised (Rs crore)	978,633	1,050,361	1,066,984	3,18,245
Public	321,039	418,393	279,349	61,518
Private	657,595	631,968	787,635	2,56,727
No. of Issues	4,528	4,747	4,688	1,427
Public	132	148	149	59
Private	4,396	4,599	4,539	1,368

Source: NSDL India Bond Info, NSE EPR.

Note: 1. Includes issuance of fully and partly convertible corporate bonds. 2. FY27TD data is as of July 31st, 2026.

Figure 285: Maturity profile of corporate bonds issued in the month of FY27 (As on July 31st, 2026)

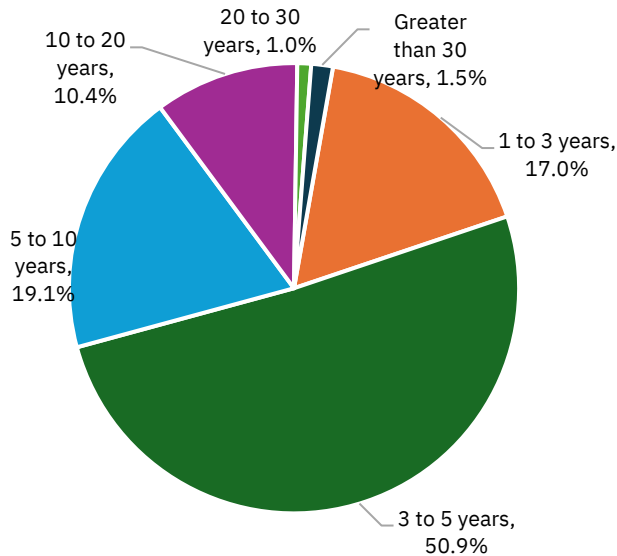
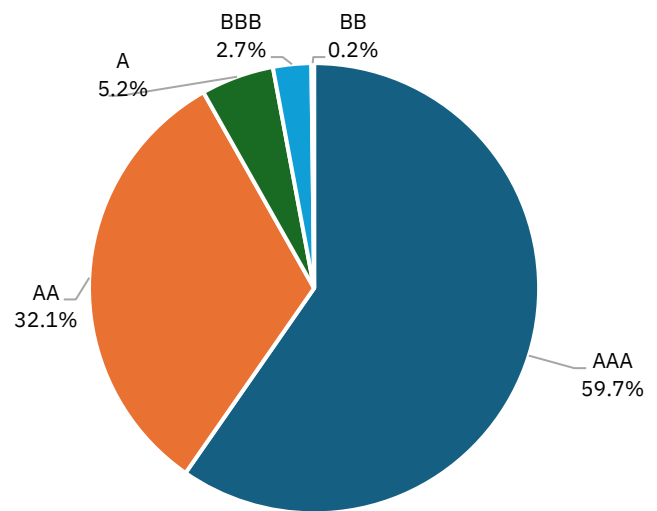


Figure 286: Credit profile of corporate bonds issued in the month of FY27 (As on July 31st, 2026)



Source: NSDL India Bond Info, NSE EPR. Note: 1. Includes issuance of fully and partly convertible corporate bonds.

Figure 287: Annual trend in maturity profile of corporate bond issuances

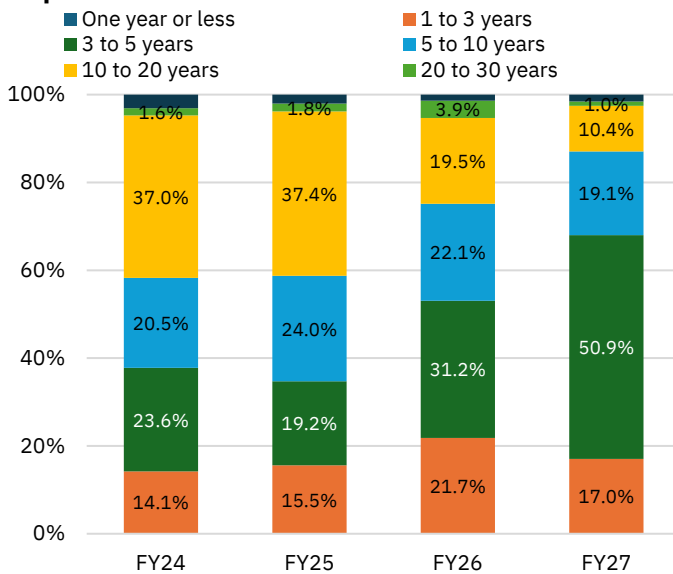
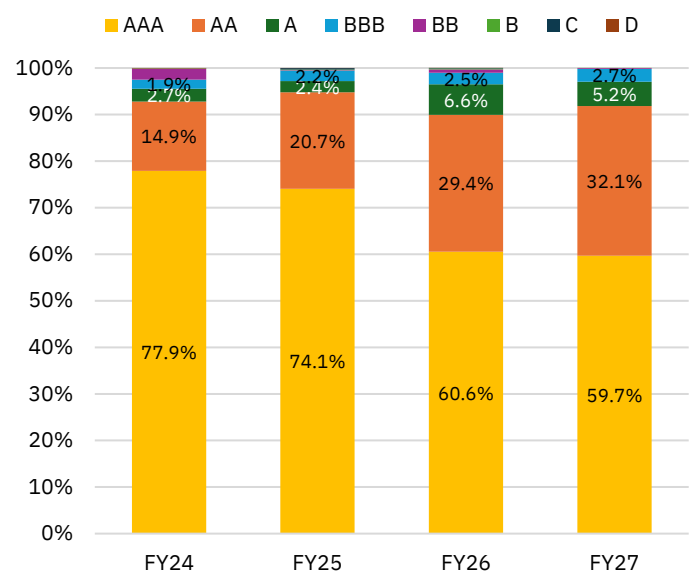
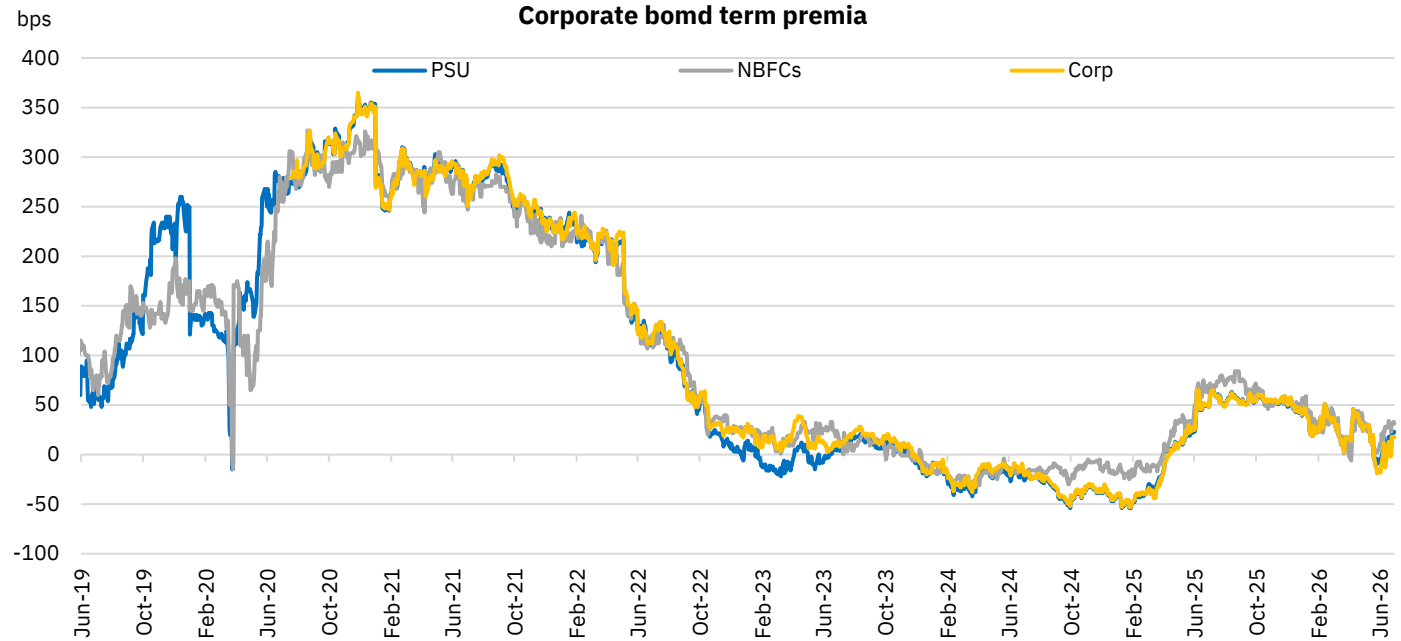


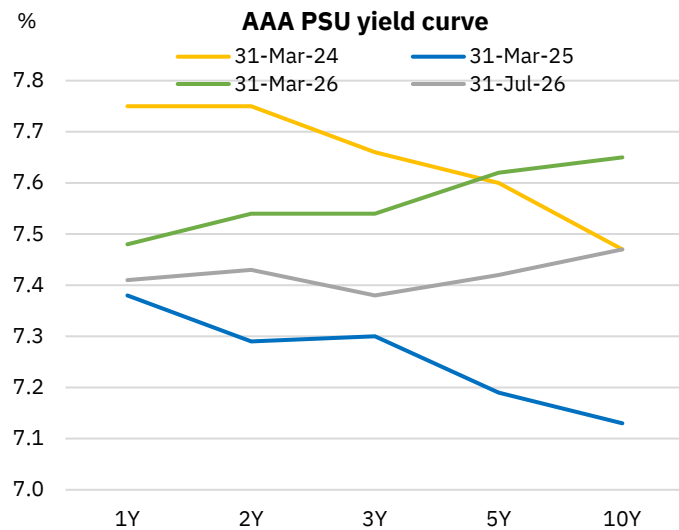
Figure 288: Annual trend in credit profile of corporate bond issuances



Source: NSDL India Bond Info, NSE EPR. Note: 1. Includes issuance of fully and partly convertible corporate bonds.
Note: FY27 data is as on July 31st, 2026.

Figure 289: Corporate bond term premia between 10-year and 1-year yields


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

Figure 290: AAA-rated corporate bond yield curve


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

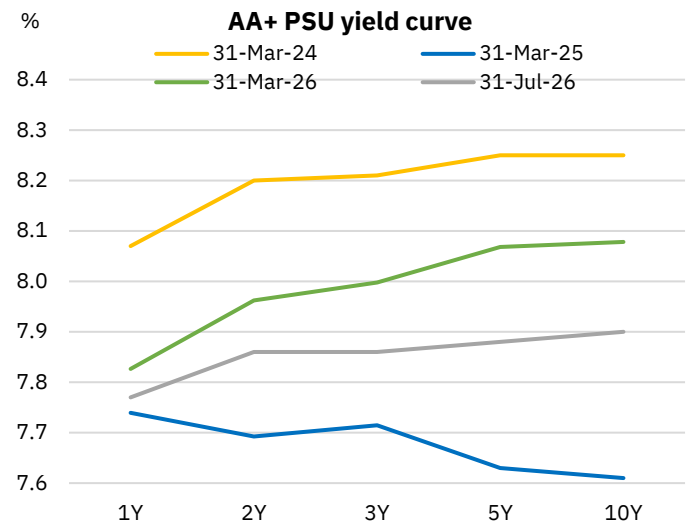
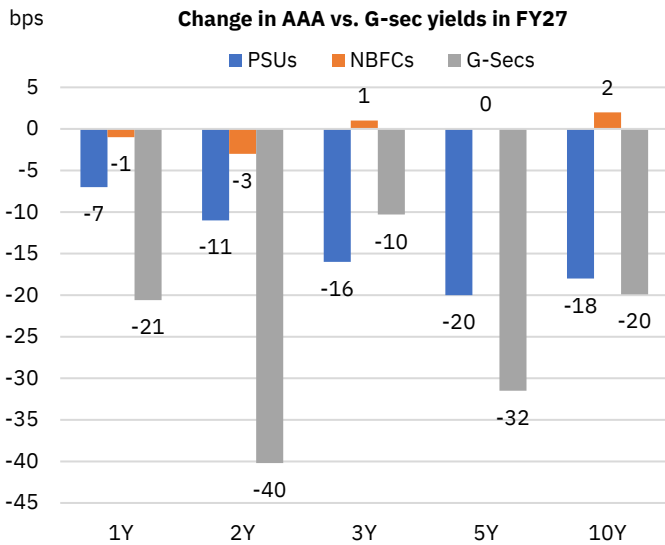
Figure 291: AA+ rated corporate bond yield curve


Figure 292: Change in AAA corporate bond and G-sec yields in FY27



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

Figure 293: Change in AA+ corporate bond and G-sec bond yields in FY27

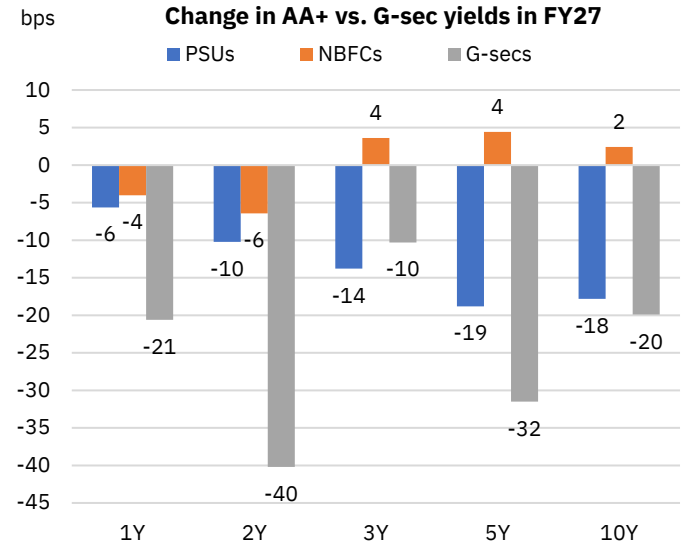
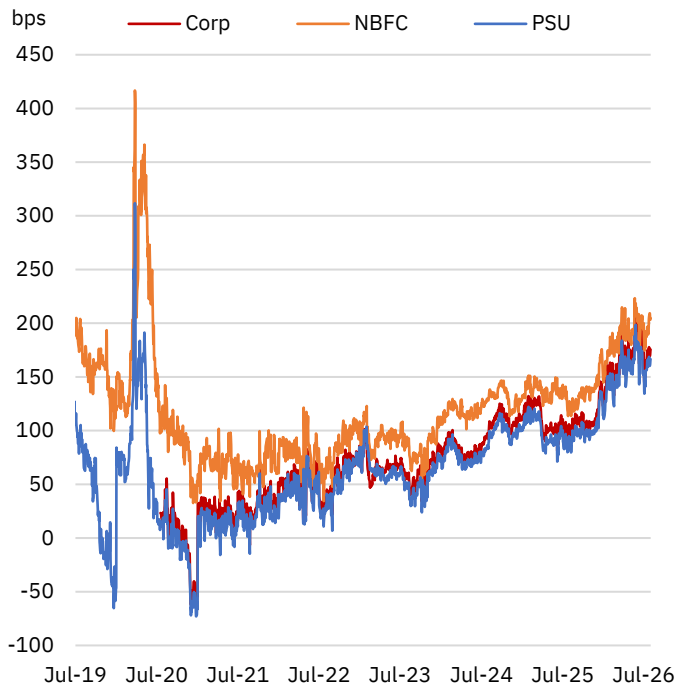


Figure 294: Spreads for one-year AAA-rated corporate bonds over G-Sec across segments



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

Figure 295: Spreads for three-year AAA-rated corporate bonds over G-Sec across segments

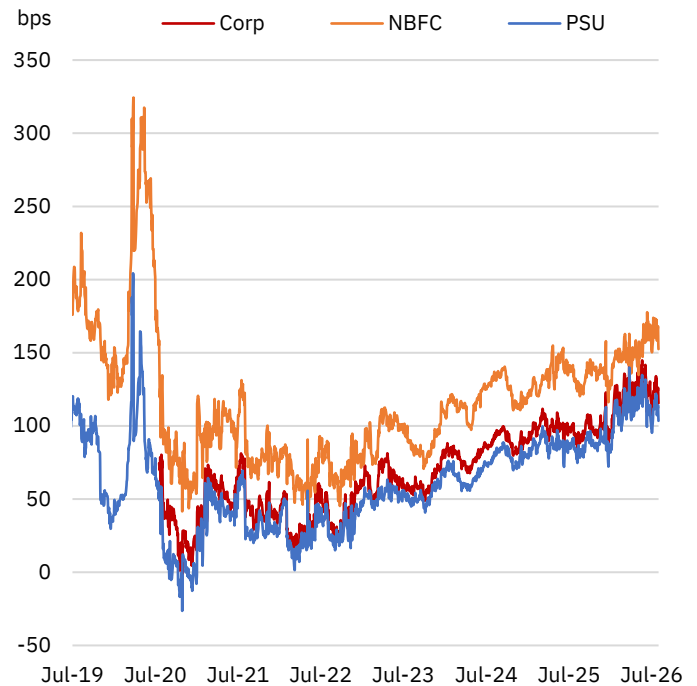
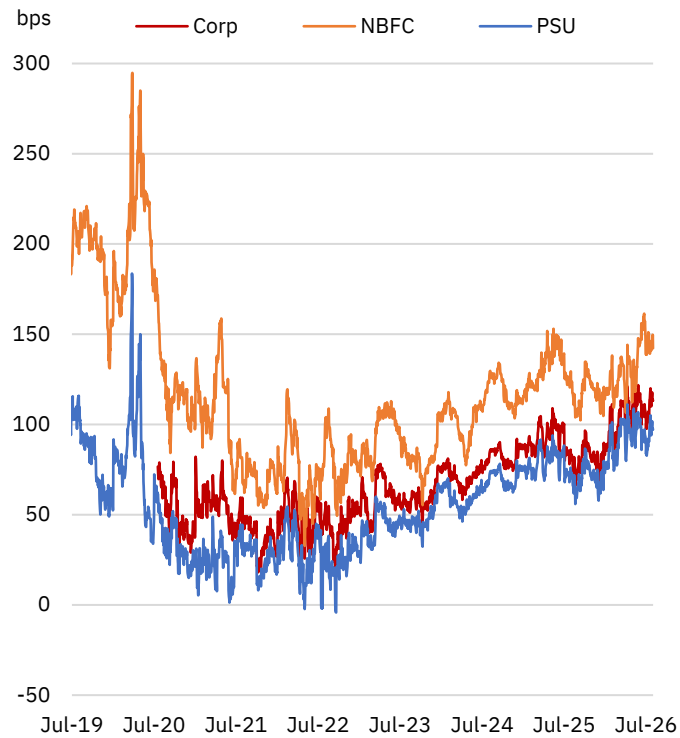
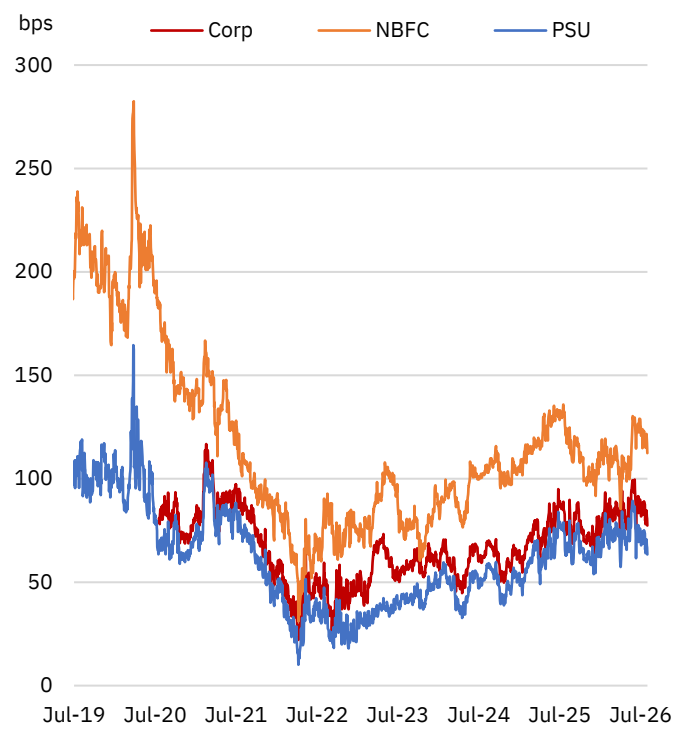


Figure 296: Spreads for five-year AAA-rated corporate bonds over G-Sec across segments



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

Figure 297: Spreads for 10-year AAA-rated corporate bonds over G-Sec across segments



Commodity market performance

From de-escalation to disruption: Commodities rally as West Asia conflict reignites –

Commodity markets in Jul'26 staged a broad-based recovery as the collapse of the fragile US-Iran ceasefire and renewed direct military strikes revived the geopolitical risk premium that had unwound sharply the previous month. Brent crude rebounded 23.5% MoM, reversing much of June's correction, as escalating hostilities and fears of a Strait of Hormuz disruption shifted sentiment despite only limited diplomatic de-escalation late in the month. Precious metals were mixed, with platinum and palladium extending gains of 3.8-4.6% MoM on tightening physical deficits, while gold stayed broadly flat and silver was the sole decliner (-1.6% MoM) as rate expectations and softer industrial demand offset renewed inflation concerns. Industrial metals strengthened broadly, led by tin (+7.3% MoM) and nickel (+6.1% MoM), on mine disruptions, tightening inventories and resilient demand from AI infrastructure and electrification, although iron ore bucked the broader trend (-3.0% MoM) on weak Chinese steel demand. Agricultural commodities advanced across the board on stronger export demand expectations and adverse weather across key producing regions, with cotton recording the steepest gain (+8.2% MoM), supported by improving US-China trade sentiment.

- **Energy:** Brent crude prices rebounded sharply in Jul'26 (+23.5% MoM), reversing much of June's correction as the collapse of the fragile US-Iran ceasefire reignited concerns over supply disruptions in the Middle East. Renewed direct military strikes, including US attacks on Iranian targets, revived fears of disruptions to shipping through the Strait of Hormuz, pushing Brent above US\$100/bbl in the month. Price gains were tempered intermittently by diplomatic efforts, including Saudi-led initiatives to revive negotiations, while OPEC+'s modest production increase provided only limited relief against the heightened geopolitical risk. Nevertheless, renewed concerns over supply security restored a significant geopolitical risk premium to oil prices, driving the month's sharp recovery.
- **Precious metals:** Precious metals exhibited divergent trends in Jul'26, reflecting the interplay between evolving U.S. monetary policy expectations and metal-specific supply-demand dynamics. Gold (+0.3% MoM) edged higher as weak U.S. labour market data and continued central bank purchases supported prices, although gains were largely capped by the escalation of the US-Iran conflict, which heightened inflation concerns and reinforced expectations of a prolonged higher-rate environment. Silver (-1.6% MoM) was the sole decliner, as rising Treasury yields and a stronger U.S. dollar coincided with softer industrial demand expectations, particularly from the solar sector, outweighing the continued structural supply deficit.

In contrast, platinum (+3.8% MoM) and palladium (+4.6% MoM) extended their gains on tightening physical market conditions. Platinum remained supported by expectations of a fourth consecutive annual market deficit and declining above-ground inventories, while palladium benefited from concerns over lower Russian production and the prospect of additional U.S. trade restrictions on Russian supplies, reinforcing expectations of tighter market availability.

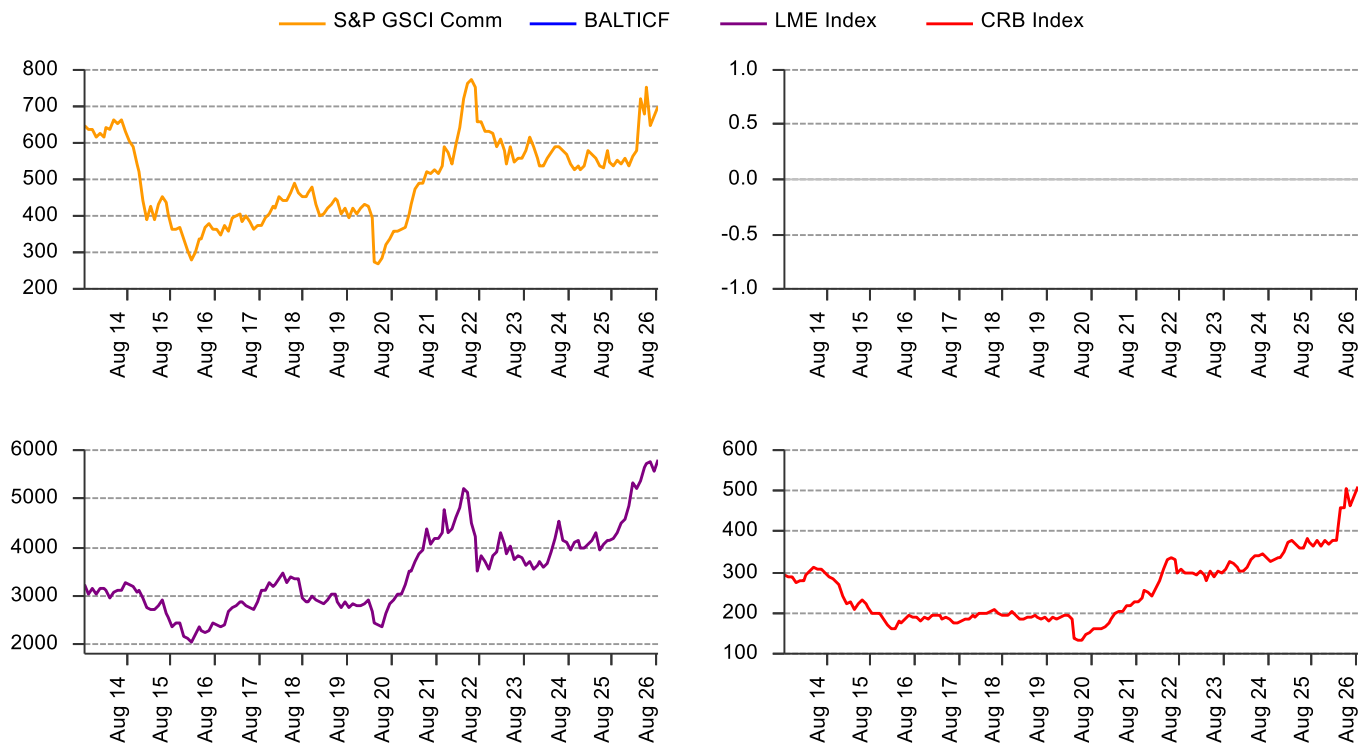
- **Industrial metals:** Industrial metals broadly recovered in Jul'26, supported by renewed geopolitical tensions, easing expectations of further U.S. monetary

tightening, and persistent supply-side constraints across several metals. Copper (+3.7% MoM) recovered as winter storms disrupted mining operations in Chile, inventories remained tight and concerns over potential U.S. tariffs encouraged continued stockpiling, reinforcing an already constrained physical market. Tin (+7.3% MoM) emerged as the strongest performer, with delayed production recovery in Myanmar, tighter Indonesian export quotas and historically low visible inventories outweighing the seasonal slowdown in electronics demand. Nickel (+6.1% MoM) also strengthened as Indonesia confirmed a sharp reduction in 2026 mining quotas and domestic refined production continued to decline, offsetting weak stainless-steel demand and high Chinese inventories.

Aluminium (+4.8% MoM) rebounded after June's steep correction as oversold conditions, low inventories, inelastic smelting capacity and resilient demand from electric vehicles, photovoltaics and grid infrastructure restored confidence in the market's structural deficit. Zinc (+3.8% MoM) extended its recent gains on persistent supply risks and low inventories, while lead (-0.2% MoM) remained broadly unchanged as historically high inventories and subdued battery demand during the seasonal off-season capped any meaningful upside despite improving smelter economics. In contrast, iron ore (-3.0% MoM) remained detached from the broader base-metals rally, extending its decline as weakening Chinese steel production, poor mill profitability, elevated port inventories and expectations of additional global mine supply continued to outweigh temporary reductions in Australian and Brazilian shipments.

- Agriculture:** Agricultural commodities strengthened across the board in Jul'26, supported by improving trade sentiment, adverse weather across key producing regions, and firmer crude oil prices. Corn (+6.8% MoM) and soybeans (+5.0% MoM) advanced as renewed optimism over US-China agricultural trade and fresh Chinese purchases of U.S. soybeans strengthened export demand prospects, while heat and dryness across the U.S. Midwest, flooding in parts of the Corn Belt, and deteriorating crop conditions in Europe heightened concerns over global grain supplies. Corn also benefited from robust export demand and lower European production estimates. Cotton (+8.2% MoM) emerged as the strongest performer within the agricultural complex as improving prospects for US-China agricultural trade bolstered demand expectations, while persistent heat stress in China's Xinjiang region raised concerns over crop yields following lower planted acreage, reinforcing firmer spot prices across China and India. Wheat (+4.4% MoM) extended its rally as escalating Russia-Ukraine hostilities and prolonged heatwaves across Europe, particularly in France, renewed concerns over global grain availability. Raw sugar (+1.4% MoM) edged higher as higher crude oil prices improved ethanol economics, encouraging Brazilian mills to divert more cane towards ethanol production, while weak Indian monsoon rains and El Niño-related weather risks supported prices. However, improving rainfall in India towards month-end moderated gains.

Figure 298: Movement in key commodity indices

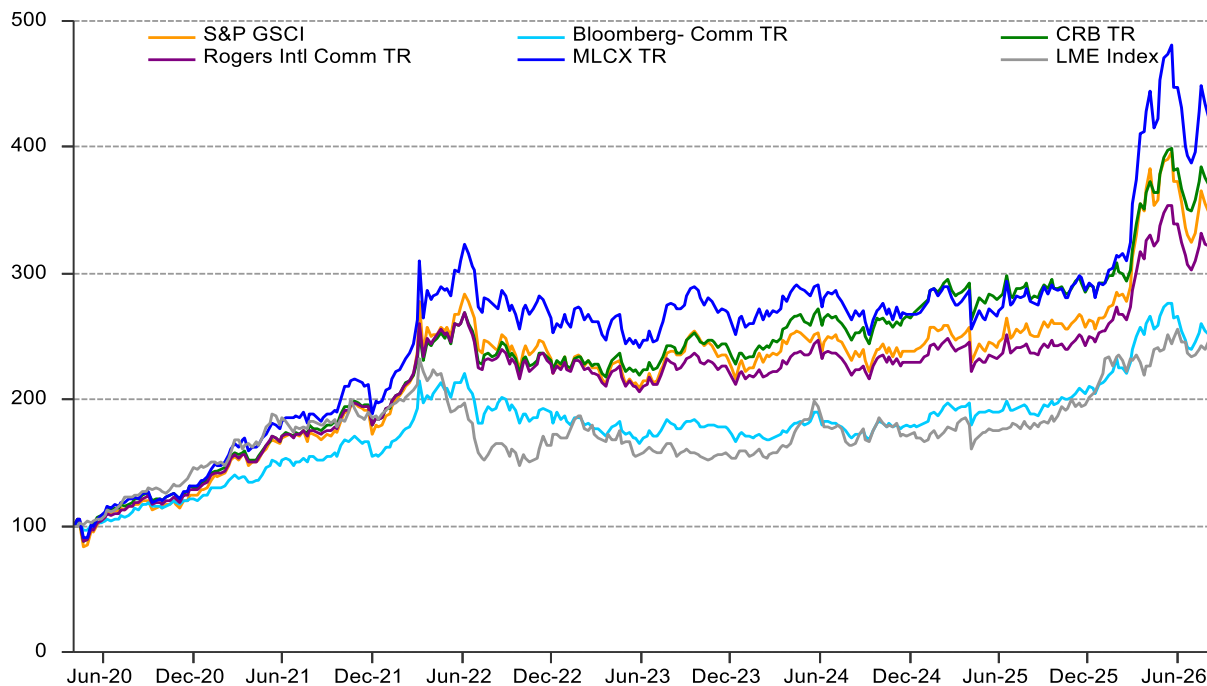
(As of August 17th, 2026)


Source: LSEG Workspace, NSE EPR.

Figure 299: Movement in key commodity indices since 2020

Rebased to 100 on March 31st, 2020 (As of August 17th, 2026)

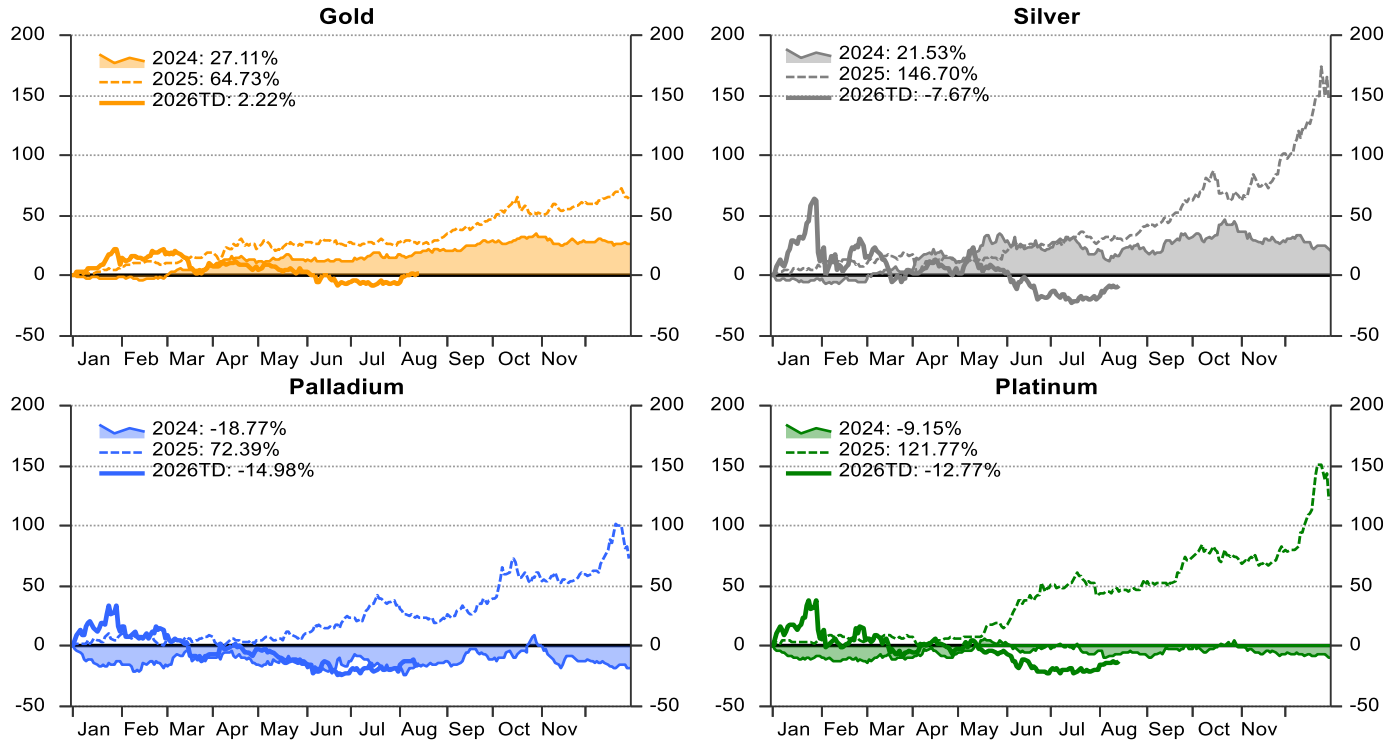
Key commodity indices
Rebased to 100 on March 31st, 2020



Source: LSEG Workspace, NSE EPR.

Figure 300: Returns of key precious metals in 2024, 2025 and 2026 till date
(As of August 17th, 2026)

Returns of key Precious Metals

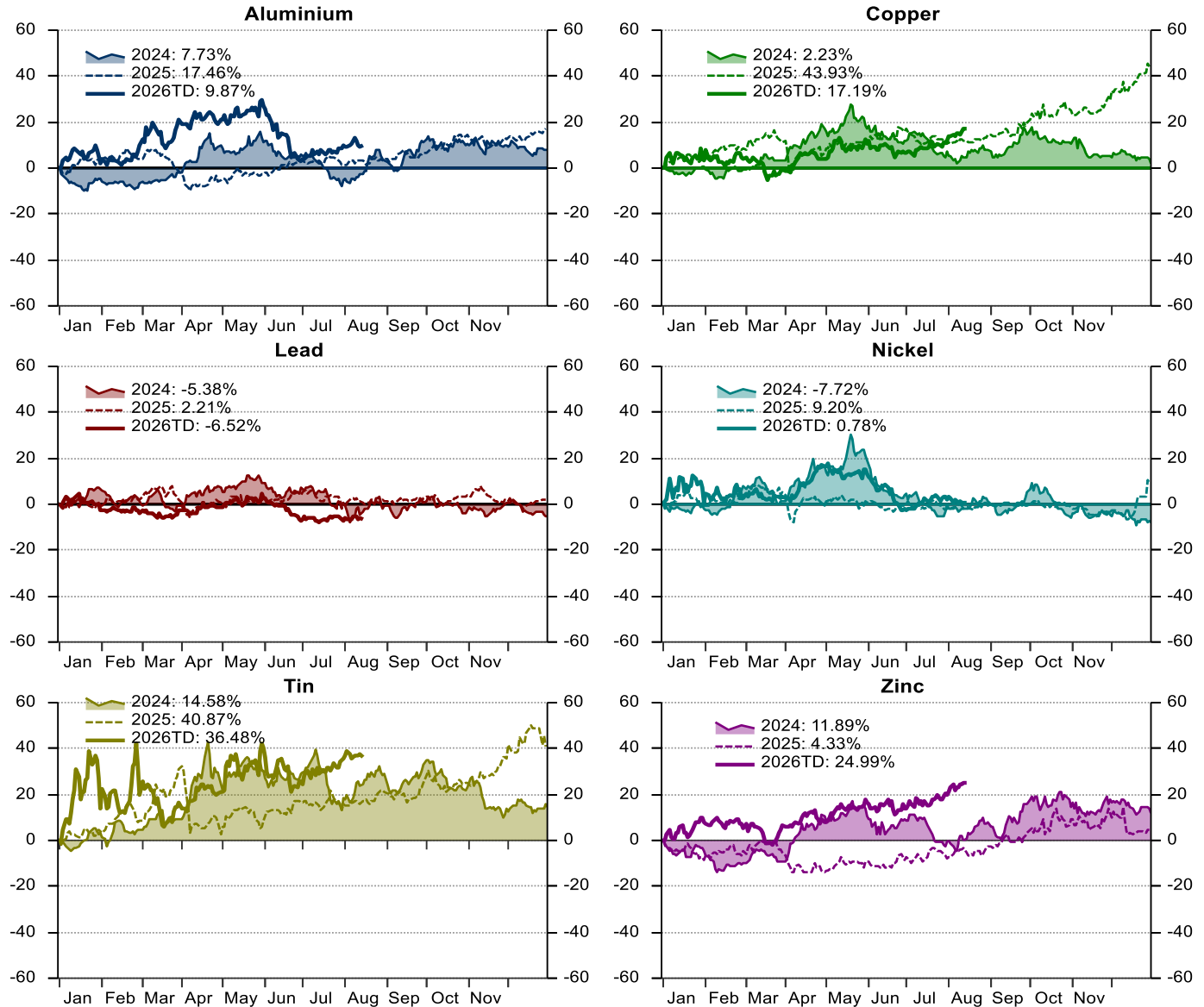


Source: LSEG Workspace, NSE EPR.

Figure 301: Returns of key industrial metals in 2024, 2025 and 2026 till date

(As of August 17th, 2026)

Returns of key Industrial Metals

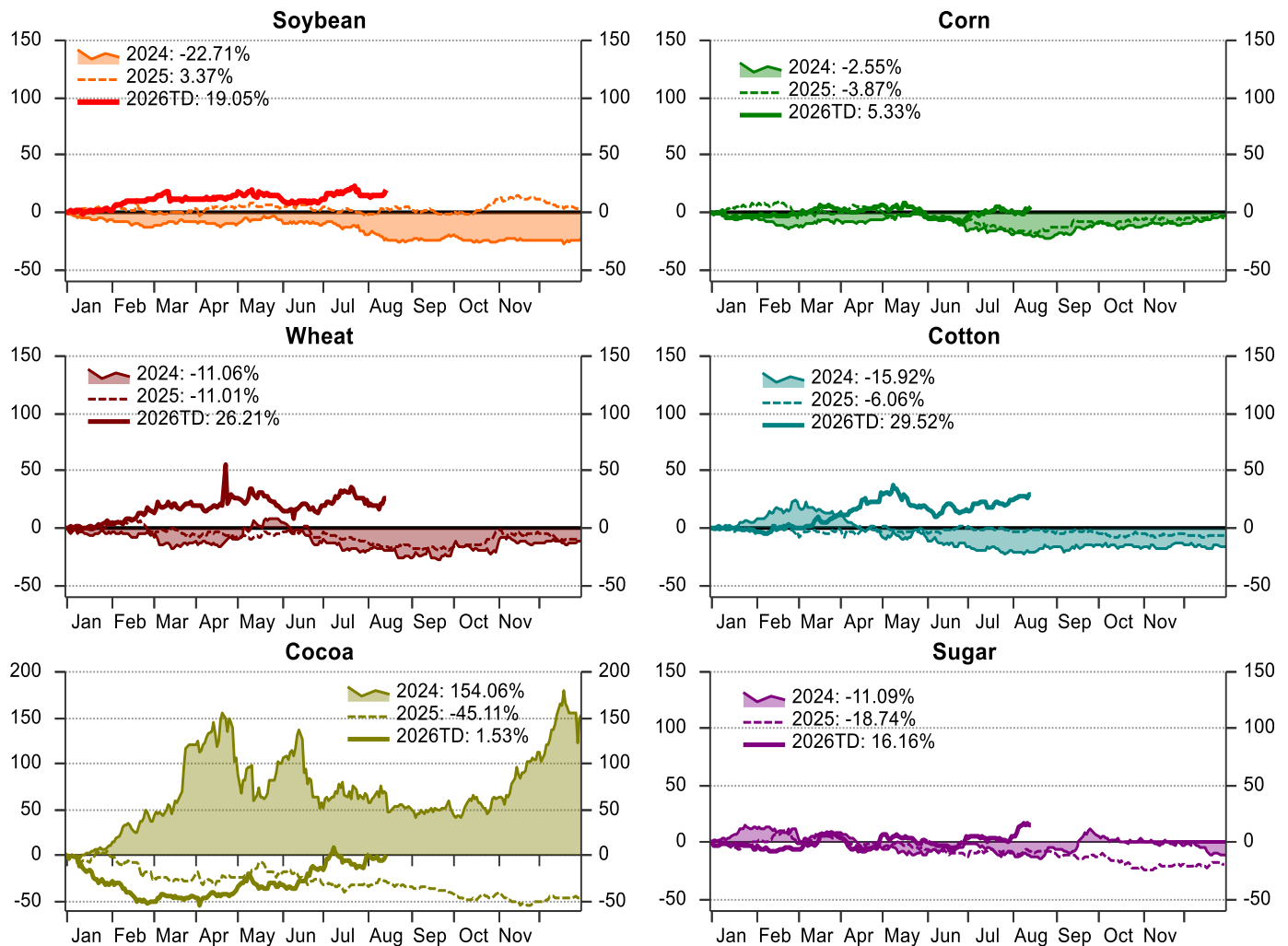


Source: LSEG Workspace, NSE EPR.

Figure 302: Returns of key agricultural commodities in 2024, 2025 and 2026 till date

(As of August 17th, 2026)

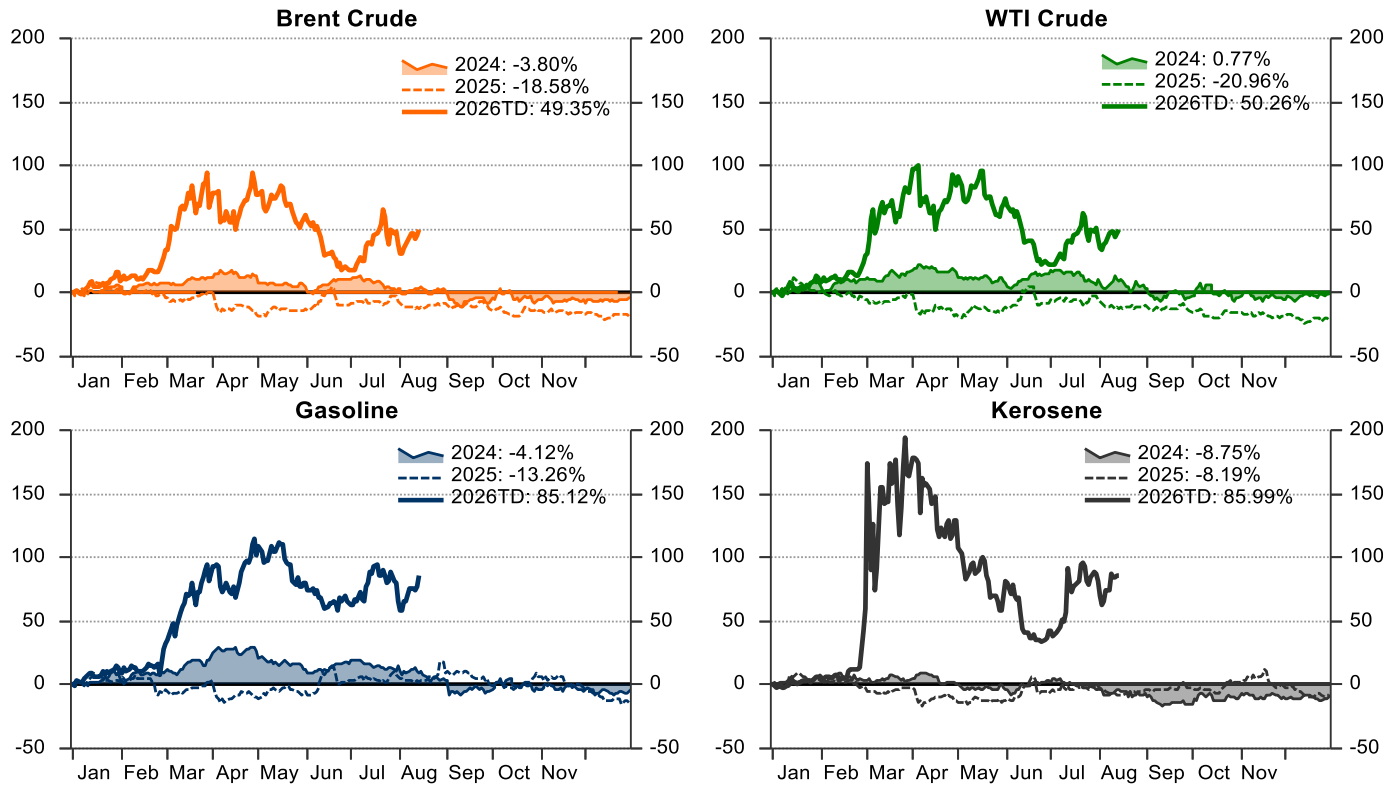
Returns of key agri commodities



Source: LSEG Workspace, NSE EPR.

Figure 303: Returns of key energy commodities in 2024, 2025 and 2026 till date
(As of August 17th, 2026)

Returns of key energy commodities



Source: LSEG Workspace, NSE EPR.

Table 59: Annual performance across commodities

(As of August 17th, 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 50.3
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 49.4
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 36.5
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	Zinc 25.0
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	Copper 17.2
Copper -26.1	Copper 17.4	Lead 24.3	Nickel -16.5	Gold 18.7	Tin 19.6	Nickel 26.1	Silver 2.9	Platinum -2.4	Copper 2.2	Tin 40.9	Aluminium 9.9
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	Gold 2.2
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	Nickel 0.8
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	Lead -6.5
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	Silver -7.7
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	Platinum -12.8
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	Palladium -12.8

Source: LSEG Workspace, NSE EPR.

Currency market performance

INR comes under renewed pressure in July amid higher crude prices and external uncertainties....

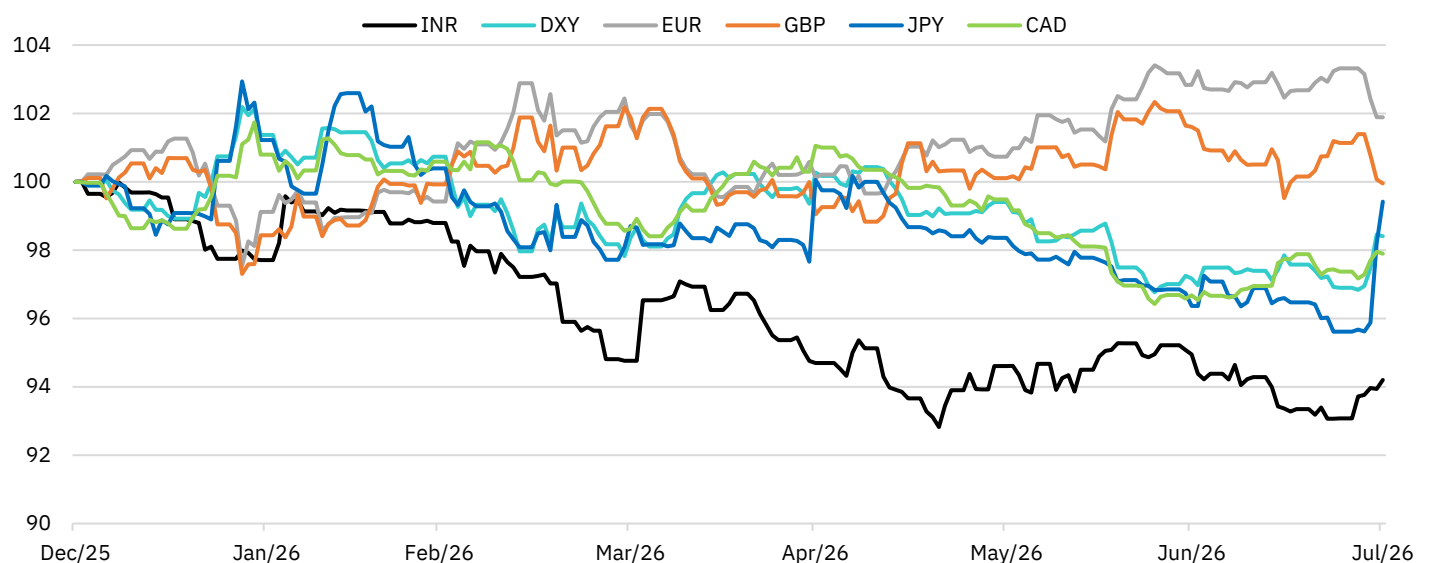
The Indian Rupee (INR) depreciated by 0.8% MoM in July 2026, reversing the 0.4% MoM appreciation recorded in June 2026, and touched an intra-month low of Rs 96.6 on 22nd July before closing at Rs 95.4 on 31st July. The depreciation occurred amid renewed geopolitical tensions in West Asia and a sharp rise in crude oil prices, which increased from US\$ 71.7/bbl at the beginning of the month to a peak of US\$ 100.7/bbl on 23rd July before moderating to US\$ 90.1/bbl by month-end. The RBI's temporary FCNR (B) deposit window, introduced in June to encourage foreign currency inflows, also remained operational during July. Meanwhile, FPI equity flows turned positive at US\$2.1 bn, reversing the outflows recorded in June, while debt inflows moderated to US\$1.9 bn, resulting in net FPI inflows of US\$4.1 bn during the month. Foreign exchange reserves increased to US\$692.9 bn as of 31st July 2026, from US\$666.9 bn as of 26th June. Overall, renewed geopolitical tensions and higher crude oil prices weighed on the INR despite stronger portfolio flows, a weaker US dollar, and continued measures to support foreign-currency inflows.

Major currencies appreciated against the US dollar amid dollar weakness....

The US dollar weakened in July 2026, with the DXY declining by 1.3% MoM, as most major developed and emerging market currencies appreciated against the US dollar during the month. Among developed markets, the Japanese Yen recorded the strongest appreciation (+3.2% MoM), followed by the Pound Sterling (+1.7% MoM), Canadian Dollar (+1.3% MoM) and Euro (+0.9% MoM), while the Swiss Franc remained broadly stable (+0.1% MoM). Emerging market currencies were more mixed, with the Brazilian Real (+1.9% MoM) and the Chinese Yuan (+0.6% MoM) appreciating, while the Turkish Lira (-1.8% MoM), Russian Rouble (-1.1% MoM), South African Rand (-1.0% MoM) and the Indonesian Rupiah (-0.6% MoM) depreciated. The INR's 0.8% depreciation stood in contrast to the appreciation observed across most major currencies during the month.

Figure 304: Movement in INR and major DM currencies against dollar since end of 2025

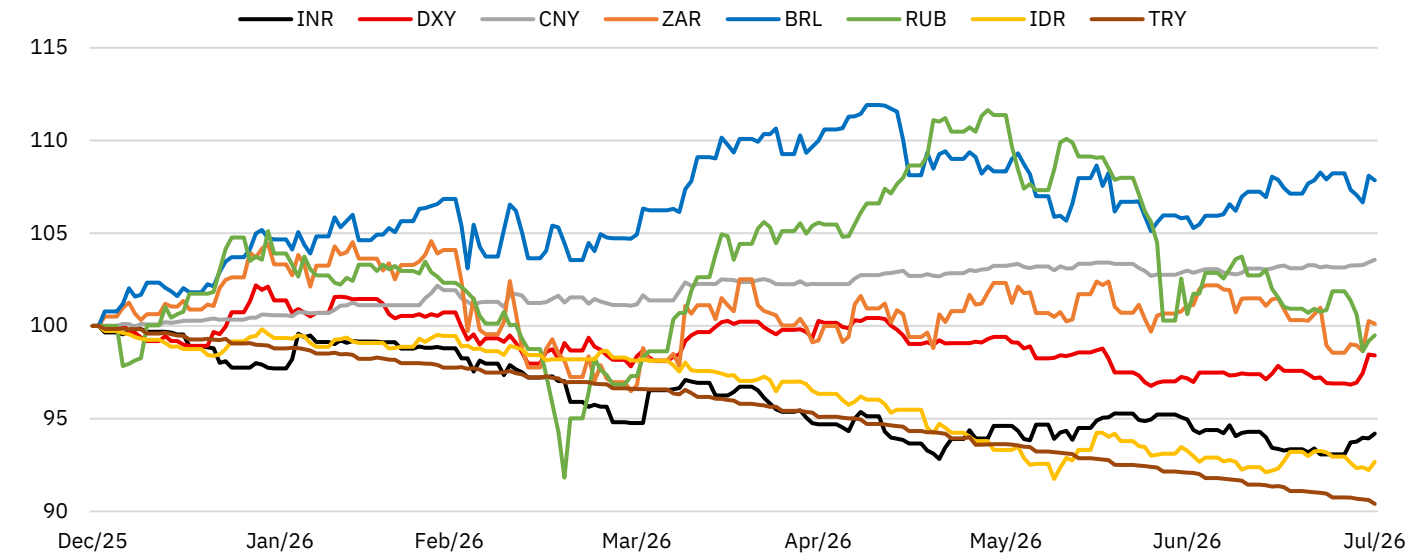
(Rebased to 100 on December 31st, 2025)



Source: LSEG Workspace, NSE EPR.

Figure 305: Movement in INR and major EM currencies against dollar since end of 2025

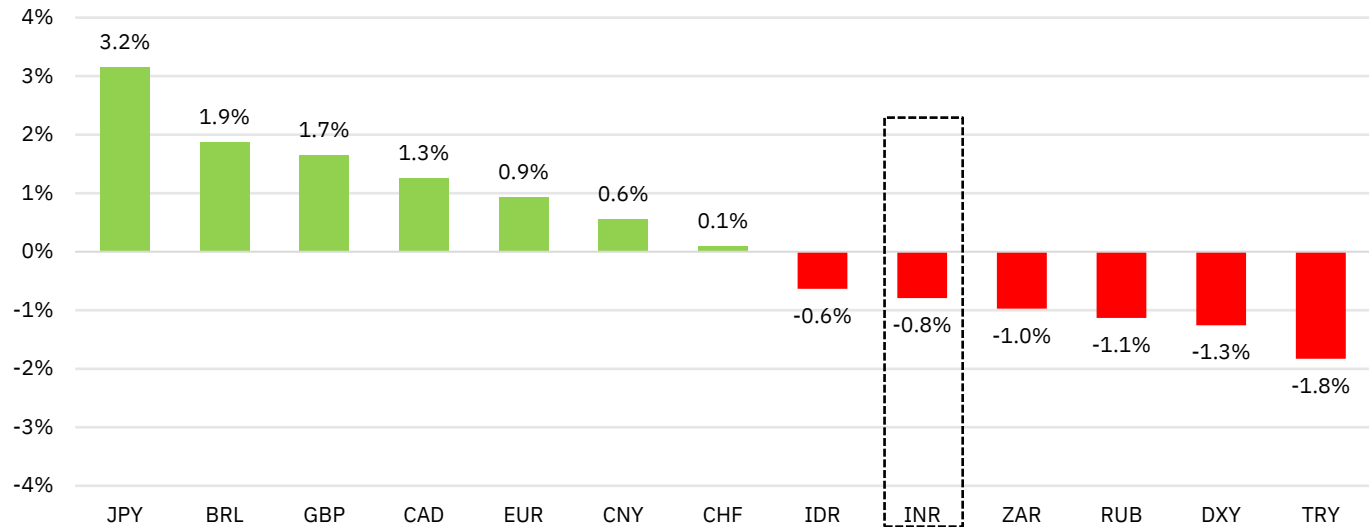
(Rebased to 100 on December 31st, 2025)



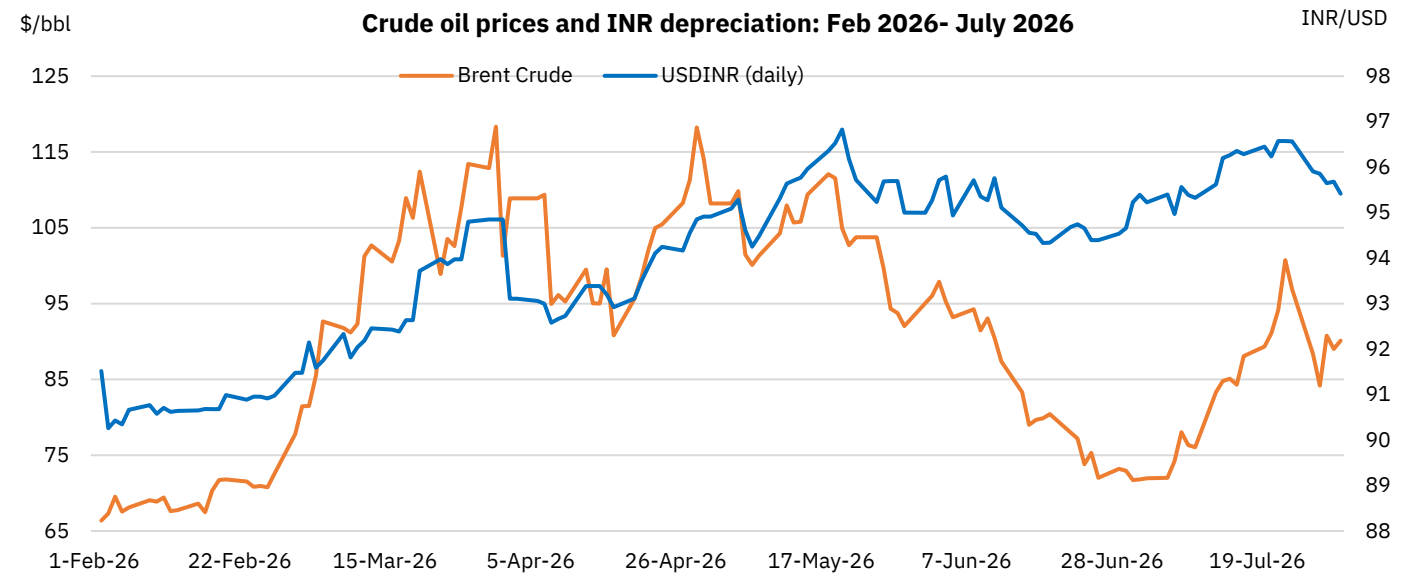
Source: LSEG Workspace, NSE EPR.

Figure 306: Global currency movements in July 2026 (% change MoM)

Depreciation (-)/Appreciation (+) MoM



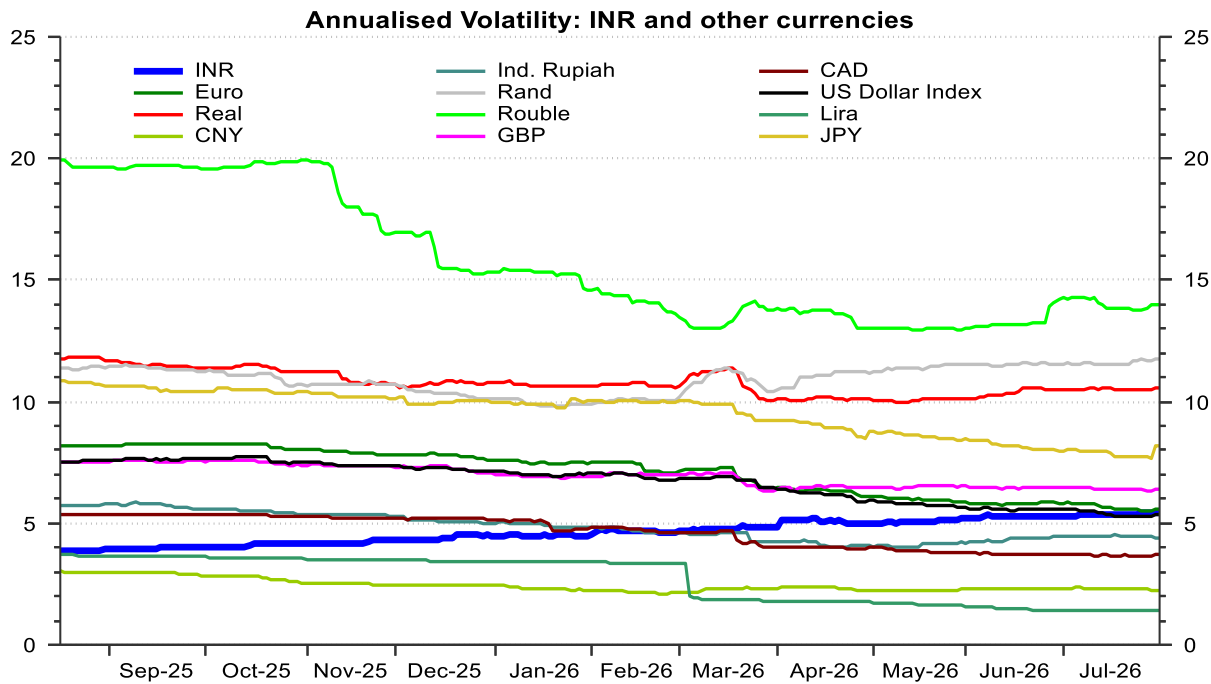
Source: LSEG Workspace, NSE EPR. Note: Red indicates depreciation and green indicates appreciation

Figure 307: Brent Crude oil prices and INR movement (Feb-July 2026)


Source: LSEG Workspace, NSE EPR.

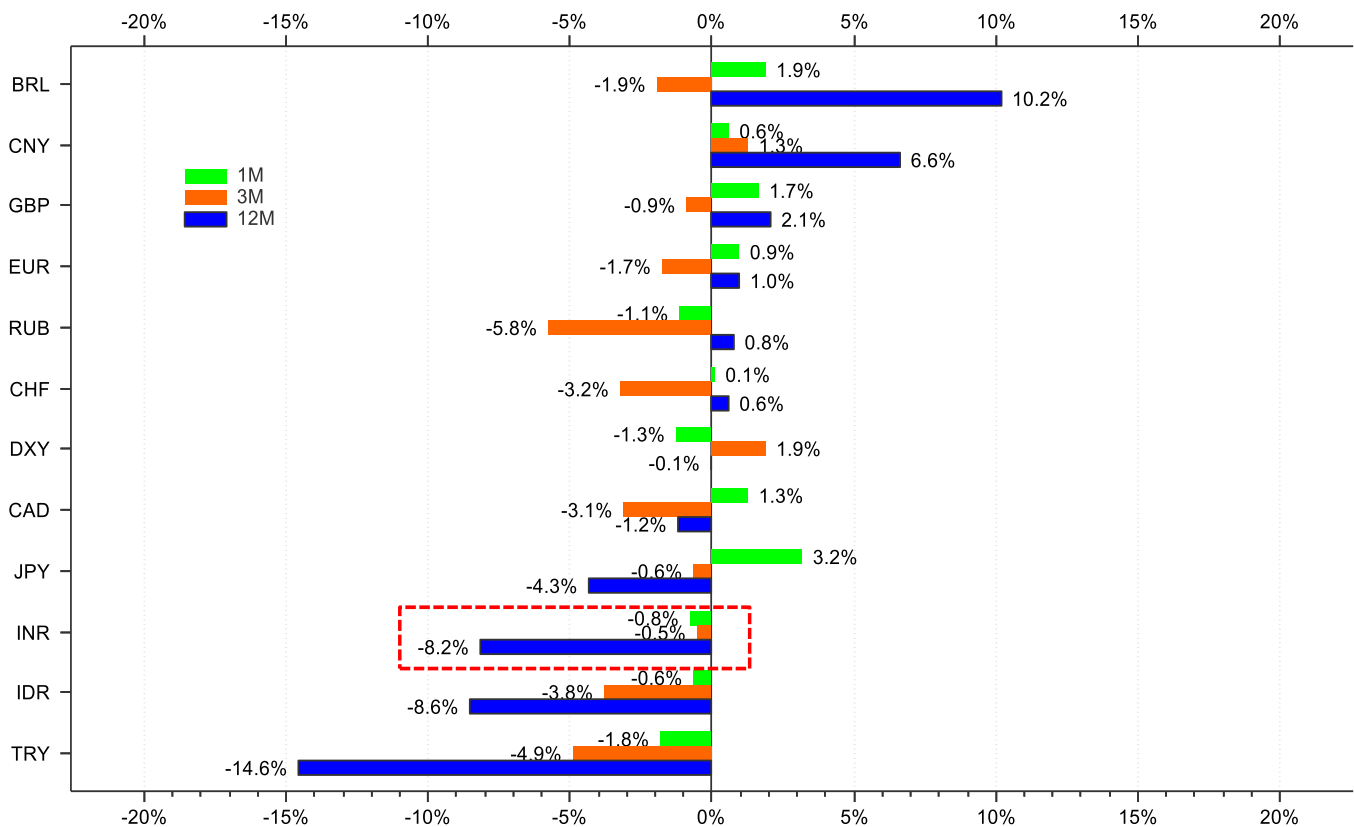
INR volatility edges higher in July amid mixed movements across peers...: The INR's average annualised volatility edged higher to 5.4% in July 2026, up from 5.3% in June, even as volatility remained mixed across major peer currencies during the month. The increase coincided with intra-month movements in the INR, including the depreciation to Rs 96.6 before a partial recovery toward month-end. Among emerging markets, the Russian Rouble (14.0%), South African Rand (11.6%), and Brazilian Real (10.5%) continued to exhibit higher volatility relative to the INR, while the Chinese Yuan remained among the least volatile at 2.3%. Among developed market currencies, volatility moderated, with the Japanese Yen easing to 7.9%, the Euro to 5.7%, and the Canadian Dollar remaining at 3.7%, while the Pound Sterling eased to 6.4%. Overall, INR volatility remained contained relative to several major emerging market peers despite the marginal increase during the month.

Figure 308: Annualised volatility of INR and other DM & EM currencies

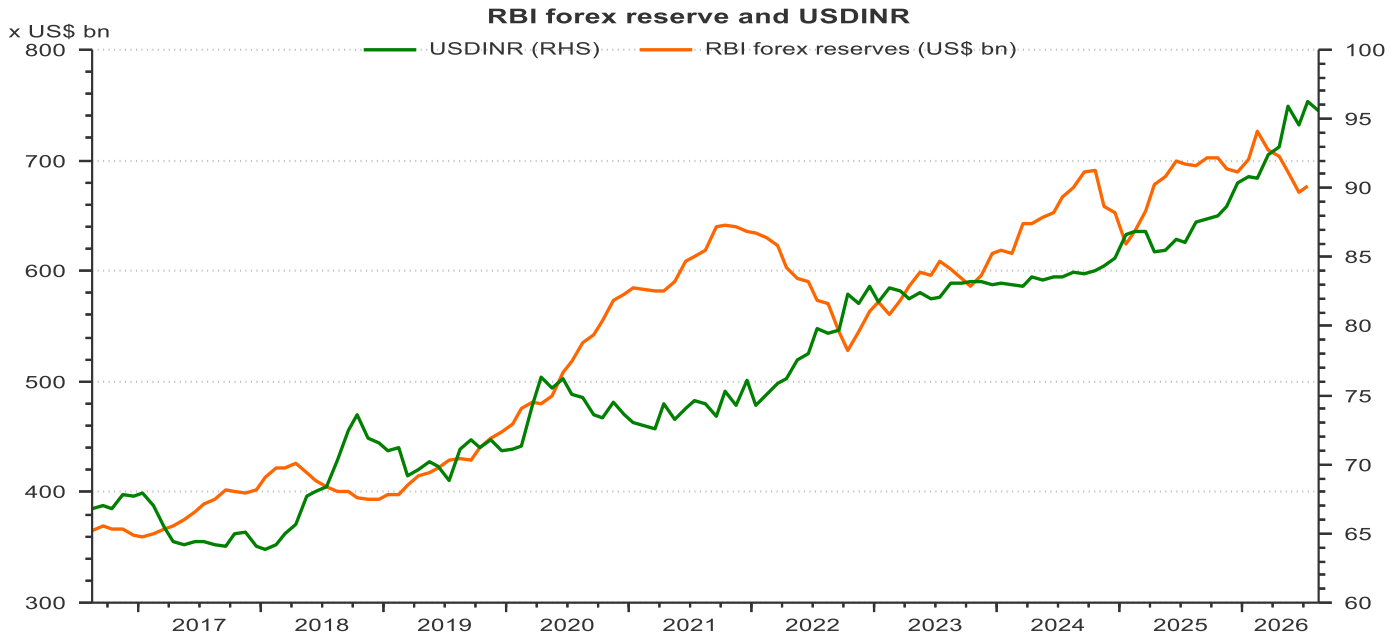


Source: LSEG Workspace, NSE EPR.

Figure 309: Change in INR and major DM & EM currencies (as on July 31st, 2026)
INR & Key Currencies vs. the USD (1M, 3M, 12M)

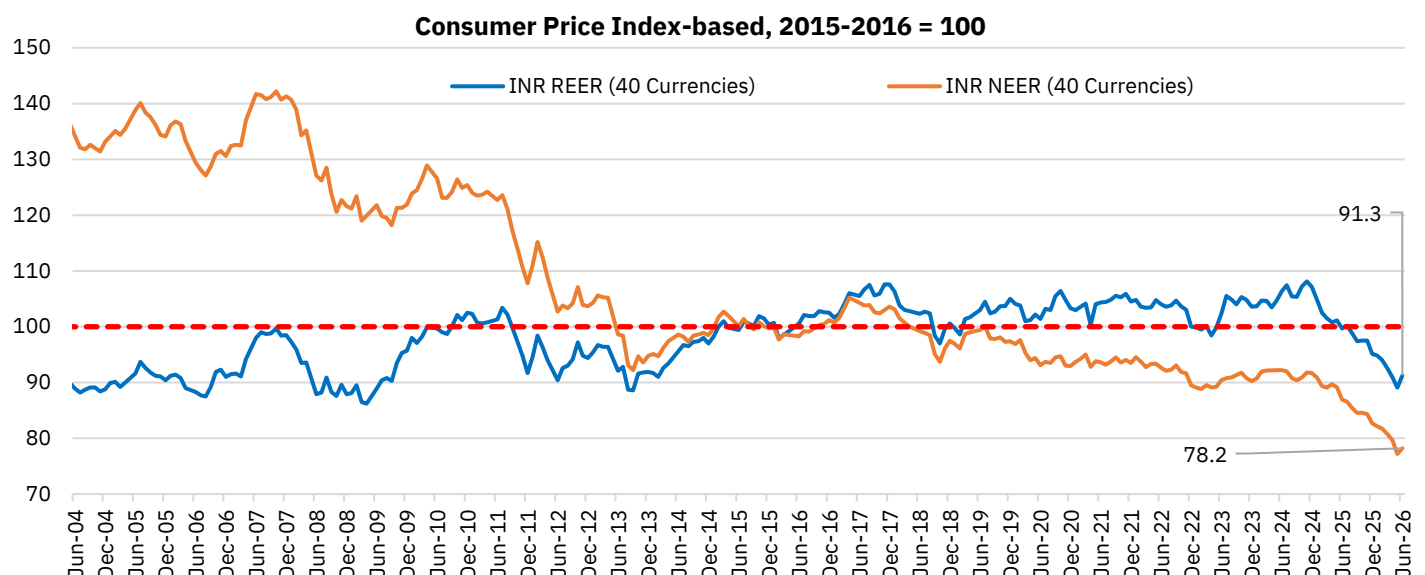


Source: LSEG Workspace, NSE EPR.

Figure 310: RBI forex reserves and USD-INR


Source: LSEG Workspace, NSE EPR.

REER and NEER rebound in June, moderating the extent of INR undervaluation...: The INR's real effective exchange rate increased in June'26, with the 40-currency trade-weighted REER increasing to 91.26 from 89.08 in May'26 — an increase of 2.18 points MoM. The NEER also increased to 78.21 from 77.19, gaining 1.02 points MoM. The rebound in both measures marked a partial reversal of the declines recorded in May. The latest REER reading implies a cumulative correction of approximately 16.9 points from the peak of 108.1 recorded in Nov'24, highlighting the extent of the valuation adjustment since the peak. While the increase in REER moderates the extent of the earlier undervaluation, the rise in NEER reflects a partial recovery in the INR's nominal effective exchange rate against its major trading partners.

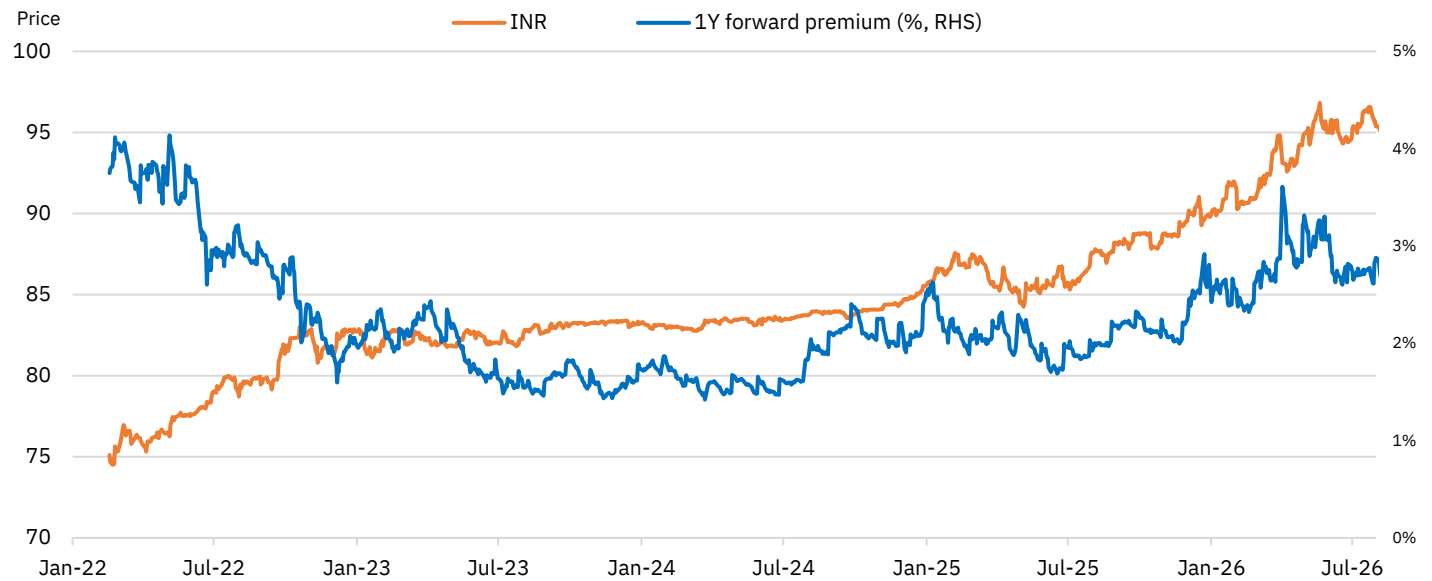
Figure 311: Real and nominal effective exchange rates of INR


Source: CMIE Economic Outlook, NSE EPR.

One-year forward premium remains broadly stable in July following the moderation observed in June...

The one-year forward premium on the INR remained broadly stable in July 2026, with the monthly average edging down to 2.74% from 2.76% in June. The premium fluctuated within a range of 250.5–274.5 paise during the month before settling at 274.5 paise as of 31st July 2026, higher than the June month-end level of 261 paise. The month-end firming occurred amid continued external uncertainties and a rise in U.S. Treasury yields. While forward premiums remained above the low levels observed through much of FY24–FY25, they remained below the elevated levels recorded during April–May 2026.

Figure 9: USD-INR and 1-year forward premium



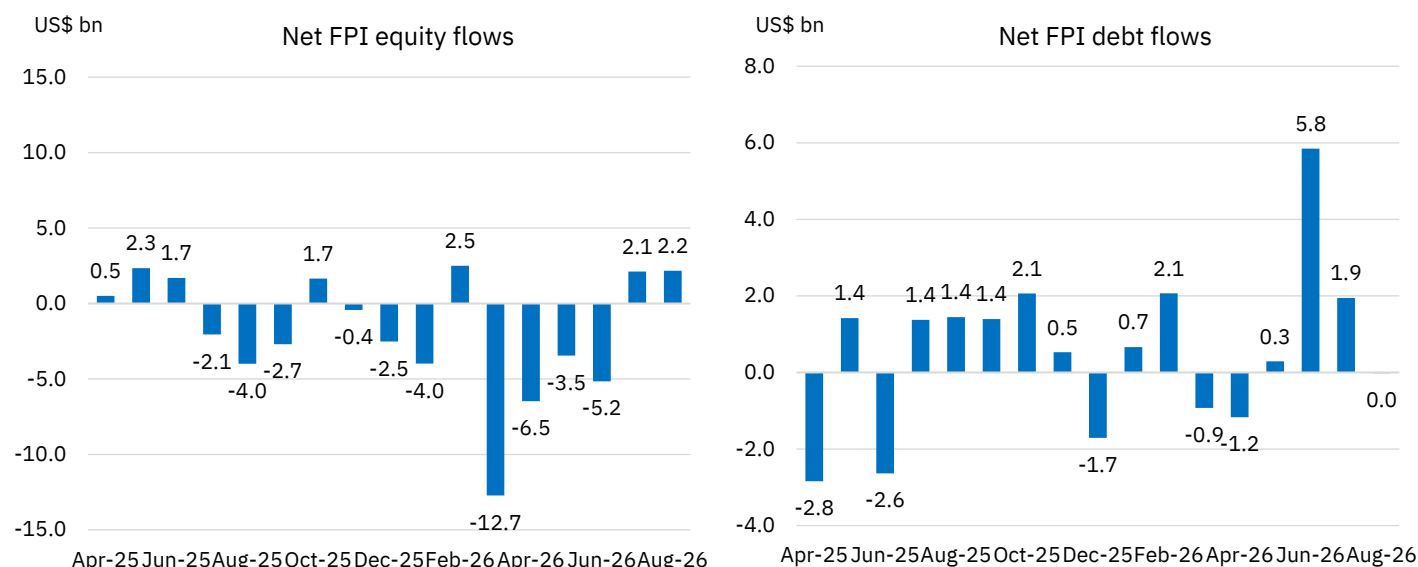
Source: NSE Cogencis, NSE EPR.

Institutional flows across market segments in India

FPIs turned net buyers of Indian equities in July... After recording net outflows of US\$5.2 bn in June 2026, and a total of US\$27.8 bn over the previous four months, FPIs turned net buyers, with net equity inflows of US\$2.1 bn in July 2026 – the first positive monthly equity flow since February 2026. The momentum extended in August, with net FPI equity inflows standing at a further US\$2.2 bn as of August 17th, 2026. The recovery coincided with moderation in crude oil prices, improving valuations following the preceding market correction, and renewed investor interest in IT stocks following better-than-expected Q1 FY27 earnings. Heightened volatility in semiconductor-heavy markets such as South Korea and Taiwan also coincided with a shift in foreign investor allocations towards relatively stable markets, with India among the markets attracting foreign inflows. Nonetheless, cumulative FPI equity flows in FY27TD remained in deficit at US\$10.8 bn as of August 17th, 2026, indicating that the recent improvement had yet to materially alter the broader pattern of FPI withdrawals.

...While FPI debt inflows moderated after the record June surge but remained positive: FPI participation in the debt segment remained positive in July, with net inflows of US\$1.9bn, following a record US\$5.8bn inflow in June. Flows moderated in August, with marginal net outflows of US\$18mn, taking cumulative FY27TD debt inflows to US\$6.9bn as of August 17th, 2026. Foreign interest in Indian debt continued to be supported by attractive yields, tax incentives on Government securities and expectations around further global bond-index inclusion. These factors, along with relatively stable macro fundamentals and strong domestic demand, helped sustain FPI participation despite firmer global yields.

Figure 312: Monthly Net inflows by FPIs in Indian equity and debt markets

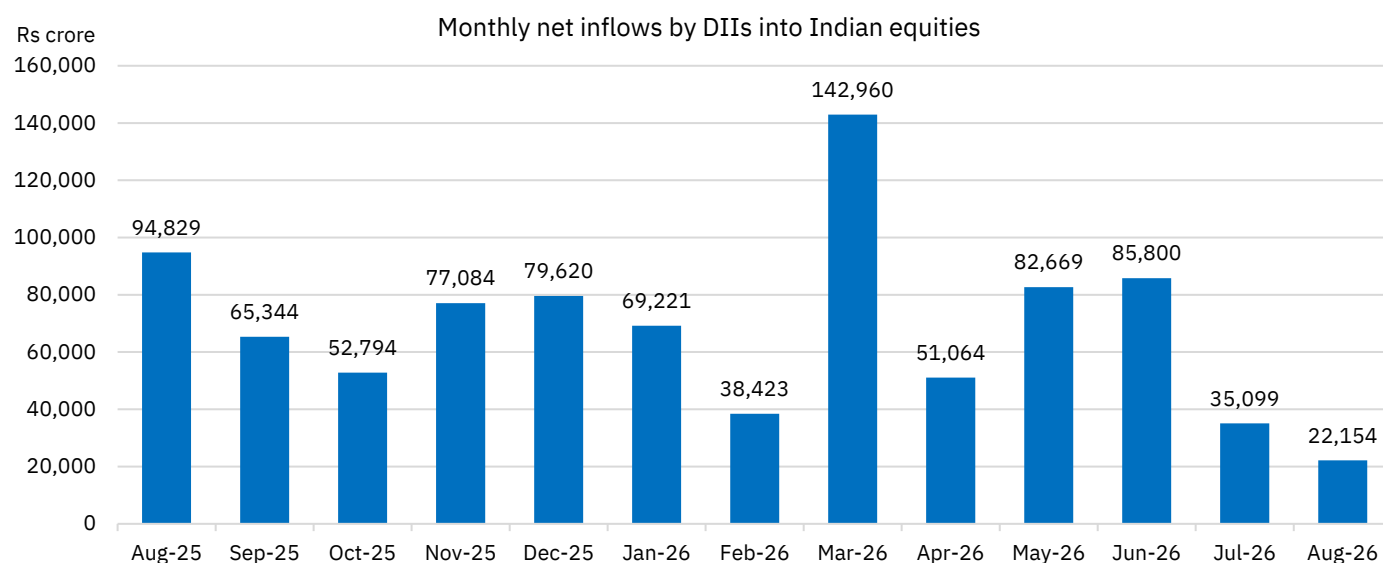


Source: NSDL, NSE EPR. Data for August is as of August 17th, 2026.

DIIs remained net buyers but participation moderated in July... DIIs invested Rs 35.1k crore (US\$3.7 bn) in Indian equities during July 2026, the lowest monthly inflow since April 2025 (Rs 28.2k crore), substantially below Rs 85.8k crores (US\$9.0 bn) recorded in June 2026 and Rs 60.9k crore recorded in July 2025, representing a 42.4% YoY decline. DII inflows stood at Rs 22.2k crore (US\$2.3 bn) as of 17th August 2026. Cumulative DII equity inflows in FY27TD (as of August 17th) reached

Rs 2.8 lakh crore (US\$29.1 bn), with cumulative DII inflows remaining substantial despite sustained volatility in foreign portfolio flows. Within DIIs, domestic mutual fund equity inflows moderated while debt outflows continued. DMFs invested Rs 15.3k crore (US\$1.6 bn) in equities during July 2026, substantially below Rs 47.0k crore recorded in July 2025, with a further Rs 28.4k crore (US\$3.0 bn) invested as of August 13th, 2026, taking cumulative FY27TD DMF equity inflows to approximately Rs 1.9 lakh crore. In the debt segment, DMFs recorded net outflows of Rs 49.8k crore (US\$5.2 bn) in July, followed by further outflows of Rs 32.8k crore (US\$3.4 bn) as of August 13th, continuing the pattern of net outflows from domestic fixed-income markets observed through much of FY27TD. Cumulative FY27TD DMF debt outflows stood at Rs 2.4 lakh crore, indicating continued weakness in domestic fixed-income flows.

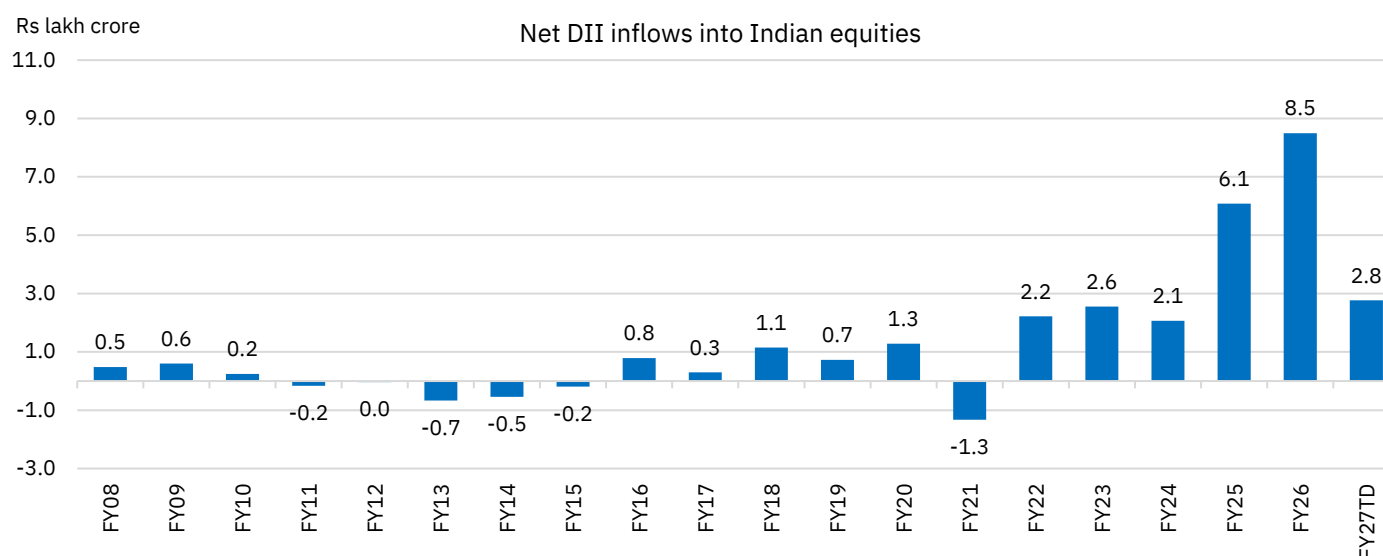
Figure 313: Monthly net inflows by DIIs in Indian equity markets



Source: CMIE Economic Outlook, NSE EPR. Data for August is as of August 17th, 2026.

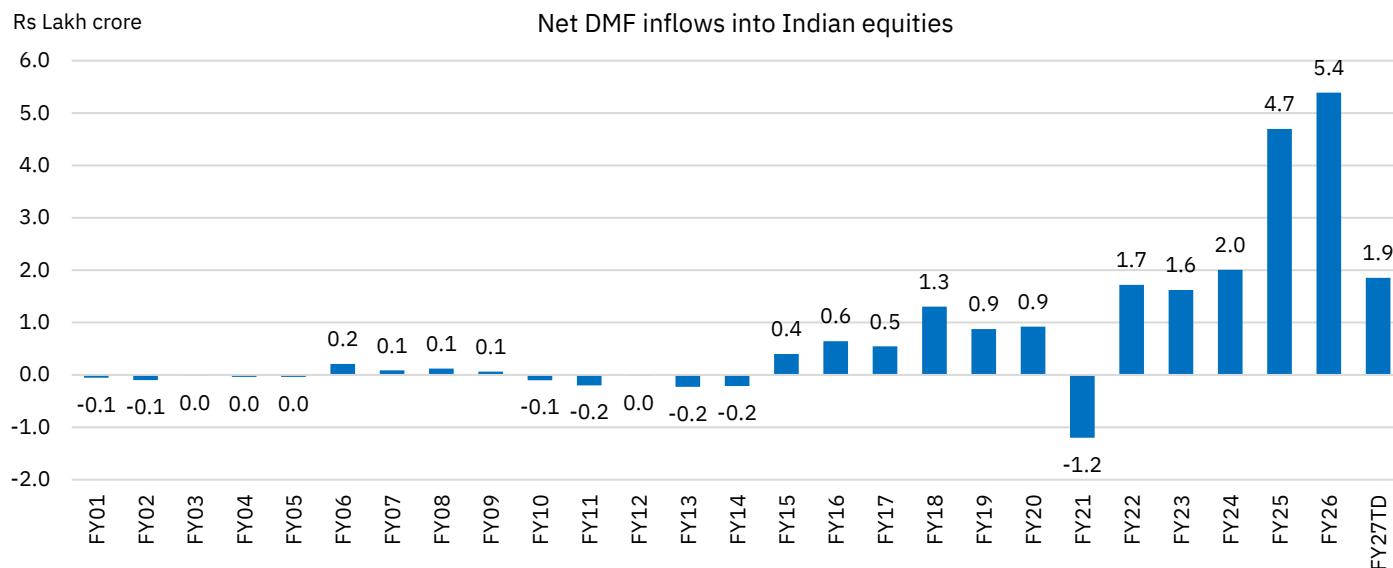
Note: The figure above shows total traded value executed by DIIs across exchanges, compiled based on trading codes entered by Trading Members at the time of order entry and corresponding client category classification provided by trading members.

Figure 314: Annual net inflows by DIIs in Indian equity markets

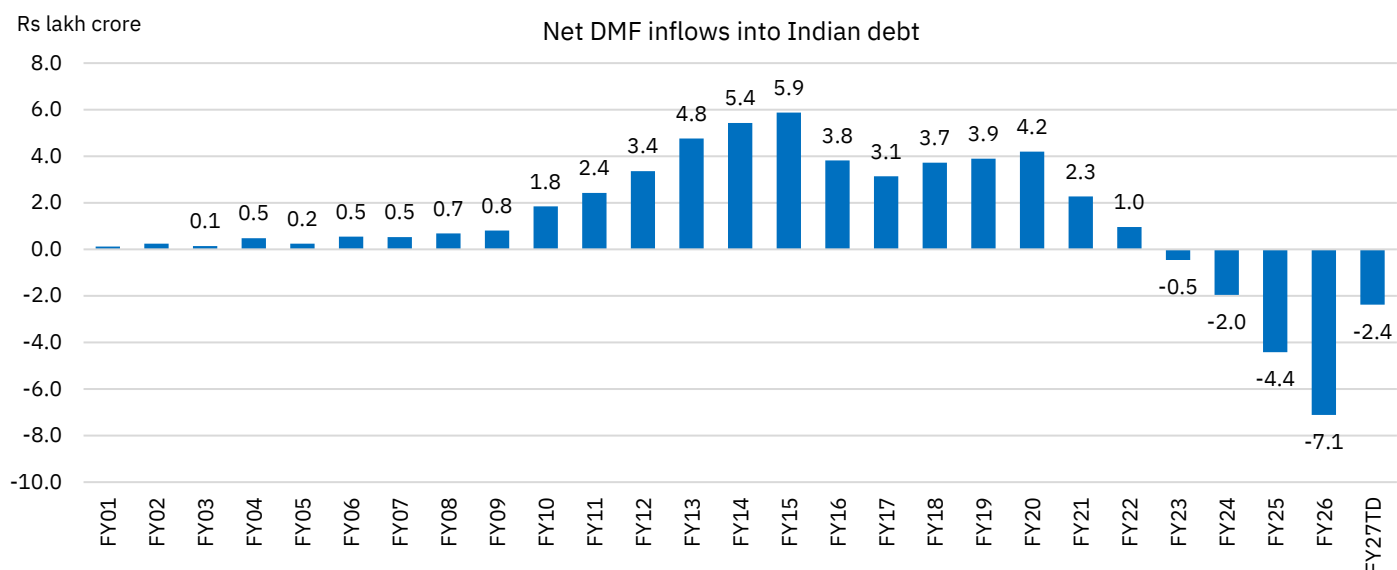


Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of August 17th, 2026.

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 315: Annual net inflows by domestic mutual funds in Indian equity markets


Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of August 13th, 2026.

Figure 316: Annual net inflows by domestic mutual funds in Indian debt markets


Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of August 13th, 2026.

Markets in depth

Primary activity strong; secondary activity moderates amid resilient investor participation

Capital markets witnessed a mixed trend in July 2026, with a sharp recovery in fundraising activity alongside moderation in trading value. Equity fundraising surged 163% MoM to Rs 1.1 lakh crore, supported by a rebound in IPO mobilisation and strong growth in further issuances, particularly preferential allotments. Main Board IPO performance also improved, with around 85% of the 13 listings debuting at or above their issue prices. In contrast, trading activity moderated across both cash and derivatives segments. Cash market ADT declined 9% MoM to Rs 1.2 lakh crore, while equity futures ADT and options ADPT fell 7% and 18%, respectively, led by weakness in index products. Investor participation remained resilient, with 1.43 crore investors trading during the month, while individual investors turned net sellers after four months of buying. However, their FY27 cumulative net investment remained positive at Rs 39,053 crore. Overall, July reflected improving primary-market sentiment amid subdued secondary-market activity and persistent concentration of turnover among high-value investors.

Equity fundraising rebounds, led by IPOs and preferential issuances: Equity fundraising strengthened sharply in July 2026, driven by a recovery in IPO mobilisation and further issuances. Nineteen companies were listed during the month, raising around ~Rs 18,600 crore, with Main Board listings accounting for the bulk of proceeds. Listing performance also improved, with around 85% of Main Board IPOs debuting at or above their issue prices. Retail participation increased, while the share of QIBs moderated. Further issuances rose sharply, led by preferential allotments, which continued to gain prominence over QIPs and rights issues. Overall equity fundraising increased 163% MoM to Rs 1.1 lakh crore, indicating improved sentiment despite global uncertainties. In contrast, overall fund mobilisation through equity, debt and business trusts declined 24% MoM, primarily due to lower debt issuances, although the previous month had a higher base of debt mobilisation. On the Emerge platform, listings remained below the levels of the previous two fiscals, although cumulative fundraising remained substantial, with several companies subsequently migrating to the Main Board.

Cash market ADT declines, while trades hit 18-month high: Trading activity in the equity cash market moderated for the second consecutive month in July 2026. Average daily turnover (ADT) declined 9% MoM to Rs 1.2 lakh crore, its lowest level in five months, although it remained 27% higher than a year earlier. Notably, the number of trades increased 5% MoM to an 18-month high. The moderation in cash-market ADT, despite the monthly aggregate remaining broadly at par with the previous month, suggests lower activity among the top cohort, while the increase in investor participation was driven by smaller-ticket trading.

Equity derivatives moderate for second month, led by index products: Equity derivatives activity moderated for the second consecutive month in July 2026, led by a sharp decline in index products. Equity futures ADT fell 7% MoM to Rs 1.35 lakh crore, its lowest level in 32 months. Index futures ADT declined 24% MoM to Rs 17,225 crore, extending the moderation to a fourth consecutive month. Options activity also weakened, with average daily premium turnover (ADPT) declining 18% MoM to Rs 50,211 crore, its lowest level in seven months. Index options ADPT fell 23% to Rs 42,196 crore, with Nifty contracts accounting for 90% of activity. In contrast, stock options ADPT increased 16% to Rs 8,015 crore, recovering from the decline in June. The divergence was also reflected in trade volumes: index options trades declined 17%, while stock options trades increased 13%.

Top 0.3% investors account for ~80% of cash market turnover in July: Trading activity across equity cash and derivatives remained highly concentrated in July 2026, with a small cohort of high-value investors accounting for the bulk of turnover. In the cash market, the top 0.3% of investors generated around 80% of turnover, while nearly 69% of investors with turnover below Rs 1 lakh contributed only 0.3%. Concentration was similarly pronounced in equity options, where the top 0.3% accounted for around 68% of premium turnover. Equity futures remained the most concentrated segment, with around 8% of investors in the top turnover cohort generating nearly 93% of turnover. In contrast, 53% of investors with turnover between Rs 1 lakh and Rs 1 crore contributed less than 1%. Across segments, the highest turnover cohort remained dominated by proprietary traders, foreign investors and DIIs, while individual investors were more active among the other cohorts.

Individual investors turn net sellers at Rs 3,692 crore after four months of buying: Individual investors turned net sellers in the NSE cash market in July 2026, ending a four-month streak of net buying. They recorded net sales of Rs 3,692 crore during the month, compared with net purchases of Rs 19,016 crore in June. Despite the monthly reversal, cumulative net investment by individual investors in the secondary market remained firmly positive at Rs 39,053 crore in FY27 as of July 31st, compared with a net outflow of Rs 5,803 crore in FY26. This represents a significant turnaround in their investment behaviour in the current fiscal. Meanwhile, individual investors' share of cash market turnover remained broadly unchanged at 33%, indicating that their trading participation remained resilient.

Investor base expands, while cash market remains the gateway to investor participation: As of July 31st, 2026, NSE had ~13.4 crore unique registered investors, of whom around ~1.4 crore traded at least once during the month across equity cash and derivatives. Investor participation remained heavily skewed towards the cash market, with ~1.07 crore investors, or around ~8% of the total registered base, trading exclusively in the cash segment. In comparison, ~19.6 lakh investors, equivalent to ~1.5% of the total registered base, traded exclusively in futures and options. The significantly larger base of cash-only participants highlights the continued importance of the cash market as the primary avenue for investor participation. At the same time, the sizeable number of monthly active investors indicates sustained engagement with equity markets.

Capital raising through equity surged; preferential issuances gain traction

Equity fundraising activity strengthened in July, led by a sharp recovery in IPO mobilisation and further issuances. Nineteen companies were listed during the month, raising ~Rs 18,600 crore, with Main Board listings accounting for the bulk of proceeds. Listing-day performance also improved, with ~85% of Main Board IPOs debuting at or above their issue price. Retail investor participation increased in Main Board IPOs, while the share of QIBs moderated. Fundraising through further issuances rose sharply, driven by preferential issuances, which continued to gain prominence over QIPs and rights issuances. Overall equity fundraising increased 163% MoM to Rs 1.1 lakh crore, indicating improving sentiment despite continued global uncertainties. However, overall fund mobilisation through equity, debt and business trusts declined 24% MoM, primarily due to a sharp moderation in debt issuances. On the Emerge platform, while the pace of listings remained lower than in the previous two fiscals, cumulative fundraising remained substantial, with several companies subsequently migrating to the Main Board.

Fund mobilisation and new listings

IPO activity gains momentum amid easing headwinds: In July, nineteen companies were listed, raising Rs 18,574 crore, up from Rs 1,882 crore in the previous month. Of these, thirteen companies were listed on the Main Board, raising Rs 18,349 crore, while six companies were listed on the Emerge platform, raising Rs 225 crore. Of the overall IPO proceeds, 18% were raised through fresh issuances and 82% through offer for sale. Notably, in the first quarter, only twenty-two companies were listed, raising ~Rs 5,700 crore. The sharp increase in fundraising in July highlights improving issuer confidence as global headwinds began to ease, although uncertainty remains as markets continue to seek greater clarity.

Main Board listings show stronger debut performance: The month-wise distribution of listing-day performance indicates a distinct improvement in Main Board debuts during July 2026. Of the thirteen companies listed, ~85% debuted at or above their issue price. Around 23% of the new listings registered listing gains of 25–50%, another 23% recorded gains in the 10–25% range, while ~38% delivered gains of 0–10%. Meanwhile, 15% of the companies listed at a discount, with 7.7% each falling in the -10% to 0% and -25% to -10% ranges. This compares favourably with the previous quarter, which was characterised by fewer listings and relatively subdued listing-day performance.

RII participation rises as QIB share moderates in Main Board IPOs: Of the twenty-one companies listed on the Main Board in the first four months of the current fiscal, the share of RIIs rose to 29%, up from 23% in FY26. On the Emerge platform, which witnessed twenty new listings, the share of RIIs stood marginally lower at 35%, compared with 37% in FY26. On the other hand, the share of QIBs declined on the Main Board to 53% in the first four months of the current fiscal, from 62% in FY26, while on the Emerge platform, it stood at 37%, down from 39% in FY26. The share of NIIs stood at ~14% on the Main Board, broadly similar to the previous year, while on the Emerge platform, it increased to 23% from 18% in FY26.

Preferential issuances lead equity fundraising in July: Remarkably, fundraising through further issuances rose 209% MoM to ~Rs 93,400 crore in July, of which preferential issuances accounted for 68%, followed by QIPs at 32%. Notably, fundraising through preferential issuances rose significantly to Rs 1.4 lakh crore in the first four months of FY27, up from ~Rs 53,000 crore during the corresponding period last year, highlighting a greater corporate preference for preferential issuances over QIPs and rights

issuances for equity raising. Overall equity fundraising increased 163% MoM to Rs 1.1 lakh crore in July, up from ~Rs 43,000 crore last month, indicating an improvement in sentiment even as markets continue to monitor global headwinds with caution.

Overall fund mobilisation moderates on lower debt issuances: Overall fund mobilisation through equity, debt and business trusts declined 24% MoM to Rs 2.3 lakh crore in July 2026, from Rs 3.1 lakh crore in June. The moderation was primarily driven by debt issuances, which fell 54% MoM to Rs 1.2 lakh crore. Within the debt segment, Commercial Paper (CP) issuances stood at ~Rs 70,000 crore, down 63% MoM, while privately placed Non-Convertible Debentures (NCDs) accounted for Rs ~49,000 crore, down 30% MoM.

Table 60: Monthly trends for fund mobilisation (Rs crore) through equity and debt in the last 11 months

Segments	Modes	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Equity (Main Board) - Primary markets	Fresh listing	5,598	10,909	11,754	7,365	1,816	1,824	2,784	1,558	850	661	3,181
	OFS	3,984	29,491	21,260	14,493	2,949	2,185	5,271	541	76	991	15,168
	IPO (Fresh + OFS)	9,582	40,400	33,014	21,858	4,765	4,009	8,056	2,099	926	1,652	18,349
	FPO	-	-	-	-	-	-	-	-	-	-	-
	Rights	1,349	582	1,073	26,488	381	74	780	1,260	174	153	480
	Preferential	4,101	6,475	19,180	7,861	27,134	3,118	5,423	46,317	9,225	22,434	63,243
	QIPs	2,000	1,100	1,200	11,085	4,150	-	182	2,500	4,000	7,580	29,469
Equity (SME) - Primary markets	Fresh listing	643	309	213	622	253	282	234	179	532	230	225
	OFS	55	17	-	24	5	24	7	26	9	-	-
	IPO (Fresh + OFS)	698	326	213	646	258	306	242	205	542	230	225
	FPO	-	-	-	-	-	-	-	-	-	-	-
	Rights	35	-	91	-	-	-	122	-	-	-	-
	Preferential	139	195	206	546	34	263	145	350	235	85	241
	QIPs	85	-	-	-	-	-	-	-	-	-	-
Secondary markets	OFS	1,304	252	51	4,061	3,313	8,265	538	-	7,322	11,088	1,856
Total equity raised		19,293	49,329	55,027	72,545	40,035	16,037	15,488	52,731	22,424	43,222	1,13,865
InvITS	Fresh listing	-	400	-	-	-	-	6,000	1,105	-	-	-
	Rights	-	-	-	-	-	-	-	-	-	-	-
	Preferential	-	-	1,789	-	-	-	1,314	-	1,004	300	-
	QIPs	-	3,248	-	1,250	1,500	-	2,469	-	-	1,700	-
REITs	Fresh listing	-	-	-	-	-	-	-	-	3,405	-	-
	Rights	-	-	-	-	-	-	-	-	-	-	-
	Preferential	1,000	-	-	-	1,819	-	-	-	662	-	-
	QIPs	-	-	-	3,500	-	-	-	2,600	-	-	-
Total business trusts raised		1,000	3,648	1,789	4,750	3,319	-	9,782	3,705	5,071	2,000	-
Debt	CPs	1,04,444	55,775	77,160	86,964	39,261	1,26,645	1,27,157	1,01,294	80,410	1,90,172	69,719
	NCDs (Private)	47,088	43,703	38,054	51,585	25,462	40,363	77,473	21,170	27,137	69,672	48,589
	NCDs (Public)	-	200	-	-	1,000	601	1,222	-	-	-	-
Total debt raised		1,51,532	99,678	1,15,214	1,38,549	65,723	1,67,608	2,05,851	1,22,463	1,07,548	2,59,844	1,18,308
Total fund mobilisation		1,71,825	152,655	1,72,030	2,15,844	1,09,077	1,83,645	2,31,121	1,78,899	1,35,043	3,05,066	2,32,172

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 61: Annual trends for fund mobilisation (Rs crore) through equity and debt in the last fiscal year

Modes	FY24	FY25	FY26
IPO	65,991	1,69,628	1,78,372
FPO	27	18,150	-
Rights	13,557	16,096	43,005
Preferential allotment	34,920	63,798	1,31,078
QIPs	68,972	1,28,703	67,824
OFS (Secondary)	21,769	29,077	26,947
REITs and InvITs (Further)	24,162	22,893	18,030
REITs and InvITs (New listing)	14,068	1,578	12,500
Total Equity raised	2,43,466	4,49,922	4,77,755
CP	5,90,582	7,70,812	10,01,397
NCD Private	5,40,350	6,44,372	5,48,859
NCD Public	11,145	3,259	4,896
Total Debt raised	11,42,077	14,18,443	15,55,152
Total fund raised	13,85,543	18,68,364	20,32,907

Source: NSE EPR.

Notes:

1) IPO data including fresh issuance and offered for sale

2) Above data combines Main Board and Emerge platform

3) Data for OFS Secondary market is computed as No of shares offered*floor price (Base issue+ Greenshoe).

Table 62: New listing on Main Board platform during July 2026

Company Name	Issue Price	Listing Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
SBI Funds Management Limited	574	613.3	6.8%	-	9,795	9,795	1,20,000
INDO-MIM Limited	485	700	44.3%	500	3,312	3,812	38,379
Lohia Corp Limited	425	461	8.5%	-	1,101	1,101	5,654
Laser Power & Infra Limited	214	250	16.8%	542	200	742	4,202
Kusumgar Limited	419	569	35.8%	-	650	650	6,119
Waterways Leisure Tourism Limited	808	681	-15.7%	585	-	585	5,942
Caliber Mining and Logistics Limited	424	500.25	18.0%	400	50	450	3,636
Knack Packaging Limited	170	188	10.6%	380	60	440	2,327
Aastha Spintex Limited	136	130	-4.4%	170	-	170	337
Xtranet Technologies Limited	127	136	7.1%	167	-	167	662
Advit Jewels Limited	138	188.9	36.9%	165	-	165	817
CSM Technologies Limited	113	113	0.0%	146	-	146	541
Alpine Texworld Limited	105	105	0.0%	126	-	126	280

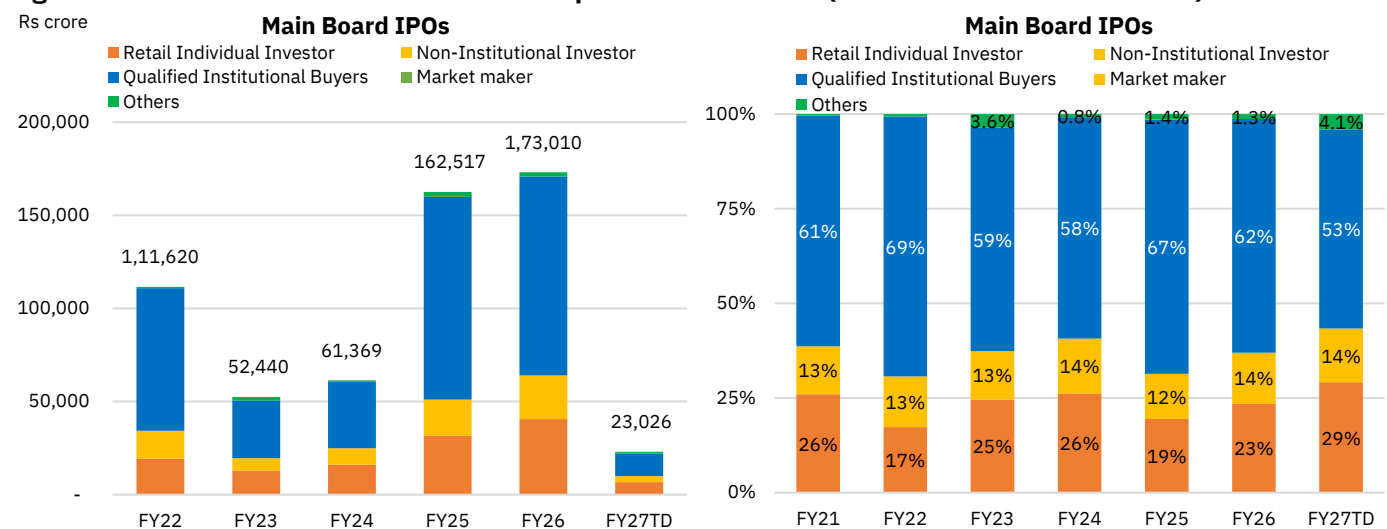
Source: NSE

Note: 1) Listing gain/ loss has been calculated based on opening price. 2) Data for Market Cap is as of July 31st, 2026.

Table 63: Month wise analysis of listing gains for new listed companies in the Main Board

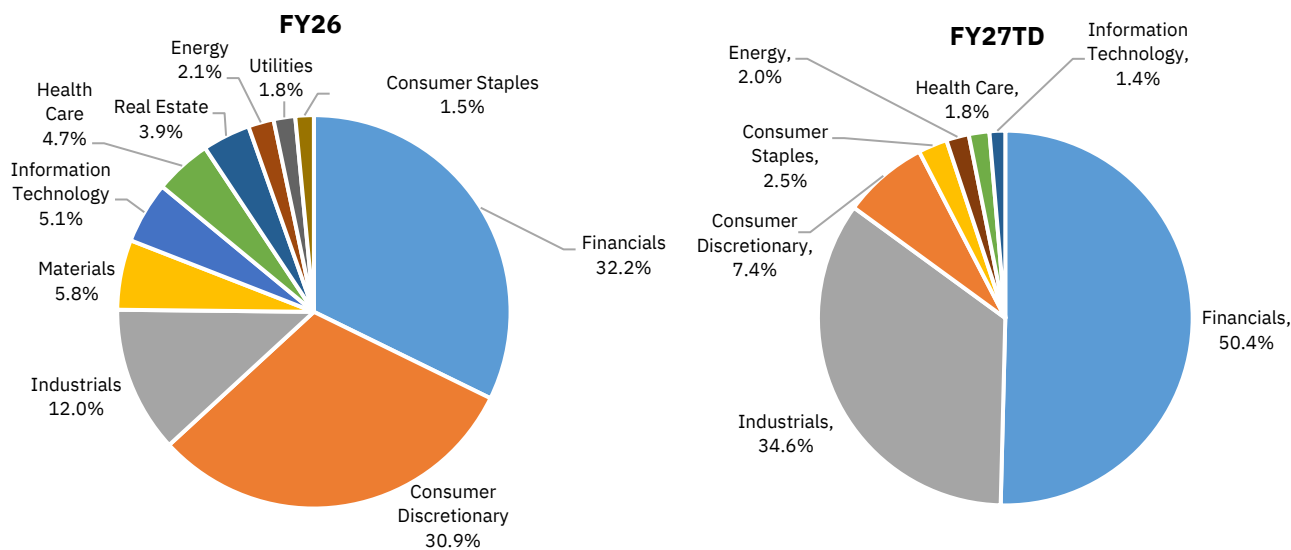
Month	[>-50%]	[-50% to -25%]	[-25% to -10%]	[-10% to 0%]	[0% to 10%]	[10% to 25%]	[25% to 50%]	[>50%]	No. of companies
Apr-24	0.0%	0.0%	0.0%	0.0%	33.3%	0.0%	66.7%	0.0%	3
May-24	0.0%	0.0%	0.0%	0.0%	40.0%	20.0%	20.0%	20.0%	5
Jun-24	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	40.0%	20.0%	5
Jul-24	0.0%	0.0%	0.0%	0.0%	0.0%	60.0%	40.0%	0.0%	5
Aug-24	0.0%	0.0%	0.0%	0.0%	37.5%	12.5%	37.5%	12.5%	8
Sep-24	0.0%	0.0%	0.0%	7.7%	30.8%	15.4%	23.1%	23.1%	13
Oct-24	0.0%	0.0%	14.3%	28.6%	0.0%	28.6%	0.0%	28.6%	7
Nov-24	0.0%	0.0%	12.5%	12.5%	62.5%	0.0%	12.5%	0.0%	8
Dec-24	0.0%	0.0%	0.0%	13.3%	0.0%	26.7%	33.3%	26.7%	15
Jan-25	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	6
Feb-25	0.0%	0.0%	0.0%	25.0%	75.0%	0.0%	0.0%	0.0%	4
May-25	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	3
Jun-25	0.0%	0.0%	0.0%	50.0%	33.3%	16.7%	0.0%	0.0%	6
Jul-25	0.0%	0.0%	0.0%	15.4%	30.8%	23.1%	30.8%	0.0%	13
Aug-25	0.0%	0.0%	6.7%	13.3%	33.3%	26.7%	6.7%	13.3%	15
Sep-25	0.0%	0.0%	0.0%	11.8%	52.9%	29.4%	0.0%	5.9%	17
Oct-25	0.0%	11.8%	5.9%	5.9%	52.9%	11.8%	5.9%	5.9%	17
Nov-25	0.0%	0.0%	0.0%	33.3%	25.0%	25.0%	16.7%	0.0%	12
Dec-25	0.0%	0.0%	0.0%	20.0%	40.0%	20.0%	20.0%	0.0%	10
Jan-26	0.0%	0.0%	33.3%	33.3%	0.0%	0.0%	0.0%	33.3%	3
Feb-26	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	3
Mar-26	0.0%	11.1%	11.1%	44.4%	22.2%	11.1%	0.0%	0.0%	9
Apr-26	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	4
May-26	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	1
Jun-26	0.0%	0.0%	33.3%	0.0%	33.3%	0.0%	33.3%	0.0%	3
Jul-26	0.0%	0.0%	7.7%	7.7%	38.5%	23.1%	23.1%	0.0%	13

Source: NSE EPR. Note: 1) Listing gain/ loss has been calculated based on opening price.

Figure 317: Annual trends in Main Board IPO proceeds allocation (absolute values and % share)


source: NSE EPR. Note: Data for FY27TD is as of July 2026.

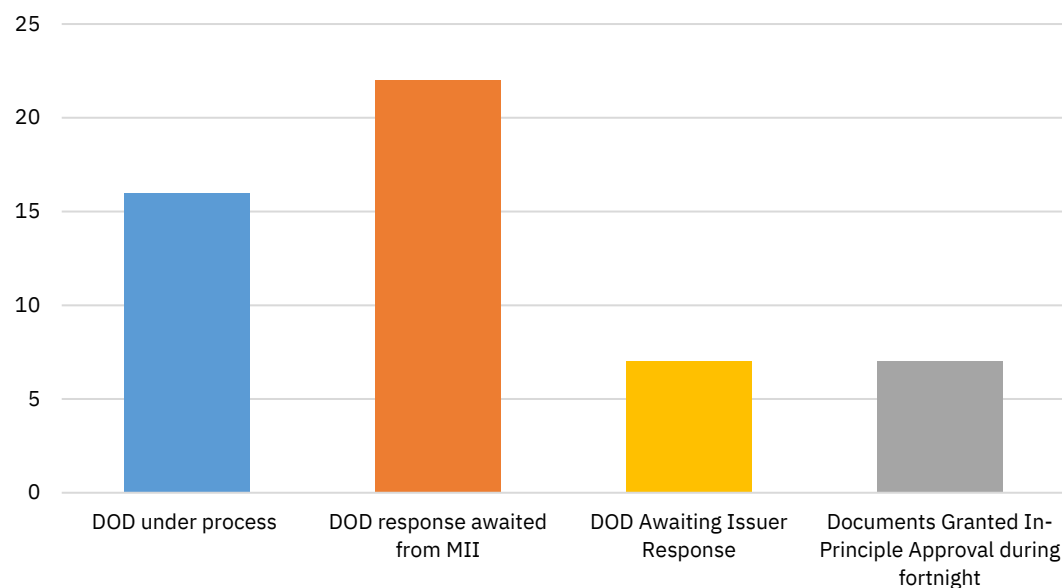
Figure 318: Sector-wise fund-raising share for Main Board IPO issuances for FY26 and FY27TD



Source: NSE EPR. Note.1. Data for FY27TD is as of 31st July 2026

Figure 319: Processing status of Main Board draft Offer documents

No. of companies



Source: NSE EPR. Note: 1) Data is as on July 31, 2026. 2) DOD = Draft Offer Document; MII = Market Infrastructure Institutions.

SME Corner: Measured issuance, stronger listing performance

In the first four months of the current fiscal, 20 companies have so far mobilised Rs 1,201 crore, compared with 111 companies that raised Rs 5,363 crore in FY26 and 163 companies that raised Rs 7,111 crore in FY25. While the pace of listings has moderated relative to the previous two fiscals, cumulative activity remains substantial, with 741 companies having collectively raised ~Rs 23,400 crore since inception and commanding an aggregate market capitalisation of Rs 2.5 lakh crore as of end-July 2026. Notably, the top three regions—Maharashtra, Gujarat and NCT of Delhi—account for a significant 67% of new listings and 64% of funds raised since inception. Of the listed companies, 164 (as of August 14) have already migrated to the Main Board of the exchange. This highlights how companies mature on the Emerge platform before migrating to the Main Board after fulfilling the eligibility criteria.

Emerge IPOs record strong listing gains in July: Our analysis of the distribution of listing gains for Emerge platform listings during the month shows that one-third of the companies recorded listing gains of above 50%, while 17% recorded gains in the 10–25% range and another one-third recorded gains of 0–10%. Notably, one company debuted at a discount in the 0–10% range. In the preceding six months, barring January and June, no company recorded a listing gain of above 50%. Our long-term analysis of the monthly distribution of listing gains from April 2024 to July 2026 also highlights a shift from higher to more moderate listing gains.

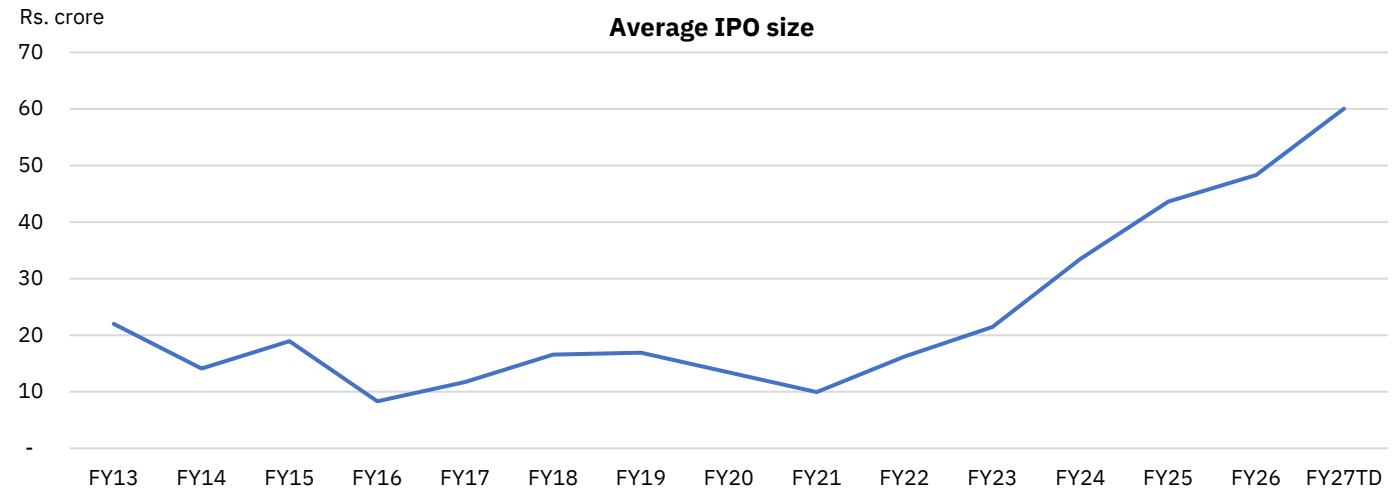
Key conditions for migration to Main Board from Emerge:

- Paid-up capital $\geq$ Rs 10 crore;
- average market capitalisation $\geq$ Rs 100 crore;
- revenue $>$ Rs 100 crore;
- positive operating profit in 2 of 3 years;
- SME-listed $\geq$ 3 years;
- $\geq$ 500 public shareholders; and
- promoter/promoter group holding $\geq$ 20%.

Table 64: Annual trends for SME IPOs on Emerge platform

Year	No of listings	Issue Size (Rs in crores)
FY13	2	44
FY14	3	42
FY15	2	38
FY16	8	67
FY17	31	363
FY18	87	1,442
FY19	62	1,049
FY20	13	174
FY21	8	79
FY22	31	503
FY23	62	1,330
FY24	138	4,621
FY25	163	7,111
FY26	111	5,363
FY27TD	20	1,201

Source: NSE EPR. Note: Data for FY27TD is as of July 2026.

Figure 320: Annual trend in average IPO Size on Emerge Platform


Source: NSE EPR. Note: Data for FY27TD is as of July 2026.

Table 65: Monthly analysis of listing gains for new listed companies on EMERGE

Month	[>-50%]	[-50% to -25%]	[-25% to -10%]	[-10% to 0%]	[0% to 10%]	[10% to 25%]	[25% to 50%]	[>50%]	No. of companies
Apr-24	0.0%	0.0%	0.0%	13.3%	20.0%	20.0%	26.7%	20.0%	15
May-24	0.0%	0.0%	0.0%	7.1%	7.1%	7.1%	7.1%	71.4%	14
Jun-24	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%	20.0%	60.0%	10
Jul-24	0.0%	0.0%	0.0%	0.0%	9.1%	9.1%	18.2%	63.6%	22
Aug-24	0.0%	0.0%	0.0%	0.0%	15.8%	15.8%	15.8%	52.6%	19
Sep-24	0.0%	7.1%	0.0%	3.6%	21.4%	25.0%	17.9%	25.0%	28
Oct-24	0.0%	0.0%	5.9%	11.8%	35.3%	11.8%	11.8%	23.5%	17
Nov-24	0.0%	0.0%	66.7%	0.0%	0.0%	0.0%	0.0%	33.3%	3
Dec-24	0.0%	0.0%	0.0%	8.3%	16.7%	0.0%	8.3%	66.7%	12
Jan-25	0.0%	0.0%	14.3%	0.0%	14.3%	14.3%	28.6%	28.6%	7
Feb-25	0.0%	0.0%	0.0%	18.2%	72.7%	0.0%	9.1%	0.0%	11
Mar-25	0.0%	0.0%	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%	5
Apr-25	0.0%	0.0%	0.0%	33.3%	0.0%	33.3%	33.3%	0.0%	3
May-25	0.0%	16.7%	33.3%	0.0%	33.3%	0.0%	16.7%	0.0%	6
Jun-25	0.0%	6.7%	6.7%	0.0%	40.0%	13.3%	13.3%	20.0%	15
Jul-25	0.0%	0.0%	15.4%	7.7%	46.2%	7.7%	15.4%	7.7%	13
Aug-25	0.0%	0.0%	18.8%	18.8%	25.0%	25.0%	0.0%	12.5%	16
Sep-25	0.0%	0.0%	6.7%	20.0%	26.7%	20.0%	6.7%	20.0%	15
Oct-25	0.0%	0.0%	12.5%	12.5%	25.0%	12.5%	25.0%	12.5%	8
Nov-25	0.0%	0.0%	25.0%	25.0%	0.0%	50.0%	0.0%	0.0%	4
Dec-25	0.0%	0.0%	14.3%	14.3%	21.4%	28.6%	7.1%	14.3%	14
Jan-26	0.0%	0.0%	40.0%	0.0%	0.0%	0.0%	40.0%	20.0%	5
Feb-26	0.0%	0.0%	16.7%	0.0%	83.3%	0.0%	0.0%	0.0%	6
Mar-26	0.0%	0.0%	33.3%	16.7%	33.3%	0.0%	16.7%	0.0%	6
Apr-26	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%	2
May-26	0.0%	0.0%	37.5%	25.0%	12.5%	12.5%	12.5%	0.0%	8
Jun-26	0.0%	0.0%	25.0%	0.0%	50.0%	0.0%	0.0%	25.0%	4
Jul-26	0.0%	0.0%	0.0%	16.7%	33.3%	16.7%	0.0%	33.3%	6

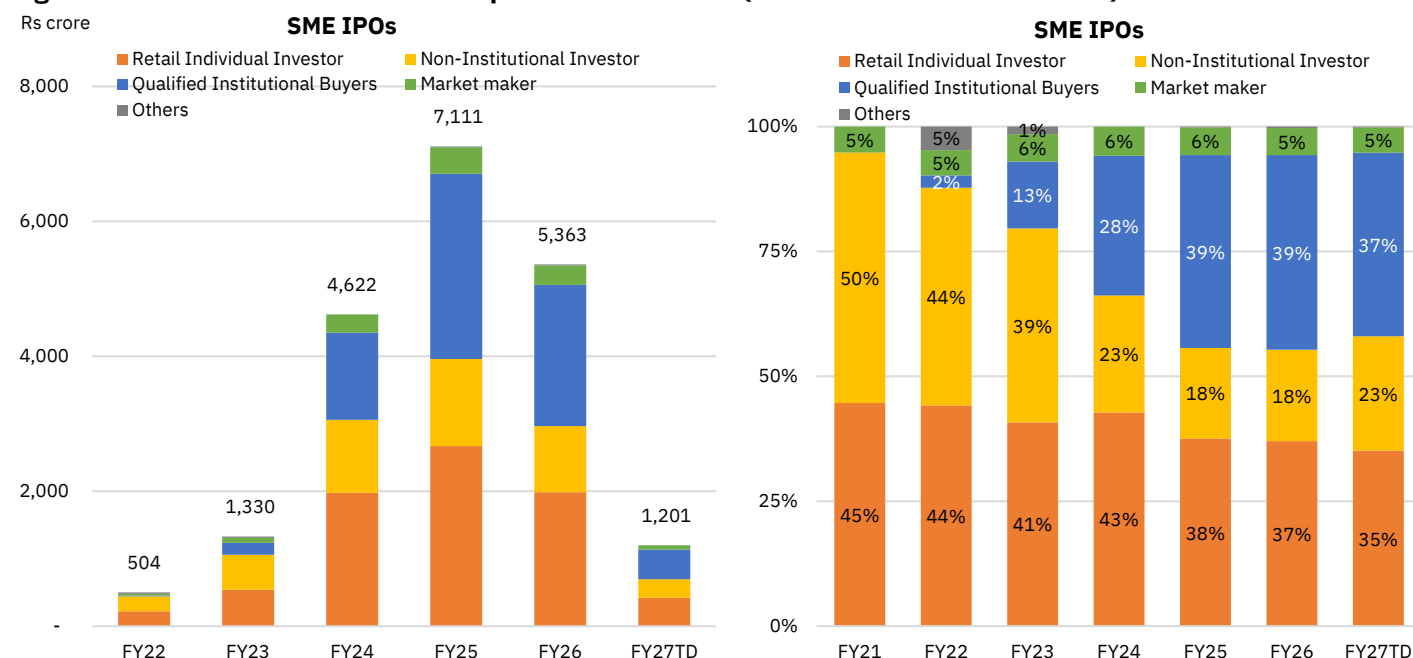
Source: NSE EPR. Note: 1) Listing gain/ loss has been calculated based on opening price.

Table 66: New listing on Emerge platform during July 2026

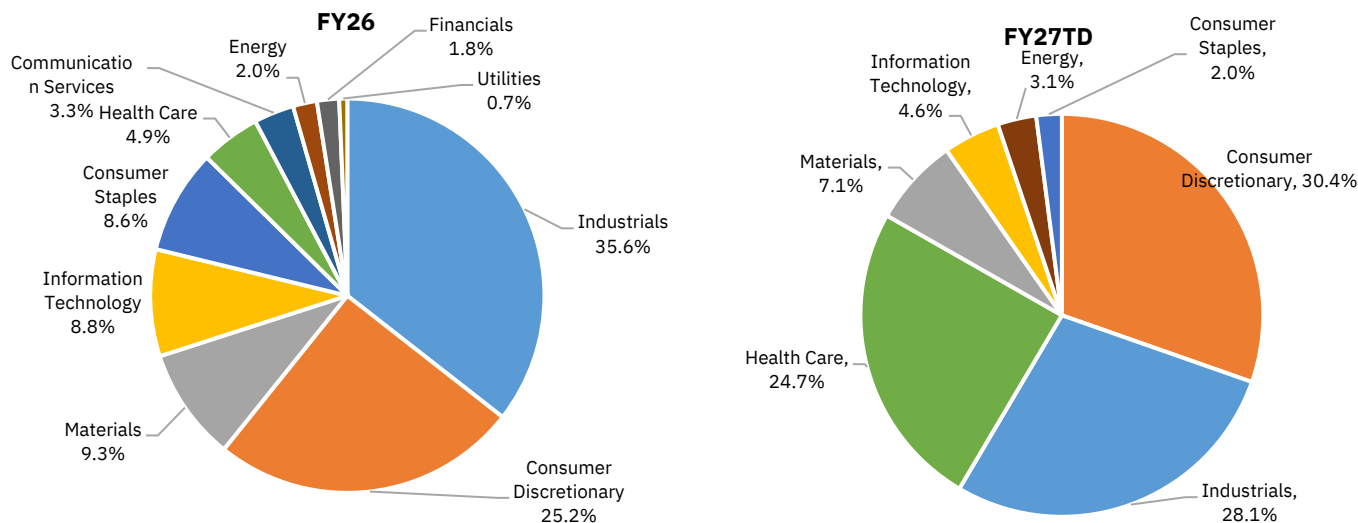
Company Name	Issue Price	Listing Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
Metalic Technoforge Limited	77	87	13.0%	50	-	50	231
IC Electricals Company Limited	99	166	67.7%	48	-	48	273
Teja Engineering Industries Limited	220	418	90.0%	37	-	37	434
Vinit Mobile Limited	158	155	-1.9%	34	-	34	50
Shreedhar Spinners Limited	53	54.4	2.6%	31	-	31	197
Happy Steels Limited	66	68	3.0%	25	-	25	86

Source: NSE

Note: 1) Listing gain/ loss has been calculated based on opening price. 2) Data for Market Cap is as of July 31st, 2026.

Figure 321: Annual trends in SME IPO proceeds allocation (absolute values and % share)


source: NSE EPR. Note: Data for FY27TD is as of July 2026.

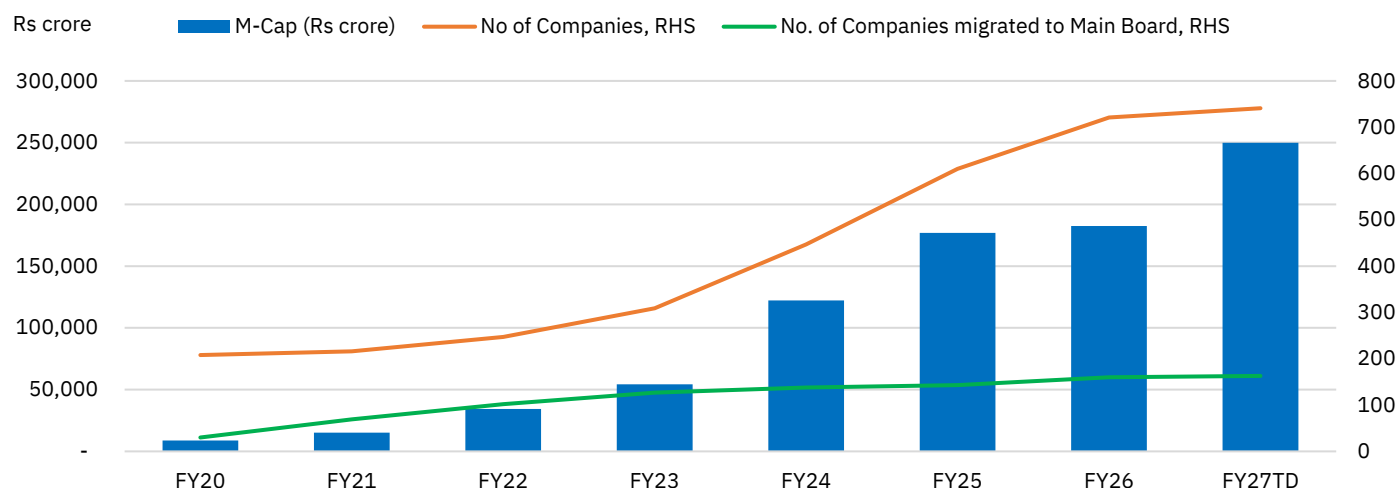
Figure 322: Sector-wise fund-raising share for SME IPO issuances for FY26 and FY27TD


Source: NSE EPR. Note.1. Data for FY27TD is as of July 31st, 2026

Table 67: Top 10 state wise SME IPOs since inception

State	No of listing	Amount Raised (Rs crore)	M-Cap (Rs crore)
Maharashtra	205	6,287	54,950
Gujarat	185	4,967	56,874
NCT of Delhi	104	3,823	47,865
West Bengal	42	1,386	10,844
Rajasthan	35	1,106	20,938
Tamil Nadu	23	1,102	8,838
Karnataka	22	941	9,647
Madhya Pradesh	34	913	11,561
Uttar Pradesh	12	605	4,467
Haryana	18	589	3,575
Others	61	1,710	20,327
Grand Total	741	23,428	2,49,884

Source: NSE EPR. Note: M-Cap data is as of last day of July 2026.

Figure 323: Annual trend of listing and market capitalisation on NSE Emerge


Source: NSE EPR. Notes: 1. Market cap data for FY27TD is as of July 2026. 2. Data includes companies that are migrated to Mainboard of the exchange.

BOX 1: Company-wise details of SME EMERGE listings in July 2026


Shreedhar Spinners Limited, listed on NSE Emerge on 1st July 2026, manufactures compact spun cotton yarn (counts Ne 12s to Ne 32s) at its facility in Amravati Textile Park, Maharashtra, with an installed capacity of 10,000 MT per annum. The IPO was a 100% fresh issue of 57,88,000 equity shares (Rs. 10 face value) aggregating Rs. 30.68 crore at Rs. 53 per share, with no Offer for Sale; promoter holding diluted from 96.55% to 70.48% post-issue. Net proceeds are earmarked for working capital, purchase of machinery and general corporate purposes. The issue was a 100% book-built issue.



Teja Engineering Industries Limited, listed on NSE Emerge on 7th July 2026, provides engineering and technical support services to the oil & gas, power and energy sectors, with a core focus on operations & maintenance of CNG/natural gas compression stations, having completed over 300+ CNG compressor station projects across 15 states. The IPO was a 100% fresh issue of 17,00,000 equity shares (Rs. 10 face value) aggregating approximately Rs. 37 crore at a fixed price of Rs. 220 per share, with no Offer for Sale; promoter holding diluted from 91.33% to 67.17% post-issue. Net proceeds are earmarked for capital expenditure, working capital and general corporate purposes. The issue was a fixed-price issue.



Vinit Mobile Limited, listed on NSE Emerge on 7th July 2026, operates a multi-brand mobile retail chain of 32 COCO stores across Surat district, Gujarat, retailing smartphones of leading brands (Apple, Samsung, OnePlus, Vivo, Oppo, Realme, Xiaomi, Motorola) and accessories. The IPO was a 100% fresh issue of up to 21,60,000 equity shares (Rs. 10 face value), with no Offer for Sale. Net proceeds are earmarked for setting up new stores (Rs. 62.05 lakh), working capital (Rs. 2,374.85 lakh) and general corporate purposes. For FY25, the company reported revenue from operations of Rs. 5,998.86 lakh and PAT of Rs. 390.21 lakh, up from Rs. 2,856.32 lakh and Rs. 71.99 lakh in FY24, respectively. The issue was a 100% book-built issue.



IC Electricals Company Limited, listed on NSE Emerge on 10th July 2026, manufactures electronic equipment for railway applications — including rectifier-cum-regulating units, vigilance control devices and passenger information systems — and undertakes turnkey 25 kV AC railway electrification projects, primarily for Indian Railways. The IPO was a 100% fresh issue aggregating Rs. 47.91 crore (Rs. 10 face value) at a price band of Rs. 94–99 per share, with no Offer for Sale; promoter holding diluted from 82.92% to 60.94% post-issue. Net proceeds are earmarked for working capital (Rs. 33.60 crore) and general corporate purposes. The issue was a 100% book-built issue.



Happy Steels Limited, listed on NSE Emerge on 16th July 2026, is an integrated manufacturer of safety-critical forged and machined transmission and driveline components — including axles, spline shafts, spindles and stub axles — catering to on-highway, off-highway, EV and defence applications from its facility at Ludhiana, Punjab. The IPO was a 100% fresh issue of 38,50,000 equity shares (Rs. 10 face value) aggregating Rs. 25.00 crore at Rs. 66 per share, with no Offer for Sale; promoter holding diluted from 99.33% to 72.98% post-issue. Net proceeds are earmarked for capital expenditure on plant and machinery, repayment of term loans and general corporate purposes. The issue was a 100% book-built issue.



Metallic Technoforge Limited, listed on NSE Emerge on 28th July 2026, manufactures closed-die forged and precision-machined components — including forged rings, ball studs, gear blanks and coupling assemblies — serving domestic and global OEMs across automotive and non-automotive sectors from its facility at Rajkot, Gujarat. The IPO was a 100% fresh issue of 64,88,000 equity shares (Rs. 10 face value) aggregating Rs. 49.96 crore at Rs. 77 per share, with no Offer for Sale. Net proceeds are earmarked for capital expenditure towards a new manufacturing unit and upgradation of existing units, repayment of certain borrowings and general corporate purposes. The issue was a 100% book-built issue.

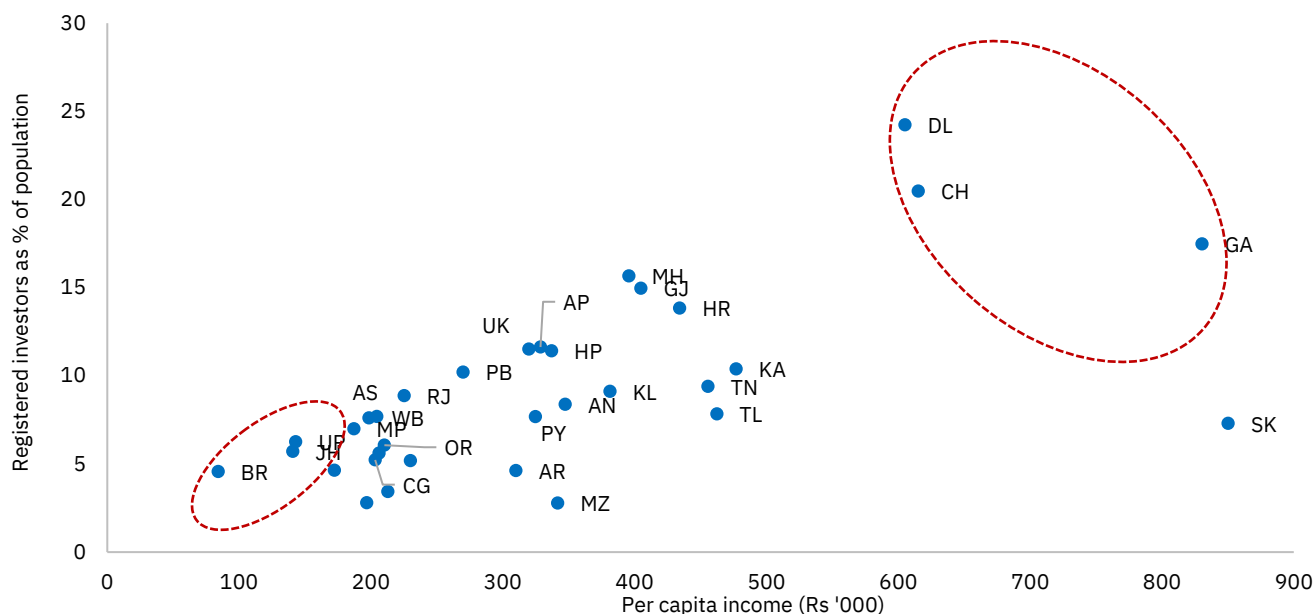
Investor participation: Broad-based expansion in investor base

Per-capita income and investor penetration: Higher income supports participation, but significant gaps remain across states

Investor participation across states exhibits a relatively strong association with per capita income (PCI), with higher-income states generally recording greater investor penetration. Delhi and Goa, for instance, have investor penetration rates of 24.8% and 17.9%, respectively. Their per capita income is also much higher than the all-India level. In contrast, states with large absolute investor bases do not necessarily have commensurately high penetration given their population size. Maharashtra and Gujarat both have one of the largest investor bases, yet penetration stands at 16.1% and 15.3%, respectively. This is largely due to a relatively lower per-capita income in these states. Households have less disposable money left after essential spending. The relationship, however, is not uniform. Sikkim, despite having the highest PCI of around Rs 8.5 lakh, has investor penetration of just 7.7%.

At the all-India level, investor penetration stands at around 9.4%, alongside a PCI of approximately Rs 2.43 lakh, with only 13 states exceeding both national benchmarks. Several large and populous states, including Bihar, Jharkhand, Chhattisgarh and Uttar Pradesh (second largest registered investor base), remain below these levels, highlighting significant headroom for widening capital-market participation through greater investor awareness and financial literacy.

Figure 324: Relationship between per-capita income (PCI) and registered investors as a % of state population (as of FY26)



Source: NSE EPR, CMIE, MoSPI

Notes: 1) State codes: AP = Andhra Pradesh; GA = Goa; GJ = Gujarat; HR = Haryana; HP = Himachal Pradesh; JH = Jharkhand; KA = Karnataka; KL = Kerala; MP = Madhya Pradesh; MH = Maharashtra; MN = Manipur; ML = Meghalaya; MZ = Mizoram; NL = Nagaland; OD = Odisha; PB = Punjab; RJ = Rajasthan; SK = Sikkim; TN = Tamil Nadu; TG = Telangana; TR = Tripura; UP = Uttar Pradesh; UK = Uttarakhand; WB = West Bengal; AN = Andaman and Nicobar Islands; CH = Chandigarh; DL = Delhi; PY = Puducherry; AS = Assam.

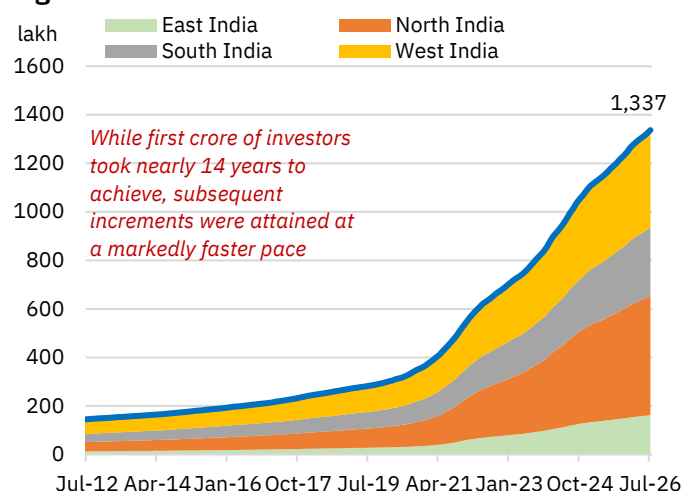
2) Data for state's registered investor base and PCI corresponds to FY26. For states/UTs where PCI for FY26 is not available, it has been estimated using the 5-year rolling average growth of GDP and population.

Region wise distribution of total registered investors

Registered investor base reaches 13.4 crore by July 2026, with North India accounting for the largest share: The registered investor base expanded to 13.4 crore in July 2026, adding 13.3 lakh investors during the month and 46.1 lakh investors during FY27TD (April-July). Compared with 12.9 crore at end-FY26, the investor base expanded by 3.6%, in the first four months of FY27. The expansion has remained broad based across regions, with North India accounting for the largest investor base at 4.9 crore (36.9%), followed by West India at 3.9 crore (29.1%), South India at 2.8 crore (21.1%) and East India at 1.6 crore (12.1%).

The geographical composition of the investor base has continued to shift over the longer term. Between FY19 and FY27TD, the investor base in North India expanded 6.4 times, followed by East India at 6.0 times, while South and West India grew by 4.2 times and 4.0 times, respectively. Consequently, North India's share increased from 27.9% in FY19 to 36.9% in FY27TD (+9.0 pp), while East India's share rose from 9.8% to 12.1% (+2.3 pp). In contrast, West India's share declined from 35.2% to 29.1% (-6.1 pp) and South India's from 24.2% to 21.1% (-3.1 pp). The shift indicates that the expansion in India's investor base is increasingly being driven by regions that historically accounted for a smaller share of total participation.

Figure 325: Trend of region wise total unique registered investors



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, Goa, Dadra & Nagar Haveli and Daman & Diu; North India includes Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Haryana, Delhi, Punjab, Jammu & Kashmir, Himachal Pradesh, Chandigarh, Ladakh and Rajasthan; South India includes Telangana, Kerala, Andhra Pradesh, Tamil Nadu, Karnataka, Pondicherry, Lakshadweep and Andaman & Nicobar.

Figure 326: Trend of region wise total unique registered investors (% share)

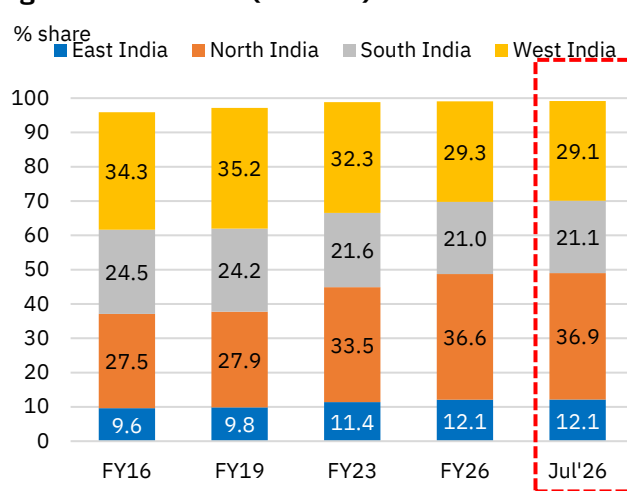


Table 68: Region-wise distribution of total unique registered investors (in lakh) at end of each fiscal year

Region	FY15	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27TD
East India	17.0	24.1	27.0	30.4	39.3	65.7	82.8	107.7	135.8	156.3	162.3
North India	49.0	68.2	76.7	88.4	117.6	189.4	243.5	324.0	409.7	472.9	492.9
South India	43.4	59.7	66.6	75.1	97.0	132.5	157.3	189.2	232.9	271.4	282.0
West India	62.0	87.2	96.7	108.4	139.0	198.1	234.8	286.0	341.0	378.1	388.7
Others#	8.2	7.8	7.8	7.7	7.5	8.0	8.4	9.0	8.5	12.2	11.1
Total	179.6	247.0	274.9	310.0	400.3	593.7	726.9	915.8	1127.9	1290.9	1337.0

Source: NSE EPR. Note: Data for FY27TD is as of July 2026#Others include Army Personnel Officers and investors for whom state mapping is unavailable

State-level distribution of registered investors

Maharashtra remains the largest investor market, while Uttar Pradesh continues to narrow the gap: Maharashtra remained the largest contributor to India's registered investor base in July 2026, with over 2.0 crore investors, accounting for 15.5% of the total. Uttar Pradesh followed with 1.5 crore investors (11.9%), while Gujarat ranked third with 1.1 crore (8.5%). West Bengal and Rajasthan followed with 79.5 lakh (5.9%) and 77.1 lakh (5.8%), respectively. The top five states together accounted for 47.6% of the total investor base, down from 52.8% in FY19, pointing to a gradual reduction in concentration among the leading investor states.

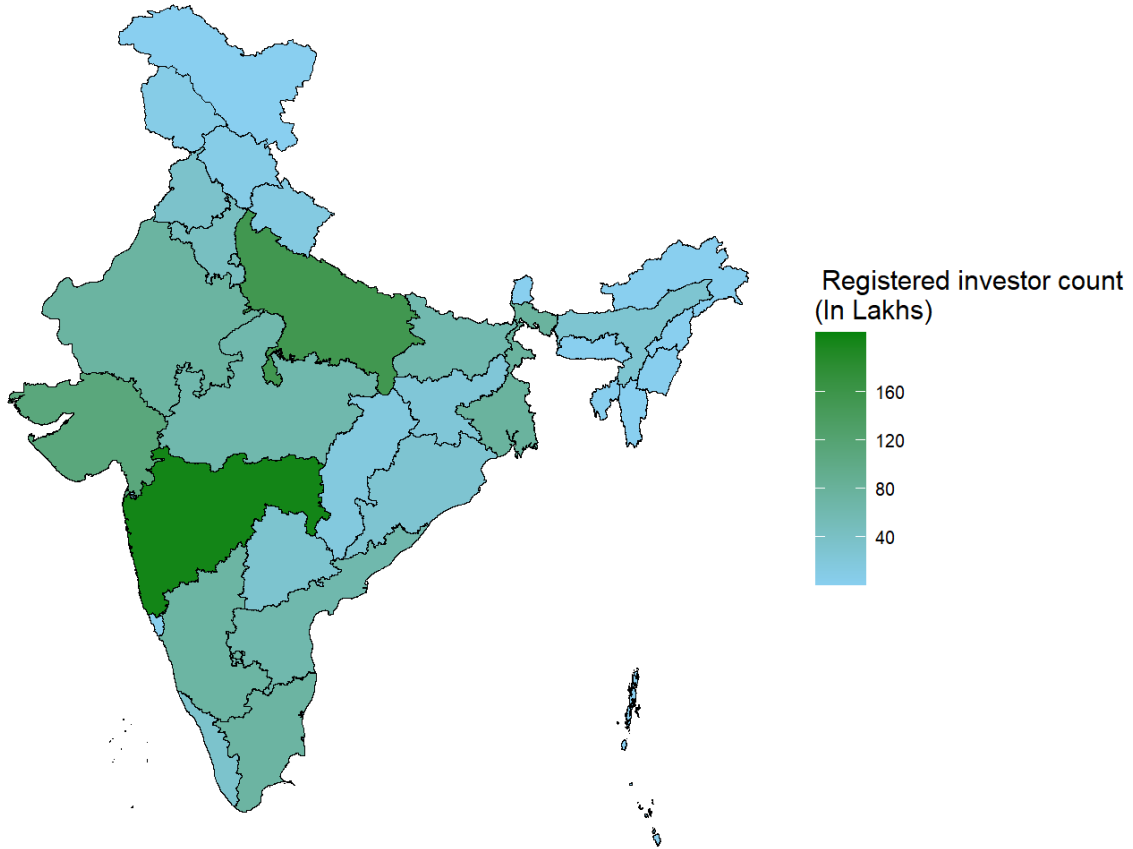
The change is particularly visible among the three largest states. Maharashtra's share declined from 19.4% in FY19 to 15.5% in FY27TD (-3.7 pp), while Gujarat's share fell from 12.5% to 8.5% (-3.7 pp). In contrast, Uttar Pradesh's share increased from 7.2% to 11.9% (+4.5 pp). The shift is also evident in the next tier of states, with Bihar, Madhya Pradesh, Rajasthan and West Bengal collectively accounting for a larger share of the investor base than in the earlier period. This indicates that investor participation is progressively spreading beyond the traditional western market centres.

Table 69: State-wise distribution of total unique registered investors at end of each fiscal year

	FY10		FY15		FY20		FY25		FY27TD	
	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)
Maharashtra	2,277	19.7	3,575	19.9	5,963	19.2	18,376	16.3	20,745	15.5
Uttar Pradesh	701	6.1	1,248	6.9	2,302	7.4	12,827	11.4	15,947	11.9
Gujarat	1,498	13.0	2,055	11.4	3,797	12.2	9,939	8.8	11,314	8.5
West Bengal	711	6.2	1,175	6.5	1,990	6.4	6,614	5.9	7,955	5.9
Rajasthan	426	3.7	667	3.7	1,328	4.3	6,454	5.7	7,705	5.8
Tamil Nadu	747	6.5	1,287	7.2	2,182	7.0	6,261	5.6	7,560	5.7
Karnataka	708	6.1	1,165	6.5	1,949	6.3	6,239	5.5	7,418	5.5
Madhya Pradesh	289	2.5	518	2.9	984	3.2	5,460	4.8	6,442	4.8
Andhra Pradesh	583	5.0	1,002	5.6	1,581	5.1	5,137	4.6	6,413	4.8
Bihar	145	1.3	294	1.6	670	2.2	5,085	4.5	6,235	4.7
Delhi	780	6.8	1,197	6.7	1,853	6.0	4,922	4.4	5,563	4.2
Haryana	327	2.8	531	3.0	971	3.1	3,845	3.4	4,463	3.3
Punjab	229	2.0	389	2.2	704	2.3	2,991	2.7	3,559	2.7
Keralam	345	3.0	583	3.2	942	3.0	2,817	2.5	3,441	2.6
Telangana	156	1.3	279	1.6	813	2.6	2,694	2.4	3,190	2.4
Orissa	121	1.1	250	1.4	494	1.6	2,446	2.2	2,968	2.2
Assam	55	0.5	109	0.6	221	0.7	2,527	2.2	2,914	2.2
Jharkhand	140	1.2	258	1.4	444	1.4	1,989	1.8	2,437	1.8
Chhattisgarh	67	0.6	129	0.7	252	0.8	1,422	1.3	1,642	1.2
Uttarakhand	66	0.6	123	0.7	234	0.8	1,194	1.1	1,434	1.1
Himachal Pradesh	31	0.3	60	0.3	123	0.4	759	0.7	875	0.7
Jammu & Kashmir	40	0.3	65	0.4	112	0.4	651	0.6	809	0.6
Goa	30	0.3	48	0.3	82	0.3	250	0.2	285	0.2
Chandigarh	38	0.3	63	0.3	100	0.3	245	0.2	261	0.2
Tripura	7	0.1	13	0.1	24	0.1	184	0.2	231	0.2
Others	1,035	9.0	878	4.9	889	2.9	1,465	1.3	1,893	1.4
Total	11,549	100.0	17,961	100.0	31,006	100.0	1,12,794	100.0	1,33,700	100.0

Source: NSE EPR. Note: Data for FY27 is as of July 31st, 2026; Others include Others includes Manipur, Puducherry, Meghalaya, Dadra & Nagar Haveli, Daman & Diu, Nagaland, Arunachal Pradesh, Sikkim, Mizoram, A&N Islands, Ladakh, Lakshadweep.

Figure 327: State-wise distribution of registered investors as of July 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 registrations rebound sharply in July but remain below last year's level: New investor registrations increased to 13.3 lakh in July 2026, rising 14.1% MoM from June but remaining 12.1% below July 2025. The sequential recovery was broad based across regions, with West India recording the strongest MoM growth of 22.8%, followed by South India (15.1%), North India (11.2%) and East India (6.6%). However, all four regions remained below their year-ago registration levels.

North India remained the largest source of new investors, contributing 5.3 lakh registrations in July, or 39.8% of monthly additions. West India accounted for 3.3 lakh (24.8%), South India for 3.1 lakh (23.3%), and East India for 1.6 lakh (12.0%). Thus, despite the stronger sequential recovery in West and South India, the regional composition of new registrations remained tilted towards North India.

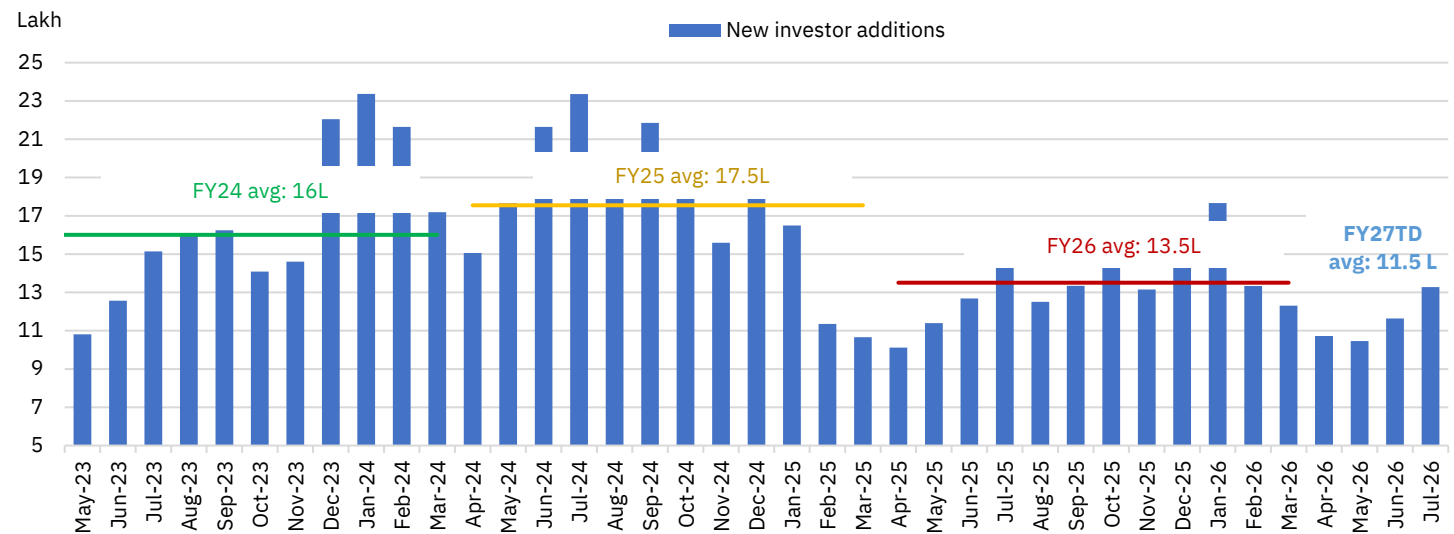
During FY27TD, 46.1 lakh new investors were added. North India accounted for 19.0 lakh, or around 41% of FY27TD additions, followed by South India (10.5 lakh), West India (10.4 lakh) and East India (6.1 lakh). The concentration of additions in North India is consistent with its position as the largest regional investor base and underscores its continuing role as the primary source of incremental participation.

State-wise trends in new investor registrations

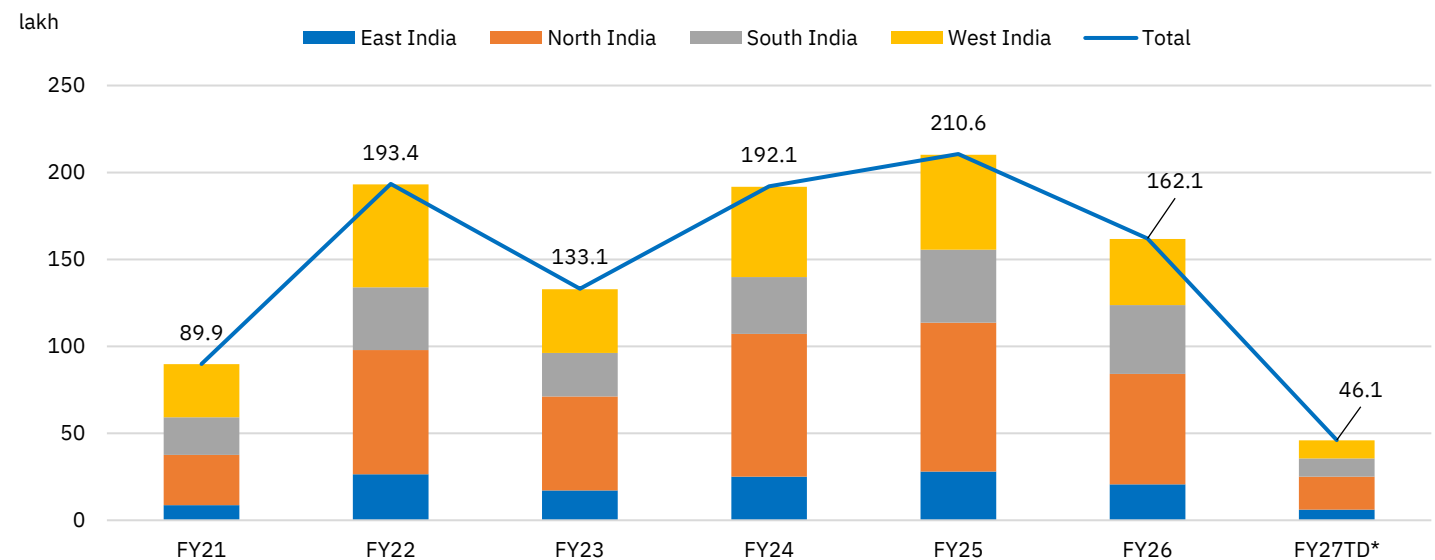
Uttar Pradesh continues to lead new investor onboarding, while the July rebound was strongest in Gujarat: Uttar Pradesh added 1.9 lakh new investors in July 2026, accounting for 14.0% of monthly registrations. Maharashtra followed with 1.4 lakh (10.7%), while Gujarat, Tamil Nadu and West Bengal contributed 1.2 lakh (8.7%), 0.9 lakh (7.0%) and 0.8 lakh (6.2%), respectively. Together, the top five states accounted for 46.6% of all new registrations during the month, while the top ten contributed around 73%, indicating that although participation is geographically broadening, a relatively small group of states continues to drive a substantial portion of incremental registrations.

New investor registrations increased by 1.6x in Gujarat in July (57.0%MoM), followed by Haryana (20.9%), Tamil Nadu (18.9%), Rajasthan (18%) and Maharashtra (10.0%). This suggests that the July recovery was not confined to a single region or state. Nevertheless, the year-on-year comparison remained weak across most major states. Maharashtra's registrations were 20.5% lower YoY, followed by Andhra Pradesh (24.5%) and Karnataka (12.1%). Uttar Pradesh, despite being the largest source of new registrations, also recorded a 7.5% YoY decline.

The combination of a strong MoM rebound and continued YoY contraction points to a recovery in the pace of onboarding rather than a full return to the elevated registration levels seen a year earlier.

Figure 328: Trend in new investor additions


Source: NSE EPR.

Figure 329: Region-wise distribution of new investors registered each financial year


Source: NSE EPR. Data for FY27TD is as of July 2026.

Table 70: Number of new investors registered in top 25 states (in '000)

State	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Uttar Pradesh	253.9	197.8	172.1	170.1	168.4	174.6	186.3
Maharashtra	184.9	141.8	133.9	119.4	114.8	129.4	142.3
Gujarat	149.6	74.1	60.6	52.7	51.7	73.8	115.9
Tamil Nadu	117.2	93.3	82.7	67.7	62.5	77.9	92.7
West Bengal	100.4	91.9	87.1	75.7	69.8	73.4	81.9
Bihar	109.4	84.9	80.9	72.5	69.5	74.4	81.1
Rajasthan	107.1	73.3	64.6	58.8	60.5	68.5	80.8
Karnataka	98.6	75.4	66.9	57.1	57.8	66.0	74.4
Madhya Pradesh	88.9	67.8	61.4	52.9	53.8	61.0	66.4
Andhra Pradesh	88.9	67.2	62.3	45.8	43.8	47.5	55.3
Telangana	73.3	56.7	51.4	39.4	36.8	40.1	46.8
Delhi	56.0	41.3	64.2	33.5	33.9	36.5	40.8
Haryana	53.4	36.4	22.0	30.2	30.2	33.1	39.8
Kerala	47.9	39.9	35.0	29.0	31.6	34.4	37.1
Punjab	41.8	33.9	32.8	30.5	28.3	30.2	36.2
Jharkhand	36.1	26.7	24.6	22.1	22.3	28.6	29.9
Orissa	39.1	31.2	32.0	28.0	25.9	25.7	27.4
Assam	26.4	24.6	25.7	24.9	25.6	25.0	23.6
Chhattisgarh	23.7	18.2	17.1	14.9	14.8	16.4	17.3
Uttarakhand	19.5	15.2	14.6	12.8	12.6	13.6	14.8
Jammu & Kashmir	13.4	9.9	8.8	8.9	7.3	7.8	9.3
Himachal Pradesh	11.9	9.0	8.5	8.0	6.8	7.2	8.4
Tripura	3.8	3.6	3.6	3.2	2.9	3.2	3.2
Goa	2.8	2.2	2.1	1.7	1.7	2.0	2.2
Manipur	2.8	2.6	2.3	1.9	2.2	2.0	2.1
Others	16.1	14.2	13.2	11.8	11.0	11.2	12.0
Total	1,767	1,333	1,231	1,074	1,046	1,164	1,328

Source: NSE EPR.

Note: Data for the top 25 states are chosen based on last month's data.

District-level trends in investor registrations

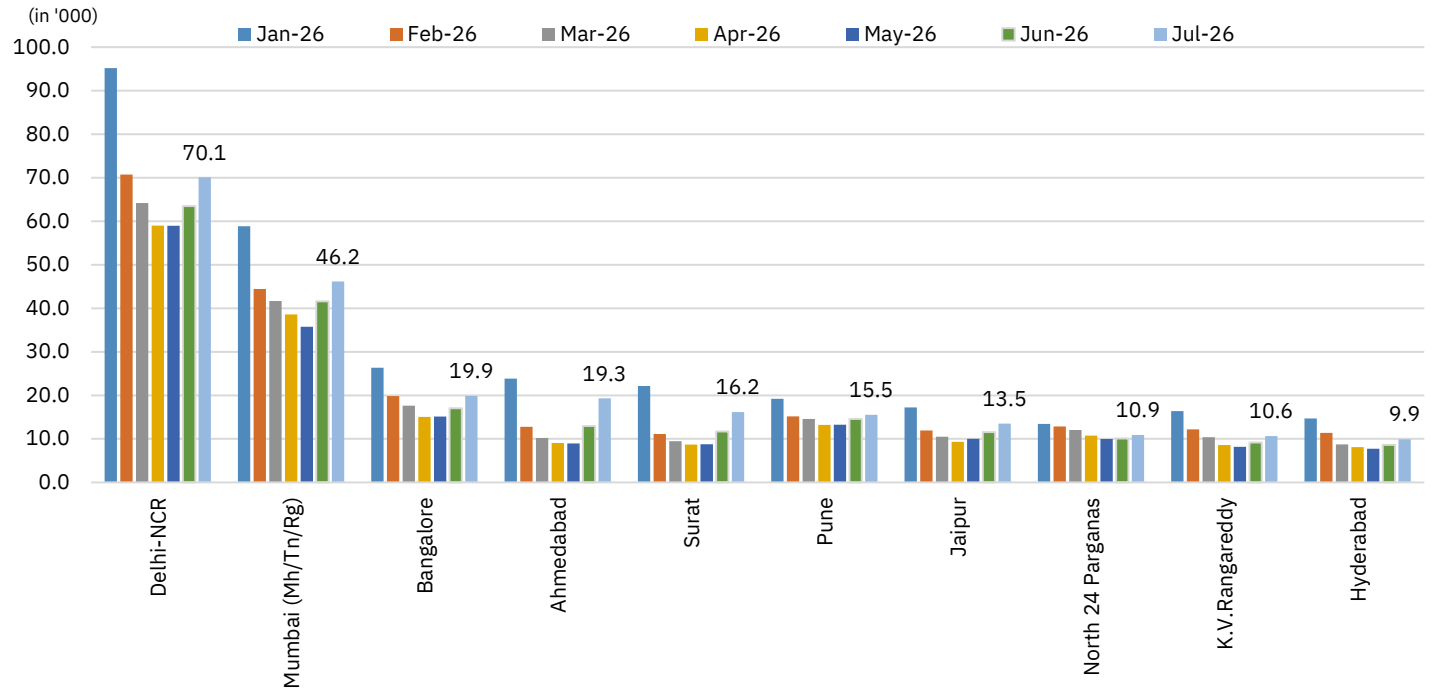
Top 10 districts account for 17.5% of new registrations, while the top 50 contribute over one-third: The geographical concentration of new investor registrations remains significant at the district level, although participation extends well beyond the leading centres. The top 10 districts accounted for 17.5% of July's new registrations, while the top 50 districts together accounted for around 36.7%.

Delhi-NCR remained the largest contributor with 70.1 thousand new registrations, accounting for 5.3% of total additions, followed by Mumbai with 46.2 thousand (3.5%) and Bengaluru with 19.9 thousand (1.5%). Ahmedabad and Surat followed with 19.3 thousand and 16.2 thousand, respectively. Together, these five districts accounted for approximately 12.9% of all new registrations.

The sequential recovery was particularly strong in Ahmedabad (+49.3% MoM) and Surat (+38.2%), while Bengaluru and Jaipur also recorded double-digit growth of 16.7% and 16.6%, respectively. However, the year-on-year comparison remained negative across all top ten districts: Ahmedabad recorded the mildest decline at 3.4%, while Mumbai, Pune and North 24 Parganas declined by 21.4%, 19.4% and 17.0%, respectively. Overall, the top 50 districts recorded a stronger sequential recovery, while the broader district universe continued to account for most new registrations, reinforcing the increasing

geographical spread of investor onboarding beyond the largest urban and financial centres.

Figure 330: 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

Investors below the age of 30 years comprised more than half of the new registrations in FY27:

The share of new individual investors below the age of 30 years rose 2.2% in FY27, accounting for 59% of the new registrations in the first four months of the fiscal. Subsequently, the median age of new investors declined from 28 years in FY26 to 27 years in the current fiscal year. This younger cohort has also driven a decline in the median age of new investors from 28 years in FY26 to 27 years in FY27. While the proportion of investors below 30 years in the overall registered investor base has moderated somewhat since March 2024, younger cohorts continue to dominate annual additions. Moreover, investors below 40 years now account for nearly two-thirds of the registered investor base as compared to 55% in 2020, underscoring the structurally young and increasingly digitally driven nature of India's retail investor ecosystem.

Table 71: 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	Jun'26
Less than 30 years	23.5	29.4	37.5	38.5	40.0	39.5	38.4	37.9
30-39 years	31.2	30.4	28.9	29.2	29.1	29.6	30.1	30.2
40-49 years	19.7	17.9	15.8	15.6	15.4	15.8	16.3	16.5
50- 59 years	12.6	11	9.1	8.6	8.1	8.0	8.2	8.3
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 72: Mean and median age of registered individual investors

Age (years)	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Mar'26	Jun'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	36.2

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 respective period.

Table 73: 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	59.0
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 74: 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	30.1

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 respective periods.

Female investors stand at ~25% of all individual investors as of Jul'26: Female investor participation at NSE has risen consistently in the past three fiscal years and presently stands at 25% of individual investors as of Jul'26. Among the states with the largest number of registered investors, Maharashtra continues to lead with female investors accounting for ~29% of the state's investor base as of Jul'26 (vs 26.4% share in FY24), followed by Tamil Nadu (with 28.5% share). However, UP, despite being the second largest state in terms of investor count, falls in the bottom five, 19.2% of its investors being female, considerably average of 25%. Notably, smaller states including Arunachal Pradesh (28.3% female investor share, +4.7 pp since FY24) and Sikkim (31.7% female investor share, +4.5pp since FY24) have recorded notable gains in terms of their female investor shares since FY24, underscoring the rapidly increasing penetration of capital markets across the nation.

Table 75: 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%	24.4%	75.6%
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%	29.4%	70.6%
Bihar	14.6%	85.4%	15.7%	84.3%	16.5%	83.5%	17.8%	82.2%
Chandigarh	31.0%	69.0%	31.9%	68.1%	32.4%	67.6%	29.0%	71.0%
Chhattisgarh	20.3%	79.7%	22.4%	77.6%	23.2%	76.8%	23.3%	76.7%
Delhi	28.6%	71.4%	30.3%	69.7%	31.1%	68.9%	30.6%	69.4%
Goa	31.0%	69.0%	32.5%	67.5%	33.3%	66.7%	33.1%	66.9%
Gujarat	26.5%	73.5%	27.8%	72.2%	28.4%	71.6%	28.2%	71.8%
Haryana	22.8%	77.2%	24.6%	75.4%	25.3%	74.7%	25.4%	74.6%
Himachal Pradesh	18.2%	81.8%	20.7%	79.3%	21.9%	78.1%	22.2%	77.8%
Jammu and Kashmir	14.3%	85.7%	15.9%	84.1%	16.8%	83.2%	16.9%	83.1%
Jharkhand	18.9%	81.1%	20.6%	79.4%	21.6%	78.4%	21.8%	78.2%
Karnataka	25.8%	74.2%	27.4%	72.6%	28.3%	71.7%	28.1%	71.9%
Keralam	26.2%	73.8%	27.5%	72.5%	28.3%	71.7%	28.3%	71.7%
Lakshadweep	13.3%	86.7%	15.3%	84.7%	16.2%	83.8%	16.1%	83.9%
Madhya Pradesh	20.2%	79.8%	21.8%	78.2%	22.3%	77.7%	22.4%	77.6%
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%	26.4%	73.6%
Meghalaya	25.1%	74.9%	26.3%	73.7%	27.0%	73.0%	27.4%	72.6%
Mizoram	30.0%	70.0%	31.6%	68.4%	32.6%	67.4%	33.0%	67.0%
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%	21.5%	78.5%
Pondicherry	27.1%	72.9%	28.2%	71.8%	29.1%	70.9%	29.2%	70.8%
Punjab	24.7%	75.3%	26.5%	73.5%	27.4%	72.6%	27.5%	72.5%
Rajasthan	18.9%	81.1%	20.3%	79.7%	20.7%	79.3%	20.9%	79.1%
Sikkim	27.2%	72.8%	29.9%	70.1%	31.6%	68.4%	31.7%	68.3%
Tamil Nadu	26.8%	73.2%	27.8%	72.2%	28.7%	71.3%	28.5%	71.5%
Telangana	23.2%	76.8%	24.8%	75.2%	25.7%	74.3%	25.6%	74.4%
Tripura	16.2%	83.8%	18.1%	81.9%	19.0%	81.0%	18.4%	81.6%
Uttar Pradesh	17.3%	82.7%	18.5%	81.5%	19.1%	80.9%	19.2%	80.8%
Uttarakhand	20.3%	79.7%	22.1%	77.9%	23.0%	77.0%	23.1%	76.9%
West Bengal	22.2%	77.8%	23.2%	76.8%	23.7%	76.3%	24.0%	76.0%
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 July 31st, 2026

Market activity across segments and investor categories

Activity moderates in equity cash and derivatives; commodity derivatives extend record run

Trading activity moderated across equity markets in July, with cash-market ADT declining 9% MoM to a five-month low, despite investor participation rising 6% to ~1.24 crore and the number of trades reaching an 18-month high. The decline was largely driven by the top cohort of investors trading above Rs 10 crore, which accounted for ~80% of the reduction in CM ADT. Equity derivatives activity also moderated for the second consecutive month, led by a sharp decline in index products. Equity futures ADT fell 7% MoM, while equity options ADPT declined 18%, with index futures and options recording sharper declines of 24% and 23%, respectively. In contrast, stock futures and options were relatively resilient, with stock options ADPT rising 16%. The moderation in equity derivatives coincided with revised RBI norms governing bank credit to capital market intermediaries, alongside continued regulatory measures to strengthen risk management in derivatives markets. Meanwhile, currency and interest-rate futures rebounding and commodity futures and options reaching fresh record levels.

Cash market ADT falls to a five-month low...: The average daily turnover (ADT) in the CM segment declined for the second consecutive month, moderating by 9% MoM in Jul'26 to Rs 1.2 lakh crore, its lowest level in five months. Despite the sequential decline, ADT remained 27% higher than a year ago. The moderation was accompanied by a 5% decline in ATS, which fell to a four-month low, while the number of trades executed increased 5% MoM to an 18-month high.

...despite rising investor participation: Nonetheless, investor participation in cash markets expanded 6% MoM to ~1.24 crore during the month. The moderation in cash-market ADT, despite the monthly aggregate remaining broadly at par with the previous month, suggests lower activity among the top cohort, while the increase in investor participation was driven by smaller-ticket trading. This is further corroborated by the fact that the top cohort, comprising investors trading above Rs 10 crore, accounted for ~80% of the decline in CM ADT in Jul'26. A detailed analysis is presented in the subsequent section, 'Distribution of Trading Activity by Turnover.'

Mainboard equities account for ~97% of CM ADT; ETF ADT continues to moderate:

Within the NSE CM, Main Board equities remained the primary driver of trading activity, accounting for ~97% of overall ADT, even as their ADT declined 8.4% MoM, in line with the broader cash market. ETFs, which accounted for 2.6% of CM ADT, recorded a further 22.3% MoM decline in ADT, although it remained 75% higher than a year ago. Trading activity on the NSE Emerge platform moderated further, declining 5.8% sequentially, while continuing to account for a relatively small share of overall CM ADT.

Equity derivatives activity moderates for second consecutive month:

Trading activity in the equity derivatives segment moderated for the second consecutive month in Jul'26. Equity futures ADT declined 7% MoM to Rs 1.35 lakh crore, its lowest level in 32 months. While the moderation was broad-based, there was a notable divergence across product types. Index futures ADT declined sharply by 24% MoM to Rs 17,225 crore, extending the moderation in index futures activity to a fourth consecutive month and taking ADT to its lowest level in many years. Within index futures, Nifty contracts accounted for ~65% of activity, although their ADT declined 24% MoM. Meanwhile, stock futures ADT declined a relatively modest 3.4% MoM to Rs 1.18 lakh crore, falling to a seven-month low.

Index options drive moderation in equity options activity:

The average daily premium turnover (ADPT) in the equity options segment witnessed a more pronounced

moderation, declining 18% MoM to Rs 50,211 crore, its lowest level in seven months. Index options ADPT declined 23% MoM to Rs 42,196 crore, with Nifty contracts accounting for 90% of activity in the segment. In contrast, stock options ADPT increased 16% MoM to Rs 8,015 crore, rebounding from the moderation seen in Jun'26. The divergence between index and stock products was also reflected in trading activity. The number of trades in index options declined 17% MoM, while stock options trades increased 13%. Notably, the average trade size (ATS) remained broadly stable for index options, increasing marginally by 1% MoM, while it rose 13% for stock options to ~Rs 15,500.

The moderation in derivatives trading activity coincided with the Reserve Bank of India's revised norms for credit facilities to capital market intermediaries, which came into effect from July 1, 2026. The revised framework reduces bank financing available for proprietary trading and requires credit facilities to capital market intermediaries to meet tighter collateralisation requirements. Over the years, several regulatory measures have been introduced by the regulator to strengthen investor protection and risk management in the derivatives market. These include the rationalisation of weekly expiries, enhancement of minimum contract sizes, introduction of additional extreme-loss margins, mandatory upfront collection of option premiums, intraday monitoring of position limits, and many more.

Currency and interest rate futures rebound; commodity derivatives extend record run:

Currency futures ADT rebounded 10% MoM to Rs 5,535 crore in Jul'26, reversing part of the decline recorded in June, while remaining 153% higher than a year ago. Interest rate futures also recovered sharply, with ADT rising 62% MoM to Rs 193 crore following the decline in the previous month, taking YoY growth to 414%. Meanwhile, commodity derivatives continued to strengthen. Commodity futures ADT increased 10% MoM to a record Rs 111.7 crore during the month. Crude oil remained the largest contract in the segment, accounting for ~58% of commodity futures ADT, followed by electricity futures at ~36%. Commodity options ADPT recorded an even sharper increase, rising 44% MoM to a fresh record of Rs 262 crore in premium turnover. Crude oil options accounted for ~99% of the segment's total turnover, with ADPT increasing 44%.

Table 76: 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
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
May-26	26,91,106	25,56,313	4,40,752	29,97,064	1,64,850	11,12,872	12,77,722	1,24,889	1.6	4,401	1,836.4	3,230.3
Jun-26	27,71,636	25,66,887	4,75,354	30,42,240	1,44,900	11,48,734	12,93,633	1,05,464	1.6	2,497	2,226.1	4,003.3
Jul-26	27,69,562	27,15,449	3,96,179	31,11,628	1,84,352	9,70,508	11,54,859	1,27,306	1.4	4,444	2,568.5	6,029.2

Source: NSE EPR. Note: Premium has been considered for options contracts.

Table 77: 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
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
May-26	1,41,637	1,34,543	23,197	1,57,740	8,676	58,572	67,249	6,573	0.08	232	87.4	153.8
Jun-26	1,31,983	1,22,233	22,636	1,44,869	6,900	54,702	61,602	5,022	0.08	119	101.2	182.0
Jul-26	1,20,416	1,18,063	17,225	1,35,288	8,015	42,196	50,211	5,535	0.06	193	111.7	262.1

Source: NSE EPR. Note: Premium has been considered for options contracts.

Table 78: 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) *
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
May-26	32.1	485.9	2.6
Jun-26	32.6	492.0	2.3
Jul-26	29.1	446.5	2.1

Source: NSE EPR. *Premium has been considered for options contracts.

Table 79: 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) *
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
May-26	17.0	256.4	2.2	15.0	229.5	0.30
Jun-26	18.4	277.8	2.1	14.1	214.2	0.27
Jul-26	14.0	214.3	1.9	15.0	232.2	0.26

Source: NSE EPR. *Premium has been considered for options contracts.

Table 80: 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
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
May-26	4,737	11.1	426	4,360	5.6	774
Jun-26	5,704	11.5	497	4,497	5.5	817
Jul-26	4,783	9.7	493	5,341	5.8	914

Source: NSE EPR.

Table 81: Monthly trends for Notional to premium ratio in stock options across exchanges

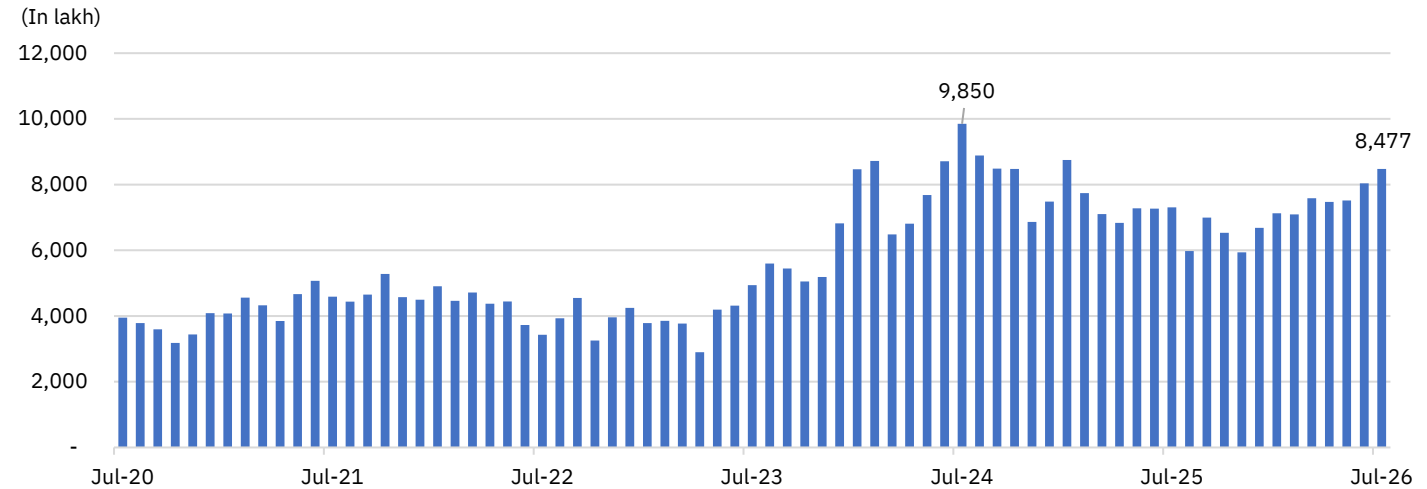
Month	NSE			BSE		
	Notional turnover (Rs crore)	Premium turnover (Rs crore)	Ratio	Notional turnover (Rs crore)	Premium turnover (Rs crore)	Ratio
Jul-25	1,00,21,452	1,41,398	71	10.60	0.17	62
Aug-25	84,13,398	1,10,086	76	4.25	-	-
Sep-25	1,04,59,428	1,37,236	76	37.19	0.52	72
Oct-25	98,86,986	1,42,690	69	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
May-26	1,04,22,887	1,64,850	63	10.18	0.16	64
Jun-26	1,00,78,665	1,44,900	70	67.65	1.72	39
Jul-26	1,14,54,273	1,84,352	62	16.59	0.43	39

Source: NSE EPR.

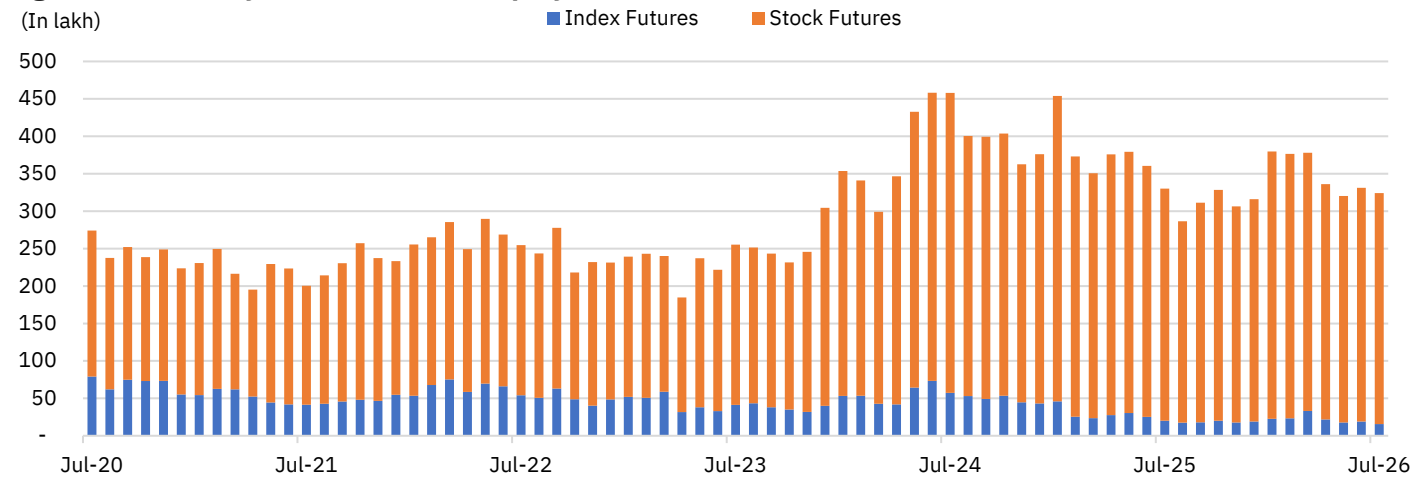
Table 82: Monthly trends for trades (in lakh) in equity cash and derivatives segment for NSE

Month	Equity Cash	Equity Futures		Equity Options	
		Index	Stock	Index	Stock
Jul-25	7,307	20	310	9,529	1,077
Aug-25	5,976	18	269	8,374	906
Sep-25	6,993	18	293	10,314	1,099
Oct-25	6,535	20	308	10,538	1,027
Nov-25	5,938	18	289	9,048	1,010
Dec-25	6,683	19	297	10,179	1,101
Jan-26	7,125	23	357	12,236	1,247
Feb-26	7,095	23	353	12,537	1,308
Mar-26	7,585	33	345	13,144	1,043
Apr-26	7,472	22	314	9,645	1,040
May-26	7,516	18	303	10,427	1,097
Jun-26	8,040	19	312	11,823	1,058
Jul-26	8,477	16	308	9,855	1,192

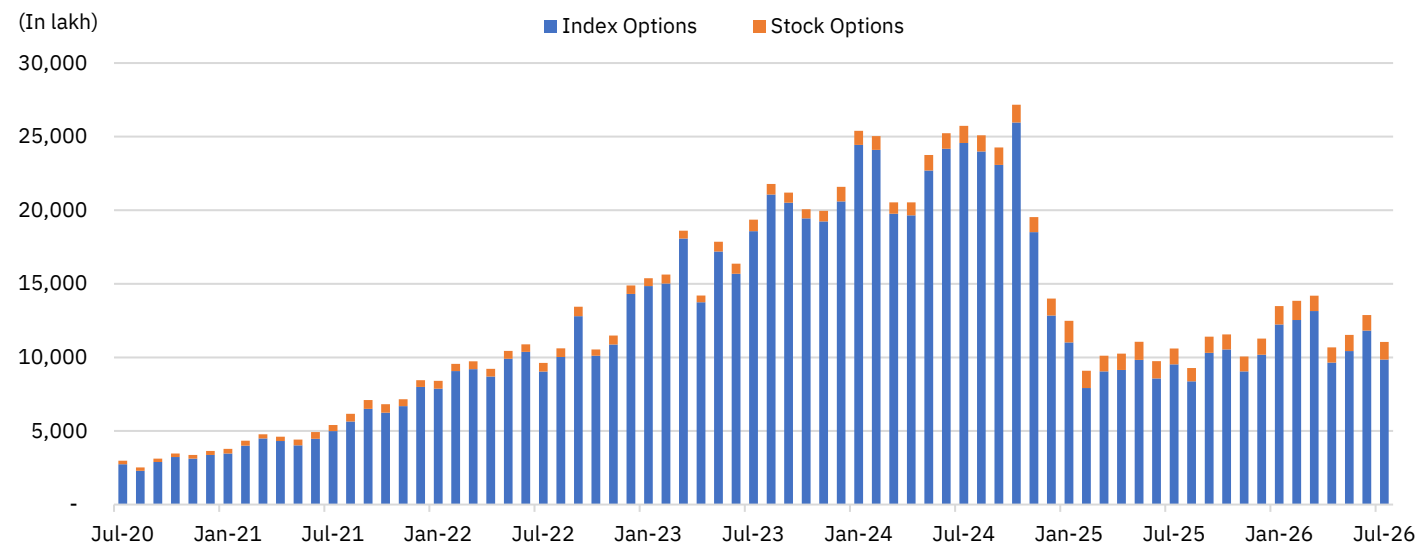
Source: NSE EPR. Note: Data is presented for trades i.e., (no. of buy trades + no. of sale trades)/2.

Figure 331: Monthly trend of total trades in NSE cash market segment


Source: NSE EPR. Note: Data has been provided for trades {(Buy trades + Sell trades)/2}.

Figure 332: Monthly trend of trades in equity futures


Source: NSE EPR. Note: Data has been provided for trades {(Buy trades + Sell trades)/2}.

Figure 333: Monthly trend of total trades in equity options


Source: NSE EPR. Note: Data has been provided for trades {(Buy trades + Sell trades)/2}.

Table 83: 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
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
May-26	35,803	24,86,308	8,44,791	10,673	15,021
Jun-26	34,472	24,99,288	8,22,114	9,716	13,700
Jul-26	32,670	25,19,943	8,80,359	9,848	15,471

Source: NSE EPR. Note: Premium has been considered for options contract.

Figure 334: Monthly trend of average trade size in NSE cash market segment

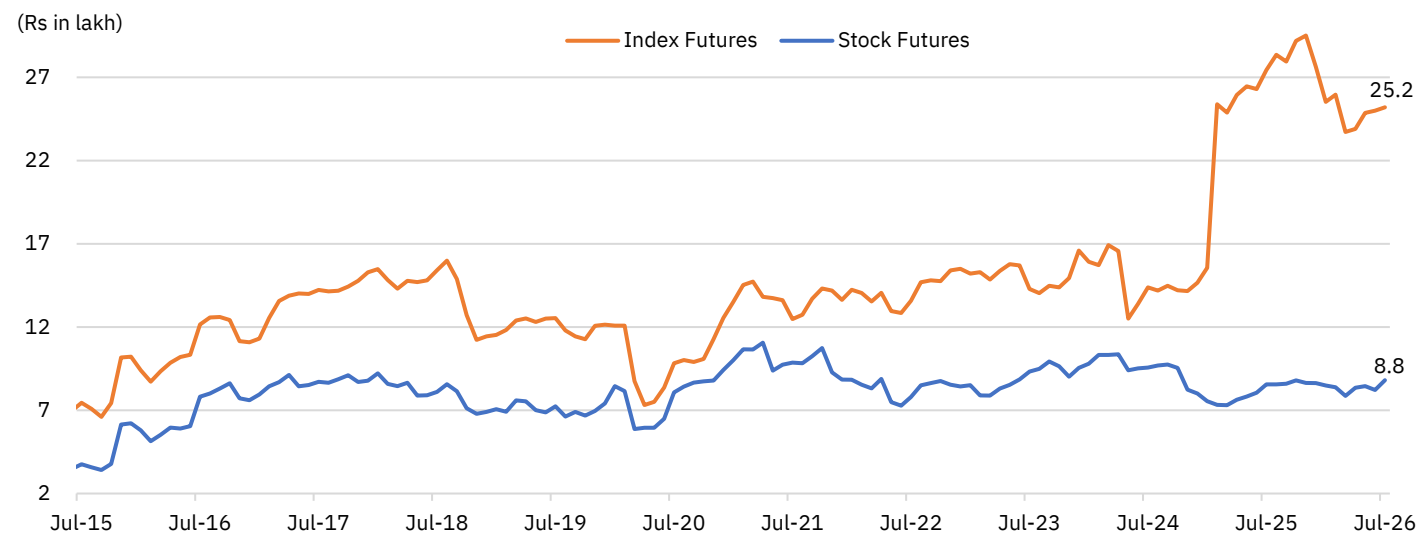
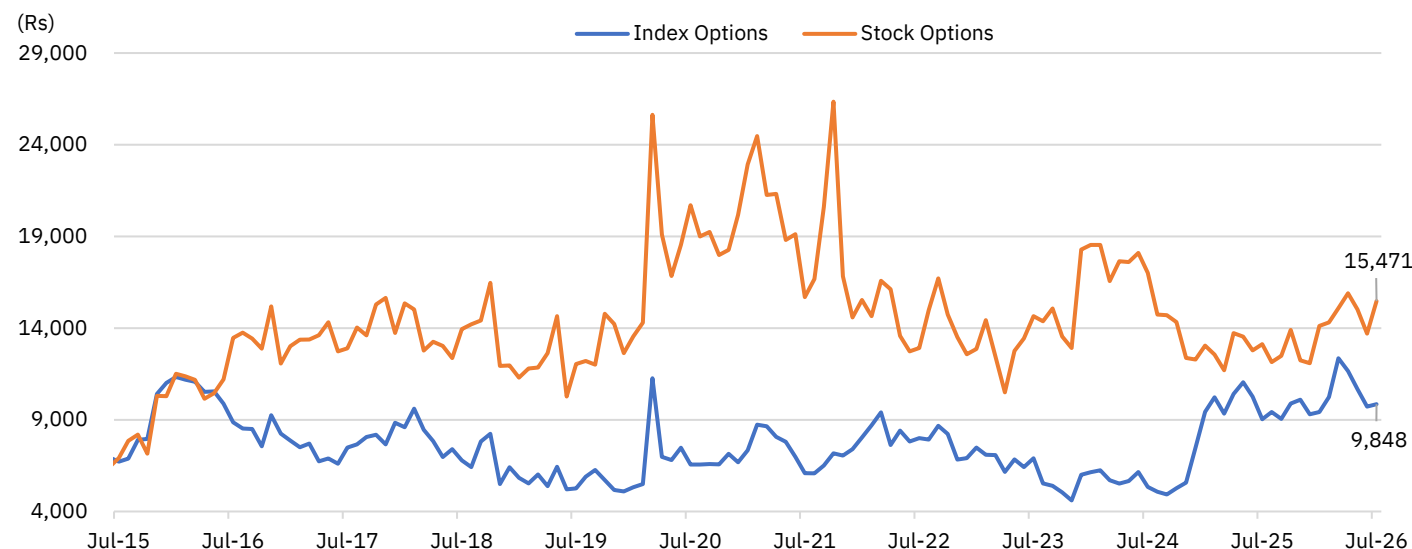
Figure 335: Monthly trend in average trade size in equity futures


Figure 336: Monthly trend in average trade size in equity options premium


Source: NSE EPR. Note: Premium has been considered for calculating average trade size.

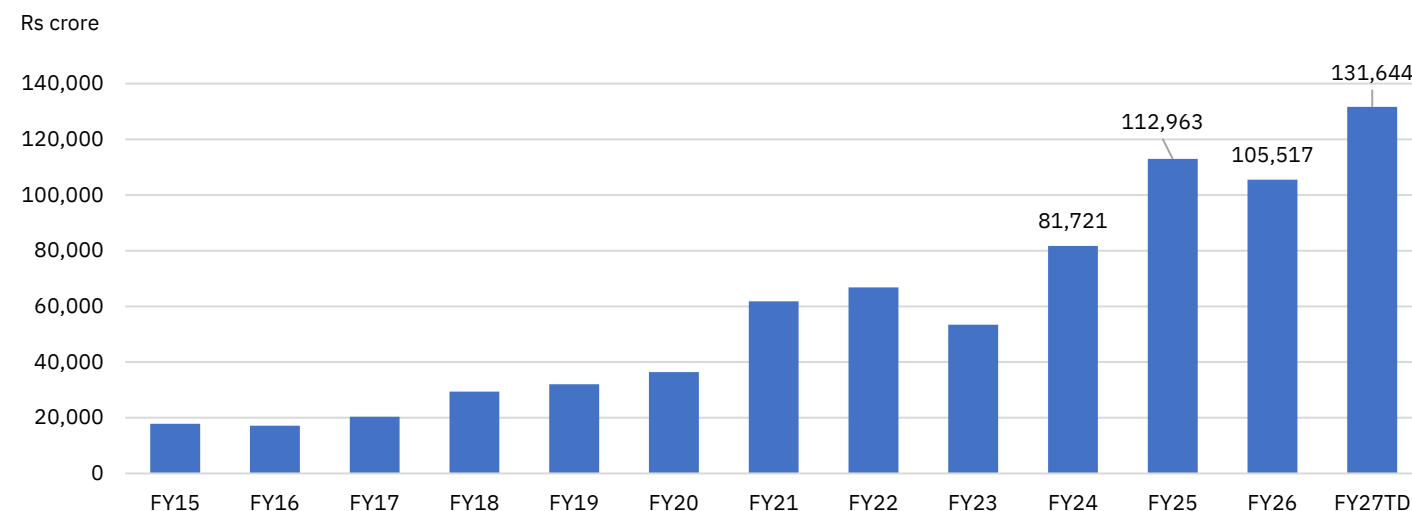
Table 84: Average daily turnover (Rs crore) in NSE CM Segment

Products	Jul-26	Jun-26	Jul-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
Capital Market	120,416	131,983	94,995	(8.8)	26.8	131,644	105,517	126,598
Equities (Main Board)	116,863	127,517	92,720	(8.4)	26.0	127,163	100,467	119,579
Exchange Traded Funds	3,141	4,044	1,794	(22.3)	75.0	4,040	4,535	6,552
SME Emerge	228	242	288	(5.8)	(21.0)	240	254	220
Sovereign Gold Bonds	14	21	11	(31.9)	32.4	20	26	29
InvITs	79.2	64	47.3	24.3	67.4	70	63	69
REITs	65.5	71	45.3	(7.0)	44.8	81	87	102
Others	25	25	89	2.0	(71.4)	31	85	47

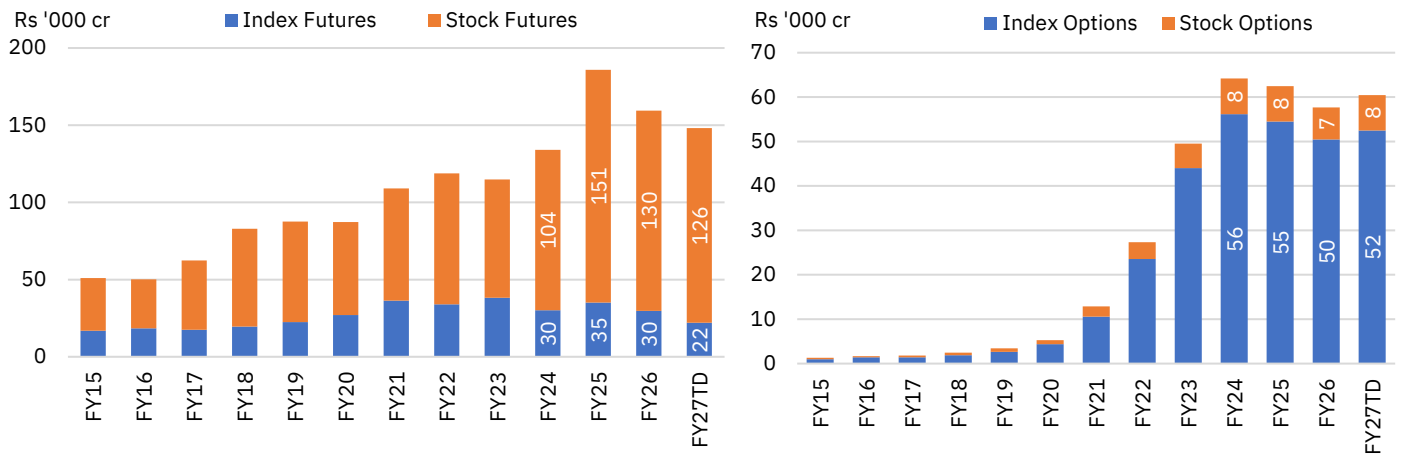
Source: NSE EPR. Notes: 1. Average daily turnover (ADT) excludes auction market turnover. Equities (Main Board) include stocks in EQ, BE, BL and BZ series.

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. FY27TD & 2026TD is as of Jul'26.

Figure 337: 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 is as of Jul'26.

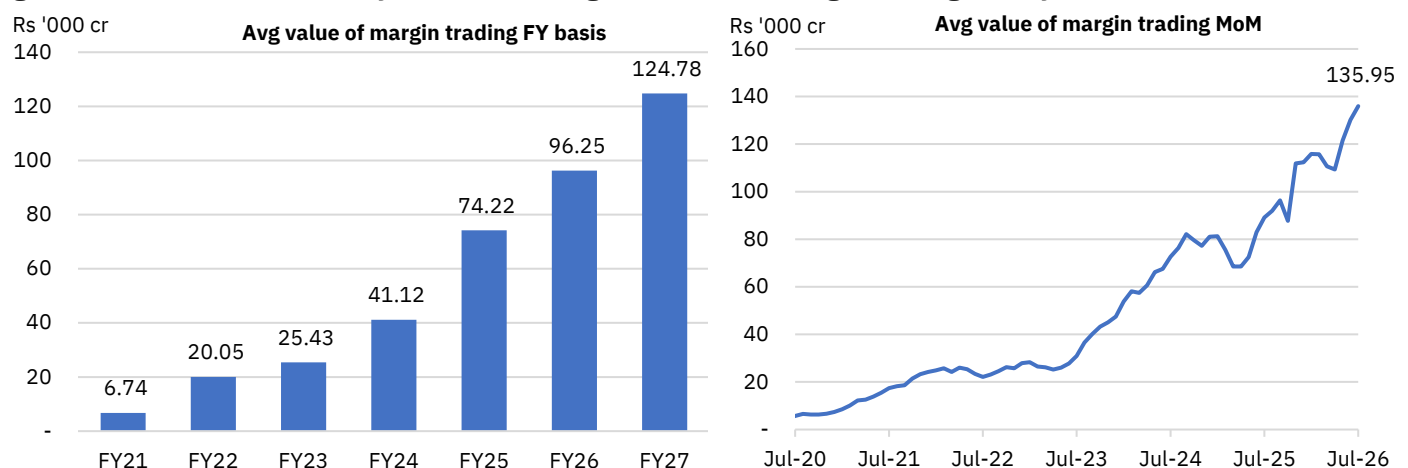
Figure 338: Annual trends in average daily turnover in NSE's equity derivatives segment


Source: NSE EPR. Notes: 1. The above figure reports premium turnover for options contracts. 2. FY27TD is as of Jul'26.

Table 85: Average daily turnover (Rs crore) in NSE's equity derivatives segment

Product	Jul-26	Jun-26	Jul-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
Equity Futures	1,35,288	1,44,869	1,39,268	(6.6)	(2.9)	1,48,149	1,59,443	1,60,628
Stock futures	118,063	122,233	115,347	(3.4)	2.4	126,057	129,701	133,999
Index futures	17,225	22,636	23,921	(23.9)	(28.0)	22,092	29,742	26,629
BANKNIFTY	5,230	6,903	7,058	(24.2)	(25.9)	6,400	7,836	7,004
NIFTY50	11,202	14,742	15,669	(24.0)	(28.5)	14,648	20,326	18,255
FINNIFTY	36	35	88	1.2	(59.4)	39	94	59
MIDCPNIFTY	719	905	1,052	(20.5)	(31.7)	952	1,410	1,245
NIFTYNXT50	39	51	55	(23.1)	(28.7)	53	77	67
Equity Options	50,211	61,602	43,579	(18.5)	15.2	60,433	57,662	67,122
Stock options	8,015	6,900	6,148	16.2	30.4	7,945	7,195	8,253
Index options	42,196	54,702	37,431	(22.9)	12.7	52,488	50,467	58,869
BANKNIFTY	3,877	4,889	4,539	(20.7)	(14.6)	4,767	5,296	4,947
NIFTY50	37,979	49,392	32,038	(23.1)	18.5	47,317	44,417	53,364
FINNIFTY	46	55	144	(15.6)	(67.7)	51	140	79
MIDCPNIFTY	294	365	710	(19.6)	(58.7)	352	613	479
NIFTYNXT50	0.59	1	0.70	(39.1)	(15.3)	1	1	1

Source: NSE EPR. Notes: 1. Premium turnover reported for Options contracts. 2. FY27TD & 2026TD is as of Jul'26 3. Figures in brackets indicate negative numbers.

Figure 339: Annual and monthly trends in average value under margin trading facility


Source: NSE EPR. Notes: 1. FY27TD is as of Jul'26.

Table 86: Average daily open interest (Rs crore) in NSE's equity derivatives segment

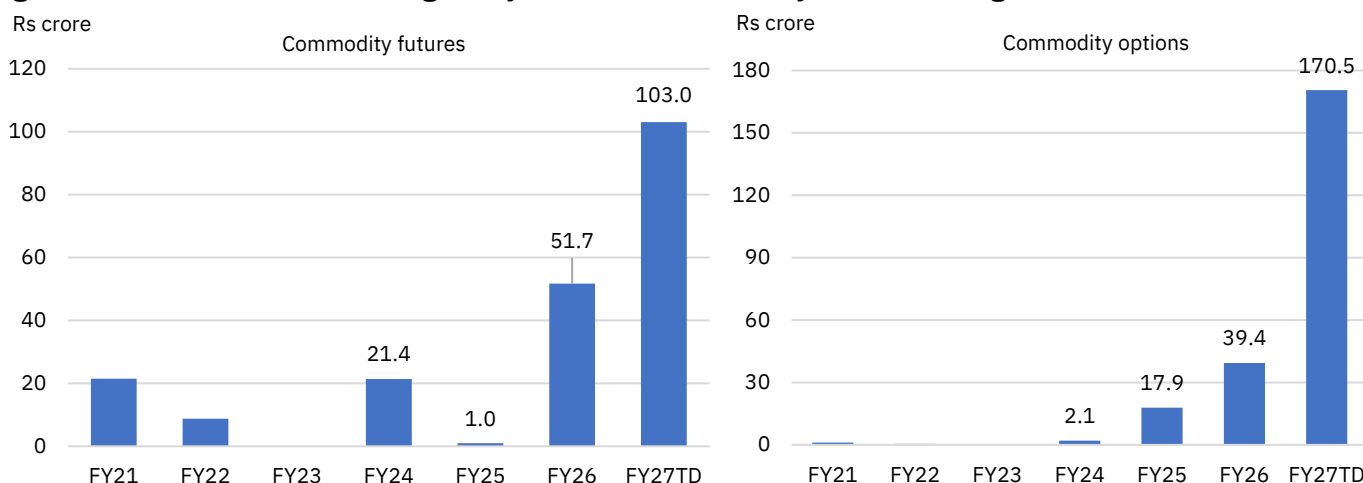
Product	Jul-26	Jun-26	Jul-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
Equity Futures	6,09,234	6,16,335	5,36,126	(1.2)	13.6	5,99,807	5,43,237	5,88,900
Stock Futures	5,48,721	5,49,922	4,73,039	(0.2)	16.0	5,35,184	4,81,515	5,25,151
Index Futures	60,513	66,413	63,087	(8.9)	(4.1)	64,623	61,723	63,749
NIFTY	42,784	48,195	45,641	(11.2)	(6.3)	46,740	45,124	46,892
BANKNIFTY	14,453	14,588	13,932	(0.9)	3.7	14,384	12,893	13,263
FINNIFTY	72	89	226	(19.1)	(68.2)	76	176	104
MIDCPNIFTY	3,079	3,397	3,133	(9.4)	(1.7)	3,287	3,374	3,352
NIFTYNXT50	124	144	156	(13.6)	(20.1)	135	155	138
Equity Options	16,73,879	17,15,026	16,49,465	(2.4)	1.5	16,12,765	16,88,432	16,40,575
Stock Options	3,46,532	3,58,862	3,35,089	(3.4)	3.4	3,33,856	3,18,037	3,38,204
Index Options	13,27,348	13,56,164	13,14,376	(2.1)	1.0	12,78,909	13,70,395	13,02,371
NIFTY	11,28,219	11,24,498	10,63,286	0.3	6.1	10,72,713	11,31,140	10,97,506
BANKNIFTY	1,81,003	2,10,293	2,21,602	(13.9)	(18.3)	1,87,832	2,14,816	1,84,194
FINNIFTY	1,690	2,665	6,610	(36.6)	(74.4)	1,895	5,186	2,826
MIDCPNIFTY	16,358	18,600	22,788	(12.1)	(28.2)	16,383	19,147	17,745
NIFTYNXT50	78	107	90	(27.6)	(14.2)	86	107	100

Source: NSE EPR. Notes: 1. The above table reports notional turnover. 2. FY27TD & 2026TD is as of Jul'26. 3. Figures in brackets indicate negative numbers.

Table 87: Average daily turnover in commodity derivatives

Product (Rs crore)	Jul-26	Jun-26	Jul-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
FUTURE	111.7	101.2	45.6	10.4	144.9	103.0	51.7	88.4
SILVER	1.2	1.4	0.5	(15.7)	140.0	1.3	0.6	1.1
CRUDE OIL	65.1	56.4	2.7	15.4	2327.6	56.9	6.1	39.6
BRENT CRUDE	0.9	0.4	-	97.4	-	0.7	-	0.4
ELECTRICITY	40.3	37.2	42.4	8.2	(5.0)	37.6	44.1	41.9
GOLD10G	3.5	5.5	-	(36.2)	-	6.3	0.9	5.2
OPTIONS	262.1	182.0	34.8	44.1	652.7	170.5	39.4	121.3
SILVER	0.7	0.8	0.7	(11.4)	(4.9)	1.0	0.7	0.9
NATURALGAS	2.1	0.8	0.0	154.1	364382.4	0.8	0.0	0.4
CRUDEOIL	259.4	180.4	34.1	43.8	660.3	168.8	38.7	120.0

Source: NSE EPR. Notes: 1. Premium turnover reported for Options contracts. 2. FY27TD & 2026TD is as of Jul'26. 3. Figures in brackets indicate negative numbers.

Figure 340: Annual trends in average daily turnover in commodity derivatives segment


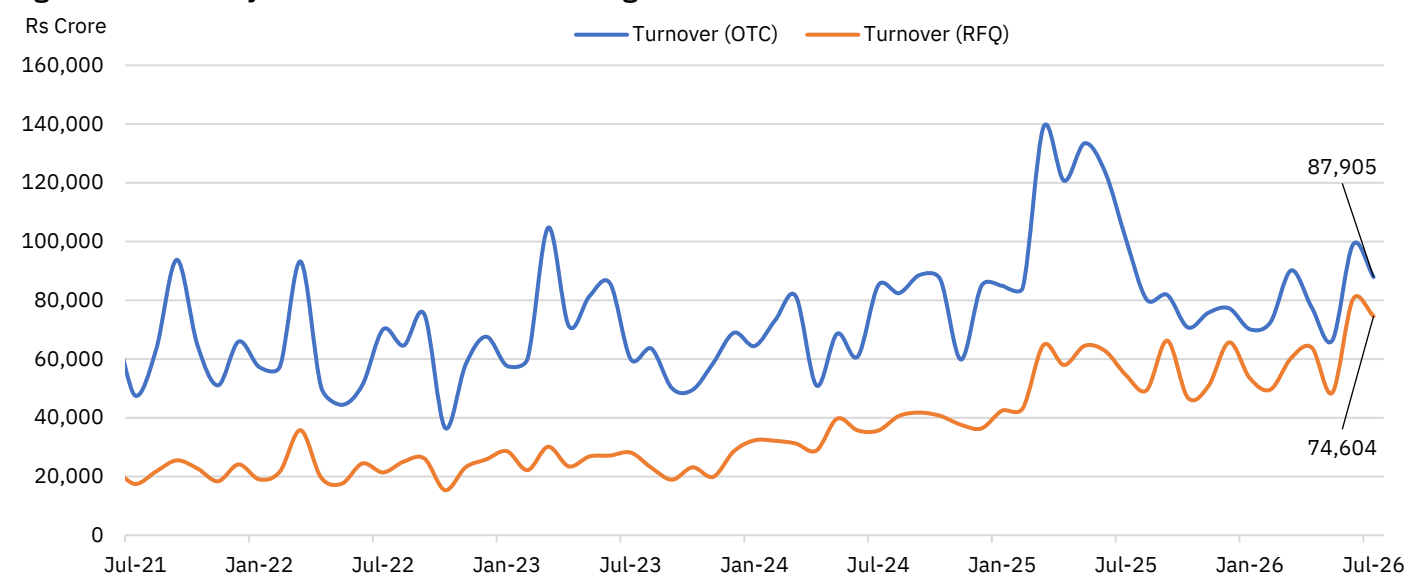
Source: NSE EPR. Notes: 1. Above figure reports premium turnover for options contracts. 2. FY27TD is as of Jul'26.

Secondary market activity in corporate bonds contracted across both trading venues

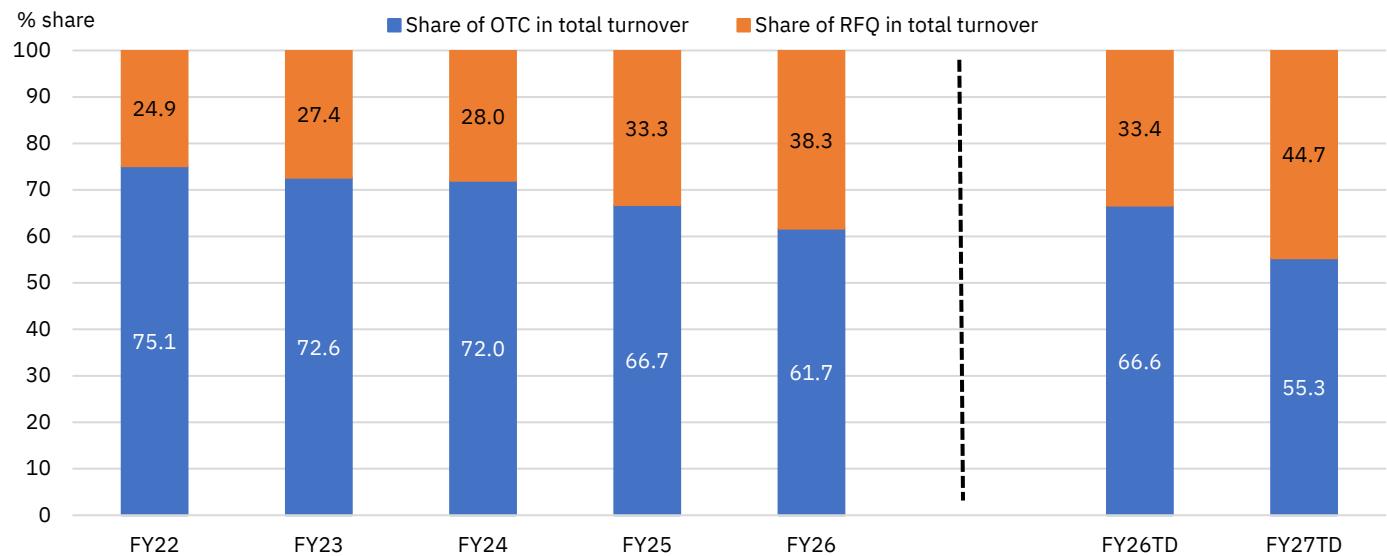
in July 2026: OTC turnover fell from Rs 98,969 crore in June 2026 to Rs 87,905.2 crore in July (-11.2% MoM), while RFQ turnover fell from Rs 80,341 crore to Rs 74,604.2 crore (-7.1% MoM), taking aggregate turnover across both platforms to Rs 1.63 lakh crore. The moderation in secondary market trading activity followed the strong activity recorded in June 2026, when turnover across both platforms reached Rs 1.79 lakh crore. Nonetheless, RFQ's share in total turnover increased to 45.9% in July 2026 from 44.8% in June 2026 and remained well above the average of 33.4% recorded during the corresponding period of FY26 (Apr–Jul 2025), taking the cumulative FY27TD RFQ share in total turnover to 44.7%. On a year-on-year basis, the composition of secondary market activity continued to shift towards RFQ. While total turnover in July 2026 was higher than July 2025 (+4.7% YoY), OTC turnover declined 12.7% YoY, whereas RFQ turnover expanded 36.9% YoY over the same period.

The moderation in turnover was also reflected in average daily turnover (ADT). OTC ADT fell to Rs 3,822 crore in July 2026 from Rs 4,712 crore in June (-18.9% MoM), while RFQ ADT decreased to Rs 3,243.7 crore from Rs 3,825.8 crore (-15.2% MoM). Combined ADT fell to Rs 7,065.6 crore from Rs 8,538.6 crore in June 2026. On a year-on-year basis, combined ADT increased to Rs 7,065.6 crore from Rs 6,749.1 crore in July 2025, despite a significant shift in platform composition – OTC ADT declined year-on-year while RFQ ADT expanded materially over the same period.

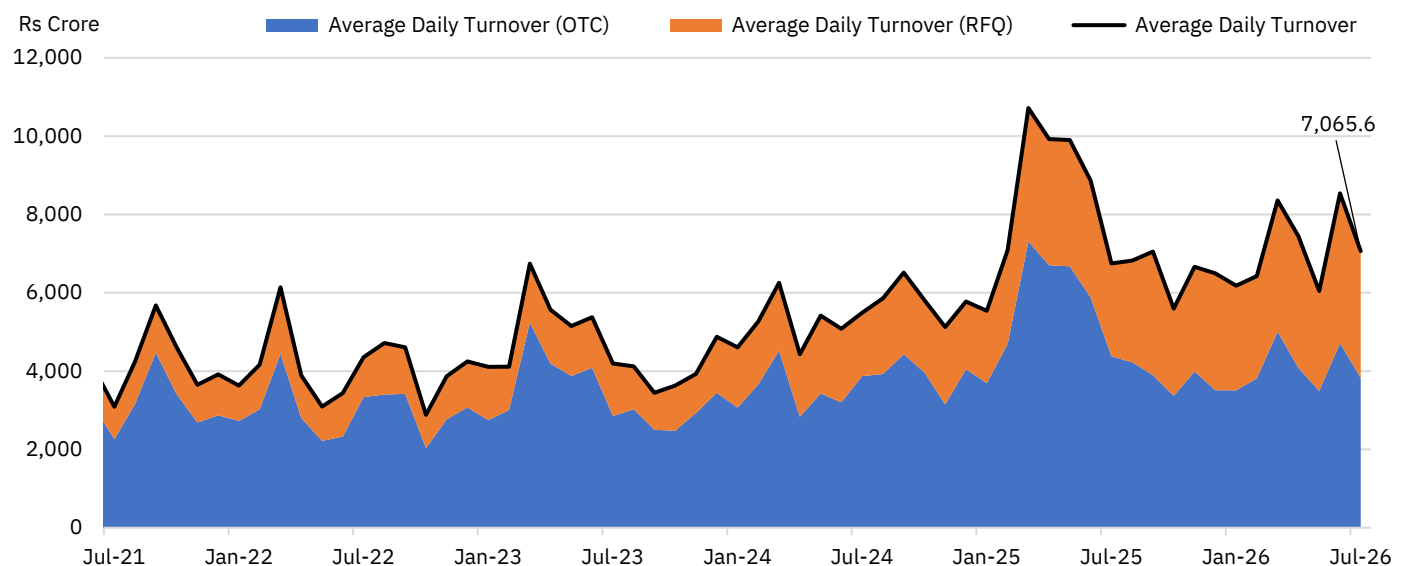
Figure 341: Monthly trends of turnover in debt segment



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

Figure 342: Annual share in total turnover across segments


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

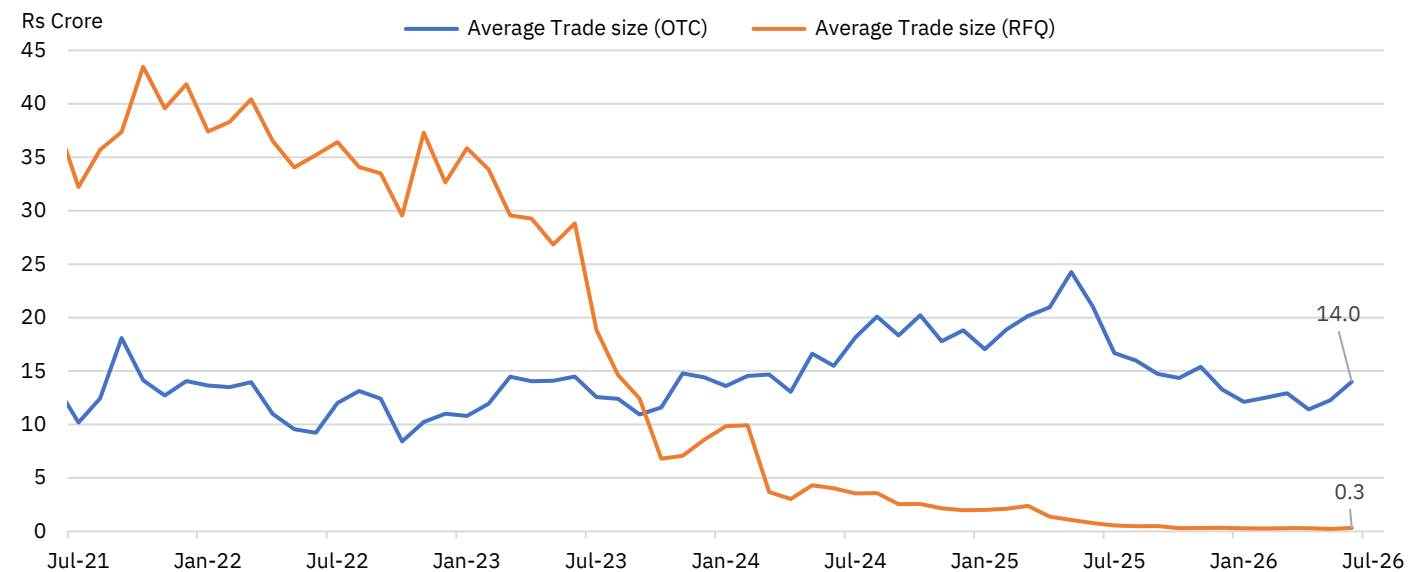
Figure 343: Monthly trends of average daily turnover in debt segment


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

Average trade size remained broadly stable on the OTC platform while declining further on RFQ in July 2026:

OTC average trade size remained broadly stable at Rs 14.0 crore (+0.1% MoM), after rising from Rs 12.3 crore in May 2026, while RFQ average trade size declined to Rs 0.28 crore (-11.4% MoM), reflecting the sustained compression observed over recent months. The divergent movement in average trade sizes indicates that the July moderation in turnover was accompanied by continued compression in RFQ transaction sizes, while OTC ticket sizes remained broadly unchanged.

Figure 344: Monthly trends of average trade size in debt segment

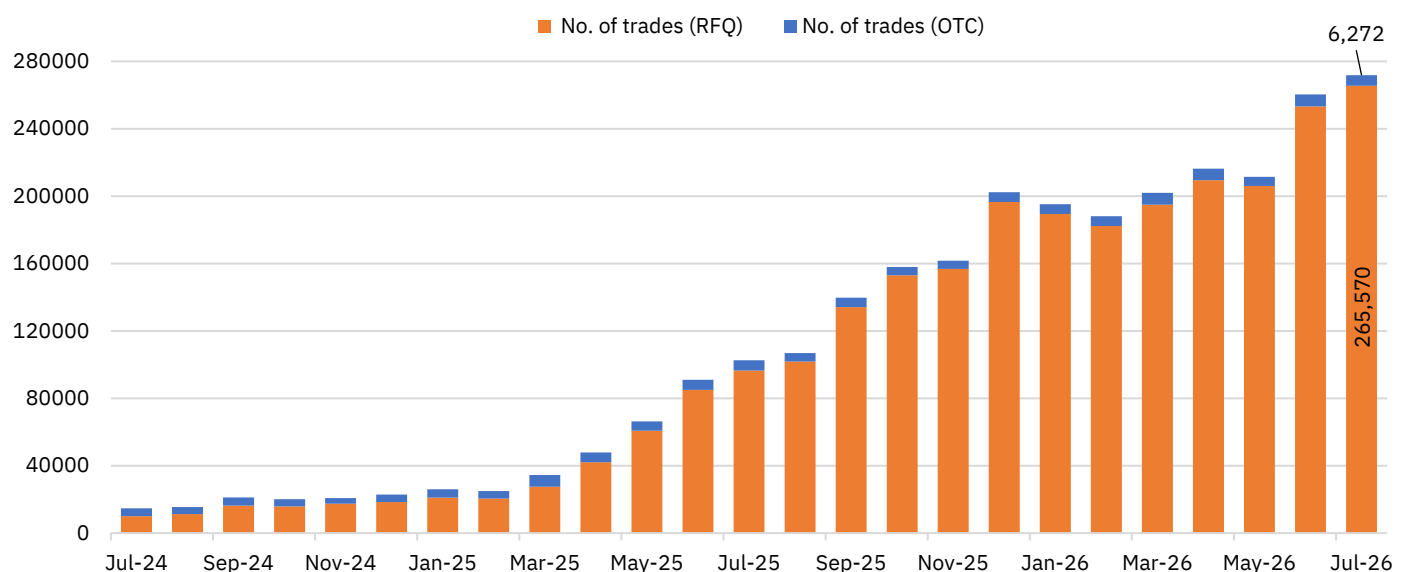


Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

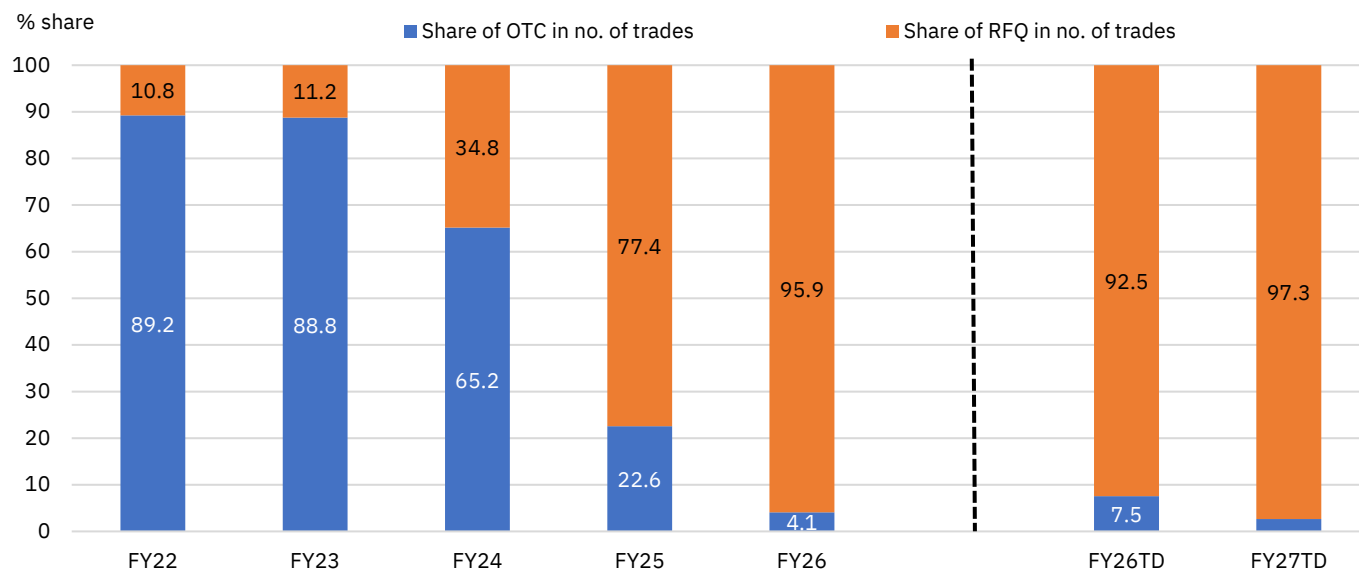
Trade count dynamics continued to reflect the granular execution profile of the RFQ platform in July 2026, with RFQ trade counts reaching a new series high:

RFQ trade counts rose to 2,65,570 trades (+4.8% MoM) from 2,53,322 in June, the highest monthly figure recorded in the series, while OTC trades decreased to 6,272 (-11.3% MoM). The divergence between OTC and RFQ trading activity highlights the continued increase in execution frequency on the RFQ platform, even as OTC trade counts moderated. Overall, the number of trades across both platforms increased by 4.4% MoM in July 2026. On a cumulative FY27TD basis, RFQ accounted for 97.3% of total trades and 44.7% of total turnover, underscoring the persistence of the bifurcated market structure despite the continued narrowing of the turnover gap between the two execution platforms.

Figure 345: Monthly trend in number of trades reported across platforms



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

Figure 346: Annual share in number of trades reported across platforms


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

Institutional investors continued to account for the majority of secondary market turnover during April–July 2026, led by Mutual Funds:

Mutual Funds accounted for 31.9% of total turnover in FY26, compared with 34.9% in FY21, with their share increasing to 34.3% during April–July 2026. Other Domestic Financial Institutions accounted for 20.9% of total turnover and Banks for 17.3%, with these three categories collectively accounting for around 72.5% of aggregate secondary market activity during April–July 2026. Insurance and FII/FPI participation moderated from FY26 levels, while Individual participant share increased but remained modest at 1.8% of total turnover.

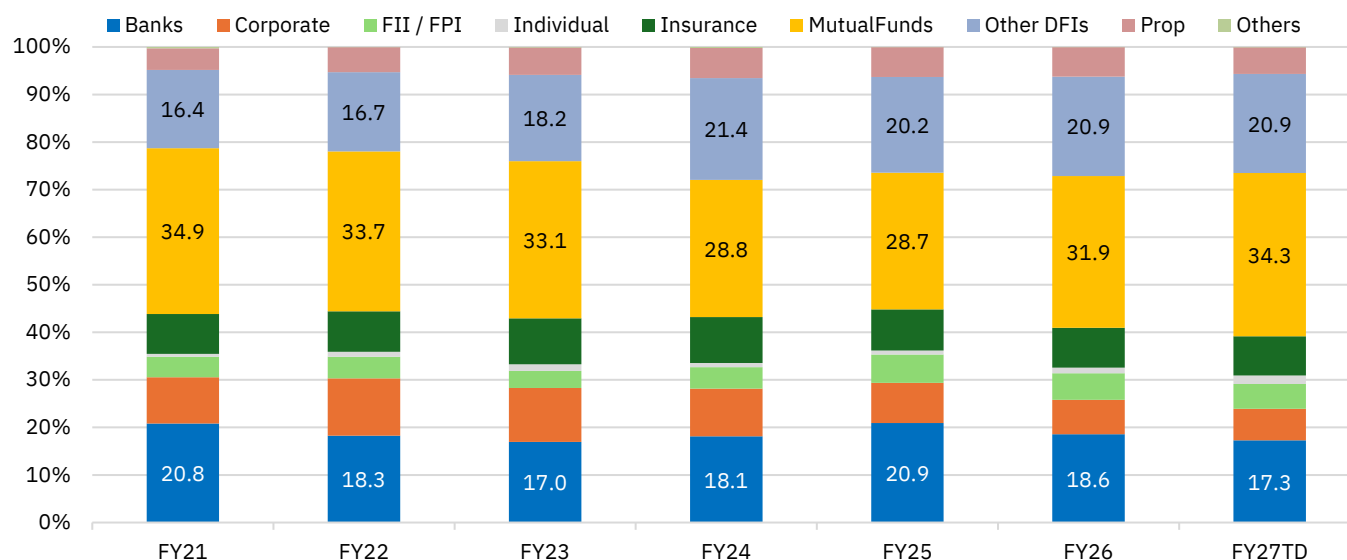
Participation profiles continued to differ across execution venues. Within the OTC segment, Other Domestic Financial Institutions (Other DFIs) accounted for 26.6% of turnover in FY26, with their share increasing to 28.0% during April–July 2026, followed by Mutual Funds at 21.5% and Banks at 18.2%. This remained consistent with the institutional nature of large-ticket negotiated transactions. On the RFQ platform, Mutual Funds remained the dominant category at 50.2% of turnover during April–July 2026, while Banks accounted for 16.1%.

The picture was materially different when examined through the lens of trade counts. Following SEBI measures introduced in 2023 to increase corporate bond trading through the RFQ platform, including permitting stockbrokers to participate in corporate bond transactions on behalf of clients, and requiring at least 10% of their proprietary corporate bond trades to be executed through RFQ from July 2023, the share of Individual participants in RFQ trade counts increased from 0.2% in FY23 to 80.1% in FY26, while their share in RFQ turnover stood at only 1.4%. During April–July 2026, individual and proprietary participants together accounted for ~90% of RFQ trade counts — Individual participants at 75.7% and Proprietary participants at 14.3% — while accounting for only around 7% of RFQ turnover. Conversely, institutional participants accounted for approximately 91% of RFQ turnover, highlighting the continued divergence between execution frequency and value concentration on the platform. Mutual Funds alone accounted for 50.2% of RFQ turnover while contributing only 0.3% of RFQ trade counts.

The composition of RFQ trade counts has also evolved beyond Individual participants. The share of Proprietary participants increased from 2.2% in FY21 to 10.9% in FY26 and further to 14.3% during April–July 2026, while Other DFIs accounted for 3.7% of RFQ trade counts during the same period, compared with 1.5% in FY26.

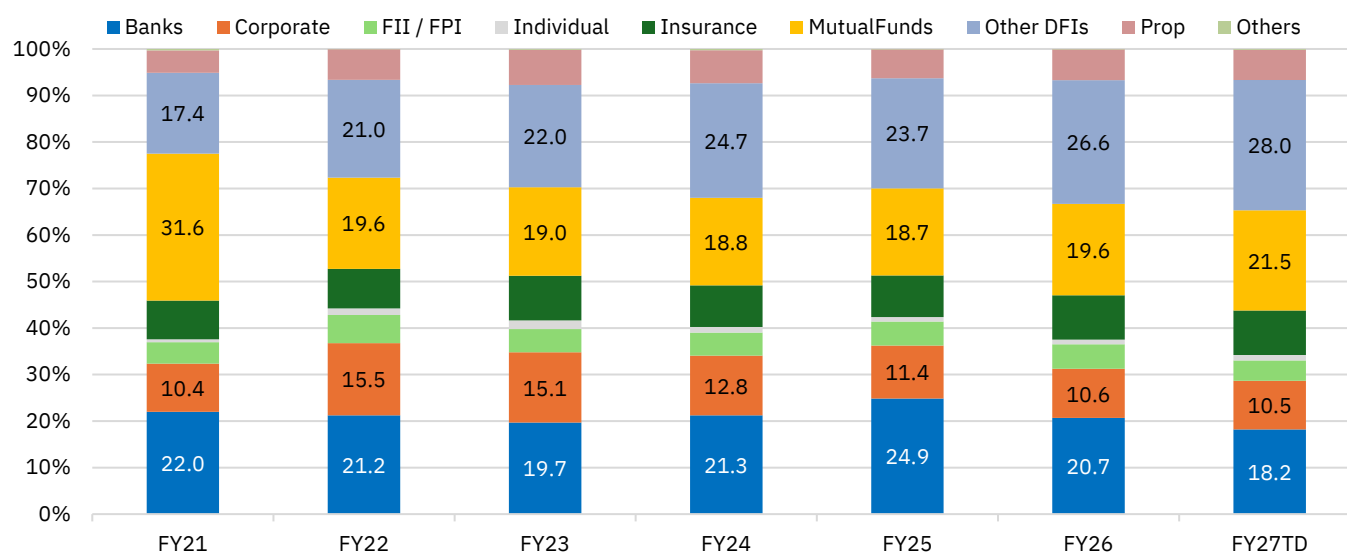
OTC activity displayed a more diversified trade-count profile. Other DFIs remained the largest category, accounting for 34.0% of OTC trade counts in FY27TD, up from 31.4% in FY26, followed by corporate participants at 19.7%. Individual participants accounted for 14.1% of OTC trade counts in FY27TD, up from 5.5% in FY21, while Proprietary participants accounted for 14.3% and Banks for 5.2%. Thus, unlike RFQ, where Individual and Proprietary participants dominate execution frequency, OTC trade counts remain distributed across a wider set of participant categories.

Figure 347: Share in total turnover across participant categories



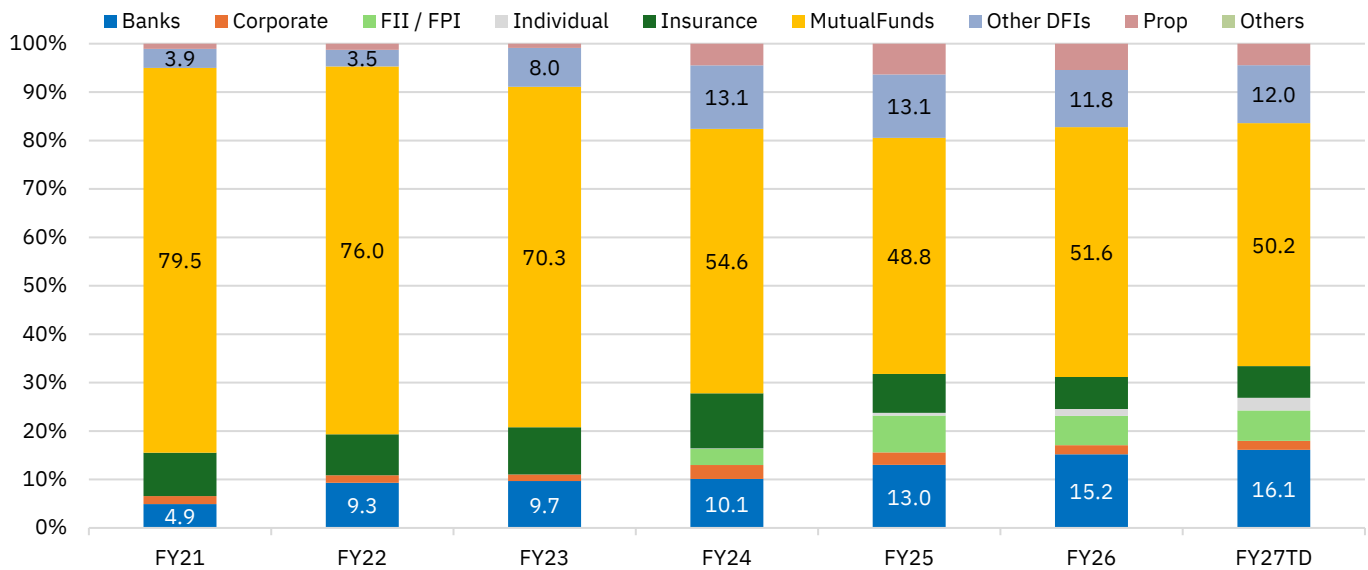
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of July 2026.

Figure 348: Share in OTC turnover across participant categories



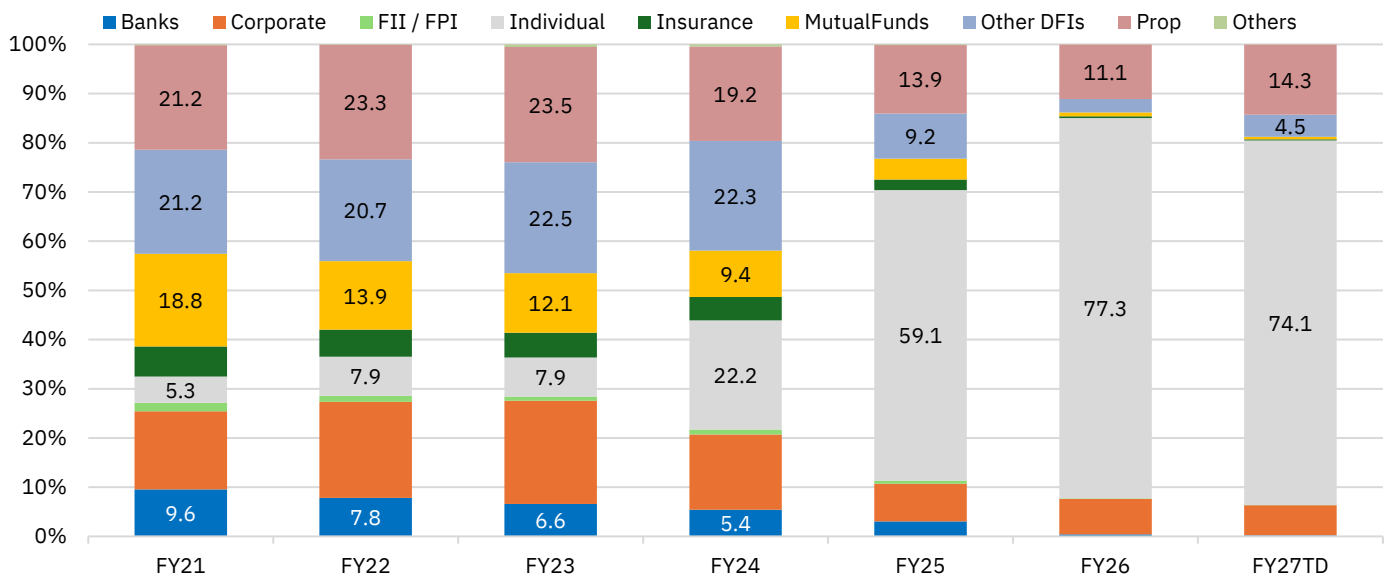
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of July 2026.

Figure 349: Share in RFQ turnover across participant categories



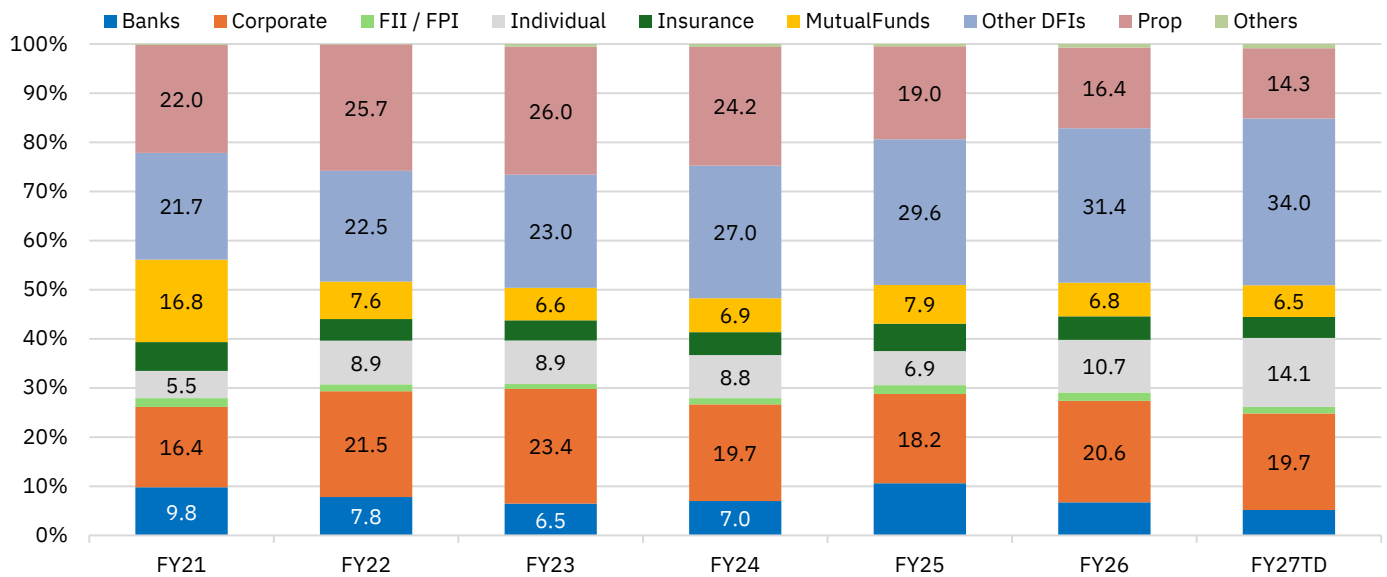
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of July 2026.

Figure 350: Share in total number of trades across participant categories



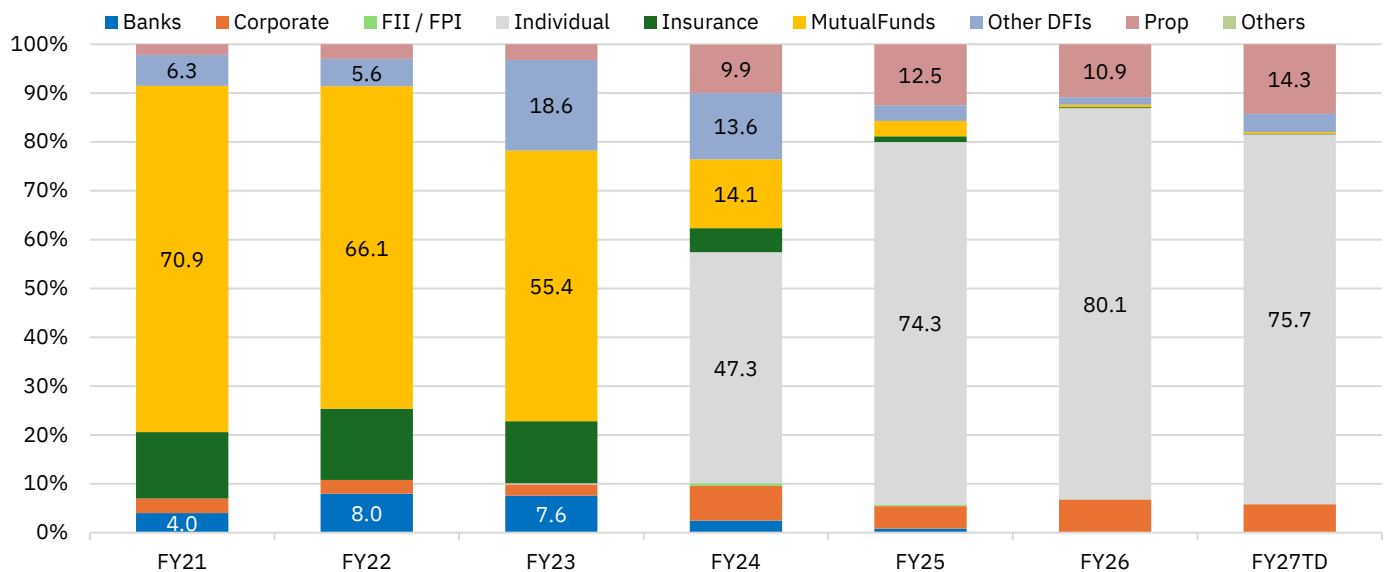
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of July 2026.

Figure 351: Share in OTC trade counts across participant categories



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

Figure 352: Share in RFQ trade counts across participant categories



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

Category-wise participation across segments: Participation dynamics continue to evolve

Market participation in July 2026 reflected a shifting investor mix across derivatives segments, while cash market activity remained broadly stable despite a moderation in turnover from the 23-month high recorded in the previous month. Proprietary traders continued to account for the largest share of cash market activity, while individual investor participation edged up marginally. Domestic institutional investors maintained a relatively steady presence, even as foreign investor participation continued to moderate. Across equity derivatives, institutional investors gained share in equity futures in the current fiscal, while equity options witnessed a gradual increase in individual investors' share alongside continued moderation in proprietary traders' dominance. Commodity derivatives experienced a notable rebalancing, driven by record foreign investor participation and a sharp decline in proprietary share in commodity futures to a seven-year low, while proprietary traders continued to dominate commodity options. In contrast, the interest rate futures (IRF) segment became increasingly concentrated, with proprietary traders regaining dominance as corporate, foreign and individual investor participation moderated.

Cash market participation remained broadly stable MoM in July 2026: Cash market turnover moderated marginally to Rs 27.7 lakh crore in July, following the 23-month high reached in June, while the investor participation mix remained broadly stable across categories. Proprietary traders remained the largest contributor to turnover at 33.4%, edging up 46 bps MoM and standing significantly above the year-ago level (+409 bps YoY). Individual investors followed closely, with their share rising 31 bps MoM to 33.0%. However, individual investors' share remained below the year-ago level by 227 bps. Among institutional investors, DIIs saw a marginal increase in their share of cash market turnover, rising to 13.9% in July, up 25 bps MoM, suggesting a relatively stable domestic institutional participation. In contrast, foreign investors continued to see their share moderate, declining by 111 bps MoM to 12.3%, and remaining 178 bps below the year-ago level.

Equity derivatives witness a gradual shift in participation: Client participation in equity futures has continued to shift in favour of institutional investors in the current fiscal. Foreign investors' share increased from 29.2% in March to 31% in July, while DIIs' contribution strengthened from 11.4% to 13.5%, taking the combined institutional share to 44.5% (+390 bps). In contrast, proprietary traders' share declined from 32.7% to 28.0% (-470 bps), touching a six-year low in June before a marginal recovery in July. Equity futures turnover contracted by 11% over the period, with proprietary traders contributing nearly 70% of the overall decline in turnover. The shift was more pronounced in index futures, where proprietary share fell by 780 bps, compared with a 450bps decline in stock futures, alongside higher individual participation across both segments.

In equity options (premium turnover), participation shifted gradually towards individual investors, whose share increased from 36.1% to 39.5% (+340 bps). Conversely, proprietary traders' share moderated from 50.5% to 47.9% (-260 bps), remaining below the 50% mark for four consecutive months since April. Foreign investors' share eased from 7.6% to 6.2%, while DII participation remained largely unchanged.

Participation trends across commodity derivatives witnessed a notable shift: In commodity futures, participation patterns changed significantly, with foreign investors' share surging to an all-time high of 19.9% (+1,452 bps MoM, +1,970 bps YoY) in July, marking the sharpest monthly increase among all client categories. In contrast, the share of proprietary traders declined sharply to 40.6% (-1,152 bps MoM, -3,878 bps YoY), marking its lowest level in nearly seven years. Meanwhile individual investors'

participation moderated to 24.3% (-139 bps MoM), although it remained substantially higher than a year ago (+1,568 bps YoY).

In commodity options (premium turnover), participation trends remained broadly concentrated among proprietary traders. The share of proprietary traders increased marginally to 51.3% (+155 bps MoM), partially reversing the decline recorded in the previous month. In contrast, individual investors' share moderated to 28.5% (-364 bps MoM), while it remained broadly in line with its year-ago level (+51 bps YoY). Foreign investors continued to strengthen their presence, with their share rising to 19.9% (+227 bps MoM, +1,526 bps YoY). At the aggregate level, commodity derivatives (notional turnover) reflected a similar trend, with proprietary traders accounting for 56% of turnover, foreign investors' share increasing to 11.9% (+243 bps MoM), and individual investors' participation moderating to 30.5% (-352 bps MoM).

Proprietary traders share surges in interest rate futures in July: Participation patterns in the interest rate futures (IRF) segment shifted sharply in July 2026, with proprietary traders' share rising to 70.9% (+1,492 bps MoM, +5,258 bps YoY), the highest level in over six years, reinforcing their dominance in the segment. In contrast, corporate participation declined to 26.8% (-1,125 bps MoM), reversing the recovery witnessed in June and remaining well below its year-ago level (-4,636 bps YoY). Foreign investors' share moderated to 1.7% (-148 bps MoM), although it remained marginally above its year-ago level (+91 bps YoY). Individual investors' participation declined further to 0.5% (-220 bps MoM, -714 bps YoY), marking the lowest level since inception and highlighting the continued absence of individual investor participation in the IRF segment.

Table 88: Share of client participation in NSE cash market segment (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	3.9	3.9	3.3	(2)	62	3.9	3.7	3.8
DIIIs	13.9	13.7	14.1	25	(20)	13.2	14.2	13.6
Foreign Investors	12.3	13.4	14.1	(111)	(178)	12.9	14.6	13.2
Individuals	33.0	32.7	35.3	31	(227)	33.1	33.4	32.6
Prop	33.4	33.0	29.3	46	409	33.8	30.9	34.0
Others	3.5	3.3	3.9	10	(45)	3.1	3.2	2.9

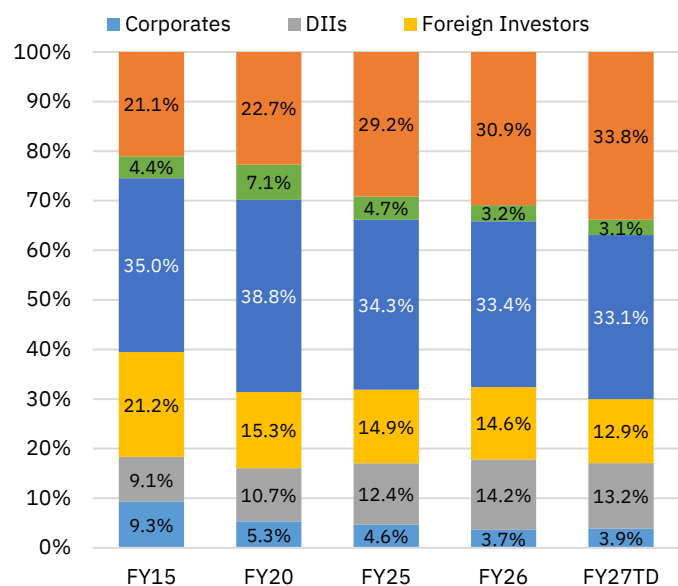
Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

4. Data for FY27TD and CY26TD are as of Jul'26.

Figure 353: 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 Jul'26.

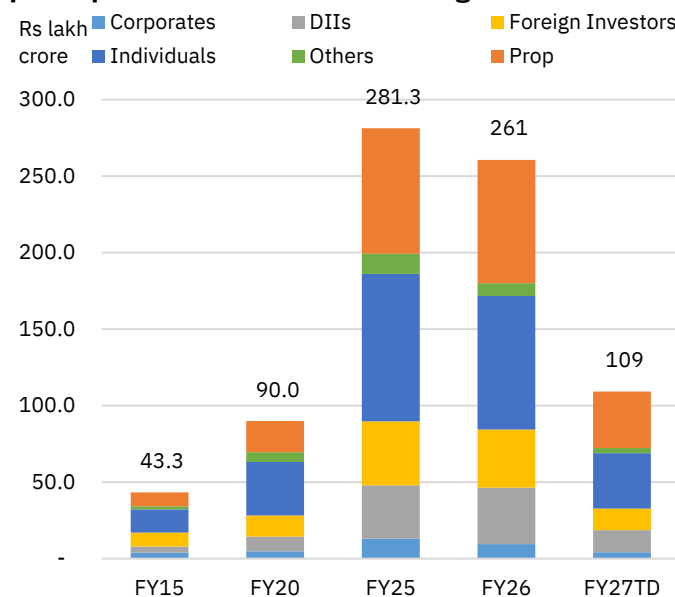
Figure 354: Annual trends in share of client participation in NSE cash market segment


Table 89: Share of client participation in Equity Derivatives segment (Notional turnover) of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.2	2.1	2.2	10	2	2.2	2.2	2.1
DIIs	0.3	0.3	0.2	1	7	0.3	0.2	0.3
Foreign Investors	5.7	5.7	6.0	(1)	(33)	5.9	6.9	6.4
Individuals	32.0	30.7	28.9	135	311	31.1	29.2	30.5
Prop	56.1	58.1	60.2	(192)	(409)	57.4	59.3	58.1
Others	3.6	3.2	2.4	47	122	3.1	2.2	2.6

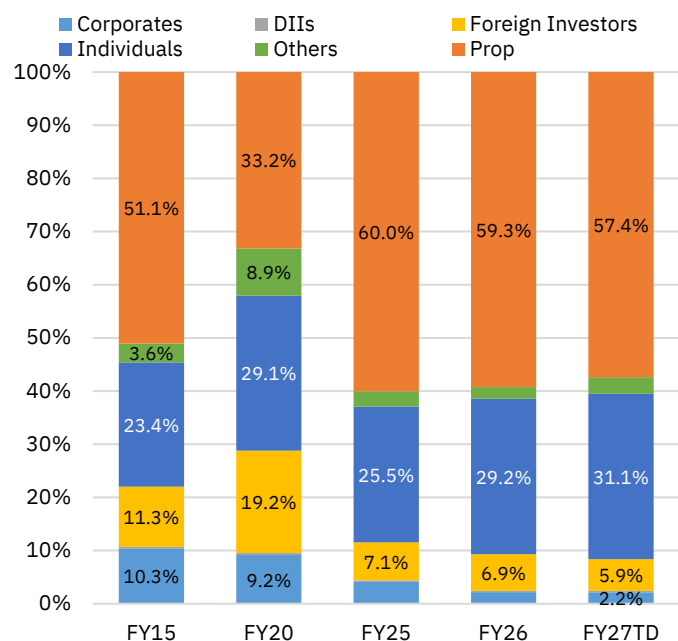
Source: NSE EPR.

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 FY27TD and CY26TD are as of Jul'26.

Figure 355: 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 Jul'26.

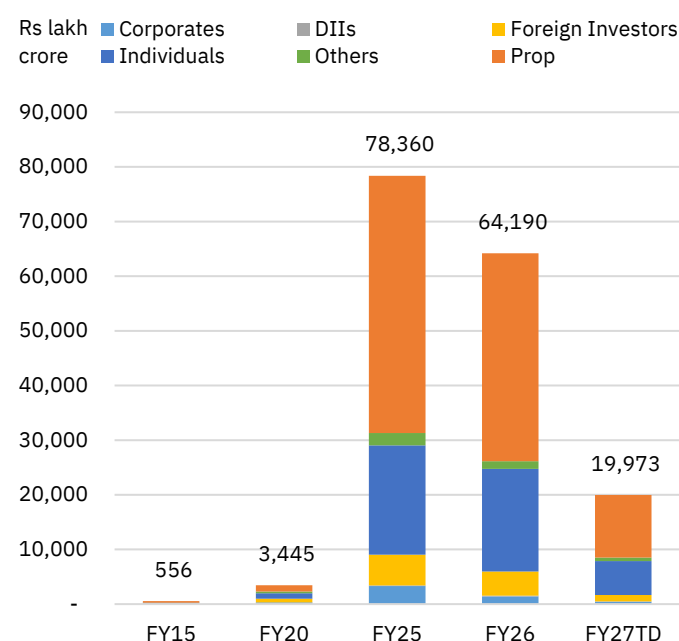
Figure 356: Annual trends in share of client participation in Equity Derivatives segment (Notional turnover) at NSE


Table 90: Share of client participation in Equity futures (Notional Turnover) segment of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	6.9	7.3	6.5	(34)	38	7.0	6.8	7.0
DIIIs	13.5	13.8	11.3	(25)	219	13.2	12.3	12.7
Foreign Investors	31.0	31.5	26.8	(51)	415	31.1	27.5	29.8
Individuals	16.6	15.9	17.6	71	(99)	16.7	17.0	16.3
Prop	28.0	27.4	32.9	60	(496)	27.9	31.9	30.2
Others	4.0	4.2	4.7	(22)	(78)	4.0	4.4	4.1

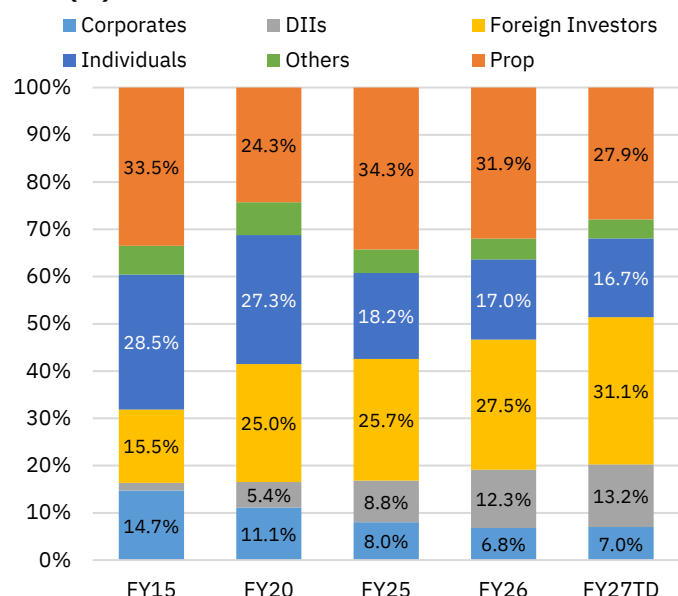
Source: NSE EPR.

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 FY27TD and CY26TD are as of Jul'26.

Figure 357: 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.

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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 Jul'26.

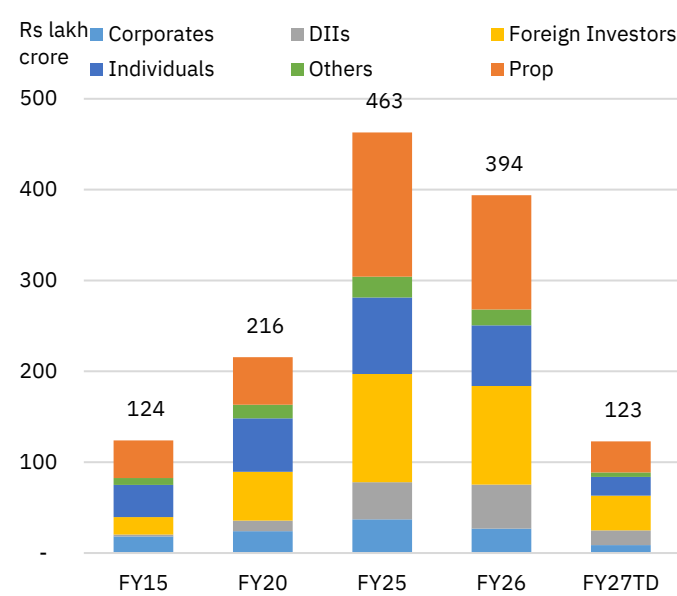
Figure 358: Annual trends in share of client participation in Equity futures (Notional Turnover) at NSE


Table 91: Share of client participation in Equity options segment (Premium Turnover) of NSE (%)

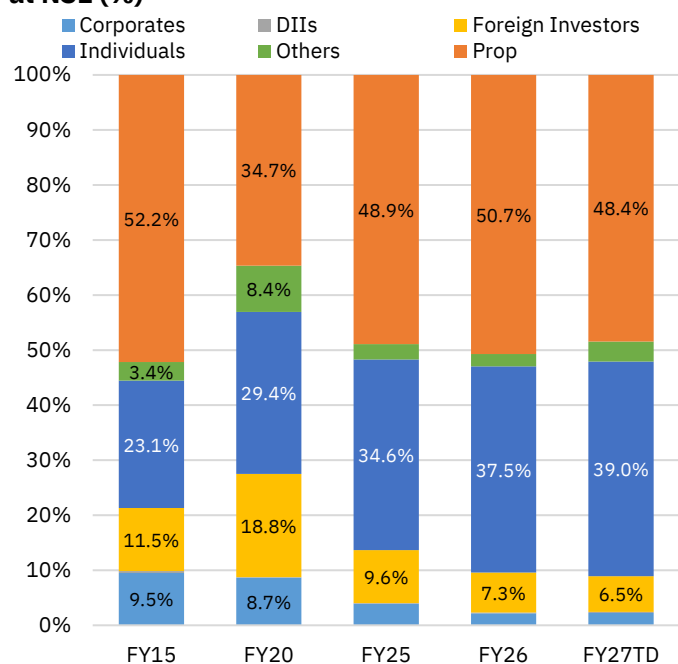
Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.3	2.1	1.9	21	33	2.2	2.2	2.3
DIIs	0.2	0.2	0.1	1	8	0.2	0.1	0.2
Foreign Investors	6.2	6.6	5.9	(40)	32	6.5	7.3	6.9
Individuals	39.5	39.3	38.1	21	143	39.0	37.5	38.1
Prop	47.9	48.0	51.8	(11)	(386)	48.4	50.7	49.4
Others	3.9	3.8	2.2	8	169	3.6	2.2	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. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

4. Data for FY27TD and CY26TD are as of Jul'26.

Figure 359: 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.

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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 Jul'26.

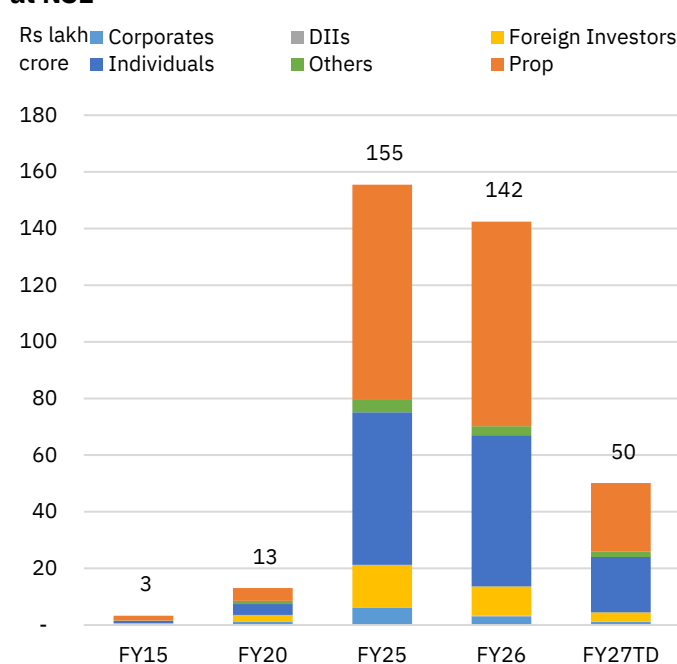
Figure 360: Annual trends in share of client participation in Equity options (Premium Turnover) at NSE


Table 92: Share of client participation in Index Futures of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	9.3	9.6	8.1	(34)	116	9.5	9.3	9.2
DIIs	6.9	6.0	5.4	89	147	6.6	5.9	5.9
Foreign Investors	20.9	21.5	17.4	(55)	355	19.3	16.5	18.7
Individuals	33.7	32.0	32.4	167	128	34.4	31.4	32.1
Prop	24.1	24.9	30.7	(88)	(663)	24.6	31.4	28.6
Others	5.2	6.0	6.0	(79)	(82)	5.6	5.5	5.5

Source: NSE EPR.

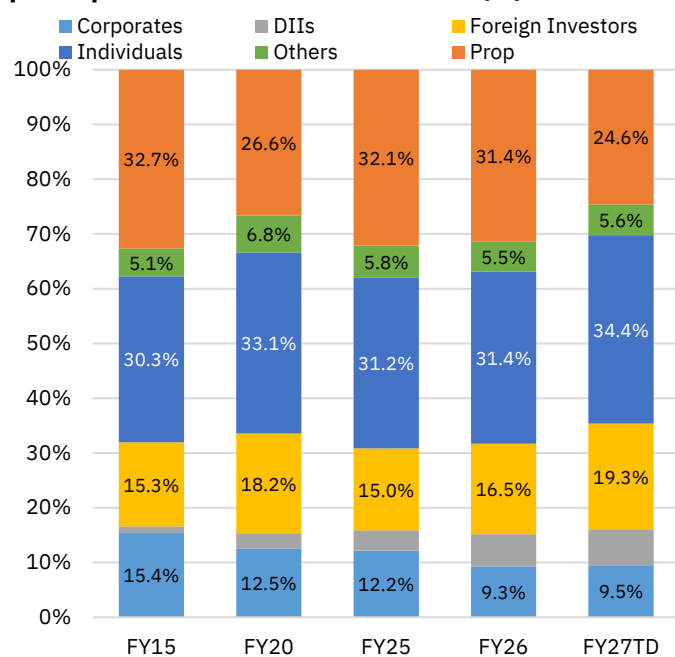
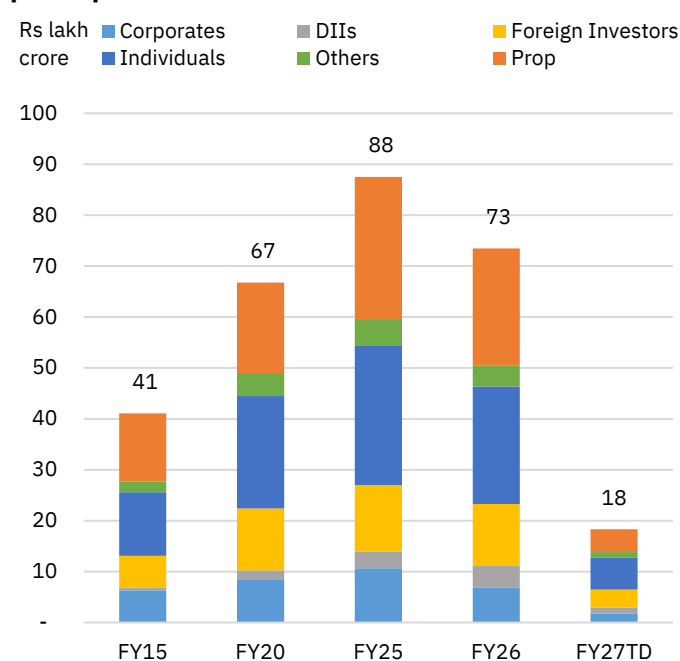
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3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5. Data for FY27TD and CY26TD are as of Jul'26.

Figure 361: Annual trends in share of client participation in Index Futures at NSE (%)

Figure 362: 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.

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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 Jul'26.

Table 93: Share of client participation in Stock Futures of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	6.6	6.8	6.2	(24)	36	6.6	6.2	6.6
DIIs	14.5	15.2	12.6	(73)	193	14.4	13.8	14.0
Foreign Investors	32.4	33.3	28.8	(90)	365	33.2	30.1	32.0
Individuals	14.2	12.9	14.6	121	(41)	13.6	13.7	13.1
Prop	28.5	27.8	33.4	72	(485)	28.5	32.1	30.5
Others	3.8	3.8	4.5	(6)	(69)	3.7	4.2	3.8

Source: NSE EPR.

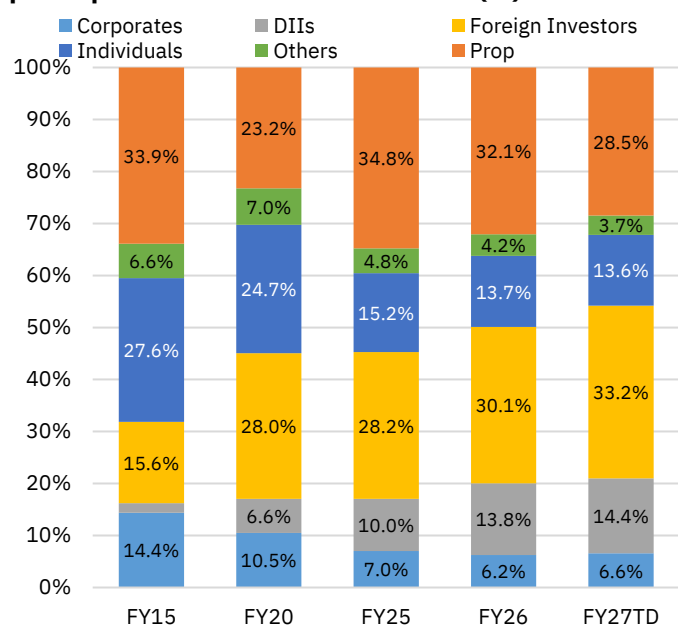
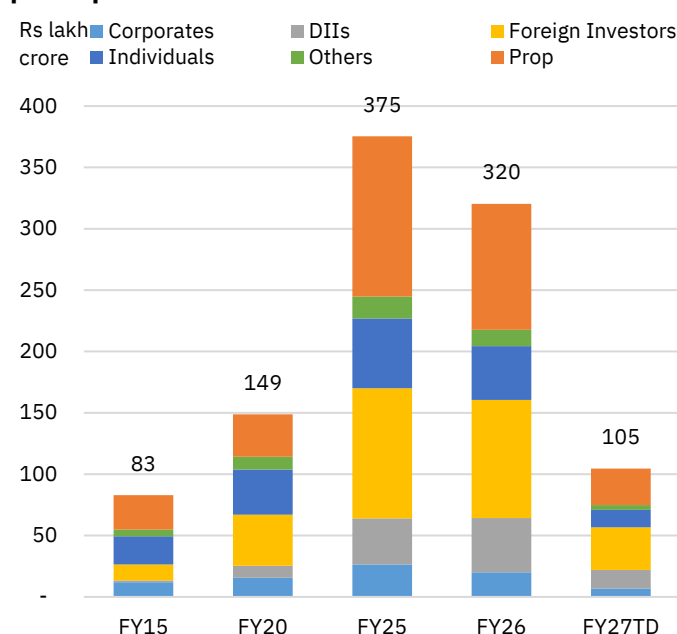
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3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5. Data for FY27TD and CY26TD are as of Jul'26.

Figure 363: Annual trends in share of client participation in Stock Futures at NSE (%)

Figure 364: 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.

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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 Jul'26.

Table 94: Share of client participation in Index Options (Premium Turnover) of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.2	2.0	1.8	19	34	2.1	2.1	2.2
DIIs	0.2	0.2	0.1	0	5	0.2	0.1	0.2
Foreign Investors	6.5	6.7	5.9	(22)	57	6.7	7.3	7.2
Individuals	41.8	40.8	39.6	99	218	40.8	39.0	39.8
Prop	45.1	46.3	50.3	(122)	(526)	46.2	49.3	47.5
Others	4.3	4.0	2.2	26	212	3.9	2.3	3.2

Source: NSE EPR.

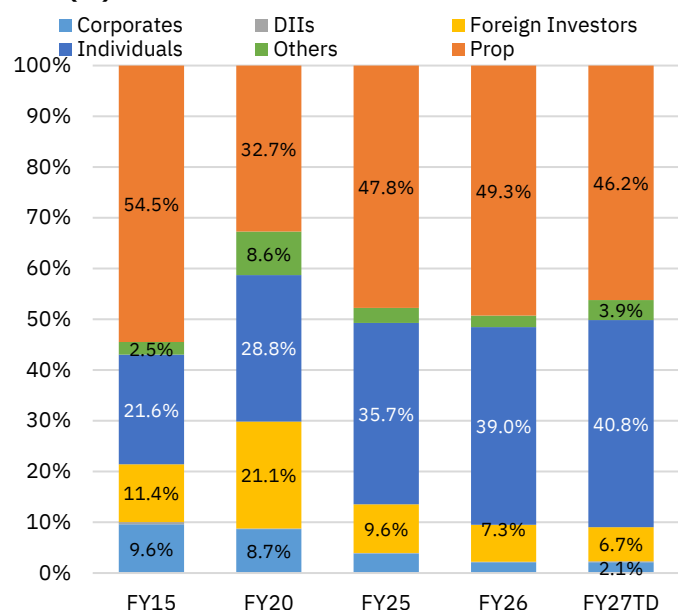
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3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5. Data for FY27TD and CY26TD are as of Jul'26.

Figure 365: 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.

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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 Jul'26.

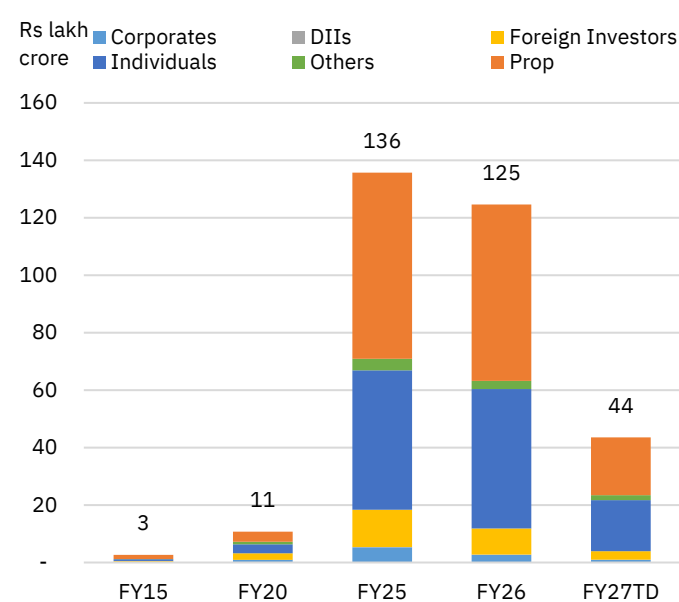
Figure 366: Annual trends in share of client participation in Index Options (premium turnover) at NSE


Table 95: Share of client participation in Stock Options (Premium Turnover) of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.8	2.7	2.6	7	23	2.7	2.5	2.7
DIIIs	0.5	0.5	0.3	(5)	20	0.5	0.3	0.5
Foreign Investors	4.9	6.1	5.9	(117)	(98)	5.1	7.4	5.0
Individuals	27.4	27.3	28.6	12	(122)	26.8	27.2	26.7
Prop	62.9	61.7	60.6	119	230	63.2	60.8	63.5
Others	1.6	1.7	2.1	(16)	(53)	1.6	1.9	1.7

Source: NSE EPR.

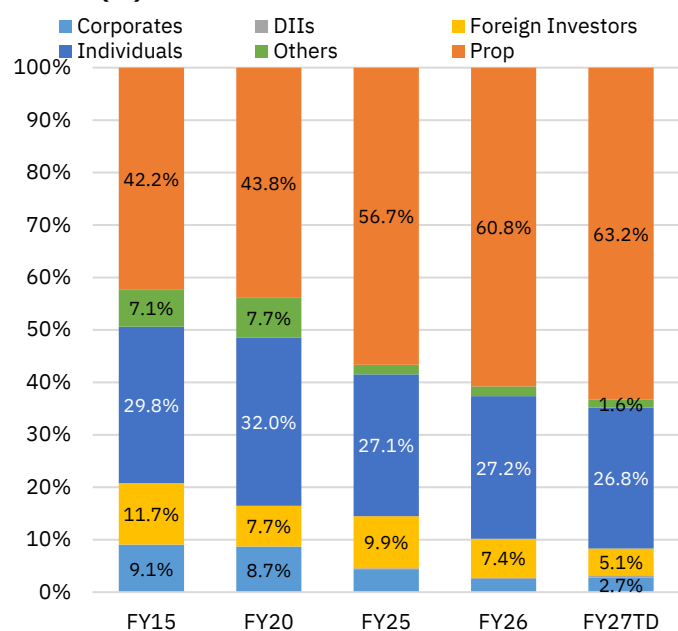
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3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5. Data for FY27TD and CY26TD are as of Jul'26.

Figure 367: 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 Jul'26.

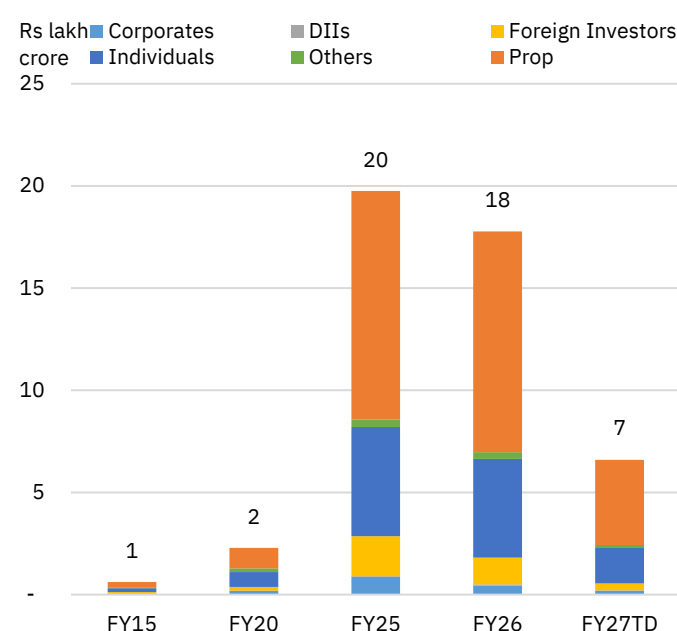
Figure 368: Annual trends in share of client participation in Stock Options (Premium Turnover) at NSE


Table 96: Share of client participation in Currency Derivatives segment (Notional Turnover) of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	11.1	14.9	20.8	(387)	(973)	13.4	15.4	13.7
DIIs	2.3	2.8	4.0	(50)	(174)	2.7	2.9	2.4
Foreign Investors	16.7	21.3	15.1	(455)	156	17.9	15.9	17.2
Individuals	9.0	11.5	11.7	(254)	(271)	10.6	8.3	9.2
Prop	60.2	48.6	46.3	1,160	1,393	54.4	56.0	56.3
Others	0.8	0.9	2.1	(15)	(131)	1.1	1.6	1.2

Source: NSE EPR.

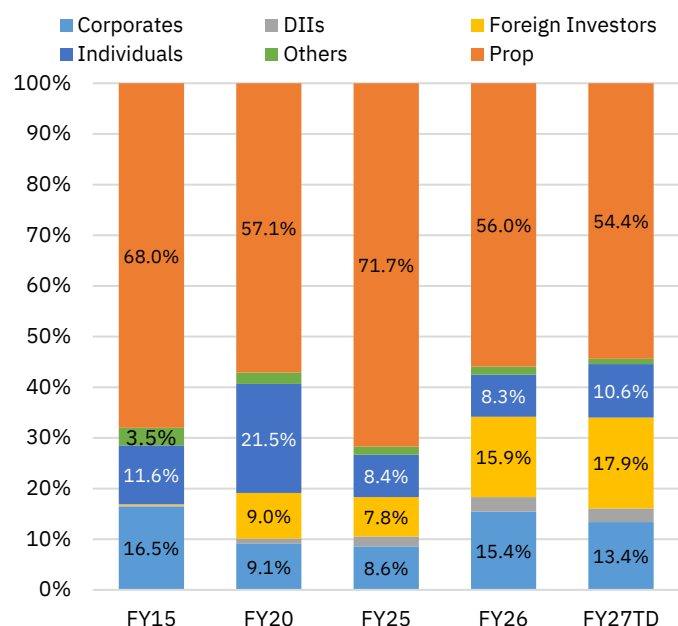
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

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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 FY27TD and CY26TD are as of Jul'26.

Figure 369: 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.

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4. Data for FY27TD is as of Jul'26.

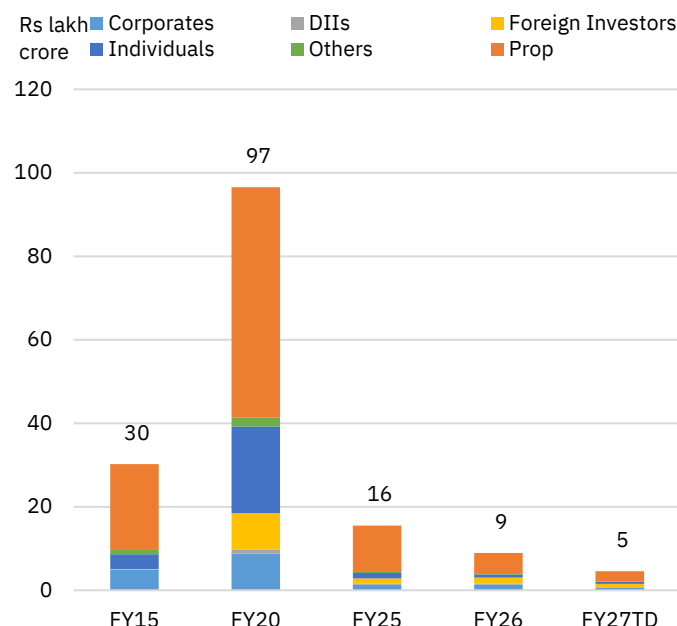
Figure 370: Annual trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE


Table 97: Share of client participation in Currency Futures of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	10.8	14.7	20.6	(393)	(980)	13.1	15.1	13.4
DIIs	2.3	2.8	4.1	(50)	(178)	2.7	2.9	2.4
Foreign Investors	16.8	21.4	15.3	(458)	145	18.0	16.1	17.3
Individuals	8.8	11.3	11.1	(248)	(229)	10.3	7.9	9.0
Prop	60.6	48.9	46.8	1,165	1,374	54.7	56.5	56.7
Others	0.8	0.9	2.1	(15)	(132)	1.1	1.6	1.2

Source: NSE EPR.

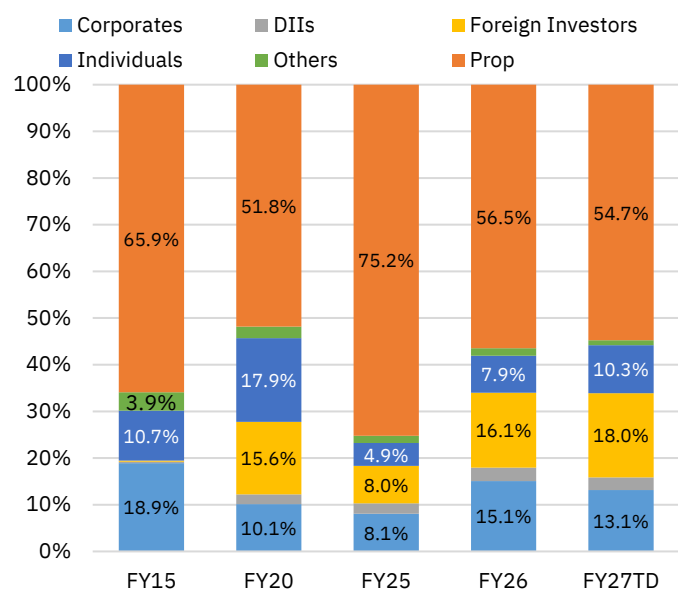
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3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5 Data for FY27TD and CY26TD are as of Jul'26.

Figure 371: 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.

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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 Jul'26.

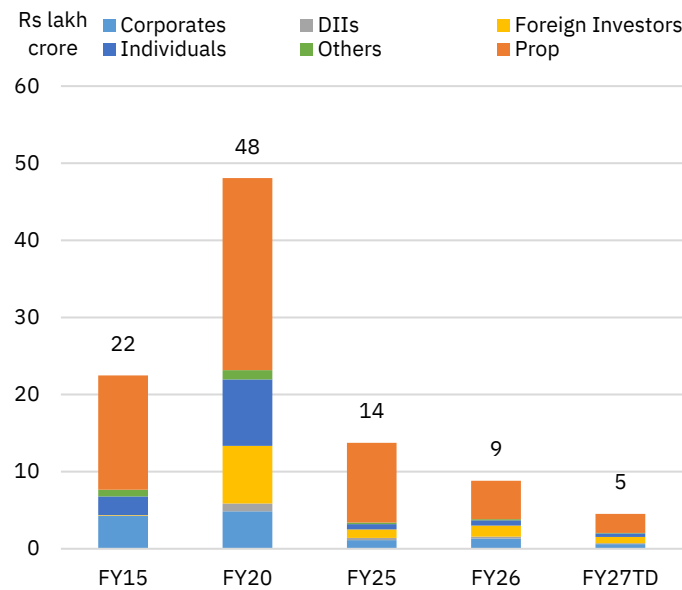
Figure 372: Annual trends in share of client participation in Currency Futures at NSE


Table 98: Share of client participation in Currency Options (Premium Turnover) of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	61.1	41.9	39.0	1,919	2,207	43.2	48.6	47.7
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign Investors	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Individuals	38.7	58.0	54.2	(1,936)	(1,554)	56.4	37.8	47.3
Prop	0.0	0.0	6.1	-	(607)	0.0	13.4	4.7
Others	0.3	0.1	0.7	17	(47)	0.4	0.2	0.3

Source: NSE EPR.

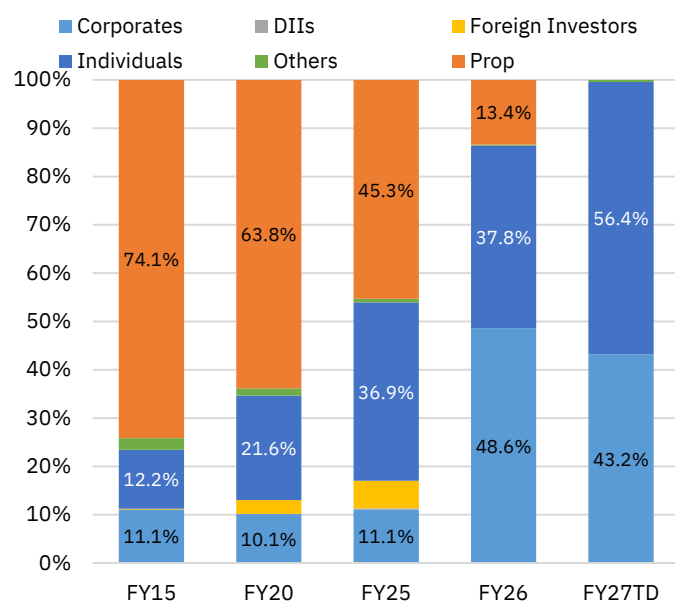
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3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5 Data for FY27TD and CY26TD are as of Jul'26.

Figure 373: 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.

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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 Jul'26.

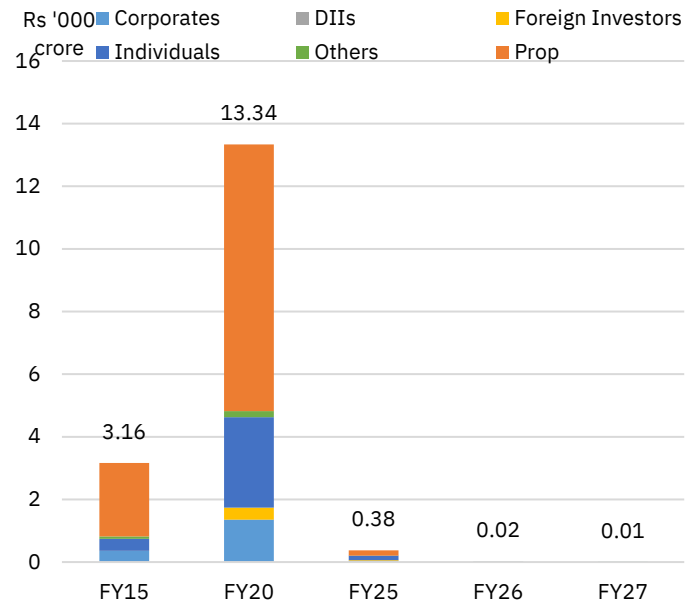
Figure 374: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE


Table 99: Share of client participation in Interest Rate Futures of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	26.8	38.1	73.2	(1,125)	(4,636)	28.9	56.3	34.4
DIIIs	0.0	0.0	0.0	-	-	0.0	0.1	0.0
Foreign Investors	1.7	3.2	0.8	(148)	91	1.6	0.5	1.2
Individuals	0.5	2.7	7.7	(220)	(714)	2.1	6.9	3.3
Prop	70.9	56.0	18.3	1,492	5,258	66.7	36.2	60.6
Others	0.0	0.0	0.0	0	1	0.7	0.0	0.5

Source: NSE EPR.

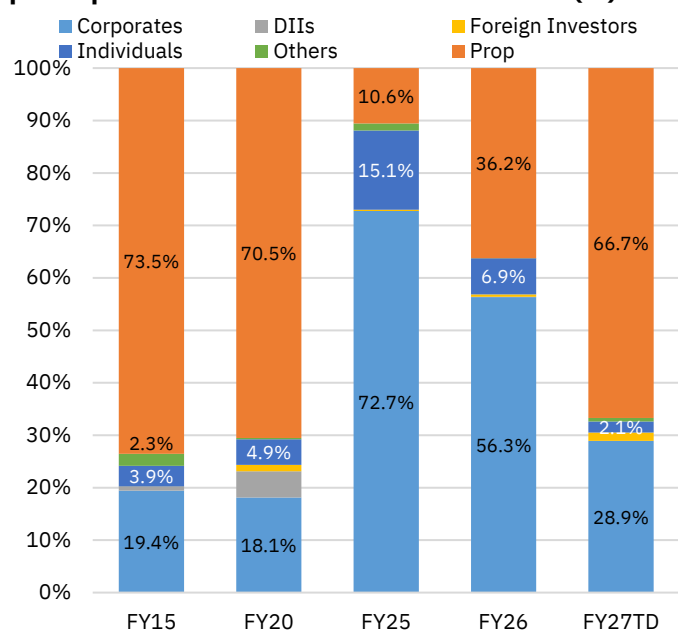
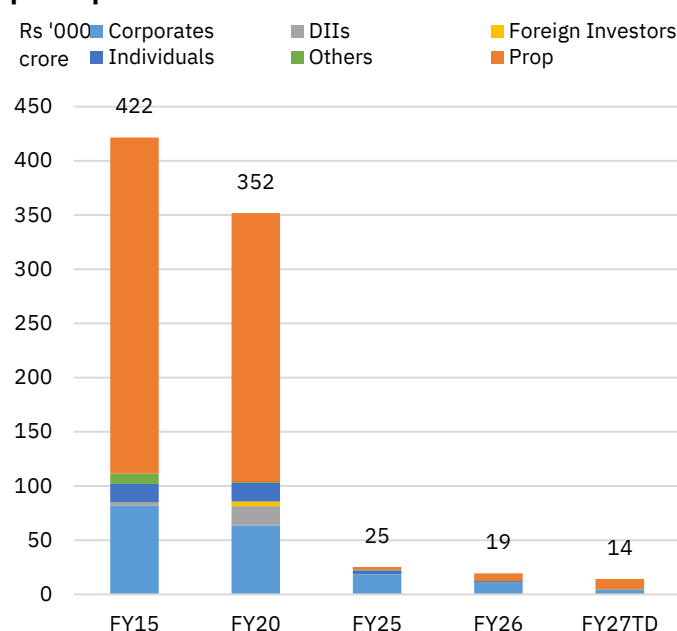
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3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5. Data for FY27TD and CY26TD are as of Jul'26.

Figure 375: Annual trends in share of client participation in Interest Rate Futures at NSE (%)

Figure 376: 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.

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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 Jul'26.

Table 100: Share of client participation in Commodity derivatives segment of NSE (%)

Client category	Jul-26	Jun-26	Jul-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Commodity Futures								
Corporates	1.8	2.5	3.1	(67)	(133)	2.1	1.9	1.9
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	19.9	5.4	0.2	1,452	1,970	10.0	1.2	7.6
Individuals	24.3	25.7	8.6	(139)	1,568	26.8	9.5	23.0
Prop	40.6	52.1	79.4	(1,152)	(3,878)	47.4	72.4	50.5
Others	13.4	14.3	8.6	(94)	473	13.7	15.1	17.0
Commodity Options (Premium Turnover)								
Corporates	0.1	0.2	0.1	(10)	1	0.2	0.3	0.2
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	19.9	17.7	4.7	227	1,526	19.6	13.3	20.7
Individuals	28.5	32.1	27.9	(364)	51	29.1	28.0	28.3
Prop	51.3	49.7	66.3	155	(1,503)	50.8	57.4	50.5
Others	0.2	0.3	0.9	(8)	(75)	0.3	0.9	0.3
Commodity Derivatives (Notional Turnover)								
Corporates	0.4	0.5	0.7	(3)	(23)	0.5	0.7	0.5
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	11.9	9.5	1.7	243	1,023	10.1	5.0	10.3
Individuals	30.5	34.0	14.5	(352)	1,601	33.2	17.1	31.4
Prop	56.0	55.0	80.7	99	(2,475)	55.0	74.9	56.1
Others	1.2	1.0	2.4	12	(126)	1.3	2.3	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.

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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 FY27TD and CY26TD are as of Jul'26.

Figure 377: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover) (%)

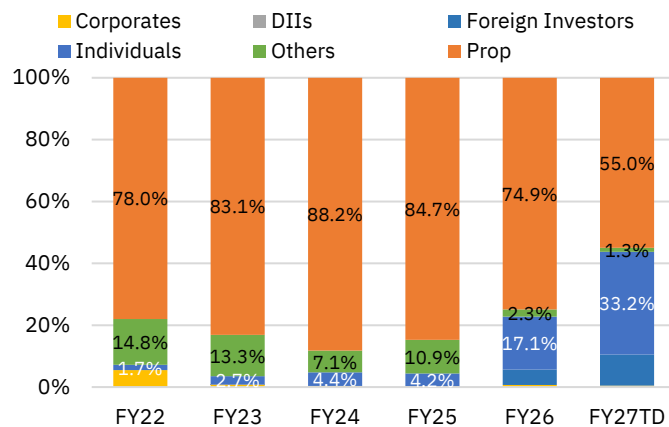


Figure 378: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover)

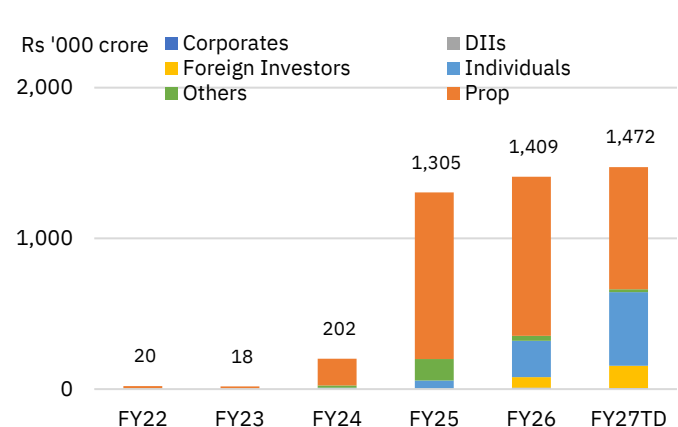


Figure 379: Annual trends in share of client participation in Commodity Futures at NSE (%)

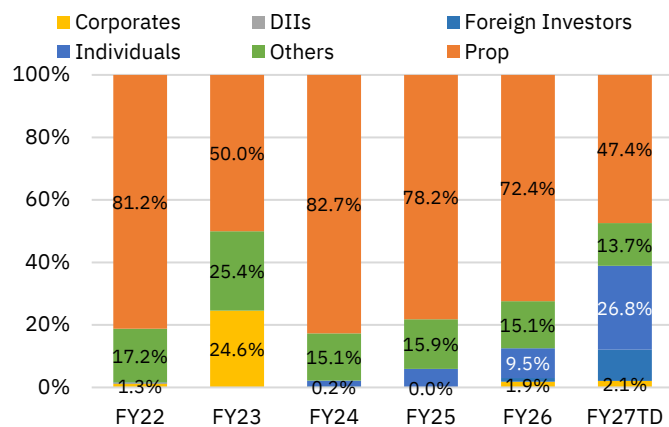


Figure 380: Annual trends in share of client participation in Commodity Futures at NSE

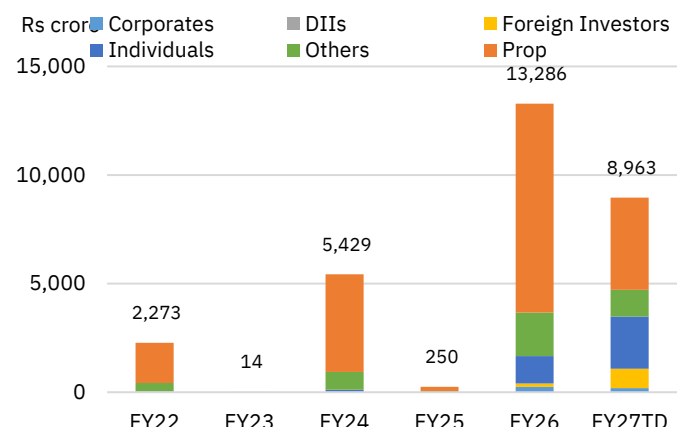


Figure 381: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE (%)

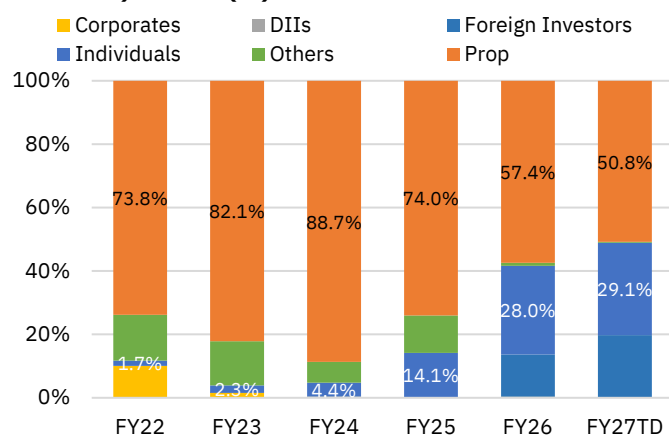
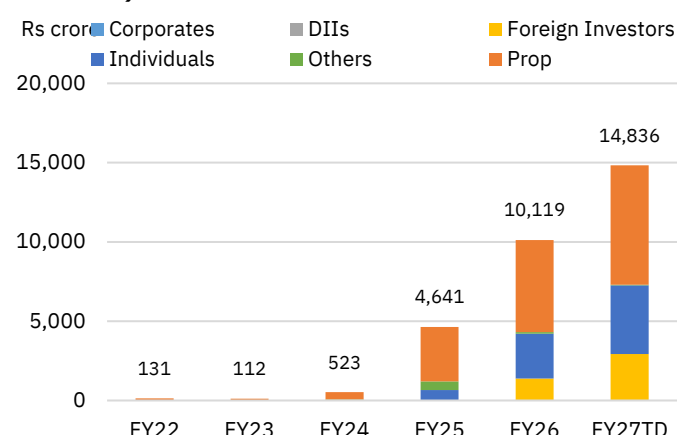


Figure 382: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE



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.

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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 Jul'26

Channel-wise turnover mix: Technology-driven execution channels continued to reshape trading activity across market segments

The trading-channel mix continued to evolve across market segments in July, with Colocation retaining a dominant position while Mobile, DMA and Smart Order Routing (SOR) gained traction. In the cash market, Colocation share rose 90 bps MoM to a record 43.2%, while Mobile reached 22.6% in FY27 so far, its highest level in six years. SOR also recorded a record 2.8% share during the period, indicating growing adoption of alternative execution channels. In equity derivatives, however, Colocation share moderated across index futures and options, while Mobile and DMA gained ground. Mobile reached a record 31.7% share in index options, while DMA strengthened in index futures. Stock futures continued to exhibit a relatively high Colocation share, reflecting the segment's institutional participation. Commodity derivatives also witnessed greater diversification, with CTCL/NEAT remaining the largest channel, while DMA and Mobile recorded significant gains over the previous year. Overall, the trends suggest a gradual shift in the trading-channel mix, with alternative channels gaining prominence alongside continued dominance of Colocation in key segments.

Colocation reaches a record share in the cash market, while Smart Order Routing continues to gain momentum: The share of cash market turnover executed through Colocation rose, highlighting the increasing role of proprietary activity in the segment, with a 90-bps MoM increase to 43.2% (+573 bps YoY) in July. Notably, the share of Colocation ranged between 42.3% and 43.5% during the current fiscal year, compared with a range of 36.7%–44.3% in the previous fiscal year, broadly in line with the rising share of proprietary traders during the period. A similar trend was also visible in Mobile trading, with its share ranging between 22.3% and 23.4% in the current fiscal year, compared with 19.8%–22.7% in FY26.

The annual trends were consistent with the monthly movement, with the share of Colocation reaching a record high of 43.0% in FY27 so far through July, while the share of Mobile stood at 22.6%, its highest level in six years. A similar trend was observed in Smart Order Routing (SOR), with its monthly share of turnover ranging between 2.7% and 3.1% in FY27 so far, compared with 0.6%–3.3% in the previous fiscal year. In FY27 so far, SOR accounted for a record 2.8% of turnover, highlighting the growing preference for this mode of trading. In contrast, CTCL/NEAT terminal share declined 142 bps MoM and 560 bps YoY to 20.5%, while IBT increased marginally by 33 bps MoM but remained 189 bps below the level recorded a year earlier.

Colocation share declines in index products, while Mobile gains: Within equity futures, the share of Colocation declined across both index and stock futures, while DMA strengthened further in index futures. Mobile and IBT also recorded modest sequential increases in both segments. The share of Colocation declined 240 bps MoM to 39.2% in July 2026 for index futures, while the shares of DMA, IBT and Mobile increased by 117 bps, 89 bps and 62 bps MoM to 11.3%, 10.3% and 20.8%, respectively. Notably, during the current fiscal year so far, the monthly share of Colocation has ranged between 36.8% and 41.6%, lower than the 40.6%–44.9% range recorded in the previous fiscal year. In contrast, the share of Mobile has increased to 20.2%–23.5% from 16.4%–18.5% during the previous fiscal year. The shift in trading channels also coincides with a decline in the share of proprietary traders and an increase in the share of individual investors.

A similar trend was observed in stock futures, where the share of Colocation declined 125 bps MoM to 50.7% in July. DMA remained the second-largest trading mode, accounting for 18.4% of turnover despite declining 16 bps MoM, highlighting the continued dominance of institutional participants in the segment. The share of Mobile increased by 64 bps MoM to 7.7%, although it remained significantly lower than that in index futures.

Within equity options, the share of Colocation in index options declined 117 bps MoM to 48.9%, its lowest level in 72 months, while Mobile reached a record high of 31.7%, rising 30 bps MoM and 351 bps YoY. The shares of IBT and DMA also increased by 53 bps and 22 bps MoM, respectively. In contrast, the share of Colocation in stock options increased 119 bps MoM to 64.0%, up 304 bps YoY, while the share of Mobile rose 12 bps MoM to 21.1%, its highest level in seven months. Notably, only stock options witnessed an increase in average daily turnover during the month, while other instruments recorded a decline.

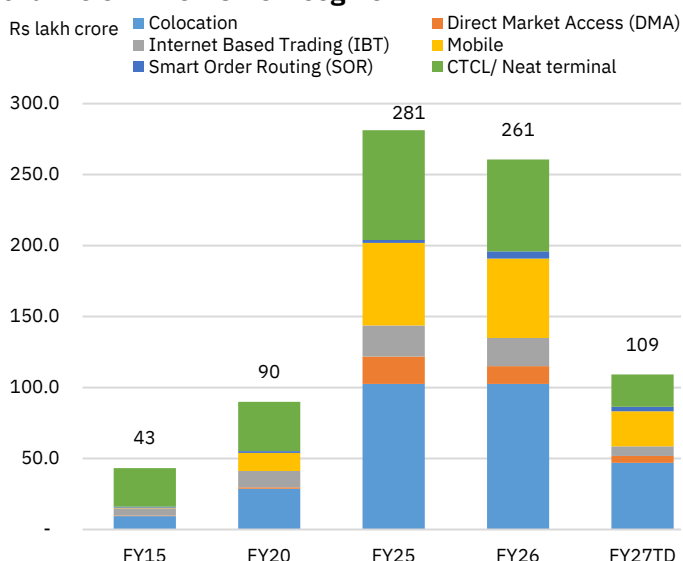
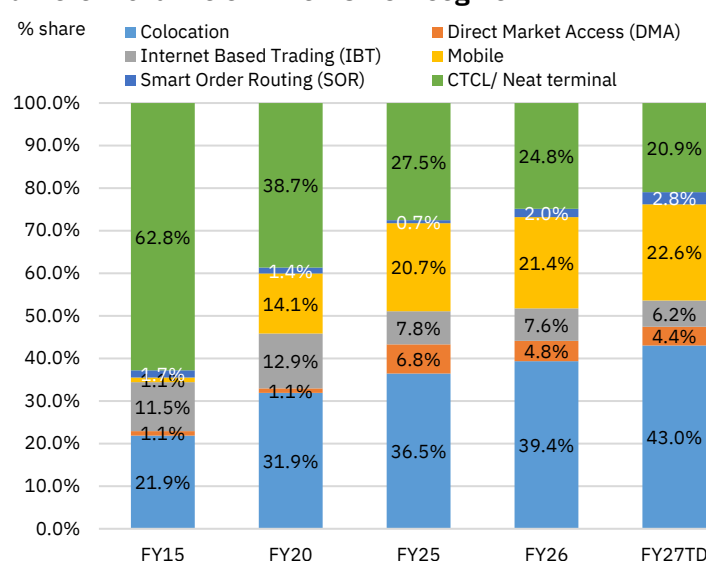
Trading channels diversify across commodity derivatives: CTCL/NEAT terminals continued to account for the largest share of commodity derivatives notional turnover at 57.2% in July 2026, marginally higher than the previous month, although 2,759 bps lower than the corresponding month last year. DMA share increased to 11.8%, rising 267 bps MoM and 1,012 bps YoY, while Mobile accounted for 27.2% of notional turnover, declining 272 bps MoM but increasing 1,969 bps YoY.

Within commodity futures, CTCL/NEAT remained the dominant execution channel at 50.1% in July, albeit declining 450 bps MoM. In contrast, DMA recorded a sharp 1,439 bps MoM increase to 19.7%, its highest share since inception. In commodity options, CTCL/NEAT continued to account for the largest share of premium turnover at 51.9%, up 178 bps MoM, while Mobile and DMA accounted for 25.8% and 19.7%, respectively. The rising shares of DMA and Mobile across commodity derivatives indicate increasing diversification in execution channels amid the continued growth in trading activity.

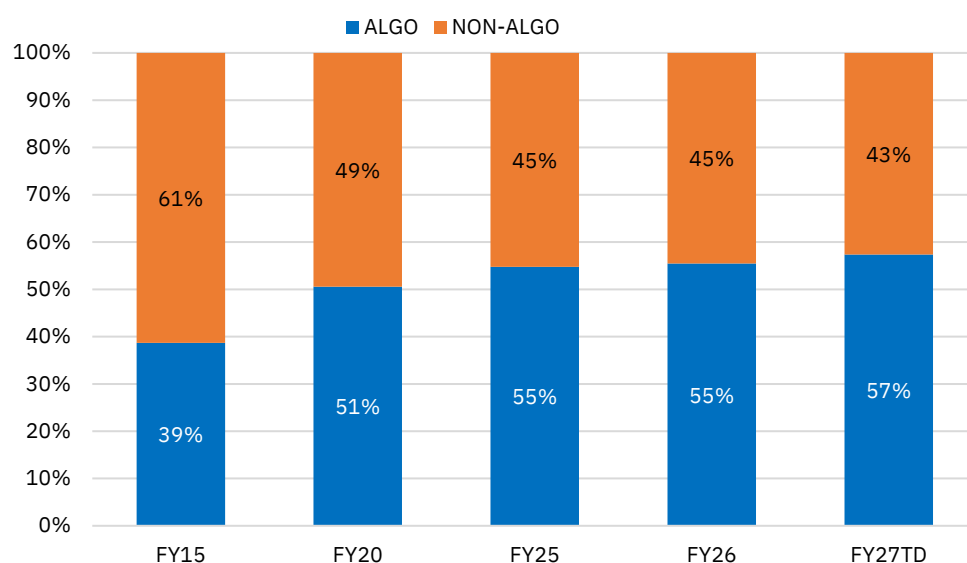
Table 101: Monthly trend in share (%) of different channels of trading in NSE CM segment

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	43.2	42.3	37.4	90	573	43.0	39.4	43.0
Direct Market Access (DMA)	4.6	4.6	4.9	-4	-35	4.4	4.8	4.2
Internet Based Trading (IBT)	6.4	6.1	8.3	33	-189	6.2	7.6	6.4
Mobile	22.3	22.3	21.8	6	49	22.6	21.4	22.1
Smart order routing	3.1	2.9	1.4	16	162	2.8	2.0	2.9
CTCL/ Neat terminal	20.5	21.9	26.1	-142	-560	20.9	24.8	21.4

Source: NSE EPR. Notes: 1. The above figures have been computed based on traded value. 2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover. 3. Data for FY27TD and CY26TD is as of July 2026.

Figure 383: Annual turnover trend for different channels in the NSE CM segment

Figure 384: 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. FY27TD is as of July 2026.

Figure 385: Annual trends in share (%) for modes of trading in NSE CM segment


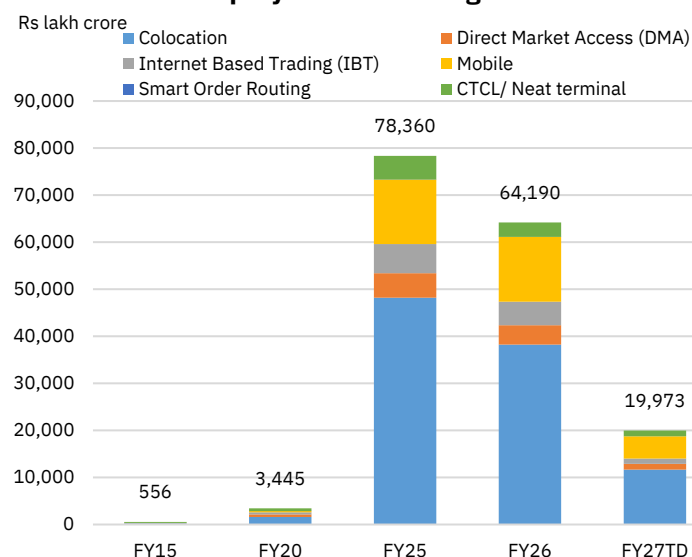
Source: NSE EPR. Notes: 1. The above figures have been computed in terms of % share on the basis of net turnover. 2. FY27TD is as of July 2026.

Table 102: Share (%) of different channels of trading in equity derivatives segment (notional turnover)

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	57.5	59.0	60.1	-149	-259	58.4	59.6	59.1
Direct Market Access (DMA)	6.3	6.0	5.8	32	51	6.1	6.4	6.2
Internet Based Trading (IBT)	5.9	5.3	8.3	55	-241	5.6	7.8	6.3
Mobile	24.3	23.7	20.6	62	365	23.8	21.4	23.3
Smart order routing	0.0	0.0	0.0	0	0	0.0	0.0	0.0
CTCL/ Neat terminal	6.1	6.1	5.2	0	84	6.1	4.8	5.1

Source: NSE EPR Notes: 1. The above figures have been computed based on traded value.

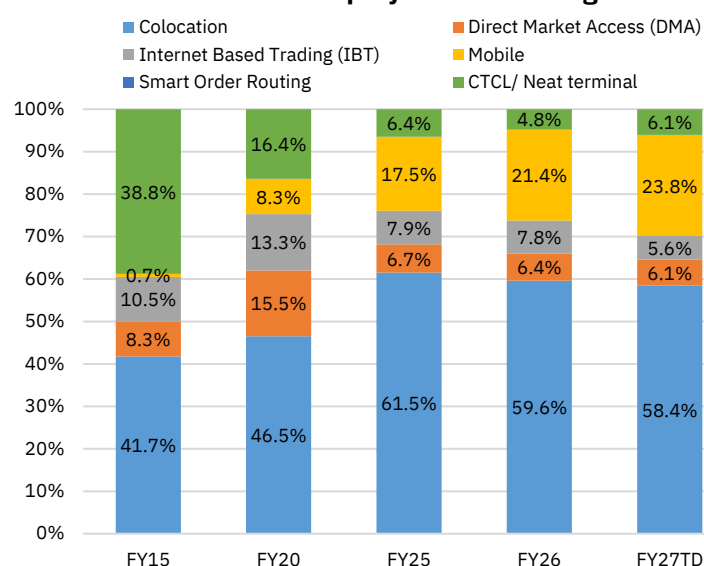
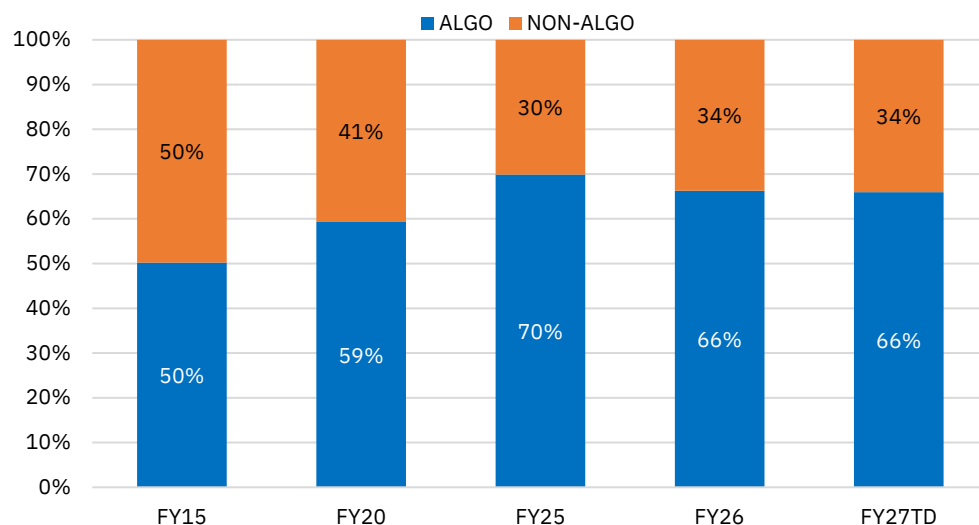
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover. 3. Data for FY27TD and CY26TD is as of July 2026.

Figure 386: 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. FY27TD is as of July 2026.

Figure 387: Annual trend in turnover share for different channels in the equity derivatives segment

Figure 388: 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. FY27TD is as of July 2026.

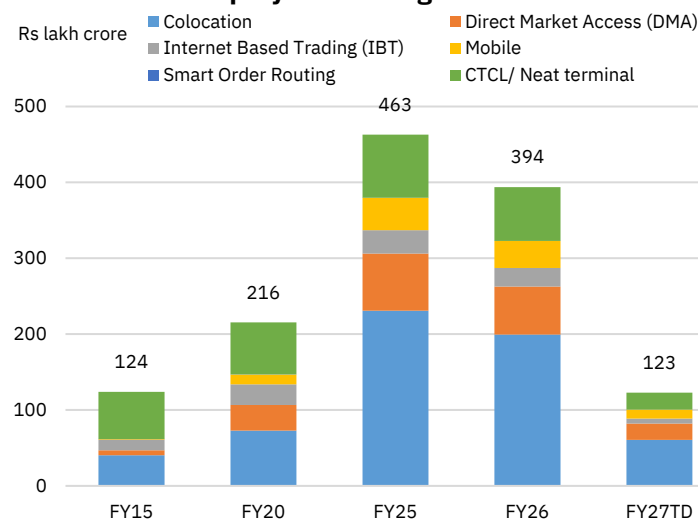
Table 103: Monthly trend in share (%) of different channels of trading in Equity futures (based on turnover)

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	49.3	50.4	50.5	-110	-124	49.3	50.7	50.4
Direct Market Access (DMA)	17.5	17.2	15.8	26	167	17.5	16.1	17.2
Internet Based Trading (IBT)	5.6	5.1	6.5	45	-95	5.4	6.2	5.6
Mobile	9.4	9.1	9.1	26	32	9.6	9.1	9.2
Smart order routing	0.0	0.0	0.0	0	0	0.0	0.0	0.0
CTCL/ Neat terminal	18.3	18.1	18.1	14	21	18.2	18.0	17.6

Source: NSE EPR

Note: 1. The above figures have been computed based on traded value.

2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover. 3. Data for FY27TD and CY26TD is as of July 2026.

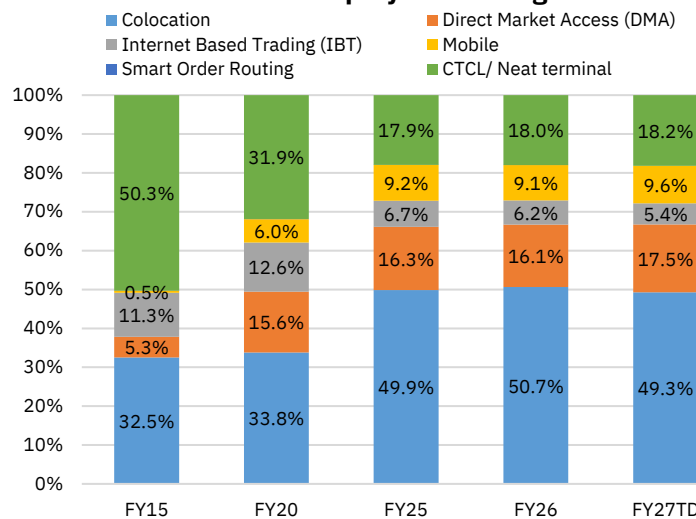
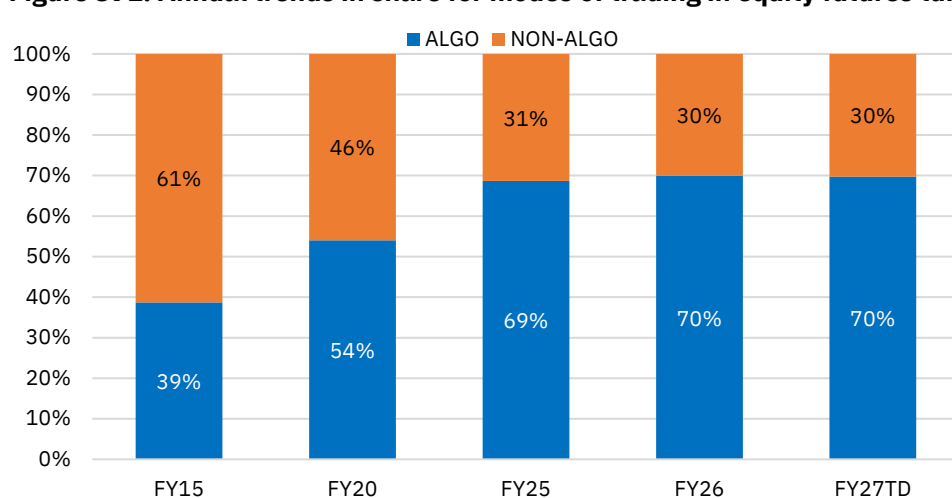
Figure 389: Annual turnover trend for different channels in the equity futures segment


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. FY27TD is as of July 2026.

Figure 390: Annual trend in turnover share for different channels in the equity futures segment

Figure 391: 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.

3. FY27TD is as of July 2026.

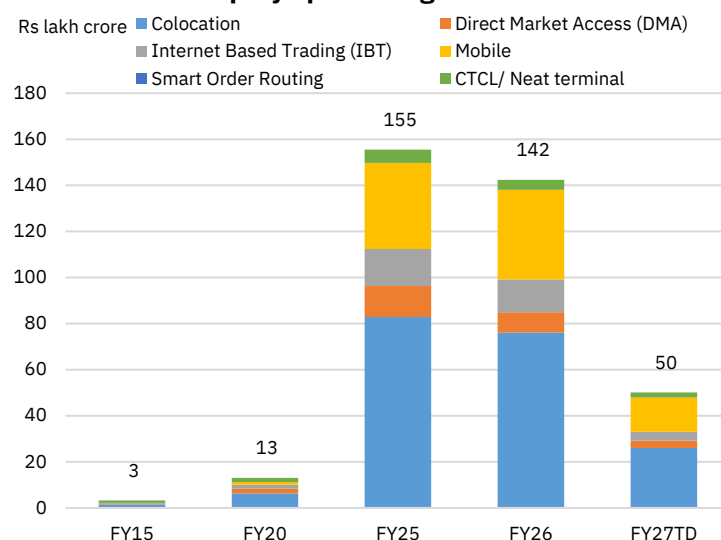
Table 104: Monthly trend in share (%) of different channels of trading in Equity options (Premium value)

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	51.3	51.5	53.7	-18	-237	51.9	53.4	52.8
Direct Market Access (DMA)	6.5	6.5	5.1	-2	138	6.4	6.2	6.3
Internet Based Trading (IBT)	7.8	7.4	10.9	36	-308	7.6	10.0	8.2
Mobile	30.0	30.2	27.0	-23	292	29.7	27.3	29.0
Smart order routing	0.0	0.0	0.0	0	0	0.0	0.0	0.0
CTCL/ Neat terminal	4.4	4.4	3.3	7	115	4.4	3.0	3.6

Source: NSE EPR.

Notes: 1. The above figures have been computed based on premium traded value.

2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover. 3 Data for FY27TD and CY26TD is as of July 2026.

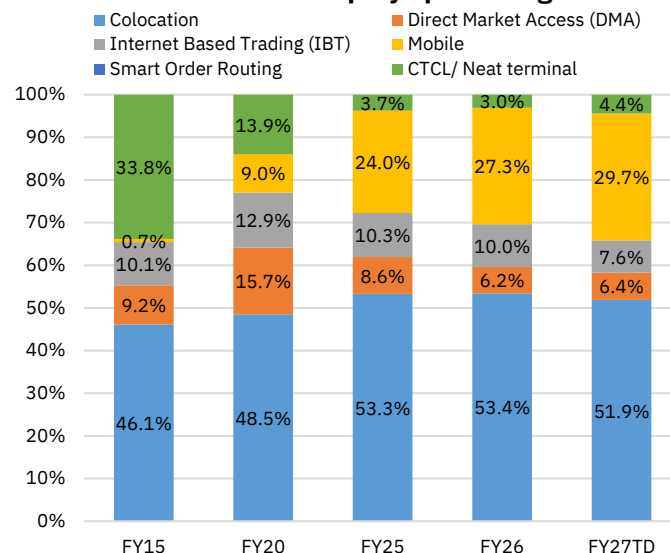
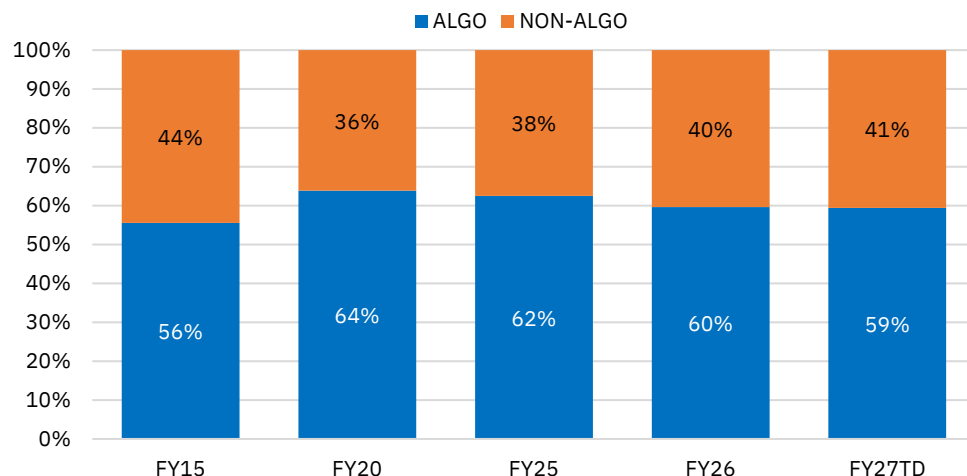
Figure 392: Annual turnover trend for different channels in the equity options segment


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. FY27TD is as of July 2026.

Figure 393: Annual trend in turnover share for different channels in the equity options segment

Figure 394: 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 July 2026.

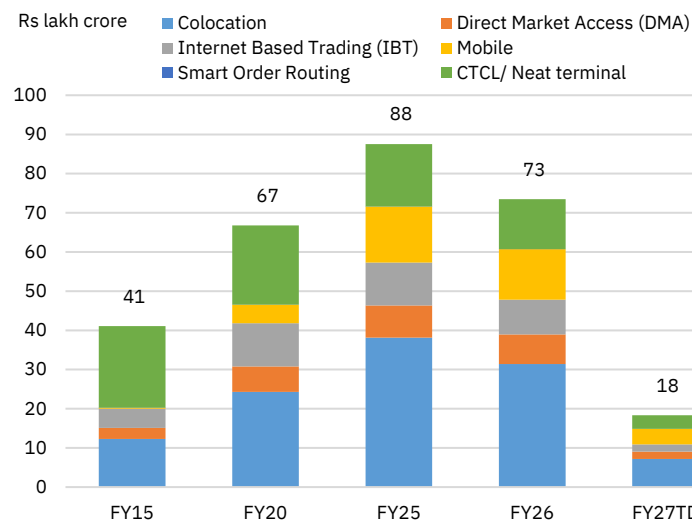
Table 105: Monthly Share (%) of different channels in index futures turnover

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	39.2	41.6	41.7	-240	-253	39.3	42.7	41.7
Direct Market Access (DMA)	11.3	10.1	11.5	117	-20	10.1	10.3	10.4
Internet Based Trading (IBT)	10.3	9.4	12.8	89	-247	10.1	12.1	10.7
Mobile	20.8	20.2	16.9	62	388	21.6	17.6	19.7
Smart order routing	0.0	0.0	0.0	0	0	0.0	0.0	0.0
CTCL/ Neat terminal	18.5	18.8	17.2	-28	133	18.9	17.3	17.4

Source: NSE EPR.

Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed in % based on turnover. 3. Data for FY27TD and CY26TD is as of July 2026.

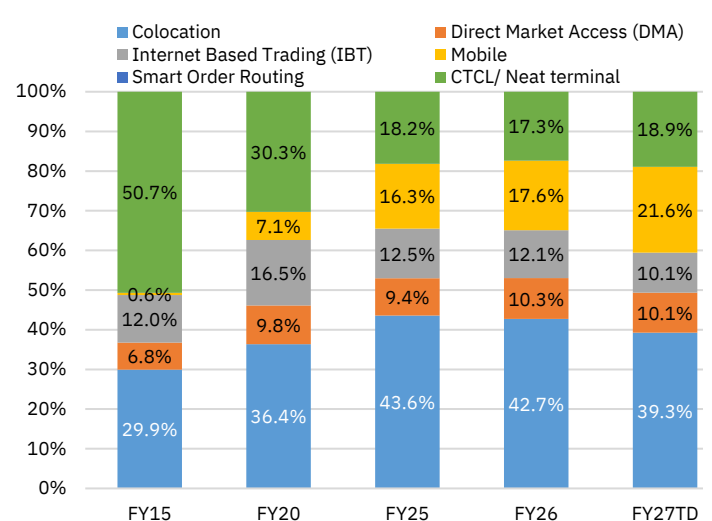
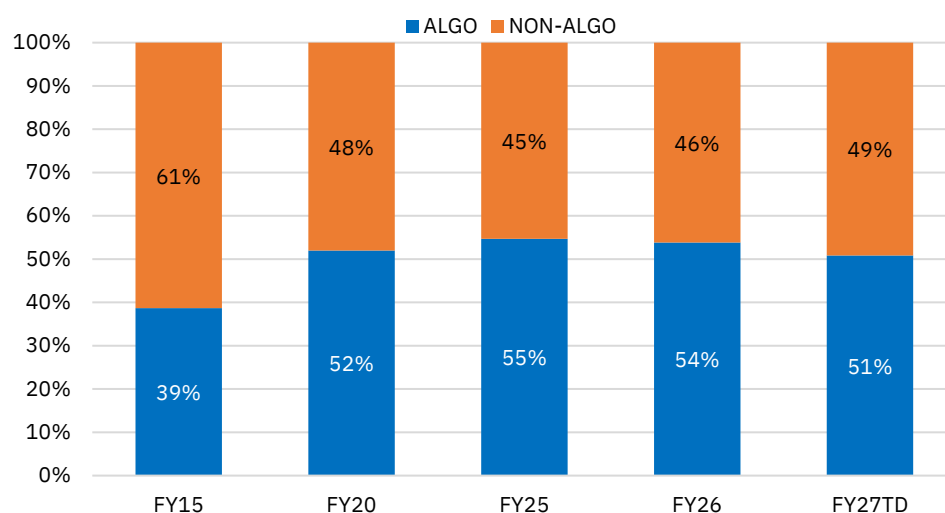
Figure 395: Annual turnover trend for different channels in Index futures


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 July 2026.

Figure 396: Annual trend in turnover share for different channels in Index futures

Figure 397: 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 July 2026.

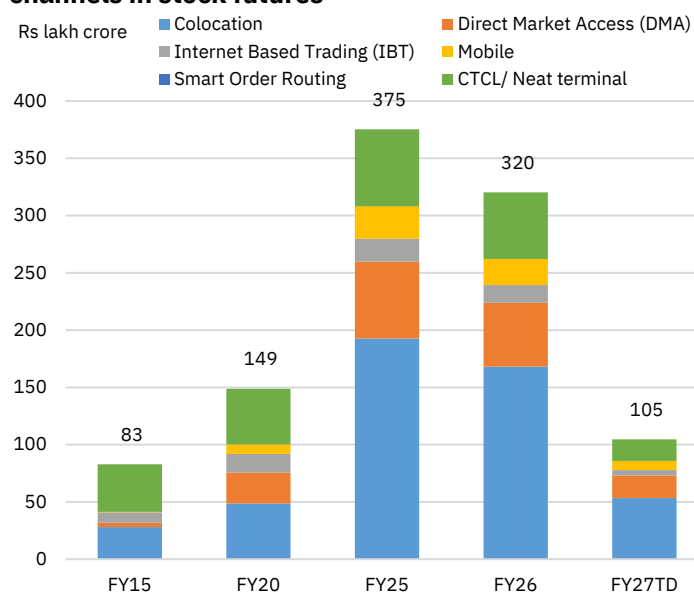
Table 106: Monthly share (%) of different channels in stock futures turnover

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	50.7	52.0	52.3	-125	-159	51.0	52.5	52.2
Direct Market Access (DMA)	18.4	18.5	16.7	-16	167	18.8	17.4	18.5
Internet Based Trading (IBT)	4.9	4.4	5.3	55	-35	4.6	4.9	4.6
Mobile	7.7	7.1	7.4	64	28	7.5	7.1	7.1
Smart order routing	0.0	0.0	0.0	0	0	0.0	0.0	0.0
CTCL/ Neat terminal	18.3	18.0	18.3	22	-1	18.1	18.1	17.6

Source: NSE EPR.

Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed based on turnover. 3. Data for FY27TD and CY26TD is as of July 2026.

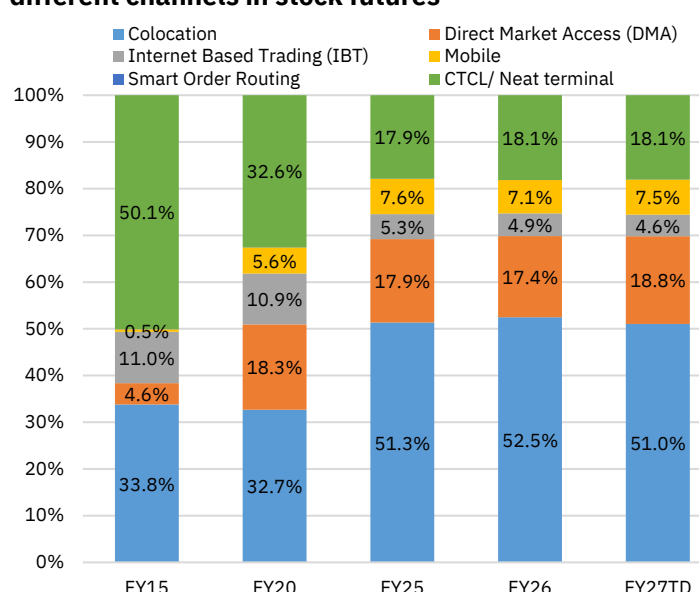
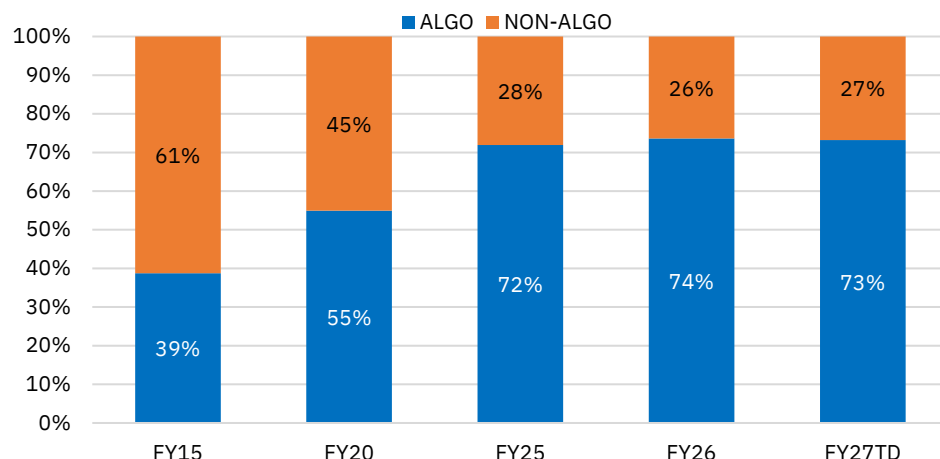
Figure 398: Annual turnover trend for different channels in stock futures


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 July 2026.

Figure 399: Annual trend in turnover share for different channels in stock futures

Figure 400: 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 July 2026.

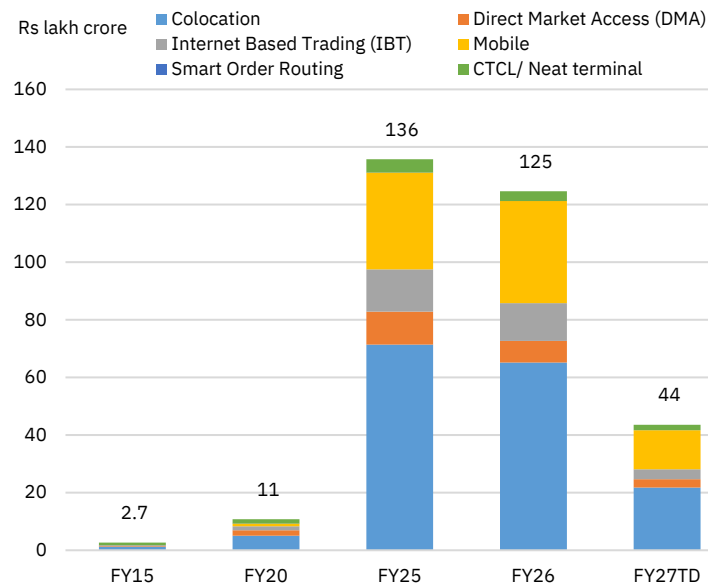
Table 107: Monthly share (%) of different channels in index options premium turnover

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	48.9	50.0	52.5	-117	-359	50.0	52.3	51.2
Direct Market Access (DMA)	6.8	6.6	5.0	22	181	6.6	6.0	6.5
Internet Based Trading (IBT)	8.2	7.7	11.5	53	-321	8.0	10.5	8.6
Mobile	31.7	31.4	28.1	30	351	31.1	28.4	30.3
Smart order routing	0.0	0.0	0.0	0	0	0.0	0.0	0.0
CTCL/ Neat terminal	4.4	4.3	2.9	12	148	4.3	2.7	3.4

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 presented in % based on premium turnover. 3. Data for FY27TD and CY26TD is as of July 2026.

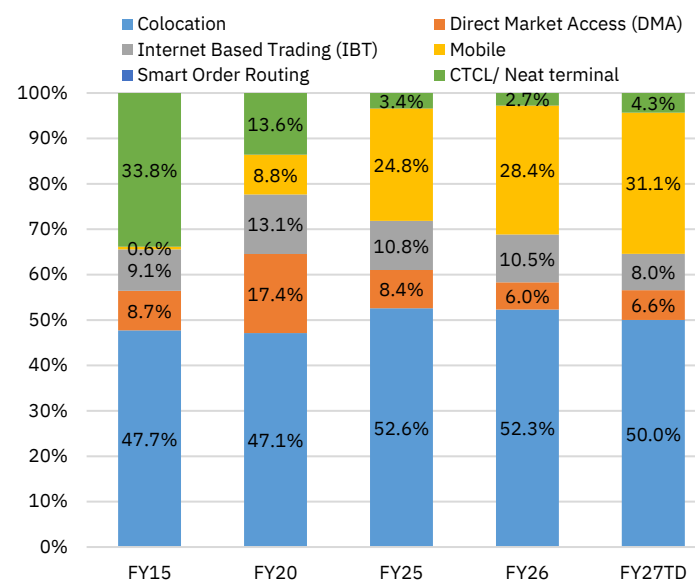
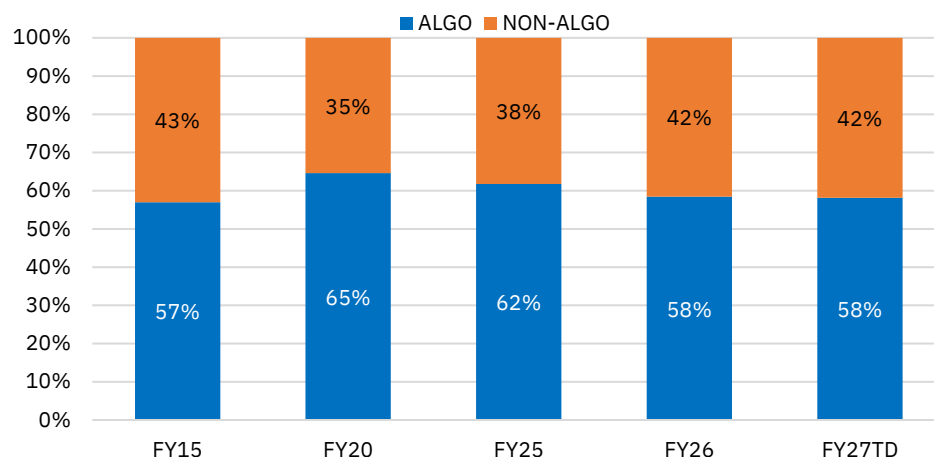
Figure 401: Annual turnover trend for different channels in Index options premium


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 July 2026.

Figure 402: Annual trend in turnover share for different channels in Index options premium

Figure 403: 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 July 2026.

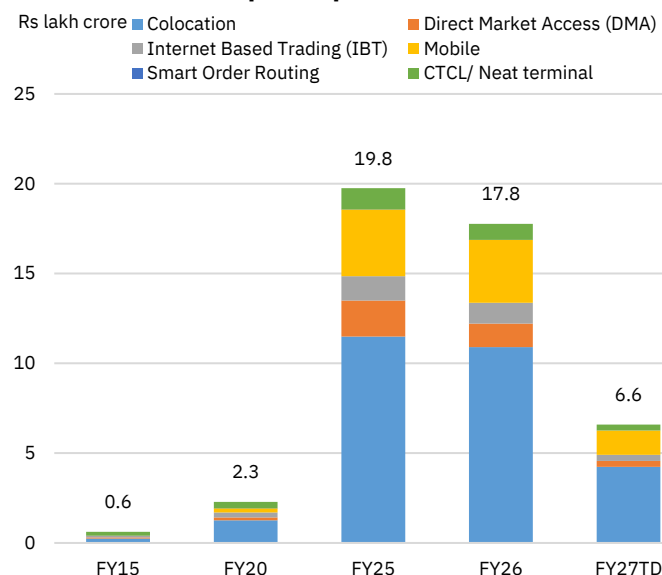
Table 108: Monthly share (%) of different channels in stock options premium turnover

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	64.0	62.9	61.0	119	304	64.3	61.4	64.5
Direct Market Access (DMA)	4.8	5.9	5.8	-111	-99	5.0	7.4	4.9
Internet Based Trading (IBT)	5.3	5.1	7.2	20	-192	5.2	6.5	5.4
Mobile	21.1	21.0	20.4	12	77	20.6	19.7	20.3
Smart order routing	0.0	0.0	0.0	0	0	0.0	0.0	0.0
CTCL/ Neat terminal	4.7	5.1	5.6	-40	-90	5.0	5.0	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. Data for FY27TD and CY26TD is as of July 2026.

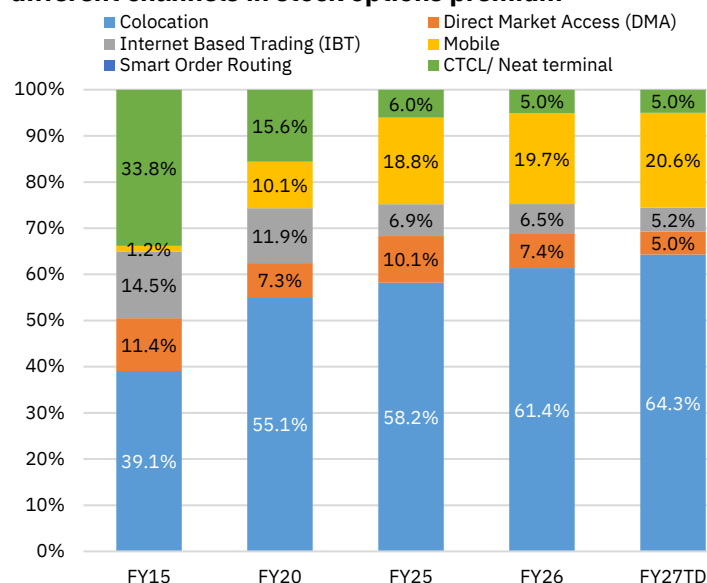
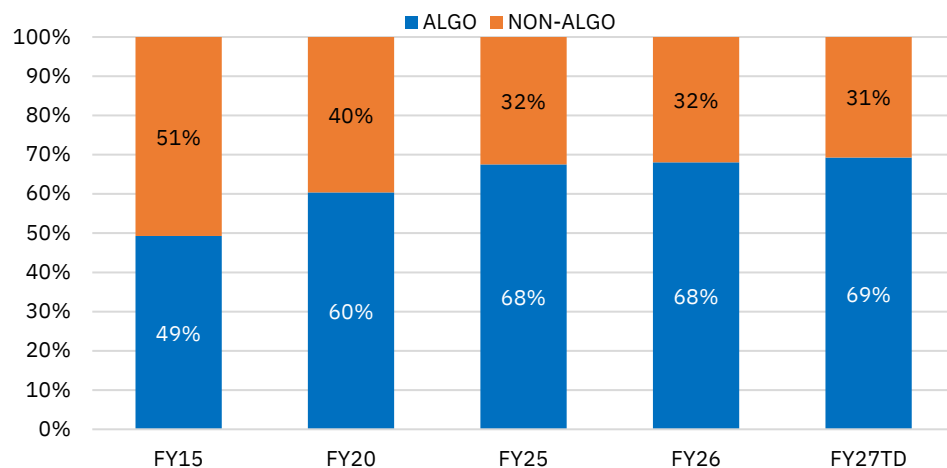
Figure 404: Annual turnover trend for different channels in stock options premium


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 July 2026.

Figure 405: Annual trend in turnover share for different channels in stock options premium

Figure 406: 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 July 2026.

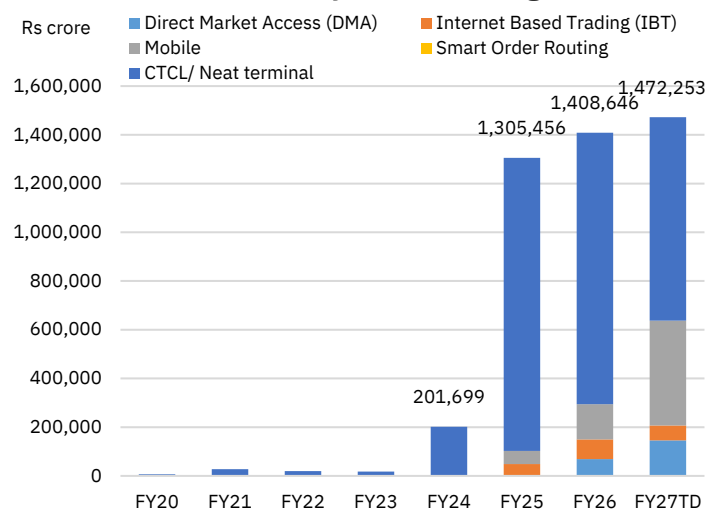
Table 109: Share (%) for different channels of trading in commodity derivatives

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Direct Market Access (DMA)	11.8	9.1	1.7	267	1,012	9.9	4.9	10.2
Internet Based Trading (IBT)	3.8	4.1	6.0	-30	-222	4.1	5.8	4.5
Mobile	27.2	29.9	7.5	-272	1,969	29.2	10.3	26.9
CTCL/ Neat terminal	57.2	56.8	84.8	35	-2,759	56.7	79.1	58.5

Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed based on notional turnover. 3. Data for FY27TD and CY26TD is as of July 2026.

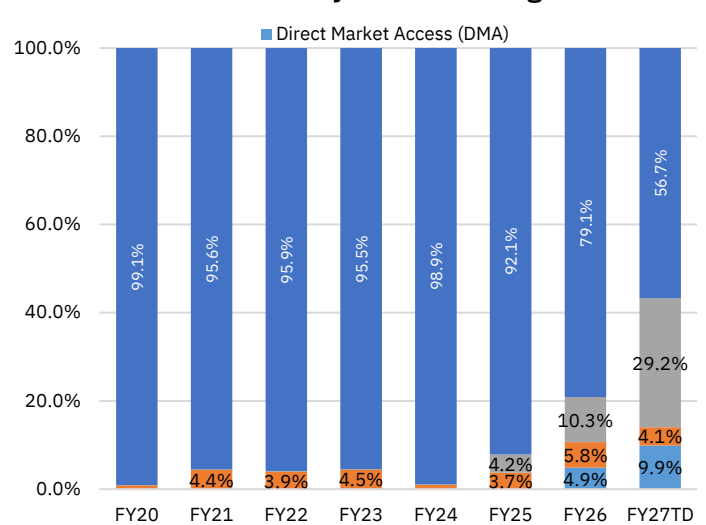
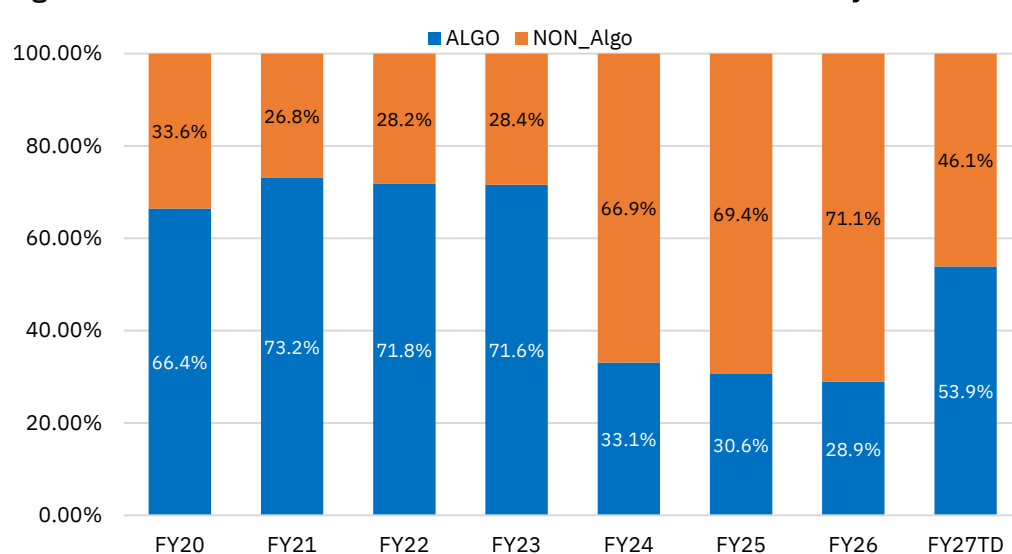
Figure 407: Annual turnover trend for different channels in the commodity derivatives segment


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 July 2026.

Figure 408: Annual trend in turnover share for different channels in the commodity derivatives segment

Figure 409: 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 July 2026.

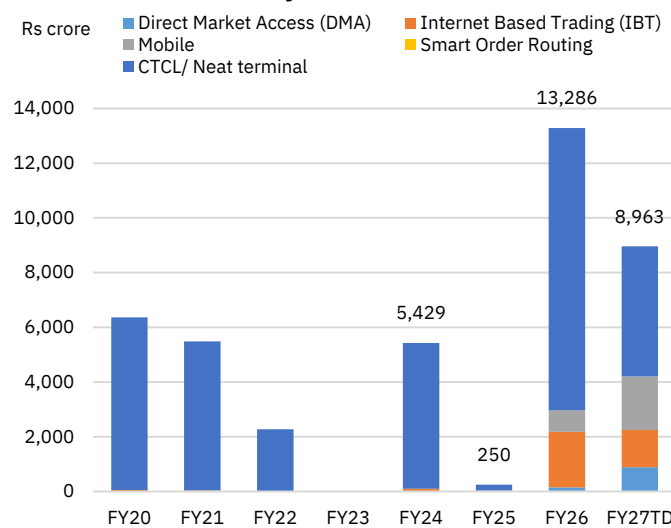
Table 110: Share (%) of different channels of trading in commodity futures turnover

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Direct Market Access (DMA)	19.7	5.4	0.2	1,439	1,952	9.9	1.1	7.5
Internet Based Trading (IBT)	11.4	19.2	5.7	-780	575	15.2	15.3	18.4
Mobile	18.8	20.9	3.8	-208	1,499	21.8	6.0	18.8
CTCL/ Neat terminal	50.1	54.6	90.3	-450	-4,027	53.1	77.6	55.3

Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed based on turnover. 3. Data for FY27TD and CY26TD is as of July 2026.

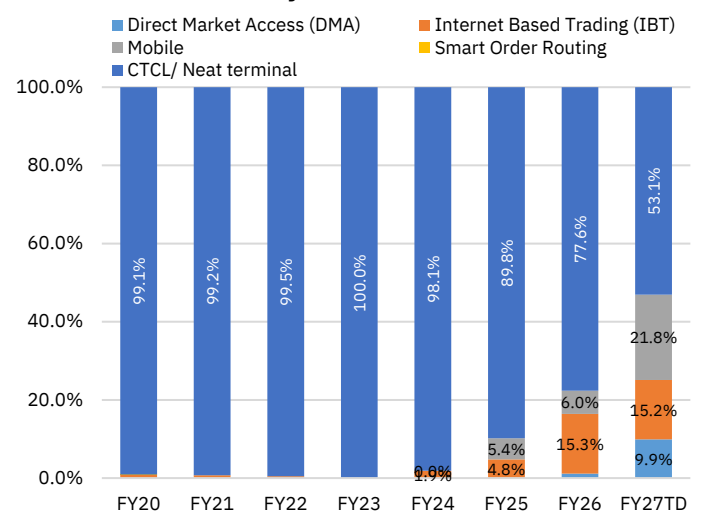
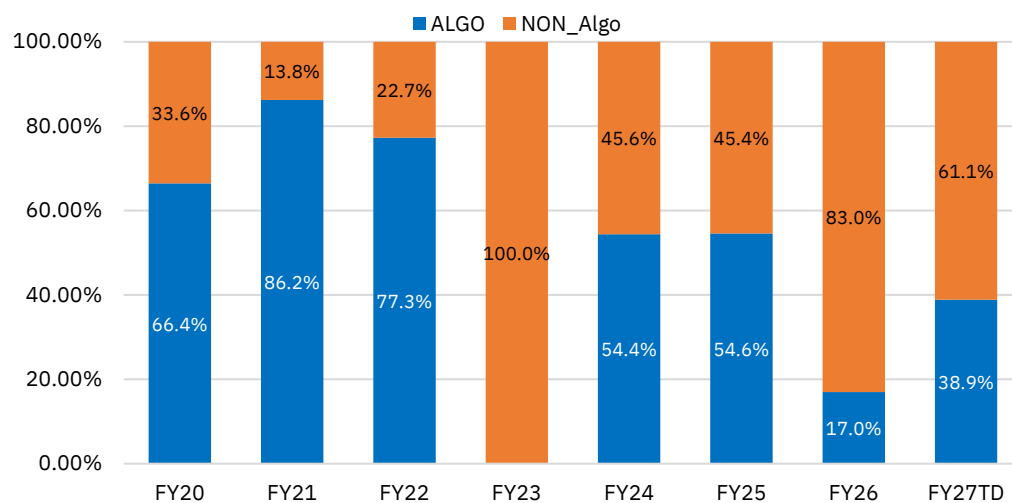
Figure 410: Annual turnover trend for different channels in commodity futures


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 July 2026.

Figure 411: Annual trend in turnover share for different channels in commodity futures

Figure 412: 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 July 2026.

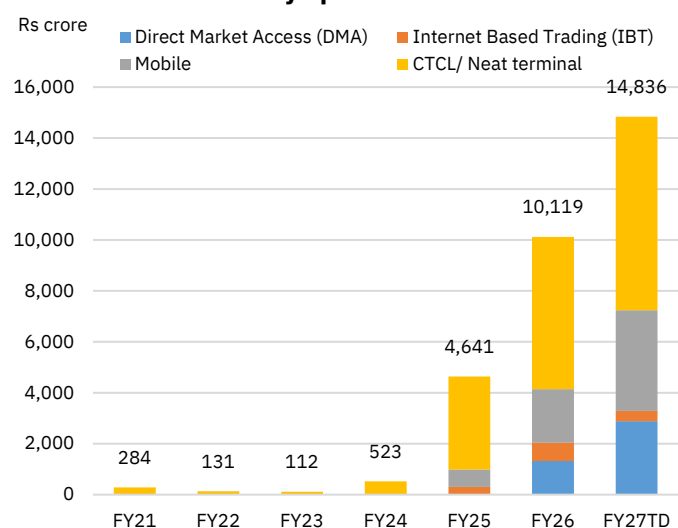
Table 111: Monthly share (%) of different channels in commodity options premium turnover

Mode	Jul-26	Jun-26	Jul-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Direct Market Access (DMA)	19.7	17.7	4.7	202	1,501	19.5	13.0	20.5
Internet Based Trading (IBT)	2.7	2.9	7.6	-20	-490	2.7	7.1	3.0
Mobile	25.8	29.4	20.2	-360	554	26.6	20.8	25.5
CTCL/ Neat terminal	51.9	50.1	67.5	178	-1,564	51.2	59.1	51.1

Source: NSE EPR

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed based on premium turnover. 3. Data for FY27TD and CY26TD is as of July 2026.

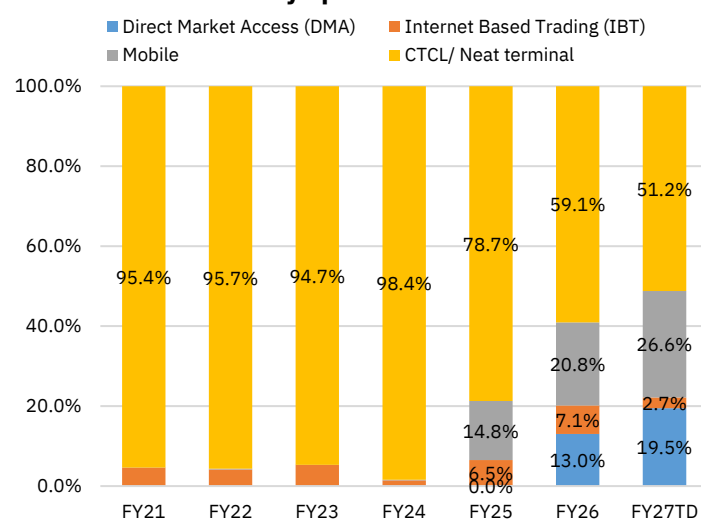
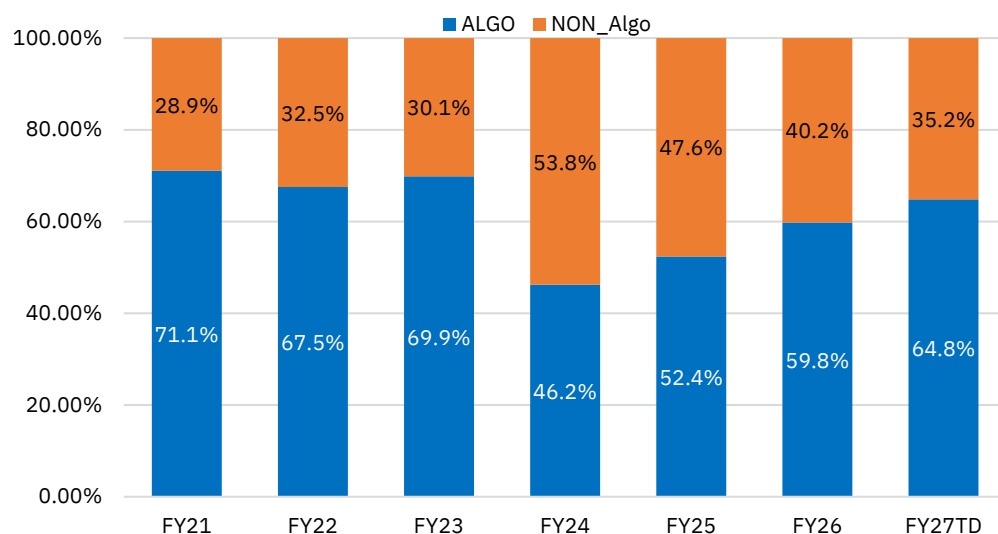
Figure 413: Annual turnover trend for different channels in commodity options


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 July 2026.

Figure 414: Annual trend in turnover share for different channels in commodity options

Figure 415: 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 July 2026.

Distribution of trading activity by turnover: Trading activity remains highly concentrated among top investor cohorts

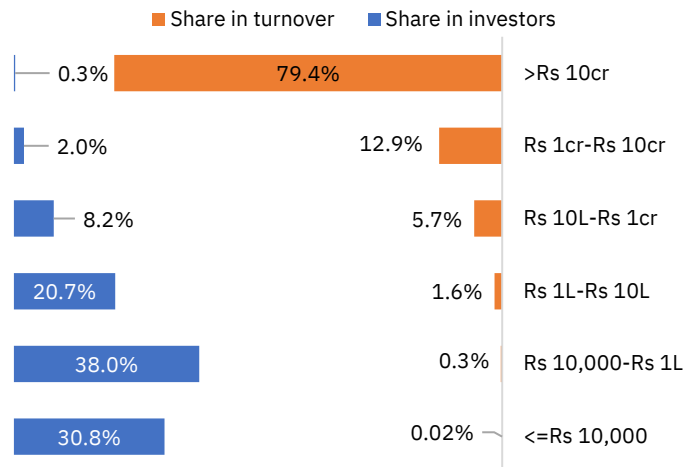
Trading activity across equity cash and derivatives segments in Jul'26 continued to exhibit a pronounced skew between investor participation and traded value, with a narrow set of high-value investors accounting for the bulk of turnover. In the cash market, the top 0.3% of investors generated ~80% of turnover, while nearly 69% of investors trading below Rs 1 lakh contributed only 0.3%. The concentration was similarly evident in equity options, where just 0.3% of investors in the top cohort accounted for ~68% of premium turnover, although concentration of the top cohort moderated marginally. Equity futures remained the most concentrated segment, with ~8% of investors in the top cohort generating ~93% of turnover, while 53% of investors trading between Rs 1 lakh to Rs 1 crore, contributed less than 1% during the month. Across segments, the top turnover cohort remained institutionally dominated among proprietary traders, foreign investors and DIIs, whereas individual investor was largely active in the other cohorts.

Cash market turnover remains highly concentrated among top investors: In the CM segment, the top 0.3% of investors accounted for ~79.4% of monthly turnover in Jul'26. Including the top two cohorts (those trading above Rs 1 crore) raises their combined share to 92.4% of turnover, even though they represented only 2.3% of the active investor base. In contrast, investors trading below Rs 1 lakh accounted for ~69% of active investors but contributed only 0.3% of monthly turnover, highlighting the continued skew between participation and traded value. In the same month last year, the bottom cohorts accounted for 69% of the active investor base and contributed marginally higher at 0.4% of monthly turnover in July 2025. Participant-wise turnover analysis reveals that the top cohort is institutionally dominated, with proprietary traders, DIIs and foreign investors accounting for three-fourths of the turnover generated by the cohort. Meanwhile, individuals remained the dominant participant category across all other turnover cohorts, contributing over 96% of turnover in each cohort.

Top 5.2% of investors drive 86% of options premium turnover: In the equity options segment, investors trading above Rs 10 crore accounted for ~68% of premium turnover despite representing only 0.3% of the active investor base during the month. Including the Rs 1–10 crore cohort, 5.2% of investors accounted for 86.2% of monthly premium turnover in Jul'26. At the lower end, investors trading below Rs 1 lakh represented 35.2% of active investors but contributed only 0.2% of premium turnover. Although the combined share of the top two cohorts in monthly premium turnover remained broadly unchanged, their share of the investor base increased from 4.6% to 5.3%. The top cohort remained dominated by proprietary traders, who accounted for 71% of the cohort's turnover.

Top 8% of investors account for over 93% of futures turnover: The equity futures segment retained the most concentrated profile across equity segments. Over 93% of turnover in the equity futures segment in Jul'26 was generated by the top ~8% of active investors. Furthermore, 53% of investors who traded between Rs 1 lakh and Rs 1 crore in this segment contributed less than 1% of monthly turnover, highlighting the extreme skew between participation and traded value. The institutional nature of the top cohort was also evident, with proprietary traders, foreign investors and DIIs together accounting for ~78% of its turnover.

Figure 416: Distribution of trading activity by turnover in NSE CM segment in July 2026



Source: NSE EPR.

Figure 417: Distribution of trading activity by turnover in NSE CM segment in July 2025

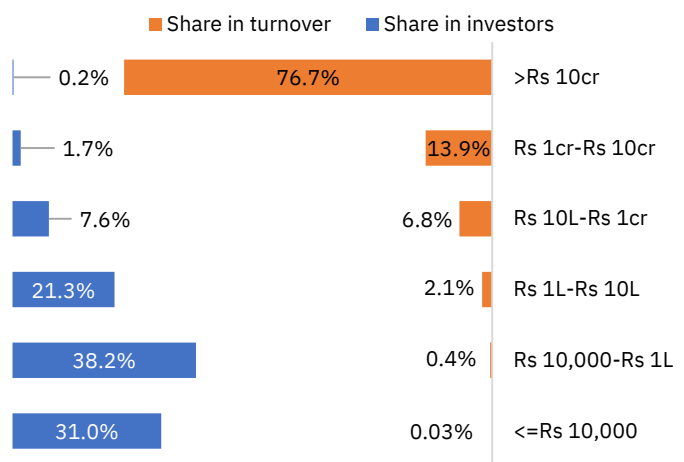


Table 112: Distribution of turnover by range in NSE CM segment for all investors

Turnover range	Jul-25		Jun-26		Jul-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	573	39.7	588	39.8	542	0.02%	38.1	30.8%
Rs 10,000 - Rs 1 lakh	9,023	48.9	7,174	37.5	8,198	0.3%	46.9	38.0%
Rs 1 lakh - Rs 10 lakh	45,984	27.2	45,320	26.4	43,877	1.6%	25.7	20.7%
Rs 10 lakh - Rs 1 crore	1,49,590	9.7	1,59,657	10.2	1,58,583	5.7%	10.1	8.2%
Rs 1 crore - Rs 10 crore	3,03,324	2.2	3,55,973	2.5	3,57,983	12.9%	2.5	2.0%
> Rs 10 crore	16,76,400	0.3	22,02,924	0.3	22,00,380	79.4%	0.3	0.3%
Total	21,84,895	127.9	27,71,636	116.8	27,69,562	100%	123.7	100%

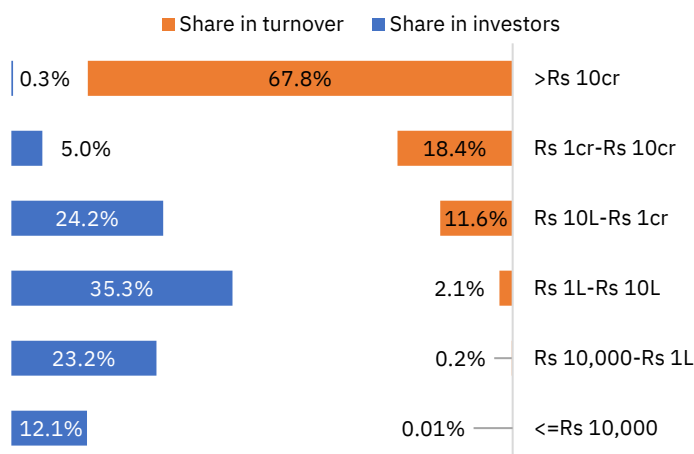
Source: NSE EPR. Notes: 1. Turnover ranges are based on gross traded value i.e. buy traded value + sell traded value. 2. Categorisation is based on gross traded value. 3. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2. 4. Investor count is based on unique PANs that have traded during the period.

Table 113: Category-wise share in turnover across turnover ranges in NSE CM segment in July 2026

Turnover range	Turnover (Rs crore)	Share in turnover (%)	Client category-wise turnover share (%)					
			Corporates	DII's	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	542	0.02%	0.0%	0.0%	0.0%	99.7%	0.0%	0.3%
Rs 10,000 - Rs 1 lakh	8,198	0.3%	0.0%	0.0%	0.0%	99.6%	0.0%	0.4%
Rs 1 lakh - Rs 10 lakh	43,877	1.6%	0.2%	0.2%	0.0%	98.8%	0.0%	0.8%
Rs 10 lakh - Rs 1 crore	1,58,583	5.7%	0.7%	0.3%	0.0%	97.9%	0.0%	1.0%
Rs 1 crore - Rs 10 crore	3,57,983	12.9%	1.8%	0.4%	0.3%	96.2%	0.1%	1.3%
> Rs 10cr	22,00,380	79.4%	4.6%	17.4%	15.4%	16.5%	42.1%	4.0%
Total	27,69,562	100%	3.9%	13.9%	12.3%	33.0%	33.4%	3.5%

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 418: Distribution of trading activity by turnover in equity options premium turnover in July 2026



Source: NSE EPR.

Figure 419: Distribution of trading activity by turnover in equity options premium turnover in July 2025

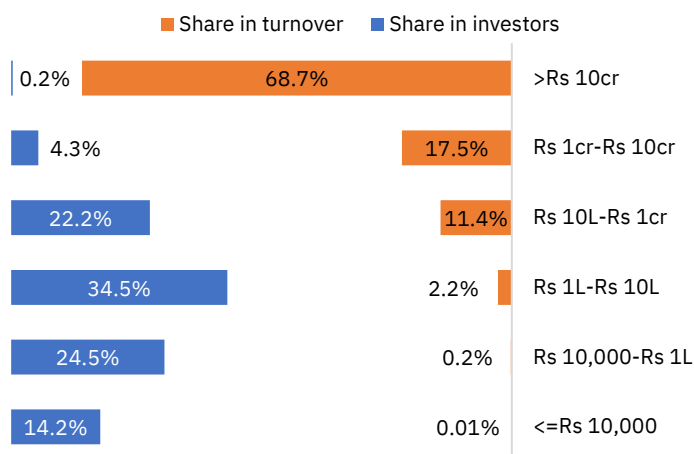


Table 114: Distribution of turnover by range in NSE equity options premium turnover for all investors

Turnover range	Jul-25		Jun-26		Jul-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	82	4.6	80	4.5	76	0.01%	4.2	12.1%
Rs 10,000-Rs 1 lakh	1,712	8.0	1,734	8.0	1,734	0.2%	8.0	23.2%
Rs 1 lakh - Rs 10 lakh	22,197	11.3	24,499	12.2	24,305	2.1%	12.2	35.3%
Rs 10 lakh - Rs 1 crore	1,14,177	7.2	1,40,060	8.7	1,33,535	11.6%	8.3	24.2%
Rs 1 crore – Rs 10 crore	1,75,883	1.4	2,39,001	1.9	2,12,199	18.4%	1.7	5.0%
>Rs 10 crore	6,88,267	0.08	8,88,261	0.11	7,83,011	67.8%	0.10	0.3%
Total	10,02,317	32.6	12,93,633	35.4	11,54,859	100%	34.4	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 115: Distribution of turnover and the share of investors categories in equity options in July 2026

Turnover range	Premium Turnover (Rs crore)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	76	0.01%	0.1%	0.0%	0.0%	99.9%	0.0%	0.1%
Rs 10,000 - Rs 1 lakh	1,734	0.2%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 1 lakh - Rs 10 lakh	24,305	2.1%	0.1%	0.0%	0.0%	99.7%	0.0%	0.2%
Rs 10 lakh - Rs 1 crore	1,33,535	11.6%	0.3%	0.0%	0.0%	99.4%	0.0%	0.3%
Rs 1 crore- Rs 10 crore	2,12,199	18.4%	1.0%	0.0%	0.1%	97.9%	0.1%	0.9%
> Rs 10cr	7,83,011	67.8%	3.0%	0.3%	9.1%	11.5%	70.6%	5.4%
Total	11,54,859	100%	2.3%	0.2%	6.2%	39.5%	47.9%	3.9%

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 116: Distribution of turnover by range in equity futures market for all investors

Turnover range	Jul-25		Jun-26		Jul-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	424	0.1	708	0.2	577	0.02%	0.2	6%
Rs 10 lakh - Rs 1 crore	27,823	1.3	28,267	1.3	27,798	0.9%	1.3	47%
Rs 1 crore – Rs 10 crore	1,86,827	1.1	1,73,257	1.1	1,78,574	5.7%	1.1	39%
>Rs 10 crore	29,88,082	0.2	28,40,008	0.2	29,04,678	93.3%	0.2	7.9%
Total	32,03,155	2.8	30,42,240	2.8	31,11,628	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 117: Distribution of turnover and the share of investors categories in equity futures in July 2026

Turnover range	Turnover (Rs crore)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individual	Prop	Others
Rs 1 lakh - Rs 10 lakh	577	0.02%	0.5%	0.0%	0.0%	98.7%	0.0%	0.7%
Rs 10 lakh - Rs 1 crore	27,798	0.9%	0.8%	0.0%	0.0%	98.4%	0.0%	0.8%
Rs 1 crore - Rs 10 crore	1,78,574	5.7%	1.7%	0.0%	0.0%	96.5%	0.1%	1.6%
> Rs 10 crore	29,04,678	93.3%	7.3%	14.5%	33.2%	10.9%	30.0%	4.1%
Total	31,11,628	100%	6.9%	13.5%	31.0%	16.6%	28.0%	4.0%

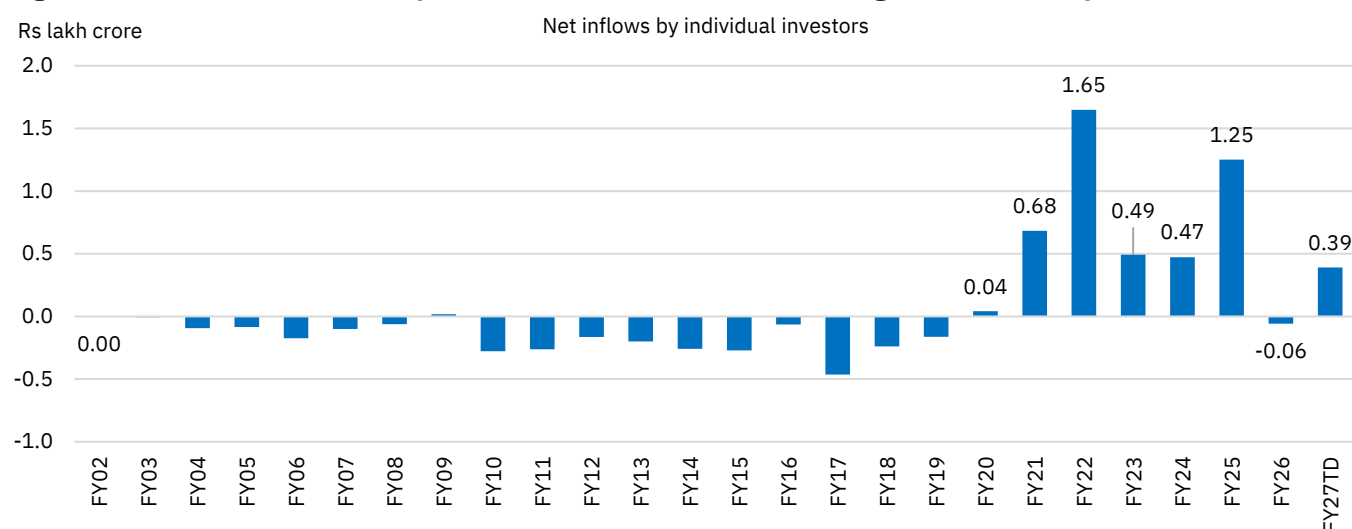
Source: NSE EPR. Notes: 1. Turnover ranges are based on gross turnover. 2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2. 3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc. 4. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.

Individual investors' activity in the equity segment: Individual investors' flows stayed positive in FY27

Individual investors turned net seller in the month of July 2027: Individual investors turned net sellers in the NSE cash market in July, ending a four-month streak of net buying. They recorded net sales of Rs 3,692 crore during the month, compared with net purchases of Rs 19,016 crore in June. Despite this monthly reversal, individual investors' cumulative net investment in the secondary market remained firmly positive at Rs 39,053 crore in FY27 (as of July 31, 2026), marking a notable turnaround from the net outflow of Rs 5,803 crore recorded in FY26. Meanwhile, their share of cash market turnover remained largely unchanged at 33%, reflecting that individual investors' participation in the market remained resilient in the current fiscal.

Individual investor participation in the primary market strengthened in July, with individual investors' investments reaching Rs 7,134 crore in FY27, supported by pick up in IPO activity. Consequently, cumulative investments by individual investors across the primary and secondary markets stood at Rs 46,187 crore in FY27TD, underscoring sustained individual investors participation and continued engagement with equity markets.

Figure 420: 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 July 2026.

Table 118: 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	39,053	7,134	46,187

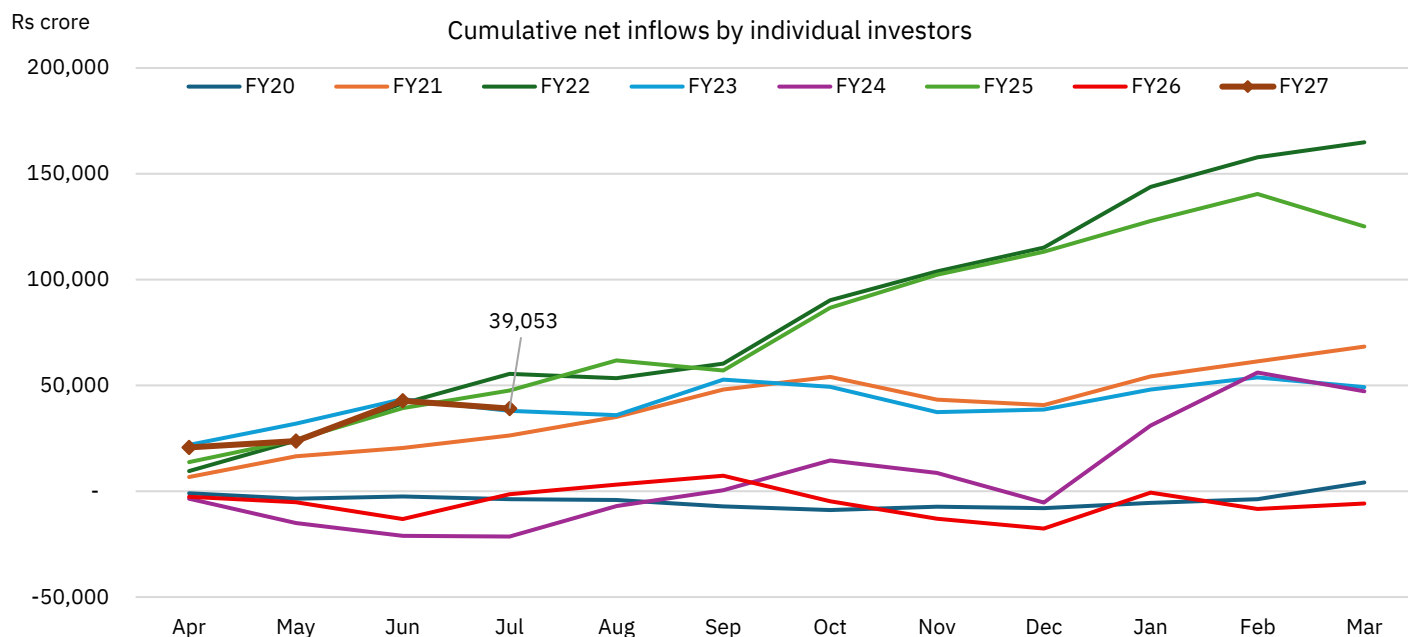
Source: NSE EPR.

Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

2. Primary market investments by Individual Investors (investors applying up to Rs 2 lakh) only considered in the table above.

3. FY27TD data is as of July 31st, 2026.

Figure 421: 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.

2. FY27 data is as of July 31st, 2026.

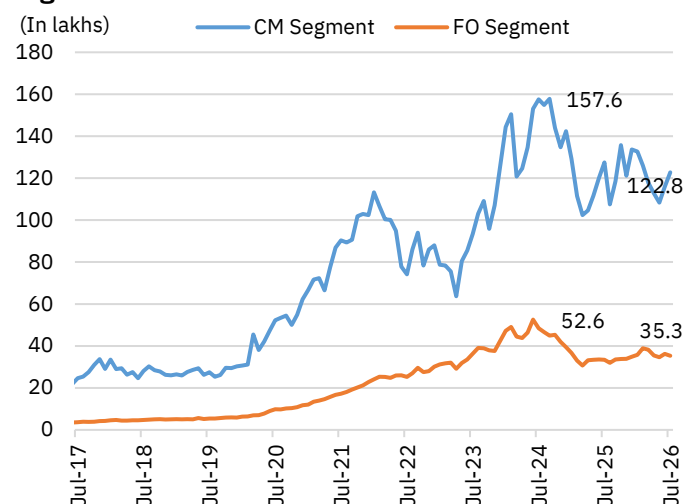
Individual investor participation strengthened in July: Participation in the cash market rose marginally to 1.23 crore investors in July from 1.16 crore in June, marking the second consecutive month of growth following a five-month decline. In contrast, the number of investors participating in the equity derivatives segment declined to 35.3 lakh from 36.3 lakh over the same period. In FY27 (As on July 31st, 2026), the number of individual investors participating in the cash market and equity derivatives stood at 2.10 crore and 55.6 lakh, respectively.

Within the cash market, the share of investors trading on only one day during the month rose sharply to 42.8% (52.6 lakh investors) in July from 38.9% (45.2 lakh investors) in June, while accounting for just 0.53% of the total cash market turnover. At the other end of the spectrum, the proportion of investors trading on all trading days of the month declined to 1.2% from 1.5%, with their contribution to total turnover easing to 8.8% from 9.1%. This continues to underscore the highly concentrated nature of trading activity, where a relatively small cohort of highly active investors accounts for a disproportionately large share of market turnover. A similar pattern was observed in the equity derivatives segment. The share of investors trading on only one day edged down marginally to 13.3% (4.7 lakh investors) from 13.5% (4.9 lakh investors). Likewise, the proportion of investors active on all trading days moderated to 3.7% (1.3 lakh investors) from 4.2% (1.5 lakh investors), suggesting a slight reduction in participation among the most active derivatives traders.

On a trailing 12M basis through July 2026, the number of individual investors who traded at least once in the cash segment moderated to 3.55 crore from a peak of 3.65 crore in the corresponding period a year earlier. The moderation was primarily attributable to a 16% YoY decline in investors participating in both the cash and equity derivatives segments, which fell to 63 lakh from 75 lakh. In contrast, the number of investors trading exclusively in the cash market marginally inched up to 2.92 crore from 2.89 crore during

the same period last year. Consequently, the number of individual investors participating in the equity derivatives segment fell 11% YoY to 84.8 lakh from 95 lakh. Meanwhile, investors participating exclusively in the equity derivatives segment remained relatively limited at just over 21.8 lakh, accounting for only 1.6% of the registered investor base.

Figure 422: 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 July31st, 2026.

Figure 423: Yearly trend of individual investors' participation in the NSE CM and equity derivative segments

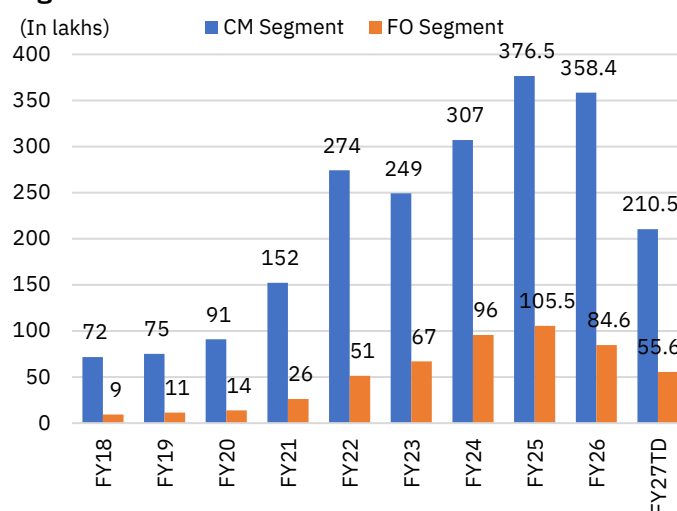


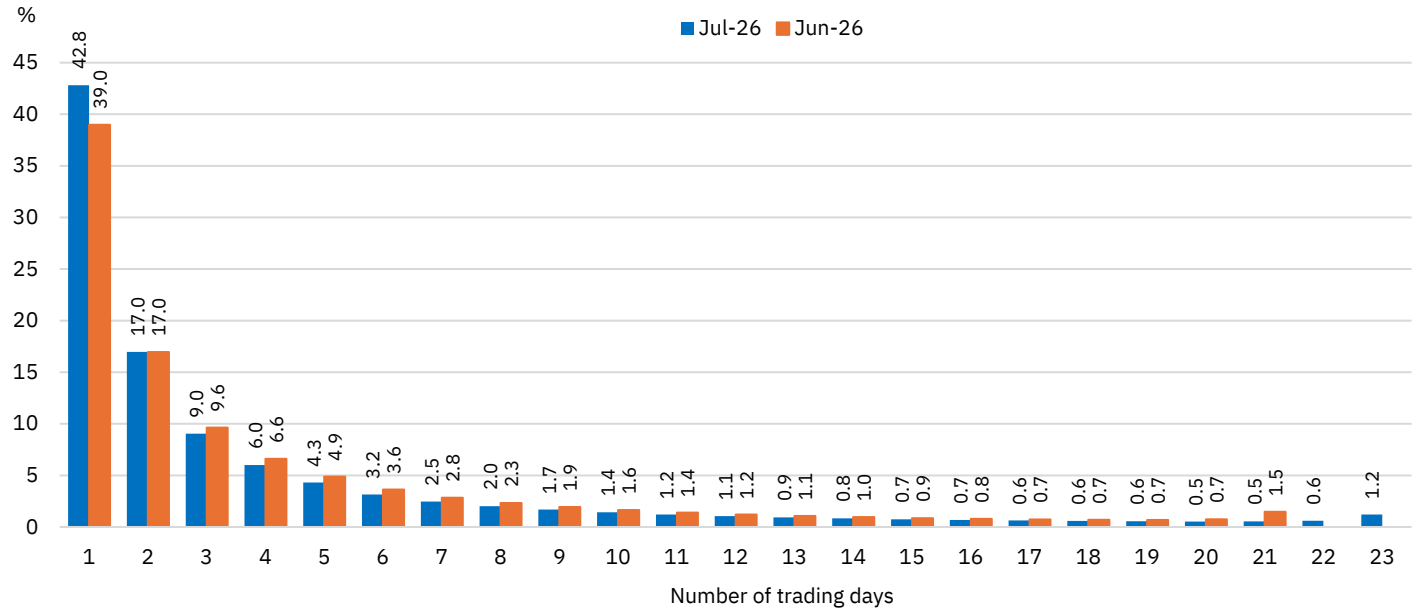
Table 119: Trend of individual investors participation (in lakhs) in NSE cash and equity derivatives
(For the last 12-month period ending July of each year)

Period	CM Total	FO Total	CM Alone	FO Alone	CM & FO Both
Aug'15-Jul'16	46.2	7.1	40.2	1.1	6.0
Aug'16-Jul'17	56.3	7.7	49.7	1.1	6.6
Aug'17-Jul'18	74.3	10.2	65.2	1.2	9.1
Aug'18-Jul'19	76.8	12.1	66.3	1.6	10.5
Aug'19-Jul'20	106.1	17.4	90.5	1.8	15.7
Aug'20-Jul'21	188.6	32.8	158.8	3.0	29.8
Aug'21-Jul'22	283.2	57.6	232.7	7.1	50.4
Aug'22-Jul'23	244.6	72.4	187.4	15.2	57.2
Aug'23-Jul'24	343.8	107.2	256.4	19.8	87.4
Aug'24-Jul'25	364.9	95.1	289.9	20.1	75.0
Aug'25-Jul'26	354.8	84.8	291.8	21.8	63.0

Source: NSE EPR.

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

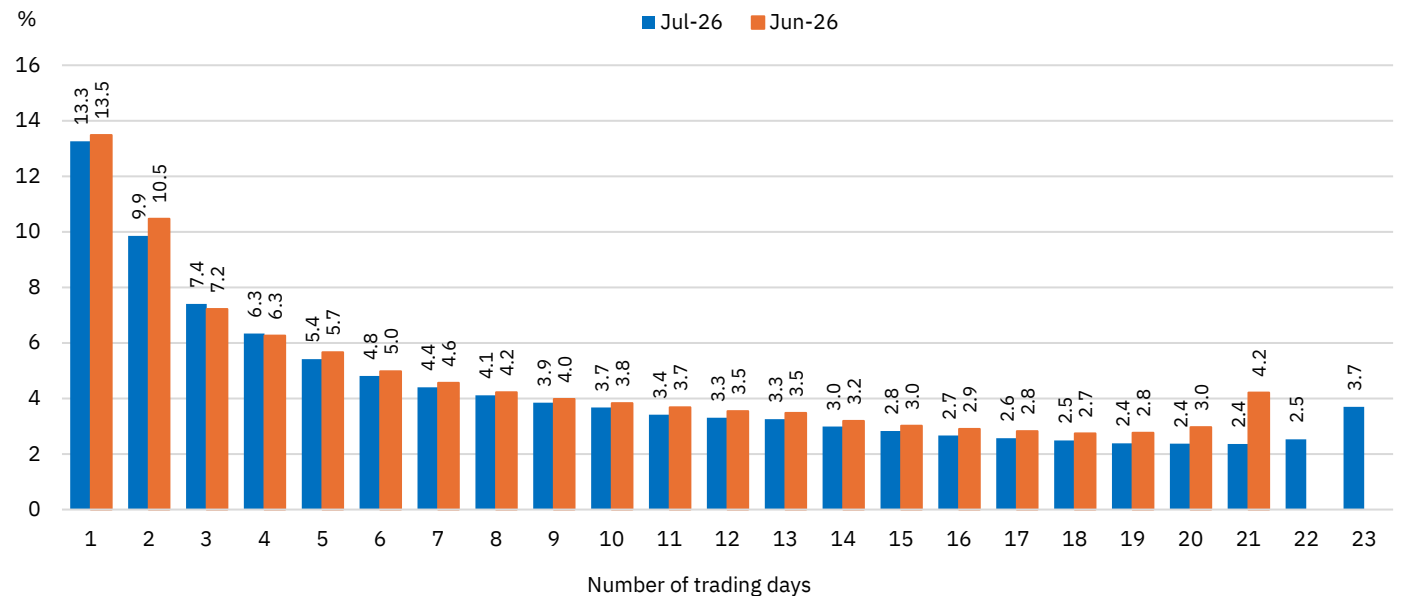
Figure 424: Trading frequency of individual investors participation (% share) in the CM segment



Source: NSE EPR.

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

Figure 425: Trading frequency of individual investors participation (% share) in equity derivatives



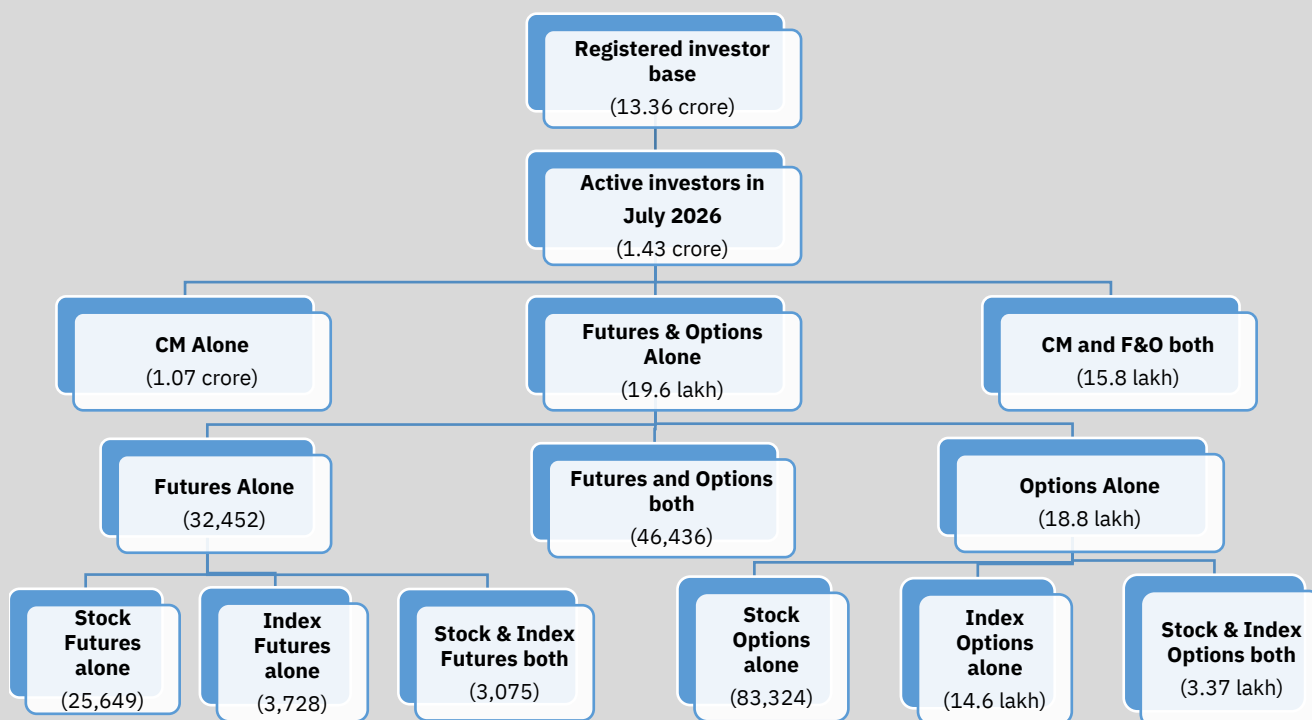
Source: NSE EPR.

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

Investor participation in July 2026 (Number of investors who traded at least once)

As of July 31st, 2026, out of a total 13.36 crore unique registered investors, about 1.43 crore traded at least once during the month across equity cash and derivatives. Participation remained heavily skewed toward the cash market, with 1.07 crore investors—around 8% of the total base – trading exclusively in the cash segment. Derivatives participation was relatively limited: 19.6 lakh investors (1.47% of the total base) traded only in F&O. Within the derivatives-only category, activity was overwhelmingly options-driven—18.8 lakh investors traded only in options, predominantly index options (14.6 lakh), followed by stock options (83,324) and those trading both (3.37 lakh). Futures-only participation was modest at 32,452 investors, largely concentrated in stock futures (25,649). 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 426: Investor participation across segments in July 2026



Source: NSE EPR

Note: All investor categories considered in the above table.

Spatial distribution of individual investor activity in the cash market

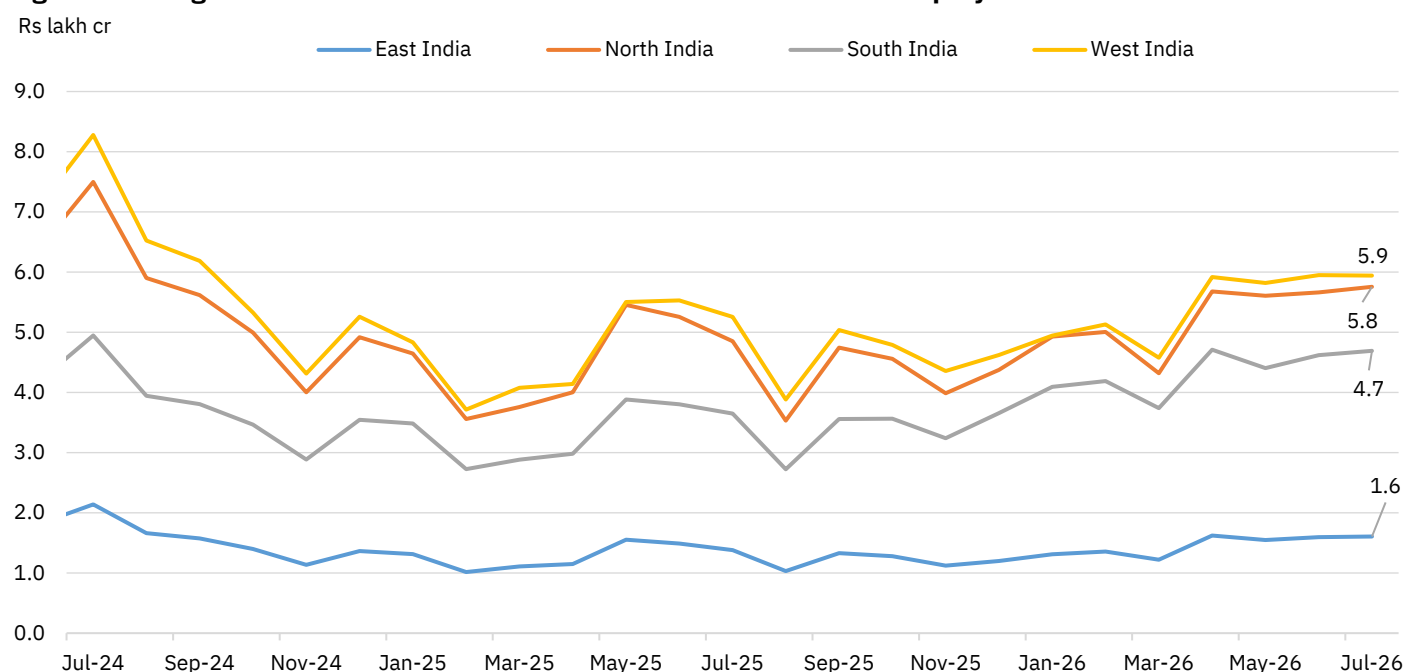
Region-wise individual investor activity

Individual investors' turnover rises in Jul'26; at its highest level since Jul'24: The total turnover of individual investors in the equity cash segment rose marginally by 0.9% MoM in Jul'26 to Rs 18.3 lakh crore. Average turnover in the first four months of FY27 stood at Rs 18.1 lakh crore (+18.5% YoY, Rs 15.25 lakh crore). Notably, equity cash market turnover has remained over Rs 15 lakh crore through the first four months of FY27.

Additionally, between Jul'22 and Jul'26, cash market turnover has risen at a CAGR of 25.2%, from Rs 7.4 lakh crore to Rs 18.3 lakh crore. Within regions, turnover rose most significantly during the month in the Northern region (+1.6% MoM) to Rs 5.8 lakh crore, accounting for a 31.5% share of turnover during the month, followed by the Southern region, which recorded a MoM increment of 1.5% (Rs 4.7 lakh crore, 25.7% turnover share) and Eastern India (+0.6% MoM and Rs 1.6 lakh crore), with a 8.8% turnover share. Western India, with a turnover share of 32.5% (Rs 5.9 lakh crore in turnover) was the only region which recorded a MoM decline in turnover during the month.

The distribution of investors trading at least once during the month in the equity segment has also moved significantly since Jul'22. The Southern region's investor share has risen by 1.1 pp and stands at 20.7% as of Jul'26, while the Western region recorded a 1.4 pp decline in its investor share, with its investor share at 35.5% as of Jul'26, the highest across regions. The Northern region ranked second in terms of its investor share, recording a 32.7% investor share in Jul'26 (vs 32.1% in Jul'22), while the Eastern region's investor share stood at 9.3%, at its lowest level since Dec'25.

Figure 427: Region-wise distribution of individual investors' turnover in equity cash



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF.

Figure 428: Region-wise share of individual investors' turnover in cash market (%)

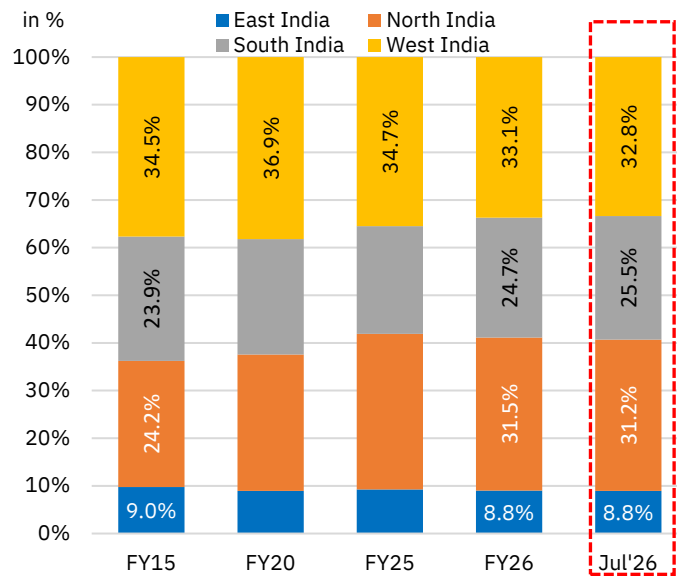
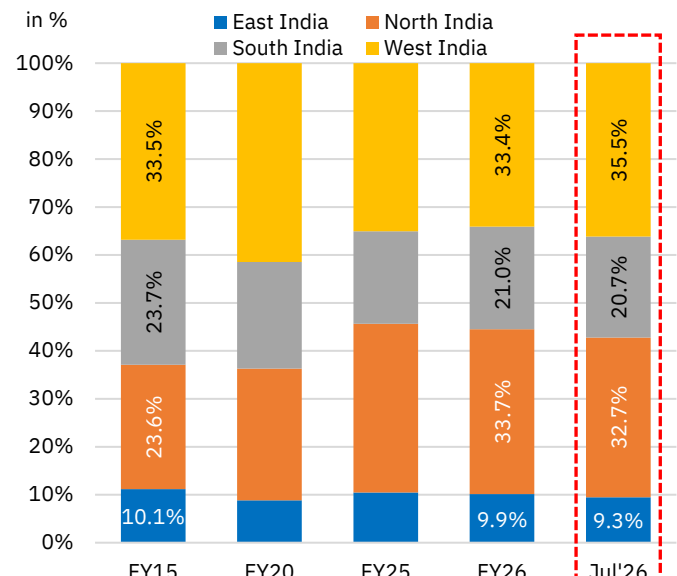


Figure 429: Region-wise share of individual investors in cash market (%)



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 lead in individual investor turnover; top five states account for over half of individual investor participation in Jul'26:

Maharashtra and Gujarat continued to remain the top two states in terms of equity cash turnover of individual investors in Jul'26, recording turnover of Rs 3.4 lakh crore and Rs 1.9 lakh crore respectively, with turnover declining by 2% MoM in Maharashtra and rising by 2.9% MoM in Gujarat. Moreover, average cash market turnover in the top 10 states in the first four months of FY27 stands at Rs 13.8 crore (vs Rs 11.6 lakh crore in the first four months of FY26, +19.4% YoY). Uttar Pradesh, Karnataka and Delhi were the other states in the top five, comprising ~50% share of equity cash turnover in Jul'26. Seven of the top 10 states recorded MoM increments in cash market turnover in Jul'26, with Andhra Pradesh and Tamil Nadu recording the most notable MoM gains (+3.7% MoM and 3.2% MoM).

In line with the trend observed in equity market turnover, Maharashtra continued to lead in terms of individual investor participation during the month, accounting for a 16.3% share (20.9 lakh) of active investors in Jul'26, having recorded a ~1% MoM rise in its active investors. Gujarat, in second place, recorded a significant 19.5% MoM uptick in its individual investor participation in Jul'26 and now accounts for 15.2% share (19.5 lakh) of active investors, followed by Uttar Pradesh (11.4 lakh investors, +1.5% MoM). Additionally, within the top 10 states, Gujarat and Rajasthan (+14% MoM) posted the highest MoM gains in investor participation during the month. Furthermore, the monthly run rate of individual investors in the top 10 states in the first four months of the fiscal stood at ~90 lakh investors (vs 91.1 lakh investors in 4MFY27, -1.3% MoM). The share of active investors in states outside the top 10 stood at 24.1%, while the top 5 states accounted for ~53% share of investors participating in the cash market in Jul'26.

Figure 430: Top 10 states based on turnover of individual investors in equity cash

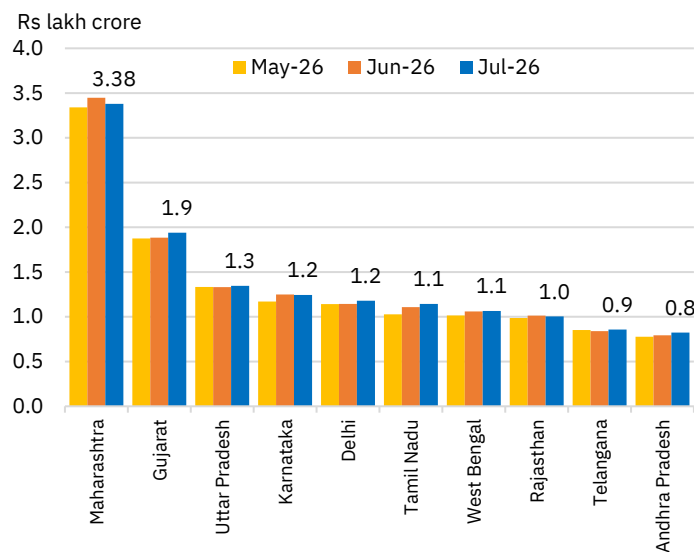
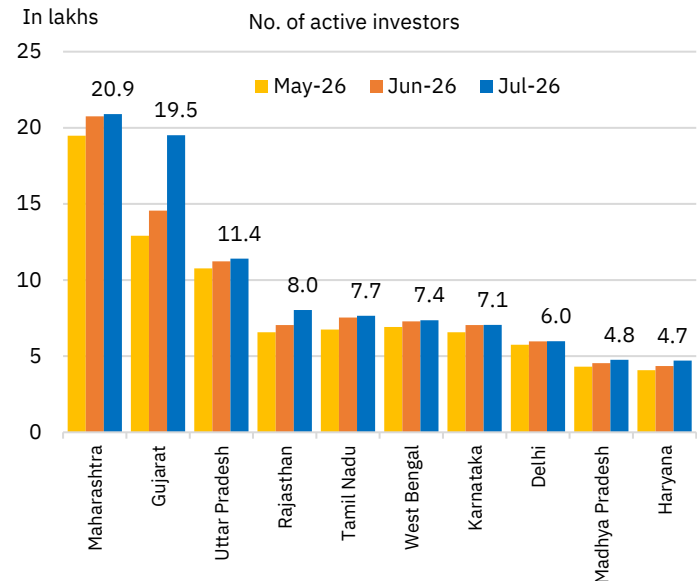


Figure 431: Top 10 states based on individual investors' participation in equity cash



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 432: Share of the top 10 states based on turnover of individual investors in equity cash

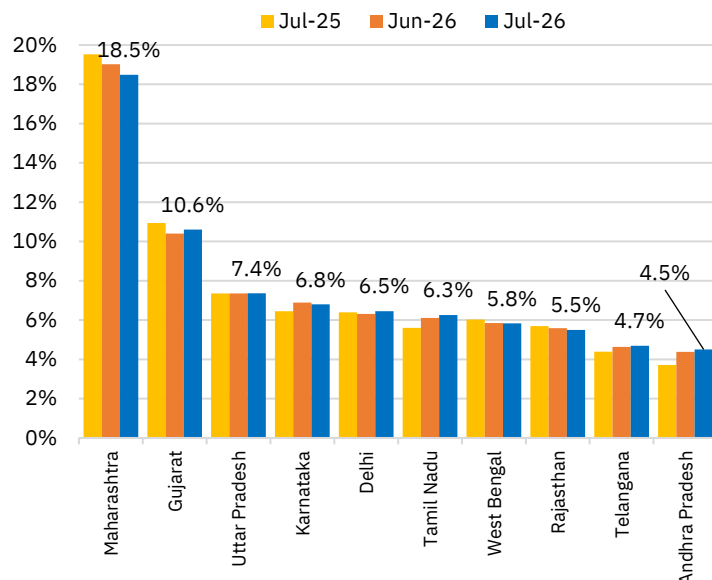
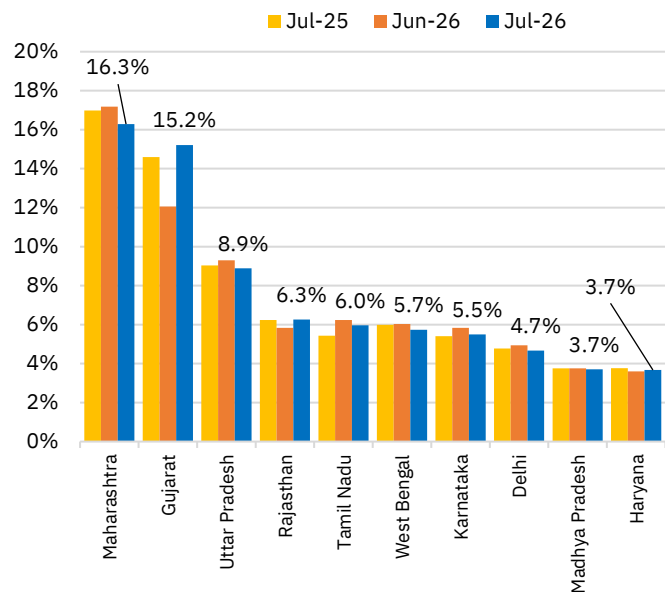


Figure 433: Share of the top 10 states based on individual investors' participation in equity cash



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; continues to remain above Rs 5 lakh crore for the fourth successive month...

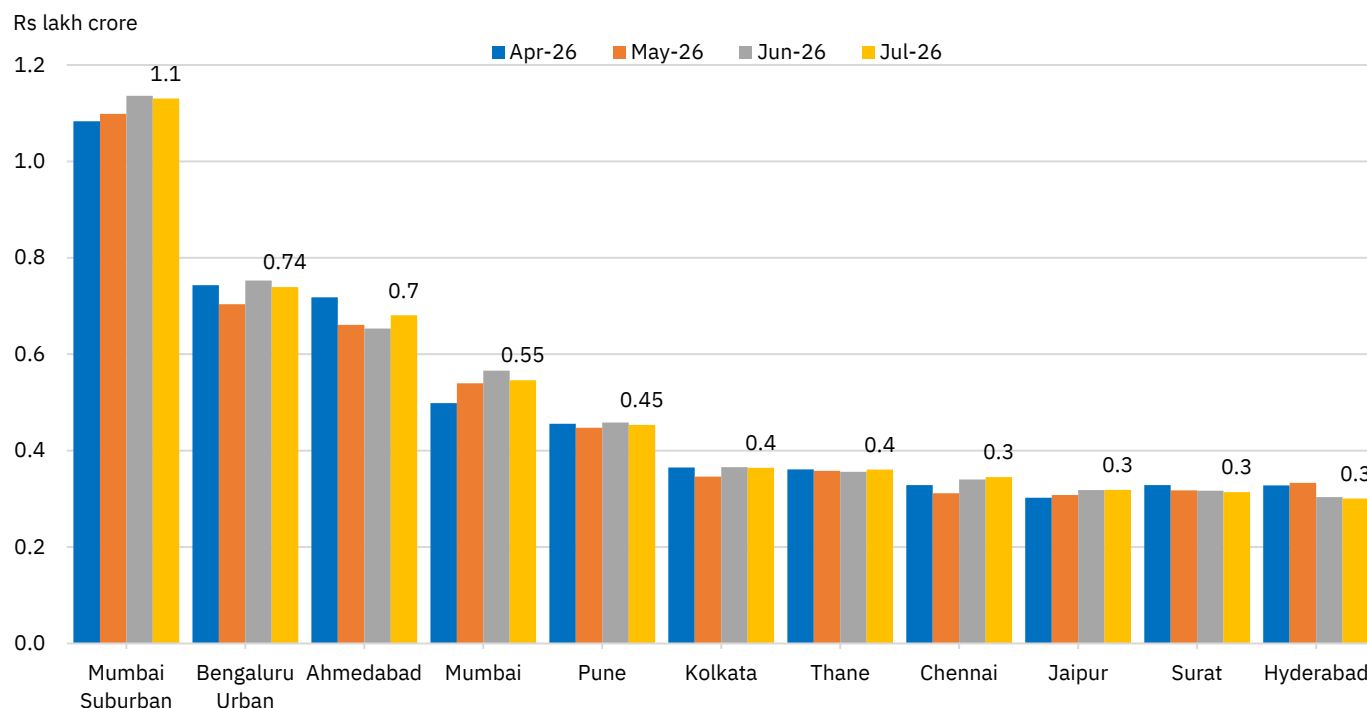
Cash market turnover of individual investors in the top 10 districts remained virtually unchanged at Rs 5.3 lakh crore in Jul'26. In the first four months of FY27, cash market turnover stood at Rs 5.2 lakh crore on average, marking a 17.4% YoY rise in average turnover in the first four months of the previous fiscal year (Rs 5.2 lakh crore). During the month, the top 10 districts accounted for a 28.7% share of turnover, with Mumbai Suburban and Bengaluru Urban leading in terms of cash market

turnover, accounting for Rs 1.1 lakh crore (-0.5% MoM and 6.2% share of turnover) and Rs 74k crore (-1.8% MoM, 4% share of turnover) in cash market turnover. Moreover, all but 3 of the districts recorded sequential declines in turnover during the month with Mumbai (-3.5% MoM, Rs 55k crore), Bengaluru Urban and Pune recording the most significant downturn. The top 50 districts accounted for a 55.3% share of turnover, with their share having declined by 2.4pp since Jul'24.

...With the count of active investors at its highest level since Dec'25: Reflecting the trend observed in terms of turnover in the top 10 districts, the number of individual investors trading at least once in the equity segment in Jul'26 in the top 10 districts rose for the second consecutive month and now stands at its highest level since Dec'25 (+ 8.7% MoM, 28.5 lakh active investors in Jul'26). Additionally, the average number of investors trading in the equity segment in the first four months of FY27 stood at 25.9 lakh, virtually unchanged from the same period last year.

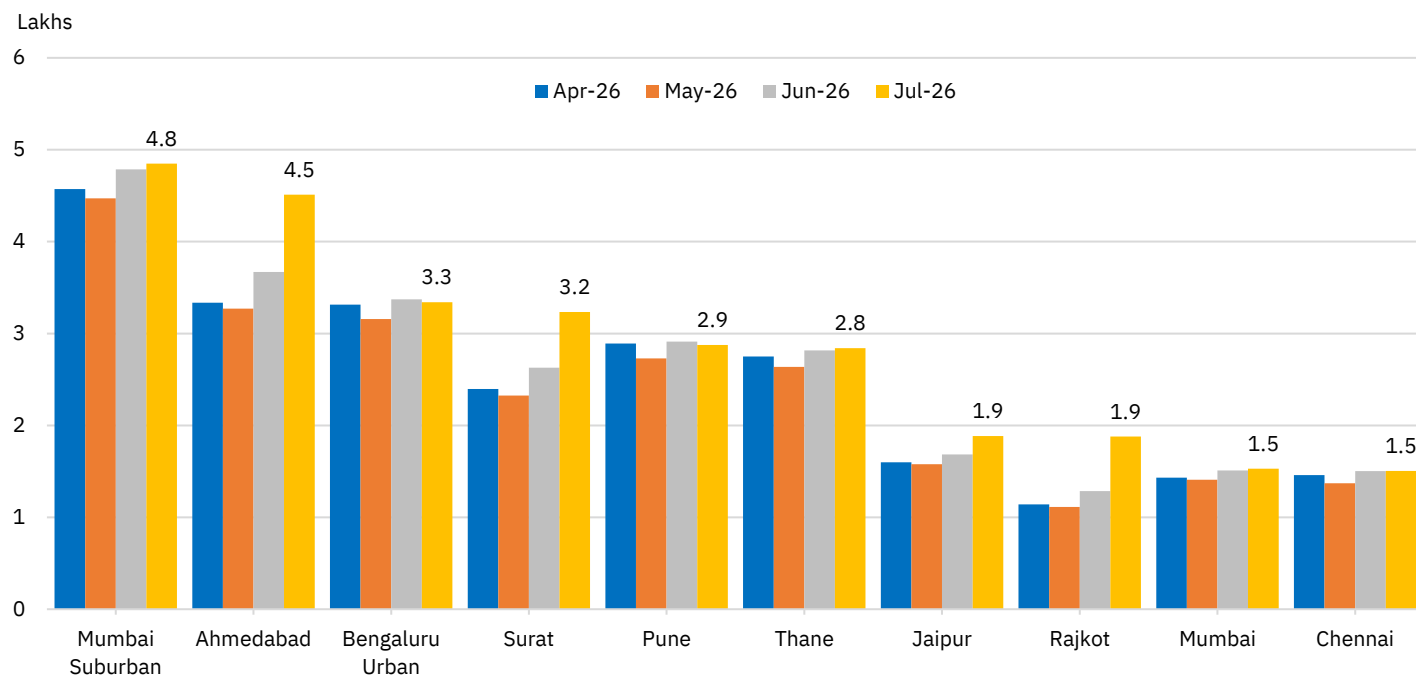
The top 10 districts in terms of active investors remained virtually unchanged from the previous month, apart from Rajkot replacing Kolkata in the top 10. Mumbai Suburban continued to lead in terms of individual investor participation during the month, with 4.8 lakh active investors (+1.3% MoM, 3.8% share of investors), followed by Ahmedabad with 4.5 lakh active investors (+22.9% MoM, 3.5% share of investors). Notably, all of the top 10 districts, apart from Bengaluru Urban (-0.9% MoM) recorded sequential increments in their individual investor participation during the month, with districts in Gujarat – especially Rajkot (+46.2% MoM, 1.9 lakh active investors), Surat (+23.1% MoM, 3.2 lakh active investors) and Ahmedabad recording the highest sequential increments in their active investor count. Notably, districts outside the top 50 accounted for ~51% of active investors in Jul'26.

Figure 434: Top 10 districts based on equity cash turnover of individual investors



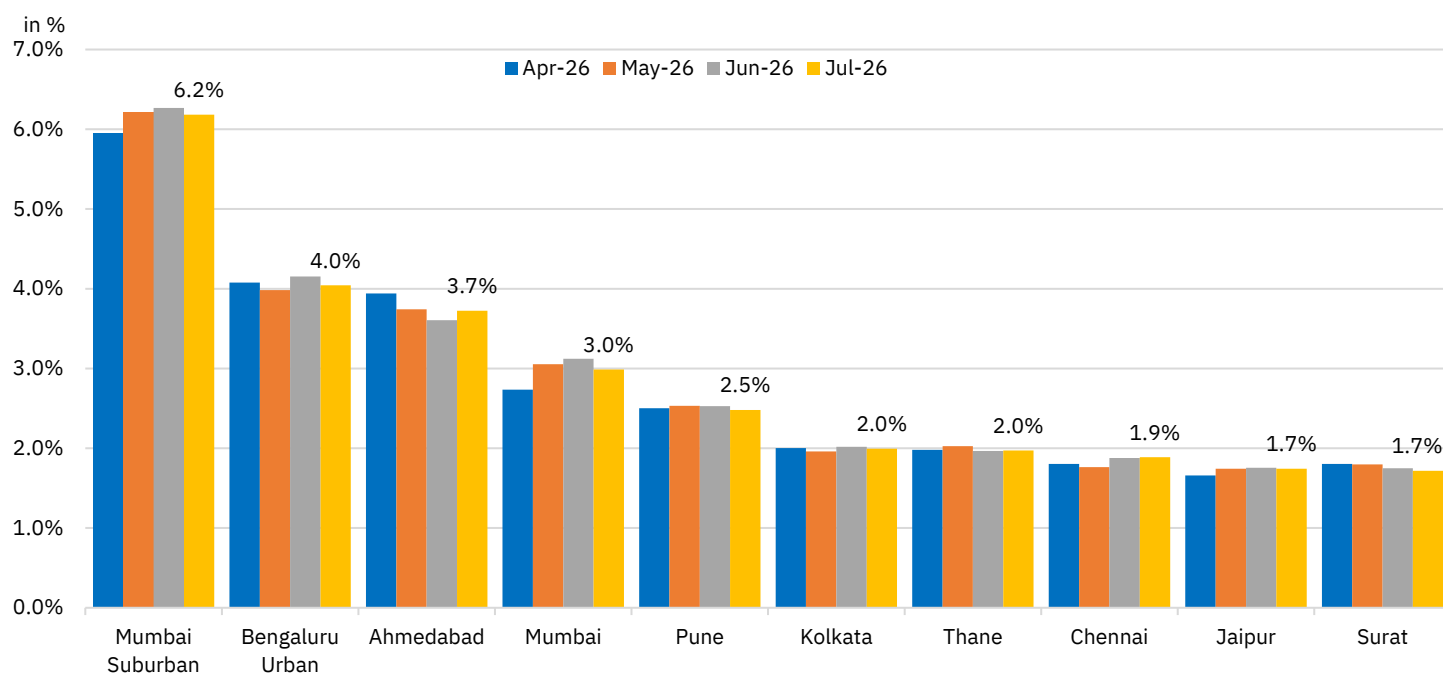
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 435: Top 10 districts based on individual investors participation in the equity cash market



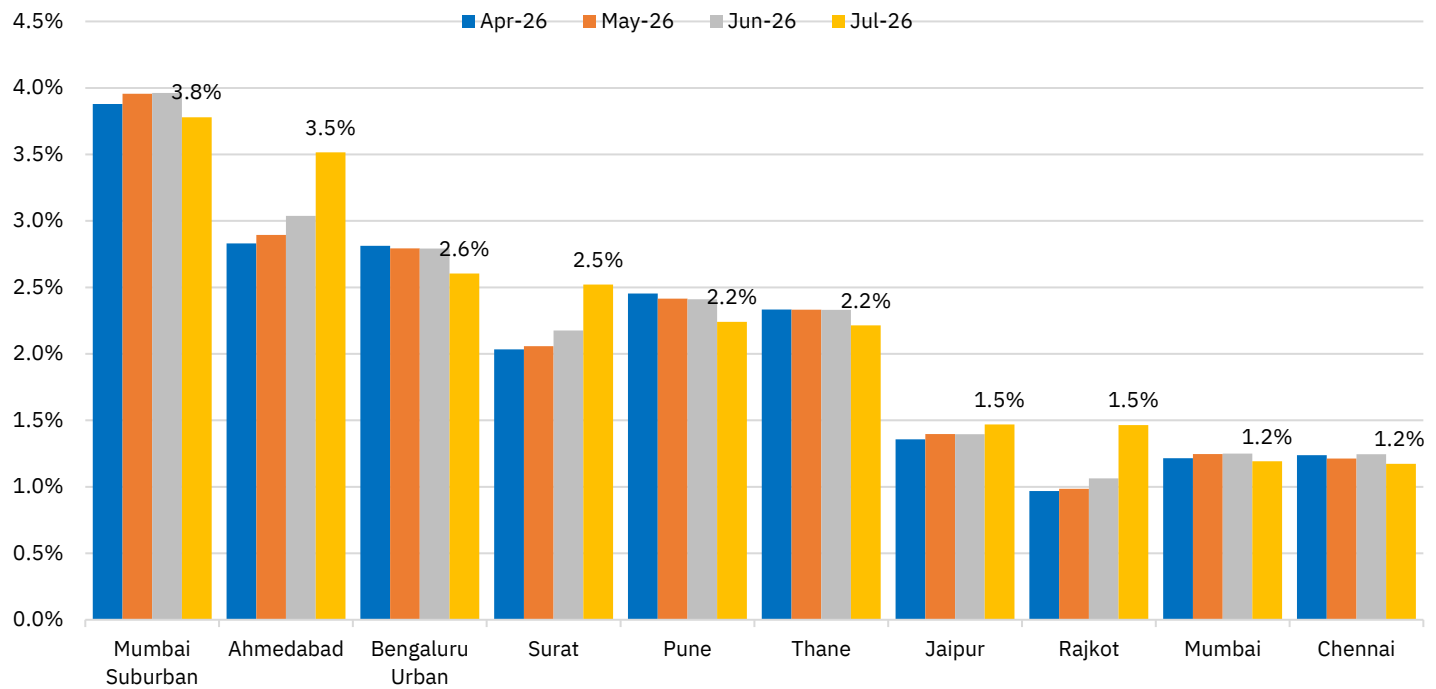
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest data.

Figure 436: 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 previous month's data.

Figure 437: 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 previous month's data.

Turnover of top traded securities during July 2026

Turnover of the top 10 securities in the CM segment increased in Jul'26: The combined turnover of the top 10 traded securities rose by a robust 13.3% MoM to Rs 3.50 lakh crore in July 2026 from Rs 3.09 lakh crore in June 2026, while the overall turnover of the CM segment witnessed a marginal decline from Rs 27.72 lakh crore to Rs 27.70 lakh crore. Their share in the overall CM segment turnover increased to 12.7% from 11.2%, an expansion of 149 bps, indicating a higher concentration of trading activity in the most actively traded securities despite overall market turnover remaining broadly unchanged.

The increase in aggregate turnover was primarily driven by sharp gains in select large-cap and mid-cap counters. A significant surge in Kalyan Jewellers India Ltd, along with strong growth in Eternal Ltd and Bajaj Finance Ltd, more than offset the decline in turnover across several heavyweight stocks, including Reliance Industries Ltd, State Bank of India, and Bharti Airtel Ltd. The rise in the top 10 securities' share of overall turnover suggests that trading activity became relatively more concentrated in a few actively traded stocks during the month. The rise in the top 10 securities' share of overall turnover indicates a greater concentration of trading activity among the most actively traded stocks during the month. However, despite the increase in the top 10 share, the share of the top 100 securities declined from 50.0% to 47.5%, suggesting that trading activity outside the very top securities became relatively more dispersed.

Among individual counters, Kalyan Jewellers India Ltd recorded the strongest growth in turnover, surging 753.4% MoM, followed by Eternal Ltd (+86.4%), Bajaj Finance Ltd (+17.4%), and Infosys Ltd (+3.0%). On the other hand, Reliance Industries Ltd witnessed the sharpest decline in turnover at 23.0% MoM, followed by State Bank of India (-19.6%), Bharti Airtel Ltd (-8.0%), Tata Consultancy Services Ltd (-3.3%), ICICI Bank Ltd (-2.4%), and HDFC Bank Ltd (-2.1%).

Table 120: Top 10 traded securities in NSE CM segment in July 2026

Securities Name	Jul-26	Jun-26	%Change
HDFC Bank Ltd.	58,247	59,483	(2.1)
Kalyan Jewellers India Ltd.	51,587	6,045	753.4
ICICI Bank	41,847	42,871	(2.4)
Infosys	37,628	36,520	3.0
Reliance Industries	35,199	45,687	(23.0)
Eternal	27,339	14,665	86.4
Bharti Airtel	25,918	28,184	(8.0)
Tata Consultancy Services Limited	25,414	26,289	(3.3)
State Bank of India	23,909	29,734	(19.6)
Bajaj Finance Ltd.	23,415	19,939	17.4
Top 10 scrips turnover	3,50,503	3,09,417	13.3
Total turnover	27,69,562	27,71,636	(0.1)
% share of Top 10 scrips	12.7	11.2	1.5 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 moderated across both stock futures and stock options in Jul'26:

In the stock futures segment, turnover of the top 10 contracts declined 2.9% MoM to Rs 5.08 lakh crore from Rs 5.23 lakh crore in Jun'26. Consequently, their share in overall stock futures turnover fell to 18.7% from 20.4%, indicating relatively broader trading activity across contracts despite a 5.8% MoM increase in overall turnover. Among the leading contracts, Eternal Ltd. recorded the highest growth in turnover (+36.8% MoM), followed by Axis Bank Ltd. (+19.6%), Infosys Ltd. (+16.8%), and Bajaj Finance Ltd. (+12.7%). On the downside, Bharti Airtel Ltd. (-26.4%), State Bank of India (-18.8%), and Reliance Industries Ltd. (-11.9%) registered the steepest declines.

In the stock options segment, premium turnover of the top 10 contracts increased 18.6% MoM to Rs 40,969 crore from Rs 34,532 crore in Jun'26. However, as overall premium turnover grew faster (27.2% MoM), the share of the top 10 contracts declined to 22.2% from 23.8%, indicating broader participation across contracts. Kalyan Jewellers India Ltd. recorded the highest growth in premium turnover (+961.9% MoM), followed by Bharat Heavy Electricals Ltd. (+102.0%), Dixon Technologies (India) Ltd. (+43.4%), and Infosys Ltd. (+27.6%). In contrast, BSE Ltd. (-51.7%), Reliance Industries Ltd. (-21.8%), and State Bank of India (-18.1%) recorded the sharpest declines.

Overall, trading activity in Jul'26 became more broad-based across both stock futures and stock options, as the share of the top 10 contracts in total turnover moderated despite healthy growth in overall market activity. The share of top 100 stocks remained broadly unchanged month-on-month at 74% and 81% respectively.

Table 121: Top 10 traded scrips in stock futures segment in July 2026

Securities (Rs lakh cr)	Jul-26	Jun-26	%Change
HDFC Bank Ltd.	87,155	98,020	(11.1)
Infosys Ltd.	72,230	61,839	16.8
ICICI Bank Ltd.	62,733	70,909	(11.5)
Reliance Industries Ltd.	59,548	67,595	(11.9)
TCS Ltd.	52,510	51,329	2.3
Axis Bank	40,768	34,072	19.6
Bajaj Finance Ltd.	35,871	31,822	12.7
State Bank of India	35,416	43,596	(18.8)
Eternal	31,675	23,150	36.8
Bharti Airtel Ltd.	29,757	40,455	(26.4)
Top 10 scrips turnover	5,07,662	5,22,788	(2.9)
Total stock futures notional turnover	27,15,449	25,66,887	5.8
% share of Top 10 scrips	18.7	20.4	(8.2)

Table 122: Top 10 traded scrips (premium turnover) in stock options in July 2026

Securities Name (Rs cr)	Jul-26	Jun-26	%Change
Kalyan Jewellers Ind Ltd.	6,667	628	961.9
TCS Ltd.	4,997	4,268	17.1
Infosys Ltd.	4,969	3,895	27.6
Reliance Industries Ltd.	4,701	6,008	(21.8)
HDFC Bank Ltd.	4,403	4,205	4.7
Dixon Technologies Ltd.	4,222	2,945	43.4
State Bank of India	2,908	3,552	(18.1)
Bharat Heavy Elect. Ltd.	2,857	1,414	102.0
BSE Ltd.	2,649	5,480	(51.7)
Maruti Suzuki India Ltd	2,597	2,136	21.6
Top 10 scrips turnover	40,969	34,532	18.6
Total stock futures notional turnover	1,84,352	1,44,900	27.2
% share of Top 10 scrips	22.2	23.8	(1.61)

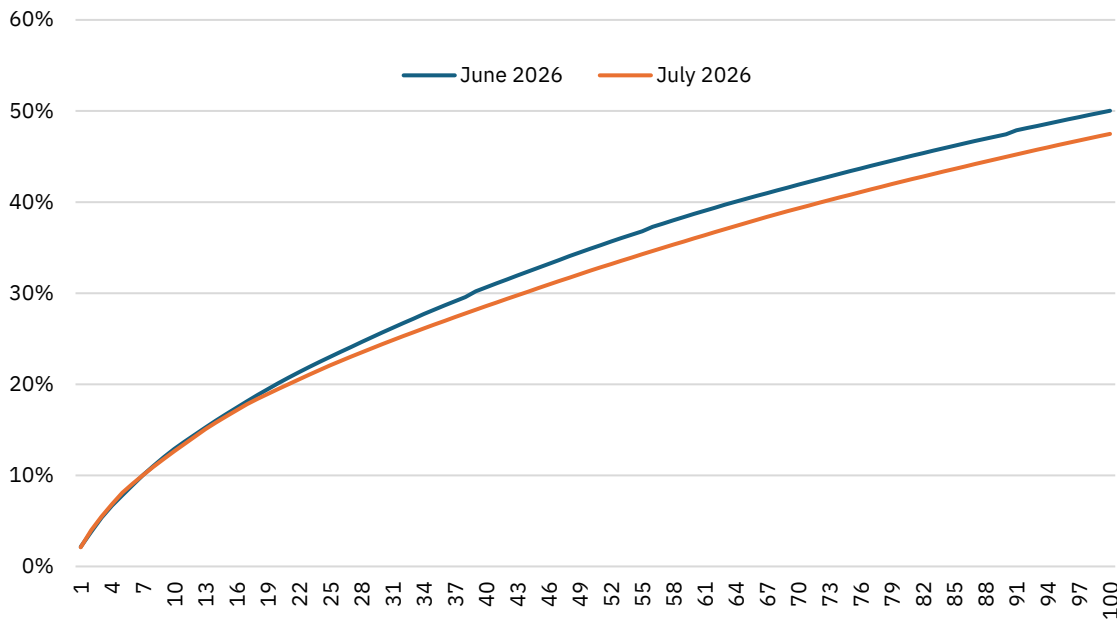
Source: NSE EPR.

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.

Figure 438: Share of top 100 securities in NSE's cash market turnover

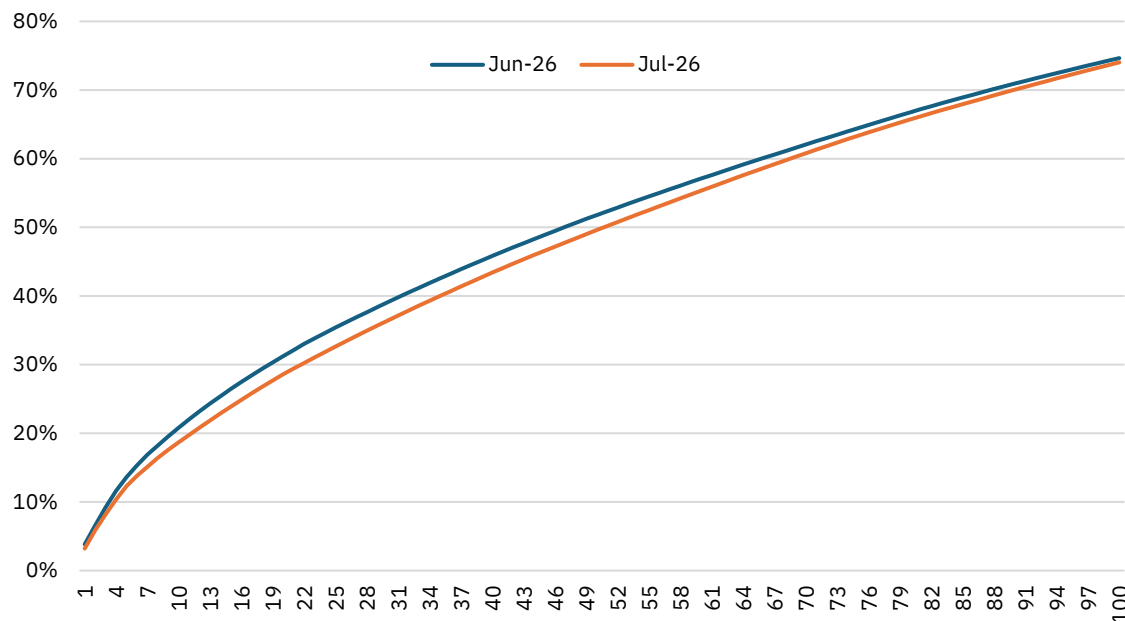
Share of top 100 securities in NSE's CM turnover



Source: NSE EPR.

Figure 439: Share of top 100 securities in NSE's equity futures' turnover

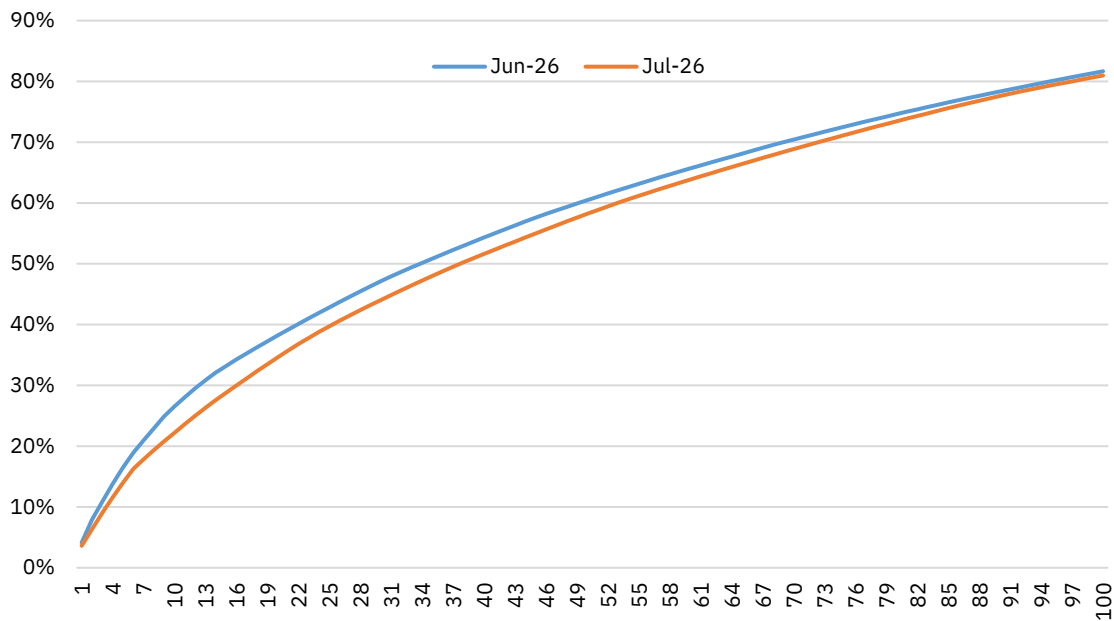
Share of top 100 securities in NSE's stock futures turnover



Source: NSE EPR.

Figure 440: Share of top 100 securities in NSE's equity options' turnover

Share of top100 securities in NSE's stock options turnover



Source: NSE EPR.

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Source: AMFI, NSE EPR. Data for 2026 is till June 2026

Trading activity in Electricity Futures

Marking its successful first year since launch of August 2025 Contract, the NSE ELECMBL Contract has established a powerful footprint. Across August 2025 contract to July 2026 contracts, NSE Electricity Futures recorded cumulative trading volume of **37,255 MUs** (equivalent to **7,45,104 Lots***) against spot market volumes of 73,946 MUs, resulting in a futures-to-spot volume ratio of **0.5**. 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, the cumulative turnover reached **Rs 14,289 crore**, highlighting sustained market interest and improving liquidity. NSE maintained a dominant **~70% 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 – July 2026 Contract

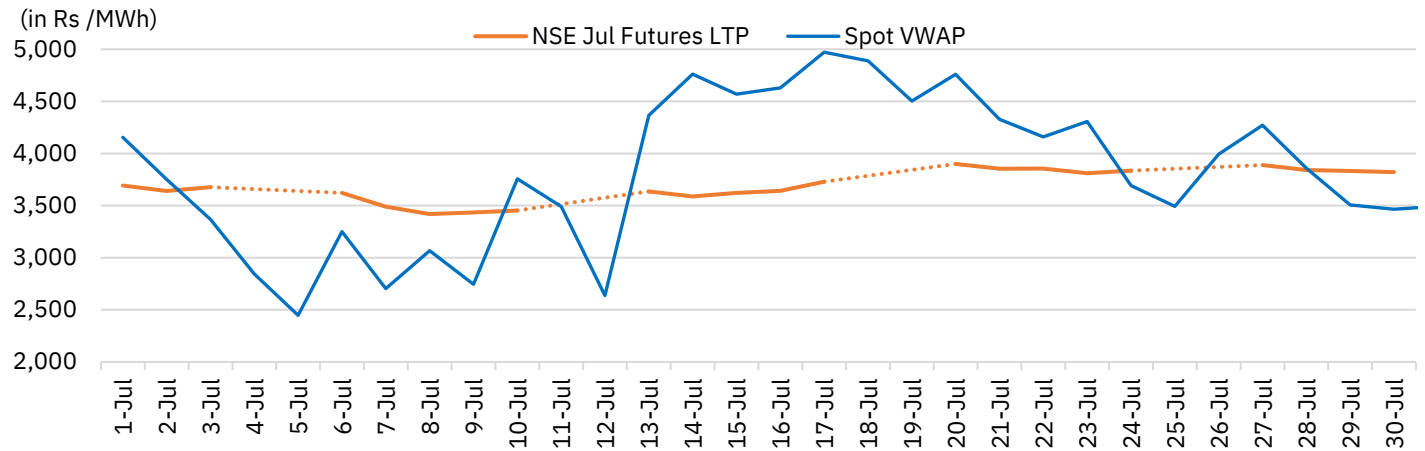
The July 2026 Electricity Futures contract generated aggregate turnover of **Rs 821 crore** and cumulative trading volume of **44,148 Lots**. This points to strengthening participation in the futures segment and a gradual progression in India's electricity market. The July 2026 Contract settled at Due Date Rate (DDR) of **Rs 3,814/MWh**. The average of daily LTP during the contract was **Rs 3,929/MWh**, demonstrating stable price behaviour despite intermittent volatility in the underlying spot market.

Trading activity remained robust throughout the contract, with the highest single-day trading volume of **2,527 Lots**. Open interest remained stable over the contract, with an average of **145 lots** and reaching a peak of **536 lots** on 07th July 2026. The cumulative Open Interest during the contract was **11,152 lots**, indicating continued growth in market participation and hedging activity.

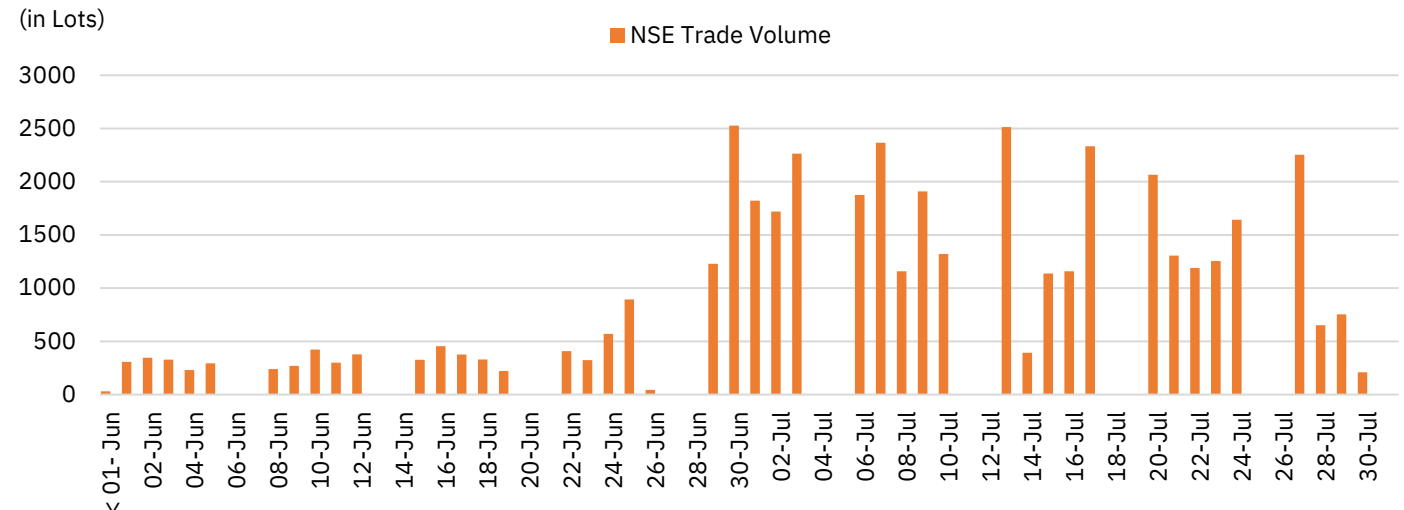
Overall, the July 2026 contract exhibited stable pricing and closer alignment with movements in the underlying spot market. The combined growth in trading volumes and open interest underscores strengthening market depth and operational robustness of NSE's electricity futures. With **~51% market share**, 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.

*(1Lot=50MWh)

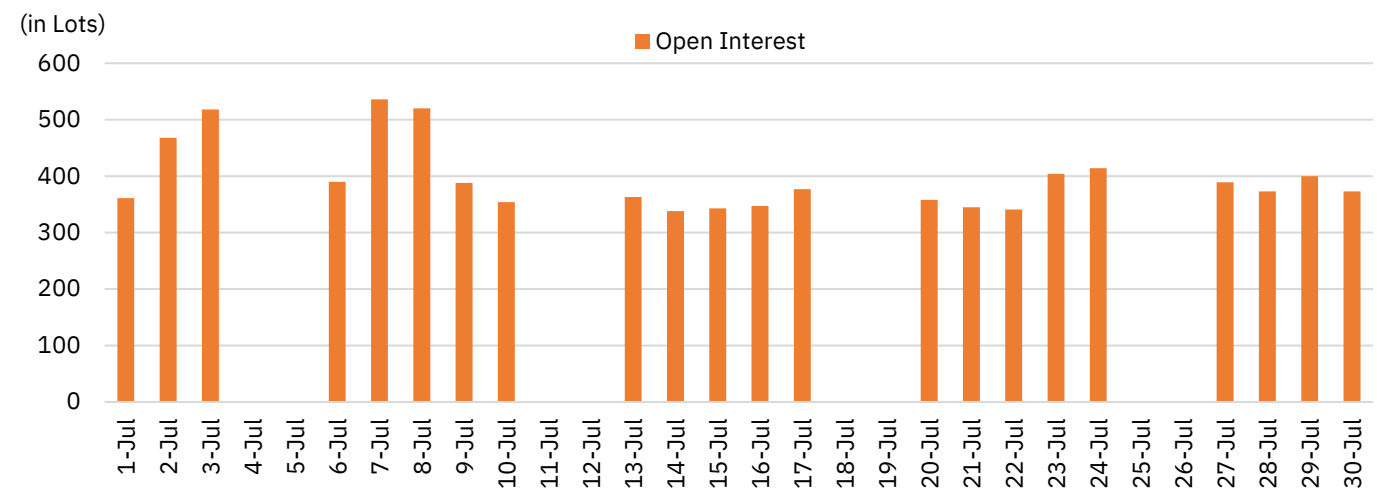
A detailed primer on this newly launched electricity futures product is provided below.

Figure 441: Comparison of Spot VWAP and NSE Electricity Futures LTP - July 2026 Contract


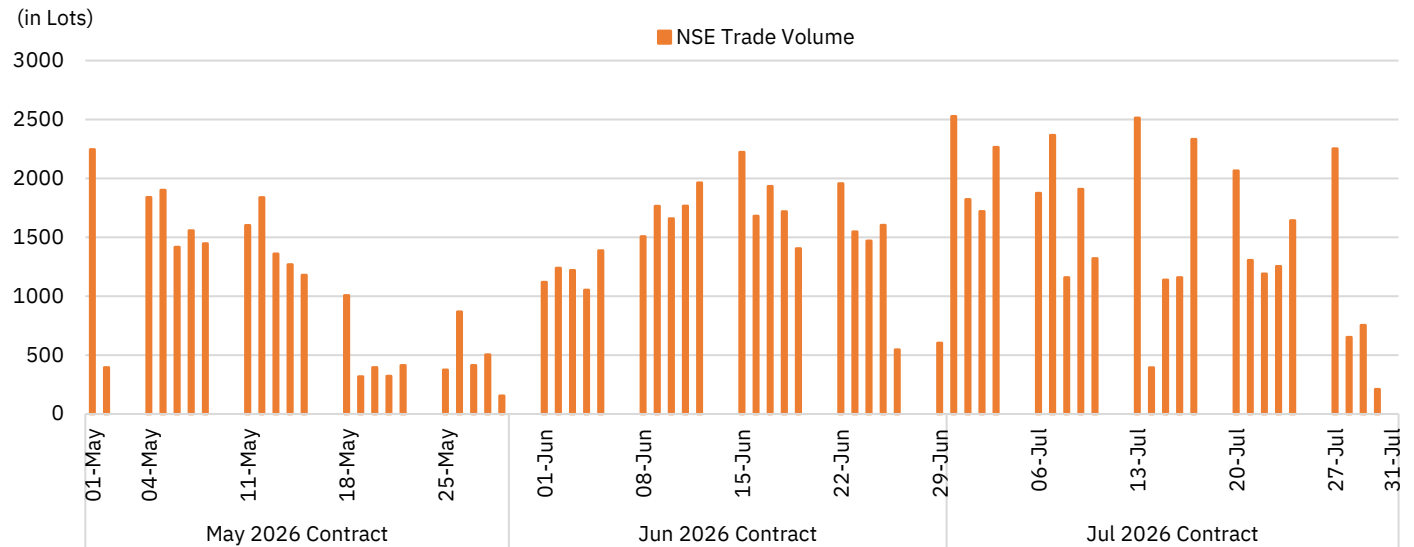
Source: NSE.

Figure 442: NSE Electricity Futures Trade Volume– July 2026 Contract


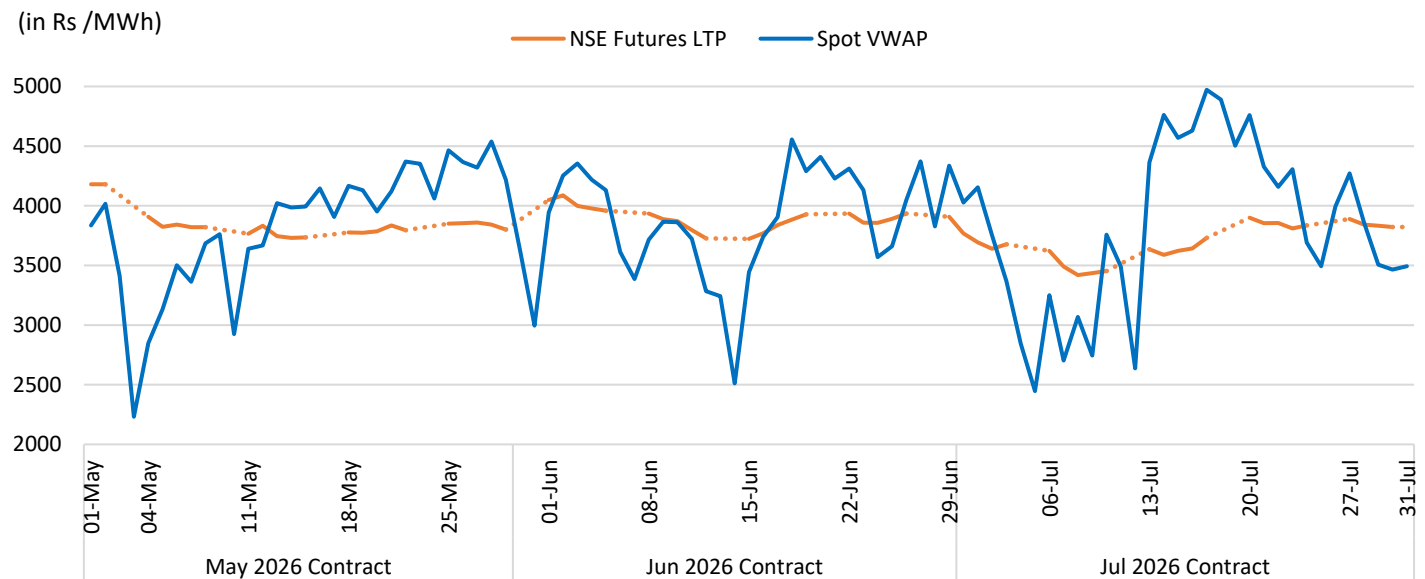
Source: NSE.

Figure 443: Daily Open Interest in NSE Electricity Futures – July 2026 Contract


Source: NSE.

Figure 444: NSE Electricity Futures Trade Volume (May'26 to Jul'26 contracts)


Source: NSE.

Figure 445: Comparison of Spot VWAP and NSE Electricity Futures LTP (May'26 to Jul'26 contracts)


Source: NSE.

Market Trade Metrics: August 2025 to July 2026



NSE ELECTRICITY FUTURES (ELECMBL) AUG 2025 TO JULY 2026 SNAPSHOT

Price Movement

Start (Aug Contract)	₹4430 /MWh
DDR (July 2026)	₹3814 /MWh
Futures Price	14% ↓
Spot VWAP	15% ↓

DDR



NSE Market Share ~ 70%

Volume:

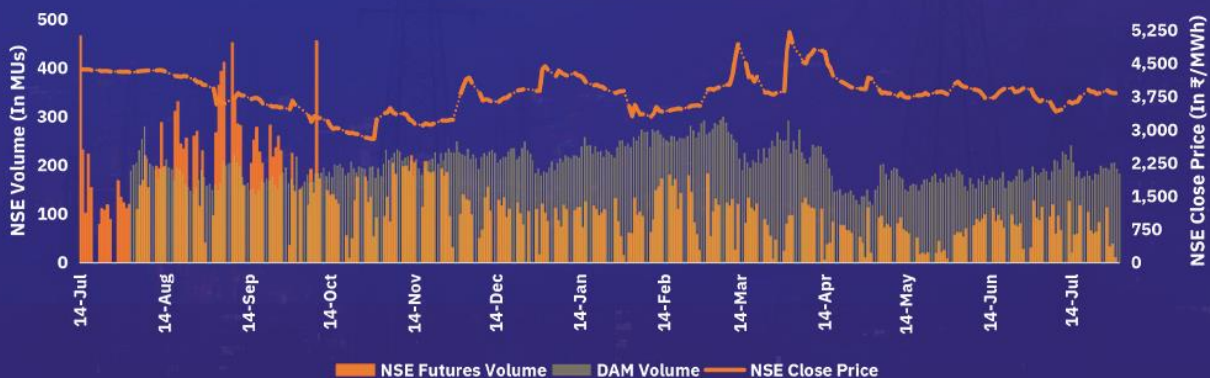
NSE Futures: 53% of DAM



Participation

7,45,104 Lots Traded
₹ 14,289 Cr Turnover

Volume & Price Trends



Primer: Electricity Futures Market

Why India needs Electricity Futures?

Electricity is a secondary energy carrier which is produced from primary sources including coal, natural gas, nuclear fuel, hydropower, solar radiation, and wind. What fundamentally distinguishes electricity from conventional commodities is a critical operational constraint: it cannot be economically stored at scale and must be consumed immediately upon generation. This real time equilibrium requirement, combined with transmission through interconnected power grids, demands continuous balancing of supply and demand. Electricity is classified as per voltage levels, frequency stability, generation source and delivery schedules. Given electricity's role as a vital input to economic activity and energy security, specialized trading instruments have been developed including electricity futures, that enable generators, distribution companies, industrial consumers, traders, and investors to manage price risk.

India is the world's 3rd largest producer and consumer of electricity. As of FY26, the nation has a total installed generation capacity of 5,23,740 MW. The Gross Energy Generation in the country for the year 2026-27 has been assessed as 2,040 BU.

Current short term market mechanisms including the Day Ahead Market (DAM), Term Ahead Market (TAM), and Real Time Market (RTM) facilitated trading of only 166 BU during FY26. Spot exchanges like IEX, PXIL, and HPX 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 play an integral role in risk management across mature markets. The European Union's EEX supports annual trading volumes exceeding 12,000 BU, representing more than 4 times the region's physical generation. Similarly, United States electricity derivatives markets exceed 3,000 BU in annual volume, allowing participants to hedge generation fluctuations and transmission constraints.

As India progresses toward achieving a net-zero energy future, renewable energy sources are expected to exceed 50% of the installed capacity by 2030. This structural shift will render power generation increasingly dependent on weather patterns and subject to intermittency constraints. Consequently, financial uncertainty will intensify, particularly for capital intensive projects with long investment horizons.

Given the substantial capital requirements, the absence of financial instruments such as electricity derivatives exposes these investments to significant market risks, encompassing sudden fluctuations in electricity prices, fuel costs, and demand patterns. In this context, electricity futures serve as a critical financial tool that enables market participants to hedge price risk, stabilize cash flows, and formulate informed long term investment decisions amid rising volatility.

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.

Regulatory Clarity: An enabler for Electricity Derivatives in India

A landmark regulatory milestone was achieved 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 ambiguity and paved the way for the introduction of structured financial instruments in India's power sector.

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 variability, and grid constraints—risks that cannot be effectively managed without 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 behaviour.
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.

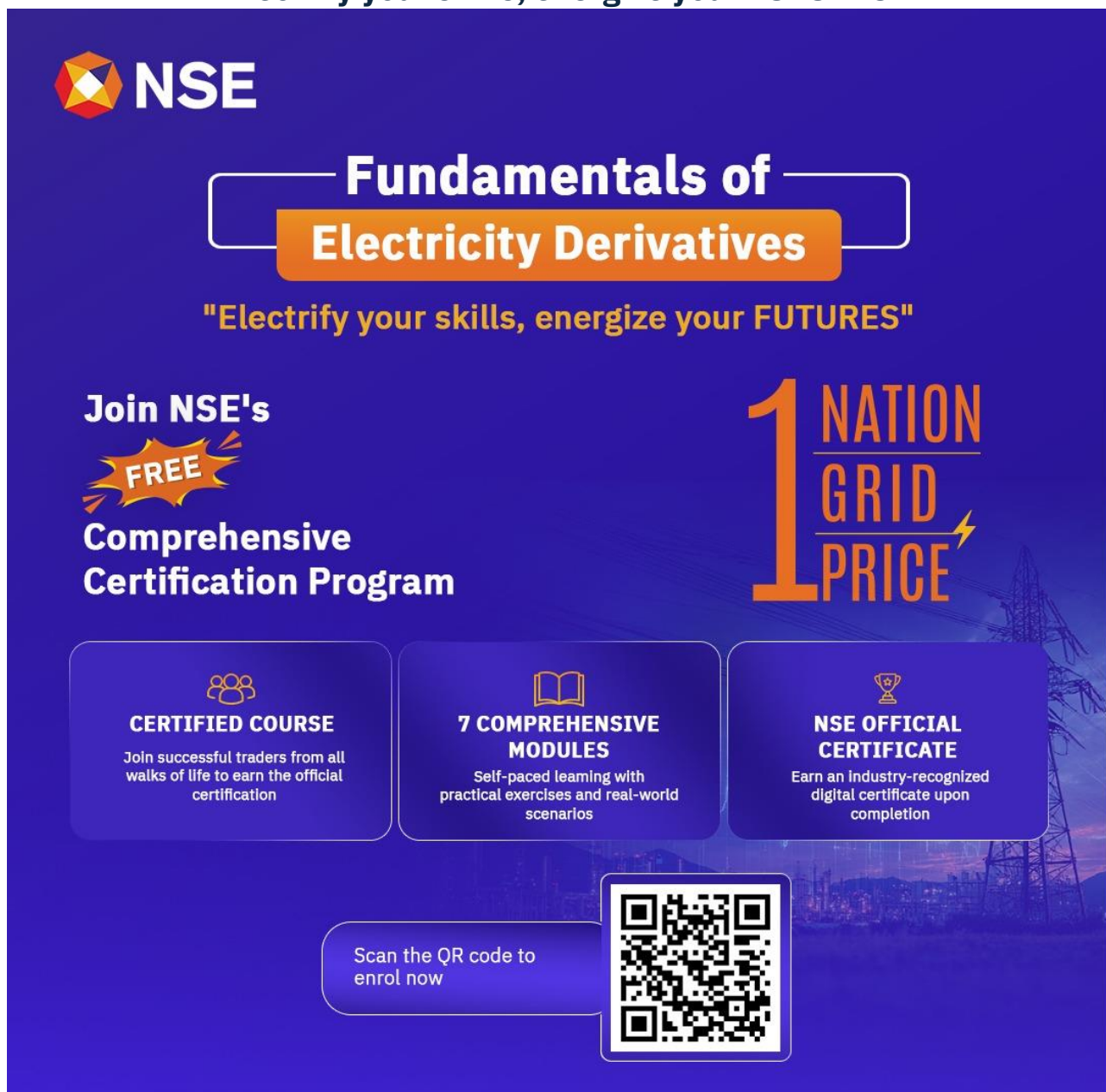
This course is accessible to anyone interested to develop in-depth understanding of the strategic applications of Electricity Derivatives.

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The banner features the NSE logo at the top left. The main title 'Fundamentals of Electricity Derivatives' is centered in a large, bold font, with 'Electricity Derivatives' highlighted in an orange box. Below the title is the tagline '“Electrify your skills, energize your FUTURES”'. On the left, it says 'Join NSE's FREE Comprehensive Certification Program'. On the right, there is a large graphic of '1 NATION GRID PRICE' with a lightning bolt. At the bottom, there are three boxes: '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), and 'NSE OFFICIAL CERTIFICATE' (Earn an industry-recognized digital certificate upon completion). A QR code is located at the bottom right, with a call to action 'Scan the QR code to enrol now' next to it.

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India's natural gas market: A new era of price discovery and risk management

Natural gas is becoming an increasingly important part of India's energy landscape. It is used across fertiliser production, city gas distribution, power generation, transport and several industrial sectors, making it an important source of energy for a growing economy. India is also looking to increase the role of natural gas in its energy mix, with a target to raise its share to 15% by 2030.

As the demand for natural gas grows, so does the need for a well-functioning market that provides transparent price discovery and efficient ways to manage price risk.

India's natural gas market, however, has a unique price dynamic. The country meets its gas requirements through a combination of domestic production and imported LNG. As a result, prices in India are influenced by global gas markets, but are also shaped by domestic factors such as supply and demand, pipeline availability, transportation and regional market conditions.

The gap in price-risk management

Globally, natural gas is traded against established benchmarks that reflect conditions in major regional markets. Henry Hub, for example, is the leading benchmark for natural gas in the United States, while JKM (Japan Korea Marker) is a key benchmark for spot LNG prices in Asia. Other regional benchmarks, such as TTF in Europe, also play an important role in global gas markets.

These benchmarks are important for India, but they represent prices discovered in markets outside India.

An Indian participant may therefore face a mismatch when using Henry Hub, JKM or another international benchmark to hedge a domestic gas-price exposure. The international benchmark captures movements in its underlying market, while the price of gas in India can also reflect domestic supply-demand conditions, LNG import costs, transportation and pipeline constraints, taxes and other India-specific market factors.

As India's natural gas market grows, a benchmark that reflects the price of gas in India becomes increasingly important.

A domestic market-based price signal

The development of the Indian Gas Exchange (IGX) has helped create the foundation for such a domestic price reference. IGX provides an organised platform for delivery-based trading of natural gas across multiple delivery points, allowing prices to be discovered through actual transactions in the Indian physical market.

This physical-market price discovery provides the basis for the Gas Index of India (GIXI). GIXI is derived from eligible transactions on IGX and provides a market-based reference for natural gas prices in India.

The importance of this development is that the price reference is no longer solely dependent on what is happening in international gas markets. It can also reflect what is happening in India's own physical gas market.

That creates the foundation for the next step: taking this domestic price signal into the futures market.

NSE Indian Natural Gas Futures

On 27 July 2026, NSE launched Indian Natural Gas Futures, introducing an exchange-traded futures contract linked to India's domestic natural gas market.

The INR denominated contract is cash settled and referenced to GIXI-Dahej and the IGX Gujarat (Dahej) delivery hub. It is quoted in Indian rupees per mmBtu on a GCV basis, has a trading unit of 250 mmBtu.

A key feature of the contract is its link to actual physical-market activity. The Final Settlement Price is determined using the monthly weighted average price of eligible actual deliveries traded on IGX (Dahej Hub) during the entire contract month.

This means that while the futures contract is cash settled, its settlement is ultimately grounded in actual eligible gas transactions in the Indian physical market.

The connection can be viewed simply:

Physical gas transactions → Domestic price discovery → NSE Indian Natural Gas Futures → Price-risk management

Benefits to the participants

For participants across India's gas value chain, the contract provides a dedicated instrument to manage exposure to domestic natural gas prices.

City Gas Distribution companies can use it to manage fluctuations in gas procurement costs. LNG importers and aggregators can manage domestic price exposure alongside their exposure to international LNG prices. Power generators, fertiliser manufacturers and other gas-intensive industries can use the futures market to manage uncertainty in an important input cost.

For traders and financial participants, the contract provides an INR denominated exchange-traded avenue to take or hedge positions based on an India-centric natural gas price.

Instead of relying only on international benchmarks such as Henry Hub or JKM and factoring in domestic differences, participants now have a futures contract whose settlement is linked to prices emerging from India's own physical gas market.

This can support more effective hedging, lower basis risk, greater price transparency and better visibility for commercial decision-making.

As India works towards increasing the role of natural gas in its energy mix, the ability to transparently discover and efficiently manage domestic gas prices will become increasingly important.

NSE Indian Natural Gas Futures marks an important step in that journey—bringing an India-centric natural gas benchmark to the exchange and providing market participants with a dedicated instrument to manage the price risk of natural gas in India.

Nifty India FPI 150 index: Methodology, investment universe and relevance

The Nifty India FPI 150 Index tracks 150 stocks selected from the Nifty 500 based on their six-month average foreign investible free-float market capitalisation, offering diversified exposure across key sectors of the Indian equity market.

Sector and constituent profile

Financial Services is the largest sector at 25.59%, followed by Oil, Gas & Consumable Fuels (9.84%), Information Technology (8.43%), Healthcare (7.73%) and Automobile & Auto Components (7.70%).

The top constituents include Reliance Industries (6.66%), HDFC Bank (4.83%), Bharti Airtel (4.52%), ICICI Bank (4.32%) and Infosys (2.99%).

Performance and index review

The index has delivered a 1-year annualised volatility of 13.83% and a since-inception annualised volatility of 13.52%. Its 1-year correlation with the Nifty 50 stands at 0.98, while the since-inception correlation is 0.97. The index is reviewed and rebalanced quarterly in March, June, September and December. The index has a base date of October 03, 2022, with a base value of 1,000.

Economic purpose

a) Market diversification

Constructed from the broader Nifty 500 universe, the index selects the top 150 stocks based on foreign investible free-float market capitalisation. Its broad-based composition provides diversified exposure across key sectors, including Financial Services, Oil, Gas & Consumable Fuels, Information Technology, and Automobile & Auto Components, supporting balanced representation of the Indian equity market.

b) Protection against market risk

Futures and options on the Nifty India FPI 150 can be used by investors to hedge market exposure and manage portfolio risk. The index also facilitates portfolio diversification and efficient exposure to the Indian equity market, supporting operational efficiency and cost optimisation.

c) Alignment with global benchmarks

With India accounting for a significant weight in global emerging-market benchmarks, derivatives on a comparable investible index provide investors with a globally relevant avenue to participate in, hedge and manage exposure to the Indian equity market.

Derivatives on the Nifty India FPI 150 Index

Derivatives on the Nifty India FPI 150 Index were launched on August 12, 2026, under the symbol NIFTYFPI. The contracts comprise monthly futures and monthly European Call and Put Options, with expiry on Tuesday. Three serial monthly contracts are available, with a lot size of 1,100.

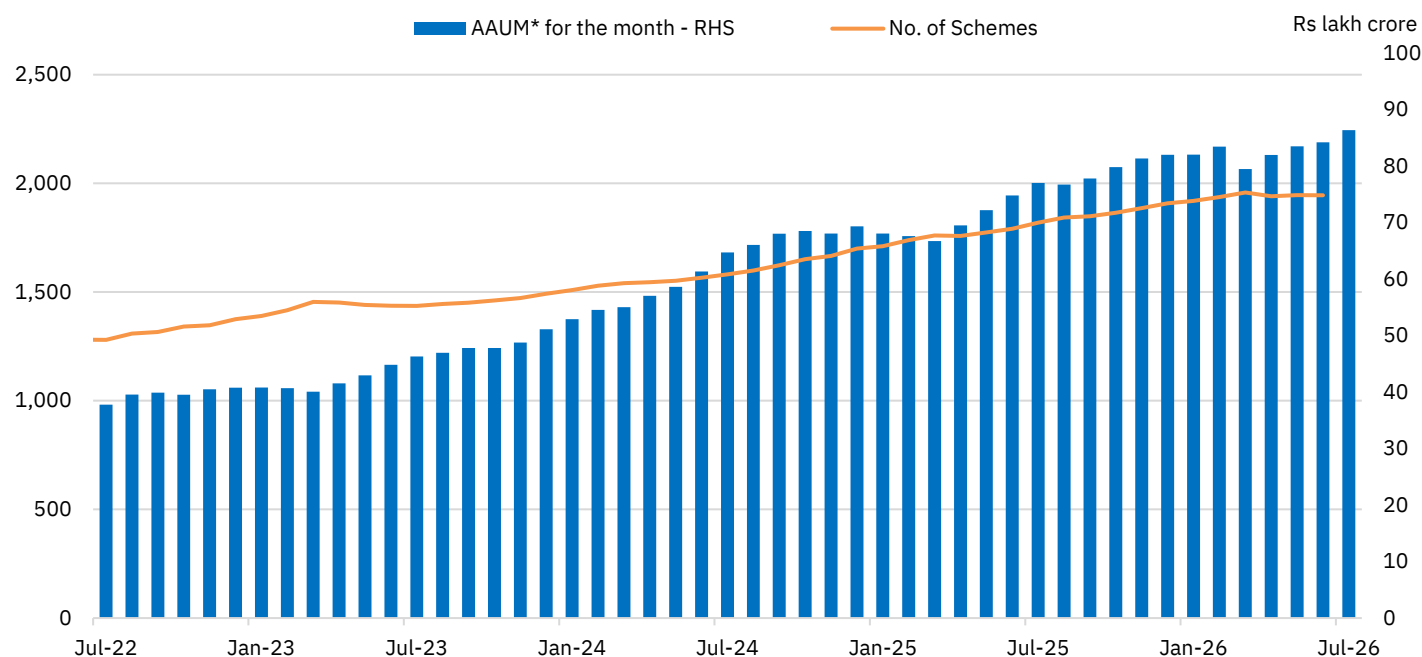
The Nifty India FPI 150 can be used for portfolio benchmarking and as an underlying for index funds, ETFs and structured products, while its derivatives provide an additional avenue for managing equity market exposure.

Investment through mutual funds in India

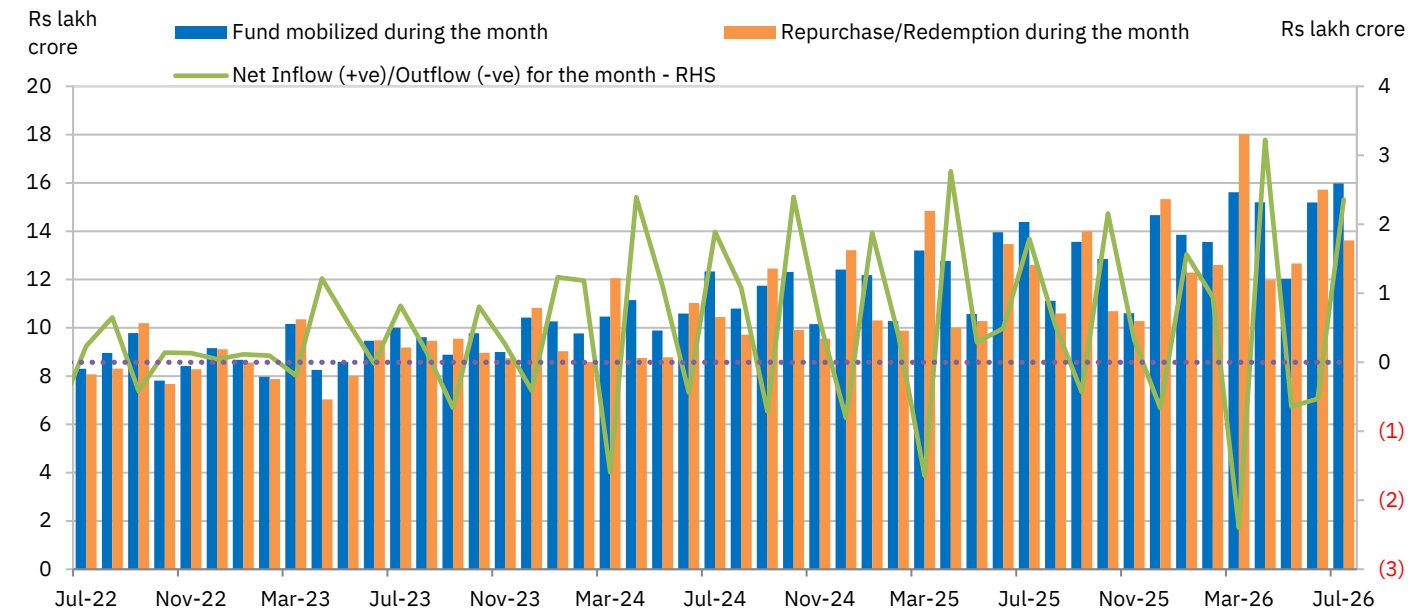
A new record with average assets at over Rs 86 lakh crore...: Mutual fund industry's average assets under management (AAUM) continued to grow for the fifth consecutive month, reaching a fresh record high of Rs 86.3 lakh crore (+2.6% MoM). The gains have been primarily driven by mark-to-market gains and positive flows across key categories. Equity flows remained buoyant amid improved market sentiments aided by easing crude oil prices, onset of the corporate earnings season for Q1-FY27 and resilient domestic macroeconomic fundamentals. On the other hand, following sizeable cumulative outflows of nearly Rs 2 lakh crore during May–June, the debt segment witnessed a sharp reversal in July, recording inflows of Rs 1.9 lakh crore, largely directed towards short-duration funds. The MF investors added 22.7 lakh net folios in July, taking the total MF folios count to Rs 28.1 crore, of which equity funds remained the largest contributor, accounting for nearly two-third of the total folios.

...led by debt inflows even as equity flows moderated: After two consecutive months of outflows exceeding Rs 1 lakh crore, the mutual fund industry witnessed a sharp reversal in July, recording net inflows of Rs 2.4 lakh crore, largely driven by the debt segment. Equity funds also remained in positive territory, attracting Rs 24,697 crore and extending their run of net inflows to the 65th consecutive month. Flows in the equity segment were driven by small-cap funds (Rs 7,768 crore), followed by mid-cap funds (Rs 6,192 crore) and flexi-cap funds (Rs 4,709 crore), cumulatively accounting for over three-fourths of the total inflows. Within the debt segment, liquid funds attracted the highest inflows of nearly Rs 1.2 lakh crore, as investors redeployed surplus funds into these schemes following advance tax payments in June. Flows into gold and silver ETF schemes have sharply moderated by 55% and 70% MoM respectively as investors have turned cautious as commodity prices had recently scaled elevated levels.

Figure 446: Monthly trend of total MF schemes and average AUM



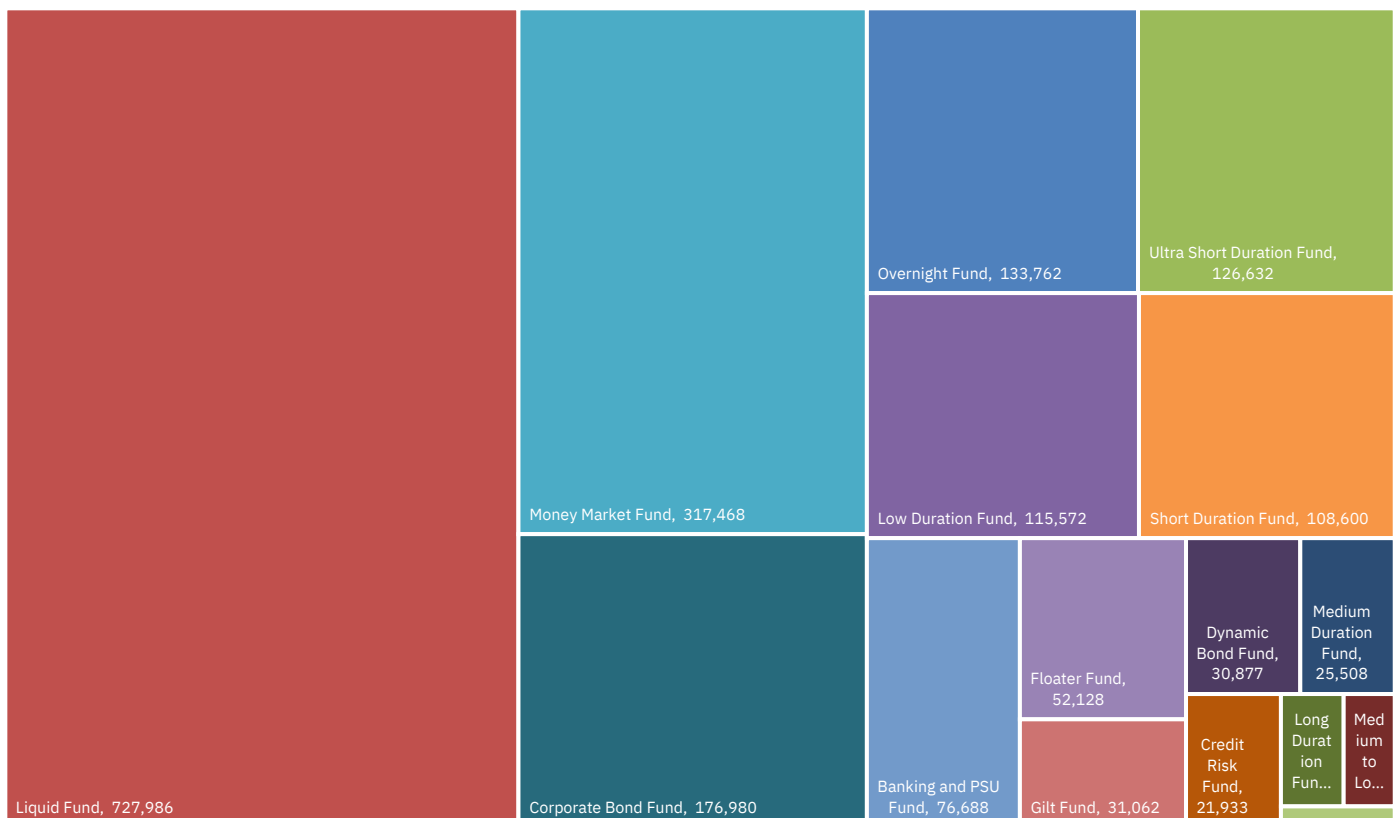
Source: AMFI, NSE EPR. *AAUM-Average Assets under Management.

Figure 447: Monthly trend of total investment through mutual funds


Source: AMFI, NSE EPR.

Figure 448: Category-wise AUM of open-ended debt schemes

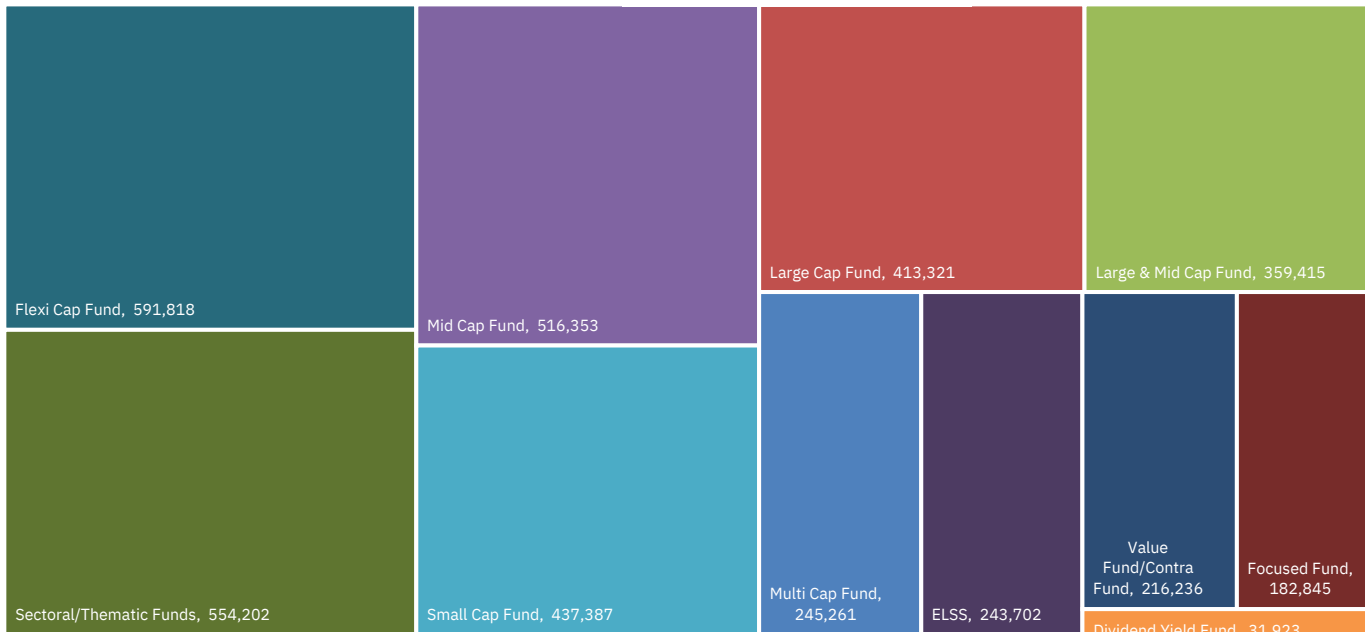
AUM (Rs crore) – July 2026



Source: AMFI, NSE EPR.

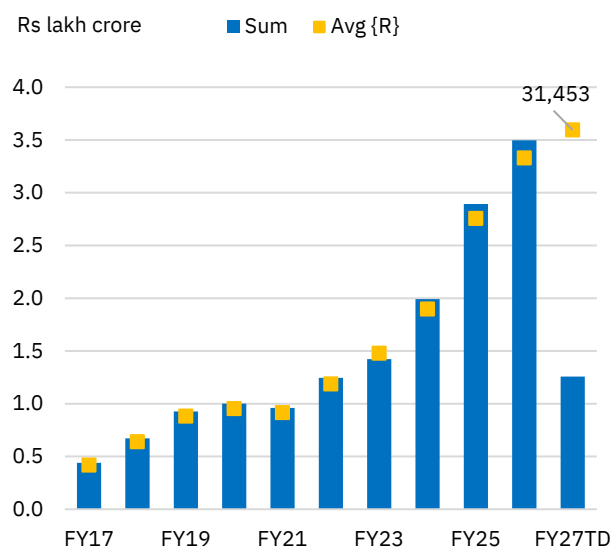
Figure 449: Category-wise AUM of open-ended equity schemes

AUM (Rs crore) – July 2026



Source: AMFI, NSE EPR.

SIP monthly flows have peaked at little above Rs 30k crore: Monthly SIP contributions remained elevated at Rs 31,961 crore in July, staying above the Rs 30,000 crore mark for the fifth consecutive month. After touching a record Rs 32,087 crore in March 2026, monthly contributions have broadly remained range bound. Cumulative SIP contributions during the first four months of FY27 stood at Rs 1.3 lakh crore, registering a healthy 15.4% YoY growth. Reflecting the sustained pace of investor participation, SIP assets crossed Rs 18 lakh crore for the first time, reaching Rs 18.2 lakh crore as of July 2026 and accounting for 21.1% of the mutual fund industry's overall assets.

Figure 450: Trends in annual SIP contribution


Source: AMFI, NSE EPR Notes: 1) Data for FY27TD is till July 2026

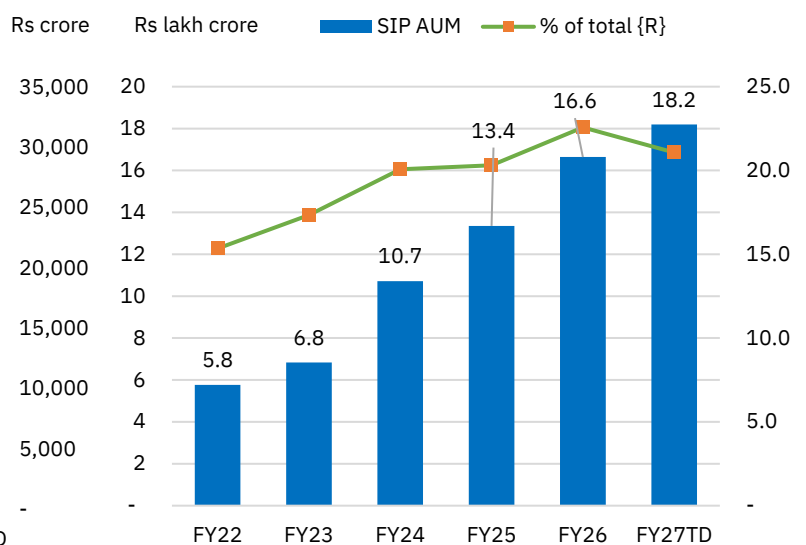
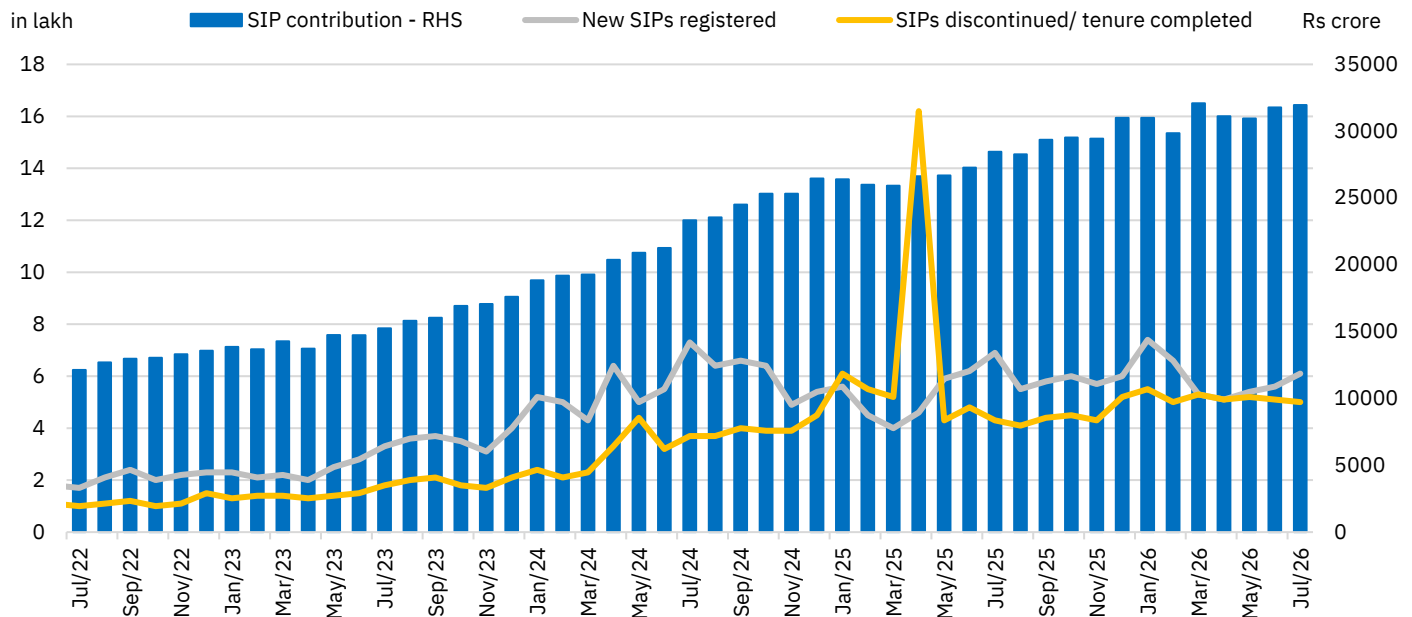
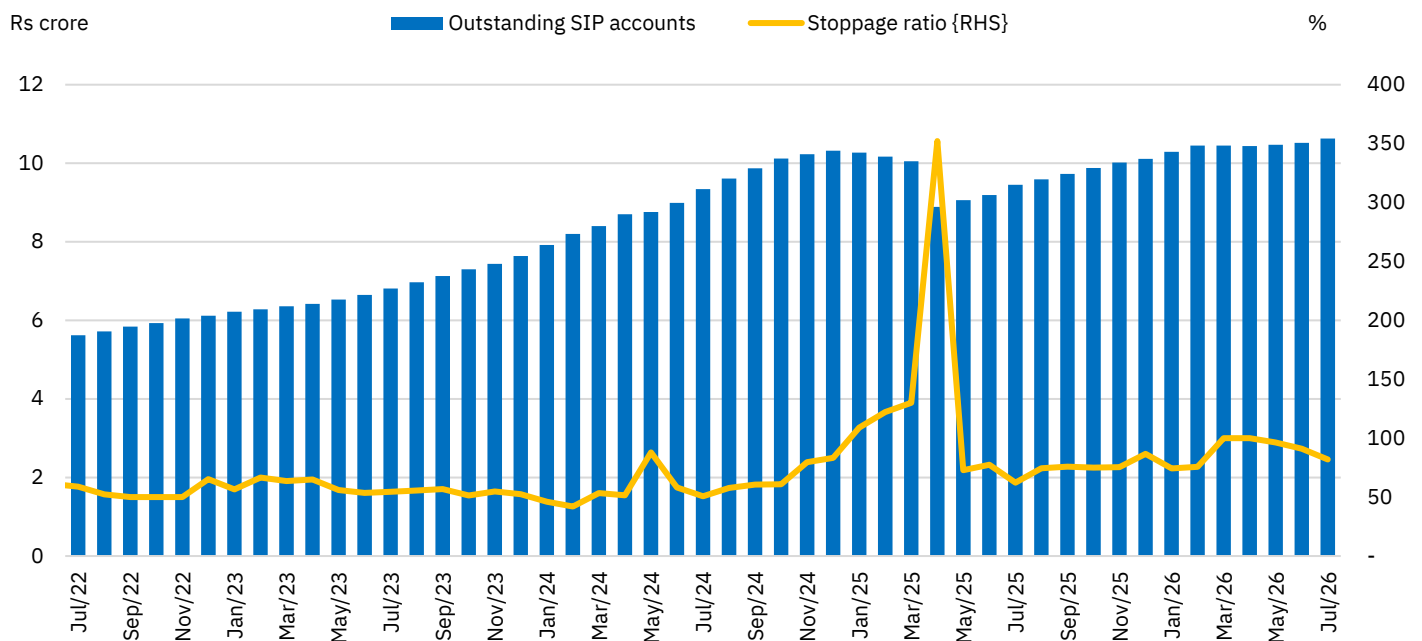
Figure 451: Trends in SIP AUM


Figure 452: Monthly trend of SIP contribution, SIP registered and discontinued


Source: AMFI, NSE EPR.

Figure 453: Monthly trend of outstanding SIP accounts and stoppage ratio


Source: AMFI, NSE EPR.

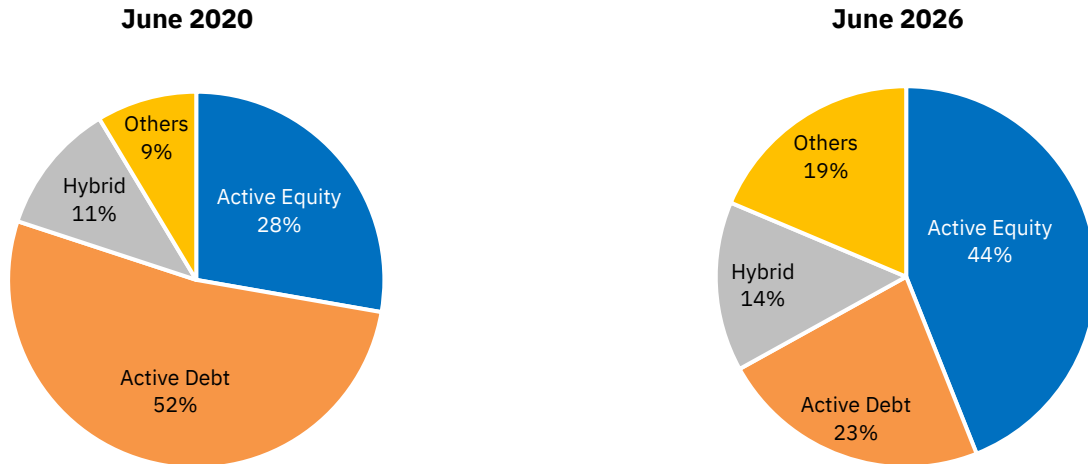
Equity and hybrid AAUM scale fresh highs in July: After moderating in March'26, average equity AUM has risen steadily to a fresh record of Rs 48.5 lakh crore in July, accounting for 56% of the mutual fund industry's overall AAUM. Active equity schemes constituted nearly 78% of equity AAUM and registered a robust 13.3% YoY growth, with their share in overall industry AAUM reaching 44%. Within open-ended equity schemes, flexi-cap funds accounted for the largest share of assets at 15.6%, followed by thematic funds (14.6%), mid-cap funds (13.6%) and small-cap funds (11.5%); together, these four categories accounted for more than 55% of equity AUM.

In contrast, debt fund AAUM, which accounts for around one-fourth of overall industry assets, declined 0.4% YoY to Rs 21.7 lakh crore, primarily reflecting a sharp contraction in passive debt funds, while growth in active debt assets remained broadly subdued. The composition of industry assets has also shifted materially over the past six years, with the share of active debt funds declining from nearly 52% in July 2020, even as the shares of active equity and hybrid funds increased by 16pp and 3pp, respectively, to 44% and 14.4% in July 2026. Hybrid funds continued to see healthy growth, with AAUM rising 2.2% MoM and 17.2% YoY to a record Rs 12.4 lakh crore.

Table 123: Monthly trend of average AUM of mutual funds across categories

Rs crore	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	% share
Total MF AUM	83,42,617	79,46,028	81,94,396	83,46,579	84,18,486	86,33,798	100.0
Equity	45,74,637	43,12,193	44,90,875	46,33,871	47,01,606	48,53,236	56.2
Active	35,64,144	33,57,484	34,93,683	36,16,853	36,73,148	37,96,469	44.0
Passive	10,10,493	9,54,709	9,97,192	10,17,018	10,28,458	10,56,767	12.2
Index funds	2,18,984	2,08,060	2,23,313	2,33,115	2,36,726	2,43,267	2.8
Domestic	2,12,143	2,01,297	2,16,171	2,25,127	2,28,689	2,35,237	2.7
International	6,842	6,763	7,142	7,988	8,036	8,029	0.1
ETFs	7,91,509	7,46,649	7,73,879	7,83,903	7,91,732	8,13,501	9.4
Domestic	7,74,489	7,29,735	7,55,891	7,63,447	7,71,209	7,93,155	9.2
International	17,020	16,914	17,988	20,456	20,523	20,345	0.2
Debt	22,05,009	21,14,130	21,69,048	21,33,381	21,30,206	21,73,240	25.2
Active	20,03,369	19,12,431	19,66,574	19,44,298	19,42,006	19,84,324	23.0
Passive	2,01,640	2,01,699	2,02,474	1,89,083	1,88,200	1,88,917	2.2
Index funds	1,02,198	1,03,204	1,04,351	96,240	94,607	92,891	1.1
Domestic	1,02,198	1,03,204	1,04,351	96,240	94,607	92,891	1.1
ETFs	99,441	98,496	98,123	92,843	93,593	96,026	1.1
Hybrid	11,95,277	11,57,565	11,73,237	11,98,257	12,17,191	12,43,311	14.4
Others*	3,67,694	3,62,139	3,61,236	3,81,071	3,69,482	3,64,011	4.2

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 454: Share of overall mutual fund AUM across asset classes


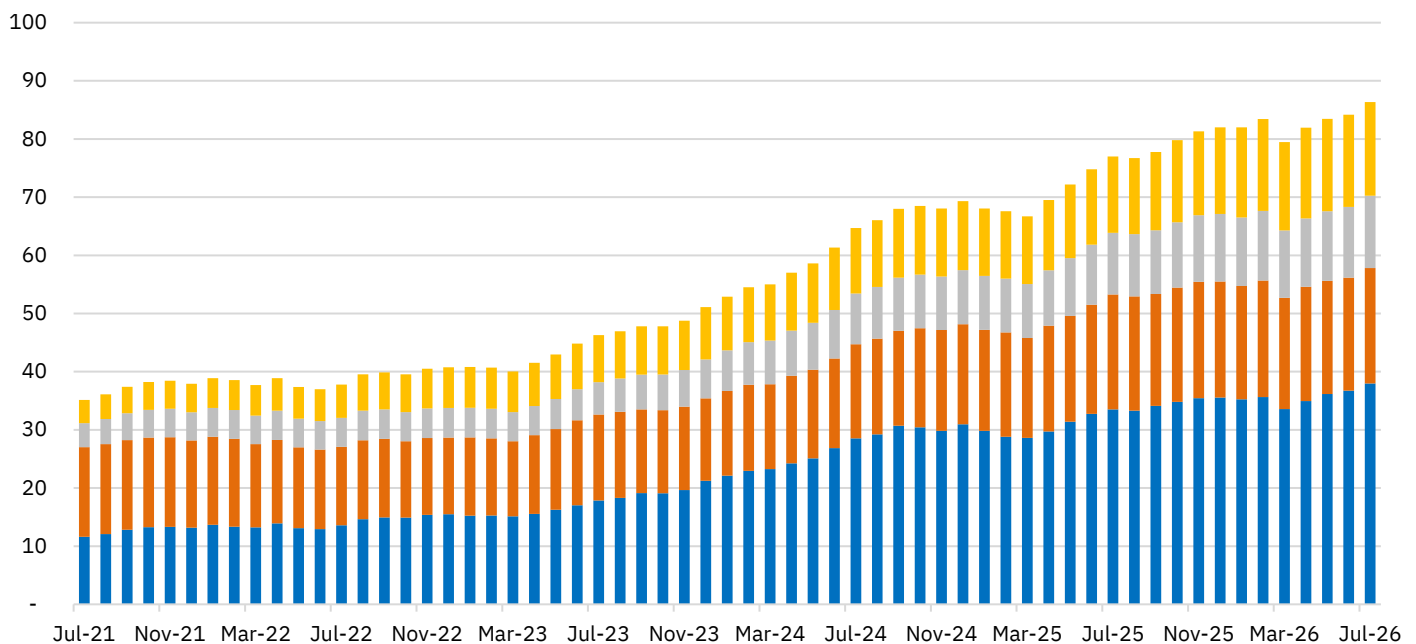
Source: CMIE Economic Outlook, AMFI, NSE EPR

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 455: Category-wise mutual fund AUM split*

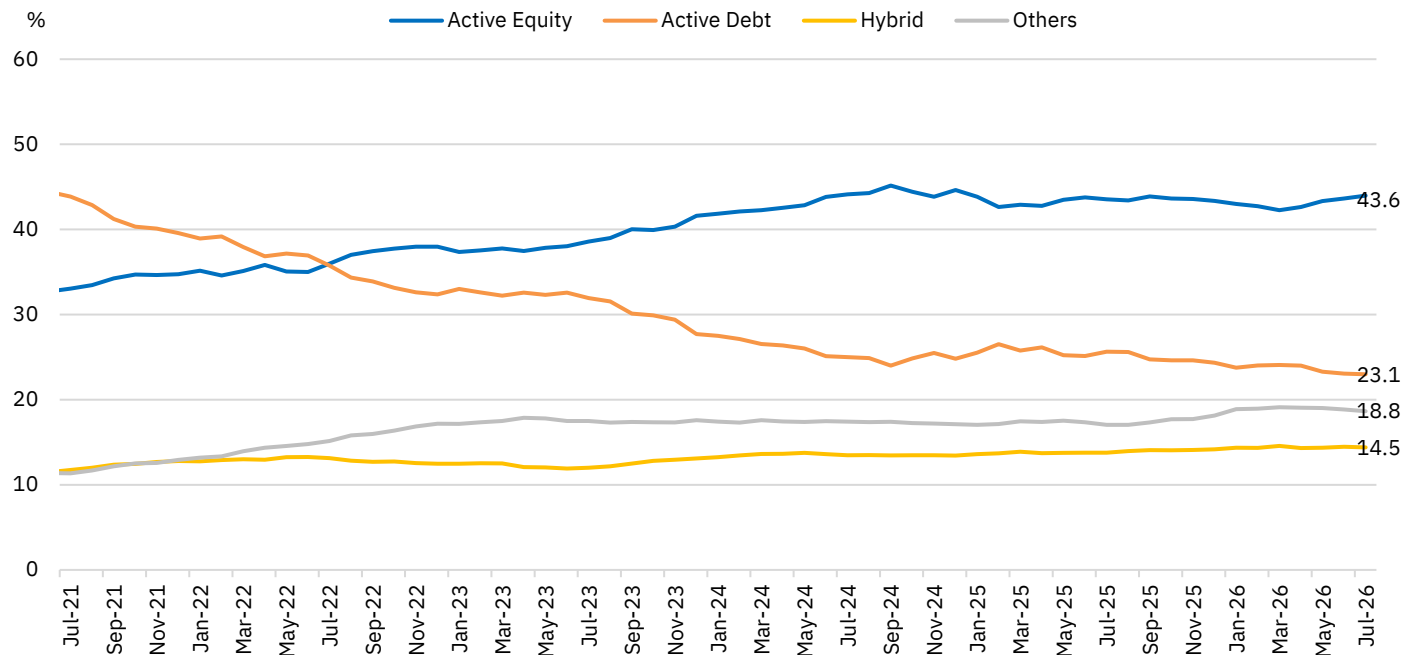
Rs lakh crore

■ Active Equity ■ Active Debt ■ Hybrid ■ Others



Source: CMIE Economic Outlook, AMFI, NSE EPR.

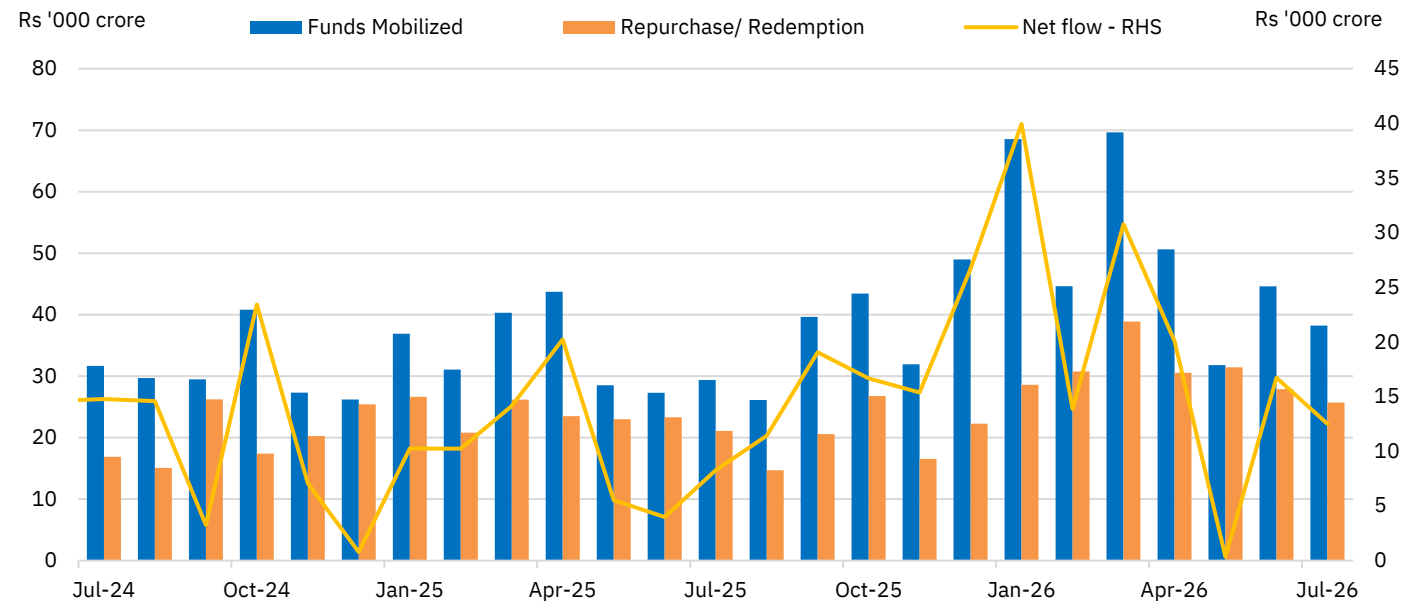
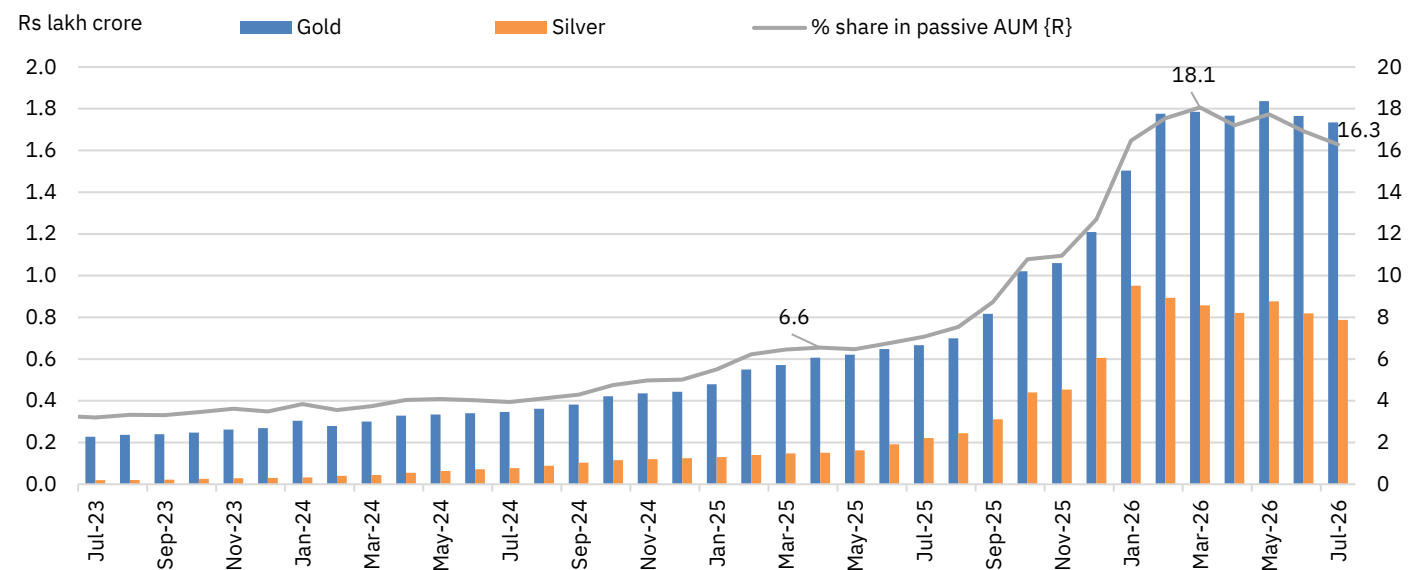
Note: 1) Equity and debt funds include both actively and passively managed funds. *Others include Index funds, ETFs, solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Figure 456: Category-wise share in mutual fund AUM*


Source: CMIE Economic Outlook, AMFI, NSE EPR.

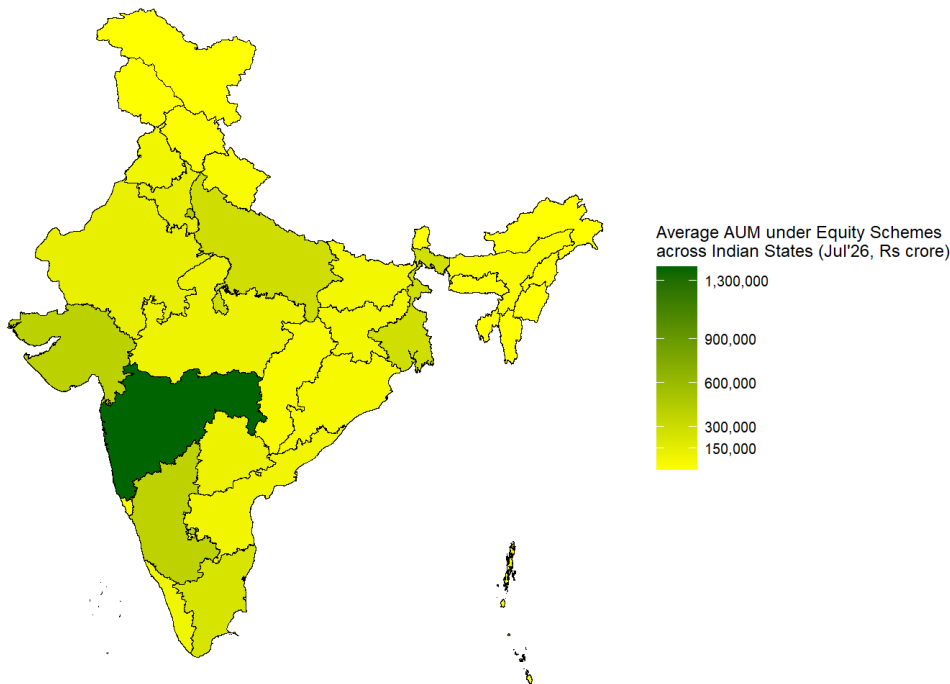
Note: 1) Equity and debt funds include both actively and passively managed funds. *Others include Index funds, ETFs, solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Passive funds have registered strong growth to scale record high AAUM level: Passive funds, which accounted for nearly 18% of the mutual fund industry's overall AAUM in July, rose to a fresh record of Rs 15.5 lakh crore, registering a strong 23.3% YoY growth. The expansion over the past year was led primarily by equity passive funds, with AAUM of Rs 10.6 lakh crore, accounting for nearly 68% of total passive assets, alongside robust growth in gold and silver ETFs, whose assets increased by 160% YoY and 256% YoY, respectively. Consequently, the combined share of gold and silver ETFs in passive AAUM rose sharply from 3.2% in July'23 to 16.3% in July'26, though it moderated from a peak of 18.1% in March'26. More recently, AAUM in both gold and silver ETFs has softened from its earlier highs, reflecting the correction in underlying commodity prices and some normalisation in investor appetite, resulting in moderation in fresh flows and intermittent outflows. Overall passive fund net inflows moderated 25.2% MoM to Rs 12,517 crore in July, primarily due to lower flows into domestic equity-oriented ETFs and silver ETFs. Nevertheless, cumulative inflows during the first four months of FY27 remained robust, rising 30.7% YoY to Rs 49.6 thousand crore.

Figure 457: Monthly trend of average AUM of passive mutual funds across categories

Figure 458: Monthly trend of gold and silver ETF AAUM


Top five states account for three-fifth of the equity AAUM: Equity AAUM of the top five and ten states in India account for 60% and 79% of the equity AAUM in July 2026. Maharashtra accounted for ~29% of the equity AAUM followed by New Delhi (9.2%) and Gujarat (8.3%). On a YoY basis, New Delhi has witnessed a noteworthy spike of 35% YoY in equity AAUM while most of the top 10 states have registered a sequential growth of over 2% MoM in July 2026. In the last four years, the ranking of the top 10 states have broadly remained stable with Gujarat and Haryana falling by one position each to 3rd and 9th place respectively, with their positions taken over by New Delhi and Rajasthan. The states and UTs – having an equity AAUM of less than Rs 1 lakh crore has decreased from 27 in July'25 to 25 in July'26 on account of equity AAUM of Madhya Pradesh and Telangana crossing the Rs 1 lakh crore mark.

Figure 459: State-wise distribution of equity schemes AUM in July'26

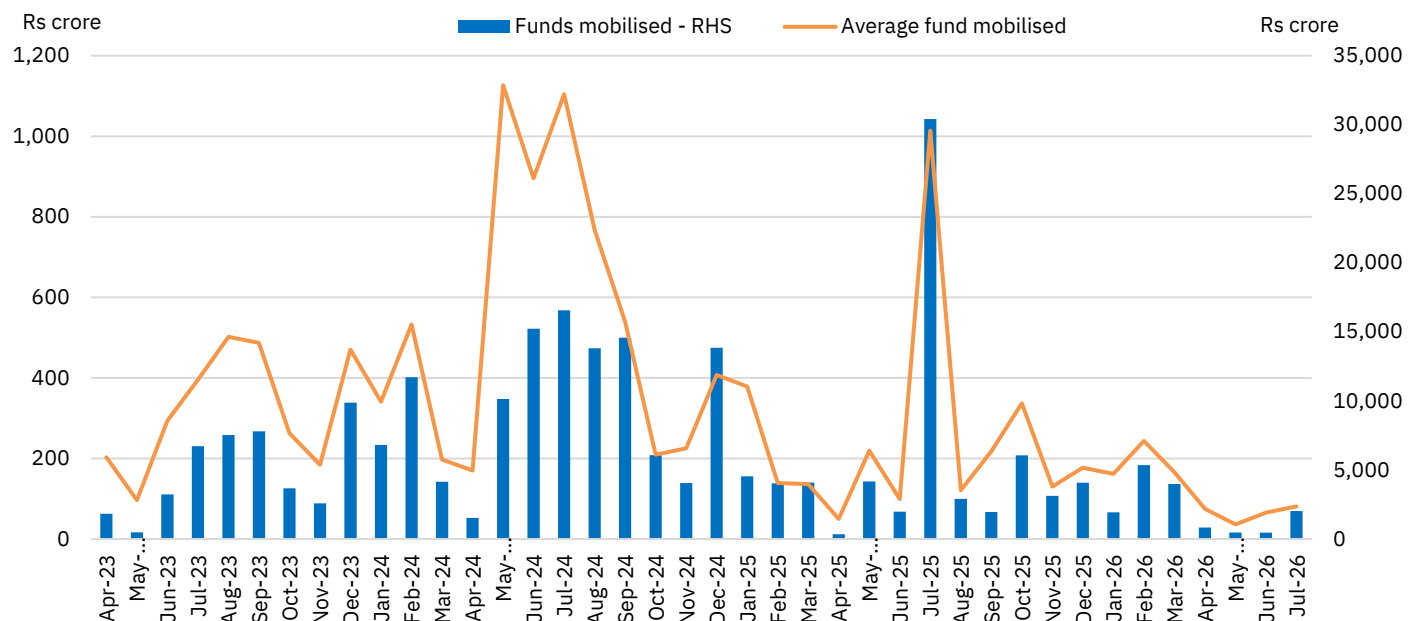


Source: AMFI, NSE EPR. Note: The map is created using the state-level shapefile: [Link](#)

NFO proceeds in 7M2026 is nearly one third of the amount raised same time last year:

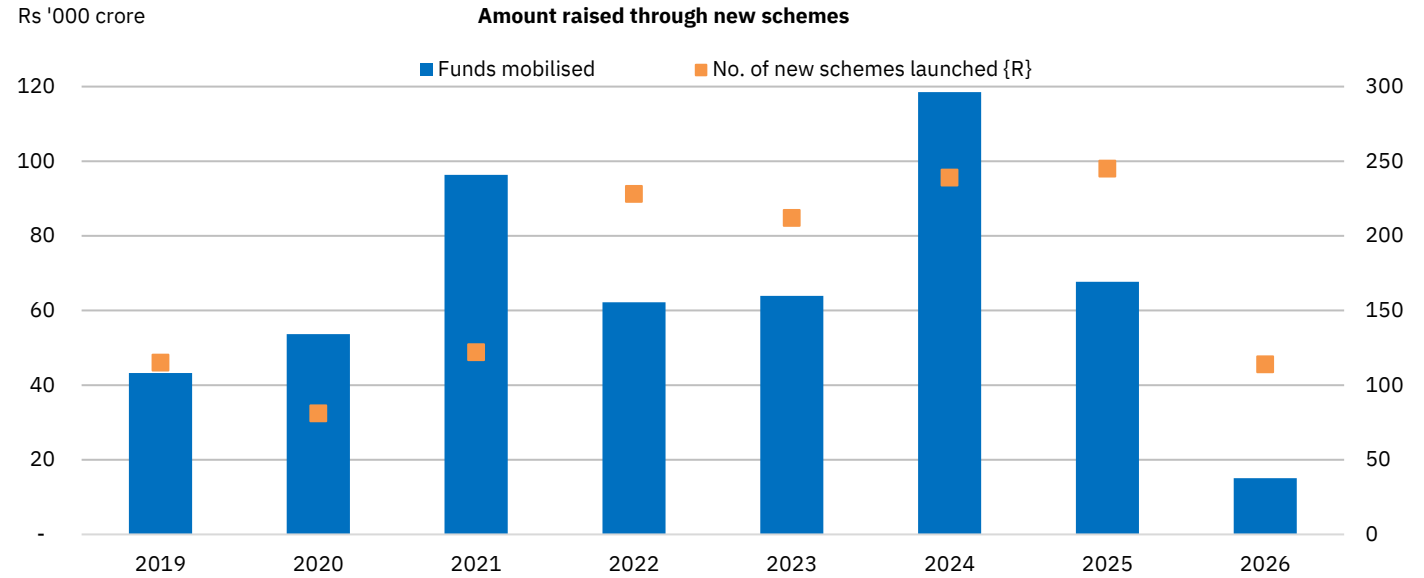
So far this year in 2026, 114 NFOs have raised Rs 15,062 crore which is lower than 147 NFOs, which raised ~Rs 50k crore during the same period last year. 25 NFOs were announced in the month of July, which rose more than Rs 2,000 crore, the highest in the last four months.

Figure 460: Monthly trend of total investment through new schemes



Source: AMFI, NSE EPR.

Figure 461: Annual trend of total investment through new schemes



Comparison of trading activities across major exchanges globally

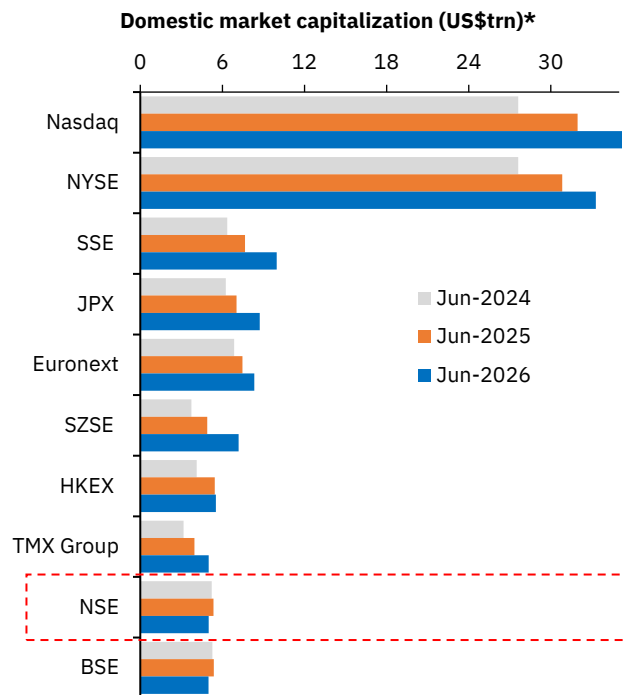
Global equities edged higher in July, although performance diverged significantly across regions and sectors as investors reassessed the sustainability of the AI-led rally. The MSCI World Index gained around 0.5% and 9.4% on a YTD basis, supported by a rotation away from technology towards energy, financials and other value-oriented sectors. European markets remained relatively subdued, while the UK outperformed during the month. Emerging market equities witnessed some moderation in July after a strong run in the preceding months though they continued to outperform developed markets on a YTD basis (18.6%). Technology-heavy Asian markets, particularly Korea and Taiwan, came under pressure amid renewed concerns around AI spending and semiconductor demand.

Comparing the trading activities across major exchanges globally during Q1FY27 (April-June), the combined market capitalisation of the top ten exchanges picked up as of June 2026, reflecting the impact of an AI boom and partial normalisation after the West Asia crisis. The NSE ranked ninth globally with a market capitalisation of US\$ 5.0tn. Equity trading activity remained the third largest at NSE, growing sequentially in Q1FY27. Both developed and emerging market exchanges witnessed robust trading activity during the period, with EMs 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-Jun'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.

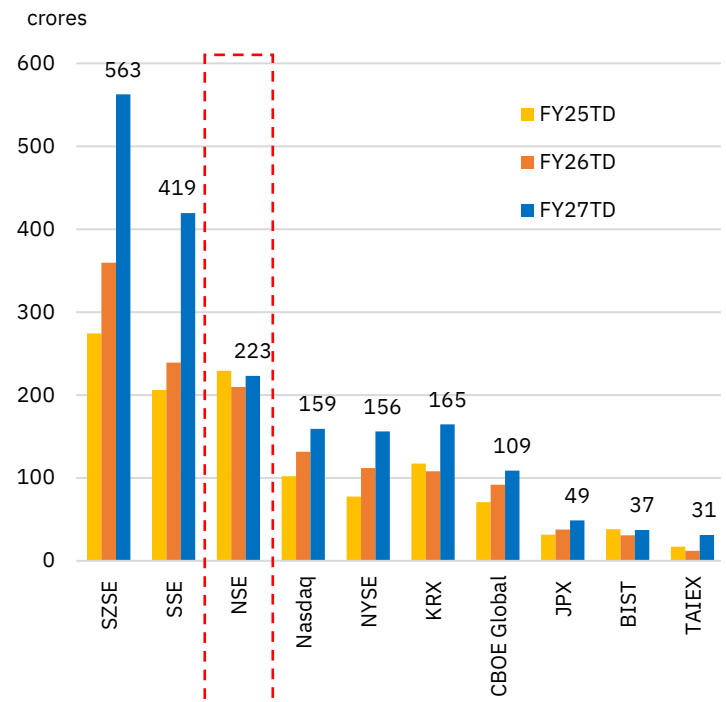
- NSE market cap at US\$ 5.0tn as of June 2026:** The combined market capitalisation of the top ten global exchanges increased in Q1FY27, with the gains concentrated in April and May as concerns around the West Asia crisis receded. The pace moderated considerably in June, with aggregate market capitalisation rising by just 0.7% MoM, even as the NYSE, Euronext, NSE and BSE recorded relatively stronger gains. NSE retained its position as the ninth-largest exchange globally, with a market capitalisation of US\$5.0tn, while Nasdaq remained the largest at US\$43.6tn, followed by the NYSE at US\$33.3tn. Despite the modest pace in June, global equity markets remained resilient on an annual basis, with the combined market capitalisation of the top ten exchanges expanding by 19.6% YoY.
- NSE retains third position globally in equity trading activity:** In Q1FY27, equity trading activity across the top ten global exchanges expanded by 7.5%YoY, particularly driven by AI- and technology-driven gains. The SZSE and SSE, accounting for half of total trade, led among the top ten, retaining their leadership with 563 crore and 419 crore trades respectively during the period. The NSE continued to rank third globally with trading volumes increasing by 10%QoQ to 223 crore trades. Overall, both developed and emerging market exchanges witnessed robust trading activity during Q1FY27, with emerging markets being more pronounced.
- NSE remains the largest derivatives exchange globally by contracts traded:** NSE retained its position as the largest derivatives exchange globally in Q1FY27, accounting for 50.2% of global derivatives volumes, with contracts traded rising by 27.2% YoY, followed by B3 with a 9.3% share. The increase in NSE's derivatives activity was driven primarily by index options, where volumes expanded by 29.6% YoY to 942 crore contracts. In contrast, trading activity in stock options and stock futures moderated by 1.4% YoY and 6.8% YoY, respectively.

Figure 462: Domestic market cap of top ranked exchanges*



Source: WFE monthly statistics, NSE EPR

Figure 463: Number of trades in Cash market of top ten exchanges*



Source: WFE monthly statistics, NSE EPR. Note: YTD across years corresponds to April-June.

Table 124: No. of trades (cr) in the top 10 exchanges in cash market

Exchange	FY25TD	FY26TD	FY27TD
SZSE	274	360	563
SSE	206	239	419
NSE	229	210	223
KRX	117	108	165
Nasdaq	102	132	159
NYSE	78	112	156
CBOE Global	71	92	109
JPX	32	38	49
BIST	38	31	37
TAIEX	17	12	31

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD. YTD across years corresponds to April-June.

Table 125: Global Market share of trades of top 10 exchanges in cash market

Exchange	FY24	FY25	FY26
SZSE	23.6%	27.0%	29.4%
SSE	17.7%	17.9%	21.9%
NSE	19.7%	15.7%	11.7%
KRX	10.1%	8.1%	8.6%
Nasdaq	8.8%	9.9%	8.3%
NYSE	6.7%	8.4%	8.2%
CBOE Global	6.1%	6.9%	5.7%
JPX	2.7%	2.8%	2.6%
BIST	3.3%	2.3%	1.9%
TAIEX	1.5%	0.9%	1.6%

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD. YTD across years corresponds to April-June.

Table 126: No. of contracts traded (cr) in equity derivatives segment*

Exchange	FY25TD	FY26TD	FY27TD
NSE	2,966	786	999
B3	196	180	186
TSE	51	98	181
BIST	40	62	137
CBOE Global	61	73	93
Nasdaq	48	55	70
CME Group	57	59	60
KRX	43	47	54
NYSE	34	36	50
MIAX	23	29	36

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD. YTD across years corresponds to April-June.

Table 127: Global Market share of contracts traded in equity derivatives segment*

Exchange	FY25TD	FY26TD	FY27TD
NSE	81.8%	51.2%	50.2%
B3	5.4%	11.7%	9.3%
TSE	1.4%	6.4%	9.1%
BIST	1.1%	4.0%	6.9%
CBOE Global	1.7%	4.8%	4.7%
Nasdaq	1.3%	3.6%	3.5%
KRX	1.6%	3.8%	3.0%
CME Group	1.2%	3.1%	2.7%
NYSE	0.9%	2.3%	2.5%
MIAX	0.6%	1.9%	1.8%

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD. YTD across years corresponds to April-June.

Table 128: Number of contracts traded (cr) traded in Stock futures of top-ranked exchanges*

Exchange	FY25TD	FY26TD	FY27TD	% YoY
BIST	38.9	59.8	133.9	123.8
KRX	33.5	37.6	48.3	28.3
B3	35.7	28.6	21.2	-25.8
NSE	12.8	12.9	12.0	-6.8
DBAG	4.7	3.5	6.7	90.8
TAIFEX	1.9	1.4	4.3	202.8
PSE	1.5	2.3	2.6	16.4
TFEX	0.8	0.6	1.2	94.5
Athens	0.2	0.3	0.6	98.1
BME	0.4	0.3	0.3	2.1

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD. YTD across years corresponds to April-June

Table 129: Number of contracts traded (cr) traded in Stock options of top-ranked exchanges*

Exchange	FY25TD	FY26TD	FY27TD	% YoY
TSE	50.7	98.3	181.0	84.1
Nasdaq	47.8	54.8	68.9	25.6
CBOE Global	35.3	44.4	54.3	22.3
NYSE	34.0	36.0	49.9	38.8
NSE	38.1	44.9	44.3	-1.4
MIAX	23.5	29.4	36.0	22.4
B3	35.7	34.8	35.1	0.8
ISE	18.5	23.9	27.8	16.1
HKEX	4.4	4.6	5.5	20.0
KRX	2.8	3.5	3.6	2.3

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD. YTD across years corresponds to April-June

Table 130: Number of contracts traded (cr) in Index futures of top ranked exchanges*

Exchange	FY25TD	FY26TD	FY27TD	% YoY
B3	124.3	87.2	107.7	23.6
CME Group	32.7	39.0	44.3	13.8
JPX	10.2	9.6	10.9	13.9
DBAG	10.7	9.9	9.6	-3.7
TAIFEX	3.2	3.7	5.7	53.8
SGX	3.9	4.0	4.7	15.3
HKEX	3.4	3.3	3.7	14.4
KRX	2.7	2.7	3.5	27.2
CFFEX	2.2	2.8	3.4	22.9
ICE Futures US	1.3	1.5	1.8	18.5

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD. YTD across years corresponds to April-June

Table 131: Number of contracts traded (cr) in Index options of top ranked exchanges*

Exchange	FY25TD	FY26TD	FY27TD	% YoY
NSE	2,911.8	726.6	942.0	29.6
CBOE Global	25.3	29.1	38.5	32.5
B3	0.4	29.0	21.6	-25.4
CME Group	10.0	8.5	9.9	16.4
DBAG	10.6	9.5	8.6	-9.0
KRX	17.9	14.9	4.3	-71.3
TAIFEX	5.8	3.6	3.5	-2.2
CFFEX	1.6	1.9	3.0	62.3
HKEX	0.9	0.6	0.8	33.1
JPX	0.7	0.7	0.6	-11.7

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD. YTD across years corresponds to April-June

Table 132: Number of contracts traded (cr) in Currency futures of top ranked exchanges*

Exchange	FY25TD	FY26TD	FY27TD	% YoY
B3	17.7	21.0	17.0	-19.1
BUE	-	-	8.6	-
KRX	3.1	4.2	6.2	45.2
CME Group	6.5	6.4	5.8	-10.0
BIST	1.5	1.3	3.7	177.3
NSE	5.2	2.4	3.4	44.3
SGX	1.4	2.2	3.0	33.3
JSE	1.2	1.4	1.2	-14.1
HKEX	0.6	0.7	0.5	-34.8
BMV	0.1	0.3	0.4	25.7

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD. YTD across years corresponds to April-June

Table 133: Number of contracts traded (in lakhs) in Currency options of top ranked exchanges*

Exchange	FY25TD	FY26TD	FY27TD	% YoY
BIST	3.1	9.7	46.95	383.6
JSE	74.6	141.7	39.28	-72.3
CME Group	28.5	34.5	33.74	-2.2
TASE	22.7	29.8	30.98	3.9
B3	10.2	11.4	7.82	-31.3
NSE	196.2	3.6	2.45	-31.4
TFEX	-	-	0.39	#DIV/0!
MX	0.2	0.2	0.26	29.5
SGX	0.0	0.4	0.23	-41.7
BET	0.4	0.1	0.18	236.5

Source: WFE monthly statistics, NSE EPR

Note: The data has been sorted based on FY27TD figures, in lakhs. YTD across years corresponds to April-June.

* 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, 3,696 crore contracts traded across equity and index futures and options in FY26, implying 51.3% 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 4.4x the US in terms of contracts traded between January-July 2026, but a fifth of the value.

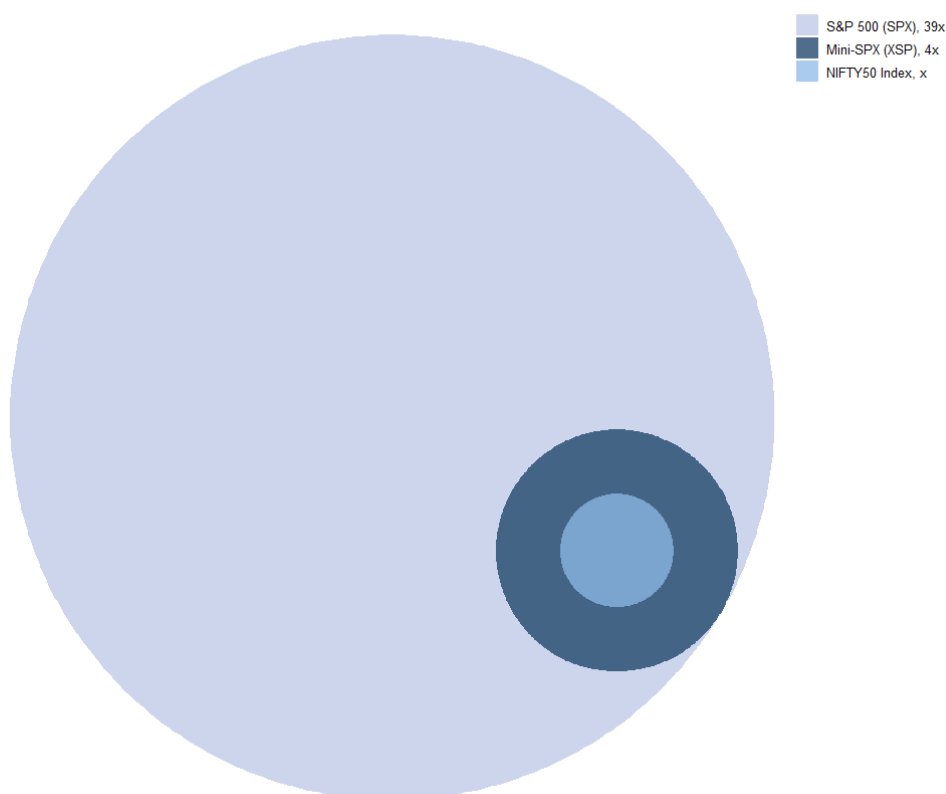
Table 134: Comparison of contract size of S&P 500 and Nifty 50 Index options

	S&P 500 (SPX)	Mini-SPX (XSP)	Nifty 50 Index
Contract size	100	10	75
Index closing (As of July 31 st , 2026)	7,490	7,490	24,384
Notional value*	US\$748,972	US\$74,897	US\$19,084

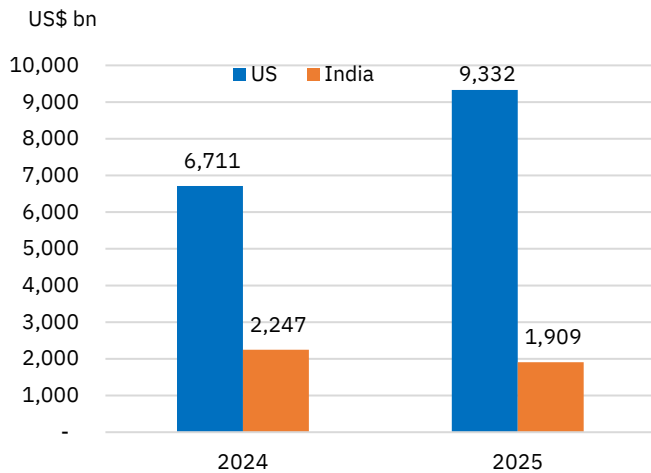
Source: CBOE, NSE. * Calculated as Index level * contract size.

Figure 464: Comparison of contract size of S&P 500 and Nifty 50 Index options

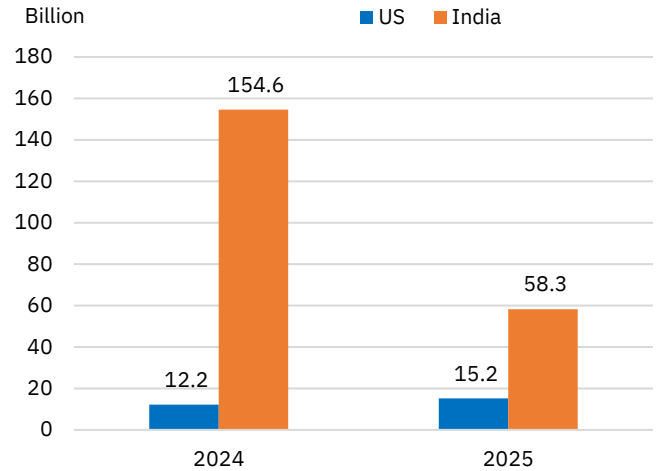
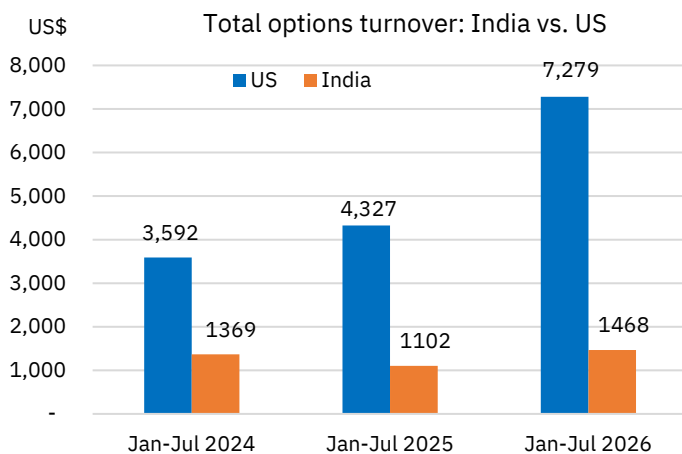
Comparison of contract size: India versus US
S&P 500 and Nifty 50 Index options



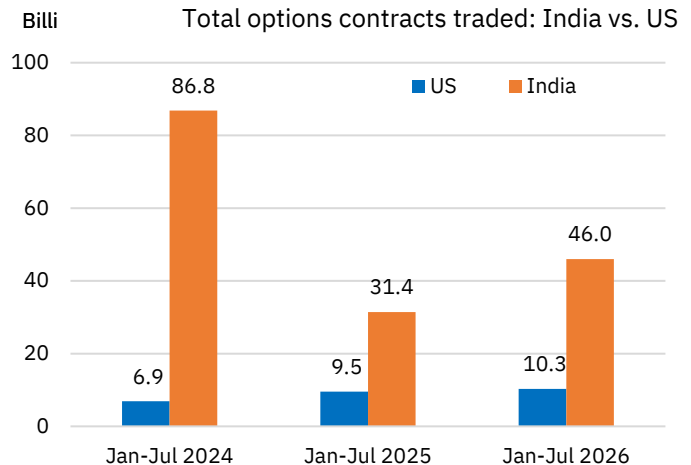
Source: CBOE, NSE. * Calculated as Index level.

Figure 465: Total options turnover: India vs. US


Source: OCC, NSE, BSE.

Figure 466: Total options contracts traded: India vs. US

Figure 467: Monthly trends in total options turnover: India vs. US


Source: OCC, NSE, BSE.

Figure 468: Monthly trends in total options contracts traded: India vs. US


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 Nifty 50's option contract value remains puny compared to the contract value of S&P index option contracts. As of July 31st, 2026, a single lot of the S&P 500 (SPX) index option had a notional value of around ~US\$748,972. Even the mini-SPX contracts—sized at one-tenth—carry a notional value of US\$74,897. That makes one US SPX contract over 39 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:

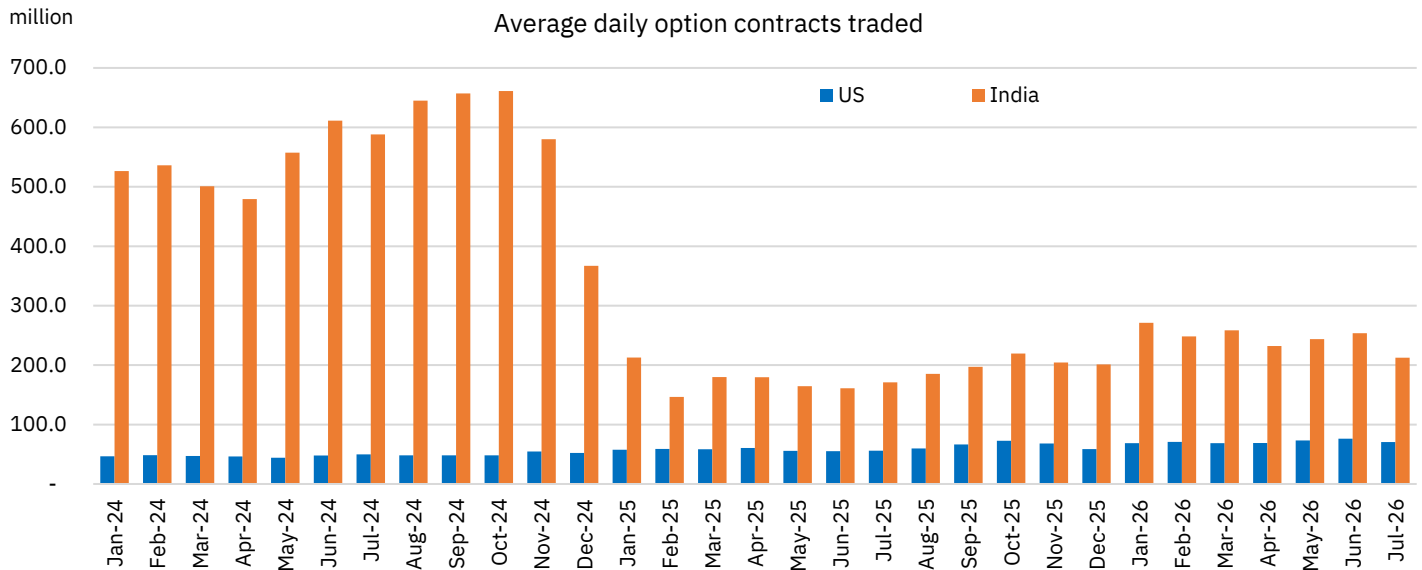
Between Jan-July 2026, Indian exchanges (NSE, BSE) trade over 4.4x that of the exchange-traded options in the US, i.e., options with underlying as stocks, indexes and ETFs (cleared on Options Clearing Corporation). In terms of premium turnover, however, Indian options market was close to 20% of the US 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.

Table 135: Exchange-wise options volume and premium traded in the US during Jan-July 2026

Exchanges	Total Premium turnover during Jan-July 2026(USbn)				Total contracts traded during Jan-July 2026(m)			
	Equity	Index	ETF	Total	Equity	Index	ETF	Total
AMEX	300	0	143	443	457	0	510	967
ARCA	375	0	117	492	613	0	358	971
BATS	124	2	38	164	221	0	138	359
BOX	395	-	86	481	346	-	221	567
C2	63	5	29	97	134	2	118	254
CBOE	442	2,481	329	3,253	588	888	488	1,965
EDGX	100	-	54	154	238	-	250	487
EMLD	89	-	36	125	178	-	132	310
GEM	47	4	42	93	126	0	199	326
ISE	220	49	78	348	328	8	275	611
MCRY	65	-	41	106	161	-	220	381
MEMX	88	-	31	118	198	-	159	356
MIAX	203	-	89	291	367	-	377	744
MPRL	41	-	22	62	111	-	110	221
NOBO	17	-	9	26	51	-	70	122
NSDQ	57	-	20	77	136	-	101	237
PHLX	615	63	135	814	719	8	372	1,099
SPHR	94	-	42	136	170	-	154	324
US total	3,333	2,604	1,342	7,279	5,140	907	4,252	10,299
India	126	1,341	-	1,468	1,090	44,891	-	45,981
Indiavs.US	4%	51%		20%	21%	4950%		446%

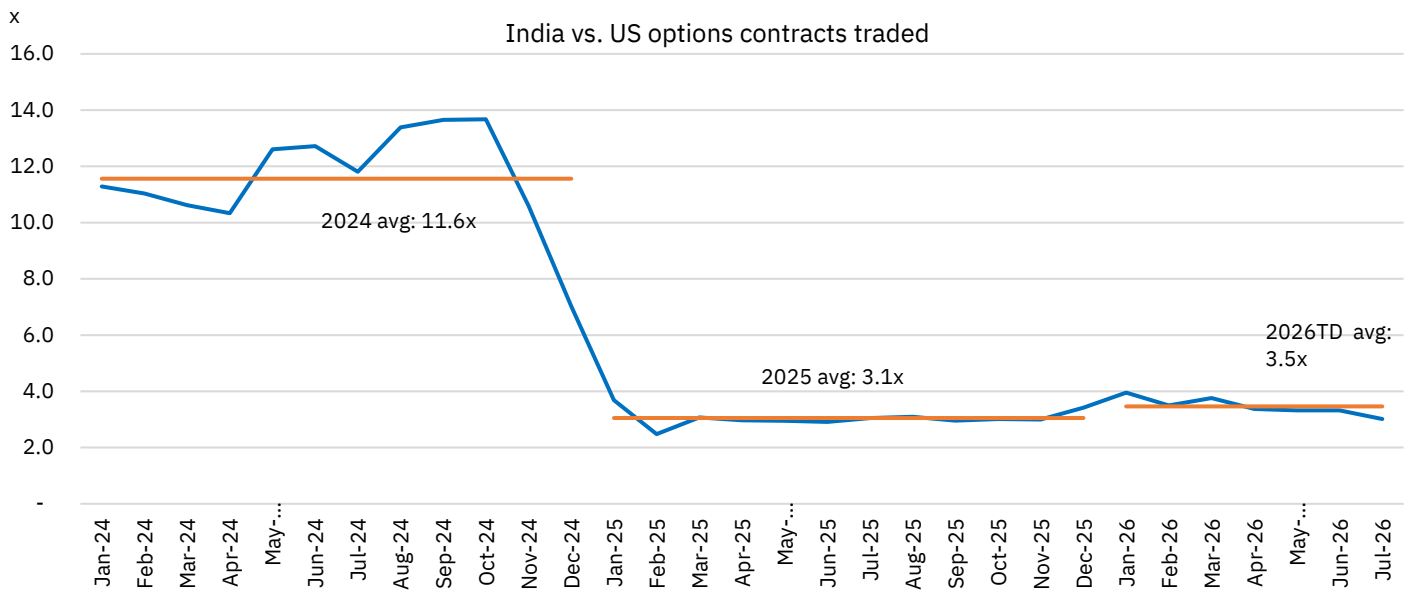
Source: OCC, NSE, BSE.

Figure 469: Monthly trend of average daily options contracts traded in the US and India



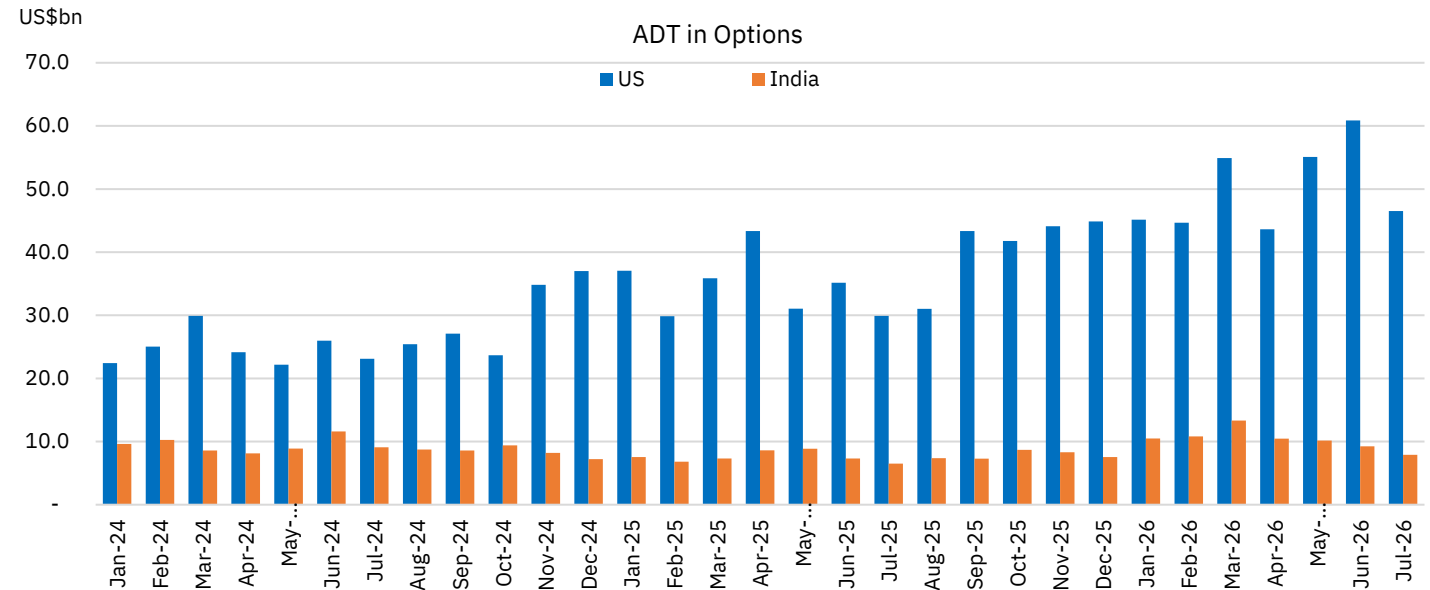
Source: OCC, NSE, BSE.

Figure 470: Monthly trend of the ratio of India and US options contracts traded



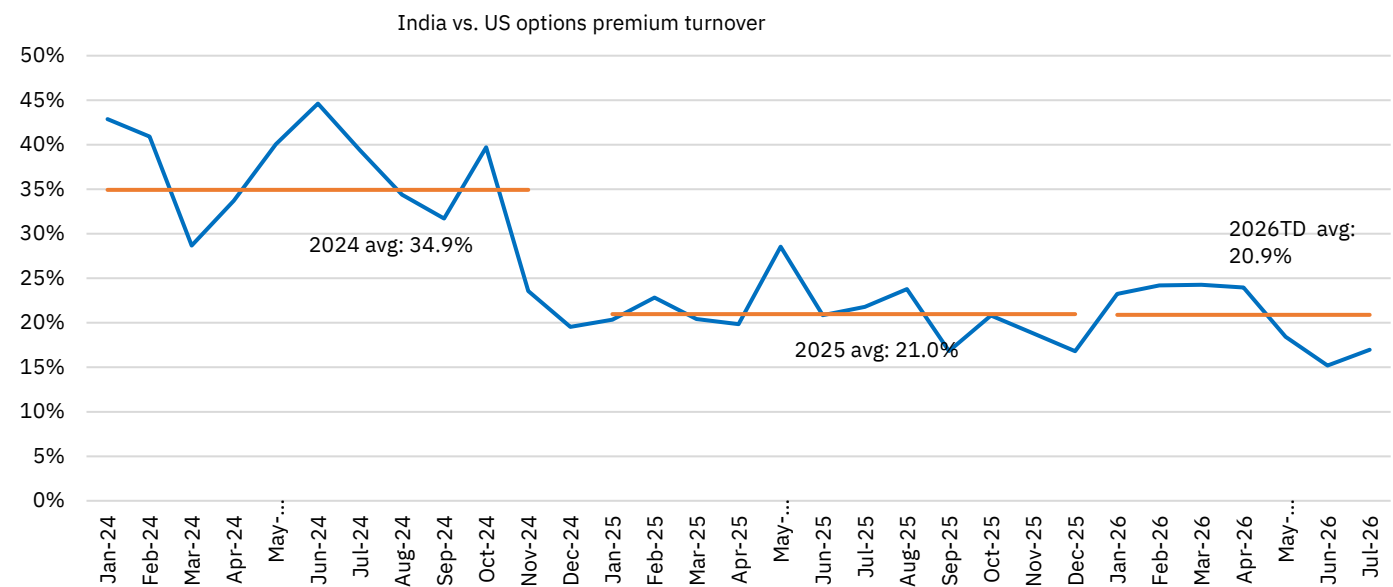
Source: OCC, NSE, BSE.

Figure 471: Monthly trend of average daily options premium turnover in the US and India



Source: OCC, NSE, BSE. Turnover is across exchanges (as available) in the two countries.

Figure 472: Monthly trend of the ratio of India and US options premium turnover



Source: OCC, NSE, BSE. Turnover is across exchanges (as available) in the two countries

Annual macro snapshot

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
National income								
GDP (Current) (Rs lakh crore)	189	201	198.5	236	261.2	289.8	318.1	346.4
GDP (Current) Growth (%)	10.6	6.4	-1.2	18.9	14	11.0	9.7	8.9
GDP (Constant) Growth (%)	6.5	3.9	-5.8	9.7	7.6	7.2	7.1	7.7
GVA (Constant) Growth (%)	5.8	3.9	-4.2	9.4	7.2	7.2	7.3	7.9
Agriculture growth (%)	2.1	6.2	4	4.6	6.3	2.6	4.2	3.0
Industry growth (%)	5.3	-1.4	-0.4	12.2	2.5	10.9	8.3	8.5
Services growth (%)	7.2	6.4	-8.4	9.2	10.3	7.0	7.9	9.3
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	6.6	5.4	4.6	2.1
WPI inflation (%)	-	-	-	-	-	-	1.7	0.4
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	8.7
Gross tax receipts growth (%)	8.4	-3.4	0.9	33.7	12.7	13.5	9.5	6.0
GOI Expenditure growth (%)	8.1	16	30.7	8.1	10.5	6	4.7	5.4
Subsidies growth (%)	-0.7	17.7	189	-33.5	14.7	-24.7	-2.8	7.4
Interest expense growth (%)	10.2	5.1	11.1	18.5	15.3	14.6	4.9	11.4
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	7.5
Non-POL imports growth (%)	4.6	-7.9	-9.6	45.4	12.1	-1.3	7	12.2
POL imports growth (%)	29.9	-7.5	-36.9	96.7	29.1	-14.6	3.9	-6.4
Net FDI (US\$bn)	30.7	43	44	38.6	28	10.2	0.1	-6.9
Net FPI (US\$bn)	-2.4	1.4	36.1	-16.8	-5.2	44.1	3.6	-16.4
Trade Balance: RBI – (US\$bn)	-180.3	-157.5	-102.2	-189.5	-265.3	-244.9	-287.0	-337.3
Current Acc. Balance (US\$bn)	-57.2	-24.6	24	-38.8	-67.1	-26.1	-23.1	-25.4
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) CPI and WPI inflation as per new base year. 3) Money supply (M3) growth (%) for FY26 is M3 (Broad money) including HDFC merger.

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 Capitalisation of Listed Entities	Market Capitalisation of Listed Entities on NSE represents the aggregate market value of all equity shares traded on NSE and units of Listed REITs and InvITs traded on NSE as on the last trading day of the relevant period/year.
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	17-Aug-26	Who owns India Inc. – Domestic ownership strengthens, FPI share falls further
2	05-Aug-26	RBI Monetary Policy: An expected pause
3	22-Jul-26	Corporate India's Evolution: Scale, earnings and diversification
4	22-Jul-26	Market Pulse July 2026: Oil, rain and the policy balance
5	17-Jun-26	Market Pulse June 2026: Partial relief, persistent risks
6	05-Jun-26	Macro Review: RBI Monetary Policy
7	21-May-26	Market Pulse May 2026: Prolonged conflict, policy constraints and the deepening of domestic finance
8	20-May-26	Who Own India Inc.? DMFs scale fresh peaks; FPI share hits 17-year low
9	17-Apr-26	Market Pulse April 2026: Geopolitics, growth and the persistence of risk
10	17-Mar-26	Market Pulse March 2026: Conflict, growth and adjustment: Markets under strain
11	03-Mar-26	Q3FY26 Corporate Earnings Review
12	18-Feb-26	Market Pulse February 2026: Policy signals, market structure and the disciple of growth
13	14-Feb-26	Who owns India Inc.? DMFs scale new highs, FPI share eases further
14	06-Feb-26	RBI Monetary Policy: Status quo with transmission in focus
15	01-Feb-26	Union Budget 2026-27: Confidence and continuity
16	14-Jan-26	Market Pulse January 2026: The year that was: Trade tensions, policy support and market resilience
17	16-Dec-25	Market Pulse December 2025: From national priorities to domestic engines: Markets, ownership and capital formation in 2025
18	05-Dec-25	Macro Review: RBI Monetary Policy
19	29-Nov-25	Macro Review: Q2FY26 India GDP
20	26-Nov-25	Q2FY26 Corporate Earnings Review
21	14-Nov-25	Market Pulse November 2025: The engines within: Savings and the architecture of collective wealth
22	11-Nov-25	India Ownership tracker Q2FY26
23	15-Oct-25	Market Pulse October 2025: The engines within: Investment as the core of India's growth momentum
24	01-Oct-25	Macro Review: RBI Monetary Policy
25	12-Sep-25	Market Pulse September 2025: National priorities, corporate signals
26	29-Aug-25	Macro Review: Q1FY26 India GDP
27	12-Aug-25	Market Pulse August 2025: National priorities, shared prosperity
28	08-Aug-25	India Ownership tracker Q1FY26
29	29-Jul-25	Market Pulse July 2025: National priorities, private consequences
30	27-Jun-25	Market Pulse June 2025: National priorities, global consequences
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