

MARKET PULSE

A monthly review of the
Indian economy and markets



**Corporate strength &
India's growth momentum**

Market Pulse

Volume 8, Issue 9

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 92.2 EQ Futures 99.8 EQ Options* 68.6 FX Futures 100.0 FX Options* 100.0	1,330 Trading members 99+% Pin codes covered 13.5 Crore Unique registered PANs Total passive AUM (domestic US\$99.2bn* + global) tracking Nifty indices US\$5.14trn Market cap of listed entities
3 Third largest equity exchange by no. of trades (10.6% 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 July 2026)

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

As of August 31st, 2026, unless specified otherwise; *As of July 31st, 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 63.5 lakh crore Total capital raised through equity and debt between FY24 to FY27 (till August 2026) 3,055 Companies listed#	Rs 23,993 crore Total capital raised through SME IPOs since inception (till July 2026) 748 SME IPOs 164 Migration to Main Board	Rs lakh cr Market cap of listed entities^ Market cap to GDP (%; rhs*) FY17 FY19 FY21 FY23 FY25 FY27TD 136

#Companies including AMCs and ITP listing as of August 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 o August 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 1,352	(in lakh) CM FO Aug'16 47 7 Aug'17 58 8 Aug'18 76 10 Aug'19 76 12 Aug'20 111 18 Aug'21 198 35 Aug'22 282 59 Aug'23 250 75 Aug'24 353 108 Aug'25 358 92 Aug'26 359 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* 61.6

* As of August 31st, 2026

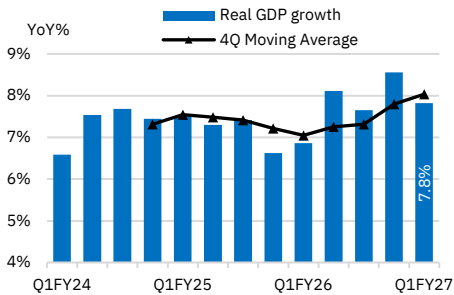
*Individuals investors' participation is defined here as investors who have traded at least once in the year. Above data is on 12-month rolling ending August.

The top five states (GJ, UP, MH, RJ, TN) accounted for 50.5% of new investor registrations in Aug'26 (FY27TD* denotes data till Aug'26).

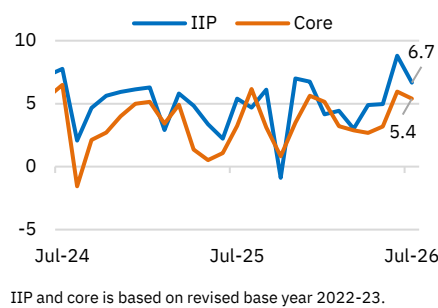
Key macro charts

Growth outlook robust

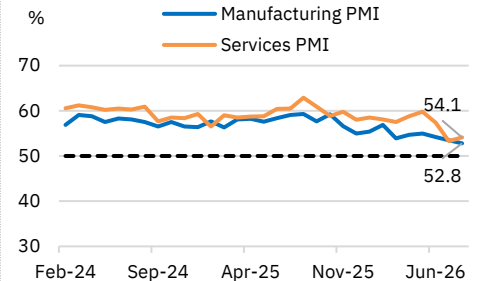
Trend in quarterly GDP growth



Industrial activity softens

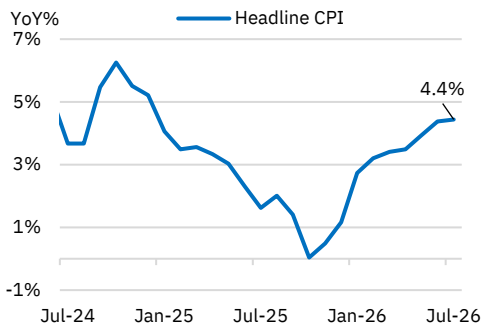


PMI moderating

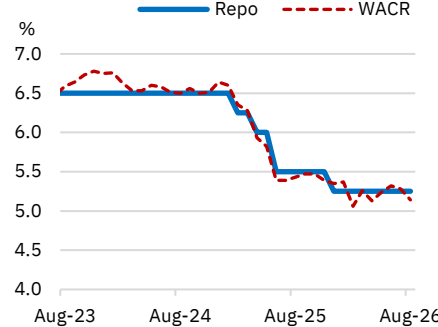


Inflation above 4% target

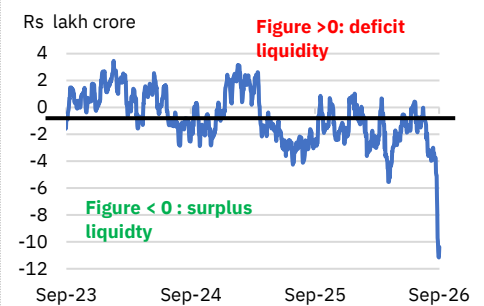
Retail inflation picked up



WACR below repo rate

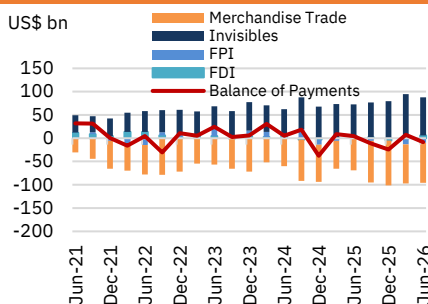


Liquidity at an all-time high

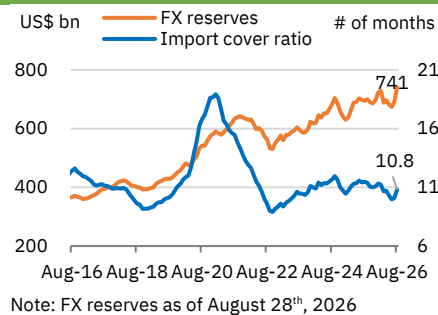


External situation remains manageable; highest-ever FX reserves at US\$740 bn

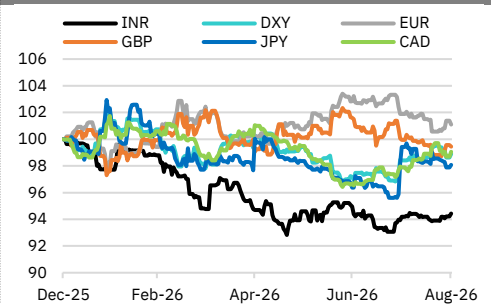
BOP deficit widened in Q1FY27



Forex reserves

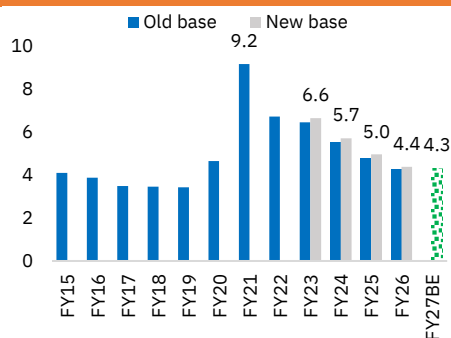


Rupee recovered marginally in Aug

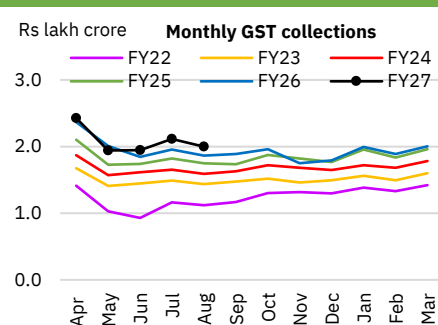


Fiscal prudence but with higher capex

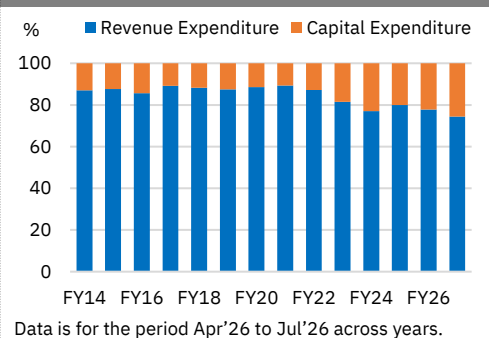
Fiscal deficit (% of GDP)



GST collections

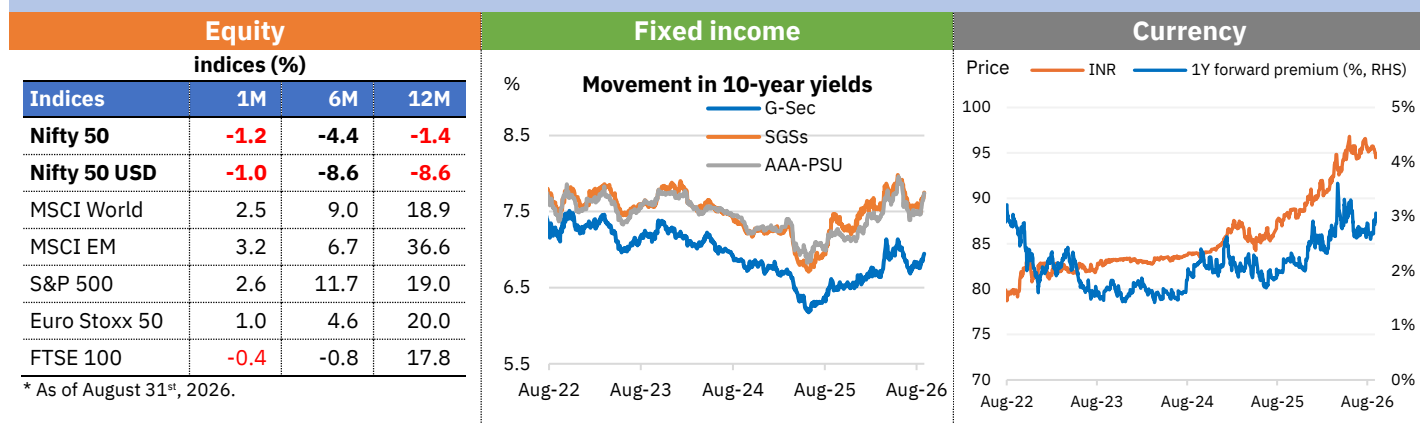


Share of capex

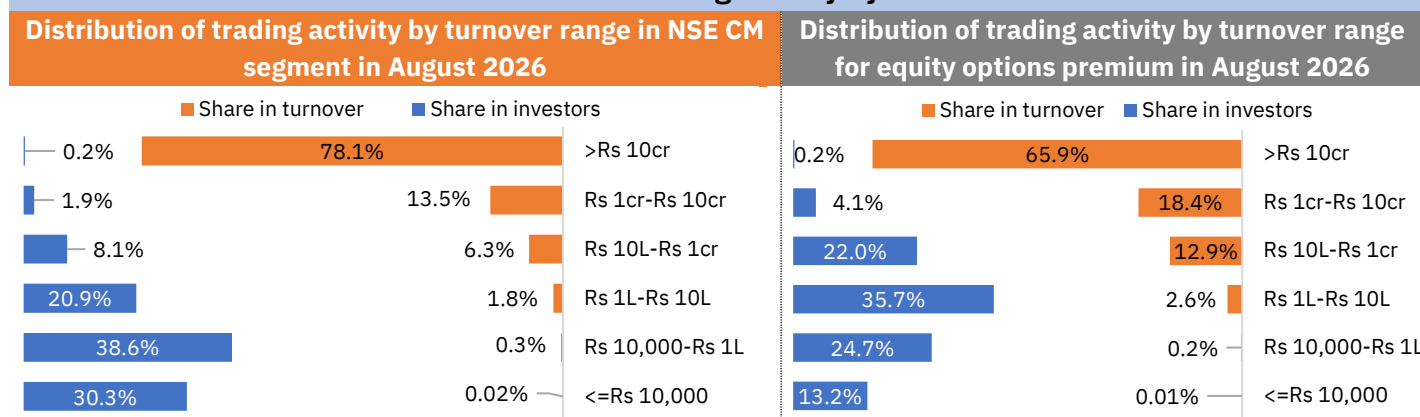


Key market charts

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	1,062	4.0	266	2.3	2,093	7.0	Index Futures	343	61,723	391	62,266
DIIIs	3,524	13.1	24	0.2	4,038	13.6	Stock Futures	7,285	4,81,515	8,227	5,36,688
FIs	3,533	13.1	760	6.4	9,260	31.2	Index Options\$	7,579	13,70,395	8,250	13,02,639
Individuals	8,914	33.2	4,628	39.2	4,949	16.7	Stock Options\$	4,810	3,18,037	5,209	3,40,700
Others	861	3.2	431	3.7	1,208	4.1					
Prop	8,985	33.4	5,700	48.3	8,163	27.5					
# Based on premium turnover * Data is as of Aug'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	-2,24,442
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	5,63,505
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	48,898
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	-24.1
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	60.2
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	5.2

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

NSE Research Initiative 2.0

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

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

Process

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- Market regulations, market microstructure
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Grant opportunities:

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Electronic **Gold** Receipts (EGRs)



NSE Electronic Gold Receipts (EGRs) are digital assets representing gold ownership, tradable on NSE platform just like any other securities traded, backed by physical gold that can be redeemed anytime

NSE EGR Product Offerings

EGR - 999 Purity

- EGR 999 1 Kg
- EGR 999 100 grams
- EGR 999 10 grams
- EGR 999 1 grams
- EGR 999 100 milligrams
- EGR 999 10 milligrams

EGR - 995 Purity

- EGR 995 1 Kg
- EGR 995 100 grams
- EGR 995 10 grams
- EGR 995 1 grams
- EGR 995 100 milligrams
- EGR 995 10 milligrams

Advantages of trading NSE EGR

- Transparent price discovery
- Seamless exchange Trading
- Secure Demat Holding
- Regulated ecosystem
- Economical transaction charges
- Robust, Safe, and Resilient Technology Platform

The Future of Gold Markets Begin here

NSE's Electronic Gold Receipts (EGR) segment aims to modernize India's gold ecosystem by bringing together transparency, trust, efficiency, and accessibility.

Executive Summary

Keeping the long view: Building capacity amid disruption

“People are the real wealth of a nation.”

— Human Development Report 1990, UNDP

The frequency and scale of changes confronting the global economy increasingly draw attention towards the immediate. Geopolitical conflicts, energy shocks, trade restrictions, technological change and shifting financial conditions can alter the economic environment over remarkably short periods. Yet, much of what determines an economy’s ability to navigate these changes is built over years, often decades. Infrastructure, institutions, financial depth, human capital and productive capacity accumulate gradually. The completion of the Western Dedicated Freight Corridor (DFC) this month is an important reminder of this longer horizon. One of India’s largest infrastructure projects, it has involved sustained planning, investment, coordination and execution over many years, while its contribution to freight capacity, logistics efficiency and economic activity will extend over decades. In an unusually unsettled environment, maintaining sight of such longer-term change becomes particularly important.

Global equity markets recovered strongly in August, reversing much of the technology-led weakness seen in July. The MSCI World Index rose 2.6%, while the MSCI Emerging Markets Index gained 3.4%, helped by a recovery in semiconductor-heavy Korea and Taiwan. US equities strengthened as resilient corporate earnings and renewed optimism around AI investment supported technology stocks. This came despite continued pressure in global bond markets, with the US 30-year Treasury yield moving above 5.3%, its highest level since 2007, amid concerns around fiscal deficits, term premia and the monetary-policy outlook. Indian equities consolidated after two months of gains, with the Nifty 50 declining 1.2%, even as the Nifty Midcap 150 and Smallcap 250 gained 1.8% and 2.5%, respectively. FPIs invested US\$3.1bn during the month, their strongest monthly inflow in nearly two years, while DII purchases increased to Rs 58,268 crore.

The global macroeconomic environment remained challenging. The West Asia conflict continued to dominate developments through August, keeping energy markets volatile. Brent briefly fell below US\$85/bbl before rebounding towards US\$100/bbl during the month and has since moved above that level. Higher energy and freight costs have renewed inflation concerns, while global food prices have also risen. Major central banks consequently remained cautious, even as growth outside parts of the technology ecosystem remained relatively subdued. Fiscal concerns have also become more prominent: US federal debt crossed US\$40 trillion, adding to concerns around sovereign borrowing requirements and contributing to higher long-duration yields. Renewed tariff actions added another complication to an already difficult global environment.

India has retained considerable domestic momentum against this backdrop. Real GDP expanded 7.8% YoY in Q1FY27, ahead of the RBI’s 7% projection, with strength across manufacturing and services. Gross tax revenues increased 11.4% YoY during 4MFY27, while government capital expenditure rose 30%. The current account deficit remained contained at 0.5% of GDP in Q1, supported by services exports, remittances and higher oil exports. The RBI’s FCNR(B) swap facility saw around US\$127.2bn mobilised through FCNR(B) deposits by end-August, while foreign-exchange reserves reached a record US\$740bn and banking-system liquidity increased sharply. These buffers have assumed greater importance as crude prices and external risks have risen. Inflation pressures, however, have strengthened, with the RBI expecting CPI inflation to rise to around 5.9% in Q3FY27, while an uneven monsoon has added uncertainty around food prices and rural conditions.

Our Story of the Month examines corporate earnings in Q1FY27. The quarter was characterised by a sharp divergence between top-line growth and profitability. Aggregate revenues increased 18.4% YoY for the Nifty 50 and 18.9% for the Nifty 500, supported by Energy, Consumer Discretionary, Materials and Industrials. EBITDA growth for non-financial companies, however, moderated to 5.3% and 3.5%, respectively, largely reflecting weaker margins in Energy. PAT

increased 11.8% for the Nifty 50, 11.1% for the Nifty 500 and a more modest 5.9% for companies outside the Nifty 50. Excluding Energy, profitability growth was considerably stronger, pointing to greater resilience across the rest of the corporate earnings universe.

Earnings expectations have nevertheless continued to moderate. Consensus FY27 earnings estimates for the top 200 well-covered companies have been reduced by 0.9% since end-June and 4.1% since March, with Energy, Materials and Consumer Discretionary accounting for more than 80% of the downgrades. The Earnings Revision Indicator, which captures the breadth of revisions, has improved to near zero, suggesting that upgrades and downgrades are now broadly balanced. This does not yet indicate a broad-based upgrade cycle, but points to some stabilisation in earnings expectations following the downgrades seen earlier.

Our Insights section examines the growing presence of retail investors and what their behaviour can mean for financial markets. We have examined this theme extensively in the Indian context over the years, drawing on market data, our own analysis and the academic literature. This time, we broaden the lens to look at evidence from markets around the world. Ten studies trace the expansion of retail participation, differences between individual and institutional trading behaviour, and the forces influencing retail investment decisions. The literature finds that retail trading can be particularly sensitive to attention, news and past market movements, while herding behaviour can also play a role. Studies also find links between individual investor activity and subsequent returns, price formation and volatility. As retail participation expands, understanding these behavioural characteristics becomes increasingly relevant for assessing market outcomes, including volatility, return predictability and market efficiency.

NSE data for August show strong primary-market activity alongside continued moderation in equity derivatives. IPO fundraising rose to a nine-month high of more than Rs 29,500 crore, with 25 companies accessing the market, the highest issuance activity in ten months. Fresh issuance accounted for around 71% of proceeds, indicating continued use of public equity markets to raise capital for business requirements. Equity derivatives activity moderated for a third consecutive month, with average daily contracts traded declining 10% MoM to around 12.6 crore. Traded value remained concentrated: the top 0.2% of cash-market investors accounted for 78.1% of turnover, while the top 6.7% of equity-futures investors generated 92.7%.

Successful completion of the Western DFC offers a useful perspective on the longer journey. Large infrastructure projects take years to conceive and execute, while their economic effects can extend across generations. India will require substantially greater capacity across transport, energy, cities, firms, financial markets and institutions as the economy expands. Recent developments also illustrate the resources that can be mobilised when required, whether through large-scale foreign-currency deposits or equity capital raised by companies. These are important gains, but the scale of what remains to be built is considerable. Nor is all capacity physical. Improving the quality of India's large human capital base will be equally important to raising its productive capacity over the coming decades.

Crude above US\$100, geopolitical uncertainty, higher sovereign yields, changing trade relationships and rapid technological shifts will continue to demand attention. The larger development objectives, however, operate over a different horizon. The journey to Viksit Bharat 2047 now has a little over two decades remaining. Building the infrastructure and institutions India will need, while improving the quality of its human capital and expanding productive capacity at scale, will take sustained effort over many years. In that context, two decades is not a particularly long time. Keeping the long view is therefore increasingly important.

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

Tirthankar Patnaik
Chief Economist

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1. Story of the Month

1.1 Q1FY27 Earnings Review: Energy-led margin pressures drag profit growth

Aggregate revenues expanded strongly in Q1 FY27 despite a volatile global environment, supported by a recovery in discretionary consumption, continued infrastructure and investment activity, and stronger commodity realisations. Revenue growth was 18.4% YoY for the Nifty 50 and 18.9% for the Nifty 500, led by Energy, Consumer Discretionary, Materials and Industrials. The strong top-line growth, however, did not translate proportionately into operating profits as margins came under pressure, particularly in Energy. EBITDA growth for non-financial companies moderated to 5.3% for the Nifty 50 and 3.5% for the Nifty 500, with EBITDA declining marginally for companies outside the Nifty 50, primarily due to weaker marketing margins in Energy. PAT growth consequently moderated across cohorts, rising 11.8% YoY for the Nifty 50, 11.1% for the Nifty 500 and 5.9% for the ex-Nifty 50 universe.

The divergence between revenue growth and profitability reflected sector-specific operating dynamics during the quarter. Financials and Materials provided strong support to aggregate earnings, while weaker refining margins weighed on Energy. Excluding Energy, profitability growth was considerably stronger, pointing to greater resilience in the broader corporate earnings cycle. The concentration measures also showed differing patterns across the income statement: revenue concentration increased across market segments, EBITDA concentration moderated, while aggregate PAT concentration for the Nifty 500 remained broadly unchanged.

Moderation in profit growth in Q1 FY27 resulted in further downgrades in earnings estimates. Consensus earnings forecasts (LSEG Workspace) for FY27 for the top 200 well-covered companies were trimmed by 0.9% since end-June and 4.1% since March 2026, with FY28 estimates seeing marginally lower cut of 1.8% during this period. Energy, Materials and Consumer Discretionary accounted for more than 80% of the downgrades in both years. As of September 11th, 2026, projected earnings growth stands at 9.2%/17.2% for FY27/28, with the implied FY26–28 CAGR rising to 17.2%, indicating a resilient medium-term trajectory despite near-term sectoral pressures. Consistent with these trends, the Earnings Revision Indicator (ERI)—a measure that captures breadth instead of magnitude—has improved during the quarter and is now close to zero, indicating that upgrades and downgrades are broadly balanced. The recovery in the ERI is consistent with the relatively modest decline in earnings expectations, although it does not yet signal a broad-based upgrade cycle. Softer global demand, persistent geopolitical tensions, and currency and commodity-price volatility continue to pose downside risks to earnings.

- **Top-line growth broadened in Q1 FY27:** Net sales of Nifty 50 companies expanded by a 16-quarter high of 18.4% YoY to Rs 21.15 lakh crore in Q1FY27, albeit off a low base, supported by recovery in discretionary consumption, continued infrastructure and investment activity and stronger commodity realisations. Net sales of Nifty 500 universe were marginally better at 18.9% YoY to Rs 46.5 lakh crore; excluding top 50 companies, the growth was even better at 19.3%. Sector-wise, Energy contributed to nearly 40% of the aggregate revenue growth for the Nifty 500 companies, excluding which revenue growth came in at a lower 14.8%, followed by Consumer Discretionary at 14.3%. Together, these two sectors contribute nearly 54% to growth in net sales for the Nifty 500 companies, but with a much lower share of 37% in aggregate earnings.

Nifty 500 revenues grew 18.9% YoY; Companies beyond the top 50 contributed 55.4% of incremental sales, registering a YoY growth of 19.3% in Q1FY27.

The improvement was also broad-based across companies, with 454 Nifty 500 companies reporting YoY revenue growth. Moreover, growth was particularly stronger in mid- and small-cap cohorts, with the Nifty Midcap 150 and Nifty Smallcap 250 recording a slightly higher median growth of 17.2%, as compared to 16.8% for the Nifty 50 universe. Further, the proportion of companies

reporting YoY revenue growth in the 10–30% range increased to 71%, from 65.5% a year earlier, indicating a broader-based improvement in revenue growth.

- **Non-energy sectors delivered stronger EBITDA growth in Q1FY27:** EBITDA of non-financial Nifty 50 and Nifty 500 companies increased 5.3% YoY and 3.5% YoY, respectively, to Rs. 3.41 lakh crore and Rs. 5.98 lakh crore, moderating from 6.2% and 13.1% YoY, respectively, in the previous quarter, and remained below the 12.3% YoY growth recorded in the corresponding quarter of the previous financial year. Operating margins declined 305 bps YoY to 20.5% for the Nifty 50 and 244 bps to 16.8% for the Nifty 500.

Energy sector was the largest drag, with the sector's EBITDA falling 37.4% YoY in Q1, leading to the operating margin falling from 15.5% to 7.4%. This was on the back of fuel-marketing under-recoveries amid oil-price shock and higher elevated procurement and shipping costs. Excluding Energy, EBITDA increased 13.6% YoY for Nifty 50 universe and 20% YoY for the Nifty 500 (ex-Nifty 50) universe, highlighting the stronger operating performance of the broader set of sectors in Q1.

- **Nifty 50 PAT growth strengthened in Q1; Nifty 500 PAT growth moderated amid pressure from the Energy sector:** Nifty 50 PAT growth accelerated to a four-quarter high of 11.8% YoY in Q1FY27, while Nifty 500 PAT growth moderated to 11.1% YoY – lowest in five quarters, with Energy weighing on broader earnings. Financials and Materials accounted for nearly 95% of Nifty 50 earnings growth, supported by robust credit growth, improved asset quality, favourable metal prices and stronger demand. Communication Services also delivered strong growth, aided by higher average revenue per user (ARPU) and subscriber additions. In contrast, Energy, Consumer Staples and Healthcare dragged profitability. Within Nifty 500, Financials remained the key earnings driver, with PAT rising 24% YoY. Excluding Energy, PAT growth strengthened sharply to 16.7% for Nifty 50 and 22.6% for Nifty 500, indicating healthier underlying earnings momentum..
- **Concentration indicators showed divergent movements across sales and earnings:** Sales concentration increased sequentially in Q1 FY27, with sales-HHI rising from 486 to 515 for the Nifty 50 and from 162 to 177 for the Nifty 500. In contrast, EBITDA-HHI declined from 154 to 147 and from 45 to 40, respectively. Nifty 500 PAT-HHI remained unchanged at 147, below 173 a year earlier and at its lowest level since June 2011, while Nifty 50 PAT-HHI increased from 432 to 464, remaining below 518 in Q1 FY26.

Sector-level movements were more pronounced. Energy recorded a sharp increase in PAT concentration, with its HHI rising from 2,409 in June 2025 to 3,075 in June 2026, alongside a deterioration in profitability. Financials and Information Technology, in contrast, saw PAT-HHI decline from 552 to 487 and from 1,975 to 1,775, respectively. Thus, stability in aggregate Nifty 500 PAT concentration masked significant shifts in the distribution of profits across sectors. These measures capture the concentration of sales and earnings levels; the breadth of company-level growth needs to be assessed separately.

- **Consensus FY27 aggregate PAT estimates downgraded further:** Aggregate profitability in the Nifty 500 moderated in Q1 FY27, reflecting margin pressures. The moderation was more pronounced among mid-caps, while large-caps remained broadly steady and small-caps continued to improve. Against this

Nifty 500 operating margin in Q1 declined 244 bps YoY to 16.8%, with Energy accounting for a substantial portion of the operating profit underperformance of the cohort.

Nifty 500 PAT-HHI remained at 147, retaining its lowest reading since June 2011.

Aggregate PAT growth of top 200 companies is pegged at 9.2%/17.2% in FY27/ FY28, implying a CAGR of 17.2% during FY26-28.

backdrop, FY27 earnings estimates were trimmed by 0.9% since June-end and 4.1% since March 2026, reducing implied earnings growth to 9.2% as of September 11th, from 16.4% at end-March. Energy, Materials and Consumer Discretionary accounted for more than 81% of the downgrade since March. FY28 earnings estimates declined 1.8% since March, lifting the implied growth to 17.2% as of September 11, from 14.5% at end-March. The implied FY25–27 annualised profit growth improved to 17.2%, pointing to a resilient medium-term trajectory despite lingering headwinds.

- **ERI recovers to neutral level:** After remaining firmly in negative territory through much of 2025 and into June, the ERI improved gradually during the second half of last year, moving into mildly positive territory. It subsequently weakened through the first five months of 2026, before recovering over the past three months. The indicator is now close to zero, suggesting that upgrades and downgrades are broadly balanced across Nifty 50 companies. The recent improvement in the ERI is consistent with the relatively modest decline in aggregate earnings estimates. However, the indicator remains close to neutral rather than firmly positive, suggesting that a broad-based earnings upgrade cycle has yet to emerge. Elevated geopolitical tensions, alongside domestic and external demand headwinds, continue to cloud the outlook and could limit the strength and durability of the earnings recovery.

1.1.1 Nifty 50 Q1FY27 results

Topline growth for the Nifty 50 accelerated to a 15-quarter high in Q1 FY27: Net sales increased 18.4% YoY to Rs. 21.15 lakh crore, strengthening from 11.2% growth in Q4 FY26 and a lower base of 5% growth in Q1FY26. This also marked the strongest YoY revenue growth in 15 quarters. Sequentially, revenues grew by a modest 1.8% QoQ – the lowest growth rate in four quarters – following a strong growth in March quarter. Growth as compared to the same period last year was broad-based across all sectors, with six sectors reporting double-digit growth. Energy, Consumer Discretionary, Materials and Financials together accounted for approximately four-fifths of the YoY revenue increase.

Sector-wise, the YoY revenue expansion was driven by four major sectors:

1. **Energy:** Revenues increased 26.7% YoY – the strongest in 15 quarters – to Rs. 5.61 lakh crore, contributing nearly 36% or more 1/3rd of the annual increase in Nifty 50 sales. Higher crude prices following West Asia-related supply disruptions provided a supportive pricing backdrop for crude-linked revenues, contributing to the expansion in nominal sales. Sequentially, revenues increased 9.0% in QoQ, making Energy the principal contributor to the aggregate QoQ expansion.
2. **Consumer Discretionary:** Revenues rose 28.8% YoY – the highest in the last 12 quarters – to Rs. 2.81 lakh crore, accounting for 16.2% of the YoY revenue increase. Higher automobile sales volumes provided support, with the industry recording double-digit volume growth across major vehicle categories during the quarter. Sequentially, the sector revenues moderated 1.6%, following a robust 21-quarter high growth rate of 18.7% QoQ in the March quarter.
3. **Materials:** Revenues increased 19.9% YoY to Rs. 2.77 lakh crore, contributing 14.0% of the annual increase in Nifty 50 net sales. Higher metal and cement prices, coupled with robust demand from the infrastructure, construction, and manufacturing sectors, supported the sector's revenue performance. Aggregate sector revenues were broadly stable sequentially, declining 0.5% QoQ.
4. **Financials:** Financials sector posted its strongest growth in six quarters, with revenues (includes gross interest income) rising 9.7% YoY to Rs 4.50 lakh crore and accounting for 12% to the YoY increase in Nifty 50 net sales, led by a robust 20% YoY credit growth in Q1FY27 – the highest in over four years.

Collectively, these four sectors represented 74% of Nifty 50 revenues and contributed 80.9% of the YoY revenue increase. Commodity-linked businesses, discretionary consumption and industrial activity therefore accounted for the largest incremental contributions to topline growth.

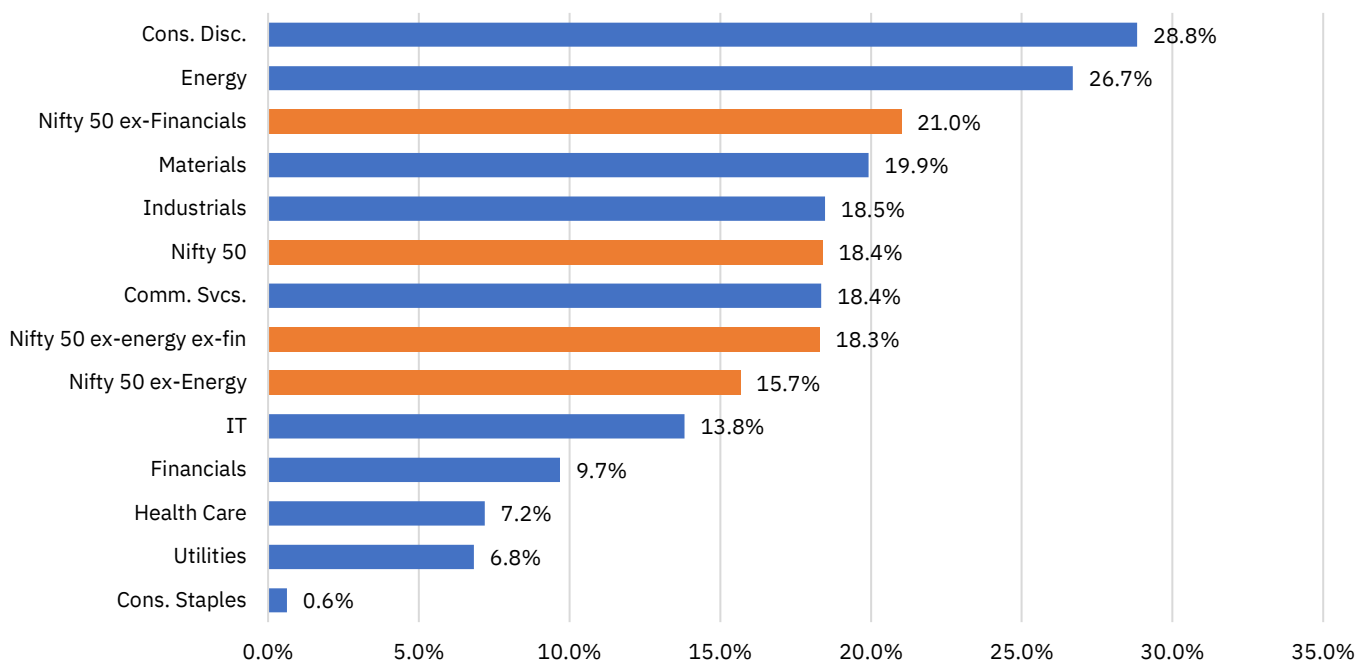
Among other sectors, Industrials revenues increased 18.5% YoY to Rs. 1.42 lakh crore, resulting in the fastest expansion in 14 quarters. The expansion occurred alongside continued government capex, which supported the demand environment for infrastructure and capital goods. Information Technology revenues increased 13.8% YoY and 2.6% QoQ. Rupee depreciation during the quarter provided a supportive currency-translation backdrop for export-oriented revenues. Communication Services maintained double-digit expansion, with revenues increasing 18.4% YoY and 5.7% QoQ. Healthcare and Utilities recorded annual revenue growth of 7.2% and 6.8%, respectively.

Table 1: Sector-wise net sales growth of Nifty 50 companies

Sector	QoQ growth			YoY growth		
	Jun-25	Mar-26	Jun-26	Jun-25	Mar-26	Jun-26
Communication Services	3.3	2.6	5.7	28.5	15.7	18.4
Consumer Discretionary	-2.8	18.7	-1.6	0.1	27.2	28.8
Consumer Staples	7.5	-1.9	3.9	12.3	4.1	0.6
Energy	-6.5	8.3	9.0	1.0	8.7	26.7
Financials	-3.1	2.5	0.0	8.7	5.7	9.7
Health Care	4.2	-6.1	6.6	9.6	4.8	7.2
Industrials	-16.6	16.1	-10.6	8.1	12.4	18.5
Information Technology	0.0	3.3	2.6	4.0	11.0	13.8
Materials	-4.4	13.8	-0.5	6.7	15.2	19.9
Utilities	-6.2	5.3	1.4	-2.1	-1.2	6.8
Nifty 50	-4.2	8.2	1.8	5.0	11.2	18.4
Nifty 50 ex-Energy	-3.5	8.2	-0.6	6.4	12.1	15.7
Nifty 50 ex-Financials	-4.6	10.0	2.3	3.9	12.9	21.0
Nifty 50 ex-energy ex-fin	-3.6	10.7	-0.8	5.3	14.9	18.3

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 50 index as of end of respective quarters.

Figure 1: Sector-wise net sales YoY growth of Nifty 50 companies in Q1FY27


Source: CMIE Prowess, LSEG workspace, NSE EPR.

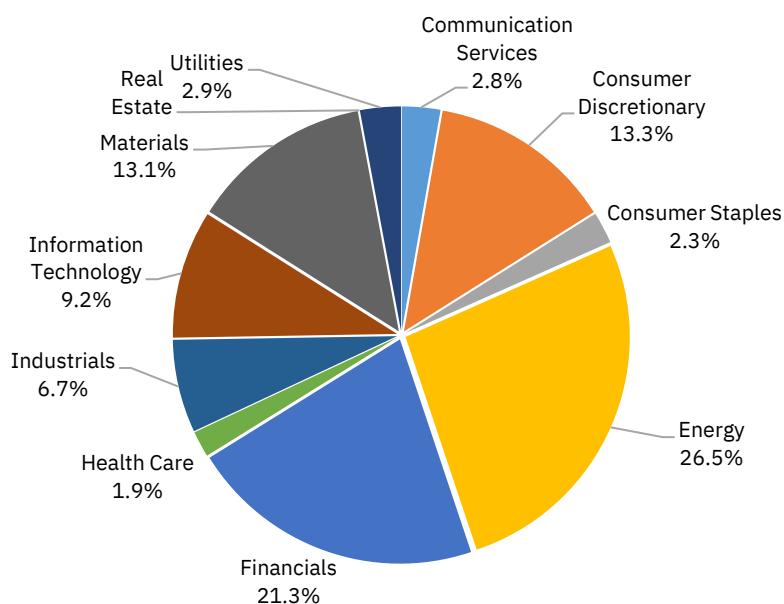
Note: 1. The above charts provide data for companies in the Nifty 50 index as on June 30th, 2026.

Table 2: Sector-wise contribution of Nifty 50 companies to net sales growth rate in Q1FY27

Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	58,539	0.2	0.5
Consumer Discretionary	2,81,445	-0.2	3.5
Consumer Staples	48,182	0.1	0.0
Energy	5,60,710	2.2	6.6
Financials	4,50,366	0.0	2.2
Healthcare	39,929	0.1	0.1
Industrials	1,41,818	-0.8	1.2
Information Technology	1,95,256	0.2	1.3
Materials	2,76,890	-0.1	2.6
Utilities	62,238	0.0	0.2
Nifty 50	21,15,372	1.8	18.4
Nifty 50 ex-Energy	15,54,662	-0.5	11.8
Nifty 50 ex-Financials	16,65,006	1.8	16.2
Nifty 50 ex-Energy ex-Financials	11,04,296	-0.5	9.6

Source: CMIE Prowess, LSEG workspace, NSE EPR

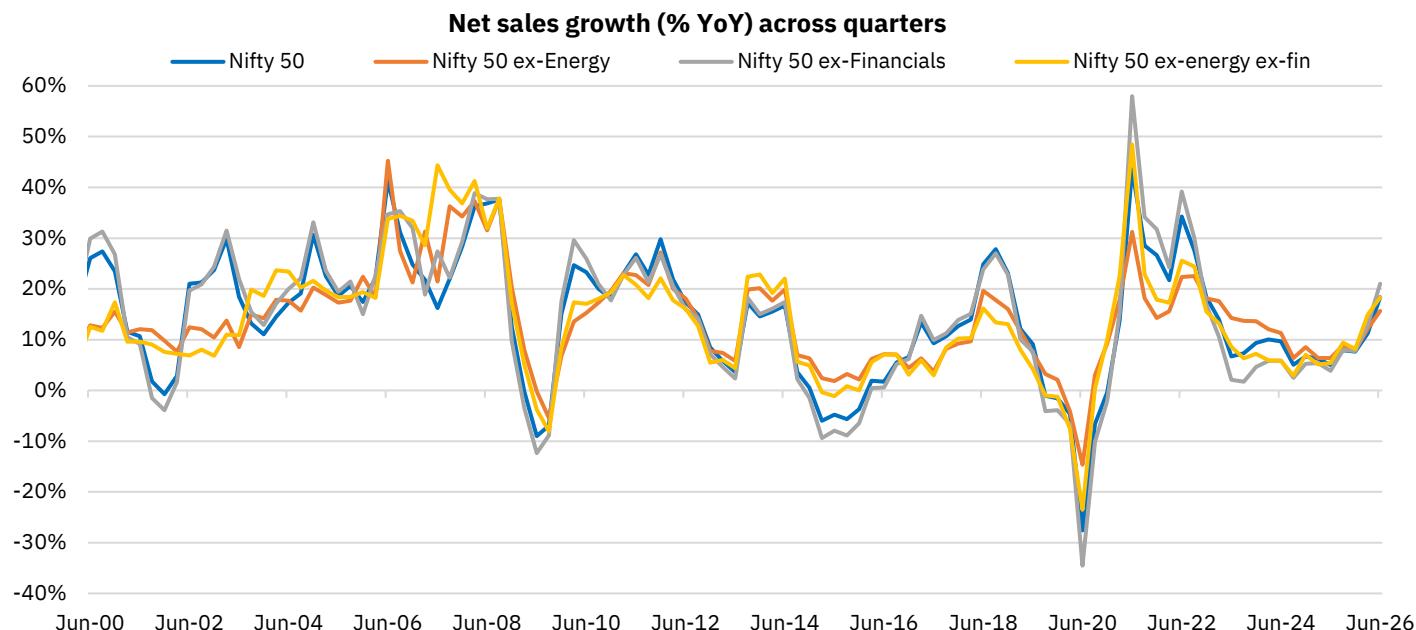
Note: 1. The above table provides data for companies in the Nifty 50 index as on June 30th, 2026.

Figure 2: Sector-wise share in net sales of Nifty 50 companies in Q1FY27


Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on June 30th, 2026.

Figure 3: Quarterly trend of Nifty 50 revenue growth (YoY)



Cost pressures weighed on EBITDA margins of Nifty 50 companies in Q1: Aggregate EBITDA of Nifty 50 companies, excluding Financials, grew 5.3% YoY to Rs. 3.41 lakh crore in Q1FY27. While Materials, Communication Services and Consumer Discretionary sectors were the largest contributors to YoY EBITDA growth in Q1FY27, Energy emerged as the largest drag, with EBITDA declining 13.1% YoY. Besides geopolitical shocks and downstream marketing losses, the sector's EBITDA performance was also impacted by a higher base, including one-off profit from the sale of listed investments by Reliance Industries in the previous-year quarter. Excluding Energy sector, EBITDA of Nifty 50 non-financial companies grew by a healthy 13.6% YoY and 3.3% QoQ. Despite healthy ex-Energy EBITDA growth, operating margins contracted 94 bps YoY to 22.9%, reflecting persistent inflationary pressures on input costs amid global supply chain disruptions, geopolitical tensions in West Asia that drove up commodity prices.

Materials sustained its strong revenue momentum, with EBITDA rising 34.7% YoY – the highest growth in 19 quarters – and 9.4% QoQ to Rs 53,725 crore. The strong EBITDA performance was accompanied by a 213bps YoY expansion in operating margin to 19.4%. Communication Services also delivered healthy EBITDA growth of 20.7% YoY and 5.7% QoQ with margin improvement of 115 bps YoY, supported by continued subscriber additions and growth in the non-mobile business.

Consumer Discretionary recorded 12.6% YoY EBITDA growth, although margins declined 197 bps to 13.7%, indicating cost pressures despite strong revenue growth. Information Technology EBITDA grew 10.3% YoY and 1.1% QoQ, with margins moderating to 24.6%. Currency tailwinds provided some support, partly offsetting subdued corporate IT spending. Consumer Staples and Healthcare recorded EBITDA declines of 6.3% and 11%, respectively on YoY basis, accompanied by margin compression.

Table 3: Sector-wise EBITDA growth of Nifty 50 companies

Sector	QoQ growth			YoY growth		
	Jun-25	Mar-26	Jun-26	Jun-25	Mar-26	Jun-26
Communication Services	3.2	2.7	5.7	35.5	17.8	20.7
Consumer Discretionary	-9.2	40.3	-11.7	-7.0	13.5	12.6
Consumer Staples	0.7	6.8	-13.3	1.1	8.9	-6.3
Energy	11.4	6.7	-10.7	19.3	8.4	-13.1
Financials	4.9	-1.7	7.9	12.8	1.0	4.8
Health Care	6.0	-23.1	13.9	11.6	-17.4	-11.0
Industrials	-12.3	8.2	-13.0	14.9	8.4	6.6
Information Technology	-0.9	1.0	1.1	4.7	8.1	10.3
Materials	2.8	22.6	9.4	21.5	26.6	34.7
Utilities	-13.9	-41.4	70.8	3.7	-45.6	8.0
Nifty 50	2.7	2.0	3.5	12.6	3.6	5.0
Nifty 50 ex-Energy	1.3	1.2	5.9	11.4	2.8	8.3
Nifty 50 ex-Financials	0.6	5.8	-0.7	12.3	6.2	5.3
Nifty 50 ex-energy ex-fin	-3.8	5.4	3.3	9.3	5.4	13.6

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 50 index as on end of respective quarters.

2. Q1FY26 EBITDA of Reliance Industries includes Rs 8,924 crore profit from sale of listed investments.

Table 4: Sector-wise EBITDA margin of Nifty 50 companies in Q1FY27

Sector	EBITDA Margin	QoQ change (bps)	YoY change (bps)
Communication Services	58.6	2	115
Consumer Discretionary	13.7	-157	-197
Consumer Staples	25.7	-511	-189
Energy	15.6	-345	-714
Financials	76.9	567	-359
Health Care	23.9	154	-488
Industrials	20.6	-56	-230
Information Technology	24.6	-36	-79
Materials	19.4	176	213
Utilities	44.0	1789	48
Nifty 50	32.5	54	-413
Nifty 50 ex-Energy	38.6	239	-260
Nifty 50 ex-Financials	20.5	-61	-305
Nifty 50 ex-energy ex-fin	22.9	93	-94

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 50 index as on June 30th, 2026.

Figure 4: Sector-wise EBITDA growth of Nifty 50 companies in Q1FY27

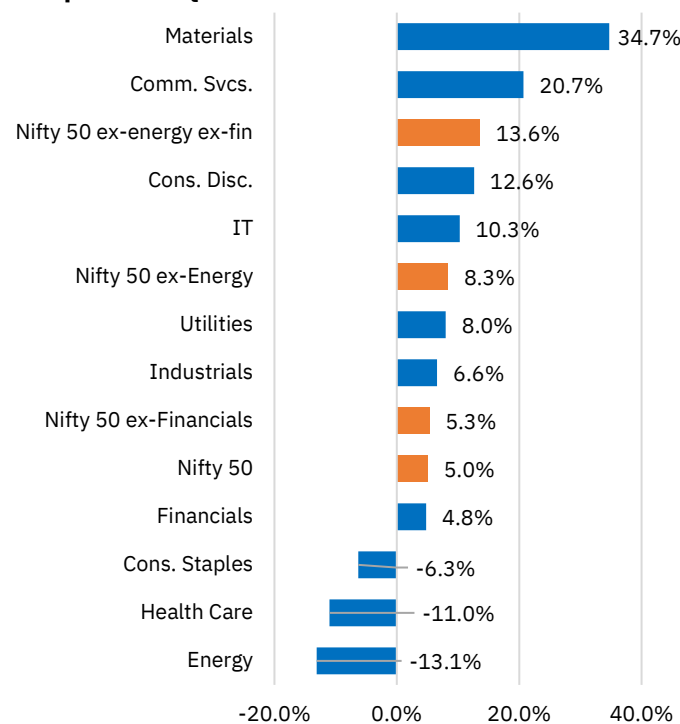
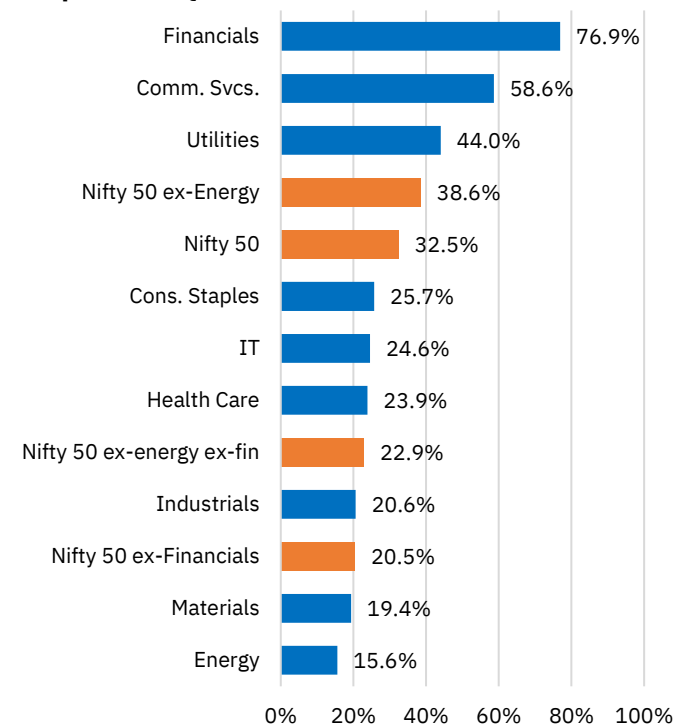


Figure 5: Sector-wise EBITDA margin of Nifty 50 companies in Q1FY27



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 50 index as on June 30th, 2026.

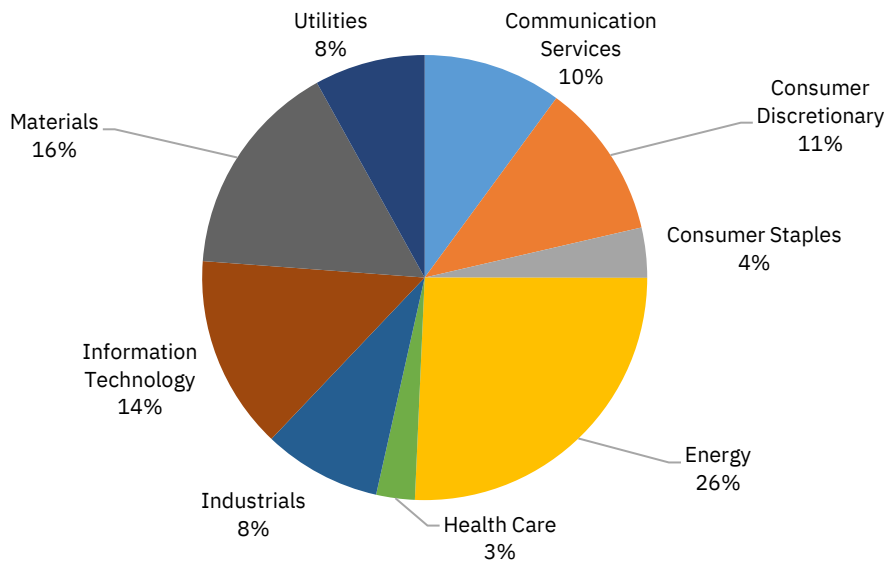
Table 5: Sector-wise contribution of Nifty 50 companies (ex-Financials) to EBITDA growth rate in Q1FY27

Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	34,318	0.5	-4.2
Consumer Discretionary	38,531	-1.5	11.6
Consumer Staples	12,380	-0.6	4.3
Energy	87,483	-3.1	23.8
Health Care	9,544	0.3	-2.6
Industrials	29,241	-1.3	9.8
Information Technology	47,992	0.1	-1.2
Materials	53,725	1.3	-10.5
Utilities	27,412	3.3	-25.7
Nifty 50 ex-Financials	3,40,624	-0.7	5.3
Nifty 50 ex-energy ex-fin	2,53,141	2.4	-18.5

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 50 index as on June 30th, 2026.

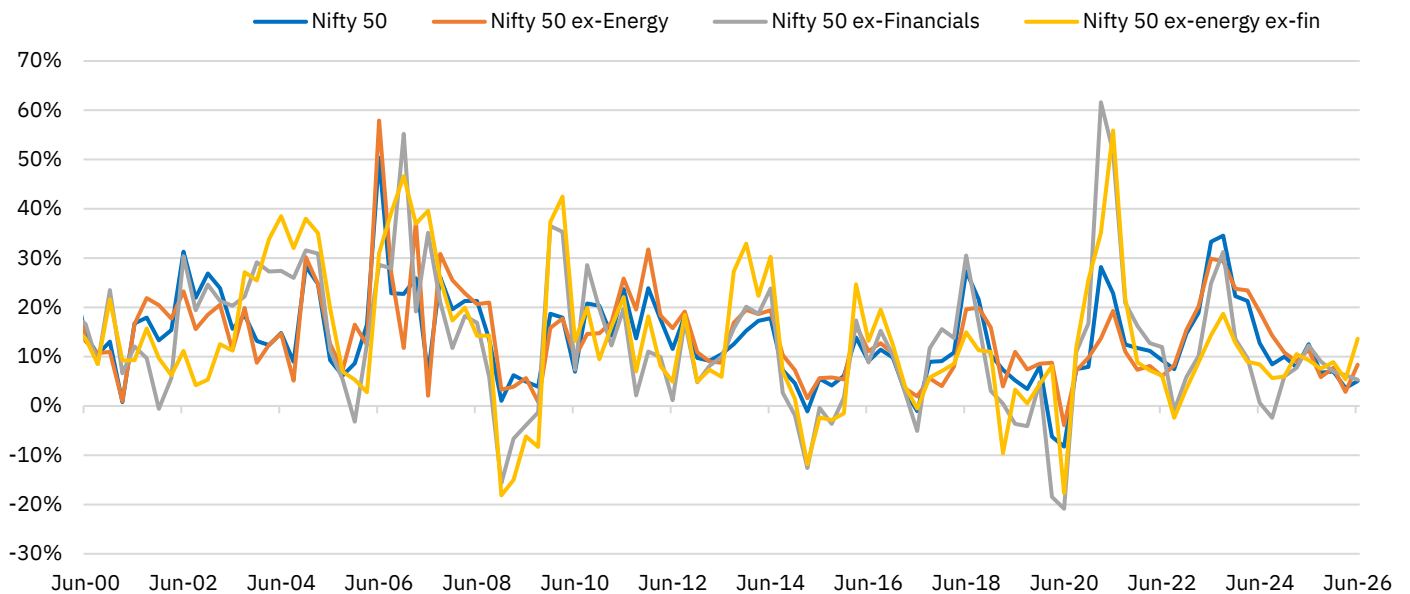
Figure 6: Sector-wise share in EBITDA of Nifty 50 companies (ex-Financials) in Q1FY27



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on June 30th, 2026.

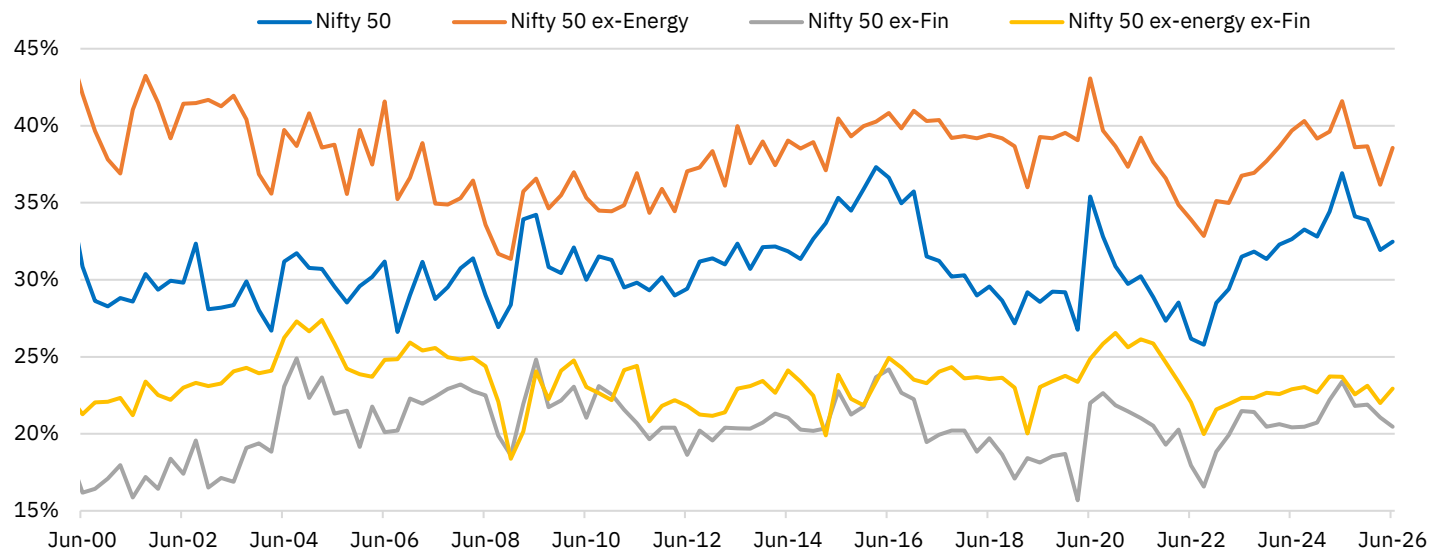
Figure 7: Quarterly trend of Nifty 50 EBITDA growth (YoY)



Source: CMIE Prowess, LSEG Workspace, NSE EPR

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

Figure 8: Quarterly EBITDA margin trend of Nifty 50 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR

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

Nifty 50 PAT growth improved to four-quarter high of 11.8% YoY: Aggregate PAT of the Nifty 50 rose to Rs. 2.49 lakh crore, with YoY growth accelerating from 8.2% in Q4FY26 to 11.8% in Q1FY27. This marked the highest growth rate in the past four quarters, although it remained below the 14% YoY growth recorded in the June quarter of the previous fiscal year. The aggregate PAT margin declined by 69 bps YoY to 11.8%, reflecting cost pressures during Q1 amid ongoing geopolitical tensions and supply chain shocks. On a QoQ basis, aggregate PAT fell by 2.4%, while the PAT margin contracted by 51 bps. Financials and Materials contributed nearly 95% of the aggregate YoY PAT growth, more than offsetting the profitability drag from the Energy sector. Excluding Energy sector, Nifty 50 PAT growth accelerated to a nine-quarter high of 16.7% YoY, while remaining flat on QoQ basis.

Financials registered a healthy PAT growth of 19.2% YoY and 8.4% QoQ, supported by robust credit offtake and improved asset quality in Q1FY27, despite pressures on NIMs, as deposit growth continued to lag credit growth. Excluding Financials, Nifty 50 PAT growth moderated to 7.8% YoY, while declining 7.9% QoQ. Materials sector recorded the strongest PAT growth across sectors, rising 68.6% YoY and 22.6% QoQ to Rs 24,196 crore. The sharp improvement in profitability was driven by favourable metal prices and stronger demand, which supported higher realisations. Consequently, the PAT margin expanded by 252 bps YoY and 164 bps QoQ to 8.7%.

Communication Services also reported a strong 39.7% YoY growth in PAT, following two consecutive quarters of muted growth. Profit margins also expanded by 270 bps YoY, driven by higher average revenue per user (ARPU), continued premiumisation, new subscriber additions, and improved revenue contribution from non-mobile segments.

Besides Energy, Consumer Staples and Healthcare sectors recorded PAT declines of 10.5% and 18.7%, respectively on YoY basis. While Healthcare sector was impacted due to weaker performance in the North American markets, Consumer Staples sector faced inflationary headwinds.

Table 6: Sector-wise PAT growth of Nifty 50 companies

Sector	QoQ growth			YoY growth		
	Jun-25	Mar-26	Jun-26	Jun-25	Mar-26	Jun-26
Communication Services	-41.2	41.7	-16.5	143.8	-1.6	39.7
Consumer Discretionary	-13.3	60.4	-18.9	-3.1	13.4	10.7
Consumer Staples	3.9	5.4	-15.7	4.7	10.3	-10.5
Energy	23.2	9.9	-16.2	33.4	10.0	-9.2
Financials	3.9	3.7	8.4	6.1	9.1	19.2
Health Care	5.8	-30.9	13.1	7.1	-24.3	-18.7
Industrials	-12.4	-23.8	16.4	12.4	-34.7	-9.5
Information Technology	-1.2	2.2	-0.9	5.3	11.3	11.7
Materials	-4.4	18.0	22.6	35.2	31.4	68.6
Utilities	-19.1	55.3	-30.9	3.9	26.2	7.8
Nifty 50	0.3	10.2	-2.4	14.0	8.2	11.8
Nifty 50 ex-Energy	-4.7	10.3	0.5	9.6	7.8	16.7
Nifty 50 ex-Financials	-1.5	13.8	-7.9	18.6	7.7	7.8
Nifty 50 ex-energy ex-fin	-10.4	15.3	-4.9	12.3	6.9	14.8

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 50 index as on end of respective quarters.

Table 7: Sector-wise PAT margin of Nifty 50 companies in Q1FY27

Sector	PAT Margin (%)	QoQ change (bps)	YoY change (bps)
Communication Services	17.7	-470	270.1
Consumer Discretionary	6.3	-134	-146.3
Consumer Staples	17.1	-398	-212.6
Energy	6.8	-204	-470.7
Financials	20.6	161	206.1
Health Care	13.2	76	-431.5
Industrials	7.5	174	-215.1
Information Technology	16.0	-56	-30.6
Materials	8.7	164	252.2
Utilities	16.9	-790	15
Nifty 50	11.8	-51	-69
Nifty 50 ex-Energy	13.6	15	12
Nifty 50 ex-Financials	9.4	-104	-115
Nifty 50 ex-energy ex-fin	10.7	-46	-33

Source: CMIE Prowess, LSEG Workspace, NSE EPR. Note: The above table provides data for companies in the Nifty 50 index as on June 30th, 2026.

Figure 9: Sector-wise PAT growth of Nifty 50 companies in Q1FY27

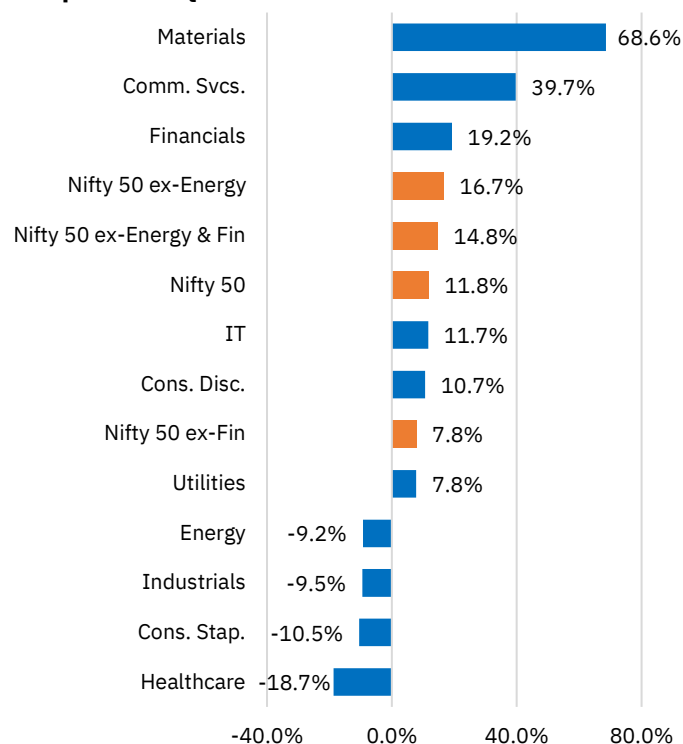
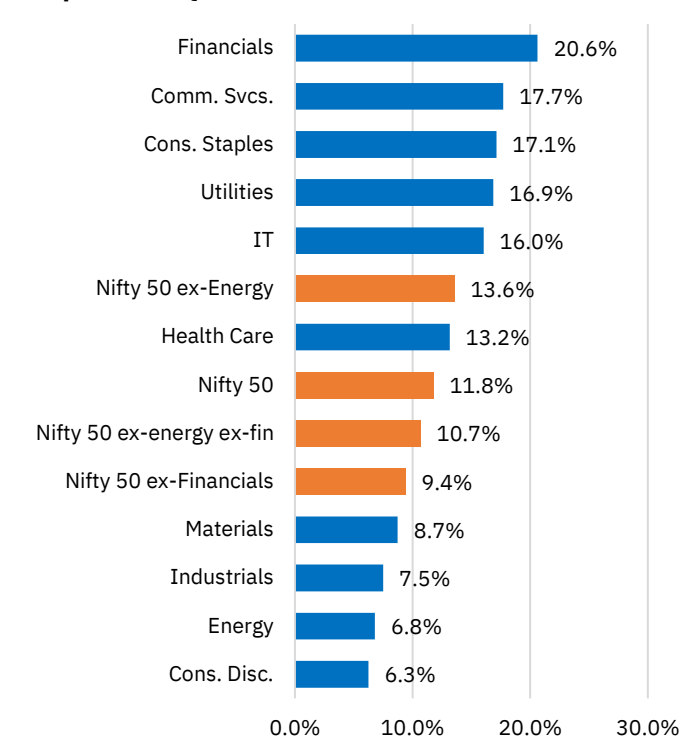


Figure 10: Sector-wise PAT margin of Nifty 50 companies in Q1FY27



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 50 index as on June 30th, 2026.

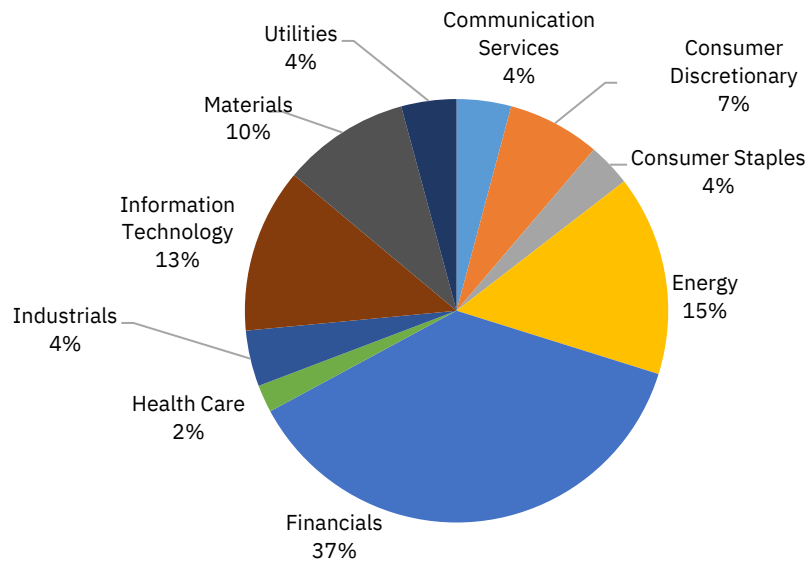
Table 8: Sector-wise contribution of Nifty 50 companies to PAT growth rate in Q1FY27

Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	10,365	-0.8	1.3
Consumer Discretionary	17,606	-1.6	0.8
Consumer Staples	8,250	-0.6	-0.4
Energy	38,108	-2.9	-1.7
Financials	92,896	2.8	6.7
Health Care	5,252	0.2	-0.5
Industrials	10,636	0.6	-0.5
Information Technology	31,332	-0.1	1.5
Materials	24,196	1.7	4.4
Utilities	10,496	-1.8	0.3
Nifty 50	2,49,136	-2.4	11.8
Nifty 50 ex-Energy	2,11,028	0.4	13.6
Nifty 50 ex-Financials	1,56,240	-5.3	5.1
Nifty 50 ex-energy ex-fin	1,18,132	-2.4	6.8

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 50 index as on June 30th, 2026.

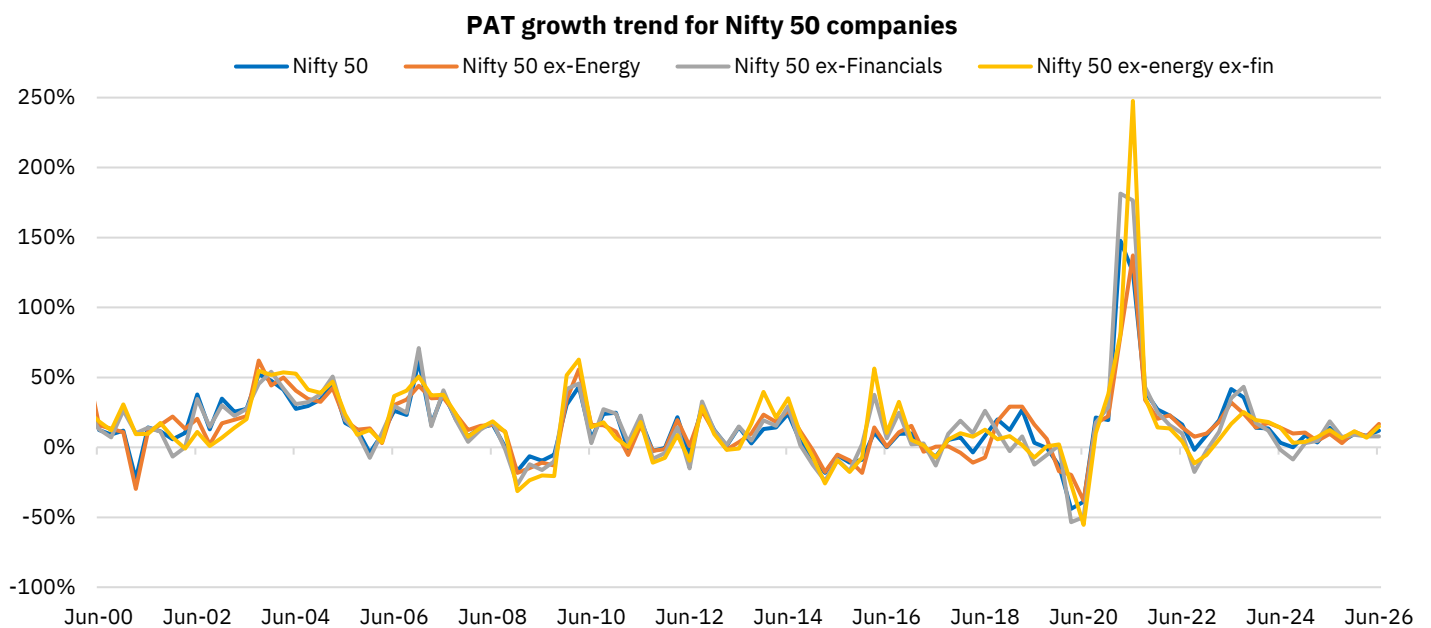
Figure 11: Sector-wise share in PAT of Nifty 50 companies in Q1FY27



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on June 30th, 2026.

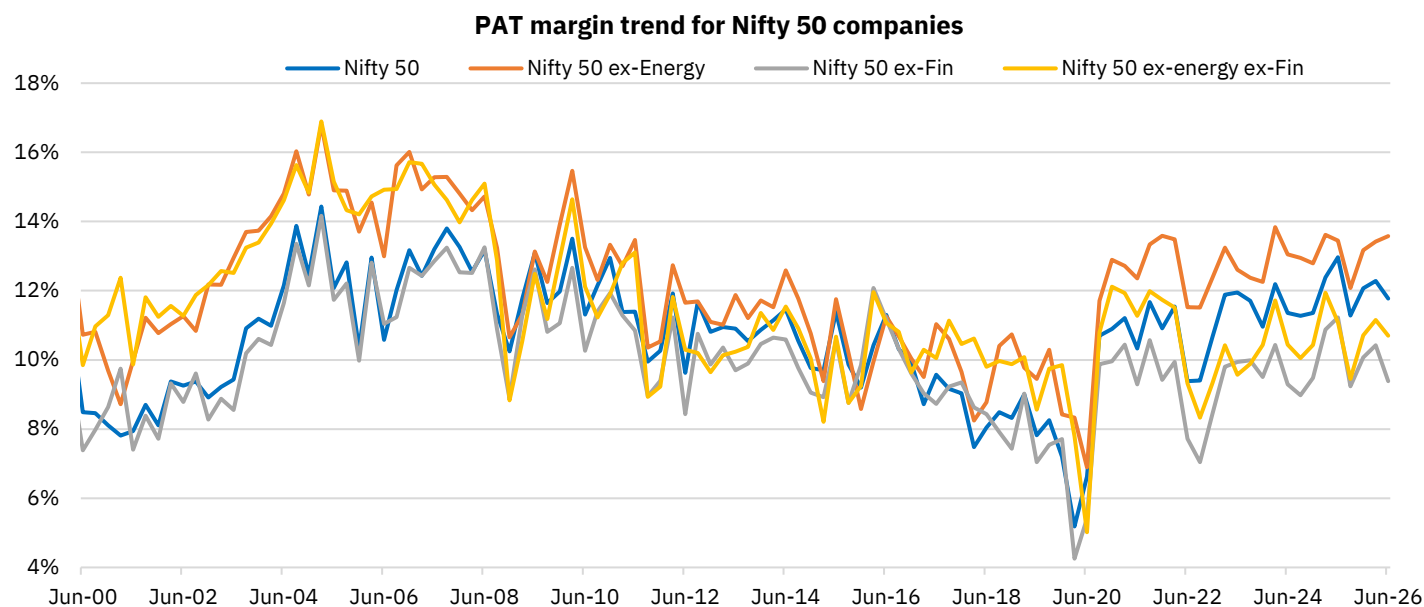
Figure 12: Quarterly trend of Nifty 50 PAT growth (YoY)



Source: CMIE Prowess, LSEG Workspace, NSE EPR

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

Figure 13: Quarterly trend of Nifty 50 PAT margin



Source: CMIE Prowess, LSEG Workspace, NSE EPR

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

1.1.2 Nifty 500 Q1FY27 results

Nifty 500 sales increased 18.9% YoY in Q1 FY27, led by Energy sector: Aggregate net sales of Nifty 500 universe reached Rs. 46.52 lakh crore, with sequential quarterly growth of 3.0%. YoY revenue growth was broad-based across sectors, with nine sectors posting double-digit expansion, while the Energy sector emerged as the largest contributor to the YoY increase in Nifty 500 revenue. Nifty 500 excluding Nifty 50 companies recorded a higher revenue growth of 19.3% YoY to Rs. 25.37 lakh crore, with sales increasing 4.1% sequentially. This cohort accounted for 54.5% of aggregate Nifty 500 revenues and 55.5% of the YoY revenue increase, demonstrating the contribution of the top 50 companies to the overall topline expansion.

Sector-wise, Energy revenues grew 32.2% YoY to Rs. 12.08 lakh crore for the Nifty 500 cohort and 37.3% YoY for the Nifty 500 ex-Nifty 50 cohort, marking the strongest growth among all sectors. The increase in crude prices, amid the West-Asia conflict, supported revenue growth of crude-linked businesses. Excluding Energy, revenue growth moderated to 14.8% YoY, with a 1.4% QoQ decline. For the Nifty 500 ex-Nifty 50 cohort, revenues grew 14.1% YoY but declined 2.1% QoQ. Consumer Discretionary revenues increased 24.3% YoY and 19.6% YoY for the respective cohorts, supported by higher automobile sales volumes, with domestic demand benefiting from lower GST rates and softer financing costs.

Financials revenues increased 9.4% YoY, with growth of 9.2% YoY beyond the Nifty 50 cohort. Industrials and Information Technology recorded revenue growth of 18.4% and 19.8%, respectively. Within Information Technology, the ex-Nifty 50 cohort registered growth of 32.1%; rupee depreciation provided a supportive currency backdrop for overseas revenues. Materials revenues increased 9.3%, alongside higher domestic steel consumption and firmer year-on-year steel prices.

In terms of growth breadth, 454 Nifty 500 companies reported YoY revenue growth, while 319 posted a QoQ increase in the June quarter. Median YoY revenue growth stood at 16.8% for Nifty 50 companies and 17.1% for Nifty 500 companies, while Nifty Midcap 150 and Nifty Smallcap 250 recorded a slightly higher median growth of 17.2%. Further, the proportion of companies reporting YoY revenue growth in the 10–30% range increased to 71%, from 65.5% a year earlier, indicating a broader-based improvement in revenue growth.

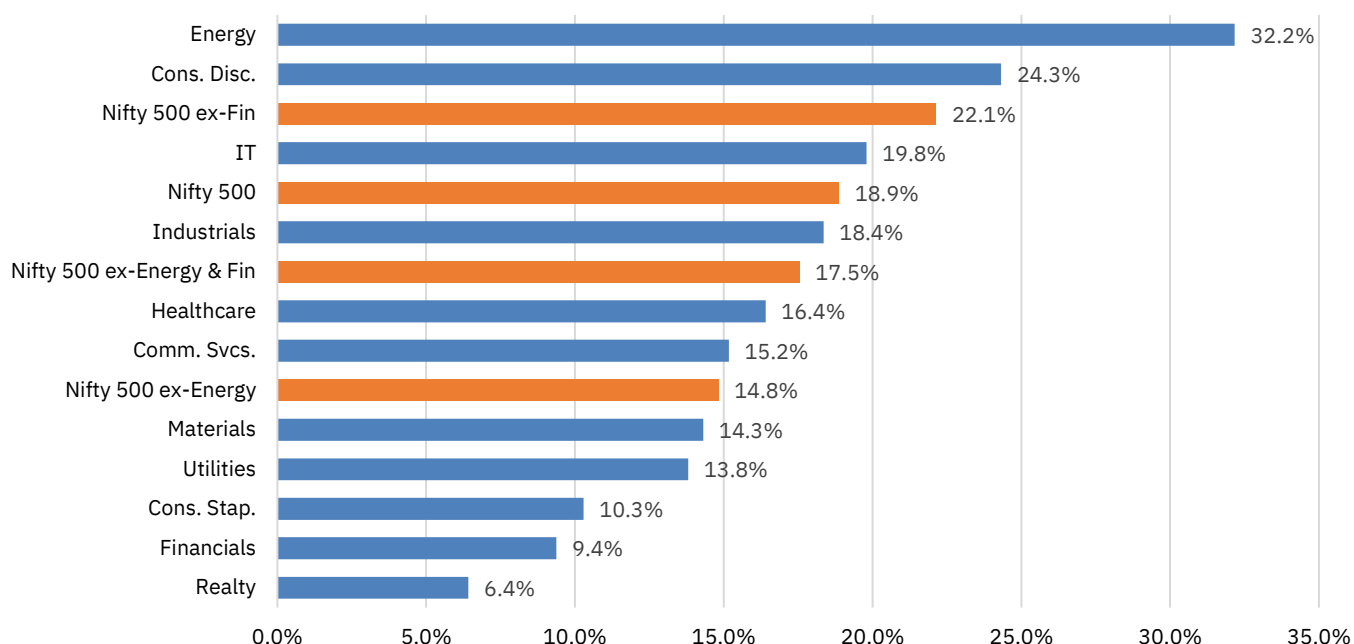
Table 9: Sector-wise net sales growth of Nifty 500 companies

Sector	QoQ growth			YoY growth		
	Jun-25	Mar-26	Jun-26	Jun-25	Mar-26	Jun-26
Communication Services	1.6	3.0	4.1	13.3	12.8	15.2
Consumer Discretionary	0.0	12.4	0.9	4.9	22.8	24.3
Consumer Staples	5.2	2.5	4.3	12.2	11.5	10.3
Energy	-4.4	4.4	18.3	-1.2	6.8	32.2
Financials	-4.5	6.4	-2.7	8.8	7.5	9.4
Health Care	1.1	2.3	5.1	10.4	11.6	16.4
Industrials	-17.8	18.3	-13.8	8.1	13.1	18.4
Information Technology	-0.9	4.7	3.6	7.1	14.5	19.8
Materials	0.9	11.9	-1.5	7.2	17.1	14.3
Real Estate	-12.3	29.9	-29.9	30.8	31.4	6.4
Utilities	0.8	6.3	14.3	2.1	1.5	13.8
Nifty 500	-3.5	7.9	3.1	5.5	11.2	18.9
Nifty 500 ex-Energy	-3.2	9.0	-1.3	7.7	12.6	14.8
Nifty 500 ex-Financials	-3.1	8.4	5.0	4.4	12.6	22.1
Nifty 500 ex-energy ex-fin	-2.5	10.3	-0.7	7.3	15.2	17.5

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 500 index as on end of respective quarters.

Figure 14: Sector-wise net sales YoY growth of Nifty 500 companies in Q1FY27



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 500 index as on June 30th, 2026.

Table 10: Sector-wise contribution of Nifty 500 companies to net sales growth in Q1FY27

Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	97,741	0.1	0.3
Consumer Discretionary	5,32,771	0.0	2.7
Consumer Staples	1,50,834	0.1	0.4
Energy	12,08,166	4.1	7.5
Financials	10,94,298	-0.7	2.4
Health Care	1,29,955	0.1	0.5%
Industrials	3,61,457	-1.3	1.4
Information Technology	3,05,468	0.2	1.3
Materials	5,57,422	-0.2	1.8
Real Estate	15,411	-0.2	0.0
Utilities	1,98,676	0.5	0.6
Nifty 500	46,52,199	3.0	18.9
Nifty 500 ex-Energy	34,44,033	-1.1	11.4
Nifty 500 ex-Financials	35,57,901	3.7	16.5
Nifty 500 ex-energy ex-fin	23,49,735	-0.4	9.0

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of June 30th, 2026.

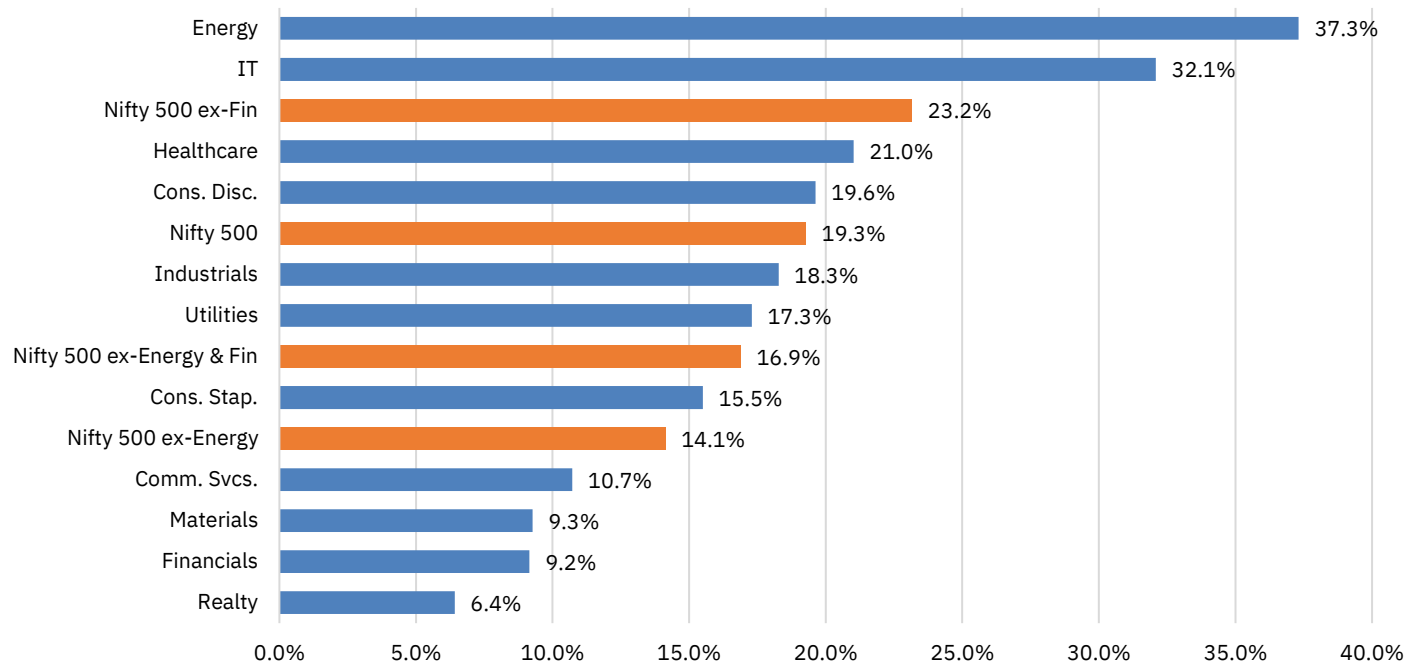
Table 11: Sector-wise net sales growth of Nifty 500 companies (ex-Nifty 50)

Sector	QoQ growth			YoY growth		
	Jun-25	Mar-26	Jun-26	Jun-25	Mar-26	Jun-26
Communication Services	-0.5	3.5	1.8	-2.0	8.9	10.7
Consumer Discretionary	3.7	5.7	3.8	11.6	18.0	19.6
Consumer Staples	4.1	4.7	4.5	12.2	15.4	15.5
Energy	-2.4	0.7	27.8	-3.1	4.9	37.3
Financials	-5.4	9.2	-4.5	8.8	8.6	9.2
Health Care	-0.1	6.4	4.4	10.8	14.8	21.0
Industrials	-18.3	19.6	-15.7	8.1	13.5	18.3
Information Technology	-2.8	7.6	5.5	14.4	21.4	32.1
Materials	6.3	10.1	-2.5	7.6	19.0	9.3
Real Estate	-12.3	29.9	-30.7	30.8	31.4	6.4
Utilities	4.4	6.8	21.3	4.2	3.1	17.3
Nifty 500	-2.8	7.7	4.2	6.0	11.2	19.3
Nifty 500 ex-Energy	-2.9	9.6	-1.9	8.9	13.0	14.1
Nifty 500 ex-Financials	-1.8	7.1	7.6	4.9	12.3	23.2
Nifty 500 ex-energy ex-fin	-1.5	9.9	-0.6	8.9	15.5	16.9

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 500 index as on end of respective quarters and excludes Nifty 50 companies.

Figure 15: Sector-wise net sales YoY growth of Nifty 500 companies (ex-Nifty 50) in Q1FY26



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 500 index as on June 30th, 2026 and excludes Nifty 50 companies.

Table 12: Sector-wise contribution of Nifty 500 companies (ex-Nifty 50) to net sales growth in Q1FY27

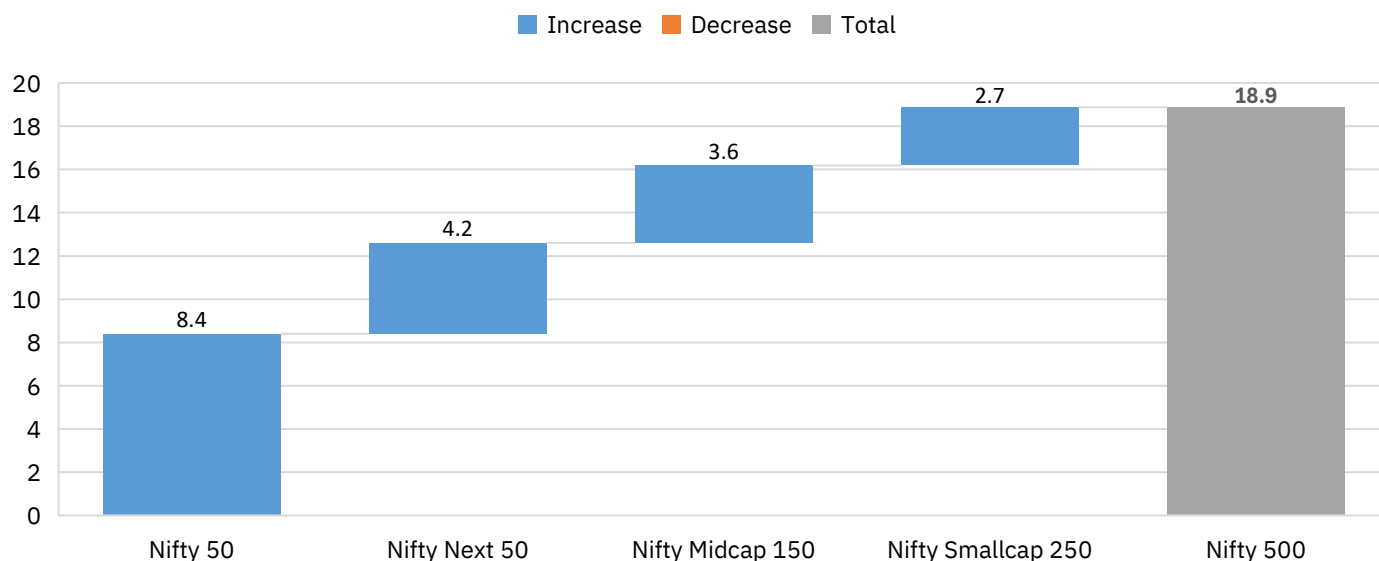
Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	39,202	0.0	0.1
Consumer Discretionary	2,51,326	0.4	1.7
Consumer Staples	1,02,652	0.2	0.9
Energy	6,47,456	6.3	28.5
Financials	6,43,932	-1.6	-7.4
Health Care	90,026	0.1	0.6
Industrials	2,19,639	-1.8	-8.3
Information Technology	1,10,212	0.3	1.2
Materials	2,80,533	-0.3	-1.5
Real Estate	15,411	-0.3	-1.4
Utilities	1,36,438	1.1	4.8
Nifty 500	25,36,827	4.2	19.3
Nifty 500 ex-Energy	18,89,371	-2.0	-9.2
Nifty 500 ex-Financials	18,92,895	5.9	26.7
Nifty 500 ex-energy ex-fin	12,45,439	-0.4	-1.8

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of June 30th, 2026 and excludes Nifty 50 companies.

Figure 16: Share of Nifty index constituents in overall net sales growth of Nifty 500 universe in Q1FY27

Contribution of Nifty index constituents to the overall net sales growth (%YoY) in Q1FY27



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above chart provides data for companies in the Nifty 500 index as of June 30th, 2026.

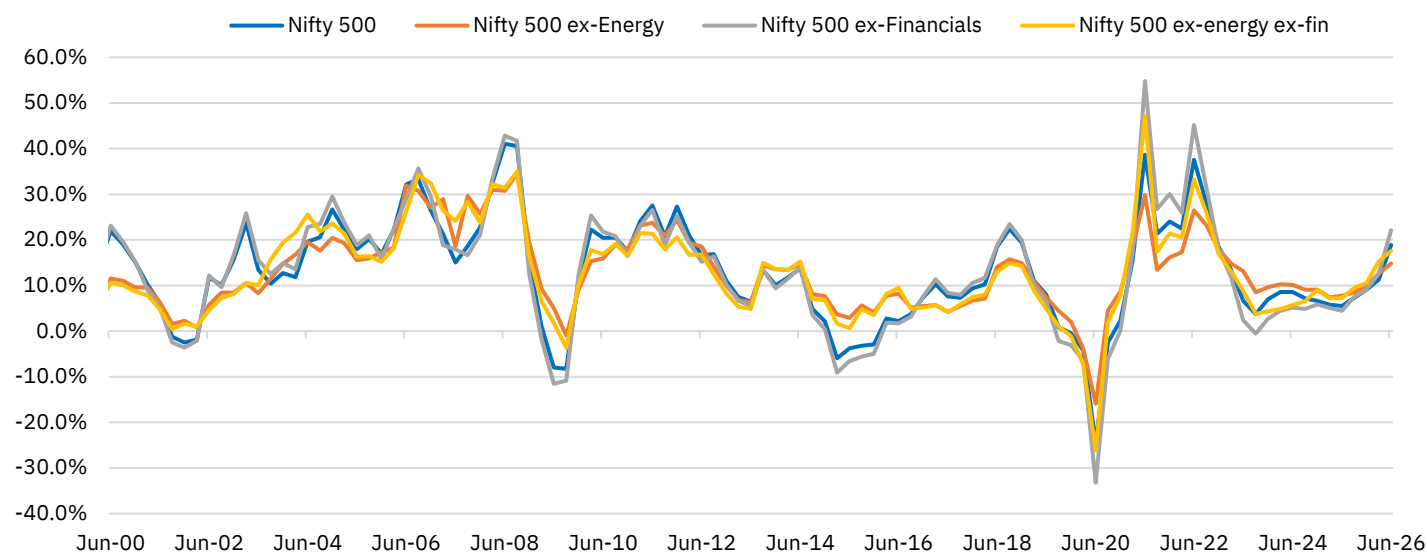
Table 13: Segment-wise distribution of companies based on YoY aggregate and median topline growth in Q3FY26

Index	<=0%	0% - 10%	10% -20%	20% - 30%	30% - 40%	40% - 50%	> 50%	Median
Nifty 50	2	12	20	9	3	1	3	16.8%
Nifty Next 50	8	6	17	8	6	2	3	16.7%
Nifty Midcap 150	8	28	54	33	11	5	11	17.2%
Nifty Smallcap 250	24	46	67	52	21	9	27	17.2%
Nifty 500	42	92	158	102	41	17	44	17.1%

Source: CMIE Prowess, LSEG Workspace, NSE

Note: The above table provides data for companies in the Nifty 500 index as of June 30th, 2026.

Figure 17: Quarterly trend of Nifty 500 revenue growth (YoY)



Source: CMIE Prowess, LSEG Workspace, NSE EPR

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

EBITDA growth rate of Nifty 500 (ex-Fin/Energy) highest in 11 quarters: Aggregate EBITDA stood at Rs 6 lakh crore in Q1FY27, with YoY growth moderating sharply to 3.5% from 13.1% in Q4FY26. Despite a robust 22.1% YoY increase in revenue, the growth did not translate proportionately into operating earnings, as EBITDA margin contracted by 307bps YoY to 16.8%. On a sequential basis, EBITDA declined 8.4%, accompanied by a 244bps contraction in margin. Energy was the key drag on overall profitability, with sector EBITDA declining 37.4% YoY. Excluding Energy and Financials, however, EBITDA growth for the Nifty 500 universe accelerated to an 11-quarter high of 16.8% YoY. In terms of breadth, 304 non-financial companies in the Nifty 500 reported YoY EBITDA growth in the June quarter, while 203 companies recorded a QoQ increase. Outside the Nifty 50 universe, aggregate EBITDA grew a modest 1.1% YoY to Rs. 2.58 lakh crore. Sequentially, EBITDA declined 16.9%, while the EBITDA margin contracted by 318 bps YoY to 13.6%.

Materials made the largest positive contribution to YoY growth in operating profit, with the strong growth in revenues translating into higher operating earnings. EBITDA increased 25.6% YoY to Rs. 1.19 lakh crore. The sector's operating margin expanded by 191 bps YoY to 21.3% - the highest in last 18 quarters – supported by higher metal and cement consumption across infrastructure, construction, and manufacturing activities, along with higher prices. The improvement was also evident beyond the Nifty 50, with EBITDA for the Materials sector in the remaining cohort rising 18.9%, while its operating margin expanded to 23.2%.

Utilities, Consumer Discretionary, IT and Industrials also sustained double-digit EBITDA growth, at 19.5%, 14.2%, 15.3% and 12.8% on YoY basis respectively offsetting the impact of drawdown in operating profits in Energy sector. EBITDA growth was stronger in the ex-Nifty 50 cohort, at 28.2%, 16.1%, 33.3% and 17.7% respectively, broadly reflecting the revenue strength observed in these sectors. In terms of operating margins, Utilities was the only sector to report an expansion on both YoY and QoQ bases, while the remaining sectors saw either marginal margin expansion or contraction in Q1FY27.

Table 14: Sector-wise EBITDA growth of Nifty 500 companies in Q1FY27

Sector	QoQ growth			YoY growth		
	Jun-25	Mar-26	Jun-26	Jun-25	Mar-26	Jun-26
Communication Services	1.8	1.3	5.3	25.6	13.9	17.8
Consumer Discretionary	-6.3	24.1	-8.8	-4.0	16.3	14.2
Consumer Staples	3.3	6.2	-3.4	0.8	11.8	2.6
Energy	8.6	8.1	-44.3	24.9	21.9	-37.4
Financials	1.5	-0.5	6.4	12.3	2.4	7.0
Health Care	5.5	0.6	3.3	9.7	6.7	10.4
Industrials	-18.1	12.6	-14.0	11.0	8.0	12.8
Information Technology	-1.5	2.1	2.3	8.7	11.0	15.3
Materials	6.9	23.7	6.2	16.6	26.7	25.6
Real Estate	-6.4	18.5	-10.0	10.4	18.8	14.6
Utilities	2.6	-17.1	50.1	2.5	-19.6	19.5
Nifty 500	1.1	3.7	-0.7	12.3	7.2	5.4
Nifty 500 ex-Energy	0.3	3.1	5.1	10.9	5.6	10.7
Nifty 500 ex-Financials	0.7	8.7	-8.4	12.3	13.1	3.4
Nifty 500 ex-energy ex-fin	-1.7	8.9	3.2	8.8	10.5	16.7

Source: CMIE Prowess, LSEG workspace, NSE EPR. Notes: 1. The above table provides data for companies in the Nifty 500 index as on June 30th, 2026.

2. Q1FY26 EBITDA of Reliance Industries includes Rs 8,924 crore profit from sale of listed investments.

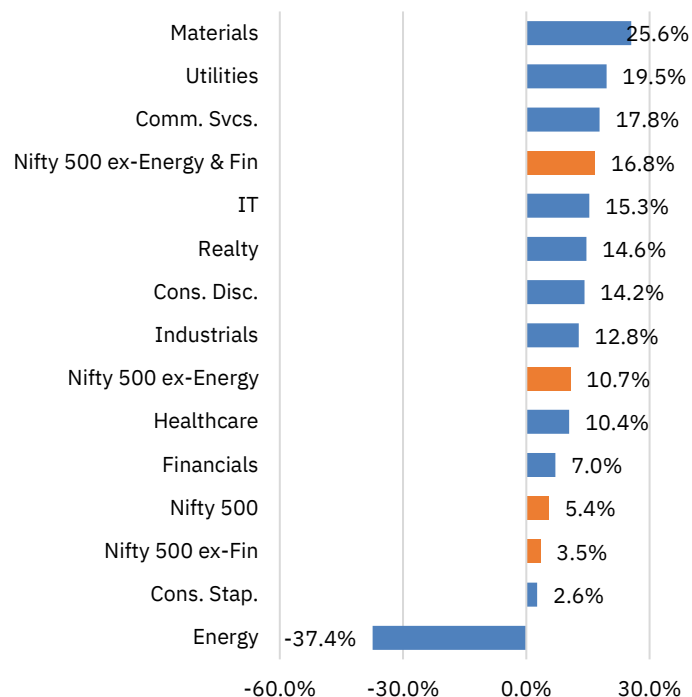
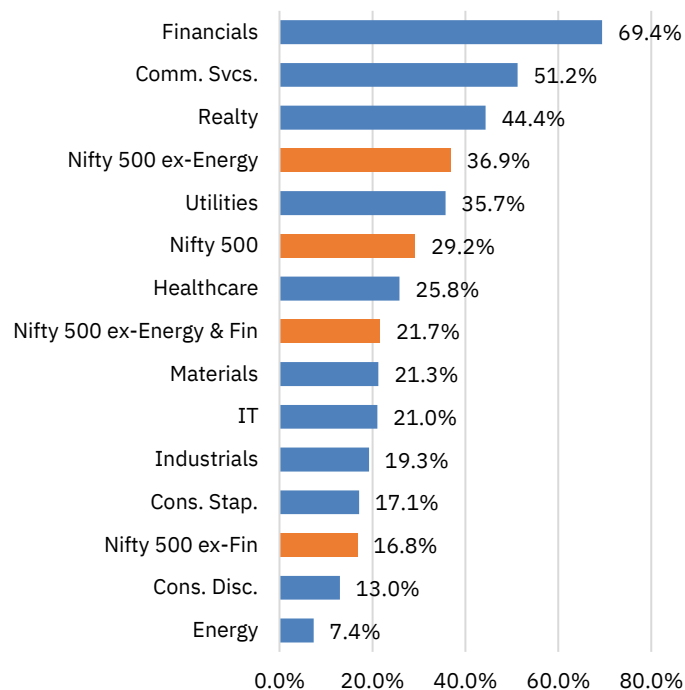
Table 15: EBITDA margin of Nifty 500 companies in Q1FY27

Sector	EBITDA Margin	QoQ change (bps)	YoY change (bps)
Communication Services	51.2	58	116
Consumer Discretionary	13.0	-126	-116
Consumer Staples	17.1	-137	-128
Energy	7.4	-826	-817
Financials	69.4	592	-151
Health Care	25.8	-45	-140
Industrials	19.3	-6	-95
Information Technology	21.0	-26	-81
Materials	21.3	154	191
Real Estate	44.4	1,023	318
Utilities	35.7	852	171
Nifty 500	29.2	-109	-372
Nifty 500 ex-Energy	36.9	229	-136
Nifty 500 ex-Financials	16.8	-244	-304
Nifty 500 ex-energy ex-fin	21.7	86	-15

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above table provides data for companies in the Nifty 500 index as of June 30th, 2026.

2. Q1FY26 EBITDA of Reliance Industries includes Rs 8,924 crore profit from sale of listed investments.

Figure 18: Sector-wise EBITDA growth of Nifty 500 companies in Q1FY27 (YoY)

Figure 19: Sector-wise EBITDA margin of Nifty 500 companies in Q1FY27 (YoY)


Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 500 index as on June 30th, 2026.

2. Q1FY26 EBITDA of Reliance Industries includes Rs 8,924 crore profit from sale of listed investments.

Table 16: Sector-wise contribution of Nifty 500 companies (ex-Financials) to EBITDA growth rate in Q1FY27

Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	50,056	0.4%	1.3%
Consumer Discretionary	69,390	-1.0%	1.5%
Consumer Staples	25,808	-0.1%	0.1%
Energy	88,859	-10.8%	-9.2%
Health Care	33,592	0.2%	0.5%
Industrials	69,590	-1.7%	1.4%
Information Technology	64,285	0.2%	1.5%
Materials	1,18,734	1.1%	4.2%
Real Estate	6,840	-0.1%	0.2%
Utilities	70,988	3.6%	2.0%
Nifty 500 ex-Financials	5,98,142	-8.4%	3.5%
Nifty 500 ex-energy ex-fin	5,09,283	-30.6%	12.6%

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above table provides data for companies in the Nifty 500 index as of June 30th, 2026.

2. Q1FY26 EBITDA of Reliance Industries includes Rs 8,924 crore profit from sale of listed investments.

Table 17: Sector-wise EBITDA growth of Nifty 500 companies (ex-Nifty 50)

Sector	QoQ growth			YoY growth		
	Jun-25	Mar-26	Jun-26	Jun-25	Mar-26	Jun-26
Communication Services	-0.9	-1.4	4.3	9.9	6.3	12.0
Consumer Discretionary	-1.1	7.1	-4.9	1.6	20.4	16.1
Consumer Staples	6.3	5.5	7.9	0.4	15.4	12.5
Energy	2.3	10.3	-97.8	40.9	52.2	-96.7
Financials	-1.5	0.5	5.1	11.8	3.7	9.0
Health Care	5.3	12.5	-0.4	8.9	18.6	22.1
Industrials	-20.9	16.0	-14.8	9.0	7.7	17.7
Information Technology	-3.7	5.5	6.1	26.7	21.0	33.3
Materials	10.2	24.6	3.7	13.2	26.7	18.9
Real Estate	-6.4	18.5	-10.0	10.4	18.8	14.6
Utilities	18.7	5.4	39.4	1.6	6.6	28.2
Nifty 500	-0.5	5.3	-4.6	12.0	10.9	5.8
Nifty 500 ex-Energy	-0.7	4.9	4.3	10.4	8.1	13.0
Nifty 500 ex-Financials	0.8	12.1	-16.9	12.4	21.7	1.1
Nifty 500 ex-energy ex-fin	0.5	12.6	3.1	8.3	16.0	20.0

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

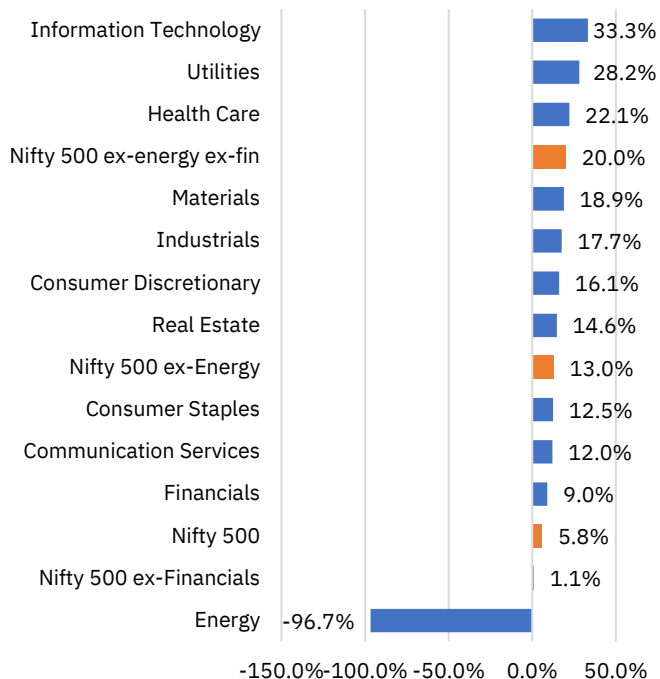
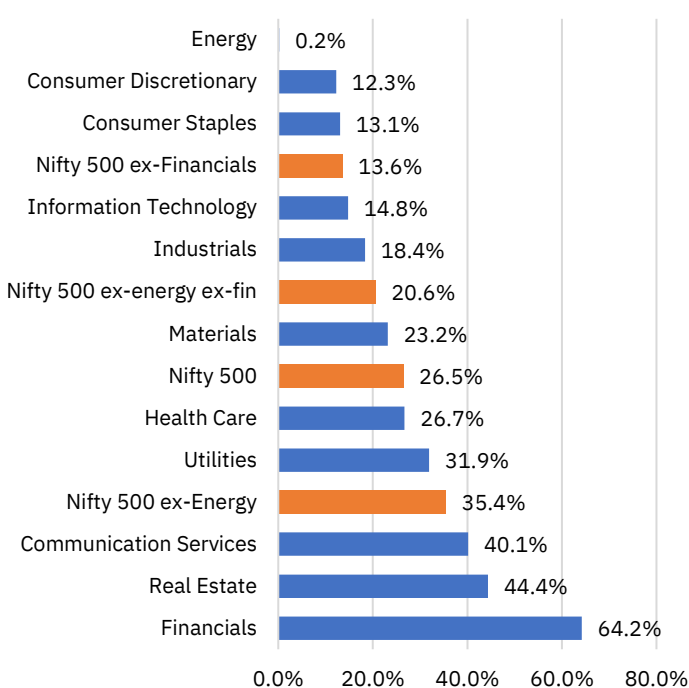
Note: 1. 1. The above table provides data for companies in the Nifty 500 index as on end of respective quarters and excludes Nifty 50 companies.

Table 18: EBITDA margin of Nifty 500 companies (ex-Nifty 50) in Q1FY27

Sector	EBITDA Margin	QoQ change (bps)	YoY change (bps)
Communication Services	40.1	49	47
Consumer Discretionary	12.3	-57	-37
Consumer Staples	13.1	76	-35
Energy	0.2	-338	-854
Financials	64.2	594	-9
Health Care	26.7	-153	24
Industrials	18.4	29	-9
Information Technology	14.8	-5	14
Materials	23.2	-50	187
Real Estate	44.4	704	318
Utilities	31.9	145	271
Nifty 500	26.5	95	-336
Nifty 500 ex-Energy	35.4	255	-37
Nifty 500 ex-Financials	13.6	-101	-297
Nifty 500 ex-energy ex-fin	20.6	25	54

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index excluding the Nifty 50 companies as of June 30th, 2026 and excludes Nifty 50 companies.

Figure 20: Sector-wise EBITDA growth of Nifty 500 companies (ex-Nifty 50) in Q1FY27

Figure 21: Sector-wise EBITDA margin of Nifty 500 companies (ex-Nifty 50) in Q1FY27


Source: CMIE Prowess, LSEG workspace, NSE EPR.

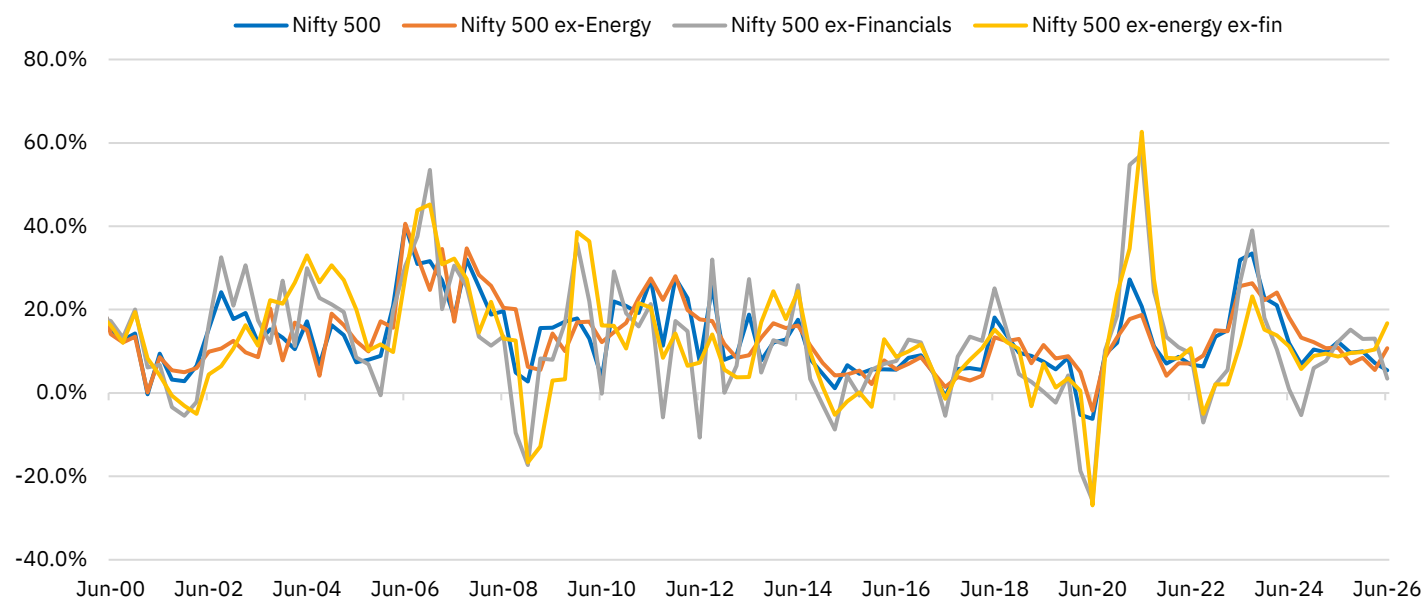
Note: 1. The above charts provide data for companies in the Nifty 500 index as on June 30th, 2026 and excludes Nifty 50 companies.

Table 19: Sector-wise contribution of Nifty 500 companies (ex-Fin/Nifty 50) to EBITDA growth in Q1FY27

Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	15,739	0.2	0.7
Consumer Discretionary	30,859	-0.5	1.7
Consumer Staples	13,428	0.3	0.6
Energy	1,376	-19.4	-15.7
Health Care	24,048	0.0	1.7
Industrials	40,349	-2.3	2.4
Information Technology	16,293	0.3	1.6
Materials	65,014	0.7	4.1
Real Estate	6,840	-0.2	0.3
Utilities	43,576	4.0	3.8
Nifty 500 ex-Financials	2,57,522	-16.9	1.1
Nifty 500 ex-energy ex-fin	2,56,146	2.5	16.8

Source: CMIE Prowess, LSEG Workspace, NSE EPR

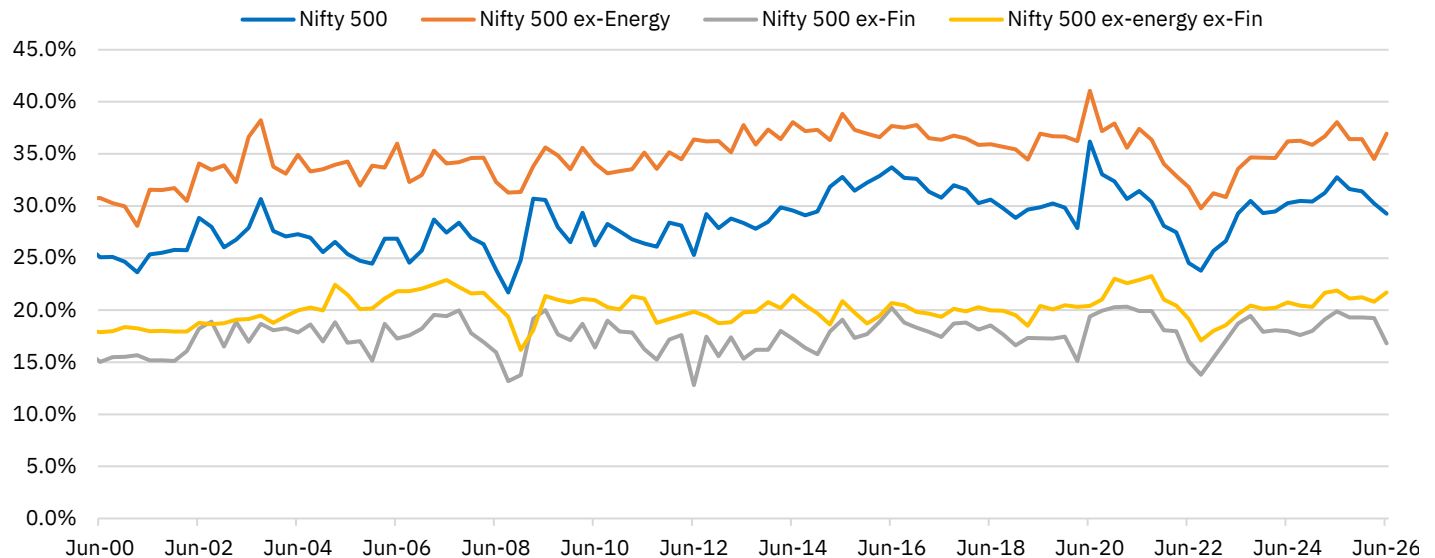
Note: The above table provides data for companies in the Nifty 500 index as of June 30th, 2026 and excludes Nifty 50 companies.

Figure 22: Quarterly trend in Nifty 500 EBITDA growth (YoY)


Source: CMIE Prowess, LSEG Workspace, NSE EPR

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

Figure 23: Quarterly trend in EBITDA margin of Nifty 500 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR

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

Nifty 500 PAT growth rate moderated in Q1 FY27, weighed down by Energy sector:

Aggregate PAT of Nifty 500 companies rose 11.1% YoY to Rs. 4.67 lakh crore in Q1FY27, moderating from 15.3% YoY growth in Q4FY26. The aggregate PAT margin contracted by 70 bps YoY to 10.0%, primarily due to margin pressure in the Energy sector. On a QoQ basis, PAT declined 8.3%, with margins contracting by 124 bps. Companies outside the Nifty 50 delivered relatively weaker PAT growth of 5.9% YoY, while PAT declined 14.1% QoQ to Rs. 2.18 lakh crore. The PAT margin for this cohort narrowed to 8.6%, down 62 bps YoY, largely due to losses reported by the Energy sector. Excluding Energy, PAT growth improved significantly to 22.6% YoY for the broader Nifty 500 universe and 22.1% YoY for the Nifty 500 ex-Nifty 50 cohort, accompanied by both annual and sequential improvement in PAT margins.

Nifty Smallcap companies emerged as one of the key contributors to earnings growth, accounting for nearly 1/4th of the YoY PAT growth in the Nifty 500 cohort. The segment delivered a robust 33.9% YoY increase in PAT, with median PAT growth of 18.6% YoY in Q1FY27. In contrast, PAT growth for the Nifty Next 50 and Nifty Midcap 150 remained in single digits at 4.5% YoY and 6.1% YoY, respectively, both trailing the Nifty 50. However, median PAT growth for these cohorts was relatively stronger at 16.3% YoY and 20.1% YoY, indicating a healthy underlying earnings trend. In terms of earnings breadth, 353 companies reported YoY PAT growth, while 231 companies recorded sequential growth.

At the sector level, Financials remained the key driver of earnings growth, with PAT rising 24% YoY to Rs. 2.01 lakh crore. The sector contributed significantly to the overall YoY PAT growth of Nifty 500 companies and more than offset the earnings drag from Energy. Excluding Financials, Nifty 500 PAT growth was a modest 3.2% YoY, highlighting the sector's dominant contribution to aggregate earnings growth.

Table 20: Sector-wise PAT growth of Nifty 500 companies in Q1FY27

Sector	QoQ growth			YoY growth		
	Jun-25	Mar-26	Jun-26	Jun-25	Mar-26	Jun-26
Communication Services	-53.0	57.9	-10.7	NA	16.1	127.1
Consumer Discretionary	-10.4	39.9	-16.5	-5.0	22.3	15.1
Consumer Staples	6.0	6.5	-6.0	2.3	14.4	-0.9
Energy	17.1	8.9	-62.6	43.0	28.2	-53.3
Financials	-5.3	3.9	7.5	6.6	10.1	23.7
Health Care	8.7	-2.8	-4.1	9.0	3.6	-0.4
Industrials	-25.4	2.0	-10.6	3.7	-5.5	11.1
Information Technology	-1.4	3.0	-0.3	10.1	15.0	16.4
Materials	3.0	30.3	11.4	22.4	36.9	47.3
Real Estate	-12.1	13.2	-10.2	13.3	18.0	20.6
Utilities	2.2	44.2	2.2	-1.4	16.4	20.7
Nifty 500	-2.8	11.2	-8.3	12.9	15.3	11.1
Nifty 500 ex-Energy	-6.0	11.6	1.7	8.3	13.2	22.6
Nifty 500 ex-Financials	-1.2	15.9	-17.4	17.1	18.5	3.2
Nifty 500 ex-energy ex-fin	-6.6	18.4	-2.7	9.7	15.7	21.7

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 500 index as on end of respective quarters.

2. NA: Not Applicable

Table 21: Sector-wise PAT margin of Nifty 500 companies in Q1FY27

Sector	PAT Margin	QoQ change (bps)	YoY change (bps)
Communication Services	9.1	-150	447
Consumer Discretionary	5.7	-114	-45
Consumer Staples	10.9	-120	-123
Energy	2.5	-530	-448
Financials	18.3	173	212
Health Care	13.3	-127	-224
Industrials	8.7	31	-57
Information Technology	13.4	-52	-39
Materials	10.5	122	236
Real Estate	26.8	612	315
Utilities	14.4	-171	83
Nifty 500	10.0	-124	-70
Nifty 500 ex-Energy	12.7	40	80
Nifty 500 ex-Financials	7.5	-202	-137
Nifty 500 ex-energy ex-fin	10.1	-19	34

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of June 30th, 2026.

Figure 24: Sector-wise PAT growth of Nifty 500 companies in Q1FY27

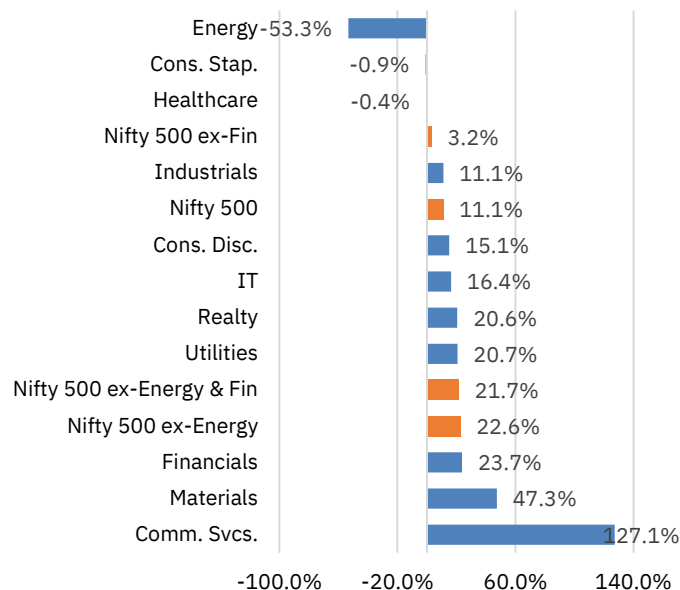
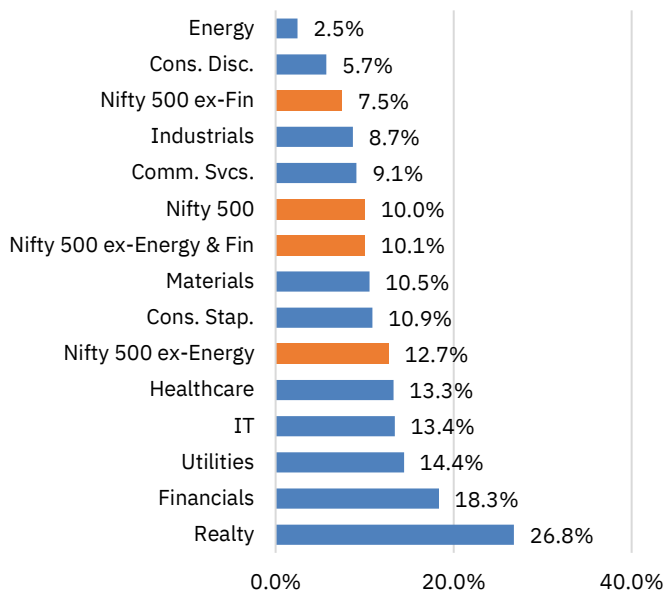


Figure 25: Sector-wise PAT margin of Nifty 500 companies in Q1FY27



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above charts provide data for companies in the Nifty 500 index as of June 30th, 2026.

Table 22: Sector-wise contribution of Nifty 500 companies to PAT growth in Q1FY27

Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	8,872	-0.2%	1.2%
Consumer Discretionary	30,345	-1.2%	0.9%
Consumer Staples	16,403	-0.2%	0.0%
Energy	29,649	-9.7%	-8.0%
Financials	2,00,763	2.7%	9.1%
Health Care	17,232	-0.1%	0.0%
Industrials	31,432	-0.7%	0.7%
Information Technology	40,923	0.0%	1.4%
Materials	58,799	1.2%	4.5%
Real Estate	4,126	-0.1%	0.2%
Utilities	28,654	0.1%	1.2%
Nifty 500	4,67,198	-8.3%	11.1%
Nifty 500 ex-Energy	4,37,549	1.5%	19.2%
Nifty 500 ex-Financials	2,66,435	-11.0%	2.0%
Nifty 500 ex-energy ex-fin	2,36,786	-1.3%	10.0%

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of June 30th, 2026.

Table 23: Sector-wise PAT growth of Nifty 500 companies (ex-Nifty 50)

Sector	QoQ growth			YoY growth		
	Jun-25	Mar-26	Jun-26	Jun-25	Mar-26	Jun-26
Communication Services	NA	NA	NA	NA	NA	NA
Consumer Discretionary	-3.0%	17.3%	-12.9%	-9.9%	38.8%	19.2%
Consumer Staples	8.8%	8.0%	6.2%	29.5%	21.2%	27.7%
Energy	4.9%	7.4%	-125.1%	12.9%	201.9%	-141.4%
Financials	-12.8%	4.0%	6.6%	4.0%	20.8%	18.0%
Health Care	10.2%	13.0%	-10.1%	82.5%	38.8%	7.0%
Industrials	-31.0%	15.7%	-20.0%	-21.6%	16.8%	-10.4%
Information Technology	-2.0%	5.9%	1.9%	27.5%	47.5%	31.8%
Materials	7.8%	38.9%	4.7%	33.2%	57.7%	47.7%
Real Estate	-12.1%	13.2%	-10.2%	-5.8%	32.4%	6.0%
Utilities	22.7%	32.9%	41.4%	44.8%	30.7%	50.6%
Nifty 500	-6.2%	12.1%	-14.1%	12.0%	40.9%	5.9%
Nifty 500 ex-Energy	-7.4%	12.9%	2.9%	11.9%	30.3%	22.1%
Nifty 500 ex-Financials	-0.7%	18.3%	-27.9%	18.6%	58.5%	-3.8%
Nifty 500 ex-energy ex-fin	-2.0%	21.8%	-0.3%	20.1%	39.7%	26.1%

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above table provides data for companies in the Nifty 500 index as of end of quarters and excludes Nifty 50 companies.

2. NA: Not Applicable

Table 24: Sector-wise PAT margin of Nifty 500 companies (ex-Nifty 50) in Q1FY27

Sector	PAT Margin	QoQ change (bps)	YoY change (bps)
Communication Services	-3.8	261	766
Consumer Discretionary	5.1	-88	-2
Consumer Staples	7.9	13	76
Energy	-1.3	-796	-564
Financials	16.8	175	126
Health Care	13.3	-215	-174
Industrials	9.5	-52	-302
Information Technology	8.7	-30	-2
Materials	12.3	85	321
Real Estate	26.8	612	-11
Utilities	13.3	189	294
Nifty 500	8.6	-182	-109
Nifty 500 ex-Energy	12.0	58	79
Nifty 500 ex-Financials	5.8	-284	-163
Nifty 500 ex-energy ex-fin	9.5	5	70

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of June 30th, 2026 and excludes Nifty 50 companies.

Figure 26: Sector-wise PAT growth of Nifty 500 companies (ex-Nifty 50) in Q1FY27

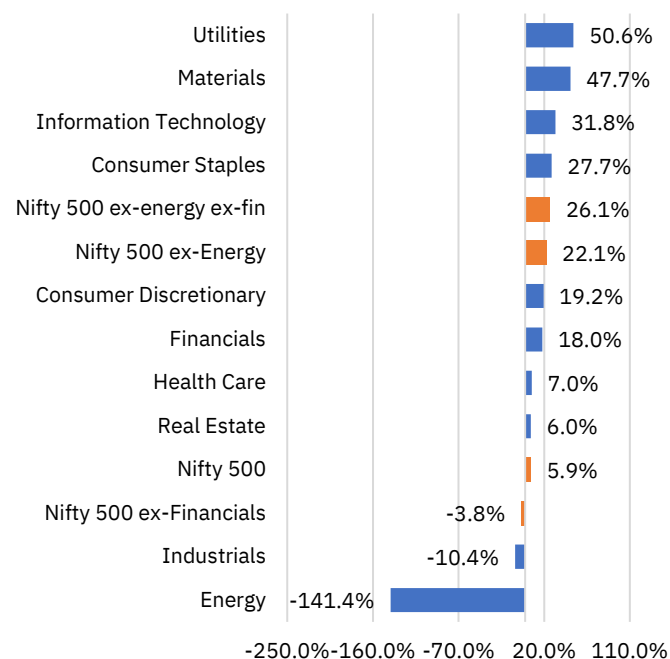
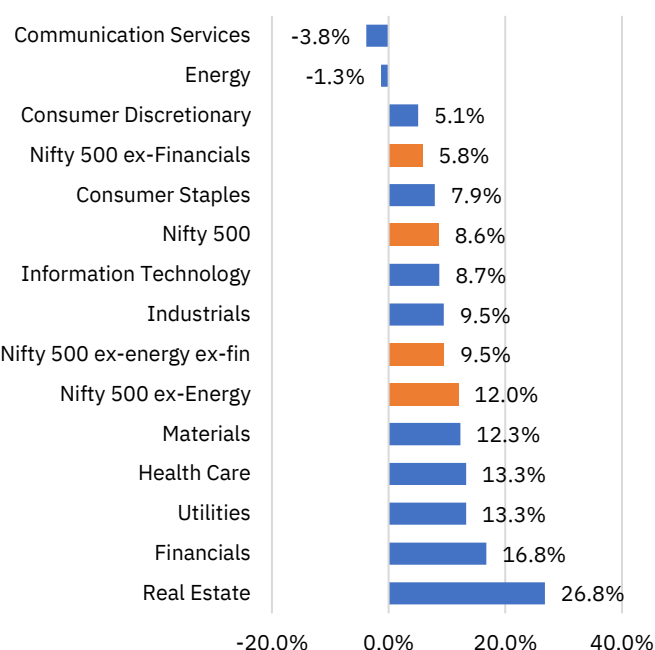


Figure 27: Sector-wise PAT margin of Nifty 500 companies (ex-Nifty 50) in Q1FY27



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above charts provide data for companies in the Nifty 500 index as of June 30th, 2026 and excludes Nifty 50 companies.

Table 25: Sector-wise contribution of Nifty 500 companies (ex-Nifty 50) to PAT growth in Q1FY27

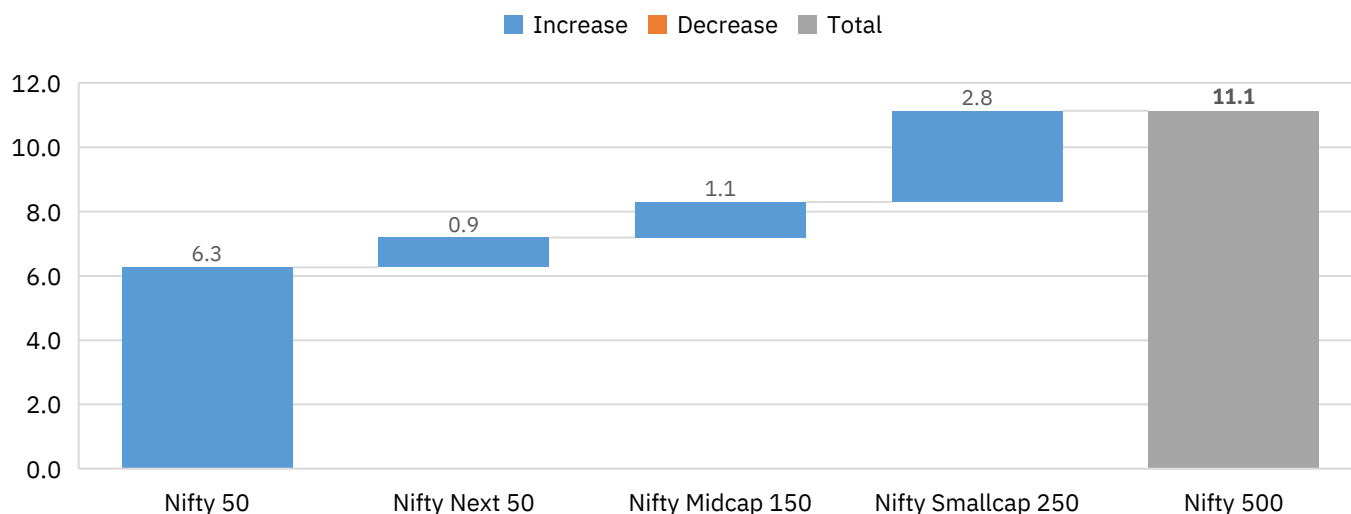
Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	-1,493	0.4%	1.2%
Consumer Discretionary	12,739	-0.7%	1.0%
Consumer Staples	8,153	0.2%	0.9%
Energy	-8,459	-16.6%	-14.0%
Financials	1,07,868	2.6%	8.0%
Health Care	11,980	-0.5%	0.4%
Industrials	20,796	-2.1%	-1.2%
Information Technology	9,592	0.1%	1.1%
Materials	34,603	0.6%	5.4%
Real Estate	4,126	-0.2%	0.1%
Utilities	18,158	2.1%	3.0%
Nifty 500	2,18,062	-14.1%	5.9%
Nifty 500 ex-Energy	2,26,521	2.5%	19.9%
Nifty 500 ex-Financials	1,10,194	-16.8%	-2.1%
Nifty 500 ex-energy ex-fin	1,18,654	-0.2%	11.9%

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of June 30th, 2026 and excludes Nifty 50 companies.

Figure 28: Share of Nifty index constituents in overall PAT growth of Nifty 500 universe in Q1FY27

Contribution of Nifty index constituents to the overall PAT growth (%YoY) in Q1FY27



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above chart provides data for companies in the Nifty 500 index as of June 30th, 2026.

Table 26: Segment-wise distribution of companies based on YoY aggregate and median PAT growth across Nifty 500 constituents

Index	<=0%	0% - 10%	10% -20%	20% - 30%	30% - 40%	40% - 50%	> 50%	Median (%)
Nifty 50	9	8	9	9	6	2	7	19.2%
Nifty Next 50	11	5	13	4	1	4	12	16.3%
Nifty Midcap 150	42	12	18	19	17	6	31	20.1%
Nifty Smallcap 250	61	24	36	23	11	14	59	18.6%
Nifty 500	123	49	76	55	35	26	109	18.8%

Source: CMIE Prowess, LSEG Workspace, NSE

Note: The above chart provides data for companies in the Nifty 500 index as of June 30th, 2026.

Table 27: Segment-wise distribution of companies based on PAT margin across Nifty 500 constituents

Index	<=0%	0% - 10%	10% -20%	20% - 30%	30% - 40%	40% - 50%	> 50%	Median (%)
Nifty 50	1	18	19	8	3	1	0	13.6%
Nifty Next 50	2	11	21	11	2	0	3	17.0%
Nifty Midcap 150	4	53	57	20	5	4	7	12.0%
Nifty Smallcap 250	17	96	79	36	7	5	6	11.1%
Nifty 500	24	178	176	75	17	10	16	12.0%

Source: CMIE Prowess, LSEG Workspace, NSE

Note: The above chart provides data for companies in the Nifty 500 index as of June 30th, 2026.

Figure 29: Quarterly trend in Nifty 500 PAT growth (YoY)

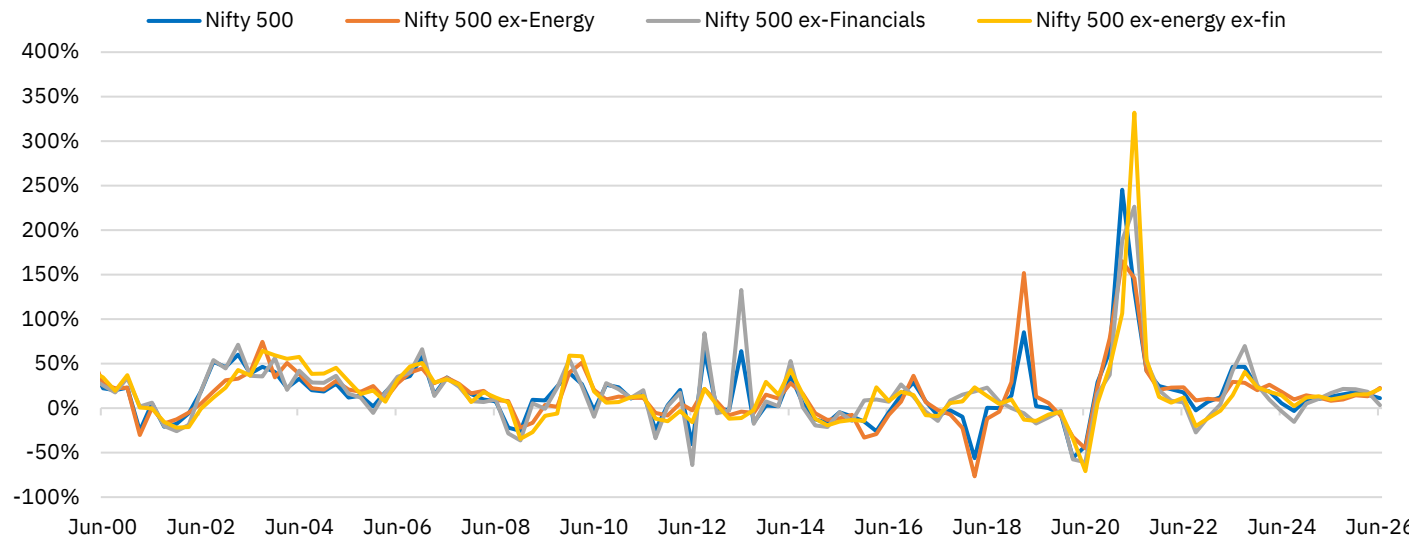
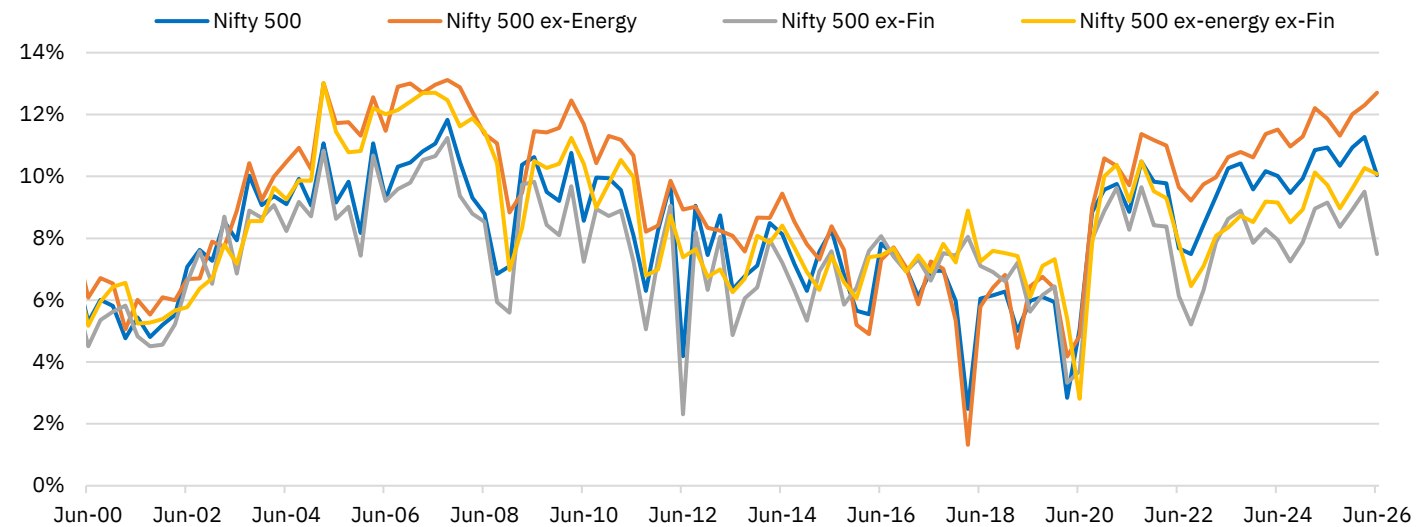


Figure 30: Quarterly trend in PAT margin of Nifty 500 companies



1.1.3 Earnings concentration analysis

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

Understanding the Herfindahl–Hirschman Index (HHI)

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

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

where s_i represents the percentage share of firm i .

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

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

- **Below 1,500** → activity is spread across many firms.
- **1,500–2,500** → moderate concentration.
- **Above 2,500** → high concentration.
- **10,000** represents a single firm holding the entire market.

Why is HHI relevant for corporate earnings?

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

1. A higher value means that a small cluster of companies accounts for most of the revenue or profit.
2. A lower value means earnings contributions are more evenly spread across the universe.

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

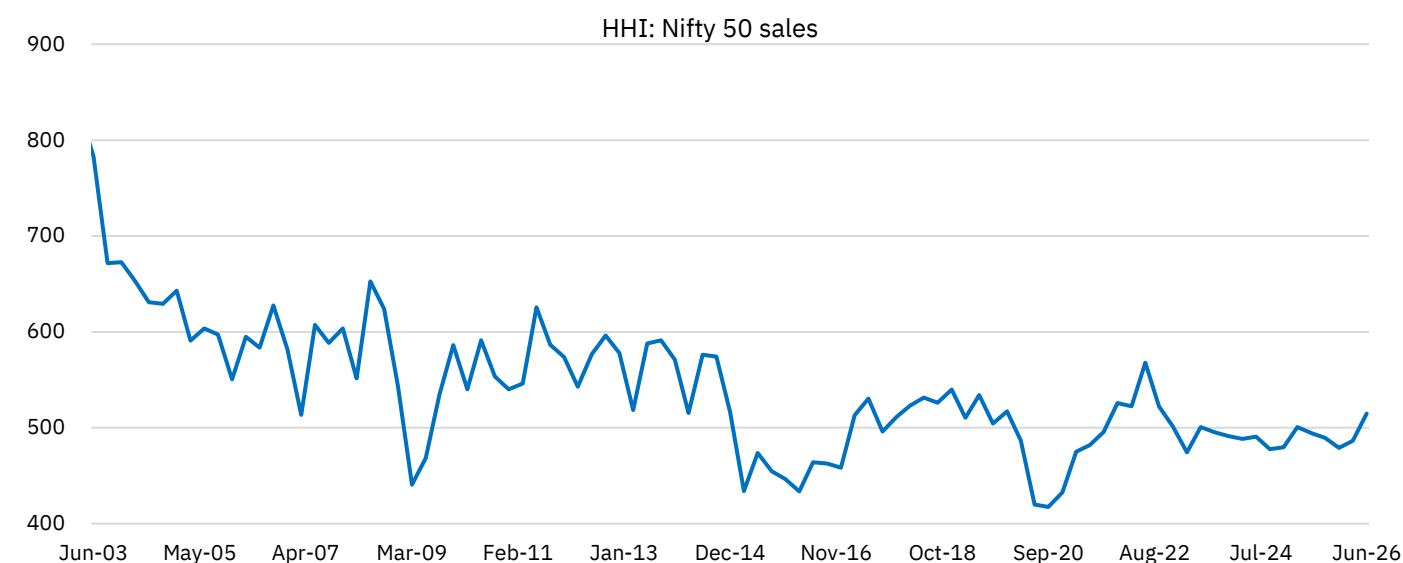
Revenue concentration in the Nifty 500 rose to a nine-quarter high in Q1 FY27...: The Nifty 500 HHI for net sales rose to 177, from 162 in Q4 FY26 and 166 a year earlier, indicating a modest increase in the concentration of revenues across constituents. The Nifty 50 recorded a sharper increase, with its HHI rising to 515 from 486 sequentially, the highest level in 15 quarters.

The increase in aggregate concentration was driven partly by the changing sectoral composition of revenues. Energy's share of Nifty 500 sales increased to 26.0%, from 22.6% in the preceding quarter, giving greater weight to a relatively concentrated sector. However, concentration within Energy itself eased, with its HHI declining to 1,754 from 1,828.

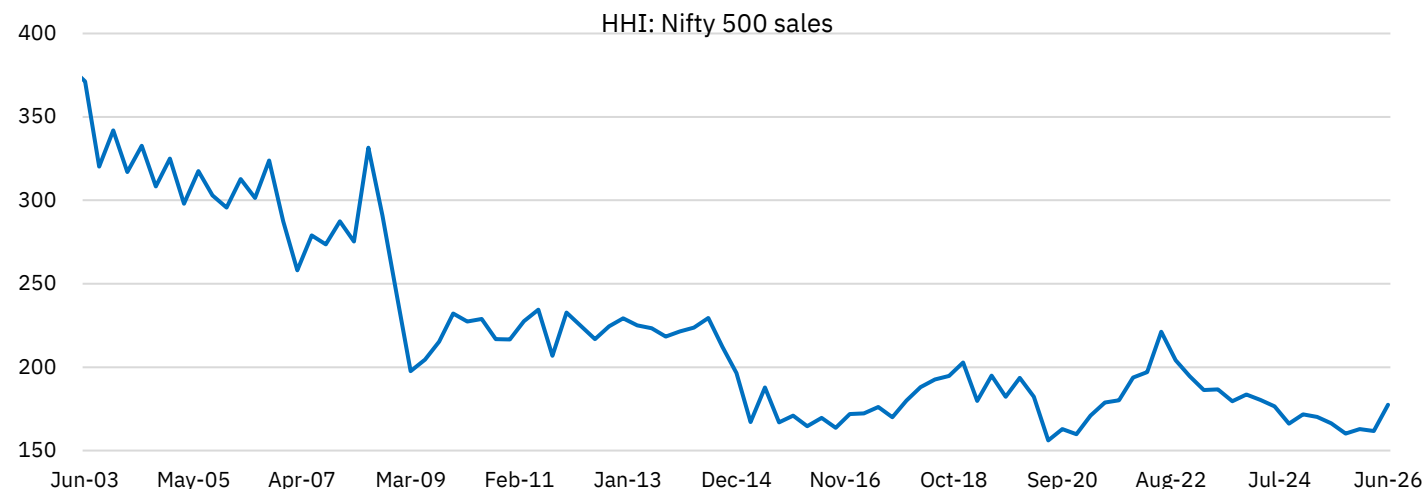
Within-sector concentration declined in seven of the eleven sectors, including Financials, Consumer Discretionary and Information Technology, where HHI fell to 491, 689 and 1,196, respectively. Real Estate recorded the sharpest increase, with HHI rising by 362 points to 1,703.

The rise in the Nifty 500's aggregate HHI therefore largely reflects shifts in sectoral revenue weights rather than a broad-based increase in concentration within sectors. At 177, the index remains below its pre-pandemic December 2019 level of 194, retaining much of the improvement in revenue dispersion achieved over the longer term.

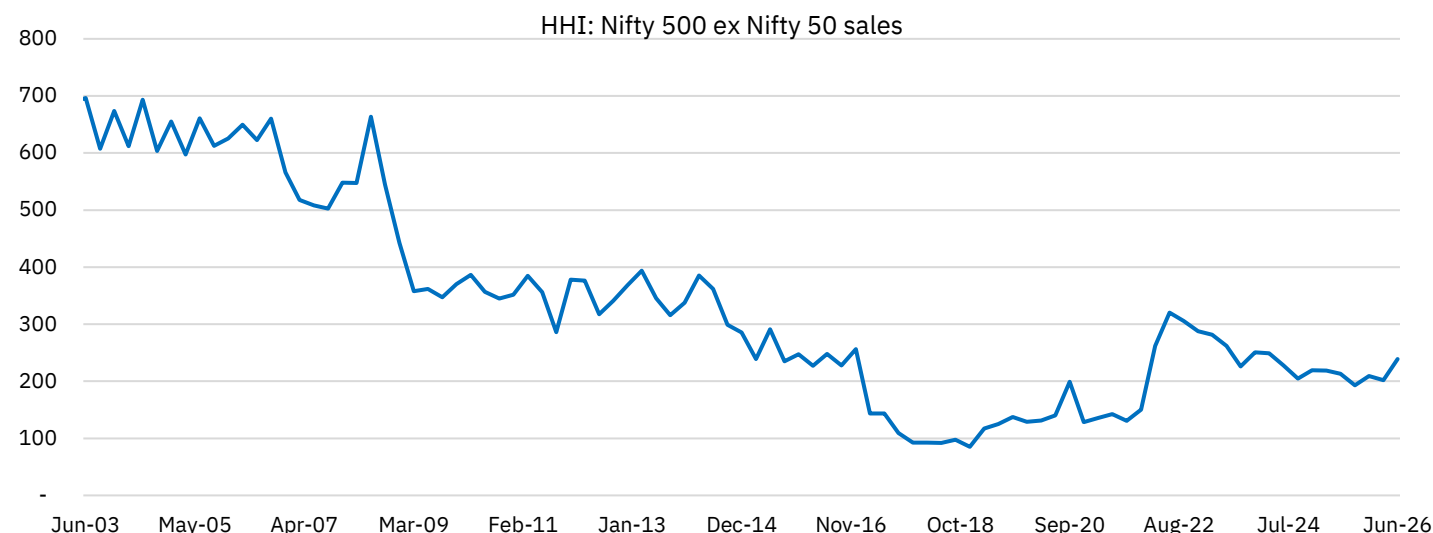
Figure 31: HHI Index for net sales for Nifty 50 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 32: HHI Index for net sales for Nifty 500 companies


Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 33: HHI Index for net sales for Nifty 500 excluding Nifty 50 companies


Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Table 28: Sector-wise HHI for net sales for Nifty 500 companies

Sectors	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26
Comm. Svcs	2464	2568	2502	2580	2723	2683	3259	2908	2797	2792	2835	3573	3871
Cons.Disc,	1523	1302	1483	1216	1138	950	1648	1326	1039	1183	1043	802	689
Cons.Staples	941	952	883	813	766	754	795	807	833	724	738	793	805
Energy	1826	1758	1785	1875	1881	1798	1777	1780	1766	1791	1731	1795	1754
Financials	609	609	606	583	507	451	517	466	458	554	548	525	491
Healthcare	698	713	697	577	566	547	522	478	470	513	491	445	467
Industrials	571	550	538	486	540	557	697	602	655	641	647	676	594
IT	1481	1609	1638	1454	1525	1575	1535	1543	1413	1444	1424	1298	1196
Materials	618	496	506	545	511	525	518	606	588	562	568	594	612
Real Estate	1050	1193	1022	1417	1056	1115	2268	1821	1648	1222	1351	1326	1703
Utilities	1285	1289	1127	1139	1338	1166	1480	1651	1702	1474	1426	1282	1378

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

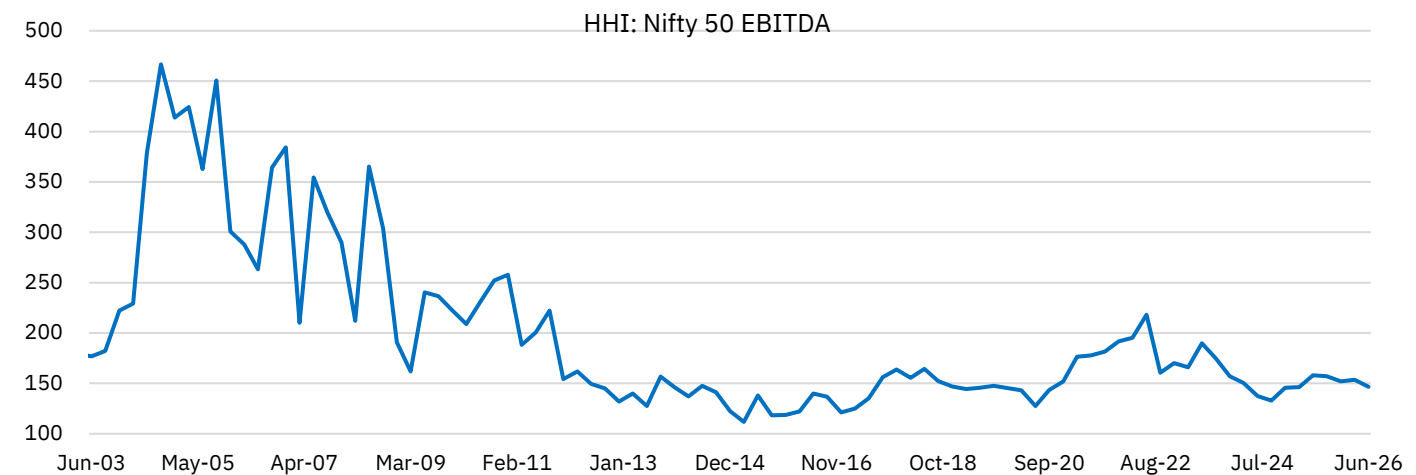
...while it eased marginally at the operating level: The Nifty 500 EBITDA-HHI fell to 40, from 45 in Q4 FY26 and 48 a year earlier, returning to its September 2024 level. The Nifty 50 also recorded a sequential decline, with its EBITDA-HHI easing to 147 from 154.

The lower aggregate concentration was partly driven by a decline in Energy's share of operating profits following the sector's contraction in EBITDA. However, concentration within Energy increased sharply, with its HHI rising to 3,148 from 1,854, the largest sequential increase across sectors. The divergence suggests that the sector's weaker operating performance was concentrated among fewer constituents.

Within-sector concentration declined in only three sectors: Consumer Discretionary, Consumer Staples and Information Technology, where HHI fell to 665, 1,043 and 1,611, respectively. Communication Services recorded its highest HHI since March 2003 at 4,919, while Real Estate and Utilities also saw significant sequential increases.

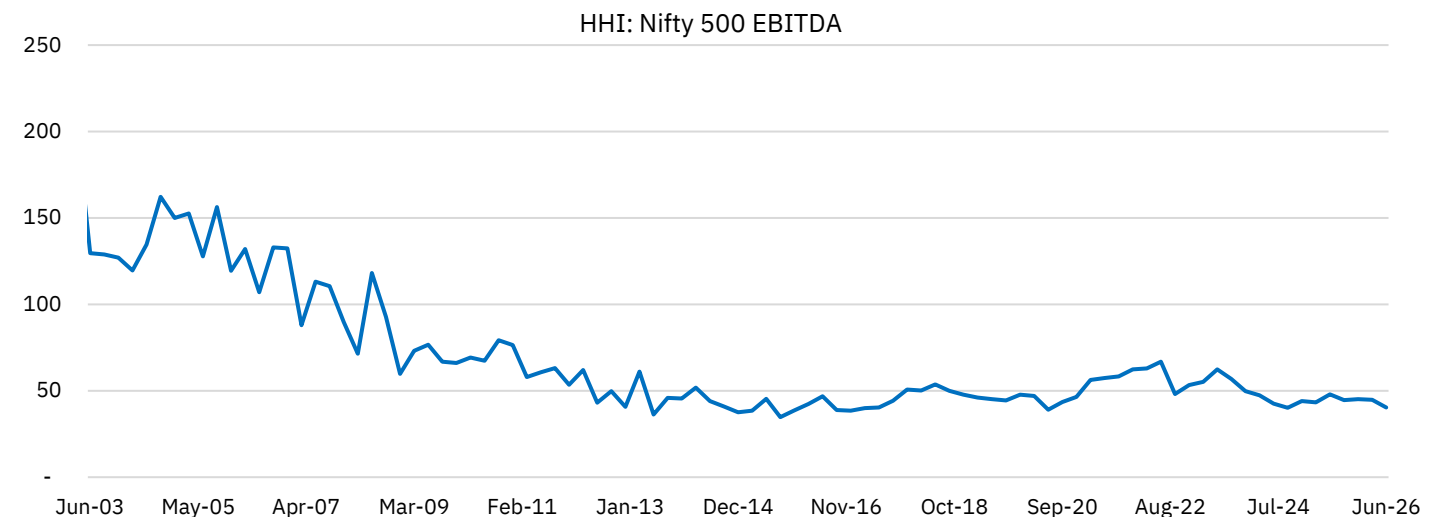
The decline in aggregate EBITDA concentration therefore masks considerable variation across sectors. Lower Energy earnings weight pulled down the Nifty 500 reading, even as concentration increased sharply within Energy and several other sectors.

Figure 34: HHI Index for EBITDA for Nifty 50 companies (ex-Financials)

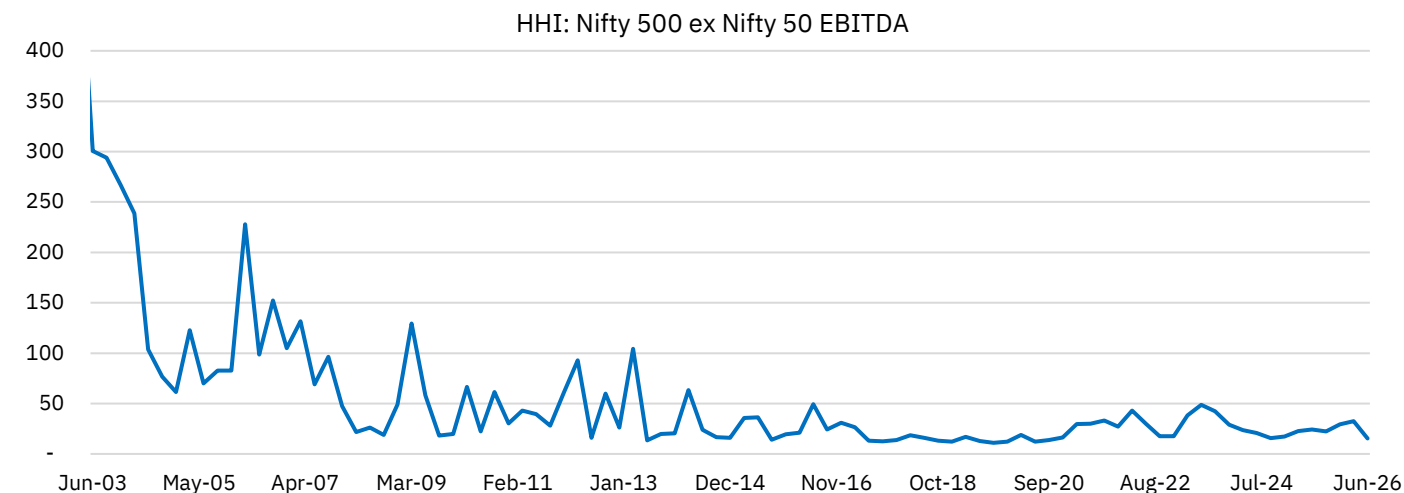


Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 35: HHI Index for EBITDA for Nifty 500 companies (ex-Financials)



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 36: HHI Index for EBITDA for Nifty 500 excluding Nifty 50 companies (ex-Financials)

Table 29: Sector-wise HHI for EBITDA for Nifty 500 companies (ex-Financials)

Sectors	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26
Comm. Svcs	2814	2883	3192	3382	3620	3027	3628	3703	3645	4237	4306	4642	4919
Cons.Disc,	1881	1732	1410	989	805	568	1471	1022	659	1196	1181	777	665
Cons.Staples	2030	1790	1693	1730	1612	1525	1273	1411	1568	1445	1259	1321	1043
Energy	1686	1518	1636	2016	1895	2287	2205	2297	2685	1877	2272	2396	3148
Financials	582	594	619	591	530	495	566	576	538	606	605	604	549
Healthcare	1326	806	996	678	661	672	608	535	592	610	561	520	526
Industrials	724	540	559	586	674	699	1186	884	637	698	603	591	548
IT	1918	2175	2152	1949	2106	2167	1938	1954	1880	2023	1980	1796	1611
Materials	708	551	534	662	604	521	542	723	675	526	558	560	577
Real Estate	1428	1622	1416	1945	1225	1231	2159	2010	1492	1556	1444	1416	1650
Utilities	1088	1144	1124	1194	1458	1261	1775	1669	1580	1449	1286	1203	1220

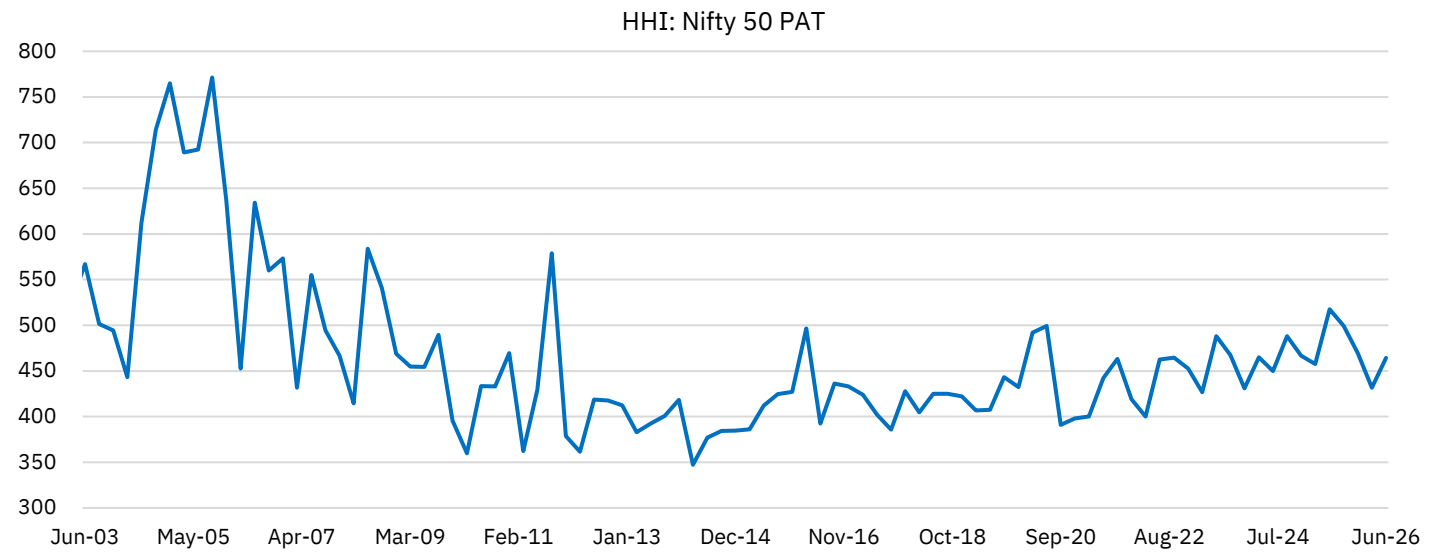
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Nifty 500 PAT concentration remained stable in Q1FY27: The aggregate PAT-HHI stood at 147 in the June quarter, unchanged QoQ and below 173 a year earlier, retaining its lowest level since March 2011. Within the Nifty 50, PAT-HHI increased from 432 to 464, with the latest reading remaining below 518 in Q1FY26.

Sectorally, Energy recorded the largest sequential increase, with PAT-HHI rising from 1,701 to 3,075, alongside the increase in EBITDA concentration. Materials and Real Estate also registered higher PAT concentration. Financials eased from 530 in Mar'26 to 487 Jun'26, accompanied by declines in Utilities (2,016 to 1,383) and Consumer Staples (1,416 to 1,152). Communication Services recorded the highest sectoral HHI at 5,438, following a decline from 5,853 in the previous quarter.

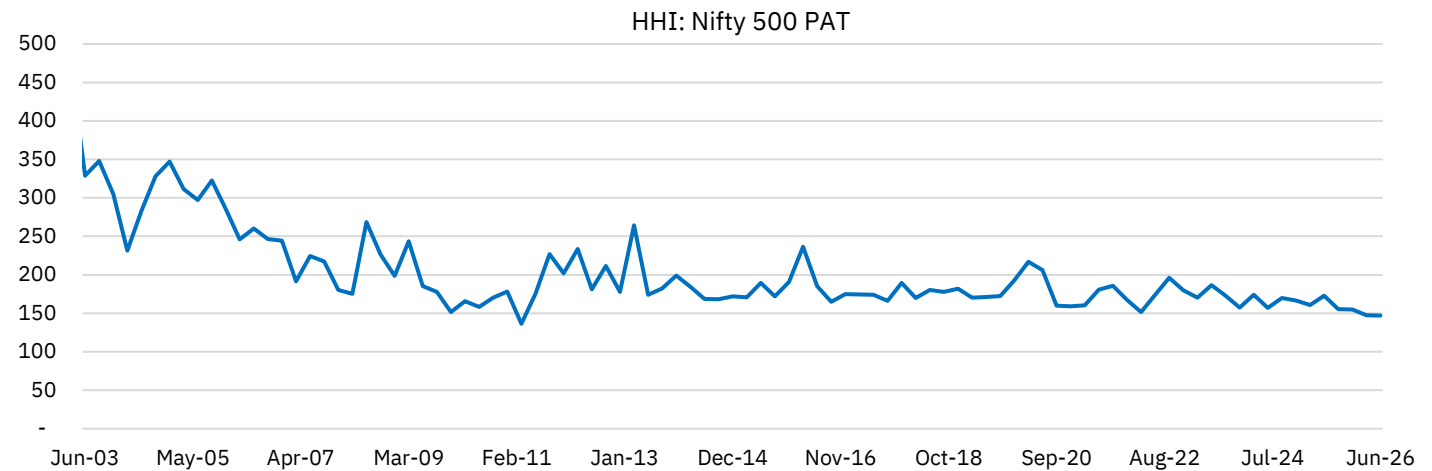
The stability in aggregate PAT concentration accompanied higher sales concentration and lower EBITDA concentration during the quarter, highlighting distinct distributional changes across the three measures. Over the longer term, the Nifty 500 PAT-HHI has declined from 217 in March 2020 to 147, indicating a more even distribution of reported net profits across the index.

Figure 37: HHI Index for PAT for Nifty 50 companies



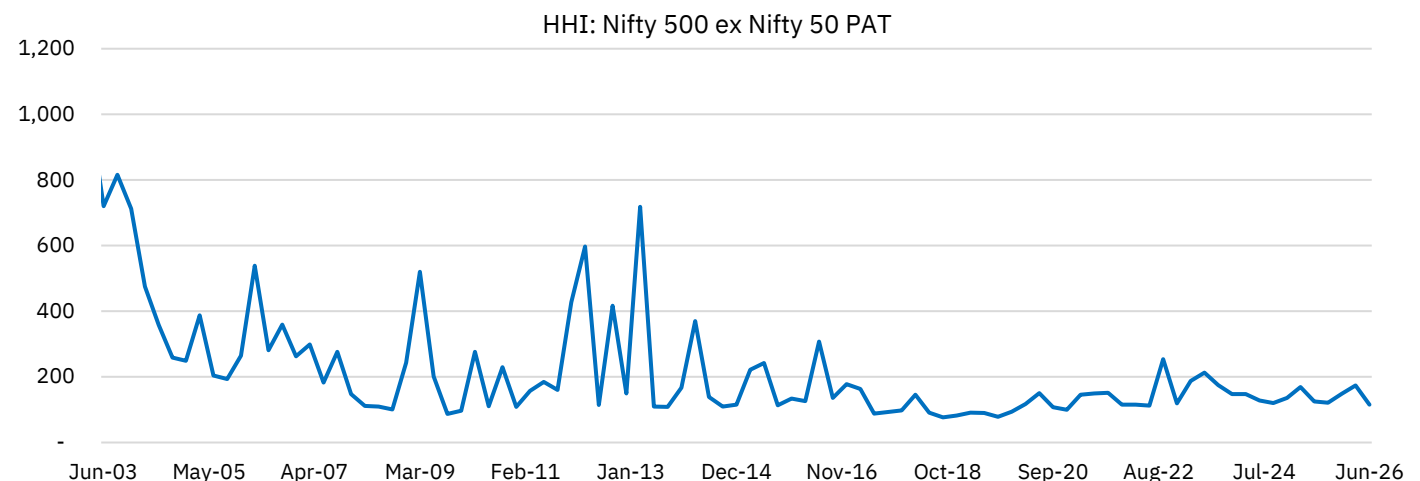
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 38: HHI Index for PAT for Nifty 500 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 39: HHI Index for PAT for Nifty 500 excluding Nifty 50 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Table 30: Sector-wise HHI for PAT for Nifty 500 companies

Sectors	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26
Comm. Svcs	2109	1573	2511	1543	1853	2429	2506	2309	2638	2060	3125	4714	5438
Cons.Disc,	2244	1803	728	677	666	552	1610	687	662	803	931	755	743
Cons.Staples	2289	2036	1913	1929	1719	1635	1411	1592	1781	1680	1425	1511	1152
Energy	1762	1550	1743	2233	1866	2199	2242	2344	2680	1705	2155	2409	3075
Financials	541	646	597	599	576	530	660	656	524	596	559	552	487
Healthcare	1909	961	1343	704	708	780	533	600	710	775	677	626	601
Industrials	794	500	534	524	547	616	734	724	523	667	532	553	548
IT	2070	2348	2322	2104	2252	2391	2076	2020	1996	2209	2162	1975	1775
Materials	831	738	498	638	572	496	572	771	653	481	552	487	628
Real Estate	2990	1145	1064	1211	1338	1165	3441	3876	1951	1808	1642	1550	1885
Utilities	1300	1432	1454	1484	1817	1571	2016	1422	1469	1876	1234	1180	1383

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

1.1.4 Earnings revision analysis

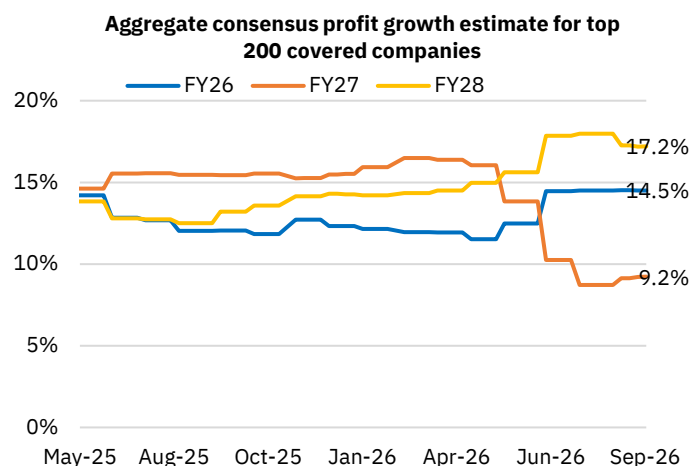
Consensus FY27 aggregate PAT estimates downgraded further: Aggregate profitability of the Nifty 500 universe moderated in Q1 FY27, reflecting margin pressure from higher expenses, particularly in Energy. Excluding Energy, however, PAT growth was significantly stronger at 22.6% YoY. The moderation was more pronounced among mid-cap companies, while large caps were steady and small caps continued to improve. Aggregate PAT of Nifty Smallcap 250 companies grew by a strong 33.9% YoY in Q1 FY27. Consequently, the share of Nifty 50 companies in Nifty 500 profits improved from 51.6% in FY26 to 53.3% in Q1 FY27.

Against this backdrop, consensus earnings estimates were trimmed further, a large part of which has been led by Materials. Our analysis of the 200 largest, well-covered companies by market capitalisation¹ shows that FY27 aggregate earnings estimates declined 0.9% since end-June and 4.1% since March 2026, reducing implied earnings growth to 9.2% as of September 11, from 16.4% at end-March. Energy, Materials and Consumer Discretionary accounted for more than 81% of the downgrade since March 2026. In Energy, volatile crude prices and weaker refining margins are expected to weigh on profitability, while Materials has faced lower realisations and higher production costs. Excluding these three sectors, the decline in FY27 earnings estimates was a more modest 1.1%. Industrials also saw estimates fall by nearly 6% since March, reflecting slower project execution, margin pressure from higher input costs and supply-chain disruptions.

FY28 earnings estimates declined 1.8% since March. The sharper cuts to FY27 estimates, however, raised implied FY28 earnings growth to 17.2% as of September 11, from 14.5% at end-March. Materials, Energy and Consumer Discretionary accounted for 86% of the downgrade, while estimates for the remaining sectors declined by just 0.4%. Consequently, implied annualised profit growth over FY26–28 increased to 17.2%, from 15.4% at end-March, indicating that the medium-term earnings outlook remains relatively resilient despite the near-term downward revisions.

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

Figure 40: Aggregate consensus profit growth estimate for top 200 covered companies (% YoY)



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as of September 11th, 2026.

Figure 41: Aggregate consensus earnings revisions since Apr'25 for top 200 covered companies

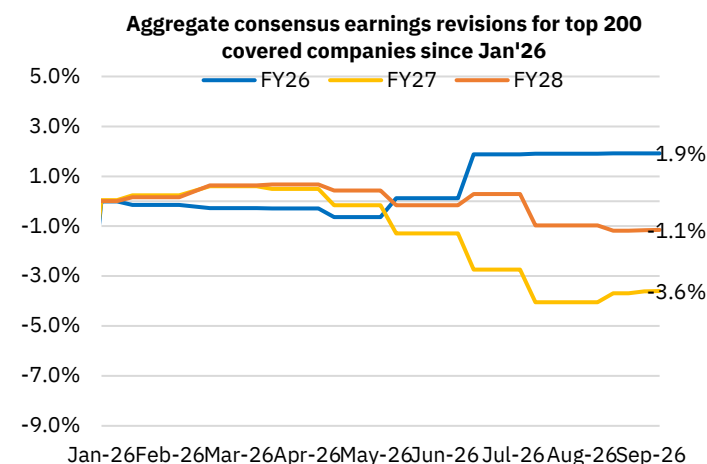


Table 31: Monthly trend of sector-wise FY27 consensus earnings growth estimate (% YoY)

Sectors	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Comm. Svcs.	142.1	125.2	120.4	117.3	143.8	141.5	138.0	138.0	94.3	97.0	95.1	93.8
Consumer Disc.	22.3	18.6	19.6	19.8	28.0	28.1	34.3	34.3	30.0	28.4	25.8	25.3
Consumer Staples	14.0	14.3	14.3	11.2	9.8	9.3	8.8	8.8	-0.7	-0.9	-3.7	-3.8
Energy	5.2	5.1	4.7	4.8	2.0	1.4	-0.1	-0.1	-18.0	-18.1	-17.9	-16.9
Financials	15.3	15.2	15.3	15.6	15.0	15.0	14.5	14.5	12.5	12.5	14.0	14.0
Health Care	12.7	11.7	11.9	11.0	9.7	9.6	9.6	9.6	2.5	2.2	1.7	1.6
Industrials	21.0	21.7	23.8	24.9	26.4	26.9	26.5	26.5	22.9	22.5	22.2	22.1
IT	9.6	8.7	8.8	11.0	11.9	11.9	9.3	9.3	9.3	9.5	9.1	9.2
Materials	21.2	23.1	23.5	25.5	31.4	31.4	32.1	32.1	31.0	16.8	19.0	19.0
Real Estate	25.5	24.5	24.6	24.8	24.6	24.4	24.3	24.3	32.1	31.2	28.2	28.1
Utilities	11.5	12.0	12.0	12.2	13.5	13.5	14.0	14.0	6.3	6.4	6.2	5.9
Total	15.5	15.3	15.5	15.9	16.5	16.4	16.0	16.0	10.2	8.7	9.1	9.2

Source: LSEG Workspace, NSE EPR.

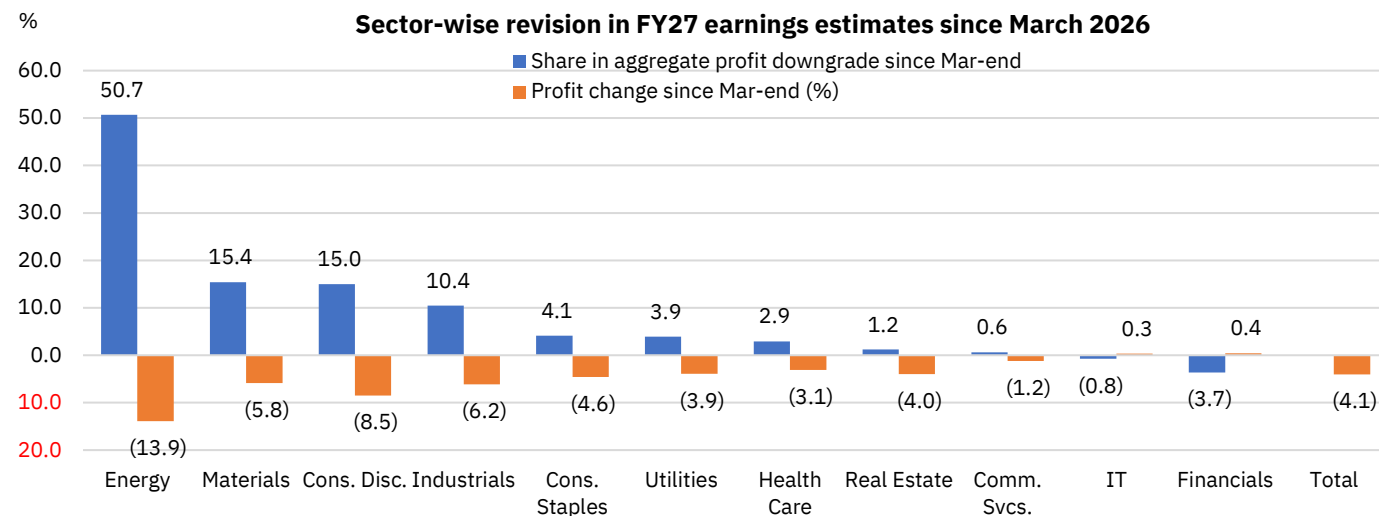
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. * Data is as of September 11th, 2026.

Table 32: Monthly trend of sector-wise FY28 consensus earnings growth estimate (% YoY)

Sectors	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Comm. Svcs.	49.8	50.5	50.1	51.3	54.4	54.5	55.5	55.5	53.7	50.6	55.9	57.8
Consumer Disc.	17.4	19.4	20.3	21.2	22.0	22.0	22.7	22.7	25.4	26.3	28.8	29.0
Consumer Staples	12.1	12.3	12.3	12.0	11.9	12.1	12.5	12.5	11.9	11.8	13.6	13.6
Energy	8.4	6.8	7.2	6.5	6.2	7.0	8.8	8.8	22.5	22.3	20.5	19.6
Financials	14.4	15.3	15.2	15.4	15.3	15.3	15.4	15.4	15.7	15.7	15.1	15.1
Health Care	14.9	16.2	16.1	16.3	17.2	17.3	17.7	17.7	20.2	20.7	23.2	23.3
Industrials	15.6	17.8	17.5	17.8	18.0	18.6	20.2	20.2	23.1	23.8	24.6	24.9
IT	8.6	8.7	8.8	8.2	8.1	8.1	7.3	7.3	6.5	5.6	5.7	5.7
Materials	11.9	12.7	13.3	12.6	13.2	13.1	13.4	13.4	12.1	12.8	11.2	11.2
Real Estate	28.1	27.0	25.3	25.5	21.7	21.3	21.4	21.4	22.9	24.5	29.3	29.1
Utilities	8.2	9.2	9.9	9.5	9.8	9.7	10.3	10.3	26.5	26.6	12.0	11.7
Total	13.6	14.1	14.3	14.2	14.3	14.5	15.0	15.0	17.9	18.0	17.3	17.2

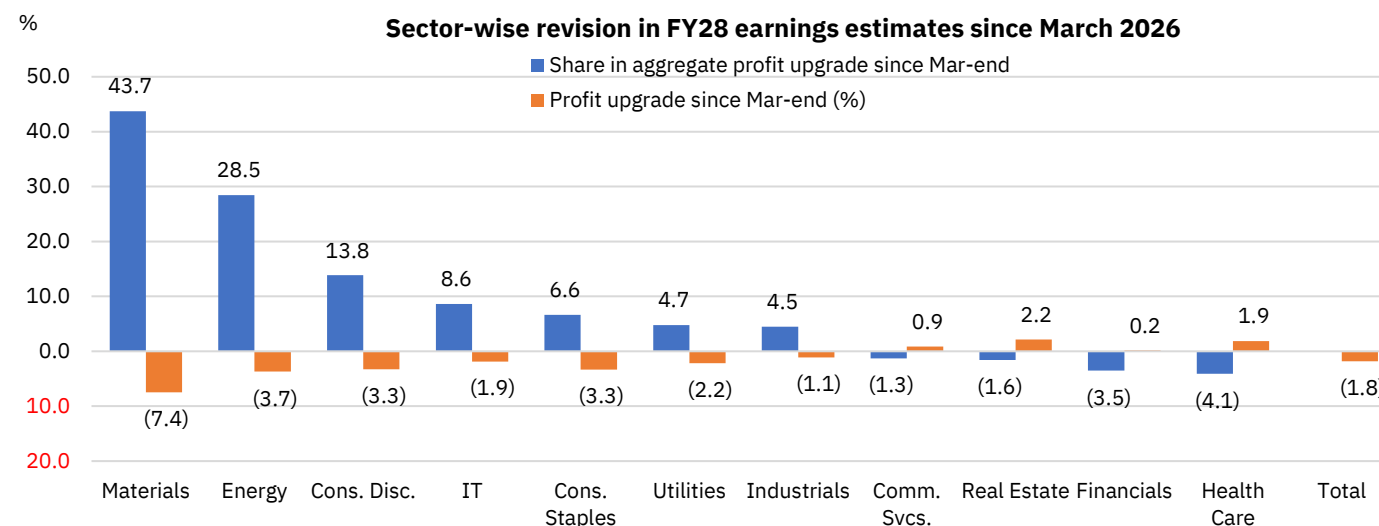
Source: LSEG Workspace, NSE EPR.

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. * Data is as of September 11th, 2026.

Figure 42: Sector-wise revision in FY26 earnings estimates for top 200 companies since March 2026


Source: LSEG Workspace, NSE EPR

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as on September 11th, 2026.

Figure 43: Sector-wise revision in FY27 earnings estimates for top 200 companies since March 2026


Source: LSEG Workspace, NSE EPR.

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as on September 11th, 2026.

Financials, Consumer Discretionary and Industrials to account for over 65% of the incremental earnings between FY26-28:

Financials accounted for 36.6% of aggregate earnings of the top 200 companies in FY26 and are projected to increase their share to 38.2% in FY27, before moderating slightly to 37.5% in FY28. The sector is expected to contribute 40.8% of incremental earnings over FY26-28, by far the largest contribution among sectors.

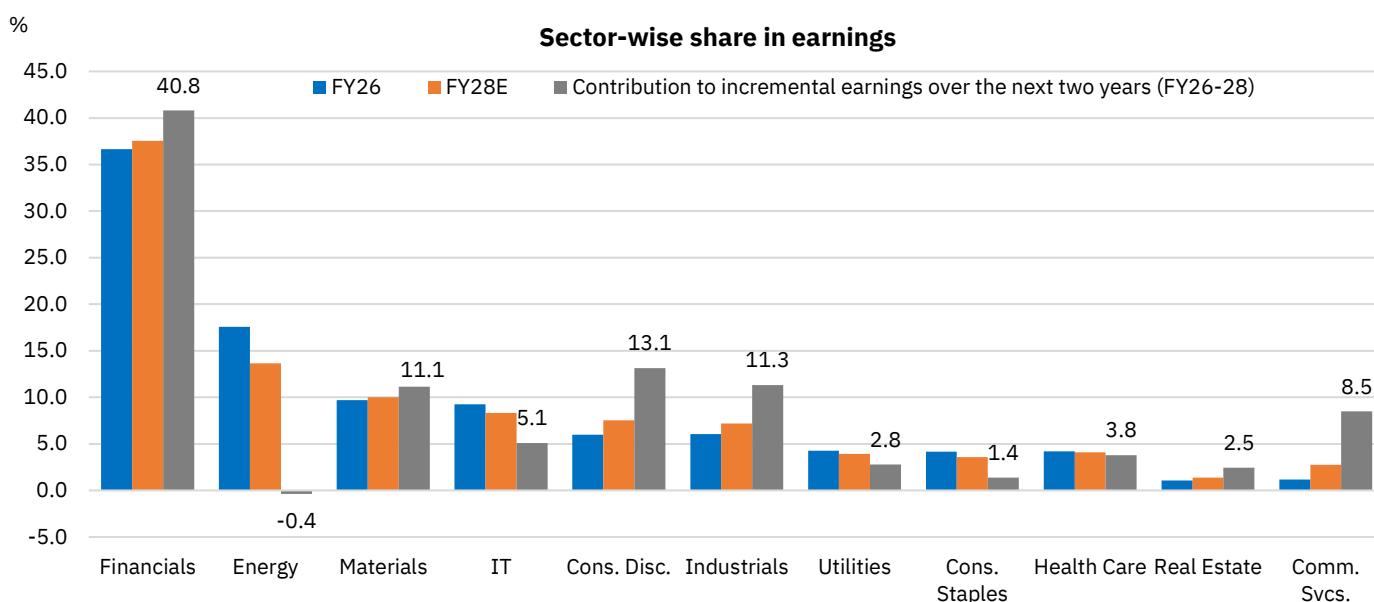
Consumer Discretionary is expected to be the second-largest contributor, accounting for 13.1% of incremental earnings over FY26-28, despite contributing just 6.0% of aggregate profits in FY26. Its share of total earnings is projected to rise to 7.5% by FY28, even after downward revisions to estimates for both FY27 and FY28. Industrials are expected to contribute a further 11.3% of incremental earnings, compared with a 6.0% share of aggregate profits in FY26.

Energy presents a different trajectory. With little contribution to incremental earnings expected over FY26–28, its share of aggregate profits is projected to decline from 17.6% in FY26 to 13.4% in FY27, before recovering marginally to 13.7% in FY28. The decline reflects the relatively weak earnings growth expected from the sector compared with the rest of the market.

Communication Services is expected to record the sharpest growth in percentage terms. Following its transition from losses in FY24 to meaningful profitability in FY25, earnings are projected to grow at a CAGR of nearly 75% over FY26–28. Although the sector accounted for only 1.2% of aggregate earnings in FY26, its rapid earnings expansion is expected to generate 8.5% of incremental profits over the period.

The remaining sectors—Consumer Staples, Information Technology, Utilities and Healthcare—are expected to make a more modest contribution, together accounting for around 13% of incremental earnings over FY26–28. Their combined share of aggregate profits is consequently projected to decline from 21.9% in FY26 to 19.9% in FY28.

Figure 44: Sector-wise share and contribution to earnings



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

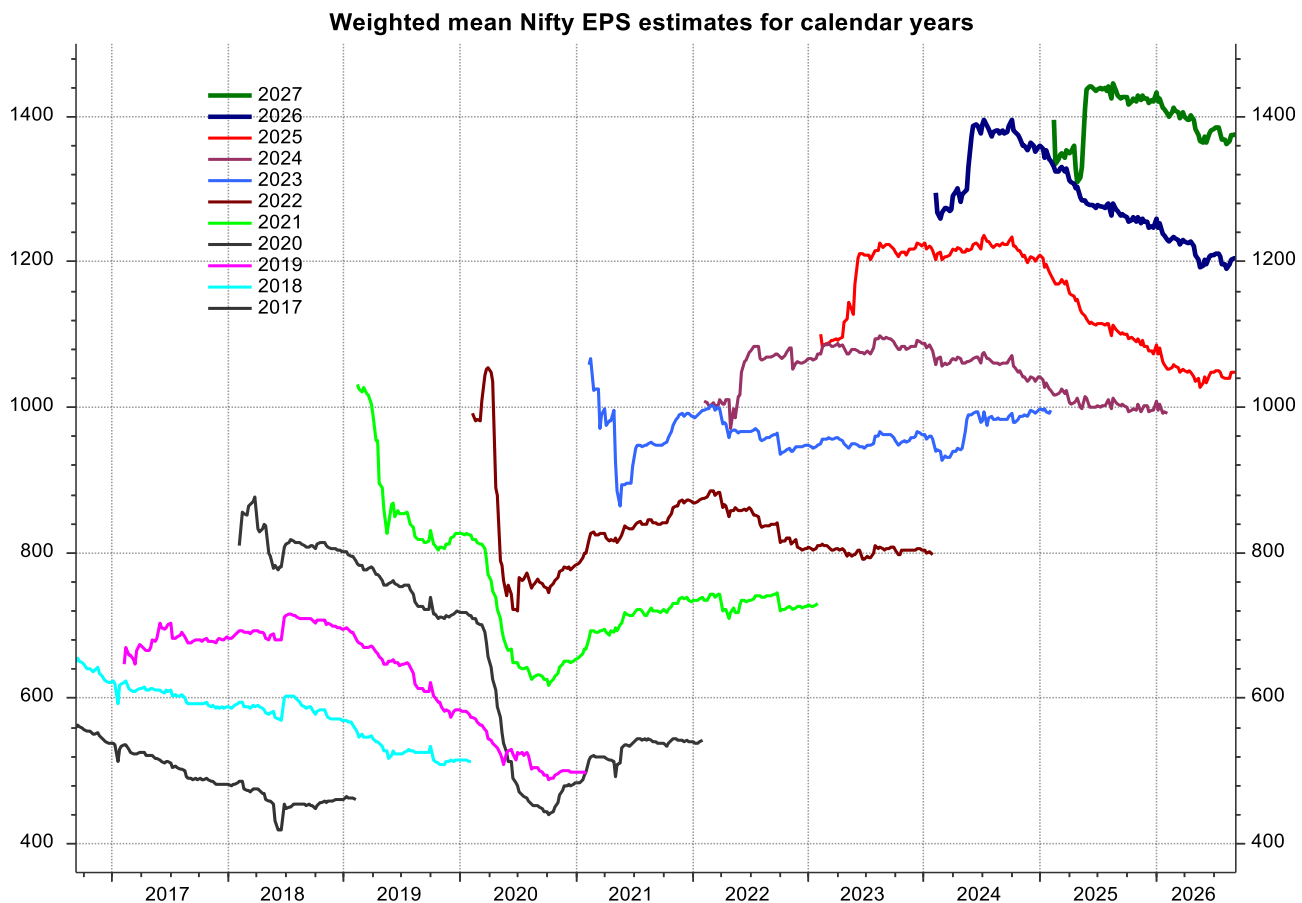
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as of September 11th, 2026.

The chart captures a persistent feature of consensus earnings behaviour: projections typically begin each calendar year on an optimistic note and are subsequently revised lower as the outlook for growth, margins and external risks becomes clearer. Barring 2023, this pattern of early-year optimism followed by progressive downgrades has characterised India's earnings cycle for more than a decade.

The past four years, however, have followed a somewhat different trajectory. Projections started on a relatively subdued note and were revised upwards sharply before coming under sustained pressure from October 2024 onwards. The subsequent downgrades have largely reflected softer global demand, trade-related uncertainty, geopolitical tensions in the Middle East, greater volatility in commodity prices and rising input costs.

The adjustment has been particularly pronounced for CY2027, with consensus earnings estimates now nearly 9% below their peak in October 2024. This suggests that the recent reset in expectations extends beyond near-term pressures, with analysts also taking a more cautious view of the earnings trajectory further ahead.

Figure 45: Yearly trend of NIFTY 50 Consensus EPS estimates



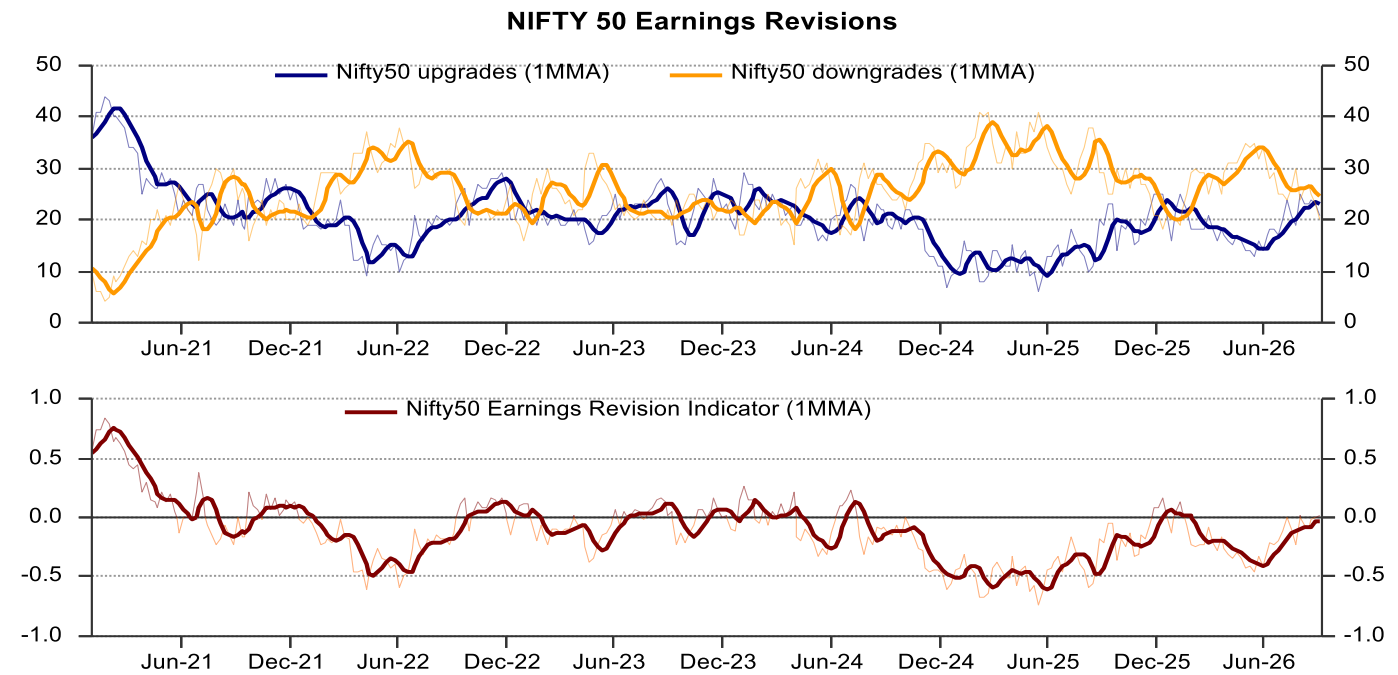
Source: LSEG Workspace, NSE EPR

Nifty 50 Earnings Revision Indicator improved over the last few months: The Earnings Revision Indicator (ERI) measures the breadth of analyst sentiment by calculating the proportion of Nifty 50 constituents receiving upward EPS revisions minus the proportion receiving downward revisions over a specified period. A positive ERI indicates that upgrades outnumber downgrades, while a negative reading indicates the reverse. It therefore provides a compact measure of the direction of earnings revisions across the index. Importantly, ERI captures the breadth rather than the magnitude of revisions: aggregate earnings estimates can still increase even when the ERI is negative, if the value of upgrades more than offsets the impact of downgrades. The indicator thus reflects how widely revisions are distributed across companies, rather than the size of those revisions.

After remaining firmly in negative territory through much of 2025 and into June, the ERI improved gradually during the second half of last year, moving into mildly positive territory. It subsequently weakened through the first five months of 2026, before recovering over the past three months. The indicator is now close to zero, suggesting that upgrades and downgrades are broadly balanced across Nifty 50 companies.

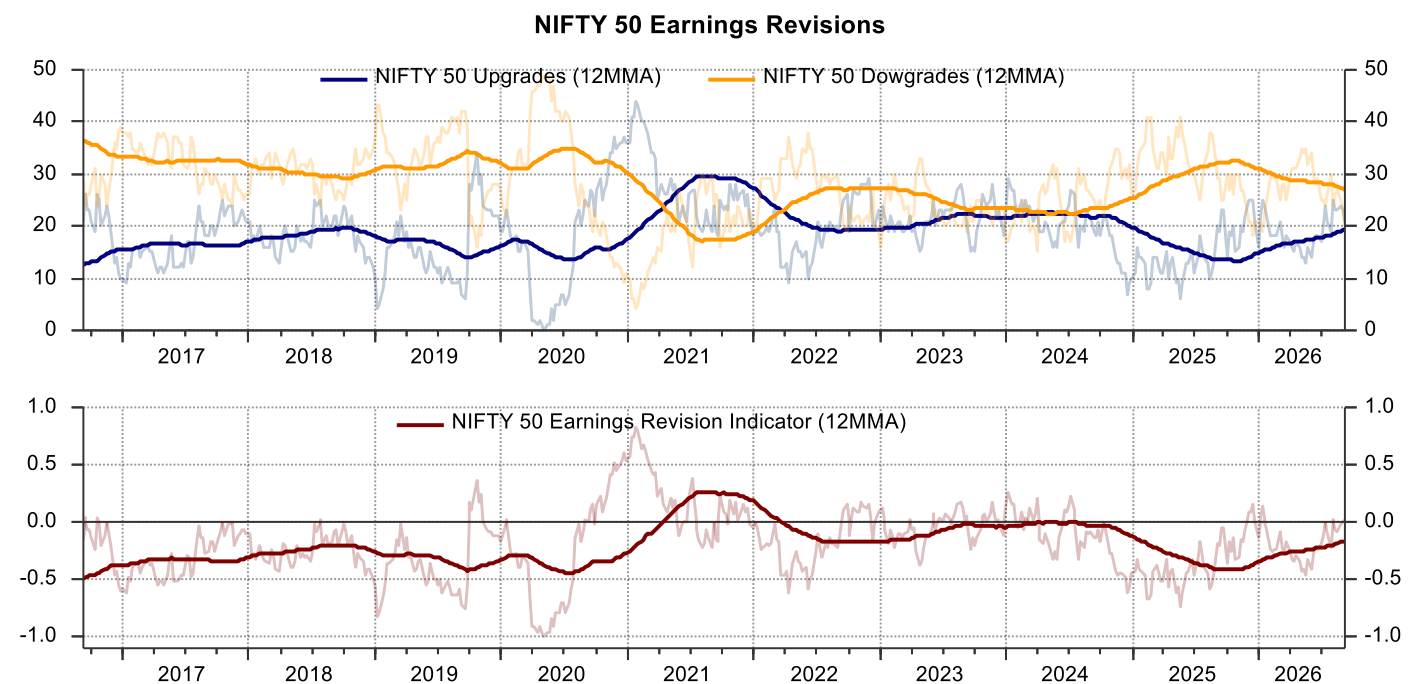
The recent improvement in the ERI is consistent with the relatively modest decline in aggregate earnings estimates. However, the indicator remains close to neutral rather than firmly positive, suggesting that a broad-based earnings upgrade cycle has yet to emerge. Elevated geopolitical tensions, alongside domestic and external demand headwinds, continue to cloud the outlook and could limit the strength and durability of the earnings recovery.

Figure 46: Nifty 50 Earnings Revision Indicator (since January 2021)



Source: LSEG Workspace, NSE EPR.

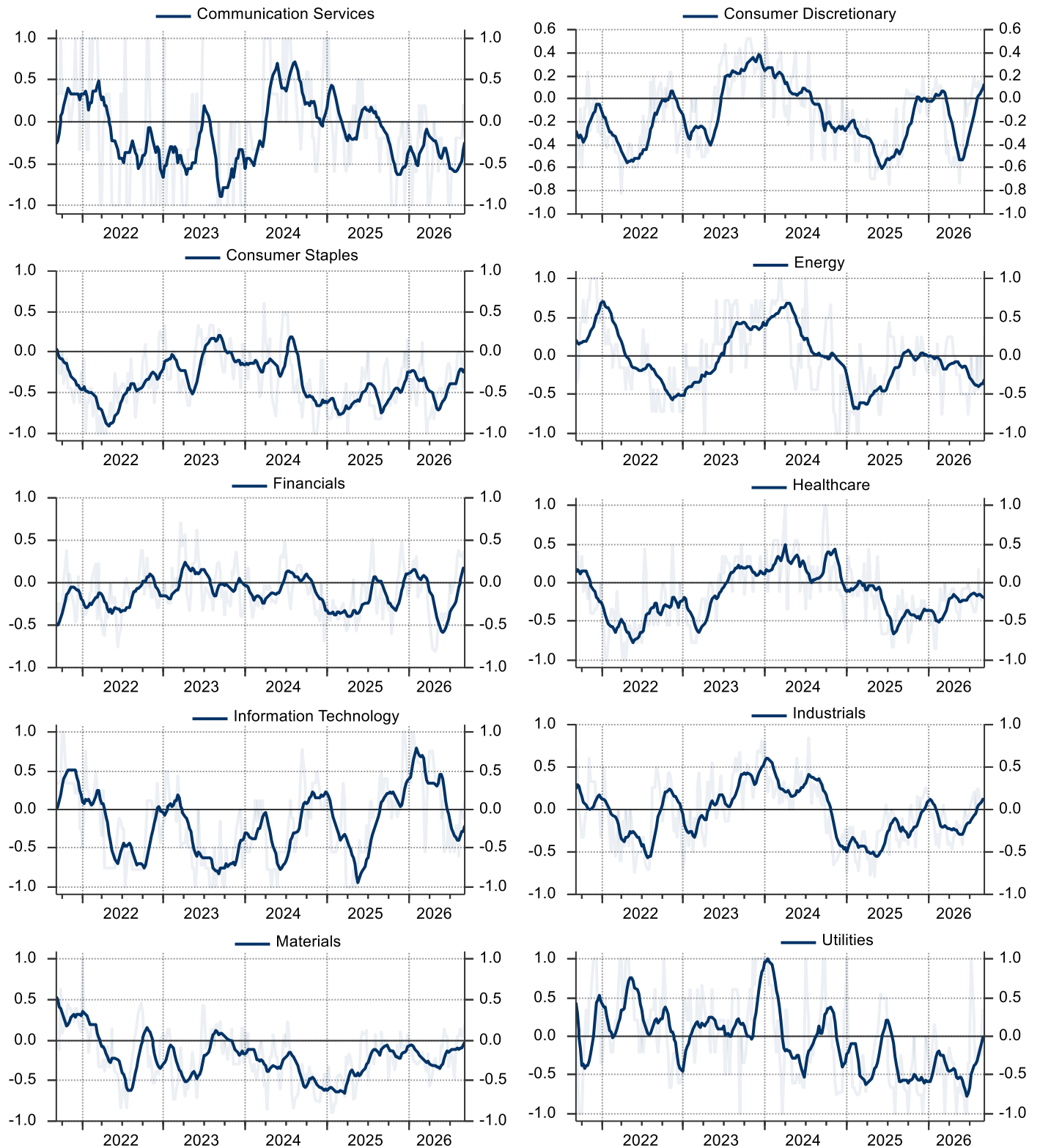
Figure 47: Nifty 50 Earnings Revision Indicator (10-year trend)



Source: LSEG Workspace, NSE EPR.

Figure 48: Short-term trend of Earnings Revision Indicator across MSCI sectors

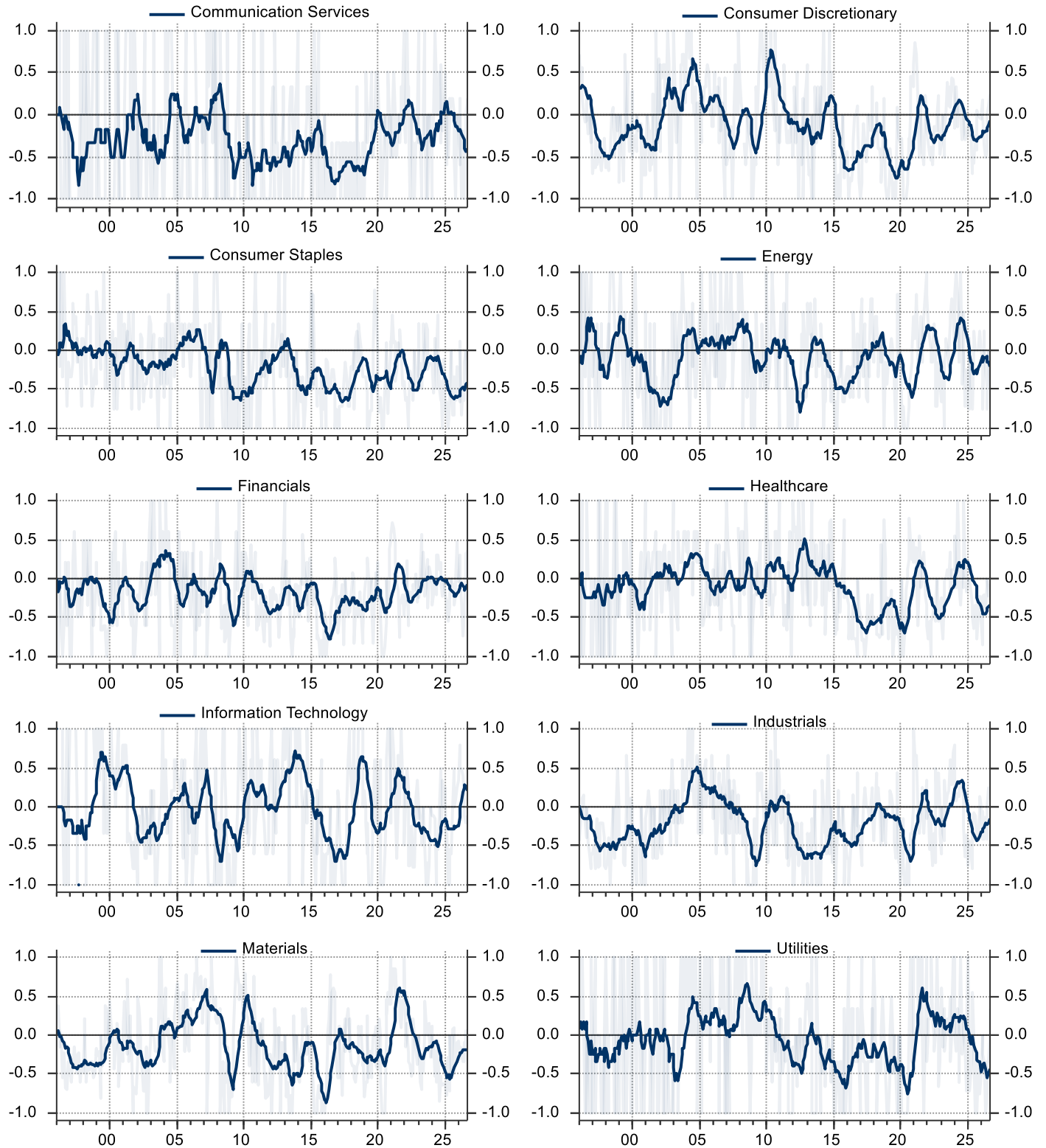
India Earnings Revision Indicator across sectors: Short-term (2MMA)



Source: LSEG Workspace, NSE EPR.

Figure 49: Long-term trend of Earnings Revision Indicator across MSCI sectors

India Earnings Revision Indicator (ERI) across sectors: Long-term (12MMA)



Source: LSEG Workspace, NSE EPR.

2. Macroeconomy

Domestic strength in a world of rising risks

The persistence of the West Asia conflict remained the defining macro theme during August. Continued US-Iran military exchanges kept energy markets volatile, with Brent crude rebounding close to US\$ 100/barrel after briefly falling below US\$85/bbl. This has reversed much of the gains made towards inflation control in the past few months and energy, freight and logistics costs remain elevated. Food inflation also re-emerged as a risk, with the FAO Food Price Index rising to 133.3 in August, its highest level since 2022, as adverse weather and war disruption heightened concern over supply of staples. The FAO also lowered its 2026 global cereal production forecast to 2% below 2025 levels as major producers such as India brace the El Nino. Against this backdrop, global central banks maintained a cautious stance. The discussions at the Jackson Hole Symposium reinforced concerns over persistent inflation risks and the need to keep inflation expectations anchored. Similarly, other central banks (ECB, BoE, BoJ) have also retained a tightening bias. The AI investment cycle remained the principal engine of global activity. Manufacturing PMIs improved across technology-oriented Asian economies (China: 51.5; Japan: 54.9; South Korea: 52.3), while South Korea's exports surged 68.7% YoY in August, led by semiconductors. However, outside the technology ecosystem, growth remained subdued amid elevated energy costs and tighter financial conditions, even as renewed US-Canada retaliatory tariffs added to concerns over rising trade fragmentation. Meanwhile, concerns over fiscal sustainability also resurfaced after US federal debt crossed US\$40 trillion, contributing to higher sovereign bond yields globally alongside persistent inflation risks and expectations of restrictive monetary policy.

India's economy continued to outperform amid an increasingly challenging global backdrop. Real GDP growth accelerated to 7.8% YoY in Q1 FY27, exceeding both market expectations and the RBI's projection (7%), with broad-based strength across manufacturing and services. The strong GDP print was also corroborated by high-frequency indicators, while exports remained remarkably resilient despite a difficult global environment. Fiscal policy continued to support growth, with gross tax revenues rising 11.4% YoY during 4MFY27, alongside a 30% YoY increase in government capital expenditure. On the external front, Q1 FY27 CAD at 0.5% of GDP reflected limited impact of the West Asia crisis supported by a steady services, elevated remittances and higher oil exports. The RBI's FCNR(B) swap facility further strengthened the external sector, mobilising around US\$127.2bn through FCNR(B) deposits end-August, helping FX reserves rise to a record high (US\$740 bn) while also pushing banking-system liquidity to an all-time high. With growth holding up well, the macro policy focus has increasingly shifted towards inflation management. RBI expects CPI inflation to edge higher to around 5.9% in Q3 FY27, close to the upper end of the target band. An uneven monsoon has further heightened concerns over kharif output, rural incomes and food inflation during H2FY27. The RBI now has greater room to calibrate policy through a combination of liquidity management and interest-rate tools, balancing the need to contain demand-side and second-round inflation risks.

- **GDP print for Q1 reflects resilience despite heightened uncertainty:** India's economy delivered a stronger-than-expected performance in Q1 FY27, with real GDP growth of 7.8% YoY, above RBI's 7% projection and market expectations, despite a challenging global environment marked by the West Asia conflict and heightened trade uncertainty. Growth was broad-based, supported by robust investment, healthy consumption and exports. Nominal GDP growth accelerated to 10.3% YoY, marking the first double-digit print since the June 2024 quarter. GVA growth remained strong at 8.2% YoY, supported by resilience across industry and services. GVA also outpaced GDP growth for the second consecutive quarter, reflecting relatively subdued growth in net indirect taxes amid higher subsidy outgoes. High-frequency indicators for July-August suggest that domestic demand momentum remains broadly resilient, although growth may moderate as base effects fade and external, inflation and weather-related risks intensify.

- Overall BOP position weakens in Q1 as current account slips into deficit:** India's current account slipped into a deficit of US\$4.2bn (0.5% of GDP) in Q1FY27, from a surplus of US\$6.5bn in Q4FY26, as the merchandise trade deficit widened led by elevated petroleum imports amidst West Asia conflict, even as resilient exports and strong services receipts provided some cushion. The capital and financial account deficit (excluding reserve assets), widened to US\$5.5bn (0.6% of GDP), led primarily by sizeable FPI outflows during the quarter. Going forward, the current account is likely to remain under pressure amid elevated crude oil prices and geopolitical risks. However, strong foreign currency inflows of around US\$136.4bn through FCNR(B) deposits, ECBs and OFCBs are expected to support the financial account and help drive the overall BoP into surplus in FY27, while further strengthening India's forex reserve buffer.
- FCNR (B) swap facility: Stronger dollar buffers followed by liquidity challenge:** RBI's 2026 FCNR(B) swap facility was introduced to attract stable foreign-currency inflows, strengthen reserves and support the rupee amid heightened external uncertainty. The response has been exceptionally strong, with FCNR(B) deposits mobilising about US\$127.2 bn and total inflows under the broader FCNR(B), ECB and OFCB swap windows reaching US\$136.4 bn. The scheme has improved bank funding conditions and boosted forex reserves but has also injected substantial rupee liquidity and increased RBI's short forward-dollar position. This has shifted the policy challenge from attracting dollars to managing excess liquidity. RBI is therefore likely to rely on a mix of VRRR, FX sell/buy swaps, OMO sales, MSS and short-term government paper, while balancing rising inflation risks against still-strong growth.
- Industrial activity softened in July; albeit remains healthy:** India's industrial activity moderated in July but remained healthy. IIP growth was led by manufacturing (7.3% YoY) and electricity (8.7%), with eight of the 23 manufacturing sub-industries posting double-digit growth. On a use-based classification, capital goods (16.1% YoY) and intermediate goods (10% YoY) led, alongside consumer durables, reflecting robust investment activity and sustained premium goods demand. Conversely, consumer non-durables growth contracted by 1% YoY, marking a six-month low, reflecting weakness in rural demand amidst uneven monsoon distribution. Core sector growth moderated to 5.4% YoY in July, supported by healthy growth in coal, electricity and cement, while fertiliser production contracted sharply by 8% YoY, partly reflecting supply disruptions arising from the West Asia conflict. PMI indices offered contrasting signals - services PMI strengthened to 55.1, while manufacturing PMI slipped to a near five-year low, reflecting input cost pressures and slower growth in new orders.
- Bank credit growth remained firm in August:** Outstanding bank credit growth grew at 18.3% YoY in August (as per the latest data from RBI WSS as of 15th August 2026), while deposits grew at close to 15%. The credit-deposit gap improved marginally, even as the CD ratio remained high at 81.7%. The sectoral deployment data, available till July, showed strong credit growth across all sectors. Within the industrial sector (20% YoY), credit growth was buoyant in textiles, chemicals & products, basic metals & metal products, engineering goods and infrastructure. Credit to the services sector (23% YoY) was largely led by NBFCs (35% YoY), trade and tourism. Deployment by NBFCs showed credit grew majorly in housing and vehicle loans, jewellery loans and commercial real estate. The CD issuances were

at a four-month low of Rs 68k crore due to higher deposit mobilisation though FCNR(B) and surplus liquidity in the system.

- **Robust direct tax collections and capex amid elevated subsidy spending:** Central government reported a fiscal deficit of Rs 4.5 lakh (27% of FY27BE) crore in 4MFY27 (Apr-Jul), as compared with Rs 4.7 lakh crore during the same period last year supported by healthy tax collections. Gross tax revenues grew by 11.4% YoY, led by a 23% increase in direct taxes. In contrast, indirect tax collections contracted by 2.3%, weighed down by lower excise duty (-23%) following duty cuts and a decline in GST collections (-5%). On the expenditure side, the growth remained capex-led, which grew by 30%YoY in 4MFY27, reaching 37% of FY27BE target. Revenue expenditure rose at a relatively moderate 7.8%, notwithstanding a 35% increase in subsidy spending.
- **Monsoon deficit widens in August 2026:** India's monsoon deficit has remained elevated, with cumulative rainfall shortfall widening marginally from 12.6% of LPA at end-July to 13.9% as of September 6th, 2026. Regional divergence remains significant, with East & Northeast India and the South Peninsula recording deficits of around 25%, while deficiencies in Central and Northwest India have been relatively muted at 6% and 8%, respectively. Reservoir levels have improved alongside the progression of the monsoon, with current live storage at 68% of live capacity at full reservoir level, modestly below the 10-year average of 71% and substantially lower than 83% in the corresponding period last year. Despite subdued rainfall, sowing progress has remained broadly resilient as of September 4th, with overall acreage down 1.6% YoY. Rice acreage recorded the sharpest contraction at 3.7% YoY, while pulses sowing remained healthy, expanding by 1.6% YoY.

2.1 Q1 FY27 GDP trends: Resilience despite energy shock

India's growth performance in Q1 FY27 surprised meaningfully on the upside, with real GDP expanding by 7.8% YoY, comfortably above the RBI's projection of 7% and market consensus of 7.1%. The resilience is particularly noteworthy against a challenging global backdrop marked by heightened geopolitical and trade uncertainty, with India continuing to retain its position as the fastest-growing major economy. On the demand side, growth was underpinned by robust investment and consumption activity, with gross fixed capital formation (GFCF) growing by 11.9% YoY and private final consumption expenditure (PFCE) by 7.1%, while exports expanded by 12%. Nominal GDP growth accelerated to 10.3% YoY—the first double-digit print since the June 2024 quarter—with the widening gap between nominal and real growth reflecting a pick-up in the GDP deflator. On the supply side, GVA growth remained resilient at 8.2% YoY and outpaced GDP growth for the second consecutive quarter, reflecting relatively subdued growth in net indirect taxes amid higher subsidy outgoes. The strength was broad-based, led by manufacturing (9.2%), electricity, gas, water supply and other utility services (8.9%), construction (7.7%) and services (10%), while agricultural GVA grew by 3.6%. The buoyancy across industry and services was also corroborated by high-frequency indicators, including firm manufacturing and capital goods production, construction activity and healthy operating earnings of listed companies.

The near-term growth impulse also appears to have remained broadly intact, with July-August indicators such as automobile sales, UPI transactions, GST collections and bank credit pointing to resilient domestic demand, while the festive season could provide an additional boost in Q3. However, growth is likely to moderate from Q1 levels as base effects turn less favourable and external, inflation and weather-related risks intensify. The stronger-than-expected growth outturn nevertheless alters the balance of the inflation-growth trade-off for monetary policy, giving the RBI greater room to focus on emerging inflation risks. With headline inflation already inching higher and upside risks from food and energy prices increasing the possibility of inflation moving above the upper limit of RBI's target, the probability of monetary tightening has risen. If these pressures persist, the likelihood of a rate hike later in FY27 would also increase, even as the underlying growth momentum remains resilient.

- Q1 FY27 GDP growth beat estimates...:** India's real GDP growth in Q1 FY27 surprised on the upside, accelerating to 7.8% YoY, well above the market consensus (7.1%) and RBI's projection of 7%. Notwithstanding uncertainty surrounding the West Asia crisis and a challenging global environment, growth strengthened from the year-ago level, with India continuing to retain its position as the fastest-growing major economy. The expansion was broad-based, supported by double-digit investment growth, a strong pickup in exports and steady consumption demand. Nominal GDP growth rose to an eight-quarter high of 10.3% YoY, widening the gap with real growth to 2.5pp. This reflected the pickup in prices during the quarter, with wholesale inflation averaging 9.4% and consumer inflation averaging 3.9% in Q1 FY27. GVA growth was even stronger at 8.2% YoY, exceeding headline GDP growth as growth in net indirect taxes remained relatively subdued, partly reflecting higher subsidy outgo.
- ...driven by investments and healthy private consumption:** On the demand side, growth was supported by healthy consumption and strong investment activity. Private final consumption expenditure (PFCE) grew by 7.1% YoY in Q1 FY27, reflected in buoyant automobile sales, firm IIP consumer durables growth, healthy GST collections and sustained personal loan growth. Consumption also continues to benefit from the lagged impact of income-tax and GST rate rationalisation, although some moderation may reflect prevailing inflationary pressures. Investment remained a key growth driver, with Gross Fixed Capital Formation (GFCF) rising by 11.9% YoY, up from 10.5% in Q4 FY26 and the highest quarterly growth in the new series. The investment rate remained elevated at 34.4% of GDP,

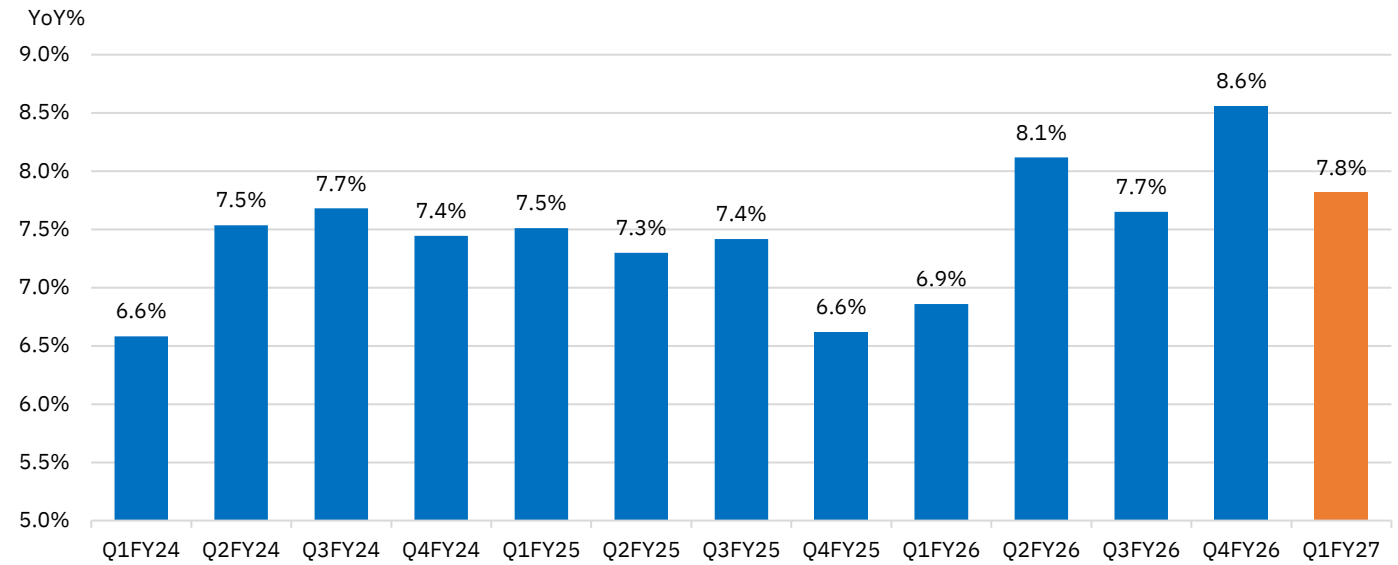
GDP growth came in at 7.8% YoY in Q1 FY27, comfortably above the RBI's estimate and market expectations, despite heightened uncertainty stemming from the West Asia crisis.

GDP growth in Q1 FY27 was led by strong investment activity and healthy private consumption, as reflected in various high-frequency indicators.

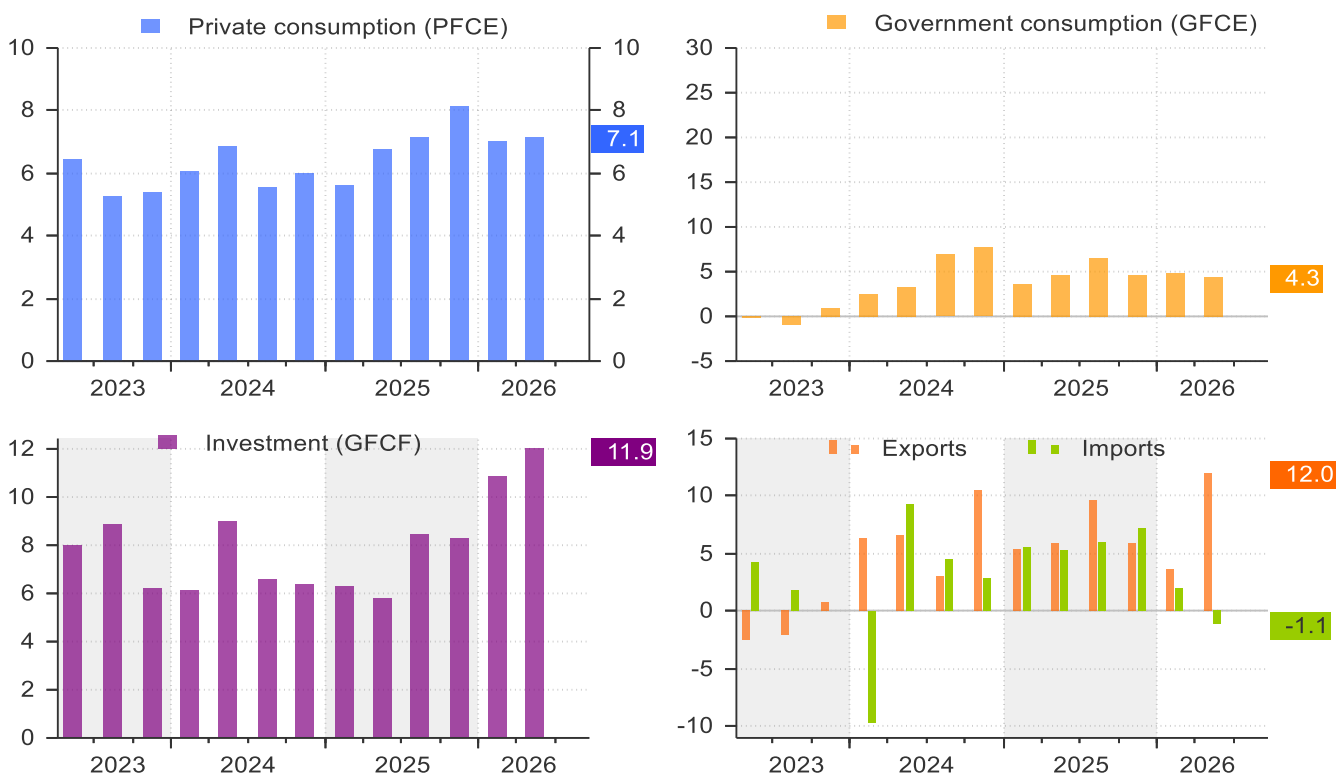
while the rise in capacity utilisation to 77% in Q4 FY26 points to a need for fresh private-sector investment. Strong government capex and healthy growth in IIP capital and construction goods further corroborate the investment momentum, suggesting that public capex is gradually crowding in private investment. Government final consumption expenditure (GFCE), however, moderated to 4.3% YoY from over 7% in the previous two quarters. Exports also remained supportive, growing by 12% YoY, led by healthy merchandise and services exports, with rupee depreciation aiding export competitiveness and realisations.

- ...and buoyant industry and services:** Real GVA growth strengthened to 8.2% YoY in Q1 FY27 from 7% in the same quarter last year, supported by broad-based growth across industry and services. Manufacturing GVA grew by 9.2% YoY, the highest in three quarters, reflecting the improvement in manufacturing activity, with IIP manufacturing growth averaging 6.9% during the quarter. An important development is manufacturing GVA growth in nominal terms (7.7% YoY) was lower than real terms, implying implicit negative deflator. Electricity, gas, water supply and other utility services GVA grew by 8.9% YoY, the highest in eight quarters, partly supported by higher power demand during the intense summer heat, while construction growth remained firm at 7.7% YoY, in line with healthy trends in cement and steel production. Services GVA expanded by 10% YoY, buoyed by financial services, real estate and business services. The strength in both industry and services was also reflected in healthy operating earnings of listed companies during the quarter. Agricultural GVA growth moderated to 3.6% YoY from 4.4% in the same quarter last year, following strong agriculture output in the previous year.
- Momentum for FY27 remains intact but not yet out of the woods:** Following stronger-than-expected growth in Q1 FY27, incoming high-frequency indicators suggest that the underlying momentum in domestic activity has remained broadly intact, although headline growth is likely to moderate in the coming quarters as favourable base effects fade and downside risks—particularly external—intensify. Indicators for July and August—including automobile sales, UPI transactions, GST collections and bank credit—continue to point to resilient consumption demand, with the festive season likely to provide an additional seasonal boost in Q3. Investment conditions also remain supportive, aided by elevated capacity utilisation, healthy credit flows and continued government infrastructure spending. At the same time, a relatively high base, elevated inflation—particularly food inflation—and weather-related uncertainties could weigh on growth. The SW monsoon deficit of around 14% by end-August poses risks to agricultural output and rural demand, even though kharif sowing remained relatively steady at only around 2% below last year's level as of August 28. Externally, elevated energy prices, supply-chain pressures, geopolitical tensions and trade-policy uncertainty remain key downside risks to the outlook.

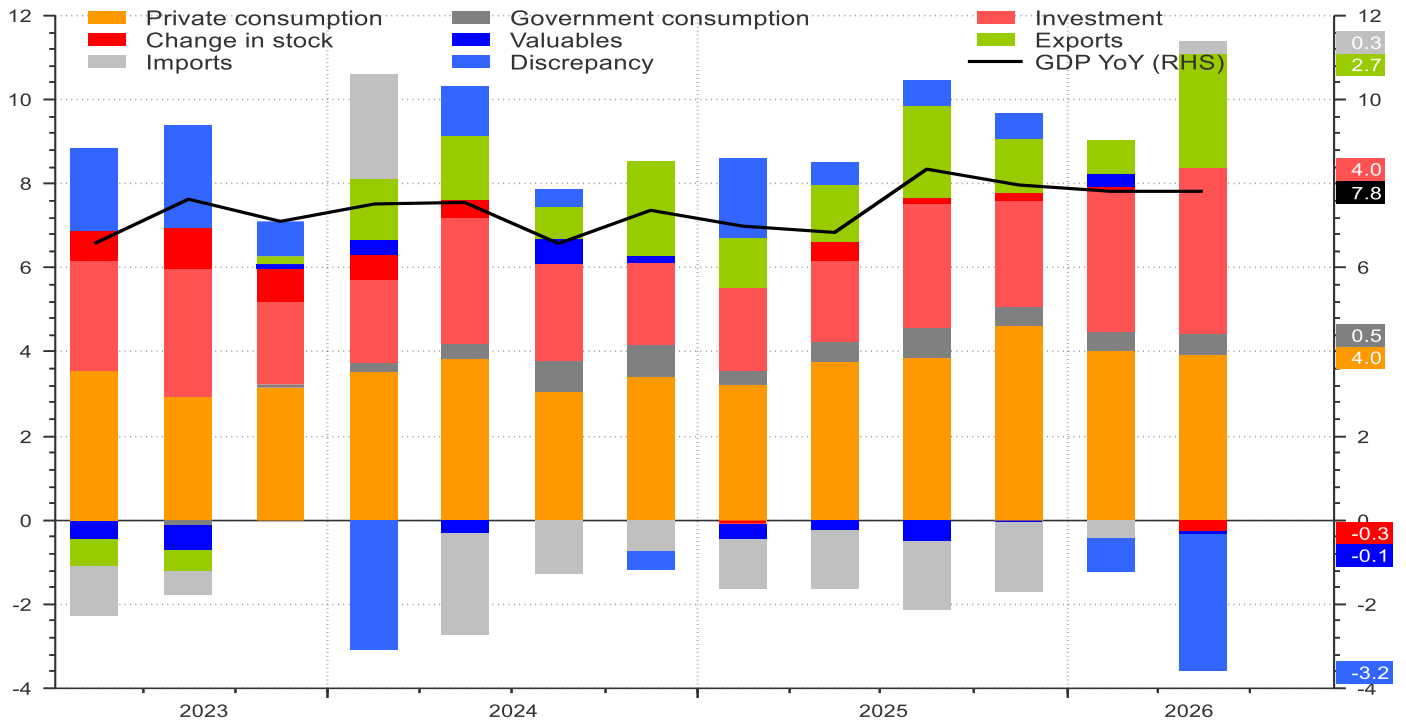
Upbeat growth in industry (7.7%) and services (10%) in Q1 led to solid GVA growth of 8.2%.

Figure 50: Trend in quarterly GDP growth


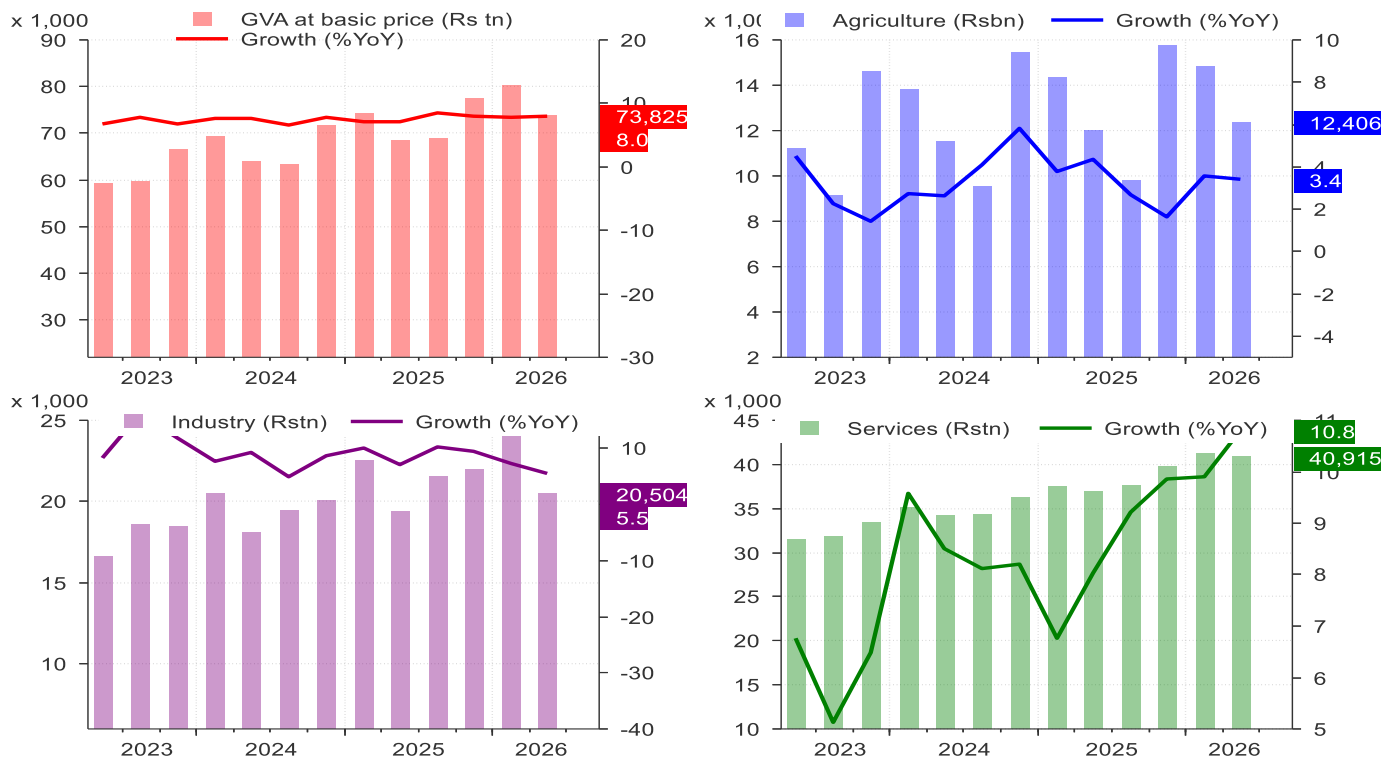
Source: CSO, NSE EPR.

Figure 51: Quarterly GDP growth by expenditure (%YoY)


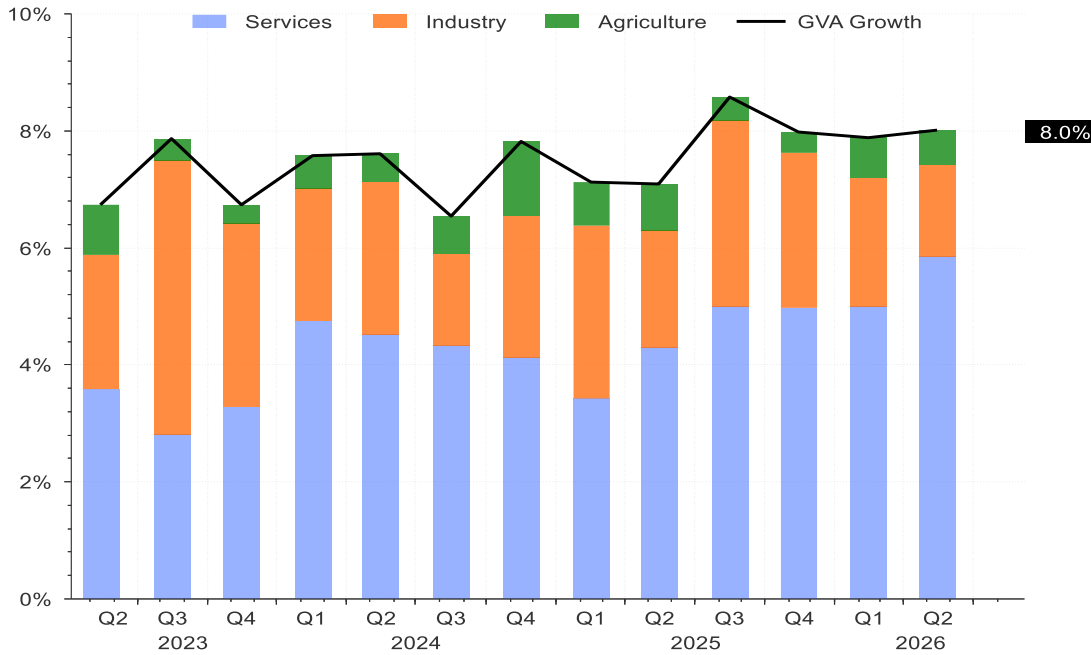
Source: LSEG Workspace, NSE EPR.

Figure 52: India GDP sector share of growth (%)


Source: LSEG Workspace, NSE EPR.

Figure 53: Gross value added (GVA) across sectors


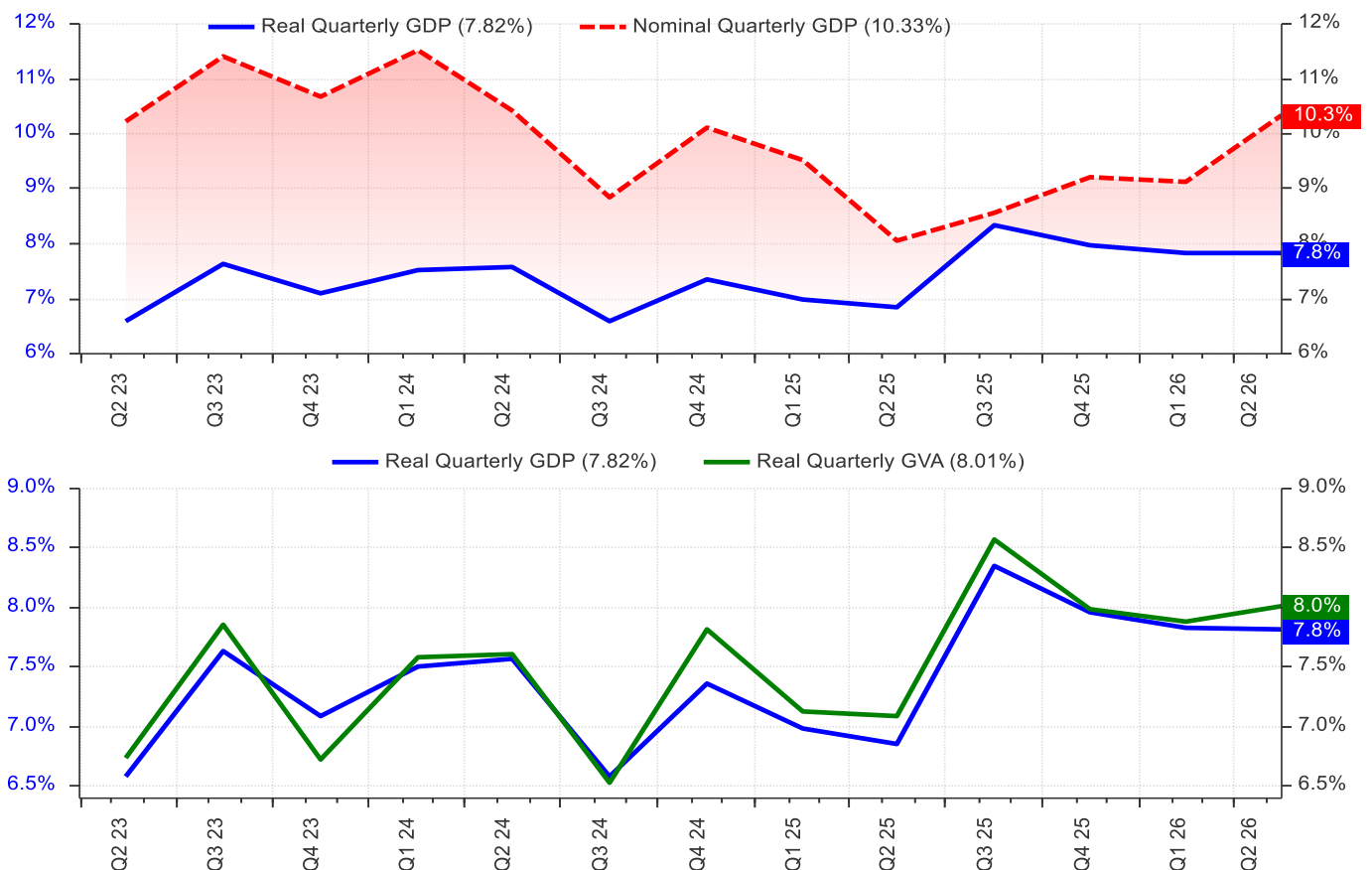
Source: LSEG Workspace, NSE EPR.

Figure 54: India GVA sector share of growth (%)


Source: LSEG Workspace, NSE EPR.

Figure 55: Quarterly trend of nominal vs. real GDP growth

India GDP, GVA: Nominal and Real Growth

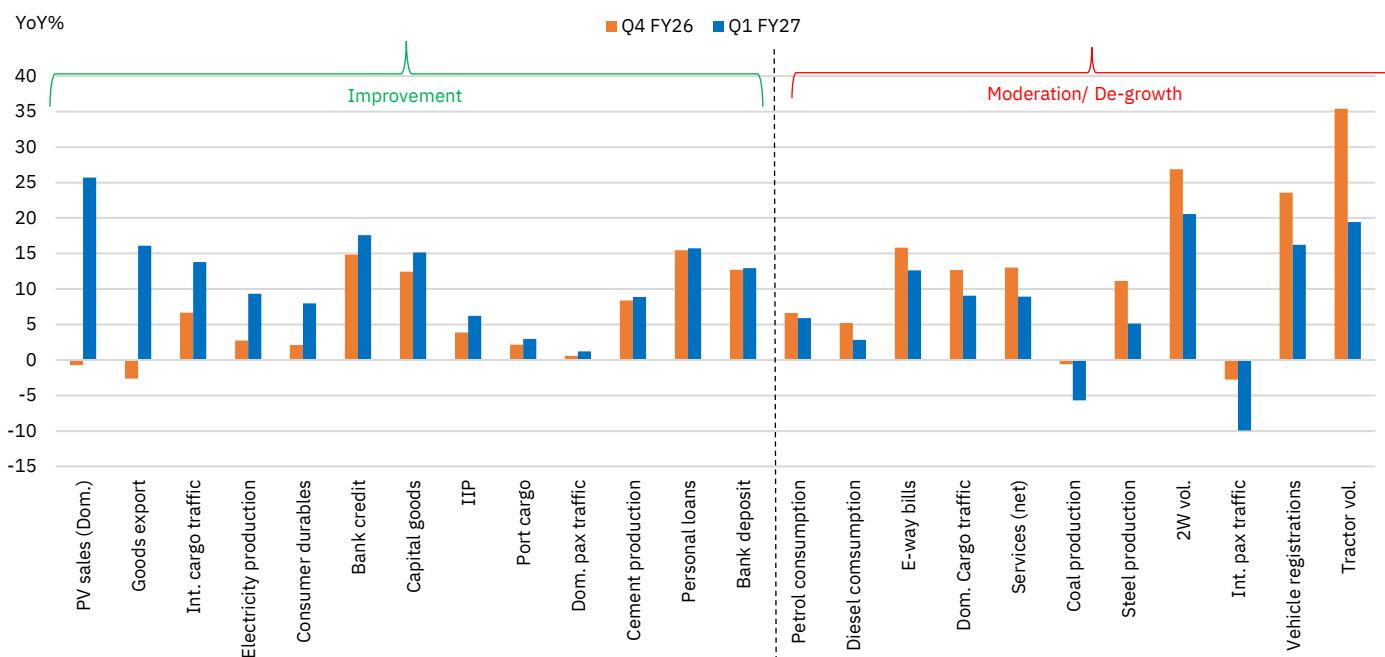


Source: LSEG Workspace, NSE EPR.

Table 33: Quarterly GDP growth trend (2022-23=100) (%YoY)

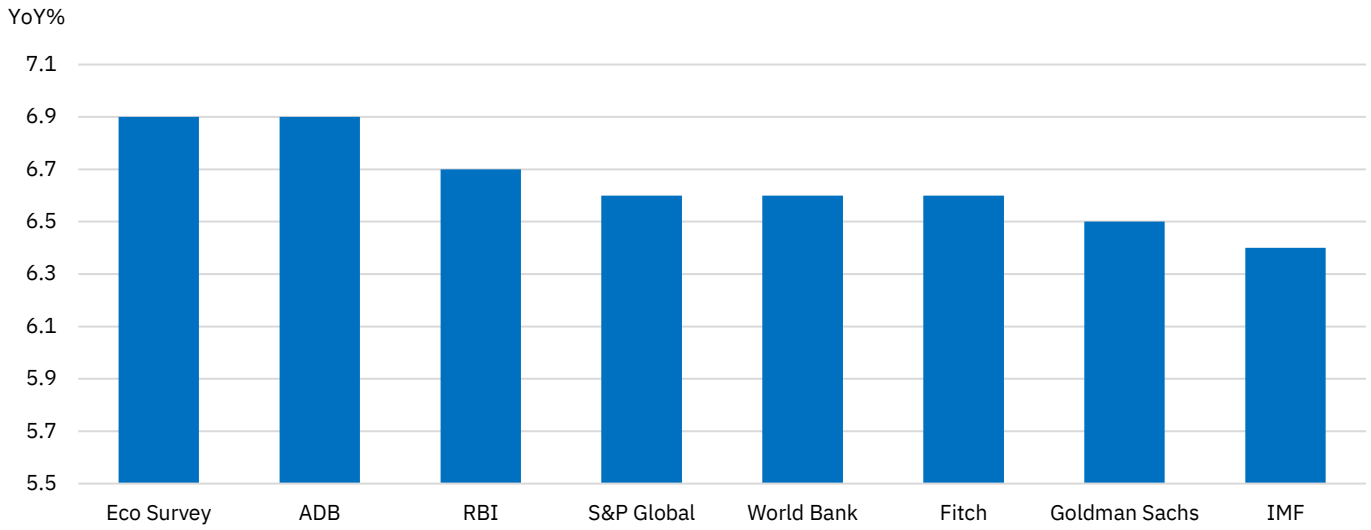
	FY24				FY25				FY26				FY27
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Gross Domestic Product (GDP)	6.6	7.5	7.7	7.4	7.5	7.3	7.4	6.6	6.9	8.1	7.7	8.6	7.8
Private Consumption	7.0	5.8	5.5	6.7	6.0	6.4	6.9	6.4	6.8	6.4	8.0	7.5	7.1
Government Consumption	0.5	-0.2	1.0	1.7	6.6	5.0	9.6	5.5	4.5	4.4	7.0	7.7	4.3
Gross capital formation	8.6	15.9	10.3	8.0	8.6	10.2	7.1	6.0	6.0	5.8	8.0	11.3	10.1
Gross Fixed Capital Formation	7.9	10.6	8.0	9.6	9.7	8.9	6.9	7.6	5.8	7.2	8.3	10.5	11.9
Exports of goods & services	-2.0	-1.3	1.2	6.5	6.0	1.0	8.2	4.3	6.0	9.7	6.2	3.9	12.0
Imports of goods & services	5.0	2.1	0.2	-7.4	8.4	5.1	5.1	4.4	5.3	5.0	7.0	0.8	-1.1
Gross Value Added (GVA)	6.9	7.9	7.4	7.5	7.5	7.0	7.6	6.6	7.0	8.3	7.6	8.7	8.2
Agriculture	4.5	2.3	1.4	2.8	2.6	4.0	5.7	3.8	4.4	3.2	1.9	3.9	3.6
Industry	6.2	15.3	11.3	6.6	9.7	6.1	9.3	8.9	6.6	9.4	7.4	7.1	7.7
Mining and Quarrying	-2.3	3.3	-1.2	3.9	15.7	6.7	16.5	13.6	12.4	21.6	3.3	-2.9	-2.4
Manufacturing	5.6	18.1	14.6	5.5	9.9	7.5	12.2	10.3	8.3	10.0	9.0	7.9	9.2
Electricity	6.8	15.8	13.6	10.9	9.8	-0.2	0.7	1.0	-1.8	3.8	1.9	4.8	8.9
Construction	9.0	13.2	8.7	8.4	8.1	5.6	5.2	7.5	5.2	7.8	7.0	8.7	7.7
Services	8.2	5.7	8.1	9.9	8.0	8.4	7.5	6.2	8.0	9.1	10.1	11.5	10.0
Trade, Hotels, Transport, Storage, Comm.	12.1	10.8	10.9	12.2	8.1	7.5	6.7	5.9	9.8	10.6	11.7	12.9	8.5
Fin. Svcs, Real Estate & Business Svcs.	7.1	3.7	6.8	8.9	8.5	10.0	9.7	7.7	8.8	9.9	10.9	12.3	12.1
Community, Social & Personal Svcs.	6.3	4.4	7.6	9.2	6.9	6.0	4.2	3.5	4.6	5.7	6.6	8.0	7.5

Source: CSO, NSE EPR.

Figure 56: Performance of high-frequency indicators in Q4 FY26 and Q1 FY27


Source: CMIE Economic Outlook, NSE EPR.

Figure 57: Comparison of annual real GDP growth forecasts for India across institutions for FY27



Source: Various multi-lateral institutions, NSE EPR Notes: 1) The estimate from Economic Survey is the average of the range of 6.8-7.2%. Goldman Sachs estimates corresponds to CY26.

Table 34: High frequency indicators

Indicators		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-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	23.7	27.6	18.1
Personal loans	YoY%	14.9	15.2	16.2	16.0	15.4	15.8	16.2	
IIP-Consumer durables	YoY%	-0.3	4.2	2.4	5.6	8.0	10.3	10.5	
IIP-Consumer non-durables	YoY%	-1.2	1.6	-0.6	0.2	-0.4	5.6	-1.0	
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	2.0
MGNREGA Work Demand	YoY%	-25.0	-10.9	-21.8	-36.0	-27.6	-17.4	-38.1	9.1
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	17.9	16.1	
Central government capex	YoY%	-24.5	59.6	-41.8	18.8	-0.6	66.0	53.7	
IIP- Infra/ construction goods	YoY%	12.9	10.1	5.2	6.1	6.6	8.8	6.9	
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	7.3	
Foreign exchange reserves	US\$ bn	723.8	728.5	688.1	698.5	682.3	666.9	692.9	740.8
Business activity									
IIP	YoY%	4.2	4.4	3.0	4.9	5.0	8.8	6.7	
IIP-Manufacturing	YoY%	4.6	5.7	4.0	6.1	5.2	9.5	7.3	
Core sector: Coal	YoY%	0.9	1.4	-4.0	-9.0	-9.5	1.4	7.6	
Core sector: Steel	YoY%	13.8	9.9	9.6	4.7	5.1	5.6	2.9	
Core sector: Cement	YoY%	11.3	9.1	4.7	8.3	8.4	9.9	13.1	
Core sector: Electricity	YoY%	5.1	2.3	0.8	5.5	11.2	11.4	9.0	
Manufacturing PMI	Index	55.4	56.9	53.9	54.7	55.0	54.2	53.5	52.8
Domestic cargo traffic	YoY%	8.7	18.5	10.8	7.0	10.7	9.4	4.2	
International cargo traffic	YoY%	8.4	17.6	-6.0	11.6	10.4	19.4	14.9	
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	11.5	14.5	6.0	7.7
Services/ banking									
Services PMI	Index	58.5	58.1	57.5	58.8	59.8	57.4	53.3	54.1
Domestic passengers traffic	YoY%	3.1	-0.1	-1.3	-2.9	7.7	-1.2	-4.7	
International passengers traffic	YoY%	7.1	3.0	-18.5	-16.1	-9.1	-4.6	-4.6	
Bank deposit	YoY%	10.6	11.3	16.2	13.3	12.2	13.3	15.4	14.7
Bank credit	YoY%	13.4	14.0	17.1	16.5	17.7	18.6	19.3	18.3
Banking system liquidity (Net injection(+)/absorption(-))	Rs lakh crore	-1.8	-2.8	-3.1	-2.6	-1.4	-1.8	-2.3	-4.2

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 August 2026 corresponds to RBI WSS data as of 15th August 2026.

2.2 Current account moves into deficit as trade gap widens; BoP weakens in Q1FY27

India's current account recorded a deficit of US\$4.2 bn (0.5% of GDP) in Q1 FY27, reversing the US\$6.5 bn (0.6% of GDP) surplus recorded in Q4 FY26. The merchandise trade deficit widened to US\$86.1bn in Q1FY27 from US\$83.4bn in Q4 FY26, driven by record-high quarterly merchandise imports of US\$218 bn, largely reflecting a surge in petroleum imports amid elevated crude oil prices and geopolitical disruptions. The widening was partly contained by resilient merchandise exports, which grew by 20% YoY during the quarter supported by both petroleum and non-petroleum exports. Net services receipts moderated to US\$51.6 bn from a record high of US\$60.4 bn in the preceding quarter, while workers' remittances remained elevated at US\$28.5 bn, although below the previous quarter's level (US\$29.1 bn). On the capital & financial account (excluding reserve assets), net outflows increased to US\$5.5 bn in Q1 FY27, from US\$0.2 bn in Q4FY26. This widening can be primarily ascribed to high net FPI outflows of US\$ 9.6 bn alongside sharp fall in net inflows under other accounts receivable/payable. However, sustained net FDI inflows of US\$ 6.1 bn coupled with stable ECB inflows of US\$ 3.3 bn supported overall financial flows. Consequently, the overall BoP recorded a deficit of US\$8.1bn in Q1FY27, reversing the surplus of US\$7.2 bn recorded in Q4FY26.

Going forward, India's overall external BoP position is likely to remain in surplus, even as the current account comes under pressure from a wider merchandise trade deficit. Elevated crude oil prices and continued geopolitical tensions in West Asia could keep the petroleum import bill high, while disruptions to key trade routes, including the Strait of Hormuz, could also weigh on merchandise exports. Resilient services receipts and remittances should, however, continue to provide some cushion. On the financial account, strong inflows through FCNR(B) deposits, ECBs and OFCBs are expected to remain the key support to the BoP. FPI flows are likely to remain volatile, influenced by global risk sentiment, monetary policy expectations, and USD/INR dynamics. Meanwhile, the sharp accretion to forex reserves provides a strong buffer against external vulnerabilities and greater flexibility for the RBI to manage excessive rupee volatility through calibrated intervention.

- **Current account turned to deficit in Q1FY27...:** India's current account recorded a deficit of US\$4.2 bn (0.5% of GDP) in Q1 FY27, reversing from a surplus of US\$6.5 bn (0.6% of GDP) in Q4 FY26. This sequential reversal was driven by a combination of higher merchandise trade, which widened by 3.2% QoQ to US\$ 86.1 bn, and moderation in net services receipts from its peak level in the previous quarter to a three-quarter low of US\$51.6 bn (-14.5% QoQ). Higher spending by Indians on travel during the quarter alongside sequential fall in proceeds from computer services (-3.5% QoQ) dragged overall net services receipts. Personal transfer receipts (*which includes workers' remittances*), however, remained resilient, at US\$40.8 bn during the quarter, thereby providing a cushion to the current account.
- **...led by higher merchandise trade deficit and lower net services:** The merchandise trade deficit widened to US\$86.1 bn in Q1 FY27 (9.2% of GDP) from US\$83.4 bn (8.1% of GDP) in Q4 FY26 and US\$68.9 bn in the same quarter last year. On a YoY basis, a sharper rise in merchandise imports to its highest quarterly level more than offset the resilient merchandise export growth, resulting in widening of trade deficit. Merchandise exports remained robust, rising by 17.1% YoY to ~US\$132 bn in Q1 FY27, as petroleum exports nearly doubled to an eight-quarter high of US\$23.3 bn, coupled with sustained growth in non-petroleum exports to record high levels. Merchandise imports rose at a much faster pace to US\$218 bn, up 20% YoY, driven by higher crude oil and petroleum product imports amid elevated prices and geopolitical disruptions. The deficit in petroleum products alone widened to US\$37.4 bn from US\$32.2 bn in the year-ago quarter.

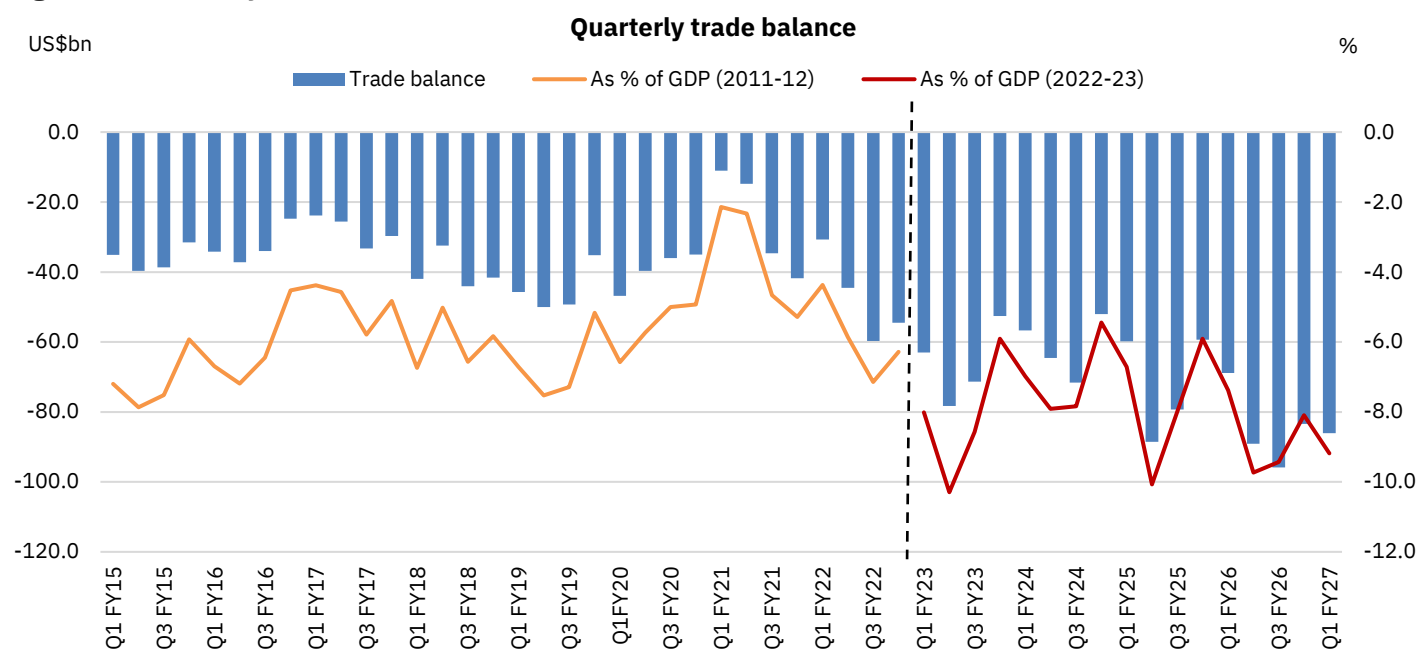
India's current account balance recorded a deficit of US\$4.2 bn or 0.5% of GDP in Q1FY27.

- Capital account deficit widened amid continued FPI outflows:** The capital and financial account (*excluding reserve assets*) recorded a net outflow of US\$5.5 bn (0.6% of GDP) in Q1 FY27 compared with outflows of US\$0.2 bn (0.02% of GDP) in Q4 FY26. FPI outflows moderated to US\$9.6 bn from US\$13.6 bn in the previous quarter but remained a key drag on financial flows. Net FDI inflows continued to remain positive for the second consecutive quarter at US\$6.1 bn, supported by continued inward equity flows which rose to a 16-quarter high of US\$ 15.5 bn in Q1FY27, while NRI deposits and external commercial borrowings (ECBs) contributed further inflows of US\$2.8 bn and US\$3.3 bn, respectively. However, these inflows were insufficient to fully offset portfolio outflows, resulting in the financial account moving into deficit during the quarter. Conversely, net inflows under other accounts receivable/payable fell sharply from US\$ 11.4 bn in Q4 FY26 to US\$ 0.1 bn in Q1 reflecting a substantial reduction in net liabilities.
- BoP turned into deficit in Q1 FY27 reversing Q4 FY26's surplus:** India's balance of payments recorded a deficit of US\$8.1 bn in Q1FY27, compared with a surplus of US\$7.2 bn in Q4FY26 and US\$4.5 bn in Q1FY26. The sequential deterioration was accompanied by a return to current account deficit and a larger net outflow on the capital and financial account, despite a moderation in FPI outflows.
- Overall BOP position to remain supportive despite a wider current account deficit:** India's current account deficit is likely to remain under pressure in FY27, reflecting a wider merchandise trade deficit amid elevated crude oil prices and geopolitical uncertainty in West Asia. While merchandise exports, services receipts and remittances remain resilient, higher petroleum imports and possible disruptions through the Strait of Hormuz could weigh on the trade balance. Conversely, a durable de-escalation in the region could provide meaningful relief to India's trade and current account position. However, strong financial inflows are expected to keep the overall BoP in surplus. RBI's special measures have mobilised US\$127.2bn through FCNR(B) deposits and US\$136.4bn including ECBs and OFCBs, supporting a sharp rise in forex reserves to around US\$740 bn by end-August. The stronger reserve buffer should help contain external vulnerabilities and provide the RBI greater flexibility to manage rupee volatility. FPI flows, meanwhile, are likely to remain the more volatile component of the financial account contingent on US Fed expectations, global risk appetite, AI-led investment themes and USD/INR dynamics. Following equity outflows of around US\$15.1bn in Q1 FY27, the return of FPIs during July–August, with net equity inflows of around US\$5.2bn, has provided some relief. Nevertheless, overall capital flows should remain supportive through the remainder of FY27.

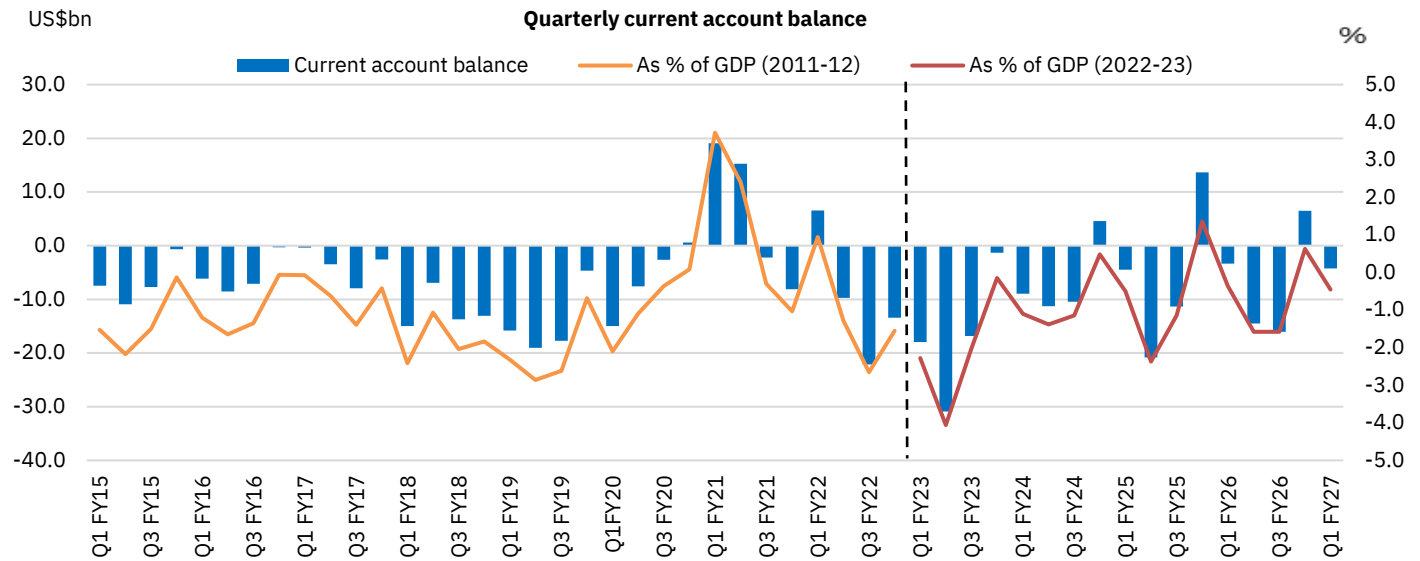
Table 58: Balance of Payments – Quarterly account (based on BPM6 methodology)

US\$ bn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Current account	-4.5	-20.8	-11.3	13.7	-3.4	-14.5	-16.1	6.5	-4.2
CAB/GDP (%)	-0.5	-2.4	-1.1	1.4	-0.4	-1.6	-1.6	0.6	-0.5
Trade balance	-59.8	-88.5	-79.3	-59.3	-68.9	-89.1	-95.9	-83.4	-86.1
Trade balance/GDP (%)	-6.7	-10.1	-8.0	-5.9	-7.4	-9.7	-9.4	-8.1	-9.2
Merchandise exports	115.2	100.6	109.8	116.5	112.7	109.0	111.3	113.1	132.0
Merchandise imports	175.0	189.2	189.1	175.8	181.6	198.1	207.2	196.6	218.0
Oil imports	51.5	41.5	48.4	44.3	49.2	42.9	43.3	38.6	60.6
Non-oil imports	123.4	147.6	140.7	131.4	132.3	155.2	163.9	158.0	157.4
Invisibles	55.3	67.7	68.0	73.0	65.5	74.6	79.8	89.9	81.9
Net services	39.9	44.5	51.2	53.3	47.9	50.9	57.5	60.4	51.6
Transfers	26.3	32.4	33.2	31.5	30.9	36.3	35.2	41.3	40.8
Investment income	-13.3	-11.2	-18.8	-14.5	-15.3	-14.5	-16.4	-14.0	-13.3
Capital & Financial account (excluding reserve assets)	8.9	39.9	-26.6	-5.6	9.2	2.9	-6.0	-0.2	-5.5
Capital & Financial acc./GDP (%)	1.0	4.5	-2.7	-0.6	1.0	0.3	-0.6	-0.0	-0.6
Foreign investments	7.2	17.0	-14.2	-5.5	6.9	-3.6	-5.3	-9.1	-3.5
FDI	6.2	-2.8	-2.8	0.4	5.2	2.1	-5.1	4.5	6.1
FII	0.9	19.9	-11.4	-5.9	1.6	-5.7	-0.2	-13.6	-9.6
Loans	1.6	3.7	-7.9	-1.5	1.0	1.8	-1.1	6.3	1.4
ECBs	1.7	5.0	4.4	7.5	4.4	2.3	3.8	3.7	3.3
NRI deposits	4.0	6.2	3.1	2.8	3.6	2.5	5.1	3.3	2.8
Errors & Omissions	0.8	-0.4	0.3	0.8	-1.4	0.7	-2.3	0.9	1.6
Overall balance (BoP)	5.2	18.6	-37.7	8.8	4.5	-10.9	-24.4	7.2	-8.1

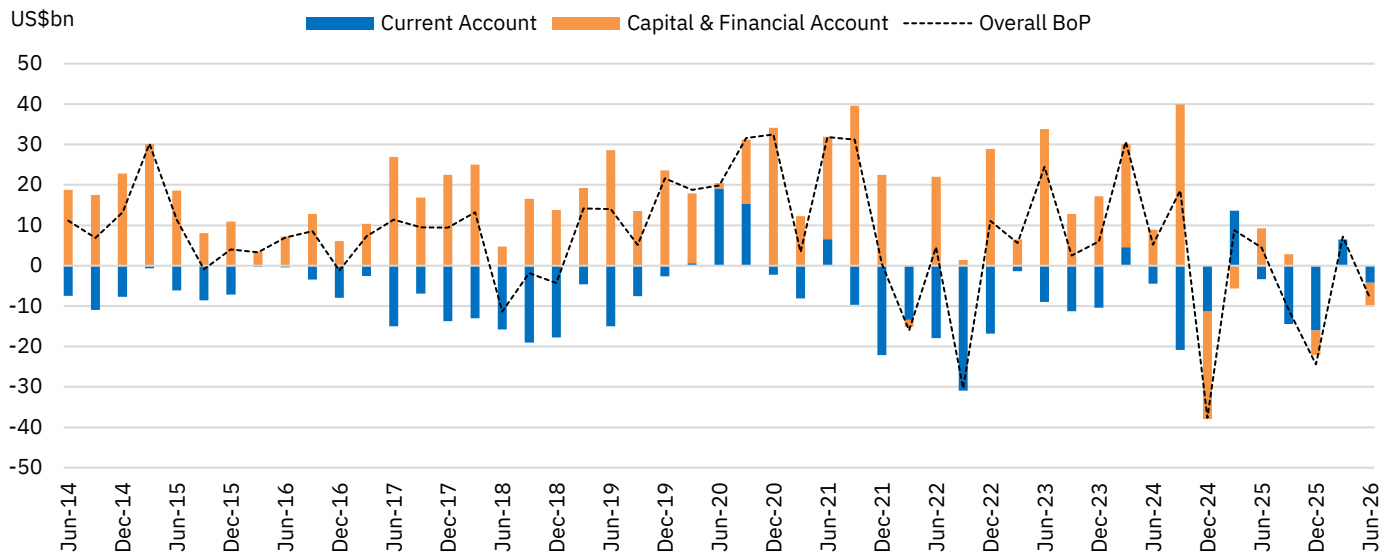
Source: RBI, CMIE Economic Outlook, NSE EPR. Notes: 1) -ve value stands for deficit/outflows while +ve value stands for surplus/inflows

Figure 59: Quarterly trade balance trend


Source: RBI, CMIE Economic Outlook, NSE EPR.

Figure 60: Quarterly current account balance trend


Source: CMIE Economic Outlook, NSE EPR.

Figure 61: India's Balance of Payments decomposition


Source: CMIE Economic Outlook, NSE EPR.

Figure 62: Quarterly Balance of Payments trend by channels

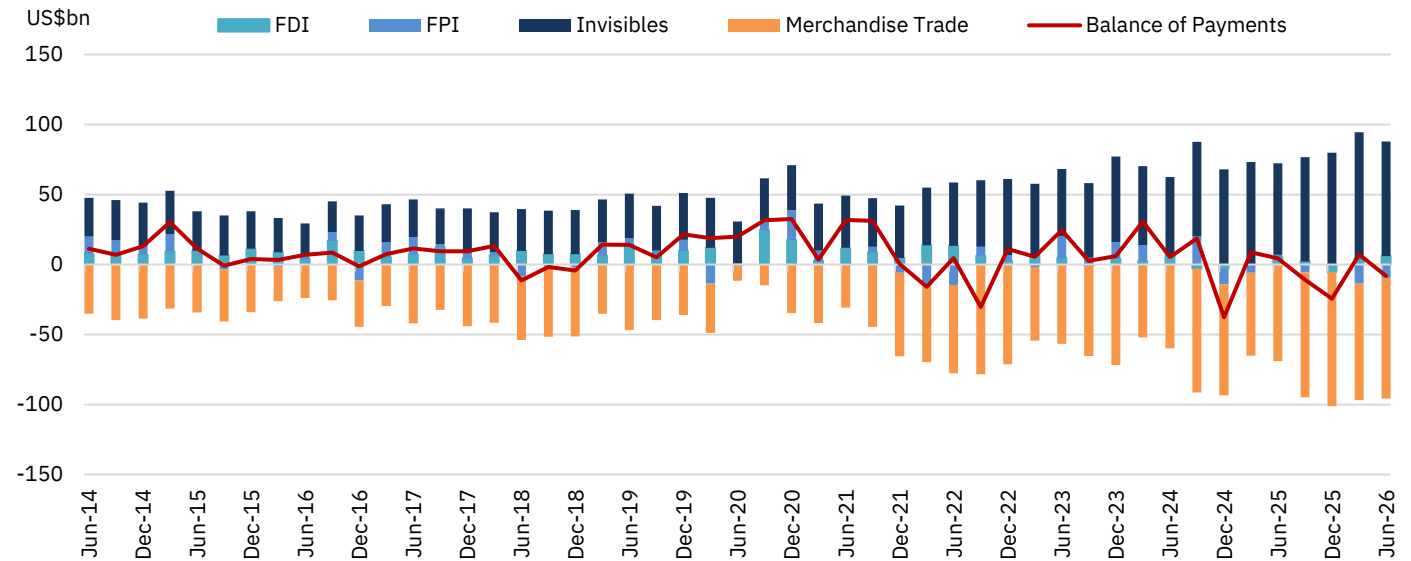


Figure 63: Quarterly Trends in current account balance, services and workers remittances

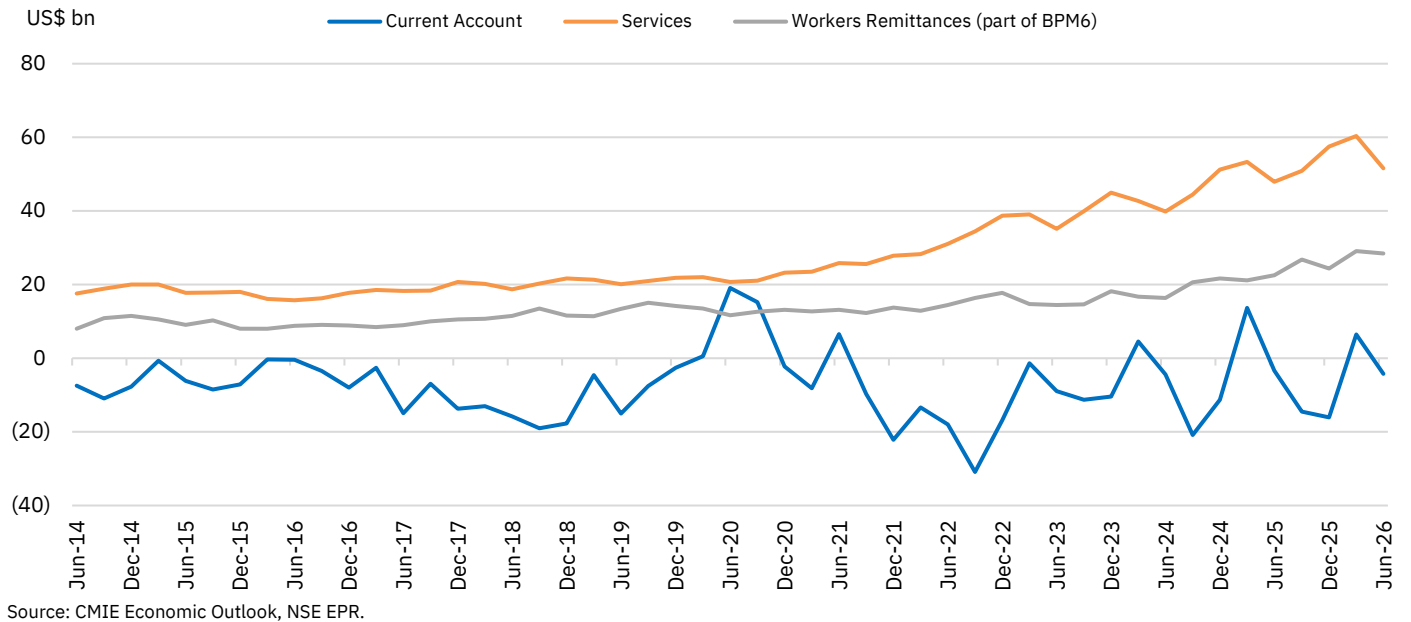
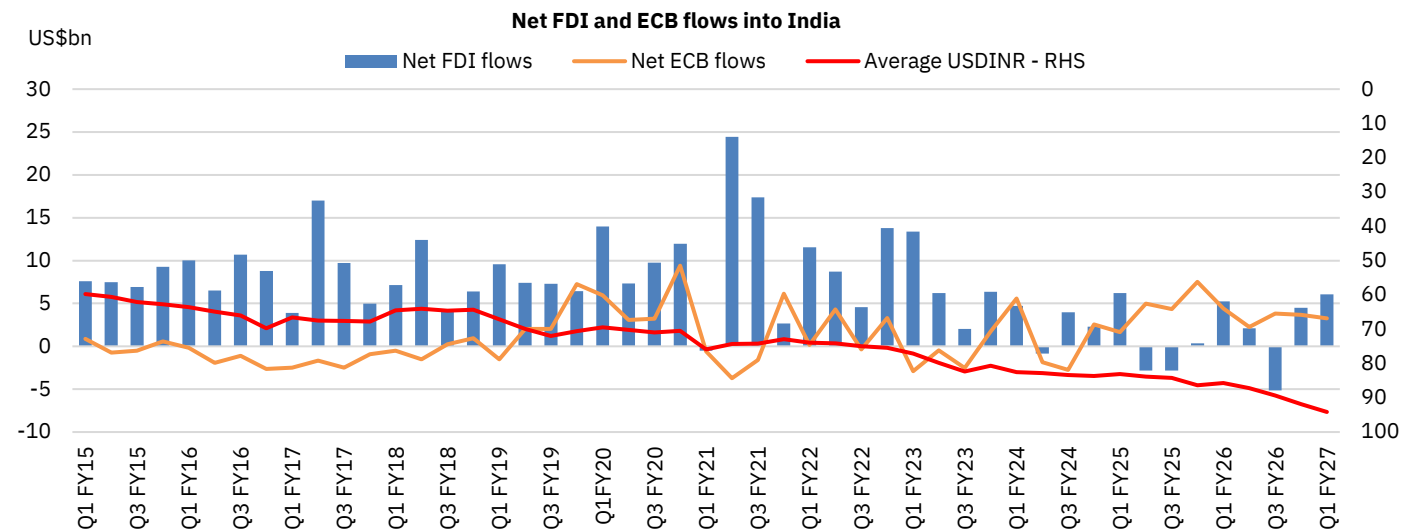


Figure 64: Quarterly net FDI and ECB flows vs. INR


Source: CMIE Economic Outlook, NSE EPR.

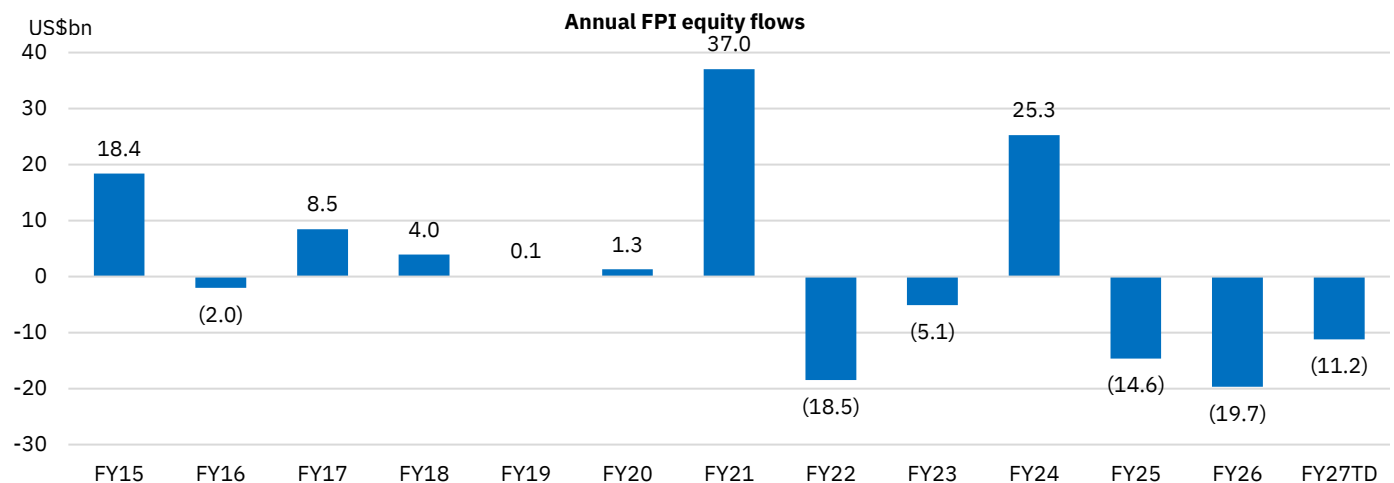
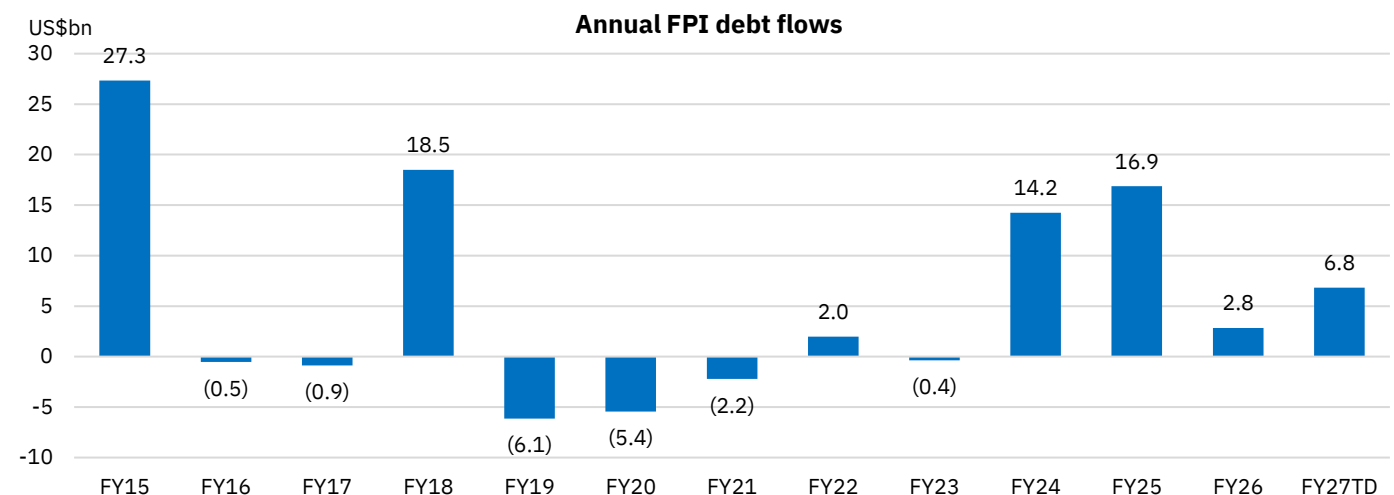
Figure 65: Annual net FPI flows into equity

Source: NSDL, NSE EPR. Data for FY27TD is as of September 8th, 2026

Figure 66: Annual net FPI flows into debt

Source: NSDL, NSE EPR. Data for FY27TD is as of September 8th, 2026.

2.3 FCNR(B) swap facility 2026: From external sector support to liquidity challenge

The Reserve Bank of India's 2026 FCNR(B) swap facility emerged as a significant external-sector and liquidity-management intervention. Introduced in June 2026 against a backdrop of heightened global uncertainty, pressure on the rupee and the need to strengthen foreign-exchange buffers, the scheme offered banks an unusually attractive hedge by allowing eligible FCNR(B) deposits to be swapped with RBI at par. This materially reduced the principal currency-hedging burden for banks and supported exceptionally strong mobilisation of foreign-currency inflows. By end-August 2026, FCNR(B) deposits had mobilised about US\$127.2 bn, while the broader swap window, including External Commercial Borrowings (ECBs) and Overseas Foreign Currency Borrowings (OFCBs), had brought in a total of about US\$136.4 bn.

While the scheme has strengthened RBI's headline foreign-exchange reserves, supported the rupee and improved banks' access to relatively stable foreign-currency funding, it has also created important second-order effects. Large-scale conversion of these dollar inflows into rupees has added substantially to domestic banking-system liquidity, while RBI's commitment to return the principal dollars at the original swap rate has increased its short forward-dollar position. The eventual economics for RBI will therefore depend not only on the exchange-rate movement over the life of the swaps, but also on the return earned on the additional foreign reserves and the cost of sterilising the associated rupee liquidity.

This note examines the scheme from an external-sector and monetary-policy perspective, covering its rationale and design, impact on banks, liquidity, the rupee, reserves and RBI's balance sheet, reasons for its stronger response versus 2013, RBI's hedge economics, and the sterilisation options available. It also assesses the implications for monetary policy, money-market rates and bond yields.

RBI's rationale behind the intervention

The facility was introduced in June 2026 against a challenging external backdrop, with the US-Iran conflict and higher crude prices raising risks to the import bill, current account, capital flows and the rupee. RBI's objective was therefore to attract stable foreign-currency funding, strengthen the balance-of-payments buffer and add to reserves. FCNR(B) deposits were well suited to this purpose because they mobilise dollars without exposing the NRI depositor to rupee risk, while the 2026 structure substantially reduced the principal currency-hedging burden for banks.

The design also drew on RBI's experience during the 2013-rupee crisis, when a special swap window for fresh three- to five-year FCNR(B) deposits was offered at a fixed swap cost of 3.5% p.a., alongside a separate concessional window for banks' overseas borrowings. Together, those facilities mobilised between US\$ 30-35 bn. The 2026 scheme went further by offering a more favourable hedge structure, which materially improved the economics for banks. RBI announced the facility on June 5th and operationalised it on June 8th, 2026.

Scheme design

- Fresh FCNR(B) deposits with a minimum tenor of three years and maximum tenor of five years were eligible for the RBI USD-INR swap. The window ultimately closed on August 31st, 2026 after being advanced from September 30th because mobilisation was exceptionally strong.
- Banks sold the mobilised dollars to RBI in the first leg at the applicable reference rate and received rupees. In the second leg, RBI committed to return the principal dollars at the same exchange rate: the swap was effectively at par.

- The special hedge applies to the principal, not the interest payable on the FCNR(B) deposit. Banks therefore still need to fund or hedge the foreign-currency interest component.
- Qualifying FCNR(B) deposits under the window are exempt from CRR and SLR.
- The framework also permitted lending against FCNR(B) deposits through eligible banks, overseas branches/correspondents and IFSC banking units, enabling leveraged structures.

Evaluation of the FCNR (B) deposit scheme

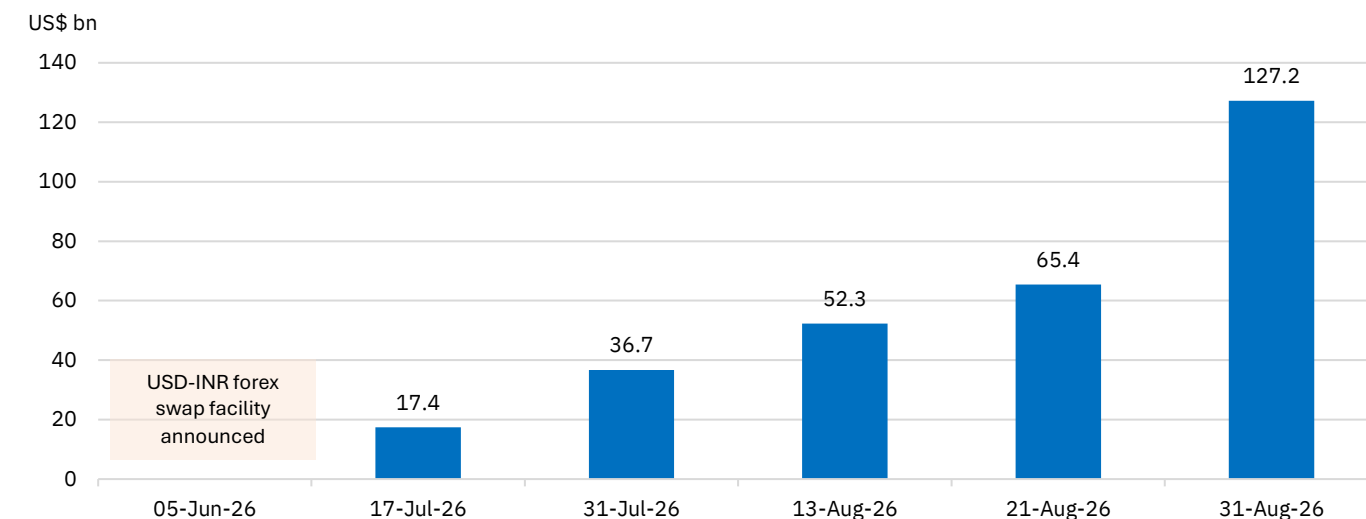
The scheme has been far more successful than anticipated in mobilising foreign currency. RBI reported US\$127.2bn of FCNR(B) deposits by August 31st, 2026, while total inflows across FCNR(B), OFCBs and ECBs reached US\$136.4bn. For comparison, the 2013 package mobilised roughly US\$30-35bn across comparable channels.

Table 35: Forex inflows through FCNR(B) deposits, ECBs and OFCBs as of August 31st, 2026

Type	USD bn
FCNR(B) deposits	127.2
OFCBs	5.3
ECBs	3.9
Total	136.4

Source: RBI, NSE EPR.

Figure 67: Gross inflows of FCNR (B) deposits



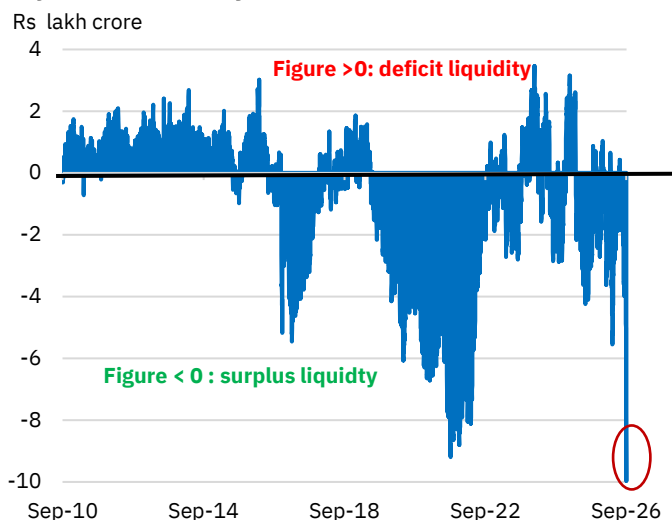
Source: RBI, NSE EPR.

- **Banking system liquidity and weighted average call rate:** The most immediate domestic impact has been a sharp widening of banking-system liquidity, as banks swap the dollar proceeds mobilised under the FCNR(B) facility with the RBI and receive rupee liquidity in return. Average system surplus liquidity increased from around Rs 80,000 crore in June to Rs 3.65 lakh crore in August, before crossing the Rs 10 lakh crore mark as of September 3, 2026. The surplus could widen further in the near term, as banks can continue to swap eligible FCNR(B) dollar proceeds with the RBI until September 11, 2026, even though the window for mobilising fresh

eligible deposits closed on August 31. The abundance of liquidity has eased banks' marginal funding pressures and exerted downward pressure on overnight rates, with the weighted average call rate (WACR) remaining below the policy repo rate on every trading day in August. While this has provided a salutary easing of short-term funding conditions and supported monetary-policy transmission, the magnitude of the surplus has also increased the sterilisation challenge for the RBI.

- **Forex reserves:** The scheme has materially strengthened India's foreign-exchange buffer and helped lift RBI's forex reserves to a record US\$ 740 bn as of August 28th, 2026.
- **Forward premia:** USD/INR forward premia have remained relatively contained over the last two months (July-August), with the one-year premium ranging between 2.58%-2.94% and averaged 2.7% in August lower than 3.1% in May'26. This has partly reflected the falling India-US interest-rate differential, with elevated US interest rates/yields and subdued domestic money-market rates limiting the carry available on the rupee. The sharp increase in domestic surplus liquidity has reinforced this trend by keeping overnight rupee rates below the policy repo rate, further compressing the effective interest-rate differential. More recently, however, the one-year forward premium hardened to above 3% as of September 4, potentially reflecting expectations of liquidity-withdrawing measures by the RBI, including sell/buy FX swaps, alongside changing expectations around the future path of US and Indian interest rates.
- **Dollar short** position: Since RBI buys dollars in the spot leg but commits to sell them back to banks at maturity, the facility increases RBI's short forward-dollar position. This position rose to a record US\$136.8 bn in July 2026.
- **Rupee:** The large dollar inflows have strengthened RBI's ability to manage the currency and have provided support to the rupee despite elevated oil prices and global uncertainty. The rupee appreciated to around Rs 94.49 per US dollar on September 3, its strongest close in about ten weeks, and gained further support from RBI intervention.

Figure 68: Net lending under RBI's Liquidity Adjustment Facility



Source: CMIE Economic outlook, NSE EPR

Figure 69: Long-term trend in FX reserves at an all-time high

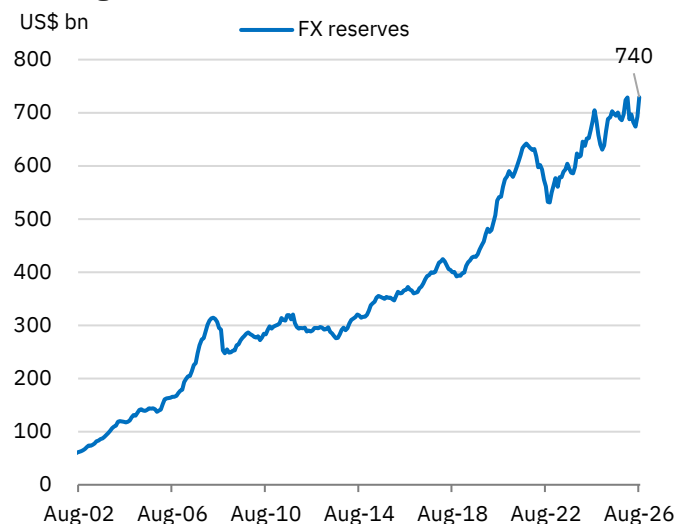
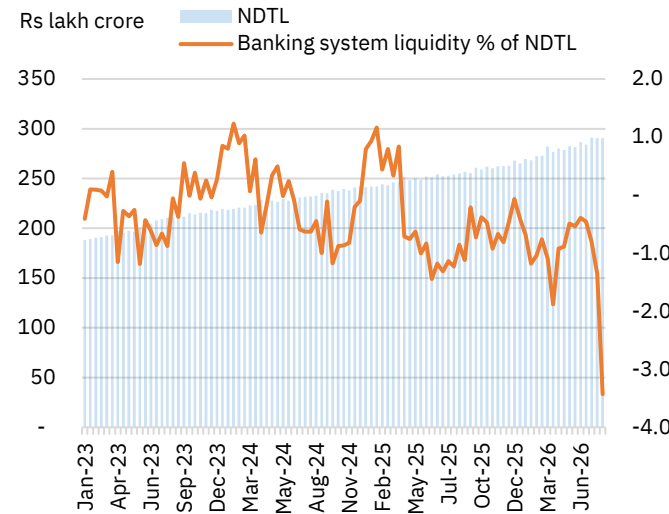
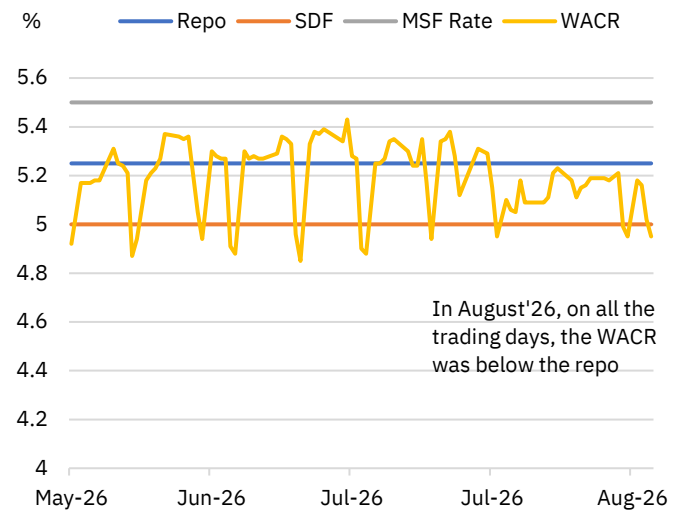
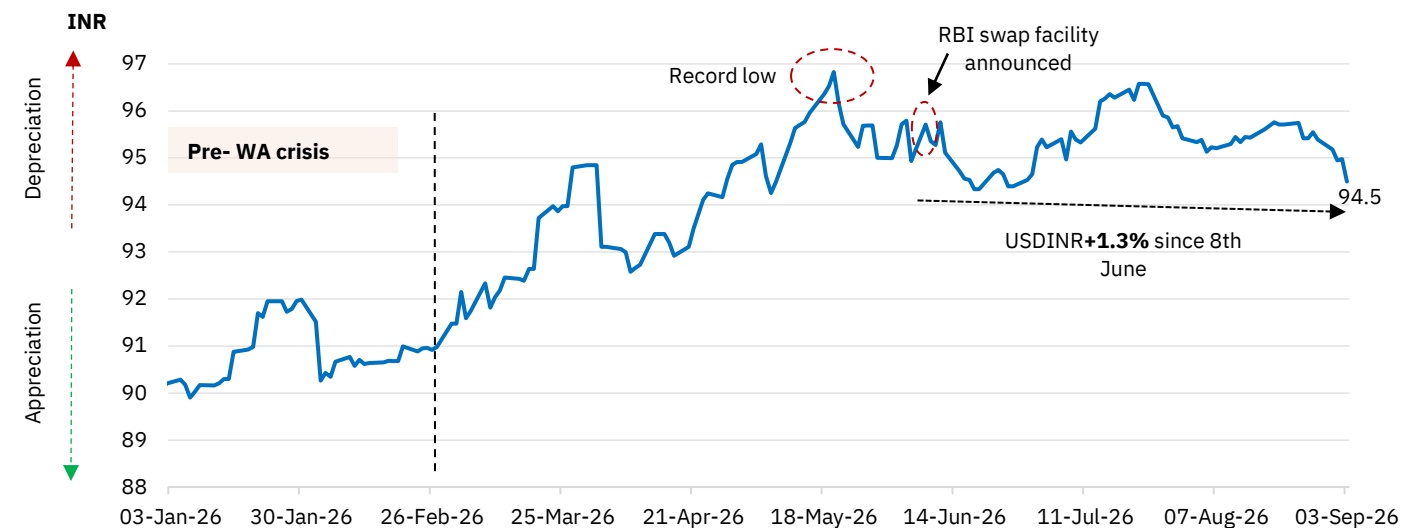
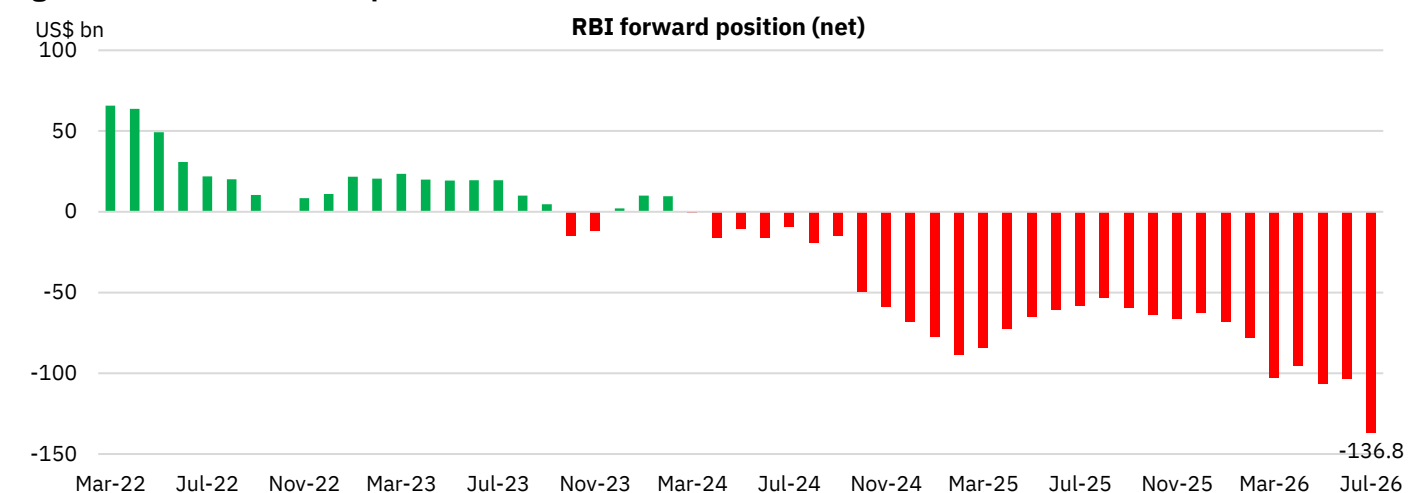


Figure 70: Trends in net demand and time liabilities


Source: CMIE Economic Outlook, NSE EPR.

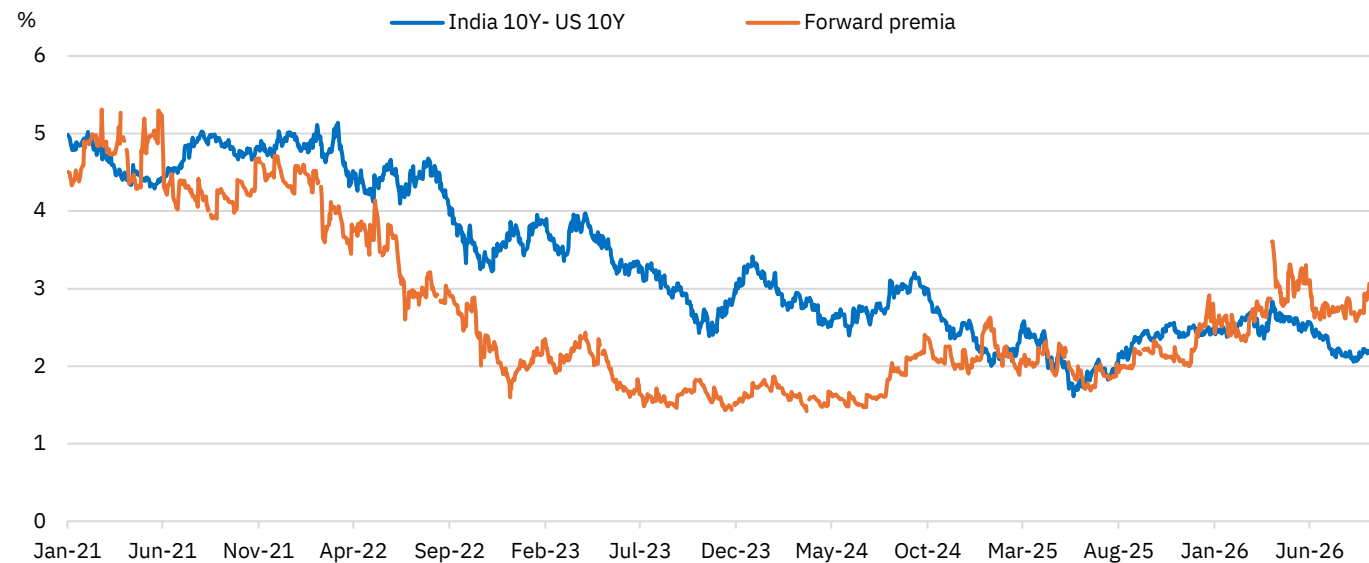
Figure 71: Daily trends in policy and call market rates

Figure 72: Movement in USDINR


Source: RBI, NSE EPR.

Figure 73: RBI's net forward position


Source: RBI, NSE EPR

Figure 74: Trends in India-US interest rate differential and forward premia



Source: LSE Workspace, NSE EPR

Why did 2026 scheme outperform 2013 scheme despite a narrow India-US interest rate differential?

- More generous hedge:** In 2013, banks could swap FCNR(B) funds with RBI at a fixed cost of 3.5% p.a. In 2026, the swap is effectively at par, with the second leg undertaken at the same exchange rate as the first. This removes the principal forward-premium cost for banks and materially lowers the all-in cost of raising long-tenor dollar deposits.
- Attractive USD return despite a narrower India-US rate gap:** The relevant comparison for an NRI is not the India-US policy-rate differential, but the return on FCNR(B) deposits relative to other USD assets such as US deposits or treasuries. Since the depositor takes no rupee risk and banks save on hedging costs, they offered a more competitive dollar return.
- Leverage amplified mobilisation:** Banks, overseas branches and GIFT City IBUs can lend against eligible FCNR(B) deposits. **Leverage amplified mobilisation:** Banks, overseas branches and GIFT City IBUs (IFSC Banking Units) can lend against eligible FCNR(B) deposits. This allows a depositor's own capital to support a larger gross deposit, so total mobilisation can exceed the amount of fresh NRI savings brought in.
- Larger market and better distribution:** The overseas Indian wealth pool, banks' international balance sheets, digital remittance channels and GIFT IFSC infrastructure are much larger than in 2013. The early closure of the window also accelerated inflows toward the end of the scheme.

Sterilisation of excess banking system liquidity

The monetary consequence of the scheme is now potentially more important than the external-sector benefit. A liquidity surplus of over Rs 10 lakh crore can keep the weighted average call rate materially below the policy repo rate, weaken transmission of the policy stance and, if persistent, add to credit and asset-price pressures. RBI therefore needs to

distinguish between liquidity management and monetary-policy tightening: the former is required even if the policy rate is unchanged.

Table 36: Operational toolkit available to RBI

RBI toolkit	Liquidity impact	Market implication	Challenge
Variable rate reverse repo (VRRR)	Temporary	Helps bring call/overnight rates closer to the policy rate with limited direct impact on longer-term bond yields.	-
FX sell/buy swap	RBI sells dollar (spot) and buys them back (forward). Immediate and temporary liquidity absorption	Likely to push up forward premia and reduce RBI's existing net short forward position	Reduces spot reserves temporarily
OMO sales	Durable	Tends to push G-Sec yields higher	Potentially complicate borrowing costs for Government
Market Stabilisation Scheme (MSS)	Durable	Tends to push G-Sec yields higher	Fiscal implication for the Government
Cash management bill (CMB)/ Tbills	Temporary	Operationally simple to implement and absorb liquidity	Current Govt. cash balances are high (around Rs 4 lakh crore as of June 2026) and large CMB for liquidity absorption may be ineffective
CRR increase	Durable	Tightens banking system liquidity and may push funding/deposit/MM cost higher	Qualifying FCNR (B) deposits are CRR/SLR exempt

Source: NSE EPR

Growth-inflation dynamics and policy alternatives

The macro backdrop gives RBI greater room to focus on inflation. Real GDP growth was strong at **7.8% YoY in Q1 FY27**, while CPI inflation rose to **4.5% in July** and RBI expects it to rise further to around **5.9% in Q3 FY27** (closer to the upper end of the target). With growth holding up well, RBI now has greater room to calibrate policy through a combination of liquidity and interest-rate tools. The focus is likely to be two-fold: containing demand-side pressures and second-round inflation risks, while sterilising excess banking-system liquidity in a manner that avoids an undue increase in money-market volatility or banks' cost of funding. The possible policy combinations and their market implications are discussed below.

Table 37: RBI policy options

Policy combos	Call money rates	Short-end yields	Long-term yields
Sterilisation, no rate hike	Rise towards existing repo rate: 5.25%	Firms up gradually	OMO Sales/MSS can push G-Sec yields higher
Sterilisation + rate hike	Rise towards higher repo rate	Sharper firming up	Yields to rise
Limited sterilisation + Rate hike	May remain below repo if surplus liquidity persists	Rises on policy expectations; Transmission may be incomplete due to liquidity surplus	Yield curve is likely to shift higher though less decisively than under full liquidity withdrawal Yield curve is likely to shift higher

Source: NSE EPR.

Illustrative impact on RBI's annual income

The FCNR(B) swap can affect RBI's annual income through two opposing channels. On one hand, RBI earns income by investing the additional dollar reserves received under the swap. On the other, it bears the economic cost of the principal FX hedge if the rupee depreciates over the life of the facility. A simple way to assess the annual impact is therefore to compare the return earned on reserve assets with the rupee depreciation embedded in the hedge.

Using the US\$127.2 billion FCNR(B) mobilisation, an initial USD/INR rate of Rs 95, and a rupee notional of about Rs 12.1 lakh crore, the annual impact can be illustrated as follows:

- Reserve income: $5\% \times \text{US\$127.2bn} \approx \text{US\$6.36bn} \approx \text{Rs } 60,400 \text{ crore}$
- Hedge cost: 2% INR depreciation on ~Rs 12.1 lakh crore $\approx \text{Rs } 24,200 \text{ crore}$

The final impact on RBI's income could be lower once the cost of sterilising the associated rupee liquidity is included, particularly if RBI relies on interest-bearing liquidity absorption tools. It has already been conducting Variable Rate Reverse Repo (VRRR) operations to absorb surplus liquidity, under which it pays interest to banks on the funds parked with it, thereby creating a direct income cost for the central bank. A weaker net income outcome could, in turn, reduce the surplus available for transfer from RBI to the Government of India, creating a secondary implication for government finances.

2.4 Industrial activity softens

Figure 75: 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 July 2026

Table 38: 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	Jul-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	8.8	6.7
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	1.6	-0.9
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	9.5	7.3
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	11.3	8.7
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	7.4
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	5.4	4.1
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	17.9	16.1
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	11.5	10.0
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	8.8	6.9
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	10.3	10.5
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	5.6	-1.0

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 76: Trends in YoY growth for sector-based classification

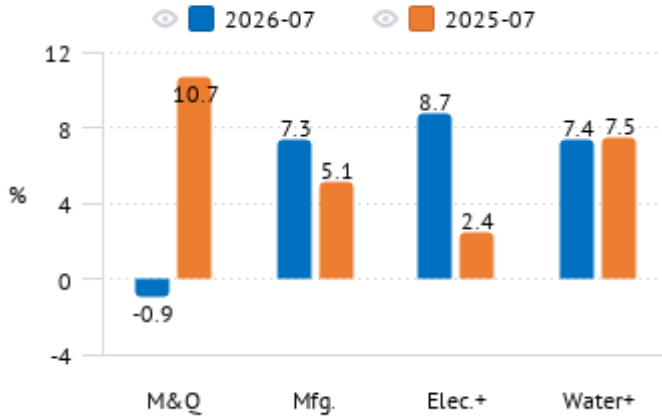
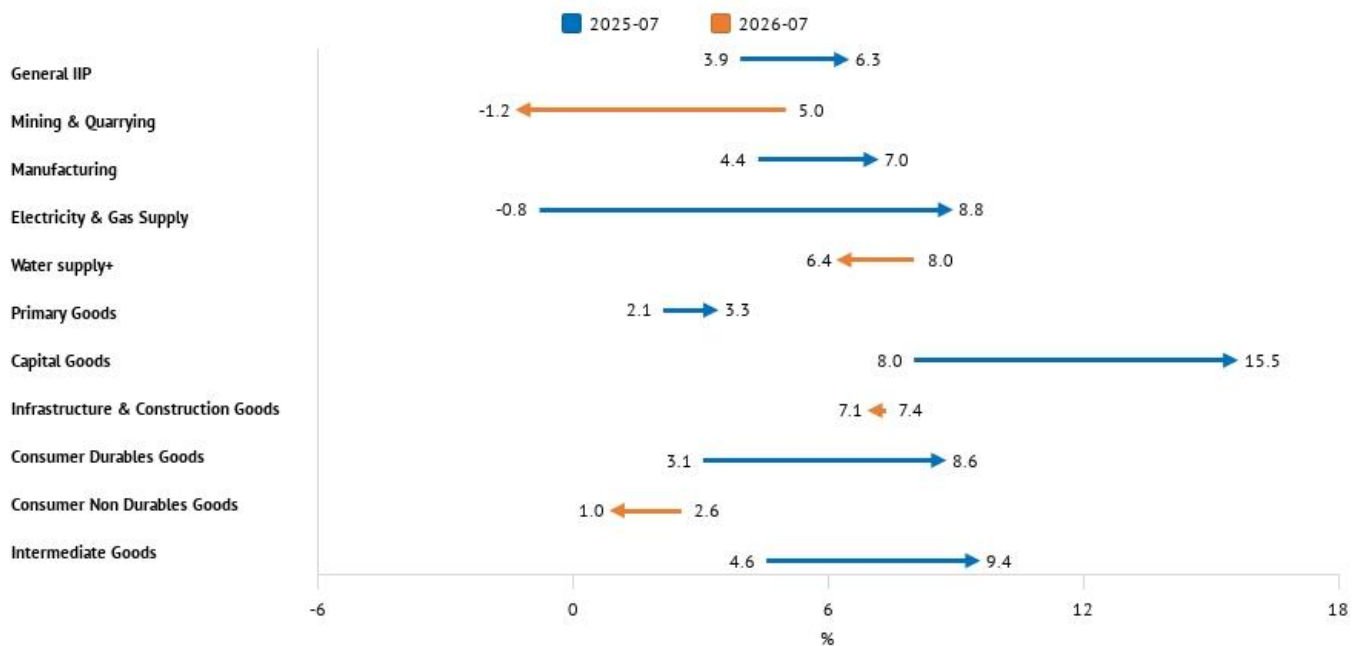


Figure 77: Trends in YoY growth for use-based classification



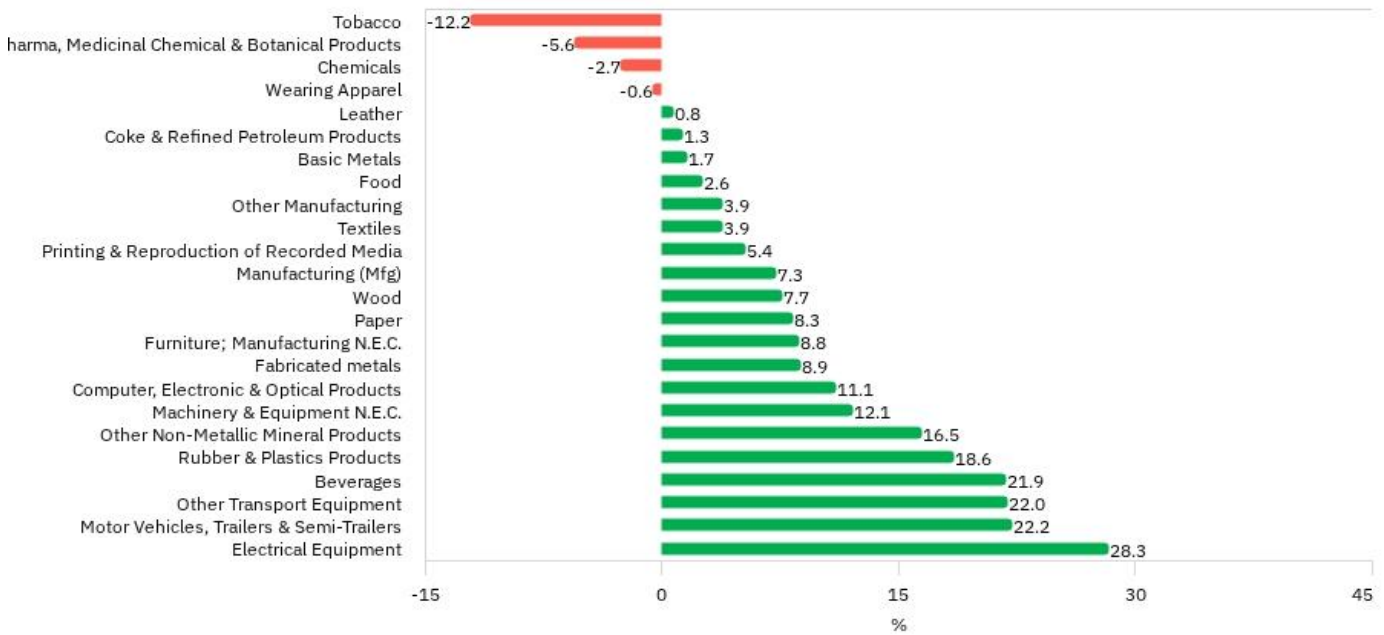
Source: CEIC, NSE EPR Notes: 1) Full forms: M&Q= Mining & Quarrying, Elec. = Electricity & Gas Supply, Water+ = Water supply, sewerage and waste management, Prim. = Primary goods, Cap. = Capital goods, Inter. = Intermediate goods, I & C= Infrastructure & Construction, CD = Consumer Durables, CND= Consumer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

Figure 78: Comparison of year-to-date growth rates across categories



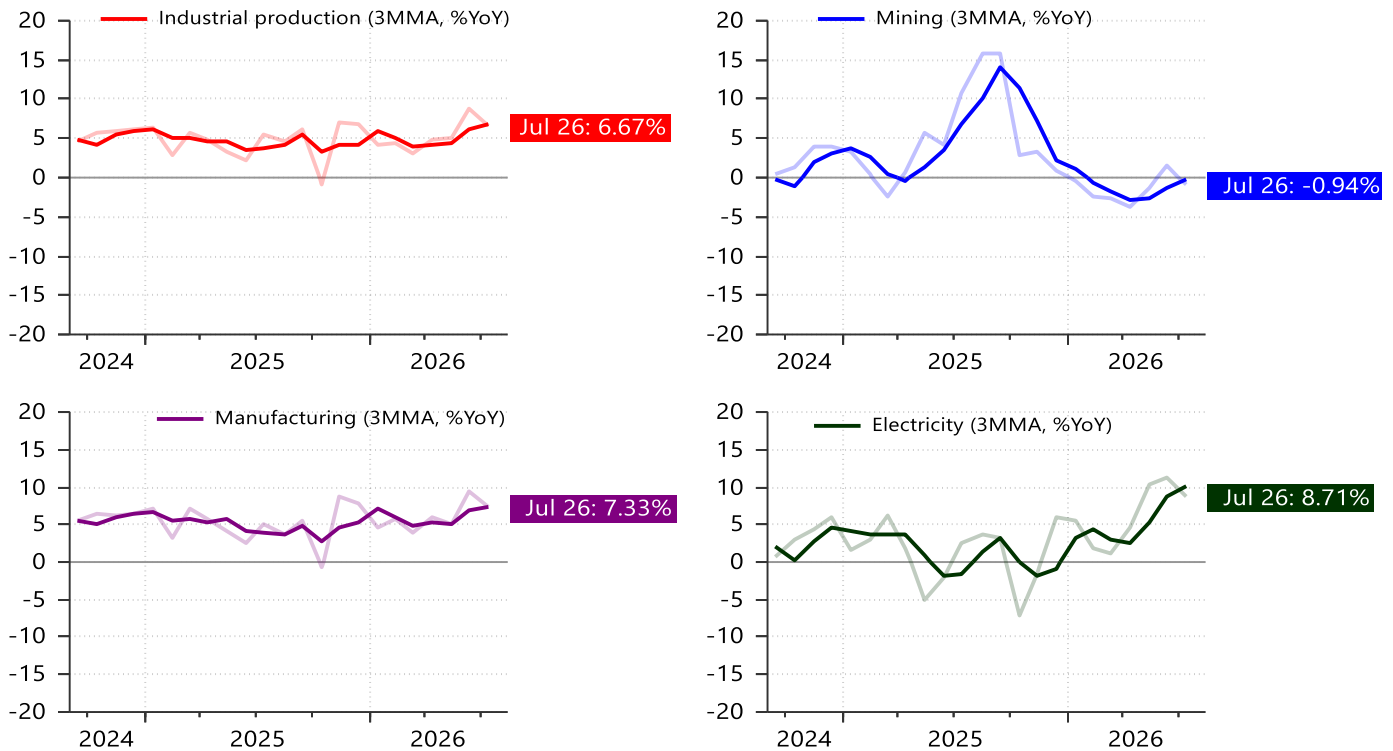
Source: CEIC, NSE EPR Notes: 1) The YoY growth plotted above is based on the new base year 2022-23 2) Water Supply means water supply, sewerage and waste management.

Figure 79: Sub-industries wise break of manufacturing IIP growth rates (YoY%)– July 2026

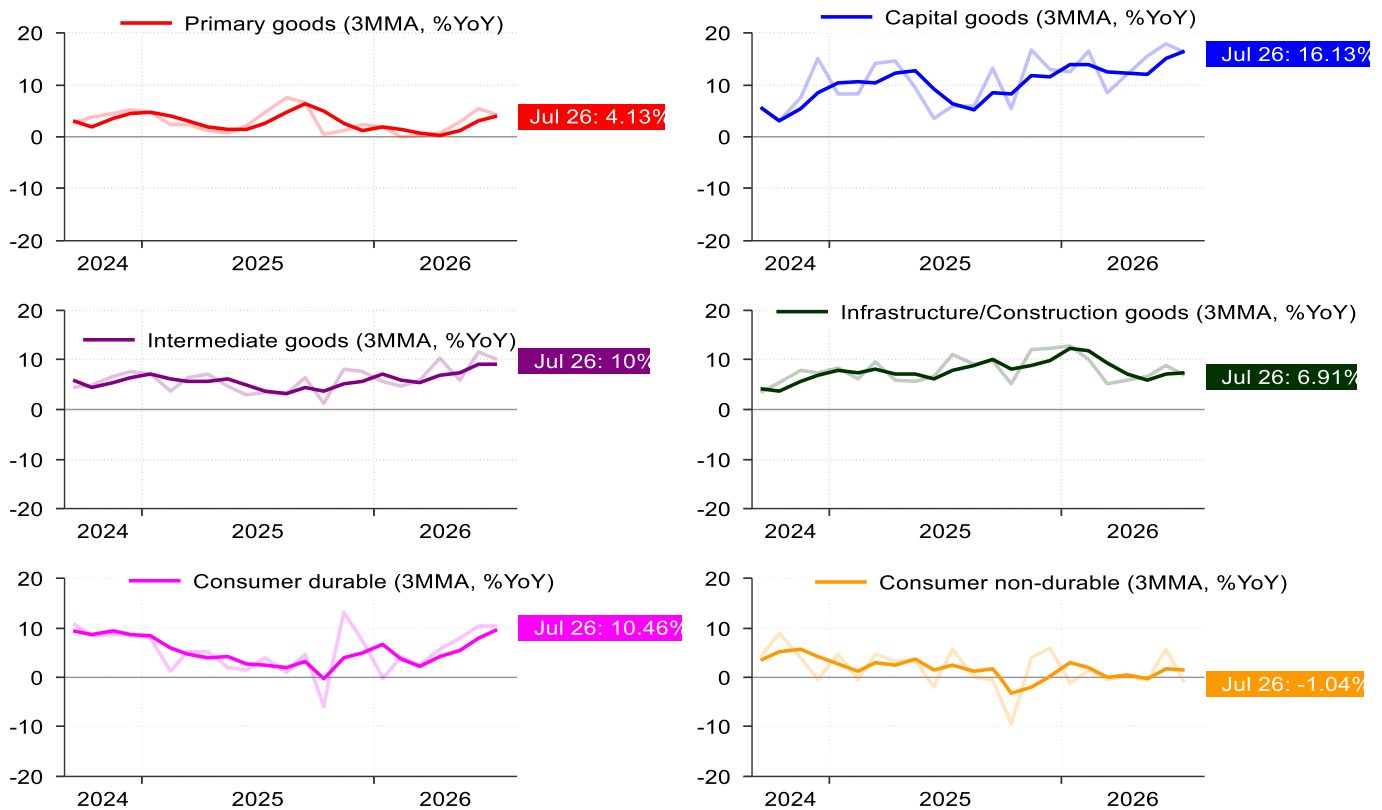


Source: CEIC, NSE EPR. Notes: 1) The YoY growth plotted above is based on the new base year 2022-23

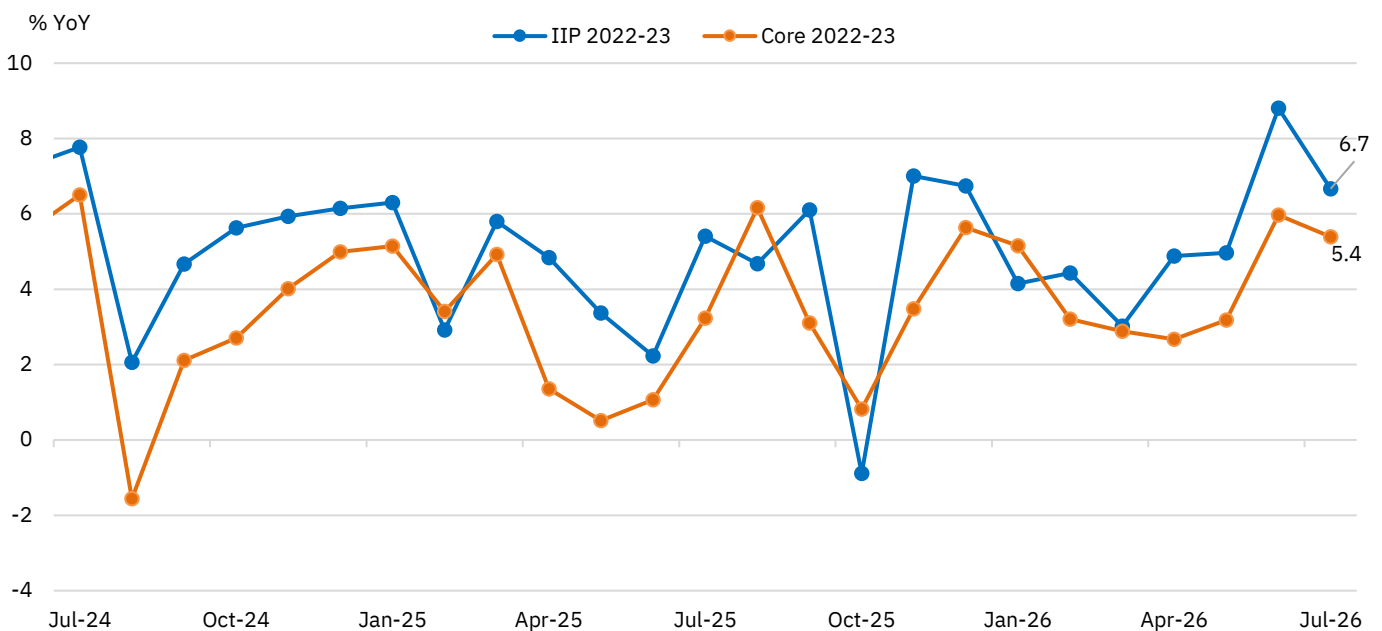
Figure 80: India industrial production (3MMA)



Source: LSEG Workspace, NSE EPR.

Figure 81: India industrial production use-based goods (3MMA)


Source: LSEG Workspace, NSE EPR.

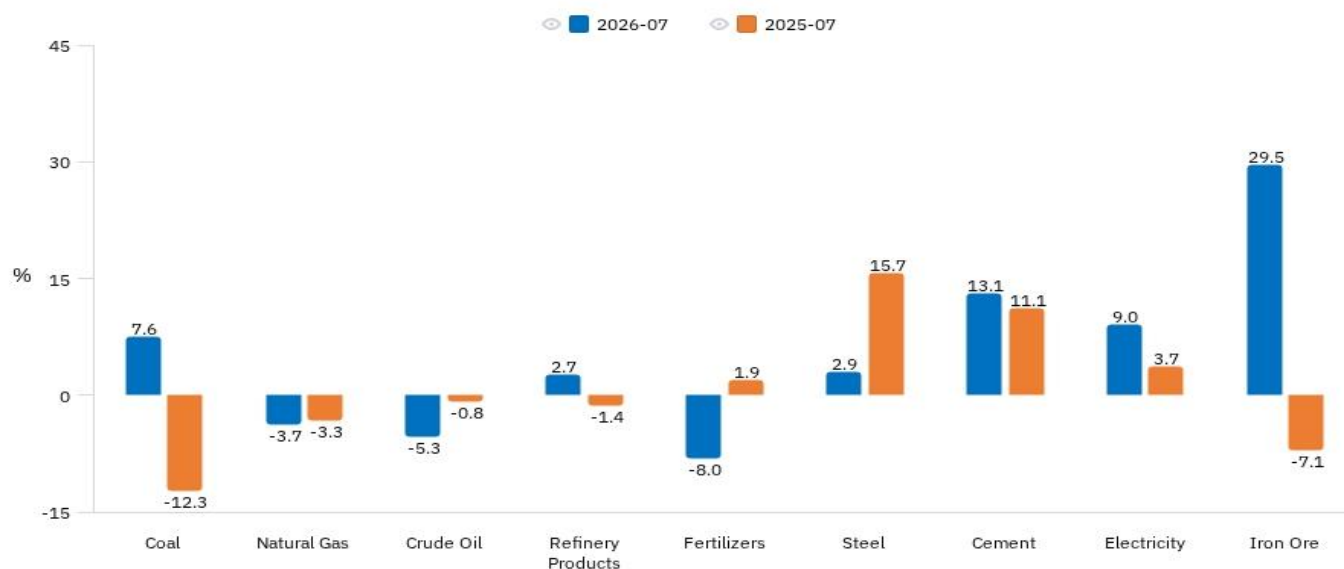
Figure 82: Monthly trends in Eight core industries and IIP growth - New base


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

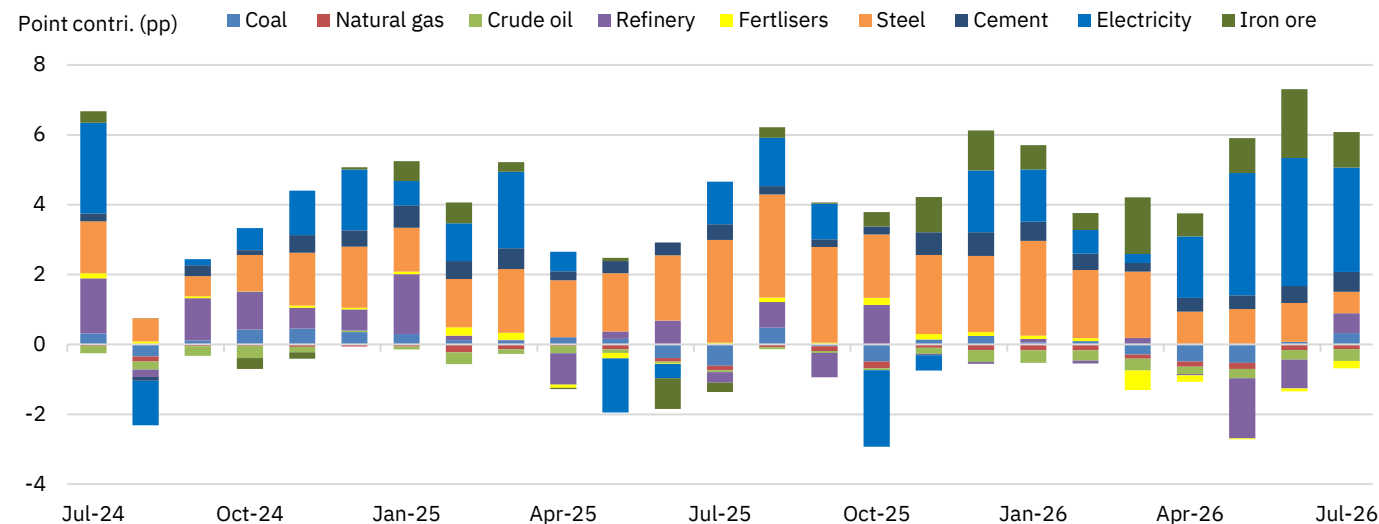
Table 39: Sector-wise core sector growth for July 2026 (%YoY)

Indicator	Weight	Jul-26	Jun-26	Jul-25	FY27TD	FY26TD
Core sector	100.0	5.4	6.0	3.2	4.3	1.5
Coal	5.6	7.6	1.4	-12.3	-2.4	-3.1
Natural gas	3.8	-3.7	-4.8	-3.3	-4.4	-2.8
Crude oil	7.4	-5.3	-4.2	-0.8	-4.2	-1.5
Refinery	22.6	2.7	-4.0	-1.4	-2.4	-0.3
Fertilisers	2.7	-8.0	-3.3	1.9	-5.2	-2.4
Steel	17.6	2.9	5.6	15.7	4.6	11.0
Cement	4.4	13.1	9.9	11.1	9.9	8.2
Electricity	30.9	9.0	11.4	3.7	9.3	-0.1
Iron ore	4.9	29.5	44.5	-7.1	26.4	-5.6

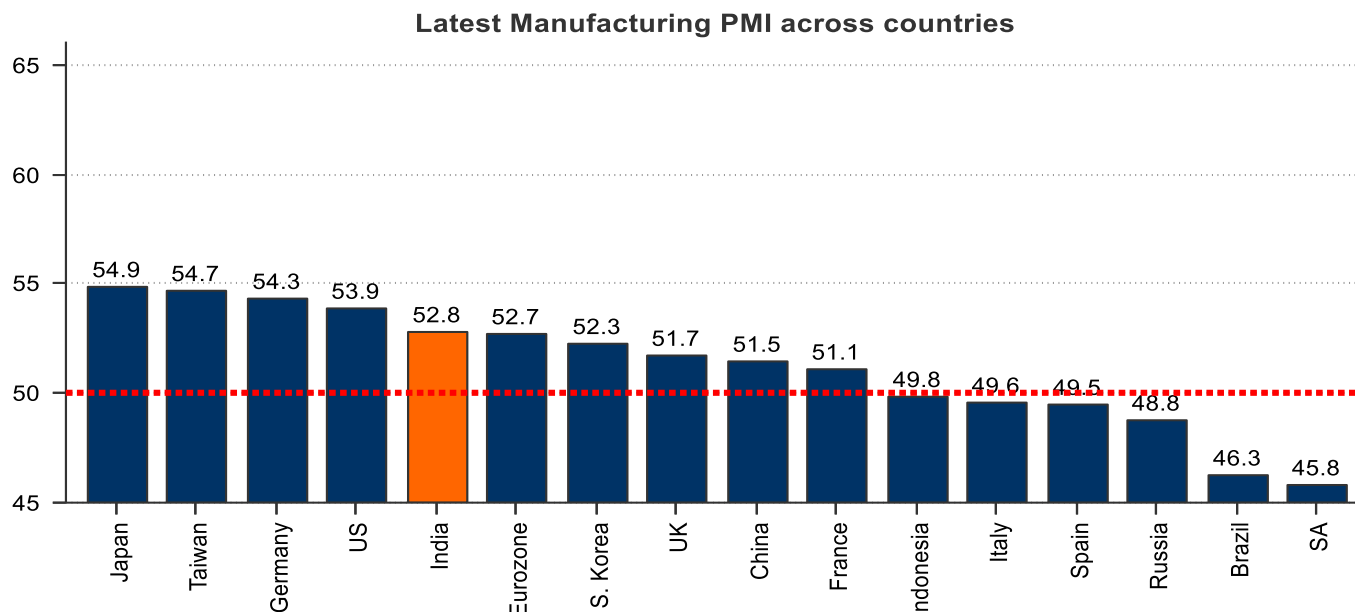
Source: CEIC, NSE EPR. Notes 1) FY26TD and FY27TD is for the period April-July. Notes: 1) The YoY growth plotted above is based on the new base year 2022-23.

Figure 83: 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 84: Point contribution of core sectors (YoY%)


Source: CEIC, NSE EPR.

Figure 85: Manufacturing PMI across countries


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

Table 40: Services PMI across countries in the last one year

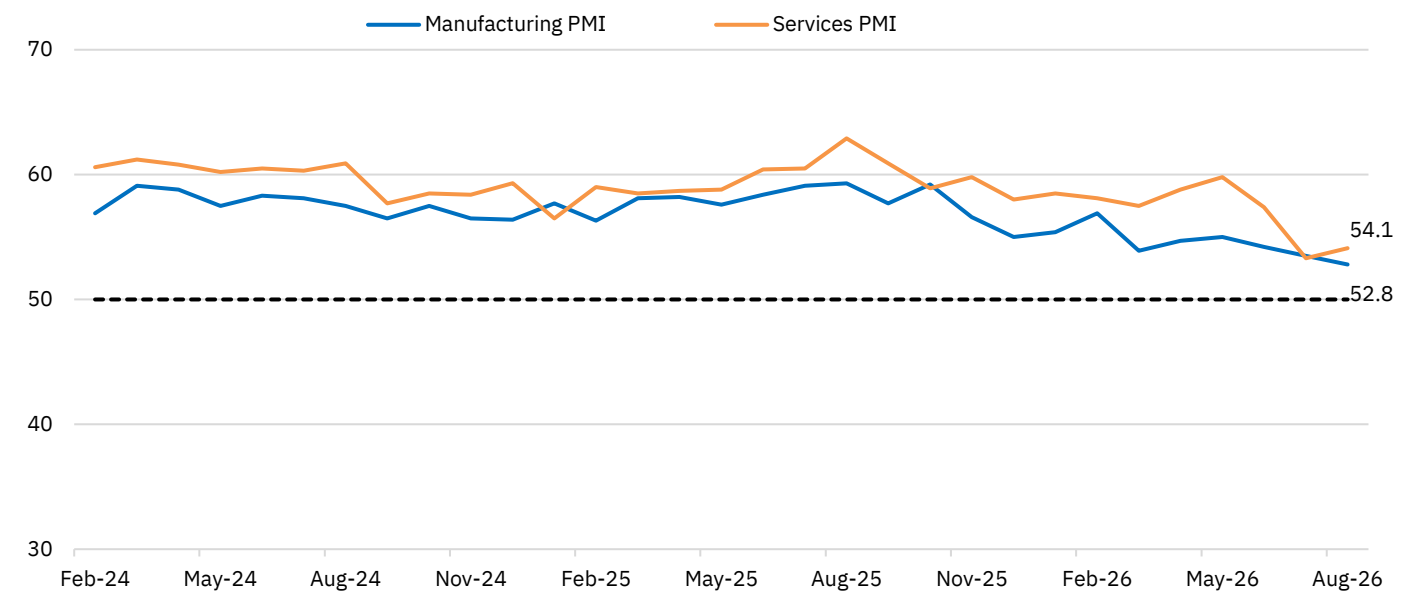
	Smallest Value Largest Value														
	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Australia	51.8	54.1	55.8	52.4	52.5	52.8	51.1	56.3	52.8	46.3	50.7	48.7	50.5	53.6	53.2
Brazil	49.3	46.3	49.3	46.3	47.7	50.1	53.7	51.3	53.1	50.1	52.3	50.4	51.3	49.7	50.5
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	46.8
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	51.4
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	48.0
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	49.7
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	54.1
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	52.5
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	51.3
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	52.5
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	56.5

Source: CEIC, NSE EPR.

Table 41: 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	Aug-26
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	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	46.3
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	53.0
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	51.5
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	51.1
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	54.3
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	52.8
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	49.8
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	54.9
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	52.3
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	50.2
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	49.8
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	48.8
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	51.7
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	53.9

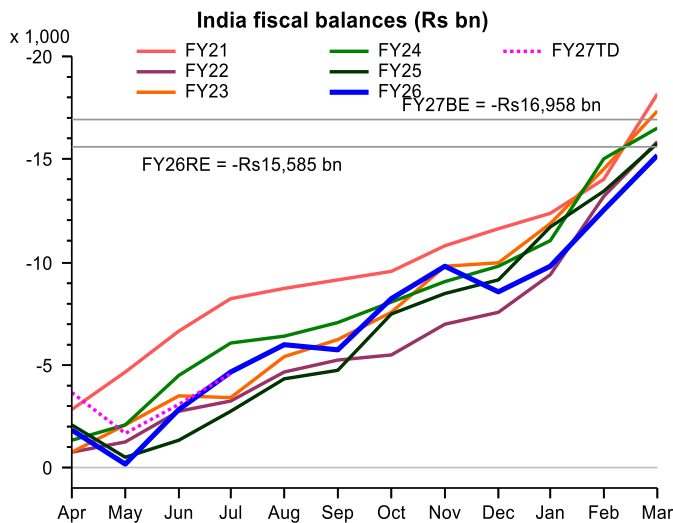
Source: CEIC, NSE EPR.

Figure 86: India's Manufacturing and Services PMI monthly trend in the last two years


Source: CEIC, NSE EPR.

2.5 Centre: Robust direct tax collections and capex amid elevated subsidy spending

Figure 87: Centre's gross fiscal trend (% GDP)



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

Figure 88: Gross fiscal deficit as % of budget targets during the month of Apr-Jul across years

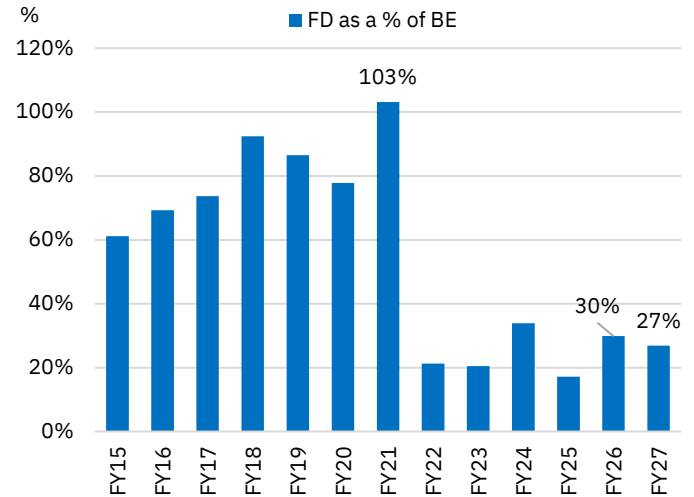
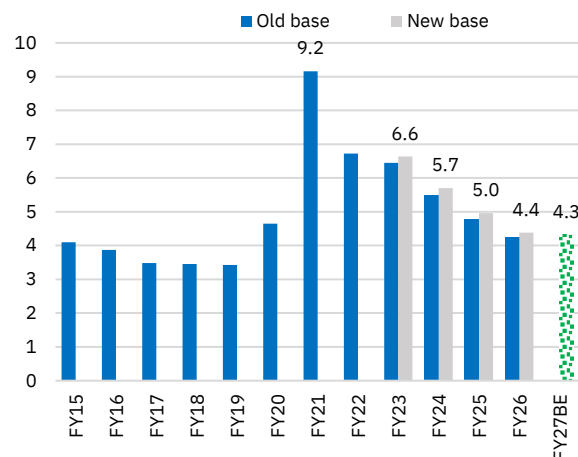


Figure 89: Centre's gross fiscal trend (% GDP)

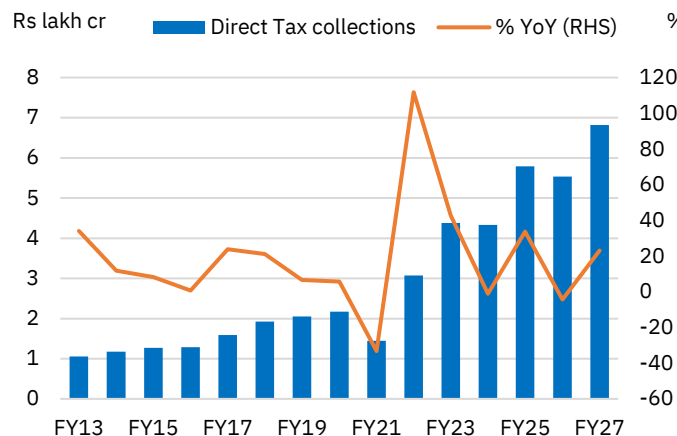


Source: CMIE Economic Outlook, CGA, NSE. BE = Budget Estimates, PA = Provisional actuals; Note: 1) % YoY growth in FY27BE is over the provisional estimates of FY26 2) Total receipts in the above table include net tax revenue, non-tax revenue and non-debt capital receipts and excludes debt receipts. 3)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

Table 42: 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 90: Direct tax collections during Apr-Jul



Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 91: Indirect tax collections during Apr-Jul

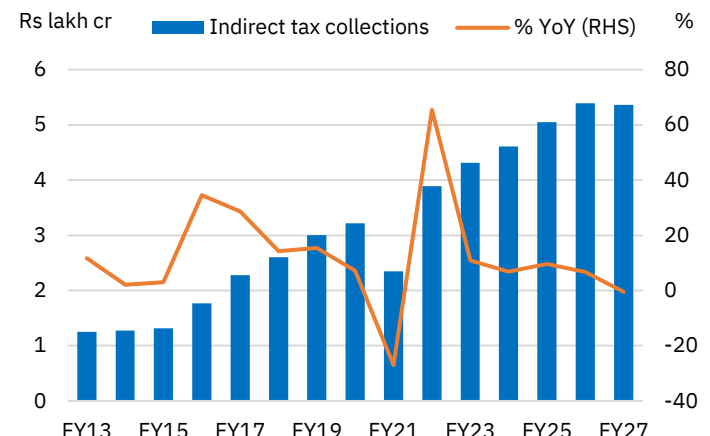
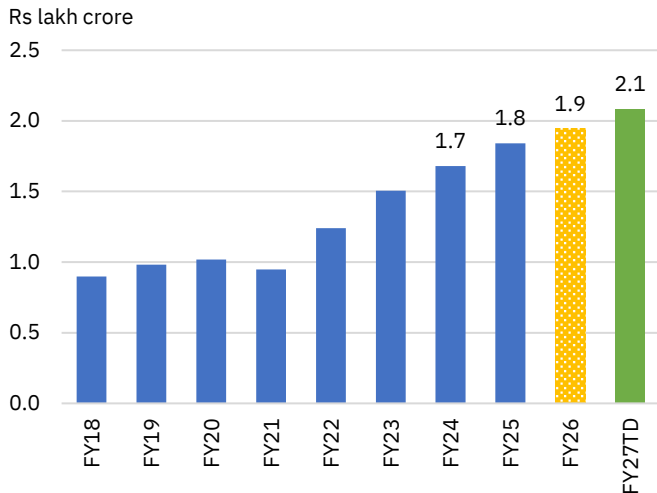
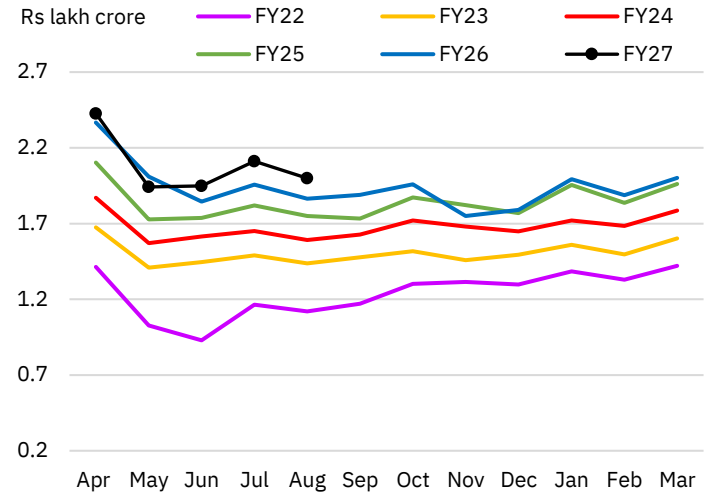
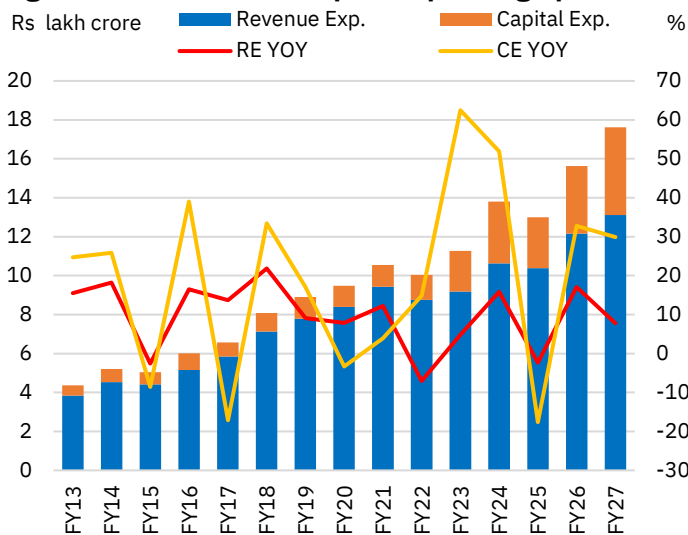


Figure 92: Monthly-run rate of GST collections


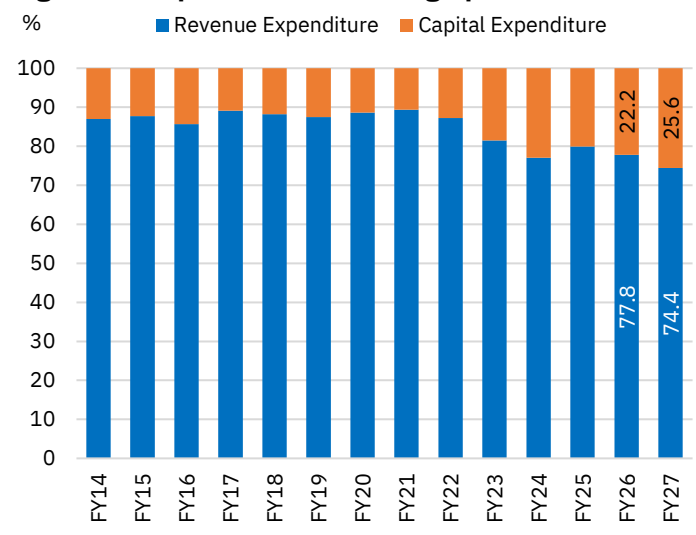
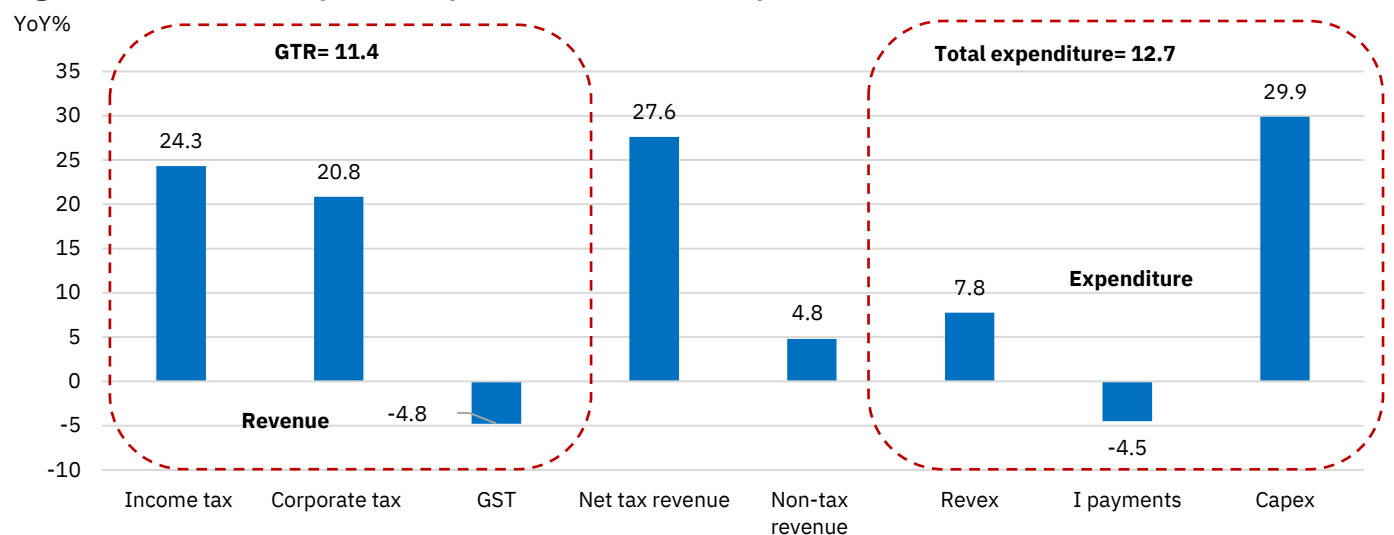
Source: CMIE Economic Outlook, CGA, PIB, NSE EPR. Data for FY27 is for April-Aug

Figure 93: Monthly GST collections trend


Source: CMIE Economic Outlook, NSE EPR.

Figure 94: Revenue and capital exp during Apr-Jul


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

Figure 95: Expenditure mix during Apr-Jul

Figure 96: YoY% of receipts and expenditure for 4MFY27 (Apr-Jul)


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

Table 43: 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	4MFY26 (as % of RE)	4MFY27 (as % of BE)	8MFY26	8MFY27
Net tax revenues	6.6	8.4	24.7%	29.5%	2.5	2.5
Gross tax revenues	10.9	12.2	26.8%	27.7%	3.7	4.0
Of which:						
Direct Tax	5.5	6.8	22.9%	25.3%	2.3	2.5
Corporation tax	2.0	2.4	17.9%	19.5%	1.1	1.2
Income tax	3.6	4.4	27.1%	30.1%	1.2	1.3
Indirect Tax	5.4	5.4	32.5%	31.4%	1.4	1.5
Goods and service tax	3.7	3.6	35.0%	35.0%	0.9	0.8
Custom Duties	0.6	0.8	23.4%	30.8%	0.2	0.2
Excise Duties	0.8	0.6	24.9%	16.6%	0.3	0.4
States Share	-4.3	-3.7	30.8%	24.4%	-1.2	-1.4
Transferred to NCCD	0.0	0.0	25.2%	10.2%	0.0	0.0
Non-Tax Revenue	4.0	4.2	60.5%	63.5%	0.3	0.3
Dividends and profits	2.9	3.3	78.2%	83.4%	0.1	0.1
Other non-tax revenues	1.1	1.0	44.0%	41.8%	0.2	0.2
Total revenue receipts	10.7	12.7	31.9%	35.9%	2.8	2.8
Non-Debt Capital Receipts	0.3	0.4	46.5%	33.1%	0.0	0.1
Recovery of Loans	0.1	0.1	23.6%	30.1%	0.0	0.0
Misc. Receipts (include divestment)	0.2	0.3	66.9%	34.5%	0.0	0.1
Total Receipts	11.0	13.1	32.2%	35.8%	2.9	2.9
Revenue Expenditure	12.2	13.1	31.4%	31.8%	3.3	3.5
Interest Payments	4.5	4.3	35.1%	30.4%	1.0	1.2
Major subsidies	1.1	1.5	24.2%	33.8%	0.4	0.4
Food	0.5	0.7	23.7%	29.3%	0.2	0.2
Fertilizer	0.6	0.9	31.7%	50.7%	0.2	0.1
Petroleum	0.0	0.0	2.7%	3.2%	0.0	0.0
Other revenue expenditure	6.6	7.3	30.9%	32.3%	1.8	1.9
Capital Expenditure	3.5	4.5	31.7%	36.9%	0.9	1.0
Total Expenditure	15.6	17.6	31.5%	32.9%	4.3	4.5
Fiscal Deficit	4.7	4.6	30.1%	26.8%	1.4	1.6

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

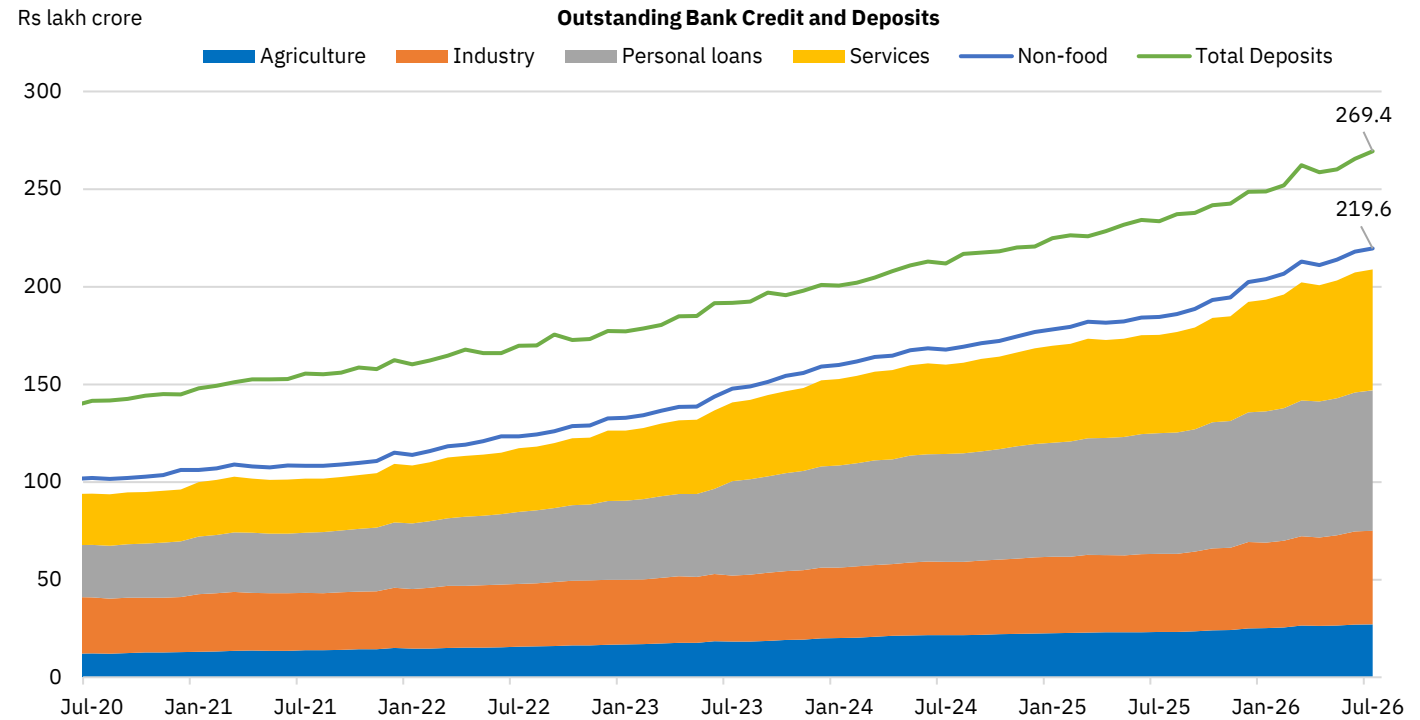
Table 44: A snapshot of Government finances in financial year 2025-27

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.

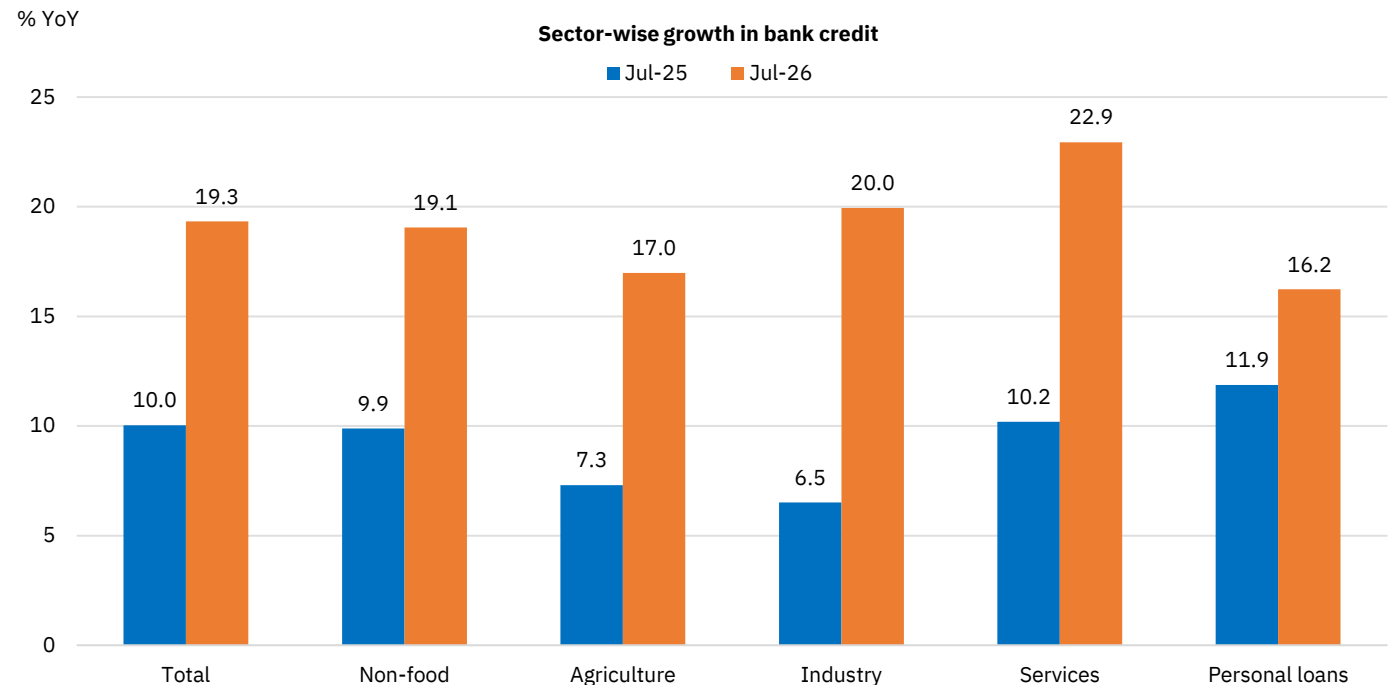
2.6 Bank credit growth remained firm in August

Figure 97: Outstanding bank credit and deposit

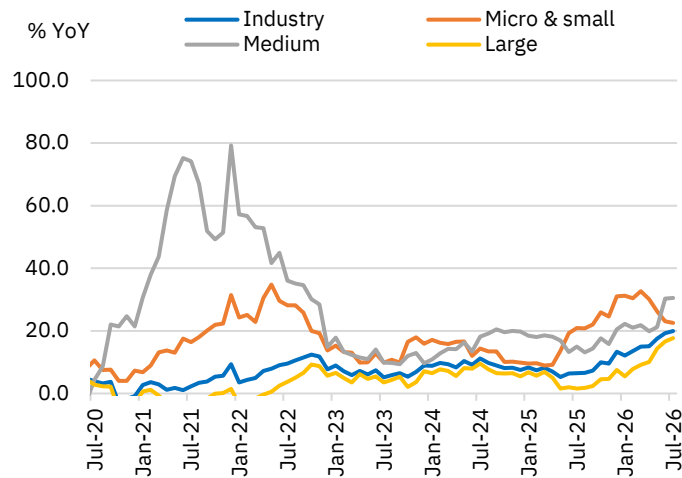


Source: CMIE Economic Outlook, RBI, NSE EPR.

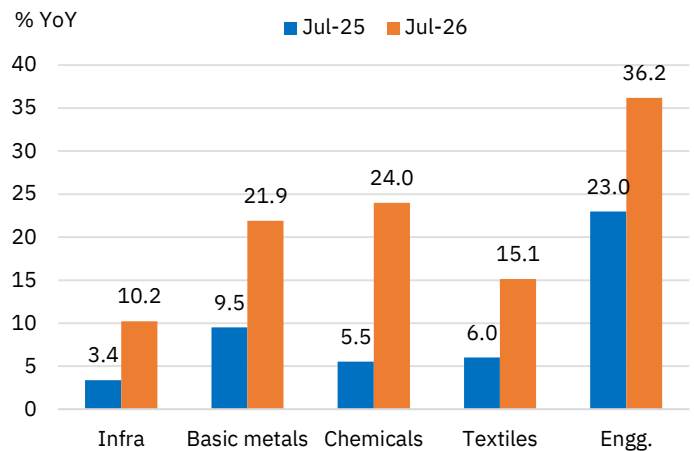
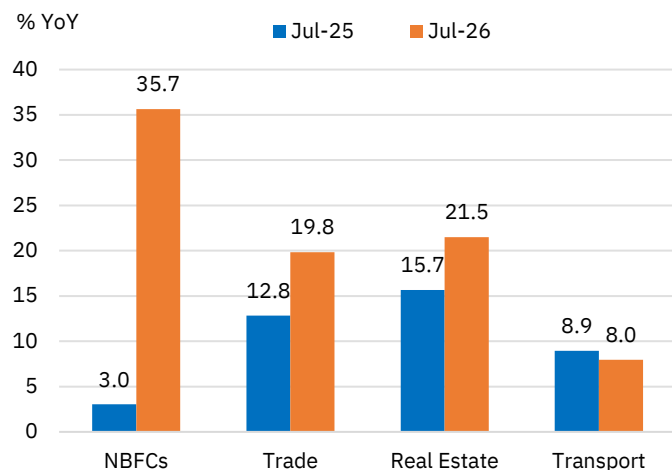
Figure 98: Growth in bank credit across key heads



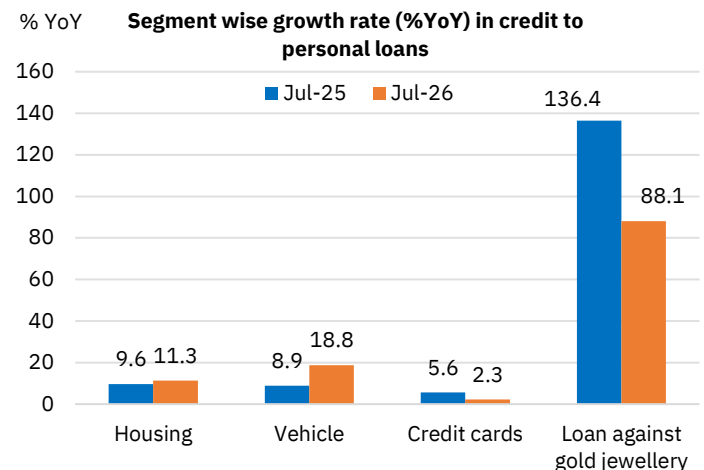
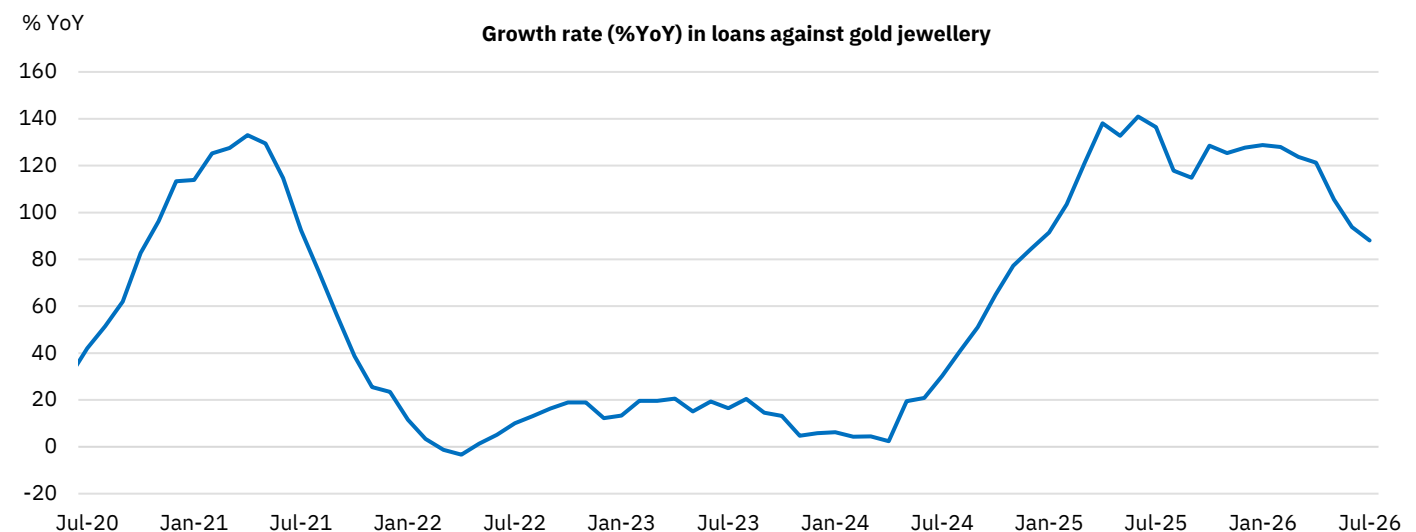
Source: CMIE Economic Outlook, NSE EPR.

Figure 99: Size-wise growth in industrial bank credit


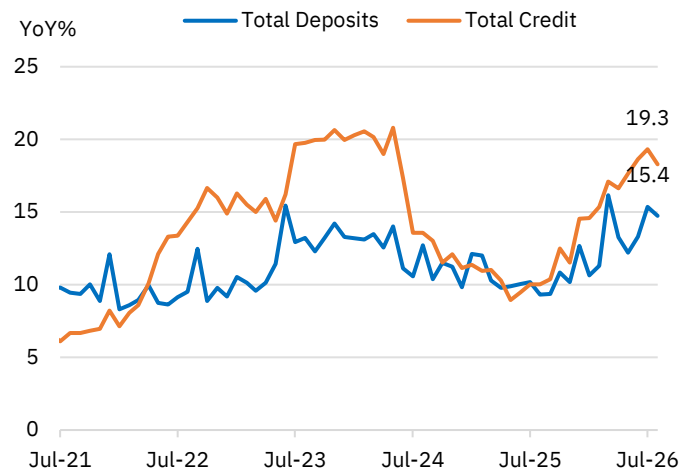
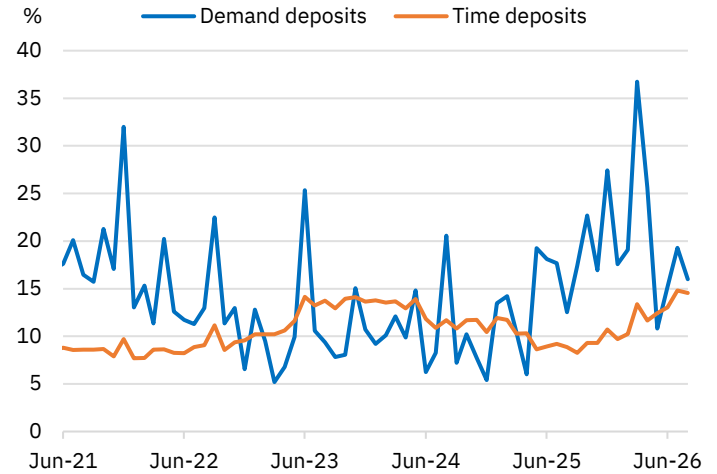
Source: CMIE Economic Outlook, NSE EPR.

Figure 100: Size-wise growth in industrial bank credit (% YoY)

Figure 101: Growth in bank credit across segments of services (% YoY)


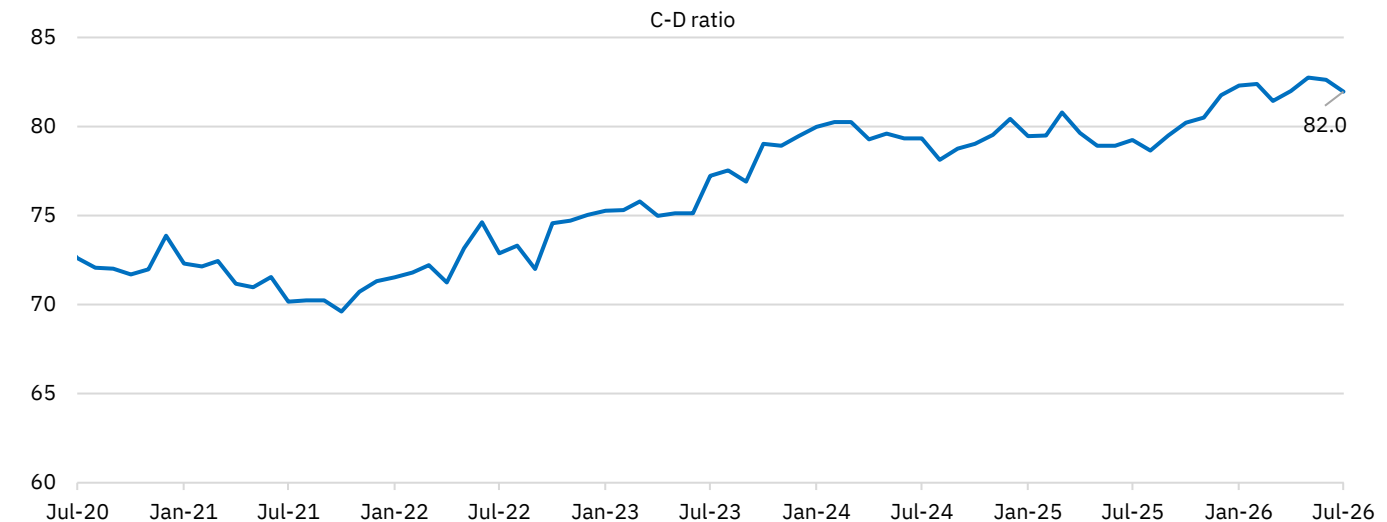
Source: CMIE Economic Outlook, NSE EPR.

Figure 102: Growth in bank credit across segments of personal loans

Figure 103: Growth rate in loans against gold jewellery (% YoY)


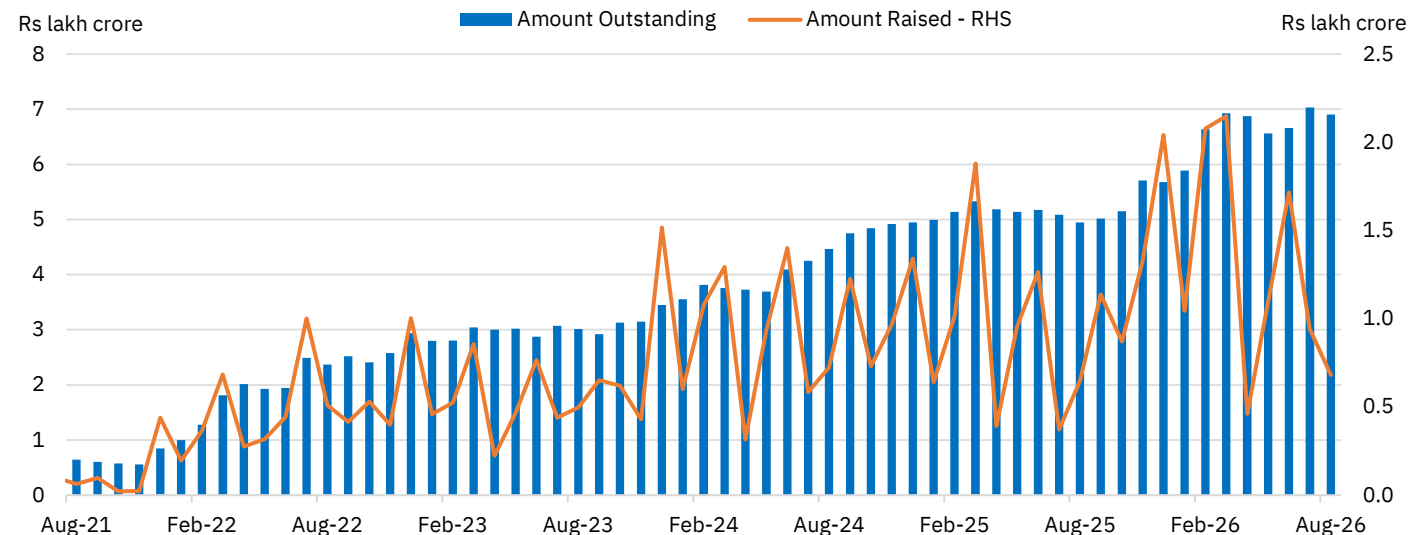
Source: CMIE Economic Outlook, NSE EPR

Figure 104: Bank credit and deposit growth (% YoY)

Figure 105: Demand & time deposit growth (% YoY)


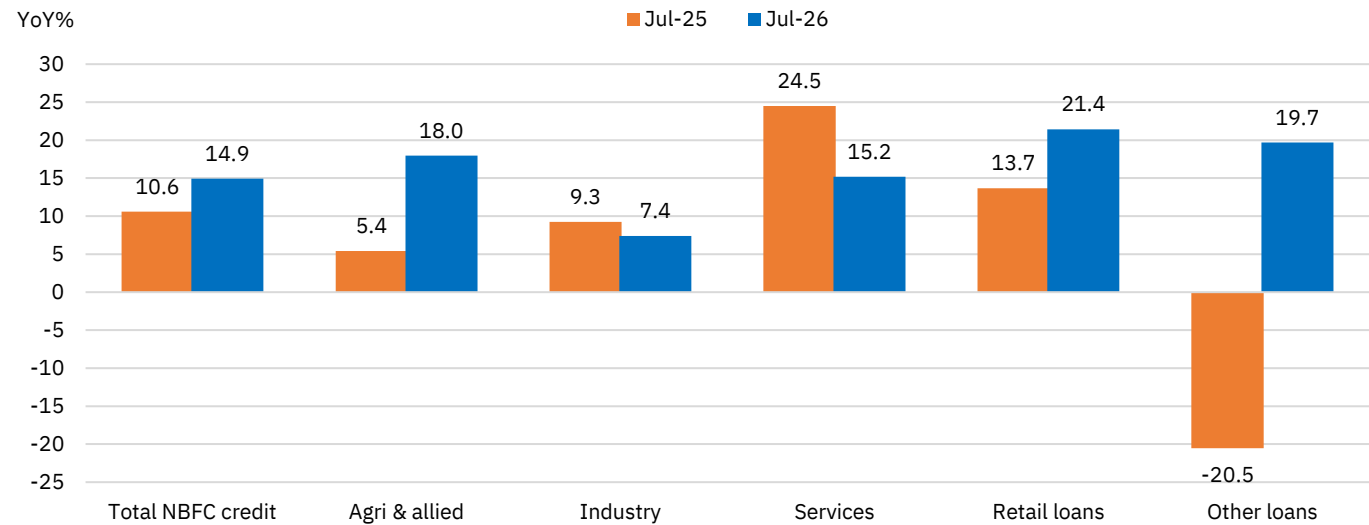
Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for August 2026 as of August 15th, 2026 from the Weekly Statistical Statement of RBI (latest).

Figure 106: Credit to Deposit ratio (%)


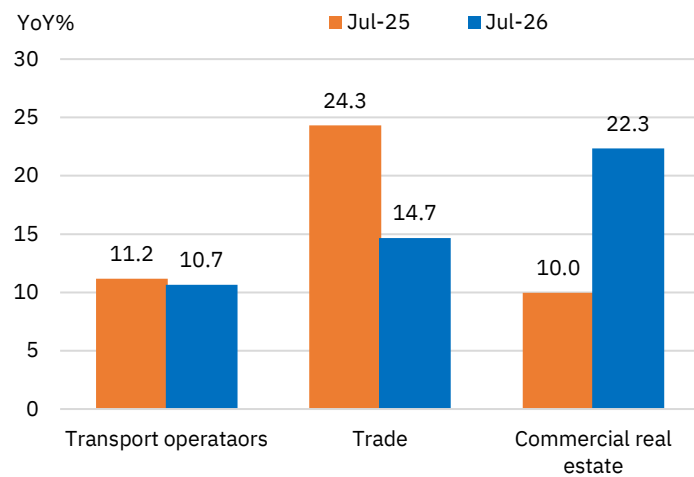
Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for July 2026 as of July 15th, 2026 from the Weekly Statistical Statement of RBI (latest).

Figure 107: Issued and outstanding amount of certificate of deposits


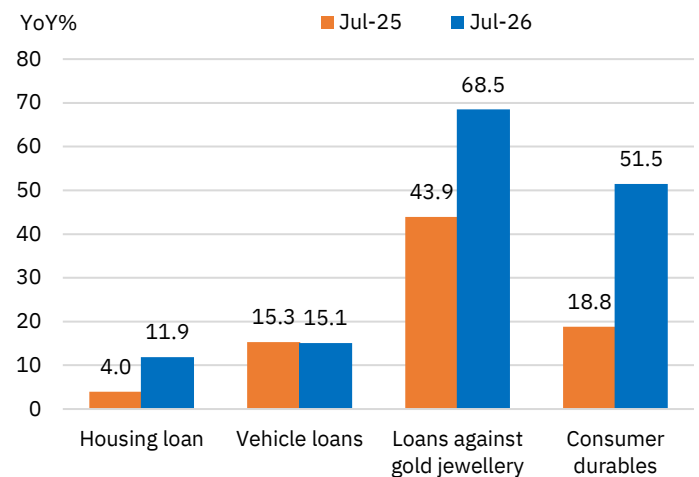
Source: CMIE Economic Outlook, NSE EPR.

Figure 108: Growth in sectoral deployment of outstanding credit by NBFCs


Source: CMIE Economic Outlook, RBI, NSE EPR.

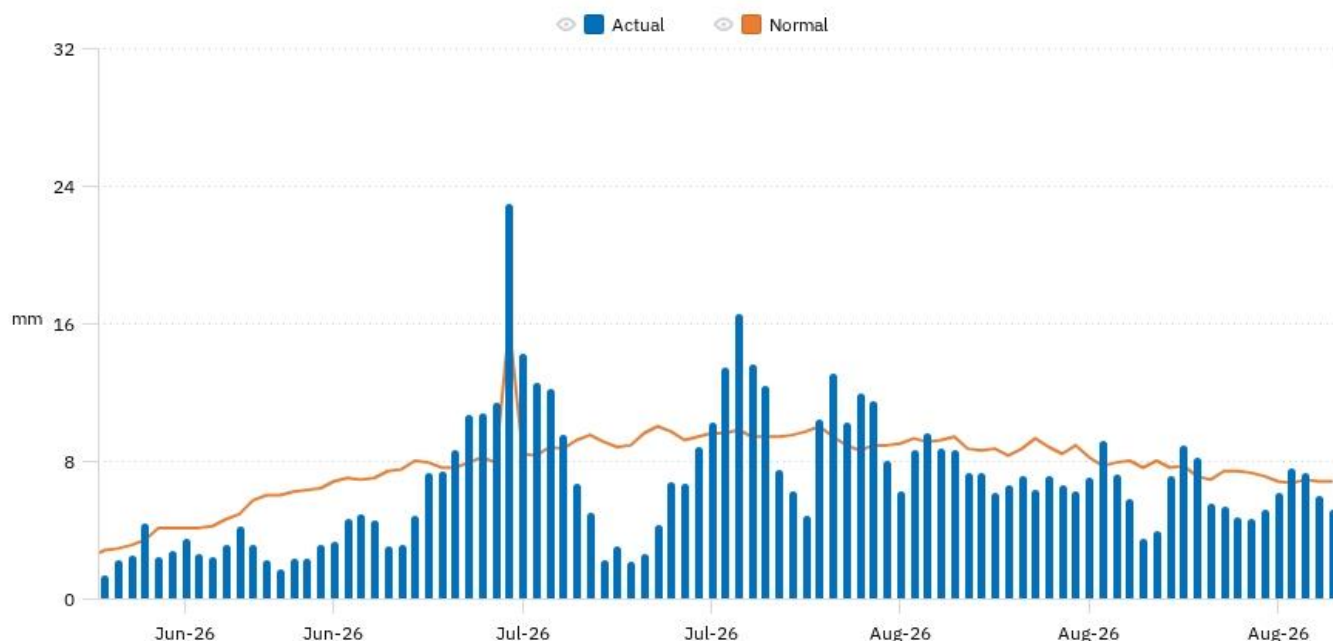
Figure 109: Growth in deployment of NBFC credit within services


Source: CMIE Economic Outlook, RBI, NSE EPR.

Figure 110: Growth in deployment of NBFC credit within retail loans


2.7 Monsoon deficit widens in August

Figure 111: Daily mean rainfall in India

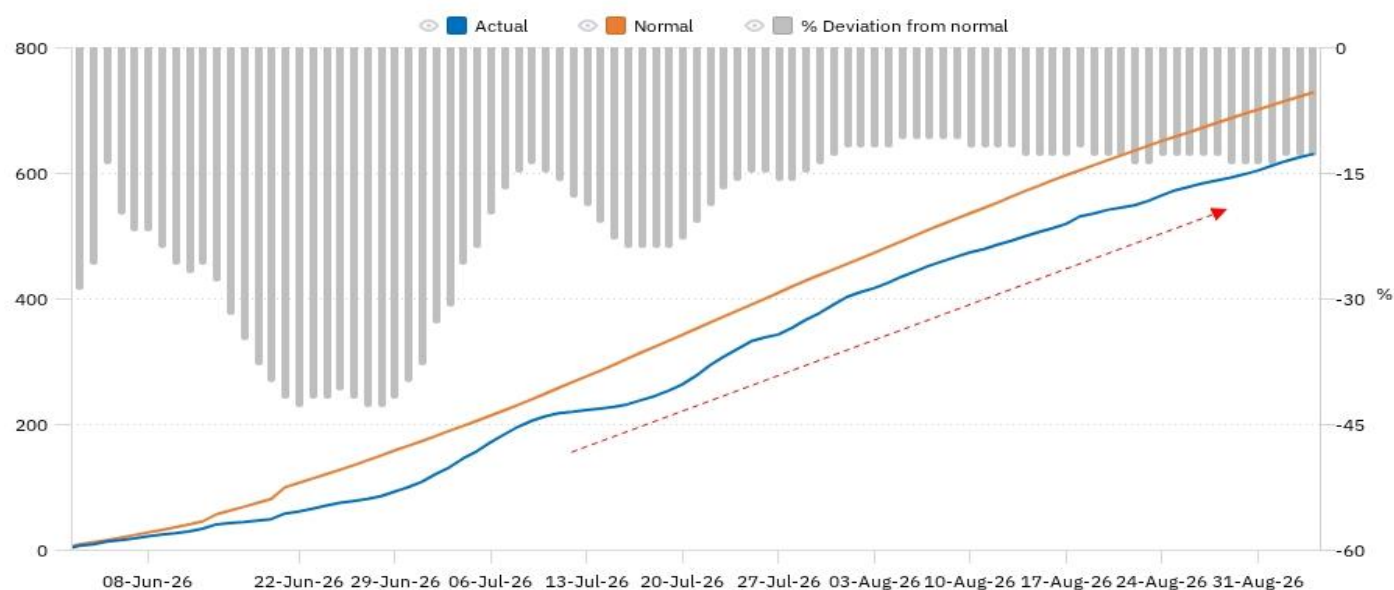


Source: CEIC, IMD, NSE EPR. Notes: 1) Data is as of September 7th, 2026

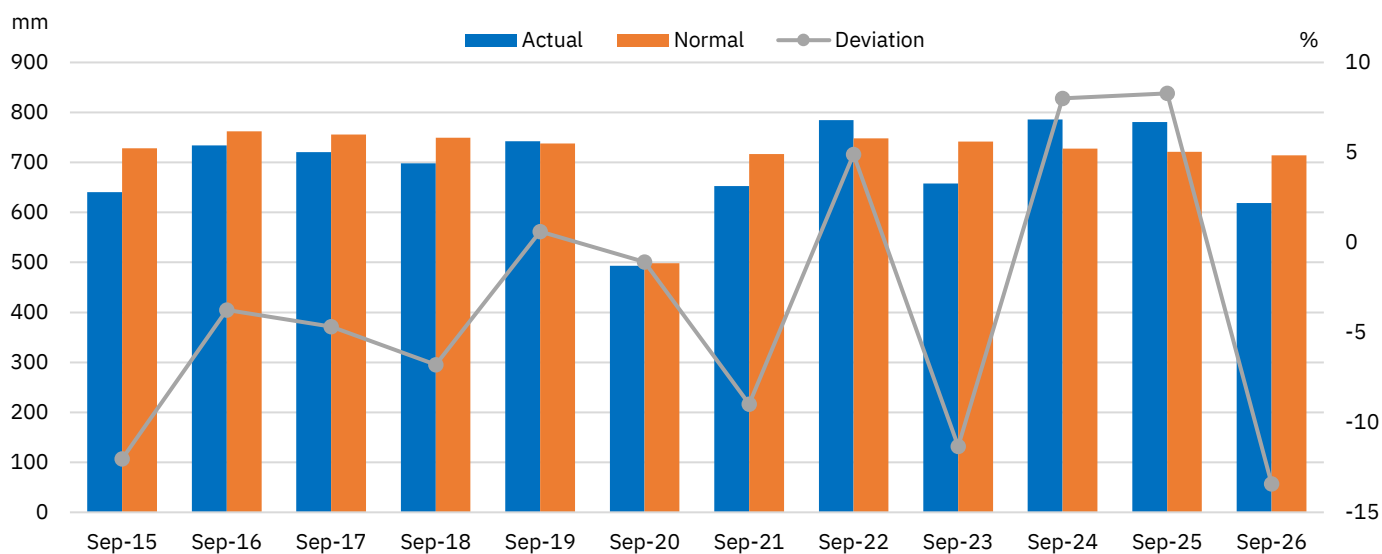
Table 45: Weekly deviation of rainfall across regions

	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	12-Aug-26	19-Aug-26	26-Aug-26	02-Sep-26
All India	-17.0	-18.0	-48.0	-47.0	-29.0	45.0	-51.0	-1.0	1.0	7.0	-16.0	-16.0	-19.0	-18.0
North West	75.0	-20.0	15.0	-60.0	-43.0	18.0	-27.0	5.0	4.0	-22.0	-6.0	-7.0	-13.0	16.0
Central	26.0	-52.0	-74.0	-55.0	-19.0	137.0	-76.0	10.0	41.0	14.0	-14.0	-10.0	-7.0	-39.0
South	-12.0	14.0	-42.0	-47.0	-23.0	6.0	-77.0	-26.0	-33.0	39.0	-29.0	-54.0	-23.0	-72.0
East & NE	-62.0	-15.0	-47.0	-32.0	-37.0	-46.0	-23.0	-10.0	-51.0	2.0	-24.0	-12.0	-43.0	28.0

Source: CEIC, IMD, NSE EPR.

Figure 112: Cumulative rainfall and percentage deviation


Source: CEIC, IMD, NSE EPR Note: 1) Data is captured during the period June 1st, 2026 to September 7th, 2026

Figure 113: Cumulative weekly rainfall and % deviation across years


Source: CMIE, IMD, NSE EPR Notes: 1) Data captured here is for the week ended September 2nd, 2026 and the yearly comparison is done for the similar week-end period in the corresponding years.

Table 46: Division-wise distribution of cumulative rainfall

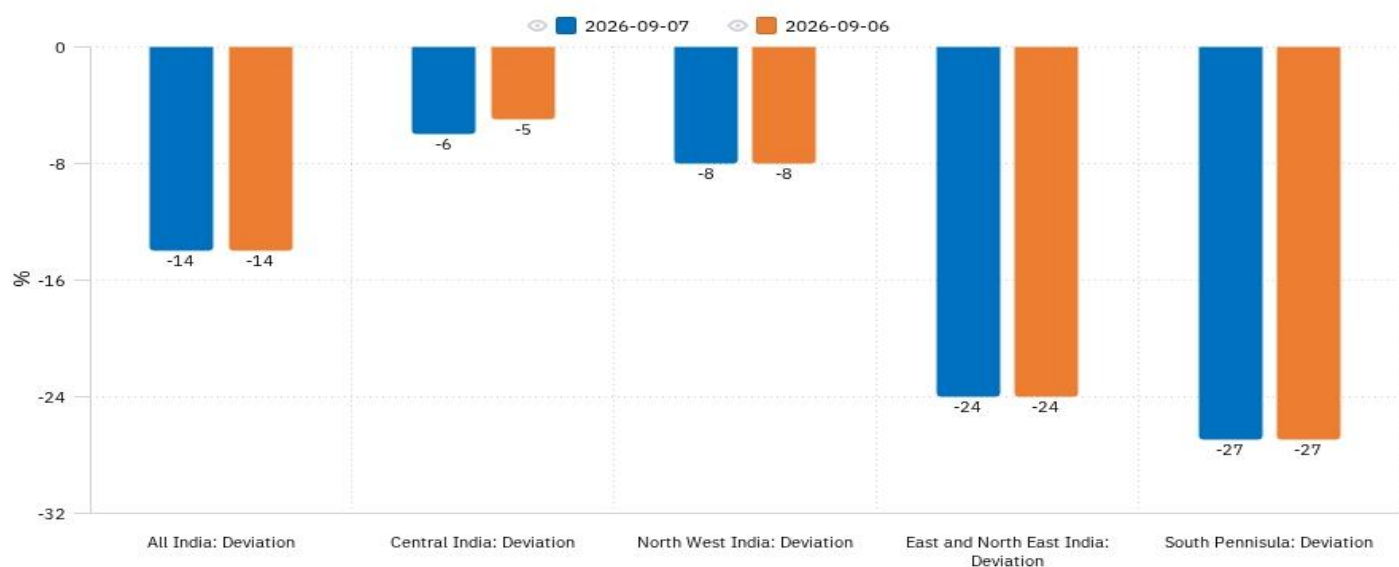
Subdivisions	Cumulative rainfall (Period: June 1 st to September 6 th)		
	Actual (mm)	Normal (mm)	% Deviation
East and North-East India	866.6	1144.3	-24%
North-West India	474.5	515.6	-8%
Central India	803.1	847.8	-5%
South Peninsula	429.7	586.6	-27%
Total	638.6	741.6	-14%

Source: IMD, NSE EPR

Table 47: Category-wise number of subdivisions and % area (sub-divisional) of the country

Category	Period: June 1 st to September 6 th , 2026	
	No. of subdivisions	% area of the country
Large excess	1	2%
Excess	2	5%
Normal	17	50%
Deficient	16	43%
Large Deficient	0	0%
No rain	0	0%

Source: IMD, NSE EPR.

Figure 114: Cumulative division rainfall deviation (%): current year vs last year


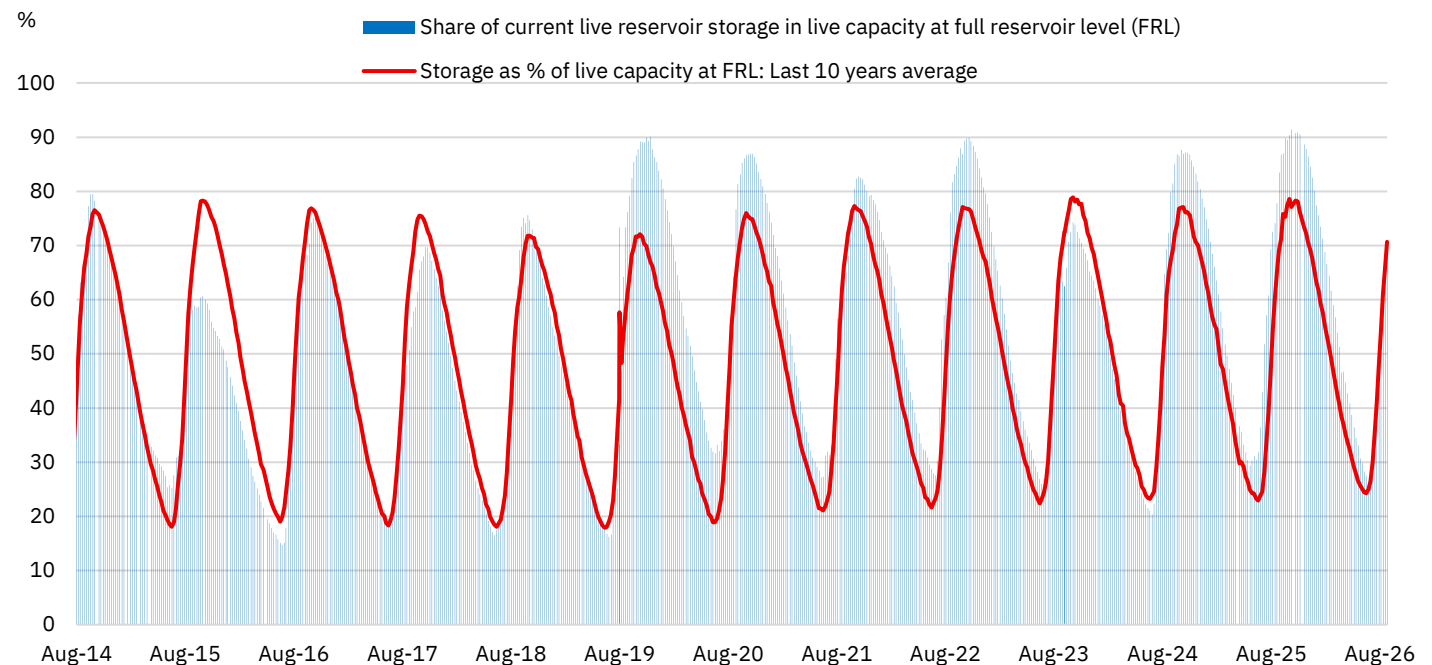
Source: CEIC, IMD, NSE EPR

Figure 115: State-wise rainfall deviation (%) (As of September 7th, 2026)

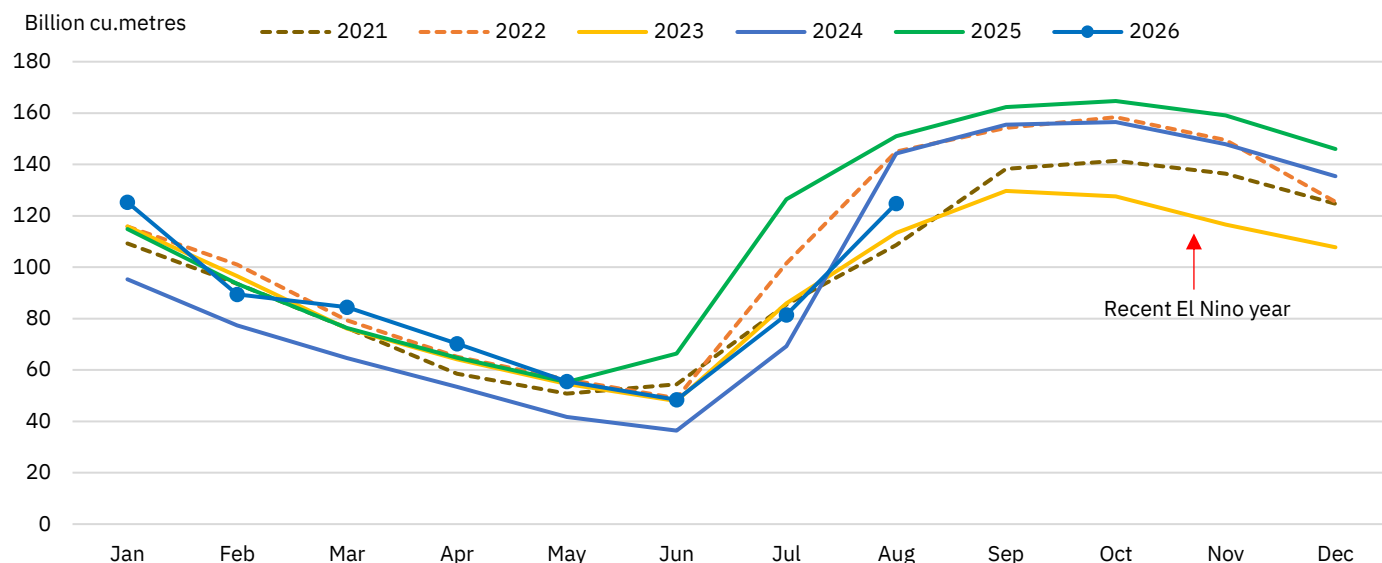
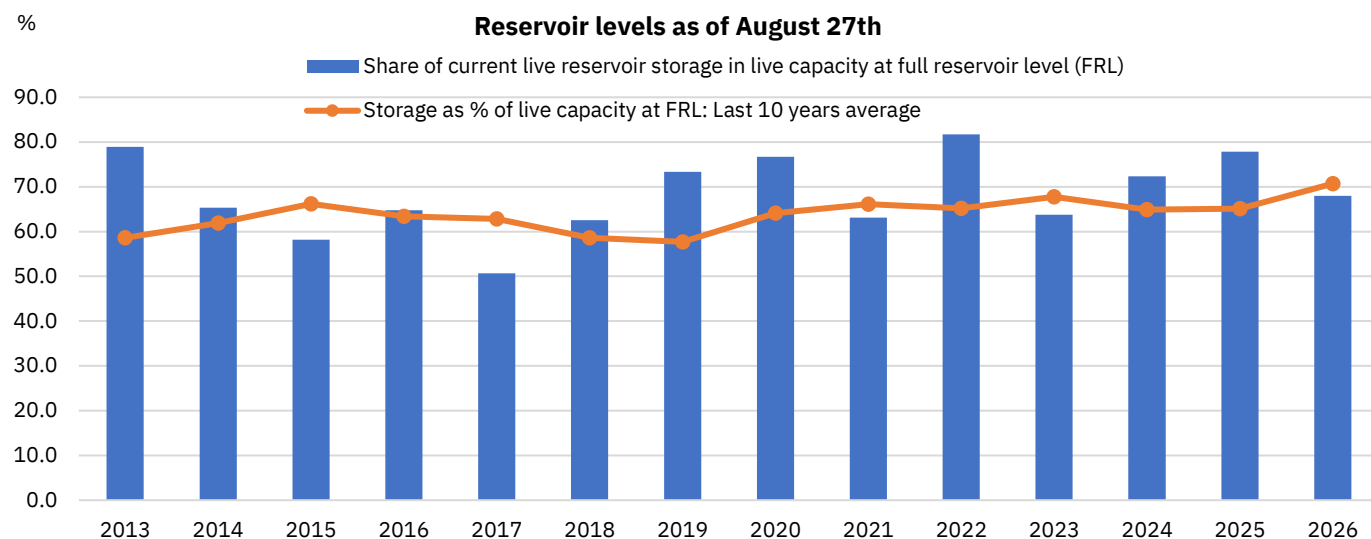


Source: CEIC, IMD, NSE EPR.

Figure 116: Trend of reservoir storage levels (as of August 27th, 2026)



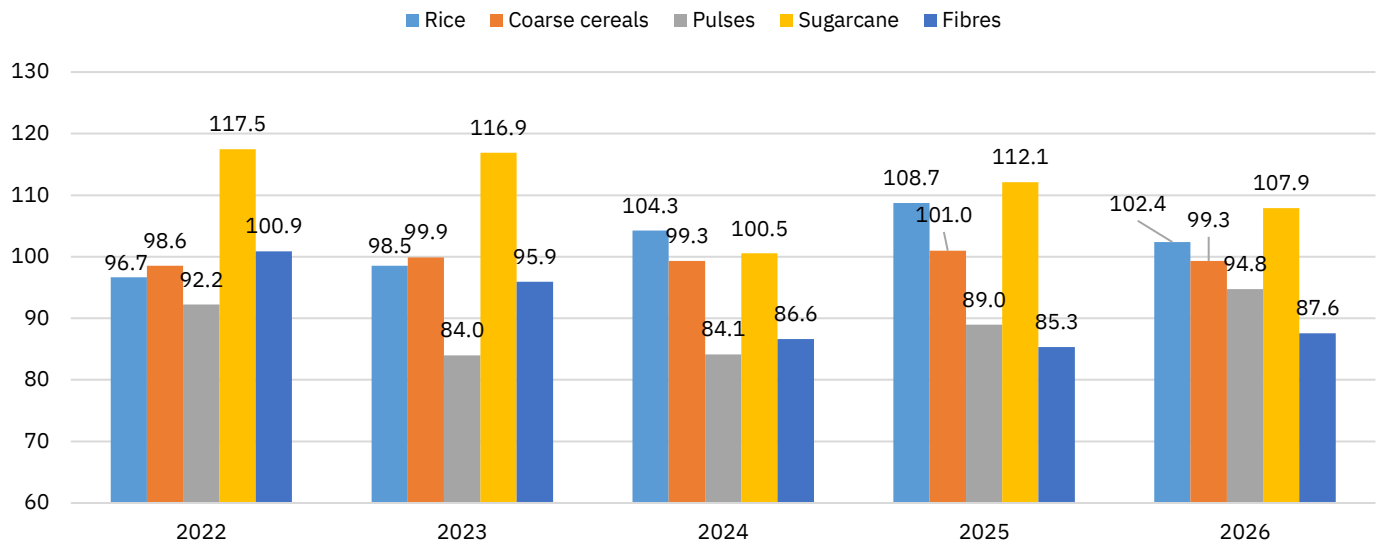
Source: CMIE Economic Outlook, NSE EPR

Figure 117: Monthly trend of reservoir storage levels over years

Figure 118: Live reservoir storage levels

Table 48: Division-wise reservoir storage levels

Year	Storage as % of live capacity at full reservoir level					
	Northern region	Eastern region	Western region	Central region	Southern region	India
Aug-20	68	66	79	82	78	77
Aug-21	49	49	56	60	81	63
Aug-22	84	63	87	76	90	82
Aug-23	84	45	69	73	51	64
Aug-24	60	66	90	84	82	80
Aug-25	91	68	87	82	86	83
Aug-26	60	62	82	76	57	68

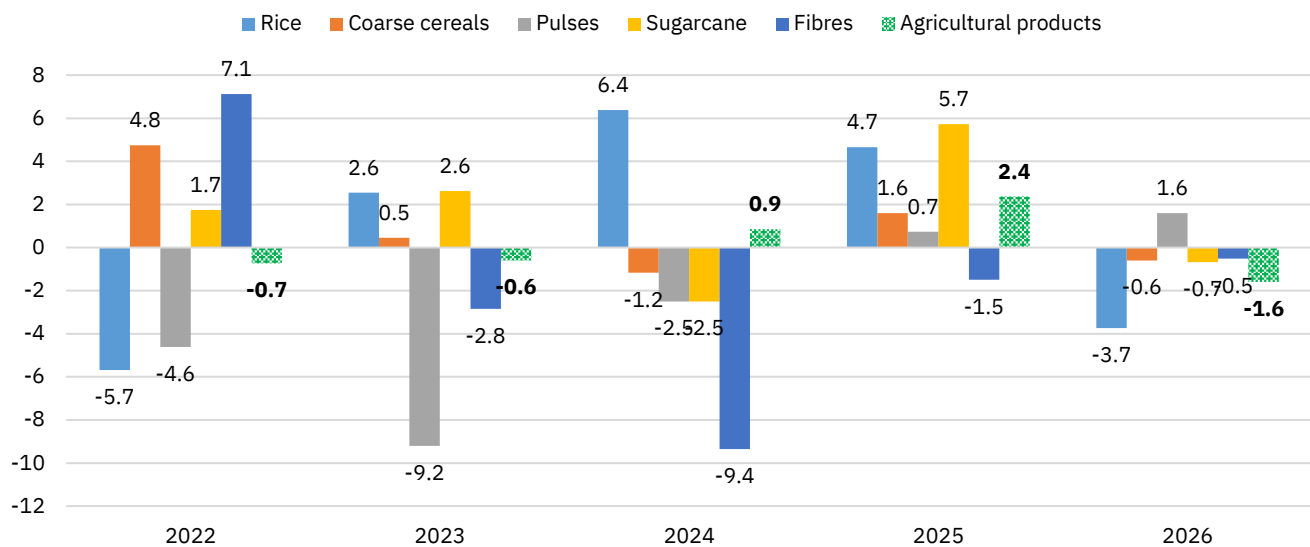
Source: CEIC IMD, NSE EPR Notes: 1) Data captured here is for the week ended August 27th, 2026 and the yearly comparison is done for the similar week-end period in the corresponding years.

Figure 119: Actual sown area as a % of normal area sown (as of September 4th, 2026)



Source: CMIE Economic Outlook, NSE EPR.

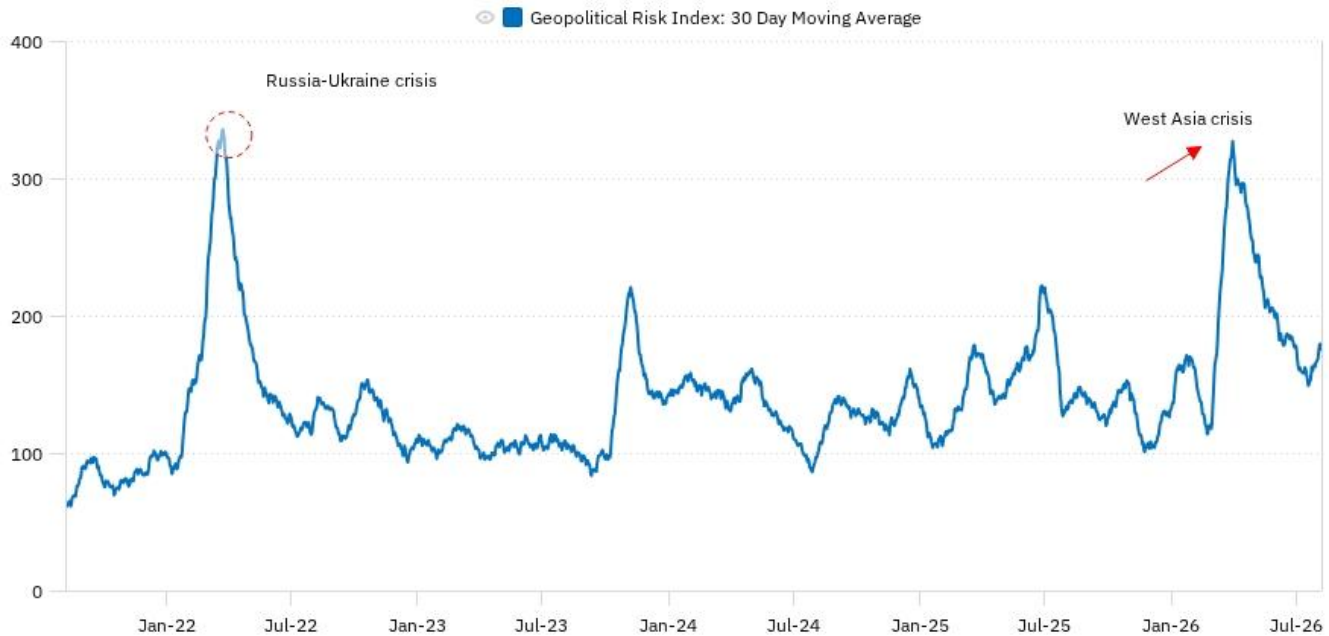
Figure 120: YoY % change in actual sown area (as of September 7th, 2026)



Source: CMIE Economic Outlook, NSE EPR

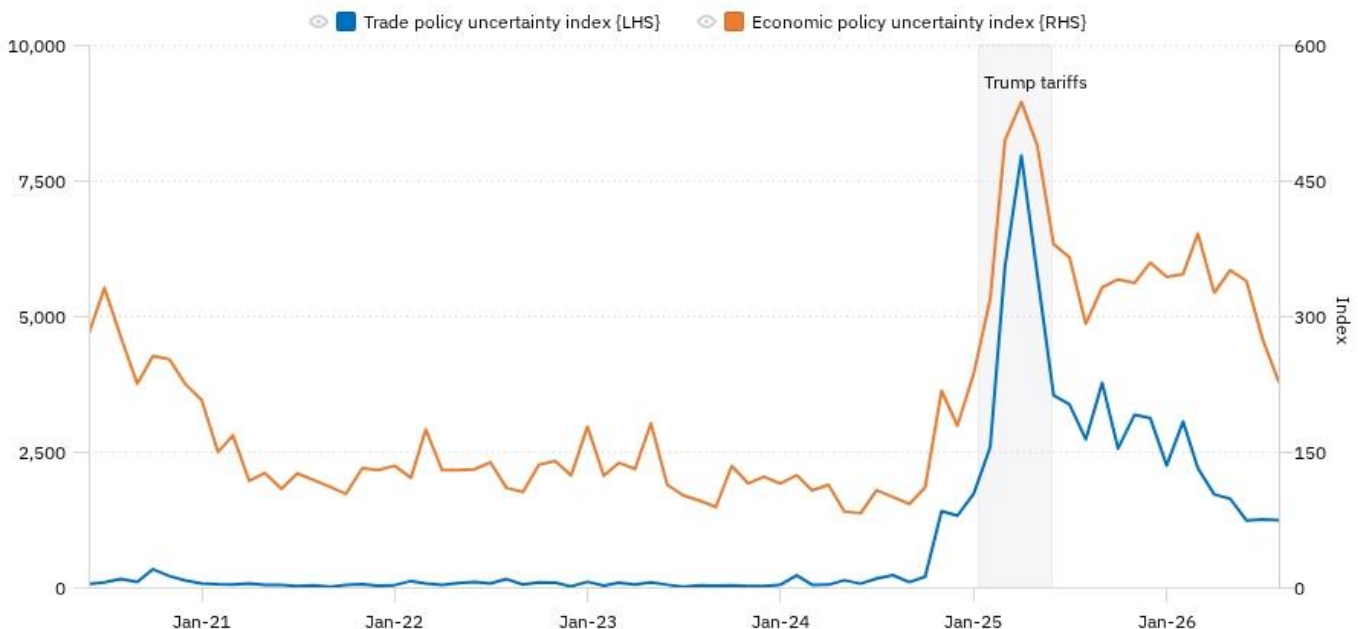
2.8 Global snippets: Macro indicators oscillate in a world of rising risks

Figure 121: Geopolitical risk index (30-day moving average)



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

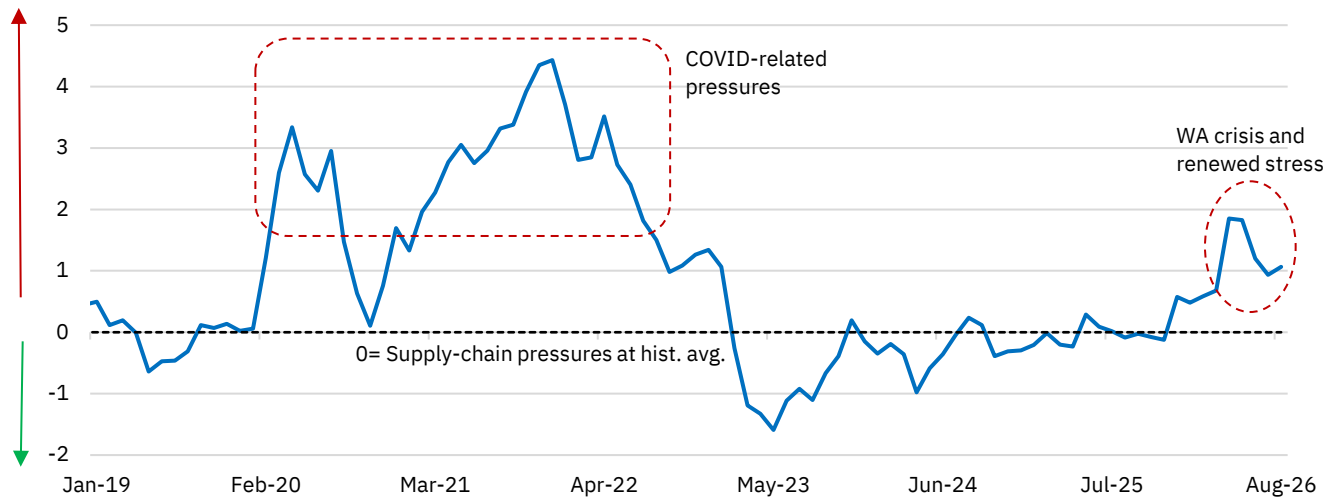
Figure 122: US trade and economic policy uncertainty index



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

Figure 123: Global Supply Chain Pressure Index

Std. dev from hist. avg

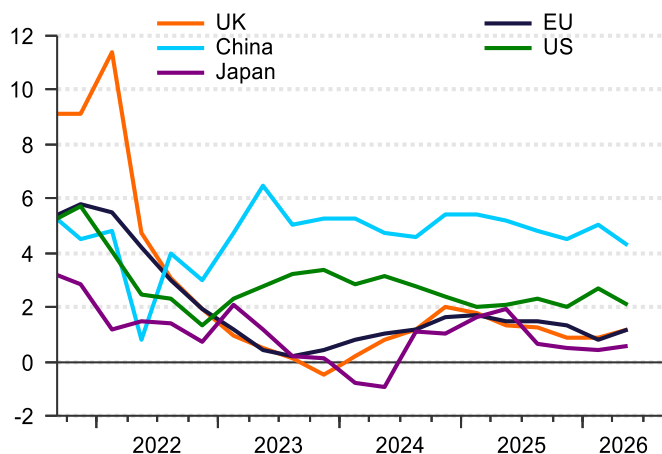
Global Supply Chain Pressure Index


Source: New York Federal Reserve. Note: Global Supply Chain Pressure Index readings measure standard deviations from the index's historical average.

Methodology available at https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr1017
Table 49: 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	5	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 124: Growth across major economies


Source: LSEG Workspace, NSE EPR.

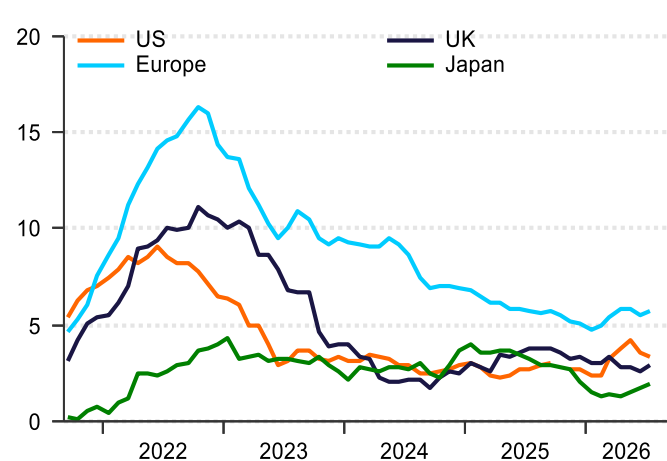
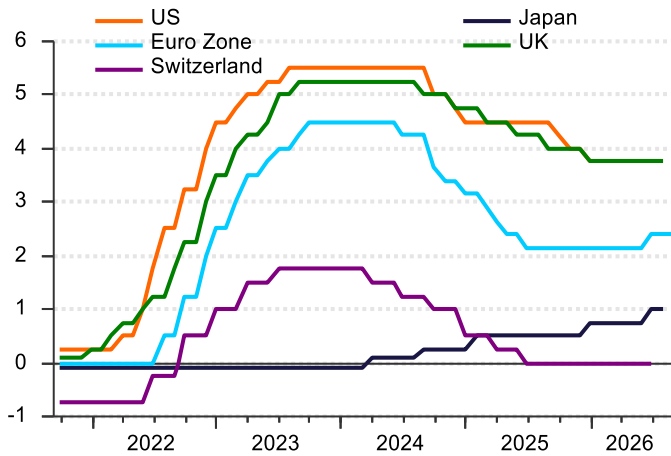
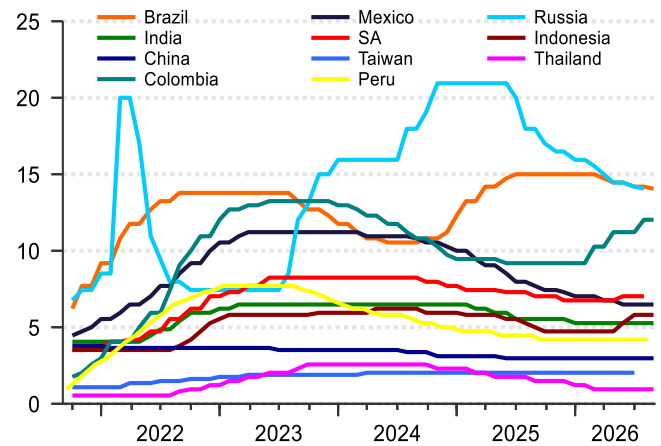
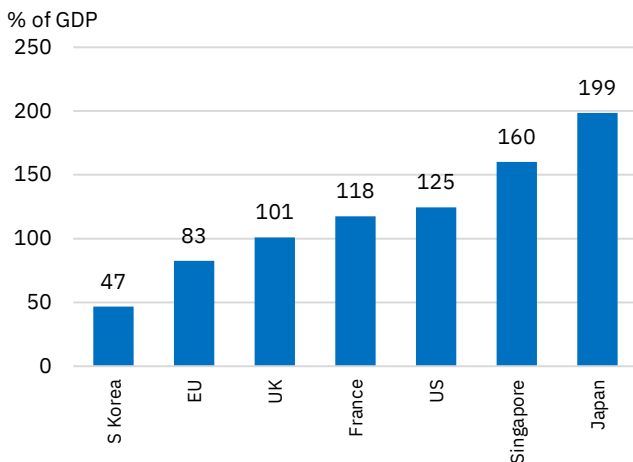
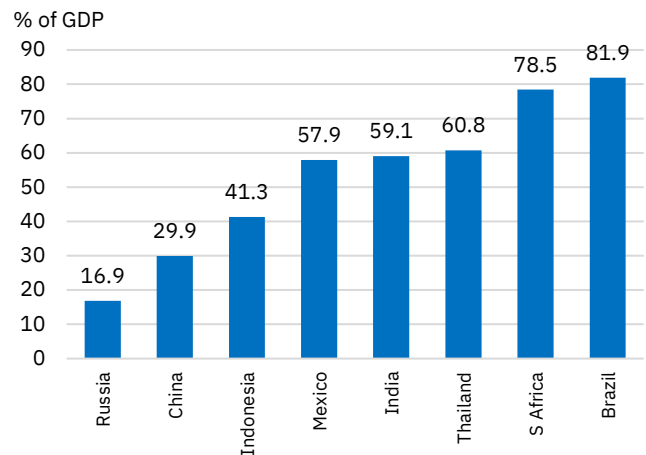
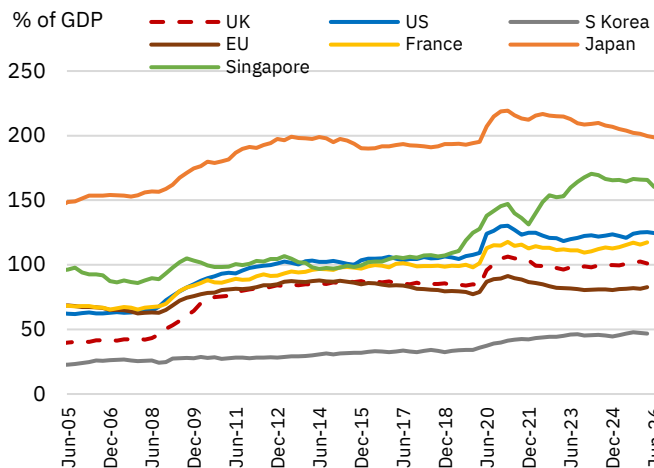
Figure 125: Inflation across major economies


Figure 126: Policy rates across advanced economies


Source: LSEG Workspace, NSE EPR.

Figure 127: Policy rates across emerging economies

Figure 128: Advanced economies: Government debt as % of GDP (latest)

Figure 129: Emerging economies: Government debt as % of GDP (latest)


Source: CEIC, NSE EPR. Note: Data for US, Japan, Singapore, Brazil, Indonesia, Thailand, Mexico are as of June 2026 quarter. Rest as of March 2026 quarter.

Figure 130: Advanced economies: Government debt as % of GDP


Source: CEIC, NSE EPR.

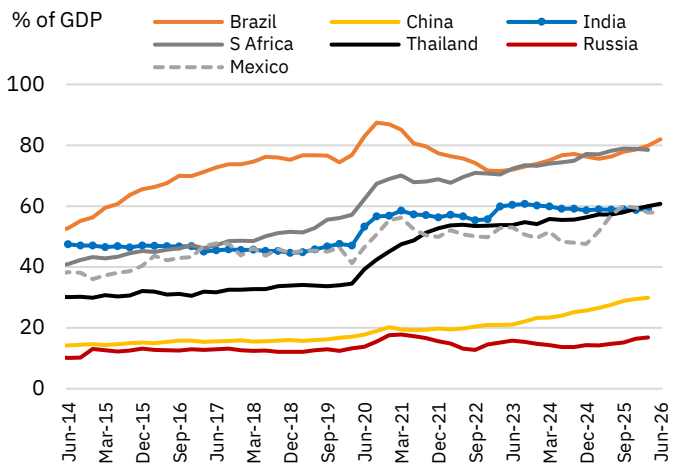
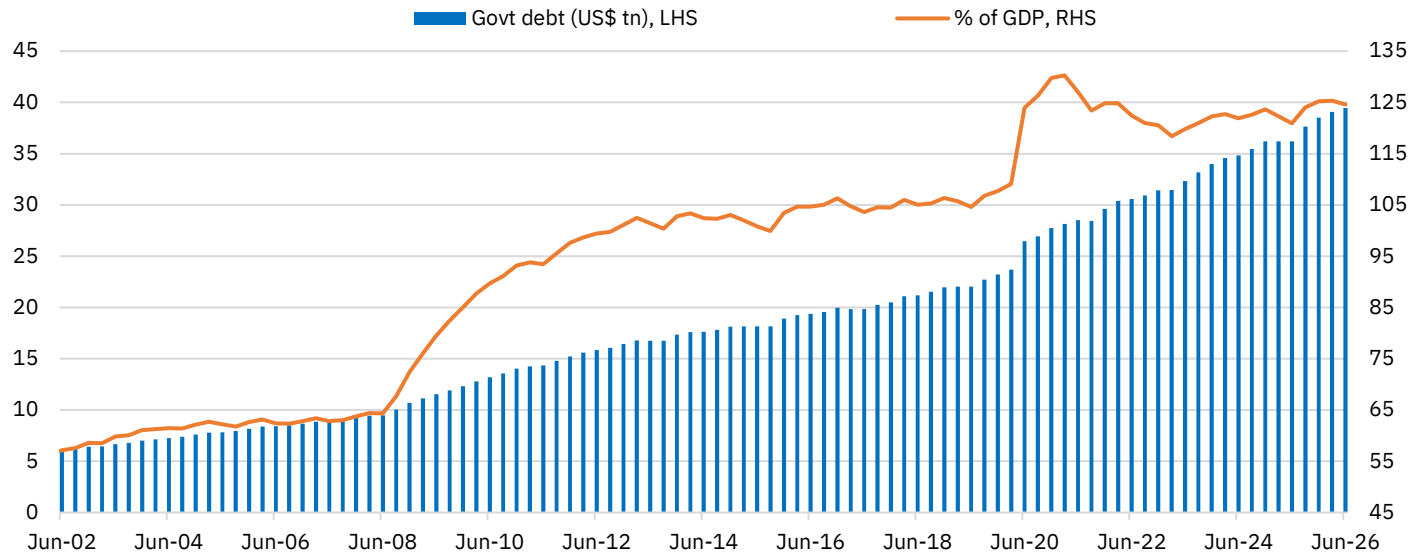
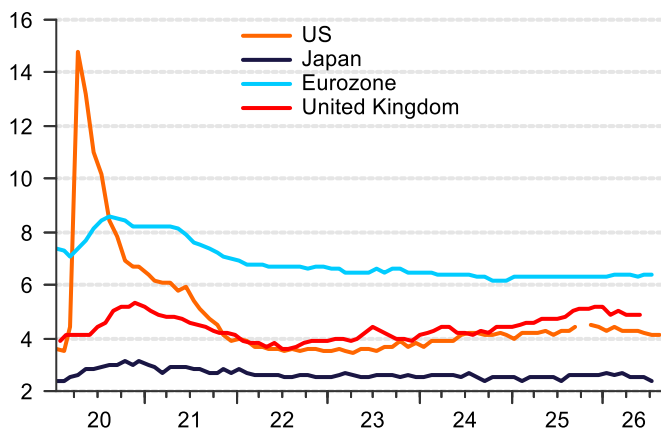
Figure 131: Emerging economies: Government debt as % of GDP


Figure 132: Government debt in the US


Source: CEIC, NSE EPR.

Figure 133: Unemployment rates across major developed economies


Source: LSEG Workspace, NSE EPR.

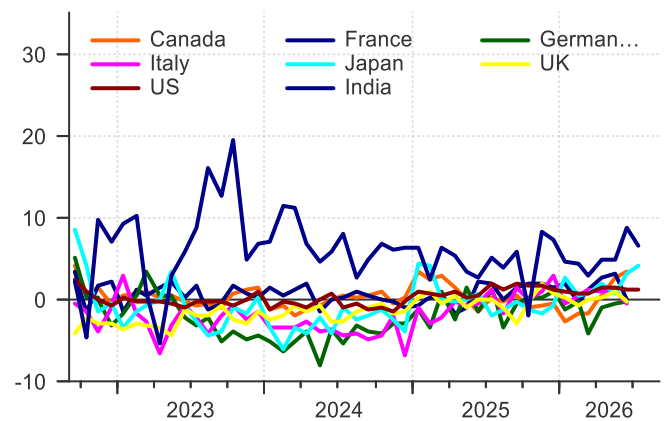
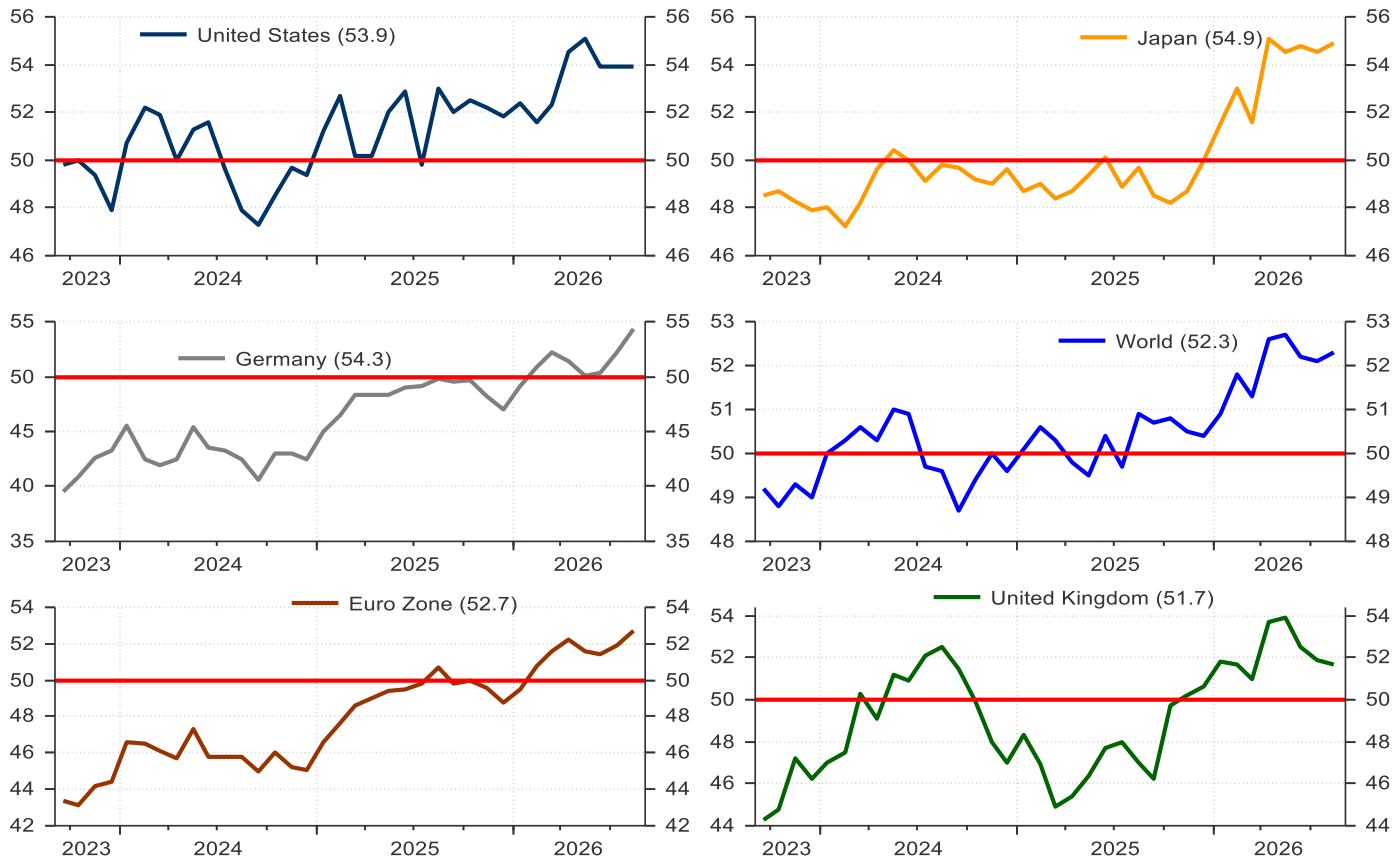
Figure 134: Trends in industrial production (YoY%) across major economies


Figure 135: Trend in PMI manufacturing across countries

Manufacturing (SA) PMIs: Developed Markets



Source: LSEG Workspace, NSE EPR

3. Insights

The rise of retail investors: From participation to market impact

An integrated review of evidence across markets on retail investor participation, behaviour and market influence

Retail investors have moved from being a peripheral presence in equity markets to an increasingly influential force in market activity. The expansion of the investor base, rising accessibility of financial markets and growing use of digital trading platforms have lowered the barriers to participation, bringing a much larger pool of individual investors into the market. Yet, the significance of this shift extends beyond the sheer number of retail investors. As their footprint grows, an important question emerges: how do retail investors behave, and what does their behaviour mean for financial markets?

Unlike institutional investors, retail investors often face different information constraints, investment horizons and behavioural incentives. The literature suggests that their trading is shaped not only by fundamentals, but also by attention, news, past returns and herding tendencies. Such behaviour can influence which stocks attract buying interest, how trading patterns differ across investor classes, and ultimately how prices and volatility evolve.

Against this backdrop, the following studies examine the rise, behaviour and growing market relevance of retail investors—moving from the expansion of participation to the behavioural forces shaping retail trading, and finally to the implications of that behaviour for financial markets.

Key takeaways from the papers

- 1. The rise of retail investors: Participation, access and a growing market footprint** — [Bogan \(2008\)](#) shows that greater internet access is associated with higher stock-market participation, highlighting the role of technology in lowering barriers to equity-market entry. [Amihud et al. \(1999\)](#) show that a broader shareholder base is associated with stock prices, underscoring the significance of changes in ownership structure. More recently, [Boehmer et al. \(2021\)](#) document substantial retail trading activity and develop a framework for identifying retail investors from transaction-level data. Taken together, the evidence suggests that the rise of retail investors is a broader shift in the composition of market participants.
- 2. The behaviour of retail investors: Distinctive trading patterns shaped by attention and information** — [Grinblatt and Keloharju \(2000\)](#) and [Ng and Wu \(2007\)](#) find systematic differences between individual and institutional/foreign investors in trading behaviour, with retail investors exhibiting distinct preferences and trading patterns. [Kaniel et al. \(2008\)](#) further show that individual investor trading is related to subsequent stock returns. The behavioural literature provides insight into these patterns: [Barber & Odean \(2008\)](#) find that individual investors are disproportionately attracted to attention-grabbing stocks, including those in the news or experiencing unusually high returns or trading volume, while [Hsieh et al. \(2020\)](#) link investor attention to herding behaviour. Retail trading therefore appears to be shaped not only by fundamental information, but also by attention, salient news and the behaviour of other investors.
- 3. From participation to market impact: Implications for returns, volatility and market efficiency** — The growing retail footprint matters because individual trading can have consequences beyond the investors themselves. [Foucault et al. \(2011\)](#) show that individual investor activity is related to stock-market volatility, while [Jones et al. \(2025\)](#) provide evidence that retail trading contains information relevant for return predictability in the Chinese equity market. The literature

therefore points to a broader implication: as retail investors become a more important source of market activity, their distinctive trading behaviour can influence price formation, volatility and the degree to which returns remain predictable. The rise of retail investors is consequently not merely a story about greater participation, but about a potentially meaningful change in how markets function.

Papers in brief

- **Bogan (2008) – Stock market participation and the internet:** Bogan (2008) examines whether the expansion of computer and Internet technology was associated with increased household stock-market participation in the United States. Using longitudinal data from the Health and Retirement Survey (HRS), the study finds that computer use was positively associated with subsequent stock ownership, even after controlling for baseline participation and household characteristics. The estimated effect corresponds to a 7 percentage-point higher probability of stock ownership, with a magnitude comparable to that associated with more than \$27,000 in additional mean household income or over two additional years of education. The findings also extend to substantial stock ownership and are consistent with the view that technological advances can reduce information and transaction costs, thereby lowering barriers to participation in equity markets.
- **Amihud et al. (1999) – Number of shareholders and stock prices: evidence from Japan:** The paper tests whether expanding a firm's investor base increases its stock-market value. Using 66 Japanese firms that reduced their minimum trading units between 1991 and 1996, the authors exploit a market-design change that lowers the minimum monetary amount required to invest without changing the underlying stock price. The reductions produce a sharp increase in retail participation: the average number of individual shareholders rises by 234%, while stock liquidity also improves. The firms experience a weighted cumulative abnormal return of 5.90%, and, crucially, the price increase is significantly larger for firms experiencing greater growth in their shareholder base. These results provide direct support for Merton's investor-recognition hypothesis, according to which broader ownership lowers required returns and raises firm value. The paper also identifies an important trade-off: greater ownership dispersion improves liquidity but may weaken monitoring and increase agency costs.
- **Boehmer et al. (2021) – Retail trading and return predictability:** The authors examine whether marketable retail order flow contains information about subsequent stock returns, challenging the conventional view of retail investors as predominantly uninformed traders. Using transaction-level U.S. equity data and a publicly implementable method to identify retail purchases and sales, they construct a marketable retail order imbalance measure and find that stocks with stronger net retail buying outperform those with greater retail selling by approximately 10 basis points over the following week. The predictive effect persists for several weeks and is stronger among smaller and lower-priced firms. The decomposition analysis shows that close to half of the predictive power is attributable to persistent retail order flow, while the contrarian component provides limited evidence that liquidity provision explains the relationship. A

substantial residual component continues to predict future returns after accounting for persistence, contrarian trading and public news, suggesting that some retail trades may incorporate firm-specific information not yet reflected in stock prices. However, the authors caution that this does not constitute definitive evidence of private information. Overall, the findings suggest that retail order flow can contribute to firm-level price discovery and contains information relevant to future stock returns, while also demonstrating the usefulness of transaction-level data for analysing retail trading behaviour.

- **Grinblatt and Keloharju (2000) – When investor sophistication shapes trading style** – Grinblatt and Keloharju (2000) examine whether different classes of investors systematically respond to past stock returns in different ways, and whether these differences are related to investment performance. The paper distinguishes between momentum investors, who buy past winners and sell past losers, and contrarian investors, who buy past losers and sell past winners. Using an unusually comprehensive dataset covering virtually the entire population of investors in Finnish stocks, the authors show a striking pattern: foreign investors consistently follow momentum strategies, while Finnish domestic investors—particularly households—are strongly contrarian. The degree of contrarian behaviour declines systematically with investor sophistication and portfolio size. This behavioural ranking is mirrored in performance: foreign investors and Finnish financial institutions are significantly better at identifying future winning stocks than households. Importantly, foreign investors continue to exhibit superior performance even after controlling for momentum, suggesting that their advantage cannot simply be attributed to following a profitable momentum strategy.
- **Ng and Wu (2007) – The trading behavior of institutions and individuals in Chinese equity markets:** This paper examines investor trading using approximately 4.74 million active accounts on the Shanghai Stock Exchange between April 2001 and August 2002. Institutions generally follow momentum strategies, buying after price gains and selling after losses. Most individuals display contrarian behaviour, reducing purchases after gains and sales after losses. Individuals with the largest average trades combine momentum buying with contrarian selling over some return horizons. In the full sample, net buying by this group and net selling by institutions are associated with lower subsequent volatility. Institutional purchases of small stocks are associated with higher volatility, showing that these relationships vary by stock size. Return predictability is generally limited, with a significant positive association for the largest individual group's net buying. The findings highlight how average trade value, purchase and sale decisions, and stock size help explain differences in investor behaviour and its relationship with stock volatility and future returns.
- **Kaniel et al. (2008) – Individual investor trading and stock returns:** This paper examines the short-horizon relationship between individual investor trading and stock returns using a unique dataset of individual investor orders on the NYSE covering 2,034 stocks during 2000–2003. The authors find that individual investors tend to trade contrarian to recent price movements, buying stocks following declines and selling following increases. More importantly, stocks experiencing intense individual buying subsequently earn positive excess returns, while those

experiencing intense selling earn negative excess returns. The relationship remains significant after controlling for past returns and trading volume, indicating that individual trading contains information beyond established short horizon return predictors. The authors argue that the findings are consistent with individuals acting as liquidity providers to institutional investors demanding immediacy, with the subsequent return reversal representing compensation for absorbing temporary order imbalances. The effect is stronger in less liquid stocks, supporting the role of liquidity conditions in shaping the relationship between individual trading and subsequent returns.

- **Barber and Odean (2008) – The effect of attention and news on investor buying behavior** – Barber and Odean (2008) examine how investor attention influences the stock buying decisions of individual and institutional investors. The paper argues that because investors face a large number of stocks to choose from when buying, but typically sell stocks they already own, attention grabbing events can significantly influence purchase decisions. Using abnormal trading volume, extreme daily returns, and news coverage as measures of investor attention, the authors examine buy-sell imbalances across brokerage and institutional datasets. They find that individual investors are substantially more likely to buy stocks experiencing unusually high trading volume, extreme positive or negative returns, and news coverage, with both large winners and large losers attracting increased buying. In contrast, institutional investors do not exhibit the same attention driven pattern and in some cases display the opposite relationship. The findings remain consistent even after considering short-sale constraints as an alternative explanation.
- **Hsieh et al. (2020) – Online attention and retail investor herding** – This paper examines whether retail investors' demand for information is associated with herding behaviour, using Google Search Volume Index (SVI), particularly abnormal SVI (ASVI), as a proxy for investor attention. Using intraday order and transaction data from the Taiwan stock market, the authors find that higher abnormal search activity is associated with stronger herding among individual investors, suggesting that when investors independently access similar information through public sources such as Google, they may form similar expectations and make more similar trading decisions. The study further finds that this relationship becomes stronger when stocks reach their daily price limits, supporting an attention-grabbing effect, and that herding is generally more pronounced for small-capitalisation firms. The results also vary across market conditions: individual investors show stronger buy-side herding during bull markets, particularly in small-cap firms, whereas in bear markets, greater price declines among large-cap firms are associated with stronger sell-side herding. Overall, the paper argues that low-cost access to common online information can contribute to correlated retail trading and provides evidence linking investor attention directly to individual investor herding behaviour.
- **Foucault et al. (2011) – Retail investors as a source of stock-return volatility:** This paper studies the growing role of retail investors in the stock market and examines whether their trading can increase stock-price volatility. The authors use a major change in the French stock market in September 2000, which made leveraged and speculative trading more costly for retail investors. This led to a

significant fall in retail trading in the affected stocks. The decline in retail activity was followed by a 17-30 basis-point fall in stock-specific volatility, along with smaller return reversals and lower effects of trades on stock prices. The authors estimate that retail trading accounts for about 23% of stock-return volatility in their sample. The study therefore shows that the growing participation of retail investors is important not only because of their increasing presence and trading activity, but also because their trading behaviour can have a significant effect on stock prices and market volatility. The results suggest that some retail investors trade on market noise rather than information, which can contribute to higher stock-price volatility.

- [Jones et al. \(2025\)](#) – **Why small investors lose and large investors win: Retail trading, information and return predictability in China** – Using account-level data covering more than 53 million retail investors in China, Paper show that retail investors are far from homogeneous in their trading behaviour and information content. Smaller retail investors systematically trade in the wrong direction relative to subsequent returns, with their purchases followed by lower returns, while the largest retail investors exhibit positive return predictability. Smaller investors tend to display short-term momentum trading and stronger behavioural biases, whereas larger retail investors are more contrarian and appear better able to incorporate earnings-related information. These differences persist for several weeks and are particularly pronounced when large retail and institutional investors trade against smaller retail investors. The authors therefore show that investor size is an important determinant of trading quality and information content, suggesting that aggregate measures of retail participation can obscure substantial differences in investors' contribution to price discovery.

3.1 Stock market participation and the internet²

Vicki Bogan (2008)

Summary

[Bogan \(2008\)](#) examines whether the expansion of computer and Internet use during the 1990s was associated with increased U.S. household stock-market participation. The paper argues that information and transaction costs, together with limited market access, can discourage households from investing in stocks, while Internet-based technology may reduce these barriers. Using longitudinal data from the Health and Retirement Survey (HRS), the study compares changes in stock ownership between computer-using and non-computer-using households. Controlling for household characteristics and baseline stock ownership, computer use was associated with a 0.07 (7 percentage-point) higher estimated probability of owning stock—an effect comparable to having more than \$27,000 in additional mean household income or over two additional years of education. The findings suggest that technological advances can facilitate broader household participation in equity markets by reducing the costs associated with accessing and investing in financial markets.

Introduction

Stock-market participation has historically been lower than standard consumption-based asset-pricing models, including the CCAPM, would predict given the risk-adjusted returns associated with equity investment. This “stock-market participation puzzle” has been linked to the broader equity-premium puzzle and has prompted research into the role of market frictions in explaining why households choose not to invest in stocks. [Bogan \(2008\)](#) focuses on the role of information costs, transaction costs and limited market access. The rapid spread of the Internet during the 1990s potentially reduced these frictions by making investment information more accessible and enabling households to trade stocks through online platforms. Over the same period, U.S. household stock-market participation increased substantially.

The paper therefore asks whether the expansion of Internet-related technology was associated with this increase in participation. While the strong U.S. stock market during the 1990s could itself have encouraged greater ownership, [Bogan \(2008\)](#) notes that evidence from other countries suggests that favourable market performance alone does not necessarily generate a comparable increase in participation; for example, [Guiso et al. \(2003\)](#) found no notable increase in participation in the Netherlands despite average stock-market returns exceeding those of the U.S. during 1986–1997. The study consequently examines whether the reduction in market frictions associated with computer and Internet use provides an additional explanation for the rise in household stock ownership.

Literature

The paper draws on the extensive literature on stock-market participation, which identifies factors including age, education, income, wealth, risk attitudes and inheritance, as well as information and transaction costs, as determinants of participation. Earlier research, including [Haliassos and Bertaut \(1995\)](#) and [Bertaut \(1998\)](#), also suggests that the perceived cost of acquiring information relative to its expected benefits can discourage households from participating in stock markets. [Peress \(2005\)](#) further develops a theoretical model linking changes in market frictions to stock-market participation. [Bogan \(2008\)](#) extends this literature by examining whether technological change that reduced participation costs was associated with greater household stock ownership. Prior studies of Internet-based investing, including [Barber and Odean \(2002\)](#) and [Choi et al. \(2002\)](#), focused primarily on investors who were already participating

² [Bogan, V. \(2008\). Stock market participation and the internet. *Journal of Financial and Quantitative Analysis*, 43\(1\), 191-211.](#)

and examined changes in their trading behaviour following online access. [Bogan \(2008\)](#) instead addresses whether Internet technology was associated with entry into the stock market by previously non-participating households. This distinction provides the basis for her central hypothesis: if technology reduces the costs of obtaining information and undertaking transactions, it should lower barriers to stock-market participation.

Contribution

The paper's principal contribution is to move the analysis from the characteristics and behaviour of existing investors to whether technological change was associated with a broader expansion in household stock-market participation. Using longitudinal household data, [Bogan \(2008\)](#) relates computer and Internet use to changes in stock ownership while controlling for characteristics previously associated with participation. The paper also examines substantial stock ownership, assessing whether the relationship extends beyond small holdings.

Theoretical framework

The paper extends a standard Consumption Capital Asset Pricing Model (CCAPM) by introducing a fixed cost of stock-market participation, I_t which captures costs associated with obtaining investment information, the time required to process it, and transaction and portfolio-management costs. A household participates when the expected utility gain from investing in stocks exceeds this participation cost. The Internet potentially reduced these frictions by lowering trading costs, expanding access to investment information and facilitating market access. [Bogan \(2008\)](#) reports that Internet trading costs were as much as 79% lower than broker-assisted trading costs, illustrating the magnitude of the reduction in transaction costs.

[Bogan \(2008\)](#) therefore hypothesises that participation costs declined more for computer and Internet users than for non-users, implying a greater increase in stock ownership among technology users. The empirical analysis tests this hypothesis using probit models in which stock ownership is the binary dependent variable, with computer use as the key explanatory variable and household characteristics—including age, education, income, wealth and risk-related variables—as controls.

Data & methodology

The empirical analysis uses longitudinal data from the Health and Retirement Survey (HRS), covering individuals born between 1931 and 1947 across the 1992 and 2002 survey waves. Stock ownership is measured as holdings of publicly traded stocks, mutual funds, or investment trusts outside IRA and Keogh accounts and 401(k)-type defined-contribution pension plans, focusing on non-retirement stock-market participation. The paper estimates probit models in which the dependent variable indicates stock ownership in 2002. The main specification includes 1992 computer use, 1992 stock ownership, and their interaction, alongside controls for age, education, log household income, log net worth, risk attitudes, inheritances, voluntary pension contributions, and other household characteristics. Including baseline stock ownership helps account for persistent differences in households' propensity to participate in the stock market.

An important limitation is that the HRS follows a relatively older birth cohort. [Bogan \(2008\)](#) argues that this may bias the analysis against finding a positive technology effect, since older households may be less likely to adopt new technologies or enter the stock market later in life. The estimated effects may therefore be interpreted as a conservative lower bound on the broader impact of Internet-related technology on stock-market participation.

Results

The descriptive evidence shows that stock-market participation in the HRS sample increased from 31.2% in 1992 to 34.7% in 2002, with preliminary 2004 HRS data indicating a further increase to 39.8%. Participation rose from 42.5% to 46.6% among computer users, compared with 24.4% to 27.6% among non-users. Stockholding was also highly persistent, with more than three-quarters of households maintaining the same participation status over the period.

The main probit results show that, after controlling for baseline stock ownership and household characteristics, computer use in 1992 was associated with a 0.07 (7 percentage-point) higher estimated probability of stock ownership in 2002. [Bogan \(2008\)](#) compares this magnitude with more than \$27,000 in additional mean household income or over two additional years of education. The interaction results further indicate a stronger association among households that did not own stocks in 1992, consistent with technology reducing barriers to market entry.

The findings remain broadly robust to alternative specifications and controls. The analysis of substantial stock ownership also shows a similar pattern: holdings above \$10,000 increased from 20.5% to 30.8% overall, with computer users rising from 28.2% to 41.4%, compared with 15.8% to 24.5% among non-users. The estimated computer-use effect on substantial ownership was approximately 0.05. Overall, the evidence is consistent with Bogan's hypothesis that lower information and transaction costs associated with computer and Internet technology were linked to greater household participation in equity markets.

Implications

The paper's findings suggest that information and transaction costs can be meaningful barriers to household stock-market participation, and that technological advances can reduce these frictions and facilitate market entry. The stronger participation increase among computer users, together with the results for substantial stock ownership, indicates that the relationship extends beyond nominal ownership alone. The findings also contribute to the literature on the stock-market participation puzzle by providing evidence consistent with models in which participation costs help explain limited household equity ownership. These findings should be interpreted within the study's scope. The HRS follows an older birth cohort rather than the entire U.S. population, while the direct Internet-use analysis is based on a relatively small sample. [Bogan \(2008\)](#) therefore views the estimated computer-use effect as potentially conservative for the broader population.

Conclusion

[Bogan \(2008\)](#) provides evidence that the expansion of computer and Internet technology was associated with greater household stock-market participation by reducing frictions related to information, market access and transactions. The positive relationship between computer use and subsequent stock ownership, including substantial holdings, is consistent with the view that lower participation costs can facilitate entry into equity markets. The paper's broader contribution is to highlight technological change as a mechanism through which declining market frictions can broaden household participation in financial markets. While the findings are specific to the HRS sample and should not be interpreted as causal proof, they provide useful empirical evidence on the role of technology in the evolution of household stock-market participation.

3.2 Number of shareholders and stock prices: Evidence from Japan³

Yakov Amihud, Haim Mendelson & Jun Uno (1999)

Summary

Amihud et al. (1999) test whether expanding a firm's investor base increases its market value. Building on Merton's (1987) investor-recognition hypothesis, they argue that firms held by fewer investors face higher required returns because risk is less widely diversified, resulting in lower stock prices. The authors exploit a feature of the Japanese equity market whereby firms can reduce their minimum trading unit (MTU), making shares more accessible to small investors without changing the share price itself. Using 66 Tokyo Stock Exchange firms that reduced their MTU between 1991 and 1996, the authors find substantial increases in individual shareholders, improved liquidity and significant stock-price appreciation. Crucially, firms experiencing larger increases in their shareholder base also experience greater price appreciation, supporting Merton's hypothesis.

Introduction

Merton (1987) develops an asset-pricing model in which investors hold only securities they are aware of. A firm with a narrow investor base therefore has its risk concentrated among fewer investors, who require a higher expected return. Expanding the investor base improves risk sharing, lowers the required return and increases the stock price. Japan provides a useful setting for testing this prediction. Stocks trade in specified round lots, and a high MTU can require a substantial monetary investment, preventing smaller investors from buying the stock. Firms can reduce their MTU without changing the stock price or trading mechanism. The expected mechanism is therefore lower MTU implying more individual shareholders which in turn leads to greater diversification and liquidity resulting in higher stock value. The authors also consider a liquidity channel. Amihud and Mendelson (1986) show that investors require compensation for holding illiquid securities. By attracting additional investors and trading activity, a lower MTU can improve liquidity and thereby further increase stock value.

Literature

The paper primarily tests Merton's (1987) investor-recognition model, with Levy (1978) providing related theory on portfolio constraints. It also contributes to the literature on stock splits and investor participation. Studies such as Lamoureux and Poon (1987) and Mukherji et al. (1997) find changes in shareholder participation around stock splits. However, stock splits simultaneously change share prices and can affect spreads, volatility, signalling and trading incentives. The Japanese MTU reduction provides a cleaner experiment because the stock continues trading at the same price and under the same market mechanism. The paper also relates to the liquidity literature, particularly Amihud and Mendelson (1986) and Amihud et al. (1997), which links improved liquidity to higher security values.

Data and methodology

The authors examine Japanese firms that reduced their MTU during 1991–1996. After excluding stock-split events and firms with insufficient data, the final sample contains 66 Tokyo Stock Exchange stocks, most of which reduced their trading unit from 1,000 to 100 shares.

³ Amihud, Y., Mendelson, H., & Uno, J. (1999). Number of shareholders and stock prices: Evidence from Japan. *The Journal of Finance*, 54(3), 1169–1184.

The stocks were relatively expensive before the change. For the typical 1,000-to-100-share reduction, the median required investment fell from approximately \$24,000 to \$2,400, substantially increasing accessibility for smaller investors. Each event firm is matched with a control stock from the same TSE section with similar pre-event price and trading volume. The authors then examine changes in shareholder numbers and liquidity and conduct an event study to estimate cumulative abnormal returns. Finally, cross-sectional regressions test whether firms experiencing larger increases in shareholders also experience larger abnormal returns.

Contribution

The paper provides a relatively clean empirical test of whether investor-base expansion affects firm value. Unlike a stock split, reducing the MTU expands accessibility without mechanically changing the stock price, tick size or trading mechanism. It also demonstrates that market-design rules can influence asset prices through two related mechanisms: investor recognition and liquidity. Thus, a seemingly operational feature such as minimum lot size can affect participation, ownership structure and ultimately firm valuation.

Key findings

- **Shareholder base expands:** The mean number of shareholders increases by 135%, compared with only 10% for matched control firms, showing that lowering the minimum trading unit substantially broadens stock ownership.
- **Strong retail response:** Individual shareholders increase from an average of 2,210 to 5,517, an average increase of 234%, indicating that smaller individual investors are the main beneficiaries of the lower investment threshold.
- **Accessibility drives participation:** Stocks requiring a larger monetary outlay before the MTU reduction experience greater increases in individual shareholders. This supports the authors' mechanism that high minimum investment requirements acted as a barrier to retail participation, which the lower MTU helped relax.
- **Stock values increase:** The average CAR is 4.43%, while the weighted average CAR is 5.90%, indicating economically meaningful price appreciation. The price effect occurs gradually between the announcement and actual MTU reduction, rather than being concentrated entirely on the announcement date.
- **Merton hypothesis supported:** Price appreciation is significantly positively related to increases in both total and individual shareholders. Thus, the evidence goes beyond simply showing that prices rise after an MTU reduction: firms that achieve a greater expansion in their investor base also experience larger valuation gains, directly supporting Merton's investor-recognition mechanism.
- **Liquidity improves:** Trading volume and the paper's liquidity-ratio measure both improve significantly relative to control stocks. The authors therefore identify liquidity as an additional channel through which attracting more small investors can increase stock value, alongside the diversification/recognition mechanism proposed by Merton.
- **Liquidity-control trade-off:** Wider ownership improves liquidity but may also weaken monitoring because small individual shareholders have less incentive and ability to monitor management than large shareholders. Firms therefore face a trade-off between the valuation and liquidity benefits of dispersed ownership and the governance benefits of concentrated ownership, meaning that reducing the MTU is not necessarily optimal for every firm.

Conclusion

The paper provides strong evidence that broadening a firm's investor base can increase its stock-market value. Reductions in Japanese firms' minimum trading units attract substantially more individual shareholders, improve

liquidity and generate positive abnormal returns. Most importantly, firms with larger increases in shareholder numbers experience greater stock-price appreciation, directly supporting Merton's investor-recognition hypothesis. The results also demonstrate the broader importance of market accessibility and trading design. Minimum lot sizes can influence participation, liquidity and valuation, although firms face a trade-off because greater ownership dispersion may weaken corporate monitoring. The paper therefore links market microstructure directly to asset pricing and corporate finance.

3.3 Tracking retail investor activity⁴

Boehmer, E., Jones, C. M., Zhang, X., & Zhang, X. (2021)

Summary

[Boehmer et. al. \(2021\)](#) challenges the conventional view that retail investors are predominantly uninformed traders by showing that marketable retail order flow contains information about subsequent firm-level stock returns. Using transaction-level U.S. equity data, the authors develop a publicly implementable approach to identify retail purchases and sales and construct a marketable retail order imbalance measure. Stocks with stronger net retail buying subsequently outperform those with greater retail selling by approximately 10 basis points over the following week, with the predictive effect persisting for several weeks and being stronger among smaller and lower-priced firms.

The decomposition analysis shows that around half of the predictive power is associated with persistent retail order flow, while contrarian trading and public news explain relatively little of the remaining effect. The residual component continues to predict future returns, providing suggestive evidence that some retail trades may incorporate firm-specific information not yet reflected in stock prices. Overall, the findings suggest that retail order flow can contribute to price discovery and market efficiency, although the study does not establish that retail investors systematically possess private information. The paper also demonstrates the value of transaction-level data for analysing retail participation and investor behaviour in financial markets.

Introduction

The role of retail investors in financial markets has attracted considerable attention, particularly with the growing availability of transaction-level market data. A key question in the literature is whether retail investors are primarily uninformed traders who make systematic investment mistakes, or whether their trading activity contains useful information about future stock prices. Earlier studies generally associated retail investors with behavioural biases and relatively poor investment performance, while subsequent research provided evidence that retail trading may contain information relevant to future returns. This question is important for understanding investor behaviour, market efficiency and the contribution of retail investors to price discovery.

Against this background, Boehmer, Jones, Zhang and Zhang examine whether marketable retail orders contain information about future stock returns. An important limitation of earlier studies is their reliance on proprietary brokerage datasets, which cover only a portion of overall retail activity. The authors address this limitation by developing a publicly implementable method to identify retail purchases and sales using widely available U.S. equity transaction data. Using this approach, they construct a marketable retail order imbalance (MROIB) measure and investigate its relationship with subsequent stock returns. The study also examines the factors underlying any predictive relationship, including order-flow persistence, contrarian trading and public information.

Literature

The literature on retail investors broadly covers two perspectives. Earlier studies, particularly [Barber and Odean \(2000, 2008\)](#), portray individual investors as relatively uninformed and prone to behavioural biases and systematic investment mistakes. In contrast, later studies, including [Kaniel et. al. \(2008\)](#), [Barber, Odean and Zhu \(2009\)](#), [Kaniel et. al. \(2012\)](#),

⁴ [Boehmer, E., Jones, C. M., Zhang, X., & Zhang, X. \(2021\). Tracking retail investor activity. *The Journal of Finance*, 76\(5\), 2249–2305.](#)

Kelley and Tetlock (2013), Fong et. al. (2014), and Barrot et. al. (2016), show that retail trading can predict future stock returns, suggesting that retail order flow may contain information or reflect systematic trading behaviour.

A key explanation in this literature is the liquidity-provision or contrarian trading hypothesis. Kaniel et. al. (2008) argue that retail investors tend to buy recent losers and sell recent winners, thereby providing liquidity to other market participants. Kelley and Tetlock (2013), however, find that retail trading can exhibit momentum at very short horizons but becomes contrarian at weekly horizons. Building on this literature, Boehmer et al. contribute by identifying marketable retail trades from publicly available transaction data and decomposing retail order imbalance into persistence, contrarian trading, public news and residual components to better understand the source of its predictive power.

Data & methodology

The study uses transaction-level U.S. equity data from the Trade and Quote (TAQ) database for January 2010 to December 2015, combined with stock returns from CRSP and firm-level information from Compustat. The sample covers common stocks listed on NYSE, NYSE MKT and NASDAQ. The authors focus on trades reported through FINRA's Trade Reporting Facility (TRF), where retail orders routed to wholesalers can receive sub-penny price improvements. Retail-initiated trades are identified using the fractional component of transaction prices, allowing the authors to distinguish retail purchases from sales. The resulting measure captures marketable retail orders, rather than all retail trading activity. The classification is validated using proprietary NASDAQ TRF data and is found to accurately identify the direction of retail trades. The authors then construct a marketable retail order imbalance measure based on the difference between retail buying and selling activity relative to total identified retail activity.

The study primarily uses Fama-MacBeth cross-sectional regressions to examine whether previous-week marketable retail order imbalance predicts subsequent stock returns. The regressions control for firm characteristics and other return-related variables, with weekly horizons used to reduce the influence of microstructure noise. The analysis primarily uses bid-ask midpoint returns. The authors also conduct portfolio-sorting exercises by grouping stocks according to their previous retail order imbalance and comparing subsequent returns across portfolios. To identify the sources of return predictability, retail order imbalance is further decomposed into four components: persistence, contrarian trading, public news, and an other residual component. This decomposition allows the authors to assess the extent to which retail order flows reflect trading persistence, liquidity provision and publicly available information.

Results

The results show that marketable retail order flow is persistent over time. Although the magnitude of autocorrelation is relatively modest, positive persistence continues over a prolonged period. Retail investors also exhibit different trading patterns depending on the time horizon. At very short horizons, retail order flow displays some momentum, while at weekly horizons it is predominantly contrarian, with retail investors tending to buy recent losers and sell recent winners.

The central finding is that retail order imbalance significantly predicts future stock returns. Stocks experiencing stronger net retail buying outperform stocks with negative retail order imbalances by approximately 10 basis points over the following week. The predictive relationship remains evident for several subsequent weeks, with the authors finding that the predictive ability can persist for up to eight weeks. The effect is also stronger among smaller and lower-priced firms, suggesting that retail order flow may contain more information in segments where information may be incorporated into prices less rapidly. The decomposition analysis provides further insight into the source of this predictability. Close to half of the predictive power is associated with the persistence of retail order flow. The contrarian component, which is used as a proxy for the liquidity-provision explanation, does not significantly predict future returns. The authors therefore find limited evidence that liquidity provision alone explains the observed relationship. However, they

acknowledge that this conclusion depends on the contrarian component being a sufficiently good proxy for liquidity provision.

The remaining predictive power is largely associated with the residual or “other” component of retail order imbalance. This component continues to significantly predict future stock returns even after accounting for persistence, contrarian trading and identifiable public news. The finding is consistent with the possibility that some retail investors possess or process firm-specific information that has not yet been incorporated into market prices. However, the authors emphasise that this evidence is suggestive rather than conclusive evidence of private information.

At the aggregate market level, the authors do not find strong evidence that retail order imbalance reliably predicts overall market movements. This indicates that the information contained in retail trading appears to be primarily firm-specific rather than market-wide. The evidence therefore points towards retail trading contributing to price discovery at the individual-stock level rather than providing a consistent signal for aggregate market returns.

Implications

The findings have important implications for understanding price discovery and market microstructure. Retail order flow may provide useful information about future stock-price movements and therefore should not necessarily be viewed as purely noise-driven activity. The stronger predictive effect among smaller and lower-priced firms also suggests that the information content of retail activity may be particularly relevant in securities where information diffusion is relatively slower.

From a research perspective, the study demonstrates that transaction-level data can be used to infer investor type and trading direction without requiring direct investor identifiers. This provides a useful framework for high-frequency market microstructure research, particularly for examining the relationship between retail participation, liquidity and price formation. At the same time, the methodology has limitations because it captures only marketable retail orders and cannot fully distinguish informed trading from other sources of the residual component.

Conclusion

The study challenges the view that retail investors should be treated uniformly as uninformed or noise traders. Using a transaction-level methodology based on publicly available U.S. equity data, the authors show that marketable retail order flow contains significant information about subsequent firm-level stock returns. Stocks experiencing stronger net retail buying tend to earn higher subsequent returns, with the effect persisting for several weeks. The decomposition analysis indicates that this predictive relationship cannot be explained entirely by persistent trading patterns or liquidity provision. While persistence accounts for a substantial portion of the effect, the remaining predictive power is associated largely with a residual component that is consistent with retail investors possessing information that has not yet been fully incorporated into prices. Nevertheless, the authors caution that the residual component should not be interpreted as definitive evidence of private information.

3.4 The investment behavior and performance of various investor types: A study of Finland's unique data set⁵

Mark Grinblatt and Matti Keloharju (2000)

Summary

[Grinblatt and Keloharju \(2000\)](#) examine how investment sophistication shapes trading behaviour and performance across different investor groups in Finland. Using comprehensive daily holdings and transaction data covering 16 major Finnish stocks during 1995–1996, the authors classify investors according to their buy–sell behaviour toward past winners and losers. They find a clear sophistication gradient: foreign investors consistently follow momentum strategies, buying past winners and selling losers, while Finnish households are strongly contrarian, buying losers and selling winners. The intensity of contrarian behaviour declines with household portfolio size and rises with investor sophistication. These behavioural differences are also reflected in performance: foreign investors and finance and insurance institutions are significantly better at identifying future winning stocks, whereas households exhibit inferior performance. Importantly, foreign investors retain their performance advantage after adjusting for momentum, suggesting that their superior performance reflects broader investment ability rather than simply exposure to momentum returns.

Introduction

The study emerges from the growing behavioural-finance literature attempting to explain return patterns that are difficult to reconcile with a simple random-walk view of stock prices. Research on momentum, long-horizon reversals, investor overreaction and underreaction had begun to suggest that investors do not respond uniformly to information. However, much of the existing evidence examined investor categories separately, using different datasets, time frequencies and return horizons. This made it difficult to determine whether observed behavioural differences represented general patterns across investor types.

[Grinblatt and Keloharju \(2000\)](#) address this limitation by asking a simple but important question: who buys winners and who buys losers? The distinction is economically meaningful because buying past winners and selling past losers represents momentum trading, whereas buying losers and selling winners represents contrarian behaviour. Previous studies had already found momentum among mutual-fund managers and foreign investors, while U.S. individual investors had been shown to exhibit behaviour consistent with holding losers and selling winners. [Brennan and Cao \(1997\)](#), [Froot et al. \(2000\)](#) and [Choe et al. \(1999\)](#), for example, had linked foreign-investor behaviour to momentum. The authors' contribution is to place these investor groups within a single framework and compare them directly.

The central hypothesis is that investor sophistication is systematically related to investment behaviour and performance. Foreign investors are viewed as the most sophisticated group because they are largely professionally managed funds, hedge funds and investment banks with extensive experience in international markets. Finnish households, by contrast, are treated as the least sophisticated. Domestic institutional investors occupy positions between these two extremes. The authors therefore expect the most sophisticated investors to be the strongest momentum investors and the least sophisticated investors to be the strongest contrarians.

⁵ [Grinblatt, M., & Keloharju, M. \(2000\). The investment behavior and performance of various investor types: A study of Finland's unique data set. *Journal of Financial Economics*, 55\(1\), 43–67.](#)

Literature

First, the paper draws on evidence concerning momentum and investor trading behaviour. [Grinblatt et al. \(1995\)](#) show that mutual fund managers tend to pursue momentum strategies, while [Badrinath and Wahal \(1999\)](#) find weaker evidence among institutional investors more generally. [Odean \(1998\)](#) provides evidence from U.S. individual investors showing reluctance to realise losses, which is consistent with contrarian trading.

Second, the authors connect investor behaviour to the broader literature on international investment and foreign investor flows. [Brennan and Cao \(1997\)](#) develop a framework in which foreign investors, because of their information disadvantages, may follow momentum strategies. [Froot et al. \(2000\)](#) and [Choe et al. \(1999\)](#) similarly document momentum behaviour among foreign investors. [Grinblatt and Keloharju \(2000\)](#) therefore test whether the foreign-investor momentum pattern survives when foreign investors are considered simultaneously with domestic households and institutions.

Third, the paper contributes to the literature on behavioural explanations of momentum. [Jegadeesh and Titman \(1993\)](#) document momentum in U.S. equities, while [Rouwenhorst \(1998\)](#) extends the phenomenon to international markets. The key unresolved question is whether momentum profits arise from risk or behavioural forces. [Grinblatt and Keloharju \(2000\)](#) argue that identifying which investors systematically buy winners and which investors buy losers can provide evidence on this question. If sophisticated investors systematically buy winners while less sophisticated investors sell them, the pattern is consistent with sophisticated investors exploiting the mistakes of less sophisticated investors.

Contribution

The study advances the literature in four principal ways:

1. **A unified comparison of investor categories:** Rather than analysing households, institutions and foreign investors separately, the study uses a common dataset and common methodology to compare them directly.
2. **Investor sophistication as an organising principle:** The authors identify a clear gradient in behaviour. Foreign investors are the strongest momentum traders, Finnish institutional investors occupy an intermediate position, and households display the strongest contrarian behaviour.
3. **Linking trading behaviour to performance:** The authors also ask whether investors who exhibit different trading styles are better at identifying stocks that subsequently outperform.
4. **Separating momentum behaviour from performance:** The study explicitly adjusts performance for momentum so that the apparent superiority of sophisticated investors is not simply mechanical exposure to a return pattern that happens to work during the sample.

Data & methodology

The study uses data from the Finnish Central Securities Depository (FCSD). The database covers 97% of the market capitalisation of Finnish stocks, equivalent to roughly FIM 200 billion at the beginning of 1995. It contains daily holdings and transactions for both retail and institutional investors and, unlike survey-based or fund-level datasets, records virtually the entire population of investors in the market.

The transaction sample runs from December 27, 1994, to December 30, 1996, with the principal analysis covering 1995–1996. For computational tractability, the authors restrict attention to the 16 largest Finnish stocks, which account for 52% of Finnish stock-market capitalisation. Foreign investors cannot be divided into institutions and individuals because many are registered through nominee accounts, but the authors note that foreign holdings can still be identified as an aggregate category.

Investors are divided into nine categories: households, three household portfolio-size groups, nonprofit institutions, government, finance and insurance institutions, nonfinancial corporations, and foreign investors. Households are further divided into small, medium and large portfolios using their market value on January 1, 1995.

The central behavioural measure is the buy ratio, defined for each investor category, stock and day as purchases ÷ (purchases + sales). Investment style is then measured by comparing the buy ratio of the four stocks in the winner quartile with the buy ratio of the four stocks in the loser quartile. A positive difference means investors buy past winners more heavily than past losers and are therefore classified as momentum investors; a negative difference indicates contrarian behaviour.

The authors examine five return horizons: the previous day; approximately the previous week; the previous month; the previous half-year excluding the most recent month; and the full previous six months. Returns more than six months old have little additional influence on trading behaviour.

As daily observations can exhibit serial dependence, the authors use a binomial sign test adjusted for first-order autoregression [AR(1)]. This allows them to test whether an investor category's buy-ratio difference is positive on significantly more or fewer than half of trading days. The adjustment has limited impact on the results: unadjusted z-values are at least 65% of the AR(1)-adjusted values and generally at least 85%.

Results

1. **Foreign investors are consistently momentum investors:** Foreign investors have positive buy-ratio differences for 59.3% of days using previous-day returns, 60.8% for the prior week, 57.2% for the prior month, 57.6% for the preceding six-month period excluding the last month, and 64.7% for the full six-month horizon. All are statistically significant. They are the only investor category consistently above 50% across all horizons, making them the clearest momentum investors in the sample.
2. **Households display strong contrarian behaviour:** The opposite pattern is observed among households. For the full six-month horizon, the household buy-ratio difference is positive on only 15.9% of trading days, with an AR(1)-adjusted z-value below -10. Thus, on approximately 84% of trading days, households buy past losers and sell past winners. The pattern is present across all return horizons.
3. **Sophistication produces a behavioural gradient:** Household contrarianism decreases as portfolio size rises. For the six-month horizon, the smallest households exhibit positive buy-ratio differences on only 17.5% of days, compared with 23.5% for medium households and 34.2% for large households. Domestic institutional investors are progressively less contrarian, with finance and insurance institutions and nonfinancial corporations showing relatively weak contrarian tendencies.
4. **The result is not driven by favourite stocks:** A possible concern is that foreign investors may simply buy a stock such as Nokia repeatedly, and that Nokia happens to be a winner. The authors therefore construct mean-adjusted buy ratios, removing each investor category's normal tendency to buy a particular stock. The results remain virtually unchanged: foreign investors remain momentum investors and households remain contrarian. Foreign investors have higher buy ratios following winning periods for 10 of the 16 stocks, whereas households do so for only 3 of 16 stocks.
5. **Behaviour is consistent across time and measurement:** The patterns survive alternative measures using the number rather than volume of trades, alternative correlation-based measures, and separate analyses of 1995 and 1996. This makes it unlikely that the findings are generated by a particular measurement choice or by one unusual subperiod.
6. **Trading behaviour is related to future performance:** The authors next ask whether investors who buy past winners are better at identifying future winners. Performance is measured by comparing an investor category's

buy ratio for the four stocks that subsequently rank in the top quartile of six-month returns with its buy ratio for the four stocks in the bottom quartile. Importantly, this is a measure of stock-selection ability, not simply realised portfolio returns.

7. **Foreign investors outperform households:** Foreign investors have a positive performance measure on 55.6% of trading days, statistically significant at the 5% level. Finance and insurance institutions are next, with positive performance on 55.2% of days. By contrast, all-household performance is positive on only 44.8% of days and is significantly negative. The same pattern holds across household portfolio sizes.
8. **The foreign-investor advantage survives momentum adjustment:** The authors remove the portion of future returns associated with a stock's past six-month momentum ranking. Foreign investors' positive performance strengthens, rising from 55.6% to 56.8% of days, with the p-value falling from 0.022 to 0.005. Households move in the opposite direction, from 44.8% to 39.8%, with the adjusted result highly significant. This shows that the superior performance of foreign investors cannot simply be explained by their tendency to follow momentum.
9. **Momentum itself did not work during 1995–1996:** An important qualification is that the period was unusual. Historical Finnish data from 1971–1994 show that a six-month ranking/six-month holding momentum strategy generated an average weekly return of 0.0016, equivalent to roughly 8% annually, with a p-value of 0.9%. Yet momentum was unprofitable during 1995–1996 because the negative performance in 1996 was at least as large as the positive performance in 1995. Thus, sophisticated investors' superior performance during the sample cannot simply be attributed to momentum being profitable during those two years.
10. **Sophisticated investors appear more adaptive:** The timing of behaviour reinforces the sophistication interpretation. When momentum became unprofitable in 1996, foreign investors became less momentum-oriented and domestic for-profit institutions became relatively more contrarian. Less sophisticated investor groups generally did not make comparable adjustments.

Implications

The study's broader implication is that investor heterogeneity is central to understanding asset-market behaviour. The evidence suggests that momentum and contrarian trading are not randomly distributed across investors: they are systematically associated with differences in sophistication, wealth and institutional resources. The authors therefore present a possible behavioural mechanism in which sophisticated investors systematically exploit trading patterns generated by less sophisticated investors.

The study also highlights the importance of analysing the entire market rather than isolated investor groups. Since every purchase necessarily corresponds to a sale, momentum buying by one investor category mechanically implies contrarian selling by another. The comprehensive Finnish dataset allows the authors to go beyond this accounting identity and show that the allocation of these opposing trades is systematically related to investor sophistication.

Finally, the study points toward a broader behavioural-finance question: whether the tendency of less sophisticated investors to buy losers and sell winners also extends to their responses to other forms of information, such as earnings announcements. The authors suggest that further investigation of this possibility could contribute to behavioural models of investor decision-making.

Conclusion

Grinblatt and Keloharju (2000) show that investor behaviour is strongly differentiated by sophistication. Foreign investors consistently buy past winners and sell past losers, whereas Finnish households overwhelmingly do the opposite, with domestic institutions occupying an intermediate position. The gradient is visible across return horizons

and remains after controlling for investor-specific trading preferences. More importantly, the behavioural differences are accompanied by performance differences: foreign investors are significantly better at identifying future winning stocks than households, and their advantage persists after controlling for momentum. The study therefore shifts the analysis of momentum from simply asking whether investors trade on past returns to asking which investors exploit these patterns and which investors generate the trading opportunities that others exploit. In doing so, it provides direct evidence linking investor sophistication, trading behaviour and market performance.

3.5 The trading behavior of institutions and individuals in Chinese equity markets⁶

Lilian Ng and Fei Wu (2007)

Summary

[Ng and Wu \(2007\)](#) examines how Chinese institutions and individual investors respond to past stock returns. Institutions generally follow momentum strategies, buying after gains and selling after losses. Most individuals display contrarian behaviour: they reduce purchases after gains and reduce sales after losses. Individuals with the largest average trades combine momentum buying with contrarian selling over some return horizons. Authors also relate trading to subsequent volatility and returns. Net buying by the largest individual investor group and net selling by institutions are associated with lower volatility in the full sample. Return predictability is limited, with a positive, significant result for the largest group's net buying.

Introduction

The composition of investors is an important feature of an equity market because different participants can respond differently to the same price movement. A rise in the stock price may attract investors who expect recent performance to continue, while others may reduce their purchases after the rise. Similarly, a fall may prompt some investors to sell and lead others to retain their holdings. The Chinese market provides a useful setting to study these responses because individual investors accounted for a large share of its investor base during the period examined. The paper reports that domestic investor accounts across the Shanghai and Shenzhen exchanges increased from 2.2 million in 1992 to 68.8 million in 2002, of which 99.5% were individual accounts. The corresponding combined market capitalisation rose from RMB 104 billion to RMB 3.83 trillion. Against this background, authors examine how institutions and different groups of individuals react to past stock performance. They also consider whether these trading patterns are associated with subsequent changes in volatility and returns. The analysis covers a period when margin trading and short selling were prohibited in the Chinese equity market. These conditions are relevant to the author's use of average trade value as a proxy for investor wealth and to the interpretation of the observed trading decisions.

Literature

Earlier studies report different findings on institutional trading. [Grinblatt et al. \(1995\)](#) find evidence of momentum strategies among US mutual funds, while [Lakonishok et al. \(1992\)](#) and [Gompers and Metrick \(2001\)](#) reach different conclusions on institutional momentum. Research by [Odean \(1998\)](#), [Odean \(1999\)](#) and [Barber and Odean \(2000\)](#) documents contrarian tendencies among individuals. These findings motivate the paper's comparison across investor groups. The literature also examines how trading relates to price stability. [Friedman \(1953\)](#) links buying at low prices and selling at high prices to stabilising speculation. [Cutler et al. \(1990\)](#) and [De Long et al. \(1990\)](#) explain how feedback trading and noise traders can contribute to excess volatility. [Shefrin and Statman \(1985\)](#) describe the disposition effect, under which investors sell winners too readily and hold losers too long. This provides one interpretation of individuals' reluctance to sell after losses.

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[Ng, L. and Wu, F. \(2007\). The trading behavior of institutions and individuals in Chinese equity markets. Journal of Banking & Finance, 31\(9\), 2695-2710.](#)

Contribution

The paper contributes to the literature by providing a detailed examination of individual investor behaviour in an emerging equity market, where individual investors account for a substantial share of trading activity. By using account-level identifiers, the study distinguishes between institutional and individual investors and further differentiates individual investors based on account size. This enables the authors to examine heterogeneity in trading behaviour and its relationship with subsequent market outcomes.

- **Investor heterogeneity:** The paper distinguishes individual investors into different groups based on account size, providing a more granular assessment of trading behaviour than studies that treat individual investors as a homogeneous group.
- **Economic importance of large individual investors:** The largest individual investor group comprises only 6.75% of active accounts but accounts for 43.13% of total trade value, highlighting the economic significance of large individual investors despite their relatively small representation in the investor base.
- **Separate analysis of purchases and sales:** By examining buying and selling activity separately, the study identifies differences in how the same investor group responds to past stock returns across the two sides of trading.
- **Differences across stocks:** The paper extends the analysis across small and large stocks and examines the relationship between monthly trading imbalances, subsequent volatility and returns, providing evidence on how investor behaviour varies across segments of the equity market.
- **More granular measure of individual trading:** The combination of investor size, trading direction and stock characteristics provides a more detailed assessment of individual investor behaviour than aggregate measures of retail trading activity.

Data & methodology

The original dataset covers 77.12 million Shanghai A-share trades through 7.24 million accounts, representing approximately 32% of the exchange's A-share turnover during April 2001 to August 2002. Authors retain accounts with at least one purchase and one sale, leaving 4,723,658 individual accounts and 11,586 institutional accounts. Individuals are grouped by average trade value: below RMB 10,000; RMB 10,000 to below RMB 50,000; and RMB 50,000 or more. This serves as a wealth proxy, reflecting available cash and borrowing capacity; household wealth itself is unobserved.

Returns come from data stream and company news from Fen Xi Jia. Stock returns are adjusted for the Shanghai Composite Index over four preceding trading-day windows: day 1, days 2–5, days 6–27 and days 28–119. Net buying equals purchase value less sale value, divided by their combined value. Net selling reverses the numerator. Subtracting each group's daily average imbalance across traded stocks gives excess buying and selling. Fixed effects regressions relate these measures to past returns, controlling for company news, weekdays, listing dates and monthly price highs and lows.

Further regressions relate monthly trading imbalances to the following month's volatility and returns, with controls for market conditions and the stock's previous volatility or return. Authors compare the bottom and top 30% of stocks ranked by market capitalisation as of 2000. Alternative model specifications and controls for the previous week's trading activity support the main trading patterns. The results describe conditional associations within the sample.

Implications

Institutions show momentum behaviour over short horizons, especially in small stocks. Their large-stock results are stronger for selling after poor performance. The middle and smallest individual groups broadly reduce purchases after gains and sales after losses. Their reduced selling of losing stocks is consistent with the disposition effect. The largest individual group buys recent winners, while its selling response varies with the return horizon. These differences support examining purchases and sales separately.

The volatility findings also vary by stock size and trade direction. The largest individual group's net buying is associated with lower subsequent volatility in both small and large stocks. Institutional net buying of small stocks is associated with higher volatility; evidence of lower volatility after institutional selling of large stocks is weaker. Smaller individual traders generally show limited volatility relationships, with a significant exception for the smallest group's net selling of small stocks, which is associated with lower volatility.

For future returns, the main significant result is a positive association with the largest individual group's net buying in the full sample. Its separate small-stock and large-stock estimates are insignificant at the 5% level. Authors discuss investor inexperience and speculative pricing as possible explanations for generally limited predictability. The results therefore give greater support to differences in trading behaviour and volatility than to broad claims about investors' forecasting ability.

Conclusion

Authors show that institutions and individual investors respond differently to past stock returns. Institutions generally follow momentum strategies, while the middle and smallest individual groups display contrarian behaviour. Individuals with the largest average trades combine momentum buying with contrarian selling over some return horizons. Their sizeable share of sample trade value highlights the importance of examining differences within the individual investor population. Net buying by the largest individual group and net selling by institutions are associated with lower subsequent volatility in the full sample. Institutional purchases of small stocks are associated with higher volatility, showing that these relationships vary by trade direction and stock size. Return predictability is generally limited, with a significant positive result for the largest individual group's net buying in the full sample. These findings show how investor composition and trading decisions relate to price movements in Shanghai A shares during Apr'01 to Aug'02.

3.6 Individual investor trading and stock returns⁷

Ron Kaniel, Gideon Saar, and Sheridan Titman (2008)

Summary

Kaniel et al. (2008) examine the short-horizon relationship between individual investor trading and stock returns using a unique dataset covering executed individual investor orders on the NYSE. The analysis finds that individuals tend to behave as contrarian traders, buying stocks following declines in prices and selling following price increases. More importantly, the authors show that intense net individual buying is followed by positive excess returns, while intense net individual selling is followed by negative excess returns over the subsequent weeks. The predictive relationship remains after controlling for past returns and trading volume, suggesting that individual trading contains information about future returns that is not captured by these established predictors. The authors argue that the observed pattern is most consistent with individuals acting as liquidity providers to institutional investors demanding immediacy. The compensation for absorbing institutional order imbalances appears to be larger in less liquid stocks, where accommodating large trades requires greater price concessions. The study therefore provides evidence that individual investor trading, despite often being associated with noise trading and behavioural biases, can play an important role in the short-term price adjustment process.

Introduction

Financial economists have traditionally viewed individual and institutional investors differently. Institutions are often regarded as informed investors, while individuals are frequently associated with psychological biases and noise trading (Kyle, 1985; Black, 1986). An important question in this literature is therefore whether the trading behaviour of individual investors has implications for stock prices and whether the interaction between individual and institutional investors contributes to predictable return patterns.

Kaniel et al. (2008) investigate this question by examining the dynamic relationship between individual investor buying and selling and stock returns over short horizons. A key advantage of the study is its use of detailed NYSE order-level data, which directly identifies individual investor orders rather than inferring individual trading from trade size or other proxies. The authors construct a measure of net individual trading and examine whether unusually large buying or selling imbalances are associated with returns before and after the trading activity.

The study finds two related patterns. First, individuals tend to buy following periods of declining prices and sell following periods of rising prices, consistent with short-term contrarian behaviour. Second, stocks experiencing intense individual buying subsequently earn positive excess returns, while stocks experiencing intense individual selling earn negative excess returns. The authors investigate whether these patterns simply reflect existing return reversals, trading volume or changes in risk, and find that net individual trading retains significant predictive power after accounting for these factors.

Literature

The paper builds on several strands of literature examining individual investor behaviour, short horizon returns predictability and market liquidity. A large body of international evidence documents a contrarian tendency among individual investors. Choe et al. (1999) find that Korean individual investors tend to buy after prices decline and sell after prices increase, while Grinblatt and Keloharju (2000, 2001) document similar behaviour among Finnish investors.

⁷ Kaniel, R., Saar, G., & Titman, S. (2008). Individual Investor Trading and Stock Returns. *The Journal of Finance*, 63(1), 273–310.

Jackson (2003) reports short-horizon contrarian trading among Australian individual investors, and Griffin et al. (2003) find similar patterns among traders submitting orders through retail brokers in the Nasdaq market.

The evidence is less consistent regarding the subsequent performance of stocks traded by individuals. At longer horizons, Odean (1999) and Barber and Odean (2000) document poor performance associated with individual investor purchases and overall individual portfolios. Grinblatt and Keloharju (2000) report similar evidence for Finland, while Barber et al. (2005) and Hvidkjaer (2005), using small-trade volume as a proxy for individual trading, find that stocks with heavy individual buying subsequently underperform those with heavy selling. In contrast, evidence from Australia in Jackson (2003) indicates that individual investor flows can positively predict short horizon returns. The difference in results across horizons and markets motivates the focus of Kaniel et al. on short-term dynamics.

The study also relates to the literature on short horizon return reversals and trading volume. Jegadeesh (1990) and Lehmann (1990) document predictable short-term return reversals, while Gervais et al. (2001) show that high trading volume is associated with subsequent returns. Kaniel et al. therefore examine whether the predictive content of individual trading merely reflects these existing relationships. Their analysis shows that net individual trading contains information that is distinct from both past returns and trading volume.

Contribution

The paper makes four principal contributions to the literature on individual investor trading and stock returns.

1. **It directly measures individual investor trading:** Unlike studies that infer retail activity from trade size or brokerage characteristics, the authors use NYSE order data in which individual investor orders are explicitly identified.
2. **It establishes a short-horizon predictive relationship between individual trading and returns:** The study documents positive subsequent excess returns following intense individual buying and negative returns following intense individual selling, providing evidence that individual trading contains information about future short-horizon returns.
3. **It distinguishes individual trading from existing return predictors:** The relationship between net individual trading and future returns remains after controlling for past returns and trading volume. The authors also find that the predictive power of individual trading survives corrections for bid-ask bounce and nonsynchronous trading.
4. **It provides evidence linking individual trading to liquidity provision:** The larger return effects observed in less liquid stocks are consistent with the interpretation that individuals absorb institutional order imbalances and receive compensation for providing liquidity.

Together, these contributions shift the interpretation of individual investor trading from being solely associated with noise and behavioural biases towards a role in the short-term liquidity and price-adjustment process.

Data & methodology

The analysis uses four years of daily buy and sell volume of executed individual investor orders for common domestic stocks traded on the NYSE between January 2000 and December 2003. The dataset is constructed from the NYSE's Consolidated Equity Audit Trail Data (CAUD), which contains detailed information on executed orders, including an Account Type field identifying individual investor orders. The sample consists of 2,034 stocks and represents approximately \$1.55 trillion of individual trading over the four-year period. Stock information is matched with the CRSP database using ticker symbols and CUSIPs.

The authors construct a Net Individual Trading (NIT) measure by subtracting the dollar value of shares sold by individuals from the dollar value bought and standardising the difference by the stock's average daily dollar trading volume during the preceding year. The measure is aggregated to a weekly frequency for the main short horizon return analysis. To identify periods of unusually intense individual trading, stocks are compared with their own NIT over the preceding nine weeks and placed into deciles. The lowest decile represents intense individual selling, while the highest decile represents intense individual buying.

The authors then examine market-adjusted returns before and after these periods of intense individual trading. The analysis also employs portfolio sorts and [Fama-MacBeth \(1973\)](#) regressions to determine whether the relationship survives after controlling for past returns and turnover. Additional tests examine alternative definitions of NIT and return, different samples, bid-ask bounce, nonsynchronous trading and changes in volatility. The authors further investigate whether the relationship is stronger in less liquid stocks, using the effective spread as a measure of liquidity.

Results

1. **Individual investors trade against recent price movements:** Stocks experiencing intense individual selling had earned a market-adjusted return of 3.15% over the preceding 20 days, while stocks experiencing intense buying had declined by 2.47%. This indicates that individuals tend to buy following price declines and sell following price increases.
2. **Intense individual buying is followed by positive excess returns:** Stocks in the intense-buying portfolio earned a market-adjusted return of 0.32% in the following week and 0.80% over the subsequent 20 days, while stocks experiencing intense selling recorded a negative excess return of around 0.33% over the following 20 days. The subsequent price movement therefore represents a reversal of the price movement preceding the individual trading imbalance.
3. **The predictive power of individual trading is distinct from past returns:** The relationship between NIT and subsequent returns persists after controlling for past returns. The results indicate that the predictive content of individual trading cannot be explained solely by the short horizon return reversals documented in earlier literature.
4. **Individual trading contains information beyond trading volume:** Both NIT and turnover continue to predict subsequent returns when the analysis controls for the other variable, indicating that the direction of individual trading provides information that is distinct from the overall intensity of trading activity.
5. **The relationship is stronger in less liquid stocks:** The subsequent return effect is larger among less liquid stocks, consistent with the interpretation that individual investors receive greater compensation for providing liquidity when institutional demand for immediacy has a larger price impact.

Implications

[Kaniel et al. \(2008\)](#) helped establish the liquidity-provision explanation for the positive relationship between individual investor trading and subsequent short-horizon returns. Subsequent studies have used this framework to distinguish whether individual trading reflects price pressure from uninformed investors or liquidity provision to institutional demand. [Dorn et al. \(2008\)](#) provide related evidence that retail trading can generate return predictability through both market-order price pressure and limit-order liquidity provision, while [Kelley and Tetlock \(2013\)](#) find that individual investors can supply liquidity to other market participants. The Australian evidence of [Fong et al. \(2014\)](#) also supports the liquidity-provision interpretation and finds that the relationship between individual trading and future returns is particularly associated with trades in which individuals provide liquidity.

The interpretation of [Kaniel et al. \(2008\)](#) has also been extended by subsequent research examining whether liquidity provision is the only explanation for the return predictability of individual trading. [Kaniel et al. \(2012\)](#) find that individual trading also contains information around earnings announcements, suggesting that individual investors may sometimes trade on private information in addition to providing liquidity. More recent evidence continues to use the Kaniel et al. framework to examine individual liquidity provision under different market conditions, including the role of liquidity constraints, algorithmic trading and market stress.

Conclusion

[Kaniel et al. \(2008\)](#) provide evidence of a distinct short-horizon relationship between individual investor trading and stock returns. Individuals tend to trade contrarian to recent price movements, buying following declines and selling following increases. More importantly, stocks experiencing intense individual buying subsequently earn positive excess returns, while stocks experiencing intense selling subsequently earn negative excess returns. The predictive relationship remains after controlling for past returns and trading volume and is not explained by changes in stock volatility. The stronger return effects observed in less liquid stocks are consistent with the authors' interpretation that individual investors provide liquidity to institutions requiring immediacy and receive compensation for absorbing temporary price pressure. The findings therefore add a market-microstructure dimension to the literature on individual investor behaviour, showing that retail trading can influence short-term price dynamics even when individuals are not necessarily acting on superior information.

3.7 All that glitters: The effect of attention and news on the buying behavior of individual and institutional investors⁸

Brad M. Barber and Terrance Odean (2008)

Summary

Barber and Odean (2008) examine whether investor attention influences the stock buying decisions of individual and institutional investors. The paper argues that investors face a substantial search problem when deciding what to buy because thousands of stocks are available, whereas selling is generally restricted to the relatively small set of stocks already held in an investor's portfolio. The authors therefore hypothesize that individual investors are more likely to buy stocks that first attract their attention. Using abnormal trading volume, extreme one day returns, and news coverage as proxies for attention, the study finds strong evidence that individual investors are net buyers of attention-grabbing stocks. In contrast, institutional investors do not exhibit the same systematic pattern. The findings suggest that attention affects the set of stocks considered by individual investors and can lead to sub-optimal investment decisions rather than superior returns.

Introduction

Selecting a stock to buy involves choosing from thousands of possible alternatives, making it difficult for individual investors to evaluate every available security. Barber and Odean propose that investors address this search problem by focusing on stocks that have recently captured their attention. Attention may be generated by unusual price movements, exceptionally high trading activity, or news coverage. Importantly, the authors distinguish between buying and selling decisions. While buying requires searching across a very large universe of stocks, investors generally sell only securities they already own. Consequently, attention is expected to have a stronger influence on buying than selling. The paper also investigates whether this behaviour differs between individual and professional investors. Institutional investors generally have more time and resources, allowing them to monitor a wider range of stocks and use explicit investment criteria or screening processes. Hence, they are expected to be less dependent on attention as a mechanism for narrowing their investment choices.

Literature

Barber and Odean (2008) build on several strands of behavioural finance and market microstructure research. First, they draw on the literature documenting systematic deviations in individual investor behaviour. Shefrin and Statman (1985) and Odean (1998a) established the disposition effect, whereby investors are more likely to sell winning stocks while holding losing stocks. Odean (1999) and Barber and Odean (2000, 2001, 2002) further showed that individual investors trade excessively and, on average, reduce their investment performance through active trading.

Second, the study builds on research linking investor attention to information releases, trading volume and price movements. Karpoff (1987) and Bamber et al. (1997) document the strong relationship between news, price changes and trading volume, while Busse and Green (2002) show how media exposure can generate immediate increases in trading activity. Lee (1992) and Hirshleifer et al. (2003) find that individual investors are net buyers around earnings announcements, suggesting that news may affect not only the amount of trading but also who is buying and selling.

⁸ Barber, B. M., & Odean, T. (2008). All that glitters: The effect of attention and news on the buying behavior of individual and institutional investors. *The Review of Financial Studies*, 21(2), 785–818.

Third, the study directly extends theories of limited attention and investor search. Merton (1987) argued that investors economise on the costs of gathering information by following only a subset of available stocks, while Grullon et al. (2004) showed that advertising can increase investor familiarity and broaden ownership. Gervais et al. (2001) similarly found that stocks experiencing unusually high trading volume subsequently earn higher returns, consistent with increased visibility expanding the set of potential buyers. [Barber and Odean's \(2008\)](#) contribution is to move from visibility and ownership to the actual buy-sell decision, asking whether attention directly changes the composition of individual investors' trades.

Finally, the authors connect their argument to short-sale constraints and asymmetric information. Miller (1977) and Mayshar (1983) suggest that when investors disagree, short-selling constraints can make prices particularly sensitive to the arrival of new buyers. Barber and Odean (2008) acknowledge this mechanism but argue that it cannot fully explain their findings because attention affects purchases even when investors already own the stock and therefore can sell without shorting.

Contribution

The study advances the literature through four principal contributions:

1. **Attention as a determinant of the choice set:** [Barber and Odean \(2008\)](#) shift the focus from how investors choose among stocks to the prior question of which stocks they consider buying at all. They show that attention-grabbing characteristics can determine entry into the investor's consideration set.
2. **A buying-selling asymmetry among retail investors:** The study demonstrates that attention matters more for buying than selling because individual investors search across thousands of stocks when buying but typically choose from a small portfolio when selling. This provides a behavioural explanation for why purchase decisions are not simply the mirror image of sales.
3. **A systematic comparison of retail and institutional behaviour:** Using three individual-investor datasets and a professional money-manager dataset, the authors show that the attention effect is strong among individuals but substantially weaker among professional investors, consistent with differences in information-processing capacity and search resources.
4. **Linking attention to market outcomes:** Although the study's primary objective is behavioural rather than asset-pricing, the authors' auxiliary evidence suggests that attention-driven buying can temporarily affect stock prices and does not generate superior returns for the investors engaging in it.

Data and methodology

The study combines investor level trading data from four sources: a large discount brokerage, a small discount brokerage, a large full service retail brokerage, and the Plexus Group, which tracks institutional money managers. The large discount brokerage dataset covers 78,000 households from January 1991 to December 1996, while the small discount brokerage contains 14,667 individual investor accounts from January 1996 to June 1999. The large retail brokerage covers 665,533 individual investors over the 30 months ending June 1999. The institutional dataset contains daily trading records for 43 money managers from January 1993 to March 1996, classified into momentum, value, and diversified strategies. The analysis focuses on common stock purchases and sales.

The study uses three measures of investor attention: abnormal trading volume, extreme one day returns, and news coverage. Abnormal trading volume is measured as the ratio of a stock's dollar trading volume on day t to its average dollar trading volume over the previous 252 trading days:

$$AV_{it} = \frac{V_{it}}{\bar{V}_{it}}$$

where V_{it} is the dollar volume of stock i on day t , and

$$\bar{V}_{it} = \frac{\sum_{d=t-252}^{t-1} V_{id}}{252}.$$

is its average volume over the preceding 252 trading days. Stocks are sorted each day into ten deciles based on abnormal volume, with the highest volume decile further divided into two vingtiles.

To measure investor trading behaviour, the authors calculate the buy-sell imbalance (BSI) for each stock partition and investor group as:

$$BSI_{pt} = \frac{\sum_{i=1}^{n_{pt}} NB_{it} - \sum_{i=1}^{n_{pt}} NS_{it}}{\sum_{i=1}^{n_{pt}} NB_{it} + \sum_{i=1}^{n_{pt}} NS_{it}}$$

where NB_{it} and NS_{it} represent the number of purchases and sales of stock i on day t . A positive BSI indicates net buying, while a negative BSI indicates net selling. The authors calculate the time series mean of daily BSI and conduct value weighted versions using the dollar value of purchases and sales.

For the return sorts, stocks are ranked each day according to their one day return on the previous trading day and divided into ten deciles, with the lowest and highest return deciles further divided into vingtiles. BSI is then calculated for the following trading day. This lag is used because investors may respond to extreme returns only after the market closes and because using subsequent day trading reduces potential endogeneity between returns and investor trading.

For the news sort, stocks are divided into those that received news coverage and those that did not, using the Dow Jones News Service daily feed from 1994–1999. The authors then compare the BSI between the news and no news groups. As robustness checks, they also employ alternative measures of abnormal volume and standardized returns, but these produce qualitatively similar results.

Results

1. **Attention strongly increases retail buying:** At the large discount brokerage, the buy-sell imbalance rises almost monotonically with trading volume: from -18.15% for stocks in the lowest volume decile to +29.5% for stocks in the highest-volume vingtile when measured by number of trades. Using trade values produces a similar pattern, with the imbalance moving from -16.28% to +17.67%. The large retail and small discount brokerages exhibit qualitatively similar behaviour.
2. **Both winners and losers attract buyers:** Extreme price movements matter in both directions. The buy-sell imbalance following previous-day returns is distinctly U-shaped, indicating that individual investors are net buyers following both very large gains and very large losses. At the large discount brokerage, the value-weighted imbalance reaches 29.1% for the worst-return vingtile, falls to -8.6% in the eighth return decile, and rises again to 11.1% for the best-return vingtile. The result is important because it suggests that both extremely positive and extremely negative events can attract buyers because both capture attention.

3. **News also shifts investors toward buying:** Stocks appearing in the news attract more purchases than stocks without news coverage. At the large discount brokerage, the number-based buy-sell imbalance is 2.70% for stocks outside the news and 9.35% for stocks in the news. At the large retail brokerage, the corresponding figures are -1.84% and 16.17%. The effect remains when stocks are separated by whether their returns were positive, negative or zero, supporting the idea that news itself provides an independent source of attention.
4. **Abnormal volume is the strongest attention signal:** When volume, returns and news are analysed jointly, the results remain consistent. Buy-sell imbalances rise with abnormal volume across return categories, while news generally increases buying within volume-return partitions. The authors conclude that abnormal volume is their strongest empirical proxy for attention, returns are second, and the simple news indicator is the least informative, partly because news coverage does not capture the intensity or salience of individual stories.
5. **The effect is not confined to small stocks:** A potential concern is that individual investors' attention-driven behaviour might matter only for obscure, small-capitalisation stocks. The evidence rejects this interpretation. Individual investors are more likely to buy attention-grabbing stocks across small, medium and large firms, and the effect is roughly as strong for large-capitalisation stocks as for small stocks. Thus, attention appears to be a general feature of retail investor behaviour rather than simply a small-stock phenomenon.
6. **Professional investors behave differently:** Institutional money managers do not display the same systematic attention-driven buying. In the volume analysis, institutional investors actually show greater buy-sell imbalances on low-volume rather than high-volume days, particularly value managers. Their responses to extreme returns also reflect their stated investment strategies: momentum managers buy winners and sell losers, while value managers tend to do the opposite. Unlike individuals, no institutional strategy consistently generates net buying following both extreme positive and negative attention events.
7. **The result survives the short-selling explanation:** The authors explicitly test whether individual investors are net buyers simply because attention-grabbing events increase disagreement while bearish investors cannot easily short the stock. Attention-driven buying remains evident even among stocks already held by investors, where selling does not require short-selling. In addition, the patterns are similar for stocks with and without exchange-traded options, where short-sale constraints differ. The authors therefore conclude that short-sale constraints and heterogeneous beliefs may contribute to the result but cannot fully explain it.
8. **Attention-driven buying does not improve investor performance:** Finally, the behavioural pattern does not appear to be profitable for the investors exhibiting it. Consistent with the authors' earlier work, the stocks bought following attention-grabbing events do not generate superior returns. Their theoretical and auxiliary analyses instead suggest that attention-driven demand can temporarily push up prices, potentially leaving retail investors with disappointing subsequent performance.

Implications

Barber and Odean (2008) helped establish limited attention as a central explanation of retail investor behaviour, generating subsequent research on how attention is measured and how it affects trading and prices. Da et al. (2011) extended the paper's approach by developing a more direct measure of investor attention using Google search volume, allowing researchers to quantify attention independently of trading activity. Other studies, including Corwin and Coughenour (2008) and Aboody et al. (2010), extended the limited-attention framework to securities trading and earnings-announcement reactions. The literature also expanded toward the media channel, with studies such as Engelberg et al. (2012) examining how television coverage can draw investor attention and influence trading. Collectively, this research moved the field from documenting attention-driven buying to asking how attention is generated, how it shapes the retail investor's choice set, and whether resulting trading pressures affect asset prices.

Conclusion

Barber and Odean (2008) show that what catches an investor's attention can be as important as what the investor prefers. Faced with thousands of possible stocks, individual investors do not search the entire market; they are disproportionately drawn to securities that are in the news, trading unusually heavily, or have experienced extreme price movements. These stocks become more likely to be purchased, even when the attention-grabbing event is a large price decline. Professional investors display far less of this behaviour, consistent with their greater ability to screen and monitor securities systematically. The broader implication is that attention can shape the flow of retail capital and, through that demand, influence prices—meaning that understanding investor behaviour requires looking not only at how investors choose, but first at what they choose to look at.

3.8 Retail investor attention and herding behaviour⁹

Shu-Fan Hsieh, Chia-Ying Chan and Ming-Chun Wang (2020)

Summary

This paper investigates whether greater retail investor attention is associated with stronger herding behaviour. The paper is motivated by the growing availability of financial information through the internet and the possibility that retail investors, who generally have fewer private information resources than institutional investors, may rely on publicly accessible online information when making investment decisions. The authors use Google Search Volume Index (SVI), and particularly abnormal SVI (ASVI), as a measure of investor attention and information demand. Using detailed intraday order and transaction data from Taiwan, the study examines whether higher search intensity is associated with greater similarity in the trading behaviour of individual investors. The results support the central hypothesis: higher abnormal search volume is associated with stronger retail investor herding. The relationship is stronger when stocks hit daily price limits, consistent with an attention-grabbing mechanism, and is particularly pronounced for small-capitalisation firms. The paper also finds important market-state asymmetry: retail buying herding is stronger during bull markets, particularly for small firms, while selling herding becomes more evident for large-capitalisation firms during bear markets. The study therefore links online information demand with a specific behavioural consequence in financial markets rather than merely with prices, returns or trading volume.

Introduction

The paper begins with the information-search problem faced by investors. With many listed securities competing for investors' limited attention, individuals cannot process all available information. Earlier behavioural-finance research suggests that investors therefore tend to focus on stocks that attract attention through salient price movements, news or other observable signals. The growth of internet search provides a direct way for investors to seek publicly available information about companies. The authors position Google search activity as a particularly useful measure because it captures active information demand rather than passive exposure to information.

Earlier research, especially [Da et al. \(2011\)](#), shows that abnormal Google search volume can proxy investor attention, and is associated with subsequent market outcomes. The paper extends this literature by asking what happens to investors' trading behaviour when attention increases. The introduction then connects investor attention to herding. Herding occurs when investors make similar decisions, potentially because they face similar information, infer information from others or are affected by common behavioural biases. While a substantial literature studies institutional herding and market-level herding, the authors identify relatively limited evidence directly connecting information demand with the trading behaviour of individual investors. This gap motivates their empirical investigation.

Literature

The literature reviewed by the authors can be grouped into four main strands. The first concerns investor attention and limited attention. [Odean \(1999\)](#) and [Barber and Odean \(2008\)](#) argue that investors with limited search capacity tend to select securities that attract attention. [Da et al. \(2011\)](#) subsequently introduce Google abnormal search volume as a market-based proxy for investor attention, showing that search intensity contains information about investor behaviour and short-term returns. Subsequent studies associate search-based attention with liquidity, volatility and abnormal returns. The paper builds on this literature by moving from market outcomes to the trading decisions of retail investors. The second strand concerns herding. Traditional approaches, including [Christie and Huang \(1995\)](#) infer market-wide

⁹ Hsieh, S. F., Chan, C. Y., & Wang, M. C. (2020). Retail investor attention and herding behaviour. *Journal of Empirical Finance*, 59, 109-132.

herding from the dispersion of stock returns. Other research directly studies the trading behaviour of institutions and individuals. The information-based explanation of herding suggests that investors receiving correlated information may make similar decisions, while behavioural explanations emphasise psychological biases and attention-grabbing events. The paper draws on both explanations but focuses particularly on information-driven herding among retail investors. The third strand concerns information cascades and the cost of information acquisition.

[Bikhchandani et al. \(1992\)](#), [SgROI \(2002\)](#), and [Kultti and Miettinen \(2006\)](#) provide theoretical foundations for the idea that when information is inexpensive or freely available, investors may acquire similar signals and subsequently make similar decisions. This is particularly relevant in an internet-based environment where search engines reduce the cost of accessing public information. The paper effectively treats Google search as a readily available information channel through which retail investors may form correlated information sets. The fourth strand concerns attention-grabbing effects and firm characteristics. Research including [Greenwald and Stein \(1991\)](#) and subsequent work on price limits suggests that unusually large price movements can attract disproportionate investor attention. Other studies find stronger herding in small-capitalisation stocks. The paper combines these strands by testing whether search-based attention has a stronger effect when stocks reach price limits and whether the effect varies by market capitalisation and market conditions. Existing research establishes links between attention and market outcomes and separately documents herding among investors but provides relatively limited direct evidence on whether information demand itself leads retail investors to herd. The study fills this gap using investor-level order and transaction data that allow the behaviour of retail and institutional participants to be distinguished.

Data & methodology

The empirical setting is the Taiwan stock market, which the authors consider particularly suitable because of its large retail-investor presence and high internet usage. The dataset contains intraday orders and transactions for individual common stocks and identifies investor category, date and time, price, volume and buy/sell direction. This allows the researchers to distinguish retail from institutional activity and to measure both submitted orders and completed trades. A key methodological feature is the use of Google Search Volume Index as an attention measure. The authors focus on abnormal SVI, which captures search activity relative to its normal level and therefore identifies unusually high investor information demand. Importantly, the authors calculate herding using both submitted orders and executed trades. Submitted orders are interpreted as a closer representation of investors' intentions because an order may fail to execute owing to its price or the available liquidity in the order book.

The empirical analysis then introduces several conditioning dimensions. The authors examine stocks around the upper and lower price limits, divide firms according to market capitalisation, and distinguish between bull and bear market conditions. This allows them to test whether attention has a uniform effect or whether its influence depends on the information environment and characteristics of the underlying stock. The methodology is consequently designed to move beyond a simple correlation between search volume and trading and identify the circumstances in which attention is most closely associated with herding.

Results

The findings have several implications for understanding retail participation in financial markets. First, Google ASVI appears to provide a useful proxy for the information demand of uninformed individual investors. Higher abnormal search activity is associated with stronger retail investor herding, supporting the view that freely available online information can create a common information environment among otherwise dispersed investors.

Second, the evidence suggests that attention-grabbing events amplify this relationship. When stocks approach or hit daily price limits, the association between attention and herding becomes stronger. Price-limit events therefore appear

to do more than constrain price movements: they can attract attention and intensify coordinated trading by retail investors. Third, the effects vary systematically by firm size and market direction. Small-capitalization firms exhibit more intensive retail herding, particularly on the buy side during bull markets. In bear markets, the deterioration of prices in large-capitalization firms is associated with stronger sell-side herding. This asymmetry suggests that investor attention interacts with the broader market environment rather than producing a uniform behavioural response.

The findings also have implications for market efficiency. If increases in publicly available information cause retail investors to make increasingly similar decisions, greater information availability does not necessarily imply more independent information processing. Instead, common search behaviour can contribute to correlated trading and potentially amplify short-term market movements. For exchanges and regulators, monitoring investor attention through digital information channels may therefore provide an additional indicator of periods when retail trading behaviour is likely to become more concentrated.

Conclusion

The paper concludes that retail investor attention and herding are positively related. Google search activity provides a measurable proxy for information demand, and unusually high search activity is associated with stronger individual investor herding. The result supports the idea that low-cost access to common public information can produce correlated investment decisions among retail investors. Furthermore, the paper emphasizes that the relationship is conditional rather than uniform. Attention-related herding is stronger around price-limit events, is generally more pronounced among small-capitalization firms, and differs across market conditions. Retail investors exhibit stronger buying herding in bullish markets, especially for small firms, while selling herding becomes more evident for large firms during bearish periods.

The broader contribution is to connect two previously distinct areas of behavioural finance: investor attention and herding. Rather than treating Google searches merely as a predictor of returns or trading volume, the paper demonstrates that information demand can be associated with the collective behaviour of retail investors. This provides a useful explanation for how easily accessible digital information can influence market dynamics through common attention and correlated trading decisions.

3.9 Individual investors and volatility¹⁰

Thierry Foucault, David Sraer and David Thesmar (2011)

Summary

[Foucault et al. \(2011\)](#) examine retail trading increases stock-return volatility. The main problem is that retail investors may prefer stocks that are already more volatile. Therefore, simply finding a relationship between retail trading and volatility does not show that retail investors cause volatility. The authors use a September 2000 reform in the French stock market. The reform removed the Reglement Mensuel (RM) settlement system, which made leveraged and short positions more costly for retail investors, while sophisticated institutional investors were mostly not affected. After the reform, retail trading fell for stocks that had previously been traded on the RM. These stocks also showed lower stock-specific volatility, smaller return reversals, and lower price impact of trades. The authors estimate that retail trading contributed about 23% of stock-return volatility in their sample. The results suggest that some retail investors behave as noise traders and that their trading can increase stock-price volatility.

Introduction

Stock-return volatility is important for understanding asset prices and managing risk. However, changes in company fundamentals alone cannot explain a large part of the volatility seen in stock prices. Earlier studies, including [Shiller \(1981\)](#), [Leroy and Porter \(1981\)](#), and [Roll \(1988\)](#), discuss this issue. Later studies examine the reasons for changes in stock-specific volatility. The main problem is that high-volatility stocks may attract more retail investors. For example, retail investors may be attracted to stocks that receive more attention or offer more opportunities for speculative trading. Therefore, if stocks with more retail investors are also more volatile, this does not necessarily mean that retail investors cause the volatility. [Foucault et al. \(2011\)](#) examines this problem by studying a market reform that changed the cost of speculative trading for a specific group of stocks. The reform was introduced to change settlement procedures, not because of expected changes in stock volatility. This provides a useful way to study whether a change in retail trading causes a change in volatility.

Literature

The paper brings together three strands of research. The first area studies stock-price volatility that cannot be explained by changes in company fundamentals. This work includes [Shiller \(1981\)](#), [Leroy and Porter \(1981\)](#), and [Roll \(1988\)](#), as well as later studies of stock-specific volatility by [Campbell et al. \(2001\)](#), [Wei and Zhang \(2006\)](#), [Brandt et al. \(2010\)](#), and [Fink et al. \(2010\)](#).

The second area studies noise trading. [DeLong et al. \(1990\)](#), [Campbell and Kyle \(1993\)](#), [Campbell et al. \(1993\)](#), and [Llorente et al. \(2002\)](#) show how trading that is not based on information can increase volatility and lead to return reversals. This paper tests these ideas using a situation where retail trading changes because of a market reform.

The third area studies the trading behaviour of individual investors. [Kumar and Lee \(2006\)](#), [Dorn et al. \(2008\)](#), [Kaniel et al. \(2008\)](#), and [Hvidkjaer \(2008\)](#) show that retail trading follows certain patterns and can affect stock prices. [Foucault et al. \(2011\)](#) add to this literature by showing a causal relationship between retail trading and volatility. The paper therefore fills a specific empirical gap: evidence that retail investors move prices does not by itself establish that they increase volatility, and the authors provide a credible identification strategy for that question.

¹⁰Foucault, T., Sraer, D., & Thesmar, D. J. (2011). Individual investors and volatility. *The Journal of Finance*, 66(4), 1369-1406.

Contributions

The main contribution of the paper is that it tries to show whether retail trading causes changes in volatility. The authors study a market reform that led to a fall in retail trading and then examine what happened to volatility and other market outcomes. The reform is linked to three main findings. When retail trading fell, stock-specific volatility also fell. Return reversals became smaller, and the price impact of trades also decreased. These results suggest that retail trading affects how prices are determined, rather than simply being higher in stocks that are already volatile. The estimated effect is economically meaningful. The instrumental-variable analysis attributes approximately 23% of stock-return volatility in the sample to retail trading.

Theoretical framework

The theoretical model is based on the noise-trader model of [DeLong et al. \(1990\)](#). It also considers the fact that retail investors and sophisticated investors may face different trading costs. Under the RM system, retail investors could take leveraged long and short positions at relatively low cost. After the reform, these strategies became more expensive for retail investors. Sophisticated investors, however, still had other ways to use leverage.

In the model, noise traders have beliefs that include a random sentiment component that is not related to company fundamentals. As a result, their total demand for stocks changes over time. Sophisticated investors take the other side of these temporary changes in demand and therefore face additional risk. This risk is reflected in stock prices.

The model gives three main predictions. If noise trading falls, stock-return volatility should fall, return reversals should become smaller, and retail order imbalances should have less effect on prices. The model also shows that noise-trading risk increases the compensation required by sophisticated investors when they provide liquidity.

The model also separates stock volatility into two parts: volatility caused by fundamentals and volatility caused by noise trading. Therefore, reducing noise trading should reduce the extra volatility caused by trading, while volatility caused by information and changes in cash flows should remain.

Data & methodology

The study uses stock-level data from the French market from September 1998 to September 2002. Stocks traded on the RM before the reform are the treatment group, while stocks that remained on the spot market are the control group. Daily returns and trading volumes are used to calculate measures of volatility and price impact. The retail-trading data come from a major French online broker. The data cover approximately 111,264 households and around 5 million trades during the sample period. The authors calculate measures of retail buying, selling, total trading, and speculative trading. These measures are adjusted for the number of shares outstanding.

The authors measure volatility in three ways. The first is the standard deviation of daily stock returns. The second is the standard deviation of daily returns after removing market returns. The third is the standard deviation of residual returns from a market model. Return reversals are measured using the relationship between returns on different days. Price impact is measured using the Amihud illiquidity ratio.

The main method is a difference-in-differences analysis. It compares treatment and control stocks before and after September 2000. The two groups differ in areas such as market size and turnover, so the authors also use quartile matching, percentage-difference matching, and propensity-score matching. Standard errors are clustered by both firms and time. The reform is also used as an instrument for retail trading. This allows the authors to estimate the effect of retail trading on volatility more directly.

Results

The reform led to a large fall in retail trading for the affected stocks. The reduction was about half of the average level of the related trading measure in 1999. The main result is a significant fall in stock-specific volatility. Across different methods, volatility falls by about 17–27 basis points, while the main difference-in-differences estimate is around 30 basis points. This reduction is equal to about one-quarter of the standard deviation of volatility in the sample.

The size of return autocovariance fell by about 15% to 30% of its standard deviation, depending on the method used. This result supports the idea that temporary changes in demand from noise traders can affect stock returns. The Amihud measure decreased by about 15% of its standard deviation in the main analysis. This means that retail buying and selling had a smaller effect on stock prices after the reform.

The coefficient on retail trading increases from 2.96 in the OLS analysis to 6.31 when retail trading is measured using the reform. This suggests that a simple relationship between retail trading and volatility may understate the effect of retail trading. The IV estimate implies a fall in volatility of about 25 basis points following the decline in retail trading. This is close to the difference-in-differences result.

Using the average level of retail trading in 2000, the authors estimate that completely removing retail trading would reduce volatility by about 56 basis points. This is equal to approximately 23% of stock-return volatility in the sample. The paper also studies an earlier finding that retail investors often trade in the opposite direction of recent price movements. The authors conclude that, in this setting, the effect of momentum trading that increases volatility was stronger than the stabilising effect of contrarian trading.

Implications

The results show that retail investors can have a significant effect on stock volatility and on how stock prices are determined. Retail trading is therefore an important source of stock-specific risk in the market studied. The results also show that retail trading behaviour is not always simple. Retail investors may, on average, trade against recent price movements, but their overall trading can still increase volatility. In this study, the effect that increases volatility was stronger than the effect that could reduce volatility.

The broader message is that the effect of retail investors depends on how they trade and on the cost of trading. Reducing highly leveraged or speculative retail trading can improve market quality by lowering extra volatility, reducing return reversals, and reducing the effect of large order imbalances on prices. The findings also show why it is important to distinguish between retail participation and retail trading behaviour. A larger number of retail investors does not always have the same effect on market quality. The effect depends on how these investors trade and how easily they can take leveraged or speculative positions.

Conclusion

[Foucault et al. \(2011\)](#) provide evidence that retail trading contributes to stock-return volatility. The September 2000 reform of the French settlement system made low-cost leveraged and short positions more difficult for retail investors. This led to a significant fall in retail trading in the affected stocks. The fall in trading was followed by lower stock-specific volatility, smaller return reversals, and lower price impacts. The main finding is that some stock-price volatility comes from the trading behaviour of investors and not only from changes in company fundamentals. The estimated contribution of retail trading, about 23% of stock-return volatility in the sample shows that this effect is important. Their importance in financial markets is not limited to their share of trading activity. Their trading can also affect volatility, return patterns, and the way stock prices are determined.

3.10 Retail trading and return predictability in China¹¹

Charles M. Jones, Donghui Shi, Xiaoyan Zhang and Xinran Zhang (2025)

Summary

Jones et. al. (2025) examines whether retail investors contribute to price discovery and whether their trading can predict future stock returns. Using comprehensive account-level data covering more than 53 million retail accounts from a major Chinese stock exchange between 2016 and 2019, the authors divide retail investors into five groups based on account size. The results reveal substantial heterogeneity: smaller retail investors systematically trade in the wrong direction relative to subsequent stock returns, while the largest retail investors trade in a direction that predicts future returns correctly. Smaller investors exhibit daily momentum trading, overconfidence and gambling preferences, and appear less able to process public earnings information. In contrast, larger retail investors display contrarian trading patterns and incorporate earnings-related information more effectively. The paper therefore argues that treating retail investors as a homogeneous group can obscure important differences in their contribution to price discovery and market quality.

Introduction

Retail investors constitute an important component of equity markets, particularly in emerging economies where institutional participation is comparatively less dominant. China provides a particularly relevant setting because of the scale of retail participation in its equity market. The paper notes that retail investors accounted for approximately 85% of daily trading volume on the Shanghai Stock Exchange in 2016, compared with around 15% for institutional investors. This high level of retail activity makes understanding their trading behaviour relevant for investors, regulators and market participants.

The authors point out that evidence from developed markets cannot necessarily be applied directly to China. Compared with the US and other developed markets, the Chinese equity market has historically been characterised by high retail participation, relatively high valuations, higher volatility and high turnover, alongside a less institutionally dominated trading structure. These differences create an important setting for examining whether retail trading contributes to, or detracts from, the process of price discovery.

The study addresses two principal questions. First, can different groups of retail investors predict future stock returns? Second, what explains the differences in their trading behaviour—liquidity demand, information advantages or behavioural biases? The authors emphasise that retail investors are not homogeneous and therefore analyse investors separately according to account size.

The study's contribution is particularly relevant because the exchange-level dataset allows the authors to observe trading behaviour across a very large proportion of the market and directly identify the counterparties to trades. This enables an analysis of investor heterogeneity that is difficult to conduct using conventional brokerage-level datasets.

Literature

The paper sits within several strands of the literature on retail investor behaviour, return predictability and liquidity provision. Barber and Odean (2000, 2001, 2008) document excessive trading and overconfidence among individual

¹¹ Jones, C. M., Shi, D., Zhang, X., & Zhang, X. (2025). Retail trading and return predictability in China. *Journal of Financial and Quantitative Analysis*, 60(1), 68-104.

investors, highlighting the performance costs associated with active trading. [Kaniel et. al. \(2008\)](#) further show that individual investors can act as liquidity providers by buying after price declines and selling after price increases.

The literature also finds that retail trading can contain information about future returns. [Barber et. al. \(2009\)](#), [Kelley and Tetlock \(2013\)](#) and [Boehmer et al. \(2021\)](#) provide evidence that individual investor trades have predictive content for stock returns. The paper builds on this literature by examining whether such information content varies with retail investors' account size.

The key contribution is to move beyond treating retail investors as a homogeneous group. Using comprehensive account-level data, the paper distinguishes investors by account size and examines differences in their trading behaviour, information processing, return predictability and investment performance.

Data & methodology

The empirical analysis uses comprehensive account-level trading and holdings data from a major Chinese stock exchange for January 2016-June 2019, covering approximately 53 million retail accounts. Retail investors are classified into five groups according to the average value of their portfolios, including equity holdings and cash balances, over the preceding 12 months. The analysis aggregates exchange data at the stock-day-investor-group level and retains institutional investors as a benchmark, while excluding corporate accounts due to their relatively infrequent trading. Stock returns, trading volume and accounting variables are obtained from WIND Information, yielding a final sample of more than 1.1 million stock-day observations covering approximately 1,200 firms per day.

The empirical strategy examines whether investor-group order flows predict subsequent stock returns using Fama-MacBeth cross-sectional regressions. The key explanatory variable is order imbalance, measured as net buy volume relative to total buy and sell volume. The regressions control for lagged returns over daily, weekly and monthly horizons, as well as firm size, earnings-to-price ratio and turnover. The analysis further exploits the identification of both sides of each transaction to examine whether retail groups trade alongside or against other investor groups and institutions. Holding horizons are assessed using the days-to-cover ratio, defined as holdings relative to daily trading volume.

A two-stage decomposition, following [Boehmer et al. \(2021\)](#), is used to identify the sources of return predictability. Retail order flows are first decomposed into components associated with order persistence, momentum or contrarian trading, behavioural biases and information, after which the contribution of these components to subsequent returns is examined. Finally, investor performance is evaluated using net-buy and net-sell portfolios, with returns decomposed into stock selection, market timing and trading costs.

Results

- 1. Small retail investors negatively predict future returns:** The central finding is a strong divergence between small and large retail investors. Order flows of RT1–RT4 are negatively and significantly associated with next-day stock returns, indicating that stocks bought relatively more heavily by smaller retail investors subsequently tend to perform worse, while stocks they sell tend to perform better. The effect is strongest for RT1, where the coefficient is -0.0093 with a t-statistic of -17.36. The interquartile difference in order imbalance corresponds to an approximately 21 basis-point difference in daily returns for RT1, compared with 17, 11 and 2 basis points for RT2, RT3 and RT4, respectively.
- 2. Large retail investors trade more successfully:** The largest retail investors, RT5, display a markedly different pattern. Their order flow has a positive and statistically significant coefficient of 0.0012, indicating that their purchases are followed by higher returns and their sales by lower returns. The interquartile difference in RT5 order imbalance corresponds to an approximately 5 basis-point difference in daily returns. Institutional investors

also exhibit positive predictive power, suggesting that the trading of larger and more sophisticated investors contains greater information about subsequent returns.

3. **Return predictability persists over several weeks:** The predictive relationship is not limited to the following trading day. The negative predictive power of RT1–RT3 continues for approximately eight to nine weeks, while RT5 and institutional order flows also retain positive predictive power over a similar horizon. The persistence of these effects suggests that the observed relationships are not simply driven by short-lived trading noise. For larger retail investors, the longer-lasting predictive patterns may reflect information about fundamentals or trading against persistent behavioural biases.
4. **Trading behaviour varies systematically with investor size:** Smaller and larger retail investors exhibit distinct trading strategies. Smaller retail investors tend to display daily momentum behaviour, buying stocks that have recently performed well and selling recent losers. Larger retail investors, particularly RT5, are more contrarian, tending to buy recent losers and sell recent winners. Over longer horizons, however, retail investors generally become more contrarian, indicating that trading behaviour changes depending on the investment horizon as well as investor size.
5. **Predictive power differs across holding horizons:** The predictive performance of retail investors is closely related to their holding horizons. For smaller retail investors, the negative predictive power is strongest over short horizons and gradually weakens as the holding period increases. RT5 exhibits the opposite pattern, with positive predictive power strongest at shorter horizons and declining over time. This pattern is consistent with the possibility that large retail investors respond to time-sensitive information that is incorporated into stock prices relatively quickly.
6. **Counterparties influence the information content of trading:** The predictive ability of larger retail and institutional investors depends importantly on whom they trade against. The positive predictive power of RT5 and institutional investors is strongest when their counterparties are smaller retail investors. Conversely, when RT5 trades in the same direction as smaller retail investors while trading against institutional investors, its predictive relationship can become negative. A similar pattern is observed for institutional investors. This suggests that trading by large retail and institutional investors contains stronger information when they take positions against smaller retail investors, while agreement with smaller investors can weaken or reverse their predictive relationship.

Implications

The findings have implications for understanding the role of retail investors in price discovery and market quality. Aggregate measures of retail participation may conceal substantial differences in information content across investor groups. The evidence suggests that account size is associated with systematic differences in trading behaviour, information processing and return predictability.

For market participants, the findings indicate that retail order flow should not necessarily be interpreted uniformly. The information content of trading appears to vary substantially across investor segments, with larger retail investors displaying characteristics closer to those of informed market participants, while smaller investors exhibit stronger behavioural and liquidity-driven patterns.

For regulators and market institutions, the findings highlight the importance of distinguishing between participation and informed participation. A market can have extensive retail activity while the information content of that activity varies significantly across investor groups. The study therefore provides a basis for considering investor education, disclosure and market-design measures in the context of differences in investor sophistication.

The results also suggest that transaction costs remain an important determinant of realised investor performance. Even when investors demonstrate some stock-selection ability, frequent trading can substantially reduce the returns ultimately earned by investors.

Conclusion

The paper provides evidence that retail investors in the Chinese equity market differ substantially in their trading behaviour, information processing and investment performance. Smaller retail investors tend to negatively predict future stock returns, exhibit short-term momentum trading, display stronger behavioural biases and respond less effectively to public earnings information. Larger retail investors, particularly those in the highest account-size group, show positive return predictability, contrarian trading behaviour and greater ability to incorporate earnings information.

The findings further show that these differences persist beyond the immediate trading horizon and are influenced by the underlying motives for trading. Order persistence, liquidity demand and behavioural biases account for a substantial part of the negative predictive power of smaller investors, whereas the positive predictive power of larger retail investors is associated with persistence, contrarian trading and the ability to trade against behavioural biases.

Overall, the study's principal contribution is to demonstrate that retail participation should not be treated as a homogeneous category. Investor account size provides an important dimension along which trading behaviour, information content and performance differ. By exploiting comprehensive account-level data, the paper provides a more granular view of how retail investors interact with stock prices and contribute to the price-discovery process.

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4. Market performance

4.1 Market round-up

Global markets rebound; Indian equities consolidate

Global equities rebounded in August, reversing much of the technology-led weakness seen in July. The MSCI World Index gained around 2.6%, while the MSCI Emerging Markets Index rose 3.4%, led by a recovery in semiconductor-heavy Korea and Taiwan. US equities also strengthened, with the S&P 500 gaining 2.7% and the Nasdaq 100 rising 4.2%, as resilient corporate earnings and renewed optimism around AI investment revived demand for technology stocks. Japan also recovered strongly, while European markets posted more modest gains. The rally came despite a rise in long-term bond yields, with markets becoming more cautious towards month-end as higher oil prices and renewed geopolitical tensions added to inflation concerns.

Indian equities consolidated in August, with the Nifty 50 declining 1.2% after two consecutive monthly gains, taking the YTD decline to 7.8%. The broader market moved in the opposite direction, with the Nifty Midcap 150 and Smallcap 250 rising around 1.8% and 2.5%, respectively, supported by resilient domestic growth and continued investor appetite for mid- and small-cap stocks. Foreign flows strengthened further, with FPIs investing around US\$3.1 bn during the month, their strongest monthly inflow in nearly two years. DIIs also stepped up purchases to around Rs 58,268 crore, taking cumulative DII buying in 2026 to around Rs 5.6 lakh crore. Large caps, meanwhile, faced greater pressure from higher global yields, firmer crude prices towards month-end and renewed concerns around the external environment.

Global fixed income markets remained under pressure, particularly at the long end, as concerns over fiscal deficits and higher term premia combined with a more hawkish reassessment of the monetary-policy outlook. The US 30-year Treasury yield rose above 5.3%, its highest level since 2007, while the 10-year yield ended the month around 4.7%. Indian bonds also weakened, with the benchmark 10-year G-sec yield rising by around 11 bps to 6.95%, after declining to around 6.76% during the month. Domestic yields initially benefited from ample liquidity and foreign inflows, but reversed course as the RBI's MPC minutes struck a more cautious tone and higher global yields and crude prices revived inflation concerns.

Commodities were mixed in August. Crude prices eased marginally over the month, but rose sharply towards the end as renewed US-Iran tensions pushed Brent above US\$90/bbl. The late-month rise in oil prices added to inflation concerns globally and put pressure on Indian bonds. The rupee recovered modestly, appreciating around 0.2% against the US dollar to end at Rs 95.2/US\$, with equity-related foreign capital inflows and RBI intervention helping to offset pressure from higher crude prices.

- Indian equities consolidated in August:** The recovery in Indian equities lost momentum in August, weighed down by a renewed increase in global risk factors towards the end of the month. Expectations of a less accommodative US monetary-policy path pushed up US bond yields and strengthened the dollar, while renewed geopolitical tensions and a rise in crude oil prices added to concerns over inflation and India's external balance. These factors were particularly negative for large-cap equities, which have greater sensitivity to foreign portfolio flows and global risk appetite. Consequently, the Nifty 50 Index ended the month 1.2% lower after gains of 2.2% in July and 1.4% in June, translating into a YTD decline of 7.8%.

Indian equity markets consolidated in August, with the Nifty 50 Index declining by 1.2%, taking the YTD decline to 7.8% (As of August 31st, 2026).

At the same time, the broader market continued to strengthen. The Nifty Midcap 150 rose around 1.8% and the Nifty Smallcap 250 around 2.5% in August, extending the recovery that had begun in the preceding months. The divergence between the benchmark and broader indices reflects a broadening of market

participation, supported by resilient domestic economic activity, improving corporate earnings expectations and sustained domestic liquidity.

Foreign portfolio flows, which had been a significant drag on Indian equities in the first half of 2026, remained supportive for most of August, with FPIs injecting a net amount of US\$5.2bn during July-August. That said, the flow support was not sufficient to lift the large-cap indices, as global investors remained sensitive to US yields, the dollar and crude oil. Domestic liquidity, on the other hand, continued to provide an important counterweight to global volatility. Domestic institutional investors remained strong buyers in August for the 37th month in a row, helping support the broader market. The resilience of mid- and small-cap stocks despite weakness in the Nifty 50 is particularly indicative of the depth of domestic liquidity and risk appetite.

Trading activity on NSE declined for the third month in a row in August across both equity cash and equity derivatives, much more strongly in the latter. Average daily turnover (ADT) in the equity cash segment fell by 0.6% MoM to Rs 1.2 lakh crore in August. ADT (premium) in equity options declined by a steeper 15.7% to a 45-month low of Rs 42,332 crore. Equity futures activity also declined in August, with ADT at Rs 1.22 lakh crore, down 9.9% MoM.

- Indian bond markets remained under pressure:** Global fixed income markets remained under pressure in August, although the drivers shifted from July's sharp oil-led sell-off towards concerns over fiscal sustainability and the outlook for monetary policy. US Treasury yields were broadly stable through much of the month, before rising towards month-end as hawkish signals from the Federal Reserve at Jackson Hole strengthened expectations of tighter policy. The US 10-year yield ended 4bps higher in August at around 4.7%, while long-term yields remained elevated amid persistent concerns over US fiscal deficits and heavy government borrowing. The 30-year US Treasury yield rose above 5.3% during the month, reaching 5.31%—its highest level since June 2007—reflecting growing concerns over fiscal deficits, heavy government borrowing and persistent inflation risks. European and Japanese bonds weakened more sharply: the 10-year German Bund yield rose around 12bps to 3.32%, while the 10-year JGB yield increased around 15bps to 2.94%, approaching levels last seen in the mid-1990s. The UK 10-year gilt yield also rose by 10bps during the month to end at 5.15%. Renewed US-Iran tensions and a rise in Brent crude towards US\$90-95 a barrel at month-end added to inflation concerns and reinforced expectations that major central banks may need to keep policy restrictive for longer.

Indian government bond yields moved higher in August, as rising oil prices, firmer global yields and a more cautious domestic policy outlook outweighed support from foreign flows and ample domestic liquidity. The benchmark 10-year G-sec yield rose by around 11 bps MoM to 6.95% at end-August, after declining to around 6.76% by mid-month. Yields initially eased as crude prices moderated and liquidity conditions improved, supported by foreign currency inflows and domestic demand for bonds. Sentiment then reversed following the RBI's August MPC minutes, which struck a more hawkish tone and brought the possibility of rate hikes back into market expectations. Towards month-end, higher US Treasury yields and Brent crude above US\$90 a barrel added further pressure. The RBI's decision to retain

the repo rate at 5.25% and maintain a neutral stance provided an anchor to the curve, but higher energy prices, global yields and renewed inflation concerns shifted market expectations from further easing towards a prolonged pause or eventual tightening.

- FPI buying strengthened in August; DII support remained strong:** FPIs remained net buyers of Indian equities for the second month in a row in August, investing around Rs 29,631 crore (US\$3.1bn), following Rs 20,200 crore in July. This was the strongest monthly foreign inflow in nearly two years and brought cumulative FPI outflows in 2026 down to US\$24.1bn. The renewed buying reflected improving corporate earnings, more attractive valuations following the earlier correction, and a relatively stable rupee. DIIs continued to provide a strong counterweight. DII net purchases rose to around Rs 58,268 crore in August, from Rs 35,099 crore in July, taking cumulative DII investment in 2026 to around Rs 5.6 lakh crore. This marked the 37th consecutive month of buying by DIIs. Domestic flows therefore remained an important source of support even as foreign participation recovered. Retail-linked flows also remained resilient. Equity mutual funds had recorded RS 24,697 crore of net inflows in July, their 65th consecutive month of positive flows, while SIP contributions remained above Rs 31,000 crore at RS 31,961 crore. These flows, together with continued DII buying, underline the strength of domestic liquidity supporting Indian equities.
- Global equities rebounded in August, led by technology and emerging markets:** August marked a broad-based recovery in global equities, reversing much of the technology-led weakness seen in July. The rebound was supported by resilient earnings and renewed investor appetite for growth assets, although higher long-term bond yields, elevated oil prices and renewed geopolitical tensions towards month-end limited the gains. The MSCI World Index rose 2.5% in USD terms, taking its YTD gain to 12.1% (As of August 31st, 2026). The rebound was led by US and Asia-Pacific markets, with technology, materials and energy among the strongest-performing sectors, as investor concerns over the sustainability of AI-related investment eased following strong earnings and renewed strength in semiconductor stocks. Emerging markets outperformed, with the MSCI EM Index rising 3.2%, aided by strong gains in Asian markets. In contrast, UK and continental European equities lagged, with the MSCI Europe ex-UK index broadly flat.

US: US equities rebounded strongly in August, led by technology and growth stocks. The S&P 500 gained 2.6%, while the Nasdaq 100 rose 4.2%, reversing the weakness of the preceding two months as strong corporate earnings and renewed investor appetite for AI-related stocks supported technology valuations. The Dow Jones Industrial Average gained around 1.3%, although it lagged the broader market as growth regained leadership. The rally persisted despite a sharp rise in Treasury yields and renewed concerns over inflation and monetary policy towards month-end. The Fed kept rates unchanged, but Chair Kevin Warsh's hawkish Jackson Hole remarks increased expectations of a September rate hike, while renewed Middle East tensions pushed oil prices above US\$90 a barrel.

US macro data pointed to moderating growth but resilient underlying activity in August. Real GDP growth slowed to an annualised 1.5% in Q2 2026 from 2.1% in Q1, although consumer spending remained supportive. Business activity

strengthened, with the S&P Global US Composite PMI rising to 56.0 from 54.5 in July, led by services. Labour-market conditions also improved, with non-farm payrolls rising by 162k in August after July was revised to a gain of 21k, while the unemployment rate remained at 4.1%. Inflation remained elevated, with headline CPI at 3.4% YoY and core inflation at 2.5% in July. The Fed kept the policy rate unchanged at 3.50–3.75%, but stronger activity and employment towards month-end increased expectations of a September rate hike.

Europe: European equities extended their gains in August, although performance weakened towards month-end as rising bond yields and oil prices renewed inflation concerns. The STOXX Europe 600 rose 0.3%, marking its fifth consecutive monthly gain, while the EURO STOXX 50 gained around 1.0%; the MSCI Europe ex-UK Index rose 0.7%. Gains were supported by resilient economic data, strong corporate earnings and renewed strength in technology and cyclical sectors, with Germany outperforming while France lagged amid fiscal and political uncertainty. UK equities underperformed, with the FTSE 100 declining 0.4%, as the late-month rise in yields and energy prices weighed on sentiment.

Euro-area activity remained resilient in August, with business surveys pointing to continued expansion. GDP grew 0.4% QoQ in Q2 2026, after being flat in Q1, while annual growth strengthened to 1.0%. The Composite PMI edged up to 52.0 in August, broadly in line with the eight-month high figure reported in the previous month, with manufacturing recording its strongest expansion in more than four years, while employment also returned to growth. Inflation, however, accelerated sharply to 3.3% YoY in August from 2.9% in July, driven primarily by higher energy prices, although core inflation eased marginally to 2.4%. The ECB kept the deposit facility rate unchanged at 2.25% in July, but its meeting accounts indicated that a further rate hike was likely to be considered in September amid renewed inflationary pressures and resilient economic activity.

The UK macro backdrop remained mixed in August. Headline CPI inflation rose to 2.9% in July from 2.6% in June, while core inflation remained at 2.6% and services inflation eased to 3.4% from 3.6%. Labour-market conditions remained soft, with unemployment at 4.9% in the three months to June and payrolled employment declining marginally, while vacancies continued to fall. Business activity nevertheless showed some resilience, with the services PMI rising to 52.5 in August from 52.1 in July, although manufacturing momentum weakened. The Bank of England kept Bank Rate unchanged at 3.75% in August, following its 6–3 decision in July, as underlying price pressures showed signs of easing but higher energy prices posed renewed upside risks to inflation.

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 rebounded strongly in August, reversing much of the sharp correction seen in July. Taiwan's TAIEX gained 7%, while South Korea's KOSPI rose 3.4% and Japan's Nikkei 225 increased 3.0%. The rebound was led by semiconductor and AI-linked stocks, as strong corporate earnings and renewed investor appetite for technology stocks eased concerns around stretched valuations and the sustainability of AI-related capital expenditure. Japan's broader TOPIX outperformed the Nikkei, rising 3.8%, supported by gains across technology and cyclical sectors. The Shanghai Composite Index also ended the month 4% higher supported by continued policy expectations and improved risk appetite, while Indonesia's IDX Composite Index increased 4.6%, extending its recent gains.

Elsewhere, regional performance was more mixed. India's Nifty 50 declined 1.2% as large-cap equities consolidated, although the broader market remained resilient. Thailand's SET Index also declined by 1.8%, while FTSE Bursa Malaysia Index ended the month broadly flat. Overall, August saw a reversal of July's rotation, with technology and semiconductor-heavy North Asian markets regaining leadership, while broader Asian markets delivered more moderate gains amid rising global yields and renewed geopolitical tensions towards month-end.

- Commodity rally broadens as supply-demand imbalances intensify:** Commodities extended their broad-based recovery in Aug'26, though the drivers shifted from a rebuilding geopolitical risk premium to tightening physical supply and firmer demand across markets. Brent crude remained broadly flat (-0.8% MoM) as easing Strait of Hormuz tensions offset still-constrained Gulf output. Precious metals rallied sharply, with platinum (+15.9% MoM) and silver (+15.4% MoM) leading gains on a weaker dollar, softer rate expectations and tightening physical markets; gold (+9.6% MoM) and palladium (+13.1% MoM) also advanced meaningfully. Industrial metals strengthened broadly, led by zinc (+10.1% MoM) and copper (+4.4% MoM), supported by falling mine output, low inventories and constrained smelter supply, while iron ore (+3.7% MoM) also recovered on resilient Chinese imports. Agricultural commodities posted the sharpest gains across the complex, driven by Black Sea supply disruptions, adverse weather across key producing regions, and stronger demand, with raw sugar (+19.0% MoM) and wheat (+17.4% MoM) leading the rally.
- INR gains ground in August amid stronger inflows:** The Indian Rupee appreciated by 0.2% MoM in August 2026, reversing July's 0.8% decline, supported by a weaker US dollar (DXY -0.5% MoM) and stronger foreign inflows. FPI equity inflows rose to US\$3.1 bn from US\$2.1 bn in July, while cumulative foreign-currency inflows under the RBI's special forex swap facility reached US\$136.4 bn as of 31st August, contributing to a rise in foreign exchange reserves to US\$740.8 bn as of 28th August from US\$692.9 bn as of 31st July. However, renewed tensions in West Asia kept crude oil prices elevated, with prices peaking at US\$94.4/bbl before moderating to US\$89.4/bbl by month-end. INR volatility remained stable at 5.4% and well contained relative to higher-volatility peers, while the REER increased to 91.75 in July even as the NEER declined to 77.97. The one-year forward premium eased further to 2.72% in August from 2.74% in July, with the month-end premium at 271.5 paise, although it remained above the lows observed through FY24–FY25.

Performance across asset classes

Table 50: Performance across equity, fixed income, currency, and commodity markets (As on August 31st, 2026)

Indicator Name	Aug-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	24,080	24,384	23,548	24,427	-1.2	2.3	-4.4	-1.4	-7.8
NIFTY 500	23,450	23,461	22,657	22,463	-0.0	3.5	1.2	4.4	-1.8
MSCI INDIA	2,951	2,971	2,879	2,871	-0.7	2.5	-1.3	2.8	-4.0
India Volatility Index (%)	11.2	11.8	16.2	11.8	-4.8	-30.9	-18.3	-4.8	18.1
MSCI WORLD	4,968	4,848	4,865	4,178	2.5	2.1	9.0	18.9	12.1
S&P 500 COMPOSITE	7,686	7,490	7,580	6,460	2.6	1.4	11.7	19.0	12.3
DOW JONES INDUSTRIALS	53,186	52,485	51,032	45,545	1.3	4.2	8.6	16.8	10.7
HANG SENG	25,567	25,884	25,182	25,078	-1.2	1.5	-4.0	2.0	-0.3
FTSE 100	10,824	10,868	10,409	9,187	-0.4	4.0	-0.8	17.8	9.0
NIKKEI 225	66,312	64,362	66,330	42,718	3.0	-0.0	12.7	55.2	31.7
Fixed Income*									
India 10YR Govt Yield (%)	6.95	6.84	7.01	6.59	11bps	-6bps	29bps	36bps	36bps
India 5YR Govt Yield (%)	6.58	6.45	6.82	6.35	13bps	-24bps	19bps	23bps	26bps
India 1YR Govt Yield (%)	5.80	5.75	6.13	5.64	6bps	-32bps	25bps	17bps	13bps
India 3Month T-Bill Yield (%)	5.30	5.34	5.55	5.64	-4bps	-25bps	0bps	-34bps	-7bps
US 10YR Govt Yield (%)	4.75	4.71	4.44	4.22	4bps	31bps	78bps	52bps	58bps
Germany 10YR Govt Yield (%)	3.32	3.20	2.93	2.72	12bps	39bps	67bps	60bps	47bps
China 10YR Govt Yield (%)	1.69	1.71	1.73	1.79	-2bps	-4bps	-14bps	-9bps	-17bps
Japan 10YR Govt Yield (%)	2.94	2.79	2.66	1.61	15bps	29bps	83bps	133bps	87bps
Currency									
USD/INR	95.2	95.4	95.0	88.2	-0.2	0.2	4.6	7.9	5.9
EUR/USD	1.2	1.2	1.2	1.2	1.0	-0.5	-1.6	-0.8	-1.1
GBP/USD	1.4	1.3	1.3	1.4	0.7	0.6	0.8	0.4	0.8
USD/YEN	159.7	159.2	159.2	146.8	0.3	0.3	2.3	8.8	1.9
USD/CHF	1.2	1.2	1.3	1.3	0.1	-3.3	-4.8	-1.1	-1.9
USD/CNY	6.7	6.7	6.8	7.1	-0.4	-0.7	-2.0	-5.8	-3.8
Commodities									
Brent Crude Oil (US\$/bbl)	89.4	90.1	92.0	68.2	-0.8	-2.9	23.2	31.2	46.9
LME Aluminium (US\$/MT)	3,234.4	3,216.7	3,628.4	2,618.5	0.6	-10.9	3.4	23.5	9.0
LME Copper (US\$/MT)	14,445.6	13,835.7	13,503.1	9,821.7	4.4	7.0	8.7	47.1	16.0
LME Lead (US\$/MT)	1,873.3	1,833.4	1,983.7	1,949.9	2.2	-5.6	-2.3	-3.9	-4.8
LME Nickel (US\$/MT)	16,700.7	17,064.4	18,304.4	15,246.8	-2.1	-8.8	-5.3	9.5	1.2
LME Tin (US\$/MT)	54,864.0	54,928.0	52,214.5	35,193.0	-0.1	5.1	-5.0	55.9	35.0
LME Zinc (US\$/MT)	4,084.0	3,708.6	3,519.2	2,825.1	10.1	16.1	23.8	44.6	32.5
SHC Iron Ore Spot (US\$/MT)	102.8	99.1	108.5	104.5	3.7	-5.3	2.3	-1.6	-5.4
Gold Spot Price (US\$/troy ounce)	4,436.8	4,047.0	4,591.1	3,441.4	9.6	-3.4	-15.6	28.9	2.6
Silver Spot Price (US\$/troy ounce)	66.5	57.7	75.3	39.7	15.4	-11.6	-29.1	67.6	-6.7
Platinum Spot Price (US\$/ounce)	1,884.0	1,626.0	1,925.0	1,347.0	15.9	-2.1	-20.4	39.9	-7.1
Palladium Spot Price (US\$/ounce)	1,443.9	1,276.5	1,384.0	1,094.0	13.1	4.3	-19.5	32.0	-7.9
Soyabeans (US\$/bushel)	12.8	11.7	11.6	10.3	9.5	9.7	12.7	24.3	26.0
Corn (c/lb)	514.8	440.5	447.0	398.3	16.9	15.2	17.5	29.3	16.7
Wheat (US\$/bushel)	7.2	6.1	6.0	4.9	17.4	18.6	21.4	47.6	42.8
Cotton (US\$/lb)	0.9	0.8	0.7	0.6	14.6	19.5	38.4	37.5	41.9
Raw Sugar (c/lb)	18.3	15.2	14.7	16.7	20.7	24.9	30.7	9.7	23.9

Source: LSEG Workspace, Cogencis, NSE EPR. *Returns over different periods shown in terms of absolute change in basis points.

Table 51: 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 50.5
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 \$ 20.3
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 12.4
DJIA 16.5	Nasdaq 100 33.0	Nifty 500 -2.1	S&P500 31.5	Russell 1000 21.0	S&P500 28.7	Nifty 500 4.3	Russell 1000 26.5	S&P500 25.0	MSCI World 21.6	STOXX 600 12.3
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	FTSE100 11.5
S&P500 12.0	DJIA 28.1	S&P500 -4.4	MSCI World 28.4	S&P500 18.4	Russell 1000 26.5	DJIA -6.9	MSCI World 24.4	MSCI World 19.2	STOXX 600 20.6	MSCI World 10.5
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	DJIA 10.2
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	S&P500 10.1
MSCI World 8.2	Russell 1000 21.7	FTSE100 -8.7	SSE Comp 22.3	Nifty 50 16.1	MSCI World 22.4	MSCI World -17.7	DJIA 16.2	SSE Comp 12.7	Russell 1000 17.4	Russell 1000 9.9
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	Nifty 500 -1.1
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	SSE Comp -3.4
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	Nifty 50 -5.9
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	Gold -6.4
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 -28.2

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 31st, 2026.

4.2 Equity market performance and valuations

Table 52: Performance across NSE equity indices (As on August 31st, 2026)

Aug-26 Index Name	PR Index Returns (%)					TR Index Returns (%)				
	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	-1.2	2.3	-1.4	7.7	7.1	-1.1	2.9	-0.4	9.0	8.3
Nifty Next 50	0.2	3.8	12.2	18.4	12.1	0.3	4.2	13.2	19.4	13.1
Nifty 100	-1.0	2.6	0.9	9.5	7.8	-0.9	3.1	2.0	10.7	9.0
Nifty 200	-0.4	2.9	3.5	11.0	9.3	-0.3	3.4	4.5	12.1	10.4
Nifty 500	0.0	3.5	4.4	11.5	10.0	0.1	4.0	5.3	12.6	11.1
Nifty Midcap 50	2.1	5.7	17.7	18.3	19.8	2.2	6.0	18.4	18.9	20.7
Nifty Midcap 100	2.1	4.1	15.3	18.0	17.7	2.2	4.3	15.9	18.6	18.6
Nifty Midcap 150	1.7	4.3	13.4	17.0	17.0	1.8	4.6	14.1	17.7	17.8
Nifty Midcap Select	1.7	3.8	20.7	19.1	17.6	1.7	4.1	21.4	19.9	18.5
Nifty Smallcap 50	3.0	11.0	20.3	20.9	14.1	3.1	11.4	21.0	21.8	15.0
Nifty Smallcap 100	3.1	9.9	15.7	17.6	14.2	3.2	10.2	16.4	18.4	15.1
Nifty Smallcap 250	2.5	8.1	11.3	15.5	15.7	2.6	8.4	12.0	16.2	16.6
Nifty LargeMidcap 250	0.4	3.4	7.1	13.3	12.4	0.5	3.8	8.0	14.3	13.4
Nifty MidSmallcap 400	2.0	5.6	12.6	16.4	16.6	2.1	5.9	13.3	17.1	17.4
Nifty500 Multicap 50:25:25	0.6	4.4	6.7	13.0	12.2	0.7	4.8	7.6	14.0	13.2
Nifty Microcap 250	5.4	12.3	15.4	18.7	23.2	5.5	12.5	16.0	19.2	23.8
Nifty Total Market	0.2	3.9	4.9	11.8	10.4	0.3	4.4	5.8	12.8	11.5
Nifty Smallcap 500	3.4	9.1	12.4	16.1	17.1	3.5	9.4	13.1	16.7	17.9
Nifty MidSmallcap400 50:50	2.1	6.2	12.5	16.3	16.4	2.2	6.5	13.1	17.0	17.3
Thematic Indices										
Nifty India Consumption	-2.3	4.8	-2.1	12.5	11.3	-2.3	5.4	-1.4	13.5	12.4
Nifty MidSmall India Consumption	-1.3	6.6	-2.6	12.6	14.0	-1.3	7.0	-1.8	13.3	14.7
Nifty Non-Cyclical Consumer	-2.2	4.1	-7.4	8.4	8.7	-2.2	4.6	-6.8	9.4	9.7
Nifty India Manufacturing	1.6	4.4	16.5	19.5	16.7	1.7	4.9	17.4	20.4	17.7
Nifty Infrastructure	-2.4	-1.9	3.5	15.6	14.3	-2.4	-1.5	4.3	16.5	15.4
Nifty Services Sector	-1.4	3.9	-2.9	7.7	5.0	-1.3	4.6	-1.8	9.0	6.3
Nifty Commodities	-1.7	-5.9	13.1	15.9	12.0	-1.7	-5.5	14.1	16.9	13.4
Nifty CPSE	-2.4	-9.0	3.8	22.2	25.6	-2.2	-8.7	5.8	24.9	29.3
Nifty PSE	-2.4	-5.1	5.5	21.2	21.6	-2.2	-4.7	7.4	23.5	24.9
Nifty Energy	-2.0	-7.2	12.8	13.8	13.3	-1.9	-6.8	14.0	15.3	15.2
Nifty MNC	-0.1	1.8	12.6	14.6	12.0	0.2	2.5	14.0	16.0	13.4
Nifty India Digital	4.1	12.6	0.0	12.3	7.3	4.1	13.0	1.2	13.5	8.5
Nifty India Defence	4.2	6.7	31.2	44.6	53.4	4.2	6.9	31.8	45.5	54.8
Nifty Mobility	0.9	9.6	10.6	22.2	20.6	1.0	10.1	11.5	23.0	21.6
Nifty100 Liquid 15	-0.6	6.2	10.2	14.1	11.5	-0.5	6.7	11.1	15.0	12.6
Nifty Midcap Liquid 15	4.3	5.9	20.1	23.8	22.8	4.4	6.2	20.8	24.6	23.9
Nifty Corp. Grp Index - Aditya Birla Group	2.5	1.1	20.5	19.3	13.5	2.5	1.2	20.7	19.7	13.9
Nifty Corp. Grp Index - Mahindra Group	-3.1	10.3	7.6	19.6	18.9	-3.1	11.1	8.6	20.6	20.3
Nifty Corp. Grp Index - Tata Group	0.0	4.1	-5.5	1.4	2.9	0.0	4.8	-3.5	3.1	4.3
Nifty Corp Grp Index - Tata Group 25% Cap	-0.6	2.4	-1.3	7.0	8.3	-0.6	3.1	0.3	8.2	9.5
Nifty Shariah 25	-1.2	2.5	-2.5	6.9	4.5	-1.2	3.0	-1.0	8.6	6.1
Nifty50 Shariah	-1.8	-0.3	-7.4	1.8	0.0	-1.8	0.1	-6.0	3.6	1.7
Nifty500 Shariah	0.6	2.3	1.2	7.8	6.1	0.7	2.7	2.3	9.1	7.3
Nifty SME EMERGE	4.8	6.8	-3.0	15.7	39.2	4.8	6.8	-2.9	15.8	39.3
Nifty100 ESG	-1.4	4.2	3.8	11.3	7.5	-1.2	4.7	5.0	12.5	8.7

Aug-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty100 Enhanced ESG	-1.4	4.1	3.6	11.2	7.5	-1.2	4.7	4.8	12.4	8.7
Nifty100 ESG Sector Leaders	-2.1	2.0	-2.0	8.9	6.6	-2.0	2.7	-0.9	10.1	7.8
Nifty IPO	5.0	12.8	12.5	13.0	6.2	5.0	12.9	12.7	13.2	6.5
Nifty REITs & InvITs	0.4	5.5	13.1	12.8	7.1	1.3	6.6	18.0	17.7	12.9
Nifty Core Housing	-0.2	5.3	-1.2	9.2	6.9	-0.1	5.7	-0.7	9.8	7.5
Nifty500 Multicap India Mfg. 50:30:20	1.7	5.1	14.3	18.6	16.3	1.7	5.6	15.2	19.4	17.2
Nifty500 Multicap Infrastructure 50:30:20	-1.3	0.3	6.7	15.0	16.1	-1.2	0.6	7.5	15.8	17.2
Nifty EV & New Age Automotive	2.3	8.8	12.0	16.1	20.8	2.4	9.4	12.9	16.9	21.7
Nifty India Tourism	0.6	8.9	-12.2	8.4	12.7	0.6	9.1	-11.9	8.7	13.0
Nifty Rural	-3.1	0.9	1.9	10.9	11.4	-3.0	1.5	2.9	12.1	12.6
Nifty Capital Markets	3.4	0.2	34.0	52.5	27.5	3.4	0.5	35.0	53.9	29.0
Nifty India New Age Consumption	1.6	11.8	3.1	18.8	17.0	1.7	12.2	3.7	19.4	17.7
Nifty India Select 5 Corp Groups (MAATR)	-2.1	-0.9	8.6	12.9	11.9	-2.0	-0.4	9.4	13.6	12.6
Nifty India Railways PSU	-3.1	-6.1	-15.6	9.5	18.6	-3.0	-5.9	-14.4	10.9	20.9
Nifty India Internet	9.1	22.1	4.9	25.8		9.1	22.1	5.2	26.1	
Nifty Waves	-2.7	-2.0	-10.1	-6.6	1.7	-2.7	-1.9	-9.7	-6.2	2.2
Nifty India Infrastructure & Logistics	-0.9	-1.7	9.4	19.8	18.2	-0.8	-1.4	10.3	20.7	19.3
Nifty India FPI 150	-0.8	2.6	4.1	11.7		-0.7	3.1	5.1	12.8	
Nifty Conglomerate 50	-0.5	4.0	10.1	12.3	9.8	-0.5	4.5	11.1	13.2	10.7
Nifty Cement	-3.5	-2.2	-16.2	5.3	3.1	-3.4	-1.8	-15.9	5.8	3.7
Nifty REITs & Realty	-0.2	9.0	8.7	15.5	12.9	0.6	10.1	12.8	20.0	17.3
Strategy Indices										
Nifty Alpha 50	6.1	9.0	17.3	18.3	13.8	6.1	9.2	17.7	19.0	14.5
Nifty100 Alpha 30	0.3	0.8	1.1	14.8	8.0	0.3	1.1	1.8	15.7	9.0
Nifty Alpha Low-Volatility 30	-1.0	5.9	4.1	12.2	9.4	-0.9	6.4	5.0	13.4	10.6
Nifty Alpha Quality Low-Volatility 30	-0.7	3.7	3.9	13.4	10.0	-0.6	4.4	5.2	14.9	11.5
Nifty Alpha Quality Value Low-Volatility 30	-1.6	2.1	-2.0	14.1	13.1	-1.5	2.7	-0.7	15.8	15.0
Nifty200 Alpha 30	3.7	4.5	11.5	18.0	14.6	3.7	4.7	12.0	18.8	15.6
Nifty Dividend Opportunities 50	-1.3	-0.3	0.8	10.1	10.0	-1.2	0.1	2.7	12.4	12.4
Nifty Growth Sectors 15	-0.2	8.4	0.0	6.4	8.3	-0.1	9.0	1.5	8.3	10.0
Nifty High Beta 50	1.1	5.5	29.9	17.2	17.9	1.2	5.9	31.1	18.2	19.0
Nifty Low Volatility 50	-1.7	2.4	-0.6	10.9	8.6	-1.6	2.9	0.5	12.1	10.0
Nifty100 Low Volatility 30	-1.7	3.6	-0.1	11.0	9.0	-1.6	4.2	0.9	12.3	10.5
Nifty100 Quality 30	0.8	3.6	2.5	9.7	8.0	0.9	4.1	3.8	11.3	9.5
Nifty Quality Low-Volatility 30	-1.4	4.0	-2.4	7.0	6.2	-1.3	4.7	-1.0	8.5	7.7
Nifty200 Quality 30	-0.2	2.3	1.0	8.9	7.1	-0.1	2.9	2.5	10.7	8.9
Nifty50 Equal Weight	-1.2	1.8	6.1	13.2	11.6	-1.2	2.3	7.1	14.4	13.0
Nifty100 Equal Weight	-0.5	2.8	9.2	15.7	11.6	-0.4	3.2	10.2	16.8	12.8
Nifty50 Value 20	-1.2	-1.2	-5.2	5.8	6.1	-1.1	-0.9	-4.0	7.7	8.2
Nifty500 Value 50	-0.9	-3.5	17.9	24.0	23.5	-0.7	-3.0	19.6	25.8	25.8
Nifty Midcap150 Quality 50	0.8	3.8	4.4	9.4	7.7	0.9	4.2	5.5	10.4	8.7
Nifty200 Momentum 30	2.5	2.9	5.8	12.2	10.1	2.5	3.2	6.4	13.1	11.0
Nifty Midcap150 Momentum 50	3.8	3.0	9.9	17.5	17.4	3.9	3.2	10.5	18.2	18.1
Nifty Smallcap250 Quality 50	0.4	2.6	-2.6	9.7	12.4	0.5	3.0	-1.6	10.9	13.7
Nifty Smallcap250 Momentum Quality 100	4.2	8.8	11.0	11.2	12.7	4.3	9.1	11.8	12.1	13.7

Aug-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty MidSmallcap400 Momentum Qlty 100	3.2	3.5	12.5	14.6	14.2	3.3	3.8	13.3	15.5	15.2
Nifty500 Equal Weight	0.9	5.2	8.6	14.8	14.6	1.0	5.5	9.4	15.5	15.5
Nifty500 Momentum 50	5.0	5.5	11.5	14.2	13.9	5.1	5.8	12.0	14.9	14.6
Nifty500 LargeMidSmall Equal-Cap Wtd.	1.1	5.0	8.6	14.1	13.6	1.2	5.4	9.4	15.0	14.6
Nifty200 Value 30	-2.1	-4.2	19.4	25.1	23.7	-1.9	-3.8	21.2	26.9	26.2
Nifty Top 10 Equal Weight	-0.7	1.6	-7.0	2.9	5.2	-0.6	2.1	-6.0	4.2	6.5
Nifty500 Multicap Momentum Quality 50	4.0	-0.3	6.0	13.1	10.6	4.1	0.1	6.8	14.3	11.8
Nifty Top 15 Equal Weight	-1.8	2.9	-3.5	6.6	8.0	-1.7	3.5	-2.4	7.9	9.3
Nifty Top 20 Equal Weight	-1.0	5.3	-1.3	7.8	8.7	-0.9	5.9	-0.2	9.1	10.0
Nifty500 Quality 50	0.6	0.4	7.3	14.5	10.8	0.6	0.8	8.5	15.8	12.3
Nifty500 Low Volatility 50	-1.9	2.2	2.9	14.3	12.2	-1.8	2.7	4.0	15.4	13.5
Nifty500 Multifactor MQVLv 50	-2.3	-0.5	2.0	14.0	12.5	-2.1	0.0	3.1	15.4	14.2
Nifty500 Flexicap Quality 30	-0.1	4.1	-1.7	3.9	7.5	-0.1	4.6	-0.4	5.4	9.0
Nifty Total Market Momentum Quality 50	4.5	1.5	8.3	13.7	11.8	4.6	1.9	9.2	14.5	12.7
Sectoral Indices										
Nifty Auto	0.3	9.5	15.6	22.6	23.5	0.5	10.3	16.8	23.7	24.7
Nifty Bank	1.3	7.0	8.1	9.7	9.8	1.5	7.5	8.9	10.5	10.6
Nifty Private Bank	1.8	6.4	7.5	6.9	8.3	2.0	7.0	8.1	7.6	9.0
Nifty PSU Bank	2.9	5.6	27.4	24.5	29.8	2.9	5.6	28.4	25.3	31.2
Nifty Financial Services	-1.1	3.7	2.8	10.3	7.8	-1.0	4.3	3.8	11.4	8.8
Nifty Financial Services Ex-Bank	-0.7	4.5	15.2	18.6	11.6	-0.7	4.9	16.0	19.6	12.6
Nifty Financial Services 25/50	-2.0	3.0	3.7	12.3	9.4	-1.7	3.6	4.8	13.5	10.5
Nifty MidSmall Financial Services	3.1	4.6	31.9	28.4	22.9	3.2	4.9	32.5	29.2	24.0
Nifty FMCG	-6.3	-6.8	-18.0	-3.4	3.1	-6.3	-6.3	-17.3	-1.9	4.8
Nifty IT	1.6	7.3	-11.3	0.0	-2.0	1.6	7.6	-9.4	2.2	0.0
Nifty MidSmall IT & Telecom	6.5	8.4	10.6	8.7	10.1	6.6	8.8	11.4	9.4	11.0
Nifty Media	-3.8	10.6	-3.4	-12.1	-0.6	-3.7	10.7	-2.9	-11.6	0.1
Nifty Metal	3.7	-1.8	44.1	25.6	18.2	3.8	-1.3	45.6	26.6	19.8
Nifty Pharma	2.5	11.7	24.7	21.7	13.6	2.5	12.0	25.5	22.5	14.5
Nifty Realty	0.3	15.5	3.8	17.4	18.5	0.4	16.0	4.3	17.9	18.9
Nifty Consumer Durables	0.9	15.7	4.8	12.1	10.2	0.9	16.0	5.2	12.5	10.7
Nifty Oil & Gas	-1.3	-0.9	2.9	12.8	9.1	-1.2	-0.6	3.7	13.8	10.5
Nifty Healthcare Index	1.1	10.1	18.1	21.4	13.1	1.1	10.4	18.7	22.1	13.8
Nifty MidSmall Healthcare	1.5	10.0	21.3	26.0	15.1	1.6	10.2	21.7	26.5	15.7
Nifty Transportation & Logistics	0.8	10.4	9.0	20.8	21.4	0.9	11.0	9.8	21.7	22.3
Nifty Housing	-1.1	-0.9	6.1	11.4	9.7	-1.0	-0.4	7.0	12.3	10.7
Nifty Chemicals	-0.2	2.7	1.9	7.7	6.9	-0.1	3.1	2.5	8.3	7.5
Nifty500 Healthcare	1.5	10.2	17.3	21.8	13.2	1.5	10.5	17.9	22.5	13.8

Source: NSE Indices, NSE EPR

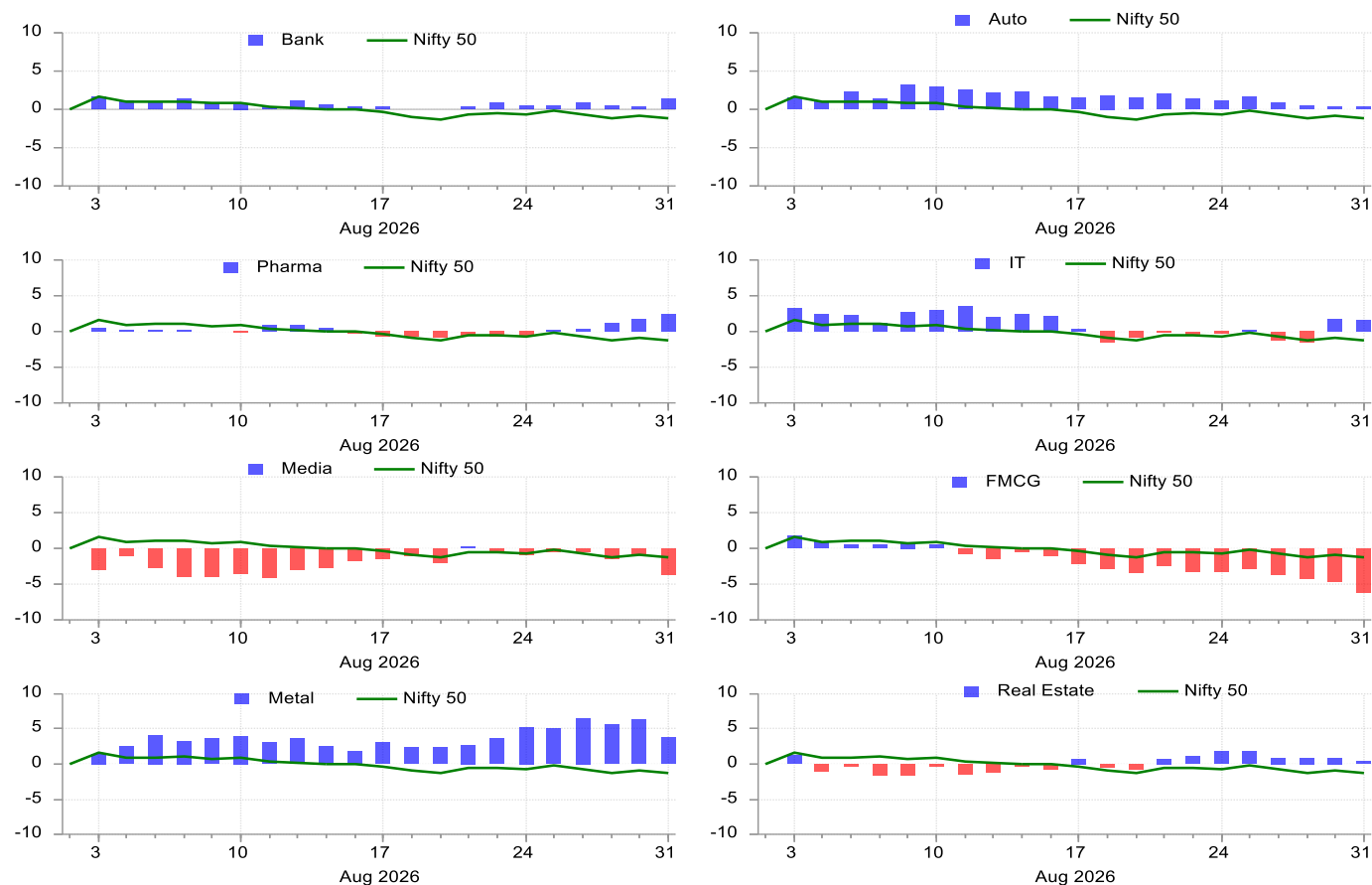
Note: Returns for the period up to one year are absolute returns. Returns for a period greater than one year are CAGR returns.

Table 53: Performance across NSE sector indices based on Price Return Index

Indicator Name	Aug-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Auto	28,842	28,744	26,338	24,961	0.3	9.5	2.4	15.6	2.3
Bank	58,025	57,265	54,239	53,656	1.3	7.0	-4.1	8.1	-2.6
Energy	37,949	38,730	40,878	33,639	-2.0	-7.2	2.4	12.8	7.4
FMCG	46,026	49,121	49,383	56,142	-6.3	-6.8	-10.0	-18.0	-17.0
IT	31,191	30,709	29,080	35,181	1.6	7.3	1.9	-11.3	-17.7
Infrastructure	9,179	9,409	9,353	8,873	-2.4	-1.9	-3.7	3.5	-4.5
Media	1,557	1,619	1,408	1,612	-3.8	10.6	10.0	-3.4	7.8
Metals	13,194	12,719	13,441	9,155	3.7	-1.8	7.8	44.1	18.1
Pharma	27,186	26,535	24,346	21,804	2.5	11.7	18.5	24.7	19.6
Real Estate	904	901	783	871	0.3	15.5	15.8	3.8	3.0

Source: Cogencis, NSE EPR.

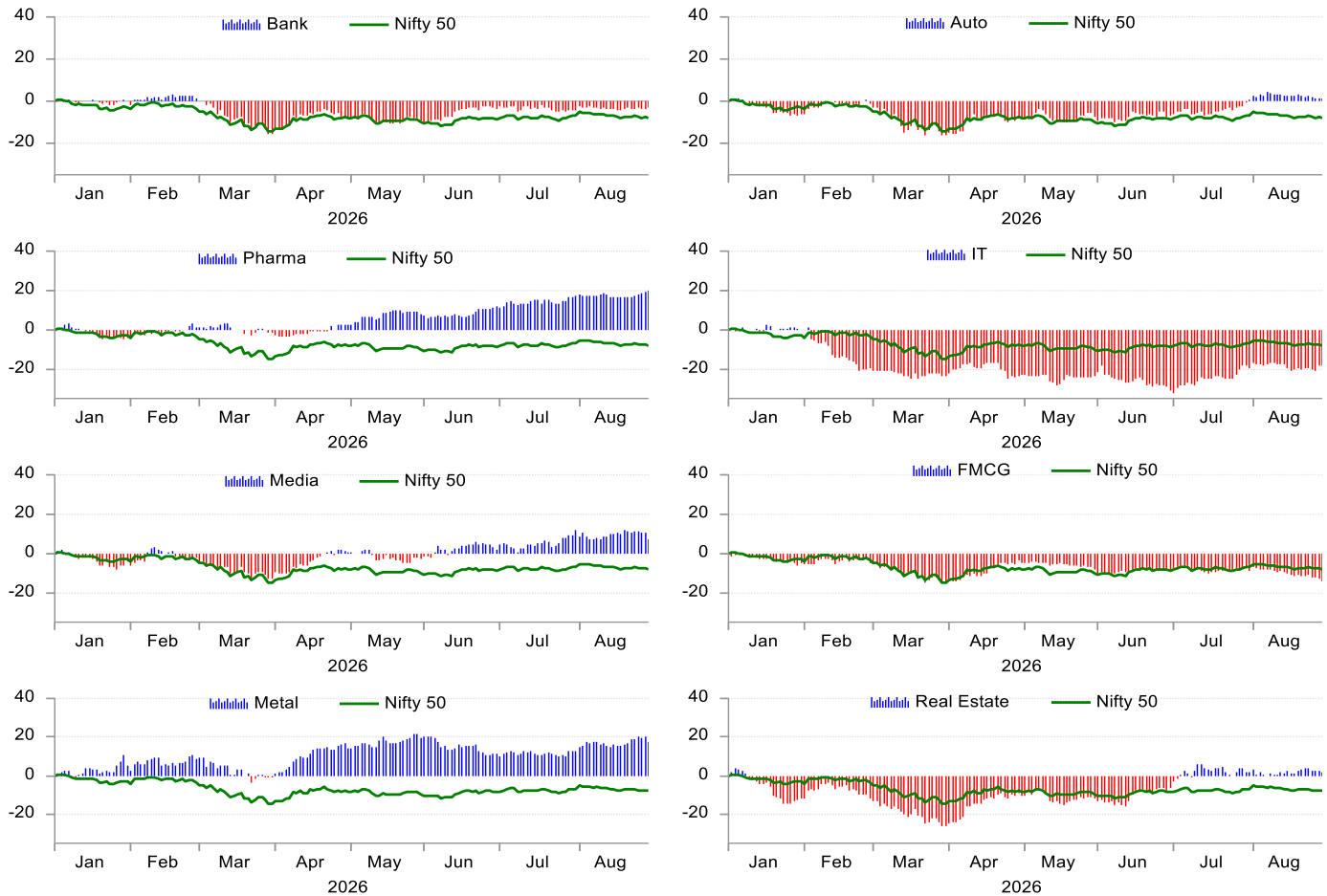
Figure 136: NIFTY sector performance in August 2026

Rebased to 0 on August 1st, 2026


Source: LSEG Workspace, NSE EPR.

Figure 137: NIFTY sector performance in 2026 till date (Jan-Aug'26)

Rebased to 0 on January 1st, 2026

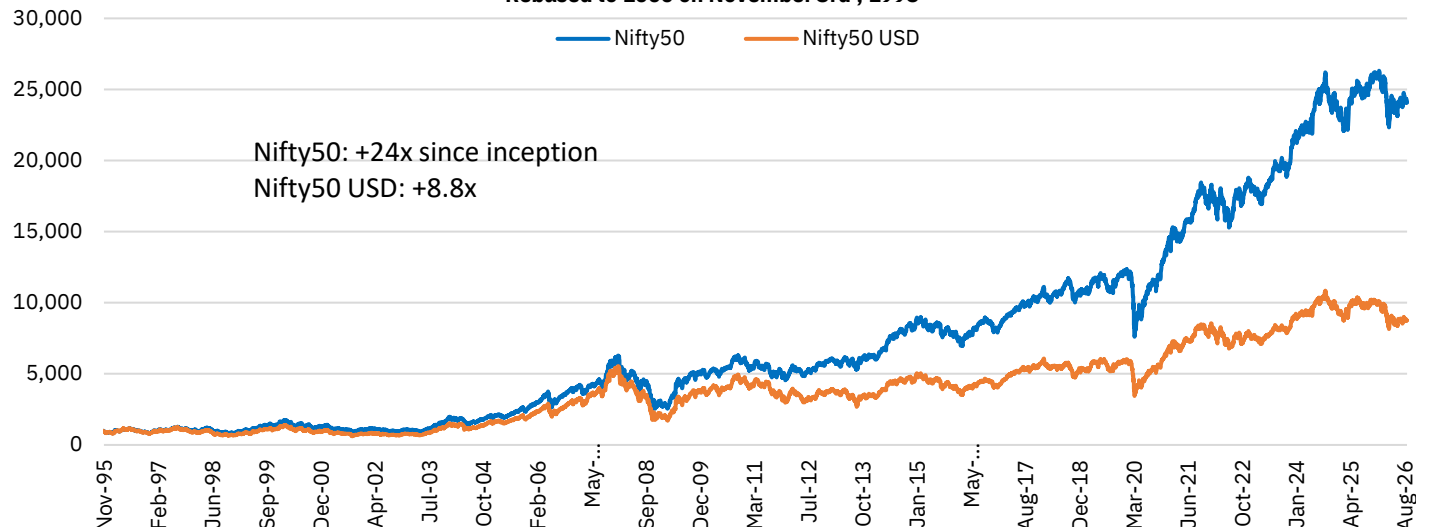


Source: LSEG Workspace, NSE EPR.

Figure 138: Nifty 50 and Nifty 50 USD since inception

Movement in Nifty50 and Nifty50 USD since inception

Rebased to 1000 on November 3rd, 1995



Source: Nifty Indices, NSE EPR.

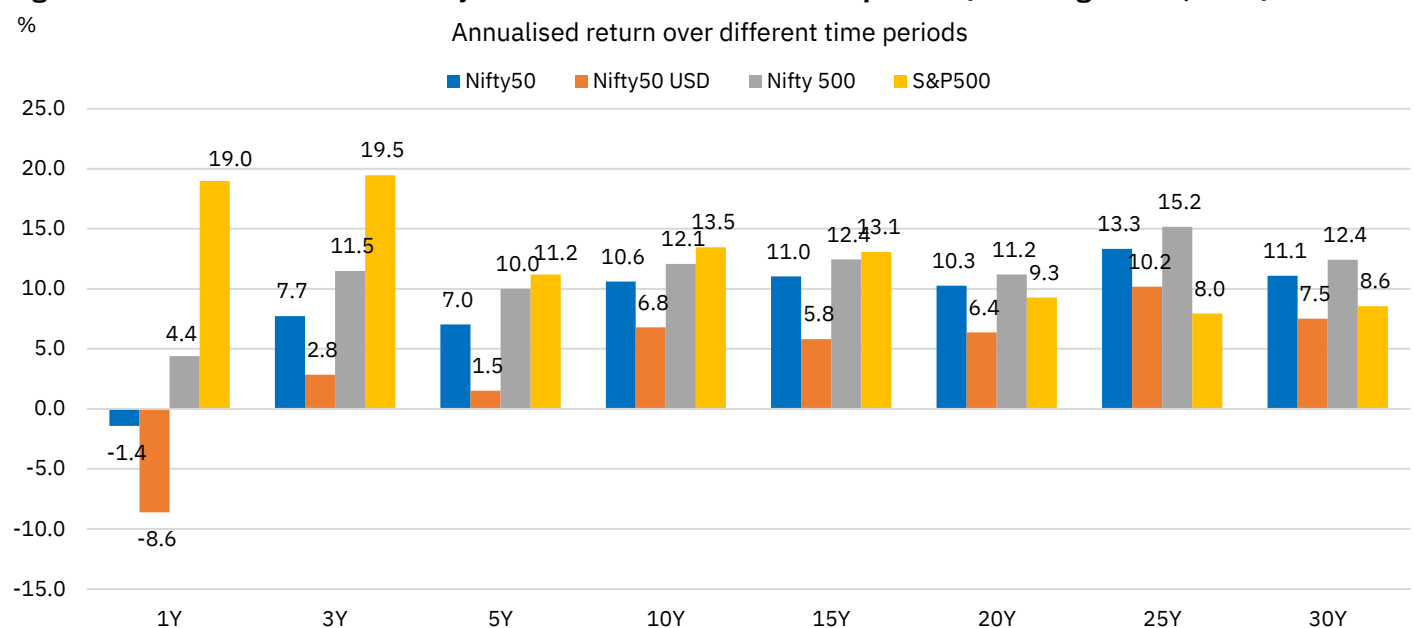
The Nifty 50 completed three decades in April 2026, having evolved into the principal benchmark of India's equity market since its launch in April 1996. With a base value of 1,000 on November 3, 1995, the index rose to a record high of 26,216 in September 2024. Despite the volatility of the past two years, its long-term compounding record remains strong, with the Nifty 50 delivering annualised returns of around 13% in rupee terms over the past 25 years.

The period since the September 2024 peak has been more difficult. Global trade uncertainty, geopolitical tensions, episodes of higher crude prices, sustained foreign selling and pressure on the rupee weighed on Indian equities, while relatively high valuations also made India less attractive to foreign investors. Strong domestic institutional flows provided a steady counterweight. The Nifty 50 fell for four consecutive months through March 2026 before rebounding sharply in April. The recovery continued in June and July, with the index gaining 1.4% and 2.2%, respectively.

The momentum weakened in August. The Nifty 50 declined 1.2% to close at 24,080, ending its two-month winning streak. The weakness was concentrated in large caps, however, with the Nifty Midcap 150 and Smallcap 250 gaining around 1.8% and 2.5%, respectively. The August consolidation reflected a less favourable external backdrop rather than a deterioration in domestic fundamentals. India's Q1 FY27 GDP growth of 7.8% remained supportive, while DII buying strengthened and FPIs returned as net buyers. FPIs invested ~US\$3.1 bn in Indian equities during the month, their strongest monthly inflow in nearly two years, while DIIs bought around Rs 58,268 crore. At the same time, higher US Treasury yields and renewed expectations of tighter US monetary policy weighed on risk appetite. Towards month-end, renewed US-Iran tensions pushed Brent crude above US\$90 a barrel, adding to concerns over inflation and interest rates.

The longer-term performance remains considerably stronger than the recent cycle would suggest. As of August-end, the Nifty 50 had delivered annualised returns of around 13.3% in rupee terms over the past 25 years, compared with around 10.2% in US dollar terms.

Figure 139: Annualised return of major indices across different time periods (As of August 31st, 2026)



Source: Nifty Indices, LSEG Workspace, NSE EPR.

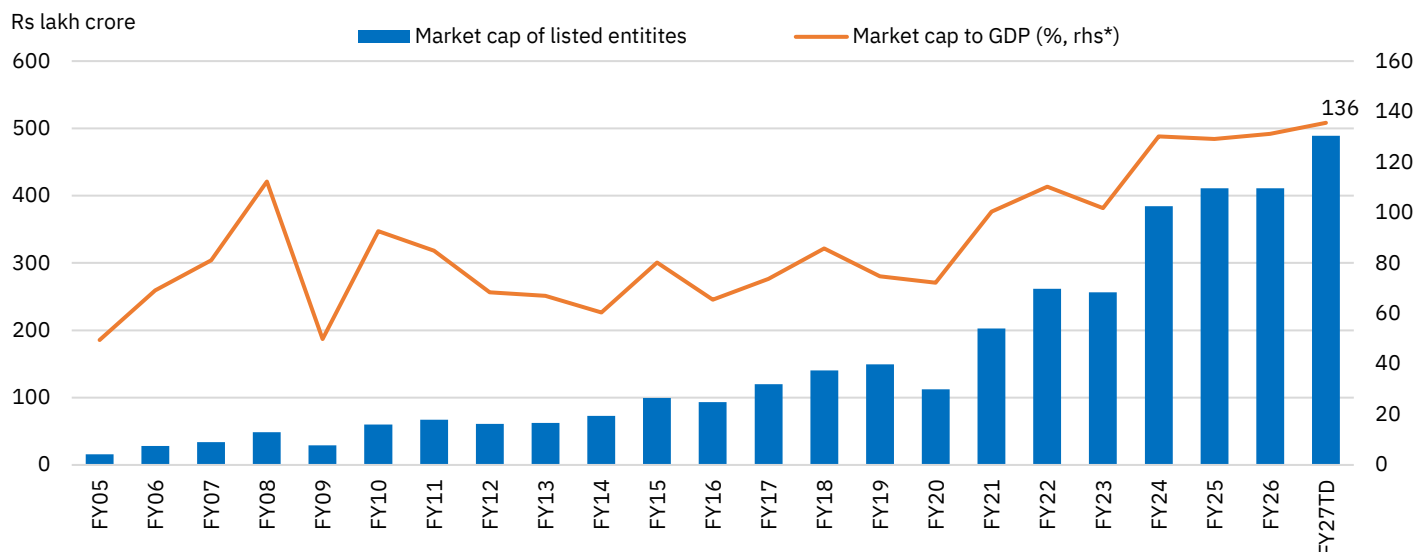
Market growth and concentration

Market capitalisation of listed entities¹² inched up marginally in August 2026: After rising 7.9% in 2025—its seventh consecutive annual gain—the aggregate market capitalisation of NSE-listed entities fell 13.2% in Q1 2026, before rebounding 12.6% in April. The recovery moderated thereafter, with total market capitalisation rising 5.6% over the four months to August and just 0.8% in August. The modest increase masked a clear divergence across market segments: mid- and small-cap stocks continued to gain, while large caps consolidated. New listings also added to the increase. Twenty-five companies across the mainboard and SME segments listed on NSE during August, with a combined market capitalisation of Rs 2.5 lakh crore. Excluding these listings, the increase was only 0.3%. In US dollar terms, market capitalisation rose 1.1% in August, aided by the 0.2% appreciation of the rupee, but remained 5.3% below its April-end level.

The divergence was evident across market segments. The market capitalisation of large caps (top 100 companies) declined in August, with Nifty 50 companies falling 1.5% to Rs 195 lakh crore and Nifty Next 50 companies declining 0.4% to Rs 76.1 lakh crore. The Nifty 50's share of total market capitalisation consequently fell by nearly one percentage point to 39.9%. Broader segments remained resilient: mid-cap, small-cap and micro-cap market capitalisation rose 0.6%, 2.7% and 5.2%, respectively. On a CYTD basis, the corresponding gains were 12.7%, 18.6% and 26.6%.

The longer-term trend remains intact. Over the past 20 years, the market capitalisation of NSE-listed entities has grown at a CAGR of 15.4% in rupee terms and 11.4% in US dollar terms. On a rolling three-month average, it is now equivalent to around 136% of GDP under the 2022–23 GDP series, compared with around 60% in March 2014. The increase reflects both the rise in equity valuations and the expansion of the listed universe, alongside greater household participation in equities and a larger role for capital markets in financing economic activity.

Figure 140: Market cap to GDP ratio trend



Source: CMIE Economic Outlook, NSE EPR. # As of August 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.

¹² 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 declined as the broader market segments continued to gain share:

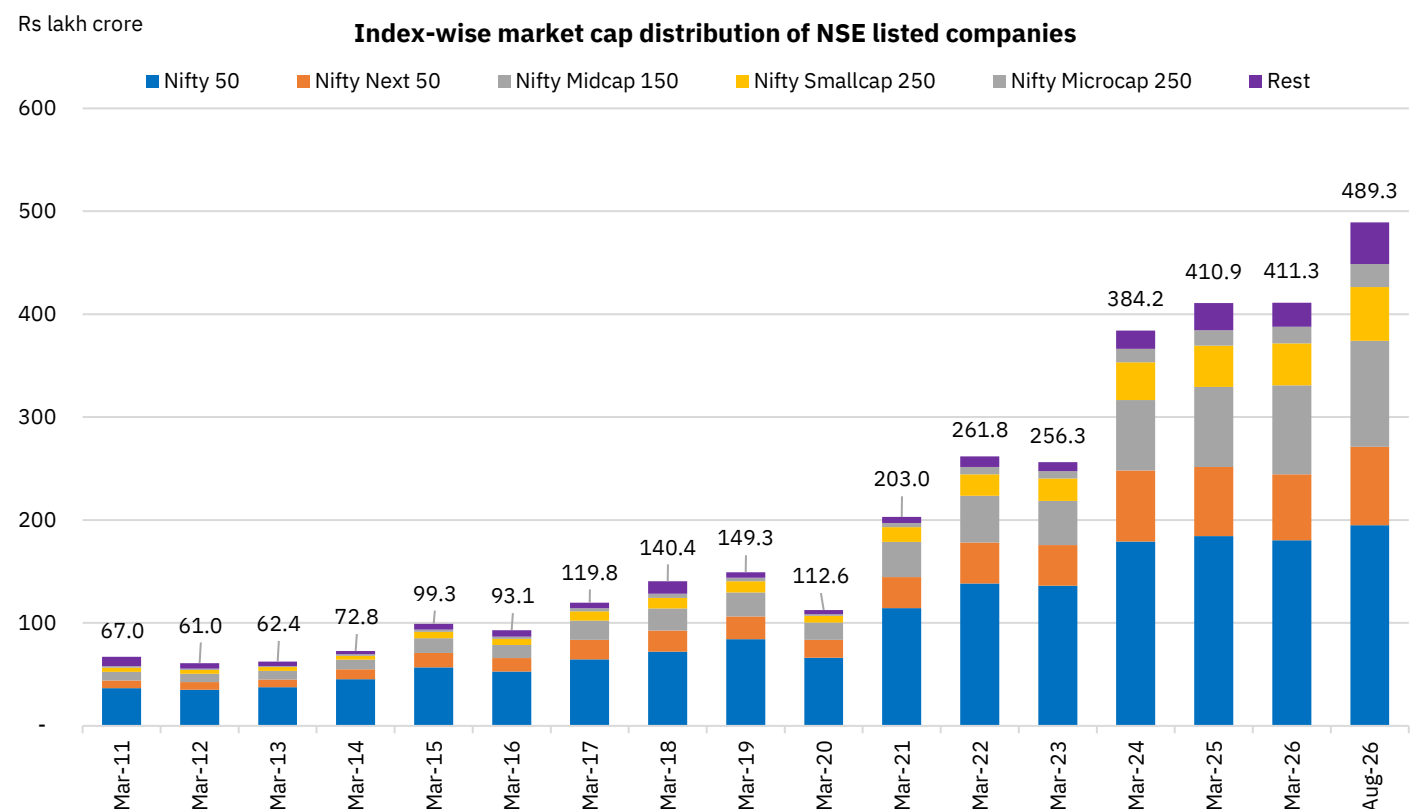
After a renewed increase in July, the Nifty 50's share of aggregate market capitalisation of NSE-listed entities fell by nearly one percentage point MoM to 39.9% in August 2026, taking the FYTD decline to nearly 4 percentage points. The Nifty Next 50's share fell by 18 bps to 15.6%, while that of the Nifty Midcap 150 declined marginally by 5 bps to 21.0%.

In contrast, the Nifty Smallcap 250 and Nifty Microcap 250 increased their shares by 19 bps each to 10.7% and 4.6%, respectively. Their combined share has risen meaningfully this year, reflecting the continued outperformance of the broader market as risk appetite improved and investors returned to segments that had corrected more sharply earlier.

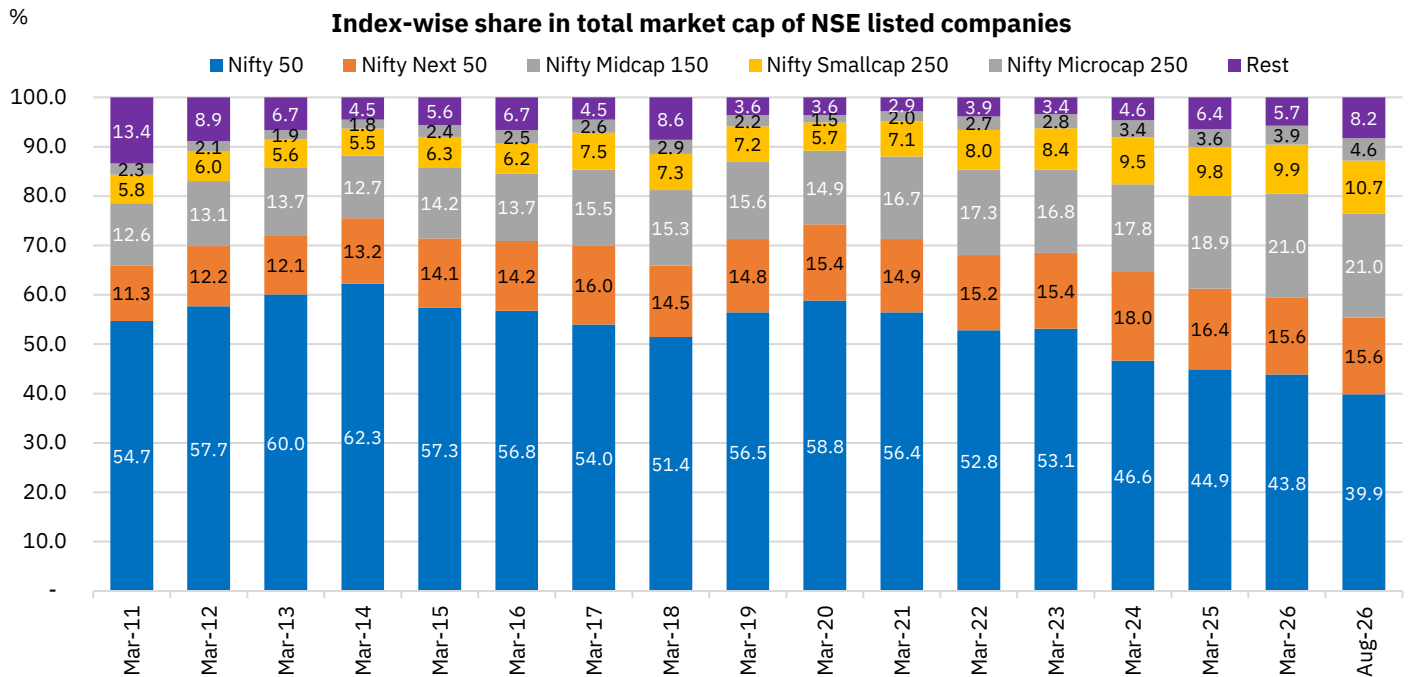
The longer-term trend points to a steady broadening of the market beyond the largest companies. The Nifty 50's share of aggregate market capitalisation has fallen from 62.3% in FY14 to below 40% in August, even as the number of entities listed on NSE increased from 422 in FY96 to 3,225 by August 2026. The shift reflects both the expansion of the listed universe and the stronger relative performance of companies outside the Nifty 50.

The performance gap has been particularly marked in recent years. Over the past five years, the Nifty Midcap 150 and Nifty Smallcap 250 have delivered CAGRs of 17.0% and 15.7%, respectively, compared with 7.1% for the Nifty 50. The declining concentration of market capitalisation in the largest companies points to a broader and more diversified equity market, with mid- and small-cap companies accounting for an increasing share of market value and returns.

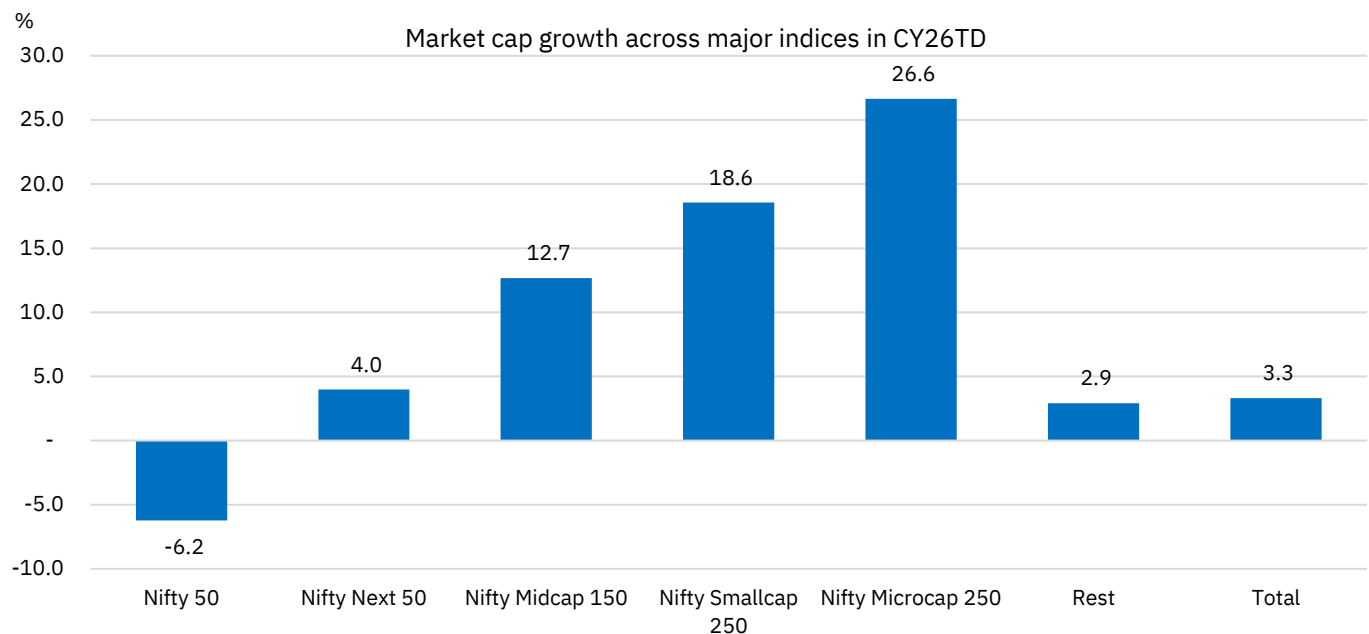
Figure 141: Index-wise distribution of total market capitalisation of listed entities



Source: Nifty Indices, NSE EPR.

Figure 142: Index-wise share in total market capitalisation of listed entities


Source: Nifty Indices, NSE EPR.

Figure 143: Index-wise change in total market capitalisation of listed entities in CY26TD (Jan-August 2026)


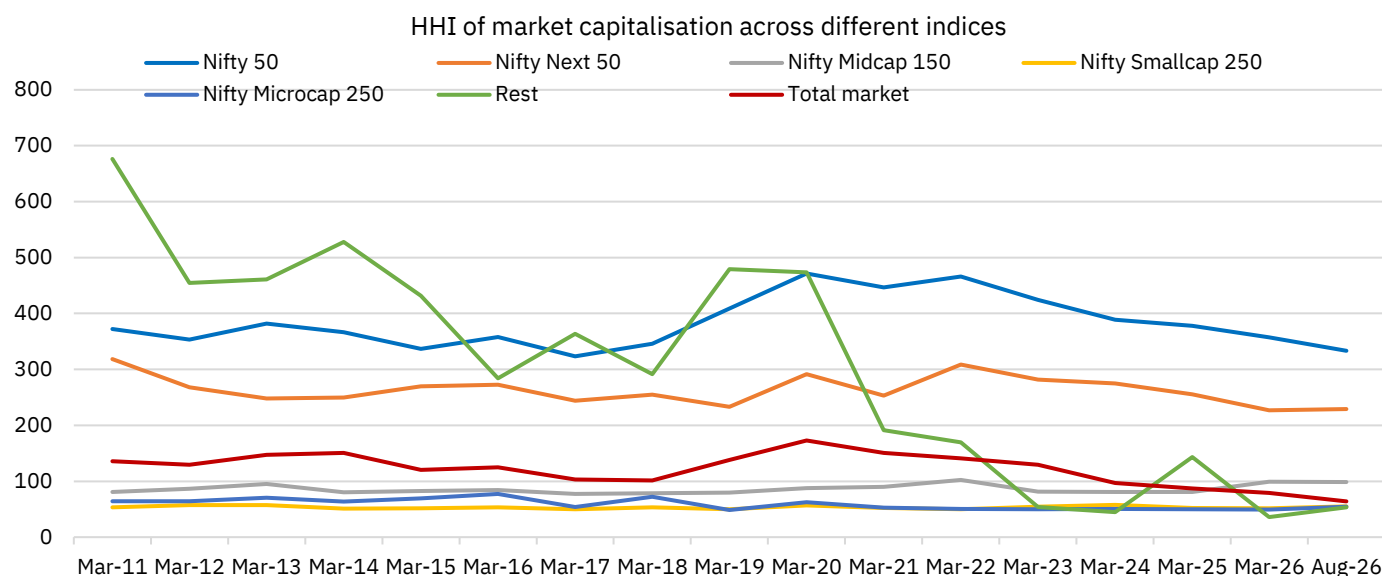
Source: Nifty Indices, NSE EPR.

Market concentration remained stable in August 2026: Market concentration, measured by the Herfindahl–Hirschman Index (HHI) based on market capitalisation, remained at multi-year lows in August. Aggregate HHI for the NSE-listed universe stood at 64, unchanged MoM and well below 81 a year earlier. Concentration had risen sharply to an 11-year high of 173 in March 2020 as the pandemic triggered a strong shift towards large-cap stocks. It has since declined steadily as market capitalisation has become more widely distributed across companies and market segments.

Concentration remains higher among the largest companies. Within the top 750 stocks, the Nifty 50 HHI declined to 333 in August from 335 in July and 372 a year earlier, remaining well below its March 2009 peak of 476. The Nifty Next 50 also saw lower concentration, with its HHI at 229, compared with 262 a year earlier. HHI for the Midcap 150, Smallcap 250 and Microcap 250 remained much lower, at 99, 55 and 54, respectively, and changed little MoM.

The decline in HHI over recent years is consistent with the broader shift in market capitalisation towards companies outside the largest index constituents.

Figure 144: Index-wise share in total market capitalisation of listed entities



Top-decile share increased on relative outperformance of mid- and small-caps in August:

A decile-wise analysis of companies listed on NSE shows that the share of the top decile, comprising around 317 companies, increased to 82.4% of aggregate market capitalisation in August 2026 from 81.8% in June. The increase, however, should not be interpreted as a renewed concentration in large-cap stocks. The top decile extends well beyond the largest companies and includes a significant number of mid- and small-cap stocks, which continued to outperform in recent months. Their gains more than offset the decline in the market capitalisation of large-cap companies in August.

The share of the top decile had risen 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 preference for established companies during a period of exceptional uncertainty. Concentration moderated subsequently, with the share of the top decile falling to 81.8% by March 2024 and a six-year low of 80.1% in December 2024. It then increased to 83.4% by March 2026 as investors rotated towards larger and relatively more resilient companies amid trade-related uncertainty and geopolitical tensions. Since then, the market has broadened as risk appetite improved, valuations became more reasonable and domestic buying remained strong.

At the other end of the distribution, the bottom five deciles accounted for just 0.85% of aggregate market capitalisation of NSE-listed and permitted-to-trade companies in

August. This share has remained broadly stable in recent months, but is well above the post-pandemic low of 0.47%. The market therefore remains highly concentrated in its largest companies, even as the distribution of market capitalisation has become broader than during the pandemic, with mid- and small-cap companies accounting for a larger share of market value.

Figure 145: Decile-wise distribution of total market capitalisation of listed entities

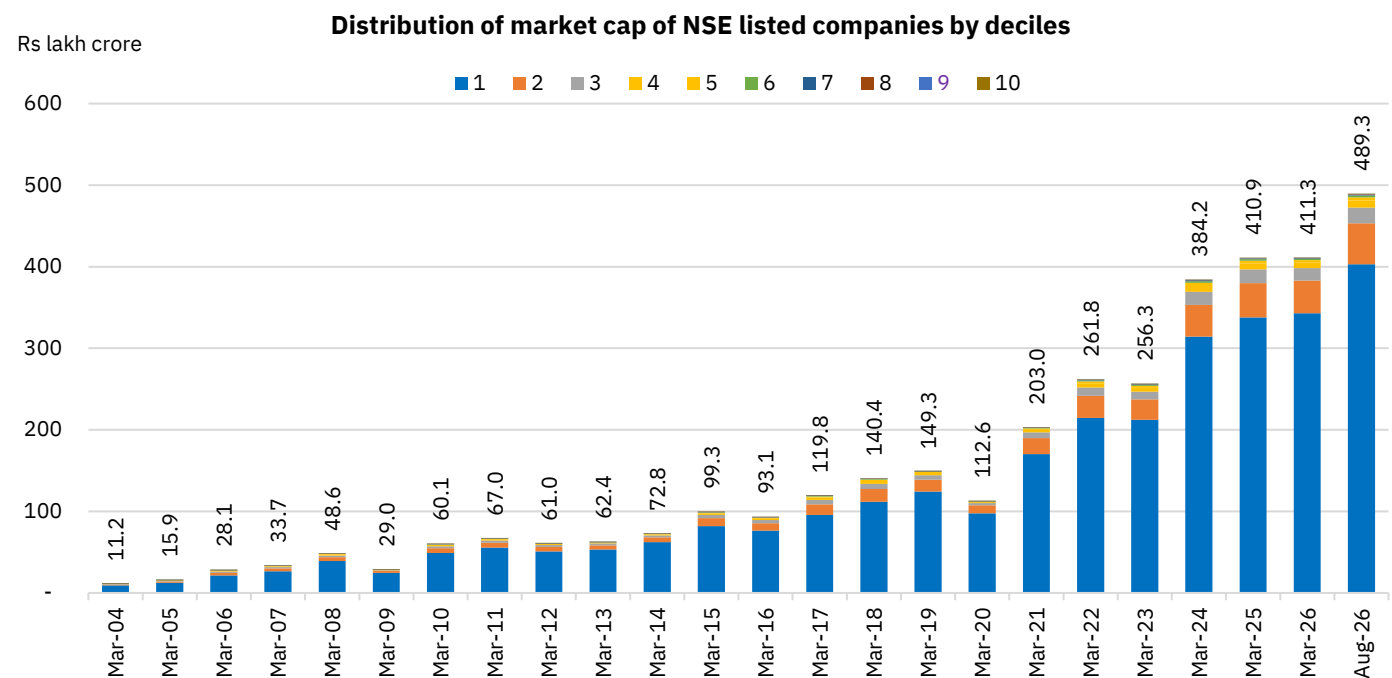


Figure 146: Decile-wise share of total market capitalisation of listed entities

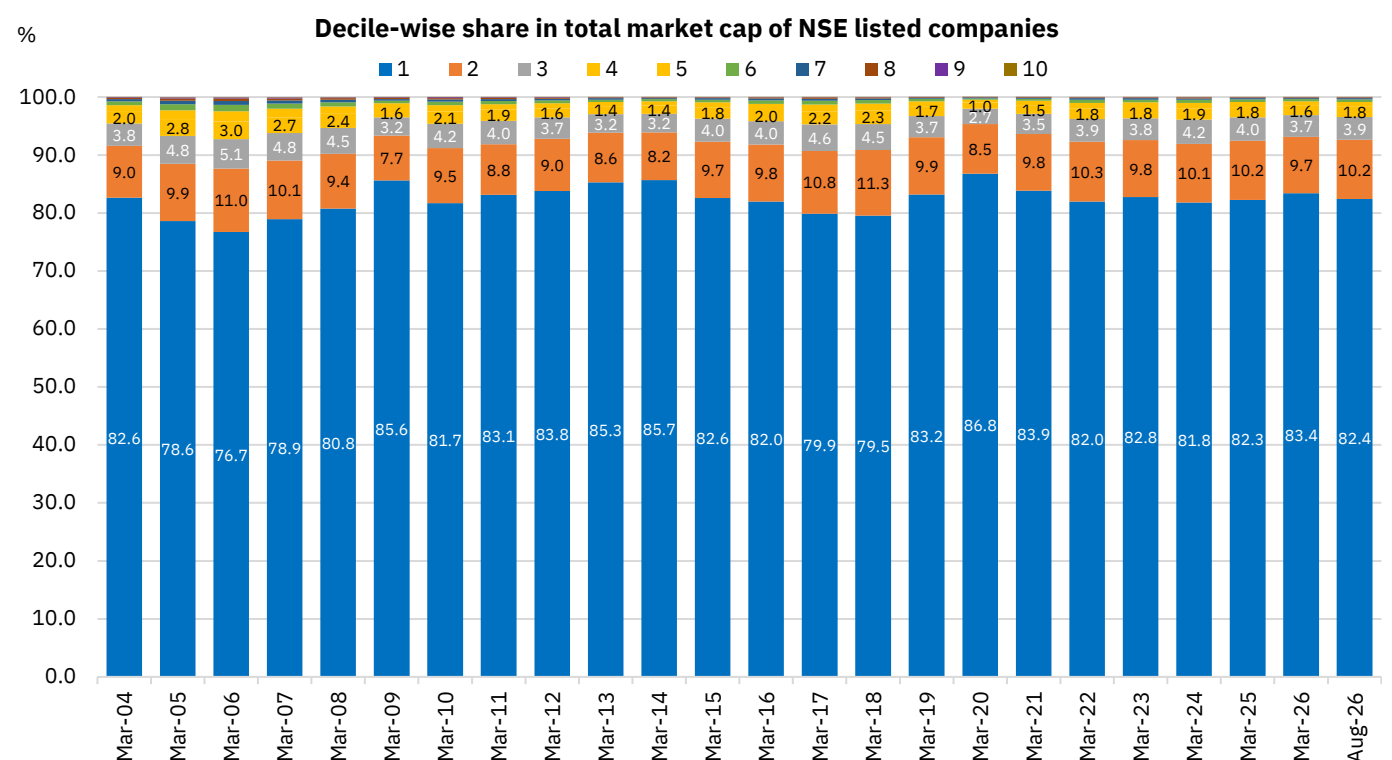
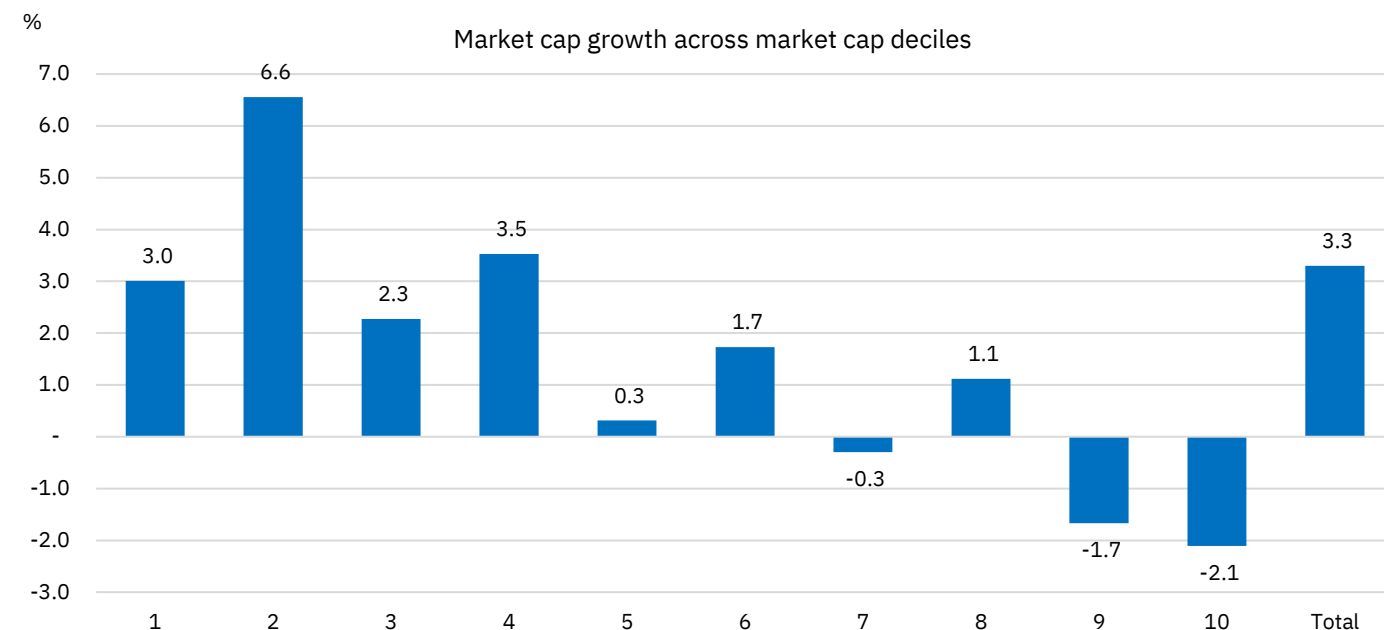


Figure 147: Decile-wise change in total market capitalisation of listed entities in CYTD (Jan-August 2026)



Source: NSE EPR.

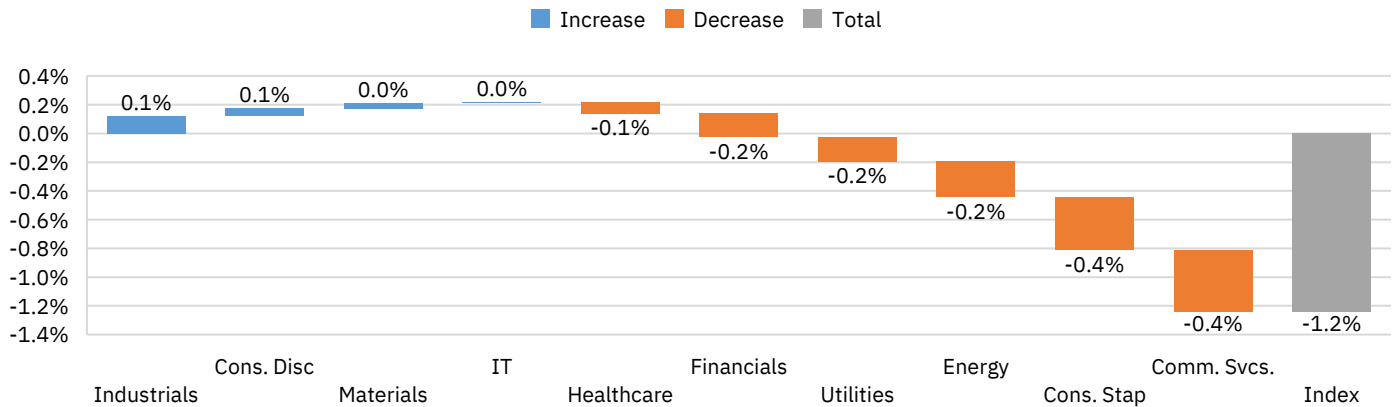
Nifty50 performance attribution analysis

Indian equities consolidated after two months of gains in August: Indian equities paused in August, with the Nifty 50 declining 1.2% after gains of 1.4% in June and 2.2% in July. The correction was concentrated in large caps, while the broader market remained firm: the Nifty Midcap 150 and Nifty Smallcap 250 rose 1.8% and 2.5%, respectively. Sectoral performance was also mixed, with Metals, PSU Banks and Pharmaceuticals among the better performers, while FMCG, Media and Oil & Gas declined. The divergence reflected continued domestic appetite for the broader market even as higher global yields, renewed concerns around US monetary policy and a late-month rise in crude prices weighed on large-cap equities.

Foreign flows strengthened further in August. FPIs invested around Rs 30,900 crore (US\$3.1bn) in Indian equities, their strongest monthly inflow in nearly two years, following purchases of around Rs 20,200 crore in July. Domestic institutions also stepped up buying, with net purchases rising to around Rs 58,300 crore from Rs 35,100 crore in July. The combination of stronger foreign participation and sustained domestic buying provided a firm liquidity backdrop, particularly for the broader market. Equity mutual fund inflows remained strong, with the latest available July data showing Rs 24,697 crore of net inflows, marking the 65th consecutive month of positive flows. SIP contributions stood at Rs 31,961 crore.

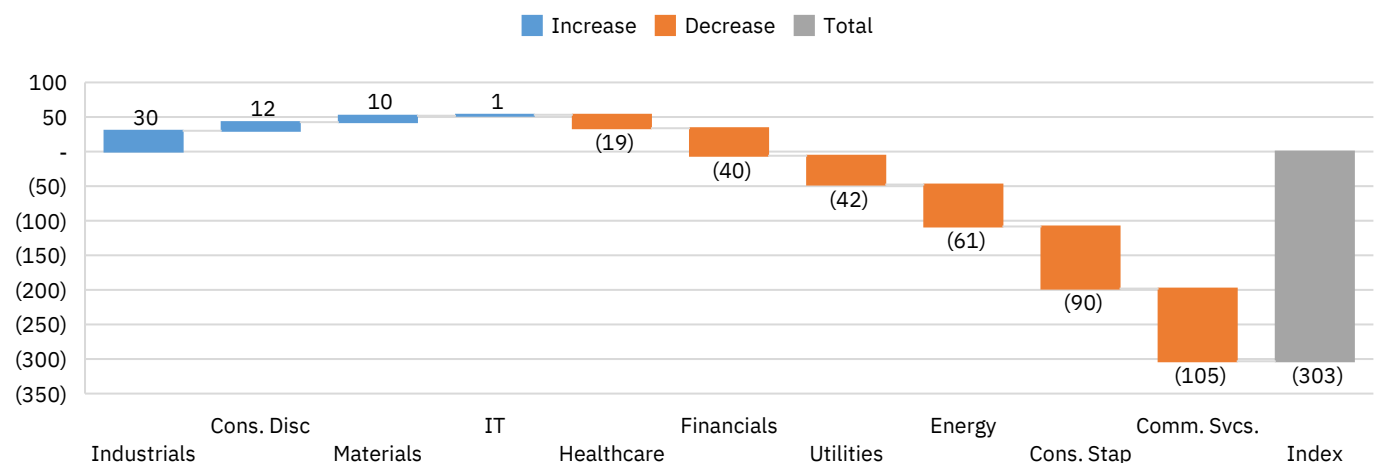
Over the 12 months to August 2026, the Nifty 50 remained modestly lower, with the price index down around 1.4%. Information Technology, Consumer Staples and Financials remained the principal sectoral drags over this period, while strong gains in Industrials, Healthcare, and Materials provided an offset. The August correction in the Nifty therefore masked continued strength in the broader market, with mid- and small-cap stocks extending their outperformance even as large-cap equities faced a less supportive global backdrop.

Figure 148: Sector-wise contribution to Nifty 50 price return in August 2026
Contribution to Nifty50 Index percentage change (August 2026)



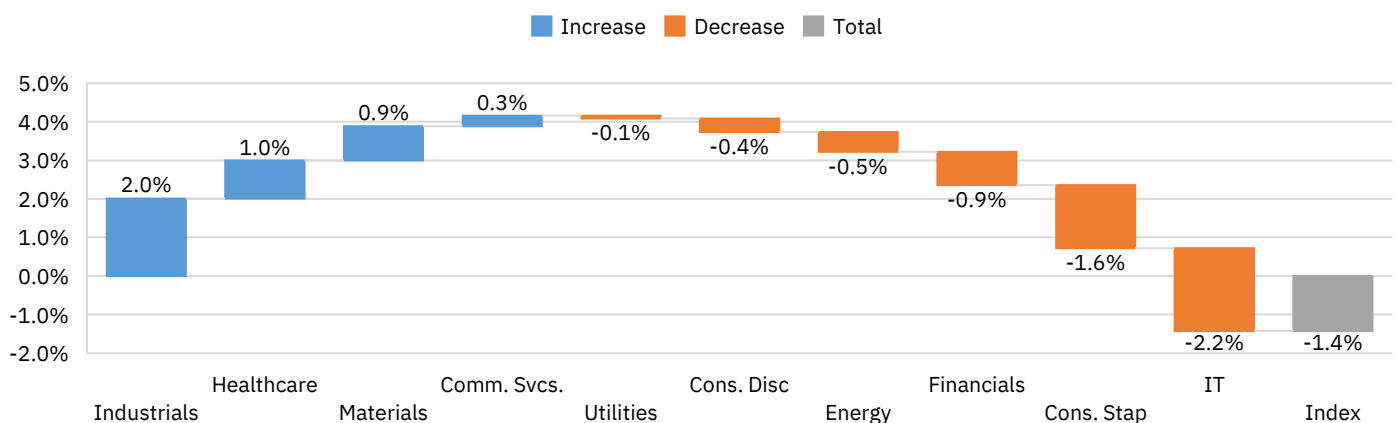
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 149: Sector-wise contribution to Nifty 50 Index change (points) in August 2026
Contribution to absolute Nifty50 Index change (August 2026)



Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

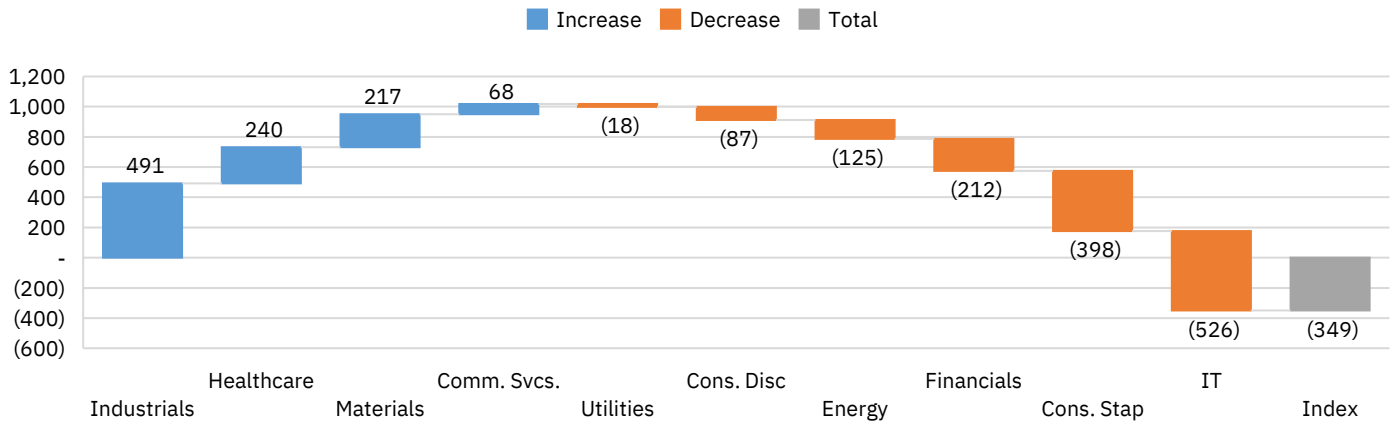
Figure 150: Sector-wise contribution to Nifty 50 price return in the last 12 months
Contribution to Nifty50 Index percentage change (One-year)



Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 151: Sector-wise contribution to Nifty 50 Index change (points) in the last 12 months

Contribution to absolute Nifty50 Index change (One-year)

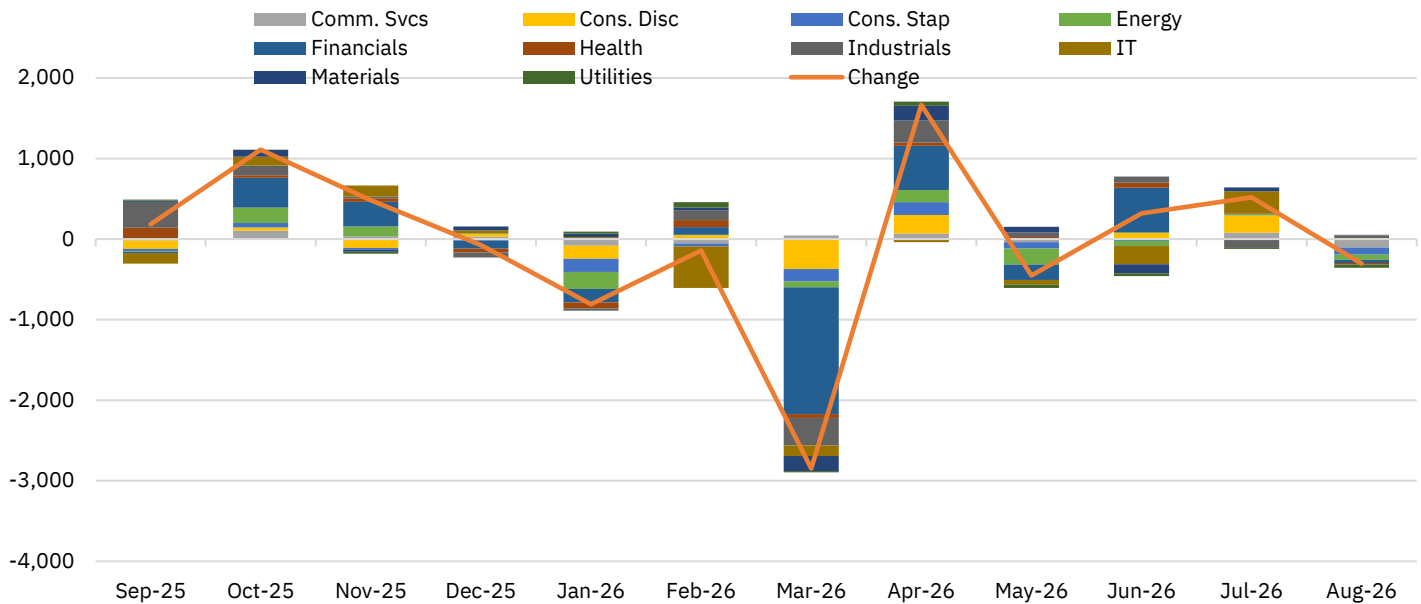


Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

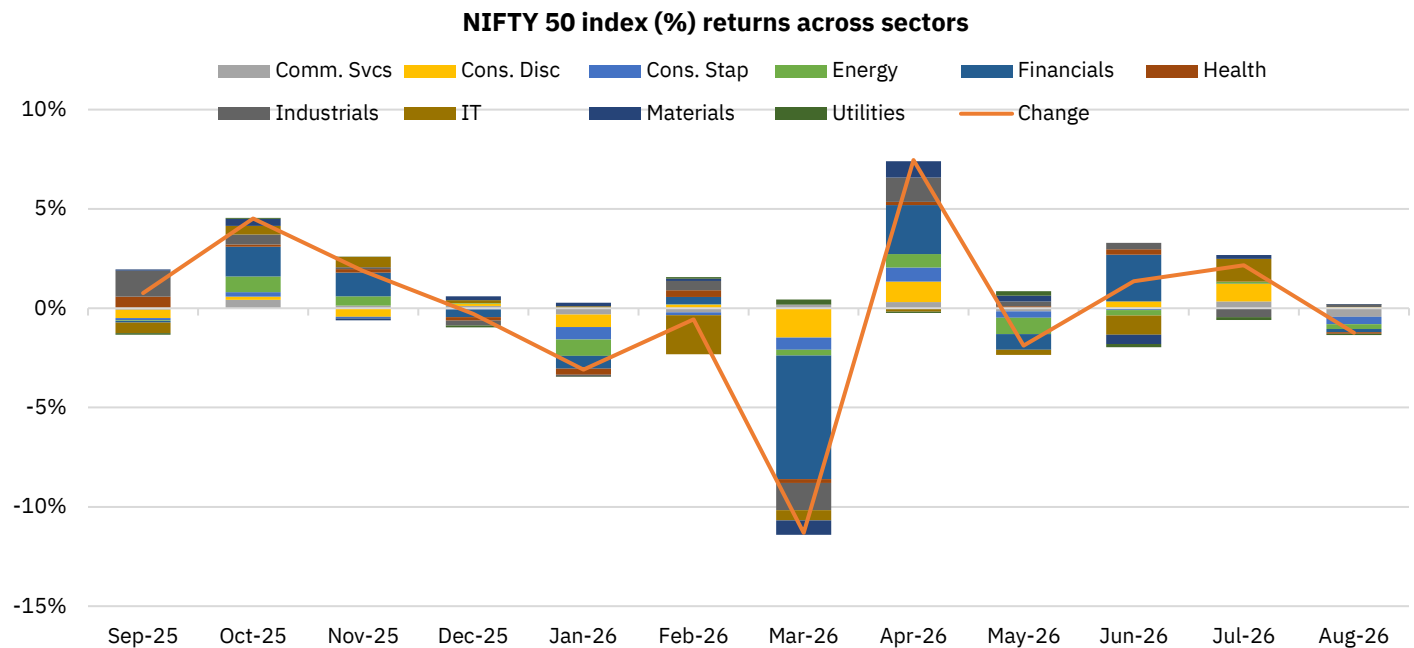
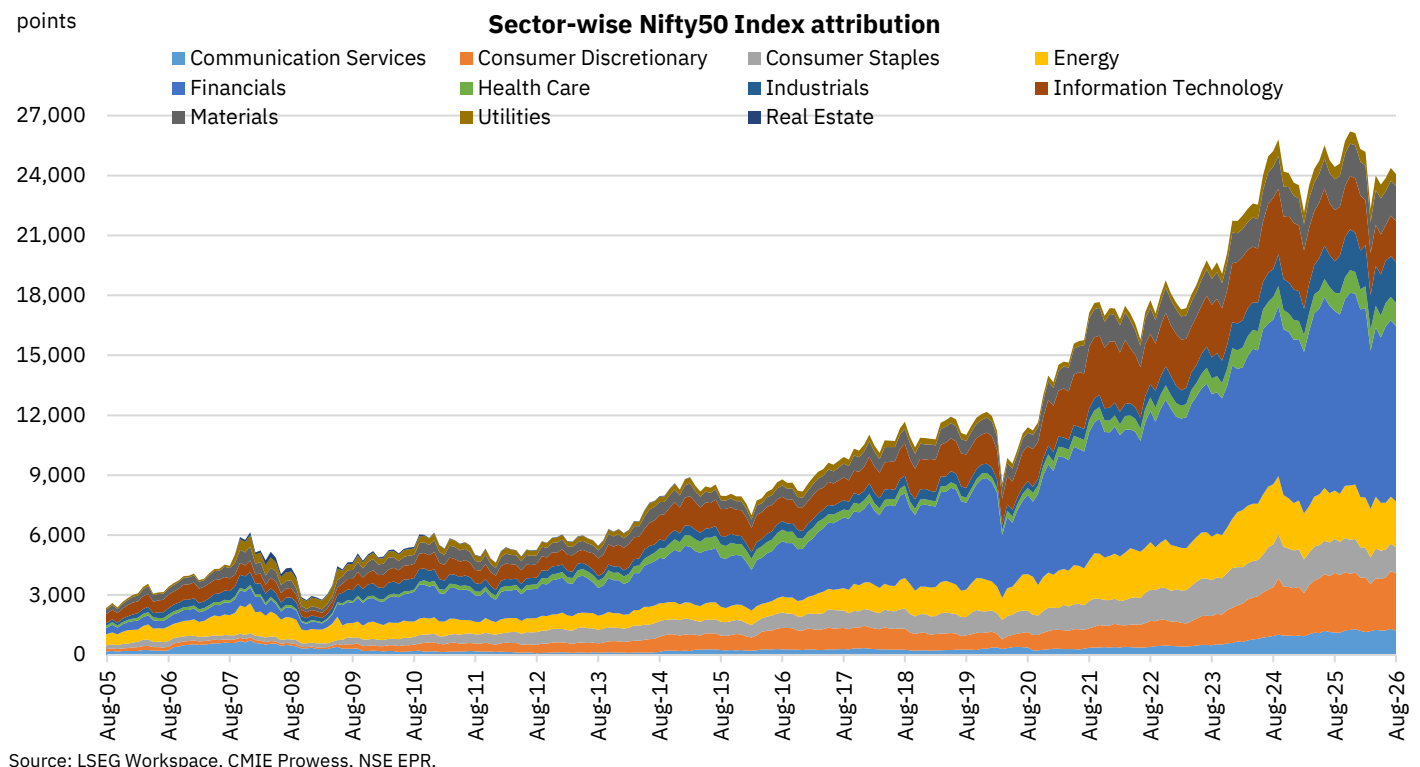
Figure 152: Nifty 50 Index monthly movement across sectors over the last 12 months

Index points

NIFTY 50 index movement across sectors



Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 153: Nifty 50 Index monthly return across sectors over the last 12 months

Figure 154: Sector-wise Nifty50 Index attribution (2005-)


The relative outperformance of Industrials, Consumer Discretionary and Financials lifted their weights in the Nifty 50 by 23 bps, 20 bps and 29 bps MoM to 8.55%, 12.0% and 36.5%, respectively. The gains came largely at the expense of Communication Services, Consumer Staples and Energy, whose weights declined by 37 bps, 30 bps and 13 bps to 5.0%, 5.4% and 9.5%, respectively. The weight of Consumer Staples fell to a more than

17-year low, while Communication Services and Energy were at six-month and near-decade lows, respectively.

The shift is more pronounced over a 12-month horizon. Industrials, Healthcare and Materials increased their weights by 213 bps, 105 bps and 99 bps to 8.55%, 4.8% and 7.3%, respectively. The increase was accompanied by a sharp decline in the weights of Information Technology and Consumer Staples, reflecting the relative underperformance of these sectors over the period.

Figure 155: Nifty 50 sector weightage (August 2025)

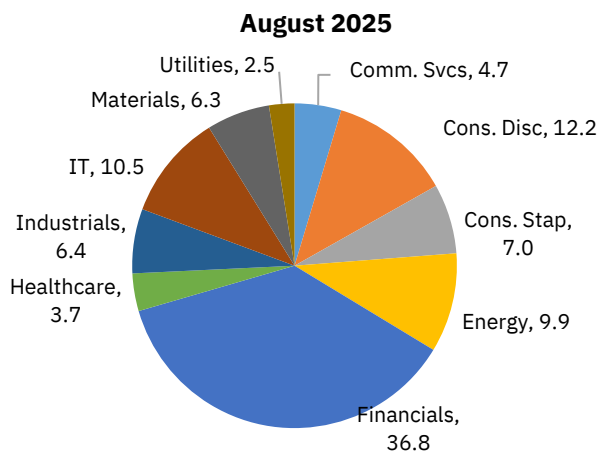
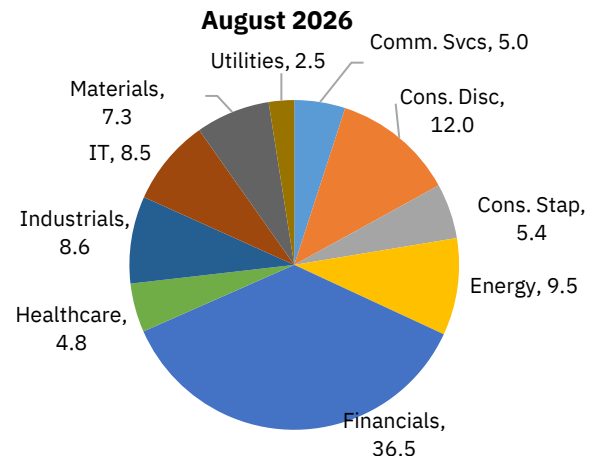
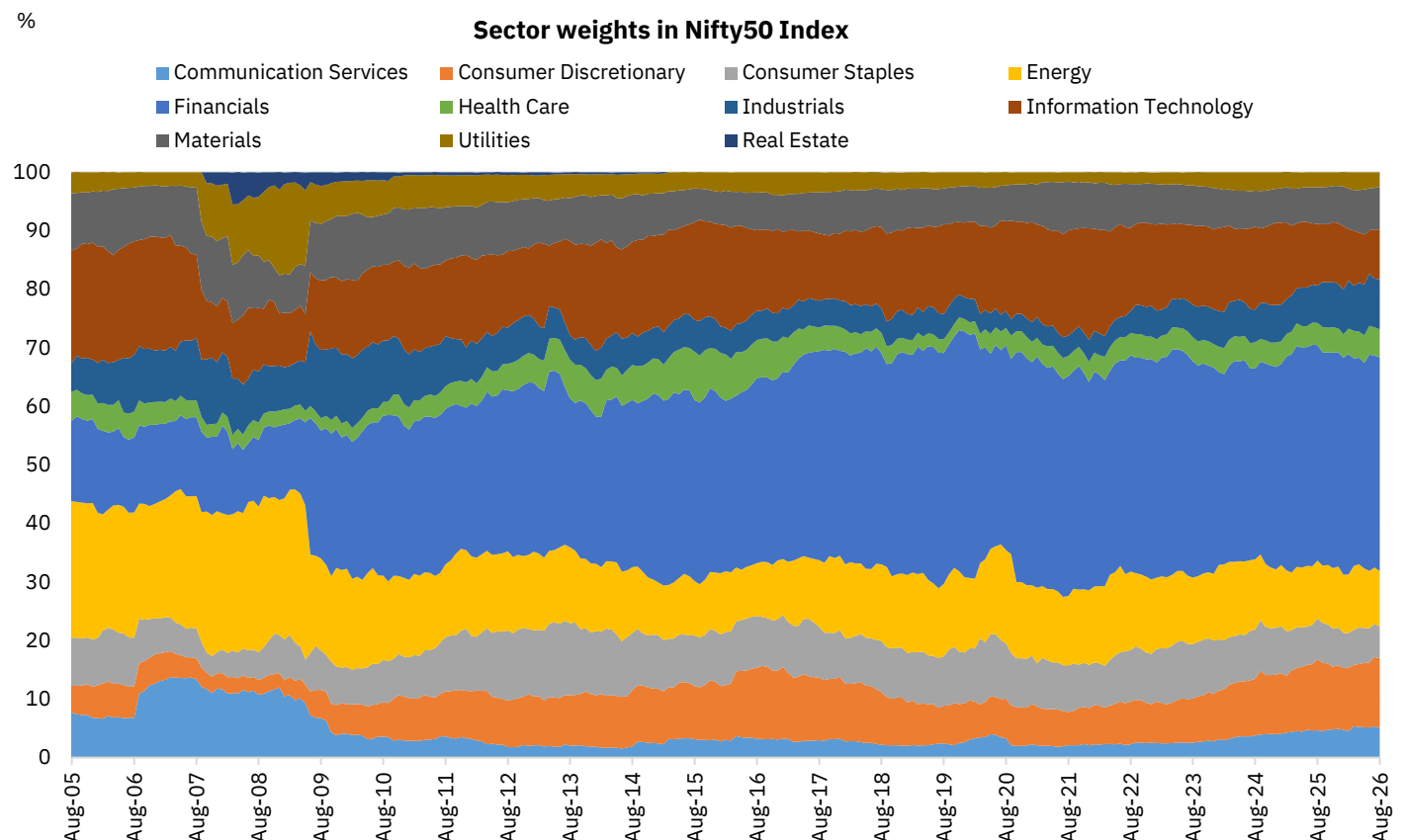


Figure 156: Nifty 50 sector weightage (August 2026)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Figure 157: Sector weights in the Nifty 50 Index (2005-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 54: Top five Nifty 50 Index gainers in August 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Axis Bank Ltd.	AXISBANK	24.4	0.2	46
Kotak Mahindra Bank Ltd.	KOTAKBANK	7.5	0.2	45
Eternal Ltd.	ETERNAL	4.5	0.2	40
State Bank Of India	SBIN	32.1	0.1	29
Larsen & Toubro Ltd.	LT	12.3	0.1	28
Total			0.8	189
Nifty 50 Index	NIFTY 50	-1.2	-1.2	-303

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 55: 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	32.1	1.1	278
Shriram Finance Ltd.	SHRIRAMFIN	91.3	0.7	160
Axis Bank Ltd.	AXISBANK	24.4	0.6	156
Titan Company Ltd.	TITAN	40.6	0.5	130
Bajaj Finance Ltd.	BAJFINANCE	20.5	0.4	104
Total			3.4	828
Nifty 50 Index	NIFTY 50	-1.4	-1.4	-346

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 56: Top five Nifty 50 Index losers in August 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
H D F C Bank Ltd.	HDFCBANK	-25.5	-0.5	-132
Bharti Airtel Ltd.	BHARTIARTL	-4.1	-0.4	-105
I T C Ltd.	ITC	-37.6	-0.2	-53
Bajaj Finance Ltd.	BAJFINANCE	-7.4	-0.2	-49
Reliance Industries Ltd.	RELIANCE	-5.9	-0.2	-46
Total			-1.6	-386
Nifty 50 Index	NIFTY 50	-1.2	-1.2	-303

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 57: 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	-25.5	-3.4	-830
I T C Ltd.	ITC	-37.6	-1.2	-302
Infosys Ltd.	INFY	-22.8	-1.2	-299
Tata Consultancy Services Ltd.	TCS	-21.1	-0.7	-161
Reliance Industries Ltd.	RELIANCE	-5.9	-0.6	-143
Total			-7.1	-1,735
Nifty 50 Index	NIFTY 50	-1.4	-1.4	-346

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Valuation analysis

Market valuations eased marginally in August: After a modest improvement in July, market valuations eased marginally in August, reflecting a modest decline in the Nifty 50 Index, even as continued buying by FPIs for the second consecutive month and strengthened purchases by DIIs provided some support. As of August 31st, the Nifty 50 was trading at a 12-month forward P/E of 19.1x, slightly lower than 19.5x by the first week of August. This implies a premium of 11.9% to the long-term average (15-year) multiple of 17.1x, while remaining nearly 7.8% 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 modest decline in India's valuation premium to emerging markets: Indian equities have historically traded at a premium to broader emerging markets, reflecting stronger growth prospects, macroeconomic resilience and a deep domestic investor base. The 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%.

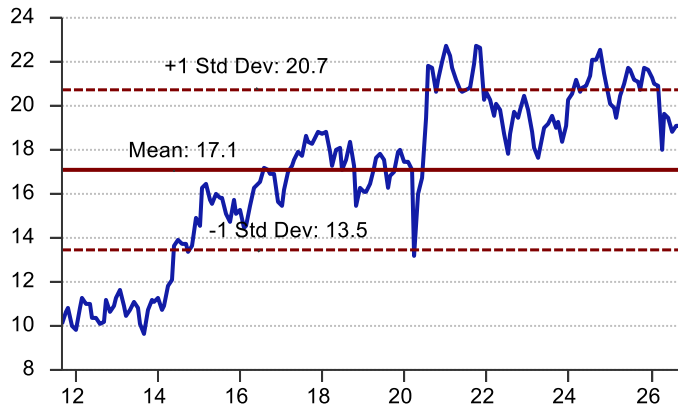
The premium widened again towards the end of 2025, eased in January 2026 and recovered over the following three months before correcting sharply in May. It then widened significantly from June, reaching a near two-year high of 108% on August 10th, before easing modestly to 103% by August 31st. At this level, MSCI India traded at more than twice the forward P/E of MSCI EM, with the premium close to the September 2024 peak of 110%. It was around 45pp above its 15-year average and 25pp above the upper one-standard-deviation band, indicating a substantial valuation premium relative to the broader emerging-market universe.

The picture is less stretched on a price-to-book basis. India's premium to MSCI EM fell to around 30% in early June before recovering to 49% by August 31st. Despite this recent increase, the premium remained well below its long-term average of 87% and below the lower one-standard-deviation threshold of around 60%.

The divergence between the two measures is notable. On forward earnings, India's valuation premium has returned close to its previous peaks, reflecting the relatively strong earnings expectations embedded in Indian equities as well as the premium investors continue to place on domestic growth. On book value, however, the premium remains below its historical range, suggesting that the current valuation gap is much less pronounced when measured against the underlying equity capital of companies.

Figure 158: Nifty 50 NTM P/E trend for last 15 years

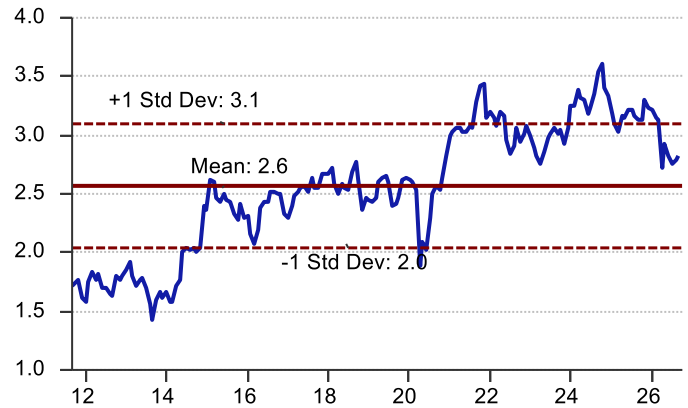
Nifty 50 12-month forward P/E



Source: LSEG Workspace, NSE EPR.

Figure 159: Nifty 50 NTM P/B trend for last 15 years

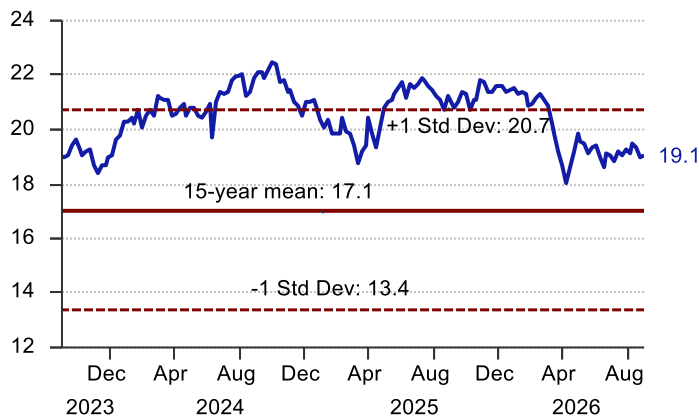
Nifty 50 12-month forward P/B



Source: LSEG Workspace, NSE EPR.

Figure 160: Nifty 50 NTM P/E (Last three-year trend)

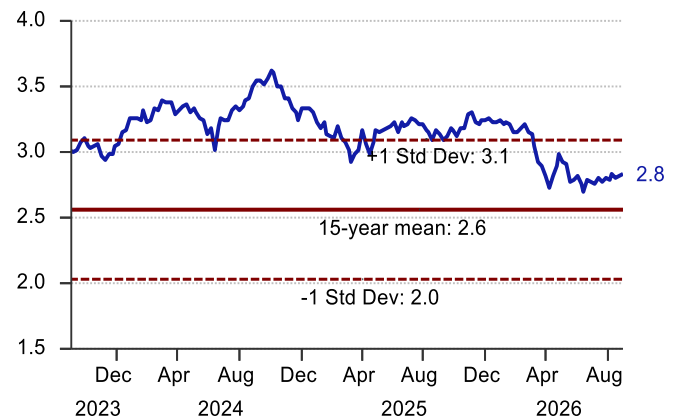
Nifty 50 12-month forward P/E



Source: LSEG Workspace, NSE EPR.

Figure 161: Nifty 50 NTM P/B (Last three-year trend)

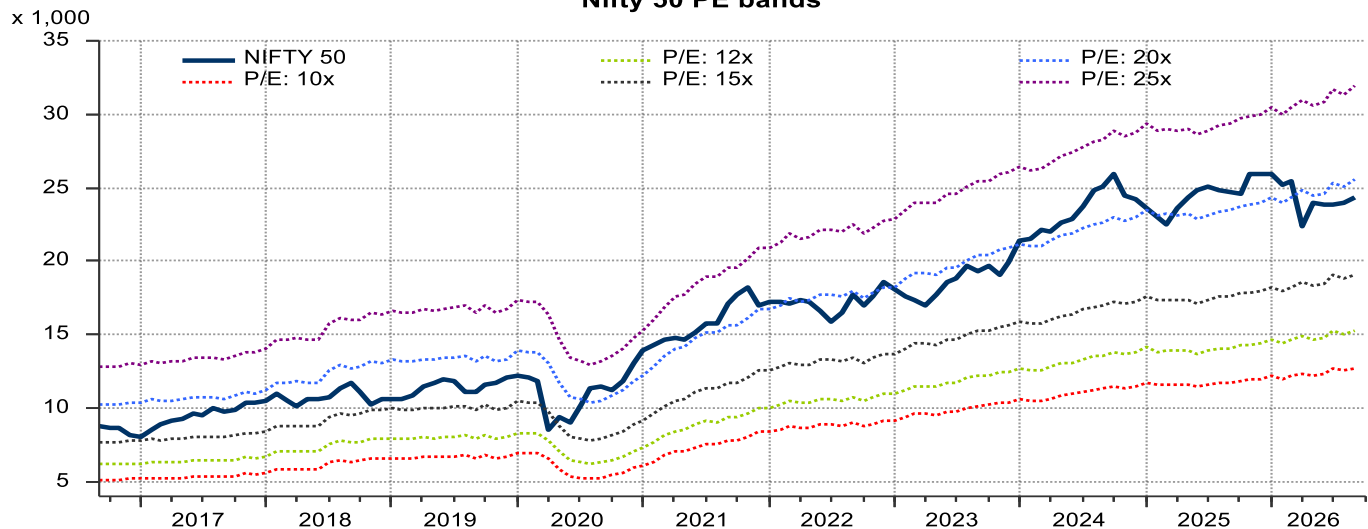
Nifty 50 12-month forward P/B



Source: LSEG Workspace, NSE EPR.

Figure 162: Five-year trend of Nifty 50 values at different 12-month forward P/E bands

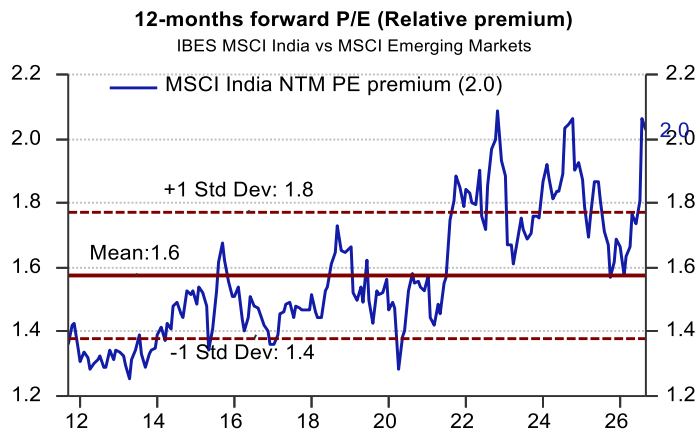
Nifty 50 PE bands



Source: LSEG Workspace, NSE EPR

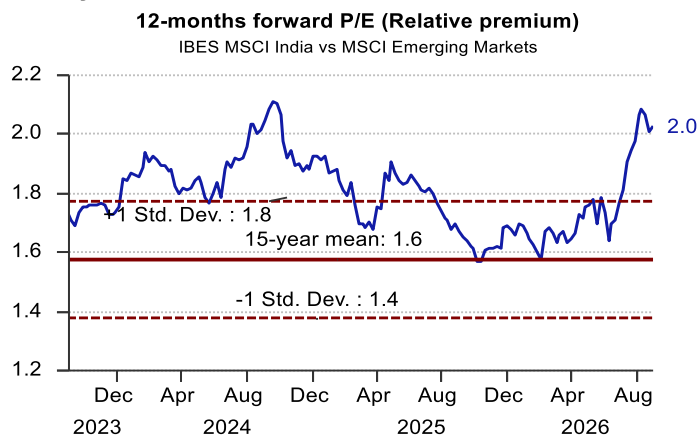
Figure 163: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

On a 12m forward P/E, India trades at a 103% 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 ~45pp above the 15Y mean, and 25pp north of one std. dev above the mean.



Source: LSEG Workspace, NSE EPR

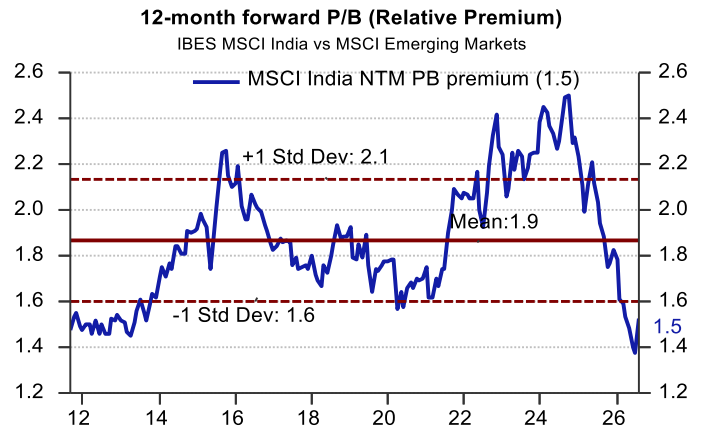
Figure 165: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR.

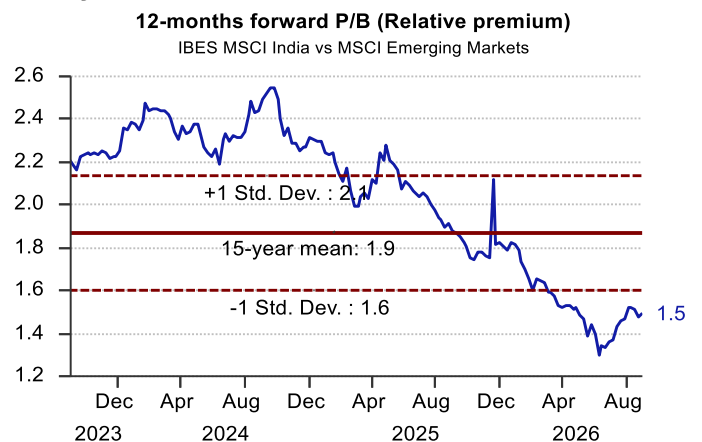
Figure 164: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B, India's valuation premium to MSCI EM has also improved, from 30% in June-beginning to 49% currently, even as it continues to remain south of one-standard deviation below the long-term mean.



Source: LSEG Workspace, NSE EPR

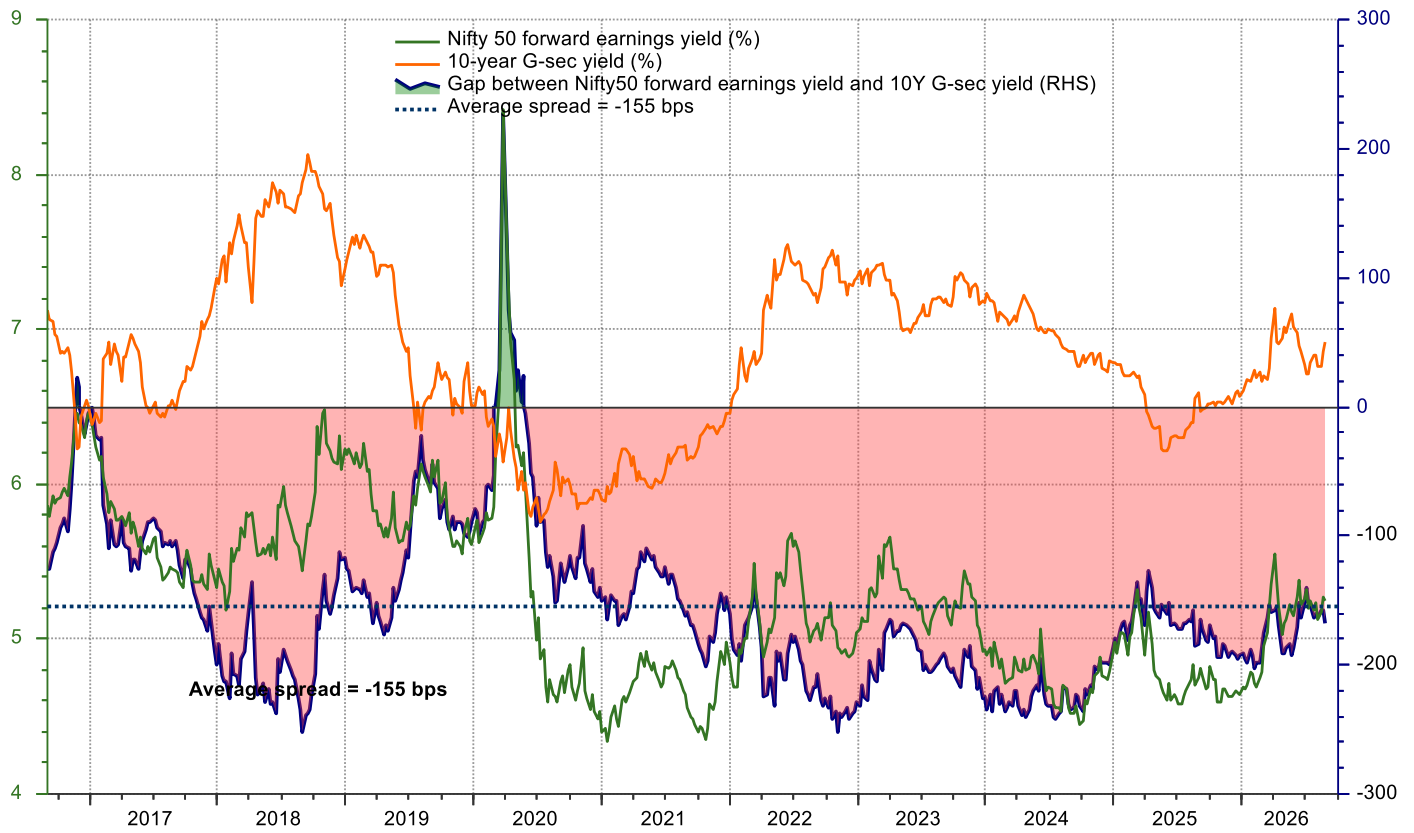
Figure 166: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR.

Figure 167: 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).

4.3 Fixed income market performance

Table 58: Performance of key debt indices (As of August 31st, 2026)

Category	Index name	Absolute returns (%)				CAGR returns (%)		
		1M	3M	6M	1Y	2Y	3Y	5Y
G-sec	Nifty 5yr Benchmark G-sec Index	(0.0)	2.5	2.3	5.5	7.1	7.7	6.3
	Nifty 10 yr Benchmark G-Sec	(0.3)	1.9	1.2	3.4	5.7	6.7	5.4
	Nifty Composite G-sec Index	(0.1)	2.4	1.9	4.9	6.0	7.1	6.0
SDL	NIFTY 10 Year SDL Index	(1.6)	(1.2)	(4.9)	(9.8)	(3.2)	0.6	2.5
AAA credit	NIFTY AAA Ultra Short Duration Bond Index	0.6	1.9	3.8	6.7	7.2	7.4	6.7
	NIFTY AAA Short Duration Bond Index	0.0	1.8	2.1	4.6	6.4	6.7	5.7
	NIFTY AAA Low Duration Bond Index	0.4	2.0	3.1	5.9	6.8	6.9	6.2
	NIFTY AAA Medium Duration Bond Index	(0.5)	1.7	1.0	3.1	5.3	6.1	5.1
	NIFTY AAA Medium to Long Duration Bond Index	(1.3)	1.4	0.1	1.2	4.3	5.4	4.8
	NIFTY AAA Long duration Bond Index	(1.8)	1.3	(1.3)	(1.4)	1.3	3.5	3.7
Composite	NIFTY Liquid Index	0.5	1.7	3.4	6.5	6.8	7.0	6.4
	NIFTY Money Market Index	0.6	2.0	3.6	6.7	7.1	7.3	6.6
	NIFTY Ultra Short Duration Debt Index	0.7	2.1	3.9	7.0	7.4	7.5	6.9
	NIFTY Short Duration Debt Index	0.2	1.8	2.3	5.0	6.6	6.9	6.0
	NIFTY Low Duration Debt Index	0.5	2.2	3.4	6.4	7.1	7.2	6.5
	NIFTY Medium Duration Debt Index	(0.3)	1.7	1.1	3.7	5.8	6.4	5.6
	NIFTY Medium to Long Duration Debt Index	(0.8)	1.3	0.1	1.2	4.2	5.5	5.1
	NIFTY Long Duration Debt Index	(0.9)	1.8	(0.2)	0.9	2.8	5.0	5.0
	NIFTY Composite Debt Index	(0.4)	1.7	0.8	2.7	4.8	5.9	5.4
	NIFTY Corporate Bond Index	(0.1)	1.7	1.8	4.3	6.2	6.6	5.8

Source: NSE Indices, NSE EPR.

Global sovereign bond witnessed pronounced sell-off in August and September:

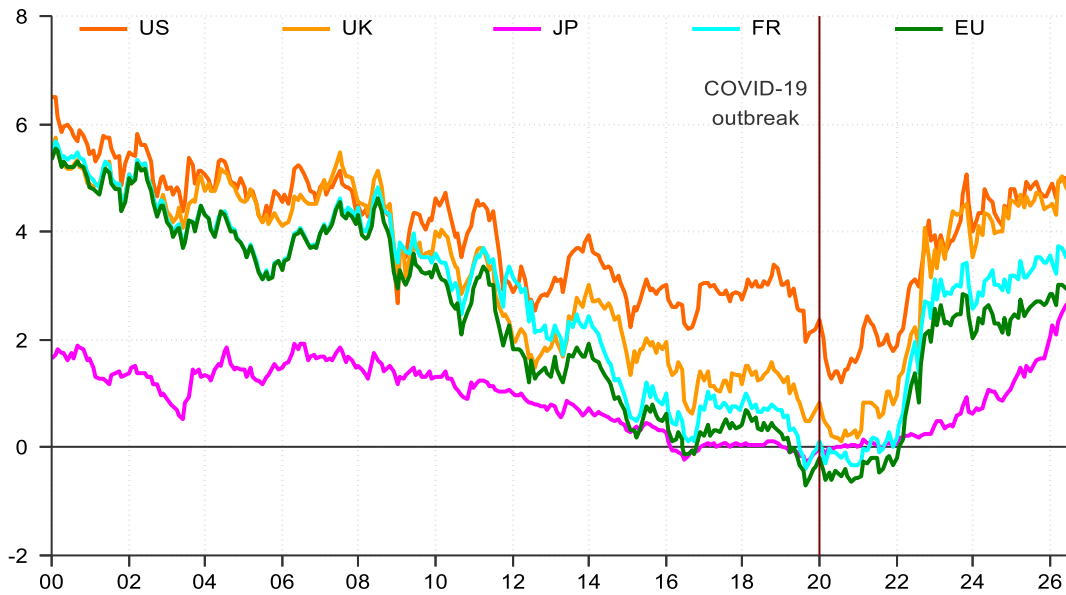
Global sovereign bond markets experienced broad-based sell-off through August and into early-September 2026, driving major benchmark yields to multi-decade highs, amid West-Asia geopolitical tensions, renewed inflationary pressures with Brent surging past USD 95 per barrel and fiscal concerns.

The 10-year US Treasury yield climbed to the highest level since 2023, reaching 4.75 by end-August and 4.84 by early-September, while 30-year yield touched 5.3% - the highest since 2007. Persistent upward pressure on long-end U.S. Treasury yields prompted the Treasury to step up liquidity-support buybacks, with the size of its next September 10 operation in the 10–20-year segment tripled to US\$6 billion. However, the announcement provided limited relief to the market, as the increase fell short of elevated investor expectations and was insufficient to offset broader pressures from rising inflation risks and fiscal concerns.

German Bund yields tracked global yields rising from 3.2% around end-July to 3.32% by end-August and 3.45% in September, amid heavy sovereign issuances, defence and infrastructure spending. In Japan, the 10-year JGB touched 2.95% on August 18th and breached 3% on September 1st for the first time since 1996, reflecting inflation concerns, fiscal expansion and expectations of faster BoJ tightening. UK 10-year Gilt crossed 5% in August 2026, the highest since 2008, as investors expected Bank of England to raise rates this year.

Figure 168: Long-term trend of 10-year sovereign bond yields across major developed economies

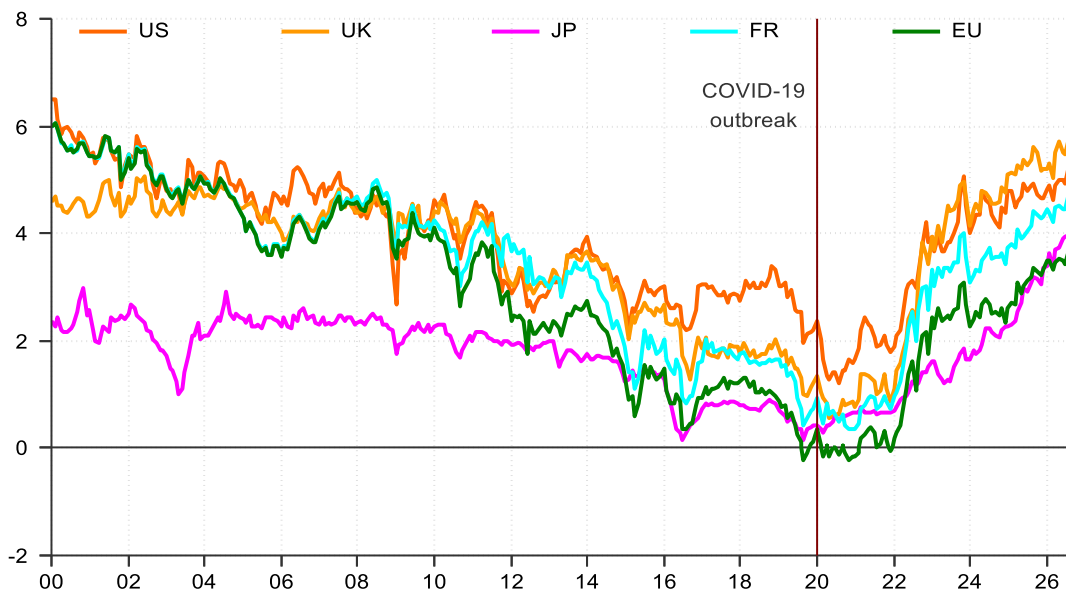
10-year global benchmark yields (%)



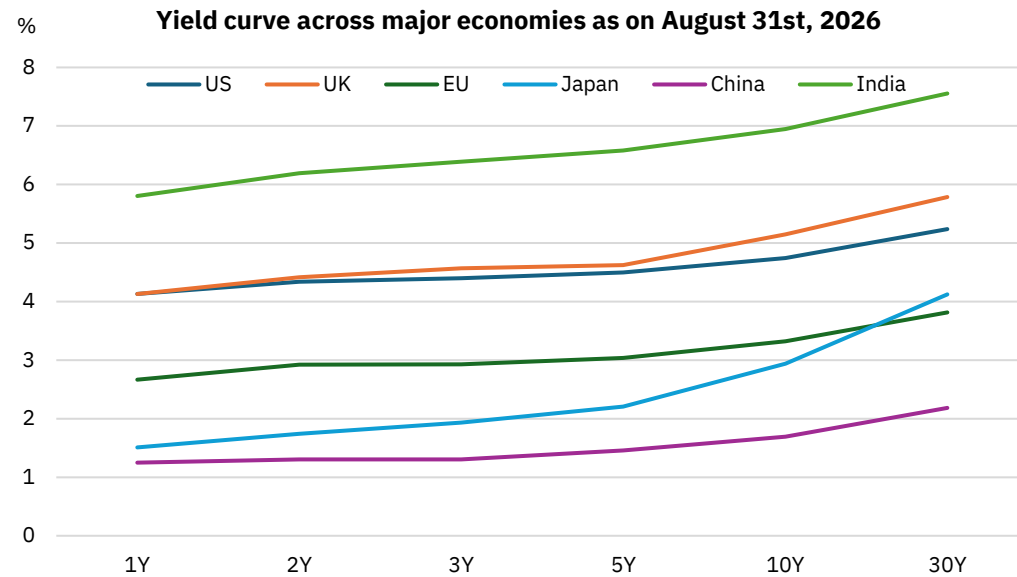
Source: LSEG Workspace, NSE EPR.

Figure 169: Long-term trend of 30-year sovereign bond yields across major developed economies

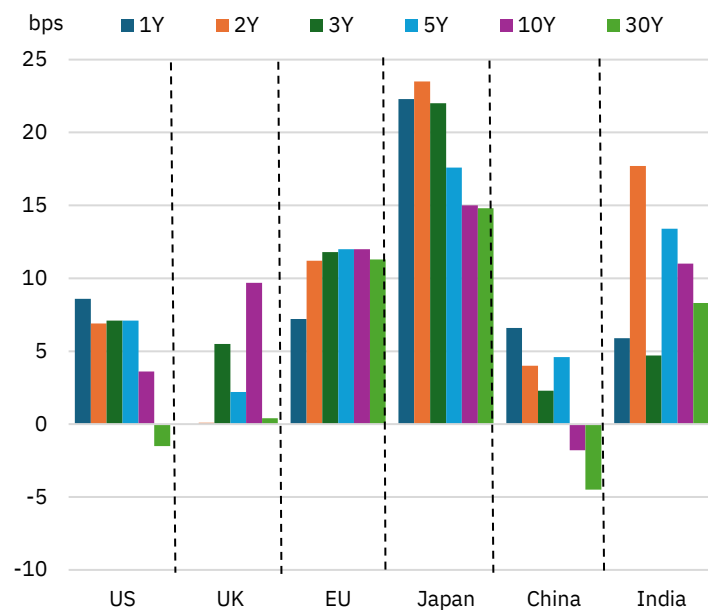
30-year global benchmark yields (%)



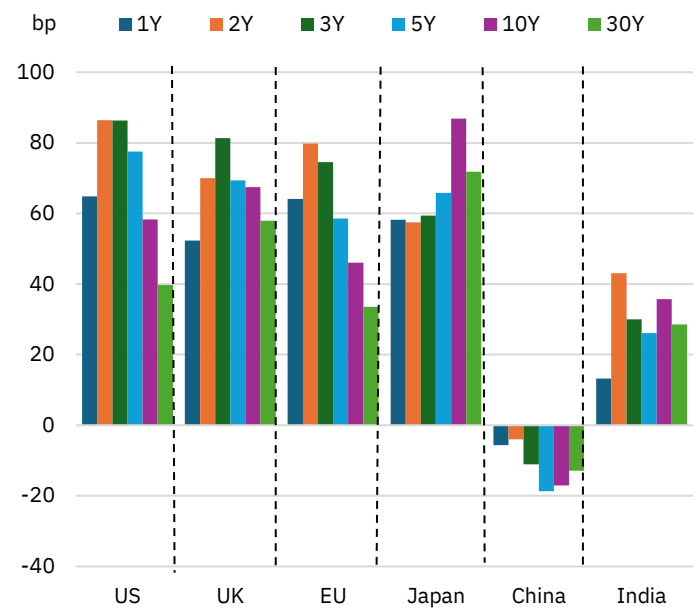
Source: LSEG Workspace, NSE EPR.

Figure 170: Sovereign yields curve across major economies


Source: NSE Cogencis, LSEG Workspace, NSE

Figure 171: Change in sovereign yields across major economies in August 2026


Source: NSE Cogencis, LSEG Workspace, NSE EPR.

Figure 172: Change in sovereign yields across major economies in CY26 (As on August 31st, 2026)


Indian G-Sec market tracked global bond yields: Indian G-Sec exhibited remarkable resilience in early-August, followed by heightened volatility as global and domestic inflation risks pushed yields higher. The 10-year benchmark yield declined from 6.84% as of end-July to 6.76% by mid-August, before reversing sharply to 6.92% by 27th August and 6.96% by 9th September. Early-August support came from benign core inflation, robust system liquidity and RBI's steady monetary policy stance. Abundant domestic liquidity and sizeable foreign inflows following June's tax and market-access reforms contained volatility, although Bloomberg's decision to defer India's inclusion in its Global Aggregate index curtailed the incremental foreign-demand. Yields steepened in the second half of August as crude prices and developed markets yields rose and investors reassessed the probability of RBI tightening. While surplus liquidity contained short-term

rates, Brent at near-100 level and inflation expectations maintained upward pressure on intermediate and long-end yields.

Figure 173: India 10Y G-sec yield—long-term trend



Source: NSE Cogencis, NSE EPR.
Note: Data is as of September 9th, 2026.

Figure 174: India 10Y G-sec yield—last one-year trend

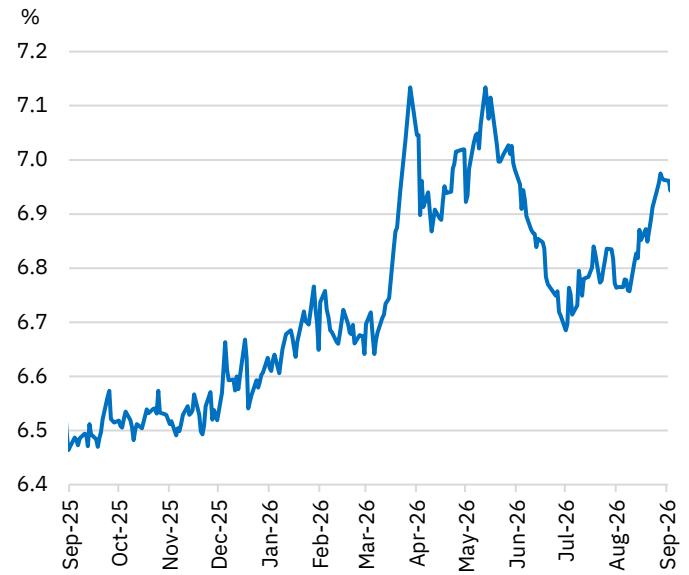
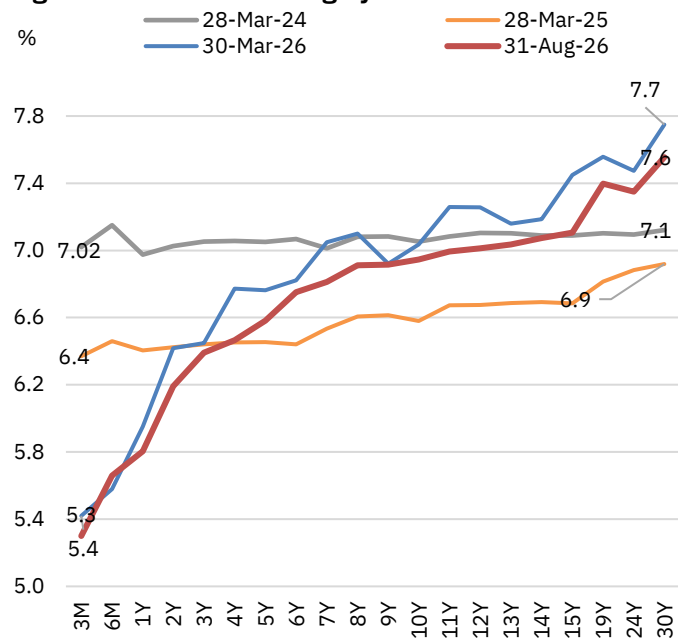


Figure 175: India sovereign yield curve



Source: NSE Cogencis, NSE EPR.

Figure 176: Change in sovereign yields across the curve so far FY27 (As on August 31st, 2026)

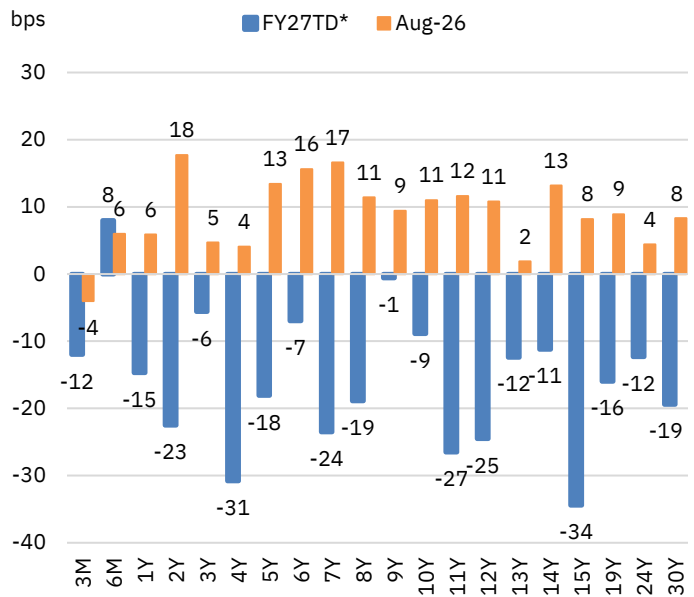
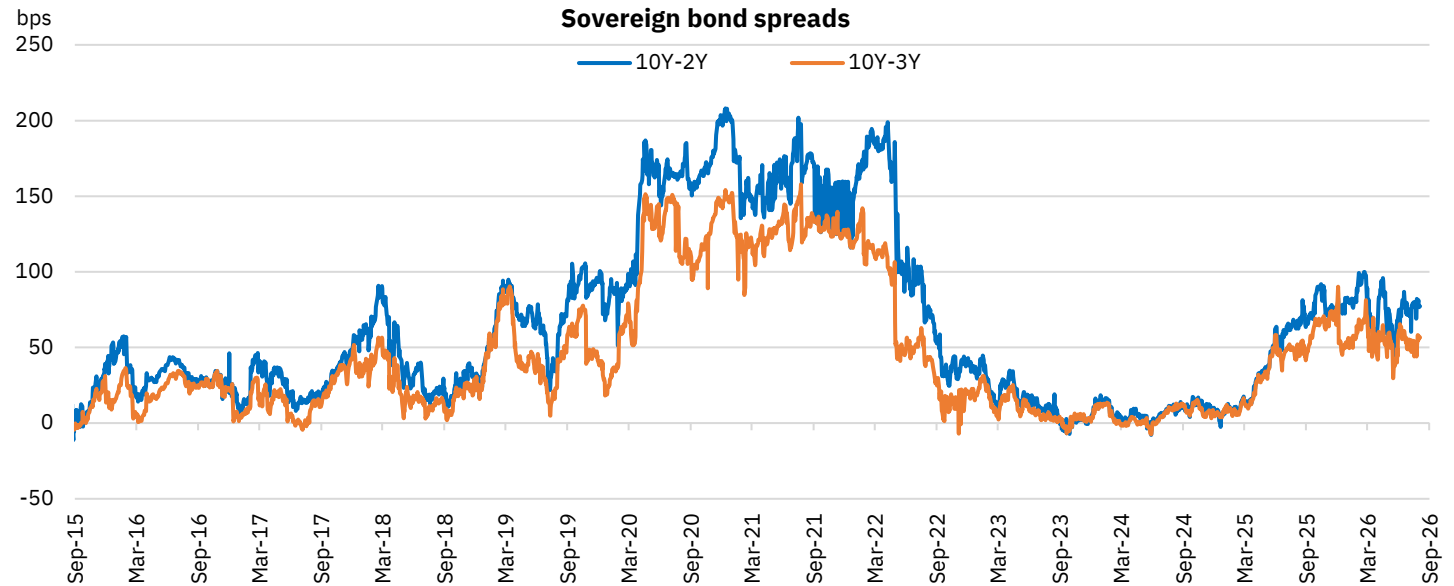
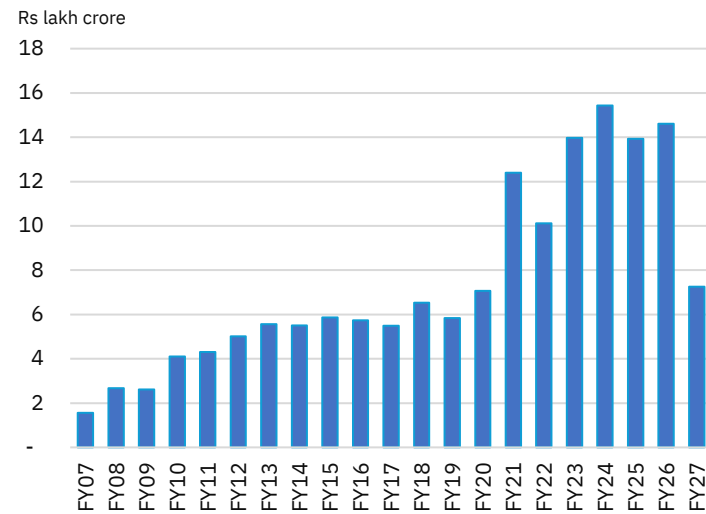


Figure 177: India sovereign bonds term premia


Source: NSE Cogencis, NSE EPR.

Note: Data is as of September 9th, 2026.

Figure 178: 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 September 9th, 2026.

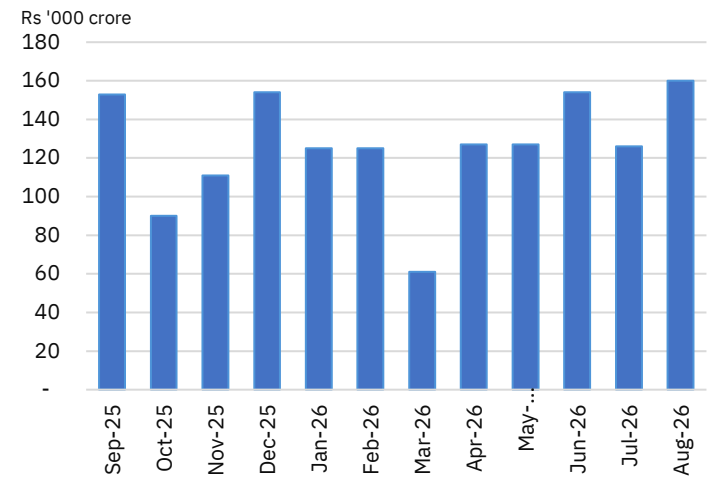
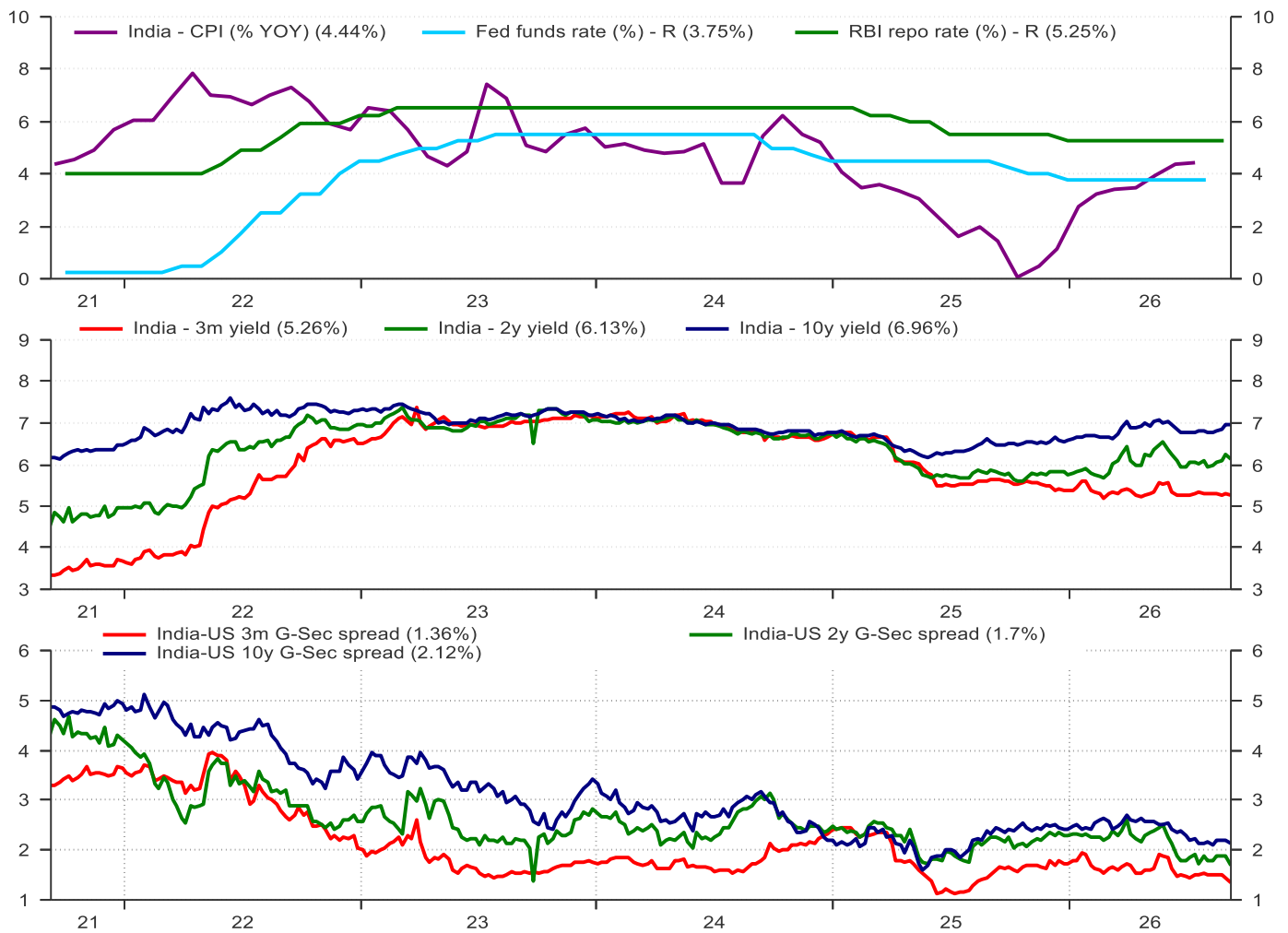
Figure 179: Centre's market borrowings in the last 12 months


Figure 180: Inflation, yields and spreads in India vs. US



Source: LSEG Workspace, NSE EPR.

SGS moved in line with G-Secs: Ten-year SGS traded within a range of 7.53% to 7.75% yields broadly, with measured expansion in spreads over comparable G-Secs. The sharp rise in global yields and oil prices have consequently kept SGS yields under upward pressure, but surplus domestic liquidity and demand from institutional investors have contained volatility in spreads, which have risen from over 70 bps in FY26 to over 80 bps during the first five months of the current fiscal year. After increasing for three consecutive months, SGS borrowings moderated 20% MoM in August, lending support to SGS yields.

Figure 181: Spreads between 10-year SGS and G-sec yields

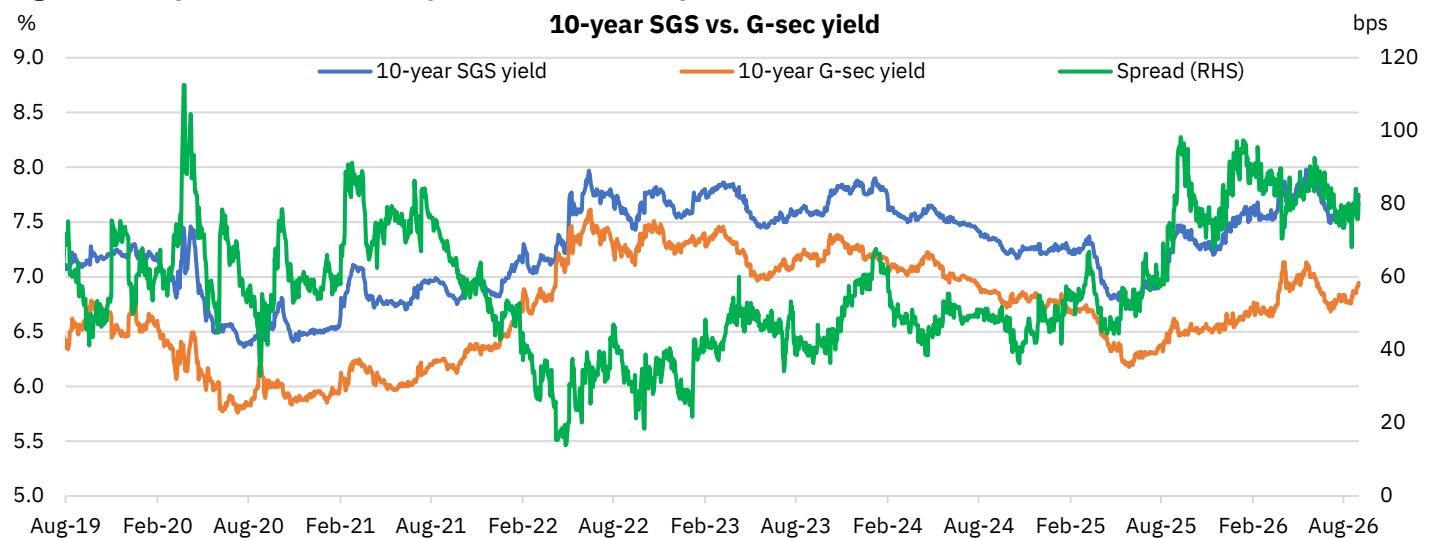


Figure 182: Annual state government borrowings

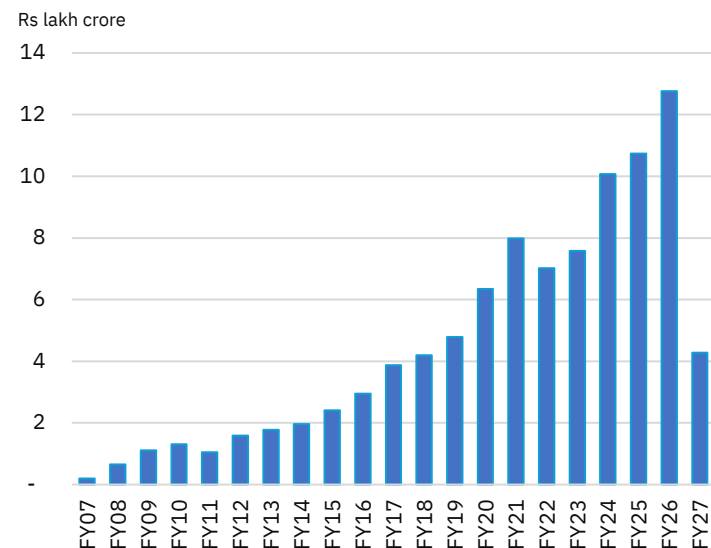
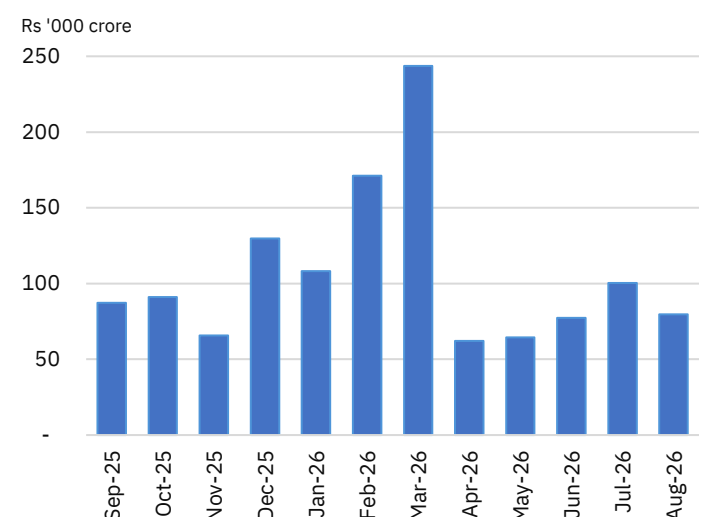


Figure 183: State government borrowings in the last 12 months



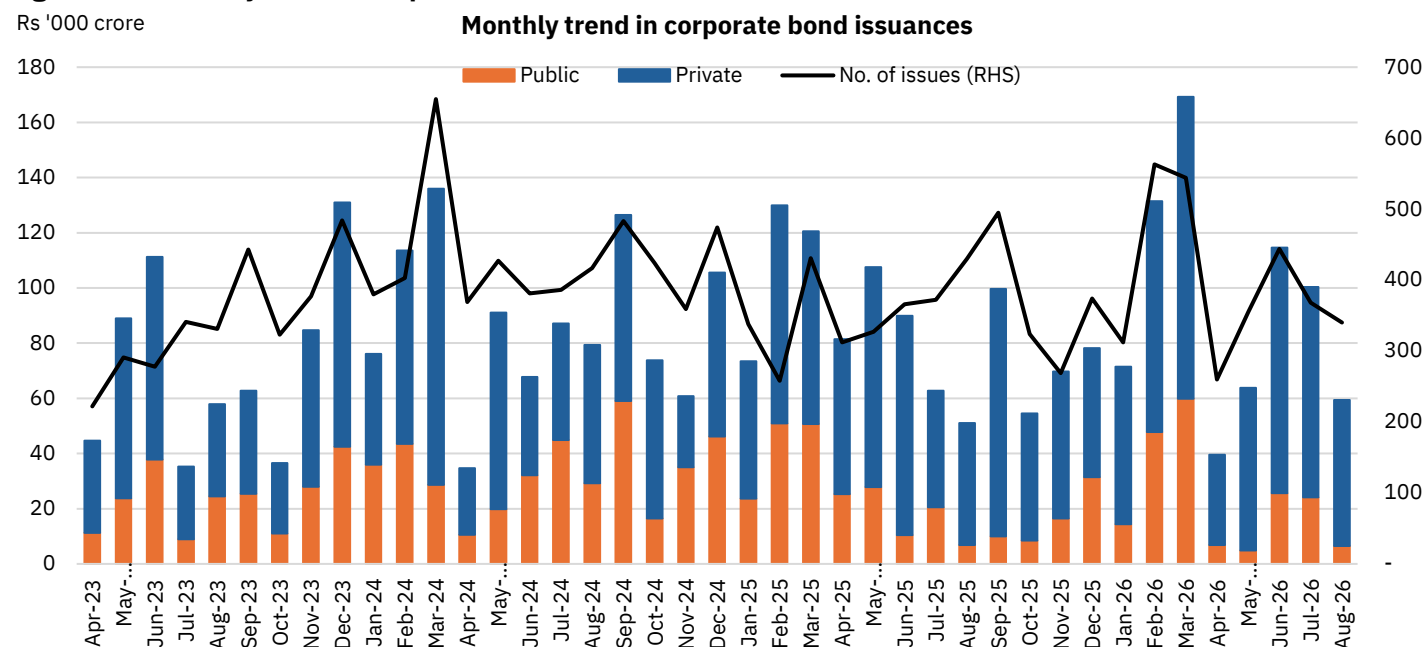
Note: 1. Above charts are based on date of issue. 2. Data for FY27 is as on September 9th, 2026.

Corporate bond market performance

Corporate bond yields rose across tenors in August: Corporate bond issuances declined 41% MoM in the month of August to Rs 59,417 crore, after raising over Rs 1 lakh crore for the two consecutive months, due to rising yield demands. Average 3 to 5-year bond yields rose in the range of 9 bps to 14 bps during the month, accompanied by expansion in spreads over G-Sec in the range of 9 to 15 bps.

This cumulative issuances in the five months of the current fiscal year touched Rs 3.78 lakh crore compared to Rs 3.92 lakh crore during the corresponding period in the fiscal year, with the private sector accounting for 82% of the total. Issuances were concentrated in the 3-5-year segment, which constituted 48% of the total in the current fiscal, followed by the 5-10-year segment at 18%. In terms of credit quality, investment-grade securities dominated the market, accounting for nearly 95% of issuances, while medium credit quality issuances comprised 5%.

Figure 184: 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 59: Fiscal trend in corporate bond issuances

	FY24	FY25	FY26	FY27TD
Amount raised (Rs crore)	978,633	1,050,361	1,066,984	3,77,662
Public	321,039	418,393	279,349	67,968
Private	657,595	631,968	787,635	3,09,694
No. of Issues	4,528	4,747	4,688	1,767
Public	132	148	149	64
Private	4,396	4,599	4,539	1,703

Source: NSDL India Bond Info, NSE EPR.

Note: 1. Includes issuance of fully and partly convertible corporate bonds. 2. FY27TD data is as of August 31st, 2026.

Figure 185: Maturity profile of corporate bonds issued during Apr-Aug 2026

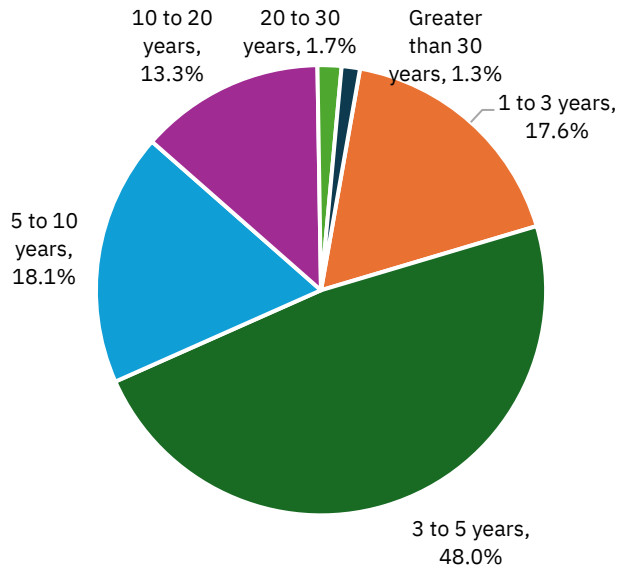
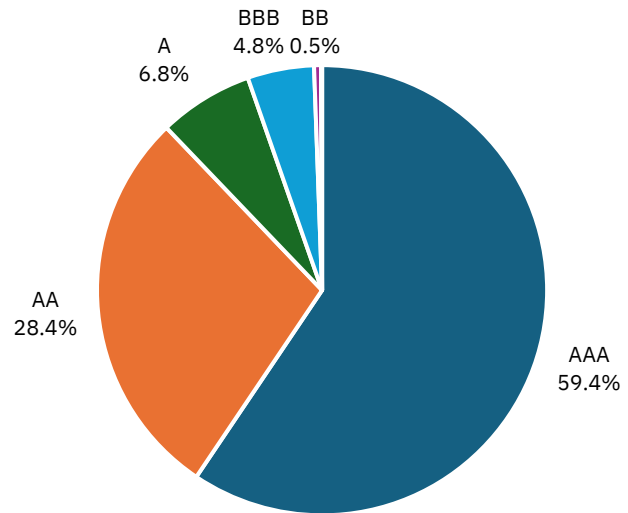


Figure 186: Credit profile of corporate bonds issued during Apr-Aug 2026



Source: NSDL India Bond Info, NSE EPR. Note: 1. Includes issuance of fully and partly convertible corporate bonds.

Figure 187: Annual trend in maturity profile of corporate bond issuances

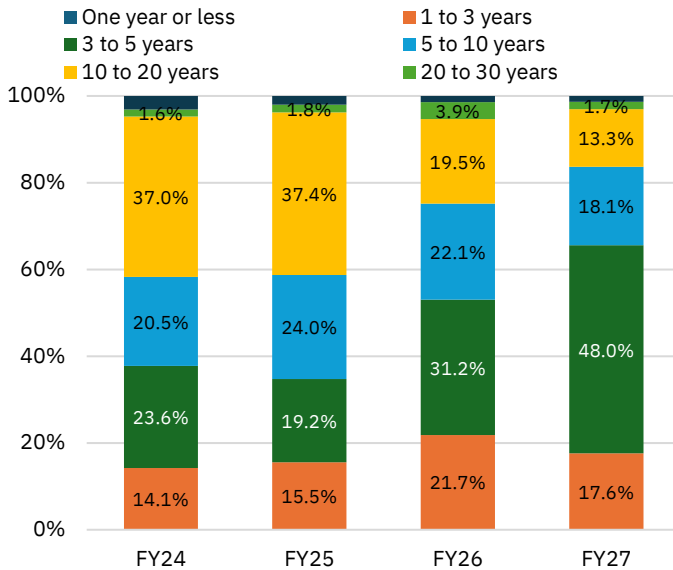
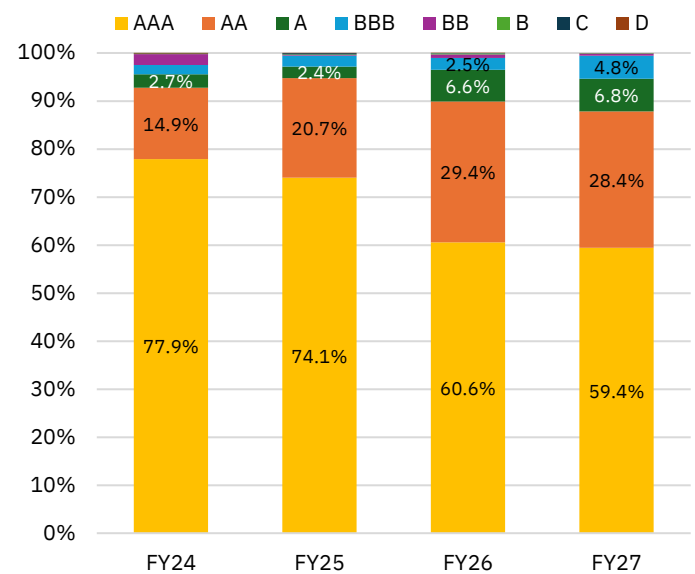


Figure 188: Annual trend in credit profile of corporate bond issuances



Source: NSDL India Bond Info, NSE EPR. Note: 1. Includes issuance of fully and partly convertible corporate bonds.

Note: FY27 data is as on August 31st, 2026.

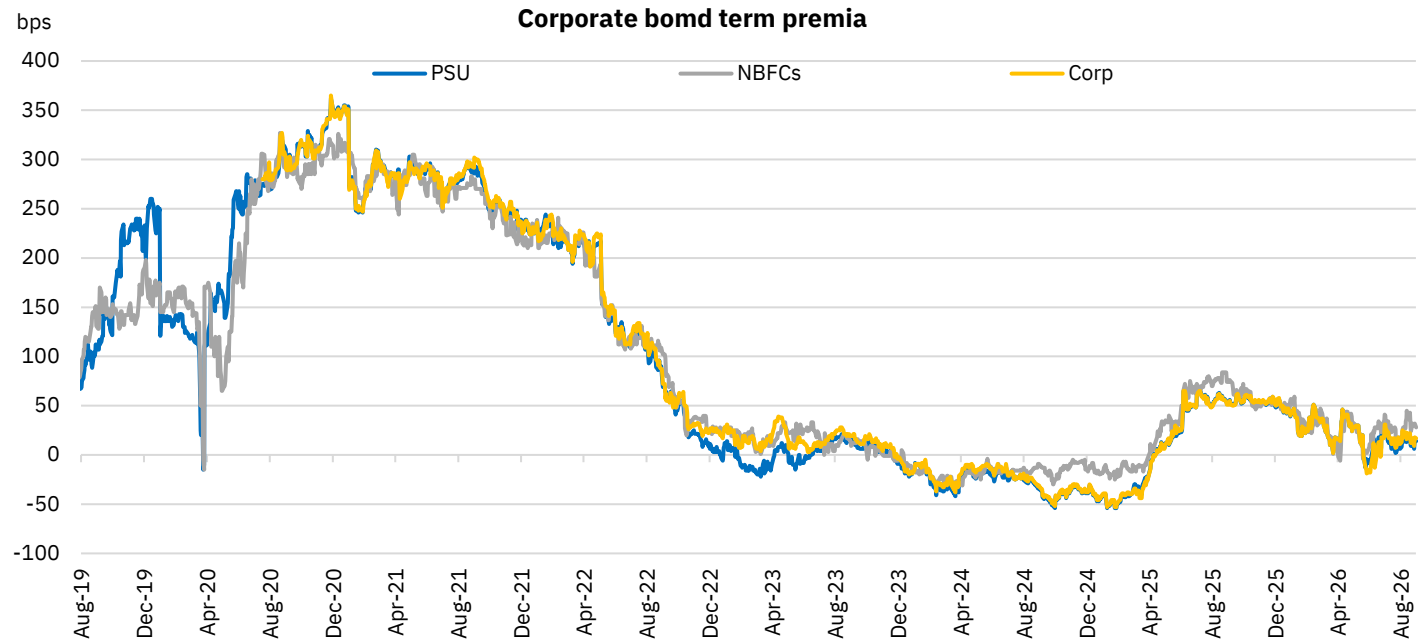
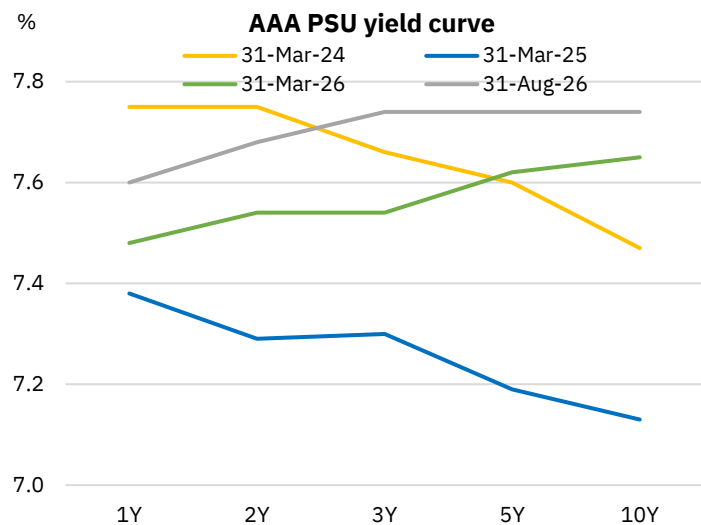
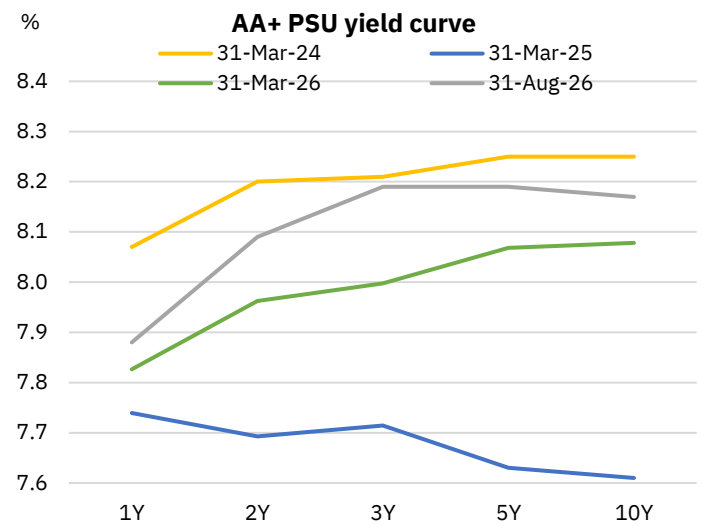
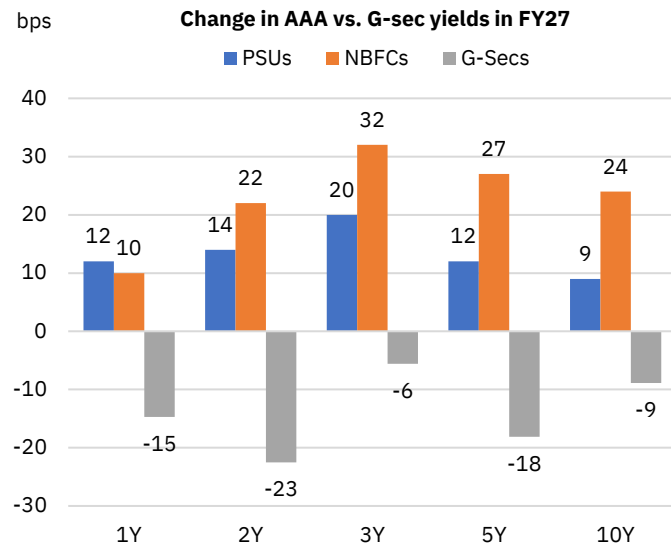
Figure 189: Corporate bond term premia between 10-year and 1-year yields

Figure 190: AAA-rated corporate bond yield curve

Figure 191: AA+ rated corporate bond yield curve


Figure 192: Change in AAA corporate bond and G-sec yields between April and August 2026 (5MFY27)



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

Figure 193: Change in AA+ corporate bond and G-sec bond yields between April and August 2026 (5MFY27)

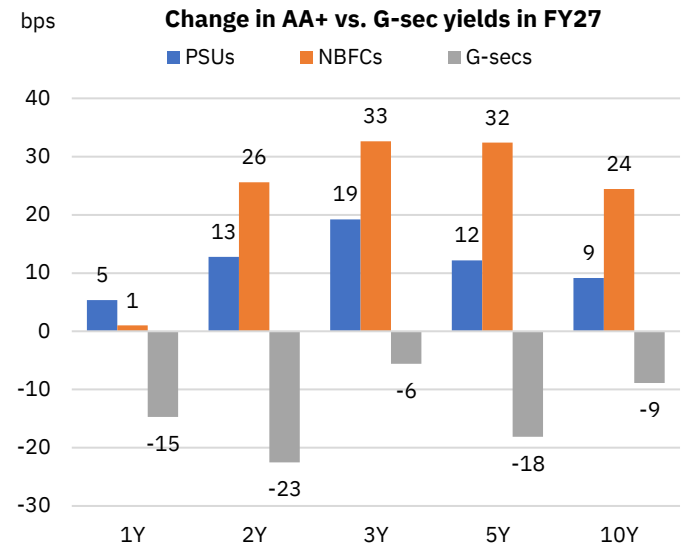
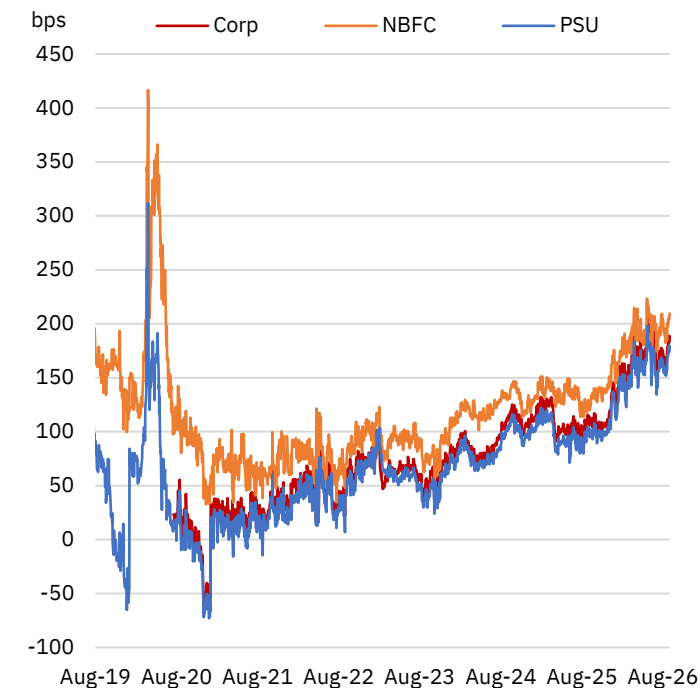


Figure 194: Spreads for one-year AAA-rated corporate bonds over G-Sec across segments



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

Figure 195: Spreads for three-year AAA-rated corporate bonds over G-Sec across segments

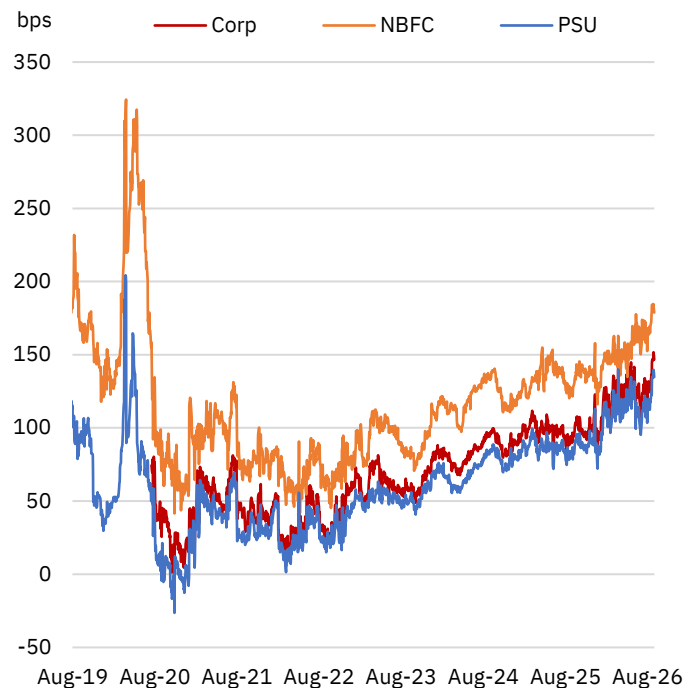
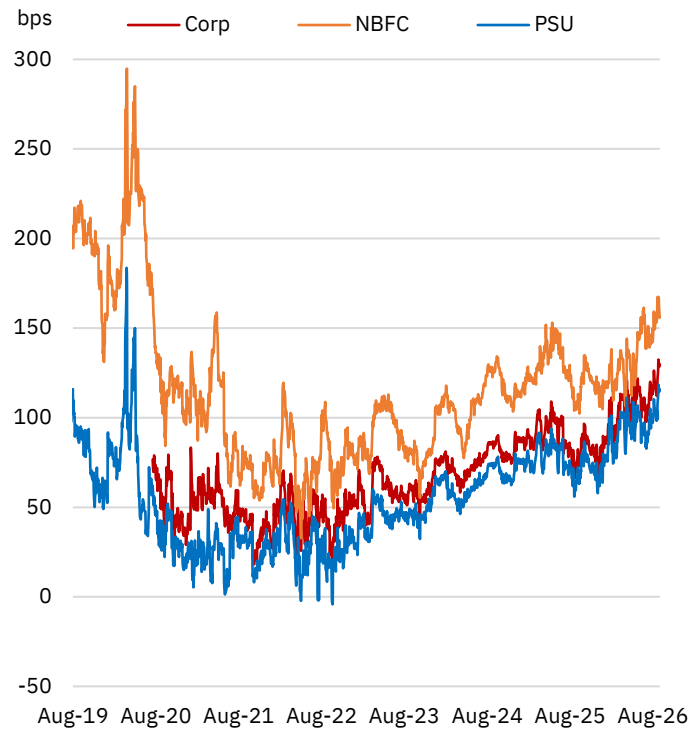
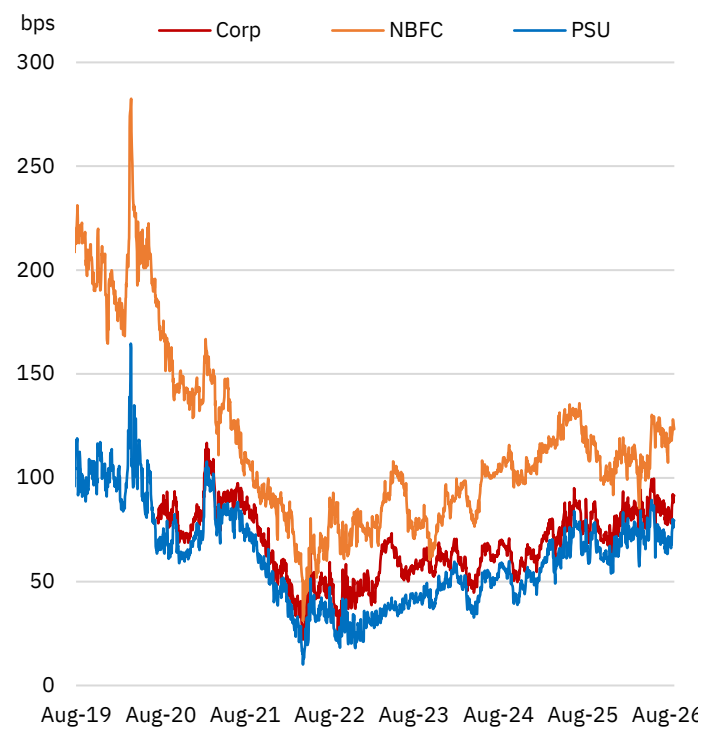


Figure 196: Spreads for five-year AAA-rated corporate bonds over G-Sec across segments



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

Figure 197: Spreads for 10-year AAA-rated corporate bonds over G-Sec across segments



4.4 Commodity market performance

Commodities rally broadly as supply risks take centre stage: Commodity markets in Aug'26 extended their broad-based recovery, although the drivers shifted from a sharp rebuilding of the geopolitical risk premium to tightening supply conditions and stronger demand across individual markets. Brent crude eased marginally by 0.8% MoM as expectations of a gradual easing in Strait of Hormuz disruptions and weaker global oil-demand forecasts offset continued supply constraints and below-normal Gulf production. Precious metals rallied sharply, with gold (+9.6% MoM), silver (+15.4% MoM), platinum (+15.9% MoM) and palladium (+13.1% MoM) benefiting from a weaker U.S. dollar, softer rate expectations and heightened safe-haven demand, with supply constraints amplifying gains in silver and platinum-group metals. Industrial metals also strengthened broadly, led by zinc (+10.1% MoM) and copper (+4.4% MoM), as tight physical availability, falling inventories and constrained mine/smelter supply outweighed expectations of higher output; iron ore (+3.7% MoM) also recovered on resilient Chinese imports. Agricultural commodities recorded the strongest broad-based gains, with wheat (+17.4% MoM), corn (+16.9% MoM), raw sugar (+19.0% MoM) and cotton (+14.6% MoM) surging amid Black Sea supply disruptions, adverse weather and tighter crop prospects, while renewed Chinese demand supported soyabean (+9.5% MoM).

- **Energy:** Brent crude prices eased marginally in Aug'26 (-0.8% MoM), as sharp swings in expectations around the duration of the Strait of Hormuz disruption largely offset each other. Expectations of renewed diplomatic engagement between Iran and Oman and a phased framework to facilitate shipping through the Strait weighed on prices, while the IEA's downward revision to its 2026 oil-demand forecast in Aug'26 reinforced the softer demand outlook. At the same time, OPEC+ agreed to raise output by 188,000 b/d from Sep'26, adding to expectations of higher supply as the group completed the rollback of its voluntary cuts. However, the downside remained contained as Hormuz traffic remained disrupted and Gulf production was still well below pre-conflict levels, while low global inventories and the US Strategic Petroleum Reserve falling to around 290 million barrels, near a 44-year low, underscored limited supply buffers.
- **Precious metals:** Precious metals rallied sharply in Aug'26, supported by a weaker U.S. dollar, falling Treasury yields and a sharp moderation in expectations of further Fed tightening, with metal-specific supply constraints amplifying gains across silver and platinum-group metals. Gold (+9.6% MoM) advanced as weaker U.S. labour-market data and softer inflation reduced expectations of a September rate hike, while safe-haven demand and continued central-bank and ETF buying provided further support. Silver (+15.4% MoM) outperformed gold as the same macro tailwinds were reinforced by persistent physical tightness, a structural supply deficit and resilient industrial demand.

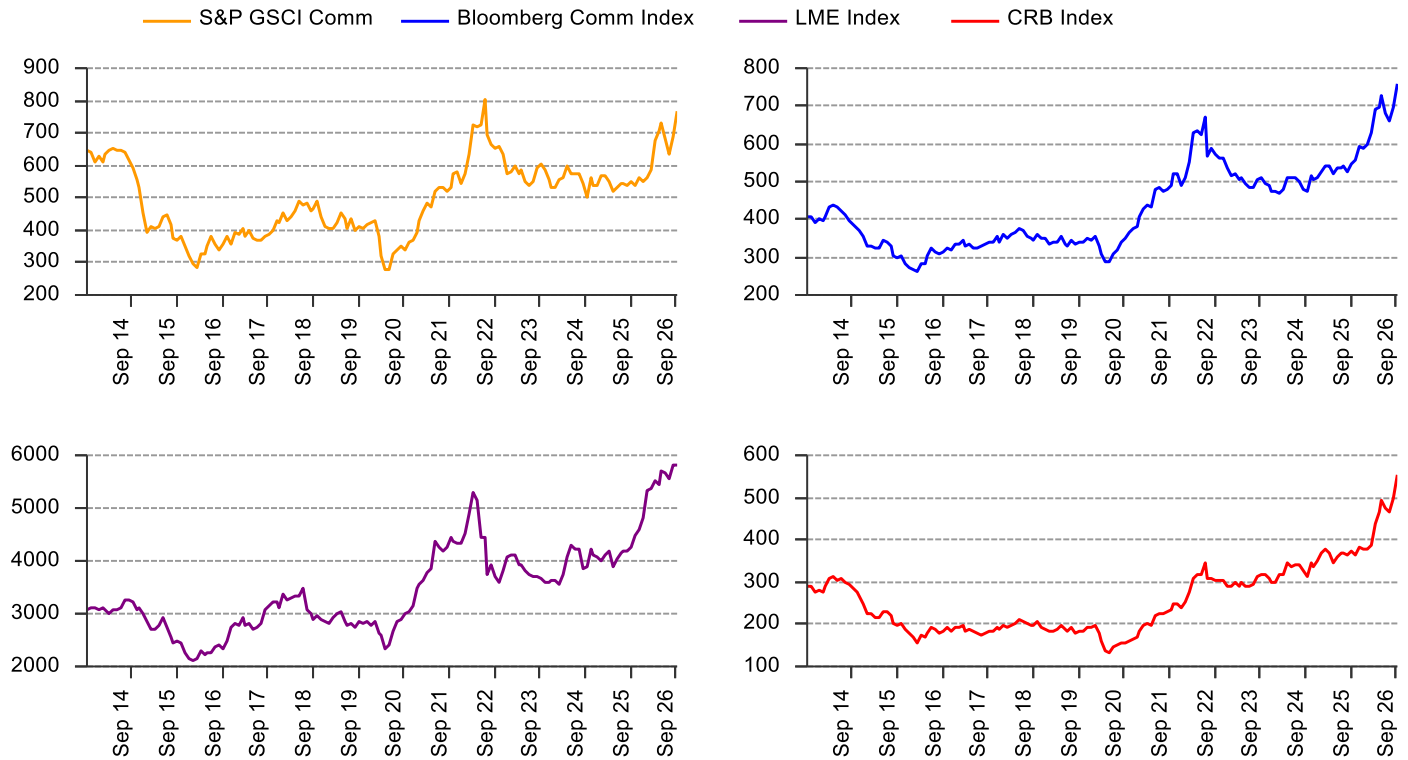
Platinum (+15.9% MoM) and palladium (+13.1% MoM) recorded stronger gains as declining inventories and supply risks in South Africa and Russia reinforced expectations of constrained availability; platinum was further supported by expectations of a fourth consecutive annual deficit, while palladium benefited from the prospect of higher U.S. tariffs on Russian supplies.

- **Industrial metals:** Industrial metals broadly strengthened in Aug'26, although the pace of gains varied across metals. Zinc (+10.1% MoM) was the standout performer, reaching a four-year high as the market shifted into a small refined-metal deficit. Falling LME inventories and low treatment charges further underscored tightening supply and pressure on smelter margins. Copper (+4.4% MoM) also strengthened, approaching its Jan'26 record as U.S. tariff expectations continued to draw refined metal into the country. U.S. imports reached 885,000 tonnes in H1 2026, while global mine output fell 1.1% YoY over the same period, further tightening availability.

Lead (+2.2% MoM) recovered more modestly, with lower inventories and tighter concentrate availability providing support despite still-elevated stocks and subdued end-use demand. Aluminium (+0.6% MoM) remained broadly range-bound despite LME inventories falling to a 36-year low of around 250,000 tonnes, as expectations of recovering Gulf supply and higher Indonesian and Chinese output offset exceptionally tight available stocks. Iron ore (+3.7% MoM) also rebounded as Chinese imports remained resilient.

- **Agriculture:** Agricultural commodities surged across the board in Aug'26, as geopolitical disruptions, adverse weather and stronger demand converged to tighten supply expectations. Wheat surged +17.4% MoM in Aug26 as escalating Russia-Ukraine attacks on Black Sea ports and shipping infrastructure disrupted Ukrainian and Russian export flows, with Ukrainian grain exports down 75% YoY in early August, while heat and drought across Europe further weakened crop prospects. Corn (+16.9% MoM) and soyabean (+9.5% MoM) strengthened on firm demand and growing crop risks, with Chinese purchases supporting U.S. soybean exports and adverse weather in the U.S. and China raising concerns over yields; corn also benefited from strong ethanol and feed demand and lower European production estimates. Cotton (+14.6% MoM) advanced as heat and drought in China's Xinjiang region—accounting for over 90% of Chinese cotton output—raised yield concerns, while India's 16% August rainfall deficit added to crop risks. Raw sugar (+19.0% MoM) recorded the strongest gain, driven by expectations of lower Brazilian production, weather-related losses in European beet crops and rising El Niño risks across Asia; India's decision to allow duty-free raw sugar imports further underscored tightening domestic availability.

Figure 198: Movement in key commodity indices

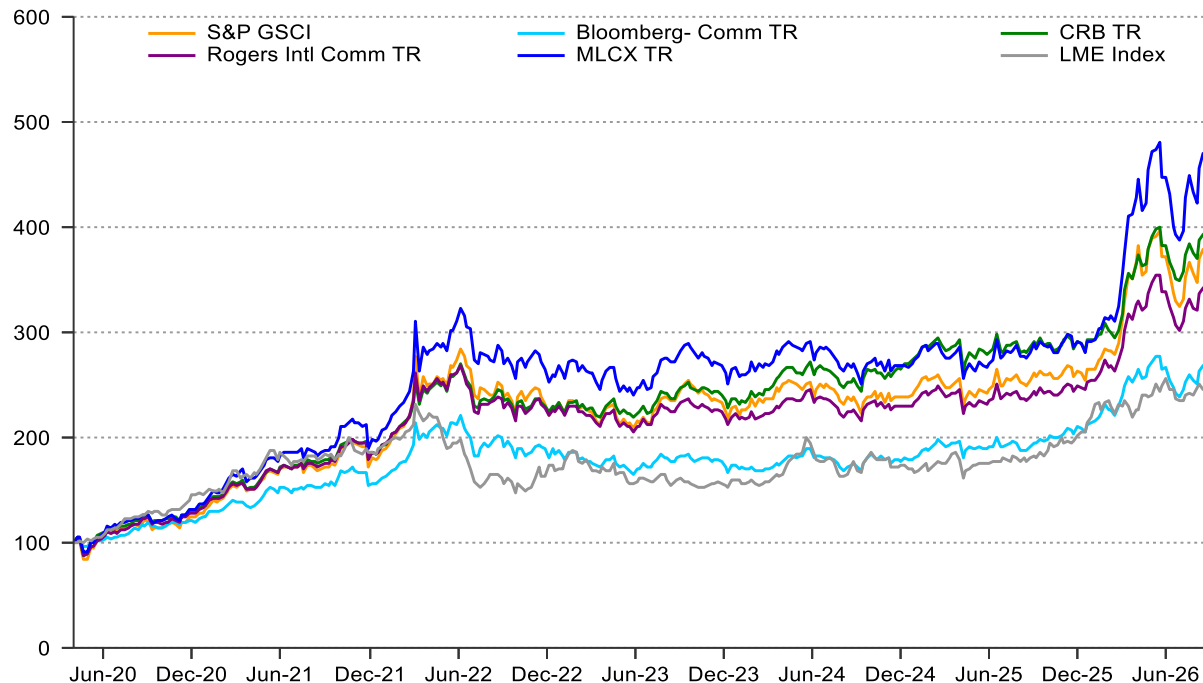
(As of September 10th, 2026)


Source: LSEG Workspace, NSE EPR.

Figure 199: Movement in key commodity indices since 2020

Rebased to 100 on March 31st, 2020 (As of September 10th, 2026)

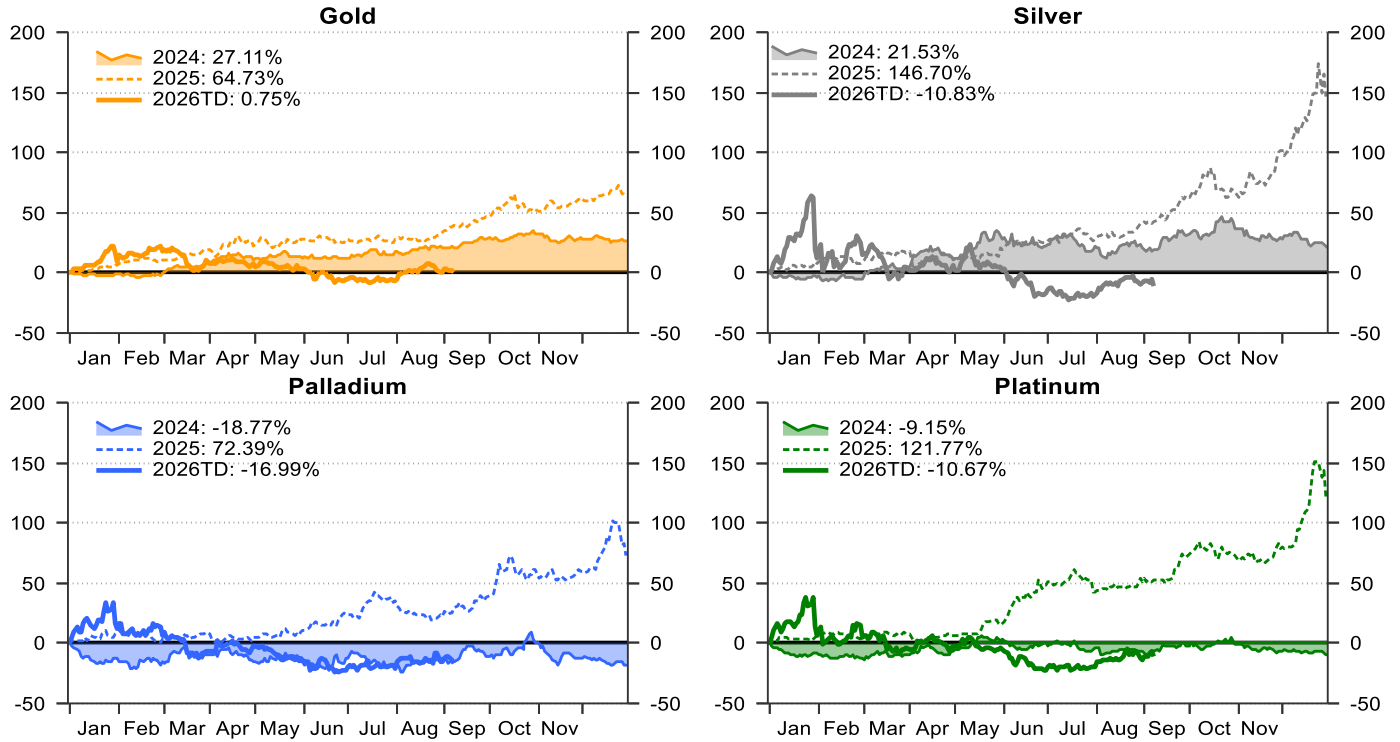
Key commodity indices
Rebased to 100 on March 31st, 2020



Source: LSEG Workspace, NSE EPR.

Figure 200: Returns of key precious metals in 2024, 2025 and 2026 till date
(As of September 10th, 2026)

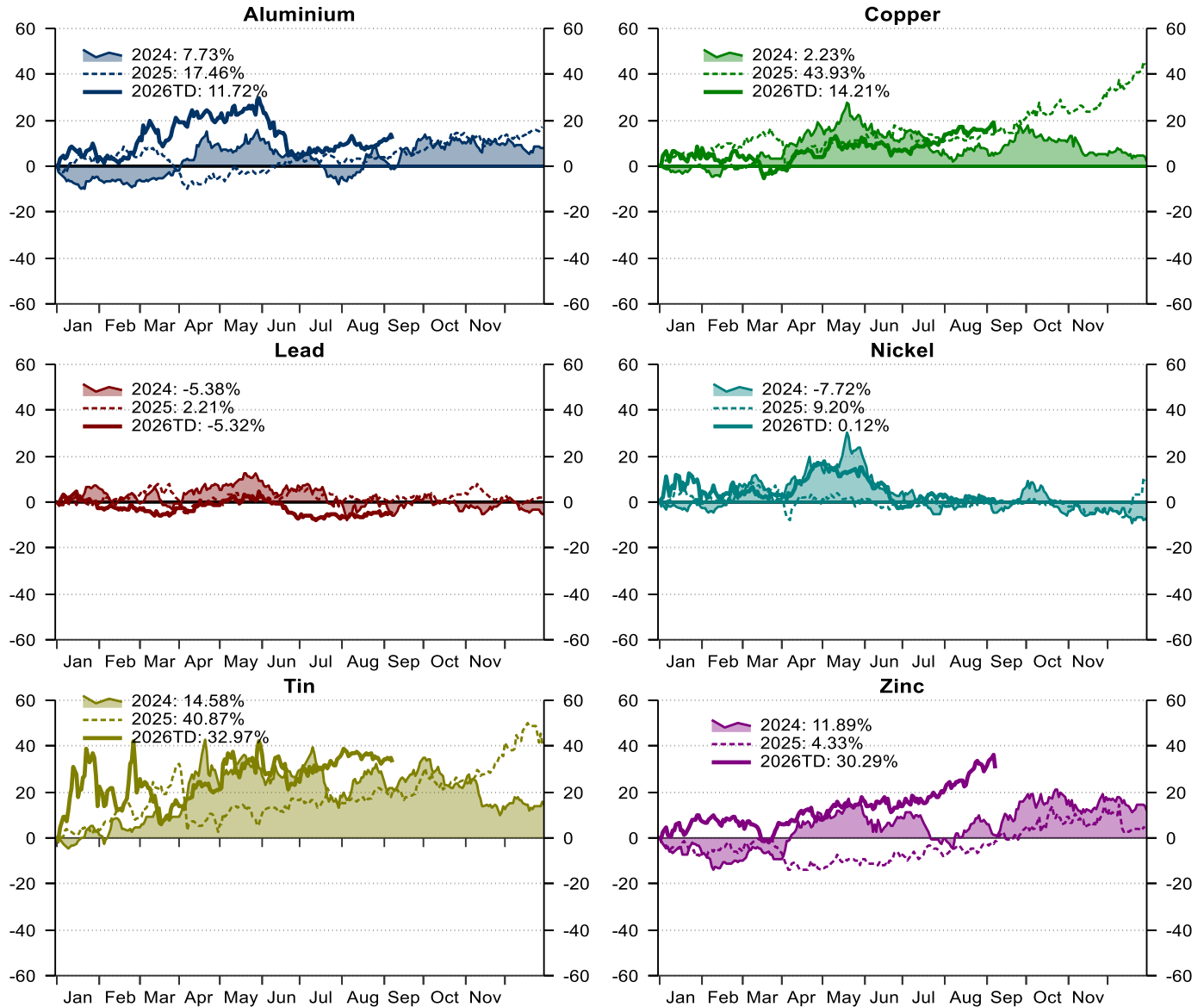
Returns of key Precious Metals



Source: LSEG Workspace, NSE EPR.

Figure 201: Returns of key industrial metals in 2024, 2025 and 2026 till date
(As of September 10th, 2026)

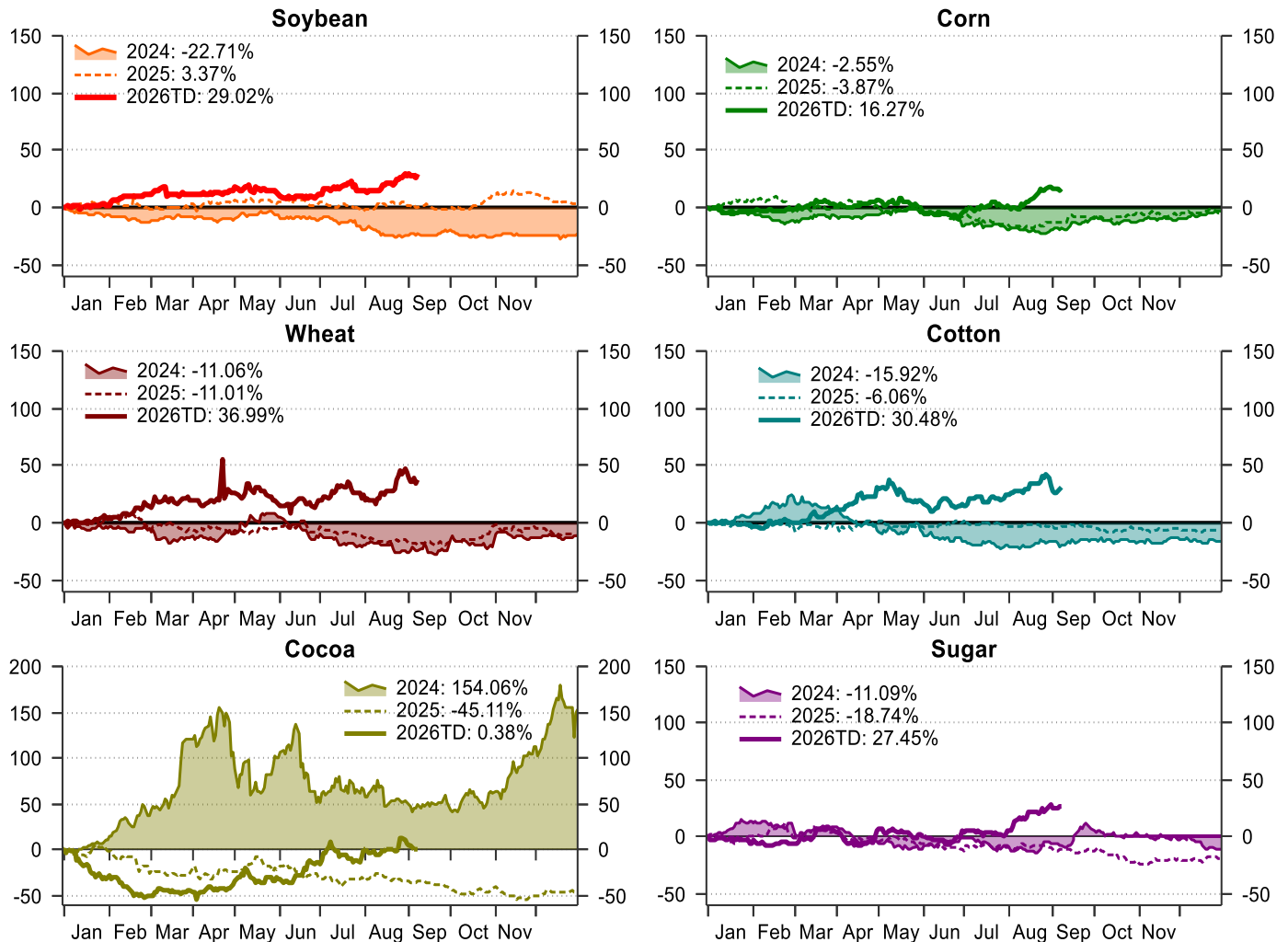
Returns of key Industrial Metals



Source: LSEG Workspace, NSE EPR.

Figure 202: Returns of key agricultural commodities in 2024, 2025 and 2026 till date
(As of September 10th, 2026)

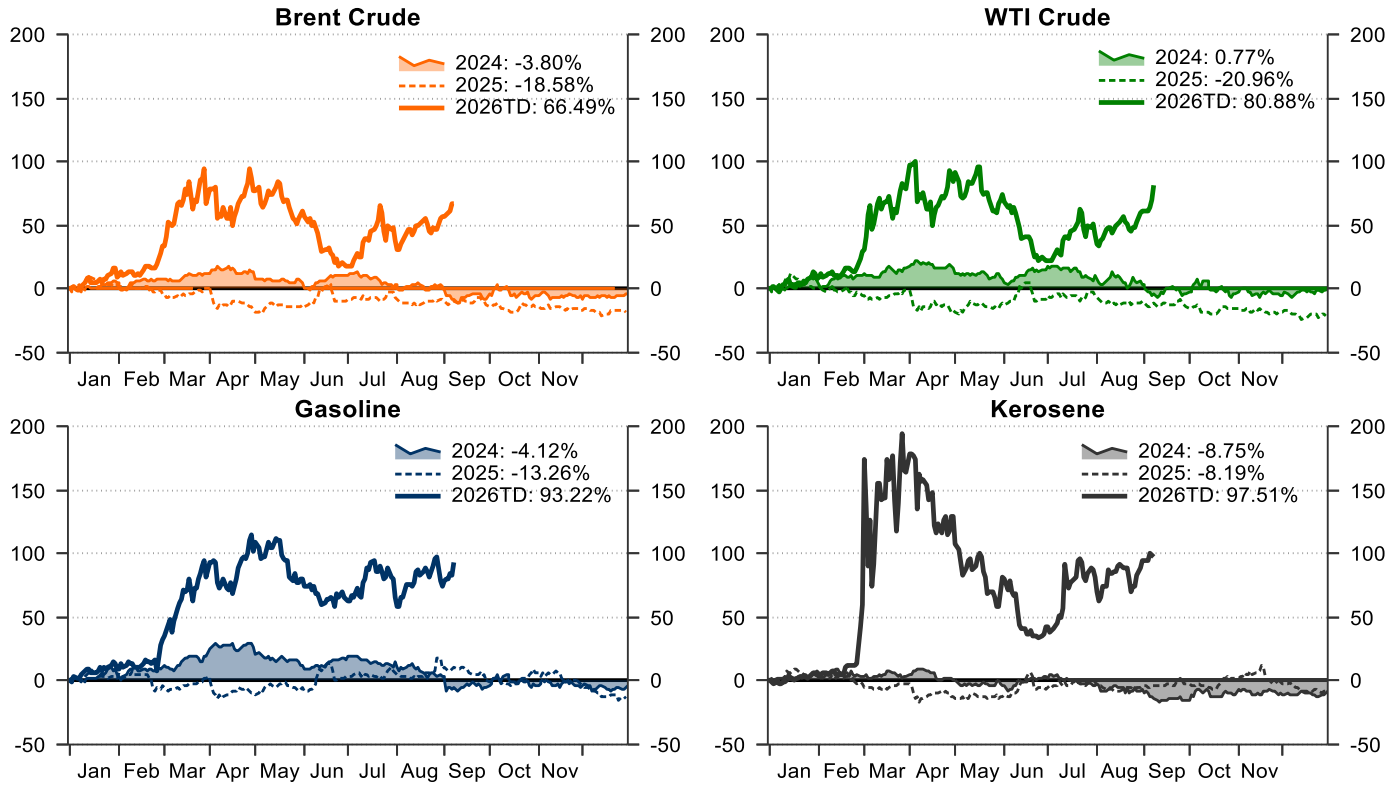
Returns of key agri commodities



Source: LSEG Workspace, NSE EPR.

Figure 203: Returns of key energy commodities in 2024, 2025 and 2026 till date
(As of September 10th, 2026)

Returns of key energy commodities



Source: LSEG Workspace, NSE EPR.

Table 60: Annual performance across commodities
(As of September 10th, 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 80.9
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 66.5
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 33.0
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 30.3
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 14.2
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 11.7
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 0.8
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 0.1
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 -5.3
Palladium -31.6	Lead 11.3	Silver 6.4	Brent Crude -20.2	Lead -4.7	Lead 3.3	Platinum -10.2	Aluminium -16.3	Zinc -12.1	Nickel -7.7	Lead 2.2	Platinum -10.7
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	Palladium -10.7
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	Silver -10.8

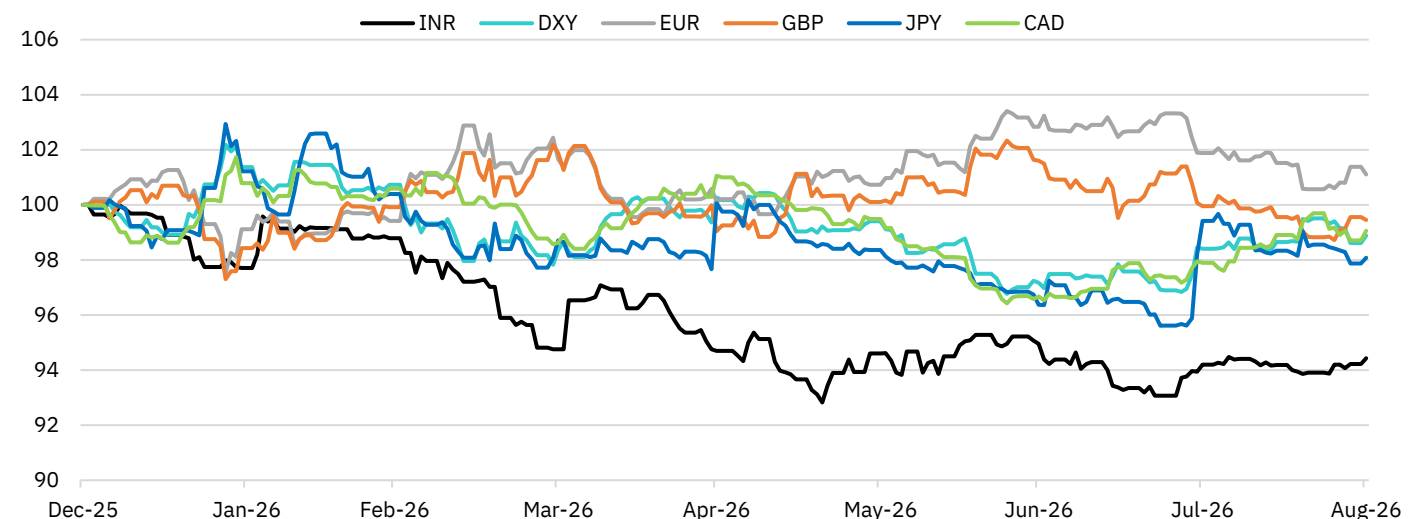
Source: LSEG Workspace, NSE EPR.

4.5 Currency market performance

INR gains ground in August: The Indian Rupee (INR) appreciated by 0.2% MoM in August 2026, reversing the 0.8% MoM depreciation recorded in July 2026, and touched an intra-month low of Rs 95.8 on 19th August before closing at Rs 95.2 as of 31st August. The INR, however, weakened marginally to Rs 95.4 as of 10th September. The appreciation coincided with a weaker US dollar (-0.5% MoM) and stronger FPI equity inflows, which rose to US\$3.1 bn from US\$2.1 bn in July. FPI debt flows, however, turned marginally negative at US\$152 mn, bringing total net FPI inflows to US\$3.0 bn in August, lower than the US\$4.1 bn recorded in July. Cumulative foreign-currency inflows under the RBI's special USD-INR forex swap facility, covering FCNR(B) deposits, external commercial borrowings and overseas foreign-currency borrowings, reached US\$136.4 bn as of 31st August, while foreign exchange reserves increased to US\$740.8 bn as of 28th August, from US\$692.9 bn as of 31st July. Meanwhile, renewed geopolitical tensions in West Asia and elevated crude oil prices — which rose from US\$83.8/bbl at the beginning of August to a peak of US\$94.4/bbl on 21st August before moderating to US\$89.4/bbl by month-end — continued to pose external pressures. Overall, stronger equity inflows and continued foreign-currency inflows provided near-term support to the INR, partly offsetting pressures from elevated crude prices and persistent global uncertainties

Major currencies appreciated against the US dollar amid continued dollar weakness....: The US dollar weakened in August 2026, with the DXY declining by 0.5% MoM, while most major developed and emerging market currencies appreciated against the US dollar during the month. Among developed markets, the Canadian Dollar recorded the strongest appreciation (+1.2% MoM), followed by the Euro (+0.8% MoM), and Pound Sterling (+0.5% MoM), while the Swiss Franc remained broadly stable (-0.1% MoM). Emerging market currencies were more mixed, with the South African Rand (+2.6% MoM), Indonesian Rupiah (+1.6% MoM) and Chinese Yuan (+0.4% MoM) appreciating, while the Russian Rouble (-7.9% MoM), Brazilian Real (-1.9% MoM) and Turkish Lira (-1.5% MoM) depreciated. The INR's 0.2% appreciation was broadly in line with the appreciation observed across most major currencies during the month.

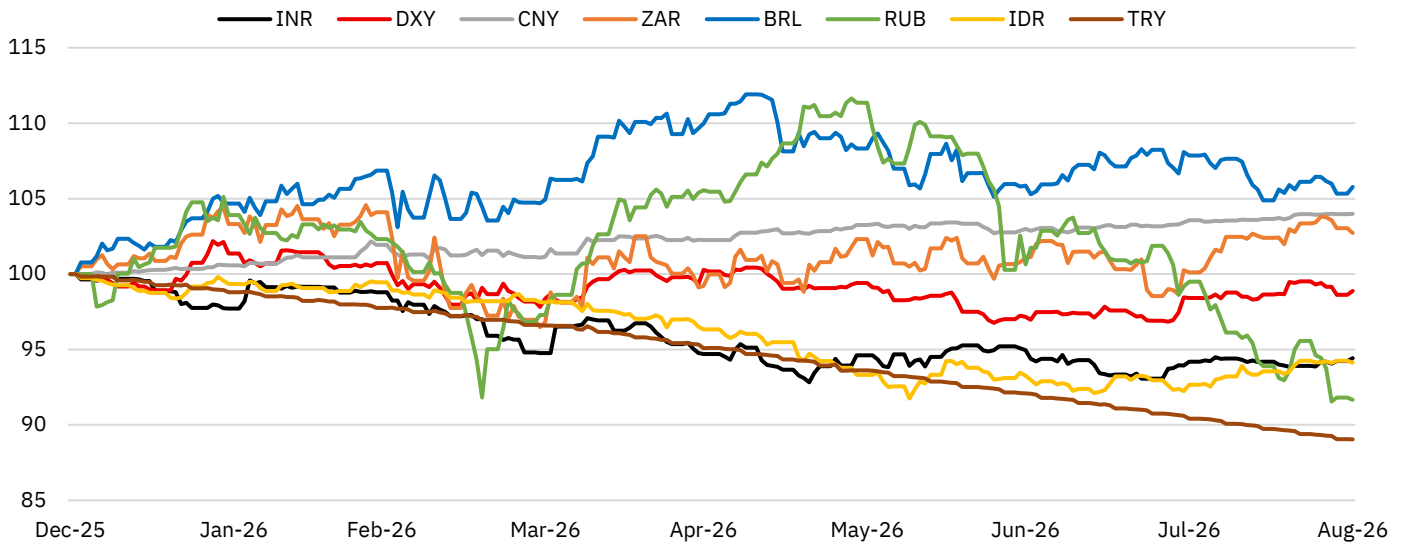
Figure 204: Movement in INR and major DM currencies against dollar since end of 2025
(Rebased to 100 on December 31st, 2025)



Source: LSEG Workspace, NSE EPR.

Figure 205: Movement in INR and major EM currencies against dollar since end of 2025

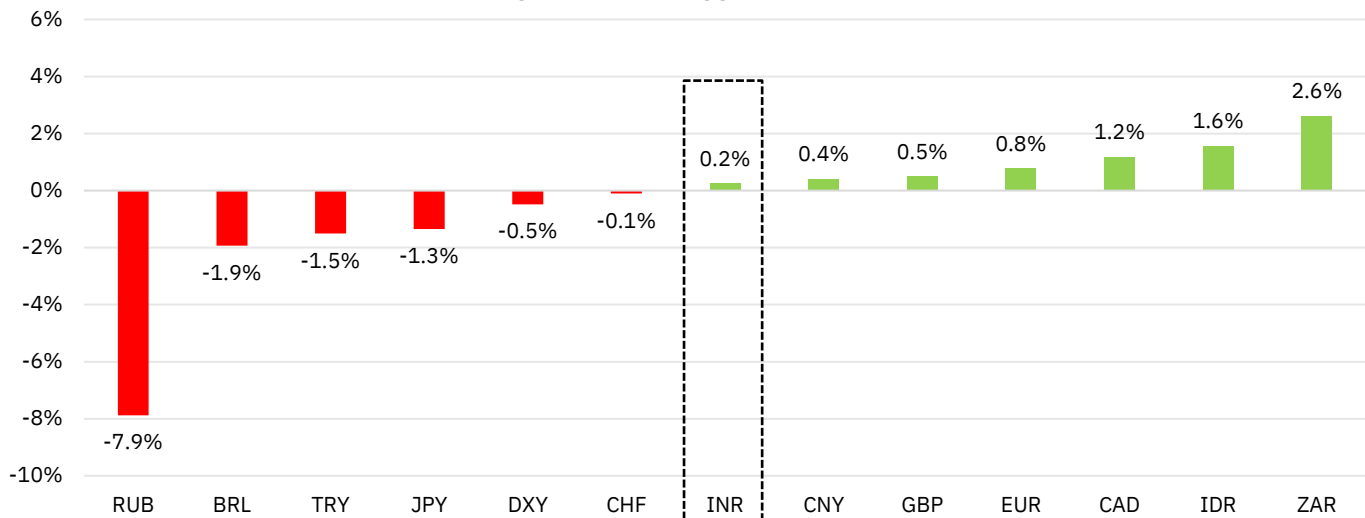
(Rebased to 100 on December 31st, 2025)



Source: LSEG Workspace, NSE EPR.

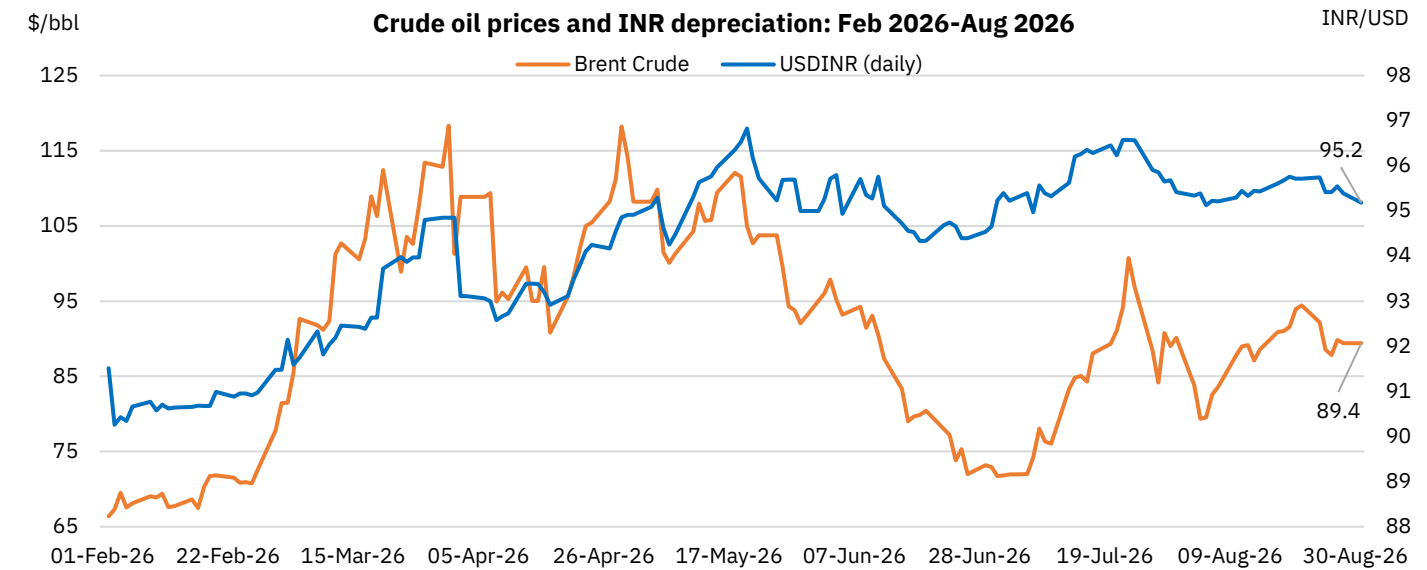
Figure 206: Global currency movements in August 2026 (% change MoM)

Depreciation (-)/Appreciation (+) MoM



Source: LSEG Workspace, NSE EPR. Note: Red indicates depreciation and green indicates appreciation

Figure 207: Brent Crude oil prices and INR movement (Feb-August 2026)

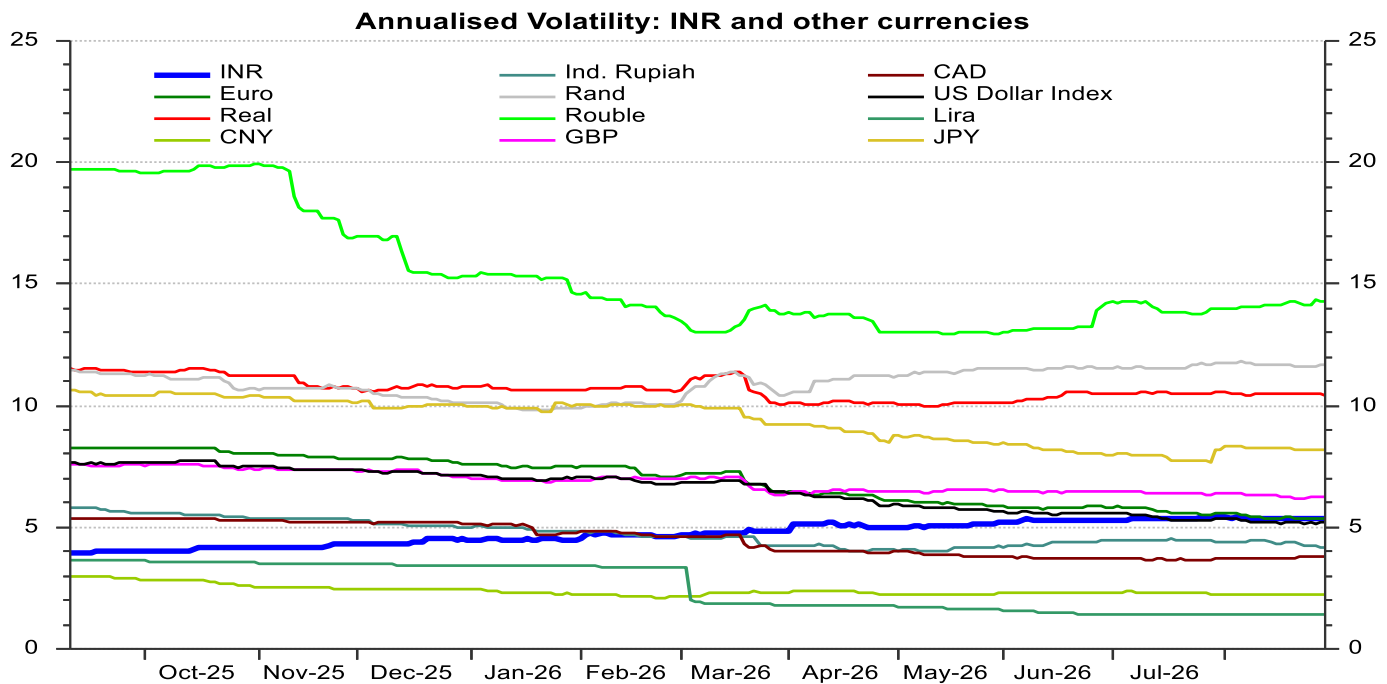


Source: LSEG Workspace, NSE EPR.

INR volatility remains broadly stable in August amid mixed movements across peers...

The INR's average annualised volatility remained broadly stable at 5.4% in August 2026, unchanged from July, even as volatility remained mixed across major peer currencies during the month. Among emerging markets, the Russian Rouble (14.2%), South African Rand (11.7%), and Brazilian Real (10.5%) continued to exhibit higher volatility relative to the INR, while the Chinese Yuan remained among the least volatile at 2.2%. Among developed market currencies, volatility was mixed, with the Japanese Yen increasing to 8.3%, the Euro easing to 5.4%, and the Canadian Dollar remaining at 3.7%, while the Pound Sterling eased to 6.3%. Overall, INR volatility remained contained relative to several major emerging market peers, despite the intra-month movements observed during August.

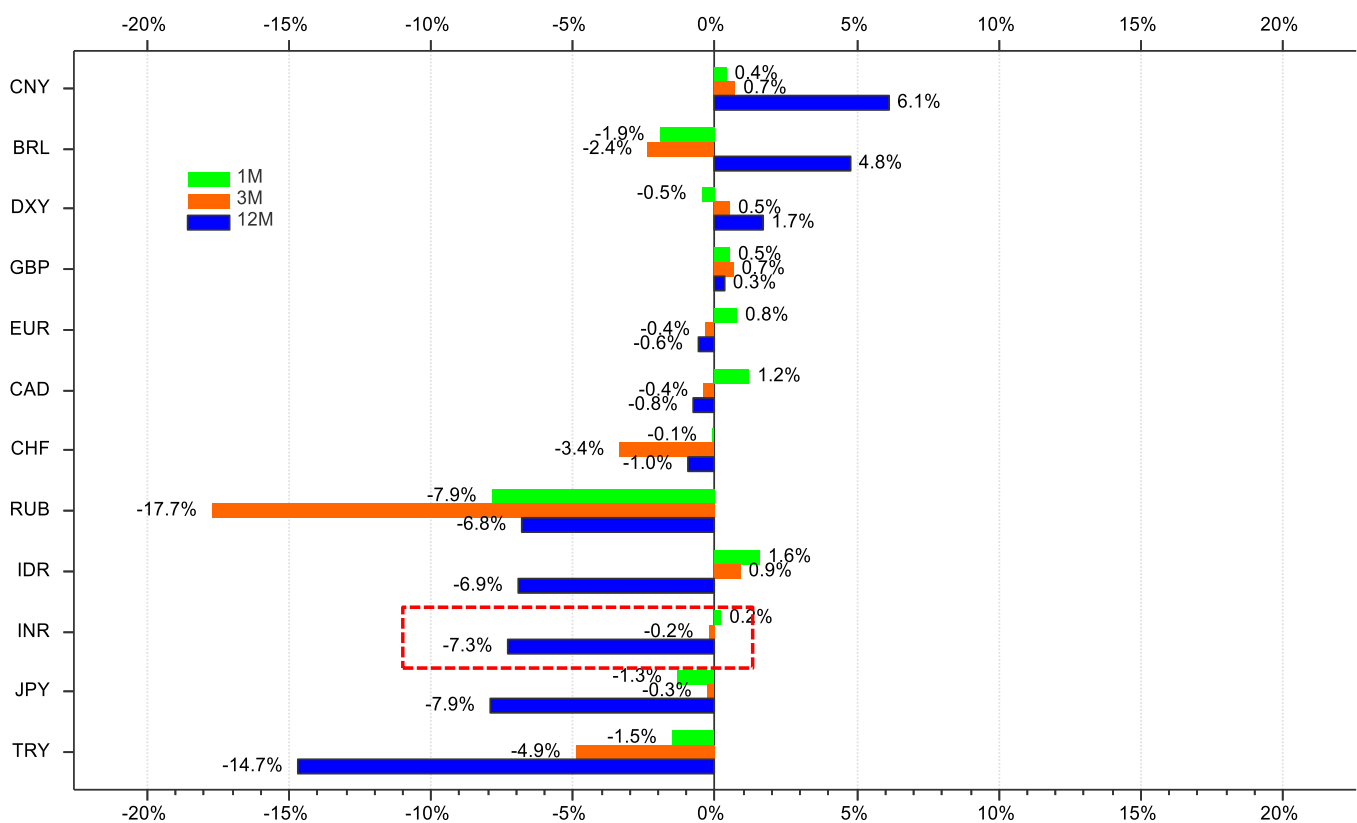
Figure 208: Annualised volatility of INR and other DM & EM currencies



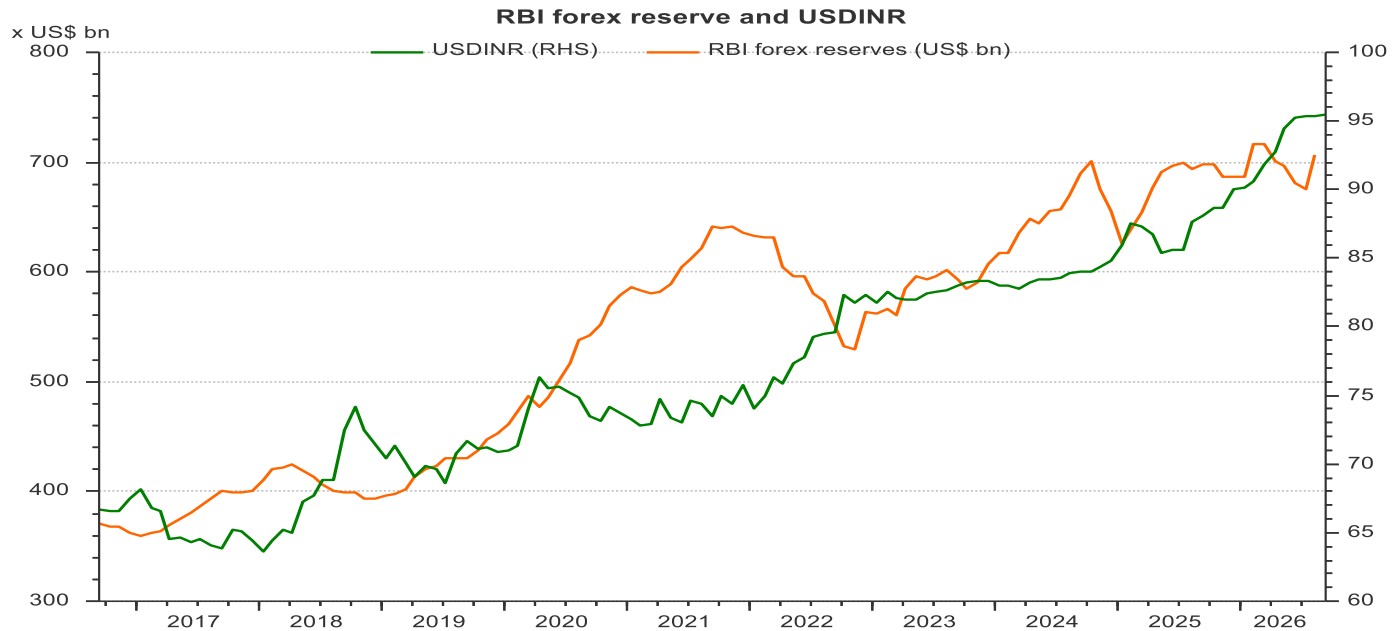
Source: LSEG Workspace, NSE EPR.

Figure 209: Change in INR and major DM & EM currencies (as on August 31st, 2026)

INR & Key Currencies vs. the USD (1M, 3M, 12M)

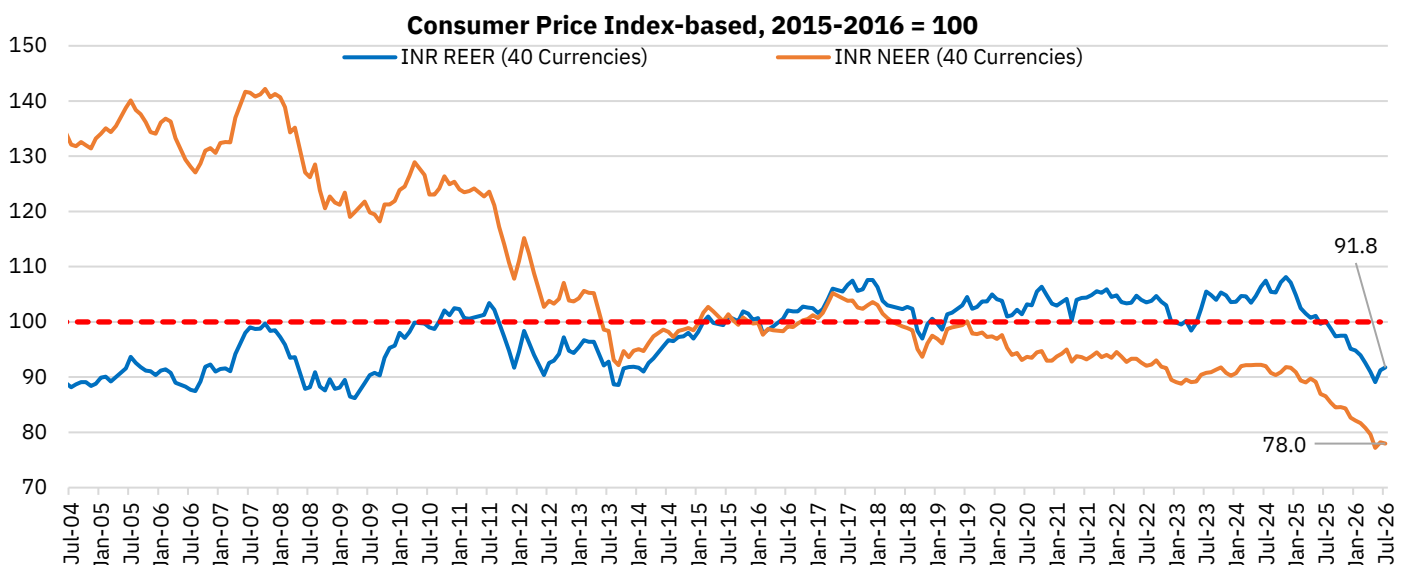


Source: LSEG Workspace, NSE EPR.

Figure 210: RBI forex reserves and USD-INR


Source: LSEG Workspace, NSE EPR.

REER increased while NEER declined in July, moderating the extent of INR undervaluation...: The INR's real effective exchange rate increased in July'26, with the 40-currency trade-weighted REER rising to 91.75 from 91.26 in June'26 – an increase of 0.49 points MoM. In contrast, the NEER declined to 77.97 from 78.21, losing 0.24 points MoM. The increase in REER, despite the decline in NEER, indicates that the relative inflation differentials more than offset the decline in the nominal effective exchange rate. The latest REER reading implies a cumulative correction of approximately 16.4 points from the peak of 108.1 recorded in Nov'24, highlighting the extent of the valuation adjustment since the peak. While the rise in REER moderates the extent of the earlier undervaluation, the decline in NEER indicates a weakening in the INR's nominal effective exchange rate against its major trading partners.

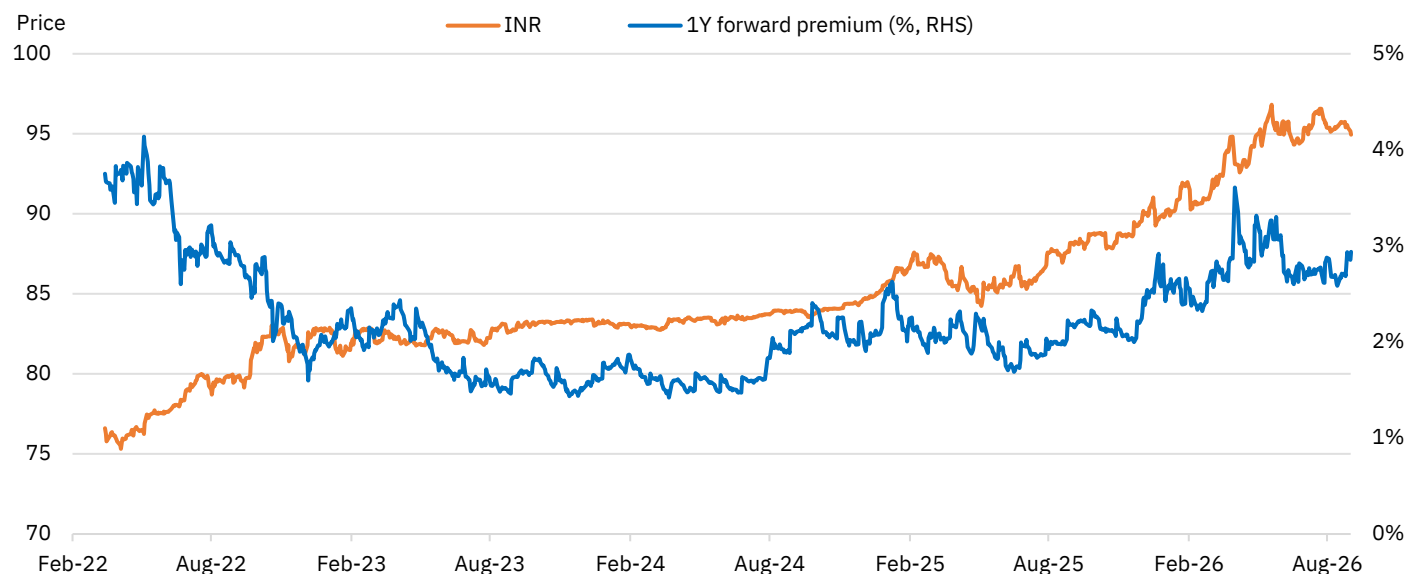
Figure 211: Real and nominal effective exchange rates of INR


Source: CMIE Economic Outlook, NSE EPR.

One-year forward premium continues to ease in August following the moderation observed since June...

...: The one-year forward premium on the INR continued to moderate in August 2026, with the monthly average edging down to 2.72% from 2.74% in July 2026. The premium fluctuated within a range of 246.5–280.5 paise during the month before settling at 271.5 paise as of 31st August 2026, lower than the July month-end level of 274.5 paise. The moderation in the premium occurred alongside increased dollar liquidity through the RBI’s special USD-INR forex swap facility, covering FCNR(B) deposits, ECB and OFCB inflows. 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 212: USD-INR and 1-year forward premium



Source: NSE Cogencis, NSE EPR.

4.6 Institutional flows across market segments in India

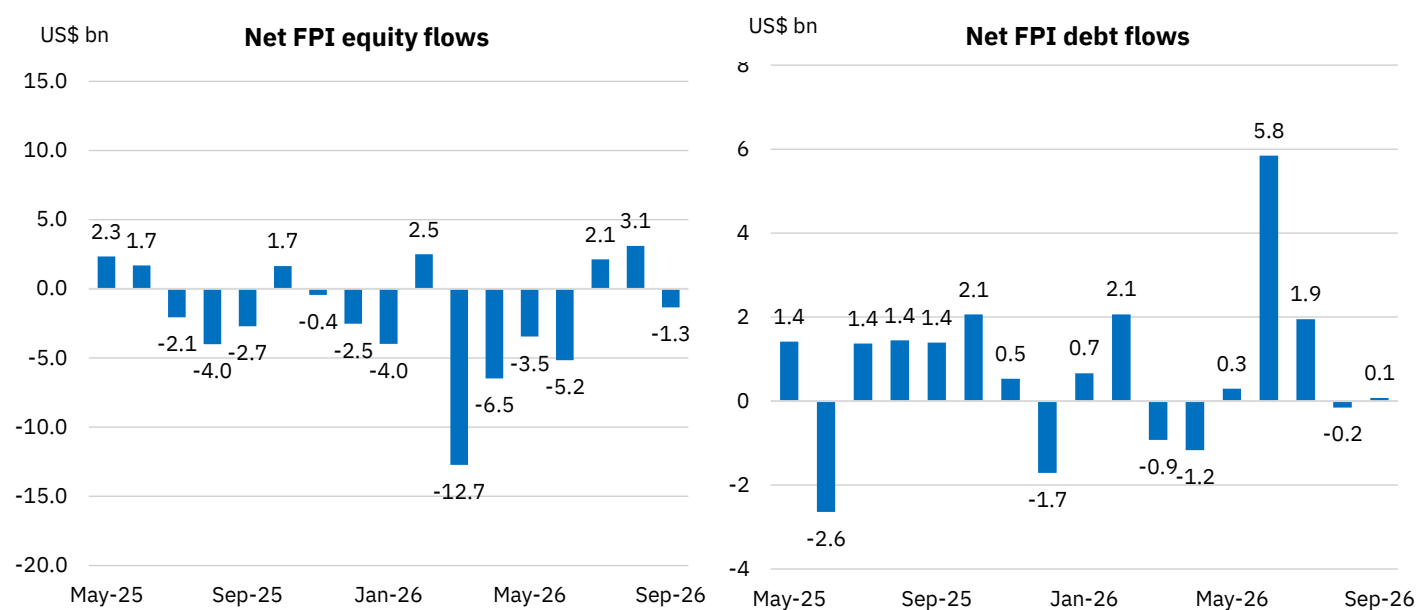
FPI equity flows turned negative in early September after remaining positive through July and August...

After recording net equity inflows of US\$2.1 bn in July 2026, FPI equity inflows rose further to US\$3.1 bn in August 2026 – the highest monthly inflow since September 2024, when inflows stood at US\$6.9 bn. The strong August inflows coincided with better-than-expected corporate earnings following the preceding market correction, resilient domestic demand and moderation in concerns over the Rupee. The trend reversed in early September, with net equity outflows of US\$1.3 bn (as of September 8th) amid higher US bond yields and renewed geopolitical tensions that pushed crude oil prices higher, raising concerns over the implications for India's current account balance. Cumulative FPI equity flows in FY27TD remained in deficit at US\$11.2 bn as of 8th September 2026, leaving the overall FY27TD position firmly negative despite the positive flows recorded in July and August.

...While FPI debt flows turned negative in August, before returning to positive territory in September:

FPI debt flows turned marginally negative in August, with net outflows of US\$0.2 bn, following net inflows of US\$2.0 bn in July 2026. The trend reversed in early September with net debt inflows of US\$71 m as of September 8th, 2026, taking cumulative FY27TD debt inflows to US\$6.8 bn. While the pace of inflows has moderated substantially from the June peak, the return to positive debt flows in early September indicates that net foreign inflows into Indian fixed-income markets have remained positive despite the recent moderation in monthly flows. While cumulative FPI equity flows remained in deficit at US\$11.2 bn, debt inflows stood at US\$6.8 bn during FY27TD, underscoring the contrasting pattern of foreign participation across India's equity and fixed-income markets.

Figure 213: Monthly Net inflows by FPIs in Indian equity and debt markets

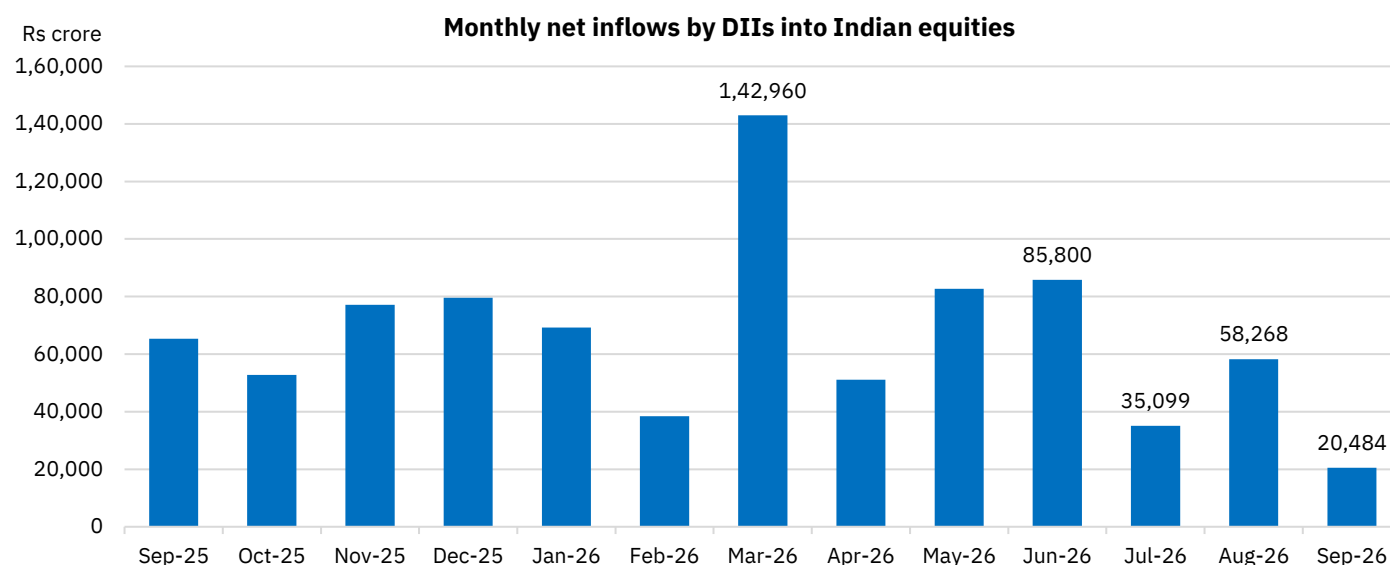


Source: NSDL, NSE EPR. Data for September is as of September 8th, 2026.

DII participation remained robust in August...: DIIs invested Rs 58.3k crore (US\$6.1 bn) in Indian equities during August 2026, below Rs 94.8k crore recorded in August 2025 (-38.6% YoY), but substantially higher than the Rs 35.1k crore inflows recorded in July

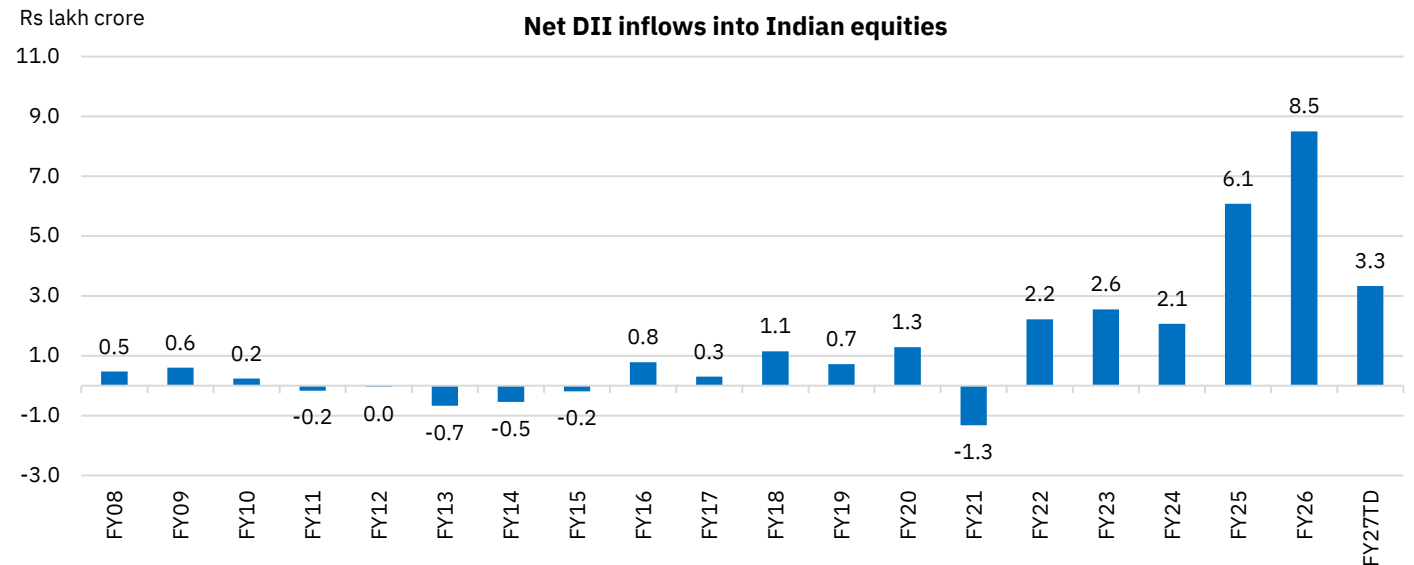
2026 (66% MoM). DII buying continued into September, with additional inflows of Rs 20.5k crore (US\$2.2 bn) as of 8th September 2026. Cumulative DII equity inflows in FY27TD (as of September 8th) reached Rs 3.3 lakh crore (US\$35.1 bn), highlighting the continued scale of domestic institutional participation despite sustained volatility in foreign portfolio flows. Within DIIs, domestic mutual fund equity inflows rebounded sharply in August, while debt outflows remained elevated. This growth was sustained by domestic liquidity flows through mutual funds and SIP inflows, while institutional investors increased equity purchases amid improved domestic earnings and resilient economic activity. DMFs invested Rs 57.7k crore (US\$6.0 bn) in equities during August 2026, below Rs 70.5k crore recorded in August 2025, but substantially higher than the Rs 15.3k crore (US\$1.6 bn) recorded in July 2026, representing a 277% MoM increase. DMFs invested a further Rs 15.3k crore (US\$1.6 bn) as of September 8th, 2026, taking cumulative FY27TD DMF equity inflows to approximately Rs 2.3 lakh crore. In the debt segment, DMFs recorded net outflows of Rs 54.1k crore (US\$5.7 bn) in August, while registering net inflows of Rs 6.0k crore (US\$0.6 bn) as of September 8th. Despite the early September inflows, cumulative FY27TD DMF debt outflows stood at Rs 2.5 lakh crore, indicating that domestic fixed-income flows remained weak.

Figure 214: Monthly net inflows by DIIs in Indian equity markets



Source: CMIE Economic Outlook, NSE EPR. Data for September is as of September 8th, 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.

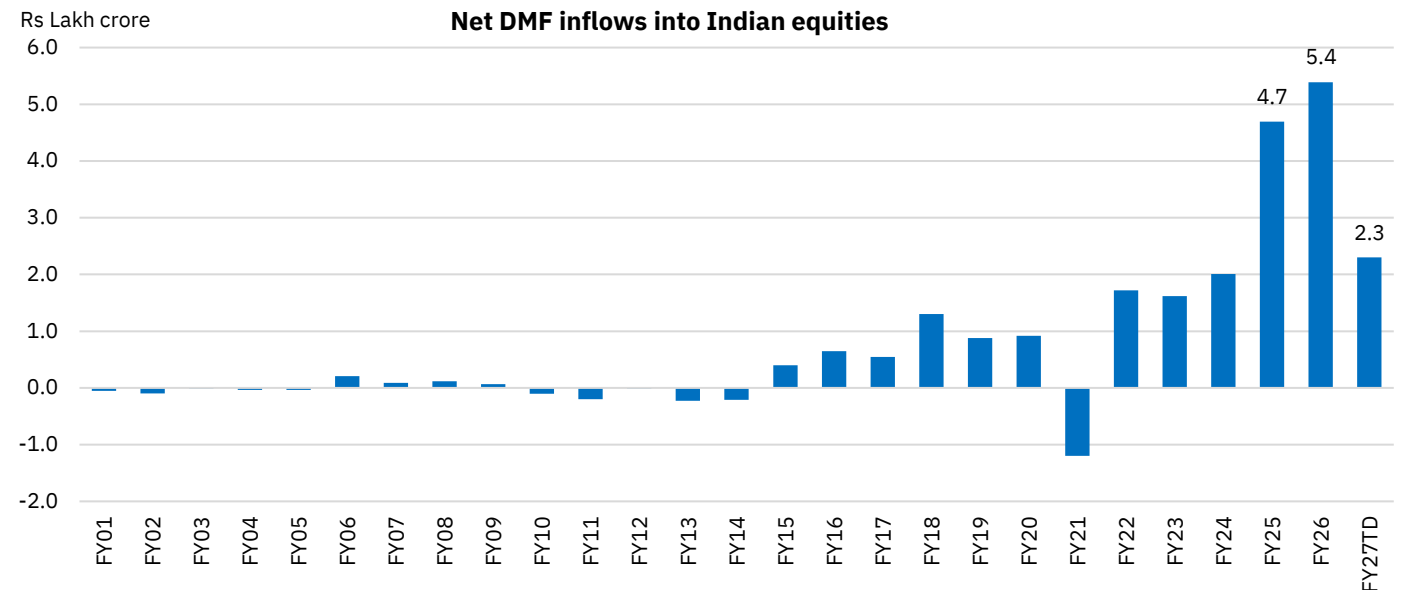
Figure 215: Annual net inflows by DIIs in Indian equity markets



Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of September 8th, 2026.

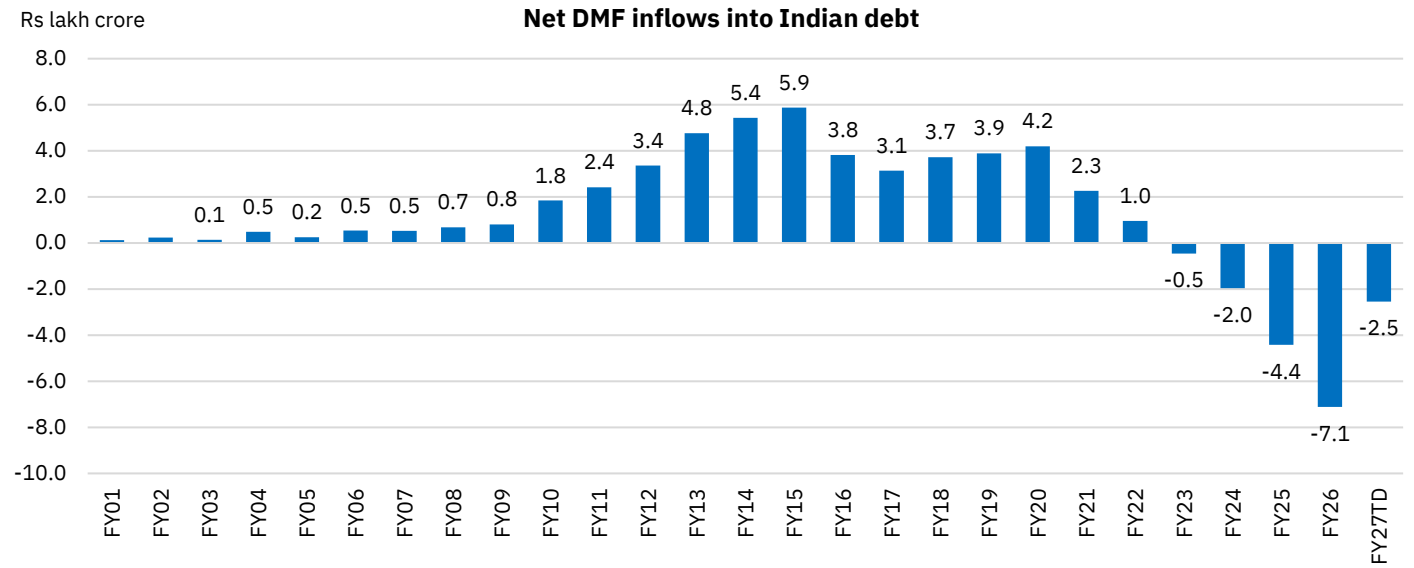
Note: The figure above shows total traded value executed by DIIs across exchanges, compiled based on trading codes entered by Trading Members at the time of order entry and corresponding client category classification provided by trading members.

Figure 216: Annual net inflows by domestic mutual funds in Indian equity markets



Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of September 8th, 2026.

Figure 217: Annual net inflows by domestic mutual funds in Indian debt markets



Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of September 8th, 2026.

5. Markets in depth

Primary market strengthens amid moderation in derivatives activity

India's capital markets presented a mixed picture in August, with strong momentum in the primary market contrasting with continued moderation in equity derivatives activity. IPO fundraising revived strongly, with proceeds reaching a nine-month high of over Rs 29,500 crore, while 25 companies accessed the market, marking the highest issuance activity in ten months. The predominance of fresh issuance, accounting for ~71% of proceeds, also points to continued demand for equity capital to support business expansion. In contrast, activity in equity derivatives moderated for the third consecutive month, with futures and options turnover declining to multi-year lows and average daily contracts traded (ADCT) falling 10% MoM to ~12.6 crore contracts during the month. Despite the moderation in overall activity, traded value remained highly concentrated among a relatively small set of investors. The top 0.2% of Cash Market investors accounted for 78.1% of turnover, while the top 6.7% of equity-futures investors generated 92.7% of turnover. Overall, August reflected resilient primary-market sentiment alongside a recalibration of derivatives activity and persistent concentration in traded value.

Primary market activity gains strong momentum: Fund raising through initial public offerings (IPOs) witnessed a strong revival in August, with aggregate IPO proceeds reaching a nine-month high of just over Rs 29,500 crore. Fresh issuance accounted for ~71% of the total proceeds, indicating that a larger share of the capital raised during the month was directed towards business expansion and growth initiatives. The primary market also recorded a notable increase in issuance activity, with 25 IPOs launched during the month, the highest number in the last ten months.

Of these, 18 companies were listed on the Main Board, while seven companies accessed the SME segment through the NSE Emerge platform. The broad-based increase in issuance activity across both Main Board and SME segments points to renewed momentum in the primary market. The strong fundraising pipeline, coupled with higher participation from issuers, highlights improving confidence in India's capital markets and the continued attractiveness of equity markets as a source of growth capital.

Equity derivatives activity continues to moderate: Trading activity in the equity derivatives segment moderated for the third consecutive month in August, with equity futures ADT declining 10% MoM to a 33-month low of Rs 1.2 lakh crore, while equity options ADPT fell 16% to a 45-month low of Rs 42,332 crore. Overall, the average daily contracts traded declined 23% MoM to ~22.4 crore contracts for the market, the lowest in 13 months, with NSE and BSE recording declines of 10% and 34%, respectively.

High turnover concentration persists across market segments: Despite the moderation, trading remained highly concentrated, with the top 0.2% of Capital Market investors accounting for 78.1% of turnover, while the top cohort in equity options contributed 65.9% of premium turnover. Across segments, higher-turnover cohorts remained institutionally dominated, while individuals accounted for most activity among lower-turnover cohorts.

Individual investors remained net sellers in the cash segment: Individual investors remained net sellers in the cash segment for the second consecutive month, even as the number of investors who traded at least once during the month rose to a six-month high of 1.24 crore. Notwithstanding the recent moderation in secondary market flows, cumulative net investment by individual investors, including investments in the primary market, remained robust at Rs 50,995 crore in FY27TD.

5.1 Strong IPO activity supports primary market fundraising in August

Fundraising activity strengthened in the primary market in August, supported by a sharp revival in IPO issuances, even as overall equity fundraising moderated. Aggregate IPO proceeds reached a nine-month high of over Rs 29,500 crore, with fresh issuances accounting for ~71% of the proceeds. The primary market recorded 25 IPOs during the month, the highest in ten months, including 18 Main Board IPOs that raised Rs 28,976 crore, up 58% MoM. Main Board IPOs also witnessed broad-based listing gains, with all 18 issuances debuting above their issue prices and ~17% recording gains exceeding 50%. Meanwhile, further issuances moderated sharply, contributing to a 33% MoM decline in overall equity fundraising during the month. On the other hand, debt mobilisation increased 20% MoM, led by a 55% rise in Commercial Paper issuances. Notably, the overall fund mobilisation declined 5% MoM to Rs 2.2 lakh crore. Activity on the NSE Emerge platform also remained healthy, with seven IPOs raising Rs 565 crore, although listing performance was more mixed. Since inception, Emerge-listed companies have collectively raised ~Rs 24,000 crore, with 164 subsequently migrating to the Main Board.

5.1.1 Fund mobilisation and new listings

IPO fund raising reaches a nine-month high...: Fund raising through initial public offerings (IPOs) witnessed a strong revival in August, with aggregate IPO proceeds reaching a nine-month high of just over Rs 29,500 crore. Fresh issuance accounted for ~71% of the total proceeds, while the remaining 29% was raised through offers for sale (OFS), indicating that a larger share of the capital raised during the month was directed towards funding business expansion.

...led by strong Main Board issuance activity: Notably, the primary market also recorded a notable increase in issuance activity, with twenty-five IPOs during the month, the highest number of IPOs in the last ten months. Of these, 18 companies were listed on the Main Board raising Rs 28,976 crore (up 58% MoM), while seven companies accessed the SME segment through the NSE Emerge platform raising Rs 565 crore (up 151% MoM). The increased issuance activity highlights strengthening confidence among both issuers and investors in India's capital markets.

Main Board IPOs witness broad-based listing gains: Main Board IPOs witnessed a strong listing gain during August, with all 18 issuances making positive debuts. Around 17% of the companies recorded listing gains of more than 50%, marking a significant improvement in listing performance. Notably, none of the companies listed during the preceding six months registered a listing gain exceeding 50%. A further 22% of companies gained between 25% and 50% at listing, while around 39% recorded gains in the 10–25% range. The remaining companies registered listing gains of up to 10%. The broad-based positive performance suggests robust investor appetite for newly listed Main Board companies.

Equity fundraising moderates 33% MoM, led by further issuances: Fundraising through further issuances moderated sharply on the Main Board in August, with preferential issuances declining to Rs 1,885 crore (down 97% MoM), while equity raising through QIPs stood at Rs 9,649 crore (down 67% MoM) and rights issuances amounted to Rs 225 crore (down 53% MoM). Overall equity fundraising declined 33% MoM to Rs 75,835 crore in August, led by a decline in further issuances.

Overall fund mobilisation moderates despite stronger debt issuances: Nevertheless, fund mobilisation through debt instruments increased 20% MoM to Rs 1.4 lakh crore. Within the debt segment, Commercial Paper (CP) issuances rose 55% MoM to Rs 1.1 lakh

crore, while privately placed Non-Convertible Debentures (NCDs) declined 31% MoM to Rs 33,425 crore. Fund mobilisation through business trusts stood at Rs 2,700 crore during the month. Notably, overall fund mobilisation through equity, debt and business trusts declined 5% MoM to Rs 2.2 lakh crore in August 2026.

Table 61: Monthly trends for fund mobilisation (Rs crore) through equity and debt in the last 11 months

Segments	Modes	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Equity (Main Board) - Primary markets	Fresh listing	10,909	11,754	7,365	1,816	1,824	2,784	1,558	850	661	3,181	20,510
	OFS	29,491	21,260	14,493	2,949	2,185	5,271	541	76	991	15,168	8,466
	IPO (Fresh + OFS)	40,400	33,014	21,858	4,765	4,009	8,056	2,099	926	1,652	18,349	28,976
	FPO	-	-	-	-	-	-	-	-	-	-	-
	Rights	582	1,073	26,488	381	74	780	1,260	174	153	480	225
	Preferential	6,475	19,180	7,861	27,134	3,118	5,423	46,317	9,225	22,434	63,243	1,885
	QIPs	1,100	1,200	11,085	4,150	-	182	2,500	4,000	7,580	29,469	9,649
Equity (SME) - Primary markets	Fresh listing	309	213	622	253	282	234	179	532	230	225	485
	OFS	17	-	24	5	24	7	26	9	-	-	80
	IPO (Fresh + OFS)	326	213	646	258	306	242	205	542	230	225	565
	FPO	-	-	-	-	-	-	-	-	-	-	-
	Rights	-	91	-	-	-	122	-	-	-	-	-
	Preferential	195	206	546	34	263	145	350	235	85	241	142
	QIPs	-	-	-	-	-	-	-	-	-	-	-
Secondary markets	OFS	252	51	4,061	3,313	8,265	538	-	7,323	11,089	1,856	34,392
Total equity raised		49,329	55,027	72,545	40,035	16,037	15,488	52,731	22,424	43,222	1,13,865	75,835
InvITS	Fresh listing	400	-	-	-	-	6,000	1,105	-	-	-	-
	Rights	-	-	-	-	-	-	-	-	-	-	-
	Preferential	-	1,789	-	-	-	1,314	-	1,004	300	-	2,000
	QIPs	3,248	-	1,250	1,500	-	2,469	-	-	1,700	-	700
REITs	Fresh listing	-	-	-	-	-	-	-	3,405	-	-	-
	Rights	-	-	-	-	-	-	-	-	-	-	-
	Preferential	-	-	-	1,819	-	-	-	662	-	-	-
	QIPs	-	-	3,500	-	-	-	2,600	-	-	-	-
Total business trusts raised		3,648	1,789	4,750	3,319	-	9,782	3,705	5,071	2,000	-	2,700
Debt	CPs	55,775	77,160	86,964	39,261	1,26,645	1,27,157	1,01,294	80,410	1,90,172	69,719	1,08,134
	NCDs (Private)	43,703	38,054	51,585	25,462	40,363	77,473	21,170	27,137	69,672	48,589	33,425
	NCDs (Public)	200	-	-	1,000	601	1,222	-	-	-	-	-
Total debt raised		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	1,41,559
Total fund mobilisation		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	2,20,094

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 62: 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	26,847
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 Mainboard and Emerge platform

3) Data for OFS Secondary market is computed as No of shares offered*floor price (Base issue+ Greenshoe).

Table 63: New listing on Main Board platform during Aug 2026

Company Name	Issue Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
Manipal health enterprises limited	590	10.5	8,000	1,275	9,275	1,00,337
Dhoot transmission limited	871	37.8	1,400	1,667	3,067	30,163
Horizon industrial parks limited	60	0.4	2,600	0	2,600	16,401
Leap India limited	159	4.3	480	2,000	2,480	7,393
Juniper green energy limited	225	8.9	1,800	0	1,800	15,066
Lalithaa jewellery mart limited	201	31.8	1,200	500	1,700	14,434
Shiprocket limited	97	35.1	886	732	1,617	10,105
Milky mist dairy food limited	140	17.9	1,428	125	1,553	16,239
Molbio diagnostics limited	807	21.4	200	740	940	12,519
Augmont enterprises limited	788	22.0	620	205	825	8,298
Tempsens instruments (India) limited	300	111.3	95	555	650	4,725
Gaja alternative asset management limited	160	15.6	450	100	550	2,129
Ardee industries limited	53	35.8	320	106	426	1,835
Shankesh jewellers limited	93	11.1	274	93	367	1,371
Behari lal engineering limited	285	63.2	93	209	302	1,864
Mv electrosystems limited	425	22.4	290	0	290	2,075
Sunshine pictures limited	360	10.0	173	109	282	1,420
Technocraft ventures limited	212	81.4	202	50	252	1,462

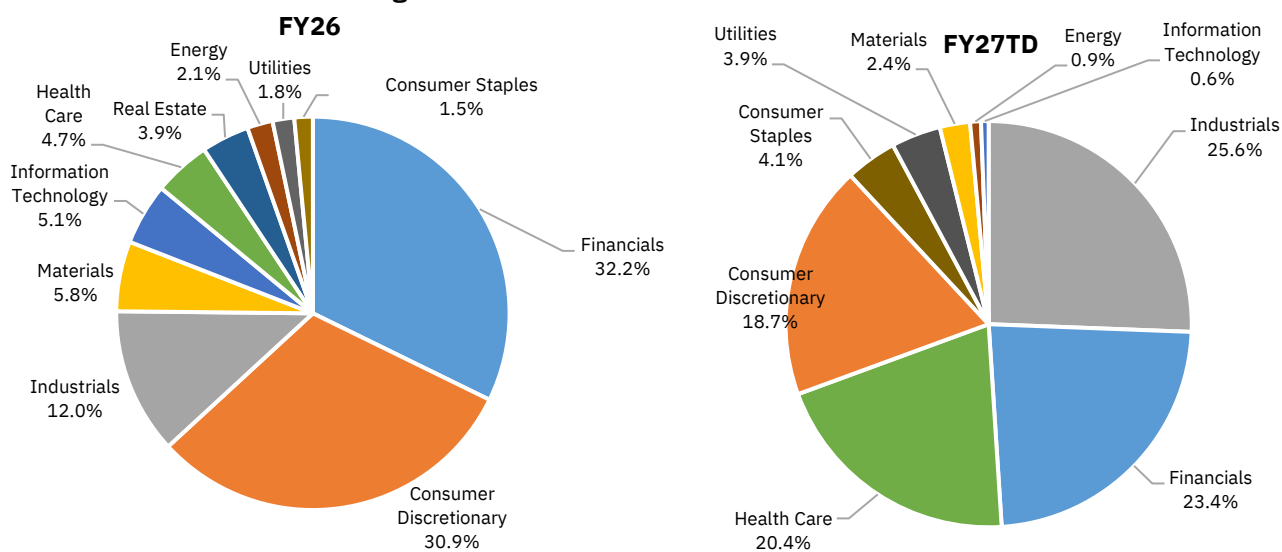
Source: NSE

Note: 1) Listing gain/ loss has been calculated based on opening price. 2) Data for Market Cap is as of August 31st, 2026.

Table 64: Monthly 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
Aug-26	0.0%	0.0%	0.0%	0.0%	22.2%	38.9%	22.2%	16.7%	18

Source: NSE EPR. Note: 1) Listing gain/ loss has been calculated based on opening price.

Figure 218: 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 Aug 2026

5.1.2 SME Corner: NSE Emerge continues to deepen the SME capital market

The NSE Emerge platform also witnessed healthy issuance activity during August, with seven companies completing their IPOs during the month raising Rs 565 crore, highest in the last 8-month. Nonetheless, the listing performance on the Emerge platform was more mixed compared with the Main Board. Around 57% of the companies recorded gains on listing, while the remaining 43% debuted at a discount to their respective issue prices.

The Emerge platform continues to provide a robust avenue for small and growing enterprises to access equity capital markets, while offering investors an opportunity to participate in businesses at an early stage of their growth journey. Since its inception, 748 companies have been listed on the platform, collectively raising ~Rs 24,000 crore. As of end-August, these companies had a combined market capitalisation of ~Rs 2.6 lakh crore, highlighting the growing scale and depth of the SME segment within the equity market. Notably, 164 companies listed on the Emerge platform have subsequently migrated to the Main Board, highlighting the platform's role in enabling companies to transition as they scale and mature.

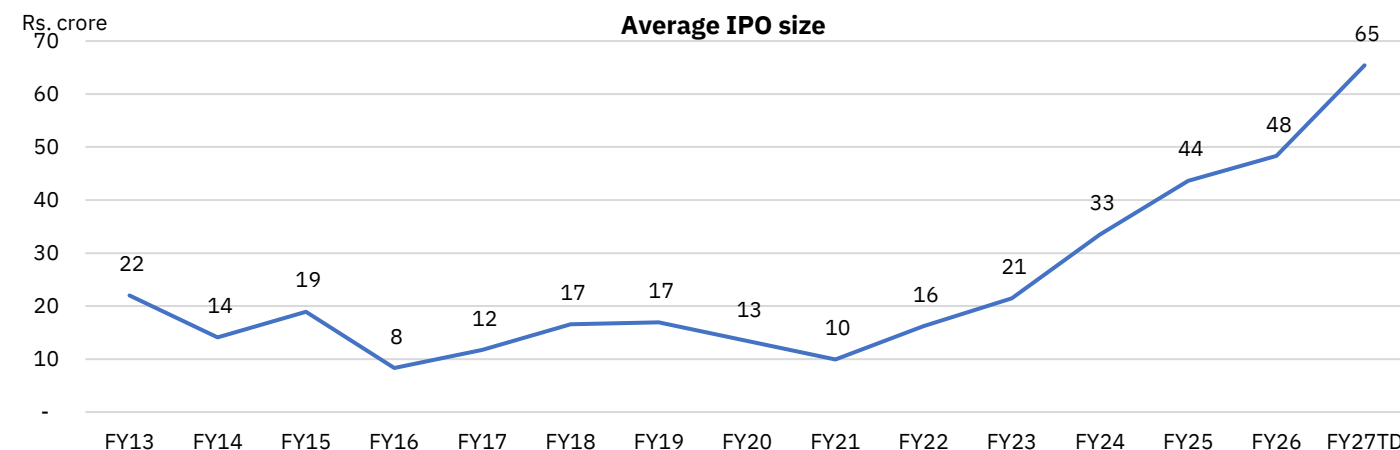
*Migration to Mainboard:
Key conditions: Paid-up capital ≥ ₹10 crore; average market capitalisation ≥ ₹100 crore; revenue > ₹100 crore; positive operating profit in 2 of 3 years; SME-listed ≥3 years; ≥500 public shareholders; and promoter/promoter group holding ≥20%.*

Table 65: Annual SME Emerge Public Issue Activity: Number and Aggregate Issue Size, FY13–FY27TD

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	27	1,766

Source: NSE EPR. Note: Data for FY27TD is as of Aug 2026.

Figure 219: Annual trends in average IPO Size on SME Emerge Platform, FY13–FY27TD



Source: NSE EPR. Note: Data for FY27TD is as of Aug 2026.

Table 66: Monthly analysis of listing gains for new listed companies in the 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
Aug-26	0.0%	0.0%	28.6%	14.3%	28.6%	14.3%	0.0%	14.3%	7

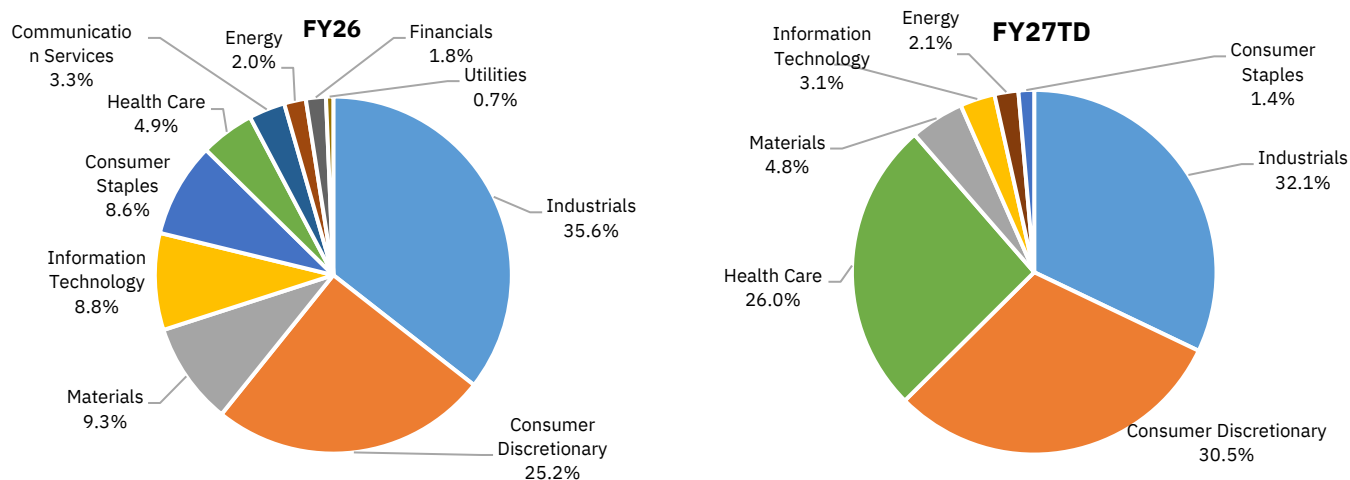
Source: NSE EPR. Note: 1) Listing gain/ loss has been calculated based on opening price.

Table 67: New listing on Emerge platform during August 2026

Company Name	Issue Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
Anawil Wire and Engineering Limited	270	22	143	35	178	1,009
Optimystix Entertainment India Limited	175	3	88	21	109	395
Credent Connect N Care Limited	189	90	94	0	94	637
Pramodini Medicare Limited	118	2	63	6	69	257
Fascinate Textiles Limited	151	-20	52	13	65	122
Propshop Events and Exhibitions Limited	69	-20	23	6	29	104
Skytech Infinite Platform Limited	77	-4	23	0	23	51

Source: NSE

Note: 1) Listing gain/ loss has been calculated based on opening price. 2) Data for Market Cap is as of August 31st, 2026.

Figure 220: Sector-wise fund-raising share for SME IPO issuances for FY26 and FY27TD


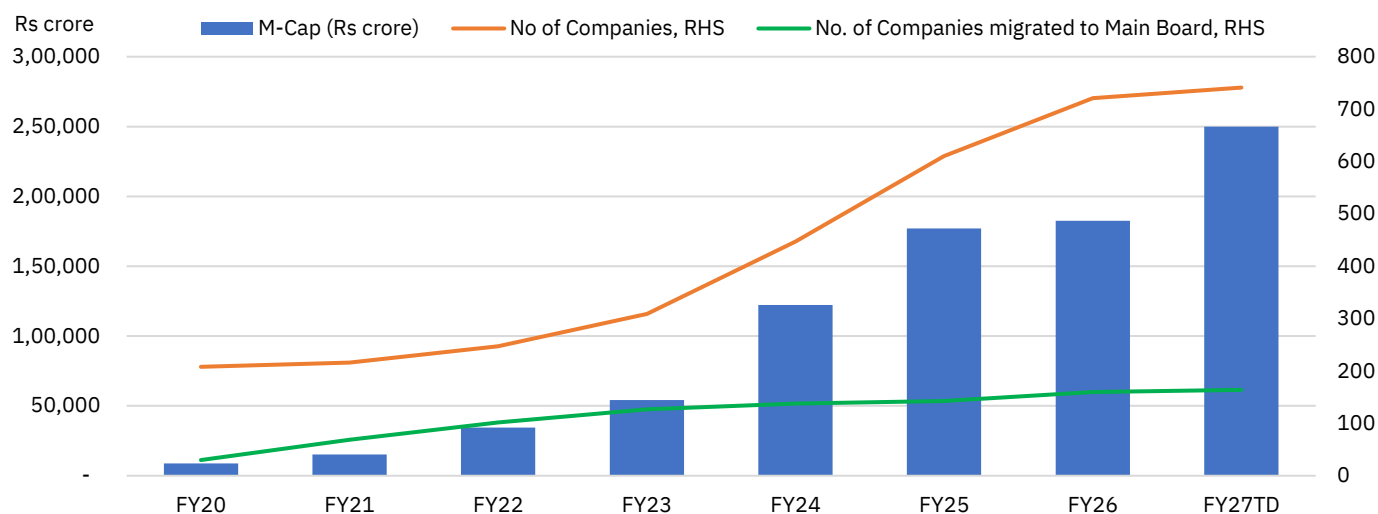
Source: NSE EPR. Note.1. Data for FY27TD is as of 31st Aug 2026

Table 68: Top 10 state wise SME IPOs since inception

State	No of listing	Amount Raised (Rs crore)	M-Cap (Rs crore)
Maharashtra	207	6,424	58,381
Gujarat	186	5,145	57,906
NCT of Delhi	105	3,917	50,836
West Bengal	43	1,451	12,162
Rajasthan	35	1,106	21,396
Tamil Nadu	23	1,102	9,602
Karnataka	23	963	11,418
Madhya Pradesh	34	913	11,532
Uttar Pradesh	12	605	4,579
Haryana	18	589	3,662
Others	62	1,779	20,550
Grand Total	748	23,993	2,62,026

Source: NSE EPR

Note: M-Cap data is as of last day of Aug 2026.

Figure 221: Annual trend of listing and market capitalisation on NSE Emerge


Source: NSE EPR.

Notes: 1. Market cap data for FY27TD is as of Aug 2026.

2. Data includes companies that are migrated to Mainboard of the exchange.

BOX 1: Company-wise details of SME EMERGE listings in August 2026



Anawil Wire and Engineering Limited, listed on NSE Emerge on 10th August 2026, is engaged in the manufacturing of towers, with its business activity primarily comprising the manufacture of towers. The IPO comprised a fresh issue of equity shares aggregating up to Rs. 143 crore and an Offer for Sale of equity shares aggregating up to Rs. 35 crore. The issue was a book-built issue, with the equity shares having a face value of Rs. 10 each. Net proceeds from the fresh issue are proposed to be utilised primarily towards repayment and/or pre-payment, in full or part, of borrowings availed by the Company, along with general corporate purposes.



Optimystix Entertainment India Limited, listed on NSE Emerge on 14th August 2026, is engaged in the creation, development and production of content for television, films and digital platforms. The IPO comprised a fresh issue of 50,00,000 equity shares and an Offer for Sale of 12,00,000 equity shares, aggregating to 62,00,000 equity shares of face value Rs. 10 each. The issue was offered at a price band of Rs. 166 to Rs. 175 per share and was structured as a 100% book-built issue. Net proceeds from the fresh issue are proposed to be utilised towards working capital requirements and general corporate purposes, while the Offer for Sale proceeds accrue to the selling shareholders.



Credent Connect N Care Limited, listed on NSE Emerge on 20th August 2026, provides integrated healthcare logistics, workforce management and technology-enabled support services, including transportation of diagnostic samples and logistics services for healthcare institutions and in-vitro diagnostic companies. The IPO comprised a fresh issue of up to 49,68,000 equity shares of face value Rs. 10 each, with no Offer for Sale, and was structured as a 100% book-built issue. The issue was offered at Rs. 179 to Rs. 189 per share, aggregating up to Rs. 93.90 crore. Net proceeds are proposed to be utilised towards investment in its wholly owned subsidiary, Credent Healthcare Private Limited, including working capital and machinery, the company's working capital requirements, repayment of borrowings and general corporate purposes.



Pramodini Medicare Limited, listed on NSE Emerge on 19th August 2026, is engaged in diagnostic healthcare services across radiology, clinical laboratory and nuclear medicine. The IPO comprised a fresh issue and an Offer for Sale, with the offer comprising up to 59,08,000 equity shares of face value Rs. 10 each. The issue was offered at a price band of Rs. 110 to Rs. 118 per share and was structured as a 100% book-built issue. Net proceeds from the fresh issue are proposed to be utilised primarily towards capital expenditure for the purchase of medical equipment for existing and proposed diagnostic centres, along with general corporate purposes and issue-related expenses.



Fascinate Textiles Limited, listed on NSE Emerge on 18th August 2026, manufactures readymade garments, including products for infants, children and other age groups, and supplies garments through business-to-business channels. The IPO comprised a fresh issue of up to 34,58,000 equity shares and an Offer for Sale of up to 8,36,000 equity shares by a promoter group selling shareholder, aggregating to an offer of up to 42,94,000 equity shares of face value Rs. 10 each. The issue was a 100% book-built issue. The fresh issue proceeds are proposed to be utilised towards the company's stated capital expenditure and working capital requirements, with the balance allocated towards general corporate purposes and issue-related expenses.



Propshop Events and Exhibitions Limited, listed on NSE Emerge on 3rd August 2026, is engaged in the business of trade show and exhibition booth solutions, offering both custom-built and modular exhibition options. The company handles design and conceptualisation in-house, while booth fabrication and related services are outsourced and carried out under the supervision of the Company. The IPO comprised a fresh issue of up to 32,90,000 equity shares and an Offer for Sale of up to 8,00,000 equity shares, with the equity shares having a face value of Rs. 10 each. The issue was a book-built issue, and the net proceeds from the fresh issue are proposed to be utilised towards funding the Company's working capital requirements and general corporate purposes.



Skytech Infinite Platform Limited, listed on NSE Emerge on 21st August 2026, provides turnkey industrial automation solutions, including control and automation panels and related services, across industries such as power, water, energy, infrastructure, food and beverages, pharmaceuticals and automotive. The IPO comprised a fresh issue of 29,45,600 equity shares of face value Rs. 10 each, with 1,48,800 shares reserved for the market maker, at a price band of Rs. 73 to Rs. 77 per share, aggregating up to Rs. 22.68 crore. The issue was a 100% book-built issue with no Offer for Sale. Net proceeds are proposed to be utilised primarily towards working capital requirements, along with general corporate purposes and issue-related expenses.

5.2 Investor participation: Broad based expansion in the investor base

5.2.1 Region wise distribution of total registered investors

Registered investor base rises to 13.5 crore, with North India retaining the largest share:

The registered investor base reached 13.5 crore in August 2026, with 15.5 lakh new investors added during the month. With 61.6 lakh new investors added during FY27TD (April-August), the investor base expanded from 12.9 crore at end-FY26 to 13.5 crore, representing an increase of around 4.8% over the period. The expansion remained broad based across regions, with North India accounting for the largest investor base at 5.0 crore (36.9%), followed by West India at 3.9 crore (29.1%), South India at 2.9 crore (21.1%) and East India at 1.6 crore (12.1%).

The geographical composition of the investor base continues to shift towards regions that have historically accounted for a smaller share of participation. Between FY19 and FY27TD, the investor base in North India expanded 6.5 times, followed by East India at 6.1 times, while South India and West India grew 4.3 times and 4.1 times, respectively. Consequently, North India's share increased from 27.9% in FY19 to 36.9% in FY27TD, while East India's share rose from 9.8% to 12.1%. In contrast, West India's share declined from 35.2% to 29.1%, while South India's share fell from 24.2% to 21.1%. The continued shift in regional shares indicates that the expansion of India's investor base is increasingly being supported by broader participation across the northern and eastern parts of the country.

Figure 222: Trend of region wise total unique registered investors

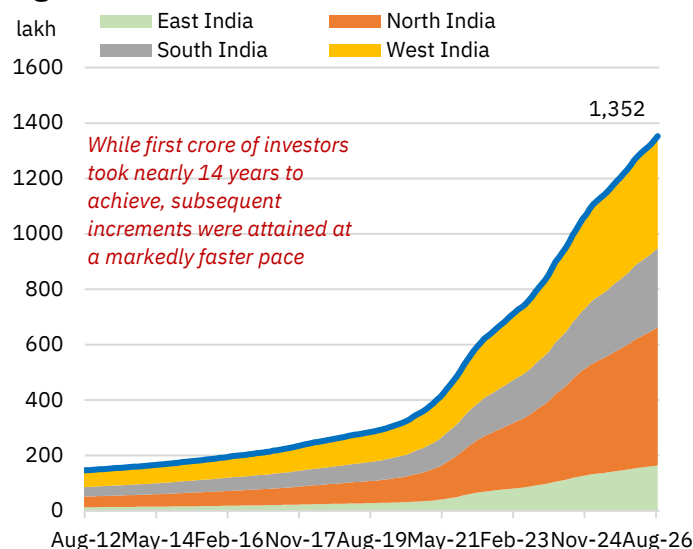
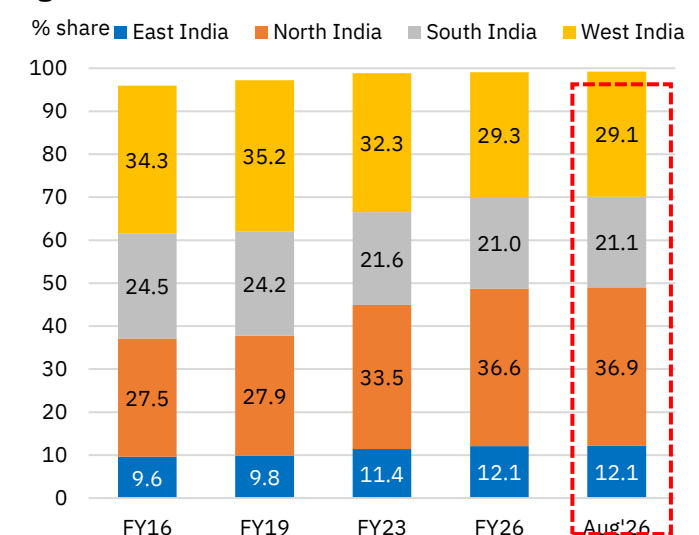


Figure 223: Trend of region wise total unique registered investors (% share)



Source: NSE EPR. Note: East India includes Mizoram, Odisha, West Bengal, Assam, Manipur, Arunachal Pradesh, Tripura, Nagaland, Meghalaya, Sikkim, Chhattisgarh; West India includes Maharashtra, Gujarat, Madhya Pradesh, 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.

Table 69: 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	164.0
North India	49.0	68.2	76.7	88.4	117.6	189.4	243.5	324.0	409.7	472.9	498.9
South India	43.4	59.7	66.6	75.1	97.0	132.5	157.3	189.2	232.9	271.4	285.3
West India	62.1	87.2	96.8	108.4	139.1	198.2	234.8	286.0	341.0	378.1	393.3
Others#	8.2	7.8	7.8	7.7	7.5	8.0	8.4	9.0	8.5	12.2	11.0
Total	179.6	247.0	274.9	310.1	400.3	593.7	726.9	915.9	1127.9	1290.9	1352.5

Source: NSE EPR. Note: Data for FY27TD is as of August 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 strengthen its position:

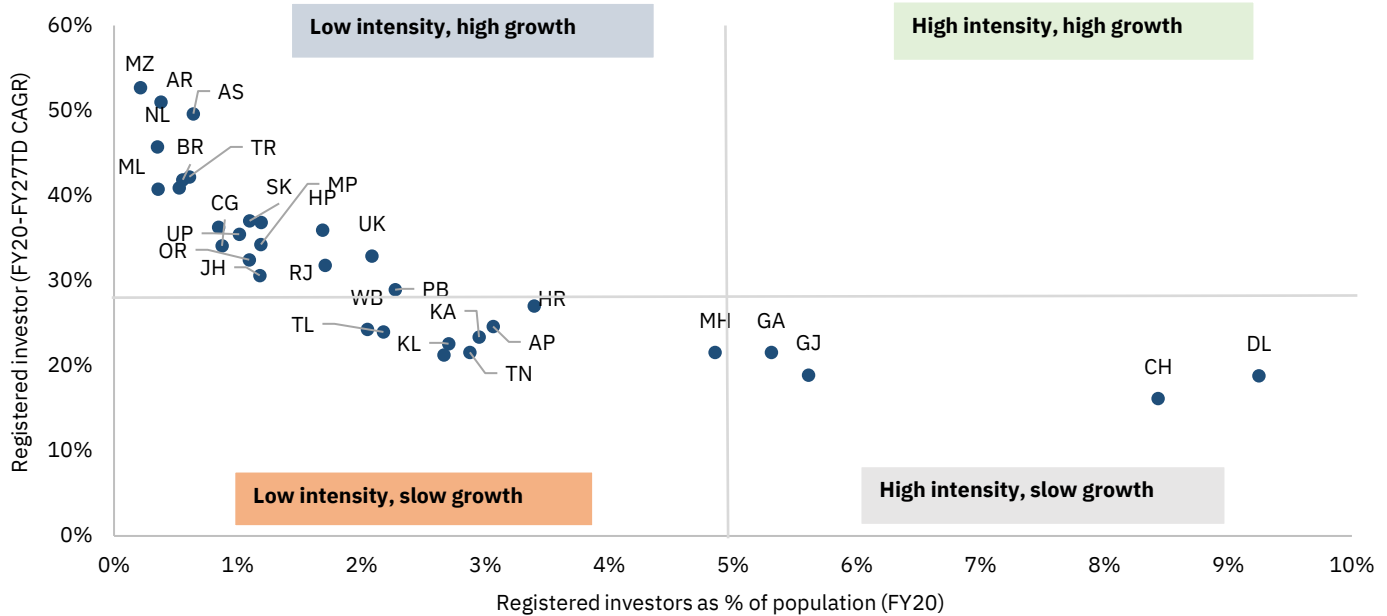
Maharashtra remained the largest state-level investor market in August 2026, with 2.1 crore registered investors, accounting for 15.5% of the total investor base. Uttar Pradesh followed with 1.6 crore investors (11.9%), while Gujarat ranked third with 1.2 crore (8.5%). West Bengal and Rajasthan followed with 80.4 lakh (5.9%) and 78.2 lakh (5.8%), respectively. Together, the top five states accounted for 47% of the total investor base, indicating that participation continues to extend beyond the largest individual markets.

The longer-term shift is particularly visible across the major states. Between FY20 and FY27TD, Maharashtra's share declined from 19.2% to 15.5%, while Gujarat's share fell from 12.2% to 8.5%. In contrast, Uttar Pradesh's share increased from 7.4% to 11.9%. Bihar, Madhya Pradesh and Rajasthan have also expanded their contribution over the period. The changing composition points to a gradual diversification of India's investor base, with states outside the traditional market accounting for an increasing proportion of registered investors.

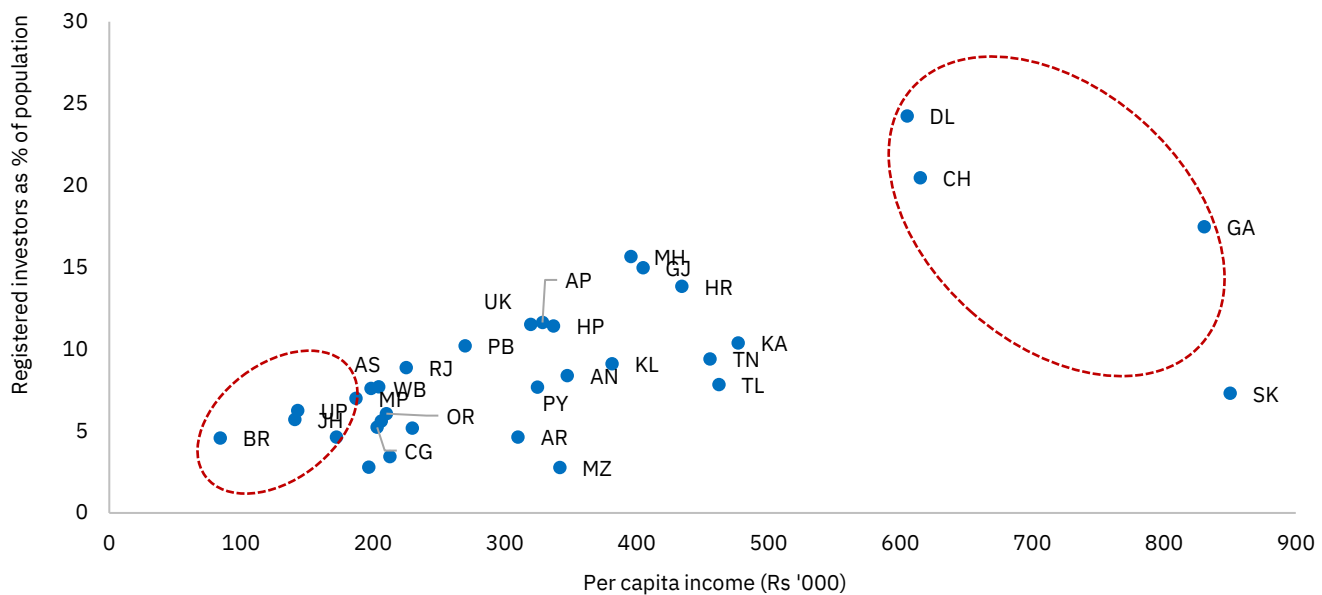
Several North-eastern states, including Mizoram, Arunachal Pradesh, Nagaland and Assam, along with Bihar and some other relatively underpenetrated states, recorded CAGRs of around 40–55%, compared with much slower growth in states/UTs that already had a relatively high investor intensity in FY20.

That said, substantial differences in the depth of participation persist. Even with faster growth, these states remain largely under-penetrated. Investor penetration continues to exhibit a positive relationship with per-capita income, with relatively affluent states and UTs generally reporting a higher proportion of registered investors in their population.

The trends suggest that newer markets are growing rapidly from a relatively low base, even as the more affluent states continue to exhibit deeper equity-market participation.

Figure 224: Diversification of India's investor base


Source: NSE EPR. 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.

Figure 225: Relationship between per-capita income (PCI) and registered investors as a % of state population


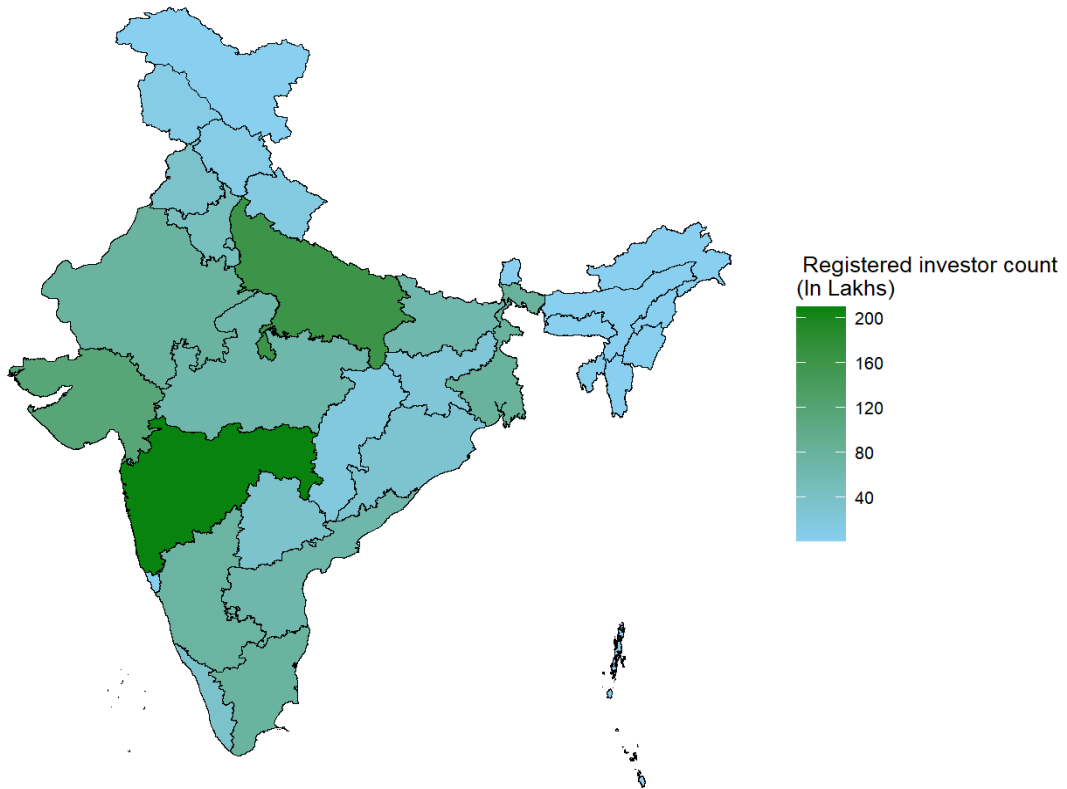
Source: NSE EPR, CMIE, MoSPI. Notes: 1) State codes: AP = Andhra Pradesh; GA = Goa; GJ = Gujarat; HR = Haryana; HP = Himachal Pradesh; JH = Jharkhand; KA = Karnataka; KL = Kerala; MP = Madhya Pradesh; MH = Maharashtra; MN = Manipur; ML = Meghalaya; MZ = Mizoram; NL = Nagaland; OD = Odisha; PB = Punjab; 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 corresponds to FY27 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.

Table 70: 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	2277	19.7	3575	19.9	5963	19.2	18376	16.3	20903	15.5
Uttar Pradesh	701	6.1	1248	6.9	2302	7.4	12827	11.4	16150	11.9
Gujarat	1498	13.0	2055	11.4	3797	12.2	9939	8.8	11541	8.5
West Bengal	711	6.2	1175	6.5	1990	6.4	6614	5.9	8040	5.9
Rajasthan	426	3.7	667	3.7	1328	4.3	6454	5.7	7817	5.8
Tamil Nadu	747	6.5	1287	7.2	2182	7.0	6261	5.6	7647	5.7
Karnataka	708	6.1	1165	6.5	1949	6.3	6239	5.5	7503	5.5
Madhya Pradesh	289	2.5	518	2.9	984	3.2	5460	4.8	6517	4.8
Andhra Pradesh	583	5.0	1002	5.6	1581	5.1	5137	4.6	6492	4.8
Bihar	145	1.3	294	1.6	670	2.2	5085	4.5	6320	4.7
Delhi	780	6.8	1197	6.7	1853	6.0	4922	4.4	5604	4.1
Haryana	327	2.8	531	3.0	971	3.1	3845	3.4	4515	3.3
Punjab	229	2.0	389	2.2	704	2.3	2991	2.7	3599	2.7
Keralam	345	3.0	583	3.2	942	3.0	2817	2.5	3479	2.6
Telangana	156	1.3	279	1.6	813	2.6	2694	2.4	3228	2.4
Orissa	121	1.1	250	1.4	494	1.6	2446	2.2	3000	2.2
Assam	55	0.5	109	0.6	221	0.7	2527	2.2	2938	2.2
Jharkhand	140	1.2	258	1.4	444	1.4	1989	1.8	2465	1.8
Chhattisgarh	67	0.6	129	0.7	252	0.8	1422	1.3	1659	1.2
Uttarakhand	66	0.6	123	0.7	234	0.8	1194	1.1	1451	1.1
Himachal Pradesh	31	0.3	60	0.3	123	0.4	759	0.7	886	0.7
Jammu & Kashmir	40	0.3	65	0.4	112	0.4	651	0.6	816	0.6
Goa	30	0.3	48	0.3	82	0.3	250	0.2	288	0.2
Chandigarh	38	0.3	63	0.3	100	0.3	245	0.2	262	0.2
Tripura	7	0.1	13	0.1	24	0.1	184	0.2	234	0.2
Others	1035	9.0	878	4.9	889	2.9	1465	1.3	1897	1.4
Total	11549	100.0	17961	100.0	31006	100.0	112794	100.0	135250	100.0

Source: NSE EPR. Note: Data for FY27 is as of August 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 226: State-wise distribution of registered investors as of August 2026



Source: NSE EPR. Note: The maps above are created using the state-level shapefile from ([Link](#))

5.2.2 Region wise distribution of new investor registrations

New investor registrations surge to 15.5 lakh in August, marking a sharp acceleration in onboarding:

New investor registrations increased to 15.5 lakh in August 2026, rising 16.7% MoM and 24% YoY. The increase marks a significant acceleration after the relatively subdued registration momentum seen in the preceding months. The sequential recovery was led by West India, where registrations increased 40.9% MoM, followed by North India at 12.4%, East India at 7.3% and South India at 3.6%.

North India remained the largest source of new investors, contributing 5.9 lakh registrations, or 38.4% of August's additions. West India accounted for 4.6 lakh (29.7%), followed by South India with 3.2 lakh (20.5%) and East India with 1.7 lakh (11.2%). The sharp increase in West India's registrations lifted its contribution substantially during the month, although North India continued to account for the largest share of incremental participation.

During FY27TD, 61.6 lakh new investors were added. North India contributed 24.9 lakh, followed by West India at 15.0 lakh, South India at 13.7 lakh and East India at 7.9 lakh. Thus, while the August acceleration was particularly pronounced in West India, North India continued to be the largest contributor to cumulative new investor additions.

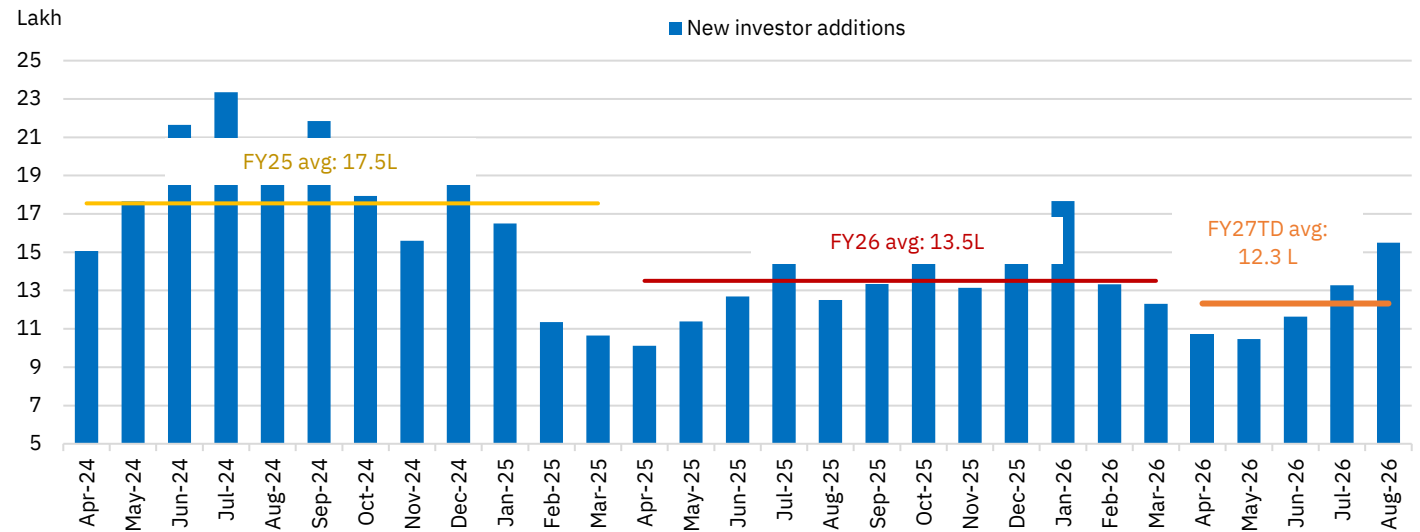
State-wise trends in new investor registrations

Gujarat overtakes Uttar Pradesh as the largest source of new investor registrations:

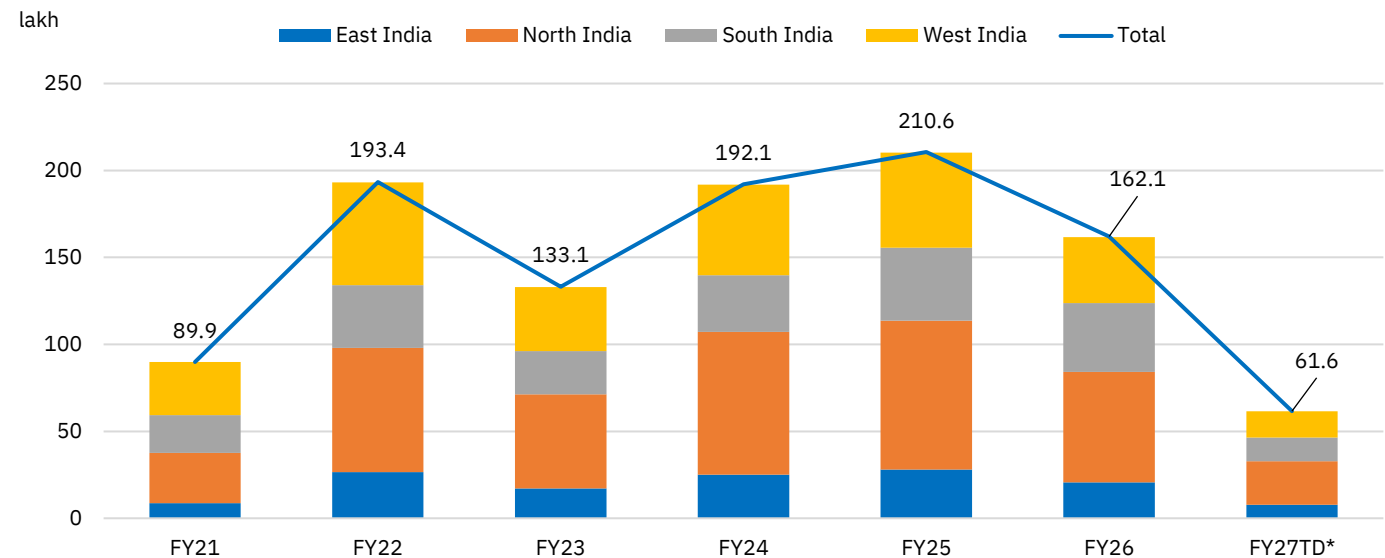
Gujarat emerged as the largest contributor to new investor registrations in August 2026, adding 2.3 lakh investors, equivalent to 14.6% of monthly additions. Uttar Pradesh followed with 2.0 lakh (12.9%), while Maharashtra contributed 1.6 lakh (10.2%). Rajasthan and Tamil Nadu followed with 1.1 lakh (7.1%) and 0.9 lakh (5.7%), respectively. The top five states together accounted for 50.5% of August's new registrations.

Gujarat's performance was the standout feature of the month, with new registrations increasing 94.8% MoM and 134.9% YoY. Rajasthan also recorded strong sequential growth of 36.7%, followed by Haryana at 23.3%, while Maharashtra and Uttar Pradesh grew 11.2% and 7.2%, respectively. The acceleration was therefore not confined to a single state, although Gujarat's exceptional increase clearly differentiated its performance from the rest of the major markets.

The shift in leadership from Uttar Pradesh to Gujarat is particularly noteworthy. While Uttar Pradesh continues to have the second-largest registered investor base nationally, Gujarat's sharp increase in new registrations made it the largest contributor to incremental investor participation during August. This divergence highlights the changing dynamics of investor acquisition, where states with already large investor pools are increasingly being joined by markets registering rapid growth in new participation.

Figure 227: Trend in new investor additions


Source: NSE EPR.

Figure 228: Region-wise distribution of new investors registered each financial year


Source: NSE EPR. Data for FY27TD is as of August 2026.

Table 71: 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	Aug-26
Gujarat	149.6	74.1	60.6	52.7	51.7	73.8	115.9	225.9
Uttar Pradesh	253.9	197.8	172.1	170.1	168.4	174.6	186.3	199.6
Maharashtra	184.9	141.8	133.9	119.4	114.8	129.4	142.3	158.3
Rajasthan	107.1	73.3	64.6	58.8	60.5	68.5	80.8	110.5
Tamil Nadu	117.2	93.3	82.7	67.7	62.5	77.9	92.7	88.5
West Bengal	100.4	91.9	87.1	75.7	69.8	73.4	81.9	86.8
Bihar	109.4	84.9	80.9	72.5	69.5	74.4	81.1	85.7
Karnataka	98.6	75.4	66.9	57.1	57.8	66.0	74.4	76.3
Madhya Pradesh	88.9	67.8	61.4	52.9	53.8	61.0	66.4	74.2
Andhra Pradesh	88.9	67.2	62.3	45.8	43.8	47.5	55.3	64.7
Telangana	73.3	56.7	51.4	39.4	36.8	40.1	46.8	51.3
Haryana	53.4	36.4	22.0	30.2	30.2	33.1	39.8	49.1
Delhi	56.0	41.3	64.2	33.5	33.9	36.5	40.8	44.5
Punjab	41.8	33.9	32.8	30.5	28.3	30.2	36.2	40.3
Keralam	47.9	39.9	35.0	29.0	31.6	34.4	37.1	36.3
Orissa	39.1	31.2	32.0	28.0	25.9	25.7	27.4	31.7
Jharkhand	36.1	26.7	24.6	22.1	22.3	28.6	29.9	28.3
Assam	26.4	24.6	25.7	24.9	25.6	25.0	23.6	24.3
Chhattisgarh	23.7	18.2	17.1	14.9	14.8	16.4	17.3	18.5
Uttarakhand	19.5	15.2	14.6	12.8	12.6	13.6	14.8	15.9
Himachal Pradesh	11.9	9.0	8.5	8.0	6.8	7.2	8.4	9.9
Jammu & Kashmir	13.4	9.9	8.8	8.9	7.3	7.8	9.3	9.2
Tripura	3.8	3.6	3.6	3.2	2.9	3.2	3.2	3.0
Manipur	2.8	2.6	2.3	1.9	2.2	2.0	2.1	2.4
Goa	2.8	2.2	2.1	1.7	1.7	2.0	2.2	2.2
Others	16.1	14.2	13.2	11.8	11.0	11.2	12.0	12.8
Total	1767	1333	1231	1074	1046	1164	1328	1550

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 50 districts account for over one-third of new registrations, with Gujarat dominating the leading districts: The geographical concentration of new investor registrations remained significant in August, although the leading districts were spread across multiple states. The top 10 districts accounted for approximately 16% of August's new registrations, while the top 50 districts accounted for around 34.5%. Thus, nearly two-thirds of new investors were registered outside the top 50 districts, highlighting the continued geographic spread of onboarding.

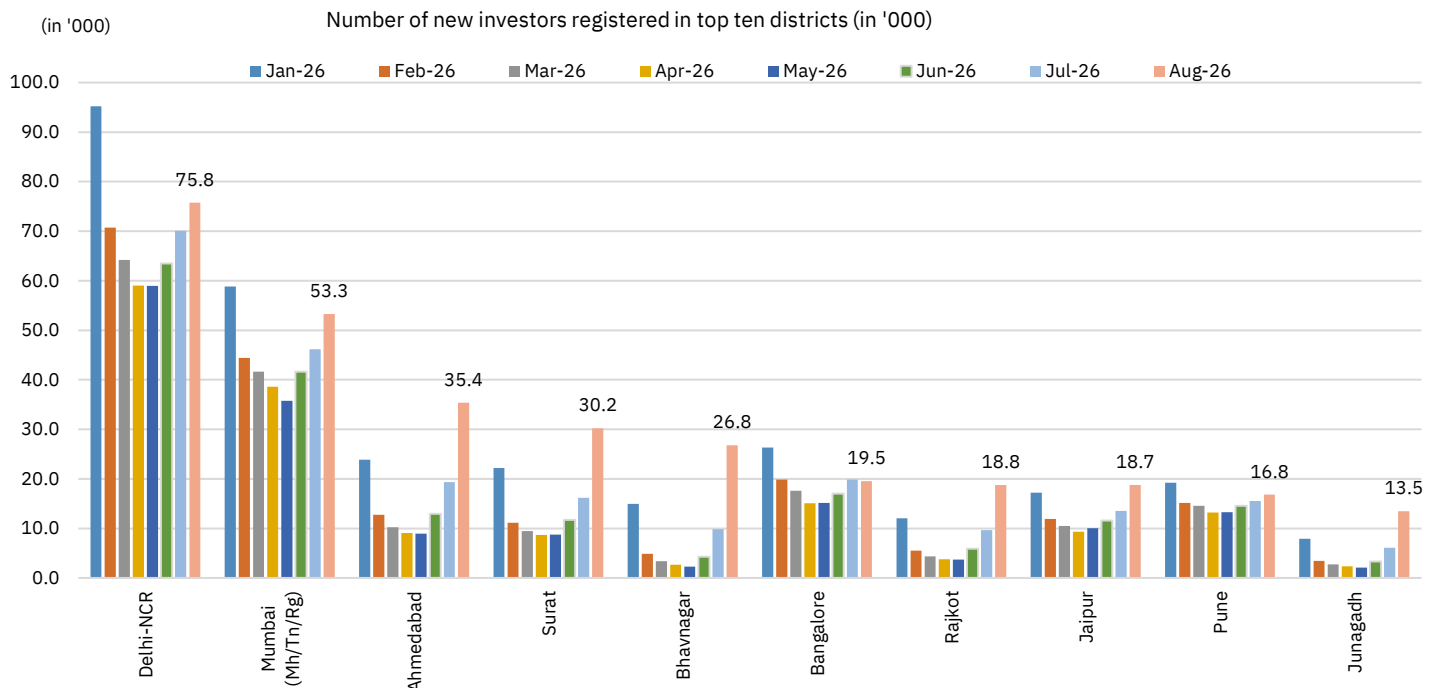
Delhi-NCR remained the largest district-level contributor, with 75.8 thousand new registrations, followed by Mumbai at 53.3 thousand and Ahmedabad at 35.4 thousand. Surat ranked fourth with 30.2 thousand, followed by Bhavnagar (26.8 thousand), Bengaluru (19.5 thousand), Rajkot (18.8 thousand) and Jaipur (18.7 thousand). The top five districts alone accounted for approximately 11.5% of total August registrations.

Gujarat's prominence at the district level mirrors its exceptional state-level performance. Ahmedabad, Surat, Bhavnagar, Rajkot and Junagadh all featured among the top ten districts, while Mahesana, Vadodara, Banaskantha, Surendranagar and Jamnagar also appeared among the top 20. This indicates that the sharp increase in Gujarat's

registrations was not concentrated solely in its largest urban centre but was distributed across several districts.

Overall, the August data points to a marked acceleration in investor onboarding accompanied by a widening geographic footprint. The surge in total registrations, Gujarat's emergence as the leading state for new additions, and the strong representation of multiple Gujarat districts among the top contributors together indicate that the recent increase in participation is being driven by a broader set of regional markets rather than by the traditional metropolitan centres alone.

Figure 229: 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.

5.2.3 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 3.1% in FY27, accounting for 59% of the new registrations in the first five 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. In August 2026, 79% of the new additions were below the age of 40 years with a median age of 27 years, underscoring the structurally young and digitally driven nature of India's retail investor ecosystem. Notably, new investor additions in 30-39 years category grew by 1.32% MoM in August, outpacing the 0.9% MoM growth recorded for investors below 30 years for 8 months in a row, suggesting a gradual normalisation in the age profile of investors.

Table 72: 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	Aug'26
Less than 30 years	23.5	29.4	37.5	38.5	40.0	39.5	38.4	37.7
30-39 years	31.2	30.4	28.9	29.2	29.1	29.6	30.1	30.3
40-49 years	19.7	17.9	15.8	15.6	15.4	15.8	16.3	16.6
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 73: Mean and median age of registered individual investors

Age (years)	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Mar'26	Aug'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 74: 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 75: 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 comprise over a quarter of all individual investors as of August'26:

Female investor participation at NSE has risen consistently since FY22 and presently stands at 25.1% of individual investors as of Aug'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 Aug'26 (vs 26.4% share in FY24), followed by Tamil Nadu (with 28.6% share). Notably, UP, despite being the second largest state in terms of investor count, falls in the bottom five, in terms of female investor share, with 19.3% of its investors being female, considerably average of 25%. Moreover, smaller states including Arunachal Pradesh (28.5% female investor share, +4.9pp since FY24) and Sikkim (31.8% female investor share, +4.6pp since FY24) have recorded notable gains in terms of their female investor shares in the past three fiscal years, reiterating the rapidly increasing penetration of capital markets across the nation.

Table 76: State-wise gender share (%) of unique registered investors

States	FY24		FY25		FY26		FY27TD*	
	Female	Male	Female	Male	Female	Male	Female	Male
Andaman and Nicobar	21.0%	79.0%	23.1%	76.9%	24.5%	75.5%	24.5%	75.5%
Andhra Pradesh	21.5%	78.5%	23.2%	76.8%	24.3%	75.7%	24.6%	75.4%
Arunachal Pradesh	23.6%	76.4%	26.3%	73.7%	28.2%	71.8%	28.5%	71.5%
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%	16.8%	83.2%
Chandigarh	31.0%	69.0%	31.9%	68.1%	32.4%	67.6%	29.1%	70.9%
Chhattisgarh	20.3%	79.7%	22.4%	77.6%	23.2%	76.8%	23.4%	76.6%
Delhi	28.6%	71.4%	30.3%	69.7%	31.1%	68.9%	30.7%	69.3%
Goa	31.0%	69.0%	32.5%	67.5%	33.3%	66.7%	33.2%	66.8%
Gujarat	26.5%	73.5%	27.8%	72.2%	28.4%	71.6%	28.4%	71.6%
Haryana	22.8%	77.2%	24.6%	75.4%	25.3%	74.7%	25.5%	74.5%
Himachal Pradesh	18.2%	81.8%	20.7%	79.3%	21.9%	78.1%	22.4%	77.6%
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%	21.9%	78.1%
Karnataka	25.8%	74.2%	27.4%	72.6%	28.3%	71.7%	28.2%	71.8%
Keralam	26.2%	73.8%	27.5%	72.5%	28.3%	71.7%	28.4%	71.6%
Lakshadweep	13.3%	86.7%	15.3%	84.7%	16.2%	83.8%	16.2%	83.8%
Madhya Pradesh	20.2%	79.8%	21.8%	78.2%	22.3%	77.7%	22.5%	77.5%
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%	26.5%	73.5%
Meghalaya	25.1%	74.9%	26.3%	73.7%	27.0%	73.0%	27.5%	72.5%
Mizoram	30.0%	70.0%	31.6%	68.4%	32.6%	67.4%	33.1%	66.9%
Nagaland	26.5%	73.5%	28.5%	71.5%	29.8%	70.2%	30.0%	70.0%
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%	29.3%	70.7%
Punjab	24.7%	75.3%	26.5%	73.5%	27.4%	72.6%	27.6%	72.4%
Rajasthan	18.9%	81.1%	20.3%	79.7%	20.7%	79.3%	21.1%	78.9%
Sikkim	27.2%	72.8%	29.9%	70.1%	31.6%	68.4%	31.8%	68.2%
Tamil Nadu	26.8%	73.2%	27.8%	72.2%	28.7%	71.3%	28.6%	71.4%
Telangana	23.2%	76.8%	24.8%	75.2%	25.7%	74.3%	25.7%	74.3%
Tripura	16.2%	83.8%	18.1%	81.9%	19.0%	81.0%	18.5%	81.5%
Uttar Pradesh	17.3%	82.7%	18.5%	81.5%	19.1%	80.9%	19.3%	80.7%
Uttarakhand	20.3%	79.7%	22.1%	77.9%	23.0%	77.0%	23.2%	76.8%
West Bengal	22.2%	77.8%	23.2%	76.8%	23.7%	76.3%	24.1%	75.9%
India	23.0%	77.0%	24.3%	75.7%	24.9%	75.1%	25.1%	74.9%

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 August 31st, 2026

5.3 Market activity across segments and investor categories

5.3.1 Turnover across segments: Equities see moderation; commodity/currency futures strengthen

Market activity across segments remained mixed in August, with Capital Market and Equity Derivatives witnessing moderation, while currency and commodity derivatives continued to show strength. Capital market ADT declined marginally, although it remained 28% above its year-ago level, even as the number of trades fell. In equity derivatives, overall market activity in terms of average daily contracts traded (ADCT) declined MoM to ~22.4 crore contracts, the lowest in 13 months, while equity futures and options turnover moderated for the third consecutive month amid ongoing regulatory and market-structure changes. The revision in contract sizes has led to lower contract volumes and higher average trade sizes, with index futures ATS rising 72% since October 2024. The introduction of the Closing Auction Session (CAS) further strengthened the price discovery framework in the cash market. On the other hand, currency futures ADT rebounded MoM, while commodity futures ADT rose MoM to a record level, supported by crude oil and electricity futures. Commodity options also remained significantly above year-ago levels.

Capital Market ADT moderates for the 3rd consecutive month: The average daily turnover (ADT) in the Capital Market segment was marginally down for the 3rd consecutive month to Rs 1.2 lakh crore in August, while remaining 28% higher than a year ago. The moderation in turnover was accompanied by a 10.5% decline in the number of trades executed in the CM segment, which fell to 7.6 crore. Within the segment, Main Board equities contributed ~97% of overall ADT, with turnover declining 1% MoM. The ADT for ETFs rose 11.4% MoM and remained more than twice its year-ago level, while SME Emerge ADT saw a sharper sequential increase of 25.6% during the month. Other products, including InvITs and REITs, also recorded sequential increases, although their contribution to overall CM activity remained relatively small.

Closing auction session marks shift from VWAP-based closing price mechanism: The Closing Auction Session (CAS) was introduced with effect from August 3rd to determine the closing price of stocks in the cash market segment with available derivatives contracts, replacing the VWAP-based mechanism and bringing the framework in line with global practices. The CAS operates within a price band of $\pm 3\%$ from the reference price. Subsequently, with effect from September 7th, the pre-open auction session framework was also aligned with the CAS mechanism. Overall, these measures strengthen the price discovery framework by making prices more representative of market demand and supply, while enhancing the resilience and global alignment of India's equity markets.

Daily Volume declining to 13-month low for equity derivatives...: Overall market activity in the equity derivatives segment moderated in August, with average daily contracts traded (ADCT) declining 23% MoM to ~22.4 crore contracts, the lowest in the last 13 months. The moderation was observed across both exchanges, with ADCT on NSE declining 10% MoM to ~12.6 crore contracts and BSE witnessing a 34% MoM decline to ~9.8 crore contracts. The moderation in volumes is in line with the regulatory measures introduced to strengthen the equity index derivatives framework and enhance investor protection and market stability.

...as the contract size matters: Notably, contract sizes were revised in line with the October 2024 regulatory framework, with the notional value of index derivative contracts being maintained in the range of Rs 15–20 lakh. Following the revision in contract sizes, activity in terms of contracts traded has moderated significantly. As of August 2026, average daily contracts traded across the market were around 69% lower than the level observed in October 2024.

Notably, the decline in contract volumes has been accompanied by a substantial increase in average trade size (ATS), reflecting the higher value of the contracts traded for index derivatives. During the same period, ATS for index futures increased 72% to ~Rs 24.4 lakh (-3% MoM), while the ATS for index options premium rose 77% to ~Rs 9,300 (-5% MoM) in August 2026, as compared to October 2024.

Index derivatives activity moderates amid structural reforms: Despite the increase in average trade size, the average daily trading value of index futures declined 60%, to its lowest level in more than 10 years, as compared to October 2024, while the average daily premium trading value of index options declined 43% to its lowest level in four years. The moderation in activity has taken place amid several regulatory and market-structure changes aimed at strengthening the resilience of the equity derivatives segment. These include the revision in contract sizes, the increase in Securities Transaction Tax (STT) on futures & options effective April 2026, and the requirement for 100% collateral, among other measures.

Equity derivatives turnover moderates for the third consecutive month: Overall, trading activity in the equity derivatives segment also moderated for the 3rd consecutive month in August, with equity futures ADT declining 10% MoM to a 33-month low of Rs 1.2 lakh crore and equity options ADPT falling 16% to a 45-month low of Rs 42,332 crore. The ADT for stock futures also declined 8% MoM to a 33-month low of Rs 1.08 lakh crore, accounting for ~89% of futures turnover during the month. The ADPT for stock options also declined 11% to Rs 7,133 crore during the month.

Currency futures activity rebounds, while commodity futures hit record high: In the currency derivatives segment, the ADT for futures contracts increased 29% MoM to Rs 7,144 crore, while currency options remained subdued at Rs 0.04 crore in August. The ADT for interest-rate futures contracts declined 17% MoM to Rs 161 crore, following the sharp increase recorded in the previous month.

Remarkably, commodity derivatives continued their strong performance, with commodity futures ADT rising 3% MoM to a fresh record high of Rs 114.7 crore and remaining 15% above its year-ago level. Crude oil and electricity futures remained the principal drivers of activity, accounting for ~48% and ~42% of commodity futures ADT, respectively. On the other hand, commodity options ADPT declined 5% MoM to Rs 248.1 crore but remained nearly seven times its year-ago level, with crude-oil options accounting for ~98% of the premium turnover.

Table 77: Monthly trends of total turnover (Rs crore) across segments

Month	Capital Market	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
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	1,997.50	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	2,335.40	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	1,083.80	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	1,202.50	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	1,068.40	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	2,004	1,191.50	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	1,144.50	1,028.70
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	2,051.50	1,563.80
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	2,332.40	1,573.20
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	1,836.40	3,230.30
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	2,226.10	4,003.30
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	2,568.50	6,029.20
Aug-26	25,13,308	22,71,525	2,87,527	25,59,052	1,49,798	7,39,183	8,88,981	1,42,883	0.72	3,215	2,407.70	5,210.70

Source: NSE EPR. Note: Premium has been considered for options contracts.

Table 78: Monthly trends of average daily turnover (Rs crore) across segments

Month	Capital Market	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
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
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	0.1	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	0.1	120	54.5	49
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
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
Aug-26	1,19,681	1,08,168	13,692	1,21,860	7,133	35,199	42,332	7,144	0.04	161	114.7	248.1

Source: NSE EPR. Note: Premium has been considered for options contracts.

Table 79: Monthly trends of average daily activities in equity derivatives for combined exchanges

Month	No of contracts traded (in crore)	Notional turnover (Rs lakh crore)	Turnover (Rs lakh crore) *
Aug-25	24.2	414.6	2.1
Sep-25	25.1	436.1	2
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	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
Aug-26	22.4	346.9	1.8

Source: NSE EPR. *Premium has been considered for options contracts.

Table 80: Monthly trends of average daily activities in equity derivatives for NSE and 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) *
Aug-25	13.2	236.9	1.9	11	177.7	0.17
Sep-25	14.9	270.1	1.9	10.2	166	0.16
Oct-25	15.4	285.3	2.1	13.3	221	0.21
Nov-25	14.5	272	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	290.9	2.4	13.4	223.5	0.26
Mar-26	19.5	291.4	2.8	14.6	225	0.34
Apr-26	14.4	216.9	2.2	17.6	268.9	0.34
May-26	17	256.4	2.2	15	229.5	0.3
Jun-26	18.4	277.8	2.1	14.1	214.2	0.27
Jul-26	14	214.3	1.9	15	232.2	0.26
Aug-26	12.6	193.3	1.6	9.9	153.6	0.19

Source: NSE EPR. *Premium has been considered for options contracts.

Table 81: Monthly trends for notional to premium ratio in index options for NSE and BSE

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
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
Aug-26	3,926	7.4	531	3,225	3.9	822

Source: NSE EPR.

Table 82: Monthly trends for notional to premium ratio in stock options for NSE and BSE

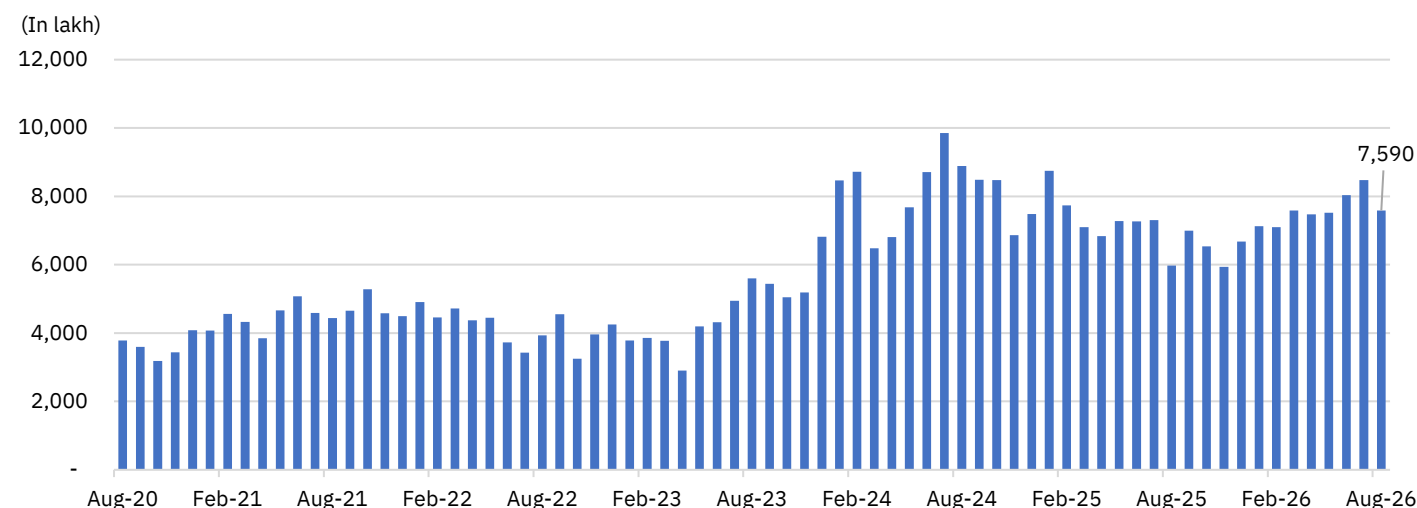
Month	NSE			BSE		
	Notional turnover (Rs crore)	Premium turnover (Rs crore)	Ratio	Notional turnover (Rs crore)	Premium turnover (Rs crore)	Ratio
Aug-25	84,13,398	1,10,086	76	4.25	-	-
Sep-25	1,04,59,428	1,37,236	76	37.19	0.52	72
Oct-25	98,86,986	1,42,690	69	10.46	0.12	87
Nov-25	97,63,209	1,23,624	79	13.73	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
Aug-26	1,08,96,248	1,49,798	73	18.06	0.35	52

Source: NSE EPR.

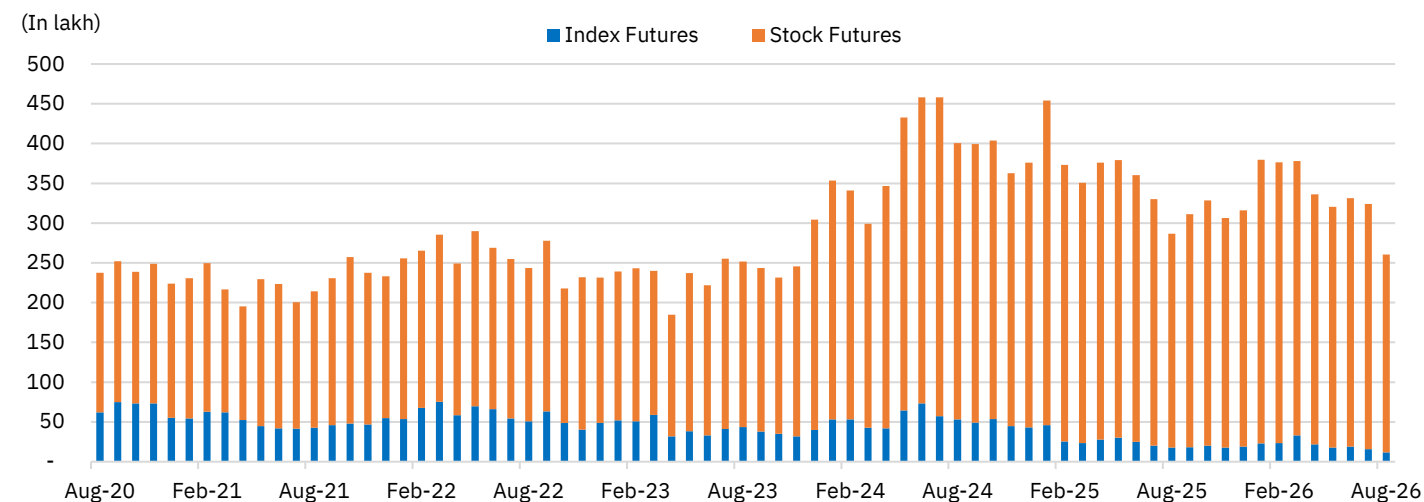
Table 83: Monthly trends for trades (in lakh) in Cash Markets and equity derivatives segment

Month	Capital Market	Equity Futures		Equity Options	
		Index	Stock	Index	Stock
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
Aug-26	7,590	12	249	7,924	1,068

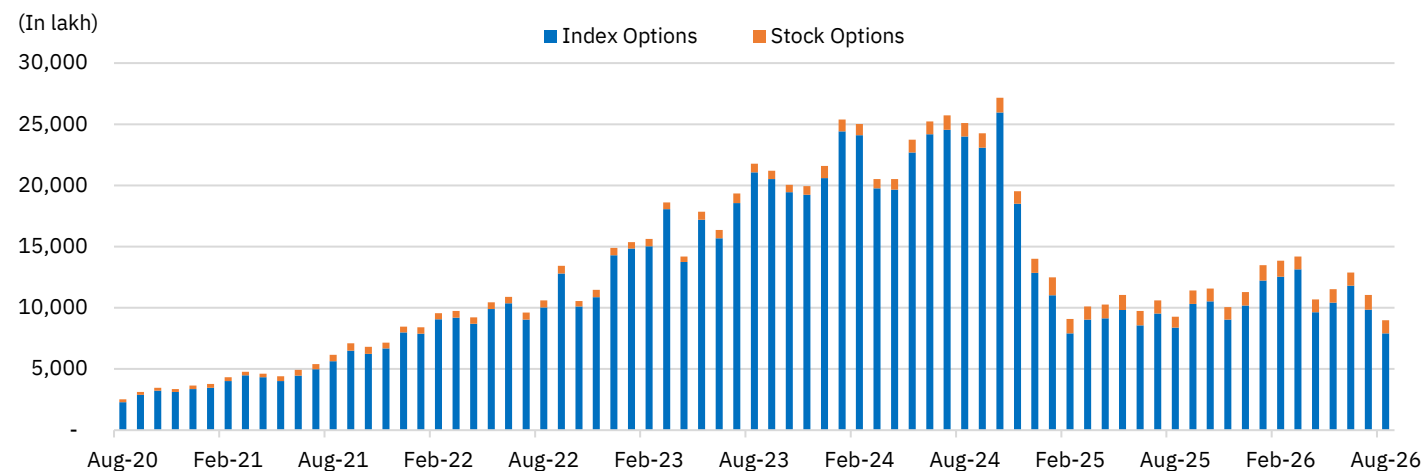
Source: NSE EPR. Note: Data is presented for trades i.e., (no. of buy trades + no. of sale trades)/2.

Figure 230: Monthly trend of total trades in Capital Market segment


Source: NSE EPR. Note: Data has been provided for trades {(Buy trades + Sell trades)/2}.

Figure 231: Monthly trend of trades in equity futures


Source: NSE EPR. Note: Data has been provided for trades {(Buy trades + Sell trades)/2}.

Figure 232: Monthly trend of total trades in equity options


Source: NSE EPR. Note: Data has been provided for trades {(Buy trades + Sell trades)/2}.

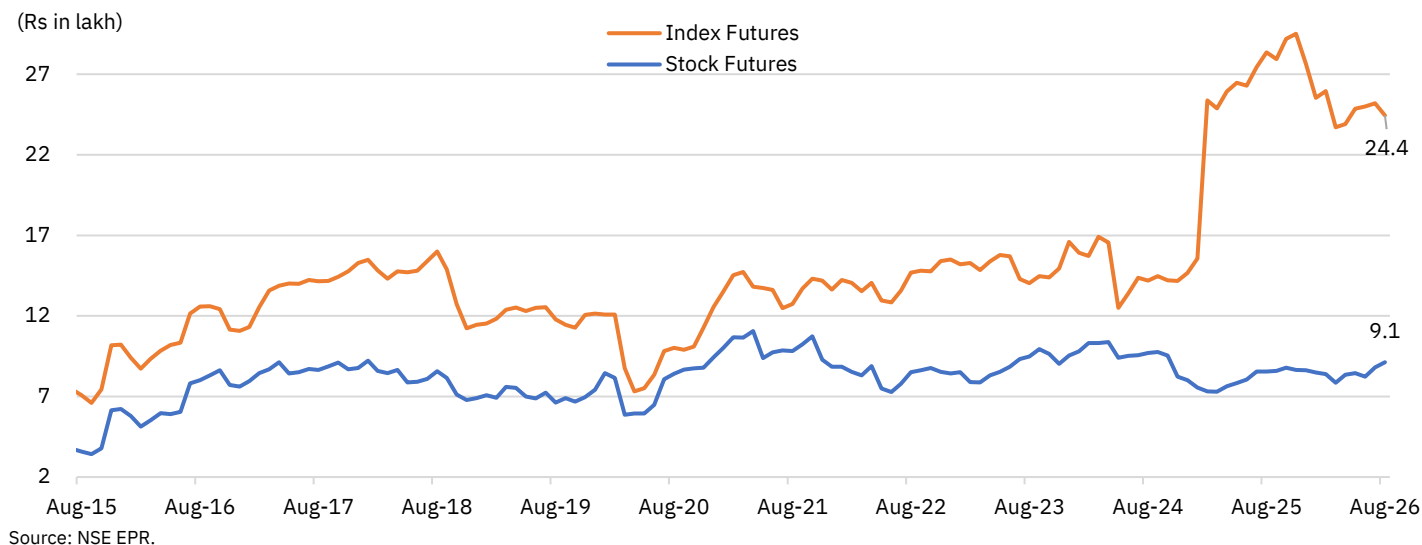
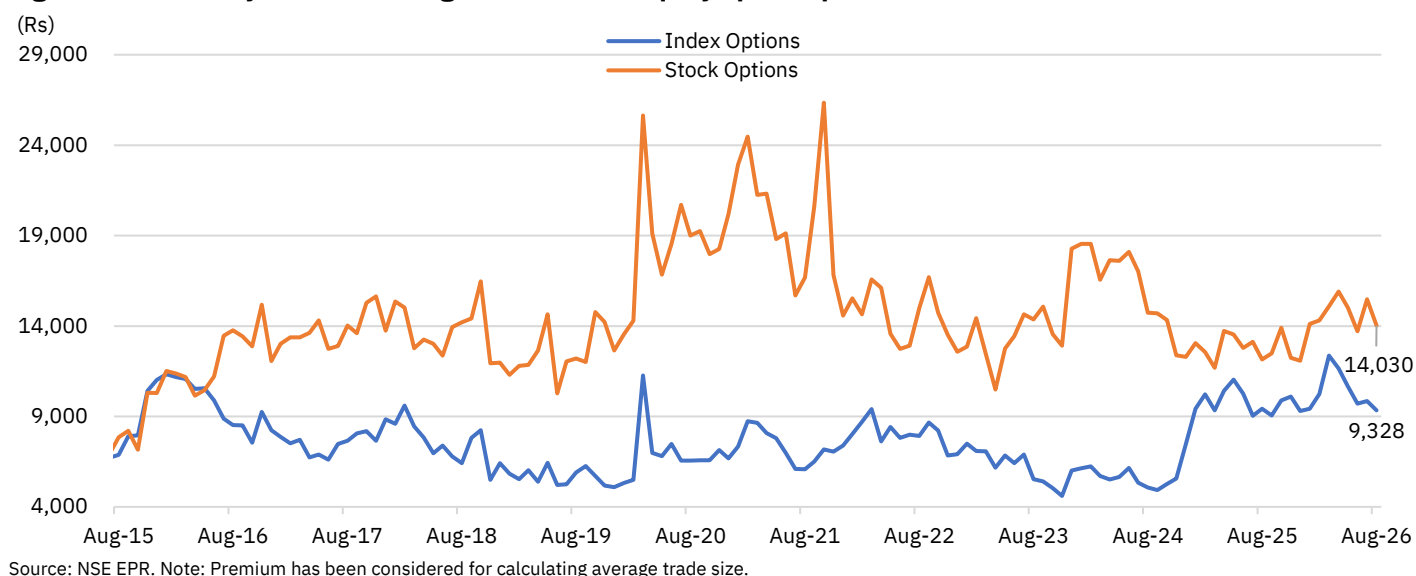
Table 84: Monthly trends for average trade size (Rs) in cash markets and equity derivatives segment

Month	Capital Market	Equity Futures		Equity Options	
		Index Futures	Stock Futures	Index Options	Stock Options
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
Aug-26	33,114	24,44,039	9,13,392	9,328	14,030

Source: NSE EPR. Note: Premium has been considered for options contract.

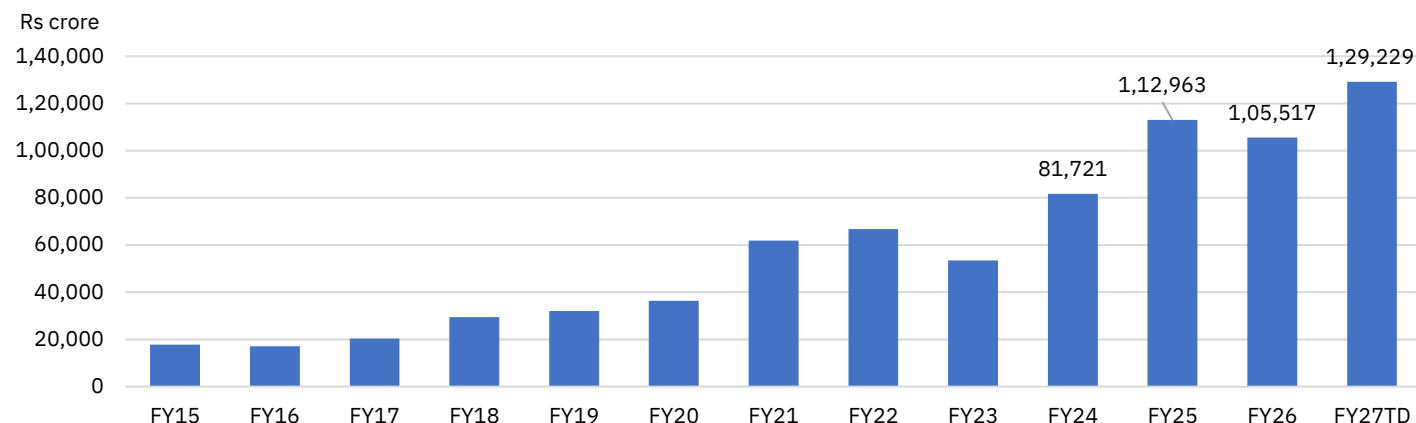
Figure 233: Monthly trend of average trade size in Capital Market segment


Source: NSE EPR.

Figure 234: Monthly trend in average trade size in equity futures

Figure 235: Monthly trend in average trade size in equity options premium

Table 85: Average daily turnover (Rs crore) in CM Segment

Products	Aug-26	Jul-26	Aug-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
Capital Market	119,681	120,416	93,545	(0.6)	27.9	129,229	105,517	125,712
Equities (Main Board)	115,536	116,863	91,370	(1.1)	26.4	124,815	100,467	119,061
Exchange Traded Funds	3,498	3,141	1,647	11.4	112.4	3,930	4,535	6,161
SME Emerge	286	228	271	25.6	5.7	249	254	229
Sovereign Gold Bonds	22	14	14	56.6	53.1	20	26	28
InvITs	94.6	79	42.4	19.4	123.1	75	63	72
REITs	212.7	66	105.5	224.5	101.5	108	87	116
Others	32	25	95	27.3	(66.0)	31	85	45

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 Aug'26.

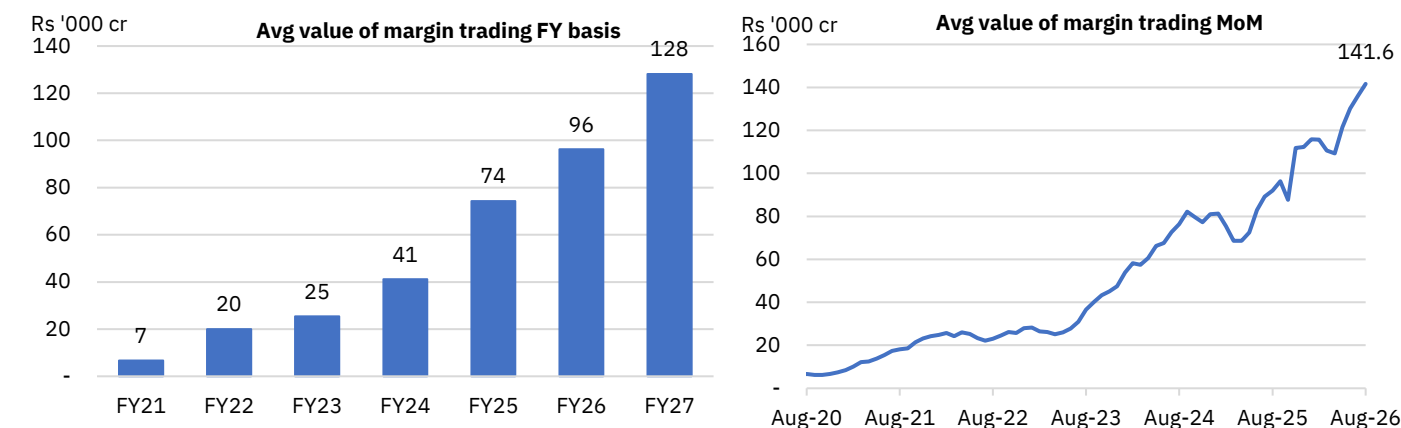
Figure 236: Annual trends in average daily turnover in CM segment


Source: NSE EPR. Note: 1. Average daily turnover (ADT) excludes auction market turnover. 2. FY27TD is as of Aug'26.

Table 86: Average daily turnover (Rs crore) in NSE's equity derivatives segment

Product	Aug-26	Jul-26	Aug-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
Equity Futures	1,21,860	1,35,288	1,47,360	(9.9)	(17.3)	1,42,841	1,59,443	1,55,664
Stock futures	108,168	118,063	121,046	(8.4)	(10.6)	122,445	129,701	130,692
Index futures	13,692	17,225	26,314	(20.5)	(48.0)	20,396	29,742	24,972
BANKNIFTY	3,968	5,230	7,072	(24.1)	(43.9)	5,909	7,836	6,615
NIFTY50	9,073	11,202	17,742	(19.0)	(48.9)	13,523	20,326	17,079
FINNIFTY	34	36	91	(5.9)	(62.9)	38	94	56
MIDCPNIFTY	585	719	1,355	(18.6)	(56.8)	878	1,410	1,160
NIFTYFPI	1	0	0	-	-	0	0	0
NIFTYNXT50	31	39	55	(19.7)	(43.0)	49	77	62
Equity Options	42,332	50,211	47,337	(15.7)	(10.6)	56,778	57,662	63,948
Stock options	7,133	8,015	5,794	(11.0)	23.1	7,781	7,195	8,110
Index options	35,199	42,196	41,543	(16.6)	(15.3)	48,997	50,467	55,838
BANKNIFTY	3,272	3,877	4,350	(15.6)	(24.8)	4,466	5,296	4,732
NIFTY50	31,653	37,979	36,412	(16.7)	(13.1)	44,154	44,417	50,584
FINNIFTY	48	46	144	3.1	(66.8)	50	140	75
MIDCPNIFTY	226	294	636	(22.9)	(64.4)	327	613	447
NIFTYFPI	0.007	0	0	NA	NA	0	0	0
NIFTYNXT50	0.18	1	0.58	(70.3)	(69.8)	1	1	1

Source: NSE EPR. Notes: 1. The above table reports premium turnover for Options contracts. 2. FY27TD & 2026TD is as of Aug'26 3. Figures in brackets indicate negative numbers.

Figure 237: Annual and monthly trends in average value of margin funding


Source: NSE EPR. Note: Data for FY27 is as of August 2026.

Table 87: Average daily open interest (Rs crore) in equity derivatives segment

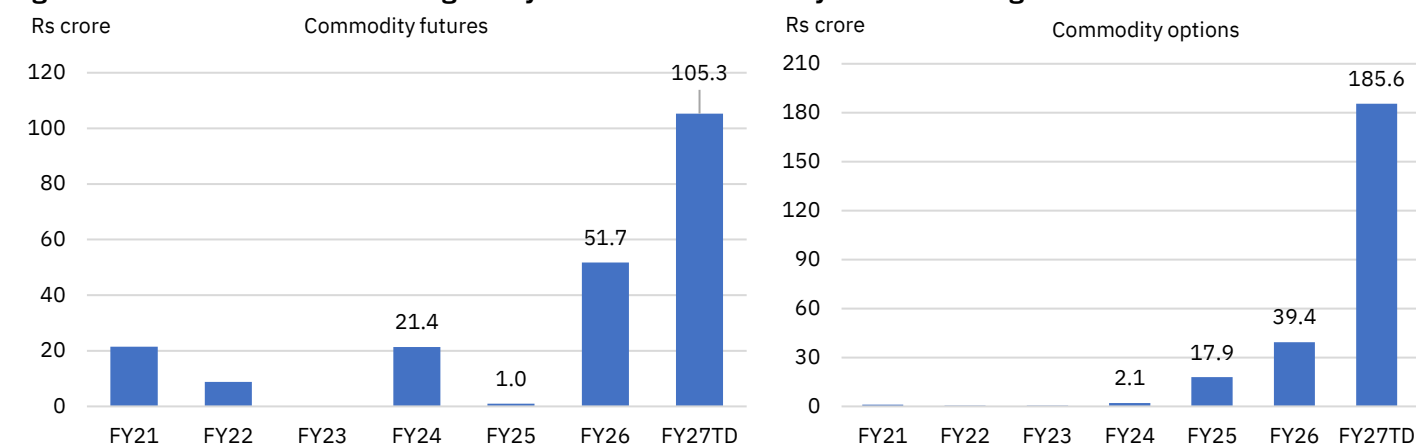
Product	Aug-26	Jul-26	Aug-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
Equity Futures	5,95,585	6,09,234	5,27,735	(2.2)	12.9	5,98,955	5,43,237	5,89,756
Stock Futures	5,42,631	5,48,721	4,63,417	(1.1)	17.1	5,36,688	4,81,515	5,27,389
Index Futures	52,954	60,513	64,318	(12.5)	(17.7)	62,266	61,723	62,367
NIFTY	36,777	42,784	44,429	(14.0)	(17.2)	44,728	45,124	45,596
BANKNIFTY	13,132	14,453	16,267	(9.1)	(19.3)	14,131	12,893	13,247
FINNIFTY	100	72	225	39.3	(55.5)	81	176	103
MIDCPNIFTY	2,804	3,079	3,245	(8.9)	(13.6)	3,190	3,374	3,282
NIFTYNXT50	140	124	152	12.3	(8.1)	136	155	139
Equity Options	17,64,179	16,73,879	15,43,531	5.4	14.3	16,43,339	16,88,432	16,56,402
Stock Options	3,67,752	3,46,532	2,69,849	6.1	36.3	3,40,700	3,18,037	3,41,987
Index Options	13,96,427	13,27,348	12,73,682	5.2	9.6	13,02,639	13,70,395	13,14,415
NIFTY	11,93,085	11,28,219	10,52,284	5.7	13.4	10,97,019	11,31,140	11,09,745
BANKNIFTY	1,83,344	1,81,003	1,99,297	1.3	(8.0)	1,86,926	2,14,816	1,84,085
FINNIFTY	3,129	1,690	5,150	85.2	(39.2)	2,144	5,186	2,865
MIDCPNIFTY	16,798	16,358	16,888	2.7	(0.5)	16,467	19,147	17,623
NIFTYNXT50	54	78	63	(30.4)	(13.7)	80	107	94

Source: NSE EPR. Notes: 1. The above table reports notional turnover. 2. FY27TD & 2026TD is as of Aug'26. 3. Figures in brackets indicate negative numbers.

Table 88: Average daily turnover in commodity derivatives segment

Product (Rs crore)	Aug-26	Jul-26	Aug-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
FUTURE	114.7	111.7	99.9	2.7	14.8	105.3	51.7	91.6
SILVER	1.2	1.2	0.5	4.5	134.9	1.3	0.6	1.1
CRUDE OIL	55.2	65.1	2.3	(15.2)	2321.0	56.5	6.1	41.5
BRENT CRUDE	0.1	0.9	-	(87.2)	-	0.6	-	0.4
ELECTRICITY	48.3	40.3	97.0	19.9	(50.2)	39.7	44.1	42.7
GOLD10G	5.8	3.5	-	63.9	-	6.2	0.9	5.3
OPTIONS	248.1	262.1	37.2	(5.3)	566.2	185.6	39.4	136.8
SILVER	0.4	0.7	0.3	(45.7)	6.6	0.8	0.7	0.8
NATURALGAS	5.1	2.1	0.0	143.5	789456.3	1.6	0.0	1.0
CRUDEOIL	242.7	259.4	36.9	(6.4)	557.6	183.2	38.7	134.9

Source: NSE EPR. Notes: 1. The above table reports premium turnover for Options contracts. 2. FY27TD & 2026TD is as of Aug'26. 3. Figures in brackets indicate negative numbers.

Figure 238: Annual trends in average daily turnover in commodity derivatives segment


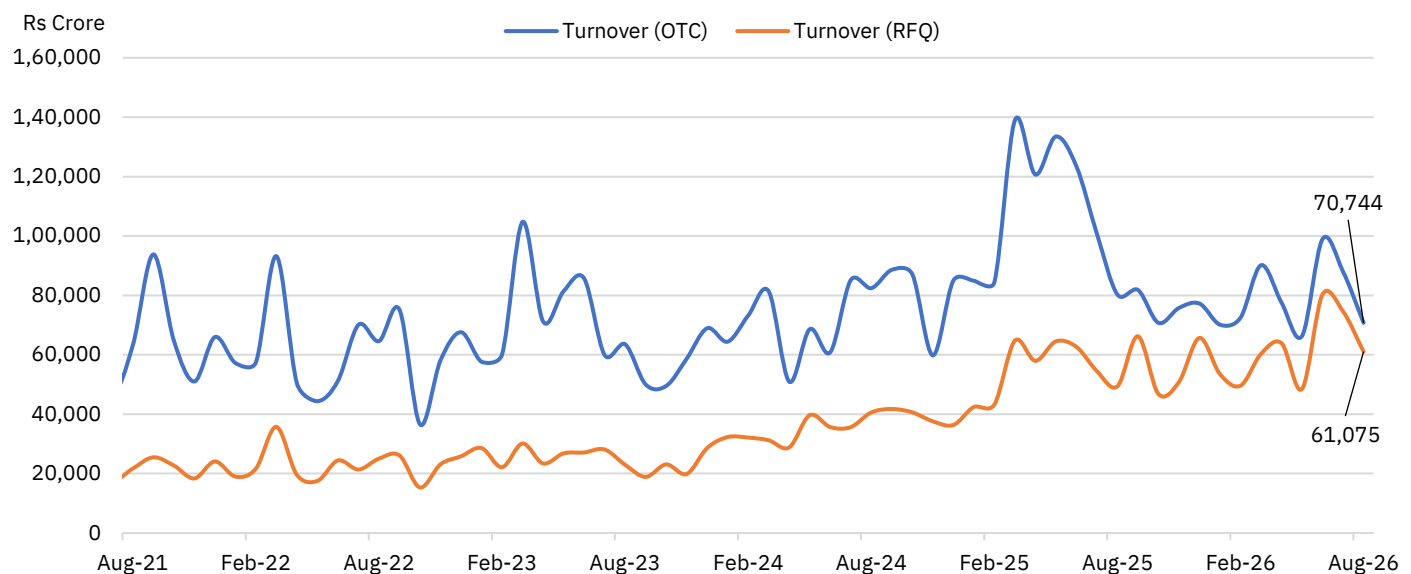
Source: NSE EPR. Notes: 1. Above figure reports premium turnover for options contracts. 2. FY27TD is as of Aug'26.

Secondary market activity in corporate bonds contracted across both trading venues

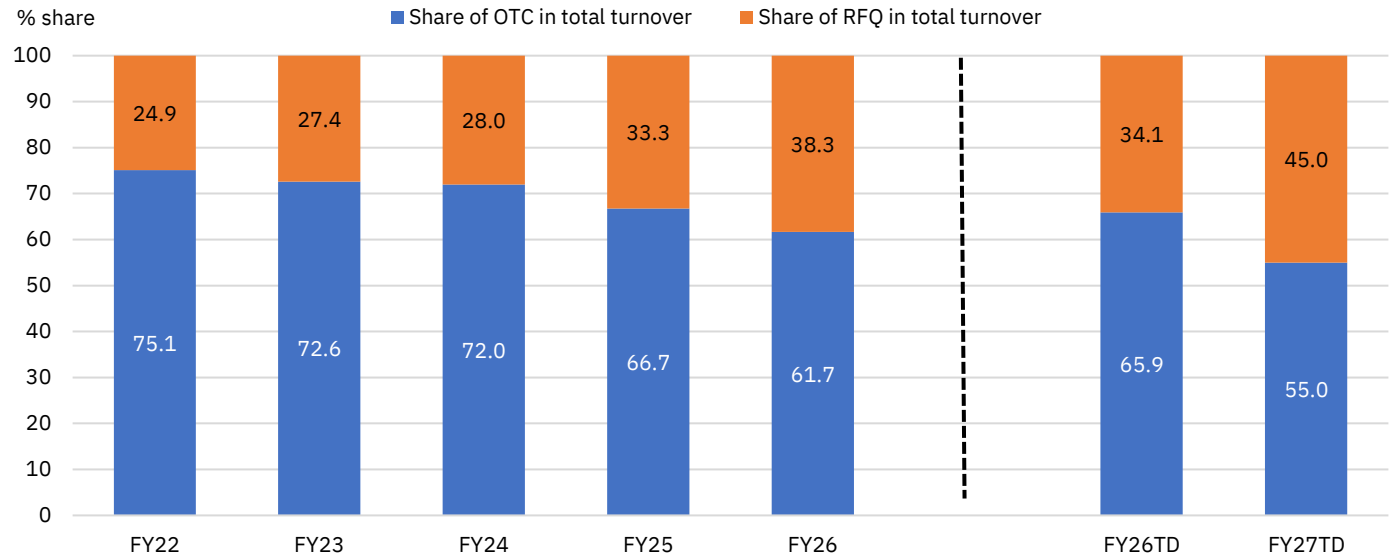
in August 2026: OTC turnover fell from Rs 87,993.4 crore in July 2026 to Rs 70,774.3 crore in August (-19.6% MoM), while RFQ turnover fell from Rs 74,604.2 crore to Rs 61,075 crore (-18.1% MoM), taking aggregate turnover across both platforms to Rs 1.32 lakh crore. The continued moderation in secondary market trading activity followed the decline declining activity recorded in July 2026, when turnover across both platforms reached Rs 1.63 lakh crore. RFQ's share in total turnover increased modestly to 46.3% in August 2026 from 45.9% in July 2026 and remained well above the average of 34.1% recorded during the corresponding period of FY26 (Apr–Aug 2025). On a cumulative FY27TD basis, RFQ accounted for 45.0% share in total turnover. On a year-on-year basis, the composition of secondary market activity continued to shift towards RFQ. While total turnover in August 2026 was higher than August 2025 (+1.7% YoY), OTC turnover declined 11.9% YoY whereas RFQ turnover expanded 23.7% YoY over the same period, reflecting the growing contribution of the RFQ platform to overall secondary market trading activity.

The moderation in turnover was also reflected in average daily turnover (ADT). OTC ADT fell to Rs 3,537.2 crore in August 2026 from Rs 3,826 crore in July (-7.5% MoM), while RFQ ADT decreased to Rs 3,053.8 crore from Rs 3,243.7 crore (-5.9% MoM). Combined ADT fell to Rs 6,591 crore in August 2026 from Rs 7,069.5 crore in July 2026. On a year-on-year basis, OTC ADT declined, while RFQ ADT expanded materially over the same period.

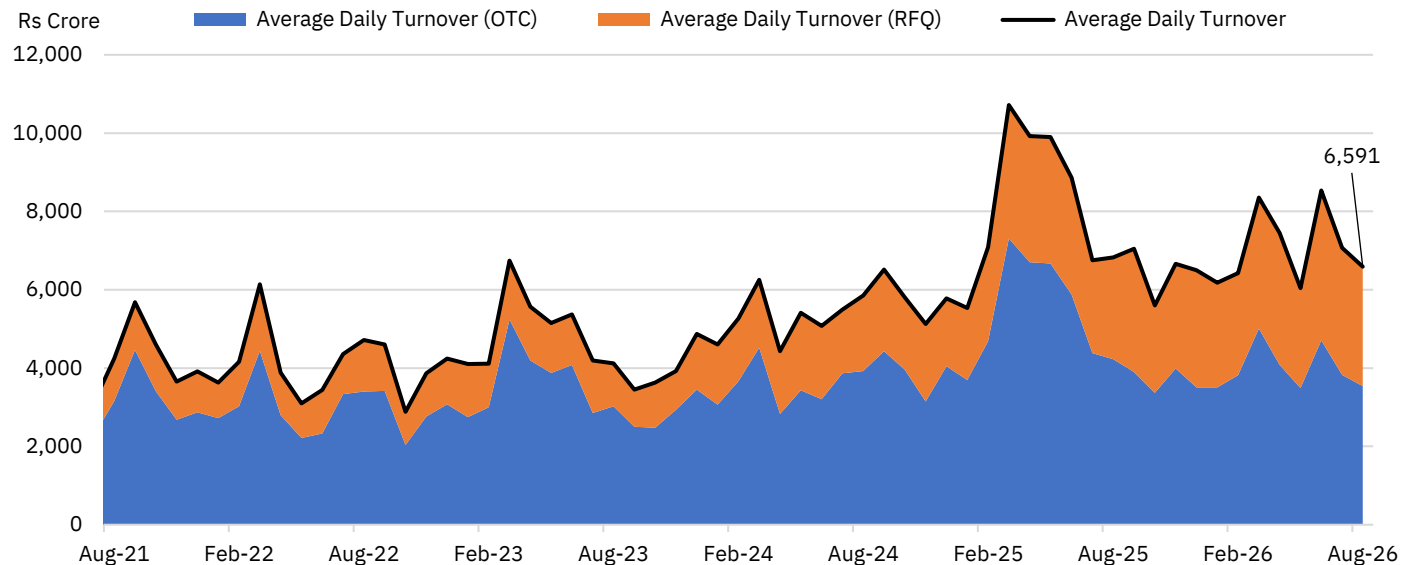
Figure 239: Monthly trends of turnover in debt segment



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

Figure 240: 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 August 2026.

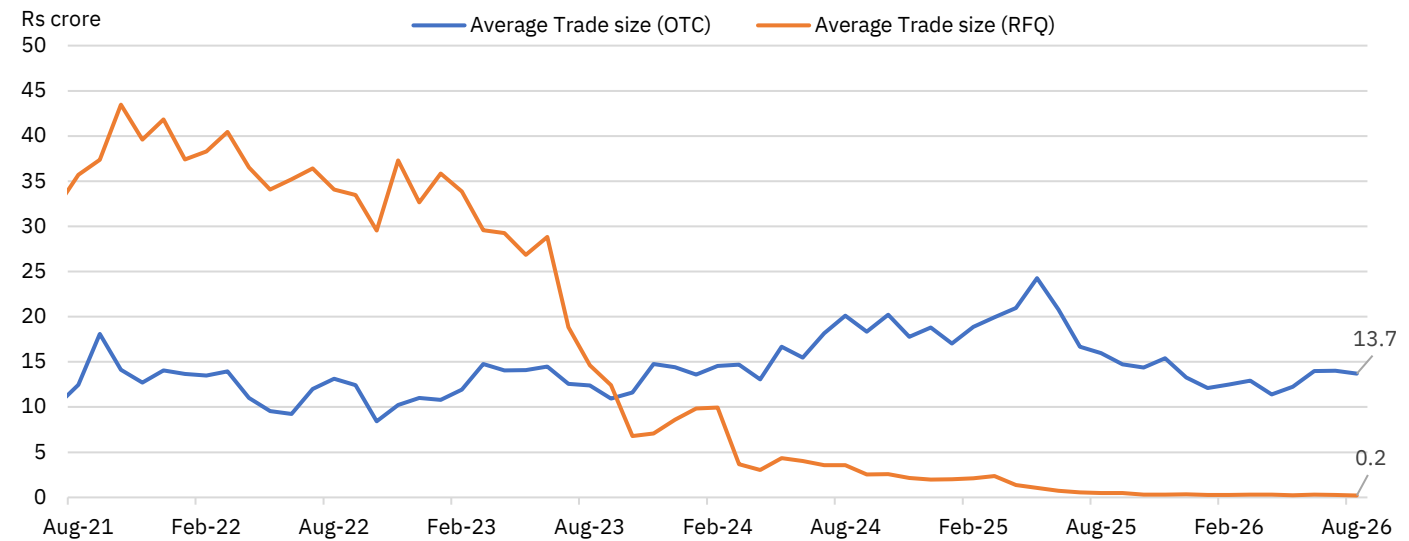
Figure 241: Monthly trends of average daily turnover in debt segment


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

Average trade size declined on both platforms in August 2026, with a sharper decline on RFQ:

OTC average trade size declined to Rs 13.7 crore (-2.4% MoM), after remaining stable at Rs 14.0 crore in July 2026 while RFQ average trade size declined to Rs 0.21 crore (-25.5% MoM), reflecting the sustained compression observed over recent months. The divergent movement in average trade sizes indicates that the August moderation in turnover was accompanied by continued compression in RFQ transaction sizes, while OTC ticket sizes declined only marginally.

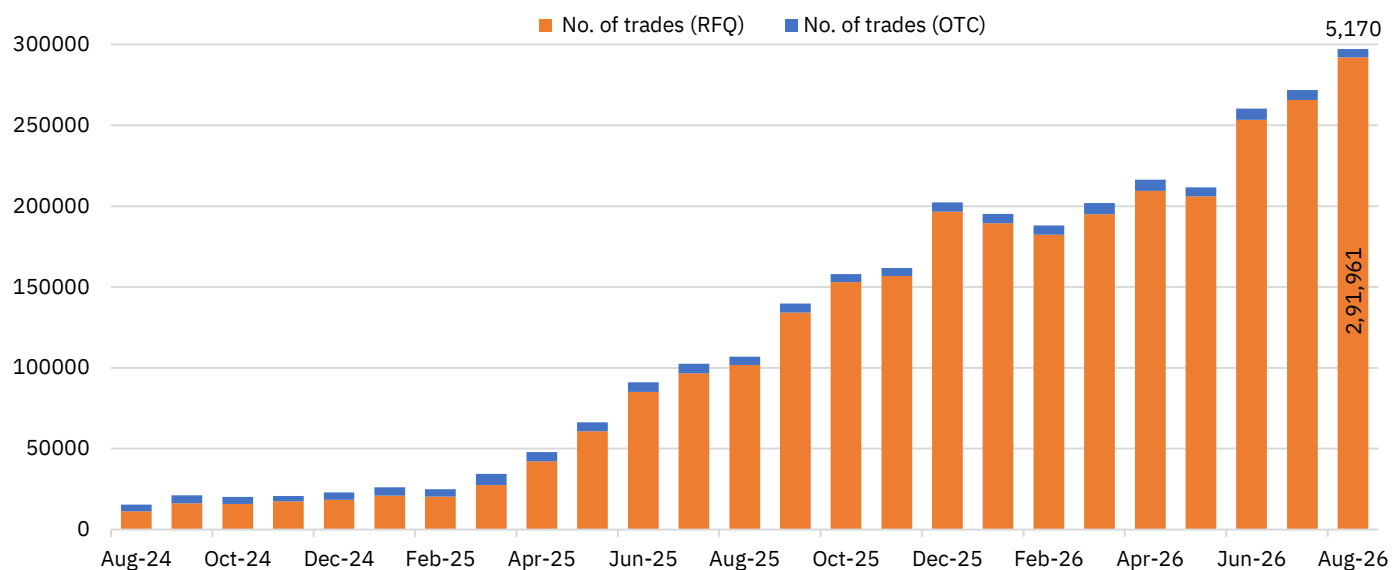
Figure 242: Monthly trends of average trade size in debt segment



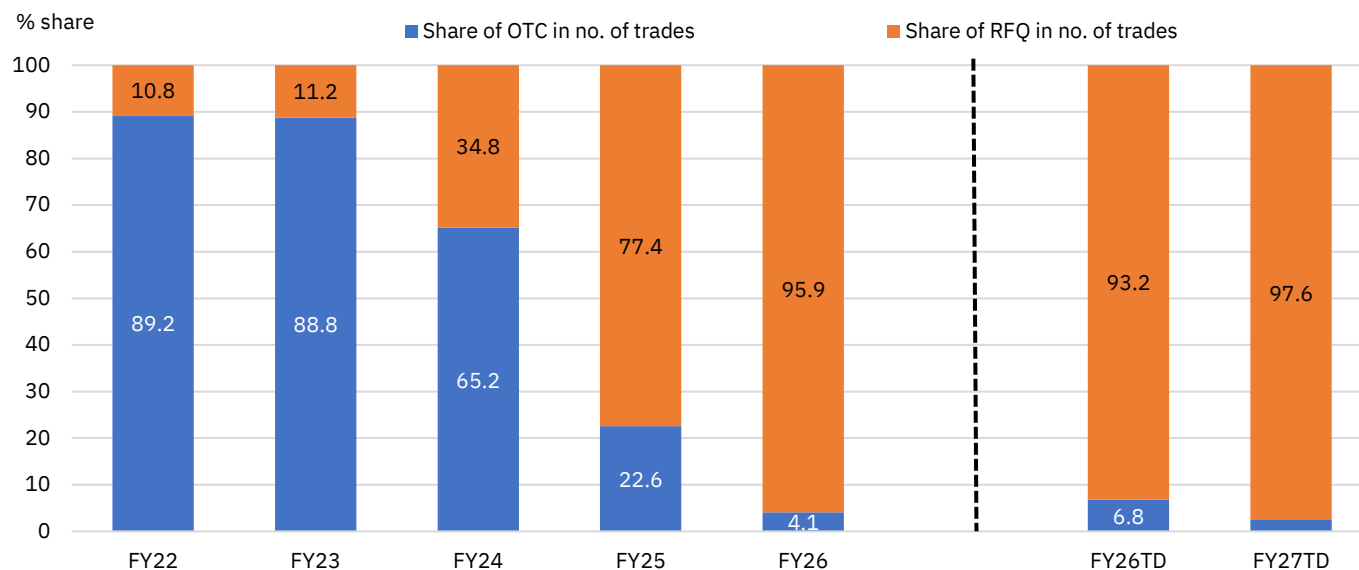
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Trade count dynamics continued to reflect the granular execution profile of the RFQ platform in August 2026: RFQ trade counts rose to 2,91,961 trades (+9.9% MoM) from 2,65,570 in July, the highest monthly figure recorded in the series, while OTC trades decreased to 5,170 (-17.6% MoM). The divergence between OTC and RFQ trading activity highlights the continued expansion of execution frequency on the RFQ platform, even as OTC trade counts moderated. Overall, the number of trades across both platforms increased by 9.3% MoM in August 2026. On a cumulative FY27TD basis, RFQ accounted for 97.6% of total trades and 45.0% 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 243: 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 244: 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 August 2026.

Institutional investors continued to account for the majority of secondary market turnover in August 2026, led by Mutual Funds, which accounted for 31.9% of total turnover in FY26, compared with 34.9% in FY21, while their share increased to 33.8% during April-August 2026. Other Domestic Financial Institutions accounted for 20.5% of total turnover and Banks for 17.8%, with these categories collectively accounting for around 72.2% of aggregate secondary market turnover during April-August 2026. Insurance and FII/FPI participation moderated on a year-on-year basis, while Individual participant share remained modest at 1.9% 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 27.4% during April-August 2026, followed by Mutual Funds at 21.5% and Banks at 18.7%. On the RFQ platform, Mutual Funds remained the dominant category at 49.0% of turnover during April-August 2026, while Banks accounted for 16.8% and Other DFIs for 12.2%.

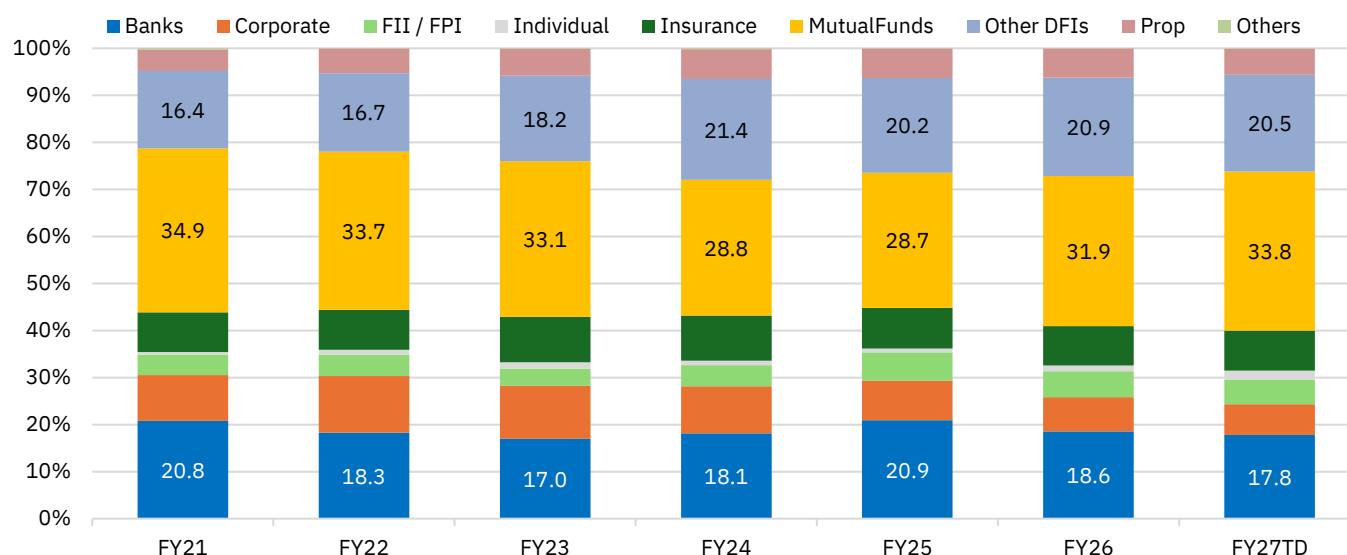
The picture was materially different when examined through the lens of trade counts. The share of Individual participants in RFQ trade counts increased from 0.2% in FY23 to 80.1% in FY26, while their share in RFQ turnover remained at only 1.4%. During April-August 2026, Individual and Proprietary participants together accounted for approximately 90.4% of RFQ trade counts, with Individual participants accounting for 75.5% and Proprietary participants for 14.9%, while their combined share in RFQ turnover remained just above 7%.

Although Individual participants accounted for over three-fourths of RFQ trade counts, institutional participants (Banks, Mutual Funds, Insurance, FII/FPI and Other DFIs) collectively accounted for approximately 90.8% of RFQ turnover, highlighting the continued distinction between execution frequency and value concentration on the platform. During April-August 2026, Mutual funds accounted for only 0.3% of RFQ trade counts, while the share of Proprietary participants in RFQ trade counts rose from 2.2% in

FY21 to 14.9% during April-August 2026. Other DFIs accounted for 3.6% of RFQ trade counts during the same period, compared with 1.5% in FY26 and 6.3% in FY21.

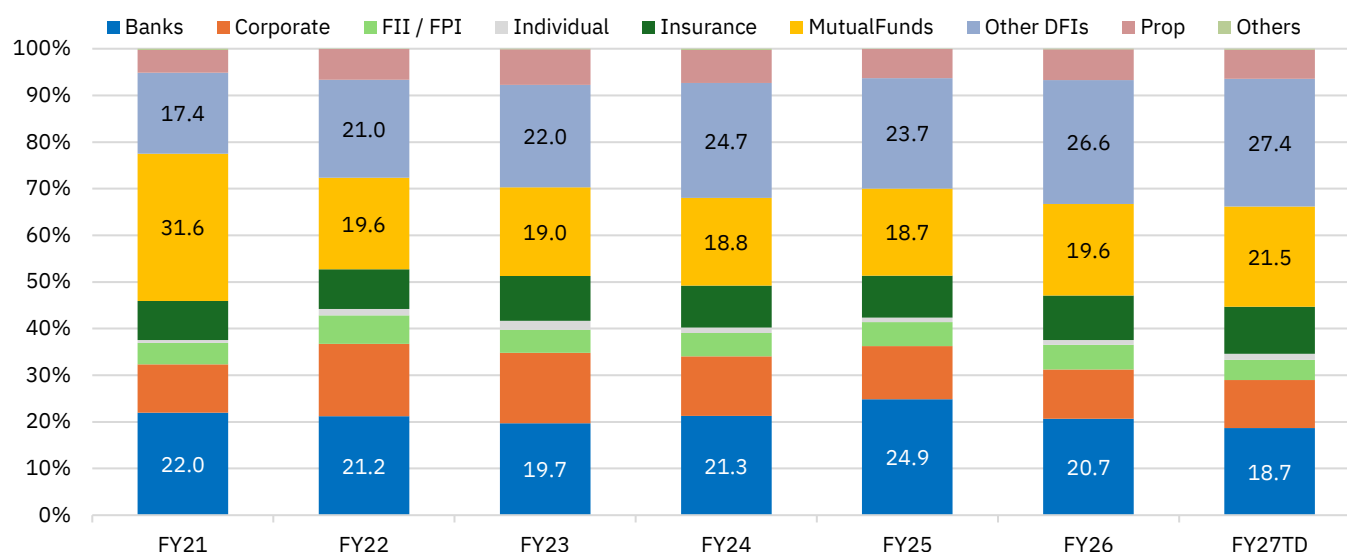
OTC activity displayed a more diversified trade-count profile. Other DFIs remained the largest category, accounting for 33.6% of OTC trade counts in FY27TD, up from 31.4% in FY26, followed by Corporate participants at 19.7%. The share of Individual participants in OTC trade counts increased from 5.5% in FY21 to 14.2% in FY27TD, although it remained substantially below their share of RFQ trade counts. Proprietary participants accounted for 14.2% of OTC trade counts in FY27TD, while Banks accounted for 5.3%. These participation patterns highlight the distinct roles of institutional and individual participants in the RFQ market, with institutions accounting for most transaction value, while individuals account for most of the execution frequency.

Figure 245: Share in total turnover across participant categories

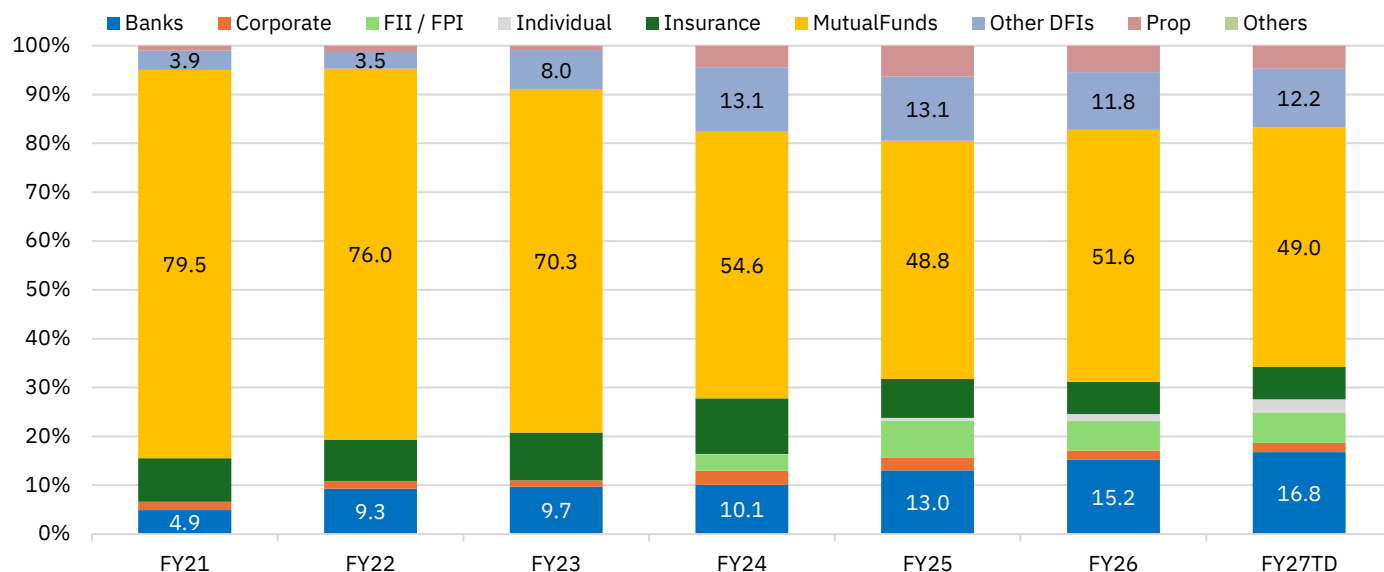


Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of August 2026.

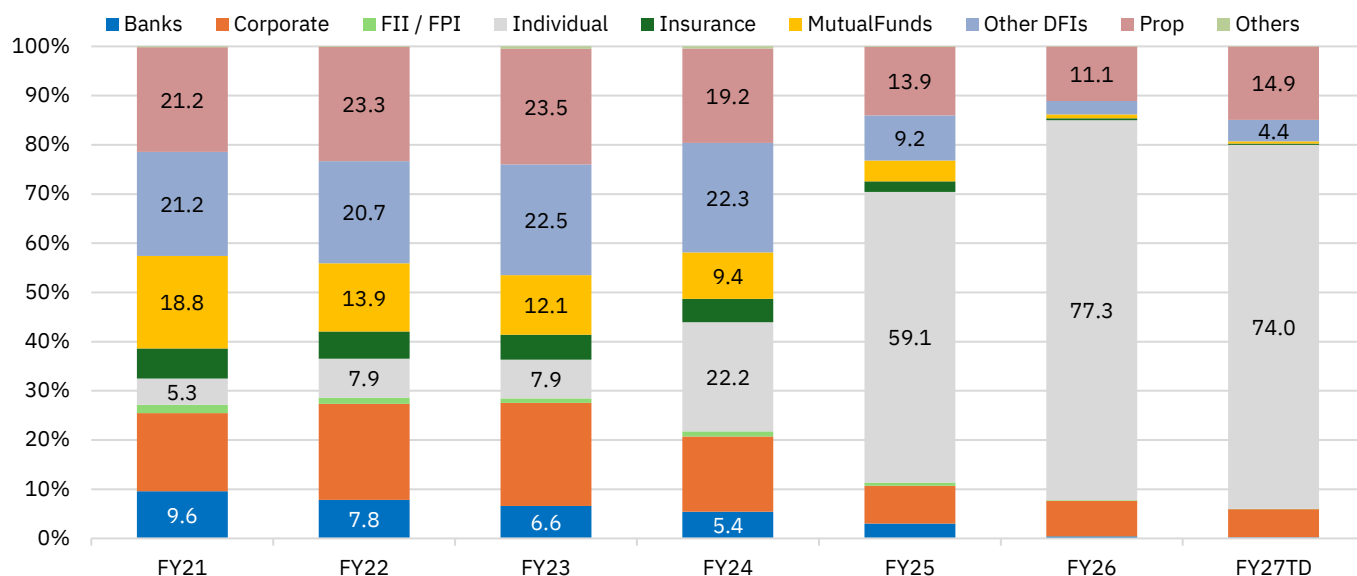
Figure 246: Share in OTC turnover across participant categories



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 August 2026.

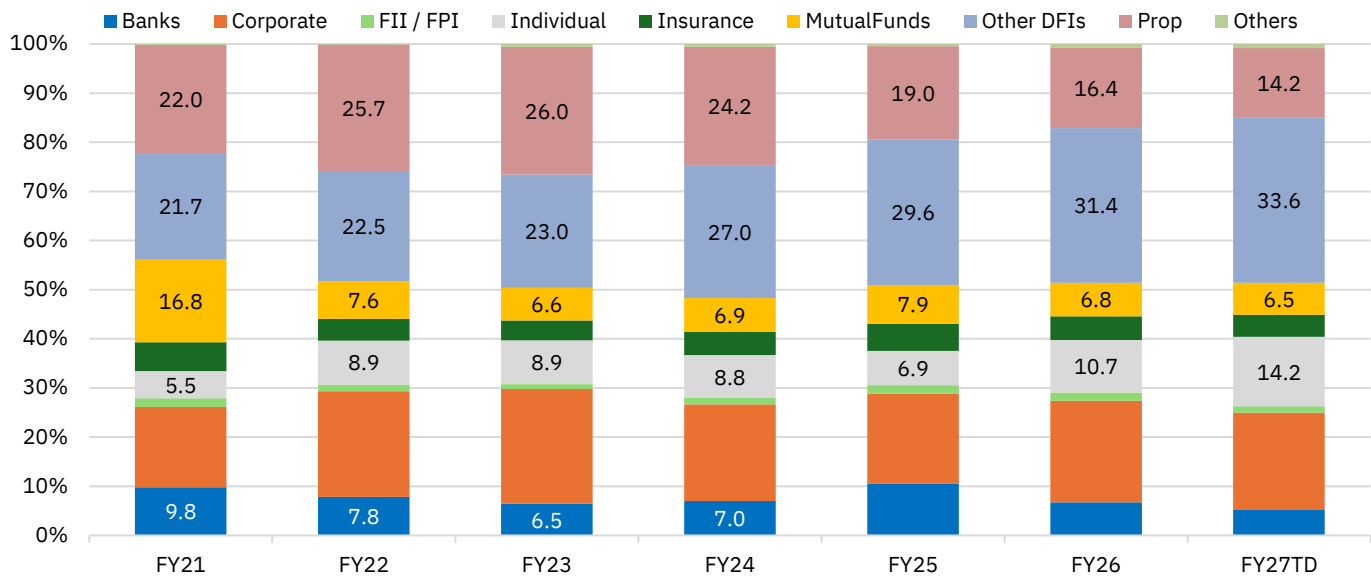
Figure 247: Share in RFQ turnover across participant categories


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 August 2026.

Figure 248: Share in total number of trades across participant categories


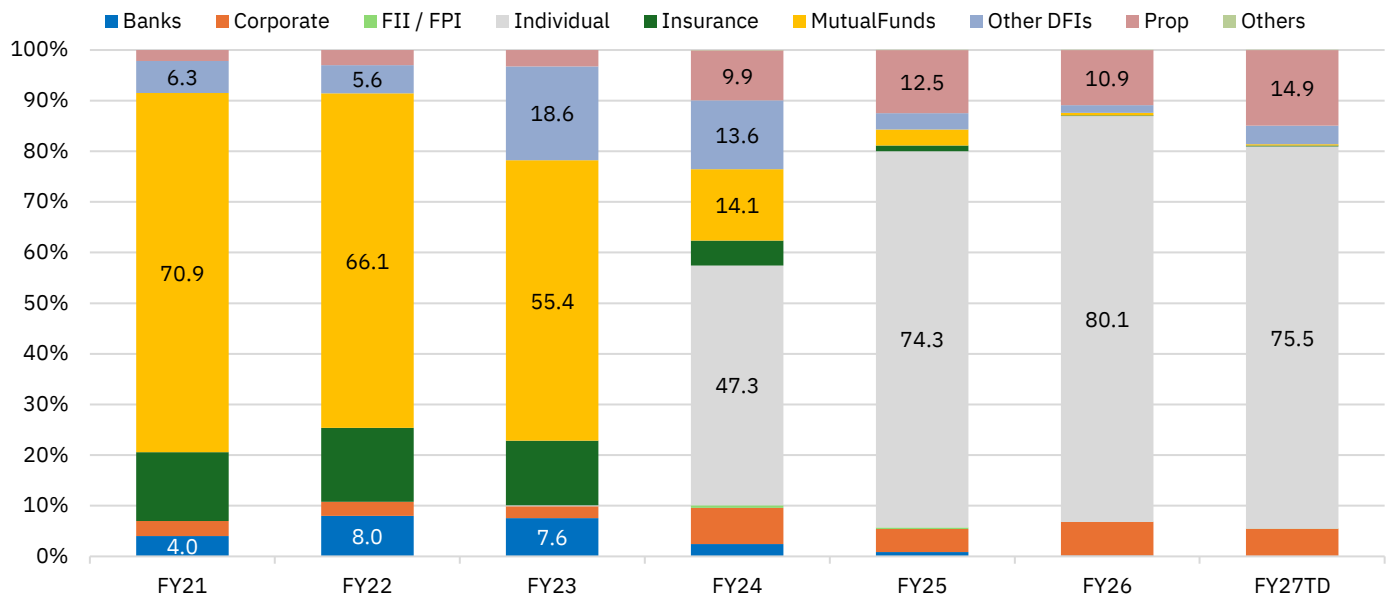
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of August 2026.

Figure 249: 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 August 2026.

Figure 250: 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 August 2026.

5.3.2 Category-wise participation across segments: Individual investors share broadens

Investor participation continued to evolve across market segments in August 2026, with rising prominence in cash, equity and commodity derivatives, even as proprietary traders continued to dominate derivatives activity. In the cash market, individual investors' share increased to 33.5%, surpassing proprietary traders for the first time in last eight months. In equity derivatives, proprietary traders remained the largest participant category, although their share moderated to 54.7% in notional turnover, while individual investors' share increased to 32.9%. The shift was particularly visible in equity options premium turnover, where individual investors accounted for 40.3%, compared with 47.3% for proprietary traders. Commodity derivatives witnessed a more pronounced rebalancing, with individual investors' share in aggregate notional turnover rising to 34.7%, while proprietary traders' share moderated to 53.8%. In contrast, the interest rate futures (IRF) segment remained relatively concentrated, with proprietary traders and corporates together accounting for over 96% of turnover.

The evolving participation landscape is also being supported by regulatory measures aimed at improving settlement efficiency, with SEBI's April 2026 framework permitting net settlement of funds for eligible outright cash-market transactions by FPIs, while securities continue to settle on a gross basis. In September 2026, SEBI has also proposed a consultation paper extending a similar net-fund settlement facility to mutual fund schemes, which could reduce temporary funding requirements and further improve settlement efficiency.

Individual investors participation share strengthened in cash market in August 2026:

The cash market turnover moderated to Rs 25.1 lakh crore in August 2026, declining 9.3% MoM, while the participation mix witnessed a notable shift across investor categories. The share of individual investors rose 53 bps MoM to 33.5%, marking a four-month high and surpassing proprietary traders' share for the first time in the last eight months. While individual investors turnover declined 7.8% MoM, proprietary traders' turnover fell by a higher 13.9% MoM, accounting for 50% of the drop in the overall CM turnover, resulting in their share falling below the individual investors during the month. Despite a decline in their turnover by 7.8% MoM, individual investors' turnover moderated by 7.8% MoM, accounting for around 27% of the overall decline in cash-market turnover during the month. Similarly, DII participation moderated by 124 bps MoM to 12.7%, with their turnover declining by 17.4%. However, the combined share of individual investors and DIIs increased to 46.2% in August 2026, up from 44.1% in March 2024. Foreign investors' share increased to 14.1% (+180 bps MoM; -307 bps YoY) alongside a 4% MoM rise in turnover, while corporate participation remained broadly stable at 4.4%.

Participation mix continues to evolve across equity derivatives: In equity derivatives (notional turnover), proprietary traders share declined to 54.7% (-139 bps MoM; -480 bps YoY), while individual investors share increased to 32.9% (+84 bps MoM; +294 bps YoY). Within equity futures, the shift in proprietary traders' share was more pronounced, with their share declining to a 6-year low of 25.5% (-249 bps MoM; -465 bps YoY) accounting for 39% of the MoM decline in the overall turnover, while DII participation strengthened to 15.3% (+174 bps MoM; +140 bps YoY). Foreign investors share also edged up to 31.3% (+33 bps MoM), while individual investors share remained broadly unchanged at 16.5% (-17 bps MoM).

In equity options (premium turnover), individual investors' share rose to 40.3% (+75 bps MoM; +159 bps YoY) accounting for 50% of the MoM decline in turnover in August, while proprietary traders' share moderated to a 22-month low of 47.3% (-62 bps MoM; -411 bps YoY) accounting for a higher xx% decline in the turnover. Overall, August participation trends in CM and equity derivatives point to moderation in proprietary dominance.

Participation in IRF remained broadly stable in August 2026: Participation in the interest rate futures (IRF) segment remained broadly stable in August 2026, with proprietary traders continuing to account for the dominant share at 69.4%, moderating 148 bps MoM, however, significantly higher than the 24.7% recorded a year ago. Corporate participation remained broadly unchanged at 27% (+16 bps MoM), although it declined sharply from its share a year ago. Foreign investors and individual investors continued to account for a smaller share in the overall segment. Foreign investors' share increased to 2.3% (+63 bps MoM; +139 bps YoY), while individual investors' participation rose to 1.2% (+69 bps MoM). Overall, the participation mix remained largely unchanged from the previous month, with proprietary traders and corporates continuing to account for the bulk of the trading activity.

Individual participation strengthened in commodity options but declined in futures:

Participation across commodity derivatives witnessed a continued shift away from proprietary traders towards individual in August 2026. In commodity futures, proprietary traders' share increased marginally to 42.2% (+157 bps MoM, -3557 bps YoY) but remained significantly below the 77.7% recorded a year ago. Foreign investors' share moderated to 16.2% (-371 bps MoM) from the record high of 19.9% in July (+1,060 bps over Apr–Aug). Individual investors' share stood at 23.7% (-60 bps MoM) but was significantly higher than a year ago of 6% (1774 bps YoY).

In commodity options (premium turnover), individual investors' participation strengthened to 32.9% (+440 bps MoM, -20 bps YoY), while proprietary traders' share declined to 49.3% (-199 bps MoM, -1330 bps YoY). Foreign investors' participation moderated to 16.2% (-369 bps MoM) but remained substantially higher than the corresponding period last year share of 5.9% (+ 1038 bps). A similar rebalancing was evident in notional turnover, where individual investors' share increased to 34.7% (+417 bps MoM), while proprietary traders' share moderated to 53.8% (-223 bps MoM).

Table 89: Share of client participation in NSE cash market segment (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	4.4	3.9	3.6	45	74	4.0	3.7	3.8
DIIIs	12.7	13.9	14.5	(124)	(185)	13.1	14.2	13.4
Foreign Investors	14.1	12.3	17.2	180	(307)	13.1	14.6	13.3
Individuals	33.5	33.0	32.0	53	155	33.2	33.4	32.7
Prop	31.7	33.4	29.4	(172)	234	33.4	30.9	33.7
Others	3.6	3.5	3.3	18	29	3.2	3.2	3.0

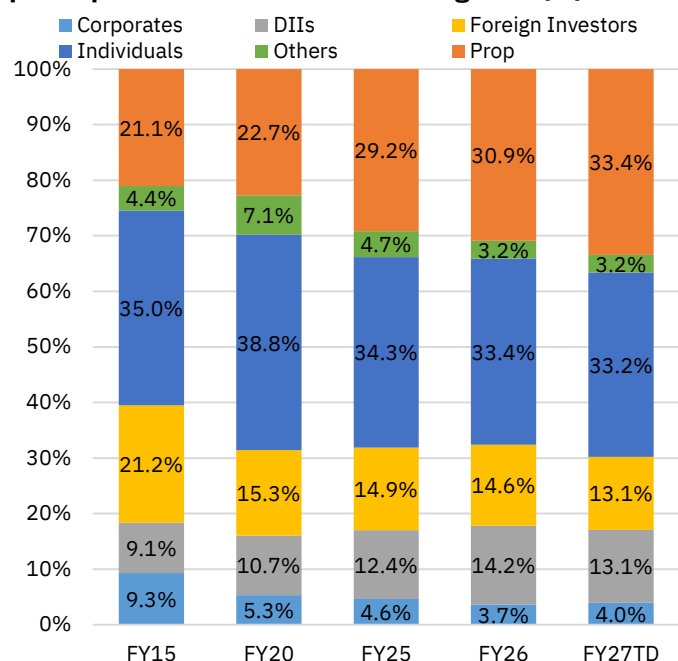
Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFes, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

4. Data for FY27TD and CY26TD are as of Aug'26.

Figure 251: Annual trends in share of client participation in NSE cash market segment (%)


Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFes, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

4. Data for FY27TD is as of Aug'26.

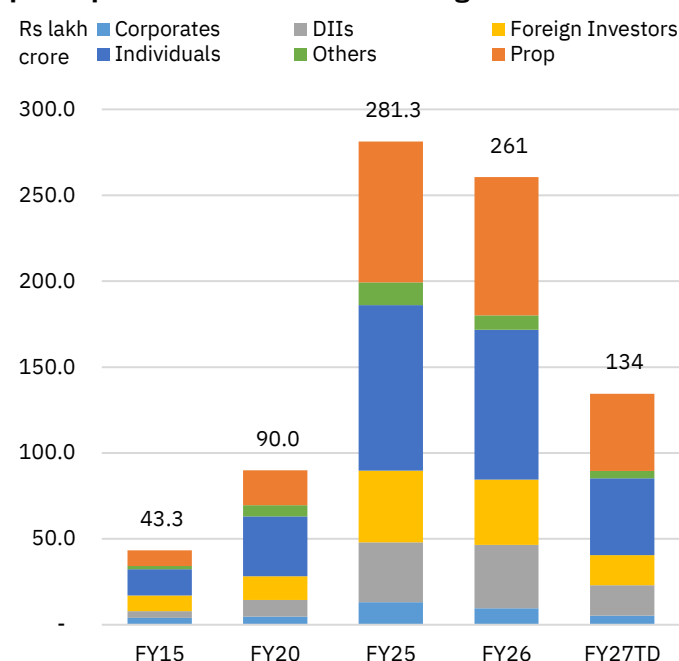
Figure 252: Annual trends in share of client participation in NSE cash market segment


Table 90: Share of client participation in Equity Derivatives segment (Notional turnover) of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.4	2.2	2.2	24	20	2.2	2.2	2.2
DIIIs	0.3	0.3	0.2	1	9	0.3	0.2	0.3
Foreign Investors	5.9	5.7	5.8	15	7	5.9	6.9	6.4
Individuals	32.9	32.0	29.9	84	294	31.4	29.2	30.7
Prop	54.7	56.1	59.5	(139)	(480)	56.9	59.3	57.8
Others	3.8	3.6	2.3	15	151	3.3	2.2	2.7

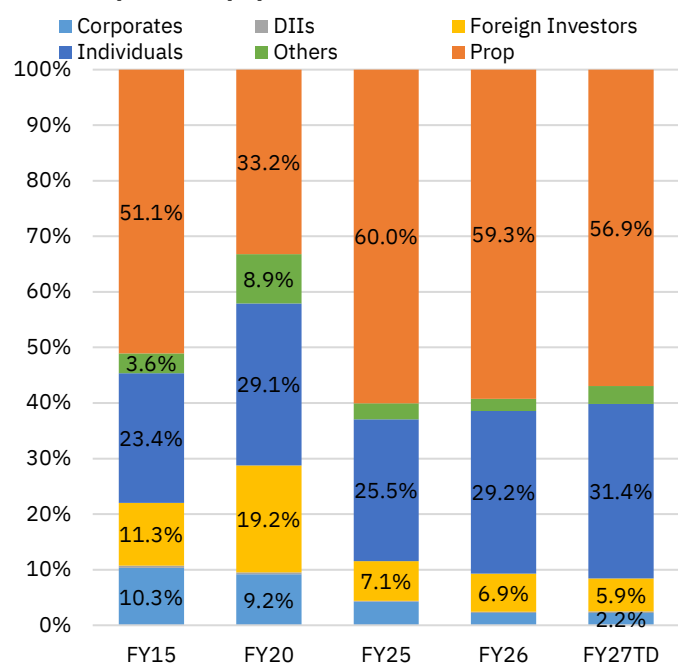
Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFes, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. 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 Aug'26.

Figure 253: 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 Aug'26.

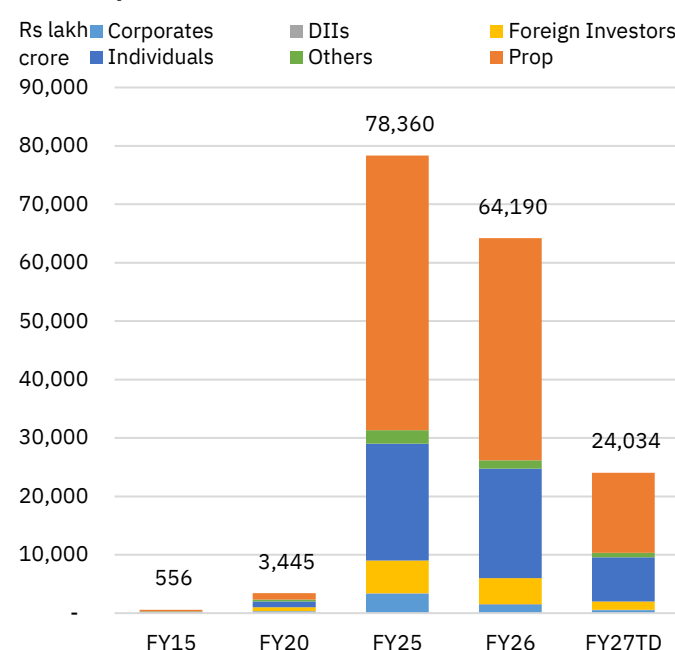
Figure 254: Annual trends in share of client participation in Equity Derivatives segment (Notional turnover) at NSE


Table 91: Share of client participation in Equity futures (Notional Turnover) segment of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	7.2	6.9	6.6	24	60	7.0	6.8	7.0
DIIs	15.3	13.5	13.9	174	140	13.6	12.3	12.9
Foreign Investors	31.3	31.0	29.0	33	230	31.2	27.5	30.0
Individuals	16.5	16.6	16.3	(17)	16	16.7	17.0	16.3
Prop	25.5	28.0	30.1	(249)	(465)	27.5	31.9	29.7
Others	4.3	4.0	4.1	34	18	4.1	4.4	4.1

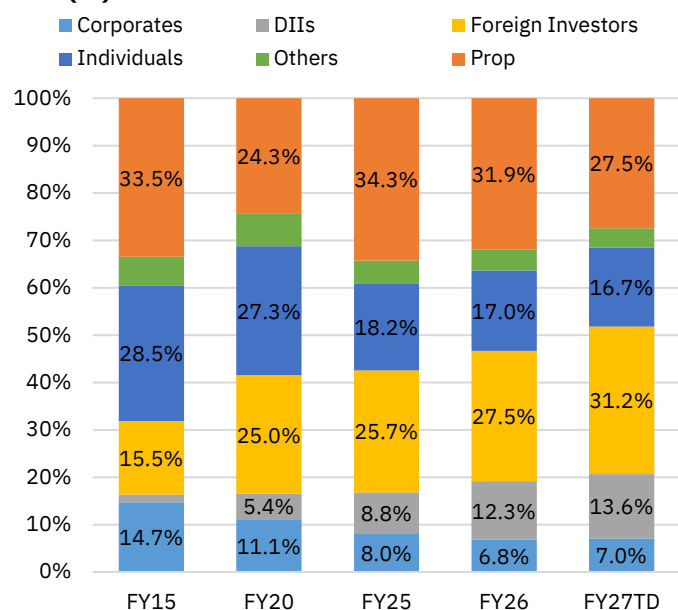
Source: NSE EPR.

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.

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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 and CY26TD are as of Aug'26.

Figure 255: Annual trends in share of client participation in Equity futures (Notional Turnover) at NSE (%)


Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.

4. Data for FY27TD is as of Aug'26.

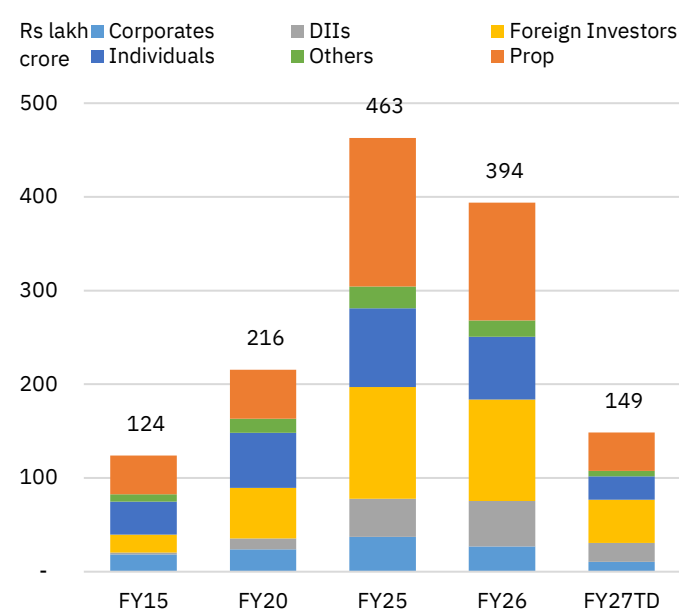
Figure 256: Annual trends in share of client participation in Equity futures (Notional Turnover) at NSE


Table 92: Share of client participation in Equity options segment (Premium Turnover) of NSE (%)

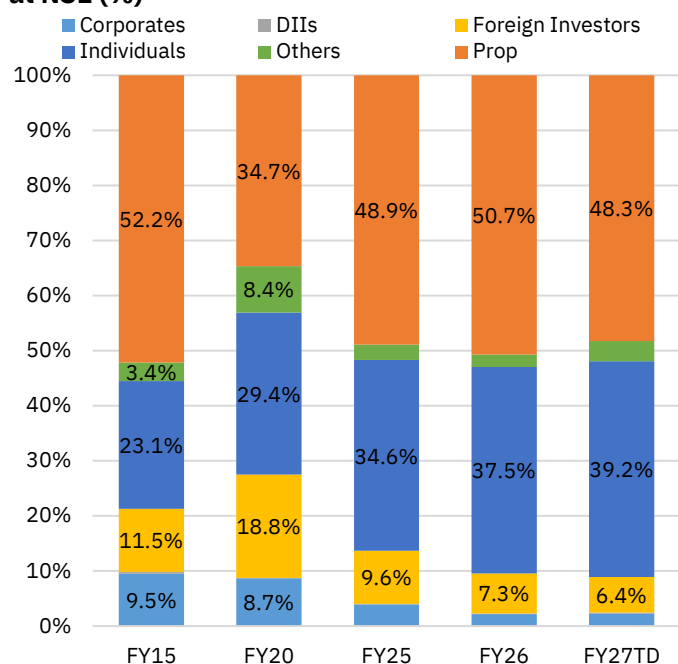
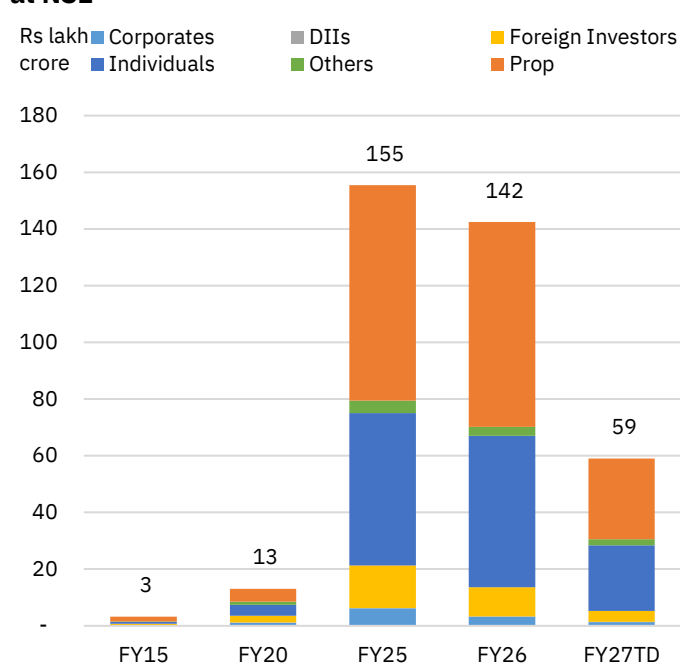
Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.4	2.3	2.0	15	46	2.3	2.2	2.3
DIIs	0.2	0.2	0.1	(3)	7	0.2	0.1	0.2
Foreign Investors	6.1	6.2	5.7	(11)	38	6.4	7.3	6.8
Individuals	40.3	39.5	38.7	75	159	39.2	37.5	38.3
Prop	47.3	47.9	51.4	(62)	(411)	48.3	50.7	49.3
Others	3.7	3.9	2.1	(14)	162	3.7	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 Aug'26.

Figure 257: Annual trends in share of client participation in Equity options (Premium Turnover) at NSE (%)

Figure 258: 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 Aug'26.

Table 93: Share of client participation in Index Futures of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	9.7	9.3	9.6	41	12	9.5	9.3	9.3
DIIs	6.3	6.9	6.9	(54)	(61)	6.5	5.9	6.0
Foreign Investors	22.6	20.9	17.5	171	515	19.8	16.5	19.0
Individuals	33.1	33.7	30.4	(53)	269	34.2	31.4	32.1
Prop	22.4	24.1	30.5	(163)	(808)	24.3	31.4	28.1
Others	5.8	5.2	5.0	58	73	5.7	5.5	5.5

Source: NSE EPR.

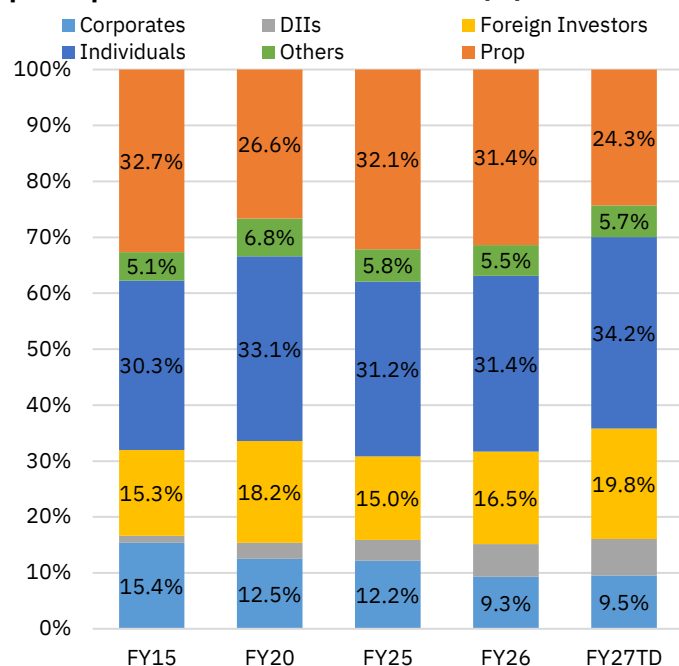
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3. Figures in brackets indicate negative numbers.

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 Aug'26.

Figure 259: 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 Aug'26.

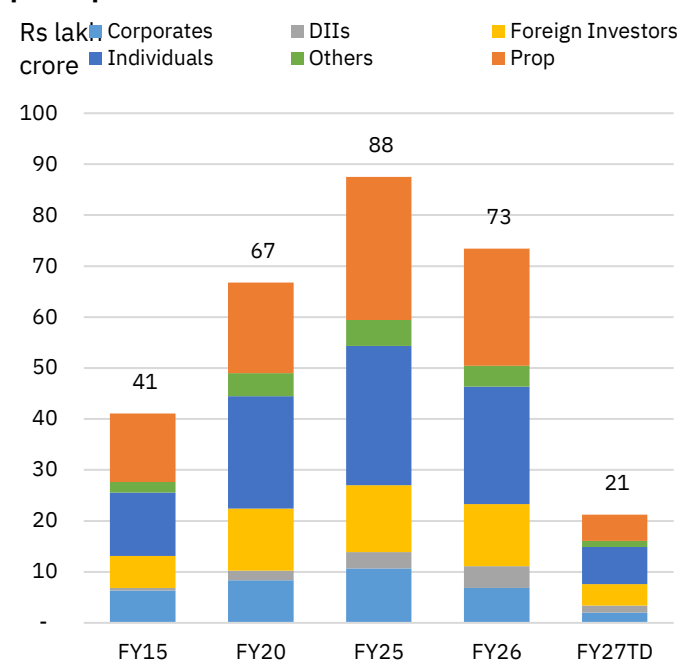
Figure 260: Annual trends in share of client participation in Index Futures at NSE


Table 94: Share of client participation in Stock Futures of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	6.9	6.6	5.9	27	94	6.6	6.2	6.6
DIIIs	16.4	14.5	15.4	190	103	14.8	13.8	14.3
Foreign Investors	32.4	32.4	31.5	(4)	89	33.1	30.1	32.0
Individuals	14.4	14.2	13.2	21	113	13.7	13.7	13.3
Prop	25.9	28.5	30.1	(267)	(418)	28.0	32.1	30.0
Others	4.1	3.8	3.9	33	20	3.8	4.2	3.8

Source: NSE EPR.

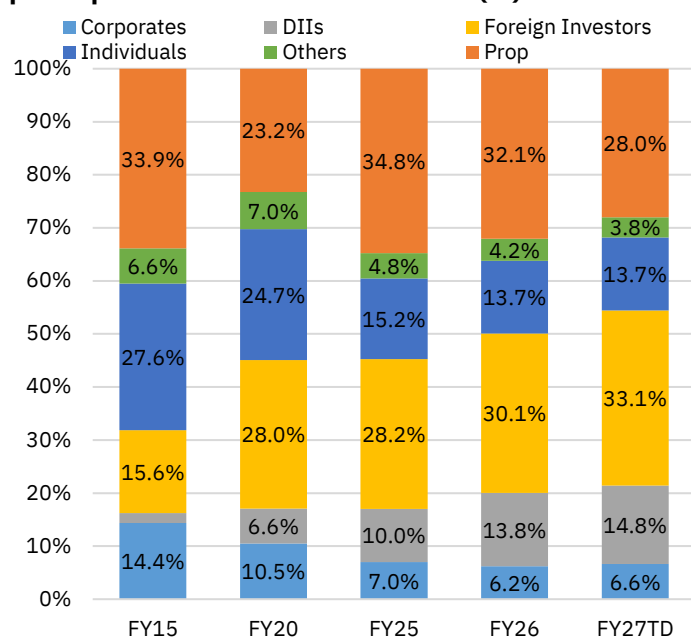
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3. Figures in brackets indicate negative numbers.

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 Aug'26.

Figure 261: 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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4. Data for FY27TD is as of Aug'26.

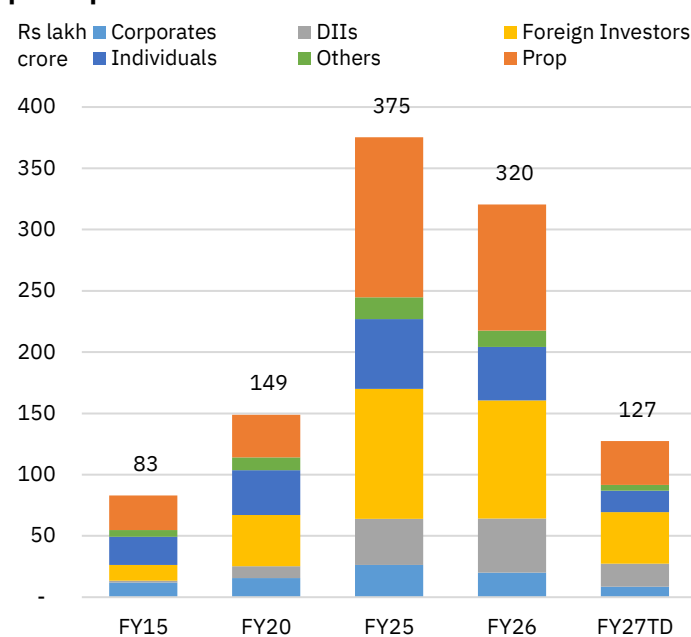
Figure 262: Annual trends in share of client participation in Stock Futures at NSE


Table 95: Share of client participation in Index Options (Premium Turnover) of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.4	2.2	1.9	19	51	2.2	2.1	2.2
DIIIs	0.1	0.2	0.1	(3)	3	0.2	0.1	0.2
Foreign Investors	6.4	6.5	5.9	(1)	58	6.7	7.3	7.1
Individuals	42.4	41.8	40.3	63	218	41.1	39.0	40.0
Prop	44.5	45.1	49.8	(62)	(535)	45.9	49.3	47.2
Others	4.1	4.3	2.1	(16)	204	4.0	2.3	3.3

Source: NSE EPR.

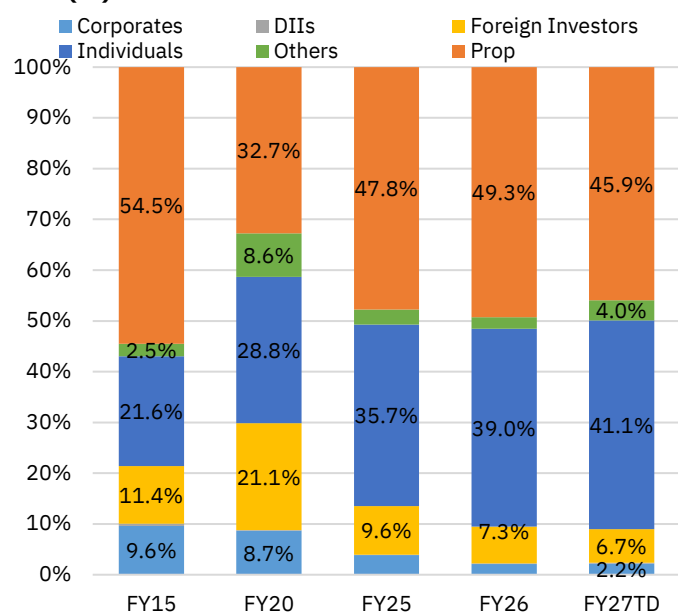
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3. Figures in brackets indicate negative numbers.

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 Aug'26.

Figure 263: 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 Aug'26.

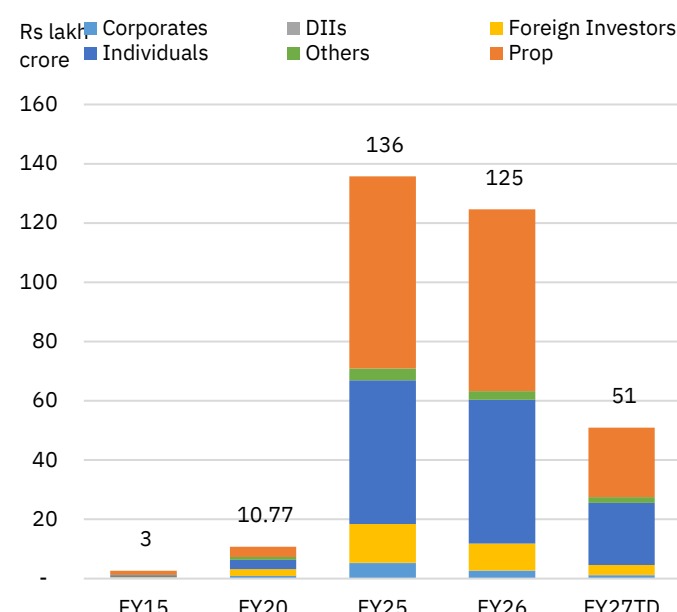
Figure 264: Annual trends in share of client participation in Index Options (premium turnover) at NSE


Table 96: Share of client participation in Stock Options (Premium Turnover) of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.7	2.8	2.8	(8)	(3)	2.7	2.5	2.7
DIIs	0.4	0.5	0.3	(3)	17	0.5	0.3	0.5
Foreign Investors	4.3	4.9	4.6	(55)	(27)	4.9	7.4	4.9
Individuals	29.5	27.4	27.3	211	222	27.3	27.2	27.0
Prop	61.3	62.9	63.0	(154)	(164)	62.9	60.8	63.3
Others	1.7	1.6	2.1	10	(45)	1.6	1.9	1.7

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

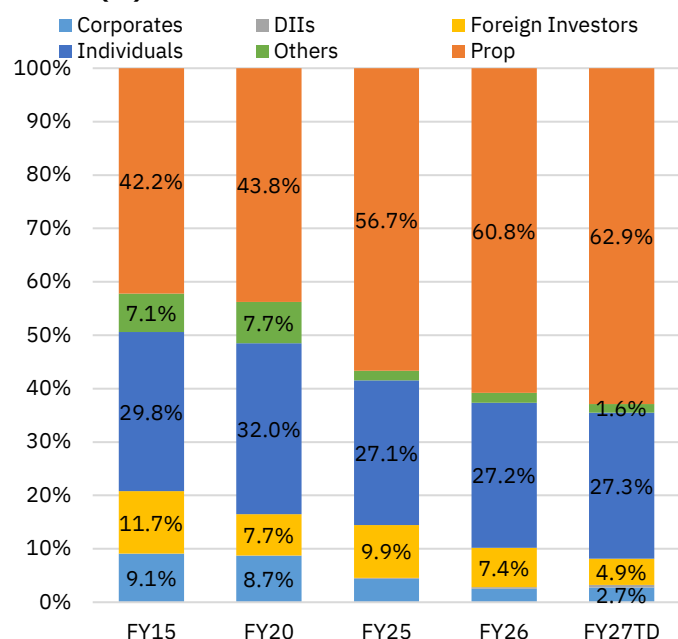
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate.

Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5. Data for FY27TD and CY26TD are as of Aug'26.

Figure 265: 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.

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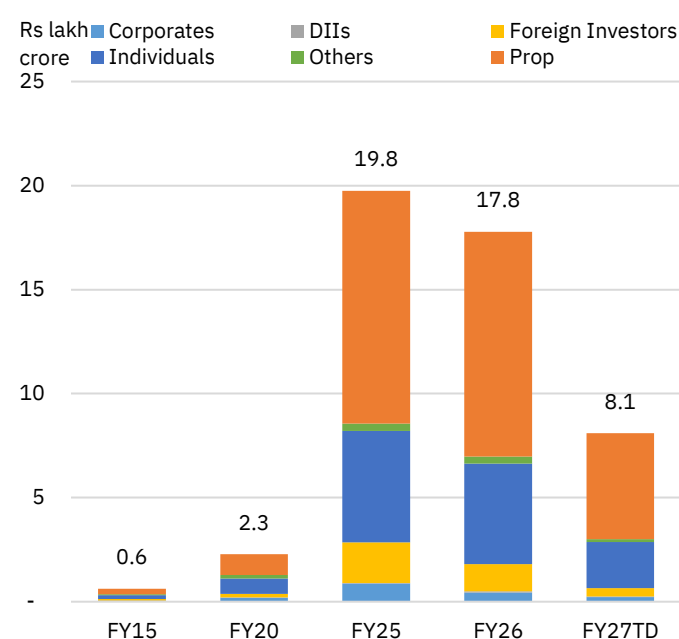
Figure 266: Annual trends in share of client participation in Stock Options (Premium Turnover) at NSE


Table 97: Share of client participation in Currency Derivatives segment (Notional Turnover) of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	9.9	11.1	22.4	(120)	(1,248)	12.5	15.4	13.1
DIIIs	1.8	2.3	4.2	(44)	(236)	2.5	2.9	2.3
Foreign Investors	10.5	16.7	16.2	(619)	(568)	16.2	15.9	16.1
Individuals	5.8	9.0	12.0	(311)	(611)	9.4	8.3	8.7
Prop	71.4	60.2	43.3	1,116	2,808	58.4	56.0	58.7
Others	0.5	0.8	2.0	(23)	(145)	0.9	1.6	1.1

Source: NSE EPR.

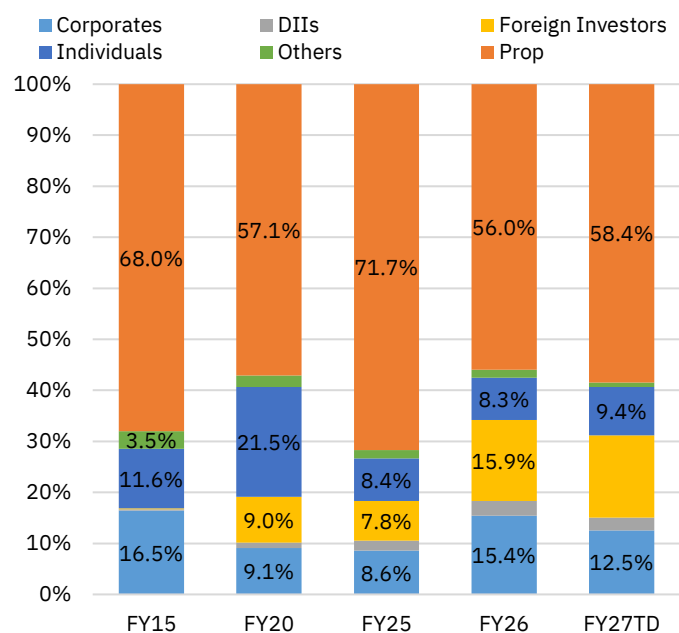
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

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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 Aug'26.

Figure 267: 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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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 Aug'26.

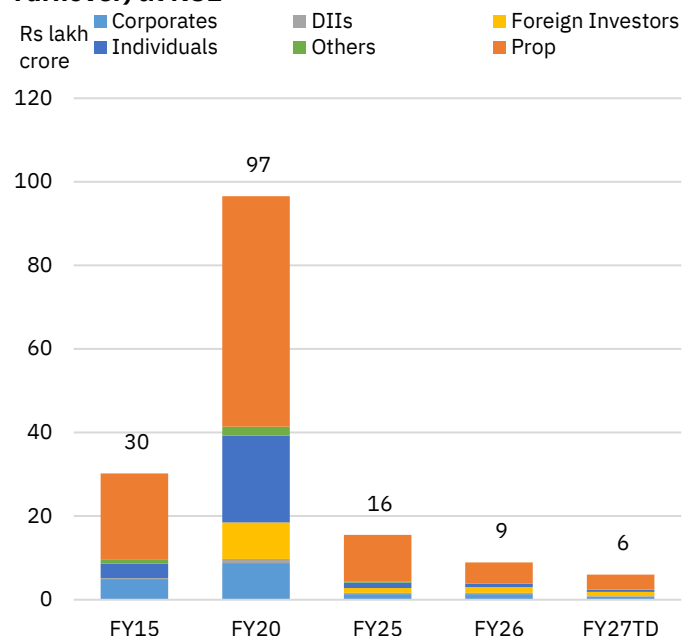
Figure 268: Annual trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE


Table 98: Share of client participation in Currency Futures of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	9.7	10.8	21.7	(111)	(1,201)	12.3	15.1	12.8
DIIs	1.9	2.3	4.3	(44)	(246)	2.5	2.9	2.3
Foreign Investors	10.5	16.8	16.6	(625)	(605)	16.2	16.1	16.2
Individuals	5.8	8.8	11.4	(302)	(565)	9.2	7.9	8.4
Prop	71.6	60.6	44.0	1,105	2,765	58.8	56.5	59.1
Others	0.5	0.8	2.0	(23)	(149)	0.9	1.6	1.1

Source: NSE EPR.

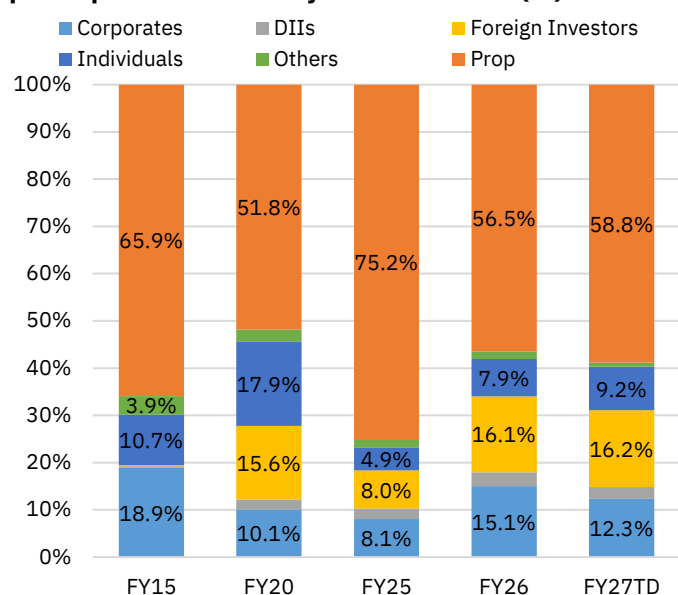
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5 Data for FY27TD and CY26TD are as of Aug'26.

Figure 269: 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 Aug'26.

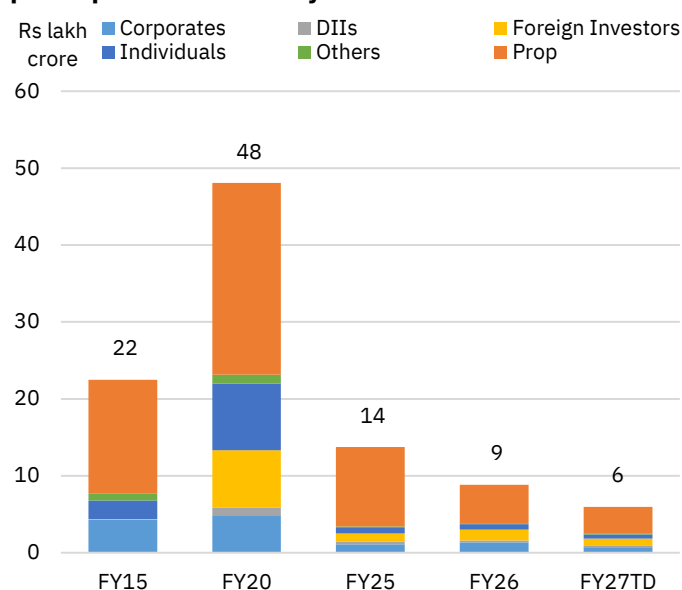
Figure 270: Annual trends in share of client participation in Currency Futures at NSE


Table 99: Share of client participation in Currency Options (Premium Turnover) of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	64.0	61.1	51.0	298	1,305	45.3	48.6	48.6
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	35.8	38.7	27.2	(284)	866	54.3	37.8	46.7
Prop	0.0	0.0	21.7	-	(2,170)	0.0	13.4	4.4
Others	0.1	0.3	0.1	(14)	(1)	0.4	0.2	0.3

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

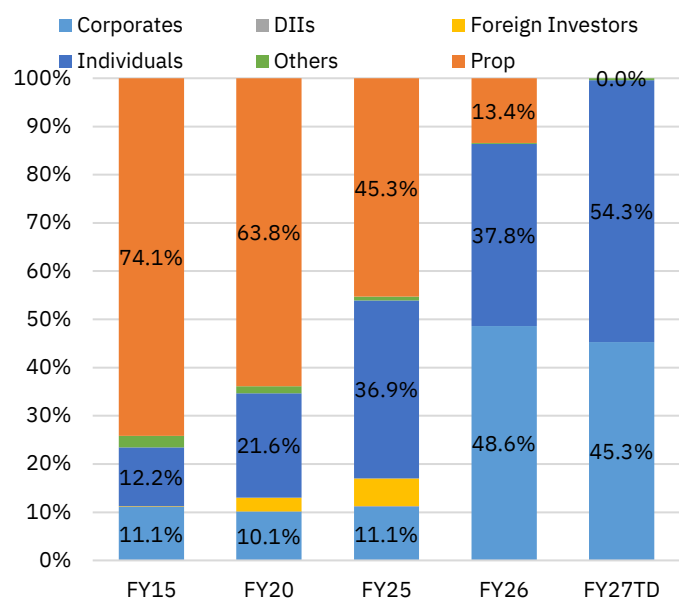
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate.

Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5. Data for FY27TD and CY26TD are as of Aug'26.

Figure 271: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE (%)


Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate.

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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 Aug'26.

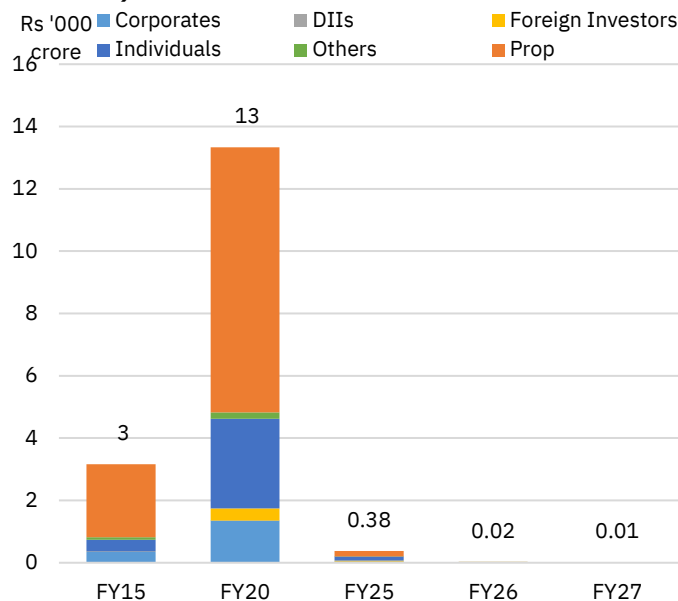
Figure 272: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE


Table 100: Share of client participation in Interest Rate Futures of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	27.0	26.8	69.9	16	(4,286)	28.6	56.3	33.4
DIIs	0.0	0.0	0.0	-	-	0.0	0.1	0.0
Foreign Investors	2.3	1.7	1.0	63	139	1.7	0.5	1.4
Individuals	1.2	0.5	4.5	69	(331)	1.9	6.9	3.0
Prop	69.4	70.9	24.7	(148)	4,478	67.2	36.2	61.8
Others	0.0	0.0	0.0	(0)	0	0.6	0.0	0.4

Source: NSE EPR.

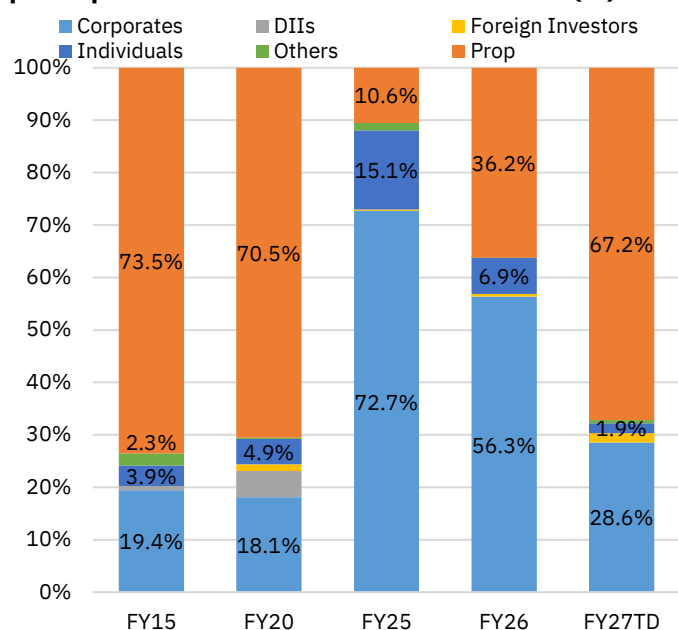
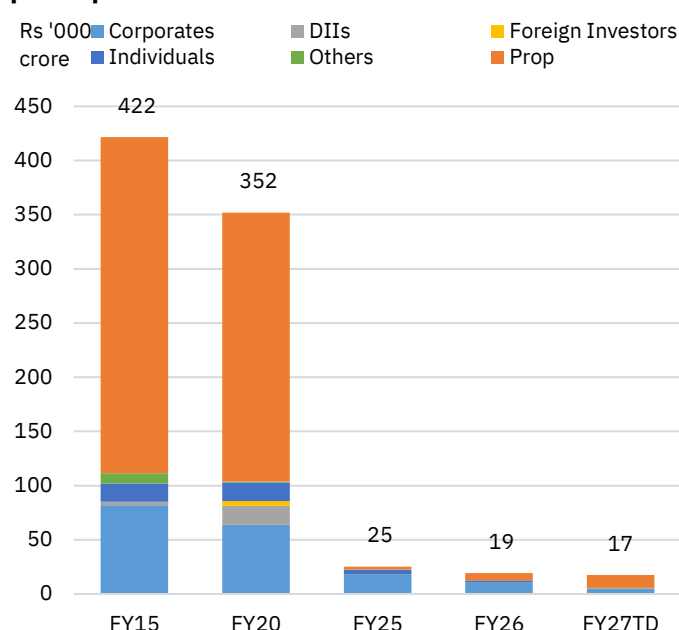
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

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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 Aug'26.

Figure 273: Annual trends in share of client participation in Interest Rate Futures at NSE (%)

Figure 274: 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 Aug'26.

Table 101: Share of client participation in Commodity derivatives segment of NSE (%)

Client category	Aug-26	Jul-26	Aug-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Commodity Futures								
Corporates	1.6	1.8	2.3	(16)	(62)	2.0	1.9	1.9
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	16.2	19.9	0.3	(371)	1,592	11.3	1.2	8.9
Individuals	23.7	24.3	6.0	(60)	1,774	26.2	9.5	23.1
Prop	42.2	40.6	77.7	157	(3,557)	46.3	72.4	49.2
Others	16.3	13.4	13.7	289	253	14.2	15.1	16.9
Commodity Options (Premium Turnover)								
Corporates	0.2	0.1	0.1	7	12	0.2	0.3	0.2
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	16.2	19.9	5.9	(369)	1,038	18.7	13.3	19.7
Individuals	32.9	28.5	33.0	440	(20)	30.1	28.0	29.3
Prop	49.3	51.3	60.6	(199)	(1,130)	50.4	57.4	50.2
Others	1.4	0.2	0.4	121	99	0.6	0.9	0.6
Commodity Derivatives (Notional Turnover)								
Corporates	0.4	0.4	0.6	(5)	(17)	0.4	0.7	0.5
DIIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	8.8	11.9	1.6	(315)	713	9.7	5.0	9.9
Individuals	34.7	30.5	14.4	416	2,024	33.7	17.1	32.3
Prop	53.8	56.0	81.4	(220)	(2,768)	54.6	74.9	55.4
Others	2.4	1.2	1.9	125	48	1.6	2.3	1.9

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

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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 Aug'26.

Figure 275: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover) (%)

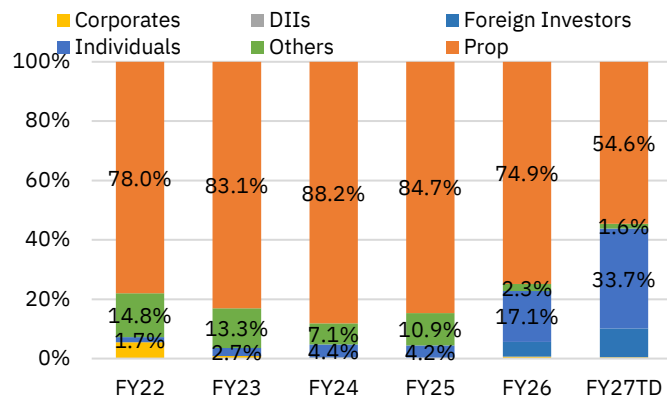


Figure 276: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover)

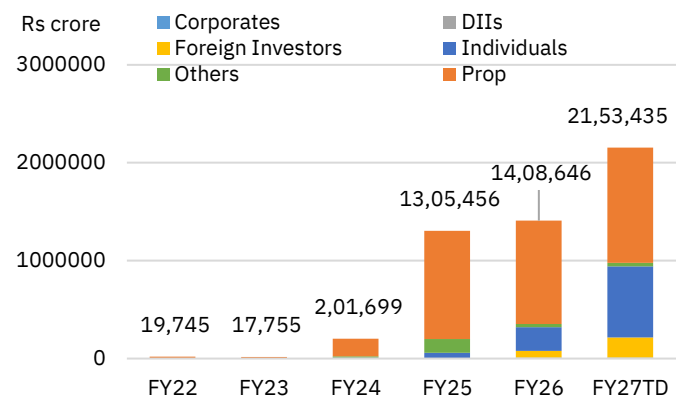


Figure 277: Annual trends in share of client participation in Commodity Futures at NSE (%)

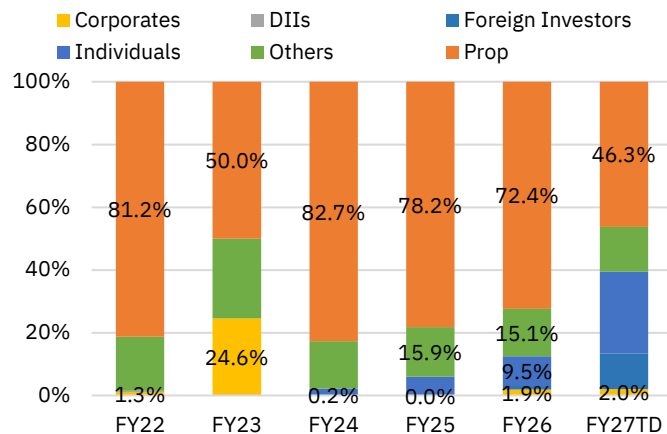


Figure 278: Annual trends in share of client participation in Commodity Futures at NSE

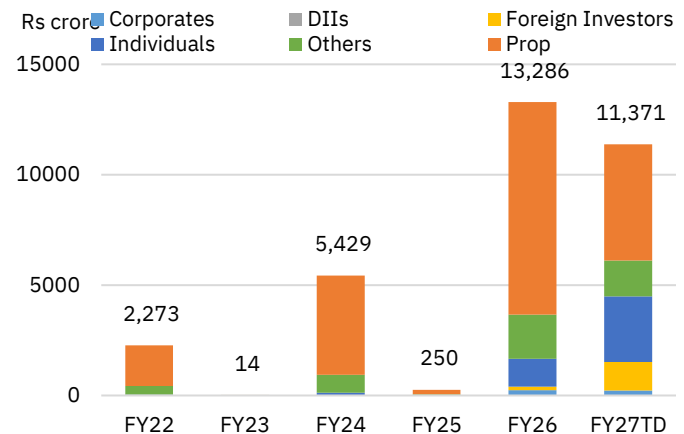


Figure 279: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE (%)

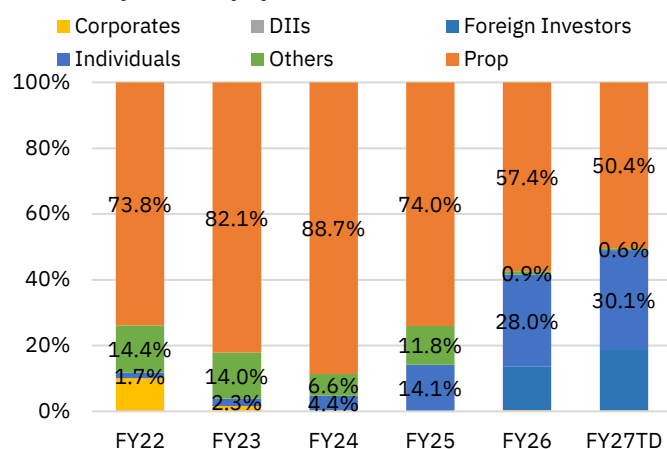
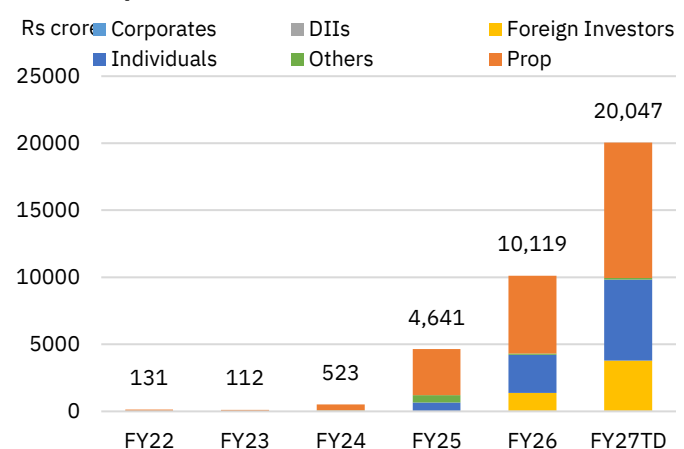


Figure 280: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE



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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i.e., (buy-side turnover + sell-side turnover)/2.

4. Data for FY27TD is as of Aug'26.

5.3.3 Channel-wise turnover distribution: Mobile share hits record highs in equity and commodity options

Trading-channel preferences across segments showed a gradual shift towards mobile-based and alternative access channels in August, even as Colocation and CTCL/NEAT terminals remained dominant. In the Capital Market, Colocation accounted for 41.7% of turnover, despite declining 144 bps MoM, while Mobile rose to 22.4% and DMA and IBT reached 12-month and six-month highs, respectively. In equity futures, Colocation share increased MoM but remained below year-ago levels, while the decline in the share of proprietary firms contributed to index futures ADT falling to its lowest level in over a decade. In equity options, Mobile reached an all-time high share of 32.2% in index options and 22.9% in stock options, coinciding with increased participation by individual investors. In commodity derivatives, CTCL/NEAT remained the largest channel at 55.1%, although its share declined sharply by 3,041 bps YoY. Meanwhile, Mobile share in commodity options surged 360 bps MoM to an all-time high of 29.4%. Overall, the evolving channel mix points towards increasing adoption of mobile and diversified access modes, reflecting broadening investor participation across market segments.

Colocation remains dominant, Mobile gains ground in Capital Market: The share of Colocation in Capital Market turnover declined 144 bps MoM to 41.7% in August, although it remained 316 bps higher than the corresponding month last year. The share of Mobile increased marginally to 22.4% during the month, while on a YoY basis, it rose by 257 bps. The share of DMA increased 35 bps MoM to 4.9%, its highest level in 12 months, while the share of IBT rose 21 bps to 6.6%, a six-month high. Smart Order Routing (SOR) accounted for 2.6% of turnover during the month, declining 49 bps MoM, but remained 64 bps higher than a year ago.

On an annual basis, the share of Colocation stood at an all-time high of 42.8% in FY27 (till August), while that of Mobile stood at a six-year high of 22.6%. Notably, the share of SOR also stood at a record high of 2.8% in FY27 (till August).

Mobile share in equity options hits record high, while colocation moderates: Within equity futures, the share of Colocation stood at 40.2% (up 101 bps MoM) in index futures and 51.6% (up 82 bps MoM) in stock futures, although both remained below their year-ago levels. On a YoY basis, the share declined by 411 bps for index futures and 68 bps for stock futures. Notably, the decline in the share of proprietary firms contributed to the moderation in ADT for index futures in August, which fell to its lowest level in over a decade.

The share of Mobile stood at 19.8% (down 99 bps MoM) for index futures and 7.7% (down 2 bps MoM) for stock futures. Meanwhile, the share of DMA stood at 11.0% (down 30 bps MoM) and 17.9% (down 51 bps MoM), respectively, pointing towards a greater preference among institutional investors for single-stock derivatives.

Within equity options, the share of Colocation stood at 48.2% (down 71 bps MoM) for index options and 62.8% (down 127 bps MoM) for stock options. In contrast, the share of Mobile reached an all-time high of 32.2% (up 56 bps MoM) in index options and 22.9% (up 176 bps MoM) in stock options, coinciding with an increase in the share of individual investors during the period. Notably, the share of DMA stood at 7.0% (up 15 bps MoM) for index options and 4.3% (down 55 bps MoM) for stock options during the month.

Mobile share in commodity options reaches record 29.4% as CTCL/Neat share declines: CTCL/NEAT terminals remained the largest channel in commodity derivatives, accounting for 55.1% of notional turnover in August, although their share declined by 211

bps MoM and 3,041 bps YoY. Notably, their share stood at 52.0% (up 192 bps MoM) in commodity futures and 49.7% (down 212 bps MoM) in commodity options.

The share of Mobile stood at 18.3% (down 48 bps MoM) in commodity futures and reached an all-time high of 29.4% (up 360 bps MoM) in commodity options during the month. Meanwhile, the share of DMA stood at 16.2% across futures and options, although it moderated on a monthly basis. Overall, the shift in trading channels in the commodity derivatives segment highlights the broadening of investor participation across different modes of access.

Table 102: Monthly trend in share (%) of different channels of trading in CM segment

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	41.7	43.2	38.6	-144	316	42.8	39.4	42.8
Direct Market Access (DMA)	4.9	4.6	5.0	35	-10	4.5	4.8	4.3
Internet Based Trading (IBT)	6.6	6.4	7.7	21	-109	6.3	7.6	6.4
Mobile	22.4	22.3	19.8	3	257	22.6	21.4	22.2
Smart order routing	2.6	3.1	1.9	-49	64	2.8	2.0	2.8
CTCL/ Neat terminal	21.8	20.5	27.0	134	-517	21.1	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 Aug 2026.

Figure 281: Annual turnover trend for different channels in the NSE CM segment

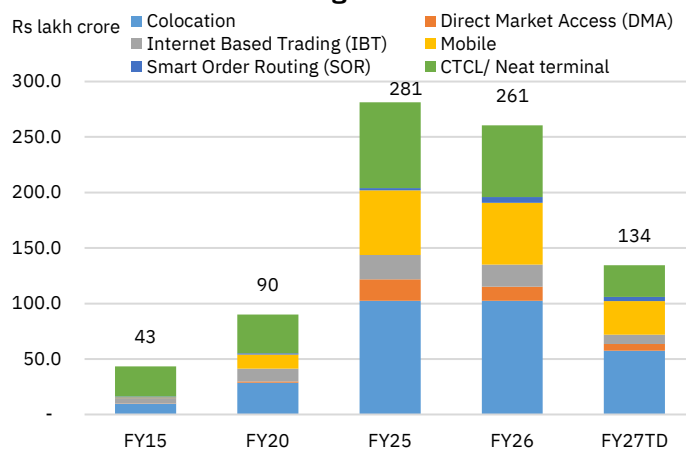
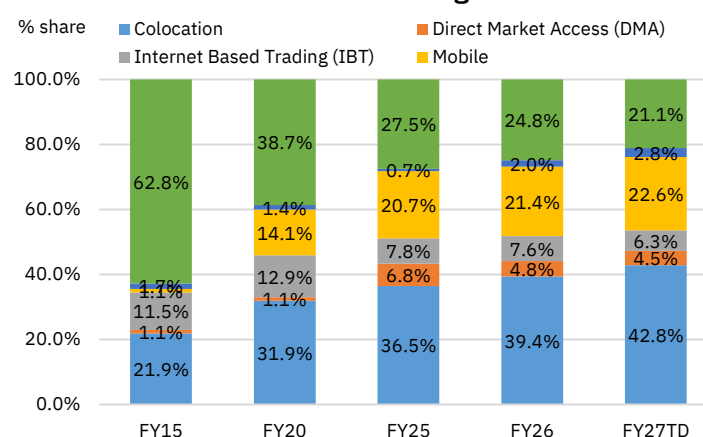
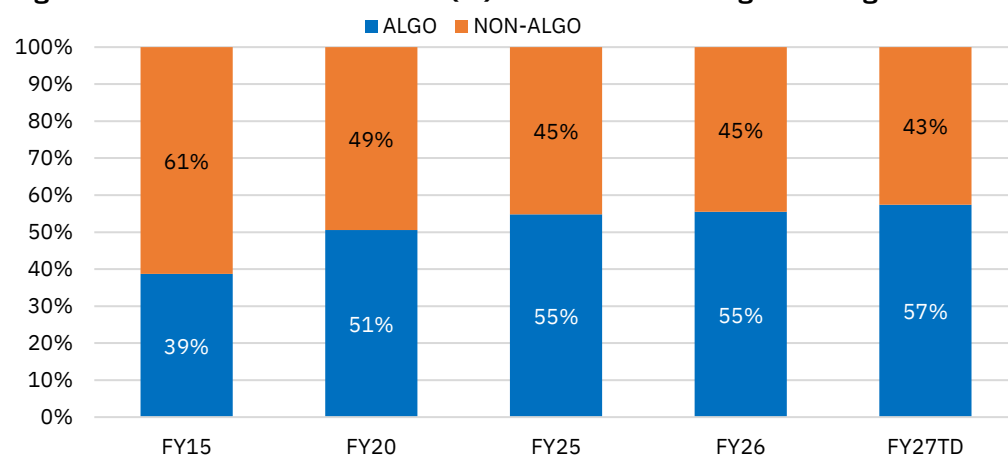


Figure 282: Annual trend in turnover share for different channels in the NSE CM segment



Source: NSE EPR. Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. 2. FY27TD is as of Aug 2026.

Figure 283: Annual trends in share (%) for modes of trading in CM segment



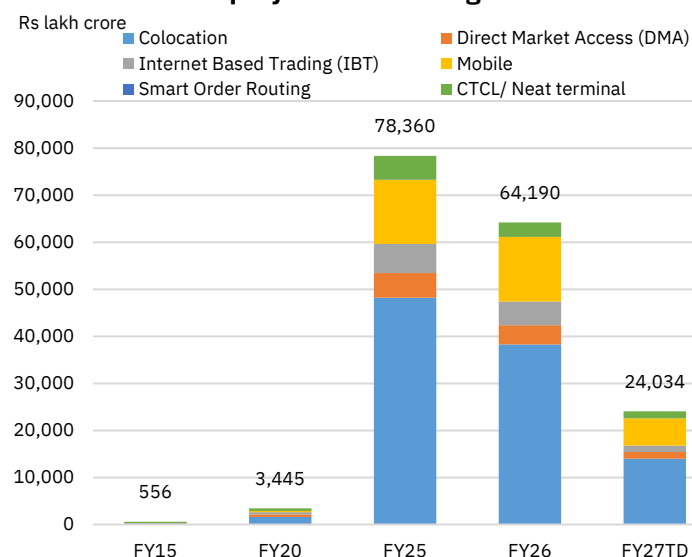
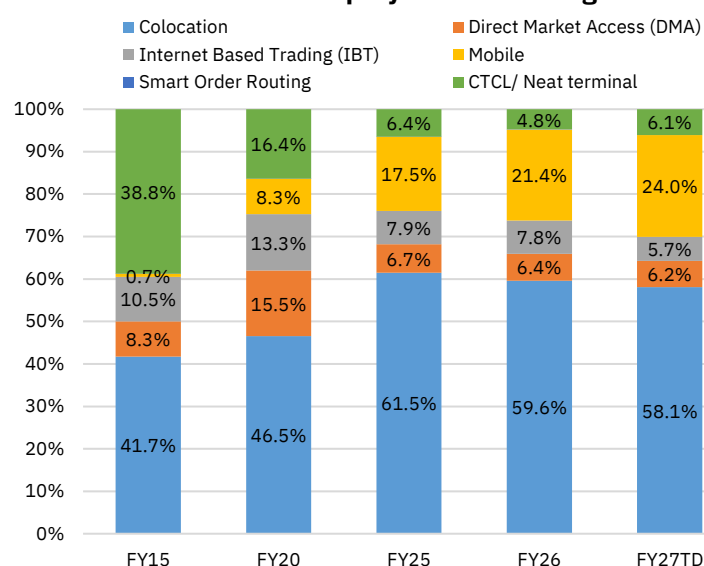
Source: NSE EPR. Notes: 1. The above figures have been computed in terms of % share on the basis of net turnover. 2. FY27TD is as of Aug 2026.

Table 103: Share (%) of different channels of trading in equity derivatives segment (notional turnover)

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	56.3	57.5	59.9	-113	-354	58.1	59.6	58.8
Direct Market Access (DMA)	6.6	6.3	5.2	34	139	6.2	6.4	6.3
Internet Based Trading (IBT)	6.0	5.9	8.3	11	-235	5.7	7.8	6.2
Mobile	24.8	24.3	21.6	56	329	24.0	21.4	23.5
Smart order routing	-	0.0	-	-0	-	0.0	0.0	0.0
CTCL/ Neat terminal	6.2	6.1	5.0	12	121	6.1	4.8	5.2

Source: NSE EPR Notes: 1. The above figures have been computed based on traded value.

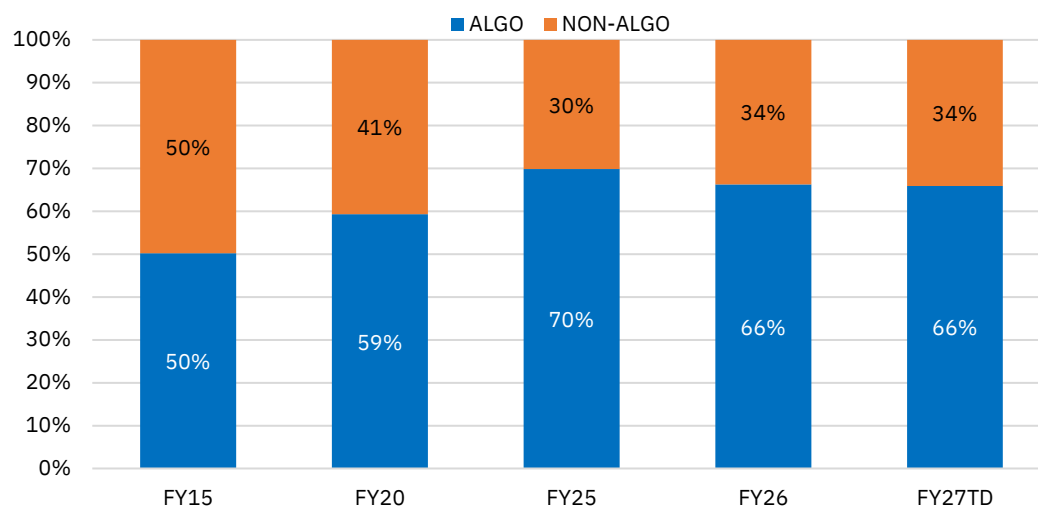
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover. 3. Data for FY27TD and CY26TD is as of Aug 2026.

Figure 284: Annual turnover trend for different channels in the equity derivatives segment

Figure 285: Annual trend in turnover share for different channels in the equity derivatives segment


Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed on the basis of traded turnover. 3. FY27TD is as of Aug 2026.

Figure 286: 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 Aug 2026.

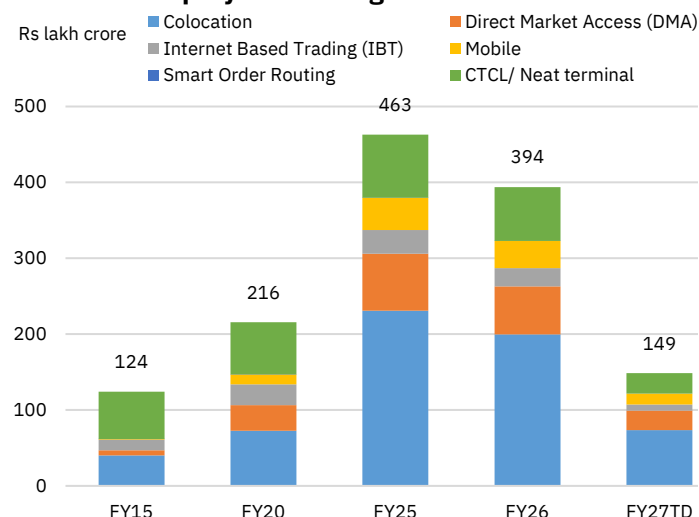
Table 104: Monthly trend in share (%) of different channels of trading in equity futures (based on turnover)

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	50.3	49.3	50.8	102	-54	49.5	50.7	50.4
Direct Market Access (DMA)	17.1	17.5	15.7	-38	138	17.4	16.1	17.1
Internet Based Trading (IBT)	5.5	5.6	6.0	-13	-54	5.4	6.2	5.6
Mobile	9.1	9.4	8.5	-32	58	9.5	9.1	9.2
Smart order routing	-	0.0	-	-0	-	0.0	0.0	0.0
CTCL/ Neat terminal	18.1	18.3	19.0	-18	-88	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 Aug 2026.

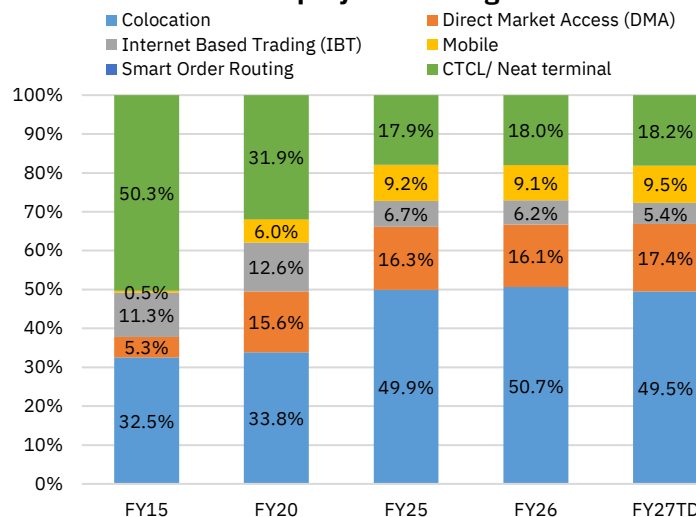
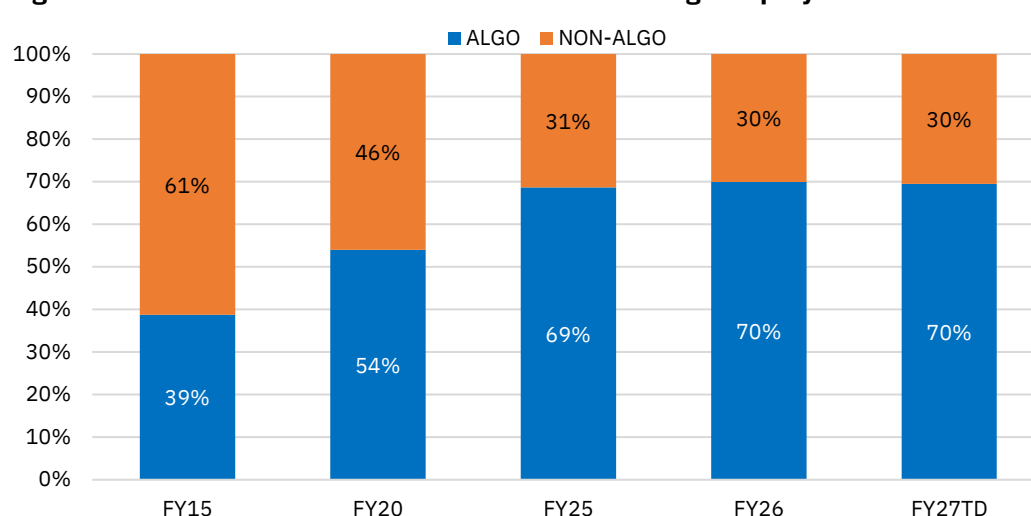
Figure 287: Annual turnover trend for different channels in equity futures segment


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 Aug 2026.

Figure 288: Annual trend in turnover share for different channels in equity futures segment

Figure 289: 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 Aug 2026.

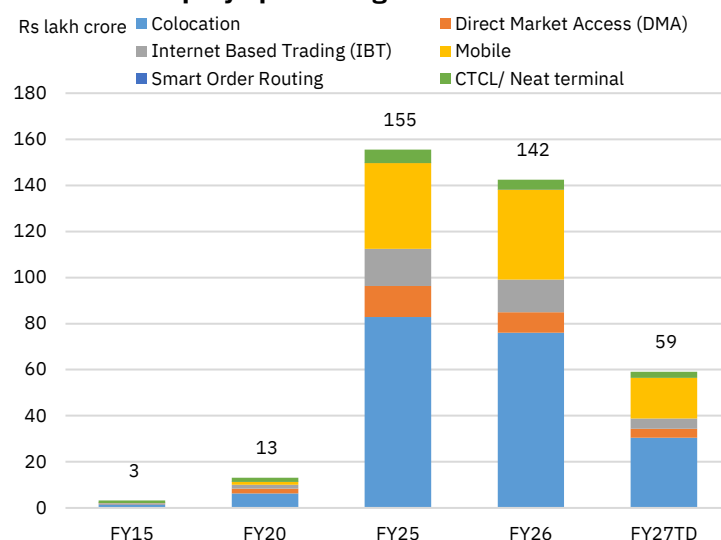
Table 105: Monthly trend in share (%) of different channels of trading in equity options (Premium value)

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	50.6	51.3	53.8	-67	-315	51.7	53.4	52.6
Direct Market Access (DMA)	6.5	6.5	4.6	2	191	6.4	6.2	6.3
Internet Based Trading (IBT)	7.8	7.8	10.7	2	-291	7.6	10.0	8.2
Mobile	30.6	30.0	27.7	66	290	29.9	27.3	29.2
Smart order routing	-	0.0	-	-0	-	0.0	0.0	0.0
CTCL/ Neat terminal	4.4	4.4	3.2	-3	125	4.4	3.0	3.7

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 Aug 2026.

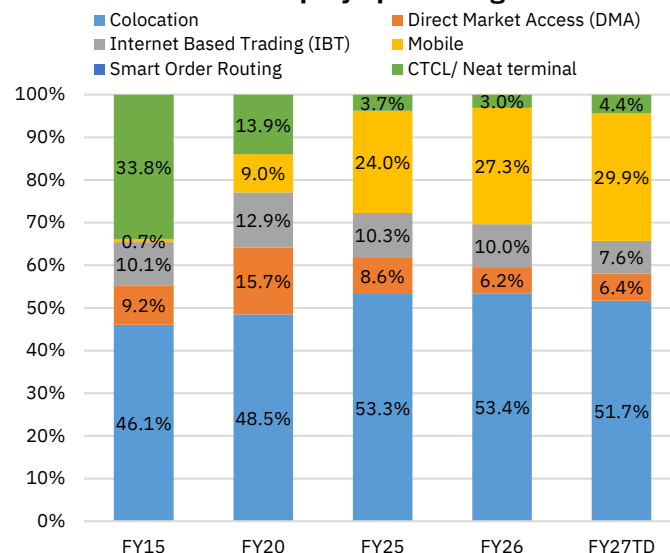
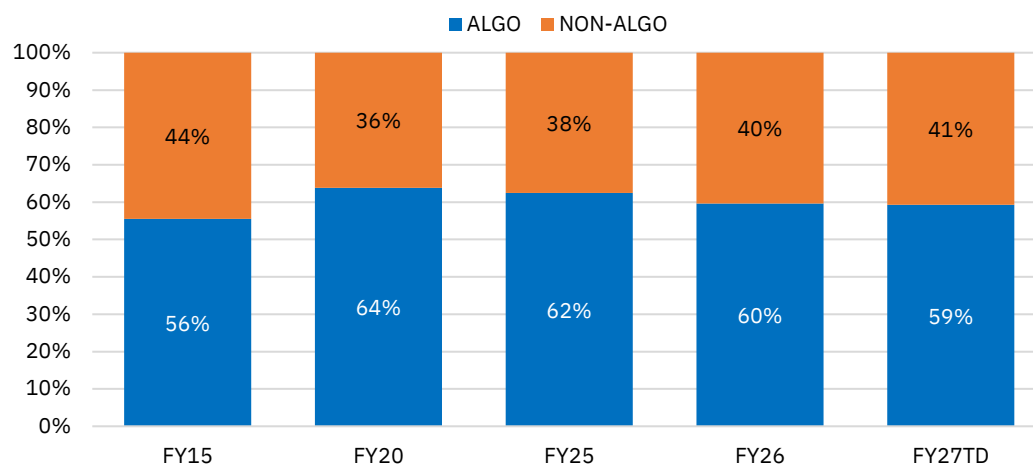
Figure 290: Annual turnover trend for different channels in equity options segment


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 Aug 2026.

Figure 291: Annual trend in turnover share for different channels in equity options segment

Figure 292: 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 Aug 2026.

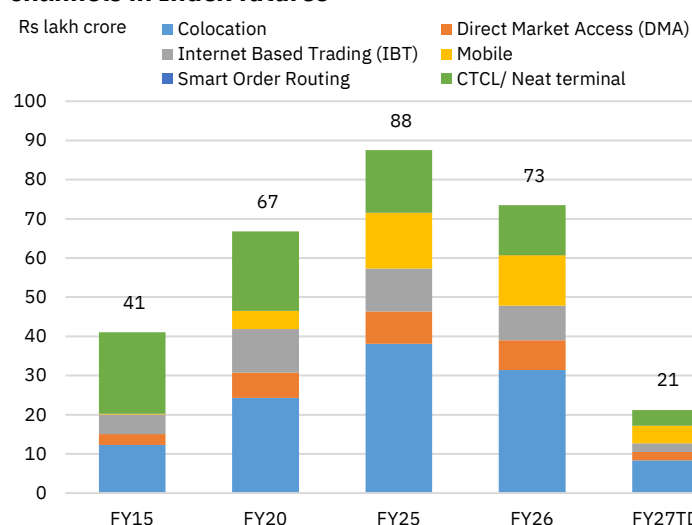
Table 106: Monthly Share (%) of different channels in index futures turnover

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	40.2	39.2	44.3	101	-411	39.4	42.7	41.6
Direct Market Access (DMA)	11.0	11.3	9.9	-30	107	10.2	10.3	10.5
Internet Based Trading (IBT)	10.1	10.3	12.0	-21	-196	10.1	12.1	10.7
Mobile	19.8	20.8	16.4	-99	335	21.4	17.6	19.7
Smart order routing	-	-	-	-	-	-	0.0	0.0
CTCL/ Neat terminal	19.0	18.5	17.3	50	165	18.9	17.3	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 in % based on turnover. 3. Data for FY27TD and CY26TD is as of Aug 2026.

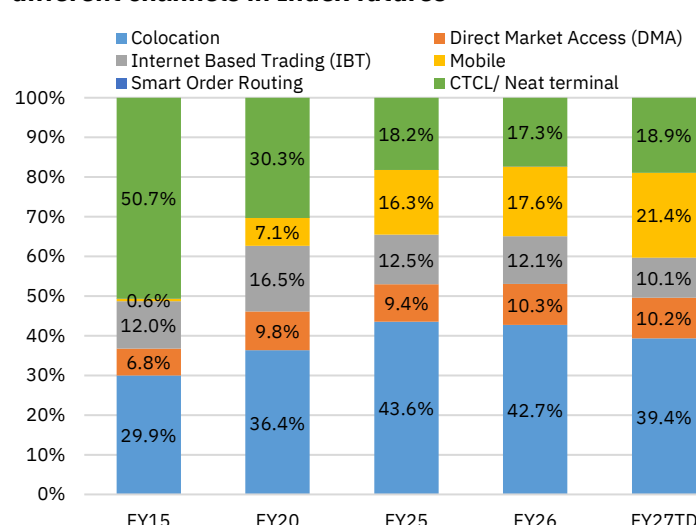
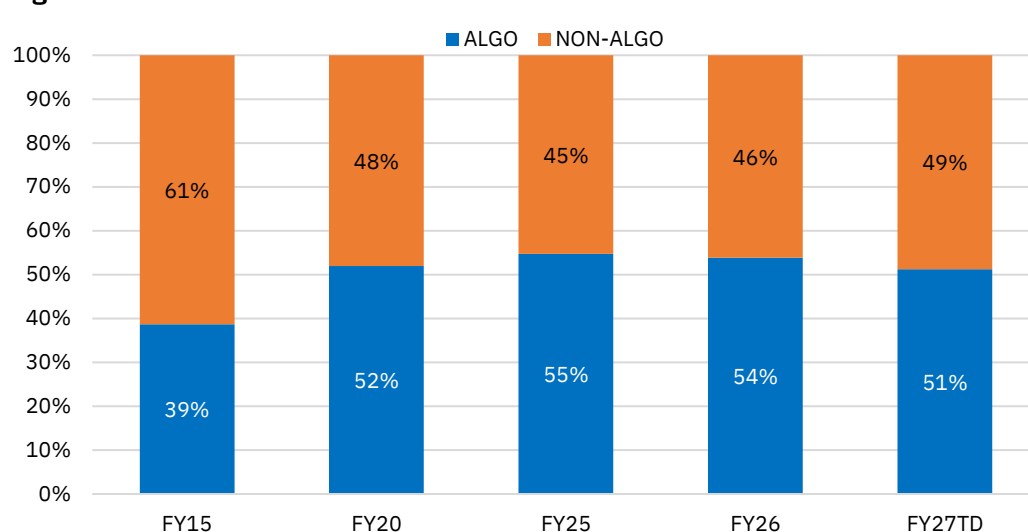
Figure 293: Annual turnover trend for different channels in Index futures


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 Aug 2026.

Figure 294: Annual trend in turnover share for different channels in Index futures

Figure 295: 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 Aug 2026.

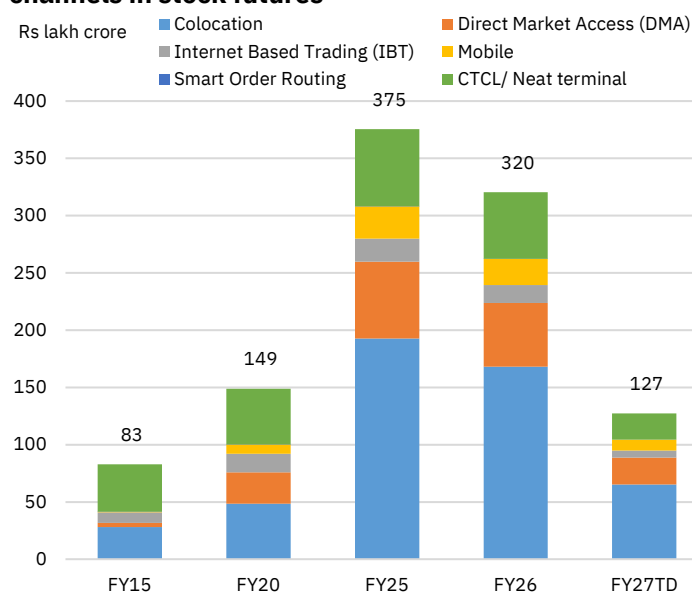
Table 107: Monthly share (%) of different channels in stock futures turnover

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	51.6	50.7	52.2	82	-68	51.1	52.5	52.1
Direct Market Access (DMA)	17.9	18.4	17.0	-51	89	18.6	17.4	18.4
Internet Based Trading (IBT)	4.9	4.9	4.7	-3	19	4.7	4.9	4.6
Mobile	7.7	7.7	6.7	-2	95	7.5	7.1	7.2
Smart order routing	-	0.0	-	-0	-	0.0	0.0	0.0
CTCL/ Neat terminal	18.0	18.3	19.3	-26	-134	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 Aug 2026.

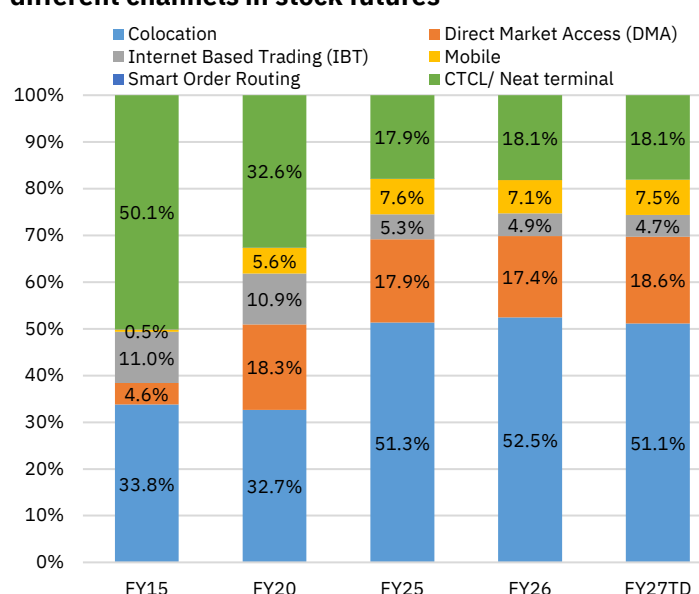
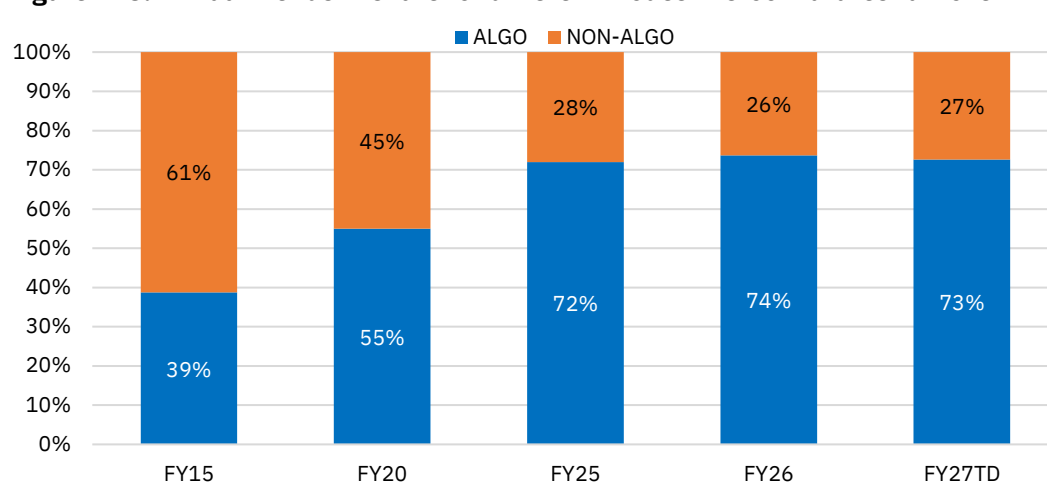
Figure 296: Annual turnover trend for different channels in stock futures


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 Aug 2026.

Figure 297: Annual trend in turnover share for different channels in stock futures

Figure 298: 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 Aug 2026.

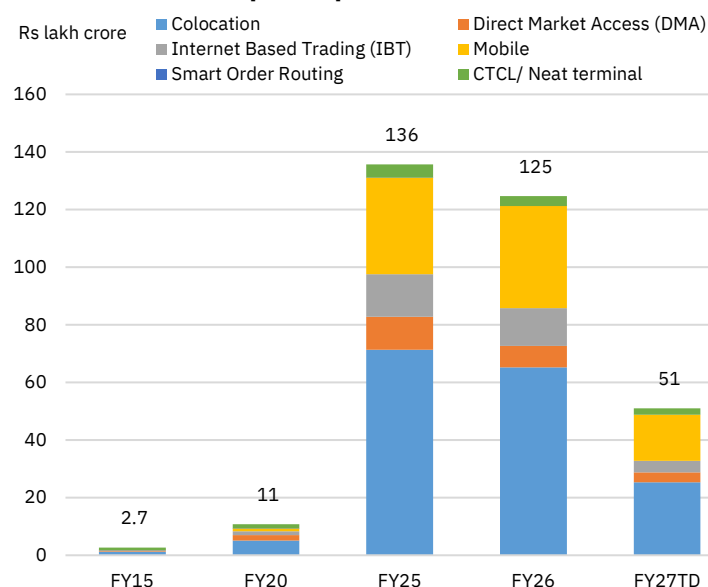
Table 108: Monthly share (%) of different channels in index options premium turnover

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	48.2	48.9	52.4	-71	-422	49.8	52.3	51.0
Direct Market Access (DMA)	7.0	6.8	4.6	15	236	6.6	6.0	6.5
Internet Based Trading (IBT)	8.2	8.2	11.3	-1	-303	8.0	10.5	8.6
Mobile	32.2	31.7	28.9	56	333	31.3	28.4	30.4
Smart order routing	-	0.0	-	-0	-	0.0	0.0	0.0
CTCL/ Neat terminal	4.4	4.4	2.9	2	155	4.3	2.7	3.5

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 presented in % based on premium turnover. 3. Data for FY27TD and CY26TD is as of Aug 2026.

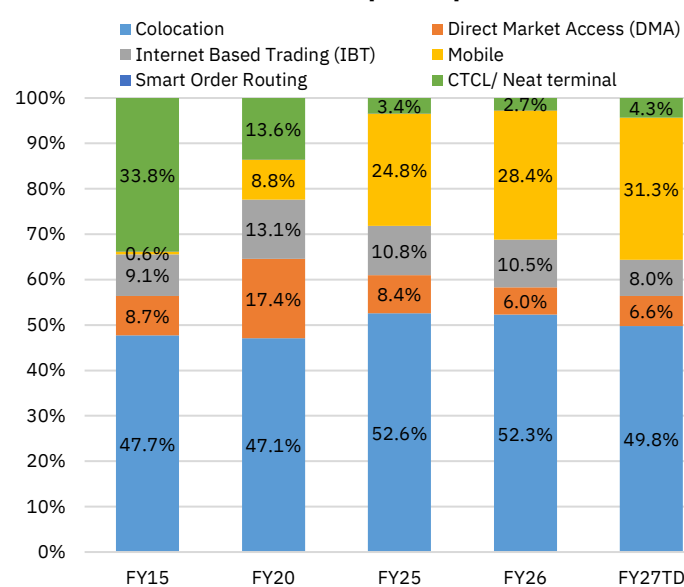
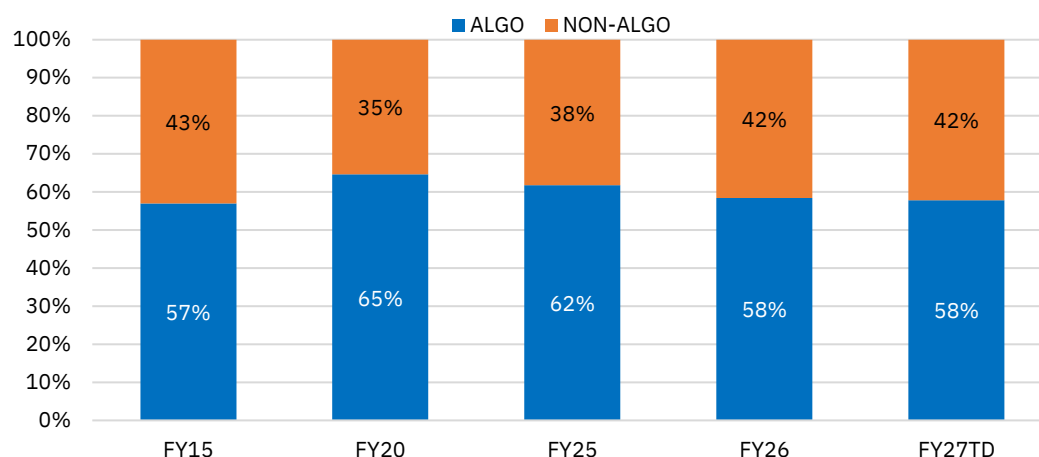
Figure 299: Annual turnover trend for different channels in index options premium


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 Aug 2026.

Figure 300: Annual trend in turnover share for different channels in index options premium

Figure 301: 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 Aug 2026.

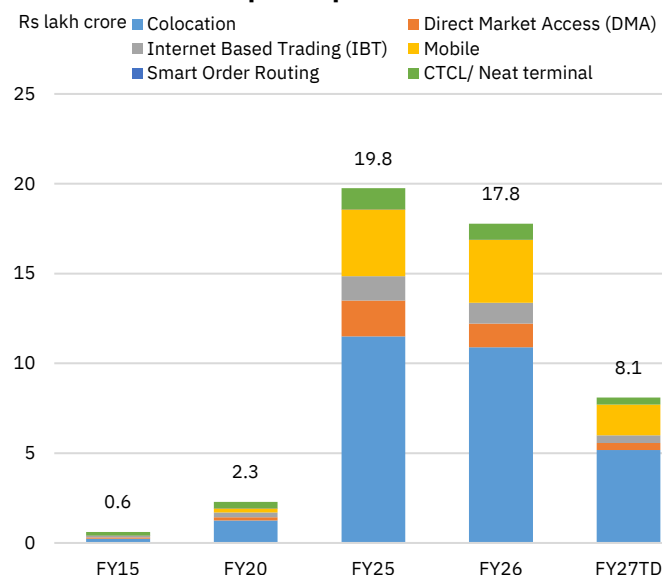
Table 109: Monthly share (%) of different channels in stock options premium turnover

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	62.8	64.0	63.8	-127	-100	64.0	61.4	64.3
Direct Market Access (DMA)	4.3	4.8	4.6	-55	-29	4.8	7.4	4.9
Internet Based Trading (IBT)	5.7	5.3	6.8	35	-114	5.2	6.5	5.4
Mobile	22.9	21.1	19.6	176	332	21.0	19.7	20.6
Smart order routing	-	-	-	-	-	0.0	0.0	0.0
CTCL/ Neat terminal	4.4	4.7	5.3	-28	-88	4.9	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 Aug 2026.

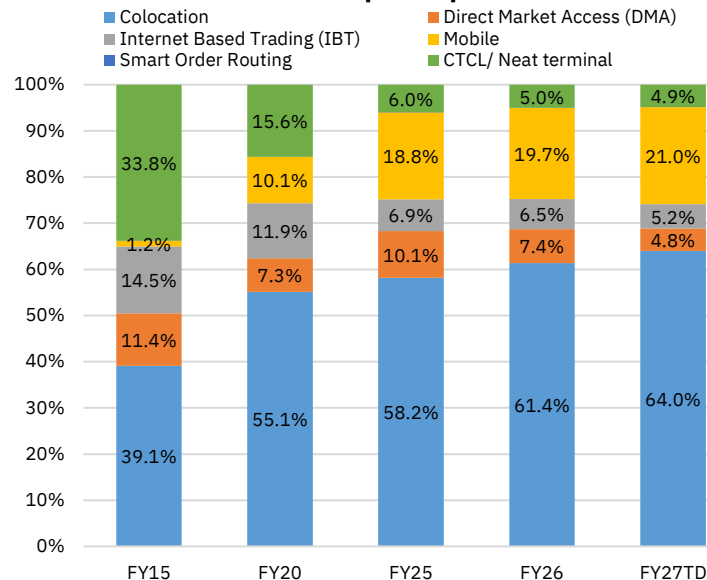
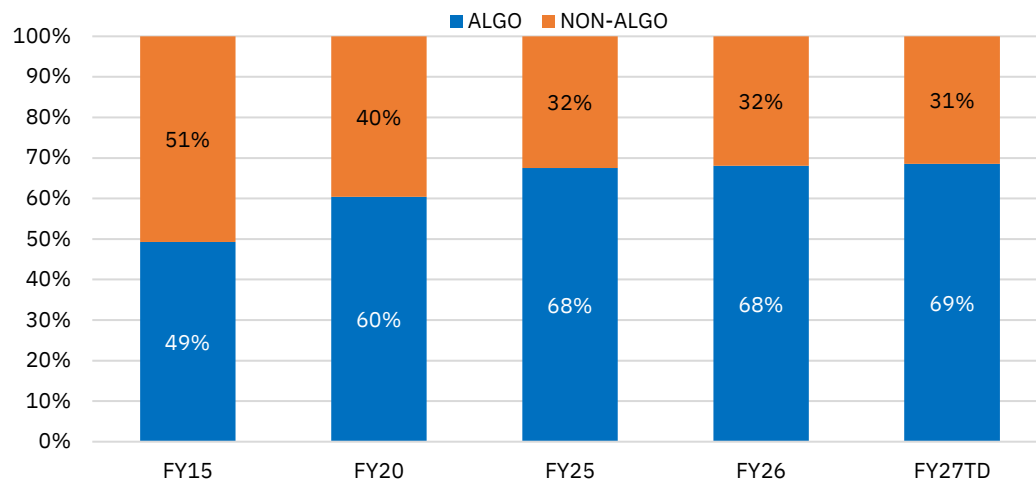
Figure 302: Annual turnover trend for different channels in stock options premium


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 Aug 2026.

Figure 303: Annual trend in turnover share for different channels in stock options premium

Figure 304: 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 Aug 2026.

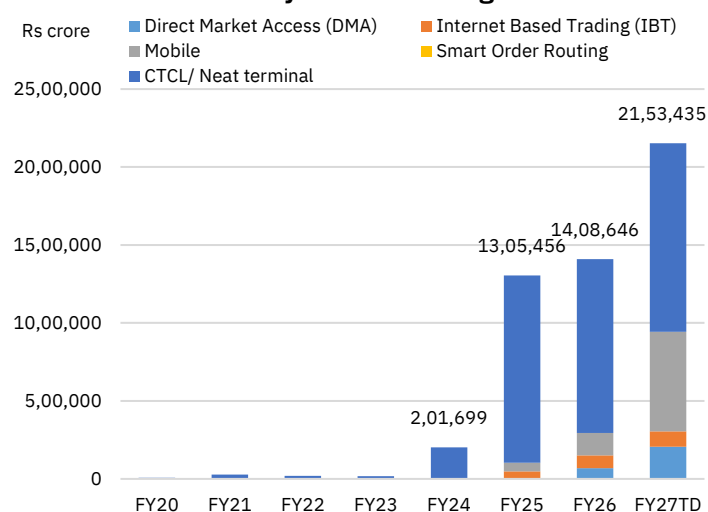
Table 110: Share (%) for different channels of trading in commodity derivatives

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Direct Market Access (DMA)	8.7	11.8	1.6	-306	711	9.5	4.9	9.8
Internet Based Trading (IBT)	5.6	3.8	4.8	175	79	4.6	5.8	4.8
Mobile	30.6	27.2	8.1	341	2,251	29.7	10.3	27.9
CTCL/ Neat terminal	55.1	57.2	85.5	-211	-3,041	56.2	79.1	57.5

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 Aug 2026.

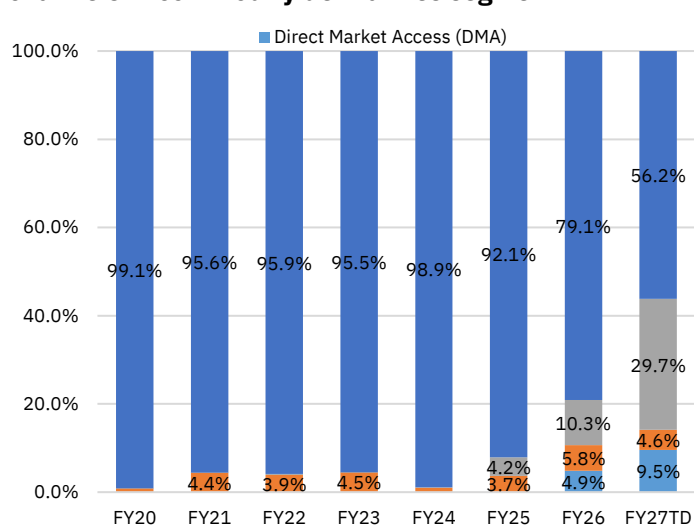
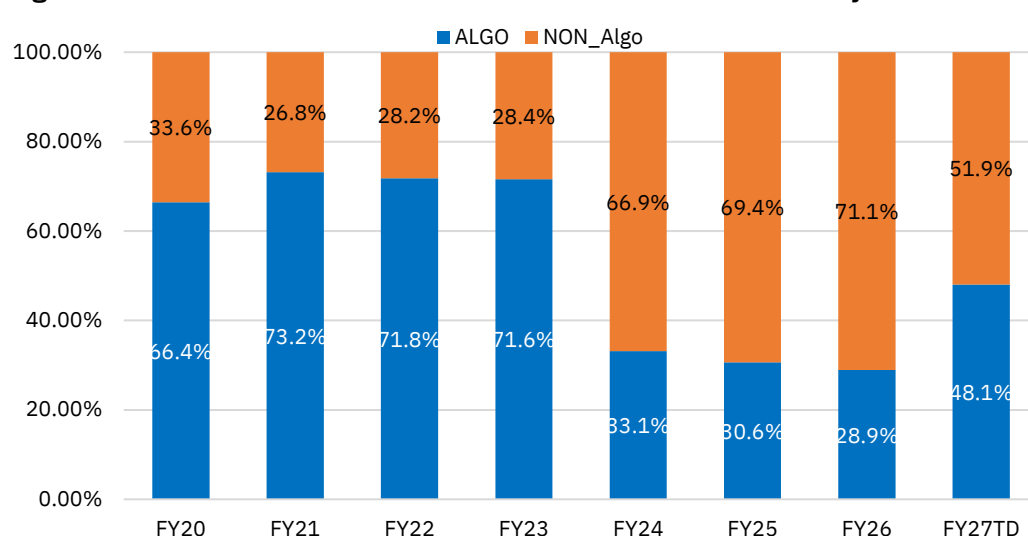
Figure 305: Annual turnover trend for different channels in commodity derivatives segment


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 Aug 2026.

Figure 306: Annual trend in turnover share for different channels in commodity derivatives segment

Figure 307: 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 Aug 2026.

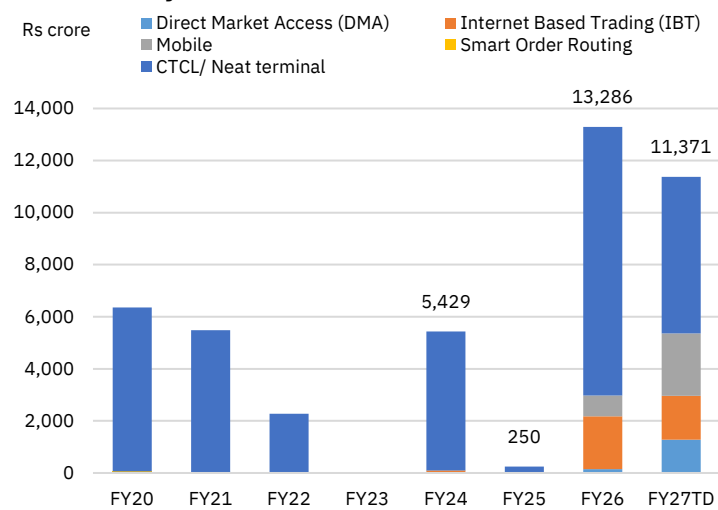
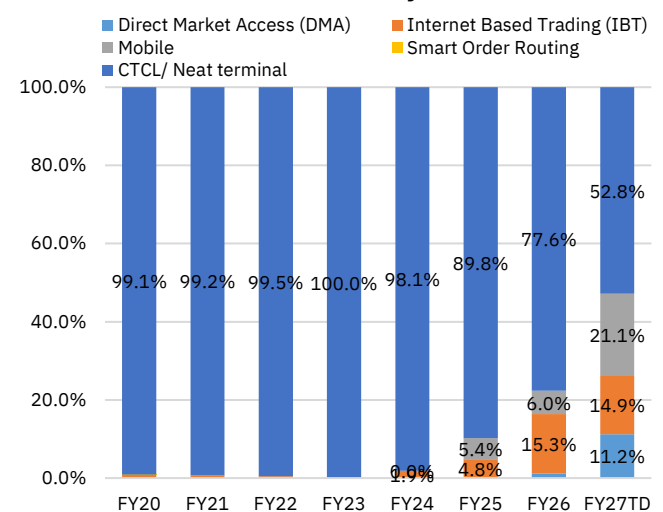
Table 111: Share (%) of different channels of trading in commodity futures turnover

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Direct Market Access (DMA)	16.2	19.7	0.3	-353	1,592	11.2	1.1	8.9
Internet Based Trading (IBT)	13.5	11.4	14.0	210	-45	14.9	15.3	17.6
Mobile	18.3	18.8	2.1	-48	1,620	21.1	6.0	18.7
CTCL/ Neat terminal	52.0	50.1	83.7	192	-3,167	52.8	77.6	54.8

Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed based on turnover. 3. Data for FY27TD and CY26TD is as of Aug 2026.

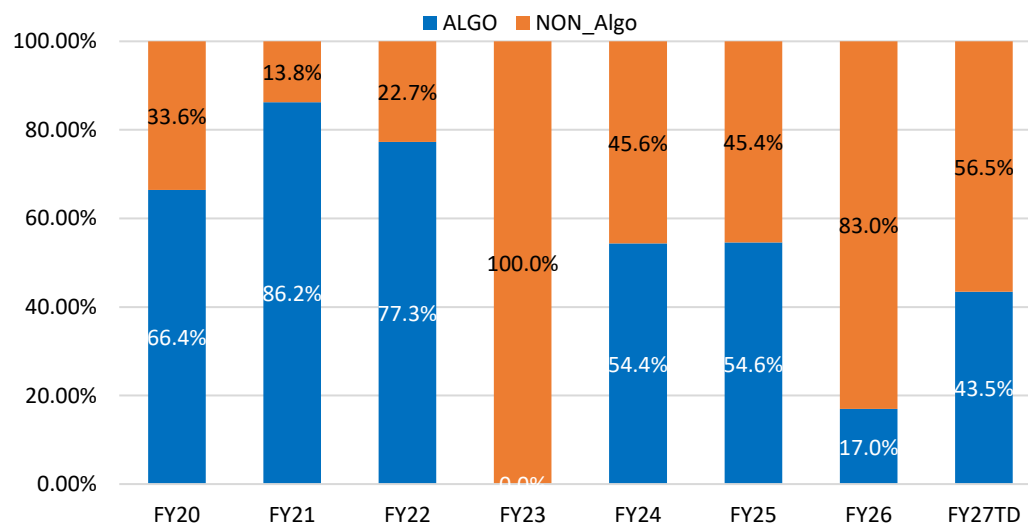
Figure 308: Annual turnover trend for different channels in commodity futures

Figure 309: Annual trend in turnover share for different channels in commodity futures


Source: NSE EPR.

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed in % share based on turnover.

3. Data for FY27TD is as of Aug 2026.

Figure 310: 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 Aug 2026.

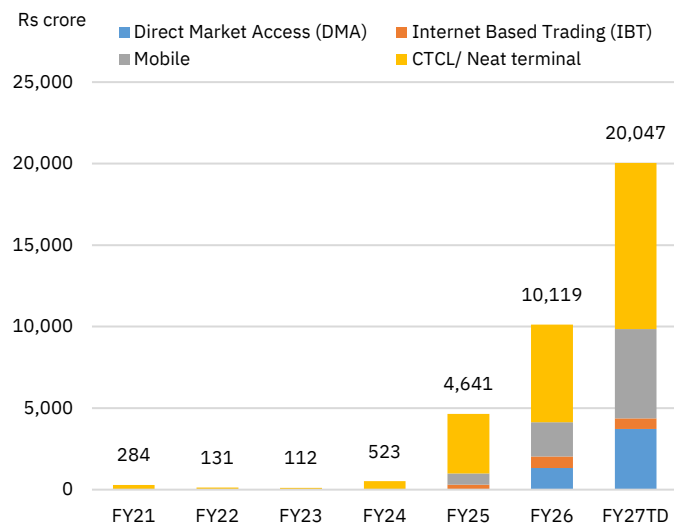
Table 112: Monthly share (%) of different channels in commodity options premium turnover

Mode	Aug-26	Jul-26	Aug-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Direct Market Access (DMA)	16.2	19.7	5.9	-347	1,036	18.6	13.0	19.5
Internet Based Trading (IBT)	4.7	2.7	8.3	199	-360	3.2	7.1	3.4
Mobile	29.4	25.8	24.3	360	503	27.3	20.8	26.3
CTCL/ Neat terminal	49.7	51.9	61.5	-212	-1,178	50.8	59.1	50.8

Source: NSE EPR

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed based on premium turnover. 3. Data for FY27TD and CY26TD is as of Aug 2026.

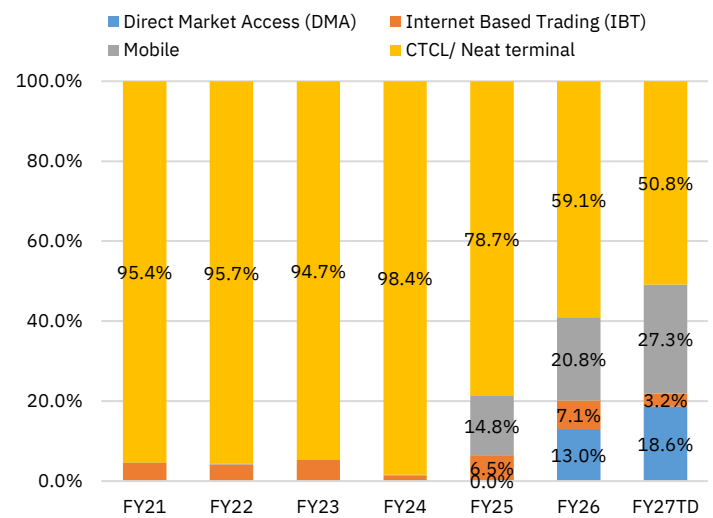
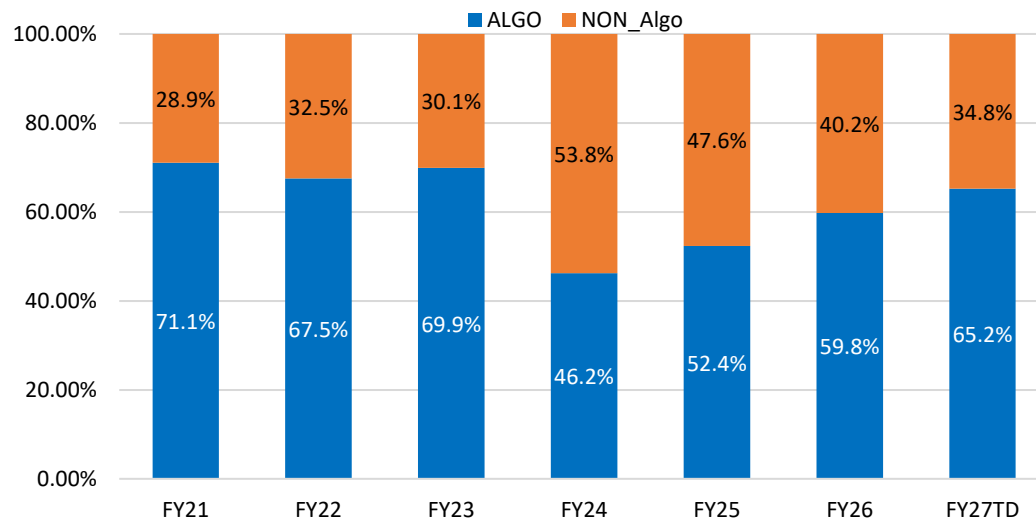
Figure 311: Annual turnover trend for different channels in commodity options


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 Aug 2026.

Figure 312: Annual trend in turnover share for different channels in commodity options

Figure 313: 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 Aug 2026.

5.3.4 Distribution of trading activity by turnover: Concentration moderates across segments, but remains elevated

Trading activity across CM and equity derivatives segments in Aug'26 continued to exhibit a pronounced skewness between investor participation and traded value, with a small set of high-value investors accounting for the bulk of turnover, despite sequential moderation across segments. In the Capital Market, the top 0.2% of investors accounted for 78.1% of turnover, while nearly 69% of investors trading below Rs 1 lakh contributed only 0.4%; concentration moderated marginally MoM, with the top two cohorts' share declining from 92.4% in Jul'26 to 91.6% in Aug'26. Equity options also saw concentration ease both MoM and YoY, with the top two cohorts accounting for 84.3% of premium turnover during the month, with the top 0.2% alone generating 65.9%. Equity futures remained the most concentrated segment, with the top 6.7% generating 92.7% of turnover. Across segments, the top cohorts remained institutionally dominated, while individuals continued to account for the bulk of activity across lower turnover cohorts.

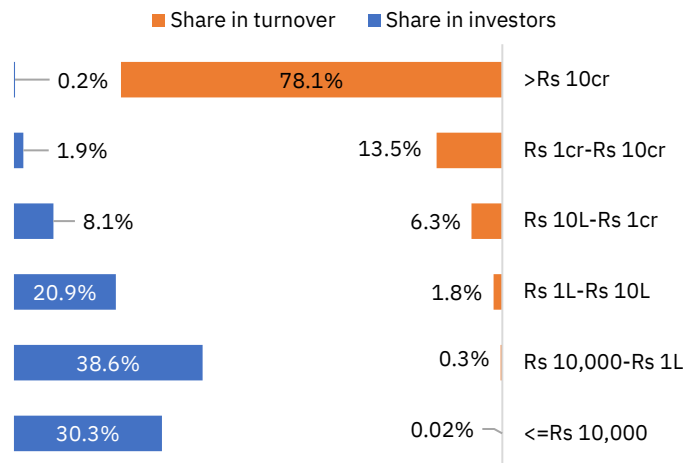
78% of the turnover in the Capital Market generated by top 0.2% of investors: In the CM segment, active investors increased to 125.6 lakh in August from 123.7 lakh in July, with the increase concentrated largely in the bottom two small turnover cohorts. Despite this broadening of participation, the top cohorts continue to account for 78.1% of monthly turnover. Including the Rs 1–10 crore cohort, the top two cohorts generated 91.6% of turnover despite representing only 2.1% of the active investor base. Albeit the concentration moderated on a MoM basis, with the corresponding shares at 79.4% and 92.4%, respectively, in July.

At the other end, investors trading below Rs 1 lakh accounted for 69% of active investors but contributed only 0.4% of turnover, highlighting the persistent disconnect between participation and traded value. The top cohort remained institutionally dominated, with proprietary traders, foreign investors and DIIs accounting for ~75% of its turnover, while individuals contributed over 96% across all lower turnover cohorts.

Concentration in equity options premium turnover eases, but participation-turnover skew remains pronounced: Active investors in equity options declined to 33.1 lakh in Aug'26 from 34.4 lakh in Jul'26. The top cohort accounted for 65.9% of premium turnover despite representing only 0.2% of active investors, down from 67.8% in Jul'26 and 67.9% in Aug'25. Including the Rs 1-10 crore cohort, the top two cohorts accounted for 84.3% of premium turnover, down from 86.2% in Jul'26 and 85.6% a year ago. At the lower end, investors trading below Rs 1 lakh represented 38.1% of active participants but contributed only 0.2% of premium turnover. Thus, while concentration has moderated both MoM and YoY, a very small share of investors continues to account for most of the equity options activity. Proprietary traders remained dominant within the top cohort, accounting for 71.8% of its turnover, while individuals contributed over 97% across the lower cohorts.

Top ~7% of investors generate ~93% of equity futures turnover: The equity futures segment remained the most concentrated across the three equity segments. The top 6.7% of investors accounted for 92.7% of turnover in Aug'26, marginally lower than 93.3% in Jul'26 and 93.2% in Aug'25. Despite this slight moderation, the segment continued to exhibit the sharpest divergence between participation and traded value, with investors trading below Rs 1 crore accounting for over half of the active investor base but contributing only ~1% of total turnover. The top cohort remained distinctly institutional in composition, with foreign investors, proprietary traders and DIIs together accounting for ~78% of its turnover. Individuals continued to dominate the lower turnover cohorts, contributing over 96% of turnover in each.

Figure 314: Distribution of trading activity by turnover in CM segment in August 2026



Source: NSE EPR.

Figure 315: Distribution of trading activity by turnover in CM segment in August 2025

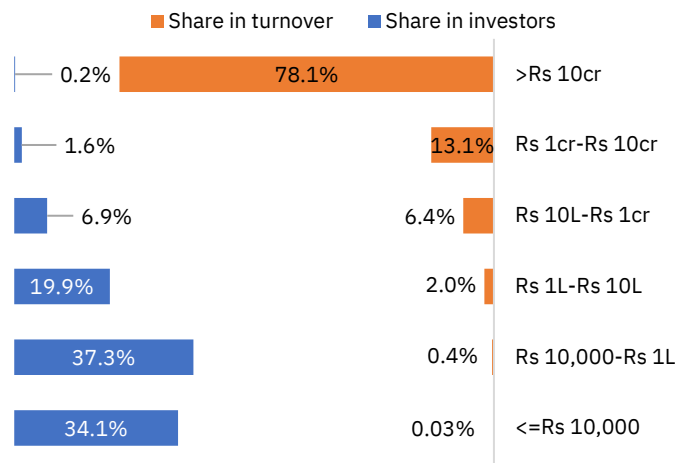


Table 113: Distribution of turnover by range in CM segment for all investors

Turnover range	Aug-25		Jul-26		Aug-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	536	36.8	542	38.1	535	0.02	38.0	30.3
Rs 10,000 - Rs 1 lakh	7,222	40.3	8,198	46.9	8,661	0.3	48.5	38.6
Rs 1 lakh - Rs 10 lakh	35,861	21.5	43,877	25.7	45,096	1.8	26.2	20.9
Rs 10 lakh - Rs 1 crore	1,14,250	7.4	1,58,583	10.1	1,57,897	6.3	10.1	8.1
Rs 1 crore - Rs 10 crore	2,31,980	1.7	3,57,983	2.5	3,38,214	13.5	2.4	1.9
> Rs 10 crore	13,87,513	0.2	22,00,380	0.3	19,62,905	78.1	0.3	0.2
Total	17,77,362	107.9	27,69,562	123.7	25,13,308	100	125.6	100

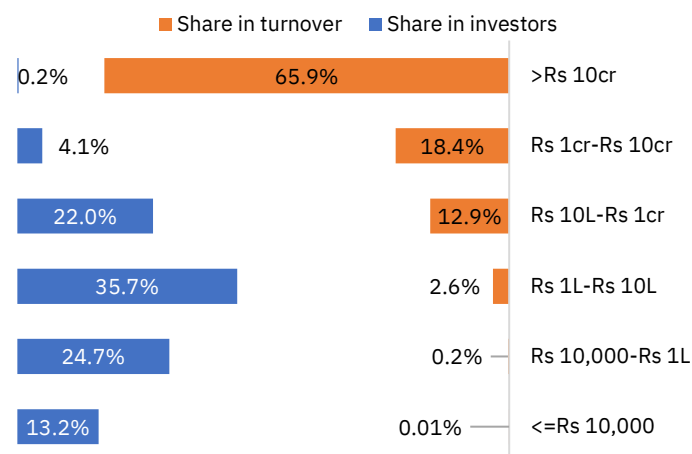
Source: NSE EPR. Notes: 1. Turnover ranges are based on gross traded value i.e. buy traded value + sell traded value. 2. Categorisation is based on gross traded value. 3. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2. 4. Investor count is based on unique PANs that have traded during the period.

Table 114: Category-wise share in turnover across turnover ranges in CM segment in August 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	535	0.02	0.0	0.0	0.0	99.7	0.0	0.3
Rs 10,000 - Rs 1 lakh	8,661	0.3	0.0	0.0	0.0	99.6	0.0	0.4
Rs 1 lakh - Rs 10 lakh	45,096	1.8	0.2	0.2	0.0	98.8	0.0	0.8
Rs 10 lakh - Rs 1 crore	1,57,897	6.3	0.8	0.3	0.0	97.9	0.0	1.0
Rs 1 crore - Rs 10 crore	3,38,214	13.5	1.9	0.4	0.3	96.0	0.1	1.4
> Rs 10cr	19,62,905	78.1	5.2	16.1	18.0	15.8	40.6	4.3
Total	25,13,308	100	4.4	12.7	14.1	33.5	31.7	3.6

Source: NSE EPR. Notes: 1. Turnover ranges are based on gross turnover. 2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2. 3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc. 4. DII's 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 316: Distribution of trading activity by turnover in equity options premium turnover in August 2026



Source: NSE EPR.

Figure 317: Distribution of trading activity by turnover in equity options premium turnover in August 2025

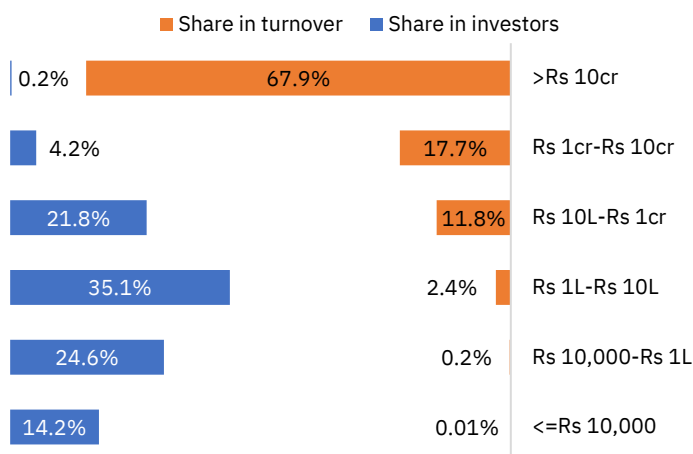


Table 115: Distribution of turnover by range in equity options premium turnover for all investors

Turnover range	Aug-25		Jul-26		Aug-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	78	4.4	76	4.2	80	0.01	4.4	13.2
Rs 10,000-Rs 1 lakh	1,643	7.6	1,734	8.0	1,771	0.2	8.2	24.7
Rs 1 lakh - Rs 10 lakh	21,465	10.9	24,305	12.2	23,269	2.6	11.8	35.7
Rs 10 lakh - Rs 1 crore	1,06,382	6.8	1,33,535	8.3	1,14,304	12.9	7.3	22.0
Rs 1 crore – Rs 10 crore	1,59,288	1.3	2,12,199	1.7	1,63,980	18.4	1.3	4.1
>Rs 10 crore	6,10,547	0.07	7,83,011	0.10	5,85,578	65.9	0.07	0.2
Total	8,99,404	31.1	11,54,859	34.4	8,88,981	100	33.1	100

Source: NSE EPR. Notes: 1. Turnover ranges are based on gross premium turnover i.e. buy premium turnover + sell premium turnover. 2. Categorisation is based on gross premium turnover. 3. Data has been provided for single side i.e. (Buy premium turnover + sell premium turnover)/2. 4. Investor count is based on unique PANs that have traded during the period.

Table 116: Distribution of turnover and the share of investors categories in equity options in August 2026

Turnover range	Premium Turnover (Rs crore)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DII's	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	80	0.01	0.1	0.0	0.0	99.8	0.0	0.1
Rs 10,000 - Rs 1 lakh	1,771	0.2	0.1	0.0	0.0	99.7	0.0	0.2
Rs 1 lakh - Rs 10 lakh	23,269	2.6	0.1	0.0	0.0	99.7	0.0	0.2
Rs 10 lakh - Rs 1 crore	1,14,304	12.9	0.3	0.0	0.0	99.3	0.0	0.3
Rs 1 crore- Rs 10 crore	1,63,980	18.4	1.1	0.0	0.1	97.6	0.2	1.0
> Rs 10cr	5,85,578	65.9	3.3	0.3	9.2	10.1	71.8	5.3
Total	8,88,981	100	2.4	0.2	6.1	40.3	47.3	3.7

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. DII's 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 117: Distribution of turnover by range in equity futures market for all investors

Turnover range	Aug-25		Jul-26		Aug-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	494	0.1	577	0.2	664	0.03	0.2	6.9
Rs 10 lakh - Rs 1 crore	26,973	1.3	27,798	1.3	27,817	1.1	1.3	48.8
Rs 1 crore – Rs 10 crore	1,62,411	1.0	1,78,574	1.1	1,59,020	6.2	1.0	37.6
>Rs 10 crore	26,09,970	0.2	29,04,678	0.2	23,71,552	92.7	0.2	6.7
Total	27,99,848	2.7	31,11,628	2.8	25,59,052	100	2.7	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 118: Distribution of turnover and the share of investors categories in equity futures in August 2026

Turnover range	Turnover (Rs crore)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DII's	Foreign investors	Individual	Prop	Others
Rs 1 lakh - Rs 10 lakh	664	0.03	0.6	0.0	0.0	98.7	0.0	0.7
Rs 10 lakh - Rs 1 crore	27,817	1.1	0.8	0.0	0.0	98.3	0.0	0.9
Rs 1 crore - Rs 10 crore	1,59,020	6.2	2.0	0.0	0.0	96.2	0.1	1.6
> Rs 10 crore	23,71,552	92.7	7.6	16.5	33.8	10.1	27.5	4.5
Total	25,59,052	100	7.2	15.3	31.3	16.5	25.5	4.3

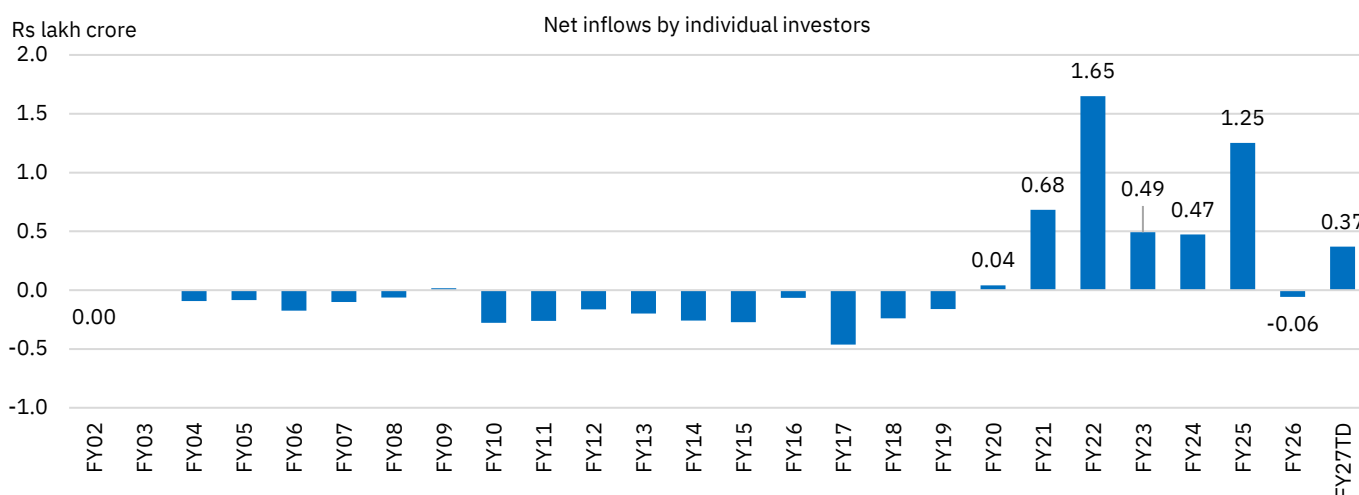
Source: NSE EPR. Notes: 1. Turnover ranges are based on gross turnover. 2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2
3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) 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.

5.3.5 Individual investors' activity in the equity segment: Participation remains resilient

Individual investors continued to be net seller in the month of August 2026: Individual investors remained net sellers in the NSE cash market for the second consecutive month in August, recording net sales of Rs 1,983 crore, taking their combined net sales over the past two months to Rs 5,674 crore. Despite the recent moderation in flows, cumulative net investment by individual investors in the secondary market remained firmly positive at Rs 37,070 crore in FY27 (as of August 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 edged up to 33.5% in August, indicating that individual investor participation remained resilient despite the shift to net selling.

Individual investor participation in the primary market further strengthened in August, with individual investors' investments reaching Rs 13,925 crore in FY27TD (as of August 31st), supported by steep pick up in IPO activity. Consequently, cumulative investments by individual investors across the primary and secondary markets stood at Rs 50,995 crore in the first five months of FY27, underscoring sustained individual investors participation and continued engagement with equity markets.

Figure 318: 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 31st August 2026.

Table 119: Annual net inflows by individual investors in primary and secondary market

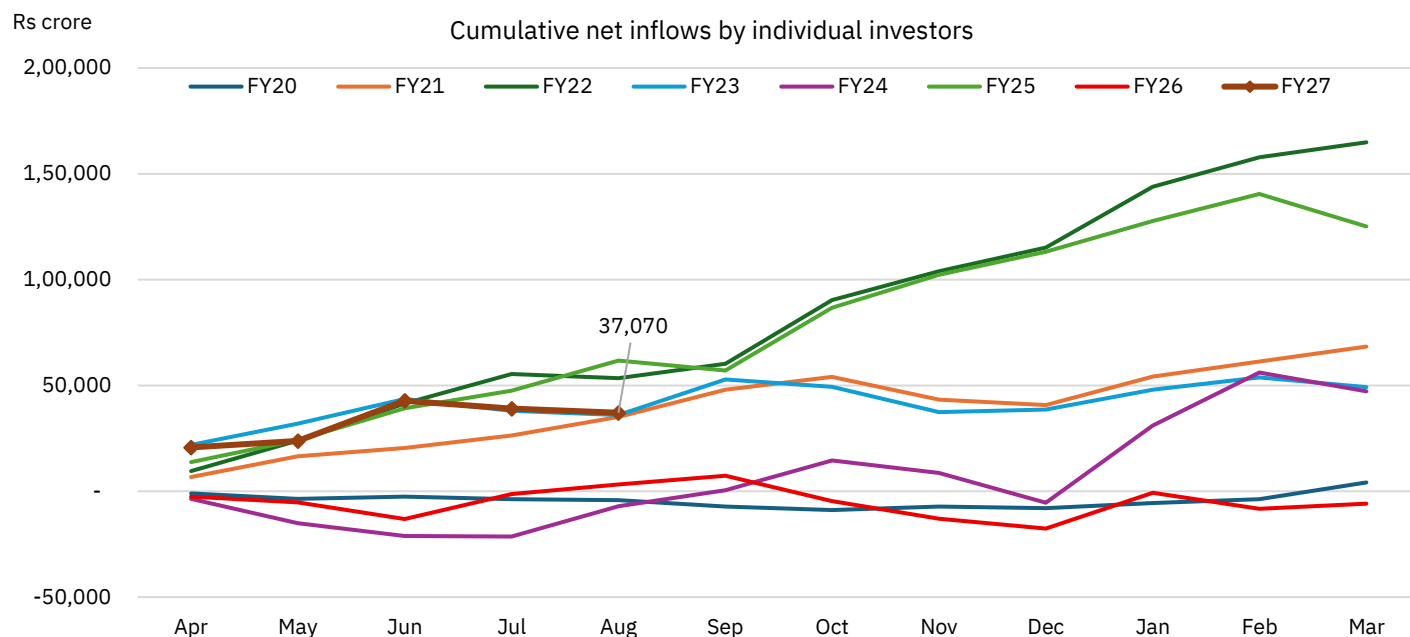
FY	NSE CM Segment (Rs crore)	Primary Market (Rs crore)	Net flows (Rs crore)
FY21	68,357	7465	75,822
FY22	1,64,892	19,539	1,84,431
FY23	49,225	13,448	62,673
FY24	47,241	18,057	65,298
FY25	1,25,127	34,336	1,59,463
FY26	-5,803	42,608	36,805
FY27TD	37070	13,925	50,995

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 August 31st, 2026.

Figure 319: 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 August 31st, 2026.

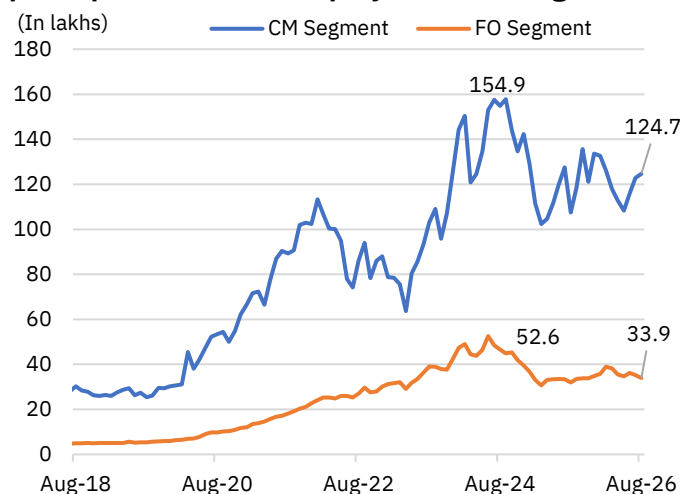
Individual participation strengthens in cash market while moderates in equity derivatives in August: The number of individual investors in the cash market rose to 1.25 crore in August 2026 from 1.23 crore in July, marking a six-month high, while their share of cash-market turnover increased to 33.5%. In contrast, the number of investors participating in the equity derivatives segment declined to 33.9 lakh from 35.3 lakh over the same period. In FY27 (As of August 31st, 2026), the number of individual investors participating in the cash market and equity derivatives stood at 2.37 crore and 59.9 lakh, respectively.

Within the cash market, the share of investors trading on only one day during the month marginally declined to 42.4% (52.9 lakh investors) in August from 42.8% (52.6 lakh investors) in July, accounting for just 0.6% 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 increased to 1.3% from 1.2%, with their contribution to total turnover increasing to 9.2% from 8.8%. 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. In the equity derivatives segment, the number of investors trading on only one day of the month edged up to 4.8 lakh investors from 4.7 lakh investors, while the number of investors active on all trading days remained stable at 1.3 lakh investor, suggesting that participation remained broadly unchanged among the most active derivatives traders.

On a trailing 12M basis through August 2026, the number of individual investors who traded at least once in the cash segment marginally inched up to 3.59 crore from 3.58 crore in the corresponding period a year earlier. The moderation was primarily due to a 12% YoY decline in investors participating in both the cash and equity derivatives segments, which fell to 63.2 lakh from 71.8 lakh during the same period. Consequently, the number of individual investors participating in the equity derivatives segment fell 7%

YoY to 85.2 lakh from 92 lakh. In contrast, the number of investors trading exclusively in the cash market marginally inched up to 2.95 crore from 2.86 crore during the same period last year. Meanwhile, investors participating exclusively in the equity derivatives segment remained relatively limited at just over 21.9 lakh, accounting for only 1.6% of the registered investor base.

Figure 320: Monthly trends of individual investors' participation in 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 August 31st, 2026.

Figure 321: Annual trends of individual investors' participation in CM and equity derivative segments

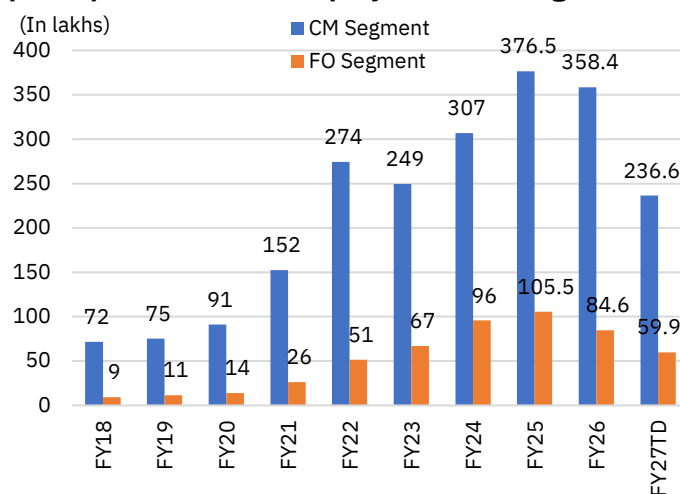


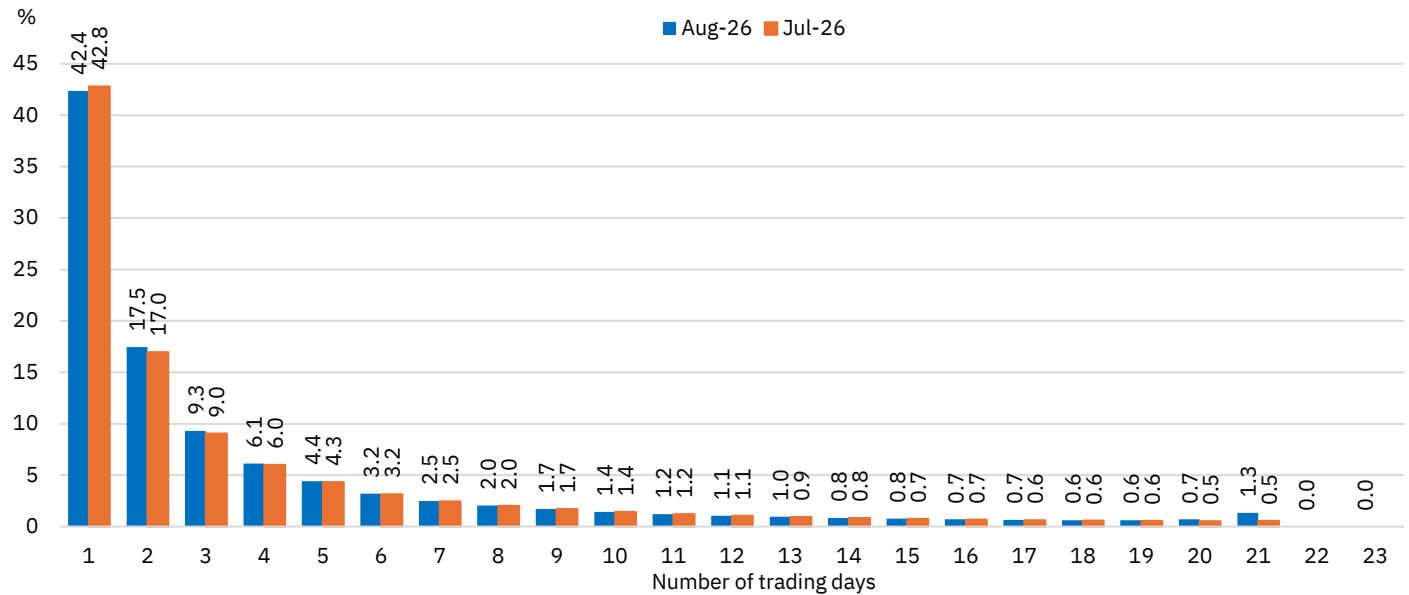
Table 120: Trend of individual investors participation (in lakhs) in NSE cash and equity derivatives
(For the last 12-month period ending August of each year)

Period	CM Total	FO Total	CM Alone	FO Alone	CM & FO Both
Sep'15-Aug'16	46.8	7.1	40.8	1.1	6.0
Sep'16-Aug'17	57.8	7.9	51.0	1.1	6.8
Sep'17-Aug'18	75.5	10.4	66.3	1.2	9.3
Sep'18-Aug'19	75.9	12.2	65.4	1.6	10.6
Sep'19-Aug'20	110.9	18.4	94.3	1.8	16.6
Sep'20-Aug'21	198.5	34.8	167.1	3.5	31.3
Sep'21-Aug'22	282.1	59.0	230.6	7.6	51.5
Sep'22-Aug'23	249.9	75.4	190.5	16.0	59.4
Sep'23-Aug'24	352.7	108.5	263.9	19.7	88.8
Sep'24-Aug'25	358.1	92.1	286.4	20.3	71.8
Sep'25-Aug'26	358.5	85.2	295.3	21.9	63.2

Source: NSE EPR.

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

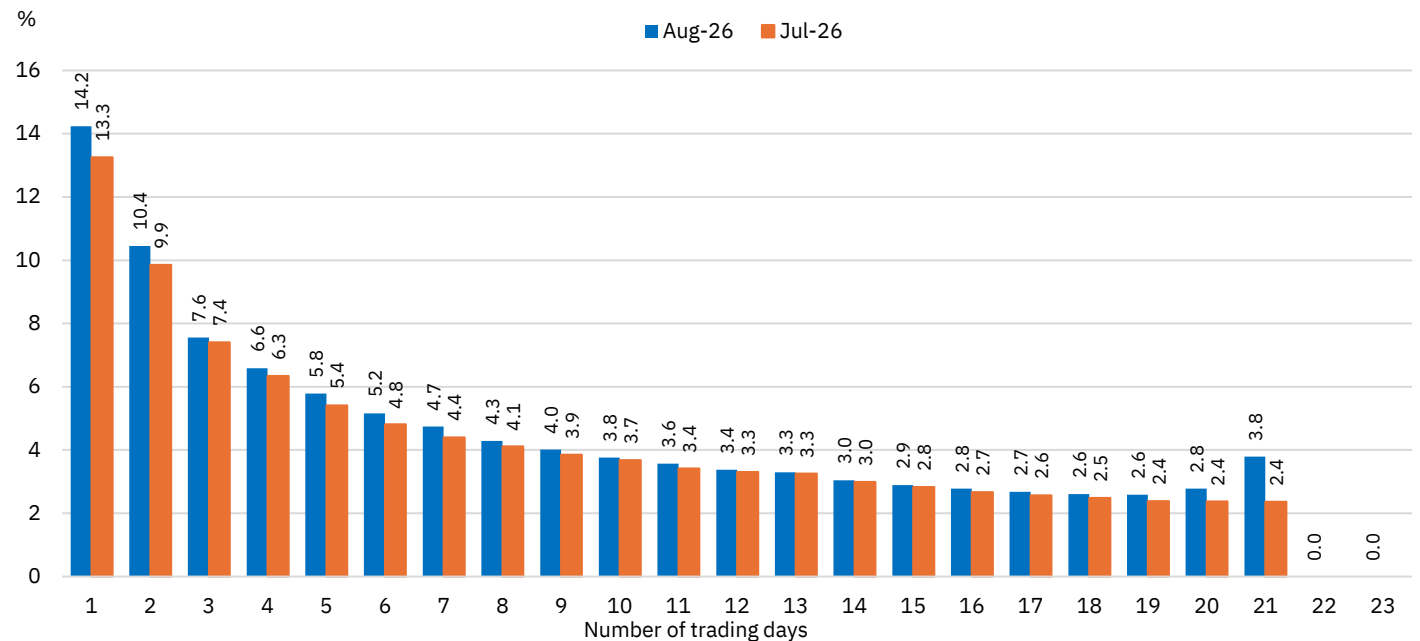
Figure 322: Trading frequency of individual investors participation (% share) in the CM segment



Source: NSE EPR.

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

Figure 323: Trading frequency of individual investors participation (% share) in equity derivatives



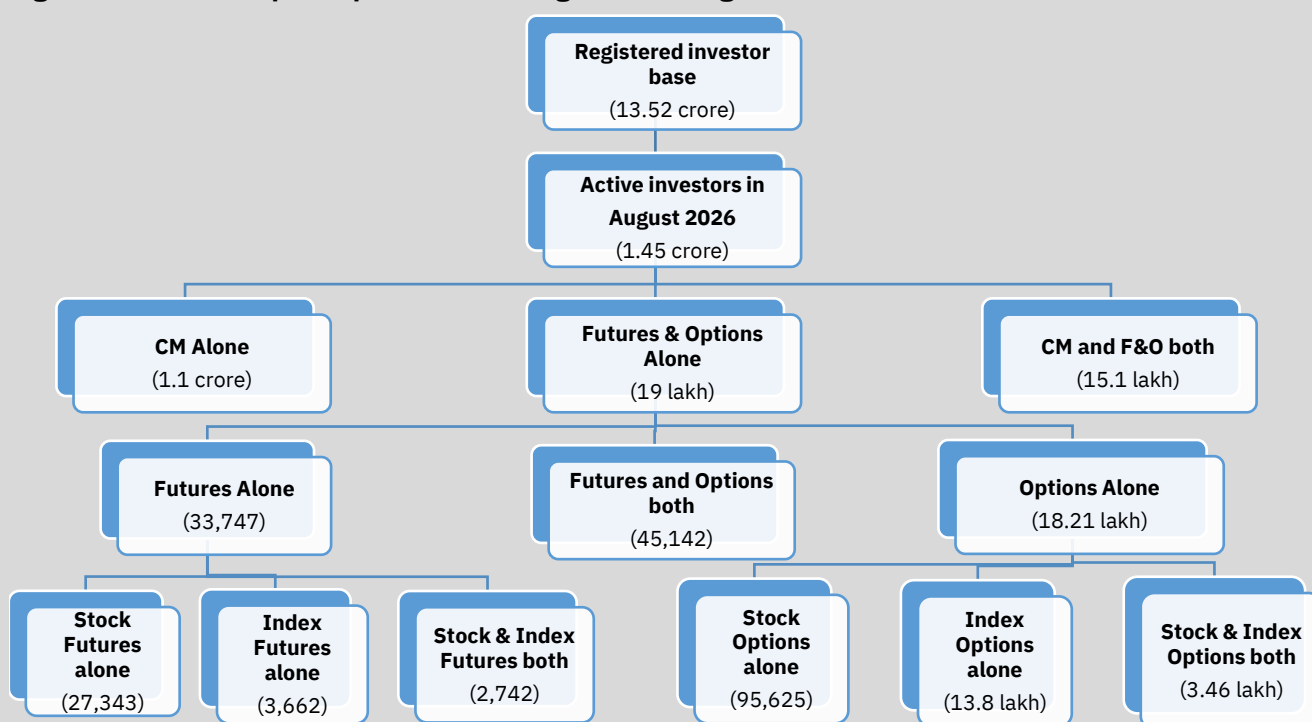
Source: NSE EPR.

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

Investor participation in August 2026 (Number of investors who traded at least once)

As of August 31st, 2026, out of a total 13.52 crore unique registered investors, about 1.45 crore traded at least once during the month across capital markets and equity derivatives. Participation remained heavily skewed toward the cash market, with 1.1 crore investors—around 8.2% of the total base – trading exclusively in the cash segment. Derivatives participation was relatively limited: 19 lakh investors (1.41% of the total base) traded only in F&O. Within the derivatives-only category, activity was overwhelmingly options-driven—18.2 lakh investors traded only in options, predominantly index options (13.8 lakh), followed by stock options (95,625) and those trading both (3.46 lakh). Futures-only participation was modest at 33,747 investors, largely concentrated in stock futures (27,343). 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 324: Investor participation across segments in August 2026



Source: NSE EPR

Note: All investor categories considered in the above table.

5.3.6 Spatial distribution of individual investor activity in the cash market

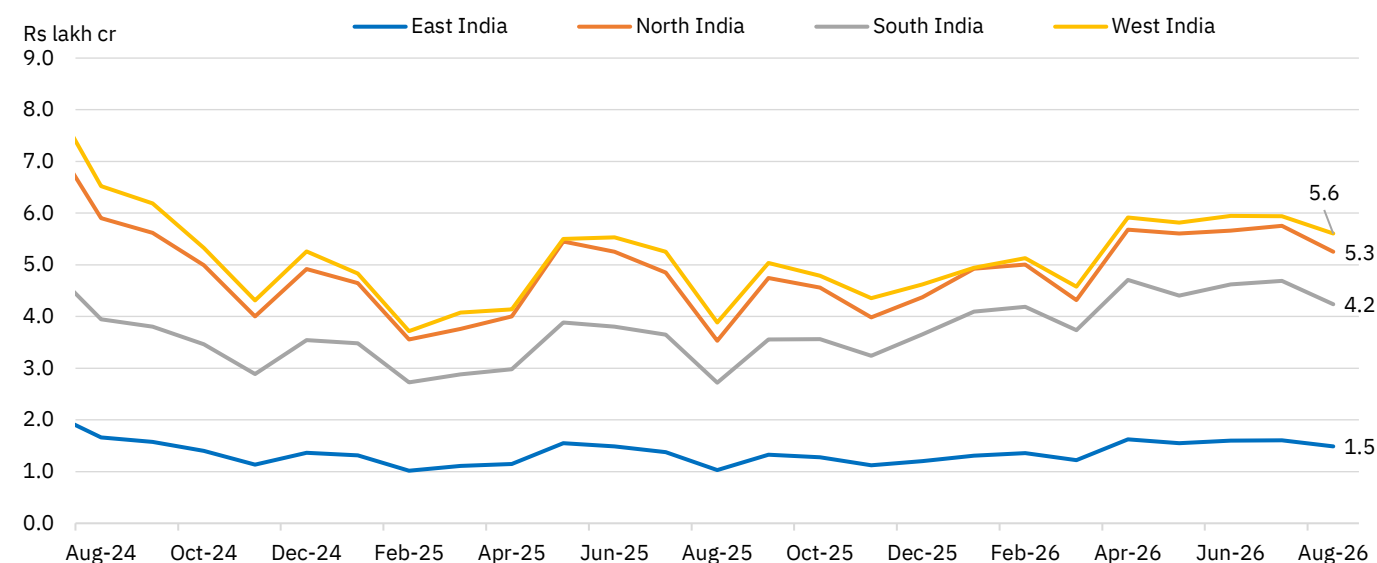
Region-wise individual investor activity

Individual investors' turnover declines in Aug'26; remains above Rs 15 lakh crore for the fifth consecutive month: The total turnover of individual investors in the equity cash segment declined by 7.8% MoM in August 2026 to Rs 16.8 lakh crore, marking the most significant decline in turnover during FY27 so far. Despite this, cash market turnover has continued to remain above Rs 15 lakh crore for all of first five months of FY27, having surpassed that mark exactly five times in FY26. Average cash market turnover in the first five months of FY27 stood at Rs 17.8 lakh crore (+23.2% YoY vs the same period in FY26, Rs 14.5 lakh crore).

Moreover, between Aug'22 and Aug'26, individual investors' turnover in the CM segment has risen at a CAGR of 16.9%, from Rs 9 lakh crore to Rs 16.9 lakh crore. Within regions, South India recorded the most significant decline in turnover in Aug'26 (-9.6% MoM), with turnover declining to Rs 4.2 lakh crore in the region. It now accounts for a 25.2% share of turnover in the CM segment. The Northern region ranked second in terms of decline in turnover during the month, recording a 8.7% MoM decline (31.2% share in turnover, Rs 5.3 lakh crore in turnover), followed by East India (-7.3% MoM, Rs 1.5 lakh crore in turnover), which accounted for a 8.8% share of turnover and the Western region (-5.7% MoM, Rs 5.6 lakh crore in turnover), which accounted for a 33.2% share during the month.

The distribution of investors trading at least once during the month has also changed notably since Aug'22. The Southern region's investor share has risen by nearly 1.7pp since Aug'22 and the region now accounts for a 20.7% share of active investors, while the Western region's share has declined by 2pp during the same period. However, it continues to account for 35.5% of active investors in the CM segment as of Aug'26, the highest across regions. The Northern region ranked second in terms of investor share, accounting for 32.6% of active investors (vs 32.5% in Aug'22). The Northern and Western regions accounted for over two-thirds of active investors during the month, while the Eastern region's investor share(9.3%) recorded its lowest investor share since Dec'25.

Figure 325: Region-wise distribution of individual investors' turnover in equity cash



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF.

Figure 326: Region-wise share of individual investors' turnover in cash market (%)

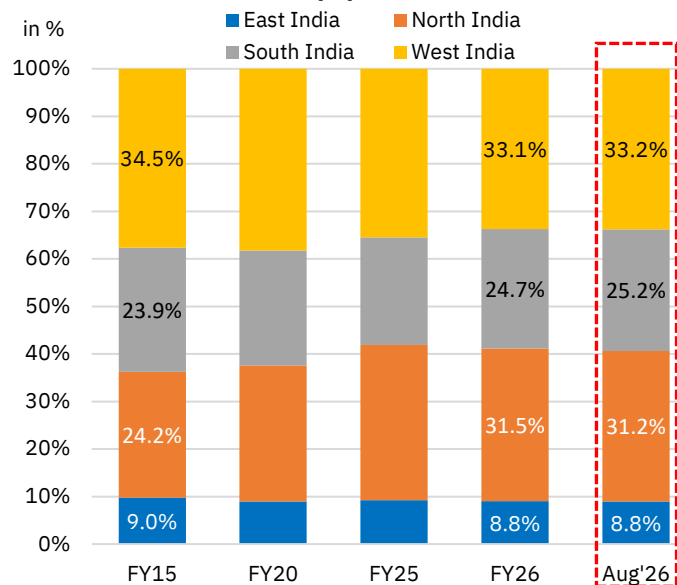
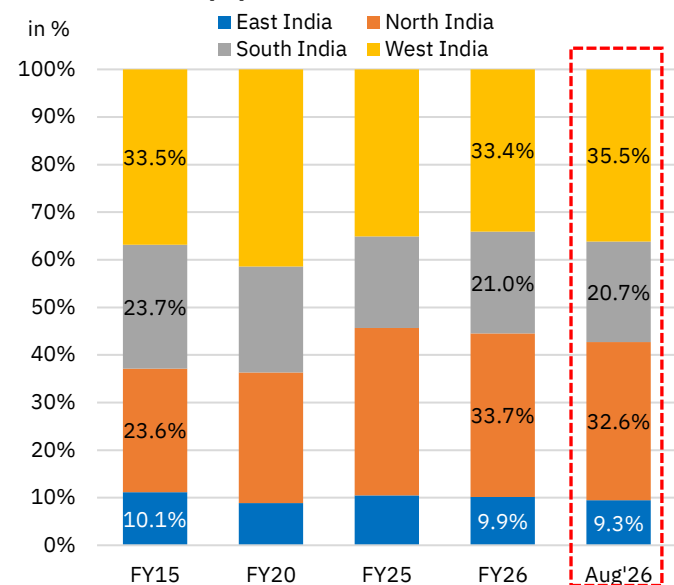


Figure 327: Region-wise share of individual investors in cash market (%)



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 Aug'26:

Maharashtra and Gujarat were continued to remain the top two states in terms of cash market turnover in Aug'26, recording turnover of Rs 3.2 lakh crore and Rs 1.8 lakh crore during the month, despite turnover declining by -4.8% MoM and -6.3% MoM respectively in these states. Moreover, average cash market turnover in the top 10 states in the first five months of FY27 stood at Rs 13.6 lakh crore (vs Rs 11 lakh crore in the first five months of FY26, +24.3% YoY). Uttar Pradesh, Karnataka and Delhi were the other five states in the top five, with these states accounting for 50.4% of cash market turnover in Aug'26. Additionally, all of the top 10 states recorded MoM decline in cash market turnover in Aug'26, with Andhra Pradesh (-13.5% MoM) and Delhi (-9.7% MoM) recording the steepest declines in turnover.

Reflecting the rankings in terms of turnover in the CM segment, Maharashtra continued to remain the top ranked state in terms of individual investor participation, accounting for a 16.2% share (21.1 lakh) of active investors in Aug'26, having recorded a ~1% MoM rise in turnover in the number of active investors during the month. Gujarat, in second place in terms of the number of active investors, recorded a 2.2% MoM uptick in its individual investor participation to 19.9 lakh active investors (15.3% share), followed by Uttar Pradesh (11.5 lakh active investors, 8.8% share as of Aug'26). Additionally, within the top 10 states, Rajasthan (+2.4% MoM) and Gujarat (+2.2% MoM) posted the most significant MoM gains in investor participation during the month. Furthermore, the monthly run rate of active individual investors in the top 10 states in the first five months of the FY27 stood at Rs 91.6 lakh investors (vs 89.9 lakh in the first five months of FY26, +1.9% MoM). Additionally, the count of active investors in the top 10 states is approaching a crore, having last surpassed the mark in Jan'26. Additionally, the share of individual investors who traded at least once in the month in the top 5 states stood at ~53% in Aug'26.

Figure 328: Top 10 states based on turnover of individual investors in the equity cash segment

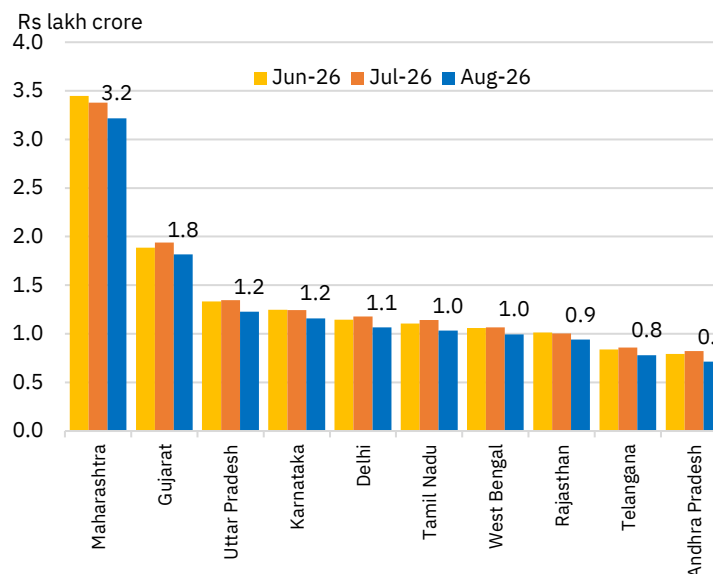
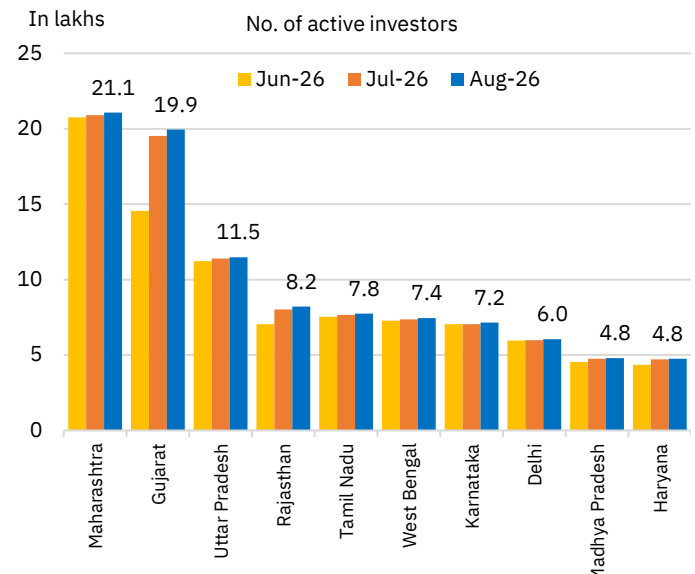


Figure 329: Top 10 states based on individual investors' participation in the equity cash segment



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 330: Share of the top 10 states based on turnover of individual investors in the equity cash segment

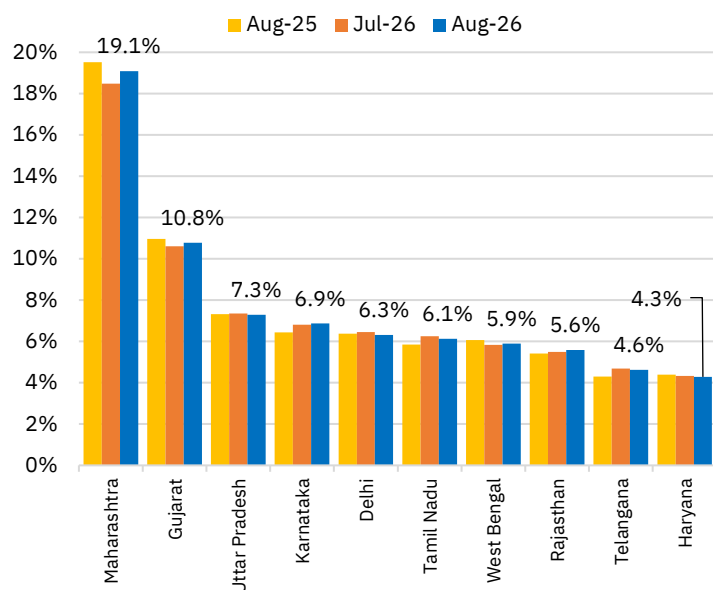
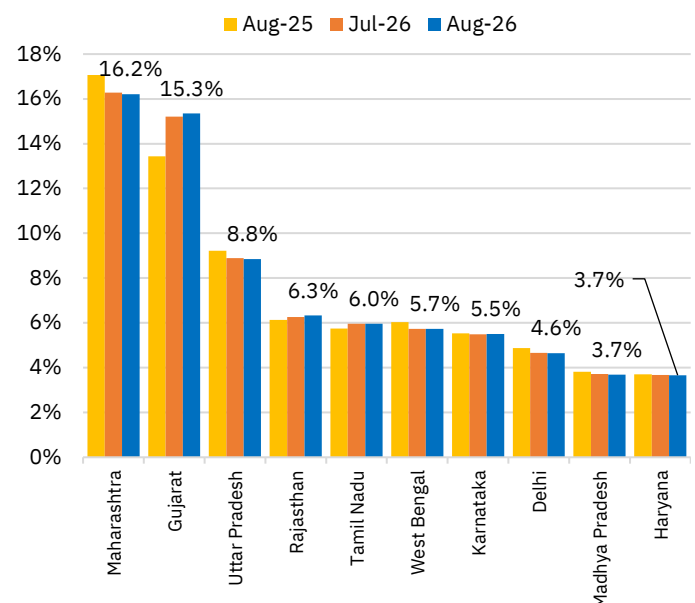


Figure 331: Share of the top 10 states based on individual investors' participation in the equity cash segment



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 declines; continues to remain above Rs 5 lakh crore for the fifth successive month...

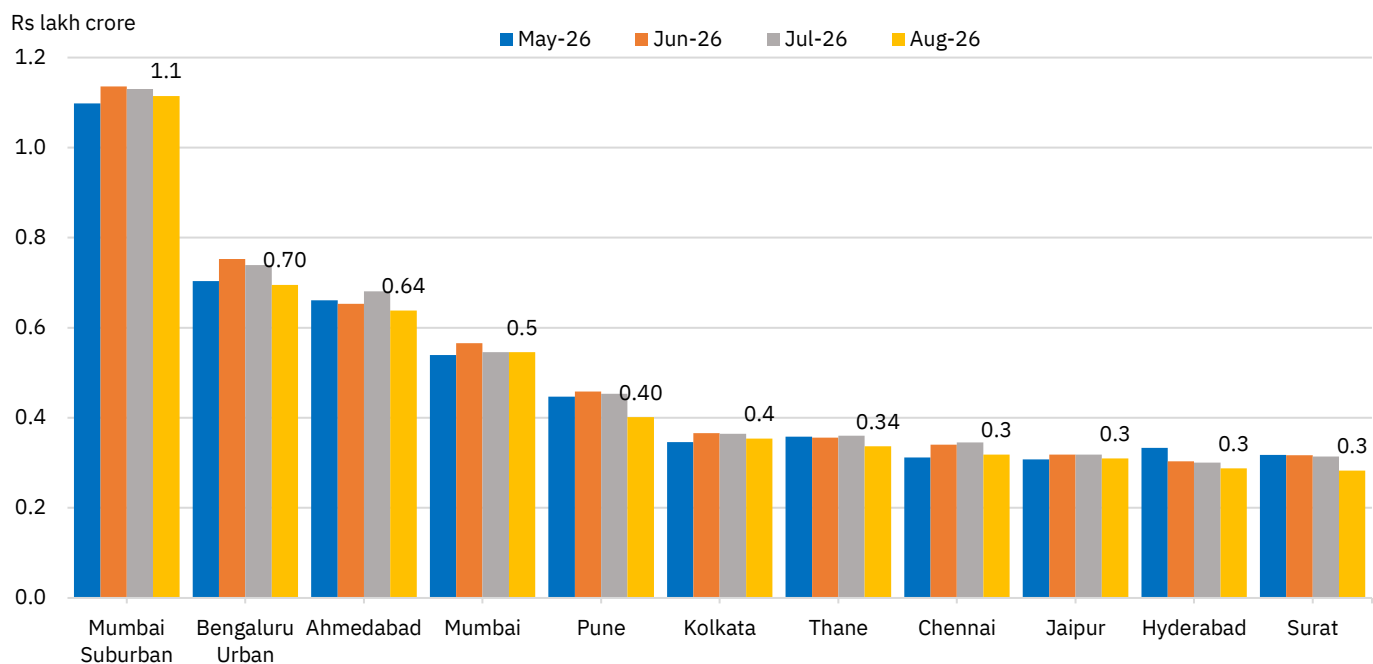
Cash market turnover of individual investors in the top 10 districts declined by 4.5% to Rs 5 lakh crore in Aug'26. Additionally, cash market turnover in the first five months of FY27 stood at Rs 5.2 lakh crore, reflecting a 22.8% YoY rise vs the average turnover recorded in the first five months of FY26 (Rs 4.2 lakh crore). During the month, the top 10 districts accounted for a 29.7% of cash market

turnover, with Mumbai Suburban, which accounted for Rs 1.1 lakh crore in turnover (-1.4% MoM, 6.6% share in turnover), and Bengaluru Urban, which accounted for Rs 70k crore in turnover (-5.9% MoM, 4.1% share in turnover) maintaining their positions as the top two ranked states. Furthermore, all the top 10 districts recorded MoM declines in cash market turnover, with Pune (-11.5% MoM, Rs 40k crore in turnover), Thane (-6.7% MoM, Rs 34k in turnover) and Ahmedabad (-6.3% MoM, Rs 64k crore in turnover) recording the steepest sequential declines. The top 50 districts accounted for a 56.1% share in turnover, with the share of these districts declining by 1.5pp since Aug'24.

...With the count of active investors at its highest level since Dec'25: The number of individual investors trading at least once during the month in the cash market in the top 10 districts rose by 1.6% MoM to 28.9 lakh in Aug'26 and is now at its highest level since Dec'25. Furthermore, the average number of investors participating at least once in the cash market stood at 26.5 lakh in the first five months of FY27(+3.3% YoY vs 25.7 lakh active investors in the first five months of FY26).

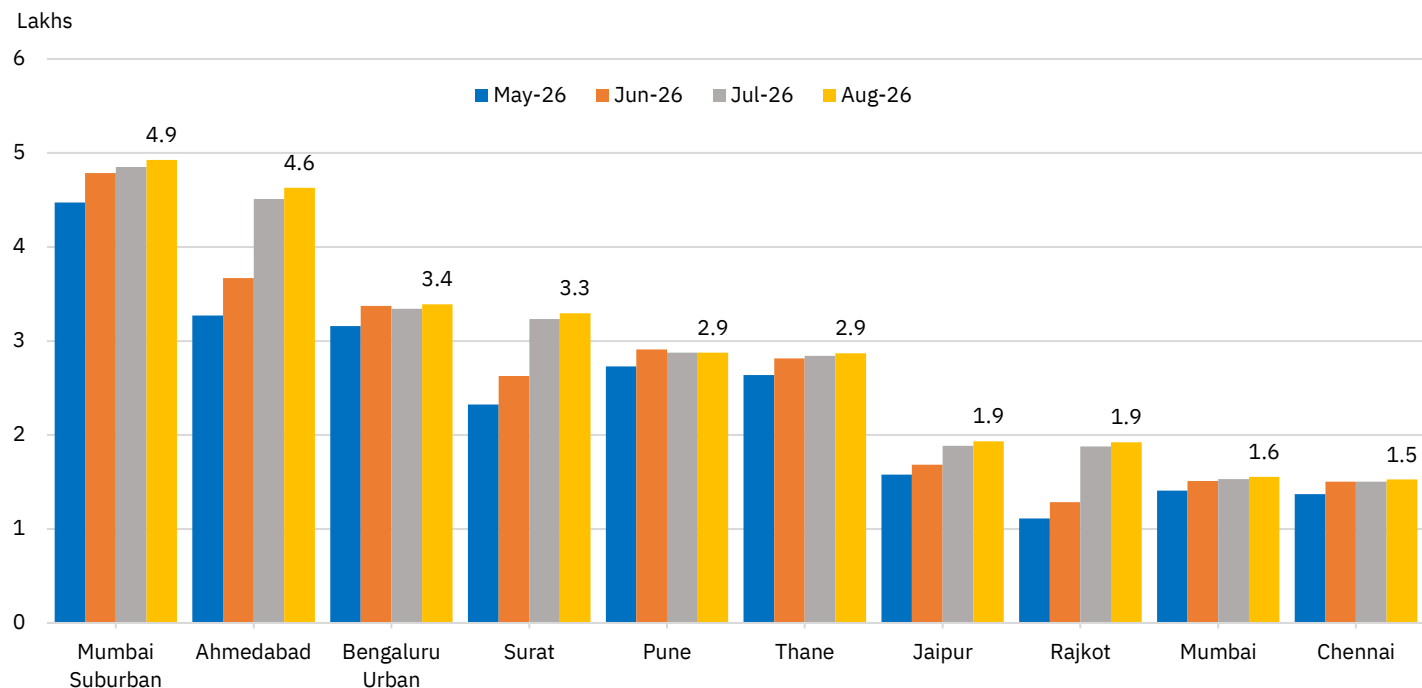
The set of the top 10 districts in terms of active investors remained unchanged between July and August 2026. Mumbai Suburban continued to remain the top ranked districts in terms of active investors for the eighth consecutive month, accounting for 4.9 lakh active investors (+1.5% MoM, 3.8% share), followed by Ahmedabad with 4.6 lakh active investors (+2.6% MoM, 3.6% share of active investors). Additionally, all the top 10 districts recorded sequential increments in their active investor count during the month, with Ahmedabad, Jaipur (+2.6% MoM, 1.9 lakh active investors) and Rajkot (+2.3% MoM, 1.9 lakh active investors). Notably, the set of top 10 districts contains four from Maharashtra, three from Gujarat, and one each from Karnataka, Rajasthan, Tamil Nadu. Significantly, the top 50 districts accounted for ~46% of active investors in Aug'26.

Figure 332: Top 10 districts based on equity cash turnover of individual investors



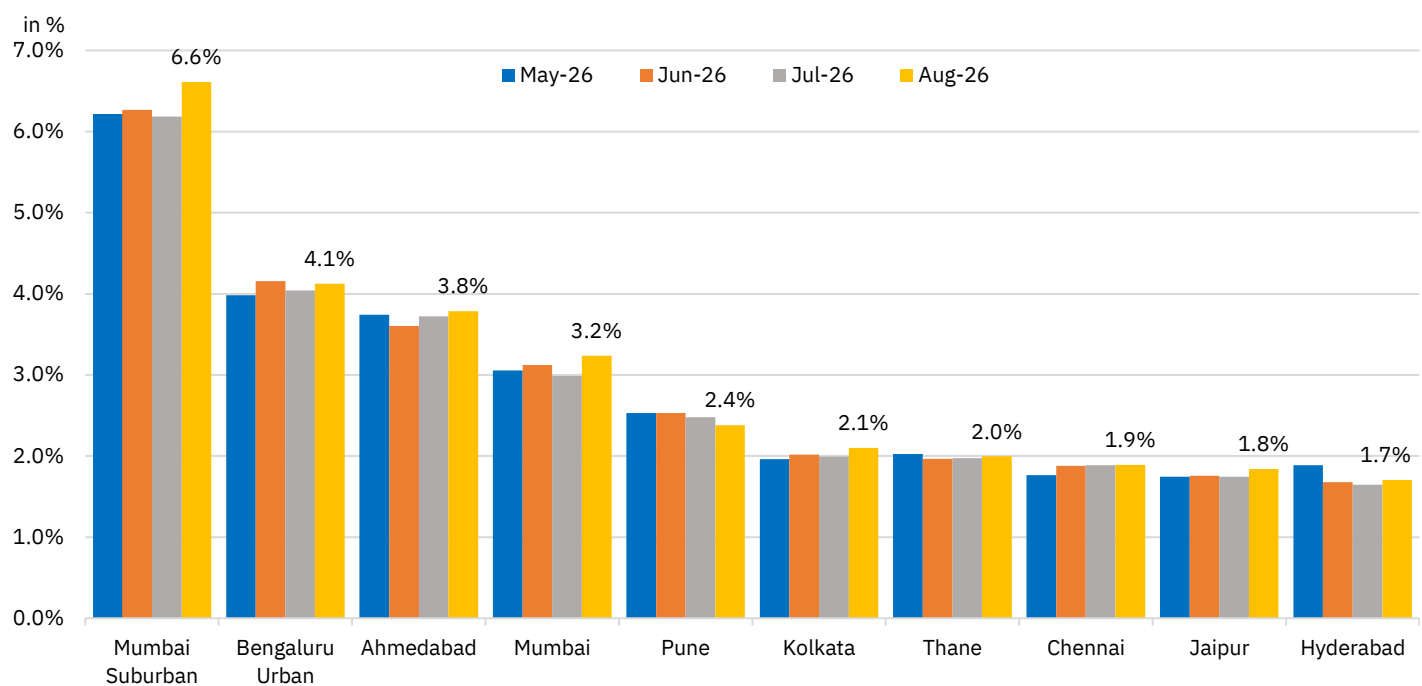
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 333: Top 10 districts based on individual investors participation in the equity cash market



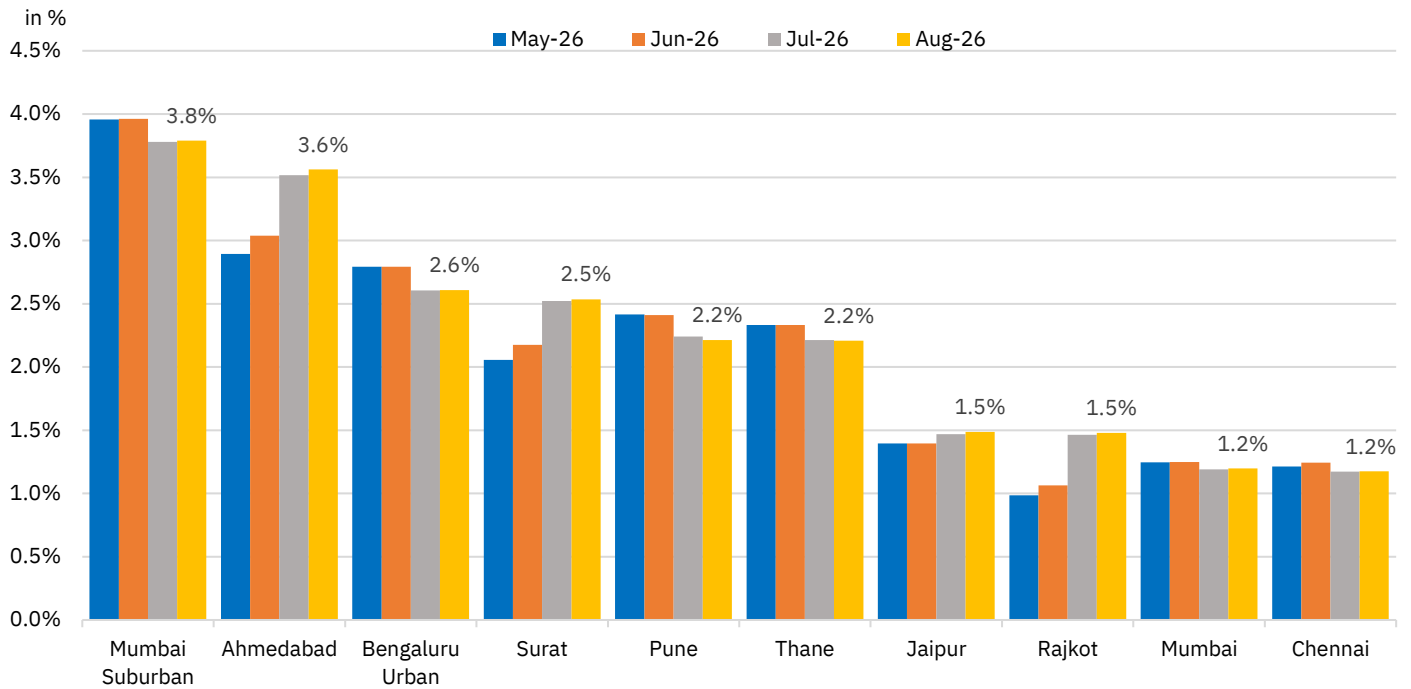
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest data.

Figure 334: 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 335: Share of the top 10 districts based on individual investors traded in the cash market



5.3.7 Turnover of top 10 traded securities during August 2026

Turnover of the top 10 traded securities in CM segment increased in Aug'26: The combined turnover of the top 10 securities increased 6.0% MoM to Rs. 2.7 lakh crore in August 2026. This was despite a 9.3% decline in overall CM turnover to Rs 25.1 lakh crore from Rs. 27.7 lakh crore during the same period. Consequently, the share of the top 10 securities in overall CM turnover increased to 10.9% from 9.3%. This represented an expansion of 160bps, indicating concentration of trading activity among actively traded securities. The increase was supported by higher turnover in select large-cap and actively traded stocks.

Hindustan Copper Ltd recorded the highest increase in total turnover, followed by Netweb Technologies India Ltd and One 97 Communication Ltd. Notably, turnover declined in ICICI Bank Ltd (-32.0% MoM) and HDFC Bank Ltd (-27.3% MoM). The trading value for Reliance Industries Ltd, State Bank of India and Eternal Ltd recorded declines of 13.2%, 9.8% and 8.5% MoM, respectively.

Table 121: Top 10 traded securities in CM segment (Rs crore) in August 2026

Securities Name	Aug-26	Jul-26	%Change
HDFC Bank Limited	42,373	58,247	(27.3)
BSE Limited	33,558	22,408	49.8
Reliance Industries Limited	30,542	35,199	(13.2)
ICICI Bank Limited	28,476	41,847	(32.0)
Bharti Airtel Limited	28,415	25,918	9.6
Eternal Limited	25,010	27,339	(8.5)
Netweb Technologies India Limited	22,345	9,996	123.5
One 97 Communications Ltd.	22,067	10,625	107.7
State Bank of India	21,566	23,909	(9.8)
Hindustan Copper Limited	20,041	3,396	490.2
Top 10 scrips turnover	274,395	258,884	6.0
Total turnover	25,13,308	27,69,562	(9.3)
share of Top 10 scrips	10.9%	9.3%	1.6pp

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.

The share of top 10 traded securities rose for stock futures and stock options in

August: In stock futures, turnover of the top 10 scrips declined 12% MoM to Rs 4.3 lakh crore in August 2026. Notably, the overall turnover declined 16%, while the share of top10 securities increased to 18.9% during the month. The trading value for BSE Ltd recorded an increase of 50.7% MoM, followed by Bharti Airtel Ltd (+29.7%), Vodafone Idea Ltd (+28.2%) and SBI (+18.2%). The remaining securities in top10 recorded a MoM decline during the month.

Within stock options, premium turnover of the top 10 securities declined 6% MoM to Rs 33,767 crore. However, their share increased to 22.5% from 19.6% as overall premium turnover declined by 18.7%. The premium turnover of Hindustan Aeronautics Ltd recorded highest increase (+141% MoM), followed by BSE Ltd (+81.4% MoM). On the other hand, the premium turnover for Kalyan Jewellers Ltd (-60.3% MoM), TCS Ltd (-55.7% MoM) and Dixon Tech Ltd (-35.6% MoM) recorded the sharpest declines. Notably, the share of the top 10 securities increased by 90 bps in stock futures and 290 bps in stock options.

Table 122: Top 10 traded scrips in stock futures segment in August 2026

Securities (Rs cr)	Aug-26	Jul-26	%Change
HDFC Bank Limited	79,909	87,155	(8.3)
Reliance Industries Ltd	57,507	59,548	(3.4)
ICICI Bank Limited	46,806	62,733	(25.4)
State Bank of India	41,849	35,416	18.2
Bharti Airtel Limited	38,601	29,757	29.7
Infosys Limited	37,149	72,230	(48.6)
BSE Limited	34,094	22,629	50.7
Axis Bank Limited	34,015	40,768	(16.6)
Vodafone Idea Limited	31,769	24,771	28.2
TCS Limited	28,224	52,510	(46.2)
Top 10 scrips turnover	429,923	487,516	(11.8)
Total stock futures notional turnover	22,71,525	27,15,449	(16.3)
share of Top 10 scrips	18.9	18.0	0.9

Table 123: Top 10 traded scrips (premium turnover) in stock options in August 2026

Securities Name (Rs cr)	Aug-26	Jul-26	%Change
BSE Limited	4,804	2,649	81.4
State Bank of India	4,232	2,908	45.5
One 97 Comm. Ltd.	3,851	2,211	74.2
HDFC Bank Limited	3,800	4,403	(13.7)
Reliance Industries Ltd.	3,612	4,701	(23.1)
MCX India Limited	3,566	2,338	52.5
Dixon Tech Limited	2,717	4,222	(35.6)
Kalyan Jewellers Limited	2,648	6,667	(60.3)
Hindustan Aeronautics Ltd	2,323	964	141.0
TCS Limited	2,215	4,997	(55.7)
Top 10 scrips turnover	33,767	36,060	(6.4)
Total stock futures notional turnover	1,49,798	1,84,352	(18.7)
share of Top 10 scrips	22.5	19.6	2.9

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.

5.3.8 Trading Activity in Electricity Futures

Across Aug 2025 contract to Aug 2026 contracts, NSE Electricity Futures recorded cumulative trading volume of **40,027 MUs** (equivalent to **8,00,530 Lots***) against spot market volumes of 80,429 MUs, resulting in a futures-to-spot volume ratio of **0.50**. 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 15,291 crore**, highlighting sustained market interest and improving liquidity. NSE maintained a dominant **~66% market share**, reinforcing its position as a leading platform for electricity derivatives trading in India.

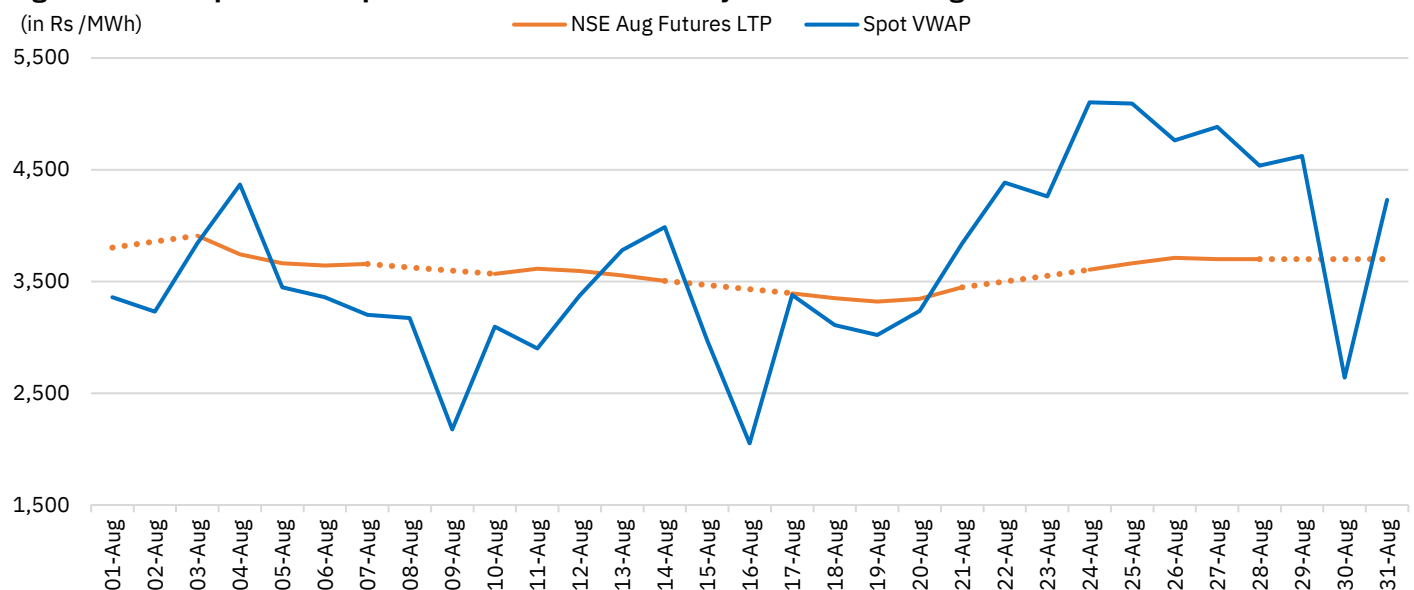
Trading Activity in NSE Electricity Futures – Aug 2026 Contract

The Aug 2026 Electricity Futures contract generated aggregate turnover of **Rs 1,002 crore** and cumulative trading volume of **55,426 Lots**. This points to strengthening participation in the futures segment and a gradual progression in India's electricity market. The Aug 2026 Contract settled at Due Date Rate (DDR) of **Rs 3,659/MWh**. The average of daily LTP during the contract was **Rs 3,677/MWh**, demonstrating stable price behaviour despite intermittent volatility in the underlying spot market.

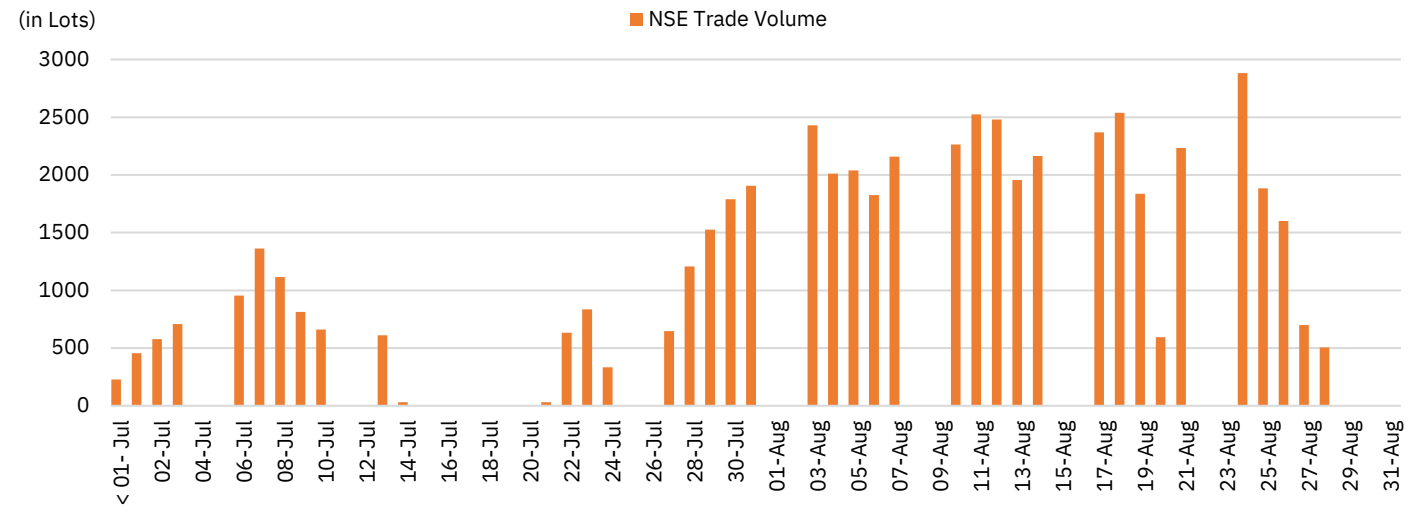
Trading activity remained robust throughout the contract, with the highest single-day trading volume of **2,883 Lots**. Open interest remained stable over the contract, with an average of **212 lots** and reaching a peak of **754 lots** on 20th Aug 2026. The cumulative Open Interest during the contract was **10,152 lots**, indicating continued growth in market participation and hedging activity.

Overall, the Aug 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 **~58% 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.

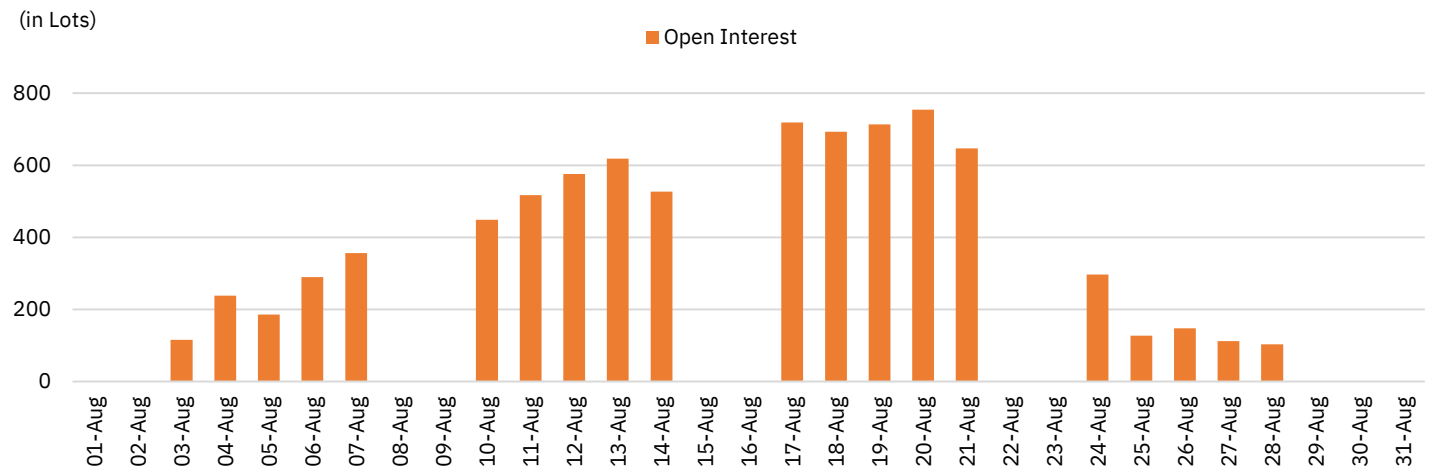
Figure 336: Comparison of Spot VWAP and NSE Electricity Futures LTP - Aug 2026 Contract



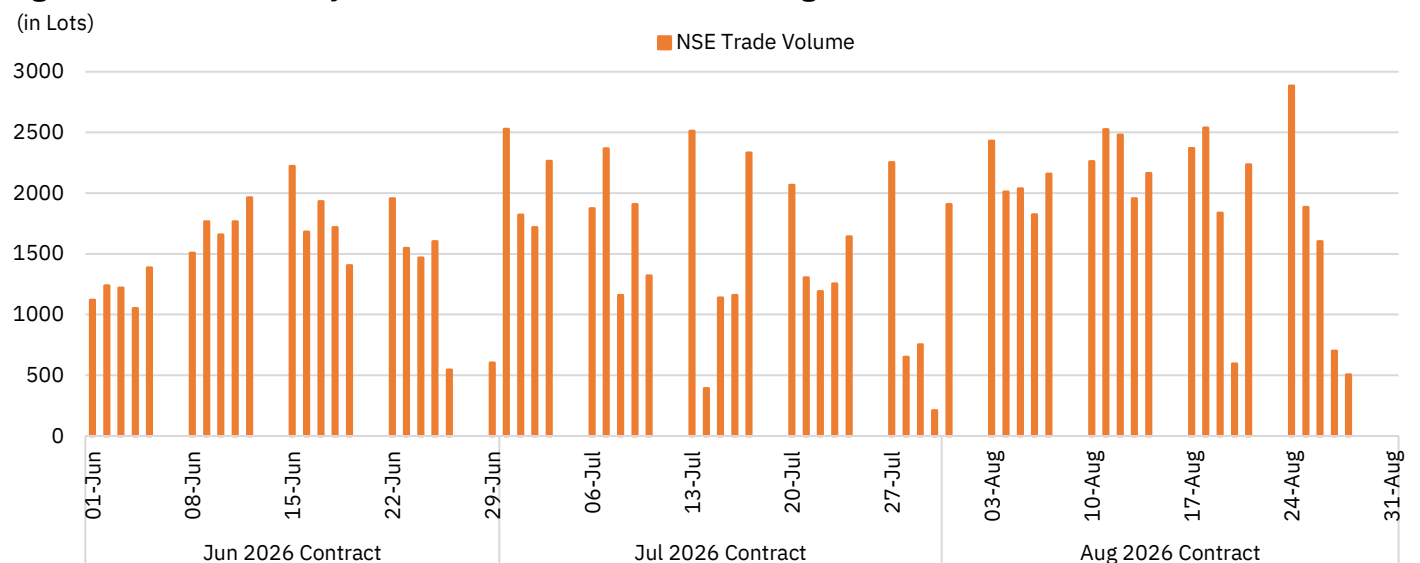
Source: NSE.

Figure 337: NSE Electricity Futures Trade Volume– Aug 2026 Contract


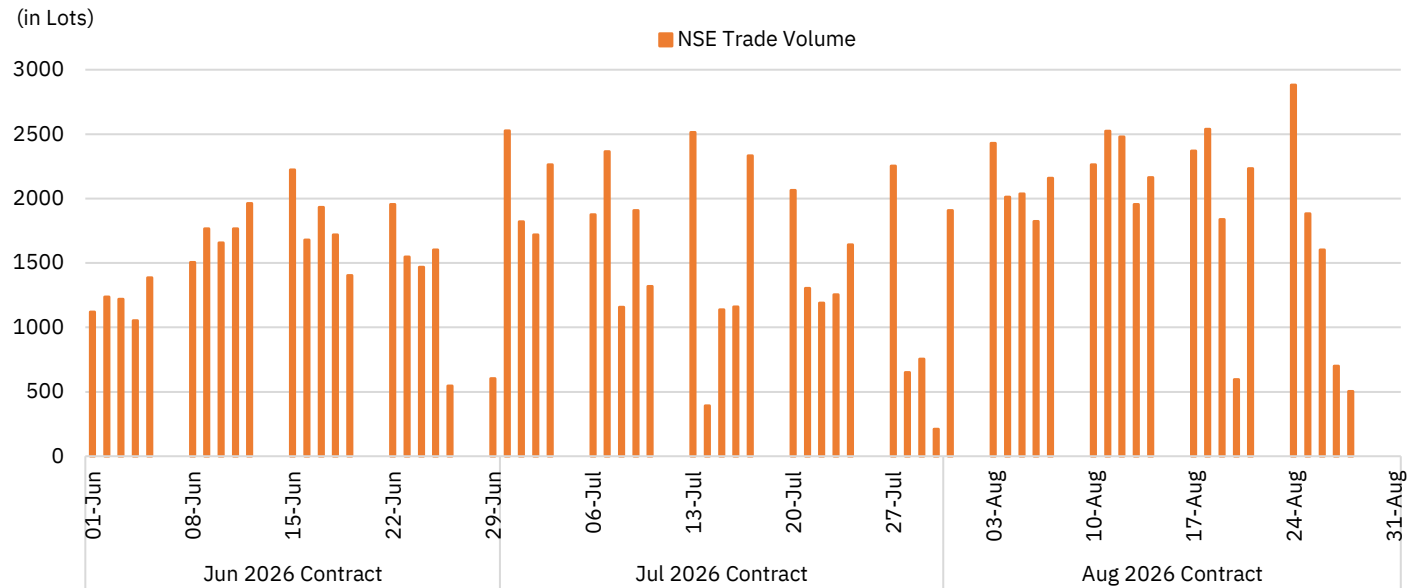
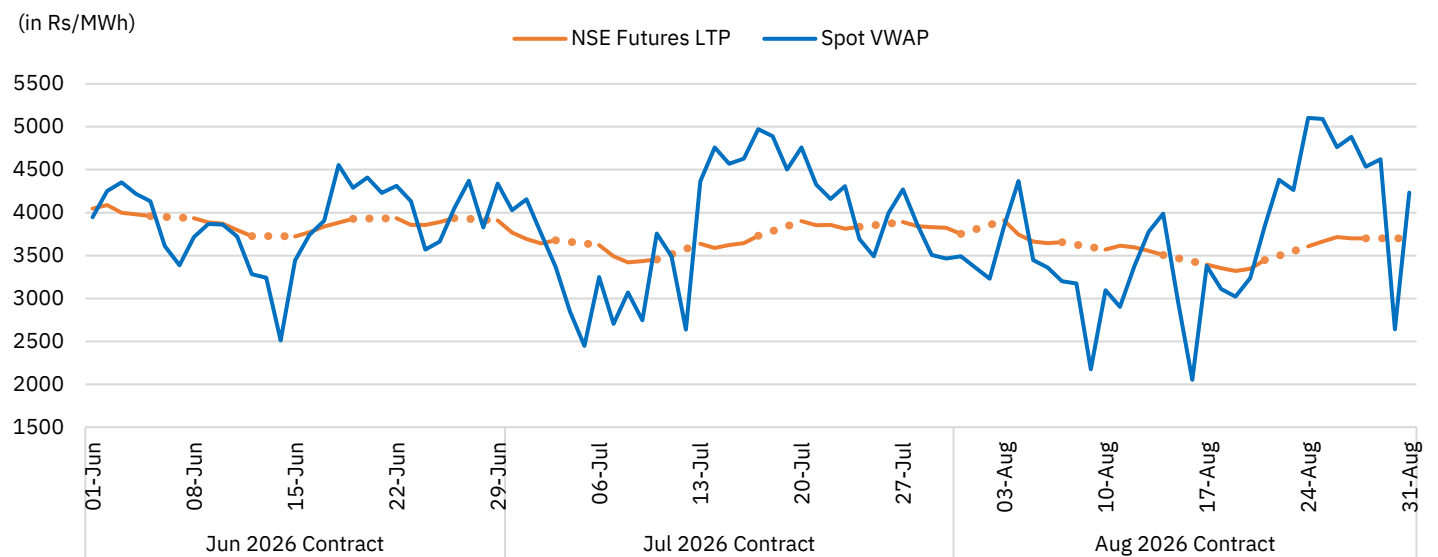
Source: NSE.

Figure 338: Daily Open Interest in NSE Electricity Futures – Aug 2026 Contract


Source: NSE.

Figure 339: NSE Electricity Futures Trade Volume (Jun'26 to Aug'26 contracts)


Source: NSE.

Figure 340: NSE Electricity Futures Trade Volume (Jun'26 to Aug'26 contracts)

Figure 341: Comparison of Spot VWAP and NSE Electricity Futures LTP (Jun'26 to Aug'26 contracts)


Market Trade Metrics: Aug 2025 to Aug 2026



NSE ELECTRICITY FUTURES (ELECMBL) AUG 2025 TO AUG 2026 SNAPSHOT

Price Movement

Start (Aug 2025 Contract) ₹4430 /MWh
 DDR (Aug 2026) ₹3659/MWh
 Futures Price 17% ↓
 Spot VWAP 18% ↓

DDR



NSE Market Share ~ 66%

Volume:

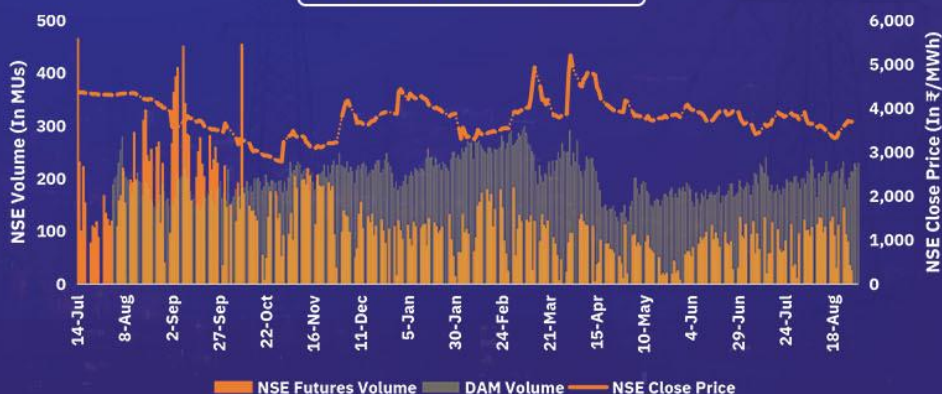
NSE Futures: 50% of DAM



Participation

8,00,530 Lots Traded
 ₹ 15,291 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.



Fundamentals of Electricity Derivatives

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5.3.9 Closing Auction Session (CAS)

Closing Auction Session (CAS) was implemented in the Indian Exchanges on August 03, 2026.

Previously, the closing price of stocks in the equity cash segment of the Stock Exchanges was determined based on the Volume Weighted Average Price (VWAP) of trades executed during the last thirty minutes of the Continuous Trading Session (CTS).

Research was conducted by the regulator and a study of global practices in other major jurisdictions indicated that a Closing Auction session (CAS) provides a more stable and less volatile closing price compared to the volatility often observed under the Volume Weighted Average Price (VWAP) based closing price methodology, considering the following:

- CAS aggregates market interest into a **single pool of liquidity**, thereby providing a fair and transparent closing price and improving the efficiency of execution for large orders
- The significance of a **fair and transparent closing price**, especially since it is used as the reference for settlement in derivatives, index computation, mutual fund net asset value (NAV) determination, etc.
- Provides **equal and transparent access** to all categories of investors, ensuring that the discovered closing price reflects the collective market consensus at the close of trading hours
- Facilitates passive funds to transact at the closing price of the stocks thereby **reducing the tracking error**.

In major global markets like US, Europe, Asia etc. the closing price of stocks is determined through the Closing Auction Session (CAS). It provides a fair and transparent closing price and orders are executed in a more efficient manner. The discovered closing price reflects the collective market consensus, which means all types of market participants, investors and traders get an equal opportunity to participate in the price discovery process in the closing auction. It makes the price discovery process more efficient and transparent.

Many ETFs, Index Funds, Mutual Funds, etc. use the closing prices to benchmark their portfolios and calculate Net Asset Values (NAVs). Hence it is an important price point for several institutional market participants. By aggregating buy and sell interest at the close of the market into a single price discovery process, CAS strengthens the transparency, integrity and fairness of the closing session and brings the Indian market in line with global best practices.

On August 31, 2026, NSE recorded a turnover of Rs 39,718 crore (approximately USD 4.2 billion) in the Closing Auction Session (CAS) on the first index rebalancing day after CAS went live in the Indian capital markets. CAS accounted for approximately 22% of that day's total cash equity turnover on NSE, and more than 98,000 unique investors participated in that session. Index rebalancing days see heavy trading at the close, as index funds, exchange traded funds and other passive investors realign their portfolios at the closing price.

The CAS turnover recorded on the rebalancing day demonstrates that index funds and passive investors executed their rebalancing trades through the Closing Auction Session (CAS) wholeheartedly, reflecting their trust in CAS as the mechanism for fair and transparent closing price discovery.

During the first month from the launch of Closing Auction Session (CAS), NSE recorded a cumulative CAS turnover of Rs 63,000 crore (approximately USD 6.6 billion). The significant growth in CAS turnover over the first month reflects the increasing acceptance of the mechanism among market participants, including institutional investors, brokers and retail investors, and their growing confidence in CAS as a fair and transparent method of determining closing prices.

6. Comparison of trading activities across major exchanges globally

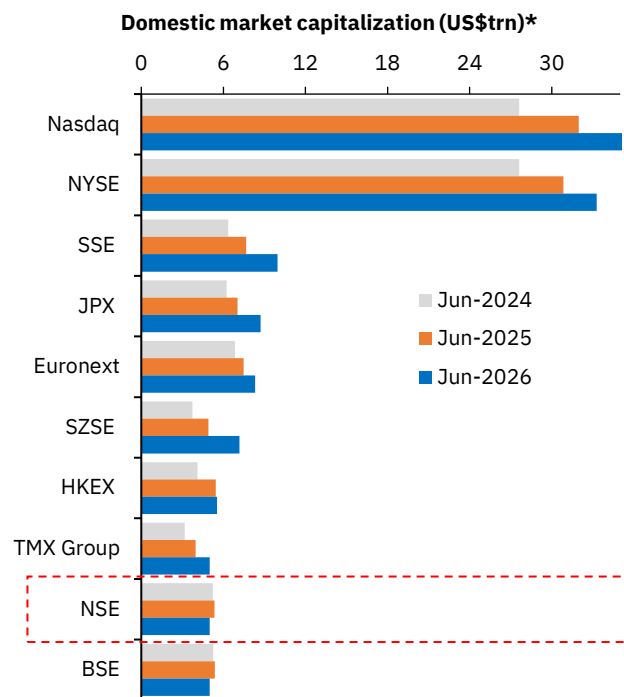
Global equities edged higher in July, although performance diverged significantly across regions and sectors as investors reassessed the sustainability of the AI-led rally. The MSCI World Index gained around 0.5% and 9.4% on a YTD basis, supported by a rotation away from technology towards energy, financials 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.

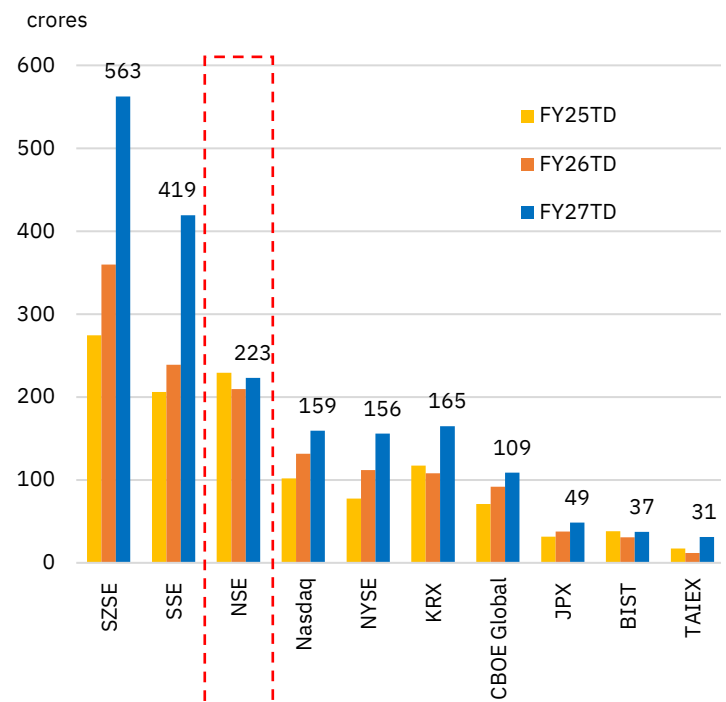
- NSE market cap at US\$ 5.0tn as of June 2026:** The combined market capitalisation of the top ten global exchanges increased in Q1FY27, with the gains concentrated in April and May as concerns around the West Asia crisis receded. The pace moderated considerably in June, with aggregate market capitalisation 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 342: Domestic market cap of top ranked exchanges*



Source: WFE monthly statistics, NSE EPR

Figure 343: 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.

7. 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 4.5 x the US in terms of contracts traded between January-August 2026, but only 23.4% 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 August 31 st , 2026)	7,686	7,686	24,080
Notional value*	\$768,614	\$76,861	\$18,978

Source: CBOE, NSE. * Calculated as Index level * contract size.

Figure 344: Comparison of contract size of S&P 500 and Nifty 50 Index options

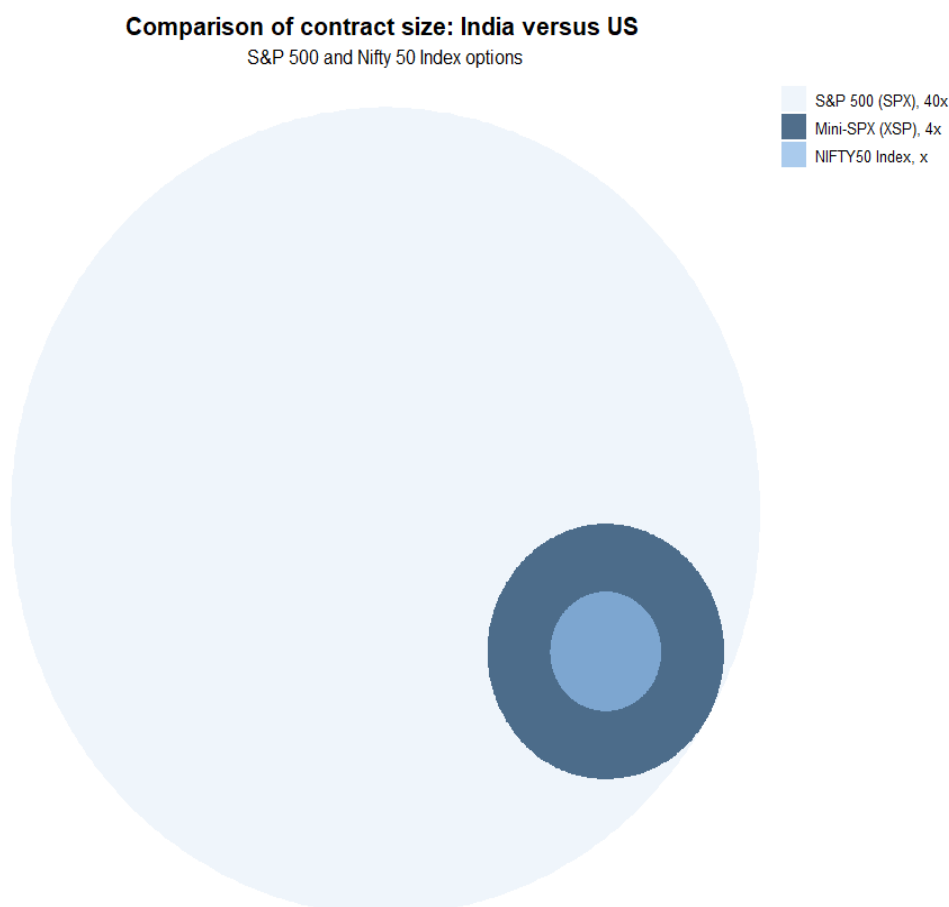
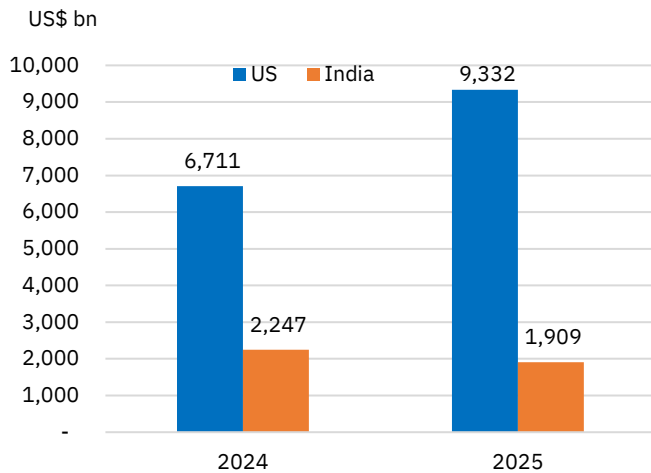
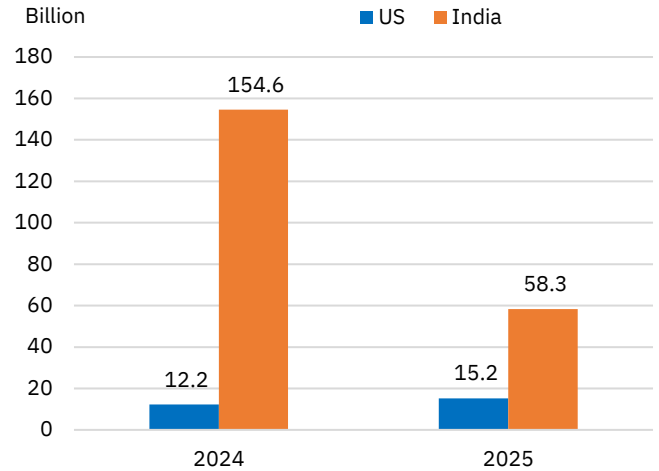
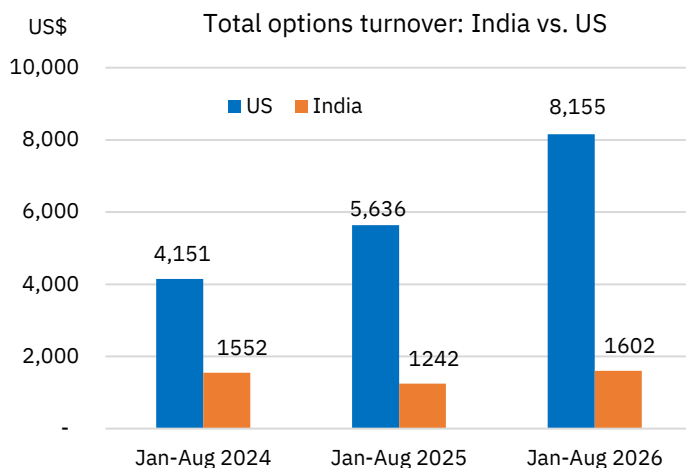
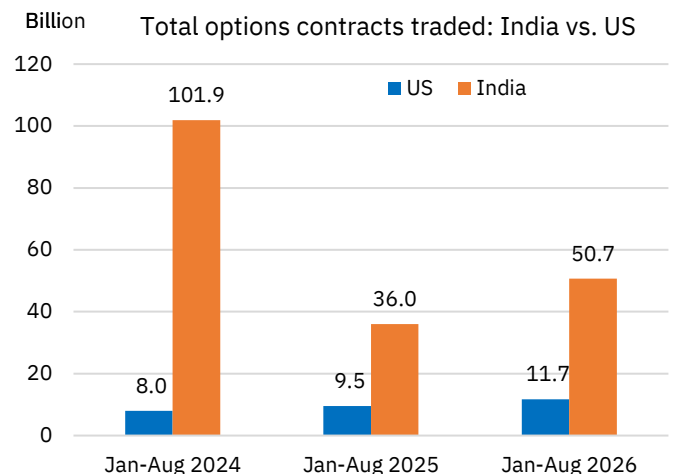


Figure 345: Total options turnover: India vs. US


Source: OCC, NSE, BSE.

Figure 346: Total options contracts traded: India vs. US

Figure 347: Monthly trends in total options turnover: India vs. US


Source: OCC, NSE, BSE.

Figure 348: 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 August 31st, 2026, a single lot of the S&P 500 (SPX) index option had a notional value of around ~US\$768,614. Even the mini-SPX contracts—sized at one-tenth—carry a notional value of US\$76,861. That makes one US SPX contract over 40 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:

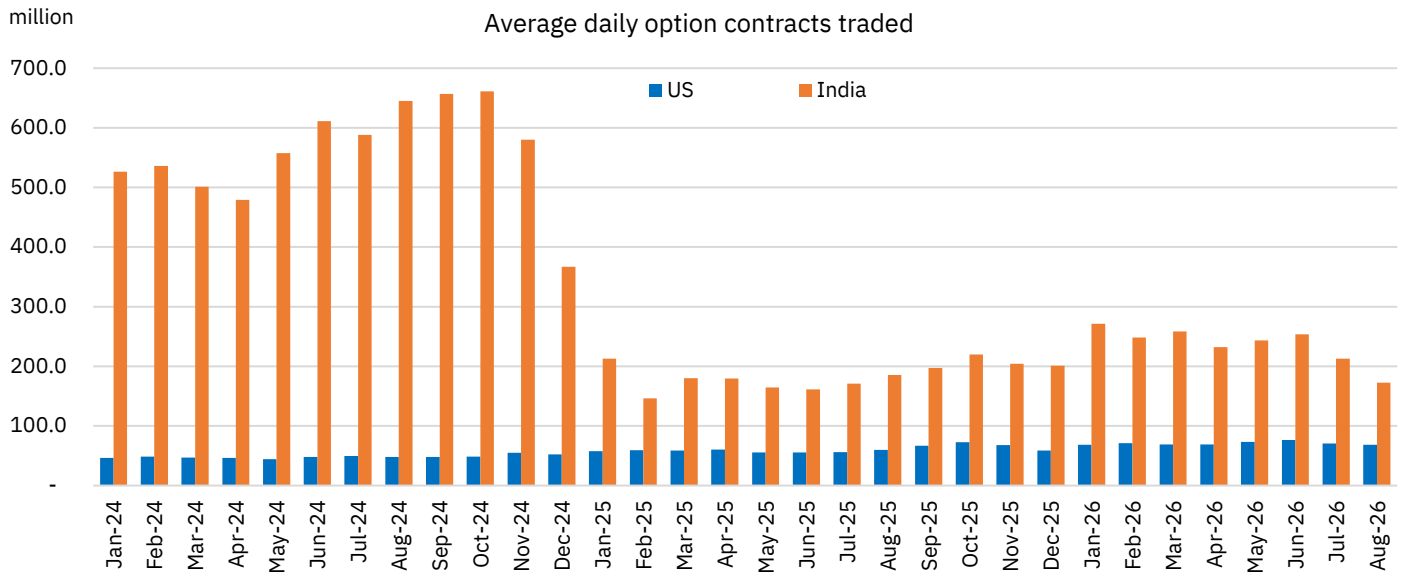
Between Jan-August 2026, Indian exchanges (NSE, BSE) trade over 4.5x that of the exchange-traded options in the US, i.e., options with underlying as stocks, indexes and ETFs (cleared on Options Clearing Corporation). In terms of premium turnover, however, Indian options market was close to 23% of the US options premium turnover. It is to be noted that this comparison relates only to exchange-traded, centrally settled (On OCC) futures and options on stocks, indexes and ETFs alone, and does not include said derivatives on index futures (at CME), that represent an additional ~25% of trading activity.

Table 135: Exchange-wise options volume and premium traded in the US during Jan-Aug 2026

Exchanges	Total Premium turnover during Jan-Aug 2026(USbn)				Total contracts traded during Jan-Aug 2026(m)			
	Equity	Index	ETF	Total	Equity	Index	ETF	Total
AMEX	343	0	160	504	525	0	591	1,116
ARCA	433	0	132	565	708	0	402	1,110
BATS	143	2	42	188	258	0	156	414
BOX	427	-	93	519	387	-	249	636
C2	71	5	32	108	151	3	132	285
CBOE	497	2,771	365	3,633	672	1,009	555	2,236
EDGX	114	-	60	173	273	-	288	561
EMLD	98	-	39	137	198	-	147	345
GEM	53	4	46	103	143	0	224	367
ISE	254	54	87	395	381	8	312	702
MCRY	73	-	45	117	179	-	248	427
MEMX	100	-	34	134	224	-	178	402
MIAX	237	-	101	338	434	-	440	874
MPRL	48	-	24	72	127	-	121	248
NOBO	19	-	10	29	58	-	80	138
NSDQ	66	-	22	88	154	-	113	267
PHLX	677	71	147	895	812	9	418	1,239
SPHR	109	-	47	156	197	-	177	374
US total	3,760	2,909	1,486	8,155	5,879	1,029	4,832	11,740
India	142	1,460	-	1,602	1,239	49,420	-	50,658
Indiavs.US	4%	50%		20%	21%	4801%		431%

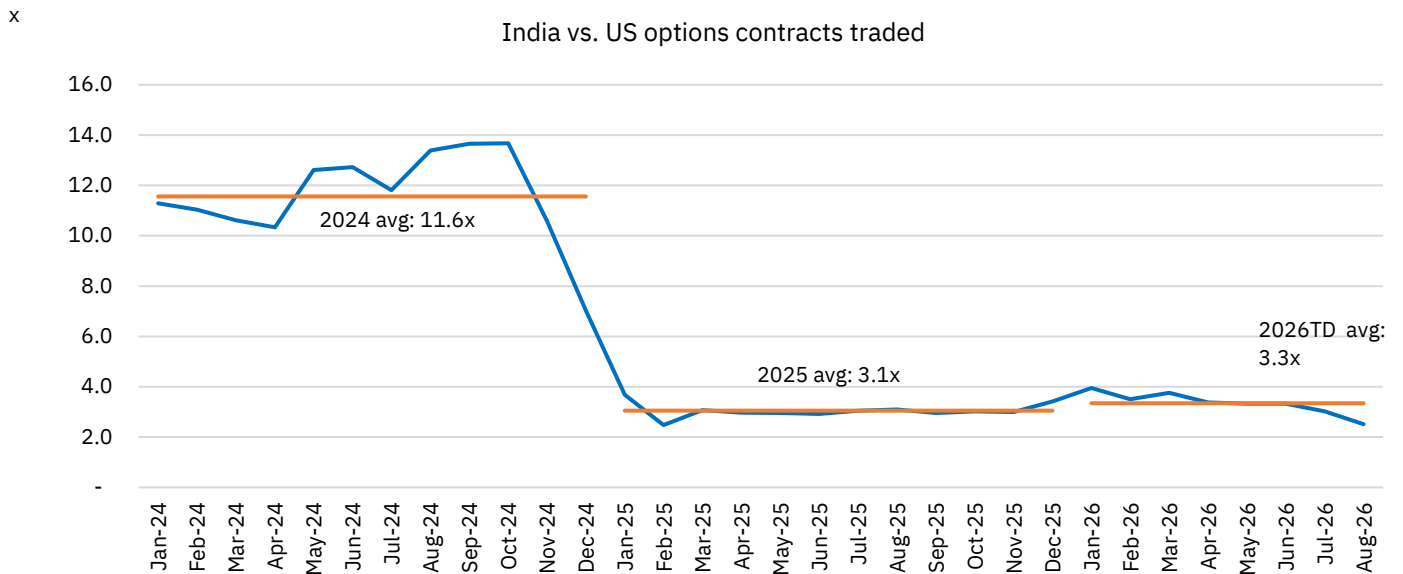
Source: OCC, NSE, BSE.

Figure 349: Monthly trend of average daily options contracts traded in the US and India



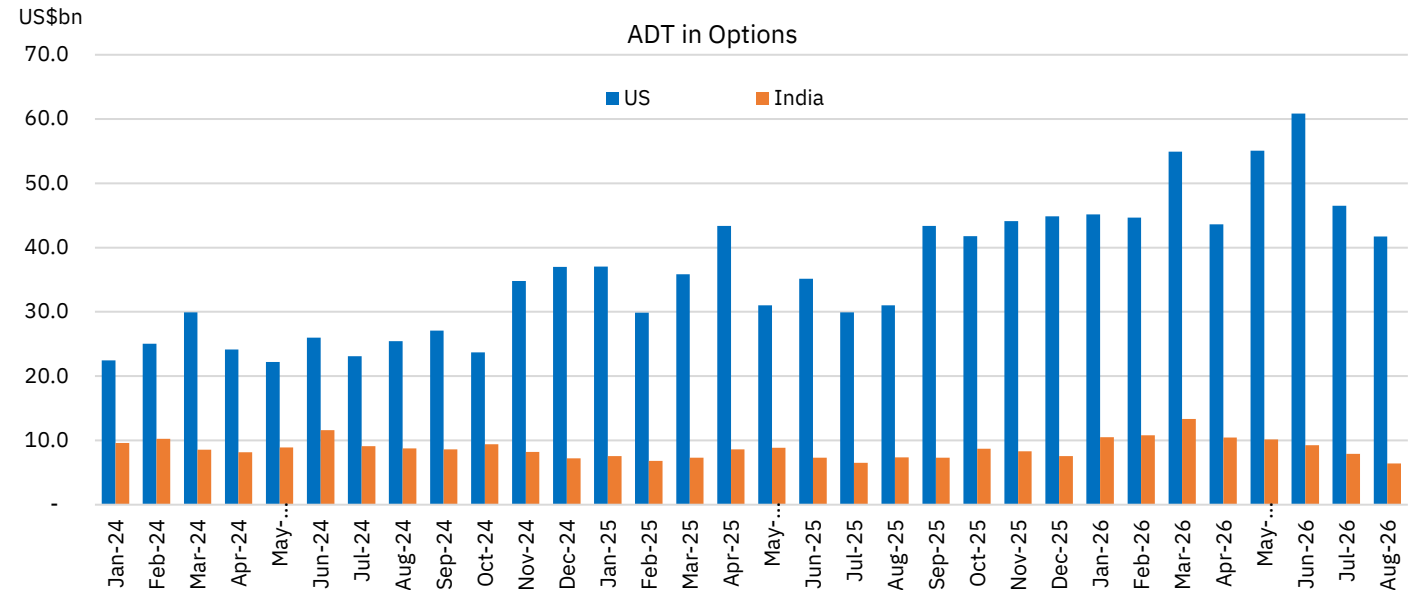
Source: OCC, NSE, BSE.

Figure 350: Monthly trend of the ratio of India and US options contracts traded



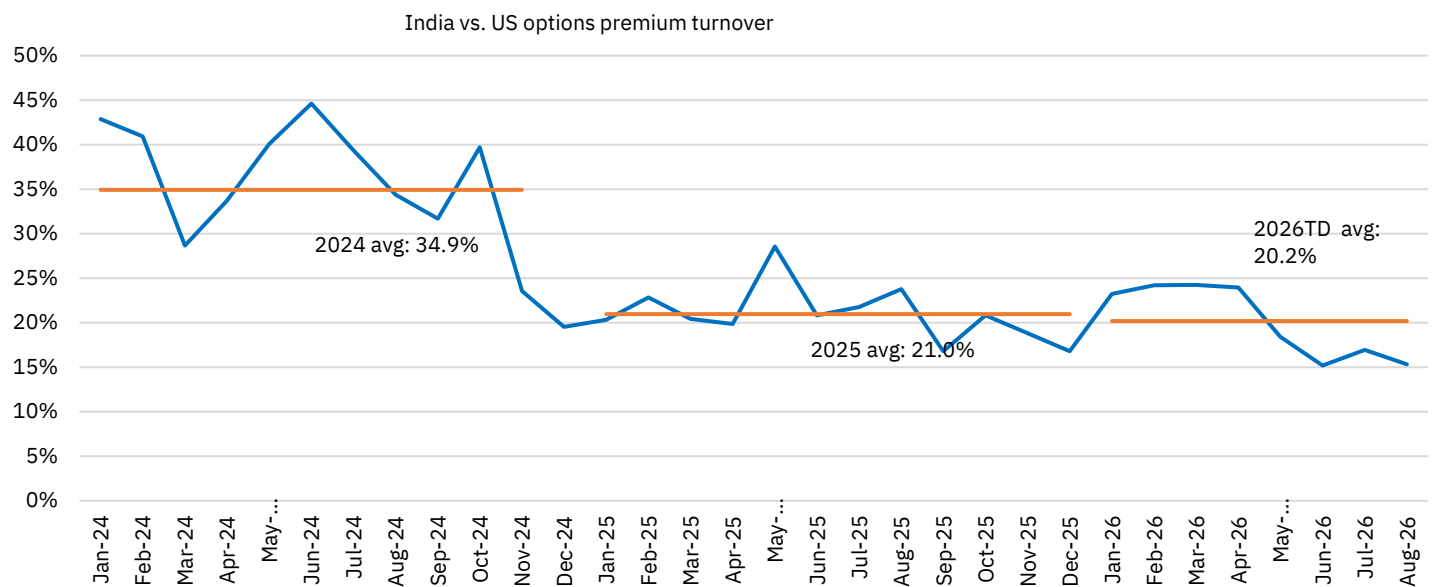
Source: OCC, NSE, BSE.

Figure 351: 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 352: 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.

8. 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.

9. 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.

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