NSE

MARKET PULSE

A monthly review of the Indian economy and markets



India's Equity Ownership
The Shifting Balance

November 2026 | Volume 8 | Issue 11

Market Pulse

Volume 8, Issue 11

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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NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Market Pulse

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NSE at a glance

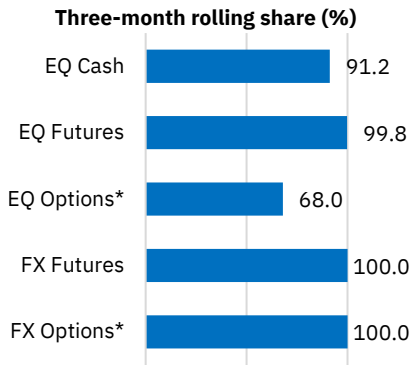
NSE's positioning and reach

NSE's global positioning

1	Largest multi-asset class exchange
3	Third largest equity exchange by no. of trades (11.1% share in FY27TD* as per WFE)
1	Largest derivatives exchange by contracts traded (FY27TD* share: 45% in eq. F&O (WFE)
11	Market capitalization*

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

Domestic market share



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

Reach

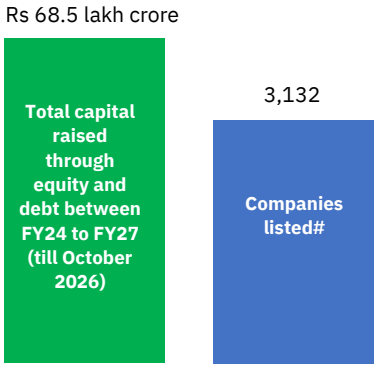
1,329	Trading members
99+%	Pin codes covered
13.8 Crore	Unique registered PANs
US$95bn*	Total passive AUM (domestic + global) tracking Nifty indices
US$4.95trn	Market cap of listed entitles

As of October 31st, 2026, unless specified otherwise

^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

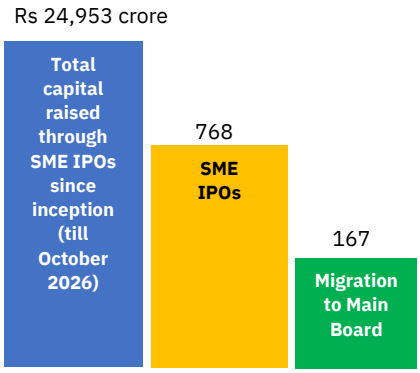
NSE's contribution to the economy

Catalyst for capital formation

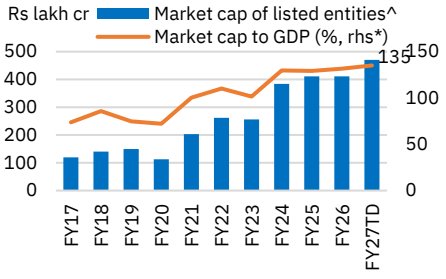


#Companies including SMEs, AMCs and ITP listed as of October 2026

SME Listing snapshot



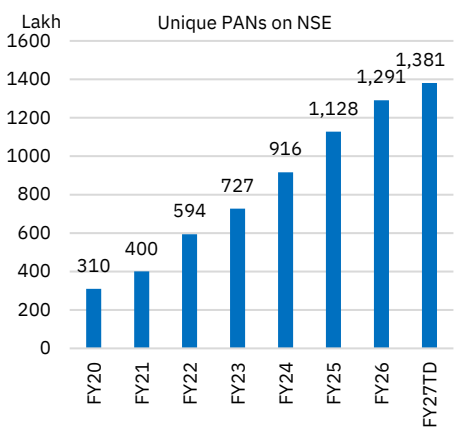
Market capitalisation



^Represents the aggregate market value of all equity shares traded on NSE and units of Listed REITs and InvITs traded on NSE as on the last trading day of the relevant period/year.
* Market cap to GDP is based on 3M avg. market cap and nominal GDP for the last four quarters.
#Data for FY27TD is as of October 31st, 2026

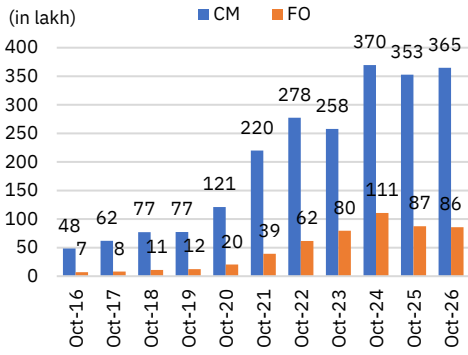
Investor growth

Unique investor base



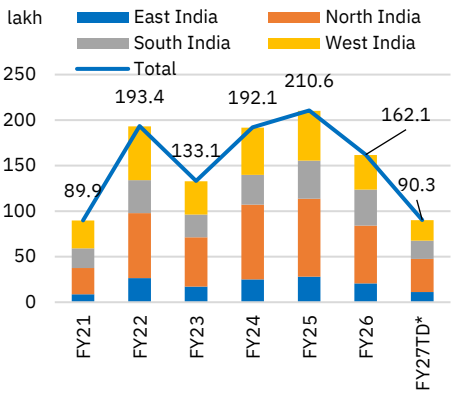
* As of October 31st, 2026

Individual investors' participation*



*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 October.

New investor registrations



The top five states (UP, MH, GJ, RJ, BR) accounted for 48.1% of new investor registrations in Oct'26 (FY27TD* denotes data till Oct'26).

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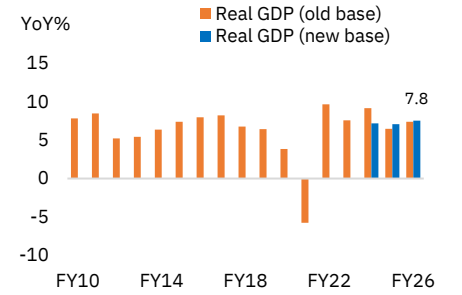
Key macro charts

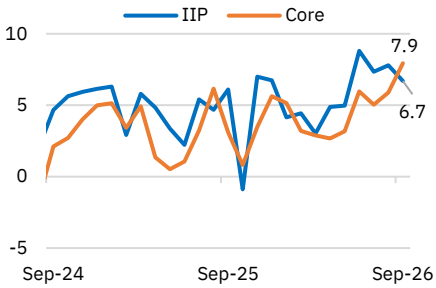
Growth outlook robust

Real GDP growth



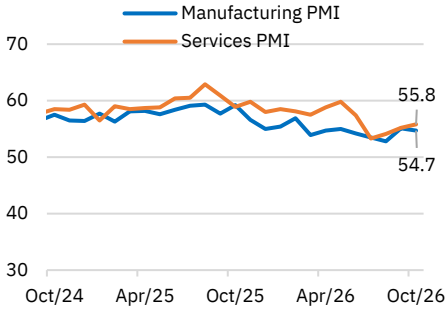
FY26 = Second advance estimate

Industrial activity moderates



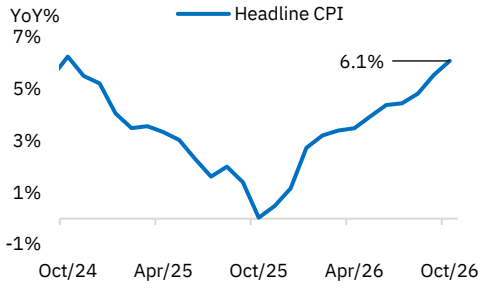
IIP and core is based on revised base year 2022-23.

Manufacturing PMI also eased

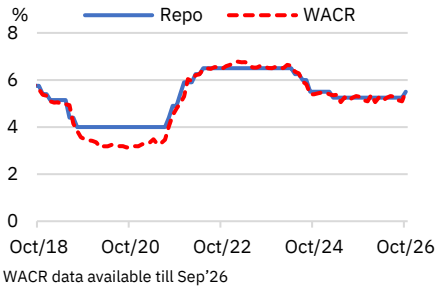


Retail Inflation crossed RBI's upper threshold level

Retail inflation

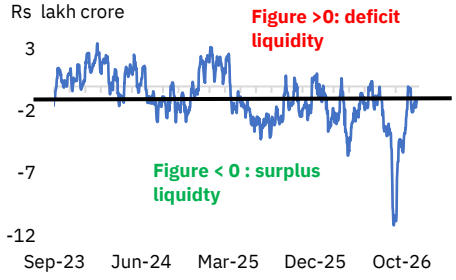


WACR below repo rate



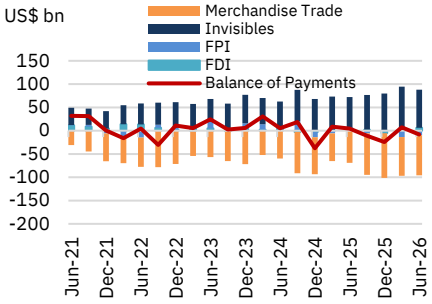
WACR data available till Sep'26

Liquidity remained in surplus

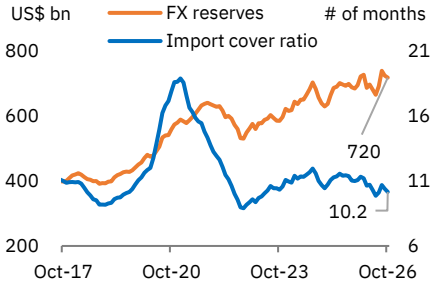


External position supported by adequate reserves and capital inflows

BOP deficit widened in Q1FY27

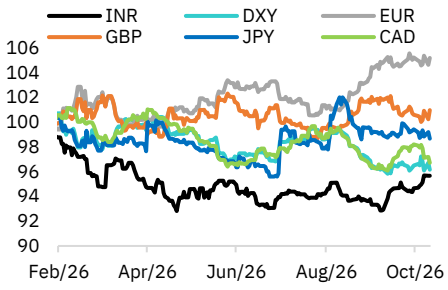


Forex reserves



Note: FX reserves as of Nov 6th, 2026

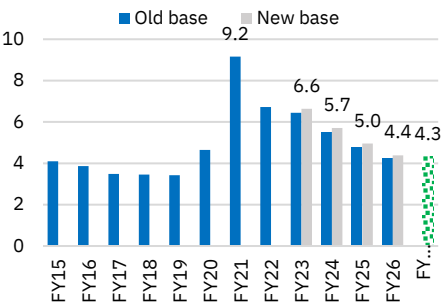
Rupee under recovery



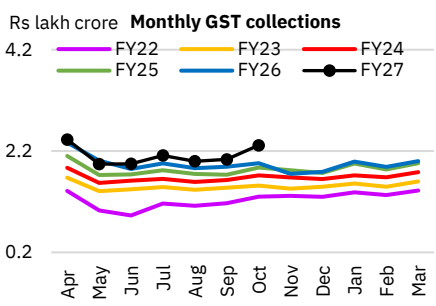
Rebased to 100 on December 31st, 2025

Fiscal prudence but with higher capex

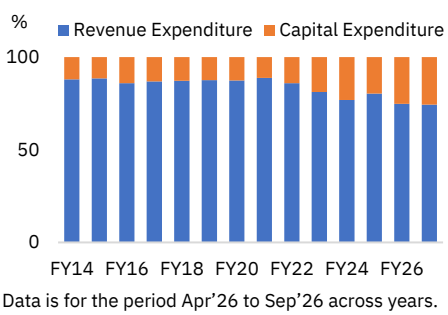
Fiscal deficit (% of GDP)



GST collections robust



Share of capex



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

Key market charts

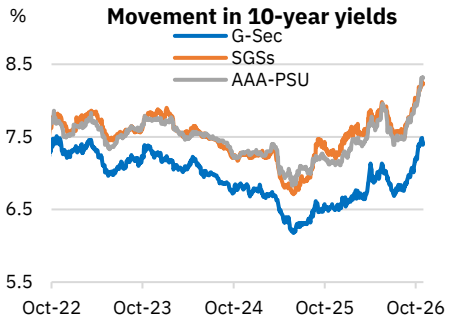
Performance across asset classes

Equity

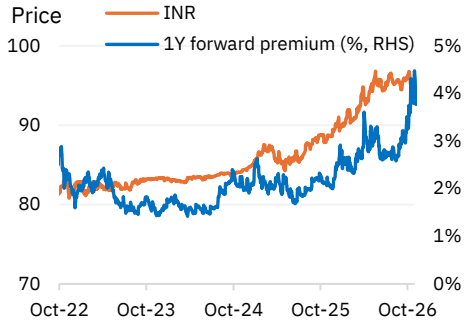
Index	1M	6M	12M
Nifty 50	**1.9**	**-3.9**	**-10.4**
Nifty 50 USD	**2.9**	**-4.0**	**-17.8**
MSCI World	-0.8	4.3	10.8
MSCI EM	-8.1	-2.1	11.8
S&P 500	-0.9	5.2	10.8
Euro Stoxx 50	-2.2	4.2	8.3
FTSE 100	1.2	3.4	10.4

* As of October 31st, 2026.

Fixed income

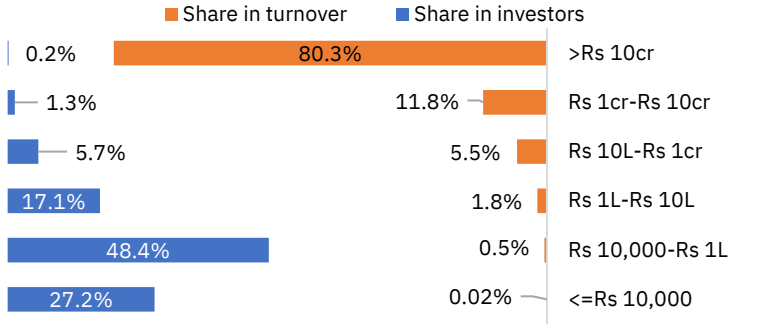


Currency

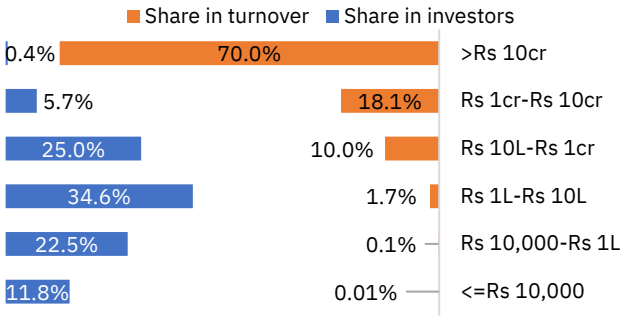


Distribution of trading activity by turnover

Distribution of trading activity by turnover range in NSE CM segment in October 2026



Distribution of trading activity by turnover range for equity options premium in October 2026



Market activity

Category-wise gross turnover and share in FY27TD

Client category	CM		Equity options#		Equity futures	
	Value (Rs '000 cr)	Share (%)	Value (Rs '000 cr)	Share (%)	Value (Rs '000 cr)	Share (%)
Corporates	736	4.1	202	2.4	1,434	7.2
DIIs	2,407	13.3	18	0.2	2,799	14.1
FIs	2,402	13.2	550	6.6	6,262	31.5
Individuals	5,924	32.7	3,283	39.1	3,220	16.2
Prop	6,036	33.3	4,008	47.8	5,346	26.9
Others	628	3.5	328	3.9	809	4.1

Based on premium turnover * Data is as of Oct'26

Average daily open interest

Instruments	FY26		FY27*	
	Contracts (in '000)	Value (Rs crore)	Contracts (in '000)	Value (Rs crore)
Index Futures	343	61,723	400	63,116
Stock Futures	7,285	4,81,515	8,197	5,32,462
Index Options$	7,579	13,70,395	8,731	13,61,877
Stock Options$	4,810	3,18,037	5,308	3,45,112

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	-2,95,146
DIIs	-28,557	67,587	35,363	90,738	1,09,662	42,257	-35,663	94,846	2,75,726	1,81,482	5,27,438	7,88,184	7,01,755
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	45,912
In US$ bn													
FPIs	16.1	3.2	3.2	7.8	-4.4	14.4	23	3.8	-16.5	20.7	0.1	-18.9	-31.4
DIIs	-4.8	10.4	5.2	14	16	6	-4.8	12.6	35.7	22	63	90.4	74.7
Individuals#	-4.9	-1.3	-3.9	-5.8	-1.4	-3.6	7.1	19.3	11.7	0.6	19.8	-0.6	4.9

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

Call for Submissions

NSE Best Thesis Award for Financial Economics

The Best Thesis Award in Financial Economics is constituted by the NSE to encourage research and disseminate cutting-edge theory and practice in the area of Capital Market.

The NSE award is given for the best Ph.D. thesis in financial economics with special reference to capital market in India submitted by a recent Indian PhD from an Indian University or an Indian Economic Institute.

The NSE prize will carry a merit certificate and cash award of Rs. 50,000/- to be given to the best thesis. The IEA invites scholars across the country for their entries. The result will be declared by a committee constituted by the IEA President. A copy of the thesis is to be submitted latest by 30th November, 2026 to the Joint Secretary, IEA.

Venue:
109th Annual Conference is going to be organized at Kakatiya University, Warangal, Telangana during 27-29th December 2026.

Copy of the thesis is to be submitted to

Dr S. Narayanan

Joint Secretary & Chief Coordinator, Indian Economic Association
Assistant Professor, P.G. & Research Department of Economics,
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Mob: 9884513004
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Submissions to be emailed to narayanan.econ@gmail.com and cc to nseri@nse.co.in

NSE | Electronic Gold Receipts™

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

Beyond the AI trade: India's relative resilience

The reassessment of the global artificial intelligence (AI) trade has become a defining development in financial markets. November brought a sharp correction in AI-linked equities as investors questioned the scale of investment commitments and their eventual returns, even as technological progress continued at remarkable speed. For India, global portfolio reallocation, lower crude oil prices and improving corporate earnings have created a more favourable near-term environment. How durable this advantage proves to be, remains an open question.

Global equities extended their decline in October and weakened more sharply in November. The MSCI World and Emerging Markets indices fell 0.8% and 8.0%, respectively, in October, followed by declines of 8.4% and 11.2% through November 20th. Technology-heavy North Asian markets were particularly affected as investors reduced exposure to crowded AI-linked positions. Yet Anthropic completed the world's largest IPO, raising US$93.5bn including the green shoe option, even as concerns around the sustainability of the AI investment cycle intensified. Leadership uncertainty at Nvidia added a reminder of key-person risk even at the technological frontier.

The global economic backdrop remains difficult. US GDP expanded at an annualised 3.4% in Q3 2026, while the global composite PMI, at 53.2 in October, continued to indicate expansion. Inflation risks and restrictive financial conditions nevertheless persist, with the Bank of England and Reserve Bank of Australia raising rates in November. The US midterm elections introduced another dimension. More than the direction of the verdict, its magnitude was notable: Democrats secured at least 258 seats in the House of Representatives, their strongest result since 1992, and control of the Senate.

Indian equities moved in the opposite direction. The Nifty 50 gained 1.9% in October and another 11.9% through November 20th, nearly erasing its calendar-year losses. FPIs invested a record US$13bn in November following net outflows of US$3.6bn in October, while DIIs turned net sellers. India's relatively limited listed-market exposure to the global AI infrastructure trade has made it an attractive diversification destination. Yet the same consideration cuts both ways: a revival in US technology stocks could reverse some of the recent portfolio rotation.

Other market developments offered relief. Brent crude retreated from an October peak near US$120/bbl to around US$92/bbl by November 20th, easing a significant external pressure on India. The rupee strengthened to Rs 92.67/US$, supported by foreign inflows and lower oil prices. Safe-haven demand helped US 10-year Treasury yields retreat to around 4.9% by October-end; India's benchmark 10-year yield, however, rose to 7.41% in October before easing in November. Gold also corrected sharply amid position unwinding and expectations of further US monetary tightening.

India's domestic economy has retained momentum. Industrial production grew 6.7% YoY in September, while bank credit increased 19.6% in October, with consumption and services indicators remaining supportive. Inflation is the more immediate challenge. CPI inflation rose to 6.1% in October, breaching the RBI's upper tolerance limit, while WPI inflation reached 12.3%. Below-average reservoirs and subdued *rabi* sowing have added to agricultural risks. The December Monetary Policy Committee meeting assumes greater significance following October's rate hike. The earlier mobilisation of FCNR(B) deposits has provided useful foreign-currency resources, although portfolio volatility and a widening current account deficit warrant attention.

Our *Story of the Month*, the September 2026 India Inc. Ownership Tracker, documents the continuing shift towards domestic equity ownership. FPI ownership in NSE-listed companies fell to a 21-year low of 14.7%, despite modest buying during Q2FY27, with inflows strengthening sharply only in the subsequent quarter. Domestic mutual fund ownership rose for the 13th consecutive quarter to a record 11.8%, while DII ownership reached 19.6%, exceeding FPI ownership by a record 4.9 percentage points.

Combined direct and indirect individual ownership rose to a record 19.5%, with household equity holdings estimated at Rs 90.4 lakh crore. Although estimated household equity wealth declined by Rs 87,000 crore in Q2, cumulative accretion

since April 2020 remained substantial at Rs 55.5 lakh crore. Institutional portfolios have also continued to broaden beyond the Nifty 50, whose share of institutional allocations fell to a record low of 54.6%.

Our first *Chart of the Month* reviews Q2FY27 corporate earnings. Preliminary findings point to a marked improvement in revenue, operating profit and PAT growth across the Nifty 50 and Nifty 500, supported by Energy, Materials and consumption-oriented sectors. Margin improvement was more limited, with YoY pressures and divergent sectoral trends. This contrasts with Q1, when margin pressures weighed on aggregate profitability. The second chart examines *Muhurat* trading. The November 8 session saw strong cash and derivatives activity, with smaller-cap indices outperforming the Nifty 50, which itself ended marginally lower. Individual investors remained net buyers in the cash market for the eighth consecutive year.

Our *Insights* section examines AI as a technological shock and its implications for equity valuations, risk and expected returns. Ten studies explore the uneven diffusion of new technologies, the complementary intangible investments required for productivity gains, and the ways AI can support innovation, substitute for labour or displace established business models. Earlier technological revolutions suggest that sharp valuation adjustments can accompany rational changes in expectations about future gains and systematic risks. The eventual beneficiaries of AI need not be the firms currently attracting the most investment.

Our *Markets in Depth* section records another strong month for primary markets. Main Board IPO proceeds reached ~Rs 45,800 crore in October, with fresh issuance accounting for around 81%. Jio Platforms' Rs 30,188 crore IPO became India's largest. Secondary markets were more mixed: cash-market average daily turnover moderated, even as active investors reached a two-year high of 1.44 crore and average trade size declined to Rs 26,604. Equity futures turnover increased 12% MoM and options premium turnover 38%, while traded value remained concentrated among a small share of participants. Broadening participation does not necessarily imply more dispersed trading activity.

Beyond developments in capital markets, efforts to simplify India's regulatory framework and reduce compliance burdens have continued, and we highlight a few here. By October, nearly 48,000 compliance requirements had been simplified, digitised, decriminalised or eliminated, while the Jan Vishwas reforms have decriminalised 900 provisions of central laws since 2023.

Developments beyond financial markets offer a reminder of the pace of technological change. China's LineShine retained first place in the November TOP500 supercomputer rankings at 2.198 exaflops. SpaceX successfully recovered Starship's upper stage following an orbital flight for the first time, although its booster descended into the sea. At approximately 124 metres, the full rocket is comparable in height to a 40-storey building. Closer home, ISRO placed the NVS-03 satellite into transfer orbit, advancing India's NavIC programme. Most strikingly, an AI-assisted proof of the Riemann Hypothesis released in November has likely passed formal checks. For the uninitiated, the Riemann Hypothesis (formulated in 1859) has long been known as the single most important unsolved problem in pure mathematics—the "Holy Grail" of number theory. Wider mathematical scrutiny and formal recognition will take time, but the implications for how research is undertaken could be profound.

Recent months have highlighted the distinction between movements in financial markets and the underlying pace of economic and technological change. The longer-term trends discussed in earlier editions—deepening capital markets, expanding productive capacity and improvements in human capital—remain equally relevant. One is reminded of Amara's Law, *"We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run"*. With that, we present the November 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 Who owns India Inc.? Domestic ownership deepens; FPI share at a 21-year low

The September 2026 edition of our flagship quarterly report, India Inc. Ownership Tracker[1], examines evolving ownership trends across NSE-listed companies, focusing on domestic participation, FPI ownership, household equity wealth and the broadening of portfolios across sectors and market-cap segments. The report also examines household equity wealth creation, sectoral positioning, market-cap allocations and portfolio concentration across major investor categories. Key takeaways include:

1) FPI[2] (foreign portfolio investors) ownership declined further despite modest buying (US$1.5bn in Q2), as domestic participation continued to strengthen. Their share in NSE-listed companies fell to a 21-year low of 14.7%, while that in the Nifty 50 and Nifty 500 fell to 15- and 17.5-year lows of 20.9% and 16%, respectively.

2) DMF (domestic mutual funds) share rose for the 13th consecutive quarter to a fresh high of 11.8% in the September quarter (Active: 9.7%, Passive: 2.1%),[3] supported by sustained equity buying and steady SIP inflows. Overall domestic institutional investors'[4] (DIIs) ownership in NSE-listed companies stood at 19.6%, exceeding FPI ownership for the eighth consecutive quarter, with the gap widening to a record 4.9pp.

3) Direct individual ownership rose by 10bps QoQ to 9.6%, supported by continued, albeit smaller, secondary-market purchases. Including indirect holdings through mutual funds, combined individual ownership rose by 26bps QoQ to a record 19.5%.

4) Combined direct and indirect holdings stood at Rs 90.4 lakh crore, having grown at an annualised rate of 30.3% since March 2020. Estimated household equity wealth fell by Rs 87k crore during Q2 FY27, even as cumulative wealth accretion since April 2020 remained significant at Rs 55.5 lakh crore.

5) Total promoter share in NSE-listed companies rose by 20bps QoQ to a seven-quarter high of 50.4%, aided by higher private promoter share, while that in the Nifty 50 and Nifty 500 fell to 40.0% and 49.3% respectively.

6) FPIs retained their preference for Financials and Communication Services, with both remaining the only two OW[5] sectors, although the extent of overweighting in Financials fell further. FPIs remained UW on Consumer Staples, Industrials and Materials, turned marginally positive on Healthcare and remained neutral elsewhere.

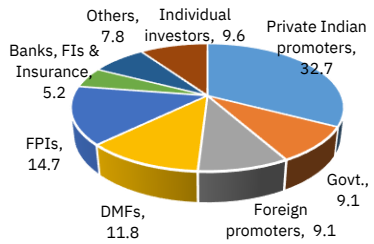
7) DMFs maintained their OW on Financials, retained a positive tilt towards Consumer Discretionary and moved Healthcare into OW territory. They also retained their UW stance on Materials and Energy, and negative bias towards Consumer Staples, with Materials emerging as the largest UW.

8) Institutional allocation to Nifty 50 stocks fell further to a fresh record-low of 54.6%, even as top-decile exposure increased, reflecting higher allocations to companies outside the Nifty 50 within that cohort.

[1] The *"India Inc. Ownership Tracker"* report examines quarterly ownership trends and patterns in Indian companies listed on the NSE since 2001.
[2] FII ownership includes ownership through depository receipts held by custodians.
[3] Passive funds track an index by maintaining a portfolio that mimics the index, while active funds involve active investment decisions on the part of the fund manager.
[4] Includes DMFs, Insurance, Banks and other domestic institutions.
[5] Overweight (OW), neutral (N) or underweight (UW) stance on any sector is with respect to the sector's weight in the Index. An OW/UW position on a sector implies more than 100bps higher/lower allocation to the sector than its weight in the Index. A 'N' position on a sector implies an allocation within +/- 100bps of the sector's weight

Promoter share inched up in the broader listed universe but declined in the Nifty 50 and Nifty 500: Total promoter ownership in NSE-listed companies rose for the third consecutive quarter, up 20bps QoQ to a seven-quarter high of 50.4% in Q2 FY27. The increase was led by higher private Indian and foreign promoter holdings, partly offset by a dip in Government share. In contrast, promoter ownership in the Nifty 50 and Nifty 500 fell by 37bps and 23bps QoQ to 40.0% and 49.3%, respectively. While the decline in the Nifty 50 was driven primarily by lower Government ownership, partly offset by an increase in private Indian promoter share, the fall in the Nifty 500 largely reflected reduced Government holdings. In value terms, promoter holdings across NSE-listed companies fell by 0.8% QoQ to Rs 233 lakh crore, following a 15.2% rise in the previous quarter.

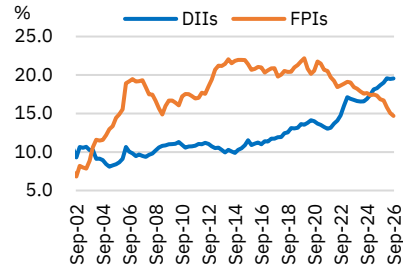
Who owns India Inc.? Ownership patter in NSE listed companies in Sep'26



Government share fell further: Government ownership in NSE-listed companies, Nifty 50 and Nifty 500 companies fell by 62bps, 6bps and 55bps QoQ to 9.1%, 7.6% and 10.2% respectively. This reflected a combination of relative underperformance of large Government-owned companies and the Government's stake sale in LIC. The Nifty CPSE Index, for instance, declined by nearly 7% during the September quarter, almost twice the 3.6% fall in the Nifty Total Market Index. In value terms, however, Government holdings still 7.4% QoQ to Rs 42.3 lakh crore, exceeding the 1.2% decline in overall market capitalisation.

FPI ownership fell to a 21-year low despite modest buying: FPI ownership in NSE-listed companies declined further by 38bps QoQ to 14.7% in the September 2026 quarter, the lowest in 21 years and the first sub-15% reading in over 17 years. Their share in Nifty 50 companies also fell by 23bps QoQ to a nearly 15-year low of 20.9%, while that in the Nifty 500 declined by 12bps to 16%. The continued erosion in FPI ownership came despite modest buying during the quarter. Following record net outflows of US$19.6bn in FY26 and US$15.1bn in Q1FY27, FPIs turned modest net buyers in Q2FY27, with inflows of US$1.5bn. However, net DII purchases remained substantially higher at US$17.8bn, further strengthening the domestic institutional ownership base. In value terms, FPI holdings in NSE-listed companies fell by 3.7% QoQ to Rs 68.1 lakh crore.

DII vs. FPI ownership in NSE-listed companies



Source: CMIE Prowess, NSE EPR

FPI sectoral positioning remained broadly unchanged in the September 2026 quarter, with Financials and Communication Services continuing as the only two OW sectors. The extent of overweighting in Financials narrowed further despite its relative outperformance, while Communication Services retained its preferred status. FPIs remained UW on Consumer Staples and Industrials, while positioning on Materials turned more cautious. Elsewhere, allocations remained broadly neutral, with a mild positive bias towards Energy, Utilities and Real Estate, although the latter weakened during the quarter. Healthcare saw an improvement in positioning, turning marginally positive, while Information Technology retained a mild negative bias

DMF ownership scaled fresh highs: DMF ownership in NSE-listed companies rose for the 13th consecutive quarter, increasing by 19bps QoQ to a record 11.8% in September 2026. Their share in Nifty 50 companies also reached a fresh high of 14.8% (+21bps QoQ), while that in the Nifty 500 stood at 12.5% (+35bps QoQ). DMFs invested another Rs 1.17 lakh crore on a net basis in Q2 FY27, following record purchases of Rs 1.42 lakh crore in the previous quarter, marking the 22nd consecutive quarter of net inflows. Average monthly SIP contributions rose by 3.1% QoQ and 12.4% YoY to Rs 32,248 crore, with September recording a fresh monthly high of Rs 32,490 crore. Within overall DMF ownership, passive funds' share remained steady at 2.1%, while actively managed funds gained another 20bps QoQ to a record 9.7%. In value terms, DMF holdings rose by 0.4% QoQ to Rs 54.6 lakh crore, despite the decline in overall market capitalisation

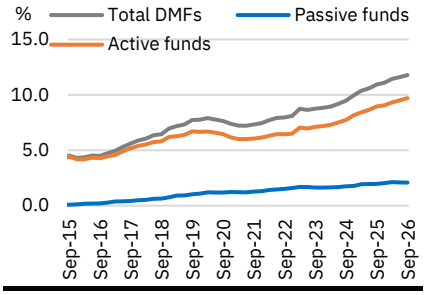
Financials remained the most consistent OW in DMF portfolios during the September quarter, although the extent narrowed marginally. Consumer Discretionary retained its positive bias, while Healthcare moved into OW territory after three quarters of neutral positioning. Among commodity-linked sectors, Materials emerged as the largest UW, with Energy also remaining UW. Consumer Staples retained its longstanding negative bias, albeit less pronounced. Elsewhere, positioning was broadly neutral, with mild negative biases in Information Technology and Industrials, while Real Estate turned incrementally more negative. Utilities and Communication Services remained neutral.

Individuals' combined ownership rose to a fresh record high: Direct individual ownership in NSE-listed companies rose for the second consecutive quarter, increasing by 10bps QoQ to 9.6% in September 2026. Their share in Nifty 50 companies also increased by 21bps to 8.0%, while that in the Nifty 500 remained broadly steady at 8.5%. Individuals remained net buyers in NSE's secondary markets, although net purchases eased to Rs 4.9k crore in Q2FY27 from a six-quarter high of Rs 42.7k crore in the previous quarter. In value terms, direct individual holdings remained steady at Rs 44.6 lakh crore, just 0.8% below the Sep'24 peak, having grown at an annualised rate of 34.4% since March 2020.

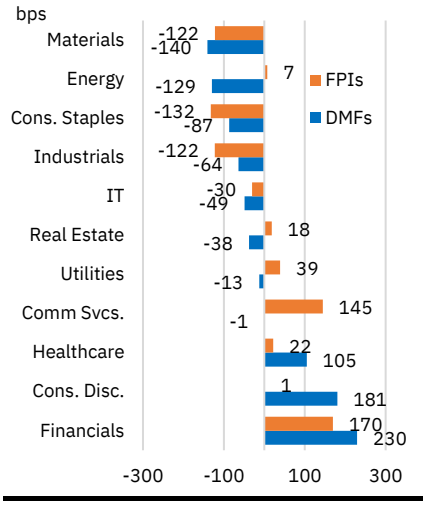
Including indirect holdings through mutual funds, combined individual ownership rose by 26bps QoQ to a record 19.5%, with holdings valued at Rs 90.4 lakh crore, translating into an annualised growth of 30.3%. This marked the eighth consecutive quarter in which combined individual ownership exceeded FPI ownership, with the gap widening to a record 4.8pp from 4.2pp in June. Adjusting for net fresh investments, estimated household equity wealth declined by Rs 87k crore, even as the cumulative wealth accretion since April 2020 remains significant at Rs 55.5 lakh crore.

Institutional allocation to Nifty 50 fell to a record low, even as top-decile exposure rose: The share of Nifty 50 stocks in overall institutional holdings fell by 1.4pp QoQ to an all-time low of 54.6% in September 2026, taking the cumulative decline in 2026 to 6.3pp. This is now 17.8pp below the pre-pandemic peak of 72.4% recorded in December 2019. Among institutions, DMF allocation to Nifty 50 stocks fell by 2pp QoQ to a 21-year low of 49.4%, slipping below 50%

DMF ownership in NSE-listed companies



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



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

for the first time during this period, while FPI allocation declined by 1.3pp to a record low of 56.2%. Individual investors also reduced their Nifty 50 exposure for the third consecutive quarter, by 68bps QoQ to a record low of 32.8%. Interestingly, a decile-wise analysis presents a contrasting picture, with DMFs, FPIs and individuals increasing their allocations to the top market-cap decile by 4.2pp, 2.8pp and 4.1pp QoQ, respectively. This divergence was driven largely by higher exposure to top-decile companies outside the Nifty 50, indicating a continued broadening of portfolios beyond the largest benchmark constituents.

HHI levels declined further across investor categories in Q2 FY27: The Herfindahl–Hirschman Index (HHI), a measure of portfolio concentration, declined further across investor categories in the September 2026 quarter, reinforcing the post-pandemic broadening of ownership. The aggregate institutional HHI fell from 145 in June to a record low of 132, less than half its September 2020 peak of 320. Among institutions, DMF concentration eased to a 35-quarter low of 119, while FPI concentration declined for the third consecutive quarter, from 260 in December 2025 to a record low of 164. Banks, financial institutions and insurers also recorded a new low of 163. Individual investors continued to have the most dispersed holdings, with their HHI falling from 56 to a record low of 50. Despite this broad-based decline, concentration remains elevated in select sectors, particularly Energy and Communication Services.

Decile-wise portfolio share (Sep'26)

Deciles	FPIs	DMFs	Ind.	Total mkt cap
1	91.9	87.6	68.1	82.3
2	6.0	9.1	15.3	10.1
3	1.5	2.5	7.7	4.0
4	0.4	0.6	4.2	1.8
5	0.1	0.1	2.3	0.9
6	0.0	0.0	1.2	0.5
7	0.0	0.0	0.7	0.2
8	0.0	0.0	0.3	0.1
9	0.0	0.0	0.2	0.1
10	0.0	0.0	0.1	0.0

Source: CMIE Prowess, NSE EPR.

Sector-wise HHI of portfolios (Sep'26)

Sector	FPIs	DMFs	Ind.
Comm. Svcs.	6,115	4,462	1,060
Cons. Disc.	553	357	240
Cons. Staples	757	897	682
Energy	4,701	4,125	3,964
Financials	1,012	794	362
Health Care	524	380	231
Industrials	436	402	242
IT	1,311	952	424
Materials	425	379	164
Real Estate	1,497	1,242	477
Utilities	1,199	1,302	730
Total	**164**	**119**	**50**

Source: CMIE Prowess, NSE EPR.

Annual India Inc. ownership trends

Table 1: Ownership trend across promoters and non-promoters in the NSE-listed universe

	Promoters (%)				Non-promoters (%)			Market cap (Rs lakh crore) *
	Private Indian promoters	Government	Foreign	Total promoters	Institutional	Non-Institutional	Total non-promoters	
FY01	32.2		8.9	41.1	21.6	37.3	58.9	6.1
FY02	33.3		8.0	41.3	19.6	39.1	58.7	7.1
FY03	33.8		6.2	40.1	18.5	41.4	59.9	6.9
FY04	40.8		5.5	46.2	20.7	33.0	53.8	13.1
FY05	43.8		5.7	49.6	21.1	29.4	50.4	17.7
FY06	43.2		6.2	49.3	24.7	26.0	50.7	29.8
FY07	30.9	15.5	7.7	54.1	28.6	17.3	45.9	33.9
FY08	31.0	19.0	6.5	56.6	27.1	16.3	43.4	48.8
FY09	26.4	23.0	8.2	57.6	25.7	16.8	42.4	29.1
FY10	26.5	22.3	7.6	56.3	27.5	16.2	43.7	60.3
FY11	26.6	22.1	7.2	55.9	28.2	15.9	44.1	67.1
FY12	27.3	19.8	8.0	55.1	28.7	16.2	44.9	61.0
FY13	28.4	16.9	7.5	52.8	31.2	15.9	47.2	62.5
FY14	29.4	13.9	8.4	51.7	32.3	15.9	48.3	72.8
FY15	29.6	11.9	9.5	51.0	32.4	16.5	49.0	100.5
FY16	31.0	10.1	9.3	50.4	31.9	17.7	49.6	94.5
FY17	30.4	10.7	8.9	50.1	32.0	18.0	49.9	120.7
FY18	31.3	9.7	9.4	50.4	32.0	17.6	49.6	142.4
FY19	31.5	8.7	9.2	49.4	34.0	16.5	50.6	149.7
FY20	33.3	6.6	11.1	50.9	34.6	14.5	49.1	112.0
FY21	34.7	5.9	9.4	50.0	35.0	15.0	50.0	203.1
FY22	36.3	5.7	8.7	50.7	32.9	16.3	49.3	261.0
FY23	33.2	7.9	8.8	49.9	36.2	13.9	50.1	254.2
FY24	32.7	10.7	8.0	51.4	34.4	14.2	48.6	382.1
FY25	32.5	9.5	8.1	50.1	35.6	14.3	49.9	408.9
FY26	31.8	9.7	8.4	50.0	35.4	14.6	50.0	408.6
Q1FY27	32.1	9.2	8.9	50.2	34.6	15.2	49.8	468.8
Q2FY27	32.7	8.6	9.1	50.4	34.2	15.4	49.6	463.3

Source: CMIE Prowess, NSE EPR.

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

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

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

Table 2: Ownership trend across non-promoter shareholders by total market cap in the NSE-listed universe

	Non-promoters (%) ^										Market cap (Rs lakh crore) #
	Institutional					Non-institutional					
	Domestic MFs	Banks, FIs & Insurance	FPIs*	Other inst.	Total	Non-promoter corporate	Ind. investors	Other non-inst. **	Total	Total	
FY01	5.8	7.0	8.7	0.0	21.6	16.0	16.9	4.4	37.3	58.9	6.1
FY02	4.3	6.5	8.8	0.0	19.6	18.1	16.6	4.4	39.1	58.7	7.1
FY03	3.4	7.1	8.0	0.0	18.5	19.1	16.8	5.5	41.4	59.9	6.9
FY04	3.1	6.0	11.6	0.0	20.7	12.7	13.6	6.8	33.0	53.8	13.1
FY05	2.7	5.4	13.0	0.0	21.1	10.4	12.9	6.1	29.4	50.4	17.7
FY06	3.5	5.6	15.5	0.0	24.7	7.9	11.6	6.5	26.0	50.7	29.8
FY07	3.8	5.4	19.2	0.3	28.6	4.2	10.1	3.0	17.3	45.9	33.9
FY08	3.8	5.4	17.5	0.4	27.1	4.3	9.1	2.9	16.3	43.4	48.8
FY09	3.8	6.7	14.9	0.3	25.7	4.5	8.7	3.6	16.8	42.4	29.1
FY10	3.9	6.9	16.4	0.3	27.5	4.5	8.5	3.3	16.2	43.7	60.3
FY11	3.6	6.9	17.5	0.3	28.2	4.5	8.2	3.2	15.9	44.1	67.1
FY12	3.6	7.2	17.7	0.2	28.7	4.4	8.5	3.2	16.2	44.9	61.0
FY13	3.5	6.9	20.7	0.1	31.2	4.3	8.0	3.6	15.9	47.2	62.5
FY14	3.4	6.8	22.1	0.1	32.3	4.0	8.0	4.0	15.9	48.3	72.8
FY15	3.9	5.9	22.0	0.6	32.4	4.2	8.7	3.7	16.5	49.0	100.5
FY16	4.4	6.4	20.8	0.3	31.9	5.8	9.1	2.8	17.7	49.6	94.5
FY17	4.9	6.2	20.6	0.2	32.0	5.8	9.3	2.9	18.0	49.9	120.7
FY18	6.1	5.6	20.1	0.3	32.0	5.6	9.0	3.0	17.6	49.6	142.4
FY19	7.2	5.5	21.0	0.4	34.0	5.0	8.6	3.0	16.5	50.6	149.7
FY20	7.9	5.5	20.8	0.4	34.6	3.3	8.4	2.7	14.5	49.1	112.0
FY21	7.2	5.1	21.5	1.2	35.0	3.1	9.0	2.9	15.0	50.0	203.1
FY22	7.7	4.5	19.2	1.5	32.9	3.6	9.7	3.1	16.3	49.3	261.0
FY23	8.7	6.1	19.1	2.3	36.2	1.7	9.4	2.8	13.9	50.1	254.2
FY24	8.9	5.6	17.9	2.0	34.4	1.9	9.5	2.7	14.2	48.6	382.1
FY25	10.4	5.6	17.5	2.2	35.6	1.9	9.5	2.9	14.3	49.9	408.9
FY26	11.4	5.6	15.8	2.6	35.4	1.8	9.1	3.7	14.6	50.0	408.6
Q1FY27	11.6	5.3	15.1	2.6	34.6	1.8	9.5	3.9	15.2	49.8	468.8
Q2FY27	11.8	5.2	14.7	2.6	34.2	1.9	9.6	3.9	15.4	49.6	463.3

Source: CMIE Prowess, NSE EPR.
Notes: 1. Ownership shares provided here for non-promoters are based on total market cap and therefore do not add up to 100.
2. Institutional and non-institutional share add up to the total non-promoter share.
3. *FPI ownership includes ownership through depository receipts held by custodians.
4. **Other non-institutions include other non-institutional non-promoters and government non-promoter.
5. #Market cap is for all companies whose ownership data was available for the quarter.

1.1.1 Listed universe ownership trends

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

Total promoter share rose further by 20bps QoQ to 50.4% in the September 2026 quarter, led by a rise in private Indian and foreign promoter share.

Private promoters drive overall promoter ownership in NSE-listed companies to a seven-quarter high in September quarter...: Promoter ownership in NSE-listed companies rose by 20bps QoQ to a seven-quarter high of 50.4% in the September quarter, marking the third consecutive quarterly increase. In value terms, promoter holdings declined by a modest 0.8% QoQ to Rs 233 lakh crore, following a sharp 15.2% increase in the previous quarter. The decline was, however, lower than the 1.2% QoQ fall in the aggregate market capitalisation of NSE-listed companies. The increase in promoter ownership was driven by higher holdings of private Indian and foreign promoters, partly offset by a further decline in Government promoter ownership.

Private Indian promoter ownership rose sharply by 58bps QoQ to an eight-quarter high of 32.7% as of September 2026, taking the cumulative increase in H1 FY27 to 87bps. This was driven entirely by individual private promoters, whose share surged by 67bps QoQ to a 69-quarter high of 7.9%. In contrast, the share of non-individual private promoters declined by another 10bps QoQ to a 37-quarter low of 24.8%. In value terms, holdings of individual promoters rose by 3.9% QoQ to an all-time high of Rs 36.4 lakh crore, despite the broad-based market sell-off during the quarter. This, coupled with the sharp increase in their ownership share, suggests increased stake accumulation by individual promoters, potentially taking advantage of the correction in market valuations.

Foreign promoter ownership also continued to rise, increasing by 22bps QoQ to 9.1%—its highest level in four years. In value terms, their holdings increased by a modest 1.3% QoQ to a fresh all-time high of Rs 42.3 lakh crore, following a sharp 21% increase in the previous quarter.

Government ownership in the listed space fell by 62bps QoQ to a 13- quarter low of 9.1% in the September quarter.

...while Government ownership declined further: Government ownership in NSE-listed companies, including both promoter and non-promoter holdings, declined steadily between 2010 and 2022, largely reflecting the Government's disinvestment strategy. This trend reversed sharply between April 2022 and March 2024, with Government ownership rising by nearly 5.2pp, driven primarily by LIC's listing and the strong performance of public sector enterprises. The increase, however, proved short-lived, with ownership moderating through FY25 before recovering modestly in FY26.

The trend reversed again in H1 FY27, with Government ownership declining by nearly 1.2pp, including a sharp 62bps fall in Q2, to a 13-quarter low of 9.1% as of September 2026. In value terms, Government holdings fell by 7.4% QoQ to Rs 42.3 lakh crore, exceeding the fall in aggregate market capitalisation. This reflected a combination of relative underperformance of large Government-owned companies and the Government's stake sale in LIC. The Nifty CPSE Index, for instance, declined by nearly 7% during the September quarter, almost twice the 3.6% fall in the Nifty Total Market Index.

FPI ownership in the listed universe dropped for the sixth quarter in a row to 21-year lows...: Barring brief upticks in just two of the last 14 quarters, FPI ownership in NSE-listed companies has been on a sustained decline since March 2023, reflecting volatile foreign portfolio flows and the growing dominance of domestic institutional investors. The decline, which intensified through FY26, continued into FY27, with FPI ownership falling by another 38bps QoQ to 14.7% in the September 2026 quarter—the lowest level in 21 years. This also marked the first time in 17.5 years that FPI ownership fell below the 15% mark. The sustained erosion in FPI share reflects the combined impact of foreign portfolio outflows and strong domestic institutional purchases, which have steadily expanded the DII ownership base.

FPI share in the NSE listed companies fell for the sixth quarter in a row by 38bps QoQ to a 21-year low of 14.7%.

Following record annual net outflows of US$19.6bn in FY26 and record quarterly outflows of US$15.1bn in Q1 FY27, FPIs turned modest net buyers in Q2 FY27, with inflows of US$1.5bn. DII purchases, however, remained substantially higher at US$17.8bn during the quarter, reinforcing the growing importance of domestic institutions in supporting equity market demand. Despite the return of foreign inflows, the value of FPI holdings in NSE-listed companies declined by 3.7% QoQ to Rs 68.1 lakh crore as of September 2026.

The recent decline in FPI ownership, however, needs to be viewed in a longer-term perspective. The value of FPI holdings in NSE-listed companies has grown at a CAGR of 17.9% in rupee terms since Mar'20. Further, despite sustained selling over the last two years, FPIs have remained net buyers of Indian equities in 19 of the last 27 years, highlighting India's continued importance as a long-term destination for foreign capital.

...while DMF shareholding rose further to a fresh record high: DMF ownership in NSE-listed companies rose for the 13th consecutive quarter, increasing by another 19bps QoQ to a fresh record high of 11.8% as of September 2026, taking the cumulative increase over the last five years to 4.5pp. In value terms, DMF holdings increased by a modest 0.4% QoQ to a record Rs 54.6 lakh crore, despite a decline in aggregate market capitalisation, supported by sustained equity inflows. DMFs made net equity purchases of Rs 1.17 lakh crore during the September quarter, following a record Rs 1.42 lakh crore in Q1 FY27, marking the 22nd consecutive quarter of net inflows.

DMF share in NSE listed universe rose further to a fresh all-time high of 11.8% in the September 2026 quarter, expanding by 4.5pp in the last five years.

This sustained buying has been supported by steady retail participation through systematic investment plans (SIPs). Average monthly SIP inflows rose to Rs 32,248 crore in Q2 FY27, up 3.1% QoQ and 12.4% YoY, and well above the FY26 monthly average of Rs 29,132 crore. Monthly SIP inflows also touched a fresh record of Rs 32,490 crore in September. Within overall DMF ownership, the share of passive funds remained broadly steady near its all-time high of 2.1%, while that of actively managed funds rose by another 20bps QoQ to 9.7%.

Ownership by banks, financial institutions and insurance companies, however, fell by 15bps QoQ to a 17-quarter low of 5.2%. That said, their combined share has been within a narrow range of 5.2–5.6% over the last 12 quarters, indicating stable participation.

Overall domestic institutional ownership remained broadly unchanged at 19.6% in the September 2026 quarter, exceeding FPI ownership for the eighth consecutive quarter. Notably, the gap between DII and FPI ownership widened to a record 4.9pp, the highest since the beginning of our analysis in March 2001.

Individuals' share in equity markets as non-promoter shareholders (direct and indirect) surged to a fresh record-high of 19.5% in the September 2026 quarter.

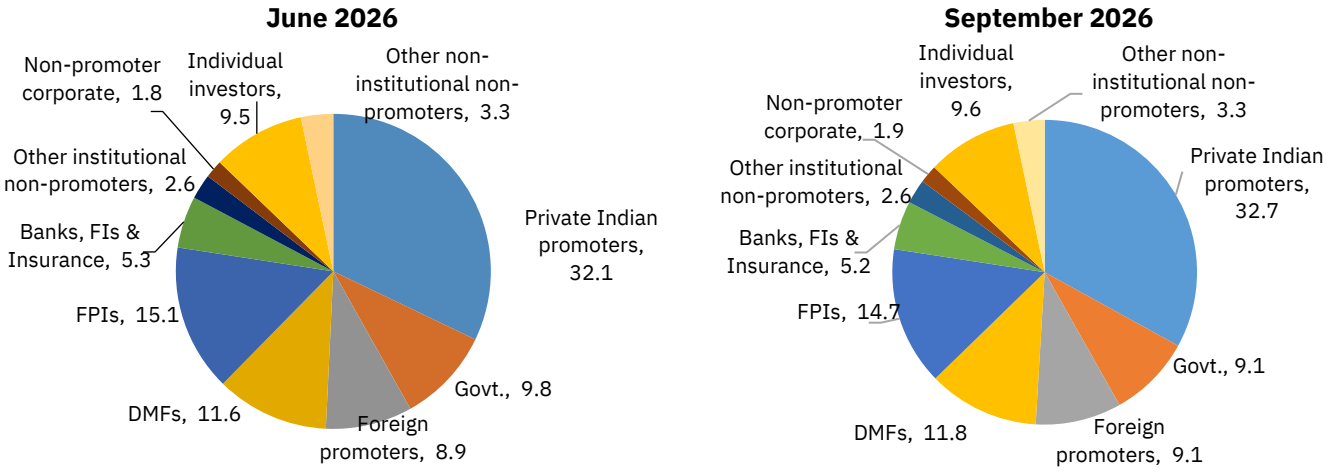
Individual investors' combined direct and indirect ownership in NSE-listed companies rose to a fresh record high in the September quarter: Direct ownership by individual investors in NSE-listed companies rose for the second consecutive quarter, increasing by 10bps QoQ to 9.6% as of September 2026, bringing it within 20bps of the post-pandemic peak of 9.8% recorded in December 2024.

The increase was supported by continued net buying by individuals in the secondary equity market. After turning modest net sellers in FY26 for the first time in seven years, individual investors returned as buyers in FY27, with net purchases of Rs 42.7k crore in the June quarter—the highest in six quarters—followed by another Rs 4.9k crore in the September quarter. In value terms, direct individual holdings remained broadly steady QoQ at Rs 44.6 lakh crore as of September-end, just 0.8% below the September 2024 peak, when equity markets were at record highs. Since March 2020, the value of direct individual holdings has grown at an annualised rate of 34.4%, reflecting sustained investor participation and substantial wealth creation over this period.

Including indirect ownership through mutual funds, where individuals (retail investors and HNIs) accounted for nearly 84% of equity AUM as of June 2026, the combined non-promoter ownership share of individuals rose by 26bps QoQ to a fresh record high of 19.5%. In value terms, their combined direct and indirect holdings stood at Rs 90.4 lakh crore, having grown at an annualised rate of 30.3% since March 2020.

Consequently, the gap between combined individual ownership and FPI ownership widened further to 4.8pp, highlighting the growing significance of domestic household participation in India's equity ownership landscape.

Figure 1: NSE-listed universe: Ownership pattern by total market cap (%)



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

Table 3: NSE-listed universe: Value held by key stakeholders over the last three years

Rs lakh crore	Private Indian promoters	Govt.@	Foreign promoters	Passive DMFs ^	Active DMFs $	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **	Total
Dec-23	118.9	36.6	28.6	5.9	25.8	20.0	65.5	7.1	34.7	16.3	359.5
Mar-24	124.9	42.7	30.6	6.3	27.9	21.3	68.3	7.4	36.4	16.3	382.1
Jun-24	140.0	49.5	35.9	7.3	32.5	23.3	76.0	8.3	41.6	18.1	432.5
Sep-24	153.6	49.1	38.8	8.2	36.2	25.2	82.7	9.2	45.0	20.3	468.3
Dec-24	142.7	43.5	35.7	7.8	35.7	23.3	75.8	8.6	42.8	20.6	436.6
Mar-25	132.8	40.7	33.2	7.9	34.5	22.8	71.5	7.6	38.9	19.0	408.9
Jun-25	147.3	46.3	37.1	8.9	39.5	25.0	79.2	8.6	43.9	21.3	457.2
Sep-25	143.6	44.7	37.3	8.8	40.0	24.2	75.2	8.3	42.7	21.4	446.1
Dec-25	151.7	46.3	39.2	9.6	42.6	25.9	78.7	8.5	43.9	24.4	470.7
Mar-26	130.0	42.0	34.5	8.7	38.1	22.7	64.6	7.2	37.4	23.5	408.6
Jun-26	150.5	45.7	41.7	9.8	44.6	25.0	70.7	8.7	44.6	27.6	468.8
Sep-26	151.5	42.3	42.3	9.7	45.0	24.0	68.1	8.8	44.6	27.2	463.3
% QoQ	*0.6%*	*-7.4%*	*1.3%*	*-1.5%*	*0.9%*	*-3.9%*	*-3.7%*	*2.1%*	*-0.1%*	*-1.3%*	*-1.2%*

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

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

%	Private Indian promoters	Govt.@	Foreign promoters	Passive DMFs ^	Active DMFs $	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **
Dec-23	33.1	10.2	7.9	1.6	7.2	5.6	18.2	2.0	9.7	4.5
Mar-24	32.7	11.2	8.0	1.7	7.3	5.6	17.9	1.9	9.5	4.3
Jun-24	32.4	11.5	8.3	1.7	7.5	5.4	17.6	1.9	9.6	4.2
Sep-24	32.8	10.5	8.3	1.7	7.7	5.4	17.7	2.0	9.6	4.3
Dec-24	32.7	10.0	8.2	1.8	8.2	5.3	17.4	2.0	9.8	4.7
Mar-25	32.5	10.0	8.1	1.9	8.4	5.6	17.5	1.9	9.5	4.6
Jun-25	32.2	10.1	8.1	1.9	8.6	5.5	17.3	1.9	9.6	4.7
Sep-25	32.2	10.0	8.4	2.0	9.0	5.4	16.9	1.9	9.6	4.8
Dec-25	32.2	9.8	8.3	2.0	9.1	5.5	16.7	1.8	9.3	5.2
Mar-26	31.8	10.3	8.4	2.1	9.3	5.6	15.8	1.8	9.1	5.7
Jun-26	32.1	9.8	8.9	2.1	9.5	5.3	15.1	1.8	9.5	5.9
Sep-26	32.7	9.1	9.1	2.1	9.7	5.2	14.7	1.9	9.6	5.9
QoQ change	*58bps*	*-62bps*	*22bps*	*-1bps*	*20bps*	*-15bps*	*-38bps*	*6bps*	*10bps*	*-1bps*

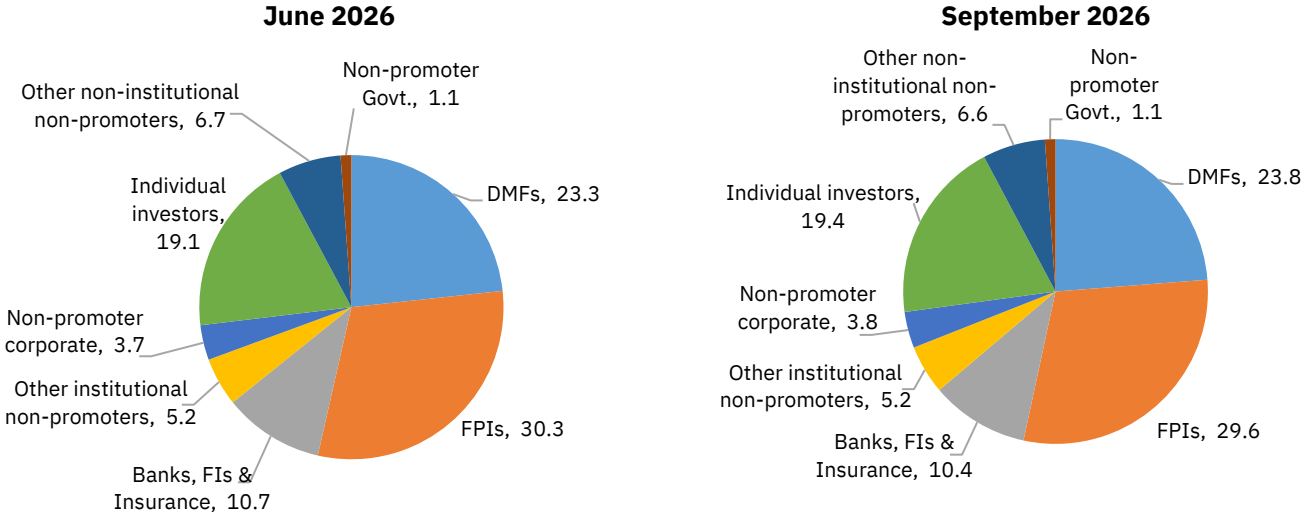
Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters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

Institutional ownership in NSE free float declined for the third quarter in a row on continued dip in FPI share: DMF ownership in the free float of NSE-listed companies rose for the 13th consecutive quarter, increasing by 47bps QoQ to a fresh record high of 23.8% as of September 2026. This took the cumulative increase over the last five years to 8.9pp, with gains spread across market segments.

In contrast, FPI ownership in the NSE free float declined sharply by 65bps QoQ to 29.6%, its lowest level in nearly 21 years, marking the sixth consecutive quarterly decline. FPI ownership is now 16.1pp below its March 2014 peak. Ownership by banks, financial institutions and insurance companies also fell by 25bps QoQ to a 17-quarter low of 10.4%. Consequently, overall institutional ownership in the NSE free float declined by 38bps QoQ to a four-year low of 69.0%, marking the third consecutive quarterly decline and taking it 3.3pp below the all-time high of 72.3% recorded in March 2023.

Individual investors' ownership in the NSE free float, on the other hand, rose for the second consecutive quarter, increasing by 28bps QoQ to a seven-quarter high of 19.4%. This took the cumulative increase in H1 FY27 to over one percentage point. The rise was driven primarily by large- and micro-cap companies, while mid- and small-cap companies witnessed some moderation. Reflecting this divergence, individual ownership in companies outside the Nifty 500 surged by 86bps QoQ to 43.1%, while their share in Nifty 500 companies excluding the Nifty 50 fell by 55bps QoQ to an all-time low of 20.5%. Despite the recent recovery, individual ownership in the NSE free float remains 9.7pp below its historical peak over the last 26 years.

Figure 2: NSE-listed universe: Ownership pattern by free float market cap (%)



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

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

%	Passive DMFs ^	Active DMFs $	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Dec-23	3.3	14.6	11.3	37.0	4.0	19.6	10.2
Mar-24	3.4	15.0	11.4	36.7	4.0	19.6	9.8
Jun-24	3.5	15.5	11.1	36.3	4.0	19.9	9.8
Sep-24	3.6	15.8	11.0	36.1	4.0	19.6	9.9
Dec-24	3.6	16.5	10.8	35.0	4.0	19.8	10.4
Mar-25	3.9	16.9	11.2	35.0	3.7	19.1	10.2
Jun-25	3.9	17.3	10.9	34.6	3.8	19.2	10.3
Sep-25	4.0	17.9	10.9	33.7	3.7	19.2	10.6
Dec-25	4.1	18.1	11.0	33.3	3.6	18.6	11.4
Mar-26	4.2	18.6	11.1	31.6	3.5	18.3	12.6
Jun-26	4.2	19.1	10.7	30.3	3.7	19.1	13.0
Sep-26	4.2	19.6	10.4	29.6	3.8	19.4	13.0
QoQ change	*0bps*	*47bps*	*-25bps*	*-65bps*	*14bps*	*28bps*	*1bps*

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

Long-term ownership trend of the NSE-listed universe

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

Private promoter ownership, comprising Indian and foreign promoters, partly offset this decline, rising by nearly 11.6pp between June 2010 and December 2021 before moderating thereafter. This trend has seen a reversal in recent quarters, with the combined share of private Indian and foreign promoters rising by another 1.6pp in the first half of FY27 to 41.8%. The latest increase was driven primarily by private Indian promoters, particularly individuals, whose ownership rose sharply during the quarter despite the broader market correction. These gains more than offset the continued decline in Government promoter ownership, lifting overall promoter share by 20bps QoQ to a seven-quarter high of 50.4%—the third consecutive quarterly increase. Despite this recovery, overall promoter ownership remains 7.2pp below its March 2009 peak, reflecting the structural increase in public and institutional ownership over the last decade and a half.

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

DMF ownership gains from a structural shift in household savings towards equities: DMF ownership in NSE-listed companies has risen steadily over the past decade, barring a brief interruption in FY21, reflecting the growing financialisation of household savings. Rising retail participation, expanding SIP contributions, strong equity market performance and easier digital access have supported a structural shift towards equities. The share of equities, held directly and indirectly through mutual funds, in household

gross financial savings rose from 1.8% in FY12 to 15.2% in FY25, while their share in household financial assets increased from 11.2% to nearly 23% over the same period.

The temporary decline in DMF ownership in FY21 coincided with pandemic-related pressures on household finances, weaker SIP inflows and higher redemptions, alongside a sharp rise in direct individual ownership. The subsequent recovery in SIP contributions supported renewed growth in DMF ownership, which has now risen for 13 consecutive quarters to a record 11.8% as of September 2026, up 4.5pp over the last five years. DMFs recorded their 22nd consecutive quarter of net equity purchases in Q2 FY27, while average monthly SIP inflows reached a record Rs 32,248 crore.

In contrast, ownership by banks, financial institutions and insurance companies has broadly trended lower since 2012, barring a temporary 158bps increase in FY23. Their combined share fell to a 17-quarter low of 5.2% in September 2026, although it has remained within a narrow 5.2–5.6% range over the last three years.

FPI ownership has trended lower amid rising domestic participation and global headwinds: FPI ownership in NSE-listed companies rose steadily between 2002 and 2015, barring a temporary setback during the Global Financial Crisis. It moderated thereafter amid global uncertainties, including the US–China trade dispute and Brexit, before recovering through end-2019. The pandemic triggered another sharp but short-lived decline, followed by a strong rebound in foreign flows in the second half of 2020, supported by unprecedented global monetary and fiscal stimulus.

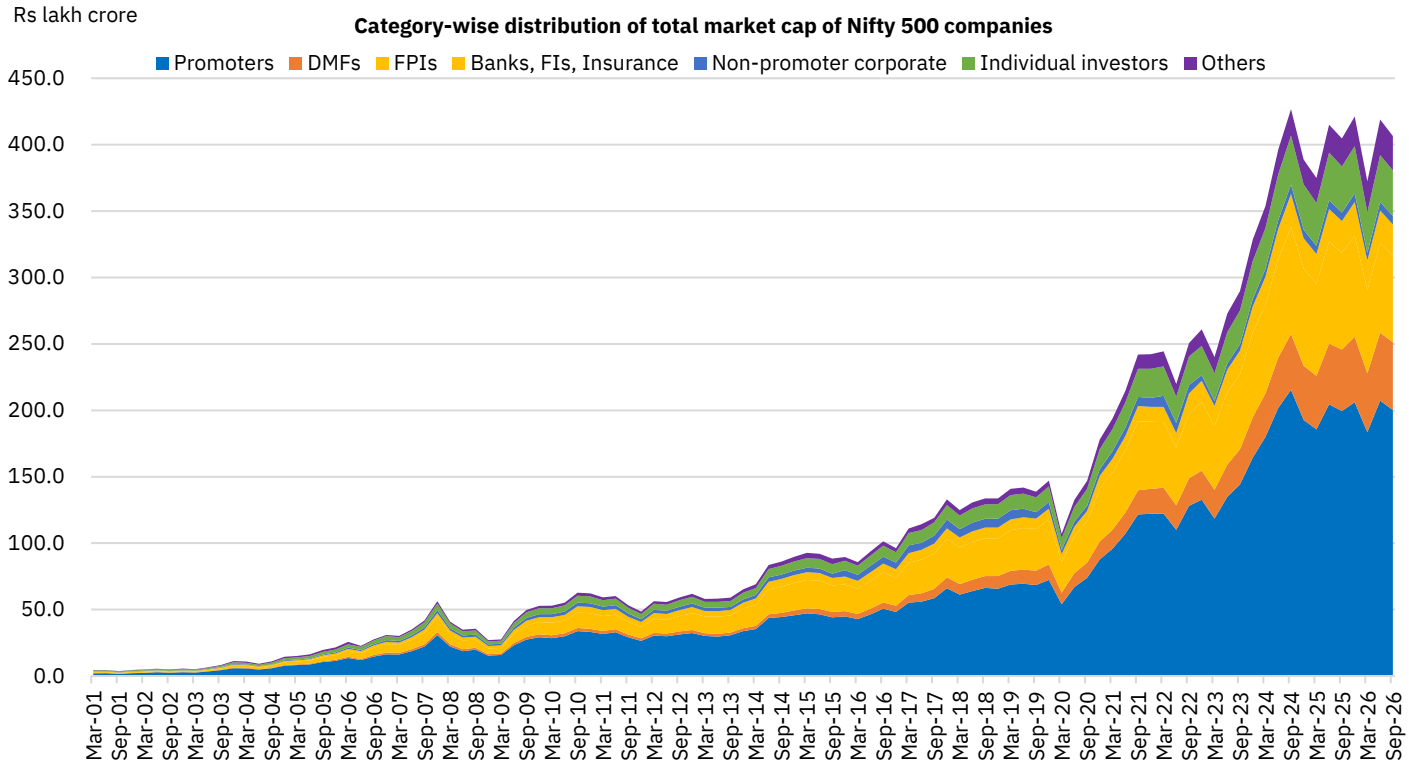
The trend has reversed decisively since then. Sustained domestic mutual fund inflows and growing direct equity participation have progressively increased the domestic ownership base. Meanwhile, monetary tightening in advanced economies, geopolitical and trade uncertainties, elevated crude oil prices, relatively rich Indian equity valuations and the recent rotation of global capital towards AI-led markets have weighed on foreign allocations. Consequently, FPI ownership has declined in 12 of the last 14 quarters, falling by another 38bps QoQ to a 21-year low of 14.7% as of September 2026—the first time in 17.5 years that it has slipped below 15%. This represents a decline of 6.8pp since December 2019 and roughly 4pp over the last three years. Notably, FPI ownership continued to fall in Q2 FY27 despite modest net foreign inflows, reflecting substantially stronger domestic institutional buying.

Direct individual ownership remains relatively stable despite growing household participation in equities: After declining steadily between 2001 and 2012, direct individual ownership in NSE-listed companies recovered gradually and has since remained broadly within an 8–10% range. The share rose for the second consecutive quarter to 9.6% as of September 2026, just 20bps below its post-pandemic peak of 9.8% recorded in December 2024.

This relative stability contrasts with the sustained rise in SIP-led mutual fund participation, with DMF ownership increasing by 4.5pp over the last five years to a record 11.8%. The divergence reflects the growing preference for mutual funds alongside direct equity investments. Including indirect holdings through mutual funds, the combined non-promoter ownership share of individuals reached a record 19.5% in September 2026, with holdings valued at Rs 90.4 lakh crore. This highlights the growing significance of

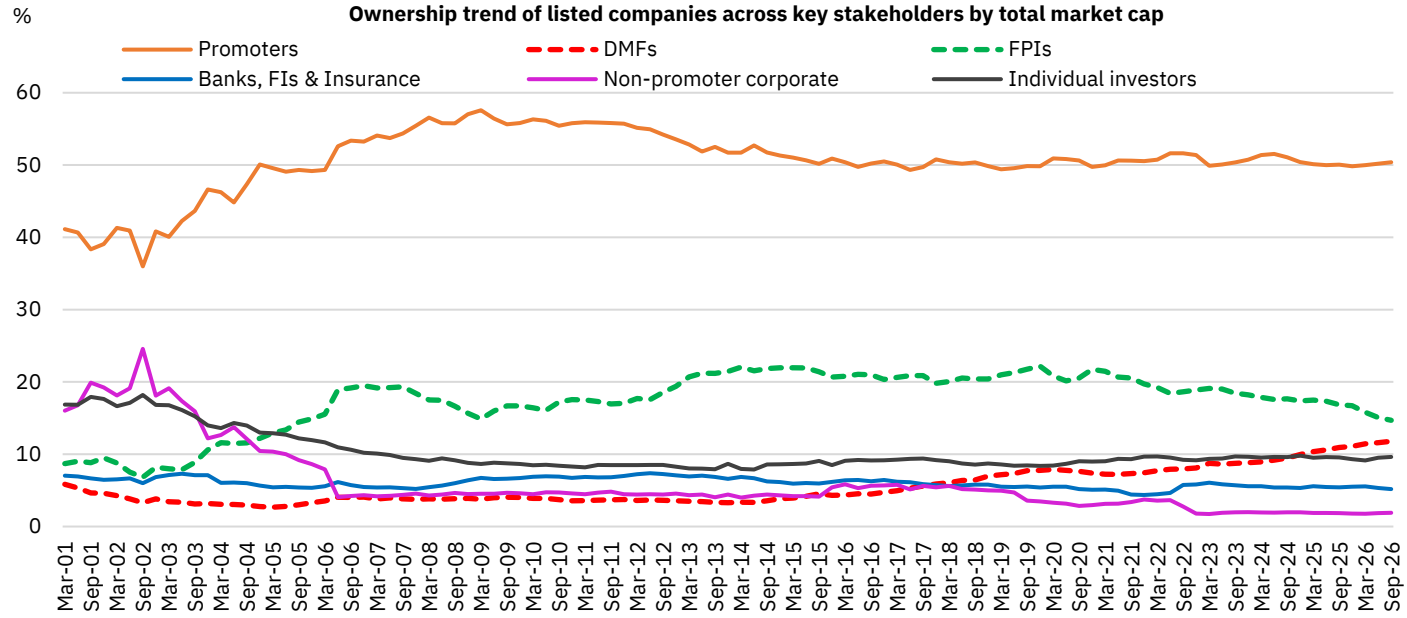
household participation in equities, even as their direct ownership share has remained largely range-bound.

Figure 3: NSE-listed universe: Long-term trend of market cap distribution across key shareholder categories



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

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



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

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

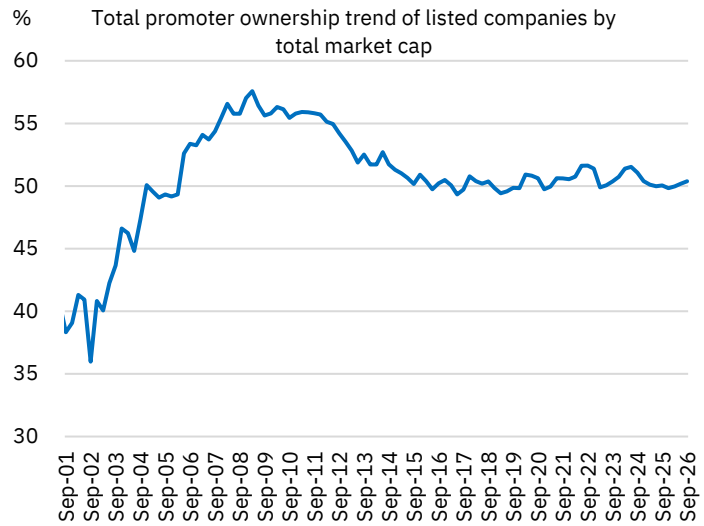
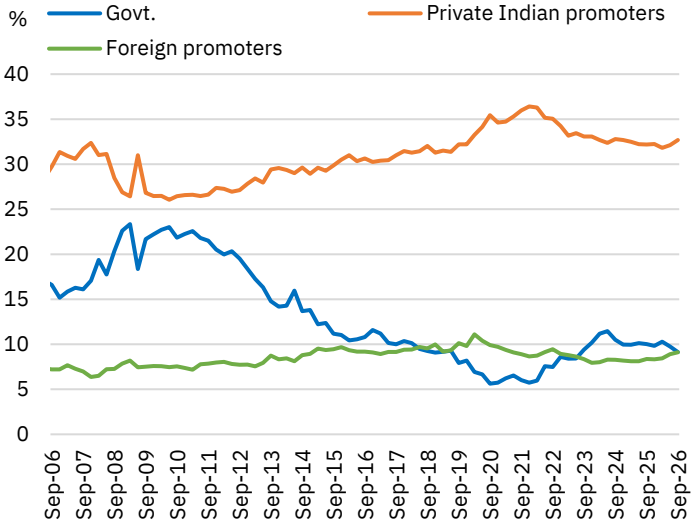


Figure 6: Indian and foreign promoter ownership trend of NSE-listed companies by total market cap



Source: CMIE Prowess, NSE EPR.

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

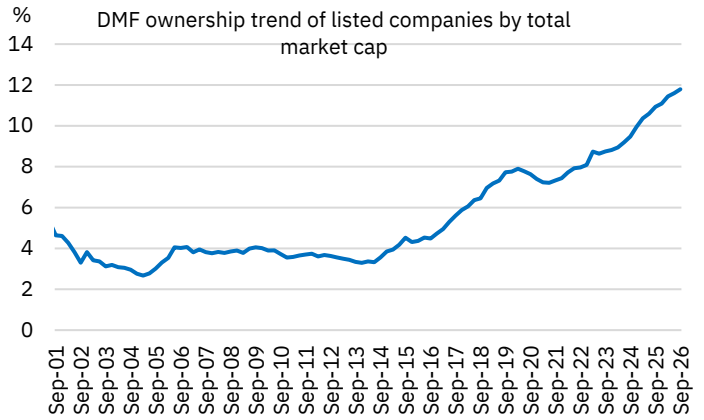
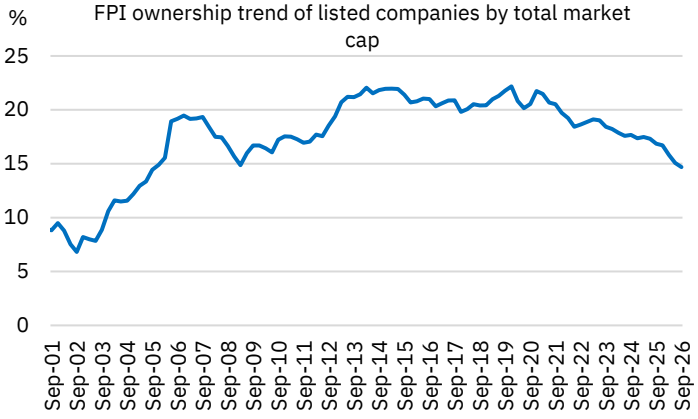


Figure 8: FPI ownership* trend of NSE-listed companies by total market cap



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

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

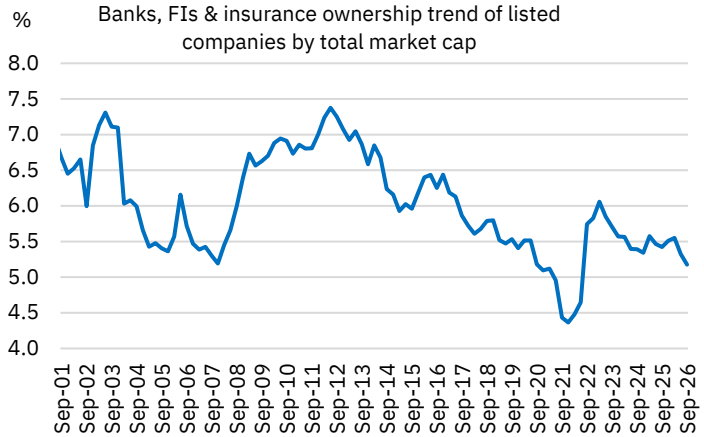
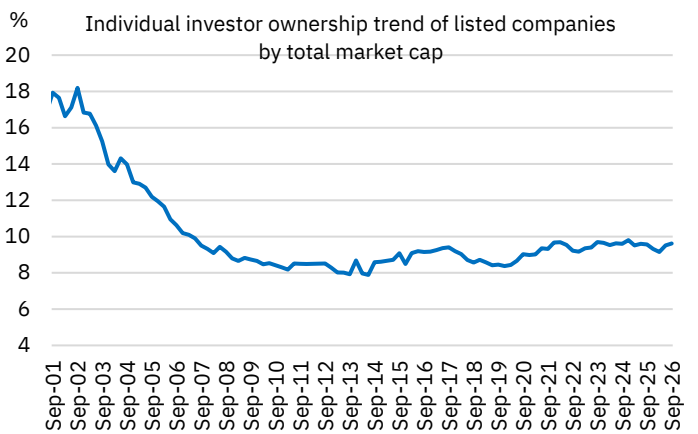
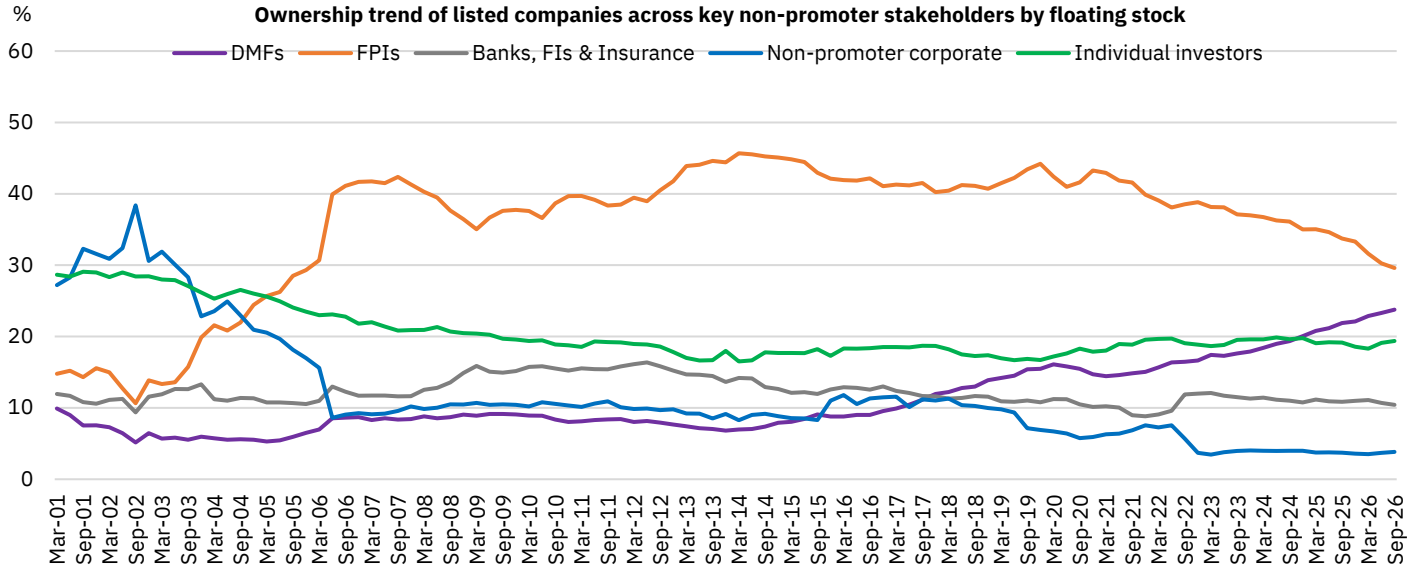


Figure 10: Individual ownership trend of NSE-listed companies by total market cap



Source: CMIE Prowess, NSE EPR.

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



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

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

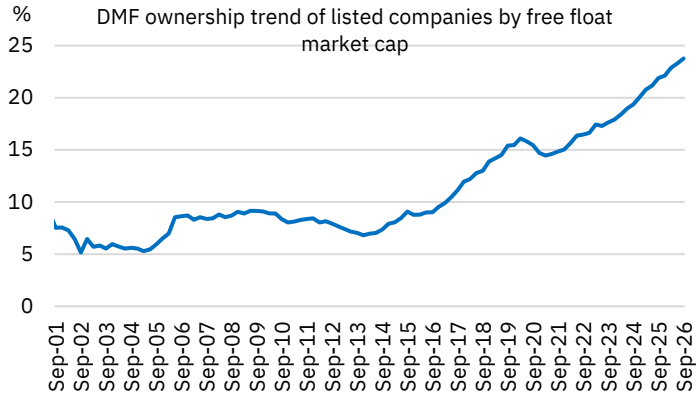
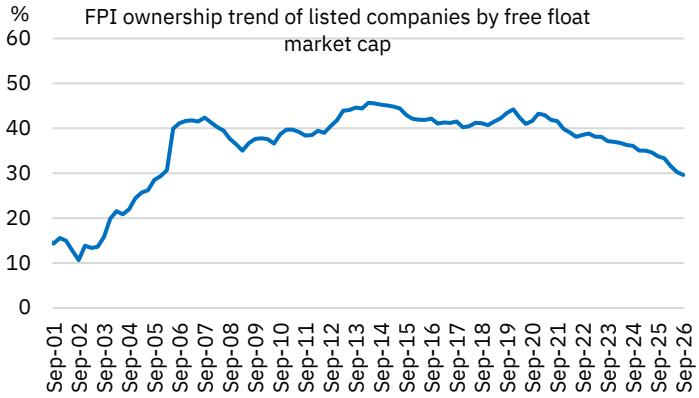


Figure 13: FPI ownership trend of NSE-listed companies by free float market cap



Source: CMIE Prowess, NSE EPR.

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

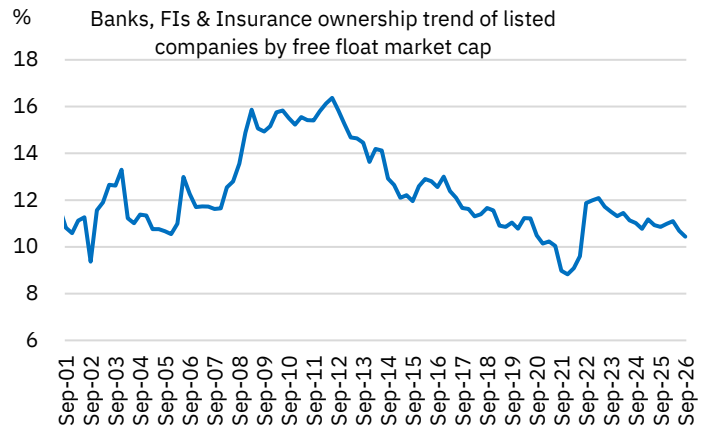
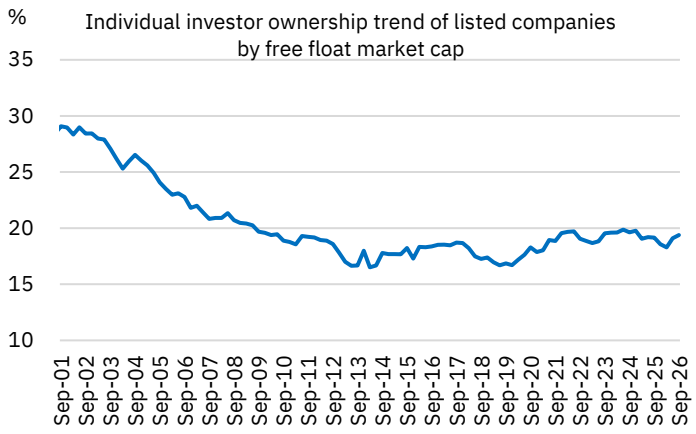


Figure 15: Individual ownership trend of NSE-listed companies by free float market cap



Source: CMIE Prowess, NSE EPR.

SIP inflows remain resilient amid market volatility: Systematic investment plans (SIPs) have emerged as a major channel for individual participation in equity markets, with inflows rising steadily since the brief pandemic-related disruption in FY21. The recovery began in late 2020, with only a short interruption during the second wave of the pandemic and has continued despite intermittent market corrections.

Average monthly SIP inflows continued to rise, up 12.4% YoY to Rs 32,490 crore in Q2 FY27.

Average monthly SIP inflows rose by 3.1% QoQ and 12.4% YoY to a record Rs 32,248 crore in Q2 FY27, marking the 24th consecutive quarter of sequential growth. Monthly inflows touched a fresh high of Rs 32,490 crore in September, despite the broad-based market sell-off. Notably, three-month rolling QoQ growth in SIP inflows has remained positive since November 2020, reflecting the consistency of household contributions across market cycles.

These sustained inflows have supported the steady expansion of DMF ownership and strengthened domestic institutional demand, providing an important counterweight to volatile foreign portfolio flows.

Figure 16: Monthly SIP inflows into mutual funds

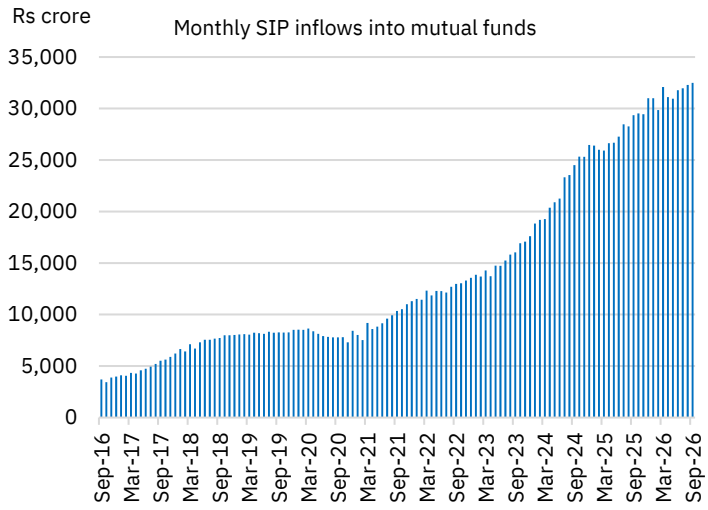
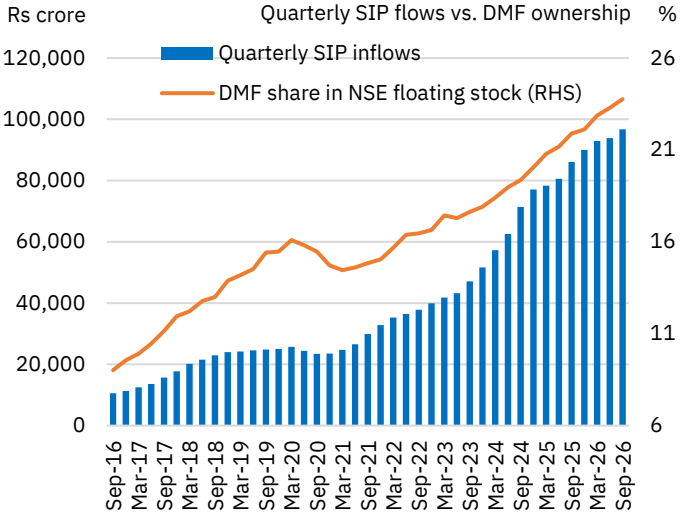


Figure 17: Quarterly SIP inflows vs DMF ownership



Source: AMFI, NSE EPR.

Active funds drive further gains in DMF ownership; passive funds continue to gain scale: Passive investments by DMFs in NSE-listed companies, primarily through ETFs and index funds, have expanded rapidly over the past decade. Passive equity fund AUM has grown at a CAGR of 45.7%, substantially outpacing the 25.3% growth in actively managed funds, albeit from a smaller base. The number of passive funds has also increased nearly six-fold since the pandemic, reflecting the growing adoption of index-based investment strategies.

In Q2 FY27, passive equity fund AUM stood at Rs **9.7 lakh crore (-1.5% QoQ)**, while their ownership in NSE-listed companies remained broadly steady near its all-time high of 2.1%. Actively managed equity fund AUM stood at Rs **45 lakh crore (+0.9 QoQ)**, supported by sustained domestic inflows. Their ownership share rose by another 20bps QoQ to a fresh record high of 9.7%, marking the 13th consecutive quarterly increase.

Measured against free-float market capitalisation, passive funds' share remained broadly steady near 4.2%, while that of actively managed funds increased to approximately 19.6%, taking overall DMF ownership to a record 23.8%. While passive strategies continue to gain scale, actively managed funds remain the dominant contributor to domestic mutual fund ownership.

Figure 18: DMF holding in NSE listed universe

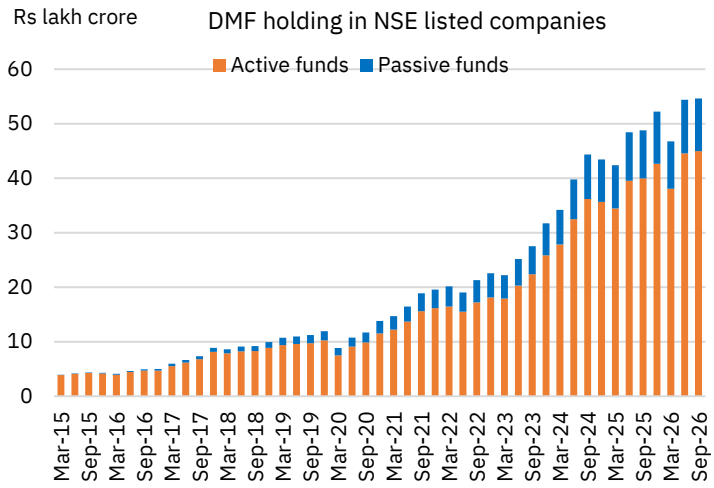
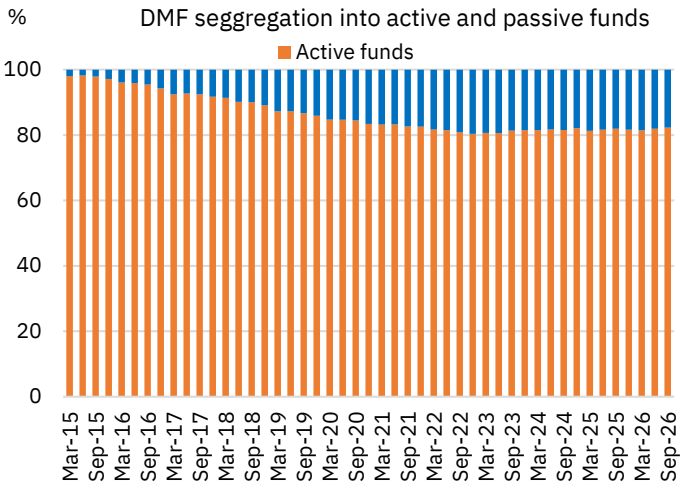
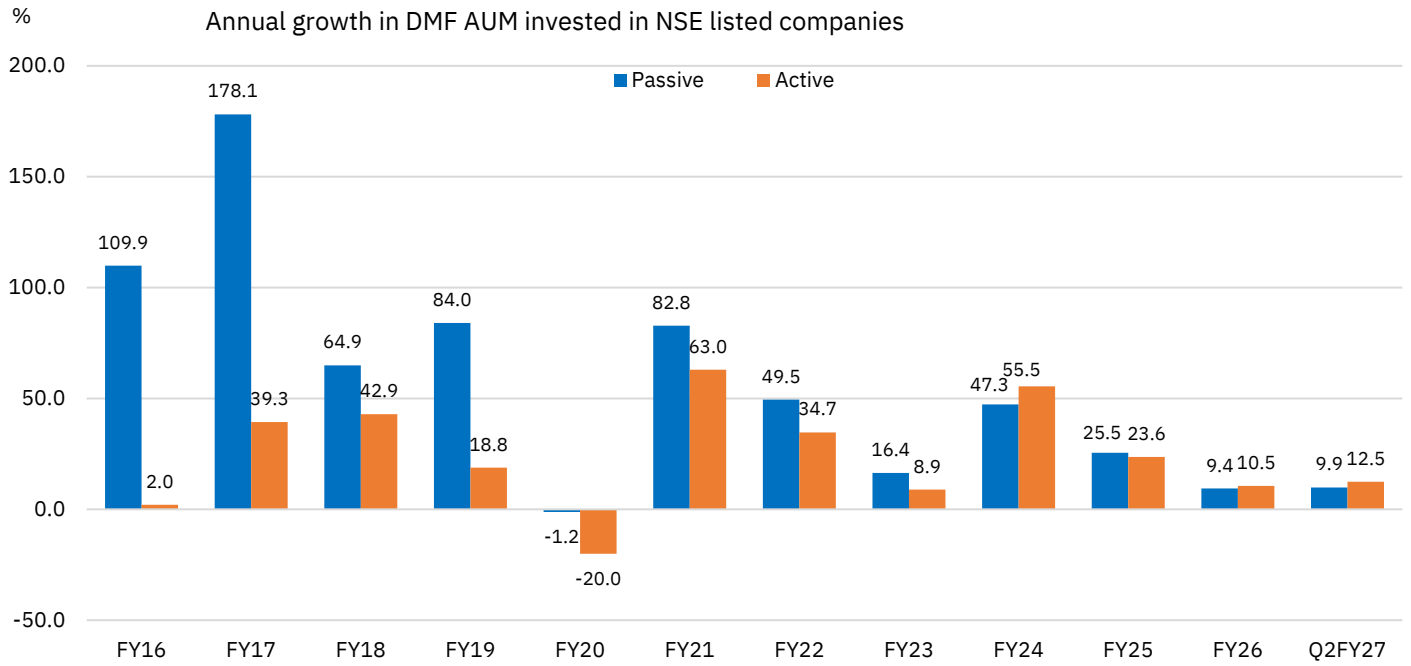


Figure 19: DMF segregation: active and passive funds



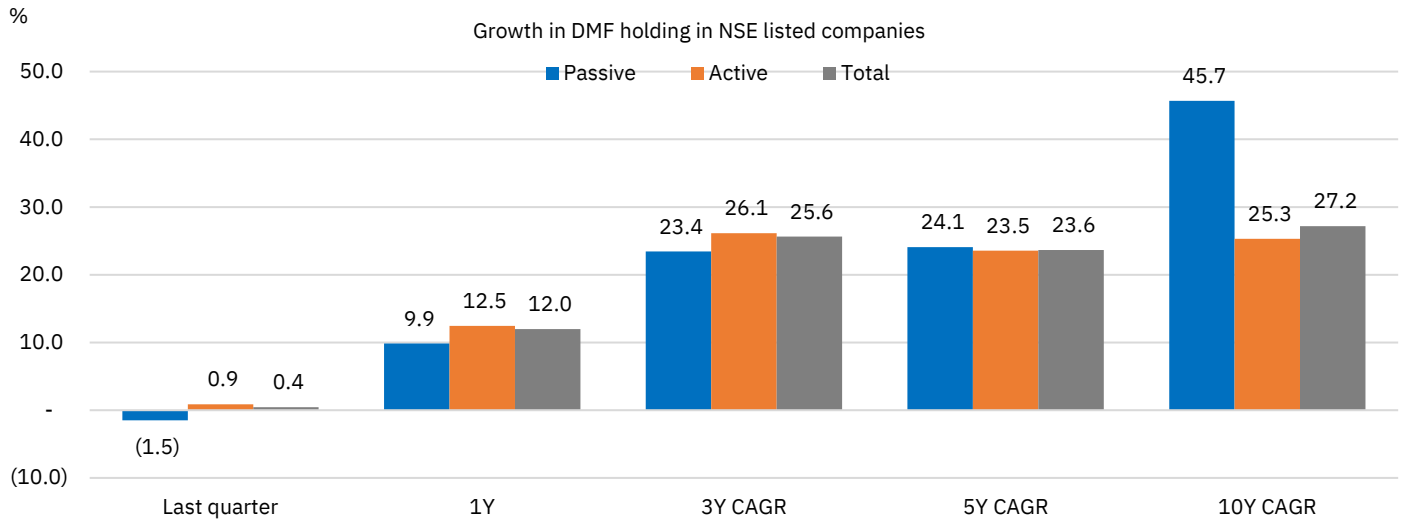
Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the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

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



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

Figure 21: CAGR of DMF holding in the NSE-listed universe



Source: AMFI, MFI Explorer, NSE EPR. Note: Passive funds track indices by replicating their constituents and weights. Active funds are those which involve active investment decisions on the part of the fund manager; their share is estimated by deducting passive AUM from the overall DMF holding. * Data is as of Sep 30th, 2026.

Figure 22: DMF ownership in total market cap of NSE listed companies

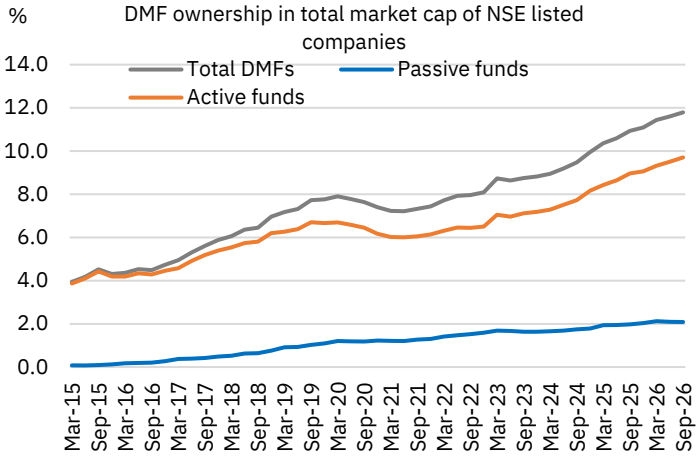
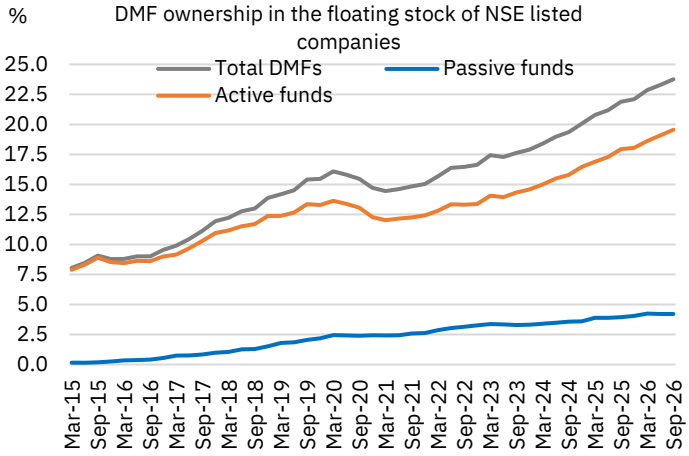


Figure 23: DMF ownership in floating market cap of NSE listed companies



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

Table 6: Shareholding of DMFs across active and passive funds in the NSE listed companies

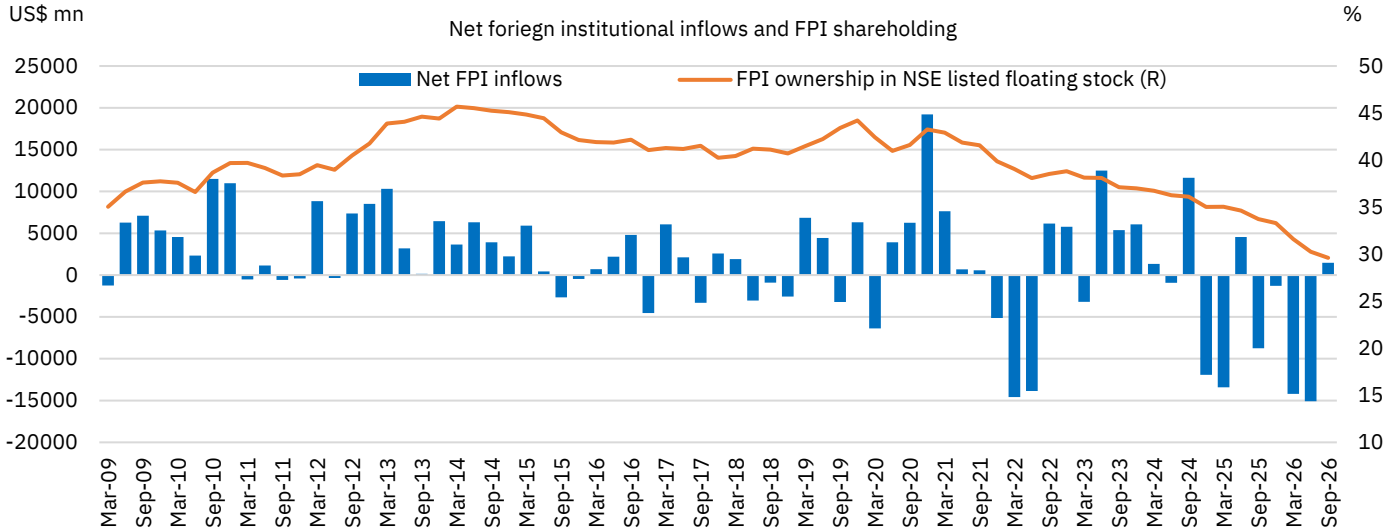
%	AUM (Rs lakh crore)			Ownership in NSE total market cap (%)			Ownership in NSE floating stock (%)		
	Active	Passive	Total	Active	Passive	Total	Active	Passive	Total
FY15	3.9	0.1	4.0	3.9	0.1	3.9	7.9	0.2	8.1
FY16	4.0	0.2	4.1	4.2	0.2	4.4	8.5	0.3	8.8
FY17	5.5	0.4	6.0	4.6	0.4	4.9	9.2	0.7	9.9
FY18	7.9	0.7	8.6	5.5	0.5	6.1	11.2	1.0	12.2
FY19	9.4	1.4	10.7	6.3	0.9	7.2	12.4	1.8	14.2
FY20	7.5	1.3	8.8	6.7	1.2	7.9	13.6	2.5	16.1
FY21	12.2	2.5	14.7	6.0	1.2	7.2	12.0	2.4	14.5
FY22	16.5	3.7	20.1	6.3	1.4	7.7	12.8	2.9	15.7
FY23	17.9	4.3	22.2	7.0	1.7	8.7	14.1	3.4	17.4
FY24	27.9	6.3	34.2	7.3	1.7	8.9	15.0	3.4	18.4
FY25	34.5	7.9	42.4	8.4	1.9	10.4	16.9	3.9	20.8
FY26	38.1	8.7	46.8	9.3	2.1	11.4	18.6	4.2	22.9
Q1FY27	44.6	9.8	54.4	9.5	2.1	11.6	19.1	4.2	23.3
Q2FY27	45.0	9.7	54.6	9.7	2.1	11.8	19.6	4.2	23.8

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

FPIs turn modest net buyers in the September quarter, but ownership falls further: Following record net outflows of US$15.1bn in Q1 FY27, FPIs returned as modest net buyers in Q2, with inflows of US$1.5bn. The recovery was concentrated in July and August, with the latter recording net inflows of US$3.1bn—the highest in nearly two years—supported by some stabilisation in the rupee, improving corporate earnings and more attractive valuations in select sectors. However, foreign selling resumed in September amid persistent geopolitical tensions, elevated global yields, crude oil volatility and concerns over India's relative valuations. Despite the modest return of foreign inflows, FPI ownership in NSE-listed companies declined by another 38bps QoQ to a 21-year low of 14.7%, slipping below 15% for the first time in 17.5 years. In value terms, FPI holdings fell by 3.7% QoQ to Rs 68.1 lakh crore, compared with a 1.2% decline in aggregate market capitalisation. Meanwhile, DII net purchases of US$17.8bn during the quarter substantially exceeded FPI inflows, further widening the gap between domestic and foreign institutional ownership.

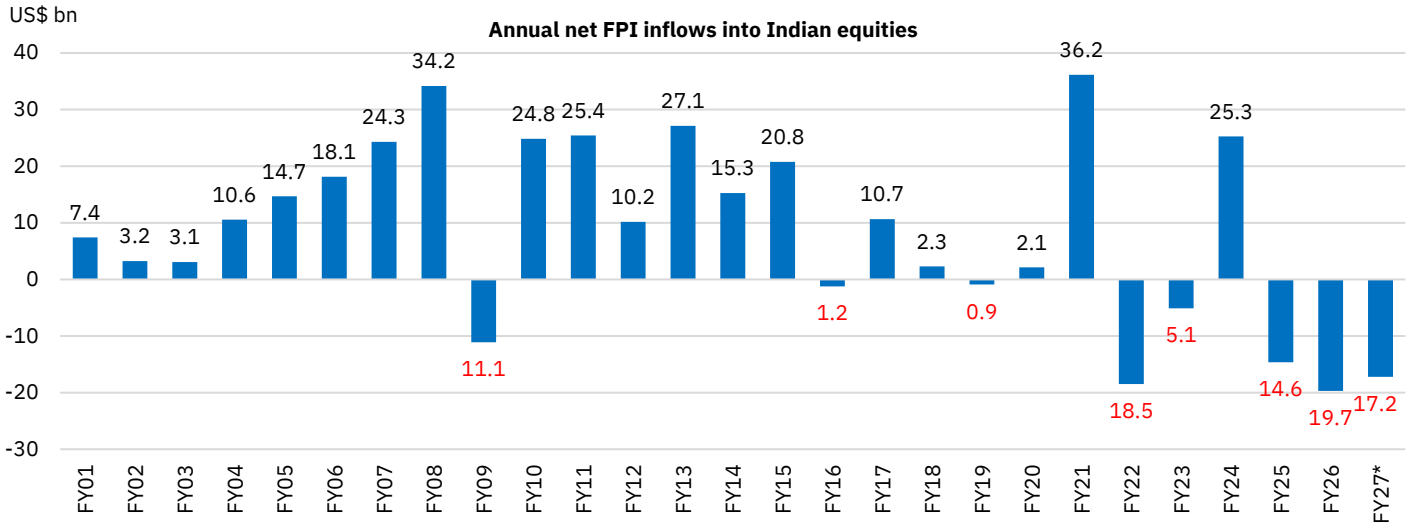
Net FPI outflows in Q1FY27 stood at a record quarterly high of US$15.1bn.

Figure 24: Net foreign institutional inflows and FPI shareholding in the NSE-listed floating stock



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

Figure 25: Annual net FPI inflows trend



Source: Refinitiv Datastream, NSE EPR. * As of October 30th, 2026.

Direct individual participation remains resilient, although net buying moderated in the September quarter: Individual investor participation in Indian equities rose sharply during 2020 and 2021, supported by the steep market correction in March 2020 and the strong recovery that followed. Retail investors turned net buyers for the first time in over a decade, with cumulative net investments of Rs 2.8 lakh crore in NSE's secondary markets between January 2020 and December 2022, before moderating through 2023.

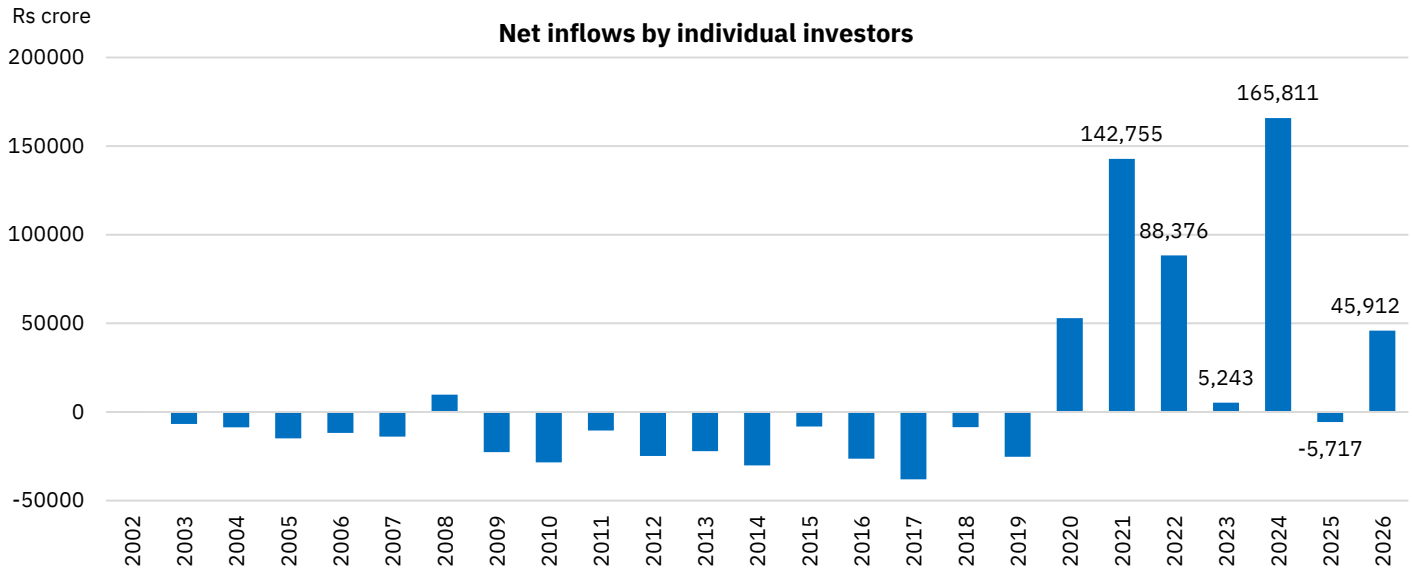
Participation strengthened again in FY25, with individuals recording net purchases of Rs 1.25 lakh crore, exceeding the combined inflows of the preceding two fiscal years. In FY26, however, individuals turned modest net sellers for the first time in seven years, with net outflows of Rs 5,804 crore. This trend reversed in FY27, with net purchases of Rs 42.7k crore in the June quarter—the highest in six quarters—followed by a more modest Rs 4.9k crore in the September quarter. Cumulative net purchases in H1 FY27

thus stood at Rs 47.6k crore, indicating continued buying despite the broader market correction.

Beyond secondary-market flows, the structural expansion of the individual investor base has continued. Unique registered investors on NSE have more than quadrupled since March 2020 to 13.8 crore as of October 2026, while the number of individuals trading at least once in the preceding 12 months (ending September 2026) has risen more than three-fold to 382 lakh. Direct individual ownership also increased for the second consecutive quarter to 9.6% as of September 2026, approaching its post-pandemic peak of 9.8%.

The expansion is equally evident in demat accounts, with the combined number across NSDL and CDSL reaching 24.1 crore as of September 2026, an increase of 5.9 times since March 2020. Nearly 83% of outstanding accounts have been added over this period, highlighting the sustained broadening of India's investor base despite recent fluctuations in secondary-market flows.

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



Source: NSE EPR.
Note: 1. Note: Retail investors: individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. Net flows include investments in securities in EQ, BE, SM, and ST series including ETFs only.
3. Net flows are calculated as buy traded value – sell traded value.
4. Data for 2026 is for the period Jan-Oct 2026.

Figure 27: Annual trend of unique registered investors at NSE

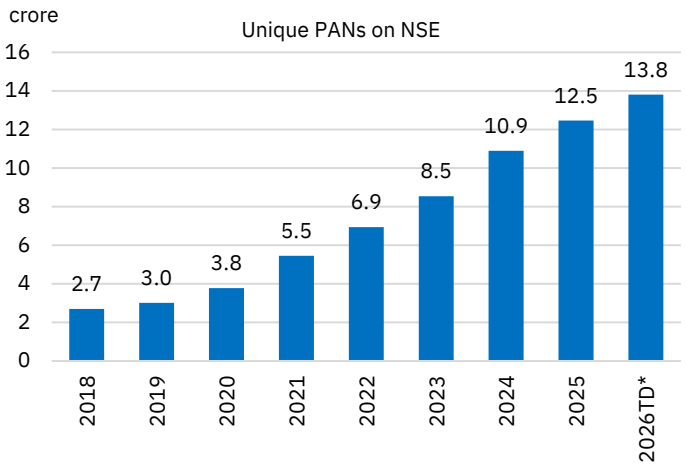
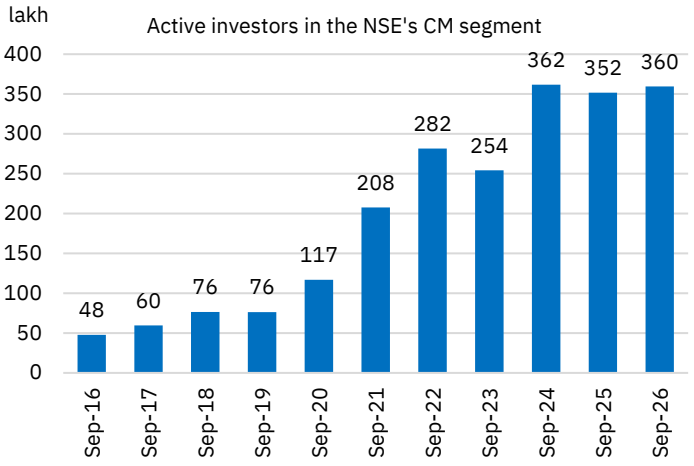


Figure 28: Active investors in a 12-month period of respective month-ends



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

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

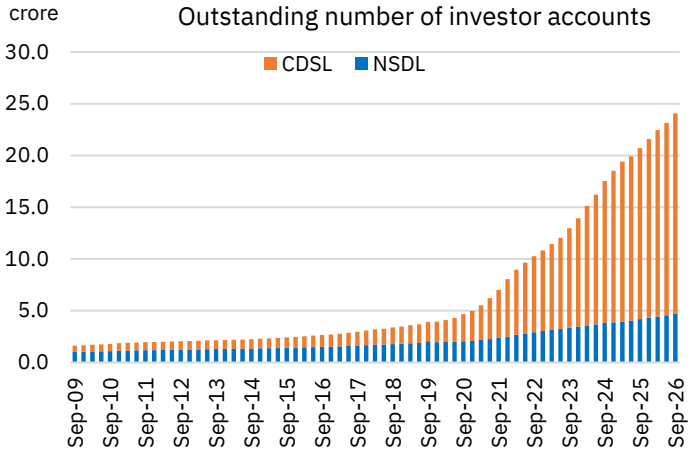
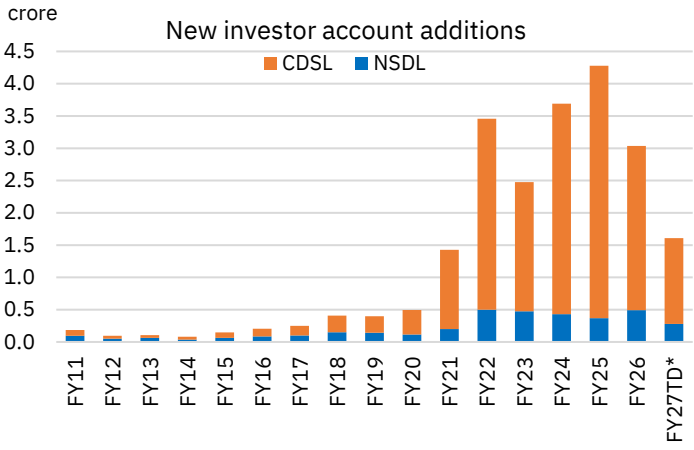


Figure 30: Annual trend of new investor account additions with depositories



Source: SEBI Bulletin, NSE EPR.

Combined individual ownership rises to a fresh record high in the September quarter: Individual investors, both directly and through mutual funds, have emerged as an increasingly important force in Indian equities since the pandemic. Direct individual ownership in NSE-listed companies rose for the second consecutive quarter, increasing by 10bps QoQ to 9.6% as of September 2026, just 20bps below its post-pandemic peak of December 2024. In value terms, direct holdings remained broadly steady at Rs 44.6 lakh crore despite a 1.2% decline in aggregate market capitalisation, supported by continued net buying during the quarter. Since March 2020, the value of direct individual holdings has grown at an annualised rate of 26.9%.

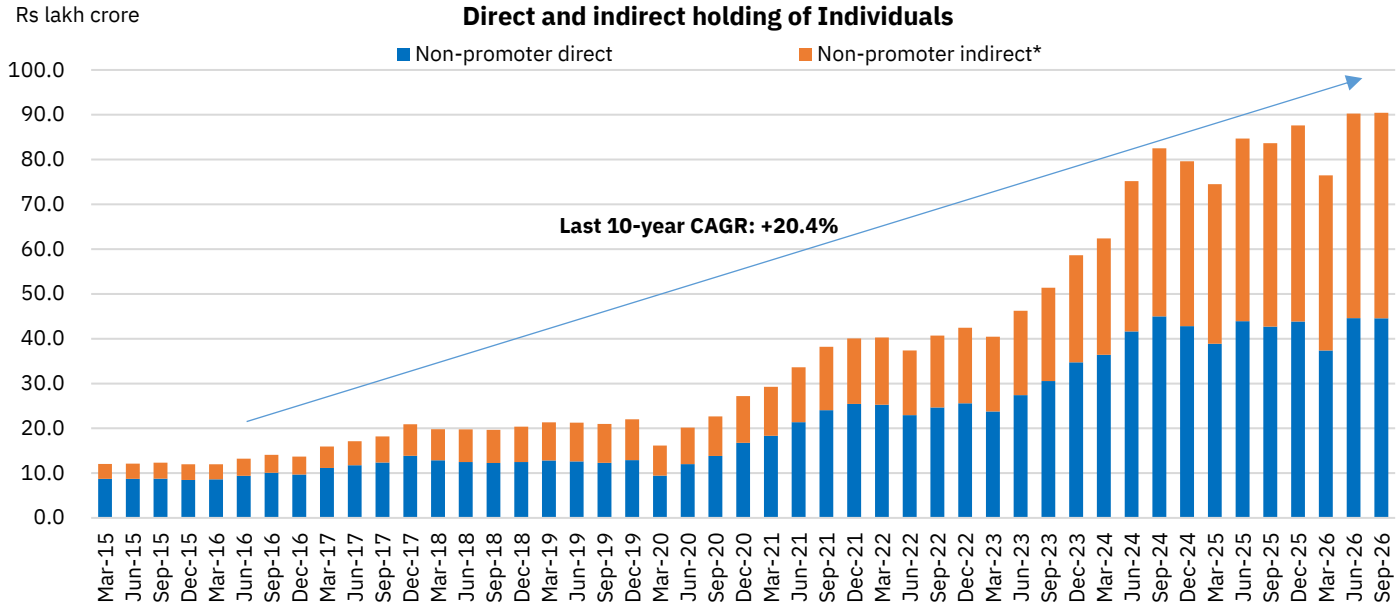
Indirect participation through mutual funds has strengthened even more significantly. Individuals, comprising retail investors and HNIs, accounted for nearly 84% of mutual funds' equity AUM as of June 2026. Based on this share, their estimated indirect ownership in NSE-listed companies rose to approximately 9.9% in September 2026, compared with 9.7% in the previous quarter and more than three times its level 12 years

ago. In value terms, indirect holdings increased modestly to Rs 45.9 lakh crore, representing an annualised increase of 34.4% since March 2020.

Taken together, direct and indirect individual holdings remained broadly steady QoQ at a record Rs 90.4 lakh crore as of September 2026, despite the broader market correction. Their combined ownership share rose by 26bps QoQ to a fresh record high of 19.5%, the highest since the beginning of our analysis in 2001. In value terms, combined holdings have grown at an annualised rate of 30.3% since March 2020 and a 10-year CAGR of 20.4%.

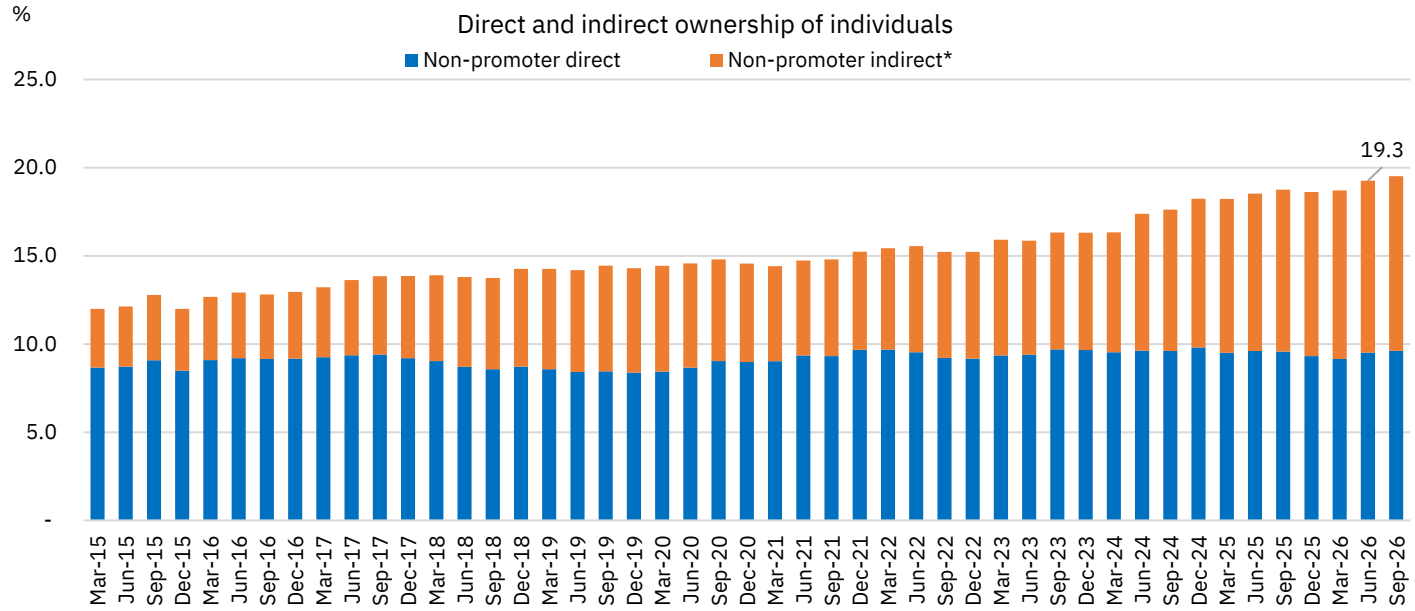
Importantly, combined individual ownership has now exceeded FPI ownership for eight consecutive quarters, marking a structural shift first seen in 2024 after nearly two decades of FPI dominance. From a deficit of nearly 11pp relative to FPI ownership in March 2014, the gap has now reversed to a record positive 4.8pp, highlighting the growing significance of domestic individual participation in Indian equities.

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



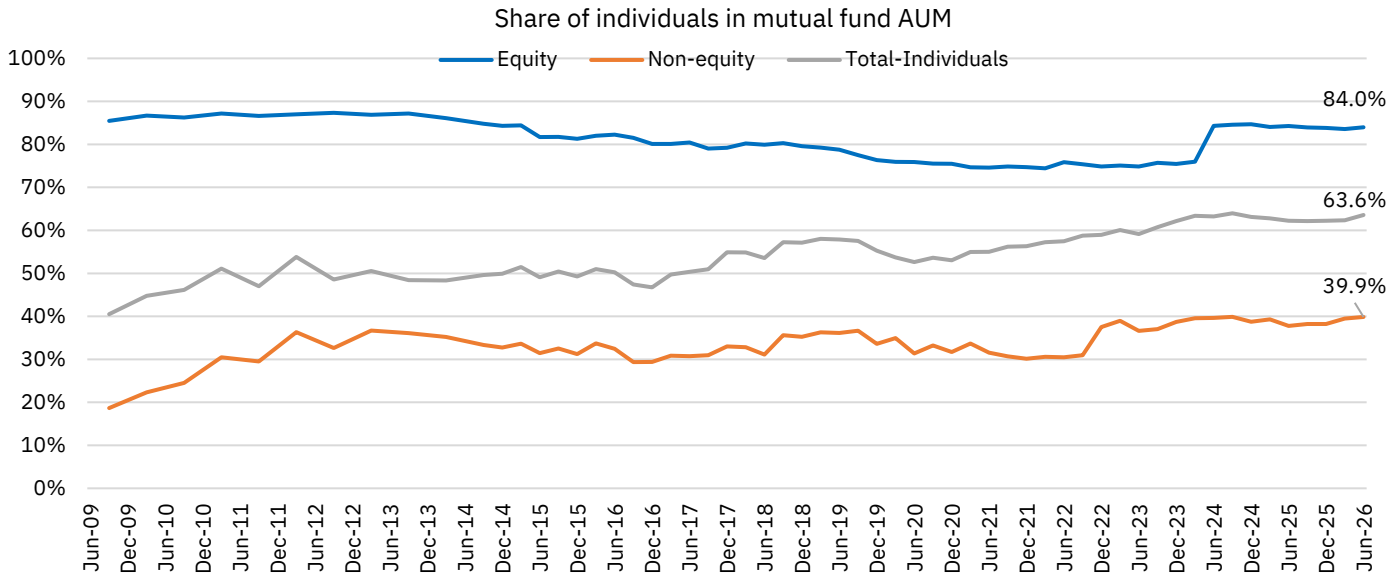
Source: CMIE Prowess, AMFI, NSE EPR. * Holding through mutual funds. Share of individual investors in the equity AUM of domestic mutual funds is assumed at the same level as in June 2026.

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



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

Figure 33: Share of individuals in mutual fund AUM

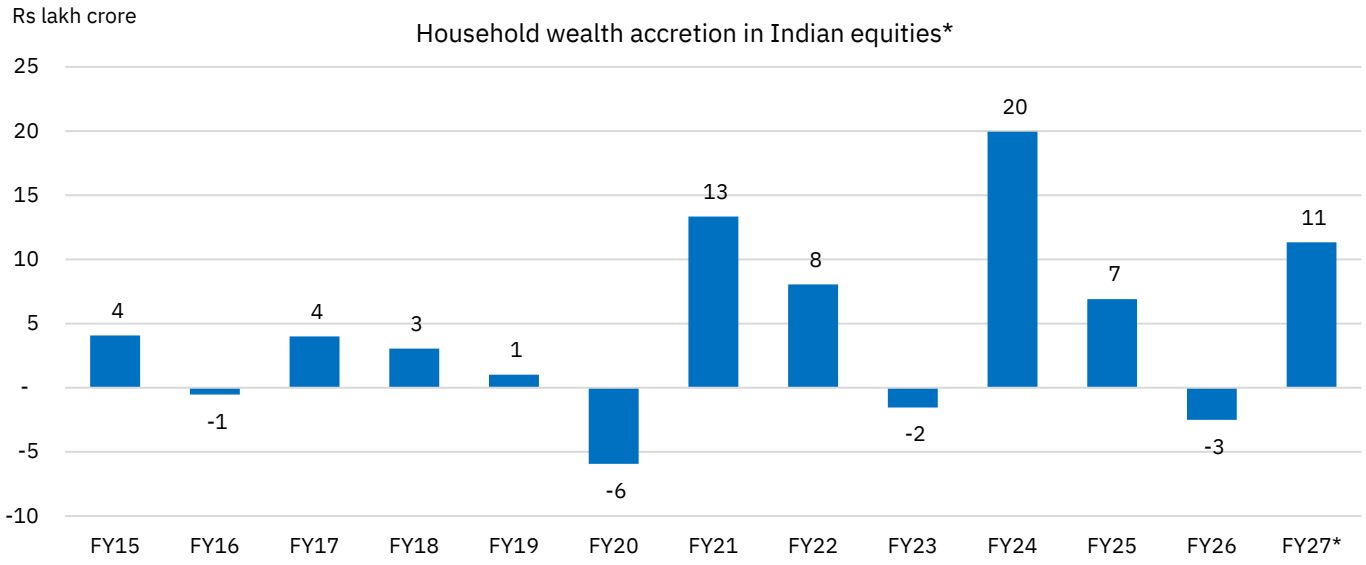


Source: CMIE Prowess, AMFI, NSE EPR. * Holding through mutual funds.

Household equity holdings remain resilient despite the September-quarter correction; cumulative wealth accretion since April 2020 remains substantial: Following a strong recovery in Q1 FY27, when household equity wealth increased by Rs 12.2 lakh crore, the September quarter witnessed a broad-based market correction. Despite this, total household equity holdings—comprising direct investments and indirect exposure through mutual funds—remained broadly steady at Rs 90.4 lakh crore as of September 2026, compared with Rs 90.3 lakh crore in June. Continued household investments through both channels helped offset the decline in market valuations. After adjusting for net fresh investments, household equity wealth during the quarter declined by Rs 87k crore.

Notwithstanding the volatility over the last two years, cumulative household equity wealth accretion since April 2020 remains substantial at an estimated Rs 55.5 lakh crore, equivalent to approximately 61% of total household equity holdings as of September 2026. These estimates are based on quarterly changes in the value of individual holdings in NSE-listed companies, adjusted for net fresh investments. Indirect holdings are estimated by applying individuals' share in mutual funds' equity AUM to the total value of equity holdings by mutual funds.

Figure 34: Accretion to household wealth in Indian equity markets



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

Sector-wise ownership of the NSE-listed universe (September 2026): Sectoral ownership patterns in Q2 FY27 continued to reflect the dominance of promoters across most sectors. Real Estate retained the highest promoter share at 63.4% (+71bps QoQ), followed by Utilities at a 15-quarter high of 61.4% (+10bps QoQ). Materials stood at 55.7% (-7bps QoQ), followed by Industrials at 55.5% (+62bps QoQ) and Energy at 53.5% (+33bps QoQ). Consumer Staples recorded its third consecutive quarterly increase, rising to a 15-quarter high of 52.8%. In contrast, promoter ownership in Information Technology declined for the sixth consecutive quarter to a 17.5-year low of 50.3%. Healthcare (51.1%) and Communication Services (48.7%) also witnessed a recovery in promoter ownership, reversing the previous quarter's decline.

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

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

Government ownership declined across most sectors with significant public sector presence, barring Energy, where its share rose by 58bps QoQ to 22.0%, partly reversing the previous quarter's decline. Utilities followed at 21.0% (-9bps QoQ), its lowest level in 15 quarters. Government ownership in Financials declined for the second consecutive quarter, falling by 78bps QoQ to a 13-quarter low of 17.4%, while Industrials recorded a 31bps QoQ decline to a three-year low of 10.9%.

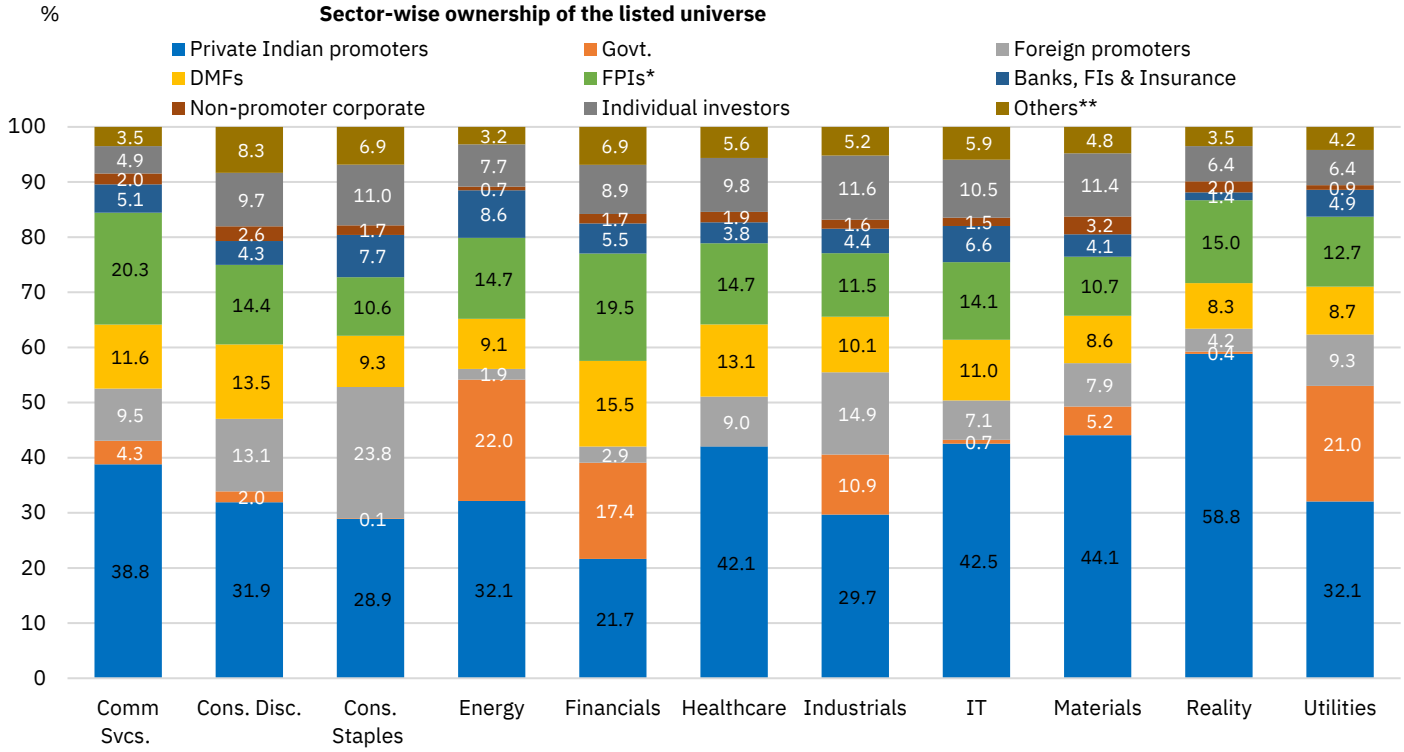
DMF ownership, on the other hand, rose or remained steady across most sectors, barring Real Estate and Consumer Discretionary. Financials continued to have the highest DMF ownership for the 10th consecutive quarter, rising by 60bps QoQ to a fresh record of 15.5%—the 11th successive quarterly increase. Consumer Discretionary followed at

13.5% (-11bps QoQ), while Healthcare reached a fresh high of 13.1%. Overall, DMF ownership touched new highs in five of the 11 sectors during the September quarter, reflecting the broad-based expansion of domestic mutual fund participation.

FPI ownership declined across nine of the 11 sectors in the September quarter, with Information Technology and Consumer Discretionary being the exceptions. Communication Services recorded the steepest sequential decline for yet another quarter, although it continued to have the highest FPI ownership at 20.3%. Financials and Energy also witnessed sizeable declines of 45bps and 61bps QoQ, taking their respective ownership shares to 23-year and nine-and-a-half-year lows of 19.9% and 15.3%. The decline in Financials has been particularly pronounced over the longer term, with FPI ownership now 19.0pp below its March 2015 peak of 38.9%. In contrast, FPI ownership in Information Technology recovered by 21bps QoQ to 14.1%, following a decline to its lowest level since the beginning of our analysis in the previous quarter. It nevertheless remains 13.4pp below its peak of 27.5%, recorded nearly 18 years ago. Ownership in Consumer Discretionary remained broadly steady at 14.4%, near its lowest level in over 21 years.

Sector-wise, all sectors, barring Information Technology and Consumer Discretionary, saw a decline in FPI share in the September quarter led by Communication Services and Energy.

Figure 35: NSE-listed universe: Sector-wise ownership pattern across key stakeholders (September 2026)



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

Sector allocation in the NSE-listed universe for key stakeholders (September 2026): The table below presents the sectoral allocation of holdings across major shareholder categories in NSE-listed companies as of September 2026. Government holdings remained highly concentrated in Financials, Energy, Utilities and Industrials, which together accounted for 88.1% of the total. Among foreign promoters, Industrials had the largest allocation at 24.0% (-45bps QoQ), followed by Consumer Discretionary at 18.8%

(+36bps QoQ). In contrast, the allocation to Consumer Staples declined sharply by 1.8pp QoQ to a more than 16-year low of 15.5%. For DMFs, Financials remained the largest sectoral allocation at 30.8%, despite a 64bps QoQ decline, followed by Consumer Discretionary at 14.9% (+54bps QoQ) and Industrials at 12.5% (-34bps QoQ). Financials also retained the largest share of FPI holdings, although its allocation declined sharply by 1.3pp QoQ to 31.0%, narrowing the gap with the corresponding DMF allocation to just 20bps.

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

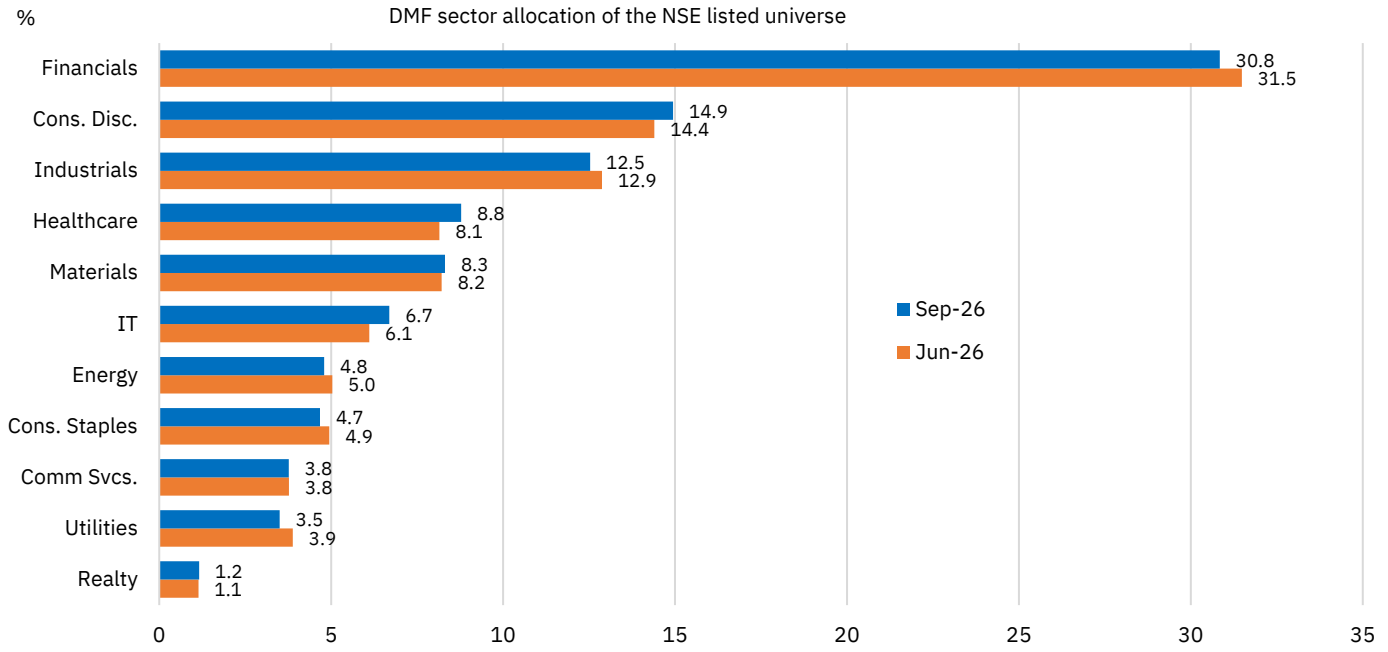
%	Pvt. Indian promoters	Govt^	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, Insurance	Non-promoter corporate	Individuals
Communication Services	4.5	1.8	4.0	3.8	5.3	3.8	4.0	2.0
Consumer Discretionary	12.7	2.8	18.8	14.9	12.8	11.0	18.1	13.2
Consumer Staples	5.2	0.1	15.5	4.7	4.3	8.8	5.4	6.8
Energy	6.1	15.0	1.3	4.8	6.2	10.4	2.2	5.0
Financials	15.5	44.7	7.6	30.8	31.0	24.7	21.0	21.7
Health Care	10.2	0.0	7.8	8.8	7.9	5.8	7.9	8.0
Industrials	13.3	17.5	24.0	12.5	11.5	12.6	12.6	17.7
Information Technology	9.3	0.6	5.6	6.7	6.9	9.1	5.6	7.8
Materials	15.4	6.5	9.9	8.3	8.3	9.0	19.3	13.6
Real Estate	3.0	0.1	0.8	1.2	1.7	0.5	1.7	1.1
Utilities	4.7	10.9	4.9	3.5	4.1	4.5	2.1	3.2
Grand Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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

DMFs strengthened their OW position on Financials and remained negative on commodity sectors and Industrials: Despite a decline in their portfolio allocation to Financials, DMFs strengthened their OW position in the sector for the fourth consecutive quarter, as the sector's share of aggregate market capitalisation fell more sharply than its weight in DMF portfolios. They also increased their overweight position in Consumer Discretionary and maintained a mild overweight in Healthcare.

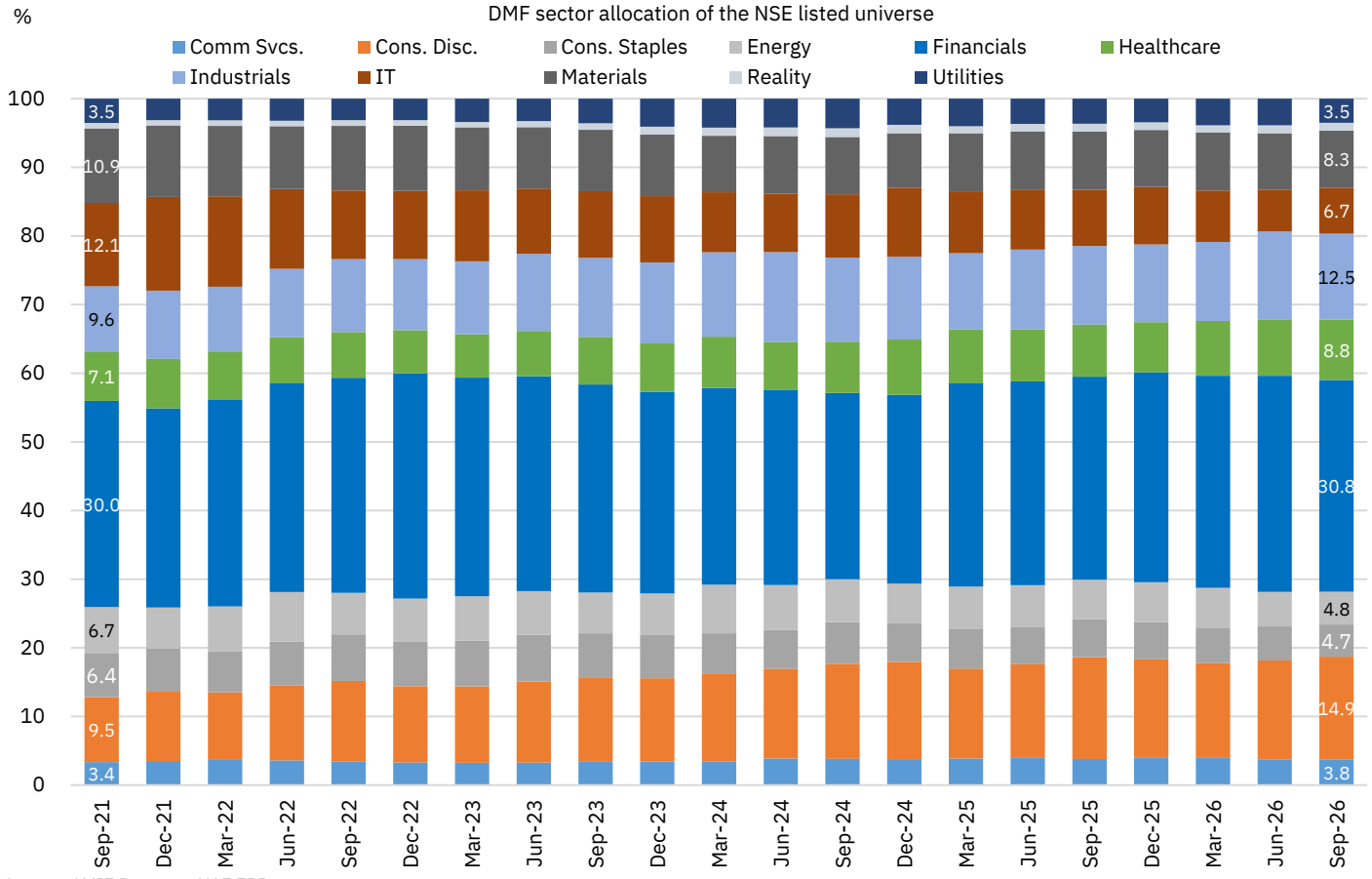
In contrast, DMFs deepened their underweight (UW) position in Industrials for the eighth consecutive quarter, taking the extent of underweighting to its highest level since the beginning of our analysis in 2001. They also remained underweight in Energy, Materials, Utilities and Consumer Staples, while maintaining broadly neutral positions in Communication Services, Information Technology and Real Estate.

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



Source: CMIE Prowess, NSE EPR.

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

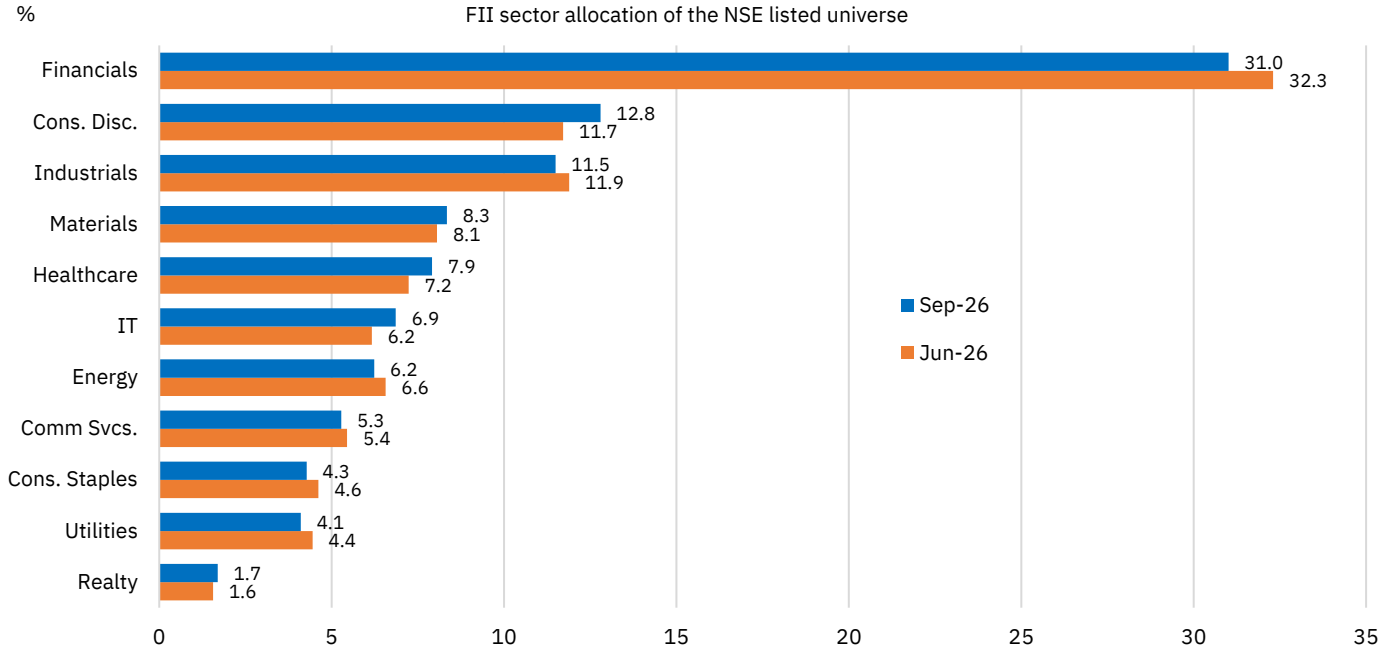


Source: CMIE Prowess, NSE EPR.

FPIs maintained broadly steady sectoral positioning in the September quarter: FPIs retained their long-standing OW position in Financials, although the extent of overweighting narrowed further. The sector accounted for 31.0% of FPI holdings in NSE-listed companies, compared with its 23.4% share in aggregate market capitalisation, implying an overweight of 7.6pp. FPIs also maintained an overweight position in Communication Services despite reduced exposure. These remained the only two sectors where FPIs were overweight in the broader listed universe.

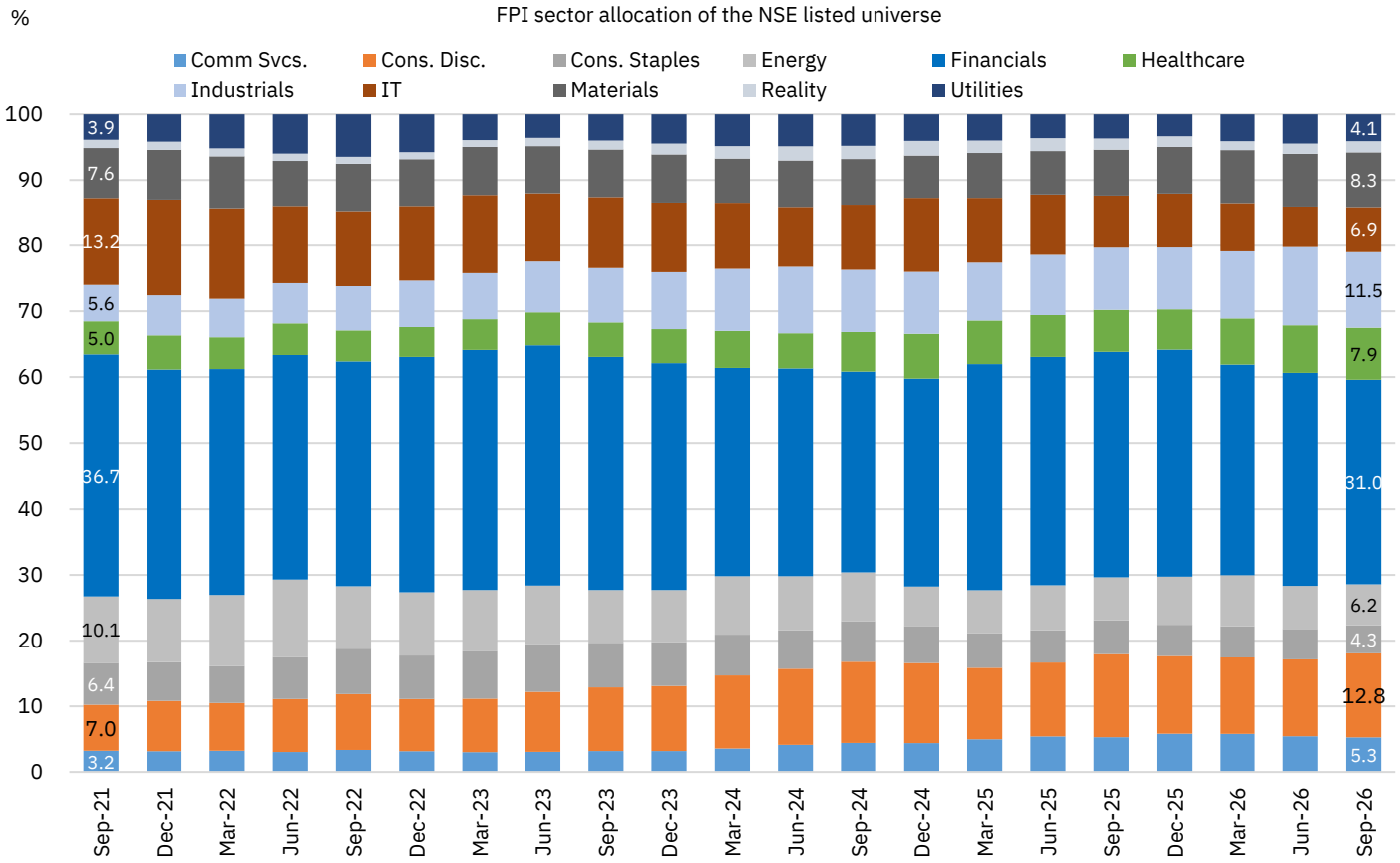
In contrast, FPIs remained underweight in Materials, Industrials and Consumer Staples, while maintaining broadly neutral positions in Utilities, Consumer Discretionary, Energy, Information Technology, Healthcare and Real Estate.

Figure 38: FPI sector allocation of the NSE-listed universe (September 2026 vs. June 2026)



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

Figure 39: FPI sector allocation of the NSE-listed universe over last five years



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

1.1.2 Nifty 50 ownership trends

Ownership pattern of the Nifty 50 universe (September 2026)

Promoter ownership in Nifty 50 companies declined by 37bps QoQ to 40.0% in the quarter ending September 2026.

Promoter stake in the Nifty 50 universe declined further in Q2FY27: Promoter ownership in Nifty 50 companies, unlike in the broader listed universe, declined by 37bps QoQ to 40.0% in the September 2026 quarter, extending the decline seen in the previous quarter. In value terms, promoter holdings fell by 5.6% QoQ to Rs 73.2 lakh crore, exceeding the 4.7% decline in the index's aggregate market capitalisation. The reduction was driven by a fall across all promoter categories.

Private Indian promoter ownership fell for the third quarter in a row by 23bps QoQ to a 29-quarter low of 26.9%, with the value of their holdings fell by 2.8% QoQ to Rs 50.6 lakh crore. Government ownership, including both promoter and non-promoter holdings, declined for the third consecutive quarter, albeit by a modest 6bps QoQ to 7.6%. This was primarily on the back of the Government's stake sale in LIC, excluding which Government ownership in Nifty 50 companies rose by 23bps QoQ to 5.3%. In value terms, Government holdings declined for the second consecutive by 5.5% QoQ to a four-quarter low of Rs 14 lakh crore.

Foreign promoter ownership also moderated after a sharp increase in the previous quarter, declining by 9bps QoQ to 5.7% as of September 2026. In value terms, their holdings fell by 6.0% QoQ to Rs 10.5 lakh crore.

Institutional ownership in the Nifty 50 remained broadly steady in the September quarter: Institutional ownership in Nifty 50 companies remained broadly unchanged at 47.3% in the September 2026 quarter, as continued gains in DMF ownership were almost entirely offset by a further decline in FPI share.

DMF ownership in the Nifty 50 market cap rose by 21bps QoQ to a fresh record high of 14.8% in the September 2026 quarter, supported by strong SIP inflows.

FPI share dipped further by 23pp QoQ to 20.9%—the lowest level in nearly 15 years.

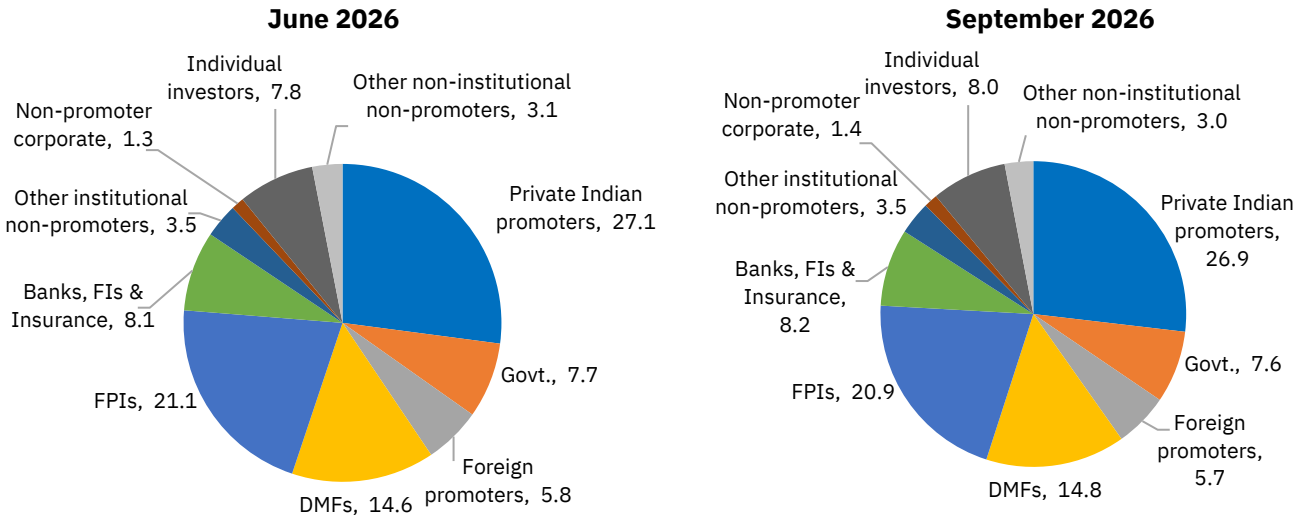
DMF ownership in Nifty 50 market capitalisation rose by another 21bps QoQ to a fresh record high of 14.8%, marking the 13th consecutive quarterly increase and taking the cumulative rise over this period to 5pp. The sustained increase was supported by robust domestic inflows, underpinned by steady household participation through SIPs. In value terms, however, DMF holdings declined by 3.4% QoQ to Rs 27.0 lakh crore, partly reversing the sharp increase in the previous quarter, although the decline was lower than the 4.7% fall in the index's aggregate market capitalisation.

In contrast, FPI ownership in Nifty 50 companies fell by 23bps QoQ to a nearly 15-year low of 20.9%, broadly mirroring the trend in the wider listed universe. This marked the fifth consecutive quarterly decline, taking the cumulative fall over this period to 3.6pp. FPI ownership now stands 7.5pp below its December 2019 peak. In value terms, FPI holdings declined by 5.8% QoQ, exceeding the fall in overall Nifty 50 market capitalisation and reflecting the continued erosion of foreign ownership in India's largest listed companies.

Meanwhile, ownership by banks, financial institutions and insurance companies remained broadly steady at 8.2%, continuing to move within a narrow 8.0–8.2% range over the last 17 quarters.

Individual investors' ownership in Nifty50 companies inched up further in Q2FY27: Direct individual ownership in Nifty 50 companies recovered by 21bps QoQ to 8.0% as of September 2026, reversing the decline seen in the previous quarter. In value terms, individual holdings declined by 2.1% QoQ to Rs 14.6 lakh crore, considerably less than the 4.7% fall in aggregate Nifty 50 market capitalisation. Despite the recent recovery, individual ownership in Nifty 50 companies has remained broadly range-bound between 7.5% and 8.5% for over 32 quarters, reflecting relative stability in direct individual exposure to India's largest listed companies.

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



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

Table 8: Nifty 50: Value held by key stakeholders over the last three years

Rs lakh crore	Private Indian promoters	Govt.	Foreign promoters	DMFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **	Total
Dec-23	50.4	10.7	11.1	17.5	13.8	43.0	2.1	14.0	8.5	171.2
Mar-24	53.5	12.6	11.3	18.9	14.3	43.9	2.2	14.5	8.5	179.6
Jun-24	56.0	13.7	11.8	21.3	15.4	46.8	2.2	15.3	8.8	191.3
Sep-24	59.6	15.4	13.3	23.8	16.8	51.0	2.5	16.5	9.8	208.6
Dec-24	53.3	13.4	11.0	22.9	15.4	45.7	2.2	15.0	9.0	188.0
Mar-25	53.5	12.8	10.3	23.7	15.3	45.6	2.5	14.9	9.1	187.7
Jun-25	57.6	13.5	11.0	26.3	16.4	49.7	2.6	16.0	9.8	202.8
Sep-25	54.6	13.5	11.5	26.7	15.9	47.6	2.5	15.5	9.9	197.8
Dec-25	59.4	14.1	11.8	28.7	17.1	50.2	2.6	16.3	10.6	210.8
Mar-26	49.3	15.0	9.9	25.4	14.8	39.4	2.2	13.6	11.2	180.9
Jun-26	52.0	14.8	11.1	28.0	15.6	40.6	2.5	14.9	12.5	192.1
Sep-26	49.1	14.0	10.5	27.0	15.0	38.2	2.6	14.6	11.9	183.0
% QoQ	***-5.6%***	***-5.5%***	***-6.0%***	***-3.4%***	***-4.1%***	***-5.8%***	***5.2%***	***-2.1%***	***-5.1%***	***-4.7%***

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

Table 9: Nifty 50: Ownership trend across key stakeholders by total market cap over the last three years

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual investors	Others*
Dec-23	29.4	6.3	6.5	10.2	8.0	25.1	1.3	8.2	5.0
Mar-24	29.8	7.0	6.3	10.5	8.0	24.5	1.2	8.1	4.7
Jun-24	29.3	7.1	6.2	11.1	8.1	24.5	1.2	8.0	4.6
Sep-24	28.5	7.4	6.4	11.4	8.0	24.4	1.2	7.9	4.7
Dec-24	28.4	7.1	5.8	12.2	8.2	24.3	1.2	8.0	4.8
Mar-25	28.5	6.8	5.5	12.6	8.2	24.3	1.4	7.9	4.8
Jun-25	28.4	6.7	5.4	13.0	8.1	24.5	1.3	7.9	4.8
Sep-25	27.6	6.8	5.8	13.5	8.1	24.1	1.3	7.8	5.0
Dec-25	28.2	6.7	5.6	13.6	8.1	23.8	1.2	7.7	5.0
Mar-26	27.3	8.3	5.5	14.0	8.2	21.8	1.2	7.5	6.2
Jun-26	27.1	7.7	5.8	14.6	8.1	21.1	1.3	7.8	6.5
Sep-26	26.9	7.6	5.7	14.8	8.2	20.9	1.4	8.0	6.5
QoQ change	*-23bps*	*-6bps*	***-8bps***	***21bps***	***6bps***	***-23bps***	***14bps***	***21bps***	***-2bps***

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

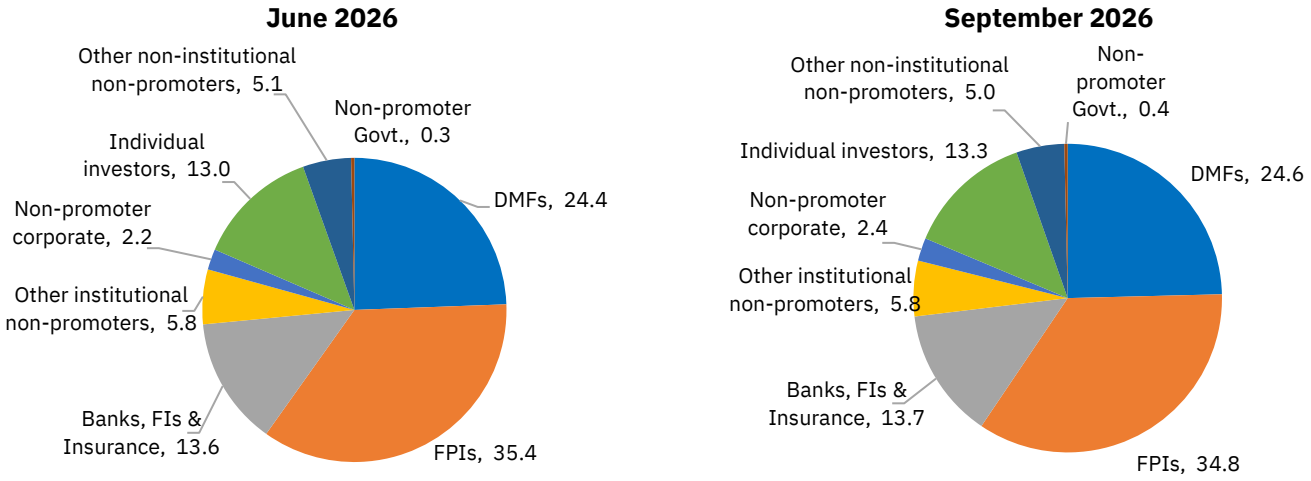
Institutional ownership of Nifty50 floating stock fell for the third quarter in a row in Q2FY27: Institutional ownership in the Nifty 50 free float declined for the third consecutive quarter, falling by 38bps QoQ to 78.9% in Q2 FY27. The decline was driven primarily by FPIs, whose share fell by 60bps QoQ to a 22-year low of 34.8%. This marked the fifth consecutive quarterly decline, taking the cumulative fall over this period to 6.2pp. FPI ownership in the Nifty 50 free float now stands 16.9pp below its December 2014 peak of nearly 52%.

DMFs, in contrast, continued to gain share, with their ownership in the Nifty 50 free float rising by 19bps QoQ to a fresh record high of 24.6% as of September 2026, marking the 13th consecutive quarterly increase. Ownership by banks, financial institutions and insurance companies remained broadly steady at 13.7%, continuing to move within a narrow 13.4–14.1% range over the last 17 quarters.

Meanwhile, individual investors' share in the Nifty 50 free float rose by another 27bps QoQ to a six-quarter high of 13.3%. Despite the recent recovery, their ownership remains 1.7pp below the post-pandemic peak of 15.0% recorded in June 2022, reflecting the growing importance of indirect household participation through mutual funds alongside direct equity investments.

Among other investor categories, ownership by non-institutional, non-promoter entities—primarily trusts, clearing members and HUFs—declined by 11bps QoQ to 5.0%, partly reversing the previous quarter's increase. Other institutional non-promoter ownership remained unchanged at its all-time high of 5.8%.

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



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

Table 10: Nifty 50: Ownership trend across key stakeholders by free float market cap over last the three years

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investors	Others**
Dec-23	17.6	13.8	43.3	2.2	14.1	8.9
Mar-24	18.4	14.0	42.8	2.1	14.1	8.7
Jun-24	19.3	14.0	42.4	2.0	13.9	8.4
Sep-24	19.7	13.9	42.2	2.1	13.7	8.5
Dec-24	20.7	13.9	41.3	2.0	13.5	8.5
Mar-25	21.3	13.7	40.9	2.3	13.4	8.5
Jun-25	21.7	13.5	41.0	2.2	13.2	8.4
Sep-25	22.5	13.4	40.1	2.1	13.0	8.7
Dec-25	22.8	13.6	39.9	2.1	12.9	8.8
Mar-26	23.7	13.8	36.8	2.1	12.7	10.9
Jun-26	24.4	13.6	35.4	2.2	13.0	11.3
Sep-26	24.6	13.7	34.8	2.4	13.3	11.2
QoQ change	*19bps*	*1bps*	*-60bps*	*21bps*	*27bps*	*-10bps*

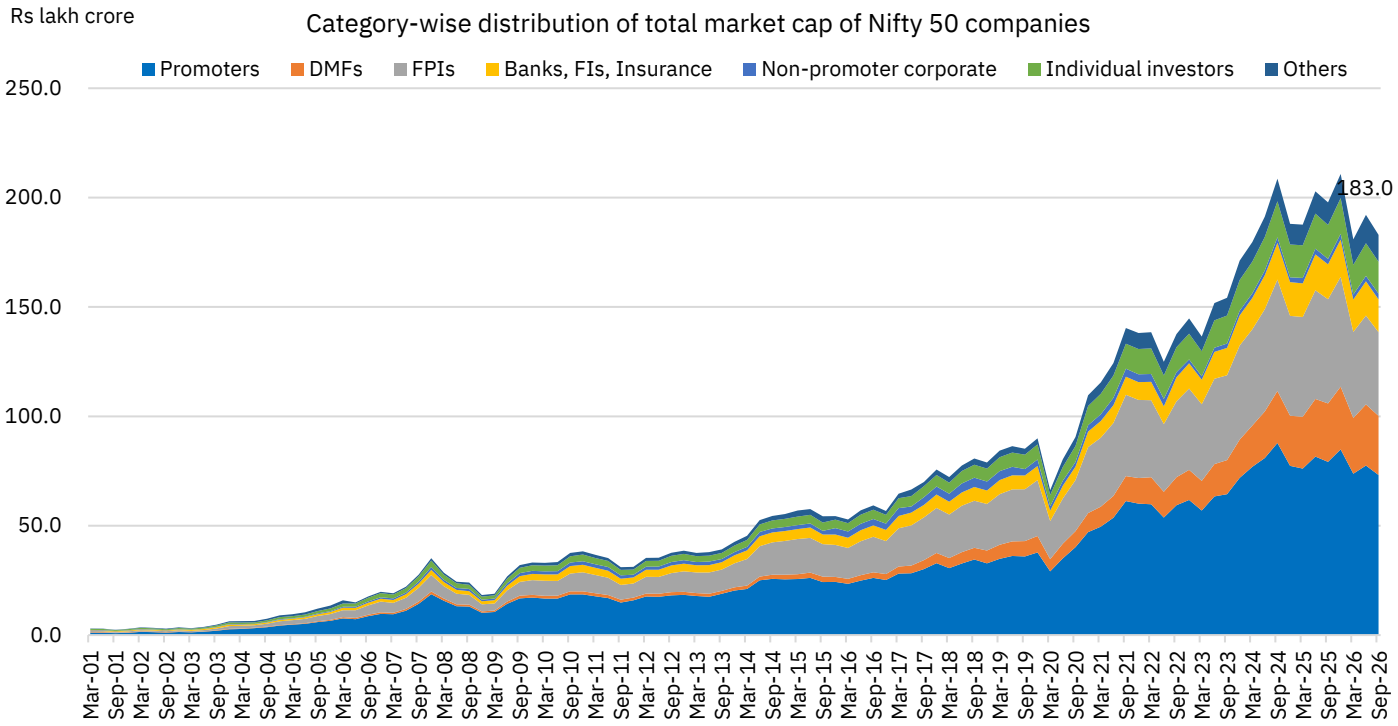
Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters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

Long-term ownership trend of the Nifty 50 universe: The long-term ownership trajectory of the Nifty 50 broadly mirrors that of the wider listed universe, albeit with some differences across investor categories. Promoter ownership declined steadily between 2009 and March 2019, followed by a brief recovery before moderating again. The initial decline was driven largely by lower Government ownership, even as private Indian promoter share increased over much of this period. Since 2019, Government ownership has inched up marginally until the recent decline, while private Indian promoter ownership has fallen by 5.3pp from the post-pandemic highs. Foreign promoter ownership has remained broadly stable over the longer term, barring some post-pandemic fluctuations. More recently, overall promoter ownership declined for the second consecutive quarter to 40.0% as of September 2026, in contrast to the recovery seen in the broader listed universe.

DMF ownership, on the other hand, has risen steadily since 2014, barring a brief interruption during the pandemic. Supported by sustained domestic institutional inflows and growing household participation through mutual funds, DMF ownership has now increased for 13 consecutive quarters to a record 14.8% as of September 2026, a cumulative rise of 5pp over this period. FPI ownership followed a different trajectory, rising after the Global Financial Crisis to a peak of 28.3% in March 2015 and remaining broadly range-bound until 2019. Since the pandemic, however, FPI ownership has trended lower, barring a brief rebound in late 2020, falling to a nearly 15-year low of 20.9% in September 2026.

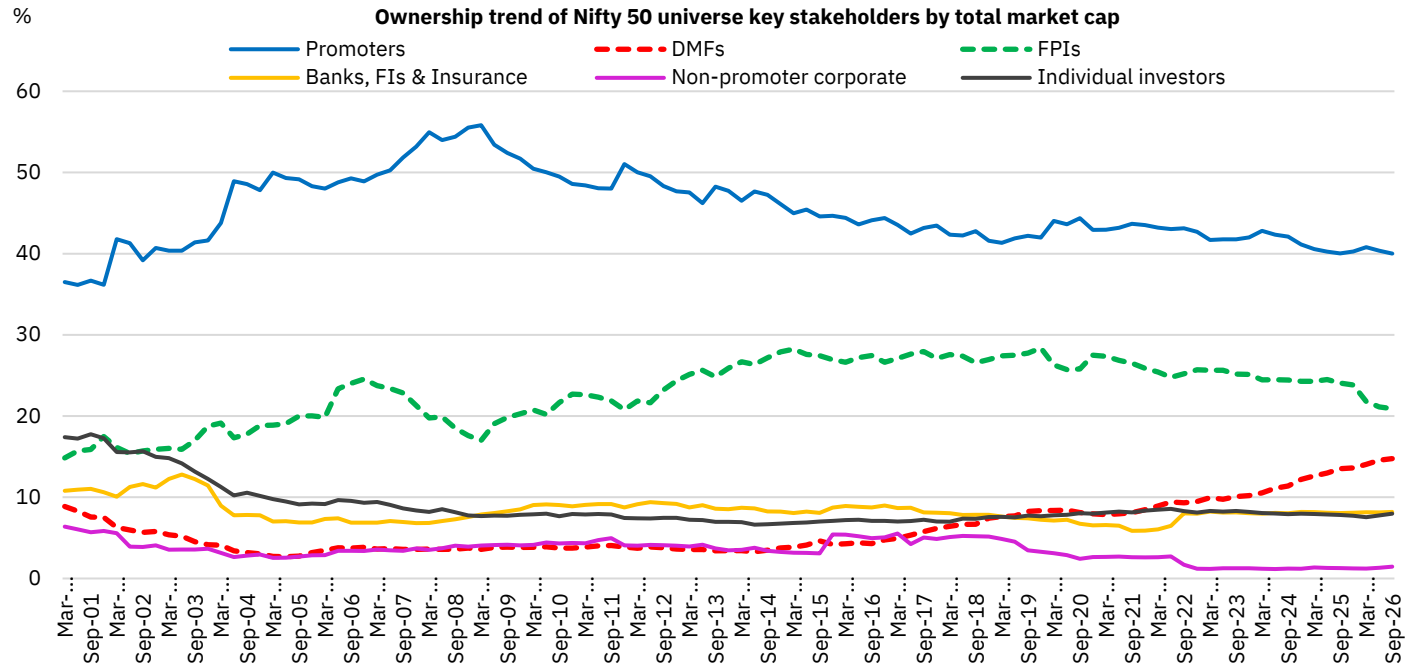
Unlike the broader NSE-listed universe, direct individual ownership in the Nifty 50 rose gradually between 2014 and 2022 before moderating thereafter. Despite a modest recovery to 8.0% in September 2026, its share has remained within a narrow 7.5–8.5% range for over eight years. This relative stability, alongside the sustained rise in DMF ownership, reflects the growing importance of mutual funds as a channel for household participation in large-cap equities.

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



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

Figure 43: Nifty 50: Long-term ownership trend across key stakeholders by total market cap



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

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

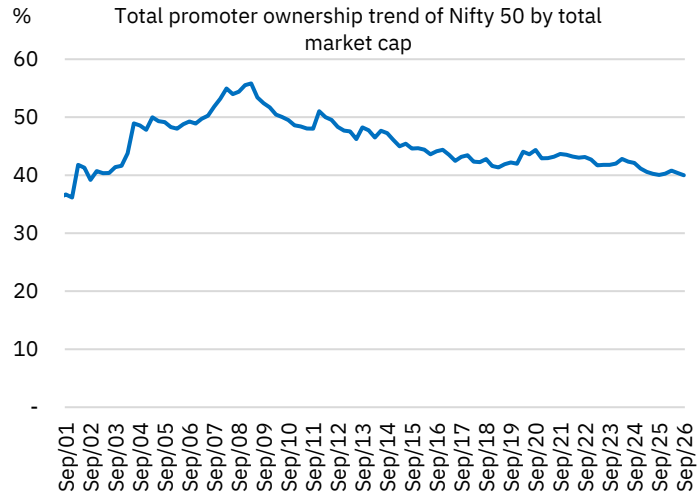
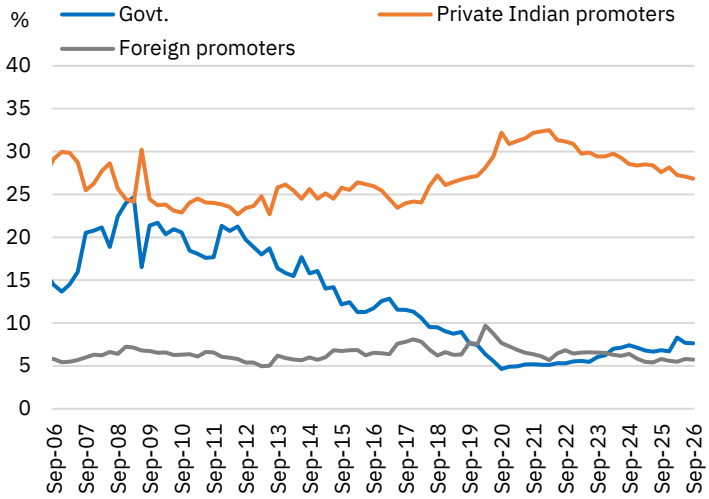


Figure 45: Indian and foreign promoter ownership trend of the Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

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

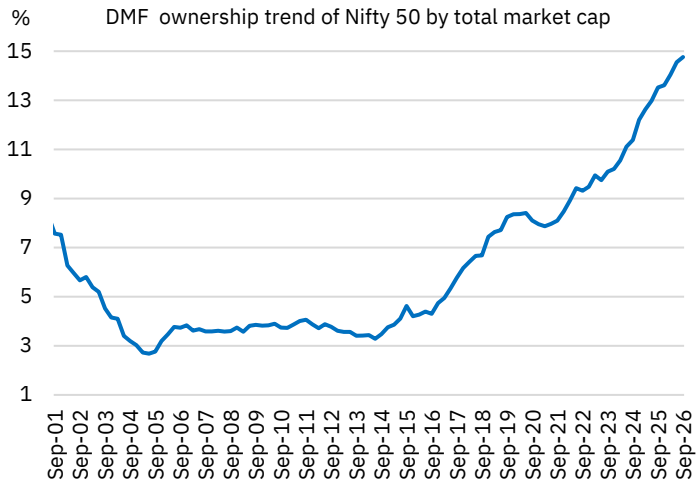
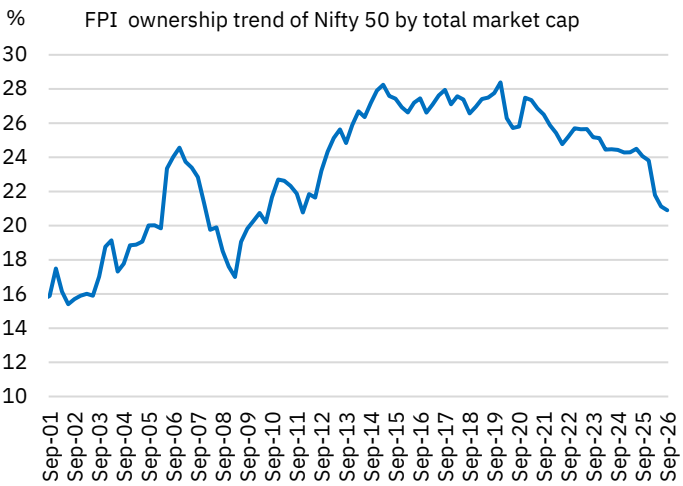


Figure 47: FPI ownership trend of Nifty 50 universe by total market cap



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

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

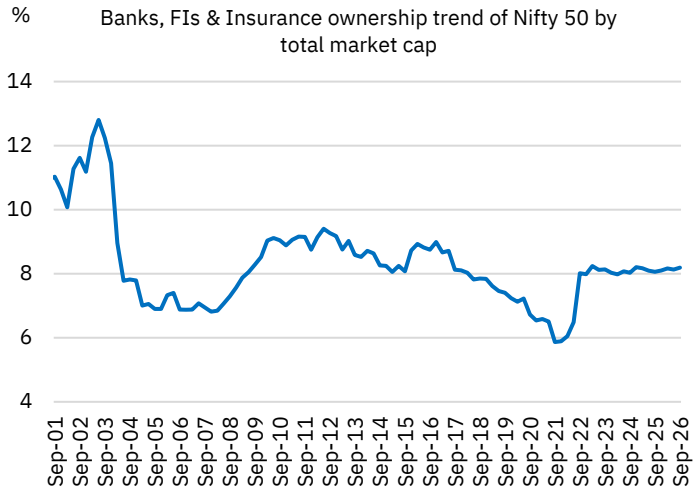
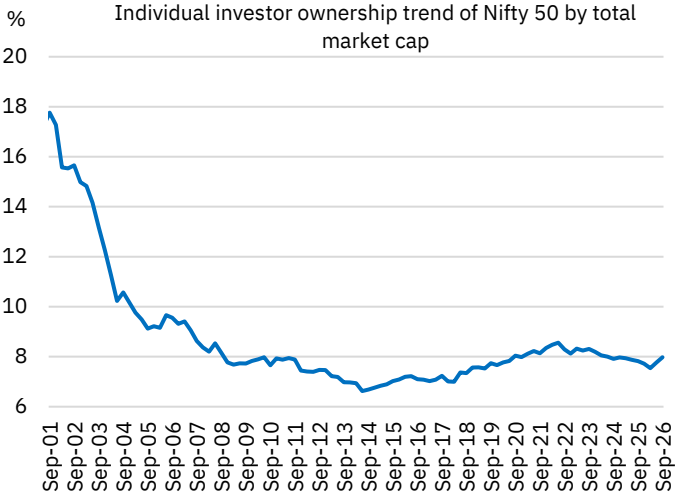


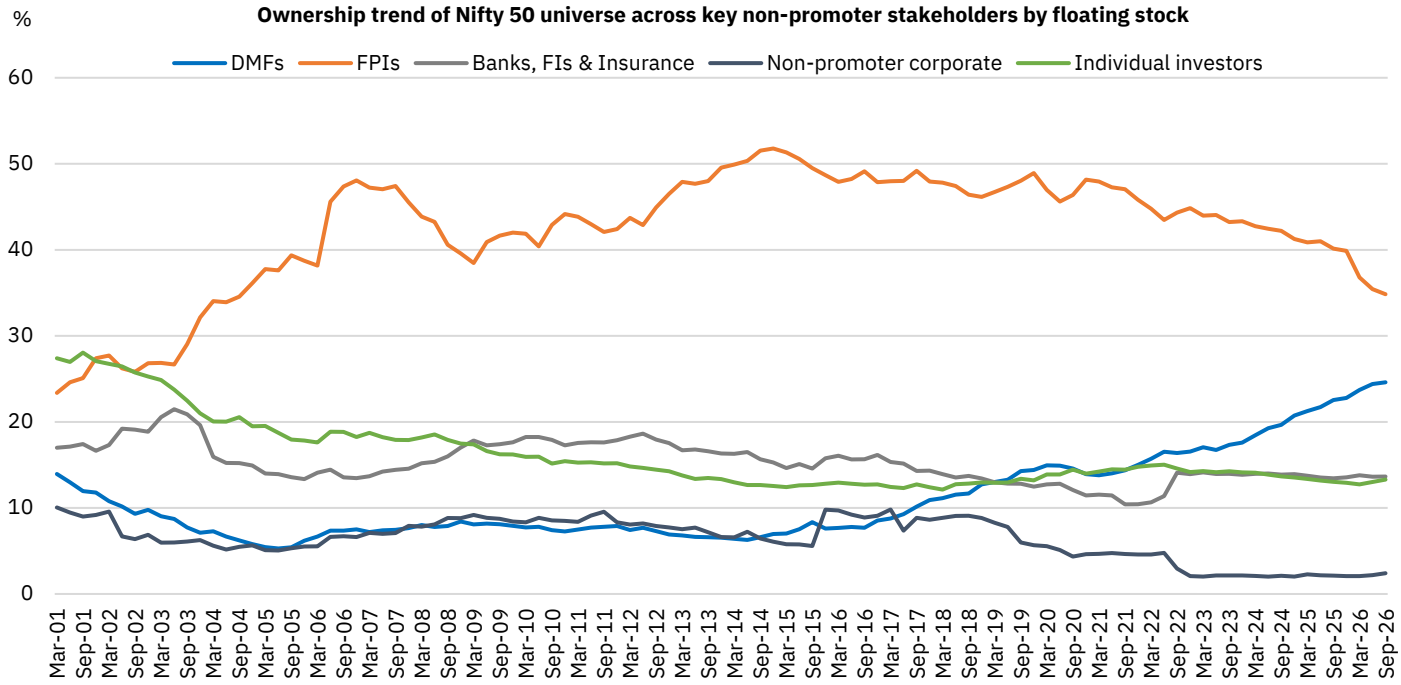
Figure 49: Individuals' ownership trend of Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Our long-term ownership analysis on the free float market cap of the Nifty 50 Index also shows that while DMF ownership is currently at the highest ever level of 24.6%, while FPI ownership is ~16.9pp lower than the peak share of 51.8% observed in December 2014.

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



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

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

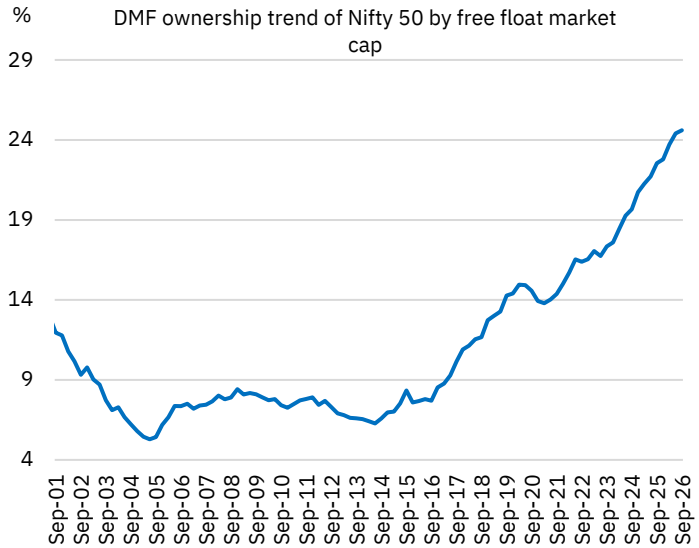
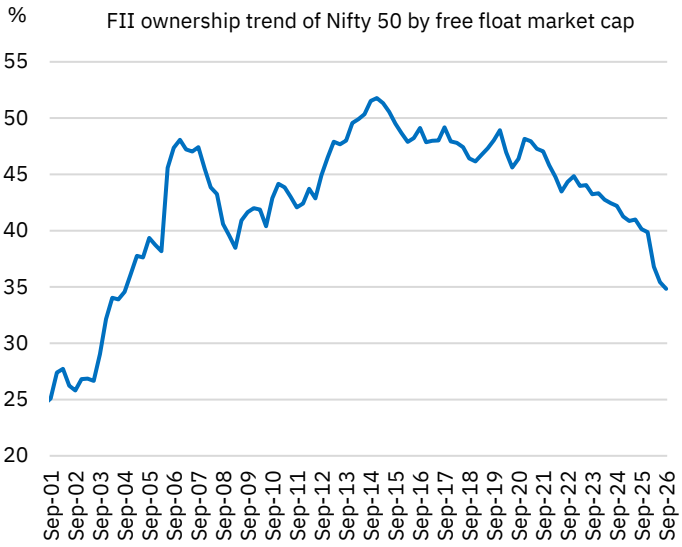


Figure 52: FPI ownership trend of the Nifty 50 universe by free float market cap



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

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

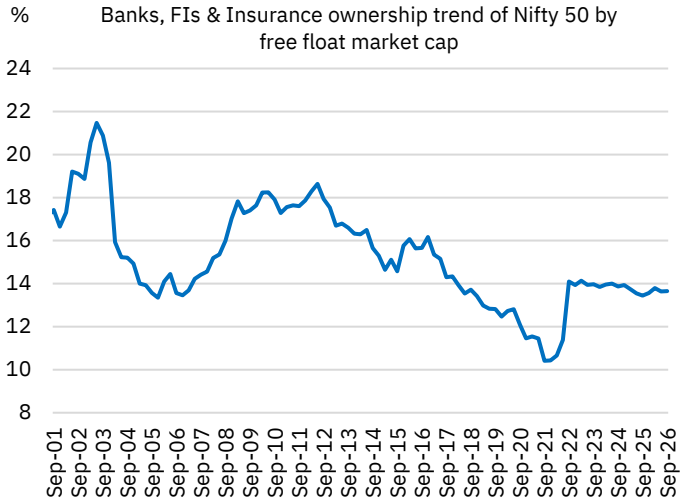
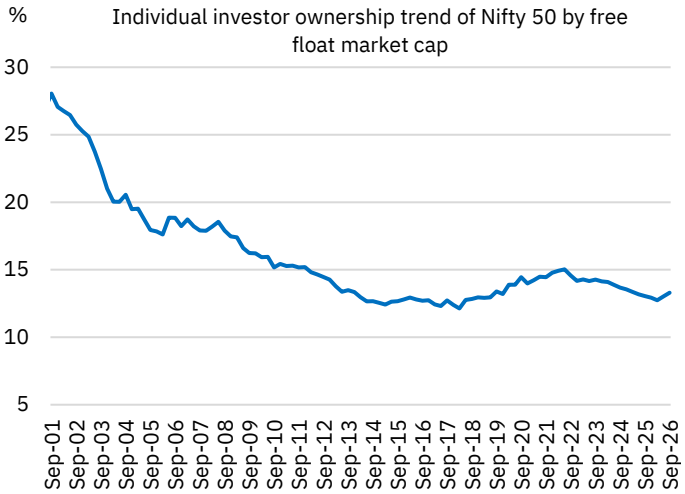


Figure 54: Individual ownership trend of the Nifty 50 universe by free float market cap



Source: CMIE Prowess, NSE EPR.

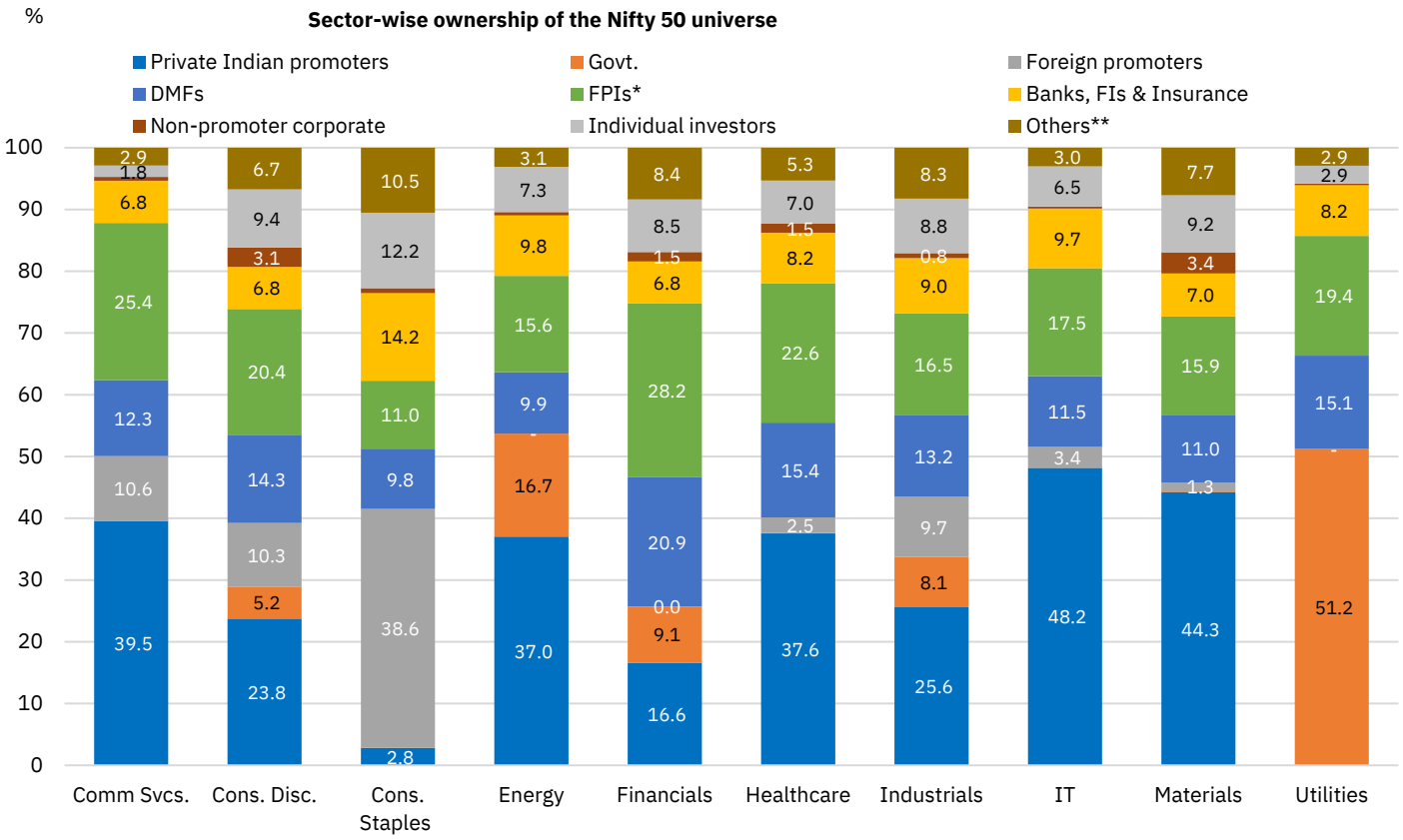
Sector-wise ownership of the Nifty 50 universe (September 2026): Promoter ownership across Nifty 50 sectors saw some notable shifts in the September 2026 quarter. Energy overtook Information Technology to record the highest promoter ownership among Nifty 50 sectors in the September 2026 quarter, rising by 10bps QoQ to a 27-quarter high of 52.2%. Information Technology followed at 51.5%, after a sharp 1.8pp QoQ decline, while Utilities remained steady at 51.2%. Communication Services recorded the largest quarterly increase of 1.2pp, taking promoter ownership to 50.1%.

DMF ownership in Financials rose to a fresh record high of 20.9%, retaining its position as the sector with the highest DMF share for the 11th consecutive quarter. This narrowed the gap with FPI ownership to 7.3pp—the lowest since the beginning of our analysis. DMF ownership also reached fresh highs in Energy and Healthcare, while Information Technology recorded the largest quarterly increase of 91bps to a more than 25-year high of 11.5%. In contrast, DMF ownership declined in Utilities, Consumer Discretionary and Industrials, while rising modestly across most other sectors.

FPI ownership, on the other hand, declined across most Nifty 50 sectors, barring Information Technology, Consumer Discretionary and, to some extent, Industrials. Communication Services recorded the steepest fall of 1.7pp QoQ to 25.5%. Financials also witnessed a sizeable decline of 82bps QoQ to a 23-year low of 28.2%, taking the cumulative fall since December 2023 to 12.3pp. Nevertheless, Financials continued to have the highest FPI ownership, followed by Communication Services (25.5%), Healthcare (22.6%) and Consumer Discretionary (20.4%).

Despite the sustained decline, FPIs remained the largest non-promoter shareholder category across most Nifty 50 sectors, with Consumer Staples being the sole exception, reflecting their continued importance in the ownership structure of India's large-cap companies.

Figure 55: Nifty 50: Sector-wise ownership pattern across key stakeholders (September 2026)



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

Sector allocation of the Nifty 50 universe for key shareholders (September 2026): Sectoral allocations across Nifty 50 constituents remained concentrated among major shareholder categories in September 2026, although the quarter witnessed some shifts in portfolio composition.

Government holdings remained heavily concentrated in Financials, Energy and Utilities, which together accounted for 81.1% of total Government ownership in the Nifty 50, down 74bps QoQ. Within this, allocation to Financials declined by 38bps QoQ to 35.1%, partly reversing the 2.2pp increase in the previous quarter. Energy's share recovered by 50bps QoQ to 25.6%, following a decline to a 17-year low in June. Government holdings in the Nifty 50 remained more concentrated than in the broader listed universe, where these three sectors accounted for 70.7% of the total.

Foreign promoter holdings continued to be dominated by consumption-oriented sectors, with Consumer Staples and Consumer Discretionary together accounting for 62.9% of the total. However, their respective allocations declined by 1.7pp and 2.2pp QoQ to 41.2% and 21.6%, with Consumer Staples reaching an eight-and-a-half-year low following its second consecutive quarterly decline. These reductions were accompanied by higher allocations to Communication Services (+2.5pp QoQ to a five-quarter high of 11.1%), Information Technology (+95bps to 5.3%) and Industrials (+39bps to a nearly two-decade high of 16.9%). Together, Consumer Staples, Consumer Discretionary, Industrials and Communication Services accounted for 90.7% of foreign promoter holdings. Within

overall promoter holdings, Financials retained the largest sectoral allocation for the fifth consecutive quarter at 18.9% (+16bps QoQ), followed by Energy at 15.4% (-22bps QoQ). Information Technology's share declined by 49bps QoQ to 11.5%, taking the cumulative fall since December 2024 to 11.4pp, while Consumer Discretionary rose by 16bps to 7.5%.

Among domestic institutions, DMFs increased their allocations to Financials, Information Technology and Materials. Financials' share rose for the fourth consecutive quarter, increasing by 32bps QoQ to a 14-quarter high of 41.6%. Information Technology gained 35bps QoQ to 6.9%, although its allocation remains 11.1pp below the December 2021 level. Materials also rose by 20bps QoQ to an 18-quarter high of 6.1%. These gains were accompanied by lower allocations to Utilities (-34bps QoQ to an 18-quarter low of 3.1%) and Industrials (-23bps to 8.8%), alongside modest declines in Consumer Staples, Energy and Healthcare.

FPI allocations, in contrast, saw a modest reduction in Financials, although the sector remained the largest component of their Nifty 50 portfolios at 39.6% (-26bps QoQ). Energy's share also declined by 45bps QoQ to 8.8%, alongside smaller reductions in Communication Services (7.3%), Healthcare (5.0%), Consumer Staples (3.2%) and Utilities (2.8%). Consumer Discretionary and Information Technology gained share, rising by 70bps and 45bps QoQ to 11.7% and 7.4%, respectively.

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

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	8.8	0.0	11.1	5.0	7.3	5.0	2.5	1.4
Consumer Discretionary	10.6	8.1	21.6	11.6	11.7	10.0	26.1	14.2
Consumer Staples	0.6	0.0	41.2	4.0	3.2	10.6	3.4	9.4
Energy	16.2	25.6	0.0	7.9	8.8	14.1	4.4	10.8
Financials	18.2	35.1	0.1	41.6	39.6	24.4	31.2	31.4
Health Care	6.5	0.0	2.1	4.9	5.0	4.7	4.7	4.1
Industrials	9.4	10.5	16.8	8.8	7.8	10.8	5.4	10.9
Information Technology	16.0	0.0	5.3	6.9	7.4	10.5	2.0	7.3
Materials	13.6	0.2	1.9	6.1	6.3	7.0	19.6	9.6
Utilities	0.0	20.3	0.0	3.1	2.8	3.0	0.6	1.1
Grand Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

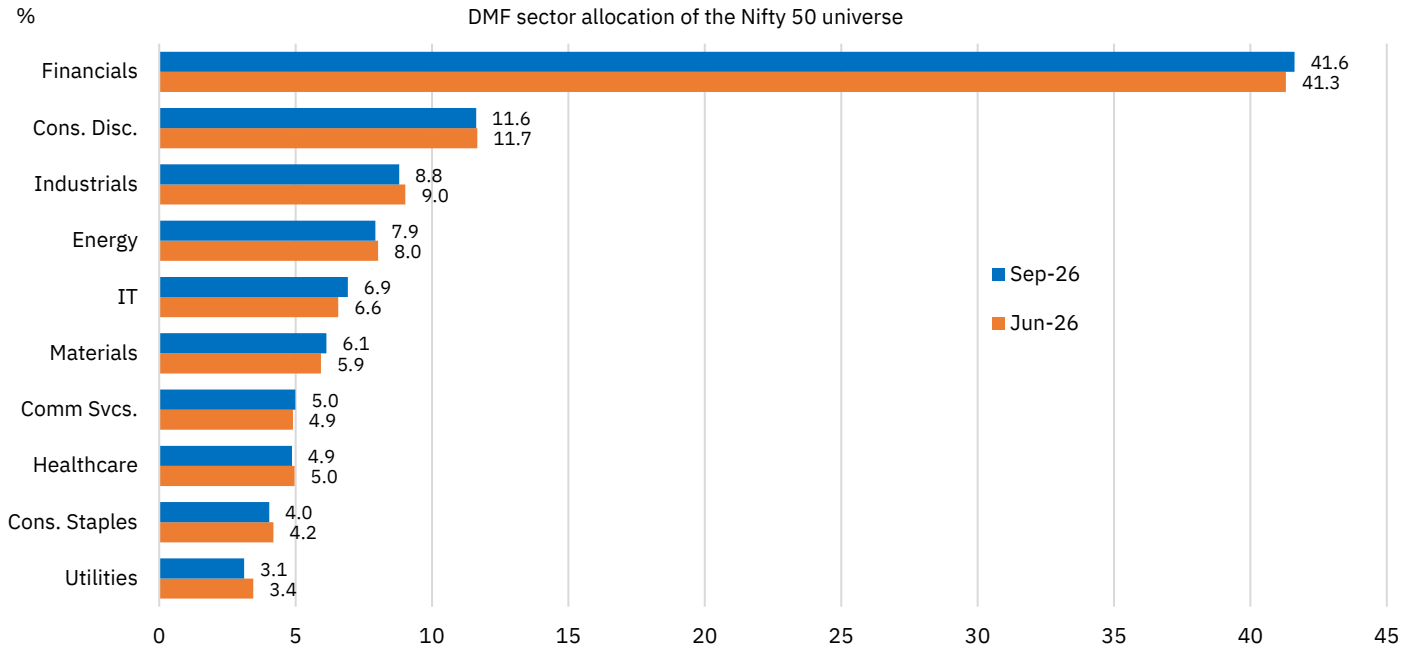
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

DMFs maintained their overweight stance on Financials while remaining cautious on commodity-oriented sectors: DMFs retained their OW position in Financials during the September 2026 quarter, although the extent of overweighting narrowed marginally. Financials remained the only sector in which DMFs were overweight within the Nifty 50 for the fourth consecutive quarter.

DMFs also maintained their UW stance on commodity-linked sectors, with Materials remaining underweight for the second consecutive quarter and Energy for the sixth. Consumer Staples continued to be underweight, a position maintained for 11 years, although the extent of underweighting moderated slightly. Elsewhere, DMFs remained broadly neutral on Consumer Discretionary, Information Technology, Communication Services, Healthcare, Industrials and Utilities.

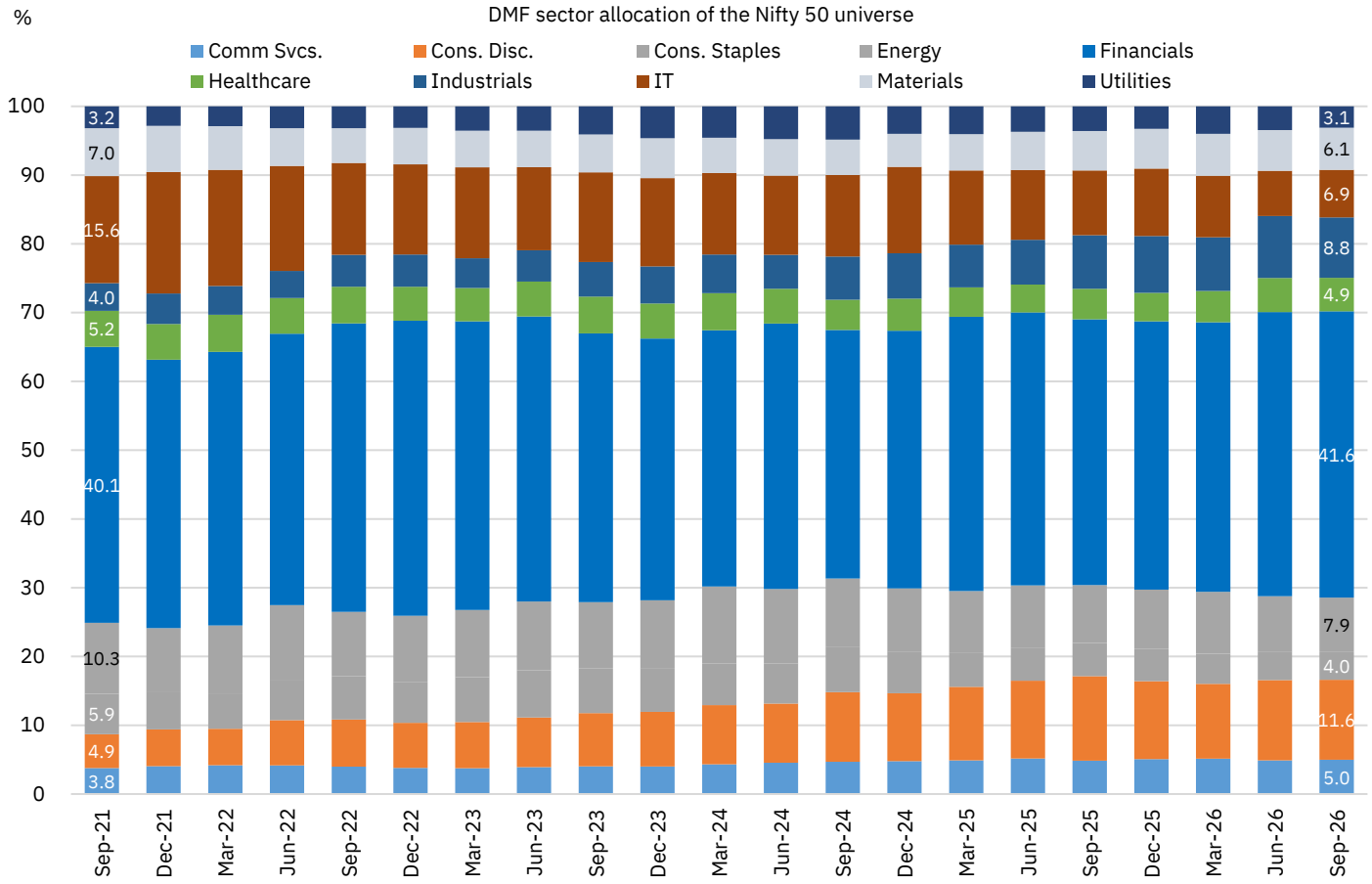
DMFs maintained their OW stance on Financials, remained negative on Energy, Materials and Consumer Staples, and a broadly neutral position on the rest.

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



Source: CMIE Prowess, NSE EPR.

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



Source: CMIE Prowess, NSE EPR.

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

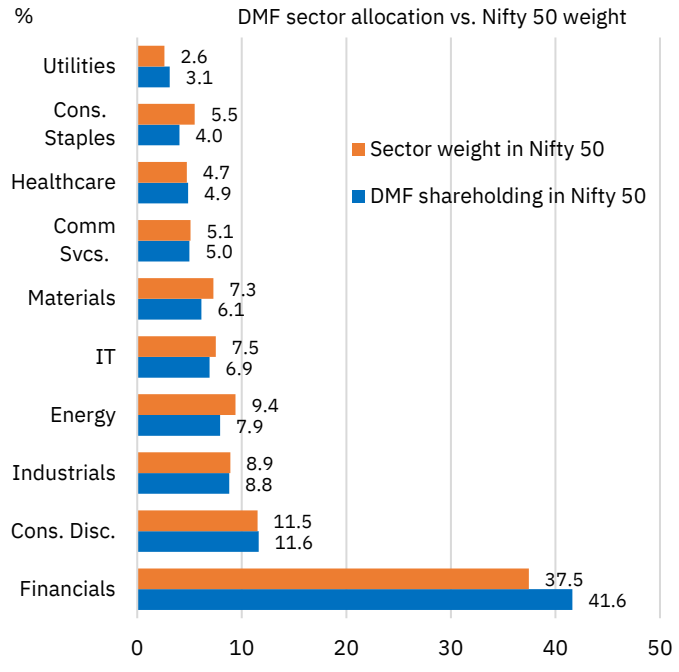
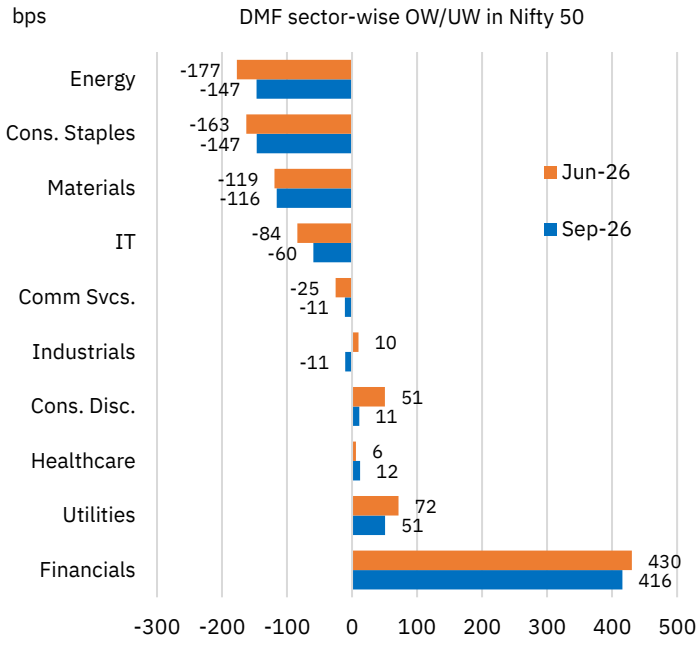
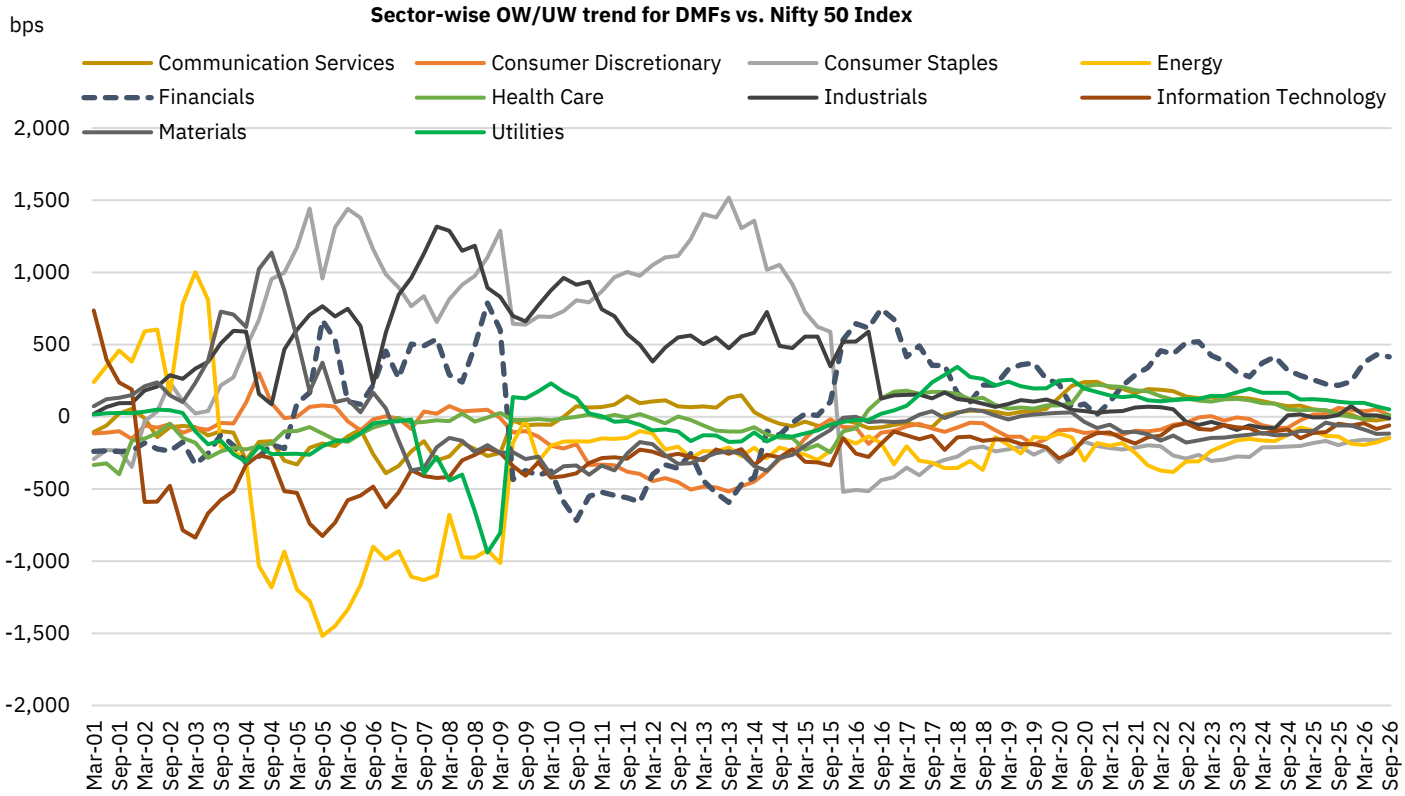


Figure 59: DMF sector-wise OW/UW in Nifty 50 relative to sector weight in the index (September 2026)



Source: CMIE Prowess, NSE EPR.

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



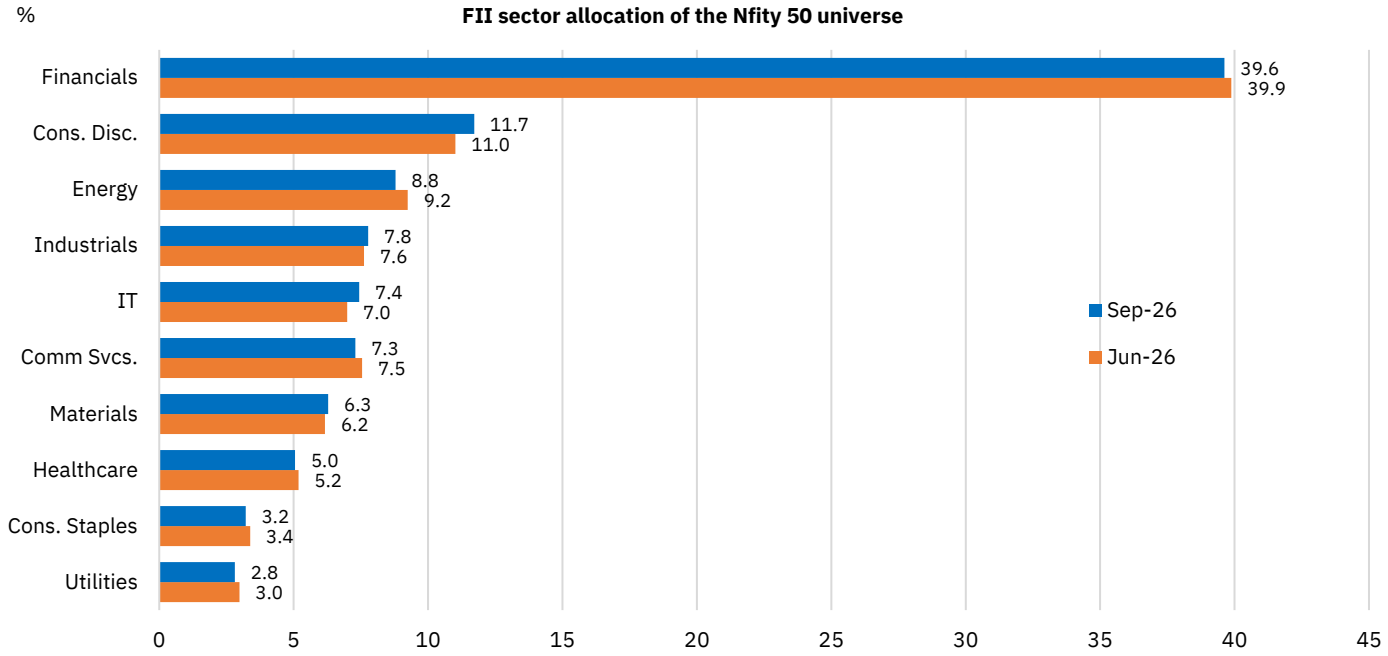
Source: CMIE Prowess, NSE EPR.

FPIs further trimmed exposure to Financials, while retaining the OW stance, turned UW on Materials, and remained negative on Consumer Staples and Industrials.

FPIs further trimmed their overweight in Financials, turned UW on Materials and remained negative on Consumer Staples and Industrials: FPIs retained their OW positions in Financials and Communication Services in the September 2026 quarter, the only two sectors where they remained overweight within the Nifty 50. The extent of overweighting in Financials narrowed for the fifth consecutive quarter to its lowest level since the beginning of our analysis in 2001, despite the sector's relative outperformance. Communication Services, meanwhile, remained overweight for the ninth consecutive quarter.

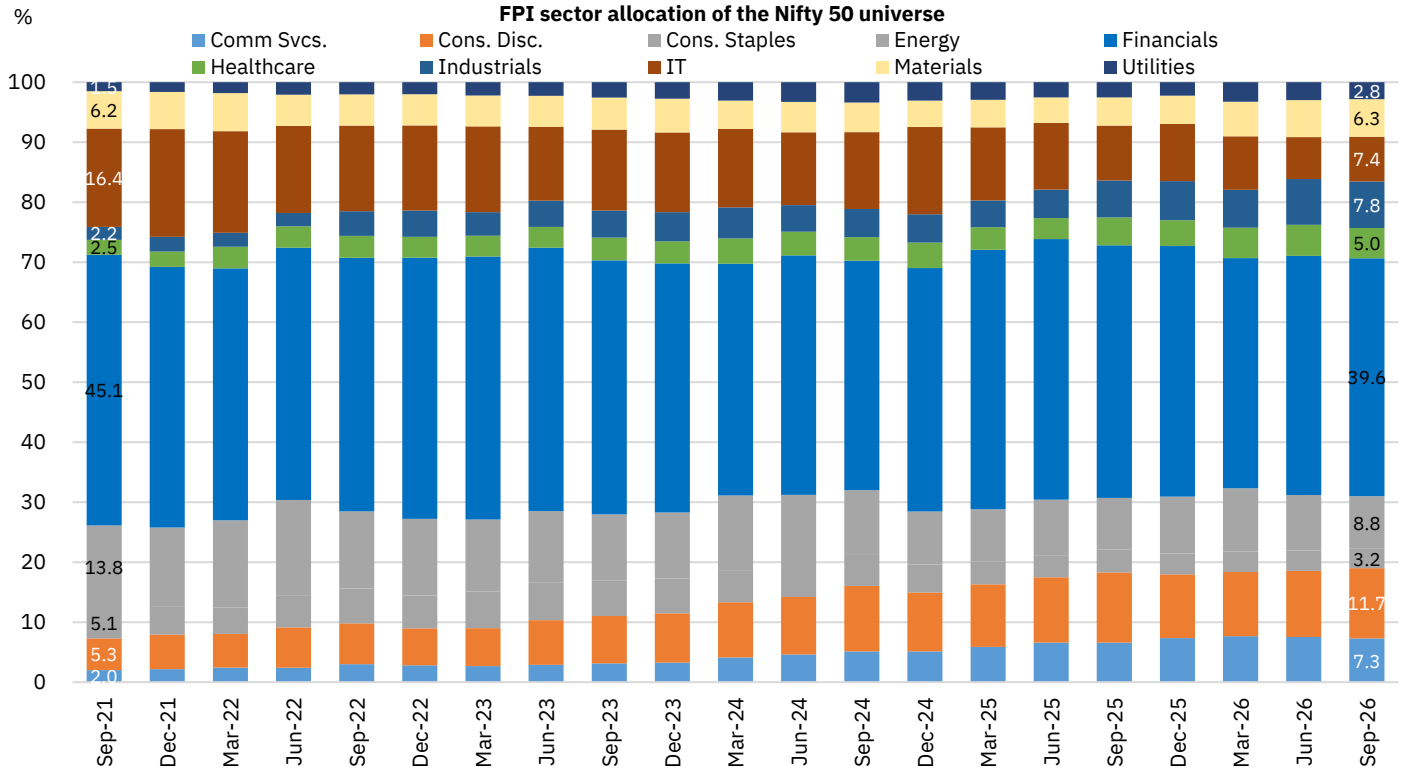
Among commodity-linked sectors, FPIs reverted to an underweight (UW) position in Materials after briefly turning neutral in the previous quarter, while maintaining a neutral stance on Energy for the third consecutive quarter. They also remained underweight in Consumer Staples and Industrials, with broadly neutral positions in Consumer Discretionary, Healthcare, Information Technology and Utilities.

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



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

Figure 62: FPI sector allocation of the Nifty 50 universe over last five years



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

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

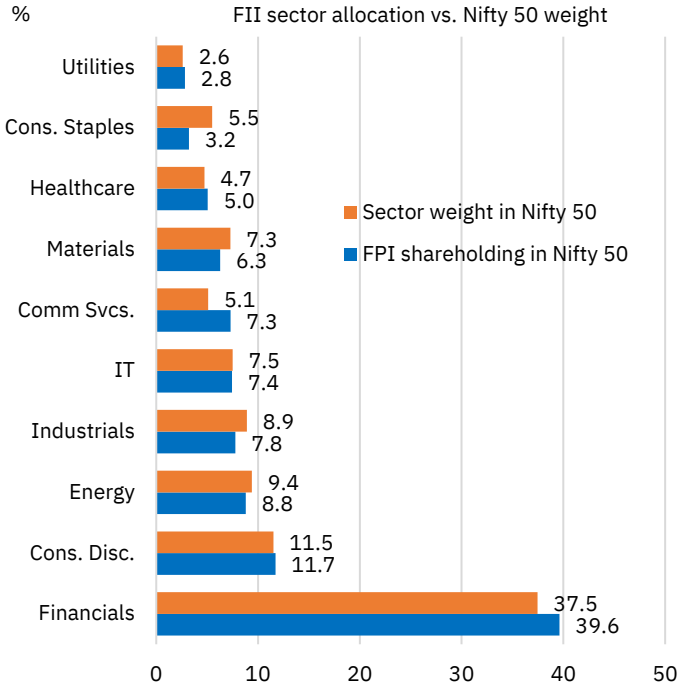
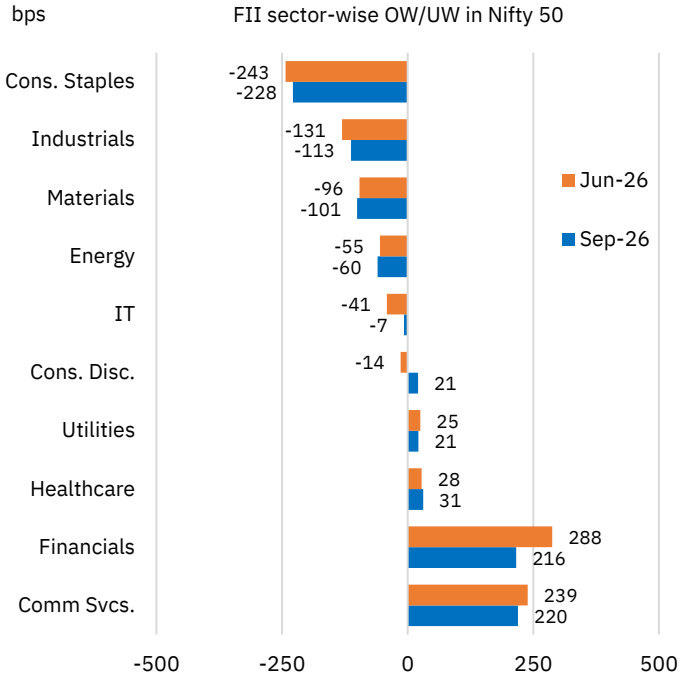
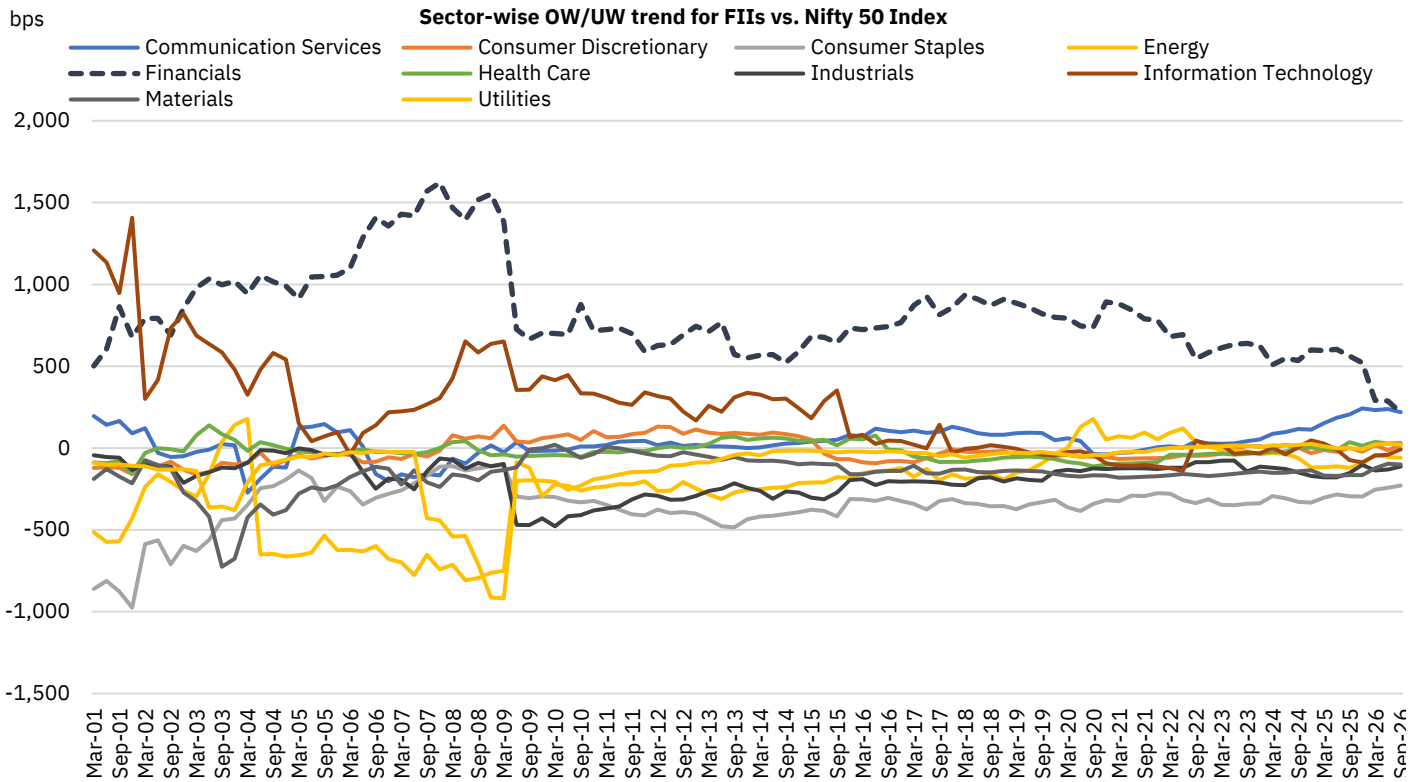


Figure 64: FPI sector-wise OW/UW in Nifty 50 relative to sector weight in the index (September 2026)



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

Figure 65: FPI vs Nifty 50—Sector-wise OW/UW trend (bps)



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

1.1.3 Nifty 500 ownership trends

Ownership pattern of the Nifty 500 universe (September 2026)

Promoter ownership at a three-quarter low and marginally below the 50% mark: Promoter ownership in the Nifty 500 universe, which has remained range-bound and marginally below the 50% mark over the last eight quarters, declined by 23bps QoQ to 49.3% in September 2026, its lowest level in three quarters. This was largely driven by a 90bps QoQ decline in Government ownership to a 12-quarter low of 9.8%, slipping into single digits for the first time since September 2023. The decline appears to reflect the relatively weaker performance of public sector undertakings. This is also evident in the 11.1% QoQ contraction in the market value of Government holdings, compared with a relatively modest 1.2% decline for private Indian promoters. The fall in Government ownership was partly offset by a 56bps QoQ increase in private Indian promoter ownership to 31.2%, the highest since June 2025. Within this category, individual promoter ownership rose to a near 69-month high of 6.1%, compared with an average of around 5.2% over the preceding four quarters.

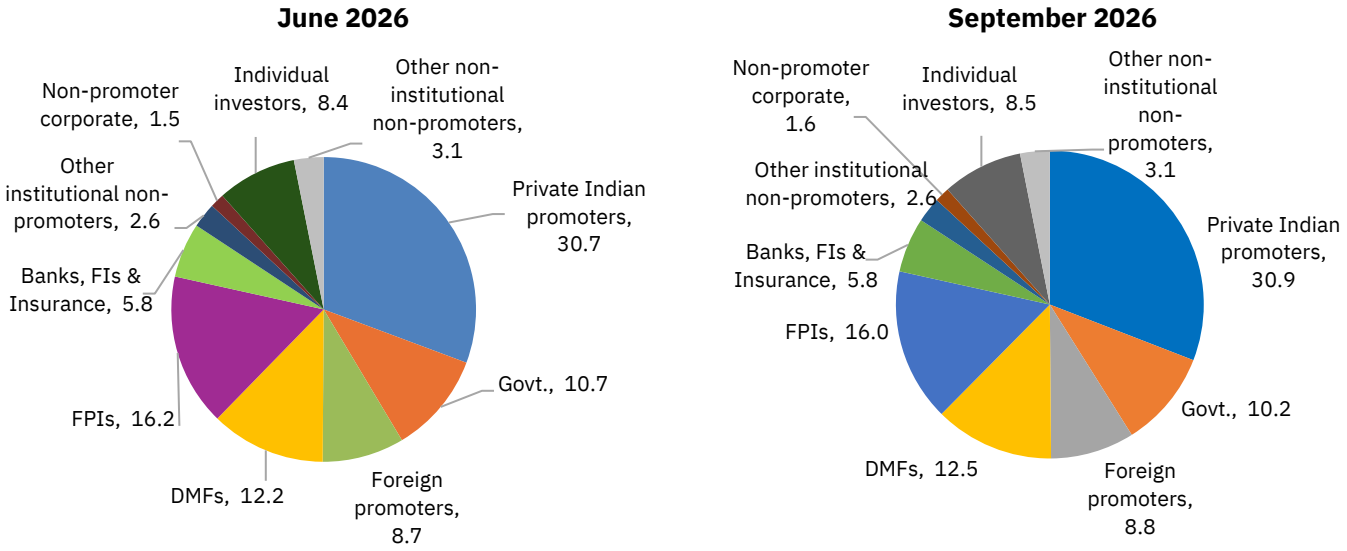
DMF ownership rose for the 11th consecutive quarter to record high levels: Mirroring the trend of record-high ownership in the Nifty 50 universe, DMF ownership in the Nifty 500 rose for the 11th consecutive quarter to 12.5% in September 2026, increasing by 35bps QoQ and 1.1pp YoY. Despite heightened uncertainty surrounding the West Asia crisis, elevated market volatility and MTM losses of 4% in the Nifty 500 during Q2, DMFs recorded robust inflows of Rs 1.2 lakh crore during the quarter. However, these inflows were largely offset by valuation losses, leaving the market value of DMF holdings broadly unchanged sequentially, even as it grew by 10.2% YoY. At 12.5%, DMF ownership in the Nifty 500 remained below that in the Nifty 50 (14.8%) but significantly exceeded the 6.4% share in companies outside the Nifty 500 universe. Meanwhile, ownership of banks, financial institutions and insurance companies moderated for the third consecutive quarter to 5.76%, its lowest level since September 2022.

FPI ownership declines to a 17.5-year low, widening the gap with DIIs: FPI ownership in the Nifty 500 universe declined for the third consecutive quarter to a 17.5-year low of 16% in September 2026, falling by 12bps QoQ and nearly 2pp YoY. FPI flows during Q2FY27 remained volatile amid heightened geopolitical tensions in West Asia, elevated crude oil prices, rising US bond yields and rupee depreciation. Despite these headwinds, FPIs recorded net inflows of US$1.5bn in Q2 FY27, reversing the substantial outflows of US$15.1bn in the preceding quarter. However, the recovery in flows was accompanied by MTM losses, with the market value of FPI holdings declining by 3.7% QoQ and 10.6% YoY in rupee terms. Meanwhile, DII ownership exceeded FPI ownership for the seventh consecutive quarter, reaching a record high of 21% and widening the ownership gap to nearly 5pp. This marks a significant reversal from December 2019, when FPI ownership exceeded that of DIIs by 9.1pp, reflecting the sustained rise in domestic institutional participation alongside declining FPI ownership. At 16%, FPI ownership in the Nifty 500 remained below its share in the Nifty 50 (20.9%), but significantly higher than the 5% recorded for companies outside the Nifty 500 universe.

Individual investors' ownership inched up marginally in September quarter: Individual investor ownership in the Nifty 500 universe edged up marginally to 8.5% in

September 2026, supported by modest net inflows of US$0.5bn during the quarter. However, MTM losses weighed on the value of individual holdings, which declined by 2.7% QoQ and remained 6.9% below the peak recorded in September 2024. Over the last three years, individual investor ownership has remained range-bound between 8.24% and 8.77%, indicating broadly stable participation despite market volatility. At 8.5%, individual investor ownership in the Nifty 500 remained higher than that in the Nifty 50 (8.0%), but significantly below the 17.9% share in companies outside the Nifty 500 universe.

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



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

Table 12: Nifty 500: Value held by key stakeholders over the last three years

Rs lakh crore	Private Indian promoters	Govt.	Foreign promoters	DMFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **	Total
Dec-23	104.5	35.0	26.6	30.4	19.6	63.8	5.5	28.6	14.4	328.5
Mar-24	111.9	41.3	28.6	32.7	20.9	66.8	6.0	30.7	14.8	353.7
Jun-24	123.1	47.8	33.3	37.8	22.9	74.2	6.5	34.6	16.0	396.2
Sep-24	133.4	48.0	36.3	42.1	24.8	80.4	7.1	36.9	17.6	426.8
Dec-24	120.6	42.5	31.5	40.8	22.8	73.1	6.4	34.1	16.9	388.8
Mar-25	117.4	39.9	30.2	40.2	22.3	69.5	6.1	32.3	16.9	374.9
Jun-25	128.6	45.4	32.6	45.8	24.5	76.7	6.7	35.9	18.8	415.1
Sep-25	123.5	44.0	34.2	46.3	23.8	72.9	6.4	34.7	18.8	404.7
Dec-25	128.9	45.4	34.5	49.2	25.4	76.1	6.4	35.6	19.7	421.2
Mar-26	113.2	41.3	31.3	44.4	22.3	62.7	5.6	30.7	21.0	372.4
Jun-26	128.6	44.9	36.4	51.1	24.3	67.7	6.3	35.4	24.2	418.9
Sep-26	125.6	41.4	35.8	51.0	23.4	65.2	6.3	34.4	23.4	406.6
% QoQ	***-2.3%***	***-7.9%***	***-1.7%***	***-0.1%***	***-3.8%***	***-3.7%***	***0.1%***	***-2.7%***	***-3.2%***	***-3.0%***

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

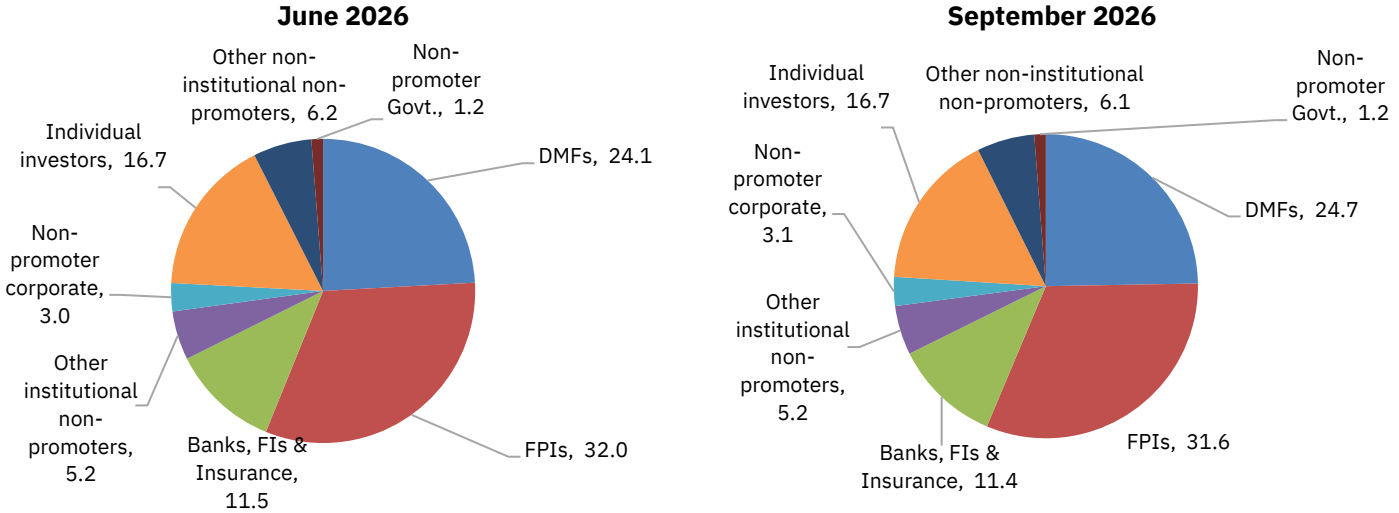
Table 13: Nifty 500: Ownership trend across key stakeholders by total market cap over last the three years

%	Private Indian promoters	Govt.	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others**
Dec-23	31.8	10.7	8.1	9.3	6.0	19.4	1.7	8.7	4.4
Mar-24	31.6	11.7	8.1	9.3	5.9	18.9	1.7	8.7	4.2
Jun-24	31.1	12.1	8.4	9.5	5.8	18.7	1.6	8.7	4.0
Sep-24	31.3	11.3	8.5	9.9	5.8	18.8	1.7	8.7	4.1
Dec-24	31.0	10.9	8.1	10.5	5.9	18.8	1.7	8.8	4.3
Mar-25	31.3	10.6	8.1	10.7	6.0	18.5	1.6	8.6	4.5
Jun-25	31.0	10.9	7.9	11.0	5.9	18.5	1.6	8.7	4.5
Sep-25	30.5	10.9	8.5	11.4	5.9	18.0	1.6	8.6	4.7
Dec-25	30.6	10.8	8.2	11.7	6.0	18.1	1.5	8.5	4.7
Mar-26	30.4	11.1	8.4	11.9	6.0	16.8	1.5	8.2	5.6
Jun-26	30.7	10.7	8.7	12.2	5.8	16.2	1.5	8.4	5.8
Sep-26	30.9	10.2	8.8	12.5	5.8	16.0	1.6	8.5	5.8
QoQ change	***20bps***	***-55bps***	***11bps***	***35bps***	***-5bps***	***-12bps***	***5bps***	***2bps***	***-1bps***

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

The divergence between DMF and FPI ownership within the free float of Nifty 500 companies has become increasingly pronounced, with gains in DMF ownership accompanied by declining shares of FPIs, individual investors, and banks, financial institutions and insurance companies. DMF ownership rose by 59bps QoQ to a record high of 24.7% in September 2026. In contrast, FPI ownership declined for the 11th consecutive quarter to 31.6%, its lowest level since December 2004, reflecting a sustained shift in the composition of institutional ownership. Meanwhile, the share of banks, financial institutions and insurance companies fell by 15bps QoQ to 11.4%, while individual investor ownership moderated by 4bps to 16.7%. The latter has followed a broadly declining trend over the last two years, notwithstanding intermittent increases.

Figure 67: Nifty 500: Ownership pattern by free float market cap (%)



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

Table 14: Nifty 500: Ownership trend across key stakeholders by free float market cap over the last three years

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Sep-23	18.2	12.1	38.9	3.4	17.5	10.0
Dec-23	18.5	11.9	38.9	3.4	17.4	9.8
Mar-24	18.8	12.0	38.4	3.4	17.6	9.6
Jun-24	19.5	11.8	38.2	3.4	17.8	9.5
Sept-24	19.9	11.7	38.1	3.4	17.5	9.4
Dec-24	20.8	11.6	37.3	3.3	17.4	9.6
Mar-25	21.3	11.8	36.7	3.2	17.1	9.9
Jun-25	21.8	11.6	36.4	3.2	17.1	10.0
Sept-25	22.6	11.6	35.5	3.1	16.9	10.3
Dec-25	22.9	11.8	35.4	3.0	16.6	10.4
Mar-26	23.5	11.8	33.2	3.0	16.3	12.3
Jun-26	24.1	11.5	32.0	3.0	16.7	12.7
Sep-26	24.7	11.4	31.6	3.1	16.7	12.6
QoQ change	*59bps*	*-15bps*	*-39bps*	*8bps*	*-4bps*	*-9bps*

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

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

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

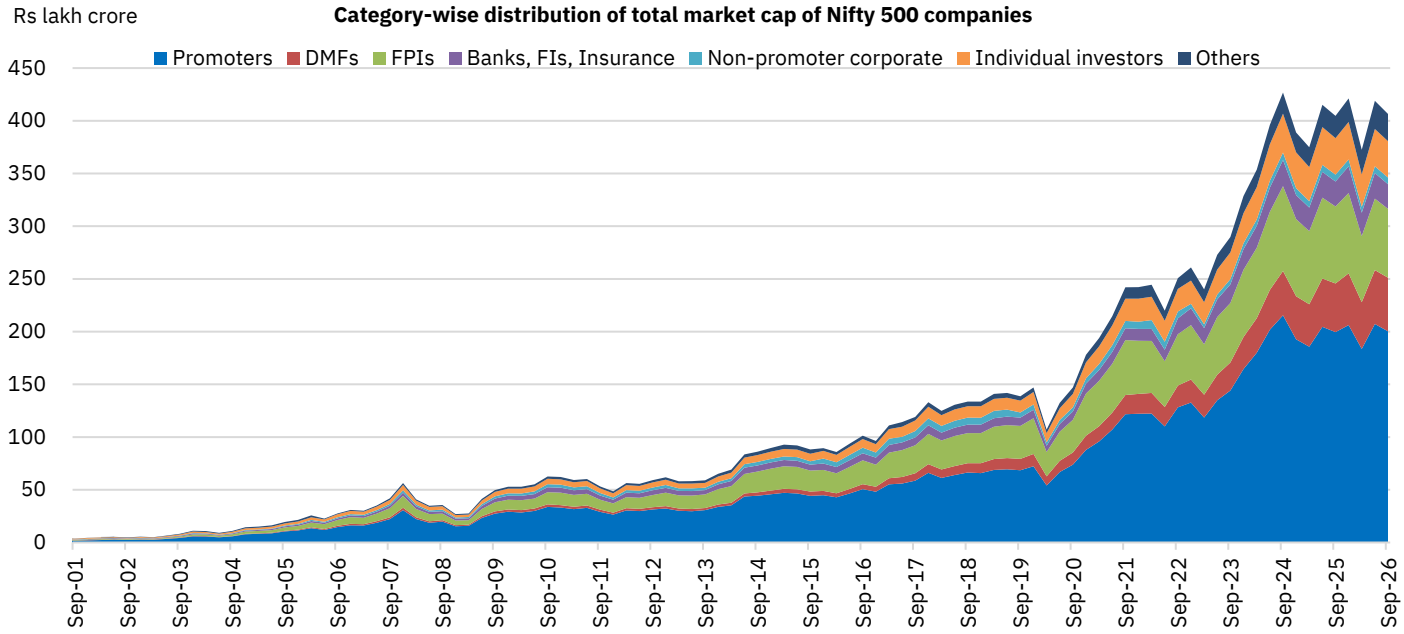
Individual ownership has oscillated in a narrow range of 8.2%-8.8% during the previous three years.

Over the past five years, foreign promoter ownership has remained stable in the 8-9% range. Private Indian promoter share has been falling at gradual pace in the last four years from 35.5% in FY22 to 30.4% in FY26. Government promoter ownership, which rose sharply following the LIC listing and the subsequent rally in public sector stocks, has eased in recent years, though it has remained in double digits for 12th consecutive quarter. The 135bps decline in overall promoter ownership in FY25 marks the steepest annual drop since FY13. In FY26, the fall in Indian promoter ownership has been partly offset by gains in foreign promoter (+35bps) and Government ownership (+32bps).

DMF ownership in the Nifty 500 Index saw a gradual increase beginning 2014, barring a temporary decline in the COVID year, to reach record levels, aided by strong SIP inflows. FPI ownership in the Nifty 500 universe improved meaningfully post the GFC until 2015 but has since hovered between 21-23% band until 2021, post which there has been a steady decline. Over the last few years, FPI sentiments have been weighed by a slew of unfavorable developments on the global front including recurring COVID variants, followed by the Russia-Ukraine war, elevated inflation, steep rate hikes by global central banks and China slowdown. This decline has been accentuated further owing to the West Asia crisis alongside surge in US treasury yields, translating into outflows and dragging the share to multi-year lows. Over the last five years (ended September 2026), the DMF ownership has increased by 5pp, helping cushion the impact of FPI outflows, even as FPI ownership declined by 5.5pp during the same period. Banks, financial institutions, and

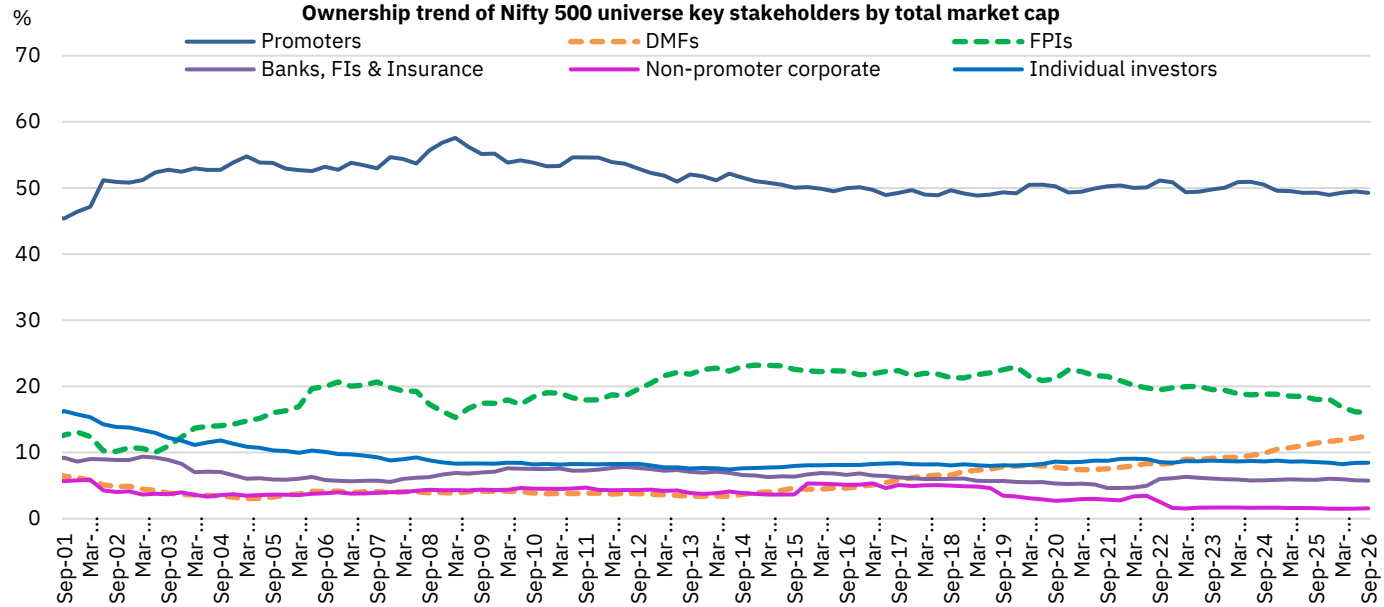
insurance have been steadily reducing their exposure to Indian equities over the last decade until 2021 only to see a meaningful spike in Sept'22-Mar'23. Since then, the share tapered off and has remained range-bound during the previous three years. Individual investor ownership in the Nifty 500 universe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

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



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

Figure 69: Nifty 500: Long-term ownership trend across key stakeholders by total market cap



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

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

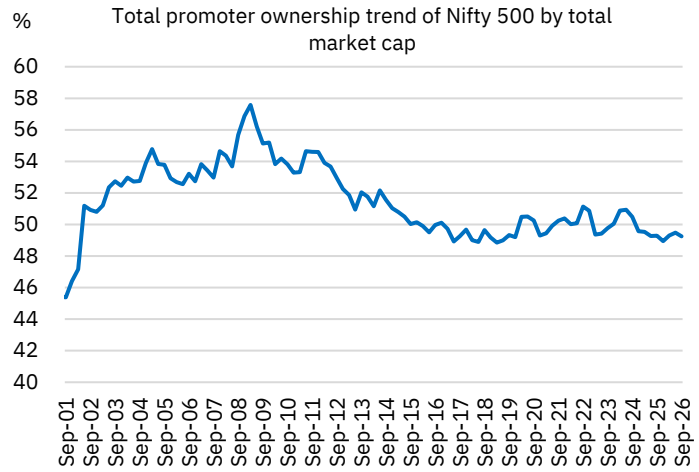
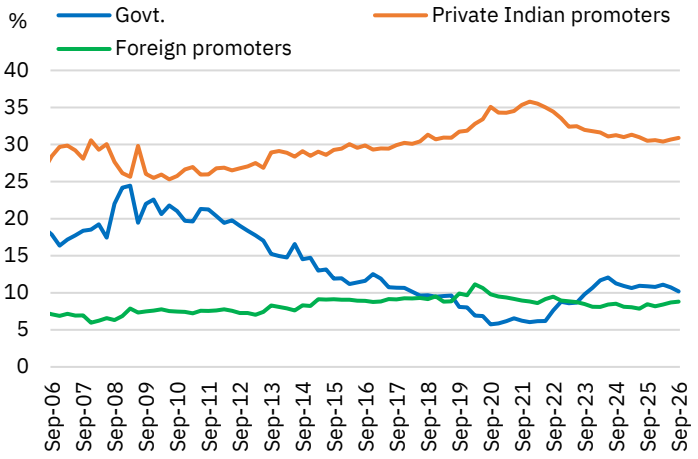


Figure 71: Indian and foreign promoter ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

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

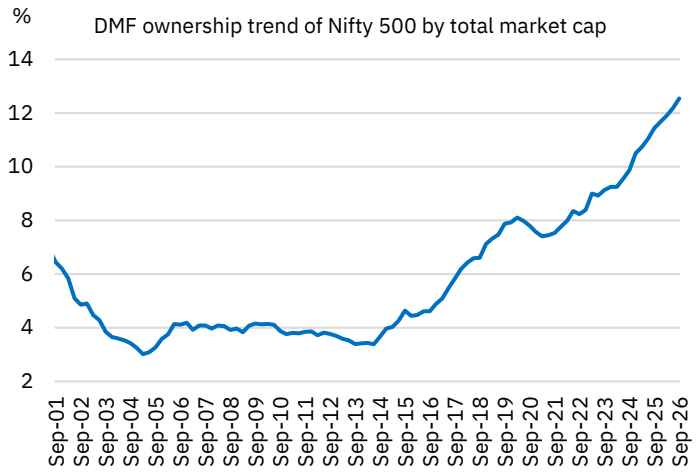
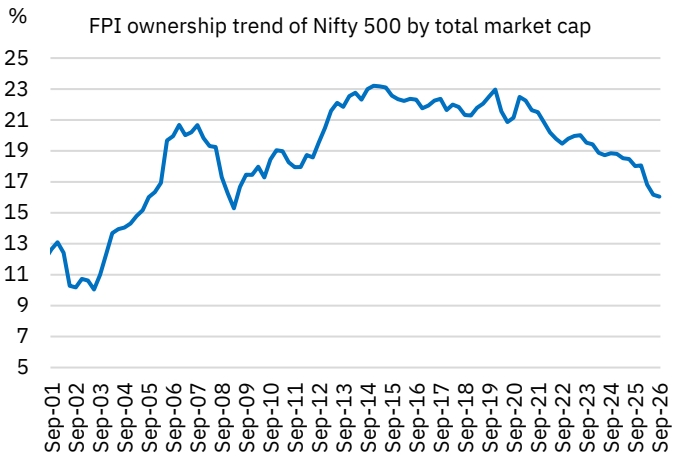


Figure 73: FPI ownership trend of the Nifty 500 universe by total market cap



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

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

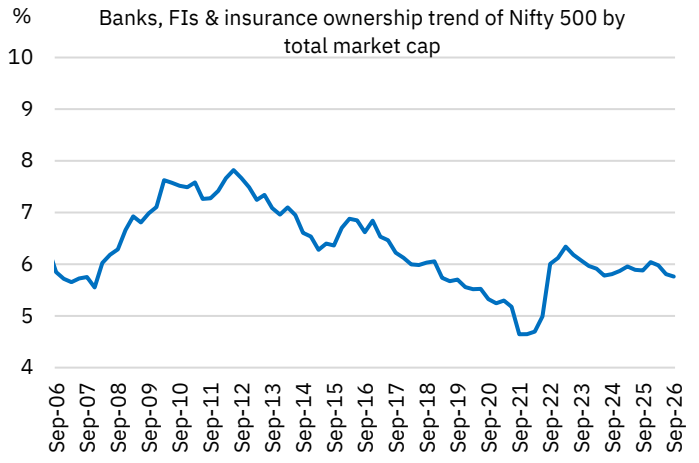
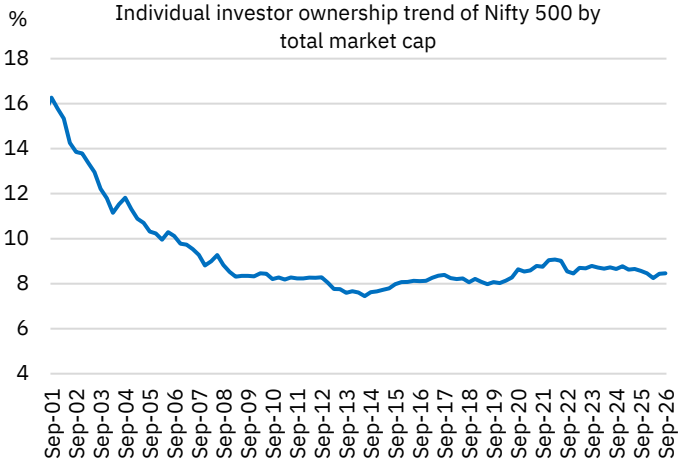


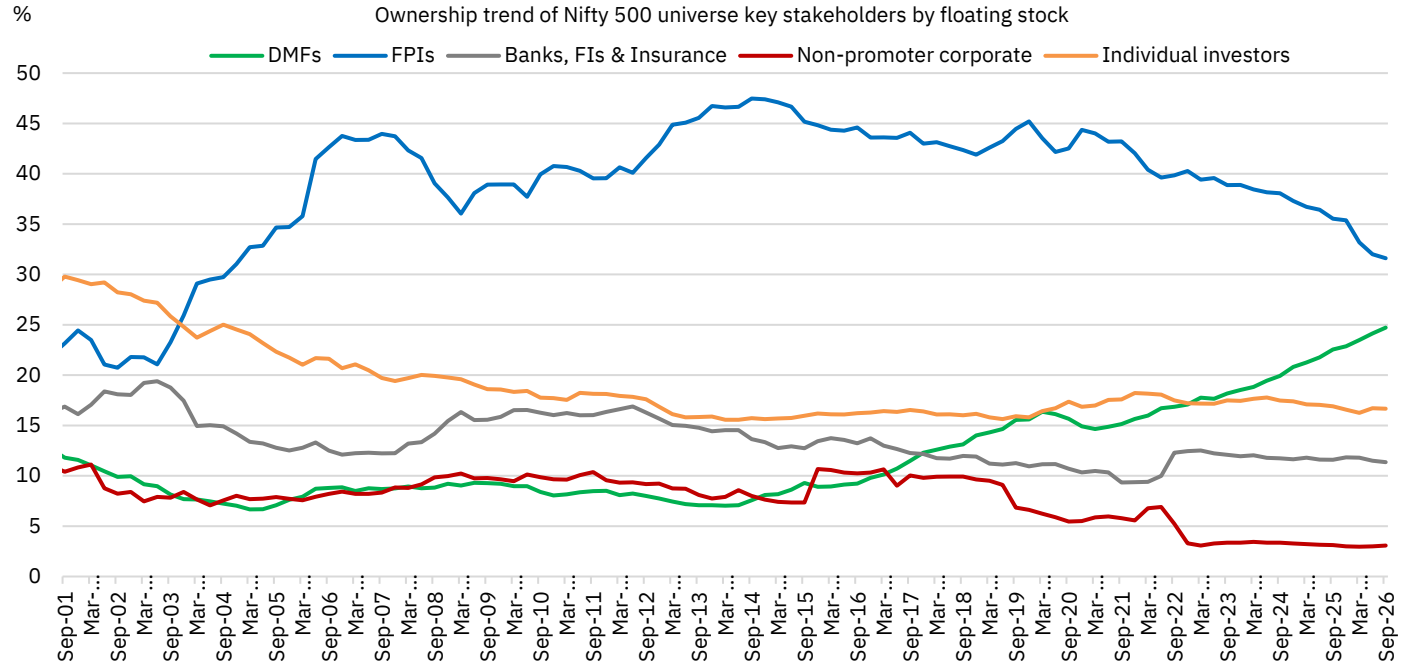
Figure 75: Individual ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Our long-term ownership analysis on the floating stock of the Nifty 500 universe also shows that while DMF ownership is currently at the highest level since 2001, the current FPI ownership has declined to over 20-year low in March 2026 — 15.5 pp lower than the peak of 47.5% observed in the quarter ending September 2014.

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



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

Figure 77: DMF ownership trend of the Nifty 500 universe by free float market cap

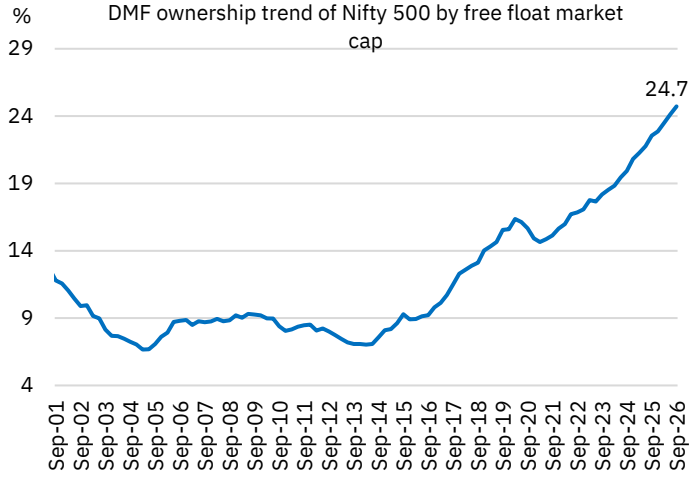
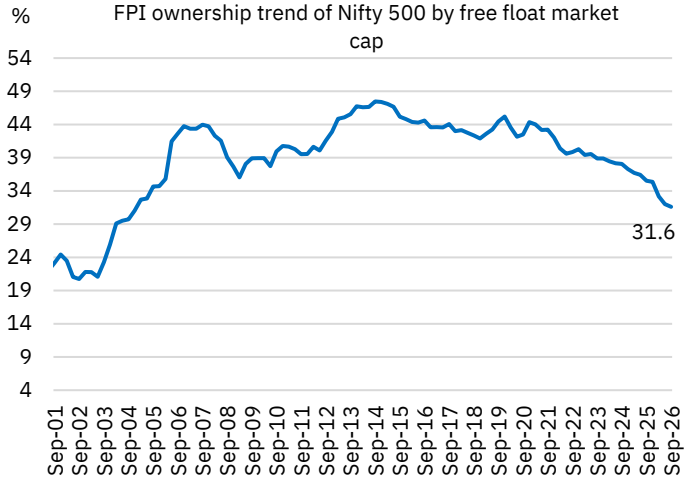


Figure 78: FPI ownership trend of the Nifty 500 universe by free float market cap



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

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

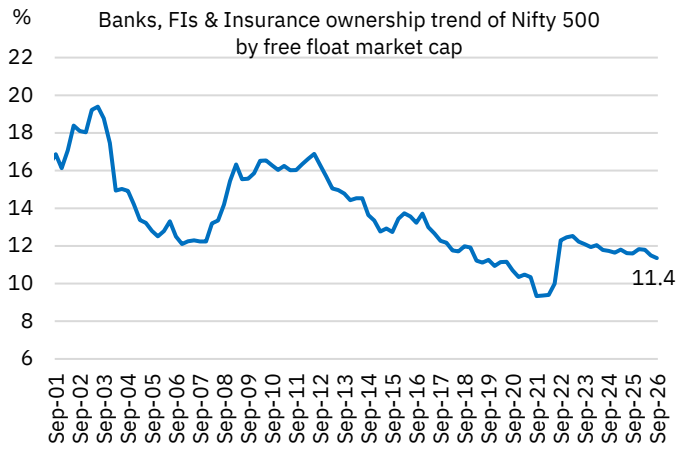
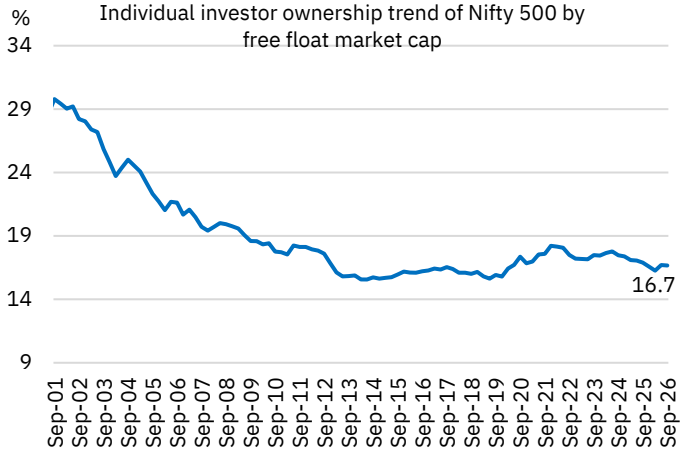


Figure 80: Individual ownership trend of the Nifty 500 universe by free float market cap



Source: CMIE Prowess, NSE EPR.

Category-wise market cap share across sectors of the Nifty 500 universe (September 2026): Beyond market-level trends, sectoral ownership patterns reveal considerable variation in promoter holdings. Real Estate continues to have the highest promoter ownership at 64%, followed by Utilities (62%) and Materials (54.6%), indicating relatively lower free-float availability in these sectors. In contrast, promoter ownership in Communication Services, Consumer Discretionary, Financials and Healthcare remains below the 50% mark.

Notably, promoter share in the Information Technology sector at 50.6% declined by nearly 1pp QoQ to its lowest level of in almost 18 years, significantly below the pre-pandemic level of 57.5% in December 2019. Meanwhile, Communication Services recorded a modest reversal after touching a record low in June 2026, with promoter ownership recovering by 90bps QoQ to 48.5%. Energy also witnessed a gradual increase in promoter ownership to 53.3%, its highest level in 32 quarters, compared with a low of 50.7% in September 2020. On a YoY basis, Utilities recorded a notable increase of 1.4pp, followed by Communication Services (+1.1pp), while IT witnessed a decline of 1.4pp, highlighting divergent ownership trends across sectors.

Government share, including both promoter and non-promoter holdings, remains the highest in Energy (22.3%), Utilities (21.4%), Financials (18.1%) and Industrials (13.3%). In contrast, Government share remains negligible in Real Estate, Healthcare, Consumer Staples and Information Technology, with shares below 1% in each sector. During the quarter ended September 2026, Government ownership in Materials declined sharply by 1.4pp QoQ to its lowest level in six quarters of 5.4%.

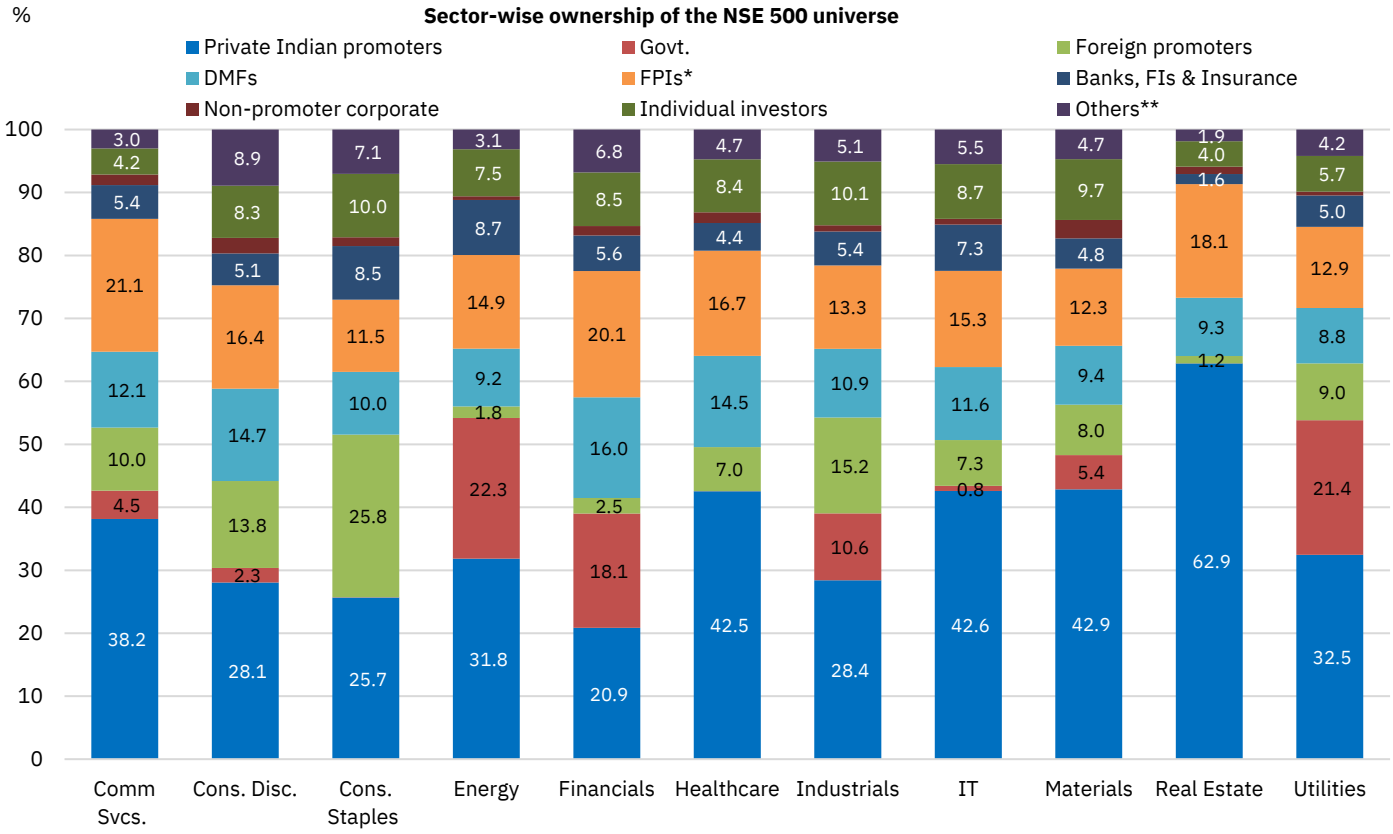
DMF ownership across sectors has also scaled multi-year highs. Seven of the eleven GICS sector- Communication Services, Consumer Discretionary, Consumer Staples, Financials, Healthcare, Information Technology and Materials —recorded DMF ownership at record-high levels, underscoring sustained domestic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

Financials continue to account for a significant share of DMF portfolios, supported by sustained credit growth, improving asset quality and healthy profitability. Consumer

Discretionary has emerged as another preferred sector, with the second-highest DMF share of 14.7%, reflecting continued investor interest in long-term consumption growth and premiumisation. Amid heightened macroeconomic uncertainty, Healthcare and Consumer Staples have attracted greater interest given their relatively defensive characteristics, while Materials has benefited from the ongoing domestic capex cycle. Communication Services has also seen rising DMF participation, supported by improving pricing discipline and expanding digital infrastructure. Meanwhile, DMF ownership in Real Estate has increased by nearly 1.4pp YoY to 9.3%, aided by increasing formalisation of the sector and sustained demand across residential and commercial segments.

FPI ownership in Communication Services recorded the steepest QoQ decline of 1.2pp to a 10-quarter low of 21.1% in September 2026, reflecting sustained foreign selling amid concerns over delayed tariff hikes. In contrast, Consumer Discretionary recorded the largest increase in FPI ownership to 16.4%, supported by lagged GST rationalisation and stronger automobile sales, while the second highest increase was seen in Information Technology, led by a partial recovery in the sector. Notably, FPI ownership in Energy rose to a 38-quarter high of 14.9%, despite broader foreign selling during the quarter. A comparison with DMF ownership trends reveals some convergence in Consumer Discretionary, reflecting continued institutional interest in India's consumption prospects. However, Communication Services witnessed a contrasting trend, with rising domestic mutual fund participation alongside a sharp decline in foreign ownership during this quarter, highlighting the divergence in institutional positioning across sectors.

Figure 81: Nifty 500: Sector-wise ownership pattern across key stakeholders (September 2026)



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

Sector allocation of the Nifty 500 universe for key stakeholders (September 2026): The table below shows sector-wise allocation across key stakeholder groups in Nifty 500 companies as of September 2026. Private Indian promoter holdings remained concentrated in Financials (17.2%), Materials (14.8%), Industrials (11.2%) and Consumer Discretionary (11.1%), which together accounted for nearly 54.3% of their Nifty 500 portfolio. The allocations to Financials, Utilities, Energy and Consumer Staples have declined, which has been offset by gains in Materials, Consumer Discretionary, Healthcare and Information Technology.

Government holdings (promoter and non-promoter) remained highly concentrated in Financials (45.3%), Energy (15.4%) and Industrials (17.6%) which together accounted for nearly 78% of its holdings in the Nifty 500 universe. Notably, the allocations to Financials and Materials have fallen about 70bps each, with sequentially higher allocation seen in Energy, Industrials and Consumer Discretionary.

DMFs and FPIs displayed broadly similar sectoral positioning, although differences were evident in their relative allocations. Financials remained the largest sectoral exposure for both investor groups, with DMFs allocating a marginally higher share than FPIs (32.4% vs. 31.8%) in the Nifty 500 universe. A similar pattern was observed in Industrials (11.7% vs. 11.1%), while the domestic institutional tilt was more pronounced in Consumer Discretionary (14.3% vs. 12.5%) and Healthcare (8.5% vs. 7.6%). In contrast, FPIs had relatively higher allocations to Communication Services (5.4% vs. 4.0%), Energy (6.5% vs. 5.1%) and Utilities (4.2% vs. 3.6%). Allocations to Information Technology (6.9% vs. 6.7%) and Materials (8.1% vs. 8.0%) were broadly comparable across the two groups. Overall, Financials, Consumer Discretionary and Industrials accounted for around 58% of DMF holdings, compared with 55% for FPIs, indicating a relatively higher concentration of DMF portfolios in these sectors.

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

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, & Insurance	Non-promoter corporate	Individual Investors
Communication Services	5.1	1.8	4.7	4.0	5.4	3.8	4.4	2.0
Consumer Discretionary	11.1	2.8	19.1	14.3	12.5	10.8	19.3	12.0
Consumer Staples	4.9	0.0	17.3	4.7	4.2	8.7	5.3	7.0
Energy	7.2	15.4	1.5	5.1	6.5	10.6	2.6	6.2
Financials	17.2	45.3	7.1	32.4	31.8	24.9	24.4	25.6
Health Care	10.1	0.0	5.8	8.5	7.6	5.6	7.9	7.3
Industrials	11.2	17.6	23.3	11.7	11.1	12.6	8.7	16.1
Information Technology	10.0	0.6	6.0	6.7	6.9	9.2	4.3	7.4
Materials	14.8	5.7	9.7	8.0	8.1	8.9	19.9	12.2
Real Estate	3.0	0.0	0.2	1.1	1.6	0.4	1.1	0.7
Utilities	5.4	10.9	5.3	3.6	4.2	4.5	2.0	3.5
Grand Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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

DMFs have an OW stance on Consumer Discretionary, Financials and Healthcare; UW on Energy and Materials: For the quarter ended September 2026, DMFs remained OW on Financials and Consumer Discretionary, and Healthcare also moved into OW territory, after being neutral for the last three quarters.

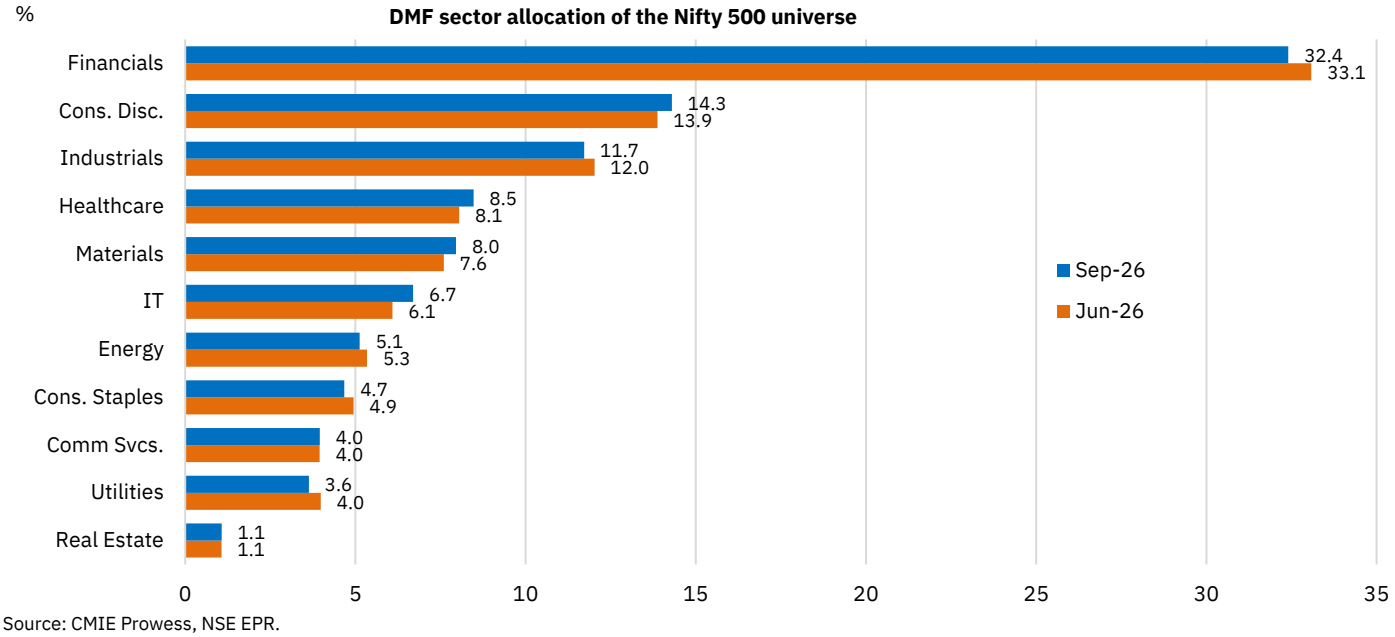
DMFs remained OW in the Financials, Consumer Discretionary and Healthcare sector while was UW on Energy and Materials.

Financials remained OW for the third consecutive quarters. This was underpinned by healthy earnings visibility, stronger balance sheets, improved asset quality and sustained credit growth. Consumer Discretionary retained its OW position for the 20th consecutive quarter, though the overweight narrowed to some extent. This continued to reflect sustained conviction in India's structural consumption story, supported by rising incomes, urbanisation, premiumisation and resilient discretionary demand. The overweight in Healthcare rose to 105 bps from 79 bps, supported by the sector's defensive characteristics and relatively stable earnings outlook.

DMFs remained UW on Energy for the fourth consecutive quarter and on Materials for the third consecutive quarter. Materials became the largest UW position, likely reflecting sensitivity to global commodity cycles. The sustained underweight position in Energy reflected longer-term transition risks, alongside a greater preference for domestic consumption and financial-sector themes.

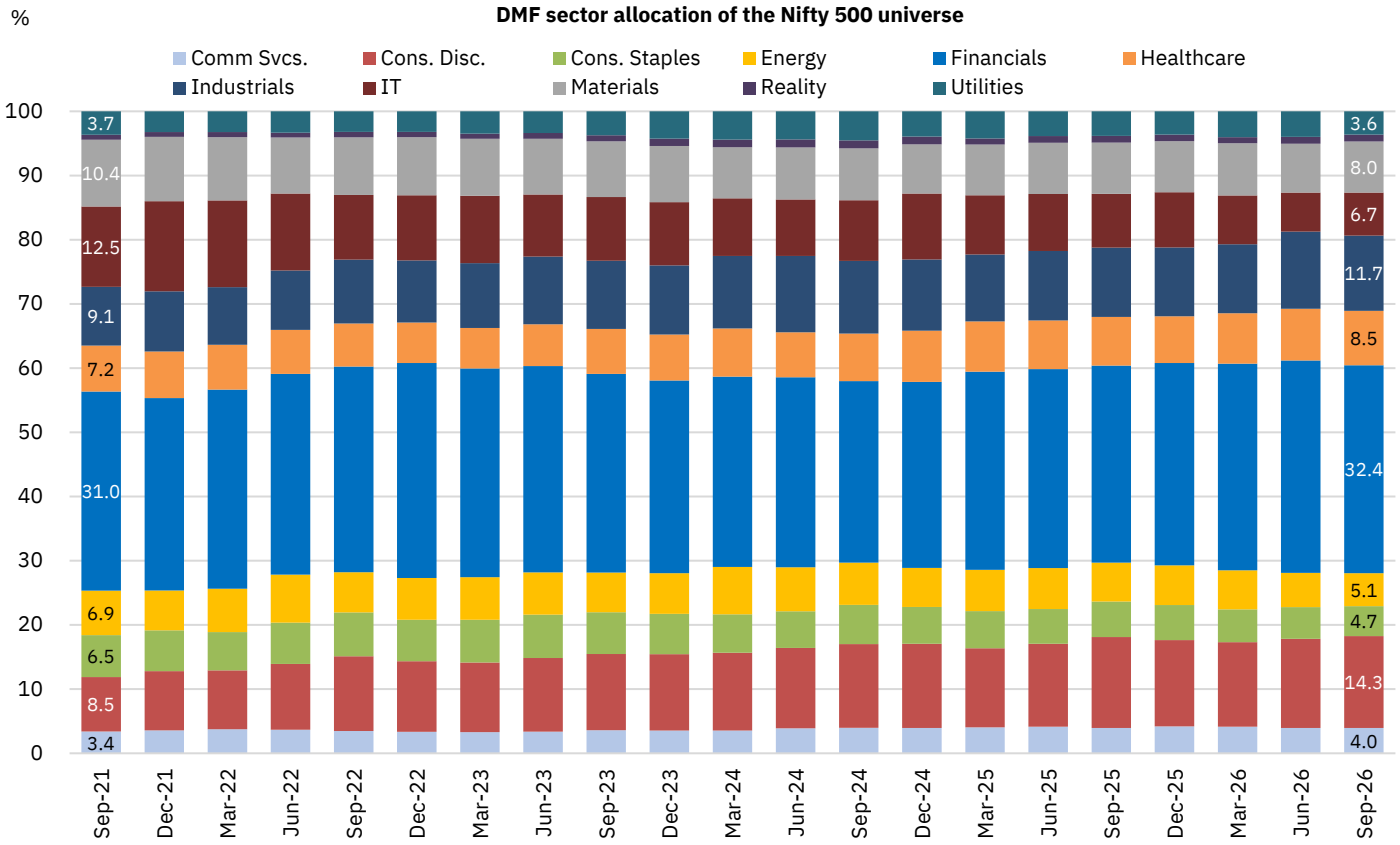
DMFs maintained a broadly neutral stance across most sectors, including Consumer Services, Consumer Staples, Industrials, Information Technology, Real Estate and Utilities. However, Consumer Staples (-87bps), Industrials (-64bps) and Information Technology (-49bps) exhibited a neutral stance with a negative bias, while Real Estate witnessed a shift towards a negative bias despite retaining its broadly neutral positioning.

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



Source: CMIE Prowess, NSE EPR.

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



Source: CMIE Prowess, NSE EPR.

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

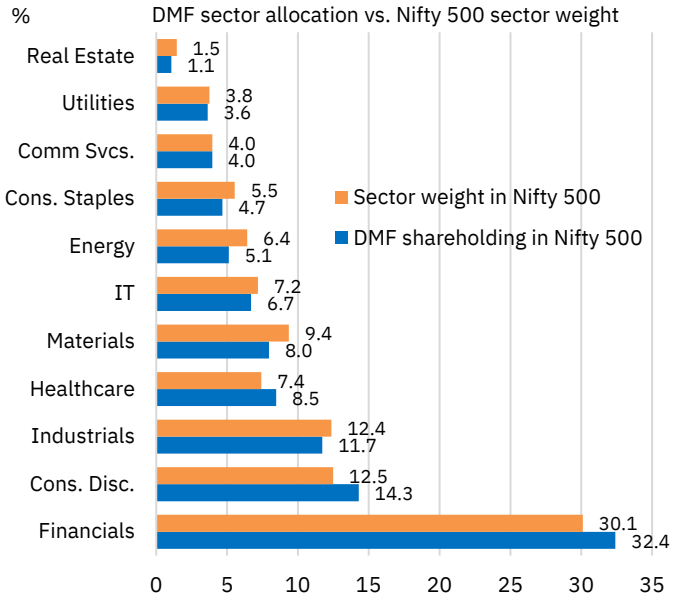
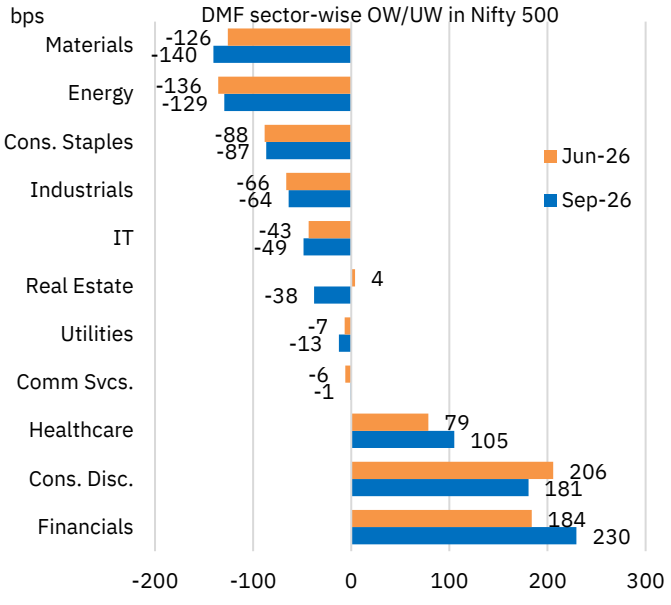
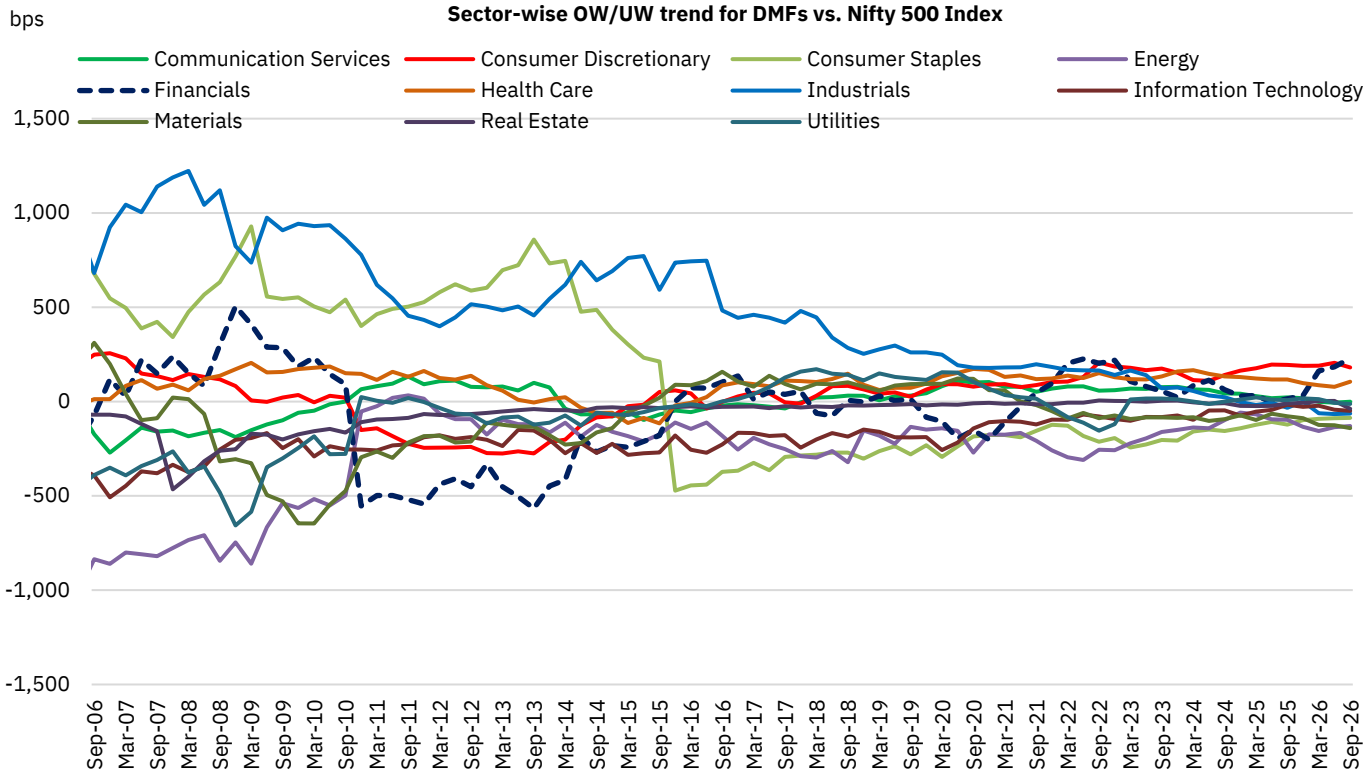


Figure 85: DMF sector-wise OW/UW in Nifty 500 relative to sector weight in the index (Sep 2026 vs June 2026)



Source: CMIE Prowess, NSE EPR.

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



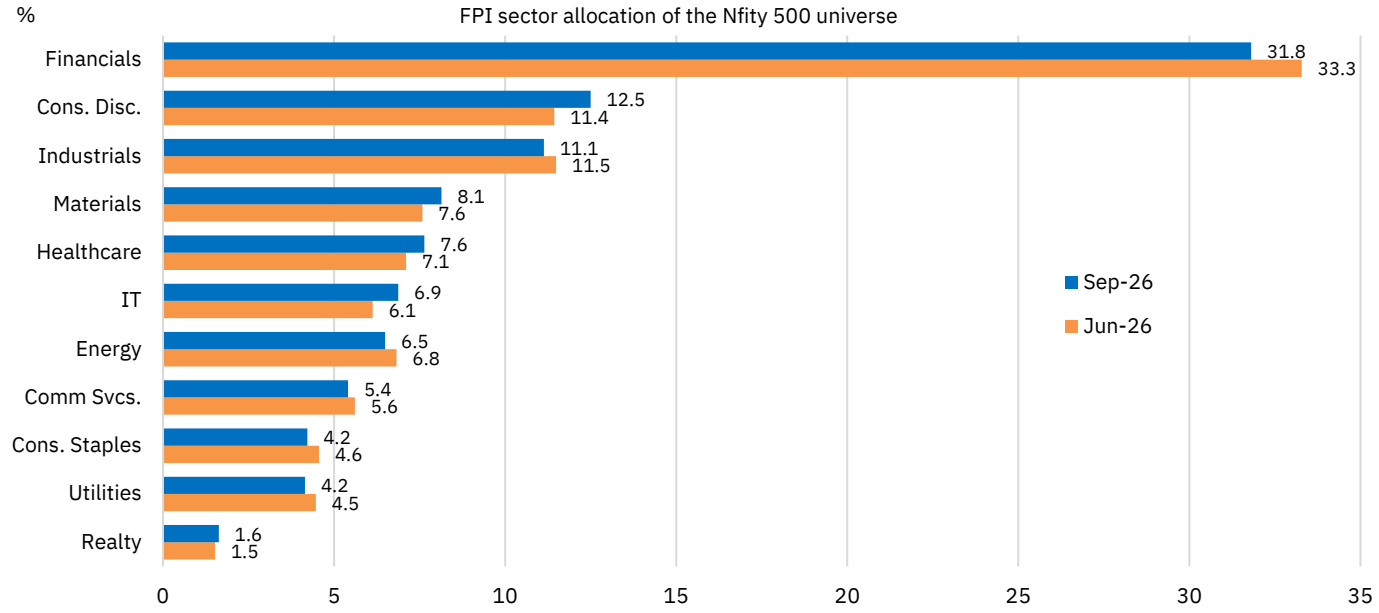
Source: CMIE Prowess, NSE EPR.

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

FPIs are OW on Communication Services & Financials; UW on Consumer Staples, Industrials and Materials: Notwithstanding the allocation of FPIs towards Communication Services, it maintained the OW for the seventh consecutive quarter, supported by rising data consumption and continued digital adoption. FPIs maintained their overweight (OW) position in Financials, although the degree of OW moderated amid elevated global yields and persistent macroeconomic uncertainty. In contrast, FPIs remained UW in Consumer Staples, reflecting subdued earnings growth, and in Materials, given the sector's sensitivity to global commodity cycles, volatile input prices and uncertain external demand. Industrials also remained UW despite support from the ongoing domestic capex cycle.

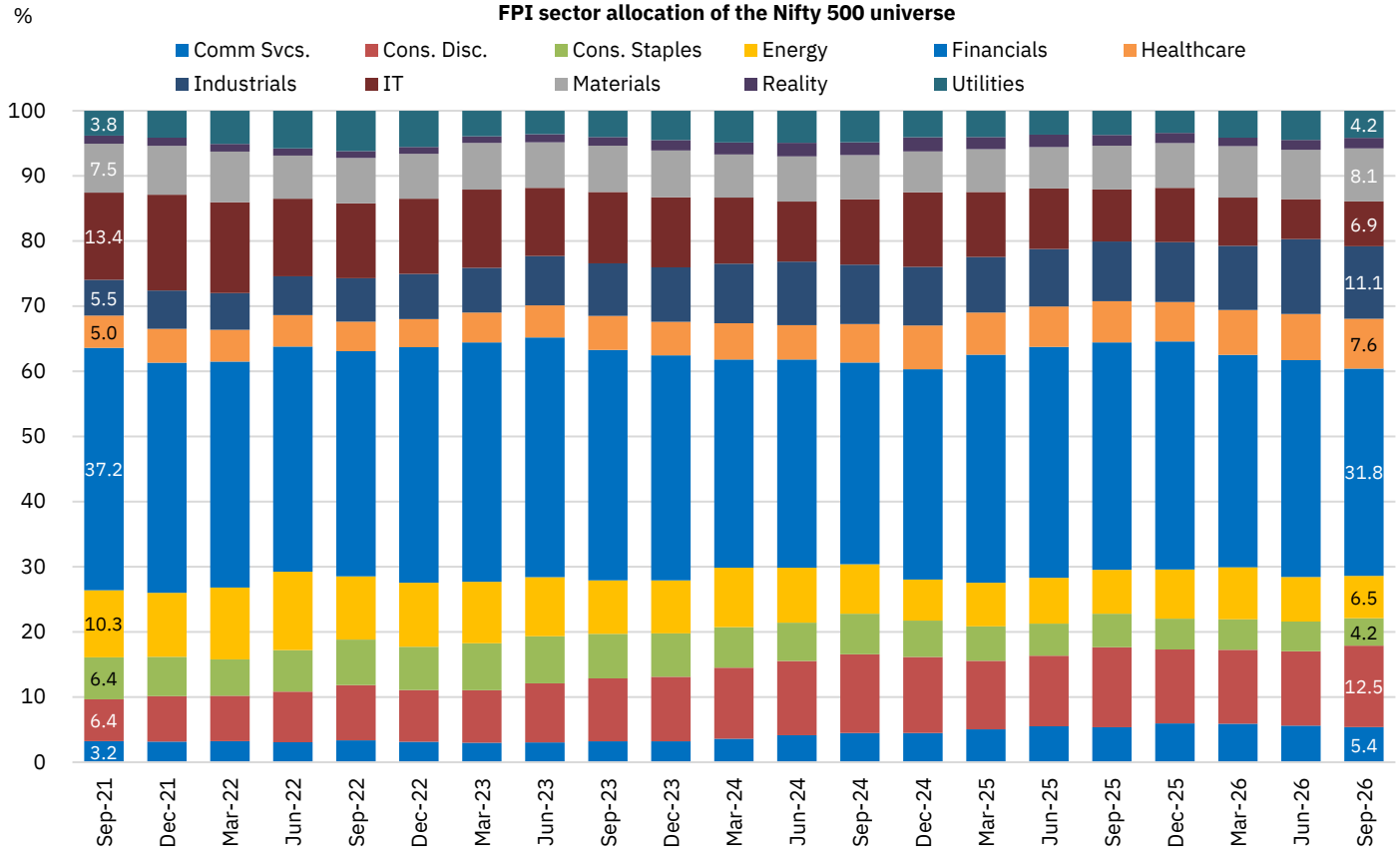
FPI positioning remained broadly neutral across the remaining sectors. IT retained a negative bias, although it moderated, while Healthcare shifted from a negative to a positive bias. Utilities, Real Estate and Energy maintained a positive bias, though it weakened notably in Real Estate.

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



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

Figure 88: FPI sector allocation of the Nifty 500 universe over last five years



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

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

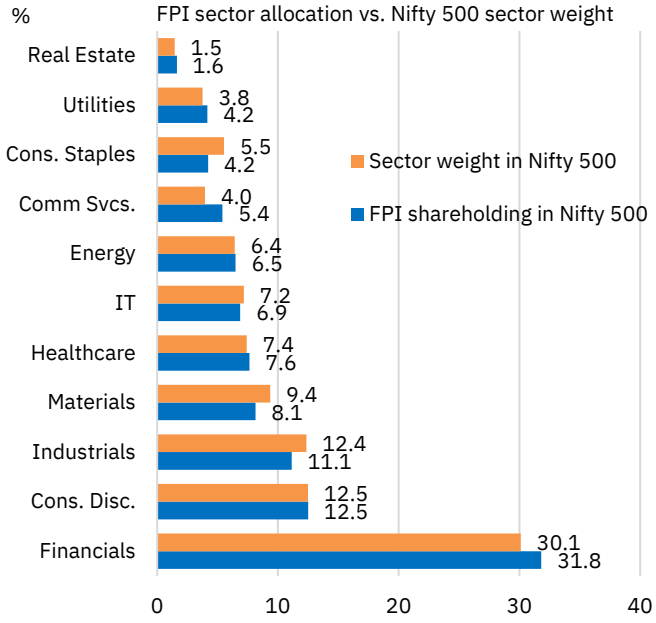
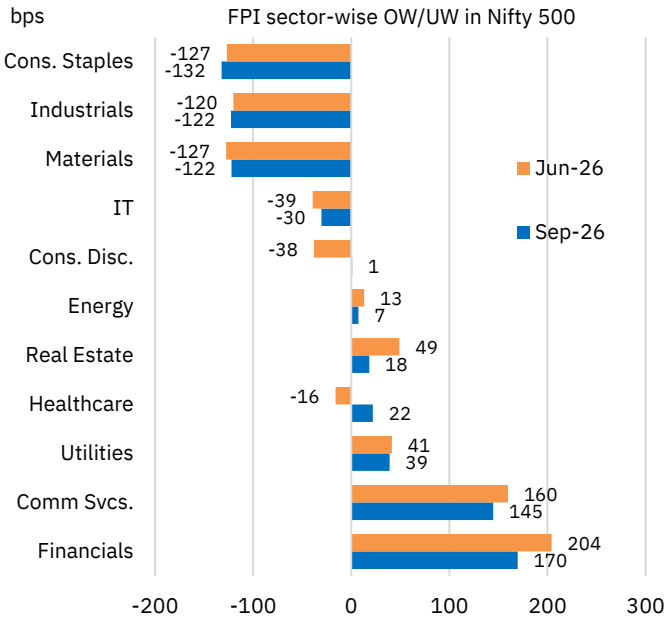
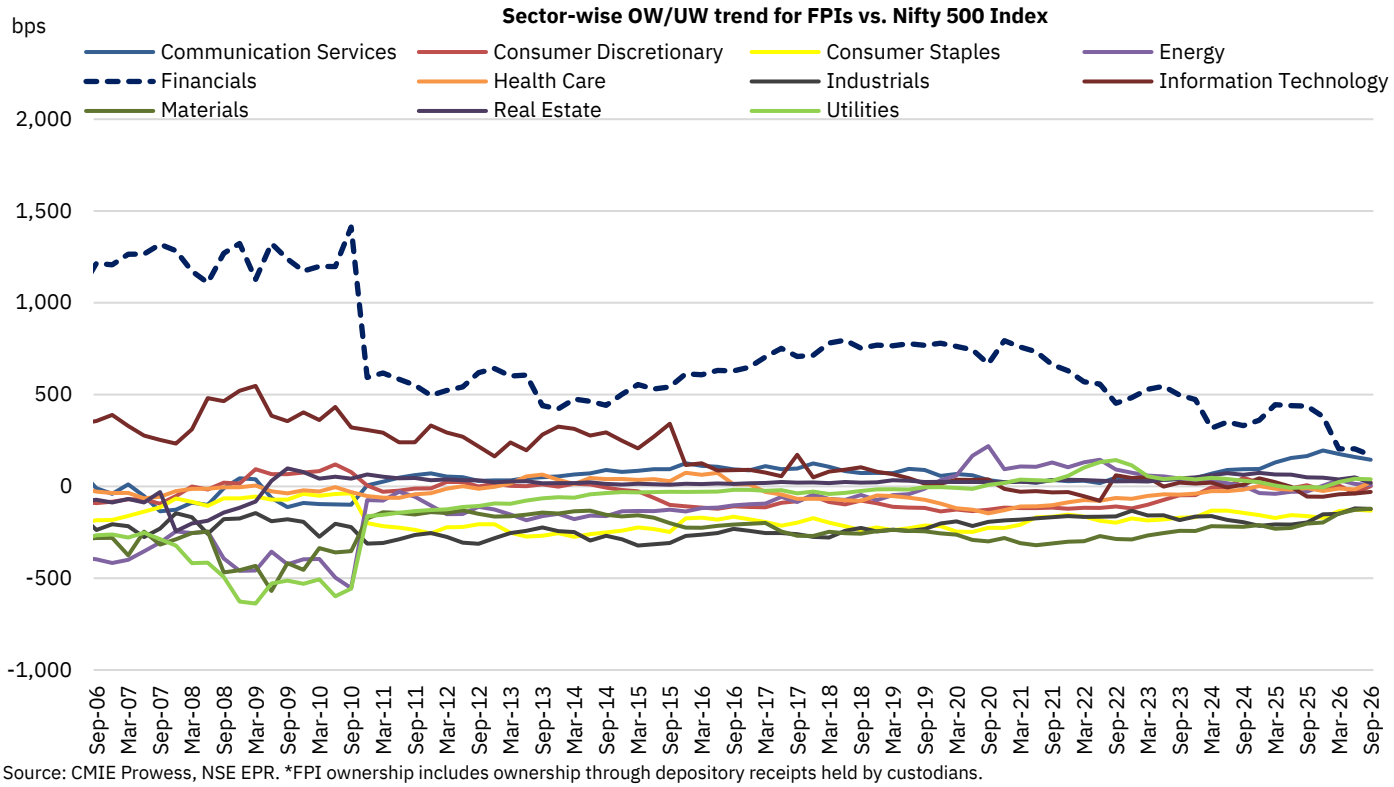


Figure 90: FPI sector-wise OW/UW in Nifty 500 relative to sector weight in the index (Sep 2026 vs. June 2026)



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

Figure 91: FPI vs Nifty 500—Sector-wise OW/UW trend (bps)



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

1.1.4 Ownership concentration analysis

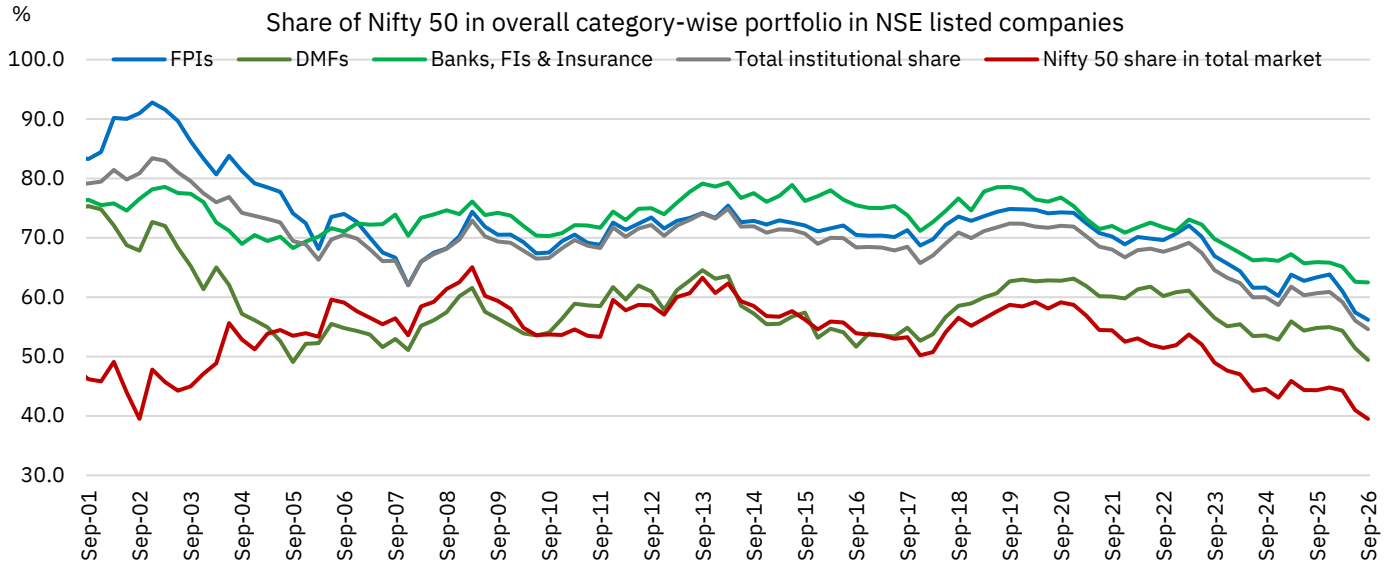
The share of Nifty50 companies in overall institutional investments declined for the third quarter in a row 1.4pp QoQ to a fresh all-time low of 54.6%.

Institutional investor allocation to Nifty50 declined further in the September 2026 quarter to fresh all-time lows...: Quarterly institutional ownership data points to a continued shift away from Nifty 50 companies towards the broader market in the September 2026 quarter, extending the trend seen in the previous two quarters. Institutional portfolios have historically been concentrated in Nifty 50 stocks, although this concentration has weakened considerably since the pandemic. After falling to a 24-year low in December 2024, their share recovered modestly through 2025, supported partly by the relative resilience of large-caps amid heightened global uncertainty, before declining again in 2026.

As of September 2026, Nifty 50 constituents accounted for 54.6% of total institutional holdings in NSE-listed companies, down 1.4pp QoQ and a sharp 6.3pp in the first nine months of 2026. This is the lowest share since the beginning of our analysis in 2001 and 17.8pp below the pre-pandemic peak of 72.4% recorded in December 2019. Nevertheless, institutional exposure to the Nifty 50 remains disproportionately high relative to the index's 39.5% share in aggregate NSE-listed market capitalisation. Relative market performance has reinforced this shift. Over the three- and five-year periods ending September 2026, the Nifty 50 delivered annualised returns of 4.8% and 5.1%, respectively, compared with 13.0% and 14.0% for the Nifty Midcap 150 and 13.3% and 13.7% for the Nifty Smallcap 250.

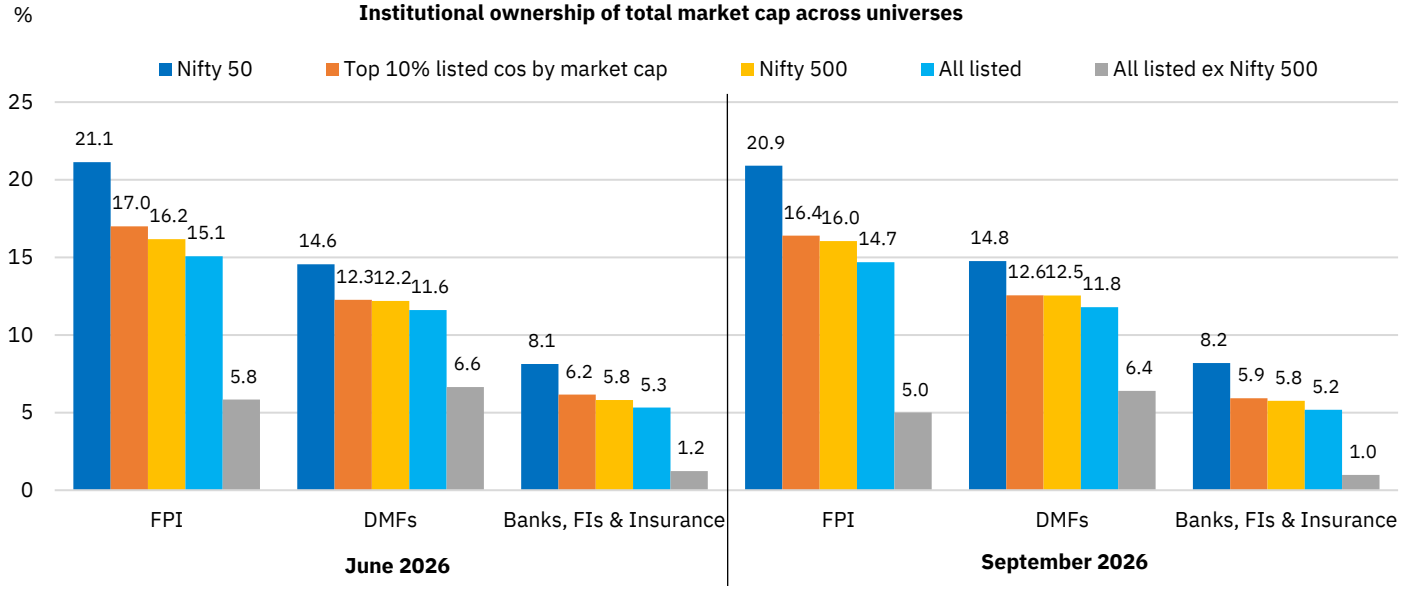
Across institutional categories, banks, financial institutions and insurance companies remained the most concentrated in Nifty 50 stocks, although their allocation declined by 11bps QoQ to an all-time low of 62.4%. FPIs reduced their large-cap exposure more sharply, with the Nifty 50 share in their portfolios falling by 1.3pp QoQ to a fresh record low of 56.2%, broadly in line with the drop seen in Nifty 50’s share in overall market capitalisation. DMFs recorded an even steeper 2pp QoQ decline to a 21-year low of 49.4%, slipping below 50% for the first time in this period. Their allocation is now 13.5pp below the Dec’19 peak of 63.0%. The sustained decline across investor categories reflects the broadening of institutional portfolios beyond India's largest listed companies.

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



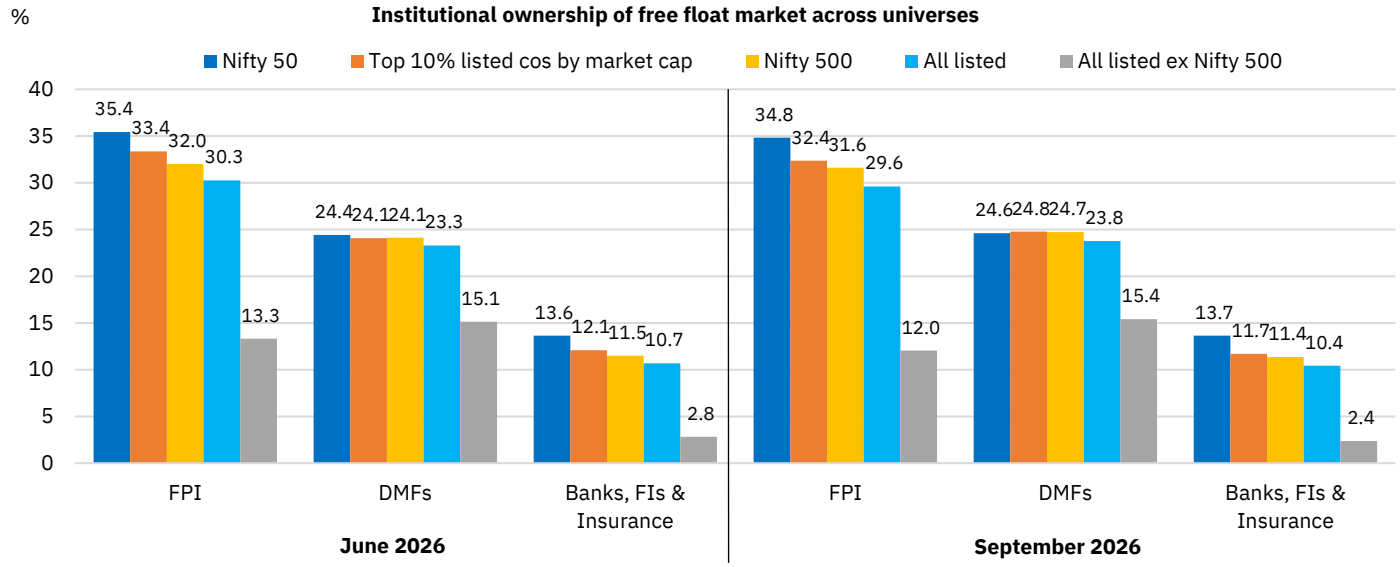
Source: CMIE Prowess, NSE *FPI ownership includes ownership through depository receipts held by custodians.

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



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

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

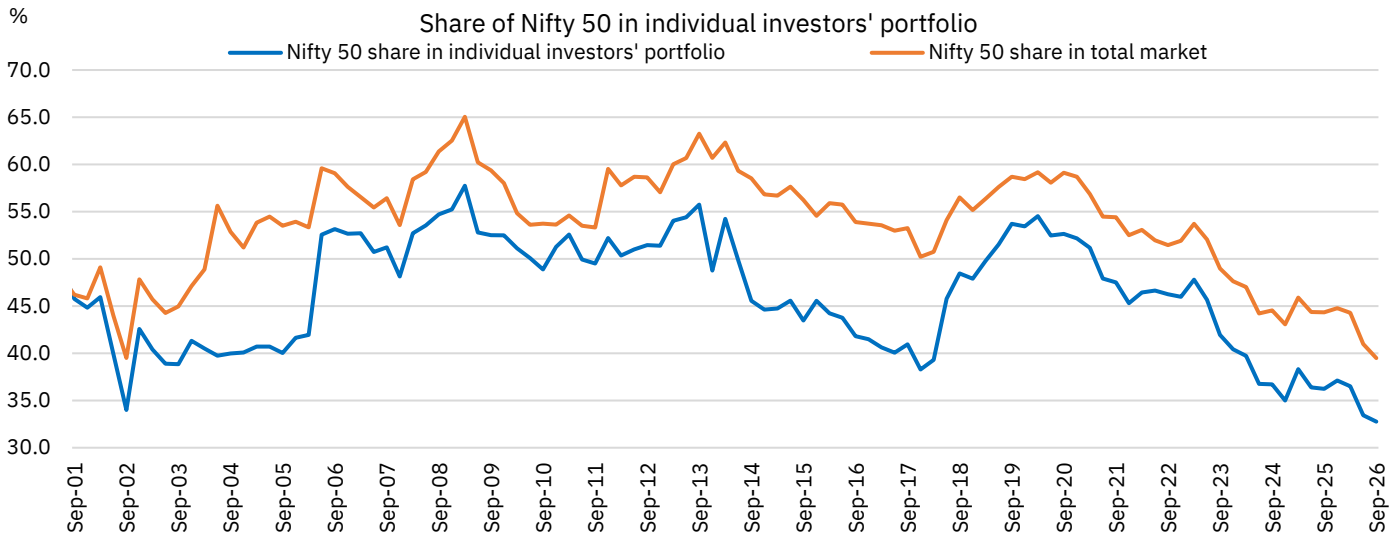


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

...And so is for individual investors: Individual investors also reduced their allocation to Nifty 50 companies in the September 2026 quarter, with their portfolio share declining by 68bps QoQ to 32.8%—the lowest since the beginning of our analysis in 2001 and the third consecutive quarterly decline. The fall was, however, smaller than the 1.4pp decline in the Nifty 50's share of aggregate market capitalisation, indicating some narrowing of individual investors' relative underweight position in large-cap stocks during the quarter.

The longer-term shift away from the Nifty 50 has been more pronounced. Between March 2020 and September 2026, the index's share in individual portfolios declined by 21.8pp, exceeding the 19.7pp fall in its share of overall market capitalisation. This suggests a gradual broadening of individual portfolios beyond large-cap companies, supported by the stronger multi-year performance of mid- and small-cap stocks and growing participation in these segments.

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



Source: CMIE Prowess, NSE EPR.

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

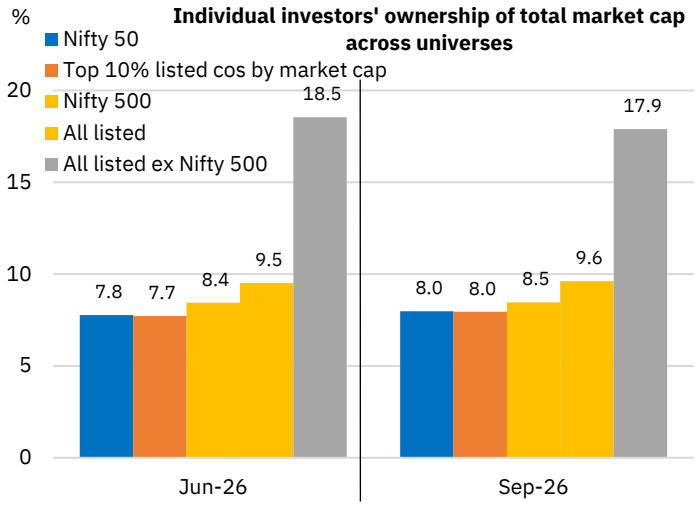
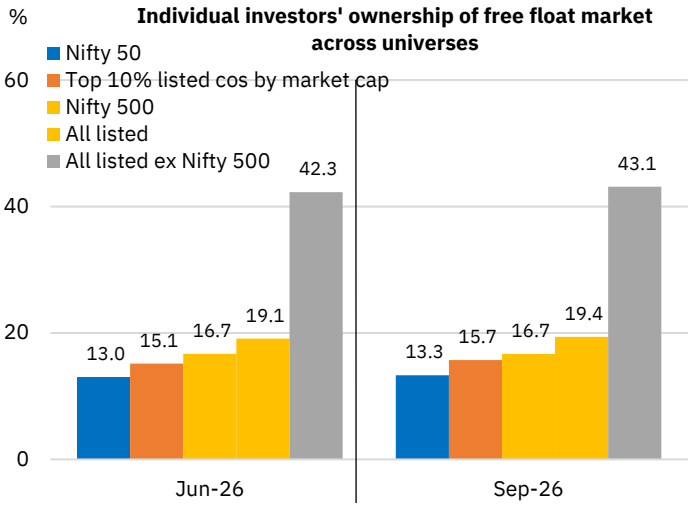


Figure 97: Individual ownership of floating stock (September 2026 vs. June 2026)



Source: CMIE Prowess, NSE EPR.

Decile-wise analysis shows a sharp increase in the share of top decile stocks in institutional investors' portfolio: Portfolio distribution across market-cap deciles in the September 2026 quarter paints a contrasting picture, with the share of top decile stocks in portfolios across categories rising sharply. However, this seems to be primarily led by higher exposure to mid-cap stocks within that cohort, as reflected in a much steeper QoQ increase in exposure to stocks outside of the Nifty 50 companies within that cohort.
Individual investors increased their allocation to the top decile by a sharp 4.1pp QoQ to 68.1%, with the share of non-Nifty 50 companies within this cohort rising by an even higher 4.8pp. Allocations declined across all nine remaining deciles. The bottom five deciles together accounted for just 2.4% of individual holdings, down 1.3pp QoQ and 1.9pp below the 17-year high of 4.3% recorded in December 2024.

DMFs also increased their top-decile allocation sharply, rising by 4.2pp QoQ to 87.6%, almost entirely reversing the previous quarter's decline. This was driven primarily by non-Nifty 50 constituents, whose share in DMF portfolios rose by a much higher 6.1pp QoQ. In contrast, the next two deciles, comprising largely small- and micro-cap stocks, saw their combined allocation fall by 3.1pp QoQ to 11.7%, with the decline being higher than the corresponding contraction in their share of aggregate market capitalisation.

FPIs recorded a relatively smaller increase in top-decile allocation of 2.8pp QoQ to 91.9%, even as their exposure to Nifty 50 stocks declined. The share of the roughly 270 other companies within the top decile rose by a sharper 4.1pp QoQ to a record 35.7%—the highest since the beginning of our analysis. Meanwhile, the next three deciles, comprising around 750 stocks, saw their combined allocation fall by 2.6pp QoQ to 7.9%.

Banks, financial institutions and insurance companies retained the strongest large-cap bias, with a 2.8pp QoQ increase in top-decile allocation. At 94.2%, their portfolios remained overwhelmingly concentrated in the largest listed companies, underscoring their continued preference for market leaders.

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

Rs lakh cr	FY23				FY24				FY25				FY26				FY27	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
1	16.1	16.7	17.7	16.5	18.4	20.1	22.6	24.1	27.2	29.0	27.0	25.6	28.4	28.4	29.3	26.5	28.6	30.3
2	3.0	3.3	3.3	3.0	3.6	4.3	4.9	5.2	5.9	6.4	6.3	5.6	6.7	6.3	6.2	5.3	6.9	6.8
3	1.6	1.8	1.9	1.8	2.2	2.6	3.0	3.0	3.7	3.9	3.8	3.3	3.7	3.5	3.7	2.6	3.9	3.4
4	0.9	1.1	1.1	1.0	1.3	1.5	1.7	1.7	2.0	2.3	2.4	1.8	2.1	2.0	2.0	1.4	2.2	1.9
5	0.6	0.8	0.7	0.7	0.8	0.9	1.1	1.0	1.2	1.5	1.5	1.2	1.3	1.2	1.3	0.8	1.4	1.0
6	0.4	0.4	0.4	0.4	0.5	0.6	0.7	0.7	0.8	0.9	0.9	0.6	0.7	0.6	0.7	0.4	0.8	0.5
7	0.2	0.3	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.2	0.4	0.3
8	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.2	0.2
9	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**22.9**	**24.7**	**25.6**	**23.8**	**27.4**	**30.5**	**34.7**	**36.4**	**41.6**	**45.0**	**42.8**	**38.9**	**43.9**	**42.7**	**43.9**	**37.4**	**44.6**	**44.6**

Source: CMIE Prowess, NSE EPR.

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

	FY23				FY24				FY25				FY26				FY27	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q1	Q2
1	70.0	67.8	69.3	69.4	67.3	65.7	65.1	66.3	65.2	64.5	63.2	65.9	64.8	66.5	66.7	70.9	64.0	68.1
2	13.3	13.3	13.0	12.5	13.0	14.0	14.1	14.2	14.2	14.1	14.7	14.4	15.3	14.7	14.1	14.2	15.4	15.3
3	6.9	7.4	7.3	7.5	7.9	8.6	8.6	8.3	8.8	8.7	8.9	8.5	8.4	8.1	8.4	7.0	8.8	7.7
4	4.1	4.5	4.3	4.3	4.7	4.8	4.9	4.6	4.7	5.2	5.5	4.7	4.9	4.7	4.6	3.7	4.9	4.2
5	2.6	3.2	2.7	2.8	3.1	3.1	3.1	2.8	3.0	3.2	3.4	3.0	3.0	2.8	2.9	2.0	3.1	2.3
6	1.5	1.8	1.6	1.7	1.9	2.0	2.0	1.9	2.0	2.0	2.0	1.6	1.7	1.5	1.6	1.0	1.8	1.2
7	0.9	1.1	0.9	1.0	1.1	1.0	1.1	1.0	1.1	1.2	1.2	1.0	1.0	0.9	0.9	0.6	1.0	0.7
8	0.5	0.6	0.5	0.5	0.6	0.5	0.6	0.5	0.6	0.6	0.7	0.6	0.5	0.5	0.5	0.3	0.5	0.3
9	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.2
10	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Source: CMIE Prowess, NSE EPR.

Figure 98: Share of the top decile companies by market cap in individuals' portfolio and overall listed universe

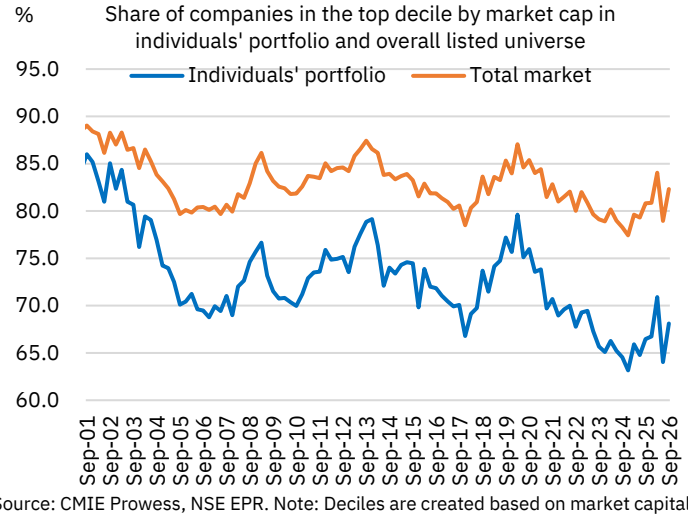
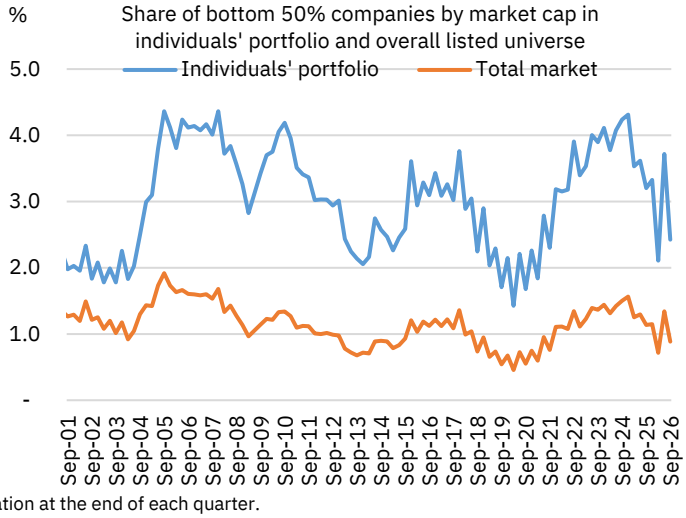


Figure 99: Share of bottom 50% companies by market cap in individuals' portfolio and overall listed universe



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

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

Rs lakh cr	FY23				FY24				FY25				FY26				FY27	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
1	15.8	17.0	18.7	18.1	20.0	22.0	25.4	27.5	31.6	35.3	34.9	35.0	40.0	41.3	43.9	41.0	45.4	47.9
2	2.3	2.9	2.6	2.8	3.5	3.7	4.2	4.5	5.5	6.0	5.4	4.7	5.6	5.1	5.5	4.2	5.9	5.0
3	0.7	0.9	0.8	0.9	1.1	1.2	1.4	1.4	1.7	2.0	2.0	1.7	1.9	1.7	1.9	1.2	2.1	1.4
4	0.2	0.3	0.3	0.3	0.5	0.5	0.6	0.6	0.7	0.8	0.8	0.7	0.7	0.5	0.6	0.3	0.7	0.3
5	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.1	0.2	0.0	0.2	0.0
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**19.1**	**21.3**	**22.6**	**22.2**	**25.2**	**27.5**	**31.7**	**34.2**	**39.8**	**44.4**	**43.4**	**42.4**	**48.4**	**48.8**	**52.2**	**46.8**	**54.4**	54.6

Source: CMIE Prowess, NSE EPR.

Figure 100: Share of the top decile companies by market cap in individuals' portfolio and overall listed universe

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

	FY23				FY24				FY25				FY26				FY27	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q1	Q2
1	82.7	80.0	83.0	81.5	79.5	79.8	80.0	80.6	79.5	79.5	80.4	82.6	82.5	84.7	84.2	87.8	83.5	87.6
2	12.0	13.4	11.6	12.7	13.8	13.6	13.3	13.2	13.8	13.5	12.4	11.2	11.5	10.4	10.6	9.0	10.9	9.1
3	3.6	4.2	3.7	3.9	4.3	4.3	4.3	4.0	4.2	4.4	4.6	4.1	4.0	3.5	3.6	2.5	3.9	2.5
4	1.1	1.6	1.2	1.4	1.8	1.8	1.8	1.7	1.9	1.9	1.9	1.5	1.4	1.1	1.2	0.6	1.3	0.6
5	0.4	0.6	0.4	0.4	0.5	0.4	0.5	0.4	0.4	0.6	0.5	0.5	0.5	0.3	0.4	0.1	0.4	0.1
6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.0	0.1	0.0	0.1	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

Figure 101: Share of the top decile cos. by market cap in DMFs' portfolio and overall listed universe

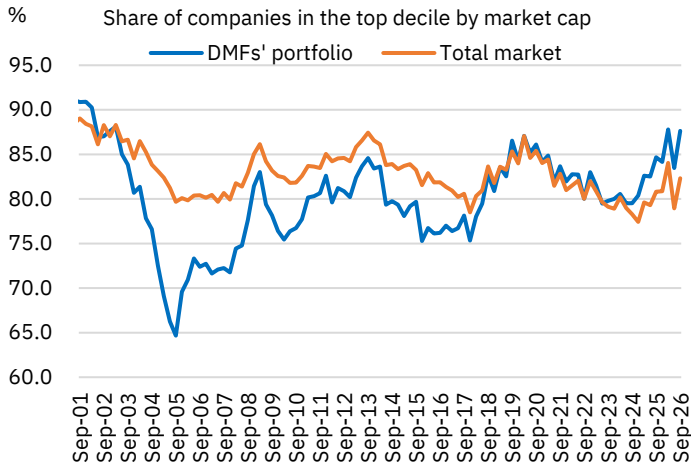
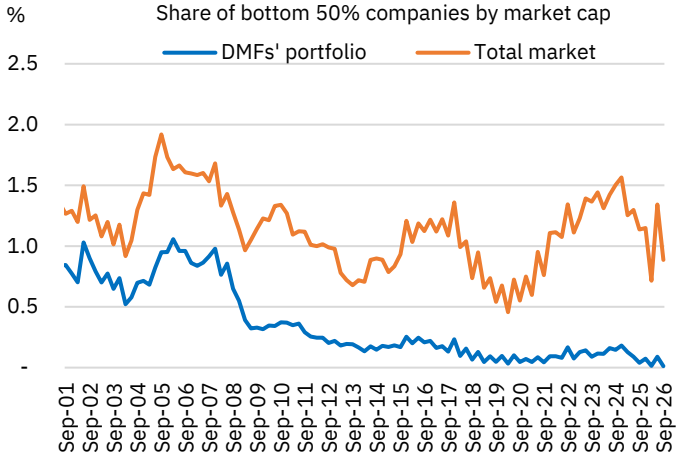


Figure 102: Share of bottom 50% cos. by market cap in DMFs' portfolio and overall listed universe



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

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

Rs lakh cr	FY23				FY24				FY25				FY26				FY27	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
1	40.3	44.7	48.1	43.9	49.8	51.9	58.6	61.0	67.3	73.1	66.8	63.7	70.5	67.9	71.1	59.5	62.9	62.5
2	2.8	3.4	3.2	3.1	3.8	4.0	4.5	4.9	5.9	6.3	5.7	5.2	5.8	5.0	5.0	3.9	5.0	4.1
3	0.8	1.1	0.9	1.0	1.2	1.4	1.5	1.5	1.9	2.3	2.2	1.7	2.0	1.6	1.7	0.9	1.9	1.0
4	0.2	0.4	0.3	0.3	0.4	0.4	0.6	0.6	0.7	0.7	0.8	0.6	0.6	0.4	0.5	0.2	0.5	0.3
5	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.1
6	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.1	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**44.3**	**49.8**	**52.6**	**48.6**	**55.5**	**58.0**	**65.5**	**68.3**	**76.0**	**82.7**	**75.8**	**71.5**	**79.2**	**75.2**	**78.7**	**64.6**	**70.7**	**68.1**

Source: CMIE Prowess, NSE EPR.

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

	FY23				FY24				FY25				FY26				FY27	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q1	Q2
1	91.0	89.7	91.3	90.4	89.8	89.5	89.5	89.3	88.4	88.3	88.1	89.1	89.1	90.3	90.4	92.0	89.0	91.9
2	6.3	6.8	6.0	6.5	6.8	7.0	6.9	7.2	7.7	7.6	7.5	7.3	7.3	6.7	6.4	6.0	7.1	6.0
3	1.8	2.3	1.8	2.0	2.1	2.4	2.3	2.3	2.5	2.8	2.9	2.4	2.5	2.2	2.2	1.4	2.7	1.5
4	0.5	0.7	0.6	0.7	0.8	0.8	0.9	0.8	0.9	0.9	1.0	0.8	0.7	0.5	0.6	0.3	0.8	0.4
5	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.3	0.1
6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

Figure 103: Share of the top decile cos. by market cap in FPIs' portfolio and overall listed universe

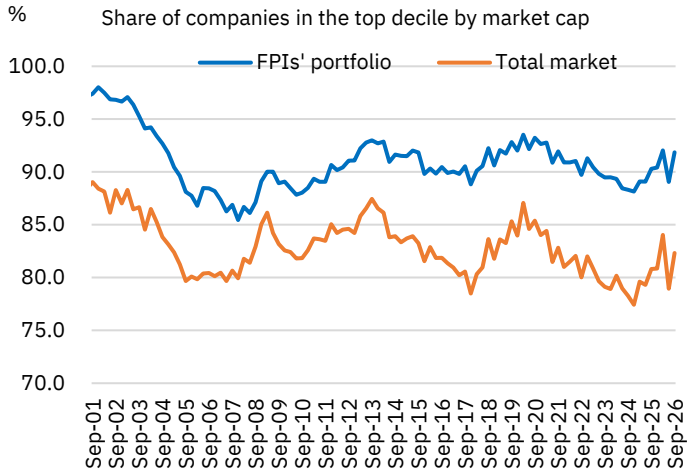
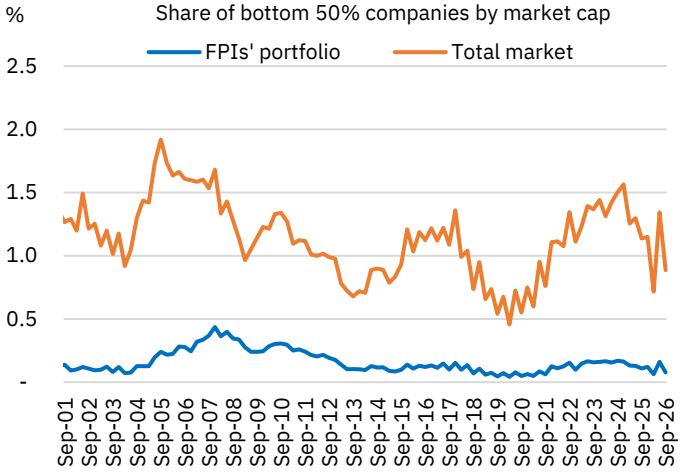


Figure 104: Share of bottom 50% cos. by market cap in FPIs' portfolio and overall listed universe



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

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

Rs lakh cr	FY23				FY24				FY25				FY26				FY27	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
1	197.3	214.0	228.7	205.5	232.3	249.1	283.7	306.4	341.6	366.6	338.1	325.5	362.6	360.5	380.6	343.4	370.1	381.4
2	24.5	29.3	28.0	26.9	32.1	35.0	40.3	40.7	48.6	54.1	51.9	45.4	51.0	47.0	48.9	38.6	52.8	46.9
3	9.3	11.4	10.8	10.6	12.8	14.8	17.1	17.2	20.5	22.9	22.3	18.8	21.6	19.7	20.7	14.6	22.4	18.6
4	4.4	5.8	5.3	5.2	6.7	7.4	8.6	8.3	10.3	11.5	11.5	9.3	10.4	9.2	9.9	6.2	11.1	8.2
5	2.5	3.2	2.9	2.8	3.7	4.1	4.7	4.5	5.4	6.1	6.0	4.8	5.6	4.7	5.2	3.0	6.0	4.0
6	1.3	1.9	1.6	1.6	2.1	2.3	2.7	2.6	3.2	3.6	3.5	2.6	3.0	2.5	2.8	1.5	3.2	2.1
7	0.7	1.0	0.8	0.8	1.1	1.2	1.4	1.4	1.7	1.9	1.9	1.4	1.6	1.3	1.5	0.8	1.7	1.1
8	0.4	0.5	0.4	0.4	0.5	0.6	0.7	0.7	0.8	1.0	1.0	0.7	0.8	0.7	0.7	0.4	0.9	0.6
9	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.4	0.4	0.3	0.2	0.4	0.3
10	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total	**240.5**	**267.4**	**278.9**	**254.2**	**291.6**	**314.8**	**359.5**	**382.1**	**432.5**	**468.3**	**436.6**	**408.9**	**457.2**	**446.1**	**470.7**	**408.6**	**468.8**	**463.3**

Source: CMIE Prowess, NSE EPR.

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

	FY23				FY24				FY25				FY26				FY27	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q1	Q2
1	82.1	80.0	82.0	80.9	79.7	79.1	78.9	80.2	79.0	78.3	77.4	79.6	79.3	80.8	80.9	84.0	79.0	82.3
2	10.2	11.0	10.1	10.6	11.0	11.1	11.2	10.6	11.2	11.6	11.9	11.1	11.2	10.5	10.4	9.4	11.3	10.1
3	3.8	4.3	3.9	4.2	4.4	4.7	4.8	4.5	4.7	4.9	5.1	4.6	4.7	4.4	4.4	3.6	4.8	4.0
4	1.8	2.2	1.9	2.0	2.3	2.3	2.4	2.2	2.4	2.5	2.6	2.3	2.3	2.1	2.1	1.5	2.4	1.8
5	1.0	1.2	1.1	1.1	1.3	1.3	1.3	1.2	1.2	1.3	1.4	1.2	1.2	1.1	1.1	0.7	1.3	0.9
6	0.6	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.6	0.7	0.6	0.6	0.4	0.7	0.5
7	0.3	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.3	0.3	0.2	0.4	0.2
8	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1
9	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

HHI levels fell further in the September quarter, reflecting widening exposure: The Herfindahl–Hirschman Index (HHI), a measure of portfolio concentration, has broadly trended lower across investor categories since the pandemic, following a temporary increase in 2020 as portfolios became more concentrated in larger, liquid stocks. For overall institutional holdings in NSE-listed companies, the HHI declined from 145 in June to 132 in September 2026, the lowest since the beginning of our analysis in 2001. It is now less than half the post-pandemic peak of 320 recorded in September 2020, reflecting a sustained broadening of institutional portfolios beyond the largest companies.

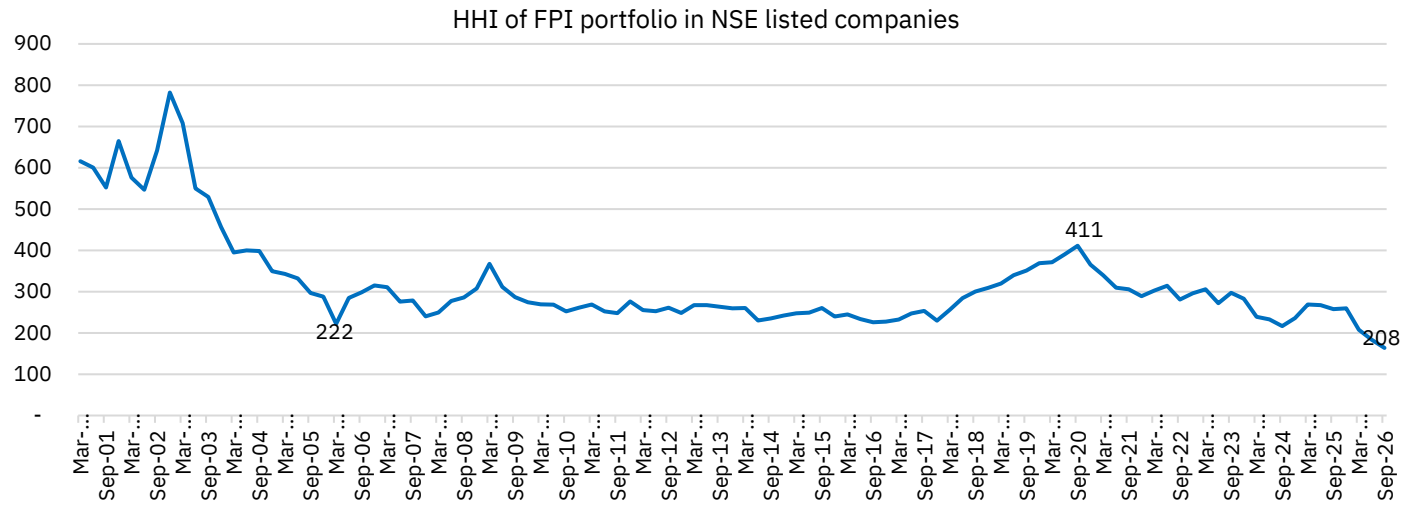
Among institutional categories, DMF concentration eased further, with the HHI declining to a 35-quarter low of 119, well below the December 2020 peak of 189. FPI concentration also fell for the third consecutive quarter, from 260 in December 2025 to 183 in June 2026 and further to a record low of 164 in September. This is less than half

the post-pandemic peak of 411 recorded in September 2020. The wider dispersion of FPI holdings is also reflected in the number of companies with FPI ownership, which has doubled from around 1,200 in 2021 to over 2,400, following nearly a decade of limited expansion. Banks, financial institutions and insurance companies also recorded a modest decline in their HHI to a record low of 163, leaving FPIs only marginally more concentrated than this group.

Individual investors continued to have the lowest concentration across investor categories, with their HHI declining from 56 in June to a record low of 50 in September. This is consistent with their relatively greater exposure to mid-, small- and micro-cap stocks and a wider dispersion of holdings across the listed universe.

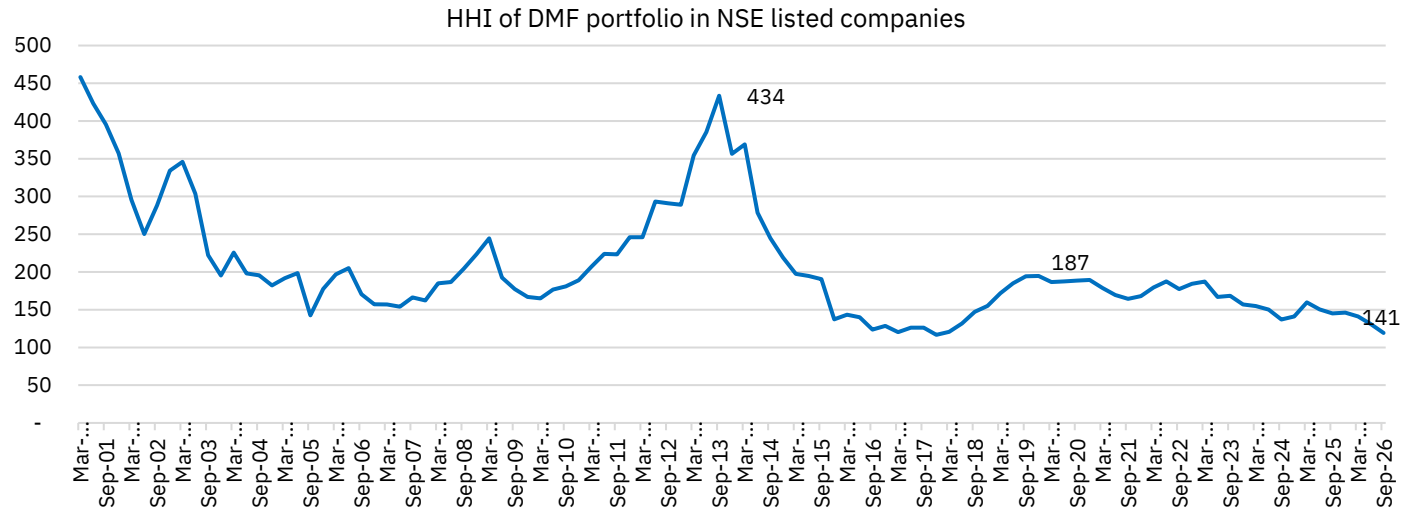
Importantly, the decline in concentration across investor categories came despite a sharp increase in their allocations to the top market-cap decile during the quarter, suggesting a broader distribution of holdings within that cohort, particularly beyond the Nifty 50.

Figure 105: HHI of FPI portfolio in NSE listed companies



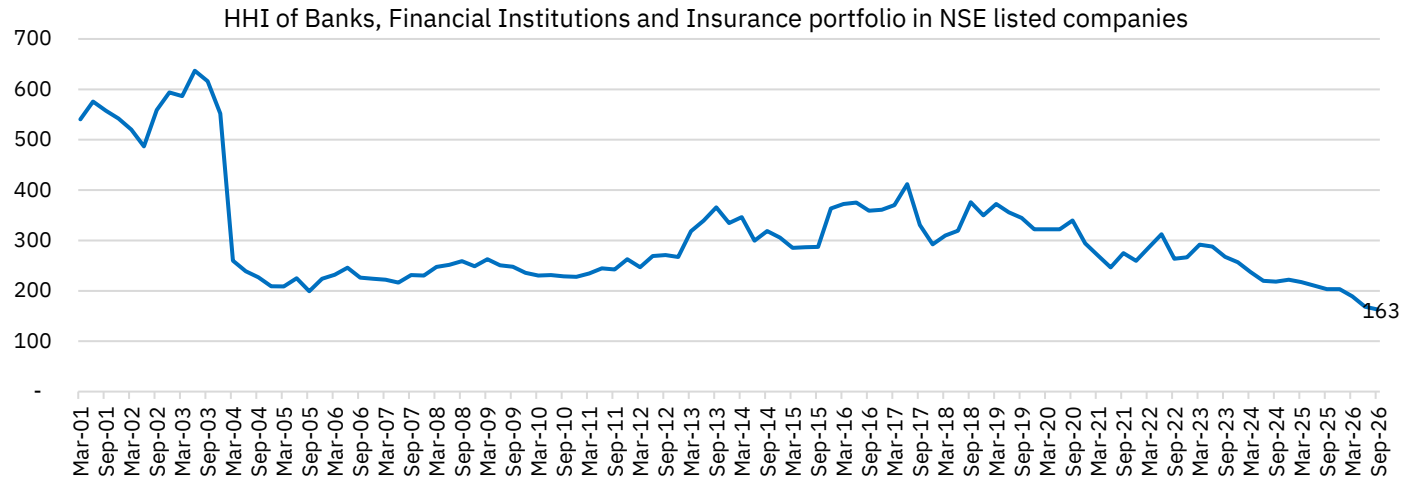
Source: CMIE Prowess, NSE EPR.

Figure 106: HHI of DMF portfolio in NSE listed companies



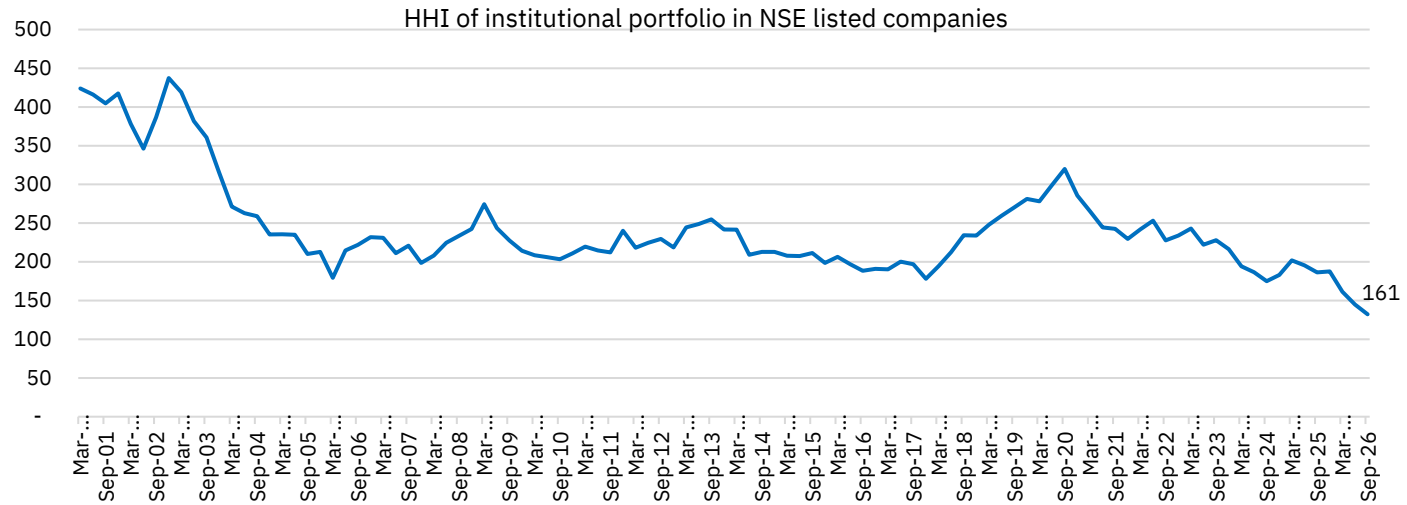
Source: CMIE Prowess, NSE EPR.

Figure 107: HHI of Banks, Financial Institutions & Insurance portfolio in NSE listed companies



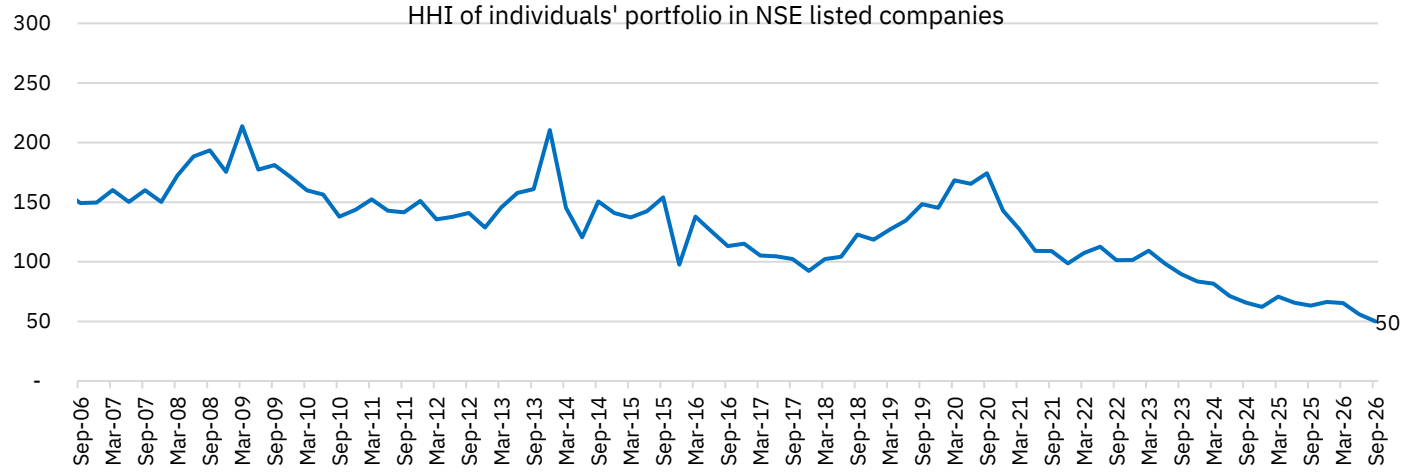
Source: CMIE Prowess, NSE EPR.

Figure 108: HHI of institutional investors' portfolio in NSE listed companies



Source: CMIE Prowess, NSE EPR.

Figure 109: HHI of individuals' portfolio in NSE listed companies



Source: CMIE Prowess, NSE EPR.

Sector-wise HHI differs meaningfully: Sectoral HHI readings reveal considerable variation in portfolio concentration across investor categories, despite the broader decline in concentration at the aggregate level. Individual investor holdings remained relatively dispersed across most sectors in September 2026, with Energy continuing to exhibit the highest concentration (HHI: 3,964), although this has moderated considerably over the past few years. Among institutional investors, FPI and DMF holdings remained particularly concentrated in Energy and Communication Services, with HHI readings exceeding 4,000 levels for both the categories. This largely reflects the market structure of these sectors, where a few large companies account for a substantial share of market capitalisation. In addition to Energy and Communication Services, Banks, financial institutions and insurance companies also continued to exhibit relatively high concentration in Consumer Staples (HHI: 2,475) relative to their other institutional counterparts, reflecting their greater exposure to large, established companies. Outside these sectors, concentration has generally trended lower across investor categories over time, indicating a gradual broadening of ownership across companies.

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

Sector	Sep-06	Sep-11	Sep-16	Sep-21	Sep-26
Comm. Svcs.	3,418	3,630	1,657	2,551	6,115
Cons. Disc.	1,132	1,163	948	593	553
Cons. Staples	2,346	1,718	1,698	1,275	757
Energy	4,061	3,480	3,063	7,688	4,701
Financials	1,534	1,264	1,194	1,239	1,012
Health Care	957	1,126	1,029	614	524
Industrials	1,039	910	667	704	436
IT	3,339	3,866	2,560	2,270	1,311
Materials	851	581	588	599	425
Real Estate	3,131	1,800	1,344	1,860	1,497
Utilities	2,566	1,321	1,875	1,246	1,199
Total	**298**	**248**	**226**	**306**	**164**

Source: CMIE Prowess, NSE EPR.

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

Sector	Sep-06	Sep-11	Sep-16	Sep-21	Sep-26
Comm. Svcs.	1,669	3,278	1,098	4,831	4,462
Cons. Disc.	466	444	543	317	357
Cons. Staples	4,759	5,564	1,267	1,201	897
Energy	2,934	1,617	1,693	3,930	4,125
Financials	969	920	839	981	794
Health Care	551	737	809	690	380
Industrials	515	1,205	544	612	402
IT	1,731	2,587	2,169	1,996	952
Materials	485	340	311	346	379
Real Estate	1,791	1,210	1,245	1,287	1,242
Utilities	1,781	1,093	1,353	1,951	1,302
Total	**170**	**223**	**124**	**164**	**119**

Source: CMIE Prowess, NSE EPR.

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

Sector	Sep-06	Sep-11	Sep-16	Sep-21	Sep-26
Comm. Svcs.	3,406	864	6,436	695	1,060
Cons. Disc.	371	529	345	338	240
Cons. Staples	1,922	1,656	1,286	1,202	682
Energy	3,881	4,080	3,056	6,179	3,964
Financials	646	491	478	574	362
Health Care	938	604	494	307	231
Industrials	375	1,107	867	511	242
IT	2,168	2,286	1,552	1,267	424
Materials	406	570	262	246	164
Real Estate	2,936	944	665	950	477
Utilities	1,961	959	791	651	730
Total	**149**	**142**	**113**	**109**	**50**

Source: CMIE Prowess, NSE EPR.

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

Sector	Sep-06	Sep-11	Sep-16	Sep-21	Sep-26
Comm. Services	2,378	3,537	4,927	2,986	6,892
Cons. Disc.	1,058	1,312	1,223	916	621
Cons. Staples	4,200	4,842	6,701	3,531	2,475
Energy	2,431	3,019	2,248	4,945	4,016
Financials	1,455	1,128	954	968	652
Health Care	1,449	1,091	2,337	1,502	821
Industrials	890	2,200	3,151	1,734	1,314
IT	2,057	3,074	3,415	3,333	1,613
Materials	690	769	586	541	495
Real Estate	2,752	1,516	1,211	2,176	1,171
Utilities	2,105	1,719	2,324	1,622	1,287
Total	**226**	**242**	**359**	**275**	**163**

Source: CMIE Prowess, NSE EPR.

Institutional ownership continues to broaden across the listed universe: Institutional holdings in NSE-listed companies have become progressively more dispersed since the pandemic, both in terms of the number of companies held and the extent of meaningful ownership stakes. The expansion has been particularly pronounced among FPIs, whose presence has widened considerably beyond the traditional large-cap universe.

The number of companies with FPI ownership has nearly doubled from around 1,200 in December 2020 to nearly 2,400 as of September 2026, barring a temporary setback in FY23. The number of companies in which FPIs held stakes of at least 5% also increased to 804, from 742 in the previous quarter and 540 in September 2020. However, such companies now account for only 33.7% of the FPI investee universe, compared with nearly half before the pandemic. This suggests that while FPI participation has expanded substantially, the increase in the number of companies with sizeable ownership stakes has been relatively modest.

DMFs have followed a similar trajectory, with a greater depth of ownership. Their presence has expanded from around 1,100 companies five years ago to 1,603 as of September 2026. Over the same period, the number of companies in which DMFs held stakes of at least 5% increased from around 420 to 734, accounting for 45.8% of their investee universe. This is substantially higher than the corresponding FPI share of 33.7%, indicating a greater prevalence of meaningful ownership stakes among DMF holdings.

Overall, the data point to a sustained broadening of institutional participation beyond the largest listed companies, consistent with the decline in portfolio concentration observed over recent years. DMFs, in particular, have combined this wider coverage with a relatively greater depth of ownership, supported by the continued expansion of domestic institutional assets.

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

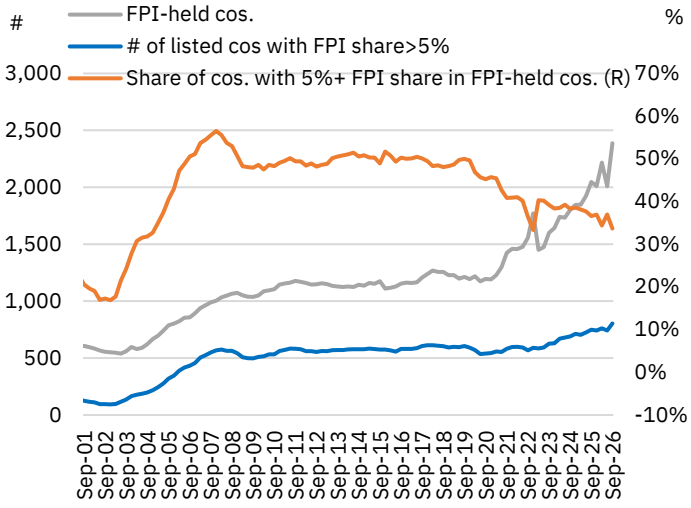
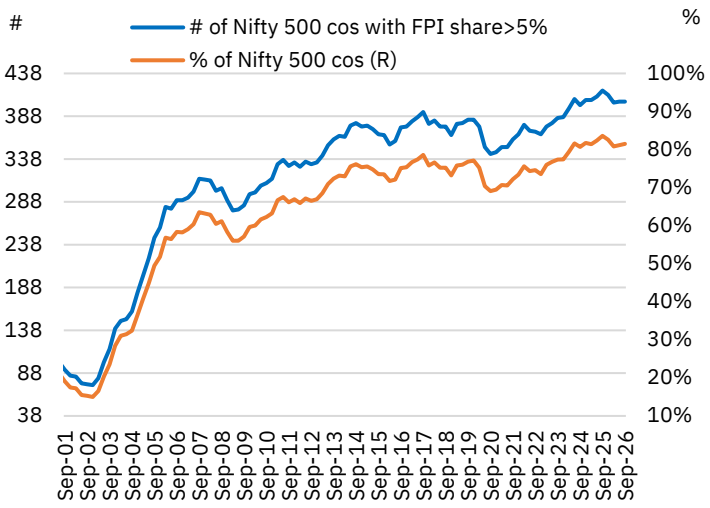


Figure 111: Number of Nifty500 cos with FPI holding >5%



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

Figure 112: Number of listed cos with DMF holding >5%

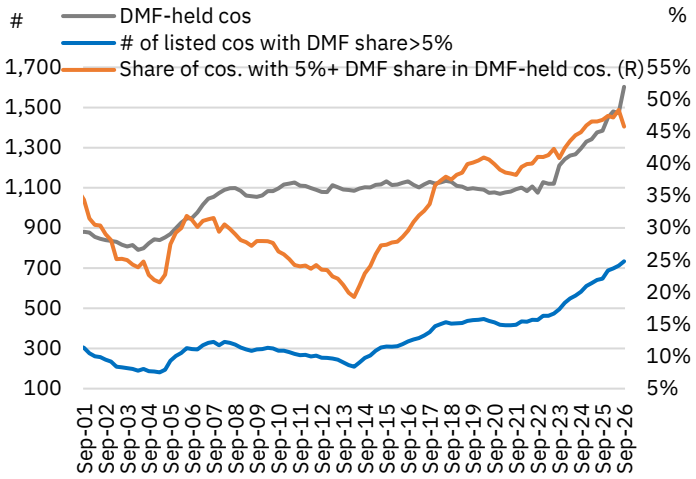
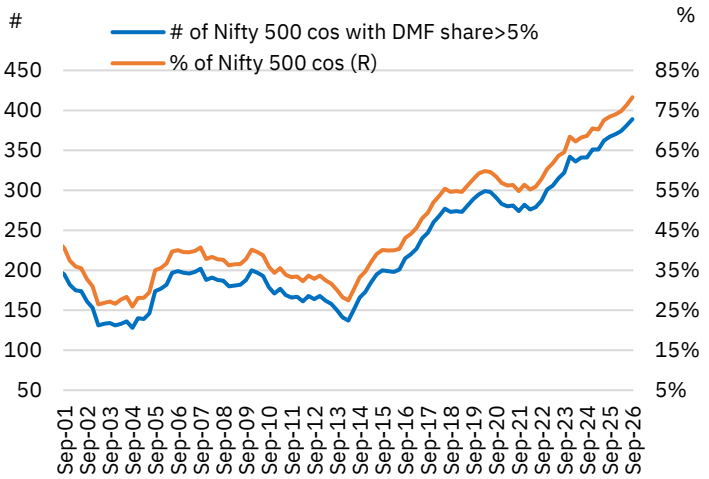


Figure 113: Number of Nifty500 cos with DMF share >5%



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

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

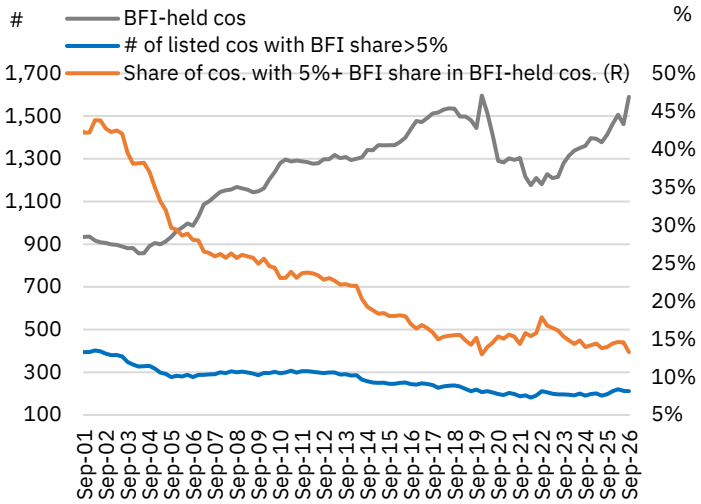
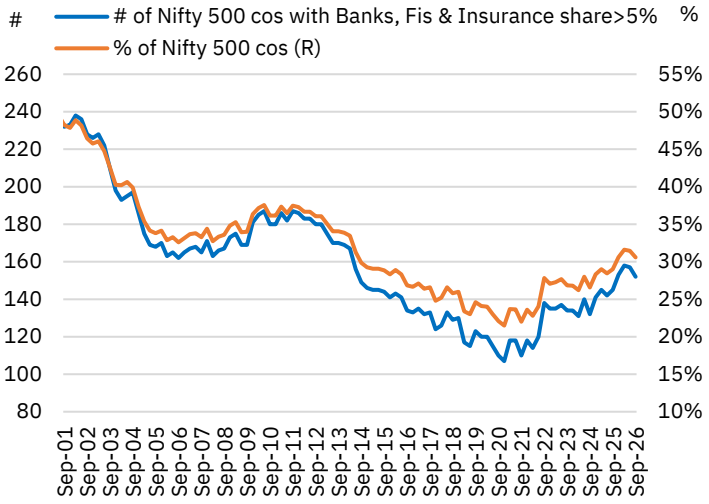


Figure 115: Number of Nifty500 companies with Banks, FIs & Insurance holding >5%



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

2 Charts of the Month

2.1 Q2FY27 Earnings Review: Commodity and consumption tailwinds boost earnings; margins remain under pressure

Corporate earnings strengthened in Q2FY27, with revenue growth reaching a 16-quarter high at 23.3% YoY and 21.9% YoY across the Nifty 50 and Nifty 500 universes respectively, reflecting stronger activity across consumption-oriented and commodity-linked sectors. The improvement extended to the broader market, with NSE-listed companies also recording strong revenue growth of 24.7% YoY during the quarter. Energy, Financials, Materials and Consumer Discretionary were key contributors to aggregate revenue growth, while Industrials and Utilities recorded strong growth. The performance of commodity-linked sectors was supported by favourable price dynamics across energy and metals, while Consumer Discretionary benefited from improved consumption momentum amid onset of festive season, including stronger automobile sales and increased discretionary spending.

The strong topline performance translated into a sharp acceleration in operating earnings, with EBITDA growth reaching a 12-quarter high of 25.4% YoY for Nifty 500 (ex-Financials) companies, while Nifty 50 EBITDA growth strengthened to 21.8% YoY from 5.3% YoY in the previous quarter. Energy and Materials were the key drivers of operating profit growth, with both sectors recording multi-quarter highs, supported by strong revenue performance and operating leverage. Within the Nifty 50 universe, Consumer Discretionary recorded its strongest EBITDA growth in 12 quarters at 33.8% YoY, aided by robust automobile sales, strong demand and favourable base. Despite the improved operating profits, margin trends remained mixed amid higher input and operating costs. EBITDA margins for Nifty 500 and Nifty 50 (ex-Financials) companies expanded sequentially to 19.1% and 21.3%, respectively, but remained below year-ago levels.

Nifty 500 and Nifty 50 PAT growth accelerated to 29.6% YoY and 24.8% YoY in Q2FY27, led by Energy, Financials and Materials, which together contributed over 70% of the YoY the increase. PAT margins expanded to 10.9% for Nifty 500, while Nifty 50 margins stood at 11.5%. Overall NSE-listed companies reported robust PAT growth of 29.5% YoY, with margins improving to 9.7%. Despite the strong growth in aggregate profitability, margin trends remained divergent across sectors. Excluding Financials, Energy and Materials, margin contracted on both QoQ and YoY basis across all three universes, highlighting persistent profitability pressures.

- **Net sales YoY growth reached a 16-quarter high for Nifty 50 and Nifty 500 in Q2:** Nifty 50 and Nifty 500 companies recorded their strongest year-on-year net sales growth in 16 quarters, at 21.9% and 23.3%, respectively, in Q2, driven primarily by robust performance across Energy (+29.4%/+33.4% YoY), Financials (+13.2%/+13.9% YoY), Materials (+24%/23.3% YoY) and Consumer Discretionary (+32.5%/+30.5% YoY). Together, these four sectors accounted for nearly 80% and 75% of the overall YoY revenue growth in the respective universes, with Energy alone contributing nearly one-third of the increase. In contrast, Information Technology and Healthcare lagged the broader recovery, reflecting relatively subdued growth in export-oriented businesses. Energy sector's strong performance was supported by higher realisations amid firming international crude oil prices, while the Materials sector benefited from the rally in base and precious metal prices.

  Financials sector benefited from robust credit and deposit growth, improved asset quality, lower provisioning requirements and healthy interest income, while Consumer Discretionary was supported by strong automobile sales and festive-season demand. Overall NSE-listed companies registered a YoY revenue growth of 24.7 YoY%, pointing to a significant acceleration in revenue growth in Q2FY27. On

a sequential basis, aggregate revenue grew by nearly 5.8% QoQ across universes, reflecting improved sales momentum during the quarter.

- **EBITDA growth reached a 12-quarter high in Q2, driven by strong revenue perfromance:** Nifty 500 (ex-Financials) EBITDA increased to a 12-quarter high of 25.4% YoY, supported by strong revenue performance in Energy (+39.0% YoY), Materials (36.1% YoY) and Consumer Discretionary (26.5% YoY) sectors. Notably, EBITDA YoY growth of Materials sector touched 20-quarter high supported by improved operating leverage as higher production volumes enabled fixed costs to be spread over a larger output base. Energy sector EBITDA growth registered a 12 quarter high of 39% YoY due to improved refining economics and better upstream profitability.

  EBITDA growth for Nifty 50 companies accelerated sharply to 21.8% YoY in Q2FY27 from a modest 5.3% YoY in the previous quarter, driven primarily by the Energy sector, which accounted for over 40% of the overall YoY increase in operating profits. Excluding Energy, EBITDA growth also strengthened to 18.1% YoY from 13.6% YoY in Q1FY27, indicating a broader improvement in operating performance. Consumer Discretionary recorded EBITDA growth of 33.8% YoY, its strongest in 12 quarters, supported by robust automobile sales volumes and strong demand, followed by Materials at 32.0% YoY. Together, these two sectors accounted for an additional 32% of the overall YoY increase in EBITDA for the universe.

  Despite strong growth in operating earnings, margin performance remained uneven, as higher raw material costs, employee expenses and other operating costs offset much of the benefit from stronger revenue growth, For Nifty 500 companies (ex-Financials), EBITDA margins expanded by 214 bps QoQ to 19.1%, although they remained 18 bps lower YoY. Similarly, Nifty 50 EBITDA margins improved by 84 bps QoQ to 21.3%, but contracted by 51 bps Yo, highlighting persistent cost pressures despite stronger operating performance. At the broader market level, NSE-listed companies (ex-Financials) recorded robust EBITDA growth of 24.9% YoY and 14.9% QoQ, even as margins moderated to 17.4% from 17.7% in the previous quarter, underscoring the divergence between earnings growth and margin performance.

- **Operating leverage drove PAT growth to 12-quarter high amid uneven margin trends**: Nifty 500 PAT accelerated sharply to 29.6% YoY compared to 11.1% YoY in Q1FY27 with aggregate PAT reaching Rs.5.32 lakh crore. Materials recorded the highest sectoral growth rate among the major contributors at 60.4% YoY, the strongest in 20 quarters, supported by robust earnings in Metals & Mining companies. In terms of growth contribution, Energy and Financials accounted for 28% and 27% of the YoY PAT growth, followed by Materials at 18%. While Energy and Materials sector benefited from higher commodity realisations, stronger production volumes and improved operating profitability, lower credit costs, improved asset quality and lower provisioning drove earnings in Financials sector. Notably, PAT growth remained robust at 22.5% YoY even after excluding these three sectors, underscoring the broad-based nature of the earnings recovery. Other

sectors that posted strong PAT growth in Q2 included Communication Services (+64.1% YoY), Utilities (51.7%) and Consumer Discretionary (43.2%).

Nifty 50 PAT increased 24.8% YoY to Rs.2.53 lakh crore, with Industrials recording the highest sectoral growth rate at 66.0%, a 21-quarter high, followed by Consumer Discretionary at 64.4%, the highest in 10 quarters. Industrials' growth reflected stronger earnings across capital goods and infrastructure-linked companies, while Consumer Discretionary benefited from robust automobile and discretionary demand. Energy and Financials remained the key contributors to aggregate PAT growth, accounting for 31% and 25% respectively of the overall YoY growth.

The improvement in profitability was reflected in the Nifty 500 PAT margin, which expanded by 80 bps QoQ and 53 bps YoY to 10.9% in Q2FY27. In contrast, the Nifty 50 PAT margin contracted 25 bps QoQ, despite expanding 27 bps YoY to 11.5%, highlighting stronger sequential margin gains across the broader Nifty 500 universe. Overall NSE-listed companies registered decent PAT growth of 29.5% YoY and 11.5% QoQ, accompanied by margins expanded 36 bps YoY and 50 bps QoQ to 9.7%. However, excluding Financials, Energy and Materials, PAT margins contracted sequentially and annually across all three universes, highlighting the uneven nature of profitability gains across sectors.

NSE-listed companies Q2FY27 results

Table 28: Sector-wise net sales growth of NSE-listed companies in Q2FY27

Sector	Count	Growth	
		% YoY	% QoQ
Comm. Svcs.	81	15.6	3.6
Cons. Disc.	550	35.7	10.6
Cons. Staples	197	16.2	4.8
Energy	42	33.5	-1.7
Financials	280	13.6	6.4
Health Care	192	18.3	8.7
Industrials	592	25.3	11.2
IT	211	19.5	4.5
Materials	518	23.9	7.5
Realty	106	13.4	3.9
Utilities	42	26.1	8.1
All NSE-listed	**2,811**	**24.7**	**5.8**
All NSE-listed (ex-fin)	**2,531**	**27.6**	**5.6**
All NSE-listed (ex-energy)	**2,769**	**22.6**	**7.9**
All NSE-listed (ex-fin & energy)	**2,489**	**25.7**	**8.3**

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Table 29: Sector-wise EBITDA growth of NSE-listed companies in Q2FY27

Sector	Growth	
	% YoY	% QoQ
Comm. Svcs.	20.8	4.4
Cons. Disc.	25.4	-2.9
Cons. Staples	8.5	0.0
Energy	39.0	108.7
Financials	13.1	3.6
Health Care	8.8	10.9
Industrials	16.9	6.5
IT	13.0	1.6
Materials	32.3	-4.8
Realty	17.0	1.4
Utilities	25.9	4.4
All NSE-listed	**18.9**	**9.2**
All NSE-listed (ex-fin)	**24.9**	**14.9**
All NSE-listed (ex-energy)	**16.7**	**2.5**
All NSE-listed (ex-fin & energy)	**21.3**	**1.3**

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Table 30: Sector-wise EBITDA margin (%) of NSE-listed companies

Sector	EBITDA margin (%)		
	Sep-25	Jun-26	Sep-26
Comm. Svcs.	47.8	49.5	49.9
Cons. Disc.	8.8	9.2	8.1
Cons. Staples	15.2	14.9	14.2
Energy	15.2	7.5	15.9
Financials	68.9	70.4	68.6
Health Care	26.9	24.2	24.7
Industrials	18.0	17.5	16.8
IT	20.9	20.3	19.8
Materials	17.3	20.8	18.4
Realty	40.9	43.3	42.2
Utilities	32.1	33.2	32.1
All NSE-listed	**28.4**	**26.2**	**27.1**
All NSE-listed (ex-fin)	**17.7**	**16.0**	**17.4**
All NSE-listed (ex-energy)	**31.5**	**31.5**	**30.0**
All NSE-listed (ex-fin & energy)	**18.5**	**19.1**	**17.9**

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Table 31: Sector-wise PAT growth of NSE-listed companies in Q2FY27

Sector	Growth	
	% YoY	% QoQ
Comm. Svcs.	42.7	8.9
Cons. Disc.	41.6	-9.5
Cons. Staples	7.2	-3.0
Energy	54.7	219.3
Financials	19.8	-1.6
Health Care	-2.4	12.2
Industrials	24.3	0.7
IT	12.7	0.6
Materials	50.9	-11.5
Realty	34.9	17.0
Utilities	47.8	10.0
All NSE-listed	**29.5**	**11.5**
All NSE-listed (ex-fin)	**35.1**	**19.6**
All NSE-listed (ex-energy)	**25.3**	**-1.6**
All NSE-listed (ex-fin & energy)	**29.4**	**-1.6**

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Table 32: Sector-wise PAT margin (%) of NSE-listed companies

Sector	PAT margin (%)		
	Sep-25	Jun-26	Sep-26
Comm. Svcs.	9.2	10.8	11.4
Cons. Disc.	3.0	3.9	3.2
Cons. Staples	9.0	9.0	8.3
Energy	7.0	2.5	8.1
Financials	16.5	18.8	17.4
Health Care	15.1	12.1	12.5
Industrials	7.0	7.6	6.9
IT	12.9	12.6	12.2
Materials	7.1	10.6	8.7
Realty	15.3	16.2	18.2
Utilities	11.8	13.5	13.8
All NSE-listed	**9.4**	**9.2**	**9.7**
All NSE-listed (ex-fin)	**7.5**	**7.0**	**7.9**
All NSE-listed (ex-energy)	**9.9**	**11.1**	**10.1**
All NSE-listed (ex-fin & energy)	**7.7**	**8.7**	**7.9**

Source: CMIE Prowess, LSEG workspace, NSE EPR.

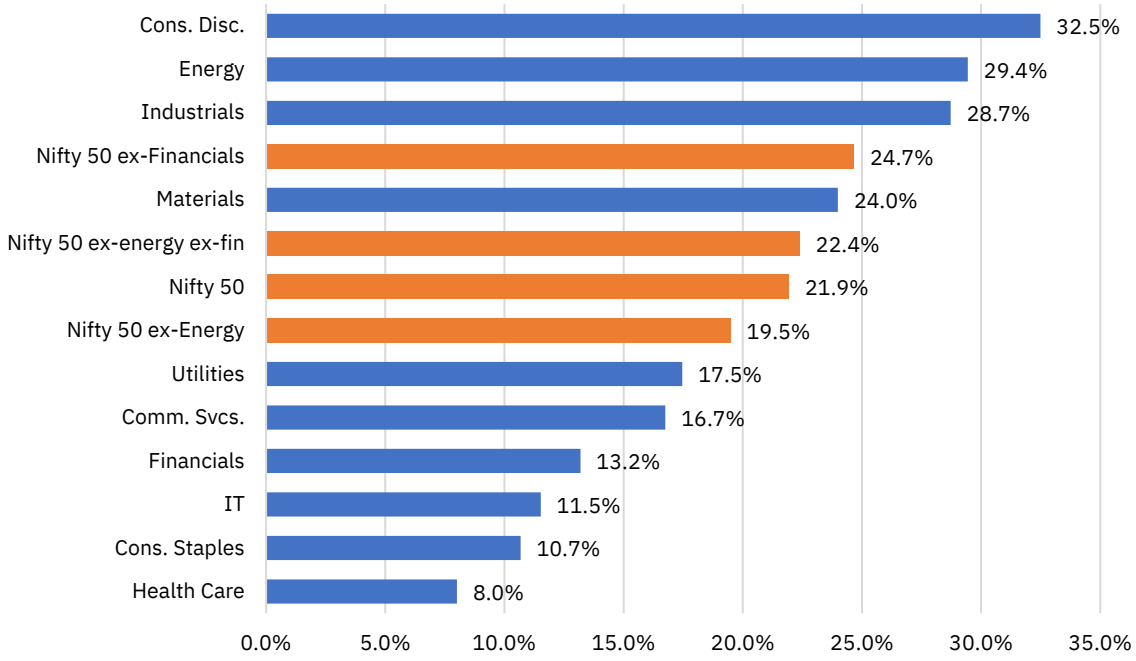
Nifty 50 Q2FY27 results

Table 33: Sector-wise net sales growth of Nifty 50 companies

Sector	QoQ growth			YoY growth		
	Sep-25	Jun-26	Sep-26	Sep-25	Jun-26	Sep-26
Communication Services	5.4	5.7	4.0	25.7	18.4	16.7
Consumer Discretionary	0.5	-1.6	3.4	9.9	28.8	32.5
Consumer Staples	-3.9	3.9	5.7	1.8	0.6	10.7
Energy	0.0	9.0	2.2	4.9	26.7	29.4
Financials	4.1	0.0	7.3	7.7	9.7	13.2
Health Care	5.6	6.6	6.4	10.3	7.2	8.0
Industrials	2.5	-10.6	11.4	8.8	18.5	28.7
Information Technology	4.3	2.6	2.0	5.4	13.8	11.5
Materials	3.1	-0.5	6.5	13.1	19.9	24.0
Utilities	-3.4	1.4	6.2	0.5	6.8	17.5
Nifty 50	**2.0**	**1.8**	**5.0**	**7.9**	**18.4**	**21.9**
Nifty 50 ex-Energy	**2.7**	**-0.6**	**6.0**	**8.9**	**15.7**	**19.5**
Nifty 50 ex-Financials	**1.4**	**2.3**	**4.3**	**7.9**	**21.0**	**24.7**
Nifty 50 ex-energy ex-fin	**2.1**	**-0.8**	**5.4**	**9.4**	**18.3**	**22.4**

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 116: Sector-wise net sales YoY growth of Nifty 50 companies in Q2FY27



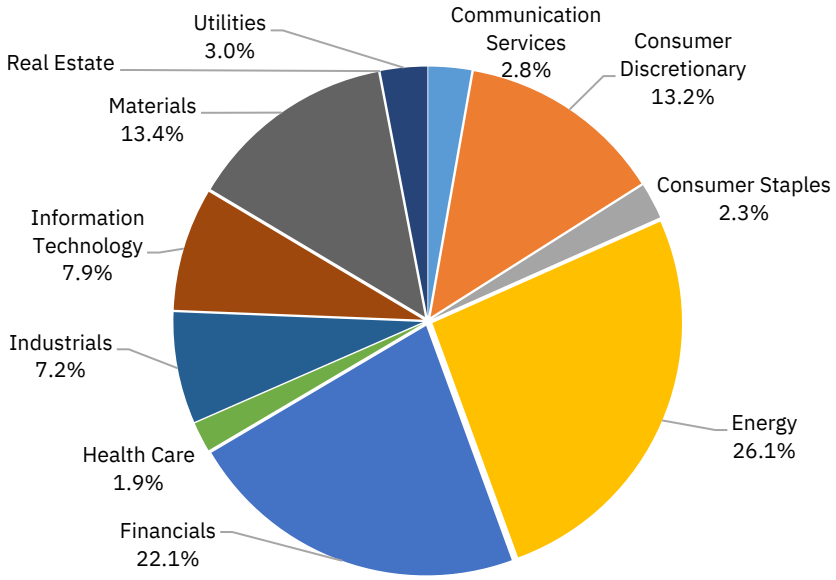
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 50 index as on September 30th, 2026.

Table 34: Sector-wise contribution of Nifty 50 companies to net sales growth rate in Q2FY27

Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	60,878	0.1	0.5
Consumer Discretionary	2,90,963	0.5	4.0
Consumer Staples	50,944	0.1	0.3
Energy	5,73,043	0.6	7.2
Financials	4,85,145	1.6	3.1
Healthcare	42,485	0.1	0.2
Industrials	1,57,997	0.8	2.0
Information Technology	1,74,232	0.2	1.0
Materials	2,95,007	0.9	3.2
Utilities	66,086	0.2	0.5
Nifty 50	**21,96,780**	5.0	21.9
Nifty 50 ex-Energy	**16,23,737**	4.4	14.7
Nifty 50 ex-Financials	**17,11,635**	3.4	18.8
Nifty 50 ex-Energy ex-Financials	**11,38,592**	2.8	11.6

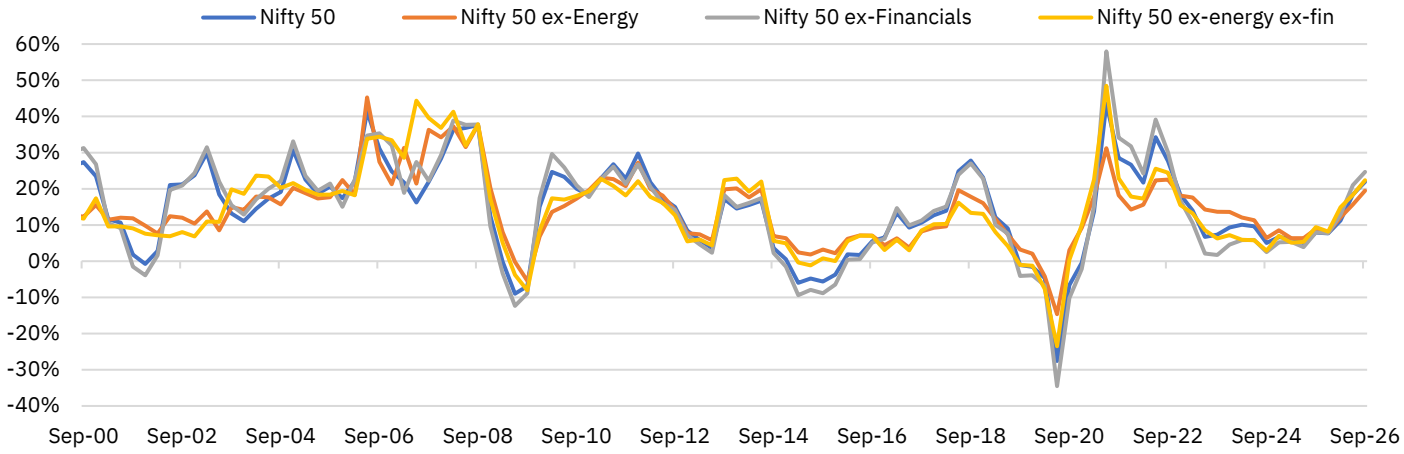
Source: CMIE Prowess, LSEG workspace, NSE EPR
Note: 1. The above table provides data for companies in the Nifty 50 index as on September 30th, 2026.

Figure 117: Sector-wise share in net sales of Nifty 50 companies in Q2FY27



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 September 30th, 2026.

Figure 118: Quarterly trend of Nifty 50 revenue 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.

Table 35: Sector-wise EBITDA growth of Nifty 50 companies

Sector	QoQ growth			YoY growth		
	Sep-25	Jun-26	Sep-26	Sep-25	Jun-26	Sep-26
Communication Services	6.8	5.7	4.7	31.0	20.7	18.3
Consumer Discretionary	-28.7	-11.7	-15.3	-25.4	12.6	33.8
Consumer Staples	0.1	-13.3	4.5	1.5	-6.3	-2.1
Energy	-11.2	-10.7	33.2	12.8	-13.1	30.4
Financials	-3.8	7.9	2.3	4.7	4.8	11.6
Health Care	4.1	13.9	11.9	9.4	-11.0	-4.4
Industrials	-4.3	-13.0	7.6	16.8	6.6	19.9
Information Technology	3.3	1.1	2.0	7.3	10.3	9.4
Materials	-1.6	9.4	-3.6	26.3	34.7	32.0
Utilities	-0.3	70.8	4.6	0.1	8.0	13.3
Nifty 50	**-4.9**	**3.5**	**5.4**	**6.8**	**5.0**	**16.5**
Nifty 50 ex-Energy	**-3.7**	**5.9**	**1.3**	**5.8**	**8.3**	**14.2**
Nifty 50 ex-Financials	**-5.9**	**-0.7**	**8.6**	**9.1**	**5.3**	**21.8**
Nifty 50 ex-energy ex-fin	**-3.5**	**3.3**	**-0.1**	**7.6**	**13.6**	**18.1**

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 36: Sector-wise EBITDA margin of Nifty 50 companies in Q2FY27

Sector	EBITDA Margin (%)	QoQ change (bps)	YoY change (bps)
Communication Services	59.0	40	78
Consumer Discretionary	11.2	-247	11
Consumer Staples	25.4	-29	-332
Energy	20.3	473	15
Financials	73.3	-361	-105
Health Care	25.1	124	-325
Industrials	19.9	-70	-146
Information Technology	24.8	-0	-49
Materials	17.6	-185	106
Utilities	43.4		-159
Nifty 50	**32.8**	-64	**-152**
Nifty 50 ex-Energy	**37.1**	**13**	**-173**
Nifty 50 ex-Financials	**21.3**	**-172**	**-51**
Nifty 50 ex-energy ex-fin	**21.7**	**84**	**-79**

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

Figure 119: Sector-wise EBITDA growth of Nifty 50 companies in Q2FY27

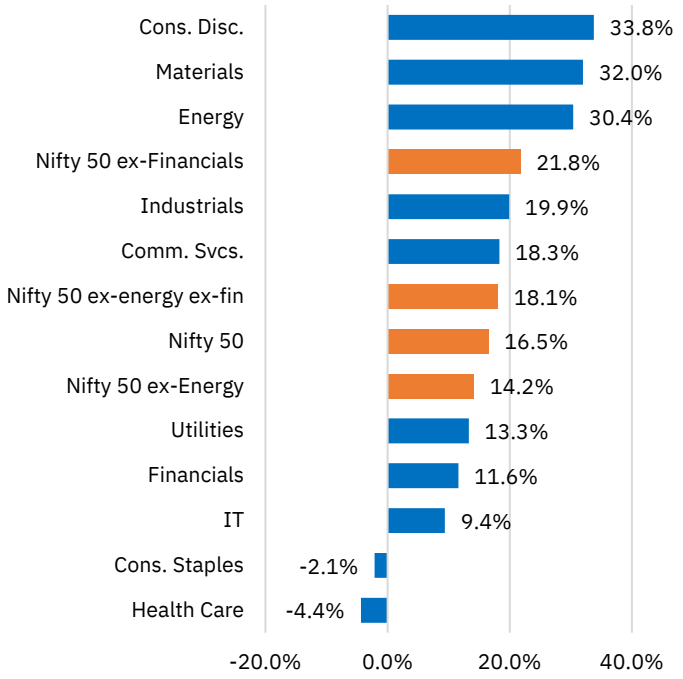
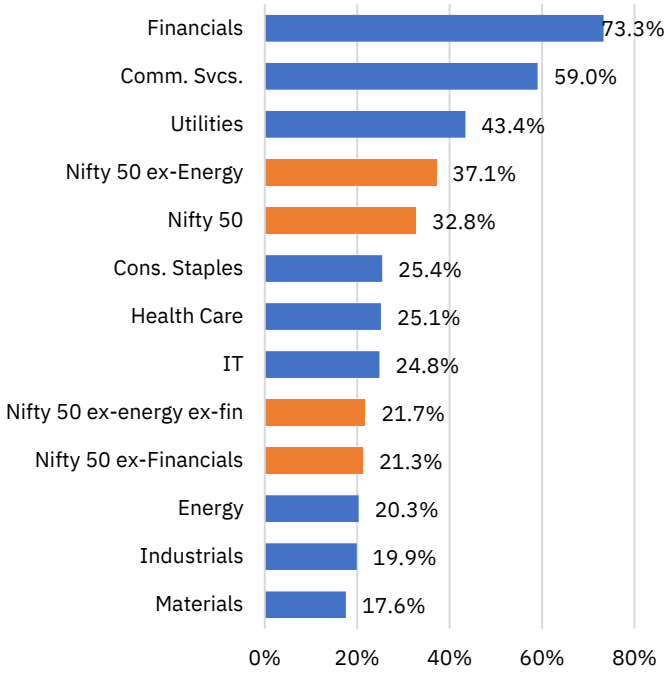


Figure 120: Sector-wise EBITDA margin of Nifty 50 companies in Q2FY27



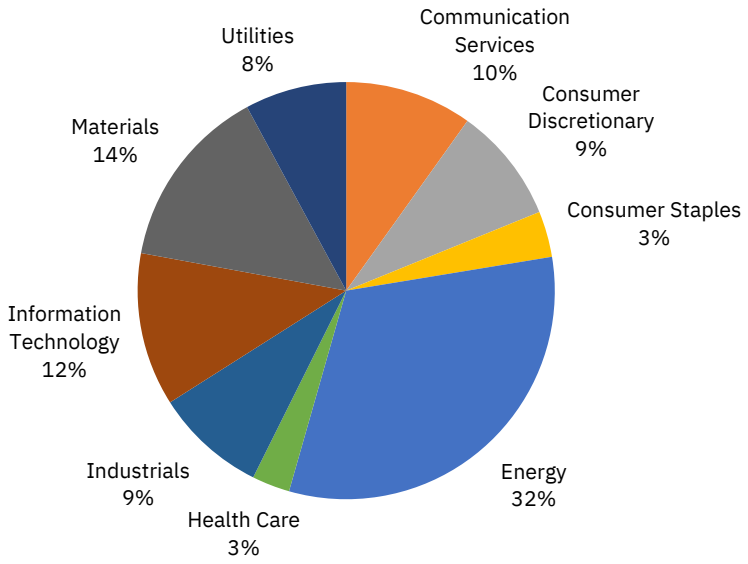
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 50 index as on September 30th, 2026.

Table 37: Sector-wise contribution of Nifty 50 companies (ex-Financials) to EBITDA growth rate in Q2FY27

Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	35,933	0.6	1.9
Consumer Discretionary	32,648	-2.2	2.8
Consumer Staples	12,941	0.2	-0.1
Energy	1,16,499	10.8	9.1
Health Care	10,680	0.4	-0.2
Industrials	31,467	0.8	1.7
Information Technology	43,233	-1.8	1.2
Materials	51,786	-0.7	4.2
Utilities	28,683	0.5	1.1
Nifty 50 ex-Financials	**3,63,871**	**8.6**	**21.8**
Nifty 50 ex-energy ex-fin	**2,47,372**	**1.3**	**3.3**

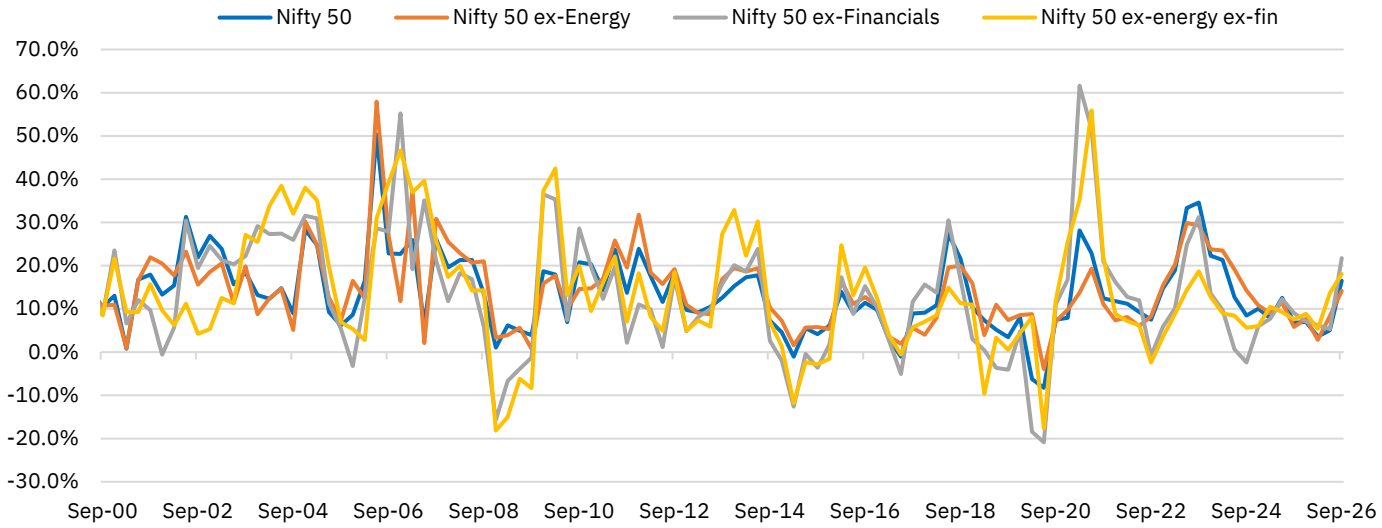
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 50 index as on September 30th, 2026.

Figure 121: Sector-wise share in EBITDA of Nifty 50 companies (ex-Financials) in Q2FY27



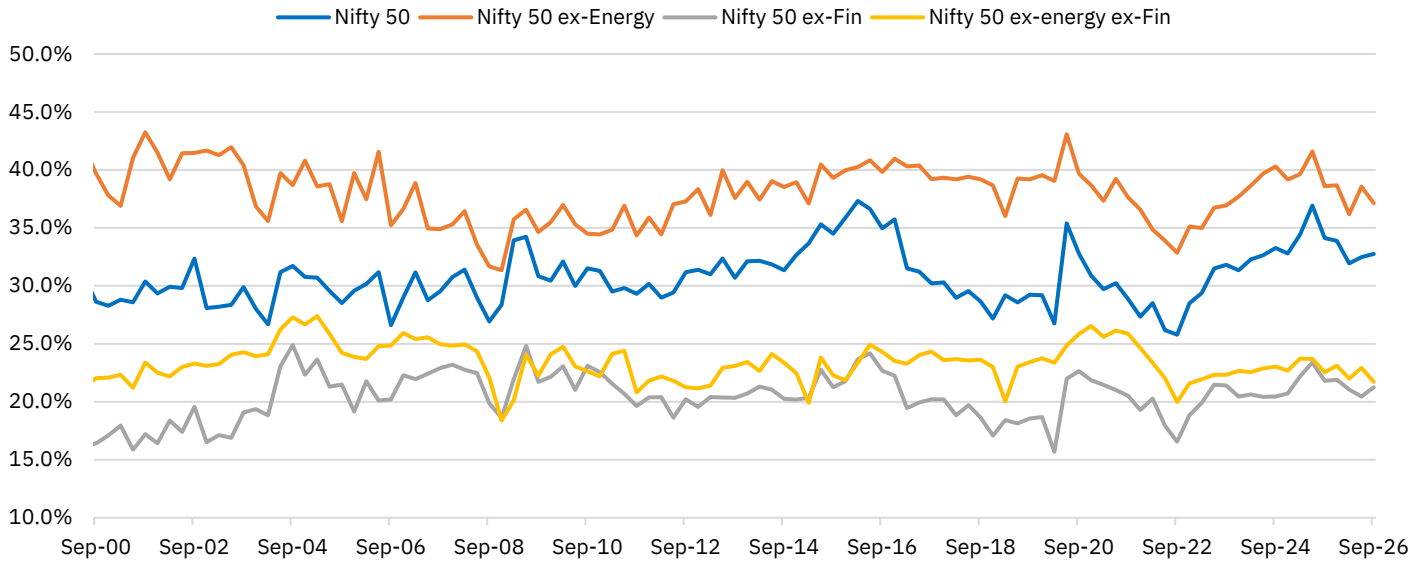
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on September 30th, 2026.

Figure 122: 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 123: 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.

Table 38: Sector-wise PAT growth of Nifty 50 companies

Sector	QoQ growth			YoY growth		
	Sep-25	Jun-26	Sep-26	Sep-25	Jun-26	Sep-26
Communication Services	16.6	-16.5	5.1	108.3	39.7	25.9
Consumer Discretionary	-52.5	-18.9	-29.5	-43.6	10.7	64.4
Consumer Staples	-4.3	-15.7	3.5	1.4	-10.5	-3.2
Energy	-23.5	-16.2	43.7	9.9	-9.2	40.5
Financials	-1.5	8.4	-4.3	-0.7	19.2	16.1
Health Care	6.3	13.1	14.6	6.4	-18.7	-12.4
Industrials	-46.1	16.4	-1.1	-26.4	-9.5	66.0
Information Technology	4.4	-0.9	1.9	10.7	11.7	9.3
Materials	-4.5	22.6	-13.9	79.6	68.6	52.0
Utilities	-9.7	-30.9	6.9	-4.2	7.8	27.6
Nifty 50	**-11.2**	**-2.4**	**2.8**	**4.2**	**11.8**	**24.8**
Nifty 50 ex-Energy	**-7.8**	**0.5**	**-4.7**	**3.0**	**16.7**	**21.1**
Nifty 50 ex-Financials	**-16.1**	**-7.9**	**7.1**	**7.4**	**7.8**	**30.2**
Nifty 50 ex-energy ex-fin	**-12.5**	**-4.9**	**-5.1**	**6.4**	**14.8**	**25.5**

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 39: Sector-wise PAT margin of Nifty 50 companies in Q2FY27

Sector	PAT Margin (%)	QoQ change (bps)	YoY change (bps)
Communication Services	17.9	18	130
Consumer Discretionary	4.3	-199	83
Consumer Staples	16.8	-36	-240
Energy	9.6	276	75
Financials	18.5	-225	47
Health Care	14.2	101	-329
Industrials	6.7	-85	149
Information Technology	16.4	-2	-33
Materials	7.1	-168	130
Utilities	17.0	11	135
Nifty 50	**11.5**	**-25**	**27**
Nifty 50 ex-Energy	**12.2**	**-138**	**16**
Nifty 50 ex-Financials	**9.6**	**24**	**40**
Nifty 50 ex-energy ex-fin	**17.0**	**-106**	**24**

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

Figure 124: Sector-wise PAT growth of Nifty 50 companies in Q2FY27

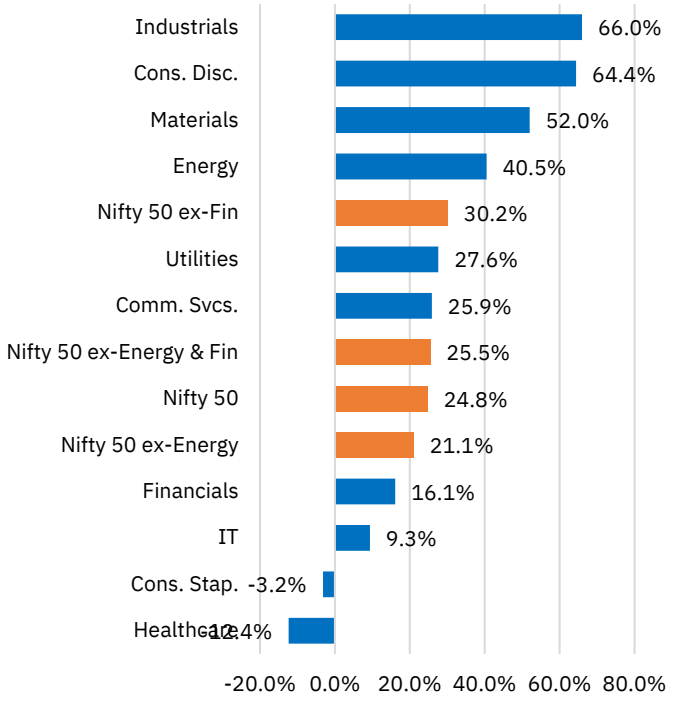
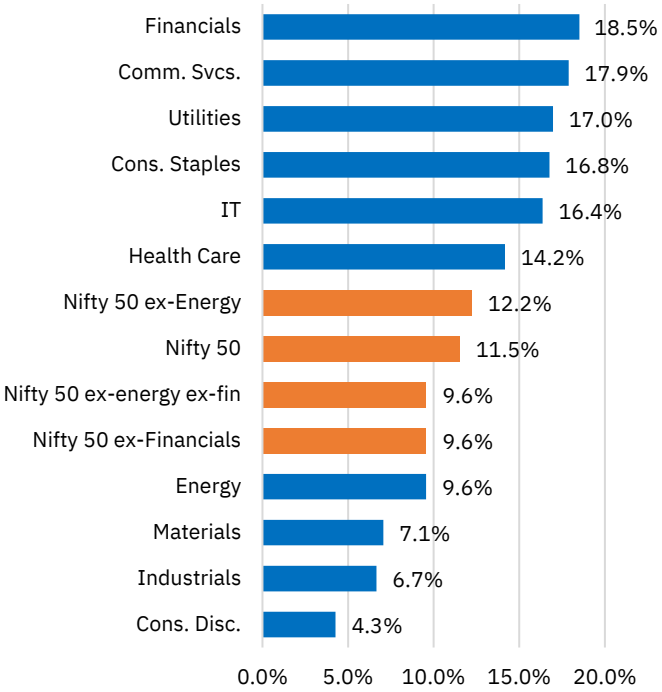


Figure 125: Sector-wise PAT margin of Nifty 50 companies in Q2FY27



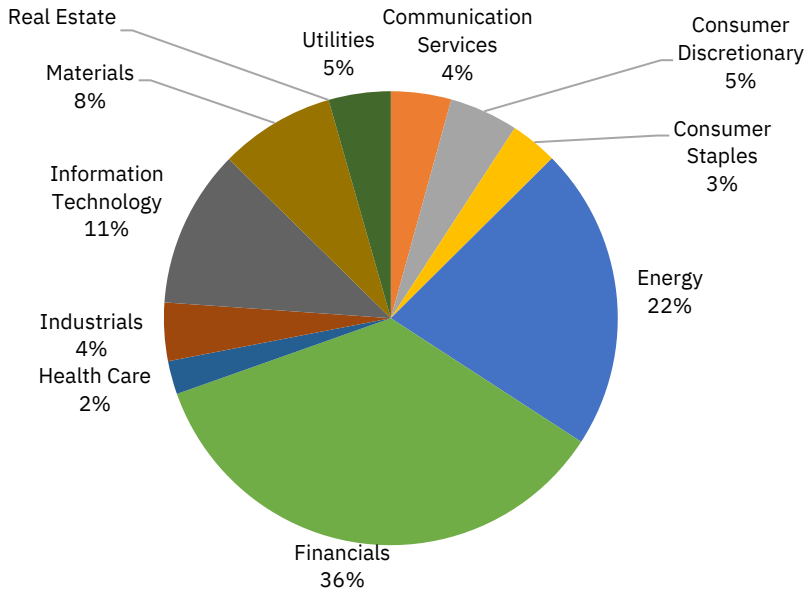
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 50 index as on September 30th, 2026.

Table 40: Sector-wise contribution of Nifty 50 companies to PAT growth rate in Q2FY27

Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	10,891	0.2	1.1
Consumer Discretionary	12,418	-2.1	2.4
Consumer Staples	8,540	0.1	-0.1
Energy	54,751	6.7	7.8
Financials	89,785	-1.6	6.1
Health Care	6,018	0.3	-0.4
Industrials	10,514	0.0	2.1
Information Technology	28,514	0.2	1.2
Materials	20,828	-1.4	3.5
Utilities	11,217	0.3	1.2
Nifty 50	**2,53,474**	**2.8**	**24.8**
Nifty 50 ex-Energy	**1,98,723**	**-4.0**	**17.0**
Nifty 50 ex-Financials	**1,63,690**	**4.4**	**18.7**
Nifty 50 ex-energy ex-fin	**1,08,939**	**-2.4**	**10.9**

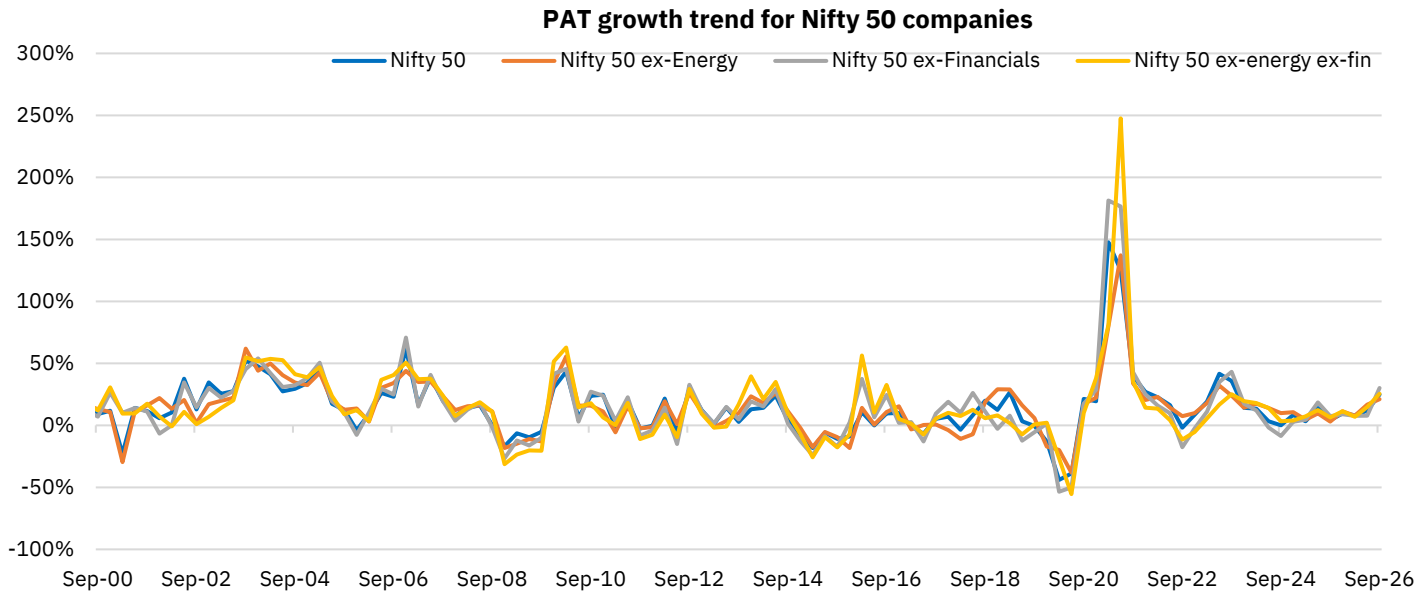
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 50 index as on June 30th, 2026.

Figure 126: Sector-wise share in PAT of Nifty 50 companies in Q2FY27



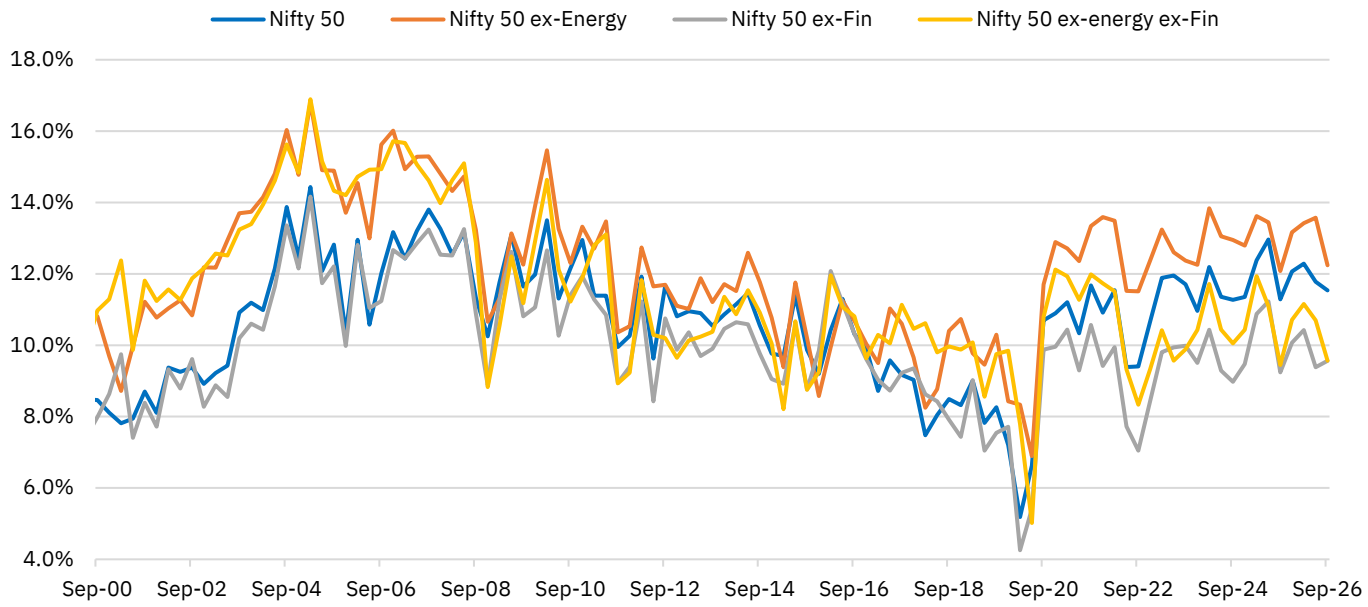
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on September 30th, 2026.

Figure 127: 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 128: 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.

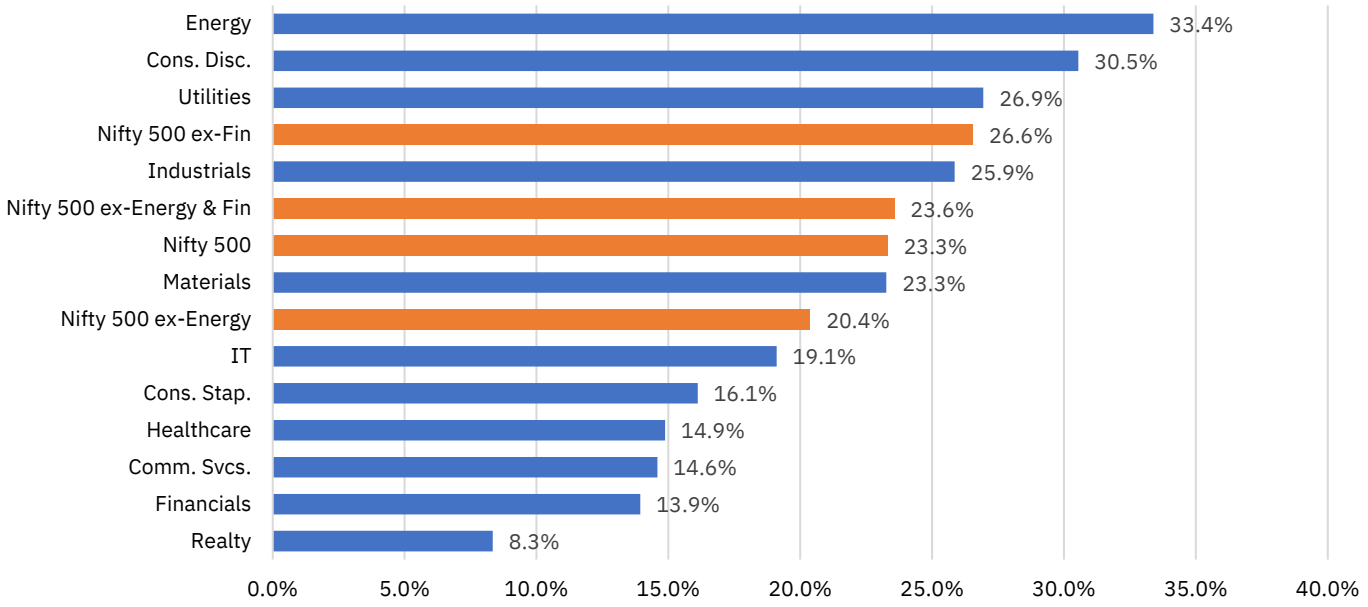
Nifty 500 Q2FY27 results

Table 41: Sector-wise net sales growth of Nifty 500 companies

Sector	QoQ growth			YoY growth		
	Sep-25	Jun-26	Sep-26	Sep-25	Jun-26	Sep-26
Communication Services	4.9	4.1	4.2	17.2	15.2	14.6
Consumer Discretionary	2.2	0.2	6.9	10.4	24.3	30.5
Consumer Staples	-1.0	4.3	3.3	9.2	10.3	16.1
Energy	-2.7	18.3	-1.7	3.3	32.2	33.4
Financials	2.9	-2.7	6.9	6.6	9.4	13.9
Health Care	8.3	5.1	7.4	14.7	16.4	14.9
Industrials	6.8	-13.8	13.3	11.9	18.4	25.9
Information Technology	5.2	3.6	4.6	7.6	19.8	19.1
Materials	0.1	-1.5	7.5	7.8	14.3	23.3
Real Estate	0.5	-30.7	4.9	14.0	6.4	8.3
Utilities	-2.7	14.3	8.0	3.9	13.8	26.9
Nifty 500	**1.4**	**3.0**	**5.0**	**7.3**	**18.9**	**23.3**
Nifty 500 ex-Energy	**2.6**	**-1.4**	**7.3**	**8.5**	**14.8**	**20.4**
Nifty 500 ex-Financials	**0.9**	**4.9**	**4.4**	**7.5**	**22.1**	**26.6**
Nifty 500 ex-energy ex-fin	**2.5**	**-0.8**	**7.5**	**9.5**	**17.5**	**23.6**

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 129: Sector-wise net sales YoY growth of Nifty 500 companies in Q2FY27



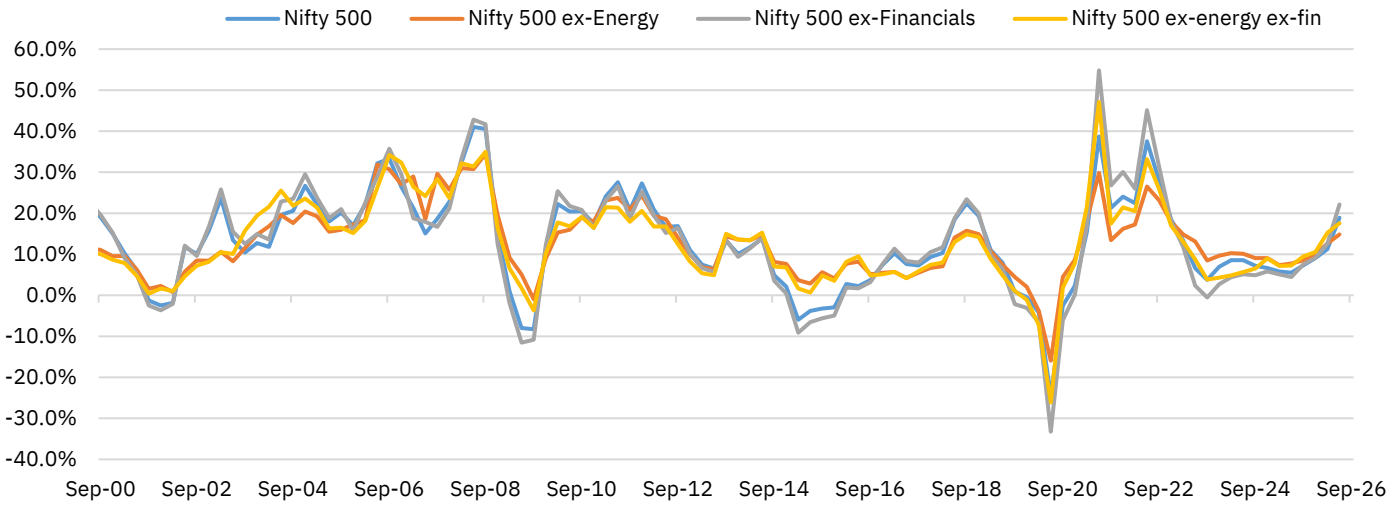
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 500 index as on September 30th, 2026.

Table 42: 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	1,02,931	0.1	0.3
Consumer Discretionary	5,72,528	0.8	3.4
Consumer Staples	1,51,987	0.1	0.5
Energy	11,90,008	-0.4	7.5
Financials	11,56,675	1.6	3.6
Health Care	1,33,548	0.2	0.4
Industrials	4,03,188	1.0	2.1
Information Technology	3,08,320	0.3	1.3
Materials	6,22,235	0.9	3.0
Real Estate	18,488	0.0	0.0
Utilities	2,18,273	0.3	1.2
Nifty 500	**48,78,180**	**5.0**	**23.3**
Nifty 500 ex-Energy	**36,88,173**	**5.4**	**15.8**
Nifty 500 ex-Financials	**37,21,506**	**3.4**	**19.7**
Nifty 500 ex-energy ex-fin	**25,31,498**	**3.8**	**12.2**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2026.

Figure 130: 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.

Table 43: Sector-wise EBITDA growth of Nifty 500 companies in Q2FY27

Sector	QoQ growth			YoY growth		
	Sep-25	Jun-26	Sep-26	Sep-25	Jun-26	Sep-26
Communication Services	5.9	5.3	5.0	22.6	17.8	16.8
Consumer Discretionary	-14.6	-8.7	-6.1	-10.4	14.2	26.5
Consumer Staples	-1.9	-3.4	-1.7	4.4	2.6	3.8
Energy	-5.1	-44.3	109.9	37.8	-37.4	39.0
Financials	-2.1	6.4	3.5	5.5	7.0	13.0
Health Care	14.7	3.3	9.1	21.8	10.4	4.3
Industrials	3.7	-14.0	7.1	18.8	12.8	16.8
Information Technology	4.8	2.3	1.6	10.6	15.3	12.5
Materials	-8.4	6.2	-2.8	9.8	25.6	36.1
Real Estate	13.6	-10.0	4.1	46.9	14.6	9.4
Utilities	0.3	50.1	5.5	4.4	19.5	27.2
Nifty 500	-2.0	-0.7	9.7	9.7	5.4	18.6
Nifty 500 ex-Energy	-1.7	5.1	2.7	7.1	10.7	16.1
Nifty 500 ex-Financials	-2.0	-8.4	17.5	15.2	3.5	25.4
Nifty 500 ex-energy ex-fin	-0.9	3.3	1.4	9.6	16.8	21.1

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

Table 44: EBITDA margin of Nifty 500 companies in Q2FY27

Sector	EBITDA Margin (%)	QoQ change (bps)	YoY change (bps)
Communication Services	51.3	38	97
Consumer Discretionary	11.3	-157	-36
Consumer Staples	16.2	-84	-192
Energy	15.8	842	64
Financials	67.9	-222	-56
Health Care	26.4	42	-267
Industrials	18.1	-105	-141
Information Technology	20.5	-61	-121
Materials	20.1	-214	190
Real Estate	48.5	-38	48
Utilities	34.7	-82	6
Nifty 500	**30.7**	**133**	**-123**
Nifty 500 ex-Energy	**35.5**	**-161**	**-131**
Nifty 500 ex-Financials	**19.1**	**214**	**-18**
Nifty 500 ex-energy ex-fin	**20.7**	**-124**	**-43**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above table provides data for companies in the Nifty 500 index as of September 30th, 2026.

Figure 131: Sector-wise EBITDA growth of Nifty 500 companies in Q2FY27 (YoY)

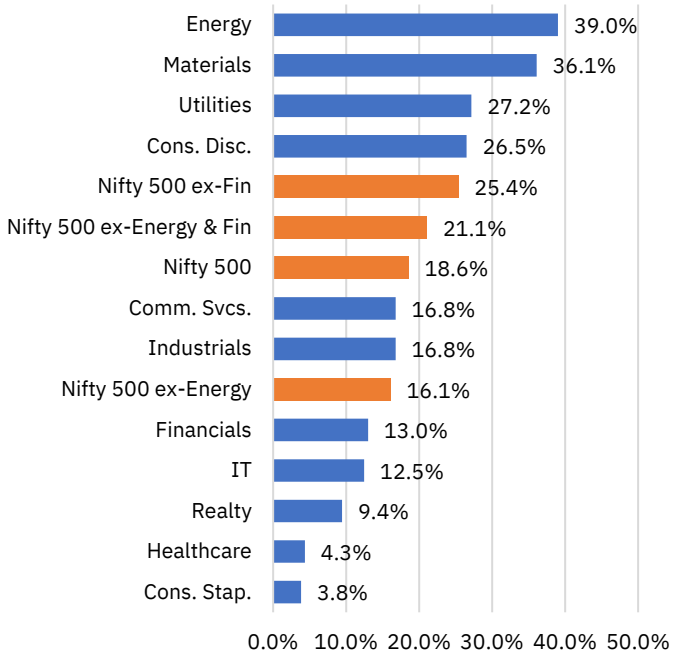
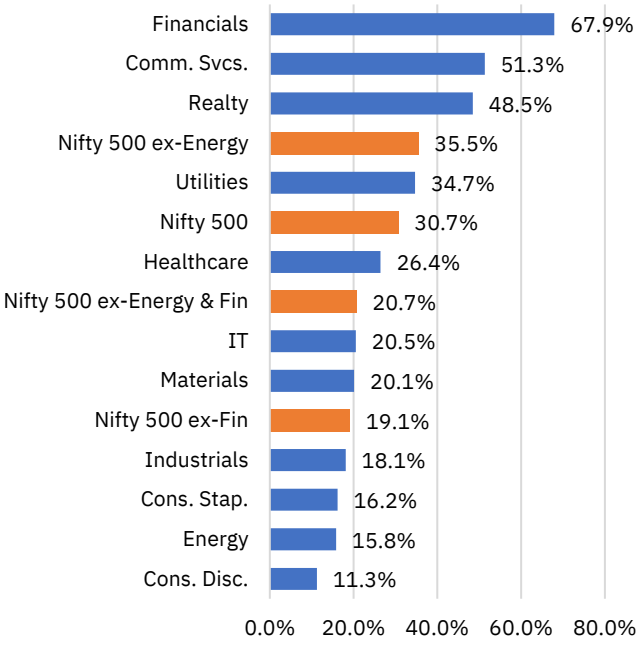


Figure 132: Sector-wise EBITDA margin of Nifty 500 companies in Q2FY27 (YoY)



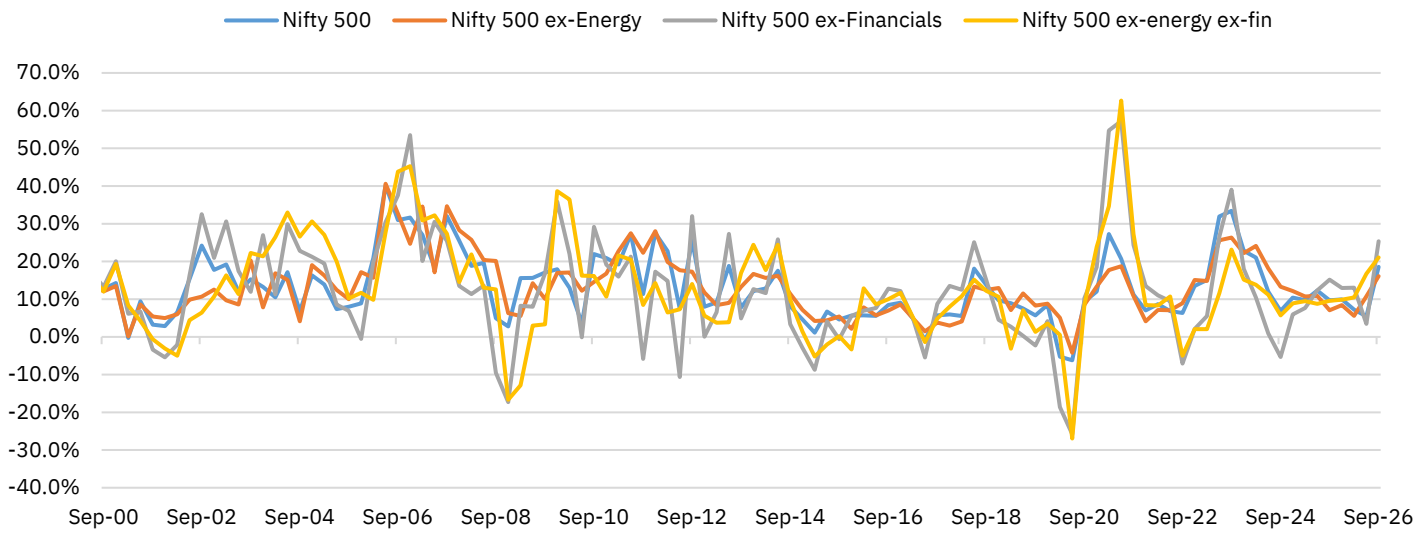
Source: CMIE Prowess, LSEG workspace, NSE EPR.
Note: 1. The above charts provide data for companies in the Nifty 500 index as on September 30th, 2026.

Table 45: Sector-wise contribution of Nifty 500 companies (ex-Financials) to EBITDA growth rate in Q2FY27

Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	52,817	0.4%	1.3%
Consumer Discretionary	64,465	-0.7%	2.4%
Consumer Staples	24,610	-0.1%	0.2%
Energy	1,88,547	16.3%	9.3%
Health Care	35,306	0.5%	0.3%
Industrials	73,139	0.8%	1.8%
Information Technology	63,346	0.2%	1.2%
Materials	1,25,238	-0.6%	5.8%
Real Estate	8,959	0.1%	0.1%
Utilities	75,689	0.6%	2.8%
Nifty 500 ex-Financials	**7,12,116**	**17.5%**	**25.4%**
Nifty 500 ex-energy ex-fin	**5,23,570**	**11.1%**	**16.0%**

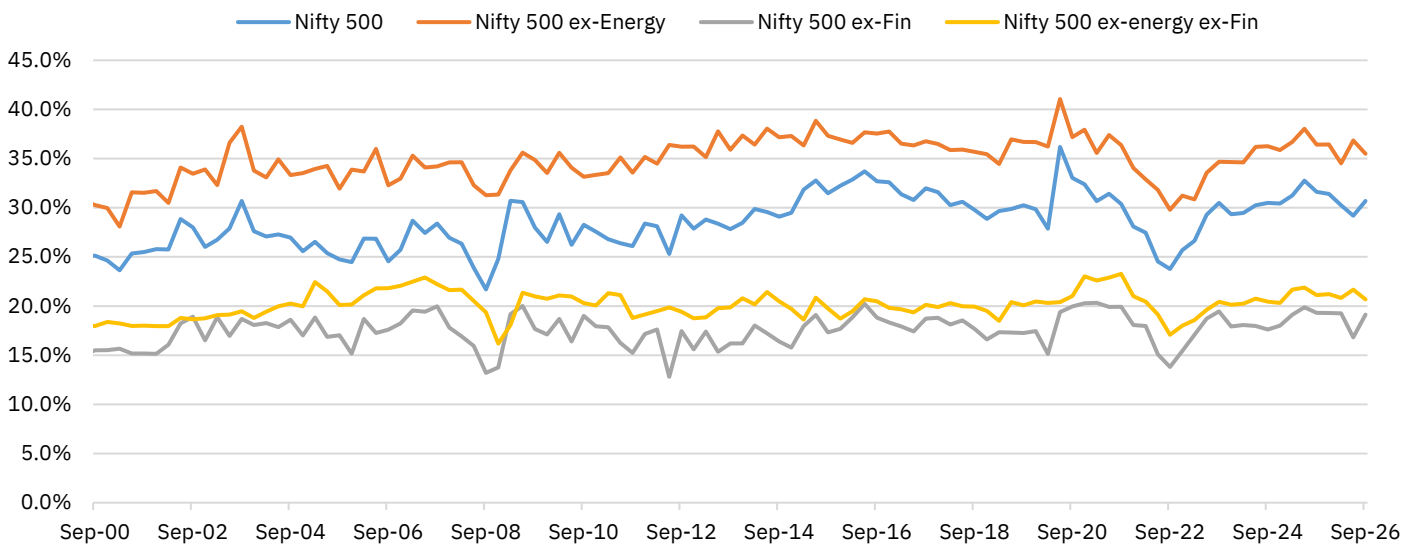
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above table provides data for companies in the Nifty 500 index as of September 30th, 2026.

Figure 133: 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 respect

Figure 134: 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.

Table 46: Sector-wise PAT growth of Nifty 500 companies in Q2FY27

Sector	QoQ growth			YoY growth		
	Sep-25	Jun-26	Sep-26	Sep-25	Jun-26	Sep-26
Communication Services	57.2	-10.7	13.3	NA	127.1	64.1
Consumer Discretionary	-30.4	-16.5	-14.1	-19.6	15.1	43.2
Consumer Staples	-5.5	-6.0	-3.9	4.1	-0.9	1.5
Energy	-14.0	-62.6	222.4	62.3	-53.3	54.6
Financials	1.9	7.5	-1.0	7.0	23.7	19.6
Health Care	17.8	-4.1	10.7	24.9	-0.4	-7.4
Industrials	-8.3	-10.6	1.0	6.4	11.1	23.3
Information Technology	5.0	-0.3	0.7	13.2	16.4	12.1
Materials	-13.3	11.4	-7.8	25.9	47.3	60.4
Real Estate	19.3	-10.2	20.1	48.6	20.6	22.6
Utilities	-8.1	2.2	13.1	-6.1	20.7	51.7
Nifty 500	**-4.1**	**-8.3**	**13.3**	**15.4**	**11.1**	**29.6**
Nifty 500 ex-Energy	**-2.1**	**1.7**	**-0.9**	**9.7**	**22.6**	**25.2**
Nifty 500 ex-Financials	**-7.7**	**-17.4**	**24.0**	**21.8**	**3.2**	**36.4**
Nifty 500 ex-energy ex-fin	**-5.4**	**-2.7**	**-0.7**	**12.3**	**21.7**	**30.2**

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 47: Sector-wise PAT margin of Nifty 500 companies in Q2FY27

Sector	PAT Margin (%)	QoQ change (bps)	YoY change (bps)
Communication Services	9.7	77	293
Consumer Discretionary	4.6	-112	40
Consumer Staples	10.1	-76	-145
Energy	8.1	562	111
Financials	17.1	-137	81
Health Care	13.8	42	-331
Industrials	7.7	-94	-16
Information Technology	12.9	-51	-80
Materials	9.5	-159	221
Real Estate	29.5	374	344
Utilities	14.9	68	243
Nifty 500	**10.9**	**80**	**53**
Nifty 500 ex-Energy	**11.8**	**-98**	**45**
Nifty 500 ex-Financials	**9.0**	**142**	**65**
Nifty 500 ex-energy ex-fin	**9.4**	**-78**	**48**

Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2026.

Figure 135: Sector-wise PAT growth of Nifty 500 companies in Q2FY27

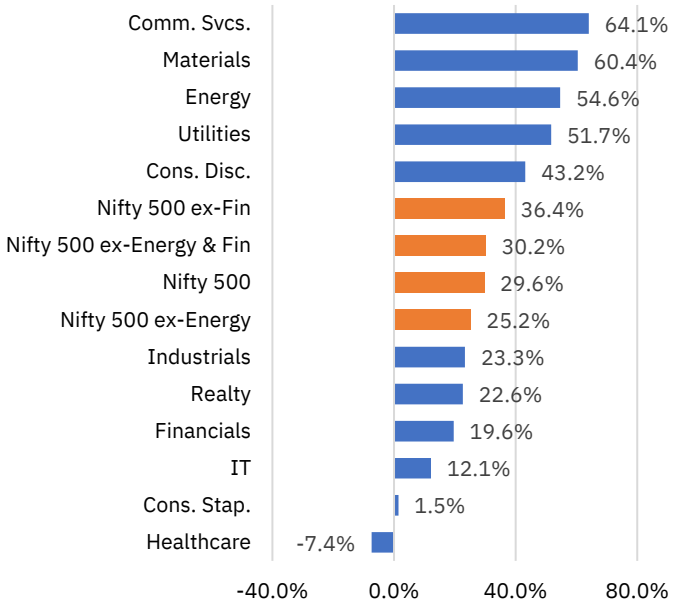
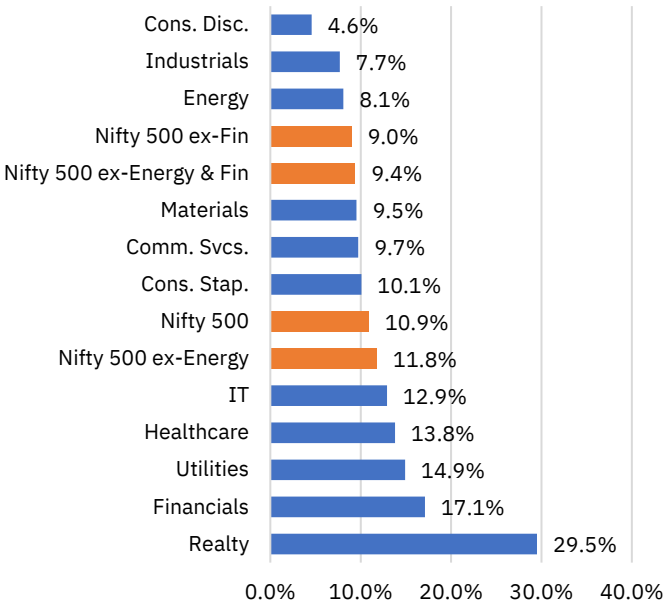


Figure 136: Sector-wise PAT margin of Nifty 500 companies in Q2FY27



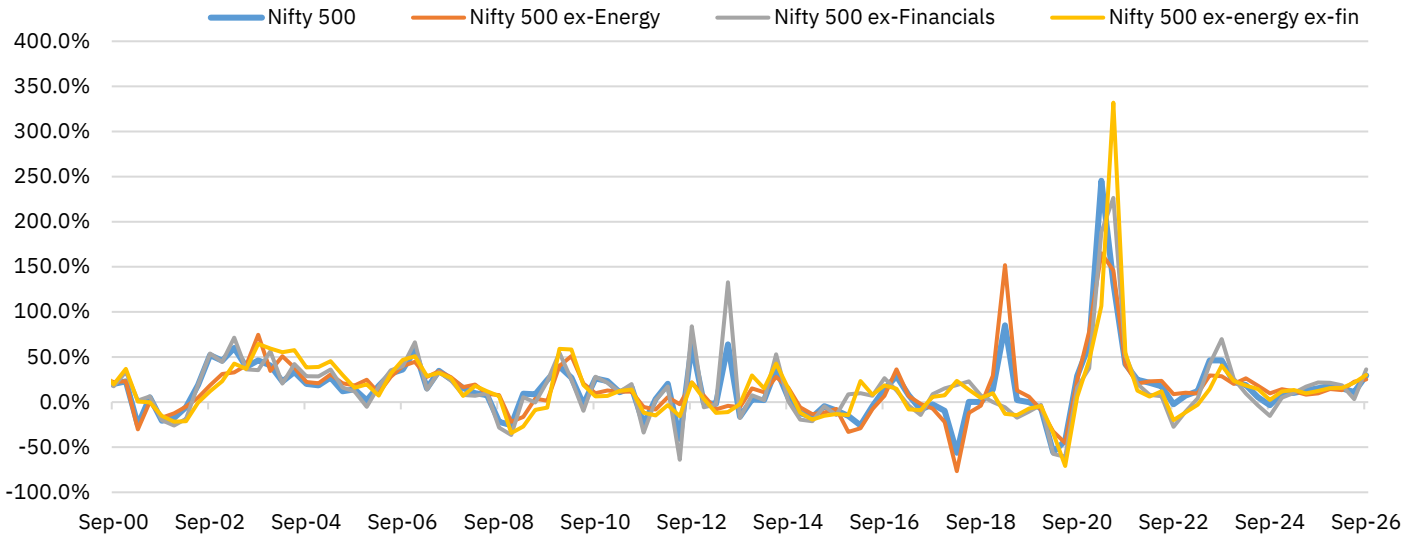
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above charts provide data for companies in the Nifty 500 index as of September 30th, 2026.

Table 48: Sector-wise contribution of Nifty 500 companies to PAT growth in Q2FY27

Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	10,011	0.2	1.0
Consumer Discretionary	26,184	-0.9	1.9
Consumer Staples	15,317	-0.1	0.1
Energy	96,209	14.1	8.3
Financials	1,97,839	-0.4	7.9
Health Care	18,417	0.4	-0.4
Industrials	30,976	0.1	1.4
Information Technology	39,813	0.1	1.0
Materials	59,330	-1.1	5.4
Real Estate	5,456	0.2	0.2
Utilities	32,548	0.8	2.7
Nifty 500	**5,32,100**	**13.3**	**29.6**
Nifty 500 ex-Energy	**4,35,891**	**-0.8**	**21.3**
Nifty 500 ex-Financials	**3,34,261**	**13.8**	**21.7**
Nifty 500 ex-energy ex-fin	**2,38,052**	**-0.4**	**13.4**

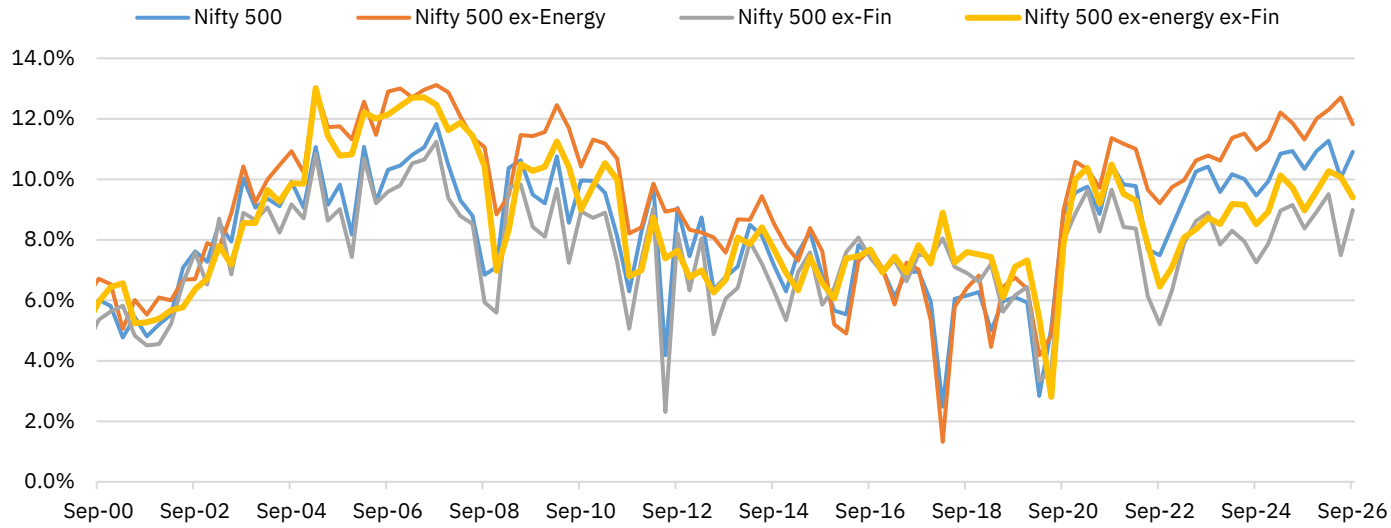
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2026.

Figure 137: Quarterly trend in Nifty 500 PAT growth (YoY)



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

Figure 138: Quarterly trend in PAT margin of Nifty 500 companies



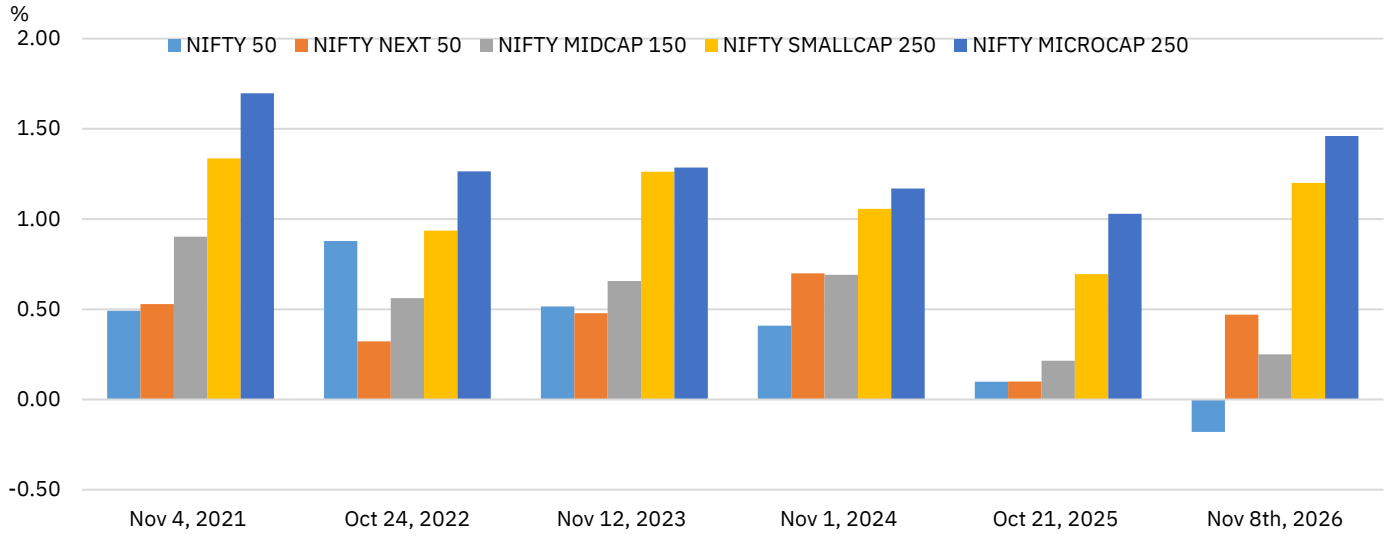
Source: CMIE Prowess, LSEG Workspace, NSE EPR
Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

2.2 Muhurat trading in perspective: Returns, market activity and investor participation

Muhurat trading, traditionally associated with King Vikramaditya, marks the beginning of a new Samvat year and symbolises prosperity and auspicious beginnings. Held annually on Diwali, the special trading session continues to attract considerable market activity despite its shortened duration. The November 8th, 2026 session witnessed a notable expansion in turnover across both the cash market (CM) and equity derivatives (FO) segments, with the latter having recorded particularly strong growth driven by index options. The session also saw positive returns across major benchmark indices, with smaller-cap stocks having outperformed their larger counterparts. While The Nifty Smallcap 250 and Nifty Microcap 250 indices gained 1.2% and 1.5% respectively, the Nifty 50 fell by 0.18%. Individual investors continued to dominate trading activity in the CM segment, remaining net buyers for the eighth consecutive year. Their participation in the equity derivatives segment also increased, highlighting their continued engagement across market segments.

- **Trading activity surged across both segments, led by index options:** Turnover during the 2026 Muhurat session rose by 18.1% from last year's Muhurat session to Rs 23,275 crore in the CM segment while it increased by ~209% in the equity options segment. It however decreased by ~4.8% in the equity futures segment. The increase in equity options premium turnover was largely driven by index options, where premium turnover surged 220% from last year's Muhurat trading day. The number of trades in the equity derivatives segment also rose sharply by 166%, with index options accounting for nearly 93% of all equity derivatives trades.
- **Individual investors remained dominant in the cash market, with rising participation in derivatives:** Individual participation in the CM segment moderated marginally to ~18.7 lakh from ~19 lakh last year, while participation in the equity derivatives segment increased from ~6 lakh to ~10 lakh. Individuals accounted for 56.3% of buy-side turnover in the CM segment and remained net buyers for the eighth consecutive year, recording net purchases of Rs ~1,022 crore during the special session.

Figure 139: Day change (%) in various indices on Muhurat trading days over years

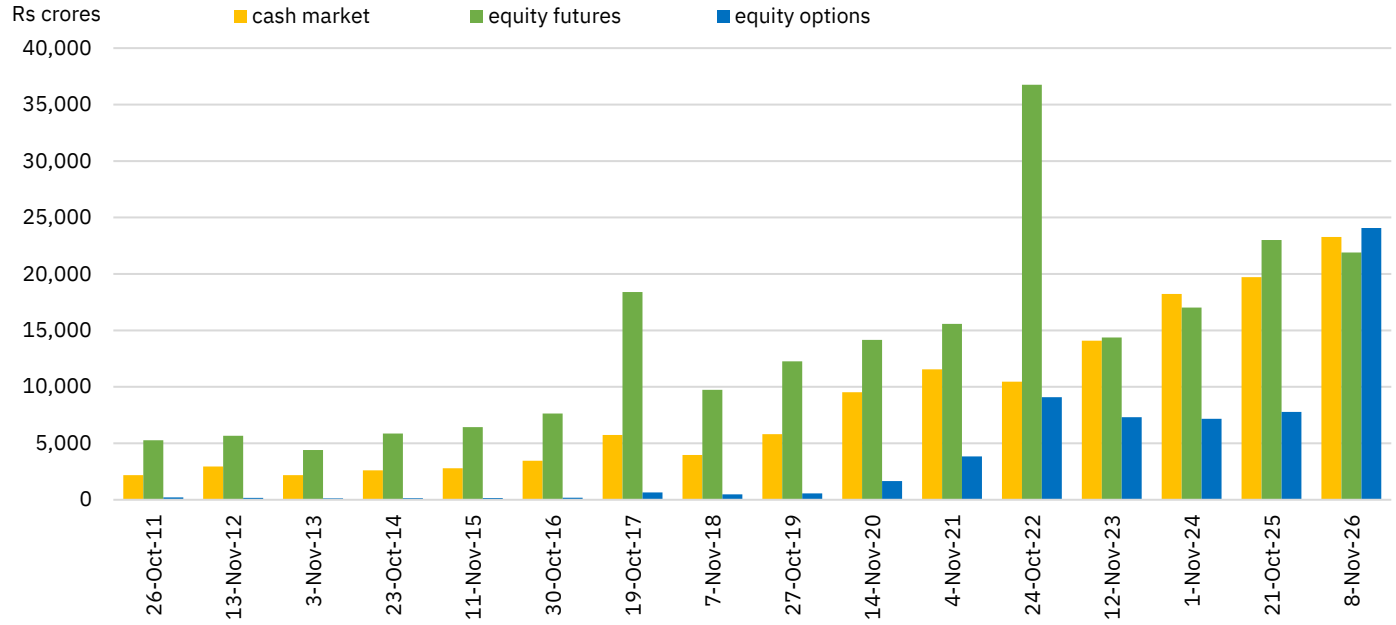


Source: NSE EPR.

Market Activity

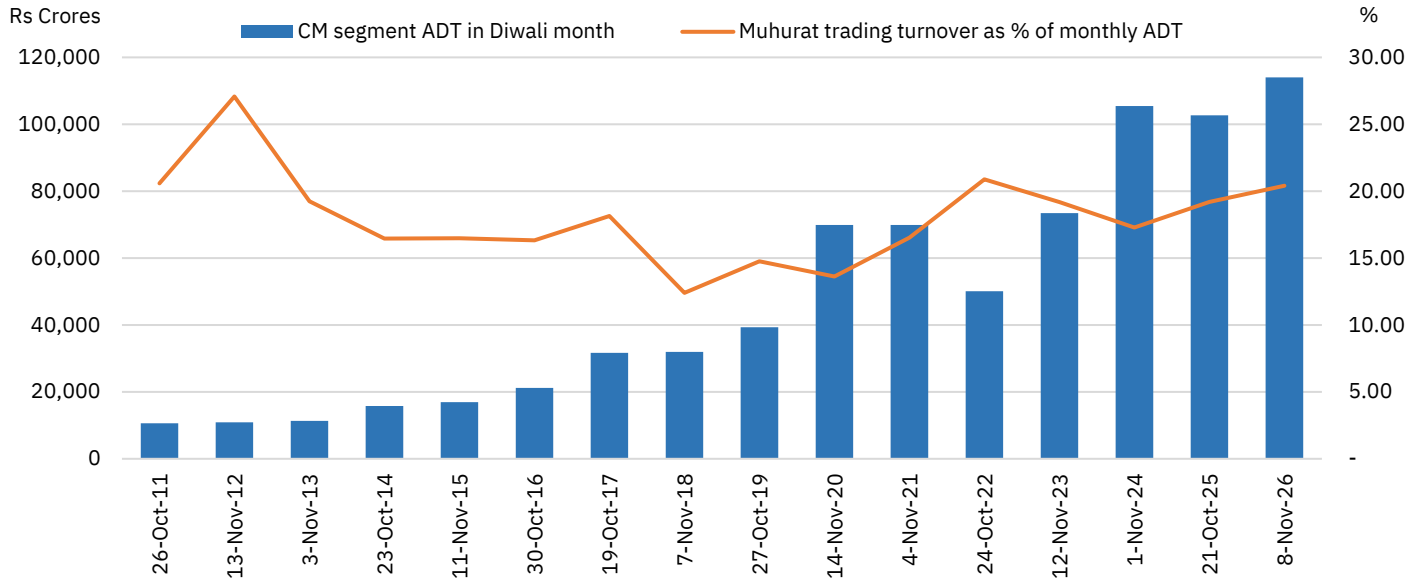
Substantial expansion in Muhurat trading day activity, particularly in the equity derivatives segment...: The overall turnover on 8th November's Muhurat trading session in the CM segment stood at Rs 23,275 crore (18% up from last year's Muhurat session) while that in the equity options and futures segment rose and fell by 209% and 4.8% respectively. While the rise was steeper in the equity derivatives segment, it has witnessed considerable fluctuations over the years. The CM segment, on the other hand, has had stable increases in the traded value since 2022. Even though the Muhurat trading session (1 hour of trading on Diwali) is just 16% of a normal trading day, its turnover in the CM segment has exceeded 16% of the average daily turnover (ADT) for the corresponding month on most Diwali days. Furthermore, in the last 24 years (since 2002), there have only been three occasions where the turnover in the CM segment during Muhurat trading was less than 16% of the ADT for that month. These trends underscore the significant volume of trading that takes place during the single hour of Muhurat trading on Diwali.

Figure 140: Trends for cash markets, equity futures and options turnover on Muhurat trading day



Source: NSE EPR.

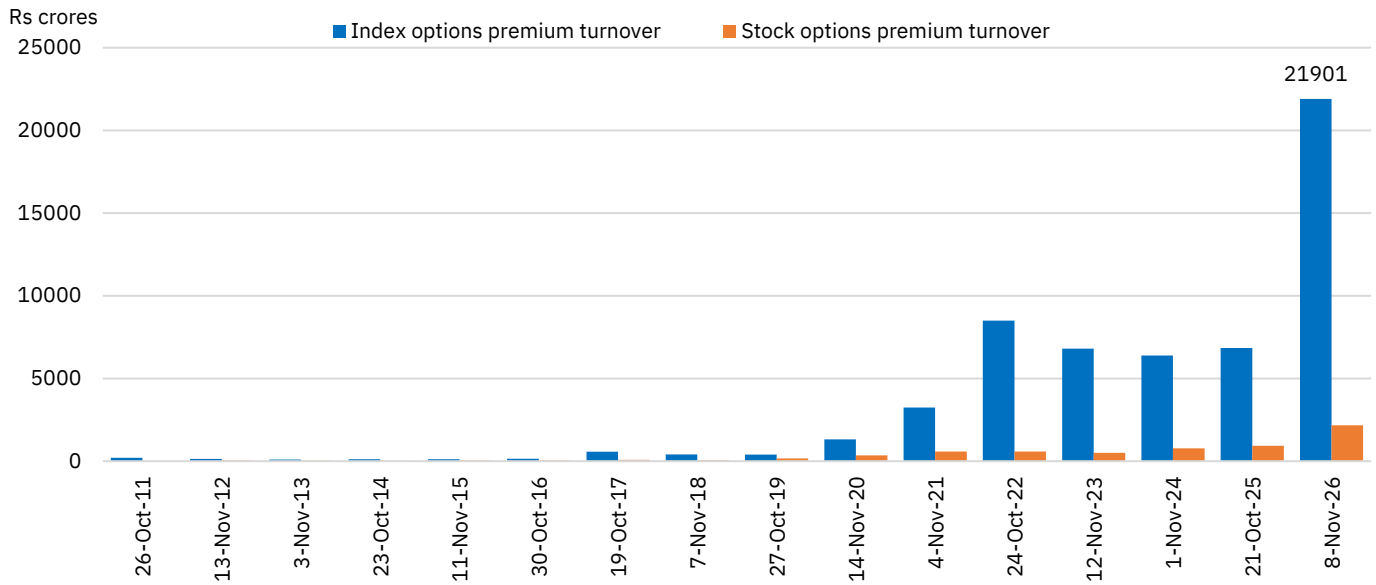
Figure 141: CM segment turnover on Muhurat trading days vis-à-vis a normal trading day



Source: NSE EPR. Note: Monthly ADT has been calculated excluding the Muhurat trading turnover. For the Nov 8th ,2026 Muhurat session, October'26 is used for the comparison above.

...led by equity options: Within equity options, premium turnover in the index options segment stood at ~Rs 21,901 crore, registering a 220% increase over the previous year's Muhurat trading session. This was equivalent to 34.6% of the segment's ADT for October. Similarly, premium turnover in stock options amounted to ~Rs 2,167 crore, reflecting a 132% increase over the previous year's session. The turnover on the Muhurat trading day for stock options was equivalent to ~30% of the segment's October ADT.

Figure 142: Turnover in equity options market on Muhurat trading days over years



Source: NSE EPR. Note: Monthly ADT has been calculated excluding the Muhurat trading turnover. For Nov 2026, only 1st-11th is considered.

Figure 143: Index options turnover on Muhurat trading days vis-à-vis a normal trading day

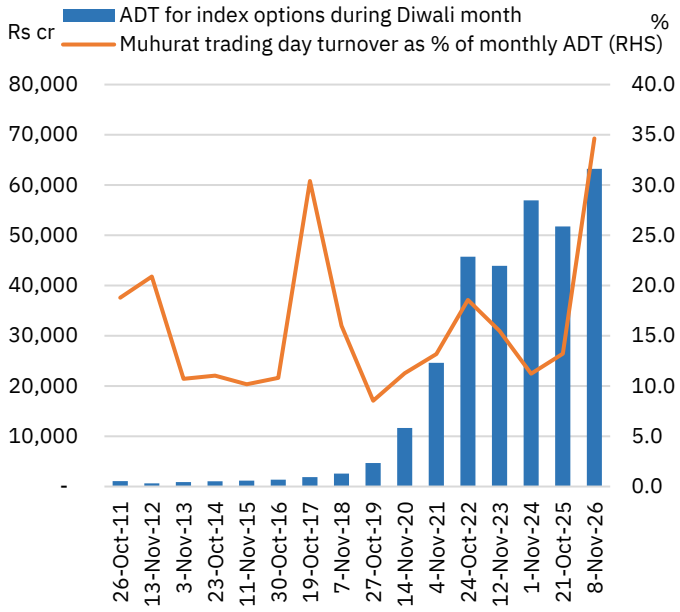
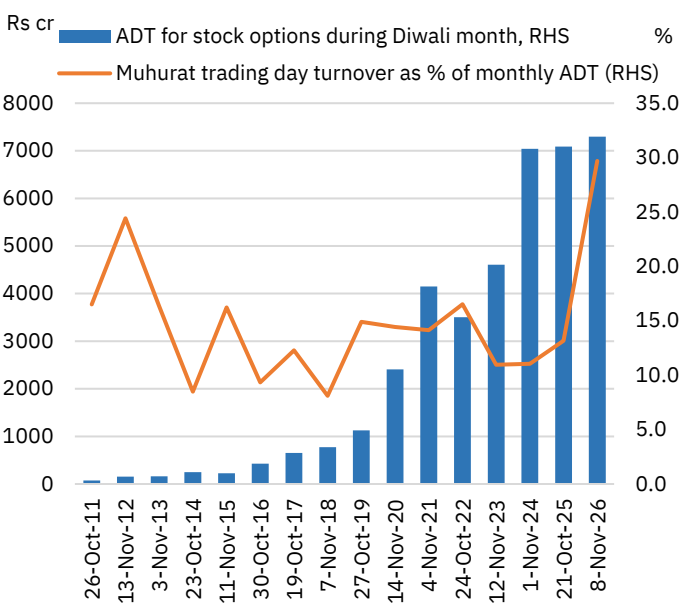


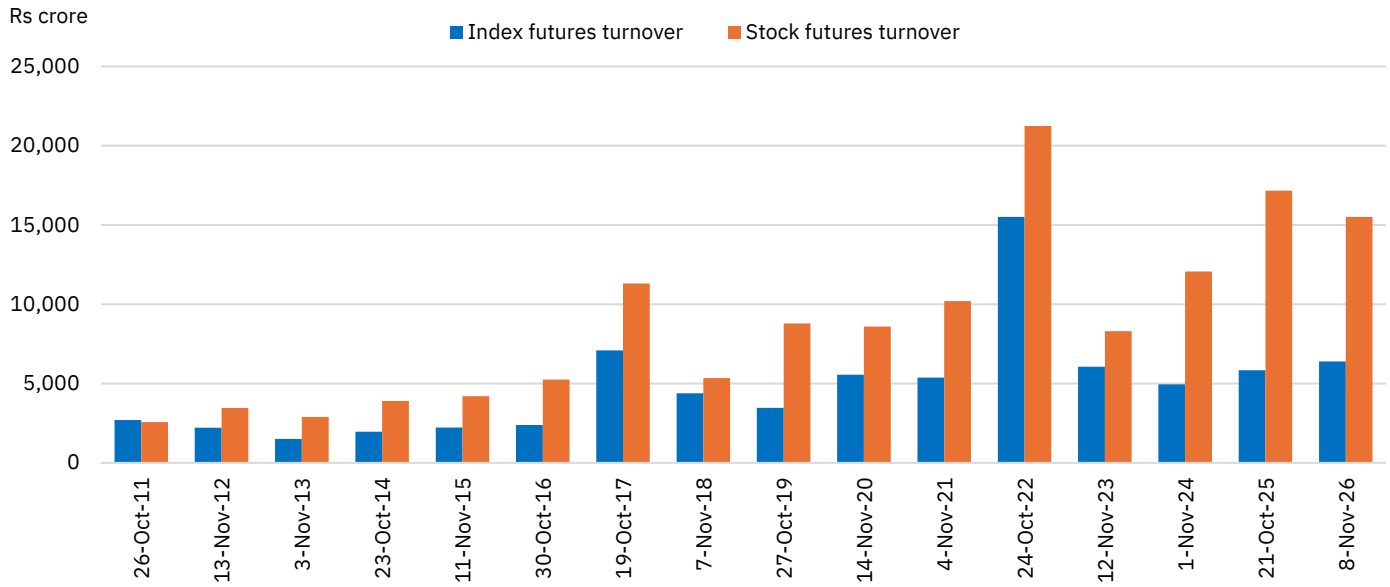
Figure 144: Stock options turnover on Muhurat trading days vis-à-vis a normal trading day



Source: NSE EPR. Monthly ADT has been calculated excluding the Muhurat trading turnover. For the Nov 8th,2026 Muhurat session, October'26 is used for comparison.

Contrasting trends in index and stock futures turnover: In contrast, turnover in the stock futures segment declined by 9.6% to Rs 15,511 crore during the Muhurat trading session, equivalent to ~14% of the segment's October ADT. Notably, the monthly ADT in stock futures also contracted by ~18% from the corresponding Muhurat trading day last year. Conversely, the index futures segment recorded a 10% increase in Muhurat trading turnover to ~Rs 6,392 crore, accounting for around ~34% of ADT during Oct'26.

Figure 145: Turnover in equity futures market on Muhurat trading days over years



Source: NSE EPR.

Figure 146: Index futures turnover on Muhurat trading days vis-à-vis a normal trading day

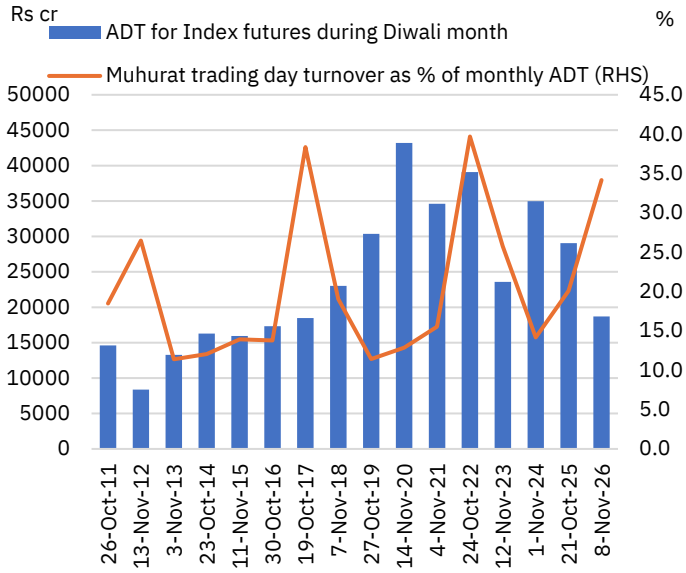
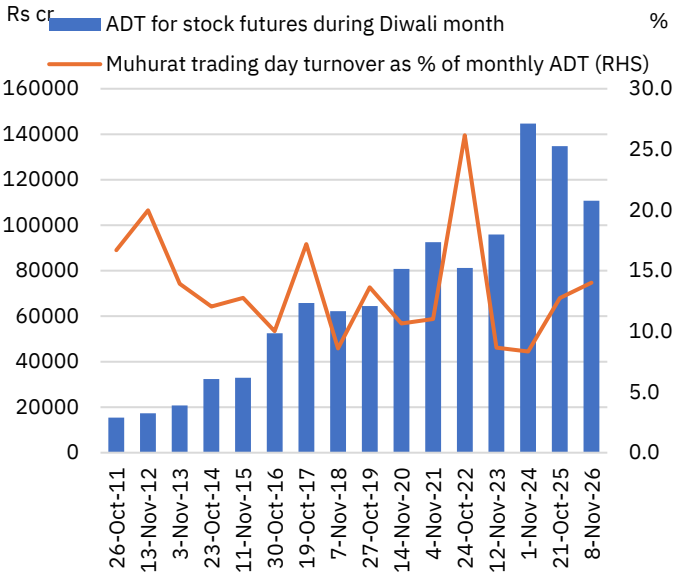


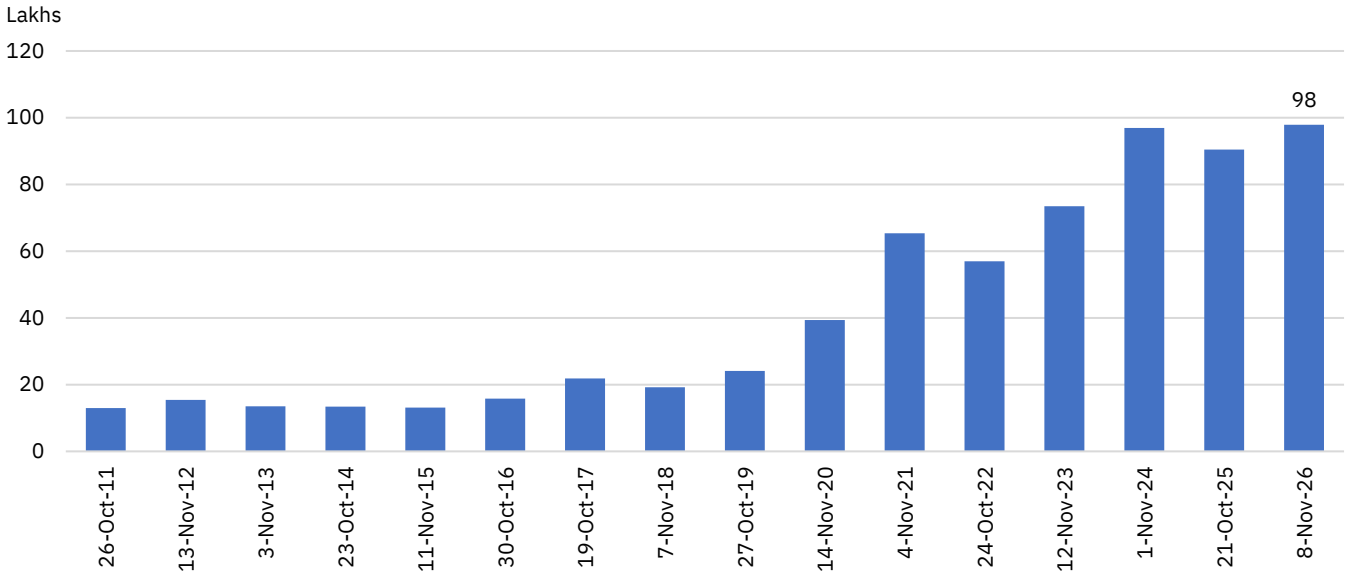
Figure 147: Stock futures turnover on Muhurat trading days vis-à-vis a normal trading day



Source: NSE EPR. Monthly ADT has been calculated excluding the Muhurat trading turnover. For the Nov 8th,2026 Muhurat session, October'26 is used for comparison.

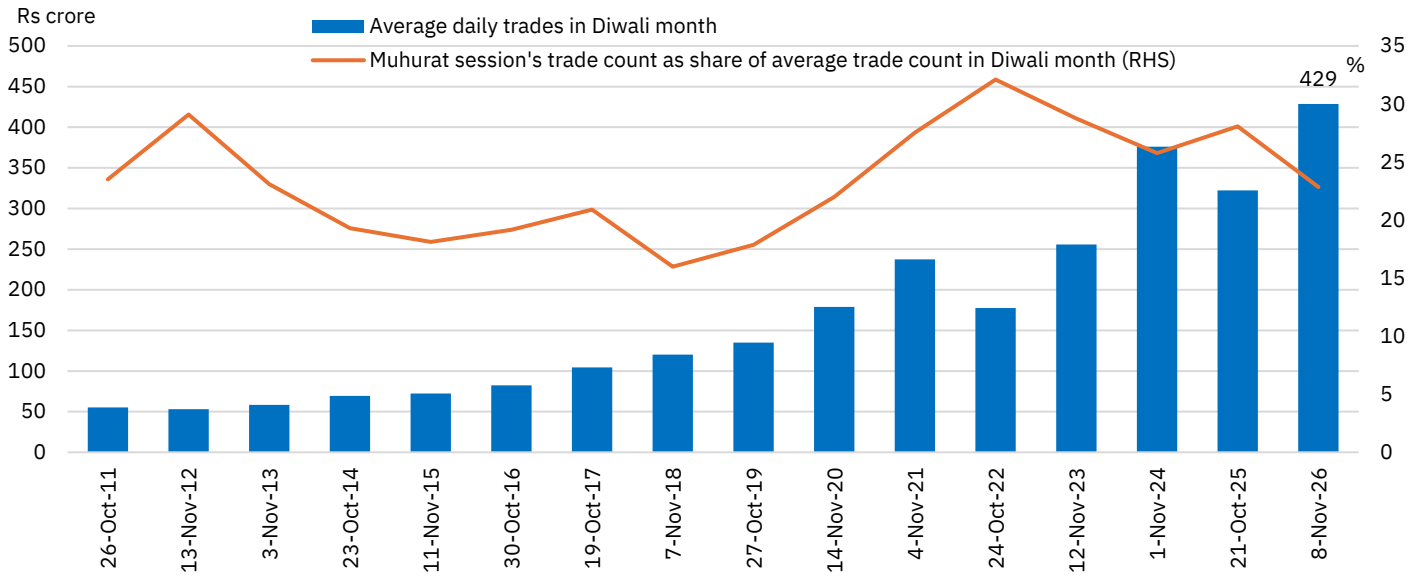
Number of trades in the CM segment over 16% of average daily trades across all Muhurat trading days: This year, the Muhurat trading session saw a total of ~98 lakh trades, marking an 8.2% increase from last year. With October 2026's average daily trades standing at 429 lakhs, the number of Muhurat trades accounted for 23% of the average daily trade count in the month. The number of trades in the CM segment on the Muhurat trading day has always remained more than 16% of the average daily trades in the corresponding Diwali month. In fact, over the past seven years, the number of trades on the Muhurat trading day has consistently surpassed 20% of the month's daily average. Average trade size (ATS) on this year's Muhurat trading day, on the other hand, remained lower than the ATS in the month of October 2026, amounting to Rs 23,770.

Figure 148: Number of trades in NSE's CM segment on Muhurat trading over the years



Source: NSE EPR.

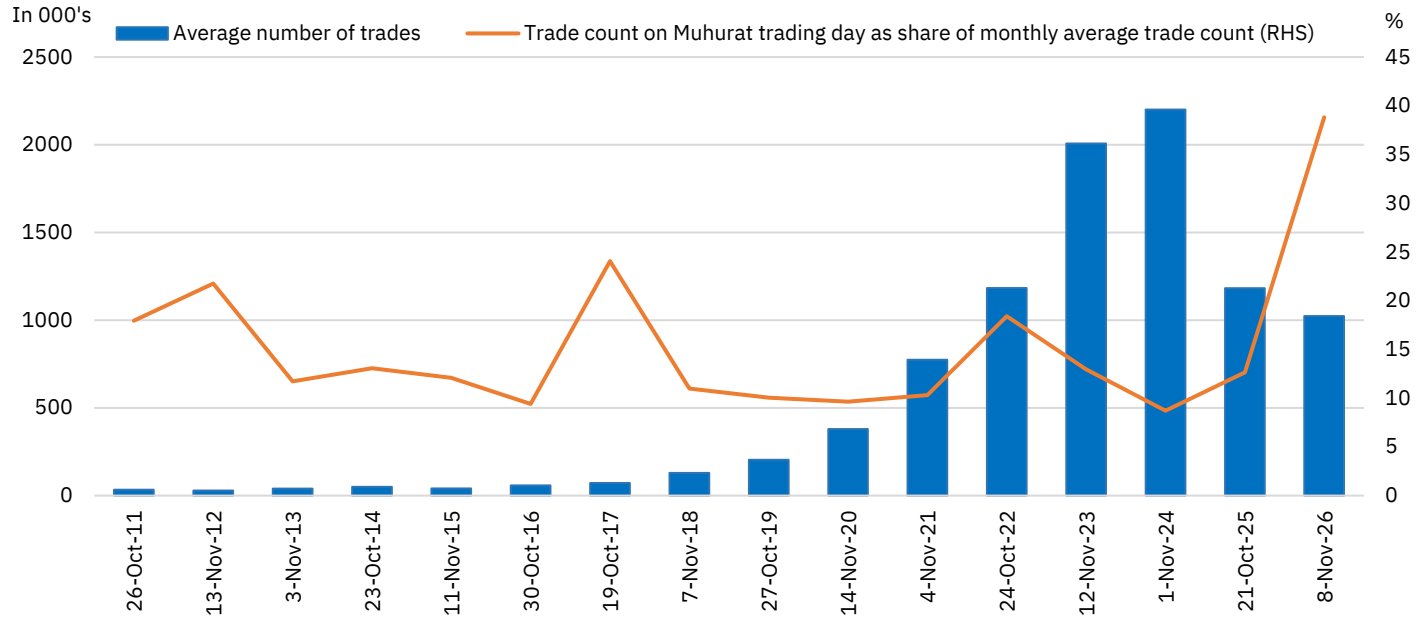
Figure 149: Number of trades on Muhurat trading day in CM segment vis-à-vis a normal trading day



Source: NSE EPR. Note: For the Nov 8th,2026 Muhurat session, October'26 is used for the above comparison.

Number of trades in the FO segment has significantly risen, attributable to index options: The number of trades on this year's Muhurat trading day in the FO segment stood approximately at 4 crores (up 165.8% from the Muhurat trading period last year). Most of the increase could be attributed to the number of trades increasing steeply in the index options segment, which stood at approximately 3.7 crores, accounting for 92.7% of the total Muhurat day trades. In fact, index options have constituted more than 80% of the trade count on Muhurat trading days since 2020.

Figure 150: Number of trades on Muhurat trading day in FO segment vis-à-vis a normal trading day

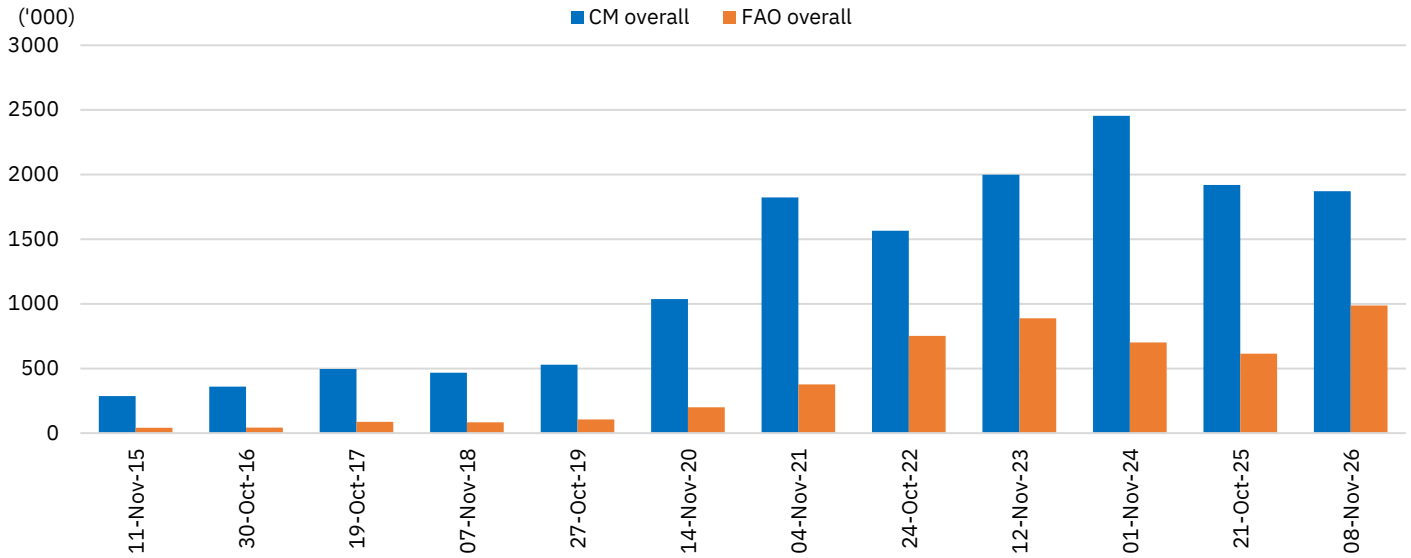


Source: NSE EPR. The average trade count for Nov'26 is calculated for 1st – 7th Nov 2026.

Participation

Individual investor participation increased in the FO segment but declined in the CM segment during Muhurat trading: The Muhurat trading session witnessed 18.7 lakh individual investors participating in the CM segment, marginally lower than 19 lakh recorded in the previous year. In contrast, participation in the FO segment increased significantly to 9.9 lakh individuals from 6 lakh last year. Since 2019, the number of individual investors trading during the Muhurat session in the CM segment has generally accounted for 17–20% of the active investors during the respective Diwali month. In comparison, participation in the FO segment has been more variable, ranging between 16% and 29%.

Figure 151: Individual investor participation on Muhurat trading over years



Source: NSE EPR.

Table 49: Trends for individual investors participation (in lakhs)

Muhurat *trading date*	Muhurat trading day		October 2026		% share	
	CM segment	FO segment	CM segment	*FO segment*	CM segment	FO segment
27-Oct-19	5.3	1.1	29.6	5.8	17.9	18.1
14-Nov-20	10.4	2.0	54.8	10.8	18.9	18.5
04-Nov-21	18.2	3.8	102.9	21.2	17.7	17.8
24-Oct-22	15.7	7.5	78.3	27.5	20.0	27.4
12-Nov-23	20.0	8.9	107.0	37.6	18.7	23.6
01-Nov-24	24.5	7.0	134.7	42.0	18.2	16.7
21-Oct-25	19.2	6.1	135.7	33.8	14.1	18.2
08-Nov-26	18.7	9.9	142.6	35.5	13.1	27.9

Source: NSE EPR. For the Nov'26 session, individual participation in Oct'26 is used for comparison.

3 Macroeconomy

Resilient growth, shifting risks and policy pressures

The global macroeconomic landscape witnessed a notable shift in November, with concerns over the sustainability of AI-led investment and elevated valuations triggering renewed risk aversion, even as economic activity remained relatively resilient. The latest GDP releases indicated continued growth momentum, with the US economy expanding by 3.4% annualised in Q3 2026, while the global composite PMI moderated to 53.2 in October from 54.3 in September, remaining firmly in expansionary territory. Meanwhile, energy markets offered some respite, with Brent crude retreating to US$92/bbl by November 18th, from a peak of ~US$120/bbl in October. Nevertheless, inflationary pressures remained elevated, prompting further monetary tightening, with the BoE and RBA raising policy rates by 25bps each in November, while the minutes of the Fed's October meeting indicated that policymakers remained open to further rate increases. Against this backdrop, growing concerns over the scale of AI-related capital commitments, rising financing requirements and uncertain returns triggered a broad sell-off in global equities, even as safe-haven demand supported sovereign bonds. While AI-related investment continues to underpin global growth, the recent market correction has brought the sustainability of this investment cycle into sharper focus, adding to existing concerns over restrictive monetary conditions, elevated fiscal vulnerabilities and persistent geopolitical uncertainty.

India's economy continued to demonstrate resilience, with high-frequency indicators suggesting sustained consumption and investment momentum. While industrial production moderated to 6.7% YoY in September, core-sector growth strengthened, manufacturing and services PMIs remained expansionary, and festive demand supported robust bank credit growth of 19.6% YoY in October. The external position remained relatively comfortable as strong capital inflows (NRI deposits supported by the RBI's FCNR(B) swap facility) and comfortable reserve buffers (US$719.5bn as of November 6th) continue to support external stability, although the widening CAD, sustained portfolio outflows and global financial uncertainties remain key risks. On the domestic front, inflation has emerged as a key concern, with headline CPI rising to 6.1% YoY in October, breaching the RBI's upper tolerance limit, while wholesale inflation accelerated to 12.3%, reflecting broadening price pressures. Below-average reservoir levels and subdued rabi sowing have compounded concerns over agricultural output and food inflation. Against this backdrop, the upcoming MPC meeting on 4th December assumes greater significance, following the RBI's 25bps rate hike in October. With growth holding up well, the RBI has greater room to prioritise inflation control, although the extent of further tightening will depend on evolving price pressures, agricultural supply conditions and liquidity management.

- **Industrial HFIs exhibited mixed trends but remained healthy in September:** India's IIP growth eased to a four-month low of 6.7% YoY in September from 7.8% in August, reflecting broad-based moderation across sectors and most use-based categories. Mining contraction deepened to a series-low (6.2%), while manufacturing (7.6%) and electricity & gas (11.2%) growth moderated but remained healthy, with H1FY27 growth at 7.5% and 9.7%, respectively. Capital and intermediate goods registered double-digit H1 growth of 15.1% and 10.8%, signalling sustained investment momentum. Within manufacturing, 17 of 23 industries expanded, including eight at double-digit rates. In contrast, core-sector growth rose to a series-high 7.9%, supported by double-digit expansion in electricity, coal, refinery products and iron ore, alongside favourable base effects, despite contractions in natural gas, crude oil and fertilisers amid subdued monsoon-linked demand. October manufacturing PMI eased to 54.7, while services PMI improved to 55.8.
- **Headline inflation breaches RBI's upper tolerance limit in October**: Headline CPI inflation accelerated to 6.1% YoY in October from 5.5% in September, breaching the RBI's upper tolerance limit of 6% for the first time in two years. The

acceleration was primarily driven by a surge in food prices (8.5% YoY), alongside higher inflation in transport (5.8%) and clothing and footwear (5.0%). Higher food prices, coupled with unfavourable base effects due to the impact of GST rationalisation in the previous fiscal, contributed to the current inflation print. Within the food basket, price pressures remained concentrated in vegetables and pulses (10.9%), fruits and nuts (11.9%), sugar (in double-digits for past 3 months) and cereals (5.9%). Meanwhile, core and super-core inflation stood at 4.5% and 3.7%, respectively, while close to 50% of CPI items recorded inflation above 4% (vs. 18% in Jan'26) and 27% above 6% (vs. 11% in Jan'26), indicating a broadening of price pressures.

- **WPI and output PPI surged driven by broad-based price pressures:** India's wholesale inflation rose to 12.3% YoY in October 2026, the highest in the new series and up from 11.4% in September. Along with an unfavourable base effect, all major heads (food, fuel and manufactured products) have contributed to the elevated inflation print. Food inflation (8.6% YoY) remained sticky while rising crude oil prices contributed to the fuel inflation (32.8% YoY). Inflation in manufactured products also remained at 9.5% YoY, with seven of 22 manufacturing industries recording double-digit inflation. Similar trends were observed in output PPI as well which remained elevated at 12.1% YoY, with manufacturing inflation rising to 12.9% YoY and mining & quarrying to 22.3% YoY.

- **Reservoir storage remains below average amid weak rabi sowing:** Reservoir storage remained well below historical levels, with current live storage at 63.3% of live capacity at full reservoir level (FRL) as of November 12th, 2026, significantly lower than 90.6% recorded in the corresponding period last year and the 10-year average of around 79%. Storage levels were lower than their year-ago levels across all regions, with pronounced regional disparities. The southern and northern regions recorded relatively low storage levels at 40% and 55%, respectively, both below the all-India average. In contrast, the central and eastern regions recorded relatively higher storage levels of 80% and 75%, respectively, although these too remained below their year-ago levels of 92% and 82%. Meanwhile, rabi sowing remained subdued, with 27.6% of the normal area sown as of November 13th, 2026 (vs. 31.5% in the same period last year), reflecting an 11.3% decline in acreage. Among major crops, barley recorded the sharpest contraction in sown area at 43.2% YoY, followed by wheat (-15.3%) and pulses (-14.3%). Below-normal reservoir storage and slower rabi sowing, raises concerns over irrigation availability and agricultural production prospects.

- **Merchandise trade deficit widened in October despite robust export growth:** India's merchandise exports surged 45.1% YoY, the fastest pace in over five years, to a record US$49.5 bn in October'26, supported by resilient external demand, favourable base effects and higher crude oil prices. Growth was broad-based, led by petroleum products (+140.2% YoY), electronics (+62.7% YoY) and engineering goods (+36.0% YoY), with the latter two reaching record highs of US$6.6 bn and US$12.7 bn, respectively. However, record imports of US$89.4 bn widened the merchandise trade deficit sequentially to a one-year high of US$39.9 bn. The oil deficit rose 25.7% YoY to a four-month high of US$13.9 bn, while the non-oil, non-gold deficit reached US$23.6 bn, indicating sustained underlying import demand. During FY27TD (Apr-Oct), exports grew ~22% YoY, outpacing import growth (16.4% YoY) and limiting the increase in the trade deficit to 9.4% (US$218.2bn),

Meanwhile, the monthly net services surplus expanded to a seven-month high of US$19.8 bn in October, even as cumulative growth during FY27TD moderated to 7.4% YoY compared with a year ago.

- **Festive demand drives strong credit growth in October:** Bank credit growth remained steady at 19.6% YoY in October 2026 as festive-borrowing gathered momentum. Bank deposit also grew at 16.9%YoY, but at a slightly softer pace that previous month, widening the credit-deposit growth gap to 2.7 percentage points and keeping the credit-deposit ratio elevated at around 82%. Sectoral credit deployment data for September indicate broad-based expansion, led by the services sector (28.3% YoY), particularly lending to NBFCs (41.8%), followed by industrial credit (19.5%) and personal loans (17.3%). Within industry, credit growth was supported by medium enterprises (33.2%) and micro and small enterprises (24.4%). NBFC credit to retail loans grew by 21.9% YoY in September largely led by consumer durables and loans against jewellery. Credit to agriculture and services also picked up by 17%YoY.

- **Fiscal deficit widened in H1FY27 as expenditure growth outpaced revenues:** The Centre's fiscal deficit widened to Rs 7.1 lakh crore (42.1% of FY27BE) in H1FY27 from Rs 5.7 lakh crore (36.5%) last year, marking the highest H1 realisation in three years. This reflected faster expenditure growth relative to gross tax (+6.1% YoY) and non-tax revenues (+3.1%). Despite muted revenue growth, tax realisation remained broadly comparable to last year, supported by higher corporation tax collections (+21% YoY; 45.9% of BE) and reflected buoyant corporate earnings. However, income tax realisation was weaker at 43% of FY27BE, while excise duty collections contracted 22.3% following excise duty cuts in March'26. On the expenditure front, revenue spending rose 10.0% YoY, driven partly by higher interest payments and subsidies. Nearly 70% of the budgeted allocation towards fertiliser subsidies has been utilised owing to WA supply disruptions and elevated global prices. Meanwhile, capital expenditure remained resilient, growing 12.7% YoY, with 53.6% of the annual allocation utilised, broadly in line with last year. Sustained expenditure pressures warrant monitoring to meet the FY27 fiscal deficit target of 4.3% of GDP.

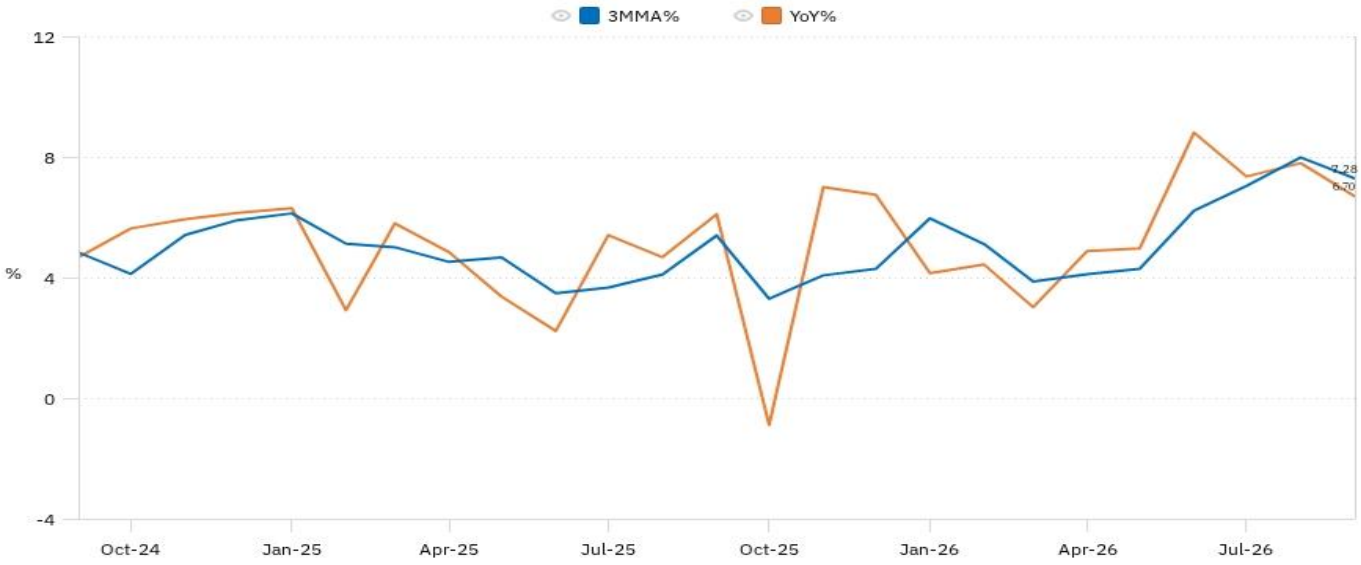
Table 50: High frequency indicators

Indicators		May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Consumption							
Auto volumes - passenger (domestic)	YoY%	28.8	15.7	37.6	23.8	19.6	11.8
2W volumes (domestic)	YoY%	14.8	18.6	22.6	10.5	13.5	16.1
Tractor volumes	YoY%	19.6	11.9	20.5	7.7	-18.1	-16.4
Vehicle registrations	YoY%	11.3	23.8	27.7	19.3	33.4	-23.7
Personal loans	YoY%	15.4	15.8	16.2	16.9	17.3	
IIP-Consumer durables	YoY%	8.0	10.3	12.0	10.5	6.0	
IIP-Consumer non-durables	YoY%	-0.4	5.6	-0.8	-1.1	1.4	
Petrol Consumption	YoY%	3.4	7.5	9.2	8.2	8.0	3.5
Diesel Consumption	YoY%	1.6	6.1	10.0	6.8	5.6	12.0
GST collections	Rs lakh crore	1.9	1.9	2.1	2.0	2.0	2.3
MGNREGA Work Demand	YoY%	-27.6	-17.4	-38.1	9.0	36.1	82.3
CPI	YoY%	3.9	4.4	4.5	4.8	5.5	6.1
WPI	YoY%	9.9	10.0	9.8	9.9	11.4	12.3
Investment							
IIP-Capital goods	YoY%	15.5	17.9	19.0	15.9	10.4	
Central government capex	YoY%	-0.6	66.0	53.7	-29.9	-3.1	
IIP- Infra/ construction goods	YoY%	6.6	8.8	8.0	8.0	7.2	
External sector							
Merchandise exports	YoY%	16.9	14.3	19.7	25.8	23.0	45.1
Merchandise imports	YoY%	20.6	30.9	17.4	14.6	8.0	16.5
Non-POL, Non-gold and silver imports	YoY%	9.9	29.5	19.5	19.1	21.9	32.9
Services (net)	YoY%	-1.5	9.1	7.3	6.0	2.0	13.5
Foreign exchange reserves	US$ bn	682.3	666.9	692.9	740.8	747.6	717.1
Business activity							
IIP	YoY%	5.0	8.8	7.4	7.8	6.7	
IIP-Manufacturing	YoY%	5.2	9.5	8.2	8.6	7.6	
Core sector: Coal	YoY%	-9.5	1.4	7.6	-3.8	10.7	23.1
Core sector: Steel	YoY%	5.1	5.6	1.9	3.5	5.6	7.3
Core sector: Cement	YoY%	8.4	9.9	12.7	11.7	10.1	15.4
Core sector: Electricity	YoY%	11.2	11.4	8.4	13.2	12.6	21.7
Manufacturing PMI	Index	55.0	54.2	53.5	52.8	55.1	54.7
Domestic cargo traffic	YoY%	10.7	9.4	4.2	3.5	1.1	
International cargo traffic	YoY%	10.4	19.4	14.9	15.5	19.0	
Port cargo	YoY%	3.9	3.7	6.4	6.9	6.3	18.7
E-way bills	YoY%	11.5	14.5	6.0	7.7	7.2	23.1
Services/ banking							
Services PMI	Index	59.8	57.4	53.3	54.1	55.2	55.8
Domestic passengers traffic	YoY%	7.7	-1.2	-4.7	-6.0	-6.3	
International passengers traffic	YoY%	-9.1	-4.6	-4.6	-4.0	-4.2	
Bank deposit	YoY%	12.2	13.3	15.4	17.6	19.4	16.9
Bank credit	YoY%	17.7	18.6	19.3	20.1	21.6	19.6
Banking system liquidity (Net injection(+)/absorption(-))	Rs lakh crore	-1.4	-1.8	-2.3	-4.2	-4.0	-1.7

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 October 2026 corresponds to RBI WSS.

3.1 Industrial activity displayed mixed trends in September

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



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

Table 51: Sub-component wise YoY growth in the last 12 months

Smallest Value — Largest Value

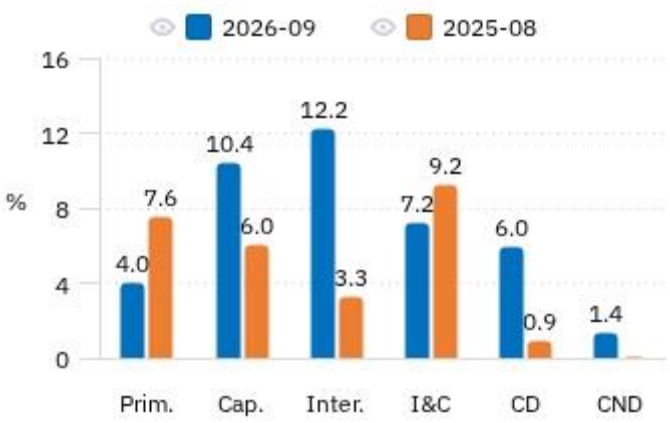
	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
IIP	6.1	-0.9	7.0	6.7	4.1	4.4	3.0	4.9	5.0	8.8	7.4	7.8	6.7
Mining & quarrying	15.7	2.8	3.3	0.8	-0.5	-2.4	-2.6	-3.8	-1.4	1.6	-0.9	-4.6	-6.2
Manufacturing	5.5	-0.7	8.8	7.7	4.6	5.7	4.0	6.1	5.2	9.5	8.2	8.6	7.6
Electricity & Gas Supply	3.3	-7.0	-1.6	5.9	5.6	1.9	1.2	4.6	10.3	11.3	8.7	12.3	11.2
Water Supply+	6.2	6.0	4.3	4.4	5.1	5.6	6.4	6.6	5.5	6.1	7.4	6.3	5.8
Primary Goods	6.6	0.4	1.1	2.4	1.9	0.0	0.2	0.8	2.7	5.4	4.2	4.2	4.0
Capital Goods	13.2	5.4	16.6	12.9	12.4	16.5	8.5	12.0	15.5	17.9	19.0	15.9	10.4
Intermediate Goods	6.4	1.2	8.2	7.7	5.6	4.7	6.0	10.3	5.8	11.5	10.4	14.2	12.2
Infrastructure & Construction ...	9.8	5.1	12.0	12.3	12.9	10.1	5.2	6.0	6.6	8.8	8.0	8.0	7.2
Consumer Durables Goods	4.6	-6.0	13.0	7.4	-0.2	4.2	2.4	5.6	8.0	10.3	12.0	10.5	6.0
Consumer Non Durables Goods	-0.5	-9.4	3.9	5.9	-1.2	1.6	-0.6	0.2	-0.4	5.6	-0.8	-1.1	1.4

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

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

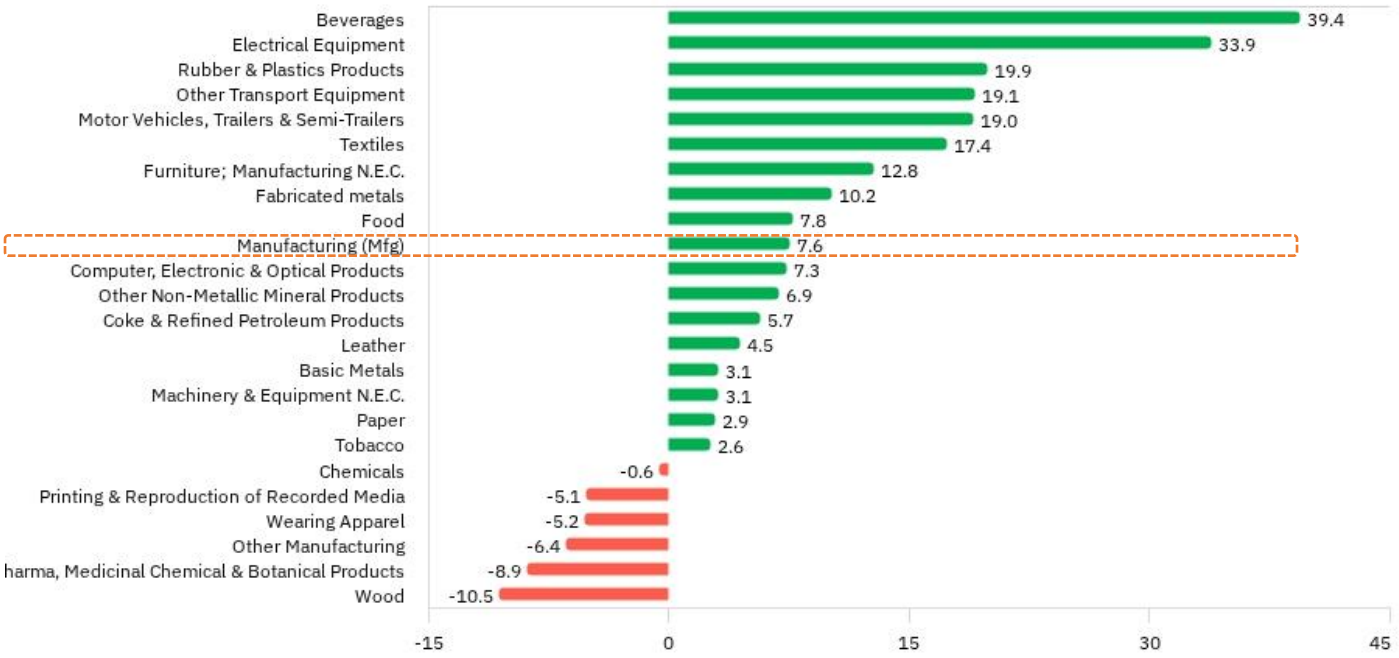


Figure 154: Trends in YoY growth for use-based classification



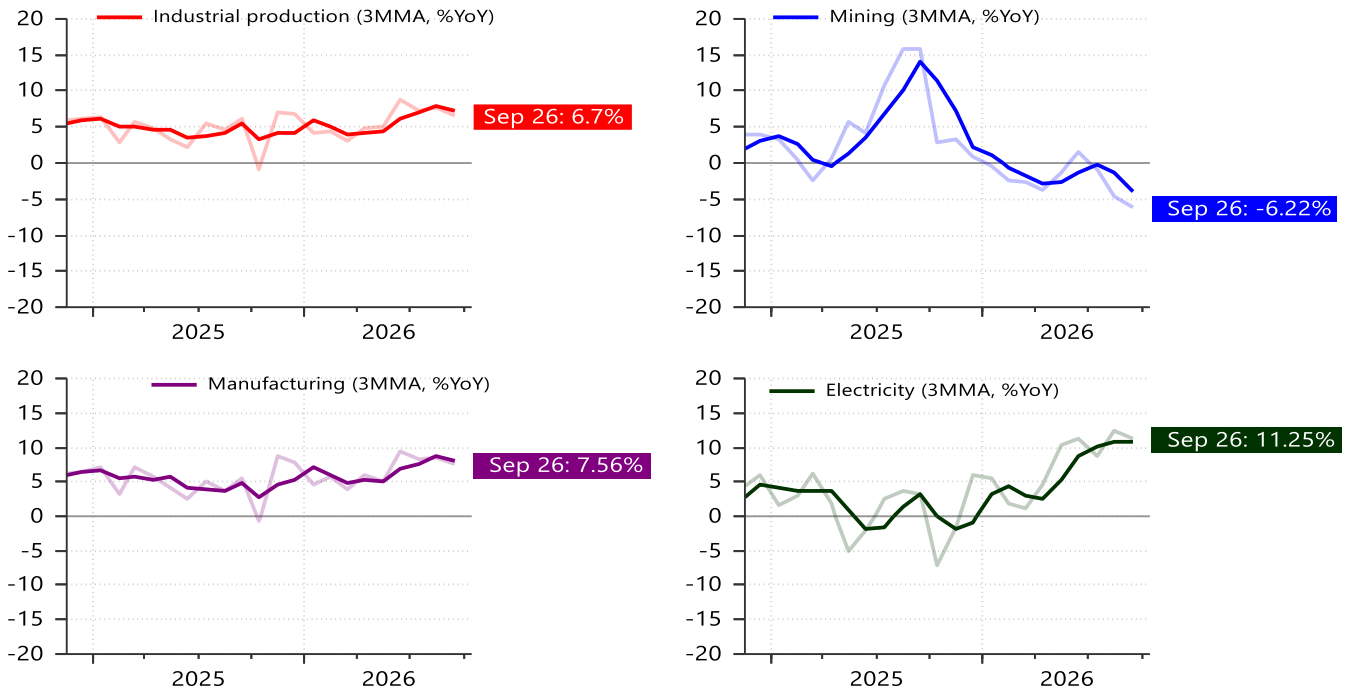
Source: CEIC, NSE EPR Notes: 1) Full forms: M&Q= Mining & Quarrying, Elec. = Electricity & Gas Supply, Water+ = Water supply, sewerage and waste management, Prim. = Primary goods, Cap. = Capital goods, Inter. = Intermediate goods, I & C= Infrastructure & Construction, CD = Consumer Durables, CND= Consumer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

Figure 155: Sub-industries wise break of manufacturing IIP growth rates (YoY%)– September 2026



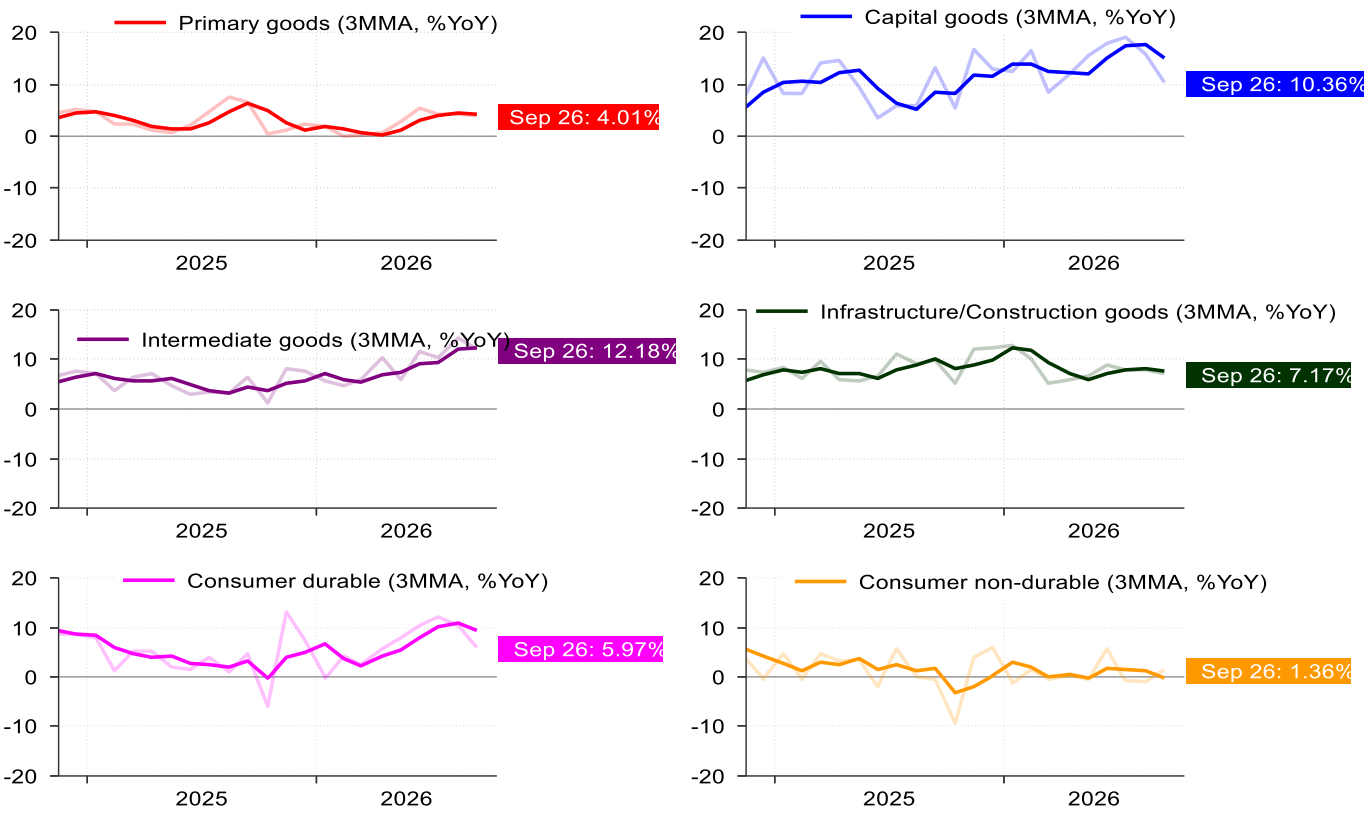
Source: CEIC, NSE EPR. Notes: 1) The YoY growth plotted above is based on the new base year 2022-23

Figure 156: India industrial production (3MMA)



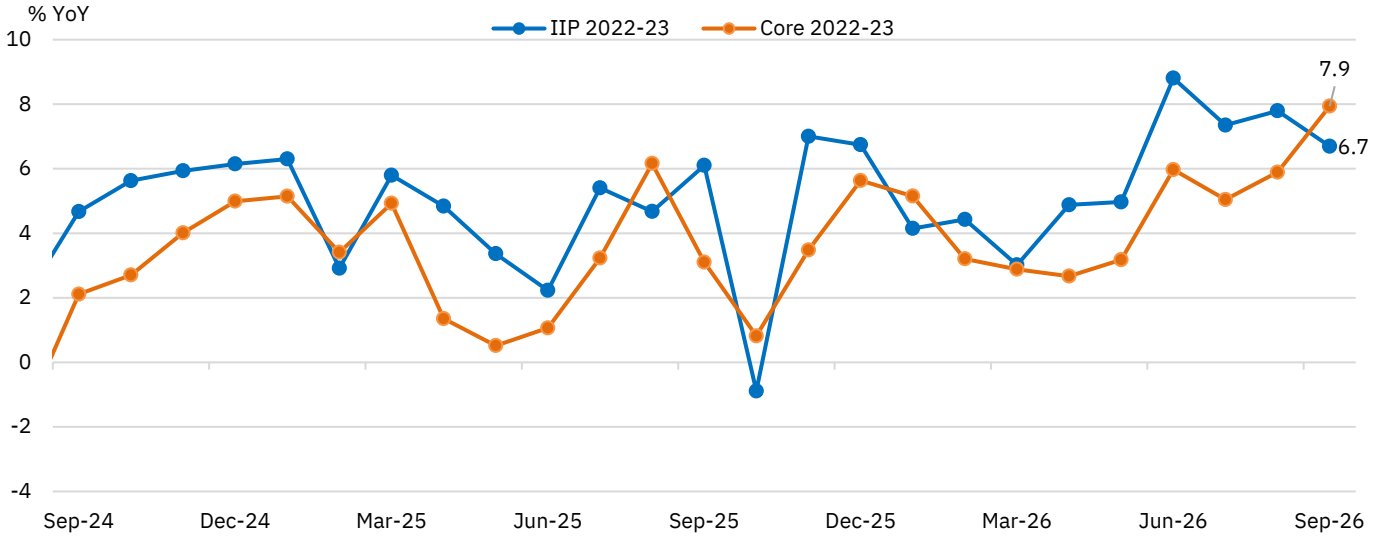
Source: LSEG Workspace, NSE EPR.

Figure 157: India industrial production use-based goods (3MMA)



Source: LSEG Workspace, NSE EPR.

Figure 158: Monthly trends in Eight core industries and IIP growth - New base



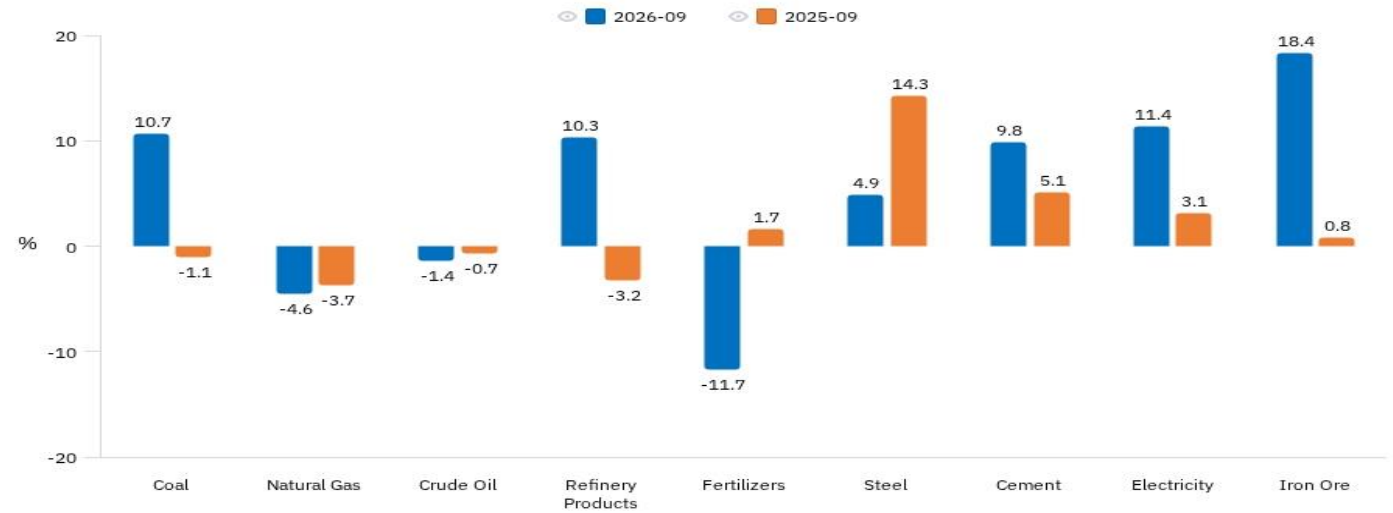
Source: CEIC, NSE EPR.

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

Indicator	Weight	Sep-26	Aug-26	Sep-25	FY27TD	FY26TD
Core sector	100.0	7.9	5.9	3.1	5.1	2.6
Coal	5.6	10.7	-3.8	-1.1	-0.4	-0.5
Natural gas	3.8	-4.6	-4.9	-3.7	-4.4	-2.9
Crude oil	7.4	-1.4	-3.6	-0.7	-3.7	-1.3
Refinery	22.6	10.3	5.6	-3.2	1.1	-0.2
Fertilisers	2.7	-11.7	-12.4	1.7	-7.5	-0.5
Steel	17.6	4.9	3.5	14.3	4.3	12.2
Cement	4.4	9.8	11.7	5.1	10.1	7.2
Electricity	30.9	11.4	13.1	3.1	10.2	1.1
Iron ore	4.9	18.4	5.5	0.8	21.6	-2.3

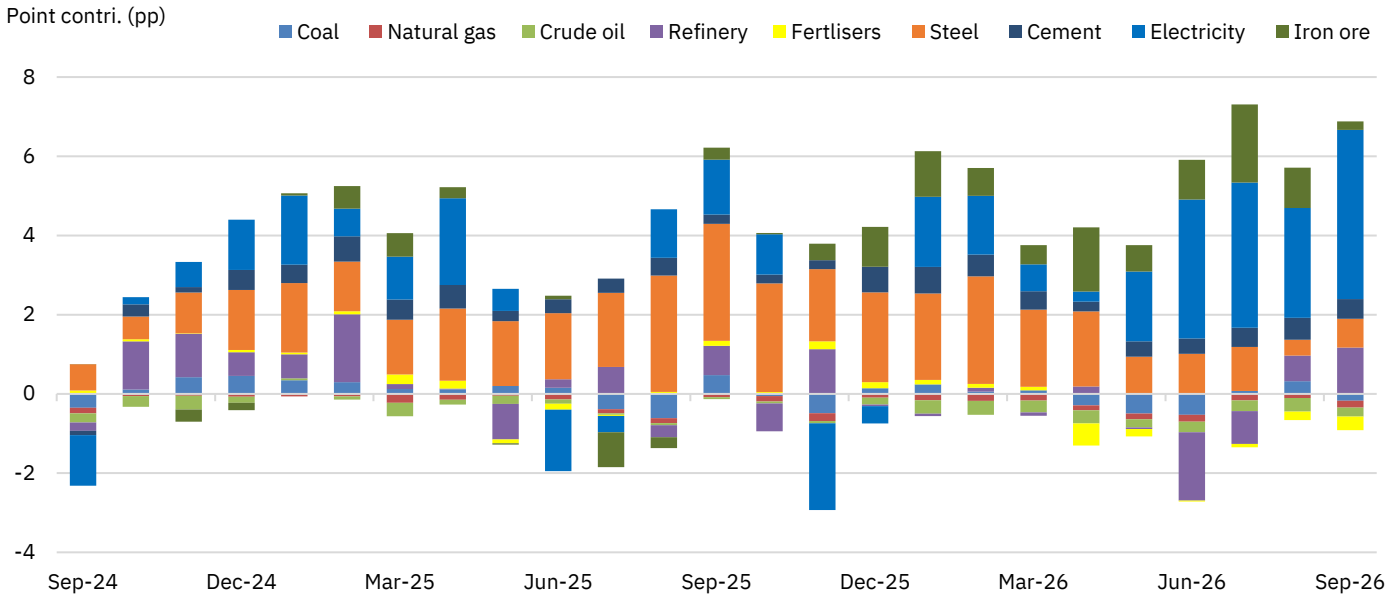
Source: CEIC, NSE EPR. Notes 1) FY26TD and FY27TD is for the period April-September. Notes: 1) The YoY growth plotted above is based on the new base year 2022-23.

Figure 159: Trends in Eight core industries sub sector wise YoY%



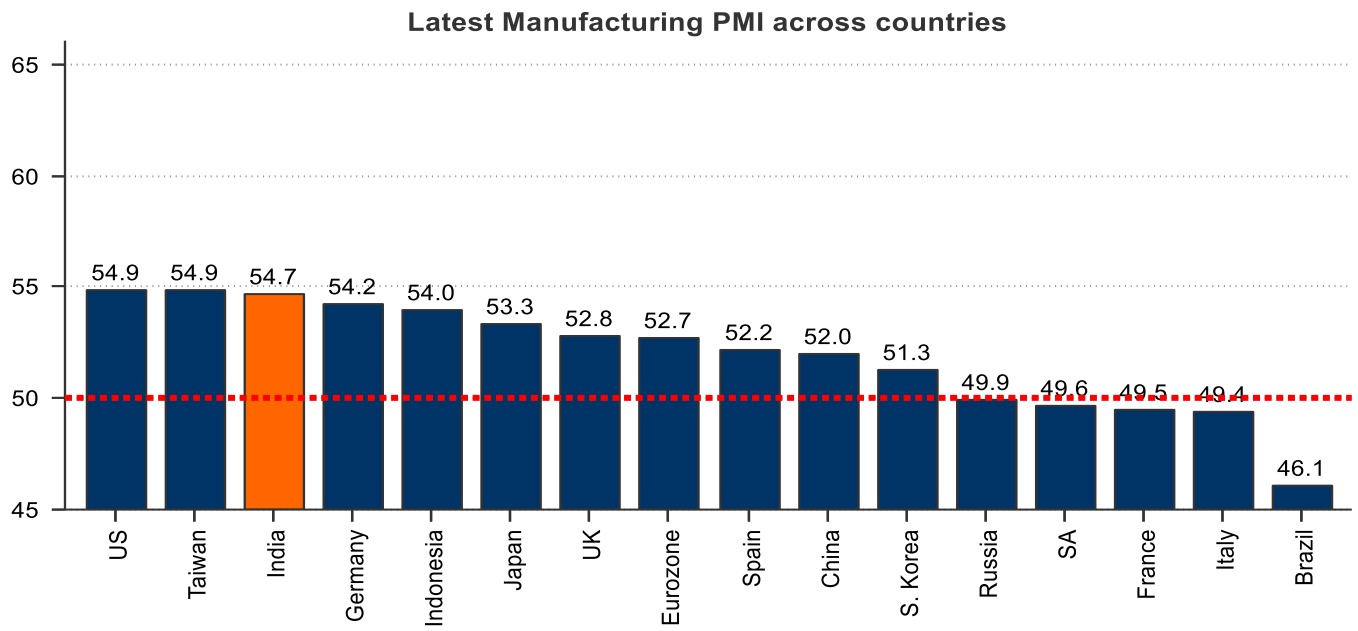
Source: CEIC, NSE EPR. Notes: 1) The YoY growth plotted above is based on the new base year 2022-23.

Figure 160: Point contribution of core sectors (YoY%)



Source: CEIC, NSE EPR

Figure 161: Manufacturing PMI across countries



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

Table 53: Services PMI across countries

Smallest Value — Largest Value

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Australia	52.5	52.8	51.1	56.3	52.8	46.3	50.7	48.7	50.5	53.6	53.2	51.9	48.5
Brazil	47.7	50.1	53.7	51.3	53.1	50.1	52.3	50.4	51.3	49.7	50.5	49.2	44.5
Canada	50.5	44.3	46.5	45.8	46.5	47.2	49.2	50.6	47.1	49.1	46.8	48.3	48.1
China	52.6	52.1	52.0	52.3	56.7	52.1	52.6	54.4	54.1	50.4	51.4	51.6	50.8
France	48.0	51.4	50.1	48.4	49.6	48.8	46.5	44.3	46.8	49.6	48.0	51.2	46.2
Germany	54.6	53.1	52.7	52.4	53.5	50.9	46.9	48.1	48.6	49.8	49.7	52.9	52.5
India	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.4	53.3	54.1	55.2	55.8
Japan	53.1	53.2	51.6	53.7	53.8	53.4	51.0	50.0	52.2	51.2	52.5	51.3	51.7
Russian Federation	51.7	52.2	52.3	53.1	51.3	49.5	49.7	48.7	48.2	49.0	51.3	51.3	50.1
United Kingdom	52.3	51.3	51.4	54.0	53.9	50.5	52.7	49.3	48.8	52.1	52.5	52.1	52.8
United States	54.8	54.1	52.5	52.7	51.7	49.8	51.0	50.7	51.2	54.6	56.5	58.8	56.1

Source: CEIC, NSE EPR.

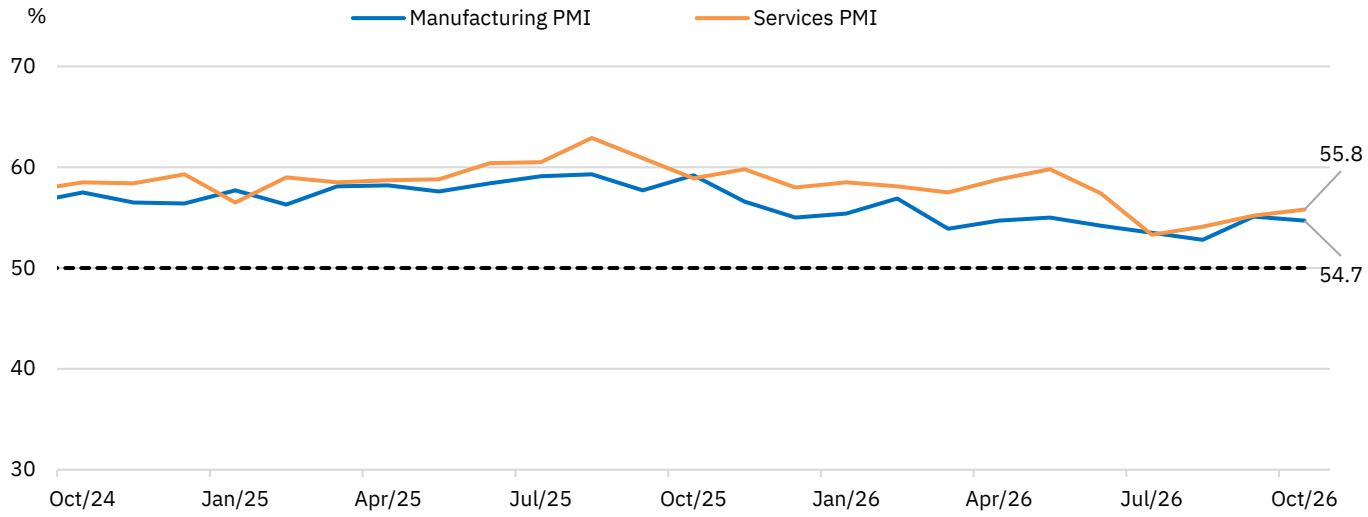
Table 54: Manufacturing PMI across countries

Smallest Value — Largest Value

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Australia	49.7	51.6	51.6	52.3	51.0	49.8	51.3	50.7	51.5	52.0	52.0	49.6	49.6
Brazil	48.2	48.8	47.6	47.0	47.3	49.0	52.6	49.1	50.8	47.5	46.3	44.8	46.1
Canada	49.6	48.4	48.6	50.4	51.0	50.0	53.3	52.9	53.0	53.5	53.0	51.5	49.6
China	50.6	49.9	50.1	50.3	52.1	50.8	52.2	51.8	51.7	50.9	51.5	52.1	52.0
France	48.8	47.8	50.7	51.2	50.1	50.0	52.8	49.7	51.2	49.8	51.1	50.6	49.5
Germany	49.6	48.2	47.0	49.1	50.9	52.2	51.4	50.1	50.3	52.2	54.3	53.9	54.2
India	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2	53.5	52.8	55.1	54.7
Indonesia	51.2	53.3	51.2	52.6	53.8	50.1	49.1	50.0	46.9	50.2	49.8	52.4	54.0
Japan	48.2	48.7	50.0	51.5	53.0	51.6	55.1	54.5	54.8	54.5	54.9	54.1	53.3
Korea	49.4	49.4	50.1	51.2	51.1	52.6	53.6	54.8	52.1	53.1	52.3	53.9	51.3
Malaysia	49.5	50.1	50.1	50.2	49.3	50.7	51.6	49.9	50.7	50.7	50.2	49.9	51.0
Mexico	49.5	47.3	46.1	46.3	47.1	48.9	47.7	49.6	51.3	51.3	49.8	50.3	49.5
Russia	48.0	48.3	48.1	49.4	49.5	48.3	48.1	48.8	50.3	50.7	48.8	49.8	49.9
United Kingdom	49.7	50.2	50.6	51.8	51.7	51.0	53.7	53.9	52.5	51.9	51.7	51.9	52.8
United States	52.5	52.2	51.8	52.4	51.6	52.3	54.5	55.1	53.9	53.9	53.9	55.9	54.9

Source: CEIC, NSE EPR.

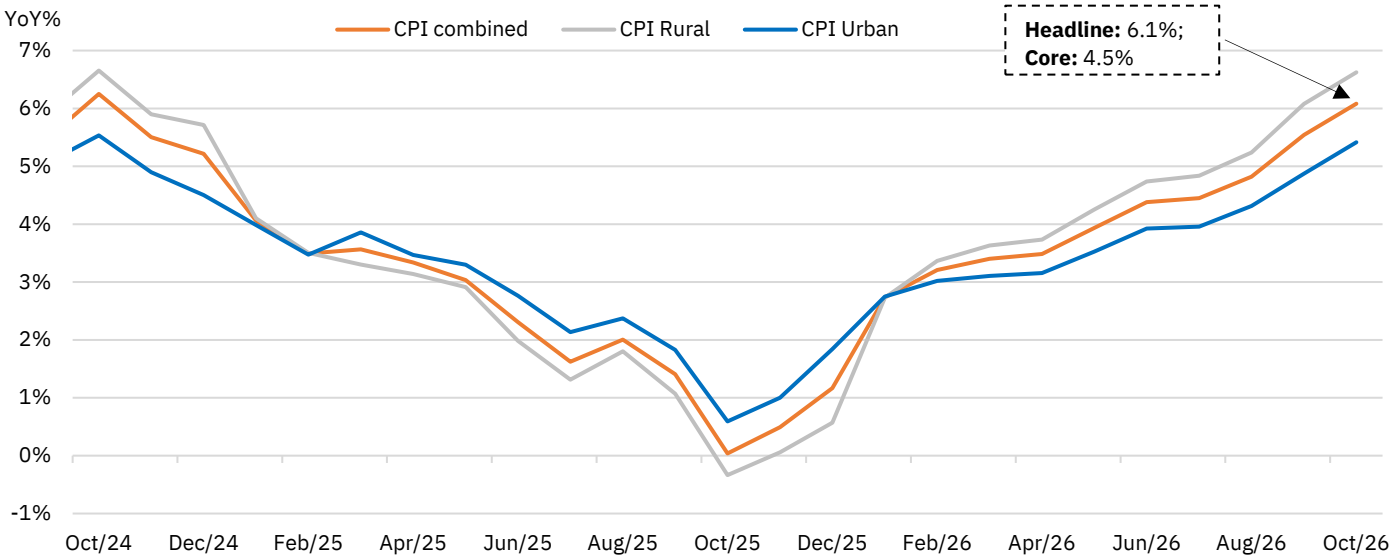
Figure 162: Monthly trends in India's manufacturing and services PMI



Source: CEIC, NSE EPR.

3.2 Headline inflation breaches RBI's upper tolerance limit in October

Figure 163: Trends in monthly headline inflation



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

Table 55: Component-wise Consumer Price Inflation in October 2026

YOY%	Weight (%)	Oct-26	Sep-26
Headline CPI		**6.1**	**5.5**
Food & Beverages	36.8	8.5	7.4
Paan, tobacco and intoxicants	3.0	4.9	4.8
Clothing & Footwear	6.4	5.0	3.9
Housing, water, electricity, gas and other fuels	17.7	2.9	2.7
Furnishings, household equipment and routine household maintenance	4.5	3.9	3.1
Health	6.1	2.0	1.4
Transport	8.8	5.8	5.0
Diesel	0.3	*8.4*	*8.4*
Petrol	4.5	*7.5*	*7.5*
Information and communication	3.6	3.2	2.4
Recreation, sport and culture	1.5	2.5	2.2
Education services	3.3	4.0	3.9
Restaurants and accommodation services	3.3	10.1	9.4
Personal care, social protection and miscellaneous goods and services	5.0	10.1	13.7
Core Inflation[1]	**50.1**	**4.5**	**4.3**

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

Figure 164: Division-wise headline inflation

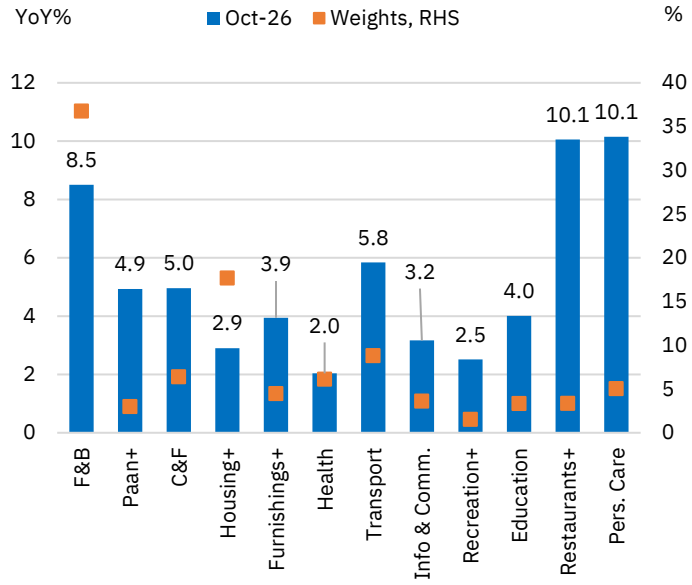
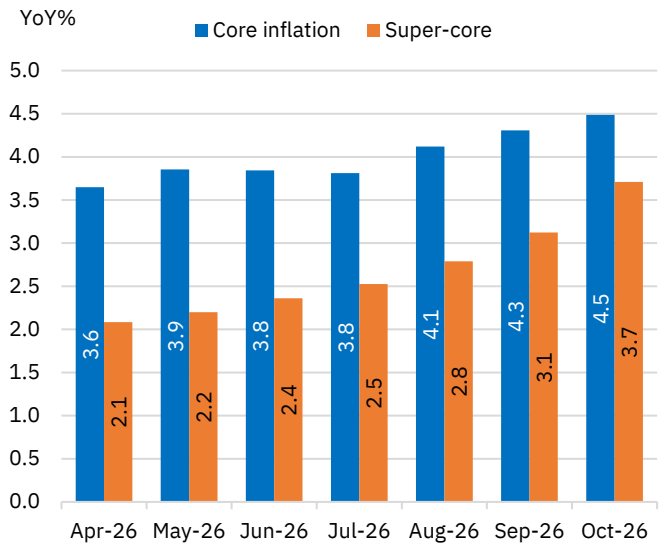
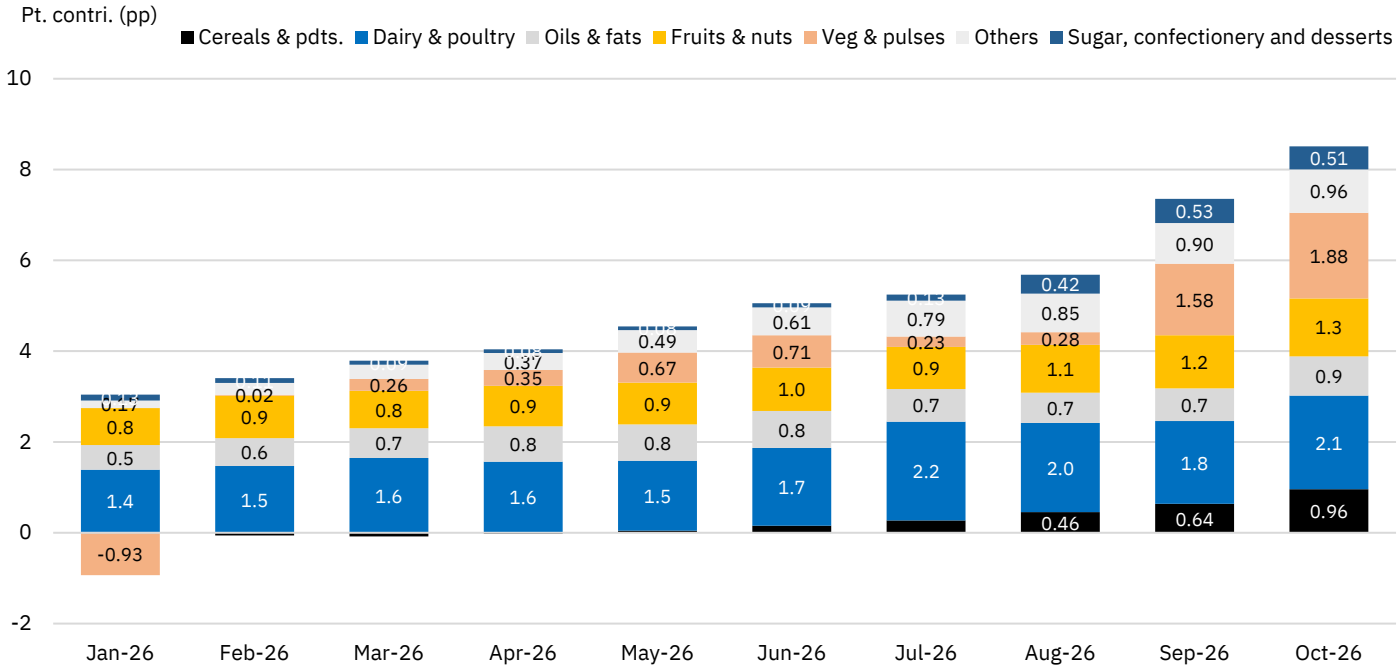


Figure 165: Core inflation growth under different baskets



Source: CMIE Economic outlook, MOSPI, NSE EPR; Notes: 1) F&B= Food and beverages; Paan+ = Paan, tobacco and intoxicants, C&F= Clothing & Footwear, Housing+ = Housing, water, electricity, gas and other fuels, Furnishings+ = Furnishings, household equipment and routine household maintenance, Recreation+ = Recreation, sport and culture, Restaurants+ = Restaurants and accommodation services, Pers. care= Personal care, social protection and miscellaneous goods and services. As per RBI, core inflation is defined as headline inflation excluding food, pan & tobacco and within fuel, 'electricity, gas and other fuels', 'petrol', 'diesel', and 'other natural gas (CNG)' while super-core inflation further excludes gold/diamond/platinum jewellery and silver jewellery also.

Figure 166: CPI food inflation contributors



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

Figure 167: Dairy & poultry inflation contributors

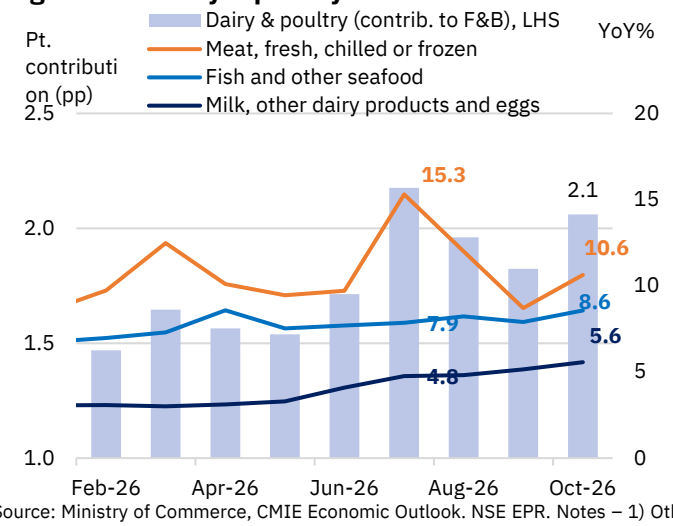
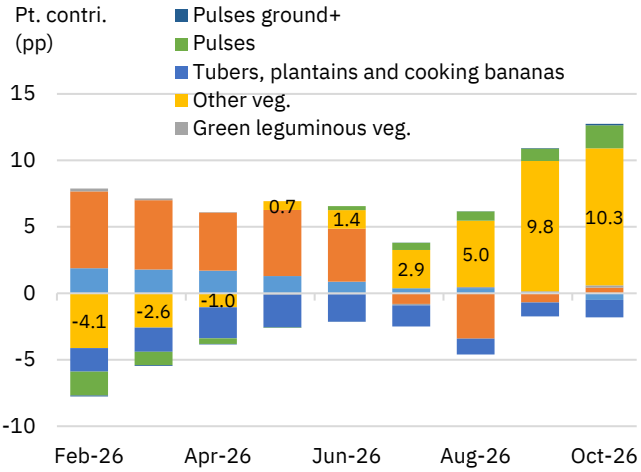


Figure 168: Veg & pulse inflation point contributors



Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR. Notes – 1) Other vegetables include onion, garlic, carrot, radish, jackfruit and other vegetables. 2) Pulses ground+ = Vegetables, tubers, plantains, cooking bananas and pulses ground.

Table 56: Share of CPI items across inflation ranges (%)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
< 2%	48.9	48.9	48.6	48.3	45.3	40.8	39.7	37.4	34.9	24.6
2 - 4%	33.0	29.9	29.3	28.2	28.5	30.2	32.1	31.8	29.1	27.1
4-6%	7.0	8.4	8.9	8.1	9.2	10.3	9.8	11.5	13.7	21.8
>6%	11.2	12.8	13.1	15.4	17.0	18.7	18.4	19.3	22.3	26.5

Source: CMIE Economic outlook, MOSPI, NSE EPR. Notes: 1) The table presents the percentage share of sub-components across different inflation ranges. The 2–4% range includes inflation rates ≥2% and ≤4%, while the 4–6% range includes inflation rates >4% and ≤6%. The same classification principle applies to the other ranges.

Table 57: Point contribution of CPI items across inflation ranges

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
< 2%	-0.6	-0.3	-0.1	-0.2	-0.1	-0.1	-0.2	-0.3	0.0	-0.1
2 - 4%	1.0	0.9	0.8	1.0	1.2	1.1	1.1	1.1	0.8	0.8
4-6%	0.3	0.3	0.4	0.5	0.5	0.4	0.5	0.6	0.8	1.1
>6%	2.1	2.3	2.3	2.3	2.5	3.0	3.1	3.4	3.9	4.2

Source: CMIE Economic outlook, MOSPI, NSE EPR. Notes – 1) The table presents the point contribution of sub-components across different inflation ranges. The 2–4% range includes inflation rates ≥2% and ≤4%, while the 4–6% range includes inflation rates >4% and ≤6%. The same classification principle applies to the other ranges.

Table 58: Share of CPI food items across inflation ranges (%)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
< 2%	46.6	43.9	43.2	46.6	43.9	40.5	43.2	42.6	41.2	28.4
2 - 4%	22.3	18.9	18.9	14.2	15.5	16.9	18.9	14.9	16.2	17.6
4-6%	8.8	9.5	12.2	8.8	9.5	9.5	6.1	8.8	5.4	12.8
>6%	22.3	27.7	25.7	30.4	31.1	33.1	31.8	33.8	37.2	41.2

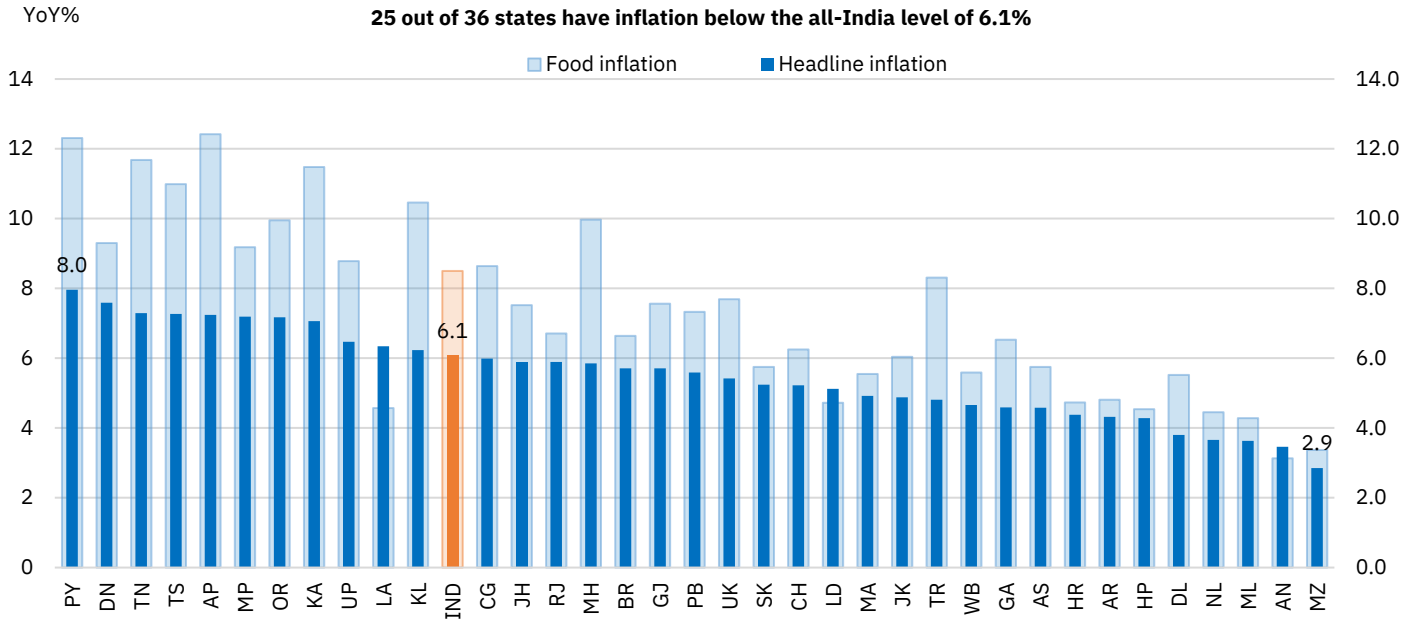
Source: CMIE Economic outlook, MOSPI, NSE EPR. Notes – 1) The table presents the percentage share of sub-components across different inflation ranges. The 2–4% range includes inflation rates ≥2% and ≤4%, while the 4–6% range includes inflation rates >4% and ≤6%. The same classification principle applies to the other ranges.

Table 59: Point contribution of CPI food items across inflation ranges

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
< 2%	-2.4	-1.5	-1.1	-0.8	-0.5	-0.3	-0.6	-0.9	-0.3	-0.5
2 - 4%	0.8	0.8	0.8	0.7	0.7	0.9	1.1	0.8	0.3	0.3
4-6%	0.4	0.3	0.4	0.4	0.4	0.3	0.3	0.6	0.7	1.2
>6%	3.3	3.8	3.7	3.8	3.9	4.1	4.4	5.2	6.6	7.5

Source: CMIE Economic outlook, MOSPI, NSE EPR. Notes – 1) The table presents the percentage share of sub-components across different inflation ranges. The 2–4% range includes inflation rates ≥2% and ≤4%, while the 4–6% range includes inflation rates >4% and ≤6%. The same classification principle applies to the other ranges.

Figure 169: State-wise headline inflation in October 2026



Source: CMIE States of India, MOSPI, NSE EPR; Notes: 1) States are ranked based on headline inflation. 2) TS= Telangana, AN= Andaman & Nicobar, KL= Kerala, PY= Puducherry, TN= Tamil Nadu, RJ= Rajasthan, SK= Sikkim, LD= Lakshadweep, KA= Karnataka, HP= Himachal Pradesh, AP= Andhra Pradesh, WB= West Bengal, IND= India, MP= Madhya Pradesh, PB= Punjab, UP= Uttar Pradesh, MH= Maharashtra, DN= Daman & Nagar Haveli & Daman & Diu, HR= Haryana, BR= Bihar, NL= Nagaland, CH= Chandigarh, GJ= Gujarat, DL= Delhi, UK= Uttarakhand, JH= Jharkhand, GA= Goa, LA= Ladakh, ML= Meghalaya, CG= Chhattisgarh, TR= Tripura, AR= Arunachal Pradesh, AS= Assam, MZ= Mizoram, MA= Manipur

3.3 Wholesale inflation at record high

Table 60: Trend in wholesale price inflation

Indicator	Weight	Oct-26	Sep-26	Oct-25	FY26TD	FY27TD
Headline WPI	**100**	**12.3**	**11.4**	**-1.2**	**-0.2**	**10.2**
Food basket	25.0	8.6	8.7	-5.1	-1.2	6.3
Primary articles	**22.8**	**9.2**	**8.7**	**-5.7**	**-2.9**	**7.1**
Food articles	16.0	8.3	8.1	-8.5	-4.2	5.5
Non-food articles	5.5	11.7	10.3	2.7	0.9	11.9
Minerals	1.3	12.6	9.5	-1.3	-0.2	9.6
Fuel & Power	**14.1**	**32.8**	**25.9**	**-3.9**	**-3.5**	**26.4**
Coal	0.7	10.5	9.3	-4.3	-1.2	2.2
Mineral oils	8.2	45.6	40.0	-1.5	-4.9	41.9
Electricity	4.5	8.1	-0.4	-7.2	-0.2	0.3
Crude & Nat. gas	0.7	70.8	57.3	-7.2	-11.0	48.9
Mfg products	**63.1**	**9.5**	**9.8**	**1.4**	**1.6**	**8.3**

Source: DPIIT, NSE EPR. Note: FYTD corresponds to April to October.

Figure 170: Trend of wholesale price inflation

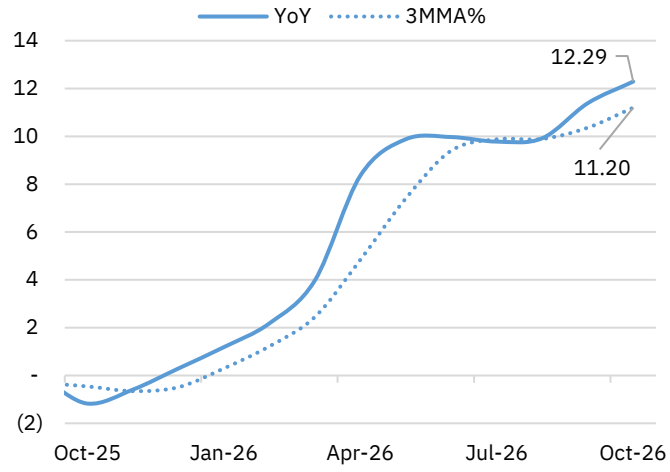
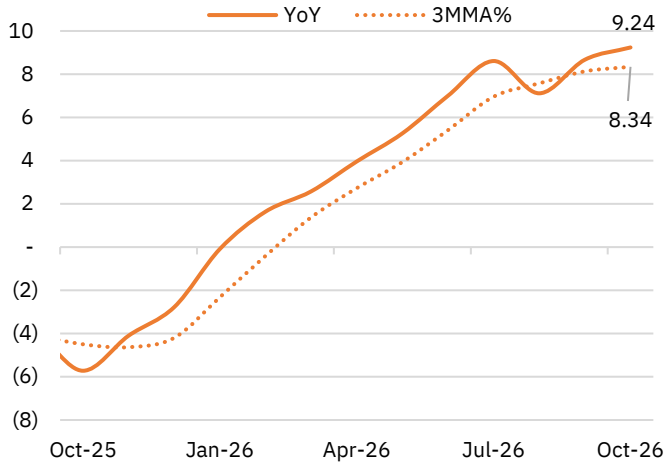


Figure 171: Trend of inflation in primary articles



Source: DPIIT, Office of Economic Affairs, NSE EPR

Figure 172: Monthly trends of fuel & power inflation

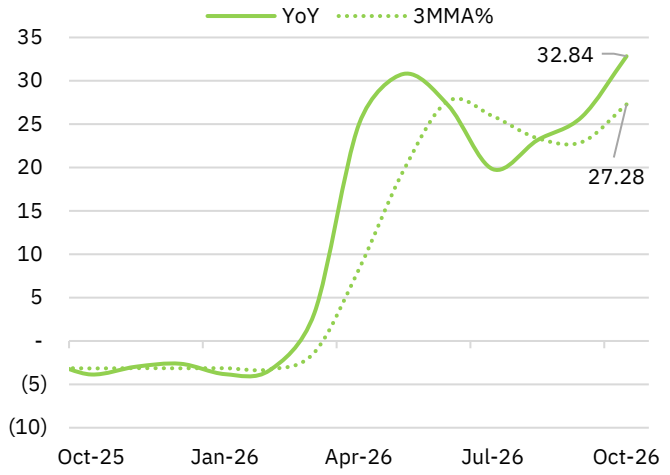
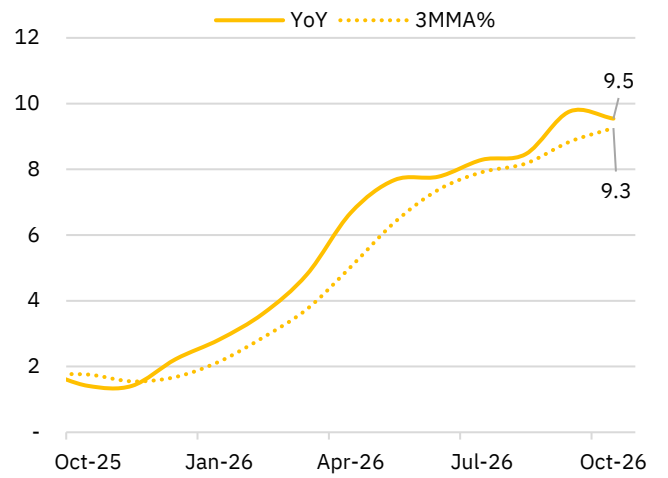
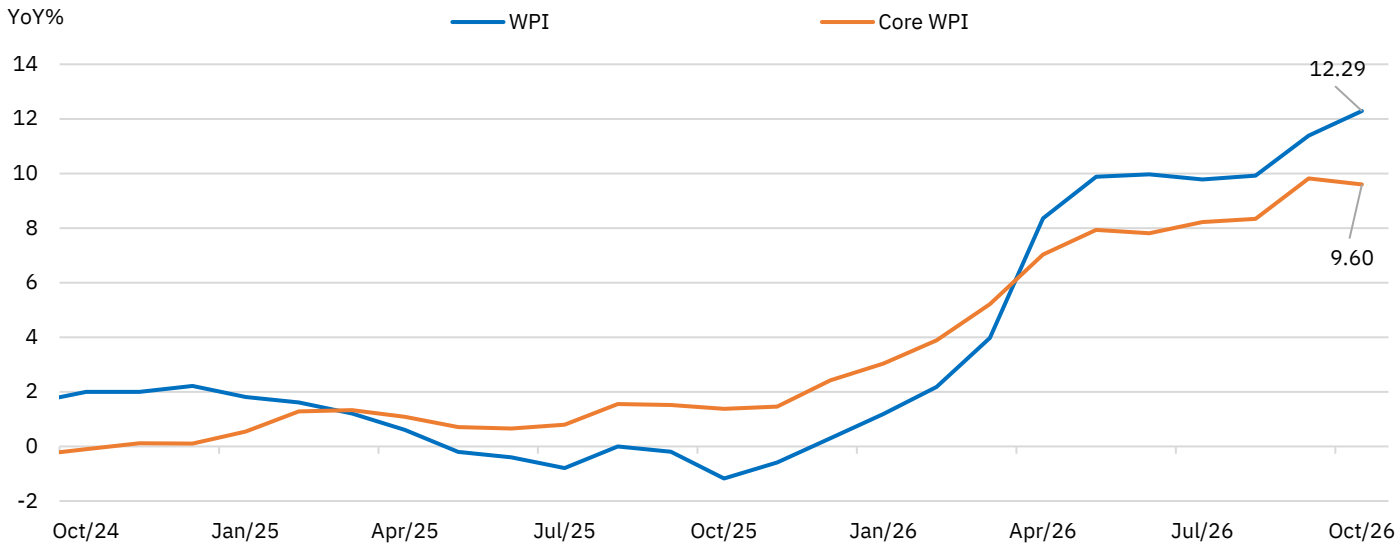


Figure 173: Monthly trends of mfg. inflation



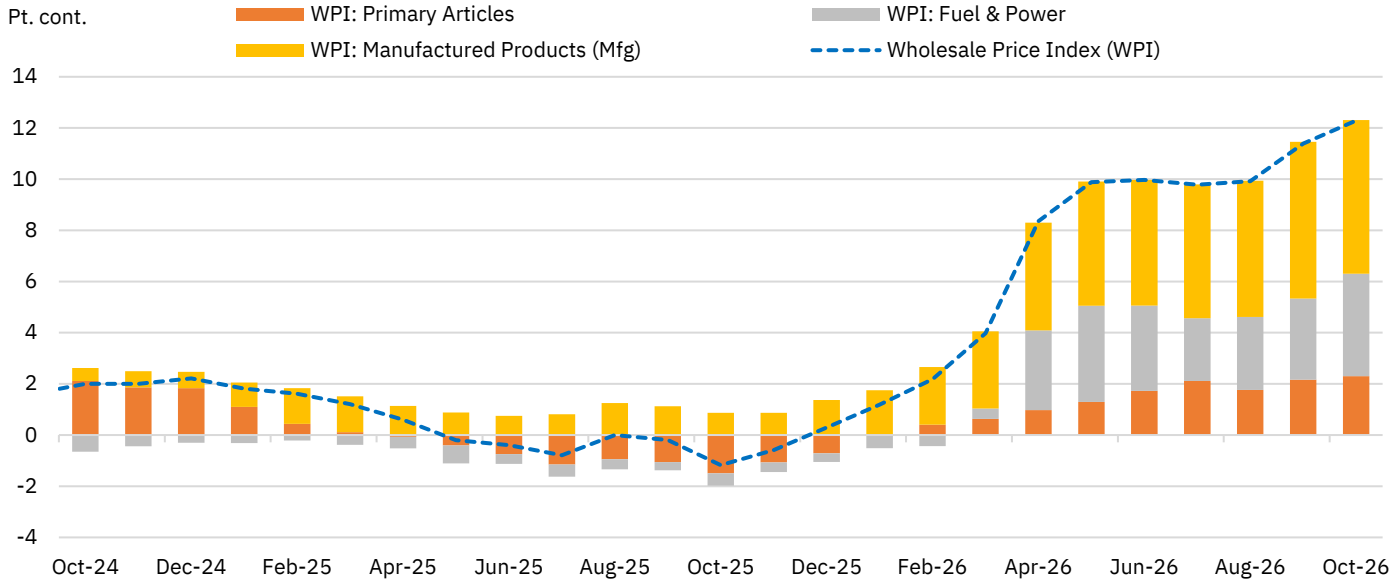
Source: DPIIT, Office of Economic Affairs, NSE EPR.

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



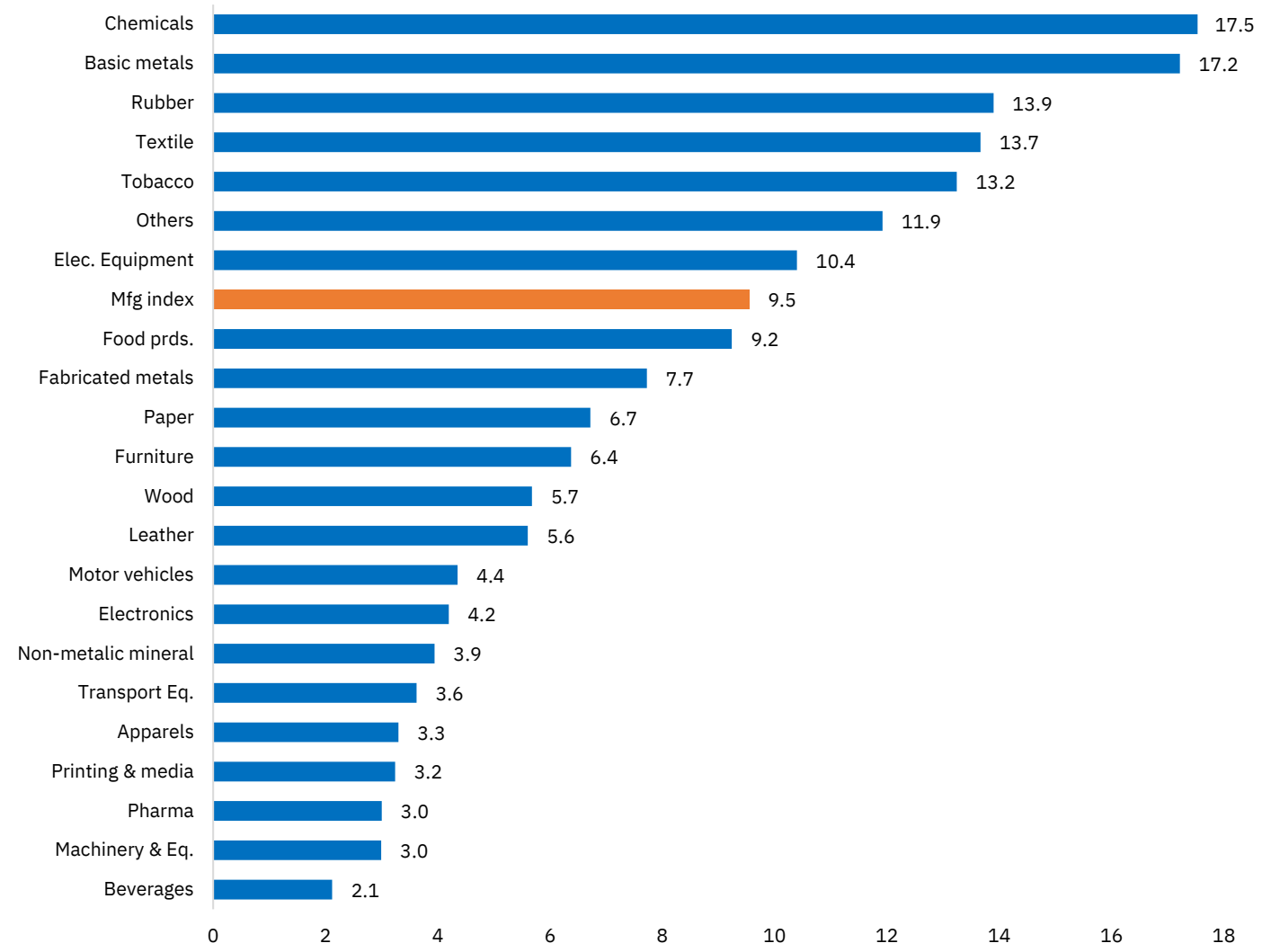
Source: DPIIT, Office of Economic Affairs, NSE EPR Note: Core WPI is overall WPI excluding fuel and food components.

Figure 175: Contribution of sub-components to WPI inflation



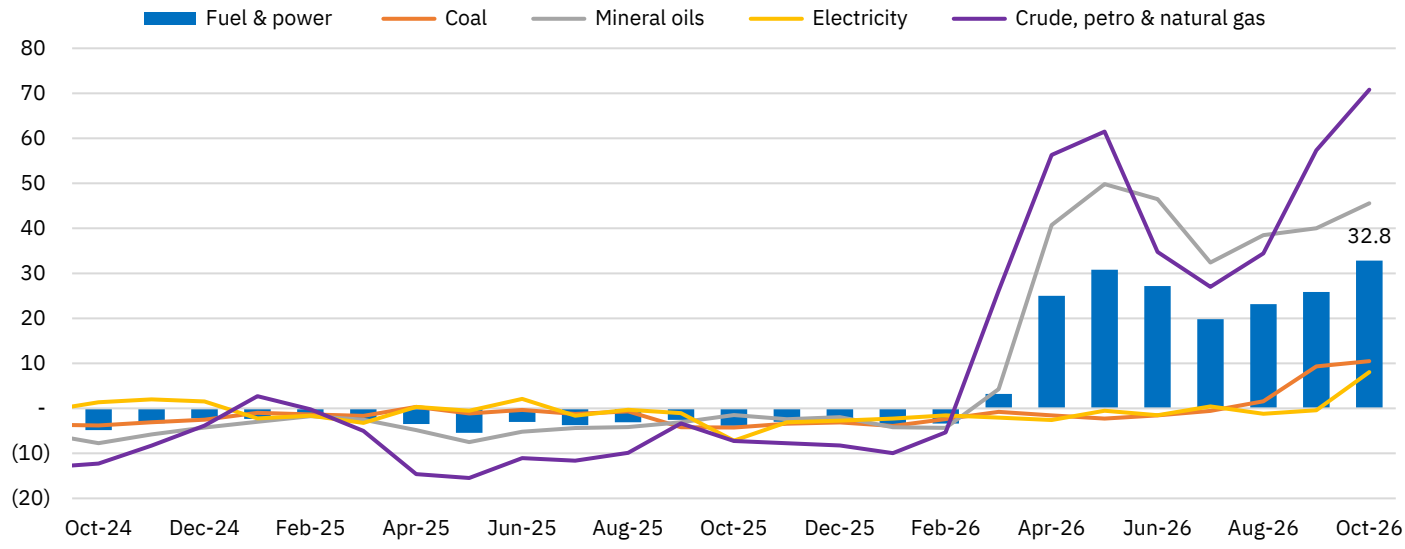
Source: DPIIT, Office of Economic Affairs, NSE EPR

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



Source: DPIIT, Office of Economic Affairs, NSE EPR

Figure 177: Fuel & power sub-categories growth in WPI in October 2026 (YoY%)



Source: DPIIT, Office of Economic Affairs, NSE EPR

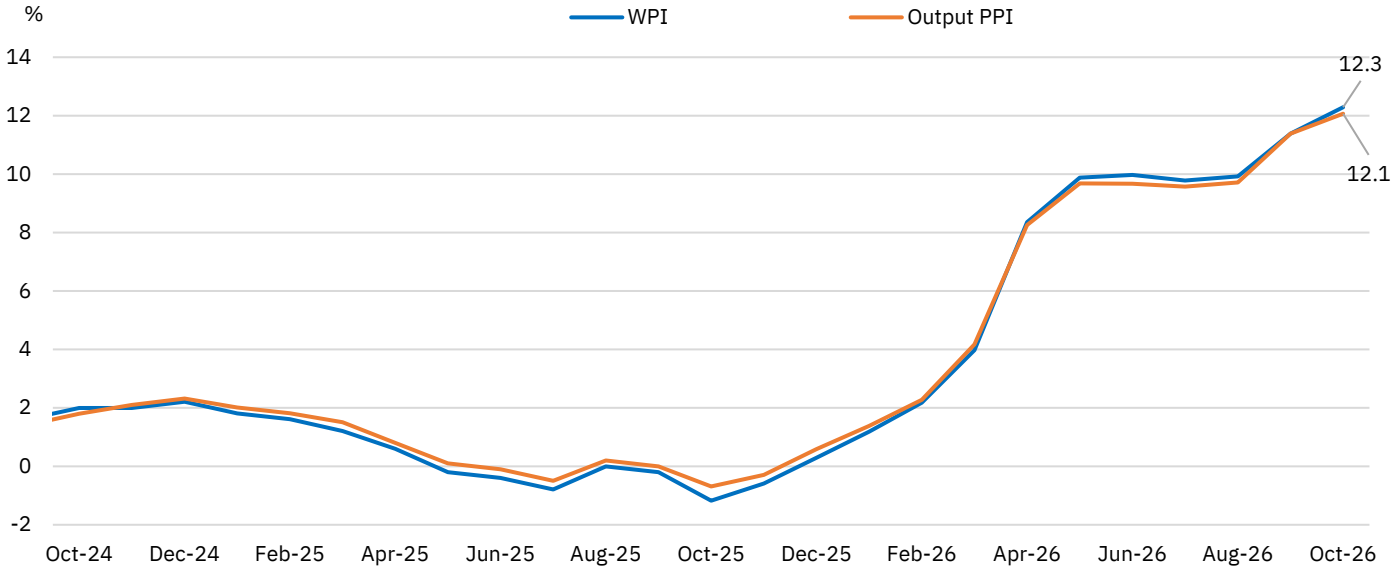
3.4 Output PPI also remains elevated

Table 61: Output producer price index for October 2026 (%YoY)

Indicator	Weight	Oct-26	Sep-26	Oct-25	FY27TD	FY26TD
Output Producer Price Index	100.0	12.1	11.4	-0.7	10.0	0.0
Agri, forestry & fishing	22.2	8.7	8.5	-4.8	6.6	-2.8
Manufacturing	69.9	12.9	12.6	1.2	11.3	5.2
Mining & Quarrying	3.4	22.3	21.3	1.2	18.7	7.9
Electricity	4.5	8.2	-0.3	-7.3	0.4	-1.0

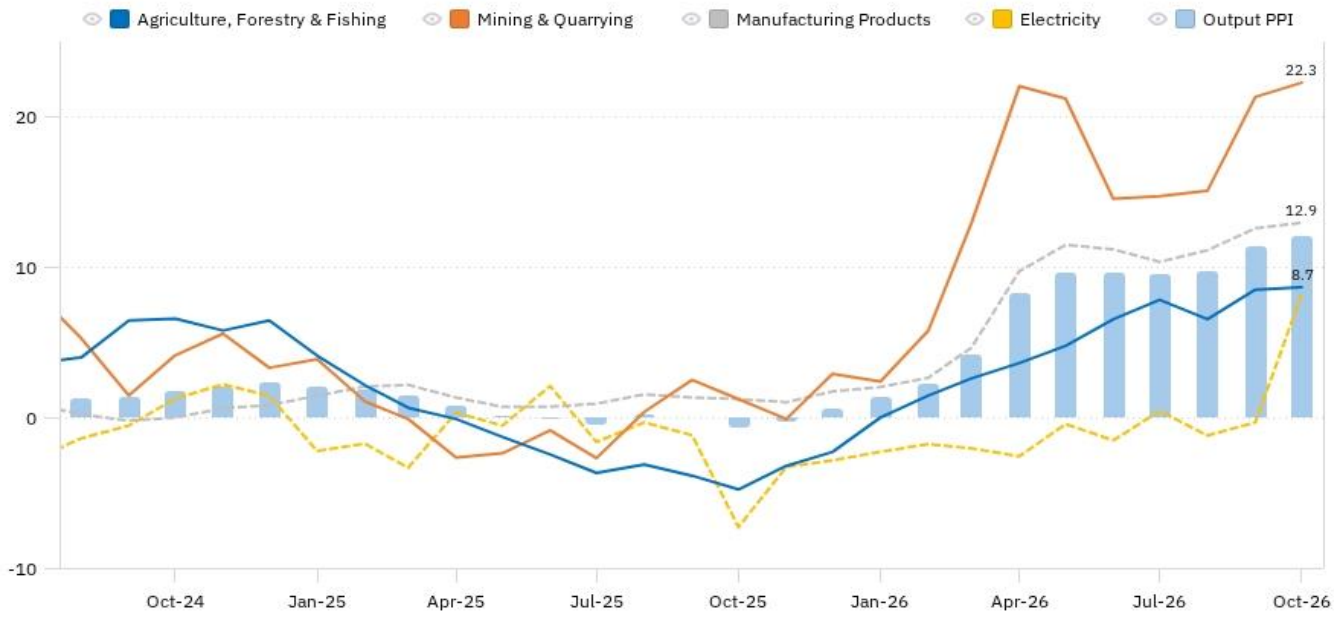
Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR. Note: YTD corresponds to April-October

Figure 178: Monthly trends in WPI vs output PPI (%YoY)



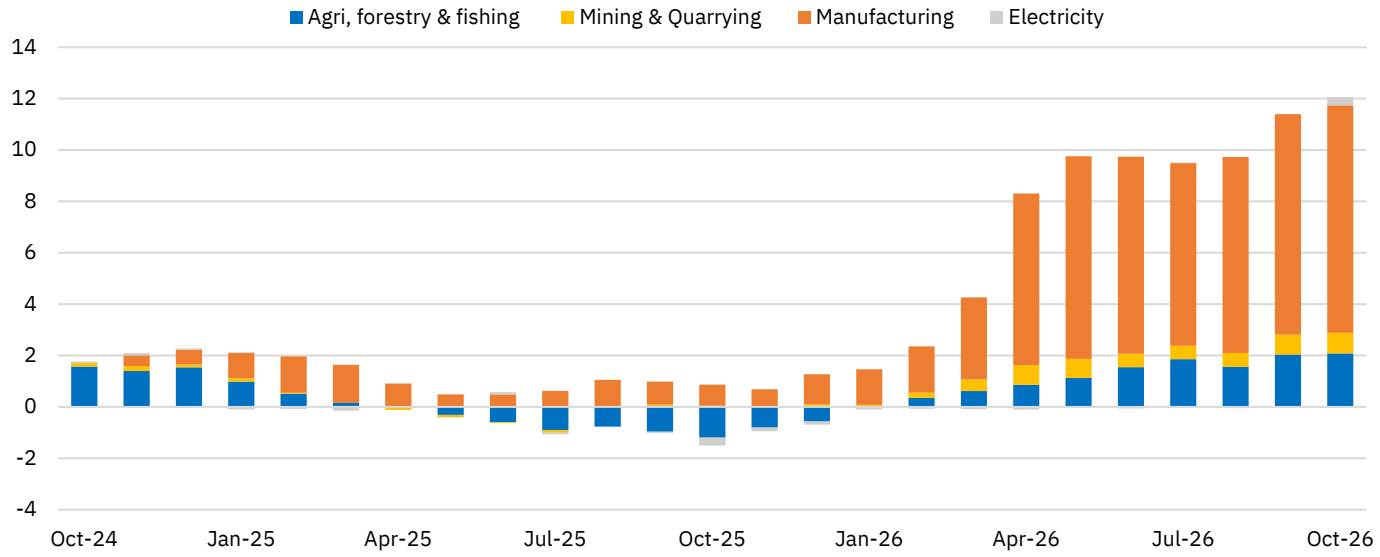
Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR. Notes – 1) WPI index is based on revised base year 2022-23.

Figure 179: Monthly trends in Output Producer Price Index and its categories (YoY%)



Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR. Notes – 1) Monthly data are updated till October 2026.

Figure 180: Monthly point contribution to Output PPI



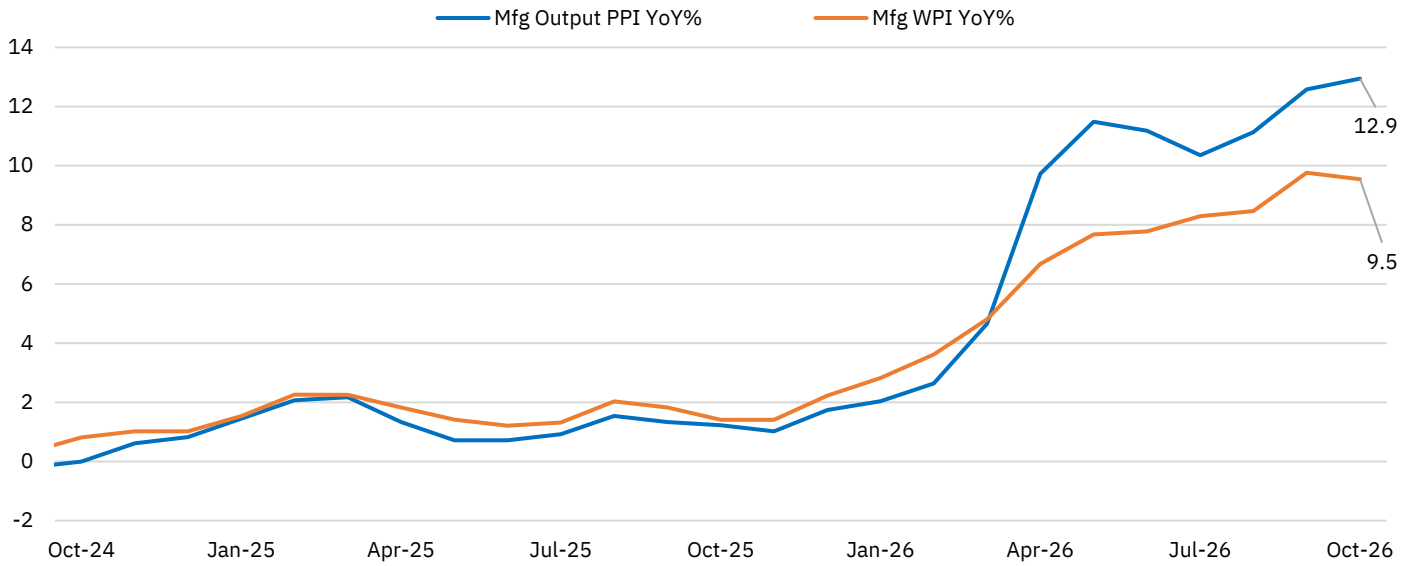
Source: CEIC Data, Ministry of Commerce & Industry, NSE EPR

Table 62: Breakup of Output PPI - Manufacturing (YoY %)

Indicator	Weight	Oct-26	Sep-26	Aug-26	Jul-26
Manufacturing Products	69.9	12.9	12.6	11.1	10.4
Food products	8.5	9.4	9.5	9.2	9.0
Beverages	0.8	2.1	1.3	1.4	0.4
Tobacco products	0.3	16.0	15.3	16.6	16.7
Textiles	4.4	16.5	16.1	14.1	14.1
Wearing Apparel	1.2	3.6	4.0	2.9	3.3
Leather & Related Products	0.5	4.4	3.6	3.4	3.8
Wood & of Products of Wood & Cork	1.1	5.8	5.6	6.8	6.4
Paper & Paper Products	1.0	7.1	5.4	4.6	3.7
Printing & Reproduction of Recorded Media	0.3	4.0	3.9	3.5	3.8
Coke & Refined Petroleum Products	7.1	44.9	39.6	37.9	32.0
Chemicals & Chemical Products	5.7	17.4	16.7	14.3	13.2
Pharmaceuticals, Medicinal Chemical & Botanical Products	1.9	2.7	3.7	2.7	4.2
Rubber & Plastics Products	2.6	14.5	14.1	11.5	11.3
Other Non-Metallic Mineral Products	2.5	4.4	4.4	3.2	3.5
Basic Metals	7.5	18.2	17.3	13.0	12.6
Fabricated Metal Products, Except Machinery & Equipment	3.2	7.0	6.7	6.2	5.9
Computer, Electronic & Optical Products	1.8	3.3	4.0	-3.6	-4.1
Electrical Equipment	3.8	7.6	8.1	7.3	7.5
Machinery & Equipment	2.5	2.8	2.9	2.4	2.8
Motor Vehicles, Trailers & Semi-Trailers	4.4	3.8	4.2	3.4	2.8
Other Transport Equipment	1.3	4.8	5.0	4.8	5.1
Furniture	0.7	4.4	3.9	3.6	2.8
Other Manufacturing	6.8	10.9	13.3	12.6	12.1

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

Figure 181: Monthly trend of manufacturing in Output PPI vs WPI (YoY%)



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

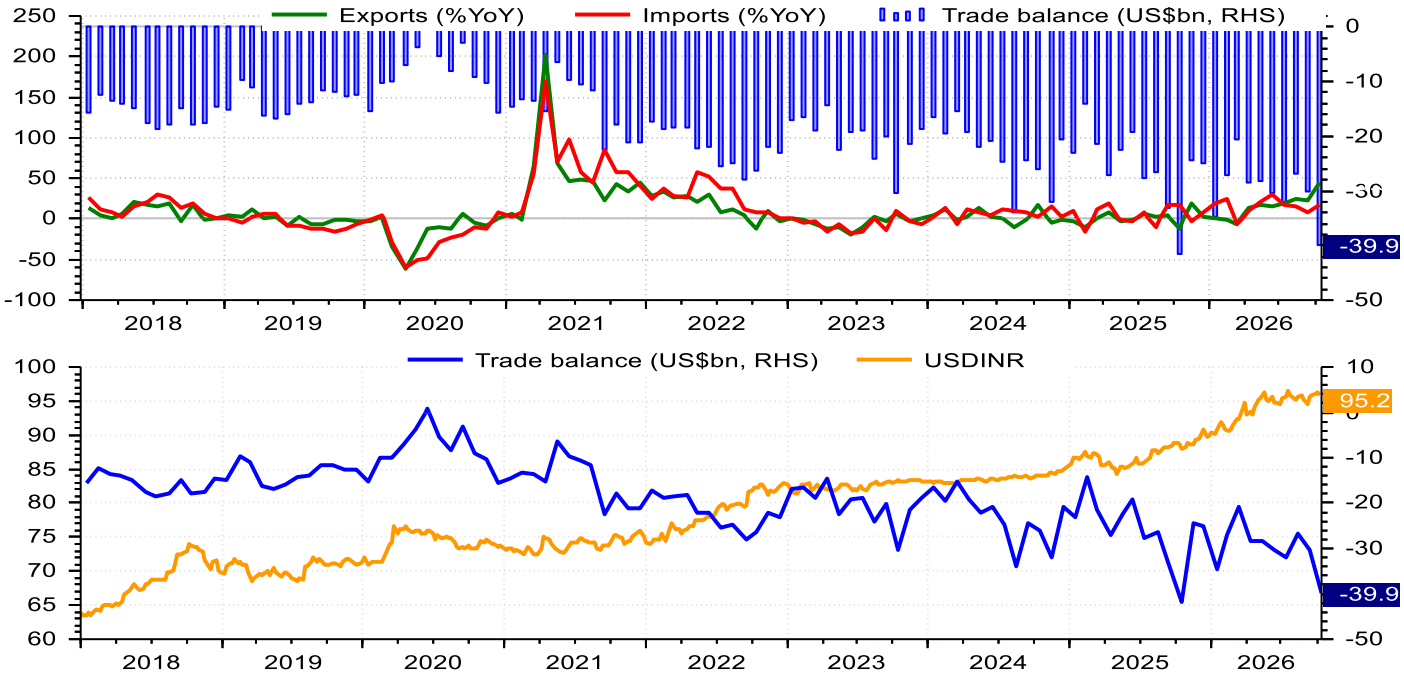
3.5 Trade deficit widened in October despite robust export growth

Table 63: India's merchandise trade balance for October 2026

Period	Merchandise Exports		Merchandise Imports								Trade balance (US$ bn)
	Total (US$ bn)	%YoY	Total (US$ bn)	%YoY	Oil imports (US$ bn)	%YoY	Non-oil imports (US$ bn)	%YoY	Gold imports (US$ bn)	% YoY	
Oct-26	49.5	45.1	89.3	16.5	22.8	54.3	66.5	7.5	5.5	(62.6)	(39.9)
Sep-26	44.4	22.9	74.6	8.0	18.3	30.8	56.3	2.2	1.8	(81.3)	(30.2)
Oct-25	34.1	(12.5)	76.7	17.9	14.8	(21.7)	61.9	34.0	14.7	199.2	(42.6)
FY27TD	309.1	21.9	527.2	16.4	136.7	27.8	390.6	12.9	24.8	(39.9)	(218.1)
FY26TD	253.5	0.3	452.9	6.8	106.9	(4.5)	346.0	10.9	41.2	21.4	(199.4)

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

Figure 182: Monthly trends in India's merchandise imports, exports and trade balance



Source: LSEG Workspace, NSE EPR.

Figure 183: Non-oil, non-gold imports

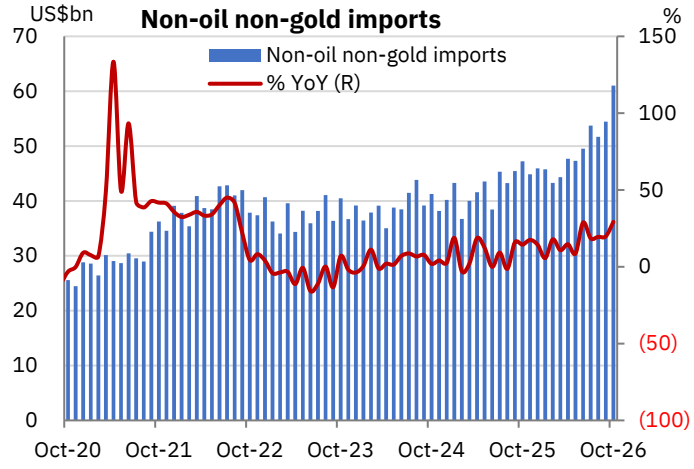
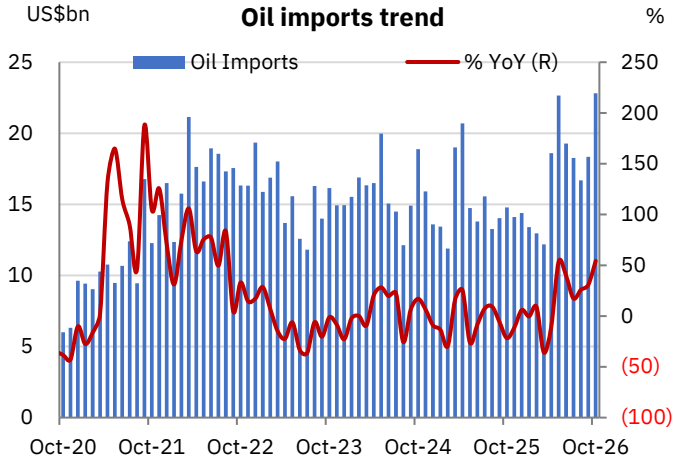
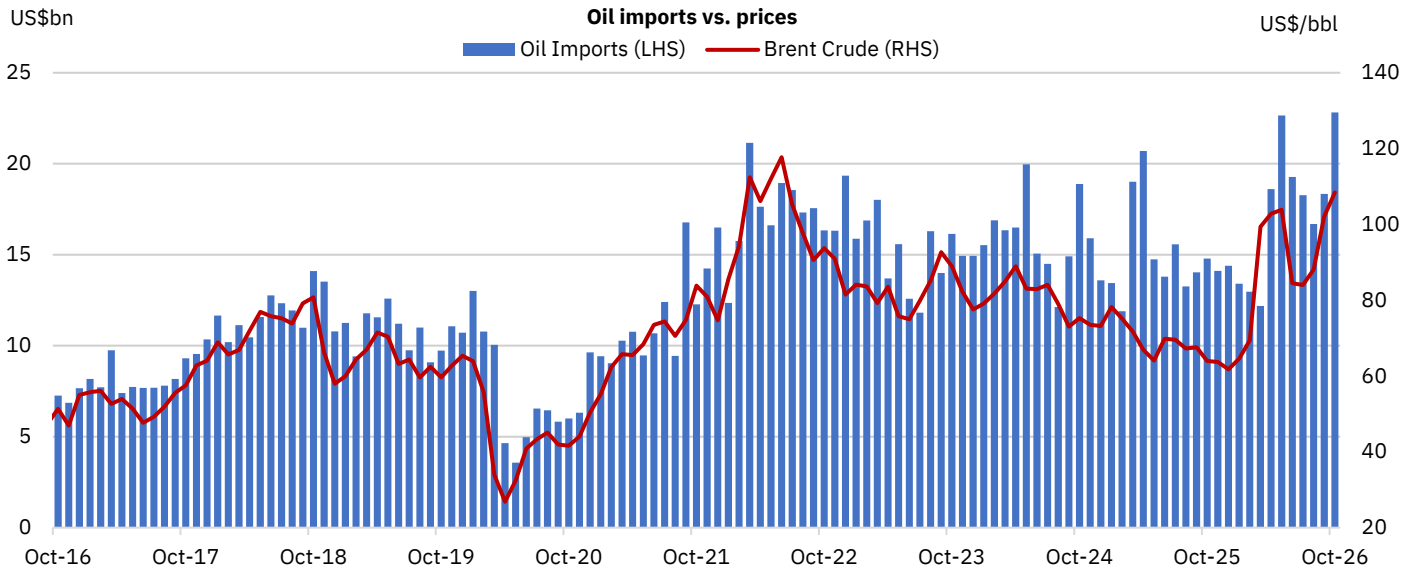


Figure 184: Oil imports trend



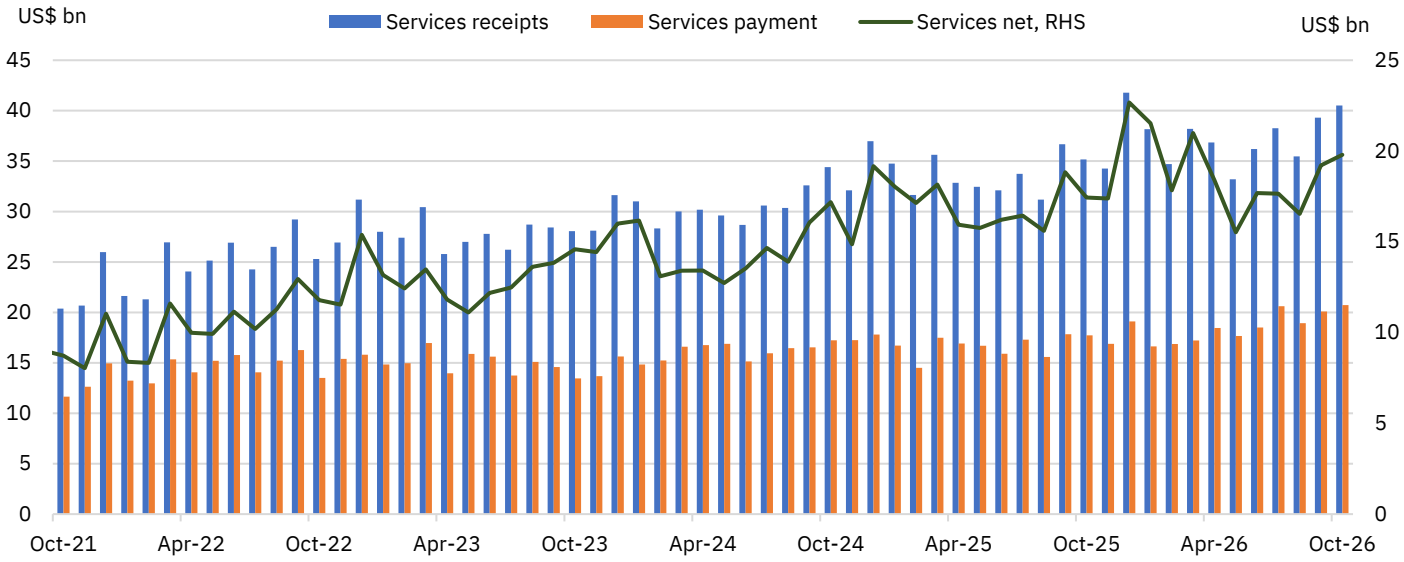
Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR.

Figure 185: Oil imports vs. Brent crude oil prices trend



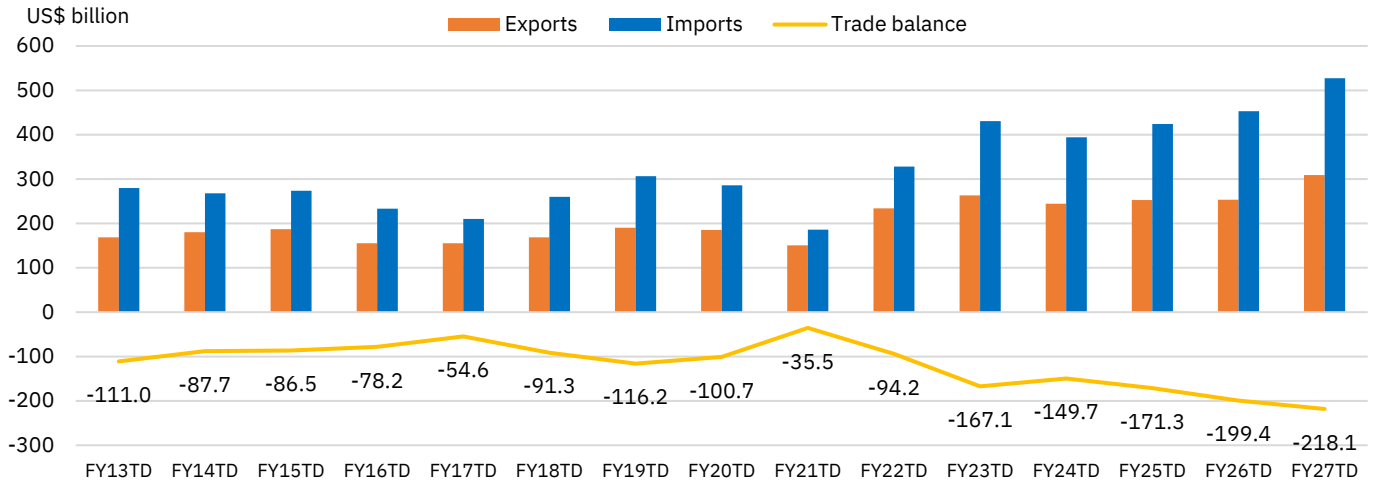
Source: LSEG Workspace, CMIE Economic Outlook, NSE EPR.

Figure 186: Monthly trend in monthly services exports, imports and net balance



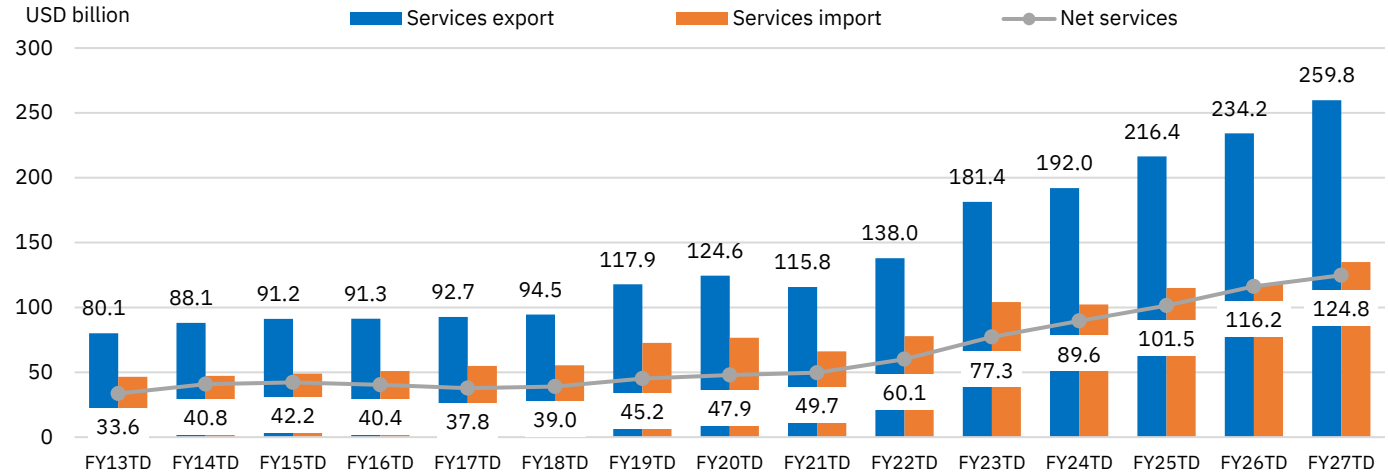
Source: CMIE Economic Outlook, NSE EPR.

Figure 187: Trend in merchandise exports, imports and net trade balance



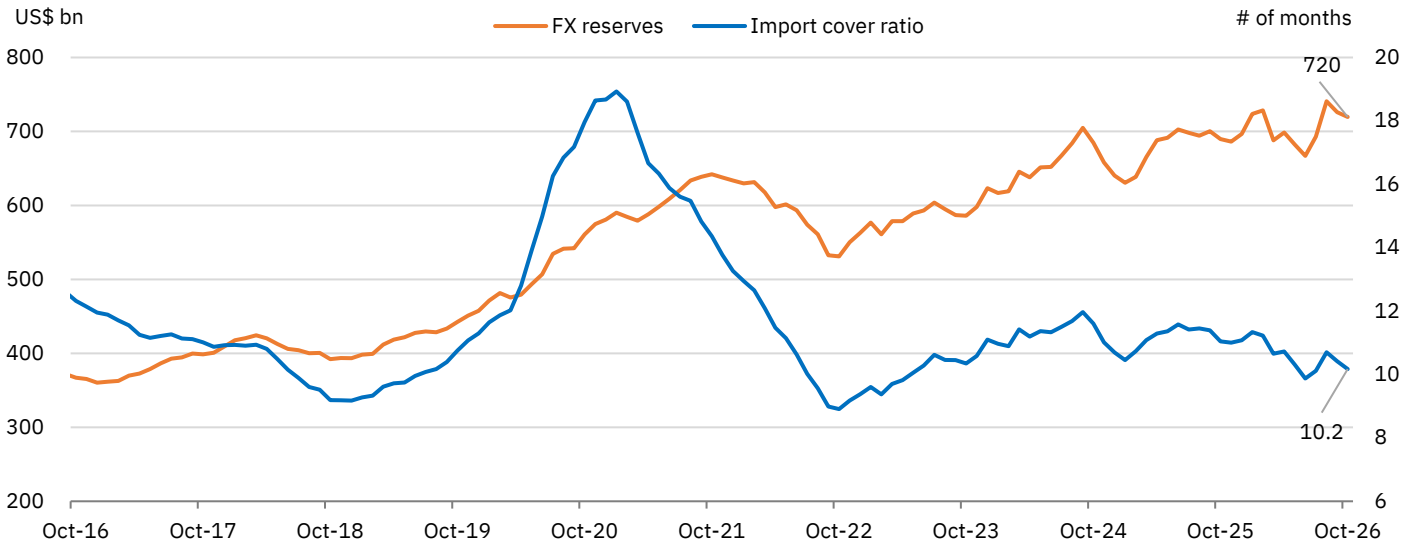
Source: CMIE Economic Outlook, NSE EPR. Notes: 1) TD values for respective years are for the period April to October.

Figure 188: Trend in services exports, imports and net balance



Source: CMIE Economic Outlook, NSE EPR. 1) TD values for respective years are for the period April to October.

Figure 189: Forex reserves and import cover (months)



Source: LSEG Workspace, RBI, NSE EPR; Forex reserves as of November 6th, 2026

3.6 External position remains supported by adequate reserves and capital inflows

India's external sector remained resilient in H1FY27, with the overall balance of payments (BoP) shifting to a surplus of US$66.8 bn from a deficit of US$6.4 bn a year earlier, largely driven by strong banking capital inflows, particularly NRI deposits supported by the RBI's FCNR(B) swap facility. This improvement came despite a 43.3% YoY widening of the current account deficit (CAD) to US$25.8 bn, reflecting a higher merchandise trade deficit and increased net income outflows. Robust services receipts and transfers provided a cushion, while sustained FPI outflows and net ECB outflows partly offset the gains from banking inflows.

Meanwhile, foreign exchange reserves stood at US$719.5 bn as of November 6, 2026, remaining substantial despite moderation from their September peak, partly reflecting possible RBI dollar sales to contain rupee volatility and valuation effects. RBI's outstanding net short dollar forward position increased to a record-high level of US$239.2 bn in September 2026 with a notable concentration in contracts maturing beyond one year while the RBI's net dollar purchases increased sharply to US$43.3 bn in August 2026 from US$18.7 bn in July, reflecting the higher inflows through the FCNR(B) deposits. Overall, strong capital inflows and comfortable reserve buffers continue to support external stability, although the widening CAD, sustained portfolio outflows and global financial uncertainties remain key risks.

- **Current account deficit widens in H1, while policy-induced capital inflows support BoP surplus:** India's BoP shifted to a surplus of US$66.8 bn in H1FY27 from a deficit of US$6.4 bn a year earlier, largely supported by strong banking capital inflows (US$125.2 bn), following the RBI's concessional swap facility for FCNR(B) deposits. The improvement came despite a 43.3% YoY widening of the current account deficit (CAD) to US$25.8 bn, driven by a larger merchandise trade deficit and higher net income outflows. While merchandise exports grew faster than imports (19.8% vs. 16.3%), the larger import base kept the trade deficit elevated. Higher net services receipts, transfers and net FDI inflows (+18.9% YoY) provided support, while sustained FPI outflows (US$10.4 bn) and net ECB outflows (US$40.6 bn) partly offset the gains. In September 2026, the BoP recorded a surplus of US$8.8 bn, as net banking capital inflows (US$22.2 bn) more than offset a wider CAD (US$7.4 bn) and net FDI and FPI outflows.
- **Foreign exchange reserves moderate from September peak levels:** India's foreign exchange reserves stood at US$719.5 bn as of November 6th, 2026, with foreign currency assets constituting 82.2% of the total, followed by gold reserves at 14.6%. Despite some moderation in recent weeks, reserves remained US$28.4 bn higher than their level at the end-March 2026. This moderation in reserves from their September peak can be attributed to likely RBI dollar sales during October to contain excessive volatility in the rupee, alongside valuation changes in foreign currency assets and gold holdings. Furthermore, the RBI also introduced a special dollar window for three oil market companies (OMCs) to meet their dollar requirements directly. Meanwhile, outward remittances under the Liberalised Remittance Scheme increased marginally to US$2.7 bn in August from US$2.6 bn in July, largely driven by overseas travel expenditure and investment in equity and debt instruments.
- **RBI's foreign exchange operations reflect increased dollar purchases:** The RBI's outstanding net short dollar forward position increased to a record US$239.2 bn in September 2026 with contracts maturing beyond one year having the highest concentration. In the spot market, the RBI's gross dollar purchases

increased to US$74.5 bn in August from US$38.4 bn in July, while sales rose to US$31.2 bn from US$19.8 bn, resulting in net purchases of US$43.3 bn compared with US$18.7 bn in the preceding month. The sharp increase in net purchases coincided with the return of foreign currency mobilized through the RBI's special swap facility for FCNR(B) deposits, external commercial borrowings and overseas foreign currency borrowings.

Table 64: Balance of Payments – Monthly and FYTD accounts (based on BPM6 methodology)

US$ bn	Sep-25	Sep-26	YoY growth	FY26TD	FY27TD	YoY growth
Current account	**-5.2**	**-7.4**	**-42.3**	**-18.0**	**-25.8**	**-43.3**
Merchandise balance	-33.4	-30.0	10.2	-158.1	-176.1	-11.4
Exports	36.4	45.3	24.5	221.5	265.3	19.8
Imports	69.8	75.3	7.9	379.6	441.4	16.3
Net services	18.8	19.2	2.1	98.8	105.0	6.3
Exports	36.7	39.3	7.1	199.0	219.3	10.2
Imports	17.8	20.1	12.9	100.2	114.3	14.1
Net transfers	11.5	10.9	-5.2	67.2	77.7	15.6
Net income	-2.2	-7.6	-245.5	-25.8	-32.4	-25.6
Capital account	**-0.4**	**16.2**	**4150**	**11.6**	**92.6**	**698.3**
Foreign Direct Investment (net)	-2.3	-4.9	-113.0	7.4	8.8	18.9
In India (net)	2.5	-0.5	-120.0	26.1	31.0	18.8
Abroad (net)	4.7	4.4	-6.4	18.7	22.1	18.2
Foreign Portfolio Investment (net)	-0.6	-6.7	-1016.7	-4.1	-10.4	-153.7
In India (net)	-0.5	-6.5	-1200.0	-3.0	-8.9	-196.7
Abroad (net)	0.1	0.1	0.0	1.2	1.4	16.7
External commercial borrowings	0.6	4.5	650.0	7.2	-40.6	-663.9
To India (net)	2.0	3.4	70.0	6.7	10.8	61.2
By India (net)	1.4	-1.1	-178.6	-0.6	51.4	8666.7
Short-term Credit to India (Net)	2.5	1.6	-36.0	3.9	7.0	79.5
Banking Capital (Net)	0.7	22.2	3071.4	0.3	125.2	41633.3
of which: NRI Deposits (Net)	0.4	3.7	825.0	6.1	125.6	1959.0
Other Capital (Net)	-1.3	-0.6	53.8	-3.1	2.6	183.9
Overall Balance	**-5.6**	**8.8**	**257.1**	**-6.4**	**66.8**	**1143.8**

Source: RBI, NSE EPR Note: 1. Errors and omissions are included under 'Other Capital'. 2) Total of sub-components may not tally with aggregate due to rounding off. 3)TD values for FY26 and FY27 is for the period April-September 2026.

Figure 190: Monthly trends in gross and net FDI flows

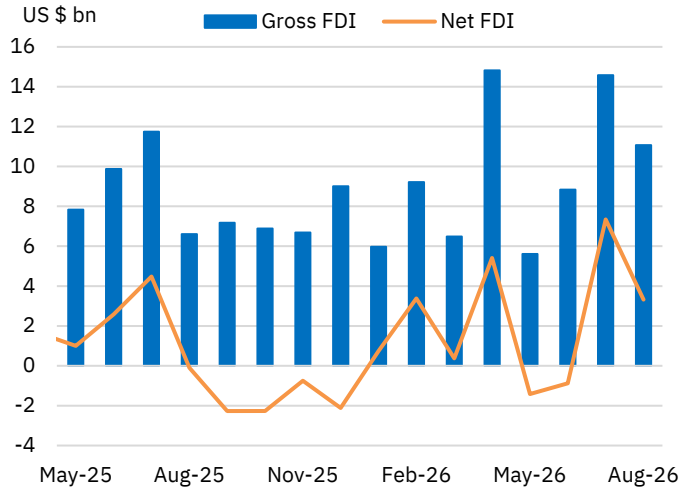
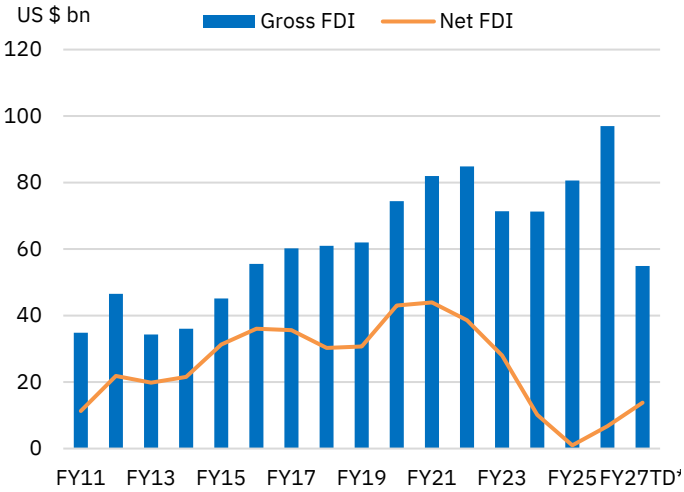
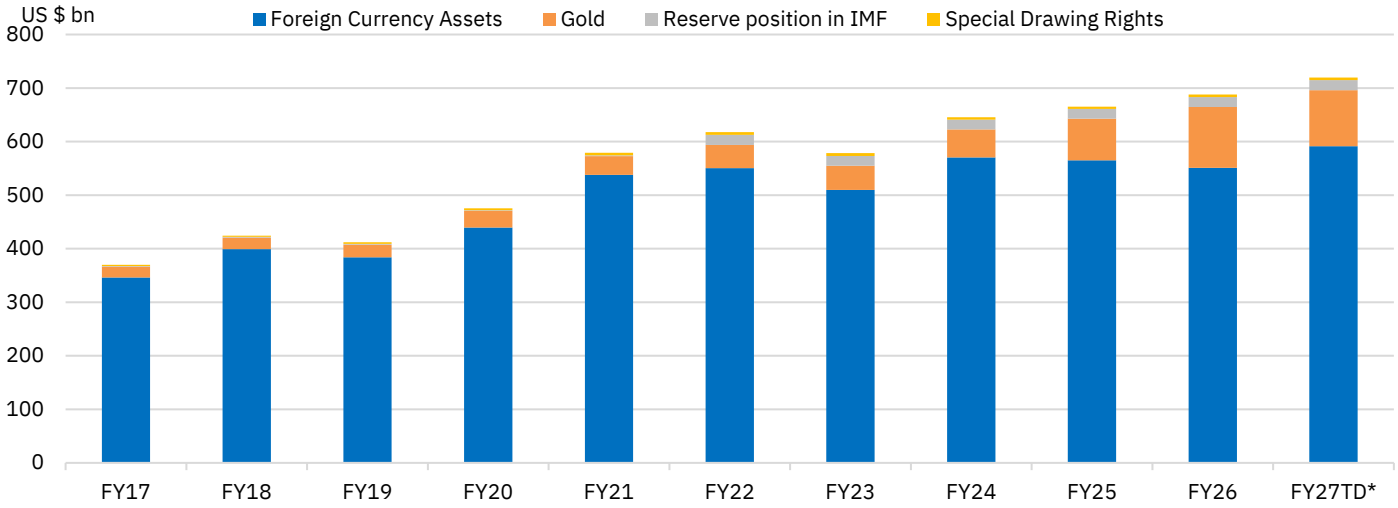


Figure 191: Annual trends in gross and net FDI flows



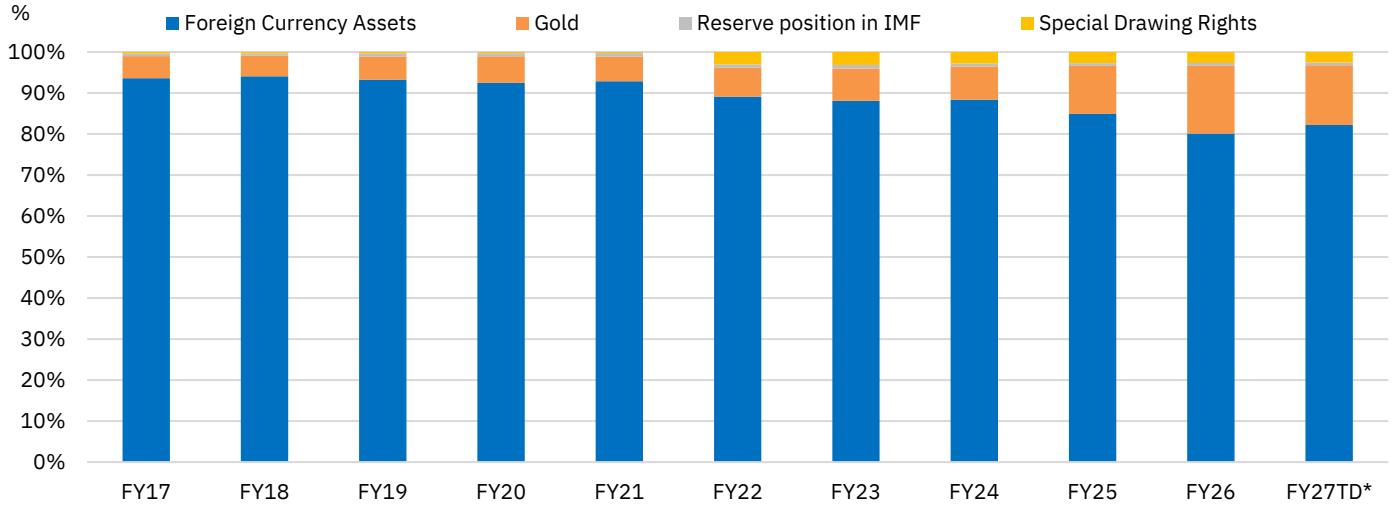
Source: CMIE Economic Outlook, NSE EPR. Note: FY27TD* data is till August 2026.

Figure 192: Trends in sub-component wise foreign exchange reserves



Source: CEIC, NSE EPR. Note: FY27TD* corresponds to November 6th, 2026.

Figure 193: Trends in sub-component-wise foreign exchange reserves (% share)



Source: CEIC, NSE EPR. Note: FY27TD* corresponds to November 6th, 2026.

Figure 194: Monthly trends in outward remittances

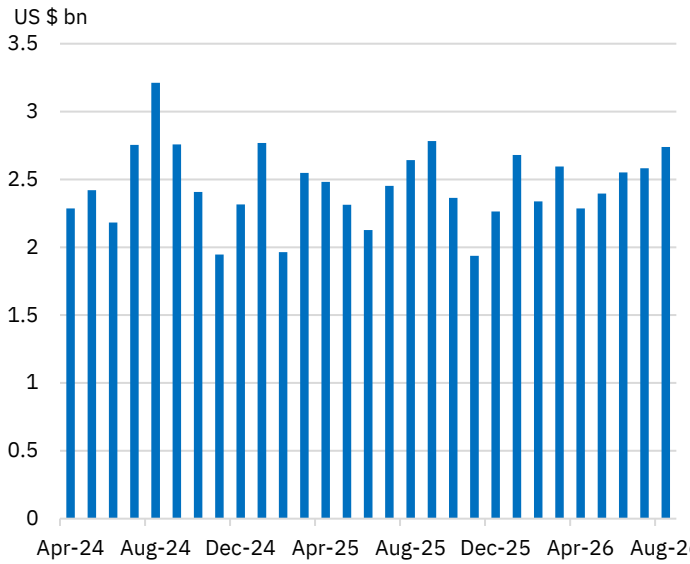
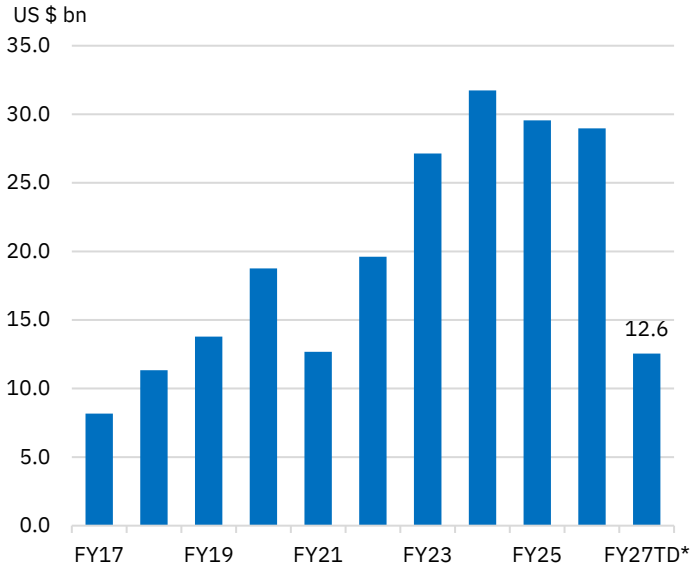
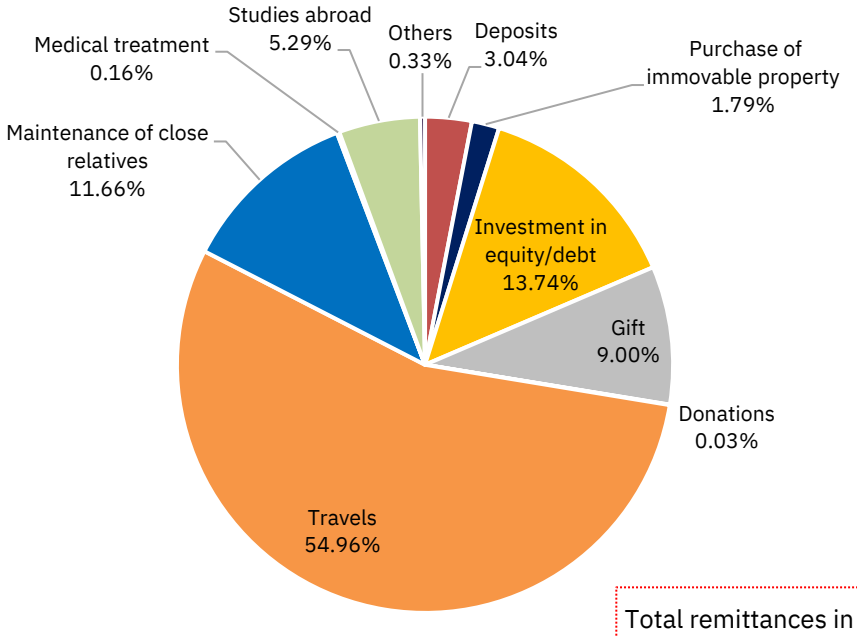


Figure 195: Annual trends in outward remittances



Source: CMIE Economic Outlook, NSE EPR Note: Data for FY27 pertains to April-August 2026

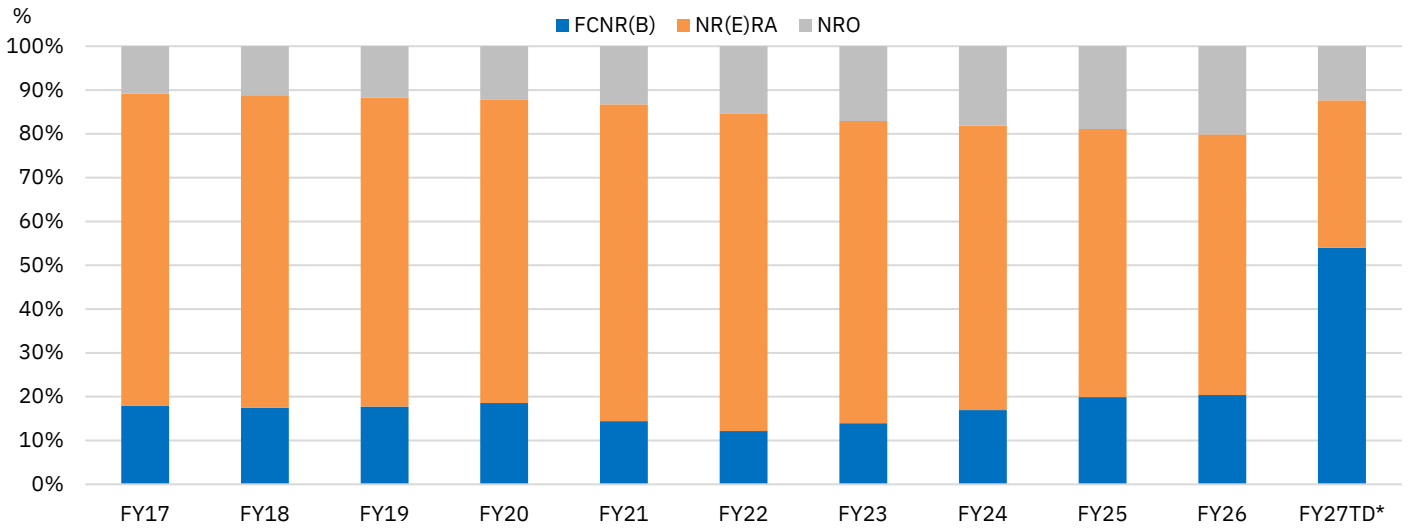
Figure 196: Composition of outward remittances in FY27TD



Total remittances in FY27TD: **US$12.6 bn**

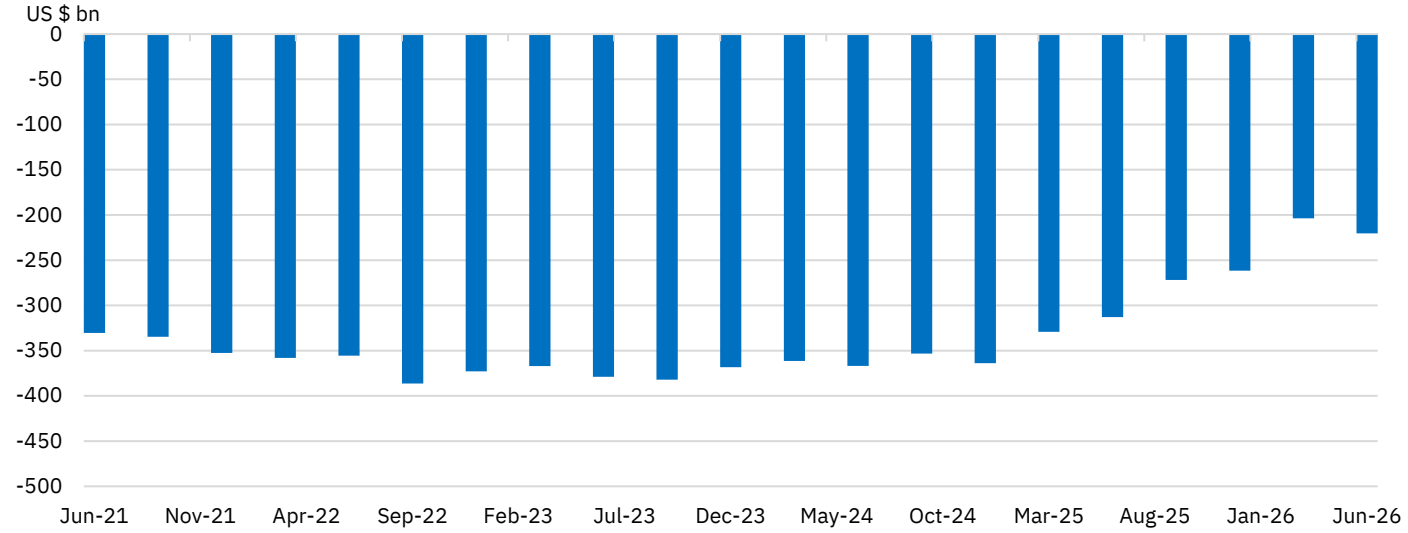
Source: CMIE Economic Outlook, NSE EPR. Note: Data for FY27TD is from Apr-Aug 2026.

Figure 197: Trends in sub-components of NRI Deposits (% share)



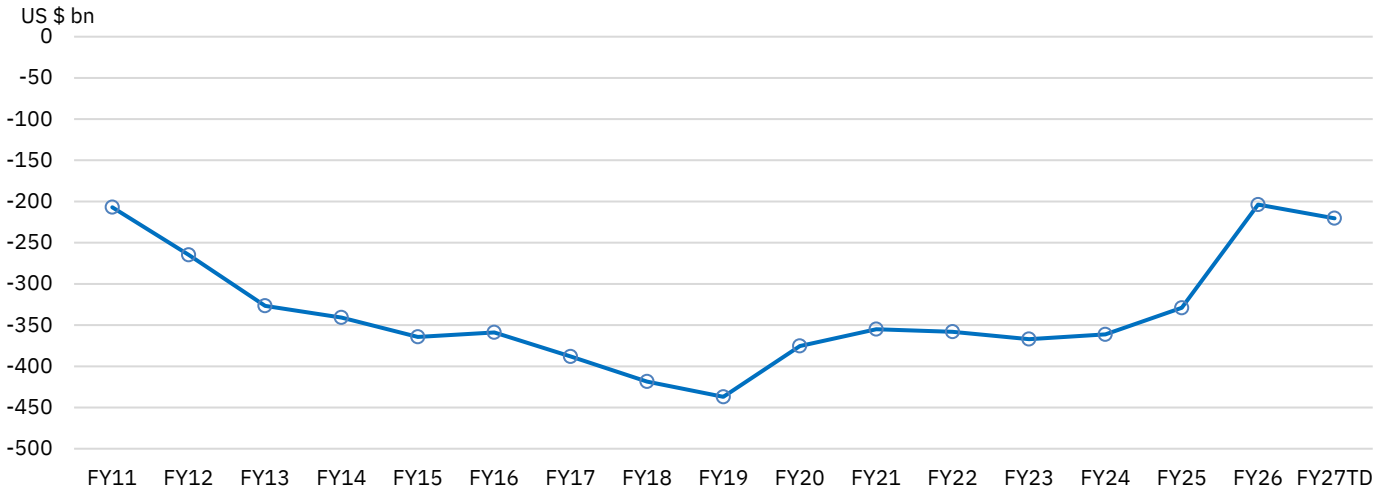
Source: RBI, NSE EPR. Note: 1) FY27TD* is till August 2026. 2) FCNR (B): Foreign Currency Non-Resident (Banks) Deposit; NR(E)RA: Non-resident (External) Rupee Account

Figure 198: Quarterly trend in India's international investment position



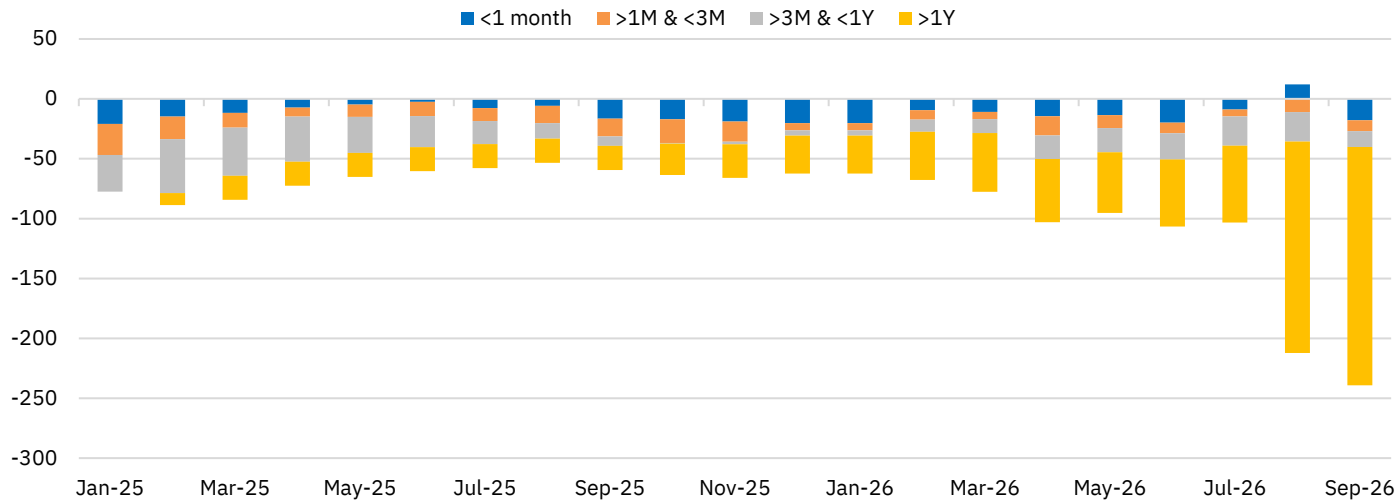
Source: CEIC, NSE EPR.

Figure 199: Annual movement in India's international investment position



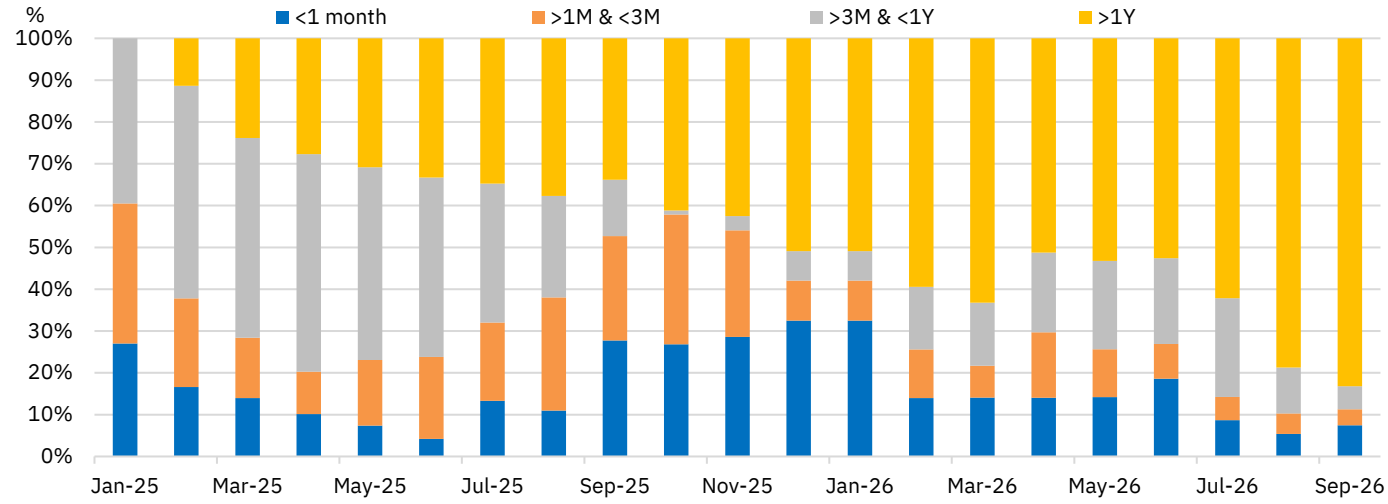
Source: CEIC, NSE EPR. Note: FY27TD data is June 2026.

Figure 200: Trends in US dollar forward position across different tenors



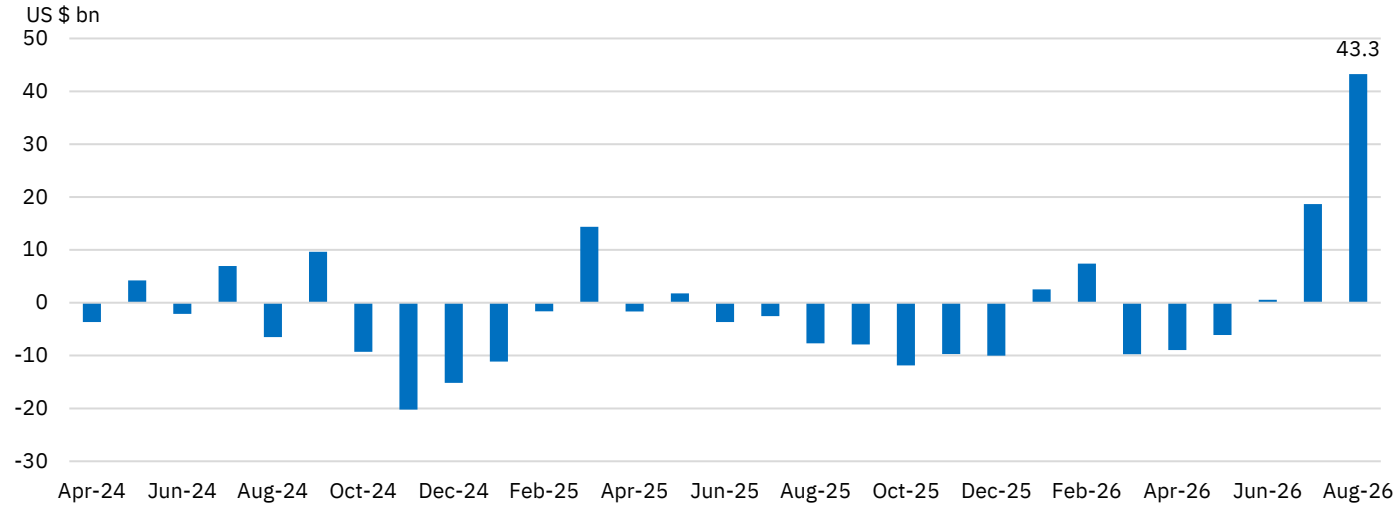
Source: RBI, NSE EPR.

Figure 201: Trends in % share of each tenor of US dollar forward position



Source: RBI, NSE EPR.

Figure 202: Monthly trends in RBI's purchase/sale of US Dollar



Source: CEIC, NSE EPR.

3.7 Fiscal deficit at 42% of FY27BE in H1FY27

Figure 203: Centre's gross fiscal trend (% GDP)

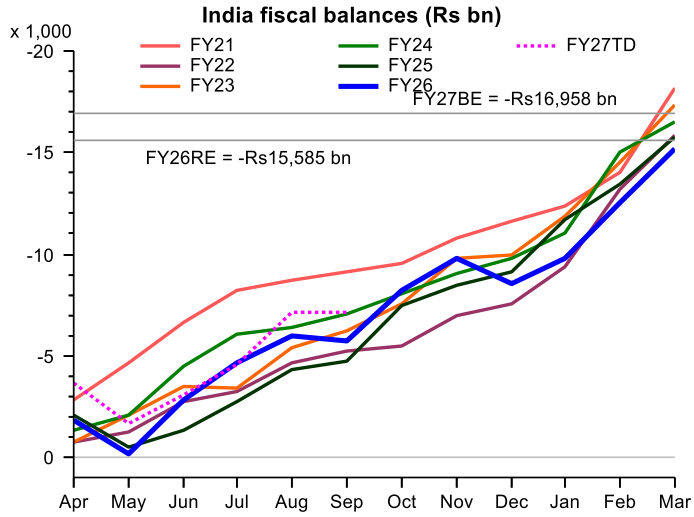
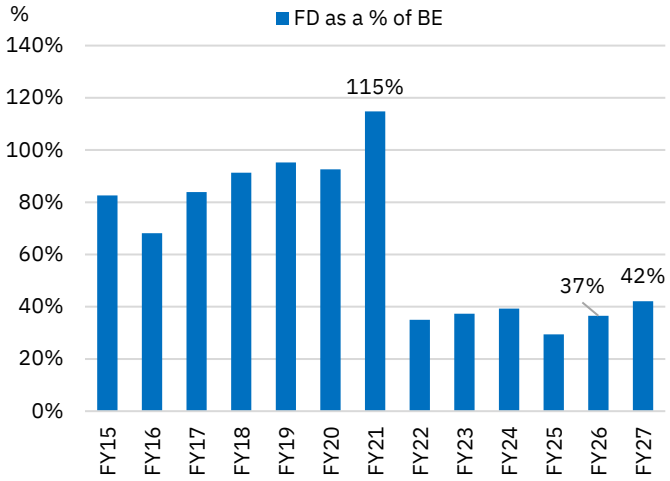


Figure 204: Gross fiscal deficit as % of budget targets during the month of Apr-Sep across years



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

Figure 205: Centre's gross fiscal trend (% GDP)

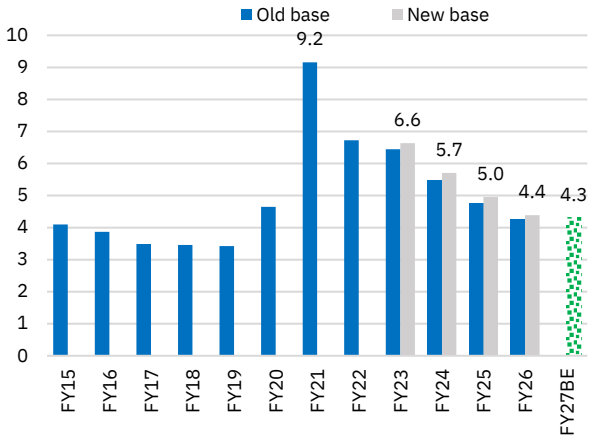
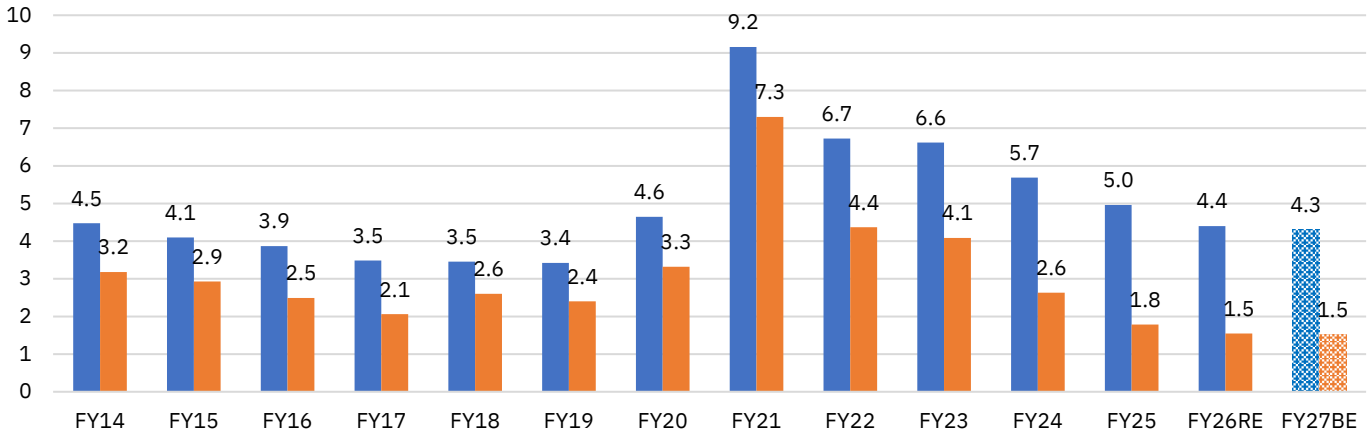


Table 65: Fiscal balance snapshot

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**	

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 and for FY27, it is sourced from the Union Budget documents.

Figure 206: Centre's gross fiscal and revenue deficit (% of GDP)



Source: CMIE Economic Outlook, CGA, NSE EPR. BE = Budget Estimates, RE= Revised Estimates. Notes – 1) GDP for FY23-27 are based on new base. 2) Fiscal deficit = Total expenditure – total receipts, Revenue deficit = Revenue expenditure – revenue receipts.

Figure 207: Direct tax collections during Apr-Sep

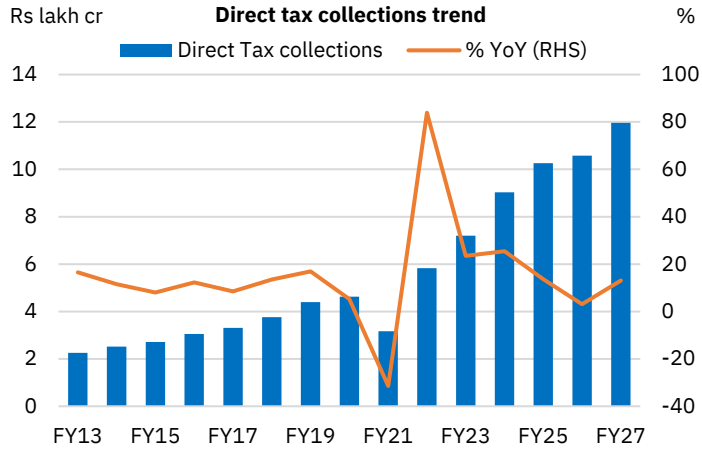
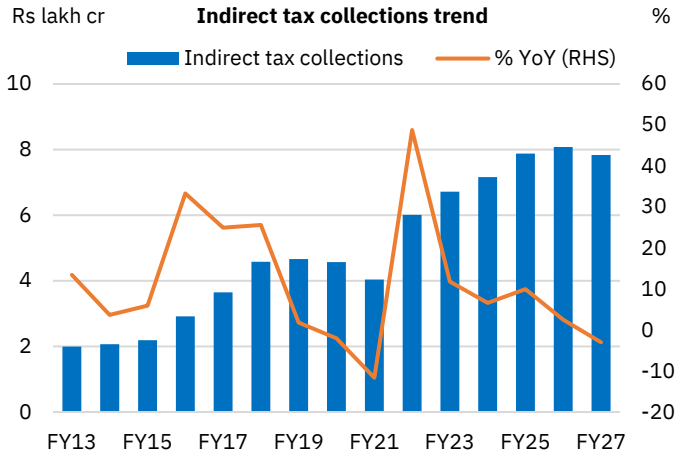


Figure 208: Indirect tax collections during Apr-Sep



Source: CMIE Economic Outlook, CGA, NSE EPR. H1FY27 = April-September.

Figure 209: Income tax collections

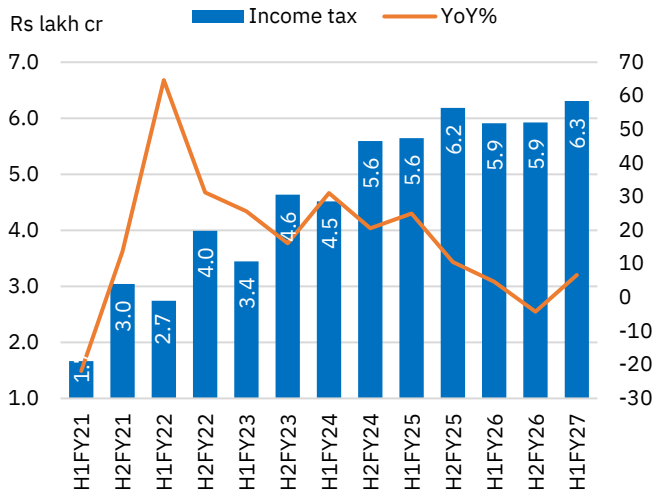
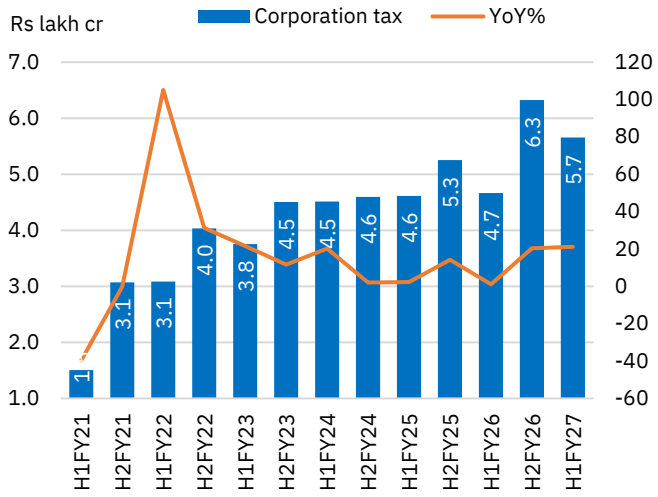
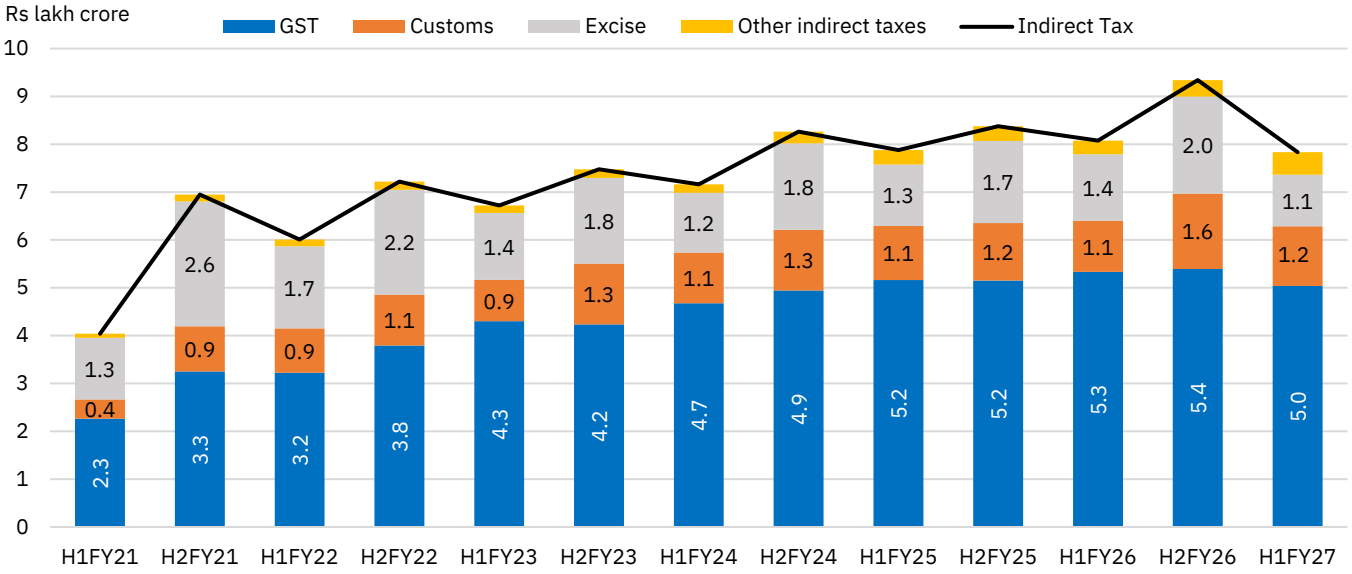


Figure 210: Corporation tax collections



Source: CMIE Economic Outlook, CGA, NSE EPR

Figure 211: Half-yearly trends in indirect tax collections



Source: CMIE Economic Outlook, CGA, NSE EPR

Figure 212: Revenue and capital exp during Apr-Sep

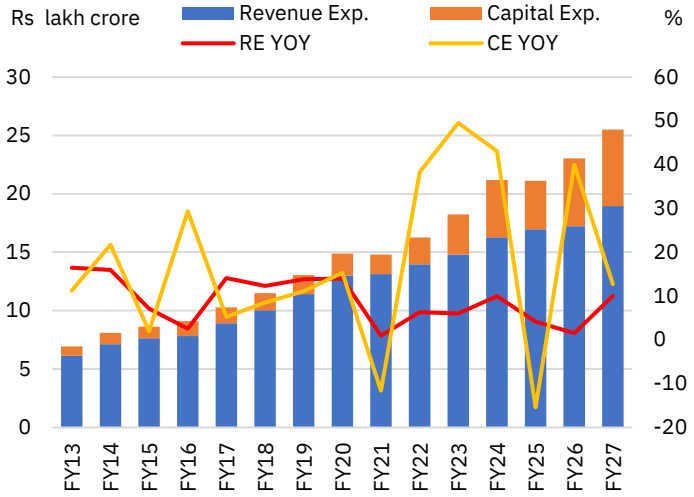
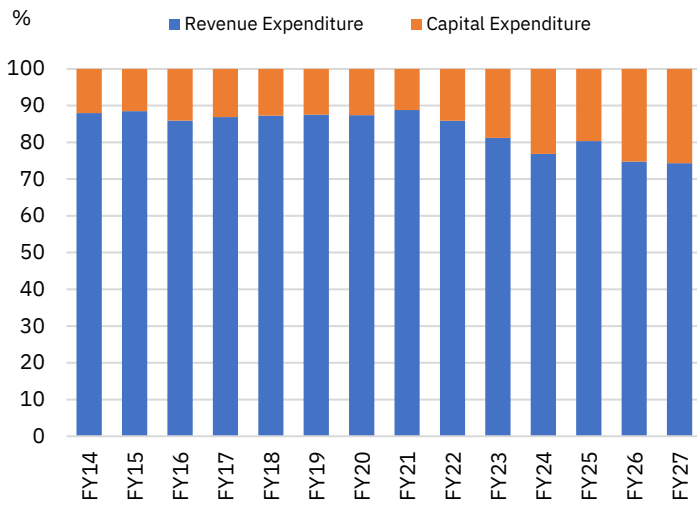


Figure 213: Expenditure mix during Apr-Sep



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

Figure 214: Interest payment (% of revenue receipts)

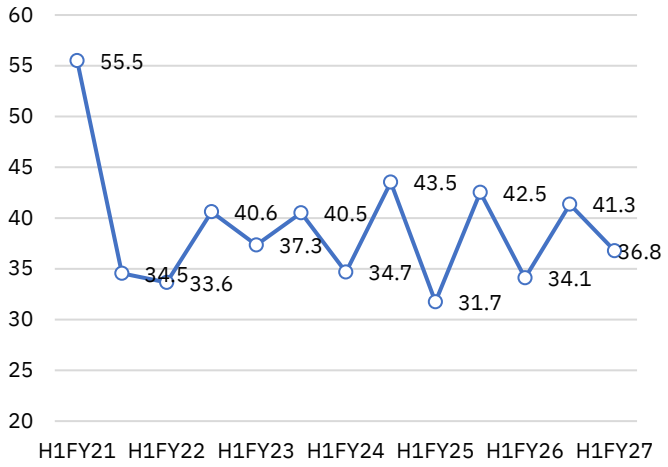
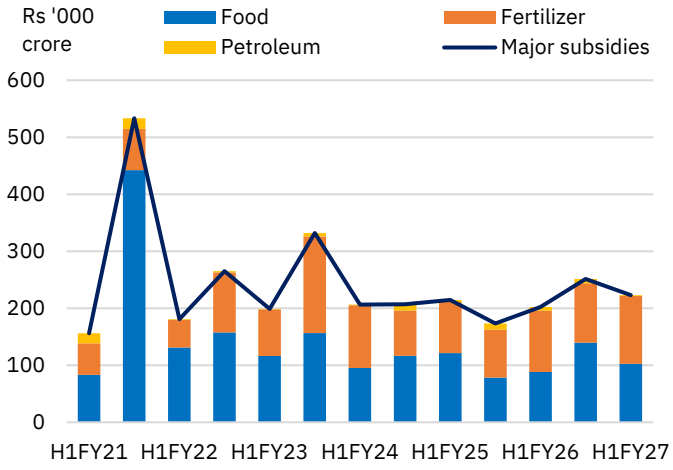
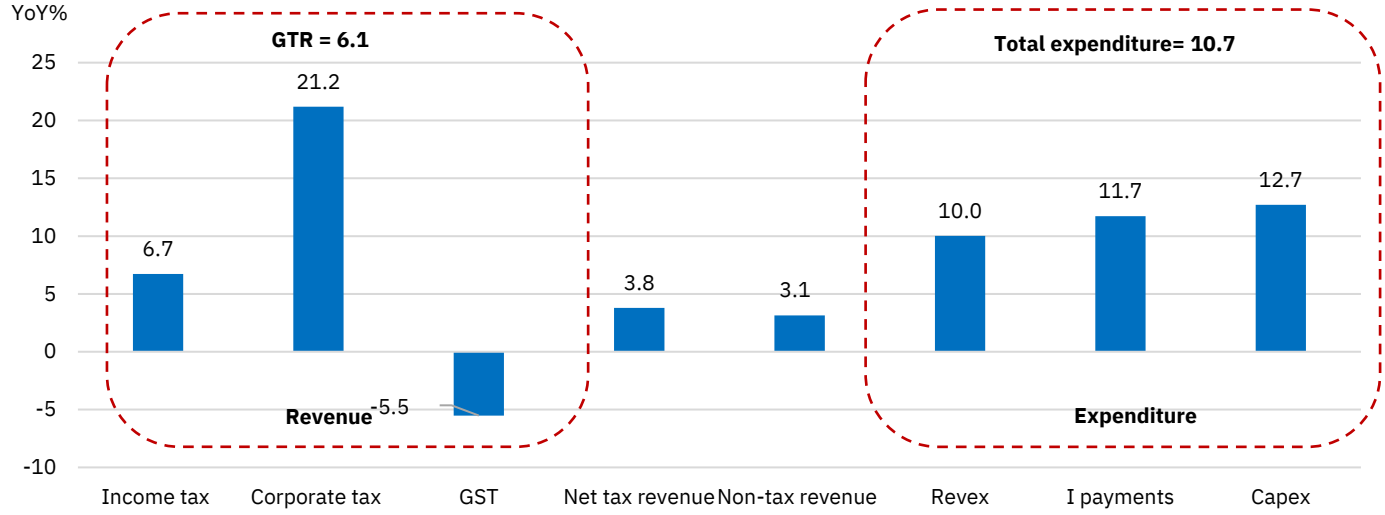


Figure 215: Half-yearly trend of major subsidies



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

Figure 216: YoY% of receipts and expenditure for H1FY27



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

Table 66: A snapshot of government finances for H1FY26 and H1FY27 so far

Items	FY26TD	FY27TD	Realisation/utilisation rate		Avg. monthly required run-rate (Rs lakh crore)	
	Rs lakh crore	Rs lakh crore	6MFY26 (as % of RE)	6MFY27 (as % of BE)	6MFY26	6MFY27
Net tax revenues	**12.3**	**12.8**	**46.0%**	**44.5%**	**2.4**	**2.7**
Gross tax revenues	**18.7**	**19.8**	**45.7%**	**45.0%**	**3.7**	**4.0**
Of which:						
Direct Tax	**10.6**	**12.0**	**43.7%**	**44.4%**	**2.3**	**2.5**
Corporation tax	4.7	5.7	42.1%	45.9%	1.1	1.1
Income tax	5.9	6.3	45.0%	43.0%	1.2	1.4
Indirect Tax	**8.1**	**7.8**	**48.8%**	**45.9%**	**1.4**	**1.5**
Goods and service tax	5.3	5.0	49.7%	49.4%	0.9	0.9
Custom Duties	1.1	1.2	41.5%	46.0%	0.3	0.2
Excise Duties	1.4	1.1	41.3%	27.7%	0.3	0.5
States Share	-6.3	-7.0	45.4%	45.8%	-1.3	-1.4
Transferred to NCCD	0.0	0.0	41.7%	40.4%	0.0	0.0
Non-Tax Revenue	**4.7**	**4.8**	**69.8%**	**72.2%**	**0.3**	**0.3**
Dividends and profits	3.5	3.4	93.6%	87.4%	0.0	0.1
Other non-tax revenues	1.1	1.4	45.8%	60.0%	0.2	0.2
Total revenue receipts	**17.0**	**17.6**	**50.7%**	**49.7%**	**2.7**	**3.0**
Non-Debt Capital Receipts	0.3	0.8	54.3%	66.4%	0.0	0.1
Recovery of Loans	0.1	0.2	37.6%	42.8%	0.0	0.0
Misc. Receipts (include divestment)	0.2	0.6	69.2%	77.7%	0.0	0.0
Total Receipts	**17.3**	**18.4**	**50.8%**	**50.3%**	**2.8**	**3.0**
Revenue Expenditure	**17.2**	**19.0**	**44.5%**	**45.9%**	**3.6**	**3.7**
Interest Payments	5.8	6.5	45.4%	46.0%	1.2	1.3
Major subsidies	2.0	2.2	43.1%	49.0%	0.4	0.4
Food	0.9	1.0	38.7%	45.0%	0.2	0.2
Fertilizer	1.1	1.2	57.5%	69.8%	0.1	0.1
Petroleum	0.1	0.0	44.4%	9.5%	0.0	0.0
Other revenue expenditure	9.4	10.3	44.3%	45.3%	2.0	2.1
Capital Expenditure	**5.8**	**6.5**	**53.0%**	**53.6%**	**0.9**	**0.9**
Total Expenditure	**23.0**	**25.5**	**46.4%**	**47.7%**	**4.4**	**4.7**
Fiscal Deficit	**5.7**	**7.1**	**36.8%**	**42.1%**	**1.6**	**1.6**

Source: CMIE Economic Outlook, CGA, Budget Documents, NSE EPR. Notes – 1) FY26TD and FY27TD refers to the period of Apr-Sep.

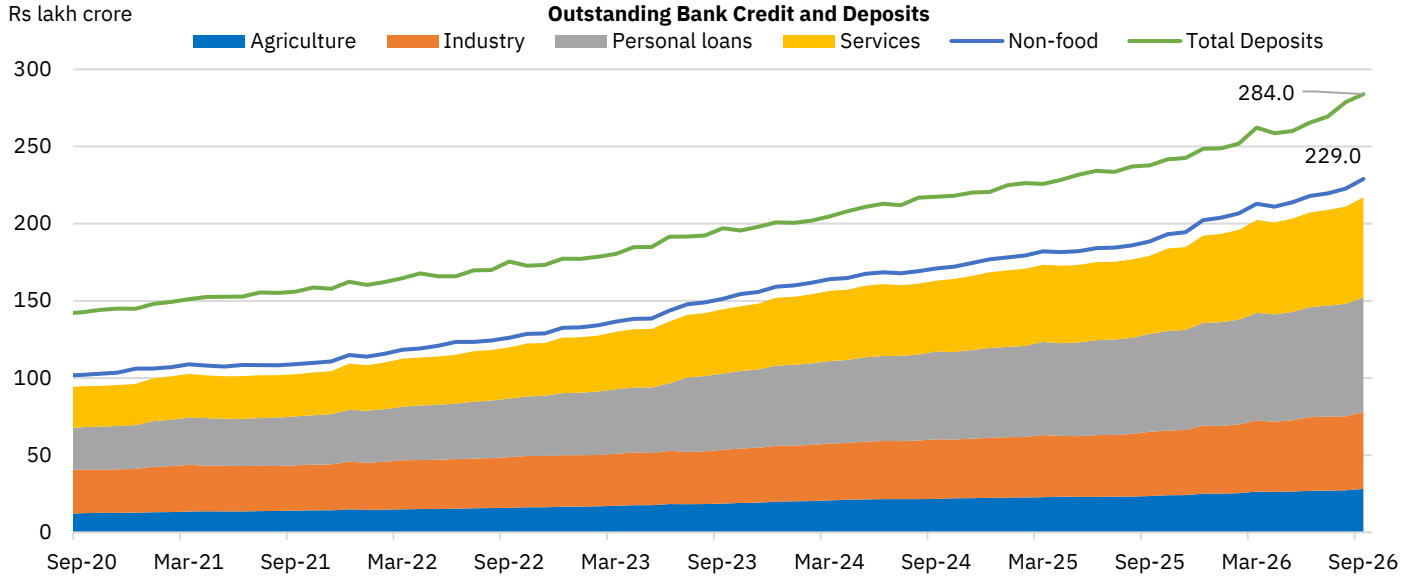
Table 67: A snapshot of Government finances in financial year 2025-27

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.

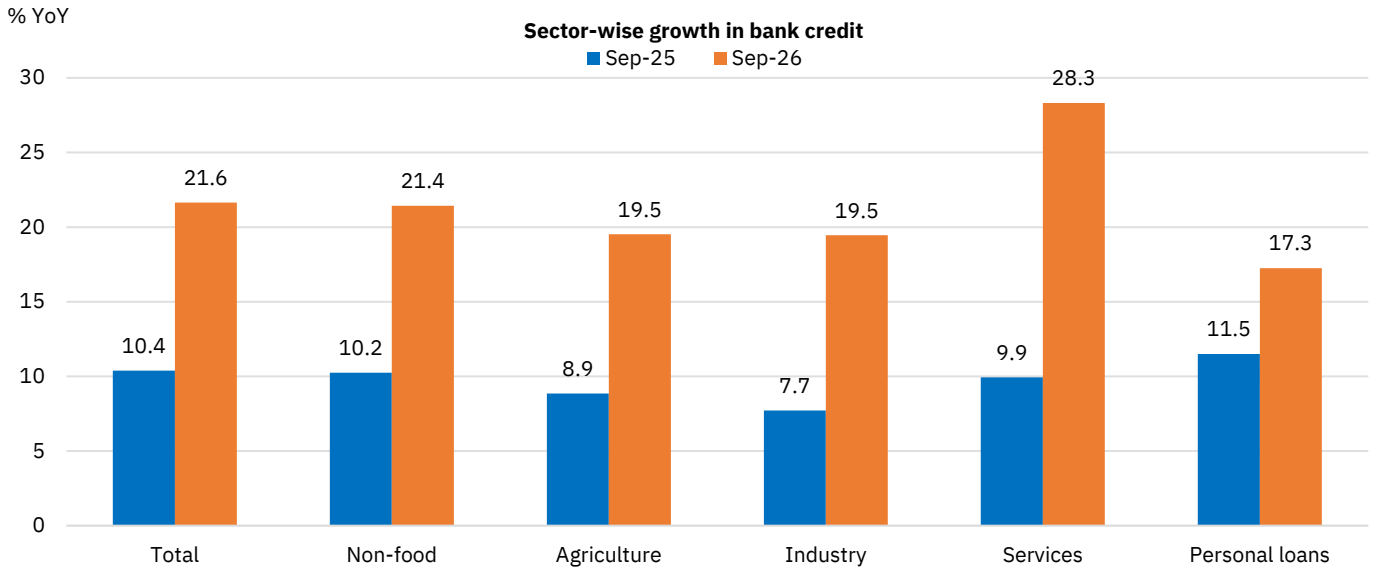
3.8 Festive demand drives strong credit growth in October

Figure 217: Outstanding bank credit and deposit



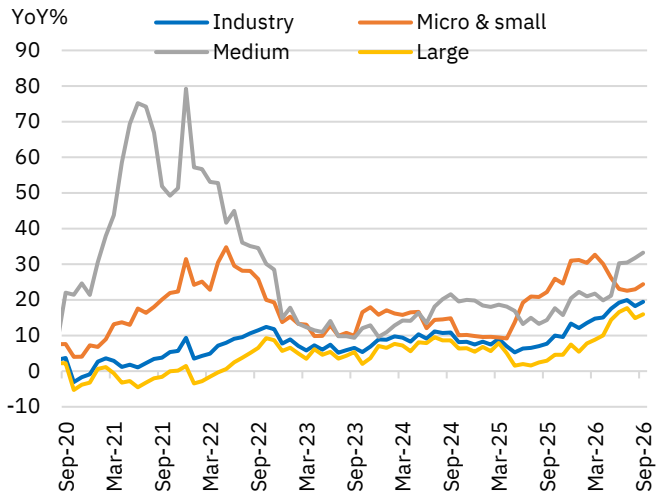
Source: CMIE Economic Outlook, RBI, NSE EPR.

Figure 218: Growth in bank credit across key heads



Source: CMIE Economic Outlook, NSE EPR.

Figure 219: Size-wise growth in industrial bank credit



Source: CMIE Economic Outlook, NSE EPR.

Figure 220: Growth in bank credit across segments of industry (% YoY)

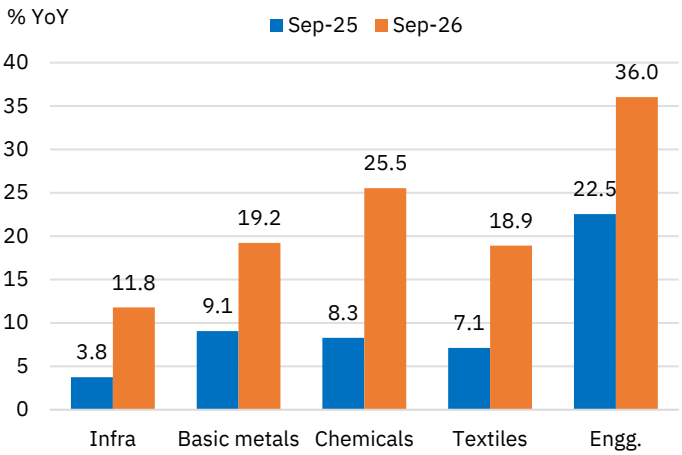
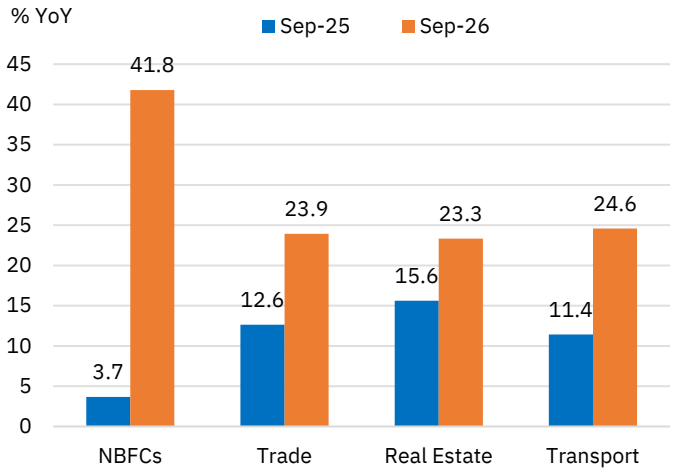
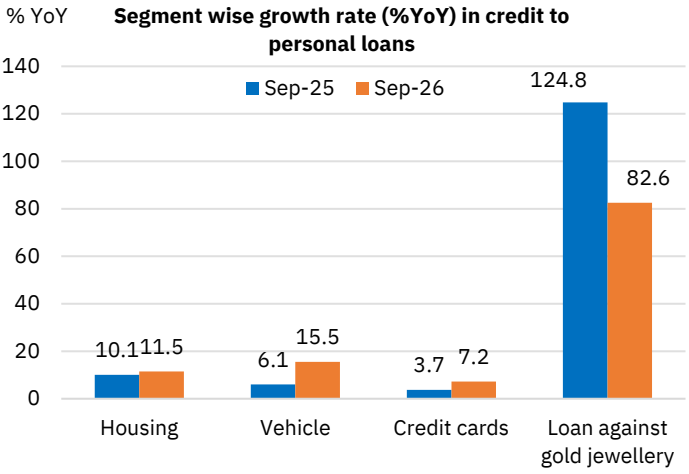


Figure 221: Growth in bank credit across segments of services (% YoY)



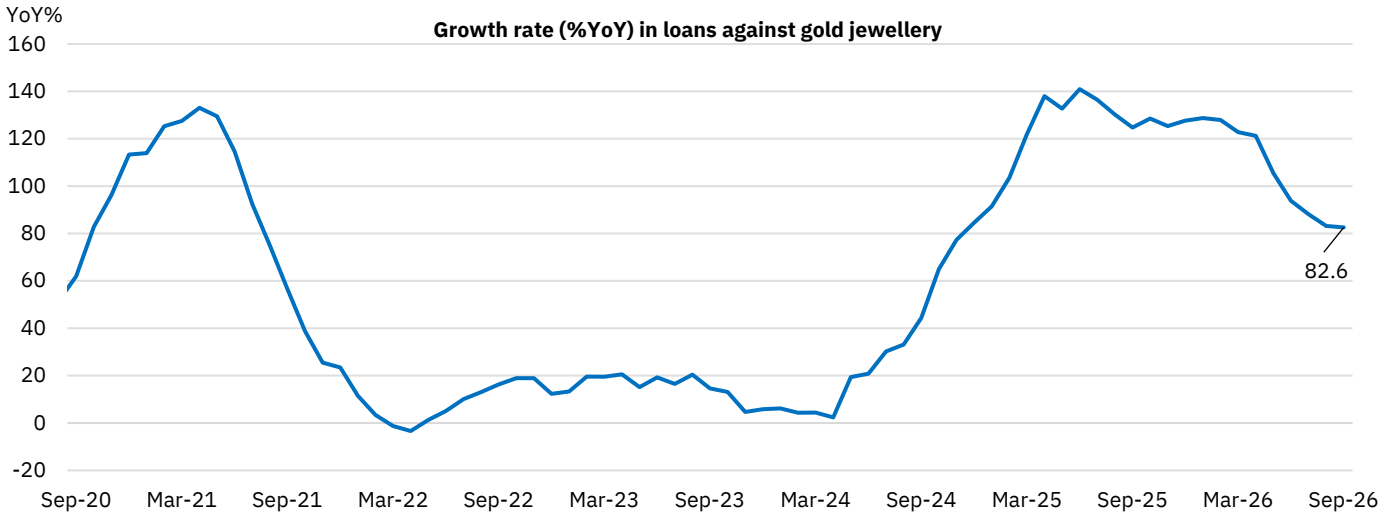
Source: CMIE Economic Outlook, NSE EPR.

Figure 222: Growth in bank credit across segments of personal loans



Source: CMIE Economic Outlook, NSE EPR.

Figure 223: Growth rate in loans against gold jewellery (% YoY)



Source: CMIE Economic Outlook, NSE EPR

Figure 224: Trends in bank credit and deposit growth (% YoY)

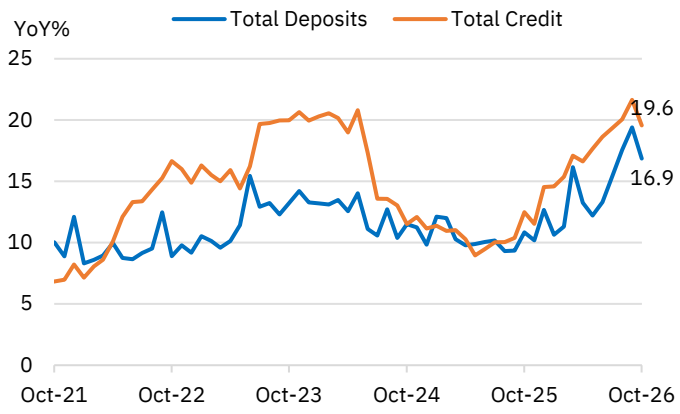
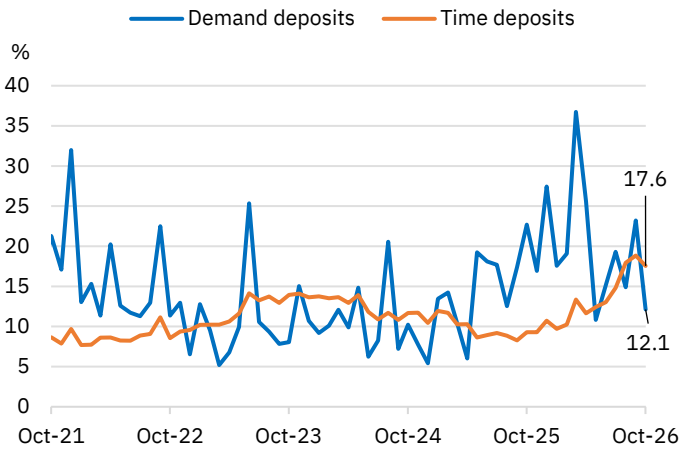
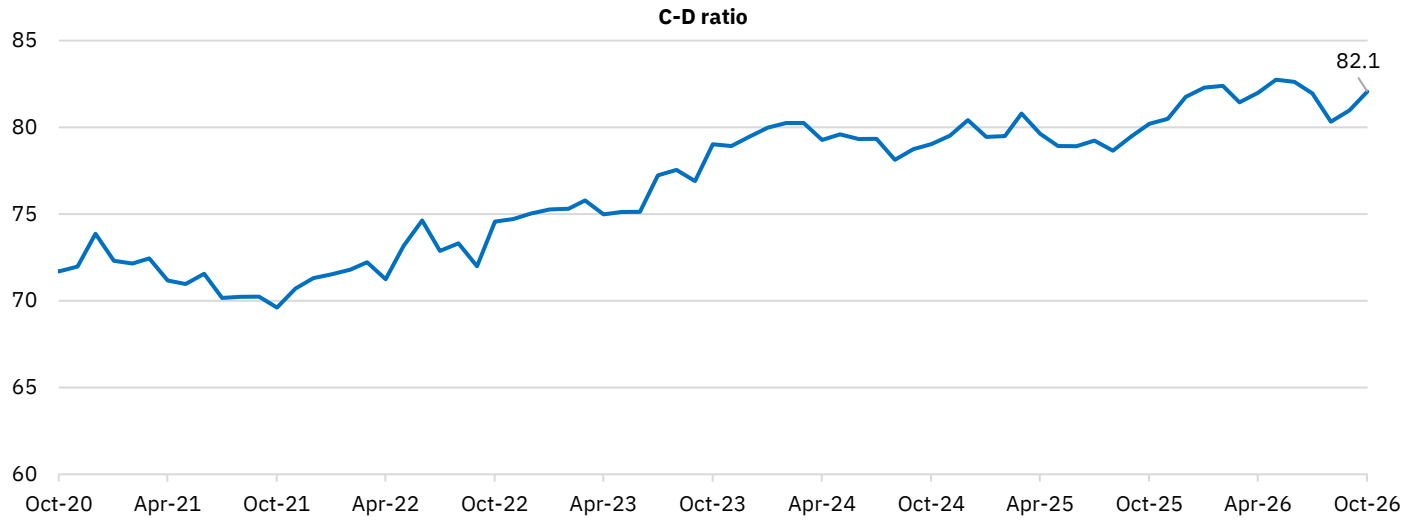


Figure 225: Trends in deposit growth (% YoY)



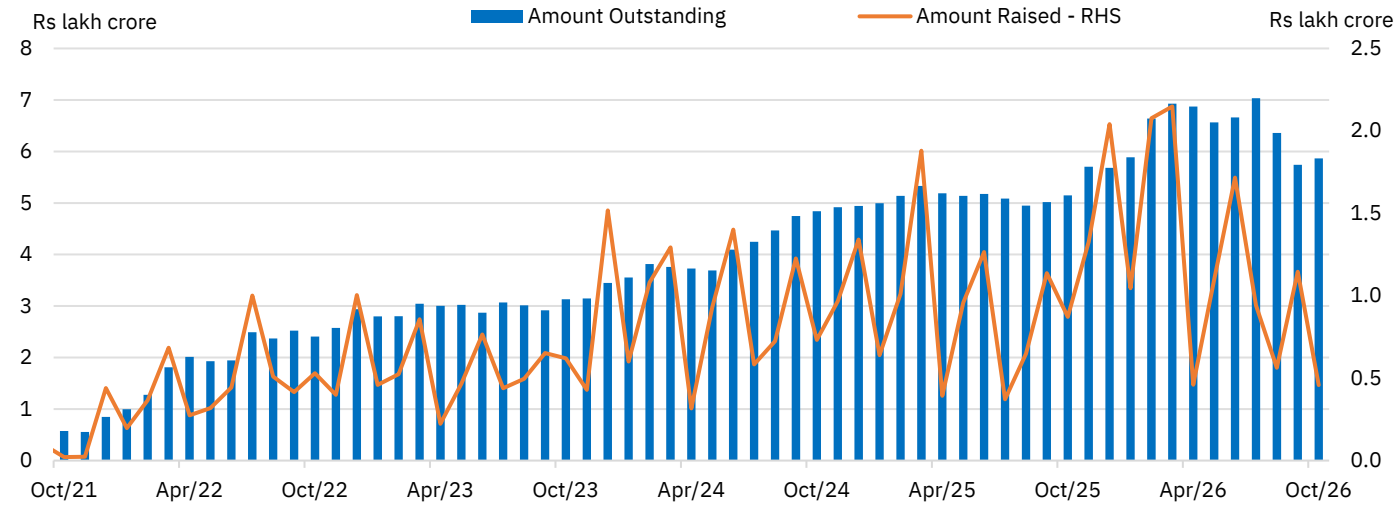
Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for October 2026 has been sourced from the Weekly Statistical Statement of RBI (latest) and is available till 31st October.

Figure 226: Credit to Deposit ratio (%)



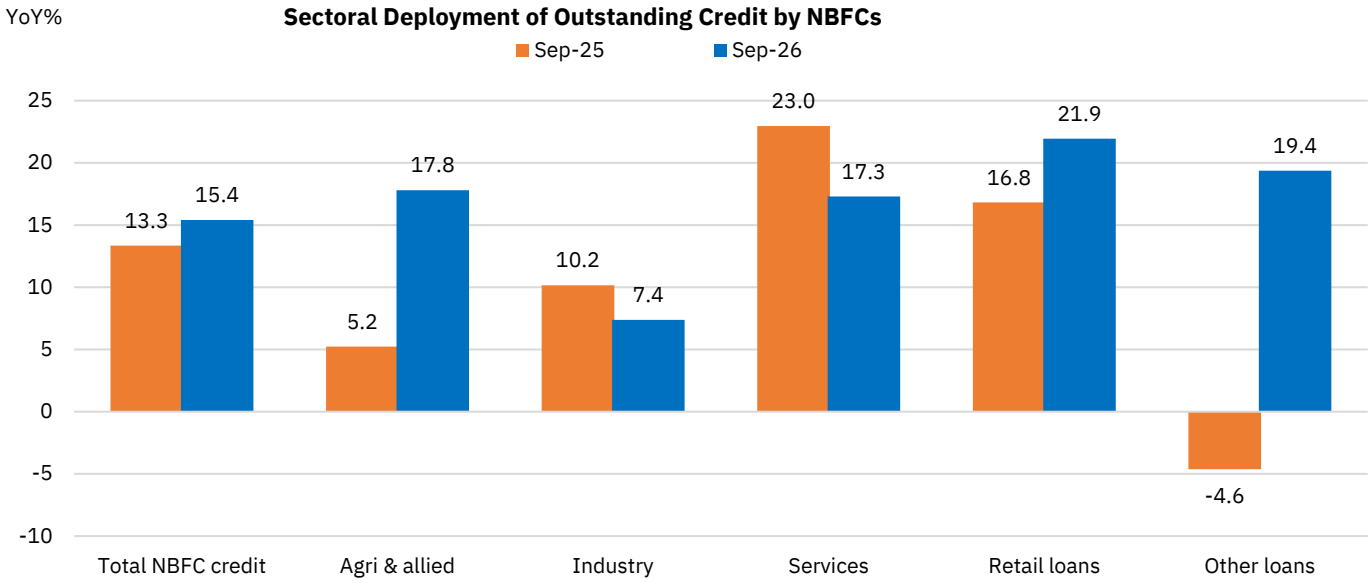
Source: CMIE Economic Outlook, RBI, NSE EPR. Note: Data for October 2026 as of October 31st,2026 from the Weekly Statistical Statement of RBI (latest).

Figure 227: Issued and outstanding amount of certificate of deposits



Source: CMIE Economic Outlook, NSE EPR.

Figure 228: Growth in sectoral deployment of outstanding credit by NBFCs



Source: CMIE Economic Outlook, RBI, NSE EPR.

Figure 229: Growth in sectoral deployment of outstanding credit by NBFCs within services

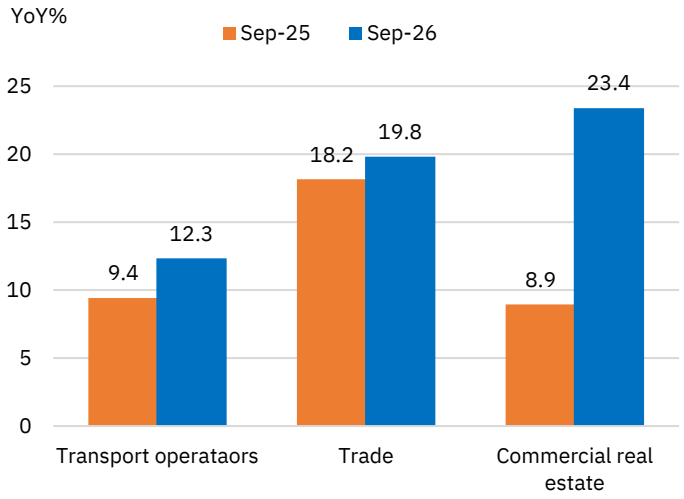
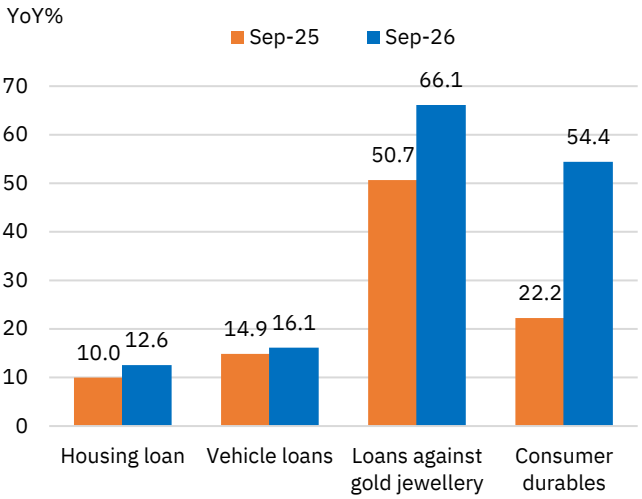


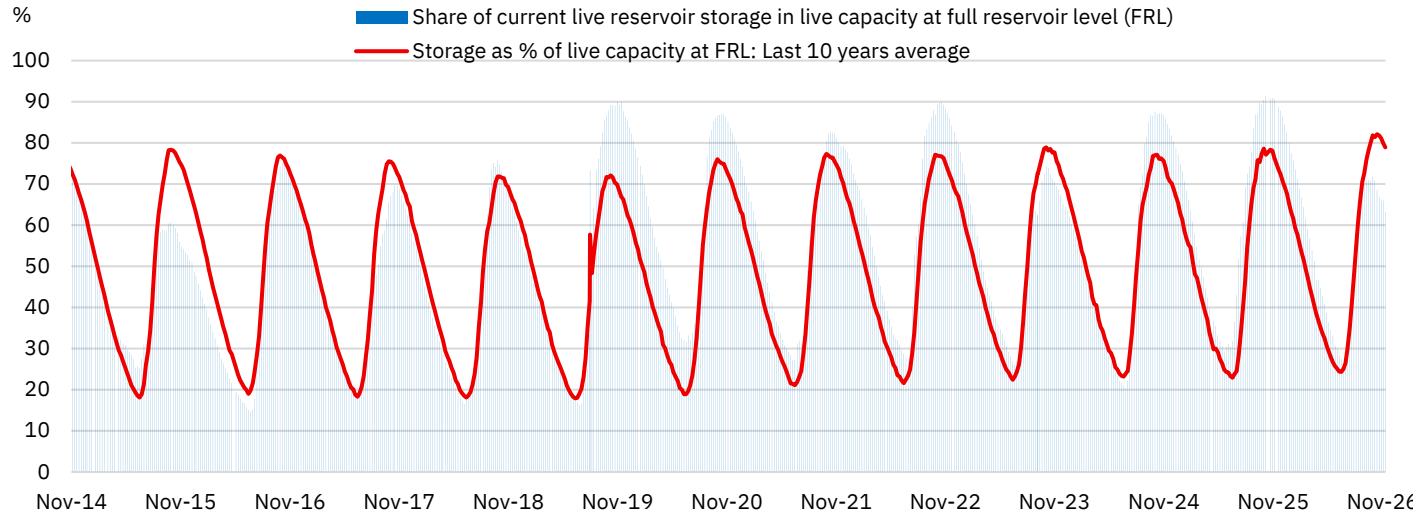
Figure 230: Growth in sectoral deployment of outstanding credit by NBFCs within retail loans



Source: CMIE Economic Outlook, RBI, NSE EPR.

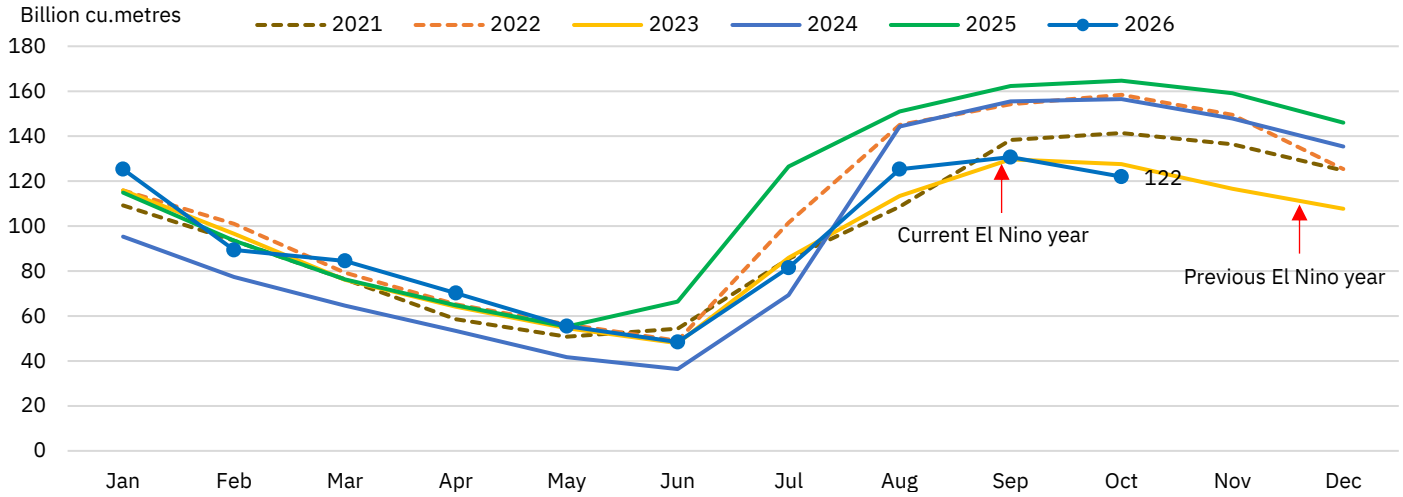
3.9 Reservoir storage remains below average amid weak rabi sowing

Figure 231: Trend of reservoir storage levels (as of November 12th, 2026)



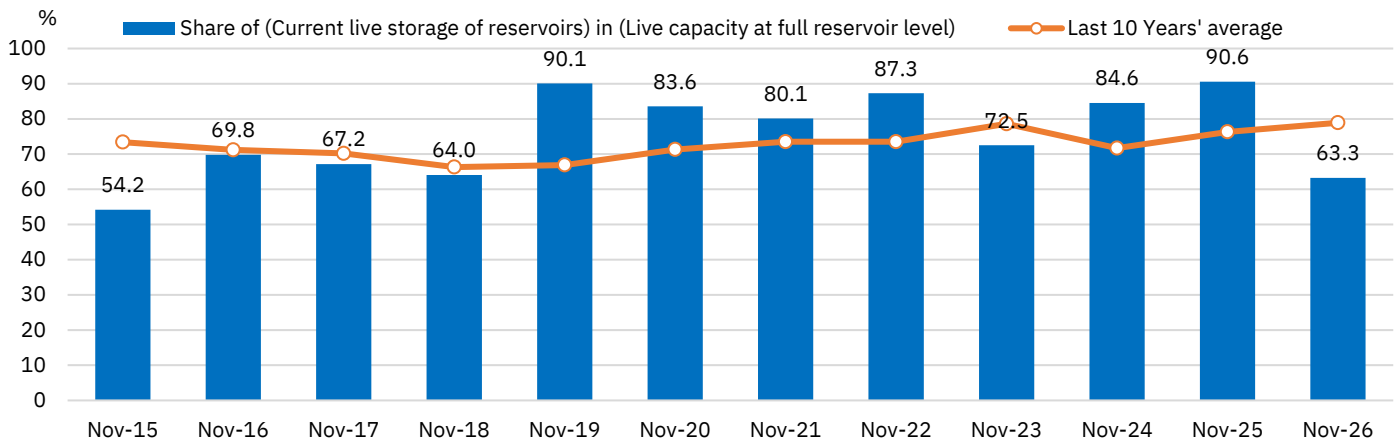
Source: CMIE Economic Outlook, NSE EPR Notes: 1) Data updated is till the week ended November 12th, 2026

Figure 232: Monthly trend of reservoir storage levels over years



Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Data updated is till the week ended October 29th, 2026.

Figure 233: Live reservoir storage levels



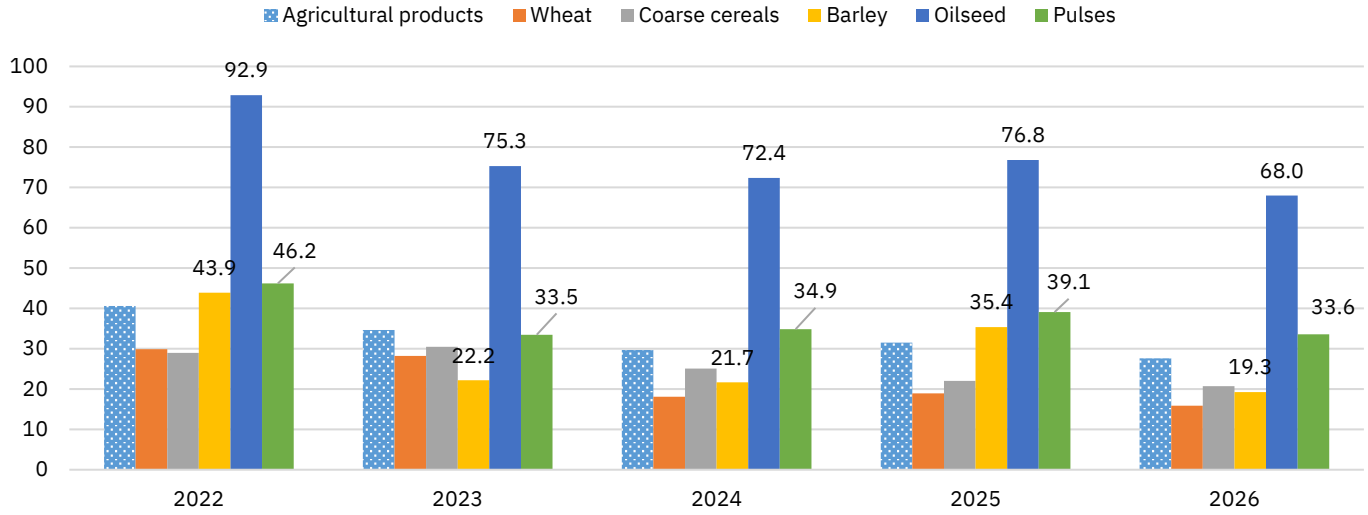
Source: CMIE Economic Outlook, NSE EPR Notes: 1) Data captured here is for the week ended November 12th, 2026 and the yearly comparison is done for the similar week end period in the corresponding years.

Table 68: 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
Nov-20	62	74	92	88	86	84
Nov-21	62	72	86	81	85	80
Nov-22	85	74	95	87	89	87
Nov-23	76	72	85	81	44	73
Nov-24	61	73	96	87	87	85
Nov-25	86	82	97	92	90	91
Nov-26	55	75	73	80	40	63

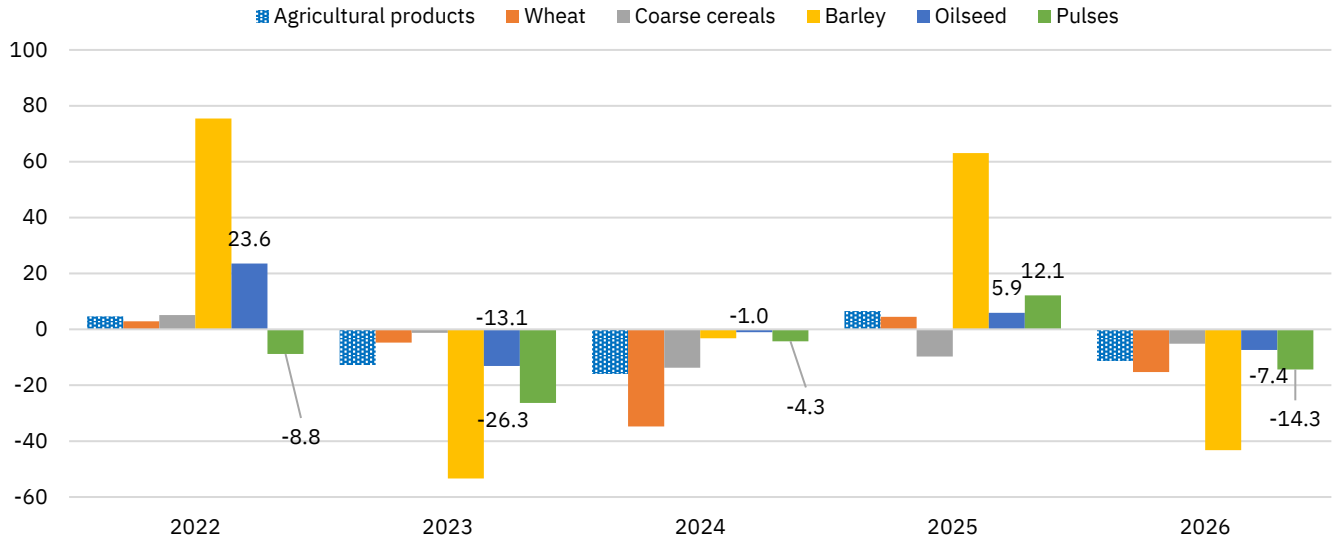
Source: CEIC IMD, NSE EPR Notes: 1) Data captured here is for the week ended November 12th, 2026 and the yearly comparison is done for the similar week-end period in the corresponding years.

Figure 234: Actual sown area as a % of normal area sown during rabi season (as of November 13th, 2026)



Source: CMIE Economic Outlook, NSE EPR.

Figure 235: YoY % change in actual sown area (as of November 13th, 2026)



Source: CMIE Economic Outlook, NSE EPR.

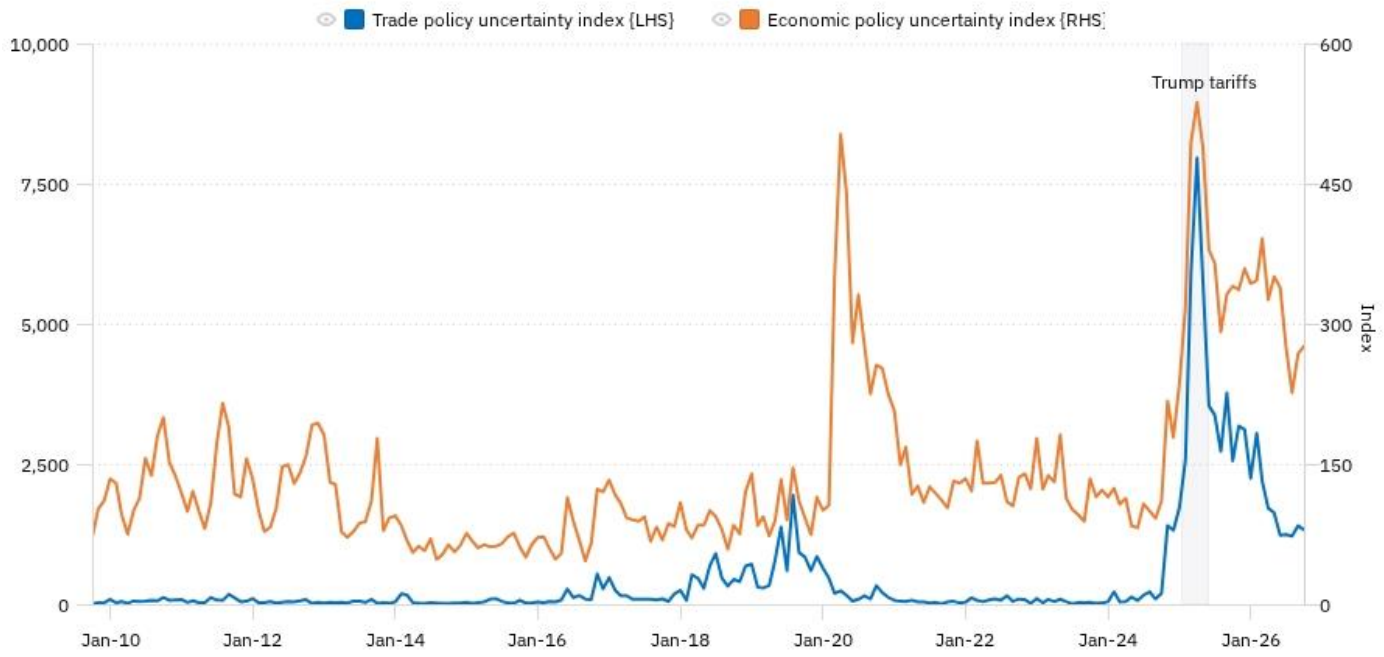
3.10 Global snippets: Geopolitical risks and global uncertainty remain elevated, albeit with some moderation

Figure 236: Geopolitical risk index (30-day moving average)



Source: CEIC, NSE EPR Note: 1) Data is updated as of November 16th, 2026

Figure 237: US trade and economic policy uncertainty index



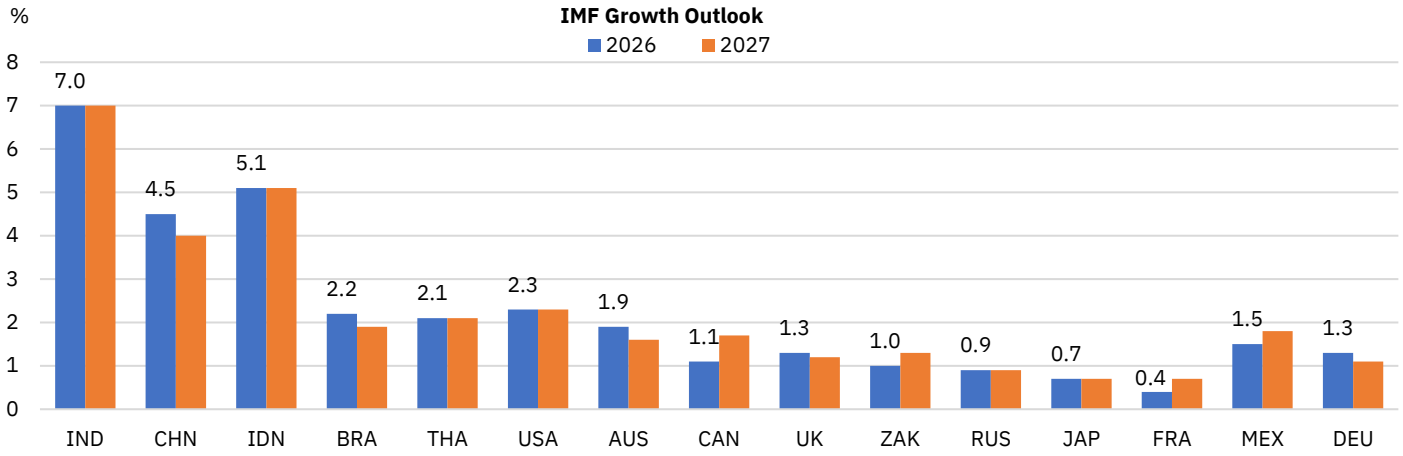
Source: CEIC, NSE EPR Note: 1) Data is updated as of October 31st, 2026

Table 69: IMF growth projections October 2026 WEO

Growth outlook	2024	2025	Projections (%)		Deviation from Apr 2026 (pp)	
			2026	2027	2026	2027
World	**3.5**	**3.5**	**3.1**	**3.4**	**0**	**0.2**
Advanced Eco	**1.9**	**1.9**	**2.1**	**1.8**	**0.3**	**0.1**
USA	2.8	2.1	2.3	2.3	0	0.2
Euro Area	1.0	1.4	1.1	1.2	0	0
Germany	-0.5	0.2	1.3	1.1	0.5	-0.1
France	1.4	0.9	0.4	0.7	-0.5	-0.2
Japan	-0.2	1.1	0.7	0.7	0	0.1
UK	1.0	1.4	1.3	1.2	0.5	-0.1
Canada	2.0	1.9	1.1	1.7	-0.4	-0.2
EMDE	**4.5**	**4.5**	**3.7**	**4.4**	**-0.2**	**0.2**
China	5.0	5.0	4.5	4.0	0.1	0
India	7.1	7.7	7.0	7.0	0.5	0.5
Russia	4.9	1.0	0.9	0.9	-0.2	-0.2
Brazil	3.4	2.3	2.2	1.9	0.3	-0.1

Source: IMF World Economic Outlook, October 2026

Figure 238: Cross-country wise growth outlook by IMF



Source: IMF World Economic Outlook, October 2026. Notes: 1) Country names: a) IND = India, CHN = China, IDN = Indonesia, BRA = Brazil, THA = Thailand, USA = United States of America, AUS = Australia, CAN = Canada, UK = United Kingdom, UK = United Kingdom, ZAF = South Africa, RUS = Russia, JAP = Japan, FRA = France, MEX = Mexico, DEU = Germany

Figure 239: Growth across major economies

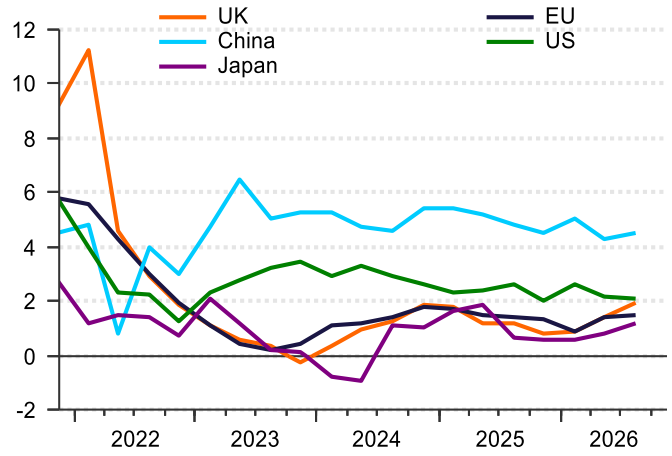
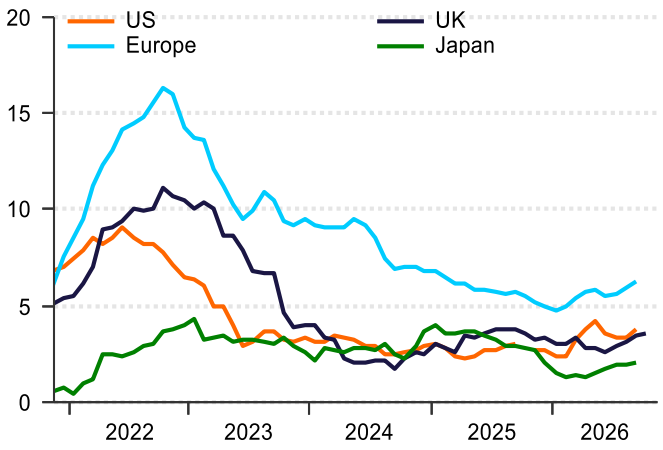


Figure 240: Inflation across major economies



Source: LSEG Workspace, NSE EPR.

Figure 241: Policy rates across advanced economies

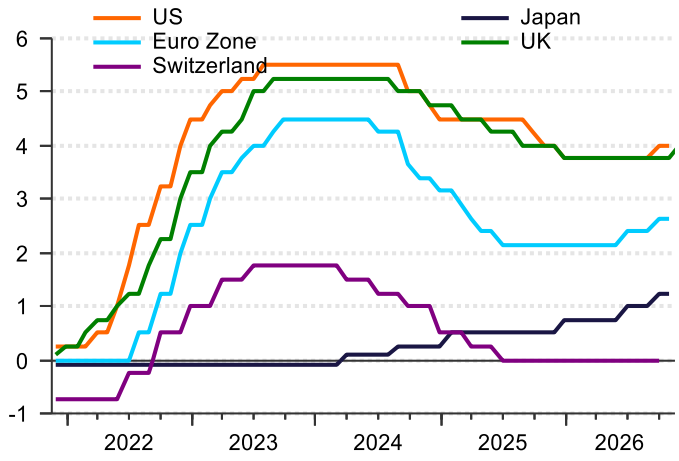
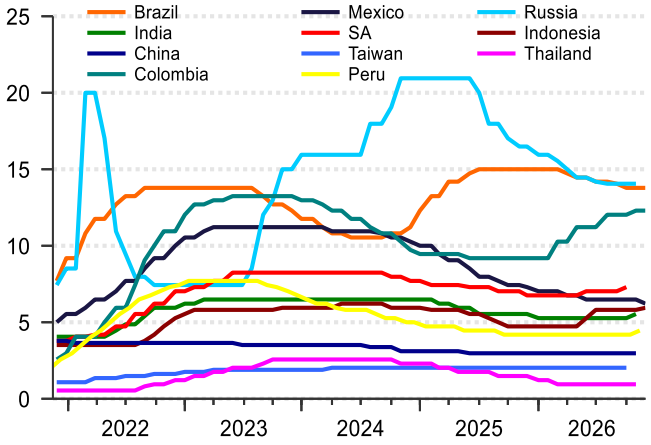


Figure 242: Policy rates across emerging economies



Source: LSEG Workspace, NSE EPR.

Figure 243: Unemployment rates across major developed economies

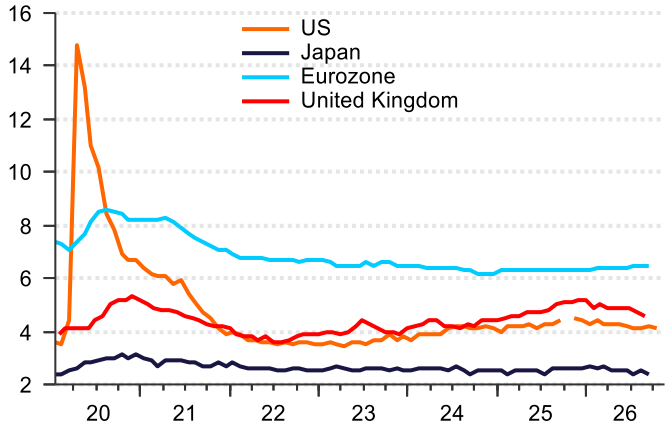
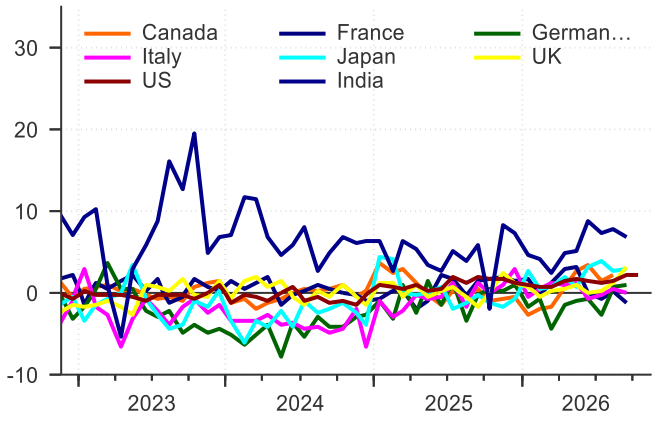
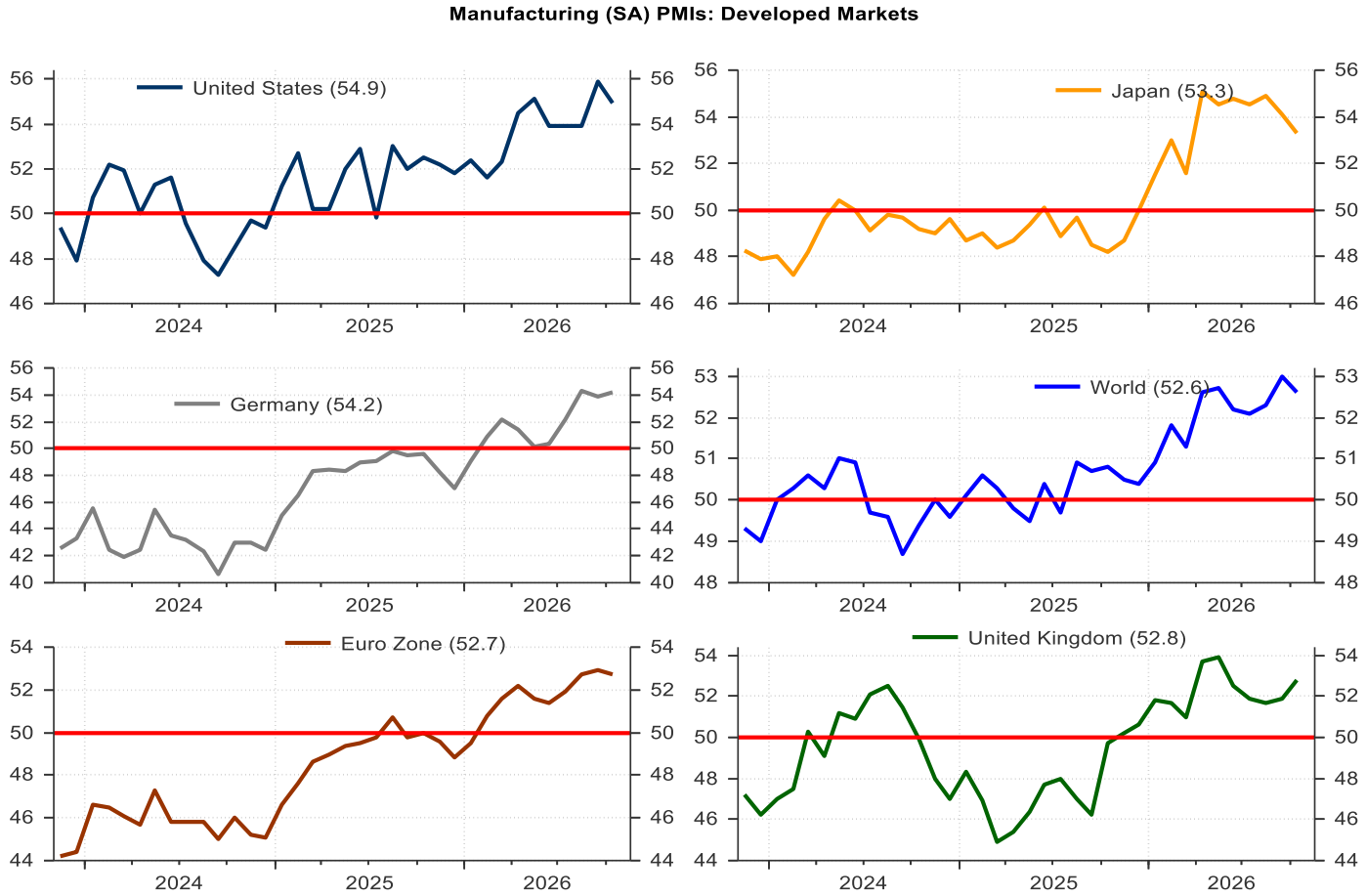


Figure 244: Trends in industrial production (YoY%) across major economies



Source: LSEG Workspace, NSE EPR.

Figure 245: Trend in PMI manufacturing across countries



Source: LSEG Workspace, NSE EPR

4 Insights

Artificial Intelligence as a technological shock: Implications for equity valuations, risk and returns

The ability of Artificial Intelligence (AI) to automate cognitive tasks, augment human capabilities and facilitate new forms of innovation distinguishes it from earlier waves of technological advancement. As firms increasingly integrate AI into their operations, the resulting changes in productivity, cost structures and growth opportunities could have significant implications for corporate profitability and the distribution of economic value. However, the benefits of adoption are unlikely to be uniform, as differences in technological capabilities, investment capacity and industry exposure could create divergent outcomes across firms.

These developments also have important implications for financial markets. The prospect of AI-driven productivity gains and new revenue opportunities may alter expectations of future corporate earnings and influence equity valuations. At the same time, technological disruption could erode existing competitive advantages, displace established business models and introduce new sources of uncertainty. The pace of adoption, the distribution of its economic benefits and the extent to which anticipated gains are already reflected in market prices further complicate the assessment of its financial implications.

An important question, therefore, is whether exposure to AI represents a source of long-term growth opportunities or an additional dimension of risk for investors. How technological shocks influence expected returns, redistribute economic rents and alter the relative valuations of firms remains central to understanding the relationship between technological change and financial markets. This edition of Insights explores these interconnections, examining the implications of AI for equity valuations, risk and returns.

Key takeaways from the papers

1. **AI exposure and technological diffusion: Uneven adoption and concentration of technological advantages —** Felten et al. (2021) establish a framework for measuring AI exposure across occupations, industries and geographical regions, highlighting the importance of distinguishing between firms developing AI capabilities and those whose activities are susceptible to automation. Kalyani et al. (2025) demonstrate that the diffusion of economically significant technologies is geographically concentrated, with technological leadership spreading gradually across locations. Together, these studies highlight that AI adoption is unlikely to be uniform, with existing technological advantages potentially reinforcing differences in firms' exposure to and ability to benefit from AI.

2. **Firm performance and productivity: Innovation, labour substitution and intangible investment —** Babina et al. (2024) find that AI investment is associated with stronger firm growth and market valuations, primarily through product innovation rather than reductions in operating costs or labour substitution. In contrast, Eisfeldt et al. (2026) identify labour substitution as an important channel through which generative AI influences firm values. Brynjolfsson et al. (2021) further demonstrate that the productivity gains from general-purpose technologies may take time to materialise because of complementary investments in intangible capital. These findings suggest that AI can influence firm performance through distinct channels, with the balance between innovation, labour substitution and productivity gains shaping the distribution of economic benefits.

3. **Technological disruption and asset pricing: Growth opportunities, displacement risk and expected returns —** Pástor and Veronesi (2009) show that technological uncertainty can generate substantial stock-price movements and higher expected returns as technology adoption becomes more widespread. Papanikolaou (2011), however, demonstrates that investment-specific technology shocks can benefit firms with greater growth opportunities, potentially lowering their expected returns. Gârleanu et al. (2012) establish displacement risk as a priced factor, while Eisfeldt and Papanikolaou (2013) highlight the role of organisational capital in explaining differences in expected returns. Extending this perspective, Kogan et al. (2017) show that technological innovation can generate growth for innovators while reducing the prospects of competing firms. Collectively, these studies highlight how technological change can redistribute economic rents, alter firms' risk exposures and generate divergent implications for equity returns.

Overall, the literature suggests that AI should be viewed as a technological shock that creates both opportunities and displacement risks rather than as a uniform source of productivity gains. Its implications for financial markets will depend on how adoption is distributed across firms, how technological gains translate into corporate fundamentals, and whether the resulting uncertainty and displacement risks are reflected in expected returns.

Papers in brief

- Felten et al. (2021) **– AI exposure is concentrated in knowledge:** The paper examines Intensive Occupations and Service Industries using the framework which links ten AI applications to 52 occupational abilities using crowd-sourced survey data and occupational information. The resulting scores are aggregated to industry and geographical levels using employment data. The analysis finds higher exposure among several white-collar occupations and information-intensive industries, including securities, accounting, insurance and legal services. Cognitive and sensory abilities are more closely associated with AI applications than physical and psychomotor abilities. Importantly, the measures capture exposure to AI rather than the likelihood of job displacement, allowing researchers to examine its potential effects on workers, firms, industries and regions without presuming whether AI will complement or substitute for labour.

- Kalyani et al. (2025) **— Technological diffusion and persistent regional inequalities** — The paper highlights that the benefits of technological innovation are not distributed evenly across geographical regions or skill groups. While new technologies initially generate employment opportunities in a few innovation-driven regions and favour highly skilled workers, their adoption gradually expands to other regions and lower-skilled occupations. However, the diffusion process remains slow, allowing pioneering locations to retain a long-term advantage in high-skilled employment. The findings underline how technological progress can promote economic growth while simultaneously reinforcing regional disparities and inequalities in employment opportunities.

- Babina et al. (2024) **– When AI becomes a source of firm growth –** Babina et al. (2024) examine whether firms investing in artificial intelligence (AI) achieve faster

growth and, importantly, how these gains materialise. While much of the early debate around AI focused on automation and the displacement of workers, the authors investigate a different possibility: AI may help firms grow by improving their ability to develop new products, identify customer preferences and expand their product offerings. To study this, they construct a new firm-level measure of AI investment using the skills and employment histories of workers, combined with information from job postings. Their findings show that firms increasing their AI-skilled workforce experience higher growth in sales, employment and market valuation. A one-standard-deviation increase in the share of AI workers between 2010 and 2018 is associated with 19.5% higher sales, 18.1% higher employment and 22.3% higher market valuation. The principal channel is product innovation rather than lower operating costs or labour replacement. However, these gains are concentrated among initially larger firms and are associated with rising industry concentration. The paper therefore shows how AI can support firm expansion while potentially strengthening the position of already established firms.

- Eisfeldt et al. (2026) **– Generative AI, labour substitution and firm valuations:** Eisfeldt et al. (2026) examine how advances in generative AI affect firm valuations through changes in labour productivity and employment. Using occupational task descriptions and firm-level workforce data, the authors measure firms' exposure to generative AI and analyse stock market reactions following ChatGPT's release in November 2022. They find that a portfolio buying firms with the highest workforce exposure and selling those with the lowest earned approximately 5% over the subsequent two weeks. The valuation gains were more pronounced among firms with greater data assets and remained significant after accounting for their exposure to AI-related products. By distinguishing between core and supplemental occupational tasks, the study examines whether generative AI is more likely to replace workers or complement their activities. Evidence from subsequent changes in labour demand and profitability supports labour substitution as an important source of the valuation gains. The findings highlight how firms' existing workforce composition and data resources influence the financial-market consequences of technological change.

- Brynjolfsson et al. (2021) **– The productivity J-Curve and intangible investments:** Brynjolfsson et al. (2021) examine why the introduction of transformative technologies, particularly general-purpose technologies such as AI, may not immediately translate into higher measured productivity growth. The authors develop a Productivity J-Curve framework in which complementary intangible investments, including organizational restructuring, worker training and business-process innovation, initially cause productivity to be underestimated because their creation is not adequately recorded in conventional economic statistics. As these assets subsequently generate measurable output, productivity growth may instead be overstated because their contribution as productive inputs remains unrecognized. Using firm valuations and historical US investment data, the authors estimate intangible capital associated with R&D, computer hardware and software. They find particularly substantial effects for software-related investments, with intangible-adjusted US total factor productivity 11.3% higher than officially measured in 2004 and 15.9% higher in 2017. However, accounting for intangibles does not eliminate the post-2004 productivity slowdown. The findings emphasize

the importance of complementary intangible investments and suggest that the productivity benefits of emerging technologies, including AI, may become visible only after significant implementation lags.

- Pástor and Veronesi (2009) **– Technological revolutions, systematic risk and stock-price bubbles:** Pástor and Veronesi (2009) investigate why technological revolutions are frequently accompanied by sharp increases and subsequent declines in the stock prices of innovative firms. The authors develop a general equilibrium model demonstrating that such bubble-like patterns can arise under rational expectations as investors learn about the productivity of new technologies. Initially, positive information about technological productivity raises expected cash flows and stock valuations, while uncertainty remains largely idiosyncratic. As widespread adoption becomes more likely, however, this uncertainty becomes increasingly systematic, raising required returns and eventually depressing stock prices. Using evidence from the US railroad revolution (1830–1861) and Internet revolution (1992–2005), the authors find that movements in technology-stock valuations, volatility and market betas are broadly consistent with the model's predictions. The findings suggest that technology-related stock-market booms and busts need not be driven entirely by speculative behaviour. Instead, they may reflect rational adjustments to changing technological uncertainty, risk premia and the expected timing of widespread adoption.

- Papanikolaou (2011) **— Investment shocks as a source of systematic risk:** Papanikolaou (2011) examines the impact of investment-specific technological shocks on macroeconomic activity and stock returns. These shocks improve the efficiency of producing or installing capital, encouraging investment and shifting resources away from consumption in the short run. The paper develops a general equilibrium model showing that investment-goods-producing firms benefit relative to consumption-goods producers, while growth firms gain more than firms with larger existing assets. Using equipment-price innovations and relative stock returns to identify investment shocks, the empirical findings indicate that securities more exposed to positive investment shocks earn lower average risk premia. This suggests that investment shocks carry a negative price of risk. The framework also explains the value premium, as growth firms benefit more from improved investment opportunities and consequently have lower expected returns than value firms. Overall, the study highlights the role of investment-specific technological shocks in explaining macroeconomic fluctuations and cross-sectional stock returns.

- Garleanu et al. (2012) **— Technological innovation and displacement risk in asset pricing:** Garleanu et al. (2012) establish that technological innovation, while enhancing aggregate productivity and economic growth, can adversely affect incumbent firms and older generations by intensifying competition and eroding existing human capital. The study introduces displacement risk as an additional source of systematic risk arising from imperfect intergenerational risk-sharing. By incorporating this risk into a general-equilibrium framework, the authors explain the value premium, differences in growth and value stock returns, and the high equity premium. The findings highlight how the distributional consequences of

technological progress can influence financial markets beyond what is captured by conventional consumption-based asset-pricing models.

- Eisfeldt and Papanikolaou (2013) **– Organization capital and the cross-section of expected returns:** The paper examines how organization capital, an intangible asset embodied in a firm's key employees and organisational practices, influences stock returns. The authors develop a theoretical framework in which shareholders share the cash flows generated by organization capital with key talent, whose bargaining power depends on their outside employment opportunities. This exposes firms with higher organization capital to an additional source of risk. Empirically, the authors measure organization capital by capitalising selling, general and administrative (SG&A) expenses using the perpetual inventory method and compare firms based on their organization capital relative to book assets. The findings show that firms with higher organization capital earn higher average returns, with the high-minus-low organization capital portfolio generating an annual return spread of 4.7%. The study identifies fluctuations in the division of surplus between shareholders and key talent as a distinct source of systematic risk in equity markets.

- Kogan et al. (2017) – **When innovation creates winners and displaces rivals:** This paper studies how technological innovation affects company growth, competition, the use of resources and overall economic productivity. Using US patent data from 1926 to 2010, the authors develop a new method to measure the financial value of patents based on changes in stock prices when patents are granted. The findings show that innovation helps companies grow but can reduce the growth of their competitors. Over five years, a one-standard-deviation increase in a company's innovation is linked to 4.6% higher profit growth and 3.2% higher output growth. In contrast, the same increase in innovation by competing companies is linked to 3.8% lower profit growth and 5.1% lower output growth. At the overall economic level, a one-standard-deviation increase in the innovation index is linked to 1.6–6.5% higher output and 0.6–3.5% higher total factor productivity (TFP) over five years. Overall, the study shows how technological progress supports economic growth while shifting resources and market share from less innovative companies to more innovative ones.

4.1 Occupational, industry, and geographic exposure to artificial intelligence: A novel dataset and its potential uses[6]

Edward Felten, Manav Raj and Robert Seamans (2021)

Summary

This paper develops a framework to measure the exposure of occupations, industries and geographical regions to artificial intelligence (AI). The study introduces three indicators: AI Occupational Exposure (AIOE), AI Industry Exposure (AIIE) and AI Geographic Exposure (AIGE). The measures link specific AI applications to the abilities required across occupations and aggregate occupational exposure to industry and geographical levels. The authors find that exposure is generally higher among occupations and industries requiring cognitive and sensory abilities, while those relying more heavily on physical and psychomotor abilities tend to record lower exposure. The study also distinguishes exposure to AI from the likelihood of labour substitution, recognising that AI may either complement or substitute for human capabilities.

Introduction

Recent advances in artificial intelligence have generated considerable interest in its potential implications for economic growth, labour markets, firms and industries. While AI may influence productivity and business operations, its effects on employment, occupational structures and industry dynamics remain important areas of research. In particular, the extent to which AI complements existing human capabilities or substitutes for certain tasks has attracted considerable attention. The paper identifies the limited availability of systematic measures of AI exposure across occupations, firms, industries and geographical regions as a constraint on research in this area. Existing approaches have often examined automation or technological change more broadly, without distinguishing the effects of specific AI applications from those of robotics, sensors and other technologies. To address this gap, the authors develop a measure of occupational exposure to AI by linking specific AI applications to the abilities required in different occupations. They subsequently aggregate these estimates to construct industry and county-level measures and discuss how the occupational measure can be extended to the firm level.

Literature

The paper draws on the existing literature examining the relationship between technological progress and employment has adopted different approaches to assessing occupational exposure. Frey and Osborne (2017) examine the susceptibility of occupations to computerisation, while Brynjolfsson, Mitchell and Rock (2018) consider the relationship between machine-learning capabilities and occupational activities. These studies form part of the emerging literature assessing how technological developments relate to the tasks performed across occupations. Other studies have developed measures linking advances in AI to occupational characteristics. Felten, Raj and Seamans (2018) present a methodology that connects progress in AI applications with occupational abilities. Tolan et al. (2020) examine the occupational implications of AI, while Webb (2020) develops an approach using patent data to assess the relationship between technological advances and occupational tasks.

These contributions provide alternative approaches to examining the relationship between AI and the nature of work. The literature also includes research on the implications of automation and machine learning for employment.

[6] Felten, E., Raj, M., & Seamans, R. (2021). Occupational, industry, and geographic exposure to artificial intelligence: A novel dataset and its potential uses. *Strategic Management Journal*, 42(12), 2195–2217.

Georgieff and Milanez (2021) examine employment developments among occupations identified as being at high risk of automation. Brynjolfsson, Frank, Mitchell, Rahwan and Rock (2020) develop a measure to quantify the relationship between machine learning and work. Felten, Raj and Seamans (2021) position their study within this literature while distinguishing their approach through its focus on specific AI applications and occupational abilities. The authors' contribution is the development of a measure that captures exposure to AI without determining whether the technology will complement or substitute for labour. Unlike approaches that estimate the likelihood of automation or job displacement, their framework measures the relationship between AI applications and the abilities currently required in an occupation. The resulting measure is also extended to industry and geographical levels, providing a common basis for examining exposure across different segments of the economy.

Theoretical framework

The study considers labour as a combination of skills and abilities required to perform the activities associated with a particular occupation. Rather than assessing whether an entire occupation can be automated, the authors examine how specific AI applications relate to the individual abilities that constitute an occupation. A central distinction in this framework is between exposure to AI and its effect on labour. The AIOE measures the extent to which the abilities required in an occupation are related to AI applications; it does not establish whether those applications will replace workers or complement their existing capabilities. Consequently, a higher exposure score should not be interpreted as a direct measure of automation risk or expected employment losses. The framework also recognises that AI applications differ in their relationship with occupational abilities. Cognitive and sensory abilities are found to be more closely associated with AI applications than physical and psychomotor abilities. This provides the basis for examining differences in exposure across occupations and, subsequently, across industries and geographical areas.

Methodology and results

The authors construct the AIOE by identifying ten AI applications, including image recognition, image generation, language modelling, translation, speech recognition and reading comprehension. These applications are linked to 52 occupational abilities identified in the Occupational Information Network (O*NET) database. To establish the relationship between AI applications and occupational abilities, the authors use a crowd-sourced dataset based on survey responses from workers recruited through Amazon Mechanical Turk. The relationship between each AI application and occupational ability is aggregated to derive an ability-level exposure score. These scores are then combined using the importance and prevalence of each ability within an occupation, as recorded in O*NET. The resulting occupational measure is adjusted for the range of abilities required by each occupation, allowing the authors to assess relative exposure across occupations.

The AIOE is subsequently aggregated to construct the AIIE and AIGE. The industry-level measure uses employment-weighted occupational exposure across industries, while the geographical measure aggregates industry exposure using county-level employment data. The authors also explain that the framework can be extended to firms using their occupational employment composition. The analysis indicates considerable variation in AI exposure across occupations and industries. Occupations with relatively high exposure are predominantly white-collar roles, while those with lower exposure tend to involve greater physical effort. At the industry level, securities and commodity investments, accounting, insurance and legal services record relatively high exposure. Industries involving activities such as construction, transportation and physical production generally record lower exposure.

The authors further examine differences in the abilities associated with occupations. Their comparison of surgeons and meat slaughterers illustrates the importance of cognitive abilities in determining exposure: despite both occupations requiring physical dexterity, surgeons have a higher exposure score because of the greater importance of abilities associated with problem-solving and reasoning. The analysis also indicates that sensory abilities are more

closely associated with AI exposure than physical and psychomotor abilities. The measures are validated through qualitative comparisons, alternative specifications and occupational job-posting data. The authors find that the relationship between AI applications and abilities remains broadly consistent across alternative selections of applications. They also report a positive association between occupational exposure scores and the use of AI-related skills in job postings.

Implications

The authors identify several potential applications of the measures across firms, industries and geographical regions. At the firm level, the AIOE can be combined with the occupational composition of a company's workforce to construct a measure of its exposure to AI. This could help researchers examine differences in technology adoption and the relationship between AI exposure and firm strategy. The measure may also be used to investigate the relationship between AI, human capital and labour productivity. Since the AIOE does not assume that AI necessarily substitutes for labour, it provides a basis for examining the circumstances under which technological advances complement or replace existing capabilities. The authors also identify potential applications in studying career mobility, team composition and organisational design. At the industry level, the AIIE can support research on the relationship between AI exposure and industry evolution, including firm entry and exit, market concentration and business dynamism. Similarly, the AIGE provides a basis for examining regional differences in exposure and their relationship with geographical concentration, innovation and knowledge spillovers. The authors' analysis indicates that urban counties in the United States generally record higher exposure than rural counties, although variations exist across regions.

The measures may be relevant for policymakers seeking to identify occupations, industries and geographical areas that are more exposed to future advances in AI. However, the authors emphasise that exposure alone does not determine the eventual effects on employment or economic activity. These outcomes will depend, among other factors, on how AI is adopted and whether it complements or substitutes for existing activities.

Conclusion

The paper develops a systematic framework for measuring exposure to AI across occupations, industries and geographical regions. By linking ten AI applications to 52 occupational abilities, the authors construct the AIOE and extend it to industry and geographical levels through the AIIE and AIGE. Their analysis identifies differences in exposure across occupations and industries, with cognitive and sensory abilities showing a stronger association with AI applications than physical and psychomotor abilities.

The study's principal contribution lies in measuring exposure to specific AI applications without presuming their effect on labour. The resulting indicators provide a basis for further research into the relationship between AI and occupational characteristics, firm strategy, industry structure and regional outcomes. The authors also highlight that the measures can be updated as occupational definitions and employment composition change over time.

4.2 The diffusion of new technologies [7]

Aakash Kalyani, Nicholas Bloom, Marcela Carvalho, Tarek Hassan, Josh Lerner and Ahmed Tahoun (2025)

Summary

New technologies create demand for different kinds of workers as they mature. Kalyani et al. (2025) trace 1,286 technologies from US patents to the places where employers advertise jobs involving them. For technologies frequently mentioned on corporate earnings calls, Silicon Valley and the Northeast Corridor together account for 56.3% of the locations where early patenting was concentrated. Employers in these pioneering areas continue to seek specialists to develop and produce the technology for decades. Jobs involving its use spread more quickly to other areas and reach a wider range of occupations. As a result, a region can gain access to a technology and the jobs that use it well before it attracts a comparable share of the work that goes into developing it.

Introduction

Consider what the arrival of a barcode reader means for a local labour market. Designing the equipment creates a need for people who understand its components. Using it in a store makes it part of a different job and creates demand for different skills. The two kinds of work can take place in different cities even when they involve the same equipment. The paper asks how much of the initial concentration of work survives as adoption spreads. Answering that question requires a way to identify the same technology in records created by inventors, companies and prospective employers, and to establish when patenting activity began to accelerate. These dates also allow the authors to compare technologies at similar stages of development

Literature

The paper draws upon four major strands of literature examining the relationship between technological innovation, labour markets and economic inequality. The first strand focuses on the diffusion of technology, with studies by Autor et al. (2003), Akerman et al. (2015), Acemoglu and Restrepo (2020), and Agrawal et al. (2019) examining the adoption and spread of computers, broadband, robotics and artificial intelligence. Comin and Hobijn (2004, 2010) further investigate the diffusion of 15 technologies across 166 countries. The second strand examines the relationship between technological progress and skill-based inequality. Studies by Katz and Murphy (1992), Krueger (1993), Berman et al. (1994) and Michaels et al. (2014) highlight how technological advancements influence the demand for skilled labour and wage differentials. The third strand explores the geographical concentration of innovation and entrepreneurial activity, with Jaffe et al. (1993), and Moretti (2021) highlighting the importance of innovation clusters, knowledge spillovers and regional advantages in technological development. Finally, the paper builds on the growing literature employing textual analysis to study economic developments, particularly the use of patents, corporate communications and job descriptions to identify technological changes. Building on these strands, the authors contribute by developing a comprehensive framework to identify emerging technologies and examine their diffusion across geographical regions, occupations and skill levels, providing direct evidence of the persistent regional and skill-based inequalities associated with technological innovation.

[7] Kalyani, A., Bloom, N., Carvalho, M., Hassan, T., Lerner, J., & Tahoun, A. (2025). The diffusion of new technologies. *The Quarterly Journal of Economics*, *140*(2), 1299-1365.

Contribution

The authors use the language of patents to follow an invention beyond its original industry. A patent gives the addresses of its inventors, an earnings call indicates whether the technology features in discussions between executives and investors, and a vacancy identifies the occupation and location in which an employer expects to use it. This link makes it possible to study the demand for a technology across both specialist producers and firms that adopt their products. The authors also read the wording around the technology in a vacancy. Designing a module for a virtual reality system and using a tablet to sell cinema tickets are examples from the paper. Both postings count as technology-related work. Only the former is classified as work on the development of the technology itself. The distinction is central to understanding why adoption and specialist employment can follow different geographic paths.

The same records allow the authors to trace a technology across employers and industries. For the comparison across employers, they retain 10,496 firms that advertised at least once in each year of the sample. This keeps a growing number of firms posting vacancies online from distorting the comparison, although it favours large employers. Concentration falls by about 1.6% a year across these firms and 1.8% across locations. The estimated annual decline is 0.7% across occupations and 0.4% across industries, with the industry estimate statistically indistinguishable from zero. A technology can thus reach more employers and cities while its applications remain concentrated in a narrower group of industries.

Data and methodology

The analysis starts with roughly three million US utility patents awarded to US inventors with application dates from 1976 to 2014. The authors identify pairs of words that occur repeatedly in the full text, remove phrases found in a historical collection of American English before 1970, and retain terms associated with influential patents. Wikipedia entries help distinguish products and processes from other new phrases and bring several names for the same technology together. The resulting sample includes 1,899 phrases covering 1,286 technologies. To date a phrase, the authors identify the first year in which the count reaches 100 citation-weighted patents and smoothed patenting activity grows by at least 10% annually over the following five years. This dates the emergence of digital video to 1986 and machine learning to 1994. For each phrase, the pioneering locations are the leading US urban areas that together accounted for at least half the patents mentioning it during its first ten years.

To identify commercial interest, the authors search 321,373 earnings calls held by listed firms during 2002–2019. They then look for the same phrases in US online vacancies collected by Burning Glass during 2010–2019. About 51 million advertisements mention a new technology. Around 39 million mention one of the 276 technologies discussed more than 100 times on earnings calls. The search excludes the first and last 50 words of each advertisement to reduce matches from company descriptions and standard closing language. A manual review of 1,000 randomly selected advertisements illustrates why these matters. In the full text, 80% of mentions referred to a task that the employee would perform. After trimming the advertisements, this rose to 91%. The analysis covers 917 US statistical areas. For each area, the authors compare its share of nationwide vacancies for a particular technology with its share of all vacancies. A ratio above one indicates that local employers advertise disproportionately often for that technology. Comparing these ratios across areas over time shows whether the distribution of openings becomes more even as the technology ages. Because the vacancy data cover one decade, the authors use technologies that emerged in different years to study openings at different stages of maturity.

Results

The study finds that the development of economically significant technologies is highly concentrated geographically, with 56.3% of the pioneering locations for the most impactful technologies concentrated in Silicon Valley and the Northeast Corridor. The five leading urban areas, namely San Jose, San Francisco, New York, Seattle and Boston,

account for 42.1% of patents associated with economically impactful technologies. Although technology-related employment gradually spreads across geographical regions as innovations mature, the process is considerably slow, with estimates suggesting that full geographical dispersion may take more than 50 years. The study also finds that technological advancements initially generate employment opportunities that are heavily biased towards skilled workers, with 57.1% of jobs associated with newly emerging technologies requiring a college degree, compared with 30.3% of the overall workforce. However, this skill bias gradually declines as technologies mature, with the share of jobs requiring a college degree falling by approximately 0.23 percentage points annually. Furthermore, lower-skilled technology-related jobs spread geographically faster than higher-skilled positions, which remain concentrated in the regions where innovations originally emerged. The authors attribute this persistent advantage to the continued concentration of research, development and production activities in pioneering locations, while the wider adoption and standardisation of technologies facilitate their use by lower-skilled workers across other regions. Overall, the findings suggest that technological innovation generates long-lasting regional advantages and contributes to persistent disparities in access to high-skilled employment opportunities.

Implications

The geographic concentration of invention is especially pronounced for technologies that attract commercial interest. San Jose, San Francisco, New York, Seattle and Boston account for 42.1% of patents mentioning technologies frequently discussed on earnings calls. For all patents in the sample, the five leading urban areas account for 32.4%. The original centres of invention differ from one technology to another. Rochester, home to Kodak, and Fort Collins, a centre for Hewlett Packard, appear among the pioneers of digital imaging. Over time, technology vacancies become more widely distributed. Comparing each technology phrase with itself over time, the authors estimate that geographic concentration falls by 18.5% in the first decade after emergence. Extending this rate of decline gives about 54 years for the local shares to converge. A separate comparison looks at how long pioneer areas retain their advantage in particular kinds of openings. The estimates imply around 45 years for higher-skill vacancies and 31 years for lower-skill vacancies. These horizons extrapolate the rates estimated from the job advertisements.

The mix of occupations changes alongside the distribution of jobs. The authors assign each vacancy the share of college graduates in its occupation, measured in the 2015 American Community Survey. Among technologies frequently discussed on earnings calls, that share averages an estimated 57.1% at emergence and falls by 0.23 percentage points a year, reaching about 50.2% after 30 years. The corresponding benchmark in the survey is 30.3%. One explanation is that as a product becomes easier to operate, more workers can use it and fewer of the openings associated with it involve customisation or development. In one specification, accounting for the declining share of research, development and production postings reduces the estimated fall in the education measure by about 22%. Postings that ask for training or experience in a technology also tend to be in occupations with more college graduates. The changing balance between developing and using a technology explains part of the shift towards a broader range of workers.

Conclusion

For workers in a city that adopts a technology, the type of work available depends in part on where in the country the technology was developed. A growing share of local employers may seek people who can use a product while much of the research and production work remains near the early inventors. An increase in the number of local postings mentioning a technology can reflect its adoption across ordinary businesses, even if the region has gained little ground as a centre for developing it. The analysis follows vacancies that employers chose to advertise online. Assessing the overall employment effects would also require information on which vacancies were filled and on jobs lost as technologies replaced earlier ways of working. What the evidence establishes is the persistence of a local advantage in specialist work alongside a gradual widening of demand for people who use new technologies.

4.3 Artificial intelligence, firm growth, and product innovation[8]

Tania Babina, Anastassia Fedyk, Alex He and James Hodson (2024)

Summary

Babina et al. (2024) examine the relationship between firms' investments in artificial intelligence (AI), firm growth and industry concentration. Using employee resume data from Cognism and job postings from Burning Glass, the authors develop a novel firm-level measure of AI investment based on the share of AI-skilled workers. Their findings indicate that a one-standard-deviation increase in this share between 2010 and 2018 is associated with 19.5% higher sales, 18.1% higher employment and 22.3% higher market valuation. The principal channel driving these gains is product innovation, reflected in increased product patents, trademarks and product portfolio expansion, rather than improvements in operating efficiency or labour replacement. However, the benefits are significantly stronger among initially larger firms, suggesting that access to data and complementary resources creates scale advantages in AI adoption. Consequently, AI investment is also associated with rising industry concentration, potentially reinforcing the dominance of established firms.

Introduction

Technological change has long been recognised as an important driver of investment, productivity and economic growth. The development of artificial intelligence has introduced a new dimension to this process. Unlike technologies that primarily replace physical labour or automate specific production tasks, AI enables firms to learn from large quantities of data and make predictions more efficiently. These capabilities can influence decisions across a wide range of business activities, from production and inventory management to product development and customer targeting.

Yet, despite growing commercial investment in AI, its economic impact at the firm level remained difficult to establish. Aggregate productivity growth had been relatively subdued, raising questions about whether the benefits of AI were being overstated or whether the technology was still at an early stage of adoption. A further challenge was the lack of comprehensive data identifying which firms were investing in AI.

Babina et al. (2024) address this gap by developing a new measure of firm-level AI investment based on the presence of AI-skilled employees and firms' demand for such skills. This allows them to examine AI adoption across a broad range of industries, rather than restricting the analysis to technology companies or firms developing AI products themselves. The paper investigates three related questions. First, which firms are investing in AI, and how has adoption evolved over time? Second, do firms that invest more in AI subsequently experience faster growth? Third, through what channels does AI contribute to this growth, and are the gains distributed evenly across firms or concentrated among larger businesses?

The distinction between product and process innovation is central to the analysis. AI may improve existing production processes, reduce operating costs and raise productivity. Alternatively, it may help firms experiment with new products, improve existing offerings and identify previously unexplored business opportunities. The authors examine which of these mechanisms better explains the observed relationship between AI investment and firm growth.

[8] Babina, T., Fedyk, A., He, A. X., & Hodson, J. (2024). Artificial intelligence, firm growth, and product innovation. *Journal of Financial Economics, 151*, Article 103745.

Literature

The paper connects three strands of research. First, it contributes to the literature on technological change and firm performance. Earlier research has examined how information technology, automation and other general-purpose technologies influence productivity and employment. Studies such as Brynjolfsson and McElheran (2016) and Acemoglu et al. (2022) examine the adoption of data-driven technologies, while Acemoglu and Restrepo (2018) analyse how automation changes the allocation of tasks between workers and machines. Babina et al. (2024) extend this research by measuring actual AI investments at the firm level and examining their implications for firm growth.

Second, the study builds on research linking innovation to firm expansion. Klette and Kortum (2004) and Hottman et al. (2016) show how product innovation and the expansion of product varieties contribute to firm growth. Babina et al. (2024) argue that AI can lower the costs of experimentation and product development, allowing firms to identify promising ideas and respond more effectively to customer preferences.

Third, the paper contributes to the literature on intangible assets, superstar firms and industry concentration. Previous studies, including Crouzet and Eberly (2019) and Autor et al. (2020), have examined how intangible capital and technological advantages contribute to the growing dominance of large firms. The authors investigate whether AI creates similar scale advantages, particularly because larger firms tend to possess more data and resources that can complement AI technologies.

This study's contribution lies in bringing these strands together through a firm-level measure of AI adoption, allowing the authors to examine not only whether AI-investing firms grow faster, but also the mechanism behind that growth and its implications for industry structure.

Contribution

The study advances the literature through four principal contributions.

1. **A new firm-level measure of AI investment:** The authors develop a measure based on firms' AI-skilled workforce, allowing them to identify actual AI adoption across a broad range of industries. This addresses a major limitation of earlier research, which often relied on occupational exposure or focused on firms developing AI technologies.
2. **Evidence linking AI investment to firm growth:** The paper documents a strong relationship between increasing AI investment and growth in sales, employment and market valuation. It also uses an instrumental-variable strategy to address concerns that already successful firms may simply be more likely to invest in AI.
3. **Identifying product innovation as the primary growth channel:** Rather than finding that AI primarily reduces operating costs or replaces labour, the authors show that its principal contribution to firm growth comes through the development of new products and improvements to existing offerings.
4. **Connecting AI adoption to industry concentration:** The study shows that the benefits of AI are greater among initially larger firms and that AI investment is associated with rising industry concentration. This provides firm-level evidence of how a new technology can reinforce the position of established businesses.

Data & methodology

A central challenge in studying AI adoption is that firms do not report their AI investments consistently. Expenditure on AI is often embedded in broader technology, research and development, or employee-related costs. The authors therefore construct a measure based on the human capital required to implement AI technologies.

They combine two large datasets covering U.S. employment and job vacancies.

1. **Cognism employment profiles:** This dataset contains approximately 535 million individual employment profiles globally. The authors use information on employees' job titles, descriptions, skills, employment histories, publications and patents to identify workers with AI-related expertise. The data cover approximately 64% of the U.S. workforce as of 2018.
2. **Burning Glass job postings:** This dataset contains more than 180 million U.S. job postings between 2007 and 2018. It provides detailed information on job requirements and skills, allowing the authors to identify the skills firms demand when recruiting AI-related employees.

Rather than relying on a predetermined list of keywords to identify AI-related skills, the authors develop a data-driven classification method. They first identify three core areas of AI: machine learning, natural language processing and computer vision. They then calculate how frequently each of approximately 15,000 skills appears alongside these core AI skills in job postings. Skills that frequently appear alongside them receive a higher AI-relatedness score. For example, TensorFlow has a high score, whereas general skills such as Microsoft Office have a very low score.

This information is then used to classify job postings according to their AI-relatedness. The authors apply the resulting classification to the Cognism employment profiles, identifying employees whose job titles, descriptions or other professional records contain highly AI-related skills. They aggregate these employees at the firm level and calculate the share of each firm's workforce classified as AI-skilled. This becomes their principal measure of AI investment.

The two datasets capture different aspects of adoption. Job postings indicate firms' demand for AI-skilled labour, while employment profiles reveal the AI expertise they have accumulated. The main analysis matches these measures to publicly listed U.S. firms in Compustat. Firm-level outcomes, including sales, employment and market value, are obtained from Compustat. The principal period of analysis is 2010–2018, reflecting the period during which commercial AI adoption became more widespread.

For the baseline analysis, the authors employ a long-differences regression, examining changes in firm outcomes between 2010 and 2018 against changes in the share of AI-skilled workers over the same period. This approach is justified because technological investment accumulates gradually and its effects may take time to emerge. The authors also use a distributed lead-lag specification to examine how firm outcomes evolve before and after increases in AI investment. This helps establish whether AI investment precedes firm growth or whether firms were already growing faster before adopting the technology.

Finally, to address the possibility that unobserved firm characteristics influence both AI adoption and growth, they exploit differences in firms' pre-existing connections to universities that were historically strong in AI research. Firms that had stronger hiring relationships with these universities before 2010 were better positioned to recruit AI-trained graduates as demand for AI expertise increased. The authors control for connections to universities strong in computer science more generally and top-ranked universities, and test whether the instrument predicts firm growth before 2010.

Results

1. **AI adoption increased rapidly across industries:** The share of AI-related jobs in both the employment-profile and job-posting datasets increased more than sevenfold between 2010 and 2018. Although the technology sector had the highest share of AI-related employment, the increase in AI investment was visible across a much wider range of industries. Larger firms and firms with higher cash holdings tended to increase their AI investments more rapidly.

2. **AI investment is associated with higher firm growth:** A one-standard-deviation increase in the share of AI workers between 2010 and 2018 corresponds to 19.5% higher sales, 18.1% higher employment and 22.3% higher market valuation. These effects hold across major sectors and remain robust to several controls. The authors find no pre-existing growth trends; the effects emerge approximately two to three years after increased AI investment.

3. **The instrumental-variable results strengthen the growth relationship:** The authors find that firms with stronger pre-existing connections to AI-intensive universities subsequently increase their AI-skilled workforce more rapidly. This relationship remains strong after controlling for connections to universities with broader computer science expertise and higher overall rankings.

4. **The benefits of AI are concentrated among larger firms:** AI investment is associated with stronger growth among initially medium- and large-sized firms, while the relationship is considerably weaker for smaller firms. This suggests that larger firms benefit from scale advantages, including better access to data, financial resources and complementary infrastructure.

5. **Product innovation is the primary channel through which AI generates growth:** Firms investing more in AI experience increases in product patents, trademarks and changes in their product portfolios. AI can reduce the time and uncertainty involved in experimentation, improve the quality of existing products by incorporating AI-based capabilities, and help firms identify new customer requirements through the analysis of large datasets. The authors illustrate these applications through examples such as AI-assisted drug development at Moderna and AI-enabled trading platforms.

6. **The evidence does not support process innovation as the main growth mechanism:** The authors find no significant improvements in sales per worker, total factor productivity or process-related patenting. Employment also increases among AI-investing firms, suggesting that labour replacement is not the principal driver of growth during the period studied.

7. **AI investment is associated with rising industry concentration:** Industries with greater AI investment experience higher sales and employment among listed firms, alongside increasing concentration and market shares for larger firms. This is consistent with AI reinforcing winner-take-most dynamics, although the industry-level estimates are not necessarily causal.

Conclusion

Babina et al. (2024) find that AI investment is associated with higher firm growth, primarily through product innovation rather than labour replacement or operating efficiency gains. These benefits are more pronounced among initially larger firms, suggesting that established firms are better positioned to leverage AI. However, the resulting gains may also reinforce existing market dominance, as AI investment is associated with greater industry concentration. The paper thus highlights both the growth potential of AI-driven product innovation and its implications for competition.

4.4 Generative AI and firm values[9]

Andrea L. Eisfeldt, Gregor Schubert, Miao Ben Zhang and Bledi Taska (2026)

Summary

Eisfeldt et al. (2026) examine how advances in generative artificial intelligence (AI) affect the market value of firms through their exposure to the technology. Using occupational task descriptions and firm-level workforce data, the authors construct a measure of firms' exposure to generative AI and examine stock market reactions following the release of ChatGPT in November 2022. Firms with greater workforce exposure experienced relatively higher stock returns, with an Artificial-Minus-Human portfolio earning approximately 5% over the following two weeks. The gains were more pronounced among firms with greater data assets. Evidence from earnings forecasts, profitability and labour demand suggests that investors anticipated cost savings from replacing certain tasks performed by workers with AI. The findings also indicate that the effects differ according to whether AI can perform an occupation's core or supplementary tasks, with the former associated with stronger labour substitution.

Introduction

Advances in generative AI have expanded the range of tasks that can be performed using technology, particularly those involving language, coding and information processing. Unlike earlier forms of automation, which primarily affected routine and manual occupations, generative AI can perform cognitive tasks undertaken by highly skilled workers. Its introduction therefore has implications for firms' operating costs, productivity and future profitability.

The release of ChatGPT on November 30, 2022 provides an opportunity to examine how financial markets value these potential changes. Firms differ considerably in the composition of their workforces and the extent to which their employees perform tasks that can be completed using generative AI. For some firms, the technology offers opportunities to reduce labour costs, while for others it can improve employee productivity or create new products and services. These differences can influence investors' expectations of future cash flows and, consequently, stock valuations.

The authors focus on the exposure of firms' existing workforces to generative AI. A firm employing a larger proportion of workers engaged in tasks that can be performed using AI may benefit from lower operating costs or higher productivity. However, the extent of these gains depends on whether the technology substitutes for workers or complements their existing capabilities. The study examines this distinction using stock returns, analyst earnings forecasts, firm profitability and labour market outcomes.

Literature

The literature examines the effects of technological change on employment, productivity and asset prices. Autor et al. (2003) analyse how computerisation affects the demand for different occupational skills, while Acemoglu and Autor (2011) develop a task-based framework linking technological change to employment and earnings. Acemoglu and Restrepo (2018, 2020) examine the substitution of labour by technology and the employment effects of industrial robots. More recent studies, including Webb (2019) and Eloundou et al. (2024),assess the exposure of occupations to artificial intelligence and large language models. Brynjolfsson, Li and Raymond (2025) provide evidence of productivity gains from generative AI in customer-support activities.

[9] Eisfeldt, A. L., Schubert, G., Zhang, M. B., & Taska, B. (2026). Generative AI and firm values. *The Journal of Finance*. Advance online publication.

A related strand of research examines the relationship between technological innovation and firm valuations. Kogan and Papanikolaou (2014) study how technological shocks affect firms with different growth opportunities, while Zhang (2019) examines the asset-pricing implications of labour-technology substitution. Babina et al. (2024) investigate the relationship between firms' AI investments, growth and product innovation. Research on data assets, including Begenau, Farboodi and Veldkamp (2018) and Veldkamp (2023), examines how access to data influences firm performance and competitive advantages.

Building on this literature, Eisfeldt et al. (2026) examine the stock market response to generative AI through firms' existing workforce composition. The study connects occupational exposure to AI with changes in firm value and subsequent labour market outcomes, while distinguishing between the substitution and complementary effects of the technology.

Contribution

The paper develops a firm-level measure of exposure to generative AI using the tasks performed by employees across different occupations. Existing measures primarily examine the exposure of occupations to technological change. By combining occupational task descriptions with information on firms' workforce composition, the authors estimate how much of each firm's existing labour input could potentially be performed more efficiently using generative AI.

The study also distinguishes between firms' exposure to AI through their workforces and their exposure through the products and services they offer. This allows the authors to examine whether differences in stock returns reflect potential changes in labour productivity and operating costs, rather than the commercial opportunities associated with selling AI-related products.

Another contribution is the distinction between core and supplemental occupational tasks. Exposure through core tasks is more likely to create opportunities for replacing labour, while exposure through supplemental tasks may allow workers to become more productive. The authors use this distinction to examine differences in hiring, wages and firm valuations. They also investigate whether firms' existing data assets influence their ability to benefit from generative AI.

Data & methodology

The study constructs a measure of firms' exposure to generative AI using occupational information from the US Occupational Information Network (O*NET) database. The database contains 19,265 tasks across 923 occupations. The authors use GPT-3.5 Turbo to assess whether each task can be performed more efficiently using generative AI, assigning exposure scores based on the potential reduction in time required to complete the task. These scores are aggregated to the occupation level and subsequently weighted by each firm's occupational employment shares using data from Revelio Labs.

The resulting measure captures differences in workforce exposure across publicly traded US firms. The authors examine stock returns around the release of ChatGPT on November 30, 2022, treating the announcement as a technological shock. Firms are sorted into five portfolios according to their generative AI exposure, with the highest-exposure portfolio labelled *Artificial* and the lowest-exposure portfolio labelled *Human*. The difference in their returns forms the Artificial-Minus-Human (AMH) portfolio.

The analysis uses value-weighted daily stock returns over the two weeks following ChatGPT's release. The authors estimate abnormal returns after controlling for market exposure and the Fama-French five factors. Additional regressions control for firm characteristics, including size, profitability, asset tangibility and labour intensity.

To distinguish workforce exposure from product-market exposure, the authors construct separate measures of firms' exposure through their products and services. They also examine whether the stock market response varies with firms' reliance on data assets, using information from annual reports and the data-management skills of employees.

The study then examines changes in analyst earnings forecasts and realised profitability to assess whether stock market gains are associated with improvements in expected cash flows. Finally, the authors use job-posting data from Lightcast and wage information to investigate labour market responses. Occupational tasks are classified as core or supplemental, allowing the authors to test whether greater exposure to generative AI is associated with labour substitution or complementarity.

Results

The study finds that firms with greater workforce exposure to generative AI experienced significantly higher stock returns following the release of ChatGPT. The Artificial-Minus-Human portfolio earned approximately 5% over the subsequent two weeks, with an average daily excess return of around 0.45%. The market-adjusted daily alpha was 0.44%, while the Fama-French five-factor adjusted alpha was 0.35%. The results remain statistically significant after accounting for differences in market exposure and other firm characteristics.

The return differential was concentrated around the release of ChatGPT, with no comparable trend observed before the announcement. The cumulative gains also showed no significant reversal immediately after the event window. The authors find that workforce exposure explains differences in stock returns even after accounting for firms' exposure to AI-related products and services.

The stock market response was stronger among firms with greater data assets. Firms with access to valuable data and employees possessing data-management capabilities experienced larger valuation gains from generative AI exposure. The findings suggest that existing data resources can improve firms' ability to incorporate AI into their operations.

The authors also find evidence of improvements in expected profitability. Firms with a one-standard-deviation higher exposure to generative AI experienced a 1.8% greater upward revision in near-term earnings forecasts following ChatGPT's release. This was close to the corresponding 1.7% difference in stock returns, suggesting that changes in expected cash flows account for much of the observed valuation effect. The evidence on realised profitability is also consistent with operating-cost savings.

Labour market outcomes provide further support for the substitution mechanism. Occupations with a one-standard-deviation higher exposure to generative AI experienced approximately 8% fewer job postings following ChatGPT's release, relative to less exposed occupations. The decline was more pronounced where exposure was concentrated in an occupation's core tasks. Occupations whose exposure arose primarily from supplemental tasks experienced weaker substitution effects and more favourable wage and employment outcomes.

Overall, the results suggest that investors anticipated productivity improvements and lower labour costs among firms whose existing workforces were more exposed to generative AI.

Implications

The findings indicate that the economic benefits of generative AI depend partly on the composition of firms' workforces. Firms employing workers whose core tasks can be performed using AI may experience larger reductions in labour requirements and improvements in profitability. The results also suggest that firms with substantial data assets are better positioned to benefit from the technology, given their ability to incorporate AI into existing operations.

The distinction between core and supplemental tasks has implications for employment and wages. Workers whose principal responsibilities can be performed using generative AI face greater substitution risks, while those using AI to support their primary activities may benefit from productivity improvements. This suggests that occupational exposure alone may be insufficient to assess the likely employment consequences of the technology.

For investors, the study demonstrates the relevance of workforce composition and data assets in assessing firms' exposure to technological change. Firms operating within the same industry can experience different valuation effects depending on the tasks performed by their employees. The evidence also suggests that changes in stock prices following major technological developments can reflect expectations of future operating-cost savings before these effects are fully realised.

The findings have implications for the distribution of gains from technological progress. The increase in valuations among highly exposed firms, alongside weaker labour demand in exposed occupations, suggests that part of the expected productivity gains may accrue to shareholders through lower labour costs.

Conclusion

Eisfeldt et al. (2026) find that the release of ChatGPT led investors to reassess firm values according to the exposure of their existing workforces to generative AI. Firms with greater exposure experienced higher stock returns, particularly when they possessed substantial data assets. Evidence from earnings forecasts, profitability and labour demand supports the view that anticipated labour-cost savings contributed to these valuation gains.

The study also shows that the effects of generative AI differ according to the nature of occupational tasks. Exposure through core tasks is associated with stronger labour substitution, while exposure through supplemental tasks offers greater scope for complementarity. The findings suggest that workforce composition and firms' existing capabilities are important determinants of how technological advances affect corporate valuations. However, the analysis primarily captures the market's initial assessment of generative AI and early labour market responses. The longer-term effects on employment, productivity and firm profitability will depend on how extensively the technology is adopted.

4.5 The productivity J-curve: How intangibles complement general purpose technologies[10]

Erik Brynjolfsson, Daniel Rock and Chad Syverson (2021)

Summary

The authors examine why the introduction of transformative technologies does not immediately translate into higher measured productivity growth. They argue that general-purpose technologies (GPTs), such as artificial intelligence (AI), require substantial complementary investments in organizational processes, worker training, managerial capabilities and business models. Since many of these investments are intangible and inadequately captured in conventional economic statistics, their contribution to productivity is initially underestimated. The authors develop a growth-accounting framework showing that measured productivity follows a Productivity J-Curve: it is initially understated as firms accumulate unmeasured intangible capital but may subsequently be overstated when these assets generate measurable output. Using firm valuations to estimate intangible capital associated with R&D, software and computer hardware, they find particularly substantial mismeasurement for software-related investments. Their adjusted estimates suggest that US total factor productivity (TFP) was 11.3% higher than officially measured in 2004 and 15.9% higher in 2017. The framework also explains why AI's productivity benefits may take time to appear in aggregate statistics.

Introduction

The paper addresses the productivity paradox famously identified by Solow (1987): major technological advances can coexist with disappointing measured productivity growth. The authors argue that this apparent contradiction partly reflects the time required to develop complementary intangible assets that enable new technologies to become productive. GPTs are characterized by their widespread applicability, continuing technological improvement and ability to generate complementary innovation. However, adopting these technologies requires more than purchasing new equipment or software. Firms must reorganize production, develop specialized skills, redesign workflows and accumulate organizational knowledge. The central hypothesis is that the introduction of a GPT generates a systematic pattern of productivity mismeasurement. During the initial adoption phase, conventional statistics underestimate productivity because resources devoted to creating intangible assets are recorded as costs rather than investment. Later, when these accumulated assets contribute to measured production, their productive contribution is incorrectly attributed to TFP rather than to intangible capital inputs. This produces a J-shaped pattern in productivity-growth measurement errors, with the direction and magnitude of mismeasurement changing as the technology matures.

Literature

The paper builds on the literature on general-purpose technologies and their delayed economic effects. Bresnahan and Trajtenberg (1995) identify the defining characteristics of GPTs, while David (1990) demonstrates how the economic benefits of electrification depended on complementary changes in factory organization. Helpman and Trajtenberg (1994) examine how GPTs can generate alternating periods of investment and productivity gains, providing an important foundation for the authors' J-Curve mechanism. The paper also contributes to research on intangible capital, particularly Brynjolfsson and Hitt (2000) and Brynjolfsson, Hitt and Yang (2002), which emphasize the importance of organizational investments in realizing the benefits of information technology. The measurement

[10] Brynjolfsson, E., Rock, D., & Syverson, C. (2021). The productivity J-curve: How intangibles complement general purpose technologies. *American Economic Journal: Macroeconomics, 13*(1), 333–372.

framework draws on Hall (2001), which links stock-market valuations to capital accumulation, and Corrado, Hulten and Sichel (2009), which examine how incorporating intangible capital alters conventional measures of economic growth.

Contribution

The paper provides a theoretical and empirical framework linking technological adoption, intangible capital accumulation and productivity mismeasurement. Its principal contribution is to demonstrate that productivity statistics may systematically understate the benefits of new technologies during their early adoption and overstate productivity growth during later periods when intangible investments begin generating returns. The authors also develop a practical method for estimating otherwise unobserved intangible investments using firms' market valuations. This allows them to quantify the magnitude of productivity mismeasurement associated with different technological investments. More broadly, the paper offers an explanation for recurring productivity paradoxes and emphasizes why the economic benefits of transformative technologies, including AI, may emerge only after substantial complementary investments have been made.

Data and methodology

The authors extend traditional growth accounting by explicitly incorporating unmeasured intangible investment and the productive services generated by intangible capital. Their framework distinguishes two opposing sources of measurement error: the exclusion of intangible investment from measured output and the failure to account for intangible capital as a productive input. To estimate the value of unmeasured intangible assets, the authors apply an approach based on Tobin's q-theory of investment. They use differences between firms' market valuations and the recorded value of their observable assets to infer the value of complementary intangible capital. The underlying assumption is that financial markets incorporate the expected future benefits of intangible assets even when these assets are not recognized in conventional accounts. The empirical analysis examines intangible investments associated with R&D, computer hardware and software, using firm-level market valuation regressions and historical US investment and productivity data extending to 2017. For software and hardware, where comparable firm-level capital estimates are unavailable, the authors consider alternative assumptions about the value of intangible assets accompanying observable investment. They then construct intangible-adjusted TFP series and compare them with conventional productivity measures. Finally, the framework is applied to AI-related investments to assess whether unmeasured intangible accumulation could contribute to the apparent productivity slowdown.

Results

1. **Productivity follows a J-Curve:** The introduction of a GPT can initially depress measured productivity growth because firms devote resources to building intangible assets that are not recorded as output. As these assets become productive, measured productivity growth can subsequently be overstated.
2. **Complementary investments are essential:** New technologies require investments in worker skills, organizational restructuring, business processes and managerial capabilities. These complementary intangibles are central to realizing technological gains but are often inadequately captured in conventional productivity statistics.
3. **Substantial productivity mismeasurement:** After accounting for intangible investments associated with R&D, software and computer hardware, the authors estimate that US TFP levels were 11.3% higher than official measures in 2004 and 15.9% higher in 2017.

4. **Software generates the strongest effects:** Software-related intangible investments produce particularly pronounced and persistent J-Curve effects. Under the authors' benchmark assumptions, software-adjusted TFP was over 12.4% higher than measured TFP in early 2017, reflecting the continuing accumulation of complementary intangible capital.
5. **Hardware effects are more modest:** Computer hardware-related investments also generate productivity mismeasurement, but the effects are smaller and have stabilized as hardware investment growth has slowed. The estimated adjusted TFP level was approximately 3.2% higher than measured TFP in 2016.
6. **R&D effects largely offset:** Although R&D is associated with substantial intangible capital, its relatively mature investment patterns mean that unmeasured investment and capital-service effects largely offset one another. Consequently, R&D-related intangibles generate comparatively little net productivity mismeasurement.
7. **Intangibles do not fully explain the productivity slowdown:** While adjusting for intangibles substantially raises estimated productivity levels, it does not eliminate the post-2004 US productivity slowdown. The adjusted slowdown is larger under the authors' benchmark assumptions, indicating that other factors must also be considered.
8. **AI-related effects are emerging:** AI adoption requires substantial complementary investments that may initially remain unmeasured. Although the authors find limited evidence that AI-related intangibles explain the historical productivity slowdown, their framework suggests that these measurement effects could become increasingly important as AI adoption expands.

Conclusion

The study demonstrates that the economic effects of transformative technologies cannot be fully understood without accounting for the complementary intangible investments required for their adoption. The Productivity J-Curve framework shows that measured productivity growth may initially underestimate technological progress and subsequently overestimate it, depending on the relative importance of intangible investment and the productive services generated by accumulated intangible capital. The empirical findings indicate substantial productivity mismeasurement associated with information technology, particularly software, while the effects associated with R&D are comparatively limited. Importantly, although accounting for intangibles raises estimated productivity levels, it does not fully explain the observed slowdown in US productivity growth. The paper therefore highlights the importance of incorporating intangible capital into productivity measurement and cautions against interpreting weak immediate productivity growth as evidence that new technologies lack economic value. Its implications are particularly relevant to understanding the long-term productivity effects of AI and other emerging general-purpose technologies.

4.6 Technological revolutions and stock prices[11]

Luboš Pástor and Pietro Veronesi (2009)

Summary

Pástor and Veronesi (2009) examine why technological revolutions are frequently accompanied by sharp increases and subsequent declines in the stock prices of innovative firms. They develop a general equilibrium model showing that bubble-like stock-price patterns can arise even under rational expectations, without requiring speculative behaviour or investor irrationality. The central mechanism involves uncertainty about the productivity of new technologies and the gradual transformation of this uncertainty from idiosyncratic to systematic risk as widespread adoption becomes more likely. Initially, positive information about technological productivity raises expected cash flows and stock valuations. However, as the probability of large-scale adoption increases, the technology becomes more closely linked to aggregate economic wealth, raising systematic risk and required returns. This eventually depresses stock prices. Using historical evidence from the US railroad revolution (1830–1861) and Internet revolution (1992–2005), the authors find that observed movements in stock valuations, volatility and market betas are broadly consistent with the model's predictions.

Introduction

Technological revolutions often coincide with dramatic stock-market booms followed by substantial declines. Such episodes are commonly interpreted as evidence of irrational exuberance, speculative bubbles or excessive investor optimism. The authors propose an alternative explanation based on rational learning and changes in the systematic risk associated with technological innovation. The model distinguishes between an old economy, which uses established technologies in large-scale production, and a new economy, which initially employs an innovative technology on a small scale. Since the new technology's average productivity is uncertain, investors learn about its potential before deciding whether it should be adopted throughout the economy. Initially, uncertainty about the new technology is largely firm-specific because its production is too small to materially affect aggregate wealth. However, as evidence of its productivity improves, the probability of widespread adoption rises, transforming previously diversifiable uncertainty into systematic risk. The paper's central hypothesis is that positive cash-flow expectations initially raise technology-stock prices, while increasing systematic risk subsequently raises discount rates and lowers valuations. The resulting rise-and-fall pattern resembles a speculative bubble but can emerge in a rational equilibrium.

Literature

The paper contributes to the literature on technological innovation, asset pricing and financial bubbles. Traditional explanations of technology-related stock-market booms often emphasize speculative behaviour and investor irrationality. The authors instead build on rational asset-pricing approaches to technological uncertainty. Pástor and Veronesi (2003) demonstrate that uncertainty about future profitability can increase firm valuations when the associated risk is largely idiosyncratic. The present paper extends this mechanism by showing how technological adoption can transform such uncertainty into systematic risk. Related studies, including Greenwood and Jovanovic (1999) and Hobijn and Jovanovic (2001), examine how technological innovation affects stock-market valuations, particularly through the displacement of incumbent firms. Pástor and Veronesi (2009) focus instead on the changing risk characteristics of innovative firms during technological revolutions. The paper also relates to Jovanovic and

[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.

Rousseau (2005), which examines the broader economic characteristics of general-purpose technologies and their adoption.

Data & methodology

The authors develop a finite-horizon general equilibrium model featuring a representative risk-averse investor and two sectors: the established economy and a new sector employing an innovative technology. The productivity gain associated with the new technology is initially unknown, and investors update their beliefs as new information becomes available. The model incorporates Bayesian learning, irreversible technology adoption and an endogenous adoption decision. Stock valuations depend on both expected future cash flows and discount rates, allowing the authors to examine how changes in adoption probabilities affect market-to-book ratios, volatility, market betas and expected returns. The theoretical predictions are examined through simulations, including 50,000 simulated paths, distinguishing technologies that ultimately achieve widespread adoption from those that do not. The empirical analysis considers two historical episodes. For the Internet revolution (1992–2005), the NASDAQ index represents the new economy, while NYSE/AMEX stocks represent the old economy. The authors use CRSP stock-return data to examine market valuations, rolling market betas and return volatility, alongside US productivity data. For the railroad revolution (1830–1861), they examine historical railroad and nonrailroad stock prices, dividends, volatility and market betas to assess whether similar patterns occurred during an earlier technological transformation.

Contribution

The paper's principal contribution is to demonstrate that bubble-like movements in technology-stock prices need not imply irrational pricing. By combining Bayesian learning with general equilibrium asset pricing, the authors show how changes in the nature of technological uncertainty can generate pronounced valuation cycles. An important innovation is the distinction between idiosyncratic and systematic technological risk. As adoption becomes more likely, uncertainty about productivity increasingly affects aggregate wealth, raising the risk premium required by investors. The framework also produces testable predictions beyond stock-price movements, particularly concerning changes in market betas, return volatility and the timing of productivity improvements. This allows the authors to evaluate their explanation using evidence from two distinct technological revolutions.

Implications

1. **Rational explanation for stock-price bubbles:** Technology-stock prices can rise sharply and subsequently decline even when investors behave rationally. These patterns emerge from changing expectations about technological productivity and the systematic risk associated with widespread adoption.
2. **Technological uncertainty changes over time:** Initially, uncertainty about a new technology is largely idiosyncratic because its contribution to aggregate wealth is limited. As widespread adoption becomes more likely, this uncertainty becomes increasingly systematic, raising the required returns on innovative stocks.
3. **Cash-flow and discount-rate effects compete:** Positive information about technological productivity initially increases expected cash flows and stock prices. Eventually, the associated increase in systematic risk raises discount rates sufficiently to outweigh these gains, producing a decline in valuations.
4. **Bubbles are identifiable ex post:** Investors do not systematically anticipate negative stock returns during technological revolutions. The bubble-like pattern emerges when researchers retrospectively examine technologies that ultimately achieved widespread adoption, creating an important selection effect.

5. **Greater uncertainty produces stronger bubbles:** The model predicts more pronounced price fluctuations when technological productivity is highly uncertain and adoption occurs rapidly. Such conditions amplify both the initial valuation gains and the subsequent adjustment in required risk premia.
6. **Internet revolution supports the model:** During 1997–2002, NASDAQ's market beta approximately doubled, while its return volatility rose sharply. The NASDAQ index also experienced a substantially larger boom and decline than NYSE/AMEX stocks, consistent with the model's predicted evolution of systematic risk.
7. **Historical railroad evidence is consistent:** Railroad stocks experienced stronger valuation declines and higher volatility than nonrailroad stocks around the late 1850s. Railroad market betas also increased before 1857, supporting the interpretation that systematic risk rose as large-scale railroad adoption approached.
8. **Productivity gains emerge with a delay:** The model predicts that aggregate productivity improves only after the new technology is widely adopted. Consistent with this prediction, US multifactor productivity growth accelerated after 2002, following the decline in Internet-related stock valuations.
9. **Limits of the rational framework:** Although the model explains bubble-like stock-price patterns, it does not account for the substantial overinvestment in technological infrastructure often accompanying revolutions. The authors acknowledge that behavioural factors may also contribute to such episodes.

Conclusion

Pástor and Veronesi (2009) demonstrate that technological revolutions can generate pronounced stock-market booms and busts through rational changes in expectations and risk. Their model shows that as investors learn about a new technology's productivity, initially idiosyncratic uncertainty becomes increasingly systematic when widespread adoption becomes more likely. This raises required returns and eventually depresses stock valuations, even as the technology's expected productivity improves. Evidence from the Internet and railroad revolutions supports the model's central predictions concerning stock prices, volatility and systematic risk. The study therefore provides an alternative to purely behavioural explanations of technology-related bubbles, while acknowledging that irrationality may still contribute to some observed outcomes. More broadly, the paper establishes an important connection between technological diffusion, aggregate economic risk and asset pricing, demonstrating how fundamental technological progress can coincide with declining stock prices.

4.7 Investment shocks and asset prices[12]

Dimitris Papanikolaou (2011)

Summary

Papanikolaou (2011) examines why firms that benefit most from improvements in equipment can earn relatively low stock returns over time. When a new machine becomes cheaper to produce, firms undertake more investment projects. Households share in the gains as productive capacity grows, but some resources initially move away from producing goods for immediate consumption. A growth stock that rises in value at that point offers investors a payoff when current consumption is relatively scarce. In US data, growth stocks respond more favourably to improvements in investment opportunities than value stocks and earn lower average returns. The model generates an annual return difference of 1.87 percentage points between claims on existing assets and claims on future projects. The observed spread between the extreme value and growth portfolios is 6.15 percentage points.

Introduction

Much of the technological progress embodied in equipment and software reaches consumers only after firms have invested. Consider an improvement in the design of a machine used to produce consumer goods. Equipment producers can sell the improved machine, while firms planning a new factory can put it to use. A firm whose profits come mainly from equipment already installed has less to gain. Even among firms selling the same consumer good, the announcement can therefore change their relative stock prices. For investors, the question is what kind of payoff this change in price represents. Its value depends both on how much income the new investment will generate in the future and on what households must give up financing it today.

A rise in investment can have different origins. If productivity improves in the consumption goods sector, households can consume more and still devote resources to investment. If the cost of producing capital goods falls, the immediate incentive is to shift labour towards producing equipment. Consumption and investment growth are positively correlated over the full US sample, even though they initially move in opposite directions following the investment shock studied here. Distinguishing the two sources of growth matters when judging how a rise in investment affects the value investors place on current income.

Literature

The literature highlights the role of investment-specific technological progress in shaping economic growth and asset-price dynamics. Jermann (1998), Tallarini (2000), and Boldrin, Christiano and Fisher (2001) examine asset pricing in real business cycle models, while Christiano and Fisher (2003) explore the implications of investment shocks for equipment prices and equity premia. Gomes, Kogan and Yogo (2009) analyse differences in asset returns across firms producing durable and non-durable consumption goods. On measuring investment shocks, Greenwood, Hercowitz and Krusell (1997, 2000) identify the relative price of new equipment as an indicator of investment-specific technological change, while Fisher (2006) provides supporting evidence using long-run restrictions in a vector autoregression. Subsequent studies, including Fernandez-Villaverde and Rubio-Ramirez (2007), Justiniano and Primiceri (2008), and Justiniano, Primiceri and Tambalotti (2010, 2011), examine the magnitude and macroeconomic significance of investment shocks, with the latter decomposing them into two distinct components. Further, Cochrane (1996) establishes a link between investment growth and asset returns through an investment-based asset-pricing framework. Building on this literature, Papanikolaou (2011) examines the impact of investment shocks on the cross-

[12] Papanikolaou, D. (2011). Investment shocks and asset prices. *Journal of Political Economy*, 119(4), 639-685.

section of risk premia. The study develops a general-equilibrium framework to show how such shocks affect investment-goods producers differently from consumption-goods producers, and growth firms differently from value firms. It also proposes relative stock returns of investment- and consumption-goods producers as a higher-frequency financial measure of investment shocks.

Contributions

The paper uses the difference in stock returns between two groups of producers to measure changes in investment opportunities. Firms supplying investment goods gain relative to firms supplying consumption goods when the economy shifts resources towards new capital. The return on the first group less the return on the second is therefore one indicator of an investment shock. Stock returns are available weekly, allowing the author to estimate individual firms' sensitivity to the shock over a single year. The quality-adjusted equipment price series is annual and offers a separate check on what the stock market measure captures.

The model also distinguishes two sources of a firm's market value. Installed assets generate profits from activities already under way. Opportunities to invest are valuable because the firm can earn profits on projects it has yet to undertake. An improvement in investment opportunities raises the second component relative to the first. This gives the author a prediction to test within the consumption goods sector, where firms differ in their scope for future investment even though they belong on the same side of the sector comparison. The model also allows a given quantity of new equipment to yield more installed capital. This matters because the price paid for a machine and the value it adds once in use can move by different amounts. In the data, stock returns fluctuate far more than equipment prices.

Data & methodology

The author uses US input-output tables for 1997 to classify industries by whether their output contributes more to investment or to consumption. He then calculates the stock return on investment goods producers less the return on consumption goods producers. For the equipment price measure, an improvement in investment opportunities is an unexpected fall in the relative price of new equipment. The calculation allows for a change in trend in 1982, when the average rate of decline in equipment prices increased. Quarterly US data from 1951 to 2008 provide a check on how the return difference relates to economic activity. The author follows investment, consumption, hours worked and equipment prices for up to eight quarters, allowing for the overall market return and the previous quarter's growth in the variable being studied. The quarterly measure uses the national accounts price index for equipment and software relative to the price of non-durable consumption goods. This series allows the author to follow short-run movements between annual observations of quality-adjusted equipment prices.

The portfolio tests cover consumption goods producers from 1963 to 2008. Each December, the author groups firms into ten portfolios according to how sensitive their weekly returns were to the sector return difference during the preceding year. A second set of ten portfolios ranks firms by their ratio of book equity to market value. A low ratio indicates that much of the firm's value may lie in future projects. A high ratio identifies a value stock, whose existing assets are likely to account for more of its market price. The ratio serves as a proxy because the value of future projects is unobservable. For each portfolio the author calculates the annual return above the 30-day Treasury bill rate. He then estimates how much the two measures of investment shocks add to explanations of these returns based on the market return or on growth in household consumption.

Results

The study finds that positive investment shocks improve real investment opportunities, benefiting investment-goods producers relative to consumption-goods producers and growth firms relative to value firms. Using two empirical proxies—the relative price of new equipment and the return spread between investment- and consumption-goods producers—the paper finds that securities with greater exposure to investment shocks earn lower average returns, indicating a negative risk premium on investment shocks. The estimated risk premium ranges from −0.14 to −1.52, with most estimates statistically significant. The findings also indicate that growth firms appreciate relative to value firms following positive investment shocks, helping explain the higher average returns earned by value firms. The evidence is further supported by tests using Fama-French size and book-to-market portfolios and industry portfolios. Incorporating investment shocks reduces the pricing errors of the CAPM and Consumption CAPM, with pricing errors declining from 0.27–0.33 to 0.12–0.26. The general equilibrium model, calibrated with an elasticity of intertemporal substitution of 0.3 and risk aversion of 1.1, generates an equity premium of 2.2%, against 4.9% in the data, and an investment-minus-consumption producer return spread of −0.7%, against −1.4%. It also generates a value premium of 1.9%, compared with approximately 6% in the data, while matching market return volatility reasonably well (21% versus 18%). Overall, the findings establish investment shocks as an important source of systematic risk and provide a macroeconomic explanation for differences in stock returns across firms.

Implications

When investment goods producers outperform consumption goods producers, non-residential investment and hours worked rise, while consumption and the relative price of equipment fall in the short run. The longer-run response of consumption growth is less precisely estimated. The firm-level tests also show why the treatment of risk matters. Stocks in the portfolio least sensitive to the sector return difference earned an average annual excess return of 6.47%, compared with 4.36% for the most sensitive portfolio. Although this difference has the sign the model predicts, the estimates are too imprecise to establish a difference in the two average returns on this comparison alone. Accounting for market exposure strengthens the result. The most sensitive portfolio also had greater exposure to the market, for which a conventional market model would predict a higher return.

The return difference is clearer when firms are ranked by book-to-market. Value stocks in the highest decile earned an average excess return of 10.04% a year, compared with 3.88% for growth stocks in the lowest decile. Growth stocks also tended to appreciate relative to value stocks when investment opportunities improved. Adding an investment shock measure reduced pricing errors across these portfolios under both the market-based and consumption-based specifications. The estimated price of investment risk was negative for all four combinations of measures used in this test, although statistical significance varied with the specification. The author also examines portfolios formed by company size and book-to-market and a separate set of industry portfolios. The negative price of risk appears in both exercises, with weaker statistical evidence across industries.

Conclusion

Improvements in the technology used to produce capital have different effects on a firm's existing assets and its future projects. Growth stocks can offer households a form of insurance because their relative value rises when profitable new investment draws resources away from current consumption. How much investors will pay for that insurance depends on their willingness to move consumption between periods and on their attitude towards risk. In the US sample, the negative price of investment risk is consistent with investors accepting a lower average return for this protection.

The size of the premium remains harder to reproduce. Even the model's comparison of a pure claim on existing assets with a pure claim on future growth produces a smaller return spread than the one observed between value and growth stocks. The same gap appears at the sector level. Investment goods producers earned 1.41 percentage points less per year than consumption goods producers in the data, against a difference of 0.68 percentage points in the benchmark simulation. The relative return of the two sectors was also more volatile in the data, at 10.96% a year compared with 5.80% in the model. The simulation captures which sector investors are willing to hold at a lower return but generates less variation in their relative stock prices. The evidence supports investment opportunities as one source of the value premium and shows why both sector exposure and the composition of a firm's assets matter when interpreting stock returns.

4.8 Displacement risk and asset returns[13]

Nicolae Garleanu, Leonid Kogan and Stavros Panageas (2012)

Summary

Technological progress raises output, but its gains reach investors at different times. A shareholder in an established business may see its profits fall as competing products enter the market. Some of the profits from those new products will accrue to entrepreneurs whose companies have yet to be formed. Garleanu et al. (2012) examine how this exposure, which they call displacement risk, affects the returns investors require. In their model, shares in firms with valuable future inventions provide some protection when competition reduces the value of existing businesses and workers' skills. Investors are willing to pay more for that protection, giving growth stocks a lower expected return than value stocks. Evidence from US household spending supports one prediction of the model. Growth stocks tend to outperform value stocks when younger generations gain a lasting consumption advantage over earlier ones.

Introduction

Consider a worker who owns shares in an established company and has spent years acquiring the skills needed to use its technology. A new generation of products exposes both sources of wealth to competition. The company may have to lower its prices, while new workers may be better equipped to use the latest technology. The worker can diversify the risk of a particular employer by holding a broad portfolio. Even that portfolio, however, consists of firms that investors can buy today. A portion of the income generated by the new technology will go to future businesses and workers. The paper asks how much compensation shareholders require for bearing a risk that affects many existing firms at the same time.

Literature

The existing literature examines the relationship between technological innovation, incomplete financial markets and asset returns. Blanchard (1985) and Attanasio and Davis (1996) highlight the implications of overlapping generations and imperfect consumption insurance, demonstrating how differences in consumption across cohorts can influence economic outcomes. Romer (1990) and Hobijn and Jovanovic (2001) explain how technological innovation enhances productivity and economic growth while intensifying competition and displacing established firms. Fama and French (1993), Berk et al. (1999), and Zhang (2005) investigate the determinants of cross-sectional stock returns, particularly the value premium arising from differences in firms' growth opportunities and investment characteristics. Meanwhile, Mehra and Prescott (1985) and Campbell and Cochrane (1999) examine the equity premium puzzle and the limitations of conventional consumption-based asset-pricing models in explaining observed stock returns. Building on these strands of research, Garleanu et al. (2012) introduce displacement risk as an additional systematic risk factor arising from technological innovation and imperfect intergenerational risk-sharing. Their framework connects innovation-driven changes in productivity with differences in consumption across generations, offering a unified explanation for the value premium and the high equity premium.

[13] Gârleanu, N., Kogan, L., & Panageas, S. (2012). Displacement risk and asset returns. *Journal of Financial Economics*, 105(3), 491-510.

Contribution

The authors bring successive generations of investors into a model of innovation. Households alive at the same time can trade claims with one another to share risks. An entrepreneur who has yet to enter the economy cannot sell a share of a future invention to the current generation. That restriction matters for interpreting national consumption figures. Future aggregate consumption includes purchases by new generations, while the investors setting prices today have claims on only part of that future income. The model connects this distinction to an observable feature of household spending. Generations that enter the economy on different terms can experience persistent differences in consumption, even after allowing for age and economic conditions. The authors use these differences to investigate whether the same risk helps explain both stock market returns as a whole and the premium on value stocks.

An implication for dividends illustrates why the distinction matters to an investor. In the model, total dividends across the economy remain a constant share of national consumption. The companies paying those dividends change over time. Each wave of entry reduces the share paid by the firms that were trading when the investor first bought shares. Their dividends can therefore follow a very different path from aggregate consumption over a long holding period. A market index that admits each new generation of firms and a portfolio confined to the original firms ultimately represent claims on different sets of businesses.

Data & methodology

The model follows workers and entrepreneurs through an economy in which firms produce different inputs for a final consumption good. Each invention adds a new input that can substitute for some of the existing ones. Producers gain from having more inputs to choose from, while suppliers face new competition for the products they already sell. Established firms can also develop inventions of their own. Firms with better opportunities to do so command higher valuations relative to their current earnings. This gives the authors two distinct sources of a firm's value to study, the profits from its current products and the profits expected from future inventions. An innovation shock can reduce the former and increase the latter. A firm's sensitivity to the shock depends on how much each source contributes to its market value.

The empirical analysis uses 52,245 US household observations from the Consumer Expenditure Survey. Each observation combines four quarterly interviews. The authors group individuals by the year they turned 20 and estimate the differences in total spending across these groups, allowing for age, survey quarter and household size. Their main comparison covers cohorts that turned 20 between 1927 and 1995. Bringing together households of different ages gives the authors information on many generations from a survey that follows each household for only a year. They use several statistical methods to separate lasting changes in the spending differences from short-lived variation. They then examine whether these changes move with the return difference between growth and value stocks. The authors repeat the spending analysis using only non-durable goods and services. This narrower measure gives larger short-term differences between successive cohorts, while the estimated variation in the lasting component is similar under both definitions. A separate test uses changes in the stock of trademarks from 1930 to 2000 as an indicator of innovation and compares stock portfolios ranked by their book-to-market ratios.

Results

The empirical findings of provide support for displacement risk as an important systematic factor in explaining asset returns. The authors find that differences in consumption across generations are positively associated with return differences between growth and value stocks, consistent with the model's prediction that innovation shocks affect existing cohorts differently. The findings indicate that growth firms, which are more exposed to innovation and derive a larger proportion of their value from future investment opportunities, provide a hedge against displacement risk and

consequently earn lower average returns than value firms. This mechanism helps explain the positive value premium observed in equity markets. Furthermore, the authors demonstrate that displacement risk contributes to the high aggregate equity premium by linking adverse innovation shocks to declining profits of incumbent firms and reduced consumption among existing generations. The model also suggests that equilibrium interest rates are lower than those implied by aggregate consumption growth alone, reflecting the greater consumption risk faced by individual cohorts. The empirical tests and quantitative calibration further demonstrate that intergenerational consumption differences can reproduce important patterns in asset returns. Overall, the results establish that incorporating displacement risk improves the ability of standard asset-pricing frameworks to explain both cross-sectional return differences and aggregate equity market behaviour.

Implications

The household results connect stock performance to the distribution of gains between generations. When the estimated consumption position of a younger cohort improves relative to its predecessor, growth stocks tend to earn more than value stocks over the corresponding period. A one-sided test gives a p-value of 0.026 for the long-run association and 0.048 for a comparison over ten-year periods. The authors repeat the cohort comparison using earned income and report a similar relationship with stock returns. This matters for the proposed mechanism because workers can be exposed to a change in technology through the income they earn as well as through the shares they own. The direction also carries through to the trademark evidence. Relative to the highest book-to-market group, returns on portfolios near the growth end of the ranking generally respond more strongly to increases in trademarks.

The authors next use the observed variation in spending and earned income across generations, together with dividend and valuation data, to select parameters for the model. With the coefficient of relative risk aversion set to 10, its annual value premium is 6.4%. The observed return difference between the highest and lowest book-to-market deciles over 1927–2010 was 6.5%. For the equity premium, the corresponding figures are 4.0% in the model and 6.1% in the data. The results depend on how investors value protection. Raising the risk aversion coefficient to 15 produces a 6.7% equity premium, closer to the observed figure, but also raises the value premium to 10.5%. The paper thus shows how much of each premium the same assumptions can explain. The comparison also reflects the absence of financial leverage in the model and its assumption that interest rates and expected market excess returns are constant over time.

Conclusion

A period of rapid invention can be favourable for an economy and risky for the people who own its existing businesses. New firms can take a share of profits, and younger workers can earn a larger share of wages as their skills become more valuable. These shifts help explain why investors might accept a lower return on a business that can develop new products of its own. They also explain why relatively smooth growth in national consumption can coexist with a sizeable premium for holding the stock market. In the model, much of that premium arises because dividends on existing firms are exposed to competition from entrants. The household and trademark results support the predicted direction of the relationship. Its magnitude is assessed through the calibration and depends on the share of future opportunities available to existing firms and on investors' willingness to bear risk.

The authors also draw a distinction between households according to the composition of their wealth. In the calibrated economy, financial wealth is more exposed to displacement than earnings from work. A household that derives a larger share of its wealth from financial assets therefore has a stronger reason to hold growth stocks for protection. This is a prediction about portfolio choice within the model. The household evidence in the paper concerns spending differences and provides a test of a different part of the explanation.

4.9 Organization capital and the cross-section of expected returns[14]

Andrea L. Eisfeldt and Dimitris Papanikolaou (2013)

Summary

Eisfeldt and Papanikolaou (2013) examine the role of organization capital in explaining differences in expected stock returns across firms. The paper argues that organization capital, which is embodied in a firm's key employees and organisational processes, has distinct risk characteristics compared with physical capital. Since specialised employees can move between firms, shareholders do not have exclusive rights over the cash flows generated by these organisational resources. The authors develop a theoretical model in which improvements in frontier organizational technology influence the outside employment opportunities of key talent, thereby changing the share of organisational returns accruing to shareholders. Using a firm-level measure of organization capital constructed from SG&A expenditure, the study finds that firms with higher organization capital earn higher average returns. The high-minus-low organization capital portfolio generates an annual return spread of approximately 4.7%, indicating that exposure to changes in frontier organizational technology represents an additional source of systematic risk.

Introduction

Intangible capital has become an increasingly important factor of production, with firms deriving a substantial part of their value from resources that are not captured by conventional measures of physical capital. These include employee knowledge, managerial capabilities, internal processes and organisational practices that improve productivity and support the efficient coordination of business activities. Such resources, collectively referred to as organization capital, are particularly important because their value is often embedded in the firm's key employees.

Unlike physical assets, organization capital cannot be entirely owned or controlled by shareholders. Employees who possess specialised knowledge and organisational expertise may transfer these capabilities to other firms, taking with them part of the productive value accumulated within the organisation. This creates a distinction between the total cash flows generated by organization capital and the portion that shareholders can appropriate. The paper examines how this distinction affects the risk profile of firms and, consequently, their expected stock returns.

The authors argue that changes in frontier organizational technology influence the outside opportunities available to key employees. When new firms adopt more efficient organisational technologies, specialised employees in existing firms may demand higher compensation or move to organisations where their expertise generates greater value. This can reduce the cash flows available to existing shareholders. Firms with a higher proportion of organization capital are therefore more exposed to such changes and require higher expected returns as compensation for bearing this additional risk.

Literature

The paper builds on the literature examining the role of organisation-specific knowledge in production. Prescott and Visscher (1980) establish the concept of organization capital as firm-specific knowledge accumulated through organisational learning and employee relationships. Atkeson and Kehoe (2005) develop a framework for modelling and measuring organization capital, emphasising how improvements in organisational technology influence the

[14] Eisfeldt, A.L. and Papanikolaou, D. (2013), Organization Capital and the Cross-Section of Expected Returns. *The Journal of Finance*, *68*: 1365-1406.

productivity of firms. These studies establish that organisational resources are economically valuable but also indicate that their value depends on the relationship between firms and the employees who embody them.

A second strand of literature focuses on the measurement of intangible capital. Lev and Radhakrishnan (2005) propose that SG&A expenditure contributes to the formation of organization capital through activities such as employee training, incentive systems, information technology and organisational development. Their approach provides an accounting-based measure of an asset that is otherwise difficult to identify in financial statements. Eisfeldt and Papanikolaou build on this approach by accumulating firms' SG&A expenditure to estimate the stock of organization capital over time. The paper also draws on organisational studies that use management practices and workplace arrangements to understand differences in firm productivity, including Caroli and Van Reenen (2001), Bresnahan et al. (2002), and Bloom and Van Reenen (2007).

The study is also closely related to the production-based asset-pricing literature. Cochrane (1991, 1996) links firms' production and investment decisions to the behaviour of stock returns, while Berk et al. (1999) and subsequent studies examine how differences in firms' investment opportunities generate variation in expected returns. These models largely explain differences in risk premia through firms' exposure to aggregate shocks and movements in their market betas. Eisfeldt and Papanikolaou extend this framework by introducing frontier organizational technology as a second systematic source of risk, affecting the division of surplus between shareholders and key talent. The closest connection is with Lustig et al. (2011), who examine how technological change in organization capital influences managerial compensation and labour-market outcomes. While this literature establishes the relationship between organisational technology, employee compensation and firm performance, the implication for equity returns remain less explored. The present study addresses this gap by demonstrating that the dependence of organization capital on key talent creates a distinct source of risk that is reflected in the cross-section of expected stock returns.

Data & methodology

The empirical analysis uses Compustat and CRSP data covering 5,917 non-financial firms listed on the NYSE, AMEX and NASDAQ over 1970–2008. Organization capital is estimated by accumulating firms' Selling, General and Administrative (SG&A) expenditure using the perpetual inventory method, following Lev and Radhakrishnan (2005). The authors assume a depreciation rate of 15% and an average real growth rate of SG&A expenditure of 10%. Firms are ranked within 17 industries according to their organization capital relative to book assets (O/K) and grouped into five portfolios.

The authors first examine whether the measure captures organisational resources by comparing it with firm productivity, managerial quality, IT expenditure and the likelihood of identifying the loss of key personnel as a business risk. They then construct the OMK portfolio, which takes a long position in firms with high organization capital and a short position in firms with low organization capital. Its returns are evaluated against established asset-pricing models, including the CAPM, the Fama–French three-factor model and the Carhart four-factor model. Further tests examine the relationship between OMK returns, executive compensation, capital reallocation and investment in organization capital.

Theoretical framework

The theoretical framework is based on two defining characteristics of organization capital. First, it is embodied in specialised labour inputs, referred to as key talent, which include managers and technical personnel essential to a firm's operations. Second, its efficiency is partly firm-specific, since organisational knowledge and expertise are developed through the relationship between employees and the firm. These characteristics imply that both shareholders and key talent have a claim on the cash flows generated by organization capital.

The authors develop a model in which the share of organisational cash flows accruing to shareholders depends on the outside option of key talent. This outside option is determined by the productivity of organization capital in new firms, which the authors refer to as frontier organizational technology. An improvement in frontier technology increases the potential value of key talent outside the existing firm. Employees may consequently demand higher compensation or move to other organisations, reducing the residual cash flows available to shareholders.

The model predicts that this mechanism creates an additional source of risk for firms with higher organization capital. A greater proportion of their productive value is dependent on specialised employees and, therefore, on changes in the outside opportunities of key talent. If frontier technology shocks are correlated with shareholders' marginal utility, firms with higher organization capital will command higher risk premia. The model also generates testable predictions concerning executive compensation, capital reallocation, investment in organization capital and the sensitivity of firm profits to firm-specific output shocks.

Contribution

The paper makes three important contributions to the literature. First, it establishes a direct link between organization capital and expected equity returns, showing that differences in the composition of firms' assets can generate systematic differences in risk premia. Second, it identifies a specific mechanism through which frontier organizational technology affects shareholders: changes in the outside opportunities of key talent influence the share of organisational cash flows that shareholders can retain. Third, it develops an empirical measure of organization capital using widely available accounting data and constructs an organization-capital-based risk factor, OMK, to capture the return differential between firms with high and low organization capital. The study therefore extends the asset-pricing literature beyond conventional physical capital and market-related sources of risk.

Results

The empirical findings provide strong support for the theoretical predictions of the paper. The key results are summarised below:

1. **Higher organization capital is associated with higher stock returns:** Firms in the highest organization-capital portfolio outperform those in the lowest portfolio by approximately 4.7% annually. The high-minus-low organization capital (OMK) portfolio also exhibits a Sharpe ratio comparable to that of the market portfolio, indicating that the return differential is economically significant.

2. **Organization capital captures a distinct source of systematic risk:** The return spread associated with OMK is not explained by conventional asset-pricing models, including the CAPM, Fama-French three-factor and Carhart four-factor models. The authors further show that a two-factor model incorporating the market and OMK portfolios helps explain the cross-section of returns across firms sorted by organization capital.

3. **High organization-capital firms exhibit distinct firm characteristics:** Firms with higher O/K ratios are more productive, have higher Tobin's Q and report higher executive compensation. They also demonstrate better managerial quality, greater information technology expenditure and a higher likelihood of identifying the loss of key personnel as a business risk in their annual filings. These characteristics support the validity of the SG&A-based measure of organization capital.

4. **OMK returns are linked to changes in the outside options of key talent:** The realised returns of the OMK portfolio are negatively related to aggregate compensation to key talent, capital reallocation and investment in organization capital. This is consistent with the model's prediction that improvements in frontier organizational technology strengthen employees' outside opportunities and alter the division of organisational rents between shareholders and key talent.

5. **Profitability is more sensitive to firm-specific shocks:** High organization-capital firms exhibit greater sensitivity of profits to firm-specific output shocks, while their sensitivity to aggregate output remains broadly similar to that of other firms. This supports the argument that organization capital exposes shareholders to an additional source of risk beyond conventional aggregate market fluctuations.
6. **The findings remain robust across alternative specifications:** The return differential persists under alternative portfolio constructions, measures of firm assets and depreciation assumptions. The results also remain broadly unchanged when advertising expenditure is excluded from SG&A and when the initial years of firm observations are removed, reinforcing the robustness of the relationship between organization capital and expected returns.

Implications

The paper extends the literature on organisation capital by showing that its importance goes beyond firm productivity and valuation to influence expected stock returns. While Lev and Radhakrishnan (2005) examine the valuation of organisation capital and Bloom and Van Reenen (2007) link management practices to firm performance, Eisfeldt and Papanikolaou (2013) demonstrate that firm-specific human capital also exposes shareholders to risks arising from employee mobility and bargaining power. Their findings further complement Lustig et al. (2011) on managerial compensation and technological change, and Cochrane (1991, 1996) on production-based asset pricing, by establishing organisation capital as an important source of cross-sectional variation in equity returns.

Conclusion

Eisfeldt and Papanikolaou (2013) establish organization capital as an important determinant of the cross-section of expected stock returns. By linking the outside opportunities of key talent to changes in frontier organizational technology, the paper identifies a mechanism through which organisational resources expose shareholders to additional risk. The empirical findings show that firms with higher organization capital earn higher average returns and that this return differential is not fully explained by conventional asset-pricing factors. Overall, the study extends the understanding of firm risk by demonstrating that the nature of a firm's productive assets, particularly the extent to which value is embodied in organisational knowledge and specialised employees, has important implications for equity valuation and expected returns.

4.10 Technological innovation, resource allocation, and growth [15]

Leonid Kogan, Dimitris Papanikolaou, Amit Seru and Noah Stoffman (2017)

Summary

Kogan et al. (2017) study how technological innovation affects company growth, competition, the use of resources and overall economic growth. The paper addresses an important problem in measuring innovation: common measures such as patent counts and forward citations do not fully show the economic value of an invention. To address this, the authors develop a new measure using changes in stock prices around patent announcements. This helps them estimate the financial value of individual inventions.

Using US patent data from 1926 to 2010, the authors find that innovation has two effects. It helps companies that develop new technologies grow, but it can also reduce the growth of their competitors. Over five years, a one-standard-deviation increase in a company's innovation is linked to 4.6% higher profits, while the same increase in innovation by its competitors is linked to 3.8% lower profits. At the overall economic level, the innovation index also helps predict increases in economic output and total factor productivity (TFP). The main finding is that technological progress supports economic growth by improving productivity and moving capital, labour and market share towards more successful companies.

Introduction

Technological innovation is widely seen as an important source of long-term economic growth. However, measuring its actual contribution is difficult because common measures show the number of inventions or their importance in research, but do not always show their economic value.

Patent counts give the same importance to inventions that may have very different economic value. Citation-based measures mainly show how much an invention is referred to in later research and patents. The authors address this problem by using changes in stock prices around patent announcements to estimate the financial value of innovations. They also examine whether these effects lead to higher economic output and productivity. The broader aim is to provide evidence for Schumpeter's theory of economic growth, which explains how innovation, competition and the movement of resources between companies support economic development.

Literature

The paper covers three main areas of research: economic growth through innovation and competition, the financial value of patents, and the measurement of technological progress. The first area is based on Schumpeter's theories of economic growth. Romer (1990), Aghion and Howitt (1992), and Grossman and Helpman (1991) explain how innovation creates new products, improves existing technologies and allows more productive companies to replace less productive ones. Klette and Kortum (2004) further study how companies grow through successful innovation.

The second area studies the relationship between patent quality, research citations and financial value. Hall et al. (2005), Nicholas (2008), and Harhoff et al. (1999) find that patent citations are positively related to their economic value. However, Abrams et al. (2013) find that this relationship is not always direct. The authors add to this research

[15] Kogan, L., Papanikolaou, D., Seru, A., & Stoffman, N. (2017). Technological innovation, resource allocation, and growth. *The Quarterly Journal of Economics*, *132*(2), 665-712.

by using stock market data to measure the financial value of patents. Their method helps separate the financial benefits received by patent owners from the importance of their inventions in research.

The third area looks at how technological progress is measured in economics. Olley and Pakes (1996) and Basu et al. (2006) use productivity-based methods. Gali (1999) and Smets and Wouters (2003) identify changes in technology using economic models and VAR methods. The authors build on this work by using patent and stock market data to measure innovation at the company level. This gives them a financial measure that can be compared across companies, industries and time periods.

Contribution

The paper makes an important contribution by introducing a stock market-based method to measure the financial value of individual patents. This method captures the fact that different patents can have very different economic values, which is not fully reflected in patent counts or citation measures.

Using this method, the authors show that innovation helps companies grow but can reduce the growth of their competitors. This provides company-level evidence of how innovation changes competition and moves resources between companies. The study also shows that the financial value of patents provides information about the effects of innovation on competitors that traditional citation-based measures do not fully capture.

Finally, the authors develop an overall innovation index and show that it helps predict changes in economic output and total factor productivity (TFP) over the medium term. This connects innovation at the company level with wider economic growth.

Theoretical framework

The paper is based on Schumpeter's theory of economic growth. According to this theory, technological innovation supports economic growth through two main processes: company growth through innovation and the replacement of less successful companies by more successful ones.

The first process benefits the company that develops the innovation. Successful innovations allow companies to introduce new products, improve existing products and gain an advantage over competitors. This can increase their profits, production, investment, employment and productivity.

The second process affects competing companies. When a company develops a valuable innovation, its competitors may lose customers and market share. They may also face lower product prices and reduced profits. As a result, capital and labour gradually move towards companies using better and more productive technologies. This process leads to changes in how resources are distributed across the economy.

The authors study these two effects separately by measuring a company's own innovation and the innovation of other companies operating in the same three-digit SIC industry. This helps them identify how a company's innovation affects its own growth and how innovation by competitors affects its performance.

Another important difference in the paper is between financial value and research value. A patent may have limited importance in research but still have high financial value if it helps a company reduce competition and earn higher profits. Similarly, an invention may be important for research but may not generate large financial returns for the company. Therefore, patent citations and stock market-based values measure different but related aspects of innovation.

Data & methodology

The study combines historical patent records with stock market data and company financial information. The authors collect US patent records from Google Patents for patents granted between 1926 and 2010. They match patent owners with publicly listed companies in the CRSP database. The initial matching identifies approximately 1.93 million patents. After applying data availability and matching conditions, the final sample contains 1,801,879 patents. Additional patent citation data are taken from Nicholas (2008).

The estimation of patent value is carried out in two stages. First, the authors study how stock prices react when patents are announced. The US Patent and Trademark Office (USPTO) generally issue patents on Tuesdays. Therefore, the authors examine stock market movements over a three-day period from Tuesday to Thursday. This period captures changes in trading activity following patent announcements. They use stock returns adjusted for overall market movements to identify changes related to individual companies.

Second, the authors estimate the financial value of individual patents. They separate the stock price movement related to the patent from other market movements. The estimated patent-related return is multiplied by the company's market value before the announcement. The calculation also considers the probability that the patent application would have been approved. The authors use different assumptions about patent values and measurement errors and test alternative methods to check the results.

For the company-level analysis, patent values are combined with CRSP and Compustat data. This produces 158,739 firm-year observations covering 15,787 companies between 1950 and 2010. Financial companies, utility companies and industries that never file patents are excluded. The authors create two measures of innovation: patents weighted by their financial value and patents weighted by citations. Both measures are adjusted for company assets to account for differences in company size. Finally, the authors combine patent values across companies to create an overall innovation index for the economy. They then study how this index is related to economic output and total factor productivity (TFP) over periods of one to five years.

Results

The financial value of patents varies widely across inventions. Most patents have relatively low estimated values, while a small number have very high values. The median estimated patent value is approximately US$3.2 million in 1982 dollars. Patent citations are also positively related to financial value. Around the median citation level, one additional citation is linked to a 0.1%–3.2% increase in patent value, depending on the method used. This shows that research importance and financial value are related, but stock market-based measures also provide additional information.

At the company level, valuable innovations lead to higher growth in the following years. Over five years, a one-standard-deviation increase in a company's innovation is linked to 4.6% higher profits, 3.2% higher nominal output, 3.8% higher capital investment and 2.5% higher employment. Revenue-based productivity (TFPR) also increases by 2.4%. These results show that innovation can increase company profits, production, investment, employment and productivity.

Innovation by competing companies has the opposite effect. A one-standard-deviation increase in competitors' innovation is linked to 3.8% lower profits, 5.1% lower nominal output, 3.8% lower capital investment and 2.7% lower employment over the same five-year period. Competitor innovation is also followed by a 1.7% fall in TFPR. This may be due to lower prices and profit margins as companies compete for customers. These results show that technological progress can shift business activity from one company to another.

At the overall economic level, the authors create an innovation index that identifies major periods of technological progress in the US, particularly during the 1930s, the 1960s and early 1970s, and the 1990s and 2000s. A one-standard-deviation increase in the main innovation index is followed over five years by approximately 6.5% higher economic output and 3.4% higher TFP. Another version of the index, adjusted using the market value of the companies in the sample, shows corresponding increases of 5.5% in output and 2.1% in TFP. In additional VAR analyses, the estimated increases are smaller, at approximately 1.7%–2.2% for output and 0.6%–1% for productivity. Overall, the results show that periods of high-value innovation are followed by improvements in economic output and productivity, although the size of these effects depends on the method used.

The authors also combine the company-level results to estimate the contribution of innovation to economic growth. Their estimates suggest that innovation accounts for approximately 5%–23% of net economic growth among publicly listed companies and 6%–19% of the differences in growth rates across companies. These findings show that innovation is important both for overall economic growth and for changes in the performance of individual companies. However, the authors point out that the analysis does not include private companies and may not capture all the wider effects of innovation on the economy.

Conclusion

The authors show that technological innovation is an important driver of company growth, changes in resource allocation, competition and overall economic productivity. Their stock market-based measure of patent value provides a way to estimate the financial importance of individual inventions and study their effects on companies and the wider economy. The main finding is that technological progress supports economic growth in two ways: it helps companies that innovate grow and creates competition that can reduce the growth of other companies. Successful innovations strengthen the companies that develop them, while their competitors may lose profits, capital, employment and market share. This continuously changes how resources are distributed across the economy.

Overall, the study connects the financial value of patents with company performance and economic productivity. It provides evidence that long-term economic growth depends in part on innovation, competition and the movement of resources towards more productive companies.

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5 Market performance

5.1 Market round-up

Indian equities defy global sell-off amid record FPI inflows and easing crude oil prices

Global equities extended losses in October, with the sell-off intensifying in November amid concerns over stretched AI-linked valuations, the sustainability of technology investments and expectations of further monetary tightening. The MSCI World and MSCI EM indices declined by 0.8% and 8.0%, respectively, in October, followed by a further correction of 8.4% and 11.2% through November 20th. Technology-heavy North Asian markets bore the brunt of the sell-off, with foreign investors withdrawing nearly US$50bn from seven major Asian equity markets in October alone, predominantly from Taiwan and South Korea.

Indian equities bucked the global trend, with the Nifty 50 gaining 1.9% in October and rallying another 11.9% through November 20th, nearly erasing its CYTD losses. Unlike the narrow, large-cap-led recovery in October, the November rally was broad-based, supported by stronger corporate earnings, easing crude oil prices and global portfolio reallocation towards India. Institutional flows reversed sharply, with FPIs recording purchases of US$ 13bn in November following net selling of US$ 3.6bn in October, while DIIs turned net sellers of around Rs 61,800 crore. Household participation through mutual funds remained resilient.

Global bond markets recovered in October following the sharp September sell-off, supported by renewed safe-haven demand. The US 10-year Treasury yield declined by 38bps to 4.9% in October and remained steady in November, notwithstanding persistent inflation concerns and a hawkish monetary policy outlook. Indian government bonds, in contrast, weakened further in October, with the benchmark 10-year G-sec yield rising by 22bps to 7.41% following the RBI's rate hike and liquidity absorption measures. Yields subsequently eased to 7.19% in November, supported by lower crude oil prices, rupee appreciation and renewed foreign investor interest.

Commodity markets witnessed a sharp correction in November. Brent crude, which remained elevated through October, declined by around 22% in November to US$92/barrel, as easing supply constraints outweighed persistent geopolitical risks. Gold extended its losses, falling to a 14-month low of around US$3,555/oz amid a stronger dollar, expectations of further Fed tightening and liquidation of positions following the equity market sell-off. The rupee, in contrast, appreciated by around 3.3% against the US dollar over October–November to Rs 92.67/US$, supported by record foreign portfolio inflows, lower crude oil prices and the unwinding of bearish currency positions.

- **Indian equities staged a sharp, broad-based recovery in November following a subdued October:** After declining for two consecutive months, the Nifty 50 recovered modestly by 1.9% MoM in October, partly reversing the sharp 6.1% correction in September. The recovery came despite continued global uncertainty, elevated crude oil prices, rising bond yields and persistent foreign portfolio outflows. Select large-cap stocks benefited from relatively attractive valuations following the preceding correction and improving corporate earnings expectations. The recovery gathered significant momentum in November, with the benchmark gaining another 11.9% through November 20th. This brought down its CYTD decline to a modest 1.3%, from a decline of 11.8% at October-end. The November rally was supported by improving domestic earnings, easing crude oil prices, renewed foreign portfolio inflows and global portfolio reallocation away from AI-linked Asian markets, particularly South Korea and Taiwan.

  October had witnessed a sharp divergence between large-cap and broader market performance, with the Nifty 50 gaining 1.9% even as the Nifty Midcap 150, Smallcap 250 and Microcap 250 declined 3.8%, 5.8% and 9.0%, respectively.

Indian equity markets staged a sharp recovery in November after a modest rebound in October, with the Nifty 50 Index rising by 14.1% since Sep-end, even as the YTD return remain in the negative territory at -1.3% (As of November 20th, 2026).

Sectoral gains were also concentrated, with IT (+17.7%) leading the recovery. November, however, marked a significant shift, with gains extending across large-, mid-, small- and micro-cap stocks, reversing much of the weakness seen in the preceding months. Sectoral participation also broadened, with banks, financial services, automobiles and other domestic cyclicals leading the rally, supported by improving corporate earnings and a recovery in investor risk appetite.

Trading activity on NSE declined for the fifth month in a row in October in the equity cash segment, while that in the equity derivatives segment, across both options and futures, saw a strong rebound. Average daily turnover (ADT) in the equity cash segment fell by a modest 0.7% MoM to Rs 1.07 lakh crore in October, before recovering in November till date by 8.1% to Rs 1.23 lakh crore as of November 20th. Equity futures activity recovered substantially after witnessing a sustained moderation over the previous six months, with ADT rising by 12% MoM to Rs 1.29 lakh crore in October and further by 14% in November to Rs 1.48 lakh crore as of November 20th. ADT (premium) in equity options rose sharply for the second month in a row by 37.8% MoM to Rs 70,526 crore in October, partly reversing the decline seen in the first five months of the fiscal.

- **Global bond markets recovered in October, with yields remaining volatile in November:** Following the sharp sell-off in September, global sovereign bond markets recovered in October, supported by renewed safe-haven demand amid weakness in global equities, notwithstanding persistent inflation concerns and fiscal pressures. The US 10-year Treasury yield declined by 38bps MoM to 4.91%, reversing much of September's increase, while the 30-year yield eased by 34bps to 5.29%. The recovery extended to other developed markets, with 10-year yields on German Bunds, UK gilts and Japanese government bonds moderating to around 3.3%, 5.3% and 2.76%, respectively. The US Fed, ECB and Bank of Japan maintained policy rates in October, although the monetary policy outlook remained hawkish. Bond markets, however, remained volatile in November amid competing pressures from persistent inflation, expectations of further monetary tightening and intermittent safe-haven demand. The Bank of England raised its policy rate by 25bps to 4.0%, while hawkish signals from the US Fed reinforced expectations of further tightening. Despite the moderation in October, sovereign yields remain elevated, reflecting persistent fiscal deficits, substantial government borrowing requirements and uncertainty surrounding the inflation outlook.

- **Indian bond markets recovered sharply in November following a sustained sell-off through October:** Indian government bonds remained under pressure in October, extending the sell-off seen in the previous two months. The benchmark 10-year G-sec yield rose by 23bps MoM to 7.41% at October-end, from 7.19% in September, reaching its highest level in nearly three years. The short-end rose even more sharply, with the 3-month to 1-year sovereign yields hardening by 50-65bps, resulting in some flattening of the yield curve. The rise reflected persistent inflation concerns amid elevated crude oil prices, tighter banking system liquidity and expectations of further monetary tightening following the RBI's 25bps repo rate hike to 5.5% in early October, accompanied by a shift in stance to 'calibrated tightening'. The RBI's liquidity absorption measures, including OMO sales and VRRR auctions, alongside sustained government borrowing requirements, added

to upward pressure on yields. The trend reversed sharply in November, with the benchmark 10-year yield declining by around 23bps to 7.19% as of November 20t. The recovery was supported by a sharp correction in crude oil prices, easing US Treasury yields, rupee appreciation and improving domestic liquidity conditions. Nevertheless, elevated domestic inflation, with headline CPI rising to 6.1% in October, and expectations of further RBI tightening continue to pose risks to the sustainability of the bond market recovery.

- **FPI flows reversed sharply in November following sustained selling; DIIs turned net sellers:** Foreign portfolio investors continued to withdraw from Indian equities in October, with net sales of US$ 3.6bn in the secondary market, following similar outflows in September. DIIs, however, remained strong buyers, investing Rs 62,220 crore (US$ 6.5bn) during the month, albeit lower than Rs 76,030 crore in September. Retail-linked flows also remained resilient, notwithstanding some moderation. Net inflows into equity-oriented mutual funds declined by 13.9% MoM to Rs 32,994 crore in October, marking the 68th consecutive month of positive inflows, while monthly SIP contributions remained robust at Rs 32,160 crore, marginally below September's record of Rs 32,490 crore.

  November, however, witnessed a sharp reversal in institutional flows, with FPIs turning net buyers of US$ 13bn through November 20th, marking their strongest monthly purchases on record. This turnaround was driven by global portfolio reallocation away from AI-linked Asian markets, particularly South Korea and Taiwan, alongside improving domestic earnings, easing crude oil prices and relatively attractive large-cap valuations following the preceding correction. DIIs, meanwhile, turned net sellers of Rs 61,787 crore over the same period, partly reflecting portfolio rebalancing amid the sharp market rally. The reversal underscores the growing influence of global portfolio allocation shifts on Indian equities, even as sustained household investment through mutual funds continues to provide a stable domestic investor base.

- **Global equity markets extended losses in October, with the sell-off intensifying in November:** Global equities remained under pressure in October, weighed down by concerns over stretched AI-linked valuations, persistent inflationary pressures and a hawkish monetary policy outlook. The MSCI World Index declined 0.8% in USD terms, while emerging markets significantly underperformed, with the MSCI EM Index falling 8.1%. The weakness was particularly pronounced in technology-heavy Asian markets, including South Korea and Taiwan, as investors reassessed the sustainability of AI-related investments and earnings expectations. The sell-off intensified in November, with the MSCI World and MSCI EM indices declining by approximately 8.3% and 9.4%, respectively, through November 20th. Concerns over elevated technology valuations, expectations of further US monetary tightening and a stronger dollar triggered a broader retreat from risk assets. Asian equities remained particularly vulnerable, while Indian equities bucked the global trend, benefiting from portfolio reallocation away from AI-heavy markets, improving domestic earnings and easing crude oil prices. The divergence highlights the growing influence of sectoral exposures and global portfolio positioning on relative equity market performance.

US: US equities witnessed mixed performance in October, as concerns over stretched AI-linked valuations triggered a rotation away from technology stocks. The S&P 500 and Nasdaq 100 declined 0.9% and 6.7% MoM, respectively, while the Dow Jones gained 1.7%. The sell-off intensified in November, with the S&P 500, Dow Jones and Nasdaq 100 falling 8.8%, 7.0% and 11.8%, respectively, through November 20th. Concerns over the sustainability of AI-related investments, elevated valuations and expectations of further Fed tightening weighed on sentiment, notwithstanding easing Treasury yields.

US macroeconomic data pointed to resilient economic activity, improving labour-market conditions and persistent inflationary pressures in October. Real GDP growth accelerated to an annualised 3.4% in Q3 2026 from 2.2% in Q2, supported by stronger investment, sustained consumer spending and a recovery in government spending. Business activity continued to expand, albeit at a slower pace, with the S&P Global US Composite PMI moderating to 55.9 in October from 58.4 in September. Labour-market conditions improved, with non-farm payroll additions rising to 165k from an upwardly revised 60k in September, while unemployment edged down to 4.1% from 4.2%. Inflationary pressures moderated somewhat, with headline CPI rising 0.4% MoM in October compared with 0.6% in September, reflecting a slower increase in energy prices, while core CPI rose 0.3% for the third consecutive month. Against this backdrop, the Fed maintained its policy rate at 3.75-4.0% in October, following a 25bps hike in September. The policy outlook, however, remained hawkish, with two members voting for a further 25bps hike amid resilient domestic demand and persistent inflationary pressures.

Europe: European equities witnessed mixed performance in October, with the STOXX Europe 600 and FTSE 100 gaining 1.9% and 1.2%, respectively, while the EURO STOXX 50 declined 2.2%. Healthcare, consumer staples and energy stocks outperformed, while financials and technology stocks remained under pressure. The recovery proved short-lived, with the STOXX Europe 600, EURO STOXX 50 and FTSE 100 declining by 3.3%, 3.1% and 3.6%, respectively, through November 20th. The sell-off reflected growing concerns over the sustainability of AI-related investments, weakening global growth prospects and persistent monetary policy uncertainty, with technology and cyclical stocks bearing the brunt of the correction.

Euro-area economic activity moderated amid mounting inflationary pressures. Real GDP growth eased to 0.4% QoQ in Q3 2026 from 0.6% in Q2, although annual growth edged up to 1.3% from 1.2%. The Composite PMI declined to a four-month low of 51.7 in October from 53.1 in September, reflecting slower expansion across manufacturing and services. Headline inflation accelerated further to 4.0% YoY from 3.8%, driven largely by energy inflation rising to 21%, while core inflation remained steady at 2.5%. Against this backdrop, the ECB maintained its deposit facility rate at 2.50% in October, following a 25bps hike in September. The policy outlook remains hawkish, although the moderation in economic activity and the recent decline in crude oil prices complicate the case for further tightening.

The UK economy remained resilient amid rising inflationary pressures. GDP growth accelerated to 0.7% QoQ in Q3 2026 from 0.5% in Q2, led by services, while annual growth stood at 1.9%. The Services PMI rose to an eight-month high of

52.8 in October from 52.1 in September. Headline CPI inflation accelerated to 3.6% YoY from 3.5%, driven largely by higher fuel prices, while core and services inflation remained steady at 2.8% and 3.7%, respectively. Labour-market conditions improved marginally, with unemployment easing to 4.6% in the three months to September, despite a continued decline in job vacancies. Against this backdrop, the Bank of England raised its policy rate by 25bps to 4.0% in November in an 8–1 vote, with one member favouring a larger hike of 50bps. With inflation projected to reach around 5% by mid-2027, the possibility of further tightening remains open.

Asia: Asian equity markets came under significant pressure in October, reversing the earlier outperformance of technology-heavy North Asian markets, as concerns over stretched AI-linked valuations and the sustainability of AI-related investments triggered substantial foreign portfolio outflows. South Korea's KOSPI declined 16.2%, while Taiwan's TAIEX and Japan's Nikkei 225 fell 5.7% and 5.2%, respectively. The sell-off intensified in November, with these indices declining by another 15.0%, 20.3% and 10.8%, respectively, through November 20th. Foreign investors withdrew nearly US$50bn from seven Asian equity markets in October alone (according to Reuters), with Taiwan and South Korea together accounting for over 90% of these outflows.

Chinese equities also remained under pressure, with the Shanghai Composite declining 6.3% in October and another 1.8% in November, amid persistent concerns over domestic demand and the property sector. Indonesia's IDX Composite fell sharply by 16.7% in October before recovering marginally in November. Indian equities, in contrast, bucked the regional trend, with the Nifty 50 gaining 1.9% in October and another 11.9% through November 20th, supported by record foreign portfolio inflows, improving corporate earnings and easing crude oil prices. The sharp reversal in relative market performance reflects a significant reallocation of global portfolios away from AI-heavy markets towards relatively underperforming markets with stronger domestic demand drivers.

- **Energy and sugar buck broader commodity weakness in Oct'26:** Commodity markets diverged sharply in Oct'26, as escalating geopolitical tensions supported energy prices, while tighter financial conditions and ample agricultural and industrial supplies weighed on the broader complex. Brent crude rose 13.6% MoM amid attacks on Middle Eastern energy infrastructure and commercial shipping, declining global inventories and higher freight costs. In contrast, precious metals corrected sharply as elevated oil prices reinforced inflation concerns and expectations of higher-for-longer U.S. interest rates, with palladium (-20.2%), silver (-18.7%) and platinum (-16.8%) recording steeper declines than gold (-6.4%) amid additional industrial and automotive demand concerns. Industrial metals also weakened, led by tin (-9.1%), nickel (-4.1%) and iron ore (-3.2%), as persistent oversupply and subdued Chinese demand weighed on prices; lead (+2.3%) was the exception, supported by declining inventories. Agricultural commodities retreated amid harvest pressure and higher U.S. production estimates, particularly for corn (-10.7%), soyabeans (-5.6%) and wheat (-6.3%), while raw sugar (+4.4%) advanced on weather-related production concerns and disruptions to Brazilian cane crushing.

- **Rupee appreciates in October amid RBI's intervention; volatility remains contained:** The INR appreciated by 0.9% MoM in October 2026, despite a stronger US dollar (+0.4%), net FPI outflows of US$3.5bn (equity & debt) and elevated crude oil prices. Despite these pressures, INR appreciated compared to major global currencies, while annualized volatility held steady at 5.4%, supported by RBI interventions. The 40-currency REER edged up to 92.2 in September from 92.0 in August, but remained 15.9 points below its November 2024 peak, indicating a continued correction in the rupee's trade-weighted valuation. Meanwhile, the one-year forward premium fell to 3.87% in October from 4.03% in September, with the month end premium reaching 425.0 paise. The forward premiums have remained elevated in October, supported by the interest rate differential between India and the US, with the RBI's 25-bps policy rate hike in October adding to upward pressure on forward premiums.

Performance across asset classes

Table 70: Performance across equity, fixed income, currency, and commodity markets (As on Oct 31st, 2026)

Indicator Name	Oct-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	23,053	22,620	24,384	25,722	1.9	-5.5	-3.9	-10.4	-11.8
NIFTY 500	21,896	22,072	23,461	23,710	-0.8	-6.7	-3.5	-7.7	-8.3
MSCI INDIA	2,773	2,766	2,971	3,028	0.3	-6.7	-4.3	-8.4	-9.8
India Volatility Index (%)	15.3	13.5	11.8	12.2	13.4	30.2	-17.1	25.9	61.5
MSCI WORLD	4,862	4,903	4,848	4,390	-0.8	0.3	4.3	10.8	9.8
S&P 500 COMPOSITE	7,580	7,652	7,490	6,840	-0.9	1.2	5.2	10.8	10.7
DOW JONES INDUSTRIALS	51,770	50,906	52,485	47,563	1.7	-1.4	4.3	8.9	7.7
HANG SENG	23,294	24,613	25,884	25,907	-5.4	-10.0	-9.6	-10.1	-9.1
FTSE 100	10,730	10,606	10,868	9,717	1.2	-1.3	3.4	10.4	8.0
NIKKEI 225	63,290	66,754	64,362	52,411	-5.2	-1.7	6.8	20.8	25.7
Fixed Income*									
India 10YR Govt Yield (%)	7.41	7.19	6.84	6.53	23bps	58bps	40bps	88bps	82bps
India 5YR Govt Yield (%)	7.35	6.91	6.45	6.18	43bps	90bps	57bps	117bps	102bps
India 1YR Govt Yield (%)	6.67	6.18	5.75	5.71	50bps	93bps	88bps	96bps	100bps
India 3Month T-Bill Yield (%)	5.93	5.43	5.34	5.60	50bps	59bps	63bps	33bps	56bps
US 10YR Govt Yield (%)	4.91	5.29	4.71	4.10	-38bps	20bps	52bps	82bps	75bps
Germany 10YR Govt Yield (%)	3.32	3.58	3.20	2.64	-26bps	12bps	29bps	68bps	47bps
China 10YR Govt Yield (%)	1.63	1.68	1.71	1.76	-5bps	-8bps	-12bps	-13bps	-23bps
Japan 10YR Govt Yield (%)	2.76	3.05	2.79	1.66	-29bps	-3bps	24bps	110bps	69bps
Currency									
USD/INR	94.9	95.8	95.4	88.8	-0.9	-0.5	0.0	7.0	5.6
EUR/USD	1.1	1.1	1.2	1.2	-1.7	-3.0	-4.8	-3.3	-5.0
GBP/USD	1.3	1.3	1.3	1.3	0.8	-0.5	-1.4	2.0	-0.4
USD/YEN	157.5	157.1	159.2	154.1	0.2	-1.1	0.5	2.2	0.5
USD/CHF	1.2	1.2	1.2	1.2	1.4	-1.7	-5.0	-2.5	-3.7
USD/CNY	6.7	6.7	6.7	7.1	-0.7	-1.4	-2.6	-6.4	-4.8
Commodities									
Brent Crude Oil (US$/bbl)	117.6	103.6	90.1	65.1	13.6	30.5	3.0	80.7	93.3
LME Aluminium (US$/MT)	3,105.8	3,159.3	3,216.7	2,878.6	-1.7	-3.5	-12.0	7.9	4.6
LME Copper (US$/MT)	14,329.4	14,453.0	13,835.7	10,873.1	-0.9	3.6	11.0	31.8	15.1
LME Lead (US$/MT)	1,879.4	1,837.0	1,833.4	1,990.5	2.3	2.5	-3.2	-5.6	-4.5
LME Nickel (US$/MT)	15,089.8	15,738.0	17,064.4	15,021.2	-4.1	-11.6	-21.8	0.5	-8.6
LME Tin (US$/MT)	48,866.4	53,771.5	54,928.0	36,126.0	-9.1	-11.0	-0.3	35.3	20.3
LME Zinc (US$/MT)	3,913.3	3,915.3	3,708.6	3,141.1	-0.1	5.5	16.5	24.6	27.0
SHC Iron Ore Spot (US$/MT)	93.9	96.9	99.1	108.5	-3.1	-5.3	-15.3	-13.5	-13.6
Gold Spot Price (US$/troy ounce)	3,896.0	4,164.0	4,047.0	3,979.0	-6.4	-3.7	-15.7	-2.1	-9.9
Silver Spot Price (US$/troy ounce)	49.1	60.4	57.7	48.7	-18.7	-14.8	-33.4	0.9	-31.1
Platinum Spot Price (US$/ounce)	1,427.0	1,714.1	1,626.0	1,589.0	-16.8	-12.2	-27.2	-10.2	-29.6
Palladium Spot Price (US$/ounce)	974.9	1,222.0	1,276.5	1,465.0	-20.2	-23.6	-34.3	-33.5	-37.8
Soyabeans (US$/bushel)	11.9	12.6	11.7	10.7	-5.6	2.0	2.3	11.4	17.3
Corn (c/lb)	447.5	501.3	440.5	431.0	-10.7	1.6	-3.4	3.8	1.5
Wheat (US$/bushel)	5.9	6.3	6.1	5.3	-6.3	-2.6	-5.7	12.7	18.5
Cotton (US$/lb)	0.8	0.8	0.8	0.6	-0.9	-1.6	-0.8	19.9	21.9
Raw Sugar (c/lb)	18.9	18.1	15.2	14.2	4.4	24.4	28.1	33.5	27.7

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

Table 71: 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 60.1
WTI Crude 44.8	MSCI EM $ 37.8	Nasdaq 100 0.0	Nasdaq 100 39.5	Nasdaq 100 48.9	WTI Crude 55.8	**Nifty 50 5.7**	Nasdaq 100 55.1	Gold 27.1	MSCI EM $ 34.4	MSCI EM $ 23.7
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 21.0
DJIA 16.5	Nasdaq 100 33.0	**Nifty 500 -2.1**	S&P500 31.5	Russell 1000 21.0	S&P500 28.7	**Nifty 500 4.3**	Russell 1000 26.5	S&P500 25.0	MSCI World 21.6	S&P500 12.8
Russell 1000 12.1	**Nifty 50 30.3**	DJIA -3.5	Russell 1000 31.4	MSCI EM $ 18.7	Nasdaq 100 27.5	Gold -0.4	S&P500 26.3	Russell 1000 24.5	Nasdaq 100 21.0	Russell 1000 12.3
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 12.1
MSCI EM $ 11.6	MSCI World 23.1	Russell 1000 -4.8	STOXX 600 27.6	**Nifty 500 17.9**	**Nifty 50 25.6**	STOXX 600 -10.1	**Nifty 50 21.3**	**Nifty 500 16.2**	SSE Comp 18.4	STOXX 600 10.1
Gold 9.0	S&P500 21.8	MSCI World -8.2	DJIA 25.3	MSCI World 16.5	STOXX 600 25.5	SSE Comp -15.1	STOXX 600 16.5	DJIA 15.0	S&P500 17.9	FTSE100 9.6
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	DJIA 7.2
Nasdaq 100 7.3	Gold 12.6	STOXX 600 -10.2	MSCI EM $ 18.9	SSE Comp 13.9	DJIA 21.0	S&P500 -18.1	Gold 13.8	**Nifty 50 10.1**	DJIA 14.9	SSE Comp -3.2
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**	Gold -3.7
Nifty 50 4.4	FTSE100 12.0	SSE Comp -24.6	FTSE100 17.3	STOXX 600 -1.5	SSE Comp 4.8	MSCI EM $ -19.7	FTSE100 7.9	STOXX 600 9.5	**Nifty 500 7.8**	Bitcoin -4.5
STOXX 600 2.4	STOXX 600 11.2	WTI Crude -25.3	**Nifty 50 13.5**	FTSE100 -11.6	MSCI EM $ -2.2	Nasdaq 100 -32.4	SSE Comp -3.7	MSCI EM $ 8.1	Bitcoin -6.3	**Nifty 500 -6.8**
SSE Comp -12.3	SSE Comp 6.6	Bitcoin -74.2	**Nifty 500 9.0**	WTI Crude -20.9	Gold -4.0	Bitcoin -64.1	WTI Crude -10.3	WTI Crude 0.8	WTI Crude -21.0	**Nifty 50 -12.6**

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 October 31st, 2026.

5.2 Equity market performance and valuations

Table 72: Performance across NSE equity indices (As on October 31st, 2026)

Oct-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	1.9	-5.2	-10.9	6.4	5.5	2.0	-5.0	-10.0	7.6	6.7
Nifty Next 50	-2.9	-6.9	-3.4	15.5	10.0	-2.9	-6.6	-2.5	16.5	10.9
Nifty 100	1.0	-5.5	-9.6	7.9	6.0	1.0	-5.3	-8.7	9.1	7.2
Nifty 200	0.1	-6.1	-8.7	8.9	7.1	0.2	-5.9	-7.9	10.0	8.3
Nifty 500	-0.8	-6.2	-8.2	9.2	7.7	-0.8	-6.1	-7.3	10.2	8.8
Nifty Midcap 50	-3.0	-8.4	-3.2	14.4	14.2	-3.0	-8.3	-2.6	15.1	15.0
Nifty Midcap 100	-3.4	-8.5	-4.7	13.9	13.5	-3.4	-8.4	-4.1	14.6	14.3
Nifty Midcap 150	-3.8	-8.6	-5.0	13.1	13.1	-3.7	-8.5	-4.4	13.8	13.8
Nifty Midcap Select	-4.0	-10.2	-2.1	14.8	11.5	-4.0	-10.2	-1.6	15.5	12.3
Nifty Smallcap 50	-2.8	-2.4	5.4	17.2	12.3	-2.8	-2.2	6.1	18.0	13.1
Nifty Smallcap 100	-4.1	-4.1	0.0	13.4	11.4	-4.0	-3.9	0.6	14.2	12.2
Nifty Smallcap 250	-5.8	-6.1	-3.7	11.7	12.3	-5.8	-5.9	-3.2	12.4	13.1
Nifty LargeMidcap 250	-1.4	-7.0	-7.2	10.6	9.6	-1.3	-6.9	-6.5	11.5	10.6
Nifty MidSmallcap 400	-4.5	-7.8	-4.6	12.6	12.8	-4.4	-7.6	-4.0	13.3	13.6
Nifty500 Multicap 50:25:25	-1.9	-6.4	-6.8	10.3	9.5	-1.9	-6.2	-6.0	11.3	10.5
Nifty Microcap 250	-9.0	-4.0	0.1	14.0	19.0	-8.9	-3.9	0.6	14.5	19.6
Nifty Total Market	-1.2	-6.1	-7.8	9.4	8.1	-1.1	-5.9	-7.0	10.4	9.1
Nifty Smallcap 500	-6.7	-5.4	-2.7	12.0	13.6	-6.7	-5.2	-2.1	12.7	14.4
Nifty MidSmallcap400 50:50	-4.8	-7.3	-4.3	12.5	12.7	-4.7	-7.2	-3.7	13.1	13.5
Nifty Next 100	-2.5	-7.9	-3.6	15.1	11.0	-2.5	-7.6	-2.8	16.0	12.0
Thematic Indices										
Nifty India Consumption	0.2	-8.2	-11.3	10.0	9.5	0.2	-8.1	-10.6	11.0	10.6
Nifty MidSmall India Consumption	-3.2	-10.7	-14.1	9.7	8.8	-3.2	-10.7	-13.4	10.4	9.4
Nifty Non-Cyclical Consumer	0.0	-8.2	-13.2	6.5	6.9	0.0	-8.2	-12.6	7.4	7.9
Nifty India Manufacturing	-3.6	-7.6	-2.5	16.3	13.4	-3.6	-7.5	-1.7	17.2	14.4
Nifty Infrastructure	0.7	-5.8	-8.4	12.9	11.8	0.7	-5.8	-7.7	13.9	12.9
Nifty Services Sector	6.4	-1.0	-7.9	8.1	4.5	6.5	-0.8	-6.8	9.5	5.8
Nifty Commodities	-3.7	-8.7	-5.5	12.8	9.3	-3.6	-8.4	-4.5	13.9	10.7
Nifty CPSE	-2.7	-7.0	-8.4	16.0	21.5	-2.7	-6.2	-6.4	18.7	24.8
Nifty PSE	-3.0	-8.3	-9.7	15.7	17.8	-3.0	-7.5	-7.9	18.1	20.8
Nifty Energy	-4.6	-8.8	-3.9	9.2	8.5	-4.6	-8.3	-2.8	10.7	10.2
Nifty MNC	-6.3	-13.5	-6.3	9.4	8.3	-6.2	-13.1	-5.0	10.8	9.6
Nifty India Digital	7.2	0.1	-8.0	11.0	5.3	7.4	0.4	-7.0	12.2	6.5
Nifty India Defence	-6.2	-5.3	8.1	40.1	46.0	-6.2	-5.2	8.7	40.9	47.3
Nifty Mobility	-2.6	-6.8	-5.7	17.7	16.5	-2.6	-6.6	-4.9	18.6	17.5
Nifty100 Liquid 15	5.5	-0.8	-1.0	12.9	10.5	5.6	-0.6	-0.1	13.9	11.6
Nifty Midcap Liquid 15	-6.7	-9.4	-4.9	18.5	15.4	-6.7	-9.4	-4.4	19.3	16.4
Nifty Corp. Grp Index - Aditya Birla Group	-3.7	-8.0	0.3	13.6	10.1	-3.7	-7.9	0.4	14.0	10.5
Nifty Corp. Grp Index - Mahindra Group	-0.1	-9.9	-8.3	18.7	15.4	0.1	-9.7	-7.4	19.8	16.8
Nifty Corp. Grp Index - Tata Group	5.8	-4.4	-11.2	-0.2	2.0	6.0	-4.3	-9.3	1.4	3.5
Nifty Corp Grp Index - Tata Group 25% Cap	3.9	-5.0	-8.3	5.1	5.4	4.0	-4.9	-6.8	6.3	6.6
Nifty Shariah 25	3.3	-5.9	-8.2	5.2	4.1	3.5	-5.7	-6.8	6.8	5.7
Nifty50 Shariah	6.9	-4.8	-10.6	1.2	0.2	7.0	-4.7	-9.5	2.9	1.9
Nifty500 Shariah	0.1	-6.0	-7.8	5.9	4.9	0.2	-5.8	-7.0	7.1	6.1
Nifty SME EMERGE	-6.2	2.8	-7.4	12.7	34.5	-6.2	2.8	-7.4	12.7	34.6

Oct-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty100 ESG	1.4	-6.0	-6.8	9.4	5.9	1.5	-5.8	-5.8	10.5	7.1
Nifty100 Enhanced ESG	1.5	-6.0	-6.9	9.3	5.9	1.6	-5.8	-5.9	10.5	7.1
Nifty100 ESG Sector Leaders	0.9	-6.7	-11.5	7.1	5.2	0.9	-6.5	-10.6	8.2	6.3
Nifty IPO	-6.2	0.9	4.0	11.1	4.5	-6.2	1.0	4.2	11.4	4.8
Nifty REITs & InvITs	-3.4	-3.6	0.4	11.8	5.4	-3.1	-2.3	5.1	16.9	11.2
Nifty Core Housing	-3.9	-11.9	-14.2	5.0	3.5	-3.9	-11.8	-13.8	5.6	4.1
Nifty500 Multicap India Mfg. 50:30:20	-2.8	-6.2	-2.5	15.7	13.3	-2.8	-6.1	-1.7	16.5	14.2
Nifty500 Multicap Infrastructure 50:30:20	-1.5	-6.8	-7.6	12.1	12.7	-1.5	-6.7	-6.9	13.0	13.7
Nifty EV & New Age Automotive	-4.7	-9.7	-6.5	11.2	15.2	-4.7	-9.5	-5.7	12.0	16.1
Nifty India Tourism	-1.2	-3.6	-15.8	9.0	7.4	-1.2	-3.6	-15.5	9.3	7.7
Nifty Rural	-1.3	-9.7	-12.1	7.7	8.5	-1.3	-9.6	-11.3	8.9	9.7
Nifty Capital Markets	0.8	-2.0	12.8	39.5	25.0	0.9	-1.8	13.7	40.7	26.3
Nifty India New Age Consumption	-1.6	-7.6	-9.9	14.5	11.3	-1.5	-7.5	-9.4	15.1	11.9
Nifty India Select 5 Corp Groups (MAATR)	-0.9	-7.9	-6.2	10.9	9.3	-0.8	-7.8	-5.6	11.6	10.0
Nifty India Railways PSU	-7.5	-15.7	-31.5	0.1	11.5	-7.2	-15.1	-30.3	1.5	13.5
Nifty India Internet	-2.3	-3.2	-11.6	19.9	7.6	-2.3	-3.2	-11.4	20.2	8.0
Nifty Waves	-1.5	-6.1	-11.1	-8.3	-2.7	-1.5	-5.9	-10.8	-7.9	-2.2
Nifty India Infrastructure & Logistics	-3.1	-7.3	-5.4	16.1	14.9	-3.1	-7.1	-4.6	17.1	15.9
Nifty India FPI 150	0.6	-5.9	-7.8	9.8		0.7	-5.8	-7.0	10.8	
Nifty Conglomerate 50	-1.1	-7.4	-6.3	9.0	7.4	-1.0	-7.2	-5.4	9.9	8.3
Nifty Cement	-4.8	-13.6	-22.8	1.0	0.8	-4.8	-13.5	-22.5	1.4	1.4
Nifty REITs & Realty	-4.3	-7.2	-7.6	12.1	7.8	-4.0	-6.1	-3.9	16.5	12.0
Nifty AI Catalysts	-3.8	-7.6	5.6			-3.8	-7.5	6.4		
Nifty500 Ahimsa	-0.7	-6.5	-6.4	10.8	8.6	-0.6	-6.2	-5.4	12.0	9.9
Strategy Indices										
Nifty Alpha 50	-2.9	-2.1	2.5	14.2	10.8	-2.9	-1.9	3.0	14.8	11.6
Nifty100 Alpha 30	-3.6	-7.8	-11.6	10.7	6.1	-3.5	-7.6	-10.9	11.6	7.1
Nifty Alpha Low-Volatility 30	-1.0	-8.8	-7.4	8.5	7.8	-1.0	-8.6	-6.7	9.6	9.0
Nifty Alpha Quality Low-Volatility 30	-1.0	-8.2	-6.4	10.0	8.1	-1.0	-7.9	-5.3	11.4	9.6
Nifty Alpha Quality Value Low-Volatility 30	-1.1	-8.6	-10.7	10.5	11.5	-1.1	-8.2	-9.5	12.2	13.4
Nifty200 Alpha 30	-2.7	-4.4	-2.6	14.1	12.1	-2.6	-4.2	-2.0	14.9	13.0
Nifty Dividend Opportunities 50	2.1	-6.1	-9.4	7.4	8.9	2.3	-5.7	-7.8	9.7	11.3
Nifty Growth Sectors 15	5.4	-4.7	-7.7	4.8	7.6	5.6	-4.5	-6.5	6.5	9.3
Nifty High Beta 50	-5.8	-10.3	-0.6	12.1	12.4	-5.7	-10.0	0.4	13.1	13.5
Nifty Low Volatility 50	0.8	-7.2	-8.9	8.8	7.8	0.9	-7.1	-7.9	10.0	9.1
Nifty100 Low Volatility 30	1.3	-7.4	-8.4	8.7	7.7	1.3	-7.3	-7.5	10.0	9.1
Nifty100 Quality 30	1.8	-4.9	-5.6	7.5	6.9	1.9	-4.5	-4.4	9.0	8.4
Nifty Quality Low-Volatility 30	1.1	-6.8	-9.2	5.0	5.1	1.2	-6.5	-8.0	6.5	6.6
Nifty200 Quality 30	0.0	-8.4	-10.4	5.6	5.2	0.1	-8.1	-9.0	7.3	7.0
Nifty50 Equal Weight	0.9	-6.3	-5.7	10.7	9.6	1.0	-6.1	-4.8	11.8	10.9
Nifty100 Equal Weight	-1.2	-7.0	-4.7	12.8	9.4	-1.1	-6.8	-3.8	13.9	10.5
Nifty50 Value 20	2.1	-5.1	-12.7	4.0	5.4	2.1	-4.9	-11.7	5.9	7.4
Nifty500 Value 50	-3.8	-8.9	-3.5	18.4	18.6	-3.6	-8.3	-2.0	20.2	20.8
Nifty Midcap150 Quality 50	-2.3	-8.8	-9.0	6.6	4.7	-2.2	-8.6	-8.0	7.6	5.7
Nifty200 Momentum 30	-3.2	-5.1	-9.7	8.5	7.0	-3.1	-4.9	-9.0	9.5	7.9
Nifty Midcap150 Momentum 50	-2.1	-4.3	-4.5	13.3	13.6	-2.1	-4.2	-4.0	14.0	14.3
Nifty Smallcap250 Quality 50	-5.5	-8.6	-13.7	6.6	9.4	-5.4	-8.4	-12.8	7.7	10.6

Oct-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty Smallcap250 Momentum Quality 100	-4.7	-2.5	-1.2	9.2	10.0	-4.6	-2.3	-0.5	10.1	10.9
Nifty MidSmallcap400 Momentum Qlty 100	-1.6	-3.5	-0.3	12.4	11.5	-1.5	-3.3	0.5	13.3	12.4
Nifty500 Equal Weight	-5.2	-8.7	-7.3	10.9	11.1	-5.1	-8.5	-6.7	11.6	11.9
Nifty500 Momentum 50	-2.4	-1.6	-4.1	11.5	10.0	-2.4	-1.5	-3.6	12.1	10.7
Nifty500 LargeMidSmall Equal-Cap Wtd.	-2.9	-6.7	-5.9	11.1	10.6	-2.8	-6.5	-5.2	11.9	11.5
Nifty200 Value 30	-2.5	-8.7	-2.7	19.9	20.0	-2.4	-8.2	-1.2	21.7	22.4
Nifty Top 10 Equal Weight	4.8	-2.8	-13.8	2.6	4.3	4.8	-2.7	-13.0	3.9	5.5
Nifty500 Multicap Momentum Quality 50	-4.1	-5.1	-9.8	8.6	7.5	-4.1	-4.8	-9.0	9.7	8.6
Nifty Top 15 Equal Weight	3.9	-4.6	-13.1	5.3	6.6	4.0	-4.5	-12.1	6.6	7.8
Nifty Top 20 Equal Weight	3.8	-3.9	-9.9	6.5	7.3	3.8	-3.7	-8.9	7.8	8.6
Nifty500 Quality 50	-1.3	-8.6	-7.6	10.3	8.7	-1.2	-8.3	-6.5	11.5	10.1
Nifty500 Low Volatility 50	1.5	-6.4	-6.5	12.4	11.2	1.5	-6.1	-5.4	13.5	12.5
Nifty500 Multifactor MQVLv 50	-2.5	-9.3	-10.9	10.3	10.3	-2.5	-9.0	-9.8	11.6	12.0
Nifty500 Flexicap Quality 30	1.0	-7.1	-12.4	1.7	5.0	1.1	-7.0	-11.3	3.1	6.4
Nifty Total Market Momentum Quality 50	-3.5	-3.5	-4.9	10.1	8.8	-3.5	-3.2	-4.2	10.9	9.7
Nifty High Dividend Yield 15	0.5	-6.8	2.1	30.1	28.2	0.7	-6.1	4.4	32.9	31.2
Nifty500 Growth 50	-2.9	-5.0	-0.2	17.4	14.4	-2.9	-5.0	0.2	17.8	14.9
Sectoral Indices										
Nifty Auto	-3.3	-10.1	-5.2	16.6	17.6	-3.3	-9.9	-4.2	17.7	18.7
Nifty Bank	0.1	-4.3	-5.8	8.3	6.9	0.1	-4.1	-5.1	9.2	7.8
Nifty Private Bank	1.3	-1.7	-4.3	6.6	6.0	1.3	-1.5	-3.7	7.3	6.7
Nifty PSU Bank	2.7	-1.1	2.2	18.7	23.9	2.7	-1.1	2.9	19.5	25.1
Nifty Financial Services	0.3	-5.9	-9.7	8.7	5.6	0.3	-5.6	-8.9	9.8	6.6
Nifty Financial Services Ex-Bank	-3.2	-10.6	-9.2	12.3	8.7	-3.1	-10.3	-8.4	13.3	9.6
Nifty Financial Services 25/50	-0.4	-7.9	-10.9	9.7	7.3	-0.3	-7.6	-10.0	10.9	8.4
Nifty MidSmall Financial Services	-5.4	-9.9	1.1	22.0	18.1	-5.3	-9.6	1.6	22.8	19.1
Nifty FMCG	-2.0	-12.2	-22.6	-5.2	2.7	-2.0	-12.0	-21.9	-3.7	4.3
Nifty IT	17.7	4.5	-9.2	2.1	-1.1	18.1	4.9	-7.6	4.2	0.9
Nifty MidSmall IT & Telecom	7.5	4.3	0.5	8.2	7.7	7.6	4.5	1.2	9.0	8.6
Nifty Media	3.0	2.9	4.6	-9.2	-6.2	3.1	3.1	5.2	-8.7	-5.7
Nifty Metal	-7.6	-7.2	9.8	22.1	16.2	-7.5	-7.0	11.2	23.2	17.7
Nifty Pharma	2.6	3.0	21.6	22.4	14.3	2.6	3.0	22.4	23.3	15.2
Nifty Realty	-3.9	-9.5	-14.4	11.0	10.3	-3.9	-9.4	-14.0	11.4	10.7
Nifty Consumer Durables	-5.7	-14.2	-11.3	7.4	4.1	-5.7	-14.1	-10.9	7.8	4.6
Nifty Oil & Gas	-2.9	-7.4	-14.0	10.4	6.0	-2.9	-7.2	-13.3	11.4	7.3
Nifty Healthcare Index	1.9	-1.5	11.0	20.9	13.8	1.9	-1.5	11.5	21.6	14.5
Nifty MidSmall Healthcare	1.8	0.2	17.0	26.1	17.2	1.8	0.2	17.4	26.6	17.7
Nifty Transportation & Logistics	-2.7	-7.3	-7.0	16.4	16.9	-2.7	-7.1	-6.2	17.2	17.8
Nifty Housing	-1.6	-7.5	-7.8	9.1	7.2	-1.6	-7.3	-7.0	10.0	8.2
Nifty Chemicals	-6.1	-11.2	-9.0	6.4	4.3	-6.1	-11.1	-8.5	6.9	4.9
Nifty500 Healthcare	1.4	-0.7	11.9	21.7	14.1	1.4	-0.6	12.4	22.3	14.7
Nifty Capital Goods	-7.2	-6.8	-0.8	16.8	22.6	-7.2	-6.7	-0.1	17.5	23.4
Nifty Commercial & Transport Services	-4.2	-4.2	-2.9	16.1	11.1	-4.2	-4.1	-2.4	16.7	11.9
Nifty Construction	-7.9	-12.7	-25.4	4.0	11.6	-7.9	-12.4	-24.7	4.8	12.4
Nifty Consumer Services	-0.6	-2.2	-13.1	14.9	9.0	-0.6	-2.1	-12.9	15.1	9.2
Nifty Hospitals	-3.3	-15.5	-12.3	22.6	23.5	-3.3	-15.5	-12.1	22.8	23.8
Nifty Housing Finance	-7.4	-12.8	-18.3	-0.1	-1.1	-7.4	-12.4	-17.6	0.6	-0.4

Oct-26	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Nifty Housing Finance	-7.4	-12.8	-18.3	-0.1	-1.1	-7.4	-12.4	-17.6	0.6	-0.4
Nifty India Defence Equal Weight	-10.3	-4.6	18.4	37.7	48.2	-10.3	-4.4	18.8	38.3	49.4
Nifty Insurance	-3.6	-10.6	-20.8	3.9	2.6	-3.6	-10.5	-20.6	4.2	3.0
Nifty NBFC	-8.7	-15.4	-7.8	8.7	9.2	-8.6	-15.3	-7.1	9.5	10.0
Nifty Power	-2.3	-9.7	-5.2	14.4	8.7	-2.3	-9.4	-3.8	16.2	10.5

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.

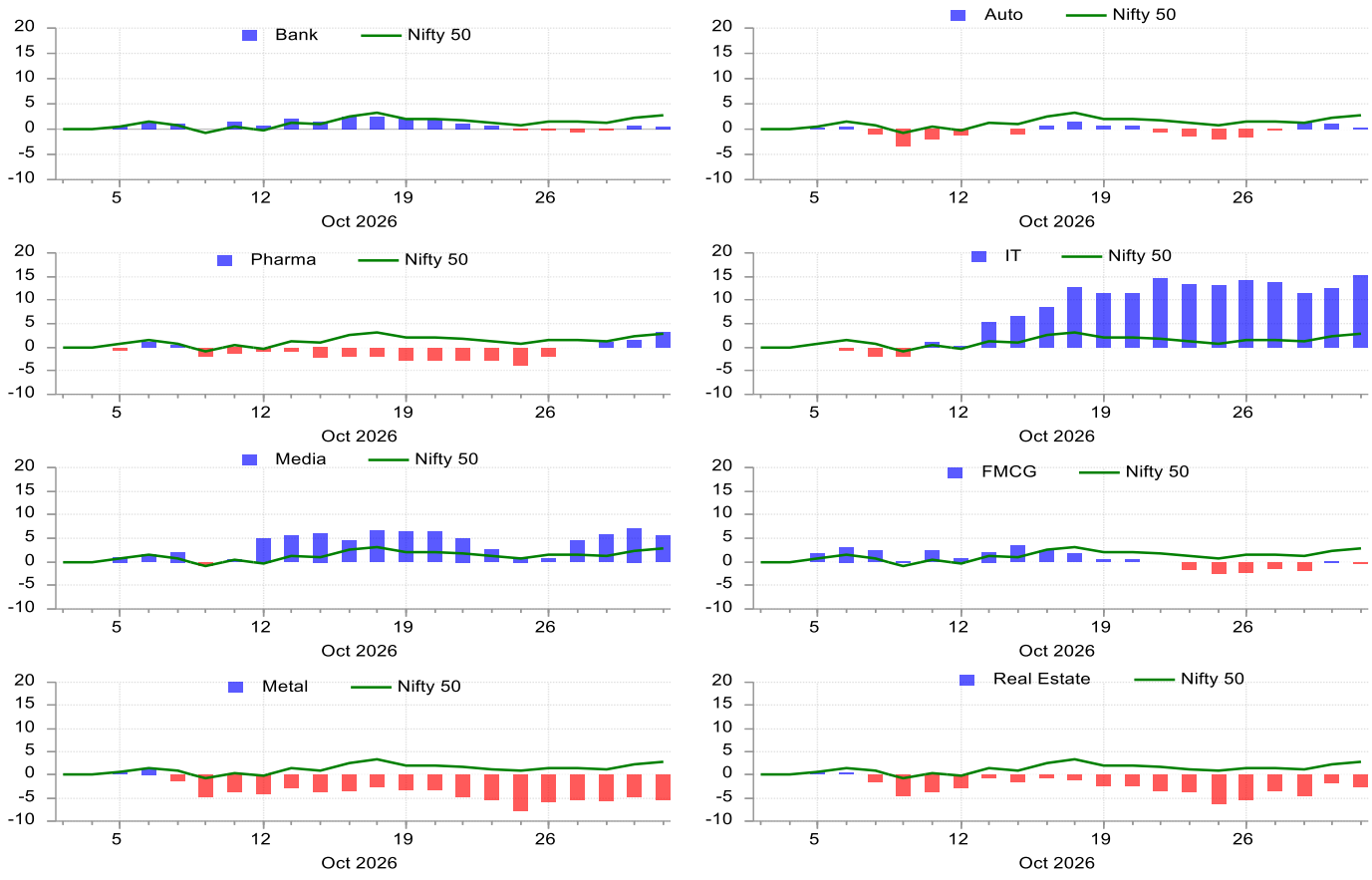
Table 73: Performance across NSE sector indices based on Price Return Index

Indicator Name	Oct-26	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Auto	25,423	26,294	28,744	26,810	-3.3	-11.6	-1.9	-5.2	-9.8
Bank	54,687	54,633	57,265	57,776	0.1	-4.5	-0.3	-5.4	-8.2
Energy	34,958	36,636	38,730	36,276	-4.6	-9.7	-14.3	-3.6	-1.0
FMCG	43,609	44,508	49,121	56,209	-2.0	-11.2	-14.6	-22.4	-21.4
IT	32,607	27,705	30,709	35,712	17.7	6.2	11.1	-8.7	-13.9
Infrastructure	8,799	8,734	9,409	9,566	0.8	-6.5	-6.6	-8.0	-8.5
Media	1,631	1,583	1,619	1,538	3.0	0.8	12.0	6.0	12.9
Metals	11,785	12,761	12,719	10,612	-7.7	-7.3	-8.2	11.1	5.5
Pharma	27,125	26,438	26,535	22,175	2.6	2.2	16.6	22.3	19.4
Real Estate	814	847	901	948	-4.0	-9.7	2.6	-14.1	-7.3

Source: Cogencis, NSE EPR.

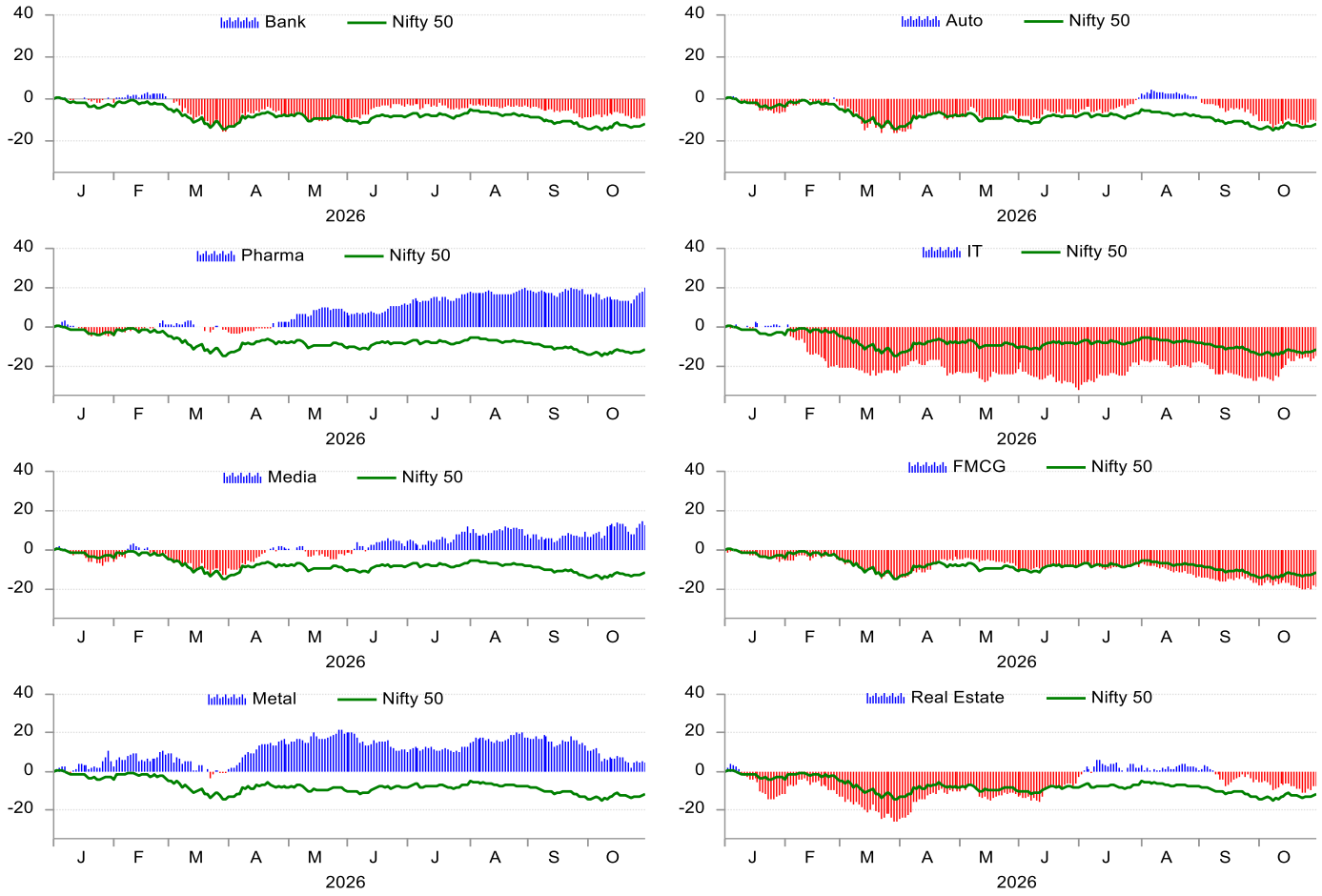
Figure 246: NIFTY sector performance in October 2026

Rebased to 0 on October 1st, 2026



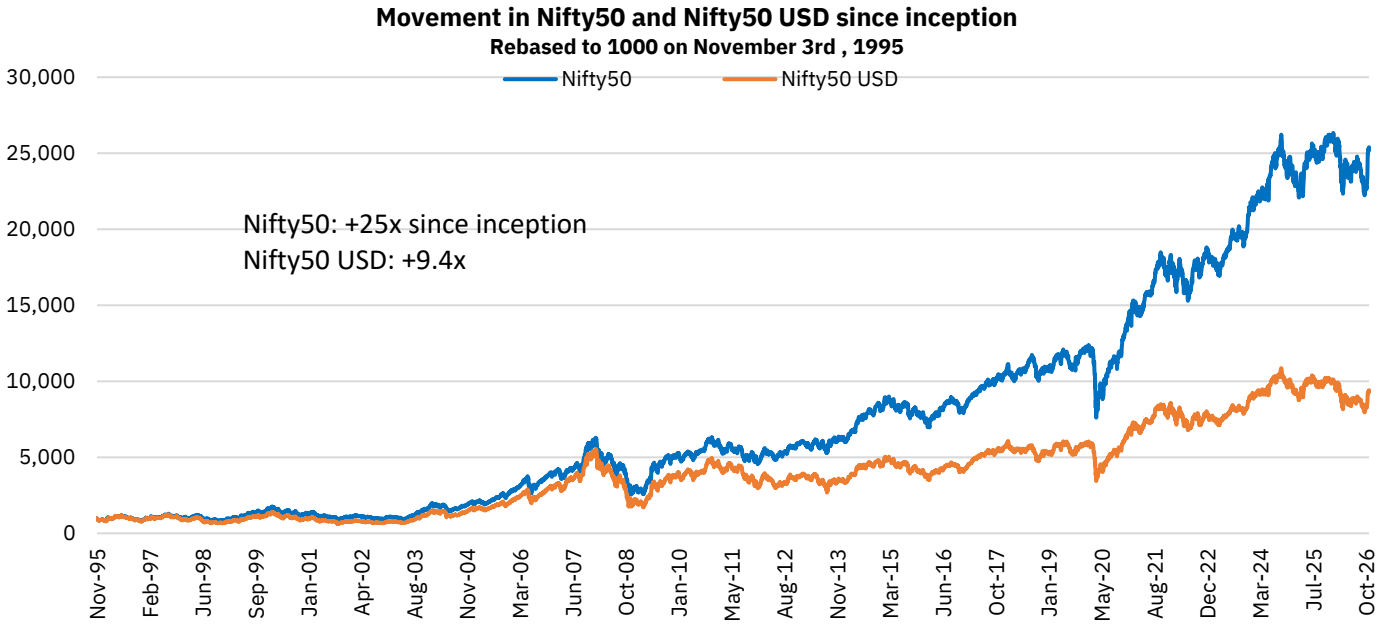
Source: LSEG Workspace, NSE EPR.

Figure 247: NIFTY sector performance in 2026 till date (Jan-Oct'26)
Rebased to 0 on January 1st, 2026



Source: LSEG Workspace, NSE EPR.

Figure 248: Nifty 50 and Nifty 50 USD since inception



Source: Nifty Indices, NSE EPR.

The Nifty 50 completed three decades in April 2026, having established itself as the principal benchmark of India's equity market since its launch in April 1996. From a base value of 1,000 on November 3, 1995, the index reached an all-time high of 26,373 in January 2026, reflecting the sustained expansion of India's corporate sector and equity markets. Despite intermittent periods of volatility, the index has delivered annualised returns of around 13.6% in rupee terms over the past 25 years, underscoring the long-term wealth creation potential of Indian equities.

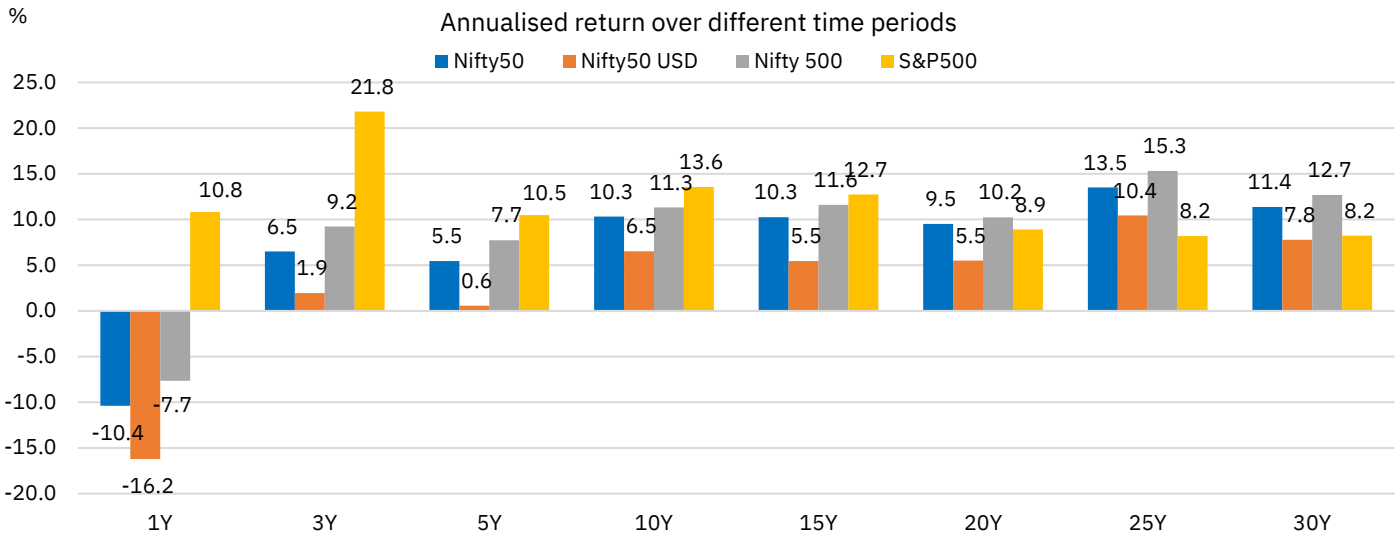
Indian equities faced considerable pressure through much of 2026, weighed down by global trade uncertainty, geopolitical tensions, elevated crude oil prices, rising global bond yields and persistent foreign portfolio outflows. Following four consecutive months of decline through March, the Nifty 50 recovered over the subsequent months before losing momentum in August. The correction deepened in September, with the benchmark declining 6.1% MoM, its sharpest monthly fall in six months, taking it nearly 14% below its January peak.

The market staged a modest recovery in October, with the Nifty 50 gaining 1.9% MoM to close at 23,053, ending two consecutive months of losses. The recovery was largely driven by select large-cap stocks, particularly in the IT sector, while broader markets remained under pressure. FPIs remained net sellers of Indian equities for the second consecutive month, with net outflows of US$3.6bn. Domestic institutional investors, however, remained net buyers for the 39th consecutive month, investing around Rs 62,220 crore in the cash market. Retail participation through mutual funds also remained resilient, notwithstanding some moderation in inflows. Equity mutual funds attracted Rs 32,994 crore in October, compared with Rs 38,307 crore in September, while monthly SIP contributions remained robust at Rs 32,160 crore, marginally below the previous month's record.

The recovery gathered significant momentum in November, with the Nifty 50 rising 10.7% through November 19th, just 3.1% shy of the all-time high level, marking the highest monthly return in nearly six years. The rally was supported by a combination of easing crude oil prices, stronger-than-expected Q2 FY27 corporate earnings and renewed foreign investor interest amid volatility in other Asian markets. Foreign investors turned significant net buyers, investing around US$ 12.2bn in the cash market in November thus far (As of November 19th), while DIIs turned net sellers to the tune of Rs 55,571 crore during the month so far, marking the first net outflows on a monthly basis in over three years, partly reflecting profit booking following the sharp recovery.

The reversal in institutional flows marks a notable shift in market dynamics, with foreign investors driving the recent recovery after an extended period of selling, while domestic institutions have used the rally to book profits. Sustained household participation through mutual funds continues to provide a relatively stable domestic investor base. The improvement in earnings momentum and renewed foreign inflows have strengthened the near-term market outlook, although global financial conditions, energy prices and the sustainability of corporate earnings growth remain important considerations.

Figure 249: Annualised return of major indices across different time periods (As of October 31st, 2026)



Source: Nifty Indices, LSEG Workspace, NSE EPR.

Market growth and concentration

Rally in October-November results in a surge in the market capitalisation of listed entities[16]: After rising 7.9% in 2025—its seventh consecutive annual gain—the aggregate market capitalisation of NSE-listed entities declined 13.2% in Q1 2026, before rebounding sharply by 12.6% in April. The recovery moderated thereafter, with market capitalisation rising by a cumulative 5.6% between May and August, including a modest 0.8% gain in August. This trend reversed sharply in September, as the broad-based market correction pulled aggregate market capitalisation down by 4.4% MoM. A modest recovery in October was followed by a strong rally in November, taking aggregate market capitalisation up by 8.8% over the two months to a record Rs 509 lakh crore as of November 20th, surpassing the Rs 500 lakh crore mark for the first time. In US dollar terms, market capitalisation rose by an even stronger 12.5% to US$5.5 trillion, aided by a 3.3% appreciation of the rupee against the US dollar over this period. The November rally was supported by record FPI inflows amid global portfolio reallocation away from AI-linked Asian markets, improving domestic earnings and easing crude oil prices.

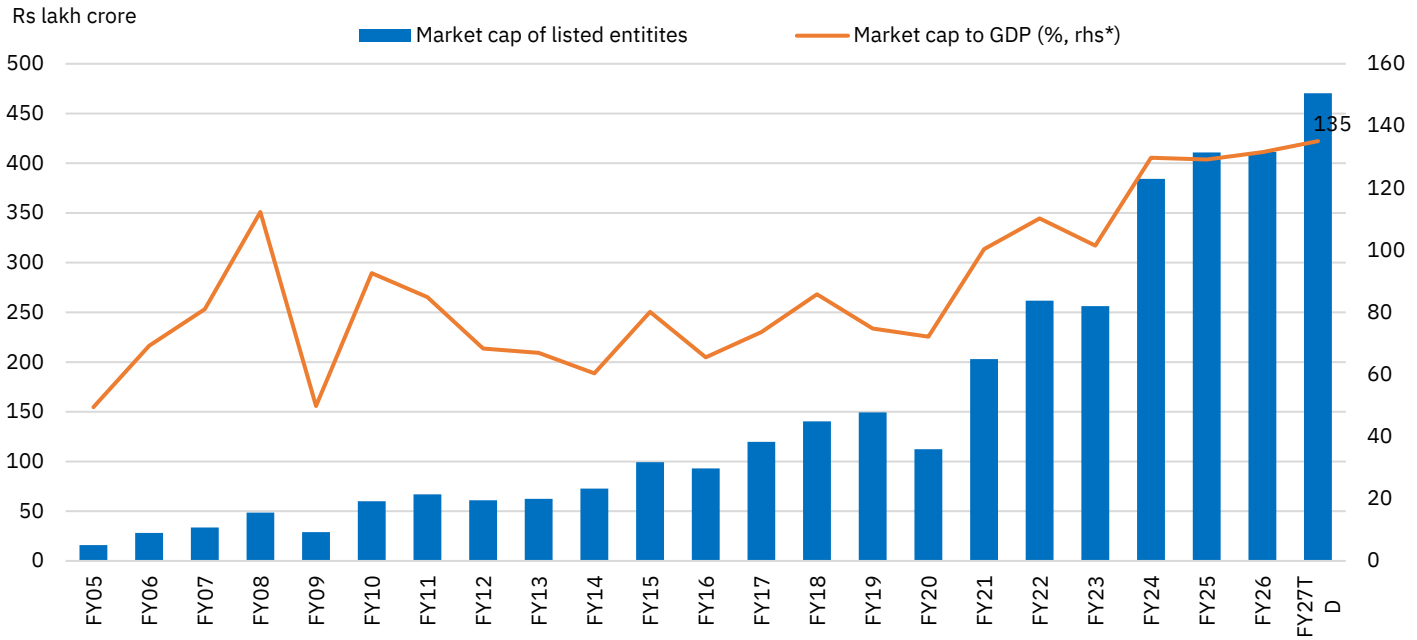
The recovery in October was largely confined to large-cap stocks, with broader markets continuing to underperform before participating in the November rally. The market capitalisation of Nifty 50 constituents rose 1.6% MoM in October to Rs 186 lakh crore, contributing to a modest 0.6% increase in the aggregate market capitalisation of NSE-listed entities. In contrast, the Nifty Next 50 witnessed a 3.3% decline to Rs 72.7 lakh crore. Consequently, the Nifty 50's share in total market capitalisation increased by 40bps MoM to 39.5%, although it remained 4.3pp lower over the first seven months of FY27. The mid-, small- and micro-cap segments witnessed sharper declines, with the market capitalisation of the respective indices falling by 3.7%, 6.1% and 8.1% MoM to Rs 94.5 lakh crore, Rs 47.6 lakh crore and Rs 19.1 lakh crore, respectively.

The longer-term expansion of India's equity market remains substantial. Over the two decades ending October 2026, the aggregate market capitalisation of NSE-listed entities grew at a CAGR of around 14.5% in rupee terms and 10.3% in US dollar terms. On a

[16] 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.

rolling three-month average basis, market capitalisation is now equivalent to around 135% of GDP under the 2022–23 GDP series, compared with around 60% in March 2014. This expansion reflects a combination of corporate earnings growth, valuation gains and an increase in the number and size of listed companies, supported by growing household participation and the deepening role of equity markets in capital formation.

Figure 250: Market cap to GDP ratio trend

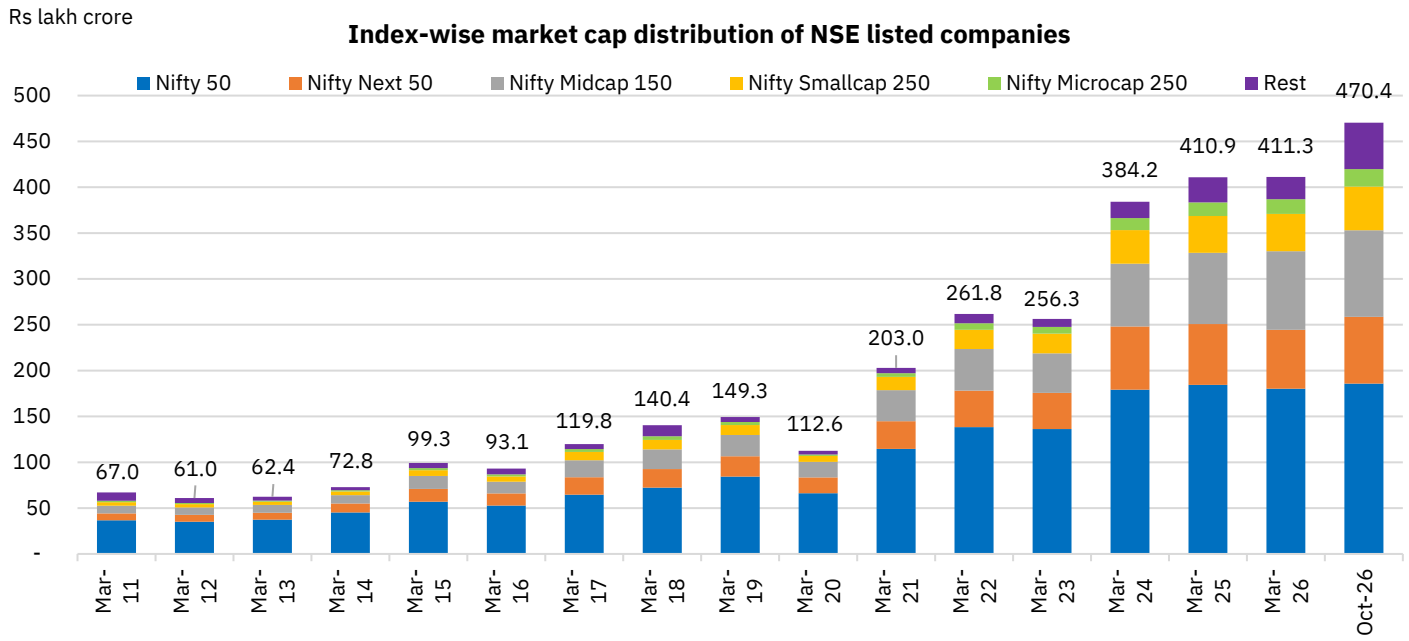


Source: CMIE Economic Outlook, NSE EPR. # As of October 31st, 2026. * Based on average market cap over the last three months of the period and actual nominal GDP for the last four quarters. GDP data from FY23 onwards is based on the base year 2022-23.

Nifty 50's share recovered in October as broader markets underperformed: Following two consecutive months of decline, the Nifty 50's share in the aggregate market capitalisation of NSE-listed entities rose by 40bps MoM to 39.5% in October 2026, reversing part of the decline seen in August and September. The increase reflected the relative outperformance of large-cap stocks, even as broader markets remained under pressure. In contrast, the Nifty Next 50's share declined by around 62bps MoM to 15.5%, while that of the Nifty Midcap 150 fell by 89bps to an eight-month low of 20.1%. The Nifty Smallcap 250 and Microcap 250 also lost share, declining to seven-month lows of 10.1% and 4.1%, respectively, reflecting the sharper correction in smaller companies during the month.

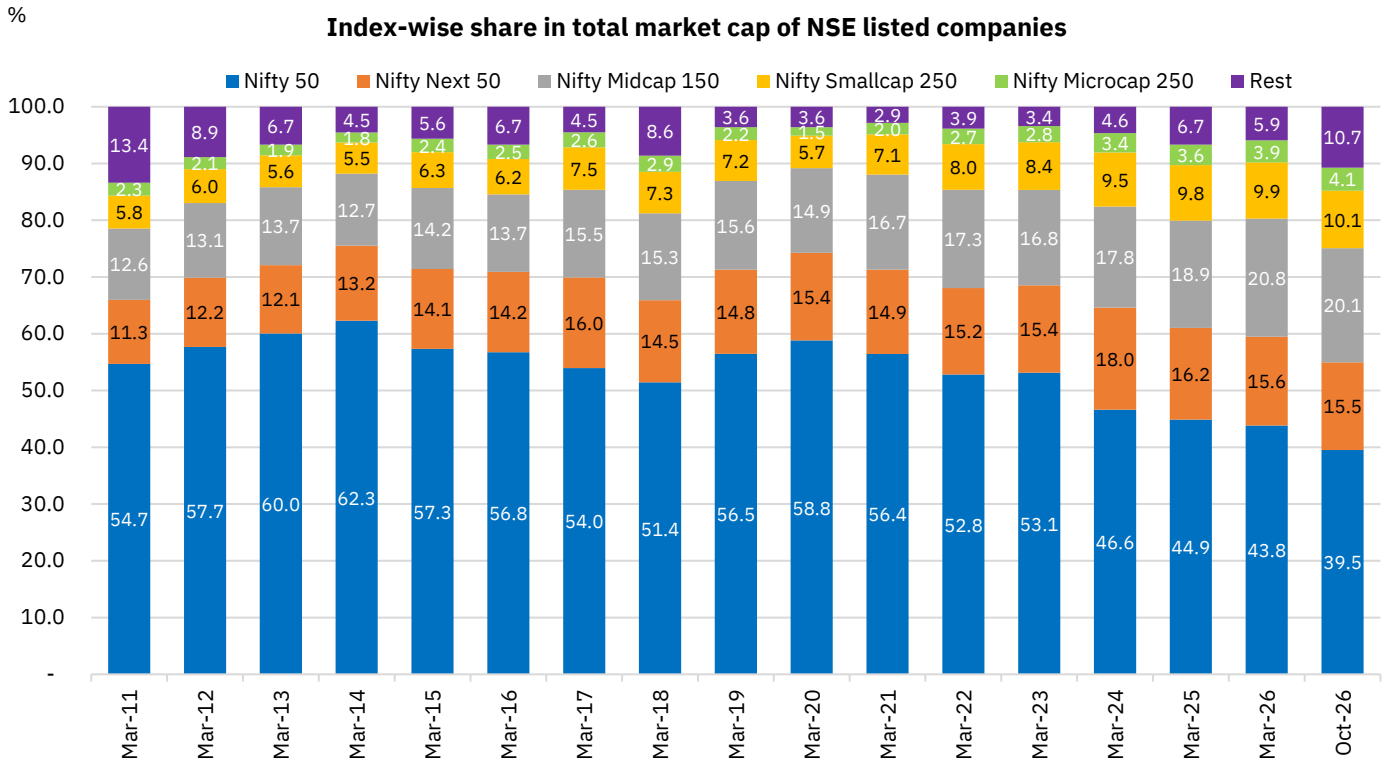
Notwithstanding the modest recovery in October, the longer-term trend continues to point towards a broadening of market capitalisation beyond the largest companies. The Nifty 50's share has declined from 62.3% in FY14 to 39.5% in October 2026, a reduction of nearly 23pp. This shift has been accompanied by a substantial expansion in the listed universe, with the number of NSE-listed entities rising from 422 in FY96 to 3,132 by October 2026. The stronger longer-term performance of mid- and small-cap companies has also contributed to this trend. Over the five years ending October 2026, the Nifty Midcap 150 and Nifty Smallcap 250 delivered annualised returns of 13.1% and 12.3%, respectively, significantly outperforming the Nifty 50's 5.5%. While the relative outperformance of large-cap stocks in October led to some reversal in market capitalisation shares, the structural decline in large-cap concentration underscores the growing contribution of companies beyond the Nifty 50 to India's equity market.

Figure 251: Index-wise distribution of total market capitalisation of listed entities



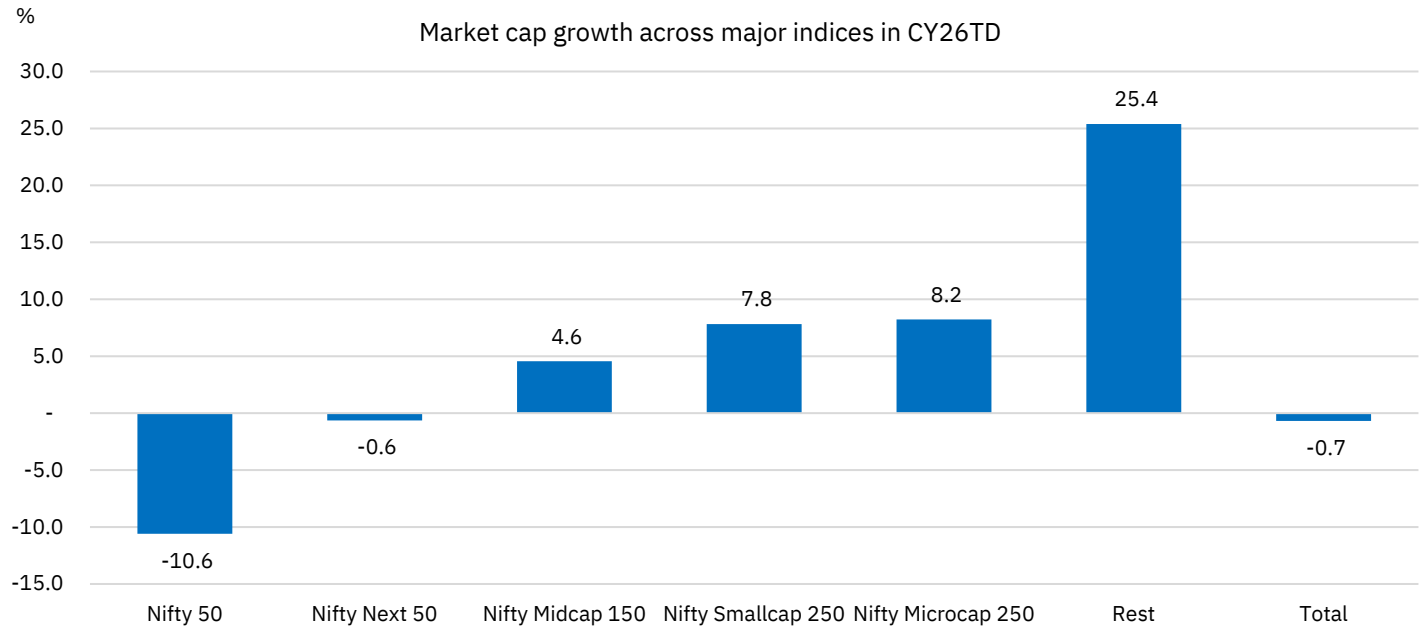
Source: Nifty Indices, NSE EPR.

Figure 252: Index-wise share in total market capitalisation of listed entities



Source: Nifty Indices, NSE EPR.

Figure 253: Index-wise change in total market capitalisation of listed entities in CY26TD (Jan-October 2026)

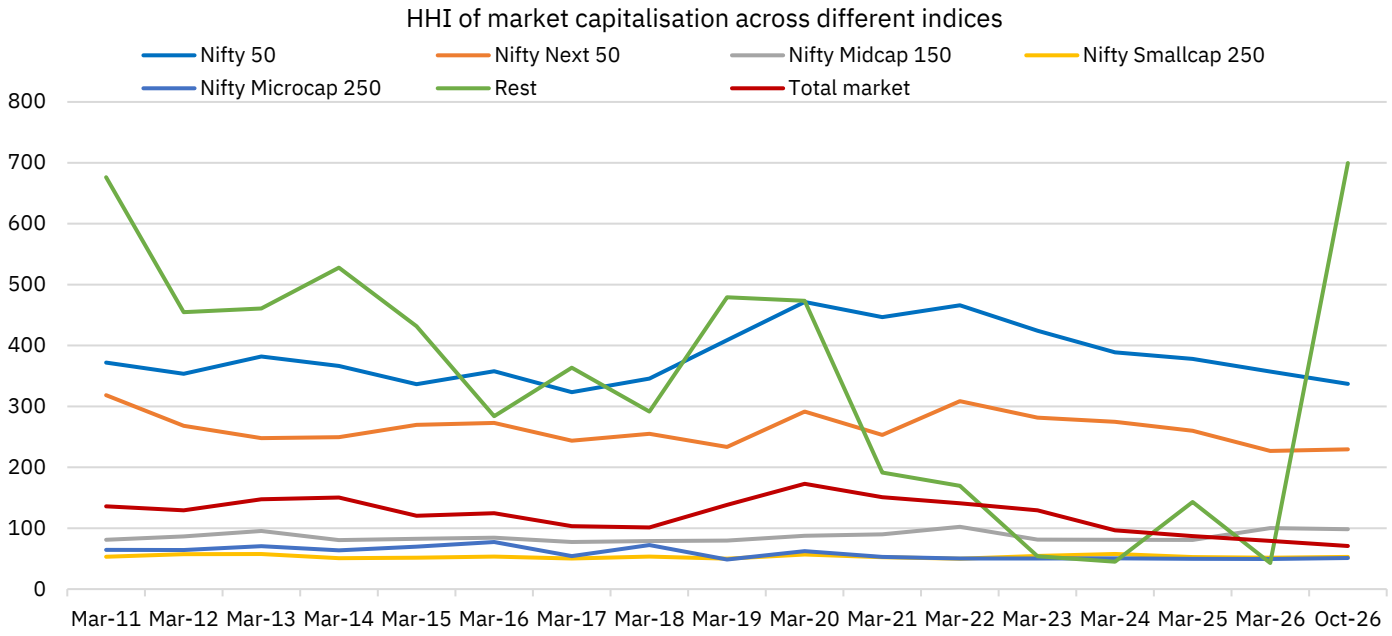


Source: Nifty Indices, NSE EPR.

Market concentration rose in October, reflecting a modest increase in large-cap concentration: Market concentration, measured by the Herfindahl–Hirschman Index (HHI) based on market capitalisation, has declined substantially over recent years, with a steady moderation over the past 12 months barring a reversal in October. The aggregate HHI for the NSE-listed universe rose to 71 in October 2026 from 62 in the previous month but remained below 80 a year earlier. This compares with an 11-year high of 173 in March 2020, when the pandemic-induced correction led to a sharp increase in large-cap concentration. The longer-term decline in concentration reflects the expansion of the listed universe and a more even distribution of market capitalisation across companies.

Concentration remains relatively higher among large-cap companies, although it has moderated considerably over time. Within the Nifty 50, the HHI edged up to 337 in October from 333 in September but remained below 363 a year earlier and well below its March 2009 peak of 476. The Nifty Next 50 HHI remained broadly unchanged at 229, compared with 261 a year earlier. Concentration was substantially lower across the broader market segments, with HHIs of 98, 53 and 51 for the Nifty Midcap 150, Smallcap 250 and Microcap 250, respectively, rising marginally from 97, 51 and 50 in September. Notwithstanding the sequential increase in October, market concentration remains relatively subdued, consistent with the longer-term broadening of market capitalisation beyond the largest companies.

Figure 254: Index-wise share in total market capitalisation of listed entities



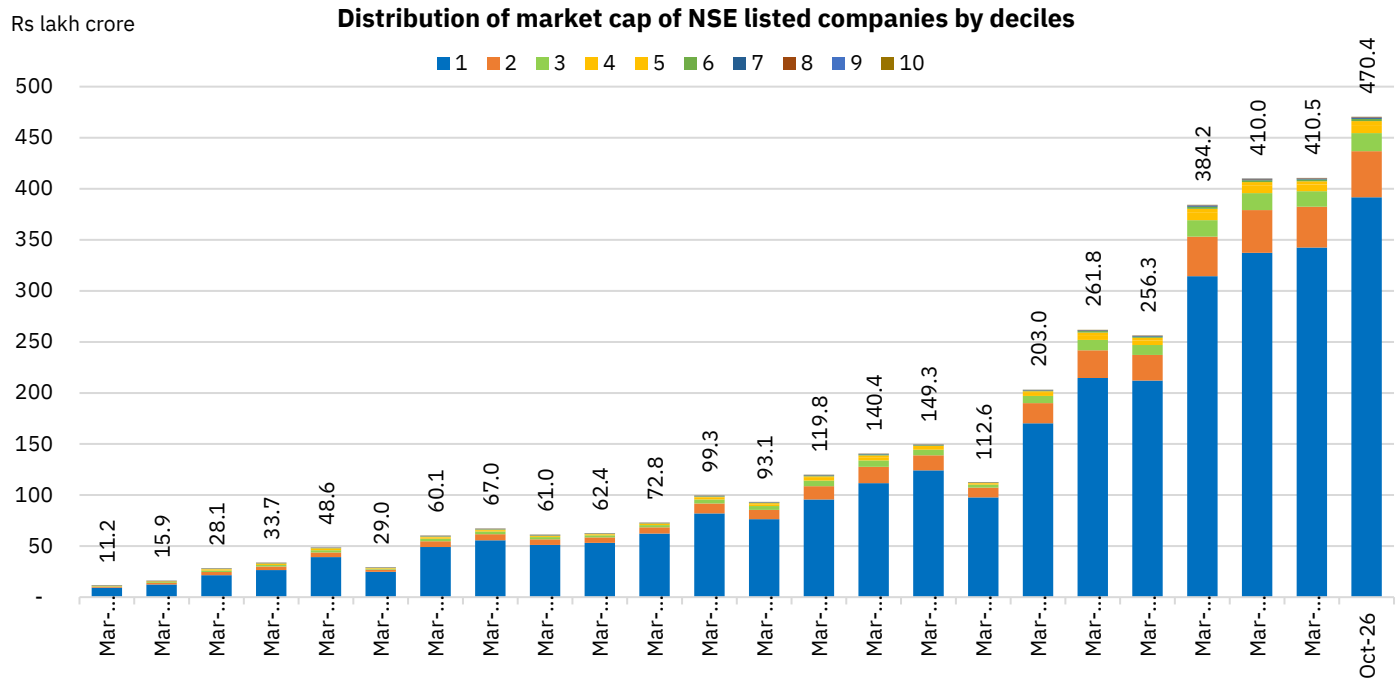
Source: Nifty Indices, NSE EPR.

Top-decile share rebounded sharply, driven by large-cap outperformance: A decile-wise analysis of NSE-listed companies shows that the top decile, comprising around 320 companies, saw its share in aggregate market capitalisation rise by 144bps MoM to a seven-month high of 83.3% in October, more than reversing the decline seen over the preceding months. This came at the expense of a broad-based reduction in the shares of the remaining deciles, reflecting the significant outperformance of large-cap stocks during the month.

Historically, the top decile's share peaked at 86.8% in FY20, with the top two deciles together accounting for over 95% of aggregate market capitalisation. Concentration subsequently moderated, with the top-decile share falling to 81.8% by March 2024 and a six-year low of 80.1% in December 2024, before recovering to 83.4% in March 2026 amid heightened global uncertainty and a preference for relatively resilient large-cap companies. The subsequent outperformance of smaller companies led to a renewed moderation in concentration, before the trend reversed in October, taking the top-decile share back to levels seen in March.

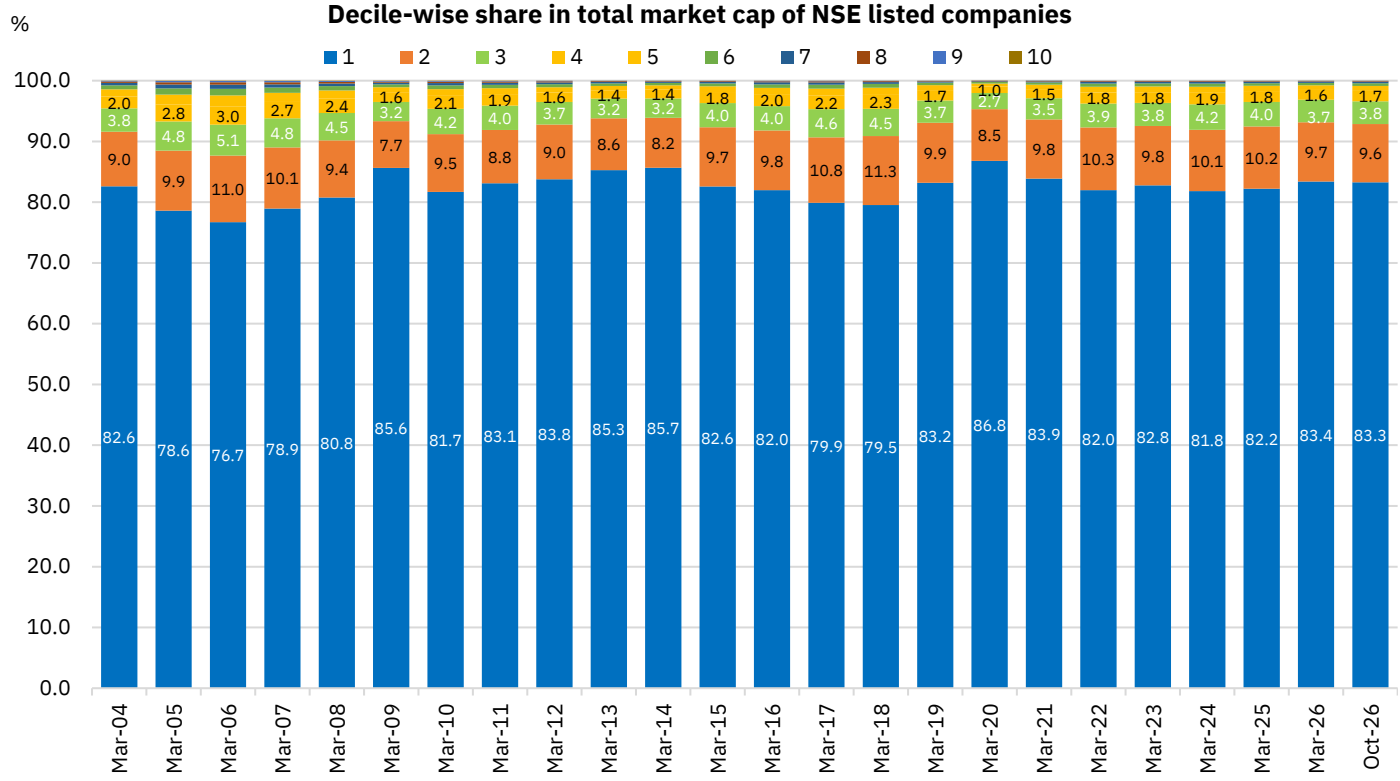
At the other end of the distribution, the bottom five deciles together accounted for just 0.86% of aggregate market capitalisation in October, down from 0.92% in September, but still nearly double the post-pandemic low of 0.47%. This reflects the gradual broadening of market capitalisation towards smaller companies over recent years, notwithstanding the recent reversal. Overall, market capitalisation remains heavily concentrated among the largest companies, with October witnessing a further consolidation of their dominance.

Figure 255: Decile-wise distribution of total market capitalisation of listed entities



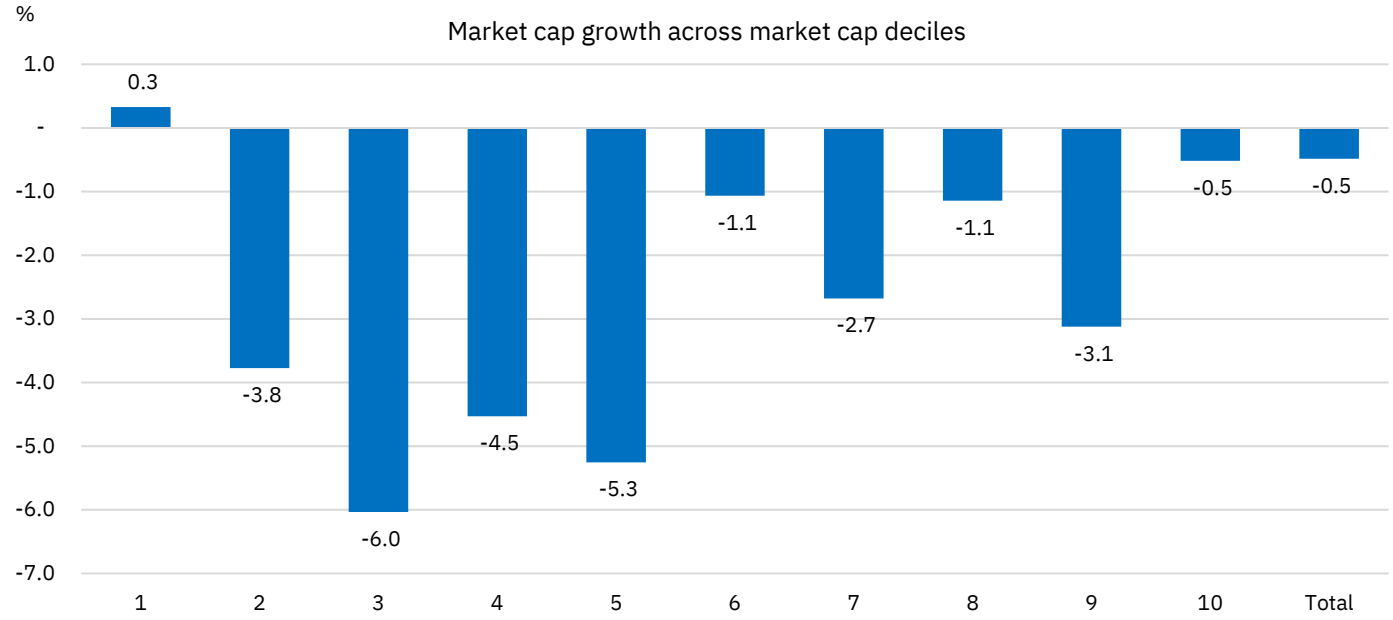
Source: NSE EPR.

Figure 256: Decile-wise share of total market capitalisation of listed entities



Source: NSE EPR.

Figure 257: Decile-wise change in total market capitalisation of listed entities in CYTD (Jan-October 2026)



Source: NSE EPR.

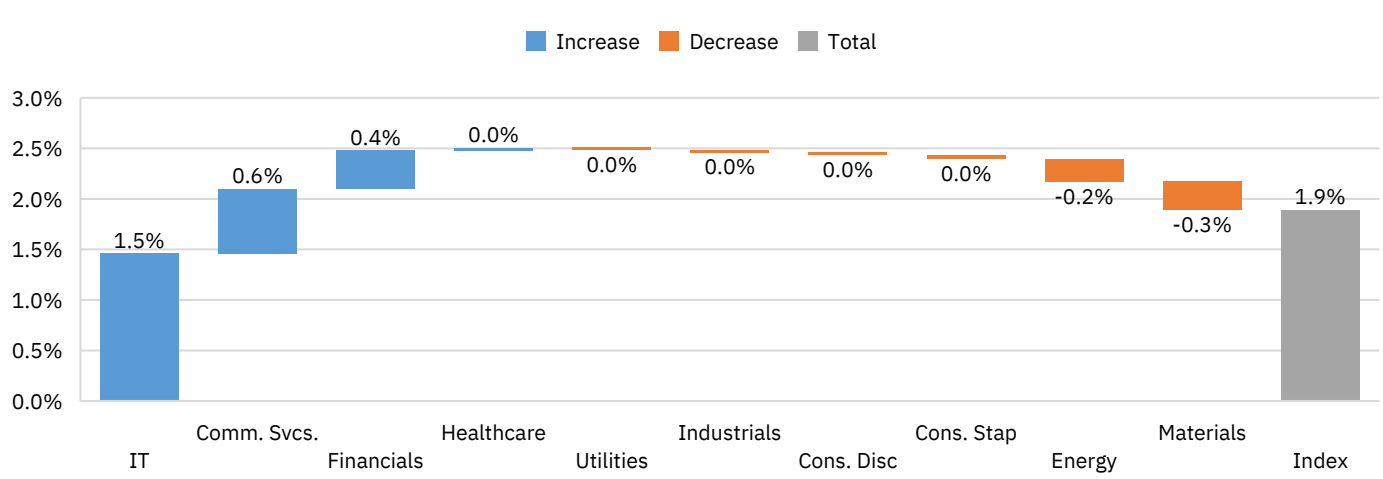
Nifty50 performance attribution analysis

Indian equities staged a modest recovery in October that strengthened sharply in November: After declining for two consecutive months, the Nifty 50 recovered modestly in October, gaining 1.9% MoM. The recovery, however, was largely confined to large-cap stocks, with the Nifty Midcap 150, Smallcap 250 and Microcap 250 declining 3.8%, 5.8% and 9.0%, respectively. Sectoral performance remained mixed, with IT (+17.7%) leading the gains, followed by Media (+3.0%) and Pharma (+2.6%), while Construction (-7.9%), Metals (-7.7%), Capital Goods (-7.2%) and Consumer Durables (-5.7%) witnessed significant declines. The recovery gathered considerable momentum in November, with the Nifty 50 rising 10.7% through November 19th, supported by stronger corporate earnings, easing crude oil prices and renewed foreign portfolio inflows. The rally also broadened across market segments, with the Nifty Midcap 150, Smallcap 250 and Microcap 250 gaining 7.4%, 6.2% and 5.8%, respectively. Sectoral leadership shifted towards domestic cyclicals, particularly banks, financial services and automobiles, while IT stocks underperformed following their sharp recovery in October.

FPIs remained net sellers in October, withdrawing ~US$ 3.6bn from Indian equities in the secondary market, largely offset by net DII purchases of US$ 6.5bn. Domestic mutual fund inflows remained resilient, albeit moderating from the previous month. Net inflows into equity-oriented schemes declined 13.9% MoM to Rs 32,994 crore in October, marking the 68th consecutive month of positive inflows, while monthly SIP contributions remained robust at Rs 32,160 crore. November, however, witnessed a marked reversal in institutional flows, with FPIs turning net buyers to the tune of US$ 12.2bn through November 19th, their strongest monthly purchases on record. The reversal was driven by a combination of improving domestic earnings, lower crude oil prices and global portfolio reallocation away from AI-linked Asian markets, particularly South Korea and Taiwan. DIIs, meanwhile, turned net sellers, withdrawing Rs 56,927 crore over the same period, partly reflecting profit booking following the sharp market recovery.

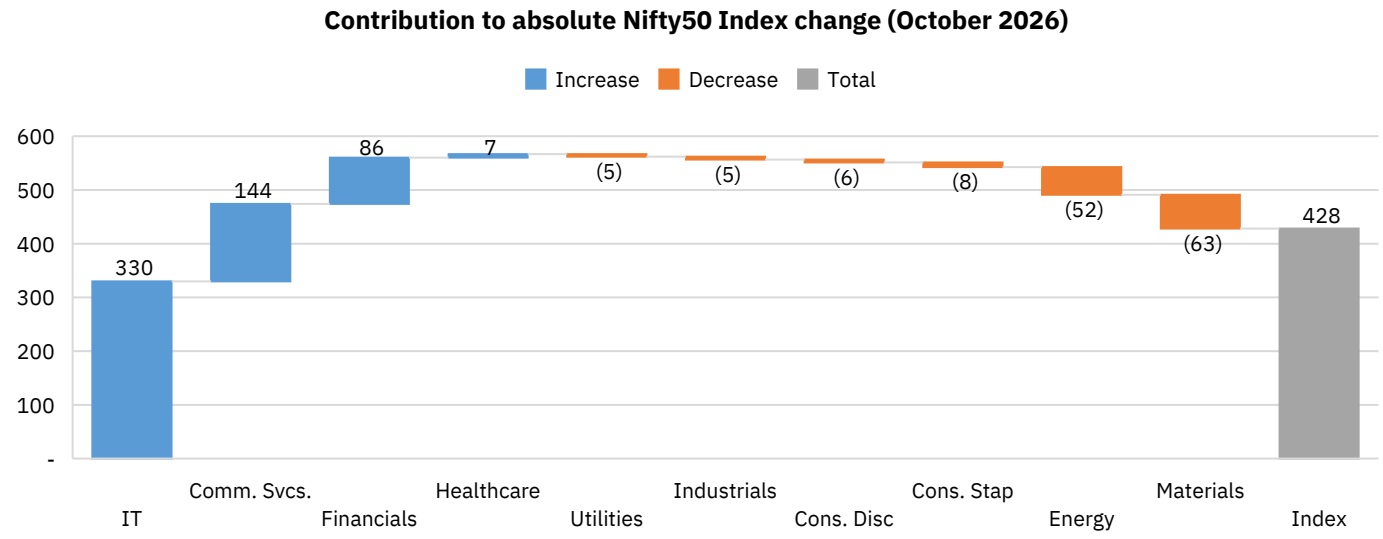
The November rally has substantially reversed the losses incurred during August–October, bringing the Nifty 50 within 3.3% of its January 2026 peak. On a 12-month basis, the benchmark's decline narrowed to 2.6% as of November 19th, compared with a 10.4% decline at October-end. The sharp turnaround in FPI flows, supported by improving earnings momentum and a relatively more favourable external environment, has strengthened near-term market sentiment. Nevertheless, the recovery remains uneven across market segments, while its sustainability would depend on continued earnings growth and the persistence of foreign inflows amid an uncertain global environment.

Figure 258: Sector-wise contribution to Nifty 50 price return in October 2026



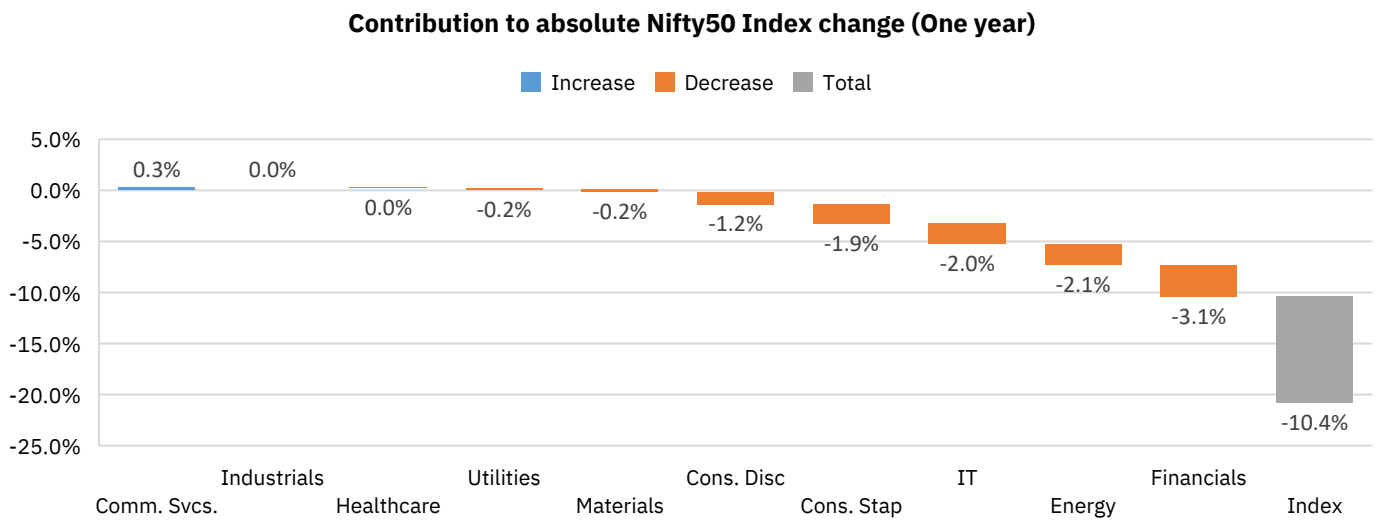
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 259: Sector-wise contribution to Nifty 50 Index change (points) in October 2026



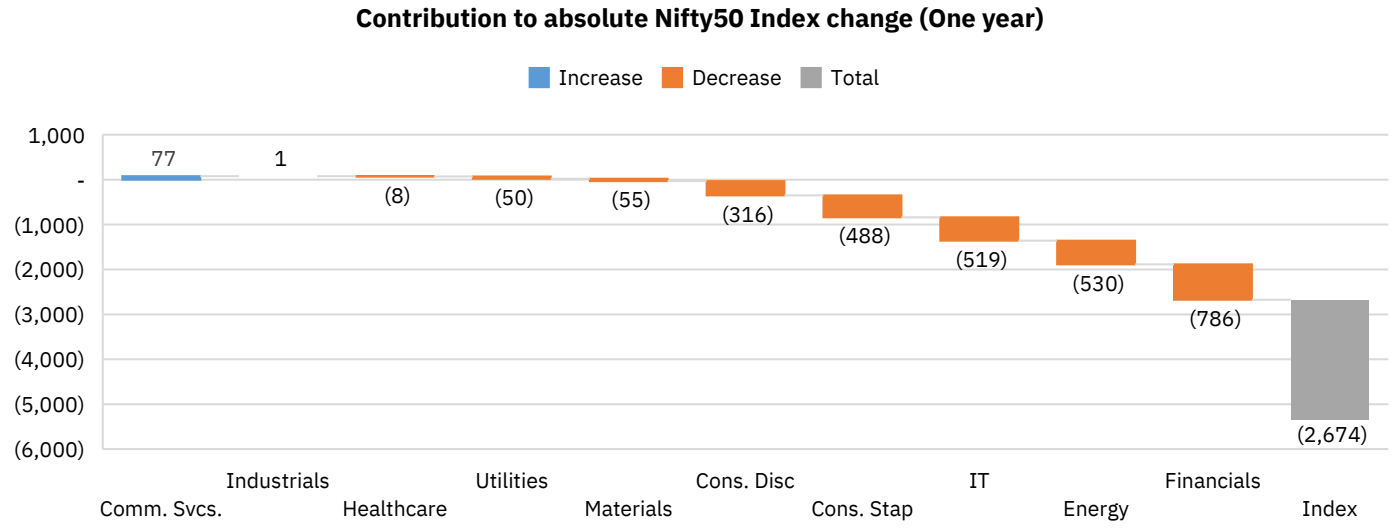
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 260: Sector-wise contribution to Nifty 50 price return in the last 12 months



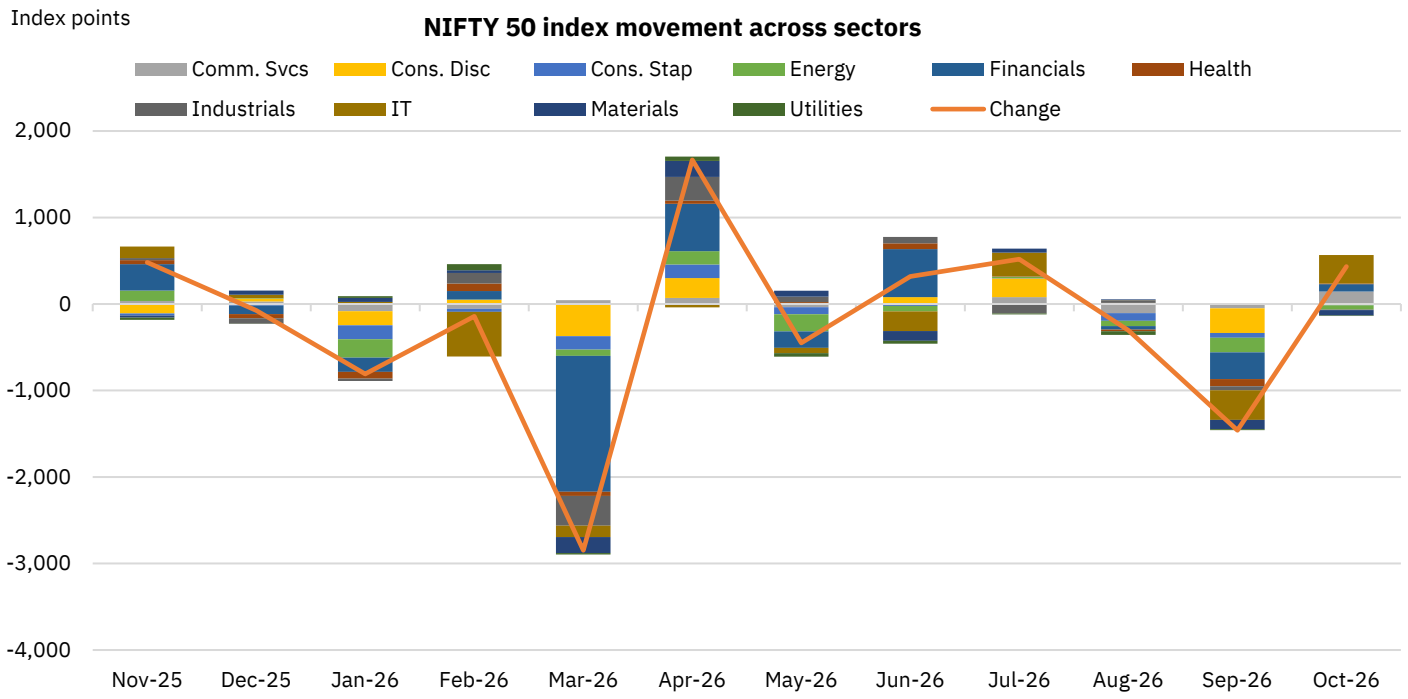
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 261: Sector-wise contribution to Nifty 50 Index change (points) in the last 12 months



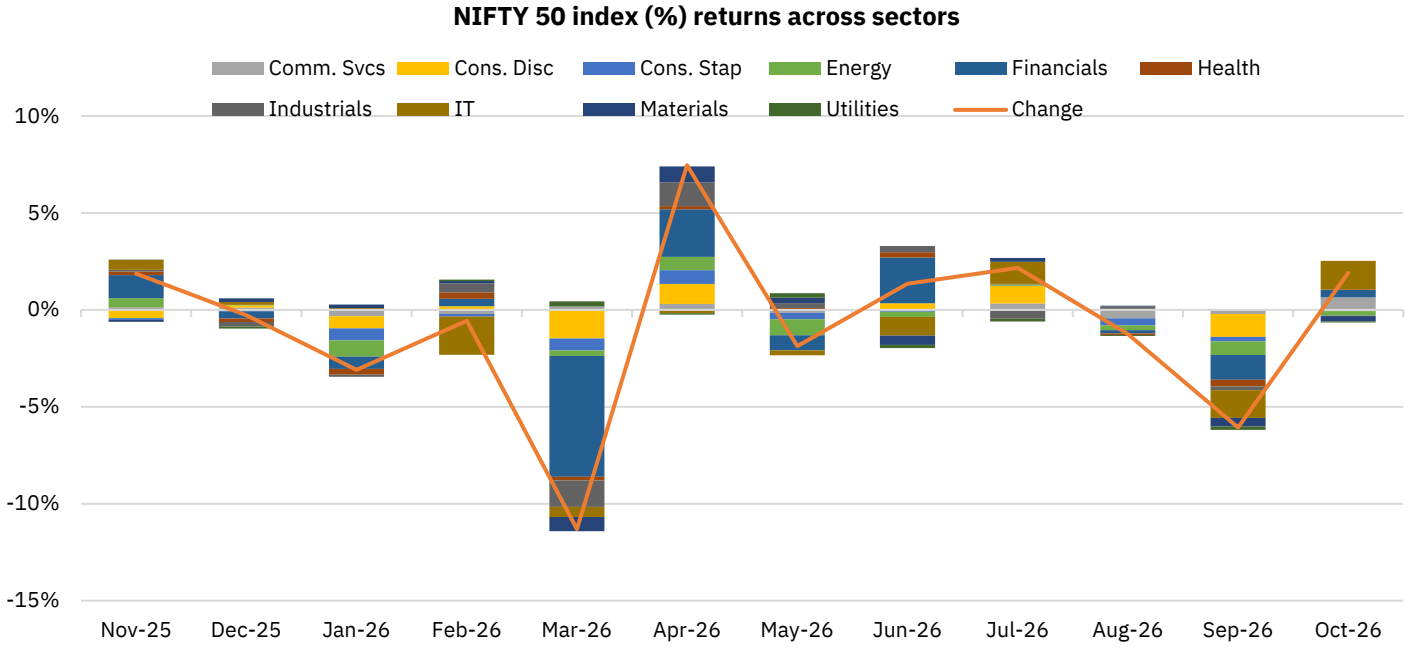
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 262: Nifty 50 Index monthly movement across sectors over the last 12 months



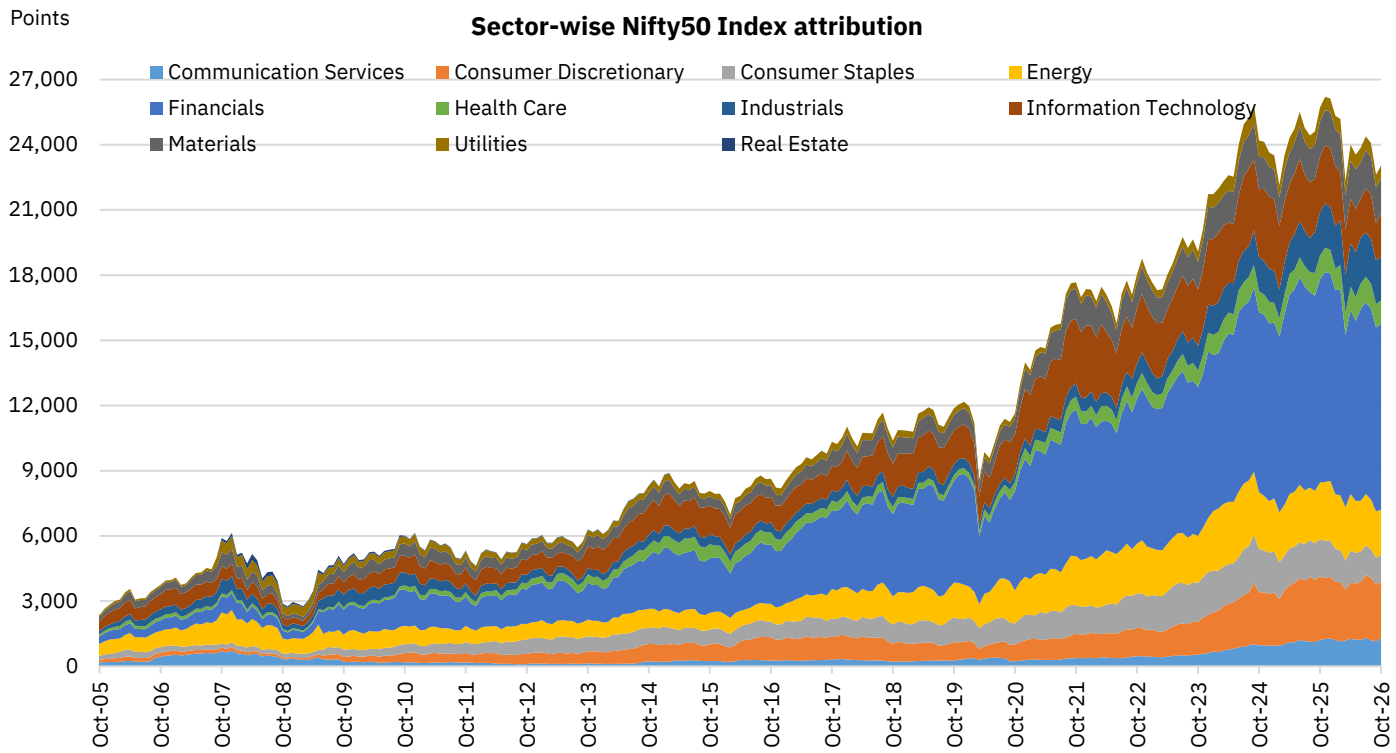
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 263: Nifty 50 Index monthly return across sectors over the last 12 months



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

Figure 264: Sector-wise Nifty50 Index attribution (2005-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

The relative outperformance of Information Technology after several months of underperformance lifted its weight in the Nifty 50 Index by a steep 129bps MoM in October itself to 8.8%, even as it is still down 111bps in the last 12 months, 10.3pp below the post-pandemic peak of 19.1%, and 12.4pp below the all-time high of 21.2% seen in March 2005. Communication Services also saw its weight rising by 53bps MoM to a 17-year high of 5.6% as of October-end. Barring IT and Communication Services, all other sectors underperformed last month and saw their weights dipping on a MoM basis within the Nifty 50 Index led by commodity sectors (Energy and Materials), Financials and Consumer Discretionary, all of which saw their weights falling by 25-40bps. In fact, Energy sector's weight in the Nifty 50 Index at 9% is the lowest in more than a decade.

The shift is slightly more pronounced over a 12-month horizon. Industrials, Communication Services and Financials increased their weights by 91bps, 88bps, and YoY to 8.9%, 37.5%, 7.3% and 5.1% 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 265: Nifty 50 sector weightage (October 2025)

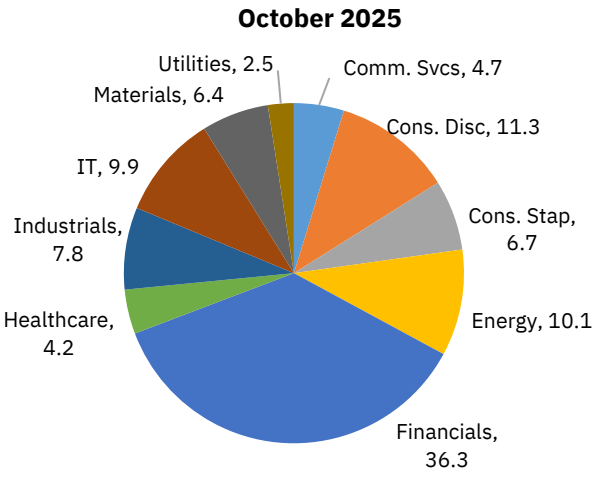
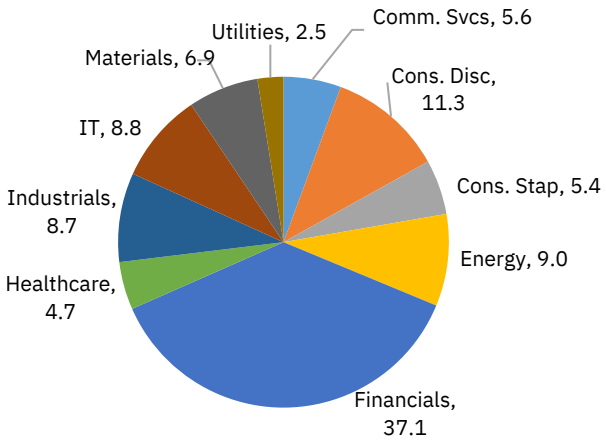
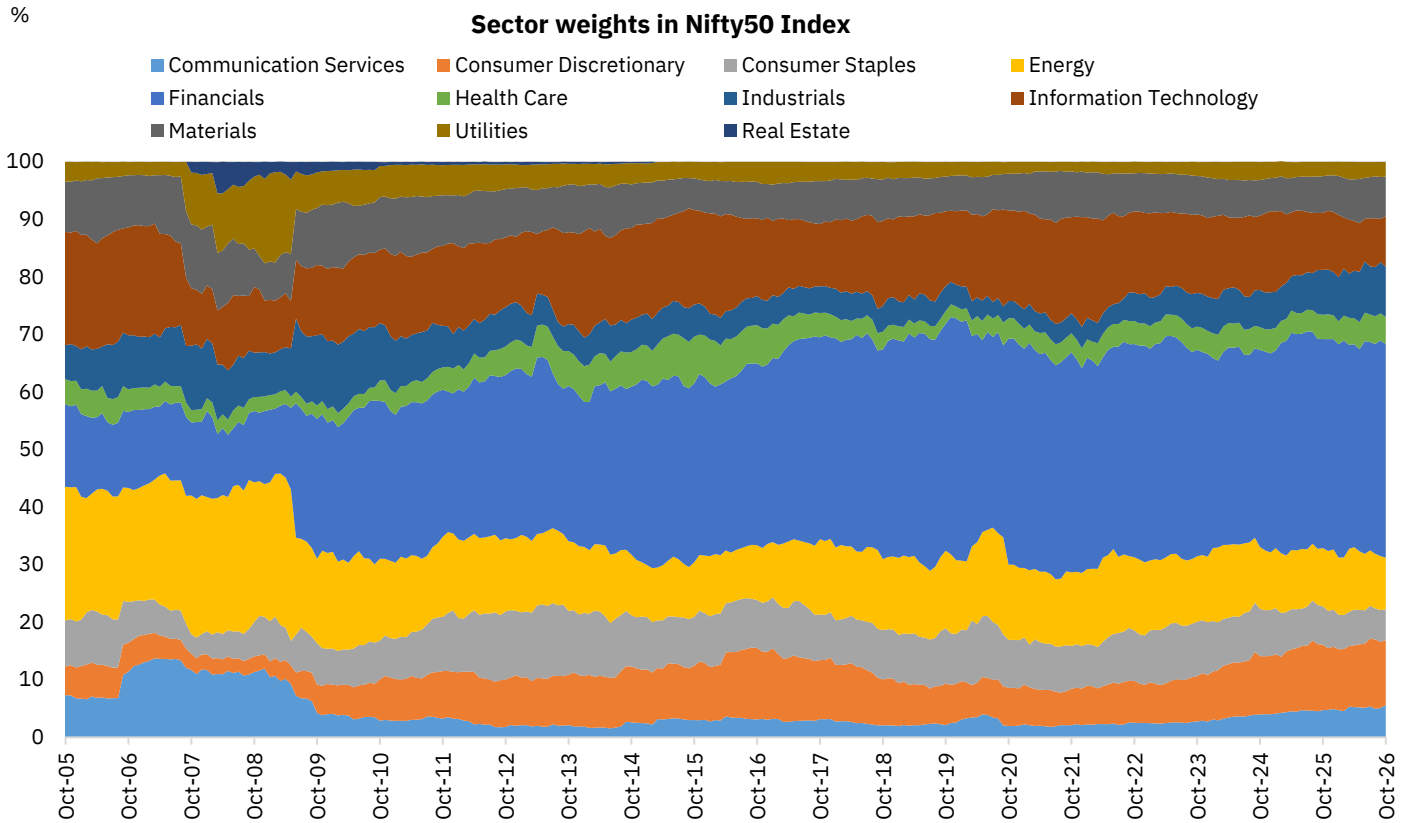


Figure 266: Nifty 50 sector weightage (October 2026)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Figure 267: Sector weights in the Nifty 50 Index (2005-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 74: Top five Nifty 50 Index gainers in October 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Infosys Ltd.	INFY	19.2	0.6	146
Bharti Airtel Ltd.	BHARTIARTL	12.3	0.6	144
I C I C I Bank Ltd.	ICICIBANK	5.8	0.5	118
Tata Consultancy Services Ltd.	TCS	22.0	0.4	101
Kotak Mahindra Bank Ltd.	KOTAKBANK	10.7	0.3	73
Total			**2.6**	**581**
Nifty 50 Index	**NIFTY 50**	**1.9**	**1.9**	**433**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 75: Top five Nifty 50 Index gainers in the last 12 months

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
BSE Limited	BSE	41.6	1.2	309
Adani Ports & Special Economic Zone Ltd.	ADANIPORTS	27.5	0.3	80
Bharti Airtel Ltd.	BHARTIARTL	-3.9	0.3	77
I C I C I Bank Ltd.	ICICIBANK	3.9	0.3	72
Kotak Mahindra Bank Ltd.	KOTAKBANK	9.8	0.2	61
Total			**2.3**	**599**
Nifty 50 Index	**NIFTY 50**	**-10.4**	**-10.4**	**-2,669**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 76: Top five Nifty 50 Index losers in October 2026

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
H D F C Bank Ltd.	HDFCBANK	-2.2	-0.2	-54
Shriram Finance Ltd.	SHRIRAMFIN	-16.2	-0.2	-50
Reliance Industries Ltd.	RELIANCE	-1.9	-0.1	-32
Tata Steel Ltd.	TATASTEEL	-9.1	-0.1	-31
Nestle India Ltd.	NESTLEIND	-10.9	-0.1	-24
Total			**-0.8**	**-190**
Nifty 50 Index	**NIFTY 50**	**1.9**	**1.9**	**433**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 77: 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	-29.8	-3.9	-993
Reliance Industries Ltd.	RELIANCE	-21.6	-2.0	-511
I T C Ltd.	ITC	-36.8	-1.3	-330
Infosys Ltd.	INFY	-20.1	-1.0	-260
Maruti Suzuki India Ltd.	MARUTI	-29.6	-0.6	-143
Total			**-8.7**	**-2,237**
Nifty 50 Index	**NIFTY 50**	**-10.4**	**-10.4**	**-2,669**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Valuation analysis

Market valuations recover in October–November, supported by market rally and improved earnings momentum: Following the sharp correction in September, Indian equity valuations recovered in October and strengthened further in November, supported by a market rally amidst renewed foreign capital inflows and an improvement in corporate earnings. The Q2 FY27 earnings season saw Nifty 50 companies reporting strong double-digit profit growth, led by financials, metals, oil and gas, and automobiles. While the earnings recovery has lent support to valuations, relatively modest upward revisions to forward earnings estimates suggest that multiple expansion has also contributed to the recent increase. The Nifty 50 is currently trading at a 12-month forward P/E of 18.8x, compared with 17.2x at September-end and the 15-year average of 17.2x. On a forward P/B basis, the index is trading at 2.8x, against its long-term average of 2.6x. Sustaining these valuations would depend on the durability of the earnings recovery, particularly amid continued uncertainty surrounding global interest rates, crude oil prices and geopolitical developments.

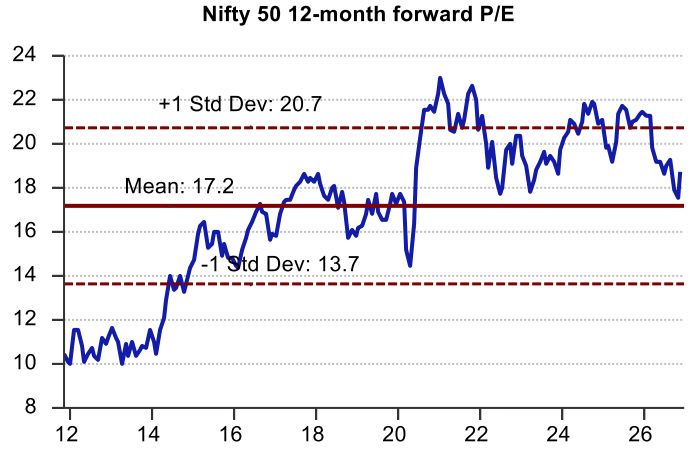
...Accompanied by a renewed widening of India's valuation premium to emerging markets: Following a sharp compression in September and the first half of October, India's valuation premium to broader emerging markets has widened again, supported by the relative outperformance of Indian equities. The reversal has been particularly pronounced in November, as renewed foreign inflows, improving domestic earnings momentum and a correction in technology-heavy Asian markets have strengthened India's relative positioning.

On a 12-month forward P/E basis, India's valuation premium to MSCI EM, which had narrowed from a near two-year high of 108% in August to 92% by October 14th, has since increased to 139% as of November 18th. This compares with its 15-year average of around 59% and an upper one-standard-deviation threshold of approximately 79%, indicating that Indian equities continue to command a substantial premium to their emerging-market peers.

India's relative valuations on a forward P/B basis have also benefited from the recent recovery. After narrowing to 39.7% by mid-October, from 52.5% in August-beginning, the premium has recovered to 70% as of November 18th. Nevertheless, it remains below its long-term average of 87% but have moved above the lower one-standard-deviation threshold of around 60%.

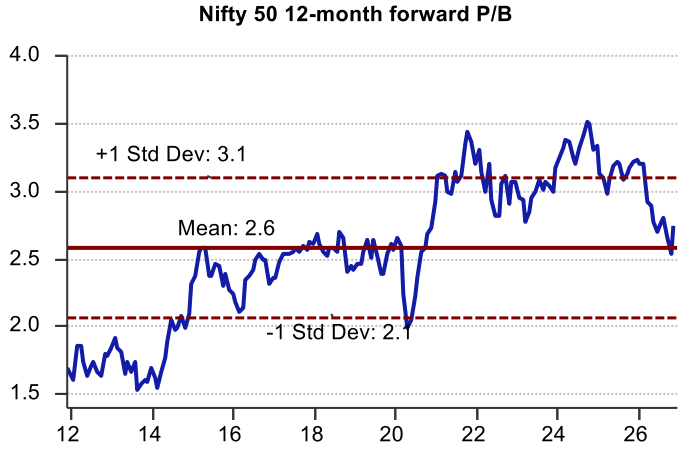
The divergence between the two measures remains notable. While India's earnings-based valuation premium has widened again, its book-value-based premium remains relatively subdued. The recent recovery in relative valuations has improved India's positioning within the emerging-market universe, although the sustainability of the elevated P/E premium will depend on continued earnings growth relative to its peers.

Figure 268: Nifty 50 NTM P/E trend for last 15 years



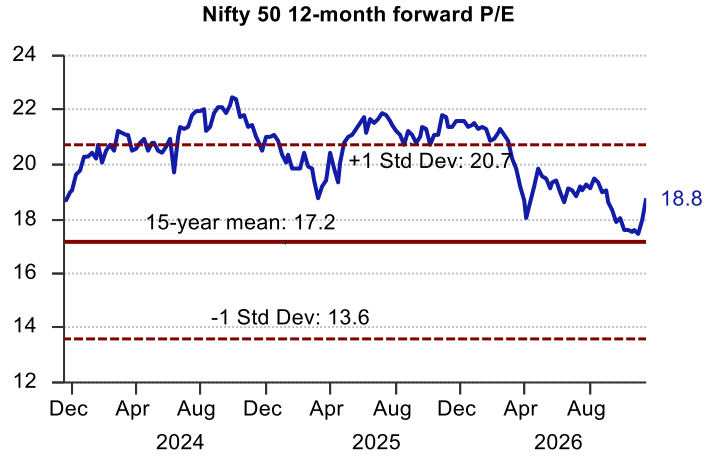
Source: LSEG Workspace, NSE EPR.

Figure 269: Nifty 50 NTM P/B trend for last 15 years



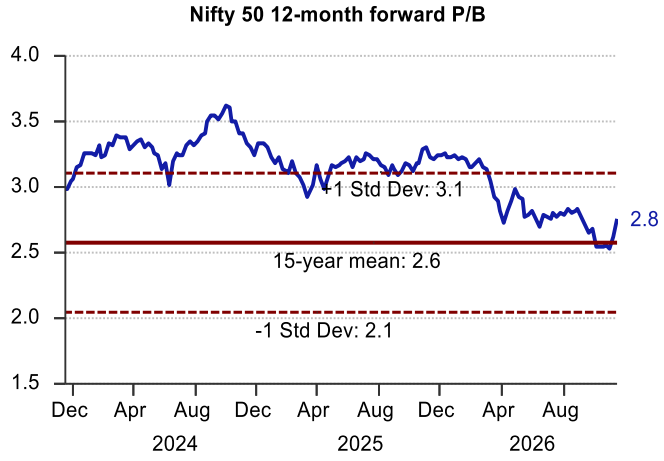
Source: LSEG Workspace, NSE EPR.

Figure 270: Nifty 50 NTM P/E (Last three-year trend)



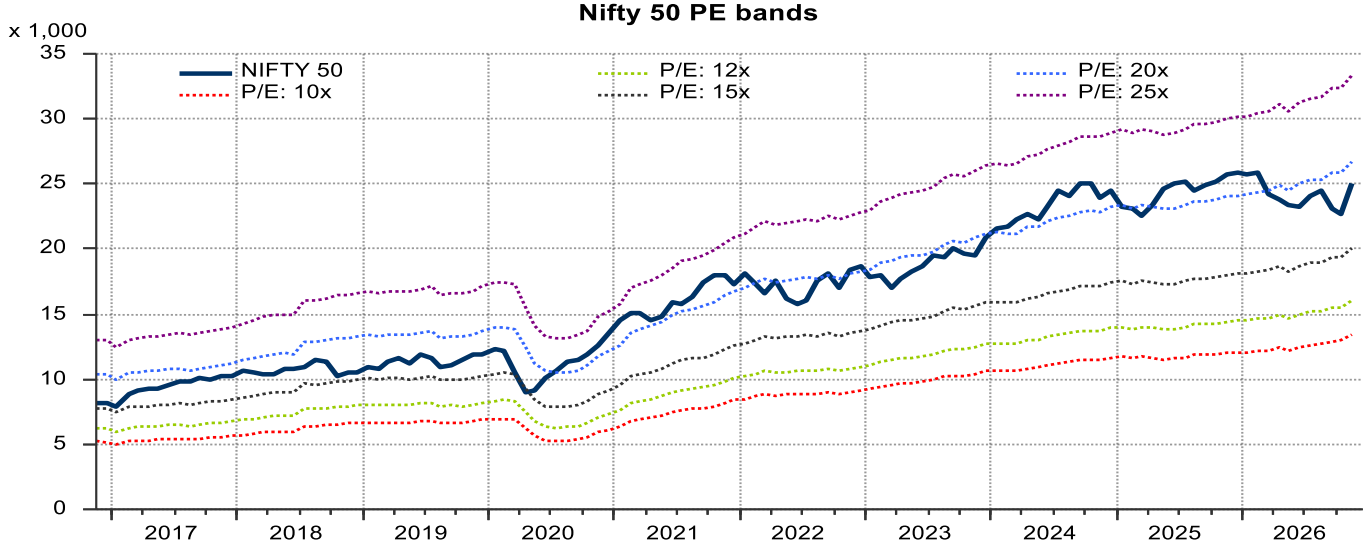
Source: LSEG Workspace, NSE EPR.

Figure 271: Nifty 50 NTM P/B (Last three-year trend)



Source: LSEG Workspace, NSE EPR.

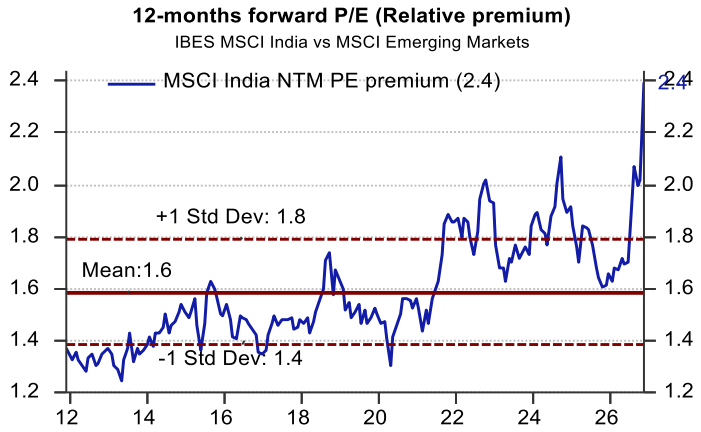
Figure 272: Five-year trend of Nifty 50 values at different 12-month forward P/E bands



Source: LSEG Workspace, NSE EPR

Figure 273: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

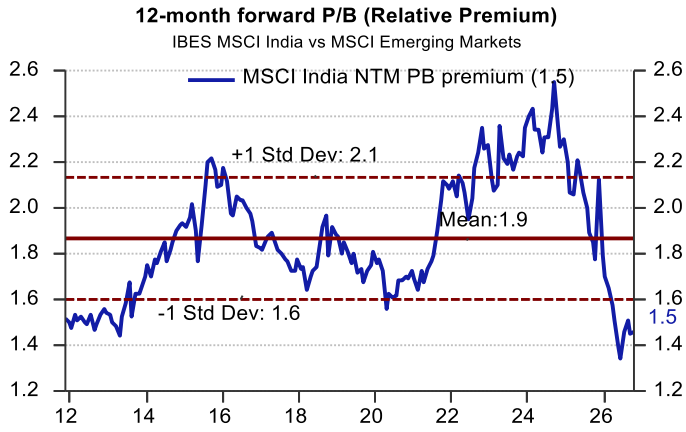
On a 12m forward P/E, India trades at a 139% premium to EM peers, up sharply from 92% in mid-October, leading to the deviation from the 15Y mean and one std. dev above the mean rising to about 81pp and 60pp respectively.



Source: LSEG Workspace, NSE EPR

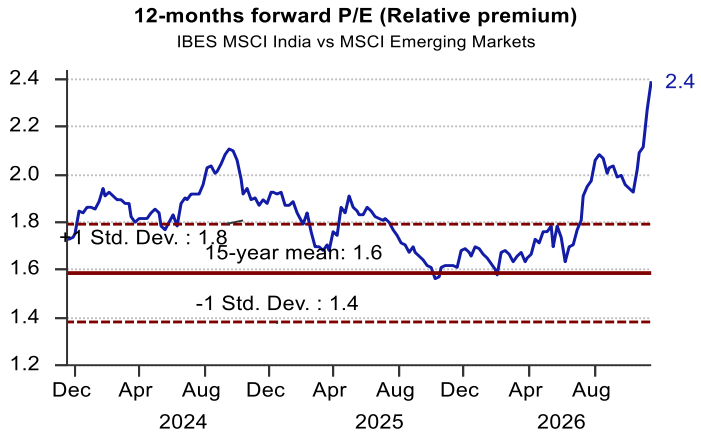
Figure 274: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B, India's valuation premium to MSCI EM has also risen sharply, from 39.7% in mid-October to 70% currently, even as it continues to remain below the long-term mean.



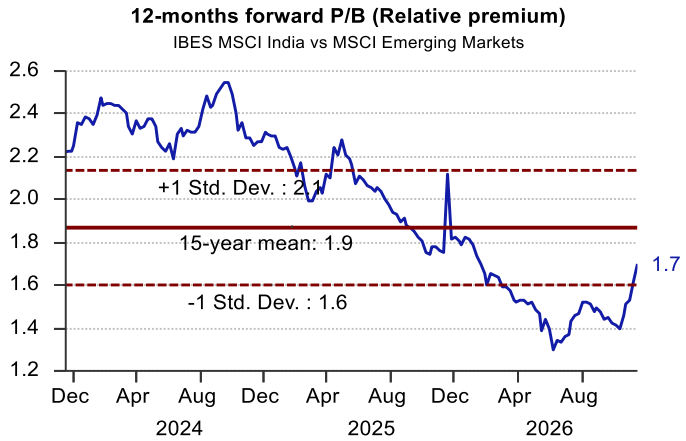
Source: LSEG Workspace, NSE EPR

Figure 275: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)



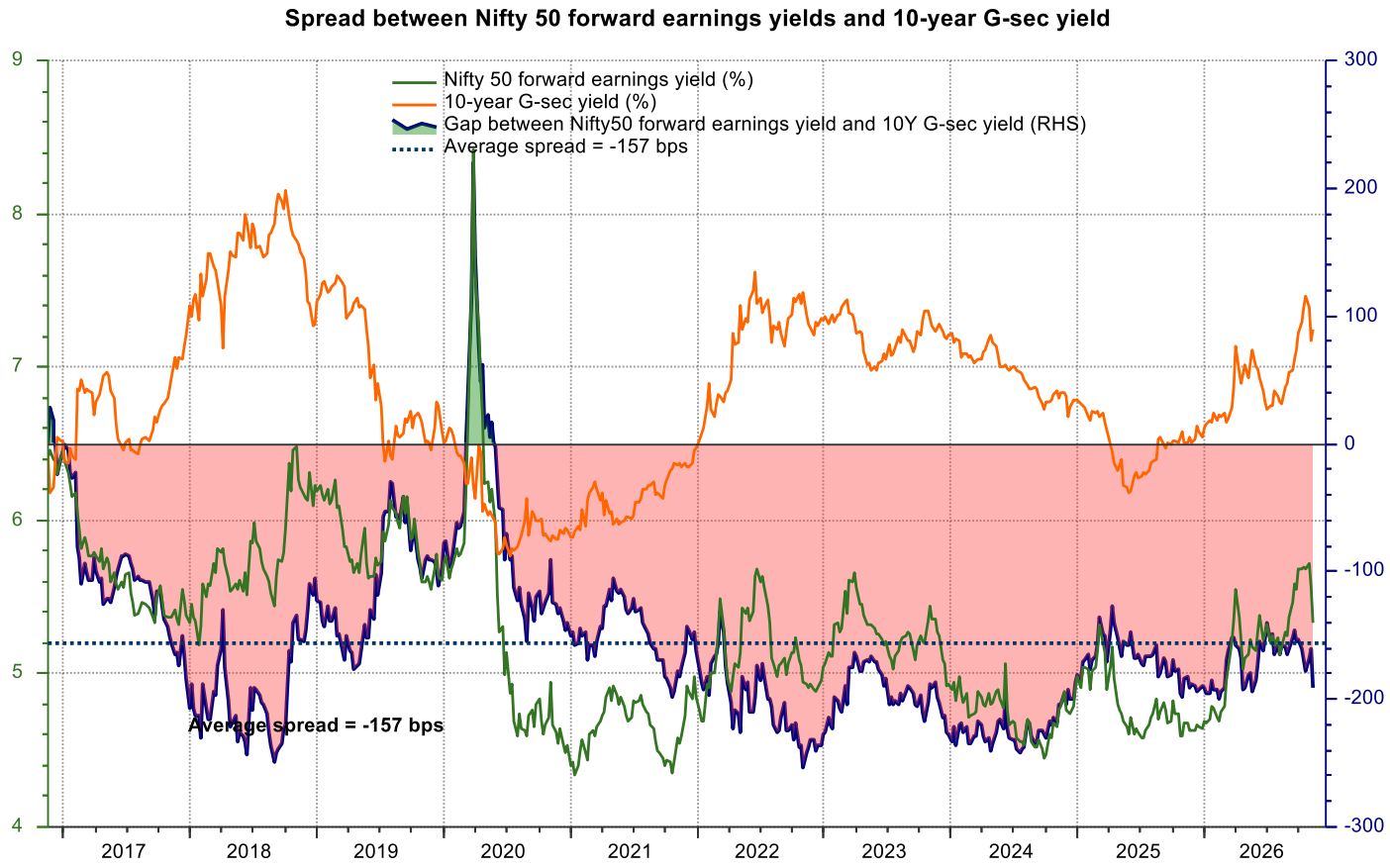
Source: LSEG Workspace, NSE EPR.

Figure 276: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR.

Figure 277: Nifty 50 forward earnings yield* vs. 10-year G-sec yield



Source: LSEG Workspace, NSE EPR. * Forward earnings yield for Nifty 50 is calculated as (1/12-month forward PE).

5.3 Fixed income market performance

Table 78: Performance of key debt indices (As of October 31st, 2026)

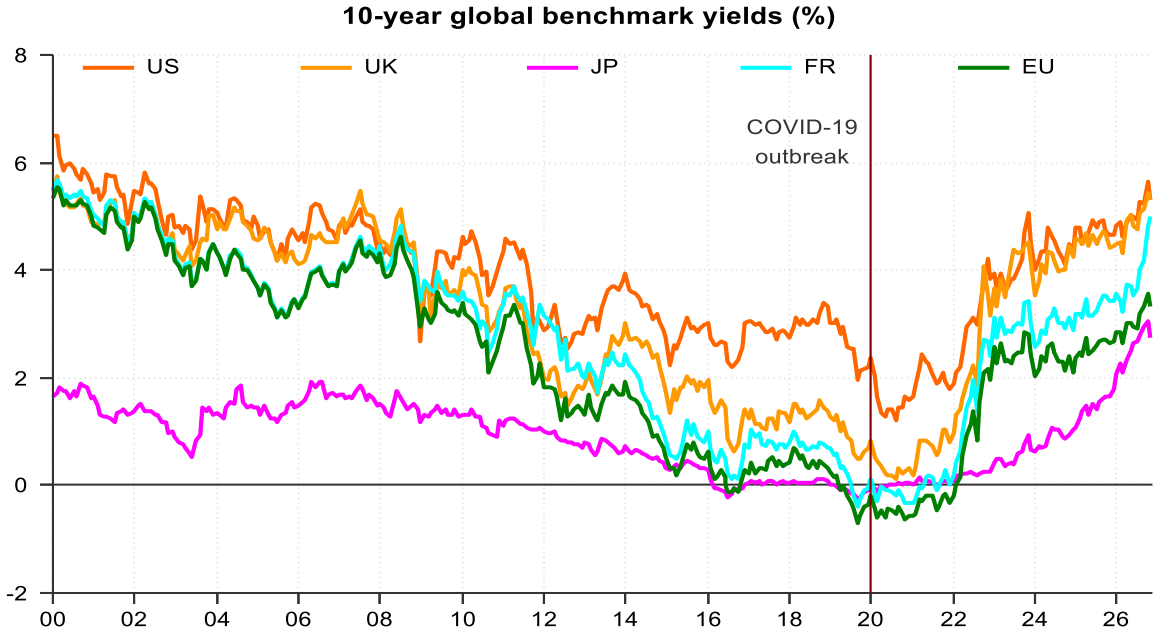
Category	Index name	Absolute returns (%)				CAGR returns (%)		
		1M	3M	6M	1Y	2Y	3Y	5Y
G-sec	Nifty 5yr Benchmark G-sec Index	(0.7)	(1.3)	1.4	2.8	5.9	7.1	6.0
	Nifty 10 yr Benchmark G-Sec	(1.0)	(2.2)	0.3	(0.1)	4.0	6.2	5.0
	Nifty Composite G-sec Index	(1.0)	(2.1)	0.8	1.1	4.2	6.5	5.5
SDL	NIFTY 10 Year SDL Index	(1.9)	(5.4)	(5.6)	(12.2)	(5.9)	(0.5)	1.5
AAA credit	NIFTY AAA Ultra Short Duration Bond Index	0.3	1.5	3.2	6.6	7.0	7.3	6.8
	NIFTY AAA Short Duration Bond Index	(0.3)	(0.1)	1.7	3.3	5.6	6.4	5.7
	NIFTY AAA Low Duration Bond Index	0.1	1.0	2.6	5.3	6.4	6.8	6.2
	NIFTY AAA Medium Duration Bond Index	(0.8)	(1.4)	0.5	0.6	4.2	5.5	4.8
	NIFTY AAA Medium to Long Duration Bond Index	(1.6)	(3.6)	(1.6)	(2.2)	2.3	4.4	4.1
	NIFTY AAA Long duration Bond Index	(3.1)	(6.2)	(4.4)	(6.5)	(1.9)	1.9	2.5
Composite	NIFTY Liquid Index	0.5	1.5	3.2	6.5	6.7	6.9	6.5
	NIFTY Money Market Index	0.4	1.5	3.3	6.6	6.9	7.2	6.7
	NIFTY Ultra Short Duration Debt Index	0.4	1.6	3.5	6.9	7.2	7.5	6.9
	NIFTY Short Duration Debt Index	(0.2)	0.3	2.0	4.0	5.9	6.6	6.0
	NIFTY Low Duration Debt Index	0.2	1.3	3.1	6.1	6.8	7.1	6.6
	NIFTY Medium Duration Debt Index	(0.7)	(1.2)	0.5	1.3	4.6	5.9	5.3
	NIFTY Medium to Long Duration Debt Index	(1.3)	(2.9)	(1.1)	(1.9)	2.3	4.7	4.5
	NIFTY Long Duration Debt Index	(1.6)	(3.7)	(1.5)	(3.1)	0.5	4.0	4.2
	NIFTY Composite Debt Index	(0.9)	(1.9)	(0.0)	(0.1)	3.3	5.3	5.0
	NIFTY Corporate Bond Index	(0.4)	(0.3)	1.4	2.8	5.4	6.2	5.7

Source: NSE Indices, NSE EPR.

Global sovereign bond markets were volatile throughout October 2026: Global sovereign bond markets experienced significant volatility throughout October 2026 and into November 2026, driven by shifting monetary policy expectations and fluctuating energy prices. Major sovereign yields rose sharply in early-October, with the US 10-year Treasury yield remaining well-above the 5% threshold for much of the month, before easing to 4.91% at month-end, approximately 40 bps below its monthly peak. European curves displayed a similar pattern. Germany's 10-year Bund yield eased from 3.49% on October 5th to 3.32% on October 30th as the ECB left its deposit rate unchanged at 2.50%, while acknowledging that energy prices continue to create upside risks to inflation and downside risks to economic growth. UK 10-year gilt yields rose to 5.49% by October 8th from 5.43% during end-September, before falling to 5.20% at end-October. Japanese sovereign bond (JGB) yields traded near multi-decade highs, before ending around 2.76% by end of the month. The pullback in sovereign bond yields continued through early November, largely driven by the moderation in crude oil prices to below US$100 per barrel, which helped ease inflationary concerns.

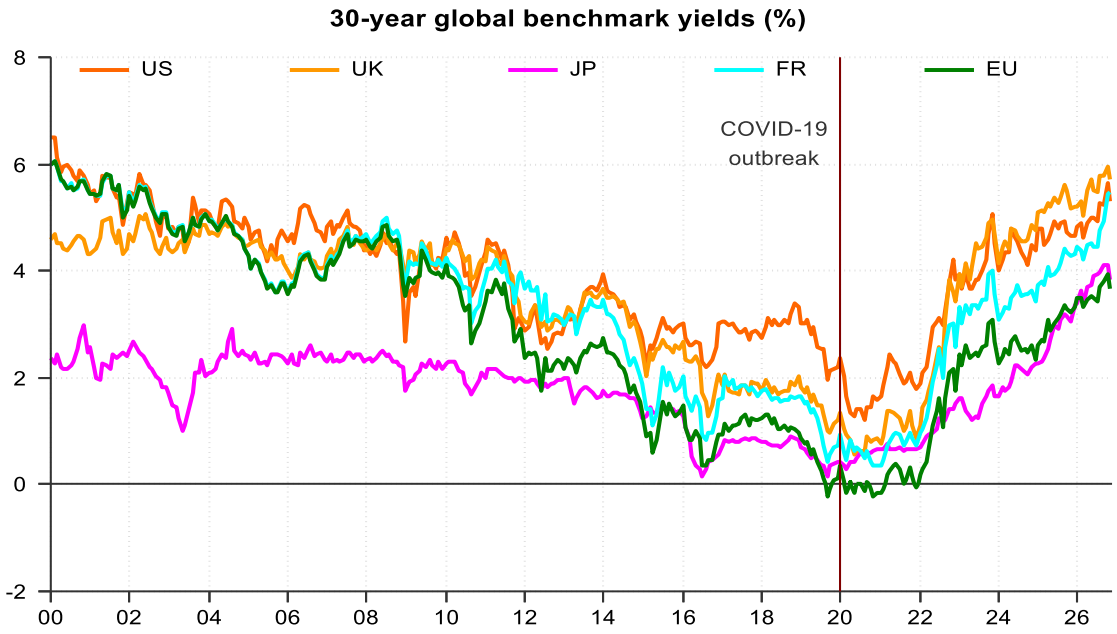
By mid-November yields had risen back: the 10-year Treasury reached 5.10% on November 17th amid higher-than-expected CPI inflation and stronger economic activity that boosted expectations for Federal Reserve interest rate hikes. Bund yield had risen back to about 3.38%, while UK 10-year gilt yields moved back towards 5.38% after the Bank of England raised policy rates by 25bp to 4% on November 5th in response to higher energy-led inflation risks.

Figure 278: Long-term trend of 10-year sovereign bond yields across major developed economies



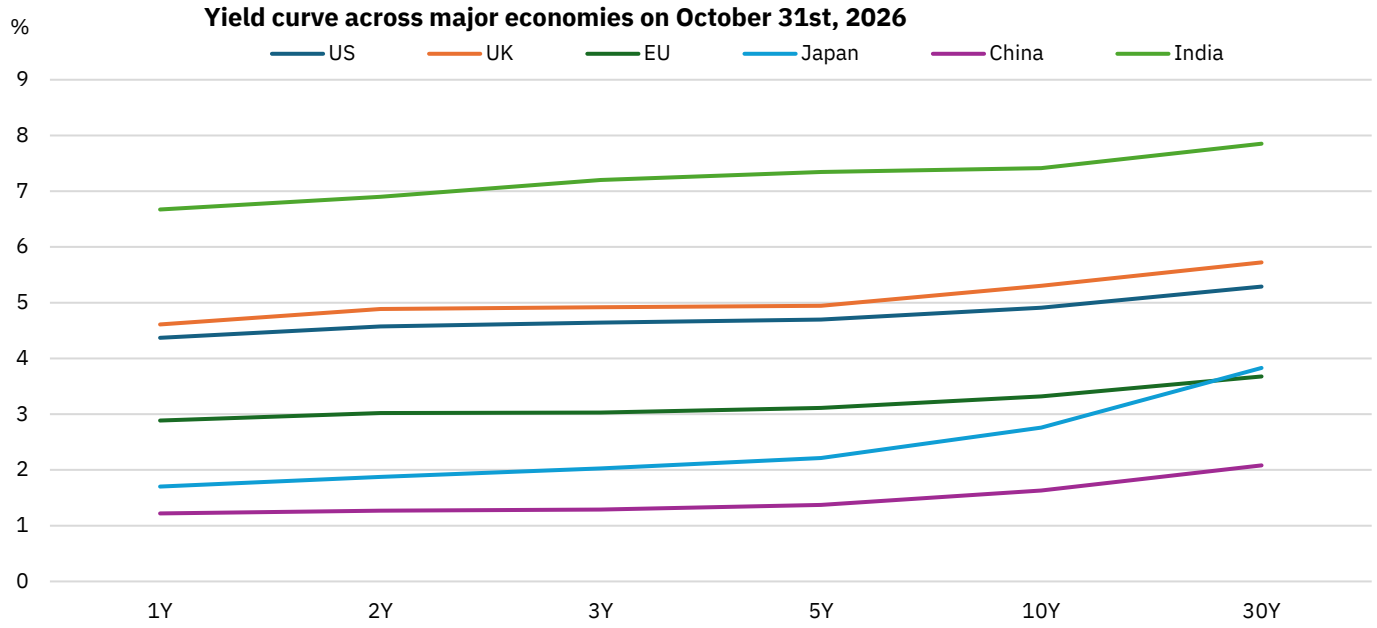
Source: LSEG Workspace, NSE EPR.

Figure 279: Long-term trend of 30-year sovereign bond yields across major developed economies



Source: LSEG Workspace, NSE EPR.

Figure 280: Sovereign yields curve across major economies



Source: NSE Cogencis, LSEG Workspace, NSE EPR.

Figure 281: Change in sovereign yields across major economies in October 2026

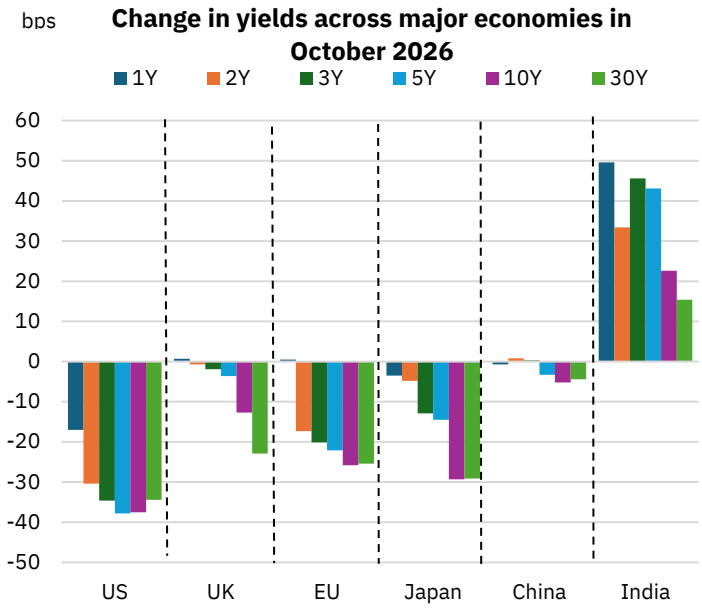
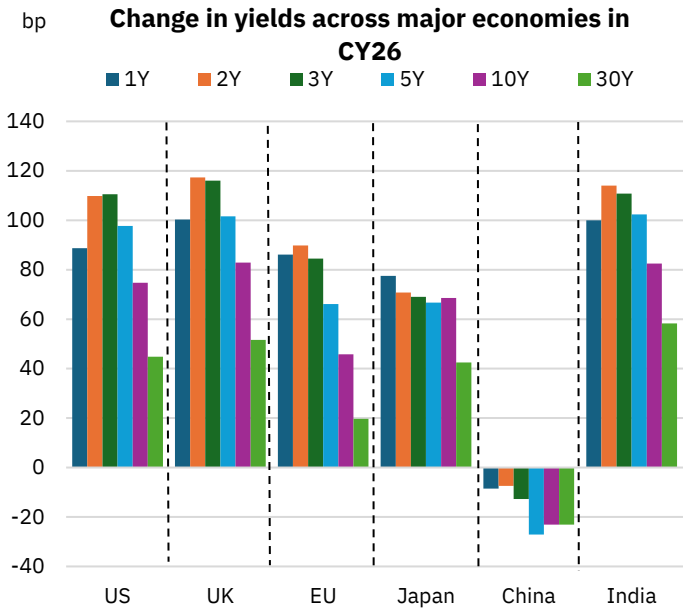


Figure 282: Change in sovereign yields across major economies in CY26 (As on October 31st, 2026)



Source: NSE Cogencis, LSEG Workspace, NSE EPR.

Indian G-Sec bonds continued to surge in October: India's sovereign bond yields rose sharply through much of October, driven by Reserve Bank of India's monetary policy tightening and elevated crude oil prices, before partially reversing in November. The 10-year benchmark rose from 7.19% at end-September to 7.39% by October 20th and around 7.49% by October 26th. Yields increased across the maturity spectrum, with a sharper rise at the shorter end of the curve, reflecting upward pressure from open-market sales and tighter cash reserve requirements by the central bank. Yields retreated in early November amid declining crude oil prices and softer global cues, before rebounding by mid-month

as a higher-than-expected inflation print reinforced expectations of further rate hikes in December.

Figure 283: India 10Y G-sec yield—long-term trend

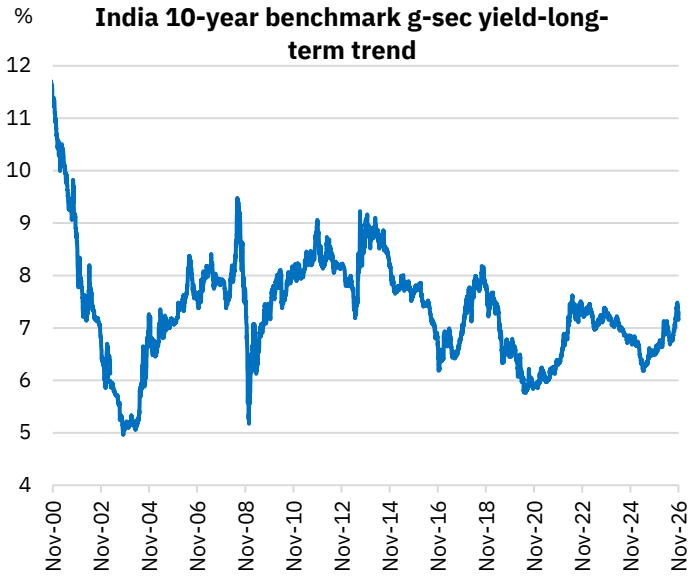
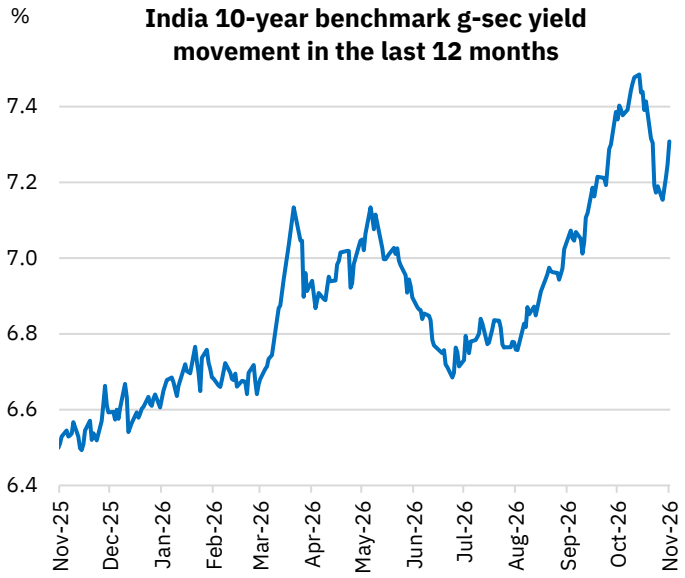
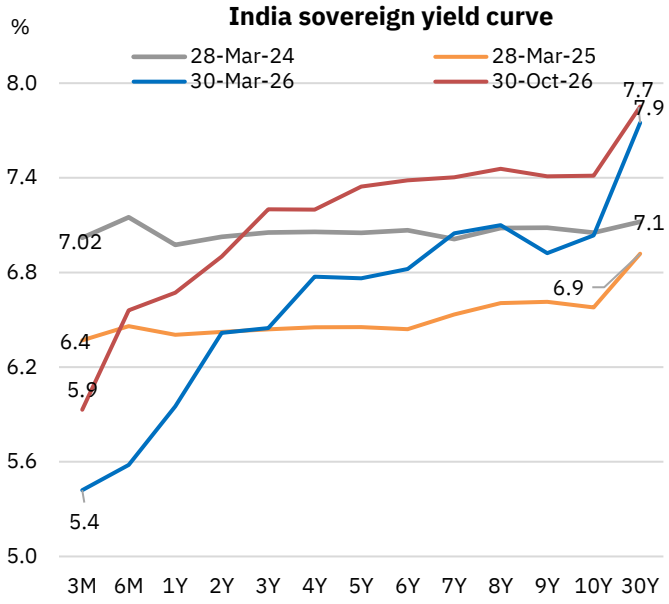


Figure 284: India 10Y G-sec yield—last one-year trend



Source: NSE Cogencis, NSE EPR.
Note: Data is as of November 13th, 2026.

Figure 285: India sovereign yield curve



Source: NSE Cogencis, NSE EPR.

Figure 286: Change in sovereign yields across the curve so far FY27 (As on October 31st, 2026)

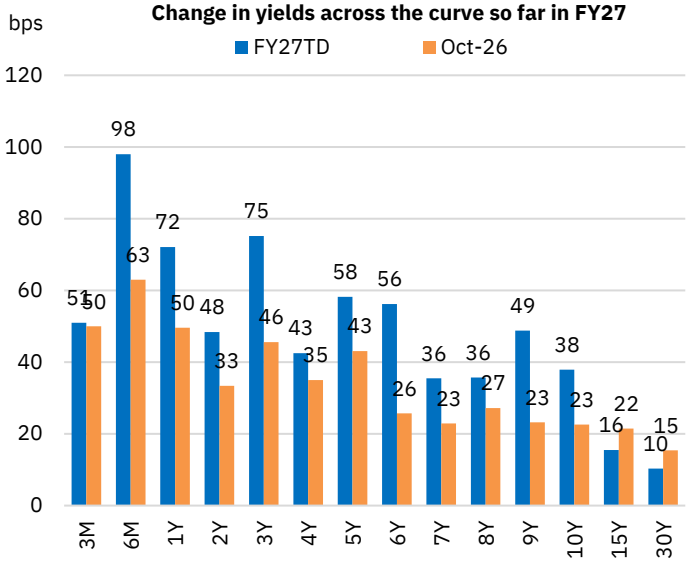
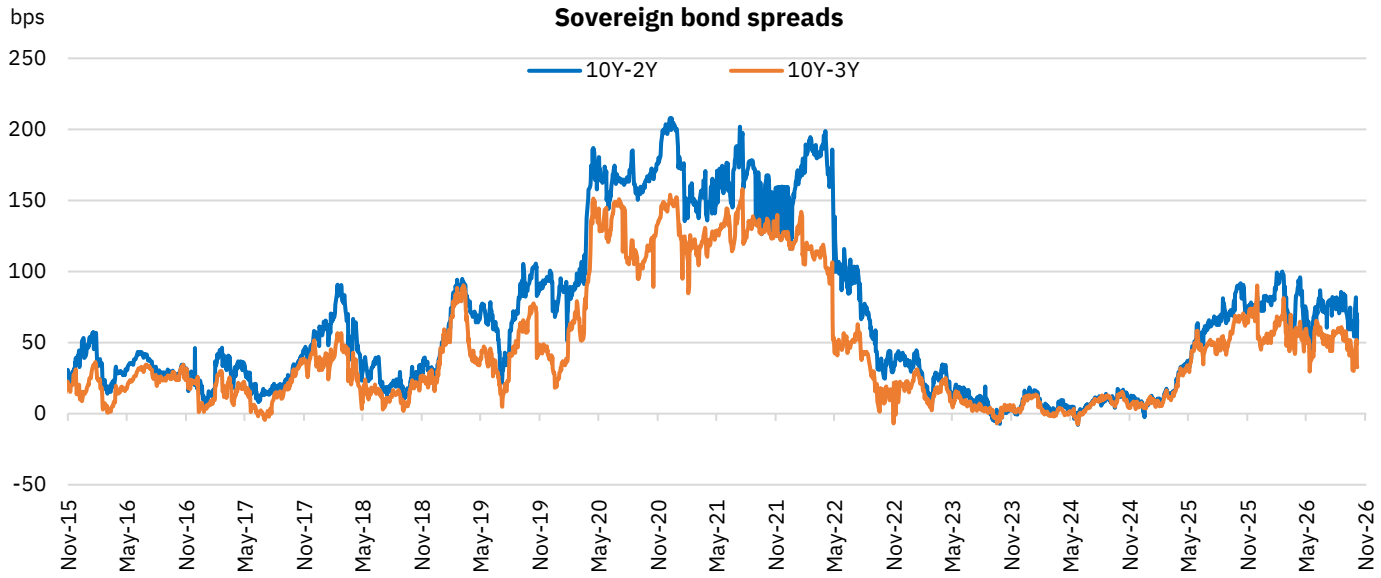


Figure 287: India sovereign bonds term premia



Source: NSE Cogencis, NSE EPR. Note: Data is as of November 13th, 2026.

Figure 288: Annual trend of Centre's market borrowings

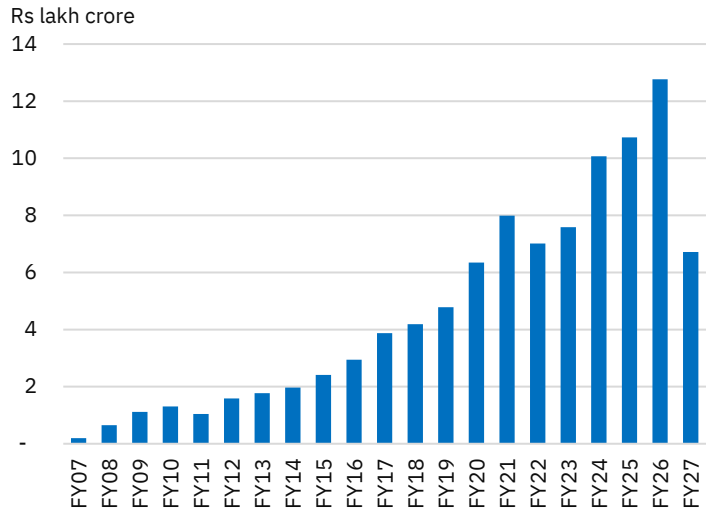
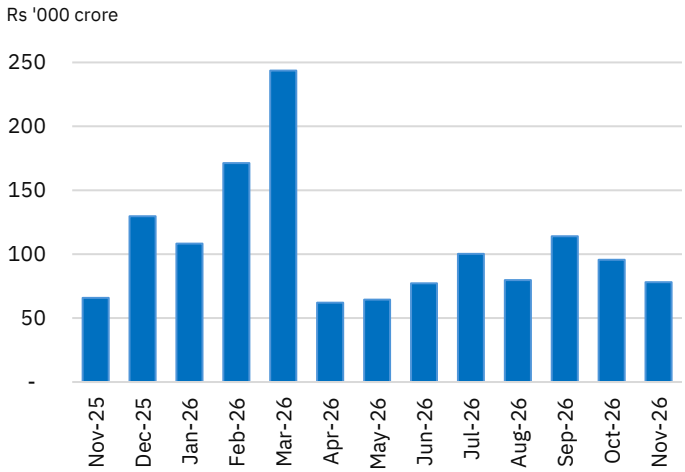
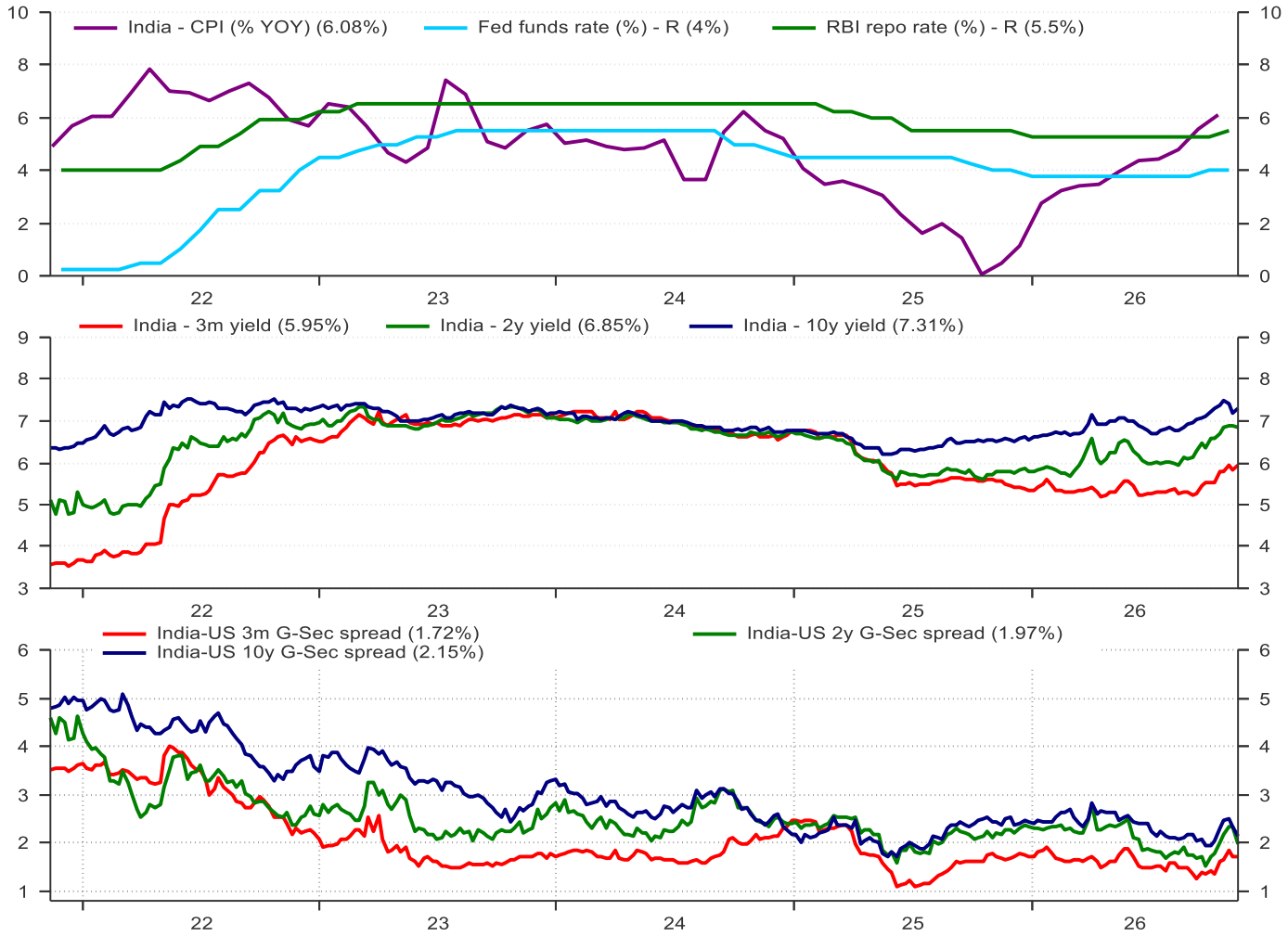


Figure 289: Centre's market borrowings in the last 12 months



Source: RBI, NSE EPR.
Note: 1. Above charts are based on date of issue.
2. FY27 data is as of November 17th, 2026.

Figure 290: Inflation, yields and spreads in India vs. US

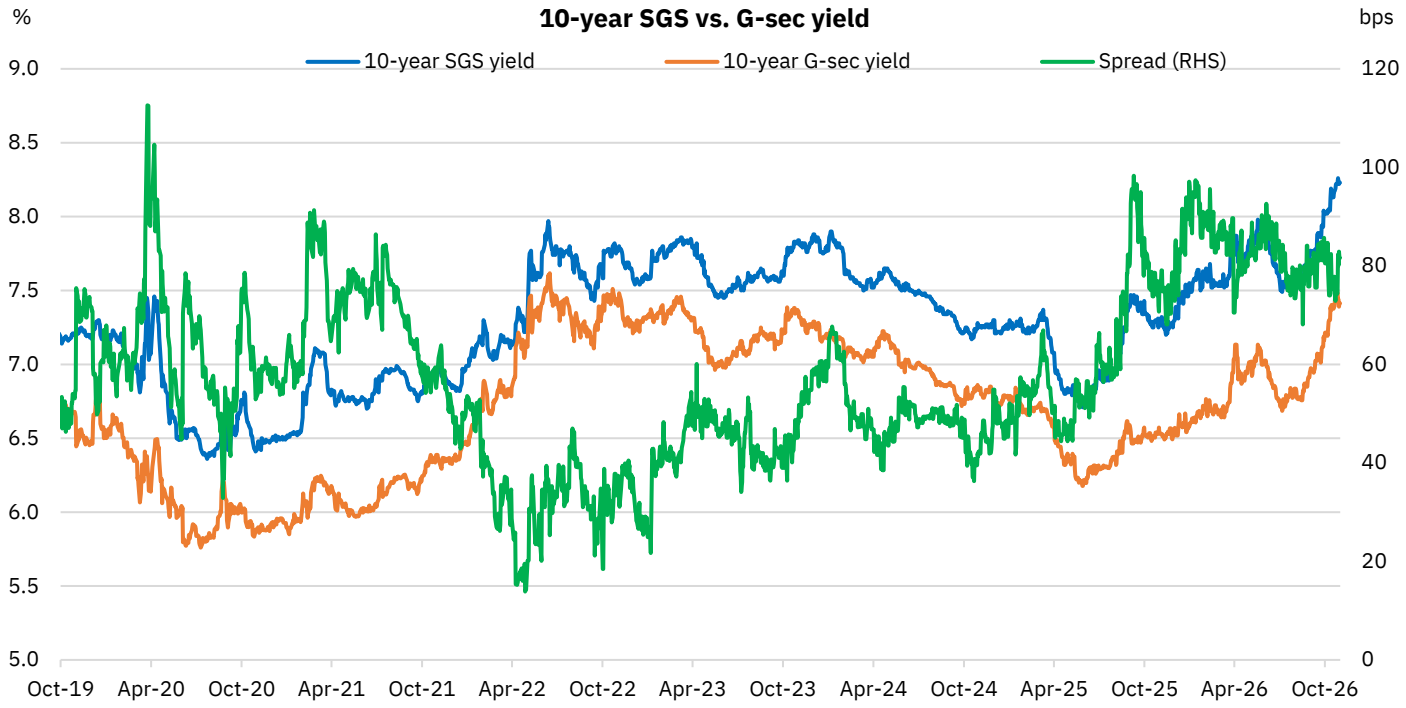


Source: LSEG Workspace, NSE EPR.

SGS yields tracked the trajectory of G-Secs through October and November: Ten-y ear SGS yields climbed from 8.02% at end-September to 8.15% by mid-October to 8.26% by October 27th before closing the month at 8.23% (+21 bps MoM), as the impact of liquidity tightness and higher G-Sec yields transmitted into SGS markets. The average spread between 10-year SGS and the benchmark G-Sec remained elevated ranging from 73 bps to 85 bps, amid heavy state borrowing supply and increasing interest rate environment.

State borrowings touched Rs 95,585 crore in the month of October and Rs 78,089 in the month of November (As on November 17th, 2026). Supply-side pressures are likely to persist through the remainder of the quarter, with the indicative borrowing calendar for Q3FY27 pegged at Rs 3.6 lakh crore for states and UTs, representing a 26% increase over the corresponding period last year.

Figure 291: Spreads between 10-year SGS and G-sec yields



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

Figure 292: Annual state government borrowings

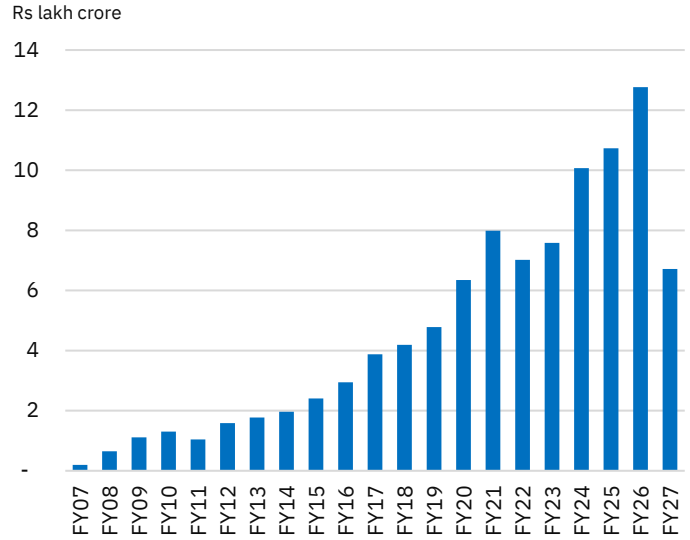
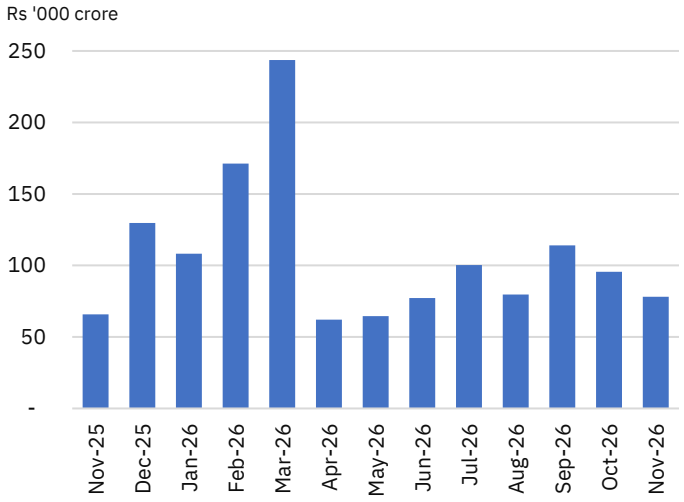


Figure 293: State government borrowings in the last 12 months



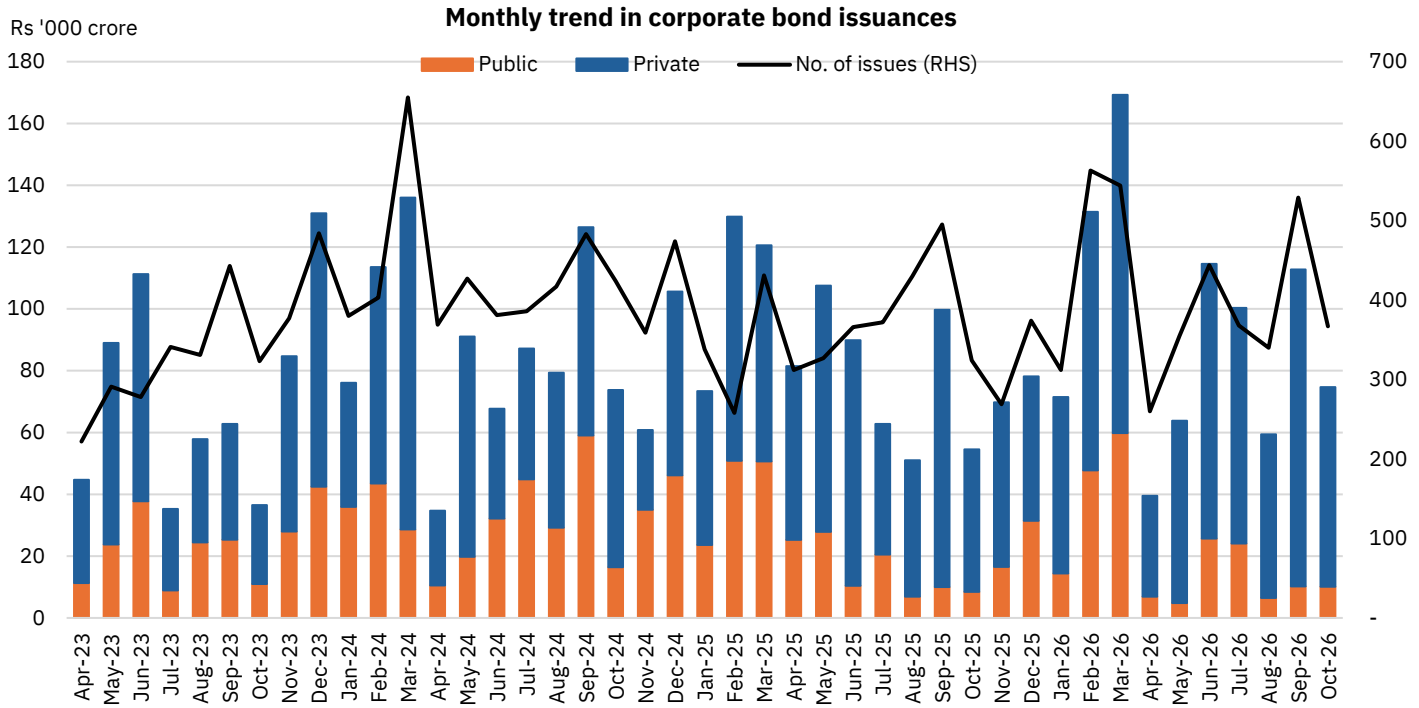
Source: RBI, NSE EPR.

Note: 1. Above charts are based on date of issue. 2. Data for FY27 is as on November 17th, 2026.

Corporate bond market performance

Corporate bond yields recorded subdued primary issuances amid rising yields: Corporate bond issuances declined 34% MoM in the month of October to Rs 74,670 crore as higher yields and cautious investor sentiment weighed on primary market activity. The decline was largely driven by a sharp 37% MoM contraction in private sector issuances, while public sector issuances declined by a modest 1% MoM. Average yields increased by 35–55 bps across tenors, ranging between 8% and 9.17%, with a relatively sharper rise at the shorter end of the curve, reflecting heightened near-term funding pressures and tighter liquidity conditions. By October 30th, AAA-rated yields rose to around 8.36% at one-year and about 8.45% at five to ten years, with credit spreads over comparable G-Secs still widest in the short end because tighter liquidity and higher funding costs.

Figure 294: Monthly trend in corporate bond issuances by issuer type



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

Table 79: Fiscal trend in corporate bond issuances

	FY24	FY25	FY26	FY27TD
Amount raised (Rs crore)	**978,633**	**1,050,361**	**1,066,984**	**5,65,093**
Public	321,039	418,393	279,349	88,263
Private	657,595	631,968	787,635	4,76,830
No. of Issues	**4,528**	**4,747**	**4,688**	**2,663**
Public	132	148	149	74
Private	4,396	4,599	4,539	2,589

Source: NSDL India Bond Info, NSE EPR.
Note: 1. Includes issuance of fully and partly convertible corporate bonds. 2. FY27TD data is as of October 31st, 2026.

Figure 295: Maturity profile of corporate bonds issued in the month of FY27 (As on October 31st, 2026)

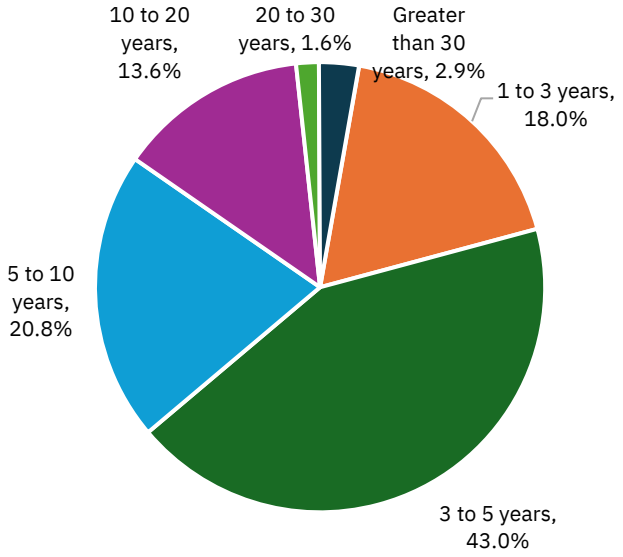
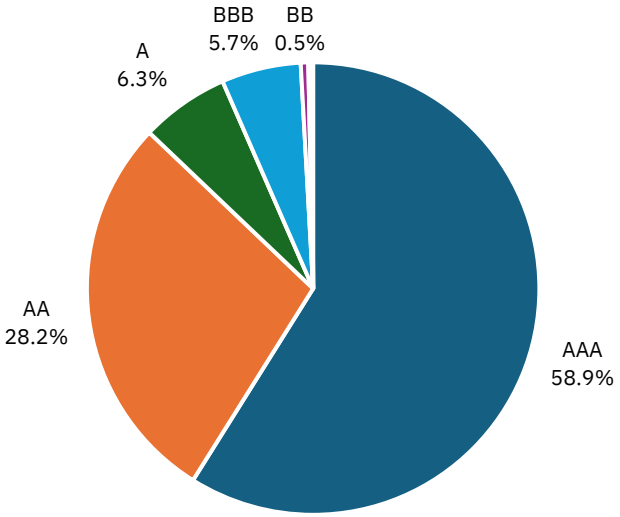


Figure 296: Credit profile of corporate bonds issued in the month of FY27 (As on October 31st, 2026)



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

Figure 297: Annual trend in maturity profile of corporate bond issuances

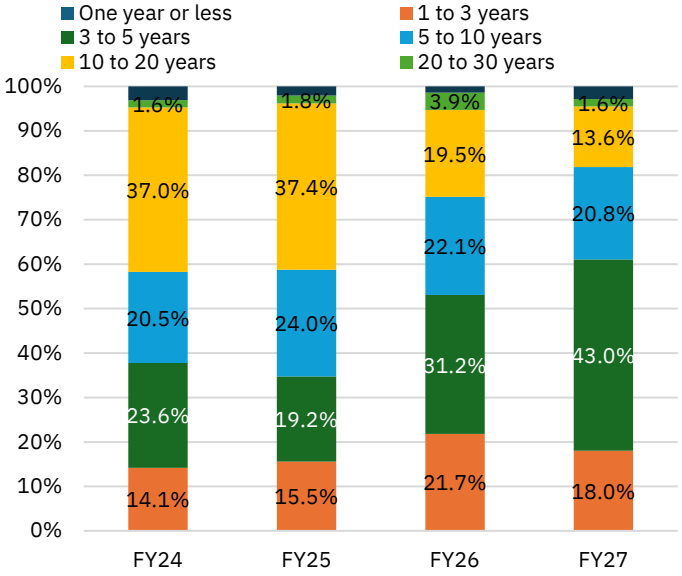
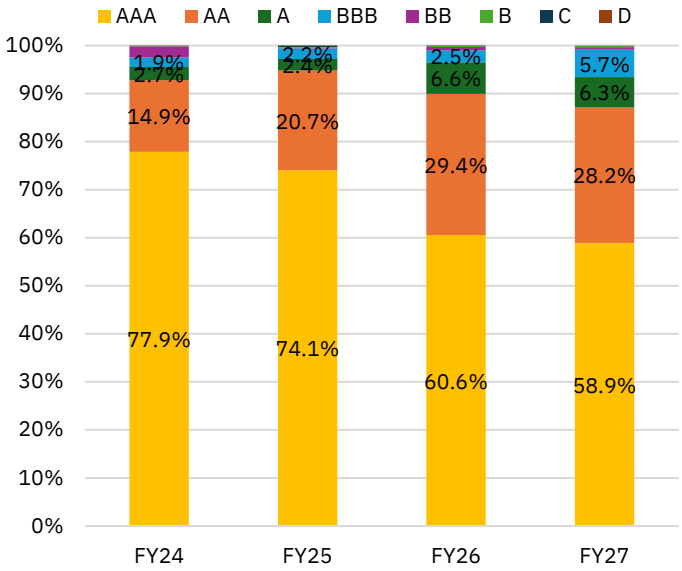
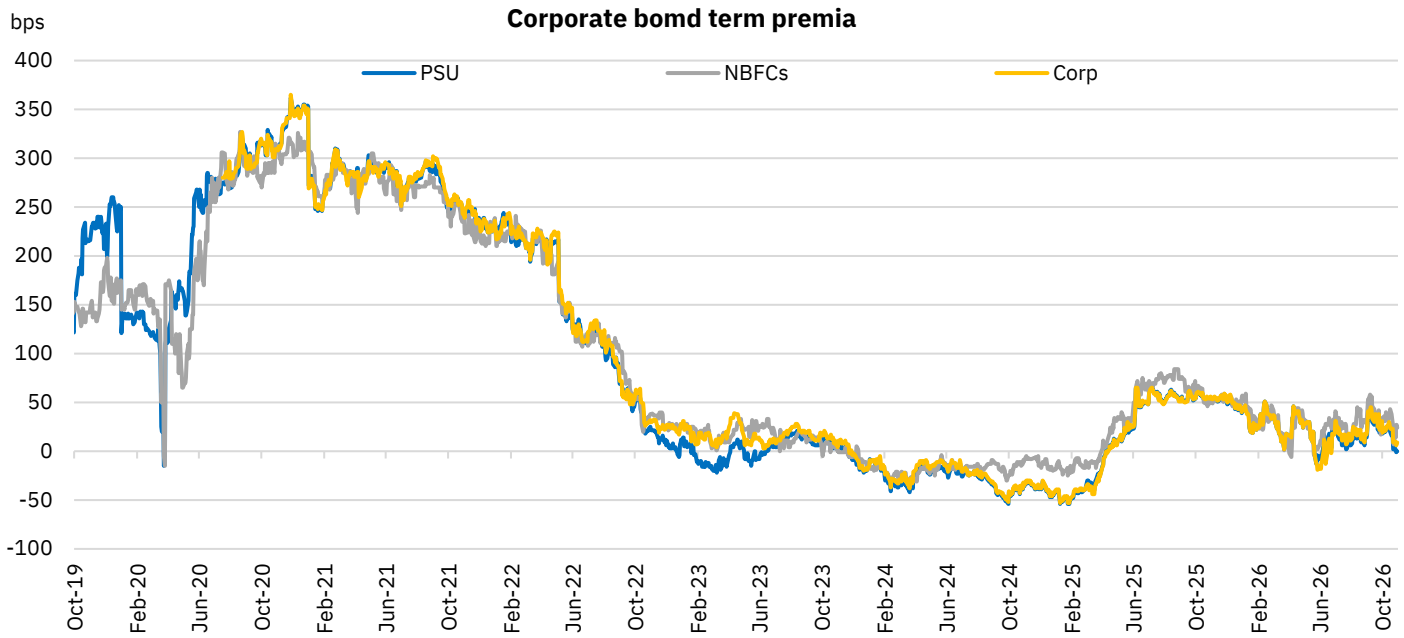


Figure 298: Annual trend in credit profile of corporate bond issuances



Source: NSDL India Bond Info, NSE EPR. Note: 1. Includes issuance of fully and partly convertible corporate bonds.
Note: FY27 data is as on October 31st, 2026.

Figure 299: Corporate bond term premia between 10-year and 1-year yields



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

Figure 300: AAA-rated corporate bond yield curve

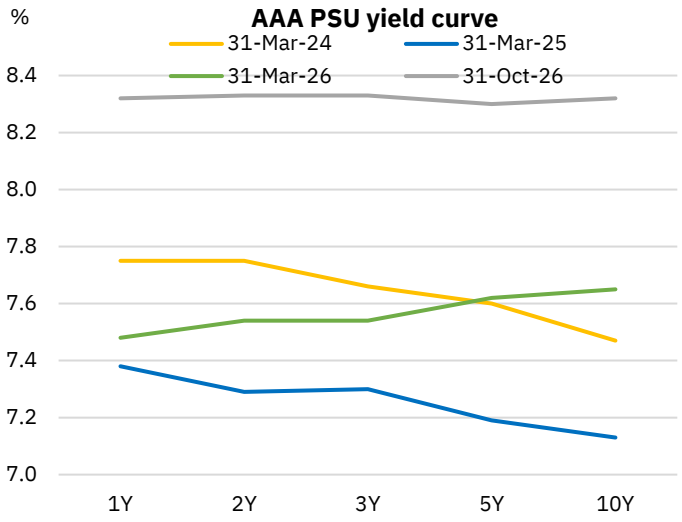
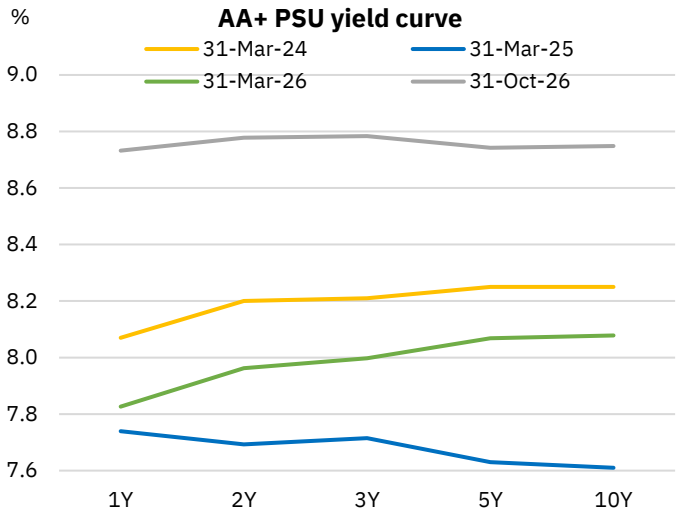


Figure 301: AA+ rated corporate bond yield curve



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

Figure 302: Change in AAA corporate bond and G-sec yields in FY27 (As on October 31st, 2026)

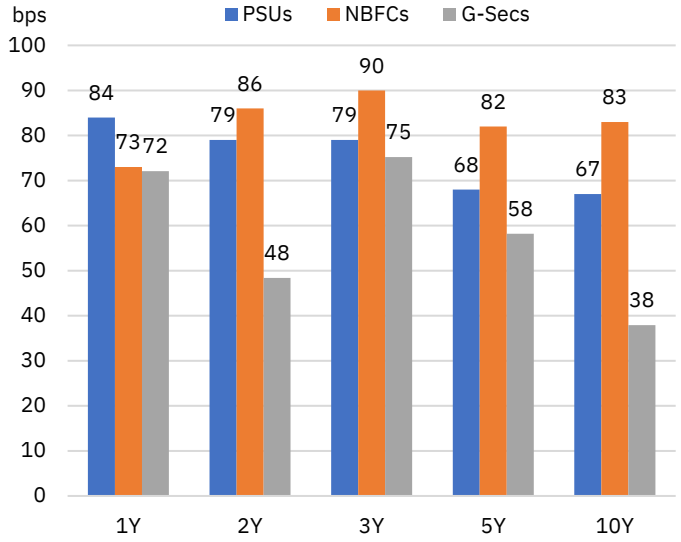
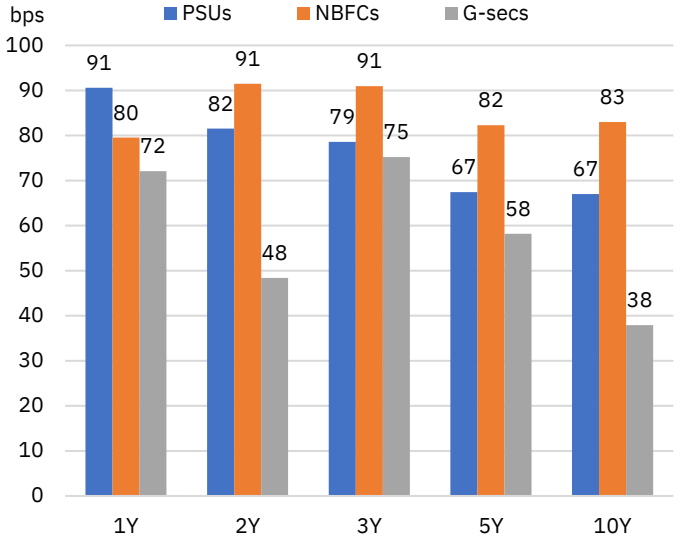


Figure 303: Change in AA+ corporate bond and G-sec bond yields in FY27 (As on October 31st, 2026)



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

Figure 304: Spreads for one-year AAA-rated corporate bonds over G-Sec across segments

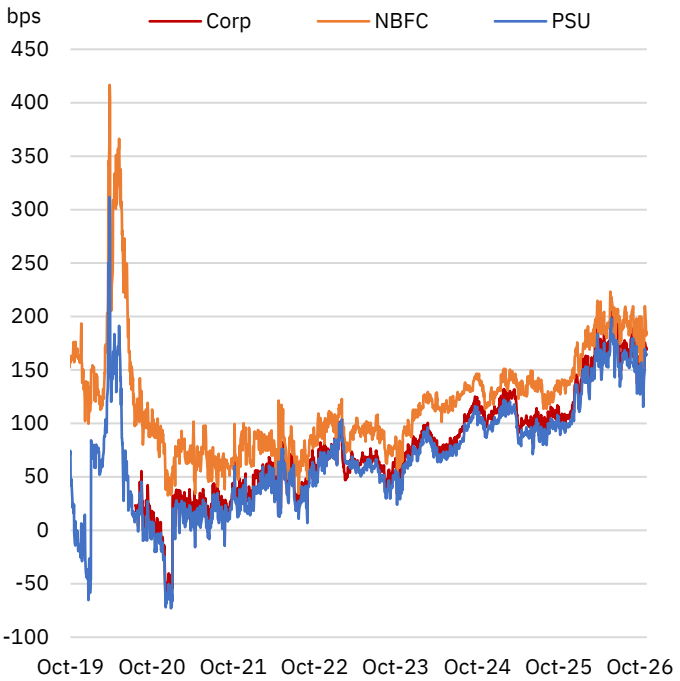
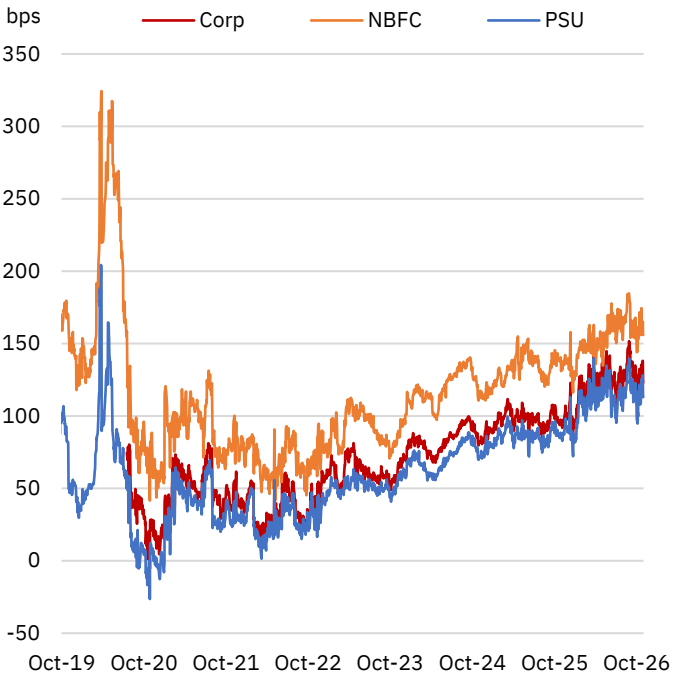


Figure 305: Spreads for three-year AAA-rated corporate bonds over G-Sec across segments



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

Figure 306: Spreads for five-year AAA-rated corporate bonds over G-Sec across segments

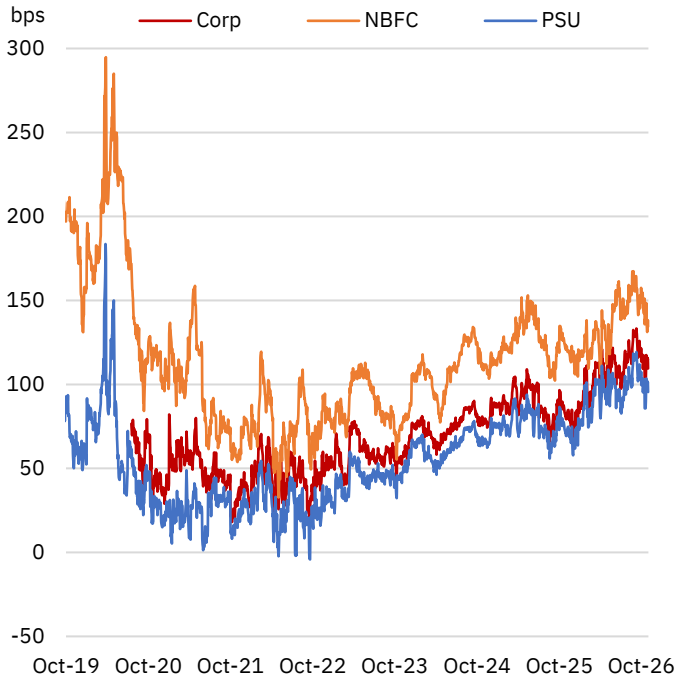
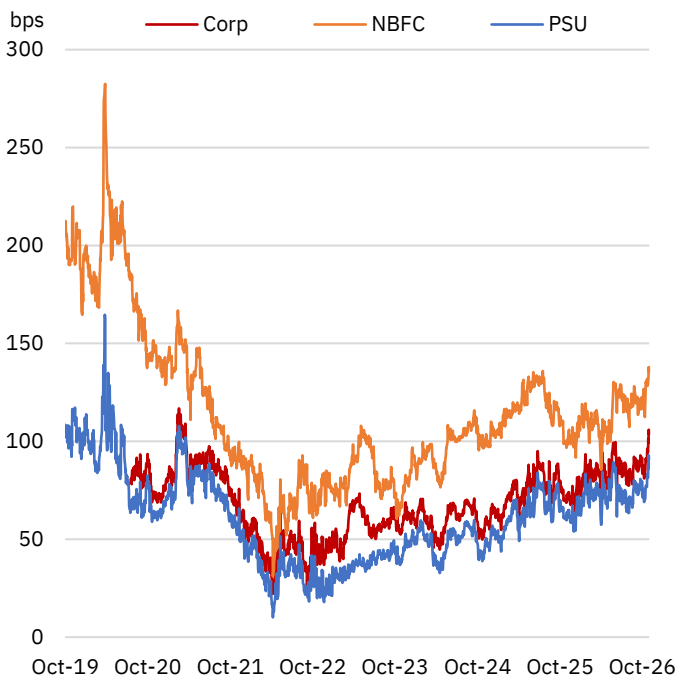


Figure 307: Spreads for 10-year AAA-rated corporate bonds over G-Sec across segments



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

5.4 Commodity market performance

Energy gains contrast with broad-based weakness in metals and agriculture: Global commodity markets diverged sharply in Oct'26, as escalating geopolitical tensions supported energy prices, while tighter financial conditions and ample supplies weighed on much of the remaining complex. Renewed concerns over Middle Eastern energy infrastructure and shipping security drove crude oil prices higher. However, the resulting inflationary pressures reinforced expectations of higher-for-longer U.S. interest rates, triggering a sharp correction in precious metals, particularly those with greater exposure to industrial and automotive demand. Industrial metals also weakened amid persistent oversupply, concerns over the technology sector and subdued Chinese restocking, with lead emerging as the notable exception on tighter inventories. Agricultural commodities retreated as larger U.S. harvests and higher production estimates weighed on grains and oilseeds, while raw sugar bucked the broader trend on weather-related disruptions to Brazilian cane crushing.

- **Energy:** Brent crude prices rose 13.6% MoM in Oct'26, as renewed geopolitical tensions and threats to Middle Eastern energy infrastructure heightened concerns over supply disruptions. Houthi threats against key Saudi oil facilities and attacks on commercial tankers in the Strait of Hormuz and the Black Sea reinforced the geopolitical risk premium, while reports of potential renewed US military action against Iran added to market uncertainty. Declining global inventories and higher tanker freight rates further supported prices.

- **Precious metals:** Precious metals corrected sharply in Oct'26, extending September's decline as elevated crude oil prices reinforced inflation concerns and strengthened expectations of a prolonged restrictive U.S. monetary policy stance. The Federal Reserve maintained its policy rate at 3.75–4.00% on 28 October, while U.S. core inflation rose to 2.6% YoY from 2.4% in August. Gold (-6.4% MoM) declined amid speculative position unwinding and a rotation towards bonds, with a stronger dollar adding to the pressure. Notably, the correction occurred despite continued gold ETF inflows, suggesting that futures positioning and leveraged selling played an important role.

  Silver (-18.7% MoM) recorded a much steeper decline as concerns over industrial demand, particularly from solar, electronics and electric vehicles, compounded broader precious-metals weakness. Platinum (-16.8% MoM) and palladium (-20.2% MoM) also fell sharply amid concerns over automotive demand and the growing penetration of battery electric vehicles. Palladium faced additional pressure following the easing of potential restrictions on Russian metal supplies.

- **Industrial metals:** Industrial metals were largely weaker in Oct'26 as persistent inflationary pressures, a stronger U.S. dollar and a sell-off in technology and semiconductor stocks weighed on sentiment. Tin (-9.1% MoM) recorded the steepest decline as the retreat in AI and semiconductor-related equities cooled AI hardware demand expectations, while the gradual restart of Myanmar's Man Maw mine added to the correction. Nickel (-4.1% MoM) remained under pressure from ample Indonesian supply, with the International Nickel Study Group projecting a 2026 surplus of 19,000 tonnes that widens to 70,000 tonnes in 2027, alongside

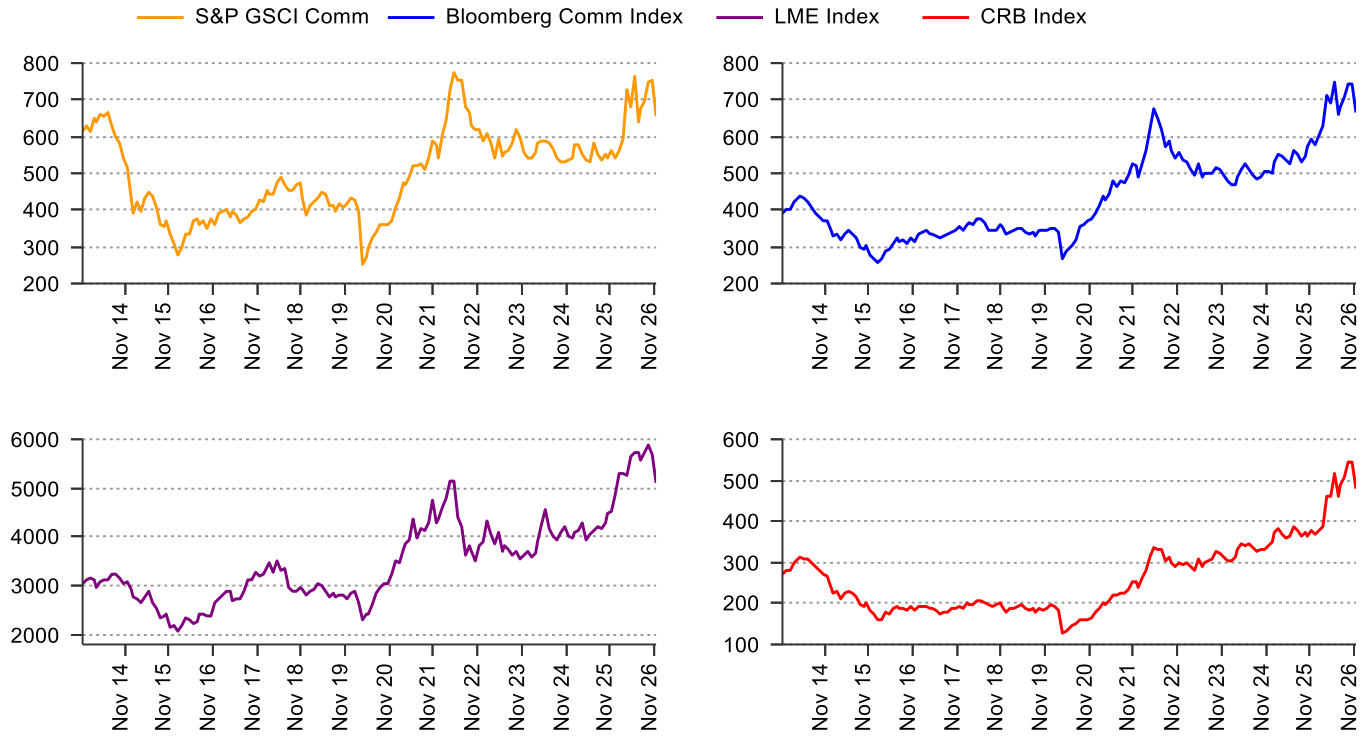
slower growth in nickel-intensive battery demand amid competition from LFP chemistries.

Iron ore (-3.2% MoM) extended its decline as post-holiday restocking by Chinese mills fell short of expectations amid thin margins and weak steel demand, while rising seaborne supply added to the pressure. Aluminium (-1.7% MoM) eased as near-record Chinese output and the gradual resumption of Gulf smelter operations moderated supply concerns, while copper (-0.9% MoM) declined marginally as weakness in AI-related equities and the stronger dollar offset support from the partial closure of Chile's El Teniente mine and record-low concentrate treatment charges. Zinc (-0.1% MoM) ended nearly flat as higher Chinese refined exports eased tight Western physical balances, whereas lead (+2.3% MoM) edged higher on declining exchange inventories and seasonal battery restocking.

- **Agriculture:** Agricultural prices declined broadly in Oct'26, led by grains and oilseeds, as larger U.S. crop estimates and harvest-related selling strengthened expectations of ample global supplies. Corn (-10.7% MoM) recorded the steepest decline as the USDA raised its U.S. production forecast to 16 billion bushels and projected ending stocks to increase to 1.8 billion bushels, amid peak harvest arrivals and discounted Black Sea supplies. Wheat (-6.3% MoM) retreated as higher U.S. ending stocks (up 23 million bushels to 740 million bushels on slower exports), improved Southern Hemisphere harvest prospects in Argentina and Australia, and muted importer buying eased supply concerns. Soyabeans (-5.6% MoM) also weakened as a record U.S. crop estimate of 4.56 billion bushels and favourable South American planting conditions outweighed improved export demand on the back of a weaker Brazilian real. Cotton (-0.9% MoM) remained relatively stable as higher U.S. production and ending-stock estimates offset expectations of declining global inventories. In contrast, raw sugar (+4.4% MoM) advanced on weather-related disruptions to Brazilian cane crushing, weaker production prospects in India and Thailand, and improved ethanol economics amid higher crude oil prices.

Figure 308: Movement in key commodity indices

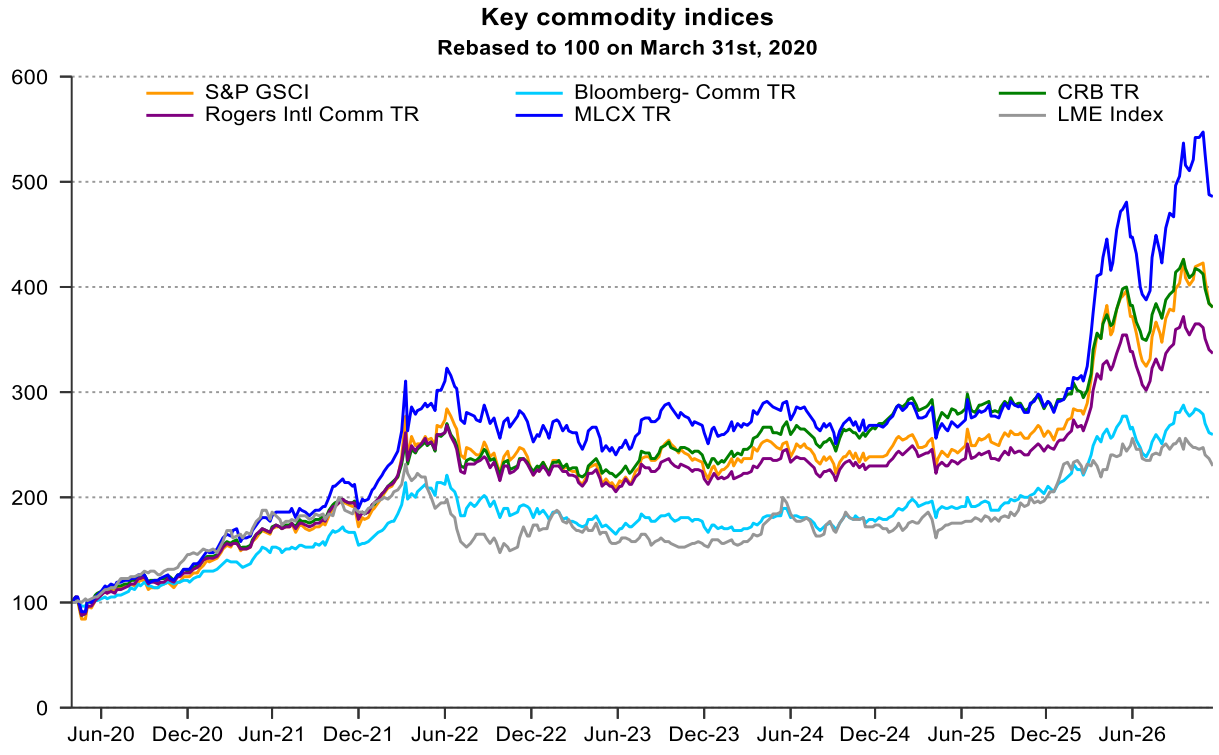
(As of November 18th, 2026)



Source: LSEG Workspace, NSE EPR.

Figure 309: Movement in key commodity indices since 2020

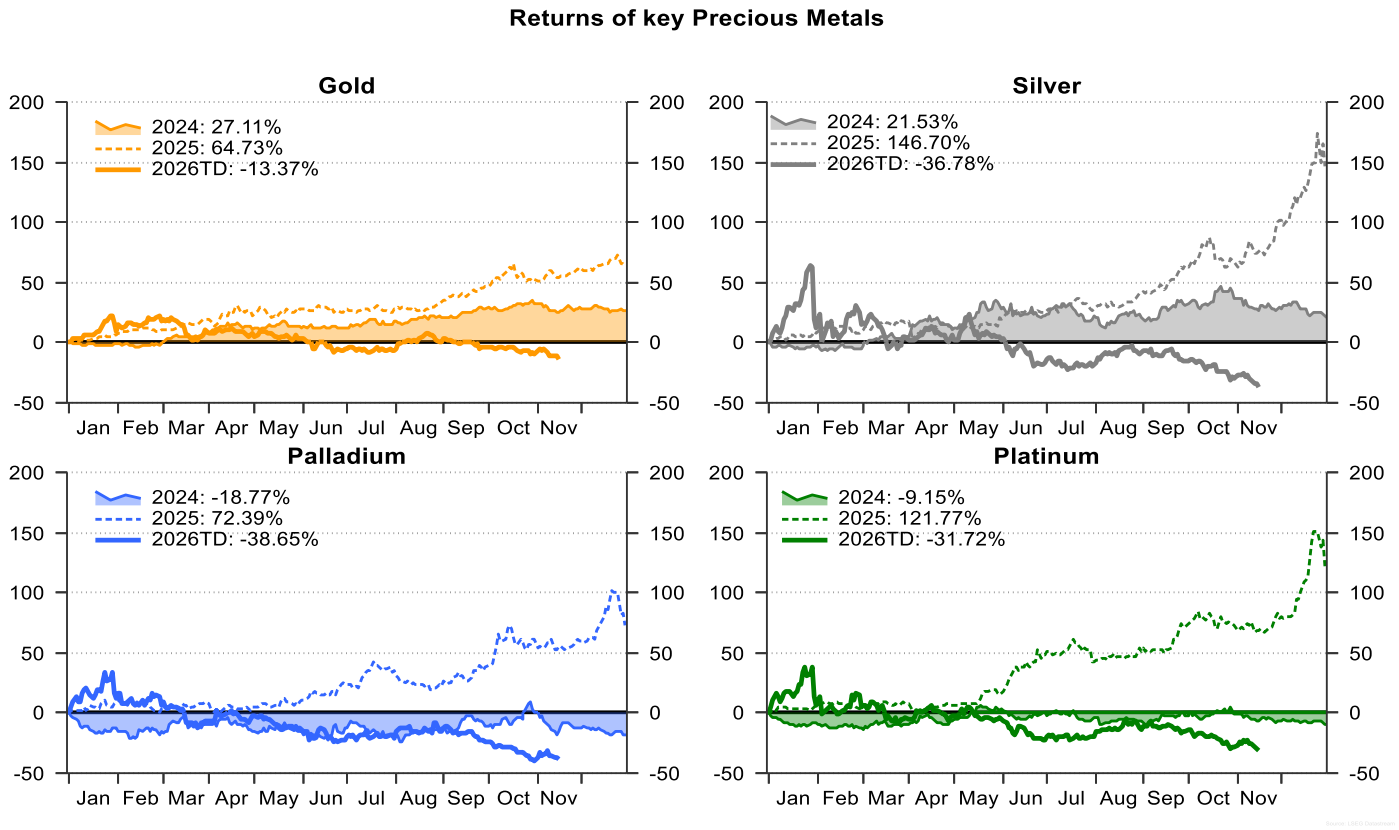
Rebased to 100 on March 31st, 2020 (As of November 17th, 2026)



Source: LSEG Workspace, NSE EPR.

Figure 310: Returns of key precious metals in 2024, 2025 and 2026 till date

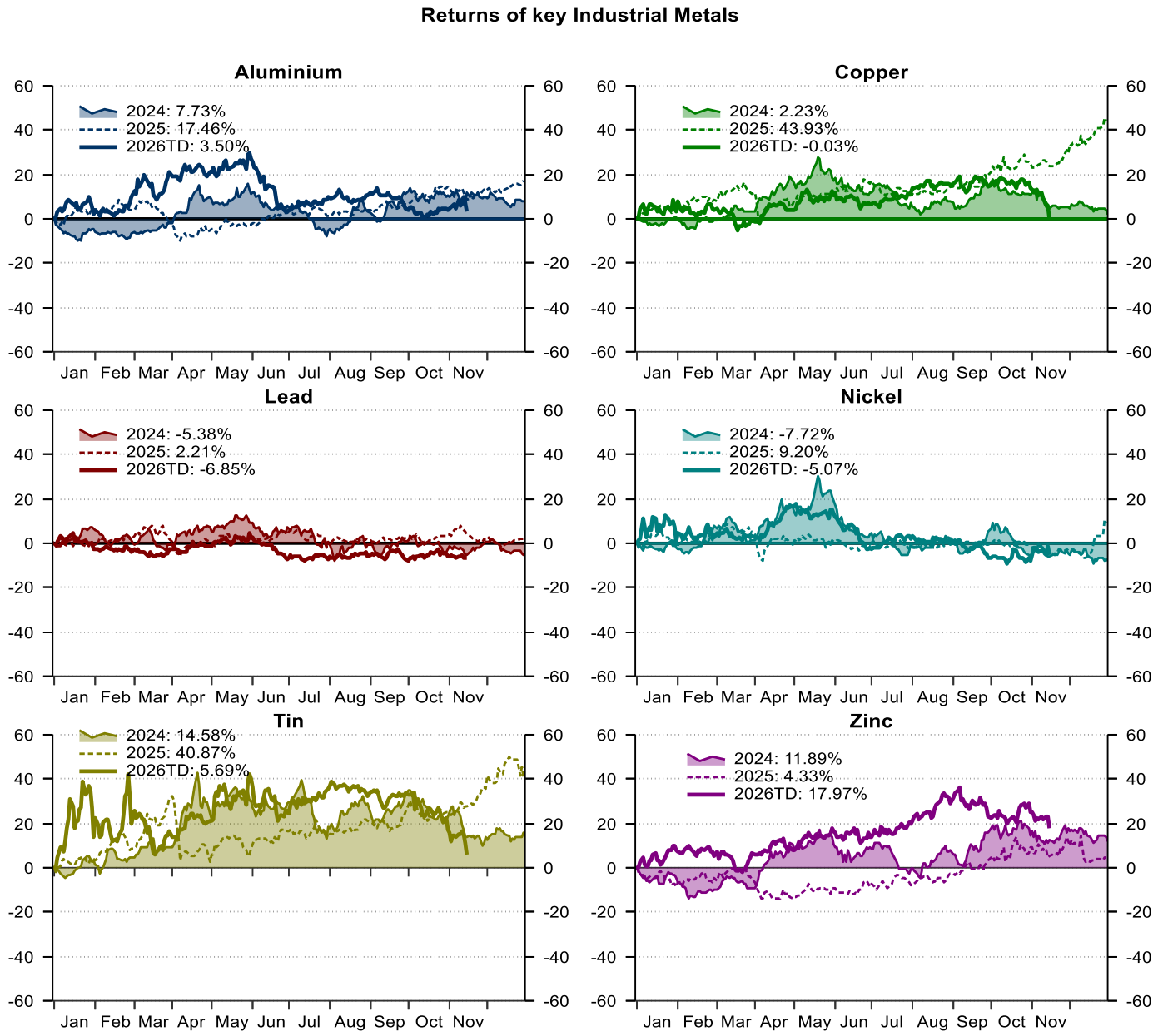
(As of November 17th, 2026)



Source: LSEG Workspace, NSE EPR.

Figure 311: Returns of key industrial metals in 2024, 2025 and 2026 till date

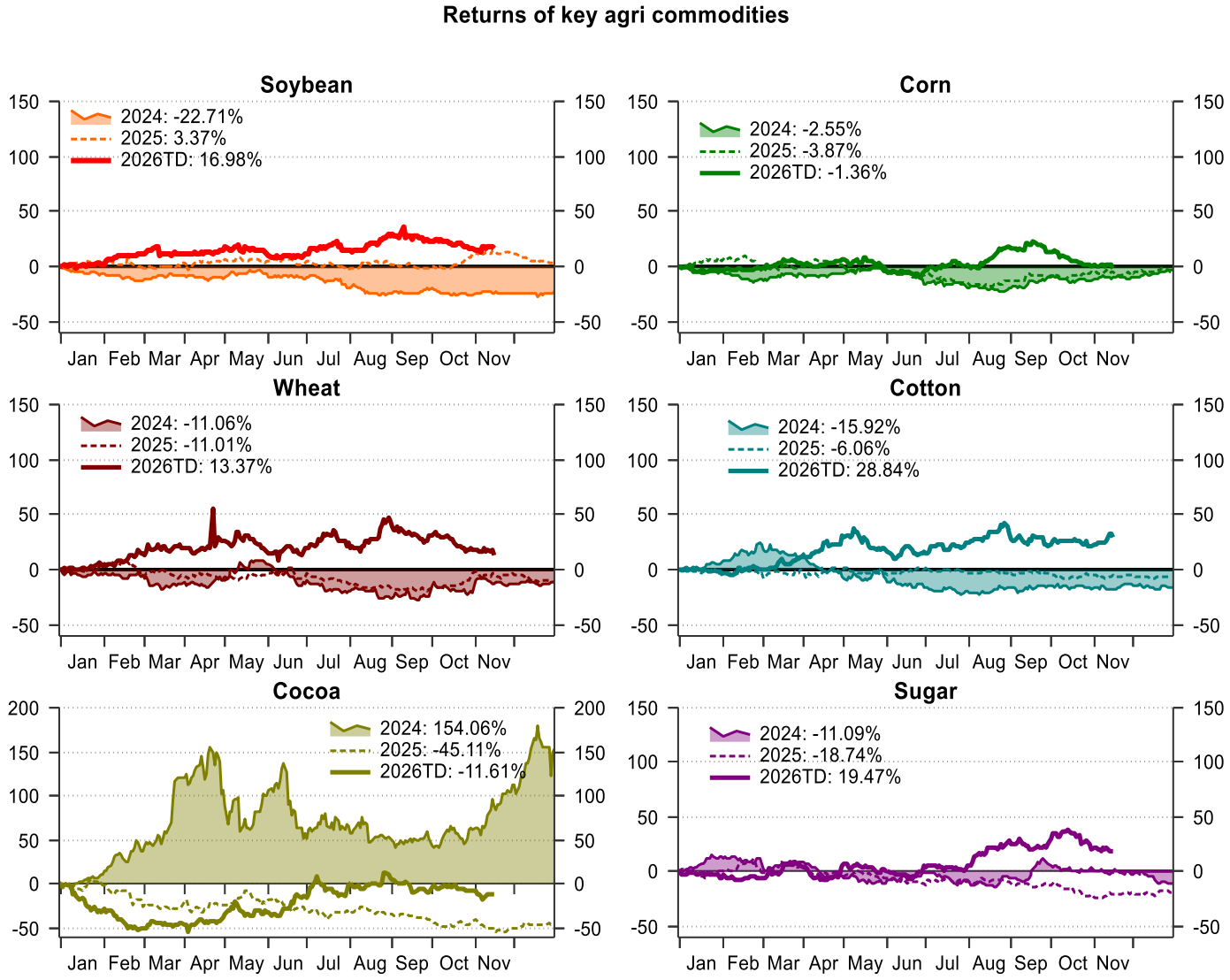
(As of November 17th, 2026)



Source: LSEG Workspace, NSE EPR.

Figure 312: Returns of key agricultural commodities in 2024, 2025 and 2026 till date

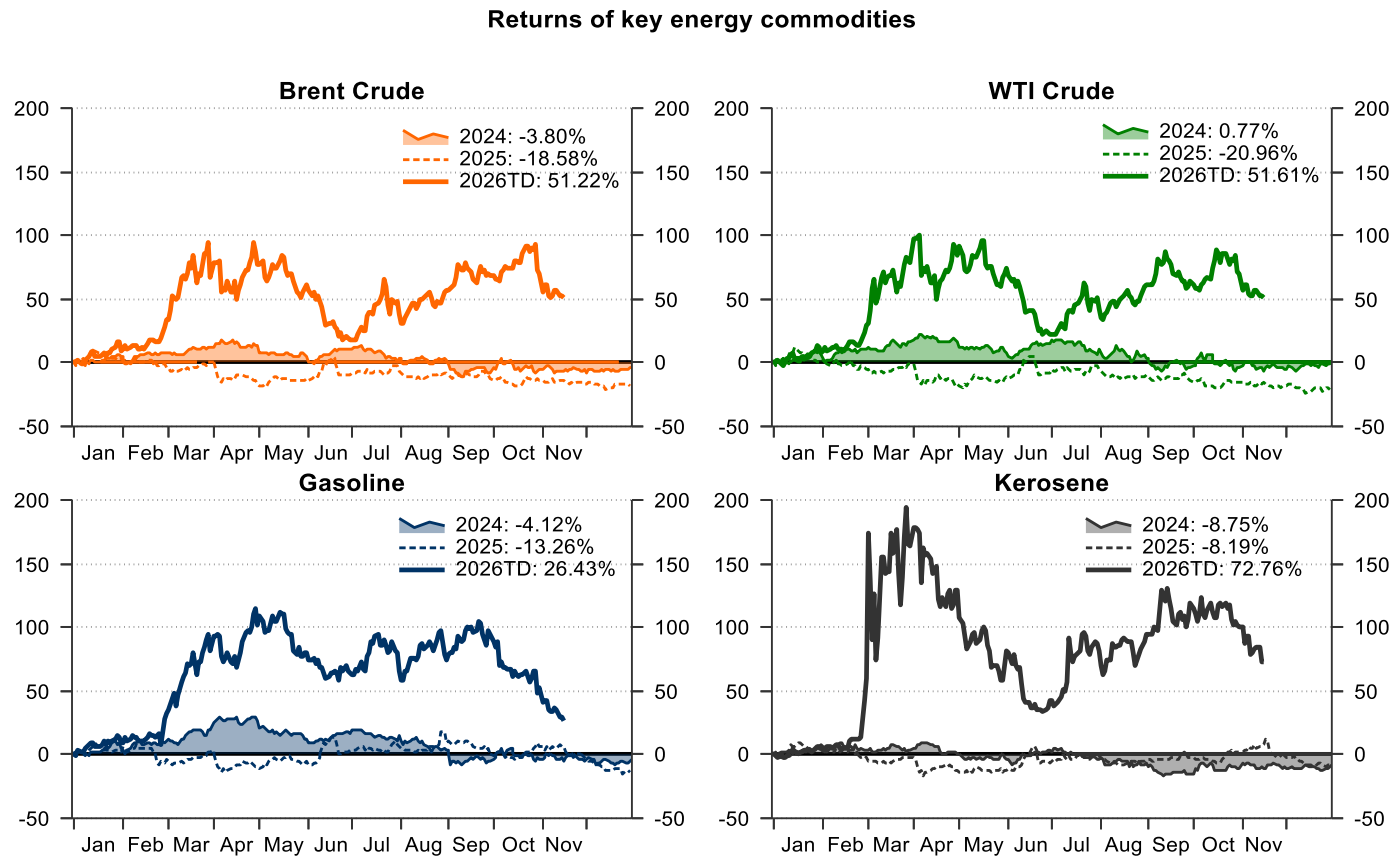
(As of November 17th, 2026)



Source: LSEG Workspace, NSE EPR.

Figure 313: Returns of key energy commodities in 2024, 2025 and 2026 till date

(As of November 17th, 2026)



Source: LSEG Workspace, NSE EPR.

Table 80: Annual performance across commodities

(As of November 17th, 2026)

Annual performance across commodities (Ranked by % change each year)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026TD
Lead	Zinc	Palladium	Palladium	Palladium	Silver	Tin	Nickel	Gold	Gold	Silver	WTI
-2.5	60.6	57.6	19.6	52.0	47.8	91.7	43.1	13.8	27.1	146.7	51.6
Gold	Brent Crude	Aluminium	Gold	WTI	Copper	WTI	Brent Crude	Tin	Silver	Platinum	Brent Crude
-10.5	54.5	32.4	-1.7	35.4	26.0	55.8	8.3	1.7	21.5	121.8	51.2
Silver	Tin	Copper	Tin	Nickel	Gold	Brent Crude	Platinum	Copper	Tin	Palladium	Zinc
-11.8	45.3	30.5	-2.9	31.6	24.8	51.1	7.5	1.2	14.6	121.8	18.0
Aluminium	WTI	Zinc	Silver	Brent Crude	Palladium	Aluminium	Palladium	Aluminium	Zinc	Gold	Tin
-17.8	44.8	30.5	-8.6	24.8	22.0	42.2	7.5	-0.2	11.9	64.7	5.7
Tin	Palladium	Nickel	Platinum	Platinum	Zinc	Zinc	WTI	Silver	Aluminium	Copper	Aluminium
-24.9	20.7	27.5	-14.4	22.3	19.7	31.5	6.4	-0.8	7.7	43.9	3.5
Copper	Copper	Lead	Nickel	Gold	Tin	Nickel	Silver	Platinum	Copper	Tin	Copper
-26.1	17.4	24.3	-16.5	18.7	19.6	26.1	2.9	-2.4	2.2	40.9	0.0
Zinc	Silver	Brent Crude	Aluminium	Silver	Nickel	Copper	Lead	Palladium	WTI	Aluminium	Nickel
-26.5	15.1	17.5	-17.4	15.2	18.7	25.7	-0.1	-2.4	0.8	17.5	-5.1
Platinum	Aluminium	Gold	Copper	Copper	Aluminium	Lead	Gold	Brent Crude	Brent Crude	Nickel	Lead
-28.0	13.6	12.6	-17.5	3.4	10.8	18.3	-0.4	-8.5	-3.8	9.2	-6.9
WTI	Nickel	WTI	Lead	Aluminium	Platinum	Gold	Copper	WTI	Lead	Zinc	Gold
-30.5	13.5	12.5	-19.2	-4.4	10.0	-4.0	-14.1	-10.3	-5.4	4.3	-13.4
Palladium	Lead	Silver	Brent Crude	Lead	Lead	Platinum	Aluminium	Zinc	Nickel	Lead	Platinum
-31.6	11.3	6.4	-20.2	-4.7	3.3	-10.2	-16.3	-12.1	-7.7	2.2	-31.7
Brent Crude	Gold	Platinum	Zinc	Zinc	WTI	Palladium	Zinc	Lead	Platinum	Brent Crude	Palladium
-35.1	9.0	3.2	-24.5	-9.5	-20.9	-10.2	-16.3	-12.9	-9.2	-18.6	-31.7
Nickel	Platinum	Tin	WTI	Tin	Brent Crude	Silver	Tin	Nickel	Palladium	WTI	Silver
-41.8	3.5	-5.2	-25.3	-12.0	-21.8	-11.7	-37.1	-45.2	-9.2	-21.0	-36.8

Source: LSEG Workspace, NSE EPR.

5.5 Currency market performance

INR appreciated in October aided by RBI's regulatory measures: The Indian Rupee (INR) appreciated by 0.9% MoM in October 2026, reversing the 0.7% depreciation recorded in September 2026, despite a 0.4% strengthening of the US dollar. The INR reached an intra-month low of Rs 96.8 on 8th October before closing at Rs 94.9 by month-end. The INR further appreciated to Rs 93.3 as of 19th November. The currency depreciation in October (*till 8th October*) can be ascribed to elevated crude oil prices and US treasury yields, renewed geopolitical tensions, strengthening US dollar, and sustained FPI equity outflows of US$ 3.6 bn. However, the Reserve Bank of India's regulatory measures announced on 10th October, supported a recovery. These included a special dollar facility for three public sector oil marketing companies (Indian Oil Corporation, BPCL and HPCL) to meet their daily foreign exchange requirements, thereby reducing their demand in the spot market, alongside tighter regulations on rupee-linked foreign exchange derivatives. The RBI also reduced the threshold for undertaking derivative transactions without establishing underlying exposure from US$100 million to US$5 million and introduced a 20% Foreign Exchange Risk Reserve (FERR) requirement for specified transactions. India's foreign exchange reserves position remained comfortable with reserves reaching US$717.1 bn as of 30th October, down from US$734.6 bn as on 2nd October.

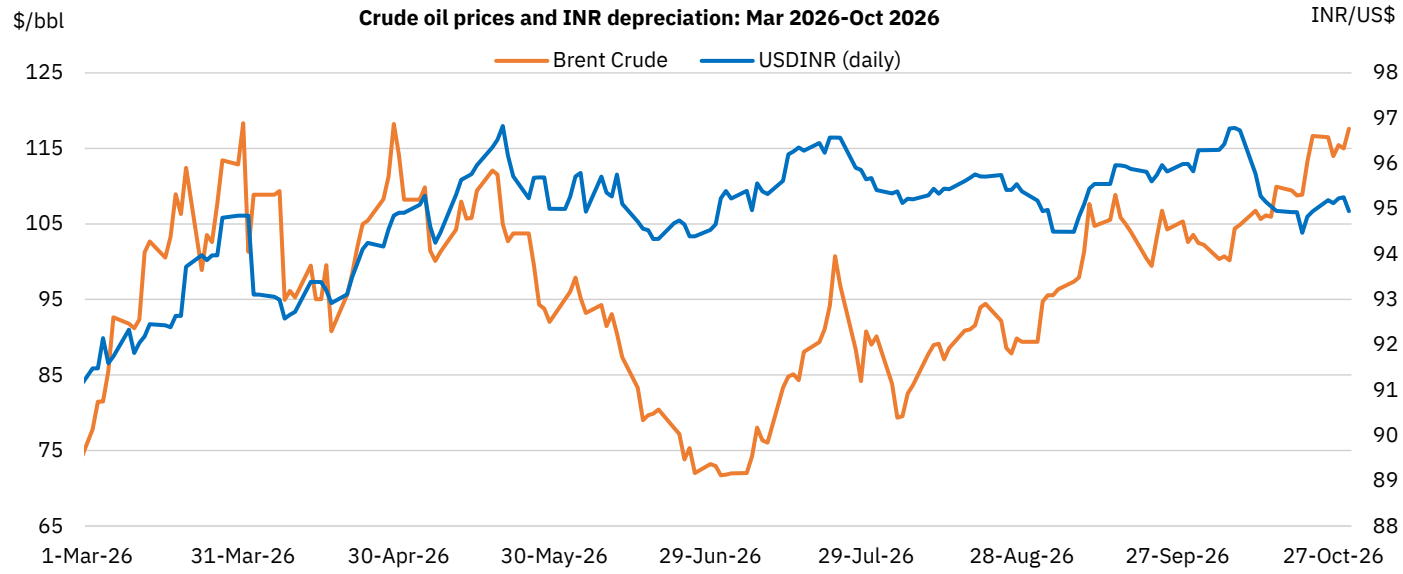
REER and NEER increased in September, moderating the extent of INR undervaluation: The 40-currency trade-weighted REER rose from 91.96 in August'26 to 92.20 in September'26 (+28 bps MoM), while the NEER recorded a marginal uptick from 78.04 to 78.1. The higher growth in REER relative to NEER, indicates that higher inflation in India relative to its trading partners contributed to strengthening of the rupee in real effective terms. The latest REER reading implies a cumulative correction of approximately 15.9 points from the peak of 108.1 recorded in Nov'24, indicating a substantial real effective depreciation over this period. The recent appreciation in both REER and NEER suggests a partial reversal of this earlier depreciation, moderating some of the associated gains in external price competitiveness.

INR volatility remains broadly stable in October amid mixed movements across peers...: The INR's average annualised volatility remained broadly stable at 5.42% in October 2026, even as volatility remained mixed across major peer currencies during the month. Among emerging markets, the Russian Rouble (13.9%), Brazilian Real (12.0%), and South African Rand (11.8%) continued to exhibit higher volatility relative to the INR, while the Turkish Lira remained among the least volatile at 1.4%. Among developed market currencies, volatility was mixed, with the Euro increasing to 5.2% and the Canadian Dollar increasing to 3.9%, while the Japanese Yen eased to 8.2% and the Pound Sterling remained at 6.1%. Overall, INR volatility remained contained relative to several major emerging market peers, despite the intra-month movements observed during October.

One-year forward premium eased marginally in October after rising sharply in September: The one-year forward premium on the INR moderated on a monthly average basis to 3.87% in October'26 from 4.03% in September'26, although it remained elevated and witnessed a sharp increase towards the month-end. The premium fluctuated within a range of 313-425 paise during the month before settling at 425 paise as of 30th October 2026, higher than the September month-end level of 317.5 paise. The

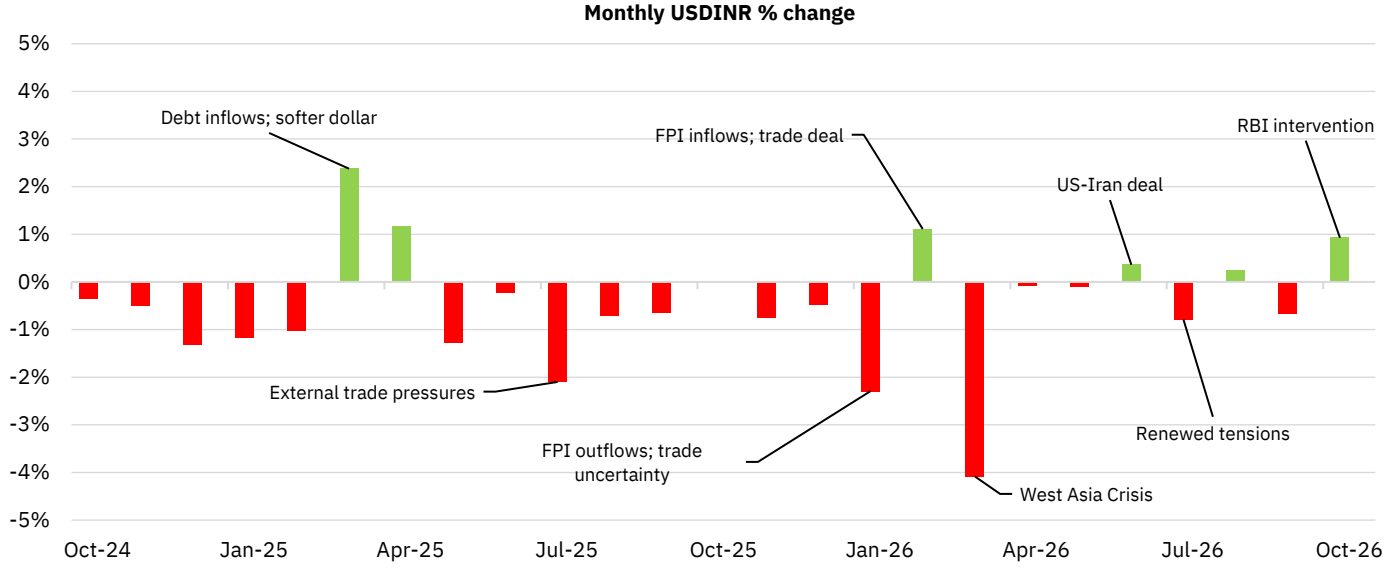
moderation in the monthly average may partly reflect reduced demand for forward-dollar purchases following the RBI's tighter regulations on forex derivative transactions, including restrictions on positions without underlying exposure and additional reserve requirements on specified dollar-buying contracts. However, forward premiums remained elevated in October, supported by the interest rate differential between India and the US, with the RBI's 25-bps policy rate hike in October adding to upward pressure on forward premiums.

Figure 314: Brent crude oil prices and INR movement (March-October 2026)



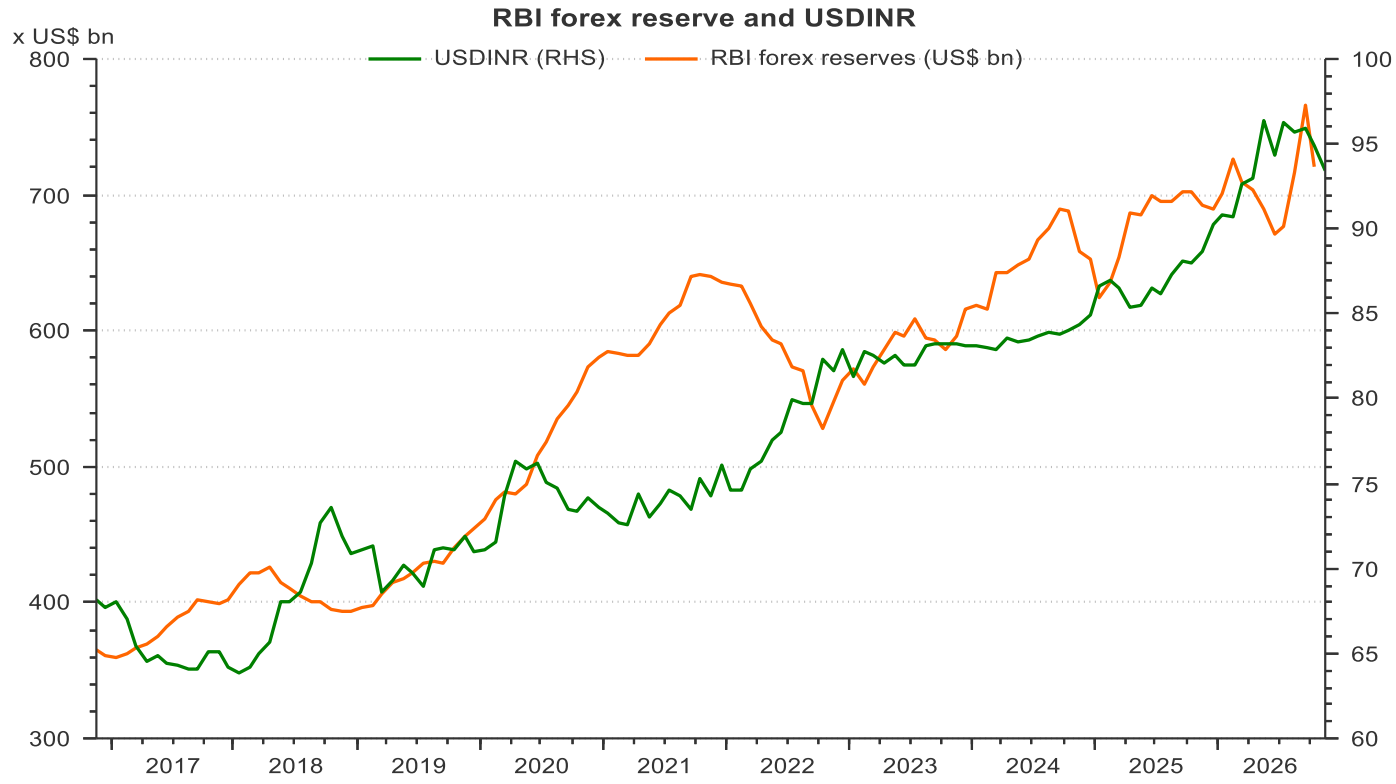
Source: LSEG Workspace, NSE EPR. Notes: 1) Data captured is till October 30th, 2026

Figure 315: Monthly US$-INR change (%)



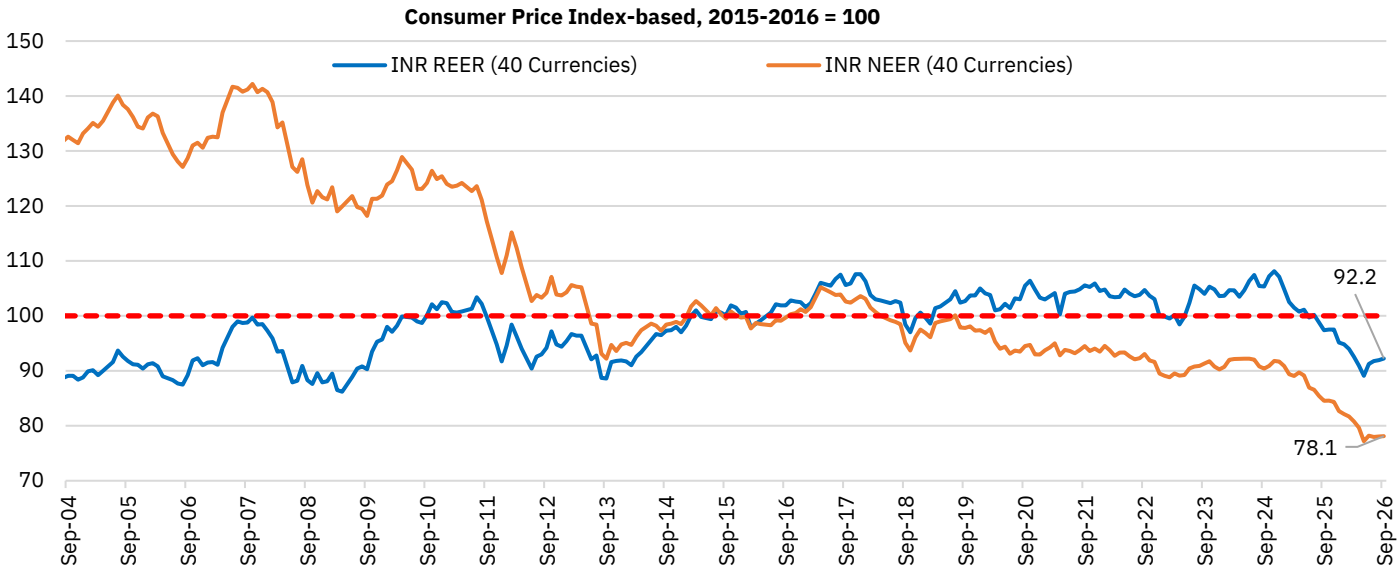
Source: LSEG Workspace, NSE EPR.

Figure 316: RBI forex reserves and US$INR



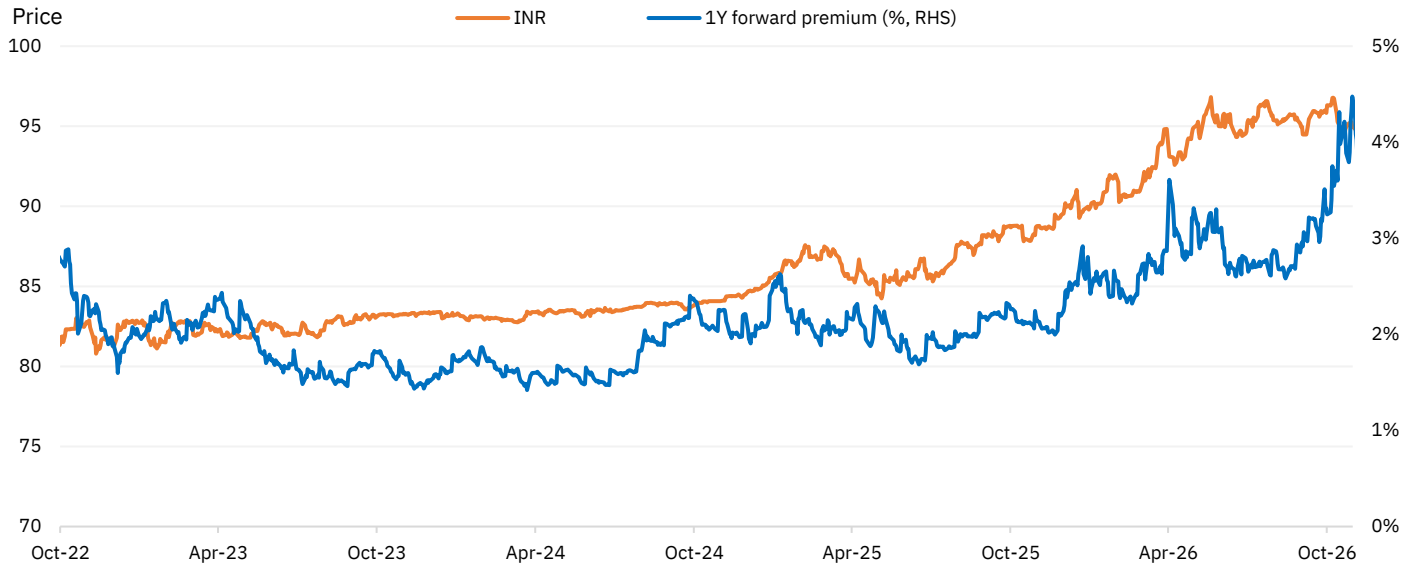
Source: LSEG Workspace, NSE EPR.

Figure 317: Real and nominal effective exchange rates of INR



Source: CMIE Economic Outlook, NSE EPR.

Figure 318: US$INR and 1-year forward premium



Source: NSE Cogencis, NSE EPR.

Global currency movements

Developed Economies

The US dollar strengthened marginally during October 2026, with the Dollar Index (DXY) appreciating by 0.4% MoM. Its initial gains were supported by higher-than-expected US inflation, as headline CPI inflation rose to 3.7% in September from 3.4% in August, largely reflecting higher gasoline prices. The surprise revived expectations of further Federal Reserve tightening and pushed the dollar to an 18-month high. Although the Fed kept its policy rate unchanged, it upgraded its assessment of economic conditions from 'solid' to 'strong', while persistent inflation kept the possibility of further rate increases open. Moderation in US Treasury yields towards month-end limited further dollar gains.

The Euro depreciated by 1.5% MoM, amid concerns over France's deteriorating fiscal position, rising borrowing costs and political uncertainty. These pressures were compounded by weaker euro area activity, with the composite PMI falling to a four-month low in October, signalling slower momentum in manufacturing and services. Given the euro's large weight in the DXY basket, its weakness also contributed to the index's appreciation.

In contrast, **the British Pound** appreciated by 0.9% MoM, supported by stronger-than-expected UK economic growth and expectations of further Bank of England tightening. Inflationary pressures, partly linked to higher energy costs, reinforced expectations of a near-term rate increase, while the government's budget announcement had a limited impact on the market outlook.

Meanwhile, **the Japanese Yen** depreciated marginally by 0.1% MoM, as the Bank of Japan's decision to hold its policy rate at 1.25% left the interest-rate differential with the US in favour of the dollar. However, the BoJ's upward revision to its inflation outlook and indication of continued policy normalisation provided some support towards month-end. Lower US Treasury yields in the closing days also eased pressure on the yen, limiting its monthly decline.

Lastly, **the Canadian Dollar** appreciated by 1.8% MoM, reaching a six-week high towards the end of October, supported by a sharp rise in global crude oil prices. Higher oil prices improved the outlook for export earnings and raised concerns that energy costs could feed into domestic inflation. These developments reinforced expectations of monetary tightening by the Bank of Canada, which raised its policy rate by 25bps to 2.50% and indicated that further increases might be needed to contain inflation. The currency strengthened despite weaker domestic indicators, including a contraction in the advance estimate of September GDP and subdued growth in preceding months.

Developing Economies

Currencies across developing economies recorded mixed movements during October 2026, reflecting differences in domestic conditions, investor sentiment and exposure to external developments. **The Chinese Yuan** appreciated by 0.7% MoM, supported by a moderation in US dollar strength as lower US Treasury yields and softer oil prices weighed on the greenback. The yuan reached a four-year high, extending its longest winning streak since May, while the People's Bank of China set its daily midpoint at its strongest level since February 2023.

The South African Rand depreciated by 1.9% MoM, as declines in key export commodity prices, particularly gold and platinum, weakened support for the currency. Domestic pressures also increased, with producer-price inflation accelerating to 6.2% in September from 5.0% in August, raising concerns over persistent cost pressures. The rand's sensitivity to global financial conditions and US monetary-policy expectations added to its weakness.

The Brazilian Real recorded a sharper depreciation of 4.7% MoM, amid uncertainty following the presidential election on 25 October. The outcome prompted investors to reassess the fiscal outlook, particularly the government's ability to contain public-debt growth while meeting spending commitments. Concerns over fiscal consolidation and the prospect of continued expansionary spending triggered a repricing of Brazilian financial assets. Market volatility also led the government to cancel scheduled bond auctions.

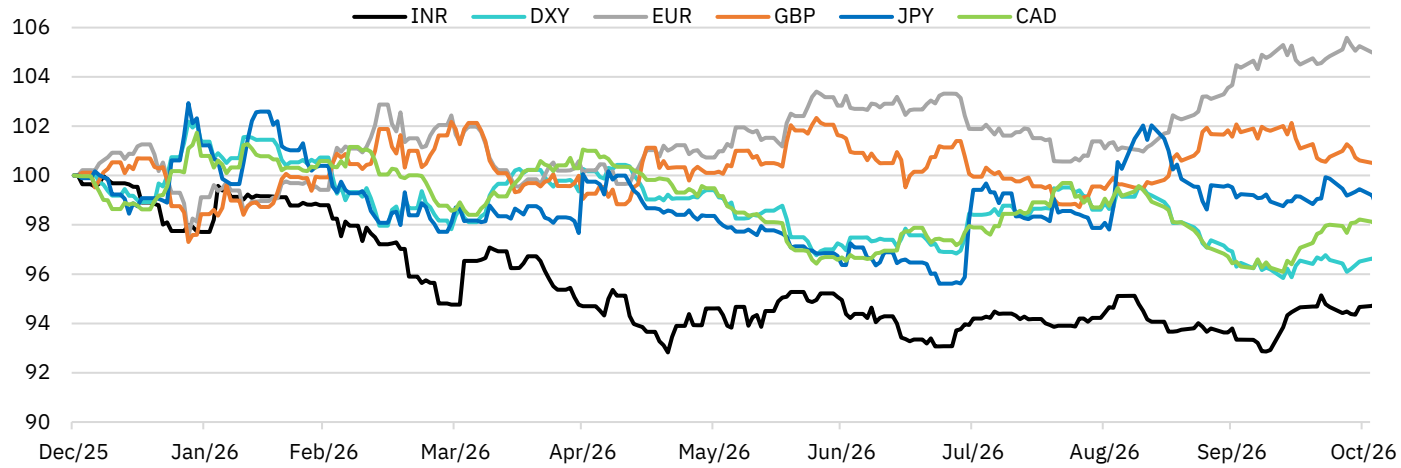
The Indonesian Rupiah depreciated by 1.4% MoM, as MSCI's warning of a possible reclassification of Indonesia's equity market from emerging market to standalone status heightened investor concerns. The ensuing equity-market sell-off added pressure to a currency already trading near record-low levels. Bank Indonesia held its benchmark rate at 5.75% but raised the overnight deposit facility rate by 25bps to 5.00% to support the rupiah and contain volatility.

The Turkish Lira weakened by 1.9% MoM, amid elevated inflation expectations and uncertainty over the disinflation process. The Central Bank of the Republic of Türkiye reported that year-end inflation expectations stood at 29.6% for 2026, while expectations for 2027 rose to 23.3%, underscoring the difficulty of anchoring price expectations. The October reduction in the policy rate from 37% to 36% also indicated gradual monetary easing despite persistent inflation risks.

In contrast, **the Russian Rouble** appreciated by 3.2% MoM, supported by higher global crude oil and commodity prices amid geopolitical tensions in the Middle East. Stronger export prices improved foreign-exchange earnings from commodity exports, while the

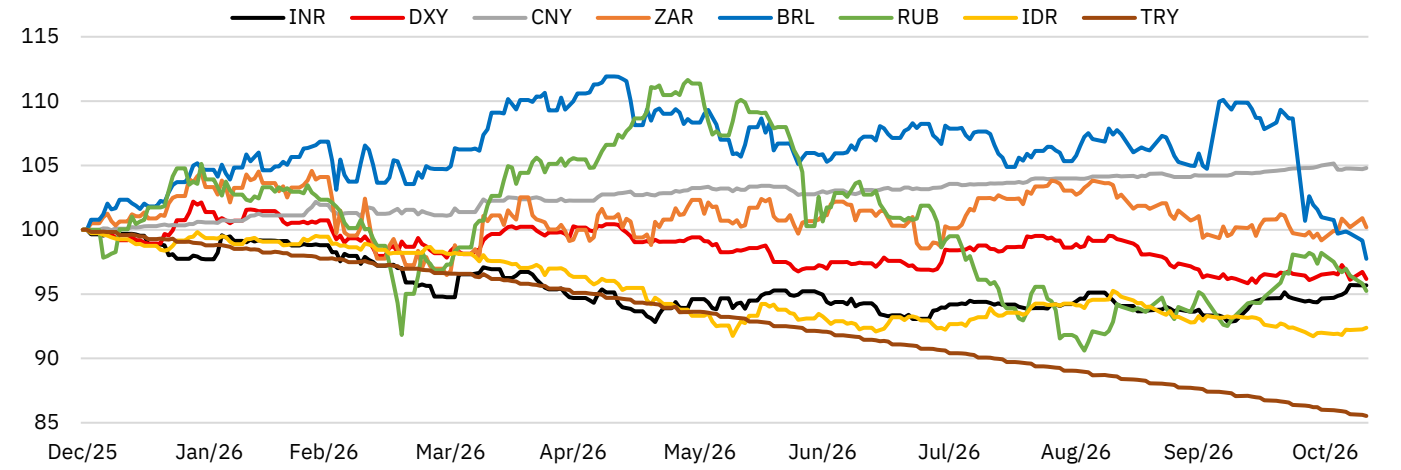
Bank of Russia revised upwards its 2026 forecast for Russian crude oil prices, citing the boost from elevated global prices.

Figure 319: Movement in INR and major DM currencies against dollar since end of 2025
(Rebased to 100 on December 31st, 2025)



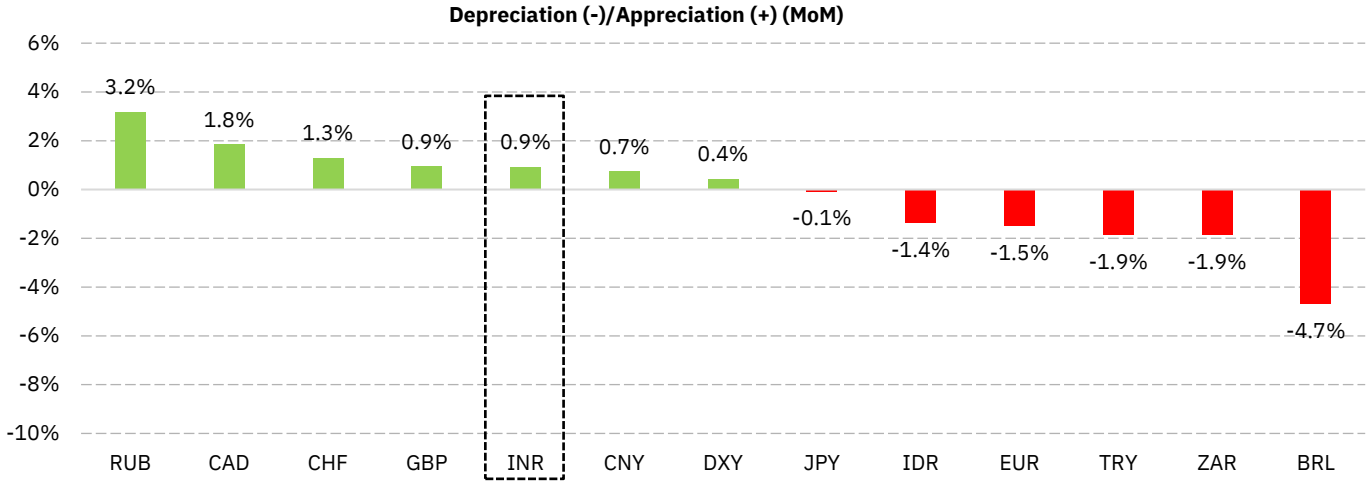
Source: LSEG Workspace, NSE EPR.

Figure 320: Movement in INR and major EM currencies against dollar since end of 2025
(Rebased to 100 on December 31st, 2025)



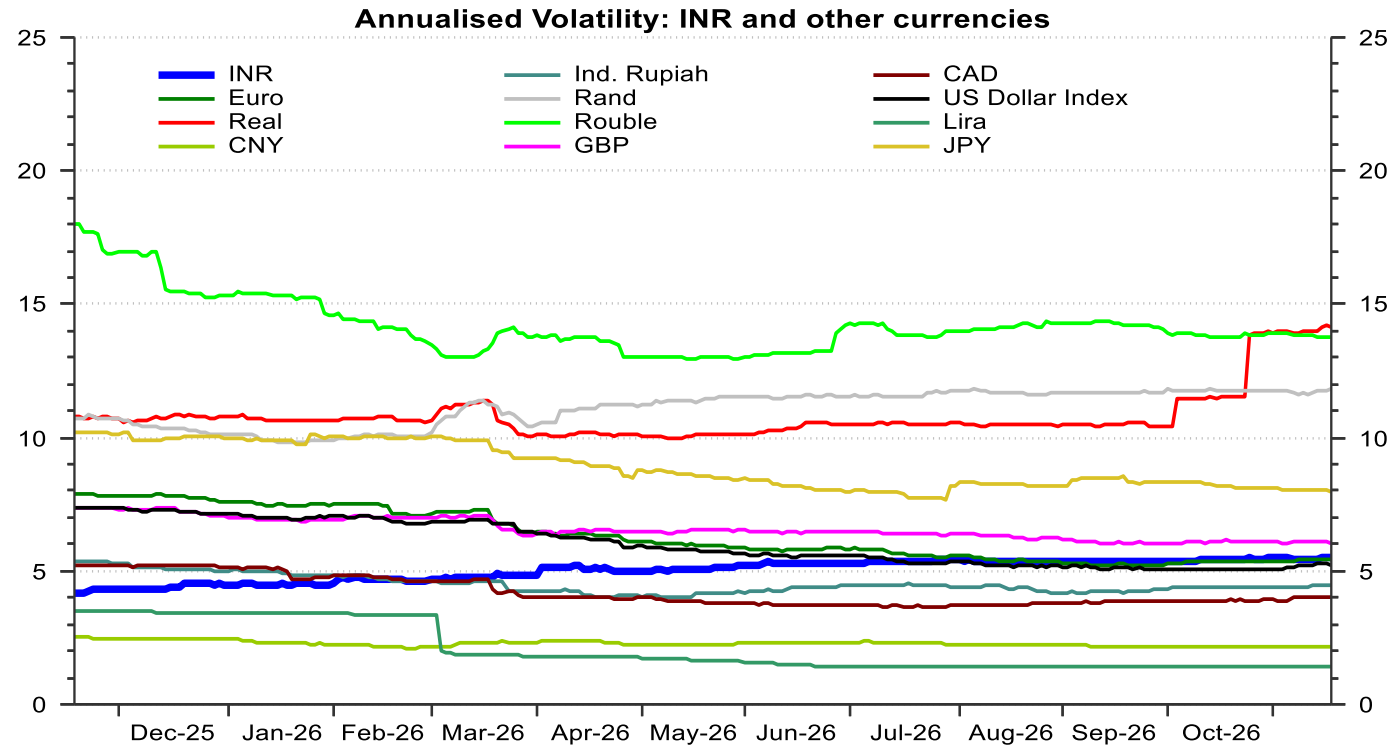
Source: LSEG Workspace, NSE EPR.

Figure 321: Global currency movements in October 2026 (% change MoM)



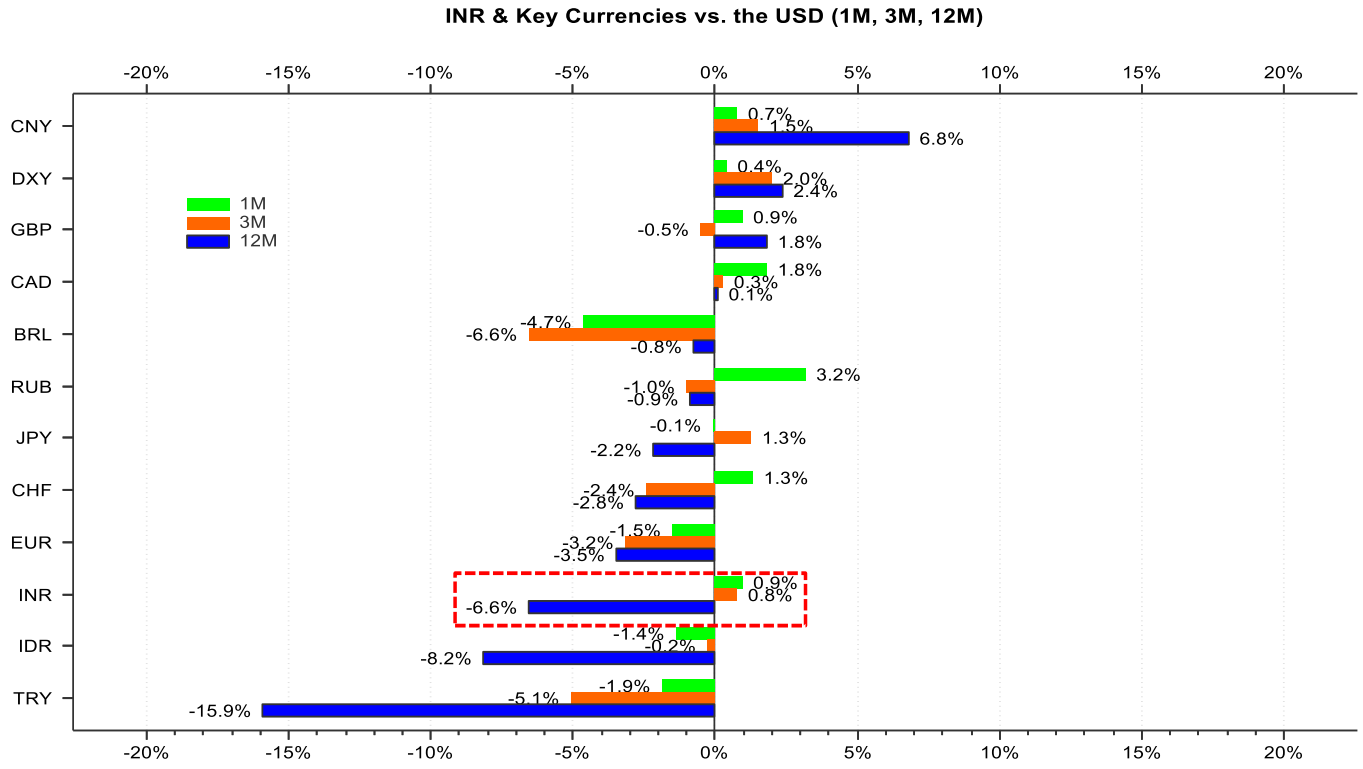
Source: LSEG Workspace, NSE EPR. Note: Red indicates depreciation and green indicates appreciation

Figure 322: Annualised volatility of INR and other DM & EM currencies



Source: LSEG Workspace, NSE EPR. Notes: 1) Data is updated till November 17th, 2026

Figure 323: Change in INR and major DM & EM currencies (as on October 30th, 2026)



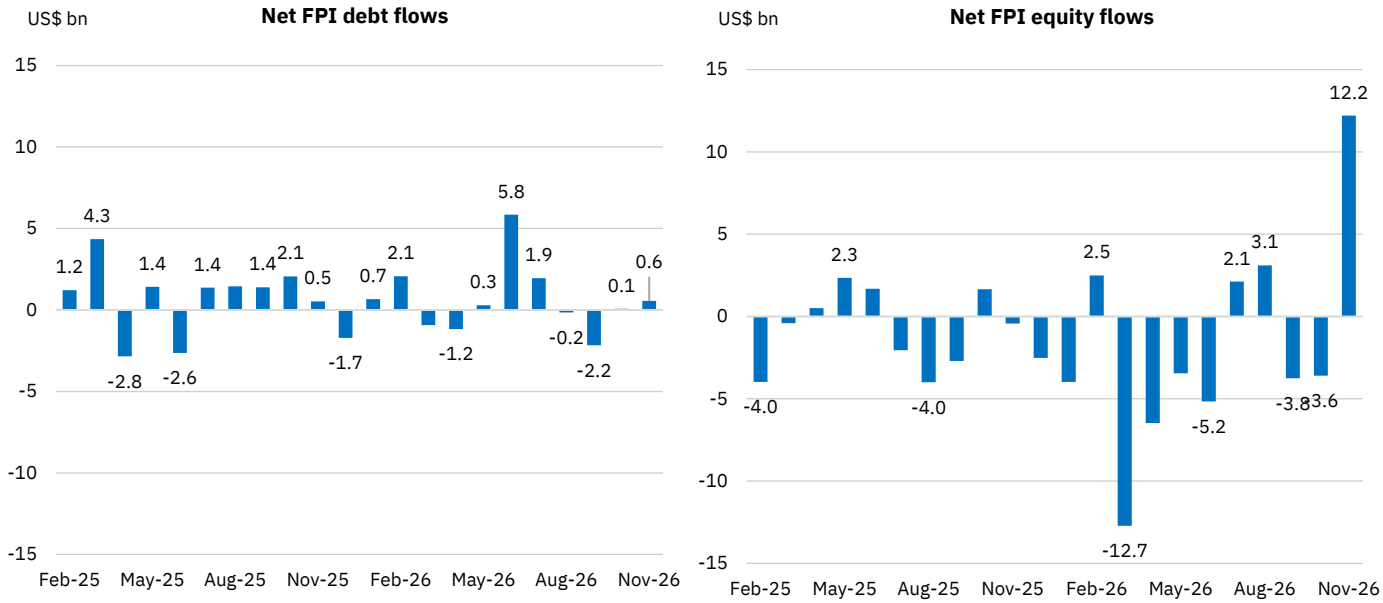
Source: LSEG Workspace, NSE EPR.

5.6 Institutional flows across market segments in India

FPI equity flows continue its negative trend in October, with trends reversing in early November: FPI's record a net outflow of US$3.6 bn in Indian equities in October, following the outflow trend of US$3.8 bn in September. The continued selling during October was reflected by concerns over elevated US bond yields, re-escalation in geopolitical tensions leading to elevated crude oil prices. FPI inflows strengthened during the second half of October, as foreign investors turned net buyers amid easing US bond yields from their early-October highs and concerns over elevated valuations of AI-related stocks in global markets, prompting a gradual reallocation towards relatively less AI-exposed markets such as India. The selling reversed in November, with FPI inflows reaching an all-time high of US$12.2 bn as of 19th November 2026, marking a significant turnaround in the foreign investor sentiment. The reversal was supported by global movement of portfolio investments away from US and other Asian markets, supported by declining crude oil prices, easing geopolitical concerns and stronger-than-expected corporate earnings, which improved investor sentiment and renewed foreign investor interest in Indian equities. In FY27TD cumulative FII outflows moderated to US$5.0 bn.

FPI participation in Indian debt markets turned positive in October, with trends continuing in November: FPI participation in the debt segment in October reversed its negative trend of September, with net inflows of FPIs in debt market reaching US$70 mn in October 2026. Moreover, as of 19th November, the new inflows of FPIs in the debt market has reached US$ 0.6 bn, taking cumulative FY27TD debt inflows to US$5.2 bn. FPI debt inflows remained muted in October amid rising crude oil prices, which heightened concerns over imported inflation and the possibility of further monetary tightening. The RBI's 25 bps policy rate hike to 5.50% and shift towards a calibrated tightening stance reinforced these concerns, weighing on foreign investor sentiment despite the increase in domestic government bond yields.

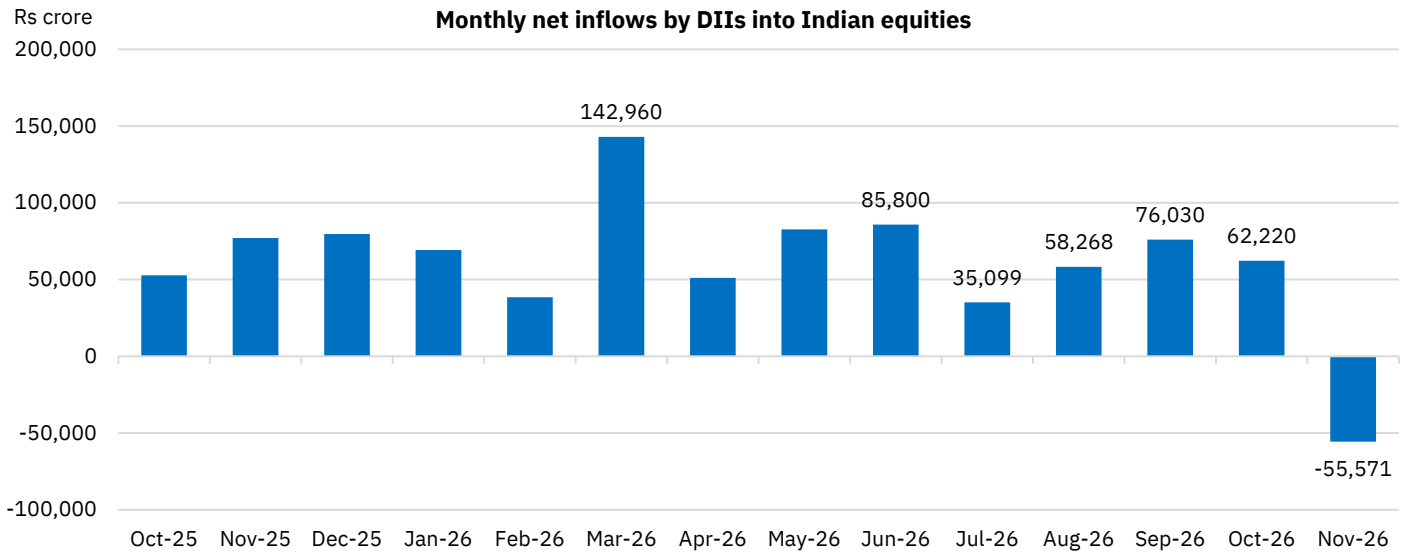
Figure 324: Monthly Net inflows by FPIs in Indian equity and debt markets



Source: NSDL, NSE EPR. Data for October is as of 19th November 2026.

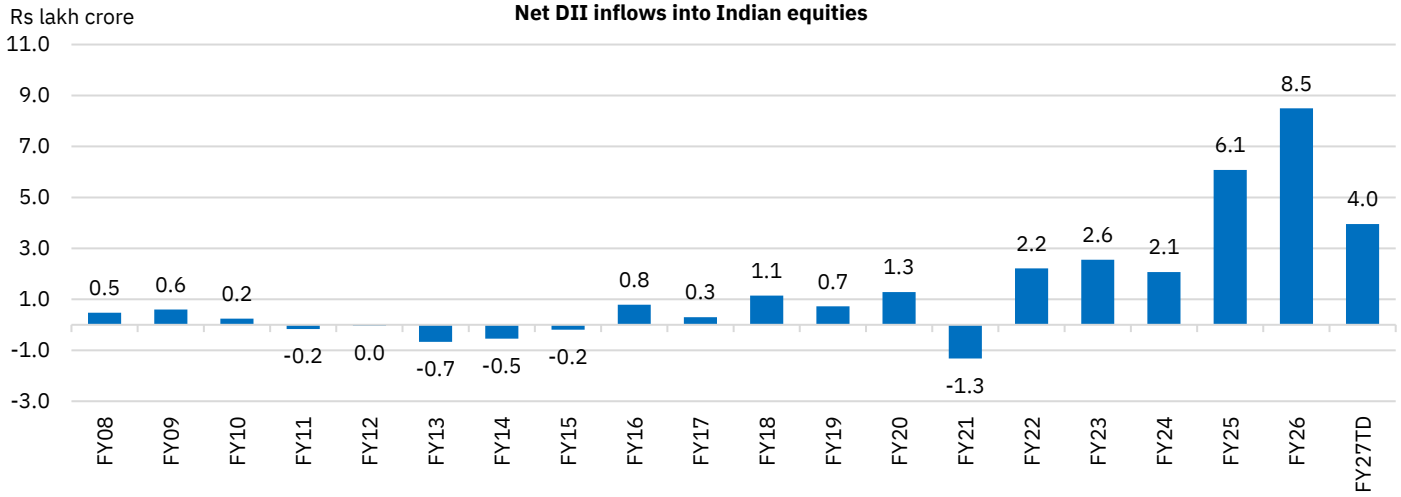
DII participation continues to increase in October amid FII outflows in October 2026: During October 2026, DIIs invested Rs 62,220.1 crores (US$6.5 bn) recording a y-o-y increase of 17.9%. However, the trend has reversed in early November with DII becoming net sellers, selling Rs 55,570.7 crores (US$5.9 bn) as on 18th November 2026, a first after 39 consecutive months of buying. The cumulative DII equity inflows in FY27TD (as of 18th November) reached Rs 4.0 lakh crore (US$41.6 bn), highlighting the continued resilience of domestic institutional participation despite sustained volatility in foreign portfolio flows. Within DIIs, domestic mutual funds continued to account for a significant share of equity inflows. DMFs invested Rs 36.5 thousand crore (US$3.8 bn) in equities during October 2026, above Rs 23.1 thousand crores (US$2.6 bn) recorded in October 2025. However, in November 2026. This trend has reversed with DIIs selling Rs 4.4 thousand crore (US$0.5 bn) as of November 4th, 2026, taking cumulative FY27TD DMF equity inflows to approximately Rs 3.0 lakh crore. In the debt segment, DMFs recorded net outflows of Rs 74.4 thousand crore (US$7.8 bn) in October. This trend continued in early November, with DMFs recording an outflow of ₹11.7 thousand crore (US$1.2 billion), reflecting continued withdrawals from domestic debt funds. Cumulative FY27TD DMF debt outflows remained substantial at Rs 3.7 lakh crore.

Figure 325: Monthly net inflows by DIIs in Indian equity markets



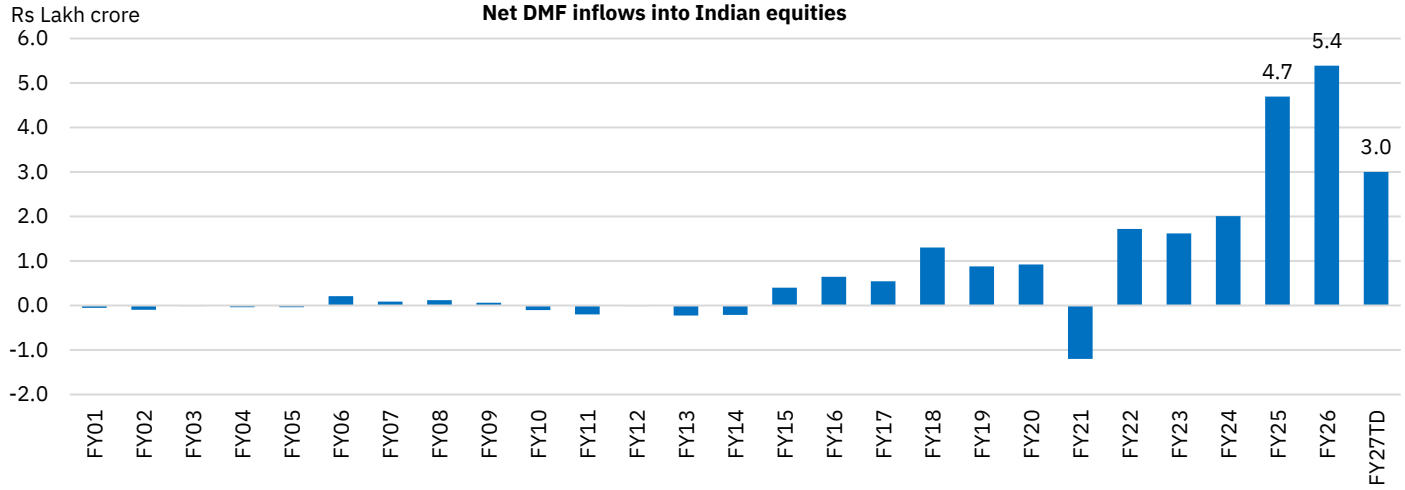
Source: CMIE Economic Outlook, NSE EPR. Data for October is as of 18th November 2026.
Note: The figure above shows total traded value executed by DIIs across exchanges, compiled based on trading codes entered by Trading Members at the time of order entry and corresponding client category classification provided by trading members.

Figure 326: Annual net inflows by DIIs in Indian equity markets



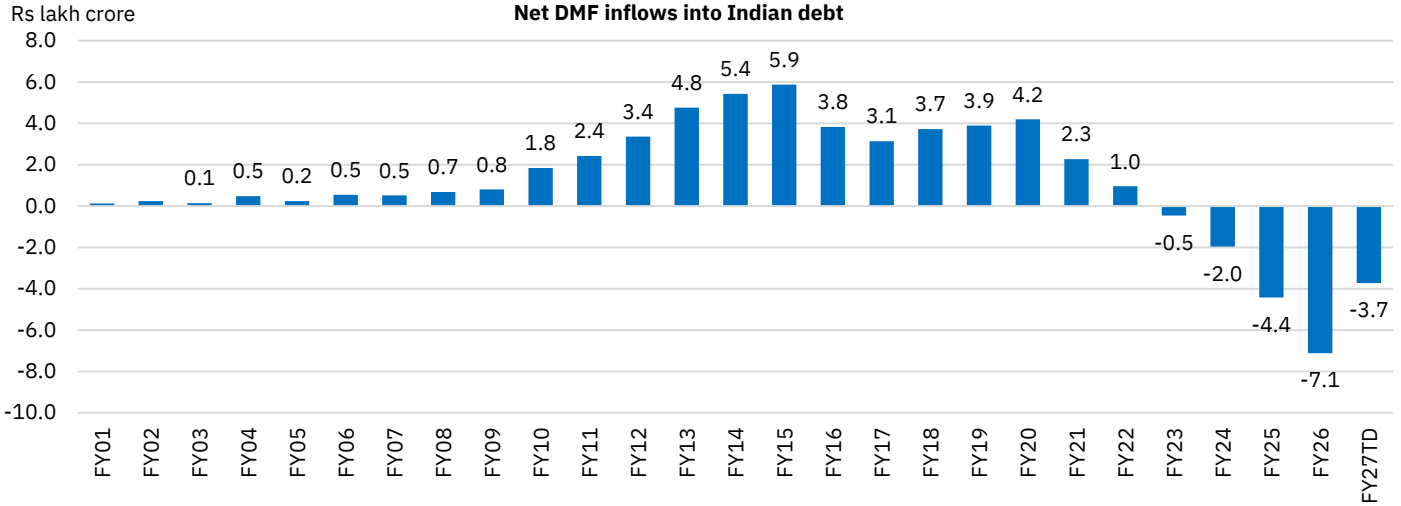
Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of 18th November 2026.
Note: The figure above shows total traded value executed by DIIs across exchanges, compiled based on trading codes entered by Trading Members at the time of order entry and corresponding client category classification provided by trading members.

Figure 327: Annual net inflows by domestic mutual funds in Indian equity markets



Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of November 4th, 2026.

Figure 328: Annual net inflows by domestic mutual funds in Indian debt markets



Source: CMIE Economic Outlook, NSE EPR. Data for FY27TD is as of November 4th, 2026.

6 Markets in depth

Record IPO fundraising, divergent market activity, changing investor participation

October 2026 witnessed significant developments across Indian capital markets, characterised by record IPO fundraising, divergent trends in secondary market activity and evolving investor participation patterns. Primary market fundraising through IPOs reached an all-time monthly high in Main Board, led by the listing of Jio Platforms Limited, while fresh issuances accounted for ~81% of proceeds. In secondary markets, cash market turnover continued to moderate, contrasting with a broad-based recovery in equity derivatives, where index futures and options premium turnover reached multi-month highs. Cash market trades increased 3% MoM to ~86 crore (a 21-month high) across 1.44 crore active unique investors (a 24-month high), up 16% MoM, while average trade size declined 8% to Rs 26,604 (a 19-month low), indicating greater participation by small-ticket investors. Nonetheless, turnover remained highly concentrated, with the top 0.2% of cash market investors accounting for over 80% of traded value. A similar concentration persisted in equity derivatives, particularly equity futures, where the top 6.5% of investors generated ~93.5% of turnover. In commodity markets, options premium turnover also scaled a fresh record, despite moderation in futures activity.

Record IPO fundraising amid evolving issuance trends: Primary market activity remained robust in October 2026, with IPO fundraising reaching a record ~Rs 45,800 crore in Main Board, up 157% MoM, led by the listing of Jio Platforms Limited, the largest IPO to date. Of this proceeds, fresh issuances accounted for ~81% of monthly proceeds, while ~89% of newly listed Main Board companies recorded listing gains. In FY27 (till October), 88 companies raised ~Rs 1.15 lakh crore in Main Board, with the monthly listing run rate increasing to ~13, compared with ~9 in FY26. The sectoral composition also witnessed a shift, with Industrials, Communication Services and Consumer Discretionary accounting for ~66% of proceeds.

Divergent trends across market segments: Cash market ADT declined marginally for the fifth consecutive month, whereas equity futures and options premium turnover increased 12% and 38% MoM, respectively. Within cash markets, active investor participation reached a 24-month high, while average trade size declined to a 19-month low, indicating increased participation from small-ticket investors. Among other segments, currency futures turnover moderated, while interest-rate futures recorded a marginal recovery. In commodity markets, futures turnover declined from September highs, whereas options premium turnover scaled a fresh record, led by crude oil and natural gas options.

High turnover concentration and evolving participant composition: Turnover concentration remained particularly pronounced in equity derivatives, with the top two turnover cohorts in equity options accounting for ~88.2% of premium turnover in October, up from ~86.2% in September. Their share of active investors also increased to 6.1%, from 4.8%. Equity futures continued to exhibit the highest concentration, with the top 6.5% of investors generating ~93.5% of segment turnover, despite an overall decline in participation. The composition of high-turnover participants also witnessed a structural shift. In equity futures, foreign investors' share of the top cohort's turnover increased to 34.7% in October from 26.1% in April 2024, while the share of proprietary traders declined to 27.6% from 36.9%.

Number of individual investors participating in cash segment touched 2-year high: The number of individual investors trading in the cash segment rose to a two-year high of nearly 1.43 crore in October 2026, largely driven by increased participation from low-

value, intermittent investors. Individual investor who traded on only one day during the month increased sharply to 48.3% in October from 42.4% in September, with their number rising to 68.8 lakh from 52.1 lakh. However, the increased number of individual investors did not translate into rise in trading activity with their share declining 456 bps YoY to 30.3%, its lowest level in seven months. Furthermore, individual investors recorded net sales of Rs 13,558 crore in the secondary market during the month, resulting in cumulative net inflows of Rs 34,048 crore in FY27. In contrast, individual investor participation in the primary market strengthened, with cumulative investments reaching Rs 32,764 crore in FY27TD (as of October 31st, 2026), supported by heightened IPO activity.

6.1 Record IPO raising amid evolving issuance patterns and sectoral composition

Primary market activity remained robust in October 2026, with IPO fundraising reaching a record ~Rs 45,800 crore in Main Board, up 157% MoM, led by the listing of Jio Platforms Limited, the largest IPO to date. Fresh issuances accounted for ~81% of Main Board monthly proceeds, while ~89% of newly Main Board listed companies recorded listing gains. Despite robust IPO mobilisation, overall fundraising across equity and debt moderated 32% MoM to Rs 2 lakh crore, a five-month low, primarily reflecting lower debt issuances. In FY27 (till October), 88 companies raised ~Rs 1.15 lakh crore through Main Board IPOs, with the monthly listing run rate increasing to ~13, compared with ~9 in FY26. The sectoral composition also witnessed a notable shift, with Industrials, Communication Services and Consumer Discretionary together accounting for ~66% of proceeds. On the regulatory front, SEBI constituted a sub-group of PMAC to review specified provisions of the ICDR Regulations, building on recent initiatives to simplify primary market access and improve efficiency.

6.1.1 Fund mobilisation and new listings

Record IPO fundraising in October: Eighteen companies raised Rs 45,793 crore through IPOs in October, marking a 157% MoM increase and the highest monthly fundraising on record. This was led by the listing of Jio Platform Ltd., which marked the largest IPO to date, surpassing the previous record set by Hyundai Motor India Limited. These developments highlight the scale and depth of Indian capital markets in absorbing large-ticket issuances.

Fresh issuances account for ~81% of IPO proceeds, while ~89% of companies record listing gains: Of the total proceeds raised by newly listed companies, 81% were through fresh issuances and 19% through offers for sale (OFS) during the month. Among the companies listed during the month, ~89% (up from ~77% in September) recorded gains on listing. Of these, ~17% recorded listing gains of over 50%, ~22% recorded gains between 10% and 25%, while ~50% recorded gains in the 0–10% range.

Monthly IPO listing run-rate increases in the current fiscal, alongside a higher share of fresh issuances: In the current fiscal year till October, 88 companies raised ~Rs 1.15 lakh crore through IPOs, with a monthly average of ~13 listings, compared with ~9 in the previous fiscal year. Of the total proceeds raised in FY27 (till October), 64% were through fresh issuances and 36% through OFS, compared with 40% and 60%, respectively, in FY26.

Top three sectors account for ~two-thirds of IPO proceeds, with a changing sectoral composition: The sectoral composition of IPOs highlights an interesting trend in the annual comparison. In FY27 (till October), the top three sectors, in terms of proceeds, accounted for ~66% of overall fundraising and ~64% of the number of listings. The Industrial sector accounted for the highest share at ~26.8% of total fundraising, followed by Communication Services at ~26.6% and Consumer Discretionary at ~13%. In comparison, the top three sectors accounted for ~75% of overall proceeds in FY26, with Financials contributing the highest share at ~32%, followed by Consumer Discretionary at ~31% and Industrials at ~12%.

Overall fundraising declines to a five-month low: Overall fundraising through equity increased 44% MoM to Rs 58,947 crore, supported by robust IPO proceeds, while fundraising through further issuances moderated in October. On the other hand, fundraising through debt declined 44% MoM to Rs 1.4 lakh crore, largely driven by a 52%

MoM decline in CP issuances and a 20% decline in NCD issuances. Consequently, overall fundraising declined 32% MoM to Rs 2 lakh crore, the lowest level in the last five months.

SEBI constitutes a sub-group of PMAC to review ICDR regulations: SEBI, through its press release dated November 16, announced the constitution of a sub-group of the Primary Market Advisory Committee (PMAC) to review specified provisions of the ICDR Regulations. The terms of reference include reviewing eligibility conditions, lock-in provisions, application, allocation and allotment mechanisms, disclosure requirements, among other provisions, with a view to simplifying regulatory requirements and improving access to capital markets.

The regulator has undertaken several significant initiatives in recent years to enhance the efficiency, accessibility and depth of India's primary market. Key reforms include reducing the IPO listing timeline from T+6 to T+3 working days, introducing UPI and strengthening the ASBA framework to simplify investor participation, and rationalising minimum public shareholding norms to facilitate large issuers.

Table 81: Annual trends for fund mobilisation (Rs crore) through equity and debt in the last fiscal year

Modes	FY24	FY25	FY26	FY27TD
IPO	65,991	1,69,628	1,78,372	1,18,315
FPO	27	18,150	-	-
Rights	13,557	16,096	43,005	4,413
Preferential allotment	34,920	63,798	1,31,078	1,49,323
QIPs	68,972	1,28,703	67,824	68,788
OFS (Secondary)	21,769	29,077	26,847	67,231
REITs and InvITs (Further)	24,162	22,893	18,030	4,510
REITs and InvITs (New listing)	14,068	1,578	12,500	12,557
Total Equity raised	**2,43,466**	**4,49,922**	**4,77,755**	**4,25,137**
CP	5,90,582	7,70,812	10,01,397	8,26,451
NCD Private	5,40,350	6,44,372	5,48,859	3,09,911
NCD Public	11,145	3,259	4,896	-
Total Debt raised	**11,42,077**	**14,18,443**	**15,55,152**	**11,36,362**
Total fund raised	**13,85,543**	**18,68,364**	**20,32,907**	**15,61,499**

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).
4)Data for FY27TD is as of Oct 31st, 2026.

Table 82: Monthly trends for fund mobilisation (Rs crore) through equity and debt in the last 11 months

Segments	Modes	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Equity (Main Board) - Primary markets	Fresh listing	7,365	1,816	1,824	2,784	1,558	850	661	3,181	20,510	10,147	37,082
	OFS	14,493	2,949	2,185	5,271	541	76	991	15,168	8,466	7,646	8,711
	IPO (Fresh + OFS)	**21,858**	**4,765**	**4,009**	**8,056**	**2,099**	**926**	**1,652**	**18,349**	**28,976**	**17,793**	**45,793**
	FPO	-	-	-	-	-	-	-		-	-	
	Rights	26,488	381	74	780	1,260	174	153	480	225	634	1,324
	Preferential	7,861	27,134	3,118	5,423	46,317	9,225	22,434	63,243	1,885	2,048	2,848
	QIPs	11,085	4,150	-	182	2,500	4,000	7,580	29,469	9,649	7,200	8,365
Equity (SME) - Primary markets	Fresh listing	622	253	282	234	179	532	230	225	485	525	400
	OFS	24	5	24	7	26	9	-	-	80	14	21
	IPO (Fresh + OFS)	**646**	**258**	**306**	**242**	**205**	**542**	**230**	**225**	**565**	**539**	**421**
	FPO	-	-	-	-	-	-	-	-	-	-	-
	Rights	-	-	-	122	-	-	-	-	-	116	46
	Preferential	546	34	263	145	350	235	85	241	142	144	125
	QIPs	-	-	-	-	-	-	-	-	-	-	25
Secondary markets	OFS	**4,061**	**3,313**	**8,265**	**538**	**-**	**7,322**	**11,088**	**1,856**	**34,392**	**12,571**	**-**
Total equity raised		**72,545**	**40,035**	**16,037**	**15,488**	**52,731**	**22,424**	**43,222**	**1,13,865**	**75,835**	**41,046**	**58,947**
InvITS	Fresh listing	-	-	-	6,000	1,105	-	-	-	-	-	-
	Rights	-	-	-	-	-	-	-	-	-	-	-
	Preferential	-	-	-	1,314	-	1,004	300	-	2,000	476	-
	QIPs	1,250	1,500	-	2,469	-	-	1,700	-	700	2,000	1,115
REITs	Fresh listing	-	-	-	-	-	3,405	-	-	-	-	-
	Rights	-	-	-	-	-	-	-	-	-	-	-
	Preferential	-	1,819	-	-	-	662	-	-	-	-	-
	QIPs	3,500	-	-	-	2,600	-	-	-	-	-	-
Total business trusts		**4,750**	**3,319**	**-**	**9,782**	**3,705**	**5,071**	**2,000**	**-**	**1,789**	**2,476**	**1,115**
Debt	CPs	86,964	39,261	1,26,645	1,27,157	1,01,294	80,410	1,90,172	69,719	1,08,134	1,86,586	90,136
	NCDs (Private)	51,585	25,462	40,363	77,473	21,170	27,137	69,672	48,589	33,425	61,007	48,911
	NCDs (Public)	-	1,000	601	1,222	-	-	-	-	-	-	-
Total debt raised		**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**	**2,47,593**	**1,39,047**
Total fund mobilisation		**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**	**2,91,115**	**1,99,110**

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 83: New listing on Main Board platform during October 2026

Company Name	Issue Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
Jio Platforms Limited	1119	21.4%	30,188	0	30,188	13,18,089
Zetwerk Manufacturing Businesses Limited	151	5.5%	2,830	2,182	5,012	27,623
Bonfiglioli Transmissions Limited	586	0.0%	0	2,534	2,534	11,753
Paras Healthcare Limited	693	3.9%	500	950	1,450	8,013
Money view Limited	34	61.8%	750	342	1,092	8,861
Tonbo Imaging India Limited	700	65.7%	0	852	852	7,472
HD Fire Protect Limited	271	23.6%	0	712	712	4,673
Fusion CX Limited	289	5.5%	500	202	702	4,036
Orient Cables (India) Limited	272	65.4%	320	232	552	3,919
Runwal Enterprises Limited	305	0.0%	500	0	500	3,094
Sahajanand Medical Technologies Limited	344	7.9%	0	475	475	4,703
Ace Vector Limited	32	-11.5%	287	133	420	976
A-One Steels India Limited	405	12.3%	355	50	405	2,865
German Green Steel and Power Limited	139	2.2%	290	14	304	745
SRIT India Limited	130	13.8%	218	0	218	692
Vishal Nirmiti Limited	220	-2.3%	145	33	178	275
Nityas Gems and Jewellery Limited	75	6.7%	108	0	108	377
Shah Investor's Home Limited	167	2.4%	90	0	90	292

Source: NSE
Note: 1) Listing gain/ loss has been calculated based on opening price. 2) Data for Market Cap is as of October 31st, 2026.

Table 84: Annual trends for allocation for Main Board

Year	No. of issuances	Issue Size (Rs. in crores)	% share of client category				
			Retail Individual Investor	Non-Institutional Investor	Qualified Institutional Buyers	Market maker	Others
FY24	75	61,369	26.2%	14.5%	58.5%	0.0%	0.8%
FY25	79	1,62,517	19.5%	11.9%	67.2%	0.0%	1.4%
FY26	108	1,73,010	23.5%	13.5%	61.7%	0.0%	1.3%
FY27TD	88	1,15,588	27.4%	14.4%	54.6%	0.0%	3.5%

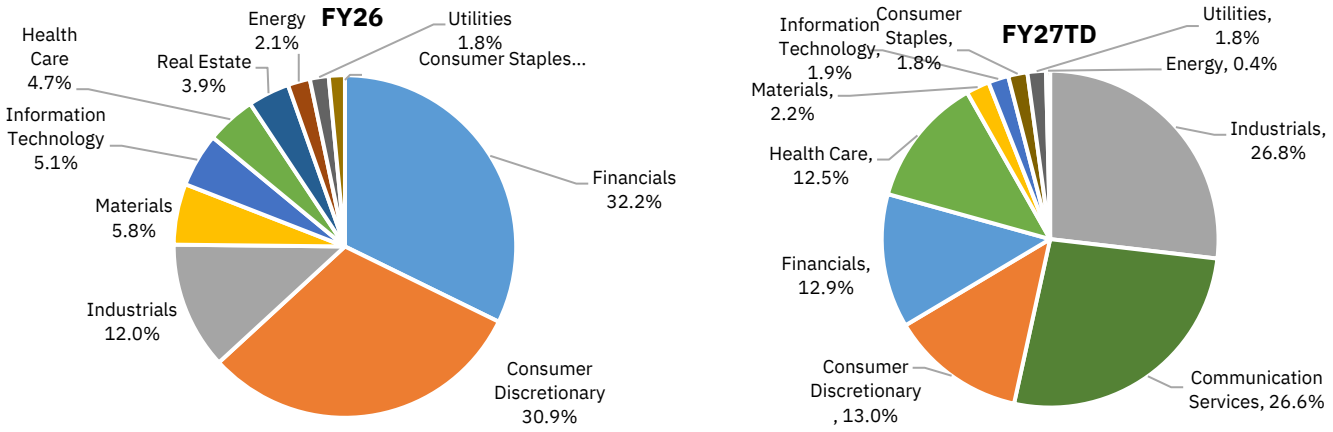
Source: NSE EPR. Note: Data for FY27TD is as of October 31st, 2026.

Table 85: Monthly wise analysis of listing gains for new listed companies in the Main Board

Month	[>-50%]	[-50% to -25%]	[-25% to -10%]	[-10% to 0%]	[0% to 10%]	[10% to 25%]	[25% to 50%]	[>50%]
Jan-26	0.0%	0.0%	33.3%	33.3%	0.0%	0.0%	0.0%	33.3%
Feb-26	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%
Mar-26	0.0%	11.1%	11.1%	44.4%	22.2%	11.1%	0.0%	0.0%
Apr-26	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
May-26	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Jun-26	0.0%	0.0%	33.3%	0.0%	33.3%	0.0%	33.3%	0.0%
Jul-26	0.0%	0.0%	7.7%	7.7%	38.5%	23.1%	23.1%	0.0%
Aug-26	0.0%	0.0%	0.0%	0.0%	22.2%	38.9%	22.2%	16.7%
Sep-26	0.0%	3.2%	3.2%	16.1%	32.3%	16.1%	22.6%	6.5%
Oct-26	0.0%	0.0%	5.6%	5.6%	50.0%	22.2%	0.0%	16.7%

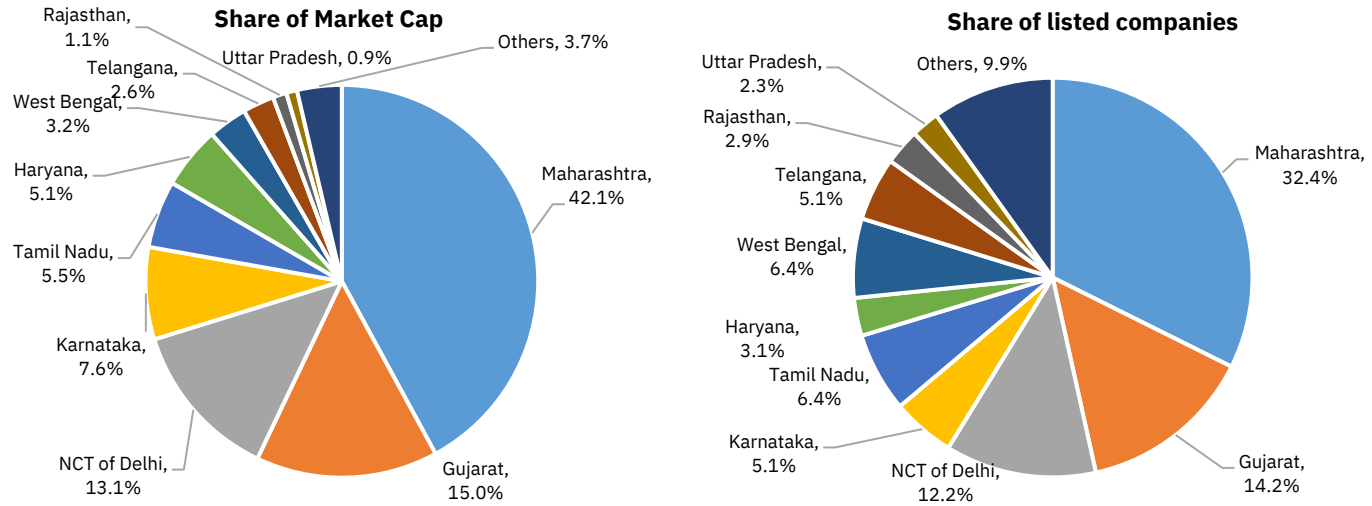
Source: NSE EPR. Note: Listing gain/ loss has been calculated based on opening price.

Figure 329: Sector-wise fund-raising share for Main Board IPO issuances for FY26 and FY27TD



Source: CMIE Prowess, LSE Workspace and NSE EPR.
Notes:
1.Data for FY27TD is as of Oct 31st, 2026.
2. Based on 3,353 companies' data from CMIE Prowess

Figure 330: State-wise share distribution of number of listed companies and market capitalisation



Source: CMIE Prowess, LSE Workspace and NSE EPR.
Notes:
1.Data for FY27TD is as of Oct 31st, 2026.
2. Based on 3,353 companies' data from CMIE Prowess

6.1.2 SME Corner: Listings moderate; top three states dominate fundraising

NSE Emerge recorded 47 listings, raising Rs 2,727 crore during FY27 (till October 2026), with an average issue size of ~Rs 58 crore, up 20% compared with the previous fiscal year. Since its inception, the platform has enabled 768 companies to raise close to Rs 25,000 crore, with an aggregate market capitalisation of Rs 2.6 lakh crore as of October 2026. The top three states accounted for ~66% of cumulative listings and ~64% of fundraising. Maharashtra led in cumulative listings with 210 companies, followed by Gujarat (191), NCT of Delhi (106), West Bengal (46) and Rajasthan (36).

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%.

In October 2026, eight companies listed on the platform, raising ~Rs 420 crore, a decline of 22% MoM. Listing performance among companies listed during the month was mixed, with ~50% recording listing gains of 0–10%, while the remaining ~50% listed at a discount. Notably, the monthly listing run rate moderated to ~7 in the current fiscal year (till October), compared with ~14 in FY25 and ~9 in FY26.

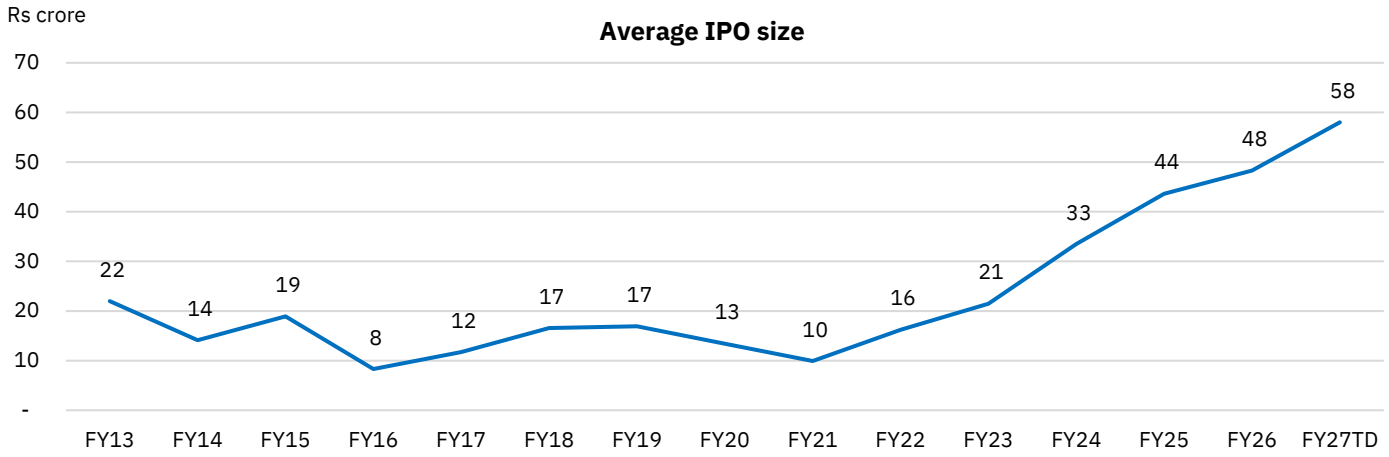
Notably, SEBI, through its consultation paper issued in October 2026, proposed a review of the SME listing framework, including shifting eligibility criteria towards market-capitalisation-based thresholds, raising profitability criteria and reducing the minimum application size, among other measures. These proposed measures seek to strengthen issuer eligibility, broaden investor participation and provide a more structured pathway for migration to the Main Board.

Table 86: Annual trends for SME IPOs on Emerge platform

Year	No of listings	Issue Size (Rs. in crores)
FY13	2	44
FY14	3	42
FY15	2	38
FY16	8	67
FY17	31	363
FY18	87	1,442
FY19	62	1,049
FY20	13	174
FY21	8	79
FY22	31	503
FY23	62	1,330
FY24	138	4,621
FY25	163	7,111
FY26	111	5,363
FY27TD	47	2,727

Source: NSE EPR. Note: Data for FY27TD is as of Oct 2026.

Figure 331: Trend in Average IPO Size on SME Emerge Platform, FY13–FY27TD



Source: NSE EPR. Note: Data for FY27TD is as of Oct 2026.

Table 87: Monthly wise 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%]
Jan-26	0.0%	0.0%	40.0%	0.0%	0.0%	0.0%	40.0%	20.0%
Feb-26	0.0%	0.0%	16.7%	0.0%	83.3%	0.0%	0.0%	0.0%
Mar-26	0.0%	0.0%	33.3%	16.7%	33.3%	0.0%	16.7%	0.0%
Apr-26	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%
May-26	0.0%	0.0%	37.5%	25.0%	12.5%	12.5%	12.5%	0.0%
Jun-26	0.0%	0.0%	25.0%	0.0%	50.0%	0.0%	0.0%	25.0%
Jul-26	0.0%	0.0%	0.0%	16.7%	33.3%	16.7%	0.0%	33.3%
Aug-26	0.0%	0.0%	28.6%	14.3%	28.6%	14.3%	0.0%	14.3%
Sep-26	0.0%	0.0%	0.0%	8.3%	58.3%	0.0%	0.0%	33.3%
Oct-26	0.0%	0.0%	12.5%	37.5%	50.0%	0.0%	0.0%	0.0%

Source: NSE EPR. Note: 1) Listing gain/ loss has been calculated based on opening price.

Table 88: New listing on Emerge platform during September 2026

Company Name	Issue Price	Listing gain / loss (%)	Fresh (Rs crore)	OFS (Rs crore)	Amount raised (Rs crore)	M-Cap ^ (Rs crore)
Bench Mark Infotech Services Limited	112	0.0%	116	0	116	398
Himalayan Solar Limited	103	-17.5%	61	7	68	186
Green Asia Impex Limited	89	0.0%	52	7	59	143
Papadmalji Agro Foods Limited	110	0.0%	37	5	42	248
Eventions Limited	54	-2.0%	42	0	42	158
R.K. Fashion Accessories Limited	118	-5.9%	38	0	38	69
Vaibhav Vyapaar Limited	82	-2.4%	35	0	35	45
Ravita Engineering Services Limited	72	0.4%	19	2	20	42

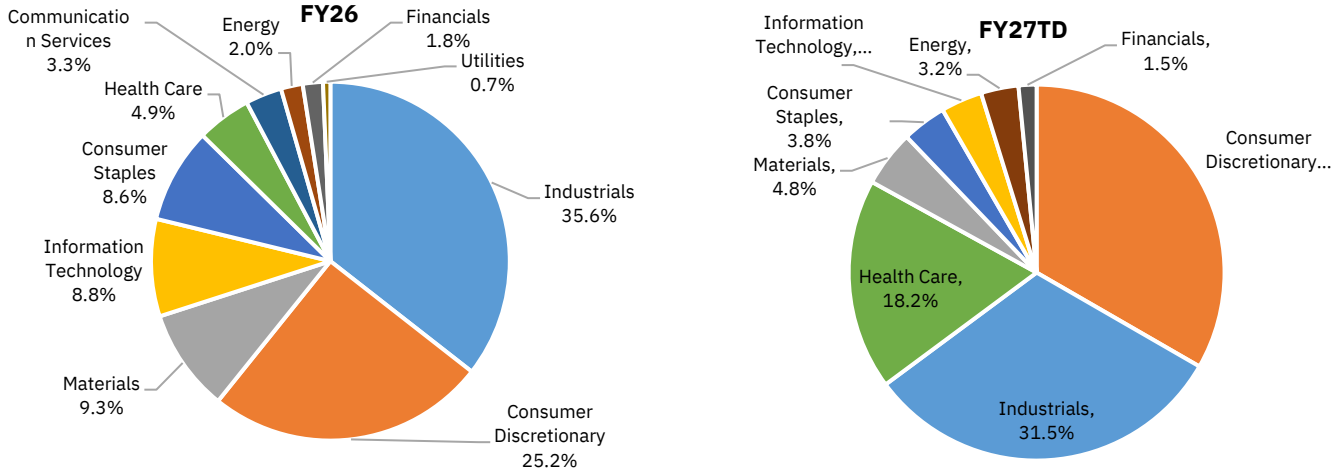
Source: NSE
Note: 1) Listing gain/ loss has been calculated based on opening price. 2) Data for Market Cap is as of October 31st, 2026.

Table 89: Annual trends for allocation for SME IPOs

Year	No. of issuances	Issue Size (Rs. in crores)	% share of client category				
			Retail Individual Investor	Non-Institutional Investor	Qualified Institutional Buyers	Market maker	Others
FY24	138	4,621	42.8%	23.4%	28.0%	5.8%	0.0%
FY25	163	7,111	37.6%	18.1%	38.6%	5.5%	0.2%
FY26	111	5,363	37.0%	18.3%	39.0%	5.4%	0.3%
FY27TD	47	2,727	38.9%	19.8%	35.9%	5.3%	0.2%

Source: NSE EPR. Note.1. Data for FY27TD is as of Oct 31st, 2026.

Figure 332: Sector-wise fund-raising share for SME IPO issuances for FY26 and FY27TD



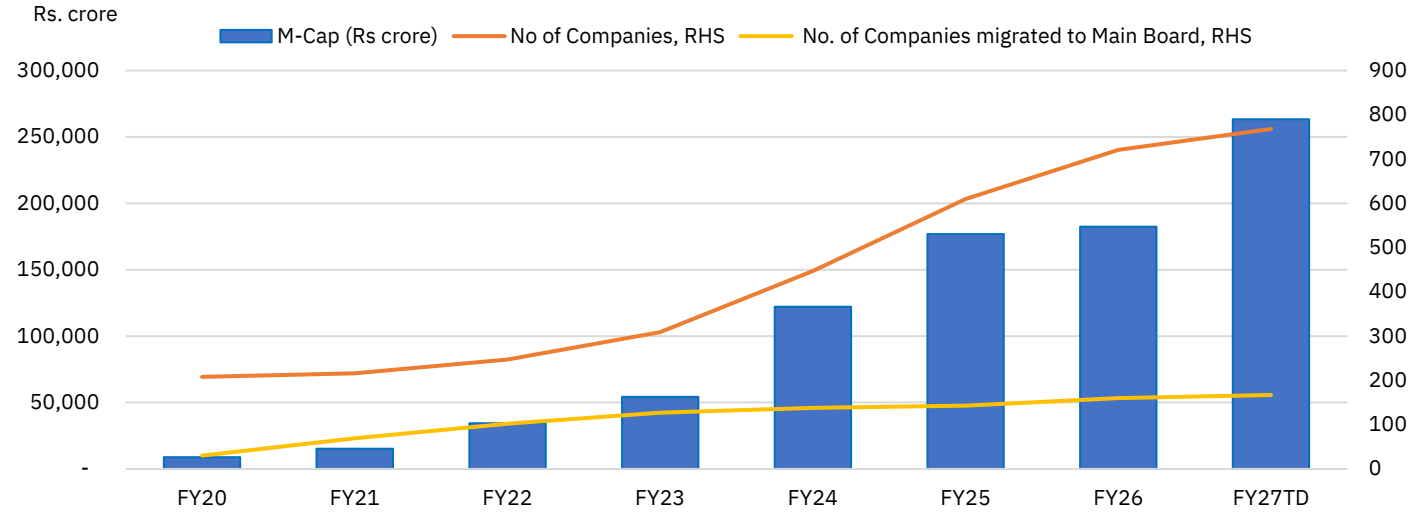
Source: NSE EPR. Note.1. Data for FY27TD is as of 31st Oct 2026

Table 90: Top 10 state wise SME IPOs since inception

State	No of listing	Amount Raised (Rs crore)	M-Cap (Rs crore)
Maharashtra	210	6,607	62,656
Gujarat	191	5,389	59,678
NCT of Delhi	106	3,961	47,316
West Bengal	46	1,571	12,501
Rajasthan	36	1,126	23,522
Tamil Nadu	23	1,102	9,088
Karnataka	24	1,006	10,502
Madhya Pradesh	34	913	12,454
Haryana	20	695	3,767
Telangana	22	626	4,497
Others	56	1,960	17,330
Grand Total	**768**	**24,953**	**2,63,310**

Source: NSE EPR
Note: M-Cap data is as of last day of Oct 2026.

Figure 333: Annual trend of listing and market capitalisation on NSE Emerge



Source: NSE EPR.
Notes: 1. Market cap data for FY27TD is as of Oct 2026.
2. Data includes companies that are migrated to Mainboard of the exchange.

BOX 1: Company-wise details of SME EMERGE listings in October 2026

Bench Mark Infotech Services Limited is engaged in providing IT and digital infrastructure solutions, including network connectivity, data centre, audio-visual and security systems. Its IPO comprised a fresh issue of up to 35,00,000 equity shares and an Offer for Sale of up to 5,00,000 equity shares, aggregating to 40,00,000 equity shares of face value Rs. 10 each. The fresh issue proceeds are proposed to be utilised towards working capital requirements and general corporate purposes.

Himalayan Solar Limited is engaged in the manufacturing, supply, installation and commissioning of solar energy solutions, including solar water pumps, rooftop systems and solar inverter chargers. Its IPO comprised a fresh issue of up to 51,78,000 equity shares and an Offer for Sale of up to 5,98,800 equity shares, aggregating to 57,76,800 equity shares of face value Rs. 10 each. The proceeds are proposed to be utilised towards capital expenditure, repayment of borrowings, working capital requirements and general corporate purposes.

Green Asia Impex Limited is engaged in the processing, manufacturing and export of frozen seafood, primarily shrimps, and dried chillies. Its product portfolio includes Vannamei, Black Tiger and freshwater shrimps, catering to domestic and international markets. The IPO comprised a fresh issue of Rs. 65 crore and an Offer for Sale of Rs. 6 crore, aggregating to Rs. 71 crore. The fresh issue proceeds are proposed to be utilised towards setting up a seafood processing facility in Andhra Pradesh and meeting other specified corporate requirements.

Papadmalji Agro Foods Limited is engaged in the manufacturing and marketing of traditional Indian food products, primarily papads, rice papads, Khichiya papads and moongodi. The IPO comprised a fresh issue of up to 25,74,000 equity shares and an Offer for Sale of up to 2,74,800 equity shares, aggregating to 28,48,800 equity shares of face value Rs. 10 each.

Eventions Limited is engaged in the event management business, providing services relating to the planning, organisation and execution of events. The Company also operates through its subsidiary, Gantu Online Private Limited. The exact IPO structure and utilisation of proceeds should be taken from its final offer document rather than estimated from its listing disclosures.

R.K. Fashion Accessories Limited is engaged in the imitation jewellery and fashion accessories business, primarily dealing in the sourcing and sale of imitation jewellery through its distribution network. The IPO comprised a fresh issue of up to 42,67,200 equity shares of face value Rs. 10 each. The proceeds are proposed to be utilised towards meeting working capital requirements, establishing a manufacturing and plating facility, and general corporate purposes.

Vaibhav Vyapaar Limited is a Non-Banking Financial Company (NBFC) engaged in providing digital personal lending solutions to salaried and self-employed individuals through direct lending and co-lending arrangements. The IPO comprised a fresh issue of up to 76,00,000 equity shares of face value Rs. 5 each. The proceeds are proposed to be utilised primarily towards augmenting the Company's capital base, with Rs. 32 crore allocated for this purpose, and general corporate purposes.

Ravita Engineering Services Limited is engaged in providing integrated engineering solutions, including the engineering, procurement, installation and commissioning of HVAC systems, central air-conditioning systems, industrial compressors and other electro-mechanical equipment. The Company also provides operations and maintenance services across various industrial and commercial establishments. The IPO comprised a fresh issue of up to 1,25,00,000 equity shares of face value Rs. 5 each.

6.2 Investor base continues to expand, with evolving regional trends in registrations

6.2.1 Region wise distribution of total registered investors

North India's share in the registered investor base continues to rise: NSE's registered investor base reached 13.8 crore in October 2026, registering a growth of 1.1% MoM. As of October 2026, North India accounted for the largest share at 36.9% (5.1 crore), followed by West India (29.0%), South India (21.1%) and East India (12.1%). Since FY19, the investor base has expanded 6.6 times in North India and 6.2 times in East India, compared with 4.4 times in South India and 4.1 times in West India.

Figure 334: Trend of region wise total unique registered investors

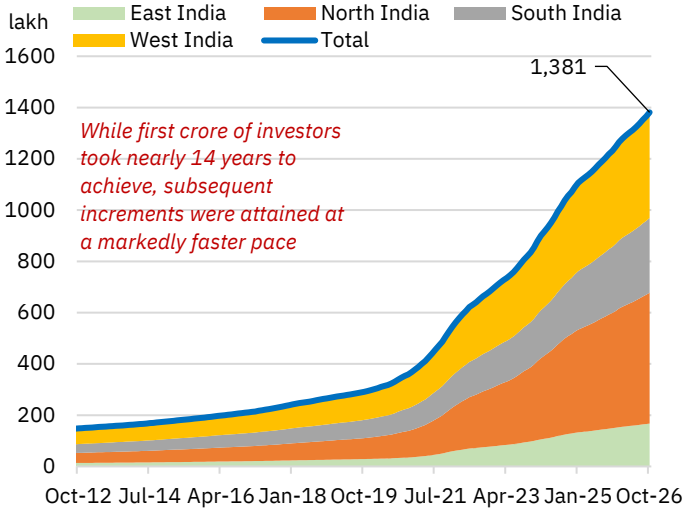
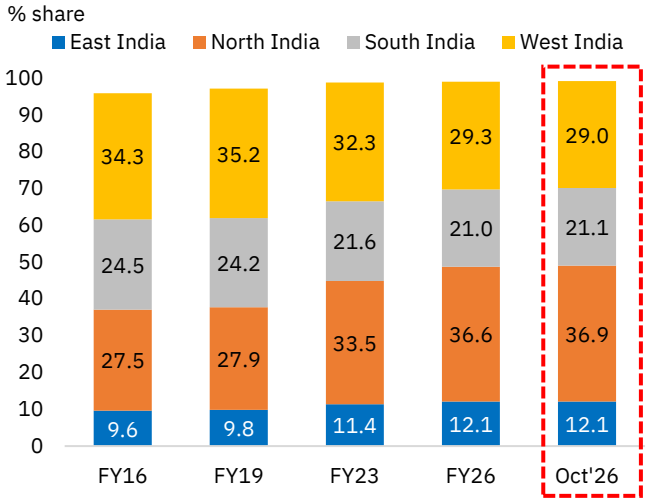


Figure 335: Trend of region wise total unique registered investors (% share)



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, Keralam, Andhra Pradesh, Tamil Nadu, Karnataka, Pondicherry, Lakshadweep and Andaman & Nicobar.

Table 91: Region-wise distribution of total unique registered investors (in lakh) at end of each fiscal year

Region	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27TD
East India	30.4	39.3	65.7	82.8	107.7	135.8	156.3	167.3
North India	88.4	117.6	189.4	243.5	324.0	409.7	472.9	510.3
South India	75.1	97.0	132.5	157.3	189.2	232.9	271.4	291.8
West India	108.4	139.1	198.2	234.8	286.0	341.0	378.1	401.0
Others#	7.7	7.5	8.0	8.4	9.0	8.5	12.2	10.8
Total	**310.1**	**400.3**	**593.7**	**726.9**	**915.9**	**1127.9**	**1290.9**	**1381.2**

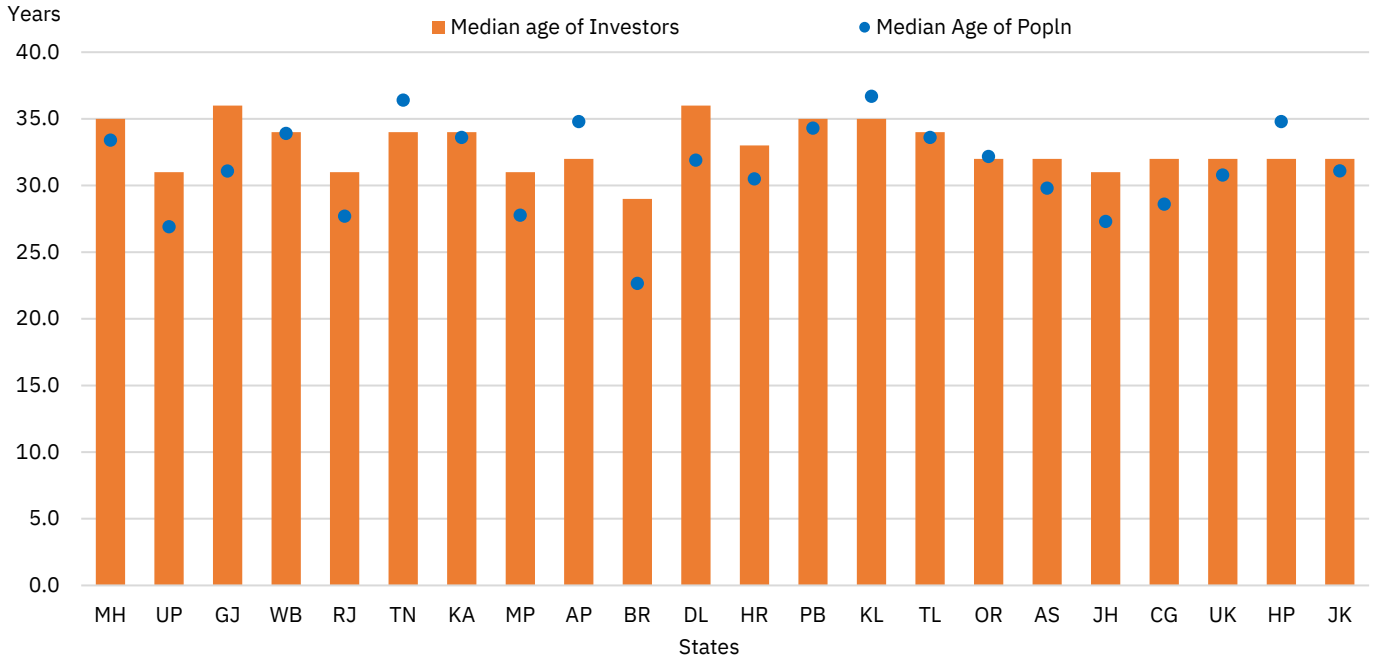
Source: NSE EPR. Note: Data for FY27TD is as Of October 2026 #Others include Army Personnel Officers and investors for whom state mapping is unavailable

Demographics of registered investors

Young investors account for a sizeable share of the investor base, but participation gaps remain across states: The age profile of registered investors suggests that India's investor base is relatively young, though the extent varies considerably across states. Investors below 30 years of age account for 37.6% of the all-India registered investor base, with the share rising well above the national average in several relatively younger states such as Bihar (50.3%), Uttar Pradesh (44.3%), Madhya Pradesh (43.8%), Jharkhand (43.3%) and Rajasthan (42.0%). This is also reflected in the median age

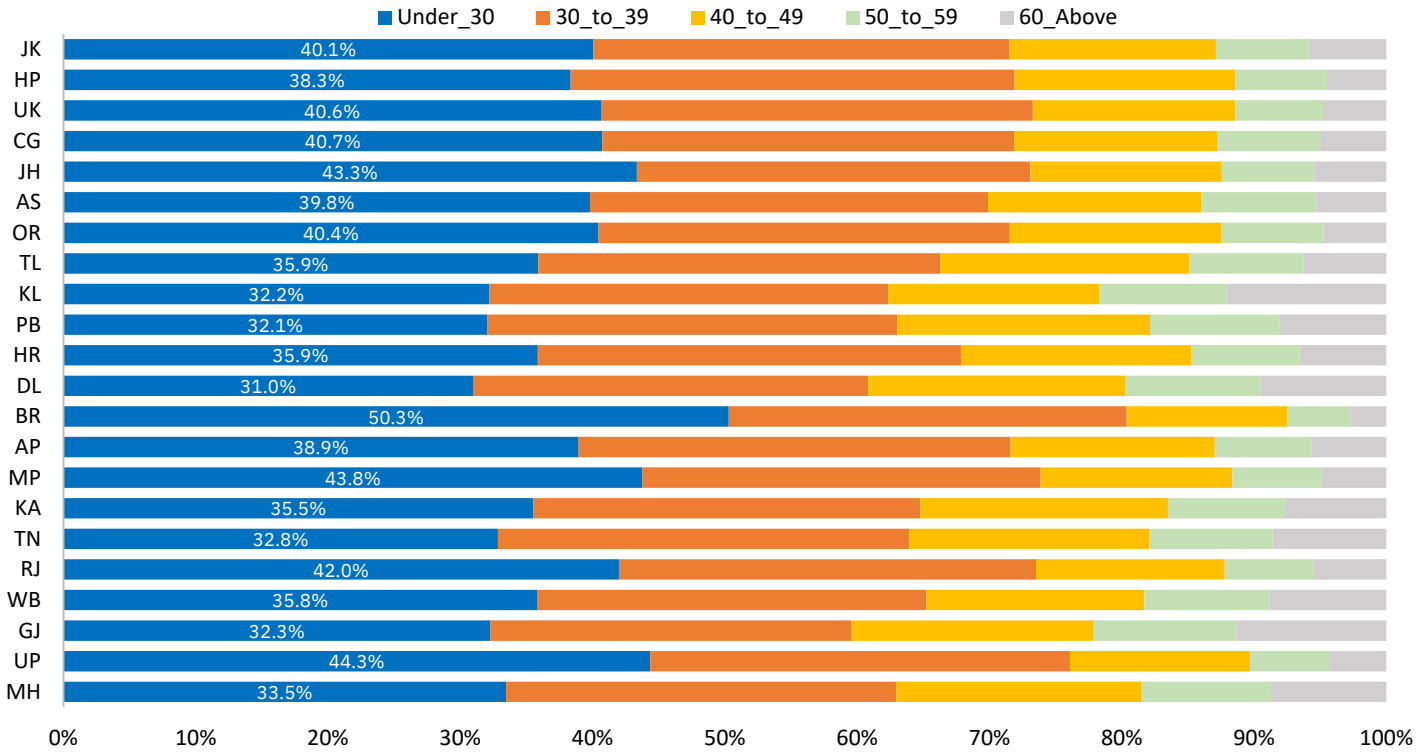
profile, where states with younger population structures tend to show a higher share of younger investors. However, the median age of registered investors generally remains above the median age of the population, indicating that a young population base does not automatically translate into equally broad market participation. The gap is particularly visible in states such as Bihar, Uttar Pradesh and Delhi, while in some southern states such as Tamil Nadu, Andhra Pradesh and Kerala, the investor age profile is closer to the underlying population profile. Demographic advantage creates potential, but actual participation continues to depend on factors such as financial awareness, income levels and access to investment platforms.

Figure 336: State-wise comparison of median population age and registered investor age



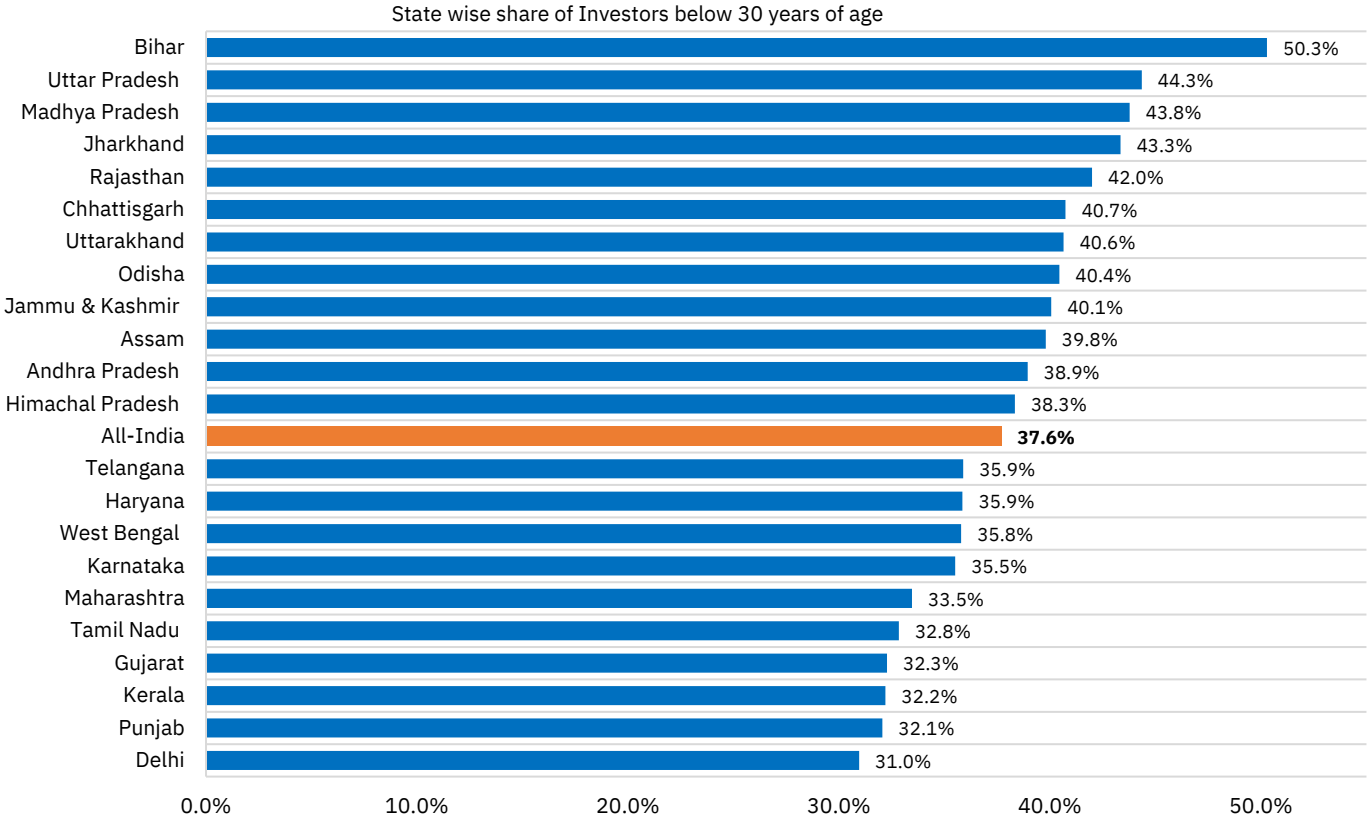
Source: NSE EPR, Projected Median Age of Population for India and Major States as on 1st March: 2011 – 2036, National Health profile 2023 (NHP 2023), NFHS reports, MoH&FW. Notes: 1) State codes: AP = Andhra Pradesh; BR = Bihar; CG= Chhattisgarh; GJ = Gujarat; HR = Haryana; HP = Himachal Pradesh; JH = Jharkhand; JK= Jammu & Kashmir; KA = Karnataka; KL = Keralam; MP = Madhya Pradesh; MH = Maharashtra; OR = Orissa; PB = Punjab; RJ = Rajasthan; TN = Tamil Nadu; TG = Telangana; UP = Uttar Pradesh; UK = Uttarakhand; WB = West Bengal; DL = Delhi; AS = Assam. 2) States are arranged in the descending order of the registered investor base. 3) Median age data were available for only 22 states and UTs. However, these states account for 98% of the total registered investor base.

Figure 337: Age-wise distribution of registered investor base



Source: NSE EPR. Notes: 1) State codes: AP = Andhra Pradesh; BR = Bihar; CG= Chhattisgarh; GJ = Gujarat; HR = Haryana; HP = Himachal Pradesh; JH = Jharkhand; JK= Jammu & Kashmir; KA = Karnataka; KL = Keralam; MP = Madhya Pradesh; MH = Maharashtra; OR = Orissa; PB = Punjab; RJ = Rajasthan; TN = Tamil Nadu; TG = Telangana; UP = Uttar Pradesh; UK = Uttarakhand; WB = West Bengal; DL = Delhi; AS = Assam.

Figure 338: State-wise share of investors below 30 years of age



Source: NSE EPR.

State-level distribution of registered investors

Maharashtra retains the largest investor base, while Uttar Pradesh and Bihar gain relative importance: Maharashtra accounted for 2.1 crore registered investors as of October 2026 (15.4% of the national total), followed by Uttar Pradesh at 1.7 crore (12.0%), Gujarat at 1.2 crore (8.6%), West Bengal at 82 lakh (5.9%) and Rajasthan at 80 lakh (5.8%). Together, these five states accounted for 47.7% of the total registered investor base.

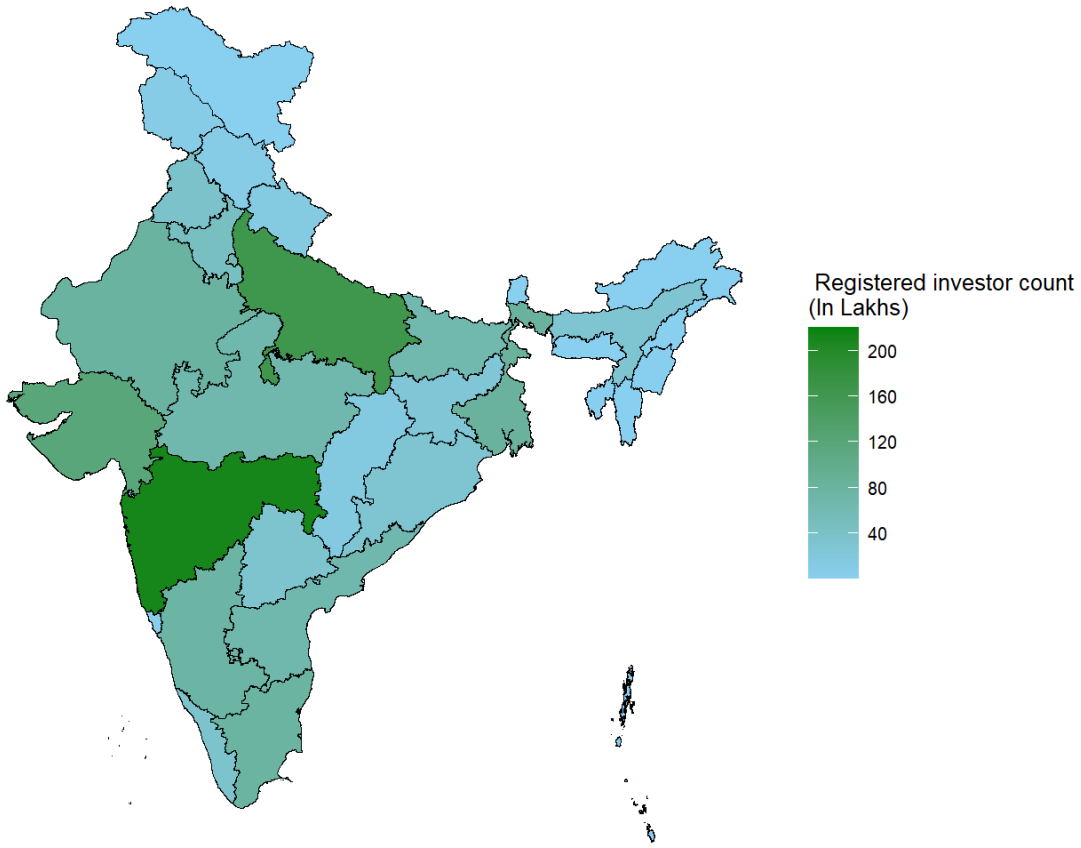
The state-wise distribution has undergone a notable shift, particularly since FY20, with northern and eastern states gaining prominence. Between FY15 and FY20, changes in the relative shares were relatively modest, with Telangana (+1.1pp) and Gujarat (+0.8pp) recording the largest gains, while Maharashtra and Delhi saw declines of 0.7pp each. However, the shift became more pronounced between FY20 and October 2026, with Uttar Pradesh recording the largest increase in share (+4.6pp), followed by Bihar (+2.5pp), Madhya Pradesh (+1.6pp), Rajasthan and Assam (+1.5pp each). In contrast, Maharashtra (-3.9pp) and Gujarat (-3.7pp) recorded the sharpest declines, followed by Delhi (-1.9pp) and Tamil Nadu (-1.4pp). These trends indicate a gradual geographical broadening of the investor base, with traditionally dominant western states losing relative share to emerging investor markets.

Table 92: State-wise distribution of total unique registered investors at end of each fiscal year

	FY15		FY20		FY25		FY27TD		Change in % share	
	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	FY15-20	FY20-27TD
Maharashtra	3575	19.9	5963	19.2	18376	16.3	21207	15.4	-0.7	-3.9
Uttar Pradesh	1248	6.9	2302	7.4	12827	11.4	16556	12.0	0.5	4.6
Gujarat	2055	11.4	3797	12.2	9939	8.8	11858	8.6	0.8	-3.7
West Bengal	1175	6.5	1990	6.4	6614	5.9	8203	5.9	-0.1	-0.5
Rajasthan	667	3.7	1328	4.3	6454	5.7	8003	5.8	0.6	1.5
Tamil Nadu	1287	7.2	2182	7.0	6261	5.6	7810	5.7	-0.1	-1.4
Karnataka	1165	6.5	1949	6.3	6239	5.5	7674	5.6	-0.2	-0.7
Andhra Pradesh	1002	5.6	1581	5.1	5137	4.6	6678	4.8	-0.5	-0.3
Madhya Pradesh	518	2.9	984	3.2	5460	4.8	6656	4.8	0.3	1.6
Bihar	294	1.6	670	2.2	5085	4.5	6498	4.7	0.5	2.5
Delhi	1197	6.7	1853	6.0	4922	4.4	5685	4.1	-0.7	-1.9
Haryana	531	3.0	971	3.1	3845	3.4	4607	3.3	0.2	0.2
Punjab	389	2.2	704	2.3	2991	2.7	3672	2.7	0.1	0.4
Keralam	583	3.2	942	3.0	2817	2.5	3563	2.6	-0.2	-0.5
Telangana	279	1.6	813	2.6	2694	2.4	3269	2.4	1.1	-0.3
Orissa	250	1.4	494	1.6	2446	2.2	3061	2.2	0.2	0.6
Assam	109	0.6	221	0.7	2527	2.2	2989	2.2	0.1	1.5
Jharkhand	258	1.4	444	1.4	1989	1.8	2526	1.8	0.0	0.4
Chhattisgarh	129	0.7	252	0.8	1422	1.3	1695	1.2	0.1	0.4
Uttarakhand	123	0.7	234	0.8	1194	1.1	1483	1.1	0.1	0.3
HP	60	0.3	123	0.4	759	0.7	904	0.7	0.1	0.3
J&K	65	0.4	112	0.4	651	0.6	832	0.6	0.0	0.2
Goa	48	0.3	82	0.3	250	0.2	292	0.2	0.0	-0.1
Chandigarh	63	0.3	100	0.3	245	0.2	260	0.2	0.0	-0.1
Tripura	13	0.1	24	0.1	184	0.2	239	0.2	0.0	0.1
Others	878	4.9	889	2.9	1465	1.3	1902	1.4	-2.0	-1.5
Total	**17961**	**100.0**	**31006**	**100.0**	**112794**	**100.0**	**138123**	**100.0**	**0.0**	**0.0**

Source: NSE EPR. Note: Data for FY27 is as of October 31st, 2026; Others include Others includes Manipur. Puducherry, Meghalaya, Dadra & Nagar Haveli, Daman & Diu, Nagaland, Arunachal Pradesh, Sikkim, Mizoram, A&N Islands, Ladakh, Lakshadweep. HP= Himachal Pradesh

Figure 339: State-wise distribution of registered investors as of October 2026



Source: NSE EPR. Note: The maps above are created using the state-level shapefile from (Link)

6.2.2 Region wise distribution of new investor registrations

North and West India lead new investor registrations, while South and East India record YoY declines: NSE added 15.5 lakh new investors in October 2026 (17.8% MoM), taking total additions in FY27TD to 90.3 lakh, broadly in line with FY26TD levels. This was after a slower pace of new additions recorded in the last month. North India accounted for the largest share of FY27TD registrations at 40.3% (36.4 lakh), followed by West India at 25.0% (22.6 lakh), South India at 22.1% (20.0 lakh) and East India at 12.4% (11.2 lakh).

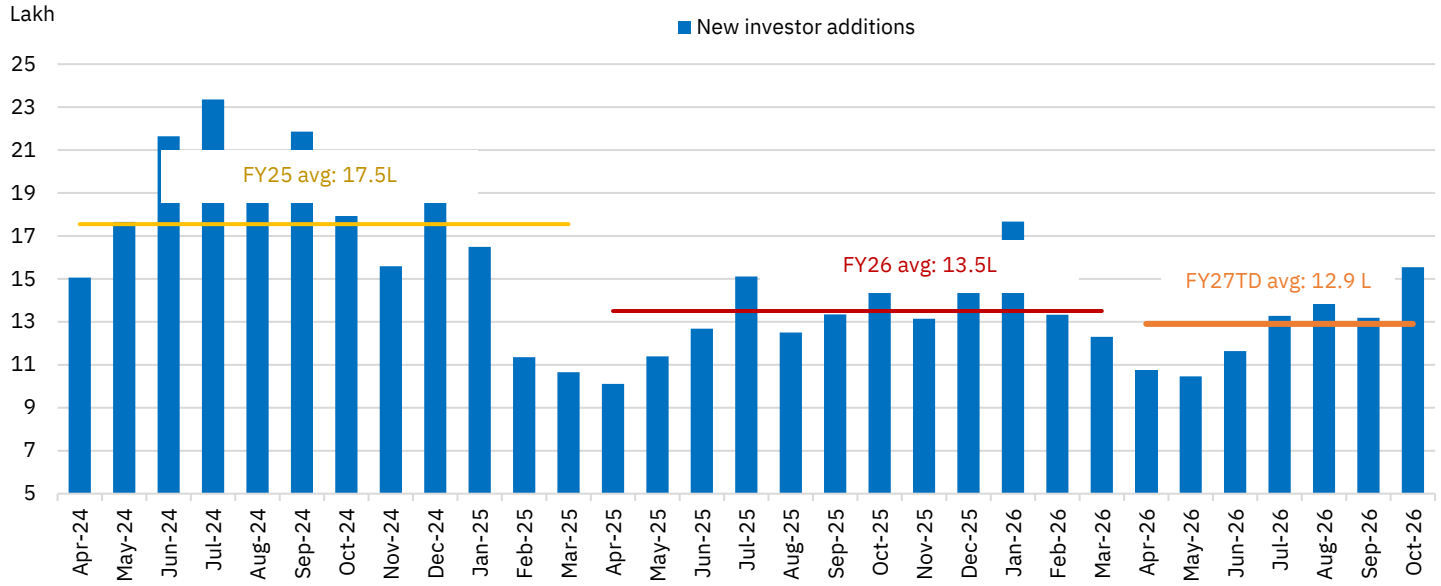
On a YoY basis, new registrations rose by 14.6% in West India and 11.2% in North India, while declining by 8.4% in South India and 6.0% in East India, highlighting regional divergence in the pace of new investor additions.

State-wise trends in new investor registrations

Uttar Pradesh, Maharashtra and Gujarat lead new investor registrations, with Gujarat recording the strongest YoY growth: Uttar Pradesh accounted for the largest share of new registrations in October 2026 at 13.7% (2.1 lakh), followed by Maharashtra (10.9%; 1.7 lakh), Gujarat (10.8%; 1.7 lakh), Rajasthan (6.4%; 1.0 lakh) and Bihar (6.2%; 96.3 thousand). Together, these five states contributed over 48% of total additions during the month.

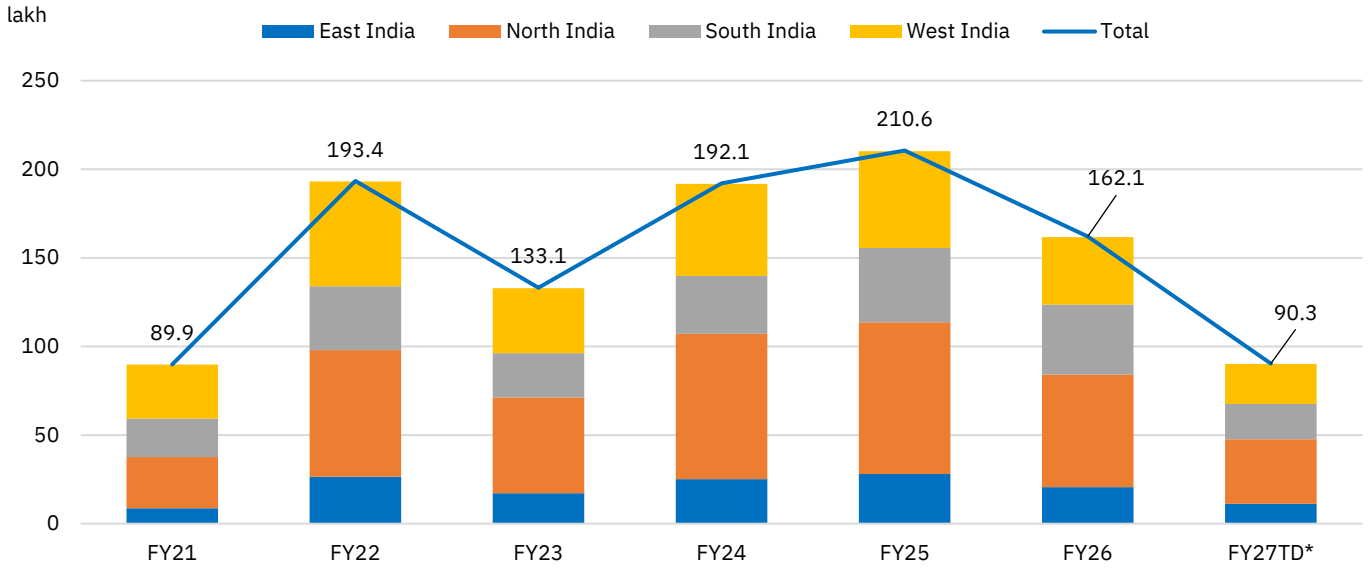
Among the leading states, Gujarat recorded the highest YoY growth in new registrations at 43.7%, followed by Rajasthan (20.9%) and Bihar (15.1%). During FY27TD, Uttar Pradesh maintained its lead with 13.0 lakh registrations, averaging 1.9 lakh per month, followed by Maharashtra (9.6 lakh; monthly average of 1.4 lakh) and Gujarat (8.3 lakh; monthly average of 1.2 lakh).

Figure 340: Monthly trends in new investor additions



Source: NSE EPR.

Figure 341: Region-wise distribution of new investors registered each financial year



Source: NSE EPR. Data for FY27TD is as of October 2026.

Table 93: Monthly trends for new investors registration in top 25 states (in '000)

State	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Uttar Pradesh	253.9	197.8	172.1	170.1	168.4	174.6	186.3	199.6	189.4	213.5
Maharashtra	184.9	141.8	133.9	119.4	114.8	129.4	142.3	158.3	130.2	169.2
Gujarat	149.6	74.1	60.6	52.7	51.7	73.8	115.9	225.9	146.1	168.6
Rajasthan	107.1	73.3	64.6	58.8	60.5	68.5	80.8	110.5	85.0	100.0
Bihar	109.4	84.9	80.9	72.5	69.5	74.4	81.1	85.7	82.6	96.3
Karnataka	98.6	75.4	66.9	57.1	57.8	66.0	74.4	76.3	66.8	89.3
Tamil Nadu	117.2	93.3	82.7	67.7	62.5	77.9	92.7	88.5	79.2	87.5
West Bengal	100.4	91.9	87.1	75.7	69.8	73.4	81.9	86.8	79.6	82.9
Madhya Pradesh	88.9	67.8	61.4	52.9	53.8	61.0	66.4	74.2	63.4	74.3
Andhra Pradesh	88.9	67.2	62.3	45.8	43.8	47.5	55.3	64.7	53.8	67.7
Telangana	73.3	56.7	51.4	39.4	36.8	40.1	46.8	51.3	44.8	58.4
Haryana	53.4	36.4	22.0	30.2	30.2	33.1	39.8	49.1	40.6	48.2
Delhi	56.0	41.3	64.2	33.5	33.9	36.5	40.8	44.5	40.3	47.2
Keralam	47.9	39.9	35.0	29.0	31.6	34.4	37.1	36.3	37.3	42.0
Punjab	41.8	33.9	32.8	30.5	28.3	30.2	36.2	40.3	35.3	37.1
Orissa	39.1	31.2	32.0	28.0	25.9	25.7	27.4	31.7	27.4	34.6
Jharkhand	36.1	26.7	24.6	22.1	22.3	28.6	29.9	28.3	28.0	32.6
Assam	26.4	24.6	25.7	24.9	25.6	25.0	23.6	24.3	24.0	27.4
Chhattisgarh	23.7	18.2	17.1	14.9	14.8	16.4	17.3	18.5	16.6	20.9
Uttarakhand	19.5	15.2	14.6	12.8	12.6	13.6	14.8	15.9	14.2	16.0
Jammu & Kashmir	13.4	9.9	8.8	8.9	7.3	7.8	9.3	9.2	8.0	10.6
Himachal Pradesh	11.9	9.0	8.5	8.0	6.8	7.2	8.4	9.9	8.4	9.8
Tripura	3.8	3.6	3.6	3.2	2.9	3.2	3.2	3.0	2.8	2.8
Goa	2.8	2.2	2.1	1.7	1.7	2.0	2.2	2.2	1.8	2.4
Manipur	2.8	2.6	2.3	1.9	2.2	2.0	2.1	2.4	2.1	2.3
Others	16.1	14.2	13.2	11.8	11.0	11.2	12.0	12.8	11.6	12.7
Total	**1767**	**1333**	**1231**	**1074**	**1046**	**1164**	**1328**	**1550**	**1319**	**1554**

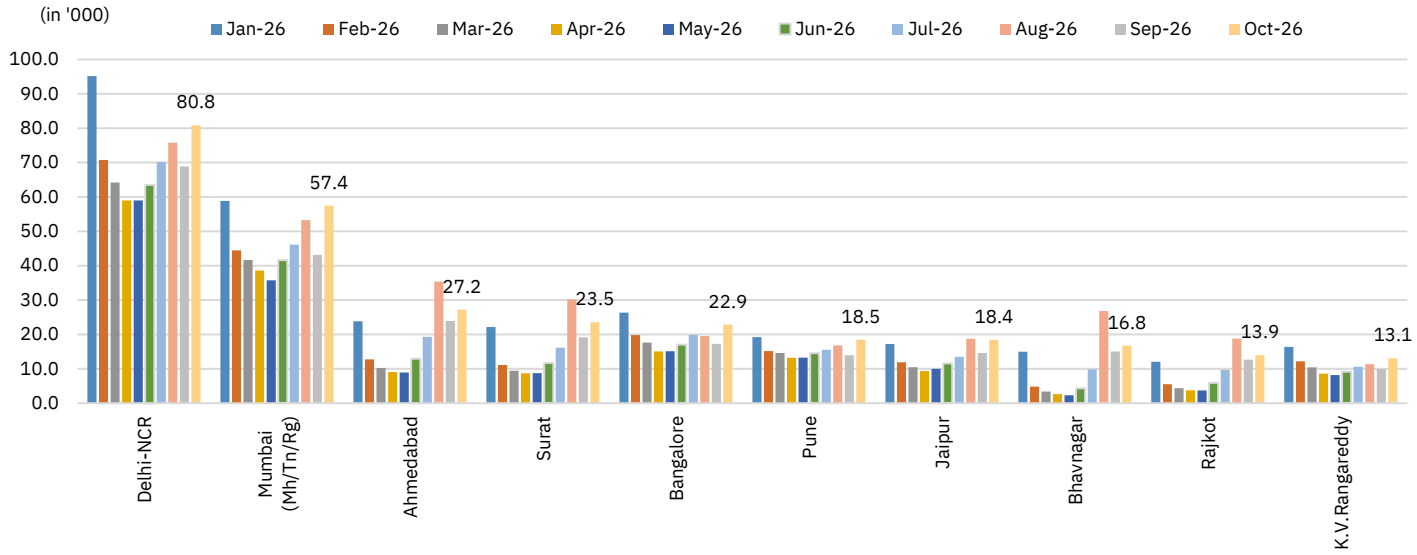
Source: NSE EPR.
Note: Data for the top 25 states are chosen based on last month's data.

District-level trends in investor registrations

New registrations remain dispersed beyond major urban centres, with strong growth across several Gujarat districts: The top 50 districts accounted for approximately 38% of new registrations in October 2026, while the remaining districts and locations contributed 62.0%. Delhi-NCR recorded the highest number of additions at 80.8 thousand, followed by Mumbai (57.4 thousand), Ahmedabad (27.2 thousand), Surat (23.5 thousand) and Bengaluru (22.9 thousand). Pune, Jaipur, Bhavnagar, Rajkot and K.V. Rangareddy also featured among the ten largest contributors. Together, these ten districts accounted for approximately 18.8% of registrations, indicating that a substantial share of new additions continued to originate beyond the largest urban centres.

Year-on-year growth was particularly strong across several Gujarat districts. Bhavnagar recorded an increase of 57.5%, followed by Rajkot (45.3%), Ahmedabad (42.1%), Jamnagar (73.0%) and Junagadh (41.0%). In contrast, growth was relatively modest in Mumbai (2.9%) and Delhi-NCR (7.8%), while Bengaluru recorded a decline of 3.2%. The strong performance across multiple Gujarat districts indicates that the state's contribution to new investor registrations extended beyond its largest urban centres, while the substantial share accounted for by other districts points to wider geographical dispersion of new participation.

Figure 342: 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.

6.2.3 Investor profile

Younger investors: Investors below 40 years accounted for 67.9% of NSE's registered individual investor base as of Oct-26, compared with 54.7% as of Mar-20, although their share has moderated from a peak of 69.1% in Mar-24. Within this, the share of investors below 30 years rose from 23.5% in Mar-20 to 40% in Mar-24, before easing to 37.6% in Oct-26, while that of the 30–39 age group increased marginally from 29.1% to 30.3% over the latter period. Reflecting the structural shift towards a younger investor base, the median and mean ages of registered investors declined from 38 and 41.1 years in Mar-20 to 33 and 36.3 years in Oct-26, respectively.

The younger demographic continued to drive incremental investor additions, with investors below 30 years accounting for 58.2% of new registrations in FY27TD (Apr–Oct'26), up from 56.4% in FY26, while those aged 30–39 years contributed another 21.6%. This trend remained broadly unchanged in October, with investors below 30 years comprising 57.9% of new registrations, followed by the 30–39 age group at 21.2%. Together, investors below 40 years accounted for nearly 80% of new registrations in FY27TD, significantly higher than their share in the existing registered base.

Despite the sustained dominance of younger investors in incremental registrations, the gradual moderation in their share of the overall investor base since Mar'24 indicates a modest shift in its age composition towards older cohorts.

Table 94: 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	Oct'26
Less than 30 years	23.5	29.4	37.5	38.5	40.0	39.5	38.4	37.6
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	8.4
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 95: Mean and median age of registered individual investors

Age (years)	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Mar'26	Oct'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	36.3

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 96: 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	58.2
30-39 years	26.5	25.4	23.9	24.4	23.6	25.7	23.1	21.6
40-49 years	10.7	9.5	10.0	10.4	10.7	12.5	12.1	11.6
50- 59 years	6.0	4.6	4.7	4.5	4.5	5.6	5.5	5.6
60 years and above	4.7	2.7	2.4	2.4	2.4	2.9	2.9	3.0

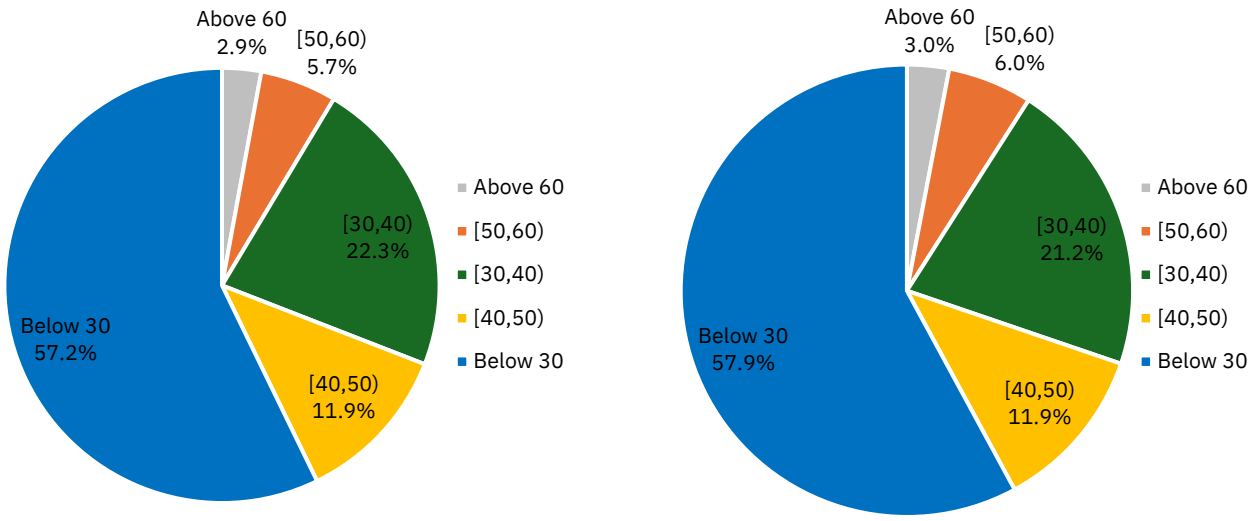
Source: NSE EPR
Note: Only individuals and sole proprietorship firms have been considered in the above table.

Table 97: 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	30.5

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.

Figure 343: Age-wise distribution of new registered investors in the month of October 2026 vs. October 2025



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 Oct'26: Female investor participation has demonstrated rapid progress in recent years and presently stands at 25.2% of individual investors as of Oct'26. Significantly, smaller states including Arunachal Pradesh (28.7% female investor share, +5.1pp since FY24), Sikkim (32.1% female investor share, +4.9pp since FY24) have shown considerable progress in terms of their female investor shares. Additionally, Goa with a female investor share of 33.3%, despite having just 2.9 lakh registered investors, leads the rankings in terms of female investor participation. Of the top states in terms of registered investors, Maharashtra continues to lead, accounting for 29.2% of individual investors as of Oct'26(vs 26.4% in Sep'26). Notably, Uttar Pradesh (19.4% female investor share) and West Bengal (24.2% female investor share) continue to remain outside the top 20 in terms of female investor participation rankings, despite being among the top five states in terms of registered investors.

Table 98: 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%	24.6%	75.4%
Andhra Pradesh	21.5%	78.5%	23.2%	76.8%	24.3%	75.7%	24.7%	75.3%
Arunachal Pradesh	23.6%	76.4%	26.3%	73.7%	28.2%	71.8%	28.6%	71.4%
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%	30.8%	69.2%
Goa	31.0%	69.0%	32.5%	67.5%	33.3%	66.7%	33.3%	66.7%
Gujarat	26.5%	73.5%	27.8%	72.2%	28.4%	71.6%	28.5%	71.5%
Haryana	22.8%	77.2%	24.6%	75.4%	25.3%	74.7%	25.6%	74.4%
Himachal Pradesh	18.2%	81.8%	20.7%	79.3%	21.9%	78.1%	22.5%	77.5%
Jammu and Kashmir	14.3%	85.7%	15.9%	84.1%	16.8%	83.2%	17.0%	83.0%
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%	28.3%	71.7%
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%	16.3%	83.7%
Madhya Pradesh	20.2%	79.8%	21.8%	78.2%	22.3%	77.7%	22.6%	77.4%
Maharashtra	26.4%	73.6%	28.2%	71.8%	29.0%	71.0%	29.1%	70.9%
Manipur	23.0%	77.0%	24.8%	75.2%	26.1%	73.9%	26.6%	73.4%
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%	33.2%	66.8%
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%	21.6%	78.4%
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%	27.7%	72.3%
Rajasthan	18.9%	81.1%	20.3%	79.7%	20.7%	79.3%	21.2%	78.8%
Sikkim	27.2%	72.8%	29.9%	70.1%	31.6%	68.4%	32.0%	68.0%
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%	25.8%	74.2%
Tripura	16.2%	83.8%	18.1%	81.9%	19.0%	81.0%	18.6%	81.4%
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%	23.3%	76.7%
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%**	**25.2%**	**74.8%**

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 September 30th, 2026

6.3 Market activity across segments and investor categories

6.3.1 Turnover across segments: CM activity moderates; equity derivatives recover

The monthly trend reflects a divergence in trading activity across market segments in October 2026, with cash market turnover continuing its gradual moderation, while equity derivatives witnessed a broad-based recovery. The increase in equity futures and options turnover was accompanied by a notable shift in participant composition. In cash markets, active investor participation reached a multi-month high, while average trade size declined to a 19-month low, indicating greater participation from small-ticket investors. Within equity derivatives, index futures and index options premium turnover reached four-month and seven-month highs, respectively, supported by an increase in traded volumes and average trade size in options contracts. Among other segments, currency futures turnover moderated, while interest-rate futures recorded a marginal recovery. In commodity markets, futures turnover declined from September highs, whereas options premium turnover scaled a fresh record, led by sustained activity in crude oil options and increased traction in natural gas options.

Divergent monthly trends in cash market and equity derivatives ADT...: The ADT in cash markets declined marginally by 1% MoM to ~Rs 1.14 lakh crore in October, marking the fifth consecutive monthly decline. In contrast, ADT in the equity derivatives segment increased, with equity futures rising 12% MoM to ~Rs 1.29 lakh crore, while equity options premium turnover rose 38% MoM to over Rs 70,000 crore – the highest monthly level in the current fiscal year.

...Annual comparison, however, presents a different trend: On an annual comparison, ADT in cash markets rose 19% to Rs 1.25 lakh crore in FY27 (till October) compared with the average for the entire FY26. On the other hand, ADT in equity futures moderated by 14% to Rs 1.37 lakh crore, while ADT in equity options marginally up 0.3% to ~Rs 58,000 crore premium turnover during the current fiscal year. Within equity futures, index futures witnessed a sharper decline of 35% in FY27 (till October) compared with the entire FY26, while stock futures declined by 9%, partly reflecting the increase in STT on futures contracts.

An evolving trend in client participation in equity futures: A notable shift in participant shares is visible in index futures, where the share of proprietary traders declined to 24.2% in FY27 (till October), from 31.4% in FY26, while the share of foreign investors rose to 21%, from 16.5% in FY26. A similar trend is also visible in stock futures, where the share of proprietary traders declined to ~27.3%, from 32.1% in FY26, while the share of foreign investors rose to 33.3%, from 30.1% in FY26. These trends are discussed in greater detail in the subsequent section, 'Client Category-wise Share of Turnover'.

Active investor participation rises to a 24-month high, while ATS falls to a 19-month low in cash markets: In cash markets, the number of trades rose 3% MoM to ~86 crore in October, marking a 21-month high. These trades were distributed across ~1.44 crore active unique investors (a 24-month high), representing a 16% MoM increase. However, the increase in participation was accompanied by an 8% MoM decline in average trade size (ATS) to Rs 26,604 in October, the lowest level in 19 months, highlighting increased participation from small-ticket investors. The analysis of turnover by trading range also suggests an interesting trend, with the share of active investors trading below Rs 1 lakh rising to ~75.7% in October, from ~70.4% in the previous month. This was accompanied by an increase in their share of turnover to ~0.5%, from 0.37% last month. These trends are discussed in greater detail in the subsequent section, 'Turnover by Trading Range'.

Main Board equity ADT declines marginally, while ETF turnover increases: The share of Main Board equities continued to account for the bulk of activity, contributing ~97% of overall ADT during the month, although turnover moderated marginally by 0.7% MoM. In contrast, ETF turnover increased 5% MoM to ~Rs 3,500 crore, although it remained 27% lower on a YoY basis. Within ETF turnover, commodity ETFs accounted for a major share of the activity. ADT for Emerge-listed companies moderated 22% MoM to ~Rs 260 crore, also declining 5% on a YoY basis.

Index futures ADT reaches a four-month high: In October, the recovery in equity futures was broad-based, with stock futures ADT increasing 11% MoM to ~Rs 1.11 lakh crore and index futures rising 20% to Rs 18,715 crore, a four-month high. Nifty 50 futures contracts remained the dominant index futures, accounting for ~69% of index futures ADT, with turnover increasing 24% MoM. Stock futures continued to constitute the bulk of equity futures activity, accounting for ~86% of segment turnover**.**

Index options premium turnover reaches a seven-month high: A similar trend was visible in equity options activity during the month, with index options ADT (premium basis) rising 41% MoM to Rs 63,227 crore, the highest level since March 2026, while stock options turnover increased ~16% MoM to Rs 7,299 crore during the month. Index options accounted for 90% of ADT (premium basis), with Nifty 50 contracts contributing 92% of index options turnover.

Divergent ATS trends across equity futures and options, with traded volumes witnessing broad-based growth: Monthly aggregate trades in index options rose 16% MoM to ~112 crore during the month, the highest level in the last four months, while those in stock options increased 6% MoM to ~11 crore. ATS for index options also rose 16% MoM to ~Rs 11,300 (a six-month high), while that for stock options increased 4% MoM to ~Rs 13,300, contributing to the increase in ADT for these instruments. Notably, monthly aggregate trades in index futures increased 16% MoM to ~16 lakh, while those in stock futures rose 10% MoM to ~2.7 crore. However, ATS declined 1% MoM for index futures and 4% MoM for stock futures during the month.

Currency futures moderate, while interest-rate futures record a marginal recovery: ADT in currency futures declined 17% MoM to Rs 5,557 crore in October, while currency options activity remained subdued. In contrast, ADT in interest-rate futures edged up 5% MoM to Rs 93 crore, following the sharp decline witnessed in the previous month.

Commodity futures moderate from September highs, while options turnover scales a fresh record: ADT in commodity futures declined 38% MoM to Rs 115 crore in October, following the sharp increase recorded in the previous month. The moderation was largely driven by lower turnover in crude oil and electricity futures, which declined 47% and 43.4% MoM, respectively. Together, these contracts accounted for ~83% of futures turnover.

On the other hand, commodity options ADT increased 14% MoM to a fresh record of Rs 434 crore (premium basis) and was over 11 times its year-ago level. Crude oil options contracts continued to dominate the segment, accounting for ~93% of premium turnover and increasing 10% MoM. Notably, natural gas options also gained traction, with premium turnover rising 173% MoM in October.

Table 99: Monthly trend of turnover (Rs crore) across segments

Month	Equity cash	Equity Futures			Equity Options			Currency derivatives		Interest rate futures	Commodity derivatives	
		Stock Futures	Index Futures	Total	Stock options	Index Options	Total	Futures	Options		Futures	Options
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	1.18	1,836	1,083.8	835.6
Nov-25	19,86,953	24,95,117	5,23,609	30,18,726	1,23,624	9,13,277	10,36,901	74,036	1.15	2,207	1,202.5	524.8
Dec-25	20,78,923	25,64,597	5,25,951	30,90,548	1,33,042	9,46,923	10,79,965	82,991	2.17	1,936	1,068.4	635.4
Jan-26	23,91,197	30,30,657	5,82,392	36,13,049	1,76,100	11,53,154	13,29,254	78,015	1.01	2,004	1,191.5	884.5
Feb-26	24,07,596	29,59,273	6,04,938	35,64,211	1,87,214	12,83,969	14,71,183	71,636	1.87	2,287	1,144.5	1,028.7
Mar-26	23,78,206	27,09,243	7,86,942	34,96,185	1,57,389	16,24,668	17,82,056	1,26,077	2.53	2,020	2,051.5	1,563.8
Apr-26	26,94,182	26,24,086	5,21,343	31,45,429	1,65,360	11,24,391	12,89,752	95,170	1.79	2,878	2,332.4	1,573.2
May-26	26,91,106	25,56,313	4,40,752	29,97,064	1,64,850	11,12,872	12,77,722	1,24,889	1.60	4,401	1,836.4	3,230.3
Jun-26	27,71,636	25,66,887	4,75,354	30,42,240	1,44,900	11,48,734	12,93,633	1,05,464	1.58	2,497	2,226.1	4,003.3
Jul-26	27,69,562	27,15,449	3,96,179	31,11,628	1,84,352	9,70,508	11,54,859	1,27,306	1.39	4,444	2,568.5	6,029.2
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	2,407.7	5,210.7
Sep-26	24,11,611	20,99,480	3,27,144	24,26,624	1,32,639	9,42,013	10,74,652	1,40,495	1.39	1,873	4,103.9	8,348.3
Oct-26	22,80,706	22,14,746	3,74,294	25,89,039	1,45,975	12,64,548	14,10,523	1,11,149	1.18	1,866	2,415.7	9,123.5

Source: NSE EPR. Note: Premium has been considered for options contracts.

Table 100: Monthly trend of average daily turnover (Rs crore) across segments

Month	Equity cash	Equity Futures			Equity Options			Currency derivatives		Interest rate futures	Commodity derivatives	
		Stock Futures	Index Futures	Total	Stock options	Index Options	Total	Futures	Options		Futures	Options
Oct-25	98,740	1,29,132	27,955	1,57,088	6,795	49,609	56,404	3,982	0.06	87	49	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	26
Dec-25	94,496	1,16,573	23,907	1,40,479	6,047	43,042	49,089	3,772	0.10	88	49	29
Jan-26	1,19,560	1,51,533	29,120	1,80,652	8,805	57,658	66,463	3,901	0.05	100	57	42
Feb-26	1,14,647	1,40,918	28,807	1,69,724	8,915	61,141	70,056	3,770	0.10	120	55	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	71
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	75
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	154
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	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	112	262
Aug-26	1,19,681	1,08,168	13,692	1,21,860	7,133	35,199	42,332	7,144	0.04	161	115	248
Sep-26	1,14,839	99,975	15,578	1,15,554	6,316	44,858	51,174	6,690	0.07	89	187	379
Oct-26	1,14,035	1,10,737	18,715	1,29,452	7,299	63,227	70,526	5,557	0.06	93	115	434

Source: NSE EPR. Note: Premium has been considered for options contracts.

Table 101: Monthly trend of average daily activities in equity derivatives for exchanges (NSE+BSE)

Month	No of contracts traded (in crore)	Notional turnover (Rs lakh crore)	Turnover (Rs lakh crore) *
Oct-25	28.7	506.3	2.3
Nov-25	26.8	480.7	2.3
Dec-25	26.2	472.1	2.1
Jan-26	36.0	592.3	2.8
Feb-26	31.4	514.4	2.7
Mar-26	34.1	516.4	3.1
Apr-26	32.0	485.8	2.6
May-26	32.1	485.9	2.6
Jun-26	32.6	492.0	2.3
Jul-26	29.1	446.5	2.1
Aug-26	22.4	346.9	1.8
Sep-26	26.1	389.8	1.9
Oct-26	35.0	508.6	2.4

Source: NSE EPR. *Premium has been considered for options contracts.

Table 102: Monthly trend of average daily activities in equity derivatives for NSE & BSE

Month	NSE			BSE		
	No of contracts traded (in crore)	Notional turnover (Rs lakh crore)	Turnover (Rs lakh crore)*	No of contracts traded (in crore)	Notional turnover (Rs lakh crore)	Turnover (Rs lakh crore) *
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	18.0	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	17.0	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	14.0	214.3	1.9	15	232.2	0.26
Aug-26	12.6	193.3	1.6	9.9	153.6	0.19
Sep-26	15.2	226.1	1.7	10.9	163.7	0.24
Oct-26	18.1	261.7	2	16.9	246.9	0.36

Source: NSE EPR. *Premium has been considered for options contracts.

Table 103: Monthly trends for Notional to premium ratio in index options across exchanges

Month	NSE			BSE		
	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio
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
Sep-26	4,620	9.4	490	3,438	4.9	704
Oct-26	5,106	12.6	404	4,939	7.1	696

Source: NSE EPR.

Table 104: Monthly trends for Notional to premium ratio in stock options across exchanges

Month	NSE			BSE		
	Notional turnover (Rs crore)	Premium turnover (Rs crore)	Ratio	Notional turnover (Rs crore)	Premium turnover (Rs crore)	Ratio
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
Sep-26	1,02,96,634	1,32,639	78	22.08	0.40	55
Oct-26	1,01,10,546	1,45,975	69	10.54	0.20	53

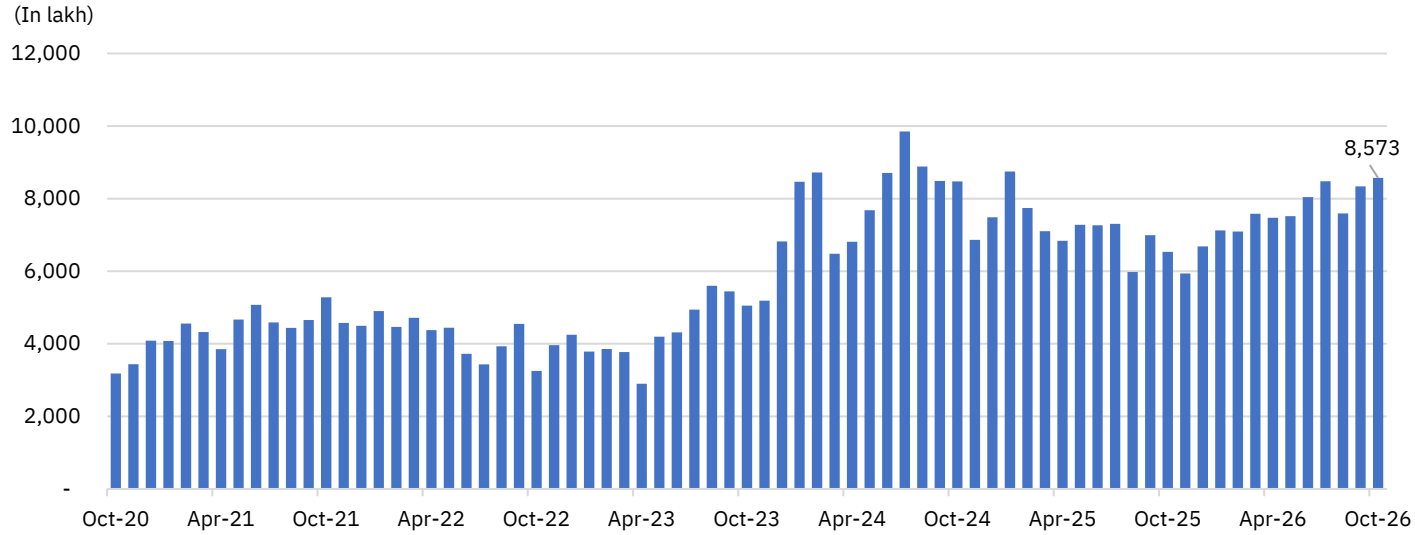
Source: NSE EPR.

Table 105: Monthly trends for trades (in lakh) in equity cash and derivatives segment for NSE

Month	Equity Cash	Equity Futures		Equity Options	
		Index	Stock	Index	Stock
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
Sep-26	8,339	14	242	9,644	1,040
Oct-26	8,573	16	266	11,178	1,098

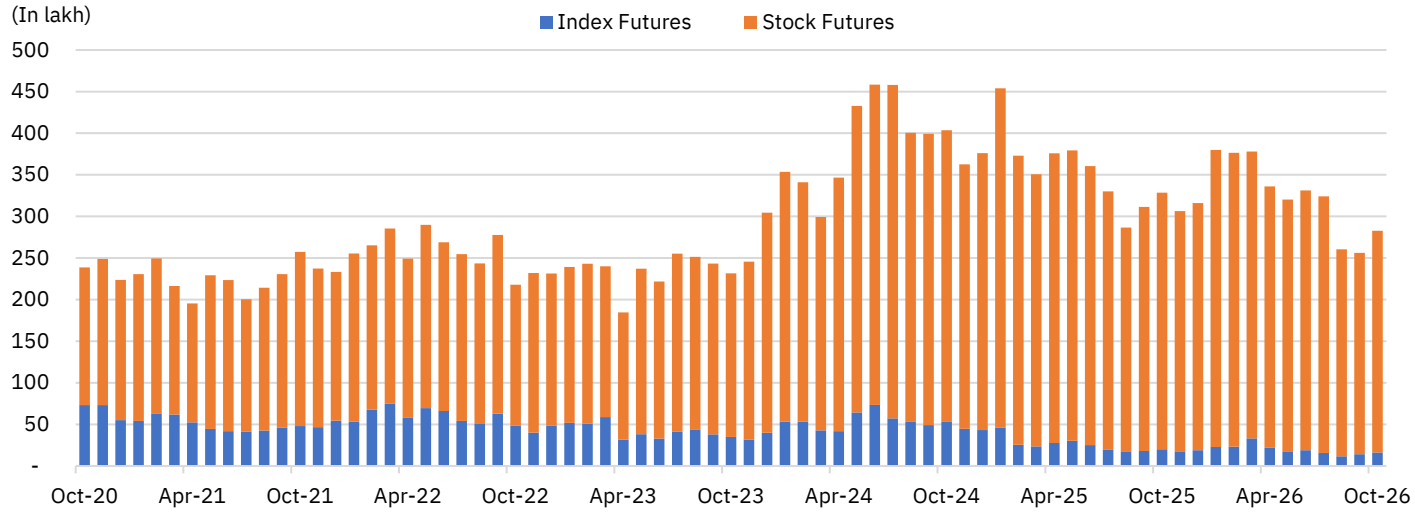
Source: NSE EPR. Note: Data is presented for trades i.e., (no. of buy trades + no. of sale trades)/2.

Figure 344: Monthly trend of total trades in NSE cash market segment



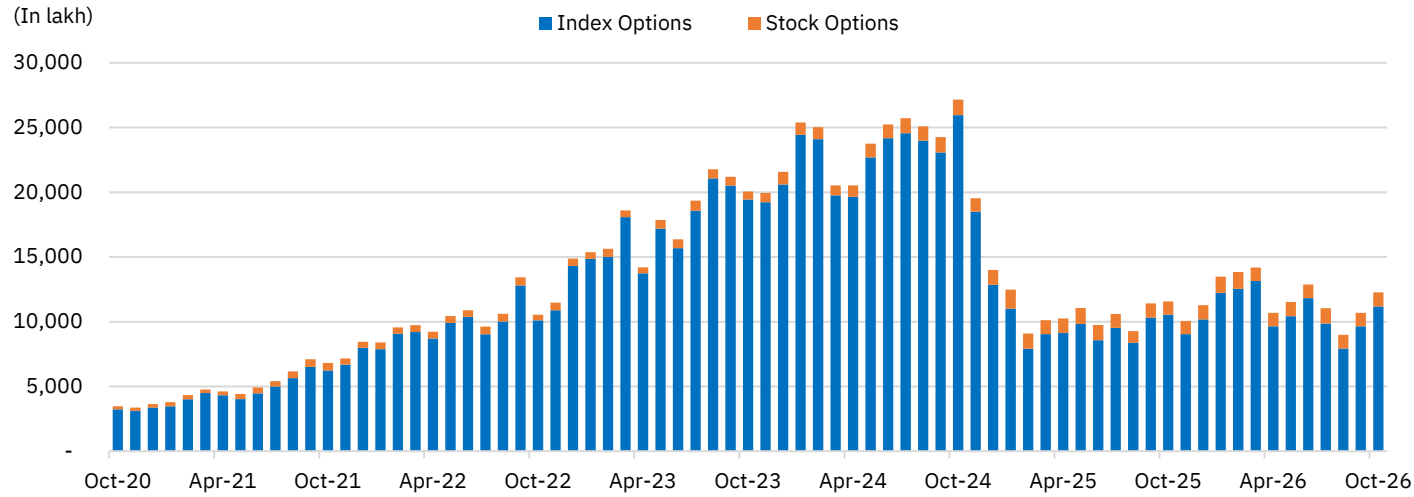
Source: NSE EPR. Note: Data has been provided for trades {(Buy trades + Sell trades)/2}.

Figure 345: Monthly trend of trades in equity futures



Source: NSE EPR. Note: Data has been provided for trades {(Buy trades + Sell trades)/2}.

Figure 346: Monthly trend of total trades in equity options



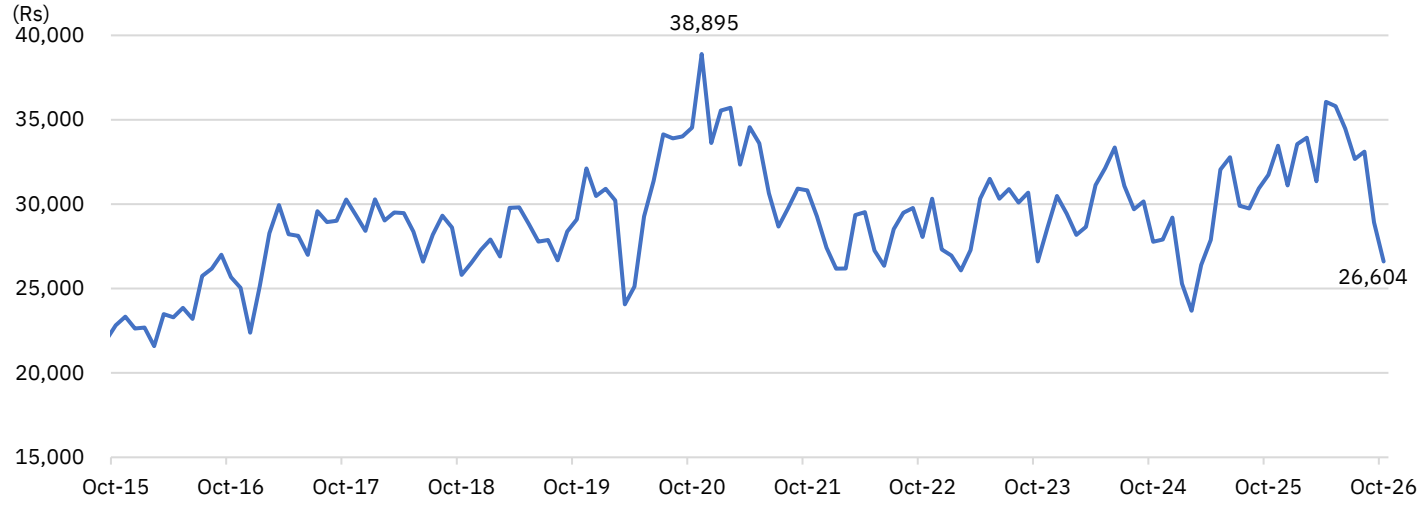
Source: NSE EPR. Note: Data has been provided for trades {(Buy trades + Sell trades)/2}.

Table 106: Monthly trends for average trade size (Rs) in equity cash and derivatives segment for NSE

Month	Equity Cash	Equity Futures		Equity Options	
		Index Futures	Stock Futures	Index Options	Stock Options
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
Sep-26	28,921	23,09,241	8,67,653	9,768	12,754
Oct-26	26,604	22,80,981	8,31,773	11,313	13,289

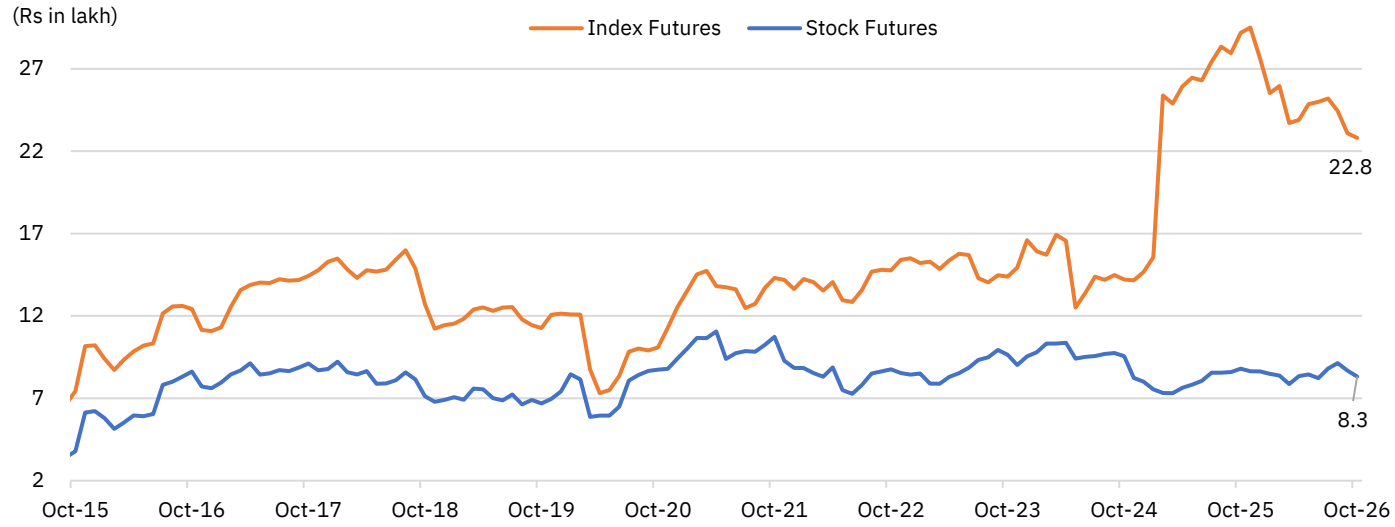
Source: NSE EPR. Note: Premium has been considered for options contract.

Figure 347: Monthly trend of average trade size in NSE cash market segment



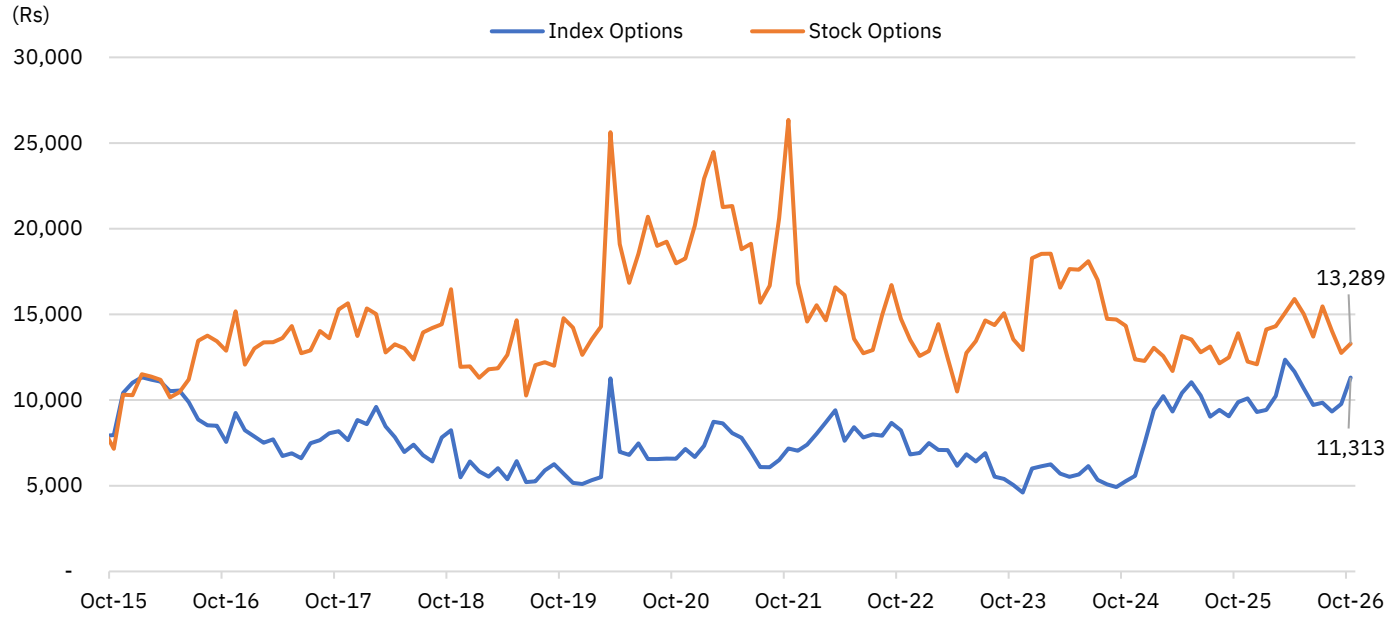
Source: NSE EPR.

Figure 348: Monthly trend in average trade size in equity futures



Source: NSE EPR.

Figure 349: Monthly trend in average trade size in equity options premium



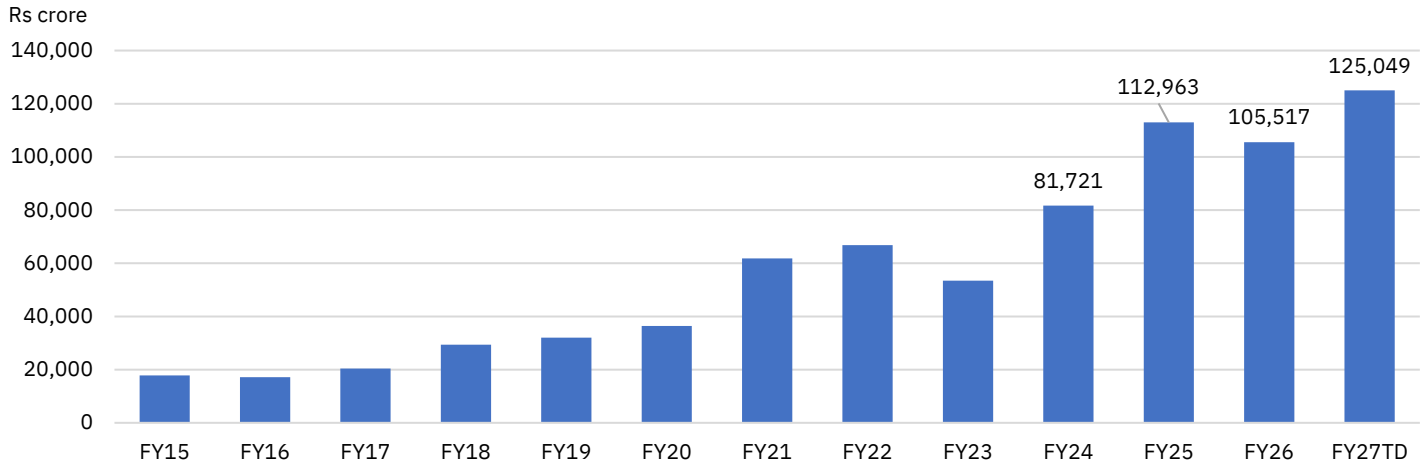
Source: NSE EPR. Note: Premium has been considered for calculating average trade size.

Table 107: Average daily turnover (Rs crore) in NSE CM Segment

Products	Oct-26	Sep-26	Oct-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
Capital Market	**114,035**	**114,839**	**98,740**	**(0.7)**	**15.5**	**125,049**	**105,517**	**123,459**
Equities (Main Board)	110,077	110,863	93,382	(0.7)	17.9	120,762	100,467	117,345
Exchange Traded Funds	3,510	3,344	4,805	5.0	(26.9)	3,787	4,535	5,614
SME Emerge	261	334	275	(21.8)	(5.0)	263	254	243
Sovereign Gold Bonds	16	15	38	8.7	(58.2)	19	26	25
InvITs	74.0	69	88.1	6.9	(15.9)	74	63	72
REITs	71.3	184	67.6	(61.3)	5.5	114	87	119
Others	25	29	84	(13.2)	(70.3)	30	85	42

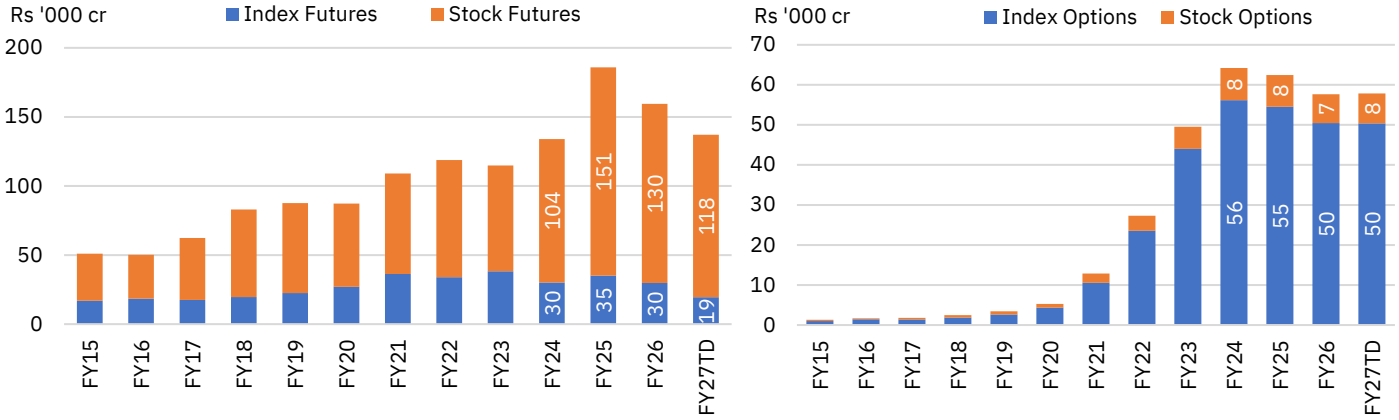
Source: NSE EPR. Notes: 1. Average daily turnover (ADT) excludes auction market turnover. Equities (Main Board) include stocks in EQ, BE, BL and BZ series.
2. Others include corporate and government debt instruments (excl. SGBs), preferential shares, partly paid-up shares, warrants etc., among others.
3. Figures in brackets indicate negative numbers. 4. FY27TD & 2026TD is as of Oct'26.

Figure 350: Annual trends in average daily turnover in NSE CM segment



Source: NSE EPR. Note: 1. Average daily turnover (ADT) excludes auction market turnover. 2. FY27TD is as of Oct'26.

Figure 351: Annual trends in average daily turnover in NSE's equity derivatives segment



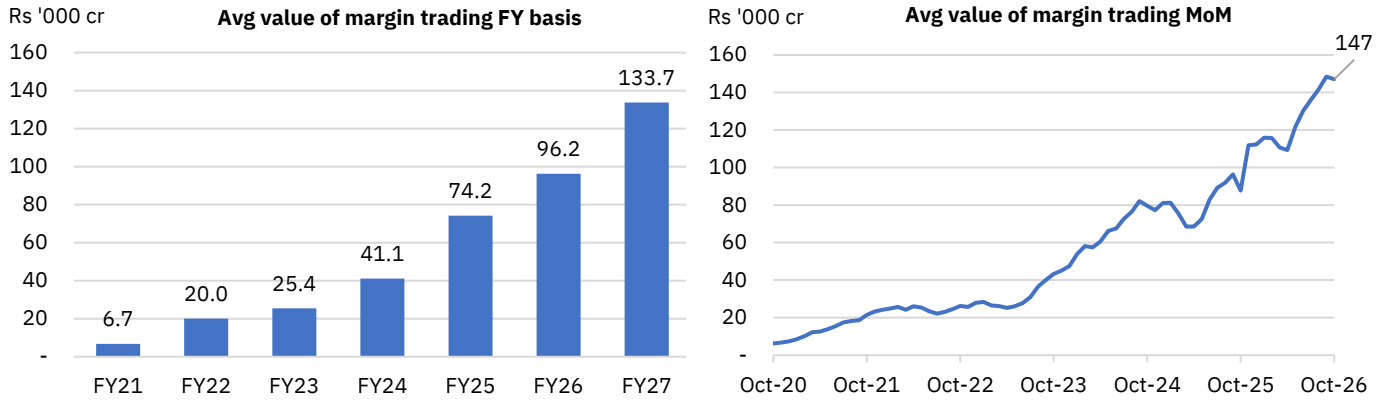
Source: NSE EPR. Notes: 1. The above figure reports premium turnover for options contracts. 2. FY27TD is as of Oct'26.

Table 108: Average daily turnover (Rs crore) in NSE's equity derivatives segment

Product	Oct-26	Sep-26	Oct-25	% MoM chg	% YoY chg	FY27TD	FY26	2026TD
Equity Futures	**1,29,452**	**1,15,554**	**1,57,088**	**12.0**	**(17.6)**	**1,37,042**	**1,59,443**	**1,48,998**
Stock futures	**110,737**	**99,975**	**129,132**	**10.8**	**(14.2)**	**117,576**	**129,701**	**125,598**
Index futures	**18,715**	**15,578**	**27,955**	**20.1**	**(33.1)**	**19,466**	**29,742**	**23,399**
BANKNIFTY	4,727	4,050	7,198	16.7	(34.3)	5,476	7,836	6,168
NIFTY50	12,960	10,453	19,429	24.0	(33.3)	13,000	20,326	15,998
FINNIFTY	35	32	78	10.2	(55.4)	36	94	51
MIDCPNIFTY	954	1,008	1,186	(5.3)	(19.5)	907	1,410	1,125
NIFTYFPI	1	1	0	(44.0)	-	0	0	0
NIFTYNXT50	38	35	64	9.2	(41.3)	45	77	57
Equity Options	**70,526**	**51,174**	**56,404**	**37.8**	**25.0**	**57,863**	**57,662**	**63,281**
Stock options	**7,299**	**6,316**	**6,795**	**15.6**	**7.4**	**7,503**	**7,195**	**7,847**
Index options	**63,227**	**44,858**	**49,609**	**41.0**	**27.5**	**50,360**	**50,467**	**55,434**
BANKNIFTY	4,300	3,755	4,926	14.5	(12.7)	4,340	5,296	4,590
NIFTY50	58,344	40,635	44,023	43.6	32.5	45,602	44,417	50,322
FINNIFTY	72	66	130	9.4	(44.4)	55	140	74
MIDCPNIFTY	511	401	530	27.4	(3.6)	363	613	448
NIFTYFPI	0.01	0	0	(17.7)	-	0	0	0
NIFTYNXT50	0.21	1	0.93	(70.6)	(77.1)	1	1	1

Source: NSE EPR. Notes: 1. The above table reports premium turnover for Options contracts. 2. FY27TD & 2026TD is as of Oct'26 3. Figures in brackets indicate negative numbers.

Figure 352: Annual and monthly trends in average value of margin trading



Source: NSE EPR. Notes: 1. FY27 refers to the period Apr'26-Oct'26.

Table 109: Average daily open interest (Rs crore) in NSE's equity derivatives segment

Product	Oct-26	Sep-26	Oct-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
Equity Futures	**5,71,949**	**6,01,355**	**5,62,993**	**(4.9)**	**1.6**	**5,95,577**	**5,43,237**	**5,89,207**
Stock Futures	**5,08,791**	**5,34,074**	**4,99,522**	**(4.7)**	**1.9**	**5,32,462**	**4,81,515**	**5,26,260**
Index Futures	**63,157**	**67,281**	**63,471**	**(6.1)**	**(0.5)**	**63,116**	**61,723**	**62,947**
NIFTY	45,971	49,728	48,316	(7.6)	(4.9)	45,624	45,124	46,056
BANKNIFTY	13,908	13,722	11,513	1.4	20.8	14,041	12,893	13,360
FINNIFTY	64	96	103	(33.6)	(38.2)	81	176	99
MIDCPNIFTY	3,087	3,598	3,379	(14.2)	(8.6)	3,235	3,374	3,295
NIFTYNXT50	126	132	160	(4.6)	(21.3)	134	155	137
NIFTY FPI	1	6	-	(76.1)	-	1.2	-	0.8
Equity Options	**18,54,925**	**18,81,319**	**17,43,790**	**(1.4)**	**6.4**	**17,06,989**	**16,88,432**	**16,98,810**
Stock Options	**3,30,100**	**3,81,258**	**2,95,244**	**(13.4)**	**11.8**	**3,45,112**	**3,18,037**	**3,44,850**
Index Options	**15,24,825**	**15,00,061**	**14,48,546**	**1.7**	**5.3**	**13,61,877**	**13,70,395**	**13,53,960**
NIFTY	13,12,800	12,76,182	12,05,571	2.9	8.9	11,52,730	11,31,140	11,46,605
BANKNIFTY	1,90,526	2,00,698	2,18,888	(5.1)	(13.0)	1,89,417	2,14,816	1,86,416
FINNIFTY	1,773	2,877	4,988	(38.4)	(64.5)	2,199	5,186	2,760
MIDCPNIFTY	19,684	20,226	19,023	(2.7)	3.5	17,455	19,147	18,091
NIFTYNXT50	36	67	77	(47.1)	(54.0)	72	107	85
NIFTY FPI	7	11	-	(38.3)	-	4.8	-	3.4

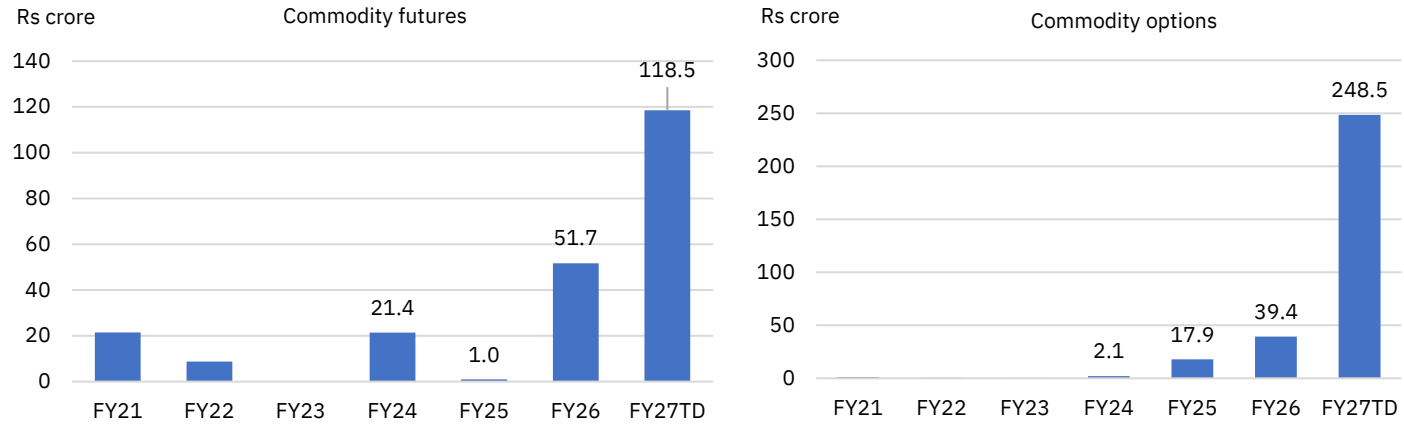
Source: NSE EPR. Notes: 1. The above table reports notional turnover. 2. FY27TD & 2026TD is as of Oct'26. 3. Figures in brackets indicate negative numbers.

Table 110: Average daily turnover in commodity derivatives

Product (Rs crore)	Oct-26	Sep-26	Oct-25	% MoM change	% YoY Change	FY27TD	FY26	2026TD
FUTURES	**115.0**	**186.5**	**49.3**	**(38.3)**	**133.5**	**118.5**	**51.7**	**103.6**
SILVER	0.8	1.0	0.2	(14.1)	244.2	1.2	0.6	1.1
CRUDE OIL	54.8	103.1	3.7	(46.9)	1390.0	63.1	6.1	49.1
BRENT CRUDE	12.3	5.2	-	138.5	-	2.9	-	2.0
ELECTRICITY	40.4	71.5	45.3	(43.4)	(10.9)	44.4	44.1	45.4
GOLD10G	0.9	3.5	-	(74.2)	-	5.1	0.9	4.7
OPTIONS	**434.5**	**379.5**	**38.0**	**14.5**	**1043.9**	**248.5**	**39.4**	**190.7**
SILVER	0.4	0.1	0.2	512.3	85.3	0.7	0.7	0.7
NATURALGAS	29.5	10.8	0.0	173.1	3646432.7	6.8	0.0	4.8
CRUDEOIL	404.6	368.6	37.8	9.8	971.0	241.0	38.7	185.2

Source: NSE EPR. Notes: 1. The above table reports premium turnover for Options contracts. 2. FY27TD & 2026TD is as of Oct'26. 3. Figures in brackets indicate negative numbers.

Figure 353: Annual trends in average daily turnover in commodity derivatives segment

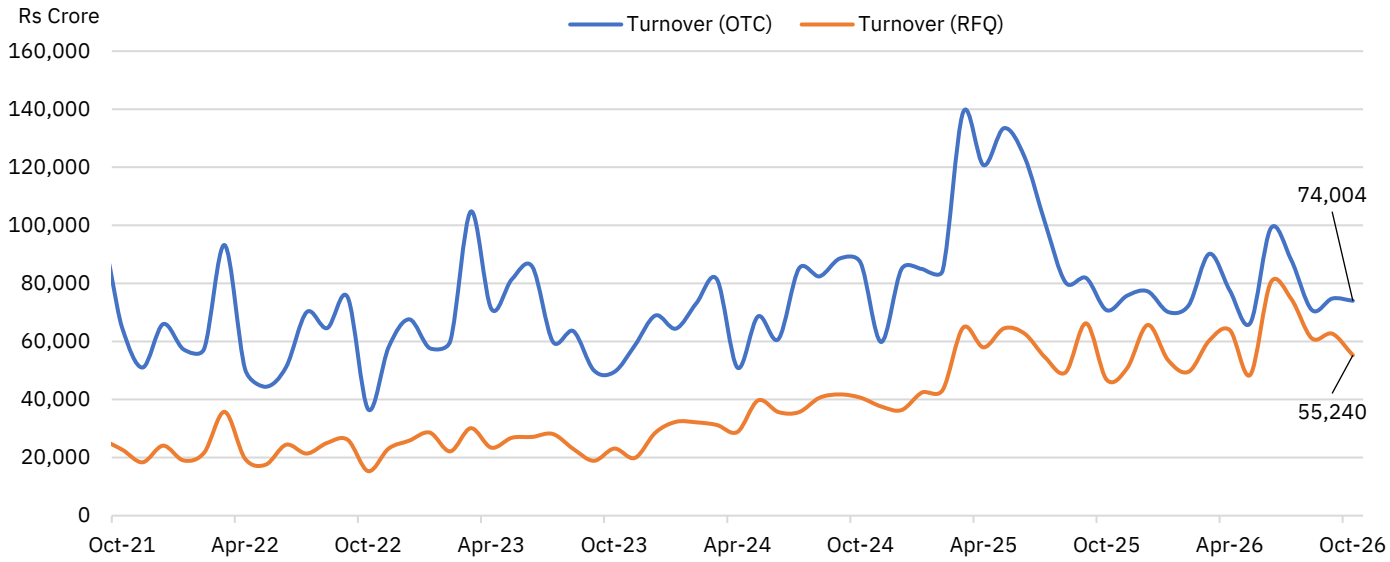


Source: NSE EPR. Notes: 1. Above figure reports premium turnover for options contracts. 2. FY27TD is as of Oct'26.

Corporate bonds trading moderated in secondary market across both trading venues in October 2026: OTC turnover moderated slightly from Rs 74,739.9 crore in September 2026 to Rs 74,004 crore in October 2026 (-1.0% MoM), while RFQ turnover declined sharply from Rs 62,649 crore to Rs 55,240 crore (-11.8% MoM) during the same period. Aggregate turnover across both platforms declined by 5.8% MoM to Rs 1.29 lakh crore, compared with Rs 1.37 lakh crore in the preceding month, when the segment had reversed a two-month declining trend with a 4.2% MoM increase. RFQ's share in total turnover moderated to 42.7% in October 2026 from 45.6% in September 2026 but remained well above the average monthly share of 36.6% during the Apr-Oct 2025, reflecting its growing prominence in overall trading activity. Consequently, the cumulative RFQ share in total turnover stood at 45.1% in FY27TD (Apr–Oct 2026). Meanwhile, secondary market activity remained concentrated on the OTC platform, with its share in total turnover rising from 54.4% in September 2026 to 57.3% in October 2026. On a YoY basis, the total turnover in October 2026 was higher than October 2025 by 10.0%, with OTC and RFQ platforms registering gains of 4.6% YoY and 18.0% YoY respectively.

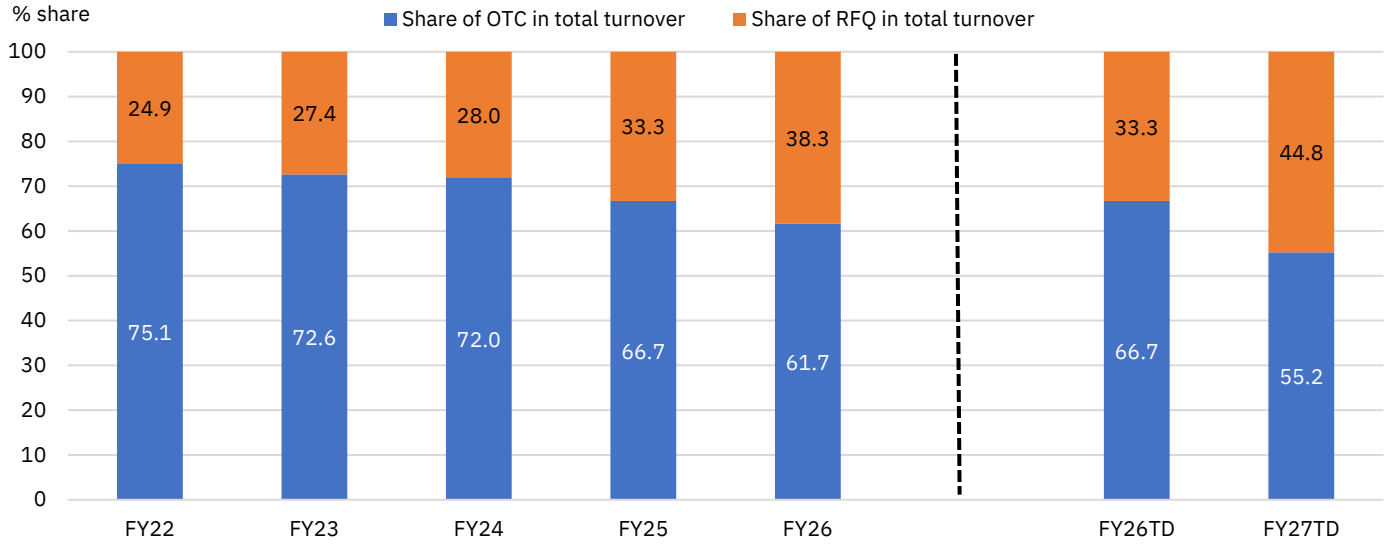
The moderation in turnover was accompanied by divergent trends in average daily turnover (ADT) across the two platforms. OTC While OTC ADT rose 3.9% MoM to a three-month high of Rs 3,700 crore in October 2026 from Rs 3,561 crore in September, RFQ ADT declined 7.4% MoM to Rs 2,762 crore from Rs 2,983 crore over the same period. Consequently, combined ADT edged lower to Rs 6,462 crore in October 2026 from Rs 6,544 crore in September, as the decline in RFQ trading activity more than offset the increase in OTC ADT.

Figure 354: Monthly trends of turnover in debt segment



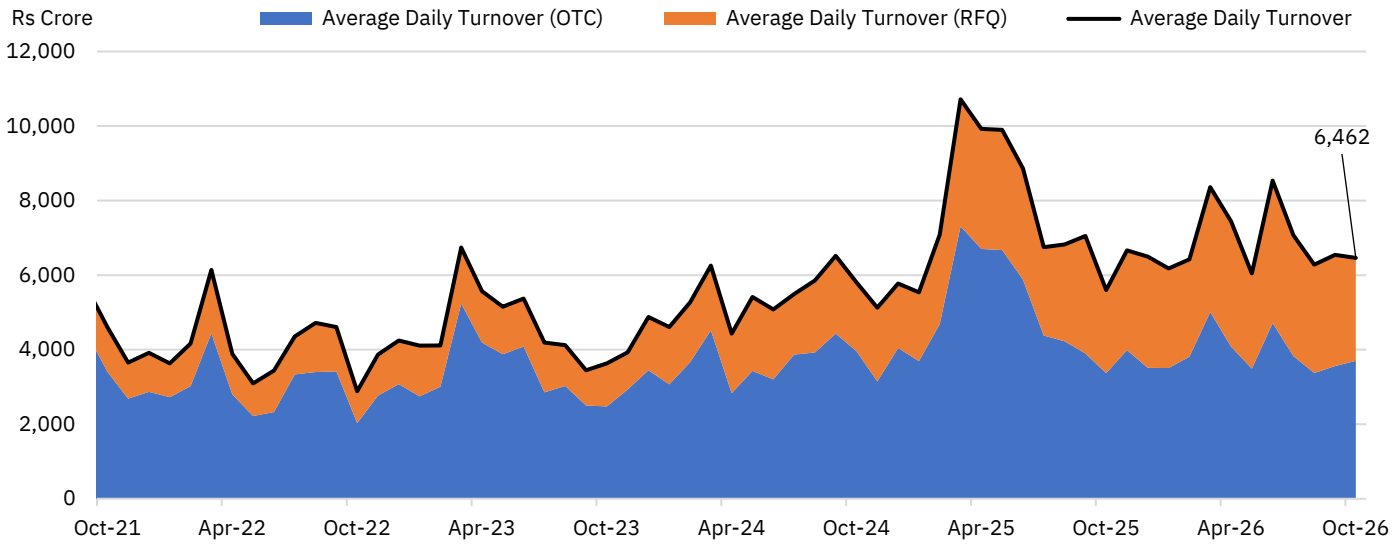
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Figure 355: 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 October 2026.

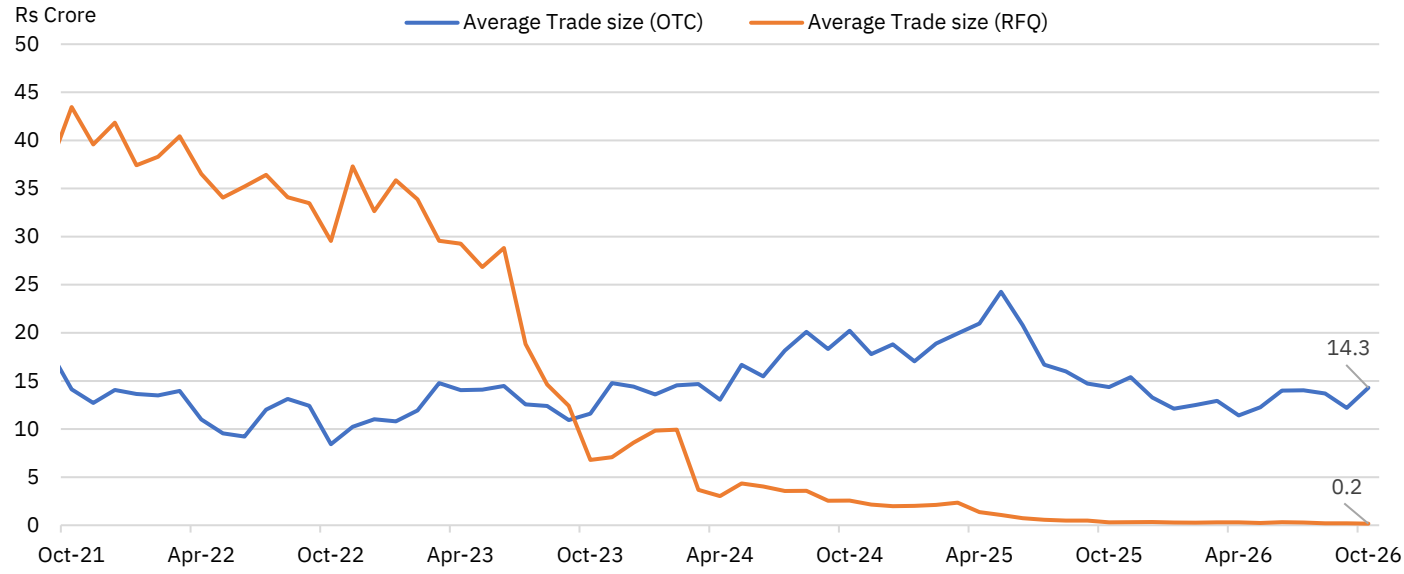
Figure 356: Monthly trends of average daily turnover in debt segment



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

Average trade sizes diverged across platforms in October 2026, rising on OTC while declining on RFQ: OTC average trade size increased to Rs 14.3 crore (+17.2% MoM) despite the decline in the turnover, following two consecutive months of decline to Rs 12.2 crore in September 2026. In contrast, average trade size on the RFQ platform fell by 18.0% MoM to Rs 0.17 crore, extending the downward trend observed in recent months. This decline was partly attributable to the sustained increase in the number of trades on the RFQ platform, which rose sequentially for the fifth consecutive month, indicating a growing prevalence of smaller-sized transactions.

Figure 357: Monthly trends of average trade size in debt segment

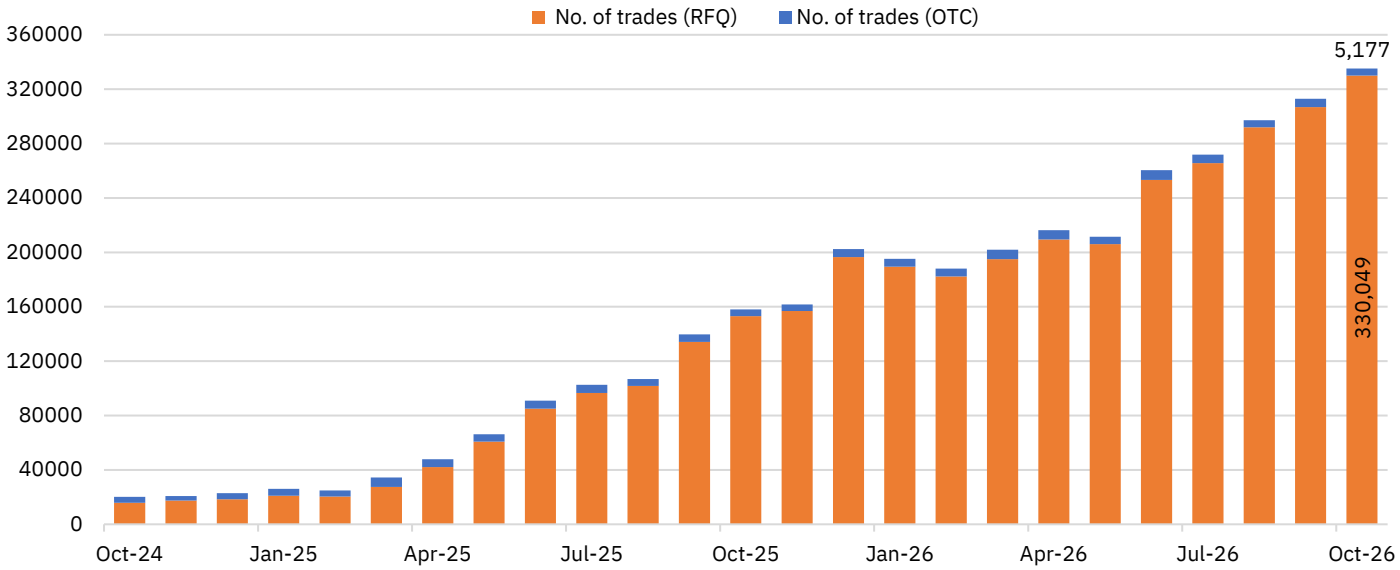


Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform.

Number of trades on RFQ platform touched new series high in October 2026: Trading activity across the two platforms diverged further in October 2026, with RFQ trade counts rising by 7.6% MoM to a new series high of 3,30,049 trades, up from 3,06,784 in September, while OTC trade counts declined by 15.6% MoM to 5,177. The increase in

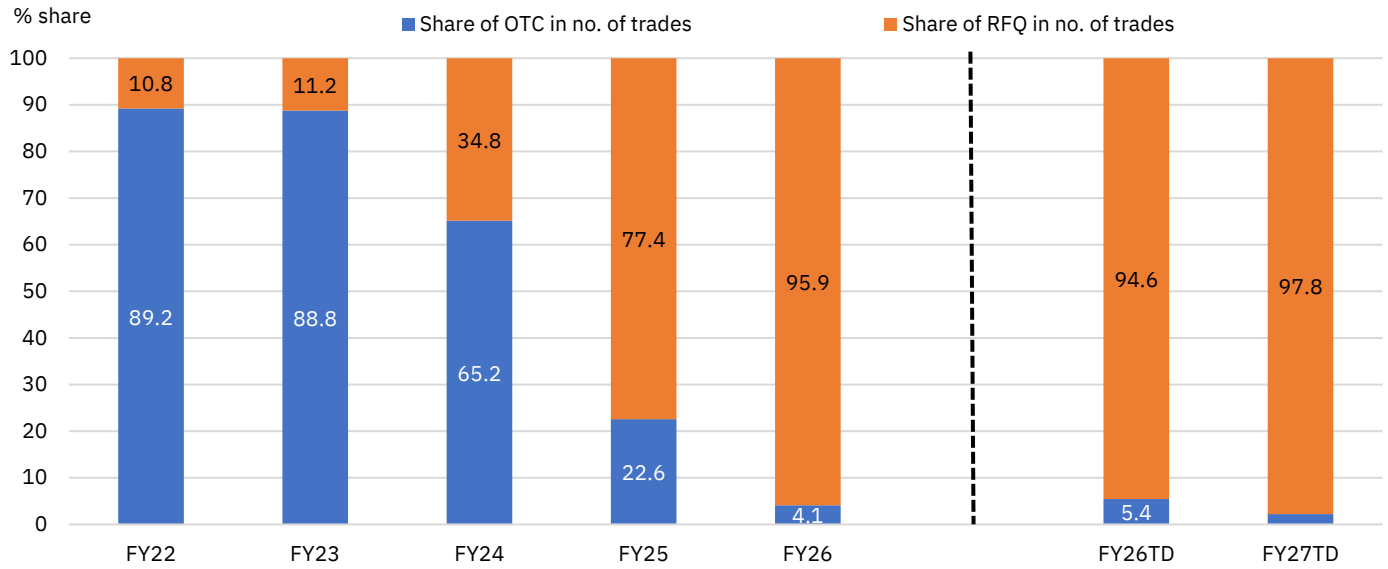
RFQ transactions more than offset the contraction in OTC activity, driving a 7.1% MoM rise in aggregate trade counts to 3,35,226. On a cumulative FY27TD basis, RFQ accounted for a dominant 97.8% of total trades but a relatively lower 44.8% share of aggregate turnover, reflecting the continued prevalence of smaller-sized transactions on the RFQ platform and fewer, larger-value trades on OTC, even as the gap in turnover share between the two platforms continues to narrow.

Figure 358: 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 359: 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 October 2026.

Mutual funds remain the largest contributors to secondary market turnover, underscoring the continued dominance of institutional investors: Institutional investors continued to dominate secondary market turnover, with Mutual Funds accounting for the largest share. Their contribution, which stood at 34.9% in FY21, moderated to 31.9% in FY26, before rising marginally to 32.9% during April–October

2026, indicating a partial recovery in their share of overall turnover. Other Domestic Financial Institutions and Banks followed, contributing 21.8% and 17.0%, respectively, with these three institutional categories collectively accounting for 71.6% of aggregate secondary market turnover during April–October 2026. Meanwhile, the shares of Insurance Companies and FIIs/FPIs moderated on a YoY basis, while participation by Individual Investors remained limited, accounting for just 2.1% of total turnover.

Investor participation in secondary market turnover remained differentiated across OTC and RFQ platforms: 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, which improved to 28.7% during April-October 2026, followed by Mutual Funds at 21.0% and Banks at 17.8%. This remained consistent with the institutional nature of large-ticket negotiated transactions. On the RFQ platform, Mutual Funds continued to account for the largest share of turnover at 47.6% during April–October 2026, albeit lower than 51.6% in FY26. In contrast, the shares of Banks and Other Domestic Financial Institutions (DFIs) increased to 16.0% and 13.2%, respectively, from 15.2% and 11.8% in FY26. This shift in turnover composition points to a gradual diversification of institutional trading activity on the RFQ platform, with Banks and Other DFIs gaining prominence even as Mutual Funds retained their leading position.

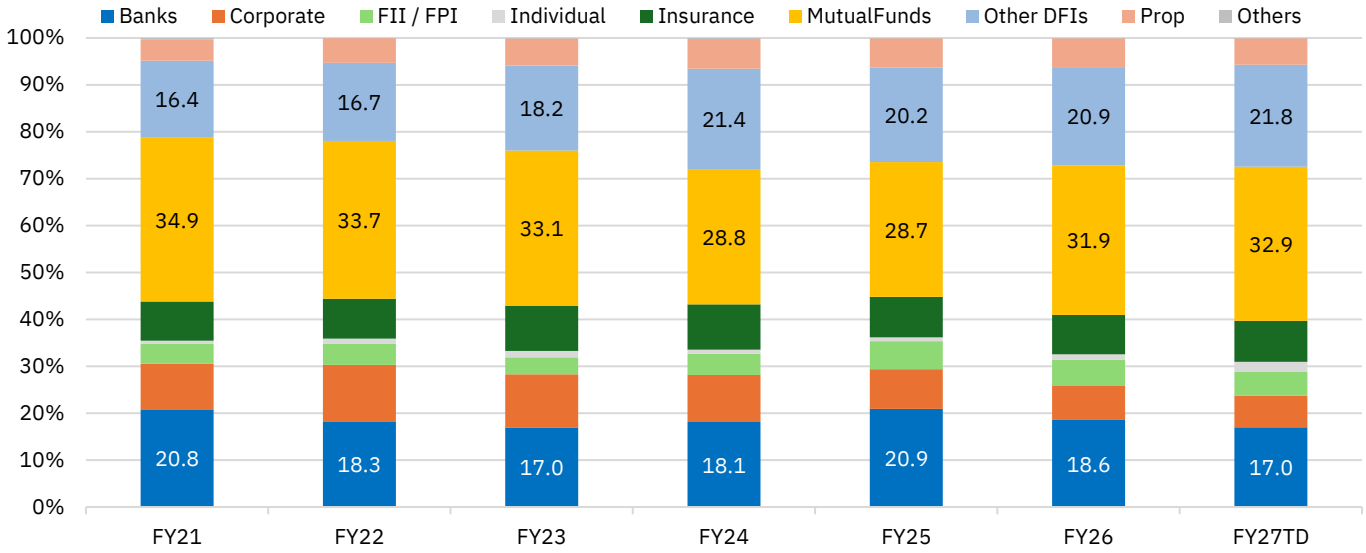
Individual and Proprietary participants dominated RFQ trade counts, despite their relatively limited contribution to turnover: The picture was materially different when examined through the lens of trade counts. Following SEBI measures introduced in 2023 to encourage corporate bond trading through the RFQ platform, including permitting stockbrokers to participate in corporate bond transactions on behalf of clients, and requiring at least 10% of their proprietary corporate bond trades to be executed through RFQ from July 2023, the share of Individual participants in RFQ trade counts rose sharply from 0.2% in FY23 to 80.1% in FY26, even as their contribution to turnover remained limited at 1.4%. During April-October 2026, Individual and Proprietary participants together accounted for approximately 90.8% of RFQ trade counts, comprising 74.1% and 16.7%, respectively, while their combined share in turnover remained below 8%.

RFQ turnover remained concentrated among institutional investors, despite lower trade counts: While Individual participants and proprietary traders accounted for a higher share (75%) of RFQ trade counts, institutional participants (Banks, Mutual Funds, Insurance, FII/FPI and Other DFIs) collectively accounted for a higher share (90%) of RFQ turnover, highlighting the continued distinction between execution frequency and value concentration on the platform. During April–October 2026, Mutual Funds accounted for 47.6% of RFQ turnover despite contributing just 0.3% of total trade counts, highlighting the concentration of their trading activity in larger-value transactions. In contrast, the share of Proprietary participants in RFQ trade counts increased steadily from 2.2% in FY21 to 10.9% in FY26, and further to 16.7% during April–October 2026, while accounting for only 4.9% of the turnover. Other DFIs also recorded an increase in their share of trade counts, rising from 1.5% in FY26 to 3.2% during the same period, indicating a growing participation of these investor categories in terms of number of transactions.

OTC trade counts exhibited a more diversified participant composition: Other DFIs remained the largest category, accounting for 33.4% of OTC trades during April-October 2026, up from 31.4% in FY26, followed by Corporate participants at 20.5%. Meanwhile, Proprietary participants and Banks accounted for 13.8% and 5.0% of OTC trade counts,

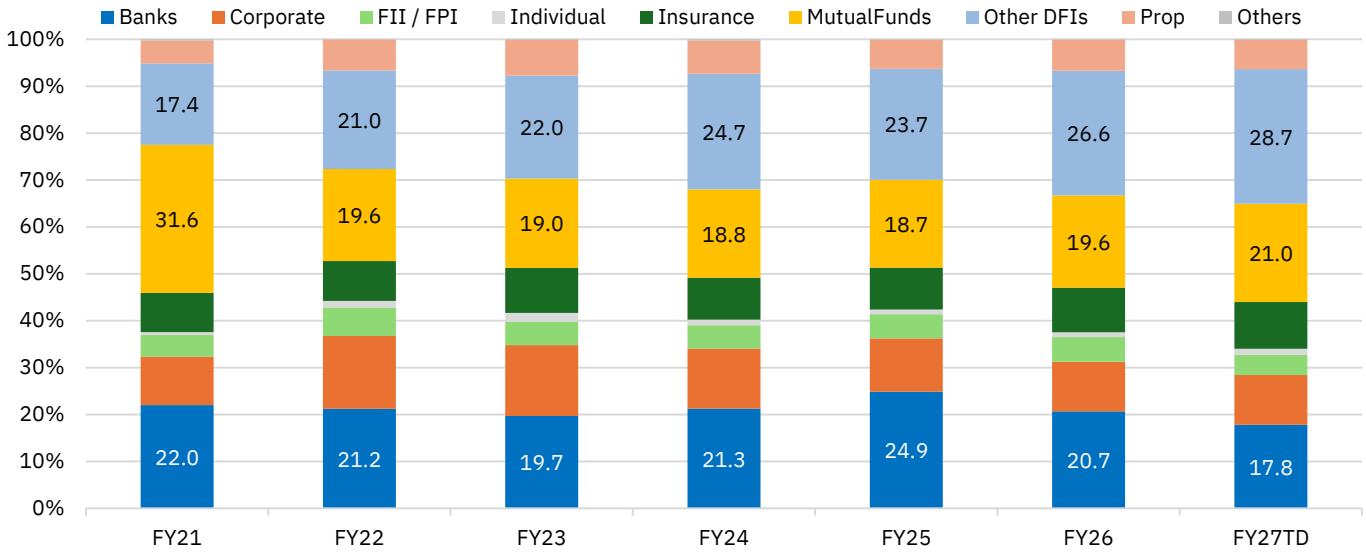
respectively, during April–October 2026, reflecting a relatively broader distribution of trading activity across participant categories compared with the RFQ platform.

Figure 360: Share in total turnover across participant categories



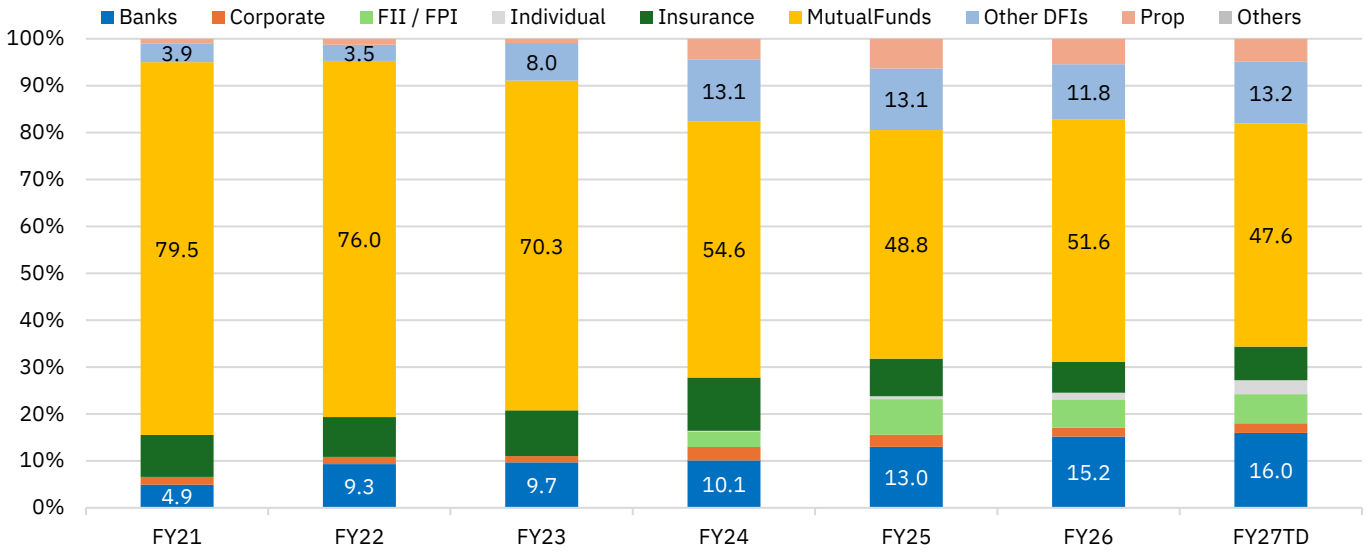
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27 is as of October 2026.

Figure 361: Share in OTC turnover across participant categories



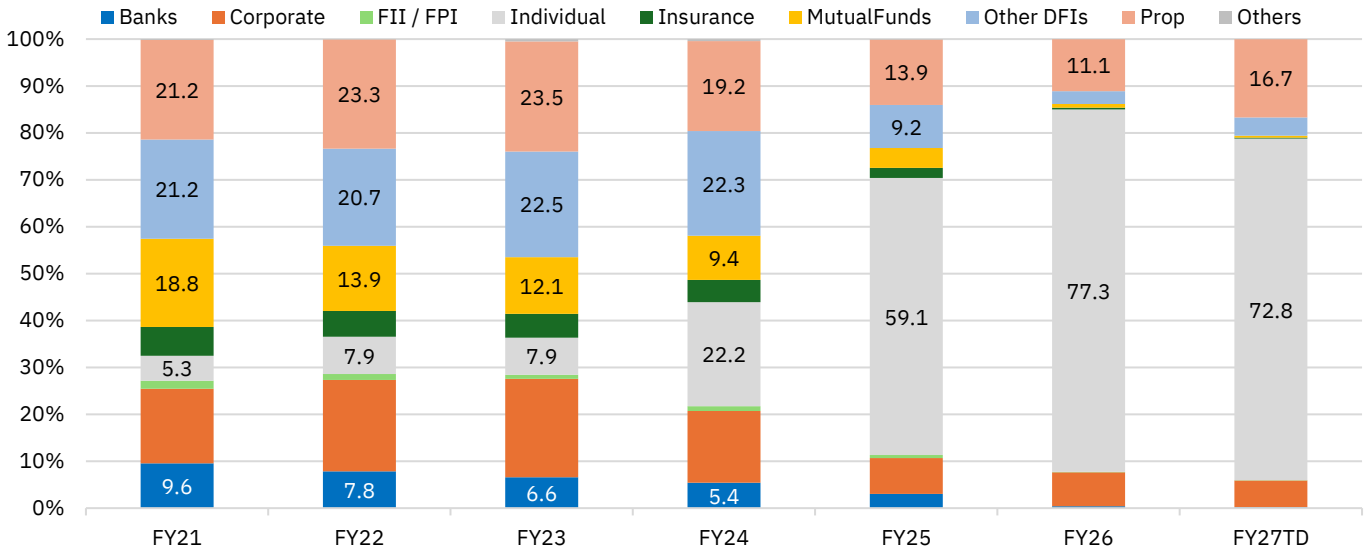
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27 is as of October 2026.

Figure 362: Share in RFQ turnover across participant categories



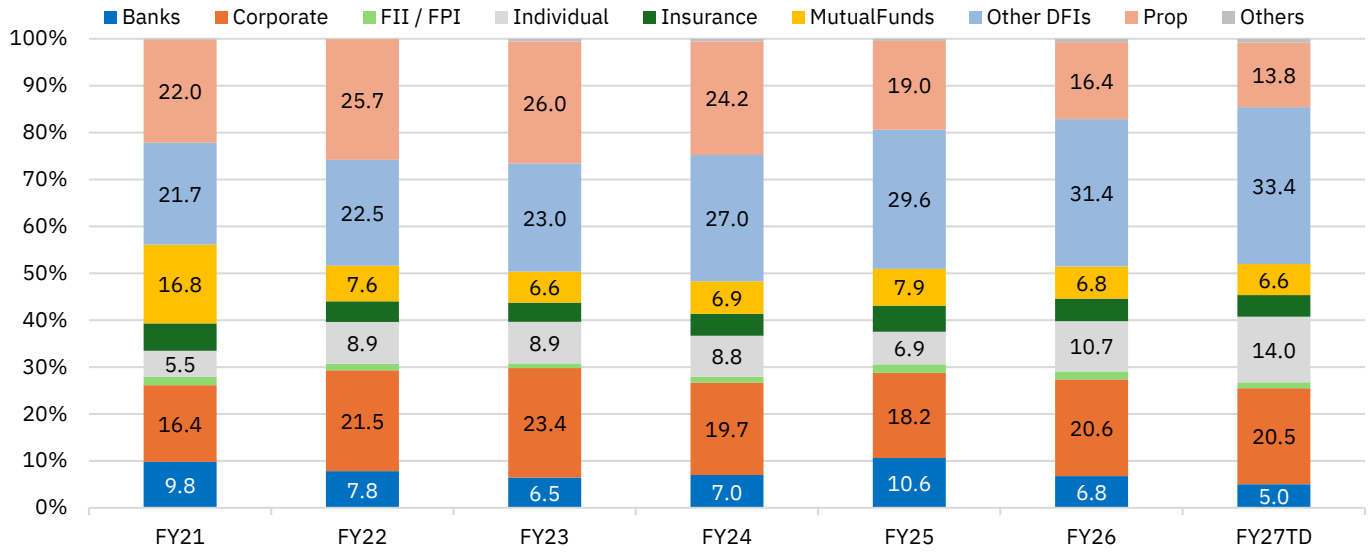
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of October 2026.

Figure 363: Share in total number of trades across participant categories



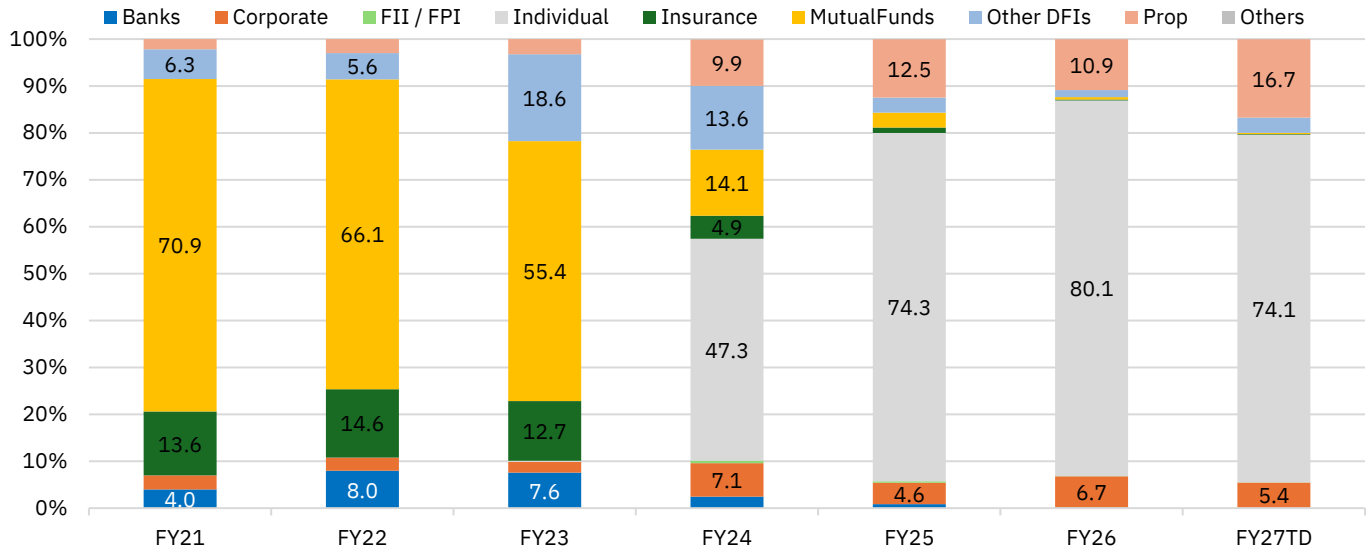
Source: NSE EPR. The data corresponds to corporate bonds (corporate credit and structured debt instruments) reported on NSE platform. The data for FY27TD is as of October 2026.

Figure 364: 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 October 2026.

Figure 365: 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 October 2026.

6.3.2 Category-wise participation across segments: Individual participation moderates

Investor participation across market segments witnessed divergent trends in October 2026. In the cash market, individual investors' share declined by 194 bps MoM to a seven-month low of 30.3%, while proprietary traders' share increased to 33.5%, widening the gap between the two categories to 3.2 percentage points, the highest level recorded during FY27 so far. Equity derivatives participation remained broadly stable at the aggregate level, although product-wise trends differed. In equity futures, foreign investors continued to lead participation at 32.5%, while proprietary traders increased their share and DII participation moderated. Individual investors' share remained stable at 15.0%. Equity options continued to be dominated by proprietary traders and individual investors, who together accounted for 85.3% of premium turnover, with their respective shares at 46.5% and 38.8%. Commodity derivatives witnessed a notable shift in participation across products. In commodity futures, foreign investors' share rose to an all-time high of 24.0%, while proprietary traders continued to remain the largest participant category at 46.5%. In commodity options proprietary traders' shares increased to 11-month highs of 55.1% accompanied by a moderation in individual investor participation. The IRF segment remained concentrated among proprietary traders and corporates, which together accounted for 93.0% of participation. Overall, October's participation trends indicate a gradual rebalancing of the participation mix across market segments, with proprietary traders strengthening their presence in select commodity derivatives, foreign investors gaining ground in equity futures and commodity futures, and individual investor activity moderating in the cash and commodity markets.

Individual investor activity moderates in cash market in October 2026: Cash-market turnover declined by 5.4% MoM in October 2026, with individual investors accounting for around 65% of the contraction. Reflecting the moderation in their trading activity, the share of individual investors fell by 194 bps MoM and 456 bps YoY to 30.3%, its lowest level in seven months. In contrast, proprietary traders' share increased by 116 bps MoM to 33.5%, widening the gap with individual investors to 3.2 percentage points, the highest recorded during FY27 so far. Among institutional participants, DII share rose by 60 bps MoM to 14.0%, while foreign investors' share declined by 27 bps to 13.4%. Corporate and other participants also recorded an increase in their respective shares to 4.4% each. During FY27TD, proprietary traders accounted for 33.3% of cash-market turnover, marginally higher than the 32.7% share of individual investors.

Participation remains broadly stable across futures and options in equity derivatives: In the equity derivatives segment, proprietary traders continued to account for the largest share of aggregate notional turnover at 55.0% in October 2026, although their share moderated (-30 bps MoM, -360 bps YoY). Individual investors' share also declined marginally to 31.7% (-36 bps MoM), while foreign investors' participation increased by 30 bps to 6.1%. Furthermore, foreign investors continued to lead participation in equity futures, accounting for 32.5% of turnover, marginally lower by 14 bps MoM but higher by 499 bps YoY. Proprietary traders' share increased by 124 bps to 25.8%, while DII participation moderated by 117 bps to 15.0%, although it remained 214 bps above its year-ago level. Individual investors' share remained broadly stable at 15.0%.

In equity options (premium turnover), proprietary traders and individual investors together accounted for 85.3% of participation, at 46.5% and 38.8%, respectively, with both recording a marginal moderation during the month. Foreign investors' share edged up to 6.9% - a 7-month high, while other participants' share increased by 52 bps to 4.7%. Overall, proprietary traders and individual investors continued to dominate equity options, while foreign investors maintained their lead in equity futures.

Individual share falls as proprietary participation strengthens in commodity: In commodity futures, foreign investors' share rose by 96 bps MoM to 24.0%, an all-time high, compared with a muted 0.2% a year ago. Additionally, proprietary traders' share stood at 46.5% (+ 197 bps MoM) – rebounding to a 4-month high – but below the year ago share of 81.8% (-3,538 bops YoY). In contrast, individual investors' share fell by 132 bps MoM to 13.8%, an eight-month low, albeit above the year-ago level of 6.9%. In commodity options (premium turnover), proprietary traders' share increased by 381 bps MoM to 55.1%, marking 11-month high, while individual investors' share declined to 27.7% (499 bps MoM, 305 bps YoY). Similarly foreign investors' shares declined to 12.3% (-163 bps MoM) at 12-month low. A similar shift was observed in commodity derivatives (notional turnover), where proprietary traders' share rose by 671 bps to 59.7%, an eight-month high, while individual investors' share declined by 799 bps to 27.9%, a seven-month low. Overall Commodity derivatives witnessed a shift towards proprietary traders in options and notional turnover alongside strengthening of foreign investors presence in futures.

Proprietary traders remain dominant in IRF despite moderation: The participation mix in the interest rate futures (IRF) segment continued to shift towards corporates for the third consecutive month, with their share rising by 479 bps MoM to 35.6% in October 2026. Conversely, proprietary traders' share declined by 623 bps to 57.4%, although they remained the dominant participant category. Notwithstanding the recent moderation, proprietary participation remained significantly above its year-ago level of 40.7%, while corporate participation was lower by 1,640 bps compared with October 2025. Foreign investors and individual investors also recorded an increase in their respective shares to 3.9% - and all-time high – and 3.1% - a 5-month high. On a cumulative FY27TD basis, proprietary traders accounted for 66.0% of IRF turnover, compared with 29.4% for corporates, underscoring the continued dominance of proprietary participants in the segment.

Table 111: Share of client participation in NSE cash market segment (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	4.4	4.3	3.6	16	87	4.1	3.7	3.9
DIIs	14.0	13.4	14.4	60	(36)	13.3	14.2	13.5
Foreign Investors	13.4	13.7	12.8	(27)	65	13.2	14.6	13.4
Individuals	30.3	32.2	34.8	(194)	(456)	32.7	33.4	32.4
Prop	33.5	32.3	31.7	116	179	33.3	30.9	33.6
Others	4.4	4.1	2.7	30	161	3.5	3.2	3.2

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY27TD and CY26TD are as of Oct'26.

Figure 366: Annual trends in share of client participation in NSE cash market segment (%)

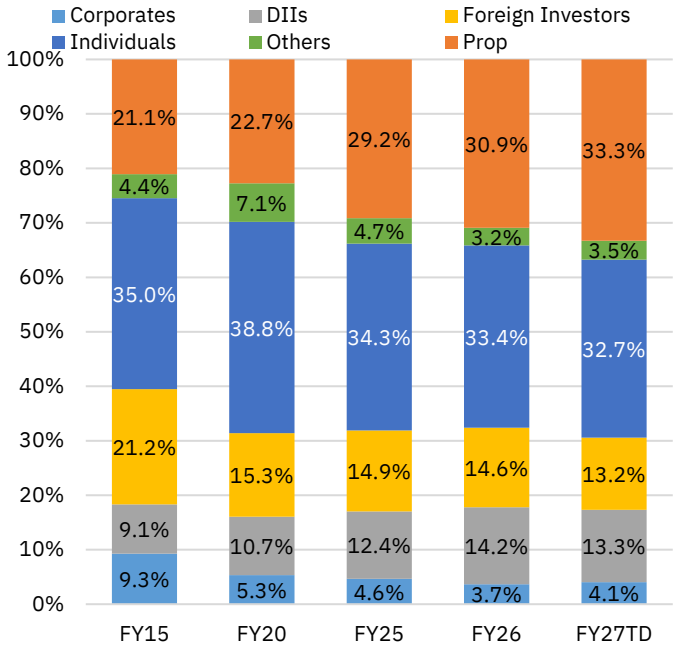
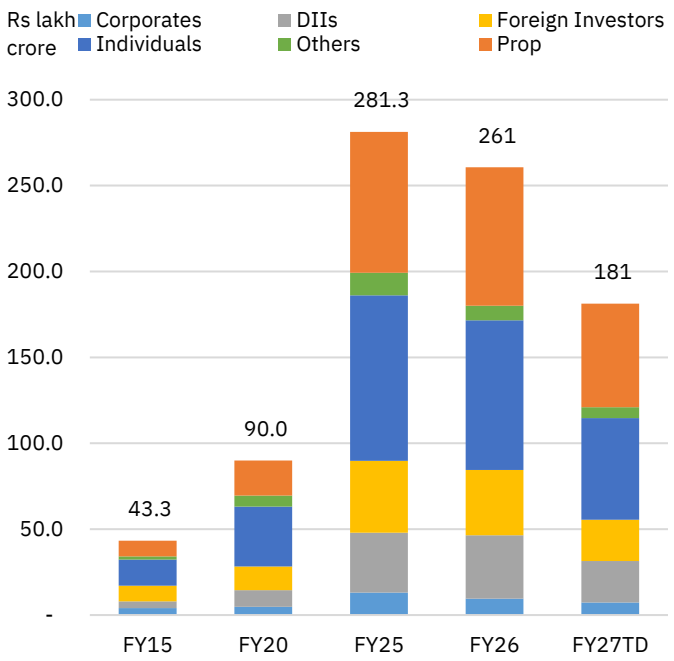


Figure 367: Annual trends in share of client participation in NSE cash market segment



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 Oct'26.

Table 112: Share of client participation in Equity Derivatives segment (Notional turnover) of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.5	2.6	2.1	(6)	40	2.3	2.2	2.2
DIIs	0.3	0.3	0.2	(0)	12	0.3	0.2	0.3
Foreign Investors	6.1	5.8	7.0	30	(89)	5.9	6.9	6.3
Individuals	31.7	32.0	29.9	(36)	176	31.5	29.2	30.9
Prop	55.0	55.3	58.6	(30)	(360)	56.4	59.3	57.3
Others	4.3	3.9	2.1	41	220	3.5	2.2	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 Oct'26.

Figure 368: Annual trends in share of client participation in Equity Derivatives segment (Notional turnover) at NSE (%)

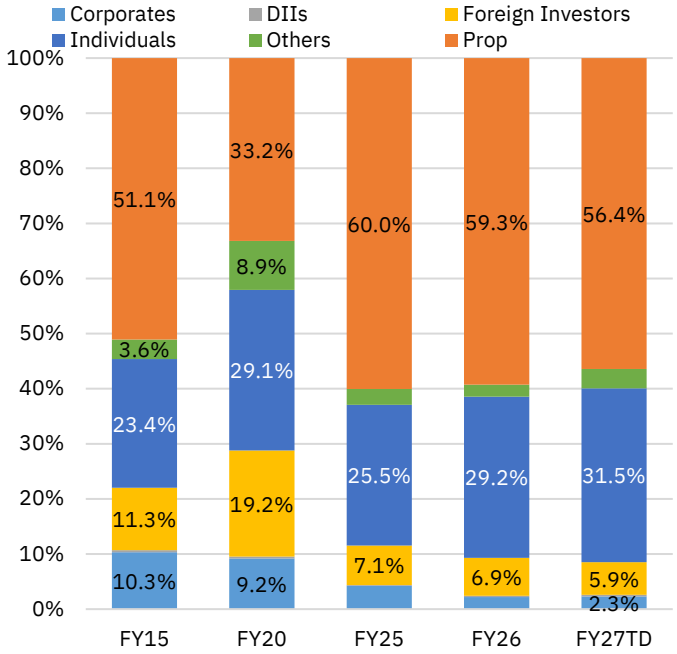
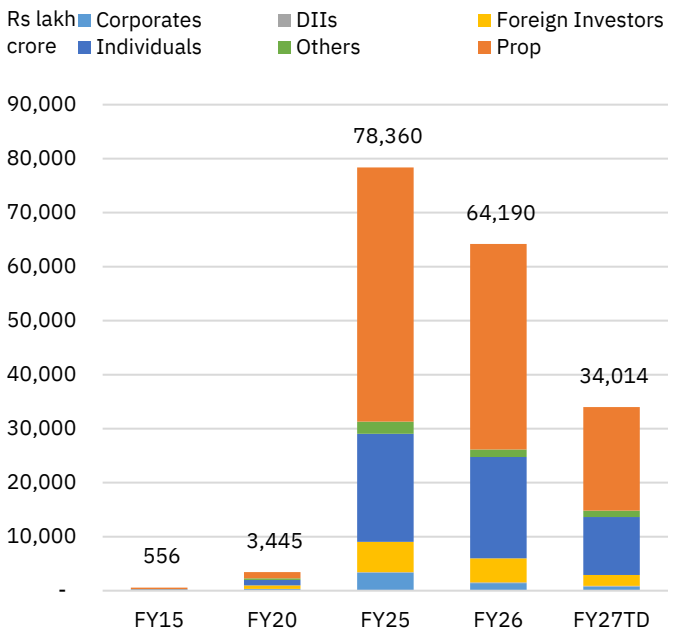


Figure 369: Annual trends in share of client participation in Equity Derivatives segment (Notional turnover) at NSE



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 Oct'26.

Table 113: Share of client participation in Equity futures (Notional Turnover) segment of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	7.7	7.7	6.9	4	85	7.2	6.8	7.1
DIIs	15.0	16.2	12.8	(117)	214	14.1	12.3	13.4
Foreign Investors	32.5	32.6	27.5	(14)	499	31.5	27.5	30.4
Individuals	15.0	14.8	17.4	20	(246)	16.2	17.0	16.1
Prop	25.8	24.6	30.8	124	(495)	26.9	31.9	29.0
Others	4.0	4.2	4.6	(17)	(57)	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.
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 Oct'26.

Figure 370: Annual trends in share of client participation in Equity futures (Notional Turnover) at NSE (%)

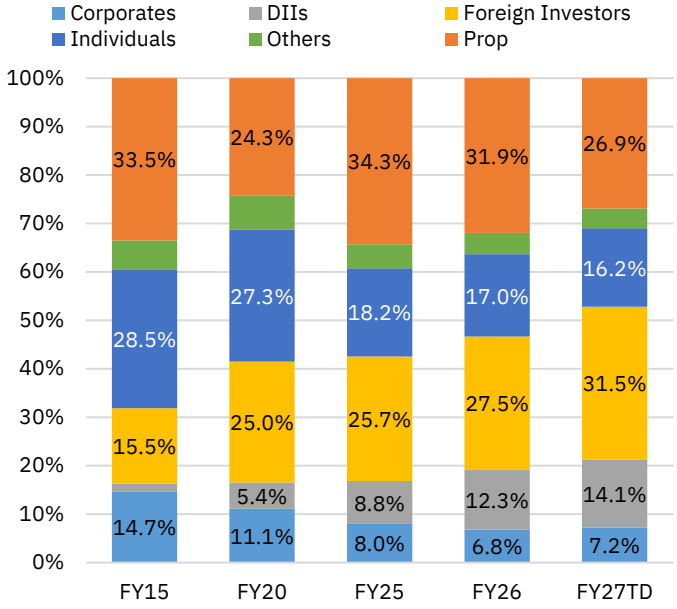
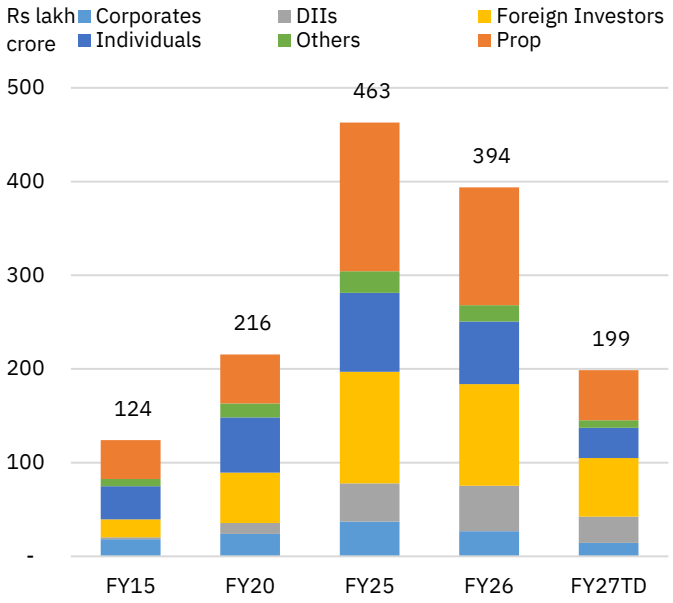


Figure 371: Annual trends in share of client participation in Equity futures (Notional Turnover) at NSE



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 Oct'26.

Table 114: Share of client participation in Equity options segment (Premium Turnover) of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.8	2.7	2.1	5	67	2.4	2.2	2.4
DIIs	0.3	0.2	0.1	4	17	0.2	0.1	0.2
Foreign Investors	6.9	6.8	6.9	13	5	6.6	7.3	6.8
Individuals	38.8	39.3	38.6	(43)	27	39.1	37.5	38.5
Prop	46.5	46.8	50.2	(30)	(378)	47.8	50.7	48.7
Others	4.7	4.2	2.1	52	261	3.9	2.2	3.4

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.3. 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 Oct'26.

Figure 372: Annual trends in share of client participation in Equity options (Premium Turnover) at NSE (%)

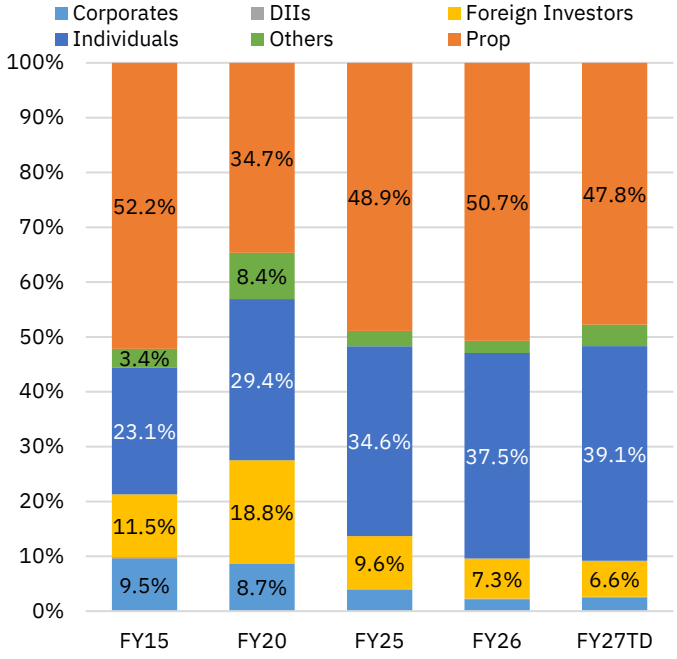
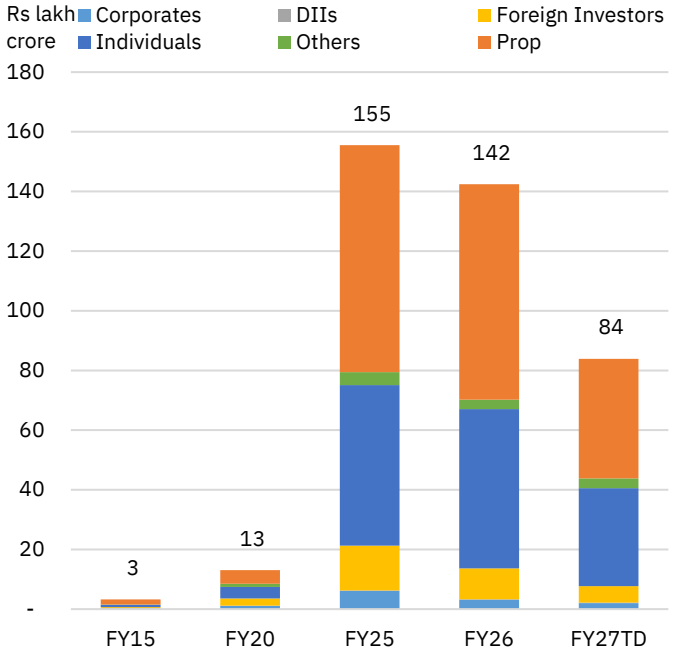


Figure 373: Annual trends in share of client participation in Equity options (Premium Turnover) at NSE



Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY27TD is as of Oct'26.

Table 115: Share of client participation in Index Futures of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	10.4	10.1	9.1	30	130	9.7	9.3	9.4
DIIs	5.0	6.4	6.2	(148)	(121)	6.3	5.9	5.9
Foreign Investors	23.0	26.7	16.3	(366)	676	21.0	16.5	19.8
Individuals	31.8	29.4	32.1	240	(30)	33.3	31.4	31.9
Prop	25.1	22.8	30.9	229	(578)	24.2	31.4	27.5
Others	4.6	4.5	5.4	15	(77)	5.4	5.5	5.4

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. Data for FY27TD and CY26TD are as of Oct'26.

Figure 374: Annual trends in share of client participation in Index Futures at NSE (%)

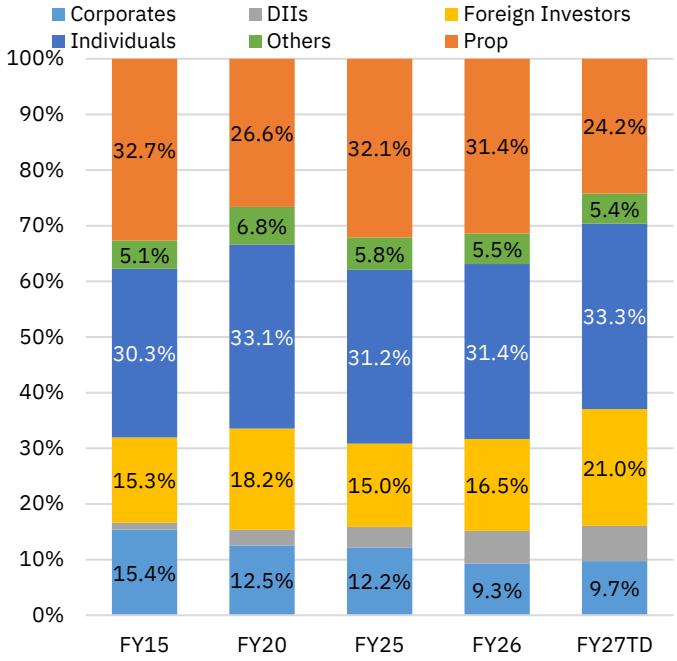
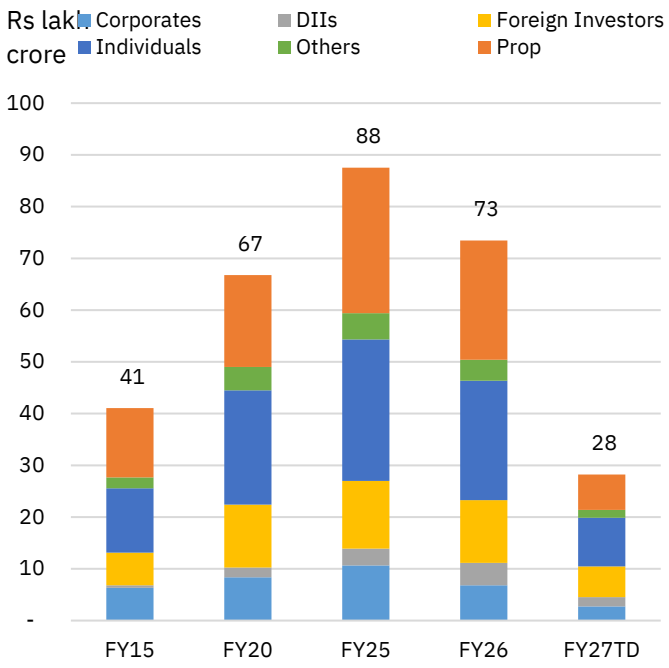


Figure 375: Annual trends in share of client participation in Index Futures at NSE



Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY27TD is as of Oct'26.

Table 116: Share of client participation in Stock Futures of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	7.3	7.3	6.4	(3)	88	6.8	6.2	6.7
DIIs	16.7	17.7	14.3	(99)	239	15.4	13.8	14.7
Foreign Investors	34.1	33.5	29.9	53	416	33.3	30.1	32.3
Individuals	12.1	12.5	14.3	(37)	(213)	13.4	13.7	13.1
Prop	25.9	24.8	30.7	109	(480)	27.3	32.1	29.2
Others	3.9	4.1	4.4	(22)	(50)	3.9	4.2	3.9

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. Data for FY27TD and CY26TD are as of Oct'26.

Figure 376: Annual trends in share of client participation in Stock Futures at NSE (%)

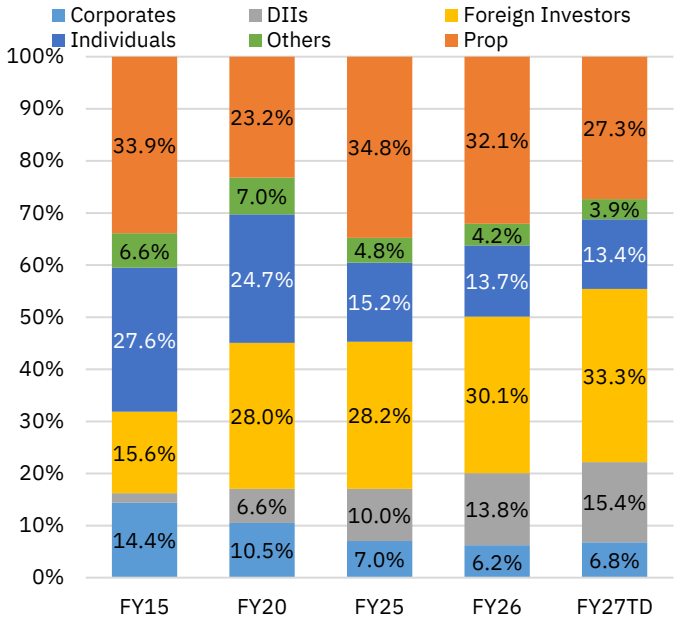
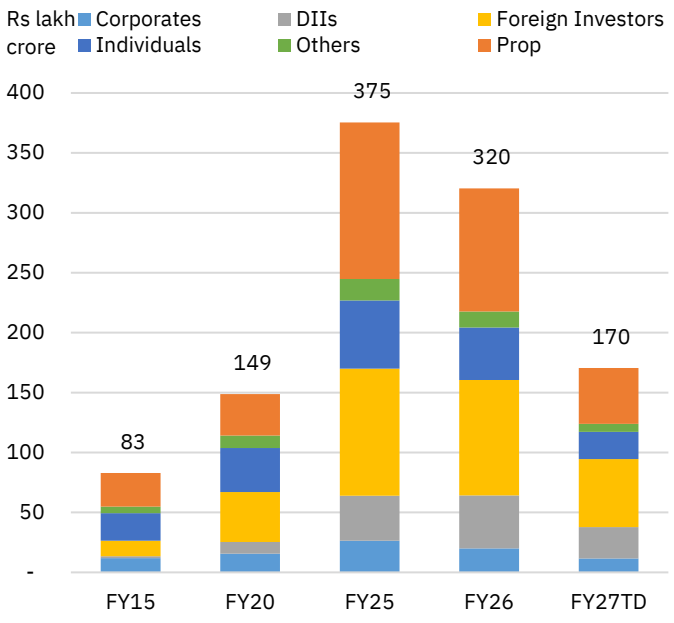


Figure 377: Annual trends in share of client participation in Stock Futures at NSE



Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY27TD is as of Oct'26.

Table 117: Share of client participation in Index Options (Premium Turnover) of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	2.7	2.7	2.0	1	70	2.3	2.1	2.3
DIIs	0.2	0.2	0.1	4	14	0.2	0.1	0.2
Foreign Investors	7.0	6.8	7.1	28	(2)	6.7	7.3	7.1
Individuals	40.4	41.0	40.2	(60)	25	40.9	39.0	40.1
Prop	44.5	44.8	48.5	(25)	(403)	45.5	49.3	46.7
Others	5.1	4.6	2.1	52	296	4.2	2.3	3.6

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. 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 Oct'26.

Figure 378: Annual trends in share of client participation in Index Options (premium turnover) at NSE (%)

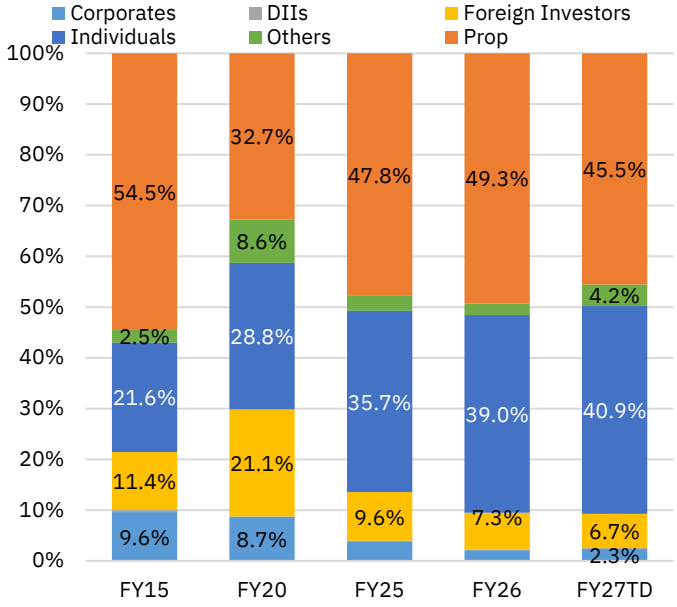
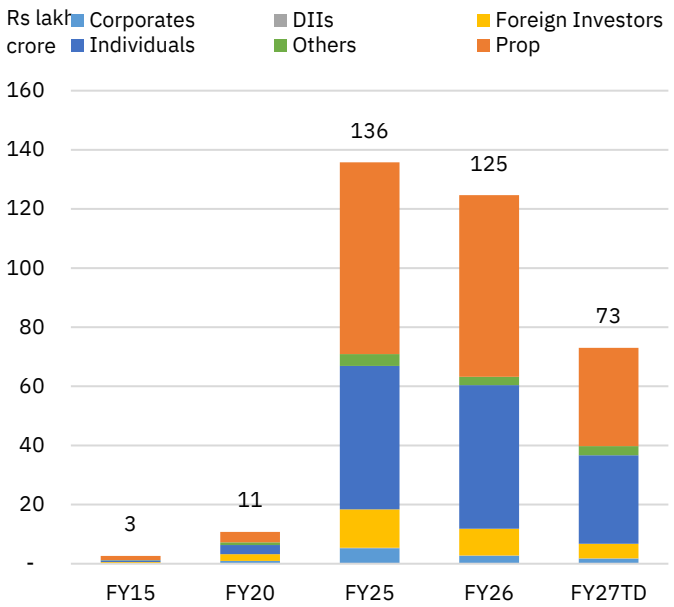


Figure 379: Annual trends in share of client participation in Index Options (premium turnover) at NSE



Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY27TD is as of Oct'26.

Table 118: Share of client participation in Stock Options (Premium Turnover) of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	3.2	2.8	2.7	44	56	2.8	2.5	2.7
DIIs	0.7	0.6	0.3	11	44	0.5	0.3	0.5
Foreign Investors	5.8	7.0	5.4	(119)	42	5.3	7.4	5.2
Individuals	25.2	26.9	26.9	(171)	(171)	27.0	27.2	26.8
Prop	63.3	61.0	62.7	237	66	62.7	60.8	63.1
Others	1.8	1.8	2.2	(3)	(37)	1.7	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 Oct'26.

Figure 380: Annual trends in share of client participation in Stock Options (Premium Turnover) at NSE (%)

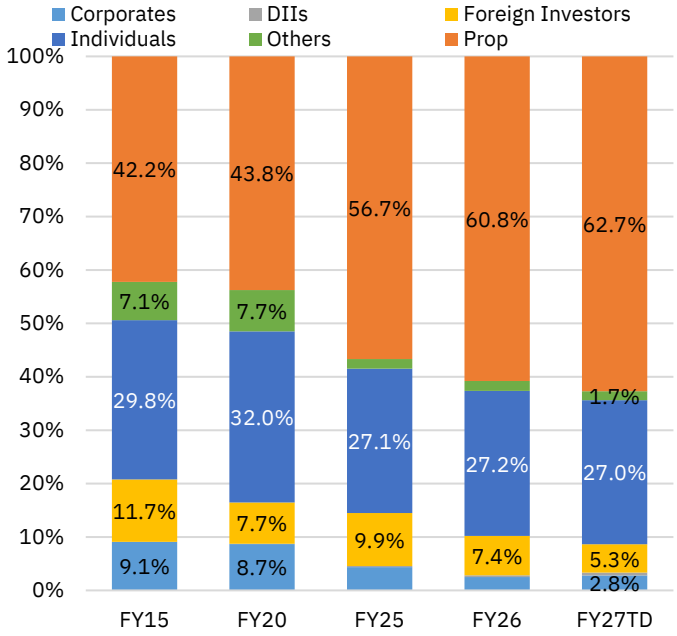
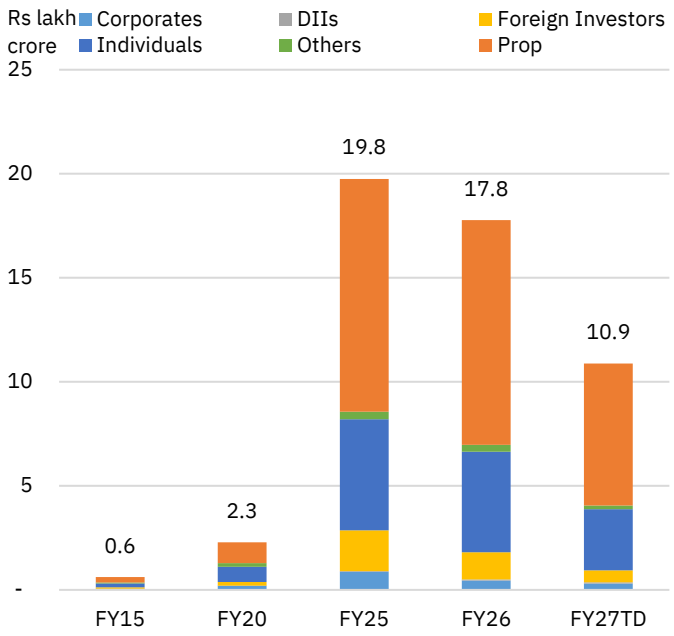


Figure 381: Annual trends in share of client participation in Stock Options (Premium Turnover) at NSE



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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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 Oct'26.

Table 119: Share of client participation in Currency Derivatives segment (Notional Turnover) of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	12.4	9.1	12.3	330	15	12.0	15.4	12.5
DIIs	2.1	1.1	1.9	97	20	2.2	2.9	2.1
Foreign Investors	12.8	11.0	9.4	184	341	14.9	15.9	15.1
Individuals	10.8	6.8	7.0	405	380	9.2	8.3	8.7
Prop	60.9	71.4	68.2	(1,058)	(732)	60.9	56.0	60.5
Others	1.0	0.6	1.3	41	(24)	0.9	1.6	1.0

Source: NSE EPR.
Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.
2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. Data for FY27TD and CY26TD are as of Oct'26.

Figure 382: Annual trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE (%)

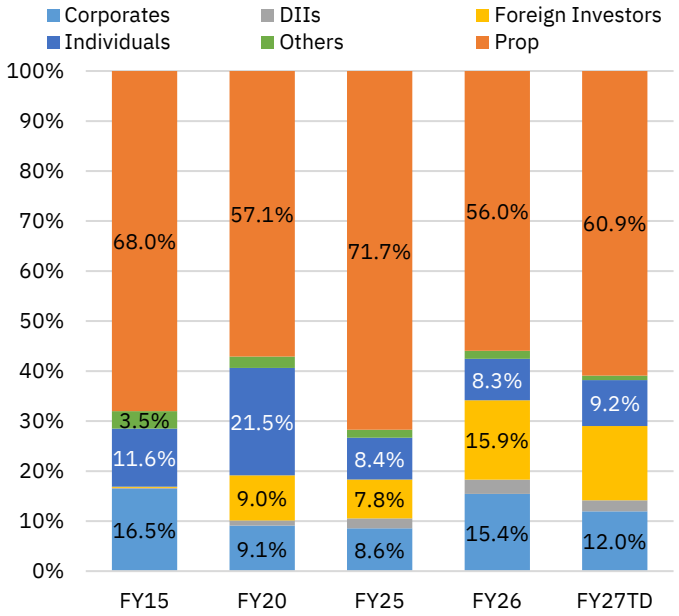
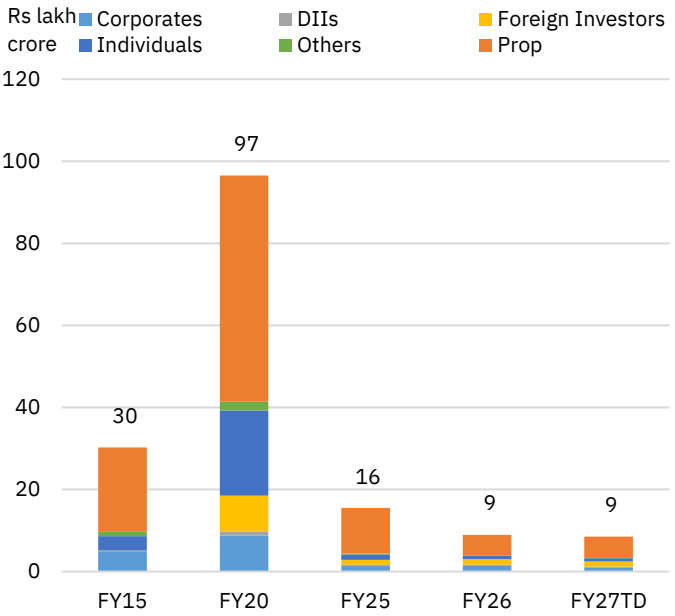


Figure 383: Annual trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE



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 Oct'26.

Table 120: Share of client participation in Currency Futures of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	12.3	8.9	11.9	334	35	11.7	15.1	12.3
DIIs	2.1	1.1	1.9	98	20	2.2	2.9	2.1
Foreign Investors	12.9	11.0	9.5	186	341	14.9	16.1	15.2
Individuals	10.6	6.6	6.8	401	379	9.0	7.9	8.4
Prop	61.1	71.7	68.7	(1,060)	(751)	61.2	56.5	60.9
Others	1.1	0.6	1.3	41	(24)	0.9	1.6	1.0

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5 Data for FY27TD and CY26TD are as of Oct'26.

Figure 384: Annual trends in share of client participation in Currency Futures at NSE (%)

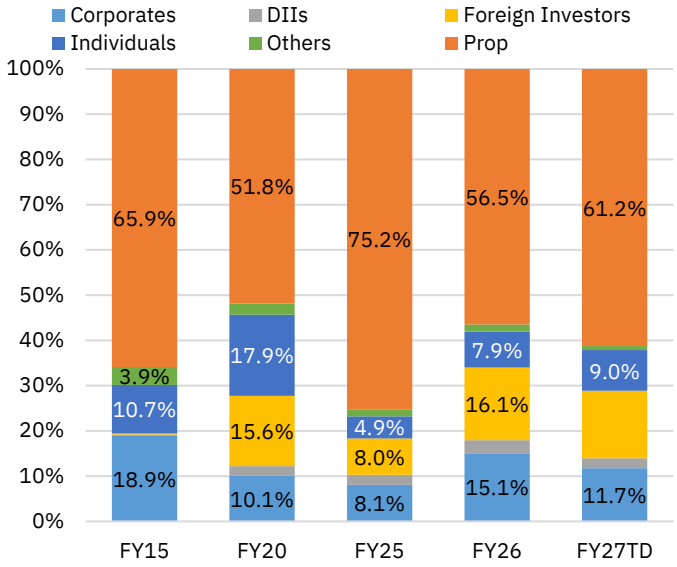
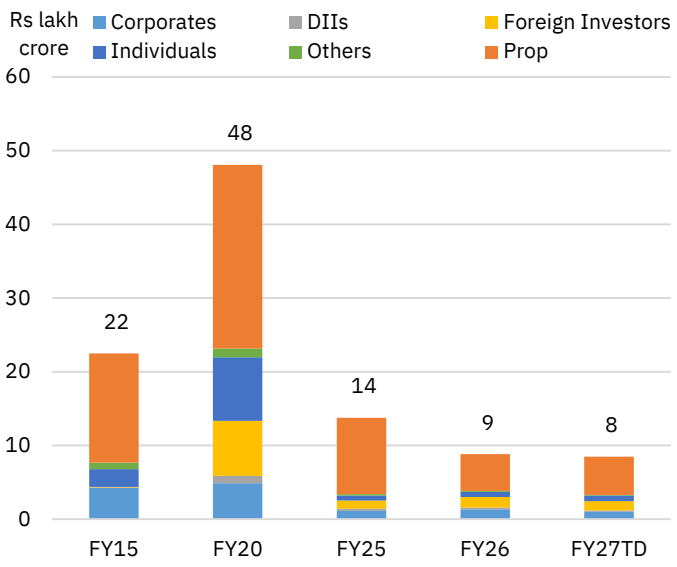


Figure 385: Annual trends in share of client participation in Currency Futures at NSE



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 Oct'26.

Table 121: Share of client participation in Currency Options (Premium Turnover) of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	51.5	40.1	64.8	1,135	(1,331)	45.3	48.6	48.1
DIIs	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	47.1	59.9	33.2	(1,278)	1,386	54.2	37.8	47.9
Prop	1.4	0.0	0.6	143	79	0.2	13.4	3.8
Others	0.0	0.0	1.3	-	(134)	0.3	0.2	0.2

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5 Data for FY27TD and CY26TD are as of Oct'26.

Figure 386: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE (%)

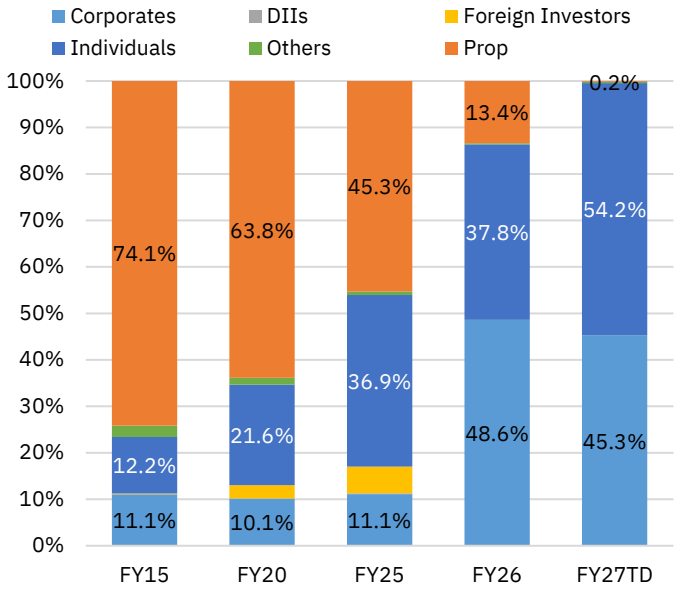
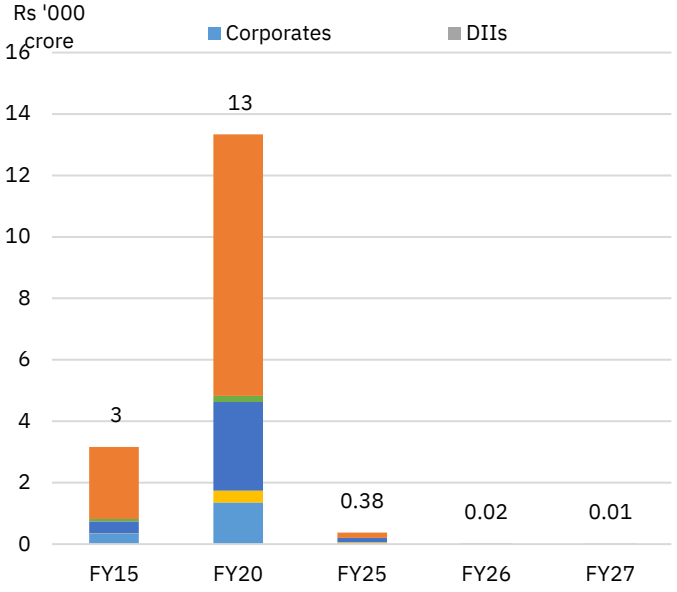


Figure 387: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE



Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the UCC (Unique Client Code) system. Turnover figures reflect client codes entered at order entry and corresponding UCC classifications. The data is provisional and may change due to custodial trade confirmations, client code modifications etc.

2. DII: Banks, insurance companies, mutual funds, DFIs (other than banks and insurers), domestic VC funds, AIFs, PMS clients, NPS, and NBFCs. Foreign Investors (FIs): FIIs, FPIs (all categories), FDI, FVCIs, depository receipts, foreign nationals, QFIs, EFEs, and OCBs. Corporate: Public and private companies or bodies corporate. Individual: Individuals, proprietorships, HUFs, and NRIs. Others: Partnership/LLP, trusts, societies, statutory bodies, NGOs, etc. Prop: Proprietary trades.

3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

4. Data for FY27TD is as of Oct'26.

Table 122: Share of client participation in Interest Rate Futures of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Change (bps)	YoY Change (bps)	FY27TD	FY26	CY26TD
Corporates	35.6	30.8	52.0	479	(1,640)	29.4	56.3	33.4
DIIs	0.0	0.0	0.0	-	-	0.0	0.1	0.0
Foreign Investors	3.9	3.5	0.3	35	355	2.1	0.5	1.7
Individuals	3.1	2.0	6.9	109	(383)	2.0	6.9	2.9
Prop	57.4	63.6	40.7	(623)	1,667	66.0	36.2	61.6
Others	0.0	0.0	0.0	(0)	0	0.5	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.

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 Oct'26.

Figure 388: Annual trends in share of client participation in Interest Rate Futures at NSE (%)

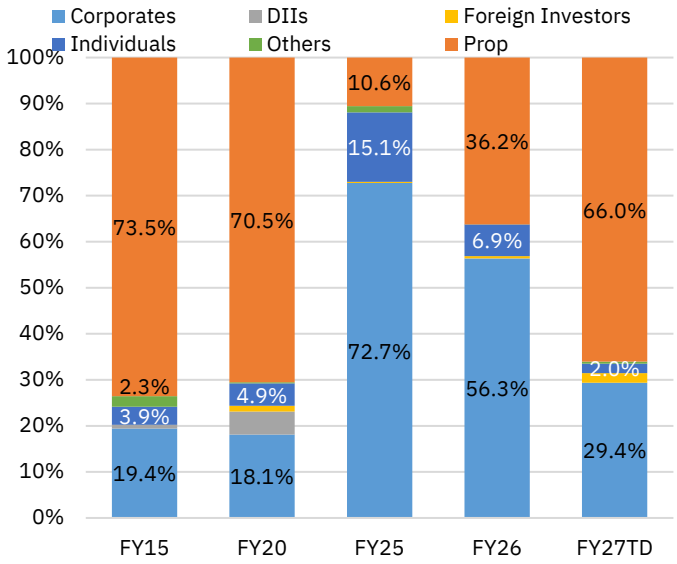
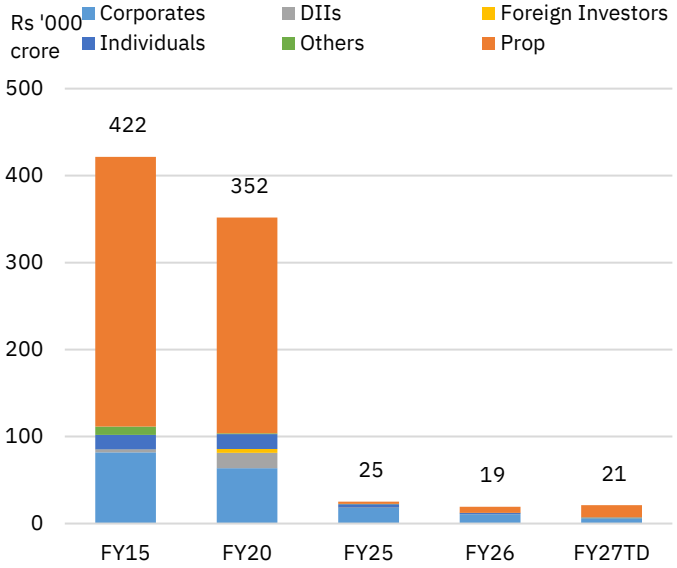


Figure 389: Annual trends in share of client participation in Interest Rate Futures at NSE



Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the 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 Oct'26.

Table 123: Share of client participation in Commodity derivatives segment of NSE (%)

Client category	Oct-26	Sep-26	Oct-25	MoM Chg. (bps)	YoY Chg, (bps)	FY27TD	FY26	CY26TD
Commodity Futures								
Corporates	1.1	1.9	1.9	(84)	(81)	1.9	1.9	1.8
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	24.0	23.1	0.2	96	2,380	15.7	1.2	13.2
Individuals	13.8	15.1	6.9	(132)	696	22.0	9.5	20.6
Prop	46.5	44.5	81.8	197	(3,538)	45.9	72.4	48.0
Others	14.6	15.4	9.2	(77)	543	14.5	15.1	16.3
Commodity Options (Premium Turnover)								
Corporates	0.6	0.5	0.1	4	51	0.4	0.3	0.4
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	12.3	13.9	10.4	(163)	189	16.1	13.3	16.9
Individuals	27.7	32.7	30.8	(500)	(308)	30.1	28.0	29.6
Prop	55.1	51.3	57.7	381	(265)	51.7	57.4	51.5
Others	4.4	1.6	1.1	278	333	1.7	0.9	1.6
Commodity Derivatives (Notional Turnover)								
Corporates	0.7	0.7	0.2	3	56	0.6	0.7	0.6
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	7.2	8.2	7.1	(99)	11	8.6	5.0	8.8
Individuals	27.9	35.9	21.5	(799)	646	32.4	17.1	31.8
Prop	59.7	53.0	70.4	671	(1,068)	55.8	74.9	56.1
Others	4.4	2.2	0.9	224	354	2.6	2.3	2.7

Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the 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 Oct'26.

Figure 390: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover) (%)

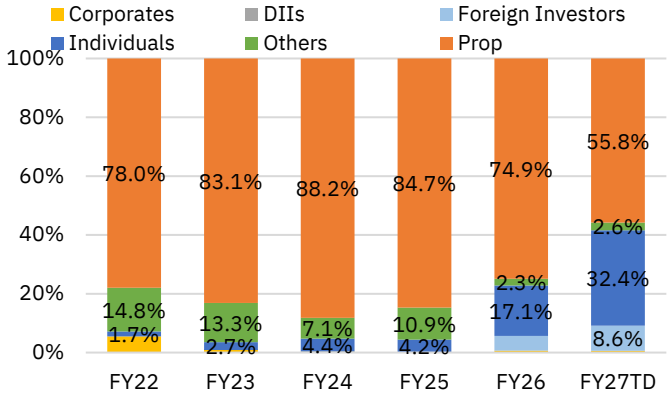


Figure 391: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover)

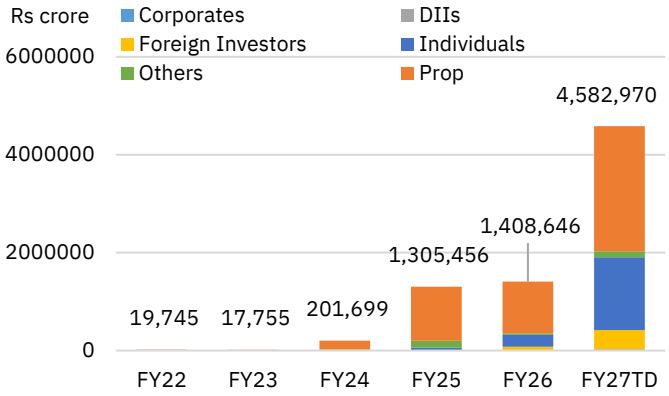


Figure 392: Annual trends in share of client participation in Commodity Futures at NSE (%)

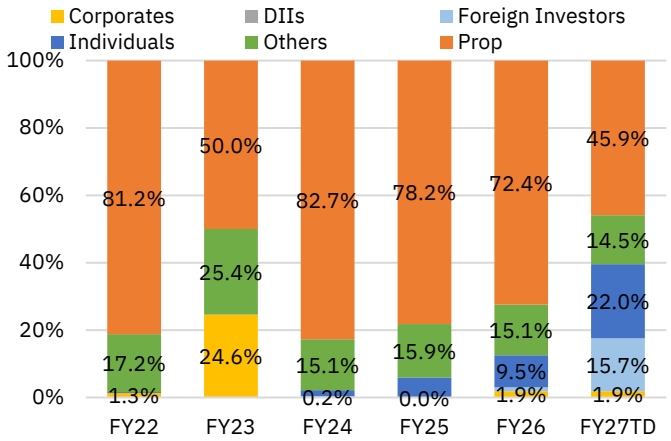


Figure 393: Annual trends in share of client participation in Commodity Futures at NSE

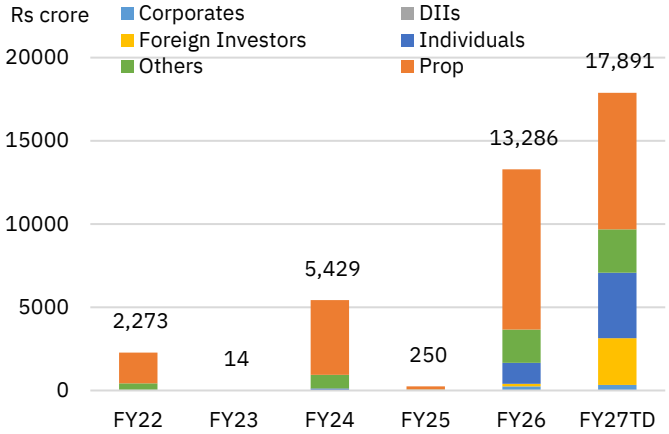


Figure 394: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE (%)

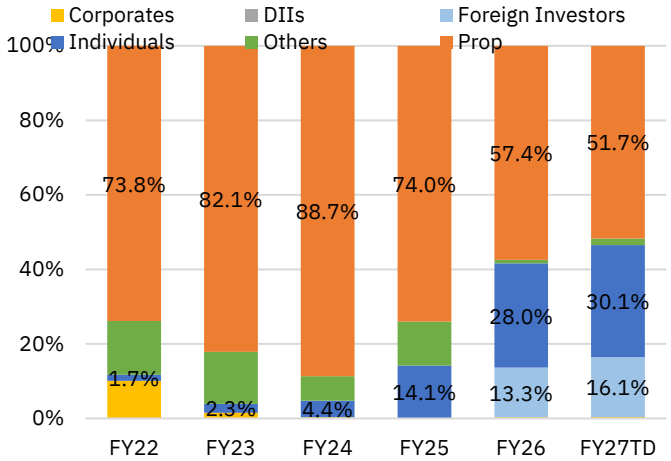
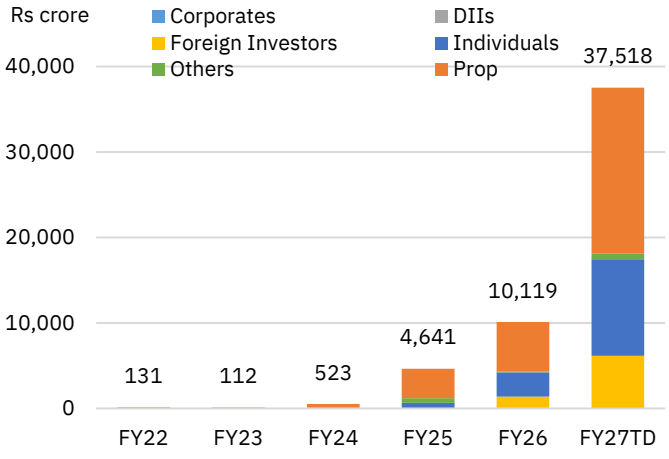


Figure 395: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE



Source: NSE EPR.

Notes: 1. Client categories are based on classifications uploaded by trading members in the 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. 3. Data for FY27TD is as of October 2026.

6.3.3 Channel-wise turnover: Colo hits record high in cash; CTCL/NEAT leads in commodities

Trading-channel trends in October reflected divergent movements across market segments, with Colocation consolidating its position in the Cash Market, while DMA gained share in equity futures and options. In the Cash Market, Colocation's share rose by 208 bps MoM to 45.1%, even as Mobile and CTCL/NEAT terminals recorded declines. Within equity futures, Colocation retained the largest share at 52.2%, remaining broadly stable during the month, while DMA and Mobile gained. In equity options, Colocation continued to account for the largest share of premium turnover at 50.9%, with Mobile contributing 29.7%; DMA also recorded an increase during the month. Commodity derivatives, in contrast, saw a rise in the share of CTCL/NEAT terminals to 61.1%, driven by an increase in both futures and options, while Mobile's share moderated to 24.3% during the month.

Colocation strengthens its position in the cash market, reaching a new high: The share of Colocation in cash market turnover increased by 208bps MoM to 45.1% in October making it a record high. DMA and SOR also recorded increases of 7bps and 27bps, respectively, taking their shares to 5.4% and 3.2% respectively. In contrast, the share of Mobile declined by 128bps to 20.3%, while CTCL/NEAT terminals moderated by 75bps to 19.9%.

On an annual comparison, Colocation's share stood at a record high of 43.1% in FY27TD (till October), up from 39.4% in FY26 and 36.5% in FY25. Mobile-based trading accounted for 22.1% of turnover (6-year high), while SOR reached a record 2.8%, up from 2.0% in FY26.

Colocation remains dominant in equity derivatives, while DMA gains share: Colocation continued to account for the largest share of equity futures turnover at 52.2% in October, marginally up by 4bps MoM. Within the segment, its share declined 215bps MoM to 41.1% in index futures, while increasing 53 bps to 54.1% in stock futures (7-month high). On a YoY basis, Colocation's share increased 45bps in index futures and 222 bps in stock futures, indicating stronger gains in the latter segment. DMA gained share in both segments, rising to 77-month high of 12.3% in index futures and 5-month high of 18.8% in stock futures. In contrast, Mobile's share increased 175 bps MoM to 19.6% in index futures, while remaining unchanged at 6.4% in stock futures during the month.

Within equity options, Colocation continued to account for the largest share of premium turnover at 50.9% in October, up 33bps MoM, although remaining 199bps lower YoY. Within the segment, its share increased 35 bps to 49.3% (4-month high) in index options, while rising 281bps to a 7-month high of 65.5% in stock options during the month. Mobile remained an important channel in index options, accounting for ~31% of premium turnover, compared with 18.7% in stock options during the month. DMA also gained ground in index options, rising 49bps MoM to ~8% (23-month high), while its share in stock options declined 105bps to 5.9%.

CTCL/NEAT remains the dominant channel in commodity derivatives: The share of CTCL/NEAT terminals increased 679bps MoM to 61.1% (7-month high) in October, while DMA rose 151bps to 9.7% and Mobile declined 717bps to 24.3% (7-month low).

Within commodity futures, DMA rose 286bps MoM to its record high share of 23.4%, while CTCL/NEAT and Mobile moderated to 56.9% and 10.5%, respectively during the month. In commodity options, CTCL/NEAT gained 414bps to ~56% (10-month high), and the share of DMA increased 133bps to 15.3% while the share of Mobile declined 461bps to 25.1% (6-month low) during the month.

Table 124: Monthly trend in share (%) of different channels of trading in NSE CM segment

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	45.1	43.0	39.4	208	563	43.1	39.4	43.1
Direct Market Access (DMA)	5.4	5.3	3.6	7	183	4.7	4.8	4.5
Internet Based Trading (IBT)	6.1	6.5	8.3	-39	-215	6.3	7.6	6.4
Mobile	20.3	21.6	22.1	-128	-180	22.1	21.9	21.9
Smart order routing	3.2	2.9	2.1	27	106	2.8	2.0	2.9
CTCL/ Neat terminal	19.9	20.7	24.5	-75	-458	20.9	24.8	21.2

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 Oct 2026.

Figure 396: Annual turnover trend for different channels in the NSE CM segment

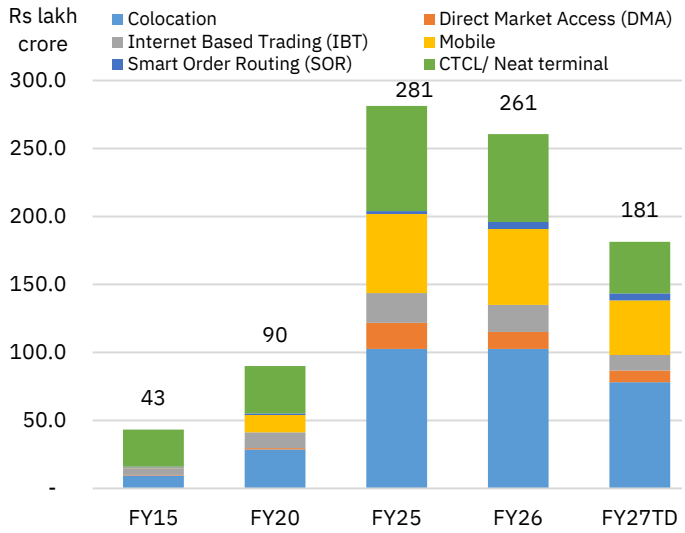
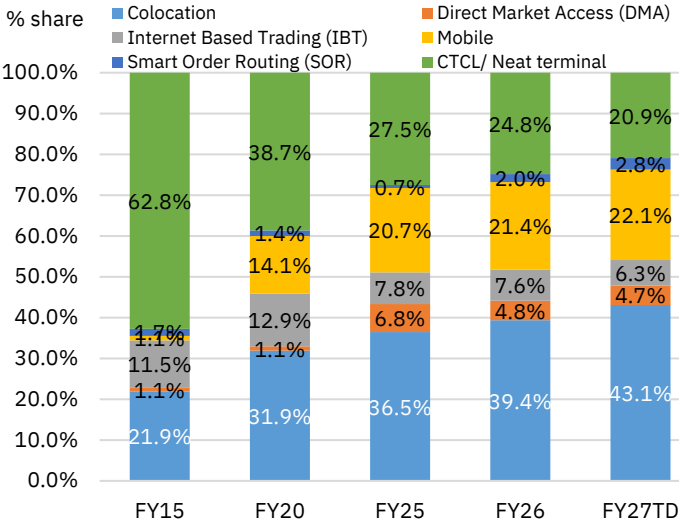
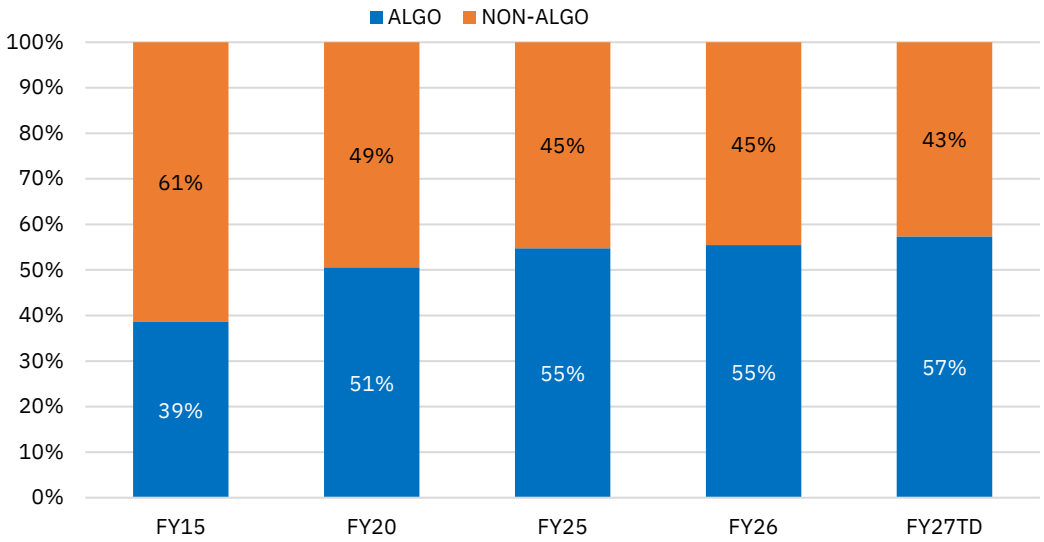


Figure 397: Annual trend in turnover share for different channels in the NSE CM segment



Source: NSE EPR. Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. 2. FY27TD is as of Oct 2026.

Figure 398: Annual trends in share (%) for modes of trading in NSE CM segment



Source: NSE EPR. Notes: 1. The above figures have been computed in terms of % share on the basis of net turnover. 2. FY27TD is as of Oct 2026.

Table 125: Share (%) of different channels of trading in equity derivatives segment (notional turnover)

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	57.5	57.2	58.1	38	-55	57.9	59.6	58.5
Direct Market Access (DMA)	7.3	6.9	6.2	33	108	6.4	6.4	6.4
Internet Based Trading (IBT)	5.6	5.7	8.0	-4	-238	5.7	7.8	6.1
Mobile	24.2	24.3	21.9	-9	228	24.1	21.4	23.6
Smart order routing	-	-	0.0	-	-0	0.0	0.0	0.0
CTCL/ Neat terminal	5.4	5.9	5.8	-57	-43	5.9	4.8	5.3

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 Oct 2026.

Figure 399: Annual turnover trend for different channels in the equity derivatives segment

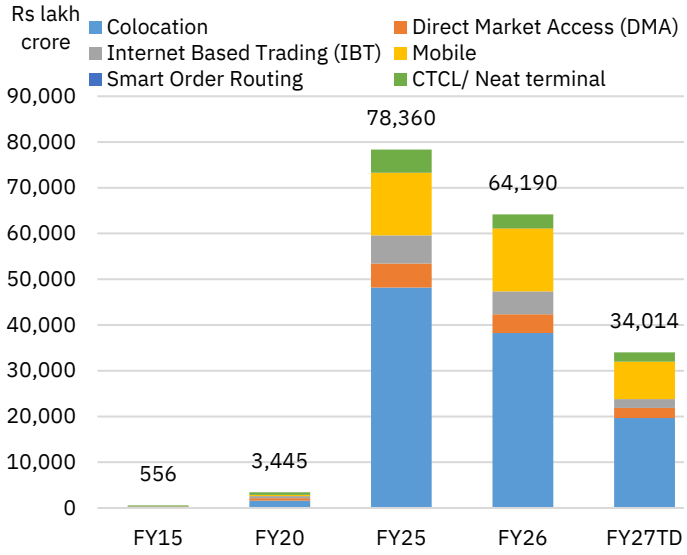
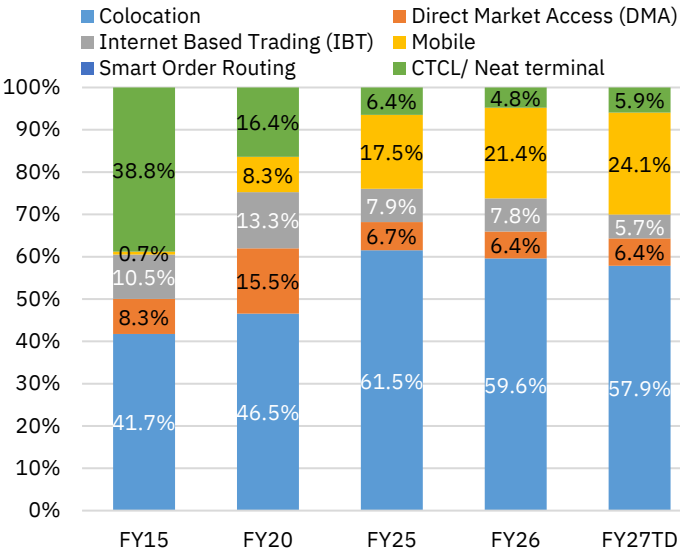
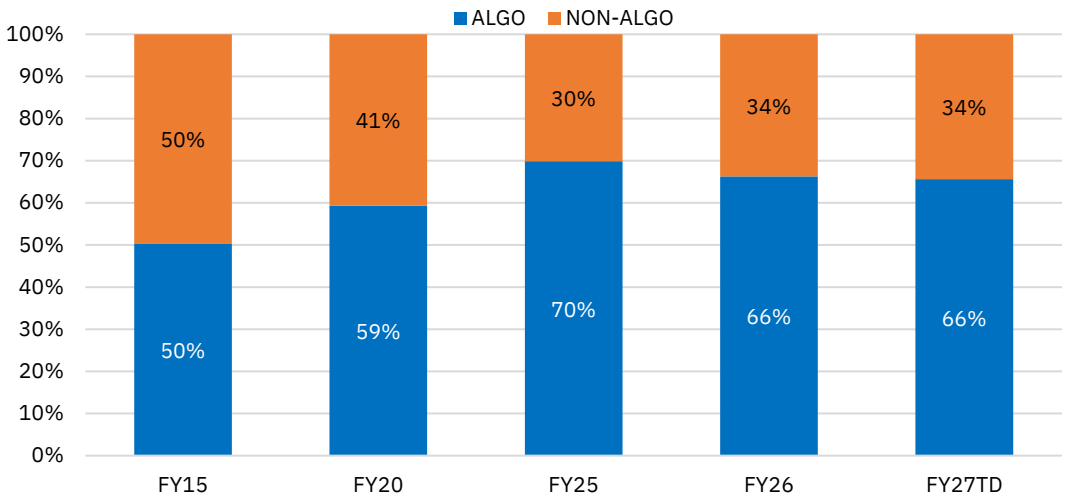


Figure 400: Annual trend in turnover share for different channels in the equity derivatives segment



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 Oct 2026.

Figure 401: 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 Oct 2026.

Table 126: Monthly trend in share (%) of different channels of trading in Equity futures

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	52.2	52.2	49.9	4	234	50.1	50.7	50.7
Direct Market Access (DMA)	17.9	17.2	15.7	68	218	17.4	16.1	17.2
Internet Based Trading (IBT)	5.2	5.1	6.4	16	-116	5.4	6.2	5.5
Mobile	8.3	8.0	9.2	36	-81	9.2	9.1	9.0
Smart order routing	-	-	-	-	-	0.0	0.0	0.0
CTCL/ Neat terminal	16.3	17.6	18.9	-125	-255	17.9	18.0	17.5

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 Oct 2026.

Figure 402: Annual turnover trend for different channels in the equity futures segment

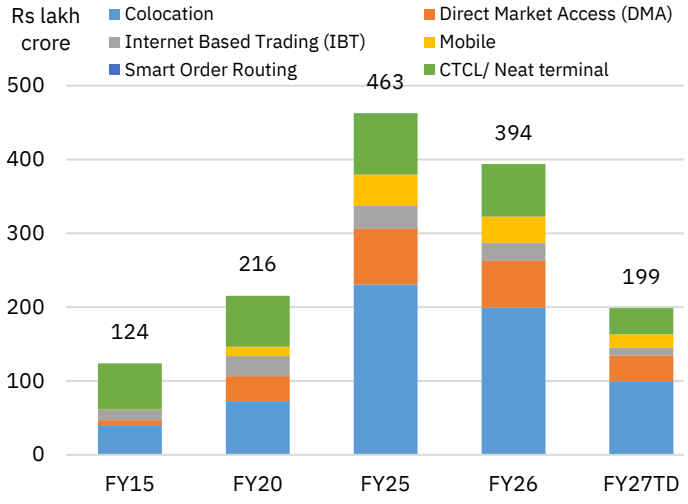
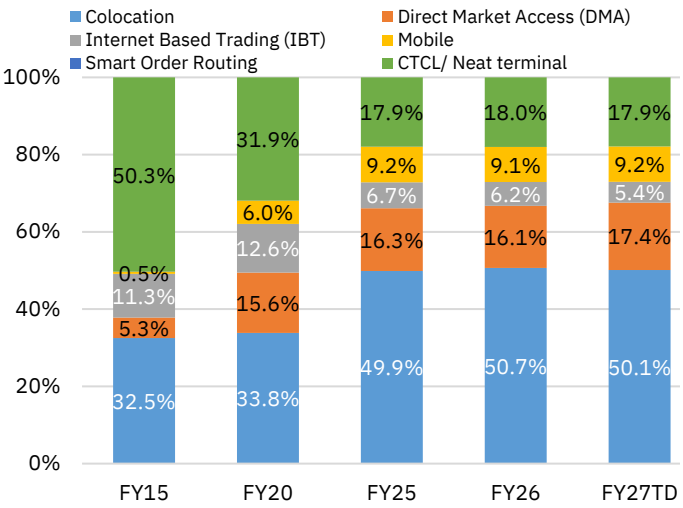
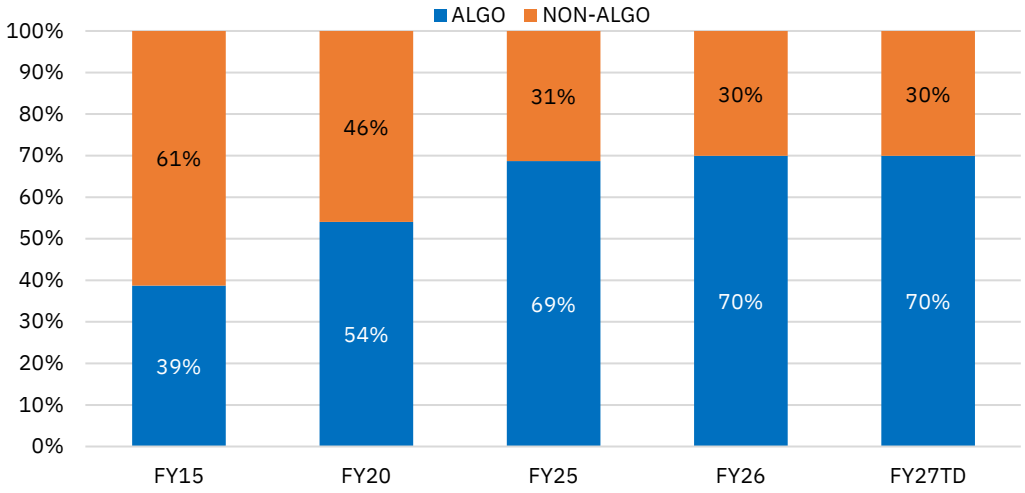


Figure 403: Annual trend in turnover share for different channels in the equity futures segment



Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of traded turnover.
3. FY27TD is as of Oct 2026.

Figure 404: 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 Oct 2026.

Table 127: Monthly trend in share (%) of different channels of trading in Equity options (Premium value)

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	50.9	50.6	52.9	33	-199	51.4	53.4	52.3
Direct Market Access (DMA)	7.8	7.4	5.4	34	241	6.8	6.2	6.6
Internet Based Trading (IBT)	7.4	7.5	10.5	-6	-306	7.6	10.0	8.0
Mobile	29.7	29.8	28.0	-13	173	29.8	27.3	29.3
Smart order routing	-	-	0.0	-	-0	0.0	0.0	0.0
CTCL/ Neat terminal	4.2	4.7	3.3	-49	91	4.4	3.0	3.8

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 Oct 2026.

Figure 405: Annual turnover trend for different channels in the equity options segment

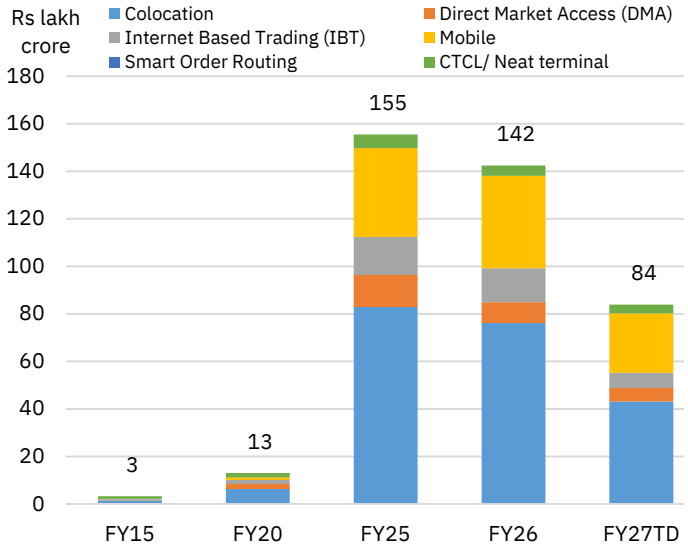
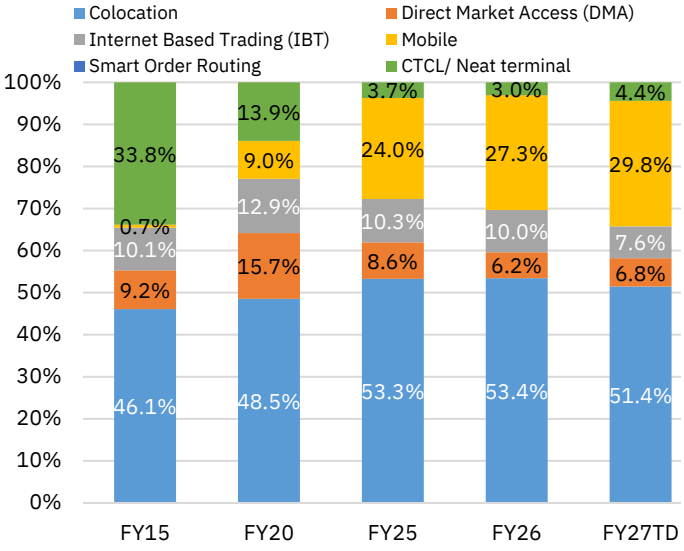
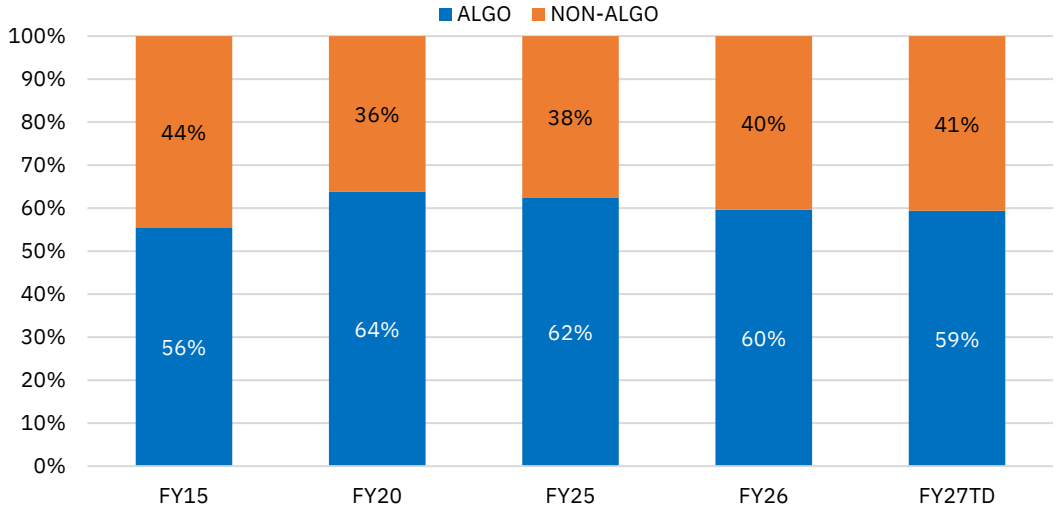


Figure 406: Annual trend in turnover share for different channels in the equity options segment



Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on premium turnover.
3. FY27TD is as of Oct 2026.

Figure 407: 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 Oct 2026.

Table 128: Monthly Share (%) of different channels in index futures turnover

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	41.1	43.2	40.6	-215	45	40.1	42.7	41.7
Direct Market Access (DMA)	12.3	12.1	11.4	23	95	10.7	10.3	10.7
Internet Based Trading (IBT)	10.5	9.6	12.6	86	-207	10.1	12.1	10.6
Mobile	19.6	17.9	17.4	175	222	20.7	17.6	19.6
Smart order routing	-	-	-	-	-	-	0.0	0.0
CTCL/ Neat terminal	16.5	17.2	18.0	-69	-458	18.4	17.3	17.4

Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % based on turnover. 3. Data for FY27TD and CY26TD is as of Oct 2026.

Figure 408: Annual turnover trend for different channels in Index futures

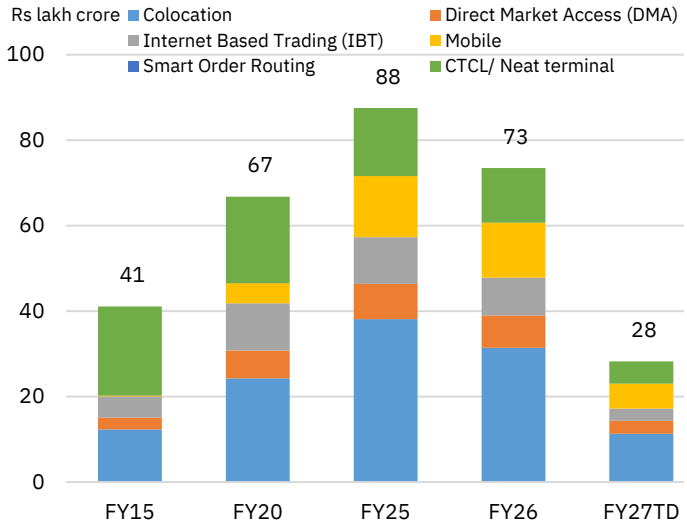
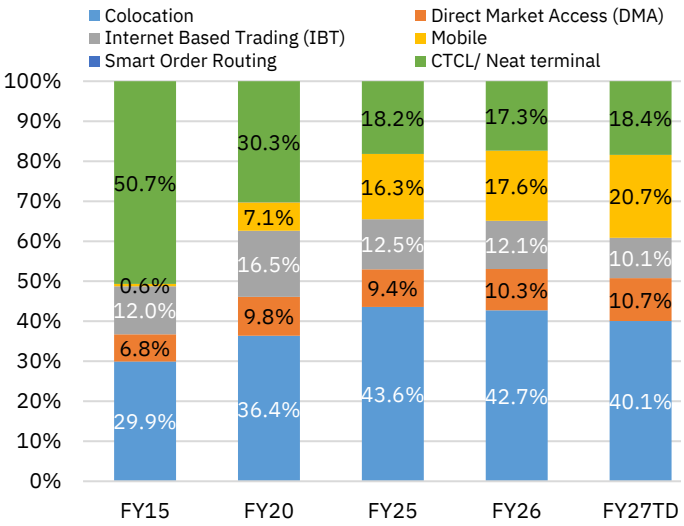
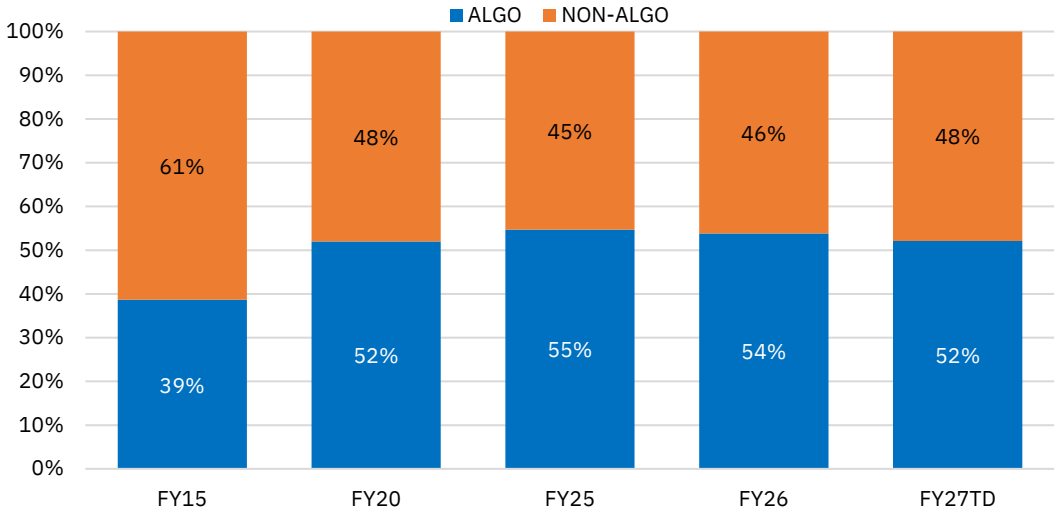


Figure 409: Annual trend in turnover share for different channels in Index futures



Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on turnover
3. Data for FY27TD is as of Oct 2026.

Figure 410: 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 Oct 2026.

Table 129: Monthly share (%) of different channels in stock futures turnover

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	54.1	53.6	51.9	53	222	51.8	52.5	52.4
Direct Market Access (DMA)	18.8	18.0	16.6	83	219	18.6	17.4	18.4
Internet Based Trading (IBT)	4.4	4.4	5.1	-2	-71	4.6	4.9	4.6
Mobile	6.4	6.4	7.4	-0	-93	7.3	7.1	7.1
Smart order routing	-	-	-	-	-	0.0	0.0	0.0
CTCL/ Neat terminal	16.3	17.6	19.1	-134	-276	17.8	18.1	17.5

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 Oct 2026.

Figure 411: Annual turnover trend for different channels in stock futures

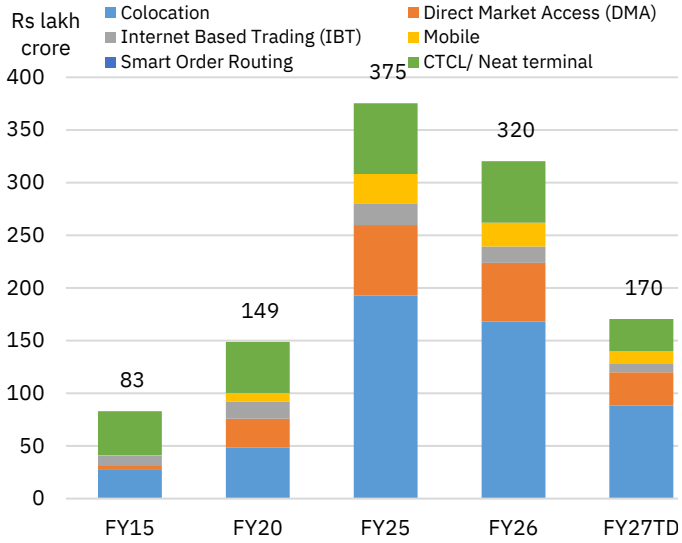
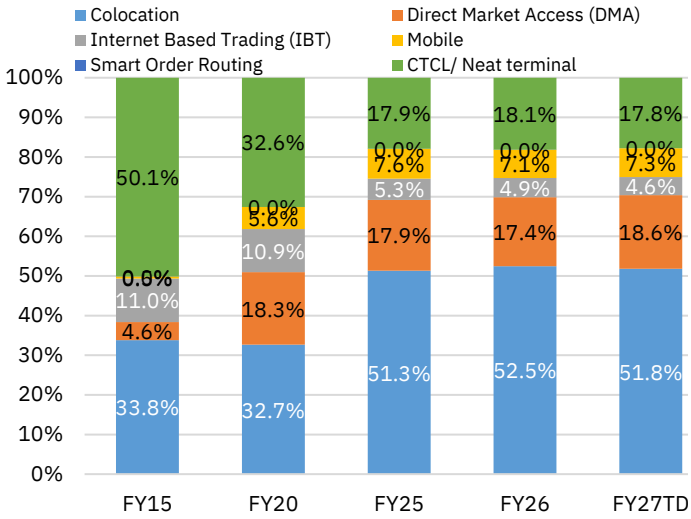
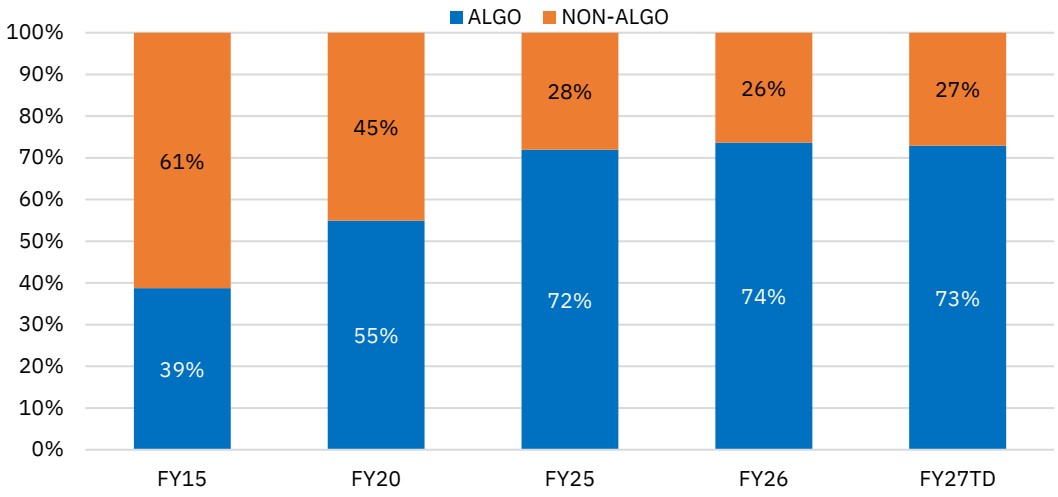


Figure 412: Annual trend in turnover share for different channels in stock futures



Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on turnover
3. Data for FY27TD is as of Oct 2026.

Figure 413: 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 Oct 2026.

Table 130: Monthly share (%) of different channels in index options premium turnover

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	49.3	48.9	51.5	35	-221	49.6	52.3	50.6
Direct Market Access (DMA)	8.0	7.5	5.4	49	262	7.0	6.0	6.8
Internet Based Trading (IBT)	7.7	7.8	11.0	-9	-331	7.9	10.5	8.4
Mobile	31.0	31.2	29.2	-20	181	31.2	28.4	30.6
Smart order routing	-	-	0.0	-	0	0.0	0.0	0.0
CTCL/ Neat terminal	4.1	4.6	3.0	-55	110	4.3	2.7	3.7

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 Oct 2026.

Figure 414: Annual turnover trend for different channels in Index options premium

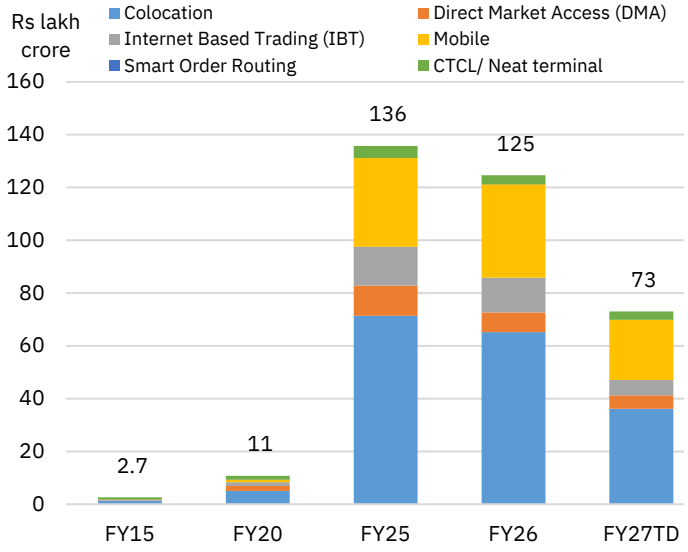
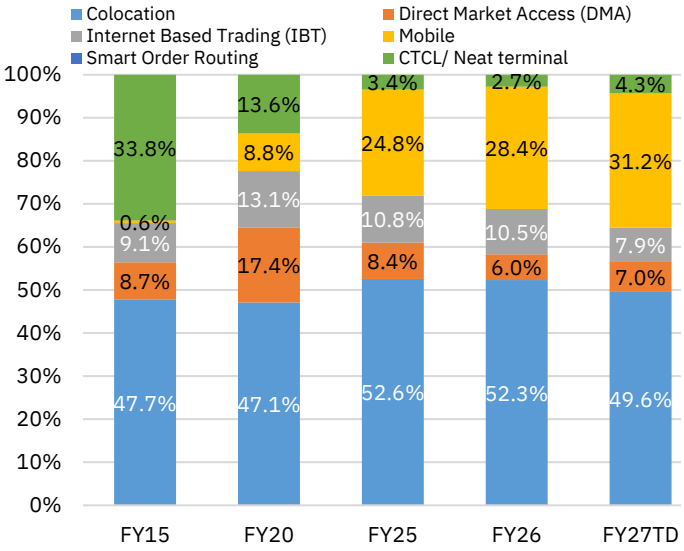
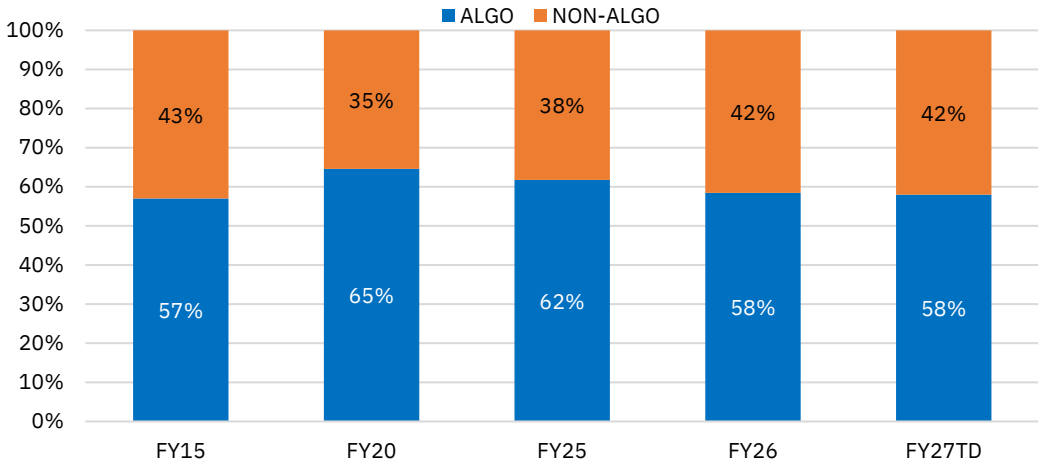


Figure 415: Annual trend in turnover share for different channels in Index options premium



Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on premium turnover
3. Data for FY27TD is as of Oct 2026.

Figure 416: 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 Oct 2026.

Table 131: Monthly share (%) of different channels in stock options premium turnover

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Colocation	65.5	62.7	63.6	281	196	64.1	61.4	64.3
Direct Market Access (DMA)	5.9	7.0	5.4	-105	56	5.3	7.4	5.1
Internet Based Trading (IBT)	5.1	5.3	6.7	-26	-159	5.2	6.5	5.4
Mobile	18.7	20.2	19.2	-156	-55	20.6	19.7	20.4
Smart order routing	-	-	-	-	-	0.0	0.0	0.0
CTCL/ Neat terminal	4.8	4.8	5.2	6	-38	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 Oct 2026.

Figure 417: Annual turnover trend for different channels in stock options premium

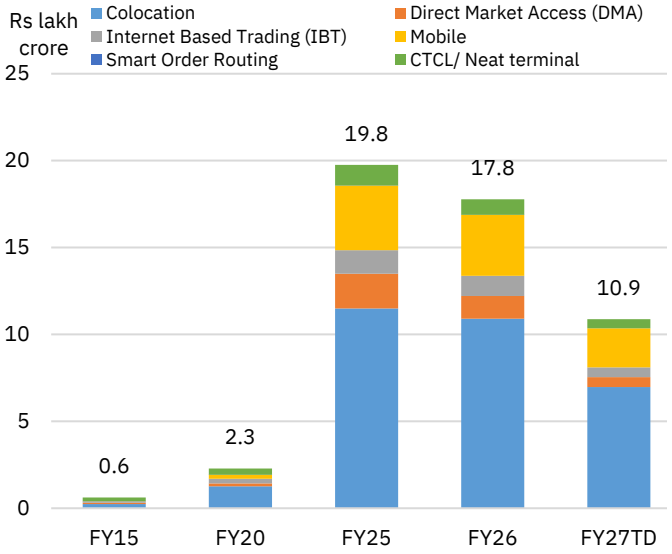
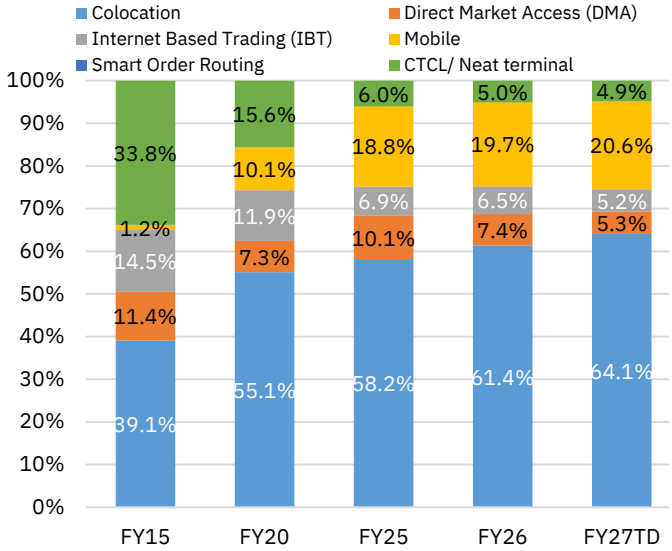
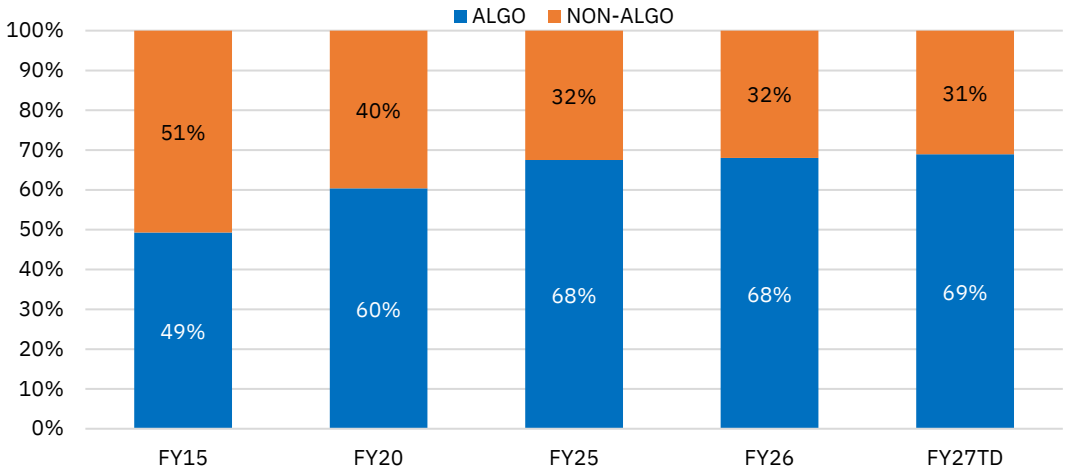


Figure 418: Annual trend in turnover share for different channels in stock options premium



Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been presented in % share based on the premium turnover
3. Data for FY27TD is as of Oct 2026.

Figure 419: 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 Oct 2026.

Table 132: Share (%) for different channels of trading in commodity derivatives

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Direct Market Access (DMA)	9.7	8.2	7.0	151	275	9.3	4.9	9.4
Internet Based Trading (IBT)	4.9	6.0	7.7	-112	-283	5.0	5.8	5.1
Mobile	24.3	31.5	13.7	-717	1067	28.5	10.3	27.6
CTCL/ Neat terminal	61.1	54.3	71.7	679	-1059	57.2	79.1	57.9

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 based on notional turnover. 3. Data for FY27TD and CY26TD is as of Oct 2026.

Figure 420: Annual turnover trend for different channels in the commodity derivatives segment

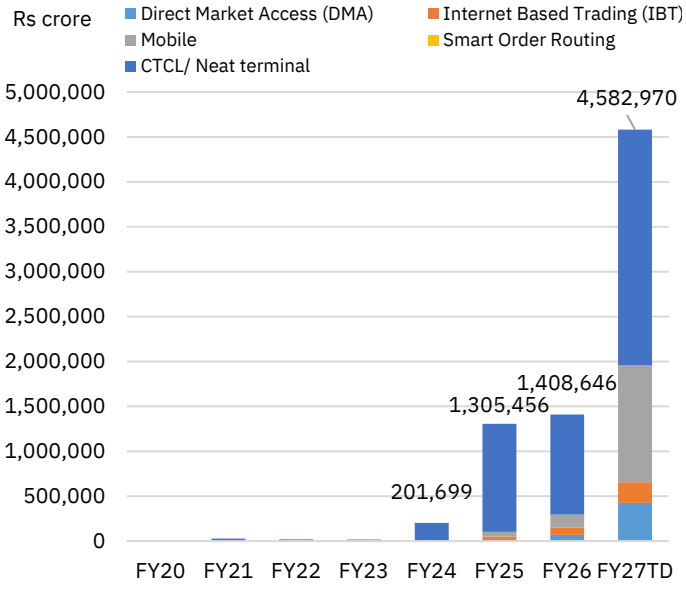
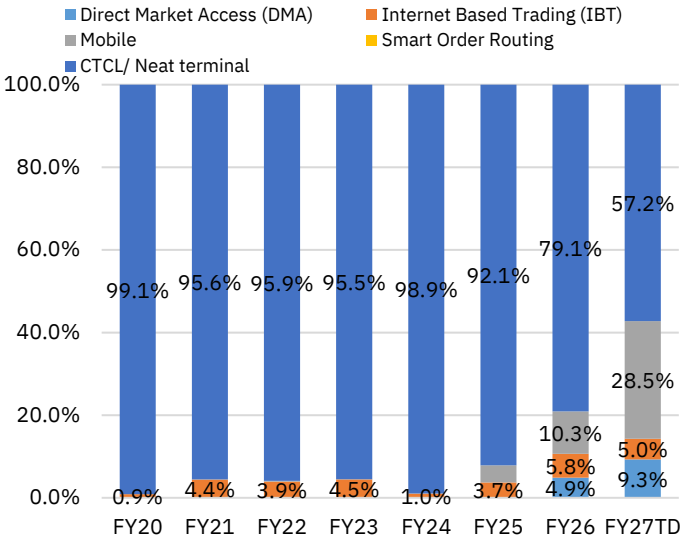
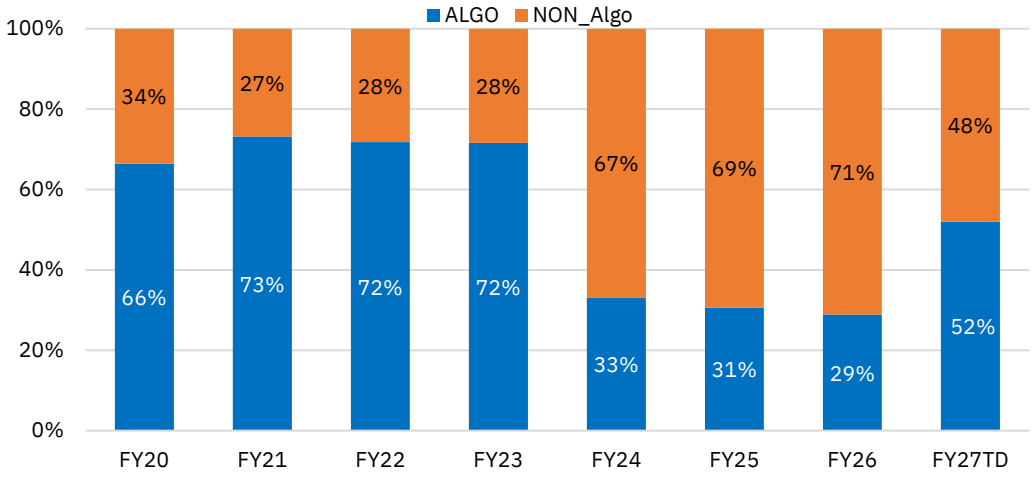


Figure 421: Annual trend in turnover share for different channels in the commodity derivatives segment



Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on notional turnover
3. Data for FY27TD is as of Oct 2026.

Figure 422: 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 Oct 2026.

Table 133: Share (%) of different channels of trading in commodity futures turnover

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Direct Market Access (DMA)	23.4	20.6	0.2	286	2323	15.0	1.1	12.6
Internet Based Trading (IBT)	9.2	10.0	10.8	-84	-159	13.0	15.3	15.3
Mobile	10.5	12.0	2.4	-158	810	17.6	6.0	16.6
CTCL/ Neat terminal	56.9	57.4	86.7	-44	-2975	54.4	77.6	55.5

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 turnover. 3. Data for FY27TD and CY26TD is as of Oct 2026.

Figure 423: Annual turnover trend for different channels in commodity futures

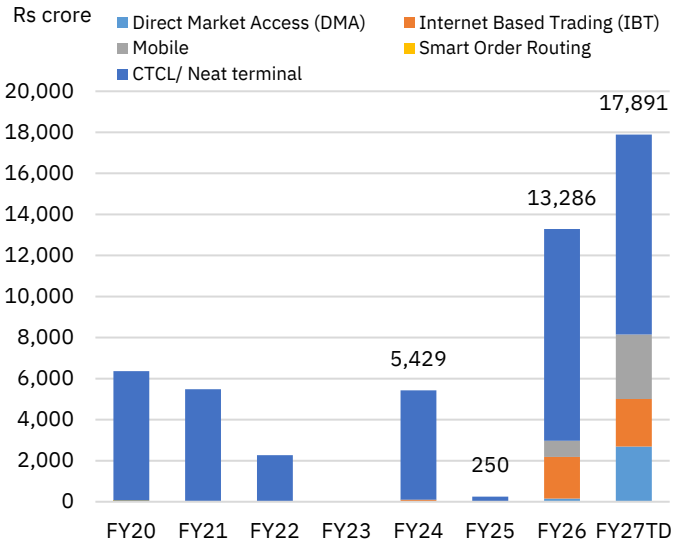
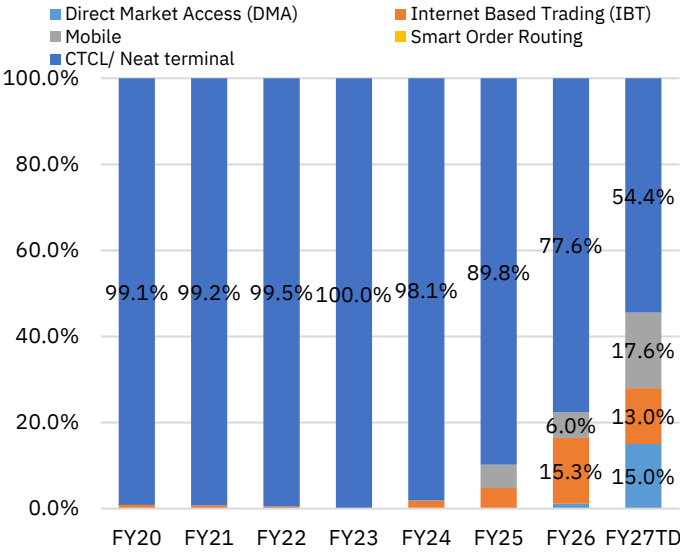
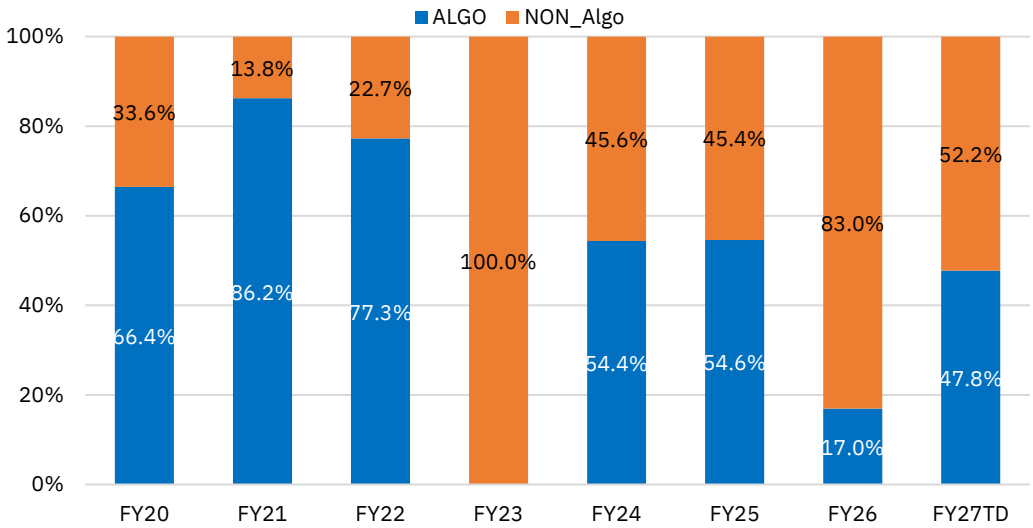


Figure 424: Annual trend in turnover share for different channels in commodity futures



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 Oct 2026.

Figure 425: 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 Oct 2026.

Table 134: Monthly share (%) of different channels in commodity options premium turnover

Mode	Oct-26	Sep-26	Oct-25	MoM change (bps)	YoY change (bps)	FY27TD	FY26	CY26TD
Direct Market Access (DMA)	15.3	13.9	10.1	133	514	16.8	13.0	17.4
Internet Based Trading (IBT)	3.7	4.6	11.4	-87	-766	3.6	7.1	3.7
Mobile	25.1	29.7	`19.7	-461	537	27.3	20.8	26.7
CTCL/ Neat terminal	56.0	51.8	58.8	414	-284	52.3	59.1	52.2

Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed based on premium turnover. 3. Data for FY27TD and CY26TD is as of Oct 2026.

Figure 426: Annual turnover trend for different channels in commodity options

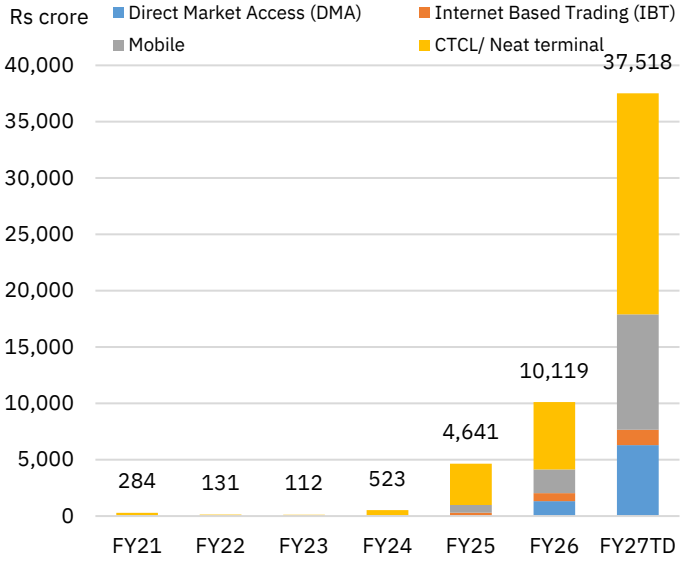
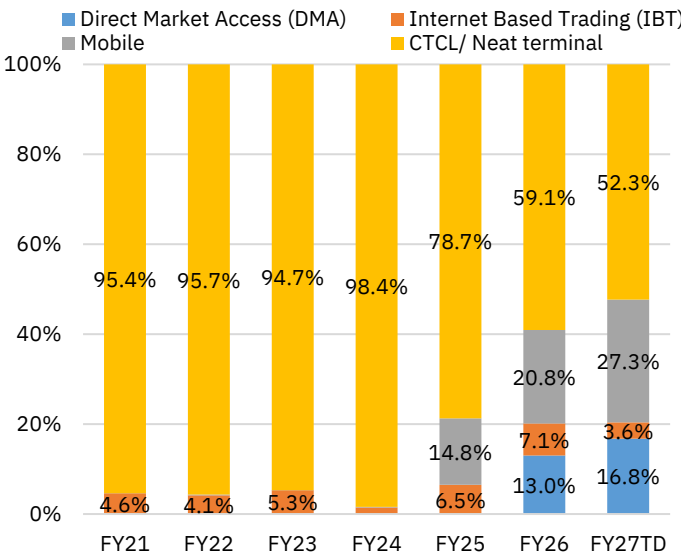
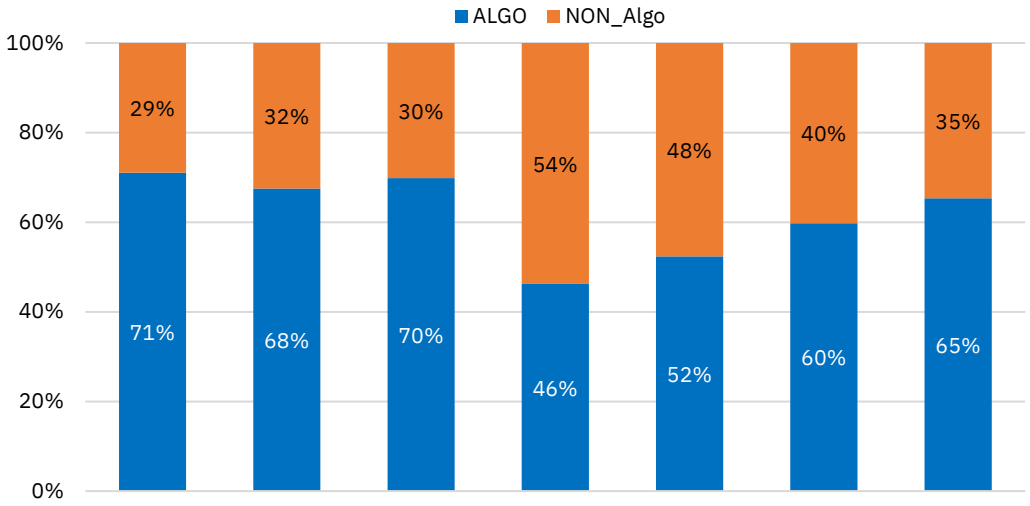


Figure 427: Annual trend in turnover share for different channels in commodity options



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 Oct 2026.

Figure 428: 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 Oct 2026.

6.3.4 Distribution of trading activity by turnover: High concentration persists amid divergent investor participation

Turnover concentration remained high across all three segments in October, with a marked divergence between investor participation and contribution to traded value. In cash markets, active investors increased sharply by 16% MoM to ~143.5 lakh, the highest level in 24 months, driven primarily by investors in the Rs 10,000–Rs 1 lakh turnover cohort. Notably, the share of investors trading below Rs 1 lakh increased to ~75.7% during the month, from ~70.4% in September, while their share of turnover rose marginally to 0.5%, from 0.37%. In contrast, the top 0.2% of investors generated 80.3% of monthly cash market turnover in October, up from 79.1% in September and 76.8% a year ago.

In equity options, premium turnover concentration strengthened, with the top two cohorts increasing their share of premium turnover to ~88.2% in October, from ~86.2% in September. Their share of active investors also increased to 6.1%, from 4.8% during the same period. Equity futures continued to record the highest turnover concentration, with the top cohort accounting for ~93.5% of turnover during the month, marginally higher than in September. Its share of active investors also increased to 6.5%, from 5.6%, despite an overall decline in participation. Across all three segments, the top turnover cohorts remained dominated by institutional participants, while individual investors accounted for the majority of participation in the lower turnover cohorts.

Investors trading below Rs 1 lakh account for ~76% of the active investor base in cash markets, while the top 0.2% generate ~80% of turnover: Active investors in the cash market segment increased sharply by 15.9% MoM to 1.44 crore in October. This was driven by a 45% rise in investor participation in the Rs 10,000–Rs 1 lakh bracket, which more than offset the decline across all other turnover cohorts. Consequently, the share of investors trading below Rs 1 lakh increased to ~75.7% during the month, up from ~70.4% in the previous month.

At the other end of the spectrum, the top 0.2% of investors accounted for 80.3% of monthly turnover in October, up from 79.1% in September 2026 and 76.8% in October 2025, while their share of the active investor base remained broadly unchanged. Notably, the top two cohorts together generated ~92.2% of monthly turnover while representing only ~1.5% of active investors. Within the top cohort, proprietary traders continued to account for the largest share of turnover at ~42%, followed by DIIs (~17%) and foreign investors (~17%). Individual investors continued to dominate the lower turnover cohorts, contributing over 95% of turnover in each.

Top cohort's share of active investors and premium turnover increases in equity options in October: Active investors in equity options increased marginally to ~34.7 lakh in October. However, the composition of participation shifted towards higher turnover cohorts. Investors trading above Rs 10 crore accounted for ~70% of premium turnover, up from ~68% in September, while their share of the active investor base increased to 0.4% from 0.3% during the same period.

The top two cohorts together generated ~88.2% of premium turnover while accounting for ~6.1% of active investors, compared with ~86.2% and ~4.8%, respectively, in September. Thus, the increase in turnover concentration was accompanied by a larger representation of high-turnover participants. On the other hand, investors trading below Rs 1 lakh represented ~34.3% of active participants but contributed only ~0.1% of premium turnover. Within the top cohort, proprietary traders remained dominant, although their share moderated to ~66.3% from ~75.7% in August 2025. The share of

foreign investors also declined steadily, from 16.2% in April 2024 to 12.6% in April 2025 and further to 9.9% in October 2026.

Top 6.5% of investors account for 93.5% of equity futures turnover in October: The equity futures segment continued to exhibit the highest turnover concentration across the three segments, with investors trading above Rs 10 crore accounting for 93.5% of turnover in October, up from 93% in the previous month. Notably, the top cohort's share of active investors increased to 6.5% from 5.6% in the previous month, even as overall participation declined marginally to ~2.6 lakh during the month. This indicates that the decline in overall participation was concentrated outside the highest turnover bracket, further increasing the relative representation of high-value participants.

At the other end of the spectrum, investors trading below Rs 1 crore constituted ~58.5% of active participants but contributed only ~1% of total turnover, highlighting the exceptionally high participation-turnover skew in the segment. The composition of the top cohort has also undergone a notable structural shift. Foreign investors accounted for 34.7% of the top cohort's turnover in October, compared with 26.1% in April 2024, while the share of proprietary traders declined from 36.9% to 27.6% over the same period. DII participation also increased substantially, from 8.1% to 16%.

Figure 429: Distribution of trading activity by turnover in NSE CM segment in October 2026

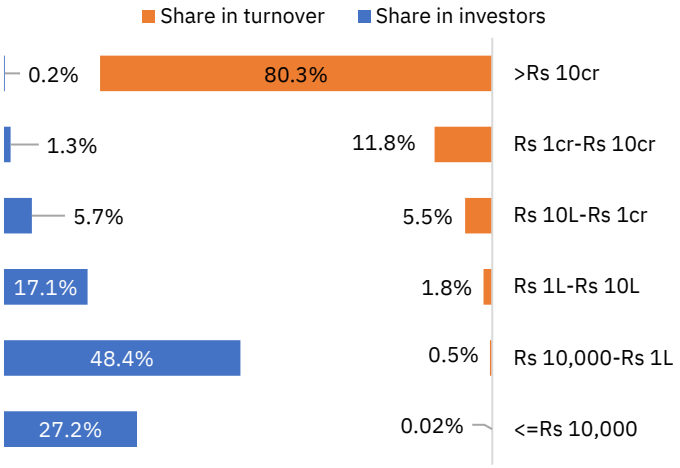
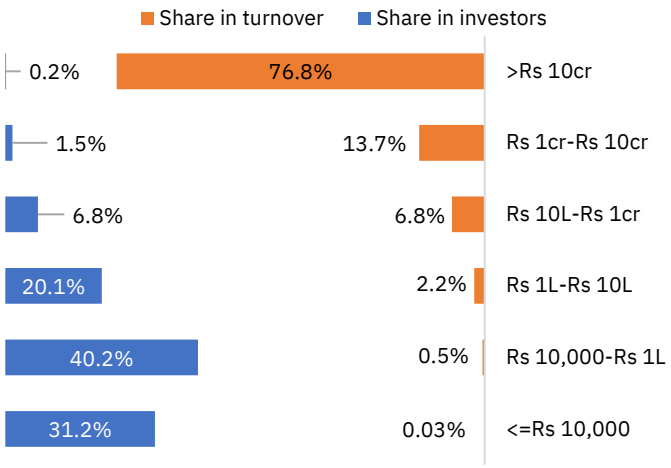
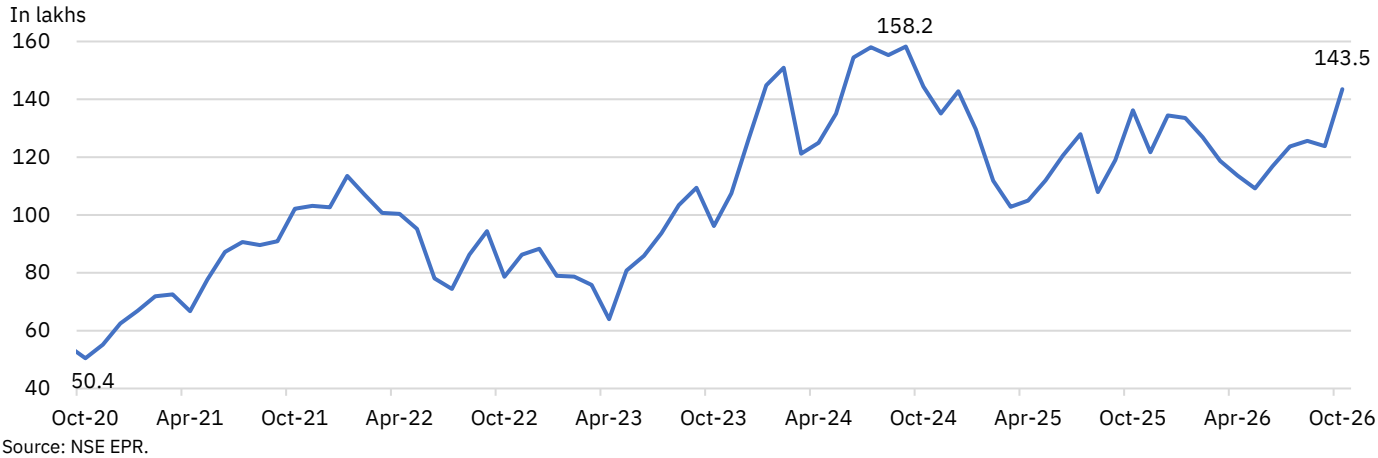


Figure 430: Distribution of trading activity by turnover in NSE CM segment in October 2025



Source: NSE EPR.

Figure 431: Monthly trends in investor participation in CM segment



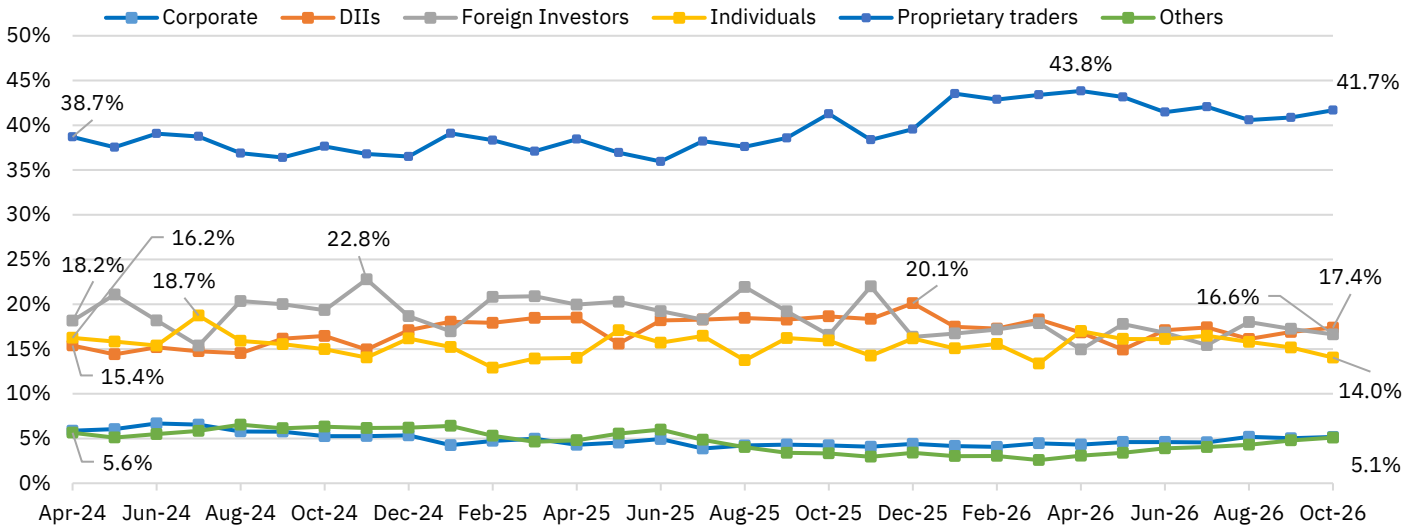
Source: NSE EPR.

Table 135: Distribution of turnover by range in NSE CM segment for all investors

Turnover range	Oct-25		Sep-26		Oct-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	613	42.5	558	39.2	557	0.02%	39.1	27.2%
Rs 10,000 - Rs 1 lakh	9,781	54.7	8,482	47.9	10,840	0.5%	69.5	48.4%
Rs 1 lakh - Rs 10 lakh	45,754	27.4	42,319	24.9	40,716	1.8%	24.6	17.1%
Rs 10 lakh - Rs 1 crore	1,41,867	9.3	1,44,480	9.3	1,26,575	5.5%	8.2	5.7%
Rs 1 crore - Rs 10 crore	2,83,578	2.1	3,08,230	2.2	2,69,860	11.8%	1.9	1.3%
> Rs 10 crore	15,91,946	0.2	19,07,542	0.3	18,32,157	80.3%	0.2	0.2%
Total	**20,73,539**	**136.2**	**24,11,611**	**123.8**	**22,80,706**	**100%**	**143.5**	**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.

Figure 432: Trends in category-wise share in top cohort turnover in CM segment



Source: NSE EPR. Notes: 1. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.

Table 136: Category-wise share in turnover across turnover ranges in NSE CM segment in October 2026

Turnover range	Turnover (Rs crore)	Share in turnover	Client category-wise turnover share					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	557	0.02%	0.0%	0.0%	0.0%	99.7%	0.0%	0.3%
Rs 10,000 - Rs 1 lakh	10,840	0.5%	0.0%	0.0%	0.0%	99.6%	0.0%	0.3%
Rs 1 lakh - Rs 10 lakh	40,716	1.8%	0.3%	0.3%	0.0%	98.6%	0.0%	0.9%
Rs 10 lakh - Rs 1 crore	1,26,575	5.5%	0.9%	0.3%	0.0%	97.7%	0.0%	1.1%
Rs 1 crore - Rs 10 crore	2,69,860	11.8%	2.0%	0.5%	0.4%	95.5%	0.1%	1.6%
> Rs 10cr	18,32,157	80.3%	5.2%	17.4%	16.6%	14.0%	41.7%	5.1%
Total	**22,80,706**	**100%**	**4.4%**	**14.0%**	**13.4%**	**30.3%**	**33.5%**	**4.4%**

Source: NSE EPR. Notes: 1. Turnover ranges are based on gross turnover. 2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2
3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc.
4. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.

Figure 433: Distribution of trading activity by turnover in equity options premium turnover in October 2026

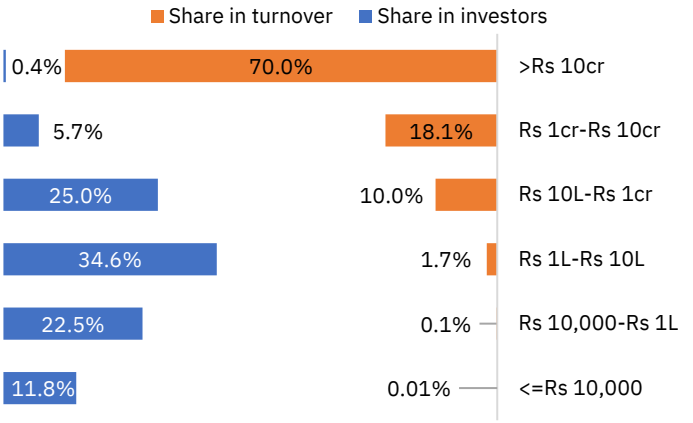
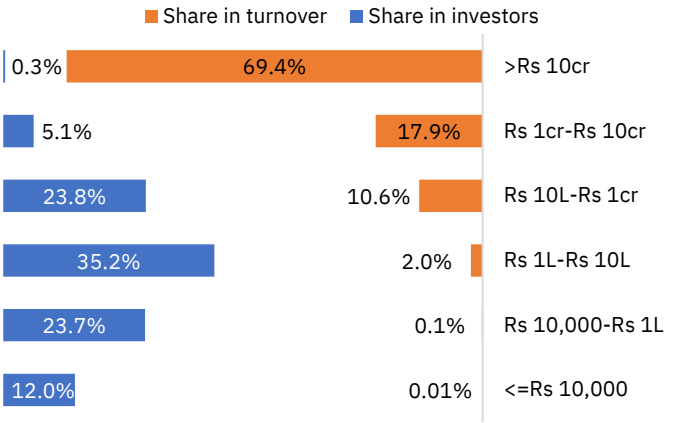
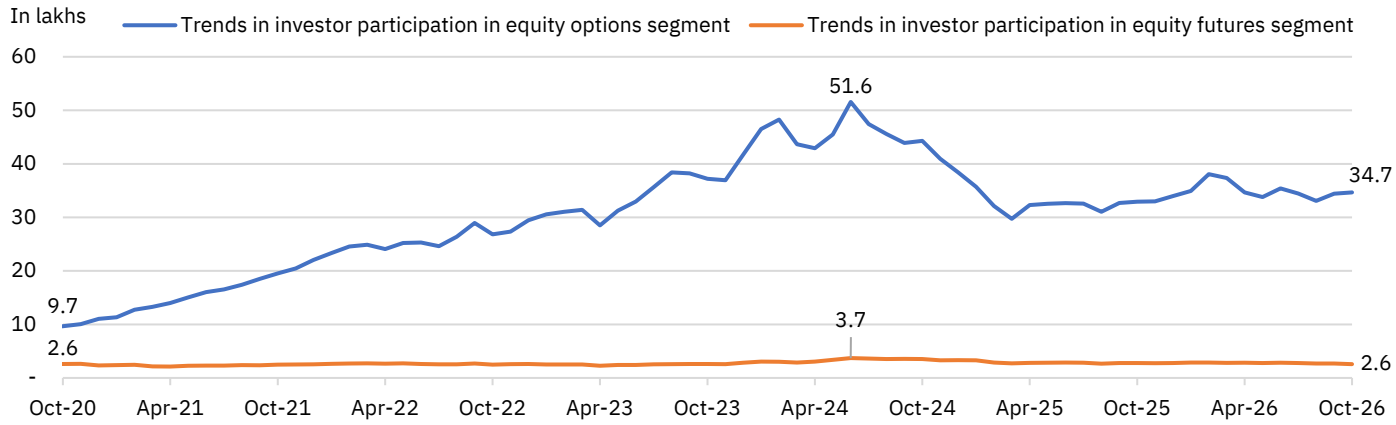


Figure 434: Distribution of trading activity by turnover in equity options premium turnover in October 2025



Source: NSE EPR.

Figure 435: Monthly trends in investor participation in equity derivatives segment



Source: NSE EPR.

Table 137: Distribution of turnover by range in NSE equity options premium turnover for all investors

Turnover range	Oct-25		Sep-26		Oct-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	74	3.9	83	4.6	73	0.01%	4.1	11.8%
Rs 10,000-Rs 1 lakh	1,691	7.8	1,821	8.5	1,697	0.1%	7.8	22.5%
Rs 1 lakh - Rs 10 lakh	23,128	11.6	23,741	12.0	24,067	1.7%	12.0	34.6%
Rs 10 lakh - Rs 1 crore	1,25,506	7.8	1,23,016	7.7	1,41,151	10.0%	8.7	25.0%
Rs 1 crore – Rs 10 crore	2,11,634	1.7	1,95,041	1.6	2,55,563	18.1%	2.0	5.7%
>Rs 10 crore	8,22,456	0.10	7,30,951	0.09	9,87,972	70.0%	0.13	0.4%
Total	**11,84,489**	**32.9**	**10,74,652**	**34.4**	**14,10,523**	**100%**	**34.7**	**100%**

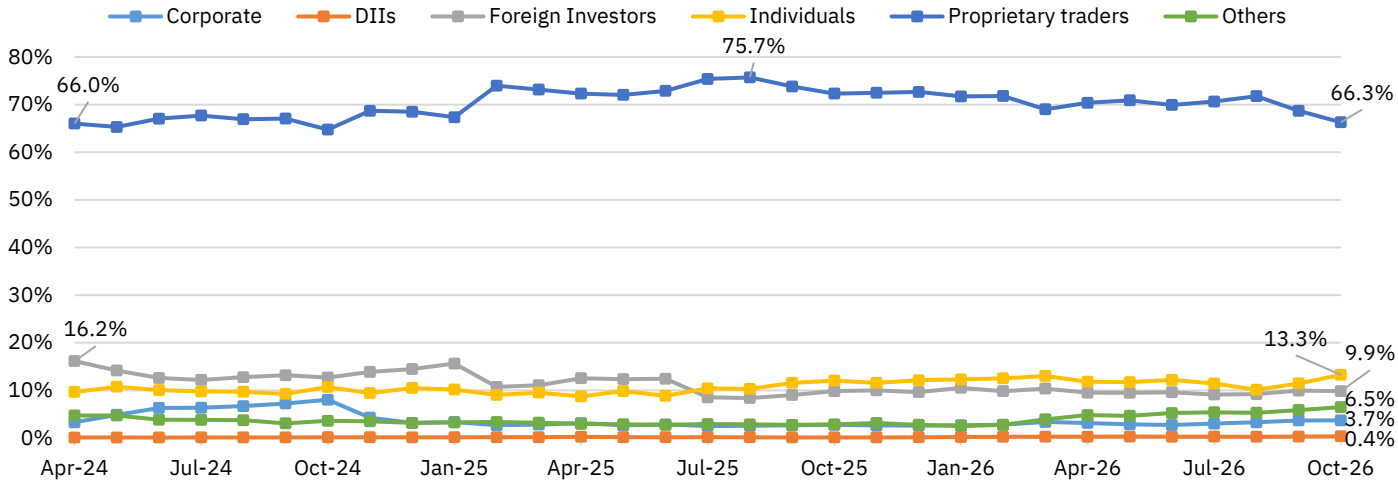
Source: NSE EPR. Notes: 1. Turnover ranges are based on gross premium turnover i.e. buy premium turnover + sell premium turnover. 2. Categorisation is based on gross premium turnover. 3. Data has been provided for single side i.e. (Buy premium turnover + sell premium turnover)/2. 4. Investor count is based on unique PANs that have traded during the period.

Table 138: Distribution of turnover and the share of investors categories in equity options in October 2026

Turnover range	Premium Turnover (Rs crore)	Share in turnover	Client category-wise share in premium turnover					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	73	0.01%	0.0%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 10,000 - Rs 1 lakh	1,697	0.1%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 1 lakh - Rs 10 lakh	24,067	1.7%	0.1%	0.0%	0.0%	99.7%	0.0%	0.2%
Rs 10 lakh - Rs 1 crore	1,41,151	10.0%	0.2%	0.0%	0.0%	99.4%	0.0%	0.3%
Rs 1 crore- Rs 10 crore	2,55,563	18.1%	0.9%	0.0%	0.0%	98.1%	0.1%	0.8%
> Rs 10cr	9,87,972	70.0%	3.7%	0.4%	9.9%	13.3%	66.3%	6.5%
Total	**14,10,523**	**100%**	**2.8%**	**0.3%**	**6.9%**	**38.8%**	**46.5%**	**4.7%**

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. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.

Figure 436: Trends in category-wise share in top cohort turnover in equity options segment



Source: NSE EPR. Notes: 1. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.

Table 139: Distribution of turnover by range in equity futures market for all investors

Turnover range	Oct-25		Sep-26		Oct-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	826	0.2	799	0.03%	0.2	8.9%
Rs 10 lakh - Rs 1 crore	26,693	1.3	28,777	1.4	26,585	1.0%	1.3	49.6%
Rs 1 crore – Rs 10 crore	1,86,087	1.1	1,39,062	0.9	1,41,209	5.5%	0.9	35.0%
>Rs 10 crore	30,85,568	0.2	22,57,959	0.2	24,20,447	93.5%	0.2	6.5%
Total	**32,98,842**	**2.8**	**24,26,624**	**2.7**	**25,89,039**	**100%**	**2.6**	**100%**

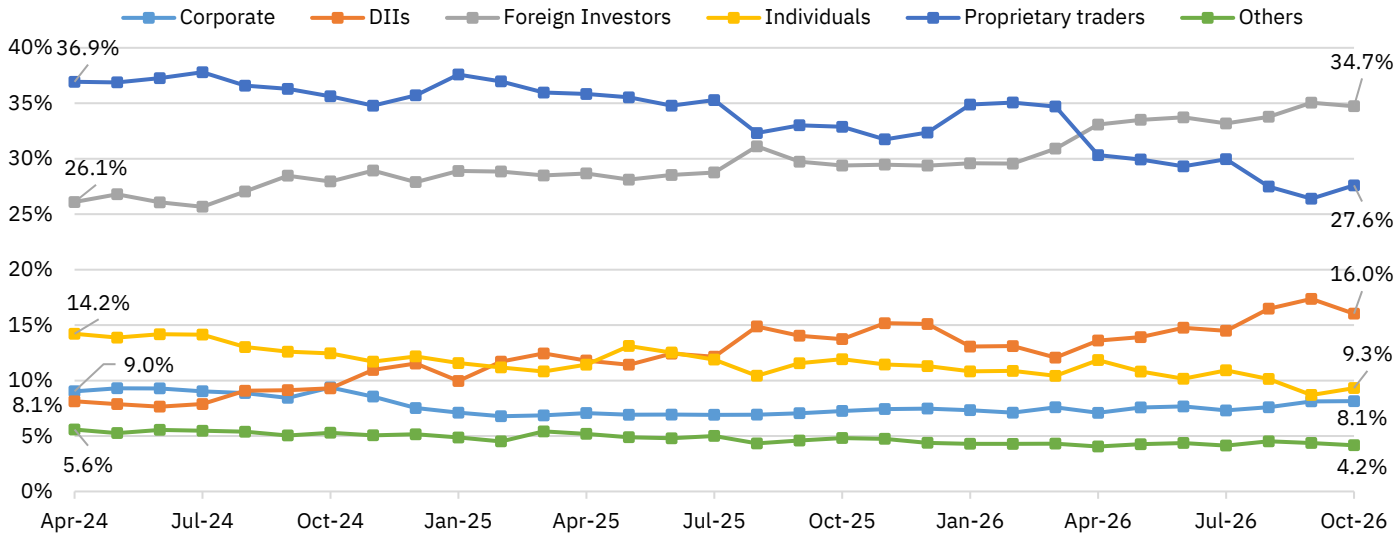
Source: NSE EPR. Notes: 1. Turnover ranges are based on gross turnover i.e., buy turnover + sell turnover. 2. Categorisation is based on gross turnover. 3. Data has been provided for single side i.e. (Buy turnover + sell turnover)/2. 4. Investor count is based on unique PANs that have traded during the period.

Table 140: Distribution of turnover and the share of investors categories in equity futures in October 2026

Turnover range	Turnover (Rs crore)	Share in turnover	Client category-wise share in premium turnover					
			Corporates	DIIs	Foreign investors	Individual	Prop	Others
Rs 1 lakh - Rs 10 lakh	799	0.03%	0.5%	0.0%	0.0%	98.7%	0.0%	0.7%
Rs 10 lakh - Rs 1 crore	26,585	1.0%	0.9%	0.0%	0.0%	98.2%	0.0%	0.9%
Rs 1 crore - Rs 10 crore	1,41,209	5.5%	2.2%	0.0%	0.0%	95.7%	0.2%	1.8%
> Rs 10 crore	24,20,447	93.5%	8.1%	16.0%	34.7%	9.3%	27.6%	4.2%
Total	**25,89,039**	**100%**	**7.7%**	**15.0%**	**32.5%**	**15.0%**	**25.8%**	**4.0%**

Source: NSE EPR. Notes: 1. Turnover ranges are based on gross turnover. 2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2
3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc. 4. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.

Figure 437: Trends in category-wise share in top cohort turnover in equity futures segment



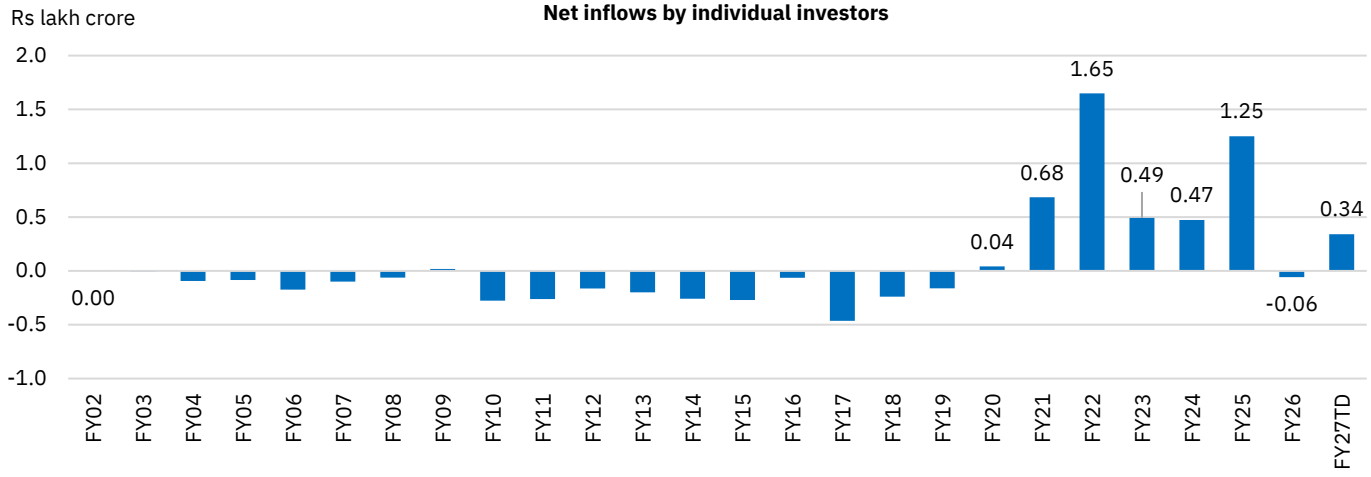
Source: NSE EPR. Notes: 1. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio 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.

6.3.5 Individual investors' activity: Participation moderates amid positive investment flows

Individual investors turn net sellers amid sustained primary market participation: Individual investors turned net sellers in the NSE cash market in October, recording net sales of Rs 13,558 crore, offsetting the net purchases of Rs 10,572 crore recorded in September. Despite the monthly reversal, cumulative net investment by individual investors in the secondary market remained positive at Rs 34,084 crore in FY27 (as of October 31st, 2026), although lower than Rs 47,642 crore recorded at the end of September. Nevertheless, this marks a notable turnaround from the net outflow of Rs 5,803 crore recorded in FY26. Meanwhile, individual investors accounted for 32.7% of cash market turnover in FY27, indicating their continued significance in overall market activity.

Individual investor participation in the primary market strengthened further, with cumulative investments reaching Rs 32,764 crore in FY27TD (as of October 31st, 2026), supported by heightened IPO activity during the first seven months of the fiscal year. Consequently, aggregate investments by individual investors across the primary and secondary markets stood at Rs 66,848 crore in FY27TD, underscoring sustained individual investor engagement with equity markets, with primary market investments providing an important source of investment activity amid intermittent net selling in the secondary market.

Figure 438: Annual net inflows by individual investors in NSE's CM segment (secondary market)



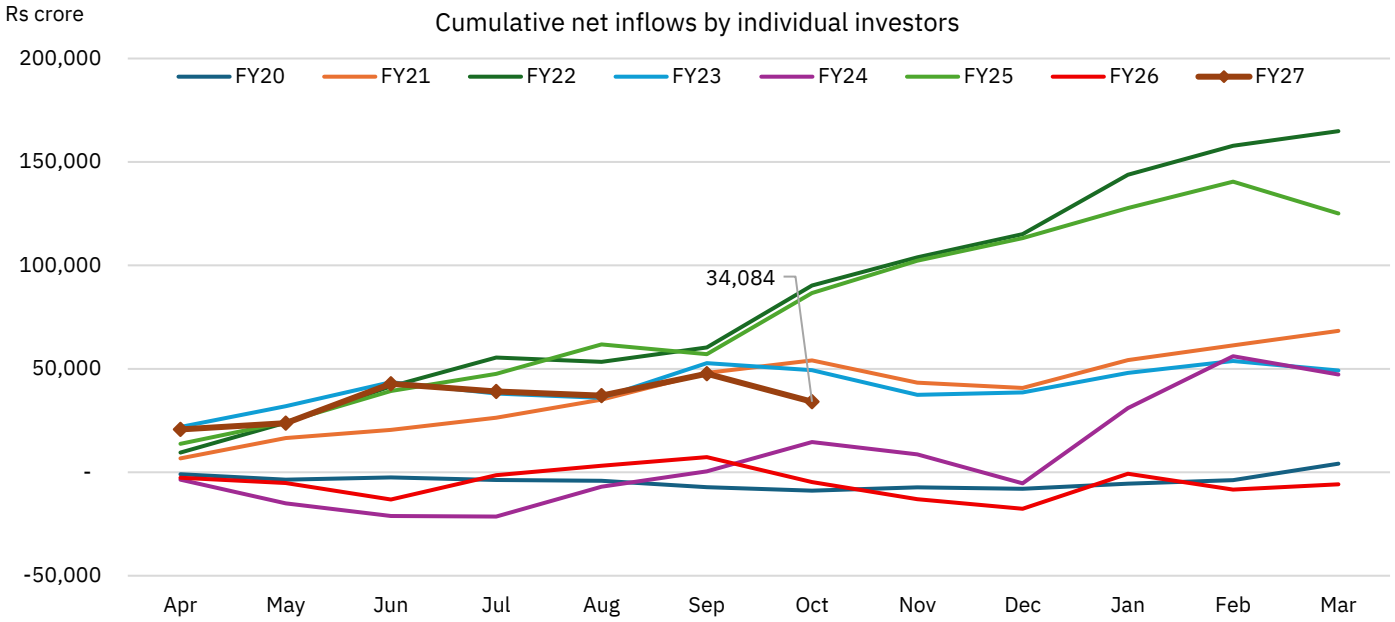
Source: NSE EPR. Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. FY27TD data is as of 31st October2026.

Table 141: 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	34,084	32,764	66,848

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 October 31st, 2026.

Figure 439: Cumulative net inflows of 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. FY27 data is as of October 31st, 2026.

Individual investor participation strengthens in cash market: The number of individual investors participating in the cash market increased sharply to 1.43 crore in October 2026 from 1.23 crore in September, reaching a two-year high. However, their share of cash market turnover moderated to 30.3%, indicating that the increase in the active investors did not translate into rise in trading activity. In the equity derivatives segment, participation edged up marginally to 35.5 lakh from 35.3 lakh, marking a four-month high. As of October 31, 2026, the number of individual investors participating in the cash market and equity derivatives segment during FY27 stood at 2.87 crore and 68.5 lakh, respectively.

Within the cash market, the share of investors trading on only one day during the month increased sharply to 48.3% in October from 42.4% in September, with their number rising to 68.8 lakh from 52.1 lakh, suggesting that the rise in active investors during the month was largely driven by intermittent participation. These investors accounted for just 0.7% of total cash market turnover. At the other end of the spectrum, the proportion of investors trading on all trading days declined to 0.97% from 1.25%, while their contribution to total turnover also eased to 8.3% from 8.8%. This reinforces the continued concentration of trading activity, with a relatively small cohort of highly active investors accounting for a disproportionately large share of market turnover. In the equity derivatives segment, the share of investors trading on only one day declined to 14.3% (5.1 lakh investors) from 14.9% (5.3 lakh investors). Conversely, the proportion of investors active on all trading days increased to 4.6% from 3.7%, with their number rising from 1.3 lakh to 1.65 lakh, indicating significant increase in participation of active derivatives traders.

On a trailing 12-month basis through Nov'25- Oct'26, the number of individual investors who traded at least once in the cash segment increased to 3.65 crore from 3.53 crore in the corresponding period a year earlier. This growth was supported by a 3.4% increase in

investors trading exclusively in the cash market, whose number rose to 3.01 crore from 2.86 crore. In contrast, investors participating in both the cash and equity derivatives segments declined by 5.6% YoY to 63.4 lakh from 67.1 lakh. Consequently, the overall number of individual investors participating in the equity derivatives segment fell by 1.7% YoY to 85.9 lakh from 87.4 lakh. Meanwhile, investors participating exclusively in equity derivatives increased by 11% YoY to 22.5 lakh, although they continued to account for a relatively small share i.e., 1.6% of the registered investor base.

Figure 440: Monthly trend of individual investors' participation in the NSE CM and equity derivative segments

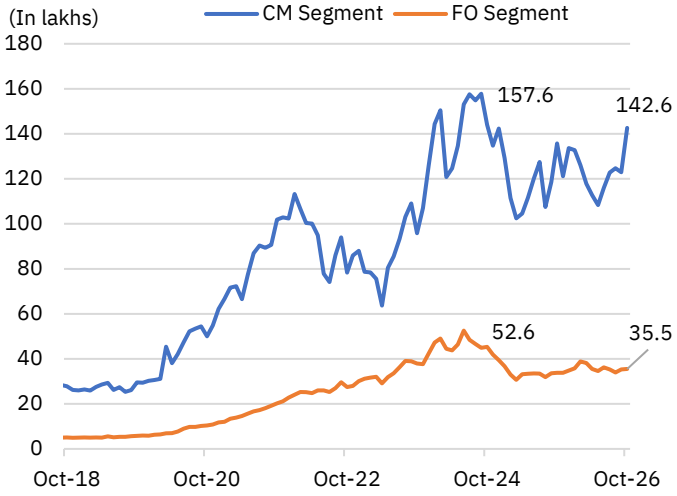
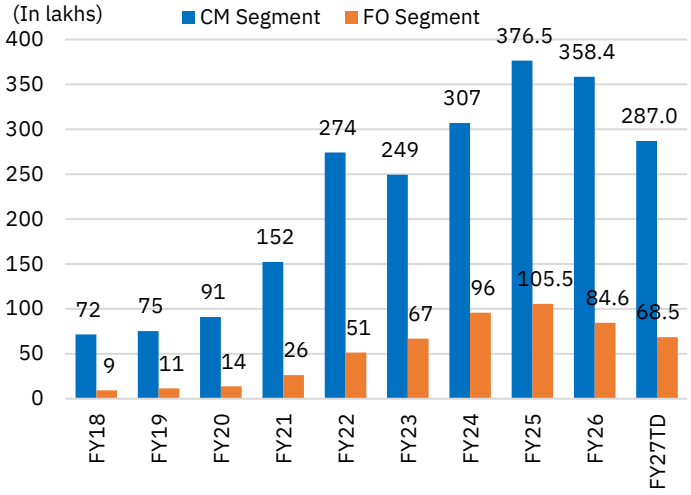


Figure 441: Yearly trend of individual investors' participation in the NSE CM and equity derivative segments



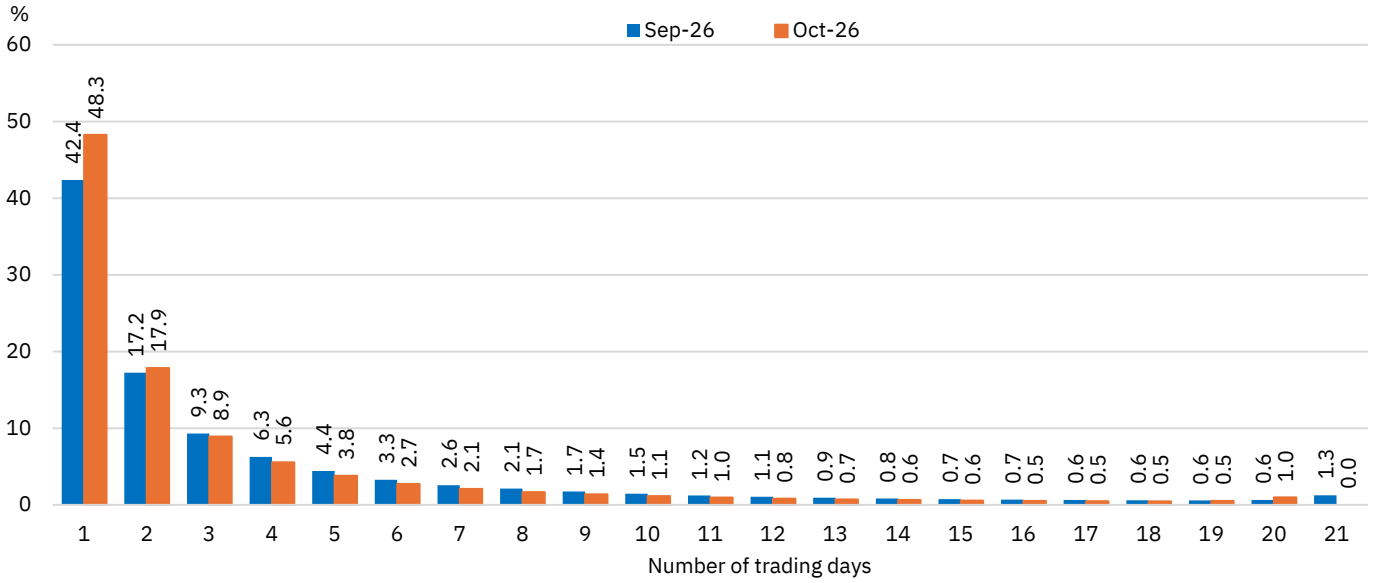
Source: NSE EPR.
Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. The chart above gives the count of individual investors who traded at least once in the month/fiscal year.
3. FY27TD data is as of October 31st, 2026.

Table 142: Trend of individual investors participation (in lakhs) in NSE cash and equity derivatives
(For the last 12-month period ending October of each year)

Period	CM Total	FO Total	CM Alone	FO Alone	CM & FO Both
Nov'15-Oct'16	48.4	7.0	42.4	1.0	5.9
Nov'16-Oct'17	61.9	8.2	54.8	1.1	7.1
Nov'17-Oct'18	77.0	10.9	67.3	1.2	9.7
Nov'18-Oct'19	77.3	12.4	66.5	1.7	10.8
Nov'19-Oct'20	121.0	20.4	102.6	1.9	18.4
Nov'20-Oct'21	219.8	39.3	184.7	4.1	35.2
Nov'21-Oct'22	277.5	61.8	224.3	8.5	53.2
Nov'22-Oct'23	257.7	79.7	195.4	17.4	62.3
Nov'23-Oct'24	369.7	110.8	278.5	19.7	91.2
Nov'24-Oct'25	352.7	87.4	285.5	20.2	67.1
Nov'25-Oct'26	364.7	85.9	301.3	22.5	63.4

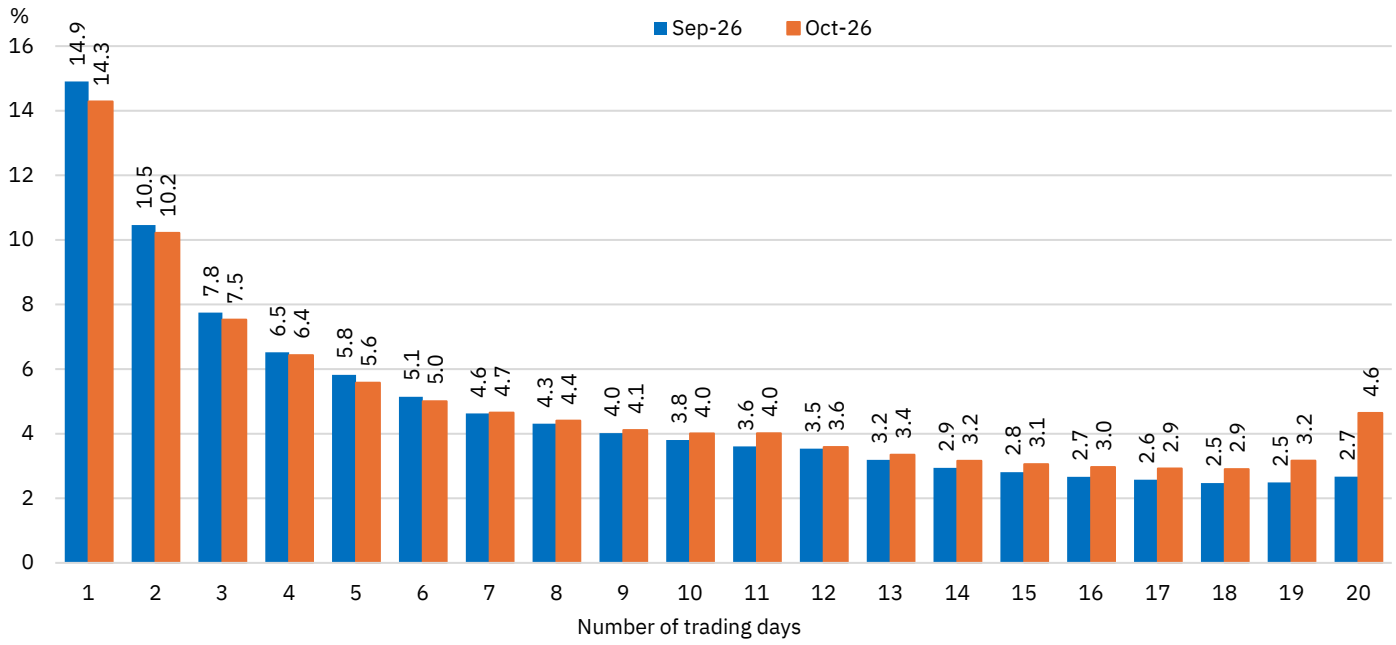
Source: NSE EPR.
Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

Figure 442: 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 443: Trading frequency of individual investors participation (% share) in equity derivatives

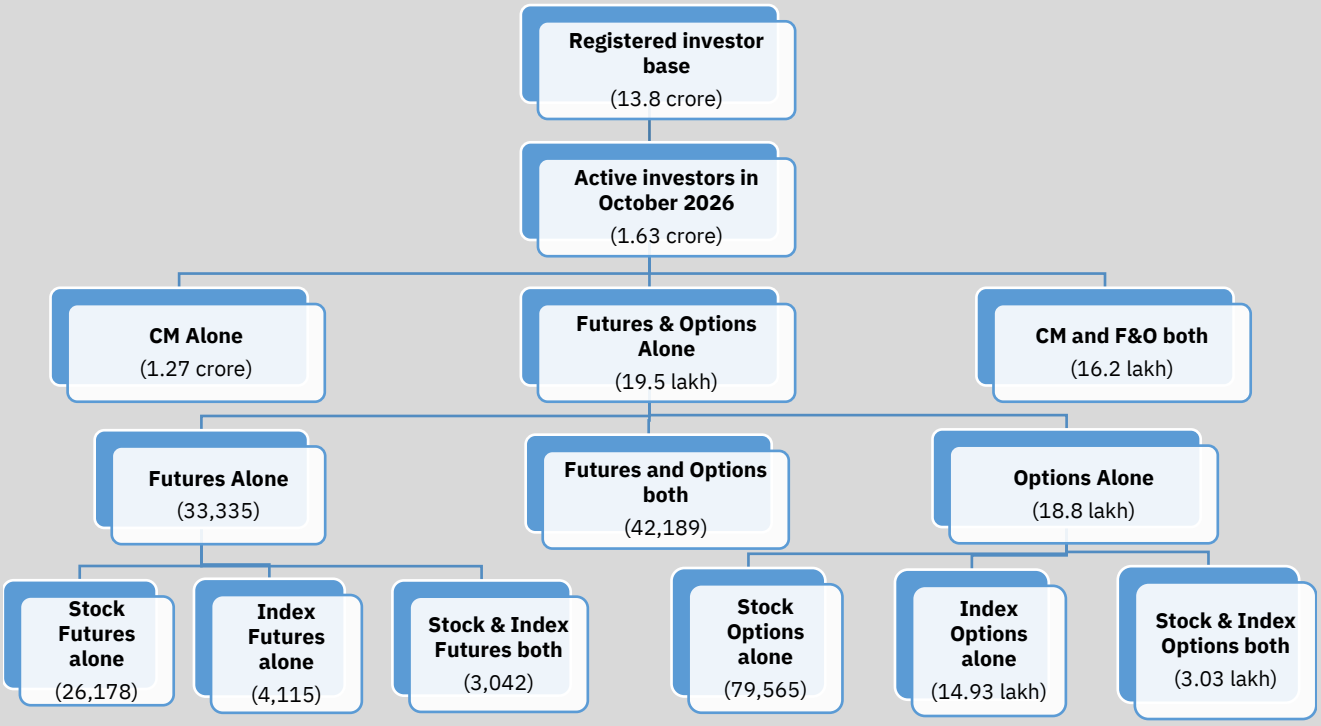


Source: NSE EPR.
Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

Investor participation in October 2026 (Number of investors who traded at least once)

As of October 31st, 2026, out of a total 13.8 crore unique registered investors, about 1.63 crore traded at least once during the month across equity cash and derivatives. Participation remained heavily skewed toward the cash market, with 1.27 crore investors—around 9.2% of the total base – trading exclusively in the cash segment. Derivatives participation was relatively limited: 19.5 lakh investors (1.41% of the total base) traded only in F&O. Within the derivatives-only category, trading was dominated by options, with 18.8 lakh investors dealing exclusively in options. Index options accounted for the largest share, attracting 14.9 lakh investors, compared with 79,565 trading only in stock options and 3.03 lakh participating in both. Futures-only participation was modest at 33,335 investors, largely concentrated in stock futures (26,178). 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 comparatively modest.

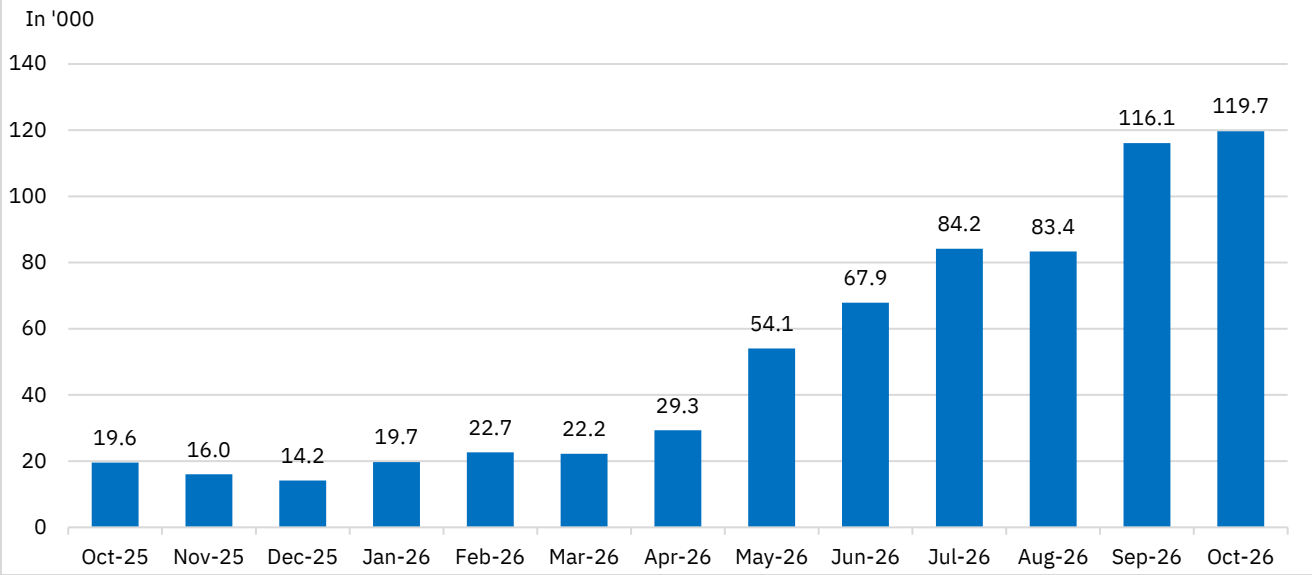
Figure 444: Investor participation across segments in October 2026



Source: NSE EPR

Investor that traded at least once in the commodity market during the month increased from ~19,600 in tor participation in commodities in October 2026, driven predominantly by commodity options participation. Commodity futures participation also increased during the period.

Figure 445: Monthly trend of investors' participation in the NSE commodity derivatives (in thousands)



Source: NSE EPR
Note: All investor categories considered in the above table.

6.3.6 Spatial distribution of individual investor activity in the cash market

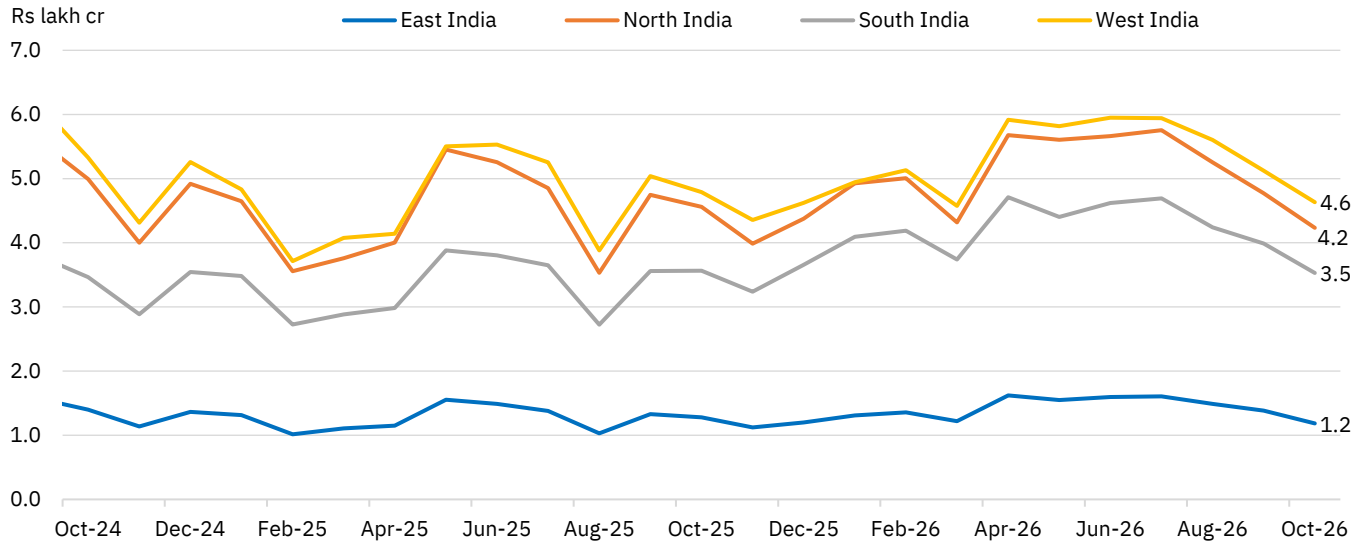
Region-wise individual investor activity

Individual investors' turnover declines for the third consecutive month; has dropped below Rs 14 lakh crore for the first time in CY26 so far: The total turnover of individual investors in the equity cash segment dropped below Rs 14 lakh crore for the first time in CY26, declining by 11.1% MoM to Rs 13.8 lakh crore. This marked the first instance of cash market turnover declining in 3 consecutive months in CY26. Moreover, average cash market turnover during Aug'26-Oct'26 stood at Rs 15.4 lakh crore (vs Rs 18 lakh crore between May'26-Jul'26). Furthermore, average cash market turnover during the first ten months of CY26 stood at Rs 16.4 lakh crore (+17.5% YoY vs 10MCY26, ~Rs 14 lakh crore).

Additionally, between Oct'22 and Oct'26, CM turnover has risen at a CAGR of 20.2%, growing from Rs 6.6 lakh crore to Rs 13.8 lakh crore. Furthermore, the turnover decline during the month was broad-based across regions, with East India recording the most notable decline (-14.4% MoM), with turnover dropping to Rs 1.2 lakh crore (8.4% share), followed by Southern India, which recorded a 11.5% MoM in turnover (Rs 3.5 lakh crore, 18.7% share of turnover). Northern India ranked third in terms of decline in turnover during the month, with turnover decreasing to Rs 4.2 lakh crore (-11.3% MoM, 32.4% share), followed by the Western region, which witnessed a 9.6% MoM decline in turnover, to Rs 4.6 lakh crore (38.5% share in turnover).

The region-wise distribution of investors trading at least once during the month has also shifted noticeably in the past three years, with the Eastern region's share declining most significantly by 1.3pp to 8.5% share of turnover as of Oct'26. Conversely, the Western region recorded the most significant gain in terms of turnover share, with its share rising by 1.6 pp to 38.5% in Oct'26 (vs 36.9% in Oct'23). The Southern region's turnover share declined below a fifth of CM turnover for the first time since Jul'25, to 18.7% in Oct'26 but remained virtually unchanged vs Oct'23. The Northern region continued to account for over 32% of cash market turnover in Oct'26 (vs 33.2% in Oct'23), with the North and South regions combined accounting for over two-thirds of cash market turnover.

Figure 446: Region-wise distribution of individual investors' turnover in equity cash



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF.

Figure 447: Region-wise share of individual investors' turnover in cash market (%)

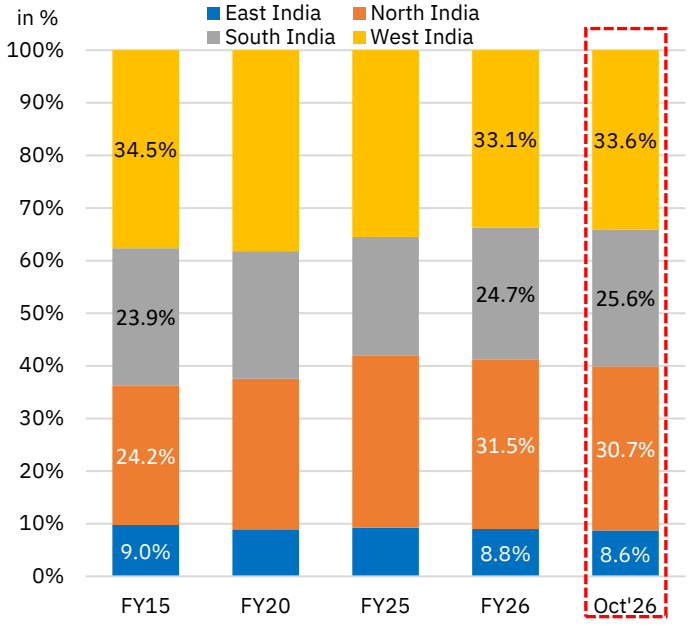
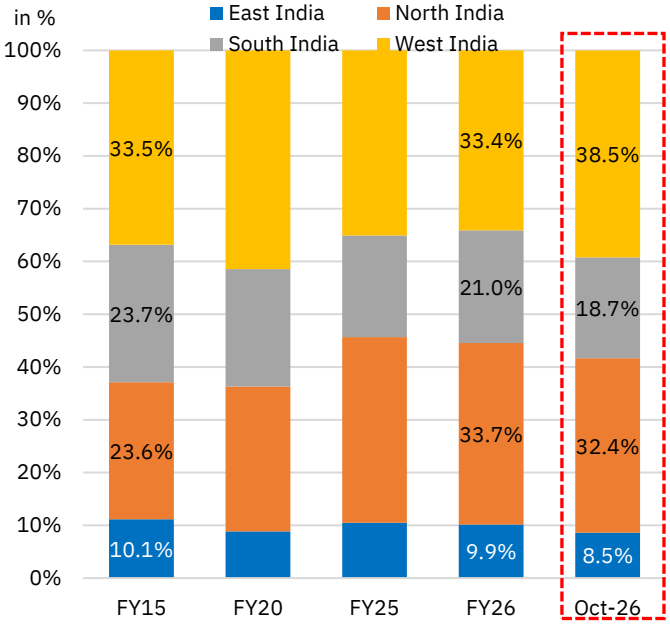


Figure 448: Region-wise share of individual investors in cash market (%)



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".

Gujarat surpassed Maharashtra to lead in terms of individual investor participation; cash market turnover within the top ten states at its lowest since Nov'25: The turnover decline across regions was reflected in the turnover trends of the top 10 states observed during the month, with Maharashtra and Gujarat, despite being the top-ranked states in terms of cash market turnover during the month, witnessing MoM declines of 9.9% and 9.4%MoM respectively to record turnover of Rs 2.6 lakh crore and Rs 1.5 lakh crore during the month. Additionally, cash market turnover in the top ten states declined to its lowest level since Nov'25 at Rs 10.6 lakh crore, with average cash market turnover at Rs 12.5 lakh crore in the first ten months of CY26 (vs Rs 10.6 lakh crore in 10MCY26, +18.6% YoY). The set of top five states remained unchanged from the previous month and accounted for 50.6% share of cash market turnover during the month. Additionally, all the top ten states recorded MoM declines in cash market turnover in Oct'26, with West Bengal (-15.4% MoM), Telangana (-13.8% MoM) and Andhra Pradesh (-12.3% MoM) recording the steepest sequential declines.

In terms of active investors, Gujarat surpassed Maharashtra to become the top ranked state with 28.1 lakh active investors (19% investor share, +4pp MoM), driven by a significant 45.3% MoM uptick in the number of active investors. Maharashtra ranked second with ~23 lakh active investors during the month (15.4% investor share), having recorded a 10.4% MoM increment in the number of active investors, followed by Uttar Pradesh (12.7 lakh active investors, 10.1% active investor share). Additionally, within the top ten states, Gujarat, Rajasthan (+27.9% MoM) and Haryana (+20.8% MoM) recorded the most significant increments in their active investor counts during the month. Additionally, the top five states accounted for over 55% of active investors during the month. Additionally, the active investor count within the top ten states surpassed the 1-crore mark for the first time since Jan'26, with the monthly run rate of active individual

investors in the first ten months of CY26 stood at 95.9 lakh active investors (vs 91.7 lakh active investors in 10MCY25, +4.6% YoY).

Figure 449: Top 10 states based on turnover of individual investors in the equity cash segment

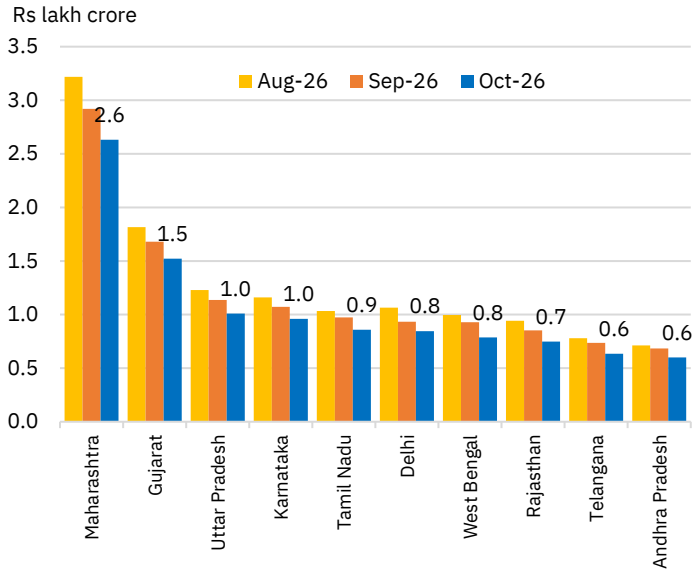
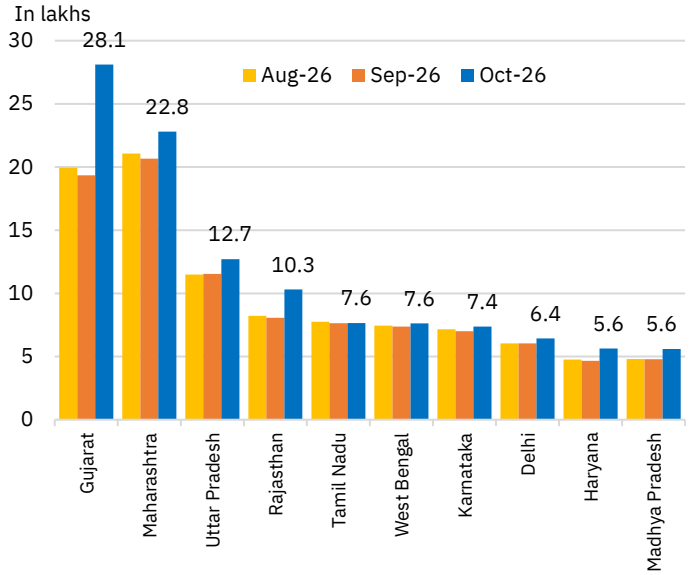


Figure 450: Top 10 states based on individual investors' participation in the equity cash segment



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 451: Share of the top 10 states based on turnover of individual investors in the equity cash segment

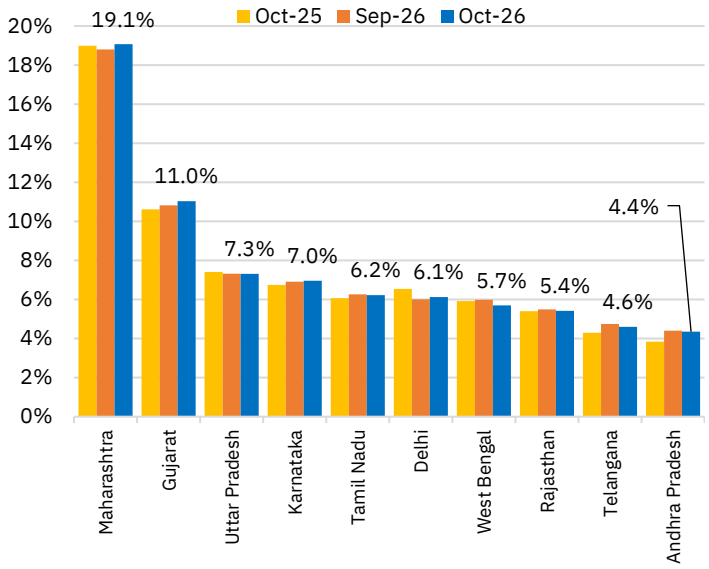
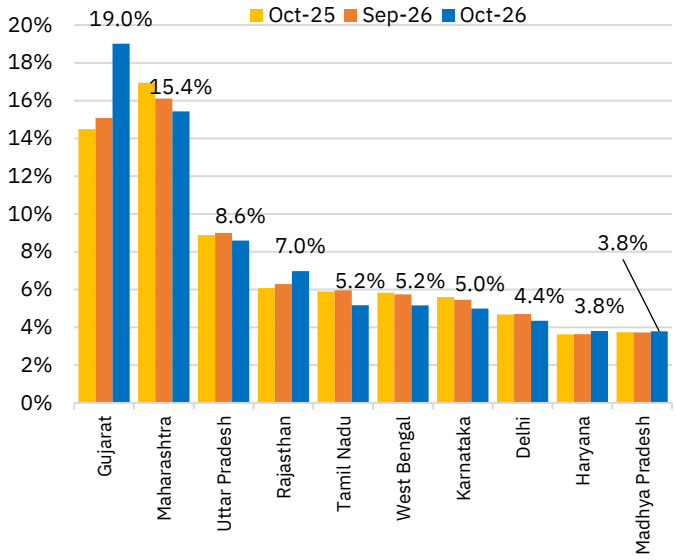


Figure 452: Share of the top 10 states based on individual investors' participation in the equity cash segment



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:

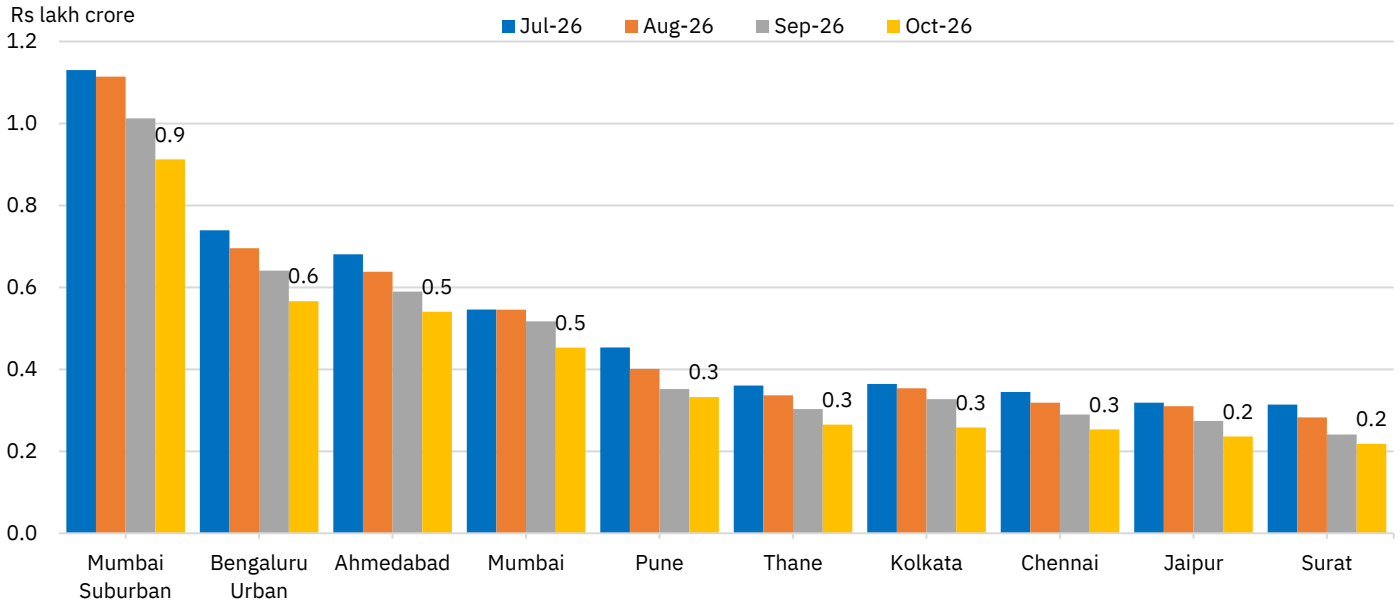
Individuals' turnover in the top 10 districts declines for the fourth successive month in Oct'26: Cash market turnover of individual investors in the top ten districts declined by 11.2% MoM, marking the fourth successive MoM decline in turnover in these districts during the month and the sixth decline in turnover since the beginning of CY26. However, average cash market turnover in the top ten districts in the first ten months of CY26 stood

at Rs 4.7 lakh crore, representing a 16.2% YoY rise vs the average turnover recorded in the first ten months of CY25 (Rs 4.1 lakh crore). During the month, the top 10 districts accounted for a 29.2% share of turnover, with Mumbai Suburban being the top ranked district, despite turnover in the district dropping below Rs 1 lakh crore for the first time since Mar'26 (Rs 91k crore, 6.6% turnover share), driven by a 9.8% MoM decline. Bengaluru Urban, in second place, recorded turnover of Rs 57k crore in Oct'26 (4.1% turnover share) and witnessed a 11.7% MoM decline in turnover. Furthermore, all of the top 10 districts recorded MoM declines in turnover, with Kolkata (-21.1% MoM, Rs 26k crore in turnover), Jaipur (-13.9% MoM, Rs 24k in turnover) and Mumbai (-12.4% MoM, Rs 45k in turnover) recording the most significant declines. The top 50 districts accounted for turnover for a 55.6% share of turnover, with the share of these districts declining by 1pp since Oct'24.

...With the count of active investors in the top 10 districts surpassing the 30-lakh mark for the first time since Dec'25: The number of individual investors trading at least once during the month in the CM segment in the top 10 districts also rose 21.4% MoM in line with the trend observed at the state level, to 35.8 lakh active investors in Oct'26. This marks only the third sequential increase in the active investor count during CY26. Additionally, the monthly run-rate of active investors stood at 28.4 lakh active investors (vs 26.9 lakh active investors recorded on average between Jan'25-Oct'25, +5.7% YoY).

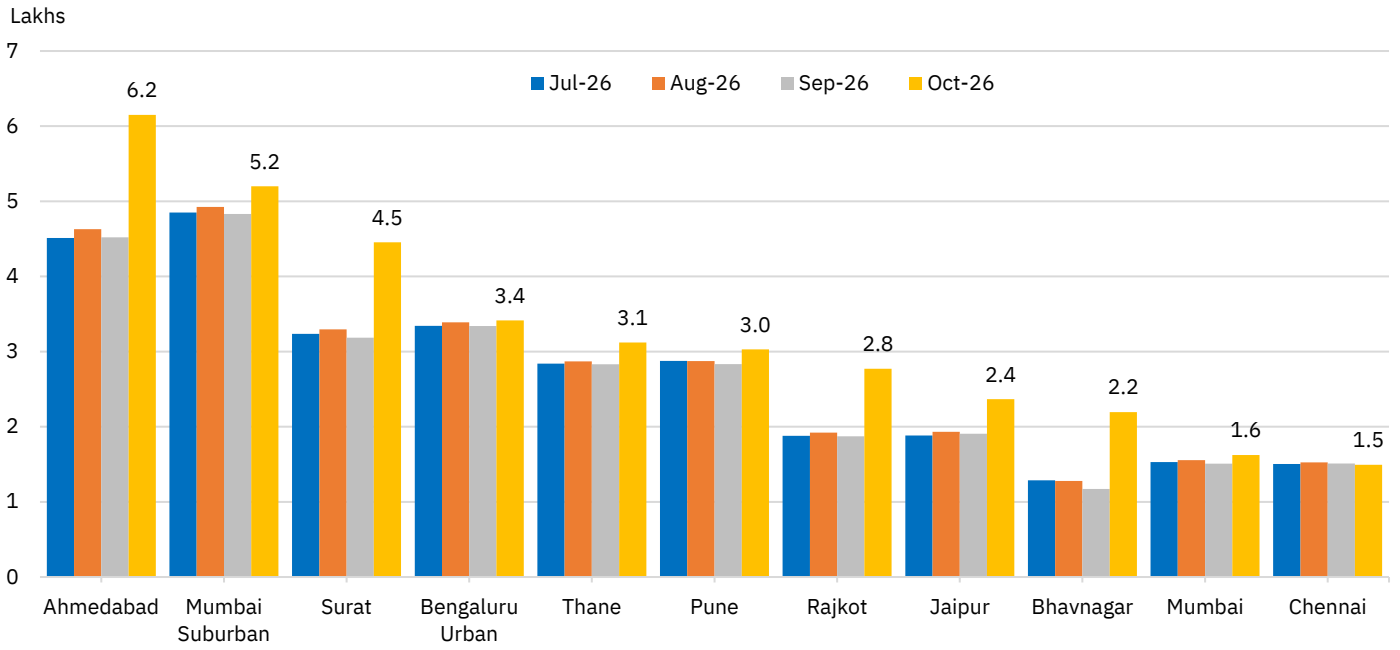
The set of top 10 districts in terms of active investors remained unchanged from September, apart from Bhavnagar replacing Chennai in the top 10. In line with the trend observed at the state level, districts from Gujarat moved up in the rankings, with Ahmedabad, with 6.2 lakh active investors (4.2% share of active investors, +36.1% MoM) surpassed Mumbai Suburban (5.2 lakh active investors, +7.6% MoM uptick in the number of active investors) to occupy the top position. Similarly, Surat, with 4.5 lakh active investors (+39.8% MoM, 3% share of active investors) surpassed Bengaluru Urban to occupy the third position in terms of the district-wise active investor rankings. Furthermore, apart from Chennai, all of the top 10 districts witnessed MoM increments in terms of the number of active investors, with Bhavnagar (+87.3% MoM, 2.2 active investors), Rajkot (+47.9% MoM, 2.8 lakh active investors) and Surat recording notable gains. The share of the top 10 districts in terms of active investors also rose by 1.2 pp MoM to 24.2% of all active investors in Oct'26.

Figure 453: Top 10 districts based on equity cash turnover of individual investors



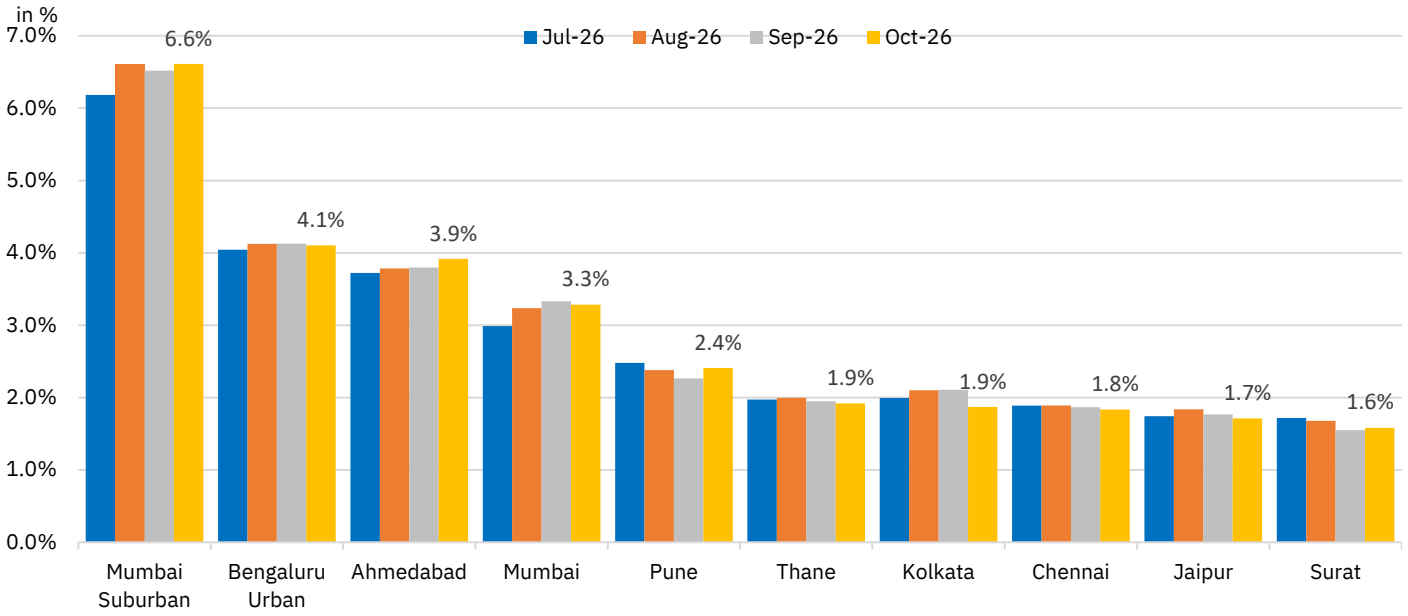
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 454: Top 10 districts based on individual investors participation in the equity cash market



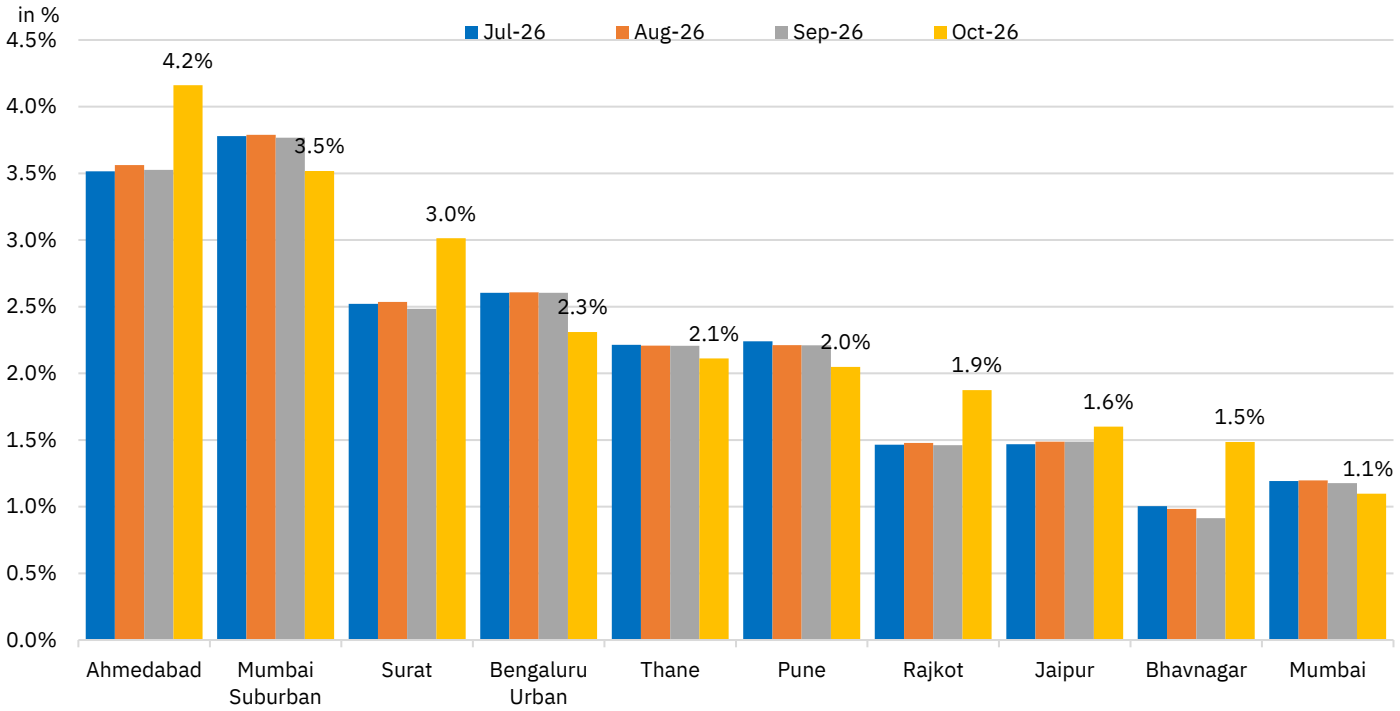
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest data.

Figure 455: 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 456: Share of the top 10 districts based on individual investors traded in the cash market



Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on previous month's data.

6.3.7 Turnover of top 10 traded securities during October 2026

Turnover of the top 10 securities in the CM segment increased in October 2026: The combined turnover of the top 10 traded securities increased by 45.3% MoM to Rs. 3.3 lakh crore in October 2026 from Rs. 2.3 lakh crore in September 2026, even as overall CM segment turnover declined by 5.4% to Rs. 22.8 lakh crore. Consequently, the share of the top 10 securities in overall turnover increased to 14.4% from 9.4%, an expansion of 503 bps, indicating greater concentration of trading activity.

The increase was supported by higher turnover in Kotak Mahindra Bank Ltd (+117.4% MoM), TCS (+98.0%), Infosys Ltd (+78.5%) and PC Jeweller Ltd (+74.1%). Trading activity coincided with the September-quarter earnings announcements, with Kotak reporting a 29% YoY rise in standalone net profit, while TCS and Infosys announced strategic deal wins and strong large-deal pipelines. Jio Platforms Ltd, which commenced trading on October 28, contributed Rs. 37,513 crore in turnover following its listing. HDFC Bank Ltd continued to remain the most actively traded security, with turnover of Rs. 43,436 crore, maintaining its consistent position among the most actively traded securities in the CM segment.

Table 143: Top 10 traded securities in CM segment (Rs crore) in October 2026

Securities Name	Oct-26	Sep-26	%Change
HDFC Bank Ltd.	43,436	45,824	(5.2)
Jio Platforms Ltd.	37,513	0	NA
Infosys Ltd.	37,200	20,837	78.5
Reliance Industries Ltd.	36,125	32,057	12.7
ICICI Bank Ltd.	34,685	26,699	29.9
Bharti Airtel Ltd.	33,636	22,102	52.2
Tata Consultancy Services Ltd.	27,995	14,139	98.0
PC Jeweller Ltd.	27,592	15,844	74.1
BSE Ltd.	26,369	37,666	(30.0)
Kotak Mahindra Bank Ltd.	24,328	11,190	117.4
Top 10 scrips turnover	**328,877**	**226,357**	**45.3**
Total turnover	**2,280,706**	**2,411,611**	**(5.4)**
Share of Top 10 scrips	**14.4**	**9.4**	**5.03**

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.

Share of top 10 traded securities increased in stock futures and stock options in October 2026: In stock futures, turnover of the top 10 scrips increased by 14.5% MoM to Rs. 4.83 lakh crore, compared with a 5.5% increase in overall notional turnover to Rs. 22.15 lakh crore. Consequently, their share increased to 21.8% from 20.1%. Infosys Ltd (+63.6% MoM), Kotak Mahindra Bank Ltd (+39.6%), TCS Ltd (+37.1%) and Bharti Airtel Ltd (+33.6%) recorded the highest increases, coinciding with heightened trading activity around quarterly earnings announcements. These gains were partly offset by declines in BSE Ltd (-12.1%) and HDFC Bank Ltd (-6.2%), which nevertheless retained the highest turnover at Rs. 85,635 crore.

In stock options, premium turnover of the top 10 scrips increased by 17.0% MoM to Rs. 36,231 crore, compared surpassing the 10.1% MoM increase in overall premium turnover to Rs. 1.46 lakh crore. Their share consequently rose to 24.8% from 23.4%. Bharat Electronics Ltd (+145.8% MoM), TCS Ltd (+91.4%), Infosys Ltd (+49.9%) and Reliance Industries Ltd (+46.6%) led the increase, while BSE Ltd (-23.7%), One 97 Communications Ltd (-23.1%) and HDFC Bank Ltd (-18.2%) recorded declines. Reliance Industries Ltd remained the largest contributor, with premium turnover of Rs. 6,564 crore.

Table 144: Top 10 traded scrips in stock futures segment in October 2026

Securities (Rs lakh cr)	Oct-26	Sep-26	%Change
HDFC Bank Ltd.	85,635	91,337	(6.2)
Reliance Industries Ltd.	69,793	62,464	11.7
ICICI Bank Ltd.	59,043	51,880	13.8
Infosys Ltd.	53,741	32,857	63.6
Bharti Airtel Ltd.	41,825	31,296	33.6
Axis Bank Ltd.	40,224	35,474	13.4
TCS Ltd.	36,717	26,776	37.1
State Bank of India	34,374	33,204	3.5
Kotak Mahindra Bank	32,226	23,080	39.6
BSE Ltd.	29,614	33,680	(12.1)
Top 10 scrips turnover	**483,193**	**422,050**	**14.5**
Total stock futures notional turnover	**22,14,746**	**20,99,480**	**5.49**
Share of top 10 scrips	**21.8**	**20.1**	**8.5**

Table 145: Top 10 traded scrips (premium turnover) in stock options in October 2026

Securities Name (Rs cr)	Oct-26	Sep-26	%Change
Reliance Industries Ltd.	6,564	4,479	46.6
TCS Ltd.	5,037	2,632	91.4
HDFC Bank Ltd.	4,337	5,305	(18.2)
Infosys Ltd.	3,741	2,496	49.9
BSE Ltd.	3,697	4,845	(23.7)
One 97 Comm. Ltd.	2,885	3,752	(23.1)
Bharat Electricals Ltd.	2,731	1,111	145.8
State Bank of India	2,527	2,415	4.6
ICICI Bank Ltd.	2,385	2,201	8.4
Laurus Labs Ltd.	2,327	1,735	34.1
Top 10 scrips turnover	**36,231**	**30,972**	**17.0**
Total stock futures notional turnover	**1,45,975**	**1,32,639**	**10.1**
Share of top 10 scrips	**24.8**	**23.4**	**1.47**

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.

6.3.8 Trading activity in electricity futures

Across August 2025 contract to October 2026 contracts, NSE Electricity Futures recorded cumulative trading volume of **9,21,129 Lots,** equivalent to 46,056 MUs* against spot market volumes of 90,519 MUs, resulting in a futures-to-spot volume ratio of **0.51**. 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 17,980 crore**, highlighting sustained market interest and improving liquidity. NSE maintained a dominant ~**63% market share**, reinforcing its position as a leading platform for electricity derivatives trading in India.

Overall, consistent trading activity across successive contracts signals rising market confidence and broader adoption of electricity futures for managing price volatility in India's power market.

Trading activity in NSE Electricity Futures - October 2026 contract

The Oct 2026 Electricity Futures contract generated aggregate turnover of **Rs 1,116 crore** and cumulative trading volume of **49,141 Lots**. This points to strengthening participation in the futures segment and a gradual progression in India's electricity market. The Oct 2026 Contract settled at Final Settlement Price (FSP) of **Rs 4,565/MWh**. The average of daily Close Price during the contract was **Rs 4,424/MWh**, demonstrating stable price behaviour despite intermittent volatility in the underlying spot market.

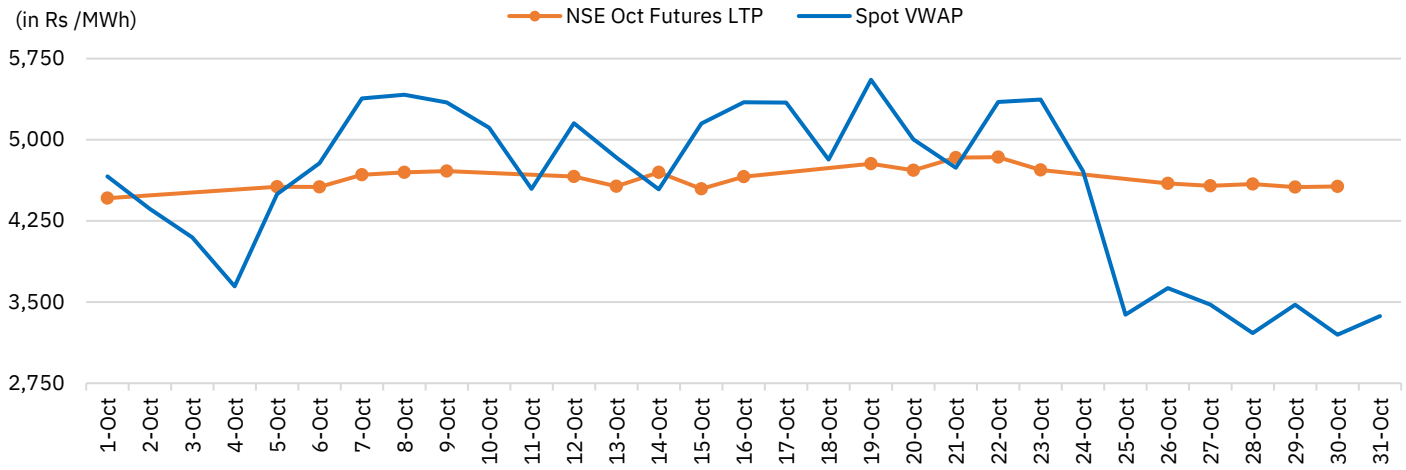
Trading activity remained robust throughout the contract, with the highest single-day trading volume of **3586 Lots**. Open interest remained stable over the contract, with an average of **191 lots** and reaching a peak of **475 lots** on 15th Oct 2026.

Overall, the October 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 ~**48% market share**, the contract's performance further reinforces NSE's role as a transparent and efficient platform for electricity price discovery and risk management in India's evolving electricity derivatives market.

*(1Lot=50MWh)

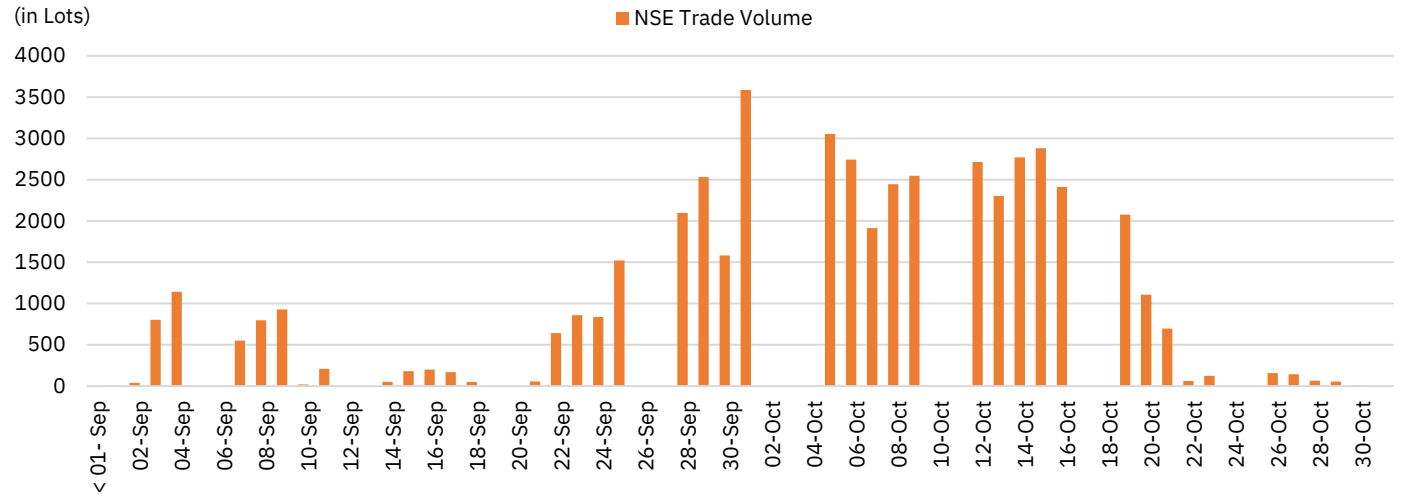
A detailed primer on this newly launched electricity futures product is provided below.

Figure 457: Comparison of Spot VWAP and NSE Electricity Futures LTP - Oct 2026 Contract



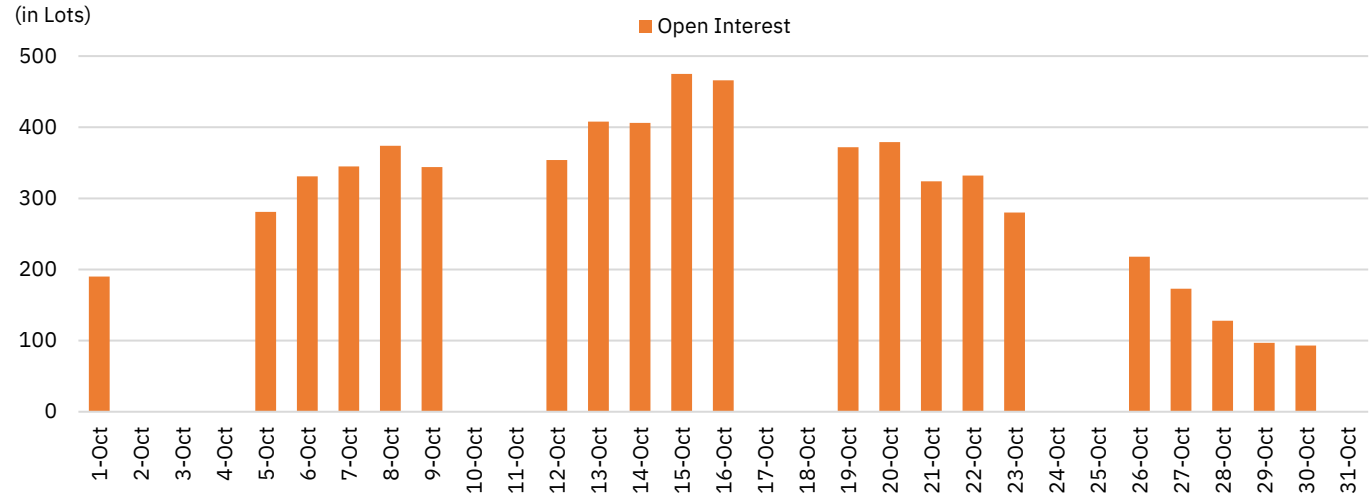
Source: NSE.

Figure 458: NSE Electricity Futures Trade Volume - October 2026 Contract



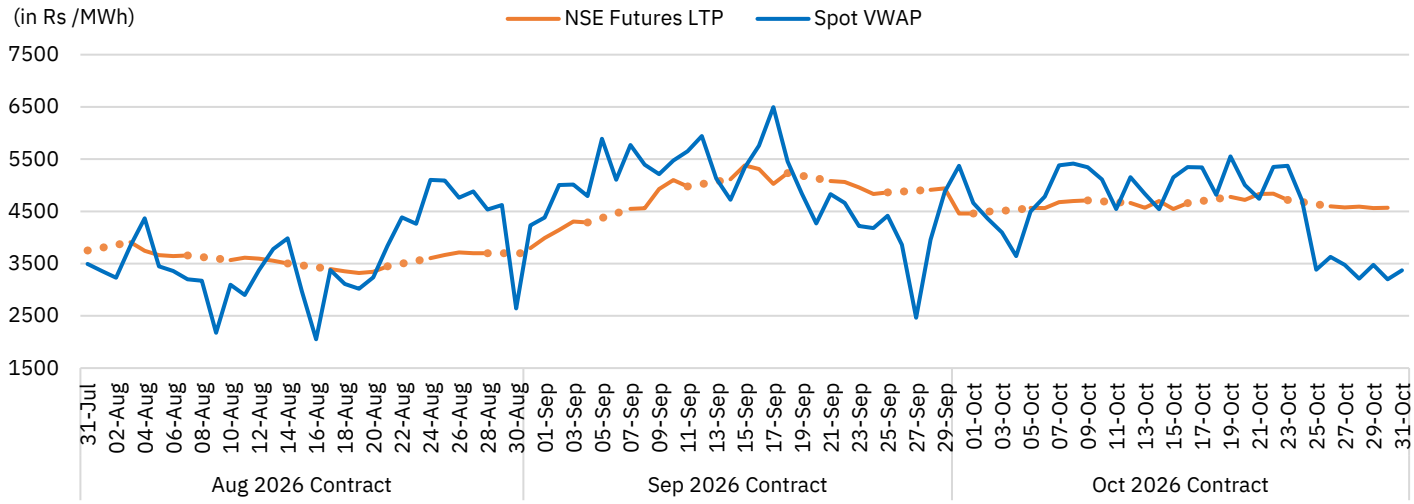
Source: NSE.

Figure 459: Daily Open Interest in NSE Electricity Futures – October 2026 Contract



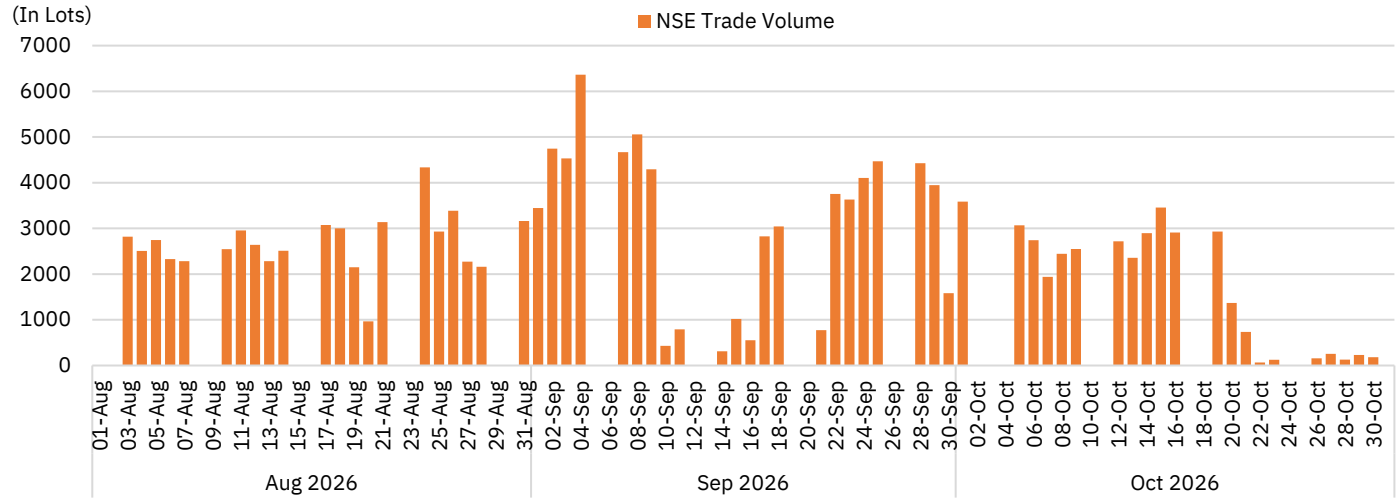
Source: NSE.

Figure 460: Comparison of Spot VWAP and NSE Electricity Futures LTP (Aug 2026 - Oct 2026 contracts)



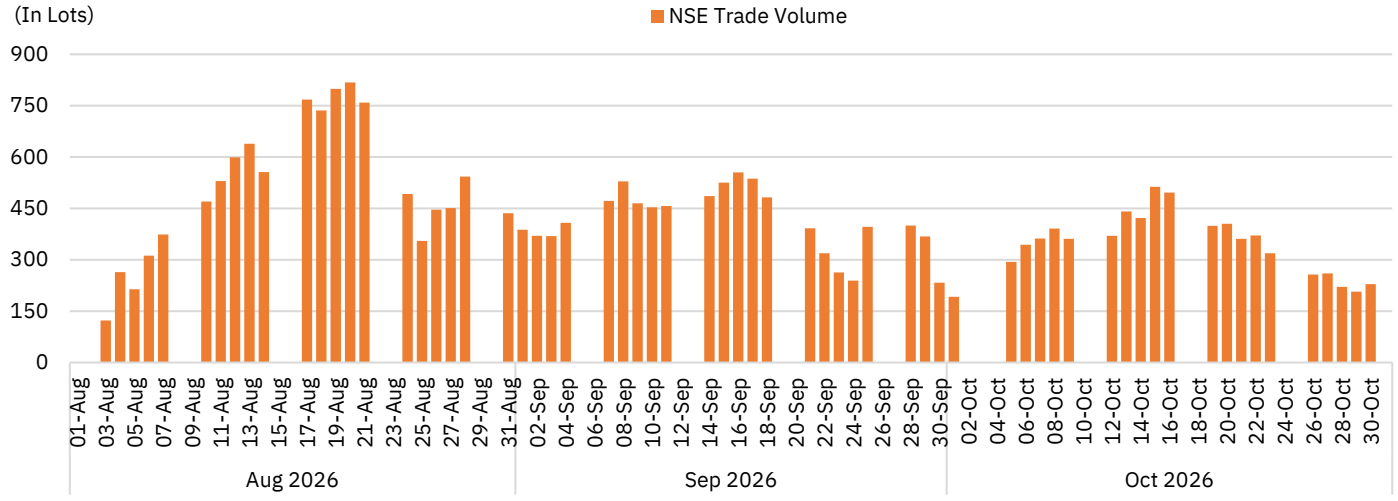
Source: NSE.

Figure 461: Daily NSE Electricity Futures Trade Volume (across all contracts)



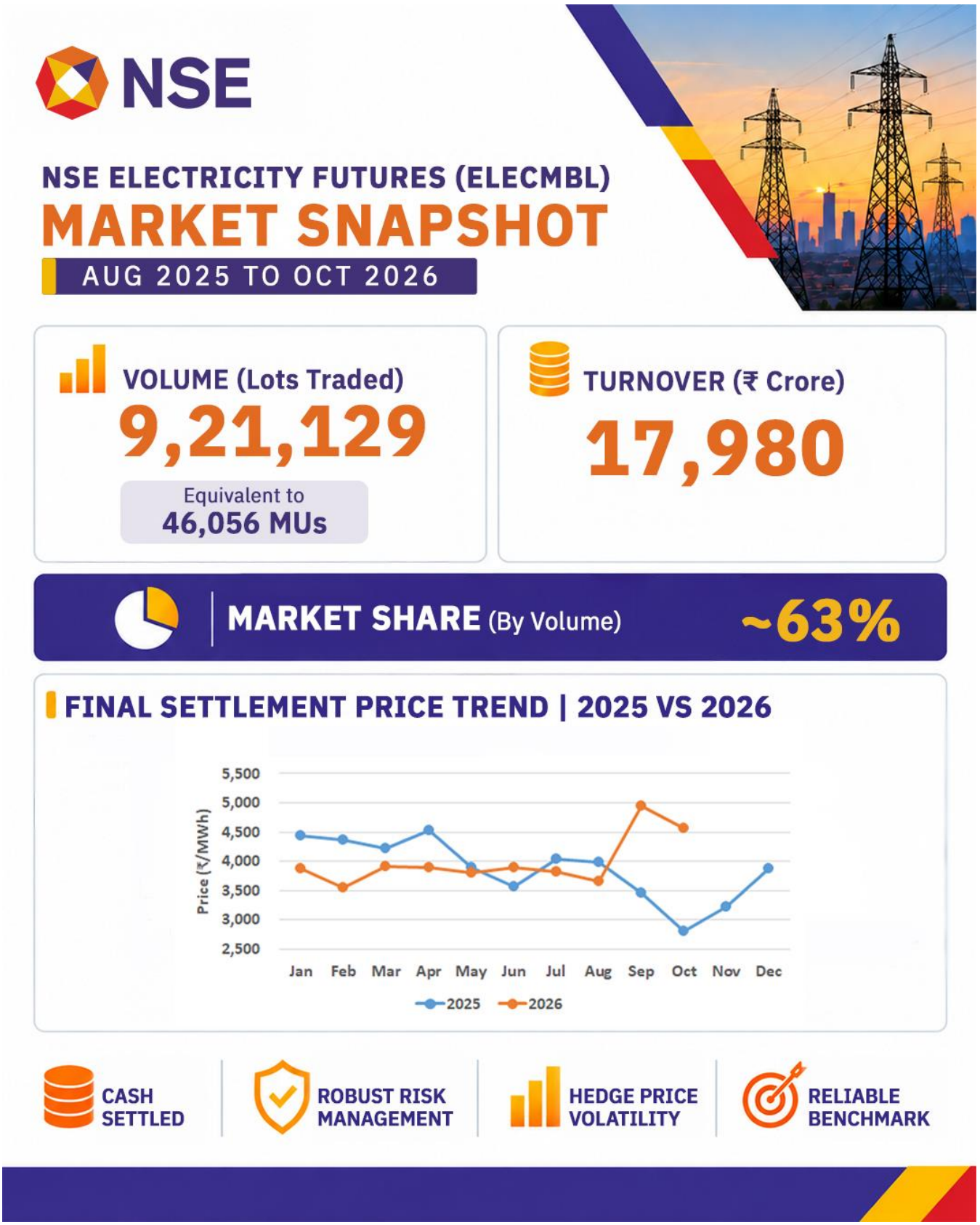
Source: NSE.

Figure 462: Daily Open Interest in NSE Electricity Futures (across all contracts)



Source: NSE.

Market Trade Metrics: Aug 2025 to Oct 2026



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 third largest producer and consumer of electricity. As of FY26, the nation has a total installed generation capacity of 5,23,740 MW. The Gross Energy Generation in the country for the year 2026-27 has been assessed as 2,040 BU.

Current short term market mechanisms including the Day Ahead Market (DAM), Term Ahead Market (TAM), and Real Time Market (RTM) facilitated trading of only 166 BU during FY26. Spot exchanges like IEX, PXIL, and HPX bear the brunt of price volatility and operational risk. This segment lacks hedging instruments, exposing generators to earnings volatility, DISCOMs to cost uncertainty, and financiers to increased credit risk.

Globally, Electricity Derivatives play an integral role in risk management across mature markets. The European Union's EEX supports annual trading volumes exceeding 12,000 BU, representing more than 4 times the region's physical generation. Similarly, United States electricity derivatives markets exceed 3,000 BU in annual volume, allowing participants to hedge generation fluctuations and transmission constraints.

As India progresses toward achieving a net-zero energy future, renewable energy sources are expected to exceed 50% of the installed capacity by 2030. This structural shift will render power generation increasingly dependent on weather patterns and subject to intermittency constraints. Consequently, financial uncertainty will intensify, particularly for capital intensive projects with long investment horizons.

Given the substantial capital requirements, the absence of financial instruments such as electricity derivatives exposes these investments to significant market risks, encompassing sudden fluctuations in electricity prices, fuel costs, and demand patterns. In this context, electricity futures serve as a critical financial tool that enables market participants to hedge price risk, stabilize cash flows, and formulate informed long term investment decisions amid rising volatility.

What are Electricity Futures?

Electricity futures are standardised, cash-settled financial contracts that allow market participants to lock in electricity prices today for financial settlement at a future date. These instruments are non-deliverable and operate independently of physical transmission logistics.

They function as a financial overlay to the physical market, offering forward price visibility without requiring asset ownership or operational coordination. Their primary value lies in enabling price certainty, improving budgeting accuracy, strengthening risk management, and supporting strategic procurement decisions in an inherently volatile market environment.

Regulatory Clarity: An enabler for Electricity Derivatives in India

A landmark regulatory milestone was achieved in October 2021 when the Supreme Court of India clarified jurisdiction over electricity market instruments. The ruling established that:

- The **Central Electricity Regulatory Commission (CERC)** will oversee contracts involving physical delivery of electricity, and
- The **Securities and Exchange Board of India (SEBI)** will regulate financial derivatives, including electricity futures and options.

This legal clarification resolved longstanding regulatory ambiguity and paved the way for the introduction of structured financial instruments in India's power sector.

Benefits of Electricity Futures

Electricity futures function as a core risk-management tool, enabling generators, DISCOMs, traders, and large Commercial and Industrial consumers to hedge exposure to short-term price volatility. Market participants face uncertainty arising from real-time price fluctuations, demand variability, and grid constraints—risks that cannot be effectively managed without financial hedging instruments. Electricity futures facilitate risk management, enhance market resilience, and contribute to more stable and predictable cash flows.

Stakeholders	Strategic advantages
Generators	• Hedge merchant exposure by locking in forward prices. • Enhance revenue predictability for credit assessments. • Mitigate downside risk from spot price volatility. • Strengthen financial viability for capital raising and refinancing. • Optimize maintenance scheduling and dispatch planning.
Distribution Companies (DISCOMs)	• Fix procurement costs ahead of demand surges. • Reduce reliance on reactive tariff adjustments and fuel cost pass-throughs. • Improve cash flow management and reduce regulatory lag.
Industrial Consumers	• Secure electricity costs ahead of production cycles. • Embed energy cost certainty into pricing and budgeting models. • Shift from reactive to strategic procurement behaviour.
Traders & Market Intermediaries	• Exploit arbitrage opportunities across geographies and time horizons. • Enhance market liquidity and tighten bid-ask spreads. • Contribute to efficient price discovery.
Financial Institutions	• Develop structured products linked to energy markets. • Introduce electricity as a tradable asset class. • Facilitate renewable energy investments via hedging instruments.

Launch of Fundamentals of Electricity Derivatives Certificate Course

Recognizing the rising interest in Electricity Derivatives, NSE has developed a **free, self-paced online course** offering structured and comprehensive insights into this emerging market.

This course is accessible to anyone interested to develop in-depth understanding of the strategic applications of Electricity Derivatives.

Enrol Now for Free

Click the link or scan the QR code provided below to register and access the learning platform: https://nsefutures.wesence.com/

"Electrify your skills, energize your FUTURES"

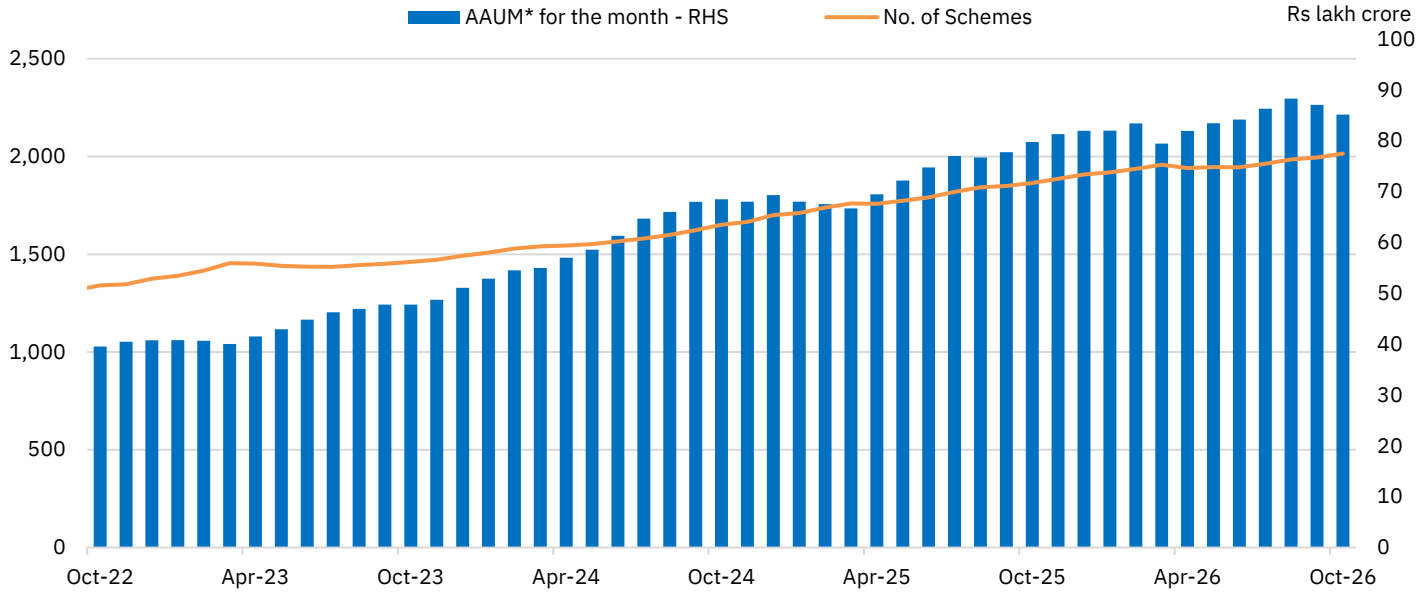


6.4 Investment through mutual funds in India

Average Assets Under Management (AAUM) moderated to Rs 85.2 lakh crore in October…: The mutual fund industry's average assets under management moderated by 2.2% MoM to Rs 85.2 lakh crore in October 2026, 3.6% below the record high registered in August 2026. Month-end AUM, however, rose by 0.9% MoM to Rs 83.4 lakh crore, supported by mark-to-market gains and net inflows of Rs 1.7 lakh crore during the month. The valuation gains were aided by a recovery in equity markets, led by a sharp rebound in IT stocks amid better-than-expected Q2FY27 earnings, encouraging management commentary on AI-led revenue opportunities and selective buying in heavyweight stocks. Net inflows in October, following net outflows of Rs 1.3 lakh crore in September, were primarily driven by overnight and liquid funds, reflecting the redeployment of surplus liquidity following quarter-end funding requirements. Despite heightened market volatility, AAUM remained 7.2% higher than at the beginning of the fiscal year, partly supported by cumulative net inflows of Rs 5.2 lakh crore during FY27 thus far.

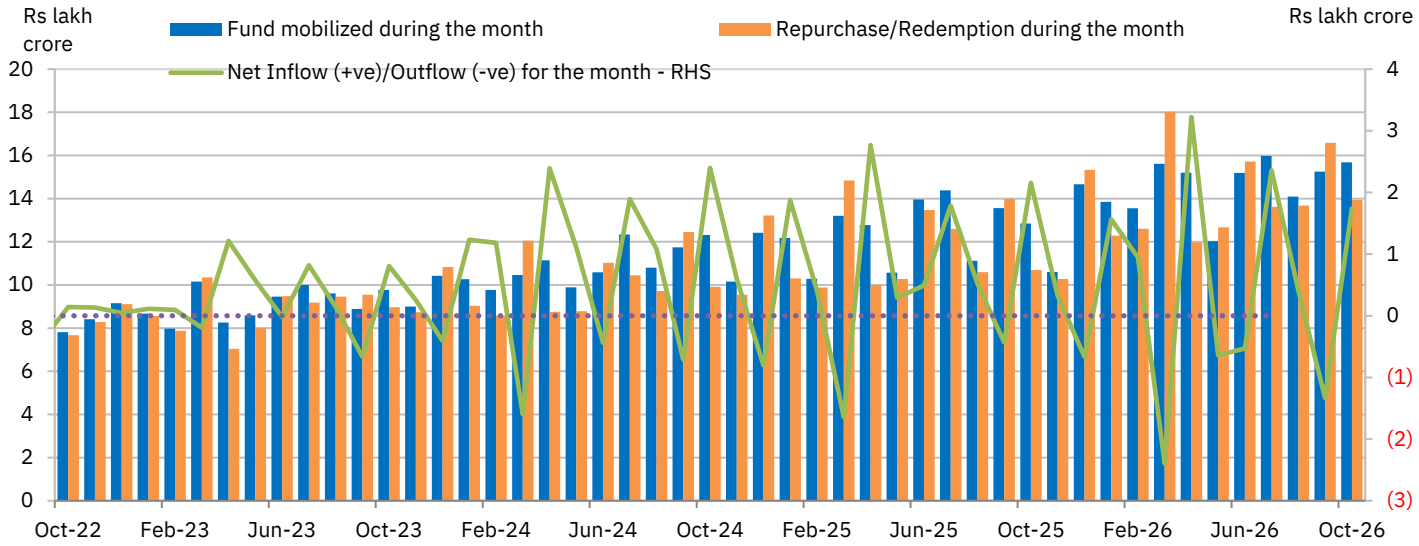
…with a recovery in debt flows and a shift in equity investment preferences in October: Net inflows during FY27 thus far have been broad-based, led by equity schemes (Rs 2.2 lakh crore), followed by debt (Rs 1.4 lakh crore) and hybrid schemes (Rs 68k crore). Within equity schemes, mid- and small-cap funds together accounted for nearly 43% of net inflows during the fiscal year, while flexi-cap funds accounted for another 19%. October, however, witnessed a shift in investor preferences, with large & mid-cap funds accounting for nearly one-fourth of net equity inflows, while the combined share of mid- and small-cap funds moderated to 34%. This possibly reflects increased investor preference for relatively diversified equity exposure amid heightened market volatility and elevated valuations in the broader market. Meanwhile, hybrid schemes recorded net inflows of Rs 3.5k crore in October, reversing marginal net outflows of Rs 354 crore in September, although inflows remained significantly below the monthly average of Rs 13k crore during April–August 2026.

Figure 463: Monthly trend of total MF schemes and average AUM



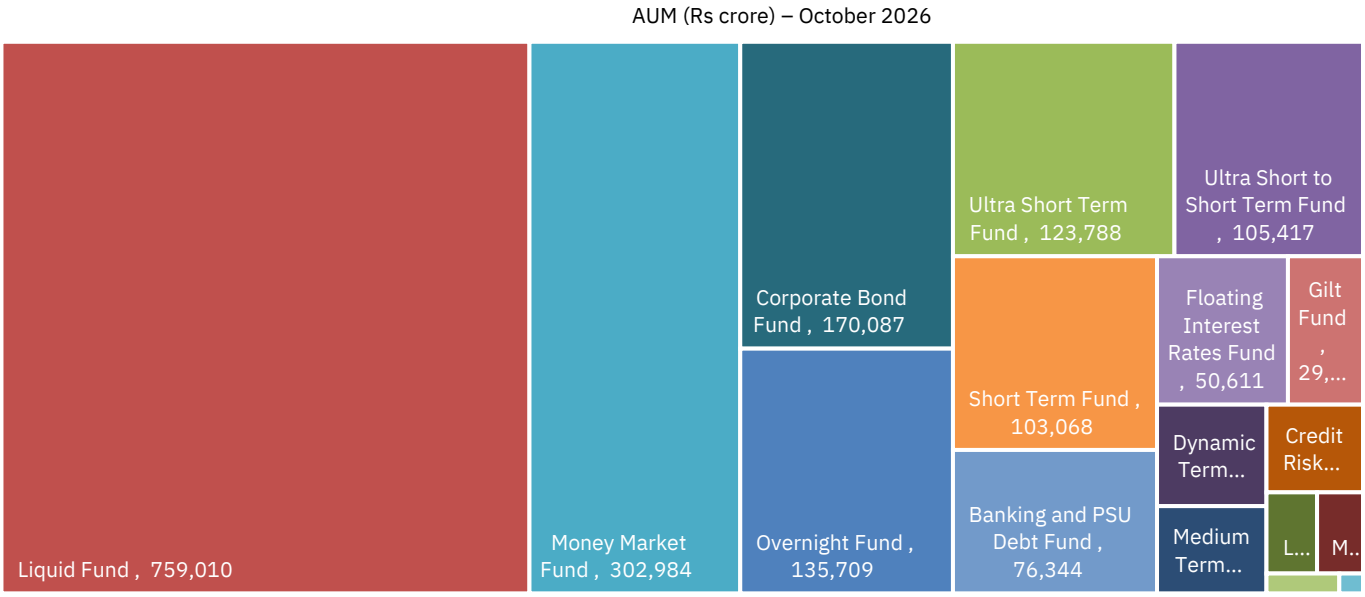
Source: AMFI, NSE EPR. *AAUM-Average Assets under Management.

Figure 464: Monthly trend of total investment through mutual funds



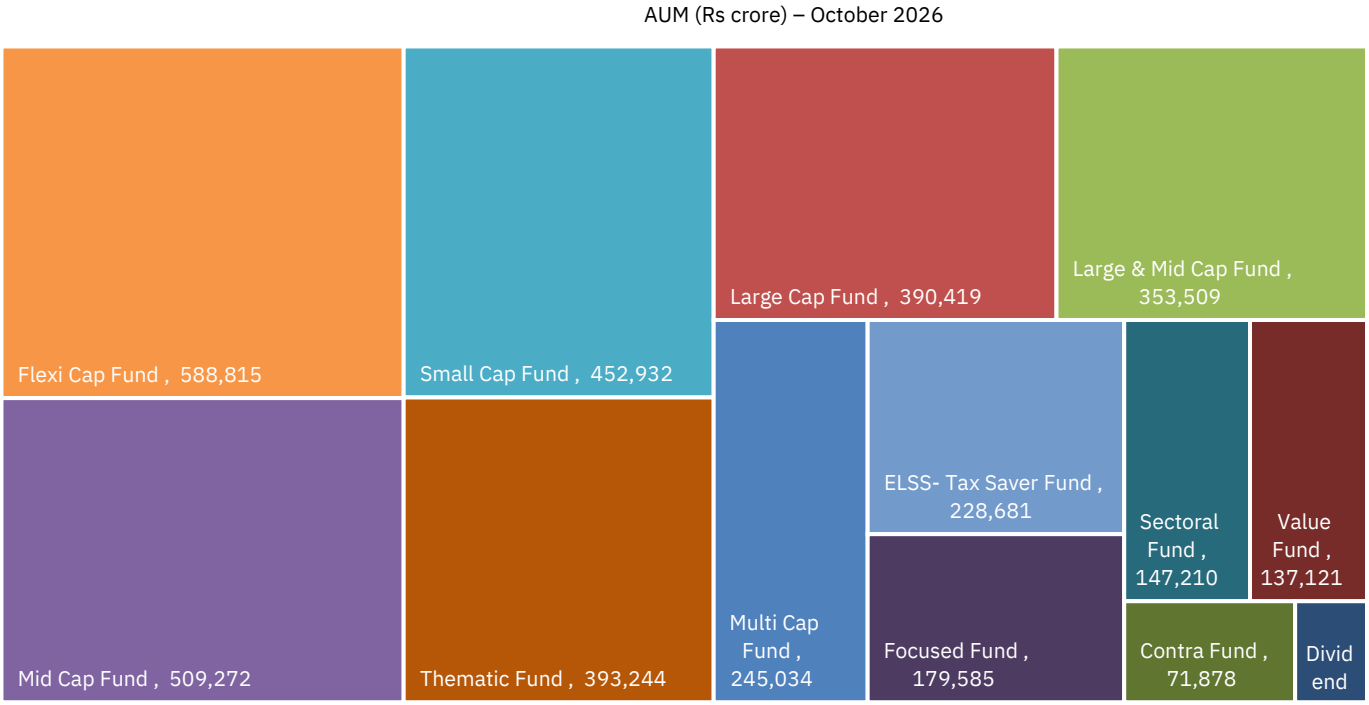
Source: AMFI, NSE EPR

Figure 465: Category-wise average AUM of open-ended debt schemes



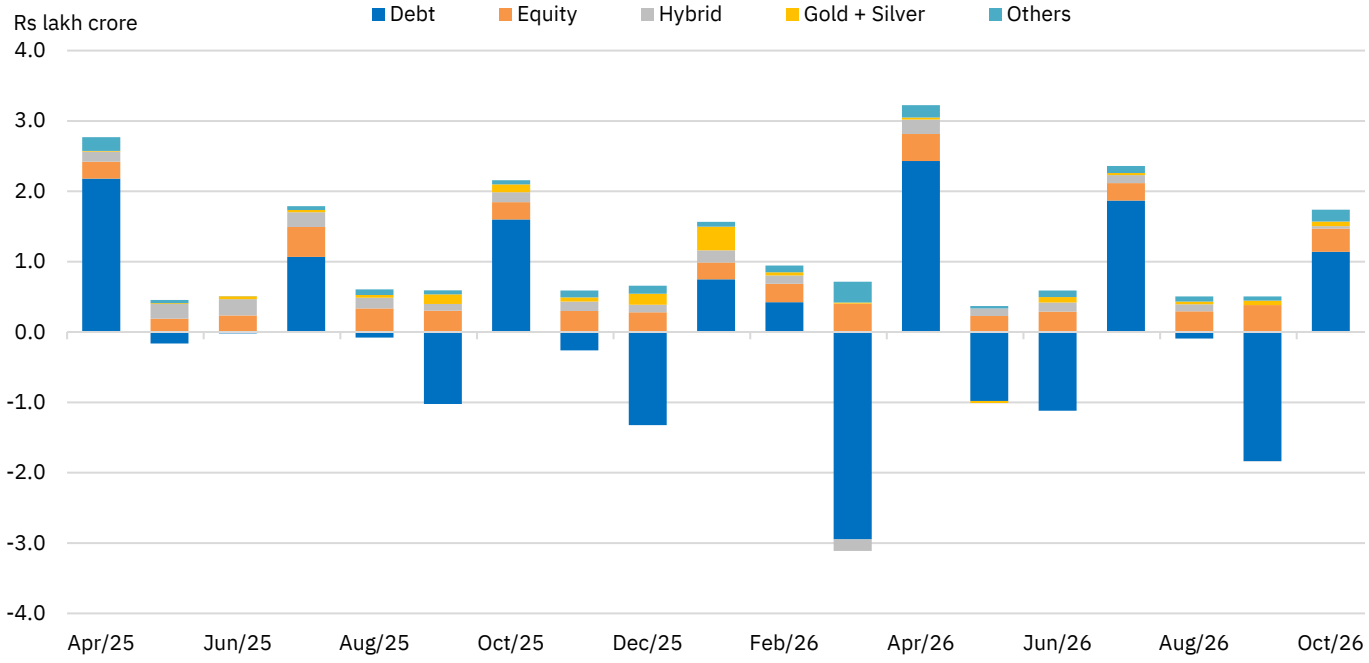
Source: AMFI, NSE EPR.

Figure 466: Category-wise average AUM of open-ended equity schemes



Source: AMFI, NSE EPR.

Figure 467: Monthly trend of overall (net) flows across key categories



Source: CMIE Economic Outlook, NSE EPR.

Table 146: Monthly trend in flows into equity sub-categories (open-ended scheme only)

Month	Multi Cap	Large Cap	Large & Mid Cap	Mid Cap	Small Cap	Dividend Yield	Value Fund/ Contra	Focused	Thematic	ELSS	Flexi-cap	Total
Nov-25	2,463	1,640	4,503	4,487	4,407	-278	1,219	2,040	1,865	-570	8,135	**29,911**
Dec-25	2,255	1,567	4,094	4,176	3,824	-254	1,089	1,057	946	-718	10,019	**28,054**
Jan-26	1,995	2,005	3,182	3,185	2,942	48	993	1,557	1,043	-594	7,672	**24,029**
Feb-26	1,934	2,112	3,138	4,003	3,881	21	727	901	2,987	-650	6,925	**25,978**
Mar-26	2,982	2,998	5,307	6,064	6,264	-59	2,156	2,425	2,699	-437	10,054	**40,450**
Apr-26	3,806	2,525	4,490	6,551	6,886	-21	1,478	1,195	1,949	-568	10,148	**38,440**
May-26	2,291	1,593	3,278	4,385	4,946	-97	510	830	648	-651	5,176	**22,908**
Jun-26	3,070	2,067	4,321	6,090	5,602	-49	687	1,118	1,469	-634	5,231	**28,973**
Jul-26	3,227	-1,322	3,425	6,192	7,768	-169	-145	642	1,328	-959	4,709	**24,697**
Aug-26	3,733	-1,147	3,873	6,989	7,973	-134	1,352	995	1,713	-1,078	5,059	**29,329**
Sep-26	3,860	859	4,271	7,835	9,039	179	1,193	1,391	3,640	-662	6,702	**38,307**
Oct-26	2,978	1,032	8,484	4,893	6,408	-93	2,250	925	1,714	-578	4,980	**32,994**

Source: AMFI, NSE EPR

SIP flows remain broadly stable; discontinued a/cs outpace new ones in October: SIP contributions remained healthy, averaging Rs 31,913 crore during FY27TD (April-October 2026), 13.9% higher than in the corresponding period last year. October marked the eighth consecutive month of SIP inflows exceeding Rs 30,000 crore, reflecting sustained investor preference for systematic investments. SIP assets stood at Rs 17.7 lakh crore, accounting for 20.8% of the overall average assets under management (AAUM) of the mutual fund industry, marginally lower than FY26 levels. However, the pace of fresh SIP registrations moderated in October, with the number of SIPs discontinued or having completed their tenure (59.1 lakh) exceeding new registrations (50.7 lakh). Consequently, the SIP stoppage ratio rose sharply to 115.7% from 79.3% in September. This may partly reflect increased investor caution amid prolonged market volatility and subdued equity market returns.

Figure 468: Trends in annual SIP contribution

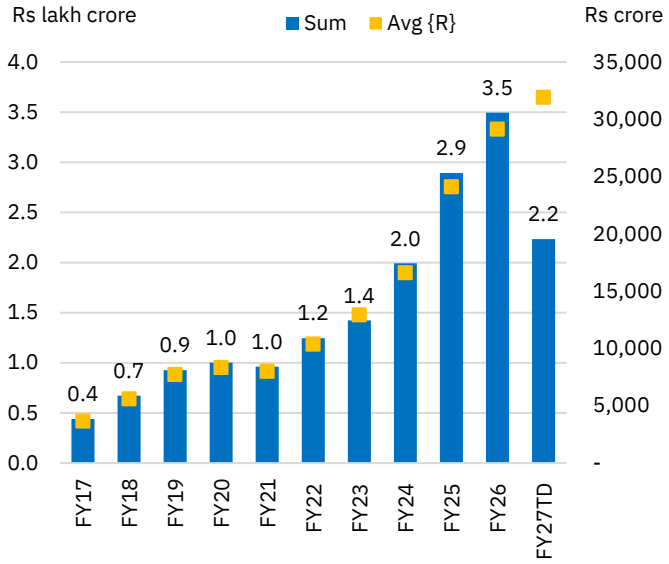
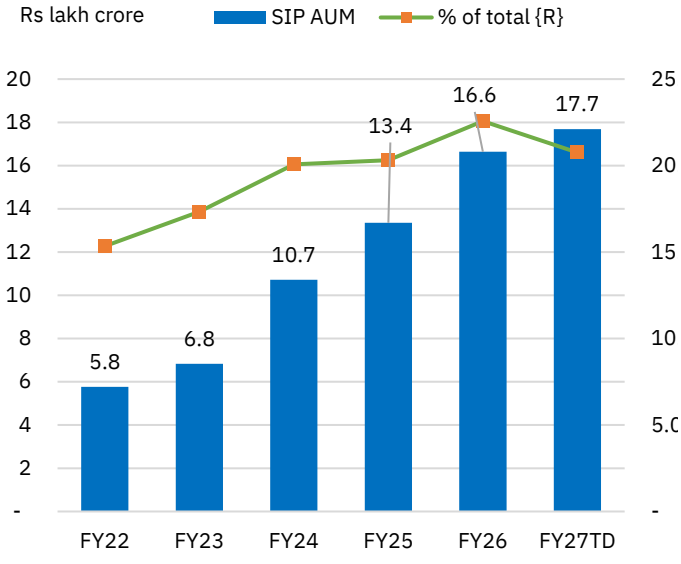
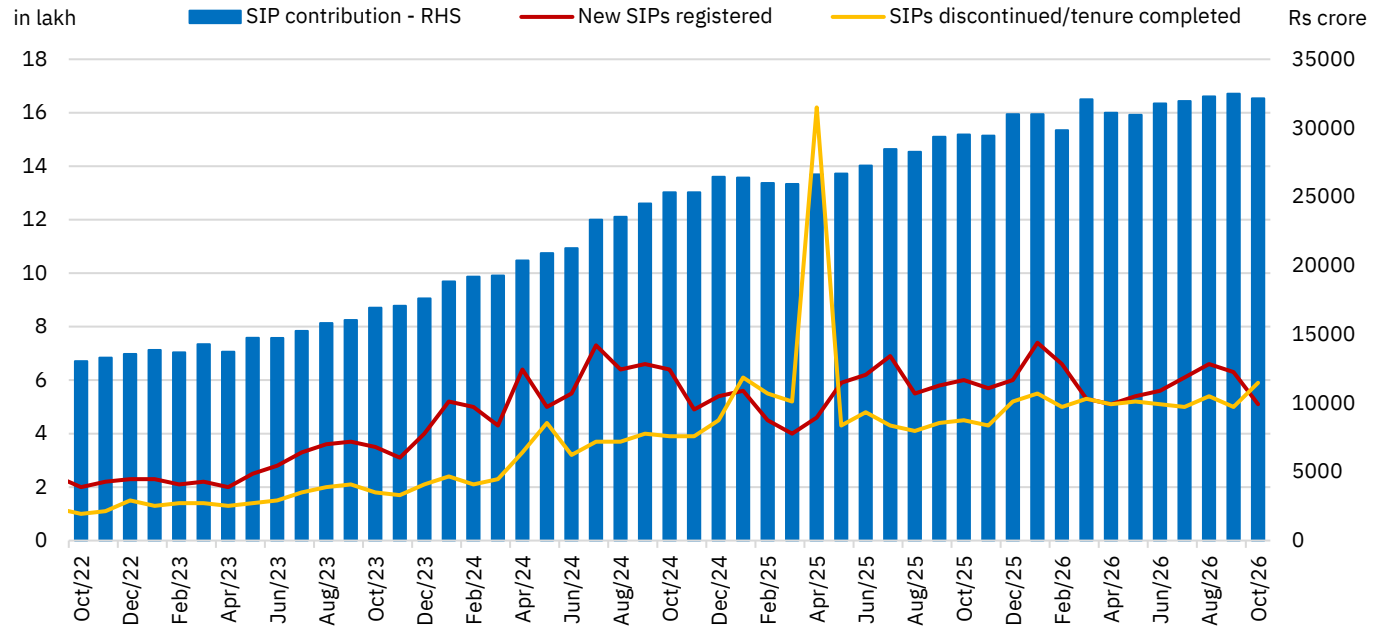


Figure 469: Trends in SIP AUM



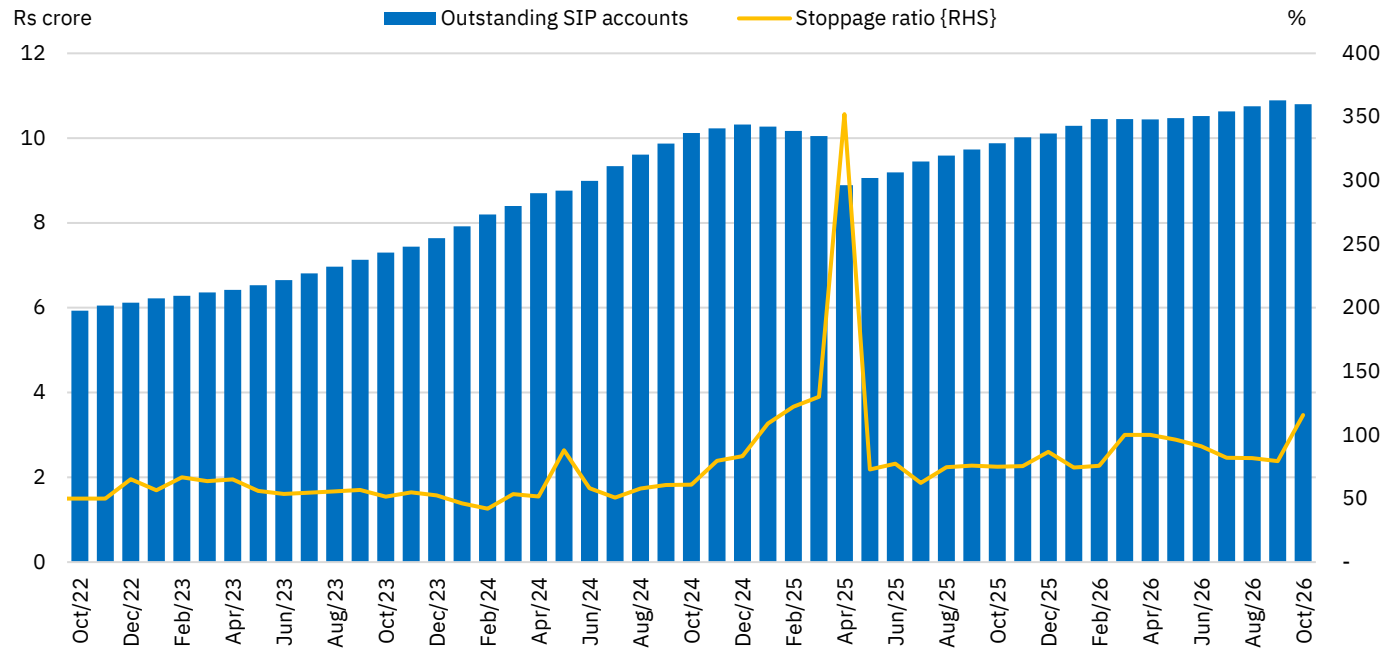
Source: AMFI, NSE EPR Notes: 1) Data for FY27TD is till October 2026

Figure 470: Monthly trend of SIP contribution, SIP registered and discontinued



Source: AMFI, NSE EPR.

Figure 471: Monthly trend of outstanding SIP accounts and stoppage ratio



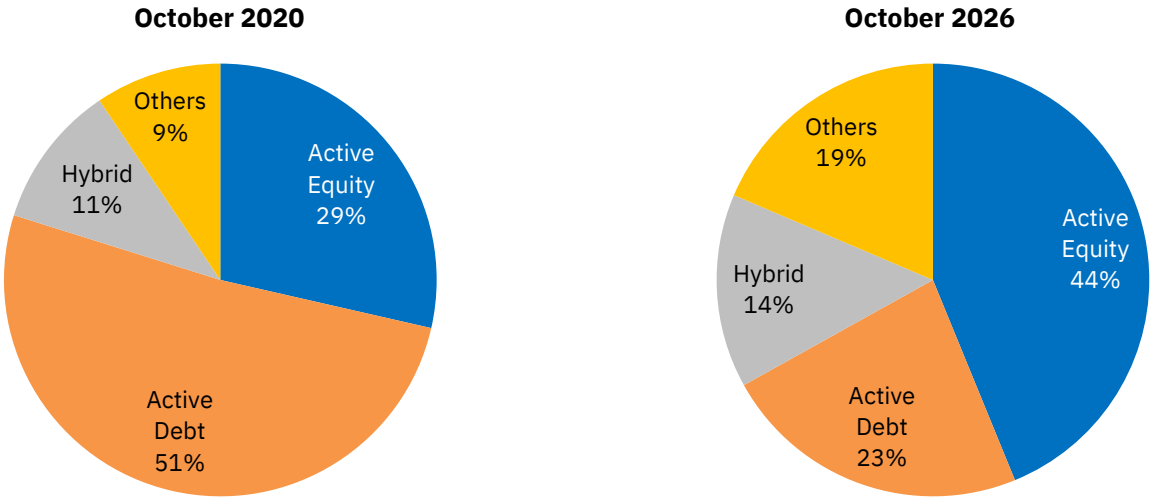
Source: AMFI, NSE EPR.

Active equity AAUM stood at Rs 37.3 lakh crore in October 2026, registered a growth of 7.2% YoY and accounted for nearly 44% of the industry's overall AAUM, up from 28% in October 2020. This structural shift reflected sustained retail participation, healthy SIP contributions and equity market appreciation over the years. Within equity schemes, flexi-cap funds accounted for the largest share of AAUM at 16.8%, followed by mid-cap (14.6%) and small-cap funds (12.9%).

In contrast, active debt AAUM remained broadly unchanged on a YoY basis at Rs 19.7 lakh crore in October 2026, lower than the peak of over Rs 20 lakh crore recorded in August. The share of active debt schemes in the industry's overall AAUM declined from ~51% in October 2020 to 23% in October 2026, reflecting relatively stronger growth in equity and other investment categories. Within debt schemes, liquid and overnight funds together accounted for nearly 45% of AAUM, reflecting their widespread use for short-term liquidity management, followed by money market funds (15.5%) and corporate bond funds (8.7%).

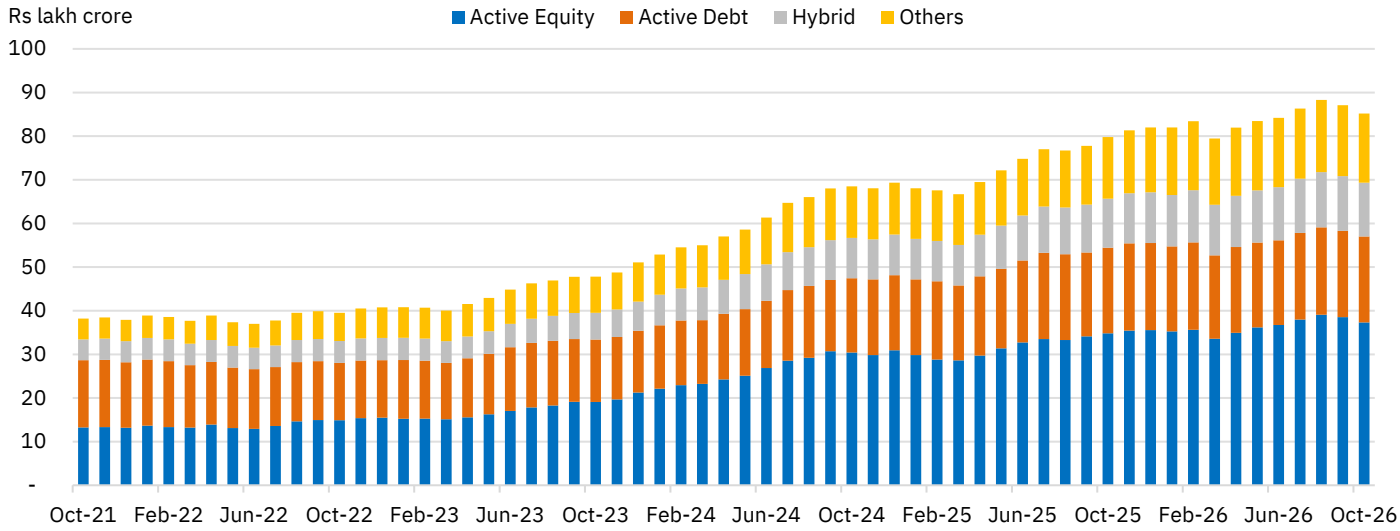
Meanwhile, the share of hybrid schemes in overall AAUM increased from 11.3% in October 2020 to 14.5% in October 2026, partly reflecting a growing investor preference for diversified asset allocation and balanced risk-return profiles amid heightened market volatility.

Figure 472: Share of overall mutual fund AUM across asset classes



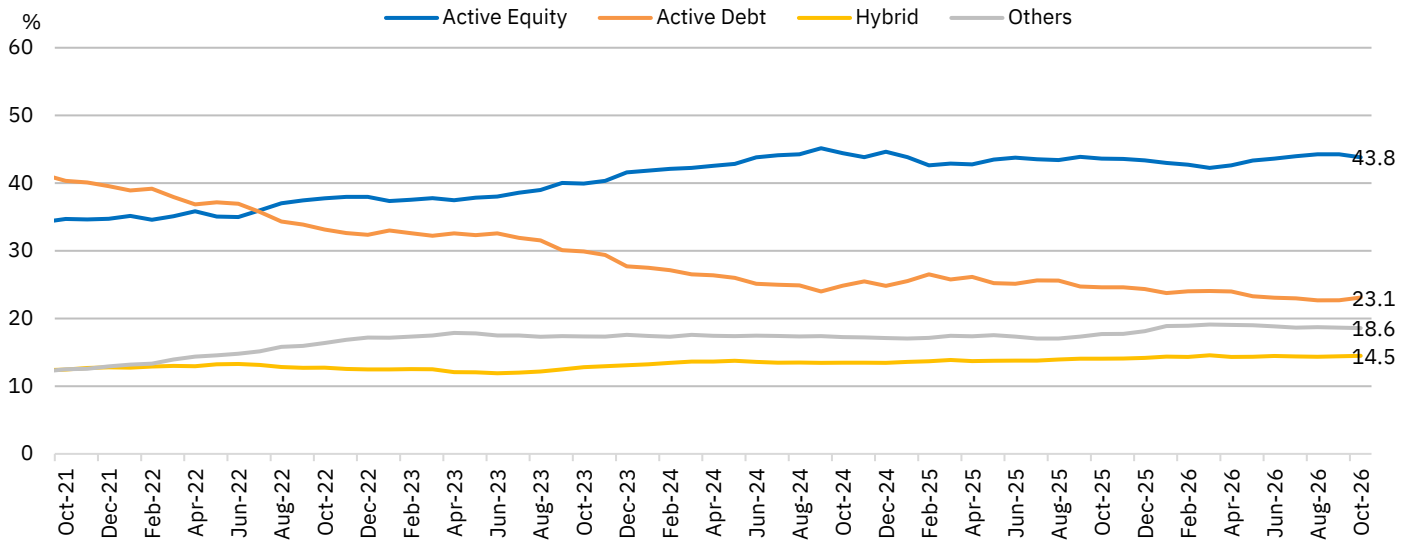
Source: CMIE Economic Outlook, AMFI, NSE EPR
Note: 1) Equity and debt funds include both actively and passively managed funds. Others include Index funds, ETFs, solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Figure 473: Category-wise mutual fund AUM split*



Source: CMIE Economic Outlook, AMFI, NSE EPR.
Note: 1) Equity and debt funds include both actively and passively managed funds. *Others include Index funds, ETFs, solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

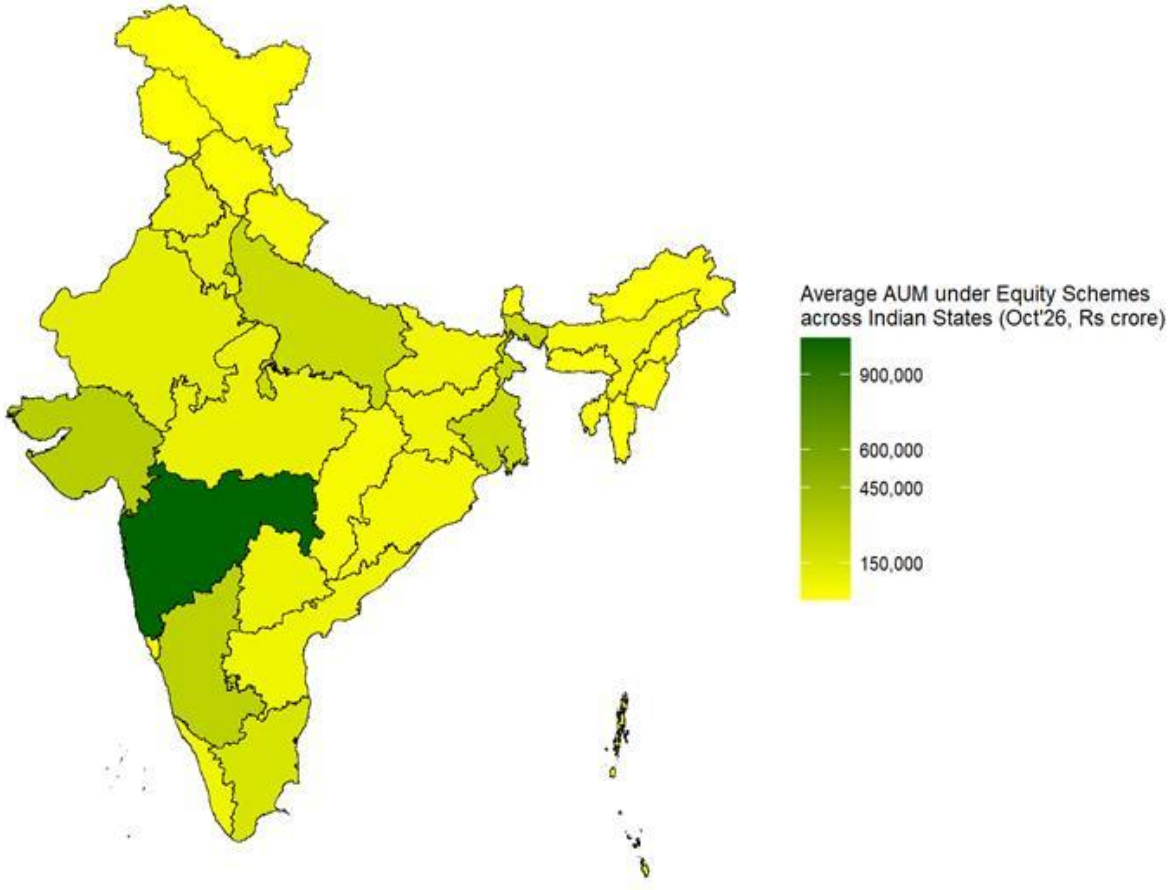
Figure 474: Category-wise share in mutual fund AUM*



Source: CMIE Economic Outlook, AMFI, NSE EPR.
Note: 1) Equity and debt funds include both actively and passively managed funds. *Others include Index funds, ETFs, solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Equity AAUM declined across most States/UTs, with concentration remaining high among the top states: Equity AAUM declined across nearly all States/UTs in October 2026, both sequentially and on a YoY basis, with several major states recording double-digit annual contractions. Haryana registered the steepest decline (38% YoY), followed by Telangana (22%), Tamil Nadu (20%), and Maharashtra, Karnataka and Uttar Pradesh (18% each). Maharashtra continued to account for the largest share of equity AAUM at 29.8%, followed by Gujarat (9.1%) and New Delhi (8.1%), with the top five and ten States/UTs accounting for 59% and 77% of overall equity AAUM, respectively. Among the top ten major States/UTs, New Delhi, Rajasthan and Madhya Pradesh improved their rankings over the last year to third, eighth and tenth positions, respectively. Meanwhile, 28 States/UTs with equity AAUM below Rs 1 lakh crore collectively accounted for 21.6% of overall equity AAUM, down from 28.3% four years ago.

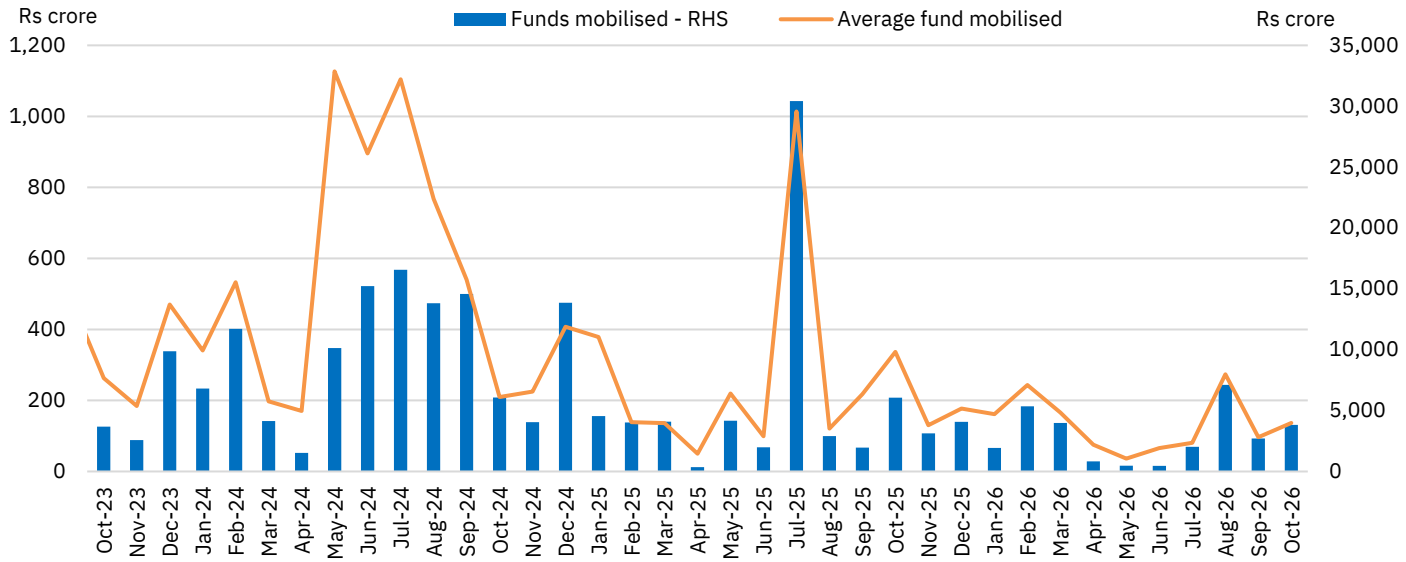
Figure 475: State-wise distribution of equity schemes AUM in October 2026



Source: AMFI, NSE EPR. Note: The map is created using the state-level shapefile: Link

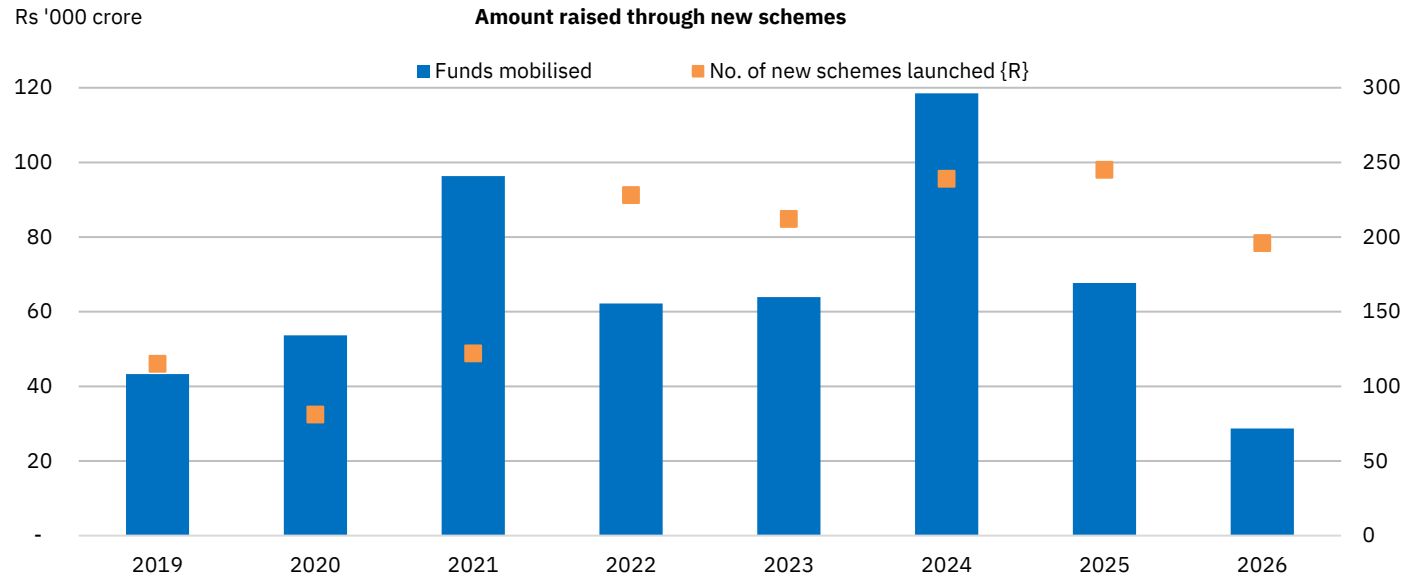
Funds mobilised through NFOs remained subdued in 2026 despite steady scheme launches: October 2026 witnessed the launch of 28 new fund offerings (NFOs), mobilising Rs 3,829 crore and taking the total number of NFOs in CY2026 thus far to 196, with aggregate fund mobilisation of Rs 28,709 crore. While the number of NFOs launched during January–October 2026 remained broadly unchanged compared with the corresponding period last year, funds mobilised were significantly lower. The average funds raised per NFO stood at Rs 146 crore in CY2026 thus far, nearly half of Rs 276 crore in CY2025 and among the lowest since 2019, reflecting relatively muted investor appetite for new fund offerings despite sustained participation in existing mutual fund schemes.

Figure 476: Monthly trend of total investment through new schemes



Source: AMFI, NSE EPR.

Figure 477: Annual trend of total investment through new schemes



Source: AMFI, NSE EPR. Data for 2026 is till October 2026

7 Comparison of trading activities across major exchanges globally

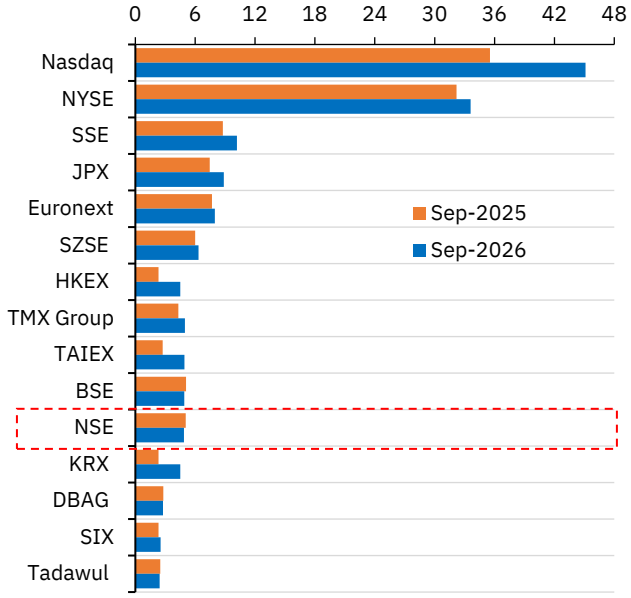
Global equity market performance remained mixed during H1FY27 (April-September), with the combined market capitalisation of the top stock exchanges declining amid renewed geopolitical tensions, notwithstanding gains in select markets supported by AI-related stocks. Trading trends diverged across markets, with developed market exchanges recording a sequential increase in activity, while emerging market exchanges witnessed a contraction. NSE also maintained its global leadership in derivatives trading, accounting for 44.6% of total contracts traded in H1FY27, while India continued to dominate global IPO activity, accounting for nearly 44% of new listings during the period.

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-Sep'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 closer to US$5.0 trillion as of September 2026:** The combined market capitalisation of the top 15 global stock exchanges declined by 1.0% MoM in September 2026 amid a resurgence in geopolitical tensions. The decline was broad-based across major exchanges, barring NYSE, NASDAQ, JPX, HKEX and KRX, which recorded gains, partly supported by the continued strength in AI-related stocks. NASDAQ and NYSE retained their positions as the world's two largest exchanges, with market capitalisations of US$45.1 trn and US$33.6 trn, respectively, followed by SSE (US$10.2 trillion) and JPX (US$8.9 trillion). NSE's market capitalisation contracted by 5.2% MoM to US$4.9 trillion during the month, remaining close to the US$5.0 trillion mark.
- **NSE retains third position globally in equity trading activity**: Equity trading activity across the global stock exchanges moderated by 2.3% QoQ in Q2FY27 (Jul-Sep). SZSE and SSE continued to dominate global equity trading, together accounting for nearly half of the total number of trades, with SZSE recording 1,113 crore trades (-2.1% QoQ) and SSE registering 850 crore trades (+2.7% QoQ). NSE retained its third position globally, with the number of trades rising by 6.6% QoQ to 461 crores during the quarter. Analysing the top 15 global exchanges (contributing to 96% of total activity), trading activity across developed market exchanges increased by 3.5% QoQ to 558 crore trades, while emerging market exchanges recorded a 2.8% QoQ decline to 1,420 crore trades. Notwithstanding the quarterly divergence, trading activity across both developed and emerging market exchanges registered an increase in H1FY27 compared with the corresponding period of the previous year.
- **NSE remains the largest derivatives exchange globally by contracts traded:** NSE continued to lead global derivatives trading activity in H1FY27 (Apr-Sep), accounting for 44.6% of total contracts traded globally, with volumes rising by 15.2% YoY. However, its share moderated from over 50% in FY26, partly reflecting a sharp increase in trading activity at TSE, where volumes expanded 3.6x over H1FY26. Consequently, TSE's share in global derivatives trading rose significantly to 18.2% from 6.7% in H1FY26, overtaking B3 to emerge as the second-largest derivatives exchange globally. The increase in NSE's derivatives volumes was primarily driven by index options, where trading activity rose by 16.1% YoY to 1,792 crore contracts, accompanied by a 6.3% YoY increase in stock options volumes. In contrast, stock futures trading volumes contracted by 5.3% YoY during the period.

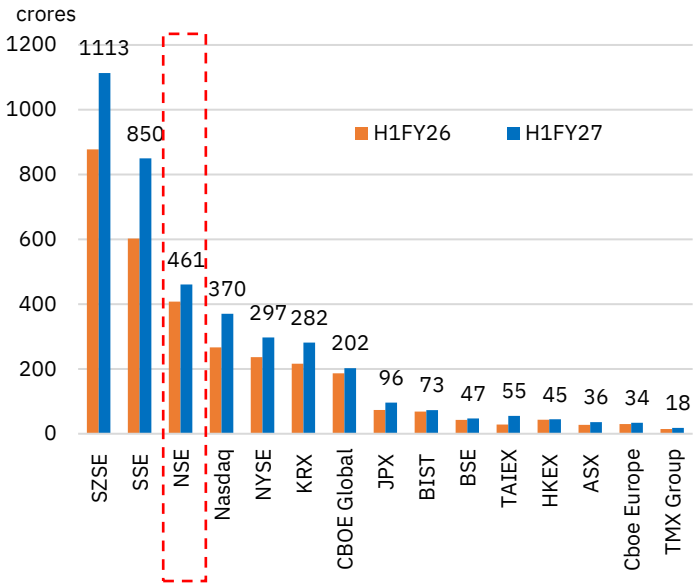
- **109 new IPO listings with NSE in H1FY27:** India continued to dominate global IPO activity in H1FY27 (Apr-Sep), with 259 new listings across NSE and BSE, accounting for nearly 44% of total IPO listings globally. Of these, 109 IPOs were listed on NSE, while BSE led globally in terms of the number of IPO listings, with 150 listings and a 25.5% share. NSE retained its position as the second-largest exchange globally by number of IPO listings, although listing activity moderated by 10.7% YoY during the period. Despite the slowdown, India's continued leadership in global IPO activity underscores the sustained appetite for public equity financing, supported by a broadening domestic investor base and established capital-raising infrastructure.

Figure 478: Domestic market cap of top ranked exchanges (US$ trn)



Source: WFE monthly statistics, NSE EPR

Figure 479: Number of trades in Cash market of top exchanges



Source: WFE monthly statistics, NSE EPR.

Table 147: No. of trades (cr) in the top 10 exchanges in cash market

Exchange	H1FY25	H1FY26	H1FY27
SZSE	530	878	1113
SSE	397	602	850
NSE	**498**	**408**	**461**
Nasdaq	203	267	370
NYSE	155	236	297
KRX	226	216	282
CBOE Global	141	187	202
JPX	68	73	96
BIST	72	69	73
BSE	58	43	47

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 148: Global Market share of trades of top 10 exchanges in cash market

Exchange	H1FY25	H1FY26	H1FY27
SZSE	20.3%	26.6%	26.8%
SSE	15.2%	18.3%	20.5%
NSE	**19.1%**	**12.4%**	**11.1%**
Nasdaq	7.8%	8.1%	8.9%
NYSE	5.9%	7.2%	7.2%
KRX	8.7%	6.6%	6.8%
CBOE Global	5.4%	5.7%	4.9%
JPX	2.6%	2.2%	2.3%
BIST	2.8%	2.1%	1.8%
BSE	2.2%	1.3%	1.1%

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 149: No. of contracts traded (cr) in equity derivatives segment*

Exchange	H1FY25	H1FY26	H1FY27
NSE	**6,513**	**1,654**	**1,906**
TSE	93	217	779
B3	367	367	346
BIST	84	156	270
CBOE Global	124	161	184
KRX	122	106	138
Nasdaq	100	121	133
CME Group	90	88	104
NYSE	69	80	98
MIAX	47	68	74

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 150: Global Market share of contracts traded in equity derivatives segment*

Exchange	H1FY25	H1FY26	H1FY27
NSE	**83.2%**	**51.1%**	**44.6%**
TSE	1.2%	6.7%	18.2%
B3	4.7%	11.4%	8.1%
BIST	1.1%	4.8%	6.3%
CBOE Global	1.6%	5.0%	4.3%
KRX	1.6%	3.3%	3.2%
Nasdaq	1.3%	3.7%	3.1%
CME Group	1.2%	2.7%	2.4%
NYSE	0.9%	2.5%	2.3%
MIAX	0.6%	2.1%	1.7%

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 151: Number of contracts traded (cr) traded in Stock futures of top-ranked exchanges*

Exchange	H1FY25	H1FY26	H1FY27	% YoY
BIST	81.1	151.8	263.8	73.8
KRX	73.4	63.2	113.2	79.1
B3	72.1	56.8	34.9	-38.5
NSE	**26.0**	**23.7**	**22.5**	**-5.3**
DBAG	7.4	5.1	10.4	104.3
TAIFEX	3.7	3.4	8.0	135.5
PSE	3.8	5.2	6.0	15.9
Athens	0.4	0.6	1.3	104.0
TFEX	1.9	1.3	2.7	114.9
BME	0.5	0.7	0.7	-1.5

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 152: Number of contracts traded (cr) traded in Stock options of top-ranked exchanges*

Exchange	H1FY25	H1FY26	H1FY27	% YoY
TSE	92.8	217.4	778.9	258.3
Nasdaq	99.1	119.7	132.1	10.3
CBOE Global	72.1	100.6	106.8	6.2
NYSE	69.3	79.6	97.9	22.9
NSE	**82.2**	**85.0**	**90.3**	**6.3**
MIAX	46.6	67.6	73.9	9.4
B3	70.2	68.0	67.2	-1.1
ISE	40.1	52.9	53.4	0.8
KRX	7.6	5.7	10.2	80.5
HKEX	8.9	10.5	10.8	2.6

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 153: Number of contracts traded (cr) in Index futures of top ranked exchanges*

Exchange	H1FY25	H1FY26	H1FY27	% YoY
B3	223.4	183.4	215.5	17.5
CME Group	69.7	71.0	85.9	21.0
DBAG	20.8	17.6	17.6	-0.1
JPX	22.0	17.3	21.5	24.5
SGX	8.0	8.6	9.2	7.8
TAIFEX	7.6	6.7	11.1	65.1
CFFEX	4.9	6.4	7.6	18.1
KRX	5.7	5.5	7.0	27.9
HKEX	6.8	6.6	7.3	10.1
BIST	2.8	3.5	4.1	18.1

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 154: Number of contracts traded (cr) in Index options of top ranked exchanges*

Exchange	H1FY25	H1FY26	H1FY27	% YoY
NSE	**6,397.7**	**1,543.6**	**1,791.9**	**16.1**
CBOE Global	52.4	60.2	77.2	28.3
CME Group	20.4	16.7	18.3	9.5
DBAG	20.4	16.4	16.1	-2.3
KRX	35.6	31.8	7.7	-75.8
TAIFEX	10.6	8.3	6.6	-20.4
CFFEX	3.5	5.0	6.6	31.9
Nasdaq	0.7	1.0	1.3	31.1
HKEX	1.8	1.3	1.5	15.6
JPX	1.6	1.4	1.2	-16.3

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 155: Number of contracts traded (cr) in Currency futures of top ranked exchanges*

Exchange	H1FY25	H1FY26	H1FY27	% YoY
B3	38.8	40.1	32.4	-19.3
CME Group	13.2	11.5	11.8	2.8
BUE	-	-	16.6	-
KRX	7.0	6.8	13.1	92.1
BIST	2.8	3.4	8.3	147.6
NSE	**7.7**	**4.2**	**7.7**	**83.7**
SGX	3.0	4.0	5.7	41.4
JSE	2.2	2.8	2.4	-16.3
BMV	0.3	0.7	0.9	25.1
HKEX	1.3	1.4	0.9	-34.3

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 156: Number of contracts traded (in lakhs) in Currency options of top ranked exchanges*

Exchange	H1FY25	H1FY26	H1FY27	% YoY
JSE	117.4	192.5	96.35	-50.0
BIST	9.5	31.3	80.77	158.1
TASE	49.4	51.8	57.20	10.4
CME Group	56.8	63.4	65.80	3.8
NSE	**202.8**	**6.6**	**4.34**	**-34.0**
TFEX	-	-	0.79	-
BUE	-	-	0.28	-
SGX	0.1	0.7	0.47	-36.8
BET	0.7	0.1	0.25	92.2
MX	0.3	0.5	0.46	-13.3

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27.

Table 157: Number of Total New Listings in IPO of top ranked exchanges *

Exchange	H1FY25	H1FY26	H1FY27
BSE	77	118	150
NSE	**147**	**122**	**109**
HKEX	33	51	76
NYSE	22	37	46
Nasdaq	61	83	42
KLSE	26	26	31
ASX	14	17	27
BIST	22	1	22
KRX	32	30	24
SSE	13	16	21

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27. The new listings data for NSE excludes REITs.

Table 158: Global share of Total New Listing in IPO of top ranked exchanges *

Exchange	H1FY25	H1FY26	H1FY27
BSE	13.3%	20.7%	25.5%
NSE	**25.5%**	**21.4%**	**18.5%**
HKEX	5.7%	8.9%	12.9%
NYSE	3.8%	6.5%	7.8%
Nasdaq	10.6%	14.5%	7.1%
KLSE	4.5%	4.6%	5.3%
ASX	2.4%	3.0%	4.6%
BIST	3.8%	0.2%	3.7%
KRX	5.5%	5.3%	4.1%
SSE	2.3%	2.8%	3.6%

Source: WFE monthly statistics, NSE EPR
Note: The data has been sorted based on H1FY27. The new listings data for NSE exclude REITs. The global share has been calculated after excluding the overlaps between NSE and BSE.

Table 159: Top 10 global exchanges in terms of number of fund raising ($ bn) through IPOs

Exchange Name	FY24	FY25	FY26	FY27TD
Nasdaq - US	12.5	17.1	21.9	126.0
Hong Kong Exchanges and Clearing	5.7	13.1	48.5	35.5
NYSE	11.2	15.6	26.5	15.4
Shanghai Stock Exchange	24.8	3.3	12.4	14.4
BSE India Limited	7.6	19.5	20.4	12.9
Shenzhen Stock Exchange	17.2	4.3	5.6	10.1
National Stock Exchange of India	9.6	20.1	20.1	7.6
Japan Exchange Group	4.3	9.0	5.5	1.3
Nasdaq Nordic and Baltics	0.2	2.0	5.7	0.9
ASX Australian Securities Exchange	0.9	2.0	5.9	-

Source: WFE monthly statistics, NSE EPR. Data for FY27TD is as of Sep 2026.

* 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.

8 Contract size matters: Evidence from global exchanges

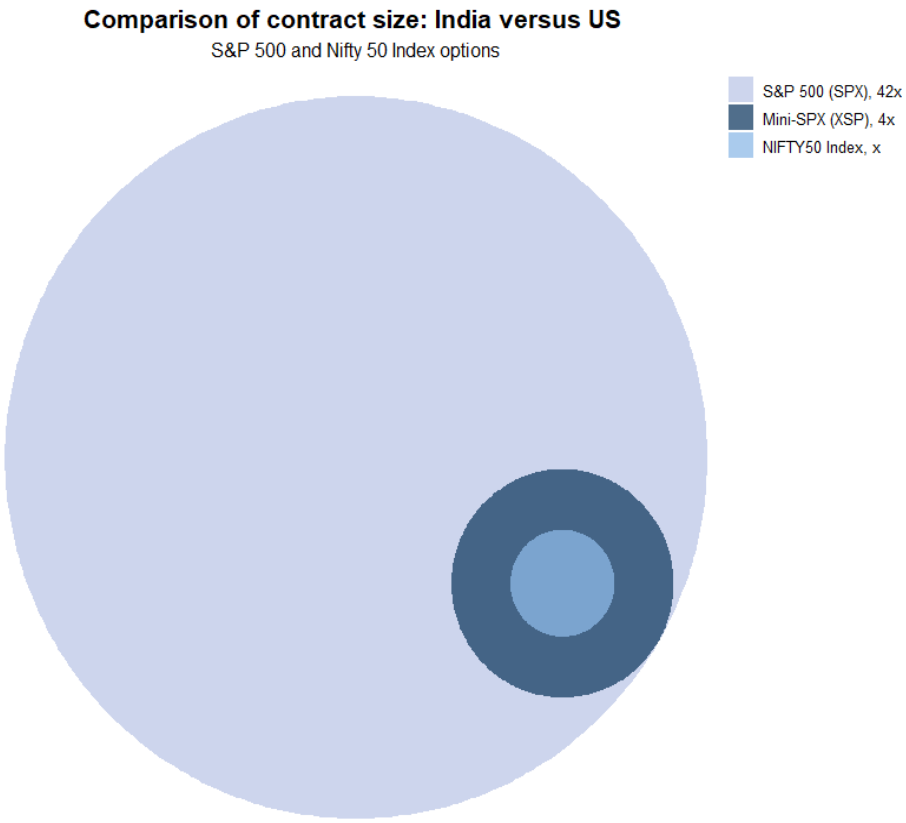
The NSE has remained the top derivatives exchange in the world since 2019 in terms of the number of contracts traded. Despite SEBI's regulation in 2025, 3,696 crore contracts traded across equity and index futures and options in FY26, implying 51.3% of the global total. However, this dominance in contract 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 4.2 x the US in terms of contracts traded between January-October 2026, but only 19.7% of the value.

Table 160: 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 October 31st, 2026)	7,580	7,580	23,053
Notional value*	$758,007	$75,800	$18,228

Source: CBOE, NSE. * Calculated as Index level * contract size.

Figure 480: Comparison of contract size of S&P 500 and Nifty 50 Index options



Source: OCC, NSE.

Figure 481: Total options turnover: India vs. US

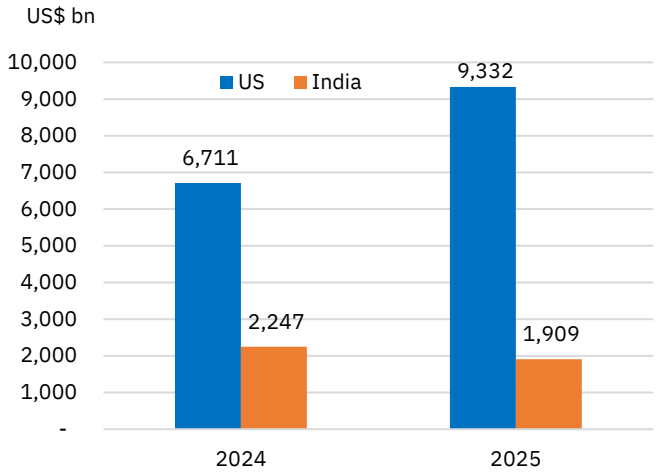
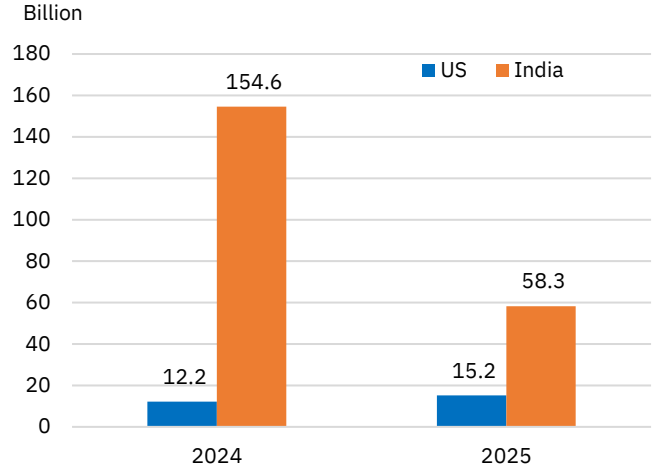


Figure 482: Total options contracts traded: India vs. US



Source: OCC, NSE, BSE.

Figure 483: Monthly trends in total options turnover: India vs. US

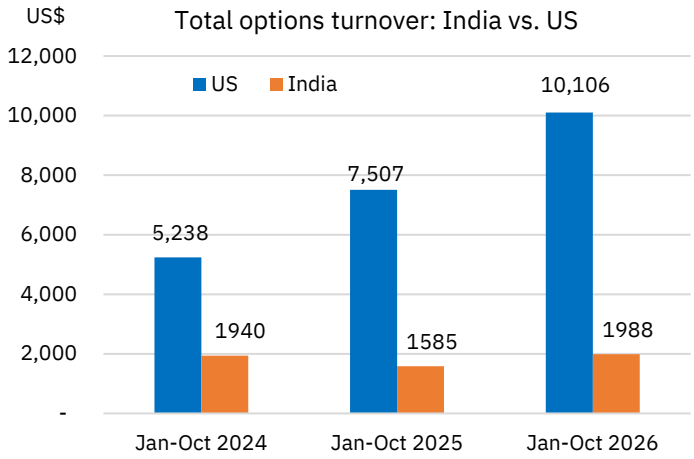
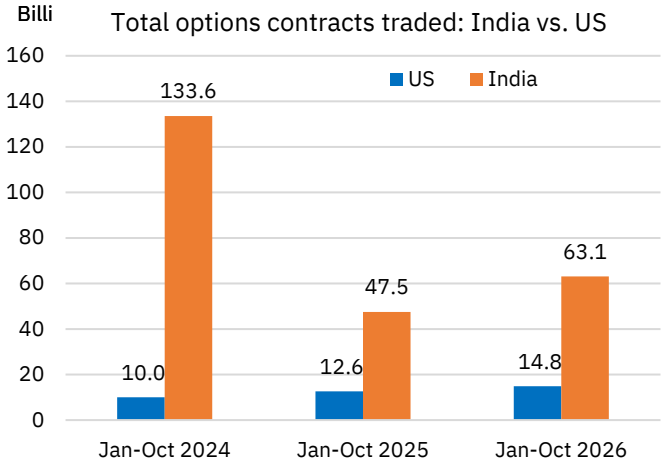


Figure 484: Monthly trends in total options contracts traded: India vs. US



Source: OCC, NSE, BSE.

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 October 31st, 2026, a single lot of the S&P 500 (SPX) index option had a notional value of around ~US$758,007. Even the mini-SPX contracts—sized at one-tenth—carry a notional value of US$75,800. That makes one US SPX contract over 42 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.

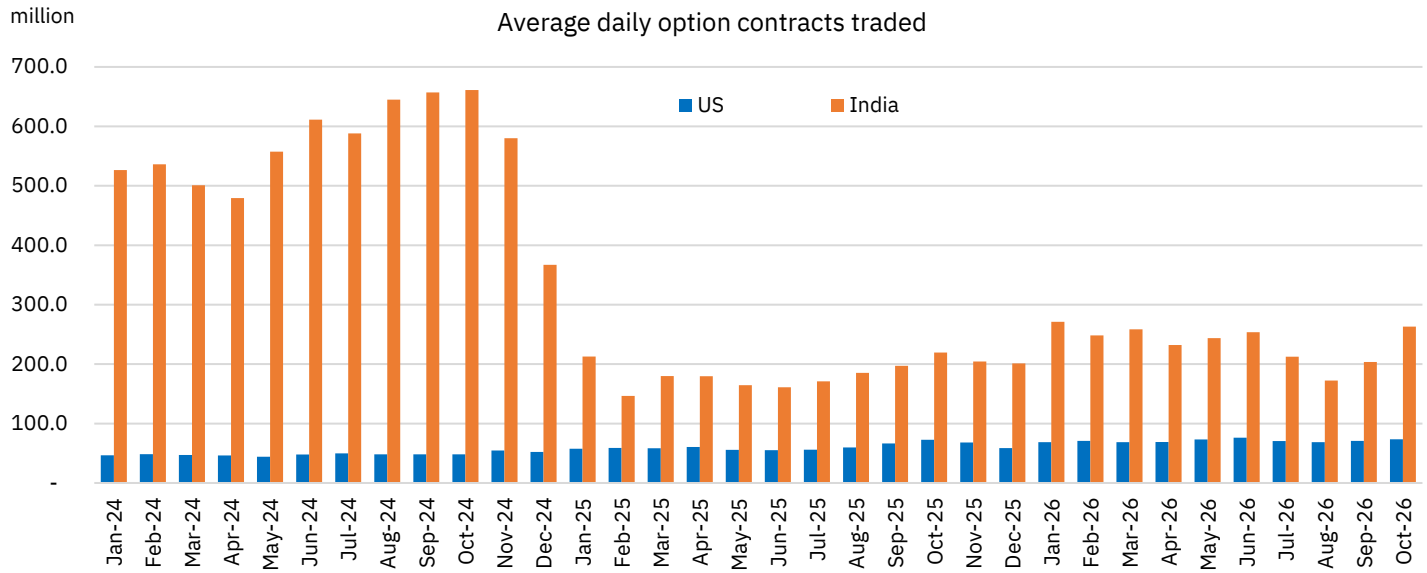
India's options market is a fraction of the US market in terms of premium turnover: Between Jan-October 2026, Indian exchanges (NSE, BSE) trade over 4.2x that of the exchange-traded options in the US, i.e., options with underlying as stocks, indexes and ETFs (cleared on Options Clearing Corporation). In terms of premium turnover, however, Indian options market was close to 19.7% 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 161: Exchange-wise options volume and premium traded in the US during Jan-Oct 2026

Exchanges	Total Premium turnover during Jan-Oct 2026(USbn)				Total contracts traded during Jan-Oct 2026(m)			
	Equity	Index	ETF	Total	Equity	Index	ETF	Total
AMEX	423	1	200	624	660	0	799	1,460
ARCA	542	0	159	702	891	0	499	1,390
BATS	182	3	51	236	323	1	193	516
BOX	488	-	110	598	465	-	316	781
C2	84	6	38	128	187	3	167	357
CBOE	603	3,503	479	4,585	846	1,294	694	2,835
EDGX	137	-	73	210	340	-	371	712
EMLD	118	-	45	163	239	-	183	422
GEM	63	5	54	122	171	0	274	445
ISE	317	68	106	492	475	11	390	876
MCRY	88	-	52	140	213	-	302	515
MEMX	130	-	44	174	289	-	233	522
MIAX	300	-	125	424	558	-	557	1,115
MPRL	60	-	28	88	151	-	152	303
NOBO	23	-	13	36	71	-	102	173
NSDQ	95	-	41	135	220	-	200	420
PHLX	785	88	179	1,052	987	11	523	1,521
SPHR	134	-	58	192	247	-	228	475
MXTO	2	-	0	2	4	-	3	7
IEX	1	-	0	1	2	-	1	3
US total	**4,576**	**3,675**	**1,855**	**10,106**	**7,338**	**1,320**	**6,188**	**14,846**
India	171	1,817	-	1,988	1,540	61,540	-	63,080
Indiavs.US	4%	49%		20%	21%	4661%		425%

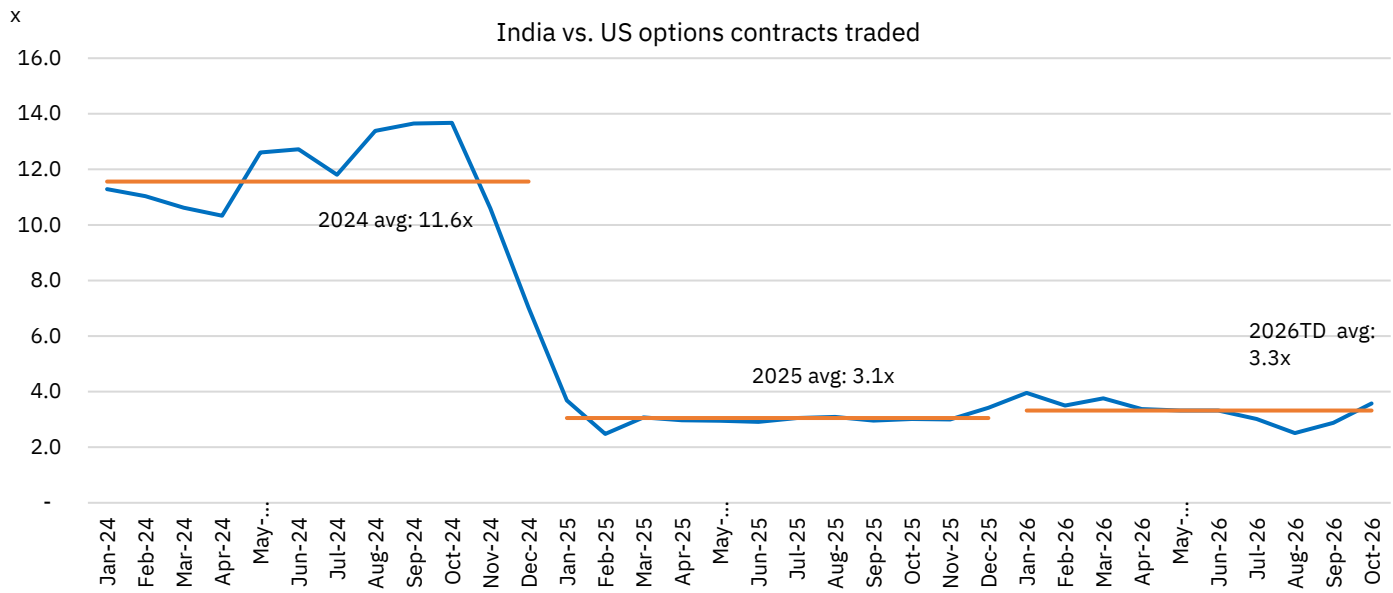
Source: OCC, NSE, BSE.

Figure 485: Monthly trend of average daily options contracts traded in the US and India



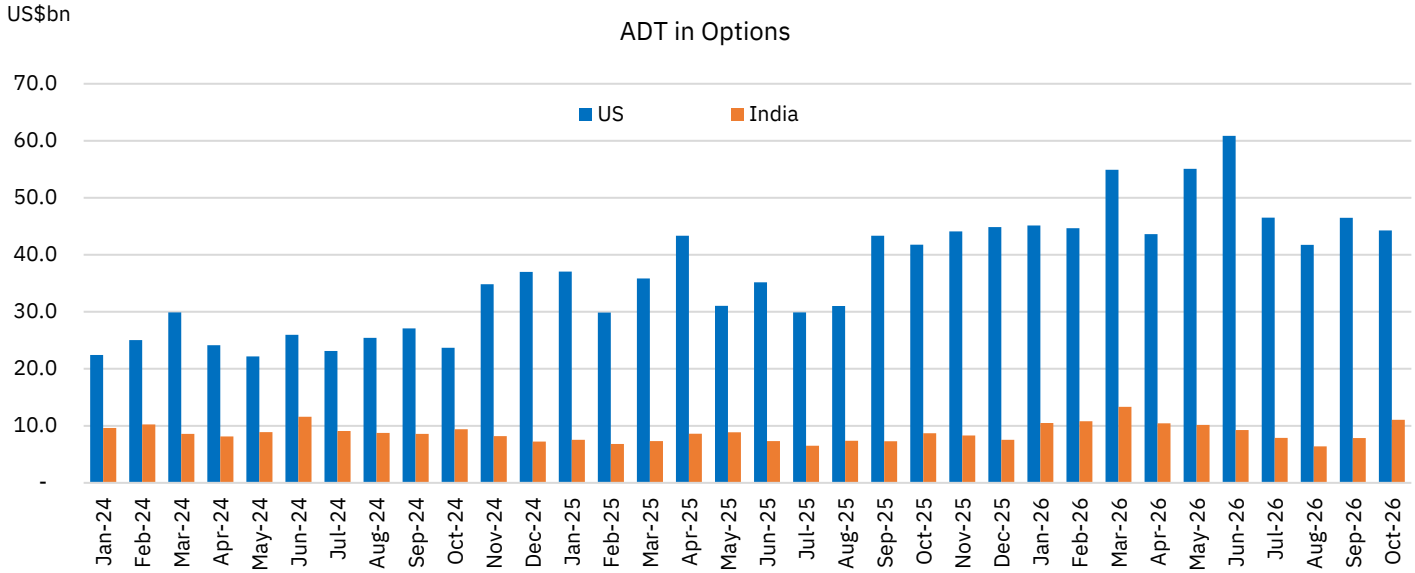
Source: OCC, NSE, BSE.

Figure 486: Monthly trend of the ratio of India and US options contracts traded



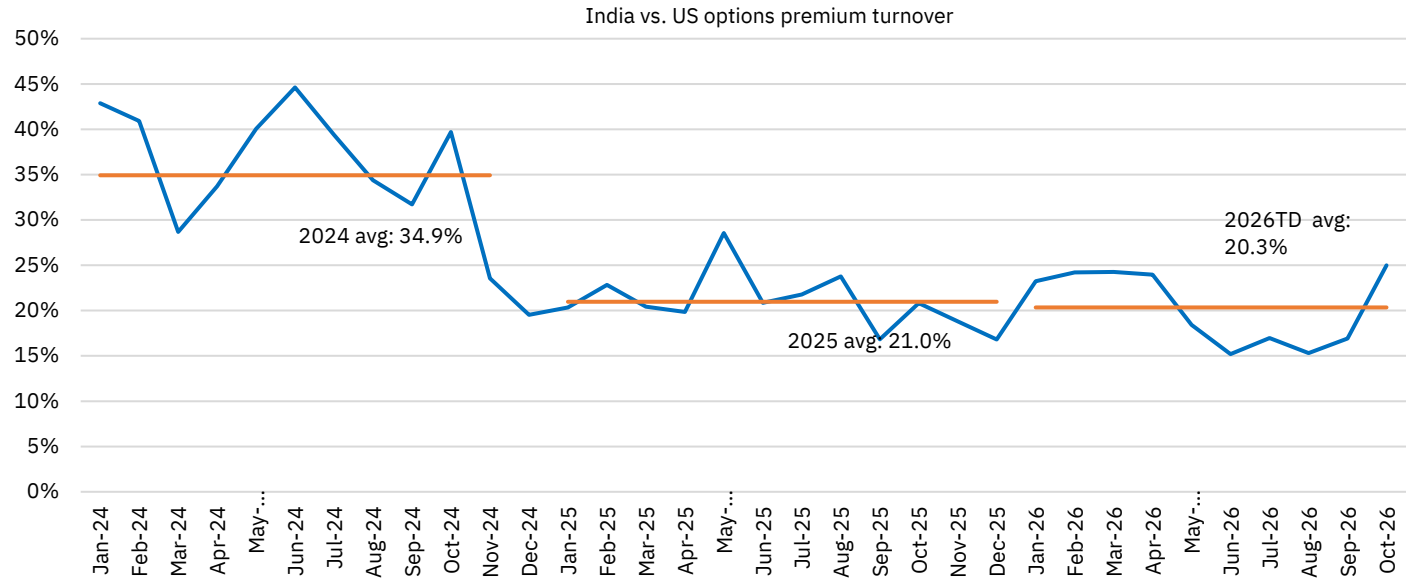
Source: OCC, NSE, BSE.

Figure 487: 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 488: 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

9 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.

10 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 Entitites	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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