NSE

MARKET PULSE

A monthly review of the Indian economy and markets

August 2025 | Volume 7, Issue 8

Market Pulse

Volume 7, Issue 8

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

Authors

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

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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

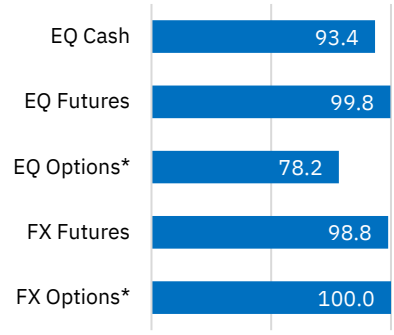
NSE's global positioning (FY25)

1	Largest multi-asset class exchange
3	Third largest equity exchange (No. of trades, 17.1% share in FY25*)
1	Largest derivatives exchange (No. of contracts traded, 77.1% share in eq. F&O)
7	Market capitalization*

* Source: WFE, as of June 30th, 2025

Domestic market share

Three-month rolling share (%)



* Based on premium turnover
** As of July 31st, 2025

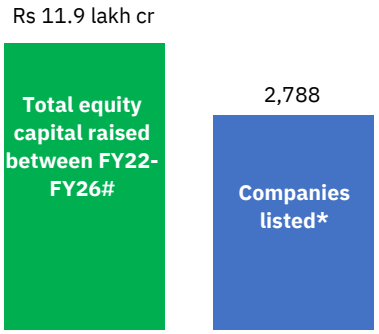
Reach

1,307	Trading members
99.85%	Pin codes covered
11.8 Crore	Unique registered PANs
US$101.9 bn*	Total passive AUM tracking Nifty indices
US$5.1trn	Market capitalisation of NSE listed cos.

As of July 31st, 2025, unless specified otherwise; *As of June 30th, 2025.

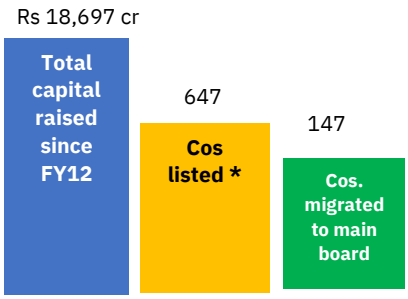
NSE's contribution to the economy

Catalyst for capital formation



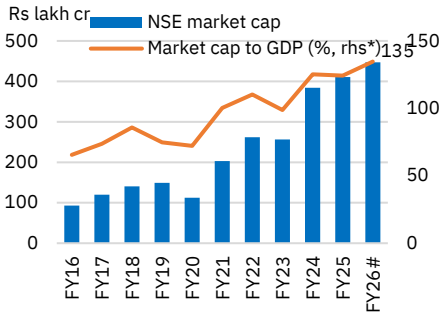
*Includes companies listed on NSE Emerge
#As of July 31sth, 2025

Dedicated MSME platform



* Data includes companies that are migrated to Mainboard

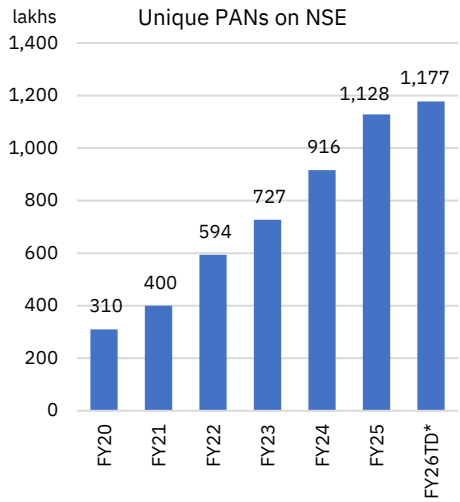
Market capitalisation



* Market cap to GDP is based on 3M avg. market cap and nominal GDP for the last four quarters. #As of July 31st, 2025

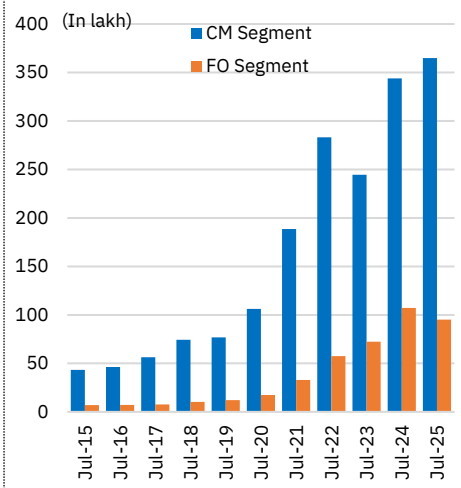
Investor growth

Unique investor base



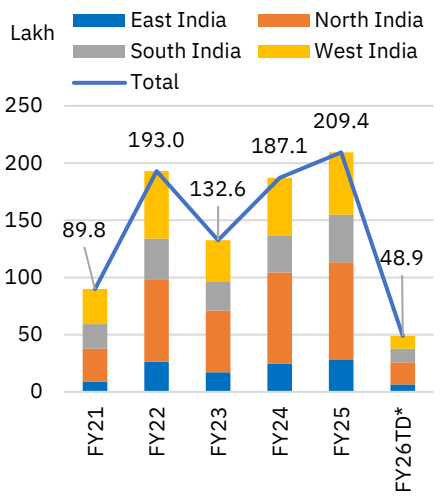
* As of July 31st, 2025

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 from August to July

New investor registrations

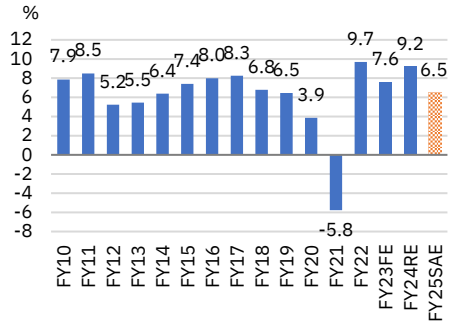


The top five states (UP, MH, GJ, TN, WB) accounted for 45.5% of new investor registrations in Jul'25. (FY26TD* denotes data till Jul'25)

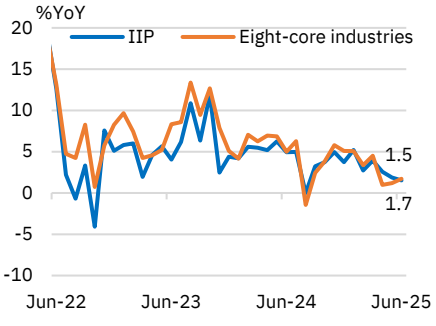
Key macro charts

Growth outlook robust

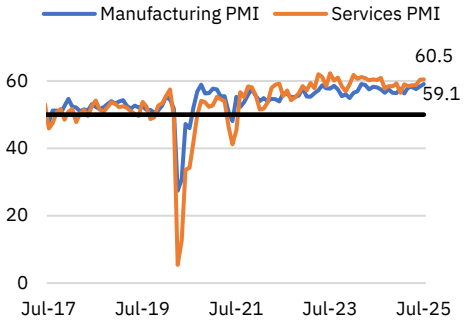
Annual GDP growth



Industrial activity muted

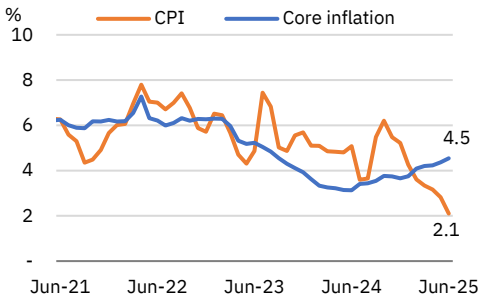


PMI in the expansion zone

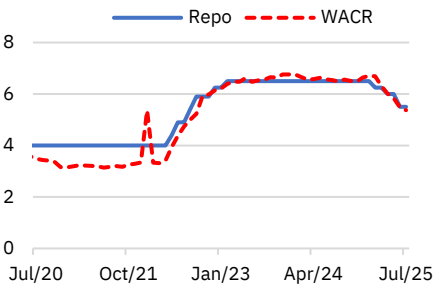


Inflation at over six-year low; RBI to remain data-dependent on rates

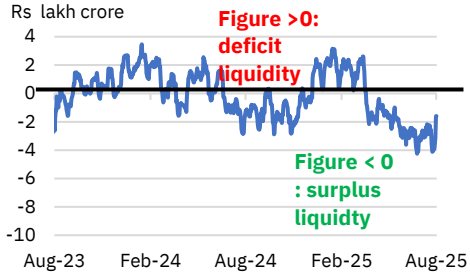
Inflation below RBI's target



WACR near the SDF rate

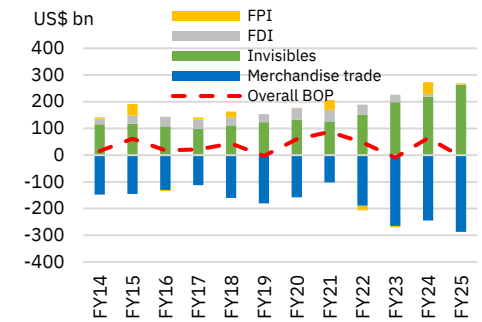


Liquidity moves into surplus

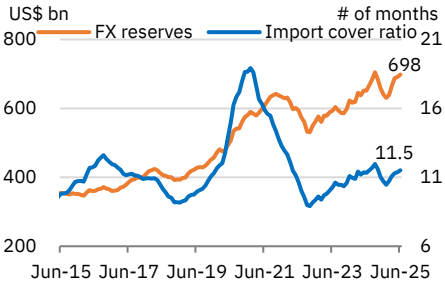


External situation comfortable; forex reserves around the US$700bn-mark in July

Overall BOP

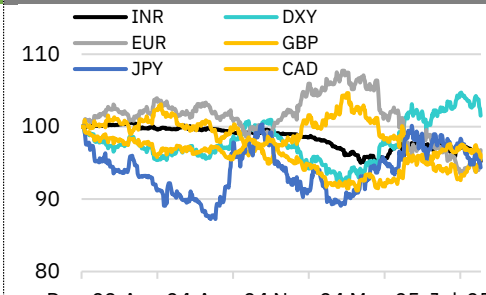


Forex reserves



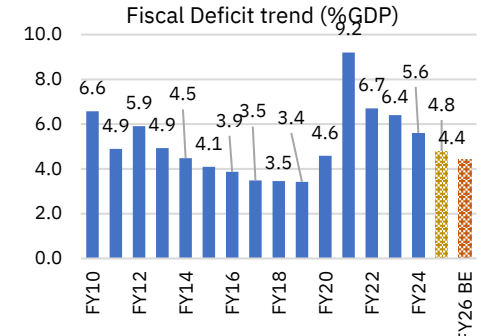
Note: FX reserves as of July 25th, 2025

Rupee volatility contained

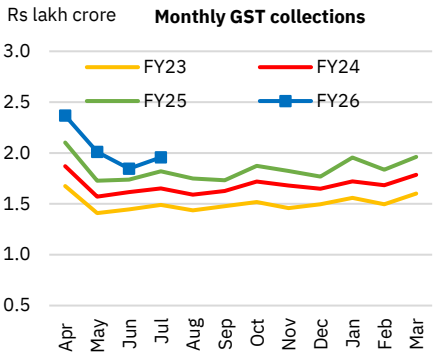


Fiscal prudence but with higher capex

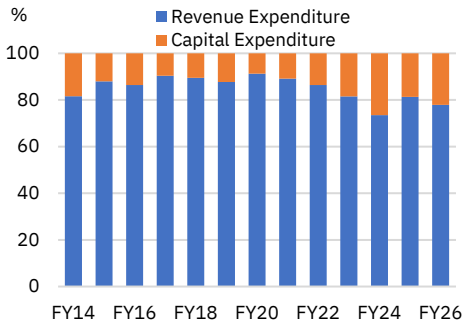
Fiscal consolidation underway



GST collections robust



Share of capex rising



Data for FY26 is for the period Apr'25 to Jun'25

Key market charts

Performance across asset classes

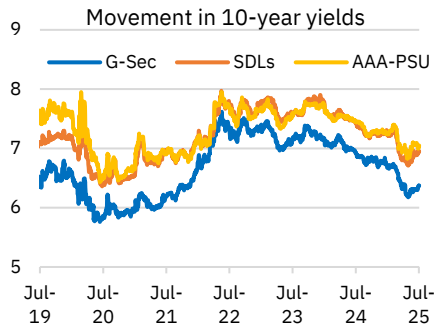
Equity

Returns of key equity indices (%)

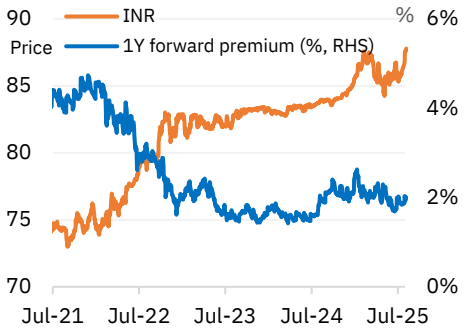
Indices	1M	6M	1Y
Nifty 50	**-2.9**	**5.4**	**-0.7**
Nifty 50 USD	**-5.0**	**4.2**	**-4.7**
MSCI World	1.2	6.2	14.1
MSCI EM	1.7	13.7	14.6
S&P 500	2.2	5.0	14.8
Euro Stoxx 50	0.3	0.6	9.2
FTSE 100	4.2	5.3	9.1

* As of July 31st, 2025.

Fixed income

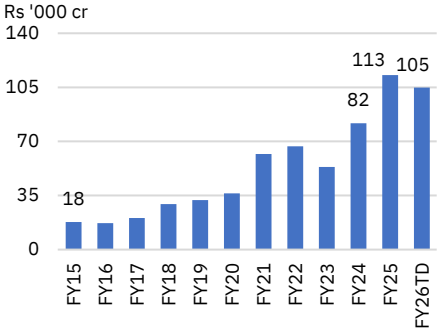


Currency

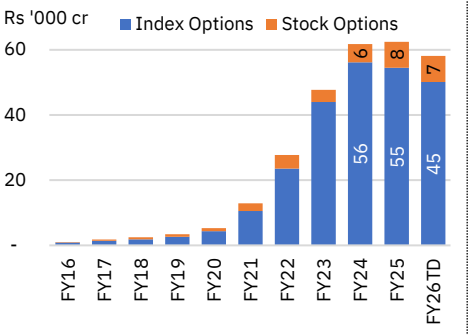


Segment-wise turnover trend

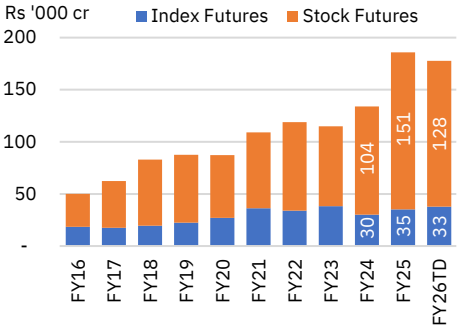
ADT in NSE's CM segment



ADT in Equity options (premium)



ADT in Equity futures



* FY26TD is as of Jul 31st, 2025

Market activity

Category-wise gross turnover and share in FY26

Client category	CM		Equity options#		Equity futures	
	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)
Corporates	654	3.7	192	2.2	1,780	6.6
DIIs	2,400	13.6	13	0.1	3,009	11.2
FIs	2,643	15.0	718	8.2	7,185	26.7
Individuals	6,099	34.6	3,135	35.7	4,798	17.8
Others	753	4.3	192	2.2	1,269	4.7
Prop	5,063	28.7	4,527	51.6	8,913	33.1

Based on premium turnover * FY26 data is as of July 31st, 2025

Average daily open interest

Instruments	Jul-25		Jun-25	
	Contracts (in '000)	Value (Rs crore)	Contracts (in '000)	Value (Rs crore)
Index Futures	331	63,087	329	60,355
Stock Futures	6,847	4,73,039	7,056	4,62,425
Index Options	6,910	13,14,376	7,300	13,46,304
Stock Options	4,848	3,35,089	4,708	3,08,390

Note: Notional value is presented here

Category-wise net inflows into Indian equities

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
In Rs crore													
FPIs	1,13,136	97,069	17,946	20,493	49,234	-34,252	1,01,111	1,70,260	24,004	-1,21,439	1,71,107	427	-95,641
DIIs	-73,052	-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	4,18,514
Individuals#	-22,000	-30,100	-8,243	-26,382	-37,988	-8,523	-25,280	52,897	1,42,755	88,376	5,243	1,65,810	10,521
In US$bn													
FPIs	20.1	16.1	3.2	3.2	7.5	-4.6	14.4	23	3.8	-16.5	20.7	0.1	-10.9
DIIs	-12.8	-4.8	10.4	5.2	14	16	6	-4.8	12.6	35.7	22	63	48.6
Individuals#	-3.8	-4.9	-1.3	-3.9	-5.8	-1.4	-3.6	7.1	19.3	11.7	0.6	19.8	1.2

*As of Jul 31st, 2025. # Data for individuals include net flows on NSE in the secondary market only. Individuals include individual /proprietorship firms, HUF and NRI.

NSE

NSE Research Initiative 2.0

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

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

Process

Sample research areas:

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

Grant opportunities:

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

Application:

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

What's in store for you?

Guidance:

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- Best paper awards

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- Present your findings at conferences and/or NSEmanagement
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- Final working papers to form part of NSE's Working Paper series

Proposals invited from academia, think tanks, and research institutions.

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To know more, scan the **QR code** or visit

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Call for Submissions

NSE Best Thesis Award for Financial Economics

Research in financial markets is vital to India's growth as it drives informed policy, efficient capital allocation, and market development. In this spirit, the Best Thesis Award in Financial Economics has been established by the National Stock Exchange of India (NSE), in collaboration with Indian Economic Association (IEA), to encourage research and promote the development and dissemination of advanced theories and best practices in the domain of capital markets

The NSE award will be presented to the best PhD. thesis in financial economics with special reference to capital markets in India submitted by a recent Indian PhD graduate (year of graduation: 2025) from an Indian University or an Indian Economic Institute.

The award comprises a certificate of merit and a cash price of Rs. 50,000/-. NSE invites PhD scholars across the country for their submissions. A copy of the thesis must be submitted latest by October 30th, 2025 to the Joint Secretary, IEA. The results will be declared by a Committee constituted by the IEA President at the 108th Annual IEA Conference.

Date and Venue of the IEA Conference:
December 27-29th, 2025 | VELS University, Chennai, Tamil Nadu

Contact:

Dr S. Narayanan
Joint Secretary & Chief Coordinator, Indian Economic Association
Assistant Professor, P.G. & Research Department of Economics,
Dwaraka Doss Goverdhan Doss Vaishnav College, Chennai.
Tamil Nadu.
Mob: 9884513004
E.Mail: narayanan.econ@gmail.com

To apply, please send your submissions to narayanan.econ@gmail.com with a copy to nseri@nse.co.in

Executive Summary

National priorities, shared prosperity

Equity ownership is a long-term driver of household wealth, yet in most economies—including India—participation remains far from universal. This month's edition of *Market Pulse* builds on July's focus on the individual investor by examining how ownership patterns shape wealth creation, life-cycle consumption, and economic resilience. Drawing from both our 25-year empirical series on Indian markets and three decades of international research, we find a clear message: sustained equity market growth materially increases household net worth where participation exists, but the benefits are concentrated when ownership is narrow.

Global evidence—from Mankiw & Zeldes (1991)[1] through Peltonen et al. (2009)[2]—shows that wealth effects on consumption are almost entirely confined to stockholders, with muted aggregate impact when participation is low. In the Indian case, our quarterly report on ownership patterns validates this mechanism: over 25 years, equity market gains have had a tangible effect on household wealth for participating investors. Policy implications are direct—lower barriers, embed equities in long-term savings vehicles, and expand affordable access to shift equities from a niche asset to a mainstream driver of prosperity.

Today, Indian households own nearly a fifth of the Rs440 lakh crore (~US$5 trillion) market. More important than the aggregate value is the rapid increase in participation, reflecting both the success of India's equity culture and the urgency of maintaining it through policy support. Without broader ownership, equity gains will remain concentrated; with it, they can underpin inclusive wealth creation and long-term macroeconomic resilience. For emerging economies like India, reforms that lower entry costs, broaden institutional access, and mitigate income–equity risk correlation are essential to making capital markets a foundation for household prosperity.

Our *Story of the Month,* "Who owns India Inc.?" is anchored in this ownership theme and highlights trends of broadening equity participation and its role in wealth creation. Promoter holdings in NSE-listed companies fell for the fourth straight quarter to 50%. Overall FPI ownership dropped to a 13.5-year low of 17.3%, though large-cap exposure in the Nifty 50 rose to a six-quarter high of 24.5%, reflecting a preference for stability amid global uncertainty.

Thanks to sustained buying, domestic mutual funds reached a record 10.6%, widening their lead over FPIs for a second consecutive quarter—a milestone last seen in 2003. Direct individual holdings rose to 9.6%, lifting total household ownership to a record 18.5% and household equity wealth to ~Rs84.7 lakh crore, up ~Rs9 lakh crore in Q1FY26. Diverging sector allocations between FPIs and DMFs, alongside mid- and small-cap outperformance, underline the growing influence of domestic investors in sustaining market depth and economic resilience. July was a record-breaking month for the Mutual Fund (MF) industry, SIPs at over Rs28,000 crore, monthly NFOs at Rs30,000 crore, equity inflows of over Rs42,000 crore and lastly, the AUM across equity and debt crossing the Rs 75 lakh crore milestone.

Beyond the takeaways, the report also places the Indian experience in the context of international research milestones. Our Insights section this month distils nine landmark studies—spanning 1991 to 2018. These range from Mankiw & Zeldes (1991) (equity–consumption linkages concentrated among stockholders.), Haliassos & Bertaut (1995)[3] (life-cycle model incorporating fixed participation costs and background risk) and Campbell (2006)[4] (synthesis of household finance and policy levers) to Balestra & Tonkin (2018)[5] (extreme concentration limits macro impact)—on

[1] Mankiw, N. G., & Zeldes, S. P. (1991). The consumption of stockholders and nonstockholders. *Journal of Financial Economics, 29*(1), 97–112. https://doi.org/10.1016/0304-405X(91)90015-C

[2] Peltonen, T. A., Sousa, R. M., & Vansteenkiste, I. S. (2009). Wealth effects in emerging market economies. *ECB Working Paper Series, No. 1000.* European Central Bank. https://doi.org/10.2139/ssrn.1514775

[3] Haliassos, M., & Bertaut, C. C. (1995). Why do so few hold stocks? *The Economic Journal, 105*(432), 1110–1129. https://doi.org/10.2307/2235407

[4] Campbell, J. Y. (2006). Household finance. *The Journal of Finance, 61*(4), 1553–1604. https://doi.org/10.1111/j.1540-6261.2006.00883.x

[5] Balestra, C., & Tonkin, R. (2018). Inequalities in household wealth across OECD countries: Evidence from the OECD Wealth Distribution Database. *OECD Statistics Working Papers, 2018/01.* OECD Publishing. https://doi.org/10.1787/18152031

household equity participation and wealth effects across developed and emerging markets. Together, they illustrate that wealth gains from equities are largely confined to stockholders and participation barriers are persistent. Importantly, they also show from a policy perspective that broader access through savings vehicles and cost reduction through embedding equities in pension and savings systems, expanding access to low-cost diversified vehicles, and reducing participation frictions can transform markets into engines of inclusive growth. Without such measures, household balance sheets will remain dominated by housing, and the link between market performance and broad-based welfare will stay weak.

Across these studies, another pattern is consistent: equities deliver superior long-term returns, but ownership remains skewed toward wealthier, better-educated groups. This not only constrains wealth-building potential but also mutes the macroeconomic benefits of rising markets. The policy case for widening sustained participation is therefore compelling, particularly in economies where institutional access is still developing.

The topical macro backdrop this month sharpens the importance of that message. It reminds us that a broad and stable domestic investor base is critical when external shocks hit. The United States has announced tariffs on Indian imports at 50%—the highest in the world alongside Brazil—introducing fresh uncertainty for both the economy and markets. The final outcome will hinge on several factors, including the upcoming US–Russia summit and stalled trade talks. Until there is a breakthrough, short-term solutions are scarce. Medium-term responses such as diversifying trade partners, improving ease of doing business, and strengthening domestic markets are necessary but may not bring immediate relief, and could invite reciprocal measures. The present situation, however, is also an opportunity: to strengthen competitive market forces on a level playing field and realign supply chains to optimal geographies.

So far in 2025, global trade has been marked by rapid tariff swings, temporary truces, fresh disputes, and sudden executive orders. US tariffs on China surged five-fold before easing; India's rose from 25% to 50% within a week, partly due to its Russian oil imports. US merchandise trade with India, at US$132 billion, now faces pressure, with over 60% of India's US exports—about 10% of total exports—hit by the 50% duty, though the macro impact is small, as India's exports to US account for ~2.2% of GDP. Other Asian economies have gained cost advantages, particularly in textiles and gems.

Global markets have responded unevenly: equities rose in Korea, China, and India (up 5% since January), but lagged in the UK and US. Bond yields fell in India and the US, surged in Japan; most major currencies strengthened on US dollar weakness. Gold and silver rallied, while Brent crude fell 15%, underscoring the uncertainty of the evolving trade order. Higher tariffs in the world's largest consumer market will affect companies differently depending on size and market power. MSMEs may struggle to pass on higher costs, potentially requiring near-term fiscal support—mobilised in part through Indian household savings.

From a capital flows perspective, the shifting trade environment is already influencing global portfolio allocations and currency markets. Net FDI flows remain below pre-pandemic norms, with tax haven routes distorting headline data. The Indian rupee, down 2.5% since May, has moved broadly in line with peers, supported by strong forex reserves and steady inward remittances—highlighting how a large, stable domestic equity investor base can cushion against foreign sentiment swings.

Continuing our macro view, the global economy has shown "Teflon-like" resilience, avoiding recession despite multiple shocks. The IMF's July 2025 forecasts were upgraded to 3%/3.1% for 2025/26. India remains the fastest-growing major economy, with FY26 growth at 6.4%, while China's 2026 forecast rose to 4.8% on tariff cuts. US growth stayed strong at 3% in Q2, though June CPI edged up to 2.7%, payroll gains slowed, and markets expect 2–3 Fed rate cuts by year-end.

India's macro backdrop is stable: GST collections near Rs2 lakh crore, PMI strengthened, inflation eased to 2.1%, reserves neared US$700 billion, and agriculture prospects remain favourable. However, bank credit trails deposits,

industrial and vehicle sales softened, and the rupee weakened modestly. The RBI kept its FY26 GDP forecast unchanged at 6.5%, signalling readiness to counter tariff risks.

On the market front, global equities advanced in July, supported by tariff clarity, strong earnings, and AI optimism. Developed markets rose 1.2% in July, emerging markets outperformed with a 17.2% YTD gain. Indian equities underperformed: Nifty 50 fell 2.9% in July and 1.6% in early August amid weak earnings, FPI outflows, and penalty tariffs. Bond yields were range-bound; the curve steepened slightly.

Fund mobilisation in July was Rs1.7 lakh crore (–8% MoM), with equity fundraising surging to Rs62,000 crore. Thirteen mainboard IPOs raised Rs24,559 crore, led by HDB Financial Services' Rs12,500 crore issue. Investor participation fell sharply: compared to October 2024, total participating investors dropped 11% in July 2025, with the lowest turnover bracket (<Rs10,000) losing 6.1 lakh investors. Transaction sizes below Rs10 lakh saw participation fall by 16 lakh, bringing the FY26 monthly average to ~1.2 crore—well below last year's 1.4 crore.

The ability of Indian corporates to raise capital—domestically and internationally—on a sustained basis is central to the growth story. Broader household participation strengthens that ability, cushions against external volatility, and turns capital markets into an engine of inclusive growth.

In a month when tariff shocks dominate headlines, our analysis underscores the deeper structural imperative: expanding equity ownership is not only a household-level opportunity but well-nigh a national economic priority. As we close this three-month arc—from June's focus on national priorities, through July's spotlight on individual responsibility, to August's emphasis on shared prosperity—the thought process is clear: in a VUCA[6] world, resilient economies are built when national policy, institutional capacity, and household participation move in tandem. Sustained and responsible equity ownership helps link market growth into enduring, broad-based wealth.

On that note, we present the August 2025 edition of *Market Pulse*. As always, we welcome comments and suggestions.

Tirthankar Patnaik
Chief Economist

[6] Volatility, Uncertainty, Complexity, Ambiguity

Table of Contents

List of Figures

List of Tables

Story of the month

Who owns India Inc.? – DMFs at new highs, FPIs remained on sidelines

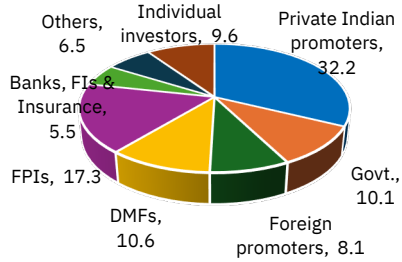
The June'25 edition of our flagship quarterly report "India Inc. Ownership Tracker",[7] continues to provide comprehensive analysis of ownership trends in NSE-listed companies, investment behaviour, and the evolving profile of household wealth. The report also takes a closer look at portfolio concentration across investor categories, offering deeper insights into diversification and allocation dynamics. Key takeaways include:

1) Promoter ownership fell for the fourth quarter in a row to 50.0% in NSE-listed companies in Jun'25.
2) Despite net positive inflows, FPI[8] (foreign portfolio investors) ownership in the NSE listed companies declined to 17.3%—the lowest in the last 13.5 years but saw an uptick in the Nifty 50 companies to a six-quarter high of 24.5%, suggesting a preference for large-cap exposure amid elevated global uncertainty.
3) DMF (domestic mutual funds) share rose to a new record high of 10.6% (Active: 8.6%, Passive: 1.9%), thanks to sustained buying aided by robust SIP inflows; Domestic institutional investors'[9] ownership remained ahead of FPIs for the second quarter in a row, with the gap widening further—a milestone last achieved in 2003.
4) Direct ownership of individual rose modestly to 9.6% in the listed universe; Individuals, both directly and through mutual funds, now own 18.5% of the market, up 30bps QoQ.
5) Based on our estimates, household equity wealth rose by ~Rs 9 lakh crore in Q1FY26, taking total gains since Apr'20 to ~Rs 56 lakh crore; the current holding stands at ~Rs 84.7 lakh crore (5/10Y CAGR: +33.3%/21.5%).
6) FPIs strengthened their outsized OW[10] bet on Financials, turned incrementally positive on Communication Services, maintained caution on consumption and commodity sectors namely Consumer Staples, Energy and Materials, and maintained a negative stance on Industrials.
7) Contrary to FPIs, DMFs slightly trimmed their OW stance on large-cap Financials, tapered their negative bias on Consumer Staples, and turned incrementally positive on Materials and smaller Consumer Durable stocks.
8) The share of Nifty50/top decile companies in the institutional and individuals' portfolios fell in Q1 FY26, after a sharp rise in Q4FY25, reflecting renewed outperformance by mid- and small-cap stocks during the quarter.

Promoter share fell further in the June quarter: Promoter ownership in the NSE-listed and Nifty 500 declined for the fourth straight quarter, falling 13bps and 27bps QoQ to a nine- and 22-quarter low of 50.0% and 49.3% respectively, primarily led by a dip in private Indian promoter share. In the Nifty 50 universe, promoter share dropped more sharply—down 32 bps to near 23-year low of 40.2%—mainly due to a decline in private Indian and government promoters.

Government share dropped in Nifty 50 but expanded in the broader listed universe: After a sharp rise in FY23/24 (LIC listing and PSU outperformance), Government share in NSE-listed and Nifty 500 companies fell in FY25, only to see a modest uptick of 17bps and 30bps QoQ to 10.1% and 10.9% respectively in Q1FY26. A part of this increase may be attributed to outperformance of PSU banks, with the Nifty PSU Bank Index rising by 15% in the June quarter, higher than the 10.9% return generated by the Nifty Total Market Index. Government

Who owns India Inc.? Ownership patter in NSE listed companies in Jun'25



[7] The *"India Inc. Ownership Tracker"* report examines ownership trends and patterns in Indian companies listed on the NSE since 2001.
[8] FPI ownership includes ownership through depository receipts held by custodians.
[9] Includes DMFs, Insurance, Banks and other domestic institutions.
[10] Overweight (OW), neutral (N) or underweight (UW) stance on any sector is with respect to the sector's weight in the Index. An OW/UW position on a sector implies more than 100bps higher/lower allocation to the sector than its weight in the Index. A 'N' position on a sector implies an allocation within +/- 100bps of the sector's weight

share in the Nifty 50 companies, on the other hand, fell by 14bps QoQ to a six-quarter low of 6.7%, marking the third dip in a row.

FPI ownership in NSE listed companies declined further but inched up in Nifty 50 companies: Barring a marginal uptick in two quarters, FPI ownership in NSE-listed companies had been on a steady decline since March 2023, mirroring volatility in foreign capital flows. The trend continued in the new fiscal year, with the FPI share in NSE listed companies falling by 16bps QoQ to 17.3%—the lowest level in the last 13.5 years. FPI ownership in the Nifty 50 companies, however, inched up by 21bps QoQ to a six-quarter high of 24.5%, suggesting a preference for large-cap exposure amid elevated macroeconomic and market uncertainty. Their holding in Nifty 500 stayed broadly steady at 18.5%.

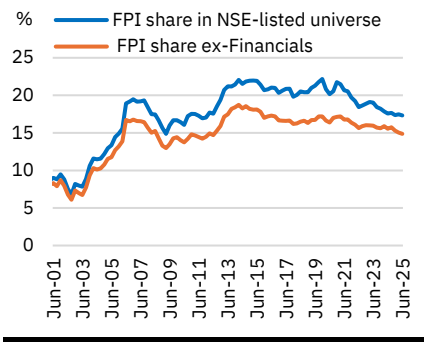
FPIs strengthened their outsized bet on Financials, turned incrementally positive on Communication Services, and maintained their cautious stance on consumption and commodity-oriented sectors, namely Consumer Staples, Energy and Materials and maintained a perennially negative stance on Industrials. Among other sectors, FPIs retained a neutral stance on Consumer Discretionary, Healthcare, Information Technology, Utilities and Real Estate.

DMFs' share rose further to fresh all-time high level: Aided by continued net investments—DMFs infused Rs 1.2 lakh crore into equities in Q1FY26, marking the 17th consecutive quarter of positive net flows—DMFs' share rose further to a fresh all-time high of 13%, 11% and 10.6% in the Nifty 50, Nifty 500 and NSE listed companies respectively. This strong momentum was driven in part by continued retail participation through SIPs. Average monthly SIP inflows at Rs 26,863 crore in Q1 FY26 rose by 2.9% QoQ and 28.9% YoY. Within the overall DMF share, passive funds'[11] share remained broadly steady at 1.9%, while that of actively managed funds expanded by 22bps QoQ to 8.6%.

The quarter gone by saw DMFs realigning their portfolio closer to the Index. Contrary to FPIs, DMFs slightly trimmed their OW stance on large-cap Financials, tapered their negative bias on Consumer Staples, and turned incrementally positive on Materials and smaller Consumer Discretionary stocks. At the same time, DMFs turned incrementally bearish on Energy, reflecting the impact of softening crude oil prices, weakening refining margins and policy and regulatory uncertainty.

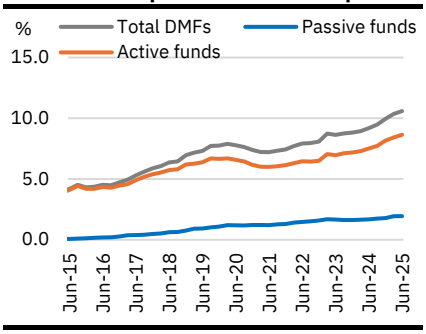
Individual investors' share inched up slightly in the broader listed universe: After a decline in the previous quarter, direct non-promoter ownership by individual investors in NSE-listed companies rose modestly by 9bps QoQ to 9.6% in the June 2025 quarter, even as their share in the Nifty 50 Index saw a slight decline. This was despite net outflows by individual investors in the quarter gone by (Rs 13,136 crore) and aligns with the outperformance of mid- and small-cap stocks during the quarter—a segment where individual investors have steadily increased their exposure in recent years. This is further reflected in a 48bps QoQ

FPI ownership in NSE-listed companies

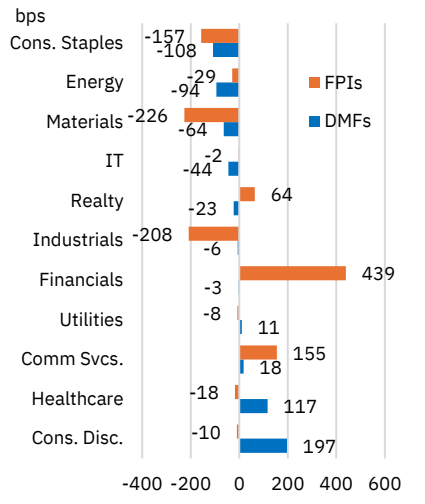


Source: CMIE Prowess, NSE EPR

DMF ownership in NSE-listed companies



FPI and DMF portfolio OW/UW in Nifty 500 vs. the index (June 2025)



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

[11] 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.

rise in individual ownership within the listed universe excluding the top 10% of companies by market capitalisation.

Individuals as direct and indirect (via mutual funds) investors today own 18.5% of the total market cap, up 30bps QoQ (~Rs84.7 lakh crore; 5Y/10Y CAGR: +33.3%/21.5%). This marks the third consecutive quarter of individuals outpacing FPIs in ownership, a milestone first achieved in 2024 after nearly 18 years. For perspective, the FPI-individual ownership gap was as wide as 11pp in March 2014, underscoring the rising influence of retail investors in India's equity landscape, which has fallen into the negative territory at -1.2pp in the June quarter. Strong market performance, along with rising participation, has resulted in a significant accretion to household wealth over the last few years. Our estimates suggest that the household equity wealth rose by ~Rs 9 lakh crore in Q1FY26, taking cumulative gains since April 2020 to ~Rs 56 lakh crore.

Allocation to Nifty50/top decile companies declined in Q1FY26: Following a sharp rise in the March 2025 quarter—driven by risk-off sentiment amid escalating trade and geopolitical tensions—the share of Nifty 50 companies in total institutional holdings declined by 1.5pp QoQ to 60.3% in June 2025. This decline mirrored the drop in the Nifty 50's share of overall market capitalisation, reflecting renewed outperformance by mid- and small-cap stocks during the quarter. Individual investors' allocation to Nifty 50 companies fell more sharply, by 1.9pp QoQ to 36.4%, indicating a continued rotation toward mid- and small-cap segments. This shift is further evident in holdings by decile: institutional investors' exposure to the top decile of companies by market capitalisation (~220 stocks) rose marginally by 10 bps QoQ, while individual investors' exposure to the same group declined significantly—down 1.3pp to 64.8%—highlighting their growing preference for relatively smaller stocks.

Decile-wise portfolio share (Jun'25)

Deciles	FPIs	DMFs	Ind.	Total mkt cap
1	89.1	82.5	64.8	79.3
2	7.3	11.5	15.3	11.2
3	2.5	4.0	8.4	4.7
4	0.7	1.4	4.9	2.3
5	0.2	0.5	3.0	1.2
6	0.1	0.1	1.7	0.7
7	0.0	0.0	1.0	0.4
8	0.0	0.0	0.5	0.2
9	0.0	0.0	0.3	0.1
10	0.0	0.0	0.1	0.0

Source: CMIE Prowess, NSE EPR.

HHI levels fell marginally in the June quarter, in line with widening exposure: The Herfindahl-Hirschman Index (HHI), a measure of market concentration, has been on a steady decline since its brief post-pandemic rise, with the exception of a mild uptick in H2 FY25. In Q1 FY26, the HHI for institutional portfolios in NSE-listed companies fell slightly to 195. Among institutional segments, DMFs saw their HHI fall to 150 (from 160), while FPIs held a higher HHI of 267—the most concentrated among institutional groups, though well below the peak of 411 in September 2020. This reflects the impact of broadening exposure, with FPIs holdings now spanning over 1,920 companies—up from ~1,300 four years ago, after a decade of stagnation. Banks, financial institutions, and insurers recorded a second straight quarterly decline in HHI, touching a near 20-year low of 210. Individual investors continued to exhibit the lowest HHI, underscoring their greater allocation to mid-, small-, and micro-cap stocks. Despite this broad-based diversification across investor groups, sectoral concentration remains, indicating varying levels of exposure within specific market segments.

Sector-wise HHI of portfolios (Jun'25)

Sector	FPIs	DMFs	Individuals
Comm. Svcs.	5,952	5,106	996
Cons. Disc.	643	367	314
Cons. Staples	931	1,120	892
Energy	6,057	4,242	4,717
Financials	1,537	1,041	442
Health Care	643	448	227
Industrials	482	517	276
IT	1,890	1,337	641
Materials	402	375	173
Real Estate	1,472	1,165	556
Utilities	1,273	1,822	700
Total	**267**	**150**	**66**

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
Q1FY26	32.2	9.6	8.1	50.0	35.6	14.4	50.0	457.2

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
Q1FY26	10.6	5.5	17.3	2.2	35.6	1.9	9.6	2.9	14.4	50.0	457.2

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

Listed universe ownership trends

Ownership pattern of the NSE-listed universe (June 2025)

Total promoter share declined for the fourth quarter in a row by 13bps QoQ to a nine-quarter low of 50.0% in the June quarter.

Promoter share in NSE listed companies declined for the fourth quarter in a row: Total promoter ownership in the NSE listed universe declined by 13bps QoQ to a nine-quarter low of 50.0% in the quarter ending June 2025, marking the fourth drop in a row and translating into a 1.6pp (percentage point) decline in the last one year. Notwithstanding the decline in share, the absolute amount held by promoters grew by 11.5% QoQ to Rs 228.5 lakh crore, reversing the declining trend seen over the previous two quarters, even as it is still 4.4% below the peak holding in the September quarter of FY25. The decline in the promoter share was primarily led by private Indian promoters, that more than offset the increase seen in Government share.

Private Indian promoters' stake in NSE-listed companies declined for the third consecutive quarter, down 26bps QoQ to a 22-quarter low of 32.2%. In absolute terms, their holdings expanded by 10.8% QoQ to Rs 147.3 lakh crore, lower than the 11.8% QoQ increase in total market capitalisation of NSE listed companies to Rs 457.2 lakh crore. The decline was led by both individual and non-individual promoters, with the former accounting for nearly 21% of total private promoter holdings. While individual share in the promoter group fell by a modest 7bps QoQ to 6.7%, marking the second drop in a row, non-individual promoters' share fell by a steeper 20bps to 25.5%. Foreign promoter' share, on the other hand, remained broadly steady at 8.1% as of June 2025, with the amount held standing at Rs 37.2 lakh crore, up 11.9% QoQ.

Government ownership in the listed space inched up by a modest 17bps QoQ to 10.1% in the June quarter, aided by outperformance of PSU banks during the quarter.

Government ownership inched up marginally in the June quarter: After steadily declining between 2010 and 2022 due to the Government's disinvestment-led revenue strategy, Government ownership (both promoter and non-promoter) in NSE-listed companies saw a sharp uptick—rising 2.4 pp in FY23 following LIC's listing, and another 2.8 pp in FY24 on the back of PSU outperformance. However, this reversed in FY25, only to see a modest uptick in the June quarter of FY26. Government share in NSE listed companies expanded by 17bps QoQ to 10.1% as of June 2025. In value terms, Government holdings grew by 13.7% QoQ, higher than the increase seen in total market capitalisation of NSE listed companies. A part of this increase is led by outperformance of PSU banks, with the Nifty PSU Bank Index rising by 15% in the June quarter, higher than the 10.9% return generated by the Nifty Total Market Index.

FPI ownership in the NSE listed companies fell by 16bps QoQ to 17.3% in the June quarter, primarily led by reduced share in mid- and small-cap companies.

FPI ownership in the listed universe dipped to the lowest level in the last 13.5 years...: Barring a marginal uptick in two quarters, FPI ownership in NSE-listed companies had been on a steady decline since March 2023, mirroring volatility in foreign capital flows. The trend continued in the new fiscal year, with the FPI share in NSE listed companies falling by 16bps QoQ to 17.3%—the lowest level in the last 13.5 years. This decline was despite renewed foreign capital inflows into Indian equities, amounting to US$4.5bn in the June quarter. This was primarily on the back of reduced share in the mid- and small-cap companies, even as their exposure to large-cap companies widened during the quarter. This is reflected in an increase in FPI share in the Nifty 50 universe (Please refer to the section "Nifty 50 ownership trends" later in the report for details), while their share in the listed universe excluding the top 10% companies by market capitalisation has fallen by 23bps QoQ. In value terms, FPI holding in NSE listed companies grew by 10.8% QoQ to Rs 79.2 lakh crore as of June 30th, 2025, translating into an annualised

growth of 18.7% in the FPI holding over the last 20 years. This is higher than the 17.2% annualised growth in the total market capitalisation of NSE listed companies during this period.

...While DMF shareholding surged to fresh record high levels: The share of DMFs in NSE listed companies continued its steady ascent for the eighth consecutive quarter, rising 23bps QoQ to a fresh record-high of 10.6% in the quarter ending June 2025—up 1.4pp in the last one year. In value terms, DMF holdings stood at a record-high of Rs 48.4 lakh crore, rising 14.2% QoQ, outpacing the growth in overall market cap, aided by sustained net equity purchases. DMFs infused Rs 1.17 lakh crore into equities in the first quarter of FY26, marking the 17th consecutive quarter of positive net investments. In fact, the June quarter saw the second highest net investments by DMFs on a quarterly basis. This strong momentum was driven in part by continued retail participation through SIPs. Average monthly SIP inflows at Rs 26,863 crore in Q1 FY26 rose by 2.9% QoQ and 28.9% YoY. Within the overall DMF share, passive funds' share remained broadly steady at 1.9%, while that of actively managed funds expanded by 22bps QoQ to 8.6%.

DMF share in NSE listed universe rose further to a fresh all-time high of 10.6% in the June quarter.

The share of Banks, Financial Institutions and Insurance companies in the NSE-listed space witnessed a renewed dip, falling by 11bps QoQ to 5.5% in the June quarter. That said, it has hovered in a tight range of 5.3-5.6% over the last seven quarters.

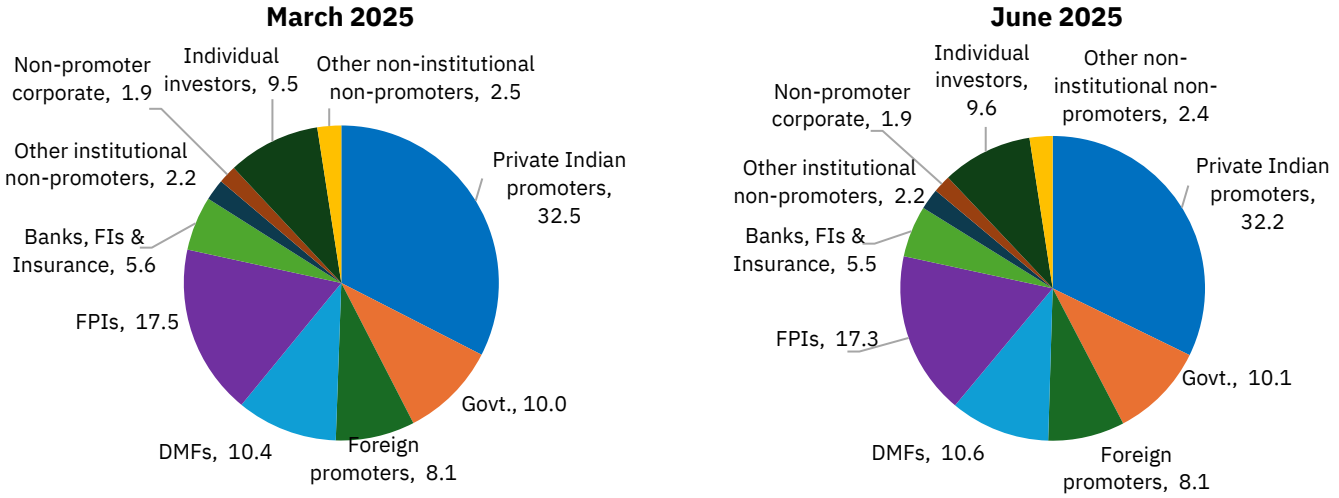
Individual investors' holding rose marginally, reflecting market rally: After seeing a dip in the previous quarter, the share of individual investors in NSE-listed companies inched up by a modest 9bps QoQ to 9.6% in the June 2025 quarter. This corroborates with the outperformance of mid- and small-cap companies during the quarter—a segment where individuals have increased exposure over the last few years. While the large-cap universe (Nifty50) saw individuals' share falling marginally, that in the listed space excluding the top 10% companies by market capitalisation saw a 48bps increase in individuals' share.

Individuals' share in equity markets as non-promoter shareholders (direct and indirect) at 18.5%—the highest in over two decades—has remained ahead of FPIs for the third quarter in a row.

In value terms, individual holding in NSE listed companies increased by 12.9% QoQ to Rs 43.9 lakh crore—exceeding the increase in overall market capitalisation—and is now only 2.4% shy of the peak value held. This increase was despite a notable shift in individual investors' sentiments in the month of March, that continued for the subsequent three months, with individual investors selling a net amount of Rs 28,488 crore between March and June 2025. Since the pandemic (March 2020), the total value of individual investors' holding in the NSE listed companies has expanded at an annualised rate of an impressive 34%, driven by strong participation over the last few years.

When factoring in indirect ownership via mutual funds—where individuals (retail and HNIs) accounted for 84.3% of equity AUM as of June 2025—the effective share of individuals as non-promoter shareholders stood at over two-decadal high of 18.5%. Notably, this combined direct and indirect participation surpassed FPI ownership for the first time since 2006 in FY25, with the gap widening further in Q1 FY26, underscoring the rising prominence of individual investors in India's equity markets.

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



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

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

Rs lakh crore	Private Indian promoters	Govt.@	Foreign promoters	Passive DMFs ^	Active DMFs $	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **	Total
Sep-22	93.7	20.0	25.3	4.1	17.2	15.4	49.8	7.4	24.7	9.9	267.4
Dec-22	95.5	24.0	24.9	4.4	18.1	16.3	52.6	5.0	25.6	12.5	278.9
Mar-23	84.3	21.4	22.3	4.3	17.9	15.4	48.6	4.4	23.8	11.8	254.2
Jun-23	97.6	24.5	25.2	4.9	20.3	17.1	55.5	5.5	27.4	13.7	291.6
Sep-23	104.1	29.6	26.3	5.1	22.4	18.0	58.0	6.2	30.5	14.5	314.8
Dec-23	118.9	36.6	28.6	5.9	25.8	20.0	65.5	7.1	34.7	16.3	359.5
Mar-24	124.9	42.7	30.6	6.3	27.9	21.3	68.3	7.4	36.4	16.3	382.1
Jun-24	140.0	49.5	35.9	7.3	32.5	23.3	76.0	8.3	41.6	18.1	432.5
Sep-24	153.6	49.1	38.8	8.2	36.2	25.2	82.7	9.2	45.0	20.3	468.3
Dec-24	142.7	43.5	35.7	7.8	35.7	23.3	75.8	8.6	42.8	20.6	436.6
Mar-25	132.8	40.7	33.2	7.9	34.5	22.8	71.5	7.6	38.9	19.0	408.9
Jun-25	147.3	46.3	37.1	8.9	39.5	25.0	79.2	8.6	43.9	21.3	457.2
% QoQ	***10.9%***	***13.7%***	***11.9%***	***12.1%***	***14.8%***	***9.6%***	***10.8%***	***12.4%***	***12.9%***	***12.5%***	***11.8%***

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

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

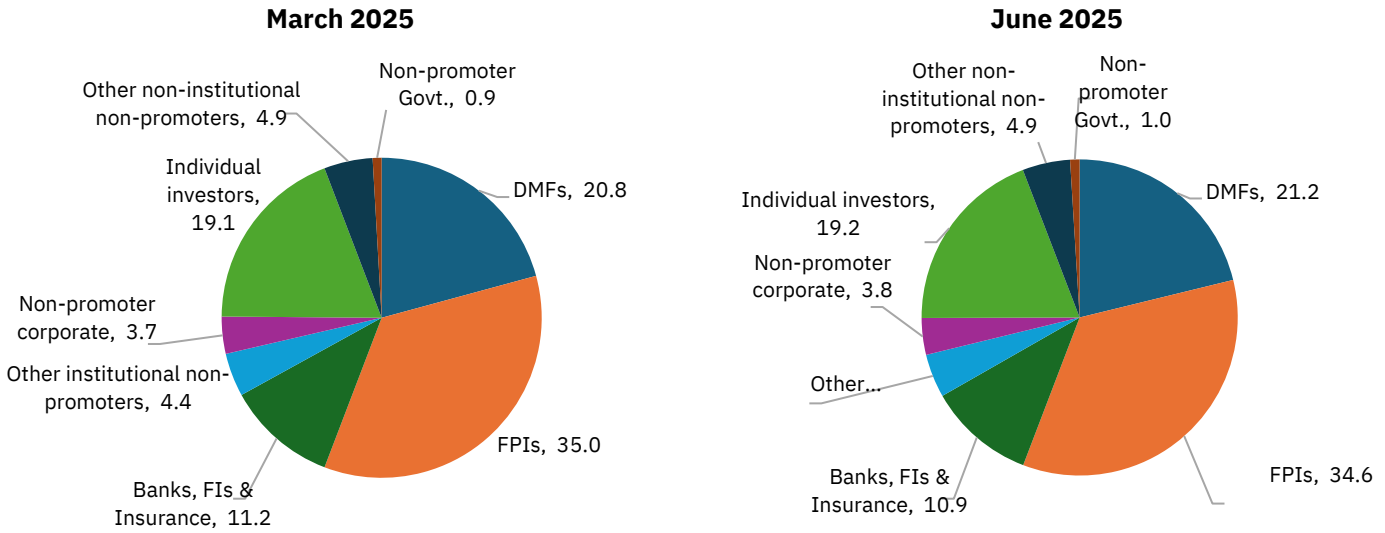
%	Private Indian promoters	Govt.@	Foreign promoters	Passive DMFs ^	Active DMFs $	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **
Sep-22	35.0	7.5	9.5	1.5	6.4	5.7	18.6	2.8	9.2	3.7
Dec-22	34.2	8.6	8.9	1.6	6.5	5.8	18.9	1.8	9.2	4.5
Mar-23	33.2	8.4	8.8	1.7	7.0	6.1	19.1	1.7	9.4	4.7
Jun-23	33.5	8.4	8.6	1.7	7.0	5.9	19.0	1.9	9.4	4.7
Sep-23	33.1	9.4	8.3	1.6	7.1	5.7	18.4	2.0	9.7	4.6
Dec-23	33.1	10.2	7.9	1.6	7.2	5.6	18.2	2.0	9.7	4.5
Mar-24	32.7	11.2	8.0	1.7	7.3	5.6	17.9	1.9	9.5	4.3
Jun-24	32.4	11.5	8.3	1.7	7.5	5.4	17.6	1.9	9.6	4.2
Sep-24	32.8	10.5	8.3	1.7	7.7	5.4	17.7	2.0	9.6	4.3
Dec-24	32.7	10.0	8.2	1.8	8.2	5.3	17.4	2.0	9.8	4.7
Mar-25	32.5	10.0	8.1	1.9	8.4	5.6	17.5	1.9	9.5	4.6
Jun-25	32.2	10.1	8.1	1.9	8.6	5.5	17.3	1.9	9.6	4.7
QoQ change	*-30bps*	*17bps*	*0bps*	*1bps*	*22bps*	*-11bps*	*-16bps*	*1bps*	*9bps*	*3bps*

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

Institutional ownership in NSE floating stock fell due to a drop in FPI share: DMF ownership in the NSE floating stock rose for the eighth quarter in a row by 40bps QoQ to a fresh all-time high of 21.2% in the June 2025 quarter, marking an increase of 2.2pp in the last one year. The increase was more pronounced in top 500 companies, with DMF share in the free float market capitalisation of NSE listed companies excluding Nifty 500 falling slightly after a steep increase in the previous quarter. On the other hand, FPI holding in the floating stock of the NSE listed universe declined by 40bps QoQ to more than 19-year low of 34.6%, as an increase in the FPI share in the large and mid-cap companies was almost entirely offset by a dip in in the small- and micro-cap segments. FPI share in the NSE floating stock is now 11pp below the peak share seen more than 11 years back (March 2014). Banks, Financial Institutions and Insurance companies' share in the free float of NSE-listed companies fell by 25bps QoQ to 10.9%, almost entirely reversing the increase seen in the previous quarter. Overall institutional ownership of the NSE free float declined by a modest 16bps QoQ to 71.2% in June 2025, even as it is just 1.1pp shy of the all-time high of 72.3% (Mar'23).

Individual investors' ownership of the NSE free-float market cap, on the other hand, rose by an equivalent 14bps QoQ to 19.2% in the June quarter, but has been hovering in a tight band of 18.7-19.8% since the last four years. With this, individuals' share in NSE floating stock stands nearly 9.9pp below the peak individual ownership level seen over the last 24 years.

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



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

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

%	Passive DMFs ^	Active DMFs $	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Sep-22	3.1	13.3	11.9	38.5	5.7	19.1	8.4
Dec-22	3.3	13.4	12.0	38.8	3.7	18.9	10.0
Mar-23	3.4	14.1	12.1	38.1	3.5	18.7	10.2
Jun-23	3.4	13.9	11.7	38.1	3.8	18.8	10.3
Sep-23	3.3	14.3	11.5	37.1	4.0	19.5	10.2
Dec-23	3.3	14.6	11.3	37.0	4.0	19.6	10.2
Mar-24	3.4	15.0	11.4	36.7	4.0	19.6	9.8
Jun-24	3.5	15.5	11.1	36.3	4.0	19.9	9.8
Sep-24	3.6	15.8	11.0	36.1	4.0	19.6	9.9
Dec-24	3.6	16.5	10.8	35.0	4.0	19.8	10.4
Mar-25	3.9	16.9	11.2	35.0	3.7	19.1	10.2
Jun-25	3.9	17.3	10.9	34.6	3.8	19.2	10.3
QoQ change	*0bps*	*40bps*	*-25bps*	*-40bps*	*1bps*	*14bps*	*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. ^ 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

Long-term trend shows a steady drop in promoter ownership during 2009-2019, followed by a rangebound movement thereafter: Promoter ownership in NSE-listed companies rose sharply between 2001 and 2009, peaking at a 19-year high of 57.6% in March 2009. This trend reversed post-2010, coinciding with the SEBI's mandate to raise the minimum public shareholding from 10% to 25%. The overall decline in promoter holding since then has been largely driven by a reduction in Government ownership, reflecting the policy shift toward greater public participation in CPSEs and resource mobilisation through disinvestment. However, Government holding saw a significant uptick since March 2022 until September 2024, supported by the LIC IPO in 2022 and the relative outperformance of PSU stocks during this period, only to see a decline over the last three quarters. In contrast, private promoter ownership—comprising Indian and

foreign promoters—rose by ~11.6 pp between June 2010 and December 2021, before declining by 4.2 pp thereafter.

Sharp rise in DMF ownership post 2014 supported by rising SIP inflows: Barring a brief decline in FY21, DMF ownership has risen sharply over the past eight fiscal years (FY15–FY25), underscoring growing retail interest in equity mutual funds—particularly through the SIP route. The dip in FY21 was primarily due to muted SIP inflows and elevated redemption pressures amid a macroeconomic slowdown and the COVID-19 shock, which eroded disposable incomes. A portion of this capital, however, shifted to direct equity investments, as reflected in the rise in direct retail share during that period. Since June 2021, with a strong resurgence in SIP-led inflows, DMF ownership in NSE-listed companies has climbed steadily, reaching all-time highs. In contrast, the share of Banks, Financial Institutions (FIs), and Insurance companies has been on a declining trend since 2012, aside from a notable one-time increase in FY23 (+158 bps), followed by a subsequent correction.

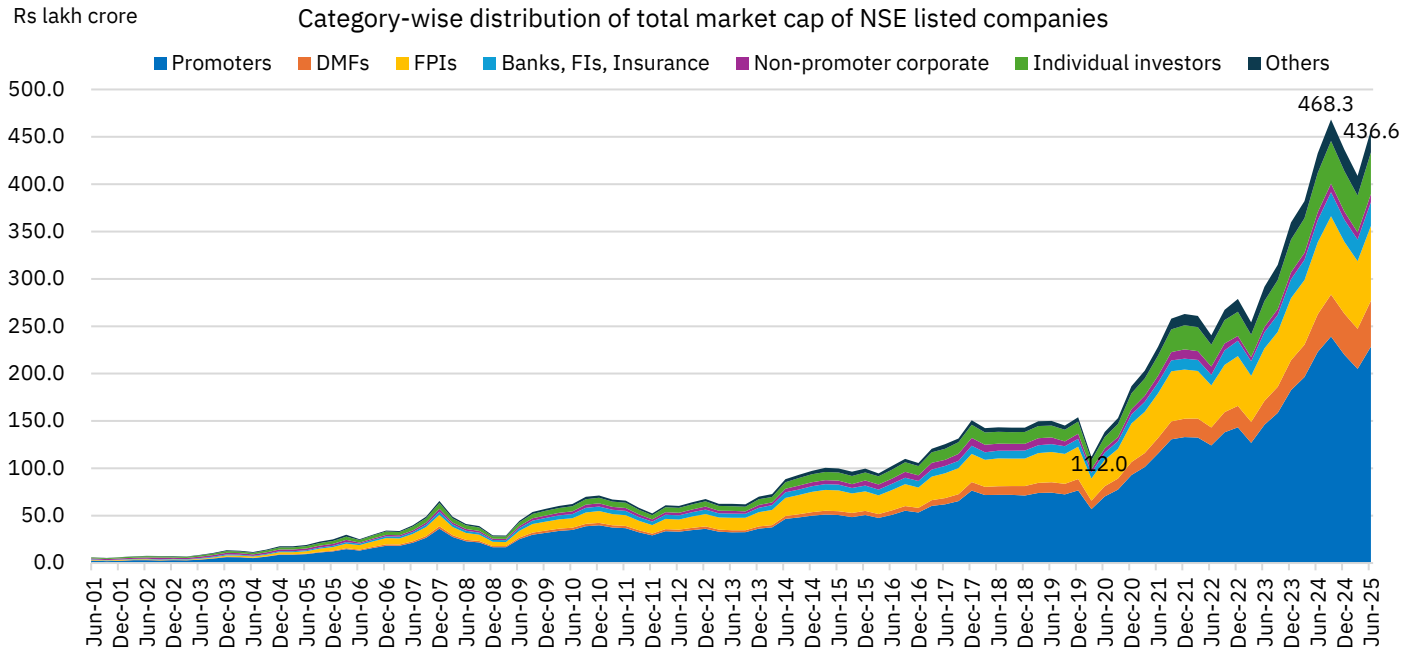
Barring a pandemic-led dip in FY21, DMF ownership has been steadily rising since FY15 and is currently hovering at record-high level, aided by strong SIP inflows.

FPI ownership dropped to sub-18% in 2024 after more than 11 years: FPI ownership in NSE-listed companies rose steadily from 2002 to 2015, barring a brief dip during the 2007–08 global financial crisis (GFC). It declined marginally over the following three years, reflecting adverse global developments such as the US-China trade tensions and Brexit uncertainty. FPI share recovered through to December 2019 but dropped sharply in early 2020 with the onset of the COVID-19 pandemic. This decline proved temporary, as aggressive global liquidity support revived risk appetite and boosted FPI inflows in the second half of 2020. However, since then, FPI ownership has been on a downward trend due to a combination of factors: recurring COVID waves in 2021–22, a slowdown in China, rising geopolitical tensions, aggressive monetary tightening—especially by the US Federal Reserve—and, more recently, uncertainties stemming from a renewed trade war and global growth concerns. FPI share fell below 18% in the last quarter of FY24 for the first time in over 11 years and continued to decline to more than 13-year low by June 2025.

Direct individual holding has remained between 8% to 10% for more than a decade now: While investments by individuals through the SIP route have risen steadily in recent years—except for a dip in FY21—direct individual participation in equity markets has remained relatively stable. This reflects a maturing investor base and a growing preference for indirect ownership. Notably, individual ownership in the NSE-listed universe declined consistently between 2001 and 2012 but has seen a modest uptick since then.

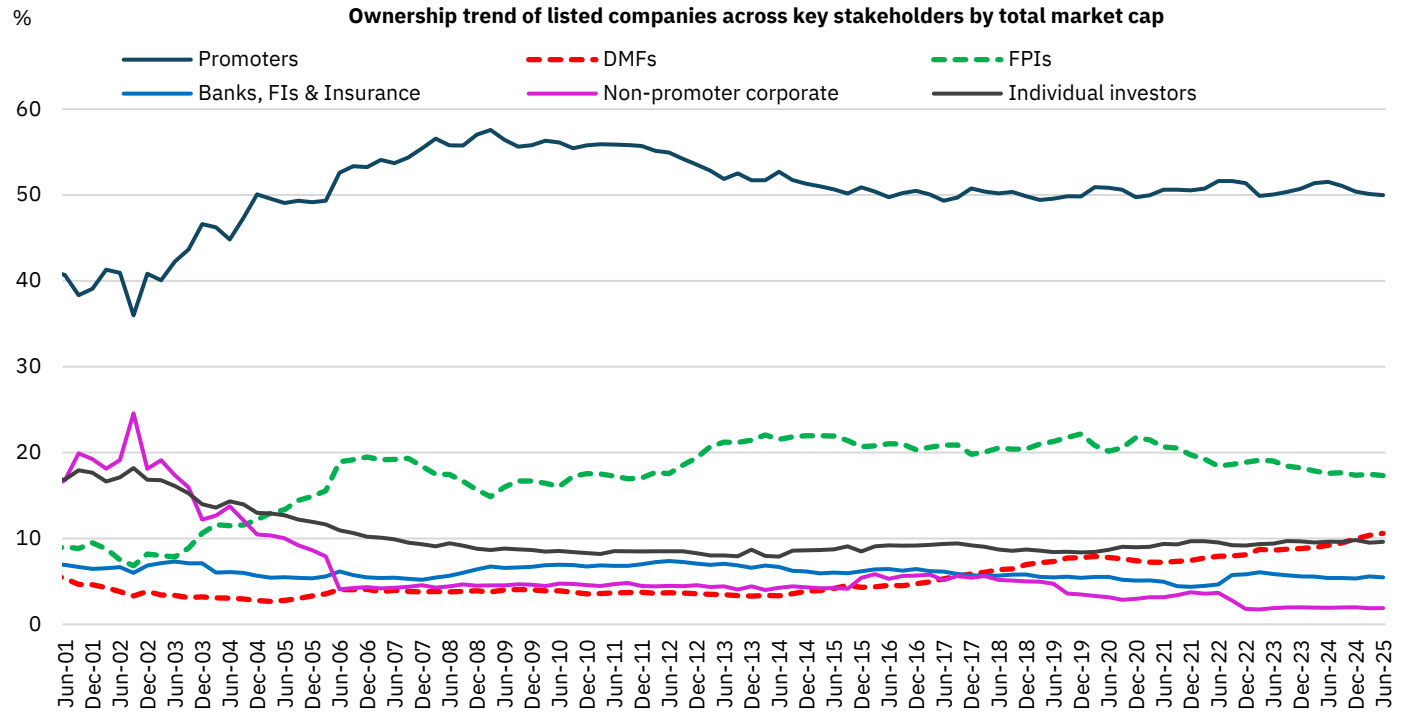
Direct individual ownership fell steadily between 2001 and 2012 and has since risen marginally.

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

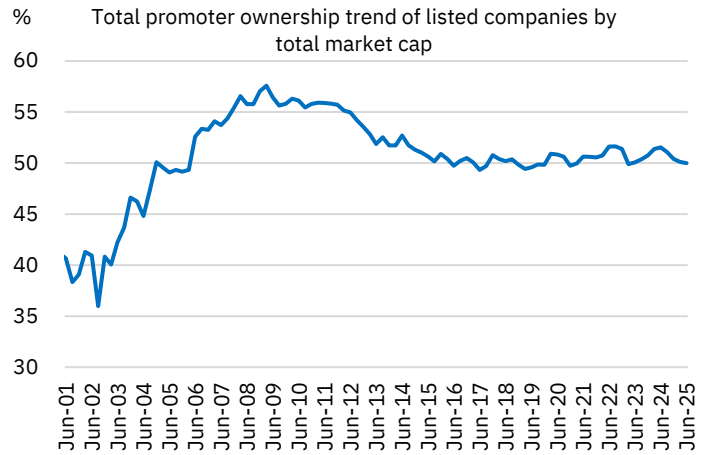
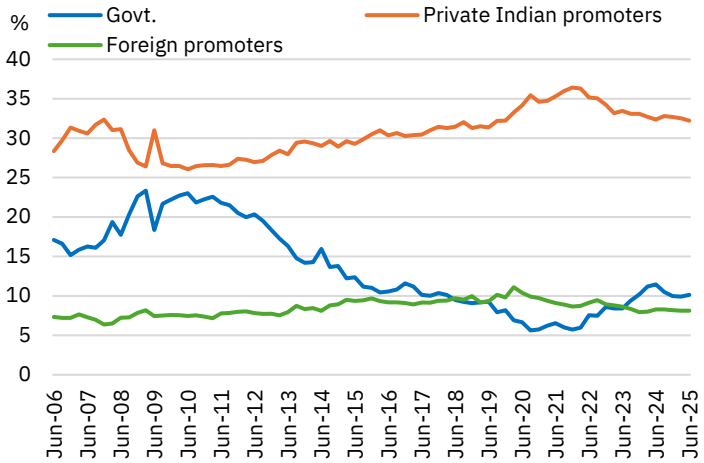


Figure 6: Indian and foreign promoter ownership trend of NSE-listed companies by total market cap



Source: CMIE Prowess, NSE EPR.

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

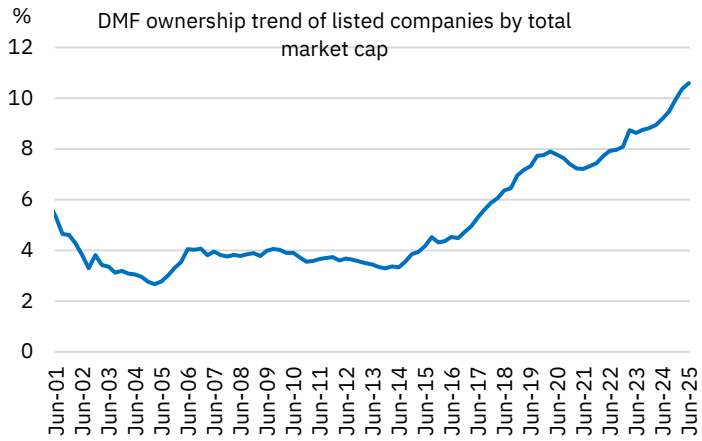
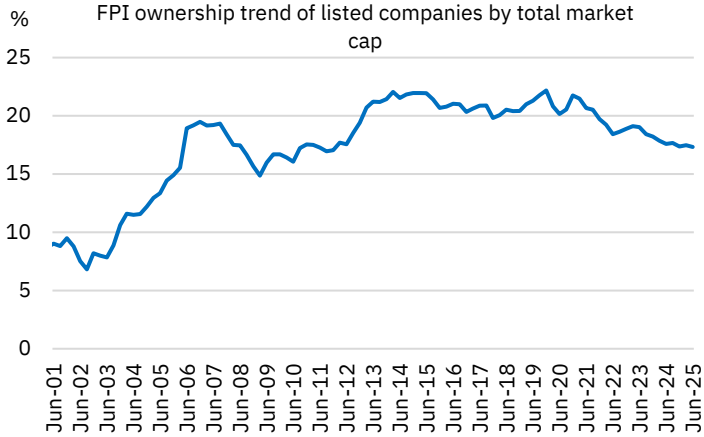


Figure 8: FPI ownership* trend of NSE-listed companies by total market cap



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

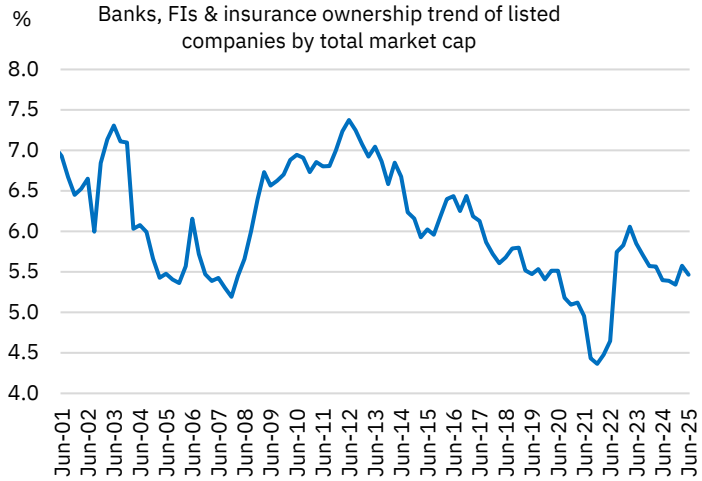
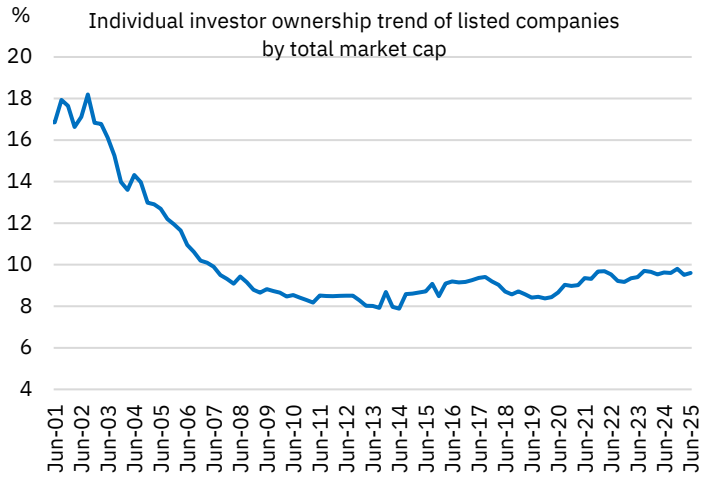
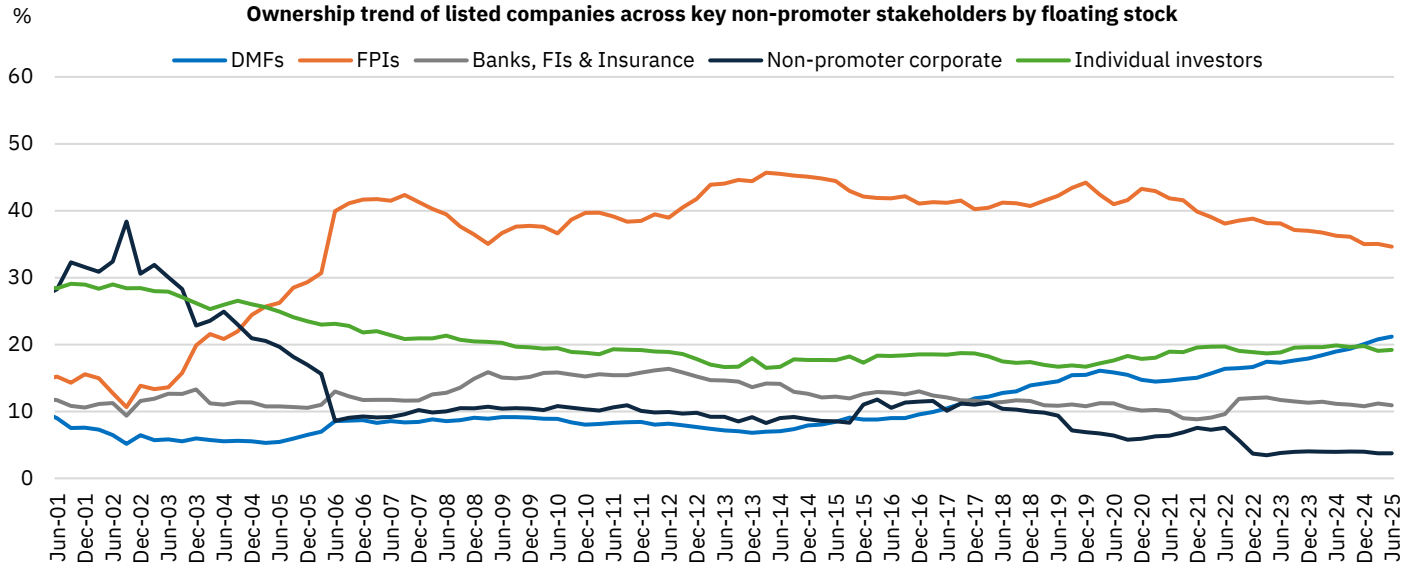


Figure 10: Individual ownership trend of NSE-listed companies by total market cap



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

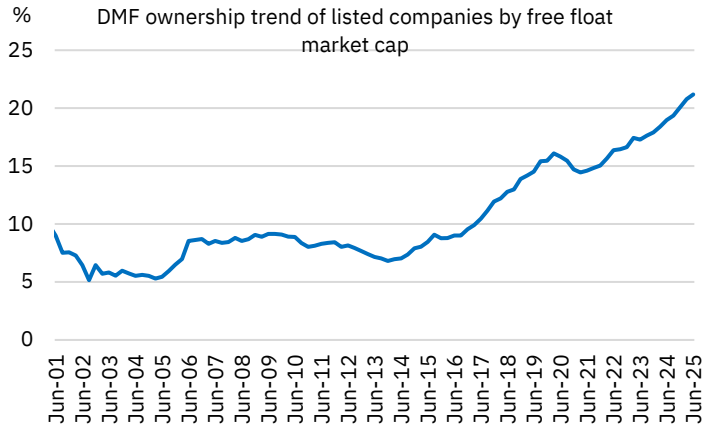
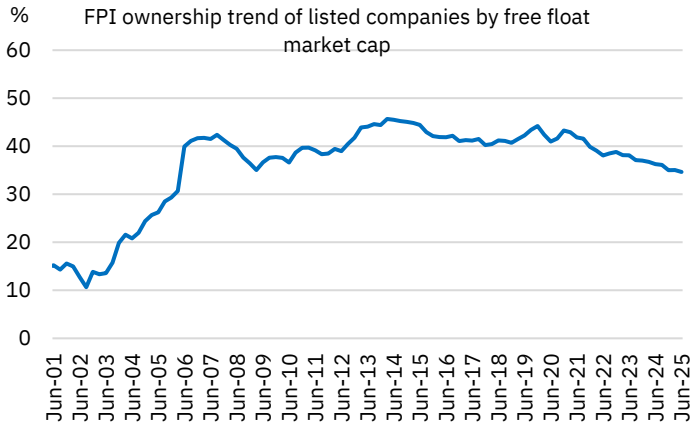


Figure 13: FPI ownership trend of NSE-listed companies by free float market cap



Source: CMIE Prowess, NSE EPR.

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

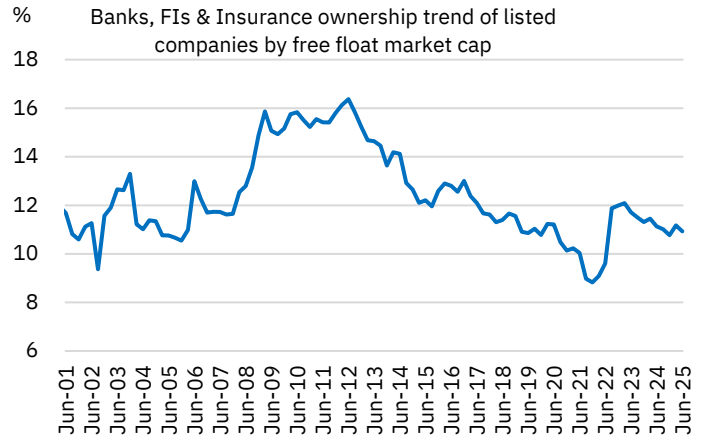
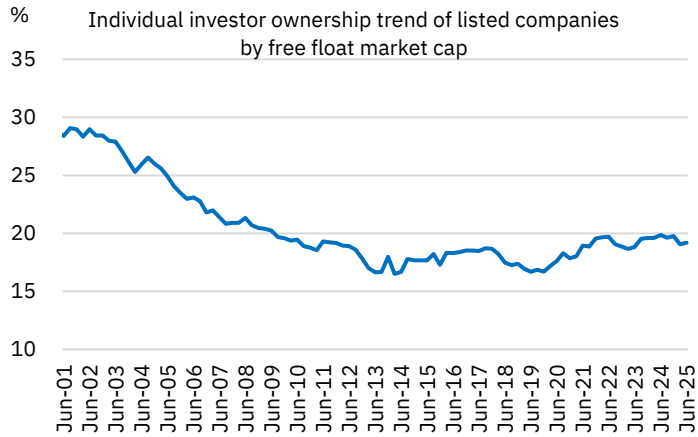


Figure 15: Individual ownership trend of NSE-listed companies by free float market cap



Source: CMIE Prowess, NSE EPR.

Notwithstanding heightened market uncertainty, average monthly SIP inflows continued to rise, up 28.9% YoY to Rs 26,863 crore in Q1 FY26.

SIP inflows remained resilient despite heightened market uncertainty: Systematic Investment Plans (SIPs) have continued to be a preferred investment route for individual investors—barring FY21—providing consistent access to equity markets. After a brief dip in 2020, when many investors shifted from indirect to direct equity participation, SIP inflows resumed their upward trajectory, with only a temporary moderation in early FY22 during the second wave of the pandemic.

Despite elevated global trade tensions and increased market volatility, average monthly SIP inflows rose by 2.9% QoQ and 28.9% YoY to Rs 26,863 crore in Q1 FY26. June 2025 marked a new record, with inflows reaching Rs 27,269 crore. Notably, each of the past 19 consecutive quarters has witnessed higher SIP inflows than the previous one, driving a steady rise in domestic mutual fund ownership and assets under management.

This sustained growth underscores the resilience of retail participation and reflects a structural shift that is gradually reducing the vulnerability of Indian equities to global shocks and episodic FPI outflows.

Figure 16: Monthly SIP inflows into mutual funds

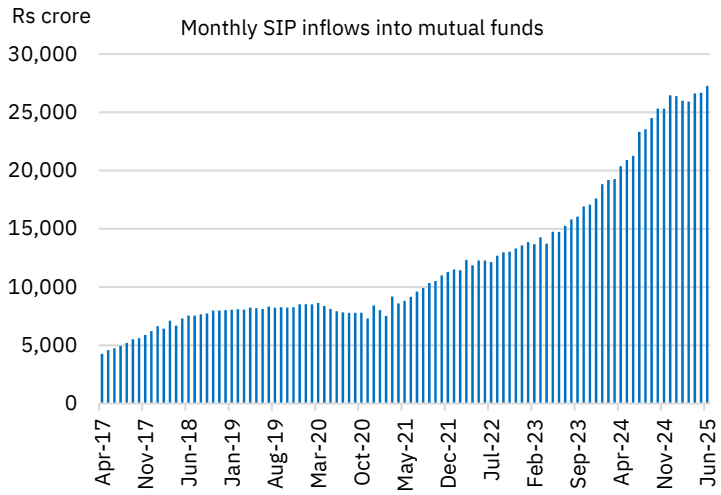
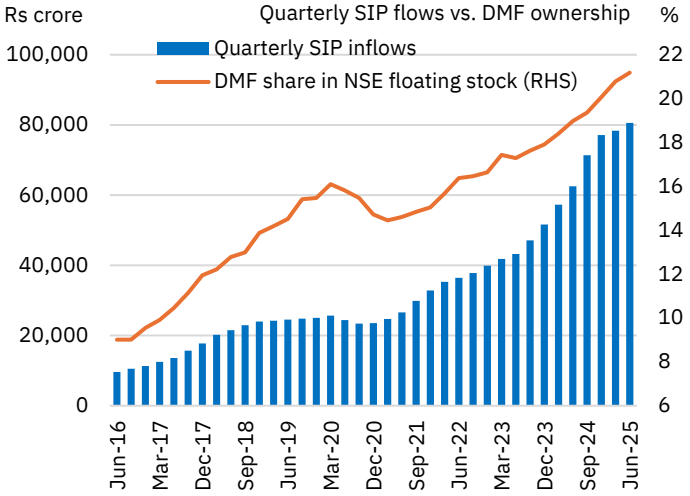


Figure 17: Quarterly SIP inflows vs DMF ownership



Source: AMFI, NSE EPR.

DMF ownership via passive funds remained stable, while active fund holdings continued to expand: Passive investments by DMFs in NSE-listed companies—through ETFs and index funds—have grown significantly in recent years. The AUM of passive equity funds has registered a robust CAGR of 61.5% over the past decade, far outpacing the 25.4% CAGR of actively managed equity funds, albeit from a lower base. This growth has been supported by increasing retail interest in low-cost strategies, with the number of passive funds more than quadrupling in the last five years.

In Q1 FY26, passive equity fund AUM rose 12.1% QoQ to Rs 8.9 lakh crore, largely in line with the broader market's performance, keeping their ownership in NSE-listed companies steady at 1.9% as of June 2025. In contrast, actively managed equity fund AUM grew by 14.8% QoQ to Rs 39.5 lakh crore, marking the eighth consecutive quarterly increase in ownership—up 22 bps QoQ to a record 8.6% of listed company market capitalisation.

When measured against free-float market capitalisation, passive funds' share held steady at an all-time high of 3.9%, while active funds' share rose 40 bps QoQ to 17.3%, continuing a consistent upward trend.

Figure 18: DMF holding in NSE listed universe

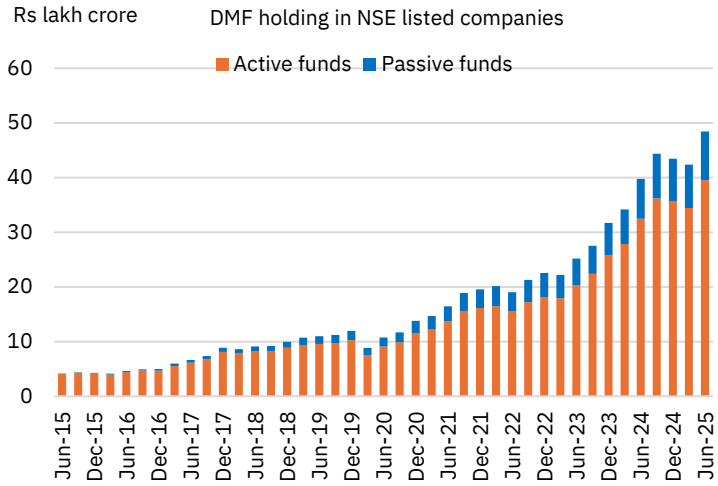
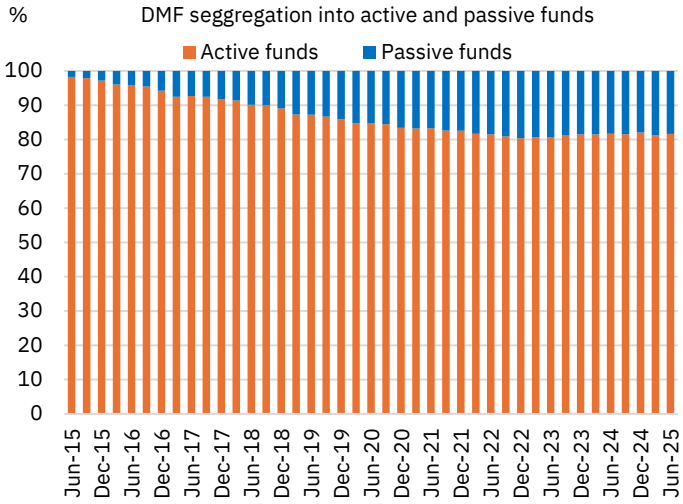
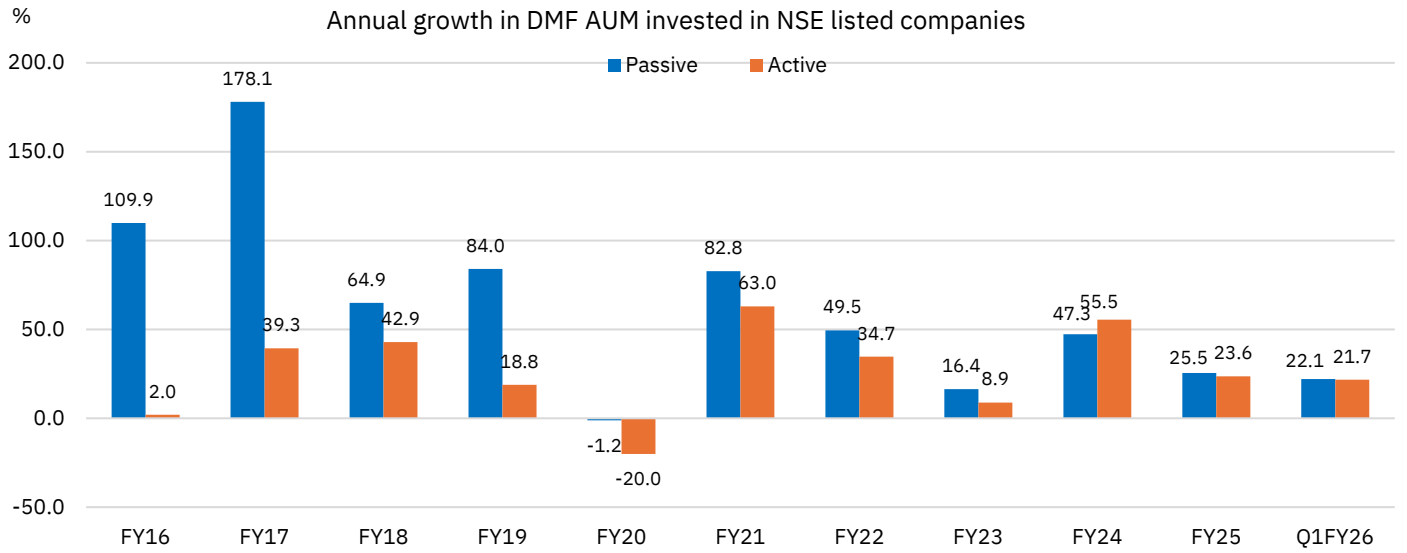


Figure 19: DMF segregation: active and passive funds



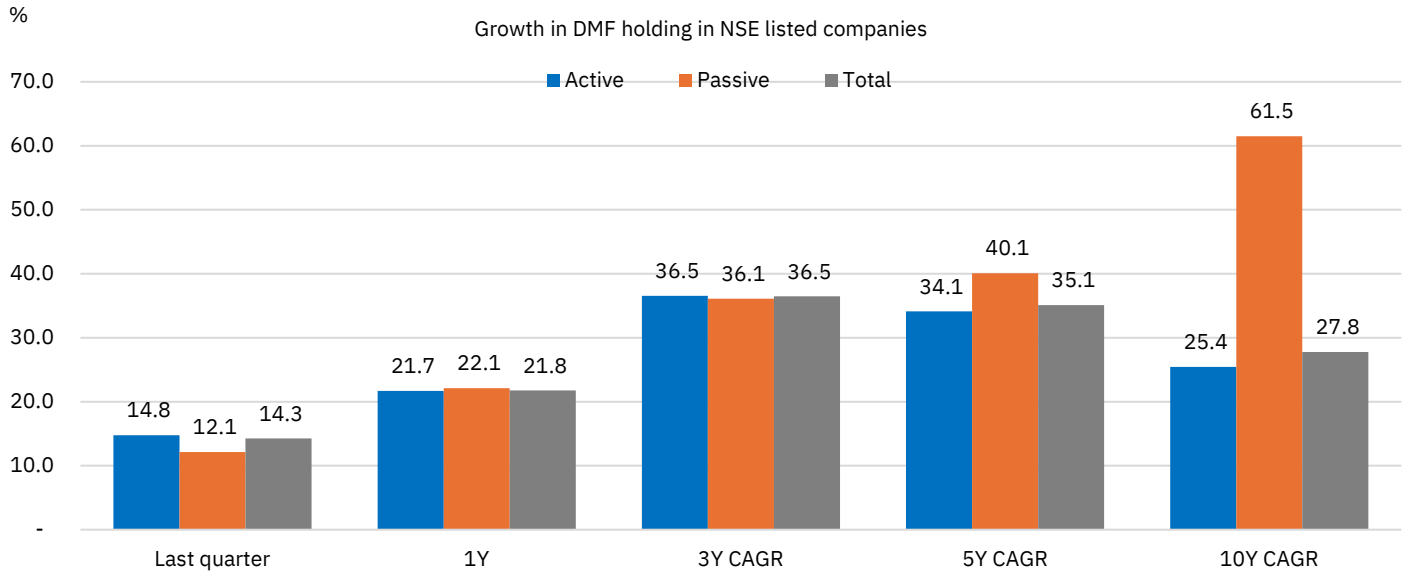
Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting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

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



Source: 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.

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



Source: 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. * Data is as of June 30th, 2025.

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

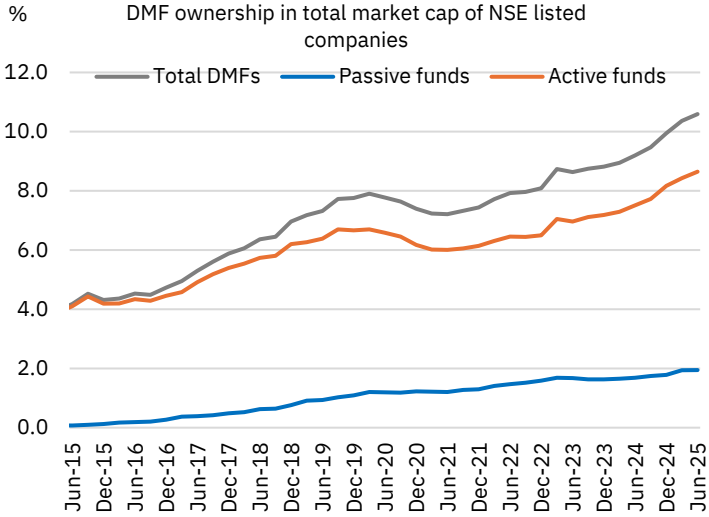
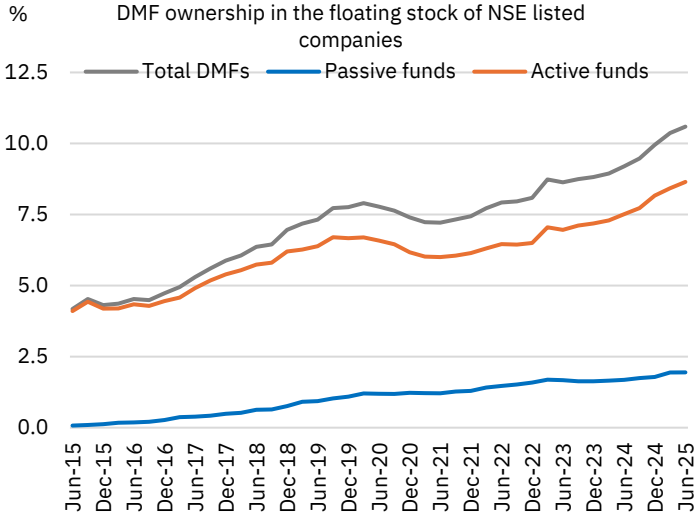


Figure 23: DMF ownership in floating market cap of NSE listed companies



Source: CMIE Prowess, AMFI, MFI Explorer, NSE EPR. Note: Passive 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.

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

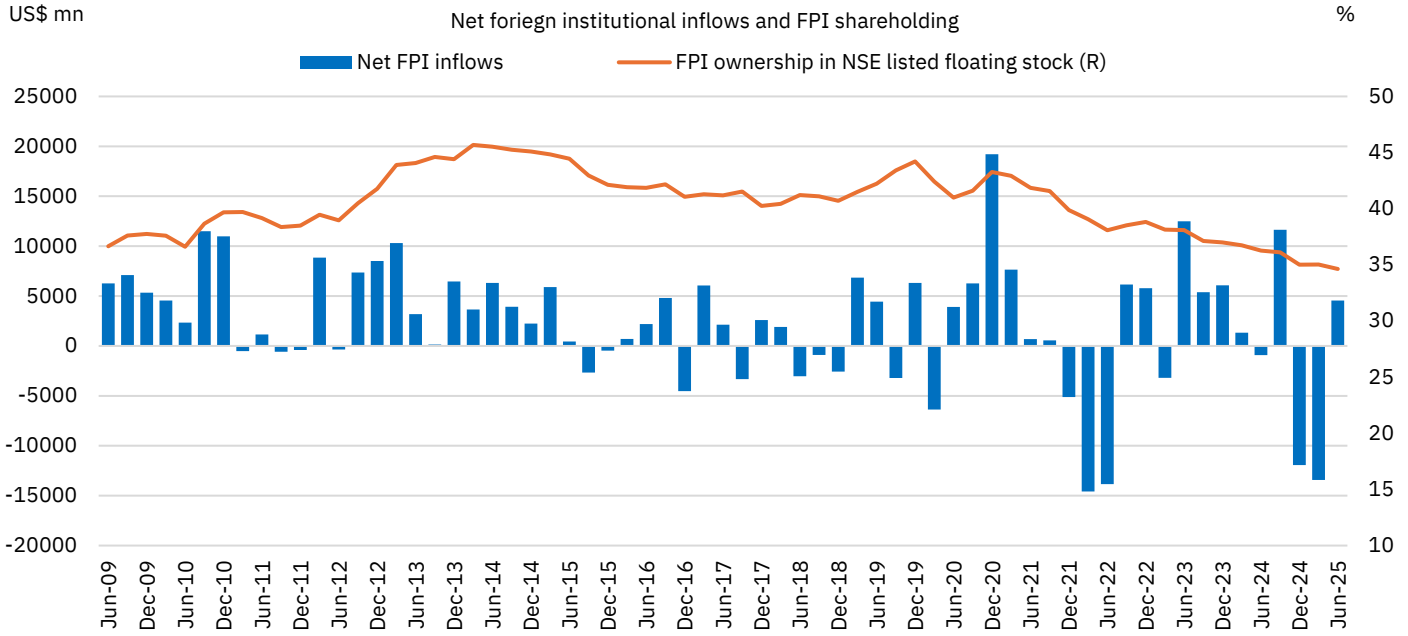
%	AUM (Rs lakh crore)			Ownership in NSE total market cap (%)			Ownership in NSE floating stock (%)		
	Active	Passive	Total	Active	Passive	Total	Active	Passive	Total
FY15	3.9	0.1	4.0	3.9	0.1	3.9	7.9	0.2	8.1
FY16	4.0	0.2	4.1	4.2	0.2	4.4	8.5	0.3	8.8
FY17	5.5	0.4	6.0	4.6	0.4	4.9	9.2	0.7	9.9
FY18	7.9	0.7	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
Q1FY26	39.5	8.9	48.4	8.6	1.9	10.6	17.3	3.9	21.2

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

FPIs turned net buyers of Indian equities in the June quarter: After turning net sellers in the second half of FY25, FPIs resumed buying Indian equities in Q1FY26, even as trade-related uncertainty and elevated domestic valuations tempered overall sentiment. This cautious optimism was broadly mirrored across emerging markets, with Institute of International Finance (IIF) data showing net equity inflows of US$8.4 bn into EMs during Q1FY26. Despite the renewed buying, FPI ownership in NSE-listed companies edged down marginally in the June quarter, largely due to a reduced share in mid- and small-cap stocks. Notably, this reversal was short-lived—FPI sentiment turned negative again in July, with net equity outflows of US$2.1 bn during the month.

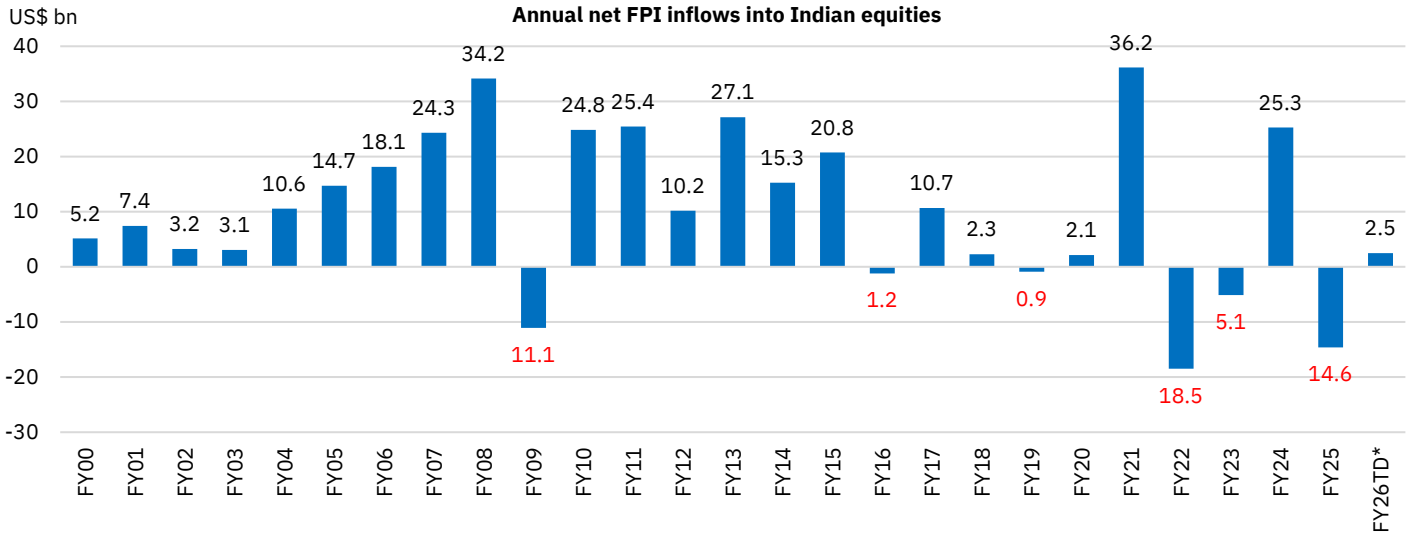
FPI selling continued in the last quarter of the fiscal, translating into net outflows of US$14.6bn in FY25.

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



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

Figure 25: Annual net FPI inflows trend



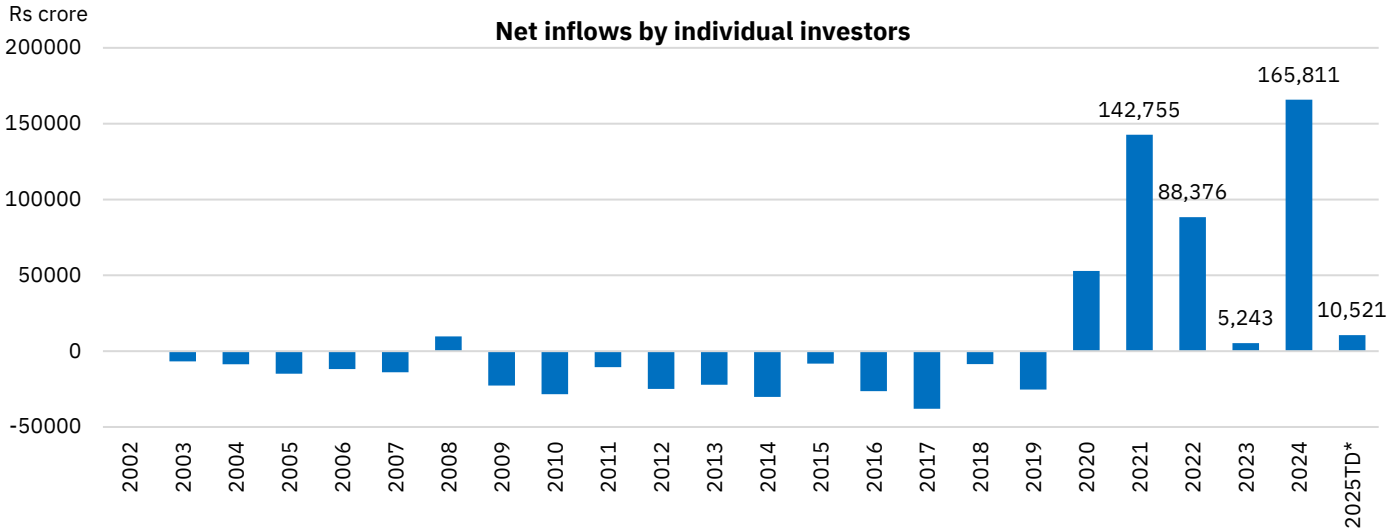
Source: LSEG Workspace, NSE EPR. * As of July 31st, 2025.

Direct participation by individual investors weakened in the June quarter: Individual investor participation in Indian equities surged in 2020 and 2021, catalysed by the sharp market correction in March 2020 and the subsequent swift rebound. The pandemic-era volatility attracted a large wave of new entrants, with retail investors turning net buyers for the first time in over a decade in 2020. This momentum persisted for the next two and a half years, resulting in net investments of Rs 2.8 lakh crore in NSE's secondary markets between January 2020 and December 2022, before moderating in 2023.

The momentum picked up again in FY25, with individual investors making net purchases of Rs 1.25 lakh crore—surpassing their combined inflows from the previous two fiscal years. This marked the fifth consecutive year of net buying by individual investors. However, the trend reversed in the first quarter of FY26, as individuals turned net sellers, withdrawing Rs 13,136 crore (US$1.5 bn) from NSE's secondary markets during the quarter.

This structural shift towards direct market participation is also evident in the sharp rise in the number of new and active investors. The unique registered investor base on NSE has nearly tripled over the past five years, reaching 11.8 crore as of July 31st, 2025. The number of individuals executing at least one trade annually has also increased significantly over the same period—from 1.9 crore in the 12-month period ending July 31st, 2021 to 3.65 crore in the 12-month period ending July 31st, 2025.

Figure 26: Net inflows by individual investors in the NSE's CM segment (2002-2025TD)



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. As of July 31st, 2025

Figure 27: Annual trend of unique registered investors at NSE

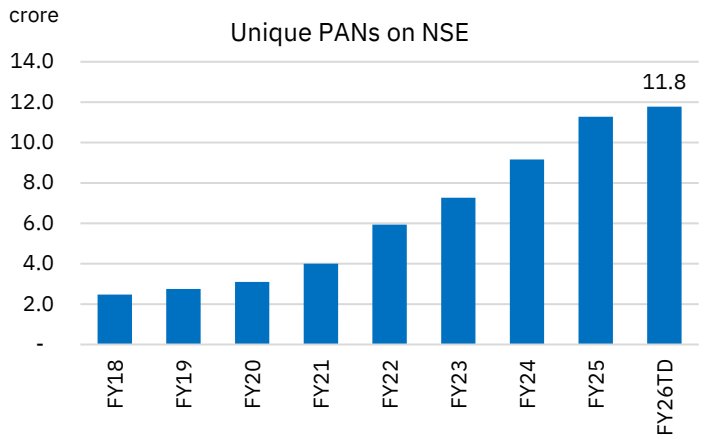
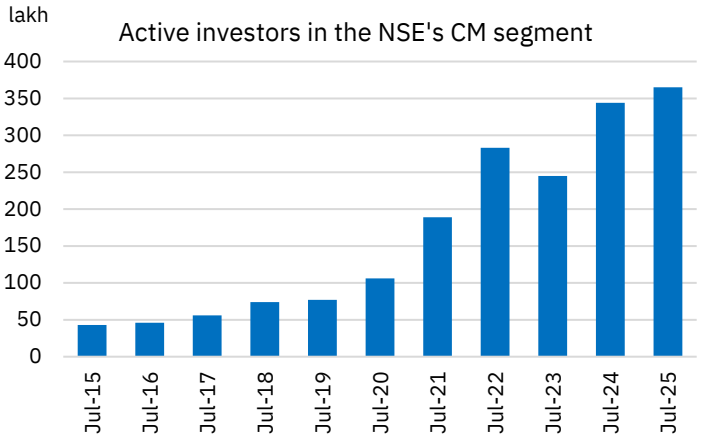


Figure 28: Active investors in a 12-month period s of respective month-ends



Source: NSE EPR. Data for FY26TD is as of July 31st, 2025. 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

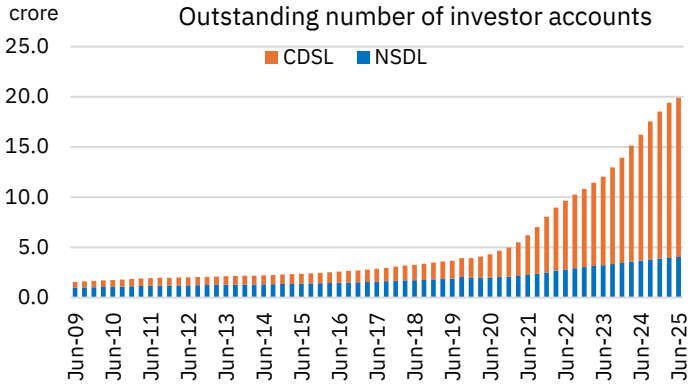
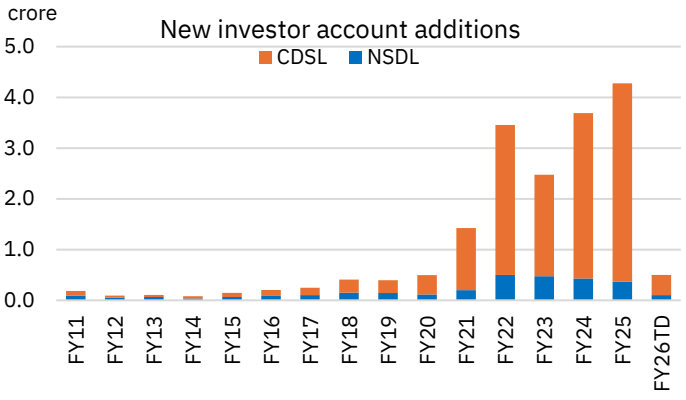


Figure 30: Annual trend of new investor account additions with depositories



Source: SEBI Bulletin, NSE EPR.

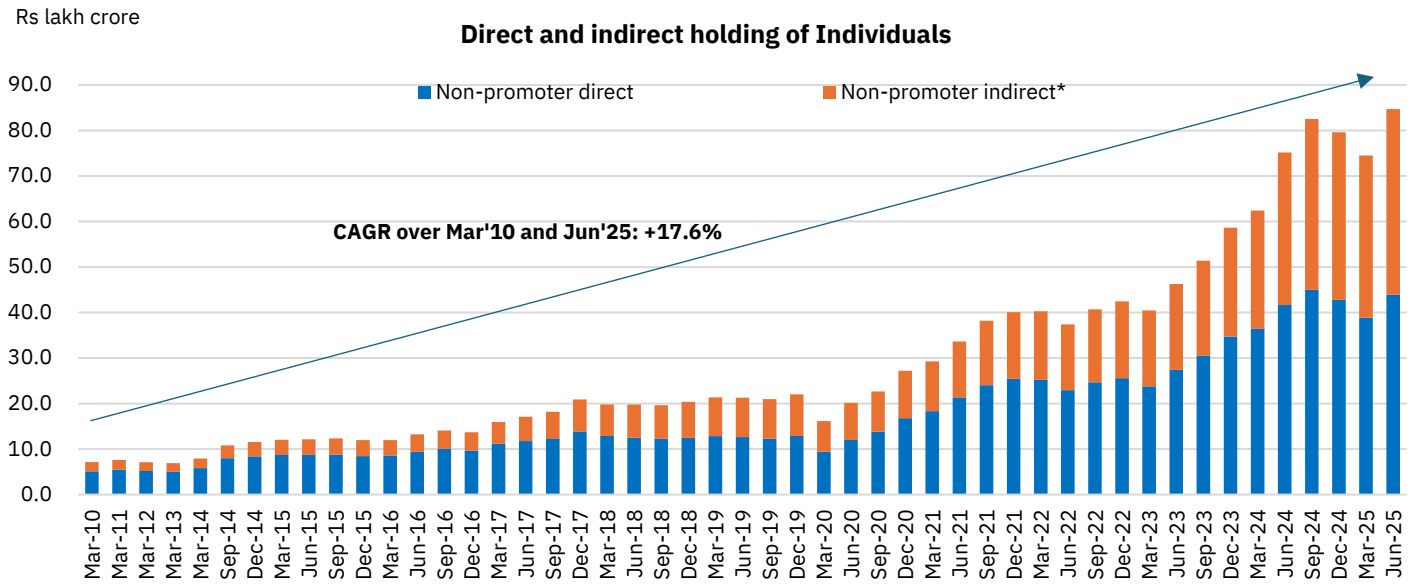
* Data for FY26TD is for the period Apr'25 to Jun'25.

Individuals' ownership as direct and indirect investors surged to over two-decadal high in the June quarter: Individual investors—both direct and through mutual funds—have significantly expanded their presence in Indian equities since the pandemic. As of June 30th, 2025, direct individual ownership in NSE-listed companies stood at 9.6% of total market capitalisation, amounting to Rs 43.9 lakh crore, up 12.9% QoQ and translates into an annualised rate of 34% from Rs 9.4 lakh crore (8.4%) in March 2020.

On the indirect side, individuals now account for 84.3% of mutual funds' total equity AUM, translating into a record-high indirect ownership of 8.9%—up 21 bps QoQ and sharply higher from just 3.4% a decade ago. In value terms, this stood at Rs 40.8 lakh crore, up by a strong 14.5% QoQ—higher than the 11.8% QoQ increase in overall market capitalisation.

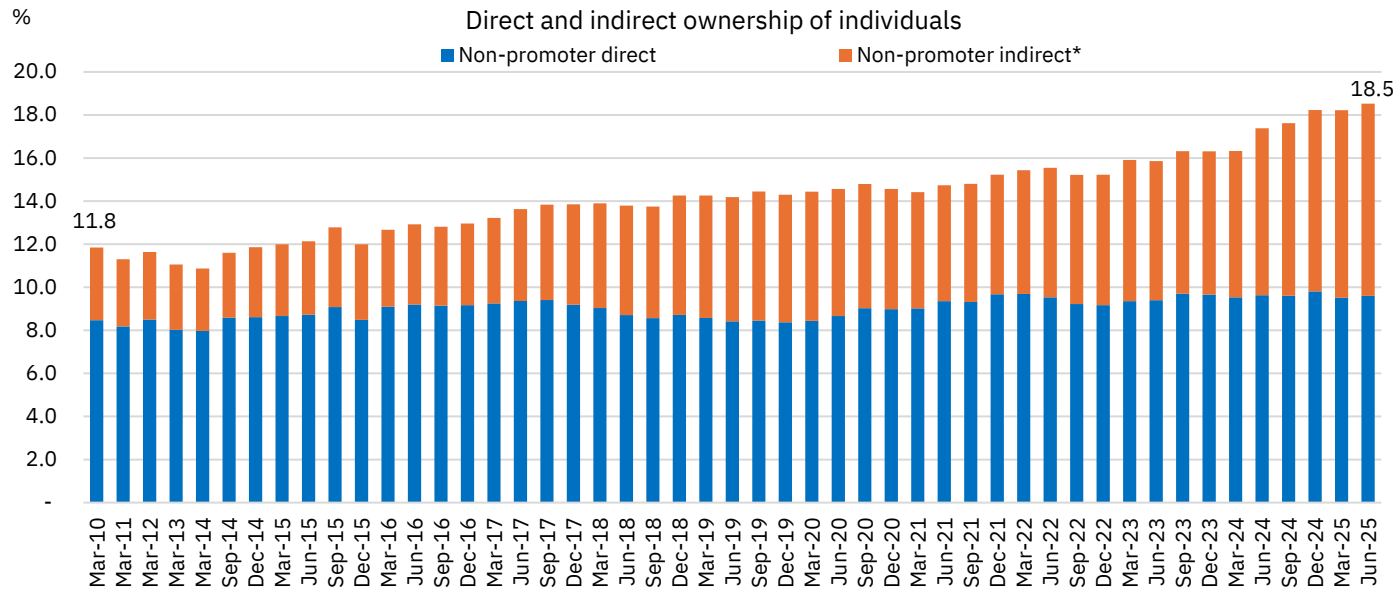
Combined direct and indirect holdings by individuals reached Rs 84.7 lakh crore in June 2025—more than five-fold increase since March 2020, with a strong 37% annualised growth over this period. Even over the past 15 years, growth remained solid at nearly 17.6% CAGR. In total, individuals now hold 18.5% of the Indian market, remaining ahead of FPI ownership for the third quarter in a row—a feat achieved last year for the first time since 2006. For perspective, the FPI-individual ownership gap was as wide as 11pp in March 2014, underscoring the rising influence of retail investors in India's equity landscape, which has fallen into the negative territory at -1.2pp in the June quarter.

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



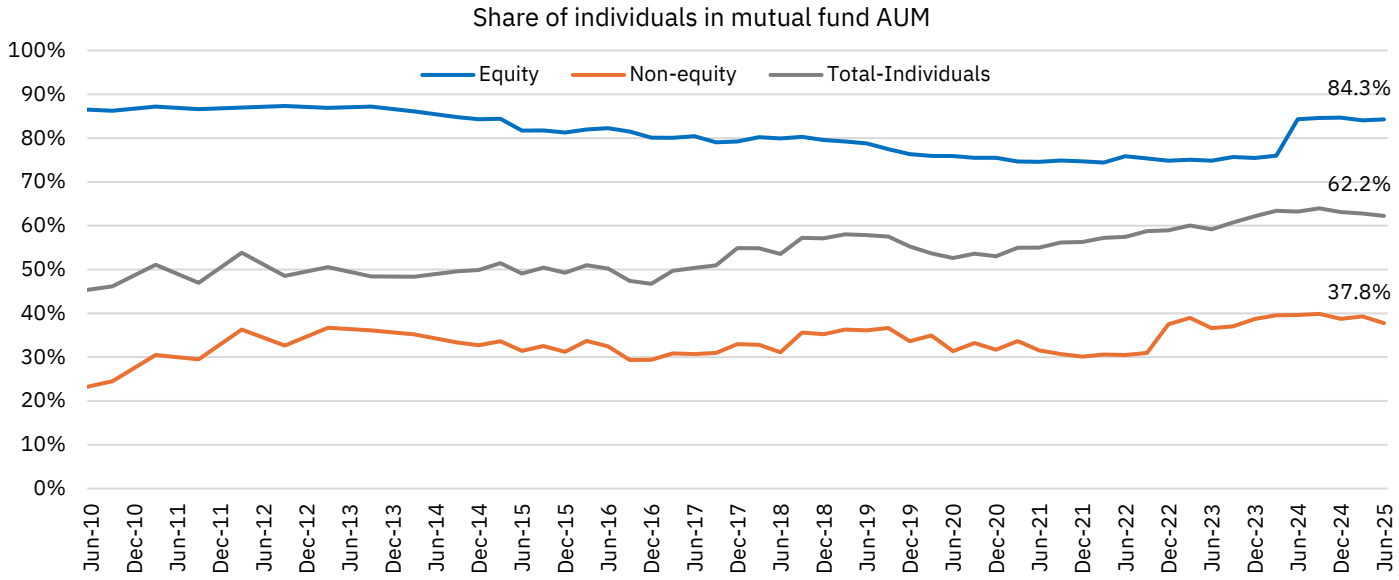
Source: CMIE Prowess, AMFI, NSE EPR. * Holding through mutual funds

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



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

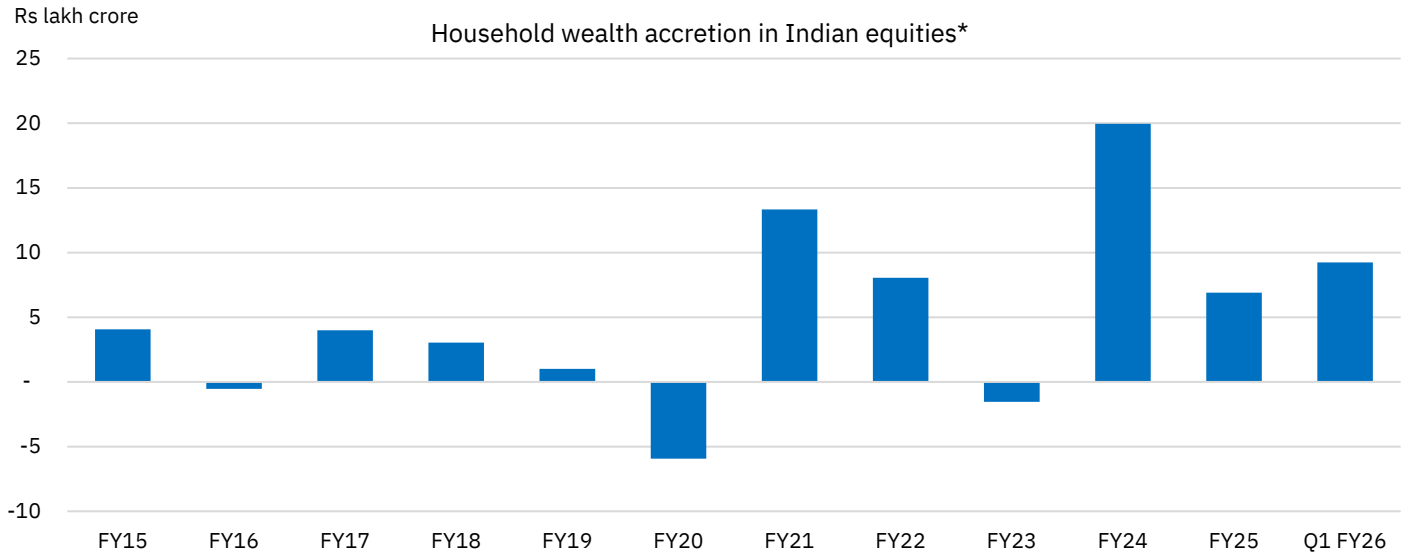
Figure 33: Share of individuals in mutual fund AUM



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

Household equity wealth rose by ~Rs 9 lakh crore in Q1 FY26, taking cumulative gains since April 2020 to ~Rs 56 lakh crore. After a decline in H2 FY25 amid a sharp equity market sell-off, household wealth saw a strong rebound in the June quarter, recovering nearly 80% of the previous dip. Based on our estimates, household holdings in Indian equities—both direct and through mutual funds—increased by Rs 9 lakh crore, marking the highest quarterly gain in the past year. This brings the total equity wealth created since April 2020 to ~Rs 56 lakh crore, with the current value of household equity exposure—across direct holdings and mutual funds—standing at approximately Rs 85 lakh crore as of June 2025. Our estimates are based on the cumulative QoQ change in the value of individual holdings in NSE-listed companies, adjusted for net fresh investments. For mutual funds, individual investor contributions are estimated in proportion to their share in total equity AUM.

Figure 34: Accretion to household wealth in Indian equity markets



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

Sector-wise ownership of the NSE-listed universe (June 2025): Sector-wise ownership data for NSE-listed companies in Q1 FY26 (Apr–Jun 2025) reveals continued dominance of promoters in key sectors. Real Estate maintained the highest promoter ownership at 63% (+28 bps QoQ), followed by Utilities at 59.3% (+12 bps), Materials at 56.5% (+39 bps), Industrials at 55.3% (+18bps QoQ), Energy at 52.6% and Information Technology at 52.3% (-55 bps). Promoter share fell notably in Communication Services (-1.5pp QoQ to a 29-quarter low of 50.8%), Consumer Discretionary (-62bps QoQ to 46.3%) and IT, with modest gains seen in Materials and Real Estate.

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

Financials retained the top spot in terms of DMF share, with 5/11 GICS sectors' share rising to the highest level in the quarter gone by.

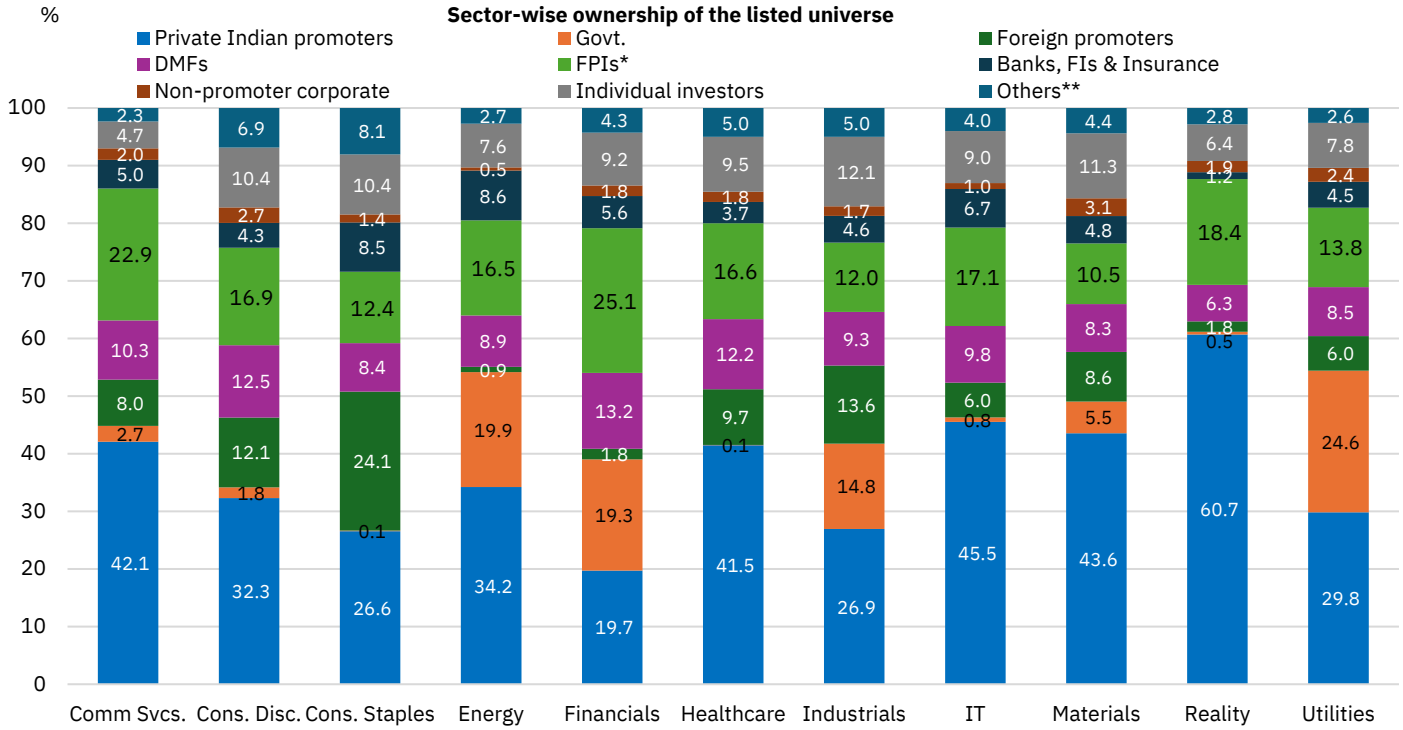
Utilities continued to lead in Government ownership for the 10th consecutive quarter despite a 1.3pp QoQ drop in the share to a five-quarter low of 24.6%. This was followed by Energy at 19.9%, but with a sharp decline in the Government holding for the third quarter in a row, taking the total decline to 3.3pp during this period. Financials followed with a steady Government holding of 19.3%—the lowest in the last seven quarters. The reduced Government share in Energy and Utilities was taken up by an equivalent jump in Communication Services (+1.5pp QoQ to 2.7%) and Industrials (+1.1pp QoQ to over 12-year high of 14.8%).

Financials retained the top spot in DMF ownership for the fifth consecutive quarter, with DMF share rising for the seventh straight quarter—up 17bps QoQ to a new all-time high of 13.2%. It was followed by Consumer Discretionary at an all-time high of 12.5% (+40bps) and Healthcare also at record high of 12.2% (+28 bps). Barring Utilities, Energy and Communication Services, where DMF share declined marginally, rest all sectors saw the DMF share rising by 17 to 40 bps on a QoQ basis. Notably, 5 out of 11 GICS sectors in the NSE-listed universe saw DMF share reach record highs in the June quarter.

Sector-wise, Financials led in terms of FPI share, with a quarter of the sector's value held by FPIs, followed by Communication Services at 22.9% (+48bps QoQ).

Barring Communication Services and Energy, FPI ownership declined across sectors in the June quarter led by Utilities and Real Estate. Financials continued to have the highest FPI ownership, with a quarter of the sector's market cap held by FPIs, followed by Communication Services at a 21-quarter high of 22.9%. Real Estate held the third position with an 18.4% share.

Figure 35: NSE-listed universe: Sector-wise ownership pattern across key stakeholders (June 2025)



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

Sector allocation in the NSE-listed universe for key stakeholders (June 2025): The table below presents sectoral allocations across key shareholder categories for NSE-listed companies as of June 2025. Government ownership remained heavily concentrated in four sectors—Financials, Energy, Utilities, and Industrials—which together accounted for nearly 90% of its total holdings. Foreign promoter exposure was the highest in Industrials at 22.0% (+44bps QoQ) followed by Consumer sectors—Staples and Discretionary—comprising 20.4% and 17.2% of their portfolio, respectively, and Materials at 11.6% (-63 bps QoQ). DMFs maintained a more diversified portfolio than FPIs, even as both of them maintained an outsized exposure to Financials for yet another quarter.

Both DMFs and FPIs saw their portfolio allocation to Financials rising for the third quarter in a row.

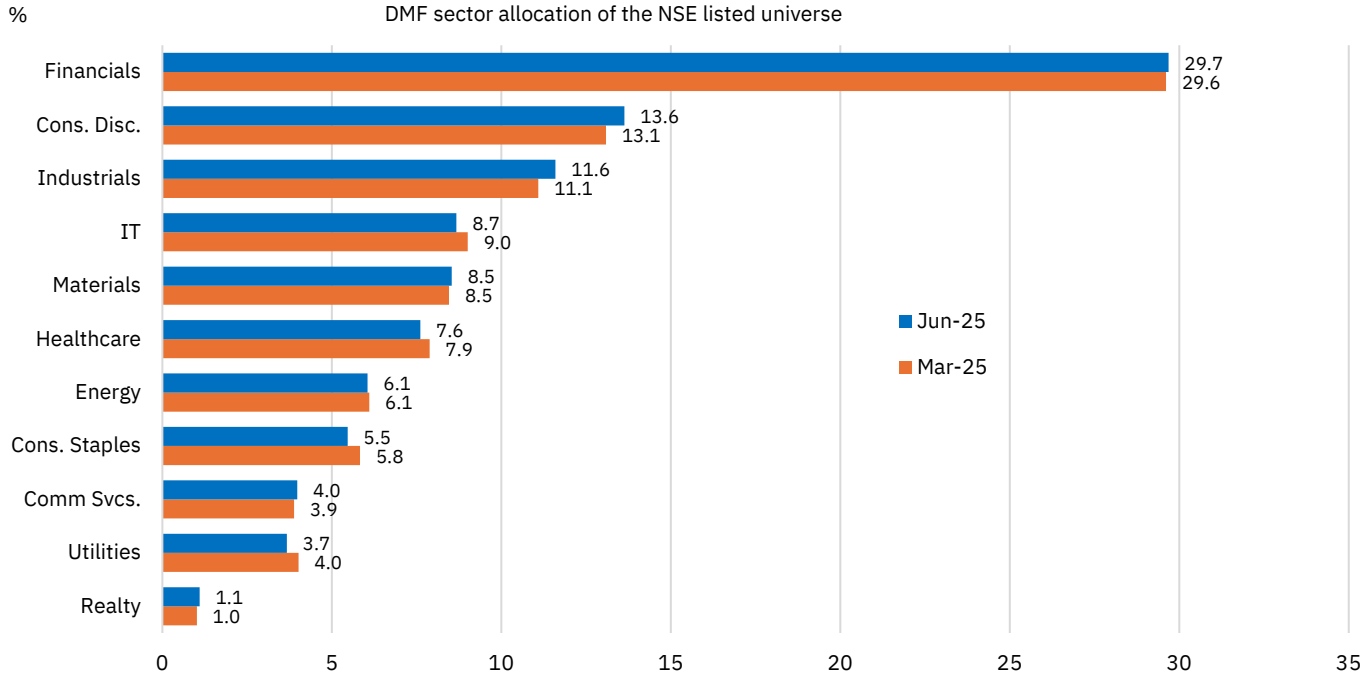
Table 7: Sector allocation of the NSE-listed universe for key stakeholders (June 2025)

%	Pvt. Indian promoters	Govt^	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, Insurance	Non-promoter corporate	Individuals
Communication Services	5.4	1.1	4.0	4.0	5.4	3.7	4.3	2.0
Consumer Discretionary	11.6	2.1	17.2	13.6	11.3	9.1	16.5	12.5
Consumer Staples	5.7	0.1	20.4	5.5	4.9	10.8	5.1	7.5
Energy	7.6	14.1	0.8	6.1	6.8	11.3	2.1	5.7
Financials	14.6	45.5	5.4	29.7	34.6	24.4	23.2	22.8
Health Care	8.5	0.0	7.9	7.6	6.4	4.5	6.2	6.6
Industrials	11.0	19.3	22.0	11.6	9.2	11.2	11.7	16.5
Information Technology	13.2	0.7	6.9	8.7	9.2	11.4	5.1	8.8
Materials	14.7	5.9	11.6	8.5	6.6	9.5	17.9	12.8
Real Estate	3.5	0.1	0.4	1.1	2.0	0.4	1.9	1.2
Utilities	4.2	11.1	3.4	3.7	3.6	3.8	5.9	3.7
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.

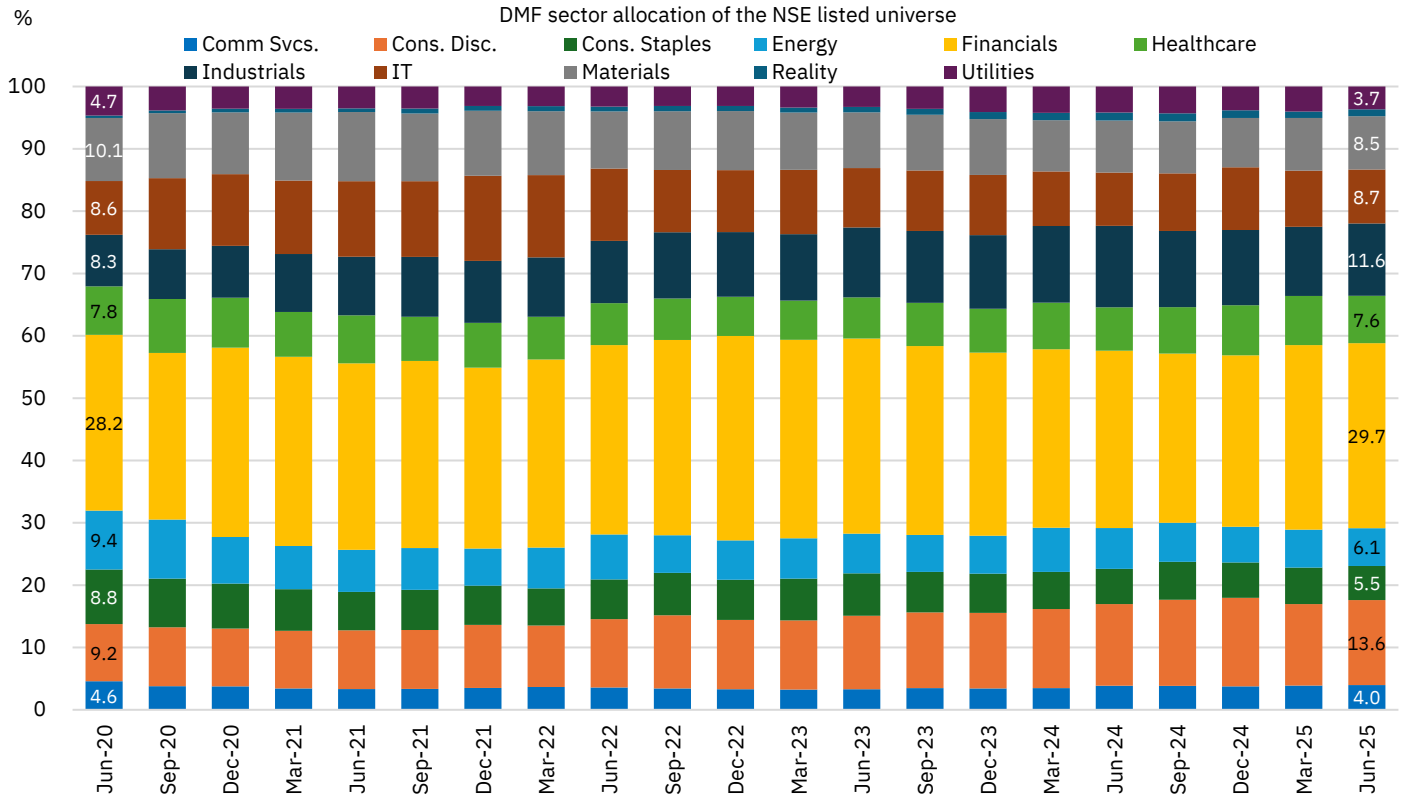
DMFs maintained an OW position on Financials, Consumer Discretionary and Healthcare and remained negative on commodity-oriented sectors: DMFs maintained their outsized exposure to Financials, with a modest 9bps QoQ increase in portfolio allocation to the sector to 29.7%, marking the third increase in a row (+2.5pp during this period). This appears to be predominantly led by the outperformance of Financials in the quarter gone by as reflected in a steeper (+27bps QoQ) increase in the sector's share in total market capitalization of NSE listed companies. Among other sectors, FPIs turned incrementally more bullish on Consumer Discretionary, with a 54bps QoQ increase in allocation to 13.6%, and increased allocation to Industrials, with the latter primarily led by better-than-market returns. DMFs retained a negative stance on commodity sectors including Materials and Energy, with a steady portfolio allocation, reflecting heightened trade-related volatility. At the same time, they trimmed allocation to Consumer Staples, IT and Healthcare, partly attributed to relative underperformance of these sectors in the June quarter, weighed by concerns around softening domestic consumption demand, weakening global demand for IT services and tariff risks on pharmaceuticals.

Figure 36: DMF sector allocation of the NSE-listed universe (June 2025 vs. March 2025)



Source: CMIE Prowess, NSE EPR.

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



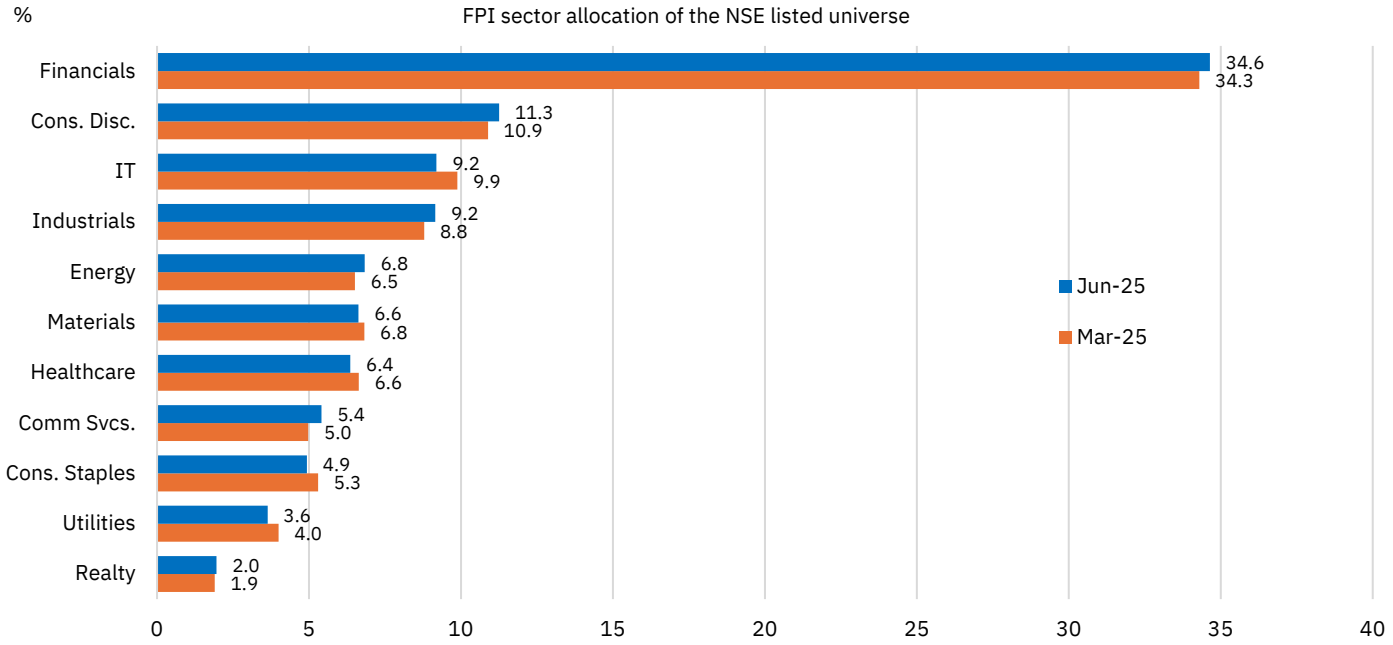
Source: CMIE Prowess, NSE EPR.

FPIs strengthened their outsized exposure to Financials in the June quarter: FPIs, much like DMFs, have sharply increased their allocation to Financials over the last three quarters—up 4.2pp—to a seven-quarter high of 34.6%, reaffirming their long-standing overweight position in the sector.

Beyond Financials, FPIs also raised their exposure to Communication Services for the second quarter in a row to a 16-year high of 5.4%, followed by an increase in allocation to Consumer Discretionary, Energy and Industrials. This came at the expense of reduced allocation to Information Technology, Utilities, Consumer Staples and Healthcare—underscoring shifting investor sentiment away from sectors that are getting affected from weak domestic and global demand and heightened global trade frictions. In fact, FPI allocation to Consumer Staples fell to sub-5% for the first time in over 15 years.

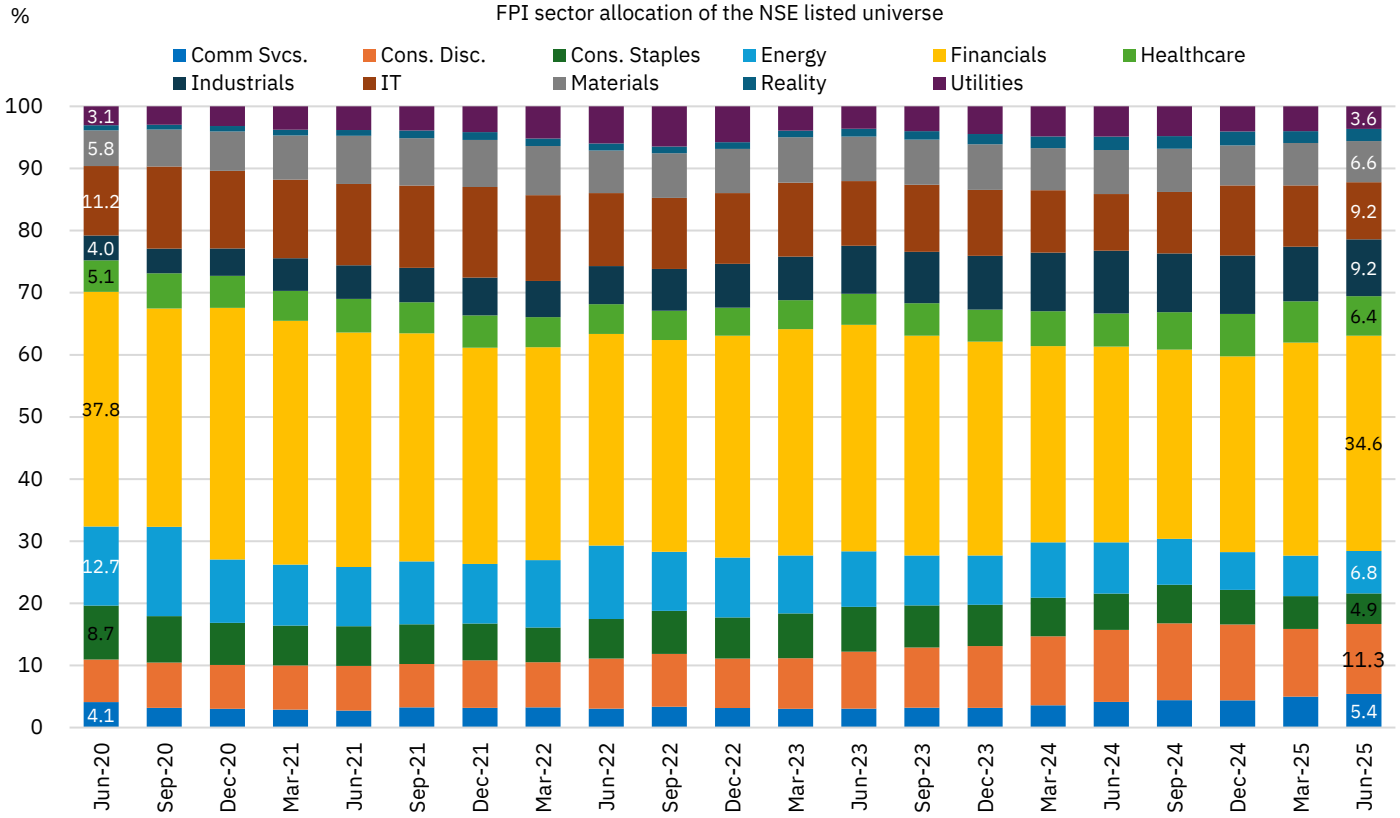
Notably, Financials and Communication Services are the only sectors that FPIs have a higher allocation to relative to the market, while they have maintained a bit UW position on Industrials and Materials.

Figure 38: FPI sector allocation of the NSE-listed universe (June 2025 vs. March 2025)



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

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



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

Nifty 50 ownership trends

Ownership pattern of the Nifty 50 universe (June 2025)

Promoter ownership in Nifty 50 fell for the fifth quarter in a row to near 23-year low of 40.2% in the June quarter.

Promoter stake in the Nifty 50 universe declined to near 23-year lows row: Promoter ownership in Nifty 50 companies declined for the fifth straight quarter, falling by 32bps QoQ to near 23-year low of 40.2% in Q1 FY26. This marks a cumulative decline of 2.6pp over the last five quarters, much lower than the 1.4pp drop seen in promoter holding in the overall listed universe. In value terms, promoter holdings rose by 7.2% QoQ to Rs 81.6 lakh crore, a lower rise than the 8.1% increase in Nifty 50's total market cap. This decline was broad-based across promoter categories, led by private India and government promoters.

Private Indian promoters saw their share in the Nifty 50 companies falling by 14bps QoQ, reversing an equivalent increase in the previous quarter, to five-year low of 28.4%, with holdings rising 7.6% in value to Rs 57.6 lakh crore. Foreign promoters saw a relatively modest 6bps QoQ decline to a 12-year low of 5.4%, driven largely by underperformance in Consumer Staples—more than one-third of the sector's market cap with the Nifty 50 universe is owned by foreign promoters. Their overall holdings grew by 6.9% in value to Rs 11.0 lakh crore, almost entirely making up for the dip seen in the previous quarter. Excluding Consumer Staples (the market cap of which expanded by a much lower 3.5%QoQ), foreign promoter share in the Nifty 50 Index remained broadly steady. Government holdings (including both promoter and non-promoter stakes) declined by 14bps QoQ to a six-quarter low of 6.7%, marking the third dip in a row, with value rising by a much lower 5.9% to Rs 13.5 lakh crore.

DMF ownership in the Nifty 50 market cap rose by 35bps QoQ to a fresh record high of 13.0% in the June quarter, supported by strong SIP inflows.

FPI share also inched up by 21bps QoQ to a six-quarter high of 24.5%.

Institutional ownership rose further to fresh record high levels: Institutional ownership in the Nifty 50 universe rose for the fifth consecutive quarter, reversing the declining trend seen through FY24. As of June 2025, institutional share increased by 48bps QoQ to a record high of 48.4%, marking a cumulative rise of 275bps since March 2024. This uptrend was led by an increase in the share of both DMFs and FPIs.

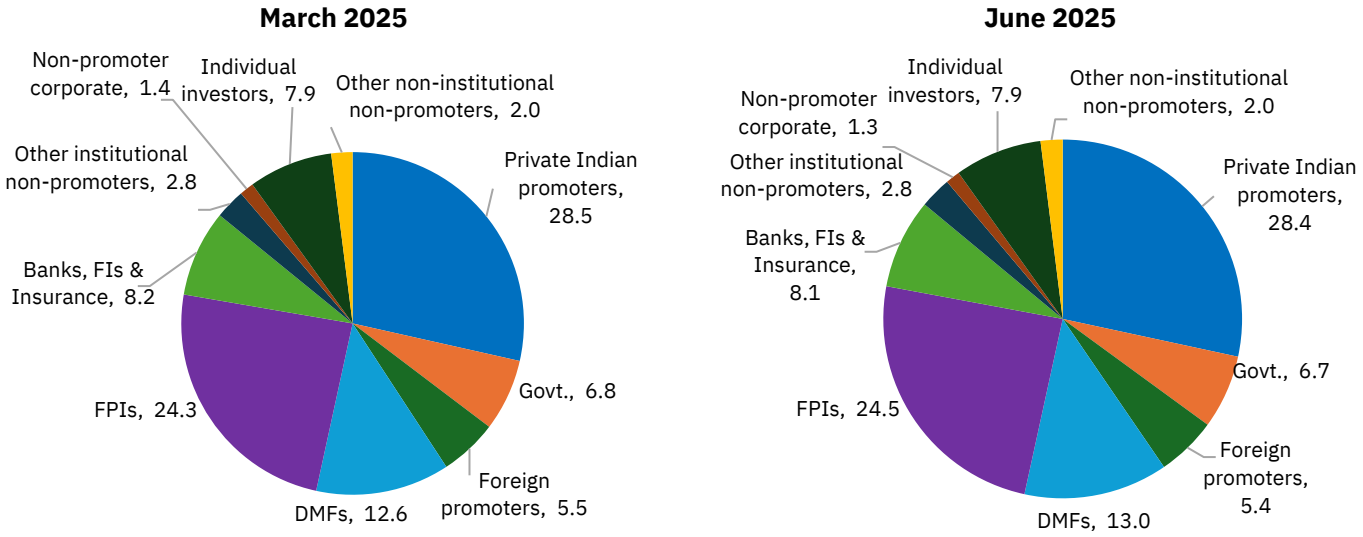
DMFs' share in Nifty 50 market capitalisation rose by 35bps QoQ to a fresh all-time high of 13.0%, marking the eighth consecutive quarterly increase, in line with broader market trends. This growth was supported by robust net inflows, underpinned by steady individual participation through SIPs, which more than offset volatility in FPI flows. In value terms, DMF holdings in Nifty 50 stocks rose 11.1% QoQ to Rs26.3 lakh crore—the highest on record.

FPI ownership in Nifty 50 companies also increased, rising 21bps QoQ to 24.5%, a six-quarter high. However, this was in contrast to their declining share in the broader listed universe, suggesting a preference for large-cap exposure amid elevated macroeconomic and market uncertainty. Despite the recent uptick, FPI ownership remains 3.9pp below its pre-COVID peak of December 2019. In value terms, FPI holdings in Nifty 50 stocks grew by 9% QoQ to Rs 49.7 lakh crore, largely recovering the declines seen in the previous two quarters.

Meanwhile, the share of Banks, Financial Institutions, and Insurance companies in the Nifty 50 remained relatively stable, edging down 7bps QoQ to 8.1%—within the tight 8–8.2% range maintained over the past 12 quarters, and broadly unchanged from year-ago levels.

Individual investors' ownership in Nifty50 companies remained broadly steady for yet another quarter: Echoing the broad trend observed in the last few quarters, the aggregate ownership of individual investors in the Nifty 50 companies remained broadly steady at 7.9%, with the value held rising by 7.2% QoQ to Rs16 lakh crore, just 3.3% shy of the peak holding of Rs 16.5 lakh crore in the quarter ending September 2024. Notably, individual investors' share has been hovering in a tight range of 8-8.5% for more than six years now. Interestingly, excluding the Nifty 50 companies, individual investors' share in NSE listed companies rose by 14bps QoQ to 11%. This possibly reflects the impact of better returns generated by mid- and small-cap companies in the quarter gone by, where individual investors typically have a higher exposure.

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



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

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

Rs lakh crore	Private Indian promoters	Govt.	Foreign promoters	DMFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **	Total
Sep-22	42.9	7.3	9.4	12.8	11.0	34.7	2.3	11.4	5.7	137.6
Dec-22	44.7	8.0	9.3	13.7	11.6	37.2	1.7	11.8	6.7	144.8
Mar-23	40.6	7.6	8.9	13.6	11.3	35.0	1.6	11.4	6.5	136.5
Jun-23	45.4	8.3	10.0	14.8	12.3	38.9	1.9	12.5	7.6	151.8
Sep-23	45.4	9.3	10.1	15.6	12.5	38.8	1.9	12.8	7.8	154.2
Dec-23	50.4	10.7	11.1	17.5	13.8	43.0	2.1	14.0	8.5	171.2
Mar-24	53.5	12.6	11.3	18.9	14.3	43.9	2.2	14.5	8.5	179.6
Jun-24	56.0	13.7	11.8	21.3	15.4	46.8	2.2	15.3	8.8	191.3
Sep-24	59.6	15.4	13.3	23.8	16.8	51.0	2.5	16.5	9.8	208.6
Dec-24	53.3	13.4	11.0	22.9	15.4	45.7	2.2	15.0	9.0	188.0
Mar-25	53.5	12.8	10.3	23.7	15.3	45.6	2.5	14.9	9.1	187.7
Jun-25	57.6	13.5	11.0	26.3	16.4	49.7	2.6	16.0	9.8	202.8
% QoQ	***7.6%***	***5.9%***	***6.9%***	***11.1%***	***7.1%***	***9.0%***	***3.7%***	***7.2%***	***7.5%***	***8.1%***

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

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

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual investors	Others*
Sep-22	31.2	5.3	6.8	9.3	8.0	25.2	1.7	8.3	4.2
Dec-22	30.9	5.5	6.4	9.5	8.0	25.7	1.2	8.1	4.6
Mar-23	29.8	5.6	6.6	9.9	8.2	25.6	1.2	8.3	4.8
Jun-23	29.9	5.5	6.6	9.7	8.1	25.7	1.3	8.2	5.0
Sep-23	29.4	6.0	6.5	10.1	8.1	25.2	1.3	8.3	5.0
Dec-23	29.4	6.3	6.5	10.2	8.0	25.1	1.3	8.2	5.0
Mar-24	29.8	7.0	6.3	10.5	8.0	24.5	1.2	8.1	4.7
Jun-24	29.3	7.1	6.2	11.1	8.1	24.5	1.2	8.0	4.6
Sep-24	28.5	7.4	6.4	11.4	8.0	24.4	1.2	7.9	4.7
Dec-24	28.4	7.1	5.8	12.2	8.2	24.3	1.2	8.0	4.8
Mar-25	28.5	6.8	5.5	12.6	8.2	24.3	1.4	7.9	4.8
Jun-25	28.4	6.7	5.4	13.0	8.1	24.5	1.3	7.9	4.8
QoQ change	***-14bps***	***-14bps***	***-6bps***	***35bps***	***-7bps***	***21bps***	***-5bps***	***-7bps***	***-2bps***

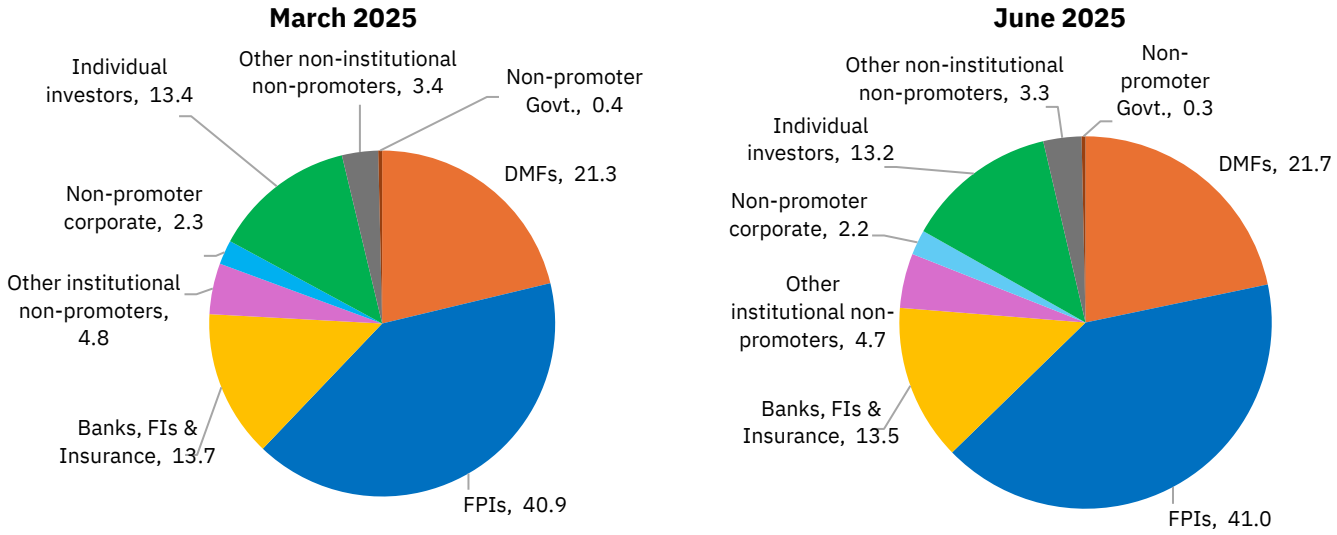
Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters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

Institutional ownership of Nifty50 floating stock surged to a fresh record high in the June quarter: As a share of free-float, overall institutional ownership in Nifty 50 stocks increased by 37bps QoQ to 81.0%, marking the seventh consecutive quarterly rise and a cumulative gain of nearly 6pp over the past five years. This uptrend was primarily driven by DMFs, whose ownership climbed for the eighth straight quarter to a new high of 21.7%. FPIs also saw a modest increase in floating stock ownership, rising 13bps QoQ to 41.0%, reversing a five-quarter streak of declines. However, this remains well below the peak of ~52% seen over a decade ago. In contrast, Banks, Financial Institutions, and Insurance companies saw their ownership decline for the second consecutive quarter to 13.5%, a three-year low, though it continues to fluctuate within a narrow 13.5–14.1% range during this period.

Meanwhile, individual investors' share in Nifty 50 floating stock declined by 18bps QoQ to 13.2%, a six-year low, marking the seventh straight quarterly decline. This is now 1.8pp below the post-pandemic peak of 15% in June 2022, partly reflecting a shift in retail participation toward mid- and small-cap stocks. Supporting this trend, individual ownership in NSE-listed companies excluding the top 10% by market capitalisation surged 83bps QoQ to a three-year high of 35.5%.

The share of other non-institutional non-promoter investors (primarily trusts, clearing members, and HUFs) and other institutional non-promoters remained largely unchanged for the fifth consecutive quarter.

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



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

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

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investors	Others**
Sep-22	16.4	14.1	44.3	3.0	14.6	7.7
Dec-22	16.5	13.9	44.8	2.1	14.2	8.4
Mar-23	17.1	14.1	44.0	2.0	14.3	8.5
Jun-23	16.7	13.9	44.1	2.2	14.2	8.9
Sep-23	17.3	14.0	43.2	2.2	14.3	9.0
Dec-23	17.6	13.8	43.3	2.2	14.1	8.9
Mar-24	18.4	14.0	42.8	2.1	14.1	8.7
Jun-24	19.3	14.0	42.4	2.0	13.9	8.4
Sep-24	19.7	13.9	42.2	2.1	13.7	8.5
Dec-24	20.7	13.9	41.3	2.0	13.5	8.5
Mar-25	21.3	13.7	40.9	2.3	13.4	8.5
Jun-25	21.7	13.5	41.0	2.2	13.2	8.4
QoQ change	***47bps***	***-20bps***	***13bps***	***-10bps***	***-18bps***	***-11bps***

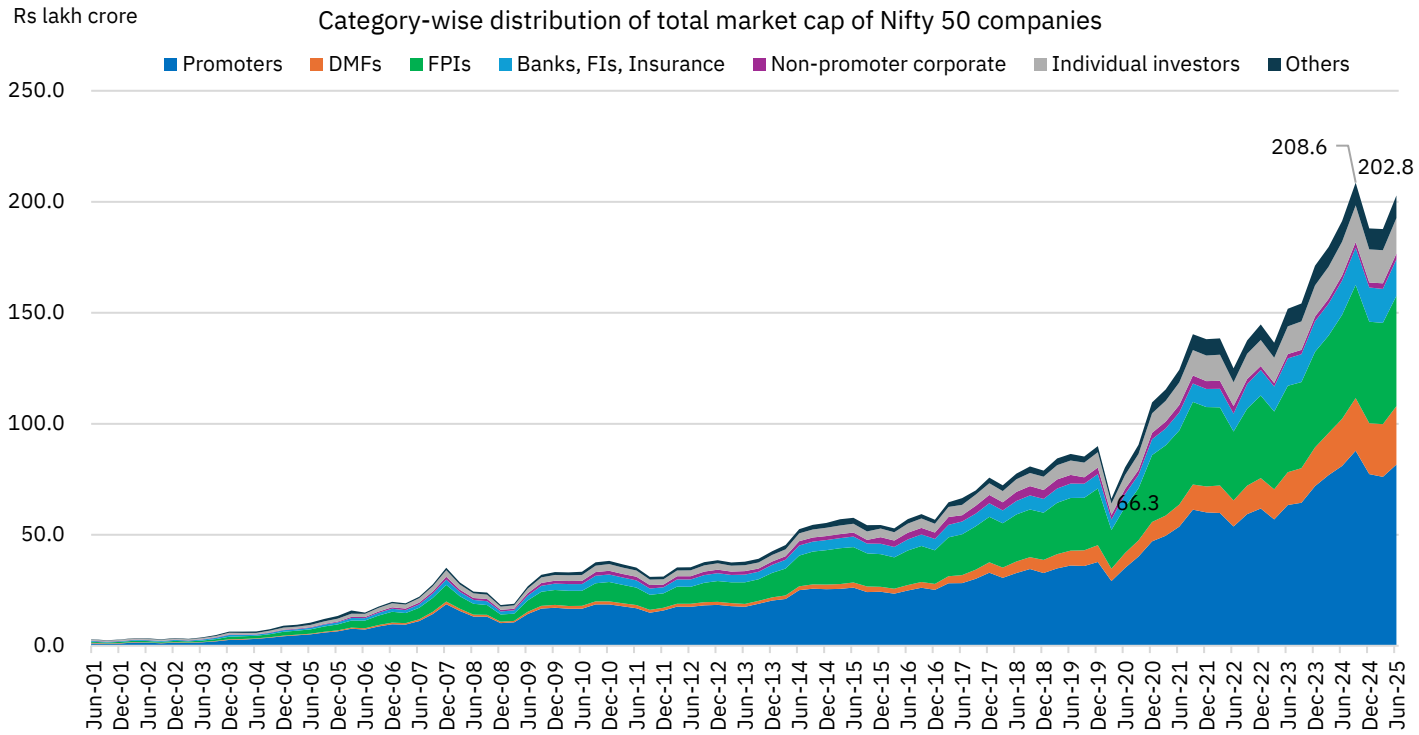
Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters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

Long-term ownership trend of the Nifty 50 universe: The long-term ownership trend of the Nifty 50 Index echoes the trend seen in the broader listed universe. Overall promoter ownership has seen a steady decline from 2009 until March 2019, only to see a gradual increase over the next one-and-a-half years and decline thereafter. The decline in promoter share between 2009 and 2019 was primarily led by a sharp drop in Government ownership, even as private Indian promoters' holding increased during this period. Foreign promoters' share, on the other hand, has remained broadly steady barring the post-COVID volatility.

The DMF ownership has seen a sharp increase since 2014 barring the drop in 2020 and is currently hovering at the highest level in the last 25 years. FPI ownership saw a steady increase since the Global Financial crisis until early 2015, reaching the highest level of 28.3% in Mar-15 only to hover around similar levels until Dec-19. Since the onset of the pandemic, FPI share has been gradually falling barring a significant increase in the fourth

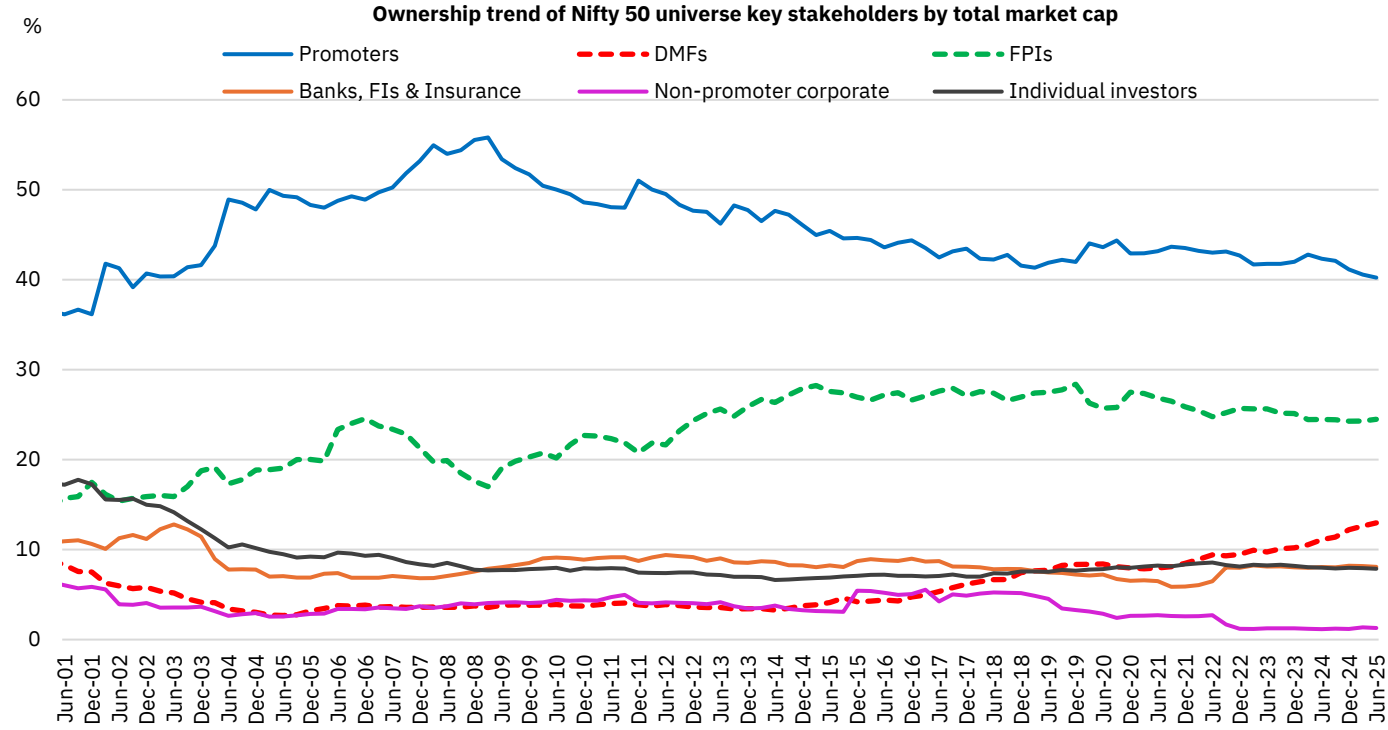
quarter of 2020. Contrary to the overall NSE-listed universe, individual investors' ownership in the Nifty 50 Index rose steadily for eight years between 2014 and 2022 but has seen a dip in the recent years.

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

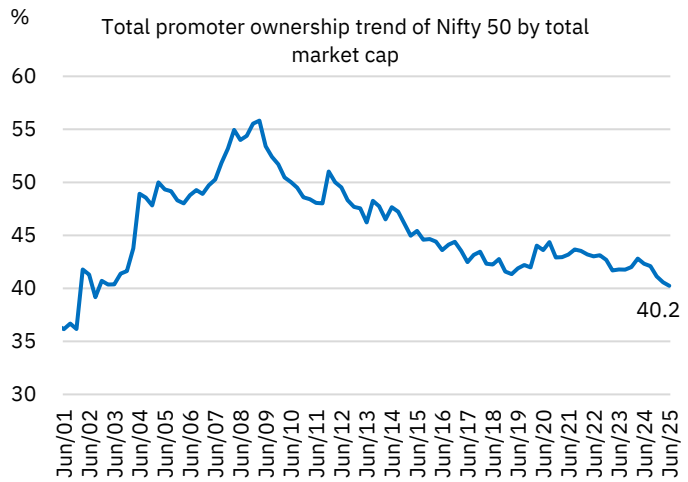
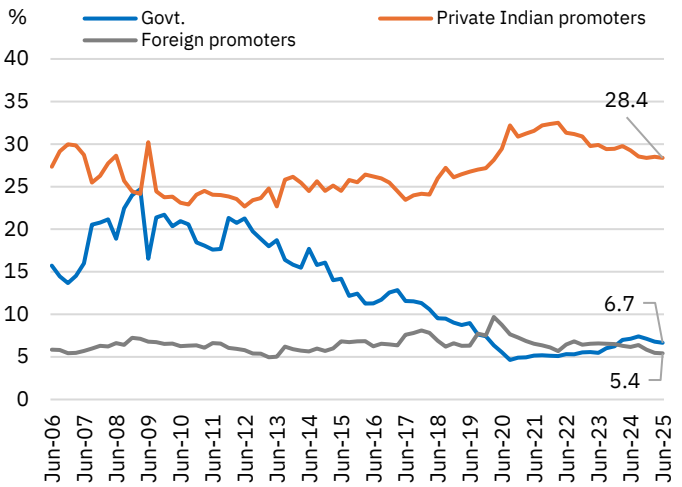


Figure 45: Indian and foreign promoter ownership trend of the Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

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

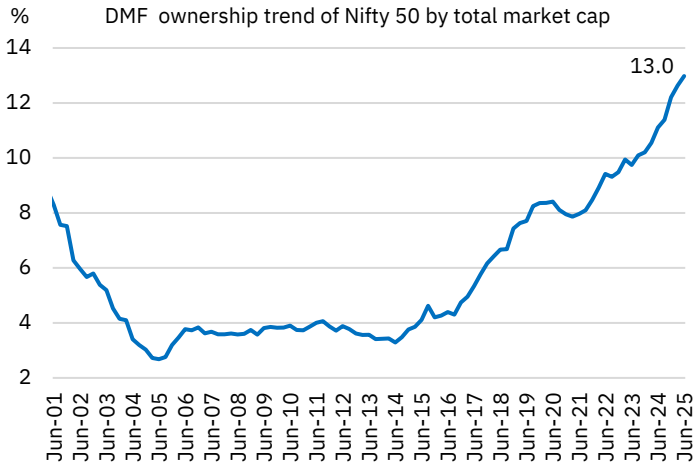
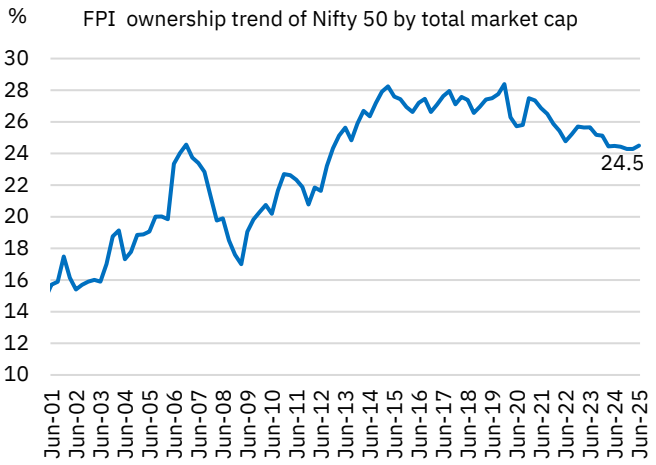


Figure 47: FPI ownership trend of Nifty 50 universe by total market cap



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

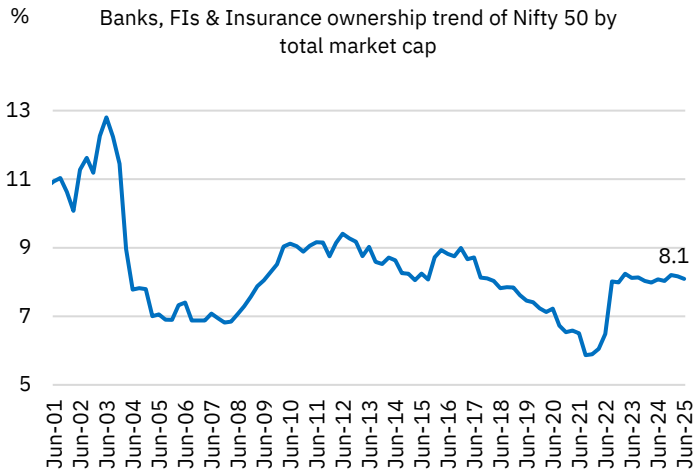
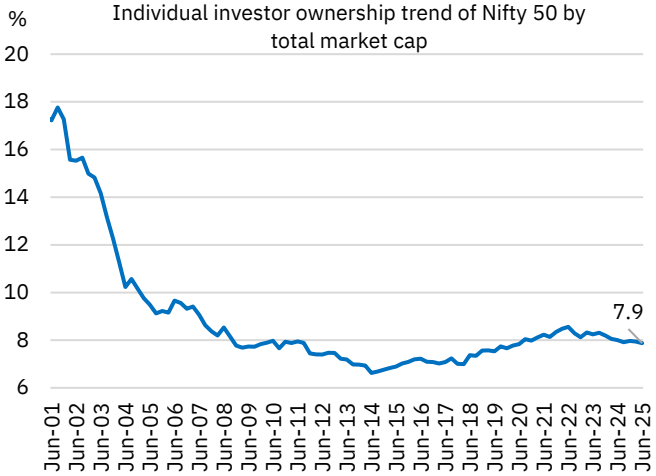


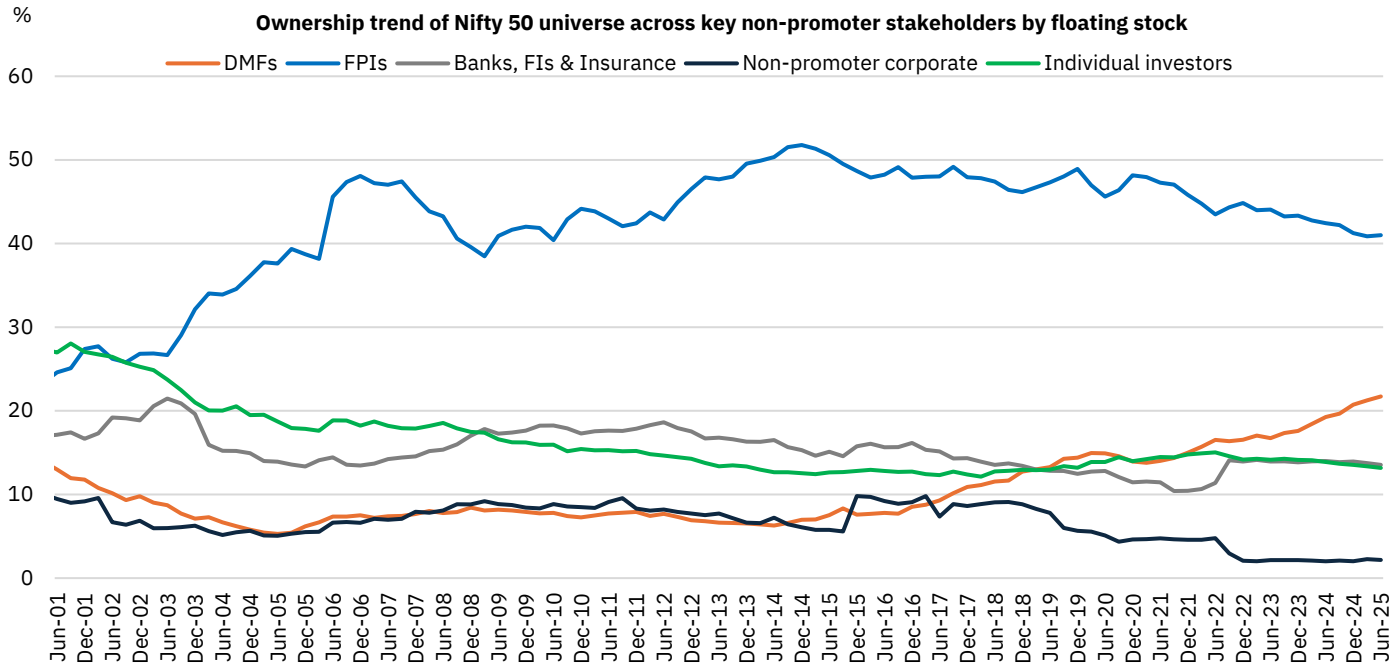
Figure 49: Retail ownership trend of Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Our long-term ownership analysis on the free float market cap of the Nifty 50 Index also shows that while DMF ownership is currently at the highest ever level of 21.7%, while FPI ownership is 10.8pp 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

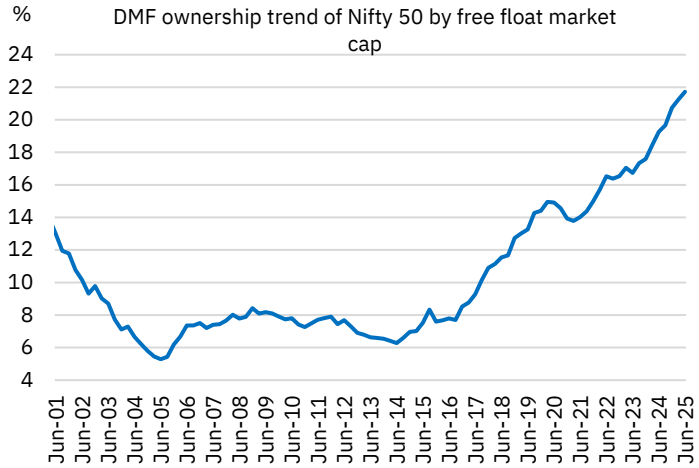
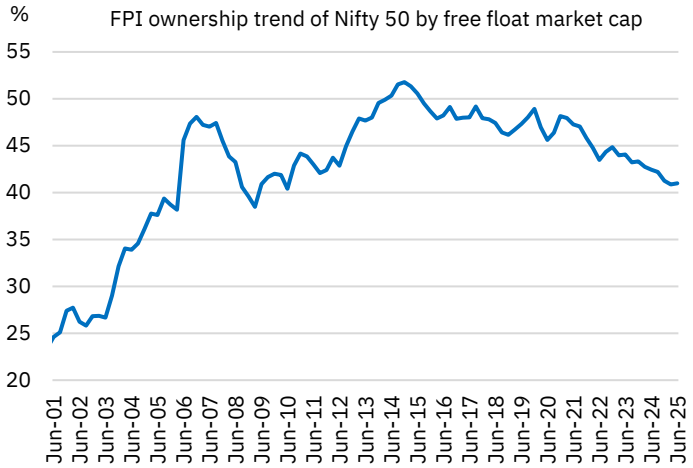


Figure 52: FPI ownership trend of the Nifty 50 universe by free float market cap



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

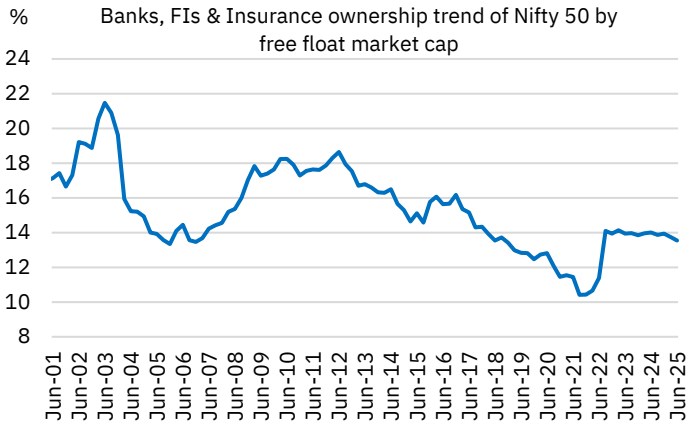
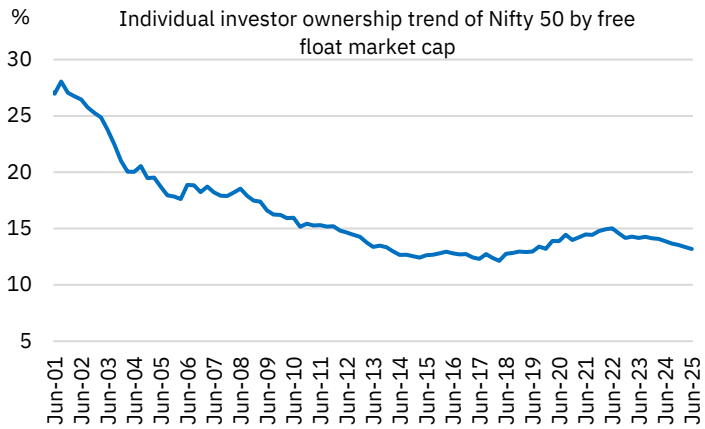


Figure 54: Individual ownership trend of the Nifty 50 universe by free float market cap



Source: CMIE Prowess, NSE EPR.

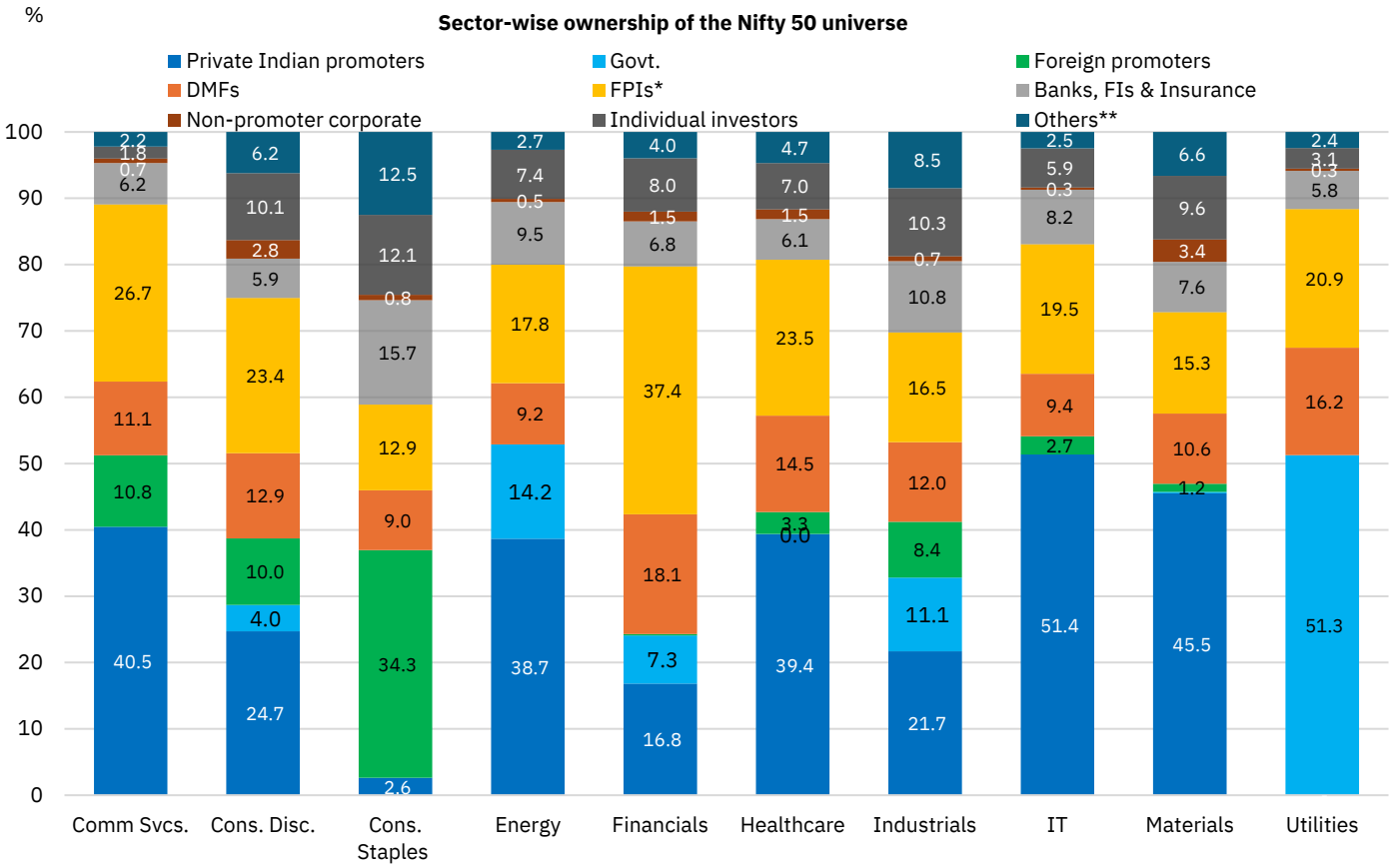
Sector-wise ownership of the Nifty 50 universe (June 2025): Institutional and promoter ownership trends across Nifty 50 sectors saw notable shifts in the June 2025 quarter. Within the Nifty 50 universe, Information Technology continued to have the highest promoter ownership at 54.1%, despite a 59bps QoQ decline—marking an 11-quarter low. Energy overtook Communication Services to become the sector with the second-highest promoter share at 51.6% (down 36bps QoQ). Promoter ownership in Communication Services declined sharply by 1.2pp QoQ to 51.3%, a more than 19-year low. Utilities followed in fourth place, with promoter share broadly stable at 51.2%.

Apart from Communication Services, several other sectors also recorded meaningful declines in promoter holdings. Consumer Discretionary fell by 1pp QoQ to a near 22-year low of 38.7%, Healthcare declined by 75bps QoQ to a 10-quarter low of 42.7%, and Information Technology dropped 59bps QoQ to 54.1%. In contrast, Industrials saw a notable 2pp QoQ increase in promoter ownership to 41.1%, partially offsetting the drop witnessed in the second half of FY25.

Financials maintained their position as the top sector by DMF ownership for the sixth straight quarter, supported by a steady increase in exposure over the last three quarters. DMF share in the sector's market capitalisation within the Nifty 50 rose to an all-time high of 18.1% in the June 2025 quarter, reflecting both strong incremental investments and recent outperformance in the sector. Besides Financials, Consumer Discretionary, Healthcare, Materials, and Utilities also saw DMF ownership within their respective sectoral market caps reach fresh record highs. Notably, all GICS sectors within the Nifty 50 universe either saw DMF share rise or remain broadly steady during the quarter, highlighting sustained domestic institutional interest across the board.

Following a decline in the previous quarter, FPI ownership in the Financials sector within the Nifty 50 saw a modest rebound of 28bps QoQ to 37.4% in the June quarter. Despite a cumulative decline of more than 12 pp over the past decade, Financials remained the sector with the highest FPI share. Communication Services moved into the second position, with FPI ownership rising by 8.6pp over the last four years to a 23-quarter high of 26.7%. Healthcare and Utilities followed, though both registered declines during the quarter—down 11bps and 82bps QoQ to 23.5% and a 15-quarter low of 20.9%, respectively. Despite the broader moderation in FPI ownership in recent years, FPIs continue to be the largest non-promoter shareholders in all Nifty 50 sectors except Consumer Staples.

Figure 55: Nifty 50: Sector-wise ownership pattern across key stakeholders (June 2025)



Source: CMIE Prowess, NSE EPR.

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

Sector allocation of the Nifty 50 universe for key shareholders (June 2025): The table below presents the sector-wise allocation of key stakeholder groups in Nifty 50 companies as of June 2025. Government ownership in the Financials, Energy, and Utilities sectors—historically concentrated—declined for the fourth consecutive quarter, falling 3.6 pp QoQ to 81.2%, a near 15-year low. However, this concentration remains significantly higher than in the overall listed universe, where these sectors account for 70.7% of total Government holdings. Cumulatively, this reflects a 12.3 pp decline in Government allocation to these three sectors over the past year, led primarily by a steep reduction in Energy (–9.2 pp YoY, –1.99 pp QoQ), now at a 16-year low of 29.1%. In contrast, Government exposure to the Industrials sector has increased by 11.7 pp YoY and 2.8 pp QoQ, reaching a 15-year high of 11.8%, largely driven by the inclusion of Bharat Electronics in the index during the September 2024 revision.

For foreign promoters, sectoral allocation remained heavily skewed towards consumption-oriented sectors—Consumer Staples, Consumer Discretionary, along with Communication Services and Industrials—which together accounted for 88.2% of their Nifty 50 exposure, down 24 bps QoQ. The decline was primarily driven by a sharp reduction in exposure to Consumer Staples, which still comprise 44% of their holdings in the index. Information Technology continued to account for the largest share (20.1%) of overall promoter holdings in Nifty 50 companies, despite a 1.4 pp QoQ decline. This share is now 7.6 pp lower than the level seen in March 2022. IT was followed by Financials

(17.2%, +14 bps QoQ), Energy (16.3%, +74 bps QoQ), and Consumer Discretionary (11.0%, +34 bps QoQ).

Among institutional investors, DMFs increased their portfolio allocation to Consumer Discretionary for the second consecutive quarter, up 62 bps QoQ to a 35-quarter high of 11.3%, supported by the sector's relative outperformance within the Nifty 50 universe. Other sectors that saw a QoQ increase in DMF allocation included Industrials, Communication Services, and Materials, while Information Technology, Utilities, Healthcare, Consumer Staples, and Financials saw marginal declines.

In contrast to DMFs, FPIs underwent a more significant sectoral reallocation in the June quarter. Allocations to Communication Services, Energy, Consumer Discretionary, Industrials, and Financials increased, largely at the expense of Information Technology, which dropped to 11.1% of FPI exposure in the Nifty 50—the lowest level in the past 25 years. Similar to DMFs, FPIs also reduced their allocations to Utilities, Materials, and Healthcare during the quarter.

Individual investors maintained a relatively diversified portfolio, with balanced allocations across Energy, Consumer Discretionary, Consumer Staples, and Information Technology. Notably, their exposure to Financials rose by 29 bps QoQ to 29.1%, a 22-quarter high, marginally surpassing the sector's overall weight in Nifty 50 market capitalisation.

Table 11: Sector allocation of the Nifty 50 universe for key stakeholders (June 2025)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	8.6	0.0	12.0	5.2	6.6	4.6	3.2	1.4
Consumer Discretionary	9.9	6.8	21.2	11.3	10.9	8.3	24.8	14.6
Consumer Staples	0.6	0.0	44.0	4.8	3.7	13.5	4.3	10.6
Energy	17.3	27.2	0.0	9.0	9.3	14.8	4.7	11.9
Financials	16.9	31.1	1.0	39.7	43.4	23.9	32.5	29.1
Health Care	5.0	0.0	2.2	4.1	3.5	2.7	4.1	3.2
Industrials	5.4	11.8	11.0	6.5	4.8	9.4	4.0	9.2
Information Technology	25.3	0.0	7.0	10.1	11.1	14.2	3.7	10.5
Materials	10.9	0.2	1.6	5.5	4.2	6.4	17.8	8.3
Utilities	0.0	22.9	0.0	3.7	2.5	2.1	0.8	1.2
Grand Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

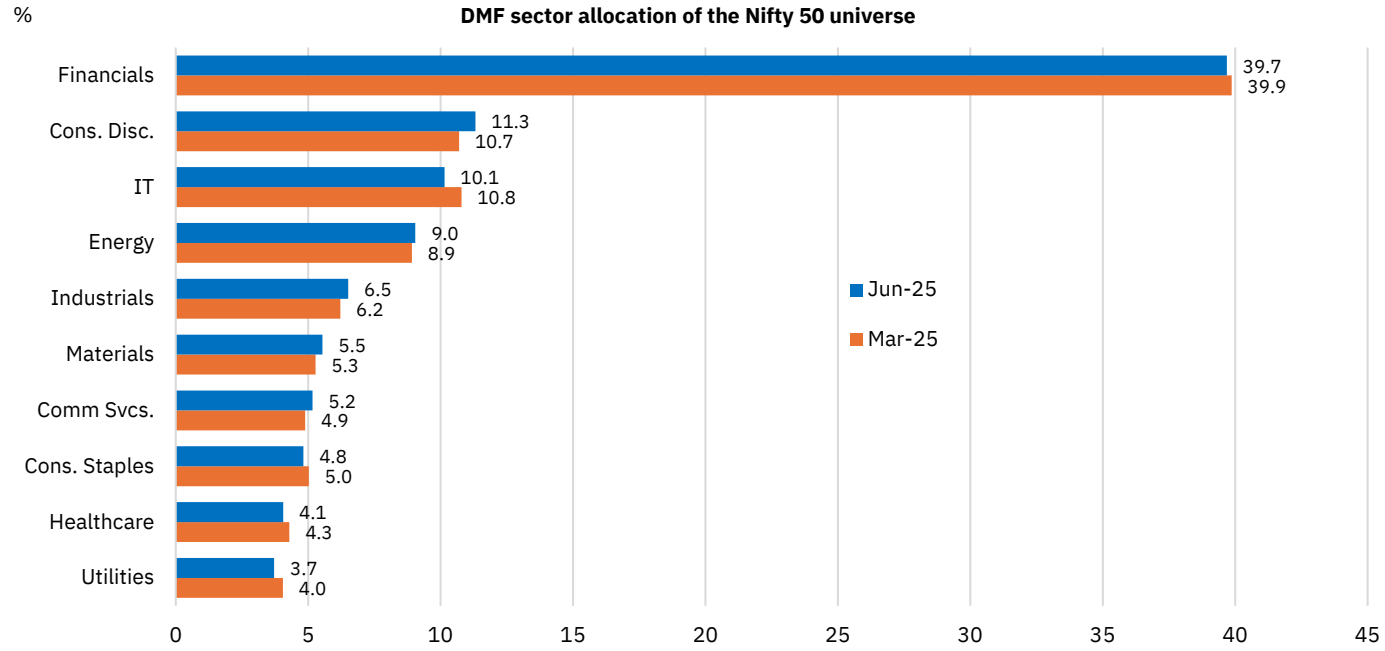
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

DMFs trimmed their outsized bet on Financials despite higher allocation and turned incrementally negative on Energy: The June 2025 quarter saw DMFs realigning their portfolios more closely with the Nifty 50 Index, reflecting heightened market uncertainty. While they maintained their OW stance on Financials for the 18th consecutive quarter, exposure was trimmed marginally on a QoQ basis. DMFs also retained a positive view on Utilities, making Financials and Utilities the only sectors where they continue to hold an OW position within the Nifty 50 universe. At the same time, DMFs turned incrementally underweight (UW) on Energy, likely reflecting growing concerns around tariff regulations and geopolitical sanctions. The underweight stance on Consumer Staples and Information Technology was maintained, although the extent of underweighting

DMFs marginally trimmed their OW stance on Financials, but with an enhanced portfolio allocation, turned incrementally negative on Energy and maintained a cautious view on Consumer Staples and Information Technology.

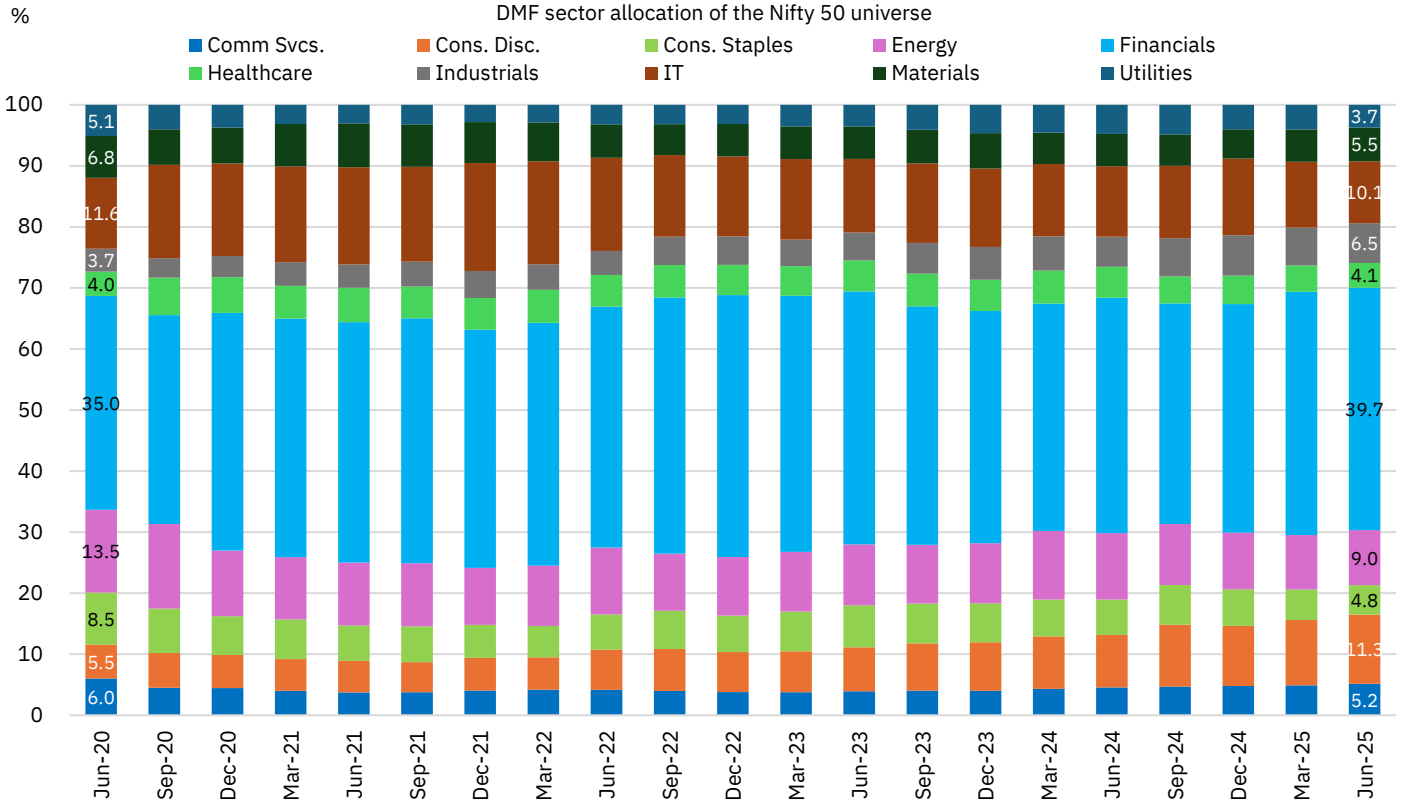
moderated slightly—suggesting a cautiously evolving view amid sluggish domestic consumption and improving global demand for IT services. Among other sectors, DMFs adopted a less cautious approach toward Materials, while maintaining a neutral stance on Consumer Discretionary, Healthcare, Industrials, and Communication Services.

Figure 56: DMF sector allocation of the Nifty 50 universe (June 2025 vs. March 2025)



Source: CMIE Prowess, NSE EPR.

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



Source: CMIE Prowess, NSE EPR.

Figure 58: DMF sector allocation vs sector weight in Nifty 50 (June 2025)

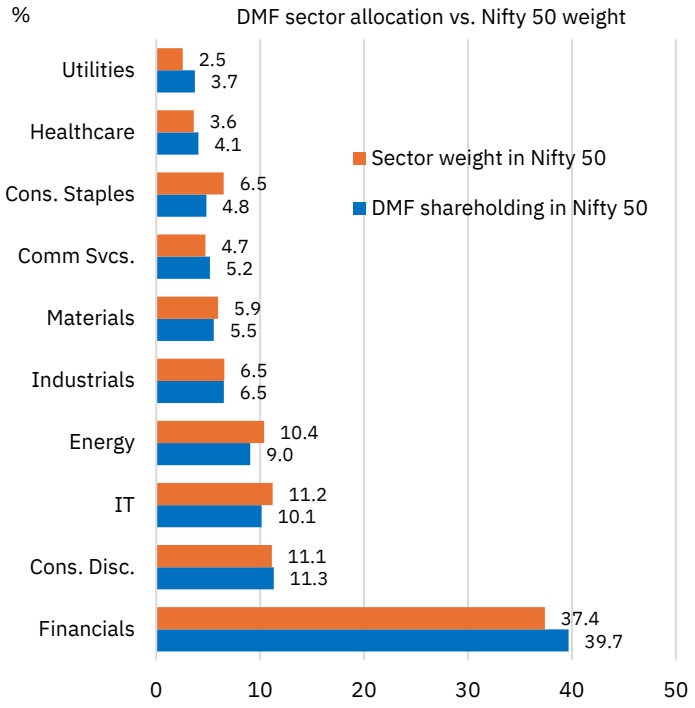
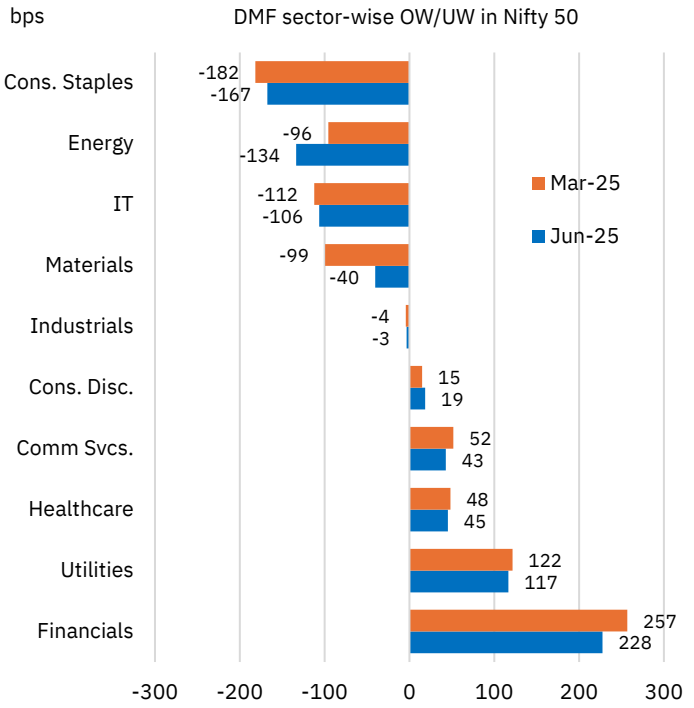
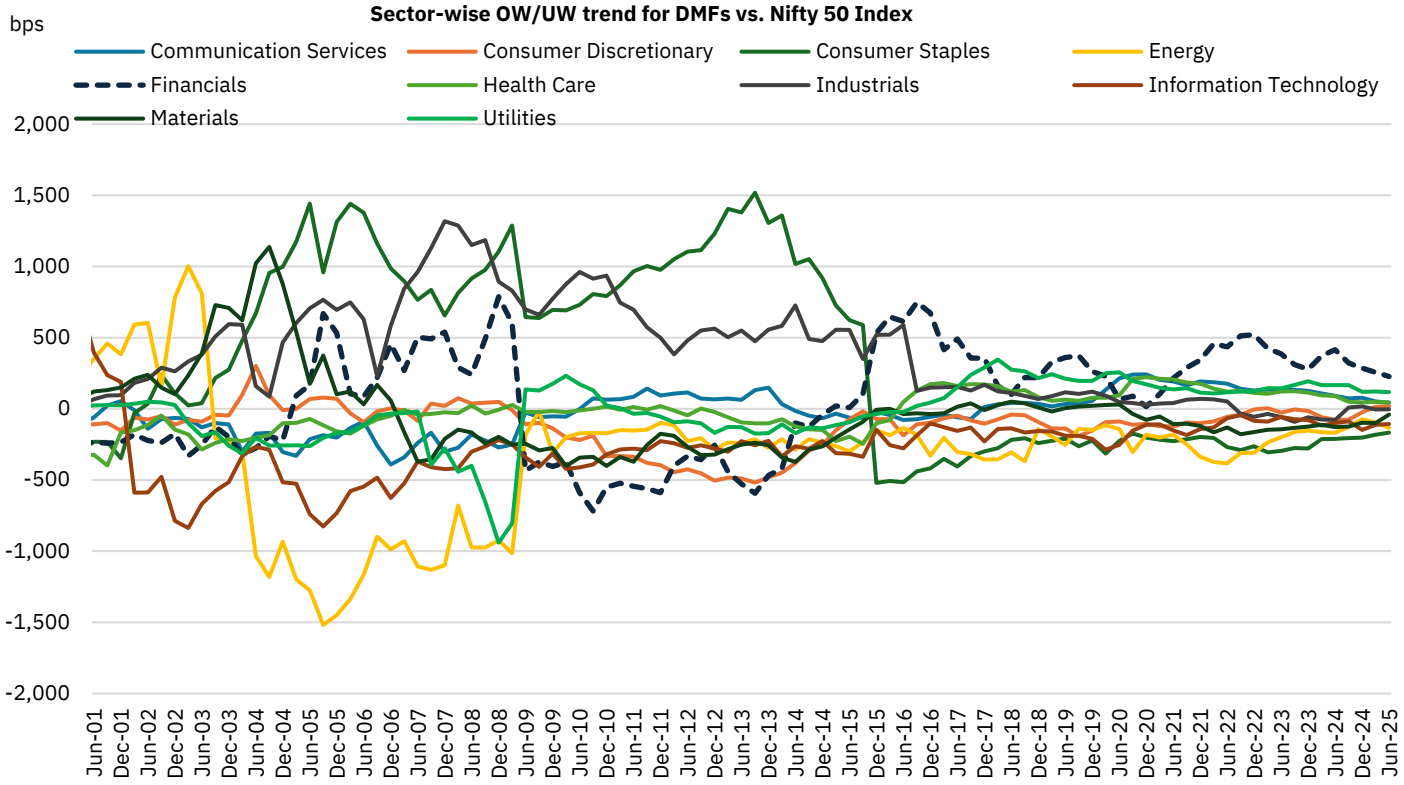


Figure 59: DMF sector-wise OW/UW in Nifty 50 relative to sector weight in the index (June 2025)



Source: CMIE Prowess, NSE EPR.

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

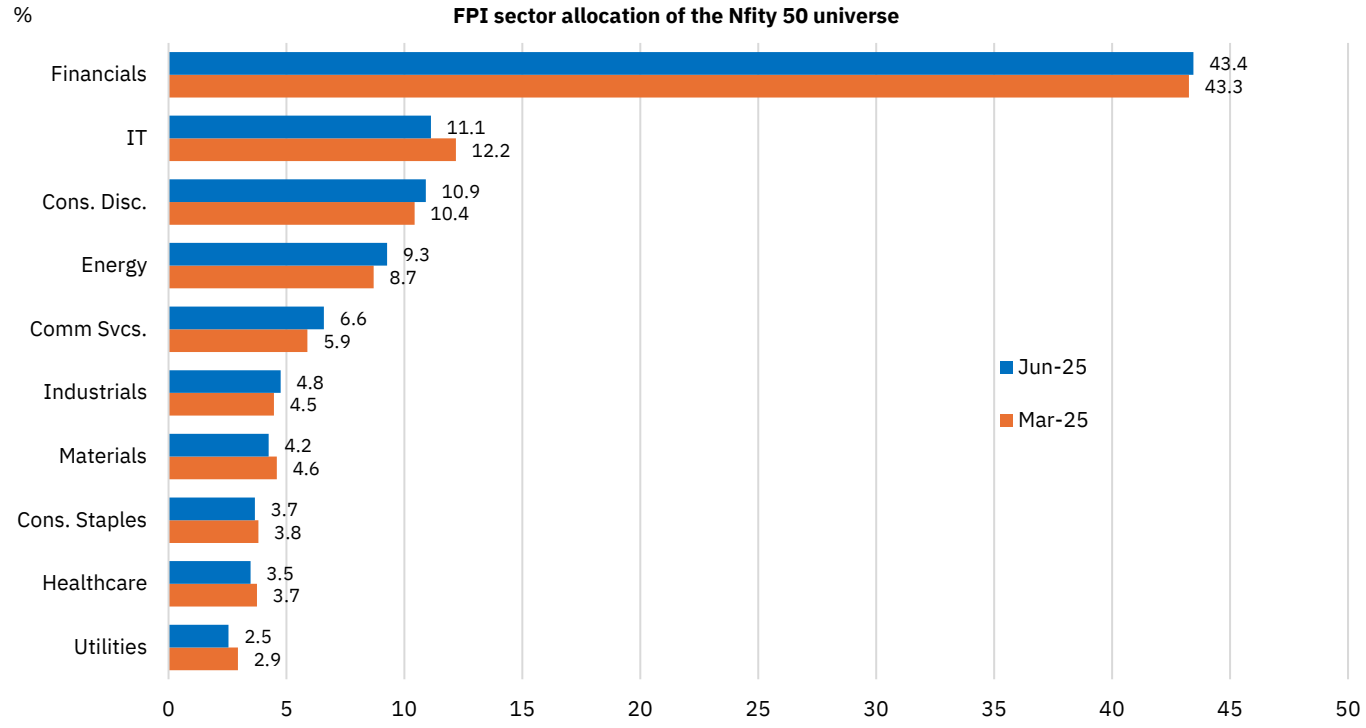


Source: CMIE Prowess, NSE EPR.

FPIs maintained an outsized OW bet on Financials and turned incrementally positive on Communication Services: FPIs kept their portfolio positioning within the Nifty 50 universe broadly steady on a sequential basis. In the June 2025 quarter, FPIs maintained their outsized, long-standing OW position in Financials, supported in part by their relative outperformance. They also turned incrementally more bullish on Communication Services, further strengthening their overweight stance in the sector to over 24-year highs. This came alongside a modest reduction in exposure to Information Technology, Utilities and Consumer Discretionary, even as a broadly neutral stance was maintained in all three. Among other sectors, FPIs retained their perennially negative view on India's consumption story with a big UW position on Consumer Staples, possibly due to persistent concerns over the sector's high valuations and more recently on earnings outlook amid slowing consumption demand. They also remained negative on Energy, Industrials and Materials for the third, eighth and 40th consecutive quarters respectively.

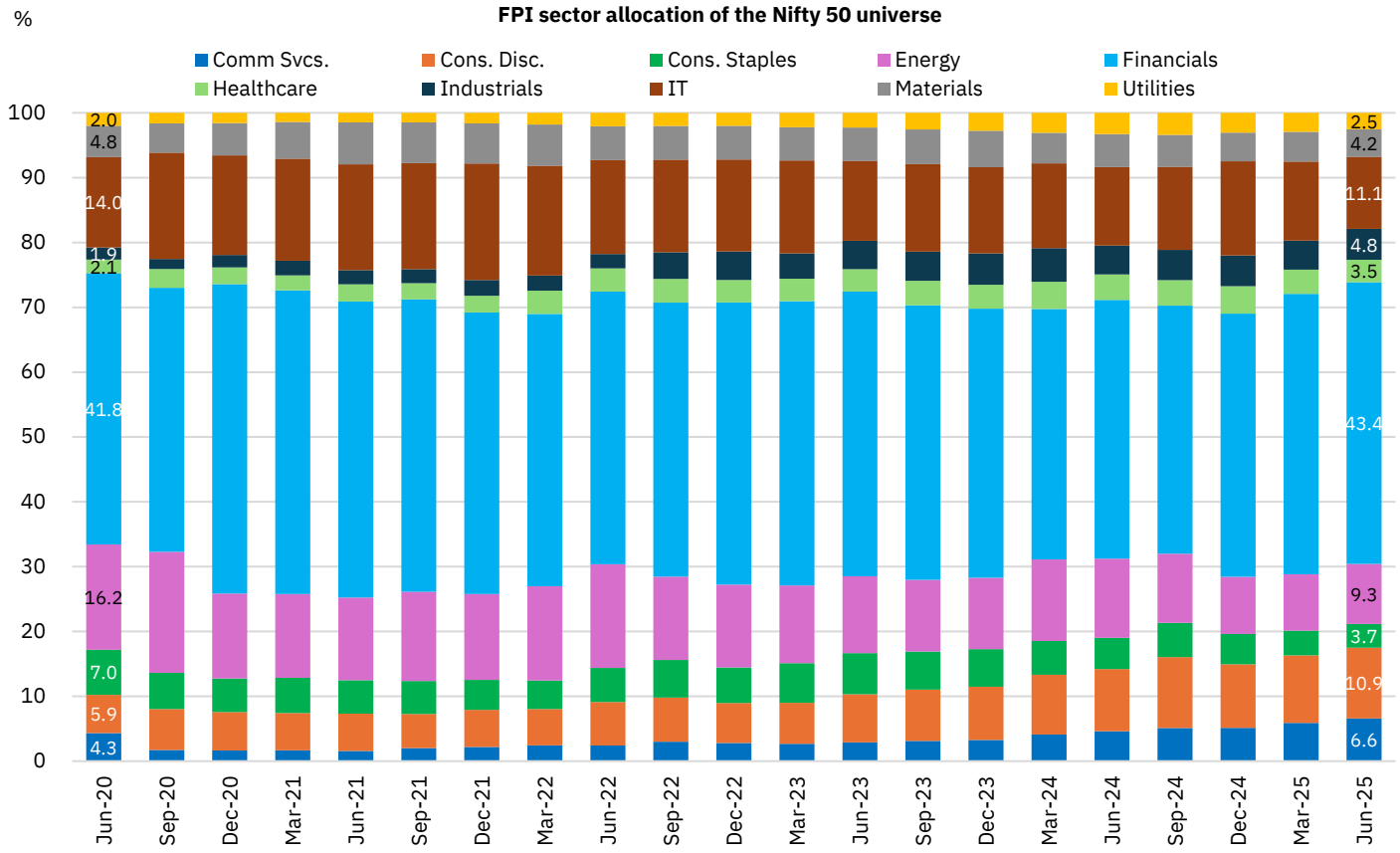
FPIs maintained their outsized OW bet on Financials within the Nifty 50 Index, turned incrementally positive on Communication Services, and maintained a cautious view on India's consumption as well as investment-oriented sectors.

Figure 61: FPI sector allocation of the Nifty 50 universe (June 2025 vs. March 2025)



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

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



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

Figure 63: FPI sector allocation vs sector weight in Nifty 50 (June 2025)

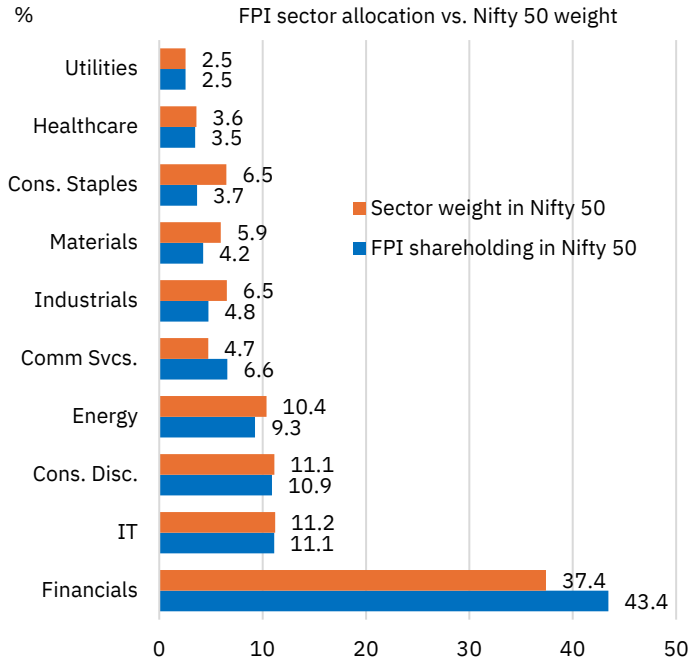
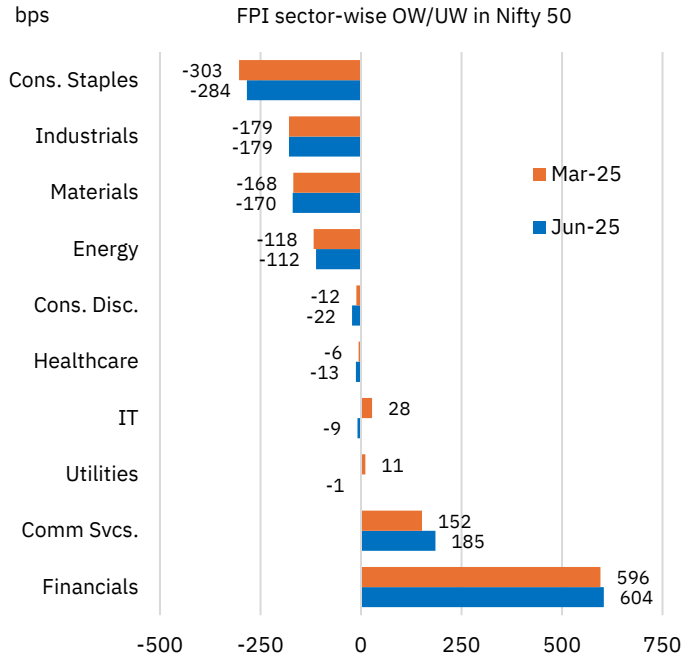
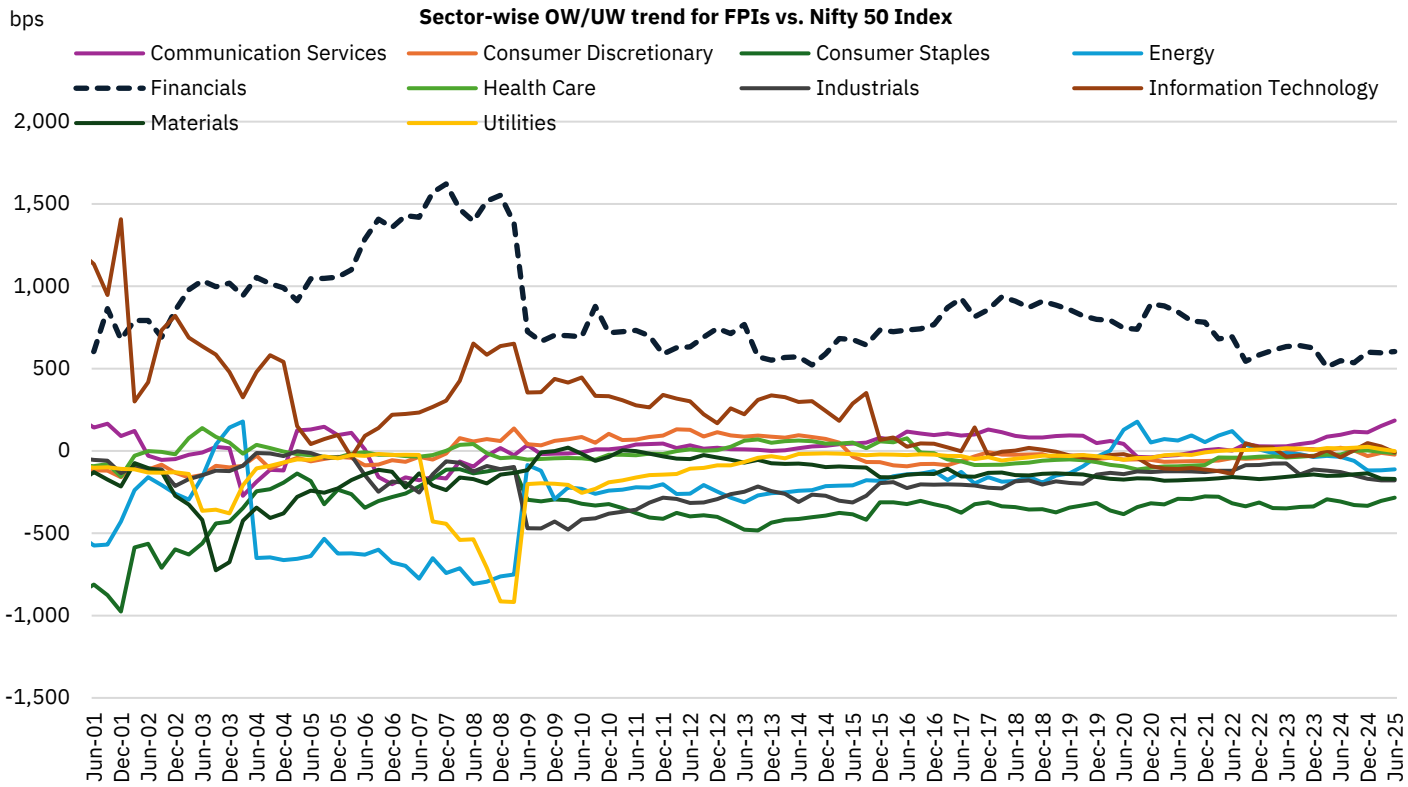


Figure 64: FPI sector-wise OW/UW in Nifty 50 relative to sector weight in the index (June 2025)



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.

Nifty 500 ownership trends

Ownership pattern of the Nifty 500 universe (June 2025)

Total promoter stake in the Nifty 500 universe fell to a 22-quarter low of 49.3% in the quarter ending June 2025.

Promoter shareholding in the Nifty 500 universe fell to a 22-quarter low: Total promoter ownership in the Nifty 500 universe declined for the fourth consecutive quarter to 49.3% in June 2025, marking a 22-quarter low. The sequential fall in the promoter ownership by 27bps QoQ can largely be ascribed to decline in ownership of private Indian promoters (-33bps QoQ) and foreign promoters (-20bps QoQ). In contrast, Government ownership reversed its recent declining trend, inching up 30bps QoQ to 10.9%. Notwithstanding the sequential fall in promoter ownership, the absolute value of holdings grew by 9.6% QoQ, thanks to broad-based improvement across promoter-categories. The fall in promoter ownership share, both on a sequential and YoY basis mirrors the trend in the Nifty 50 and all-listed universe. That said, the sequential improvement in the share of Government ownership in Nifty 500 is in contrast with the decline observed in Nifty 50. On a YoY basis, the fall in the share of promoters of 1.7pp in the Nifty 500 universe has been significant, albeit lower than 2pp fall seen in Nifty 50. Individual promoters account for 5.3% of the total holdings in the Nifty 500 universe, 20bps higher than the corresponding quarter a year ago.

DII ownership outpaced FPIs and scale record levels in June…: Domestic Institutional Investors (DIIs)—comprising DMFs, Banks, Financial Institutions, Insurance Companies, and other institutional non-promoters—saw their ownership share inch up for the fifth consecutive quarter to 19.2% in June 2025, marking the highest level in the past 25 years. Notably, DII ownership surpassed that of FPIs for the second straight quarter, signalling a significant shift in market structure and breaking a long-standing trend where FPI holdings consistently outpaced those of DIIs. In contrast, FPI ownership declined marginally for the third consecutive quarter, falling to 18.5% in June, despite a 10.4% QoQ increase in the absolute value of their holdings in the Nifty 500 universe. The decline in FPI share within the Nifty 500 contrasts with the sequential increase in their ownership within the Nifty 50, suggesting a renewed bias towards large-cap exposure amid prevailing market conditions.

DMF ownership in the Nifty 500 universe reached fresh all-time high of 11% in the June'25 quarter.

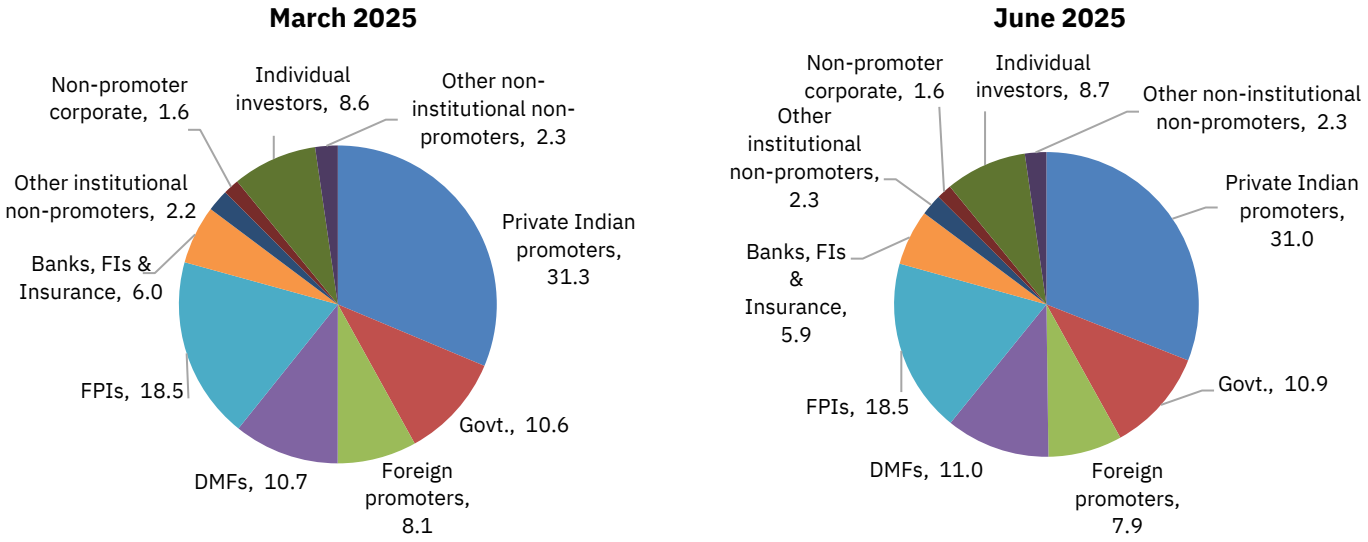
…Aided by record level share of DMF ownership: DMF ownership in the Nifty 500 universe inched up for the fifth consecutive quarter to over 11% in the quarter ended June 2025, marking a fresh all-time high. Sustained buying by DMFs—amounting to Rs 1.16 lakh crore in Q1—supported by robust individual participation via the SIP route of over Rs 80,000 crore has further strengthened the DMF share. In absolute terms, DMF shareholding has expanded in double-digits of ~14% QoQ and 21% YoY, driven by robust inflows and strong equity market gains in the June quarter. The share of Banks, Financial Institutions and Insurance have remained range-bound between 5.5%-6% during the past seven quarters.

Individual investors' direct ownership as non-promoters in the Nifty500 companies rose marginally to 8.7% in June 2025.

Individual investors' ownership inched up marginally: Despite a marginal uptick in individual investor ownership to 8.7% in June, their share in the Nifty 500 universe has remained broadly range-bound between 8.5% and 8.8% over the past 12 quarters. In absolute terms, individual holdings in the Nifty 500 rose by 11% QoQ in the June quarter, even as net outflows exceeded Rs13,000 crore during the period—highlighting the impact of strong returns from mid- and small-cap stocks. Individual investors' share in the Nifty 500 continues to be higher than in the Nifty 50 (7.9%), though still lower than the 19%

share observed in the broader listed space excluding the Nifty 500. The sequential increase in individual ownership in the Nifty 500 contrasts with the QoQ decline seen in the Nifty 50, pointing to rising retail exposure to mid-cap segments.

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



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

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

Rs lakh crore	Private Indian promoters	Govt.	Foreign promoters	DMFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **	Total
Jun-22	77.0	13.6	20.1	18.3	11.0	43.5	7.6	19.8	9.0	219.8
Sep-22	86.3	19.1	23.7	20.6	15.1	48.8	6.4	21.4	9.2	250.7
Dec-22	87.5	22.9	23.4	21.9	16.0	51.6	4.2	22.1	11.3	260.9
Mar-23	77.8	20.6	21.3	21.6	15.2	47.9	3.7	20.9	11.1	240.1
Jun-23	88.6	23.7	23.8	24.4	16.9	54.6	4.5	23.7	12.7	272.9
Sep-23	92.7	28.4	24.6	26.5	17.6	56.6	4.9	25.5	13.1	289.8
Dec-23	104.5	35.0	26.6	30.4	19.6	63.8	5.5	28.6	14.4	328.5
Mar-24	111.9	41.3	28.6	32.7	20.9	66.8	6.0	30.7	14.8	353.7
Jun-24	123.1	47.8	33.3	37.8	22.9	74.2	6.5	34.6	16.0	396.2
Sep-24	133.4	48.0	36.3	42.1	24.8	80.4	7.1	36.9	17.6	426.8
Dec-24	120.6	42.5	31.5	40.8	22.8	73.1	6.4	34.1	16.9	388.8
Mar-25	117.4	39.9	30.2	40.2	22.3	69.5	6.1	32.3	16.9	374.9
Jun-25	128.6	45.4	32.6	45.8	24.5	76.7	6.7	35.9	18.8	415.1
% QoQ	***9.6%***	***13.9%***	***7.9%***	***13.9%***	***9.5%***	***10.4%***	***9.5%***	***11.0%***	***11.3%***	***10.7%***

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.

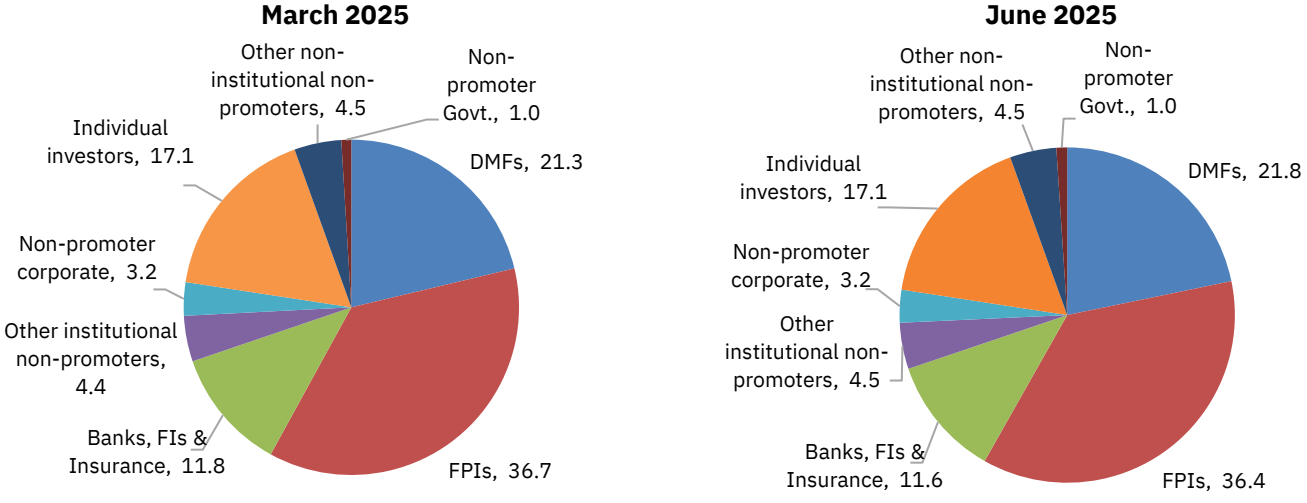
Table 13: Nifty 500: Ownership trend across key stakeholders by total market cap over last the three years

%	Private Indian promoters	Govt.	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others**
Jun-22	35.0	6.2	9.1	8.3	5.0	19.8	3.4	9.0	4.1
Sep-22	34.4	7.6	9.5	8.2	6.0	19.5	2.6	8.5	3.7
Dec-22	33.5	8.8	9.0	8.4	6.1	19.8	1.6	8.5	4.3
Mar-23	32.4	8.6	8.9	9.0	6.3	20.0	1.6	8.7	4.6
Jun-23	32.5	8.7	8.7	8.9	6.2	20.0	1.7	8.7	4.6
Sep-23	32.0	9.8	8.5	9.1	6.1	19.5	1.7	8.8	4.5
Dec-23	31.8	10.7	8.1	9.3	6.0	19.4	1.7	8.7	4.4
Mar-24	31.6	11.7	8.1	9.3	5.9	18.9	1.7	8.7	4.2
Jun-24	31.1	12.1	8.4	9.5	5.8	18.7	1.6	8.7	4.0
Sep-24	31.3	11.3	8.5	9.9	5.8	18.8	1.7	8.7	4.1
Dec-24	31.0	10.9	8.1	10.5	5.9	18.8	1.7	8.8	4.3
Mar-25	31.3	10.6	8.1	10.7	6.0	18.5	1.6	8.6	4.5
Jun-25	31.0	10.9	7.9	11.0	5.9	18.5	1.6	8.7	4.5
QoQ change	***-33bps***	***30bps***	***-20bps***	***31bps***	***-6bps***	***-5bps***	***-2bps***	***2bps***	***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.

Within the floating stock of Nifty 500 companies, DMFs saw their share rise by 50bps QoQ to 21.8% in the June 2025 quarter, marking the eighth consecutive quarterly increase. In contrast, Foreign Portfolio Investors (FPIs) experienced a 29bps decline in their floating stock ownership to 36.4%, extending their downtrend for the sixth straight quarter. On a year-on-year basis, this reflects a clear divergence, with the DMF share rising by 2.3pp, while the FPI share declined by 1.7pp. Despite the continued decline, FPIs remain the largest non-promoter stakeholders in the Nifty 500 universe by market capitalisation. Individual investors' share in the Nifty 500 floating stock remained largely stable at 17.1%, though it is 73bps lower than the level a year ago. However, in the broader listed space excluding the Nifty 500, individual investors hold a significantly larger share of 44.2% of the free float, underscoring their dominant presence in the mid-, small-, and micro-cap segments

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



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

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

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Jun-22	16.7	10.0	39.6	6.9	18.1	8.7
Sep-22	16.9	12.3	39.8	5.2	17.5	8.3
Dec-22	17.1	12.5	40.3	3.3	17.2	9.7
Mar-23	17.8	12.5	39.4	3.1	17.2	10.0
Jun-23	17.7	12.2	39.6	3.3	17.2	10.1
Sep-23	18.2	12.1	38.9	3.4	17.5	10.0
Dec-23	18.5	11.9	38.9	3.4	17.4	9.8
Mar-24	18.8	12.0	38.4	3.4	17.6	9.6
Jun-24	19.5	11.8	38.2	3.4	17.8	9.5
Sept-24	19.9	11.7	38.1	3.4	17.5	9.4
Dec-24	20.8	11.6	37.3	3.3	17.4	9.6
Mar-25	21.3	11.8	36.7	3.2	17.1	9.9
Jun-25	21.8	11.6	36.4	3.2	17.1	10.0
QoQ change	*50bps*	*-19bps*	*-29bps*	*-5bps*	*-4bps*	*7bps*

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.

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

Individual ownership has oscillated in a narrow range of 8.5%-9% during the previous three years.

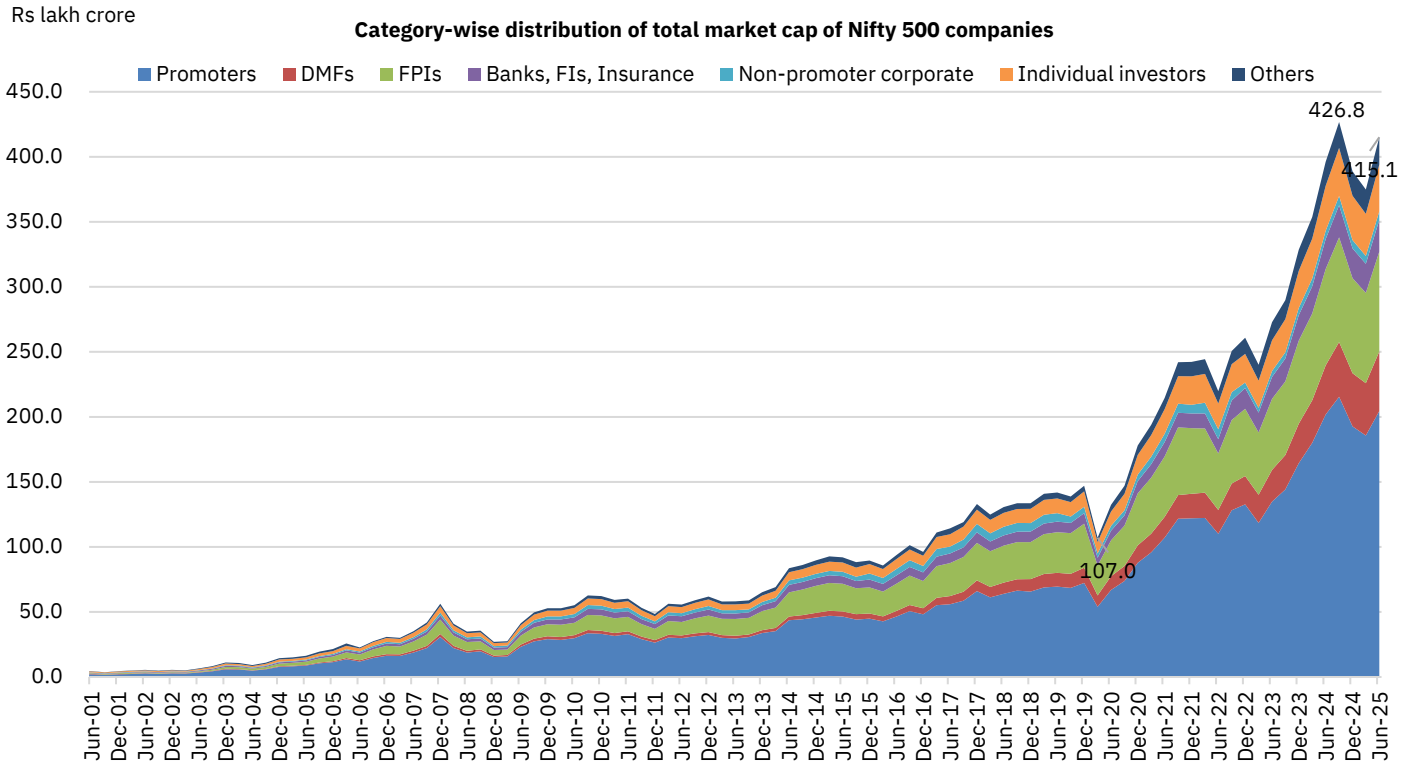
Long-term ownership trend of the Nifty 500 universe: Overall promoter ownership in Nifty 500 has also seen a steady decline since 2009 until March 2019, albeit at a slower pace than the Nifty 50 Index, entirely led by a sharp dip in Government ownership, while the share of private Indian promoters has 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 three consecutive quarters ended June 2025. During the last five years, foreign promoter ownership has seen a gradual declining trend, while private Indian promoter ownership, which had seen a local maximum in December'2021, has tapered out to some extent. Government promoter ownership, which had surged after the LIC listing and the subsequent rally in Government-owned companies, has since tapered out to some extent but continues to remain in double-digits for the seventh consecutive quarter. The fall in promoter ownership of 135bps in FY25 has been the highest since FY13, led primarily by the decline in Government promoter ownership (103 bps) and private Indian promoter 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 the highest level in the last 24 years, 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, sky-rocketing inflation, steep rate hikes by global central banks and China slowdown. 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 below 6% during the previous seven quarters.

Individual investor ownership in the Nifty 500 Index fell sharply from the north of 16% in 2001 to sub-8% in 2013 and hovered around these levels until December 2019 only to

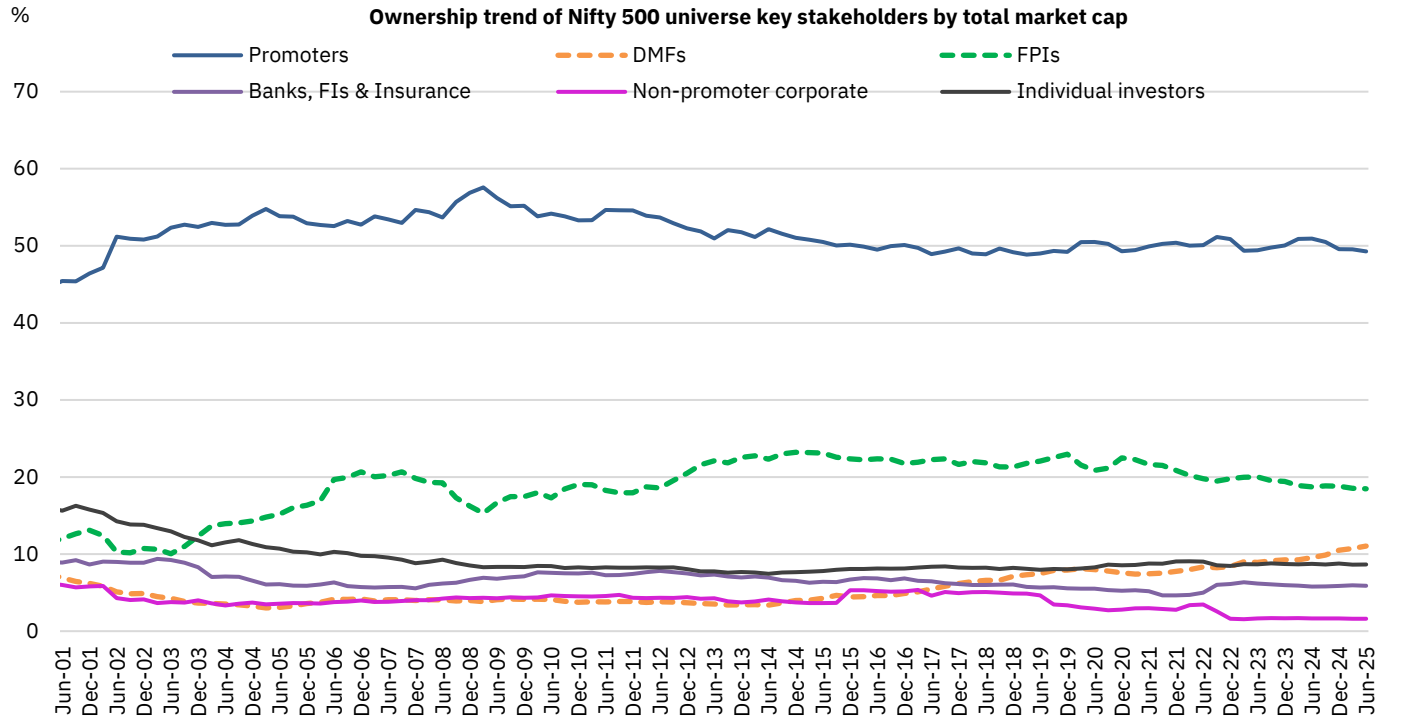
rise steadily until FY22. The share of individual investors has oscillated in a narrow range of 8.5%-9% in the last three years.

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

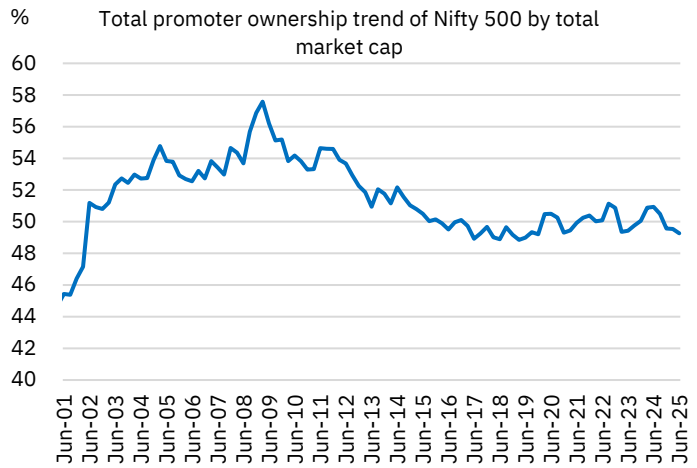
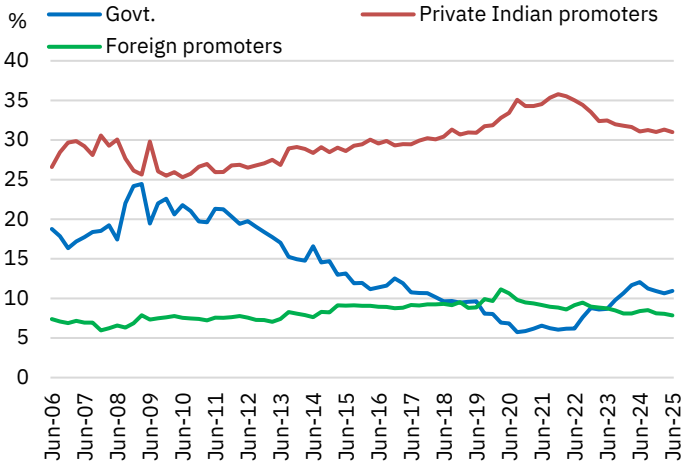


Figure 71: Indian and foreign promoter ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

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

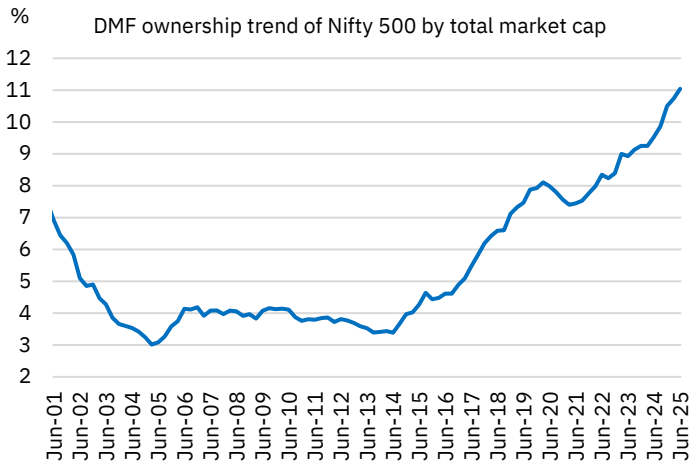
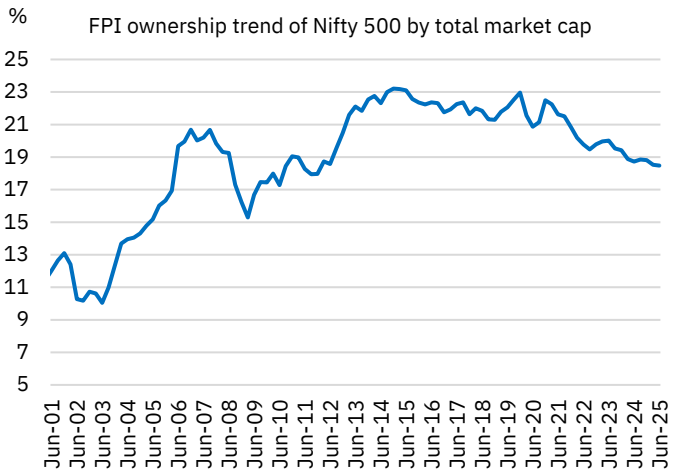


Figure 73: FPI ownership trend of the Nifty 500 universe by total market cap



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

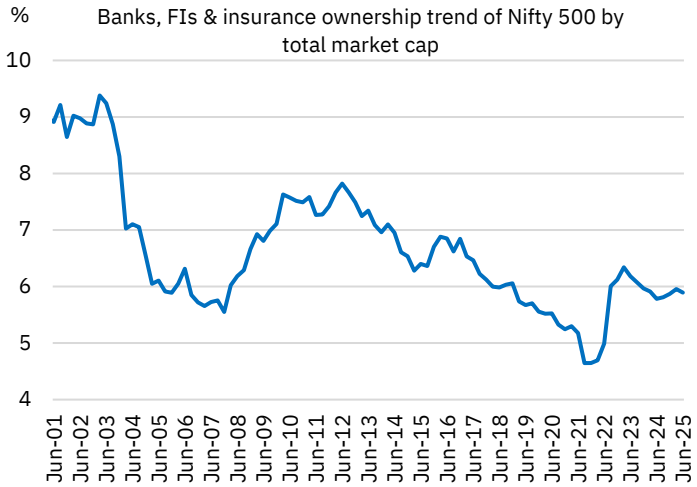
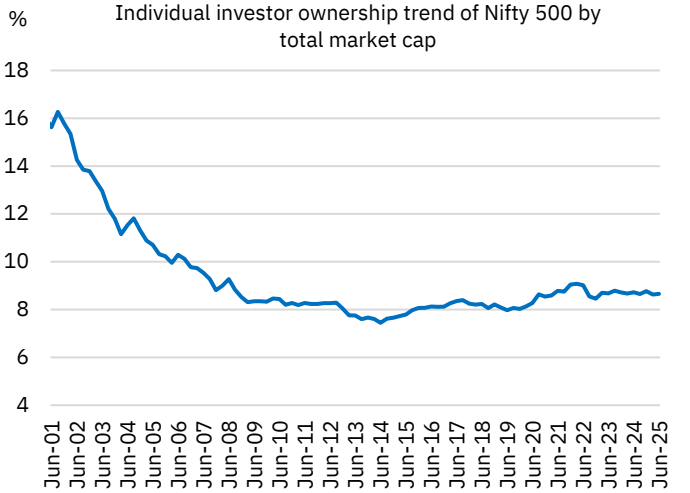


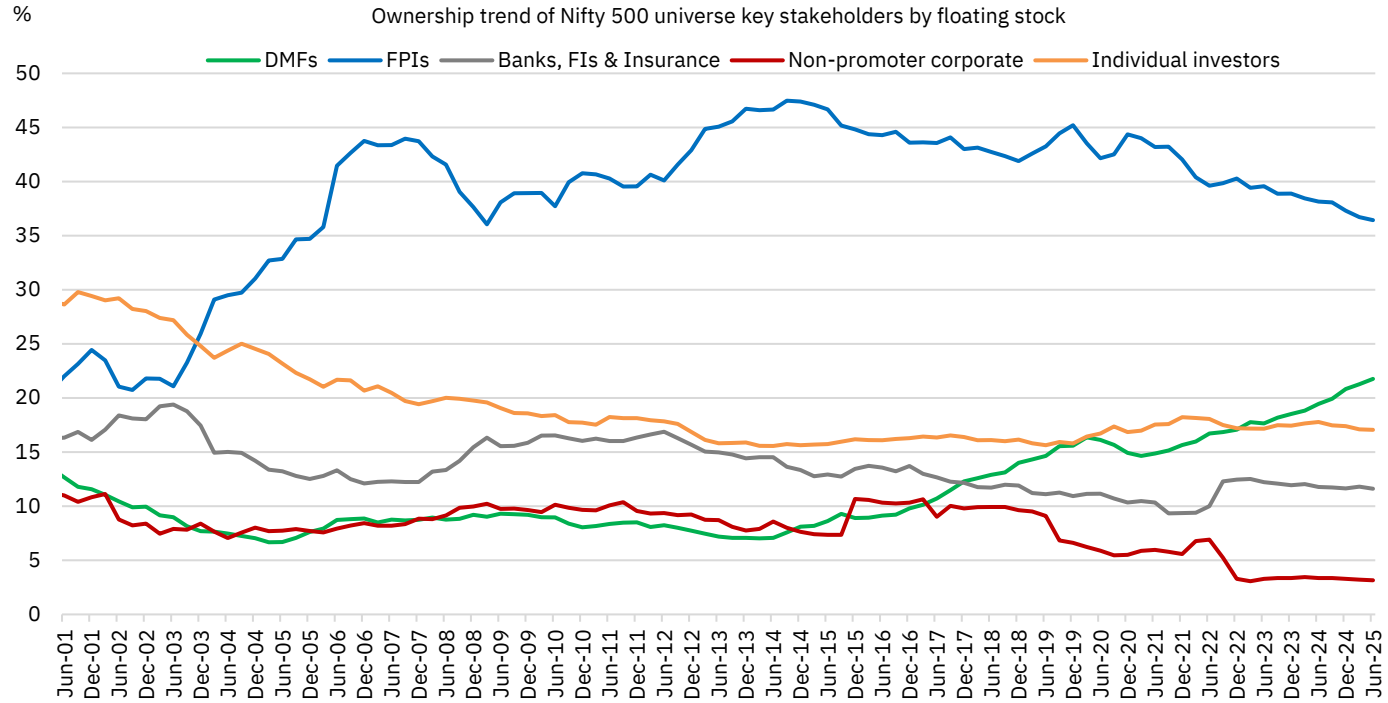
Figure 75: Individual ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Our long-term ownership analysis on the floating stock of the Nifty 500 Index also shows that while DMF ownership is currently at the highest level since 2001, the current FPI ownership has declined to more than 16-year low in June'25 — 11pp 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

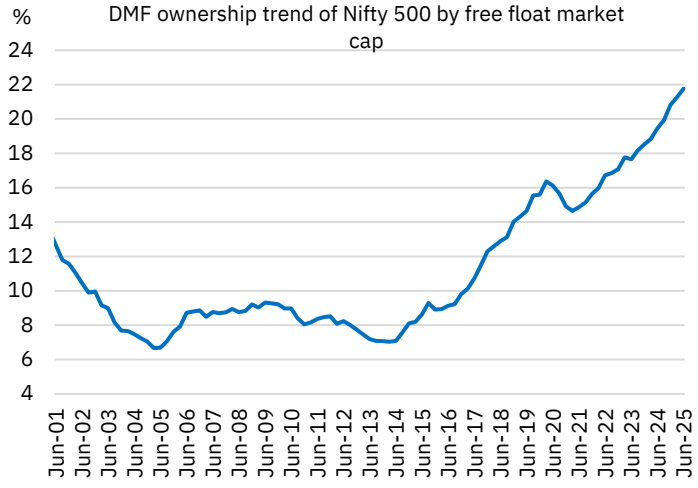
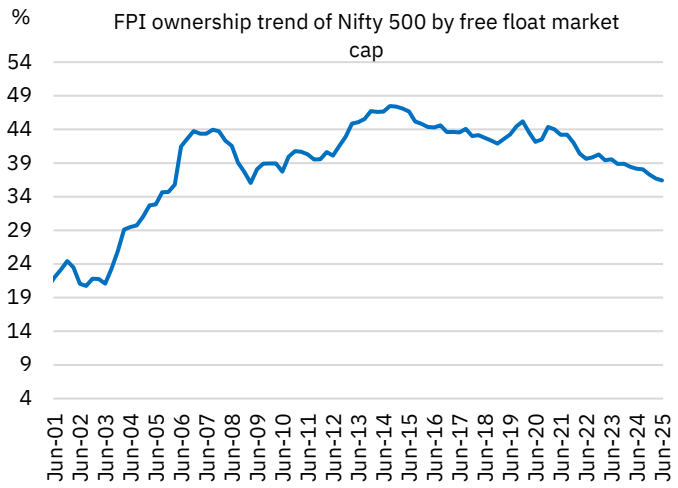


Figure 78: FPI ownership trend of the Nifty 500 universe by free float market cap



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

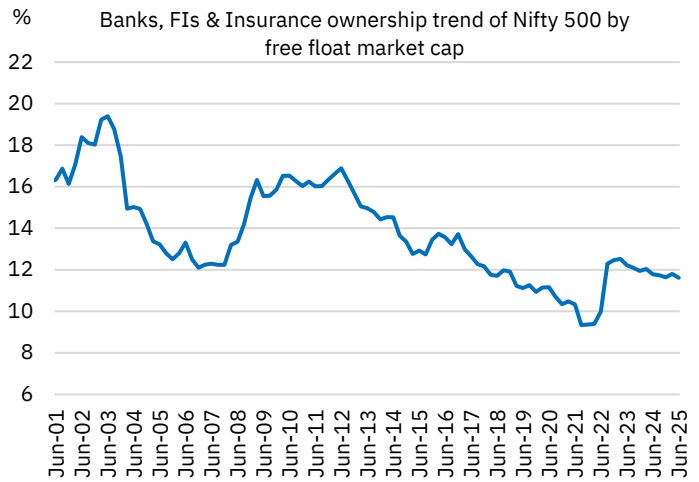
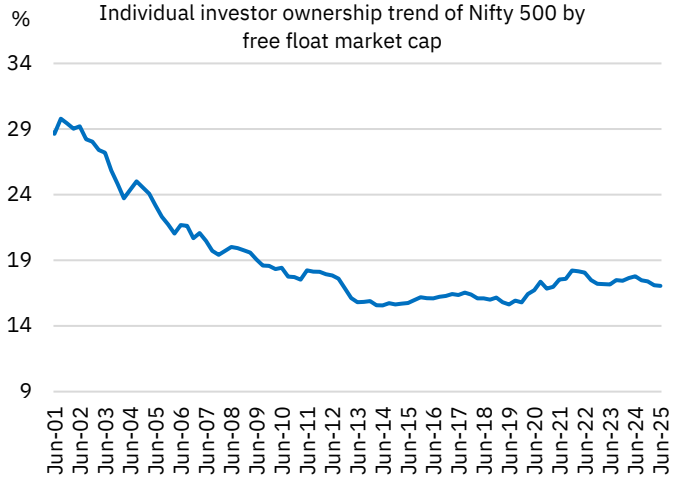


Figure 80: Individual ownership trend of the Nifty 500 universe by free float market cap



Source: CMIE Prowess, NSE EPR.

Category-wise market cap share across sectors of the Nifty 500 universe (June 2025): Besides looking at the ownership trends at a market level, we also analyse how sectors differ in terms of ownership by different investor categories. Our analysis shows that Real Estate remains the sector with the highest promoter share of 64.1%, followed by Utilities at 60.1%—the highest in the last ten quarters, suggesting lower free float capital for these two. Promoter holding in Communication Services declined sharply by 1.5pp QoQ to 50.8%, marking a 77-quarter low. Similarly, promoter holding in Consumer Discretionary fell to a record low of 43.9% in June. Another consumption-linked sector viz. Consumer Staples registered a marginal sequential uptick in the June quarter but continues to have a below 50% promoter share, placing it among the three such sectors. Financials have the lowest promoter share or the highest floating stock of 40.7% in June, recording a 1.7pp fall since the corresponding quarter last year.

DMFs' share within the sectoral market capitalization of Consumer Discretionary, Financials, Healthcare, Materials and Information technology has been the highest since March'01.

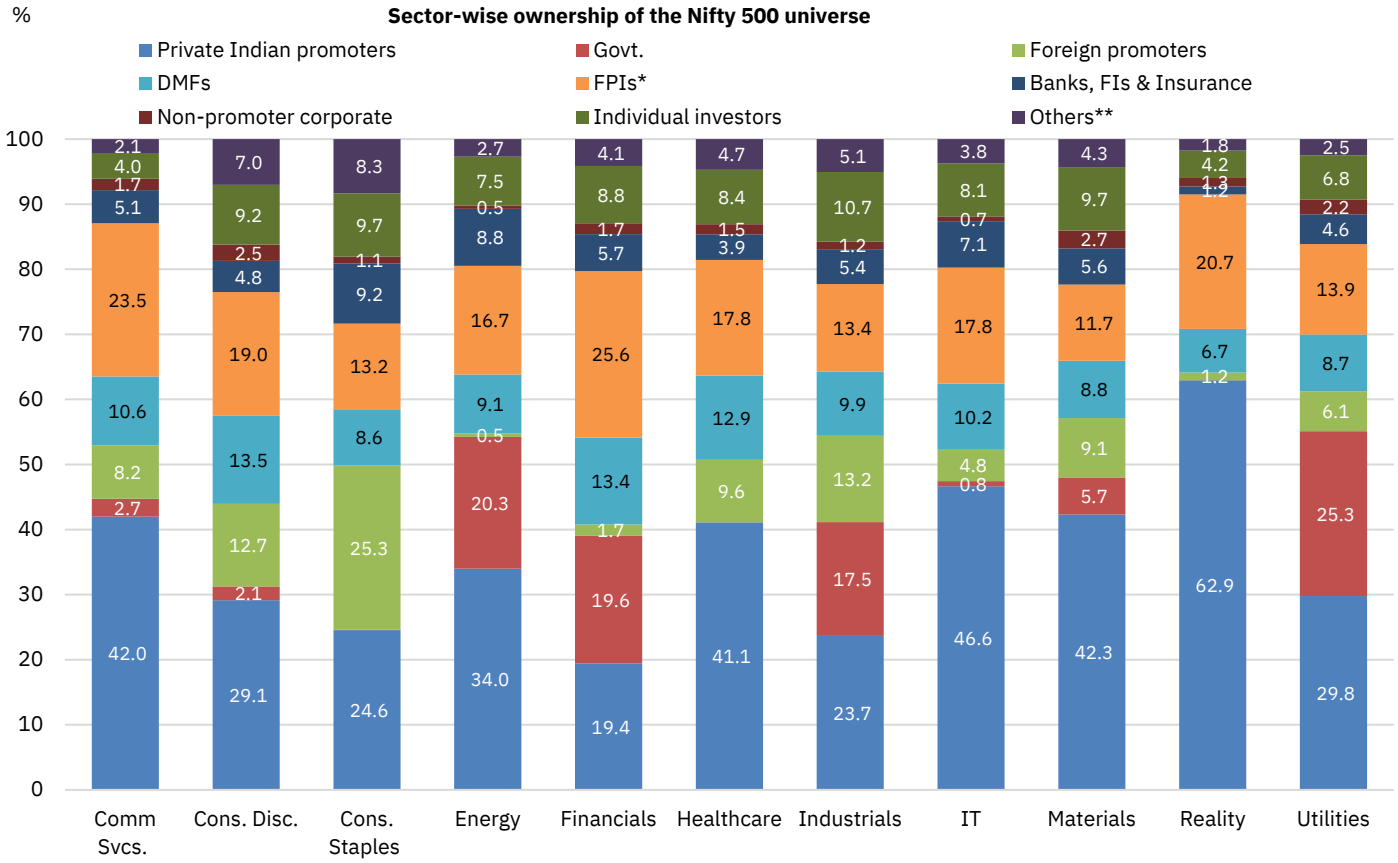
FPIs have remained the biggest non-promoter owners of Financials within the Nifty 500 universe at 25.6%.

Utilities continued to remain the sector with the highest Government (promoter and non-promoter) share of 25.3%, sequentially lower by 1.2pp in June'2025. This is followed by Energy (20.3%), registering the steepest sequential sector-wise decline of 1.4pp QoQ in June. Both the top two sectors —Utilities and Energy — based on Government ownership has recorded a sequential decline of 1.2pp and 1.4pp QoQ respectively. Financials — which has the third highest Government ownership among the sectors — has witnessed a sizeable 4pp YoY decline. Government ownership in Industrials inched up to 17.5%, marking a 15-year high while Communication Services — having amongst the lowest Government ownership — registering a sharp spike of 1.6pp QoQ in June. The Government ownership was the lowest in Real Estate, Healthcare, Consumer Staples and Information technology, each at below 1%.

DMF ownership in Consumer Discretionary rose sharply by 59bps QoQ to record level of 13.5%, making it the sector with the highest DMF ownership in June, displaying Financials from the top spot. Furthermore, DMF ownership in Financials (13.4%), Healthcare (12.9%), Information Technology (10.2%) and Materials (8.8%) rose further to record levels in the June quarter. Additionally, Consumer Staples (8.6%, 63-quarter high) have seen an increase in DMF ownership share in the respective sectors to multi-year highs while DMF share in Energy at 9.1% is close to a record high.

FPI shareholding in Financials' market capitalisation in the Nifty 500 universe continues to remain the highest across sectors at 25.6% in June, marginally lower than the previous quarter. This was followed by Communication Services, whose share rose by 50bps QoQ/ 1.5pp YoY to a 21-quarter high of 23.5% in June, making it the second-largest sector by FPI ownership. In contrast, FPI ownership in Consumer Staples (13.2%), Utilities (13.9%) and Information Technology (17.8%) has fallen sequentially to 79/45/12 quarter low respectively. FPI ownership in Communication services, Energy and Industrials are the only three sectors which registered a sequential rise in FPI ownership while Financials was the only sector witnessing a YoY uptick.

Figure 81: Nifty 500: Sector-wise ownership pattern across key stakeholders (June 2025)



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

Sector allocation of the Nifty 500 universe for key stakeholders (June 2025): The table below shows sector-wise allocation across key stakeholder groups in Nifty 500 companies as of June 2025. Private Indian promoters remained most exposed to Financials (16.1%), Information Technology (14.5%) and Materials (13.7%), together accounting for nearly 45% of their total Nifty 500 holdings. Government ownership—including both promoter and non-promoter stakes—was heavily concentrated in Financials, Energy, Industrials and Utilities, together making up slightly more than 90% of the total holdings. This concentration is slightly above the ~90% share seen in the broader listed universe but lower than 92.9% share in the Nifty 50. The sharp decline in the Government's sector allocation to Utilities (154bps QoQ) and Energy (107bps) was offset by increase in the allocation towards Industrials (~2pp QoQ). Foreign promoter ownership

in Consumer Staples (22.2%), Industrials (20.4%), Consumer Discretionary (17%) and Materials (11.7%) account for more than 70% of the holdings of these promoters.

DMFs allocated ~31% of their Nifty 500 portfolio to Financials (13bps QoQ) followed by Consumer Discretionary (12.9%) and Industrials (10.8%), together accounting for nearly 55% of DMF holdings in the Nifty 500 universe. Each of these three sectors have witnessed a sequential expansion in the allocation share in the June quarter, underscoring sustained institutional confidence. Similarly, FPI's allocated nearly 55% of their Nifty 500 portfolio to Financials, Consumer Discretionary and Industrials, with each sector witnessing sequential gains.

Table 15: Sector allocation of the Nifty 500 universe for key stakeholders (June 2025)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, & Insurance	Non-promoter corporate	Individual Investors
Communication Services	5.9	1.1	4.5	4.2	5.5	3.7	4.7	2.0
Consumer Discretionary	9.9	2.0	17.0	12.9	10.8	8.6	16.5	11.2
Consumer Staples	5.5	0.0	22.2	5.4	4.9	10.8	4.7	7.8
Energy	8.5	14.4	0.5	6.4	7.0	11.6	2.4	6.7
Financials	16.1	45.9	5.7	31.0	35.4	24.7	26.9	26.1
Health Care	8.6	0.0	7.9	7.6	6.2	4.3	6.2	6.3
Industrials	9.3	19.4	20.4	10.8	8.8	11.0	8.7	15.0
Information Technology	14.5	0.7	5.9	8.9	9.3	11.6	4.5	9.0
Materials	13.7	5.2	11.7	8.0	6.4	9.5	17.1	11.3
Real Estate	3.4	0.0	0.3	1.0	1.9	0.4	1.4	0.8
Utilities	4.7	11.3	3.8	3.9	3.7	3.8	6.8	3.9
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.

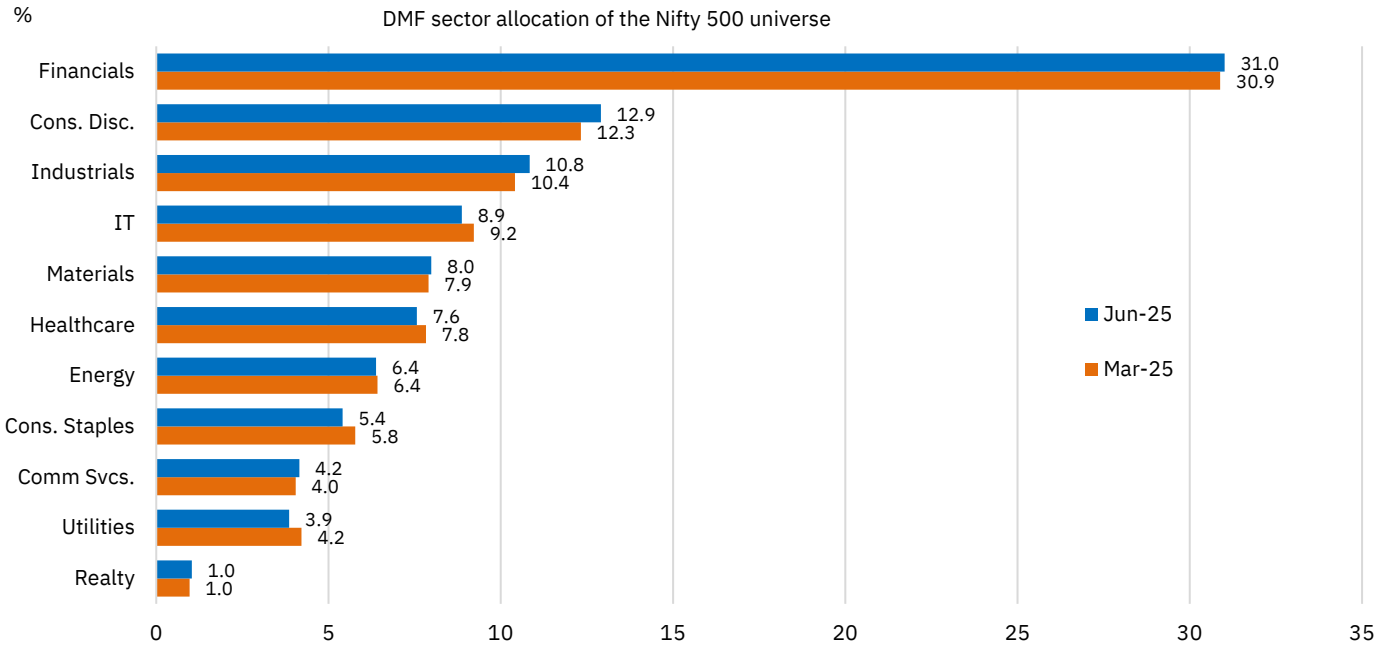
DMFs continued to remain OW in Consumer Discretionary and Healthcare sector for 15th and 22nd consecutive quarter while they remained UW on Consumer Staples for the 39th consecutive quarter.

Consumer durables and Healthcare are the two sectors in which DMFs are OW: For the quarter ended June 2025, DMFs maintained their overweight (OW) stance in two sectors—Consumer Discretionary and Healthcare—for the 15th and 22nd consecutive quarters, respectively. Continued optimism in Consumer Discretionary, particularly in Consumer Durables, reflects a positive view on India's expanding urban footprint and the rising middle-income segment. The OW position in Healthcare is supported by long-term structural drivers such as increasing healthcare demand, sustained government spending, and consistent earnings visibility.

Conversely, Consumer Staples remains the only sector where DMFs have held an underweight (UW) position for 39 consecutive quarters, with the negative bias deepening in the June quarter. This reflects concerns around slowing consumption demand and heightened competition from emerging digital-first platforms.

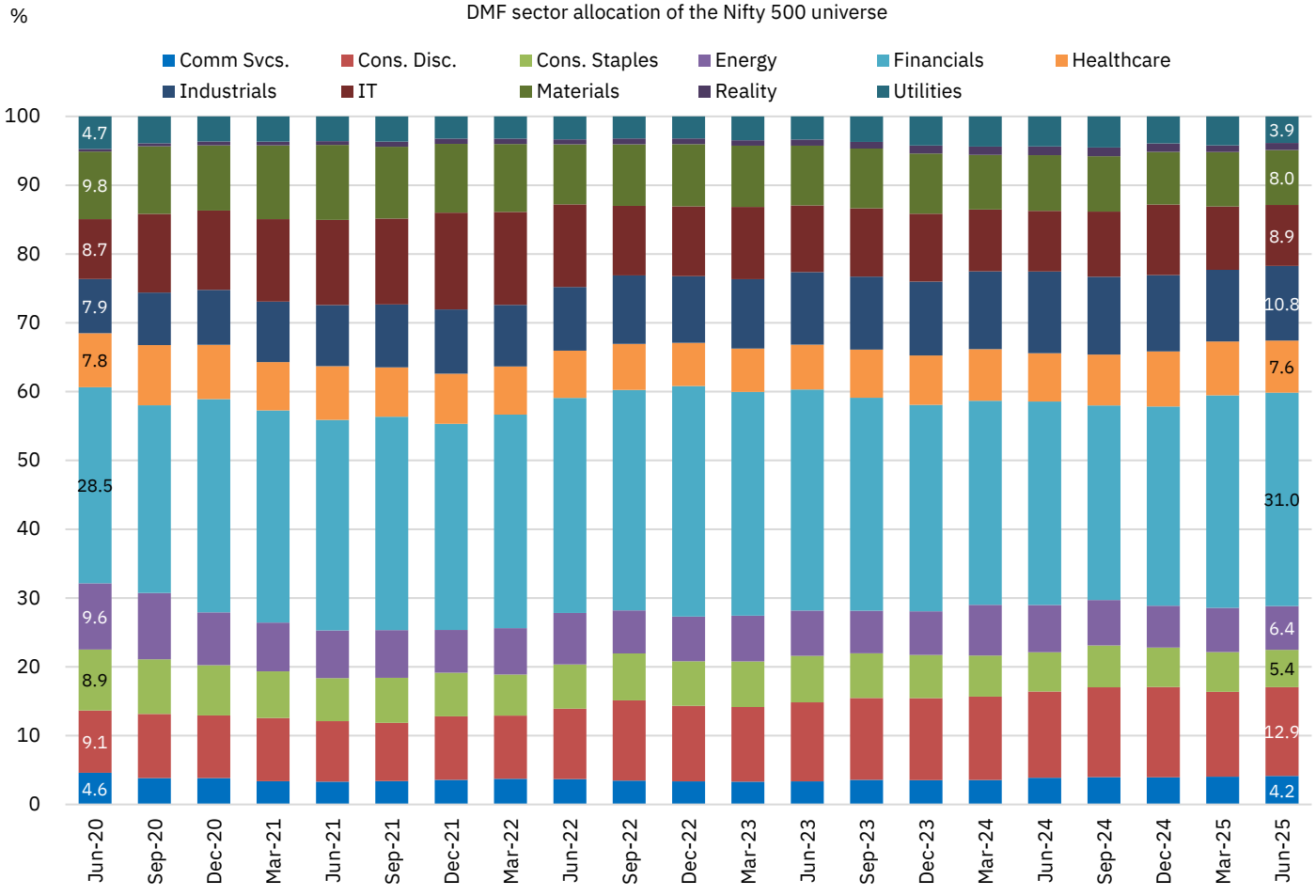
DMFs retained a neutral stance across most other sectors, including Materials, Information Technology, Energy, Real Estate, Utilities, Industrials, Communication Services, and Financials. However, within this neutral positioning, DMFs have become incrementally more cautious on Financials, partly due to the start of the rate-cut cycle, which could impact sectoral profitability. Similarly, caution has increased in the Energy sector, driven by declining crude oil prices and weakening refining margins.

Figure 82: DMF sector allocation of the Nifty 500 universe (June 2025 vs. March 2025)



Source: CMIE Prowess, NSE EPR.

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



Source: CMIE Prowess, NSE EPR.

Figure 84: DMF sector allocation vs sector weight in Nifty 500 (June 2025)

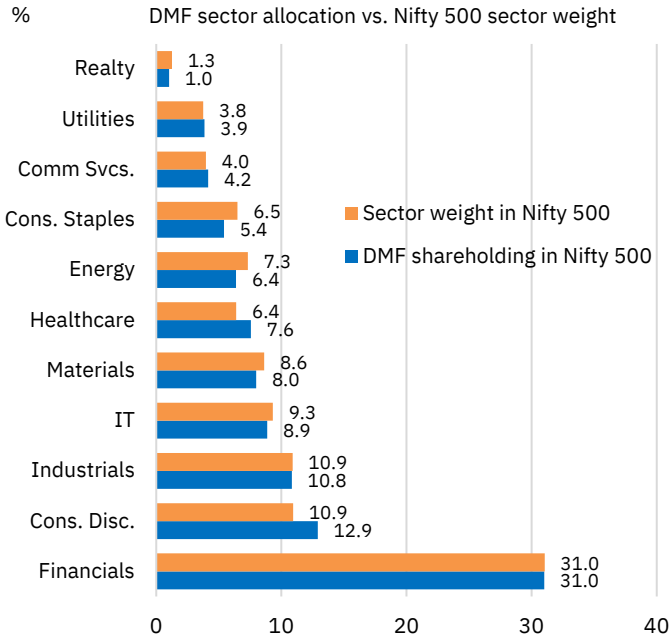
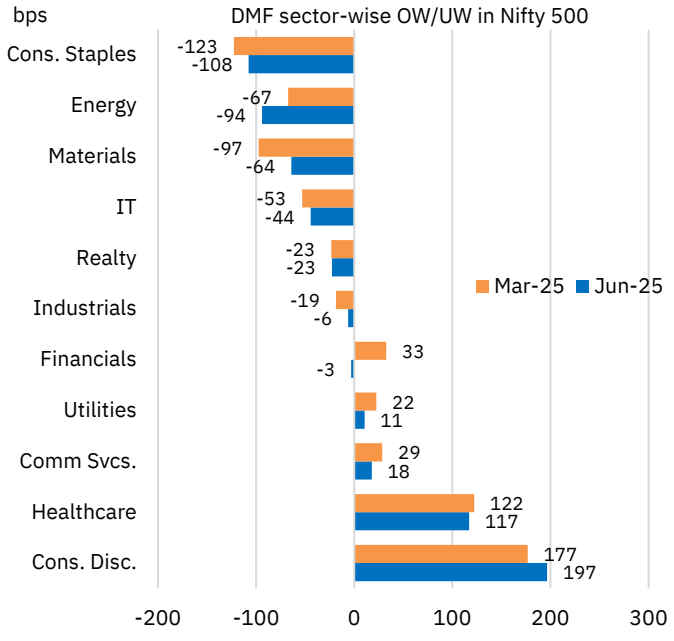
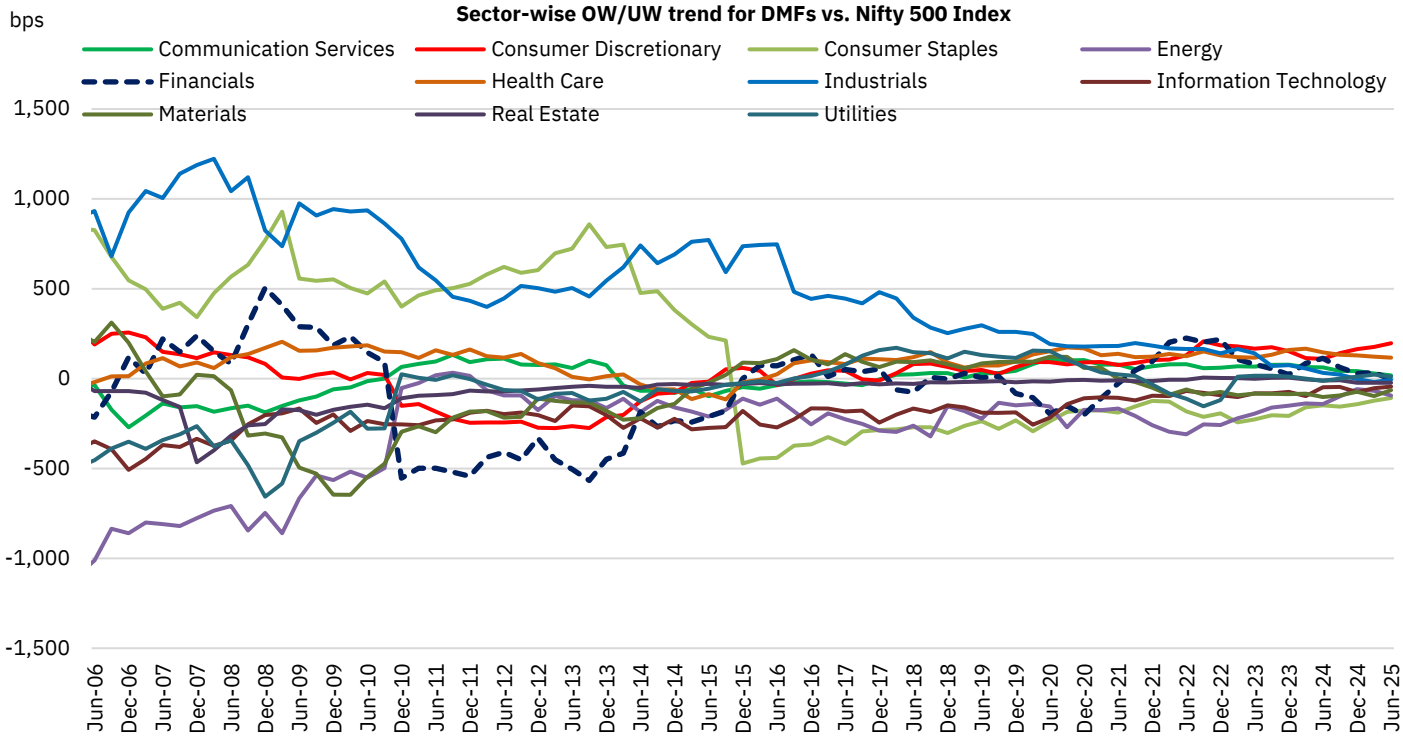


Figure 85: DMF sector-wise OW/UW in Nifty 500 relative to sector weight in the index (June 2025)



Source: CMIE Prowess, NSE EPR.

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



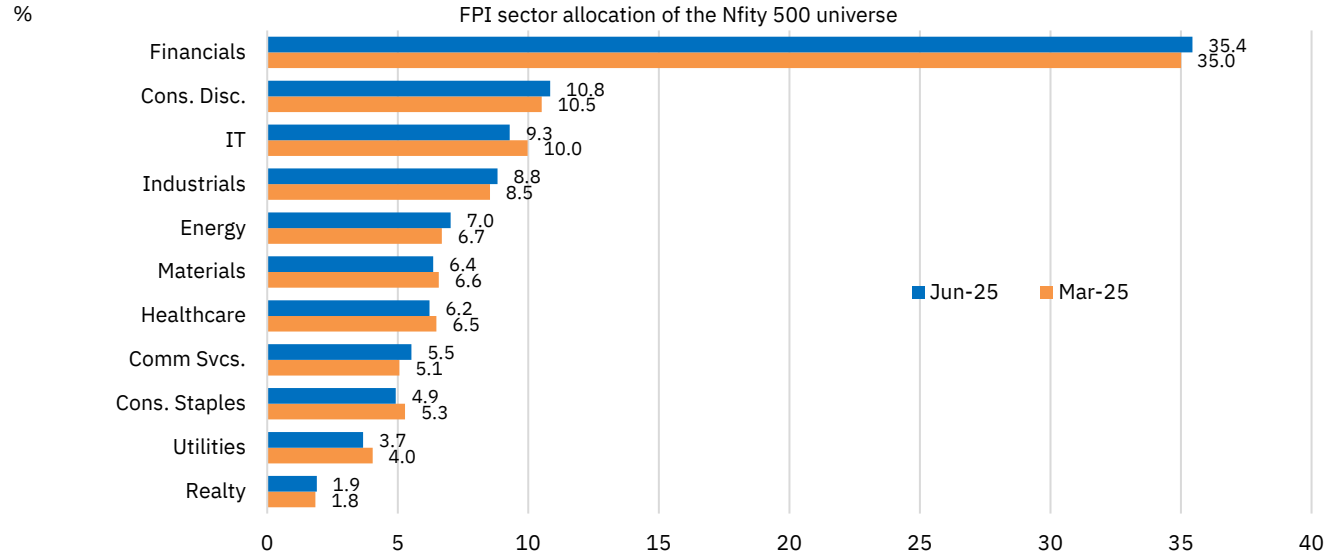
Source: CMIE Prowess, NSE EPR.

FPIs' strengthened their OW bet on Financials: In the June quarter, Financials and Communication Services were the only two sectors where FPIs maintained an OW position. The sustained OW stance in Financials reflects investor confidence in the sector's strong capital buffers, robust profitability, and improving asset quality. FPIs also remained OW on Communication Services for the second consecutive quarter, marking a

notable shift that began in the previous quarter—driven by the sector's rising data consumption and accelerated digital adoption. Conversely, Consumer Staples, Industrials, and Materials are the three sectors where FPIs have held a consistent UW position over an extended period, indicating a structural negative bias. For other sectors—Consumer Discretionary, Energy, Healthcare, Information Technology, Real Estate, and Utilities—FPIs maintained a neutral stance during the quarter. However, within this neutral positioning, both Utilities and Information Technology witnessed an incremental shift toward a negative bias, signalling a cautious outlook emerging in these sectors.

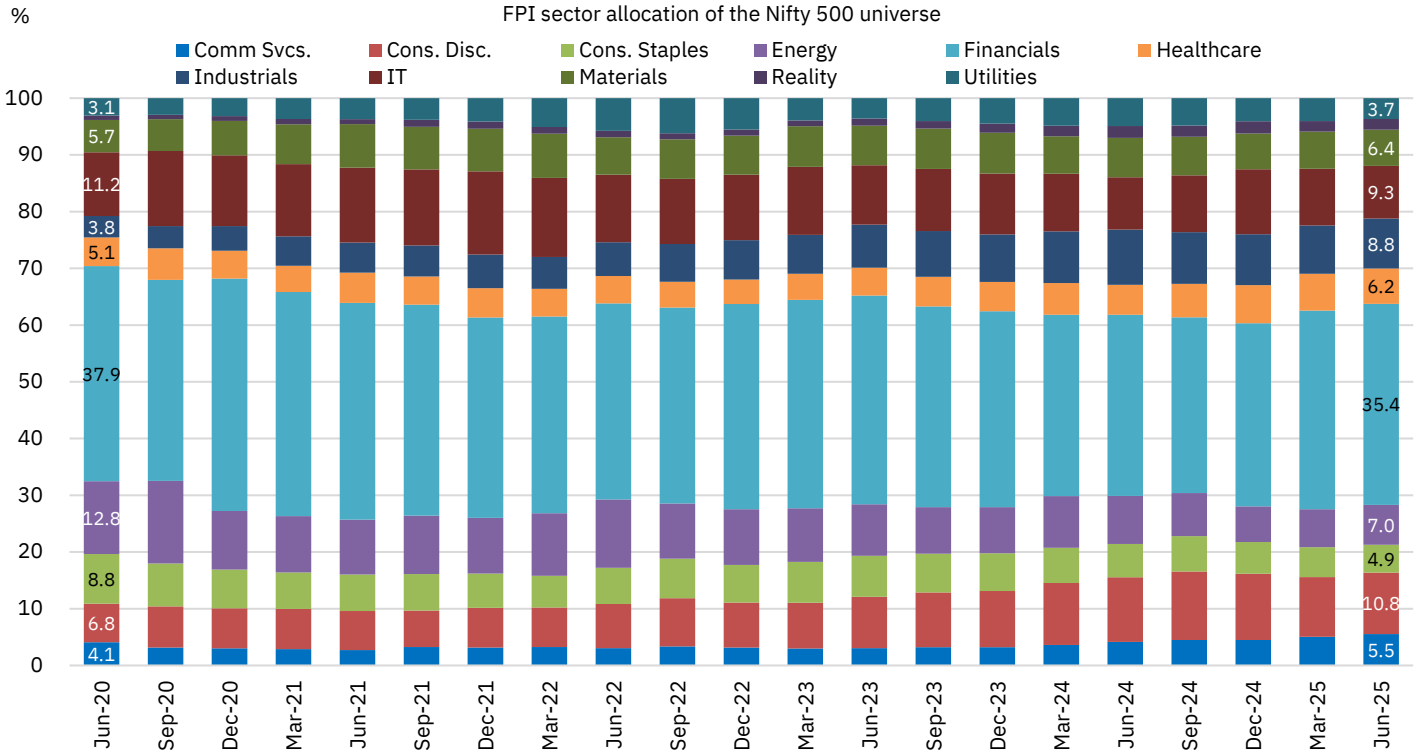
FPIs remained OW on the Financials and Communication Services while retaining an UW stance on Consumer Staples, Industrials and Materials.

Figure 87: FPI sector allocation of the Nifty 500 universe (June 2025 vs. March 2025)



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

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



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

Figure 89: FPI sector allocation vs sector weight in Nifty 500 (June 2025)

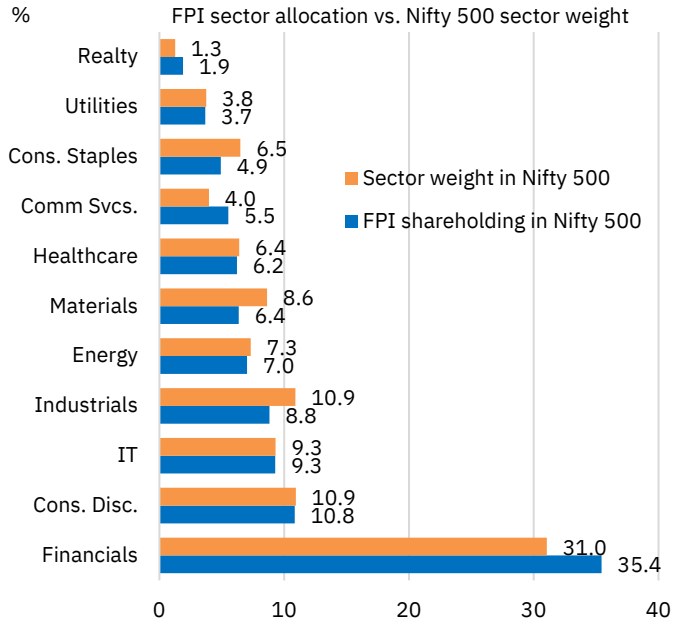
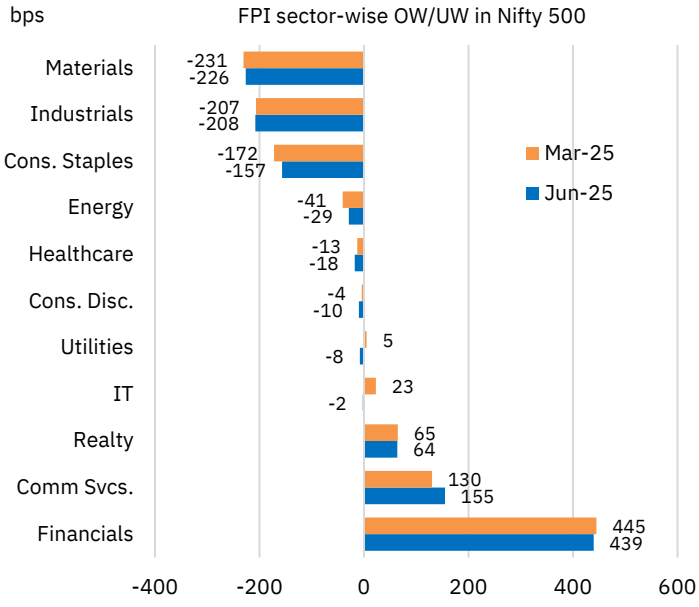
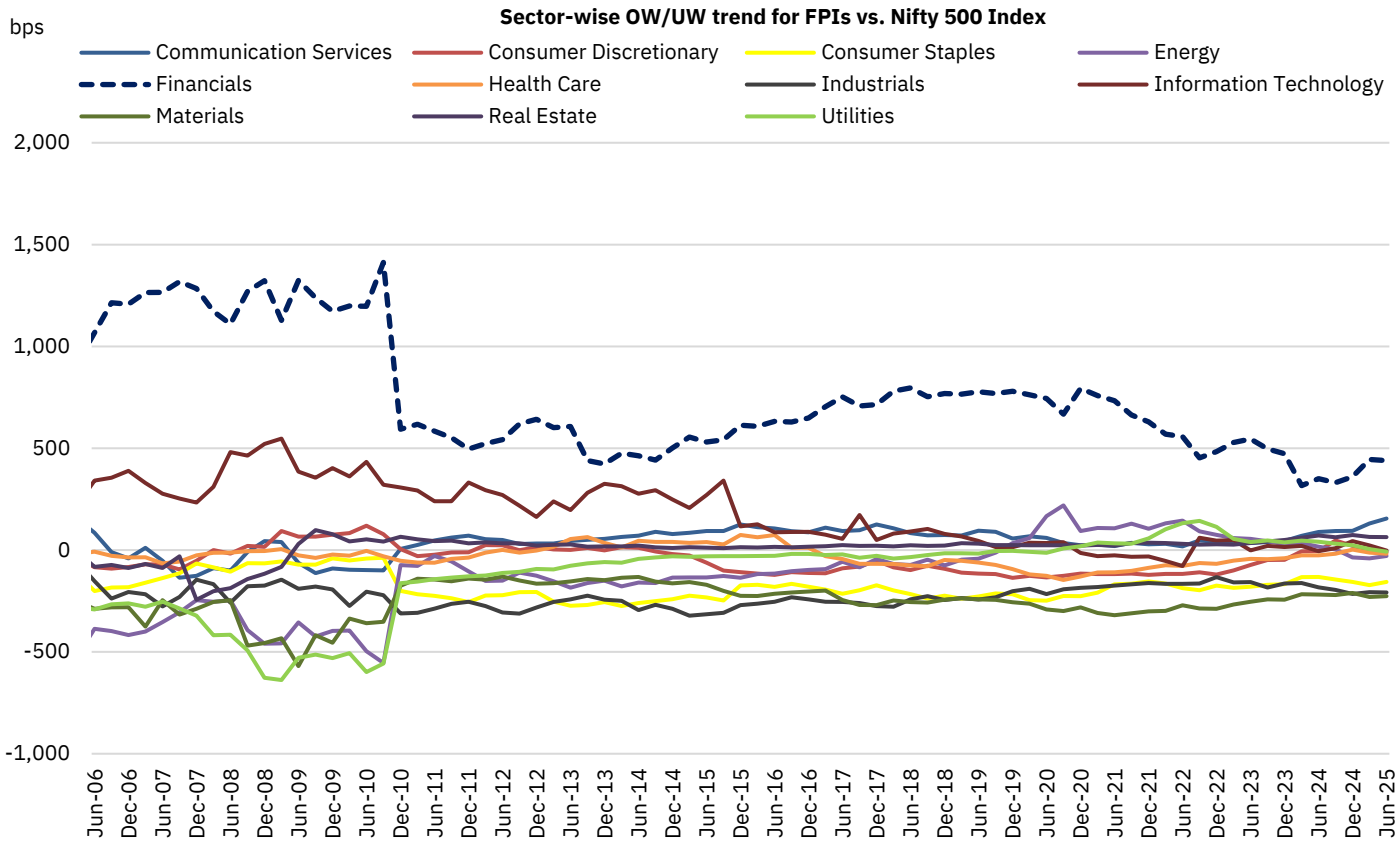


Figure 90: FPI sector-wise OW/UW in Nifty 500 relative to sector weight in the index (June 2025)



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

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



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

Ownership concentration analysis

The share of Nifty50 companies in overall institutional investments fell by 1.5pp QoQ to 60.3% in the June quarter.

Institutional investor allocation to Nifty50 fell on the back of outperformance of mid- and small-cap companies in June 2025: The charts below illustrate the QoQ change in institutional ownership across market capitalisation segments for the June 2025 quarter.

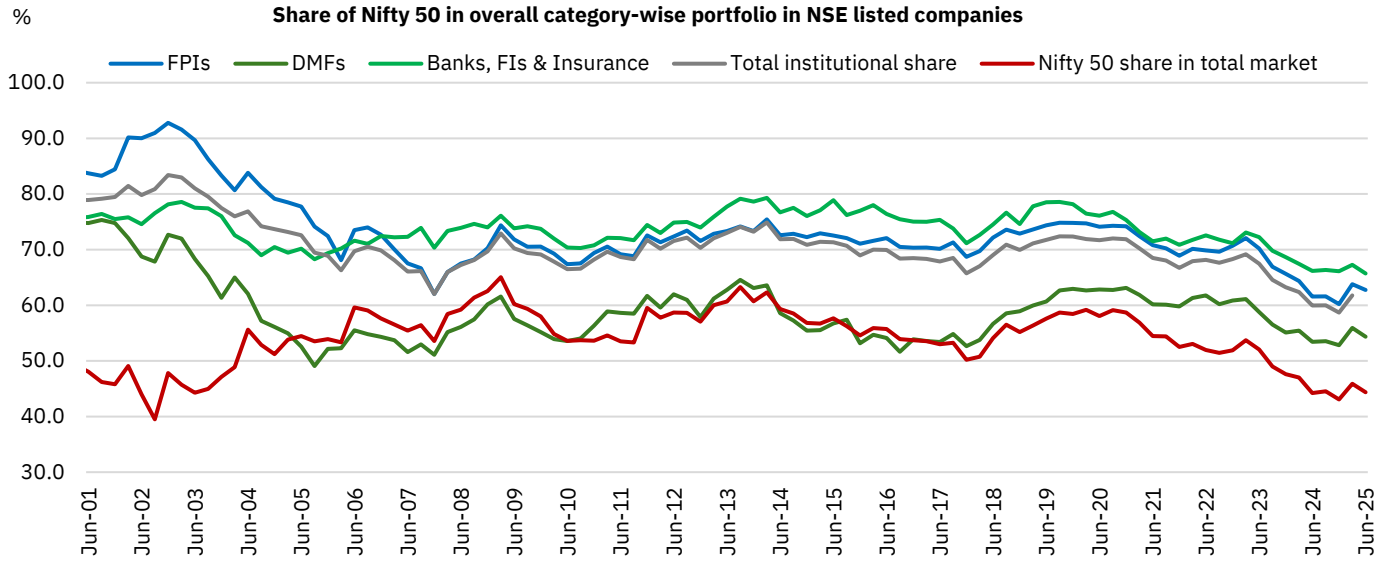
Historically, institutional investments have been concentrated in Nifty 50 companies. However, this trend reversed post the pandemic, reaching a 24-year low in December 2024. This trend partially reversed in the March 2025 quarter, with the share of Nifty 50 companies in overall institutional holdings rising sharply, only to see a dip again in the June 2025 quarter, primarily led by renewed outperformance of mid- and small-cap companies during the quarter. As of June 2025, Nifty 50 companies comprised 60.3% of the overall institutional holdings in the NSE listed companies, falling 1.5pp QoQ. This was broadly in line with the decline seen in the Nifty 50's share of total market capitalisation.

Even so, Nifty 50's institutional share remains 12.1pp below its pre-pandemic level of 72.4% (December 2019), reflecting a structural reallocation towards mid- and small-cap companies. This shift has been driven by both sustained flows into mid- and small-cap funds and the relative outperformance of these segments in recent years.

For example, over the three- and five-year periods ending June 30th, 2025, the Nifty 50 Index delivered annualised returns of 17.4% and 19.9%, respectively. In comparison, the Nifty Mid-cap 50 returned 32.2%/32.7% and the Nifty Small-cap 50 returned 33.6%/33.4%, substantially outperforming large caps.

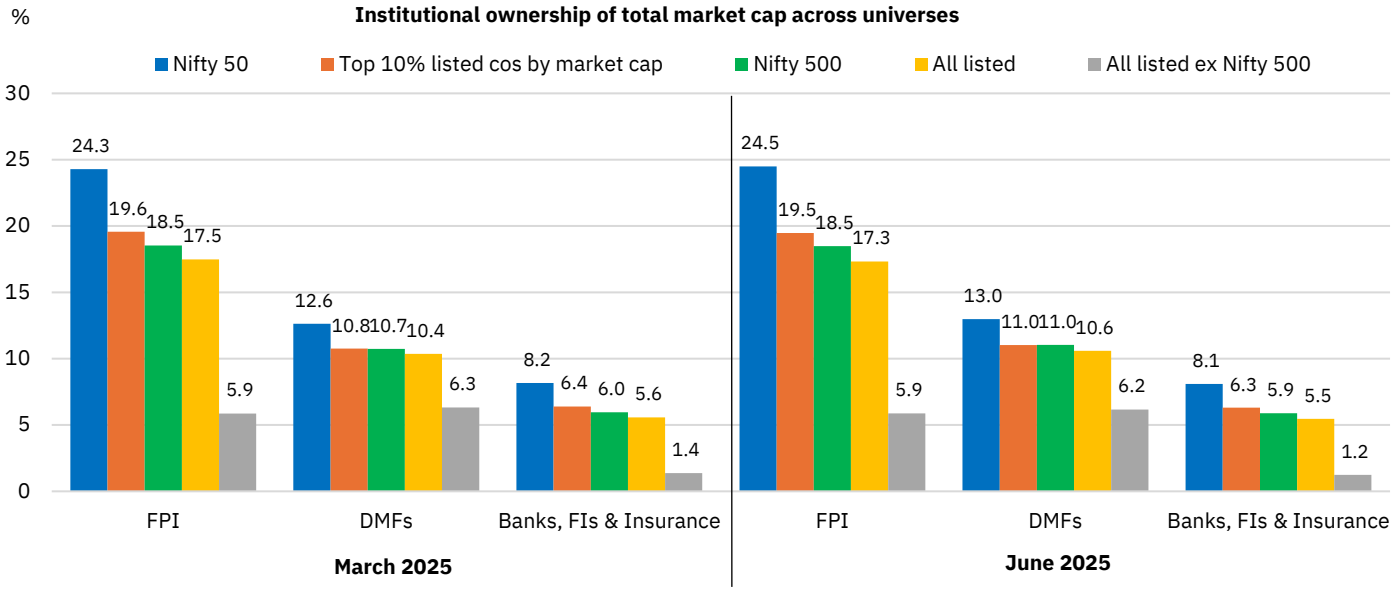
Among institutional categories, Banks, Financial Institutions, and Insurance companies had the highest exposure to Nifty 50 stocks, even as their allocation declined 1.5 pp QoQ to an all-time low of 65.7% in the June quarter. The drop in FPIs allocation to Nifty 50 was relatively smaller at 1pp QoQ to 62.8%, reflecting relatively higher allocation to large-cap companies during the quarter. Unlike FPIs, DMFs reduced their Nifty 50 exposure by a marginally higher 1.6pp QoQ to 54.4% in the June 2025 quarter—about 8.6pp below the pre-pandemic high of 63% recorded in December 2019—indicating sequentially higher allocation to mid- and small-cap companies.

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



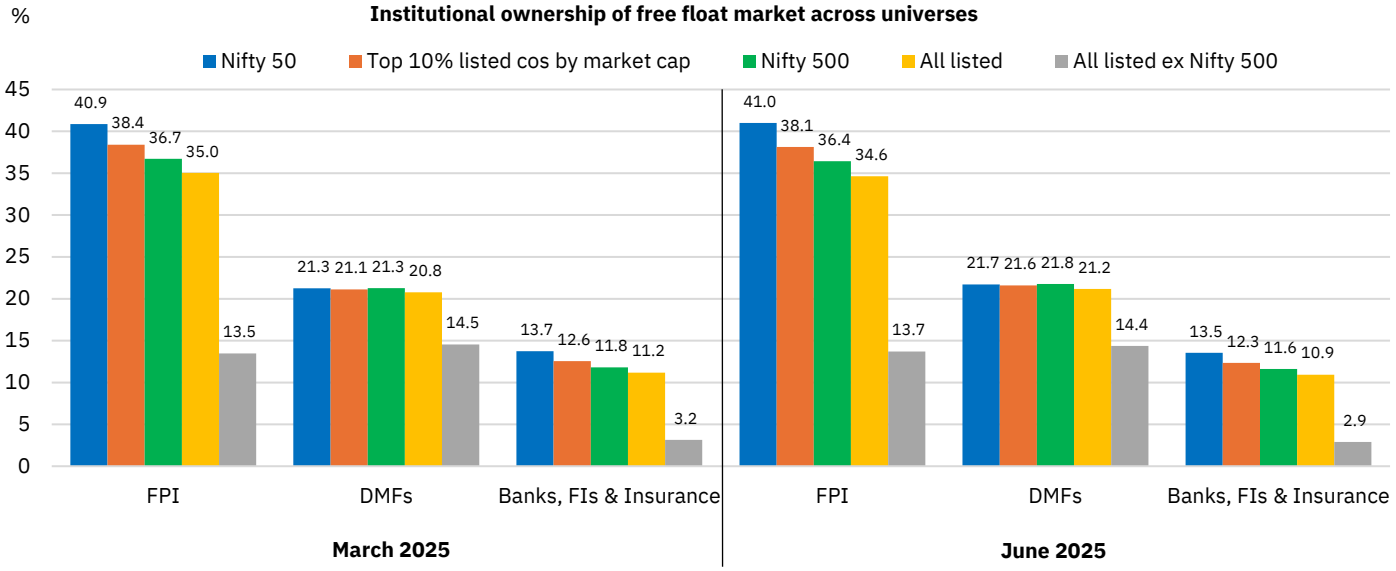
Source: CMIE Prowess, NSE *FPI ownership includes ownership through depository receipts held by custodians.

Figure 93: Institutional share of total market cap (June 2025 vs March 2025)



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

Figure 94: Institutional ownership of floating stock (June 2025 vs. March 2025)

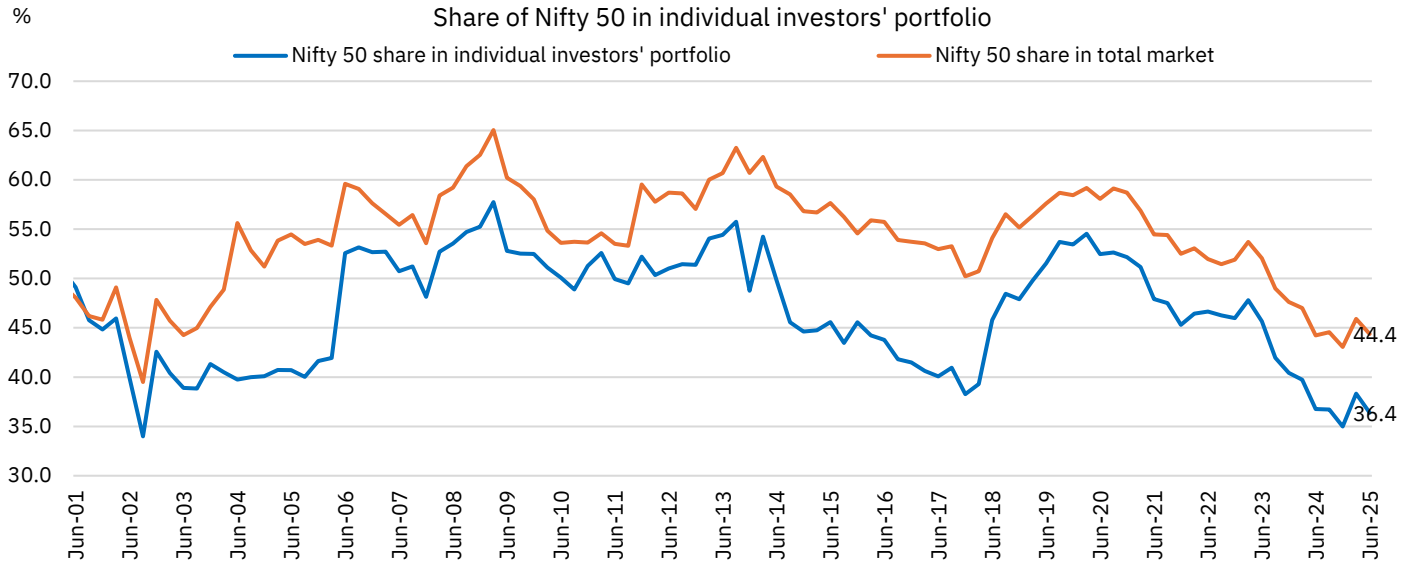


Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

...And so is for individual investors: Unlike institutional investors, individual investors recorded a sharper 1.9pp QoQ decline in the share of Nifty 50 stocks in their portfolios, falling to 36.4%—well below the index's 44.4% weight in overall market capitalisation. This shift reflects the stronger performance of mid- and small-cap stocks in the June quarter, segments where individual investors typically have greater exposure than institutions. Since the onset of the pandemic, individual investors have consistently reallocated towards mid- and small-cap stocks, with their Nifty 50 allocation dropping from 54.5% in March 2020 to an all-time low of 35% by December 2024, before partially recovering in Q4 FY25. This reflects a total decline of 18.1pp in the share of Nifty 50 stocks within individual investor portfolios between March 2020 and June 2025—notably steeper than the 14.8pp decline in the Nifty 50's share of overall market capitalisation.

This divergence underscores how closely investor behaviour has mirrored the multi-year outperformance of mid- and small-cap stocks relative to large-cap benchmarks.

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



Source: CMIE Prowess, NSE EPR.

Figure 96: Individual share of total market cap (June 2025 vs. March 2025)

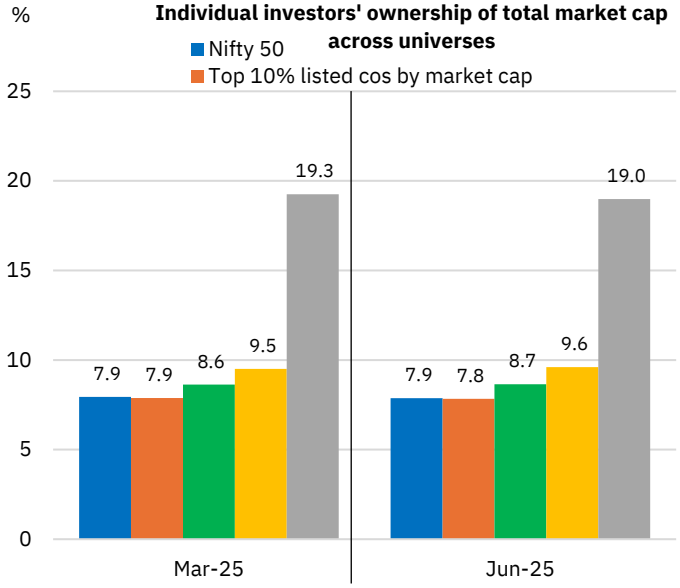
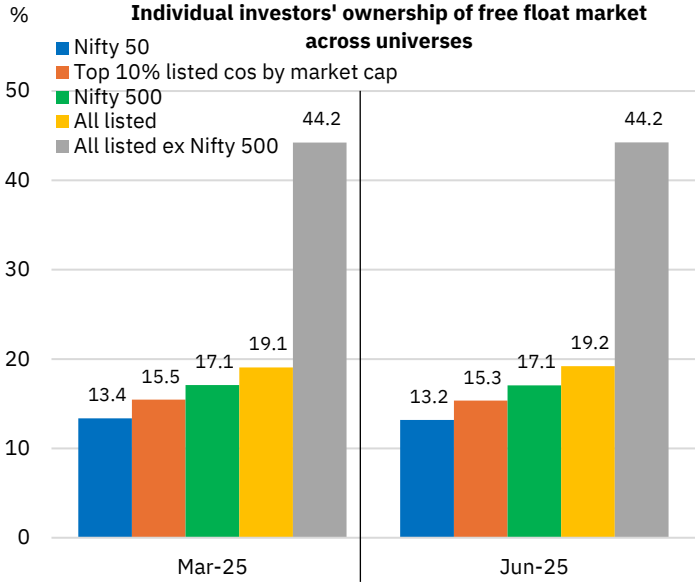


Figure 97: Individual ownership of floating stock (June 2025 vs. March 2025)



Source: CMIE Prowess, NSE EPR.

Decile-wise analysis shows a steady share of top decile companies in institutional investors' portfolios: The tables below present the portfolio distribution of individual investors, domestic mutual funds (DMFs), and foreign portfolio investors (FPIs) across market capitalisation deciles within the NSE-listed universe. In the June 2025 quarter, allocations to large-cap stocks fell across all investor categories, partly reversing a sharp increase seen in the previous quarter amid heightened market uncertainty.

Individual investors' exposure to the top decile companies (the largest ~220 companies by market capitalisation) declined by 1.1pp QoQ to 64.8%, edging closer to the 25-year

low of 63.2% seen in December 2024. Meanwhile, the second decile saw a rise of approximately 85 bps QoQ, accounting for 15.3% of individual holdings. In contrast, the bottom 50% of NSE-listed companies comprised 3.6% of retail investor holdings, up 10bps QoQ. While still modest in absolute terms, this share is just 70bps below the 17-year high of 4.3% reached in December 2024, and more than 2.5 times higher than its level in March 2020. This shift reflects both the strong rally in mid- and small-cap segments and a gradual reallocation by individual investors toward broader market segments.

In contrast to individual investors, DMFs maintained a relatively stable allocation to large-cap stocks. Their exposure to top decile stocks declined marginally by 10bps QoQ to 82.5% in the June 2025 quarter—near a 10-quarter high—closely tracking the decline in the large-cap share of overall market capitalisation. Notably, the gap between DMFs' allocation to top decile stocks and the segment's weight in total market capitalisation widened for the fifth consecutive quarter, reaching a 25-year high of 3.2pp in June 2025. This suggests a sustained tilt by DMFs towards larger companies during this period.

FPIs saw their allocation to top decile stocks remain largely unchanged at a five-quarter high of 89.1%, while their exposure to second decile stocks also held steady at 7.3%.

Meanwhile, banks, financial institutions, and insurance companies increased their allocation to large-cap stocks further, with 91.4% of their equity portfolio invested in top decile stocks, up 11bps QoQ—reflecting a continued preference for market leaders.

Table 16: Market cap decile-wise share of individuals' portfolio in NSE listed companies

	FY21				FY22				FY23				FY24				FY25				FY26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	75.1	76.0	73.6	73.8	69.7	70.7	69.0	69.6	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
2	12.5	11.9	12.4	12.7	13.1	13.3	14.1	13.5	13.3	13.3	13.0	12.5	13.1	14.0	14.1	14.2	14.2	14.1	14.7	14.4	15.3
3	5.2	5.7	6.3	6.3	7.6	7.3	6.9	7.0	6.9	7.4	7.3	7.5	7.8	8.6	8.6	8.3	8.8	8.7	8.9	8.5	8.4
4	3.1	3.0	3.4	3.4	4.3	4.3	4.1	4.1	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
5	1.9	1.7	2.1	1.8	2.5	2.2	2.7	2.7	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
6	1.0	0.8	1.1	1.0	1.4	1.2	1.6	1.5	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
7	0.6	0.5	0.6	0.5	0.8	0.6	0.8	0.9	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
8	0.3	0.2	0.3	0.2	0.4	0.3	0.5	0.5	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
9	0.2	0.1	0.2	0.1	0.2	0.1	0.2	0.2	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
10	0.0	0.0	0.0	0.0	0.0	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	0.1

Source: CMIE Prowess, NSE EPR.

Table 17: Distribution of total value held by individual investors across market capitalization deciles

Rs lakh cr	FY21				FY22				FY23				FY24				FY25				FY26
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	9.0	10.5	12.3	13.5	14.9	17.0	17.5	17.6	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
2	1.5	1.6	2.1	2.3	2.8	3.2	3.6	3.4	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
3	0.6	0.8	1.0	1.2	1.6	1.8	1.8	1.8	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
4	0.4	0.4	0.6	0.6	0.9	1.0	1.1	1.0	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
5	0.2	0.2	0.3	0.3	0.5	0.5	0.7	0.7	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
6	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.4	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
7	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	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
8	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	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
9	0.0	0.0	0.0	0.0	0.0	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	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	0.0	0.0	0.0
Total	**12.0**	**13.8**	**16.8**	**18.3**	**21.4**	**24.0**	**25.4**	**25.3**	**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**

Source: CMIE Prowess, NSE EPR.

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

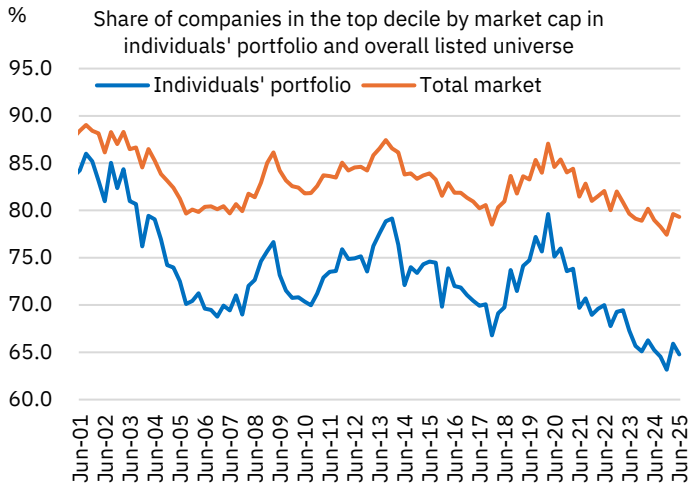
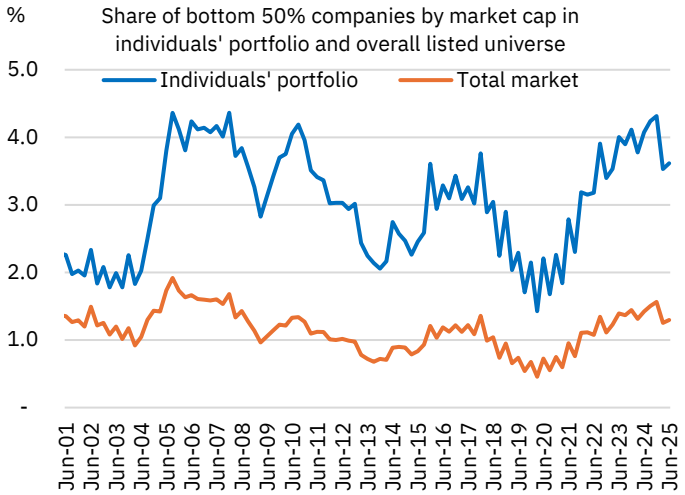


Figure 99: Share of bottom 50% companies by market cap in individuals' portfolio and overall listed universe



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

Table 18: Market cap decile-wise share of DMFs' portfolio in NSE listed companies

	FY21				FY22				FY23				FY24				FY25				FY26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	85.2	86.1	84.2	84.9	82.0	83.7	82.0	82.8	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
2	10.4	10.2	11.0	10.8	12.0	11.7	12.4	11.8	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
3	3.0	2.7	3.3	3.1	3.9	3.2	3.7	3.5	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
4	1.0	0.8	1.1	1.0	1.6	1.1	1.4	1.4	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
5	0.3	0.2	0.3	0.2	0.4	0.3	0.4	0.4	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
6	0.1	0.0	0.1	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	0.1	0.1	0.2	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	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	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	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

Table 19: Distribution of total value held by DMFs across market capitalization deciles

Rs lakh cr	FY21				FY22				FY23				FY24				FY25				FY26
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	9.2	10.1	11.6	12.5	13.5	15.8	16.0	16.7	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
2	1.1	1.2	1.5	1.6	2.0	2.2	2.4	2.4	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
3	0.3	0.3	0.5	0.4	0.6	0.6	0.7	0.7	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
4	0.1	0.1	0.1	0.2	0.3	0.2	0.3	0.3	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
5	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	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
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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
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	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	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	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	0.0	0.0	0.0
Total	**10.8**	**11.7**	**13.8**	**14.7**	**16.5**	**18.9**	**19.6**	**20.1**	**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**

Source: CMIE Prowess, NSE EPR.

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

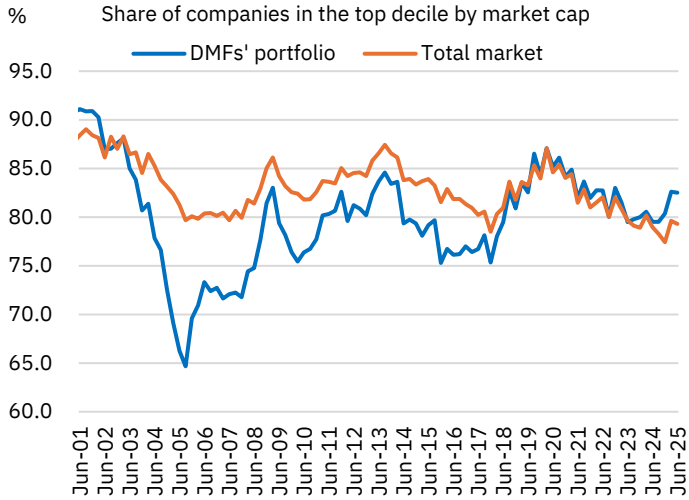
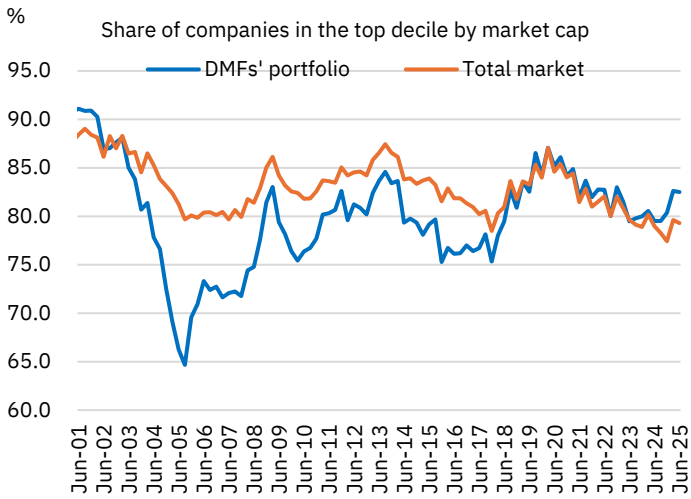


Figure 101: Share of bottom 50% companies by market cap in DMFs' portfolio and overall listed universe



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

Table 20: Market cap decile-wise share of FPIs' portfolio in NSE listed companies

	FY21				FY22				FY23				FY24				FY25				FY26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	92.2	93.2	92.6	92.8	90.9	91.9	90.9	90.9	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
2	5.7	5.1	5.4	5.4	6.6	5.9	6.4	6.3	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
3	1.5	1.2	1.4	1.4	1.7	1.6	1.9	1.8	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
4	0.4	0.3	0.4	0.3	0.5	0.4	0.5	0.6	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
5	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	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
6	0.0	0.0	0.0	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	0.1	0.1	0.1	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	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	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	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

Table 21: Distribution of total value held by FPIs across market capitalization deciles

Rs lakh cr	FY21				FY22				FY23				FY24				FY25				FY26
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	25.7	29.3	37.6	40.5	42.9	48.7	47.1	45.6	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
2	1.6	1.6	2.2	2.4	3.1	3.1	3.3	3.2	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
3	0.4	0.4	0.6	0.6	0.8	0.8	1.0	0.9	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
4	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.3	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
5	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	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
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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
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	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	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	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	0.0	0.0	0.0
Total	**27.9**	**31.5**	**40.6**	**43.6**	**47.2**	**53.0**	**51.9**	**50.2**	**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**

Source: CMIE Prowess, NSE EPR.

Figure 102: Share of the top decile companies by market cap in FPIs' portfolio and overall listed universe

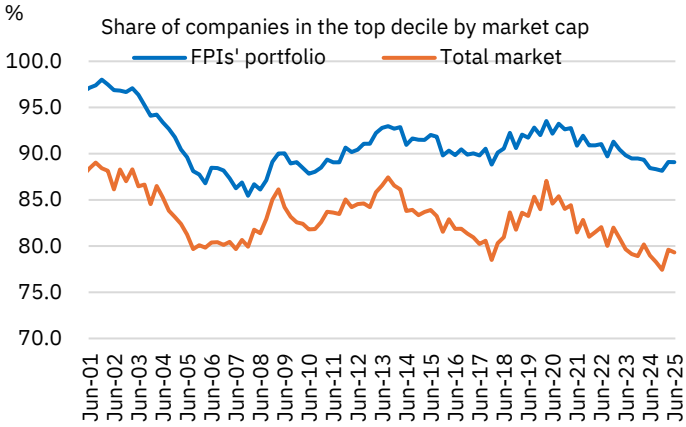
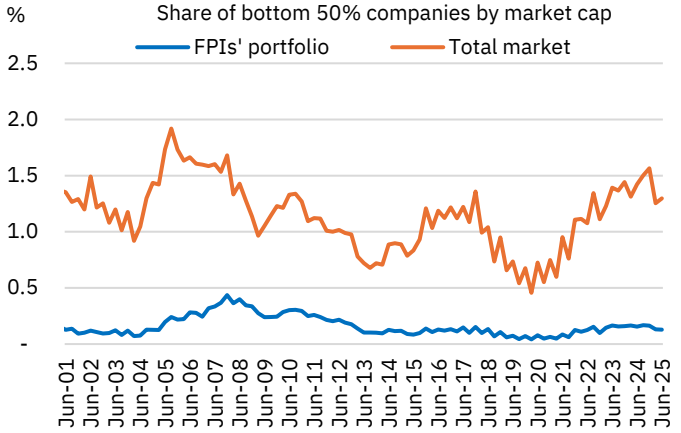


Figure 103: Share of bottom 50% companies by market cap in FPIs' portfolio and overall listed universe



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

Table 22: Market cap decile-wise share in total market capitalization of NSE listed companies

	FY21				FY22				FY23				FY24				FY25				FY26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	84.6	85.4	84.0	84.4	81.5	82.8	81.0	81.5	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
2	9.5	9.2	9.5	9.6	10.6	10.0	10.9	10.5	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
3	3.1	3.0	3.5	3.3	4.1	3.8	4.1	4.0	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	1.3	1.2	1.5	1.4	1.9	1.7	1.9	1.9	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
5	0.7	0.6	0.8	0.7	1.0	0.9	1.0	1.0	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
6	0.4	0.3	0.4	0.3	0.5	0.4	0.6	0.6	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
7	0.2	0.1	0.2	0.2	0.3	0.2	0.3	0.3	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
8	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	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
9	0.0	0.0	0.0	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	0.1	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	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

Table 23: Market capitalization of NSE listed companies distributed across deciles

Rs lakh cr	FY21				FY22				FY23				FY24				FY25				FY26
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	117.1	130.8	156.9	171.4	185.9	213.7	213.0	212.7	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
2	13.1	14.0	17.7	19.4	24.3	25.8	28.6	27.3	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
3	4.4	4.6	6.5	6.7	9.3	9.7	10.7	10.4	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
4	1.9	1.9	2.8	2.9	4.3	4.5	5.1	4.9	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
5	1.0	1.0	1.5	1.4	2.2	2.3	2.7	2.6	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
6	0.5	0.5	0.7	0.7	1.1	1.1	1.5	1.5	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
7	0.3	0.2	0.4	0.3	0.6	0.5	0.8	0.8	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
8	0.1	0.1	0.2	0.2	0.3	0.2	0.4	0.4	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
9	0.1	0.0	0.1	0.1	0.1	0.1	0.2	0.2	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
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	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
Total	**138.4**	**153.1**	**186.7**	**203.1**	**228.2**	**258.0**	**263.0**	**261.0**	**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**

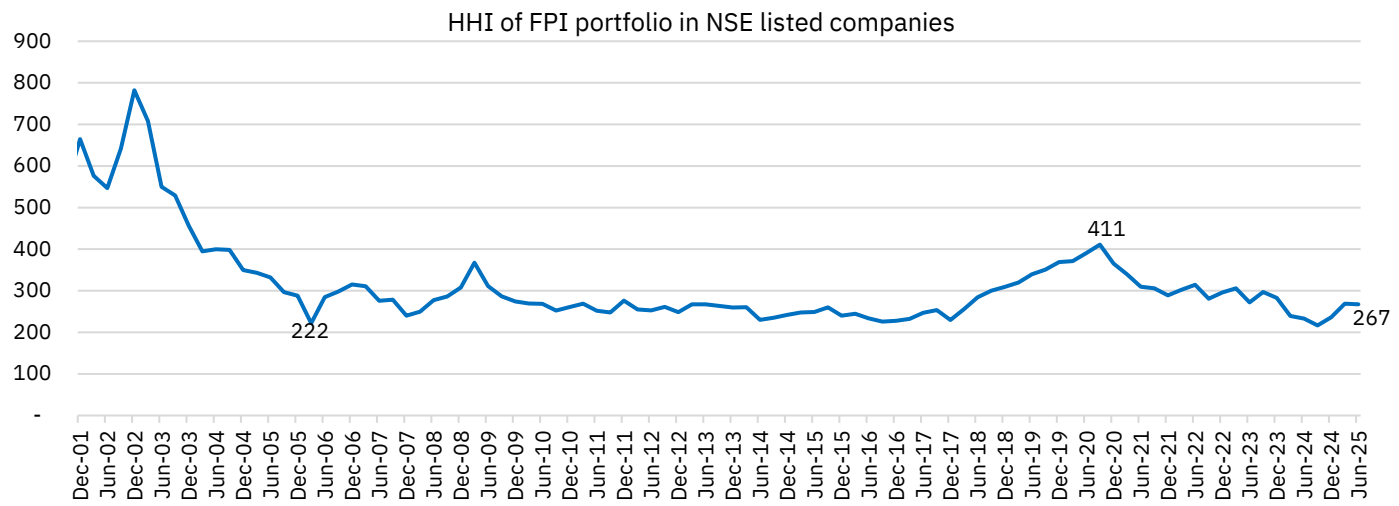
Source: CMIE Prowess, NSE EPR.

HHI levels fell marginally in the June quarter, in line with widening exposure and outperformance of mid- and small-caps: The Herfindahl-Hirschman Index (HHI)—a standard measure of portfolio concentration—has consistently remained in the 200–400 range across investor categories over the past two decades, well below the 1,500 threshold typically associated with high concentration. This indicates a broadly diversified portfolio structure across market participants. After a brief post-pandemic uptick—when investors turned more risk-averse—HHI levels have generally trended lower, except for a short-lived rise in H2 FY25.

For overall institutional holdings in NSE-listed companies, the HHI declined to 195 in June 2025, after rising in the March quarter. Among institutional categories, DMFs saw their HHI fall to 150, down from 160 in the previous quarter. FPIs maintained a relatively higher HHI of 267, the highest among institutional groups, but still well below the post-pandemic peak of 411 in September 2020—reflecting a broader spread of holdings. Notably, FPIs now have exposure to over 1,920 companies, up from ~1,300 four years ago—a number that had remained largely stagnant for more than a decade. Banks, Financial Institutions, and Insurance companies recorded their second consecutive quarterly decline in HHI, reaching a near 20-year low of 210.

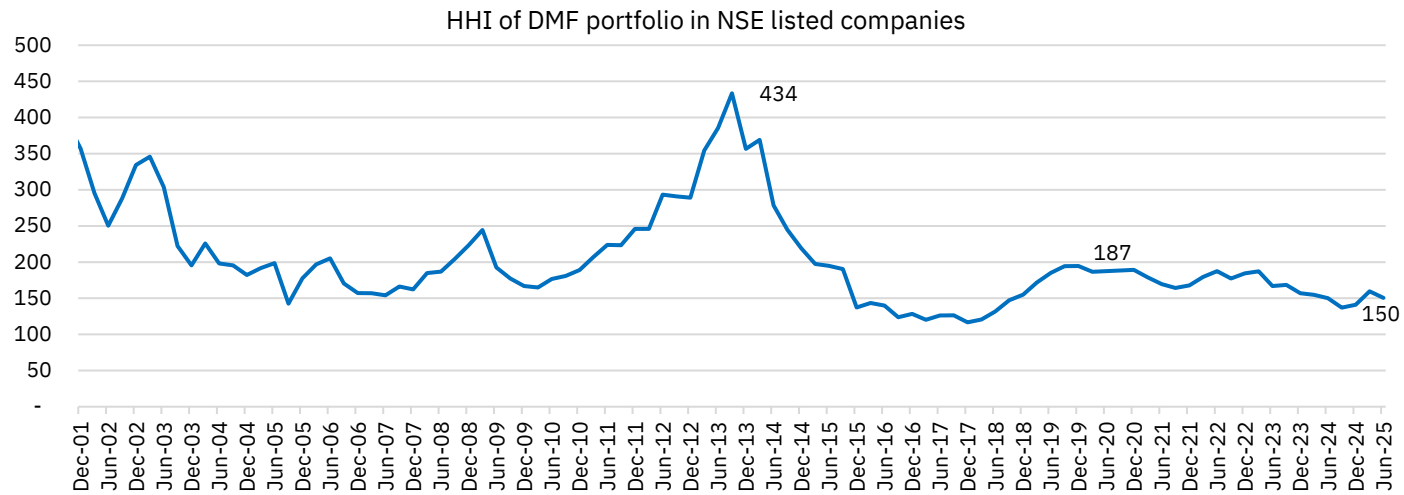
As expected, individual investors exhibit the lowest HHI among all investor categories, consistent with their wider allocation to mid-, small-, and micro-cap stocks, reinforcing the diversified nature of retail portfolios.

Figure 104: HHI of FPI portfolio in NSE listed companies



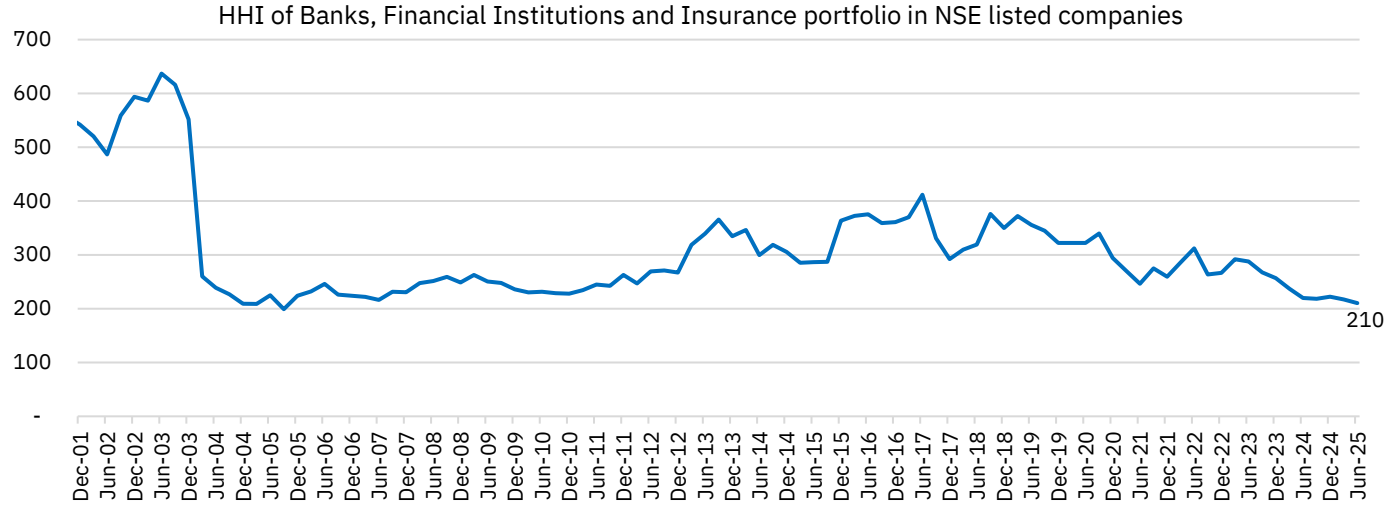
Source: CMIE Prowess, NSE EPR.

Figure 105: HHI of DMF portfolio in NSE listed companies



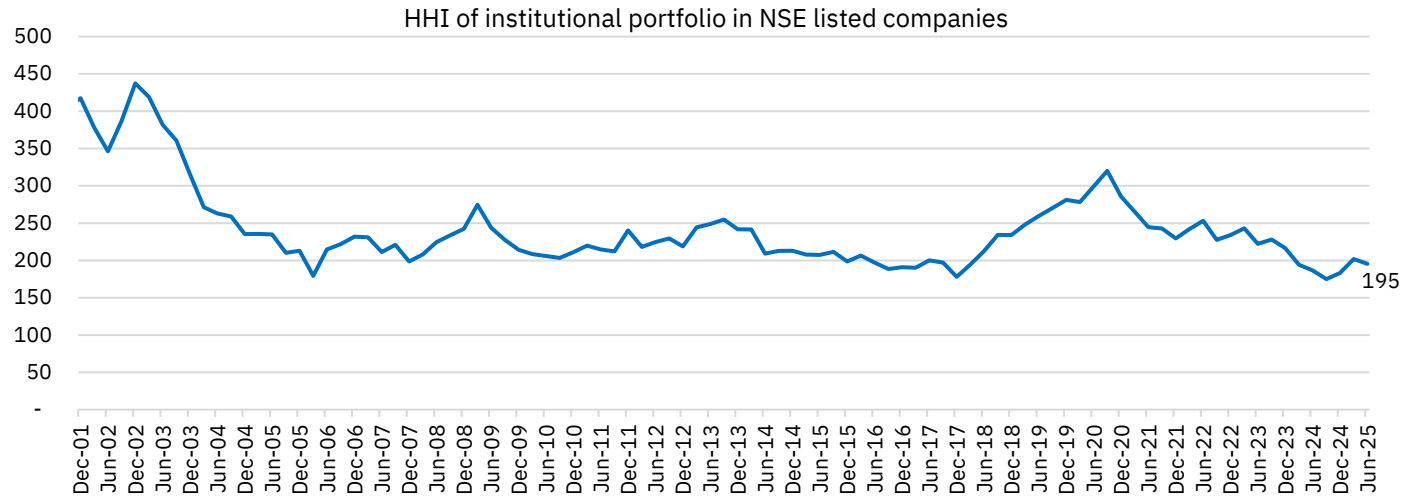
Source: CMIE Prowess, NSE EPR.

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



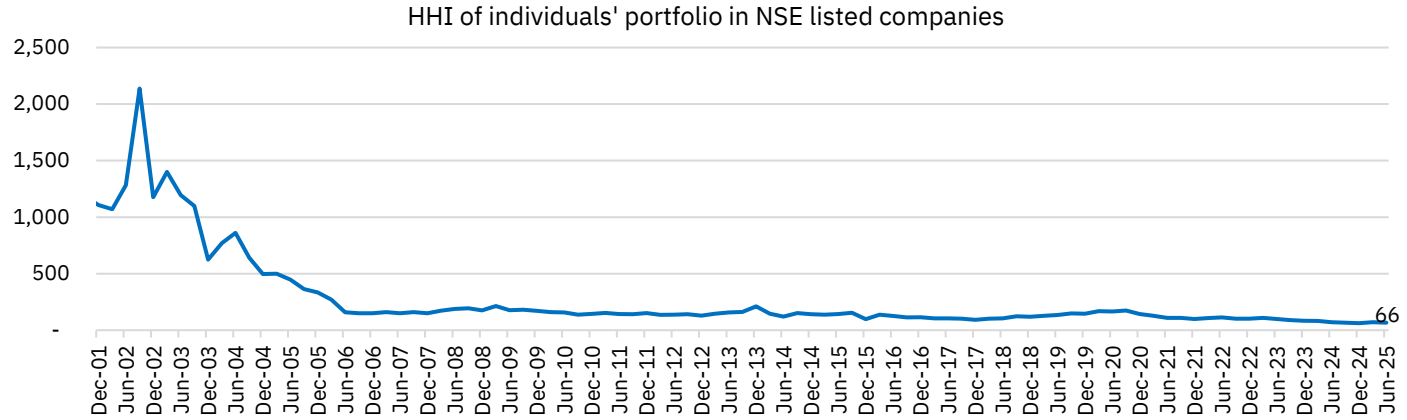
Source: CMIE Prowess, NSE EPR.

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



Source: CMIE Prowess, NSE EPR.

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



Source: CMIE Prowess, NSE EPR.

Sector-wise HHI differs meaningfully: While overall HHI levels remain low across investor categories, indicating well-diversified portfolios, sectoral disparities in concentration persist. Among individual investors, HHI values across all sectors—except Energy—remain below the 1500 threshold, suggesting relatively low concentration. In contrast, FPIs and DMFs exhibit high concentration in the Energy and Communication Services sectors, with HHI levels exceeding 2500. This is partly due to the smaller number of investable companies in these sectors. Additionally, Banks, Financial Institutions, & Insurance companies also show elevated concentration in Consumer Staples. That said, except for Energy and Communication Services, most sectors have seen a broad-based decline in HHI across all investor categories over time, reflecting gradual portfolio diversification and a broader investment footprint.

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

Sector	Jun-05	Jun-10	Jun-15	Jun-20	Jun-25
Comm. Svcs.	5,195	2,767	1,626	3,321	5,952
Cons. Disc.	1,072	1,086	1,085	835	643
Cons. Staples	3,119	1,490	1,309	1,472	931
Energy	3,761	4,642	2,566	7,487	6,057
Financials	1,390	1,241	1,334	1,457	1,537
Health Care	1,267	1,114	1,468	637	643
Industrials	1,345	846	890	862	482
IT	3,354	4,296	2,771	2,726	1,890
Materials	865	684	594	706	402
Real Estate	6,513	1,789	1,282	1,811	1,472
Utilities	2,477	1,272	1,876	1,345	1,273
Total	**332**	**268**	**249**	**390**	**267**

Source: CMIE Prowess, NSE EPR.

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

Sector	Jun-05	Jun-10	Jun-15	Jun-20	Jun-25
Comm. Svcs.	1,728	1,787	1,414	6,376	5,106
Cons. Disc.	413	422	707	419	367
Cons. Staples	5,840	4,677	5,366	1,380	1,120
Energy	2,229	2,157	1,742	3,901	4,242
Financials	1,174	733	865	1,090	1,041
Health Care	592	695	833	675	448
Industrials	746	1,135	1,396	790	517
IT	1,194	2,140	1,712	2,767	1,337
Materials	354	347	313	378	375
Real Estate	3,583	1,134	1,804	1,397	1,165
Utilities	1,301	1,237	1,603	2,108	1,822
Total	**199**	**177**	**195**	**187**	**150**

Source: CMIE Prowess, NSE EPR.

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

Sector	Jun-05	Jun-10	Jun-15	Jun-20	Jun-25
Comm. Svcs.	8,647	1,195	6,676	1,028	996
Cons. Disc.	318	441	393	402	314
Cons. Staples	1,933	1,471	1,422	1,458	892
Energy	3,059	4,942	3,729	6,711	4,717
Financials	477	443	546	678	442
Health Care	755	660	666	371	227
Industrials	569	1,096	1,283	834	276
IT	1,863	2,120	1,617	1,845	641
Materials	411	336	272	305	173
Real Estate	1,228	1,117	563	1,091	556
Utilities	1,932	998	893	585	700
Total	**447**	**156**	**142**	**165**	**66**

Source: CMIE Prowess, NSE EPR.

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

Sector	Jun-05	Jun-10	Jun-15	Jun-20	Jun-25
Comm. Svcs.	2,379	2,433	3,930	6,562	6,808
Cons. Disc.	870	1,296	1,335	1,200	739
Cons. Staples	3,803	4,654	5,765	3,822	3,375
Energy	2,322	3,250	2,541	4,505	4,482
Financials	1,339	1,133	1,051	1,055	768
Health Care	1,819	1,143	2,276	1,374	700
Industrials	1,505	2,030	2,650	1,974	1,509
IT	1,874	2,636	3,562	3,328	2,021
Materials	681	767	624	552	473
Real Estate	2,885	2,072	1,002	1,184	1,315
Utilities	2,081	1,540	2,052	2,030	1,098
Total	**225**	**231**	**287**	**322**	**210**

Source: CMIE Prowess, NSE EPR.

Ownership concentration in terms of no. of companies with holding greater than 5%: To assess the breadth and depth of institutional ownership, we examine not only portfolio value but also the number of companies held. For FPIs, ownership breadth has expanded significantly since 2020. The number of NSE-listed companies with FPI holdings rose from around 1,200 in December 2020 to over 1,450 by end-2021 and surpassed 1,770 by end-2022. Although this number briefly declined to ~1,450 in Q4 FY23, it has since recovered, reaching a record 1,924 companies by June 2025. Simultaneously, the number of companies where FPIs hold more than a 5% stake rose to 725, up from 536 five years ago. These represent 37.7% of their total holdings, slightly below 38.1% in the previous quarter, suggesting that while FPI ownership is becoming more widespread, larger positions remain concentrated in select companies.

A similar pattern is observed among DMFs. As of June 2025, DMFs held positions in a record 1,376 companies, with significant (5%+) stakes in 641 of them. This translates to 46.6% of their portfolio companies—the highest-ever share of deeply held stocks—reflecting both a widening investment universe and higher conviction in selected names.

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

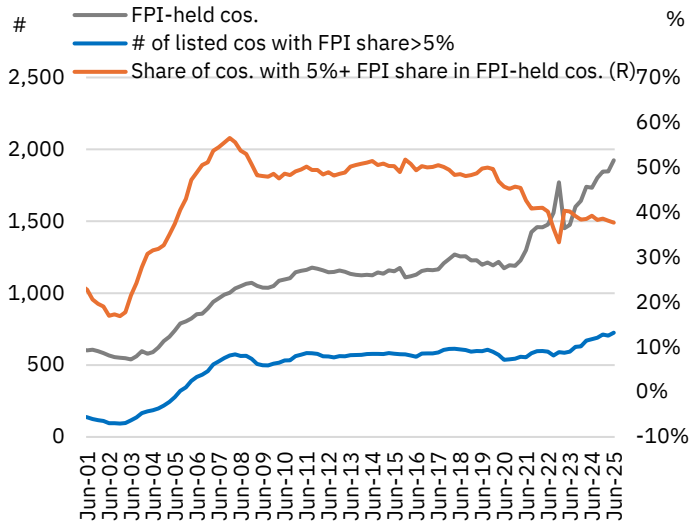
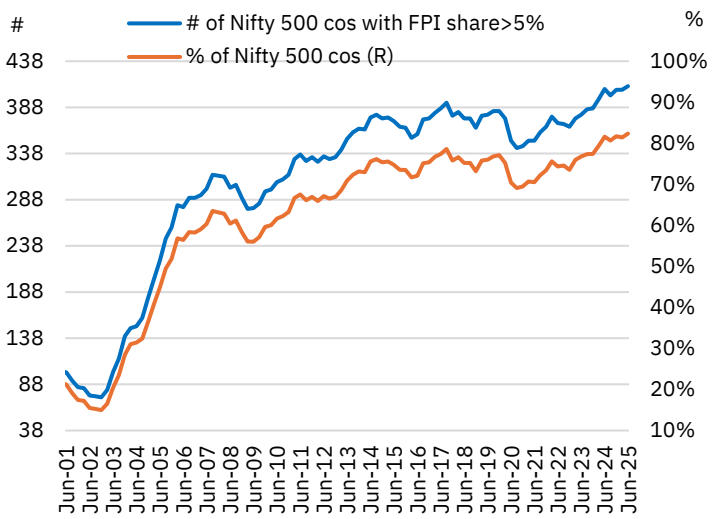


Figure 110: Number of Nifty500 cos with FPI holding >5%



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

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

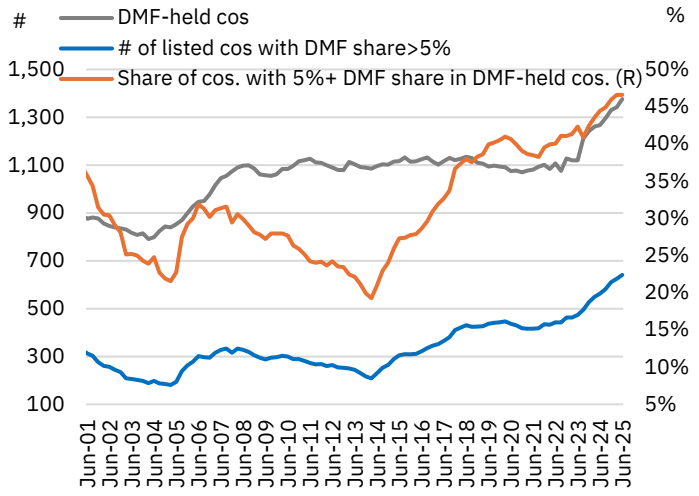
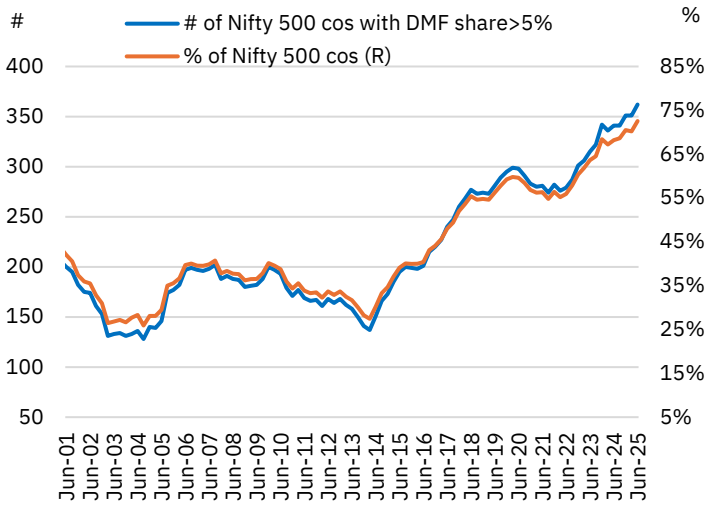


Figure 112: Number of Nifty500 cos with DMF share >5%



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

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

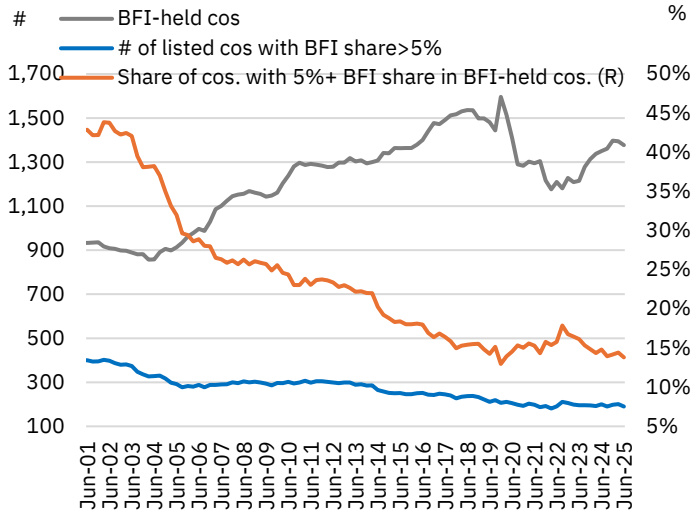
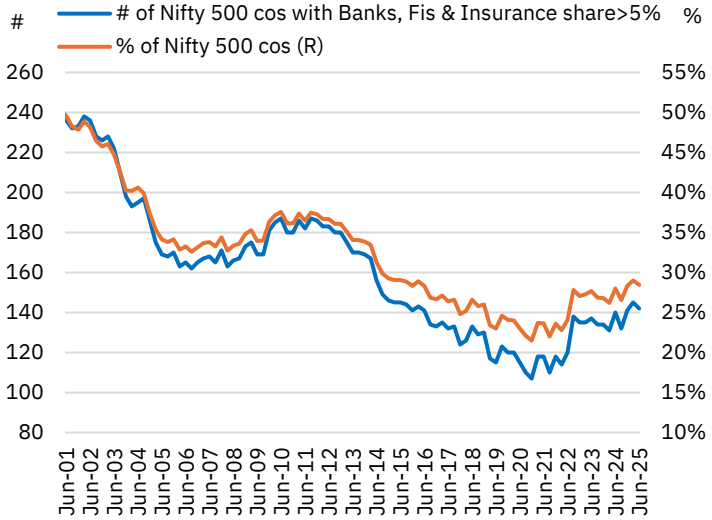


Figure 114: Number of Nifty500 companies with Banks, FIs & Insurance holding >5%



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

Chart of the month

Navigating through an uncertain trade order

In 2025 so far, the global trade landscape has been defined by a whirlwind sequence of tariff escalations, truces, fresh and renewed disputes and multiple executive orders, often unfolding within weeks and sometimes mere days. Initially, tariff rates on China expanded five-fold in days before reverting to a tentative truce, while in recent days, the ones on India have doubled to 50% in less than a week. By the time one reads this, the situation may have shifted again, with new duties, agreements or perhaps another "TACO" (Trump Always Chickens Out) moment. While some of our earlier reports in the March and April edition of NSE Market Pulse analysed India's long term trade dynamics and tariff wars respectively, this one focuses on the contemporary developments with a focus on India-US trade ties and implications on the capital markets. Notwithstanding the turbulence, the US economy has enjoyed some near-term gains: lower-than-expected uptick in inflation, healthy annualised GDP growth of 3% in Q2 2025, record monthly customs duty collections while monthly trade deficit has nearly halved from the start of the year. Meanwhile, economies securing favourable trade deals—Japan, Vietnam, European Union, Indonesia and UK—have gained to some extent, albeit without complete tariff elimination. On the other hand, several Asian economies, barring Indian, have benefitted from lower tariffs than originally announced.

India and US merchandise goods trade—currently at US$ 132 bn in FY25—now faces a fraught environment, complicated further by geopolitical undertones from India sourcing over a third of its crude oil from Russia, being a key trigger for the additional 25% tariff hike. That said, US remains India's largest trading partner, absorbing nearly one-fifth of the merchandise exports and commanding more than 25% share in certain key commodities like electronic goods, gems & jewellery, textiles and readymade garments and pharmaceuticals. *More than 60% of exports to the US, representing 10% of total merchandise exports is likely to face additional 50% tariff over and above the Most Favoured Nation (MFN) rate for each product.* However, the immediate macroeconomic impact is limited as US merchandise exports account for less than 2.5% of GDP. The larger concern is the cost advantage accruing to other Asian economies in relatively labour-intensive sectors like textiles and gems & jewellery. Markets have reacted unevenly: equities have gained in Korea and China, lagged in the UK and US, and risen around 5% in India since the new President took office on January 20th. Bond yields have diverged—falling in India and the US while rising sharply in Japan to their highest since 2008.[12] Most major currencies have strengthened on US dollar weakness, barring mild depreciation in the Indian rupee and Hong Kong dollars. Safe-haven commodities namely gold and silver have rallied, while Brent crude has dropped over 15% amid global growth concerns. As the world enters a new trade order, the months ahead promise heightened uncertainty, shifting alliances, and a more complex path for the global economy and markets to navigate.

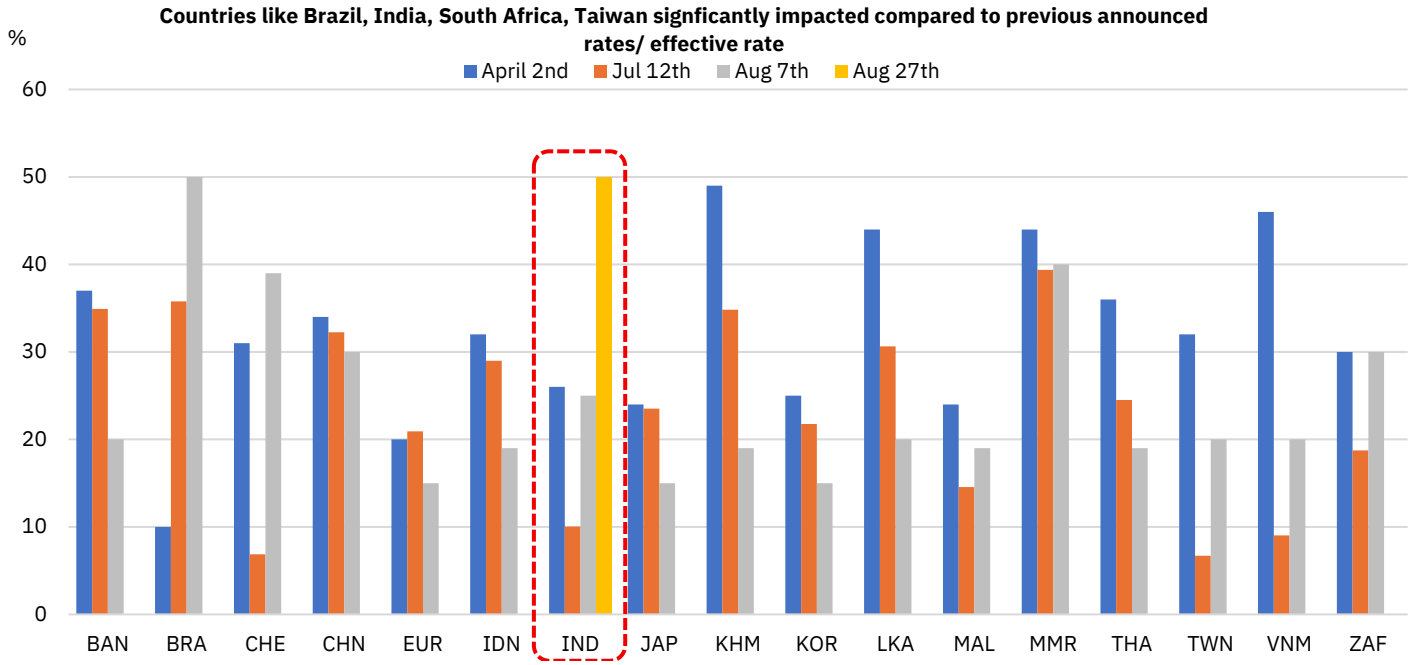
Tariff announcements by the US administration

- **New tariffs punitive for some economies including India and Brazil...:** The tariff regime unveiled by the US administration on July 31, 2025 covering nearly 70 countries, underscores a renewed shift towards protectionism, following a period of negotiation allowed under the 90-day truce that began on April 9. The revised tariffs, effective August 7, reflect a more calibrated and selective approach—offering concessions to certain trading partners, particularly in Asia, while imposing steeper duties on others compared to the initial announcement on April 2. India, for instance, saw its initially proposed tariff of 26% maintained at 25% in the revised structure. However, this was subsequently raised to 50%, reportedly influenced by geopolitical factors, including its continued oil trade with Russia and will be effective from August 27. Brazil, despite running a trade deficit with the US,

[12] https://www.ft.com/content/22006e52-7016-4a20-bb5c-99feefc29bd0

also faced a significant escalation—from 10% in April to 50% in the new structure with around 700 products being exempted from the list.

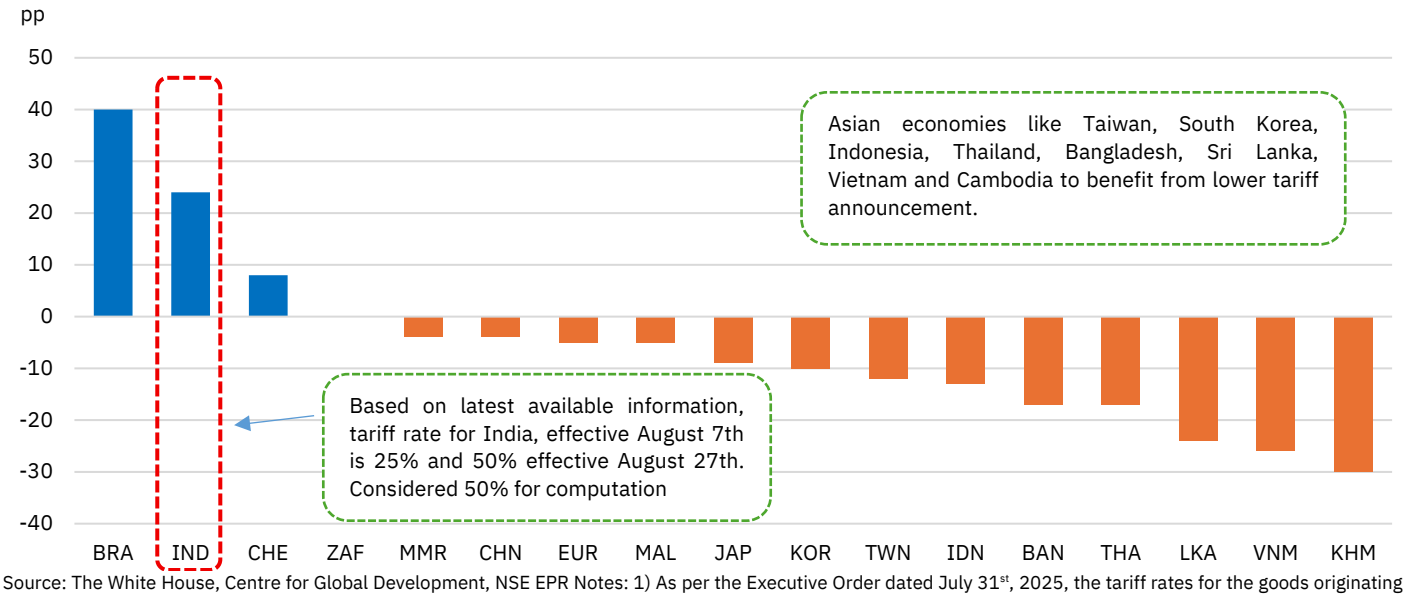
Figure 115: Cross-country comparison of announced and effective tariff rates



Source: The White House, Centre for Global Development Notes: 1) The tariffs which are effective from April 2nd, August 7th, and August 27th, 2025 are announced tariffs while the tariff rate as of July 12th, 2025 is the effective tariff rate. 2) The effective tariff rate has been sourced from the Centre for Global Development based on their methodology 3) As per the Executive Order dated July 31st, 2025, the tariff rates for the goods originating from the European Union countries will have an announced tariff of 15%, if it is presently below 15% and there will be no change in the tariff rate, if it is presently higher than 15%. 4) US's announced tariff on India effective August 7th is 25% and effective August 27th, it is 50%. 5) Brazil's announced tariff as per the Executive Order is 10% and there is additional tariff of 40% announced on for certain categories of Brazilian-origin goods. 6) US and China had agreed on a trade truce till August 12th and in the meantime the tariff imposed is 30% 7) Country name: BAN = Bangladesh, BRA = Brazil, KHM = Cambodia, CHN = China, EUR = European Union, IND = India, IDN = Indonesia, JAP = Japan, MAL = Malaysia, MMR = Myanmar ZAF = South Africa, KOR = South Korea, LKA = Sri Lanka, CHE = Switzerland, TWN = Taiwan, THA = Thailand, VNM = Vietnam 8) The countries listed above have been arranged in ascending order of their symbol names. 9) Data has been compiled as of August 10th, 2025 10) EUR pertains to 27 countries of the European Union

- **...But positive for several Asian economies:** Conversely, several Asian economies—such as Vietnam (post-trade agreement), Cambodia, Bangladesh, Sri Lanka, Thailand, and South Korea—benefitted from meaningful tariff reductions, ranging between 10 and 30 percentage points relative to the April 2 announcement. A comparison with the effective tariff rates as of July 12 reveals the most pronounced increases for India (~40pp), Switzerland (~32pp), and Brazil (~14pp), while Cambodia (~16pp) and Sri Lanka (~10pp) experienced notable reductions. These divergences signal a clear strategic intent by the US—using tariff relief to reward nations that have aligned with its revised trade agenda during the truce period, while wielding elevated duties as a coercive measure against those seen as non-compliant or geopolitically misaligned. Notwithstanding the series of tariff negotiations between the US and Indian trade representatives, the higher tariff rates vis-à-vis other trading partners—particularly in Asia—place India at a cost disadvantage and could weigh on its exports and GDP. Excluding ad-valorem tariff rates on specific commodities such as aluminium, steel, and copper and exempted sectors (as of August 10th, 2025) like pharmaceuticals, electronics, and energy resources benefit from exemptions, around three-fifths of India's merchandise export basket to the US or roughly one-tenth of total merchandise exports of India could be impacted by these additional tariffs.

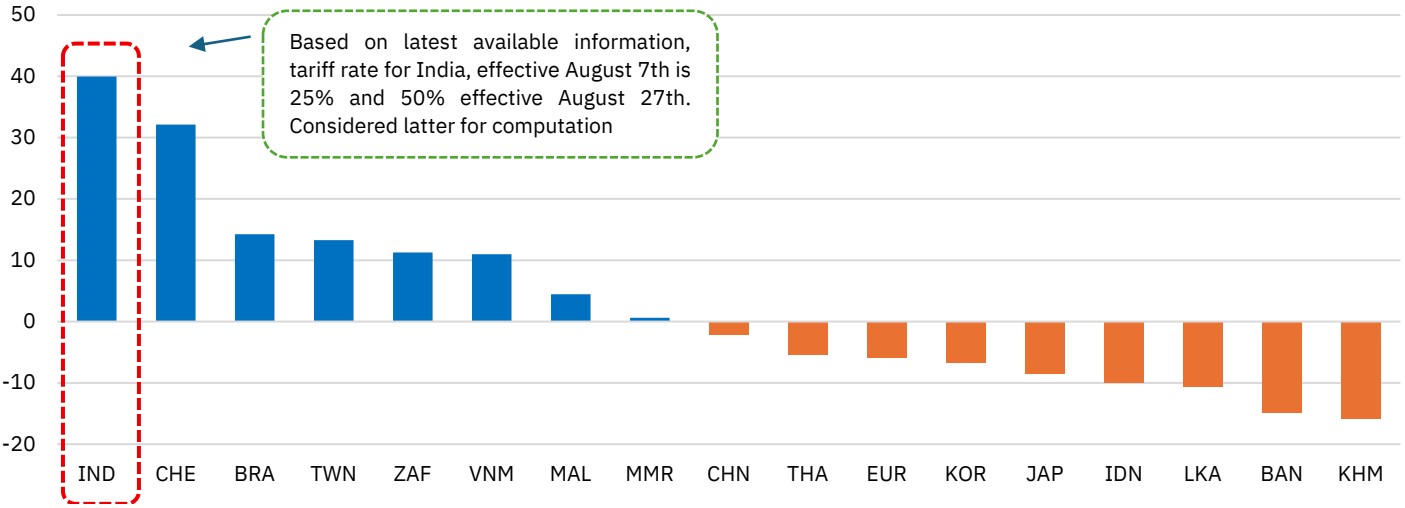
Figure 116: Cross-country change in tariff rates between the two announced periods (April 2nd vs August 7th)



Source: The White House, Centre for Global Development, NSE EPR Notes: 1) As per the Executive Order dated July 31st, 2025, the tariff rates for the goods originating from the European Union countries will have an announced tariff of 15%, if it is presently below 15% and there will be no change in the tariff rate, if it is presently higher than 15%. 2) US's announced tariff on India effective August 7th is 25% and effective August 27th, it is 50%. 3) Brazil's announced tariff as per the Executive Order is 10% and there is additional tariff of 40% announced on for certain categories of Brazilian-origin goods. 4) US and China had agreed on a trade truce till August 12th and in the meantime the tariff imposed is 30% 5) Country name: BAN = Bangladesh, BRA = Brazil, KHM = Cambodia, CHN = China, EUR = European Union, IND = India, IDN = Indonesia, JAP = Japan, MAL = Malaysia, MMR = Myanmar ZAF = South Africa, KOR = South Korea, LKA = Sri Lanka, CHE = Switzerland, TWN = Taiwan, THA = Thailand, VNM = Vietnam 6) Data has been compiled as of August 10th, 2025 7) EUR pertains to 27 countries of the European Union

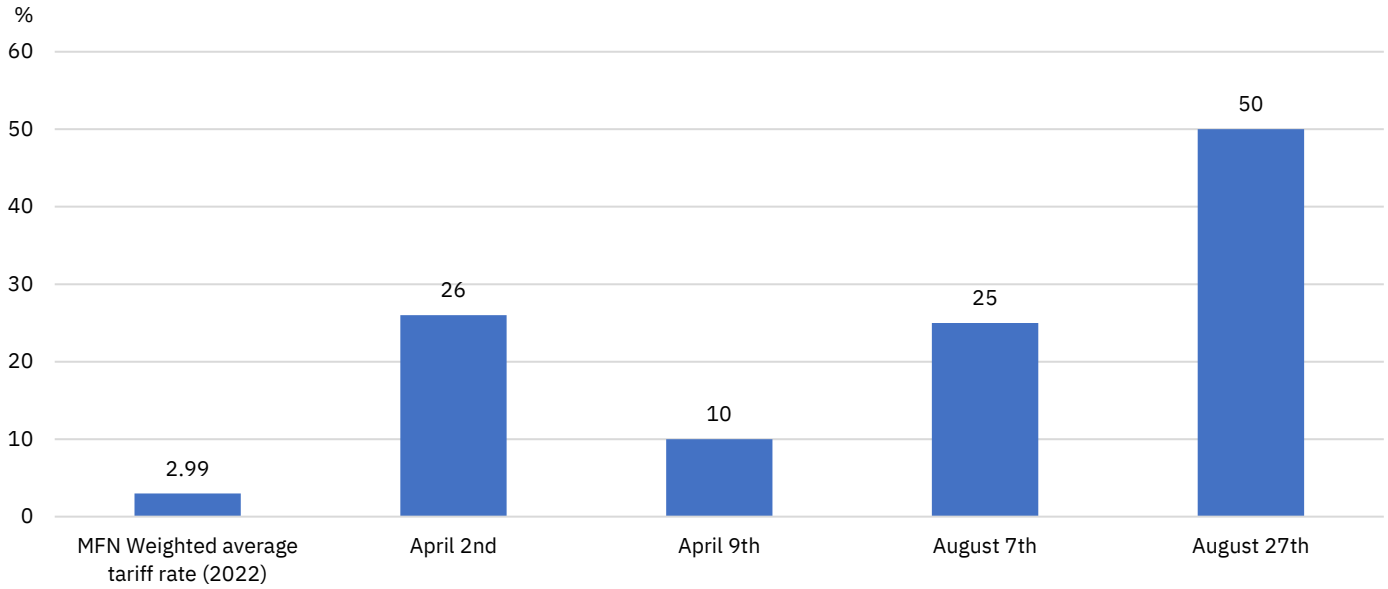
Figure 117: Cross-country change in effective tariff rate in July and announced tariff rates starting August

Comparison of effective tariff rates and announced rates on August 7th



Source: The White House, Centre for Global Development, NSE EPR Notes: 1) The tariff which are effective from August 7th, and August 27th, 2025 are announced tariffs while the tariff rate as of July 12th, 2025 is the effective tariff rate. 2) The effective tariff rate has been sourced from the Centre for Global Development based on their methodology 3) As per the Executive Order dated July 31st, 2025, the tariff rates for the goods originating from the European Union countries will have an announced tariff of 15%, if it is presently below 15% and there will be no change in the tariff rate, if it is presently higher than 15%. 4) Announced tariff on India effective August 7th is 25% and effective August 27th is 50%. 5) Brazil's announced tariff as per the Executive Order is 10% and there is additional tariff of 40% announced on for certain categories of Brazilian-origin goods. 6) US and China had agreed on a trade truce till August 12th and in the meantime the tariff imposed is 30% 7) Country name: BAN = Bangladesh, BRA = Brazil, KHM = Cambodia, CHN = China, EUR = European Union, IND = India, IDN = Indonesia, JAP = Japan, MAL = Malaysia, MMR = Myanmar ZAF = South Africa, KOR = South Korea, LKA = Sri Lanka, CHE = Switzerland, TWN = Taiwan, THA = Thailand, VNM = Vietnam 8) Data has been compiled as of August 10th, 2025 9) EUR pertains to 27 countries of the European Union

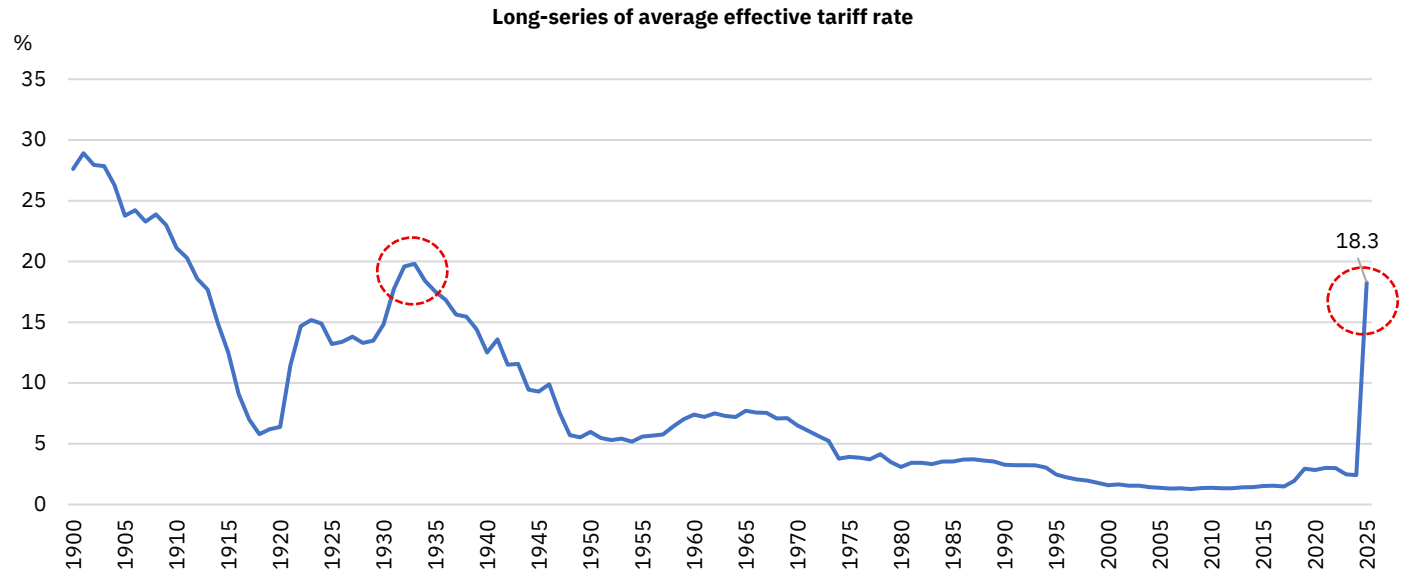
Figure 118: Changes in announced tariffs imposed by USA on India



Source: The White House, NSE EPR Note: 1) The adv-valorem tariff rates specified above are the additional tariffs over and above the MFN tariff rates which the US has been applying on imports from India and which differ from product to product. 2) MFN stands for Most Favoured Nation

- **US effective tariff rates at levels seen a century ago; strong correlation with the uncertainty index:** The historical interplay between the US effective tariff rate and the Trade Policy Uncertainty (TPU) Index reveals a prolonged period of stability disrupted by episodes of spike during periods of heightened protectionism. From 1985 to 2016, both the indicators exhibited a steady, albeit gradually declining trajectory from 3.5% in 1985 to 1.5% in 2016, while the TPU remained largely subdued. However, the onset of the President Shri Trump's administration 1.0 in 2017 marked a structural inflection with the TPU index jumping almost eightfold from 149 in 2017 to 797 in 2019, in tandem with a near doubling of the effective tariff rate.

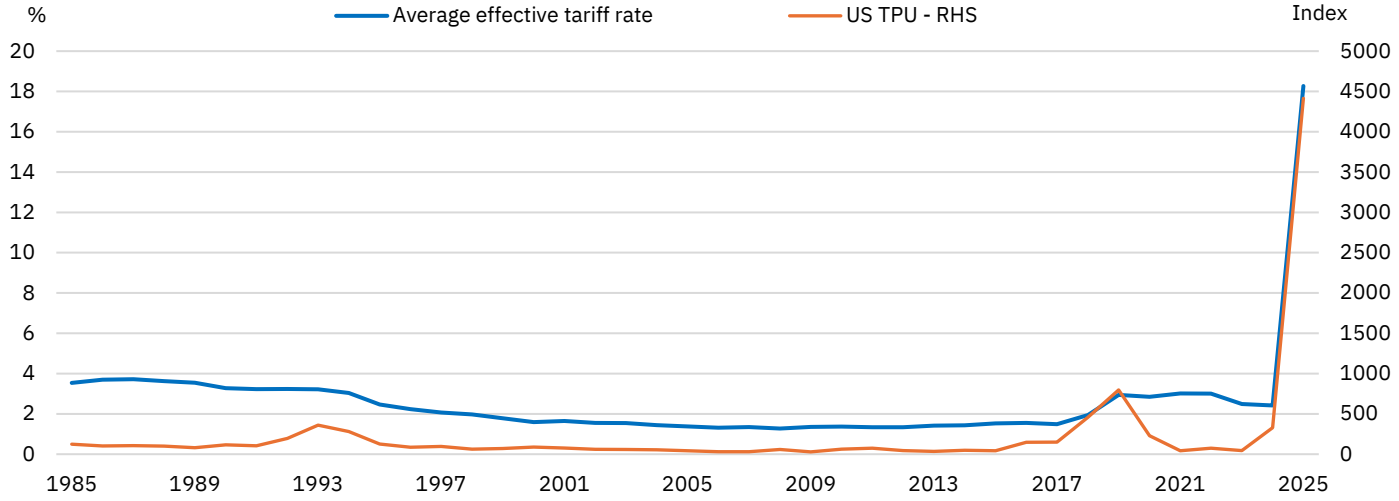
Figure 119: Time series of average effective tariff rate of the US economy



Source: The Yale Budget Lab Notes: 1) The value for 2025 is the current pre-substitution tariff rate of the US economy 2) Data is sourced as on August 3rd, 2025

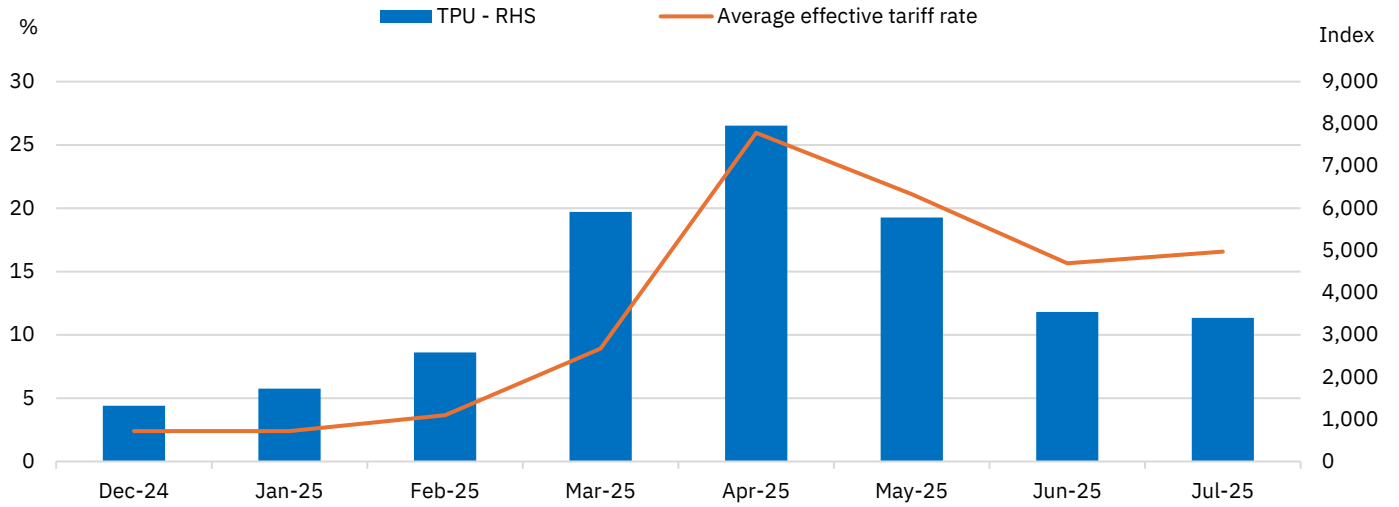
- Following a brief period of normalization in the early 2020s, 2025 has witnessed an unprecedented surge in both these variables. The average effective tariff rate has soared from 2.4% in 2024 to 18.3% in 2025 (as of July 2025) while the TPU index has surged to over 4,400, reflecting widespread uncertainty around US trade policy. Monthly data further reinforces this pronounced relationship. In April 2025, following the April 2 announcement of broad-based tariff increases, the effective tariff rate shot up to ~28%, accompanied by a record-high TPU Index reading of nearly 8,000.[13] However, the 90-day negotiation window that followed saw a partial easing of tensions, as select countries finalized trade deals with the US (e.g., the UK, EU, Indonesia, Vietnam, and Japan). This period of temporary reconciliation and negotiations saw both the effective tariff rate and TPU Index decline — to 16.6% and 3,403, respectively, by July.

Figure 120: Comparison of average effective tariff rate vs. the US Trade Policy Uncertainty (TPU) index



Source: The Yale Budget Lab, Baker, S. R., Bloom, N., & Davis, S. J. (2016, March 10). Measuring Economic Policy Uncertainty. Quarterly Journal of Economics.
Notes: 1) Average effective tariff rate for 2025 is the current pre-substitution rate computed by the Yale Budget Lab, based on their methodology. 2) The US TPU is the Trade Policy Uncertainty Index and is calculated as the average of the 12 monthly values within that year while for 2025, the average is computed till July 2025.

Figure 121: Monthly trends in TPU and average effective tariff rates in the US during 2025

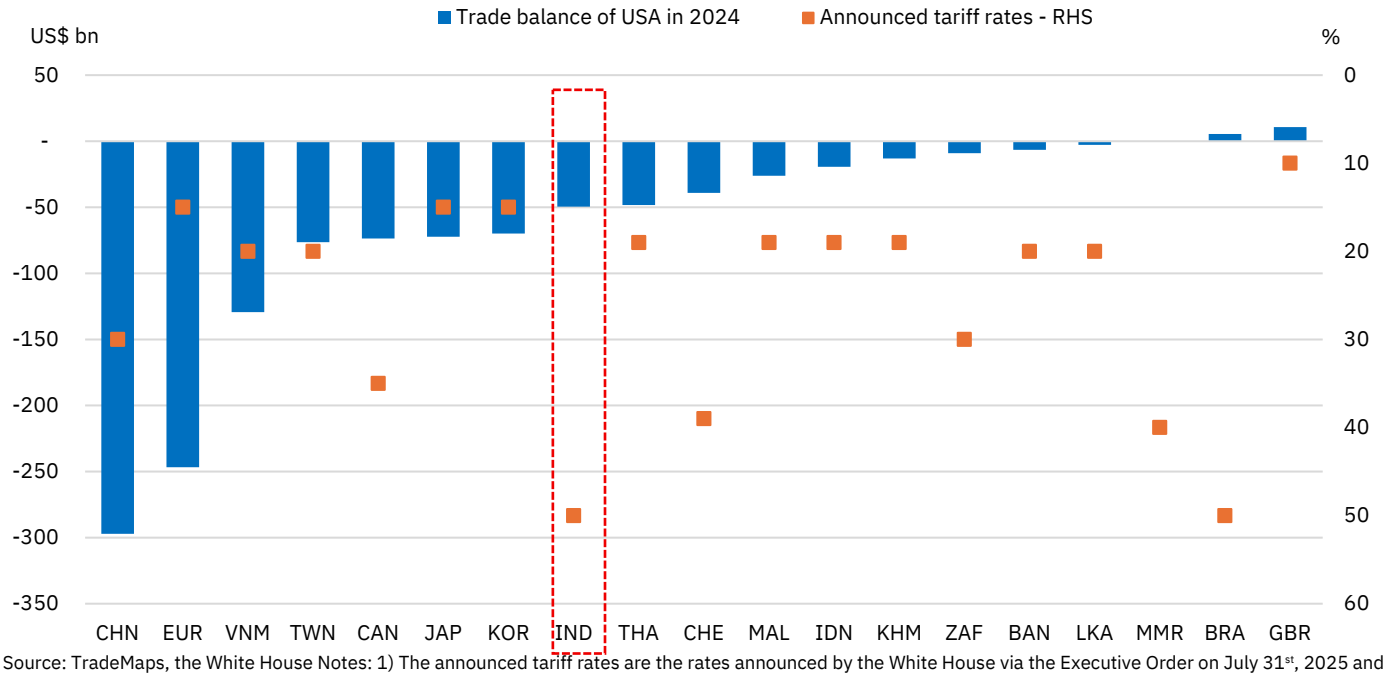


Source: The Yale Budget Lab, Baker, S. R., Bloom, N., & Davis, S. J. (2016, March 10). Measuring Economic Policy Uncertainty. Quarterly Journal of Economics.
Notes: 1) TPU stands for the Trade Policy Uncertainty for the US economy 2) Average effective tariff rate is the monthly average of the pre-substitution tariff rates computed from the daily values, as released by the Yale Lab. 3) The time period (December-July) considered here is to track the changes from a month before the inception of the new US administration.

[13] The peak level of effective tariff rate reached was ~28% and the average for the month of April was 26% as per the methodology of the Yale Budget Lab

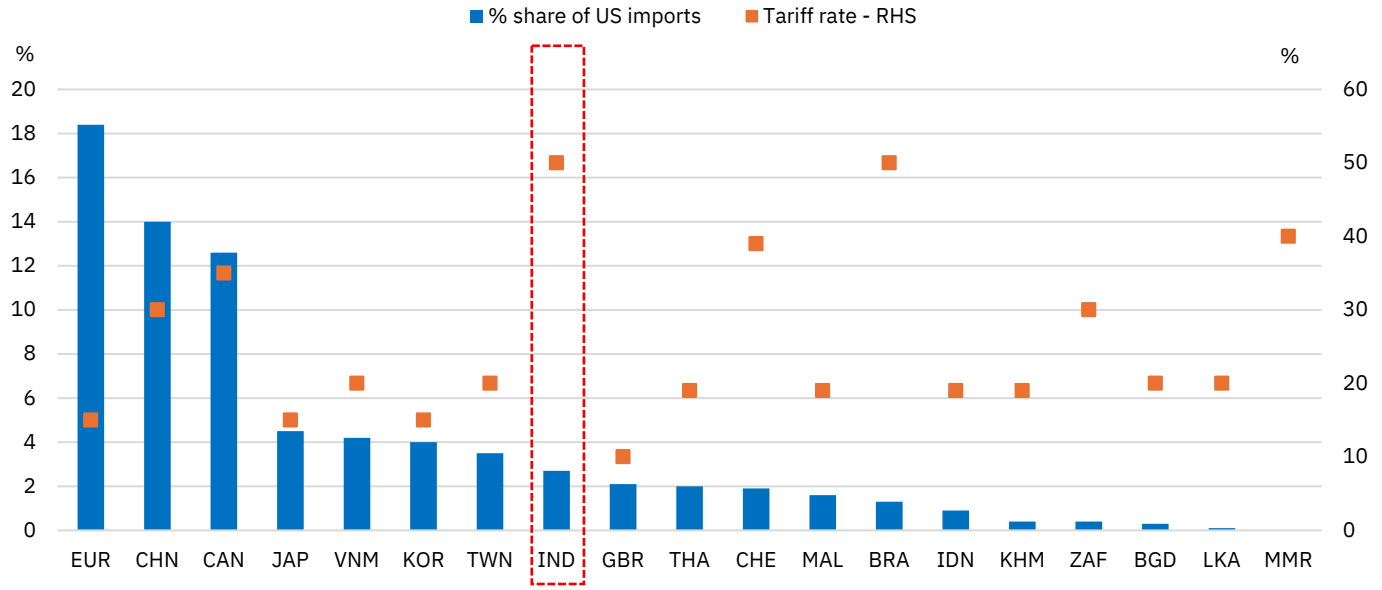
- **Tariffs announced for a plethora of factors extending beyond trade deficit...:** In the Fiscal Edition of the Market Pulse, under the *"Chart of the Month",* we covered the historical and theoretical context behind the imposition of tariffs, with a focus on the persistent and widening trade deficit. Notwithstanding the trade deficit remaining a key driving force, the recently announced tariffs are not solely linked to the deficit levels with a particular country; multiple other dynamics have also influenced these measures. Interestingly, some of the countries having trade surplus with the US have managed to negotiate partial tariff relief. Nations such as Japan, Vietnam, Indonesia, and the European Union and United Kingdom have successfully reduced tariff rates to more manageable levels through trade deals, although none have secured full exemption. Conversely, countries with relatively smaller trade surpluses, such as India, Brazil, Switzerland, South Africa, and Myanmar, have faced steep hikes in tariff rates, driven by political or geopolitical considerations rather than purely trade-related factors. The top three trading partners of the US — the European Union, China, and Canada — together account for 46% of total US imports and continue to face tariffs ranging from 15% to 35%. This persistent tariff burden on such a large share of imports risks feeding into domestic inflationary pressures, particularly in sectors where supply chains are heavily reliant on these countries.

Figure 122: Cross-country comparison of trade balance of US vs. announced tariff rates



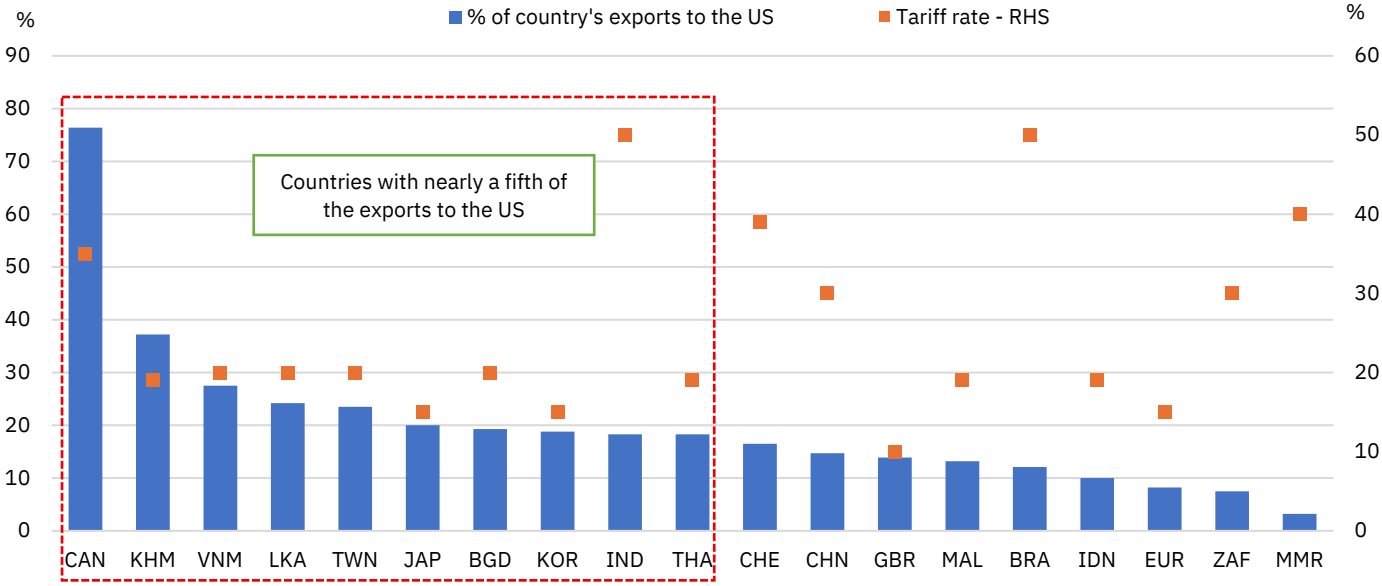
Source: TradeMaps, the White House Notes: 1) The announced tariff rates are the rates announced by the White House via the Executive Order on July 31st, 2025 and is effective from August 7th, 2025 2) EUR pertains to 27 countries of the European Union 3) As per the Executive Order dated July 31st, 2025, the tariff rates for the goods originating from the European Union countries will have an announced tariff of 15%, if it is presently below 15% and there will be no change in the tariff rate, if it is presently higher than 15%. 4) India's announced tariff is 25% plus an additional penalty for purchasing oil from Russia. We have considered 25% for easy of comparison and calculation 5) Brazil's announced tariff as per the Executive Order is 10% and there is additional tariff of 40% announced on for certain categories of Brazilian-origin goods. 6) China includes Hong Kong and Macao for the above specific variable 7) Country name: BAN = Bangladesh, BRA = Brazil, CAN = Canada, GBR = United Kingdom, KHM = Cambodia, CHN = China, EUR = European Union, IND = India, IDN = Indonesia, JAP = Japan, MAL = Malaysia, MMR = Myanmar ZAF = South Africa, KOR = South Korea, LKA = Sri Lanka, CHE = Switzerland, TWN = Taiwan, THA = Thailand, VNM = Vietnam 7) Negative trade balance is the trade deficit of USA with respective country while positive balance is the trade surplus of USA with respective country. 8) The trade balance with USA is for the calendar year 2024

Figure 123: Cross-country comparison of the percentage share of US imports vs. announced tariff rates



Source: The White House, Trademaps Notes: 1) The announced tariff rates are the rates announced by the White House via the Executive Order on July 31st, 2025 and is effective from August 7th, 2025 2) EUR pertains to 27 countries of the European Union 3) As per the Executive Order dated July 31st, 2025, the tariff rates for the goods originating from the European Union countries will have an announced tariff of 15%, if it is presently below 15% and there will be no change in the tariff rate, if it is presently higher than 15%. 4) India's announced tariff is 25% plus an additional penalty for purchasing oil from Russia. We have considered 25% for easy of comparison and calculation 5) Brazil's announced tariff as per the Executive Order is 10% and there is additional tariff of 40% announced on for certain categories of Brazilian-origin goods. 6) China includes Hong Kong and Macao for the above specific variable 7) Country name: BAN = Bangladesh, BRA = Brazil, CAN = Canada, GBR = United Kingdom, KHM = Cambodia, CHN = China, EUR = European Union, IND = India, IDN = Indonesia, JAP = Japan, MAL = Malaysia, MMR = Myanmar ZAF = South Africa, KOR = South Korea, LKA = Sri Lanka, CHE = Switzerland, TWN = Taiwan, THA = Thailand, VNM = Vietnam 7) The percentage import share of total US imports is as of 2024

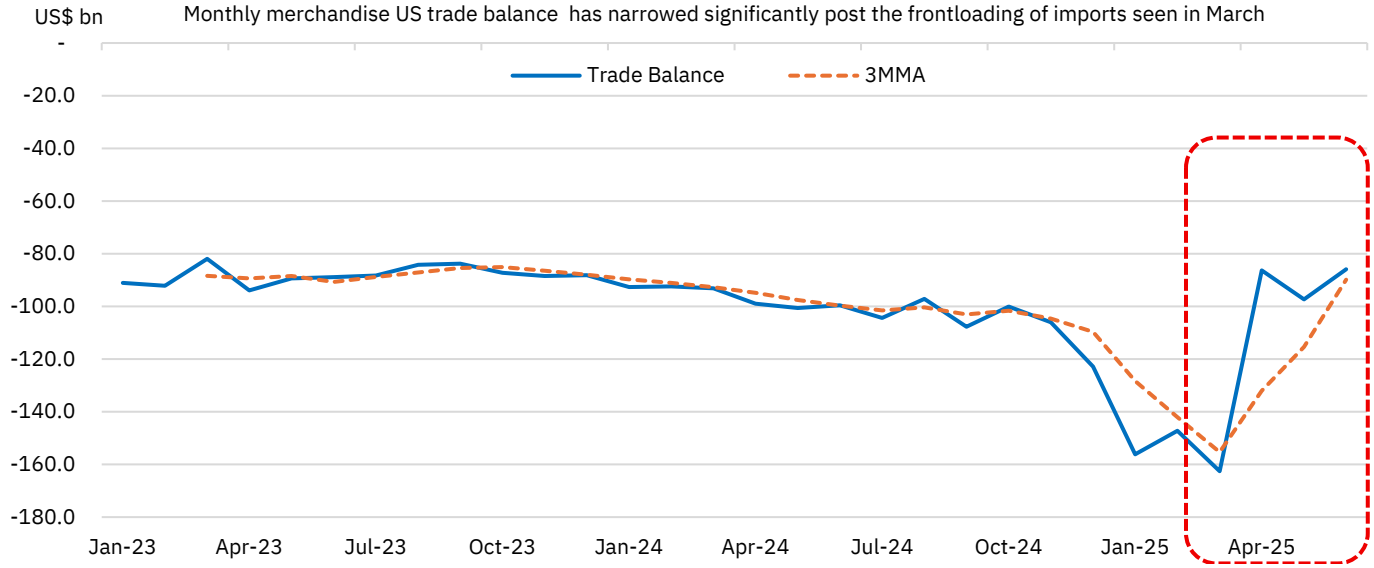
Figure 124: Cross-country comparison of the share of the country's exports to the USA vs. announced tariff rates



Source: The White House, Trademaps Notes: 1) The data for country-wise % share of respective country's exports to the US pertain to 2024 2) The announced tariff rates are the rates announced by the White House via the Executive Order on July 31st, 2025 and is announced from August 7th, 2025 3) EUR pertains to 27 countries of the European Union 4) As per the Executive Order dated July 31st, 2025, the tariff rates for the goods originating from the European Union countries will have an announced tariff of 15%, if it is presently below 15% and there will be no change in the tariff rate, if it is presently higher than 15%. 5) India's announced tariff is 25% plus an additional penalty for purchasing oil from Russia. We have considered 25% for easy of comparison and calculation 6) Brazil's announced tariff as per the Executive Order is 10% and there is additional tariff of 40% announced on for certain categories of Brazilian-origin goods. 5) Country name: BAN = Bangladesh, BRA = Brazil, KHM = Cambodia, CHN = China, EUR = European Union, IND = India, IDN = Indonesia, JAP = Japan, MAL = Malaysia, MMR = Myanmar ZAF = South Africa, KOR = South Korea, LKA = Sri Lanka, CHE = Switzerland, TWN = Taiwan, THA = Thailand, VNM = Vietnam

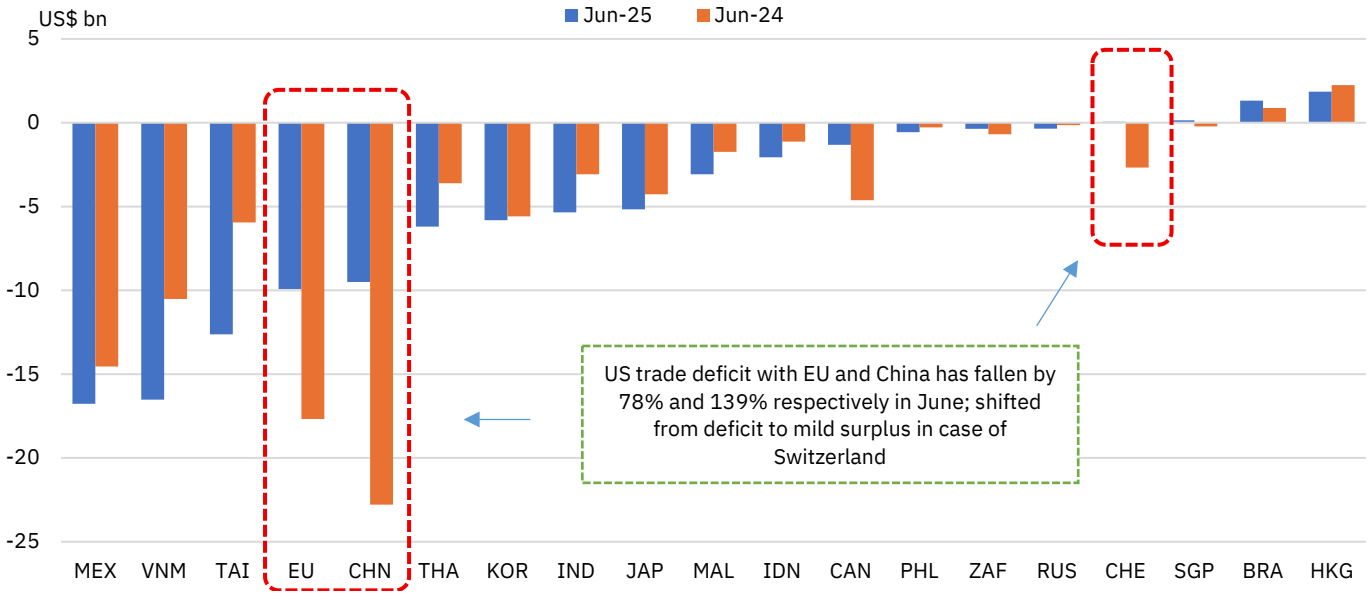
- **...With growth in economies having high exposure to the US markets could be significantly impacted:** From export dependency perspective, the potential for economic disruption is significant. Countries like Canada (76% of total exports to the US), Cambodia (37.2%), Vietnam (27.5%), Sri Lanka (24.2%), and Taiwan (23.5%) have high exposure to the US market. Even a partial redirection of trade flows due to higher tariffs could materially impact their GDP growth, particularly if competitor nations with lower tariff rates capture displaced market share. India, for instance, sends 18.3% of its total exports to the US—making it one of its largest export destinations—but now faces a punitive tariff of 50%. Unless a trade deal is concluded, there is a risk that its exports could lose competitiveness to other Asian economies, such as Vietnam or Malaysia, where tariffs rates are relatively lower.
- **US trade deficit narrowed in June, after widening in March due to frontloading of imports:** Since the tariff announcement, the US economy has witnessed notable shifts in its trade dynamics, with encouraging signs emerging in the latest data. The monthly trade deficit has narrowed sharply from US$ 156 bn in Jan'25 to US$ 86 bn in Jun'25, reflecting the cooling of front-loaded imports; imports in the US surged in February and March before the tariff implementation. However, the cumulative trade deficit for H1 2025 remains elevated at US$ 693 bn, up +26% YoY compared with the same period last year, underscoring the impact of this import acceleration in Q1 2025. On a YoY basis, June's improvement is particularly striking in trade with the European Union and China, where deficits contracted by 78% and 140% YoY, respectively. That said, the trend is far from uniform: countries such as Mexico, Vietnam, Taiwan, Thailand and India recorded higher deficits in June, largely attributable to heavy front-loading during the 90-day truce period. This can be validated across the exports of the major trading partners remaining robust during January-May'25, buoyed by the pre-tariff announcement rush and before showing the first signs of normalization in June. Meanwhile, US customs duty collections have surged — from an average of US$7.8 bn per month in October–March to ~US$22 bn in April–June, with June alone hitting US$27 bn — underscoring the immediate fiscal boost from the new tariff regime.

Figure 125: Monthly trends in US merchandise trade balance



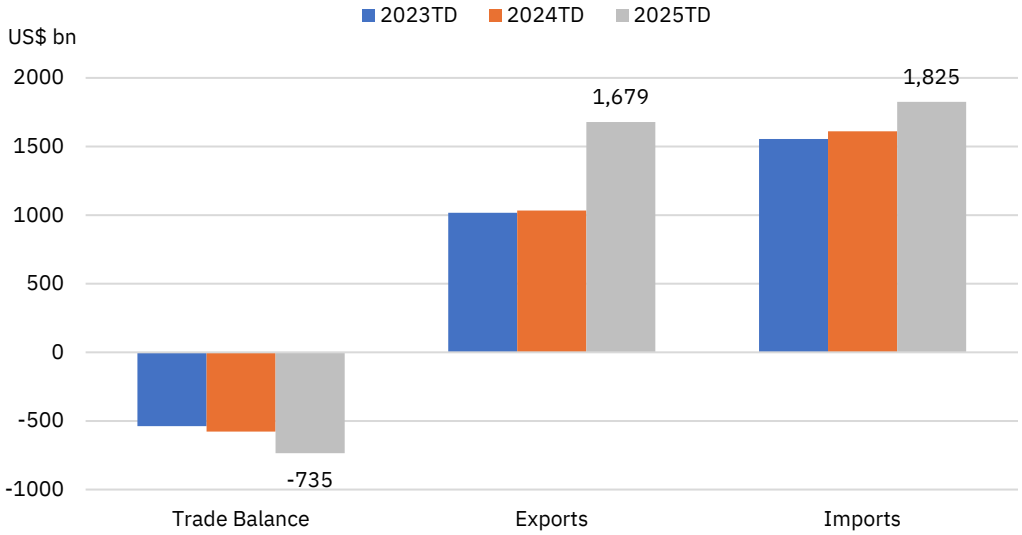
Source: US Bureau of Economic Analysis, NSE EPR Notes: 1) The data is seasonally adjusted and has been presented on a total balance of payment basis. 2) Trade balance information provided above pertains to merchandise goods only 3) Negative value indicates deficit in trade balance.

Figure 126: Country-wise monthly merchandise trade balance of the US in June



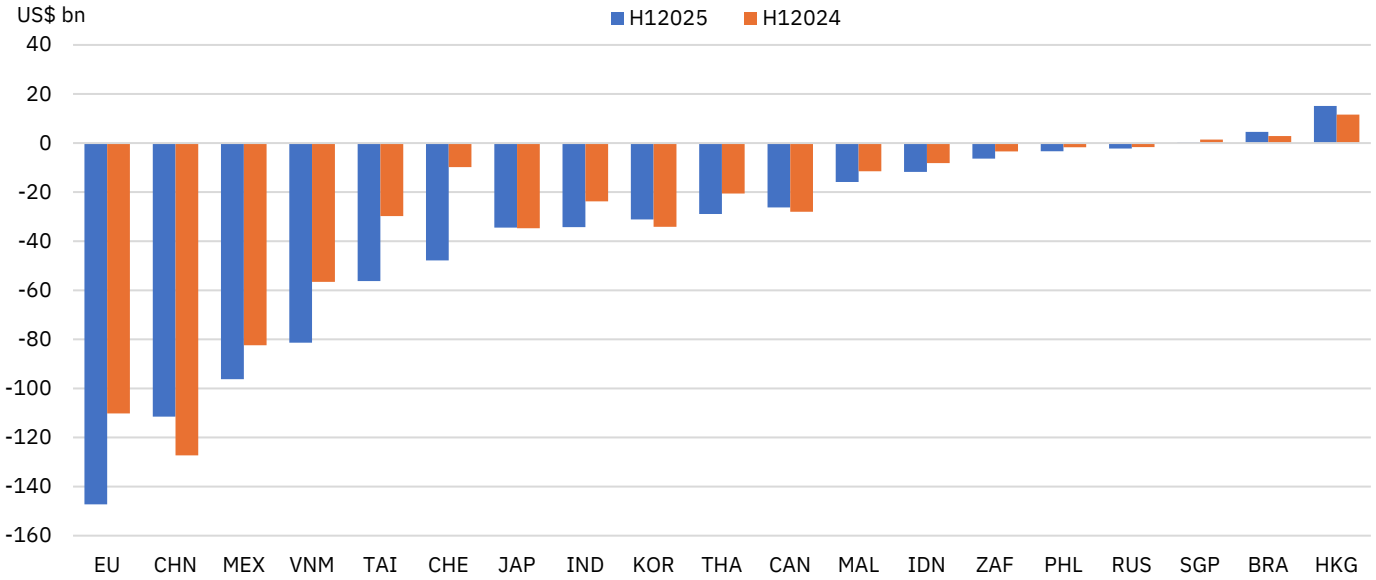
Source: US Bureau of Economic Analysis, NSE EPR Notes: 1) The data is not-seasonally adjusted and has been presented on a total balance of payment basis. 2) Trade balance information provided above pertains to merchandise goods only 3) Negative value indicates deficit in trade balance 4) Country name: MEX= Mexico, VNM = Vietnam, TAI = Taiwan, EU = European Union, CHN = China, KOR = South Korea, IND = India, JAP = Japan, Mal = Malaysia, IDN = Indonesia, CAN = Canada, PHL = Philippines, ZAF = South Africa, RUS = Russia, CHE = Switzerland, SGP = Singapore, BRA = Brazil, HKG = Hong Kong

Figure 127: Half-year trends in US merchandise trade balance, exports and imports



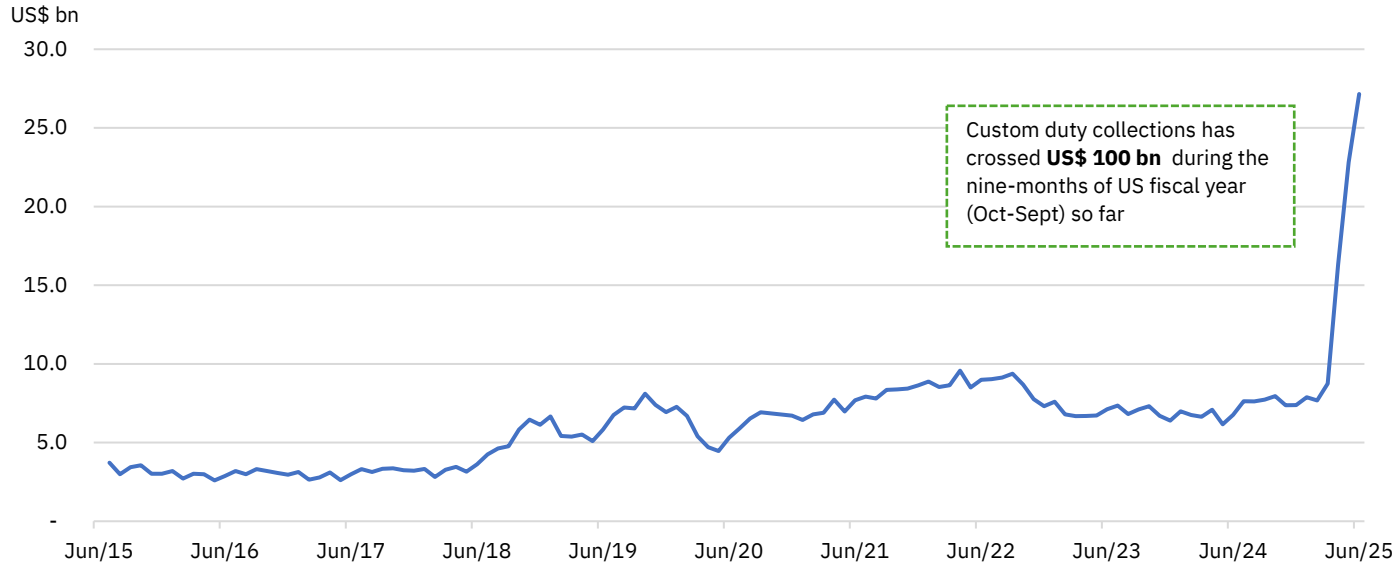
Source: US Bureau of Economic Analysis, Notes: 1) The data is seasonally adjusted and has been presented on a total balance of payment basis 2) Trade balance information provided above pertains to merchandise goods only 3) Negative value indicates deficit in trade balance 4) TD stands for till date and the latest available data sourced pertains to January – June for each calendar year

Figure 128: Country-wise monthly merchandise trade balance of USA in H12024 vs H12025



Source: US Bureau of Economic Analysis, NSE EPR Notes: 1) The data is not-seasonally adjusted and has been presented on a total balance of payment basis. 2) Trade balance information provided above pertains to merchandise goods only 3) Negative value indicates deficit in trade balance and positive value indicates surplus 4) Country name: MEX= Mexico, VNM = Vietnam, TAI = Taiwan, EU = European Union, CHN = China, KOR = South Korea, IND = India, JAP = Japan, Mal = Malaysia, IDN = Indonesia, CAN = Canada, PHL = Philippines, ZAF = South Africa, RUS = Russia, CHE = Switzerland, SGP = Singapore, BRA = Brazil, HKG = Hong Kong

Figure 129: Monthly trends in gross custom duty collection by the US Federal Government



Source: US Bureau of Fiscal Services.

Table 28: Country-wise monthly trends in exports to the USA (Figs in US$ mn)

Country	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
AUS	1,446	1,473	1,263	1,949	3,822	3,399	2,857	1,317	1,319	-
BRA	3,204	3,412	3,638	3,392	3,590	3,732	3,066	3,872	3,514	3,351
CHN	42,883	44,388	44,580	45,593	45,197	40,983	45,866	35,248	28,704	36,324
EUR	50,638	47,441	48,957	48,368	51,142	56,317	73,048	52,974	52,094	-
HKG	2,925	3,119	2,976	2,893	3,613	2,753	3,535	3,272	2,840	3,007
IND	6,616	7,140	6,357	7,104	8,870	8,151	8,691	8,462	8,257	8,245
IDN	2,262	2,352	2,289	2,364	1,989	1,961	1,972	1,919	1,944	-
JAP	12,343	11,332	10,656	11,871	11,439	13,052	12,142	12,174	11,988	11,437
MEX	41,306	45,192	42,661	42,941	44,090	43,599	43,738	45,622	43,830	-
MAL	3,501	4,267	4,602	4,054	4,209	4,395	4,794	4,668	4,485	3,841
SGP	3,674	3,753	3,815	4,136	4,294	4,117	4,025	4,310	4,300	4,184
ZAF	740	703	680	607	622	867	519	592	593	-
TWN	8,898	8,692	8,801	9,818	8,791	14,008	12,465	13,296	14,579	17,536
THA	4,792	5,120	4,796	4,822	5,240	5,154	5,539	5,571	5,900	5,958
PHL	984	961	936	1,039	1,268	1,092	1,143	1,127	1,127	1,127
VNM	10,316	10,415	10,391	10,360	10,627	12,195	11,979	12,104	13,292	12,905
GBR	6,292	5,919	6,028	6,431	7,062	7,568	7,537	5,410	5,923	-

Source: CEIC, Notes: 1) Country name: AUS = Australia, BRA = Brazil, CHN = China, EUR= European Union, HKG = Hong Kong, IND = India, IDN = Indonesia, JAP = Japan, MEX = Mexico, MAL = Malaysia, SGP = Singapore, ZAF = South Africa, TWN = Taiwan, THA = Thailand, PHL = Philippines, VNM = Vietnam, GBR = United Kingdom 2) The data is seasonally adjusted for each country.

Trends in India's trade dynamics with USA

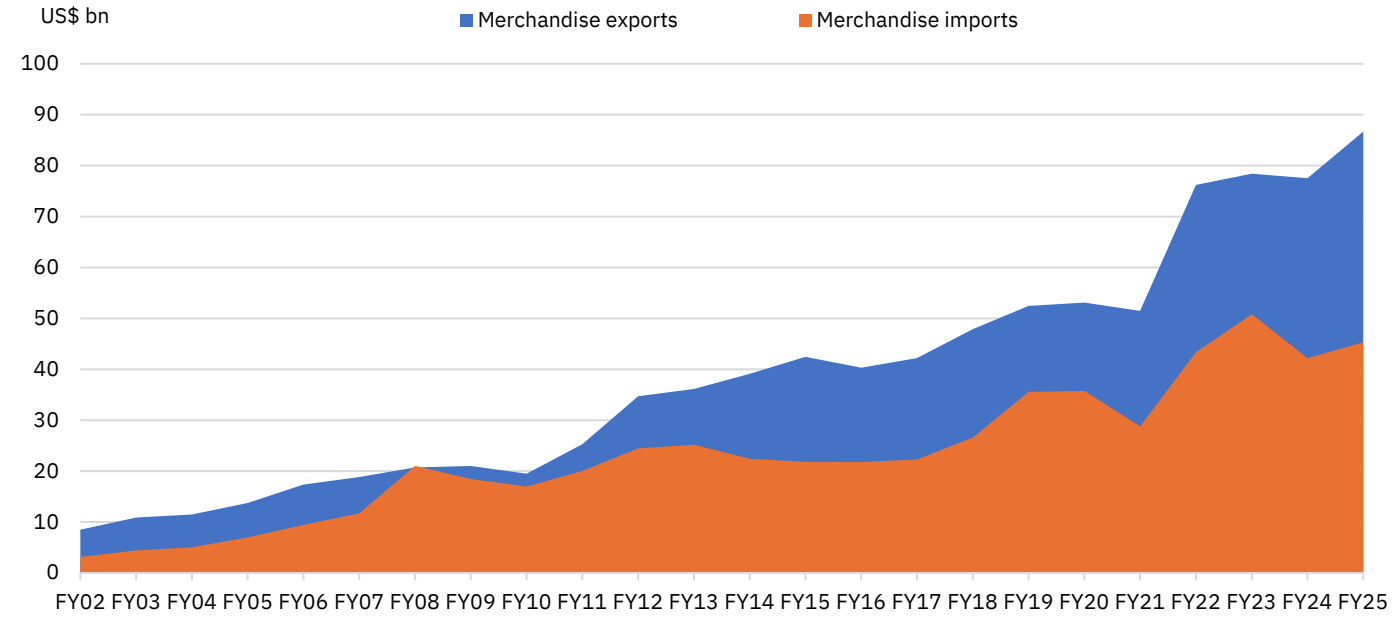
- **Escalation of tariffs sours a steady trade relationship between US-India:** USA has long been a cornerstone of India's trade network, but the relationship has entered a more challenging phase with the recent escalation in tariffs. Effective from August 27, the US President announced an additional bilateral tariff of 25% on India, citing India's continued imports of crude oil from Russia. This raises the cumulative bilateral tariff rate on India to 50% — the highest globally alongside Brazil — and well above the range applied to other major Asian economies, such as Japan and South Korea (15%) or China (30%). The 50% tariff rate is over and above the Most Favoured Nation (MFN) tariff which the US imposed on Indian imports at a product-level.

  India's trade ties with the US have deepened steadily over the past decade, with total merchandise trade (exports and imports) reaching US$ 132 bn in FY25 — more than double the level in FY15. On average, the US accounted for nearly 18% of India's total exports between FY22 and FY25, up from 15.7% in FY17–FY19. As a proportion of GDP, however, exports to the US remain modest at 2.2% in FY25, a level that has held within a narrow range of 1.1%–2.5% for the past three decades. The composition of trade is also skewed towards non-petroleum products, which form about ~94% of India's exports to the US, although petroleum shipments have grown from negligible levels at the start of the century to a modest average share 6.5% during the last three years.

  India's total merchandise exports in the recent quarters have been weak and posted a mild growth of 1.7% YoY and a sequential contraction of 2.8% QoQ in

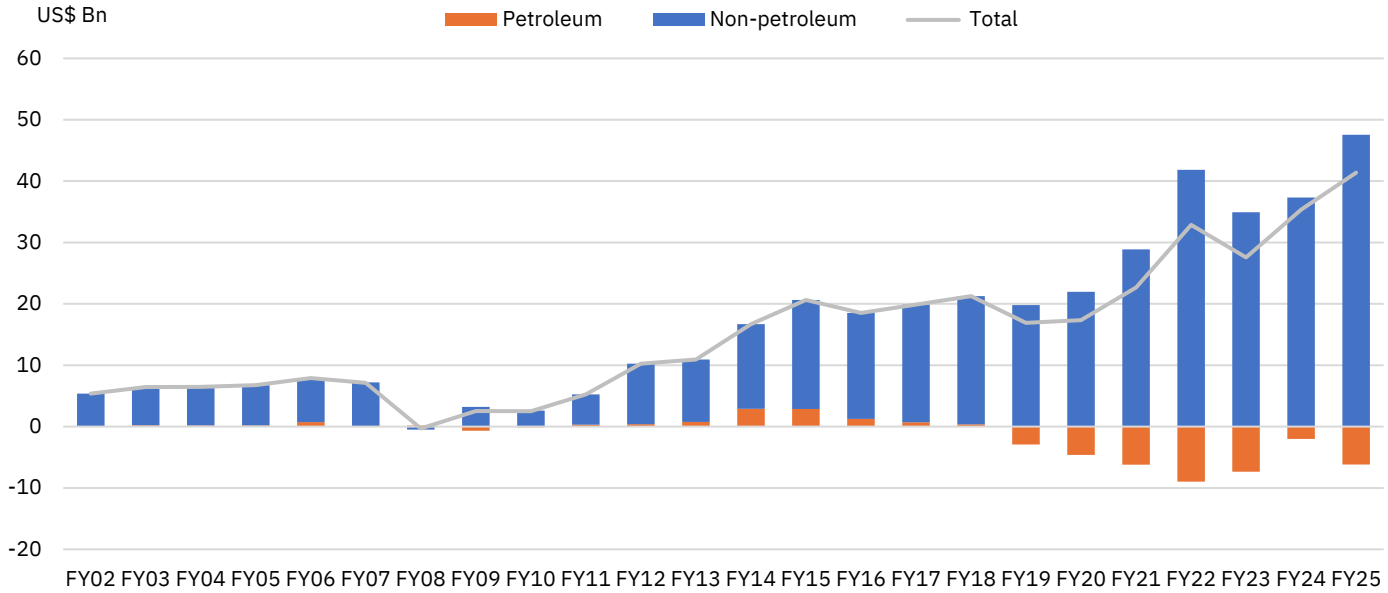
Q1FY26. However, exports to the US remained robust, averaging around US$ 26 bn in the March-June 2025 quarter (vs. US$ 20.8 bn in the corresponding period last year), with a significant 35% QoQ growth recorded in the quarter ending 2025. This strength reflects substantial front-loading in March, though sustaining this momentum appears uncertain amid the 50% tariff rate and the evolving trajectory of bilateral trade negotiations.

Figure 130: Trends in India's merchandise exports and imports with US



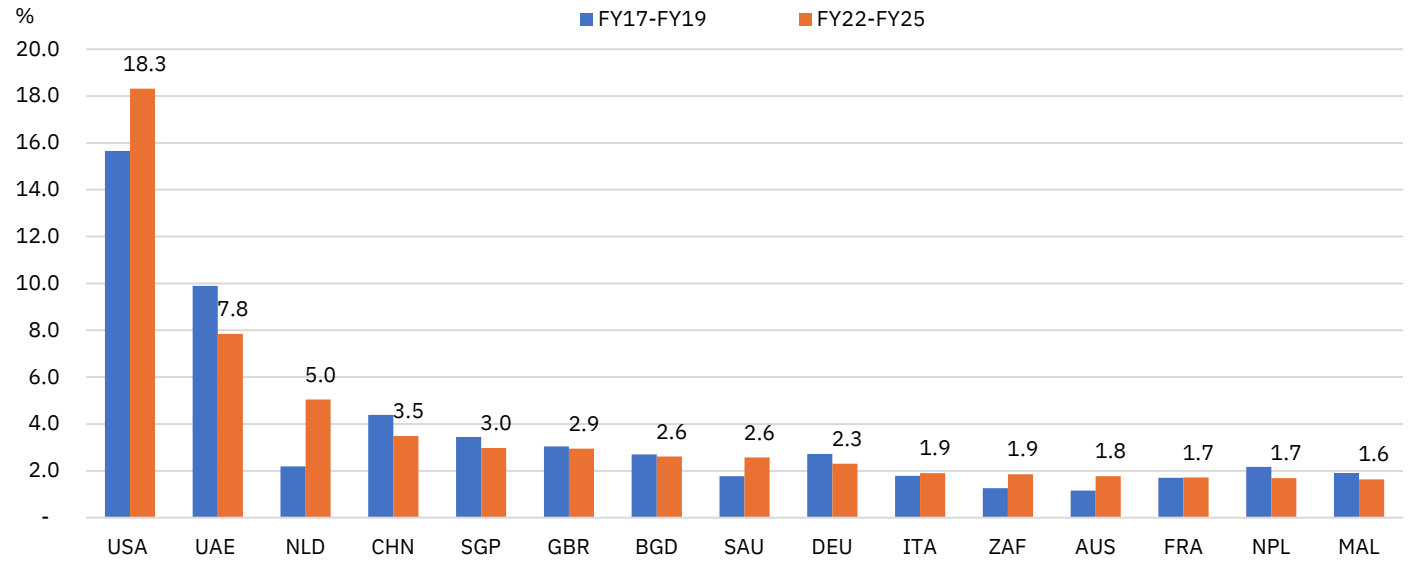
Source: CMIE Economic Outlook, NSE EPR.

Figure 131: Trends in trade balance across broad categories



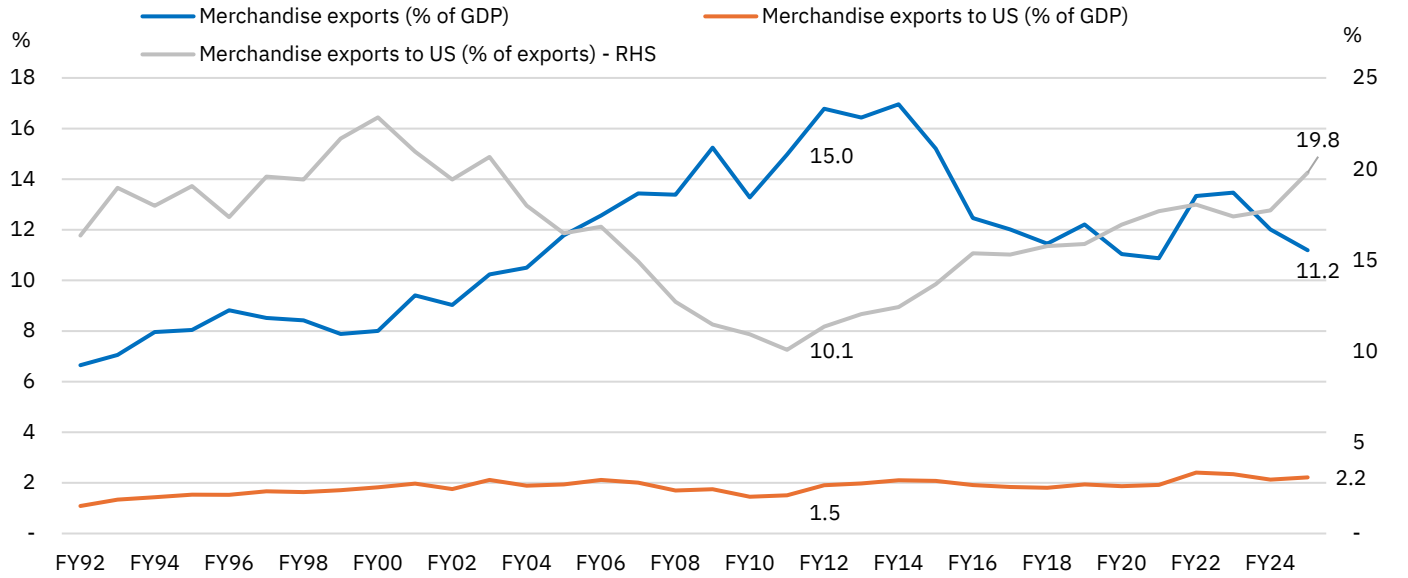
Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Positive balance implies surplus while negative balance implies deficit.

Figure 132: Country-wise exports of India (three-year average)



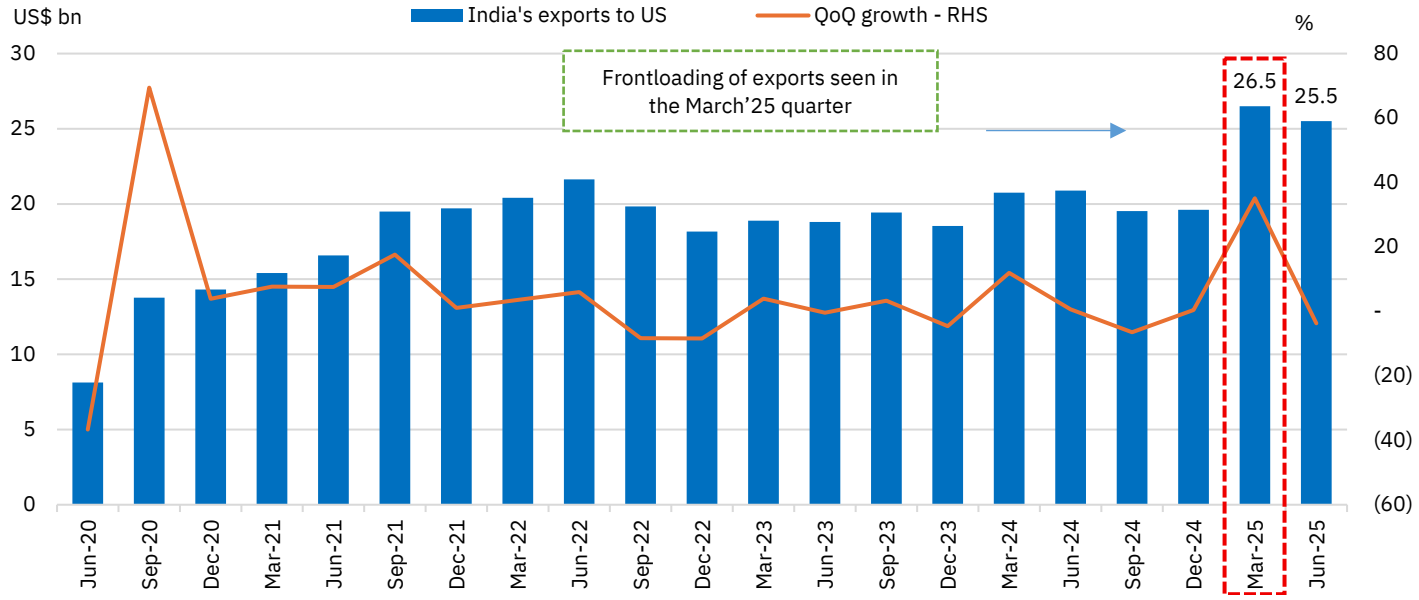
Source: CMIE Economic Outlook Notes: 1) Country name: USA = United States of America, UAE = United Arab Emirates, BGD = Bangladesh, CHN = China, SGP = Singapore, GBR = United Kingdom, NLD = Netherlands, SAU = Saudi Arabia, DEU = Germany, ITA = Italy, ZAF = South Africa, AUS = Australia, FRA = France, NPL = Nepal, MAL = Malaysia 2) These top countries have been selected based on the export share in FY25.

Figure 133: Trends in merchandise exports to the world and US



Source: CMIE Economic Outlook Notes: 1) The nominal GDP in INR has been converted to US$ using the average exchange rate for the year

Figure 134: Quarterly trends in India's exports to US



Source: CMIE Economic Outlook, NSE EPR

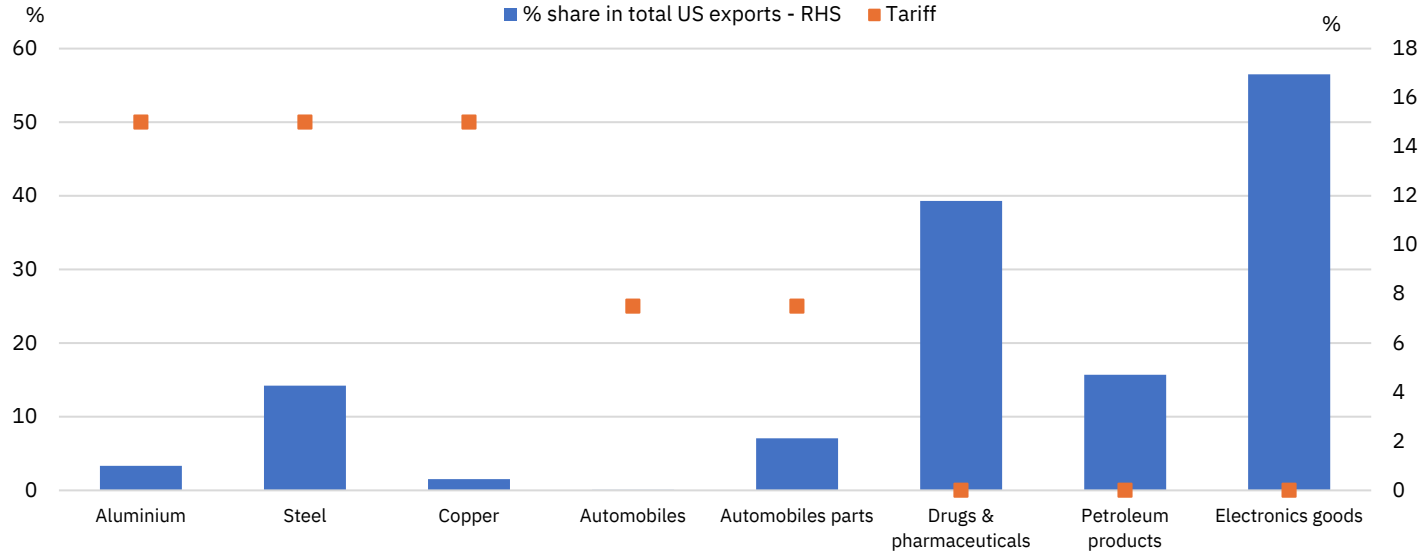
- **… but US has been a vital export market for key Indian exports:** At a product level, the US ranks as India's top export destination for a wide range of goods, including electronics, gems & jewellery, pharmaceuticals, machinery and instruments, textiles and readymade garments— categories where the US commands a market share of 20%–40% of India's total shipments for these specific products. Some critical sectors remain insulated for now: drugs & pharmaceuticals (~12%), petroleum products (~5%) and electronics (~17%) and are currently exempt from bilateral tariffs. Products under these exemptions make up roughly one-third of India's total exports to the US. Another 8% of shipments — metals such as steel, aluminium, copper, and automobiles — are already subject to special rates ranging from 25% to 50% under existing global duties. The remaining 60% of exports to the US, representing nearly 10% of India's total world exports, will face an additional 50% tariff over and above the MFN rate for each product. However, the risk profile is shifting, as the US administration has signaled the possibility of extending product-specific tariffs to pharmaceuticals and semiconductors. Meanwhile, existing duties on steel, aluminium, copper, and automobiles apply across all trading partners, ensuring that some key industrial segments remain under pressure.

Table 29: Product-wise composition of exports to the USA and world

	Exports to the USA			Product -wise Export Basket Exports to the US		Exports to the World	
	FY15	FY25	Exports (% of total US exports) - FY25	Average share FY22-FY25	Rank	Exports (US$ bn) - FY25	Exports (% of total exports) - FY25
	US$ bn	US$ bn	%	%		US$ bn	
Petroleum & crude products	3.8	4.1	4.7	6.5	4	63.3	14.5
Agricultural & allied products	4.3	5.6	6.5	10.3	1	51.3	11.7
Drugs, pharmaceuticals & fine chemicals	4.3	10.5	12.2	31.9	1	30.5	7.0
Inorganic/organic/agro chemicals	1.2	2.5	2.9	16.7	1	16.3	3.7
Ferrous and non-ferrous metals	2.3	4.7	5.4	20.1	1	22.1	5.1
Machinery & instruments	2.5	7.6	8.8	20.2	1	38.9	8.9
Electric machinery and equipments	*0.5*	*2.7*	*3.1*	*21.0*	*1*	*14.4*	*3.3*
Transport equipment	1.5	2.8	3.2	9.6	1	32.4	7.4
Aircraft, spacecraft and parts	*0.5*	*0.5*	*0.5*	*18.1*	*1*	*7.0*	*1.6*
Motor vehicle/cars	*0.0*	*0.0*	*0.0*	*1.0*	*19*	*9.0*	*2.1*
Auto components/parts	*1.0*	*1.8*	*2.1*	*23.7*	*1*	*8.2*	*1.9*
Electronic goods	1.2	15.2	17.6	31.9	1	40.9	9.3
Textiles (excluding readymade garments)	3.4	5.1	5.9	25.2	1	19.5	4.5
Readymade garments	3.6	5.3	6.2	33.1	1	16.0	3.7
Gems & jewellery	8.4	9.9	11.5	32.2	1	29.9	6.8
Plastic & linoleum products	0.4	1.3	1.5	17.4	1	6.9	1.6
Total	**42.4**	**86.7**				**437.7**	

Source: CMIE Economic Outlook, NSE EPR Notes: 1) Electronic goods include computer hardware, peripherals, consumer electronics, electronic components, electronic instruments, telecom instruments, office equipment and other instruments.

Figure 135: Product-specific implemented tariff rates and percentage share in total exports to the US

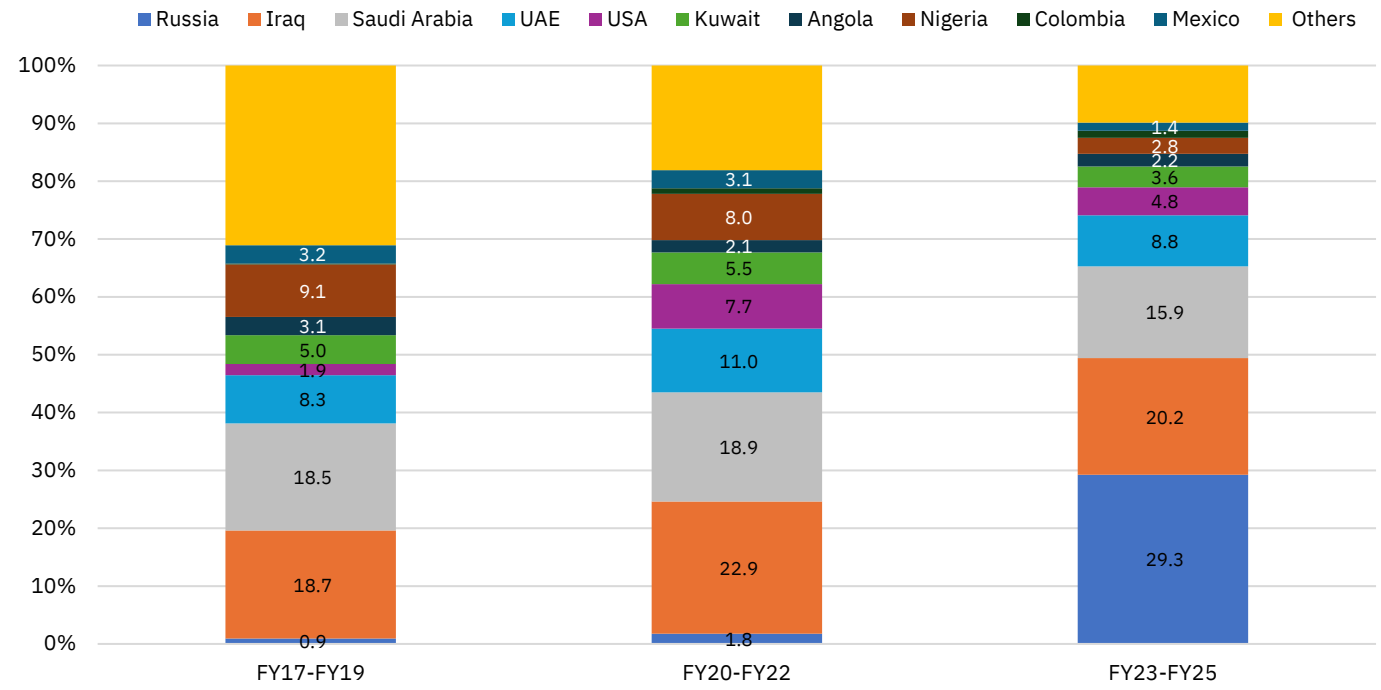


Source: CMIE Economic Outlook The White House, NSE EPR; Notes: 1) Aluminium and copper includes products as well 2) Steel includes iron and products pertaining to those products 3) Drugs & pharmaceuticals includes bulk drugs, drug intermediaries, drug formulations and biologicals 4) Electronics goods include computer hardware, peripherals, consumer electronics, electronic components, electronic instruments, telecom instruments.

- The crude oil dynamic has played a central role in the latest tariff escalation. In FY23–FY25, Russia emerged as India's single-largest crude oil supplier, accounting for an average of 29.3% of total imports by value — a notable rise from less than 1% in FY17–FY19. This shift came alongside a reduced share for

traditional Middle Eastern suppliers such as Iraq (20.2%) and Saudi Arabia (15.9%), while imports from the US have moderated to 4.8% after peaking in the early 2020s.

Figure 136: Country-wise average share of imports from crude oil



Source: CMIE Economic Outlook, NSE EPR

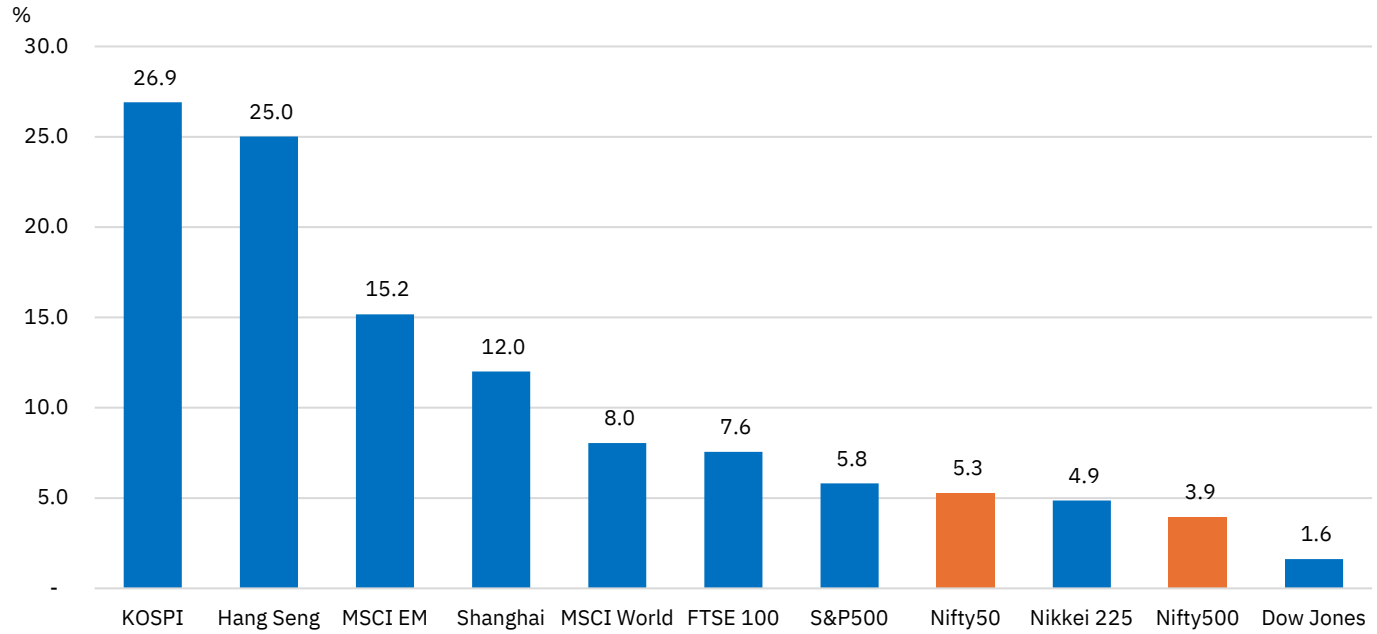
Impact of tariffs on capital markets

Global capital markets have experienced a whirlwind since the imposition of tariffs in April, with equity, fixed income, currencies, and commodities each reacting differently to the shifting era of trade dynamics.

- **Equities** have delivered highly divergent returns when measured from January 20 — the start of the current US Presidential term — reflecting a mix of trade-related optimism in some markets and policy-driven caution in others. The MSCI Emerging Markets index has gained 15.2%, largely powered by gains in Korea's KOSPI (+~27%), Hong Kong's Hang Seng (+25%) and Shanghai Composite Index (+12%). Developed markets showed more moderate gains, with MSCI World up 8.0%, supported by steady returns in Europe and the US, although the Dow Jones lagged (+1.6%) due to trade-related industrial weakness.

  Indian equities underperformed in this context, with the Nifty 50 rising just 5.3% and the Nifty 500 up 3.9%, as lingering uncertainty from tariff measures weighed on risk appetite and delayed the recovery in the private investment cycle — despite resilient macroeconomic fundamentals. In USD terms, the Nifty50 has delivered a 4.1% return during the same period under review.

Figure 137: Comparison of equity market returns since the inception of US President's second term



Source: LSEG Workspace, NSE EPR Notes: 1) Data has been sourced till August 6th, 2025 2) The base date has been considered as January 20th, 2025 and the index value on the base date is 100.

Figure 138: Daily trend in the performance of equity indices of select developed economies (Base: January 20th, 2025=100)

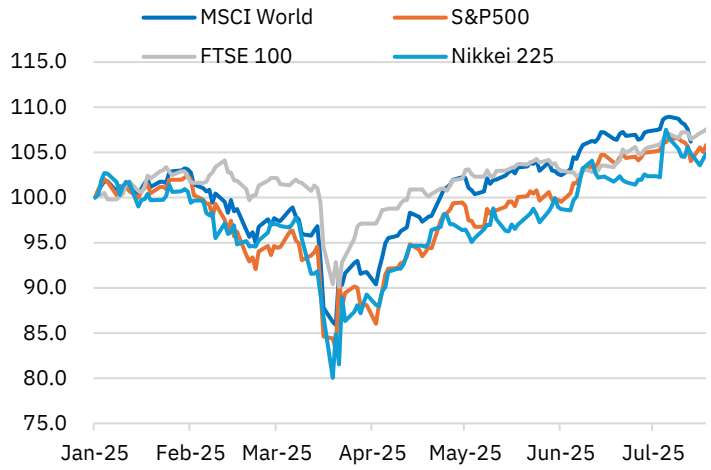
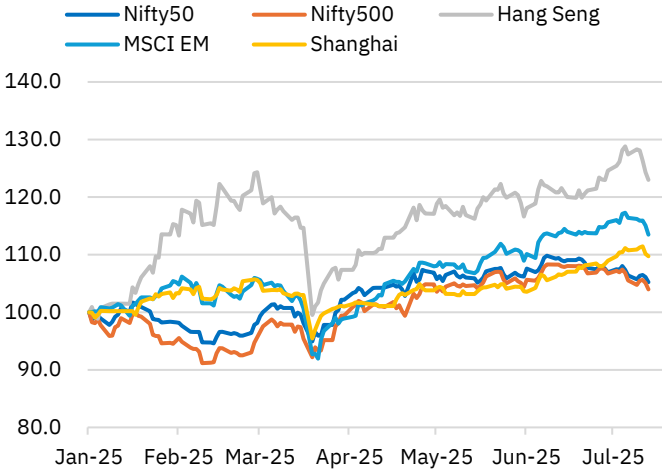


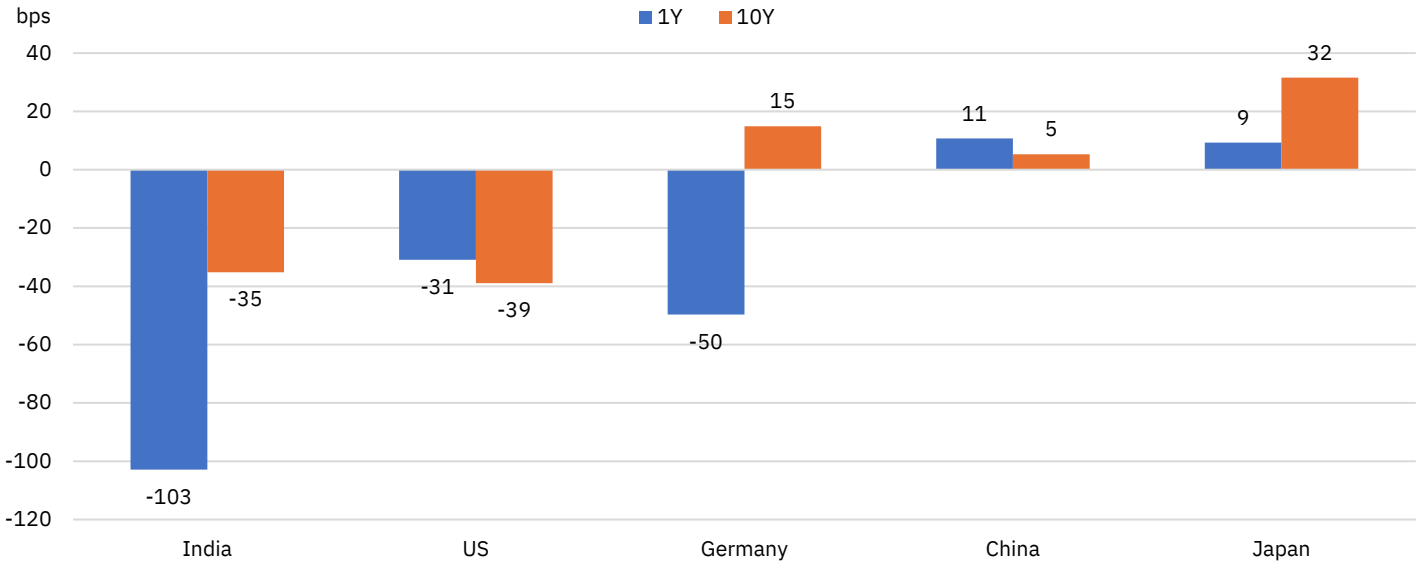
Figure 139: Daily trend in the performance of equity indices of select emerging market economies (Base: January 20th, 2025=100)



Source: LSEG Workspace, NSE EPR Notes: 1) Data has been sourced till August 6th, 2025 2) The base date has been considered as January 20th, 2025 and the index value on the base date is 100.

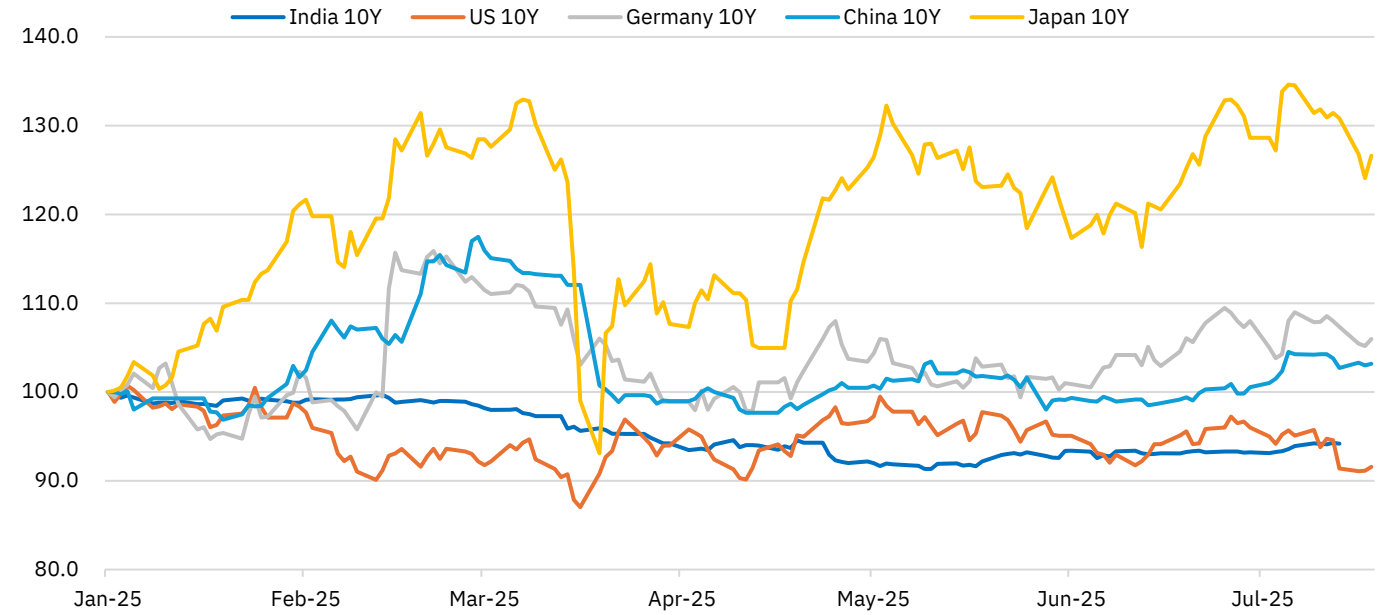
- **Fixed income markets** have painted a mixed picture. In India, yields fell sharply following the commencement of a rate cut cycle in February, with short-term rates dropping faster than long-term yields. In the US, 10Y Treasury yields declined on expectations of Fed rate cuts as tariff-related growth risks rose, even though inflation pass-through from tariffs has remained lower than expected so far. That said, The Federal Reserve has remained cautious in its approach, wary of potential second-round inflation effects of tariffs, which has stemmed the fall in yields. Japan's government bond market saw volatility, with yields initially falling after the April tariff announcement but surging to their highest levels since 2008 by July 2025, driven by political uncertainty and concerns over populist fiscal plans.

Figure 140: Comparison of sovereign bond yields since the inception of US President's second term



Source: LSEG Workspace, NSE EPR Notes: 1) Data has been sourced till August 6th, 2025, 2) The base date has been considered as January 20th, 2025 and the index value on the base date is 100.

Figure 141: Daily trends in 10Y sovereign yields for select economies (Index Base: January 20th = 100)

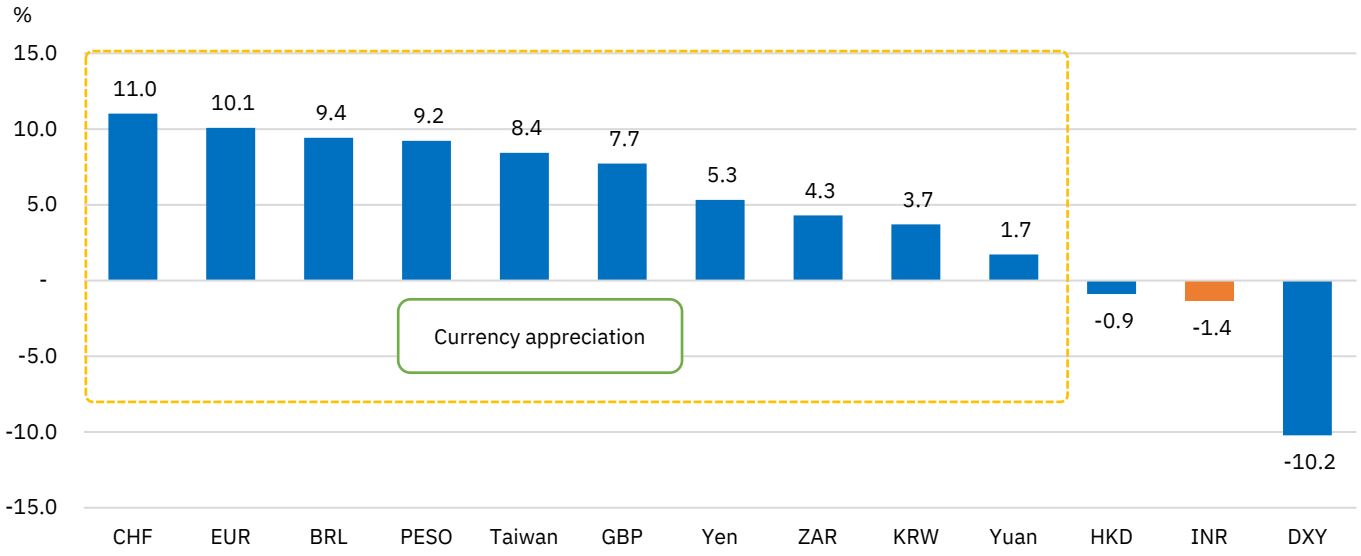


Source: LSEG Workspace, NSE EPR Notes: 1) Data has been sourced till August 6th, 2025 2) The base date has been considered as January 20th, 2025 and the index value on the base date is 100.

- **Currencies** have generally strengthened, aided by a softer US dollar, which has declined nearly 10% since the start of the presidential term. Most emerging and developed market currencies appreciated during the period, except for the Indian rupee (1.4%) and Hong Kong dollar (0.9%), both of which registered mild depreciation. The INR has remained largely stable with limited volatility, and the mild depreciation observed during this period can be attributed to a confluence of domestic and global factors — ranging from foreign portfolio flows, geopolitical tensions, weakness in the USD, dynamics around the balance of payment position and FX interventions to manage the volatility — exerting opposing pressures on the currency.

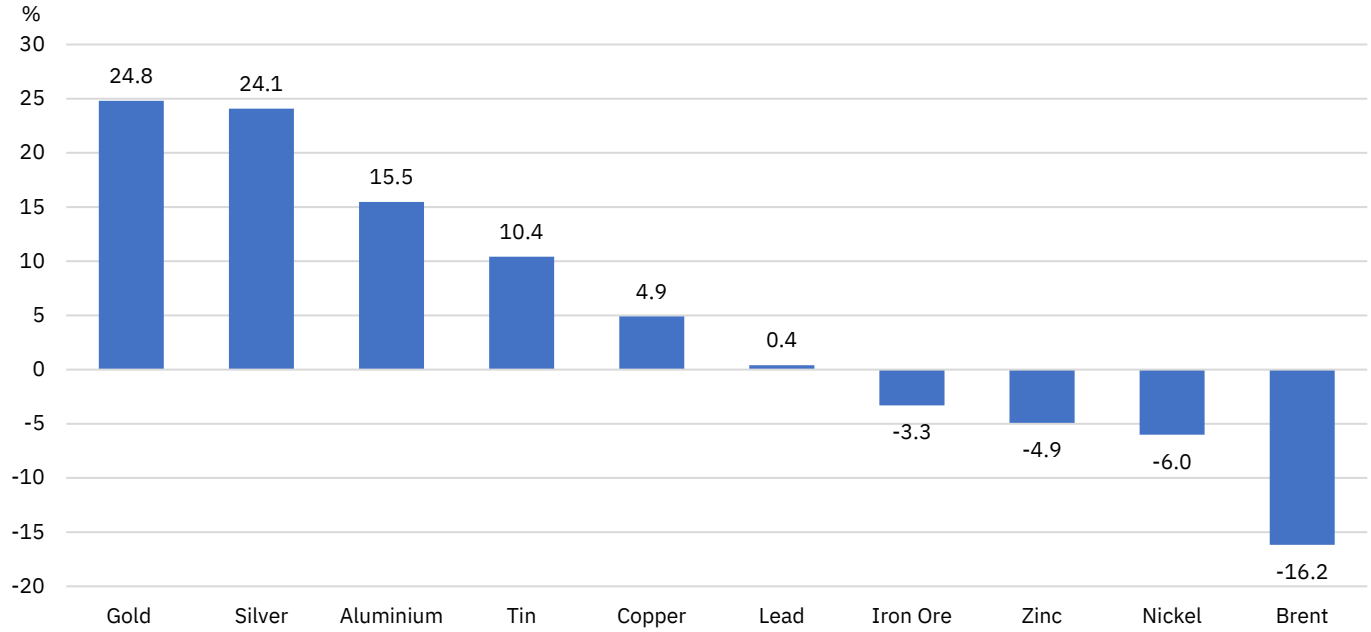
- **Commodities** reflected a combination of safe-haven demand and evolving supply dynamics, shaped by changing trade flows and tariff announcements. Gold and silver surged by over 20% amid heightened geopolitical and trade uncertainty, while Brent crude oil prices fell more than 15% on weaker demand expectations. Base metals such as copper and aluminium were volatile, partly on account of tariff announcements, but ended this period (January 20th – August 6th) higher.

Figure 142: Percentage change in currencies since the inception of US President's second term



Source: LSEG Workspace, NSE EPR Notes: 1) Data has been sourced till August 6th, 2025 2) The base date has been considered as January 20th, 2025 and the index value on the base date is 100.

Figure 143: Percentage change in select commodity prices since the inception of US President's second term



Source: LSEG Workspace, NSE EPR Notes: 1) Data has been sourced till August 6th, 2025. 2) The base date has been considered as January 20th, 2025 and the index value on the base date is 100.

Macroeconomy

Status quo and a wait and watch policy stance amid a challenging global environment

In continuation of our "Chart of the Month" theme on shifting global trade order and persistence of elevated economic and trade uncertainty, the global economy has displayed a "Teflon-like" resilience—withstanding multiple shocks without sliding into recession or mass unemployment.[14] The IMF describes the current phase of the global economy as "tenuous," reflected in its July 2025 global growth upgrades of 20bps/10bps to 3%/3.1% for 2025/2026 respectively. India remains the fastest-growing major economy with FY26 growth revised up by 20bps to 6.4% in FY26, while China's forecast was upgraded by 80bps to 4.8% in 2026 on tariff reductions. That said, the impact of tariffs on the US economy has been mixed. June CPI inched up to 2.7% YoY and core CPI at 2.9% YoY, while labour market momentum weakened as the July payroll number increased by a lower-than-expected 73k and prior months recorded sharp downward revisions. Notwithstanding the healthy growth in the US economy at 3% on an annualized basis in Q2, the US Fed—which has held policy rates steady—is facing growing calls to cut rates with market participants expecting around two-three reductions till December.[15]

India's macro landscape presents a mixed but broadly stable picture. On the positive side, GST collections neared Rs 2 lakh crore, e-way bill generation posted robust growth and PMI for manufacturing and services inched up in July. Inflation remained benign at 2.1% YoY in June and RBI's MPC has projected a 60bps decline to 3.1% in FY26. Foreign exchange reserves have climbed to almost US$ 700 bn in July and agriculture prospects are favorable, supported by robust sowing, healthy reservoir levels and a surplus monsoon, albeit with some recent loss of momentum. Conversely, bank credit growth continues to trail deposit growth, while air passenger traffic, two-wheeler sales, and IIP growth has moderated. Passenger vehicle sales have now contracted for six straight months. The rupee has depreciated 2.5% since end-May 2025 while fiscal deficit at 17% of FY26(BE) remained on track to achieve the target. The RBI, in its August 2025 policy review, has kept its GDP forecast unchanged at 6.5% for FY26 with real rates at 2.4% providing space to counter potential tariff impacts. Despite global headwinds, India's fundamentals remain anchored in price stability and steady growth momentum.

- **Status quo maintained by MPC with an inflation forecast of 3.1% for FY26:** RBI's MPC unanimously left the policy rate unchanged at 5.5% with a neutral stance, citing global headwinds from trade policy uncertainty and associated risks to global growth. That said, India's economic growth forecast has been retained at 6.5% in FY26 underpinned by improving rural consumption, steady progress in monsoon and sustained momentum in services and construction activity. The headline inflation forecast was revised downward by 60bps to 3.1% in FY26 with significant downward revisions of 130bps/80bps in Q2/Q3 respectively. However, the inflation forecast has been raised to 4.9% in Q1FY27 with the MPC flagging core inflation inching higher. Banking system liquidity surplus has averaged Rs 3 lakh crore in June-July, aiding transmission in rates across banking and market-based instruments.

- **Decoding the slowdown in industrial output:** India's IIP growth moderated sharply 2% in Q1FY26, almost half of the previous quarter, marking its weakest expansion in over three years. Mining and electricity contracted with the latter recording its first negative print since Q1FY21. Manufacturing growth eased to a three-quarter low, with 12 out of the 23 sub-industries exhibiting growth deceleration in Q1 and eight recording negative YoY growth. In case of use-based classification, capital and intermediate goods showed resilience. However, this is

[14] https://www.economist.com/podcasts/2025/07/22/teflon-capitalism-the-mounting-threats-to-the-global-economy
[15] The CME Watch shows that around 47% of the participants expect the terminal US Fed rate at 3.5%-3.75% by December

the first quarter when both consumer durables and non-durables have recorded sequential quarterly contractions. Encouragingly, private capex is reviving, aided by healthy corporate balance sheets, new project announcements and lower interest rates.

- **Credit growth in single digits; funds raised through CPs moderate:** Outstanding bank credit expanded by 9.8% YoY till July 11th, 2025, lagging the growth in the outstanding bank deposits for the third consecutive month. That said, credit growth has moderated significantly from 17.3% YoY in June led by a broad-based easing across categories. The sharp growth deceleration in large industries from 6.9% YoY in June'24 to less than 1% in June'25 is noticeable. Barring the significant surge in loans against gold jewellery (123% YoY), most of the other key sub-segments viz. housing, credit cards, and vehicle loans have seen deceleration. Loans to NBFCs have expanded at a meagre pace of 2.6% YoY, significantly lower than 12.7% YoY in June'24. Funds raised through CPs — which had surged to over Rs 1 lakh crore in June —declined by 71% MoM to ~ Rs 37,000 crore in July.

- **Southwest monsoon loses momentum; reservoir levels and sowing remain strong:** The Southwest monsoon remains in surplus, albeit the momentum has eased further with cumulative rainfall at 3.1% as of August 6th, down from 8.9%/6.4% as of the end of June/July respectively. However, rainfall has been well distributed, with only five sub-divisions—accounting for 11% of the country's area—witnessing deficient rains. The share of current live reservoir levels to the capacity at full reservoir level (FRL) has nearly doubled from 36.4% as of end June to over 69% in end-July. Sowing has been robust, with a growth of 5.1% YoY (As of August 1st) for agriculture products, led by paddy (16.7% YoY), and coarse cereals (4.7% YoY), while exhibiting contraction in oilseed (-4% YoY) and fibres (-2.4% YoY). Overall, this bodes well for both agriculture activity and signal easing inflationary pressures.

- **Fiscal deficit widens in Q1 led by capex front-loading and muted taxes:** Fiscal deficit of the Union Government widened sharply to Rs 2.8 lakh crore, nearly double last year's level, driven by subdued tax collections and 52% surge in capital expenditure. Total receipts (excluding capital receipts) rose to Rs 9.4 lakh crore, supported by RBI's record dividend transfer and resilient indirect tax collections. While direct taxes remained weak due to budgetary tax reliefs to individuals and higher refunds, Government spending accelerated on interest payments, fertiliser subsidies and capex. The Union Government appears well-positioned to achieve the fiscal deficit target of 4.4% of GDP.

- **IMF revised India's growth higher to 6.4% in FY26:** The International Monetary Fund's July 2025 outlook raised global growth forecast by 20bps/10bps in 2025/2026 respectively, underscoring tenuous resilience amid heightened uncertainty. IMF cites the front-loading of exports ahead of tariff hikes, lower-than-expected US tariffs, expansionary fiscal policies and improved financial conditions. India remains the fastest-growing major economy with a FY26 GDP forecast of 6.4%, revised higher by 20bps, albeit before the announcement of the new tariff rates from US. China's growth outlook was revised higher by 80bps to 4.8% in 2025 supported by tariff reductions. Downside risks include renewed tariff pressures, geopolitical tensions, and fiscal vulnerabilities.

Key domestic and global economic indicators

Table 30: Snapshot of Domestic macroeconomic indicators

Indicator	Unit	June-2024	May-2025	June-2025	July-2025
Industry/Services					
IIP	YoY%	4.9	1.9	1.5	-
IIP-Manufacturing	YoY%	3.5	3.2	3.9	-
IIP-Capital goods	YoY%	3.6	13.3	3.5	-
Core sector	YoY%	5.0	1.2	1.7	-
PMI-Manufacturing	Index	58.3	57.6	58.4	59.1
PMI-Services	Index	60.5	58.8	60.4	60.5
E-way bill	YoY%	16.3	18.9	19.3	25.8
Domestic passengers traffic	YoY%	6.9	2.6	3.7	-
Domestic cargo traffic	YoY%	10.3	2.3	2.6	-
International passenger traffic	YoY%	11.3	5.0	3.4	-
International cargo traffic	YoY%	19.6	6.8	-1.2	-
Port cargo	YoY%	11.0	1.0	2.9	-
Consumption/Inflation					
GST	Rs lakh crore	1.7	2.0	1.8	2.0
Passenger cars	YoY%	-7.0	-5.8	-10.7	-
Two wheelers	YoY%	18.7	5.4	2.3	-
Three wheelers	YoY%	10.2	8.3	15.7	-
Vehicle registrations (VAHAAN)	YoY%	1.5	5.9	5.6	-4.1
Petrol consumption	YoY%	4.6	9.2	6.9	5.9
Diesel consumption	YoY%	1.0	2.1	1.5	2.4
MGNREGA Work Demand	YoY%	-22.5	1.1	3.6	-11.5
IIP-Consumer durables	YoY%	8.8	-0.9	2.9	-
IIP-Consumer non-durables	YoY%	-1.0	-1.0	-0.4	-
CPI	YoY%	5.1	2.8	2.1	-
WPI	YoY%	3.4	0.4	-0.1	-
External					
Merchandise exports	YoY%	2.4	-2.8	-0.1	-
Merchandise imports	YoY%	4.6	-1.8	-3.7	-
Non-POL, Non-gold and silver imports	YoY%	6.9	10.4	-0.8	-
Services (net)	YoY%	11.1	23.8	19.8	-
Foreign exchange reserves (eop)	US$ bn	652.0	691.5	702.8	698.2
Rupee/USD	Absolute avg	83.5	85.2	85.9	86.1
Banking					
Bank credit	YoY%	17.4	9.0	-	-
Bank deposit	YoY%	11.1	9.9	-	-
Banking system liquidity (+: deficit/-surplus)	Rs lakh crore	-0.3	-2.4	-2.6	-2.7
WACR	%	6.58	5.8	5.4	5.4
Repo rate	%	6.50	6.0	5.5	5.5
SDF rate	%	6.25	5.8	5.3	5.3
MSF rate	%	6.75	6.3	5.8	5.8

Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Port cargo traffic is cargo traffic including transshipment for all commodities 2) Sales of passenger cars/two wheelers/ three wheelers is the total of domestic sales and exports during the month.

Table 31: Cross-country GDP growth (YoY%)

Country	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025
Brazil	4.4	3.9	2.4	2.4	2.6	3.3	4.0	3.6	2.9	-
China	4.7	6.5	5.0	5.3	5.3	4.7	4.6	5.4	5.4	5.2
European Union	1.6	0.3	0.0	0.4	0.4	1.0	1.4	1.5	1.4	-
Japan	2.3	1.6	1.1	0.6	-0.7	-0.6	0.8	1.3	1.7	-
France	1.7	1.3	1.1	1.6	1.5	0.8	1.8	0.7	0.3	0.7
United Kingdom	0.8	0.5	0.4	-0.2	0.7	1.1	1.2	1.5	1.3	-
United States	2.5	3.0	3.2	2.9	3.1	3.0	2.5	2.9	1.9	1.9
Germany	-0.0	-1.1	-1.3	-1.0	-1.1	-0.3	-0.2	-0.4	0.0	0.0
South Korea	1.3	1.2	1.5	2.2	3.4	2.2	1.4	1.1	-0.0	0.5
India	6.9	9.7	9.3	9.5	8.4	6.5	5.6	6.4	7.4	-
South Africa	0.5	2.0	-0.8	1.6	0.5	0.4	0.4	0.8	0.8	-
Mexico	3.9	3.5	3.6	2.5	1.5	2.2	1.6	0.4	0.8	0.1
Russian Federation	-0.9	5.3	6.2	5.3	5.4	4.3	3.3	4.5	1.4	-
Indonesia	5.0	5.2	4.9	5.0	5.1	5.0	4.9	5.0	4.9	5.1

Source: CEIC, Office for National Statistics (UK), NSE EPR.

Table 32: Cross-country inflation (YoY%)

Country	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Brazil	4.2	4.5	4.2	4.4	4.8	4.9	4.8	4.6	5.1	5.5	5.5	5.3	5.4	-
Canada	2.7	2.5	2.0	1.6	2.0	1.9	1.8	1.9	2.6	2.3	1.7	1.7	1.9	-
China	0.2	0.5	0.6	0.4	0.3	0.2	0.1	0.5	-0.7	-0.1	-0.1	-0.1	0.1	-
EU	2.6	2.8	2.4	2.1	2.3	2.5	2.7	2.8	2.7	2.5	2.4	2.2	2.3	-
France	2.2	2.3	1.8	1.1	1.2	1.3	1.3	1.6	0.8	0.8	0.8	0.7	1.0	1.0
Germany	2.2	2.3	1.9	1.6	2.0	2.2	2.6	2.3	2.3	2.2	2.1	2.1	2.0	2.0
India	5.1	3.6	3.7	5.5	6.2	5.5	5.2	4.3	3.6	3.3	3.2	2.8	2.1	-
USA	3.0	2.9	2.5	2.4	2.6	2.7	2.9	3.0	2.8	2.4	2.3	2.4	2.7	-
South Korea	2.4	2.6	2.0	1.6	1.3	1.5	1.9	2.2	2.0	2.1	2.1	1.9	2.2	2.1
UK	2.0	2.2	2.2	1.7	2.3	2.6	2.5	3.0	2.8	2.6	3.5	3.4	3.6	-
Vietnam	4.3	4.4	3.5	2.6	2.9	2.8	2.9	3.6	2.9	3.1	3.1	3.2	3.6	3.2
Indonesia	2.5	2.1	2.1	1.8	1.7	1.5	1.6	0.8	-0.1	1.0	1.9	1.6	1.9	2.4
Japan	2.9	2.7	3.0	2.5	2.2	2.9	3.7	4.0	3.6	3.6	3.5	3.4	3.2	-
South Africa	5.1	4.6	4.4	3.8	2.8	2.9	3.0	3.2	3.2	2.7	2.8	2.8	3.0	-

Source: CEIC, NSE EPR.

RBI Monetary Policy: Status quo amid heightened global uncertainties

In a unanimous decision, the RBI's Monetary Policy Committee (MPC) kept the policy repo rate unchanged at 5.5% and maintained a neutral stance, citing the external headwinds, including tariff-related uncertainties and a weak global growth outlook as the rationale behind their decision. The GDP growth forecast for FY26 was left unchanged at 6.5%, reflecting the underlying resilience of the domestic economy. This is underpinned by improving rural consumption, favourable monsoon conditions supporting agricultural output, easing inflationary pressures, and sustained strength in the services and construction sectors, along with continued momentum in fixed investment. The headline CPI inflation forecast for FY26 was revised downward by 60 bps to 3.1%, with significant downward revisions to Q2 (by 130 bps) and Q3 (by 80 bps) estimates, supported by a positive monsoon outlook and strong kharif crop prospects. However, the MPC noted the persistence of core inflation, which is expected to remain moderately above 4% through FY26, in the absence of any major adverse shocks to input costs. Banking system liquidity surplus has expanded and averaged Rs 3 lakh crore during June-July'2025, facilitating policy rate transmission to various short-term and long-term rates in banking and market-based instruments. Pursuant to the review of the Liquidity Management Framework by an Internal Working Group (IWG), the Weighted Average Call Rate (WACR) has been recommended as the operating target of monetary policy.

Having judiciously utilised the space created by a benign inflation environment to support growth thus far, the MPC reaffirmed its commitment to a data-dependent policy approach going forward without compromising its focus on the growth-inflation dynamics. Notwithstanding favourable factors aiding the recent softening headline inflation, RBI is likely to remain vigilant on core inflation and unfavourable base effects playing out going ahead. With the real policy rate at 2.4%, the MPC retained room for manoeuvre, keeping the plethora of policy tools in reserve to navigate a complex global environment ahead.

- **MPC maintains status quo on rates and stance:** Contrary to market expectations of a 25bps cut, the RBI's MPC *unanimously* decided to keep the policy repo rate unchanged at 5.5% in its August 2025 policy meeting, while also retaining the stance as *neutral*. With this, the Standing Deposit Facility (SDF) and the Marginal Standing Facility (MSF) rates—the upper and lower bounds of the Liquidity Adjustment Facility (LAF) corridor—remained unchanged at 5.25%, and 5.75% respectively. The decision to hold rates reflects the MPC's caution amid prevailing external headwinds, including tariff-related uncertainties and a fragile global growth outlook, while balancing domestic growth-inflation dynamics. The MPC reaffirmed its commitment to a data-dependent policy approach going forward.

The RBI kept the policy repo rate unchanged at 5.5%, while unanimously retaining the stance as "neutral".

- **FY26 inflation projection revised lower to 3.1%:** Headline CPI inflation has eased to a more than six-year low of 2.1% YoY in June 2025, led by declining food prices particularly vegetables. Q1FY26 inflation stood at 2.7% YoY, significantly-below RBI's medium-term target of 4%. A more benign inflation trajectory is anticipated for FY26, supported by a favourable base effect, the steady advancement of the southwest (cumulative rainfall at 3% of LPA as of 5th Aug), healthy kharif sowing (+5.1% YoY as of 1st Aug), and comfortable buffer foodgrains stocks. Reflecting this improved outlook, the MPC revised its headline inflation projection for FY26 downward by 60 bps to 3.1%. Forecasts for Q2/Q3 FY26 were lowered sharply by 130/80 bps to 2.1%/3.1%, while the estimate for Q4FY26 was retained at 4.4%. The estimates for Q1FY27 stands at 4.9%. Nonetheless, the MPC stressed on the continued stickiness in core inflation (excluding food, pan, tobacco & intoxicants and fuel & light) which remained elevated at 4.4% YoY, while core excluding precious metals stood at 3.4% YoY in Q1FY26. Potential downside risks to the inflation outlook stem from weather-related disruptions.

FY26 inflation forecast reduced by 60bps to 3.1%; GDP forecast kept unchanged at 6.5%.

- **GDP growth forecast for FY26 unchanged at 6.5%:** The MPC maintained its GDP growth forecast for FY26 at 6.5%, with all quarterly projections remaining unchanged (Q1: 6.5%, Q2: 6.7%, Q3: 6.6% and Q4: 6.3%). GDP growth for Q1FY27 has been estimated at 6.6%. The domestic economy continues to exhibit resilience, supported by improving rural demand driving private consumption, above normal monsoon supporting agricultural activity and sustained momentum in fixed investment, underpinned by robust government capital expenditure. However, outlook for external demand remains uncertain amidst ongoing tariff announcements and trade negotiations. The headwinds emanating from prolonged geopolitical tensions, persisting global uncertainties, and volatility in global financial markets pose risks to the growth outlook.

- **Comfortable liquidity surplus has supported policy rate transmission so far:** Banking system liquidity surplus has widened from an average of Rs 1.6 lakh crore during April-May 2025 to an average of Rs 3 lakh crore since the June MPC meeting. These congenial liquidity conditions have translated into smooth transmission in banking and money market rates, so far. Since the beginning of the rate cut cycle (February 2025), WALR (fresh rupee loans) of scheduled commercial banks (SCBs) have declined by 71bps while the weighted average term deposit rate has declined by 87bps. In response to the cumulative policy repo rate cut of 100bps, short term money market rates declined more sharply viz. WACR by 108bps, 3M T-bill rate by 110bps, 3M CPs issued by NBFCs (161bps), 3M CDs (170bps).[16] Notwithstanding the staggered 100bps CRR cut effective September, RBI is expected to remain flexible and maintain liquidity in surplus, thereby the continued transmission of policy rate cuts. Furthermore, an Internal Working Group has reviewed the Liquidity Management Framework (LMF) since February 2020 and has recommended WACR as the operating target of monetary policy, underscoring its high correlation with overnight market rates.

The weighted average call money rate has declined from 6.71% in January'25 to 5.37% in July'25.

- **RBI to remain data-dependent; preserves space for any future easing:** The RBI's MPC has judiciously utilised the space created by a benign inflation environment to support growth thus far, without compromising the price stability mandate. However, the outlook on growth and inflation remains fraught with headwinds emanating from prolonged geopolitical tensions and heightened trade policy and tariff uncertainty, posing a downside risk to the growth outlook. Notwithstanding favourable factors aiding the recent softening headline inflation, RBI is likely to remain vigilant on core inflation and unfavourable base effects playing out going ahead. With the real policy rate at 2.4%, the MPC retains room for manoeuvre and is likely to be data-dependent, keeping the plethora of policy tools in reserve to navigate a complex global environment ahead. [17]

[16] The data has been sourced from the RBI Governor's statement, released along with the MPC resolution on August 6th, 2025
[17] The real policy rate has been computed by taking the difference between the current repo rate (5.5%) and the FY26 inflation projection of the RBI (3.1%)

Table 33: Current policy rates

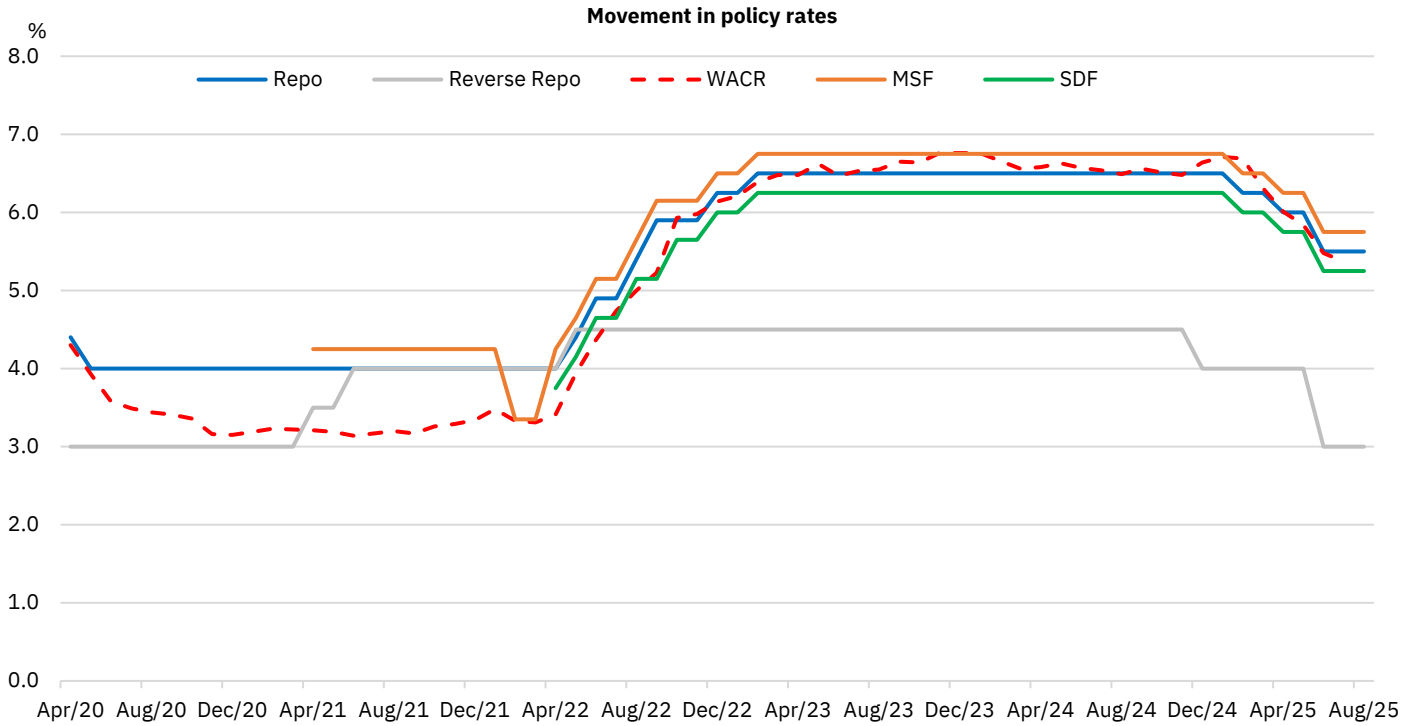
The policy repo rate was unanimously retained at 5.5% in the August'2025 policy, following three consecutive policy rate cuts with a cumulative policy rate reduction of 100bps so far in 2025. The policy stance was also unanimously maintained at *"Neutral"*.

Key rates	February 2025	April 2025	June 2025	August 2025
Repo Rate	6.25%	6.00%	5.50%	5.50%
Standing Deposit Facility (SDF)*	6.00%	5.75%	5.25%	5.25%
Marginal Standing Facility (MSF)	6.50%	6.25%	5.75%	5.75%
Bank Rate	6.50%	6.25%	5.75%	5.75%
Cash Reserve Ratio (CRR)	4.00%	4.00%	3.00%[18]	3.00%[18]

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

Figure 144: Movement in key policy rates

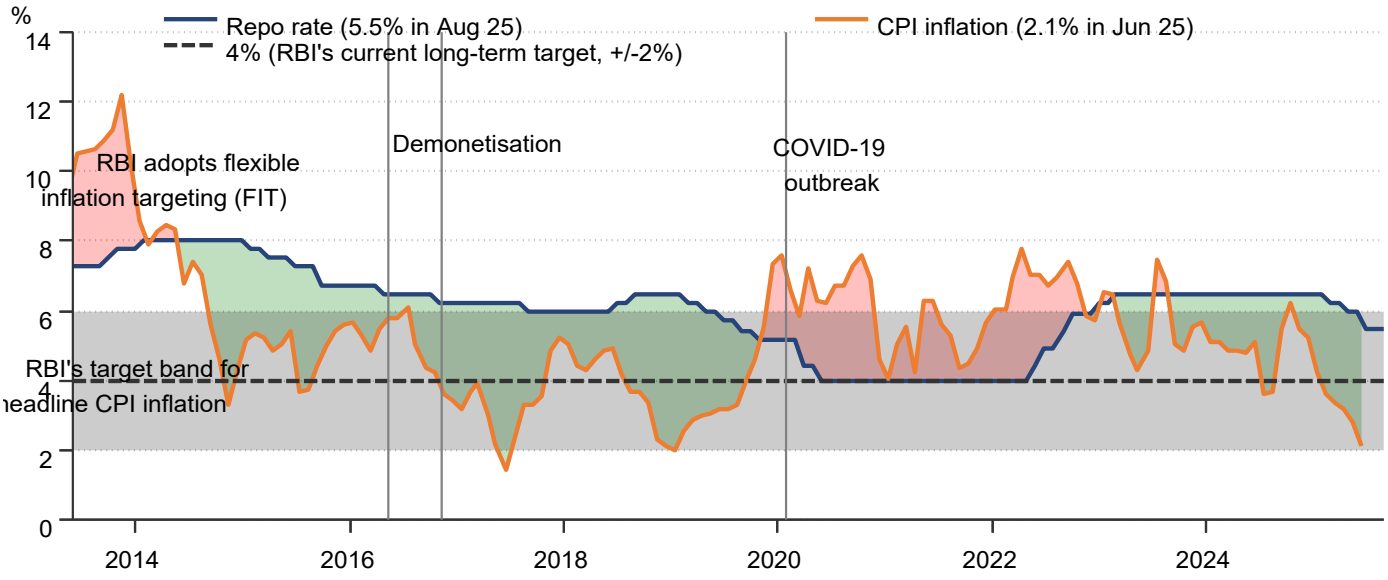
The Weighted Average Call Money Rate (WACR) has softened from an average of 6.71% in January 2025 to 5.37% in July'2025, falling more than the cumulative reduction in the repo rate of 100 bps announced during the current rate cut cycle.



Source: LSEG Workspace, NSE EPR.

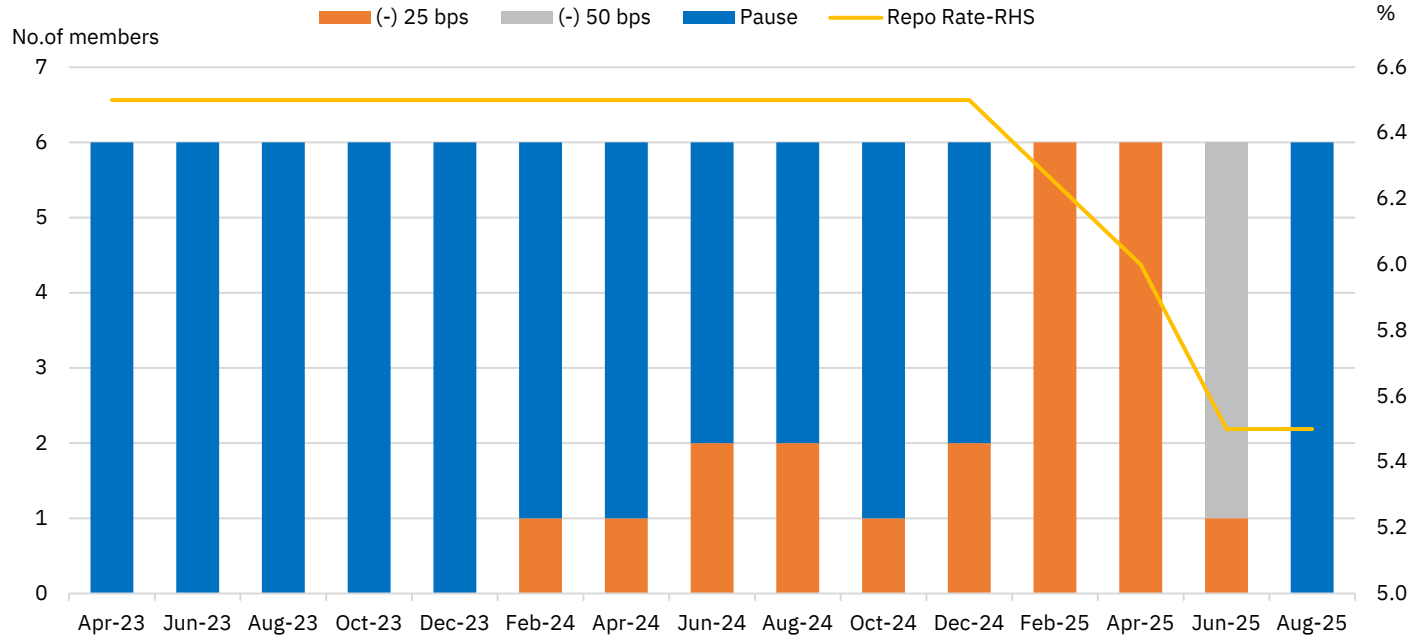
[18] This announcement of CRR cut of 50bps has been in the June'25 and will be reduced in a staggered manner of 25bps each in four separate tranches during September 2025 – November 2025

Figure 145: Movement in real interest rates



Source: LSEG Workspace, NSE EPR.

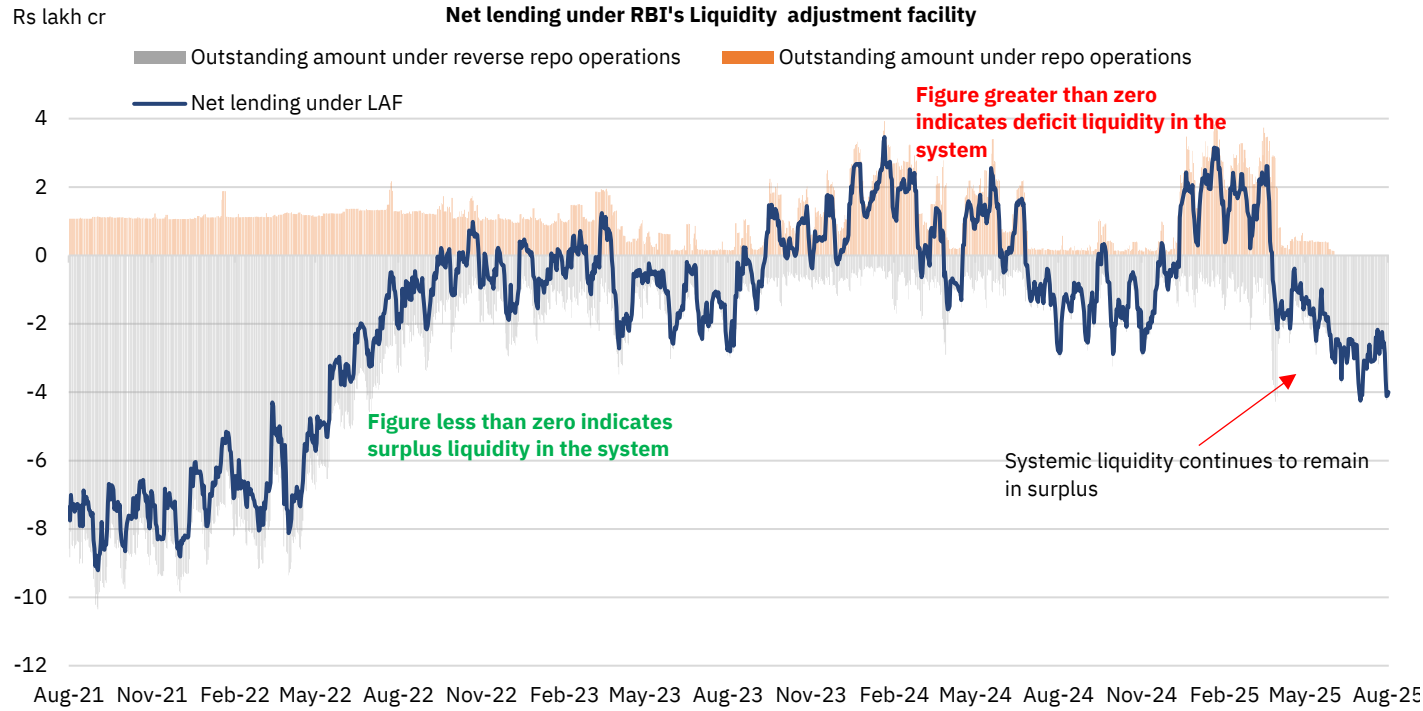
Figure 146: MPC members' voting pattern



Source: RBI, NSE EPR.

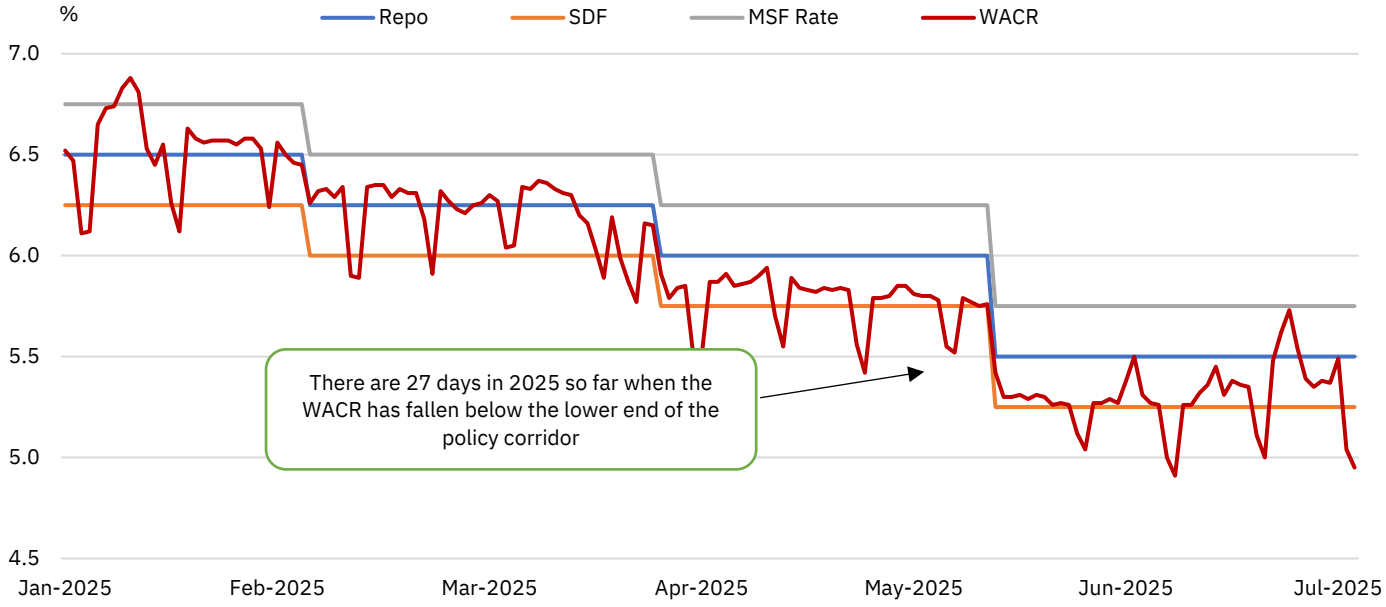
Figure 147: Net lending under RBI's Liquidity Adjustment Facility

The banking system liquidity has moved from an average daily surplus of Rs 1.6 lakh crore in April-May'2025 to Rs 3 lakh crore in June-July'2025. The sustained period of liquidity surplus has facilitated policy rate transmission in both banking and money market rates.



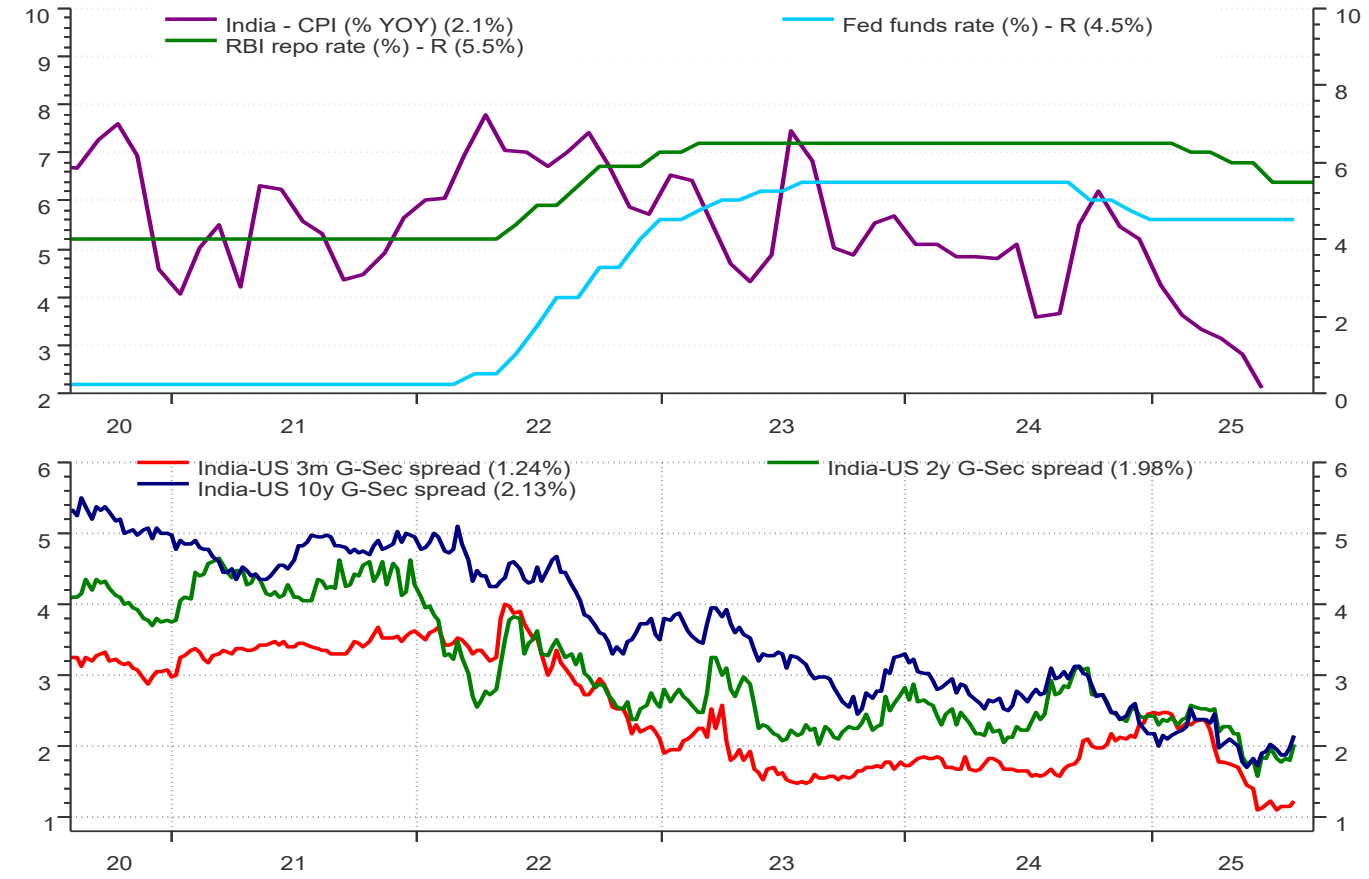
Source: CMIE Economic Outlook, NSE EPR.

Figure 148: Daily movement in policy corridor in CY2025



Source: CMIE Economic Outlook, NSE EPR. Note: 1) The data has been plotted for the calendar year 2025 till August 2nd, 2025

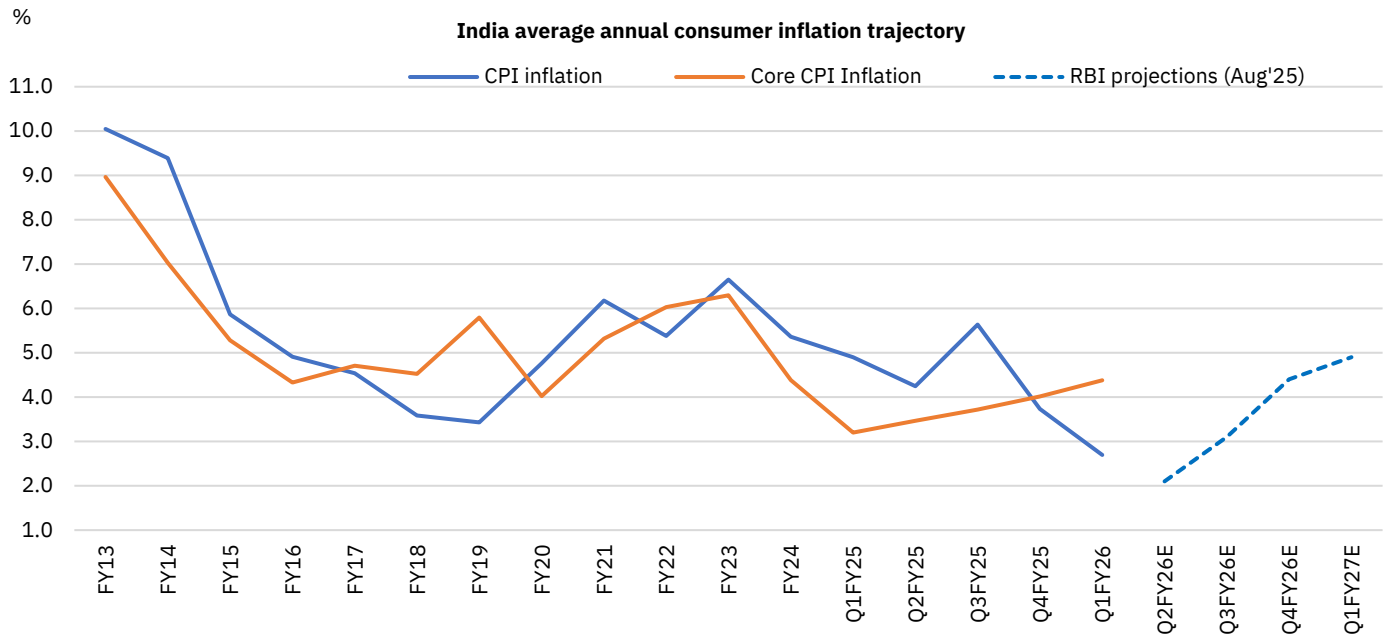
Figure 149: India vs. US policy rates and yield differential



Source: LSEG Workspace, NSE EPR.

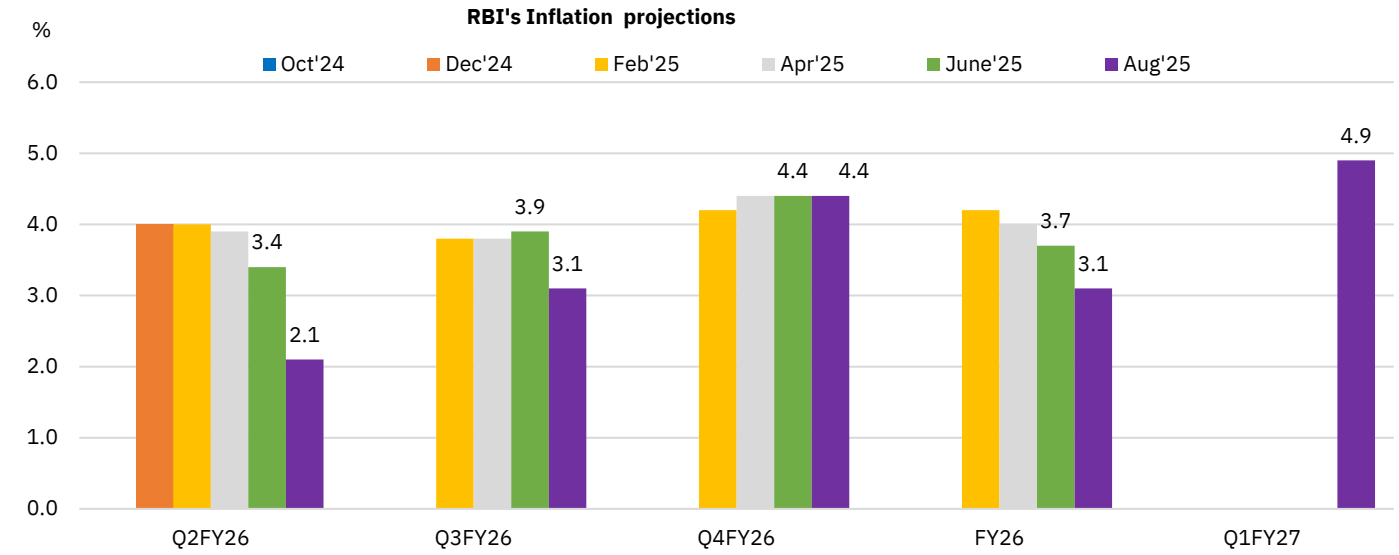
Figure 150: India's consumer inflation trajectory and RBI's forecasts

Headline inflation estimates have been revised lower by 60bps to 3.1% in FY26, largely due to a sharp downward revision of 1.3pp in Q2FY26 to 2.1% and 80bps in Q3 to 3.1%. Inflation is projected at 4.9% in Q1FY27.



Source: CMIE Economic Outlook, RBI, NSE EPR. Core inflation is calculated as CPI inflation excluding food, pan, tobacco & intoxicants and fuel & light.

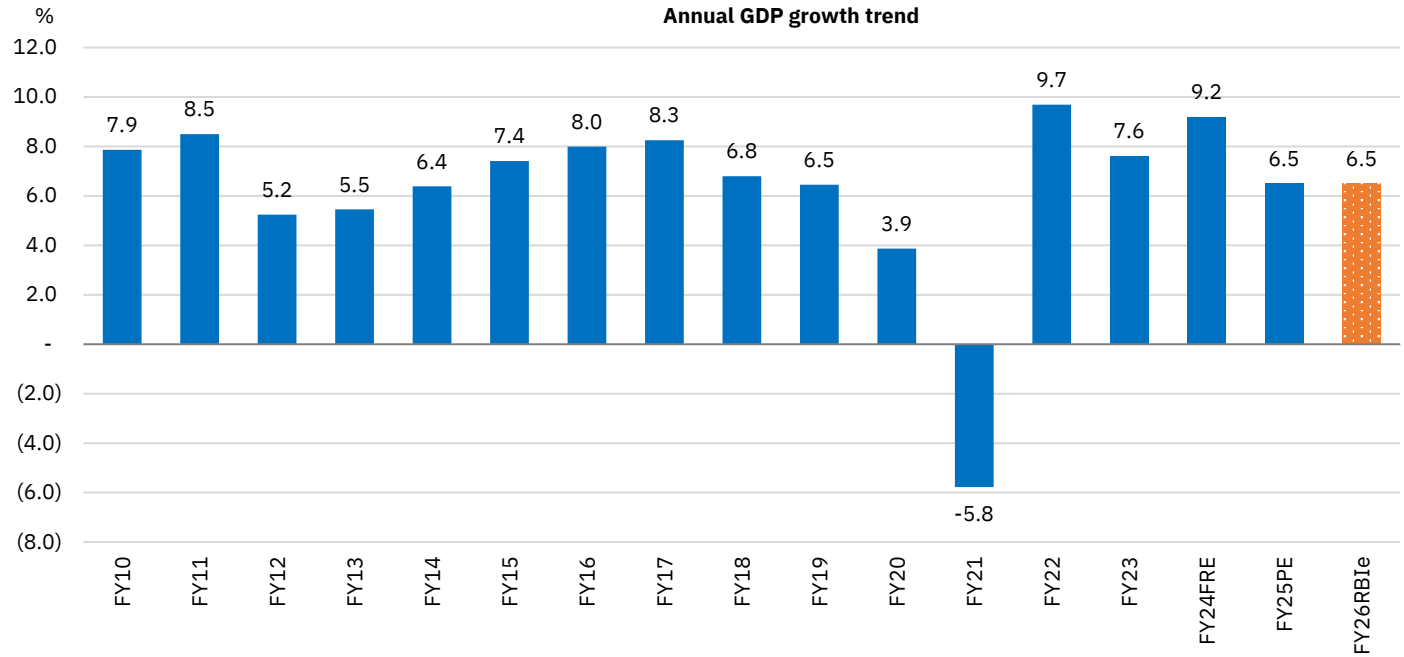
Figure 151: Quarterly and annual inflation forecasts by RBI



Source: RBI, NSE EPR.

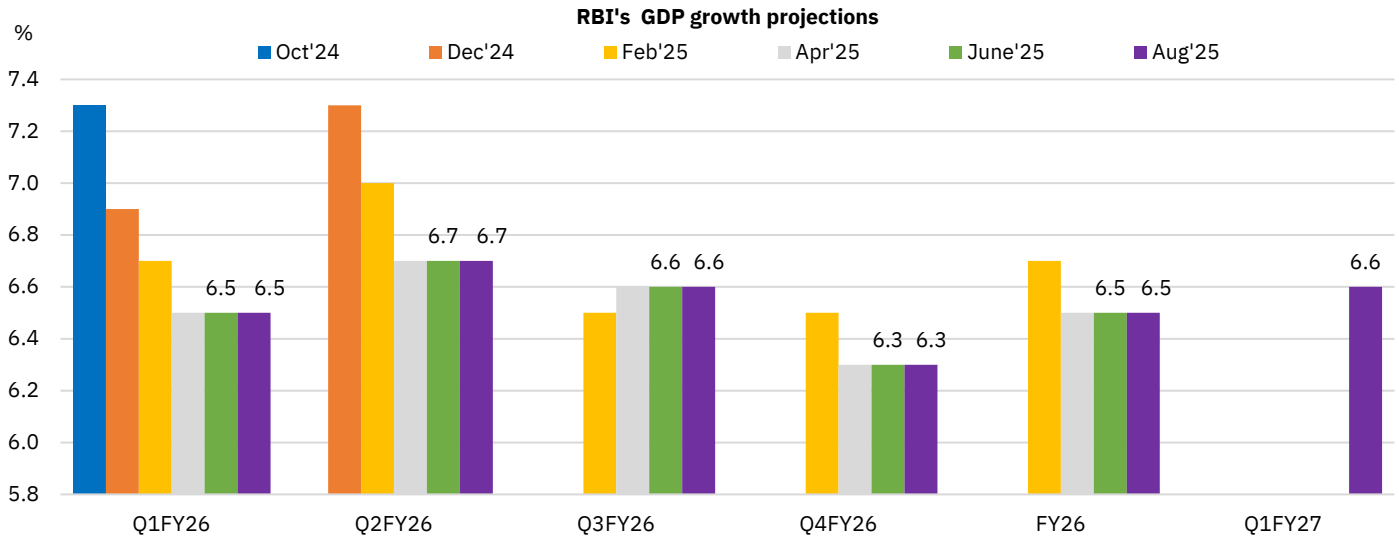
Figure 152: GDP growth trend and RBI's estimates

The GDP growth projection for the fiscal year FY26 and each four quarters of the fiscal has been unchanged from the previous meeting. RBI expects GDP growth for FY26 to be at 6.5%, same as the provisional estimates for FY25.



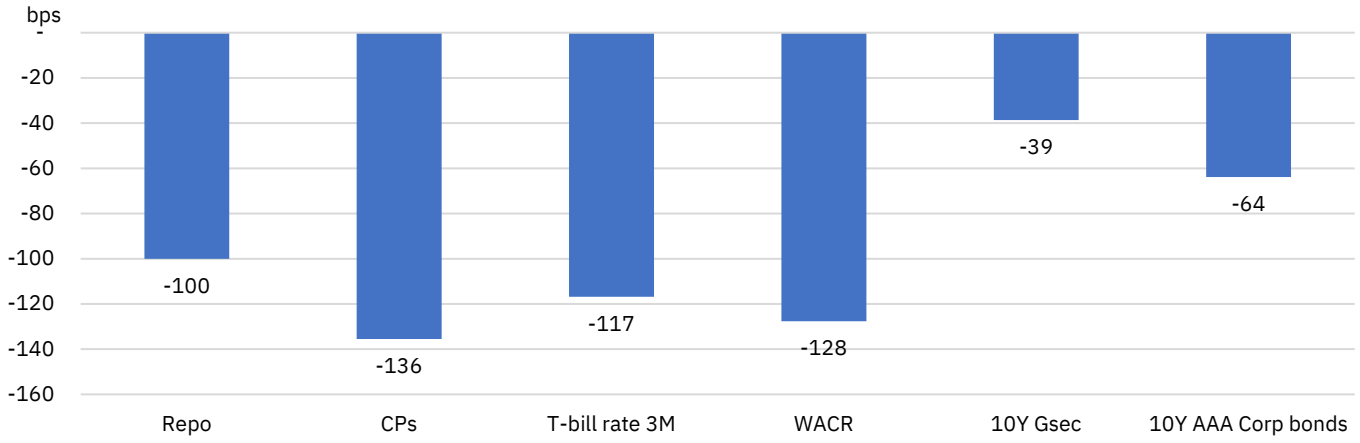
Source: CMIE Economic Outlook, RBI, NSE EPR. RBIe = RBI estimate, FE= Final Estimate, RE= Revised estimates, PE= Provisional estimates

Figure 153: RBI's quarterly and annual GDP growth forecasts



Source: RBI, NSE EPR.

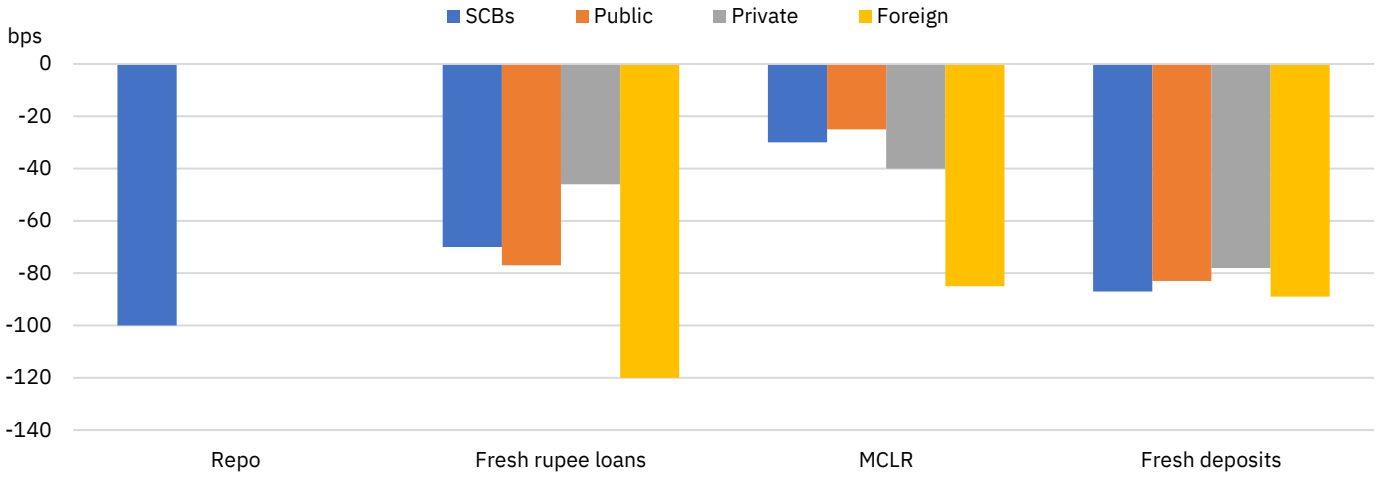
Figure 154: Change in policy and money market rates during the current cycle



Source: CMIE Economic Outlook, LSEG Workspace, NSE EPR

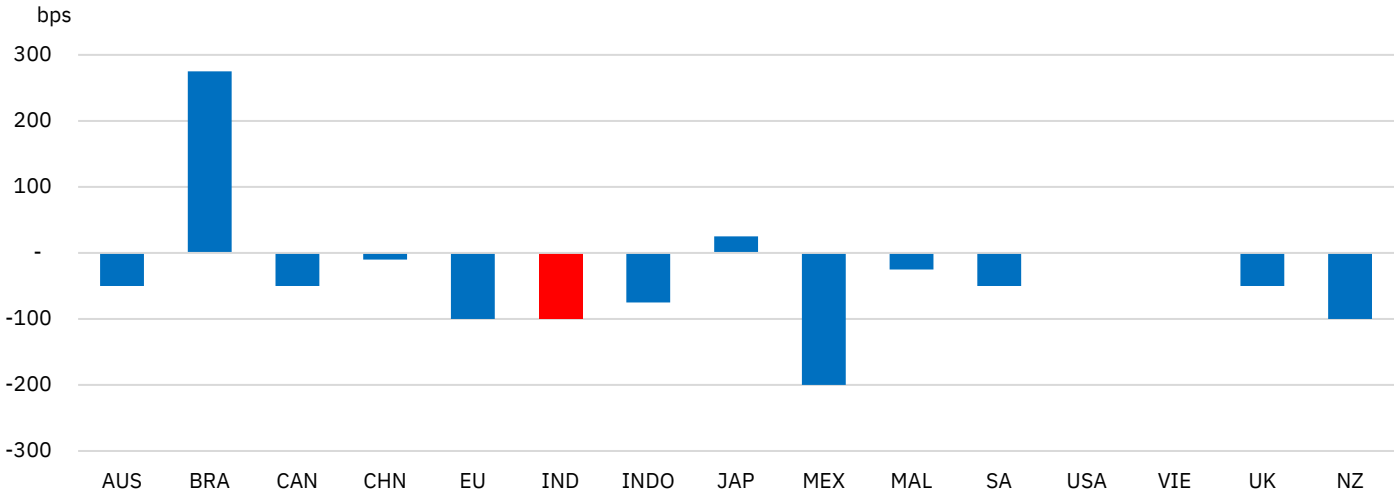
Notes: 1) The difference in the repo rate has been computed between January 31st, 2025 to August 6th, 2025. 2) In case of commercial papers (CPs), the difference is the average of the lowest and highest rate during the week ended July 25t and the average for the month of January'2025. 3) In case of T-bill rate (3M), WACR, 10Y GSec and 10Y AAA corporate bond rate, we have considered difference between the average for the week ended August 2nd and the average for month of January'2025.

Figure 155: Change in policy, lending and deposit rate during the current policy rate cycle



Source: CMIE Economic Outlook, NSE EPR. Notes: 1) The change in repo rate, fresh rupee loans, MCLR and fresh deposits is between end-Jan'25 and end-June'2025.

Figure 156: Variation in policy rates across countries since the start of 2025



Source: CEIC, LSEG Workspace, NSE EPR. Notes: 1) The variation in policy rates has been computed from the start of the calendar year till policy actions undertaken till August 6th, 2025. 2) For China, the loan prime rate for 1 year has been considered for computation 3) AUS = Australia, BRA = Brazil, CAN = Canada, CHN= China, EU = European Union, IND= India, INDO=Indonesia, JAP= Japan, MEX=Mexico, MAL=Malaysia, SA= South Africa, USA=United States of America, VIE-=Vietnam, UK=United Kingdom, NZ= New Zealand

Industrial activity: Decoding the slowdown

With the release of data for Q1FY26 (April–June 2025), a clear slowdown in the momentum of industrial activity is evident. We analyze the emerging trends to identify key drivers of the ongoing deceleration. India's industrial output, as measured by the Index of Industrial Production (IIP), recorded its slowest expansion in over three years during Q1FY26, underscoring a clear loss of momentum. Growth decelerated across mining, manufacturing, and electricity, with the mining and electricity sectors slipping into contraction. Use-based categories revealed broad-based weaknesses, particularly in primary goods and consumer non-durables, while consumer durables also moderated. The downturn was compounded by softer demand, both domestically and externally, with export-oriented industries bearing the brunt of global trade friction. Even the manufacturing sector, which accounts for more than three-fourths of the IIP index, saw output growth slow to its weakest pace in three quarters, weighed down by weakness in several high-weight sub-industries. While capital and intermediate goods-maintained resilience, they were insufficient to offset declines elsewhere, pulling overall IIP growth well below both recent and long-term averages.

Encouragingly, private capital expenditure is showing early signs of revival, supported by deleveraged corporate balance sheets, rising project announcements, and a more accommodative monetary stance from the RBI. Investment-linked segments, particularly capital goods, remain pockets of strength and could help underpin future growth if momentum sustains. Additionally, bank credit to industry, though moderating from last year's pace, remains broadly aligned with historical averages, indicating that financing availability is not a binding constraint.

Historical comparison and trend analysis

- **Industrial activity registers the weakest growth in over three years...:** India's industrial output, as measured by the Index of Industrial Production (IIP), has been on a moderating trajectory over recent quarters. With the release of data for Q1FY26 (April–June 2025), a clear slowdown in the momentum of industrial activity is evident. We analyze the emerging trends to identify key drivers of the ongoing deceleration. During the first quarter of FY26, IIP growth decelerated to 2.0% YoY, down from 4.0% YoY in the preceding quarter (Q4FY25). This marks the slowest pace of IIP growth in 13 quarters, dating back to Q4FY22.

- **...Led by a broad-based slowdown:** The deceleration was broad-based, spanning across all three major industrial segments—mining, manufacturing, and electricity—though the extent of weakness varied across sectors. The mining sector registered the steepest decline, with output contracting 3.0% YoY in Q1FY26, in sharp contrast to a 2.4% YoY expansion in Q4FY25. This was followed by a contraction in the electricity sector, which declined by 1.9% YoY, marking its first negative print since Q1FY21, when pandemic-induced disruptions were at their peak. The pullback in electricity output was particularly noteworthy given its typically stable growth trend in recent years.

  Meanwhile, the manufacturing sector, which carries the highest weight in the IIP index, also saw a meaningful moderation. Manufacturing output grew by 3.4% YoY in Q1FY26, compared to 4.2% YoY in the previous quarter. Though still positive, this represents the slowest pace of manufacturing growth in the three quarters and suggests waning demand-side support and possible supply-side constraints in select industries.

Figure 157: Quarterly YoY IIP growth trend

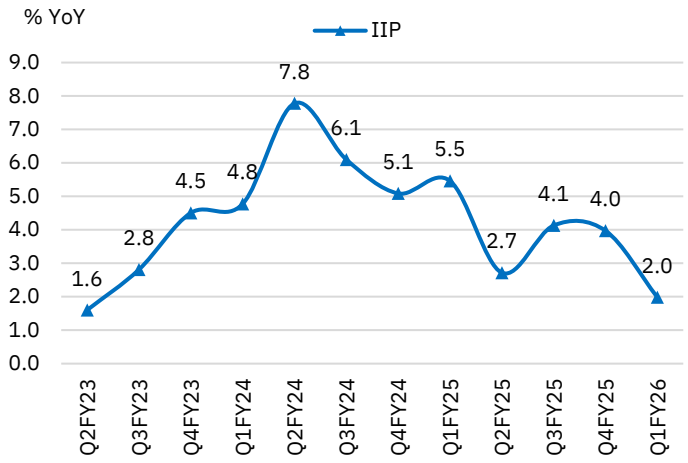
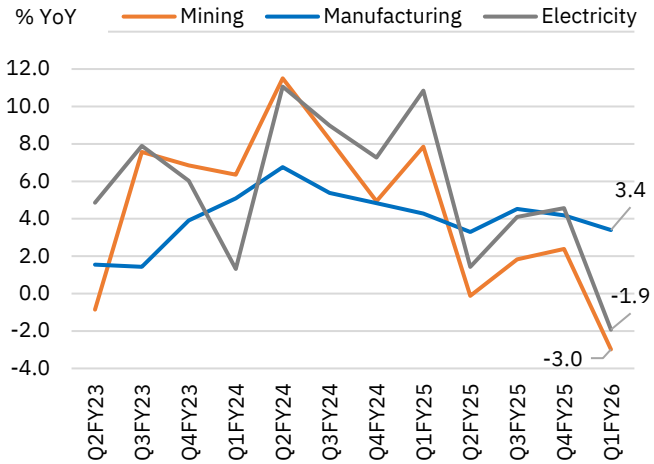


Figure 158: Quarterly trend of economic activity-wise YoY IIP growth

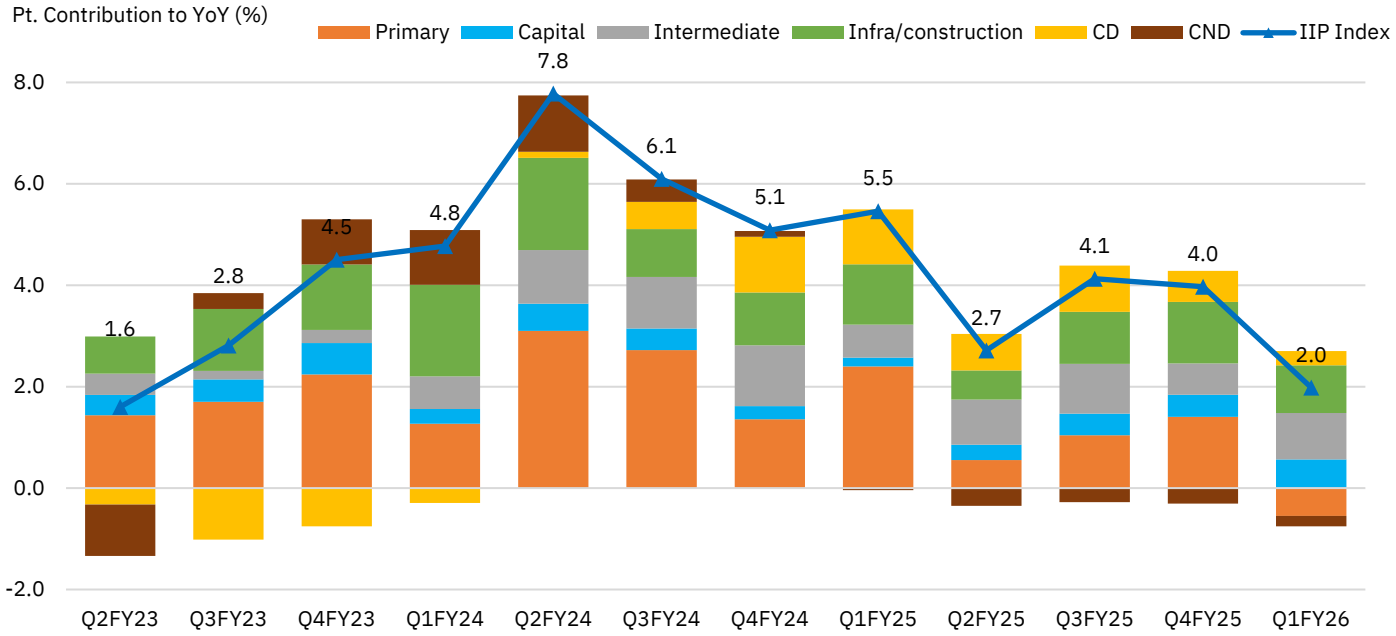


Source: CMIE Economic Outlook, NSE EPR. Note: Q1FY23 has been excluded from the analysis due to unfavorable base effect leading to high YoY growth

- **Broad-based deceleration across use-based categories, led by primary goods:** Within the use-based categories, all components, barring capital and intermediate goods, either moderated or contracted relative to the previous quarter. The sharpest decline was registered in primary goods, where output contracted 1.6% YoY in Q1FY26, a steep reversal from the 4.1% YoY growth recorded in Q4FY25. This marks the most significant slowdown in the segment since Q2FY21, when pandemic-related disruptions were still prevalent. The consumer non-durables segment continued its downward trajectory, recording its fifth consecutive quarter of contraction, and remained a drag on overall IIP growth. While consumer durables managed to post a growth of 2.6% YoY in Q1FY26, the pace of expansion moderated notably from previous quarters, reflecting softer demand.

  The infrastructure/construction goods category also weakened, with growth slowing to 6.2% YoY, down 1.8 pp from the prior quarter. Despite these headwinds, the overall deceleration was partially offset by sustained strength in capital goods and intermediate goods, both of which continued to exhibit healthy, broad-based expansion, signaling resilience in investment-linked and supply-chain-driven segments of the industrial economy.

Figure 159: Contribution to IIP growth by use-based categories



Source: CMIE Economic Outlook, NSE EPR. Note: CD= Consumer durables; CND= Consumer non- durables. Note: Q1FY23 has been excluded from the analysis due to unfavorable base effect leading to high YoY growth

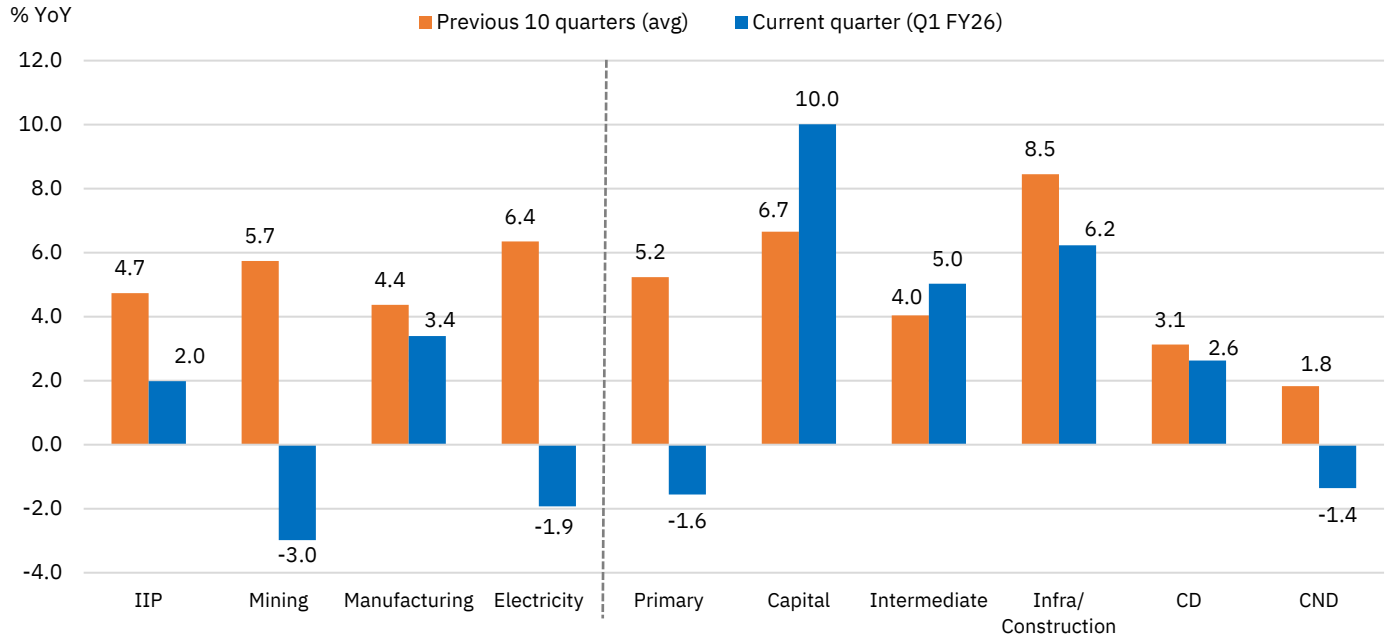
Table 34: Quarterly YoY growth of IIP and its sub-components

YoY%		Wt. (%)	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26
	IIP		**1.6**	**2.8**	**4.5**	**4.8**	**7.8**	**6.1**	**5.1**	**5.5**	**2.7**	**4.1**	**4.0**	**2.0**
Sector-based indices	Mining	14.4	-0.9	7.6	6.9	6.4	11.5	8.2	4.9	7.9	-0.1	1.8	2.4	-3.0
	Manufacturing	77.6	1.5	1.4	3.9	5.1	6.8	5.4	4.8	4.3	3.3	4.5	4.2	3.4
	Electricity	8.0	4.9	7.9	6.0	1.3	11.1	9.0	7.3	10.8	1.4	4.1	4.6	-1.9
Use-based Goods	Primary Goods	34.0	4.5	5.2	6.6	3.6	9.3	8.1	3.9	6.9	1.6	3.0	4.1	-1.6
	Capital Goods	8.2	6.9	8.2	10.5	5.1	8.8	7.5	4.1	3.0	4.9	7.4	7.0	10.0
	Intermediate Goods	17.2	2.2	0.9	1.4	3.4	5.6	5.5	6.6	3.5	4.8	5.3	3.4	5.0
	Infra/Const. Goods	12.3	5.3	8.8	9.1	13.2	12.8	6.5	7.1	8.1	3.9	7.0	8.1	6.2
	Consumer Goods	28.2	-4.6	-2.4	0.5	3.0	4.5	3.6	4.6	4.0	1.4	2.3	1.2	0.3
	Durables	12.8	-2.7	-8.9	-6.8	-2.7	1.1	5.3	11.2	10.7	6.6	9.0	5.9	2.6
	Non-durables	15.3	-5.9	1.8	5.5	6.8	7.0	2.5	0.7	-0.2	-2.2	-1.6	-2.0	-1.4

Source: CMIE Economic Outlook, NSE EPR. Note: Wt. = Weights

- **IIP growth falls below both recent and long-term averages:** Industrial output growth in Q1FY26 stands in sharp contrast to its historical trend. The 2.0%YoY expansion recorded during the quarter is well below the average growth of 4.7% in the previous 10 quarters. This also lags when compared to the long-term average growth of 3.7% (FY15-25, including pandemic period). This underperformance is reflective of a broader pattern, wherein most use-based categories, barring capital and intermediate goods, exhibited weaker growth than their respective 10-quarter averages, with several segments slipping into contraction. On a sectoral basis, the mining and electricity sectors were the principal drags on headline IIP growth. Among use-based categories, primary goods emerged as the key weak spot, amplifying the broader slowdown in industrial activity.

Figure 160: Trends in YoY growth- Q1FY26 versus previous 10 quarters



Source: CMIE Economic Outlook, NSE EPR. Note: CD= Consumer durables; CND= Consumer non- durables

- **Mining Setbacks and Consumption Headwinds Emerge:** Mining activity weakened considerably during Q1 FY26, registering a sharp decline of 3% YoY versus 5.7% in the previous 10 quarters, marking the worst performance since the pandemic period. The sharp deterioration was primarily driven by disruptions caused by early and excessive monsoon rains, which hampered both extraction and transport, especially in coal and metal ore mining. Additionally, the downturn was magnified by an unfavorable base effect from Q1FY25, when mining output had surged by nearly 8%. The mining sector's weakness exerted significant downward pressure on the overall IIP as well as on the primary goods category.

  A notable trend emerging from historical data is the simultaneous weakness in both consumer durables and non-durables, observed in Q1FY26. This marks the first instance of concurrent contraction in both segments since Q1FY23, a period still influenced by the aftereffects of the pandemic. The development raises concerns over the underlying strength of domestic consumption. While the progression of the monsoon season could potentially support a recovery in rural demand in the coming quarters, the market expectations for urban consumption remain subdued. Coupled with continued softness in external trade, the persistence of domestic demand weakness could weigh on overall economic momentum in FY26.

Figure 161: Eight core sector index: Coal production

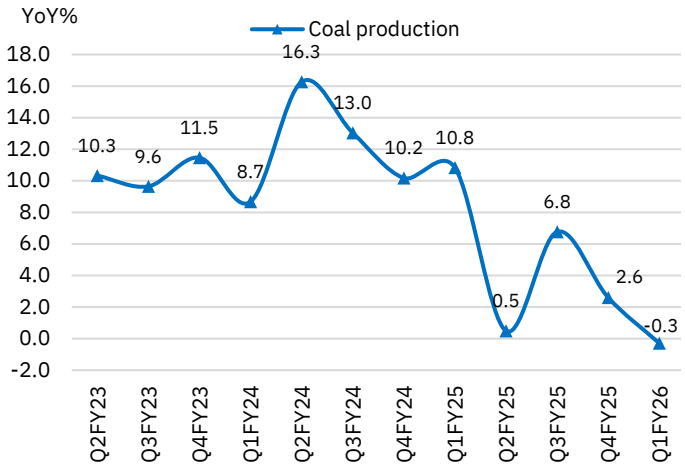
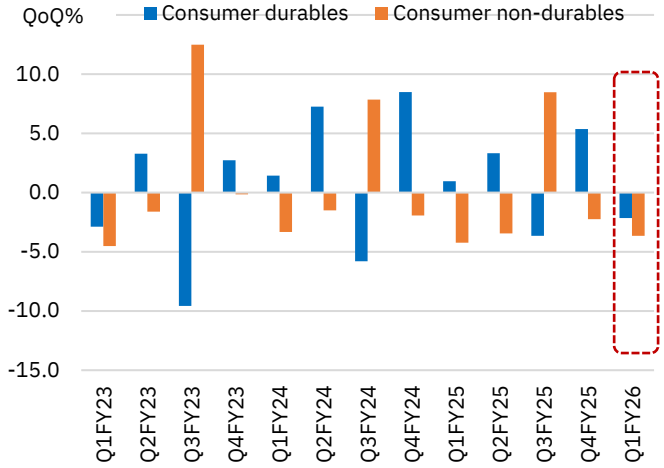


Figure 162: IIP: Consumer durables vs. non-durables



Source: CMIE Economic Outlook, NSE EPR. Note: Q1FY23 has been excluded from the analysis due to unfavorable base effect leading to high YoY growth

Global comparisons

- **Divergence between developed economies and emerging markets:** Since early 2025, global headwinds, including geopolitical unrest in the Middle East and the reciprocal trade tariffs initiated by the United States from April onward, has weighed heavily on global economic activity, particularly industrial production. Trade-related frictions, tightening supply chains, and subdued external demand have dampened industrial momentum across most major economies, with emerging markets disproportionately affected.

  For countries like Mexico, the heavy reliance on the US as a trading partner has left their industrial sectors highly exposed to shifts in US trade policy. The imposition of tariffs further amplified the external drag already confronting countries like India, compounding the impact of domestic headwinds.

  In contrast, developed economies such as the US responded to the tariff-related uncertainty by front-loading production activity. Anticipating higher duties on key imports—particularly auto components and electric vehicles from China—several manufacturers ramped up domestic output and accelerated inventory accumulation. As a result, US industrial production witnessed a temporary surge in Q2 2025, led by increased manufacturing activity.

Figure 163: IIP Index: Emerging market economies

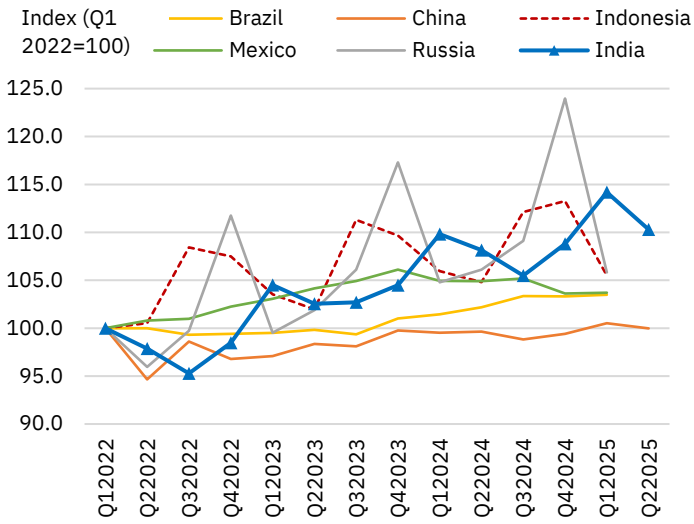
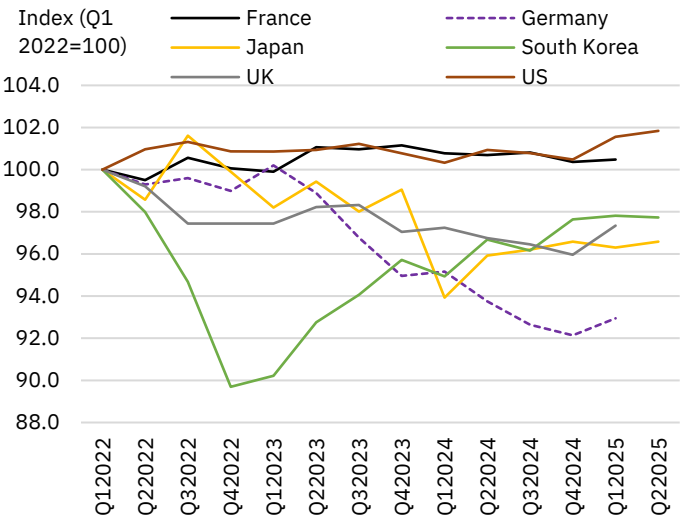


Figure 164: IIP Index: Developed economies



Source: LSEG Workspace, NSE EPR. All countries except India are seasonally adjusted series.

Sector-wise trends

- **Moderation in manufacturing sector growth:** The manufacturing sector recorded a moderation in growth to 3.4% YoY in Q1FY26, down from 4.2% YoY in the preceding quarter. While growth remained in positive territory, this marked the slowest expansion in the three quarters. Within manufacturing, 12 out of 23 industries, which collectively hold a ~55% weight in the IIP, experienced slower growth in Q1FY26 compared to the previous quarter. Of these, eight industries, with a combined weight of 26%, reported negative YoY growth, limiting the growth in overall manufacturing output. Some industries — electrical equipment (9.2% YoY), motor vehicles (8.9% YoY) and basic metals (8% YoY) – highest weight among the sub-industrial classification – registered robust growth, highlighting pockets of strength amidst the broader manufacturing slowdown.

  Upon comparing with the growth in the previous 10 quarters, wearing apparel emerged as the strongest performer, contributing 16.6 percentage points to cumulative manufacturing IIP growth, followed by tobacco products (10.1 ppt) and machinery & equipment (9.9 ppt). Conversely, chemicals and chemical products (-3.9% YoY in Q1FY26), pharmaceuticals (-1.4% YoY), and coke and refined petroleum products (+1.0% YoY) were the key drags. A deeper analysis showed that much of the weakness stemmed from export-oriented industries, indicating softer international demand due to tariffs.

Figure 165: Best and worst performers in manufacturing IIP in Q1FY26

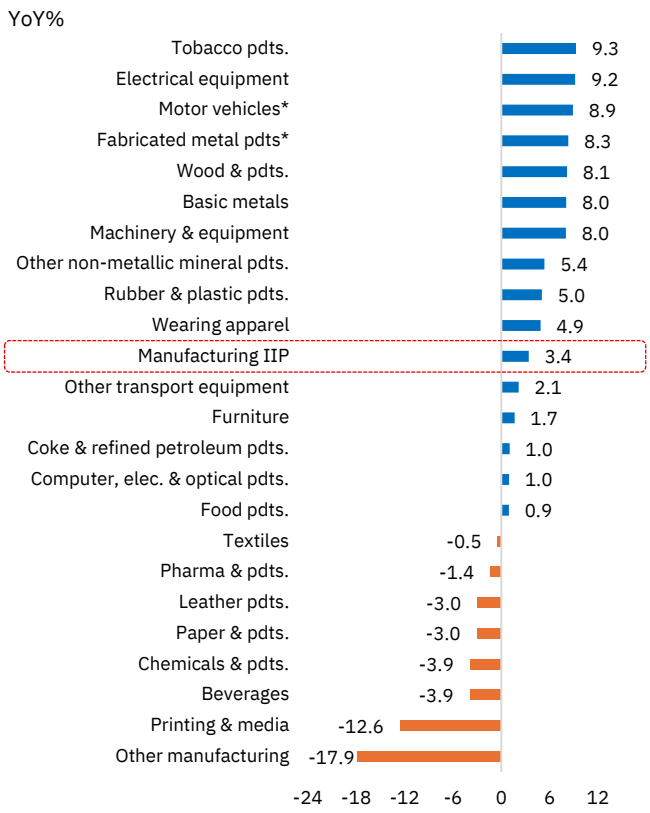
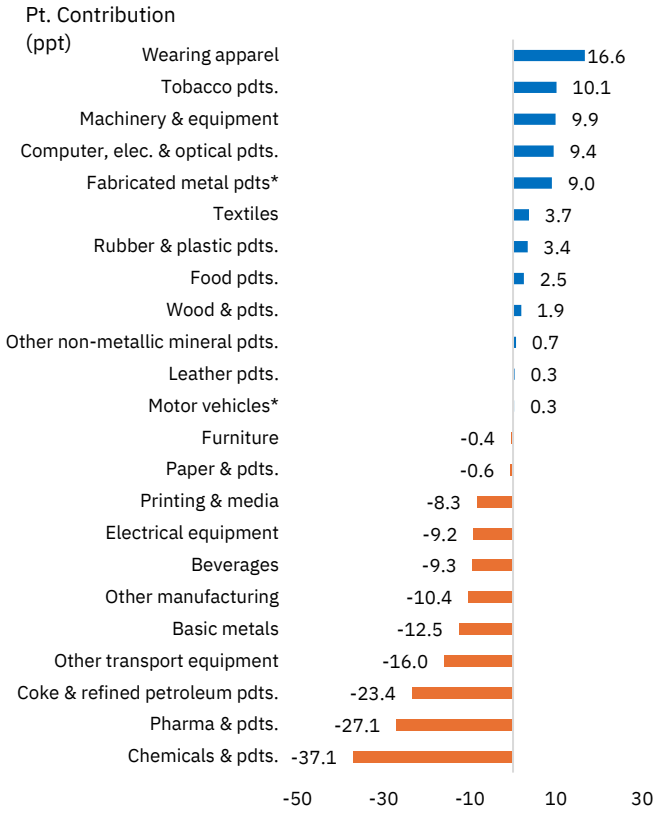


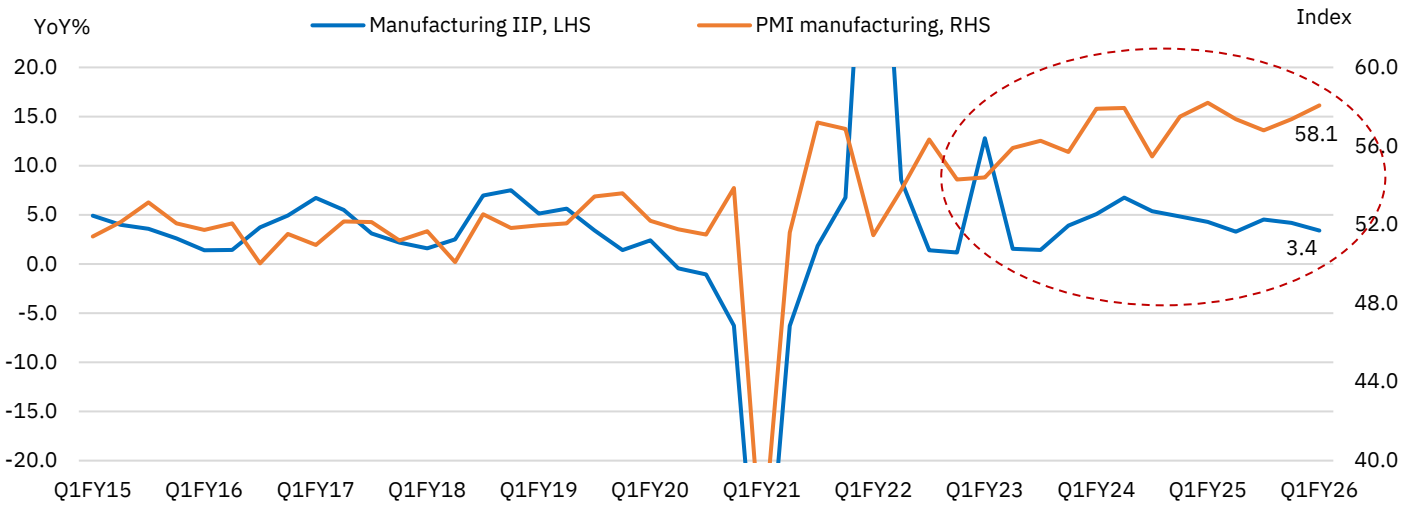
Figure 166: Best and worst performers in manufacturing in Q1FY26 vs. previous 10 quarters



Source: CMIE Economic Outlook, NSE EPR. Note: 1) Manufacture of fabricated metal products excluding machinery and equipment. 2) pdts means products, 3) Motor vehicles include trailers and semi-trailers as well, 4) elec. means electronics

- **Growing Divergence between PMI and IIP:** Despite a relatively resilient performance in the PMI manufacturing index, which remained in the expansion territory at 58.1 in Q1FY26, the manufacturing IIP growth moderated, reflecting a clear divergence between sentiment and actual output. This gap, visible in recent quarters, may be pointing to underlying softness in industrial activity, even as business optimism remains elevated.

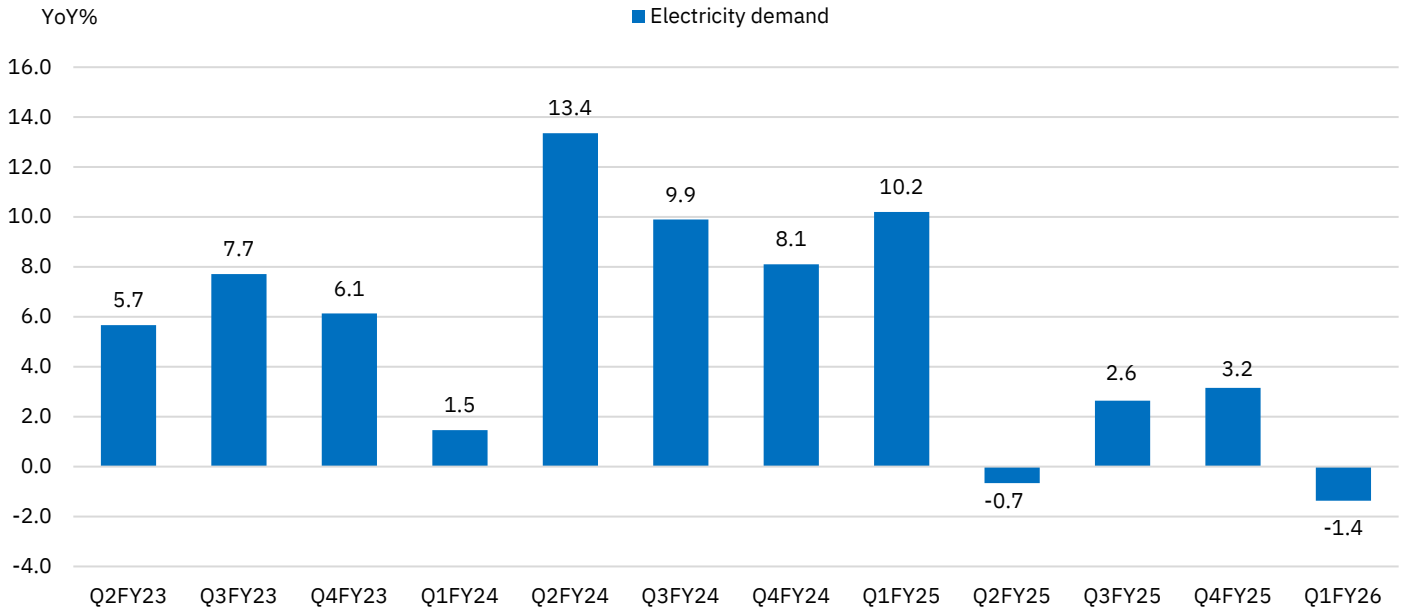
Figure 167: IIP: Sectoral trends in YoY growth



Source: CMIE Economic Outlook, NSE EPR.

- **Electricity output contracted for the first time since FY21:** Electricity generation declined by 1.9% YoY in Q1FY26, marking the sector's first contraction since FY21. The downturn was primarily driven by a reduction in overall electricity demand, influenced by the early arrival of the southwest monsoon, which tempered seasonal power consumption. Additionally, slowing industrial activity, particularly in energy-intensive sectors such as chemicals and pharmaceuticals, further weighed on electricity usage. Industrial and commercial consumers collectively account for nearly 50% of India's total electricity consumption.

Figure 168: Electricity Demand at all-India level



Source: CMIE Economic Outlook, NSE EPR.

- **Auto segment drags consumer durables:** Within the consumer durables segment, the top ten components collectively account for ~60% of the weight in the IIP. Notably, this includes two-wheelers (weight: 1.4) and passenger cars (weight: 0.4)–both of which were key contributors to the slowdown in consumer durables output in Q1FY26, along with gold jewellery. Two-wheeler production growth slowed sharply to 0.7% YoY in Q1FY26, a significant drop from the previous 10-quarter average of 8.9%, while passenger car output contracted by 5.9% YoY, marking the ninth consecutive contraction. The weakness in both segments was primarily driven by softening domestic demand, even as export volumes remained relatively stable, highlighting persistent pressure on discretionary spending in the domestic market.

Figure 169: Two wheelers: production and sales

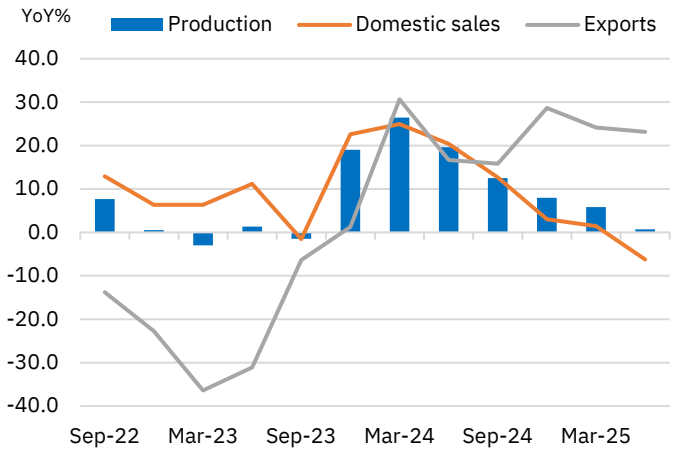
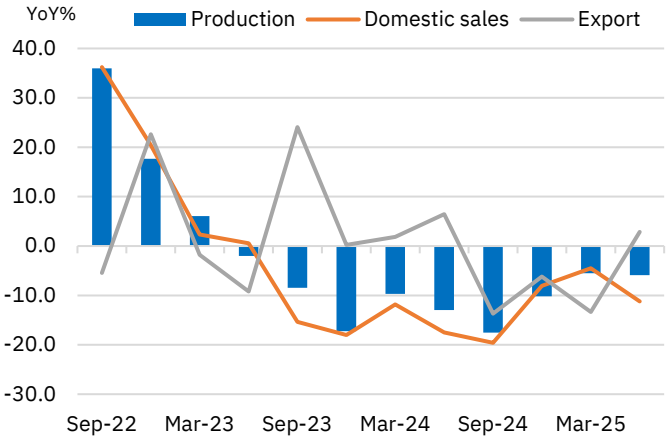


Figure 170: Passenger cars: production and sales



Source: CMIE Economic Outlook, NSE EPR

Private capital expenditure

- **Green shoots in private capex in FY26 despite lingering headwinds:** After a prolonged period of weakness, private capital expenditure is showing tentative signs of recovery in FY26, despite ongoing macroeconomic headwinds. While the revival appears gradual, the latest data points to an emerging upturn in the investment cycle. On a four-quarter rolling basis, private capex across industries rose by 37% in Q1FY26 – the strongest growth recorded in the past six quarters. This comes after a steady deceleration in private capex through FY24, suggesting that the post-pandemic investment rebound was short-lived. Deleveraged corporate balance sheets, along with improving cash flows from operations point towards favorable conditions for an upturn in the private capex cycle. In addition, recent policy rate cuts by the RBI are expected to further ease financing conditions and bolster investment sentiment. The manufacturing sector also witnessed a resurgence in project announcements. New investment proposals grew by 26% YoY in Q1FY26. However, the sustainability of this momentum remains uncertain amid persistent global supply chain disruptions, geopolitical uncertainties, and softness in urban demand, all of which could act as constraints on broader capacity expansion in the near term.

Figure 171: Project announcements: All industries

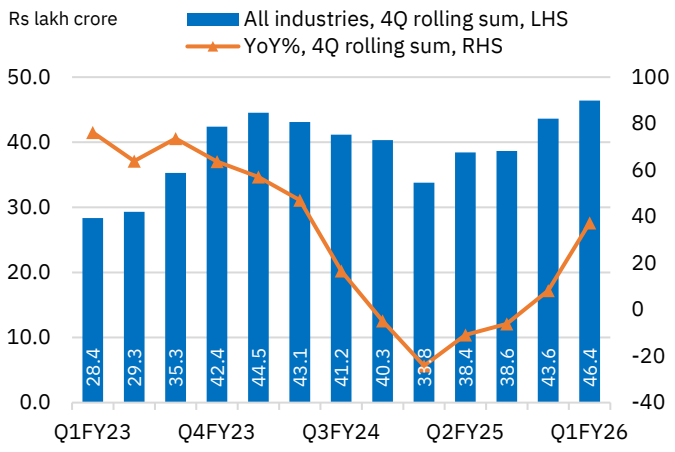
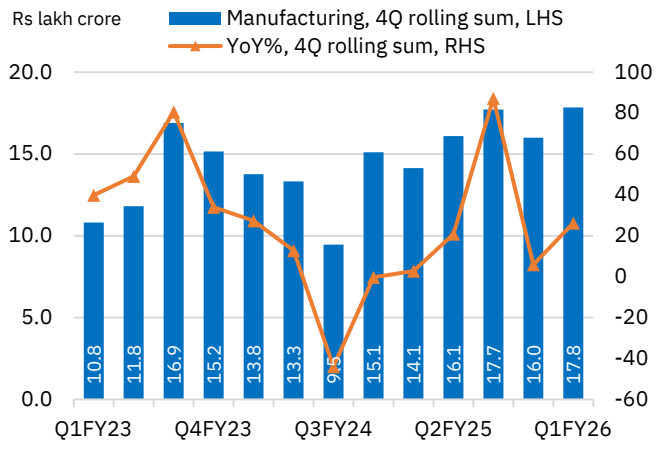


Figure 172: Project announcements: Manufacturing



Source: CMIE Economic Outlook, NSE EPR

Bank credit to industry

- **Bank credit to industry, though moderating, remains broadly aligned with historical averages:** Bank credit to the industrial sector expanded by 5.5% YoY in June 2025, marking a slowdown from the 7.8% growth recorded in FY25. The deceleration was observed across both medium and large industries, while credit to micro and small enterprises picked up. Nonetheless, the overall pace of industrial credit growth remained broadly in line with the 10-year historical average, when excluding the pandemic-affected years of FY21 and FY22.

Table 35: Bank credit to industry

Outstanding bank credit	YoY%								Share in total bank credit (June-25)
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	June-25	
Industry	**5.1**	**3.9**	**2.9**	**4.9**	**5.8**	**8.5**	**7.8**	**5.5**	**21%**
Micro & small	-0.4	8.5	13.2	22.8	13.1	14.7	9.0	19.3	5%
Medium	-2.8	7.7	43.7	53.1	12.3	13.3	18.6	13.1	2%
Large	6.4	3.0	-0.6	-1.6	3.5	6.4	6.2	0.8	15%
Mining and quarrying (incl. coal)			0.1	10.8	19.6	-10.1	4.8	2.4	0%
Food processing			15.5	3.2	5.7	14.9	5.1	8.1	1%
Beverages and tobacco			1.9	0.6	28.7	30.9	14.1	13.5	0%
Textiles			10.6	4.9	2.7	11.2	8.3	8.6	2%
Leather and leather products			7.9	5.2	0.6	5.4	3.1	4.6	0%
Wood and wood products			15.2	10.5	22.3	12.4	16.7	16.9	0%
Paper and paper products			24.7	2.9	5.8	4.9	13.8	10.8	0%
Petroleum, coal products, and nuclear fuels			-0.5	33.7	40.4	-11.4	16.5	3.0	1%
Chemical and chemical products			-1.9	4.1	10.3	11.3	7.4	6.3	1%
Rubber, plastic and their products			14.3	27.9	9.4	7.6	14.4	15.4	1%
Glasses and glassware			12.0	-6.4	34.0	26.3	11.2	7.3	0%
Cement and cement products			-3.5	-17.5	19.4	2.9	0.0	-2.3	0%
Basic metal and metal products			-6.8	-8.4	19.8	12.2	12.8	11.0	2%
Engineering			-0.5	4.9	4.8	10.5	22.1	22.3	1%
Vehicles, vehicle parts, transport equipment			5.6	1.0	5.9	11.4	5.2	7.0	1%
Gems and jewelry			20.6	2.3	-4.3	8.0	1.0	5.7	0%
Construction			-1.4	-5.1	4.5	6.9	12.9	10.0	1%
Infrastructure			3.1	8.5	0.9	6.6	1.4	-0.5	7%
Other industries			0.8	4.9	-7.5	18.4	17.3	3.0	2%

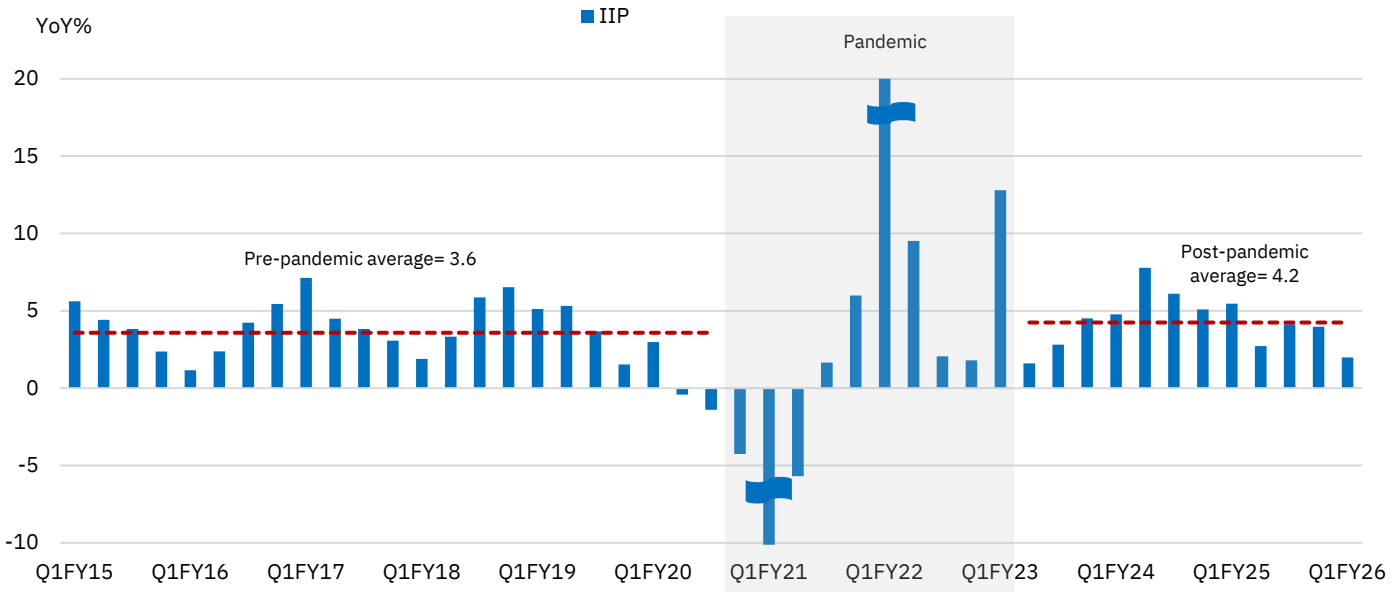
Source: CMIE Economic Outlook, NSE EPR

Pre- vs. post-pandemic recovery patterns

- **Post-pandemic IIP growth has seen a modest improvement:** IIP growth has shown a modest improvement post-pandemic, averaging 4.2% during Q2FY23 to Q1FY26, outpacing the 3.6% average growth in the pre-pandemic period (Q1FY15-Q3FY20). The recovery has been broad-based, though marked by sectoral divergence. The gains have been pronounced in capital goods (7% vs. 0.6% pre-pandemic) and infra/construction goods (8% vs. 4.1%) reflecting the Government's thrust on investment and infrastructure spending. Growth improvement was also observed in the mining and manufacturing sectors. However, growth has moderated in electricity and consumer-driven segments viz. durables and non-durables. Growth in consumer durables has eased to 2.6% (vs. 3.9% pre-pandemic) while consumer non-durables has witnessed a deceleration

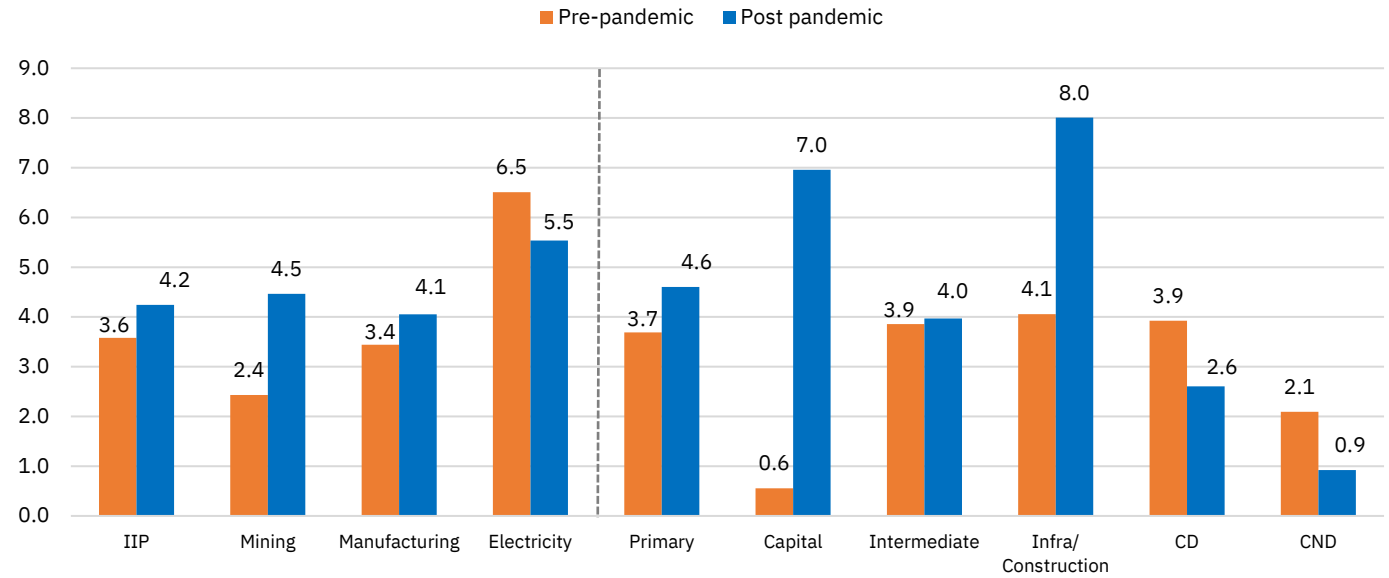
from 2.1% pre-pandemic to 0.9%, suggesting weaker momentum in household consumption demand.

Figure 173: Trends in YoY growth of IIP



Source: CMIE Economic Outlook, NSE EPR. Note: Pre-pandemic period corresponds to Q1FY15-Q3FY20. Post-pandemic period corresponds to Q2FY23-Q1FY26. Q1FY23 has been excluded from the analysis due to unfavorable base effect leading to high YoY growth.

Figure 174: IIP: Sectoral trends in YoY growth



Source: CMIE Economic Outlook, NSE EPR. Note: CD= Consumer durables; CND= Consumer non- durables. Pre-pandemic period corresponds to Q1FY15-Q3FY20. Post-pandemic period corresponds to Q2FY23-Q1FY26. Q1FY23 has been excluded from the analysis due to unfavorable base effect leading to high YoY growth.

Union finances: Fiscal deficit widens as the Centre front-loads capital spending

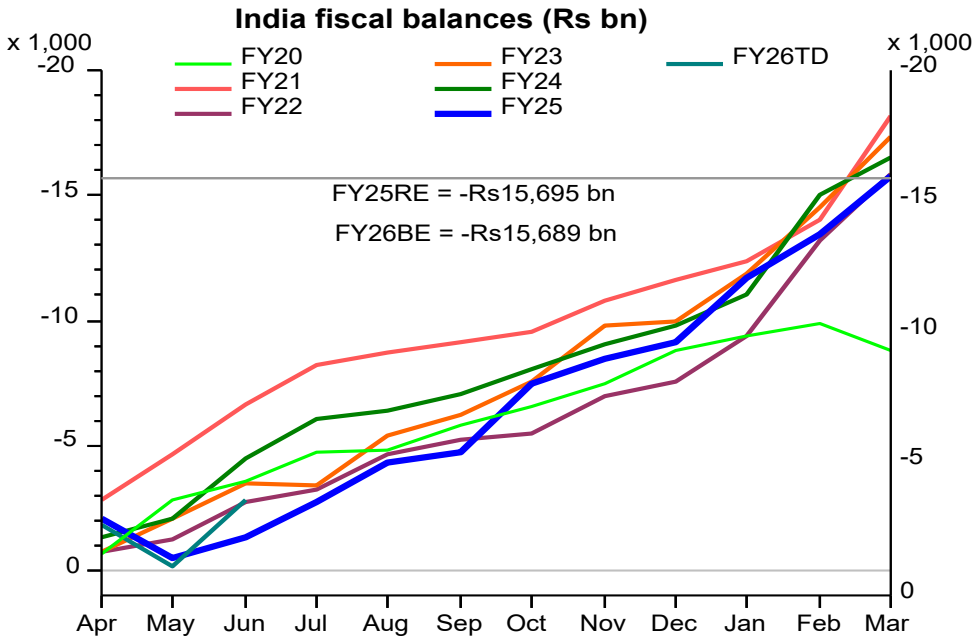
The fiscal deficit in the first quarter of FY26 widened significantly to Rs 2.8 lakh crore, nearly doubling from Rs 1.4 lakh crore in the same period last year, and reaching 17.9% of the full-year budget estimate. This sharp increase was driven by subdued growth in gross tax revenues (+4.6% YoY) and a strong surge in capital expenditure (+52% YoY), reflecting the government's continued emphasis on infrastructure-led growth. Total receipts rose to Rs 9.4 lakh crore, supported by resilient indirect tax collections and buoyant non-tax revenues, including a substantial Rs 2.7 lakh crore dividend from the RBI, along with additional dividends from public sector undertakings. However, direct tax collections remained soft, weighed down by tax reliefs announced for the individuals in the Union Budget coupled with higher tax refunds. On the expenditure side, spending accelerated to Rs 12.2 lakh crore, led by front-loaded capex and elevated revenue expenditure, particularly interest payments and fertilizer subsidies. Transfers to states also maintained a robust pace through higher tax devolution. Despite the spike in the first-quarter deficit, the government remains committed to fiscal consolidation, targeting a deficit of 4.4% of GDP for FY26. The early capex push is also expected to support investment demand and GDP growth, although risks from global trade tensions and geopolitical uncertainties could pose some challenges on the fiscal front.

- **Non-tax revenues drive receipts amid softer direct tax growth:** In the first quarter of the fiscal, total receipts stood at Rs 9.4 lakh crore (+12.9% YoY), accounting for around 27% of the budget estimates (vs. 26% during the corresponding period last year).[19] This growth was primarily driven by a surge in indirect tax collections (+11.3% YoY) and buoyant non-tax revenues (+33.2% YoY). Indirect tax growth was led by robust GST collections, followed by excise duties. In contrast, direct taxes, which constitute nearly three-fifth of the gross tax revenues, moderated (-0.8% YoY), weighed down by both personal income tax (-0.5% YoY) and corporate tax (-1.2% YoY), partly due to tax reliefs announced for the individuals in the Union Budget, sharp jump in direct tax refunds and a tepid earnings season. On the non-tax revenue front, other revenue streams posted remarkable growth (+63.9% YoY), alongside significant increases in dividends and profits (+25.6% YoY), supported by Rs 2.7 lakh crore from the RBI coupled with additional dividends from other public sector undertakings. Meanwhile, transfers to states surged to Rs 3.3 lakh crore (+17% YoY) as tax devolution accelerated compared to a year earlier.
- **Capex front-loading and rising revex growth propel total expenditure:** In Q1FY26, total expenditure stood at Rs 12.2 lakh crore, registering a substantial increase (+26% YoY), driven by notable growth across both revenue and capital expenditure components. Revenue expenditure rose to Rs 9.5 lakh crore (+20% YoY), primarily due to a sharp rise in interest payments (+46.2% YoY). This was partially offset by a moderation in major subsidies, except for fertilizer outlays, which saw a significant uptick (+47.4% YoY) owing to rising global prices of a widely used imported fertilizer, prompting the Government to raise the per-unit subsidy. On the capital expenditure side, spending increased to Rs 2.7 lakh crore (+52% YoY), supported by a favourable base effect due to last year's general elections and front-loading in the first quarter. That said, it remains slightly lower than Q1FY24 levels. Nevertheless, the sharp rise in early capital spending has bolstered investment activity, offering a positive signal for GDP growth during the quarter.

[19] Total receipts defined here is the sum of the revenue receipts and the non-debt capital receipts

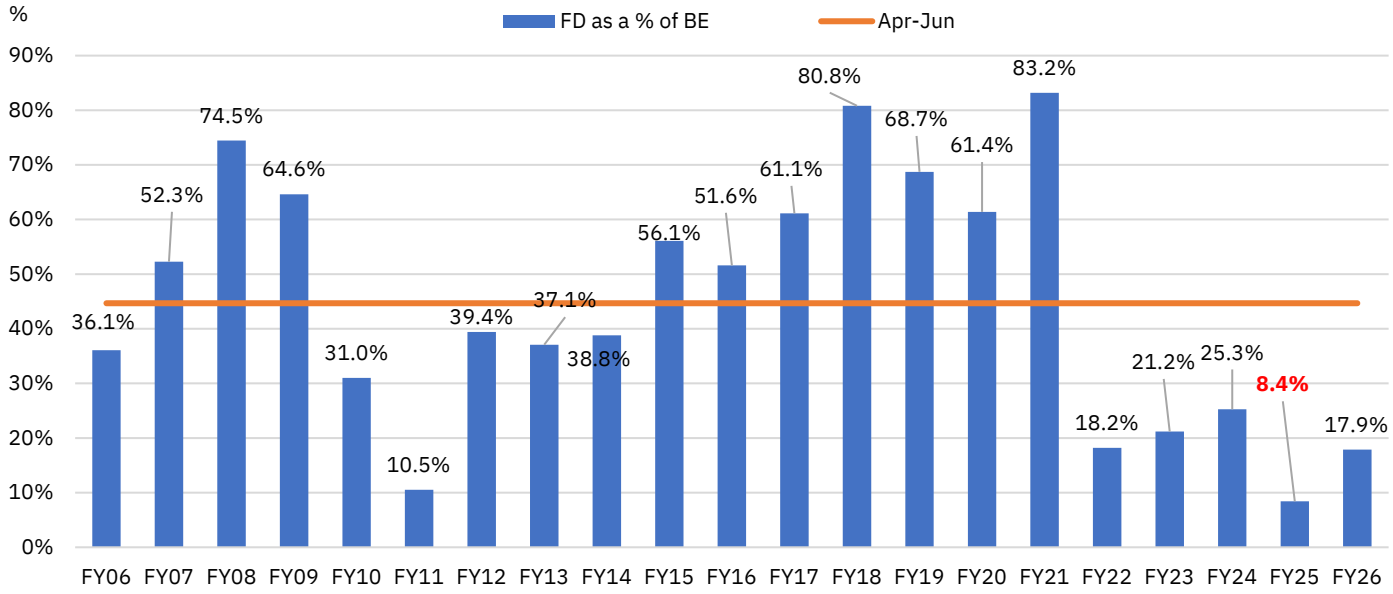
- **Rising outlays and soft collections widen fiscal deficit:** The cumulative fiscal deficit of the Union in Q1FY26 witnessed a substantial rise (+106.9% YoY), more than doubling from Rs 1.4 lakh crore to Rs 2.8 lakh crore (17.9% of FY26BE vs 8.4% of FY25BE). Despite a substantial dividend transfer from the RBI and buoyant non-tax receipts, the gap between total revenue receipts and expenditure widened due to a fall in direct tax collections and a surge in expenditure driven by front-loading of capex and rising interest payments in the first quarter. The fiscal deficit for the year is budgeted at 4.4% of GDP, with the Union committed to fiscal consolidation going forward amid global headwinds.

Figure 175: Yearly trend of India's fiscal balances



Source: LSEG Workspace, NSE EPR.

Figure 176: Gross fiscal deficit as % of budget targets during April-Jun



Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 177: Centre's gross fiscal trend (% GDP)

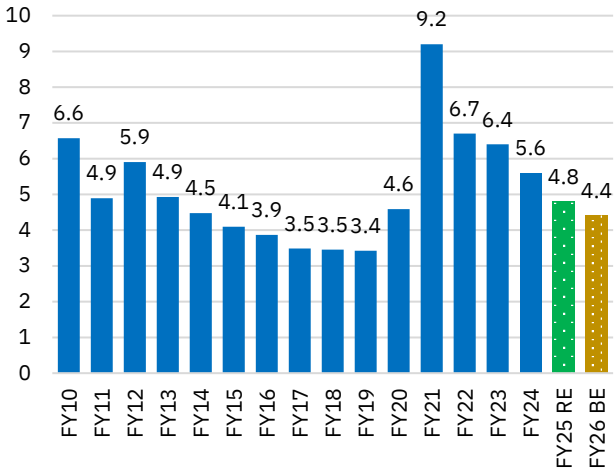
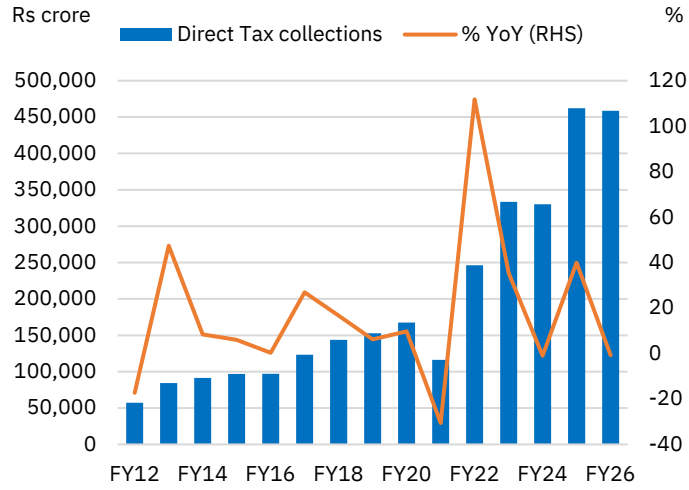


Table 36: Centre's fiscal balance snapshot

Rs crore	FY24	FY25PA	% YoY	FY26BE	% YoY
Net tax rev	23,27,250	24,98,885	9.9%	28,37,409	13.5%
Non-tax rev	4,01,785	5,37,544	32.2%	5,83,000	8.5%
Non-debt cap rec.	59,767	41,818	-1.3%	76,000	81.7%
Total receipts	**27,88,803**	**46,55,517**	**12.8%**	**34,96,409**	**-24.9%**
Revenue Exp	34,94,036	36,03,510	5.8%	39,44,255	9.5%
Capital Exp	9,49,195	10,52,007	7.3%	11,21,090	6.6%
Total exp.	**44,43,447**	**46,55,517**	**6.1%**	**50,65,345**	**8.8%**
Fiscal deficit	**16,54,644**	**15,77,270**	**-5.1%**	**15,68,936**	**-0.5%**
GDP	**2,95,35,667**	**3,24,11,406**	**9.7%**	**3,56,97,923**	**10.1%**
% of GDP	**5.6**	**4.8**		**4.4**	

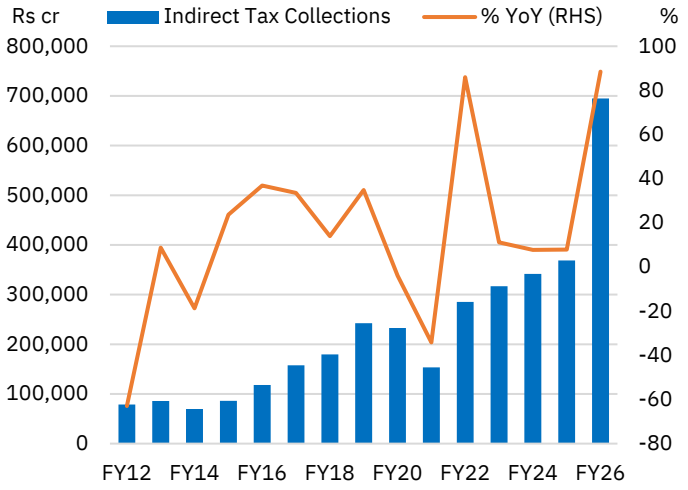
Source: CMIE Economic Outlook, CGA, NSE EPR. BE = Budget Estimates, PA = Provisional actuals; Note: 1) % YoY growth in FY26BE is over the provisional actuals of FY25

Figure 178: Direct tax collections during Apr-Jun 2025



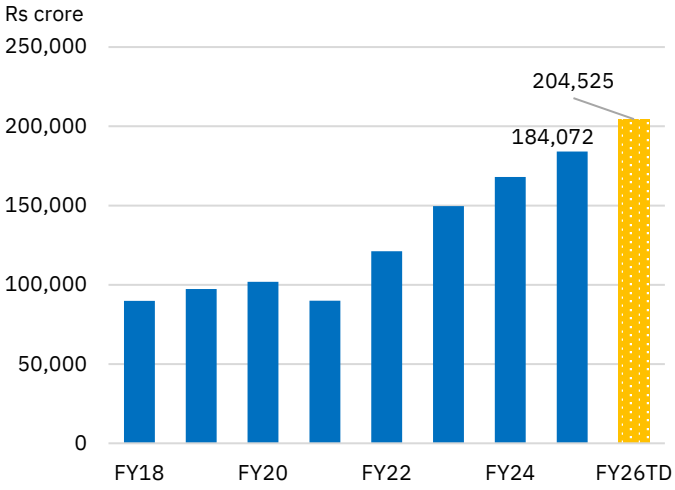
Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 179: Indirect tax collections during Apr-Jun 2025



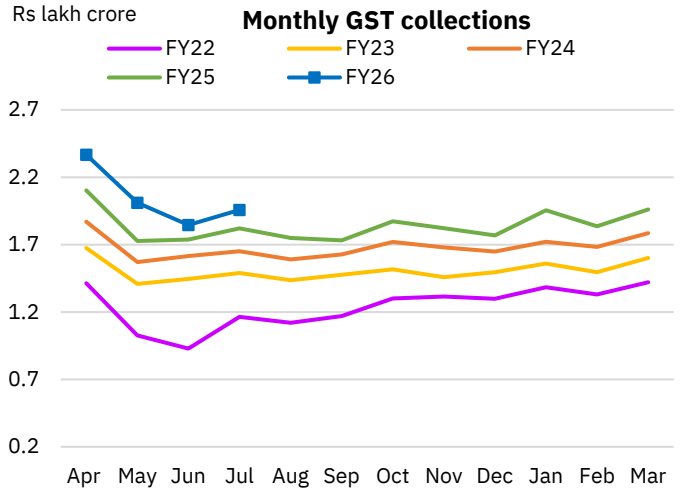
Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 180: Average monthly GST collections*



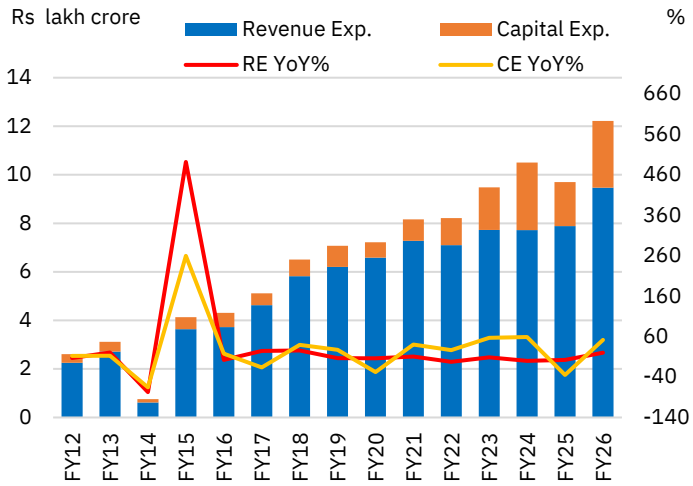
Source: CMIE Economic Outlook, CGA, PIB, NSE EPR.
Data for FY26TD is for the period Apr'25 to Jun'25.

Figure 181: Monthly GST collections trend



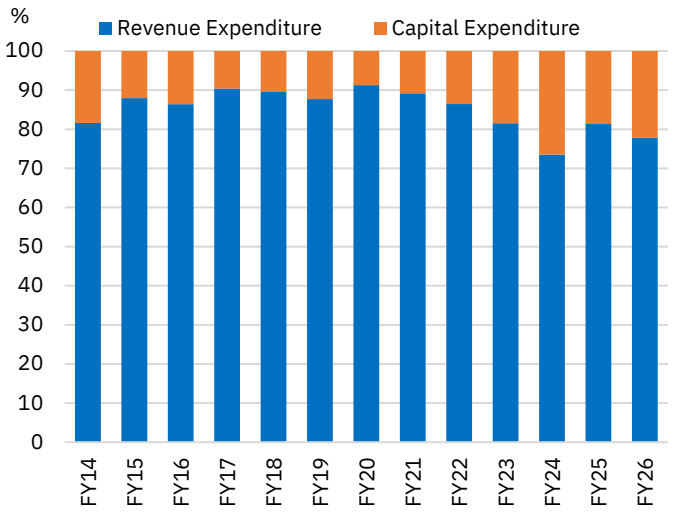
Source: CMIE Economic Outlook, NSE EPR.

Figure 182: Revenue and capital expenditure during Apr-Jun period



Source: CMIE Economic Outlook, CGA, PIB, NSE EPR.
Data for FY26TD is for the period Apr'25 to Jun'25.

Figure 183: Expenditure mix during Apr-Jun period



Source: CMIE Economic Outlook, NSE EPR.

Table 37: A snapshot of government finances (Apr-Jun FY26)

Items	Q1 FY25	Q1 FY26		Utilisation rate	
	Rs lakh crore	Rs lakh crore	% YoY	Q1FY25	Q1FY26
Net tax revenues	**5.5**	**5.4**	**-2%**	21.3%	**19.0%**
Gross tax revenues	**8.3**	**8.7**	**5%**	**21.6%**	**20.4%**
Of which:					
Direct Tax	4.6	4.6	-1%	**20.9%**	**18.2%**
Corporation tax	1.7	1.7	-1%	17.1%	16.0%
Income tax	2.9	2.9	-1%	24.2%	19.9%
Indirect Tax	**3.7**	**4.1**	**11%**	**22.6%**	**23.5%**
Goods and service tax	2.6	3.0	16%	24.2%	25.3%
Custom Duties	0.5	0.4	-10%	19.8%	17.7%
Excise Duties	0.5	0.6	8%	16.1%	17.5%
States Share	-2.8	-3.3	17%	22.4%	23.0%
Transferred to NCCD	0.0	0.0	5%	17.6%	16.9%
Non-Tax Revenue	**2.8**	**3.7**	**33%**	**51.3%**	**64.0%**
Dividends and profits	2.2	2.8	26%	77.6%	86.7%
Other non-tax revenues	0.6	0.9	64%	25.9%	44.1%
Total revenue receipts	**8.3**	**9.1**	**10%**	**26.5%**	**26.7%**
Non-Debt Capital Receipts	0.0	0.3	520%	5.8%	36.9%
Recovery of Loans	0.0	0.1	19%	16.1%	18.6%
Misc. Receipts (include divestment)	0.0	0.2	NA	0.0%	48.1%
Total Receipts	**8.3**	**9.4**	**13%**	**26.0%**	**26.9%**
Revenue Expenditure	7.9	9.5	**20%**	21.3%	**24.0%**
Interest Payments	2.6	3.9	46%	22.7%	30.2%
Major subsidies	0.9	0.8	-7%	21.0%	19.6%
Food	0.6	0.4	-32%	30.2%	20.8%
Fertilizer	0.3	0.4	47%	17.0%	24.4%
Petroleum	0.0	0.0	-33%	3.2%	2.1%
Other revenue expenditure	4.3	4.8	10%	20.5%	21.3%
Capital Expenditure	**1.8**	**2.8**	**52%**	**16.3%**	**24.5%**
Total Expenditure	**9.7**	**12.2**	**26%**	**20.1%**	**24.1%**
Fiscal Deficit	**1.4**	**2.8**	**107%**	**8.4%**	**17.9%**

Source: CMIE Economic Outlook, CGA, Budget Documents, NSE EPR Notes: 1) NA as the YoY growth number was extremely high due to a low base.

Table 38: A snapshot of Government finances in financial year 2024-26

Items	FY24		FY25					FY26	
	A Rs lakh crore	% YoY	BE Rs lakh crore	RE Rs lakh crore	PA Rs lakh crore	% YoY	% chg. from BE	BE Rs lakh crore	% YoY over FY25PA
Central govt. net tax revenue	**23.3**	**11.2%**	**25.8**	**25.6**	**25.0**	**7.3%**	**(3.1%)**	**28.4**	**13.7%**
Gross tax revenues	**34.7**	**13.6%**	**38.4**	**38.5**	**38.0**	**9.5%**	**(1.2%)**	**42.7**	**12.5%**
Of which:									
Direct Tax	**19.6**	**17.9%**	**22.1**	**22.4**	**21.7**	**10.7%**	**(1.8%)**	**25.2**	**16.1%**
Corporation tax	9.1	10.3%	10.2	9.8	9.9	8.8%	(3.3%)	10.8	9.4%
Income tax	10.4	25.4%	11.9	12.6	11.8	13.5%	(0.6%)	14.4	21.7%
Indirect Tax	**15.1**	**8.6%**	**16.3**	**16.2**	**16.3**	**7.9%**	**(0.3%)**	**17.5**	**7.7%**
Goods and service tax	9.6	12.7%	10.6	10.6	10.3	7.3%	(2.7%)	11.8	14.4%
Custom Duties	2.3	9.3%	2.4	2.4	2.3	0.0%	(3.0%)	2.4	3.1%
Excise Duties	3.1	(4.3%)	3.2	3.1	3.0	(3.2%)	(6.2%)	3.2	6.6%
States Share	-11.3	19.1%	-12.5	-12.9	-12.9	14.2%	3.0%	-14.2	10.3%
Transferred to NCCD	-0.1	9.7%	-0.1	-0.1	-0.1	0.0%	(5.5%)	-0.1	5.8%
Non-Tax Revenue	**4.0**	**40.8%**	**5.5**	**5.3**	**5.4**	**35.0%**	**(2.3%)**	**5.8**	**7.9%**
Dividends and profits	1.7	71.0%	2.9	2.9	3.1	82.4%	6.4%	3.3	7.0%
Central govt. revenue receipts	**27.3**	**14.5%**	**31.3**	**30.9**	**30.4**	11.4%	**(3.0%)**	**34.2**	**12.6%**
Non-Debt Capital Receipts	0.6	(17.2%)	0.8	2.9	0.4	(33.3%)	(85.6%)	3.3	689.1%
Divestment proceeds	0.3	(28.1%)	0.5	0.3	0.2	(33.3%)	(65.6%)	0.5	190.7%
Total Receipts	**27.9**	**13.6%**	**32.1**	**31.5**	**30.8**	**10.4%**	**(4.1%)**	**35.0**	**13.7%**
Revenue Expenditure	**34.9**	**1.2%**	**37.1**	**37.0**	36.0	3.2%	**(2.9%)**	**39.4**	9.3%
Interest Payments	10.6	14.6%	11.6	11.4	11.2	5.7%	(3.8%)	12.8	14.7%
Subsidy outgo	4.3	(24.7%)	4.3	4.3	3.9	(9.3%)	(9.8%)	4.3	10.8%
Capital Expenditure	**9.5**	**24.8%**	**11.1**	**10.2**	**10.5**	10.5%	**(5.2%)**	**11.2**	**6.5%**
Total Expenditure	**44.4**	**6.0%**	**48.2**	**47.2**	**46.6**	**5.0%**	**(3.4%)**	**50.7**	**8.9%**
Fiscal Deficit	**16.5**	**(4.8%)**	**16.1**	**15.7**	**15.8**	**(4.2%)**	**(2.0%)**	**15.7**	**(0.5%)**
Fiscal Deficit/GDP	**5.6**		**4.9**	**4.8**	**4.8**			**4.4**	

Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; A = Actual.

Insights from the Centre and State budget deviations

The FY25 budget outcomes reveal a shift in fiscal patterns for both the Union and State Governments compared to the previous two years. At the Centre, the provisional fiscal deficit stood at 4.8% of GDP, slightly below the budgeted 4.9% and in line with revised estimates. This marks a departure from FY23 and FY24, when higher-than-expected revenue receipts helped reduce the deficit. In FY25, receipts (revenue plus non-debt) fell short of expectations for the first time in three years. However, lower-than-budgeted revenue expenditure and a strong push in capital spending toward the year-end helped keep the deficit within target. Over the past three years, capital expenditure has consistently followed a pattern of high initial estimates, downward revisions, and actual spending exceeding revised figures, indicating improved execution of infrastructure projects.

For the 26 states under review, fiscal deficits increased from 2.7% of GDP in FY23 to around 3.2% in FY25, slightly above the long-term target of 3% but broadly aligned with budget estimates. Unlike previous years, when gross fiscal deficits remained below budgeted levels despite modest revenue shortfalls, FY25 saw a marginal overshoot due to a sharper decline in revenue receipts, particularly non-tax revenues. Tax collections were relatively stable but not strong enough to offset this weakness resulting in a deterioration in the aggregate revenue position and a wider revenue deficit. Capital outlay also fell short of targets, with states facing challenges in utilizing capex amidst revenue pressures. Despite this, capital expenditure continued to grow at a healthy pace, rising 8.4% in FY25 after a 24.9% increase in FY24, reflecting a gradual shift toward higher investment outlays, supported in part by the Centre's push for infrastructure creation through measures such as 50-year interest-free loans to states.

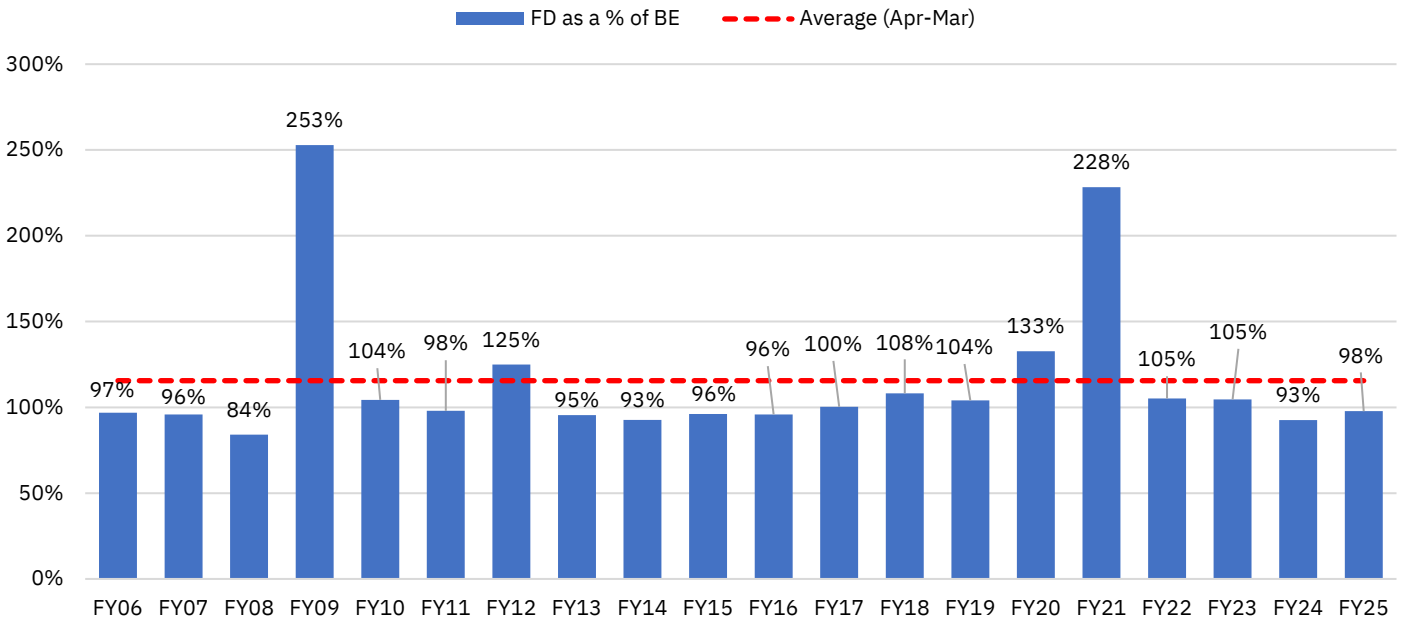
Union Government fiscal performance

- **Revenue and fiscal deficit below the BE for second consecutive year...:** According to provisional figures released by the CGA, the gross fiscal deficit of the Union stood at Rs 15.8 lakh crore in FY25, (-4.7% YoY), as buoyant growth in revenue receipts (+11.3% YoY) outweighed the slow growth in revenue expenditure. This marks the second consecutive year in which the fiscal deficit was lower than the budget estimates, making it ten out of the past twenty years that this has occurred. That said, the fiscal deficit in FY25 is marginally higher than the revised estimate of Rs 15.7 lakh crore, which contrasts with the previous fiscal year when actuals were lower than the RE. The revenue deficit for FY24 and FY25 were lower by 12% and 2% respectively but 8% higher in FY23 compared to BE.

- **...despite revenue collections turning out to be lower than the BE and RE:** Revenue receipts registered a healthy growth in FY25 (+11.3% YoY), primarily driven by direct tax collections (+10.9% YoY) and dividends and profits from the RBI and PSUs (+80.5% YoY). Despite the strong performance in overall gross tax collections (+9.5% YoY), revenue receipts fell short of both BE and RE, in contrast to the previous two years when the Union had exceeded BE by 8% in FY23 and 4% in FY24. This underperformance can be partly attributed to a possible moderation in nominal GDP growth and weaker-than-expected corporate earnings. Nevertheless, corporate tax collections were marginally higher than the RE. Personal income tax collections, which had been revised higher by 5.9% in FY25, came in slightly below BE, reflecting some optimism in budgeting. Indirect tax collections remained in line with the BE, marking an improvement over the previous fiscal year when they had fallen short. However, GST collections recorded a slight shortfall, achieving 97% of the RE. Dividends and profits exceeded estimates for the second consecutive year, aided by stronger-than-expected contributions from the RBI and PSUs. In contrast, non-debt capital receipts declined sharply (-30%

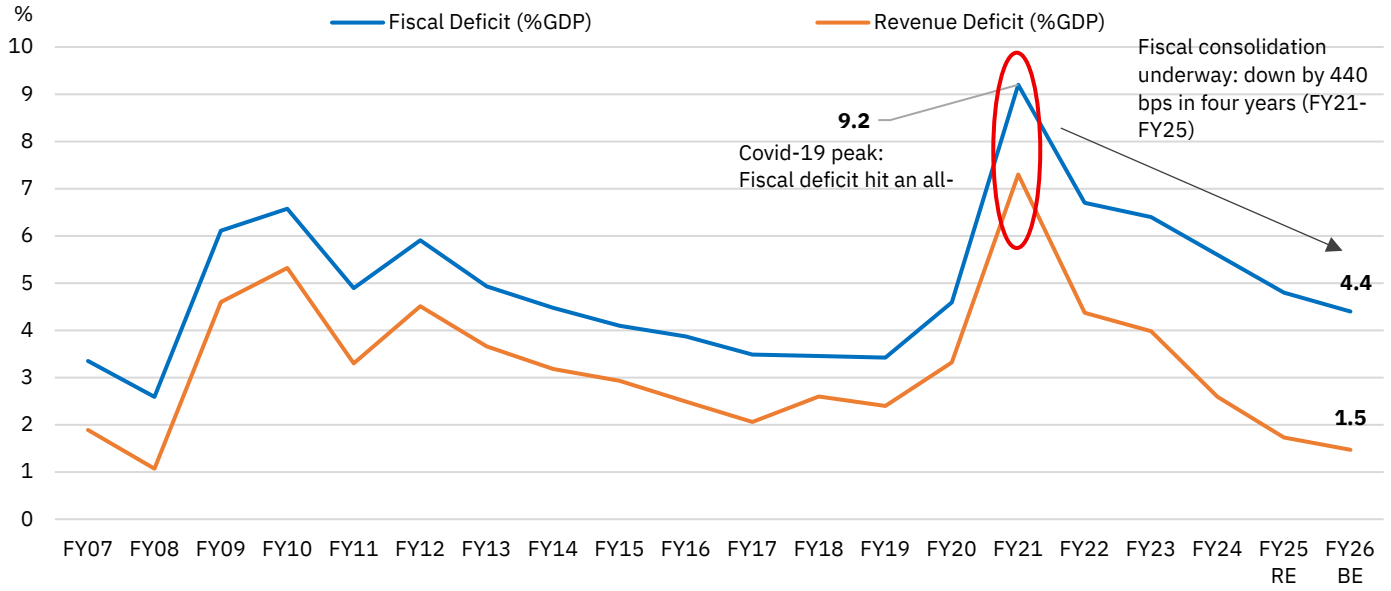
YoY) in FY25 and were substantially lower than the FY25BE (-86.5% YoY), underscoring persistent challenges in meeting disinvestment targets.

Figure 184: Annual trend of gross fiscal deficit as % of budget targets



Source: CMIE Economic Outlook, CGA, NSE EPR. Note: FY25 values are provisional actuals

Figure 185: Trends in Centre's gross fiscal and revenue deficit trend (% GDP)



Source: CMIE Economic Outlook, CGA, NSE. BE = Budget Estimates, RE = Revised Estimates

Table 39: Snapshot of Union Government finances

Items (Rs lakh crore)	FY23			FY24			FY25		
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	PA
Total Receipts (ex. debt receipts)	**22.8**	**24.3**	**24.6**	**27.2**	**27.6**	**27.9**	**32.1**	**31.5**	**30.8**
Revenue Receipts	22.0	23.5	23.8	26.3	27	27.3	31.3	30.9	30.4
Tax Receipts	27.6	30.4	30.5	33.6	34.4	34.6	38.4	38.5	38.0
Direct	14.2	16.5	16.3	18.2	19.5	19.2	22.1	22.4	21.7
Indirect	13.4	13.9	14.2	15.4	14.9	15.4	16.3	16.2	16.3
Non-Tax Receipts	2.7	2.6	2.9	3.0	3.8	4.0	5.5	5.3	5.4
Dividends	1.1	0.8	1.0	0.9	1.5	1.7	2.9	2.9	3.1
Others	1.6	1.8	1.9	3.0	2.2	2.3	2.2	2.0	2.3
Capital Receipts (non-debt)	0.8	0.8	0.7	0.8	0.6	0.6	0.8	0.6	0.4
Total Expenditure	**39.4**	**41.9**	**41.9**	**45**	**44.9**	**44.4**	**48.2**	**47.2**	**46.6**
Revenue Expenditure	31.9	34.6	34.5	35	35.4	34.9	37.1	37.0	36.0
Interest Payments	9.4	9.4	9.3	10.8	10.6	10.6	11.6	11.4	11.2
Capital Expenditure	7.5	7.3	7.4	10	9.5	9.5	11.1	10.2	10.5
Gross Revenue Deficit	**9.9**	**11.1**	**10.7**	**8.7**	**8.4**	**7.7**	**5.8**	**6.1**	**5.7**
Gross Fiscal Deficit	**16.6**	**17.6**	**17.3**	**17.9**	**17.3**	**16.5**	**16.1**	**15.7**	**15.8**

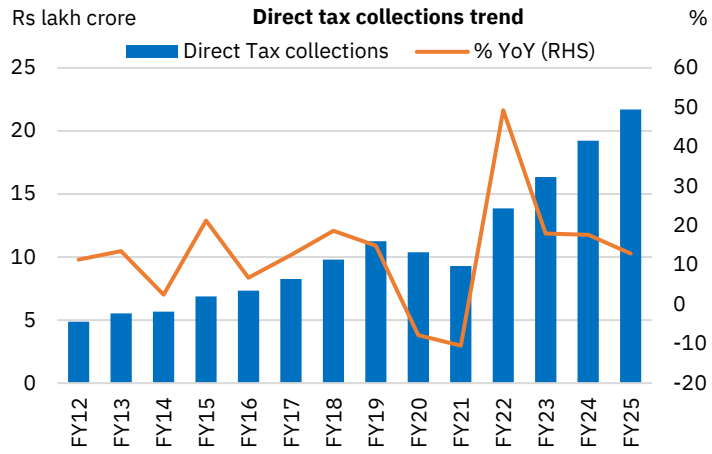
Source: CGA, CMIE Economic Outlook, NSE EPR.
Note: The Actuals for FY25 are based on unaudited accounts released by CGA in the end of May'2025.

Table 40: Union Government fiscal performance (Percentage deviation from BE and RE)

Items	FY23		FY24		FY25	
	BE	RE	BE	RE	BE	RE
Total Receipts (ex. debt receipts)	**8%**	**1%**	**3%**	**1%**	**-4%**	**-2%**
Revenue Receipts	8%	1%	4%	1%	-3%	-2%
Tax Receipts	11%	0%	3%	1%	-1%	-2%
Direct	15%	-1%	5%	-1%	-2%	-3%
Indirect	4%	0%	-2%	1%	0%	1%
Non-Tax Receipts	6%	9%	33%	7%	-1%	1%
Dividends	-12%	19%	87%	10%	7%	7%
Others	20%	5%	-23%	5%	6%	12%
Capital Receipts	-9%	-14%	-28%	8%	-46%	-29%
Total Expenditure	**6%**	**0%**	**-1%**	**-1%**	**-3%**	**-1%**
Revenue Expenditure	8%	0%	0%	-1%	-3%	-3%
Interest Payments	-1%	-1%	-1%	1%	-4%	-2%
Capital Expenditure	-2%	1%	-5%	0%	-5%	3%
Gross Revenue Deficit	**8%**	**-4%**	**-12%**	**-9%**	**-2%**	**-7%**
Gross Fiscal Deficit	**5%**	**-1%**	**-7%**	**-5%**	**-2%**	**0%**

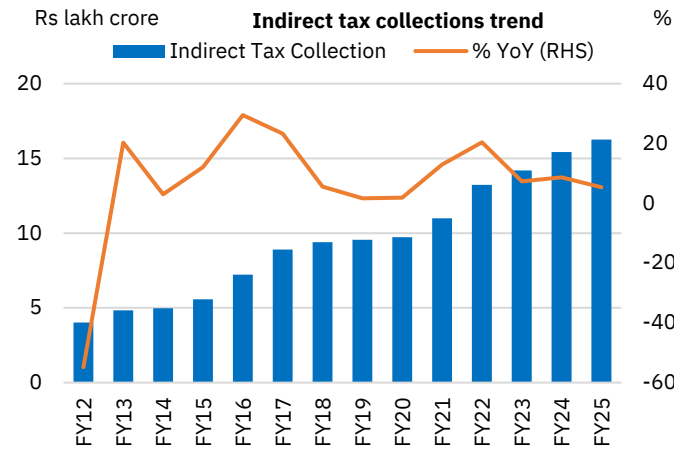
Source: CGA, CMIE Economic Outlook, NSE EPR.
Note: The deviation of actual figures from the Budget Estimates (BE) is calculated as (Actual – BE) / BE. The same method applies to Revised Estimates (RE).

Figure 186: Annual direct tax collections trend



Source: CMIE Economic Outlook, CGA, NSE EPR.

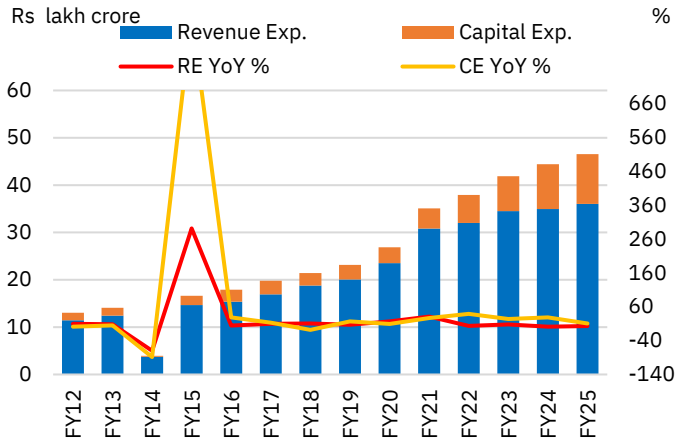
Figure 187: Annual indirect tax collections trend



Source: CMIE Economic Outlook, CGA, NSE EPR.

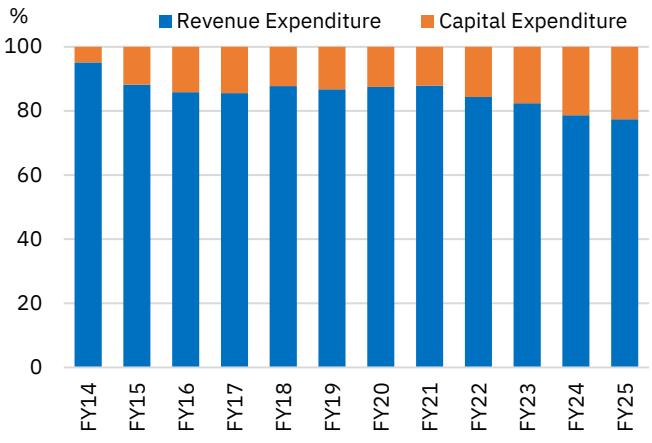
- **Revenue expenditure fell short, but capex overshot RE numbers:** Revenue expenditure, which accounts for more than three-fourths of total expenditure, grew at a modest pace (+3.1% YoY) but was lower (-2.9%) than the FY25BE. This contrasts with the previous years, when spending was in line with the budget in FY24 and even exceeded it in FY23. On the other hand, capital expenditure, which was revised downward by around Rs 1 lakh crore to Rs 10.2 lakh crore in the FY25RE due to an election-related slowdown, saw a sharp increase in the final quarter. Actual capital spending surpassed (+3%) the revised estimate, with a record Rs 2.4 lakh crore spent in Mar'25 alone.

Figure 188: Annual rev. and capital expenditure trend



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

Figure 189: Annual trend of expenditure mix



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

- **Robust utilization across top ministries in FY25:** Among the top nine ministries, which together account for over four-fifths of the total budget outlay, expenditure utilization remained strong in FY25. Except for the Ministry of Finance and the Ministry of Consumer Affairs, Food and Public Distribution, most major ministries exceeded both their budget estimates and revised estimates, demonstrating effective budget execution. The Ministry of Road Transport and Highways and the Ministry of Communications led with utilization rates of 107% each, closely followed by the Ministry of Rural Development at 106%. In comparison, the "Others" category had a significantly lower utilization rate of 85% and experienced a decline in spending from the previous year.

Table 41: Ministry-wise comparison of actuals vis-à-vis budgeted and revised estimates for FY25

Ministry	Share (%)	BE	RE	Actuals	Utilization (%)	YoY (%)
Ministry of Finance	38.3	18.6	18.0	17.7	95	9.6
Ministry of Defense	13.6	6.2	6.4	6.4	103	5.2
Ministry of Road Transport and Highways	5.9	2.8	2.8	3.0	107	1.6
Ministry of Railways	5.4	2.6	2.6	2.6	100	3.9
Ministry of Consumer Affairs, Food & Public Distribution	4.5	2.2	2.1	2.2	100	-8.5
Ministry of Chemicals and Fertilizers	4.0	1.8	1.9	1.9	106	-2.4
Ministry of Rural Development	3.7	1.7	1.8	1.8	106	7.5
Ministry of Home Affairs	3.3	1.5	1.5	1.5	100	17.6
Ministry of Communications	3.2	1.4	1.5	1.5	107	34.9
Others	18.1	9.5	8.6	8.1	85	-2.4

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

Table 42: A snapshot of Union government fiscal utilization rates

Items (Rs lakh crore)	FY23		FY24			FY25		
	Actual	Utilization	Actual	% YoY	Utilization	PA	% YoY	Utilization
Net tax revenues	**20.9**	**108%**	**23.3**	**11.2%**	**100%**	**25.0**	**7.4%**	**97%**
Gross tax revenues	**30.5**	**111%**	**34.7**	**13.6%**	**103%**	**38.0**	**9.5%**	**99%**
Of which:								
Direct Tax	**16.6**	**117%**	**19.6**	**17.9%**	**107%**	**21.7**	**10.9%**	**98%**
Corporation tax	8.3	115%	9.1	10.3%	99%	9.9	8.3%	97%
Income tax	8.3	119%	10.4	25.4%	116%	11.8	13.2%	100%
Indirect Tax	**13.9**	**104%**	**15.1**	**8.6%**	**98%**	**16.3**	**7.7%**	**100%**
Goods and service tax	8.5	109%	9.6	12.7%	100%	10.3	7.8%	97%
Custom Duties	2.1	100%	2.3	9.3%	100%	2.3	-0.1%	98%
Excise Duties	3.2	95%	3.1	-4.3%	90%	3.0	-1.7%	94%
States Share	-9.5	116%	-11.3	19.1%	111%	-12.9	13.9%	103%
Transferred to NCCD	-0.1	125%	-0.1	9.7%	100%	-0.1	7.8%	100%
Non-Tax Revenue	**2.9**	**106%**	**4.0**	**40.8%**	**133%**	**5.4**	**33.8%**	**99%**
Dividends and profits	1.0	88%	1.7	71.0%	188%	3.1	80.5%	107%
Other non-tax revenues	1.9	119%	1.9	2.2%	90%	2.1	10.3%	97%
Total revenue receipts	**23.8**	**108%**	**27.3**	**14.5%**	**104%**	**30.4**	**11.3%**	**97%**
Non-Debt Capital Receipts	0.7	91%	0.6	-17.2%	71%	0.4	-30.0%	54%
Recovery of Loans	0.3	183%	0.3	1.9%	116%	0.2	-7.6%	88%
Misc. Receipts (include divestment)	0.5	71%	0.3	-28.1%	54%	0.2	-48.1%	34%
Total Receipts (ex. Debt receipts)	**24.6**	**108%**	**27.9**	**13.6%**	**103%**	**30.8**	**10.4%**	**96%**
Revenue Expenditure	**34.5**	**108%**	**34.9**	**1.2%**	**100%**	**36.0**	**3.1%**	**97%**
Interest Payments	9.3	99%	10.6	14.6%	99%	11.2	4.9%	96%
Major subsidies	5.8	182%	4.3	-24.7%	116%	3.9	-10.8%	91%
Food	2.7	132%	2.1	-22.4%	107%	2.0	-5.6%	97%
Fertilizer	2.5	239%	1.9	-25.1%	108%	1.7	-7.8%	106%
Petroleum	0.1	117%	0.1	79.5%	542%	0.1	18.3%	121%
Other revenue expenditure	19.5	103%	20.0	2.5%	97%	21.0	5.2%	99%
Capital Expenditure	**7.4**	**99%**	**9.5**	**28.3%**	**95%**	**10.5**	**10.8%**	**95%**
Total Expenditure	**41.9**	**106%**	**44.4**	**6.0%**	**99%**	**46.6**	**4.8%**	**97%**
Fiscal Deficit	**17.4**	**105%**	**16.5**	**-4.8%**	**93%**	**15.8**	**-4.7%**	**98%**

Note: 1) Data for 2024-25 is Unaudited Actuals (provisional figures) as per the CGA. 2) Utilization rate is calculated as a % of Budget Estimate (RE) for the respective fiscal. 3) Major subsidies are estimated as the combined total of food, fertilizer, and petroleum subsidies, as the provisional actuals exclude interest and other subsidies.

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

State Government Finances

- **Notable deviations observed in case of revenue deficit...:** State governments at an aggregate level recorded a total revenue deficit of ~Rs 2 lakh crore in FY25, double of the levels seen in FY24 and almost thrice the FY23 level. The notable widening of revenue deficit in FY25 can be primarily ascribed to healthy growth in revenue expenditure (+9.2% YoY) outweighing the growth in revenue receipts (+6.4% YoY). Out of the 26 states in the sample, 11 recorded a revenue surplus in FY25 lower than the 14 states in FY23 and FY24. Consequently, the widening of revenue deficit coupled with stable growth in capital expenditure has also led to the gross fiscal deficit registering a growth (+23.2% YoY) in FY25 over the growth (+20.9% YoY) in FY24. State governments, an aggregate level, have witnessed lower fiscal deficit against their revised estimates in all the previous three years. The revenue deficit in FY25 was higher by 93%/13% than the BE and RE, which contrasts with the deficit compression observed in FY23. The widening of revenue deficit in both FY24 and FY25 can be ascribed to underperformance in revenue receipts. Fiscal deficit outcomes have shown improvement in FY25, with actuals coming close to revised targets, indicating better fiscal management and notable decline in capital outlay.

- **...Weighed by underperformance in revenues:** Over the past three years, revenue — both tax and non-revenues — have underperformed with the revenue receipts for FY25 falling short by almost Rs 4.5 lakh crore from the budget estimate. The underperformance in revenue receipts has widened from 5% shortfall (from BE) in FY23 to 11% shortfall (from BE) in FY25, partly contributing to the widening of aggregate revenue deficit of all 26 states. Non-tax revenues of the states have seen the sharpest deviations, reflecting the volatility in the sources of non-tax revenue streams. Out of the 26 states in the sample, 12 have registered a shortfall higher than the average of ~11% for FY25.

- **...Leading to underutilization in capex spending:** On the expenditure side, State Governments have shown some degree of re-alignment, with total expenditure lower than both BE and RE, reflecting efforts at fiscal discipline amid revenue constraints. Total expenditure grew by 9.6% in FY25 for the sample of 26 states to Rs 48.4 lakh crore but has been lower by ~16% from the FY25BE, in line with the deviation observed in the previous two fiscal years. Although the deviation has been observed in both revenue and capital expenditure, the spending on the latter has been curtailed significantly amidst revenue shortfalls. The underutilisation of revenue expenditure has been in a narrow range and moderate between 6-8% during the last three years, given the nature of committed revenue spending towards salaries and interest payments. On the other hand, the brunt of the underutilisation has been faced by capital outlay, despite healthy growth of 24.9% and 8.4% in FY24 and FY25 respectively. Notwithstanding the shortfall, there is a gradual shift towards higher capex, supported by the central government's push for investment-led growth, including the allocation of 50-year interest-free loans to states.

Table 43: Aggregate State Government Fiscal Performance (in Rs lakh crore)

Items	FY23			FY24			FY25		
	BE	RE	UAC	BE	RE	UAC	BE	RE	PA
Total Receipts (inc. debt receipts)	**45.9**	**46.5**	**40.0**	**52.2**	**51.7**	**44.1**	**57.6**	**56.6**	**48.2**
Revenue Receipts	34.8	35.3	33.2	39.1	38.2	35.7	42.5	41.6	38.0
Tax Receipts	24.1	25.4	25.0	29.0	28.9	28.3	32.9	32.4	31.3
Non-Tax Receipts	10.7	9.9	8.2	10.0	9.3	7.4	9.6	9.1	6.8
State's Own Non-Tax Receipts	3.0	2.6	2.6	3.3	3.1	3.0	3.7	3.5	3.1
Total Expenditure	**46.7**	**47.6**	**40.1**	**52.8**	**52.3**	**44.1**	**57.4**	**56.8**	**48.4**
Revenue Expenditure	36.0	36.5	33.9	39.7	39.4	36.7	43.5	43.2	40.1
Interest Payments	4.4	4.4	4.2	4.9	4.9	4.6	5.3	5.3	4.8
Capital Outlay	6.7	6.5	5.5	7.9	7.9	6.9	8.5	8.3	7.4
Gross Revenue Deficit	**1.2**	**1.3**	**0.7**	**0.7**	**1.2**	**1.0**	**1.0**	**1.7**	**2.0**
Gross Fiscal Deficit	**8.3**	**8.4**	**6.8**	**9.0**	**9.3**	**8.2**	**9.9**	**10.5**	**10.1**

Source: CAG, CMIE Economic Outlook, NSE EPR.
Note: 1) UAC stands for unaudited accounts.
2) For FY23 and FY24, data has been aggregated across 26 states, excluding Bihar, Jammu & Kashmir, Goa and NCT data for FY25 was not available.
3) Total expenditure includes revenue expenditure, capital disbursements (capital outlay + discharge of internal debt + repayment of loans to centre + loans and advances by state governments)

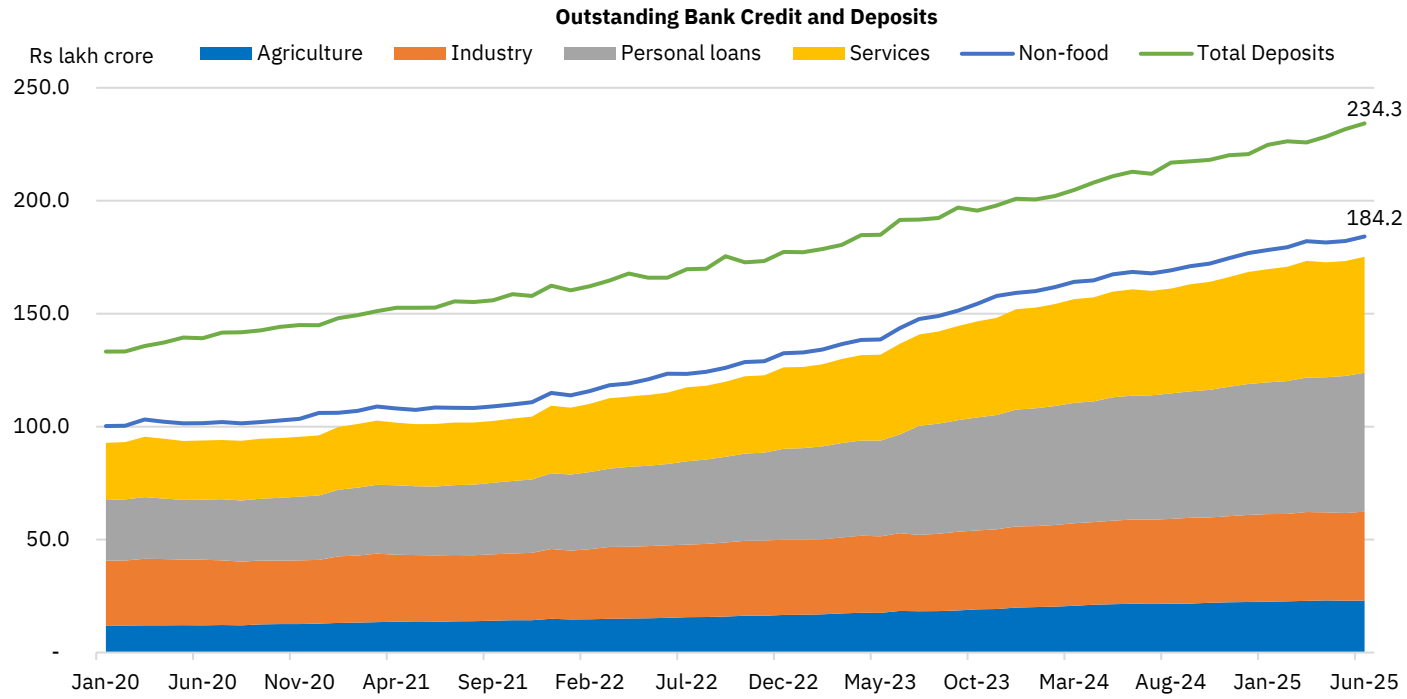
Table 44: Aggregate states' fiscal performance (Deviation of unaudited provisional actuals from BE and RE)

Items	FY23		FY24		FY25	
	BE	RE	BE	RE	BE	RE
Total Receipts (inc. debt receipts)	**-13%**	**-14%**	**-16%**	**-15%**	**-16%**	**-15%**
Revenue Receipts	-5%	-6%	-9%	-6%	-11%	-8%
Tax Receipts	4%	-2%	-2%	-2%	-5%	-4%
Non-Tax Receipts	-23%	-17%	-26%	-20%	-29%	-26%
State's Own Non-Tax Receipts	-13%	0%	-9%	-5%	-15%	-10%
Total Expenditure	**-14%**	**-16%**	**-16%**	**-16%**	***-16%***	***-15%***
Revenue Expenditure	-6%	-7%	-8%	-7%	-8%	-7%
Interest Payments	-6%	-6%	-5%	-5%	*-10%*	*-9%*
Capital Outlay	-18%	-16%	-13%	-13%	**-13%**	**-11%**
Gross Revenue Deficit	**-41%**	**-45%**	**51%**	**-15%**	**93%**	**13%**
Gross Fiscal Deficit	**-18%**	**-19%**	**-8%**	**-12%**	**2%**	**-4%**

Source: CAG, CMIE Economic Outlook, NSE EPR.
Note: 1) The deviation of unaudited provisional actual figures from the Budget Estimates (BE) is calculated as (Provisional Actual – BE) / BE. The same method applies to Revised Estimates (RE)
2) Data has been aggregated across 26 states, excluding Bihar, Jammu & Kashmir, Goa and NCT. Total expenditure includes revenue expenditure, capital disbursements (capital outlay + discharge of internal debt + repayment of loans to centre + loans and advances by state governments).

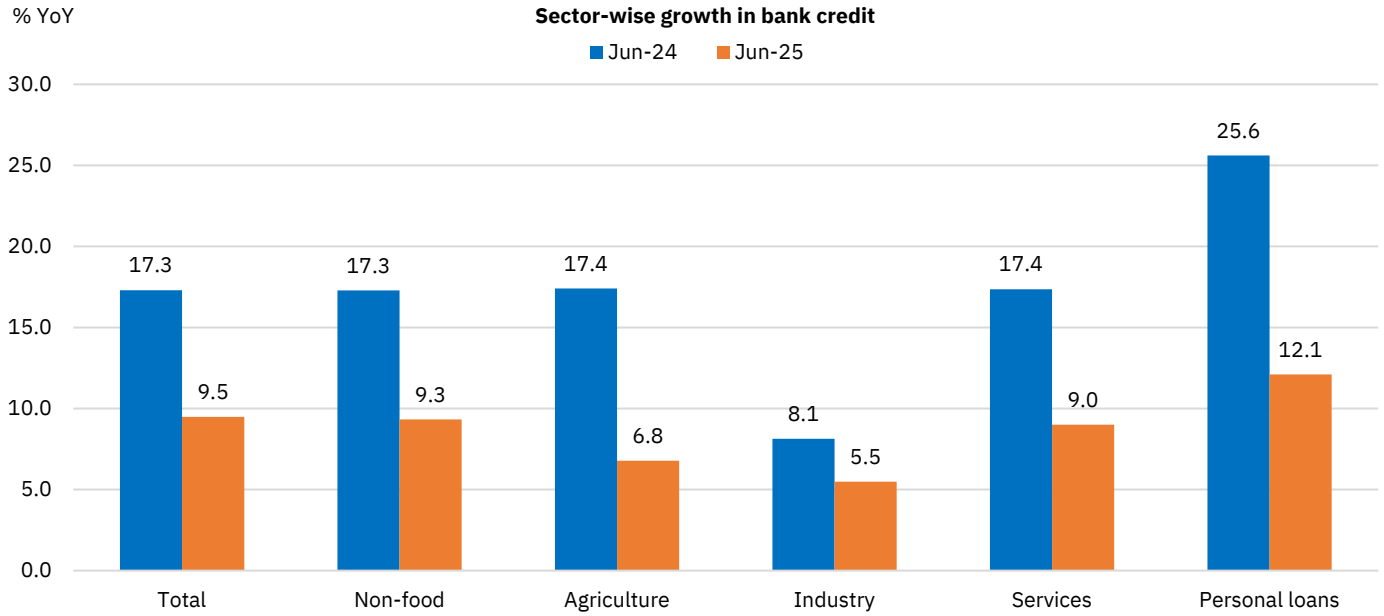
Credit growth lags deposit growth for the third consecutive month

Figure 190: Outstanding bank credit and deposit



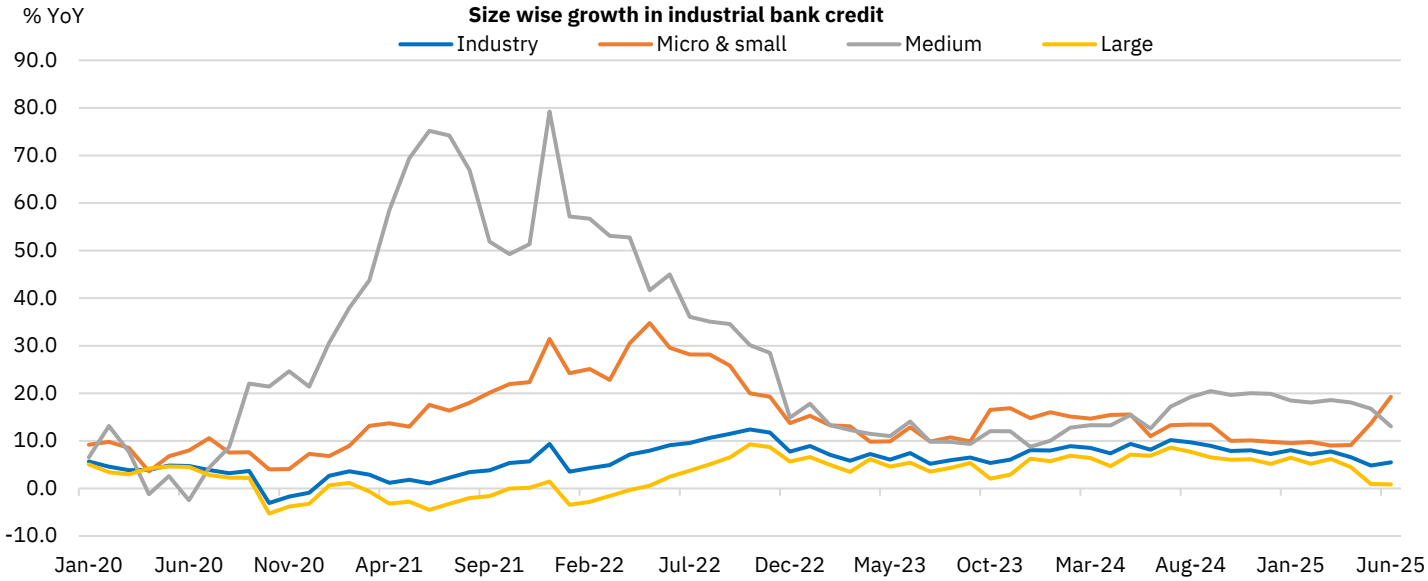
Source: CMIE Economic Outlook, NSE EPR. Notes: 1) Data for total deposits for June'2025 is from the Weekly Statistical Statement.

Figure 191: Growth in bank credit across key heads



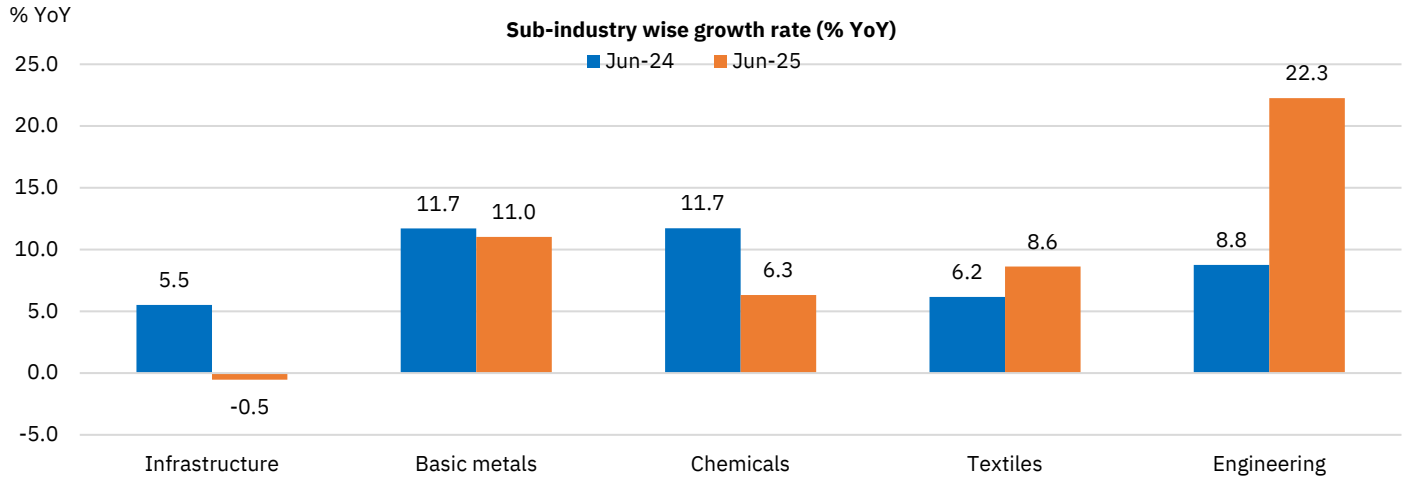
Source: CMIE Economic Outlook, NSE EPR.

Figure 192: Growth in industrial bank credit across size



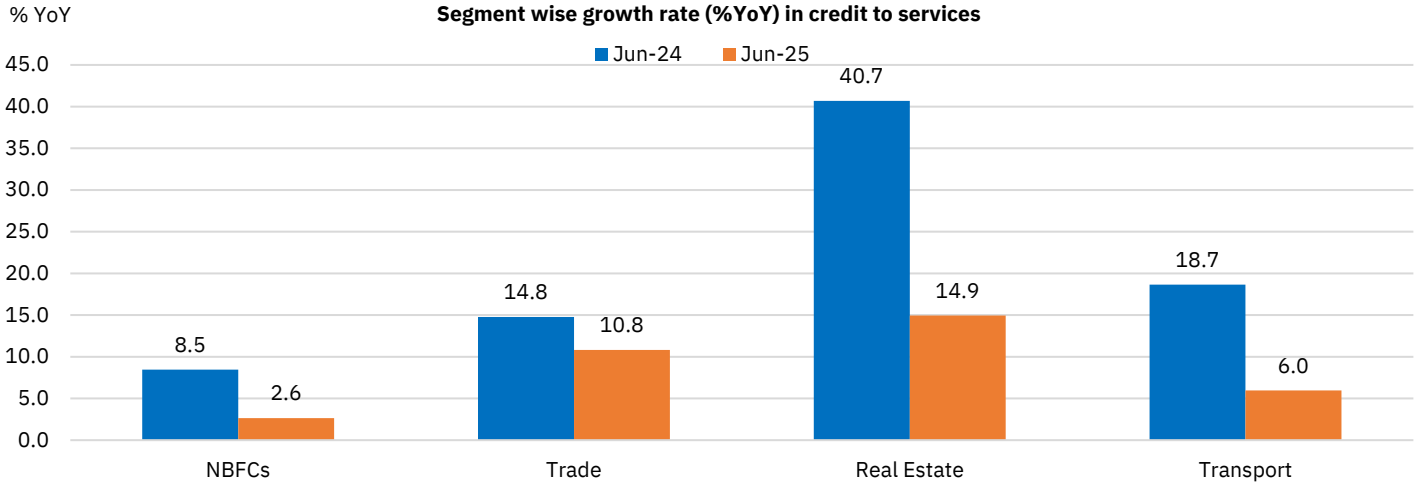
Source: CMIE Economic Outlook, NSE EPR.

Figure 193: Growth in bank credit across key sub-segments of industry



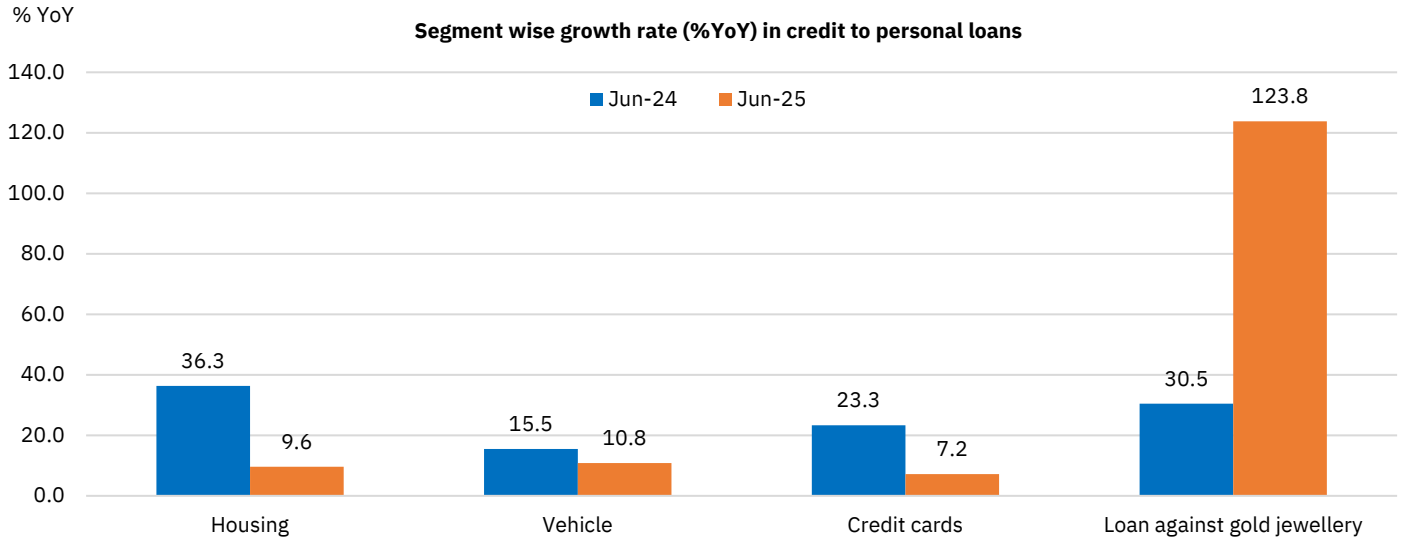
Source: CMIE Economic Outlook, NSE EPR.

Figure 194: Growth in bank credit across segments of services



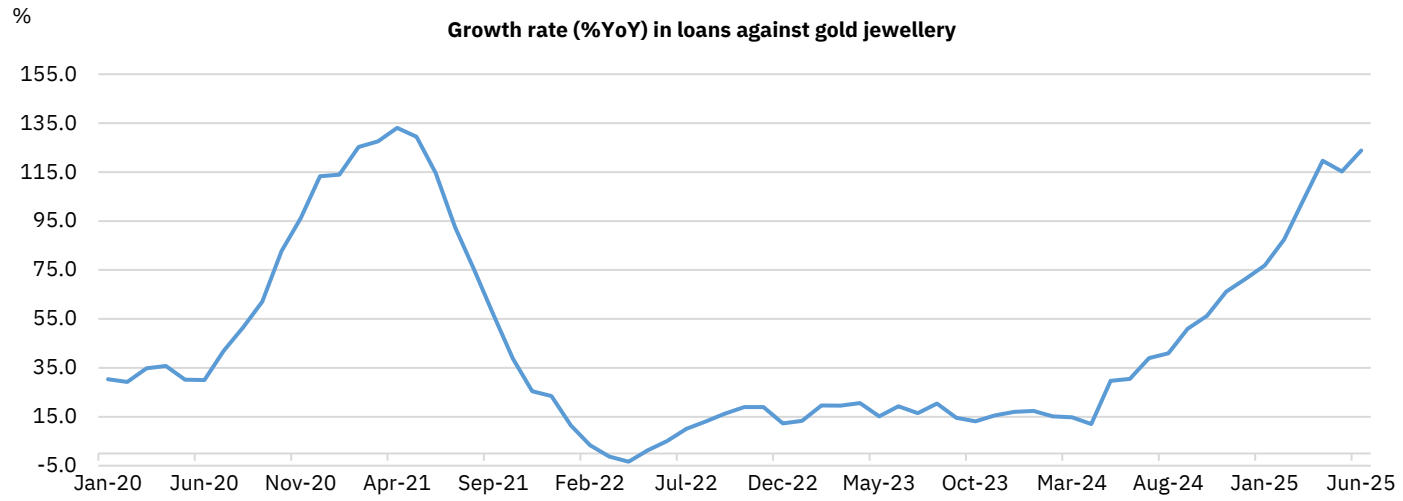
Source: CMIE Economic Outlook, NSE EPR.

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



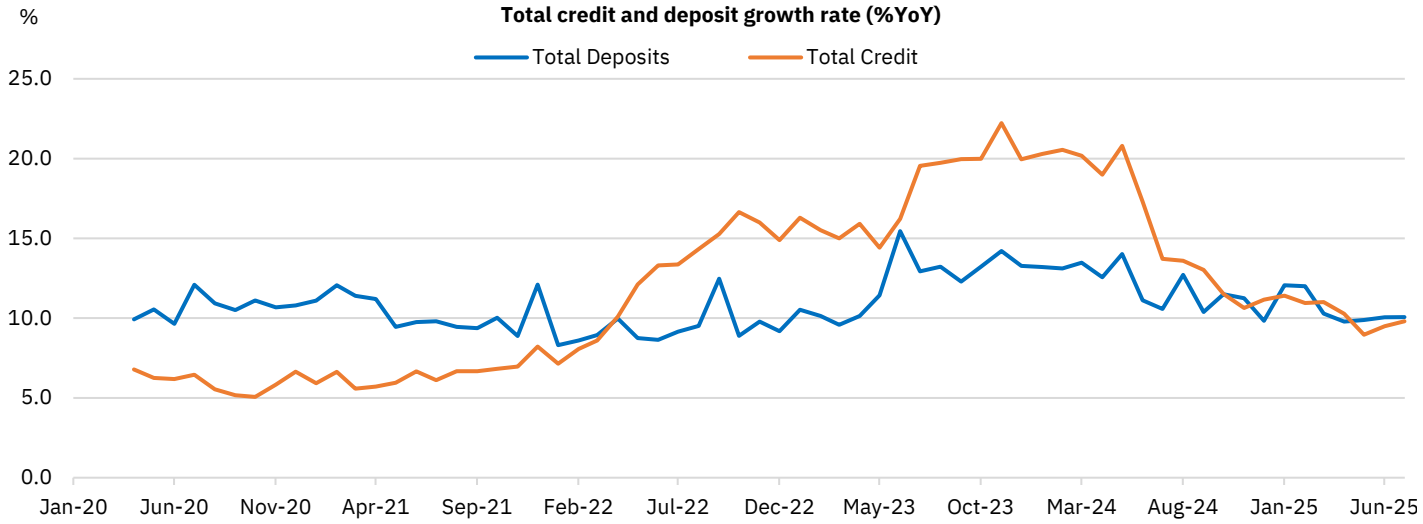
Source: CMIE Economic Outlook, NSE EPR.

Figure 196: Growth rate in loans against gold jewellery



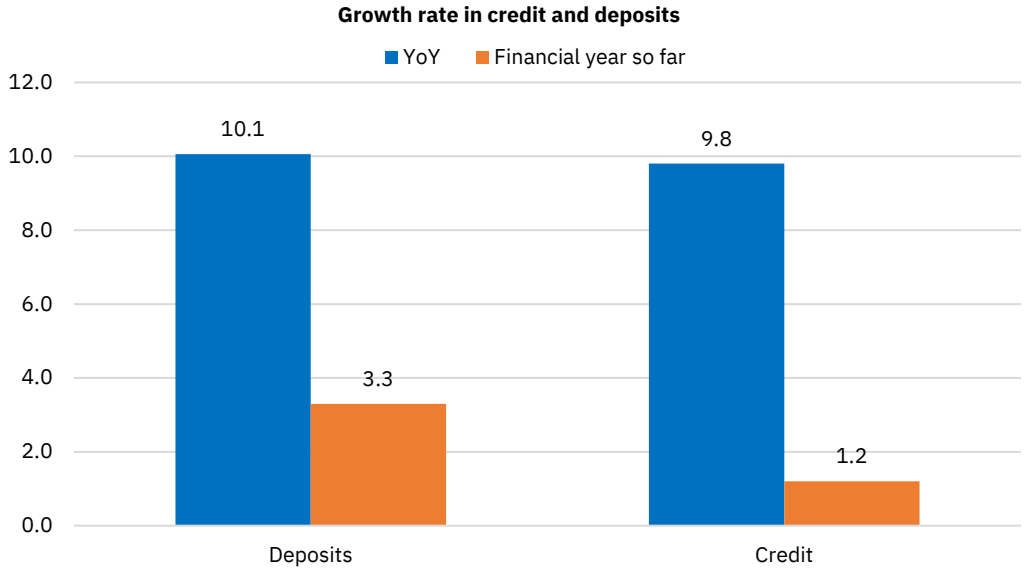
Source: CMIE Economic Outlook, NSE EPR.

Figure 197: Trends in Bank Credit and Deposit Growth



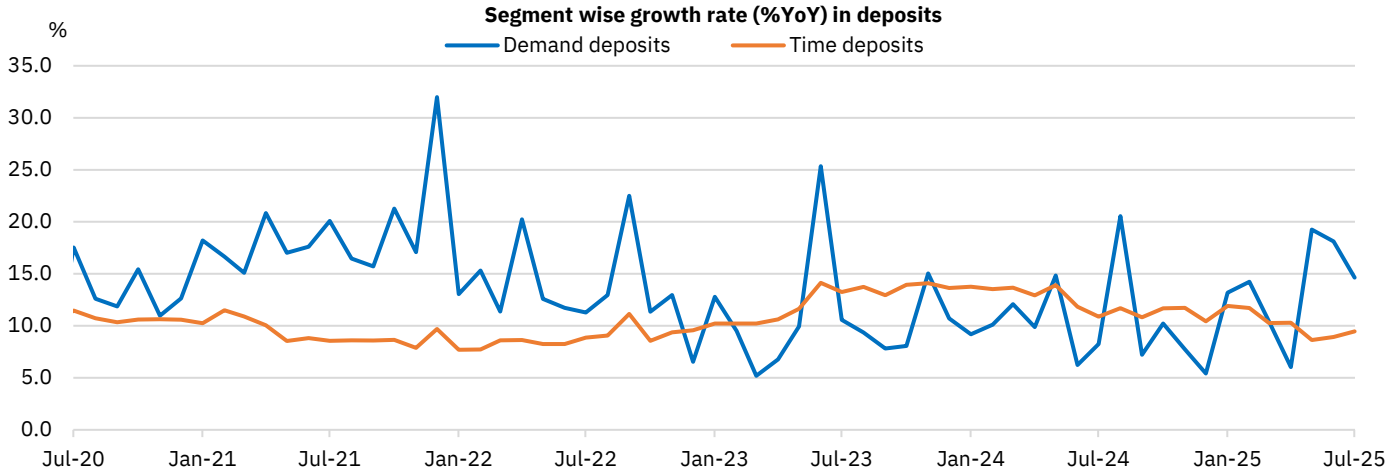
Source: CMIE Economic Outlook, NSE EPR. Note: Data for July'25 as of July 11th, 2025.

Figure 198: Comparison of credit and deposit growth based on latest values



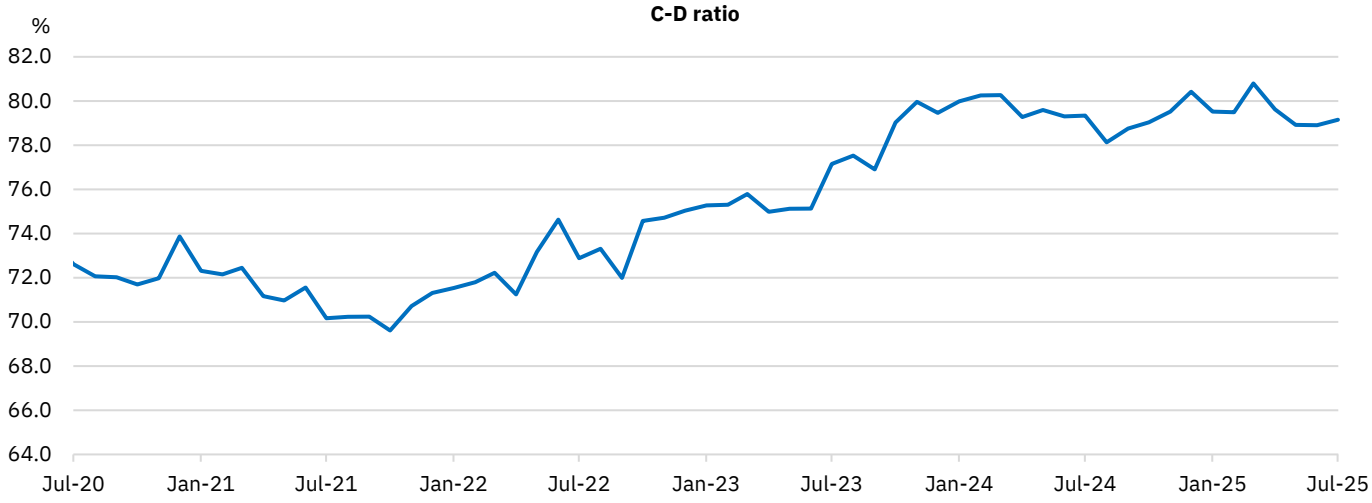
Source: CMIE Economic Outlook, NSE EPR. Note: Data is as of July 11th, 2025

Figure 199: Growth in demand and time deposits



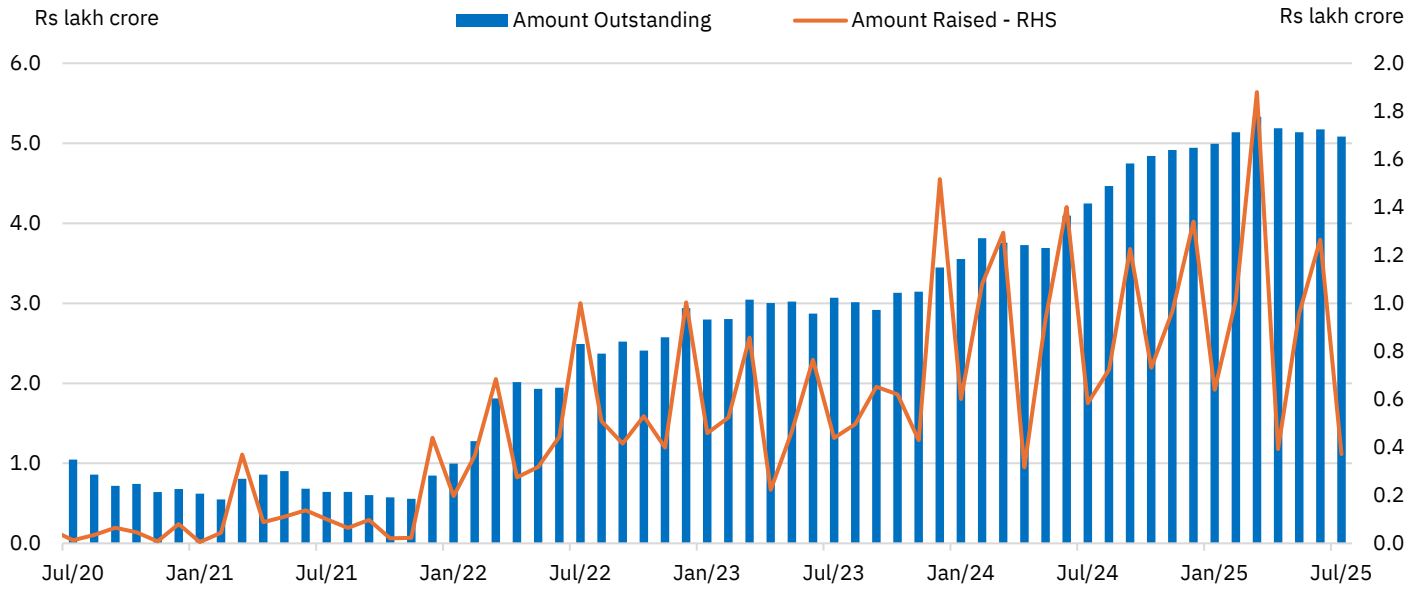
Source: CMIE Economic Outlook, NSE EPR. Note: Data for Jul'25 as of July 11th, 2025

Figure 200: Credit to Deposit ratio (%)



Source: CMIE Economic Outlook, NSE EPR. Note: Data for Jun'25 as of July 11th, 2025

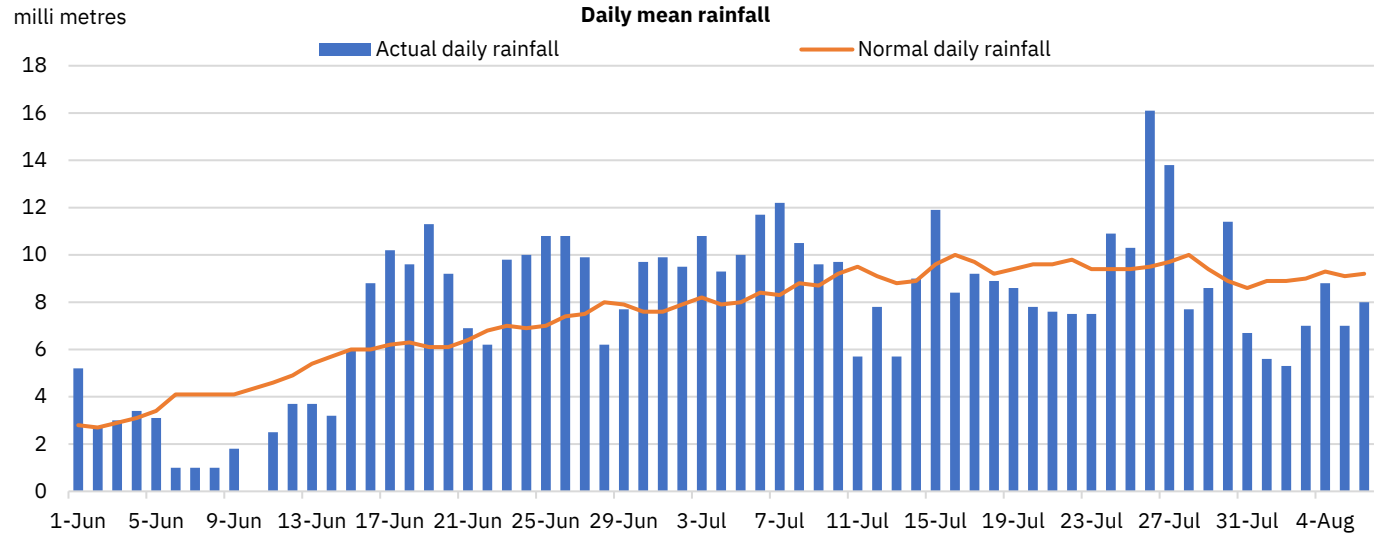
Figure 201: Issued and outstanding amount of Certificate of Deposits



Source: CMIE Economic Outlook, NSE EPR.

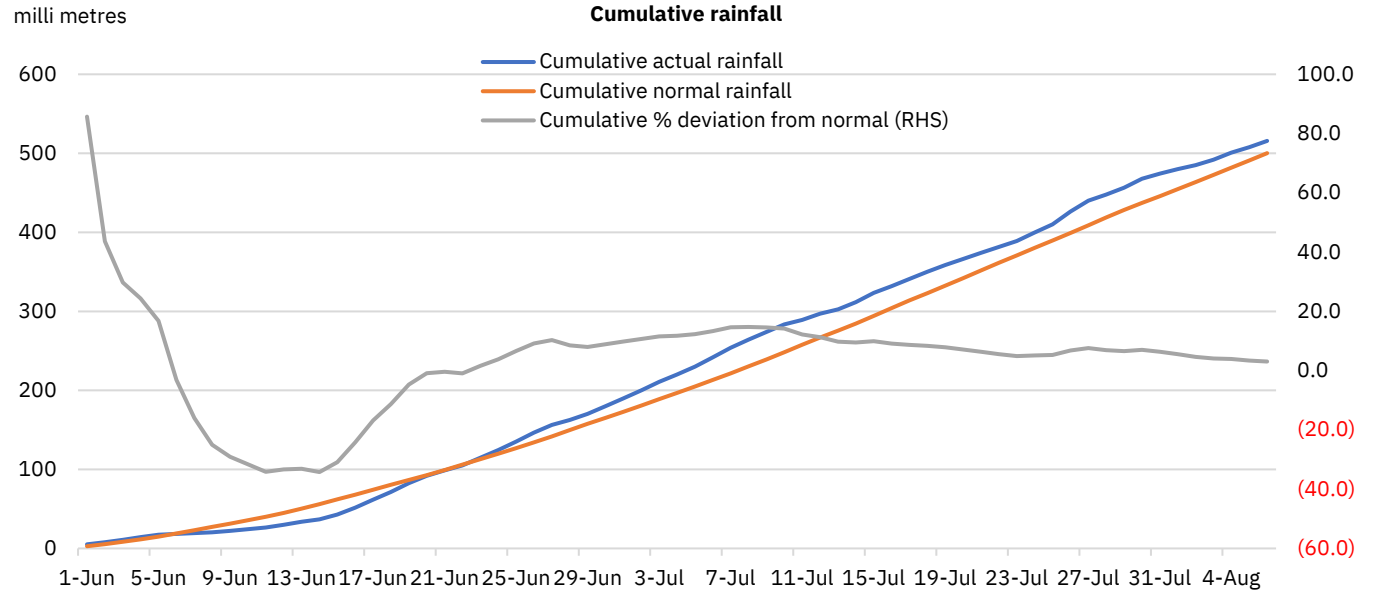
Monsoon: Rainfall in surplus but losing momentum, sowing and reservoir levels healthy

Figure 202: Daily mean rainfall



Source: CMIE Economic Outlook, IMD, NSE EPR Notes: 1) Data captured is till August 6th, 2025

Figure 203: Cumulative rainfall (period: June 1st, 2025 to August 6th, 2025)



Source: CMIE Economic Outlook, IMD, NSE EPR

Table 45: Division-wise distribution of cumulative rainfall

Subdivisions	Cumulative rainfall (Period: June 1st to August 6th)		
	Actual (mm)	Normal (mm)	% Deviation
East and Northeast India	670.3	815.5	-17.8%
Northwest India	401.5	330.2	21.6%
Central India	618.6	561.3	10.2%
South Peninsula	392.6	405.8	-3.3%
Total	**515.7**	**500.2**	**3.1%**

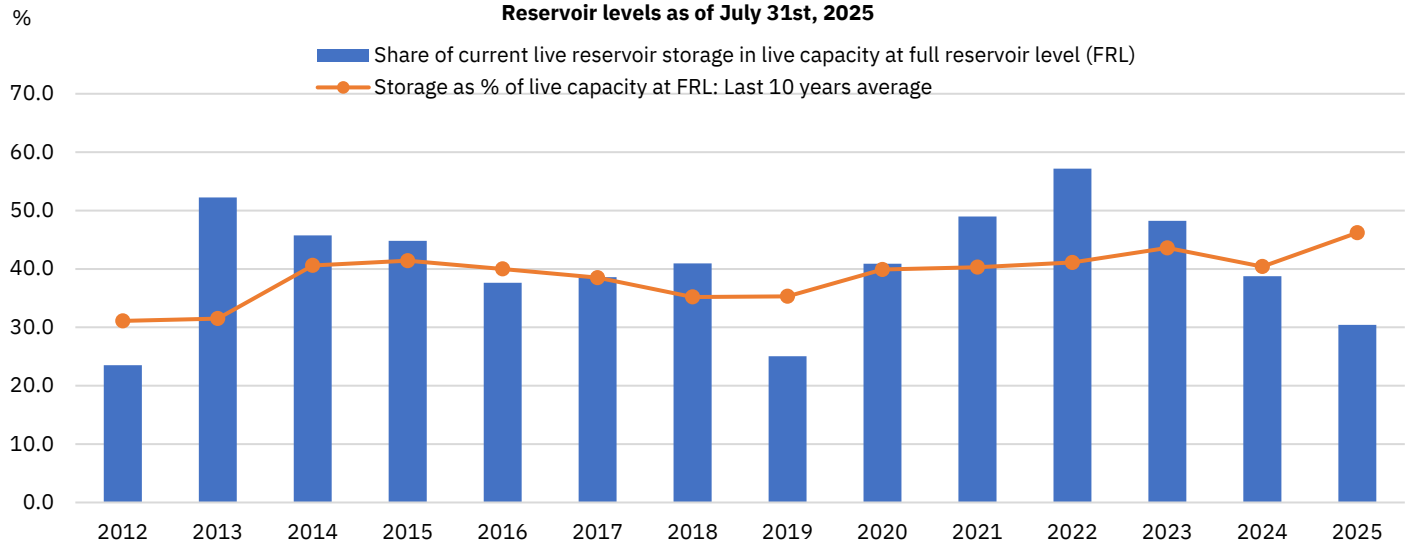
Source: CMIE Economic Outlook, IMD, NSE EPR

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

Category	Period: June 1st to August 6th, 2025	
	No. of subdivisions	% area of the country
Large excess	2	10%
Excess	7	21%
Normal	22	58%
Deficient	5	11%
Large Deficient	0	0%
No rain	0	0%

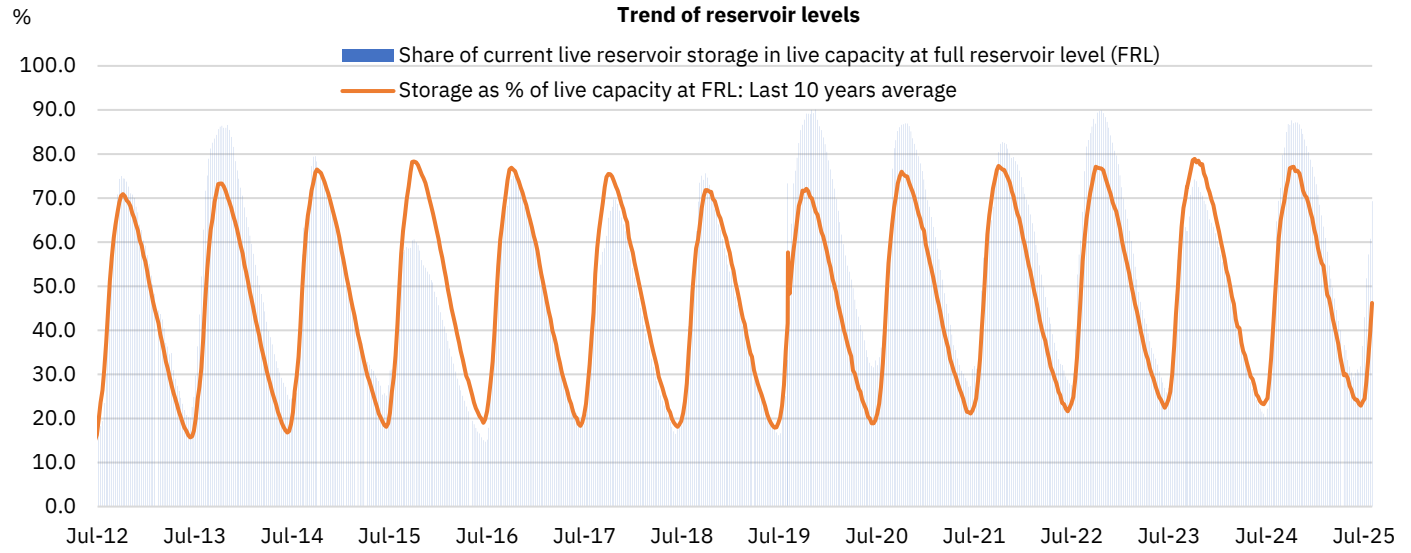
Source: IMD, NSE EPR.

Figure 204: Live reservoir storage levels



Source: CMIE Economic Outlook, NSE EPR.

Figure 205: Trend of reservoir storage levels (as of July 31st, 2025)



Source: CMIE Economic Outlook, NSE EPR,

Figure 206: Actual sown area as a % of normal area sown

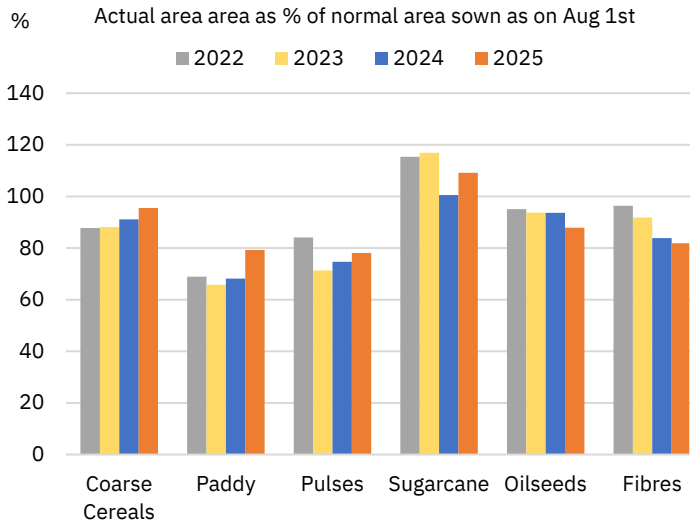
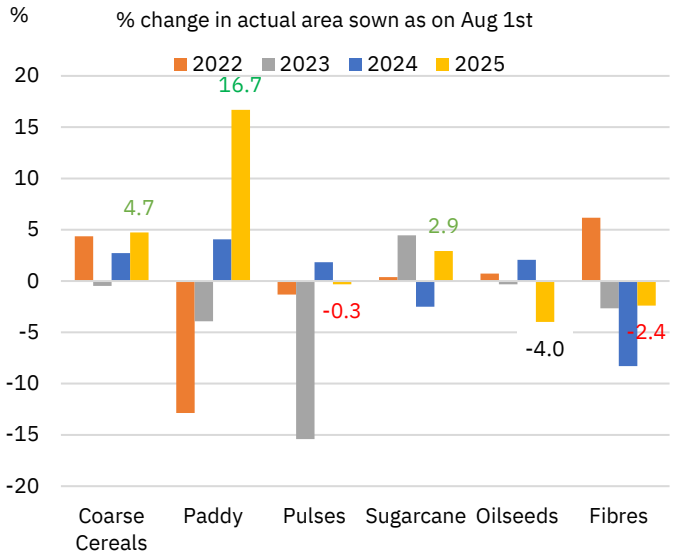


Figure 207: YoY change in actual sown area



Source: CMIE Economic Outlook, NSE EPR

Global macro snippets: Highlights of IMF's WEO (July 2025)

The International Monetary Fund's (IMF) July 2025 outlook projects global growth at 3.0% in 2025 and 3.1% in 2026, reflecting upward revisions of 20 and 10bps, respectively, from April's forecast. The upgrade is attributed to front-loaded exports in anticipation of higher tariffs, lower effective US tariff rates than previously announced, expansionary fiscal policies in major economies, and improved financial conditions, partly driven by a weaker US dollar. India remains the fastest-growing major economy, with its FY26 growth forecast raised by 20bps to 6.4%, marginally below the RBI's 6.5% estimate, supported by a benign external environment. China's growth is projected at 4.8% in 2025 and 4.2% in 2026, following a significant reduction in US–China tariffs. The US economy is expected to expand by 1.9% in 2025 and 2.0% in 2026, aided by fiscal incentives under the One Big Beautiful Bill Act and lower-than-expected tariffs. Global headline inflation is expected to ease to 4.2% in 2025 and 3.6% in 2026, down from ~7% during 2022–24, reflecting tighter financial conditions, easing energy prices, and a tariff-induced demand slowdown. Risks remain skewed to the downside, stemming from renewed tariff pressures, geopolitical tensions, and fiscal vulnerabilities, though credible trade agreements and structural reforms could provide upside support.

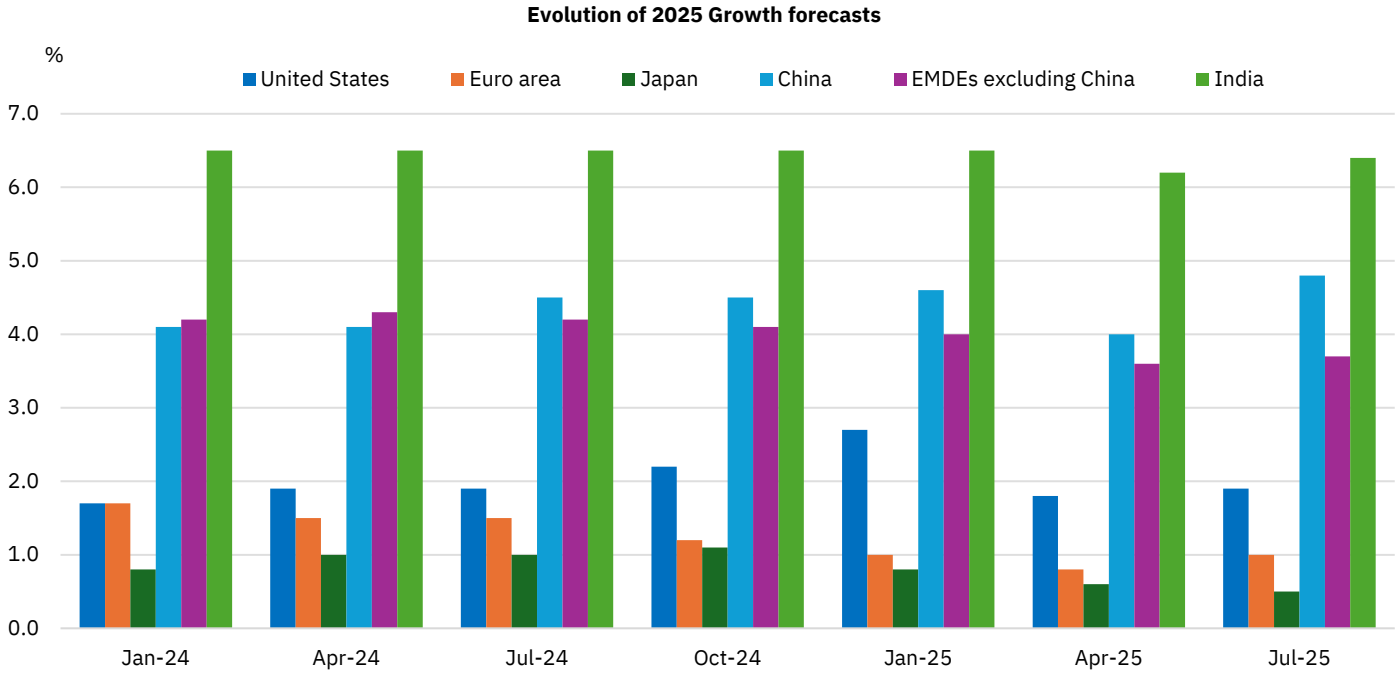
- **Upward revision in global growth to 3% in 2025...:** In its July 2025 outlook, the IMF projected global growth at 3%/3.1% for 2025/2026, marking upward revisions of 20bps/10bps from the April 2025 outlook forecast. This upgrade reflects front-loading of exports in anticipation of higher tariffs, expansionary fiscal policies across key economies and reduction in US tariff rates.
- **...hides notable cross-country differences:** India remains the fastest growing major economy with the projection for FY26 revised higher by 20bps to 6.4%. This is marginally lower than RBI's June 2025 projection of 6.5% and underscores support from a relatively benign external backdrop. China's real GDP growth is projected to register a sizeable jump by 80bps to 4.8% in 2025 and 20bps to 4.2% in 2026, reflecting a significant reduction in US-China tariffs. The US economy is projected to expand by 1.9%/2% in 2025/26, 10bps higher than April's forecast aided by fiscal incentives under One Big Beautiful Bill Act (OBBBA) and lower-than-expected tariff rates. Barring these three, growth in European economies, Russia, Japan, UK and Brazil is projected to remain lacklustre.
- **Global inflation is expected to decline to 4.2% in 2025:** Headline global inflation is projected to fall to 4.2% in 2025 and further to 3.6% in 2026, down from an average of ~7% during 2022-2024. This moderation reflects tightening financial conditions, softening energy prices, and a demand slowdown triggered by implementation of tariffs. Inflation in advanced economies are projected to fall to 2.5% (vs. average of 4.9% during 2022-24) while inflation in Emerging Market and Developing Economies (EMDEs) is projected to moderate to 5.4% (vs. 8.4% during 2022-24), albeit it remains elevated.
- **Outlook tilted to the downside, weighed down by tariffs...:** The risks to the global outlook is predominantly skewed to the downside driven by: a) the resetting of tariff rates for a prolonged period and fresh implementation of tariffs on specific commodities like electronics and pharmaceuticals b) Potential supply shocks stemming from escalation of geopolitical tensions particularly in Middle East or Ukraine c) fiscal vulnerabilities arising from large fiscal deficits with implications for financial markets and spillovers to the real economy. On the upside, growth prospects could benefit from credible trade agreements, reducing global policy uncertainty and progress on labour market policies.

Table 47: IMF growth projections

Growth outlook	Projections (%)			Deviation from April'2025 (pp)	
	2024	2025	2026	2025	2026
World	3.3	3.0	3.1	0.2	0.1
Advanced Eco	1.8	1.5	1.6	0.1	0.1
USA	2.8	1.9	2	0.1	0.3
Euro Area	0.9	1	1.2	0.2	0
Germany	-0.2	0.1	0.9	0.1	0
France	1.1	0.6	1	0	0
Japan	0.2	0.7	0.5	0.1	-0.1
UK	1.1	1.2	1.4	0.1	0
Canada	1.6	1.6	1.9	0.2	0.3
EMDE	4.3	4.1	4	0.4	0.1
China	5	4.8	4.2	0.8	0.2
India	6.5	6.4	6.4	0.2	0.1
Russia	4.3	0.9	1	-0.6	0.1
Brazil	3.4	2.3	2.1	0.3	0.1

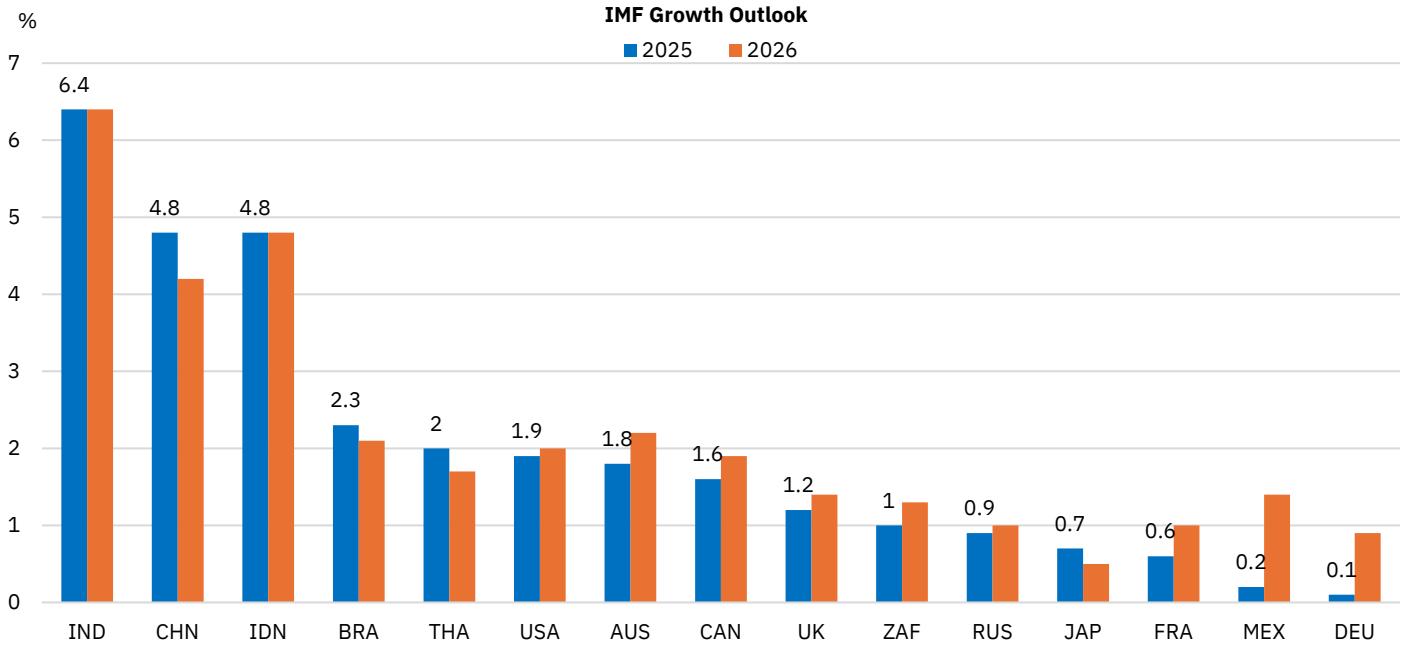
Source: IMF World Economic Outlook, July 2025

Figure 208: Changes in IMF's growth forecast for select economies



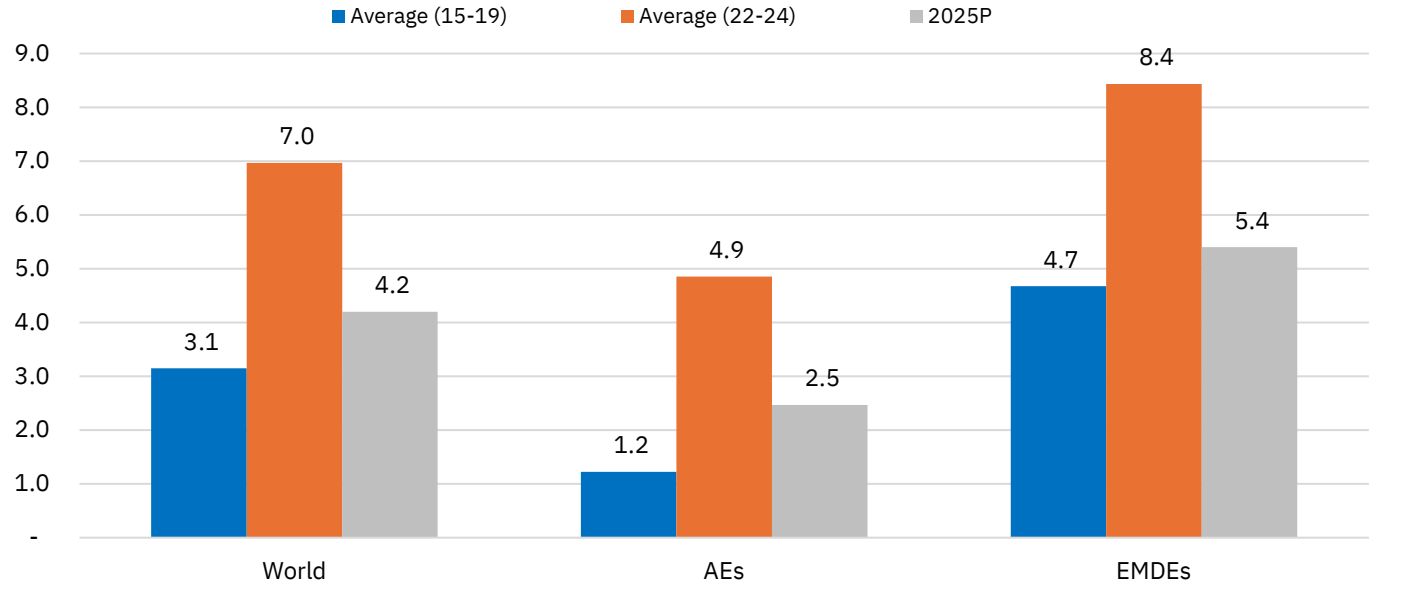
Source: IMF World Economic Outlook, July 2025

Figure 209: Cross-country wise growth outlook by IMF



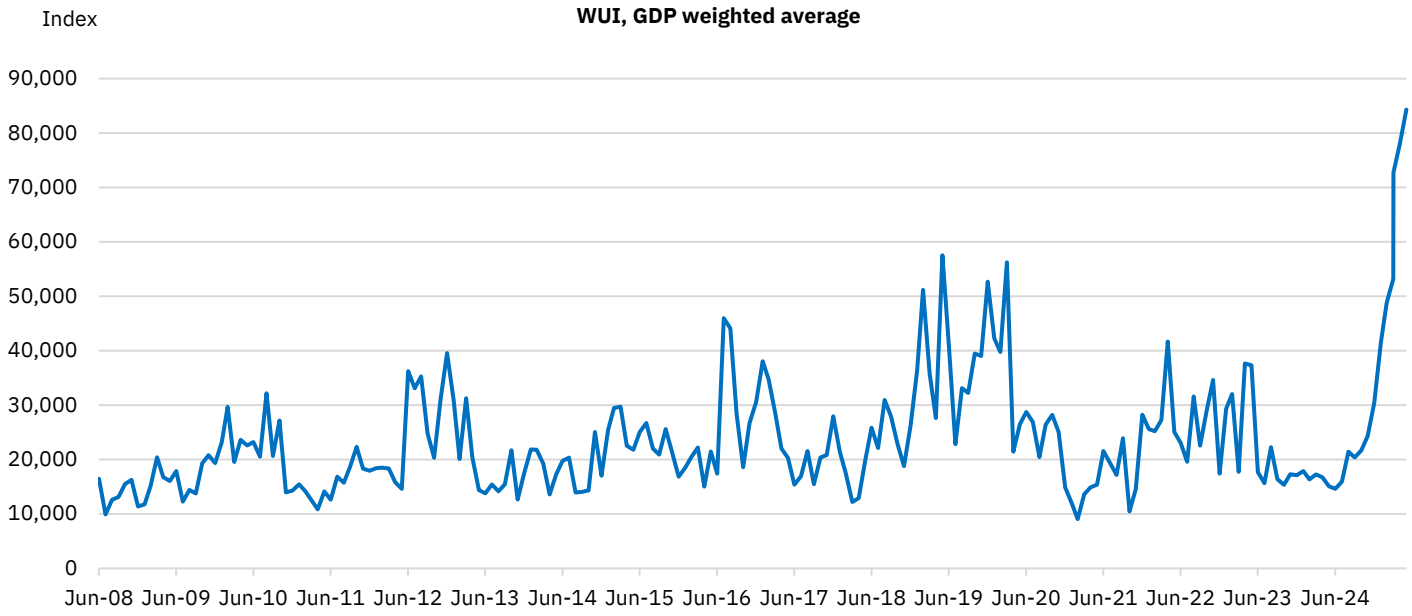
Source: IMF World Economic Outlook, July 2025 Notes: 1) Country names: a) IND = India, CHN = China, IDN = Indonesia, BRA = Brazil, THA = Thailand, USA = United States of America, AUS = Australia, CAN = Canada, UK = United Kingdom, UK = United Kingdom, ZAF = South Africa, RUS = Russia, JAP = Japan, FRA = France, MEX = Mexico, DEU = Germany

Figure 210: Region-wise trends in inflation



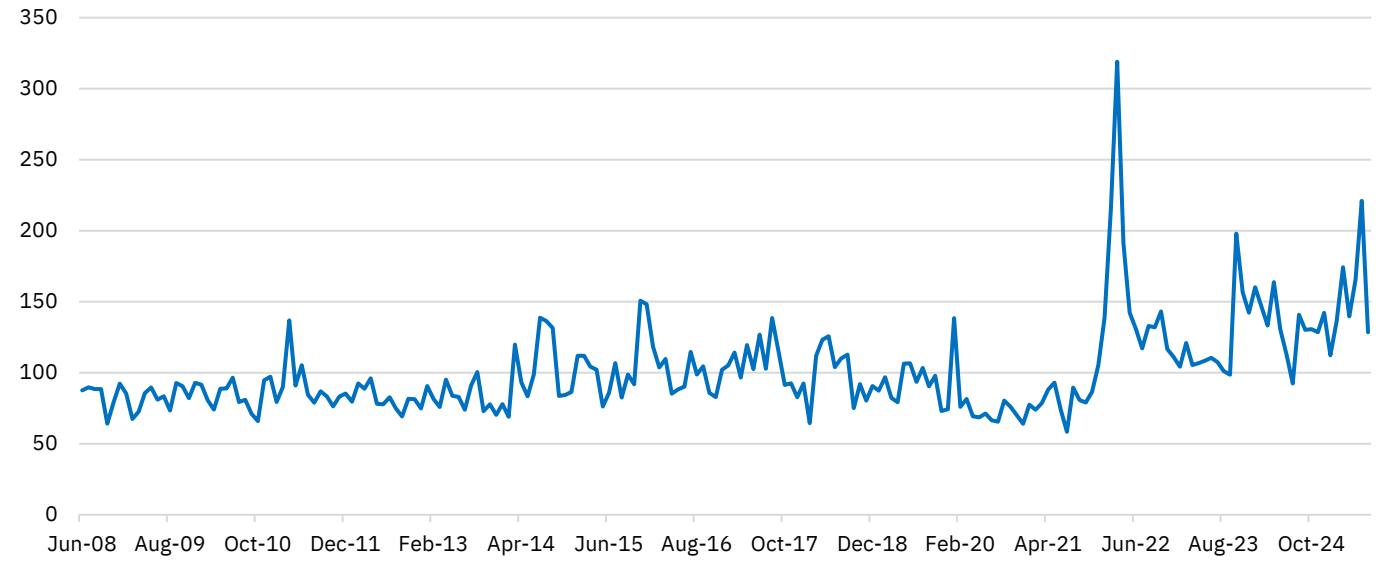
Source: IMF World Economic Outlook, July 2025 Notes: 1)AE = Advanced economies, EMDEs = Emerging market and developing economies 2) 2025P stands for projections in 2025

Figure 211: Monthly trends in World Uncertainty Index (WUI)



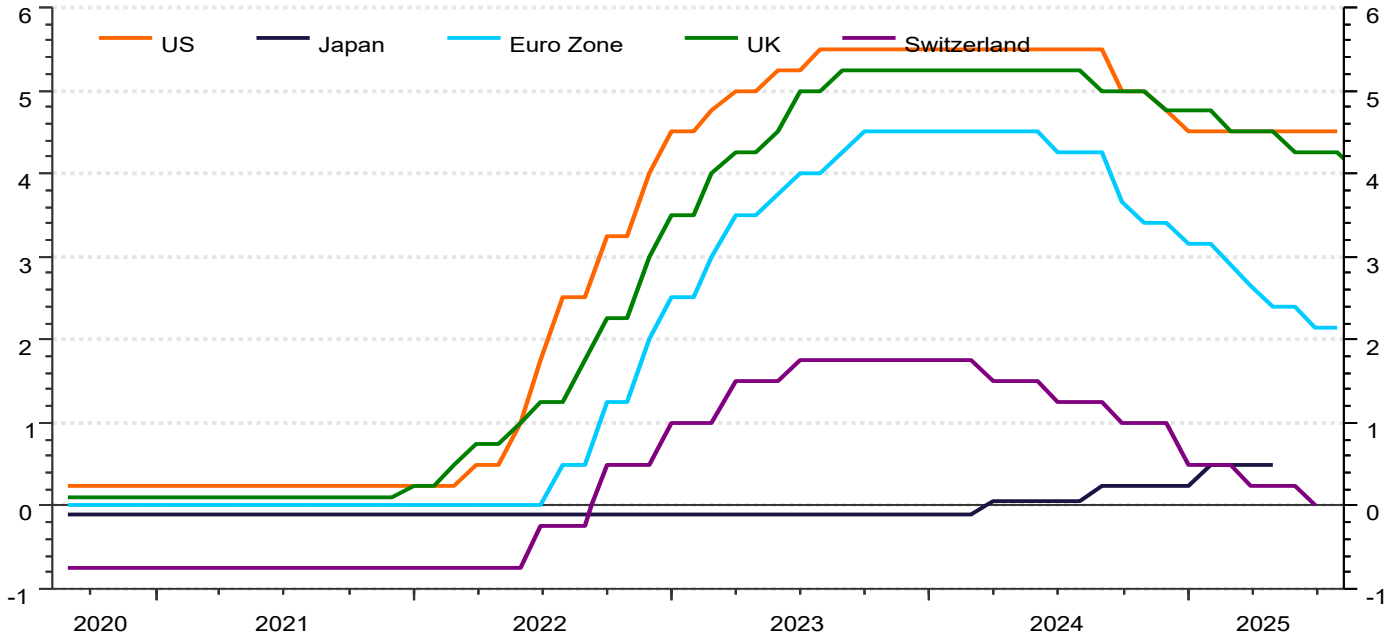
Source: Hites Ahir & Nicholas Bloom & Davide Furceri, 2022. "The World Uncertainty Index," NBER Working Papers 29763, National Bureau of Economic Research, Inc.

Figure 212: Monthly trends in Geopolitical Risk Index



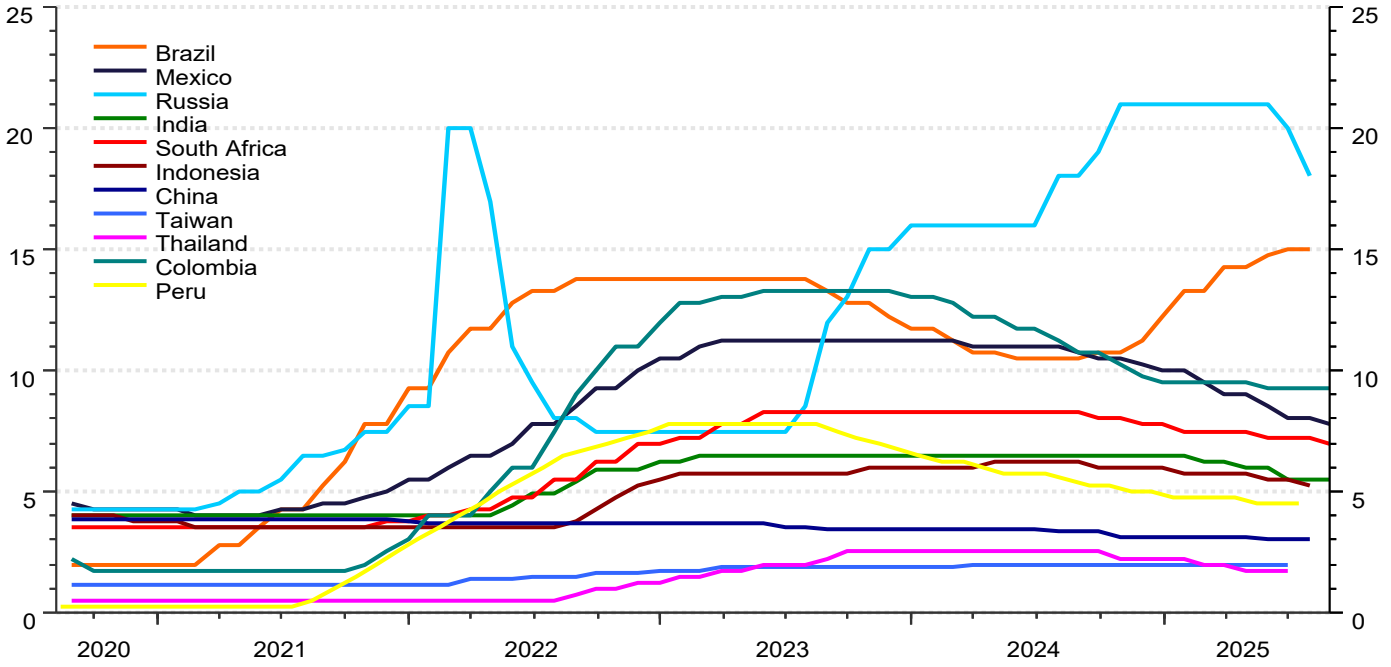
Source: Caldara, Dario and Matteo Iacoviello (2022), “Measuring Geopolitical Risk”, American Economic Review, April 112(4), pp. 1194-1225

Figure 213: Policy rates across AE central banks



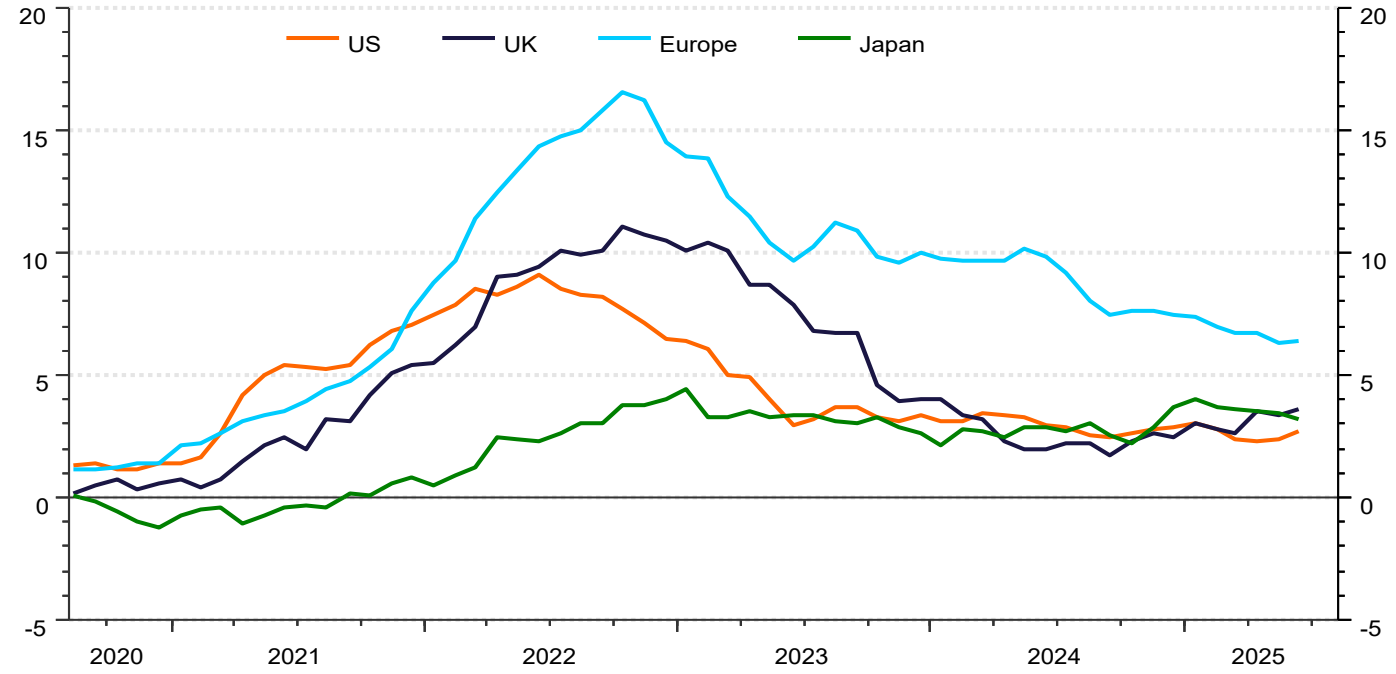
Source: LSEG Workspace, NSE EPR.

Figure 214: Policy rates across emerging markets central banks



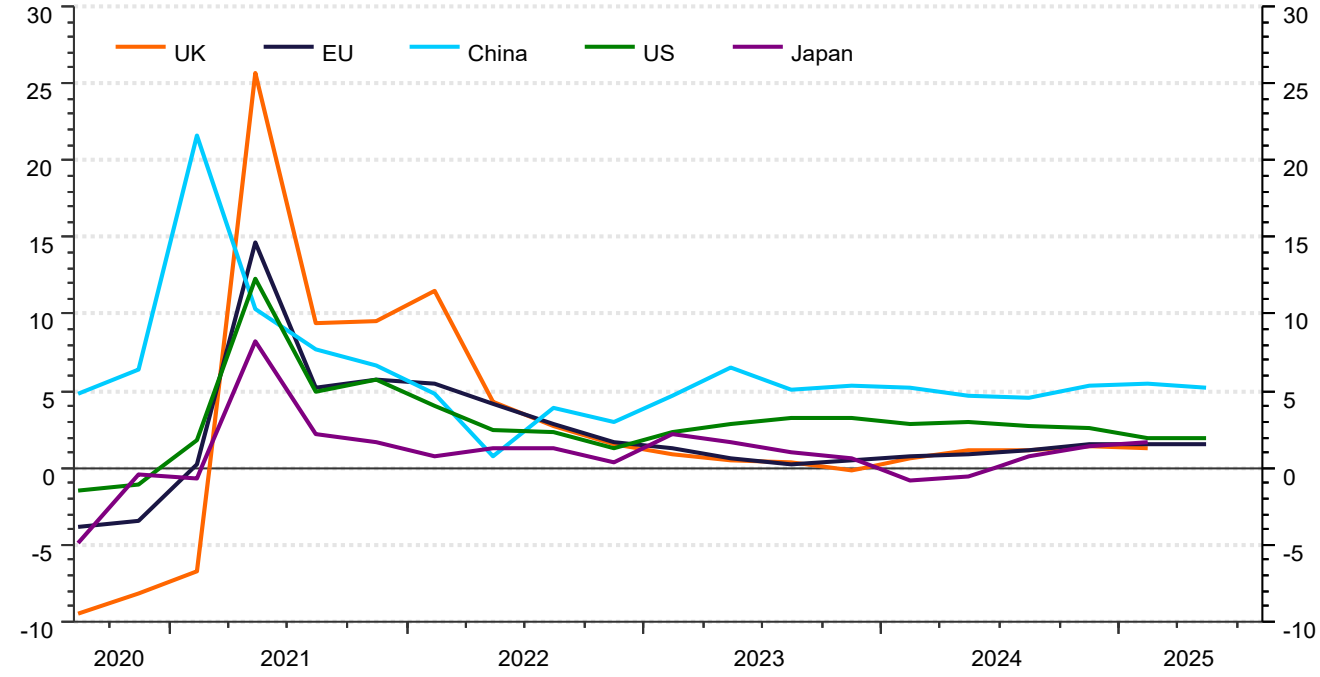
Source: LSEG Workspace, NSE EPR.

Figure 215: Inflation Across Major Economies



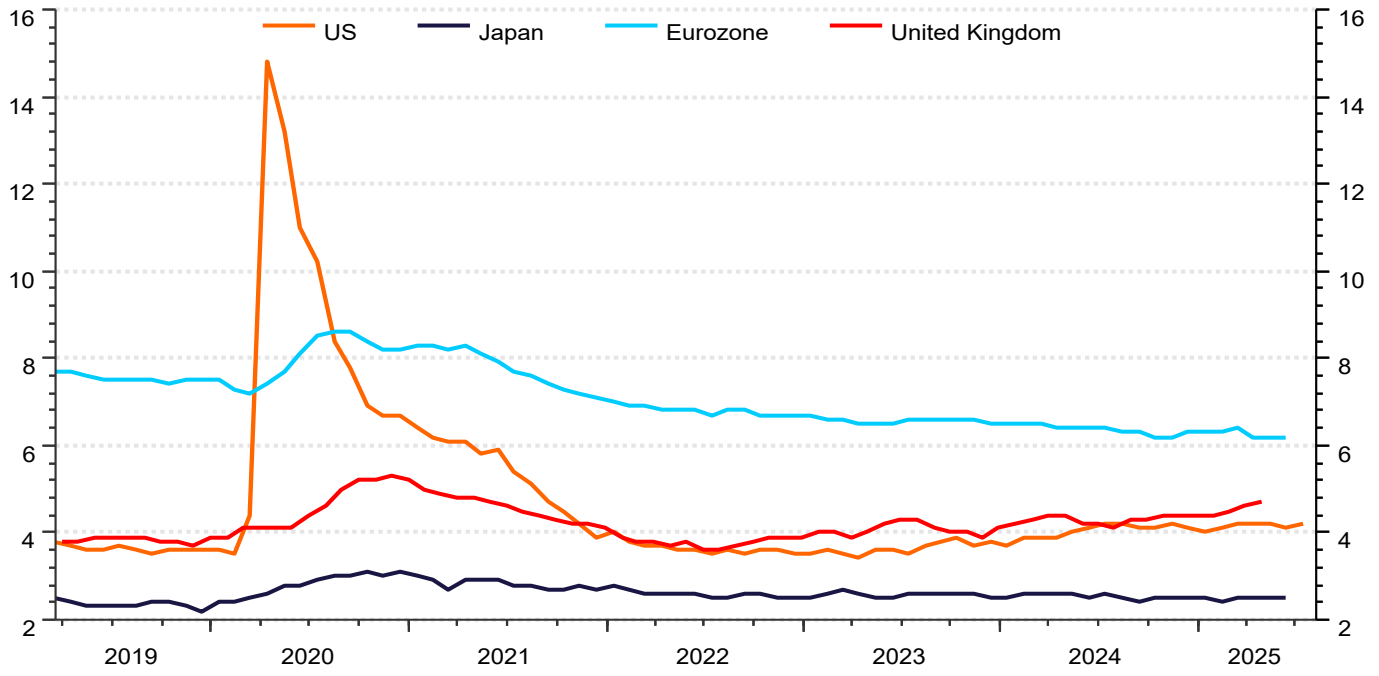
Source: LSEG Workspace, NSE EPR.

Figure 216: Growth Across Major Economies



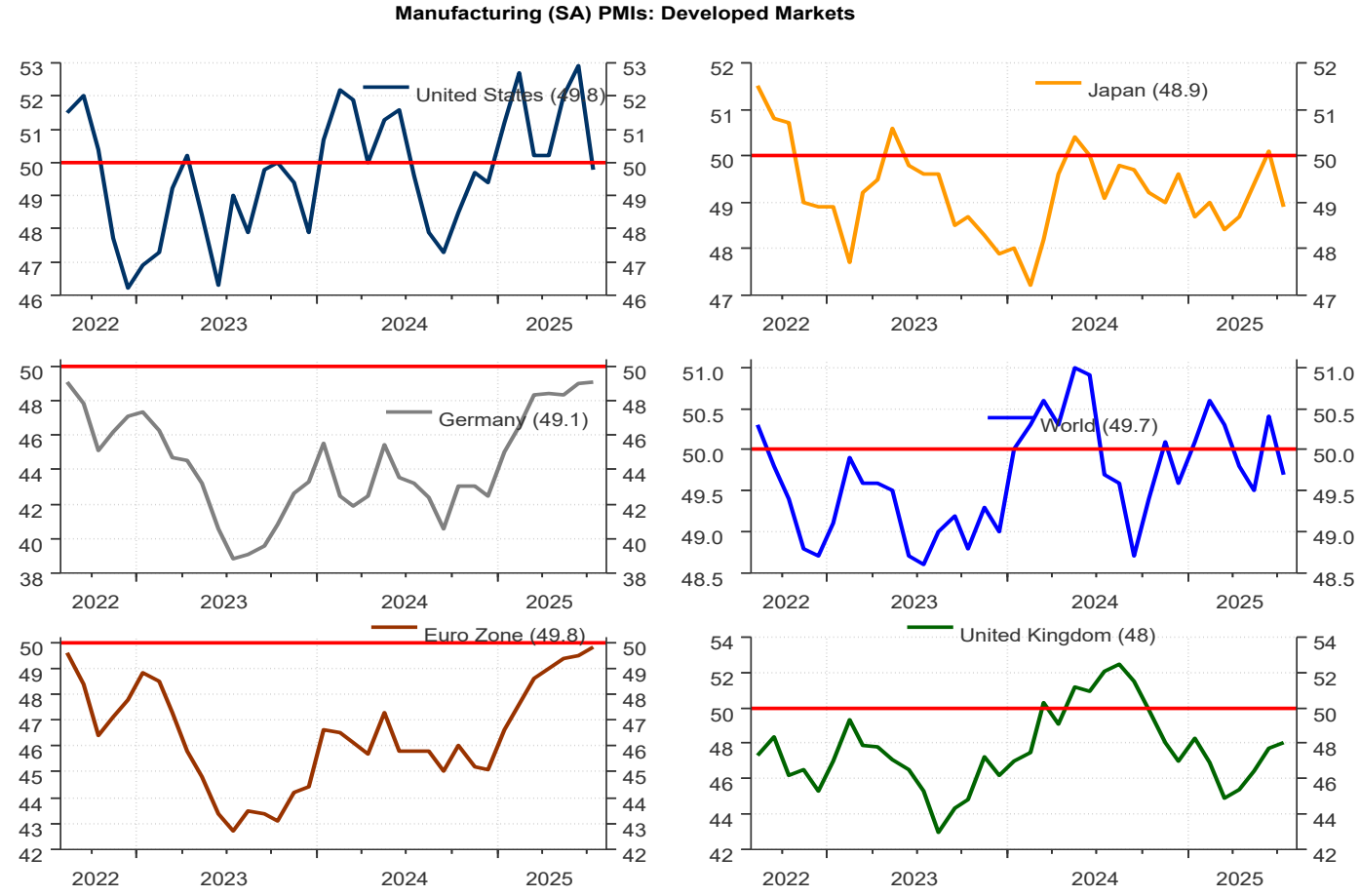
Source: LSEG Workspace, NSE EPR.

Figure 217: Unemployment rates across major economies



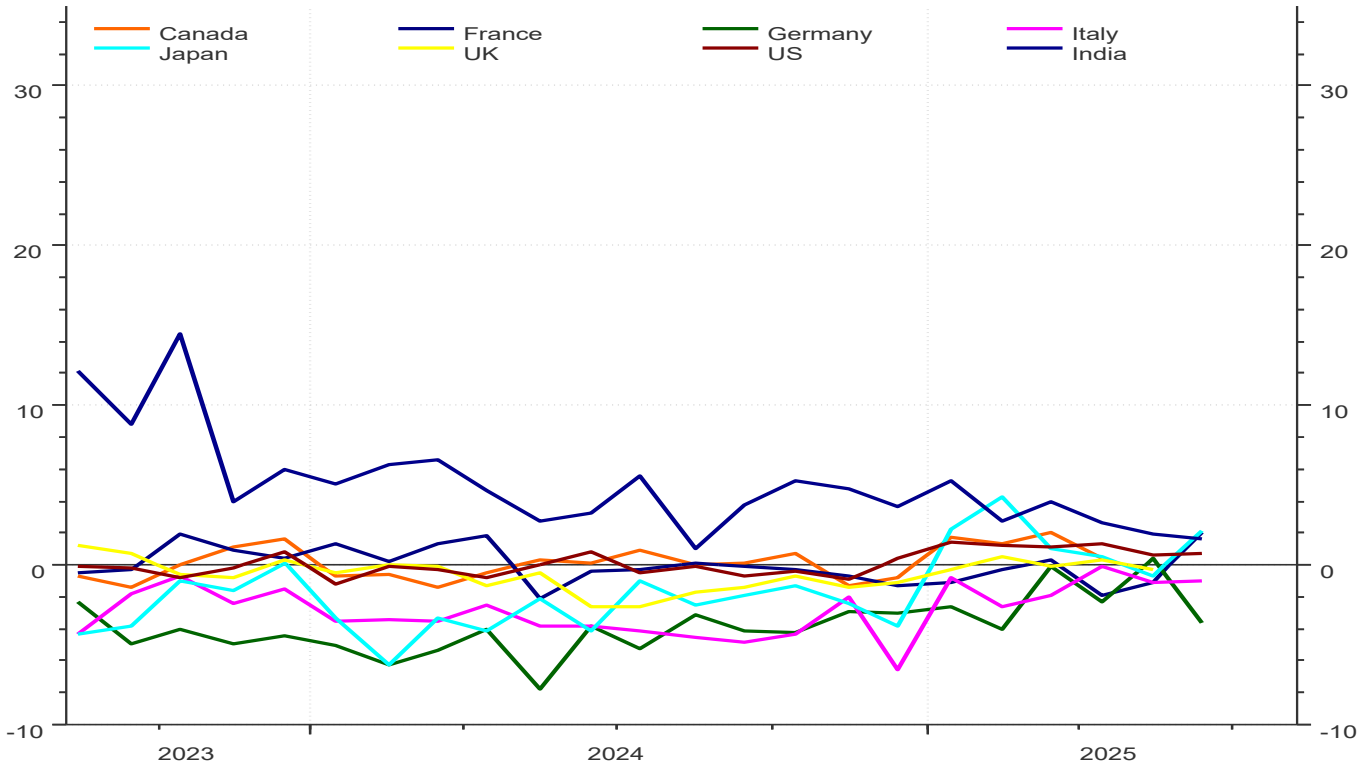
Source: LSEG Workspace, NSE EPR.

Figure 218: Trend in PMI manufacturing across countries



Source: LSEG Workspace, NSE EPR.

Figure 219: Consumer Confidence Index across major economies



Source: LSEG Workspace, NSE EPR

Insights

Household Investment in Equities: Barriers, Wealth Effects, and Policy Pathways for Inclusive Growth

An integrated review of theory and evidence from nine seminal studies spanning advanced and emerging economies

Over three decades, these nine papers chart the evolution of research on household equity participation, wealth effects, and wealth distribution. Mankiw & Zeldes (1991) first showed that equity–consumption linkages exist almost entirely among stockholders, a finding formalised by Haliassos & Bertaut (1995) through a life-cycle model of fixed costs, background risk, and labour–equity covariance. Poterba & Samwick (1995) highlighted the role of indirect holdings and the modest, concentrated nature of equity wealth effects. Guiso et al. (2003) extended the participation-cost framework across Europe, while Campbell (2006) synthesised household finance evidence and policy levers. Emerging-market analyses (Peltonen et al., 2009; Ciarlone, 2011) confirmed housing's dominance, echoed in Paillea's (2009) global survey of heterogeneous wealth effects. Balestra & Tonkin (2018) concluded that extreme equity concentration limits macro impacts, reinforcing the policy case for widening sustained participation, especially in markets where institutional access remains limited.

Taken together, these studies show that equities, despite delivering superior long-term returns, remain a niche asset for most households, with ownership heavily skewed toward wealthier and better-educated groups. Limited participation not only constrains household wealth-building potential but also mutes the broader economic impact of equity market gains, particularly in emerging markets where market depth and institutional reach are still developing. Policies that lower entry costs, embed equities in pension and savings systems, expand affordable access to low-cost diversified vehicles, and mitigate correlated income–equity risks are essential. For emerging economies, such reforms can shift equities from a narrow, elite asset class into a mainstream channel for household wealth accumulation, amplifying both private prosperity and macroeconomic resilience. Without them, equity gains will remain concentrated, housing will dominate balance sheets, and the link between capital market performance and broad-based welfare will remain weak.

- **Mankiw & Zeldes (1991):[20] Disaggregating the Wealth Effect:** Using U.S. Panel Study of Income Dynamics data (1980–1987), Mankiw & Zeldes test whether stock market fluctuations affect consumption differently for stockholding and non-stockholding households. Aggregate time-series correlations between consumption and stock returns are weak, but when disaggregated, stockholders' consumption growth is significantly more correlated with stock returns than that of nonstockholders. This heterogeneity is consistent with limited participation models and implies that aggregate consumption–wealth elasticities can be severely attenuated when participation is incomplete. The findings provide an early micro-level confirmation of the participation constraint mechanism formalised in Haliassos & Bertaut (1995) and later surveyed by Campbell (2006). They also suggest that, for policy or forecasting, the relevant marginal propensity to consume from equity wealth is that of active stockholders—potentially an order of magnitude higher than the aggregate estimate—reinforcing that expanding participation is essential for equity-driven wealth gains to translate into broader consumption and welfare effects.

[20] Mankiw, N. G., & Zeldes, S. P. (1991). The consumption of stockholders and nonstockholders. *Journal of Financial Economics, 29*(1), 97–112. https://doi.org/10.1016/0304-405X(91)90015-C

- **Haliassos & Bertaut (1995):[21] Framing the Stockholding Puzzle:** This seminal paper addresses the "stockholding puzzle" identified in earlier empirical work (e.g., Mankiw & Zeldes, 1991): the persistent absence of equity from many household portfolios despite its historically superior mean-variance profile. Using a calibrated life-cycle consumption–portfolio model matched to U.S. survey data, the authors embed fixed participation costs, uninsurable background risk, borrowing constraints, and correlation between labor income and stock returns. They show that small fixed costs, combined with empirically plausible risk aversion and income–equity covariance, can rationalise low participation rates, particularly among younger and lower-wealth households. Borrowing constraints alone are insufficient. The model predicts that marginal changes in expected returns or volatility will not induce widespread participation without lowering entry costs or mitigating income–return correlations. The paper's framing has since underpinned a large literature (e.g., Vissing-Jorgensen, 2002) on participation costs and informs policy debates on reducing frictions to broaden sustained equity ownership.

- **Poterba & Samwick (1995):[22] Reconciling Ownership Data and Wealth Effects:** Poterba & Samwick reconcile conflicting evidence on the scope of U.S. household equity ownership by incorporating indirect holdings—via mutual funds, defined contribution pensions, and variable annuities—into Flow of Funds and Survey of Consumer Finances data for 1962, 1983, and 1992. Adjusting for these channels reveals that households control roughly two-thirds of U.S. corporate equity, reversing the apparent decline in direct holdings. Time-series analysis of aggregate consumption and stock prices shows that correlations between lagged returns and spending largely reflect common macroeconomic shocks, not strong causal wealth effects. Cross-sectional estimates yield modest marginal propensities to consume (MPC) from equity wealth—typically a few cents per dollar—and only slightly higher among stockholders, with indirect holders more responsive than non-holders. The study anticipates later work (e.g., Lettau & Ludvigson, 2004) in cautioning against over-interpreting short-run co-movements, while underscoring that broad, long-term ownership channels are critical to diffusing equity-driven wealth gains across households.

- **Guiso, Haliassos & Jappelli (2003):[23] Cross-Country Evidence on Stockholding:** This cross-country study, based on late-1990s household survey data for 14 European nations, documents wide variation in direct stockholding—from under 10% in Southern Europe to over 30% in Nordic countries. Indirect ownership via mutual funds and occupational pensions boosts participation significantly in some markets. Econometric analysis links participation positively to wealth, education, and financial literacy, and negatively to risk aversion and background risk. Institutional features—transaction costs, taxation, pension design—explain substantial cross-country differences. The paper operationalises the "participation cost" framework of Haliassos & Bertaut (1995), showing that even small fixed costs can exclude low-wealth households entirely. The authors advocate reforms to reduce costs, deepen capital markets, and expand pension-based equity exposure,

[21] Haliassos, M., & Bertaut, C. C. (1995). Why do so few hold stocks? *The Economic Journal, 105*(432), 1110–1129. https://doi.org/10.2307/2235407
[22] Poterba, J. M., & Samwick, A. A. (1995). Stock ownership patterns, stock market fluctuations, and consumption. *Brookings Papers on Economic Activity, 1995*(2), 295–372. https://doi.org/10.2307/2534612
[23] Guiso, L., Haliassos, M., & Jappelli, T. (2003). Household stockholding in Europe: Where do we stand and where do we go? *Economic Policy, 18*(36), 123–170. https://doi.org/10.1111/1468-0327.00104

anticipating later EU initiatives on retail investor access. Findings align with U.S. evidence (Vissing-Jorgensen, 2002) that both structural and behavioural frictions must be addressed to raise participation and enable long-term wealth building.

- **Campbell (2006):[24] Synthesising Household Finance Research:** This influential review synthesises empirical and theoretical advances in the then-emerging field of household finance, situating limited stock market participation within a broader set of portfolio and borrowing decisions. Campbell documents that equity ownership is disproportionately concentrated among wealthy, educated households, even in countries with deep capital markets. He highlights key frictions—fixed participation costs, under-diversification, inertia, myopia, and the interaction of housing and labor income risk—that generate persistent deviations from normative portfolio theory. Empirical evidence shows many households either avoid equities entirely or hold undiversified positions (e.g., employer stock), trade infrequently, and react suboptimally to shocks. Policy discussion emphasises the role of default structures in retirement plans, automatic enrolment, and low-cost investment vehicles in promoting long-term equity holding. By linking micro- and macro-level evidence, the paper complements earlier structural models (Haliassos & Bertaut, 1995) and empirical participation studies (Vissing-Jorgensen, 2002), framing an agenda for behavioural and institutional remedies.

- **Peltonen, Sousa & Vansteenkiste (2009):[25] Wealth Effects in Emerging Markets:** Using panel data for 16 emerging economies (1990–2007) and both error-correction and panel VAR methods, this paper estimates the impact of housing and equity wealth on private consumption. Results show equity wealth effects are generally smaller in emerging markets than in advanced economies, with housing wealth effects often larger due to higher homeownership and easier collateralisation. Equity wealth effects become significant in economies with deeper markets and higher participation (e.g., Korea, Taiwan). Estimated long-run elasticities suggest a 10% rise in equity wealth lifts consumption by less than 0.5% on average, versus 0.5–1% for housing. Short-run effects are muted. The authors stress that financial market depth, institutional quality, and participation rates are key mediators—reinforcing that without broad-based household engagement, equity gains have limited macroeconomic transmission, echoing similar conclusions in Poterba & Samwick (1995) for advanced economies.

- **Paillea (2009):[26] Surveying Stock and Housing Wealth Effects:** This survey synthesises evidence across methodologies and countries on the marginal propensity to consume from stock and housing wealth. In advanced economies, stock wealth MPCs typically fall in the 2–7¢ per $1 range, with housing wealth often equal or higher. Microdata reveals pronounced heterogeneity: stock wealth effects are concentrated among direct holders, while housing effects extend more broadly via collateral channels. Aggregate impacts are sensitive to participation rates, credit market structures, and whether shocks are perceived as permanent. Methodological issues—endogeneity, measurement error, and aggregation bias—

[24] Campbell, J. Y. (2006). Household finance. *The Journal of Finance, 61*(4), 1553–1604. https://doi.org/10.1111/j.1540-6261.2006.00883.x
[25] Peltonen, T. A., Sousa, R. M., & Vansteenkiste, I. S. (2009). Wealth effects in emerging market economies. *ECB Working Paper Series, No. 1000.* European Central Bank. https://doi.org/10.2139/ssrn.1514775
[26] Paillea, J. (2009). The stock market, housing and consumer spending: A survey of the evidence on wealth effects. *OECD Journal: Economic Studies, 2009*(1), 1–47. https://doi.org/10.1787/eco_studies-v2009-art4-en

are reviewed, with caution that simple correlations can overstate causal effects. The survey's conclusion aligns with Campbell (2006) and Peltonen et al. (2009): equities are powerful for long-run wealth accumulation, but their immediate consumption impact is modest and skewed toward wealthier households, underscoring the importance of policies that broaden participation to translate market gains into widespread welfare improvements.

- **Ciarlone (2011):[27] Housing vs. Equity Wealth in EMEs:** Ciarlone extends the wealth effect literature to 16 emerging economies (1990–2010) using panel cointegration and dynamic OLS. The analysis confirms that housing wealth effects dominate equity wealth effects in most EMEs, reflecting higher homeownership rates and limited stock market depth. Equity wealth coefficients are positive but small and statistically significant only in economies with developed capital markets and higher participation. Housing effects are amplified where mortgage markets are liberalised and collateral can be leveraged for consumption smoothing. The findings dovetail with Peltonen et al. (2009) in showing that without structural improvements to market access, institutional quality, and financial literacy, equity wealth will remain a weak macro driver, despite its higher long-term returns. This reinforces the policy case for deepening equity markets and incentivising sustained household equity investment to complement housing-driven wealth channels.

- **Balestra & Tonkin (2018):[28] Wealth Inequality and Equity Participation in OECD Economies:** Analysing harmonised microdata for 28 OECD countries, the authors show that wealth inequality is more pronounced than income inequality, with the top 10% holding on average 52% of total net wealth. Financial wealth—including equities—is even more concentrated, with median households in many countries holding negligible equity exposure. Cross-country variation reflects pension system design, market access, and cultural attitudes toward equity investment. Broader middle-class equity participation is observed in countries with large funded pension systems and retail mutual fund penetration (e.g., Australia, Netherlands). The analysis highlights that in most OECD countries, housing remains the dominant asset for the middle class, limiting their capture of equity market returns. Echoing earlier work (Guiso et al., 2003; Campbell, 2006), the authors argue that expanding systematic, long-term equity exposure—particularly via retirement savings—could materially improve wealth distribution and enhance the link between capital market performance and median household welfare.

[27] Ciarlone, A. (2011). Housing wealth effect in emerging economies. *Emerging Markets Review, 12*(4), 399–417. https://doi.org/10.1016/j.ememar.2011.06.002
[28] Balestra, C., & Tonkin, R. (2018). Inequalities in household wealth across OECD countries: Evidence from the OECD Wealth Distribution Database. *OECD Statistics Working Papers, 2018/01.* OECD Publishing. https://doi.org/10.1787/18152031

Highly cited research paper 1 in the field of Finance

The Consumption of stockholders and non-stockholders[29]

N. Gregory Mankiw and Stephen P. Zeldes

Research paper summary prepared by Economic Policy and Research, NSE

Introduction

Several studies over the past two decades have attempted to model the interlinkages between the consumption and portfolio allocation decision. One of the most prominent empirical failures of these models is the *equity premium paradox*- the phenomenon characterised by the returns on equity averaging approximately 6% more than the return on short-dated Treasury bills.

Essentially, researchers have tried to analyse the dissonance between observed risk premium being quite high and aggregate consumption growth covarying insignificantly with return on equities. Intuitively, if random movements in stock prices do not lead to large fluctuations in consumption, the randomness does not represent true riskiness to the consumer and should not be associated with a sizeable risk premium.

The authors posit that the consumption of stock and non-stockholders responds heterogeneously to variations in equity market returns. They hypothesize that non-stockholding consumers would not satisfy the first order conditions for optimal asset holding, underlying the consumption CAPM.

Are there any patterns identifying stockholders?

The authors work on a representative sample of families, based on responses extracted from the Panel study of Income Dynamics (PSID), which had questions about the current market value of shares of stock in publicly traded companies and wealth held in savings and money market accounts in 1984.

The authors demonstrate that families that do not own stock account for 62% of disposable income, while only about 15% of the families surveyed held equity worth more than $10,000. The authors posit that one of the possible reasons for not holding stock could be the absence of any liquid wealth. Even within households that held substantial liquid assets, the authors observe that less than half of them hold equity, which they surmise could be because of information acquisition costs.

The authors observe that when they control for education, households with higher average labour income are comparatively more likely to hold equity (valid for households with a high school degree but no college degree), whilst households with a college degree are comparatively more likely to hold stocks than households without one.

Interpretation: Wealthier families have a greater probability of bearing the fixed costs of acquiring information, on account of having comparatively more valuable portfolios.

Theoretical Model

The authors employ a standard optimisation problem, embedded within the consumption CAPM to find the correlation between the excess market return over the risk-free rate and growth rate of consumption. This allows them to compute the Arow-Pratt measure of relative risk aversion, which would justify the magnitude of the equity premium.

[29]Mankiw, N. G., & Zeldes, S. P. (1991). The consumption of stockholders and non-stockholders. *Journal of Financial Economics, 29*(1), 97–112. https://doi.org/10.1016/0304-405X(91)90015-C

The authors then use multiple metrics for the second order moments in the equilibrium condition implied by Grossman and Shiller (1982) .[30] and multiple data samples to estimate the coefficient of risk aversion, which is implausibly high. The authors note that the standard consumption CAPM equilibrium breaks down, when certain consumers do not hold stocks.

Empirical Estimation and Major Findings

The authors employ 13 annual observations of consumption growth rates between 1970 and 1984 and 3 distinct definitions of stock and non-stockholders (splits define "stockholder" households as those holding any, at least $1,000 worth and at least $10,000) to study the covariance of consumption growth and excess returns on equity. Some of the major findings of this analysis include:

Aggregate consumption of stockholders is comparatively more correlated with excess stock returns than that of non-stockholders and the former is also more volatile

Interpretation: The covariance of excess market returns and consumption growth is much greater for stockholders. This result holds across the three subclasses of stockholder households.

The authors then run a regression to test whether the difference between the covariances of stock and non-stockholder consumption with market returns is statistically significant. Once again, the authors note that the difference in covariances is statistically significant. Additionally, it is instructive to note that focussing on the consumption of just stockholders deflates the value of the coefficient of relative risk aversion and is a sign of progress in terms of reconciling the equity premium puzzle with available data.

Major Policy Implications and Conclusions

The authors attempt to gauge whether the distinction between stockholders and non-stockholders can resolve the equity premium puzzle over a longer time horizon. They also specify that data availability on overall consumption instead of just food consumption would make the analysis a lot more robust. The authors also note that the partial validation of the equity premium puzzle could be resolved, if the PSID design was tailored to ensure separation between stock and non-stockholders (it only included questions on stock ownership in 1984).

The authors do conclusively reconcile the failure of the consumption based CAPM, by discretely studying consumption of the two heterogeneous sets of consumers. Aside from the coefficient of relative risk aversion for stockholders being lower, the authors broach certain open questions that has gone on to inform later research on the stock market participation puzzle, namely those of why certain affluent households do not hold any stocks and whether stockholder consumption can be estimated using longer form time series data.

[30] Grossman. Sanford and Robert Shiller, 1982, Consumption correlatedness and risk measurement in economies with non-traded assets and heterogeneous information. Journal of Financial Economics 10. 195-'110.

Highly cited research paper 2 in the field of finance

Why Do So Few Hold Stocks?[31]

Michael Haliassos and Carol C. Bertaut

Research paper summary prepared by Economic Policy and Research, NSE

Introduction

Roughly three-quarters of U.S. households own no equities even though stocks have persistently out-performed safe assets, this paper addresses this "participation puzzle". The authors use this as a litmus test for standard portfolio theory, welfare analysis, and policy design. By combining descriptive evidence from the 1983 Survey of Consumer Finances with calibrated models and discrete-choice econometrics, they sift through an extensive menu of explanations: classic risk–return trade-offs, borrowing constraints, labour-income risk, information costs, cultural influences, and deviations from expected-utility theory.

Data and Methods

The authors use the data from 1983 Survey of Consumer Finances (SCF), the most detailed cross-section available at the time. The authors proceed in three steps. Firstly, Descriptive tabulations establish how stockholding varies with income, education, occupation, unemployment risk, and stated risk tolerance. Secondly, a logit model estimates the probability of owning stocks as a function of "fundamental" variables (income, wealth, life-cycle stage, labour-income risk) and "inertial/cultural" proxies (education, race, marital status, managerial occupation, inheritance, declared risk appetite) and Finally, calibration exercises embed modest "entry costs" into a three-period portfolio framework to test how large an informational or cultural hurdle must be to rationalise zero equity demand under plausible risk aversion.

Key results

Stylised facts

- Participation remains low across the income distribution: even among households with US$200,000 in liquid assets about 20% hold no equities.
- Non-stockholders often park sizeable sums in low-yield safe assets.
- Education is the single strongest demographic correlate; racial gaps persist after controlling for income and wealth.
- Occupations with high unemployment risk (construction, agriculture) show lower participation; managers exhibit the opposite pattern.

Econometric evidence

- Income and financial wealth raise the likelihood of stockholding, as textbook theory predicts.
- High-risk occupations depress participation; managerial status, college education, and being white all boost it.
- Stated willingness to accept any financial risk is a near-sufficient condition for entering the market; those who refuse all risk almost never hold stocks.

[31] Haliassos, Michael, and Carol C. Bertaut. "Why do so few hold stocks?." the economic Journal 105.432 (1995): 1110-1129.

- Age per se is insignificant once liquidity preferences are included, undermining theories that rely solely on life-cycle information acquisition.

Calibration insights

- Standard expected-utility models cannot explain pervasive non-participation: with realistic equity premia, risk-averse households should buy at least a small stake.
- A modest fixed "entry cost"—roughly two weeks' income for a representative household with relative-risk-aversion around 10—suffices to deter stockholding.
- Higher risk aversion magnifies the deterrent effect; lower stakes for high-income households underscore the role of informational inertia rather than binding dollar thresholds.

Interpretation

Three forces survive the authors' systematic triage.

1. *Information and cultural inertia*: lump-sum costs of learning, distrust of markets, or lack of experience create a tangible hurdle. Education, managerial exposure, and inheritance of financial assets all mitigate this barrier.
2. *Labour-income risk*: Households in cyclically volatile jobs rationally shy away from equities, though this effect is secondary to inertia.
3. *Non-standard preferences*: Many people strongly avoid taking any kind of risk, even when the potential reward is high. This kind of behaviour does not match the usual economic models, which assume people weigh risks and rewards in a balanced way. Instead, it suggests that people may be more sensitive to losses or focus more on how outcomes are ranked, rather than just the numbers.

Conversely, minimum investment requirements, heterogeneous beliefs, borrowing-lending rate wedges, and habit-persistence explanations prove quantitatively weak.

Policy Implications

- Targeted financial education must demystify the mechanics of opening brokerage accounts, basic diversification, and long-run return comparisons; generic literacy drives are unlikely to move the needle.
- Reducing entry frictions—no-minimum index funds, low-fee robo-advisors, simplified enrolment—can lift participation, especially for middle-income households.
- Automatic enrolment into diversified retirement vehicles (e.g., target-date funds inside 401(k)s) sidesteps inertia and behavioural aversion.
- Disclosure rules should translate risk and cost information into plain language; policymakers cannot assume that a high equity premium alone will lure new investors.
- Privatisation schemes or retail bond programmes need aggressive outreach, subsidised advice, and streamlined application channels if broad share ownership is a goal.

Conclusion

This paper demonstrate that the equity participation puzzle is driven less by textbook risk–return calculus than by information frictions, cultural dispositions, and behavioural thresholds. Unless policy deliberately shrinks these entry costs and simplifies decision-making, large swaths of the population will continue to keep their savings in low-yield assets—leaving both individual welfare gains and broader capital-market efficiency unrealised.

Highly cited research paper 3 in the field of finance

Stock Ownership Patterns, Stock Market Fluctuations, and Consumption[32]

James M. Poterba & Andrew A. Samwick

Research paper summary prepared by Economic Policy and Research, NSE

Introduction

Between December 1994 and July 1995, the US stock market surged by nearly $1 trillion in total valuation – an unprecedented jump catching national attention. Headlines cheered that rising markets meant households would simply open their wallets more freely. The idea is that the wealth effect from such a stock market rally should have a significant stimulative effect on consumption. The authors dig deeper to trace the change in pattern of stock ownership to understand who really benefits from stock wealth and why does a booming stock market seem to predict a rise in consumer spending.

Stocks ownership: Direct vs. indirect

Historically, Americans owned stock directly by outright borrowing shares of company. However, over the post-war decade, individuals started holding equities indirectly through mutual funds, financial intermediaries, etc. Despite that, by 1992, while direct stock ownership had fallen below 50%, individuals still controlled two-thirds of the corporate stock after adding indirect holdings. Even among the households owning some kind of stock (direct or indirect), the ownership of stocks continued to rise between 1962 and 1992 especially among the younger household heads, although it was skewed towards wealthier households. This indicates that households' exposure to share price changes remained significant. If individuals adjust their consumption more in response to fluctuations in the price of shares that they own directly than in response to shares that they hold through financial intermediaries or in accounts that are dedicated to retirement saving, then the way in which stock prices affect real economic activity may depend on stock ownership patterns.

Who gains from the boom?

The authors argue that while stock market jumps may inflate wealth, the broader economic impact may be muted if only a tiny segment of the population holds most of the stocks. They found that in 1992 the top 0.5% of the stockholders took home almost one-third of total equity value, a significant drop from 55% in 1983. This implies that stock wealth still disproportionately favours the few – but indirect ownership channels were resulting in broader diffusion of gains.

The leading indicator view vs. the wealth effect

A rise in share prices could be because of two plausible channels. First, stock prices may rise in anticipation of strong economic activity, including consumer spending. In this case changes in stock market values are merely an indicator that subsequent changes are expected. The idea that stock prices move because the market foresees economic and consumption growth – meaning the market doesn't cause consumption to rise; it predicts it.

A second link between stock prices and consumption is the wealth effect; that is, changes in share values cause changes in consumption by relaxing the budget constraints that households face. If the first channel also called as

[32] Poterba, J. M., Samwick, A. A., Shleifer, A., & Shiller, R. J. (1995). Stock ownership patterns, stock market fluctuations, and consumption. Brookings papers on economic activity, 1995(2), 295-372.

leading indicator view is correct, then, the pattern of consumption changes following stock price fluctuations should be independent of the distribution of stock ownership and there is no reason to expect different consumption responses from households that do and do not own corporate stock. Rising stock market raises households net worth, relaxing their budget constraint and prompting rise in consumption.

The authors then test which of the mechanisms was in play. If there is true wealth effect, then luxury spending should rise when there is a boom in stock markets. Additionally, changing stock ownership patterns should be reflected in changing sensitivity and response of consumption to stock market prices.

The authors observed that a jump in stock market didn't result in a boost in luxury spending thereby negating the wealth effect hypothesis. The authors also noticed that stockholders through indirect stockholding and thrift plans showed more sensitivity to changes in stock market wealth, although the results were not statistically strong. This hints that wealth effect may be different for different stock ownership types, but the evidence was at best tentative.

Predicting consumption

The authors highlight that stock price changes consistently predicted future consumption growth especially for durable goods like cars - e.g. a 17% stock price surge predicted a 1.1% higher consumption a year later. However, the authors attribute this to expectations of future prosperity rather than wealth effect. The paper also did not find any strong evidence for a change in consumption sensitivity towards direct vs indirect stock ownership.

Conclusion

The main takeaway from the paper is as follows: how stock market rallies boost consumption spending could be entirely reflecting consumer expectations and not automatic wealth driven spending. Indirect ownership via financial intermediaries and instruments brought more Americans into the equity fold-but the richest households still end up benefitting the most. Spending also does not jump up right after stock market gains and there is no significant increase in luxury spending indicating that consumers may not feel instantly richer as stock markets climb. Ownership type, income level, source of stock gain all play a role in the story but no single pattern dominated. The main plotline is markets rise as consumers and businesses anticipate growth and then these expectations influence real-world spending.

Highly cited research paper 4 in the field of finance

Household Stockholding in Europe: Where Do we Stand and Where Do We Go?[33]

Luigi Guiso, Michael Haliassos and Tulio Jappelli

Research paper summary prepared by Economic Policy and Research, NSE

Introduction

The contours of household stockownership in Europe have seen a paradigm shift since the late 80s. Notwithstanding both indirect and direct equity holdings growing across most of Europe and the US (nearly a third of UK citizens invested through either mutual funds or managed investment accounts in the late 1990s), the study notes that lower entry costs have also brought in a pool of investors, who may lack the requisite toolkit to trade sustainably in capital markets. If they are allowed free rein, markets may be more susceptible to downturns, which broaches the question of whether fund managers need to be monitored. The authors extensively use microeconomic datasets to explore the demographic and institutional changes that led to the reduction in participation costs in the 1990s and what proportion of cross-country differences in stock ownership can be attributed to household characteristics and lower participation costs. They utilize this to enumerate the ensuing policy concerns, which arise from the widening stockholder base and increased riskiness of household portfolios.

Data and methodology

The authors use household data for six European nations and contrast the state of European stockholding with the US, using data from the 1998 Survey of Consumer Finances and other survey datasets. The authors proceed in three steps. Firstly, the authors compare total stockownership in each nation as of 1998 vs the state of stockownership a decade ago. They also compare the proportion of households that have direct and indirect stockholdings across nations. Secondly, the authors work on trying to correlate stock market participation with education and financial wealth and observe that higher education and household income leads to higher levels of stockownership. Finally, the authors run probit regressions to compute the simultaneous effect of factors like income, financial wealth, age, education, family size and the family head being married on the stock market participation decision. Notably, they find that household financial resources matter for participation in the presence of fixed participation costs.

Key Results

Stylized facts and econometric evidence

- Income and wealth have a strong, positive effect on total participation. In the presence of participation costs, the investor perceives a net benefit from being in the market, if he/she has sufficient labour and wealth income.
- Education has a positive and significant effect in all European nations, even after accounting for differences in income and wealth.
- Additionally, income and financial wealth have a positive but convex relationship with stockownership; pooled regressions for total and direct participation underscore this.

[33] Guiso, L., Haliassos, M., & Jappelli, T. (2003). Household stockholding in Europe: Where do we stand and where do we go? *Economic Policy, 18*(36), 123–170. https://doi.org/10.1111/1468-0327.00104

- Moreover, inclusion of country dummies reveal that the US outperforms European nations other than the UK in terms of both direct and indirect participation. The US and the UK seem to be fairly comparable in terms of total stock ownership.
- In the regressions for portfolio shared allocated to stockholdings, conditional on participation, the authors find that demographic characteristics do not seem to affect portfolio composition, once someone participates in the stock market.

Additional insights

- Perceived benefits from participation in stock markets seems to be differential across nations – generally nations, which have lower old age public pension spend as a share of GDP tend to observe higher participation, since expected market returns outweighs the participation costs.
- The authors observe that the European mutual fund industry is comparatively more concentrated and US funds, by virtue of their size, enjoy economies of scale, which translates into lower participation costs for market entrants.
- The fund distribution channel also seems to make a great deal of a difference in terms of expanding indirect stockownership- notably, direct sales via broker dominate the US mutual fund space, whilst banks handle distribution in nations like France, Germany and Italy, which inflates production and distribution costs, which in turn explains the differential patterns in stockholdings.

Possible mechanisms and extensions

1. *Perceived participation costs and transparency:* US funds seem to outperform European funds in terms of how simple it is to monitor indirect stockholdings. Additionally, fund managers in the US perceive financial literacy and awareness as being much higher than their counterparts in nations like France, Germany and Italy.
2. *Effects of increased stock-market participation:*
    - The authors mention alternative studies, such as Guvenen(2002), [34]which demonstrate that the introduction of stock market participation can drastically affect wealth inequality. This effect is augmented by lower costs of gathering information, with lower income households now increasing investment in information acquisition (Arrow (2001)) [35].
    - The authors also point at an alternative channel that posits that increased participation may not lead to a decrease in the risk premium, either if stock supply increases proportionally with stockownership or new entrants are comparatively more risk averse than existing stock market entrants. They also posit that increased risk sharing due to increased stock market participation could actually lead to lower incentives for information acquisition thus leading tom higher market volatility.

Policy implications

- The authors argue that lower entry costs may be counterproductive in terms of the quality of investors that enter- the latter set may be more vulnerable to stock price swings and may lack financial prudence in terms of setting expectations about financial returns or trading on the basis of whims and not fundamentals. Additionally, nations in which stockholding is mostly in indirect form are likely to be less susceptible to “naïve” investing.

[34] Guvenen, F. (2002), “Reconciling Conflicting Evidence on the Elasticity of Intertemporal Substitution: a Macroeconomic Perspective,” Rochester University, mimeo
[35] Arrow, Kenneth (1987), ”The Demand for Information and the Distribution of Income”, Probability in the Engineering and the Informational Sciences 1, 3-13.

- An intriguing question facing policy makers (as Merton (1987)[36] posits) is that of whether financial education of investors requires government intervention. Arguably, inadequate information about assets limits demand for them and there are inbuilt incentives for Governments to transmit information.
- Guiso and Jappelli (2002)[37] find conclusive evidence that information about diverse asset classes aids financial market development. Studies have also demonstrated that there are information spillovers in social networks, and the transmission is enhanced in circles with higher stock market participation rates (Hong, Kubik and Stein (2001)[38])
- Another open question that may inform policy is that of verifying whether State intervention is necessary to regulate the quality of information being disseminated in financial markets. Fund managers may choose maximise private profits, while duping uniformed investors. Mutual fund contracts are convoluted documents and malpractices ranging from playing down the riskiness of the underlying assets or misinformation about comparative profits of financial instruments may persist unmitigated unless the State incurs the requisite monitoring costs.

Conclusion

Generally, the growth in managed investment accounts implies a sharp increase in delegation when it comes to portfolio management, which in turn generates triggers for financial malfeasance and this in turn could adversely affect stockownership. The paper proposes that since investors find it hard to discern whether adverse market movements or subpar financial advice drives losses and since fund managers have vested incentives to limit the dissemination of information about financial markets, public provision of financial information alongside public monitoring should be the approach policy makers take to bolster indirect stockholding.

[36] Merton, Robert C. (1987), "A Simple Model of Capital Market Equilibrium with Incomplete Information," Journal of Finance 42, 483-510.
[37] Guiso, Luigi, and Tullio Jappelli, (2002), “Information and Household Portfolios,” mimeo.
[38] Hong, Harrison, Jeffrey Kubik, and Jeremy Stein (2001), "Social interaction and stock market participation," NBER Working Paper n. 8358.

Highly cited research paper 5 in the field of Finance

Household Finance[39]

John Y Campbell

Research paper summary prepared by Economic Policy and Research, NSE

Introduction

The address by John Y. Campbell positions the financial behaviour of ordinary families as a first-order public-policy concern. Campbell maintains that three complementary lines of inquiry, positive (what households do), normative (what they ought to do under rational benchmarks) and equilibrium (why the financial products they face look the way they do) must be pursued together to close the welfare gap opened by pervasive, costly mistakes.

Data and Methods

The author begins with a frank audit of the data infrastructure. U.S. surveys such as the Survey of Consumer Finances and the Panel Study of Income Dynamics cover the full wealth distribution yet lack the asset-level granularity and panel length needed to study diversification or life-cycle dynamics. Administrative files—from Scandinavian wealth-tax registers to brokerage-account panels—offer exquisite detail but poor representativeness. On the modelling side, extending Merton's continuous-time portfolio framework to real households means coping simultaneously with long horizons, non-tradable human capital, illiquid housing, borrowing constraints, taxes and behavioural biases.

Empirically, author marries U.S. cross-sections with Swedish matched tax-security panels to extract stylised facts on participation, diversification and mortgage behaviour; analytically, he uses stylised two-period models (for mortgage choice) and a Gabaix–Laibson "shrouded attributes" equilibrium[40] (for product design).

Main findings

Participation and asset allocation

- Wealth is highly skewed; the median family holds only about US$ 35,000 in financial assets while portfolios in the top tail dominate aggregates.
- Stock-market participation is far from universal: even with two hundred thousand dollars of liquid assets roughly one-fifth of U.S. households own zero equities. Education, income and net worth predict entry; age, risk-aversion and minority status depress it.
- Middle-class balance sheets are housing-centric; for entrepreneurs, private-business risk largely crowds out listed equities.

Interpretation: Modest fixed or psychological costs rationalise non-participation for poorer households yet cannot explain wealthy abstainers; social trust and core financial literacy matter.

[39] Campbell, J.Y. (2006) Household Finance. The Journal of Finance, 61, 1553-1604. http://dx.doi.org/10.1111/j.1540-6261.2006.00883.x

[40] The Gabaix–Laibson (2006) "shrouded attributes" equilibrium describes a market outcome where firms deliberately conceal certain product costs (e.g., hidden fees or overpriced add-ons) because consumers are inattentive or myopic. Remarkably, such shrouding persists even under competition, as firms that fully disclose total costs risk losing price-sensitive consumers to rivals who continue to shroud. As a result, information suppression becomes a stable and profit-maximizing strategy.

Within-portfolio diversification

Brokerage records show that median direct-equity investors hold just three stocks; local, employer and "familiarity" biases are endemic, and turnover is high. Using Sweden's nationwide data, Campbell, Calvet and Sodini decompose portfolio variance: for the median investor more than half is idiosyncratic; welfare losses are modest on average but large in the right tail. Crucially, the households that diversify worst are also those least likely even to enter the market—suggesting some awareness of their own limits.

Mortgages as a natural experiment

Textbook finance deems adjustable-rate mortgages (ARMs) safer than long-term nominal fixed-rate mortgages (FRMs) for unconstrained borrowers, yet US households overwhelmingly choose FRMs. Campbell's two-period model shows why:

1. Borrowing constraints make ARM payment volatility painful for high-LTV households.
2. FRMs embed a valuable refinancing call option—but only if exercised.
3. Behavioural inertia is substantial: AHS data for 2003 reveal that more than half of borrowers paid coupons at least 1 pp above market; the burden falls disproportionately on the less educated. Aggregate cross-subsidy: 40–100 bp on the outstanding mortgage stock.

Equilibrium Household Finance

Many retail contracts persist not because they are efficient but because they bundle hidden cross-subsidies. In a market where a fraction of households is naïve, firms set pricing, so sophisticated customers receive an implicit subsidy funded by the mistakes of the naïve. Because advertising and education costs are unrecoverable, welfare-improving innovations, e.g., inflation-indexed or auto-refinancing mortgages—struggle to gain traction.

Policy Implications

- Targeted financial education focused on high-cost mistakes (equity entry, diversification, refinancing triggers) rather than broad curricula.
- Smarter disclosures that use forward rates in APRs and plain-language fee tables.
- Welfare-enhancing defaults: auto-enrolment and lifecycle funds in retirement plans; inflation-protected or automatically refinancing mortgages.
- Regulation that trims shrouded cross-subsidies without banning complexity that benefits informed users.
- Investment in administrative data panels to permit continuous, micro-founded welfare evaluation.

Conclusion

Most households navigate financial markets tolerably well, yet a salient minority—poorer, less-educated, liquidity-constrained—incur avoidable, sometimes severe, losses. Because errors cluster in specific domains and reinforce existing inequality, one-size-fits-all fixes fail. Campbell's core message is pragmatic: marry elegant theory to granular data, then design "financial hygiene" tools—education, disclosure, defaults, smart regulation—that shrink the costly gulf between actual and optimal behaviour. Household finance, still a young discipline, thus promises not only analytical insight but tangible welfare gains for millions.

Highly cited research paper 6 in the field of Finance

Wealth Effects in Emerging Market Economies[41]

Tuomas A. Peltonen, Ricardo M. Sousa and Isabel S. Vansteenkiste

Research paper summary prepared by Economic Policy and Research, NSE

Introduction

The study by Peltonen, Sousa, and Vansteenkiste (2009) addresses a fundamental gap in the wealth effects literature. While extensive empirical evidence exists for advanced economies, particularly the United States and Western Europe, far less is known about how asset price changes influence private consumption in emerging market economies (EMEs). Classical consumption theory, rooted in the life-cycle and permanent income hypotheses[42] (Modigliani & Brumberg, 1954[43]; Friedman, 1957[44]), suggests that changes in household wealth—whether from equity or housing—should influence consumption through perceived shifts in lifetime resources. Empirical work for developed economies (e.g., Lettau & Ludvigson, 2004[45]; Case, Quigley & Shiller, 2005[46]) has documented sizeable housing and equity wealth effects, often finding housing wealth effects to be more potent due to broader ownership and collateral use.

However, the transmission mechanisms in EMEs differ markedly. Equity participation rates are typically low (Haliassos & Bertaut, 1995[47]; Guiso, Haliassos & Jappelli, 2003[48]), mortgage markets are less developed, and institutional quality varies. This raises the possibility that wealth effects may be weaker, asymmetric, or even absent. Peltonen et al. aim to quantify these effects systematically across a large sample of EMEs, disaggregating between housing and equity wealth, and to examine whether regional heterogeneity in financial structure explains the variation.

Data and Scope

The authors compile a balanced panel with quarterly data covering 16 EMEs across Latin America, Asia, and Emerging Europe over the period 1990–2008. Real private consumption serves as the dependent variable, measured in constant prices and seasonally adjusted. Wealth proxies include real equity price indices (broad market aggregates) and real house price indices, deflated by consumer prices to isolate real purchasing power effects. The inclusion of both asset types allows the authors to compare their relative contributions to consumption dynamics.

Control variables account for other macroeconomic influences: real disposable income, interest rates (short and long maturity), exchange rates, and credit-to-GDP ratios. These controls mitigate omitted-variable bias and ensure that estimated wealth effects are not confounded by correlated macro shocks such as credit expansions or monetary easing.

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[41] Peltonen, T. A., Sousa, R. M., & Vansteenkiste, I. S. (2009). Wealth effects in emerging market economies. ECB Working Paper Series, No. 1000. European Central Bank. https://doi.org/10.2139/ssrn.1514775

[42] The Lifecycle Hypothesis suggests people plan spending over their entire life to maintain a stable lifestyle, borrowing when young, saving during their working years, and spending those savings in retirement. Similarly, the Permanent Income Hypothesis states that consumption is based on long-term average (permanent) income, not temporary fluctuations. According to this view, people will save unexpected windfalls rather than increase their regular spending. Both theories conclude that individuals are forward-looking, leading to consumption being much smoother and more stable than income.

[43] Modigliani, Franco, and Richard Brumberg. 1954. "Utility Analysis and the Consumption Function: An Interpretation of Cross-Section Data." In *Post-Keynesian Economics*, edited by Kenneth K. Kurihara, 388–436. New Brunswick, NJ: Rutgers University Press.

[44] Friedman, Milton. 1957. *A Theory of the Consumption Function*. Princeton, NJ: Princeton University Press.

[45] Lettau, Martin, and Sydney Ludvigson. 2004. "Understanding Trend and Cycle in Asset Values: Reevaluating the Wealth Effect on Consumption." *American Economic Review* 94 (1): 276–299. https://doi.org/10.1257/000282804322970805

[46] Case, Karl E., John M. Quigley, and Robert J. Shiller. 2005. "Comparing Wealth Effects: The Stock Market versus the Housing Market." *Advances in Macroeconomics* 5 (1): 1–32. https://doi.org/10.2202/1534-6013.1235

[47] Haliassos, Michael, and Carol C. Bertaut. 1995. "Why Do So Few Hold Stocks?" *The Economic Journal* 105 (432): 1110–1129. https://doi.org/10.2307/2235407

[48] Guiso, Luigi, Michael Haliassos, and Tullio Jappelli. 2003. "Household Stockholding in Europe: Where Do We Stand and Where Do We Go?" *Economic Policy* 18 (36): 123–170. https://doi.org/10.1111/1468-0327.00102

The asset price data quality varies across countries—particularly for housing prices in EMEs, where official indices are often sparse or based on narrower samples. Peltonen et al. acknowledge this limitation but argue that the panel structure and robustness checks help mitigate measurement error concerns.

Methodological framework

To estimate the dynamic relationship between asset prices and consumption, the study employs a panel vector autoregression (PVAR) model, estimated using the Generalised Method of Moments (GMM). This approach has two advantages:

- It captures the endogeneity and feedback loops between consumption, income, and asset prices—important since, for example, higher consumption can itself boost asset prices.
- It exploits both the time-series and cross-sectional dimensions of the data, improving statistical power.

The model includes country fixed effects to absorb unobserved heterogeneity (e.g., structural consumption patterns) and imposes cross-sectional homogeneity on slope coefficients for baseline results. Robustness checks allow for partial heterogeneity, testing whether results hold when countries are permitted different sensitivities to asset prices.

Orthogonalised impulse response functions (IRFs) trace the consumption path following an exogenous asset price shock, while forecast error variance decompositions gauge the relative importance of asset price shocks in explaining consumption fluctuations.

Empirical results

The main result is that wealth effects are statistically significant and relatively large: a 10% rise in housing prices leads to an increase in private consumption of between 0.25% and 0.49%; an increase of 10% in stock prices is associated with a 0.29% to 0.35% increase in consumption; and when money wealth rises by 10%, consumption increases by 0.41% to 0.50%. While wealth effects are present in EMEs, their magnitude and significance vary sharply between asset classes and regions. Across the full sample, as compared to the wealth effect of a 10% rise in housing prices over the medium term (4–6 quarters), the equivalent effect for equity prices is only 0.1–0.2%, and often statistically insignificant in the aggregate.

These findings are markedly smaller than in advanced economies. For example, Case, Quigley, and Shiller (2005) estimate U.S. housing wealth elasticities of around 0.6–0.9%, and Poterba & Samwick (1995) report higher equity elasticities for U.S. stockholders. The attenuation in EMEs aligns with the limited equity participation documented by Mankiw & Zeldes (1991) and the role of participation costs and background risk (Haliassos & Bertaut, 1995).

Regional heterogeneity

Sub-sample analysis reveals substantial variations:

- Housing wealth effects tend to be smaller for Asian emerging markets while stock market wealth effects are, in general, smaller for Latin American countries
- Housing wealth effects have increased for Asian countries in recent years; and
- Consumption reacts more to negative than to positive shocks in housing and financial wealth. Among Asian countries, stock market wealth effects tend to be larger in the most developed financial markets while housing wealth effects are only statistically significant in the cases of Hong Kong, Singapore and Thailand.

This heterogeneity reinforces the argument that institutional depth, credit availability, and household portfolio composition critically condition the wealth–consumption link.

Dynamics and channels

The IRFs show that housing wealth effects peak more slowly and persist longer than equity effects—consistent with the collateral channel hypothesis (Muellbauer & Murphy, 1997[49]), whereby higher housing values relax borrowing constraints. Equity effects, when present, are faster-acting but fade within 2–3 quarters, reflecting higher volatility and lower collateralisability. The authors interpret the mechanisms in line with the literature:

- Direct wealth effect (permanent income hypothesis): consumption rises because households perceive higher lifetime wealth.
- Collateral channel: higher housing values increase borrowing capacity, boosting consumption, particularly where mortgage markets function efficiently.
- Confidence effect: asset price increases raise perceived economic security and income expectations, though difficult to isolate empirically.

In EMEs, the collateral channel appears dominant for housing, while equity wealth effects are largely constrained to the direct channel for a small subset of households.

Robustness and limitations

Robustness checks using alternative deflators, excluding crisis periods, and relaxing slope homogeneity confirm the main qualitative results, though magnitudes shift slightly. The exclusion of crisis years tends to increase estimated elasticities, implying that crises dampen wealth–consumption links.

Limitations are acknowledged: the absence of household-level microdata precludes direct analysis of distributional heterogeneity; measurement error in housing prices remains a concern; and despite the GMM approach, causality cannot be proven definitively.

Policy implications

For policymakers in EMEs, the findings carry three implications. First, monetary policy transmission through asset prices is weaker than in advanced economies, especially via equities, limiting the usefulness of this channel for stabilisation. Second, housing market cycles can have meaningful macroeconomic effects through consumption, necessitating vigilant macroprudential oversight to avoid boom–bust dynamics. Third, expanding equity participation—through pension reforms, low-cost diversified investment vehicles, and strengthened investor protection—could increase the macroeconomic relevance of equity wealth effects over time. This echoes calls in the literature (e.g., Campbell, 2006; Balestra & Tonkin, 2018) to address structural barriers to equity ownership, particularly in EMEs where the long-run return potential of equities remains underutilised in household portfolios.

Contribution to literature

Peltonen et al. extend the predominantly advanced-economy-focused wealth effects literature into the EME domain, using a macro-panel framework that captures cross-country variation and dynamic interactions. Their finding of

[49] Muellbauer, John, and Anthony Murphy. 1997. "Booms and Busts in the UK Housing Market." *The Economic Journal* 107 (445): 1701–1727. https://doi.org/10.1111/j.1468-0297.1997.tb00072.x

dominant housing effects, modest equity effects, and strong institutional conditioning aligns with the participation-cost models of Haliassos & Bertaut (1995) and the cross-country portfolio evidence in Guiso et al. (2003). It also provides a macro-level complement to micro evidence on equity concentration and wealth inequality (Balestra & Tonkin, 2018). By keeping EMEs within this broader empirical landscape, the paper underscores both the universality of certain mechanisms (housing's dominance) and the specificity of structural constraints (low equity participation), offering a roadmap for both academic inquiry and policy design.

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The Stock Market, Housing and Consumer Spending: A Survey of the Evidence on Wealth Effects[50]

Monica Paiella

Research paper summary prepared by Economic Policy and Research, NSE

Introduction

The paper surveys three decades of macro and micro-econometric evidence on how movements in stock and house prices filter into household consumption, and what, if anything, policymakers ought to infer from these relationships. It begins from a simple observation that framed much of the late-1990s debate: while equity returns in the United States soared to an average of 26.3% between 1996 and 1999 from 5.9% in the first half and saving rates fell, the subsequent stock-market decline did not depress expenditure to the extent many predicted.

One explanation pointed to offsetting housing wealth effects[51] as property prices accelerated. But an alternative interpolation stressed that only a small fraction of wealth fluctuations is permanent and hence relevant to consumption plans. Most price changes are transitory noise that households rationally ignore. Paiella's contribution is to collate and reconcile these perspectives, distinguishing how big the wealth-consumption link is, what channels plausibly transmit it (direct budget-constraint effects, common causality via expectations of income, or collateral/credit channels), and why countries differ. The result is a measured assessment: wealth effects are present and sometimes sizeable, their magnitude and nature vary with institutions, portfolios, and identification strategy, and the timing of adjustments matters for policy appraisal.

Conceptual framework

Paiella grounds her discussion in the life-cycle model initially formalised by Modigliani and Ando (1960)[52]. The model predicts that unexpected changes in wealth—rather than predictable drifts—should trigger consumption adjustments. Three non-mutually-exclusive mechanisms are singled out, appreciating which of these dominates is crucial.

- Direct wealth effect: Higher asset valuations raise permanent resources and, ceteris paribus, desired spending.
- Common-causality channel: Both consumption and prices may respond to fundamentals such as expected income growth or financial liberalisation, yielding correlation without causation.
- Collateral or borrowing-constraint channel: Especially salient for housing, whereby rising property values relax borrowing limits, enabling households to frontload expenditure.

Time-series evidence

The survey's first empirical pillar reviews macro studies that treat consumption, disposable income and aggregate wealth as potentially co-integrated variables. A representative approach is the vector error-correction model (VECM).

[50] Paiella, M. (2009), THE STOCK MARKET, HOUSING AND CONSUMER SPENDING: A SURVEY OF THE EVIDENCE ON WEALTH EFFECTS. Journal of Economic Surveys, 23: 947-973. https://doi.org/10.1111/j.1467-6419.2009.00595.x

[51] The change in household consumption expenditure resulting from perceived changes in wealth, independent of changes in income or interest rates.

[52] Ando, Albert, and Franco Modigliani. "The" life cycle" hypothesis of saving: Aggregate implications and tests." *The American economic review* 53.1 (1963): 55-84.

Most notably the United States, the United Kingdom and Australia—studies by Lettau & Ludvigson (2004)[53], Ludvigson & Steindel (1999)[54], Tan & Voss (2003)[55] and Fernandez-Corugedo et al. (2003)[56] deliver remarkably similar long-run marginal propensities to consume (MPCs) out of *total* wealth, varying between 3 and 5 cents per dollar[57]. Yet the adjustment vector[58] often points not to consumption but to wealth[59]. If there's a temporary rise or fall in asset prices (shares, houses), it tends to reverse later. That reversal in asset values brings the wealth–income–consumption relationship back to equilibrium, rather than households adjusting spending to match the new wealth level.

For continental Europe, where household portfolios are less equity-centric and more bank-intermediated, Hamburg et al. (2005)[60] find the opposite pattern: income, rather than wealth, shoulders most of the adjustment burden in Germany, and the transitory component of net worth is correspondingly small.

Two fresh insights flow from Paiella's synthesis:

- Cross-country differences in estimated marginal propensities to consume often arise from inconsistent definitions and valuation methods for wealth—particularly housing wealth—rather than from genuine behavioural variation across households.
- The relationship between wealth and consumption can change over time due to major shifts in financial regulation, savings instruments, or market structures. Such changes can alter how households respond to wealth fluctuations, making it risky to assume a single, stable long-run link in long-term data.

Conclusion

The survey's core contribution is to separate financial from housing wealth effects. For aggregate wealth in the US, many estimates imply MPCs of 3–5 cents, equity-specific elasticities in the survey are generally lower (0.08–0.16), with MPCs that vary substantially by study. Housing effects are sometimes larger (US estimates up to ~9 cents), but results vary with how housing wealth is measured (gross vs net) and with institutions, collateral can strengthen short-run effects where remortgaging is easy.

Two caveats shape interpretation:

- Aggregation bias: National price indices[61] mask opposing reactions of owners, renters, and potential buyers.
- User-cost symmetry: Owner-occupiers capital gains can be offset by higher implicit housing costs.

Micro evidence confirms strong heterogeneity for instance, equity-wealth effects are concentrated among stockholders who gained most. Age patterns are mixed across studies, some UK evidence shows larger responses for older owners, but theory (US micro evidence is mixed/limited) points to stronger collateral effects among younger, more credit-constrained owners.

[53] Lettau, Martin, and Sydney C. Ludvigson. "Understanding trend and cycle in asset values: Reevaluating the wealth effect on consumption." *american economic review* 94.1 (2004): 276-299.
[54] Steindel, Charles, and Sydney C. Ludvigson. "How important is the stock market effect on consumption?." Economic Policy Review 5.2 (1999).
55 Tan, Alvin, and Graham Voss. "Consumption and wealth in Australia." Economic Record 79.244 (2003): 39-56.
[56] Fernandez-Corugedo, Emilio, Simon Price, and Andrew Blake. "The dynamics of consumers' expenditure: the UK consumption ECM redux." *Bank of England Quarterly Bulletin* 43.4 (2003).
[57] An MPC of 5 cents means that, on average, households increase their consumption by $0.05 for every $1 increase in wealth.
[58] In an error-correction model, the adjustment vector tells you which variable reacts to the disequilibrium (the gap between the actual and the long-run relationship).
[59] After a shock, wealth (net worth) changes to restore the balance, while consumption barely moves. In other words, households don't cut or boost their spending much in response to temporary asset-price movements.
[60] Hamburg, Britta, Mathias Hoffmann, and Joachim Keller. "Consumption, wealth and business cycles: why is Germany different?." (2005): 16.
[61] National price indices are country-level measures that summarize many individual prices into a single series.

Paiella does not prescribe specific policy instruments. She concludes that most studies find a statistically significant link between asset prices and consumption, with financial-wealth effects more direct and larger in Anglo-Saxon[62], market-based systems, while housing-wealth effects are often similar across countries and can exceed financial-wealth effects. Adjustment dynamics differ by institutions (e.g., wealth—not consumption—tends to error-correct in the US/UK/Australia, whereas income adjusts in Germany), and much of the cross-country dispersion in estimates reflects measurement and sample differences rather than deep behavioural gaps. Given the policy relevance of wealth effects, Paiella calls for devoting efforts to improve the collection of data on household savings and spending patterns and describes an ideal internationally comparable dataset with detailed information on household assets, liabilities, and consumption categories, to clarify cross-country differences and the role of institutions.

[62] 'Anglo-Saxon' denotes English-speaking, market-based financial systems (e.g., US/UK/Canada/Australia) with deep capital markets and widespread household equity ownership; it's an institutional, not ethnic, label.

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Housing Wealth Effect in Emerging Economies[63]

Alessio Ciarlone

Research paper summary prepared by Economic Policy and Research, NSE

Introduction

The boom in house prices experienced globally in the years leading up to the September 2008 financial crisis and collapse of Lehman Brothers along with the subsequent housing market crash has attracted attention especially of policymakers and researchers focusing on the interconnections between housing market and business cycle. This has sparked discussions about the potentially adverse consequences of developments in housing sector on global financial stability mainly looking at the advanced economies like the US and UK. Moreover, it has raised an important interesting question of why people spend more when their homes increase in value.

Emerging markets context

The author explores this question specifically in the emerging markets context to compare if the rising house prices boost private consumption and household spending more than the gains in stock markets. For the purpose of analysis, the author uses quarterly data from 17 main emerging economies, 10 from Central and Eastern Europe (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Russia, Slovakia and Slovenia) and 7 from Asia (China, Hong Kong, Korea, Malaysia, the Philippines, Singapore and Thailand); spanning the period 1995–2009. The key variables of interest are households' consumption income, real wealth proxied by house prices and financial wealth proxied by stock market prices.

The authors seek to extend this discussion to include the impact on emerging market economies which not only are key drivers of global economic growth but also pose a serious threat to global financial stability owing to adverse developments in their real estate markets, due to increasingly financially integrated capital markets. In fact, house prices in emerging economies are rapidly at par with the developed countries fuelled by huge expansions of credit to the private sector in the form of home loans.

Real vs. financial wealth–Consumption linkages

The author analyses the relationship between changes in house prices and private consumption spending through the existence of a direct real housing wealth effect. The idea is that a sharp fall in house prices may negatively affect private consumption thereby affecting the economic growth in emerging markets.

The author further explains why the implications of changes in financial wealth on consumption may differ from those of real wealth. For instance, a rise in financial wealth characterised by a rise in stock market prices can reflect a boost in economic growth and productivity whereas a rise in house prices may simply reflect scarcity of houses in the market. Additionally, while a rise in stock prices could mean instant liquidity access to stockholders, a change in house prices may not have such instant effects since it's time-consuming to convert housing wealth into money that can be instantly spent on higher private consumption.

[63] Ciarlone, A. (2011). Housing wealth effect in emerging economies. Emerging Markets Review, 12(4), 399-417

Home-owners vs. home-renters

Moreover, a rise in housing prices means more capital gains for homeowners versus higher imputed rents for tenants, which may ultimately result in no-net changes to private consumption. This is because, if the wealth effect is real, then homeowners' consumption should increase with rise in home prices, but home-renters' consumption should remain unchanged or even decline. Thus, the perceived wealth effect implies that a rise in house prices results in higher consumption largely among the homeowners.

Key findings

The paper estimates that a 1% increase in house prices results in roughly 0.06 to 0.20% increase in household consumption whereas a 1% increase in stock market wealth results in smaller long run impact of 0.01 to 0.07%. This means people are more likely to spend the extra cash when their home value goes up rather than when their stock holdings increase.

The author also notes that consumption responds over time – so if house prices rise sharply today, consumption ramps up over the next several months. The paper also highlights an important regional heterogeneity to responses whereby Central and Eastern European economies show stronger long run housing wealth effects than Asian economies.

Implications and policy insights

The results in the paper can be attributed to several different factors. For instance, in emerging markets especially in the Central and Eastern European economies, the stock markets could be still underdeveloped thereby resulting in households holding more houses than stocks. Housing is also seen to be a relatively safer asset and investment than stocks which are volatile. Lastly, higher home values could result in relaxed borrowing constraints through an increase in home-loans financing.

Conclusion

This paper underscores how housing booms can boost spending and private consumption in emerging market economies much more than rise in stock market wealth. Conversely, fall in housing prices could dampen household spending thereby creating stronger negative ripple effects on the economy. The main finding of the author is that both real and financial wealth positively affect households' consumption in the long run, with consumption responding more to housing wealth changes than to changes in stock market wealth. The author notices the impacts to be higher for Central and Eastern European economies compared to Asian countries highlighting the vulnerabilities of Eastern European economies to adverse housing market developments.

The paper emphasizes that in emerging market economies, housing wealth is a powerful driver of consumption, compared to stock markets. Thus, booms and busts in housing market can have long run effects on overall spending, demand, and economic cycles. This conclusion therefore opens the question as to which policy levers are best suited to deal with such circumstances considering that monetary, fiscal and macro-prudential policies are all expected to play a potentially striking role in this respect.

Highly cited research paper 9 in the field of Finance

Inequalities in Household Wealth Across OECD Countries: Evidence from the OECD Wealth Distribution Database[64]

Carlotta Balestra, Richard Tonkin

Research paper summary prepared by Economic Policy and Research, NSE

Introduction

Household wellbeing cannot be read off GDP or income alone. That is the premise of this OECD[65] Statistics Working Paper, which assembles comparable microdata on assets and liabilities for 28 member countries to examine who owns wealth, how it is held, and how vulnerable different groups are when shocks arrive. The authors build on the second wave of the OECD Wealth Distribution Database (WDD) to document levels, composition, and distribution of wealth, explore changes since the Great Recession and open the black box of debt, inheritances, and asset-based poverty.

Several headline results emerge. First, wealth is far more concentrated than income, across the OECD countries, the top 10% of households hold on average 52% of net wealth while the bottom 60% hold a little over 12%. Second, indebtedness is widespread, and in a number of countries as many as one in four households report negative net worth. Third, more than a third of people are "economically vulnerable", lacking liquid assets sufficient to maintain even a poverty-level living standard for three months in the event of an income loss. Finally, one in three households has received a bequest or gift where higher-income and higher-wealth households receive both more often and in larger amounts—patterns that make it harder for poor people to improve their economic standing across generations. The paper is methodologically transparent about the difficulties of measuring the top tail, aligning micro-surveys to national accounts, and treating pension wealth, and discusses approaches and notes ongoing work in statistical systems.

Measurement and methodology

The study is descriptive where "wealth" is measured at the household level as total financial and non-financial assets minus liabilities, expressed in 2011 USD using CPIs and purchasing power parities. To maximise cross-country comparability, occupational pension entitlements are excluded from the core net wealth concept and reported separately, voluntary personal pensions remain in financial assets. The database (WDD) compiles microdata from national wealth surveys or administrative registers, with standardised breakdowns by demographics, housing tenure, and joint income–wealth quintiles. To address under-coverage at the very top of the wealth distribution ("top-tail" fragility), statistical producers commonly oversample high-wealth households and, where possible, draw on register-based population universes[66] (e.g., Denmark, the Netherlands, Norway). The paper also reviews—as approaches used in the wider literature—Pareto-tail fitting[67] and anchoring the top tail with external "rich-list"[68] data.

Cross-checks with national accounts are presented to frame gaps arising from scope differences (e.g., exclusion of NPISH[69] assets in microdata, treatment of consumer durables[70], pension coverage[71]). Asset-based poverty is

[64] Balestra, Carlotta, and Richard Tonkin. "Inequalities in household wealth across OECD countries: Evidence from the OECD Wealth Distribution Database." (2018).
[65] The OECD (Organisation for Economic Co-operation and Development) is an international organisation where member countries work together to promote economic growth, stability, trade, and improved living standards through research, policy discussion, and data sharing.
[66] A register-based population universe refers to administrative records that cover (nearly) all residents, which helps reduce non-response at the top.
[67] Pareto-tail fitting models the richest observations with a Pareto (power-law) curve to correct for survey under-representation
[68] Rich-list anchoring uses publicly compiled lists of very wealthy individuals (e.g., Forbes) to pin down the number and wealth of ultra-rich that surveys may miss.
[69] Non-Profit Institutions Serving Households
[70] Items like cars and appliances are treated as consumption (not assets) in core national accounts but are often included as assets in household surveys, creating a definitional mismatch in wealth totals.
[71] National accounts count funded workplace/personal pensions as household assets (social security shown separately), but the WDD's headline wealth excludes them for comparability—so totals are lower.

operationalised as a stock-flow buffer test[72] defining individuals as "economically vulnerable" if they are not income-poor but residing in households whose liquid financial wealth is insufficient to cover three months at the income-poverty line. Changes since the Great Recession are analysed using repeated cross-sections for countries with multiple waves, decomposing contributions from real-estate, financial assets, and liabilities.

Results

Across OECD countries, household net wealth spans a wide range from about USD 68k in Latvia, USD 95k in Chile, and USD 101k in Hungary, to about USD 592k in the US and USD 751k in Luxembourg. Scaling by persons reshuffles rankings because of household size, and medians often paint a less rosy picture than means—nowhere more than in the United States, where a lofty mean sits atop a middling median. Inequality is pronounced, the mean/median ratio averages 2.6 but exceeds 8 in the United States and the Netherlands. Top shares confirm concentration—top-decile wealth surpasses 60% in several economies and nears 80% in the United States—while the bottom 60% collectively hold near-zero or negative wealth in Denmark and the Netherlands, reflecting leverage and negative housing equity. Composition shifts along the ladder, middle quintiles are housing-heavy while the top owns more financial assets. Wealth and income align only loosely, with leveraged high-income households sometimes low in wealth and retirees often asset-rich but income-modest.

Debt is widespread—about 51% of households have liabilities—and risk is highest where debts are large relative to income or assets. Using debt-to-income >3 and debt-to-assets >75% as flags, exposures peak in the Netherlands, Denmark, and Norway. In these cases, up to a quarter of households have negative net wealth and non-real-estate debt is widely held (about two-thirds of households) in Chile, Denmark, the US and Australia, and forms a large share of total liabilities in Denmark, Chile and Slovenia. Korea stands out for high median non-real-estate debt and for a large non-mortgage share of total debt because of Jeonse.[73] Over-indebtedness concentrates at ages 35–44, yet many 65–74 year-olds still carry large mortgages. Inheritances reach roughly one in three households and rise steeply with current income and wealth meaning while the rich receive far larger amounts, inheritances can loom larger relative to wealth at the bottom, so in some countries, inheritances may reduce relative wealth gaps. Vulnerability is broader than income poverty, beyond the 14% who are income-poor, an additional 36% lack three months of liquid-asset buffer although profiles diverge—Korea and Japan exhibit low vulnerability while Latvia, Greece, and others are high across ages—with the young most exposed.

Conclusion

Post-crisis dynamics sharpened divides. In the US, the housing bust depressed the median while subsequent equity gains lifted wealth at the top while in the UK, falling home-ownership and a more unequal distribution of financial wealth coincided with a declining median even as the mean rose. In both countries, younger cohorts were worse than older ones. This paper establishes comparable, micro-founded facts on household wealth across the OECD and shows a) wealth concentration materially exceeds income concentration, b) leverage leaves many households exposed to asset price swings and income shocks, and c) inheritances and liquid-asset buffers play pivotal roles in shaping opportunity and resilience. Comparability and levels are sensitive to choices—especially whether occupational pensions are included and how the top tail is measured—so estimates differ across sources. The paper notes how wealth is distributed matters for macro-prudential, tax and competition policy, social mobility, and political inequalities. It also calls for better measurement—especially of the top end, harmonised concepts, and micro–macro reconciliation—and for regular monitoring and reporting of household wealth—its levels, composition, and distribution—so changes in wealth inequality can be tracked.

[72] Test to check whether household's stock of readily spendable assets is big enough to buffer a sudden loss of income flow for a short period.
[73] Jeonse (aka "key money") is a Korean rental system where, instead of paying monthly rent, the tenant gives the landlord a huge upfront deposit—often 50%+ of the home's market value—for ~2 years. The landlord invests/earns interest on that money and returns the full deposit at the end. Tenants often borrow to fund the deposit, so it shows up as non-mortgage (non–real-estate) debt, pushing Korea's debt and DTI metrics up.

Market performance

Market round-up

Indian equity market rally stalls in July on trade-related uncertainty

Global equity markets extended their gains in July 2025, supported by greater clarity on trade tariffs ahead of the August 1st deadline, robust corporate earnings, and continued optimism surrounding AI. Developed markets (MSCI World Index), ended July up 1.2%, with an additional 0.5% gain in the first five trading sessions of August, primarily driven by rallies in the US and Japanese markets. This brought the YTD return in developed market equities to 10.5%. Emerging markets outperformed, lifted by a strong AI-driven rally in Taiwan, China, and South Korea, although gains were partly offset by headwinds from a strengthening US dollar. Additionally, signs of improvement in the Chinese economy and easing liquidity conditions provided further boost. The MSCI Emerging Markets Index rose 1.7% in July and a further 1.4% in early August, resulting in a significantly higher year-to-date return of 17.2%.

Indian equities corrected in July, underperforming the broader developed and emerging market packs. Investor sentiments weakened amid persistent trade uncertainty, weak Q1FY26 corporate earnings, and a reversal in foreign capital flows after three months of steady FPI inflows. The sell-off deepened in early August following the announcement of a 25% tariff by the US administration, later hiked to 50% as 'penalty tariffs'—among the highest globally. The benchmark Nifty 50 Index ended the month of July 2.9% lower, falling by another 1.6% in the first six trading sessions of August, pulling down the fiscal-till date (As of August 8th, 2025) return to 3.0%.

Global fixed income markets saw broad-based selling in July, driven by trade-related uncertainty and renewed concerns over the fiscal health of major advanced economies. Benchmark 10-year yields in the US, Europe, the UK, and Japan rose by 8–13 bps. In India, bonds were largely range-bound, with long-end yields edging higher on growth concerns and short-end yields steady amid easing inflation and ample liquidity. Over the past three months, short-maturity yields (up to 2 years) fell by an average of 42 bps, while the 30-year yield rose 25 bps—steepening the curve. Expectations of further rate cuts eased after the RBI's stance shift in June and a hawkish pause in August, pushing yields higher despite a front-loaded 50 bps cut. The 10-year G-sec yield rose 5 bps in July to 6.4% (YTD: -78 bps).

Indian equity markets sold off in July amid trade uncertainty and weak corporate earnings; Nifty50 ended the month 2.9% lower, falling another 1.6% in the first six trading sessions of August (YTD: +3%).

- **Indian equities sold off in July after a steady uptrend over the previous four months:** After a strong four-month rally through June—tracking global trends—Indian equities corrected in July, underperforming the broader developed and emerging market packs. Investor sentiments weakened amid persistent trade uncertainty, weak Q1FY26 corporate earnings, and a reversal in foreign capital flows after three months of steady FPI inflows. The sell-off deepened in early August following the announcement of a 25% tariff by the US administration, later hiked to 50% as 'penalty tariffs'—among the highest globally. Market estimates suggest a potential 30–40 bps drag on FY26 GDP growth, adding to investor concerns. Steady investments by DIIs, however, limited the downside.

  The benchmark Nifty 50 Index ended the month of July 2.9% lower, falling by another 1.6% in the first six trading sessions of August, pulling down the fiscal-till date (As of August 8th, 2025) return to 3.0%. The sell-off was equally strong in mid- and small-cap segments, with the Nifty Midcap 150 and Nifty Smallcap 250 falling by 2.9% and 3.7% in July, respectively.

  Following a steady improvement in the previous four months, market activity fell sharply in July, with the average daily turnover (ADT) in NSE's cash market falling by 16.3% MoM to a five-month low of Rs 94,995 crore, and further by 2.7% in the first six trading sessions of August (As of August 8th, 2025). ADT in the equity options segment also declined by 11.2% MoM to a 32-month low of Rs 43,579 crore

in July. The sharp dip in equity options activity partly reflects subdued sentiment following SEBI's order against an HFT firm for market manipulation, as well as the regulator's study on retail investor losses in the Indian derivatives market. In the equity futures segment, the ADT fell by 13.1% in July to a 20-month low of Rs 1.39 lakh crore.

- **Indian bond markets remained on sidelines in July:** Global fixed income markets witnessed broad-based selling in July, driven by escalating trade-related uncertainty and renewed concerns over the fiscal health of major advanced economies. In the US, the passage of the "Big Beautiful Bill"—which includes substantial tax cuts and increased defence spending—is expected to further strain an already fragile fiscal position. This, combined with a strengthening growth outlook and hawkish remarks from the Federal Reserve, weighed on investor sentiment and pushed the 10-year US Treasury yield up by 13bps during the month, closing at 4.36%. In Europe, debt markets remained under pressure despite some positive signals on trade negotiations. The European Central Bank's decision to pause its rate-easing cycle for the first time in a year, along with its hawkish policy tone, led to a mild sell-off. As a result, the 10-year yield in the eurozone rose by 10 bps MoM to 2.7%, translating into a cumulative increase of 66 bps in the first seven months of 2025. Meanwhile, bond market sentiment in the UK and Japan remained subdued due to persistent fiscal concerns. The UK's 10-year gilt yield rose by 8 bps to 4.6%, while the Japanese 10-year government yield climbed 13 bps to 1.56%, reflecting investor unease around long-term debt sustainability in both economies.

  India's fixed income markets also remained on sidelines in July, with long-end yields edging higher on growth concerns, while short-end yields stayed steady amid easing inflation and improved liquidity conditions. Over the past three months, the short end (maturities up to 2 years) declined by an average of 42bps, while the 30-year yield rose by 25bps—resulting in notable steepening of the yield curve. The RBI's MPC shifted its stance from 'accommodative' to 'neutral' in early June, accompanied by a distinctly hawkish tone. This reduced expectations of further rate cuts and added upward pressure on yields, despite a front-loaded 50bps rate cut. In August, despite growing market expectations of a 25bps cut—driven by sharply lower inflation prints and a deteriorating growth outlook following the tariff shock—the RBI held policy rates steady. This surprised markets and led to a rise in short-end yields, which had previously benefited from stronger demand. The benchmark 10-year G-sec yield rose 6 bps in July, ending the month at 6.4%.

- **FPI turned net sellers of Indian equities in July; DIIs remained strong buyers:** After three months of net buying, FPIs turned net sellers of Indian equities in July due to rising trade tensions following the imposition of steep US tariffs, which raised concerns over growth and export competitiveness. Weak Q1 earnings, especially in IT and BFSI, coupled with rupee depreciation, also contributed to the FPI outflows, which totaled US$2.1bn for the month, and another US$1.4bn in the first six trading sessions. This translated into net inflows of just US$1.1bn in the fiscal thus far (As of August 8th, 2025) Meanwhile, DIIs remained strong buyers for the 24th month in a row in July, injecting Rs 60,939 crore in July and an additional Rs 36,796 crore in August (up to August 8th), offering downside support to Indian equities. On the debt side as well, net FPI flows have remained muted with outflows amounting to US$25

million (general limit route) in July, triggered by global economic and geopolitical uncertainties, and the resulting shift in global risk appetite from emerging market debt to safer Western bond. This translates into modest net inflows of US$317mn in FY26 thus far (As of August 7th, 2025).

- **Global equity markets extended gains in July:** Global equity markets extended their gains in July 2025, supported by greater clarity on trade tariffs ahead of the August 1st deadline, robust corporate earnings, and continued optimism surrounding AI. Developed markets (MSCI World Index), ended July up 1.2%, with an additional 0.5% gain in the first five trading sessions of August, primarily driven by rallies in the US and Japanese markets. This brought the YTD return in developed market equities to 10.5%. Emerging markets outperformed, lifted by a strong AI-driven rally in Taiwan, China, and South Korea, although gains were partly offset by headwinds from a strengthening US dollar. Additionally, signs of improvement in the Chinese economy and easing liquidity conditions provided further boost. The MSCI Emerging Markets Index rose 1.7% in July and a further 1.4% in early August, resulting in a significantly higher YTD return of 17.2%.

  US: The US equities ended July on a positive note, buoyed by easing tariff concerns, strong corporate earnings, and renewed focus on artificial intelligence. The passage of the "Big Beautiful Bill" entailing tax and spending plans, coupled with a strong rebound in Q2 GDP growth, also aided sentiments. The S&P 500 and Dow Jones rose 2.2% (YTD: 7.8%, As of August 7th, 2025) and 0.1% (YTD: +3.4%), respectively, while the Nasdaq 100 Index inched up by a marginally higher 2.4% (YTD: +11.3%), supported by the rally in tech stocks.

  US economic data for July 2025 presented a mixed picture. Q2 annualised GDP growth at 3% was a sharp recovery from the 0.5% contraction recorded in Q1. Retail sales rose 0.6% MoM after two months of decline, while industrial production grew at a four-month high of 0.3% in June. On the downside, the labour market showed signs of cooling: non-farm payrolls at 73k in July were well below expectations, with downward revisions to the May and June figures. Manufacturing PMI fell below the 50-mark, signalling contraction in factory activity. Meanwhile, annual inflation accelerated for the second consecutive month to a four-month high of 2.7% in June—reflecting the impact of tariffs on consumer prices. On the policy front, the US Fed left interest rates unchanged at 4.25–4.50% in its July meeting.

  Europe: European equities remained largely flat in July, with the Euro Stoxx 50 Index rising a modest 0.3% (YTD: +8.9% as of August 7th, 2025). While the US-EU tariff agreement boosted sentiment, gains were capped by a sharp sell-off in tech stocks following weak forward guidance. Additionally, the ECB's indication that the rate-cut cycle may be nearing its end weighed on market sentiment. The relative underperformance vs. US equities was driven by a less favourable macro environment and lower exposure to tech sectors. In contrast, UK equities posted solid gains in July, supported by an improved earnings outlook in Energy, Materials, and Healthcare sectors, along with increased political stability. The FTSE 100 Index rose 4.2% during the month, bringing YTD gains to 11.3% (as of August 7th, 2025).

  Euro area macro data pointed to signs of weakness. The region's economy grew by just 0.1% in Q2 2025, down from 0.6% in the previous quarter, marking its slowest expansion since late 2023. The Eurozone Manufacturing PMI stayed in contraction

territory at 49.8 in July, though it improved for the seventh consecutive month, while the Services PMI inched up to 51.0. Headline inflation was steady at 2.0% YoY, aligning with the ECB's official target. In the UK, economic conditions also remained soft. Industrial production fell 0.9% MoM in May 2025, the third straight monthly decline, while the Manufacturing PMI stayed in contraction at 48 in July. At its August meeting, the Bank of England cut its policy rate by 25 bps to 4% amid persistent growth concerns—its fifth consecutive rate cut.

Asia: Asian equities ended July in positive territory, led by strong gains in Thailand (+14%), Taiwan (TAIEX: +5.8%), China (+3.7%), and Korea. Taiwan and Korea benefited from sustained AI-driven optimism, while signs of an economic revival in China lent support to Chinese markets. Additionally, the finalisation of trade agreements with several regional economies on better-than-expected terms further boosted sentiment. In contrast, Indian equities edged lower in July, underperforming the broader EM pack, weighed down by trade policy uncertainty. The US imposed a 25% tariff on Indian exports, followed by an additional 25% hike in early August as a penalty for purchasing oil and weapons from Russia.

India's high-frequency indicators are showing signs of weakness. Manufacturing and Services PMIs remained strong at 59.1 and 60.5, respectively. However, industrial output growth eased for the third straight month to a 10-month low of 1.5% YoY in June, while consumption indicators stayed soft—reflected in declining retail vehicle sales, weaker imports, and moderating credit growth. On the policy front, after delivering a front-loaded 50 bps cut in June, the RBI's MPC kept the policy rate unchanged as it assessed the transmission of earlier rate reductions.

- **Commodity prices show mixed performance in July,** amid shifting economic signals, seasonal trends, and evolving demand patterns. The energy sector led gains, with crude oil rebounding 7.3% month-on-month (MoM) on strong summer demand and geopolitical tailwinds. Precious metals saw broad strength, gold and silver rose modestly, palladium surged, while platinum declined on supply-side pressures. Industrial metals were largely weaker: copper, aluminium, nickel, tin, and lead all posted MoM declines, reflecting subdued industrial activity and softer downstream demand, though zinc managed a slight uptick amid stabilization in China. In the agriculture sector, most staples—soybeans, wheat, corn, and cotton—fell, with sugar the lone outlier, rising 2.8% MoM.

The S&P GSCI Index rose by 2% MoM in July 2025.

- **INR weakens amid tariff shocks and stronger dollar**: In Jul'25, the INR slumped to a five-month low, depreciating (-2.1% MoM) close at 87.6 against the US dollar, breaching the 87-level for the first time since Mar'25. This decline was driven by a firmer dollar (DXY +3.2% MoM) supported by steady Fed rates and rising US treasury yields, compounded by new US tariffs of 25% on Indian imports and potential penalties related to Russian crude purchases. Capital outflows, especially from equities (-US$2.1 bn) owing to tepid earnings season added further pressure, though RBI's foreign exchange reserves at US$698.2 bn provided some cushion. Globally, major currencies depreciated broadly against the dollar amid diverging monetary policies and trade concerns. INR's annualized volatility rose for the seventh consecutive month to 3.7%, remaining elevated compared to most EM peers. The one-year forward premium inched up to 1.9%, reflecting increased market volatility but supported by India's robust macro fundamentals and forex reserves.

Market performance across asset classes

Table 48: Performance across equity, fixed income, currency, and commodity markets (As on July 31st, 2025)

Indicator Name	Jul-25	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	24,768	25,517	24,334	24,951	-2.9	1.8	5.4	-0.7	4.8
NIFTY 500	22,915	23,617	22,030	23,531	-3.0	4.0	6.2	-2.6	2.4
MSCI INDIA	2,921	3,016	2,849	3,027	-3.2	2.5	5.3	-3.5	2.7
India Volatility Index (%)	12	13	18	13	-9.7	-36.7	-29.0	-12.9	-20.1
MSCI WORLD	4,076	4,026	3,656	3,572	1.2	11.5	6.2	14.1	9.9
S&P 500 COMPOSITE	6,339	6,205	5,569	5,522	2.2	13.8	5.0	14.8	7.8
DOW JONES INDUSTRIALS	44,131	44,095	40,669	40,843	0.1	8.5	-0.9	8.1	3.7
HANG SENG	24,773	24,072	22,119	17,345	2.9	12.0	22.5	42.8	23.5
FTSE 100	9,133	8,761	8,495	8,368	4.2	7.5	5.3	9.1	11.7
NIKKEI 225	41,070	40,487	36,045	39,102	1.4	13.9	3.8	5.0	3.0
Fixed Income									
India 10YR Govt Yield (%)	6.38	6.32	6.36	6.92	6bps	2bps	-32bps	-55bps	-80bps
India 5YR Govt Yield (%)	6.10	6.01	6.09	6.85	9bps	1bps	-52bps	-75bps	-96bps
India 1YR Govt Yield (%)	5.60	5.59	6.00	6.84	1bps	-39bps	-97bps	-124bps	-151bps
India 3Month T-Bill Yield (%)	5.52	5.52	6.07	6.82	0bps	-55bps	-122bps	-130bps	-156bps
US 10YR Govt Yield (%)	4.36	4.23	4.16	4.06	13bps	20bps	-19bps	31bps	49bps
Germany 10YR Govt Yield (%)	2.69	2.60	2.44	2.30	10bps	25bps	23bps	39bps	66bps
China 10YR Govt Yield (%)	1.73	1.65	1.63	2.15	8bps	10bps	8bps	-42bps	-85bps
Japan 10YR Govt Yield (%)	1.56	1.43	1.31	1.04	13bps	25bps	32bps	52bps	94bps
Currency									
USD/INR	87.6	85.8	84.5	83.7	2.1	3.7	1.1	4.6	2.3
EUR/USD	1.1	1.2	1.1	1.1	-2.5	0.7	10.1	5.8	10.5
GBP/USD	1.3	1.4	1.3	1.3	-3.4	-0.9	6.5	3.0	5.7
USD/YEN	150.5	144.4	142.6	150.5	4.2	5.5	-2.8	0.0	-4.2
USD/CHF	1.2	1.3	1.2	1.1	-2.0	1.2	11.8	8.4	11.6
USD/CNY	7.2	7.2	7.3	7.2	0.4	-1.0	-1.0	-0.5	-1.5
Commodities									
Brent Crude Oil (US$/bbl)	72.6	67.7	64.3	80.6	7.3	12.8	-5.5	-10.0	-2.9
LME Aluminium (US$/MT)	2,562.4	2,596.6	2,371.7	2,228.0	-1.3	8.0	-1.2	15.0	1.4
LME Copper (US$/MT)	9,560.2	10,050.7	9,118.2	9,102.3	-4.9	4.9	7.1	5.0	10.5
LME Lead (US$/MT)	1,929.6	2,017.4	1,947.2	2,048.5	-4.4	-0.9	0.9	-5.8	0.2
LME Nickel (US$/MT)	14,735.8	15,019.6	15,219.0	16,336.1	-1.9	-3.2	-1.8	-9.8	-2.5
LME Tin (US$/MT)	32,694.0	33,843.5	31,153.0	29,807.8	-3.4	5.0	9.2	9.7	13.3
LME Zinc (US$/MT)	2,753.9	2,741.3	2,557.1	2,615.6	0.5	7.7	2.3	5.3	-6.8
SHC Iron Ore Spot (US$/MT)	102.0	96.0	99.0	102.0	6.3	3.0	-5.1	0.0	-1.0
Gold Spot Price (US$/troy ounce)	3,296.0	3,284.5	3,308.1	2,421.9	0.4	-0.4	17.3	36.1	25.6
Silver Spot Price (US$/troy ounce)	36.8	36.1	32.6	29.1	1.8	12.7	17.4	26.5	27.2
Platinum Spot Price (US$/ounce)	1,306.0	1,350.0	972.0	972.0	-3.3	34.4	34.0	34.4	42.9
Palladium Spot Price (US$/ounce)	1,217.0	1,134.0	933.0	923.0	7.3	30.4	22.4	31.9	33.9
Soyabeans (US$/bushel)	9.5	10.0	10.2	10.3	-4.5	-6.5	-5.4	-7.5	-2.8
Corn (c/lb)	394.0	421.0	467.0	382.5	-6.4	-15.6	-18.4	3.0	-14.1
Wheat (US$/bushel)	5.0	5.2	5.2	5.1	-3.9	-3.7	-13.7	-2.0	-11.6
Cotton (US$/lb)	0.6	0.7	0.6	0.6	-3.0	0.2	1.6	2.2	-2.4
Raw Sugar (c/lb)	16.7	16.2	17.6	18.9	2.8	-5.5	-8.8	-12.0	-8.5

Source: LSEG Workspace, Cogencis, NSE EPR

Table 49: Performance (total returns) across global asset classes (As on August 8th, 2025)

Asset performance (Ranked by % change each year)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025TD
Bitcoin 34.2	Bitcoin 122.7	Bitcoin 1,394.5	**Nifty 50 4.6**	Bitcoin 94.1	Bitcoin 304.5	Bitcoin 59.4	WTI Crude 6.7	Bitcoin 153.5	Bitcoin 121.9	Gold 29.2
STOXX 600 10.2	WTI Crude 45.0	MSCI EM $ 37.8	Nasdaq 100 0.0	Nasdaq 100 39.5	Nasdaq 100 48.9	WTI Crude 55.8	**Nifty 50 5.7**	Nasdaq 100 55.1	Gold 27.1	Bitcoin 25.0
Nasdaq 100 9.8	FTSE100 19.1	**Nifty 500 37.7**	Gold -1.7	WTI Crude 35.3	Gold 24.8	**Nifty 500 31.6**	FTSE100 4.7	**Nifty 500 26.9**	Nasdaq 100 25.9	MSCI EM $ 19.0
SSE Comp 9.4	DJIA 16.5	Nasdaq 100 33.0	**Nifty 500 -2.1**	S&P500 31.5	Russell 1000 21.0	S&P500 28.7	**Nifty 500 4.3**	Russell 1000 26.5	S&P500 25.0	FTSE100 14.0
S&P500 1.4	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 12.9
Russell 1000 0.9	S&P500 12.0	DJIA 28.1	S&P500 -4.4	MSCI World 28.4	S&P500 18.4	Russell 1000 26.5	DJIA -6.9	MSCI World 24.4	MSCI World 19.2	MSCI World 12.6
Nifty 500 0.2	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**	STOXX 600 10.7
DJIA 0.2	Gold 9.0	S&P500 21.8	MSCI World -8.2	DJIA 25.3	MSCI World 16.5	STOXX 600 25.5	SSE Comp -15.1	STOXX 600 16.5	DJIA 15.0	S&P500 9.5
MSCI World -0.3	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 9.2
FTSE100 -1.3	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**	SSE Comp 8.5
Nifty 50 -3.0	**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	DJIA 4.9
Gold -10.5	**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 50 4.0**
MSCI EM $ -14.6	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	**Nifty 500 1.1**
WTI Crude -30.5	SSE Comp -12.3	SSE Comp 6.6	Bitcoin -74.2	**Nifty 500 9.0**	WTI Crude -21.0	Gold -4.0	Bitcoin -64.1	WTI Crude -10.4	WTI Crude 0.8	WTI Crude -10.4

Source: LSEG Workspace, NSE EPR. Note: Returns for equity indices are based on total return index values except for Shanghai SE Composite Index.

Equity market performance and valuations

Table 50: Performance across NSE equity indices (As on July 31st, 2025)

July-25	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	-2.9	1.8	-0.7	13.0	17.5	-2.8	2.4	0.5	14.3	18.9
Nifty Next 50	-2.8	4.0	-10.3	17.9	20.1	-2.6	4.3	-9.5	18.8	21.0
Nifty 100	-2.9	2.2	-2.5	13.4	17.7	-2.7	2.8	-1.3	14.6	19.1
Nifty 200	-3.1	2.8	-2.5	15.0	19.3	-2.9	3.3	-1.5	16.1	20.6
Nifty 500	-3.0	4.0	-2.6	16.0	20.5	-2.8	4.5	-1.6	17.1	21.7
Nifty Midcap 50	-3.8	5.9	-2.7	25.7	30.7	-3.7	6.1	-2.2	26.5	31.9
Nifty Midcap 100	-3.9	6.1	-2.7	24.7	30.0	-3.8	6.3	-2.2	25.4	31.0
Nifty Midcap 150	-2.9	7.5	-2.3	24.0	29.5	-2.7	7.7	-1.7	24.8	30.4
Nifty Midcap Select	-4.2	6.6	-0.6	22.2	27.9	-4.1	6.9	0.0	23.0	28.9
Nifty Smallcap 50	-5.6	9.2	-3.1	27.3	29.1	-5.5	9.4	-2.4	28.3	30.2
Nifty Smallcap 100	-5.8	9.2	-6.1	25.1	29.1	-5.7	9.5	-5.5	26.0	30.2
Nifty Smallcap 250	-3.7	11.6	-4.5	24.9	31.7	-3.6	11.8	-3.9	25.8	32.8
Nifty LargeMidcap 250	-2.9	4.8	-2.3	18.8	23.6	-2.7	5.2	-1.4	19.8	24.8
Nifty MidSmallcap 400	-3.1	8.9	-3.1	24.3	30.2	-3.0	9.2	-2.5	25.1	31.2
Nifty500 Multicap 50:25:25	-3.1	5.8	-2.7	19.0	24.3	-2.9	6.3	-1.9	20.1	25.4
Nifty Microcap 250	-1.1	14.3	-3.6	33.9	43.3	-1.0	14.4	-3.2	34.5	44.2
Nifty Total Market	-2.9	4.4	-2.6	16.5	21.0	-2.8	4.9	-1.7	17.6	22.2
Thematic Indices										
Nifty India Consumption	-0.9	3.7	-0.6	16.0	18.9	-0.7	4.3	0.5	17.1	20.2
Nifty MidSmall India Consumption	-0.9	3.0	2.2	22.4	26.9	-0.8	3.2	2.8	23.0	27.6
Nifty Non-Cyclical Consumer	-0.5	2.5	-1.5	15.9	18.8	-0.3	3.0	-0.5	17.0	20.0
Nifty India Manufacturing	-2.2	5.4	-6.4	21.1	24.9	-2.0	5.7	-5.7	21.9	26.1
Nifty Infrastructure	-3.6	3.2	-4.6	22.8	23.5	-3.4	3.6	-3.6	23.9	25.0
Nifty Services Sector	-3.0	1.8	4.1	11.8	17.7	-2.8	2.5	5.5	13.2	19.1
Nifty Commodities	-2.2	2.7	-9.4	16.4	23.7	-2.0	2.9	-8.5	17.4	25.3
Nifty CPSE	-3.8	2.0	-15.0	36.1	35.2	-3.8	2.0	-13.0	39.1	39.6
Nifty PSE	-4.1	1.3	-17.1	34.1	31.3	-4.0	1.4	-15.4	36.6	35.1
Nifty Energy	-4.0	2.6	-20.3	10.5	18.1	-3.9	2.7	-19.2	11.9	20.3
Nifty MNC	-0.7	6.4	-8.2	14.4	16.2	-0.4	7.0	-6.9	15.6	17.7
Nifty India Digital	-3.8	5.6	-1.5	18.6	20.8	-3.5	6.1	-0.3	19.9	22.3
Nifty India Defence	-12.3	9.1	1.9	66.8	59.6	-12.3	9.1	2.5	68.2	61.5
Nifty Mobility	-0.6	8.0	-6.8	24.8	27.7	-0.4	8.4	-6.2	25.6	28.7
Nifty100 Liquid 15	-4.5	1.8	-1.2	16.2	20.3	-4.3	2.3	-0.3	17.2	21.5
Nifty Midcap Liquid 15	-4.6	8.0	9.0	26.6	33.0	-4.4	8.4	9.7	27.6	34.3
Nifty Corp. Grp Index - Aditya Birla Group	-2.1	5.4	-7.1	17.9	25.2	-1.9	5.6	-6.7	18.6	25.8
Nifty Corp. Grp Index - Mahindra Group	-2.6	6.6	3.3	28.5	30.0	-2.1	7.2	4.1	29.6	31.9
Nifty Corp. Grp Index - Tata Group	-8.7	-4.3	-22.9	7.2	17.4	-8.5	-3.5	-21.5	8.5	19.0
Nifty Corp Grp Index - Tata Group 25% Cap	-7.8	-1.8	-19.5	12.8	27.0	-7.7	-1.2	-18.6	13.8	28.3
Nifty Shariah 25	-3.1	-0.1	-12.0	9.3	12.9	-2.8	0.5	-10.5	11.0	14.8
Nifty50 Shariah	-4.6	-2.5	-15.4	5.2	11.0	-4.3	-1.8	-13.8	7.0	13.0
Nifty500 Shariah	-2.6	3.4	-11.4	11.4	17.5	-2.4	3.8	-10.4	12.7	19.0
Nifty SME EMERGE	2.6	11.6	1.2	47.3	65.9	2.6	11.6	1.3	47.5	66.3
Nifty100 ESG	-2.6	3.6	-2.2	12.9	17.6	-2.4	4.1	-1.1	14.1	18.9
Nifty100 Enhanced ESG	-2.6	3.6	-2.2	12.9	17.6	-2.4	4.1	-1.1	14.0	19.0
Nifty100 ESG Sector Leaders	-2.6	2.6	0.2	13.3	16.6	-2.4	3.1	1.3	14.4	17.9

July-25	PR Index Returns (%)					TR Index Returns (%)				
Index Name	**1M**	**3M**	**1Y**	**3Y**	**5Y**	**1M**	**3M**	**1Y**	**3Y**	**5Y**
Nifty IPO	-0.5	12.9	-6.9	13.9	13.5	-0.4	13.0	-6.7	14.2	13.9
Nifty REITs & InvITs	2.9	8.9	10.6	3.8	5.6	2.9	10.1	15.7	9.0	13.0
Nifty Core Housing	-1.2	4.1	-7.7	15.3	20.7	-1.0	4.5	-7.3	16.0	21.5
Nifty500 Multicap India Mfg. 50:30:20	-1.4	5.8	-3.8	21.5	27.4	-1.2	6.1	-3.1	22.3	28.5
Nifty500 Multicap Infra 50:30:20	-3.6	4.3	-7.0	23.5	27.6	-3.4	4.7	-6.2	24.5	28.9
Nifty EV & New Age Automotive	-1.5	6.4	-14.4	19.8	33.1	-1.3	6.9	-13.7	20.6	34.1
Nifty India Tourism	-1.7	2.0	3.6	23.6	32.3	-1.7	2.0	3.9	23.9	32.6
Nifty Rural	-1.9	2.6	-5.0	15.9	20.5	-1.7	3.3	-3.8	17.1	21.9
Nifty Capital Markets	-8.2	16.3	45.2	49.0	36.1	-8.1	16.6	46.2	50.6	37.9
Nifty India New Age Consumption	-2.0	6.3	-0.3	23.3	27.0	-1.9	6.6	0.2	23.9	27.8
Nifty India Select 5 Corp Groups (MAATR)	-4.7	3.5	-11.1	11.8	27.1	-4.5	3.8	-10.6	12.5	28.0
Nifty India Railways PSU	-8.1	3.6	-29.3	40.8		-8.1	3.6	-28.3	43.0	
Nifty India Internet	3.3	15.9	18.1	29.6		3.3	16.0	18.5	30.1	
Nifty Waves	-4.3	7.7	-28.0	1.4	11.9	-4.3	7.7	-27.8	1.9	12.4
Nifty India Infrastructure & Logistics	-4.1	5.9	-10.2	24.1	32.0	-4.0	6.2	-9.4	25.1	33.4
Strategy Indices										
Nifty Alpha 50	-3.2	9.4	-13.2	22.6	28.6	-3.1	9.6	-12.6	23.5	29.5
Nifty100 Alpha 30	-3.0	6.2	-14.5	15.7	18.8	-2.8	6.6	-13.7	16.8	19.9
Nifty Alpha Low-Volatility 30	-2.8	0.7	-11.5	17.3	18.0	-2.6	1.2	-10.5	18.6	19.4
Nifty Alpha Quality Low-Volatility 30	-2.0	2.2	-11.2	16.5	17.8	-1.7	2.8	-10.0	18.0	19.5
Nifty Alpha Quality Value Low-Volatility 30	-1.6	3.3	-8.7	22.9	22.4	-1.3	4.0	-7.3	24.8	24.7
Nifty200 Alpha 30	-4.0	6.9	-14.4	27.3	26.3	-3.9	7.1	-13.7	28.4	27.4
Nifty Dividend Opportunities 50	-4.3	-0.2	-14.0	17.5	19.6	-4.1	0.7	-12.1	19.7	22.4
Nifty Growth Sectors 15	-0.5	2.8	-7.1	10.5	16.7	-0.2	3.6	-5.4	12.4	18.5
Nifty High Beta 50	-5.7	6.3	-16.1	22.7	27.5	-5.6	6.5	-15.4	23.6	28.7
Nifty Low Volatility 50	-2.3	0.7	-1.6	16.5	18.0	-2.1	1.2	-0.5	17.8	19.6
Nifty100 Low Volatility 30	-0.9	2.6	-1.1	15.6	17.4	-0.5	3.3	0.1	17.0	19.2
Nifty100 Quality 30	-2.8	2.3	-8.2	12.6	15.9	-2.6	2.9	-6.9	14.0	17.6
Nifty Quality Low-Volatility 30	-1.8	0.3	-7.9	11.3	14.9	-1.6	0.9	-6.6	12.7	16.7
Nifty200 Quality 30	-3.9	2.1	-9.3	11.9	15.3	-3.7	2.7	-7.8	13.6	17.3
Nifty50 Equal Weight	-3.3	2.6	-3.0	16.5	22.4	-3.1	3.1	-1.8	17.8	24.1
Nifty100 Equal Weight	-2.9	3.8	-6.0	17.1	21.2	-2.7	4.2	-5.1	18.1	22.5
Nifty50 Value 20	-3.4	-0.8	-11.6	12.8	17.9	-3.3	0.1	-9.7	14.9	20.4
Nifty500 Value 50	-3.5	3.1	-11.2	31.8	36.1	-3.4	3.4	-9.9	33.5	38.9
Nifty Midcap150 Quality 50	-2.6	6.9	-3.9	14.4	19.2	-2.4	7.3	-3.1	15.4	20.3
Nifty200 Momentum 30	-5.2	3.3	-18.3	19.1	21.1	-5.1	3.5	-17.6	20.1	22.3
Nifty Midcap150 Momentum 50	-4.3	6.1	-6.7	25.8	32.8	-4.2	6.3	-6.3	26.5	33.7
Nifty Smallcap250 Quality 50	-3.9	11.0	-8.1	22.7	31.3	-3.8	11.3	-7.2	24.0	32.7
Nifty Smallcap250 Momentum Quality 100	-5.9	8.2	-15.2	19.5	29.0	-5.8	8.4	-14.5	20.4	30.2
Nifty MidSmallcap400 Momentum Qtly 100	-5.3	5.7	-11.6	21.8	26.9	-5.2	6.0	-10.9	22.8	28.1
Nifty500 Equal Weight	-2.7	9.7	-4.7	23.1	28.4	-2.6	9.9	-4.1	24.0	29.5
Nifty500 Momentum 50	-6.1	4.4	-18.7	21.6	26.9	-6.0	4.5	-18.3	22.4	27.8
Nifty500 LargeMidSmall Equal-Cap Wgtd	-3.1	7.1	-2.9	20.9	26.4	-3.0	7.4	-2.1	21.8	27.5
Nifty200 Value 30	-3.7	2.6	-10.5	32.3	35.2	-3.6	2.9	-9.2	34.1	38.1
Nifty Top 10 Equal Weight	-4.8	-1.6	-1.3	11.0	16.4	-4.7	-0.8	0.1	12.4	18.0

July-25	PR Index Returns (%)					TR Index Returns (%)				
Index Name	**1M**	**3M**	**1Y**	**3Y**	**5Y**	**1M**	**3M**	**1Y**	**3Y**	**5Y**
Nifty500 Multicap Momentum Quality 50	-6.6	4.5	-16.5	20.7	23.4	-6.4	4.8	-15.6	22.0	24.7
Nifty Top 15 Equal Weight	-3.0	0.5	1.1	13.0	19.2	-2.8	1.3	2.5	14.3	20.6
Nifty Top 20 Equal Weight	-3.4	-0.2	-1.4	13.3	19.4	-3.2	0.6	-0.1	14.7	20.8
Nifty500 Quality 50	-5.1	7.1	-5.7	19.2	20.5	-5.0	7.5	-4.6	20.5	22.2
Nifty500 Low Volatility 50	-2.5	2.7	-0.7	19.5	19.9	-2.4	3.1	0.0	20.6	21.4
Nifty500 Multifactor MQVLv 50	-3.9	3.6	-10.9	23.6	24.4	-3.8	3.8	-10.0	25.1	26.4
Nifty500 Flexicap Quality 30	-5.0	0.1	-12.6	11.6	23.7	-4.8	0.9	-11.2	13.0	25.3
Sectoral Indices										
Nifty Auto	-0.9	6.0	-11.4	23.6	26.6	-0.6	6.6	-10.6	24.5	27.8
Nifty Bank	-2.4	1.6	8.6	14.3	20.9	-2.3	2.2	9.4	15.2	21.8
Nifty Private Bank	-4.1	-1.3	5.3	12.5	17.9	-4.0	-1.0	6.0	13.3	18.6
Nifty PSU Bank	-4.9	4.7	-7.4	35.0	37.2	-4.9	5.4	-6.8	35.9	38.5
Nifty Financial Services	-1.9	2.1	13.8	15.2	20.0	-1.8	2.7	14.9	16.3	20.9
Nifty Financial Services Ex-Bank	-5.7	7.1	13.6	20.8	21.5	-5.6	7.3	14.5	21.8	22.5
Nifty Financial Services 25/50	-2.8	2.8	10.2	18.5	21.6	-2.7	3.2	11.3	19.6	22.7
Nifty MidSmall Financial Services	-6.5	10.5	19.7	33.3	28.6	-6.4	10.7	20.2	34.2	29.9
Nifty FMCG	1.7	-1.1	-10.1	9.5	12.6	1.8	-0.2	-8.3	11.4	14.8
Nifty IT	-9.4	-1.4	-13.6	6.6	14.3	-9.1	-0.4	-11.6	8.7	16.6
Nifty MidSmall IT & Telecom	-7.7	3.5	-13.8	16.8	30.9	-7.5	4.0	-13.2	17.7	32.0
Nifty Media	-7.3	7.4	-24.3	-7.9	4.8	-7.2	7.5	-23.8	-7.3	5.4
Nifty Metal	-2.6	8.2	-3.1	19.2	34.0	-2.6	8.5	-2.2	19.8	36.0
Nifty Pharma	3.3	4.6	4.6	21.2	15.4	3.6	5.0	5.4	22.3	16.2
Nifty Realty	-7.5	3.0	-16.6	26.5	35.3	-7.3	3.2	-16.3	26.9	35.8
Nifty Consumer Durables	-0.5	3.1	-3.8	14.0	22.5	-0.3	3.4	-3.4	14.5	23.1
Nifty Oil & Gas	-4.6	0.7	-15.0	12.8	17.2	-4.4	0.9	-14.0	13.9	19.0
Nifty Healthcare Index	2.9	5.9	8.2	22.9	18.0	3.1	6.3	9.0	23.8	18.9
Nifty MidSmall Healthcare	4.1	10.9	16.9	29.9	21.9	4.3	11.1	17.4	30.6	22.6
Nifty Transportation & Logistics	0.6	9.8	-7.5	25.3	29.4	0.8	10.2	-6.9	26.1	30.5
Nifty Housing	-1.3	3.3	-5.2	14.1	23.1	-1.2	3.8	-4.5	15.0	24.3
Nifty Chemicals	-2.7	6.4	4.0	10.6	25.4	-2.5	6.7	4.5	11.1	26.1
Nifty500 Healthcare	2.9	7.7	11.6	24.7	18.9	3.1	8.0	12.3	25.5	19.6

Source: NSE Indices, NSE EPR

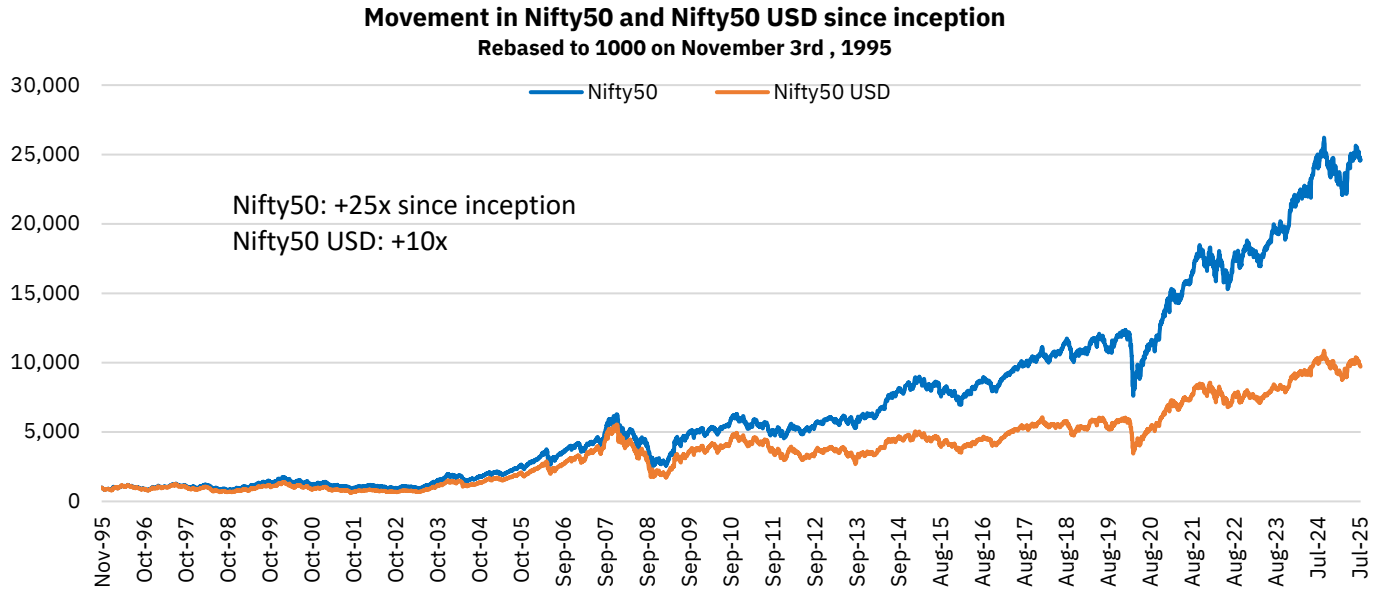
Note: Returns for the period up to one year are absolute returns. Returns for a period greater than one year are CAGR returns.

Table 51: Performance across NSE sector indices based on Price Return Index (As on July 31st, 2025)

Indicator Name	July-25	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Sector indices									
Auto	23,656	23,873	22,308	26,685	-0.9	6.0	3.5	-11.4	3.6
Bank	55,962	57,313	55,087	51,553	-2.4	1.6	12.9	8.6	10.0
Energy	35,116	36,569	34,242	44,087	-4.0	2.6	3.6	-20.4	-0.2
FMCG	55,812	54,884	56,445	62,082	1.7	-1.1	-1.6	-10.1	-1.7
IT	35,302	38,950	35,795	40,851	-9.4	-1.4	-17.3	-13.6	-18.5
Infrastructure	9,066	9,409	8,786	9,499	-3.7	3.2	8.6	-4.6	7.1
Media	1,626	1,754	1,514	2,150	-7.3	7.4	2.9	-24.4	-10.5
Metals	9,285	9,535	8,582	9,583	-2.6	8.2	10.6	-3.1	7.4
Pharma	22,771	22,039	21,772	21,777	3.3	4.6	6.2	4.6	-2.7
Real Estate	912	987	886	1,094	-7.5	3.0	-1.0	-16.6	-13.3
Thematic Indices									
CNX PSE	9,683	10,094	9,559	11,684	-4.1	1.3	4.4	-17.1	1.6
CNX Consumption	11,739	11,843	11,317	11,806	-0.9	3.7	5.6	-0.6	3.3
CNX Services	32,739	33,740	32,176	31,458	-3.0	1.8	6.6	4.1	4.2

Source: Cogencis, NSE EPR.

Figure 220: Nifty 50 and Nifty 50 USD since inception

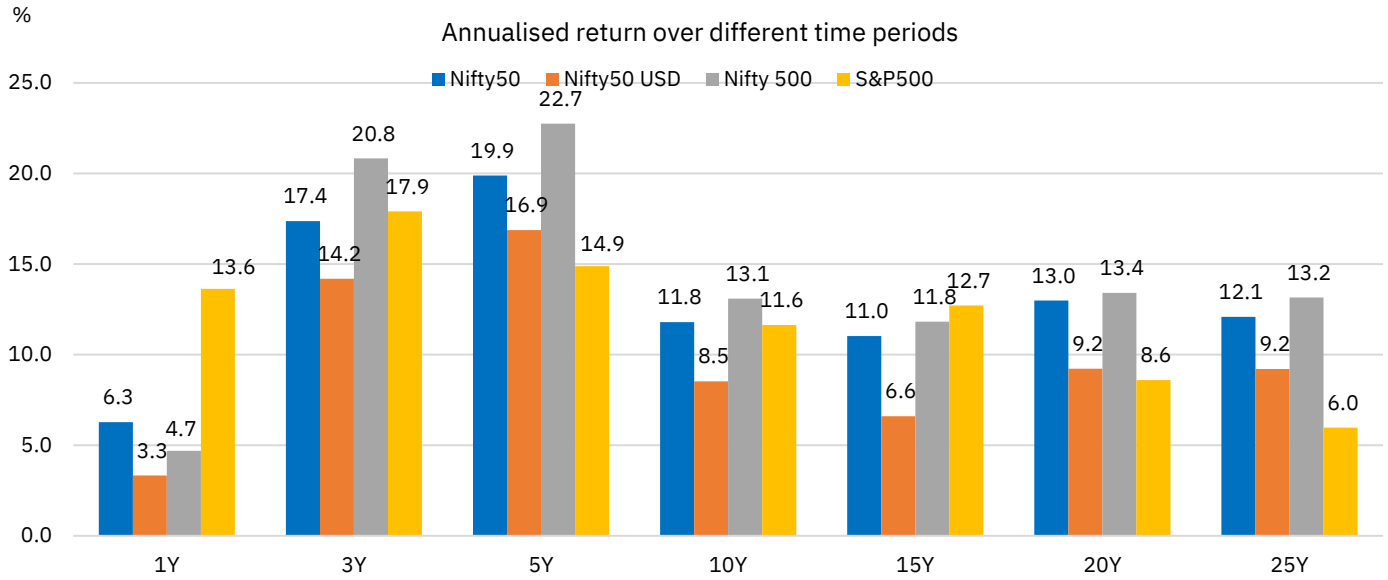


Source: Nifty Indices, NSE EPR.

The Nifty 50 Index, launched on April 22nd, 1996, with a rebasing on November 3rd, 1995, completed 29 years on April 22nd, 2025 and has witnessed substantial long-term growth. Since the rebasing date, the index surged to an all-time high of 26,216 on September 26th, 2024, marking a 26-fold increase since inception and delivering an annualized return of 12%. After a sharp sell-off between October 2024 and February 2025, the Nifty 50 Index rebounded again, supported by steady economic fundamentals, front-loaded monetary policy support and renewed foreign inflows, reaffirming India's appeal as an investment destination. After falling 15.8% from the September peak to this year's low of 22,083 on March 4th, 2025, the Nifty 50 rebounded by 15.6% since then until June 30th, 2025 only to correct by 2.9% in July amid heightened trade policy uncertainty. The Nifty 50

annualised returns in the last 25 years (as of July 31st, 2025) at 12.4% in rupee terms and 9.5% in dollar terms have surpassed that of the S&P 500 (+6.1%) during this period, underscoring the strong long-term performance of Indian equities in a global context.

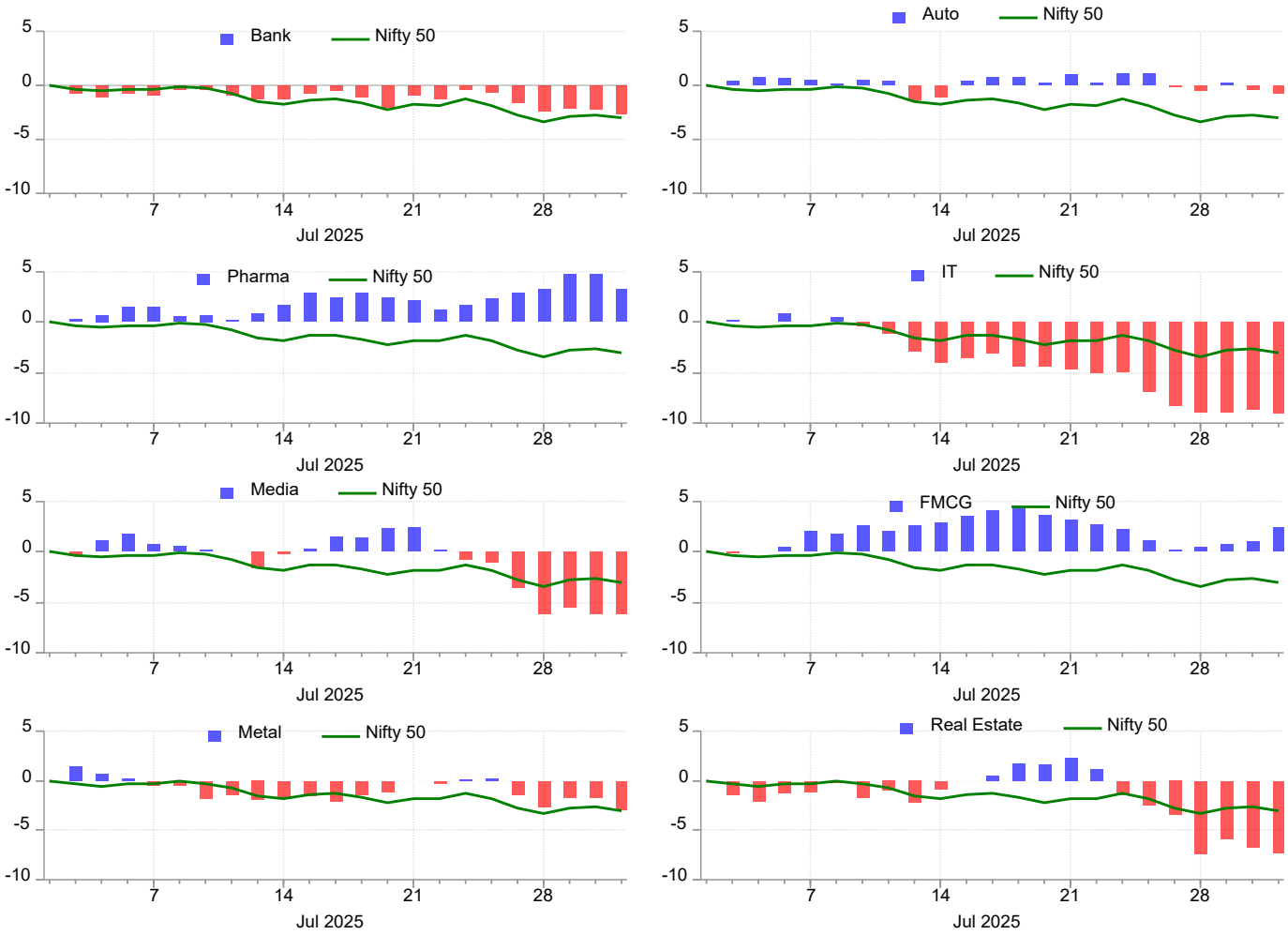
Figure 221: Annualised return of major indices across different time periods (As of July 31st, 2025)



Source: Nifty Indices, LSEG Workspace, NSE EPR.

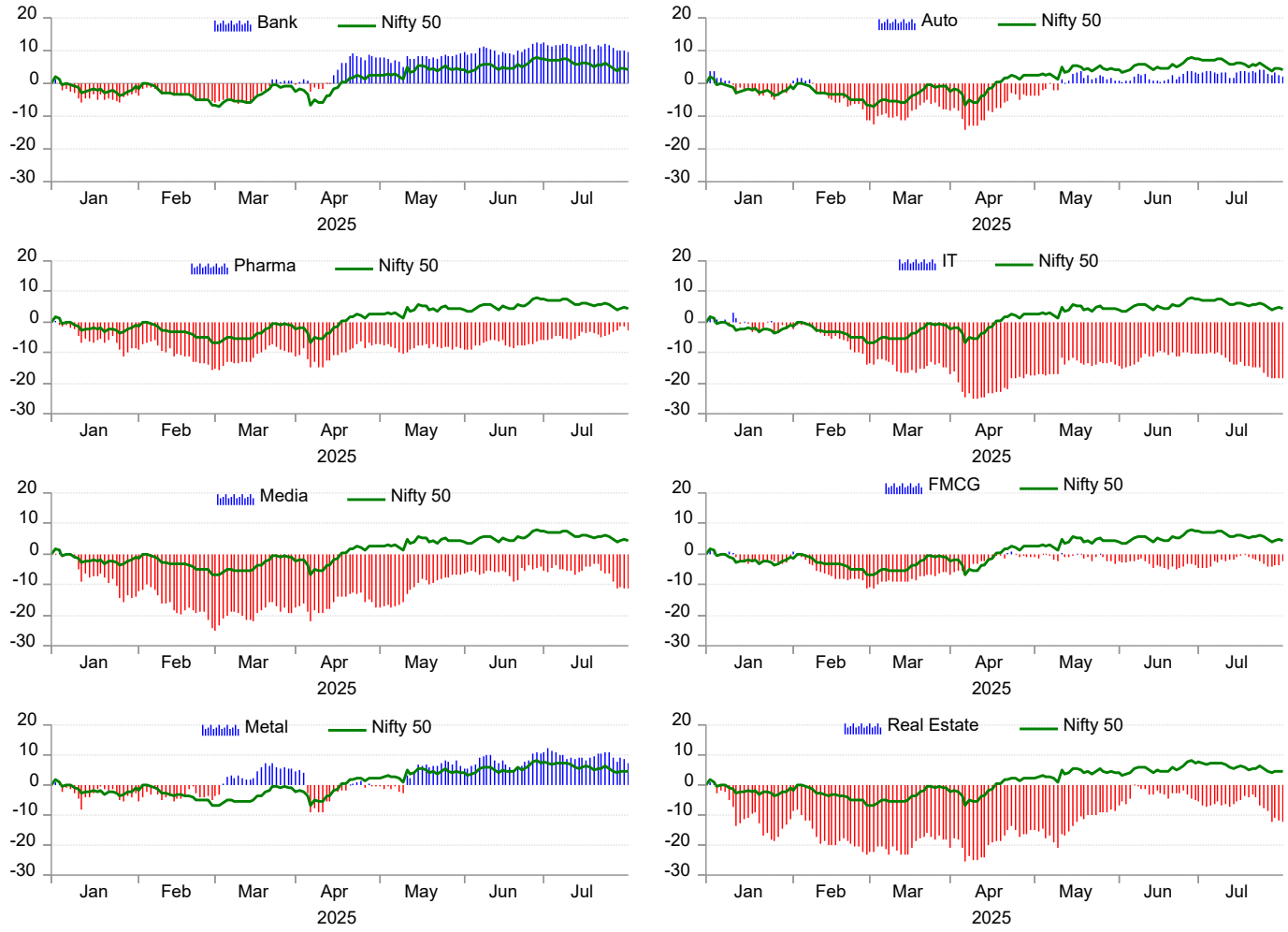
Figure 222: NIFTY sector performance in July 2025

Rebased to 0 on July 1st, 2025



Source: LSEG Workspace, NSE EPR.

Figure 223: NIFTY sector performance in 2025 till date (Jan-Jul'25)
Rebased to 0 on January 1st, 2025



Source: LSEG Workspace, NSE EPR.

Market growth and concentration

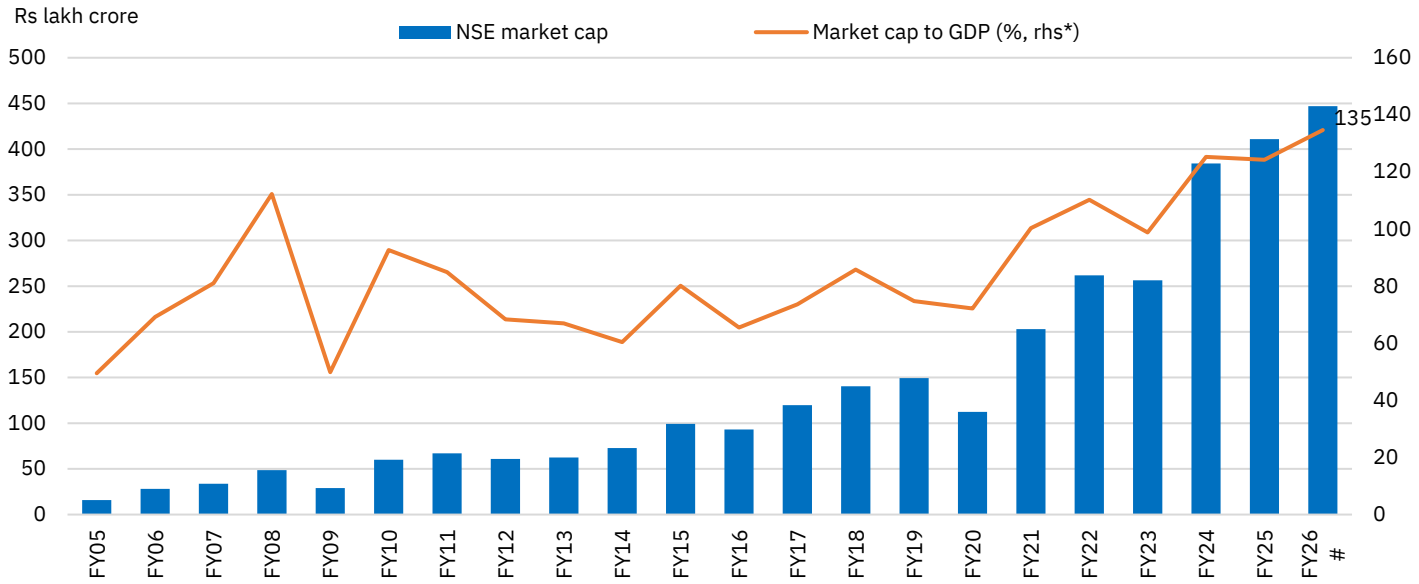
Market capitalisation of NSE listed companies declined in July, breaking the four-month long rising steak: Following a sharp 19.5% decline in rupee terms (23% in USD) between September 27th, 2024 (when markets touched all-time high) and February 28th, 2025 (when market cap bottomed at Rs 382 lakh crore (US$4.36 trillion))—NSE-listed companies saw a strong recovery over the next four months. By June 30th, market capitalisation had rebounded 20.3% in rupee terms and 22.8% in dollar terms to Rs 459 lakh crore and US$5.35 trillion).

However, this rebound proved short-lived. In July, markets corrected amid rising US tariff uncertainty, FPI outflows, and weak corporate earnings. In July 2025, NSE market capitalisation fell 2.7% to Rs 447 lakh crore, with a sharper 4.7% drop in dollar terms to US$ 5.1 trillion, due to a 2.1% depreciation in the rupee.

Despite recent volatility, NSE's total market cap has grown at a robust CAGR of 17.3% in rupee terms and 13.2% in dollar terms over the past 20 years (as of July 31st, 2025). The market cap-to-GDP ratio, based on a 3-month rolling average market cap and trailing

four-quarter nominal GDP, fell from 147% in November 2024 to 124% in March 2025, before recovering to 135% in July.

Figure 224: Market cap to GDP ratio trend (NSE listed companies)



Source: CMIE Economic Outlook, NSE EPR. # As of July 31st, 2025. * Based on average market cap over the last three months of the period and actual nominal GDP for the last four quarters.

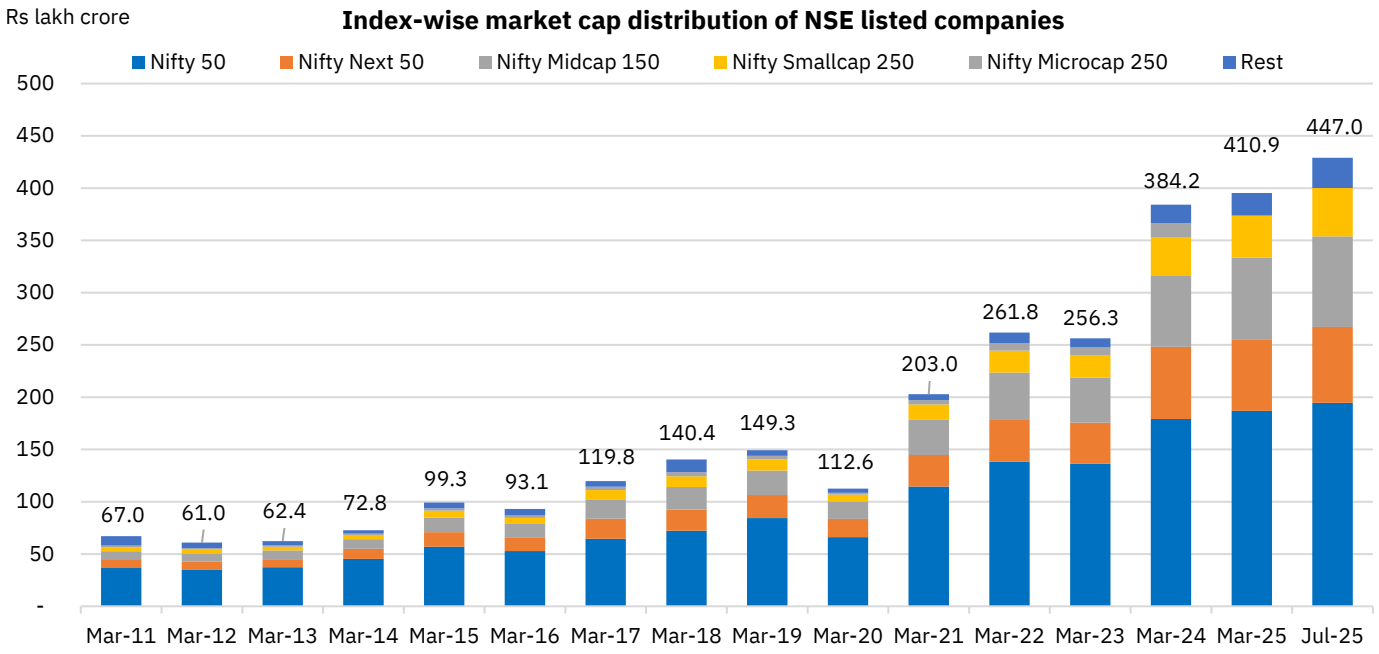
Share of Nifty50 Index fell to a seven-month low in July 2025 on outperformance of mid- and small-caps: The share of Nifty 50 in the total market capitalisation of NSE-listed companies declined for the third consecutive month in July 2025, falling ~50 bps MoM to a seven-month low of 43.5%. This reflects the sustained outperformance of mid- and small-cap stocks relative to large-caps in recent months. Over the past three months, while the Nifty 50 rose a modest 1.8%, the Nifty Midcap 150 and Nifty Smallcap 250 surged 7.5% and 11.6%, respectively. This shift continues a broader trend: the Nifty 50's share of total market capitalisation has steadily declined from 58.8% in March 2020 to 42.7% by December 2024. The trend is underpinned by two key drivers—rapid expansion in the listed universe (from 422 in FY96 and 1,969 in FY20 to 2,788 as of July 2025) and consistently stronger returns from mid- and small-cap segments. Over the last five years, the Nifty Midcap 150 and Smallcap 250 have delivered CAGRs of 29.5% and 31.7%, respectively, compared to 17.5% for the Nifty 50.

Table 52: Index-wise distribution of total market cap of NSE listed companies (Rs lakh crore)

Year	Nifty 50	Nifty Next 50	Nifty Midcap 150	Nifty Smallcap 250	Nifty Microcap 250	Rest	Total
Mar-11	36.7	7.6	8.4	3.9	1.5	9.0	67.0
Mar-12	35.2	7.4	8.0	3.7	1.3	5.4	61.0
Mar-13	37.5	7.5	8.6	3.5	1.2	4.2	62.4
Mar-14	45.3	9.6	9.3	4.0	1.3	3.3	72.8
Mar-15	56.9	14.0	14.1	6.3	2.3	5.6	99.3
Mar-16	52.8	13.2	12.7	5.8	2.4	6.2	93.1
Mar-17	64.6	19.1	18.5	9.0	3.1	5.4	119.8
Mar-18	72.3	20.3	21.5	10.2	4.0	12.1	140.4
Mar-19	84.3	22.2	23.3	10.8	3.3	5.4	149.3
Mar-20	66.2	17.4	16.7	6.4	1.7	4.1	112.4
Mar-21	114.6	30.2	34.0	14.3	4.1	5.8	203.0
Mar-22	138.3	39.9	45.3	21.0	7.1	10.2	261.8
Mar-23	136.2	39.4	43.1	21.6	7.3	8.7	256.3
Mar-24	179.1	69.1	68.4	36.6	13.2	17.8	384.2
Mar-25	186.9	68.5	77.9	40.4	15.5	21.7	410.9
Jul-25	194.6	72.6	86.6	46.3	17.9	29.0	447.0
June growth (% MoM)	***-3.7***	***-3.2***	***-3.0***	***-3.2***	***-0.6***	***7.4***	***-2.7***
CAGR (FY15-FY25)	***12.6***	***17.2***	***18.6***	***20.4***	***20.8***	***14.5***	***15.3***

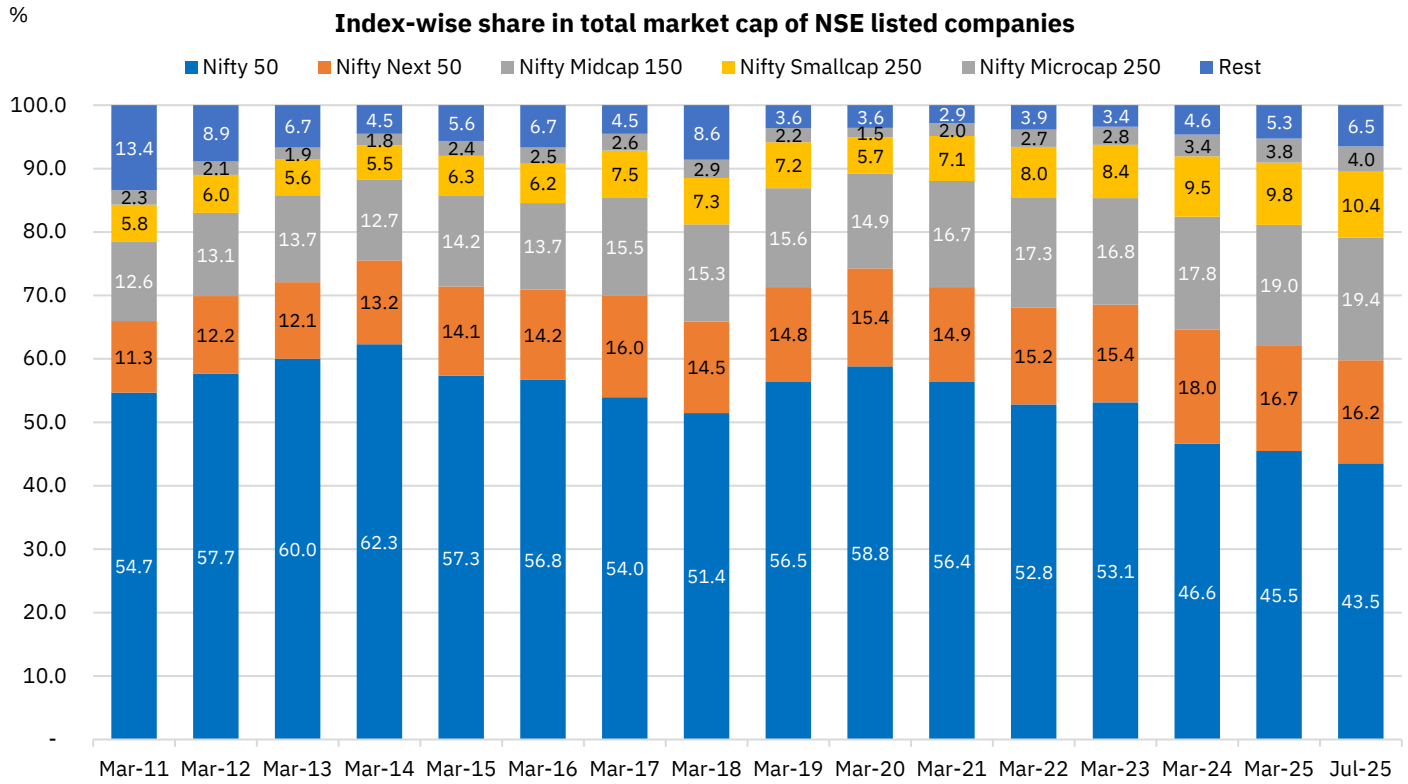
Source: Nifty Indices, NSE EPR. * As of July 31st, 2025.

Figure 225: Index-wise distribution of total market cap of NSE listed companies (Rs lakh crore)



Source: Nifty Indices, NSE EPR.

Figure 226: Index-wise share in total market cap of NSE listed companies

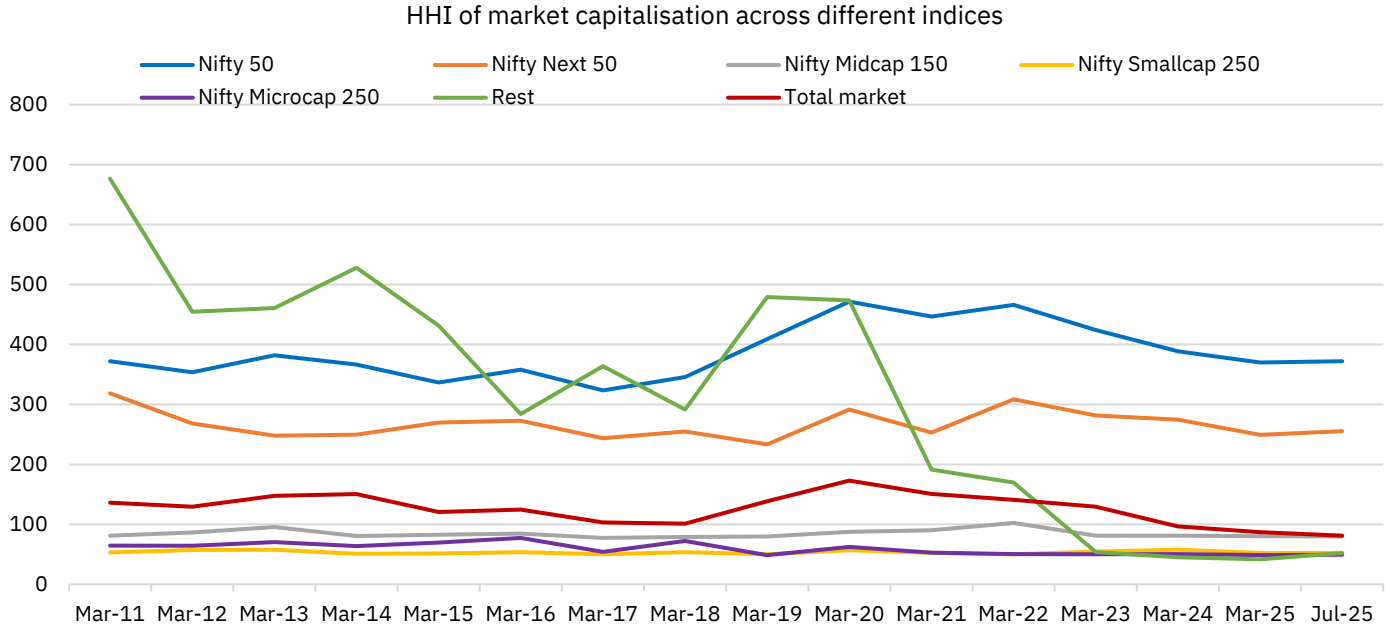


Source: Nifty Indices, NSE EPR.

Market HHI fell slightly in July: To assess market concentration, we analyse the Herfindahl-Hirschman Index (HHI) based on market capitalisation across NSE-listed companies and major equity indices over the past two decades. After a steady decline from 2010 to 2018, the market-wide HHI spiked in 2019, reaching an 11-year high of 173 in March 2020 amid the pandemic-driven surge in large-cap stocks. Since then, the index has trended lower. As of July 2025, the HHI for all NSE-listed companies declined slightly to a seven-month low of 81, reflecting the continued outperformance of smaller stocks and signalling a highly fragmented market structure.

Within the top 750 stocks, the Nifty 50 remains the most concentrated index, with an HHI of 372 as of July 31st, 2025—marginally lower MoM and well below its peak of 476 in March 2009. The HHI for the Nifty Next 50 also eased to 255 from 261 in the previous month, while those for the Nifty Midcap 150, Smallcap 250, and Microcap 250 remained broadly stable, hovering within a narrow range in last several quarters. Taken together, the data point to a structurally more fragmented equity market, driven by a growing universe of listed companies and the sustained outperformance of mid-, small-, and micro-cap segments.

Figure 227: Index-wise share in total market cap of NSE listed companies



Source: Nifty Indices, NSE EPR.

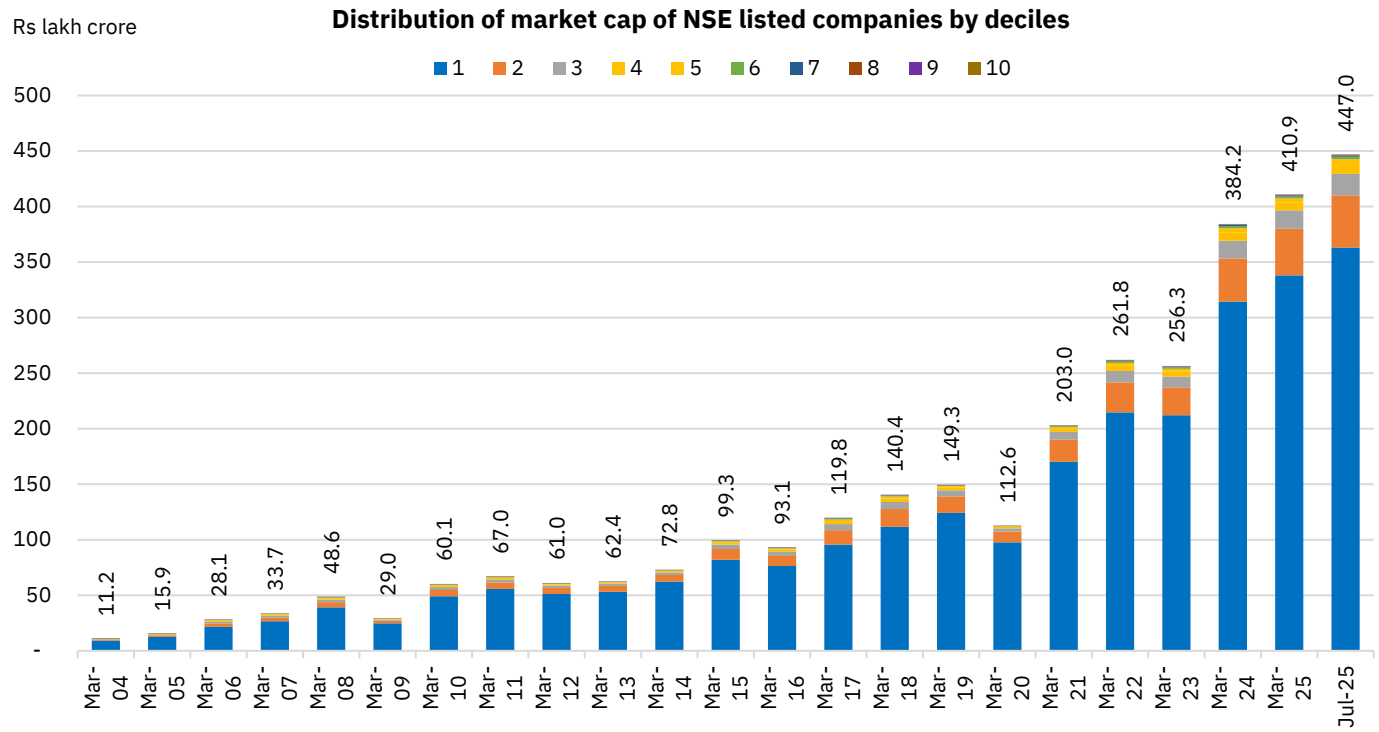
Decile-wise distribution of total market cap: We also examine the distribution of total market capitalisation across deciles within the NSE-listed universe. The top decile's share peaked at an all-time high of 86.8% in FY20, as the pandemic-induced risk-off sentiment concentrated investor flows into large-cap stocks. By March 2020, the top two deciles together accounted for over 95% of total market capitalisation. Since then, the top decile's dominance has gradually declined, in line with the fall in the market-cap-based HHI. Its share fell to 81.8% by March 2024 and further to 80.1% by December 2024—the lowest since March 2018—before rebounding to 82.5% in April 2025, amid a temporary shift back to large-caps due to rising trade policy and geopolitical risks. However, the trend reversed again in July 2025, with the top decile's share slipping 52bps MoM to 81.2%. At the other end of the distribution, the bottom five deciles' share rose to a five-month high of 0.96% in July 2025. While still below the recent peak of 1.1% in December 2024, it remains nearly double the pandemic low of 0.47% seen in FY20—underscoring a gradual broadening of market participation.

Table 53: Decile-wise distribution of total market cap of NSE listed companies (Rs lakh crore)

Year	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10	Total
Mar-04	9.3	1.0	0.4	0.2	0.1	0.1	0.0	0.0	0.0	0.0	11.2
Mar-05	12.5	1.6	0.8	0.4	0.3	0.2	0.1	0.1	0.0	0.0	15.9
Mar-06	21.6	3.1	1.4	0.8	0.5	0.3	0.2	0.1	0.1	0.0	28.1
Mar-07	26.6	3.4	1.6	0.9	0.5	0.3	0.2	0.1	0.1	0.0	33.7
Mar-08	39.2	4.6	2.2	1.2	0.6	0.3	0.2	0.1	0.1	0.0	48.6
Mar-09	24.8	2.2	0.9	0.5	0.2	0.1	0.1	0.1	0.0	0.0	29.0
Mar-10	49.1	5.7	2.5	1.3	0.7	0.4	0.2	0.1	0.1	0.0	60.1
Mar-11	55.7	5.9	2.7	1.3	0.7	0.4	0.2	0.1	0.1	0.0	67.0
Mar-12	51.1	5.5	2.3	1.0	0.5	0.3	0.2	0.1	0.0	0.0	61.0
Mar-13	53.2	5.3	2.0	0.9	0.4	0.3	0.1	0.1	0.0	0.0	62.4
Mar-14	62.3	6.0	2.3	1.0	0.5	0.3	0.1	0.1	0.0	0.0	72.8
Mar-15	82.0	9.7	4.0	1.8	0.9	0.5	0.2	0.1	0.1	0.0	99.3
Mar-16	76.3	9.2	3.7	1.8	1.0	0.5	0.3	0.2	0.1	0.0	93.1
Mar-17	95.7	12.9	5.5	2.7	1.4	0.8	0.4	0.2	0.1	0.0	119.8
Mar-18	111.7	15.9	6.3	3.2	1.7	0.9	0.4	0.2	0.1	0.0	140.4
Mar-19	124.2	14.8	5.5	2.6	1.2	0.6	0.3	0.1	0.1	0.0	149.3
Mar-20	97.6	9.6	3.0	1.2	0.6	0.3	0.1	0.1	0.0	0.0	112.4
Mar-21	170.2	19.8	7.0	3.0	1.5	0.7	0.3	0.2	0.1	0.0	203.0
Mar-22	214.6	27.1	10.3	4.7	2.5	1.4	0.7	0.3	0.2	0.0	261.8
Mar-23	212.2	25.1	9.7	4.5	2.4	1.2	0.6	0.3	0.2	0.0	256.3
Mar-24	314.4	38.8	16.1	7.3	3.9	2.0	1.0	0.5	0.3	0.1	384.2
Mar-25	338.0	42.0	16.5	7.3	3.5	1.8	0.9	0.5	0.2	0.1	410.9
Jul-25	**363.1**	**47.0**	**19.4**	**8.9**	**4.4**	**2.2**	**1.1**	**0.6**	**0.3**	**0.1**	**447.0**
% MoM	***-3.3***	***-1.6***	***1.3***	***3.8***	***2.7***	***3.6***	***4.6***	***5.4***	***6.5***	***11.3***	***-2.7***
20Y CAGR (FY05-25, %)	***17.9***	***17.9***	***16.7***	***15.1***	***13.9***	***12.6***	***11.9***	***11.0***	***10.9***	***11.0***	***17.7***

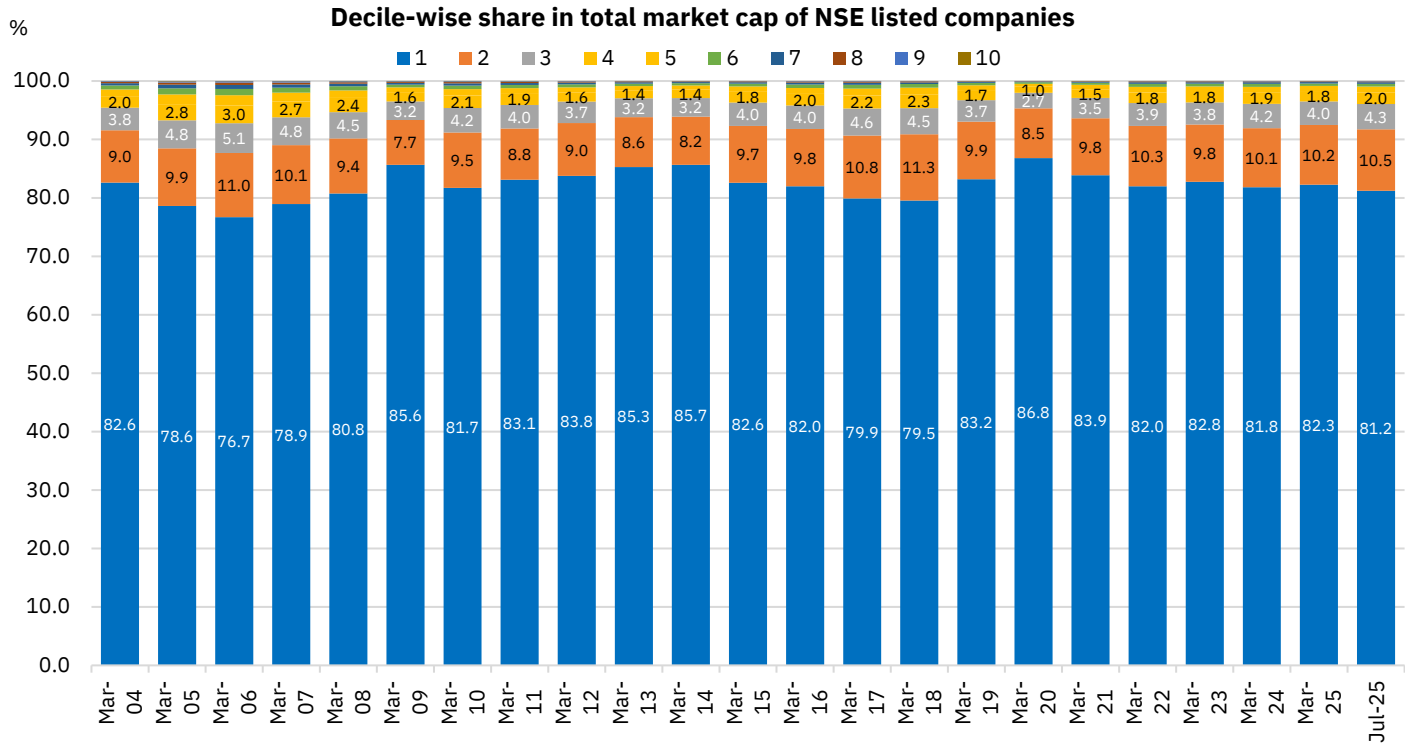
Source: NSE EPR.

Figure 228: Decile-wise distribution of total market cap of NSE listed companies



Source: NSE EPR.

Figure 229: Decile-wise share of total market cap of NSE listed companies



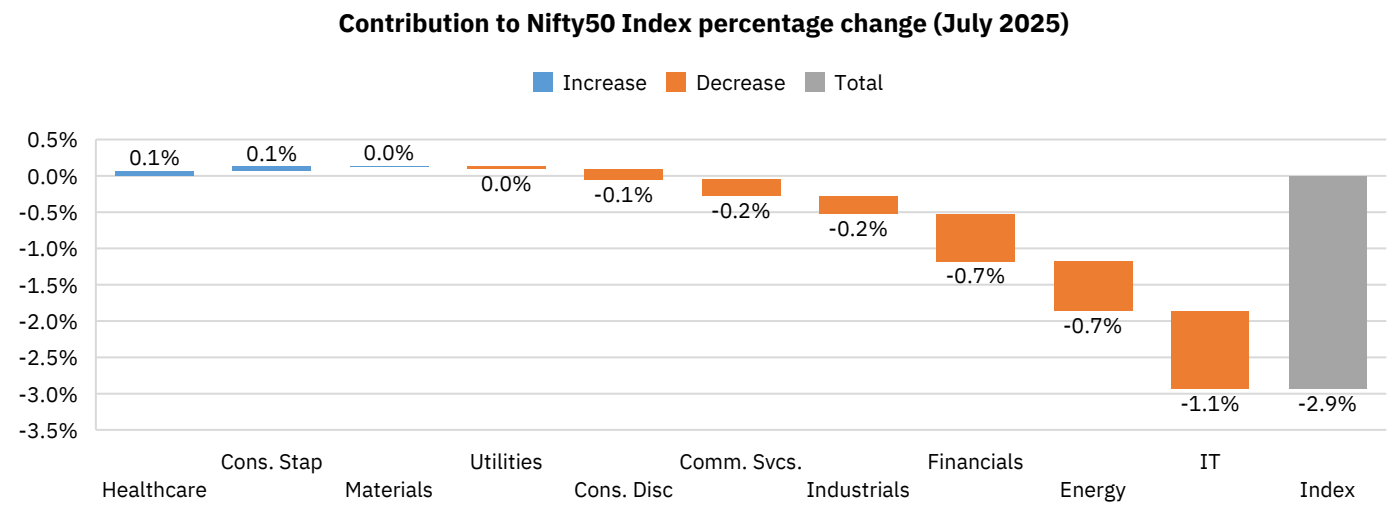
Source: NSE EPR.

Nifty50 performance attribution analysis

Equity markets sold off in July after rising for the previous four months: After a strong four-month rebound through June—mirroring global market trends—Indian equities corrected in July. Investor sentiment was dampened by lingering uncertainty around trade negotiations, weak corporate earnings, and a reversal in foreign capital flows in July following steady inflows in the prior three-month period. The sell-off intensified in early August after the announcement of a 25% tariff, which was subsequently raised to 50% as 'penalty tariffs'—among the highest globally. Market estimates suggest this could shave 30–40 bps off FY26 GDP growth, further fuelling investor concerns. FPIs, who were net buyers in Q1 FY26, turned net sellers in July, pulling out US$2.1 billion. This trend accelerated in early August, with an additional US$1.4 billion in outflows over just five trading sessions during which the tariff measures were announced. DIIs, on the other hand, remained strong buyers of Indian equities for the 24th consecutive month in July, injecting Rs 60,939 crore in June and an additional Rs 29,072 crore in just five trading sessions of August, offering strong support to Indian equities.

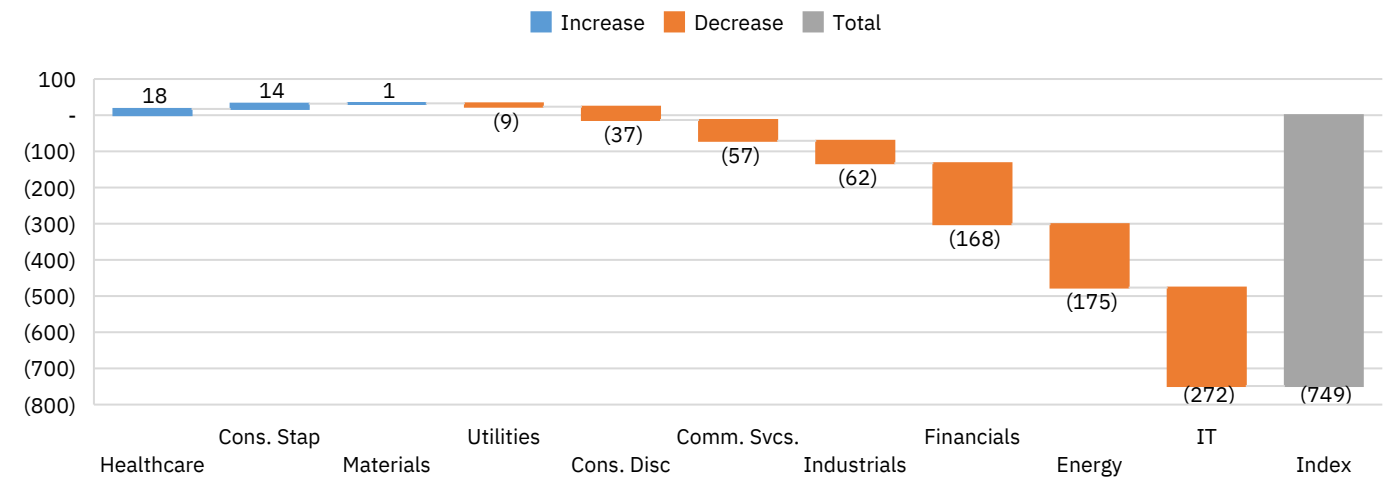
The benchmark Nifty 50 Index ended the month of July 2.9% lower, falling by another 1.6% in the first six trading sessions of August, pulling down the fiscal-till date (As of August 8th, 2025) return to 3.0%. The sell-off was equally strong in mid- and small-cap segments, with the Nifty Midcap 150 and Nifty Smallcap 250 falling by 2.9% and 3.7% in July, respectively. All sectors, barring Healthcare and Consumer Staples, ended the month of July in red, with the losses led by Information Technology, Energy and Financials—together contributing to ~82% of the Nifty 50 decline last month. In the last 12 months, Nifty 50 is down 0.7%, with gains in Financials, Consumer Discretionary and Communication Services being more than offset by losses in Information Technology, Energy and Consumer Staples.

Figure 230: Sector-wise contribution to Nifty 50 price return in July 2025



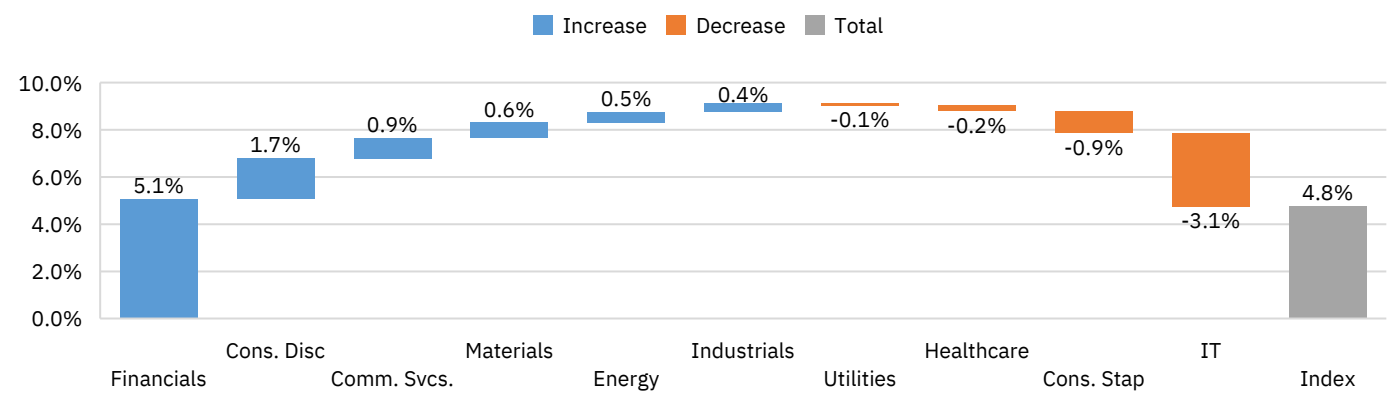
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 231: Sector-wise contribution to absolute Nifty 50 Index change (points) in June 2025



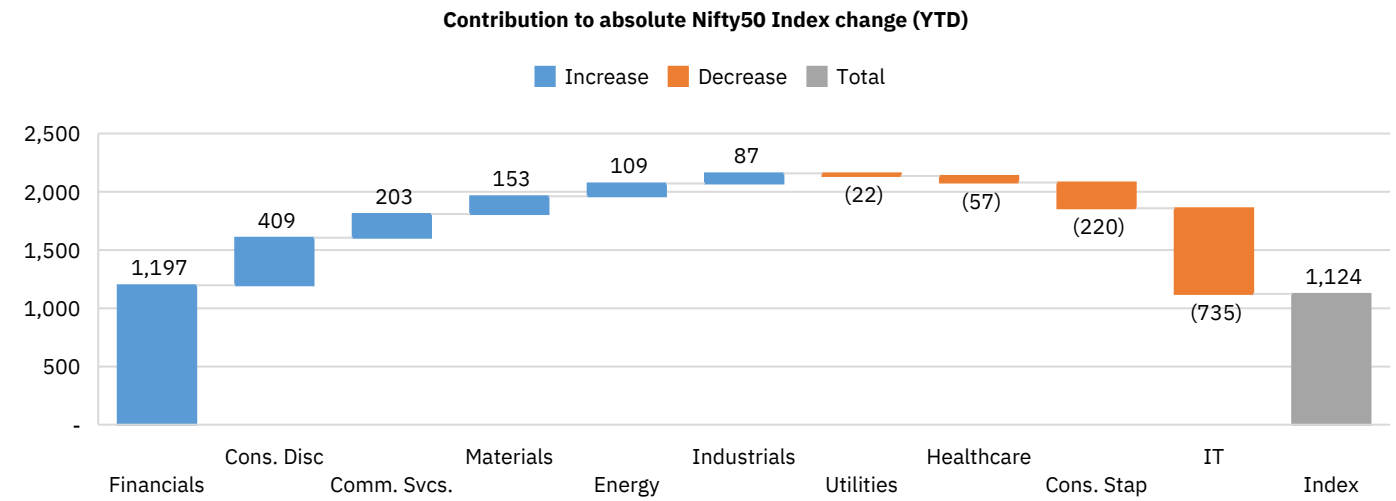
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 232: Sector-wise contribution to Nifty 50 price return in 2025 till date (Jan-Jul'25)



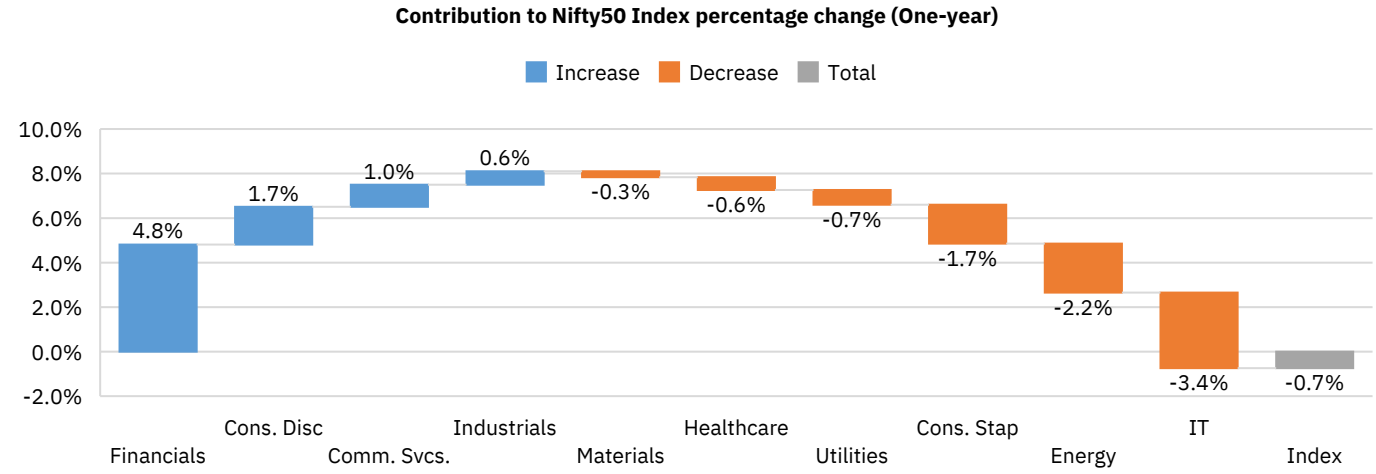
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 233: Sector-wise contribution to Nifty 50 Index change (points) in 2025 thus far (Jan-Jul'25)



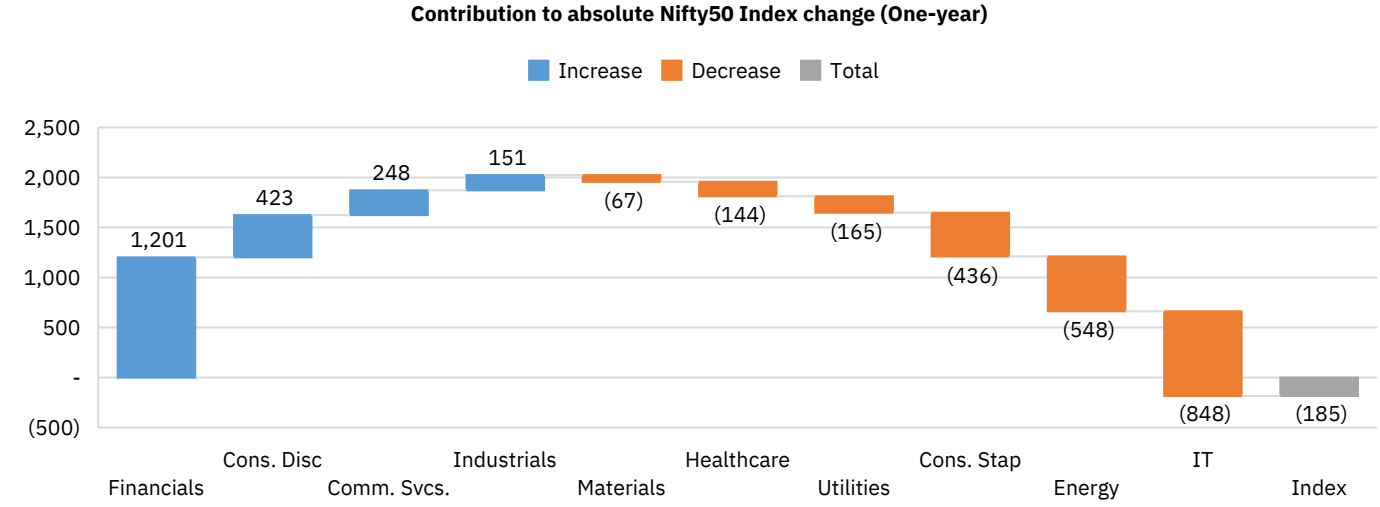
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 234: Sector-wise contribution to Nifty 50 price return in last one year (Aug'24-Jul'25)



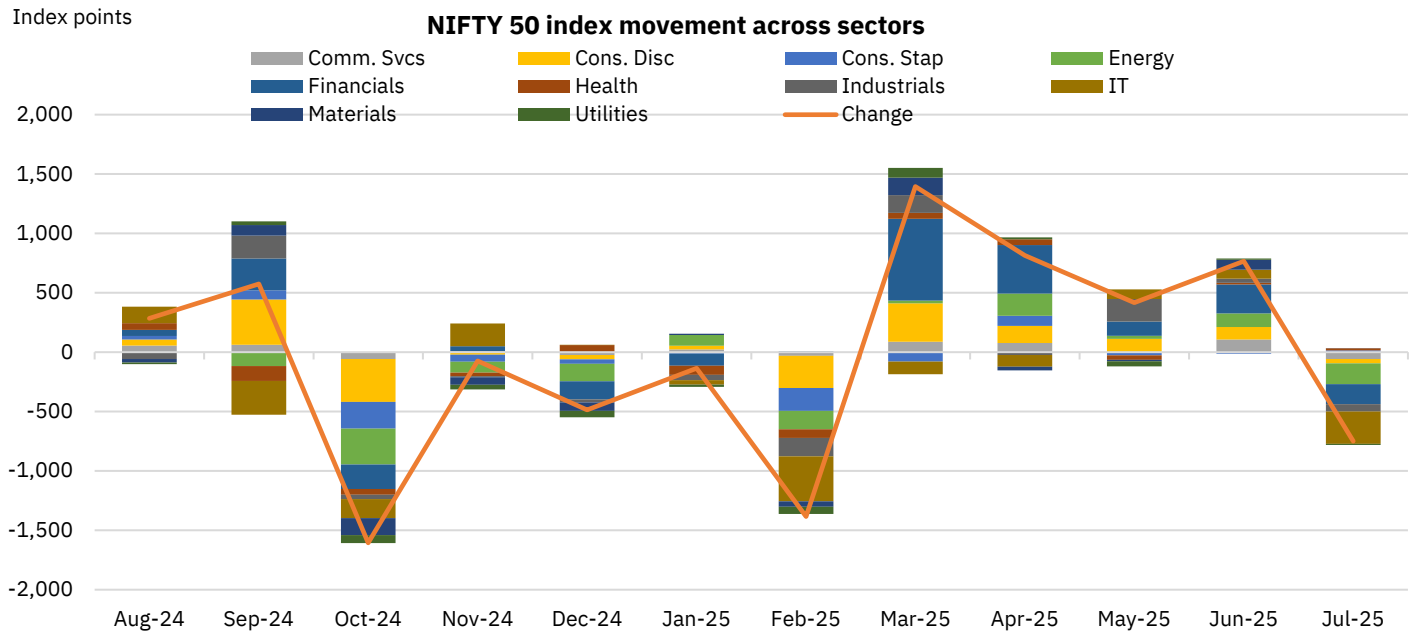
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 235: Sector-wise contribution to Nifty 50 Index change (points) in last one year (Aug'24-Jul'25)



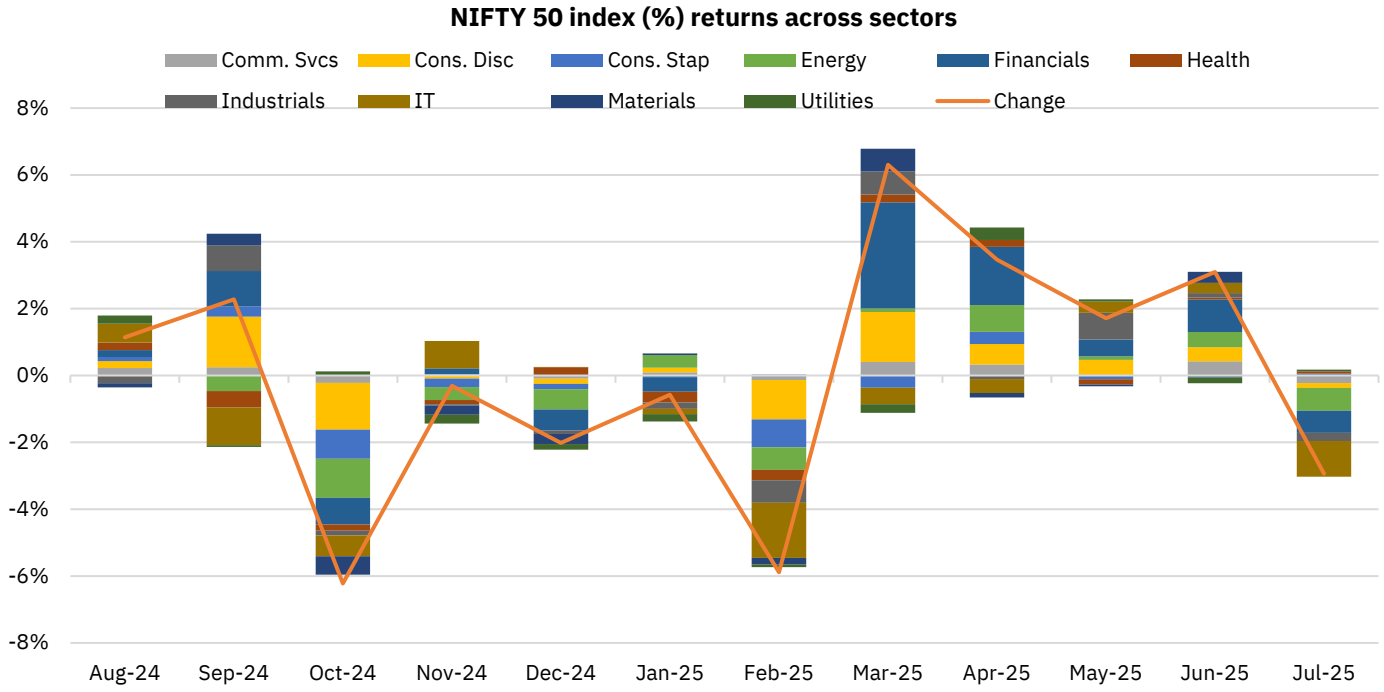
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 236: Nifty 50 Index monthly movement across sectors over the last 12 months



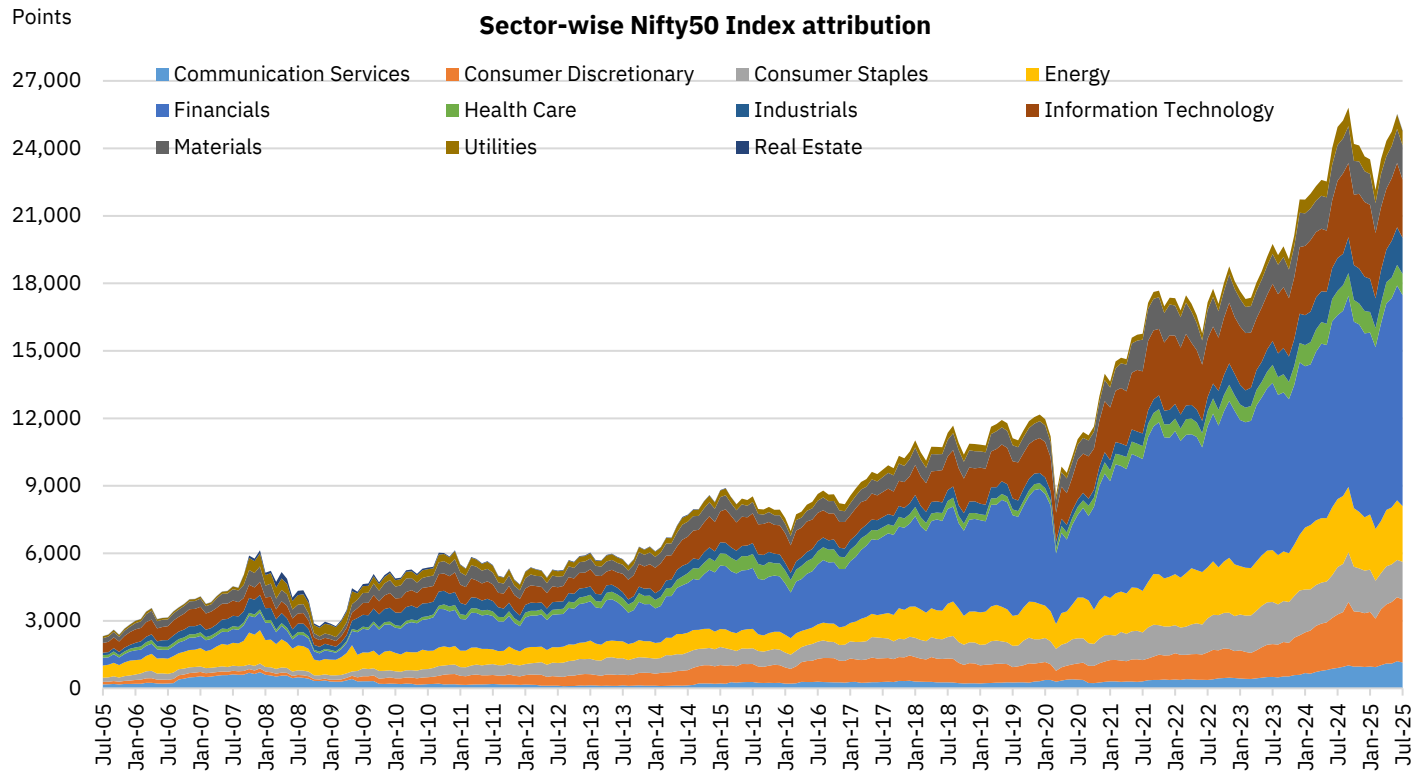
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 237: Nifty 50 Index monthly return across sectors over the last 12 months



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

Figure 238: Sector-wise Nifty50 Index attribution (2004-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

The outperformance of Consumer Discretionary over the last few months resulted in its weight in the Nifty 50 Index rising for the fifth month in a row by 1.6pp since February-end. The Financials sector has also seen a strong run over the last five months, barring a modest underperformance in June, leading to its weight in the Nifty 50 Index rising by a total of 3.5pp in the last six months to 37.9% as of July 2025, the highest in 26 months. This came at the expense of a significant dip in weights of IT (-3.5pp in the last six months to over 12-year low of 10.4%), and Consumer Staples (-125bps in the last six months to 6.75%). In the last 12 months, the weights of Financials, Consumer Discretionary, Communication Services and Industrials have increased by 509bps, 178bps, 103bps and 65bps respectively, with all other GICS sectors witnessing a drop.

Figure 239: Nifty 50 sector weightage (July 2024)

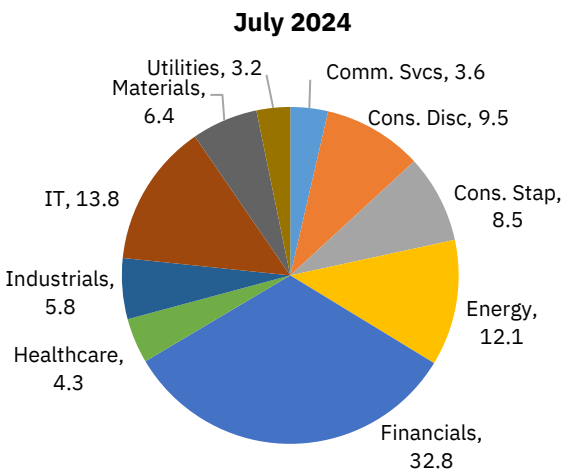
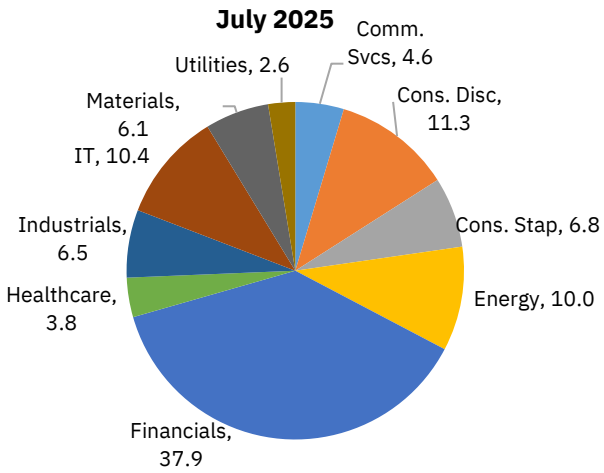
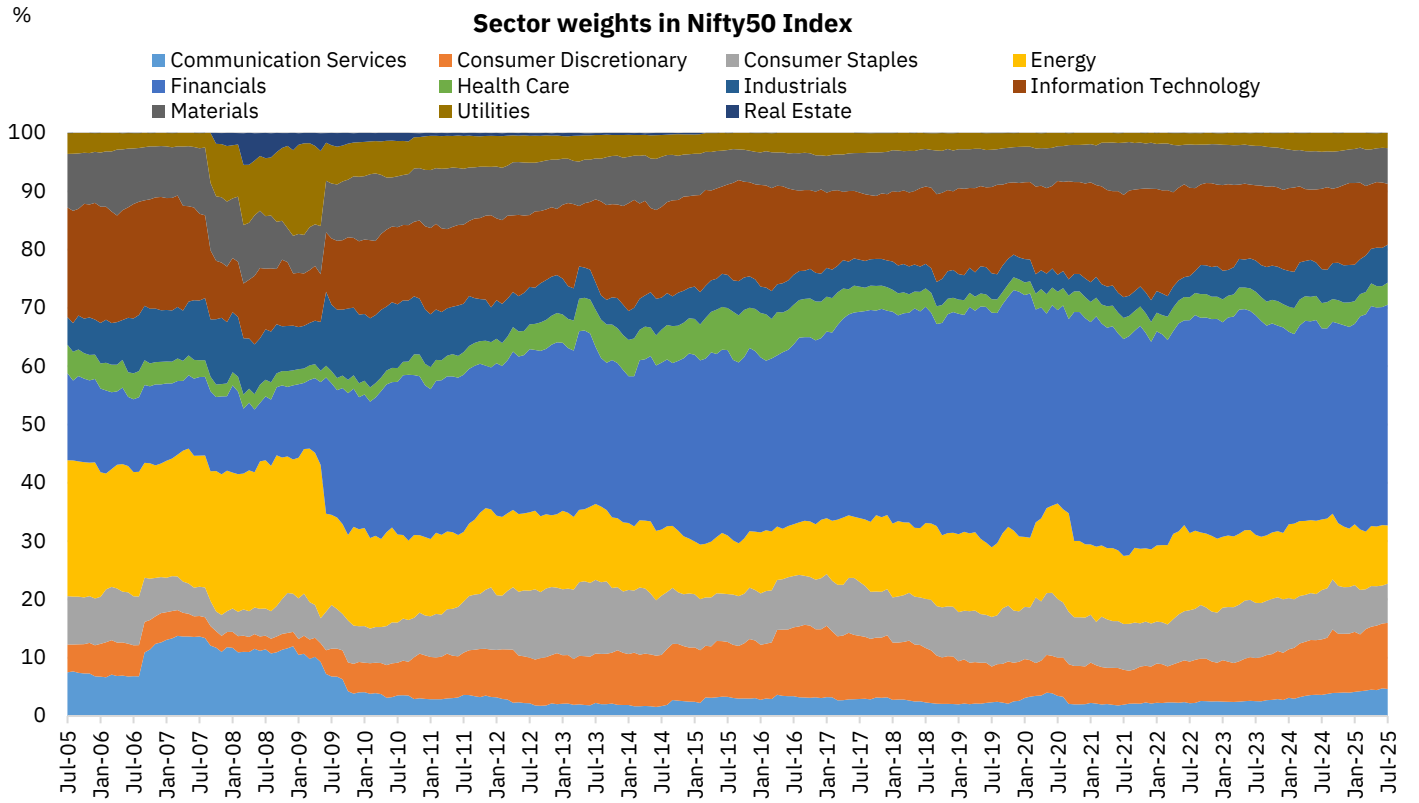


Figure 240: Nifty 50 sector weightage (July 2025)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Figure 241: Sector weights in the Nifty 50 Index (2005-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 54: Top five Nifty 50 Index gainers in July 2025

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Eternal Ltd.	ETERNAL	16.5	0.3	67
I C I C I Bank Ltd.	ICICIBANK	2.5	0.2	56
Hindustan Unilever Ltd.	HINDUNILVR	9.9	0.2	44
H D F C Bank Ltd.	HDFCBANK	1.1	0.1	29
Sun Pharmaceutical Inds. Ltd.	SUNPHARMA	1.8	0.0	7
Total			**0.8**	**204**
Nifty 50 Index	**NIFTY 50**	**-2.9**	**-2.9**	**-749**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 55: Top five Nifty 50 Index gainers in 2025 till date (Jan'25-Jul'25)

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Eternal Ltd.	ETERNAL	16.5	2.0	472
H D F C Bank Ltd.	HDFCBANK	1.1	1.7	393
I C I C I Bank Ltd.	ICICIBANK	2.5	1.3	316
Reliance Industries Ltd.	RELIANCE	-7.4	1.0	241
Jio Financial Services Ltd.	JIOFIN	0.8	1.0	238
Total			**7.0**	**1,660**
Nifty 50 Index	**NIFTY 50**	**4.8**	**4.8**	**1,124**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 56: Top five Nifty 50 Index losers in July 2025

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Reliance Industries Ltd.	RELIANCE	-7.4	-0.6	-165
Tata Consultancy Services Ltd.	TCS	-12.3	-0.4	-96
Axis Bank Ltd.	AXISBANK	-10.9	-0.3	-82
Infosys Ltd.	INFY	-5.8	-0.3	-74
H C L Technologies Ltd.	HCLTECH	-15.1	-0.2	-61
Total			**-1.9**	**-477**
Nifty 50 Index	**NIFTY 50**	**-2.9**	**-2.9**	**-749**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 57: Top five Nifty 50 Index losers in 2025 till date (Jan'25-Jul'25)

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Infosys Ltd.	INFY	-5.8	-1.3	-309
Tata Consultancy Services Ltd.	TCS	-12.3	-1.0	-248
I T C Ltd.	ITC	-1.1	-0.7	-155
H C L Technologies Ltd.	HCLTECH	-15.1	-0.5	-109
Trent Ltd.	TRENT	-19.3	-0.4	-106
Total			**-3.9**	**-926**
Nifty 50 Index	**NIFTY 50**	**4.8**	**4.8**	**1,124**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Earnings and valuation analysis

Consensus earnings estimates cut further amid heightened trade uncertainty: In the light of muted corporate earnings for Q1FY26, coupled with heightened trade certainty, consensus earnings estimates for both the current and next fiscal years have been further revised downwards. The Nifty 50 earnings estimates (Source: LSEG Workspace) for 2025 and 2026 have been cut by 2.8% and 1.8% in the last three months, taking the YTD cuts to 7.7% and 6.0% respectively. As of July 31st, 2025, projected earnings growth for 2025 and 2026 stands at 10.5% and 14.7%, translating into a two-year (2024-26) compound annual growth rate (CAGR) of 12.6% vs. 12.9% a month ago and 14.2% as of March 31st, 2025. This, however, is better than the expected nominal GDP growth for this year.

A broader analysis of the well-covered top 200 companies by market capitalisation[74] paints a similar picture. Consensus earnings estimates for this universe have been reduced by 0.6% each for FY26 and FY27 since June-end, translating into a total drop of 6.4% and 5.0% in 2025 thus far (As of August 8th, 2025).

The steep earnings downgrades for FY26 since the end of December were broad-based across sectors, primarily led by commodity sectors, including Materials and Energy, Consumer Discretionary, IT and Financial Services. While commodity sectors were hit by rising global geopolitical and trade uncertainties and consequent hit to global demand, Financials felt the heat of weakening credit offtake. The Information Technology sector was weighed down by weakening global demand for IT services amid slowing growth outlook. Downgrades in consumption-oriented sectors including Consumer Discretionary reflects the impact of slowing urban demand.

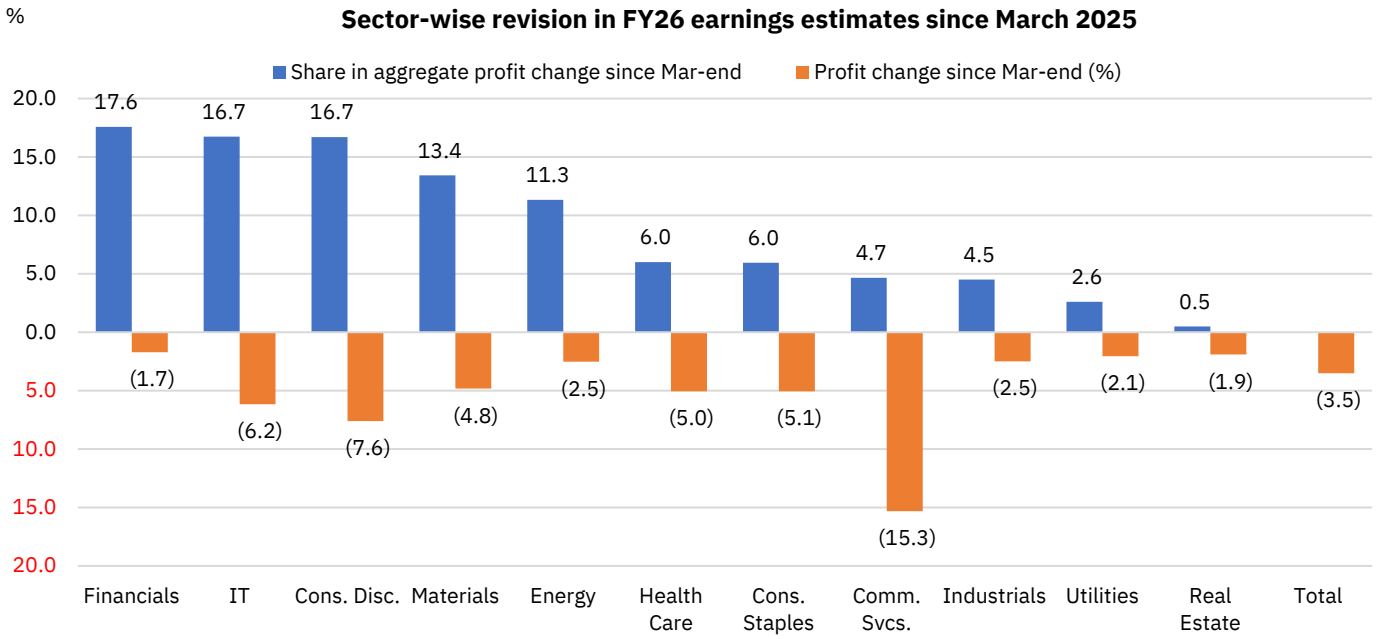
[74] The sample set consists of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five or more analysts during the previous 12 months using IBES estimates from LSEG Workspace.

Table 58: Earnings growth and forward-looking multiples for Nifty 50 Index

Metric	Periods	As on 31-Jul-25	Change (%/bps) 1M	3M	6M	YTD	1Y
EPS (Rs)	12-month forward	1170.5	1.2%	0.8%	1.3%	0.3%	4.9%
	2024	1010.2	0.8%	-0.2%	-1.4%	-3.1%	-4.9%
	% YoY	*1.4%*	*78bps*	*-22bps*	*-139bps*	*-294bps*	*-619bps*
	2025	1115.8	0.0%	-2.8%	-5.5%	-7.7%	-8.7%
	% YoY	*10.5%*	*-87bps*	*-22bps*	*-139bps*	*-294bps*	*-619bps*
	2026	1279.7	0.1%	-1.8%	-4.4%	-6.0%	-6.8%
	% YoY	*14.7%*	*17bps*	*121bps*	*137bps*	*212bps*	*226bps*
Price to earnings (P/E) (x)	12-month forward	21.2	-2.1%	1.9%	6.7%	4.2%	-3.4%
	2024	24.6	-1.7%	2.9%	9.6%	7.8%	6.7%
	2025	22.2	-0.9%	5.7%	14.5%	13.2%	11.0%
Price to Book value (P/B) (x)	12-month forward	3.2	-1.6%	-0.3%	1.8%	-1.9%	-4.9%
	2024	3.9	-1.7%	7.4%	12.5%	9.3%	11.1%
	2025	3.3	-0.7%	2.4%	7.6%	4.7%	6.9%

Source: LSEG Workspace, NSE EPR. NTM = Next Twelve Months.

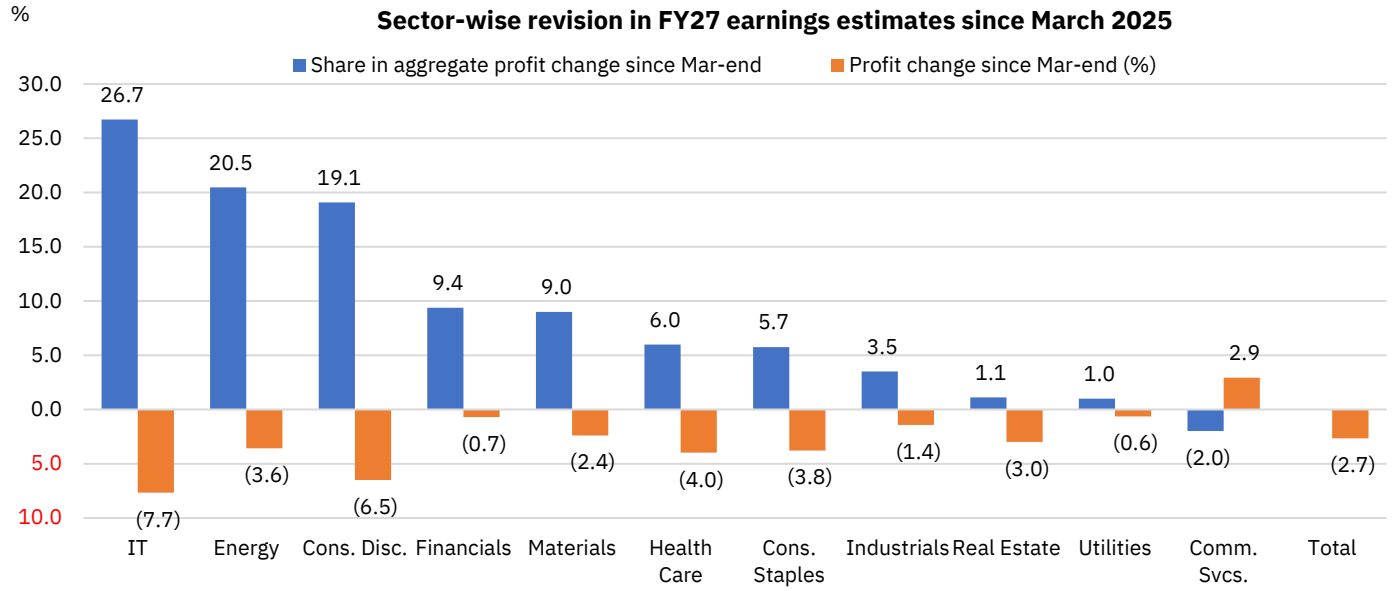
Figure 242: Sector-wise revision in FY26 earnings estimates for top 200 companies since March 2025



Source: LSEG Workspace, NSE EPR

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as on August 8th, 2025.

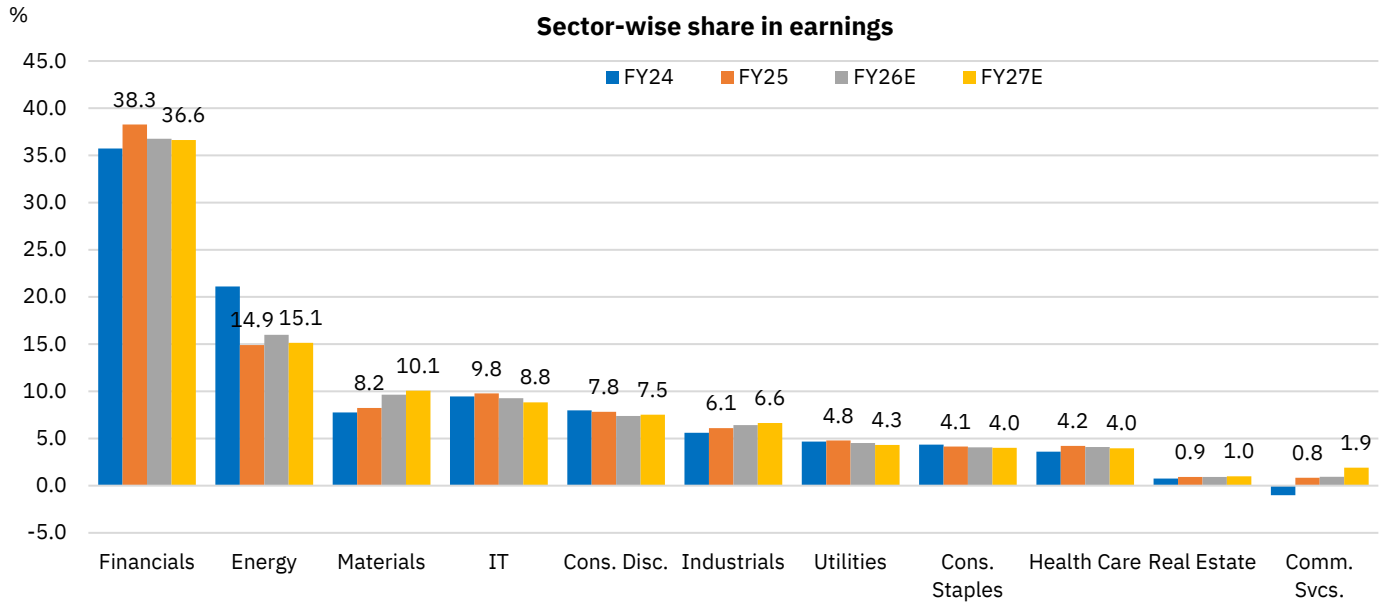
Figure 243: Sector-wise revision in FY27 earnings estimates for top 200 companies since March 2025



Source: LSEG Workspace, NSE EPR

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as on August 8th, 2025.

Figure 244: Sector-wise share in earnings



Source: LSEG Workspace, NSE EPR.

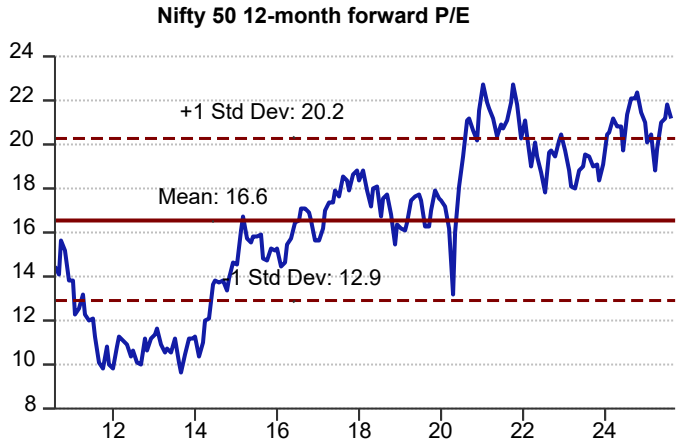
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five analysts at any given point of time over the last one year. Data is as of August 8th, 2025.

Market valuations came off in July after inching up in the first quarter of FY26...: After rising to a nearly three-year high of 22.5x in early October, market valuations came off sharply in the subsequent five months, thanks to a steep selloff witnessed during this period. The 12-month forward price-to-earnings (P/E) multiple of the Nifty 50 Index fell to an over 16-month low of 18.8x by mid-March, only to recover to 21.9x by June-end after a strong rally between March and June. Valuations, however, came off slightly in July, falling to 21.2x currently, even as it is still 28.2% higher than long-term (Last 15-year) average multiple (16.5x) and 4.9% higher than the one standard deviation above

the long-term multiple. Valuations have fallen, albeit slightly, on a price-to-book (P/B) basis as well, with Nifty50 currently trading at a 12-month forward P/B of 3.2x. This implies a premium of 20.6% to the average P/B of 2.5x over the last 15-year period.

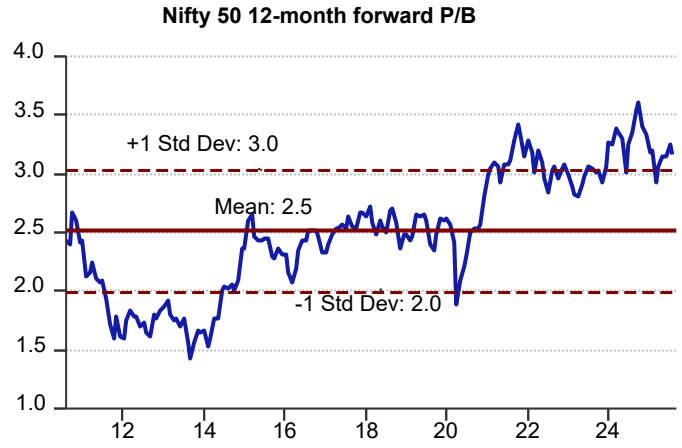
...Accompanied with a significant decline in valuation premium to EM equities: Indian equities have historically traded at a premium to other emerging markets, supported by strong macro fundamentals and a robust growth outlook. This premium narrowed sharply by mid-March, following a period of relative underperformance. However, a renewed surge in stock prices in April led to a meaningful rebound in valuations by April-end only to correct again in the following three months, thanks to significant outperformance of emerging markets, led by Taiwan, China and Korea. On a 12-month forward P/E basis, MSCI India now trades at an 71% premium to EM peers, down from 91% by April-end but still well above the 15-year average of 55%. On a forward P/B basis, the premium has fallen even more sharply, currently standing at 94%, down from 128% by April-end and is now only slightly higher than the long-term average of 85%.

Figure 245: Nifty 50 NTM P/E trend for last 15 years



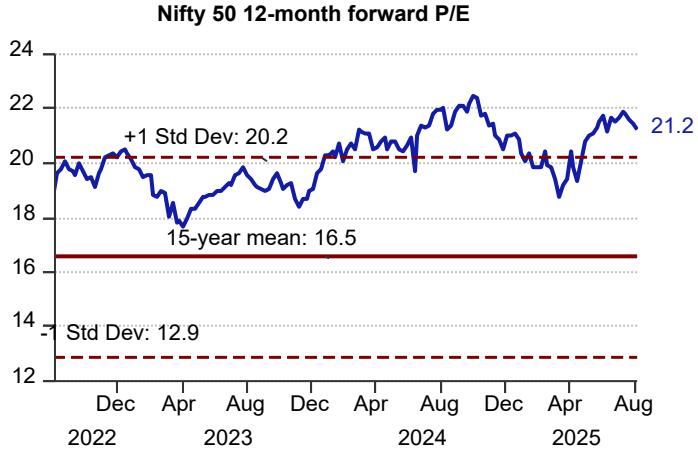
Source: LSEG Workspace, NSE EPR.

Figure 246: Nifty 50 NTM P/B trend for last 15 years



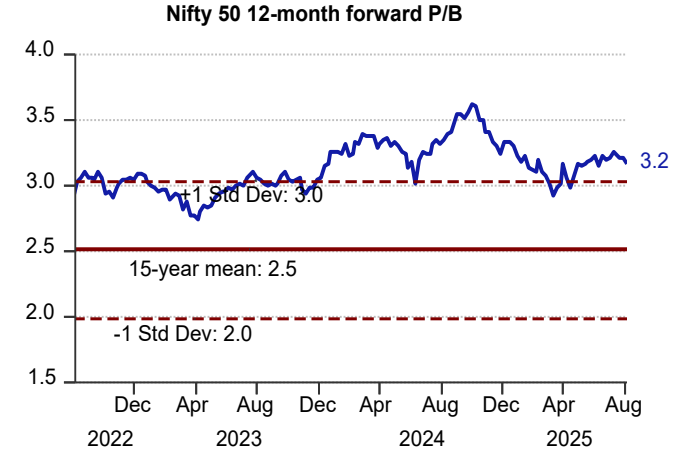
Source: LSEG Workspace, NSE EPR.

Figure 247: Nifty 50 NTM P/E (Last three-year trend)



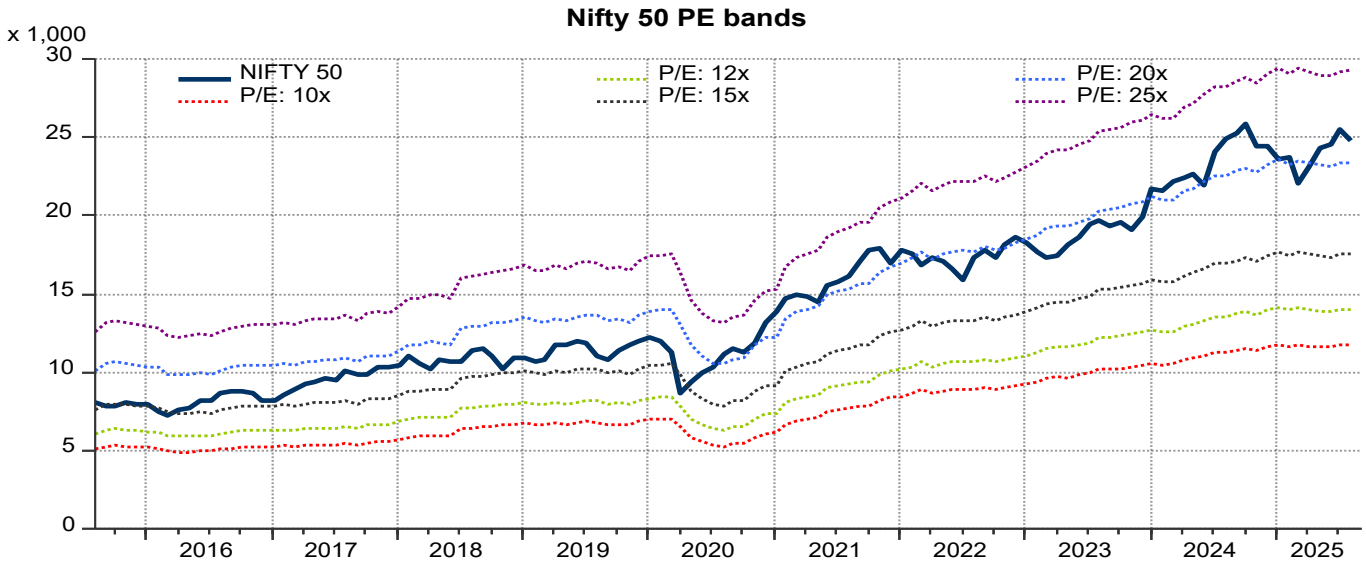
Source: LSEG Workspace, NSE EPR.

Figure 248: Nifty 50 NTM P/B (Last three-year trend)



Source: LSEG Workspace, NSE EPR.

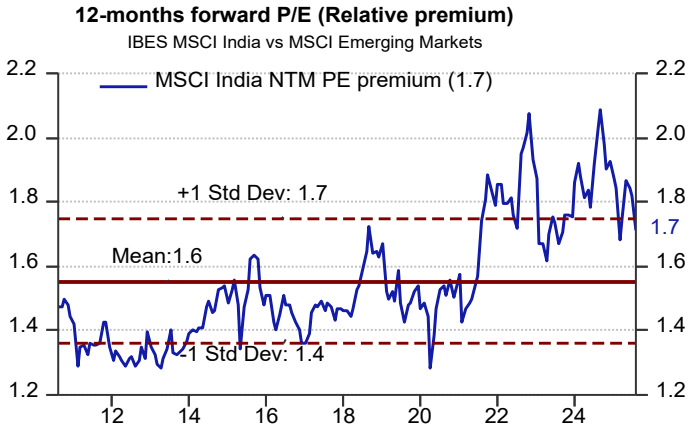
Figure 249: Five-year trend of Nifty 50 values at different 12-month forward P/E bands



Source: LSEG Workspace, NSE EPR

Figure 250: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

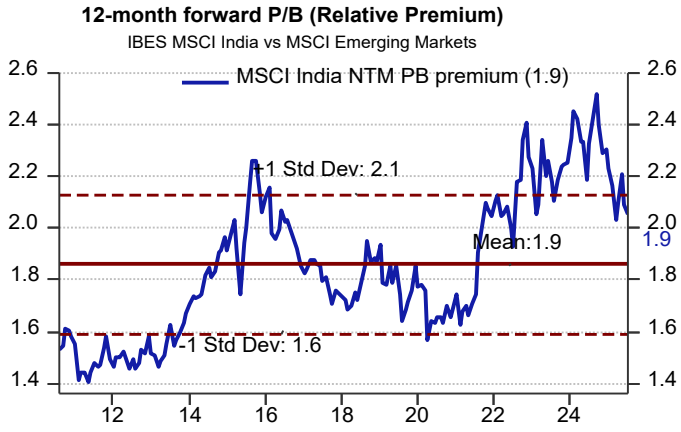
MSCI India currently trades at a premium of 71% to MSCI EM on 12-month forward P/E, falling from 91% in April-end, but still higher than the long-term average premium of 55%.



Source: LSEG Workspace, NSE EPR

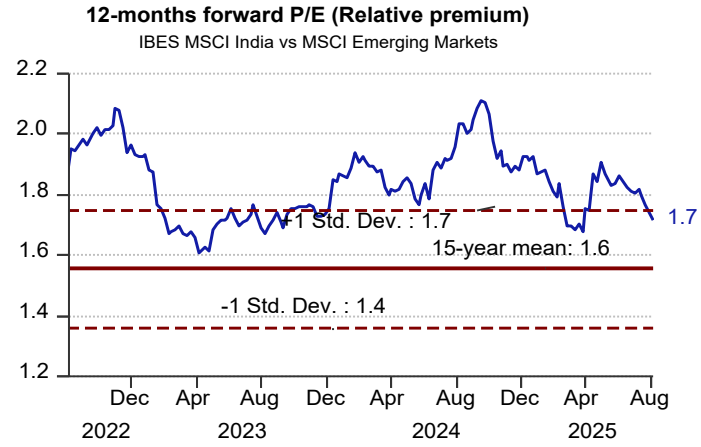
Figure 251: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B as well, India's valuation premium to MSCI EM has fallen quite sharply from 128% by April-end to 94% currently and is now only slightly higher than the long-term average premium of 85%.



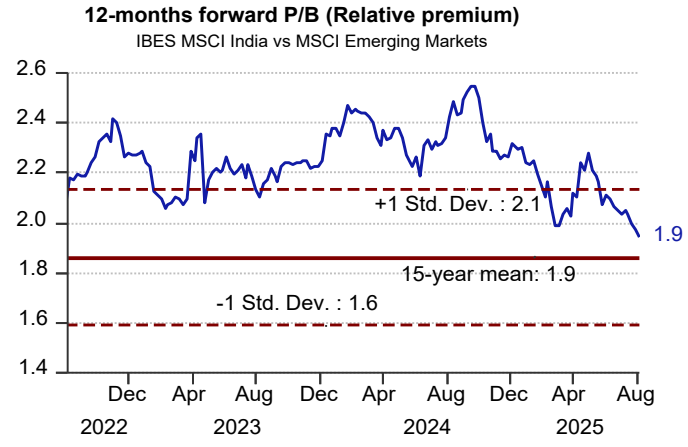
Source: LSEG Workspace, NSE EPR

Figure 252: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)



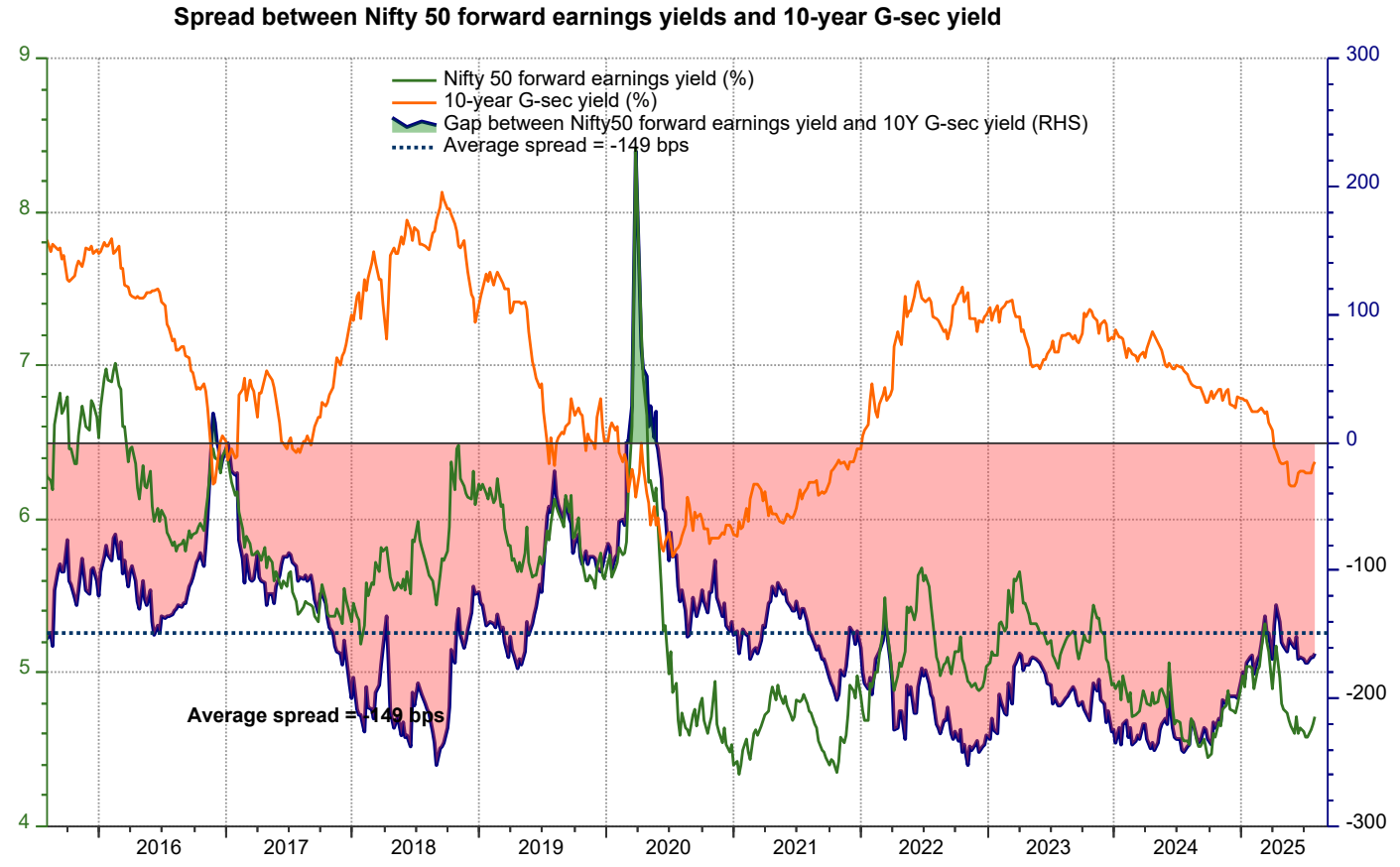
Source: LSEG Workspace, NSE EPR

Figure 253: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR

Figure 254: Nifty 50 forward earnings yield* vs. 10-year G-sec yield

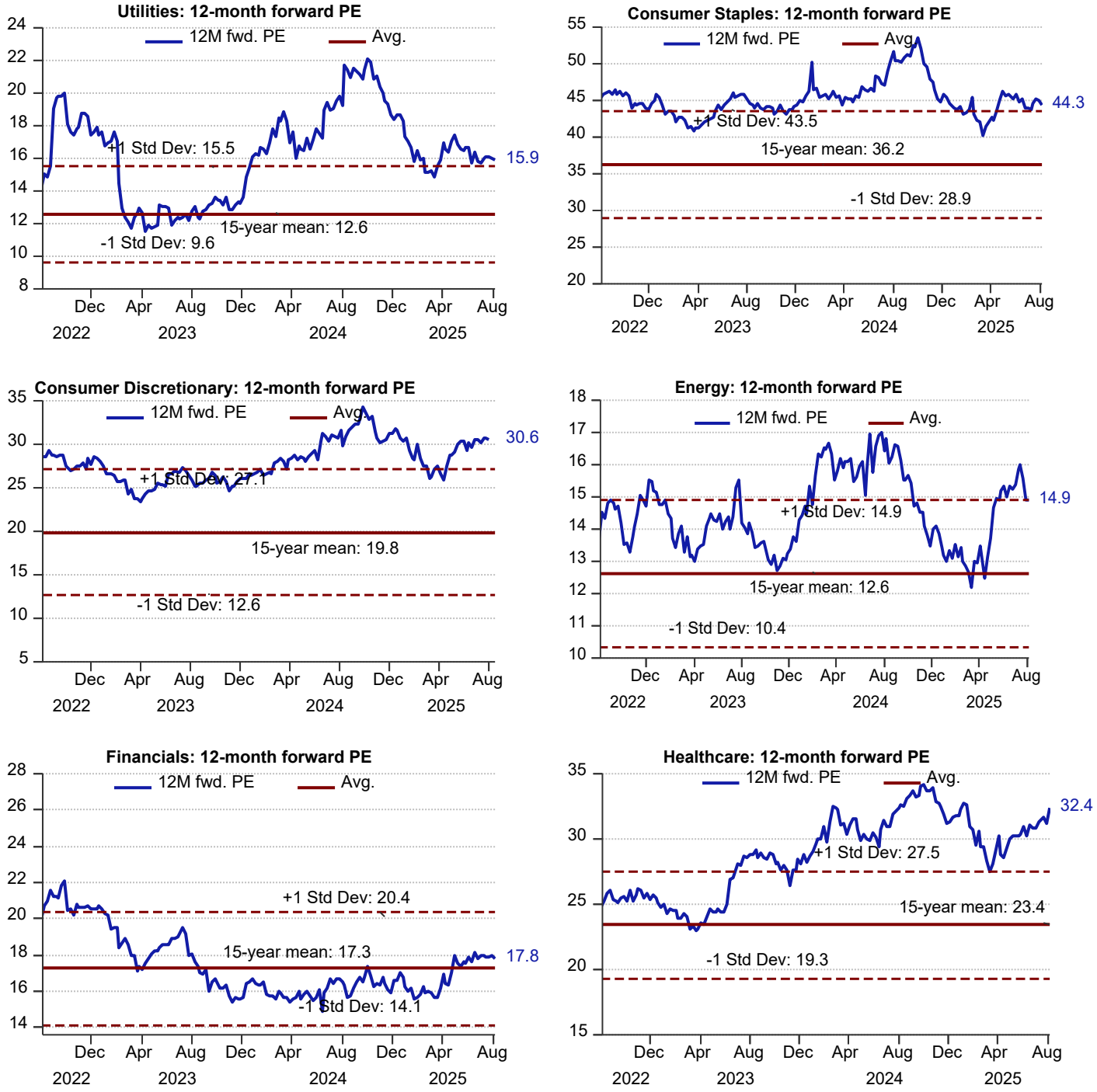


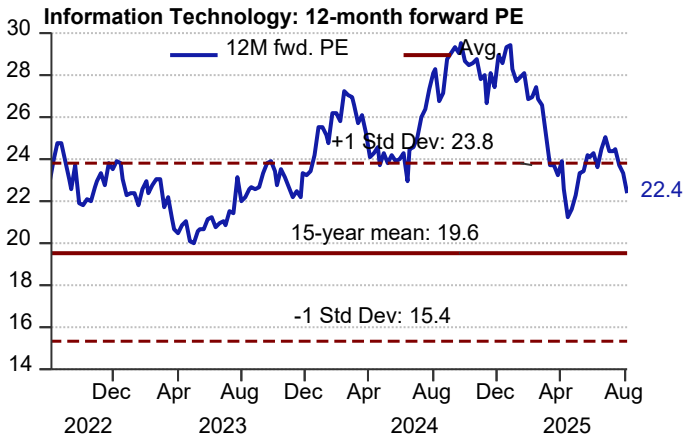
Source: LSEG Workspace, NSE EPR. * Forward earnings yield for Nifty 50 is calculated as (1/12-month forward PE).

Valuation decline was broadly seen in Energy and Information Technology: We also examined long-term trends in 12-month forward P/E and P/B multiples across MSCI India sector indices. After a broad-based improvement in the first quarter of FY26, forward multiples came off for a few sectors in July following a sharp sell-off, partly offset by continued earnings downgrades. The de-rating was fairly prominent in Information Technology, Energy, Utilities and Consumer Staples, while Consumer Discretionary,

Financials, Healthcare and Materials saw continued improvement. Despite the recent sell-off, forward multiples of all sectors remain above their long-term levels, with some of them trading well above one standard deviation from their long-term averages including Consumer Discretionary, Healthcare, Industrials and Materials.

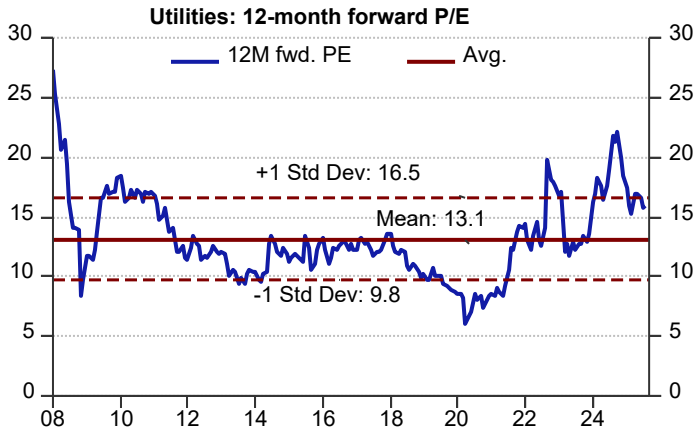
Figure 255: 12-month forward P/E for MSCI India sector indices (Three-year trend)

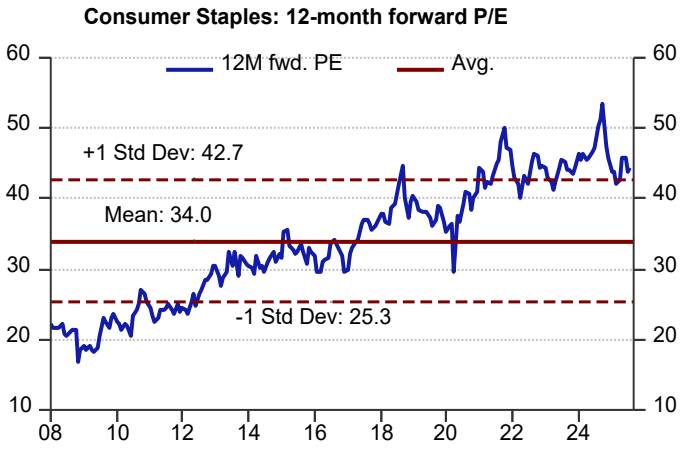


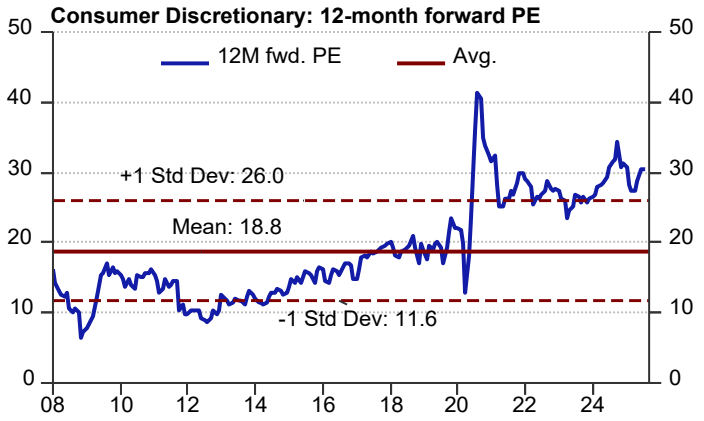


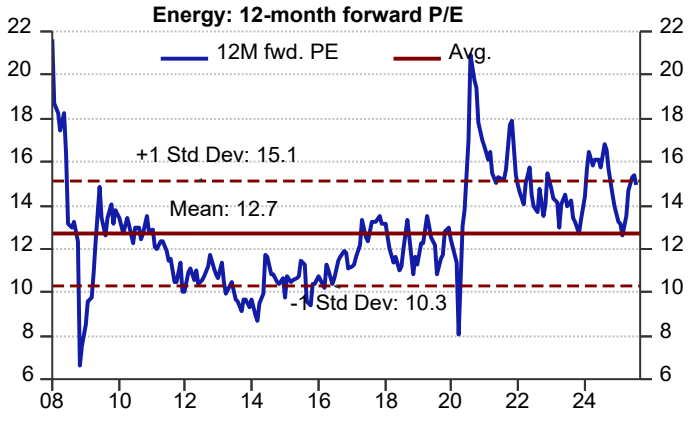
Source: LSEG Workspace, NSE EPR.

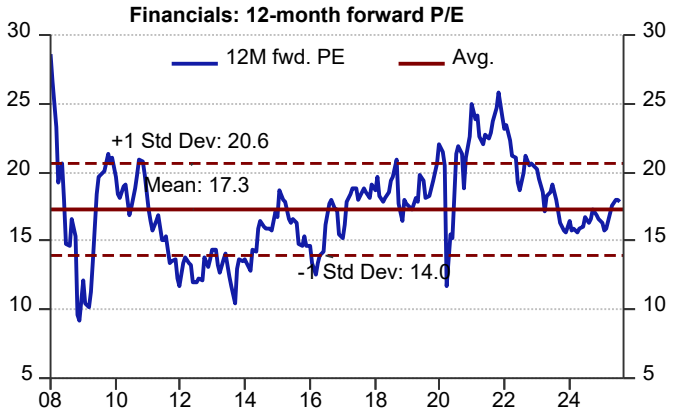
Figure 256: 12-month forward P/E for MSCI India sector indices (Long-term trend)

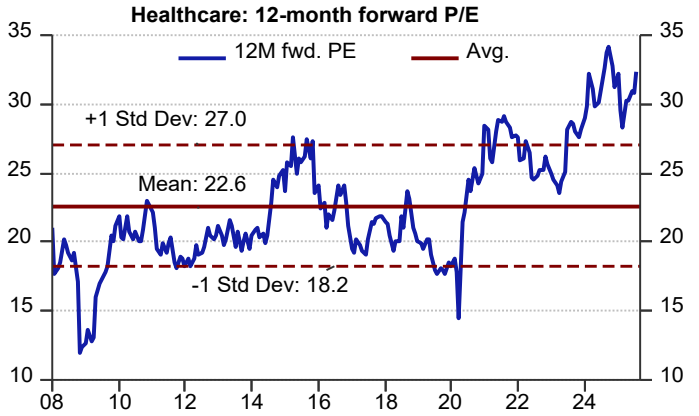


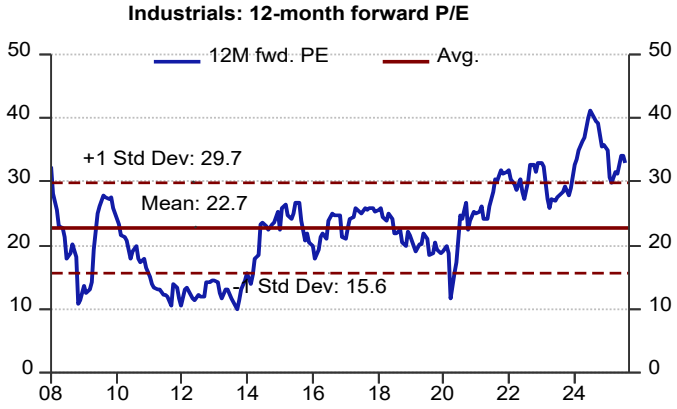


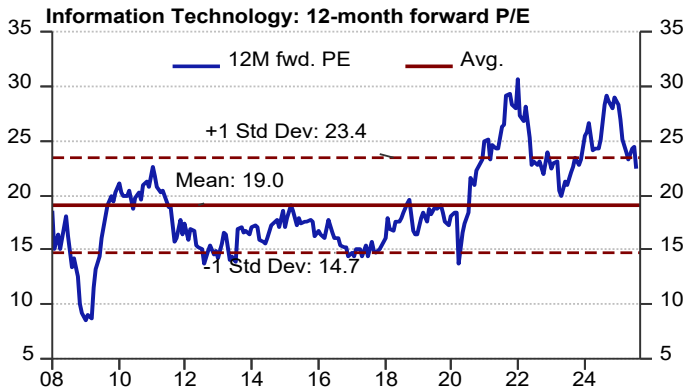


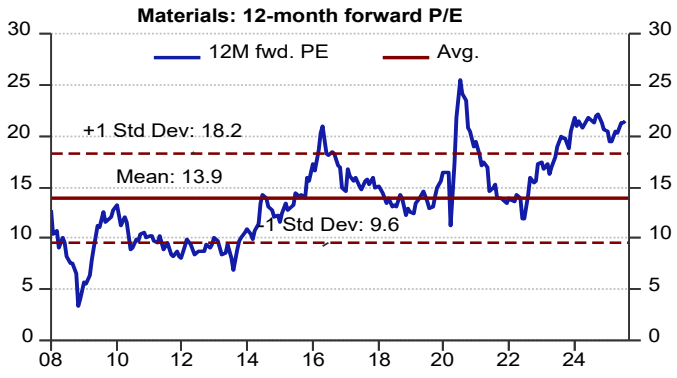






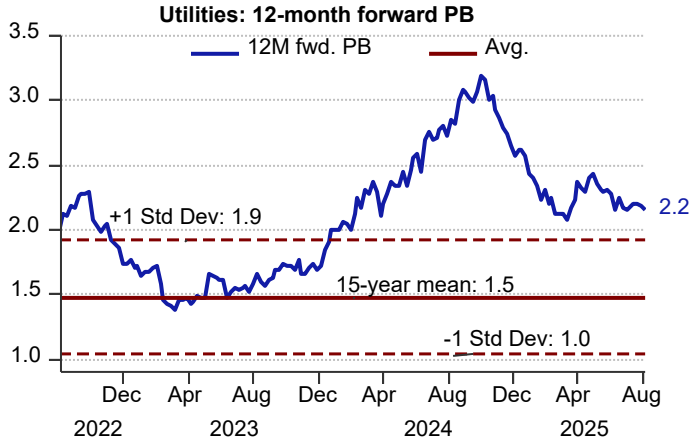


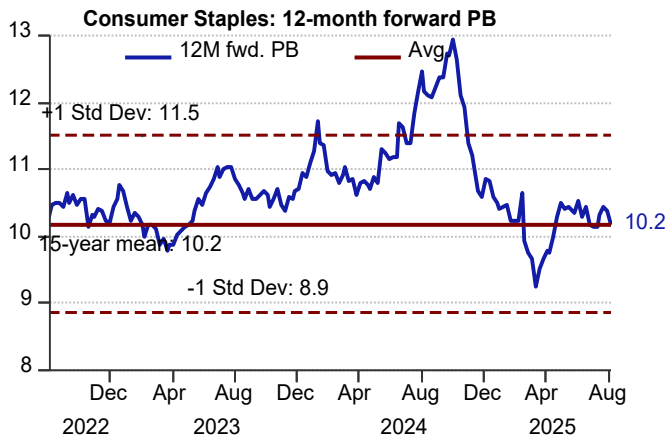


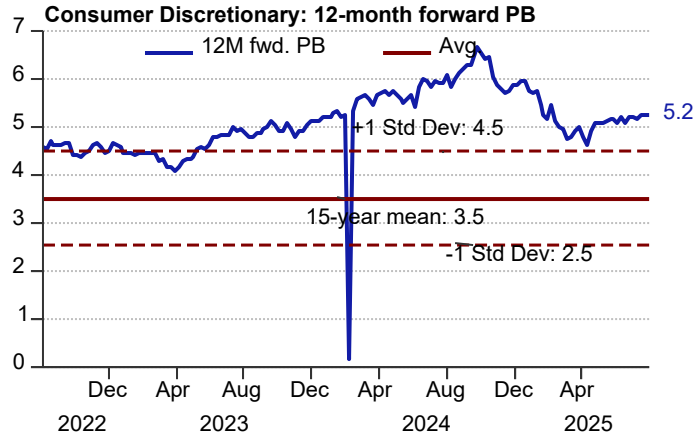


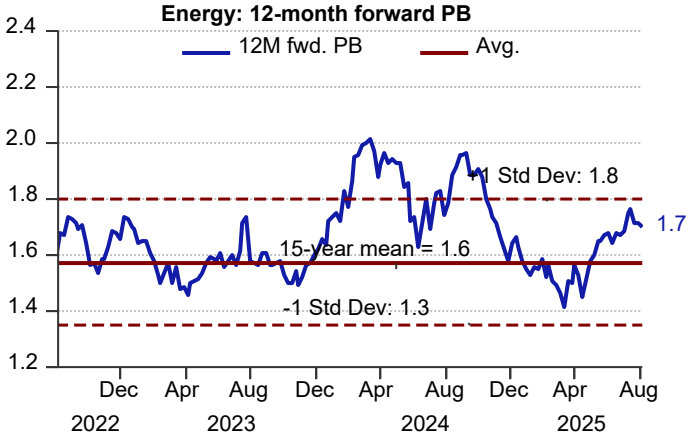
Source: LSEG Workspace, NSE EPR

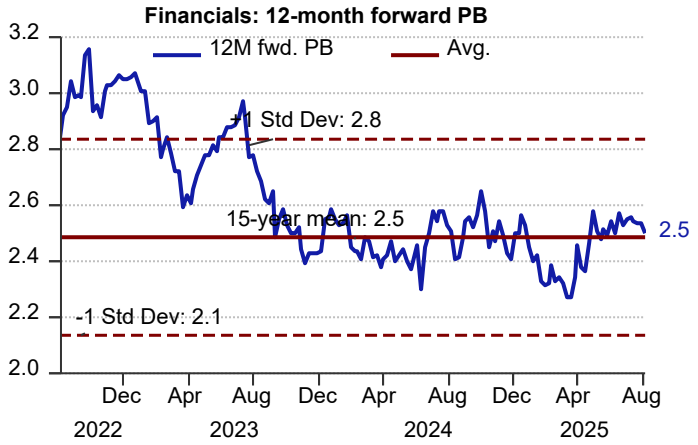
Figure 257: 12-month forward P/B for MSCI India sector indices (Three-year trend)

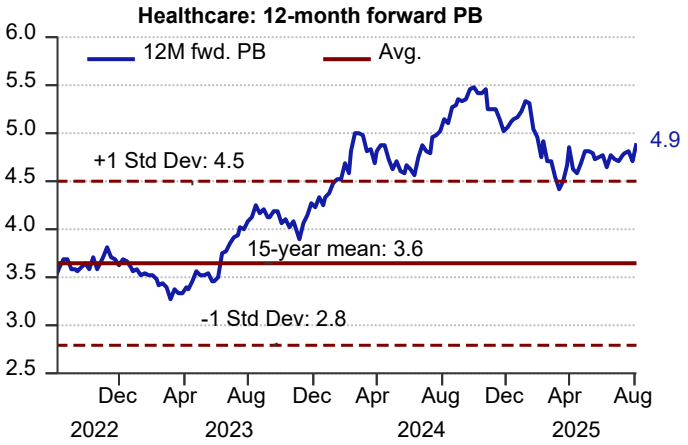


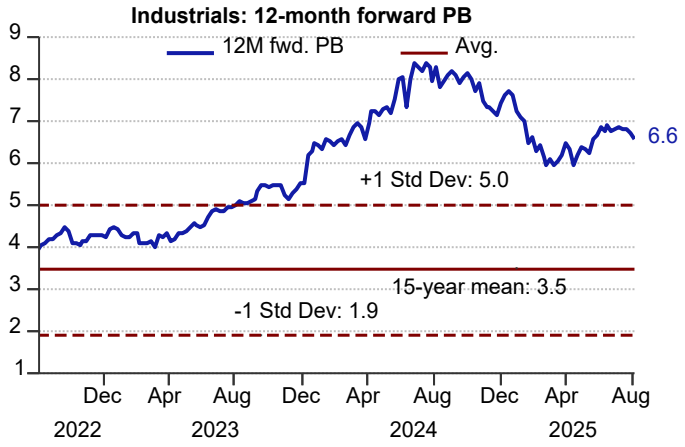


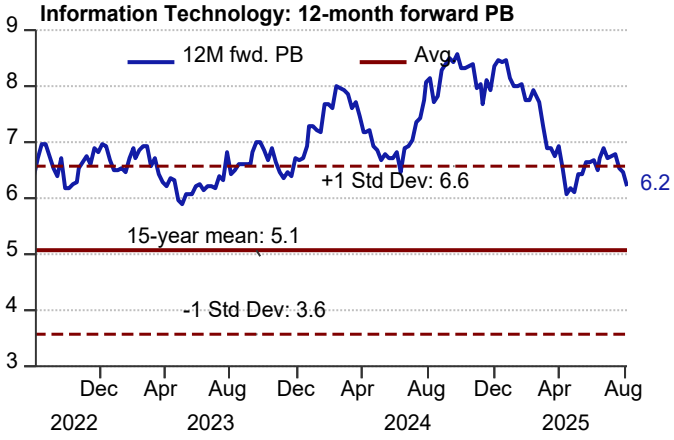


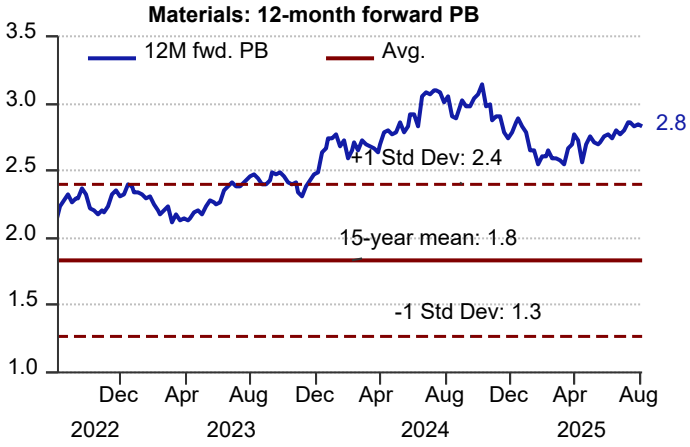












Source: LSEG Workspace, NSE EPR.

Fixed income market performance

Table 59: Performance of key debt indices (As of July 31st, 2025)

Category	Index name	Absolute returns (%)					CAGR returns (%)		
		1M	3M	6M	1Y	YTD	2Y	3Y	5Y
G-sec	Nifty 5yr Benchmark G-sec Index	0.4	1.7	5.7	10.2	6.7	9.4	8.5	6.2
	Nifty 10 yr Benchmark G-Sec	0.1	1.1	5.2	10.1	6.2	9.3	8.8	5.4
	Nifty Composite G-sec Index	0.4	0.5	4.9	9.7	5.8	9.4	9.0	6.1
SDL	NIFTY 10 Year SDL Index	(0.9)	(0.8)	3.5	8.3	4.3	8.4	8.7	6.2
AAA credit	NIFTY AAA Ultra Short Duration Bond Index	0.6	1.8	3.8	7.7	4.5	7.8	7.6	6.2
	NIFTY AAA Short Duration Bond Index	0.6	2.0	4.9	8.7	5.5	7.9	7.4	6.0
	NIFTY AAA Low Duration Bond Index	0.6	1.8	4.1	7.8	4.7	7.6	7.3	5.9
	NIFTY AAA Medium Duration Bond Index	0.7	1.8	4.9	8.6	5.7	7.9	7.4	5.9
	NIFTY AAA Medium to Long Duration Bond Index	0.6	1.1	4.6	8.5	5.1	7.9	7.6	5.7
	NIFTY AAA Long duration Bond Index	0.3	0.0	1.7	5.9	2.0	6.7	7.2	4.8
Composite	NIFTY Liquid Index	0.5	1.6	3.4	7.1	4.0	7.3	7.1	5.7
	NIFTY Money Market Index	0.6	1.8	3.8	7.7	4.4	7.7	7.4	5.9
	NIFTY Ultra Short Duration Debt Index	0.6	1.8	3.9	7.9	4.6	7.9	7.7	6.2
	NIFTY Short Duration Debt Index	0.6	1.9	4.7	8.6	5.3	8.0	7.5	6.2
	NIFTY Low Duration Debt Index	0.6	1.9	4.1	7.9	4.7	7.8	7.5	6.1
	NIFTY Medium Duration Debt Index	0.6	1.8	5.0	8.9	5.8	8.2	7.7	6.2
	NIFTY Medium to Long Duration Debt Index	0.3	1.0	4.7	9.0	5.5	8.4	8.2	6.2
	NIFTY Long Duration Debt Index	0.3	(0.6)	3.3	7.7	4.0	8.4	8.6	6.0
	NIFTY Composite Debt Index	0.5	0.9	4.5	8.6	5.2	8.3	8.1	6.2
	NIFTY Corporate Bond Index	0.6	1.9	4.8	8.6	5.5	8.0	7.6	6.4

Source: NSE Indices, NSE EPR.

Bond yields rose across regions in July 2025: Global fixed income markets saw broad-based selling in July, driven by trade-related uncertainty and renewed concerns over the fiscal health of major advanced economies. In the United States, treasury yields rose as uncertainty over tariff implications, inflationary pressures and fiscal deficit concerns put upward pressure on the rates. The 10-year yield initially increased by 25bps to 4.5% by mid-July before easing to 4.4% by the end of the month, marking a MoM rise of 13bps. Similarly, the 10-year yields in the Eurozone and the UK rose by 11 and 12bps, reaching 2.7% and 4.6% respectively by the end of July. The 10-year Japan Government Bond yield spiked to a 17-year high during the month, amid political shifts and concerns over fiscal discipline.

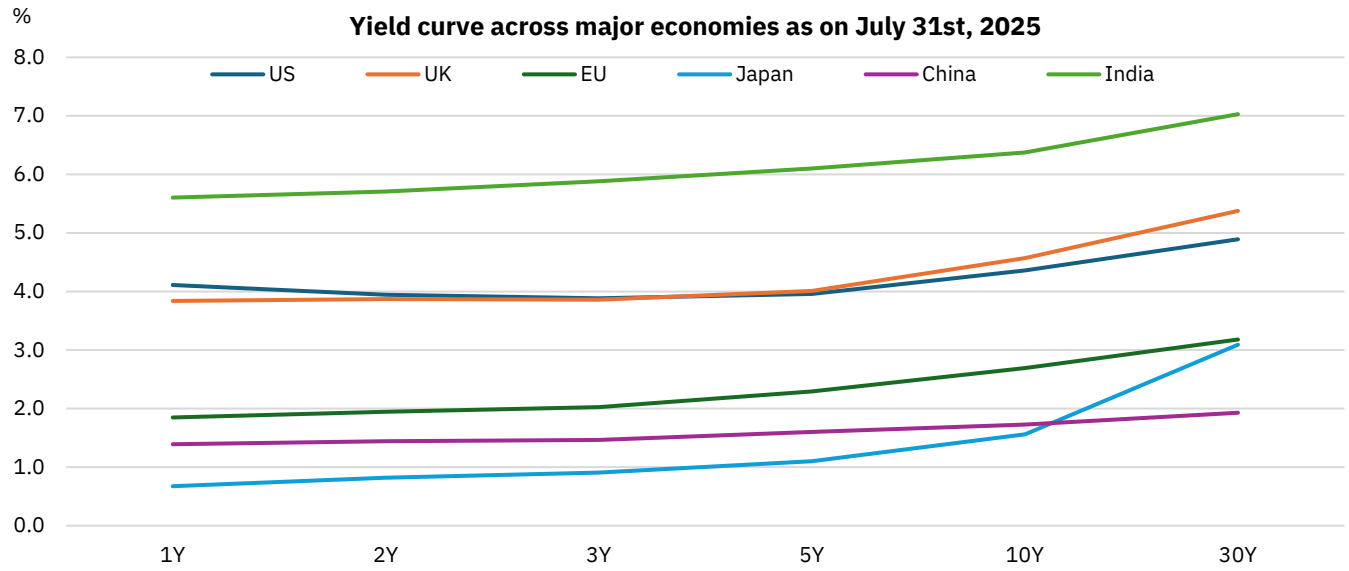
In early August, a more cautious tone emerged. A weaker-than-expected July jobs report triggered a risk-off move, sending investors to safe-haven government bonds. US yields tumbled, with the 10-year yield falling by 14bps to 4.2%, reinforcing market expectations of potential Federal Reserve rate cuts in their next scheduled meeting in September. This reversal in the US Treasury yields led other major sovereign yields to stabilize slightly in early August, tempering the broader upward trend seen in July.

India's sovereign bond yields were largely stable through July: India's government bonds continued to trade in a narrow range, even as global bond yields rose. The benchmark 10-year G-Sec yield hovered around 6.3%-6.4% during the month – a few basis points higher than a month prior – reflecting anchored inflation expectations and improved liquidity. Notably, FPI investors showed renewed interest in Indian bonds in June and July driven by persistent uncertainties surrounding the India–US tariff

agreement and subdued corporate earnings in Q1 FY26, prompting a shift away from equities. In August, bond market yields inched slightly higher, as RBI policy review reaffirmed the pause on rates and signalled a cautious tone.

In CY25TD (As on July 31st, 2025), Indian G-sec yields have declined across the curve ranging from 38bps for the 10-year paper and 107bps for 1-year paper, while yields on 30-year paper remained largely unchanged. Issuance of government bonds remained robust, rising 12.3% increase in the first four months of the current fiscal year to Rs 5.48 lakh crore, compared to Rs 4.88 lakh crore during the corresponding period last year.

Figure 258: Sovereign yields curve across major economies as on July 31st, 2025



Source: NSE Cogencis, NSE EPR, LSEG Workspace.

Figure 259: Change in sovereign yields across major economies in July 2025

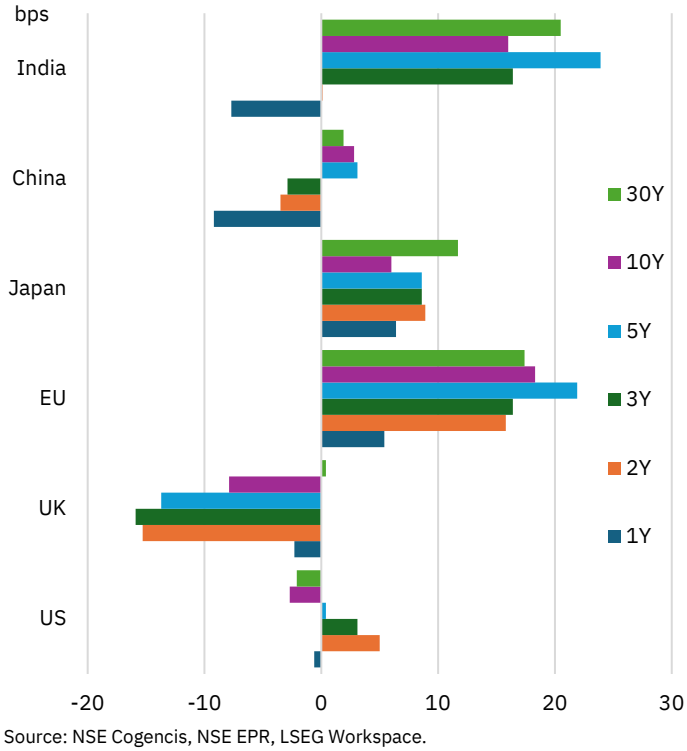
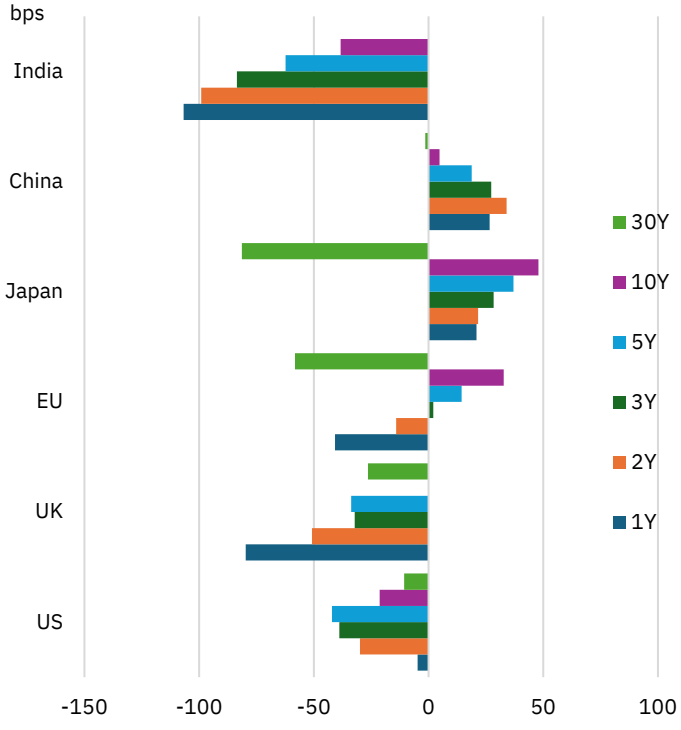


Figure 260: Change in sovereign yields across major economies in CY25 (As on July 31st, 2025)



Source: NSE Cogencis, NSE EPR, LSEG Workspace.

Figure 261: India 10Y G-sec yield—long-term trend

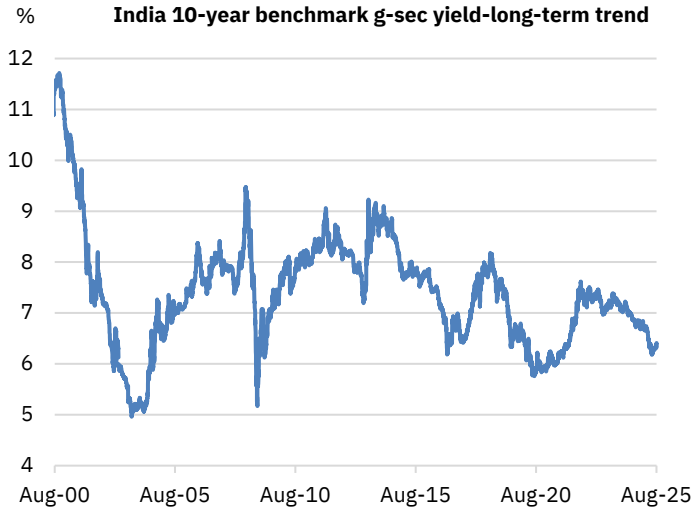
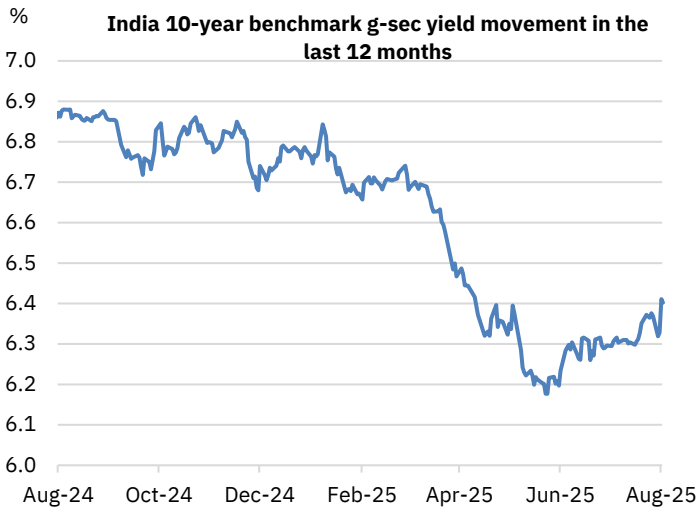
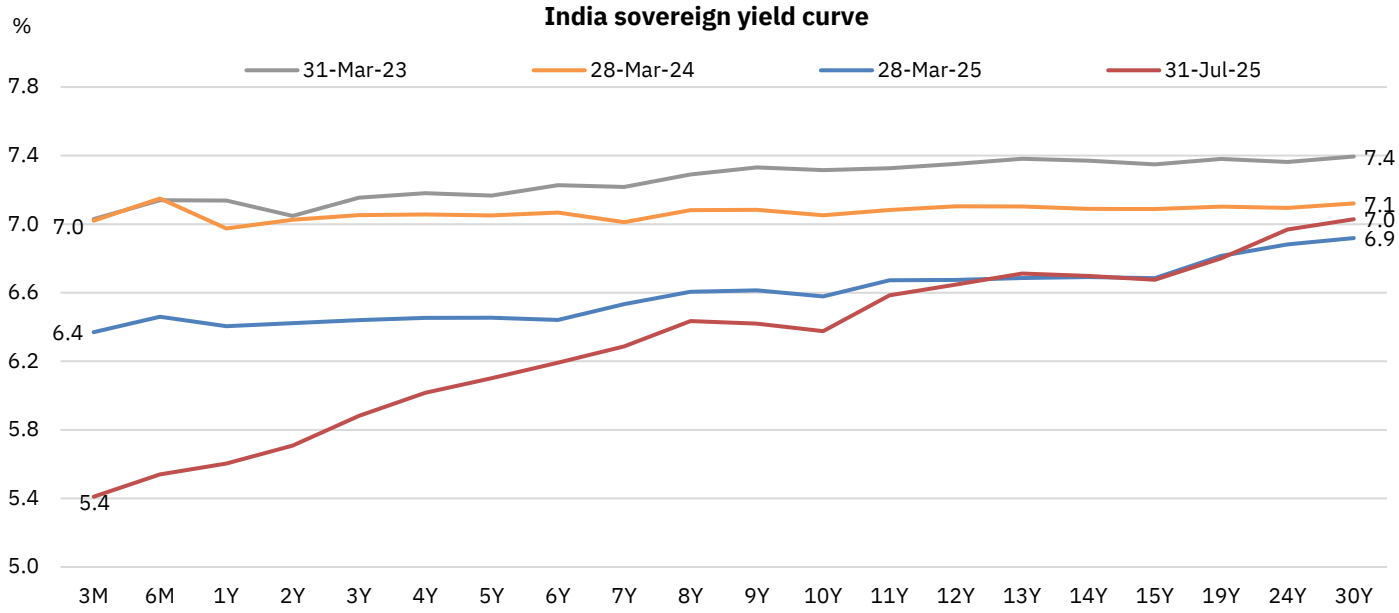


Figure 262: India 10Y G-sec yield—last one-year trend



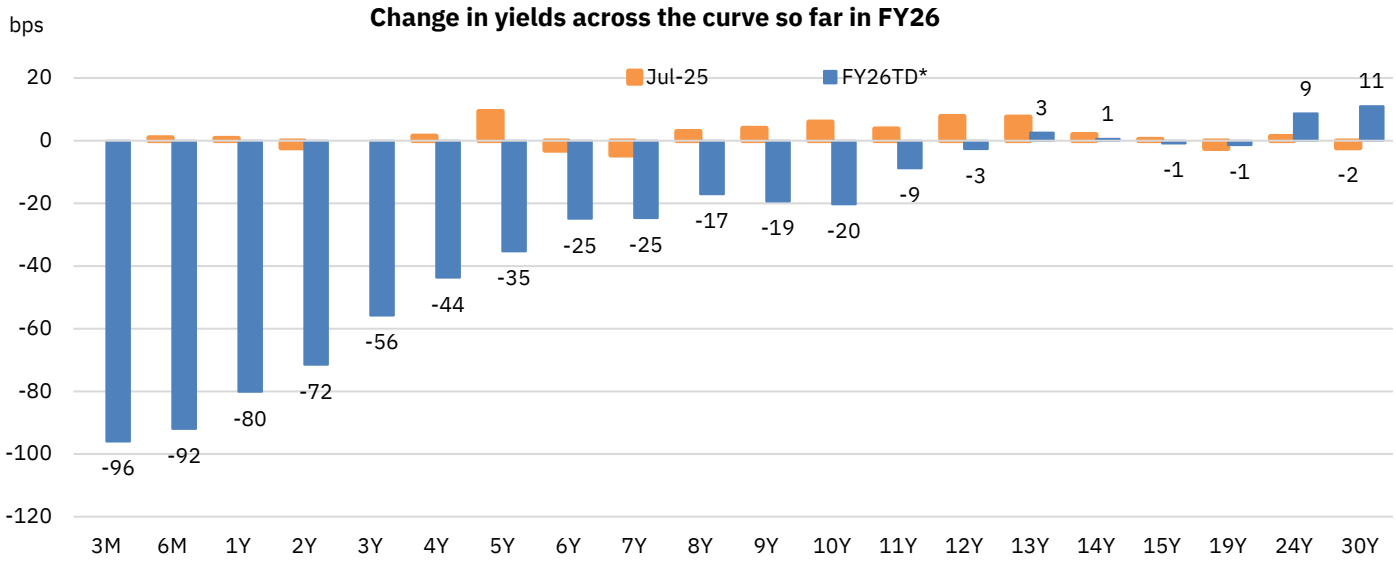
Source: NSE Cogencis, NSE EPR.

Figure 263: India sovereign yield curve



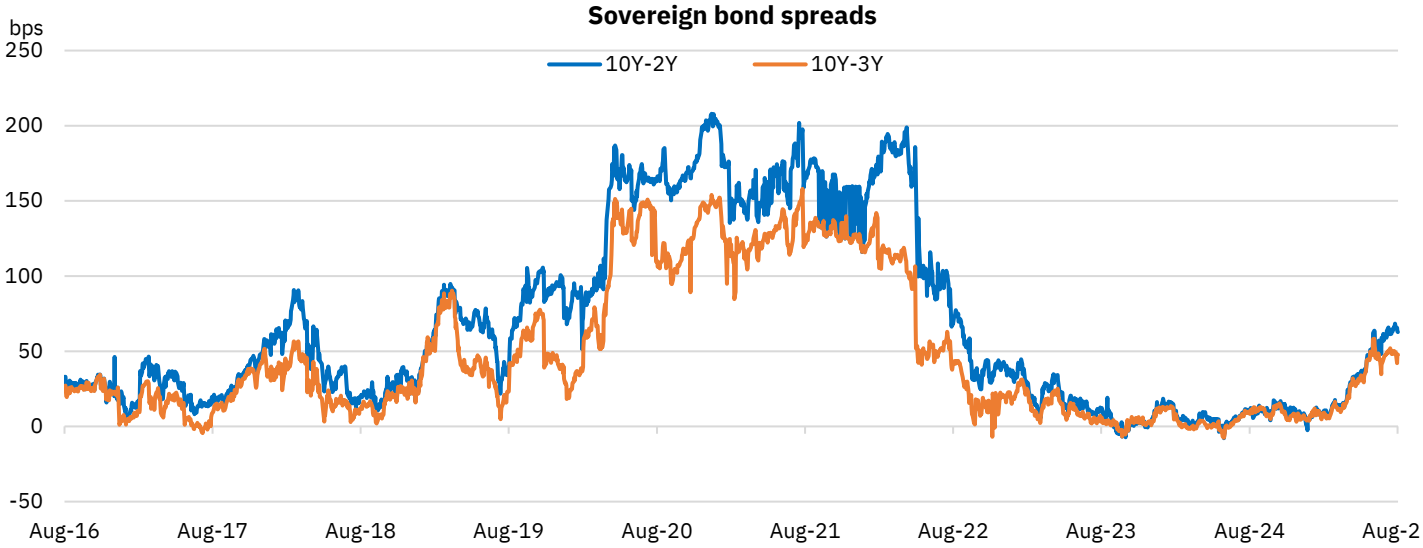
Source: NSE Cogencis, NSE EPR.

Figure 264: **Change in sovereign yields across the curve**



Source: NSE Cogencis, NSE EPR.

Figure 265: **India sovereign bonds term premia**



Source: NSE Cogencis, NSE EPR.

Figure 266: Annual trend of Centre's market borrowings

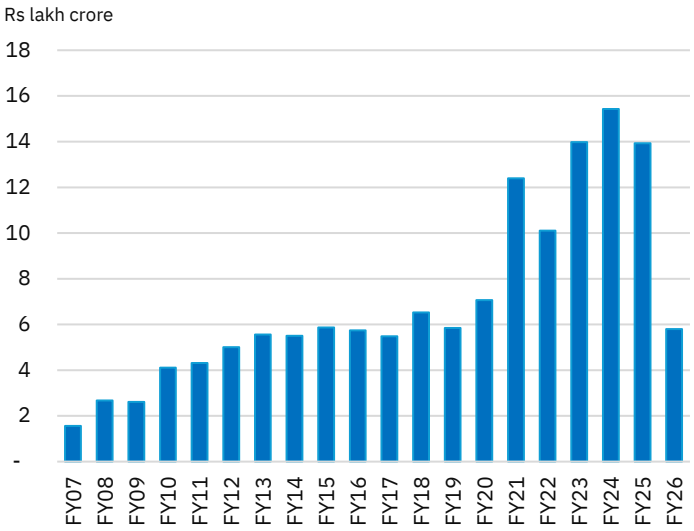
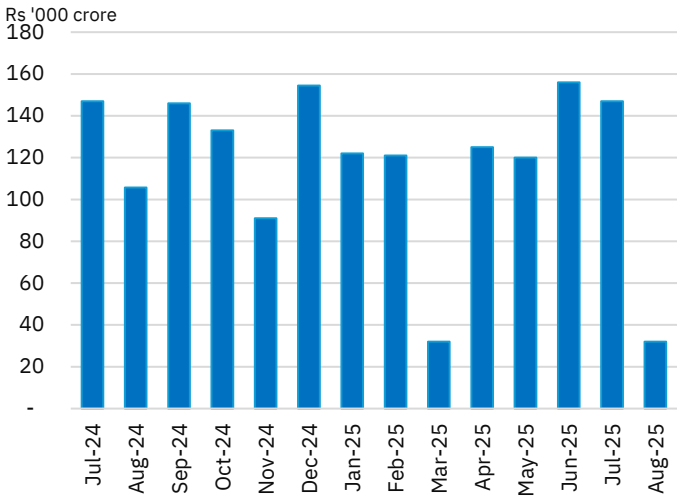
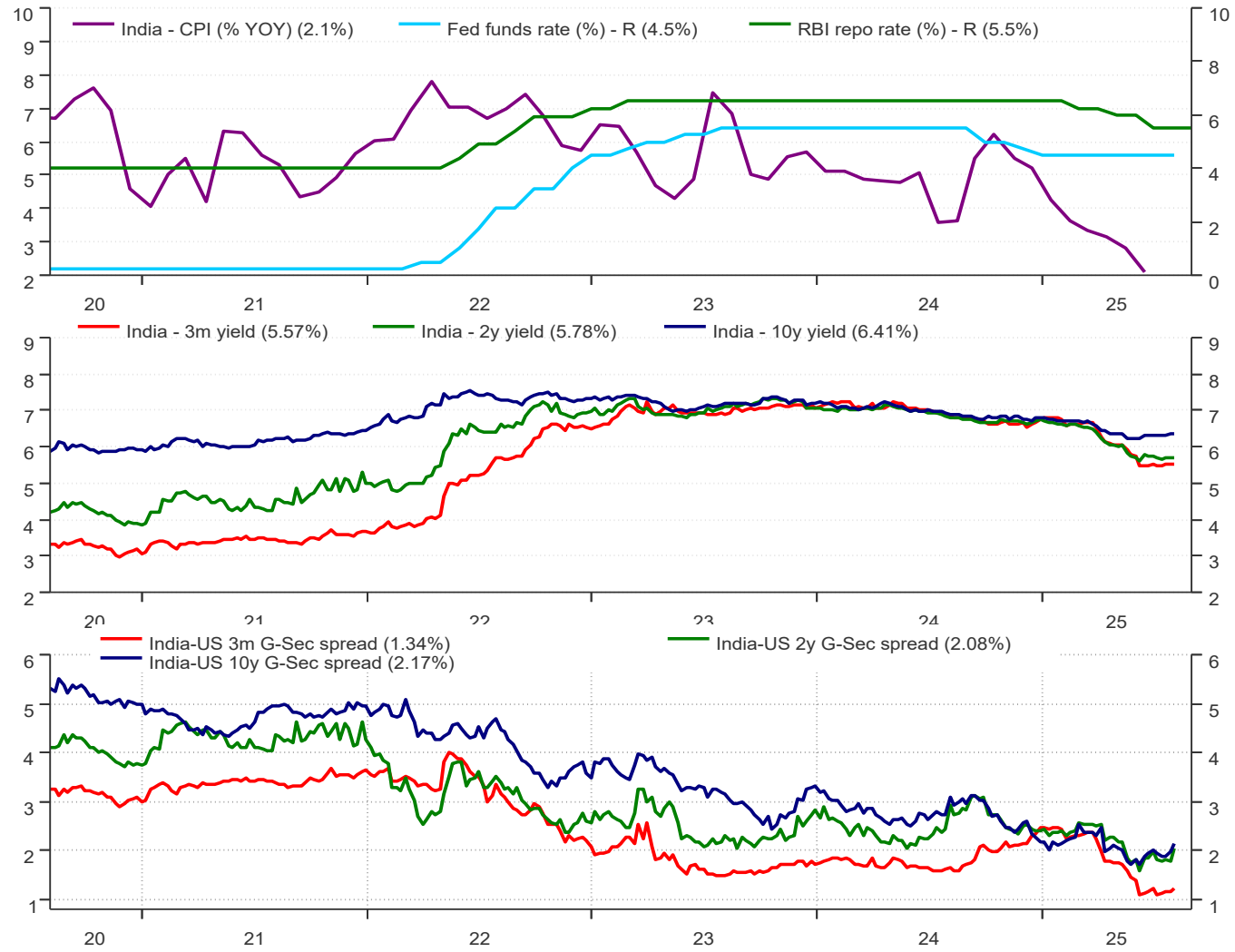


Figure 267: Centre's market borrowings in the last 12 months



Source: RBI, NSE EPR. Note: Data as on August 8th, 2025.

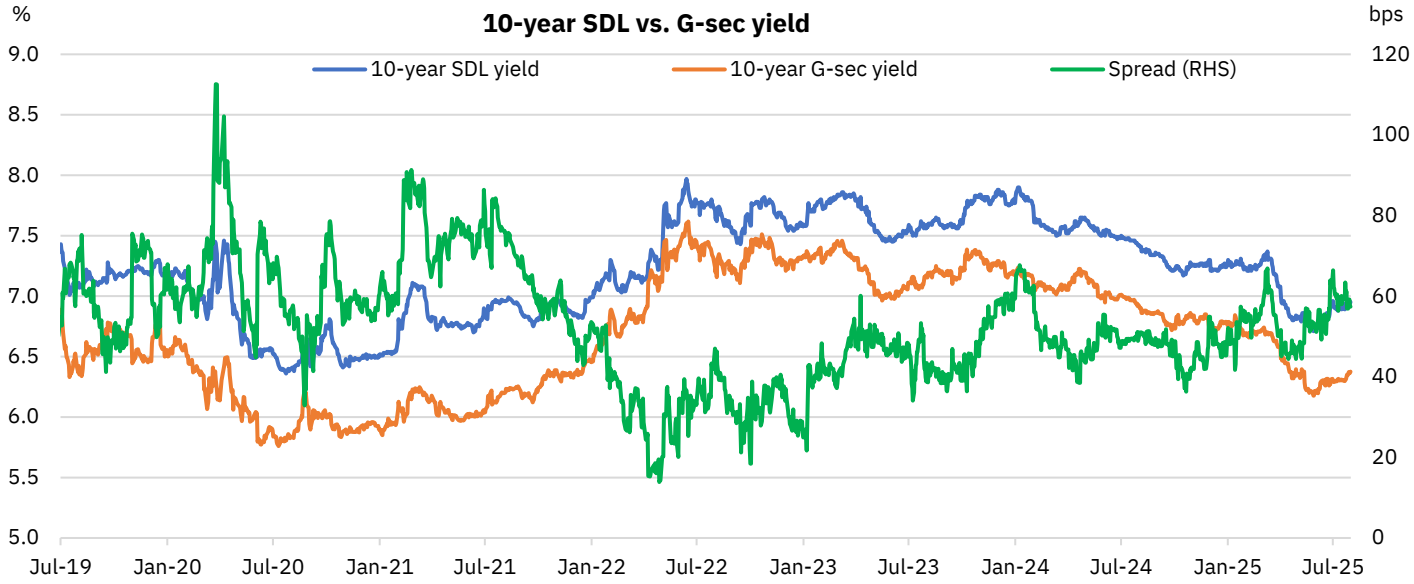
Figure 268: Inflation, yields and spreads in India vs. US



Source: LSEG Workspace, NSE EPR.

SDLs continued to see heavy issuances in July: The issuance of state development loans increased 44% MoM in July reaching Rs 1.18 lakh crore – the highest monthly issuance in FY26. This surge widened the average spread over central government securities to 60bps, up from 55bps in June and 51bps in Q1 FY26. The elevated supply of bonds kept SDL yields at the higher end of the ranges witnessed in the current fiscal year, with yields on 10-year paper hovering around 6.9%-7%. Issuances during the first four months of the current fiscal year recorded a strong 49% to Rs 3.19 lakh crore, compared to Rs 2.14 lakh crore raised during the same period last year, exerting continued upward pressure on SDL yields.

Figure 269: **Spreads between 10-year SDL and G-sec yields**



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

Figure 270: Annual state government borrowings

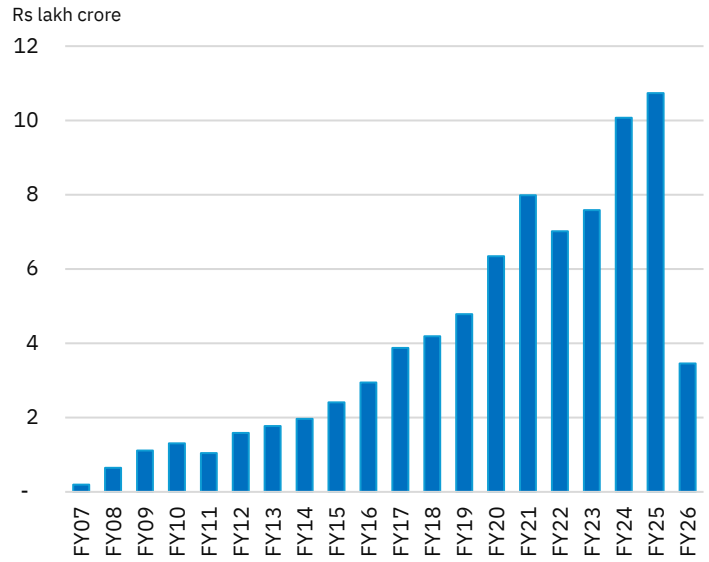
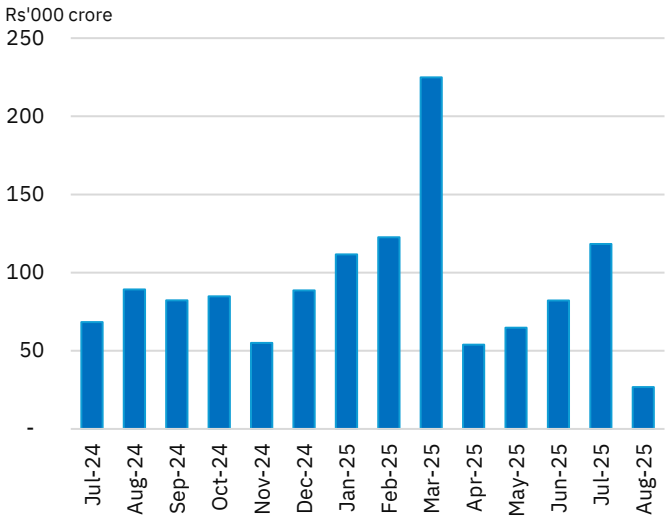


Figure 271: State government borrowings in the last 12 months



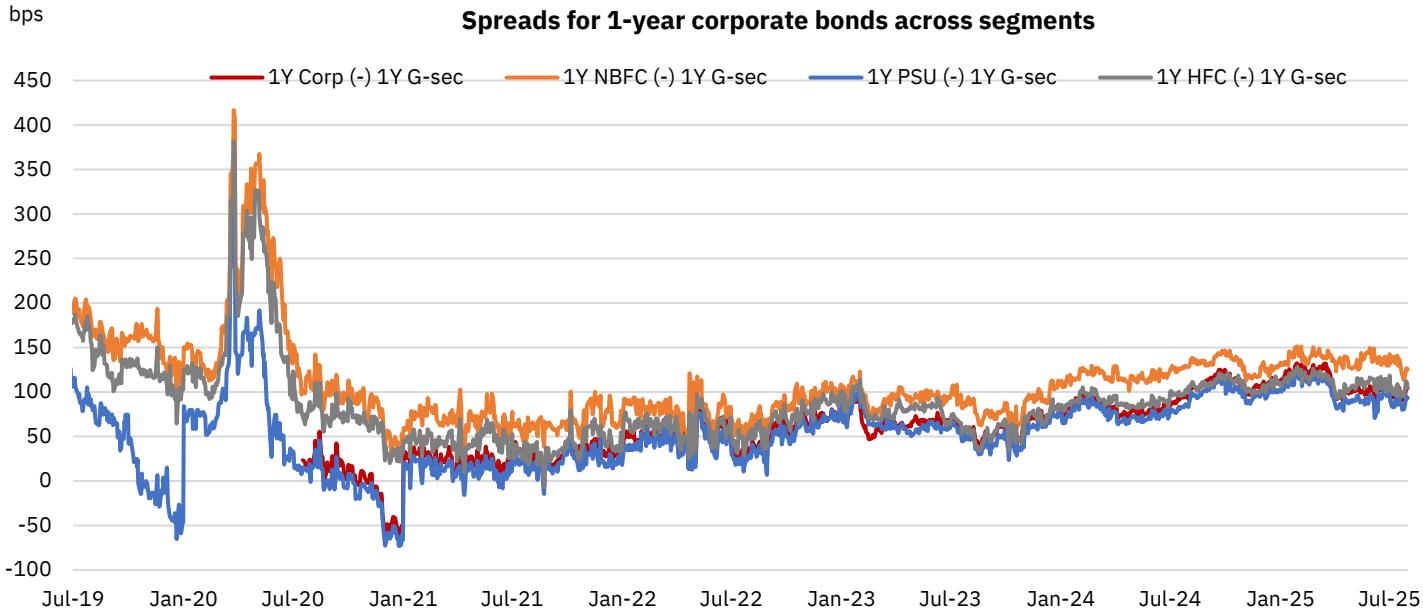
Source: RBI, NSE EPR.
Note: Data as on August 8th, 2025.

Corporate bond market performance

Corporate bond spreads fell marginally across the curve: Bond issuances fell sharply in the month of July 2025 by 30% MoM and 28% YoY to Rs 62,751 crore as per NSDL data, maintaining a steady spread over G-Sec. The MoM decline in bond issuances was primarily driven by the private sector, which recorded its lowest level of fund-raising in eight months during July, pushing the share of public companies to 33% as compared to 12% in the previous month and 23% in Q1FY26. The average spreads for 10-year AAA-rated PSU and corporate bonds stood at 74 bps and 84 bps, compared to 72 bps and 83 bps, respectively, in the previous month. For AA+ rated PSU and corporate bonds, the average spread increased to 122 bps and 135 bps in June from 120 bps and 133 bps respectively in the previous month. Further, in line with G-secs, corporate term premium (10-1Y spreads) has also widened from negative spreads to 57-72bps across issuer categories.

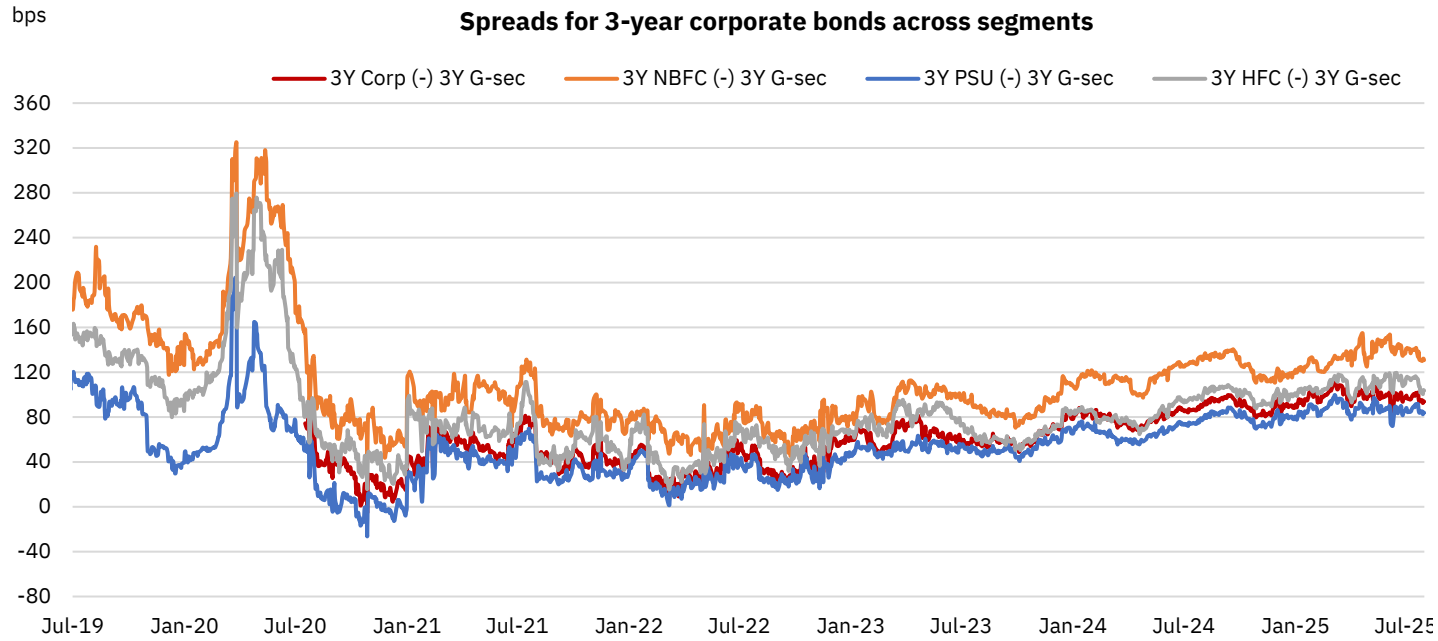
The average monthly bond issuances in the first four months of currency fiscal stood at Rs 85,403 crore, a healthy 22% higher compared to Rs 70,153 crore issuances during the same period last year, as corporates took advantage of the prevailing benign rate environment.

Figure 272: Spreads for one-year AAA-rated corporate bonds across segments



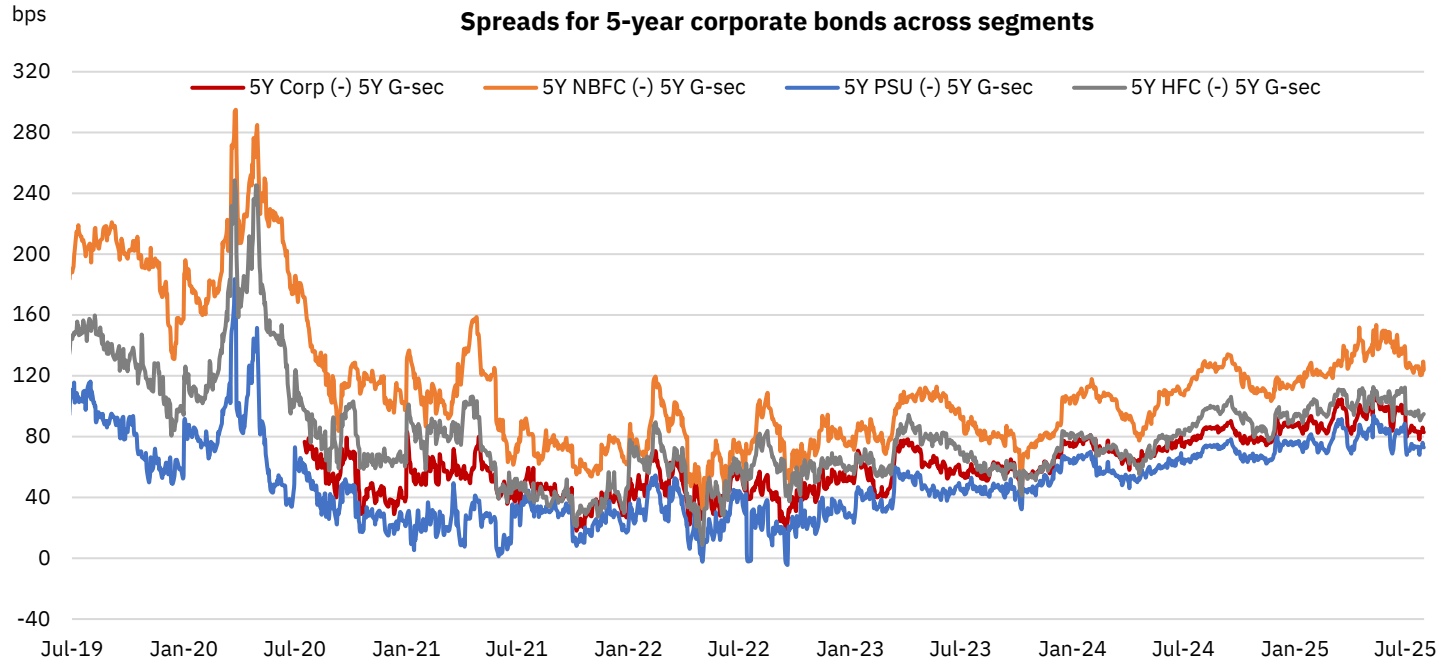
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Figure 273: Spreads for three-year AAA-rated corporate bonds across segments



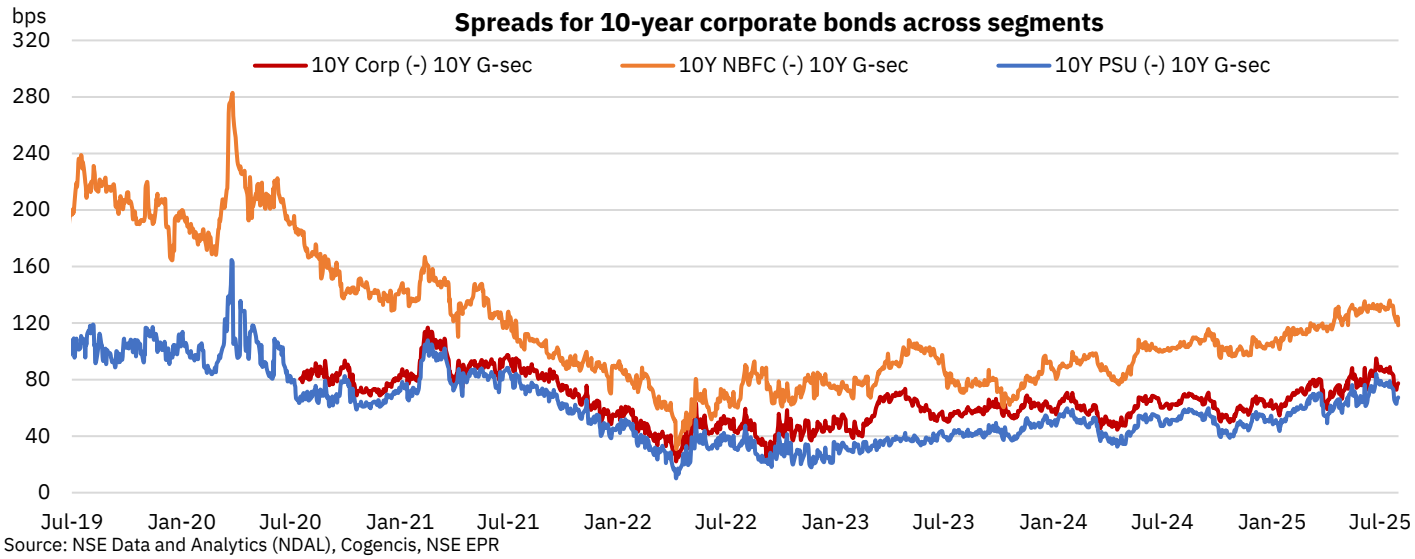
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Figure 274: Spreads for five-year AAA-rated corporate bonds across segments



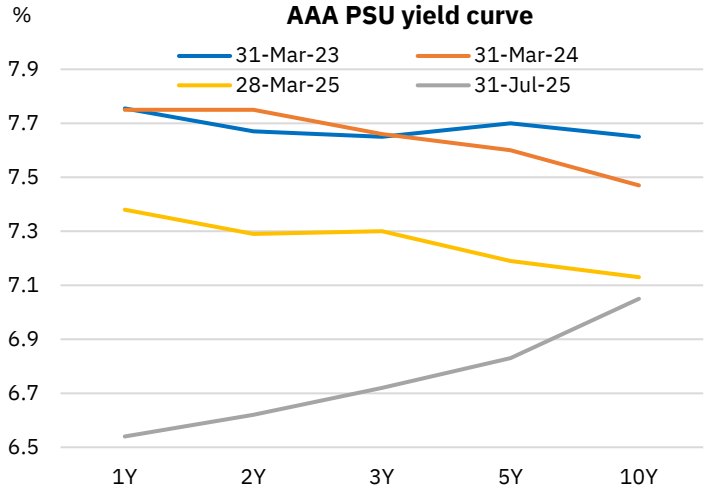
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Figure 275: Spreads for 10-year AAA-rated corporate bonds across segments



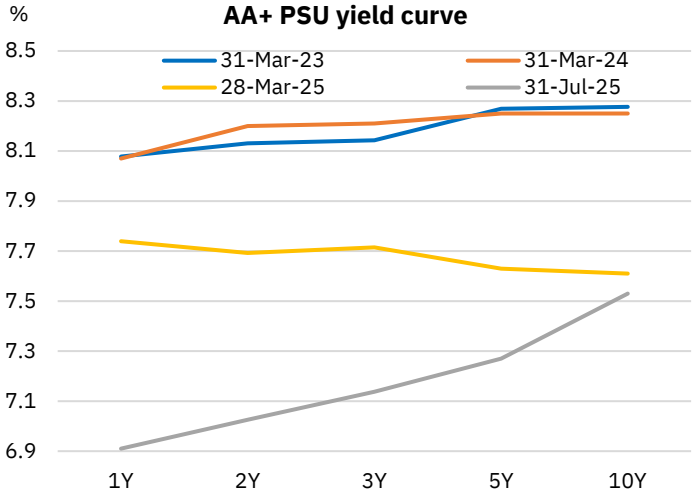
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 276: AAA-rated corporate bond yield curve



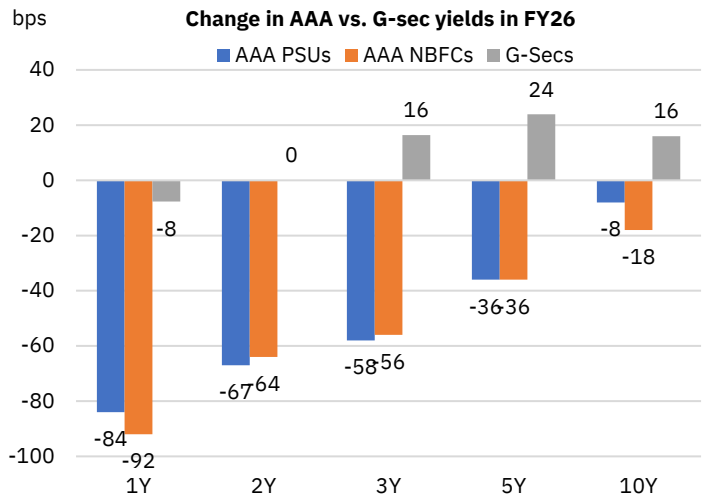
Source: NSE Data and Analytics (NDAL).

Figure 277: AA+ rated corporate bond yield curve



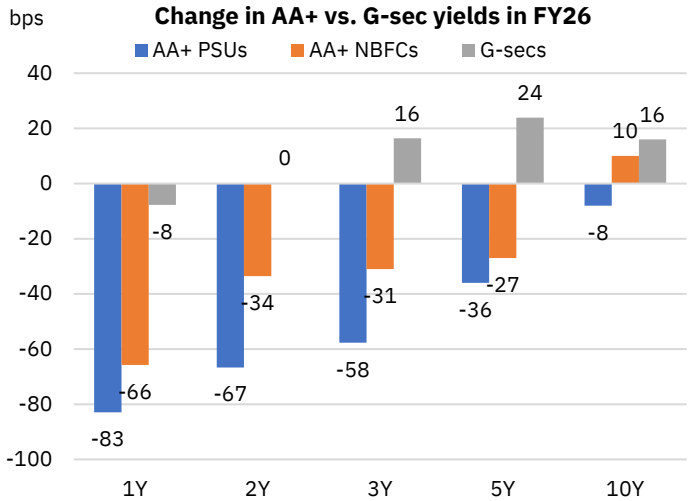
Source: NSE Data and Analytics (NDAL).

Figure 278: Change in AAA corporate bond and G-sec yields in FY26



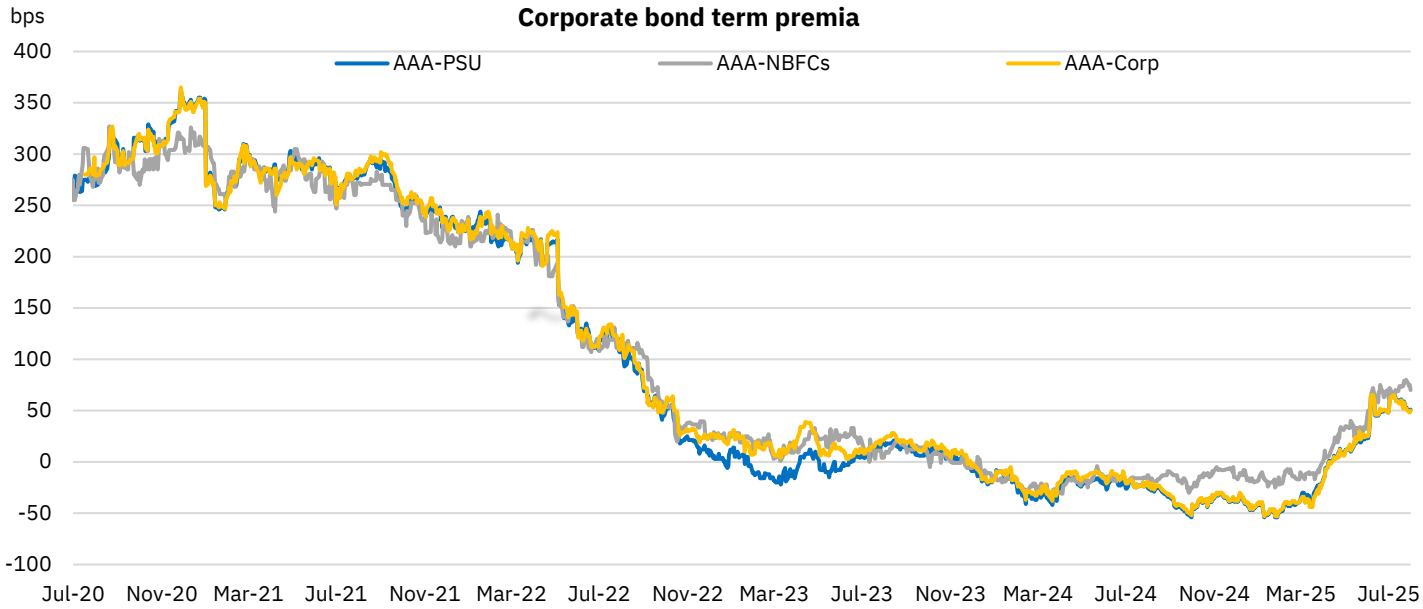
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 279: Change in AA+ corporate bond and G-sec bond yields in FY26



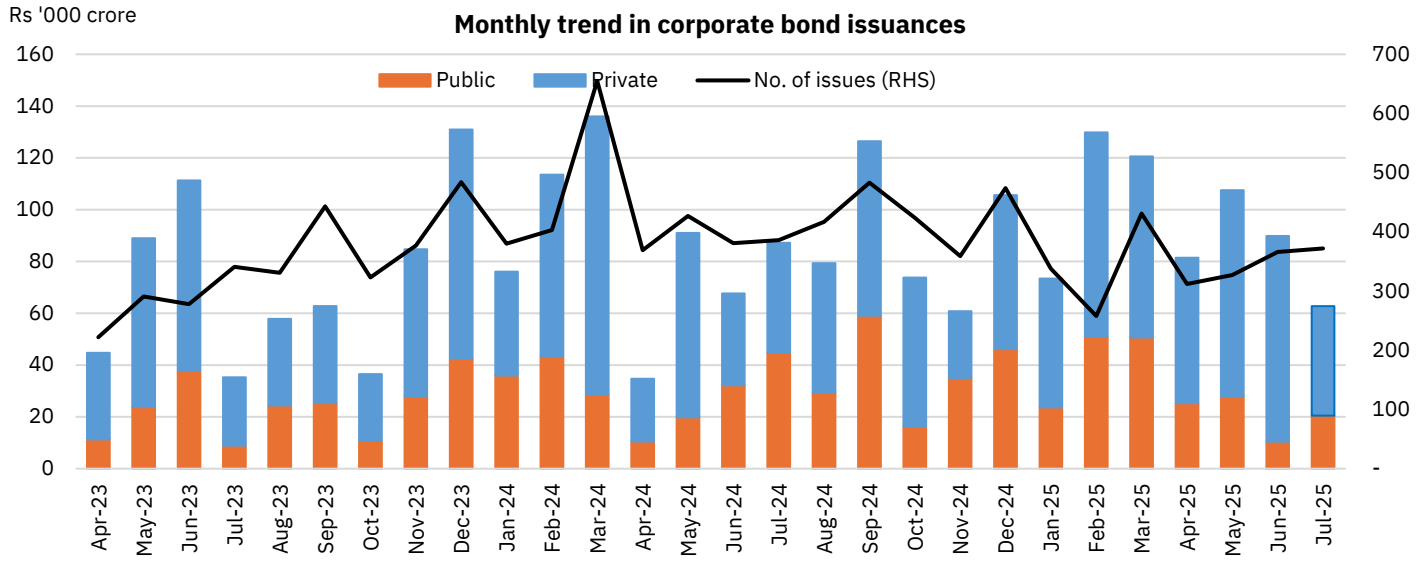
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 280: Corporate bond term premia between 10-year and 1-year yields



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

Figure 281: Monthly trend in corporate bond issuances



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

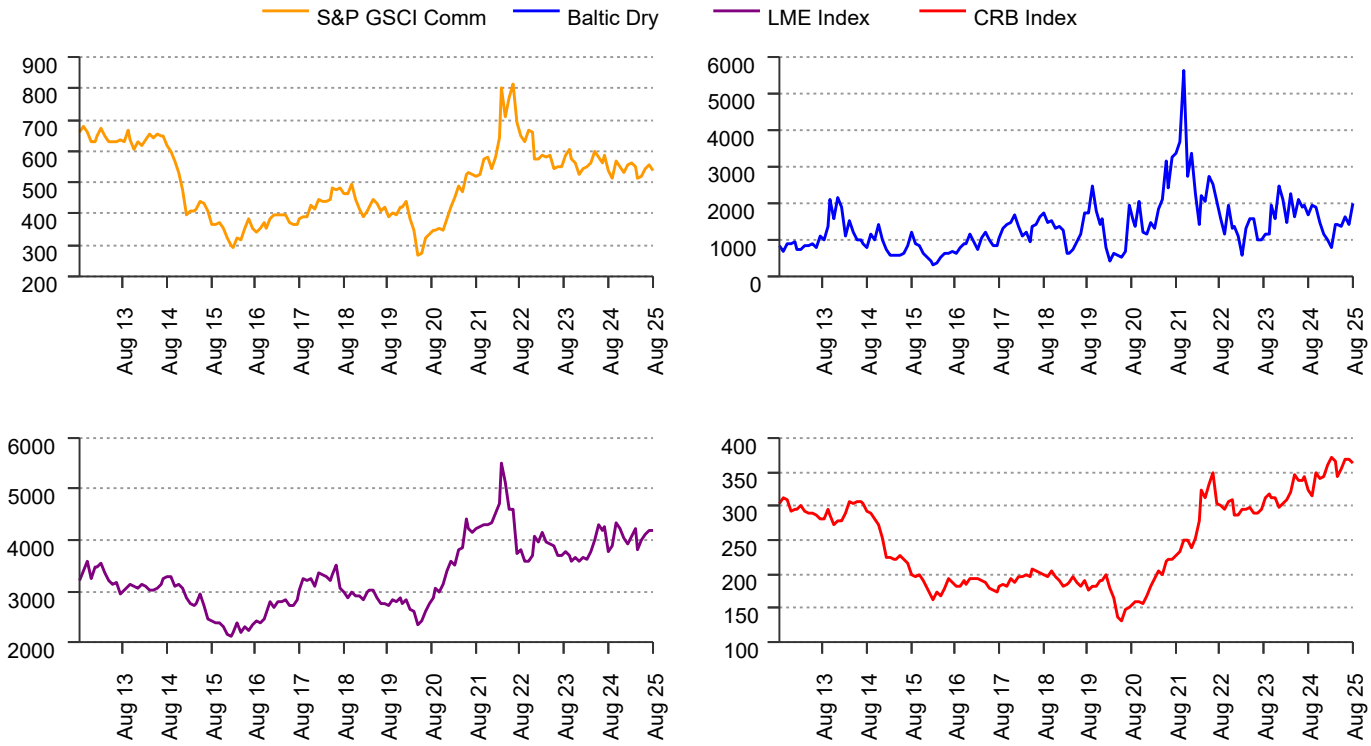
Commodity market performance

Fluctuating trends define commodity market landscape: In July 2025, global commodity markets presented a mixed performance across sectors, reflecting evolving economic signals and shifting demand patterns. In the energy sector, crude oil prices rebounded sharply, rising 7.3% month-on-month (MoM), driven by seasonal summer demand, easing market stress, and rising geopolitical risk premiums. Precious metals broadly gained, with gold and silver rising 0.4% and 1.8% MoM respectively. Palladium surged 7.3% while platinum bucked the trend, declining 3.3% MoM. In industrial metals, performance was more subdued: aluminium and nickel slipped 1.3% and 1.9% MoM, respectively. Copper plunged 4.9% MoM. Tin also declined 3.4%, while zinc rose modestly 0.5% MoM on signs of Chinese industrial stabilization. Lead slumped 4.4% MoM on soft battery sector demand. Meanwhile, the agricultural sector weakened, with soybeans, wheat, corn, and cotton all posting MoM declines, while only sugar prices rose, edging up 2.8%.

- **Energy Sector**: Crude oil prices shot up by 7.3% MoM, largely reflecting easing market stress, summer seasonal demand, and geopolitical risk premiums
- **Precious Metals:** Precious metal prices exhibited a rising trend in July 2025, except for platinum, which crashed 3.3% MoM stemming from reduced mining output, especially from South Africa and subdued recycling. Gold prices rose mildly by 0.4% MoM, while palladium shot up by 7.3% MoM due to demand surge form China. Silver prices increased moderately by 1.8% MoM due to strong industrial demand, particularly in solar and electrification technologies, coupled interest as an alternative for gold.
- **Industrial Metals:** Aluminium prices declined by 1.3% MoM due to seasonal weakness and lacklustre downstream demand. Slowing industrial activity slowed, especially in China, where fabricators reduced output amid squeezed margins. Copper prices crashed by 4.9% MoM, prices briefly spiked after imposition of tariffs by the US on copper products, they quickly reversed as investors feared a broader demand slowdown from both the U.S. and China. Tin prices slumped by 3.4% MoM, while Zinc prices registered a modest increase of 0.5% MoM on account stabilization in Chinese industrial activity. Nickel prices fell by 1.9% MoM, dragged by persistent oversupply and weakening demand from the EV sector. Meanwhile, Lead prices crashed by 4.4% MoM, signalling persistent selling pressure and weak downstream interest from battery manufacturers.
- **Agricultural Sector:** Prices of agricultural commodities fell in July 2025 except Sugar. Soyabean and wheat prices fell by 4.5% MoM and 3.9% MoM respectively, while Corn prices fell sharply by 6.4% MoM. Cotton prices declined by 3% MoM while raw sugar prices inched up by 2.8% MoM.

Figure 282: Movement in key commodity indices

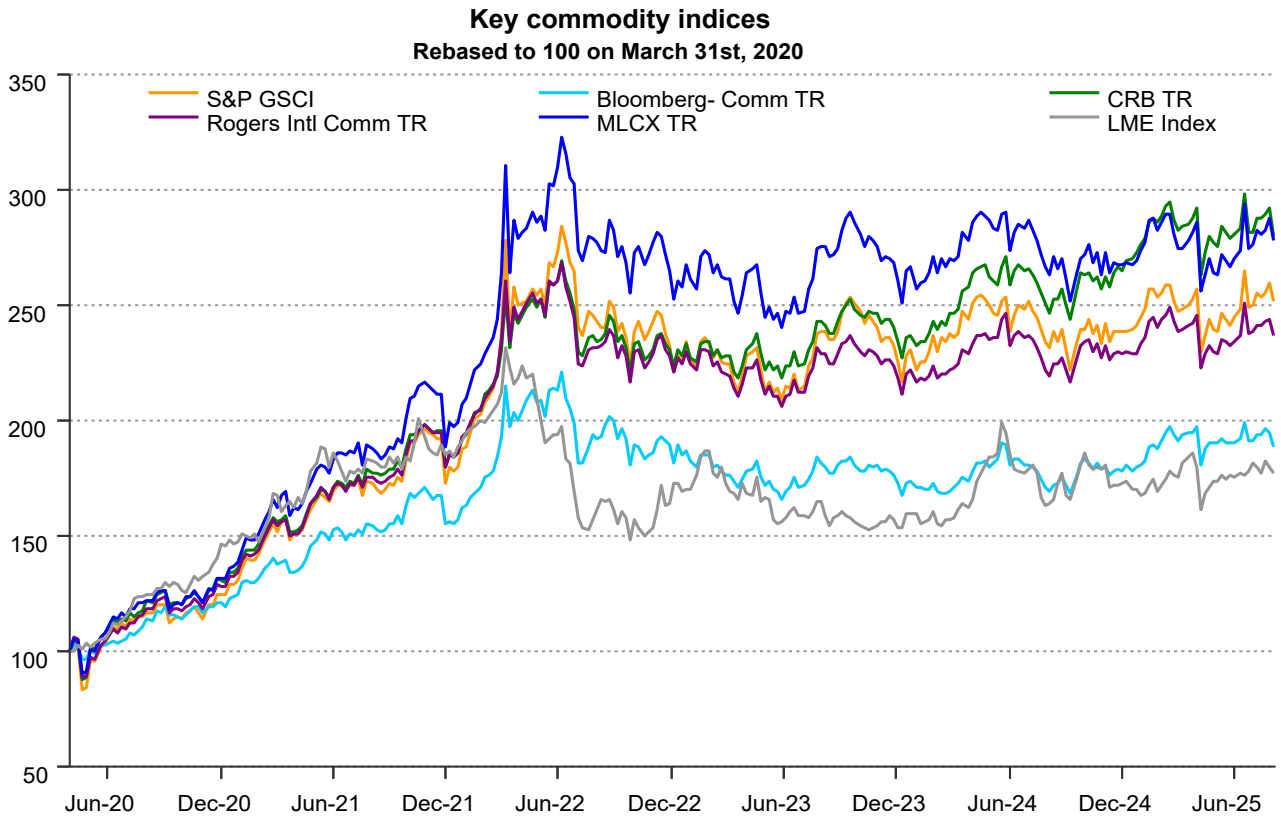
(As of August 8th, 2025)



Source: LSEG Workspace, NSE EPR.

Figure 283: Movement in key commodity indices since 2020

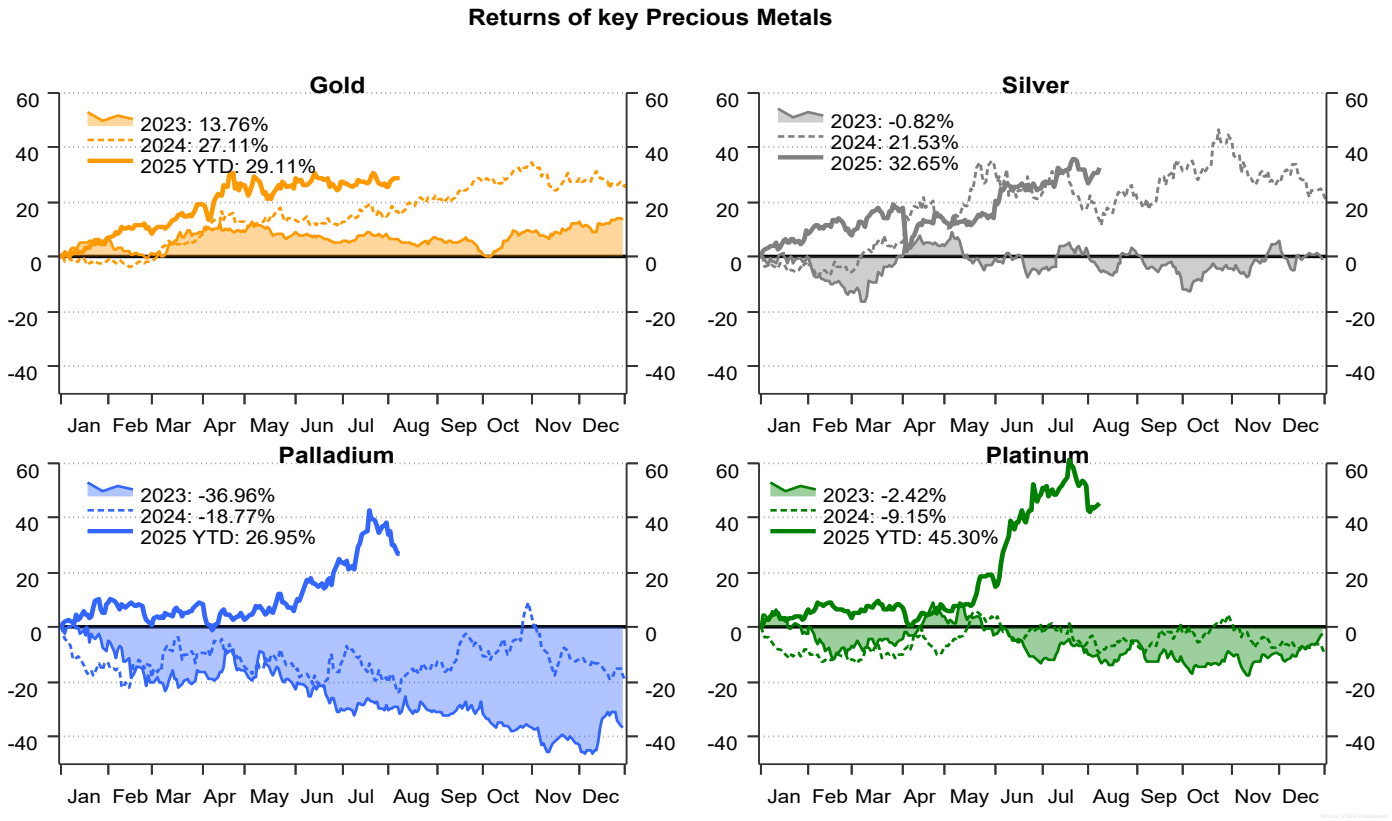
Rebased to 100 on March 31st, 2020 (As of August 8th, 2025)



Source: LSEG Workspace, NSE EPR.

Figure 284: Returns of key precious metals in 2023, 2024 and 2025 till date

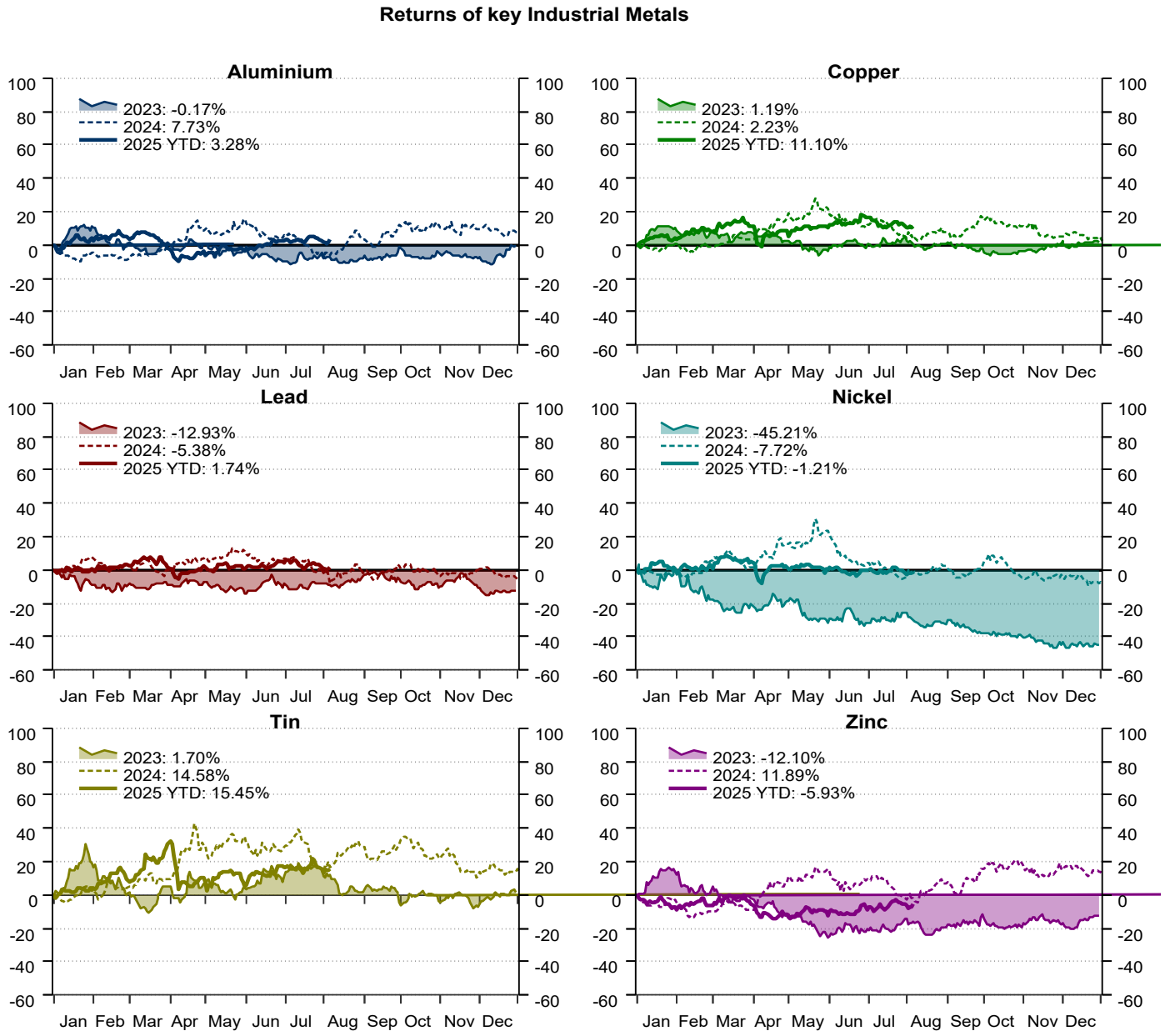
(As of August 8th, 2025)



Source: LSEG Workspace, NSE EPR.

Figure 285: Returns of key industrial metals in 2023, 2024 and 2025 till date

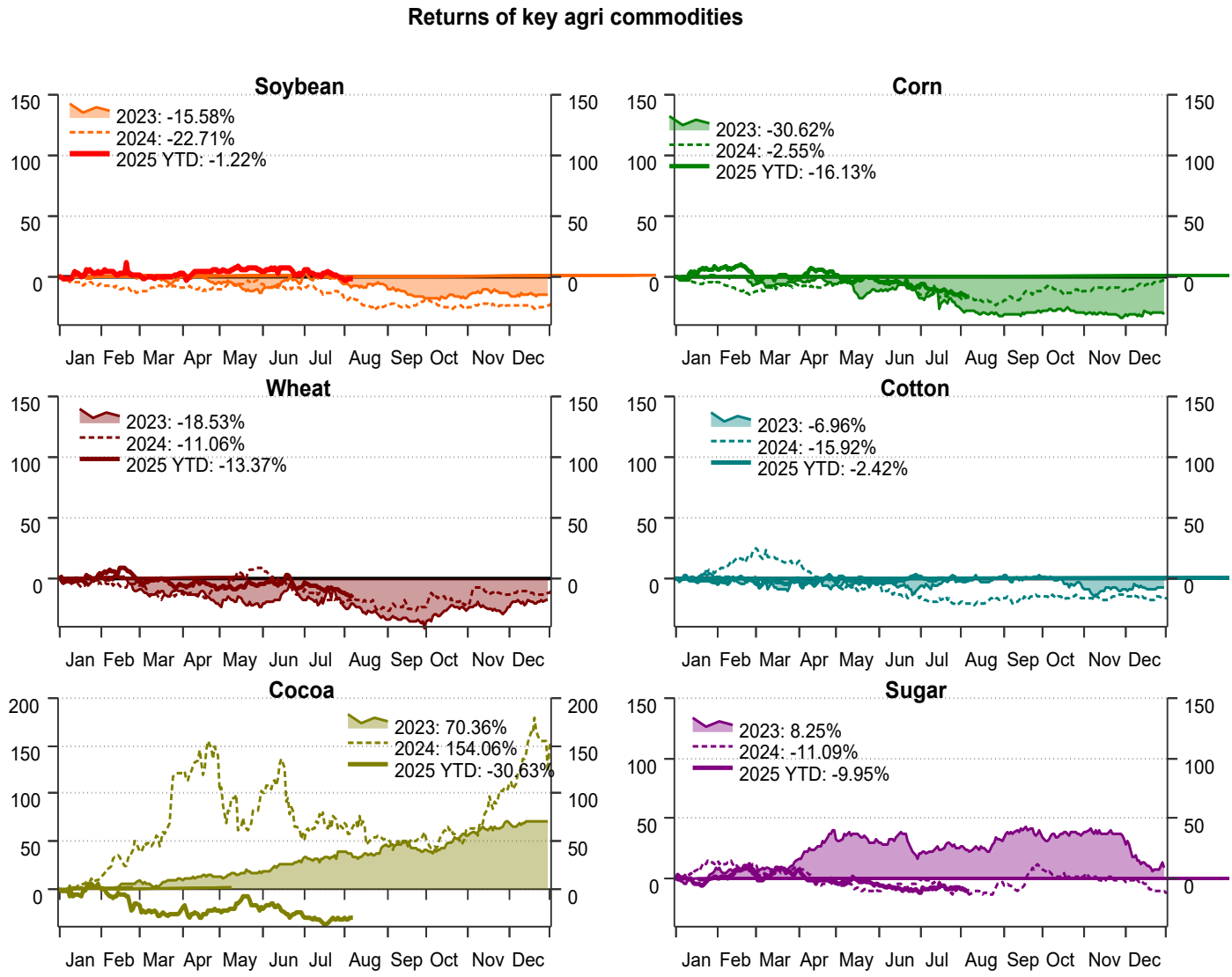
(As of August 8th, 2025)



Source: LSEG Workspace, NSE EPR.

Figure 286: Returns of key agricultural commodities in 2023, 2024 and 2025 till date

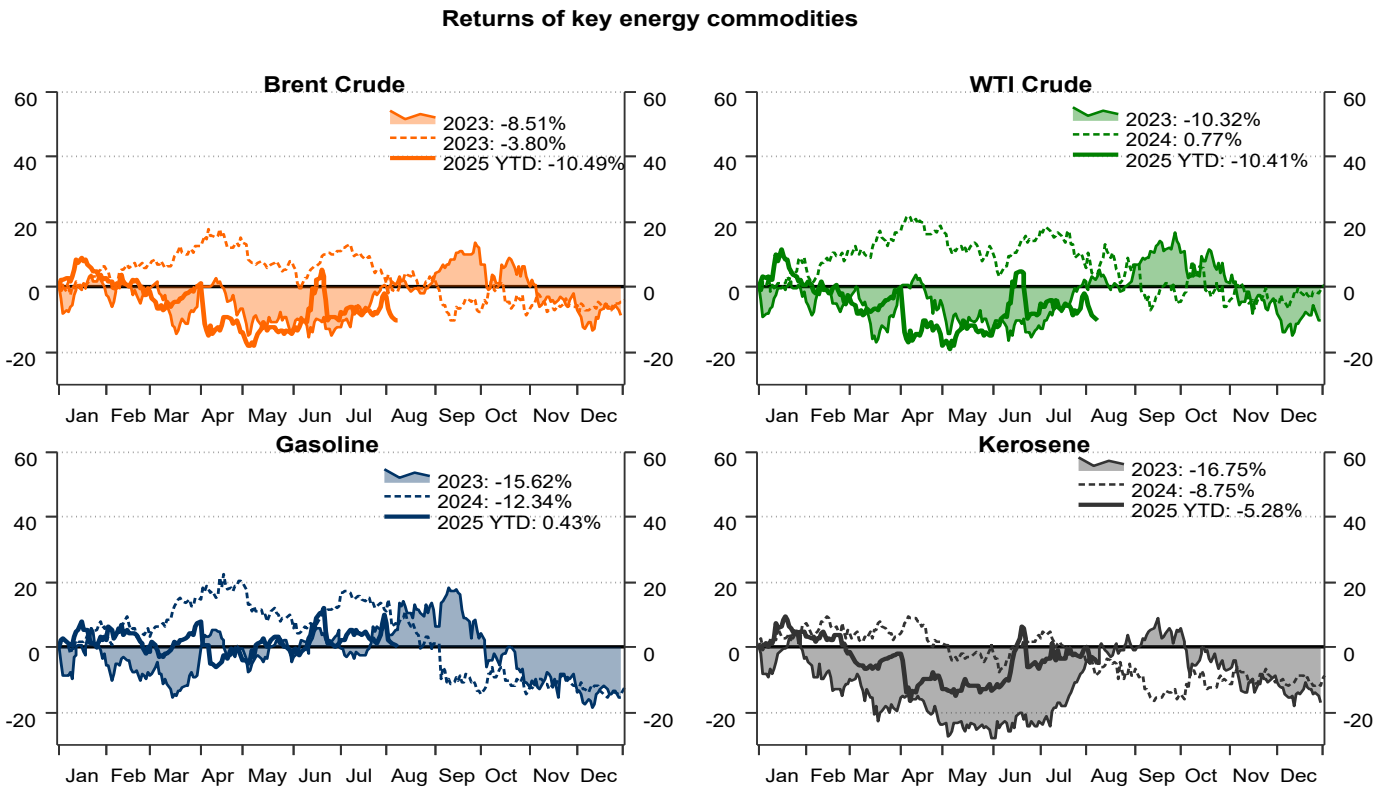
(As of August 8th, 2025)



Source: LSEG Workspace, NSE EPR.

Figure 287: Returns of key energy commodities in 2023, 2024 and 2025 till date

(As of August 8th, 2025)



Source: LSEG Workspace, NSE EPR.

Table 60: Annual performance across commodities

(As of August 8th, 2025)

Annual performance across commodities (Ranked by % change each year)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025YTD
Palladium 13.3	Lead -2.5	Zinc 60.6	Palladium 57.6	Palladium 19.6	Palladium 52.0	Silver 47.8	Tin 91.7	Nickel 43.1	Gold 13.8	Gold 27.1	Platinum 45.3
Nickel 9.0	Gold -10.5	Brent Crude 54.5	Aluminium 32.4	Gold -1.7	WTI 35.3	Copper 26.0	WTI 55.8	Brent Crude 8.3	Tin 1.7	Silver 21.5	Palladium 45.3
Zinc 5.6	Silver -11.8	Tin 45.3	Copper 30.5	Tin -2.9	Nickel 31.6	Gold 24.8	Brent Crude 51.1	Platinum 7.5	Copper 1.2	Tin 14.6	Silver 32.7
Aluminium 4.0	Aluminium -17.8	WTI 45.0	Zinc 30.5	Silver -8.6	Brent Crude 24.8	Palladium 22.0	Aluminium 42.2	Palladium 7.5	Aluminium -0.2	Zinc 11.9	Gold 29.2
Gold -1.8	Tin -24.9	Palladium 20.7	Nickel 27.5	Platinum -14.4	Platinum 22.3	Zinc 19.7	Zinc 31.5	WTI 6.7	Silver -0.8	Aluminium 7.7	Tin 16.3
Platinum -11.1	Copper -26.1	Copper 17.4	Lead 24.3	Nickel -16.5	Gold 18.7	Tin 19.6	Nickel 26.1	Silver 2.9	Platinum -2.4	Copper 2.2	Copper 12.0
Tin -13.0	Zinc -26.5	Silver 15.1	Brent Crude 17.5	Aluminium -17.4	Silver 15.2	Nickel 18.7	Copper 25.7	Lead -0.1	Palladium -2.4	WTI 0.8	Aluminium 3.2
Copper -13.7	Platinum -28.0	Aluminium 13.6	Gold 12.6	Copper -17.5	Copper 3.4	Aluminium 10.8	Lead 18.3	Gold -0.4	Brent Crude -8.5	Brent Crude -3.8	Lead 2.7
Lead -15.9	WTI -30.5	Nickel 13.5	WTI 12.5	Lead -19.2	Aluminium -4.4	Platinum 10.0	Gold -4.0	Copper -14.1	WTI -10.4	Lead -5.4	Nickel -1.0
Silver -19.3	Palladium -31.6	Lead 11.3	Silver 6.4	Brent Crude -20.2	Lead -4.7	Lead 3.3	Platinum -10.2	Aluminium -16.3	Zinc -12.1	Nickel -7.7	Zinc -4.3
WTI -45.9	Brent Crude -35.1	Gold 9.0	Platinum 3.2	Zinc -24.5	Zinc -9.5	WTI -21.0	Palladium -10.2	Zinc -16.3	Lead -12.9	Platinum -9.2	WTI -10.4
Brent Crude -48.9	Nickel -41.8	Platinum 3.5	Tin -5.2	WTI -25.3	Tin -12.0	Brent Crude -21.8	Silver -11.7	Tin -37.1	Nickel -45.2	Palladium -9.2	Brent Crude -10.9

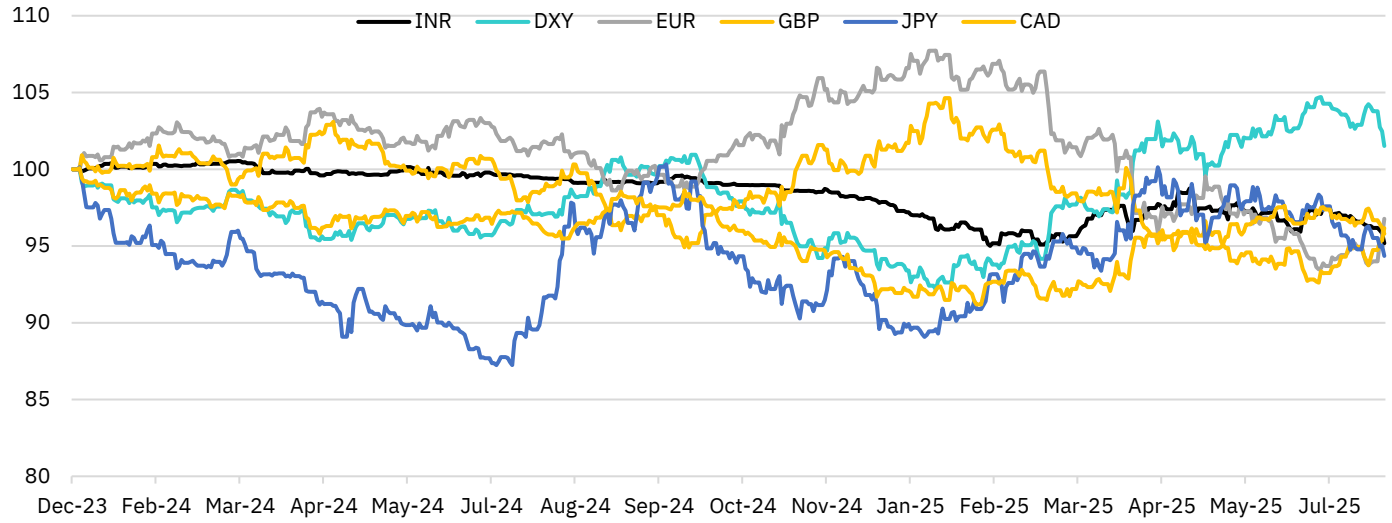
Source: LSEG Workspace, NSE EPR.

Currency market performance

INR slumps amid new Trump tariff announcement: In the month just concluded, the INR closed at a five-month low of 87.6 against the greenback. It crossed the 87-level mark for the first time since March this year, continuing its depreciating trend (-2.1% MoM), marking its worst monthly fall since Sep'22. The rupee was primarily dragged down by a stronger dollar (DXY: +3.2% MoM), as the Fed held policy rates steady, pushing both the dollar and US Treasury yields higher. Further pressure on the rupee came from the announcement by the Trump administration of 25% tariffs on Indian imports and a potential "unspecified" penalty (at the time) for purchasing Russian crude. This situation was exacerbated by capital outflows, particularly in the equity segment (-US$ 2.1 bn), amid a tepid quarterly earnings season during the same period. That said, the RBI's foreign exchange reserves continue to provide a cushion and support to the external economy, although they eased to US$698.2 bn as of July 25th (vs US$702.8 bn in Jun'25). Overall, India's relatively lower reliance on exports as a key growth driver continues to offer a supportive backdrop for the currency amid ongoing global headwinds.

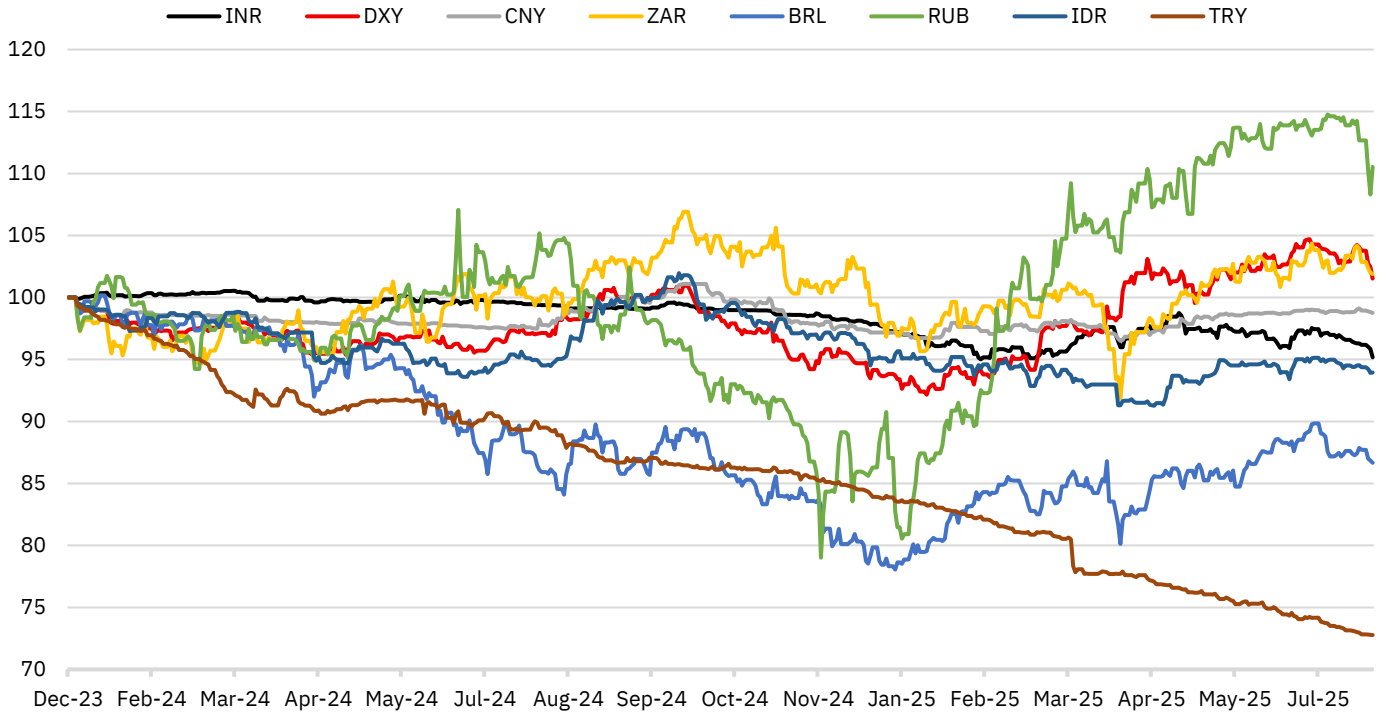
Major currencies slid as the dollar strengthened: Major currencies broadly depreciated against the dollar in Jun'25, reversing the greenback's earlier downward trend. The dollar recorded its strongest monthly gain (DXY: +3.2% MoM) since Apr'22, supported by rising US Treasury yields, record-high S&P 500 levels, and a resilient labour market, alongside growing confidence that tariffs would not significantly impact the US economy. Among developed market currencies, all tracked currencies weakened, with the Canadian Dollar declining the least (-1.8% MoM), followed by the Swiss Franc (-2.4% MoM), the Euro (-3.2% MoM), the Pound Sterling (-3.8% MoM), and the Japanese Yen (-4.5% MoM). Within emerging market currencies, the Chinese Yuan saw the smallest decline (-0.4% MoM), followed by the Indonesian Rupiah (-1.3% MoM), the South African Rand (-1.7% MoM), the Turkish Lira (-2.0% MoM), the Russian Ruble (-2.4% MoM), and the Brazilian Real (-2.5% MoM). Overall, US tariff pressures, concerns around unbalanced trade agreements, and diverging monetary policy outlooks supported the dollar strength, which was reflected in the broad depreciation of major global currencies.

Figure 288: Movement in INR and major DM currencies against dollar since beginning of 2023
(Rebased to 100 on December 29th, 2023)



Source: LSEG Workspace, NSE EPR.

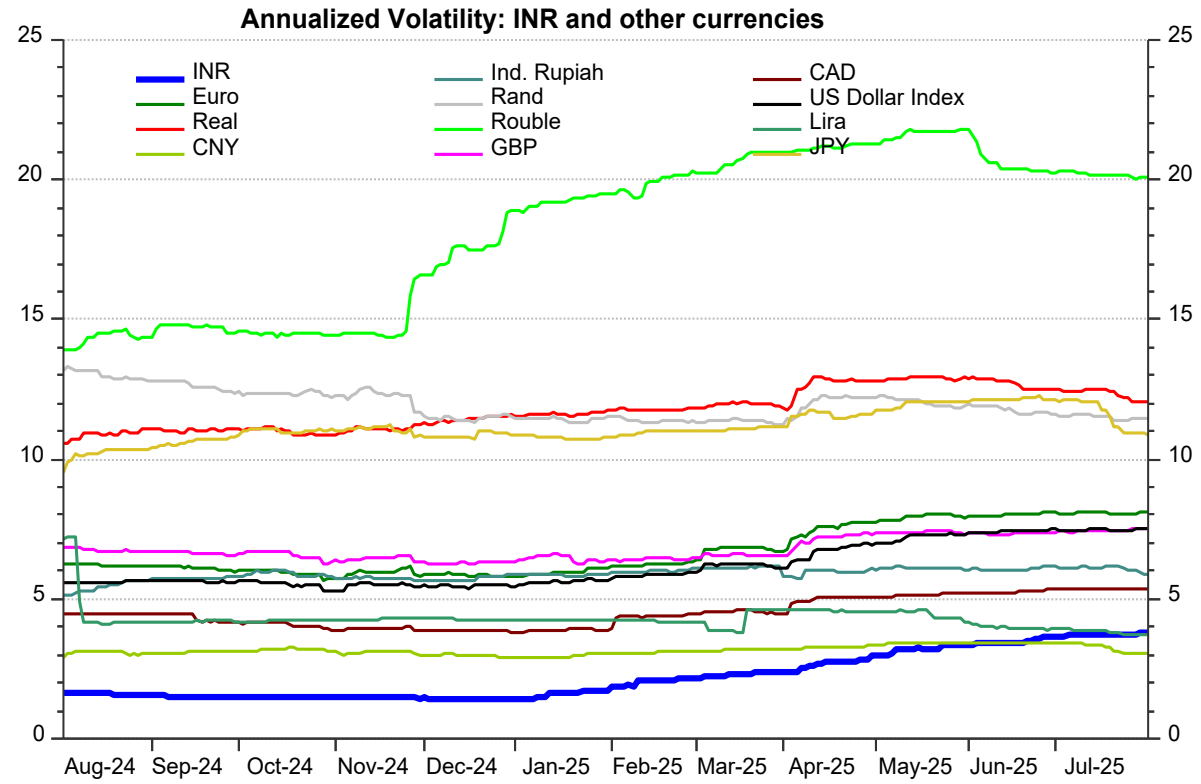
Figure 289: Movement in INR and major EM currencies against dollar since the beginning of 2023
(Rebased to 100 on December 29th, 2023)



Source: LSEG Workspace, NSE EPR.

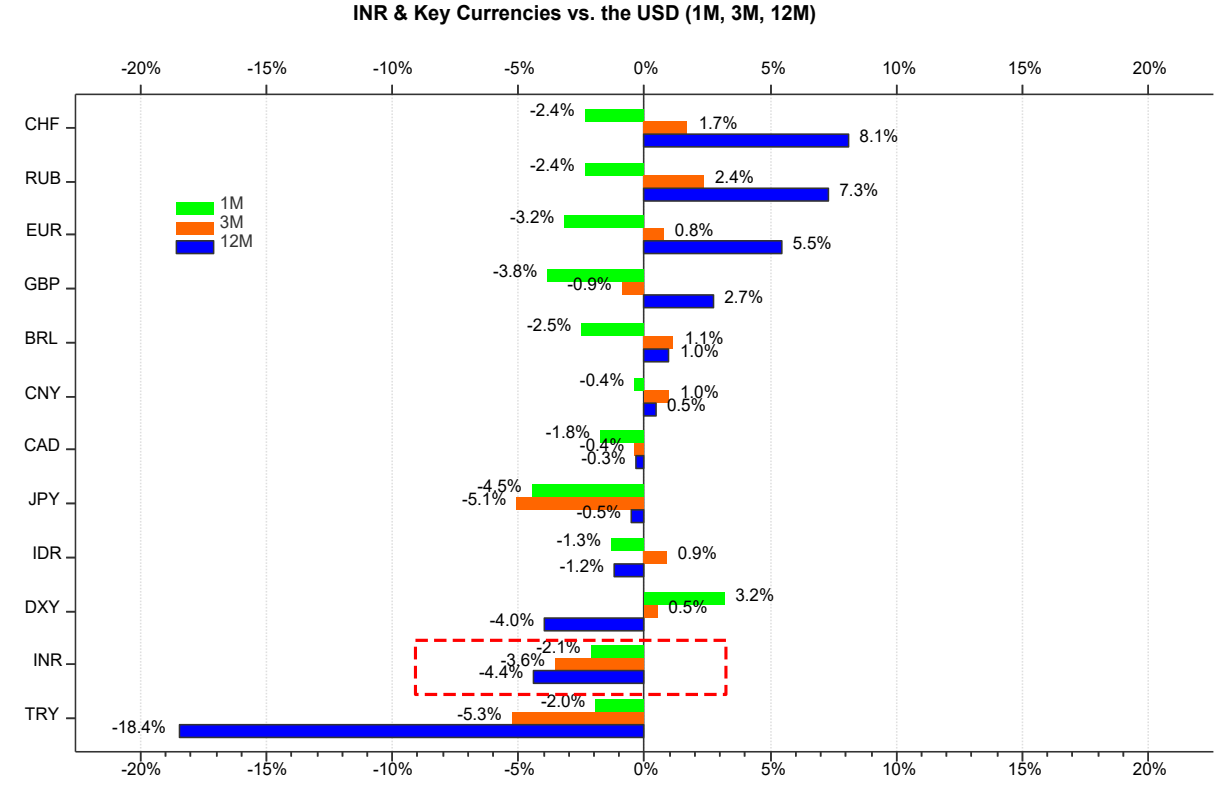
INR annualized volatility continues to rise for the seventh consecutive month: In the month gone by, INR volatility continued its upward trend for the seventh consecutive month, with the rupee's average annualized volatility rising to 3.7% (+28 bps MoM). Although the increase was less pronounced than in May'25 (+53 bps), the upward bias in INR volatility remained among the highest across both major tracked DM and EM currencies. Among EM, the Russian Ruble was the most volatile at 20.2%, despite a notable decline (-43 bps MoM), followed by the Brazilian Real at 12.3%, the South African Rand at 11.5%, the Indonesian Rupiah at 6.1%, the Turkish Lira at 3.8%, and the Chinese Yuan at 3.3%. Among developed markets, the Japanese Yen continued to record the highest volatility at 11.6% (-55 bps MoM), followed by the euro at 8.1%, the Pound Sterling at 7.5%, and the Canadian Dollar at 5.3%. Notably, most EM currencies continued to exhibit lower average annualized volatility in Jul'25 compared to their DM peers, likely reflecting the market's pricing in of sustained trade tensions.

Figure 290: Annualized volatility of INR and other DM & EM currencies



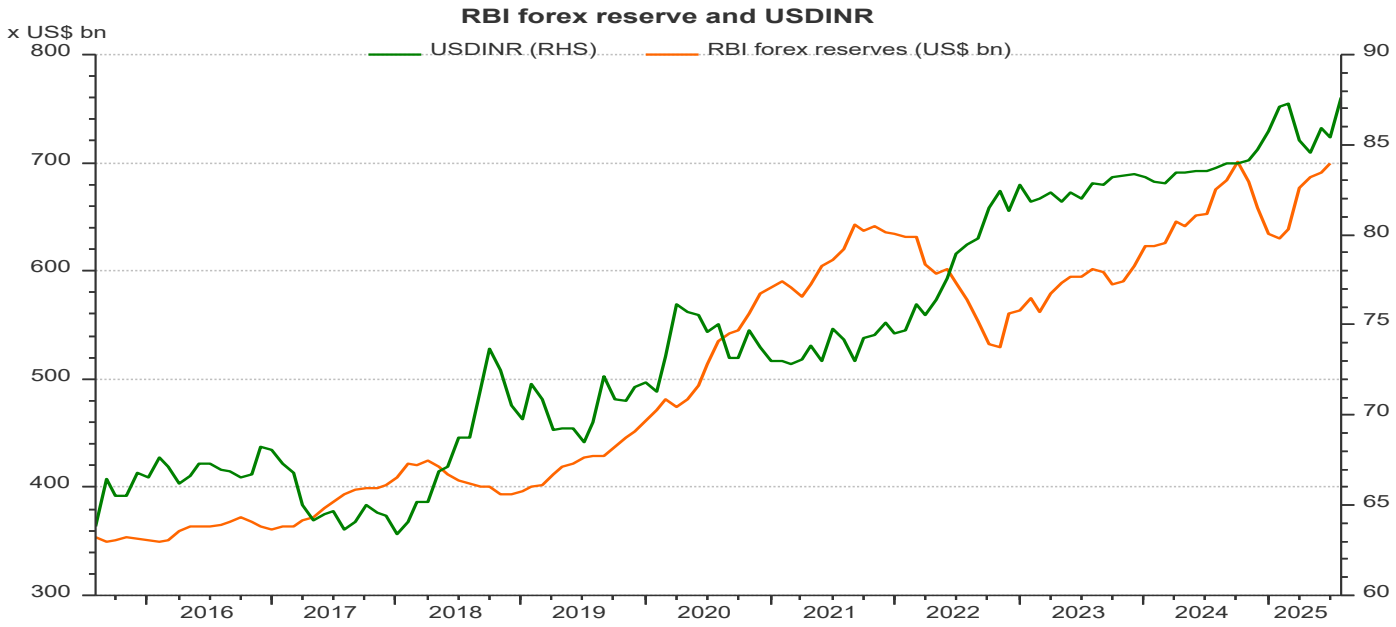
Source: LSEG Workspace, NSE EPR.

Figure 291: Change in INR and major DM & EM currencies (as on July 31st, 2025)



Source: LSEG Workspace, NSE EPR.

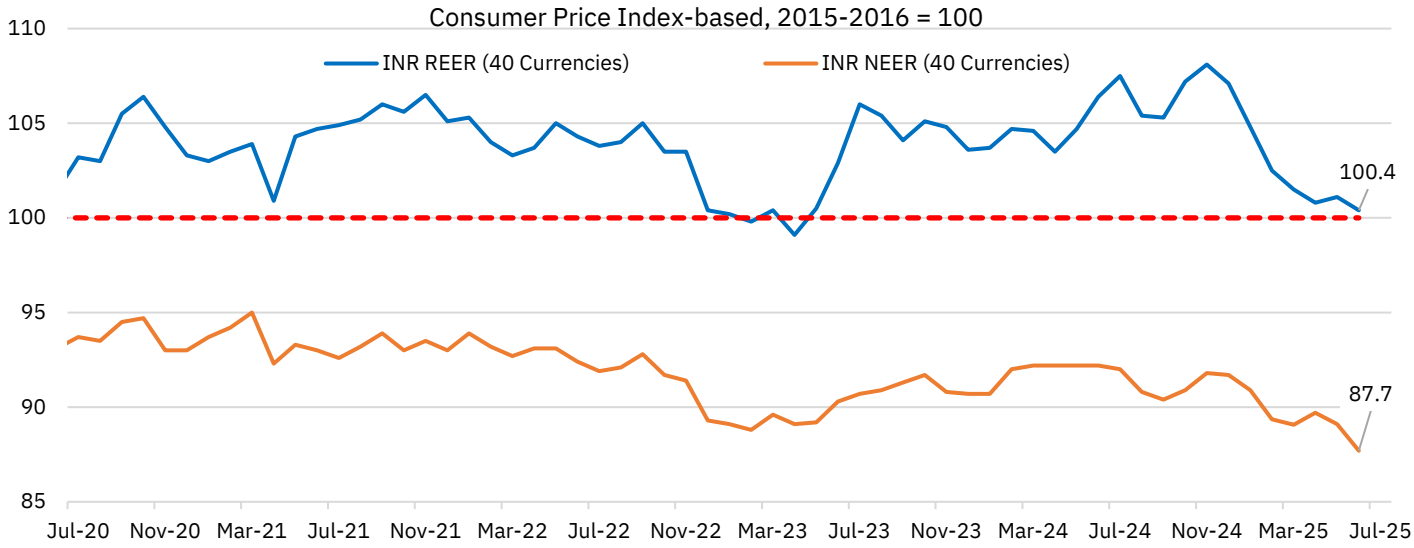
Figure 292: RBI forex reserves and USDINR



Source: LSEG Workspace, NSE EPR.

INR's overvaluation continues, albeit narrowly in Jun'25: The valuation dynamics of the INR have continued to shift in recent months. The Real Effective Exchange Rate (REER) has moderated, even though the currency still remains in the overvalued zone. Despite a gradual depreciation, the INR has stayed overvalued for the 26th month in a row, highlighting the currency's sustained strength against its trading partners. The REER, calculated against a basket of 40 currencies, declined to 100.4 in the latest reading (-70 bps MoM), showing a notable drop from its recent high of 108.1 seen in Nov'24. This moderation indicates a slow easing of earlier pressures, though the index remains above the typical benchmark. On the other hand, the Nominal Effective Exchange Rate (NEER) reversed its previous trend and continued its downward slide, falling to 87.7 in Jun'25 from 89.7 over the preceding two months, signalling persistent nominal depreciation pressures even as the real exchange rate adjustment proceeds more cautiously.

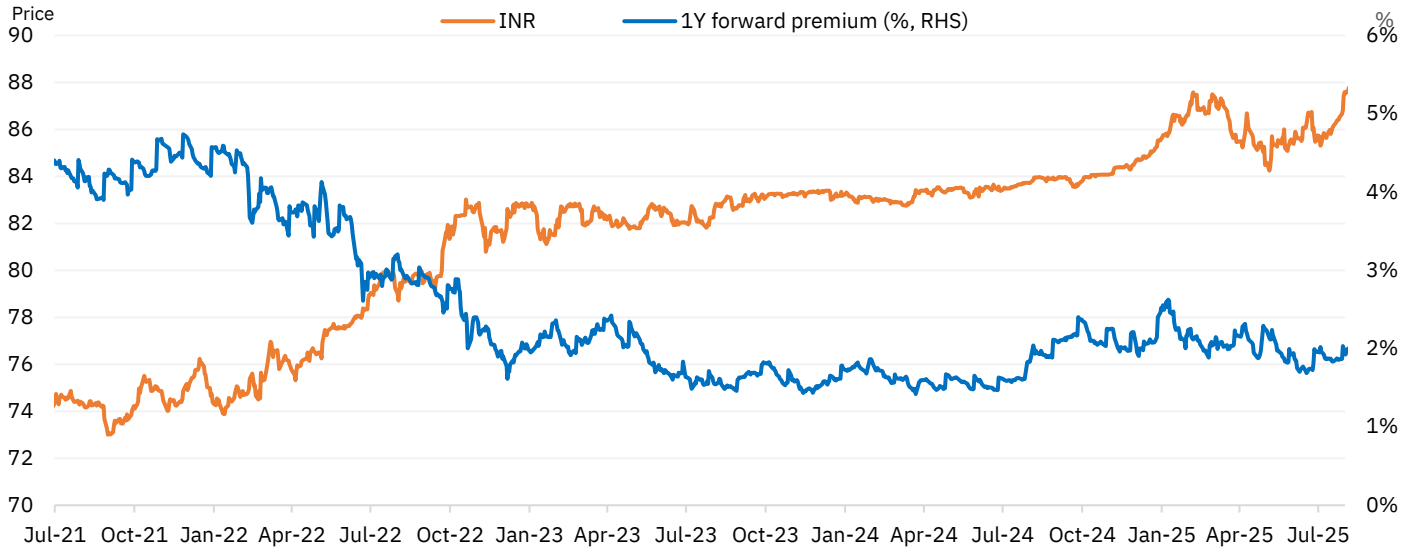
Figure 293: Real and nominal effective exchange rates of INR



Source: CMIE Economic Outlook, NSE EPR.

One-year forward premia edges higher, second lowest in 12 months...: The one-year forward premium on the INR edged higher in July but remained the second lowest in eleven months, despite persistent geopolitical tensions and ongoing trade uncertainties. The uptick was driven largely by new US tariffs on India, uncertainty over potential penalties for purchases of Russian crude, and expectations that interest rate differentials will remain steady as both the Fed and RBI are likely to keep policy rates unchanged. The forward premium rose to 1.9% in July (from 1.8% in June), with significant intra-month volatility—fluctuating between 158 and 176.5 paise before settling at 170.8 paise against the dollar. The new US administration's trade stance further fuelled forex market volatility, amplifying swings in the forward premium in recent months. However, India's robust foreign exchange reserves acted as a key buffer, helping stabilise the forward curve amid near-term pressures. Despite recent fluctuations, the premium remains well below its post-pandemic peak of 5.3%, underscoring the strength of India's macro fundamentals and the resilience of its external sector.

Figure 294: USDINR and 1-year forward premium



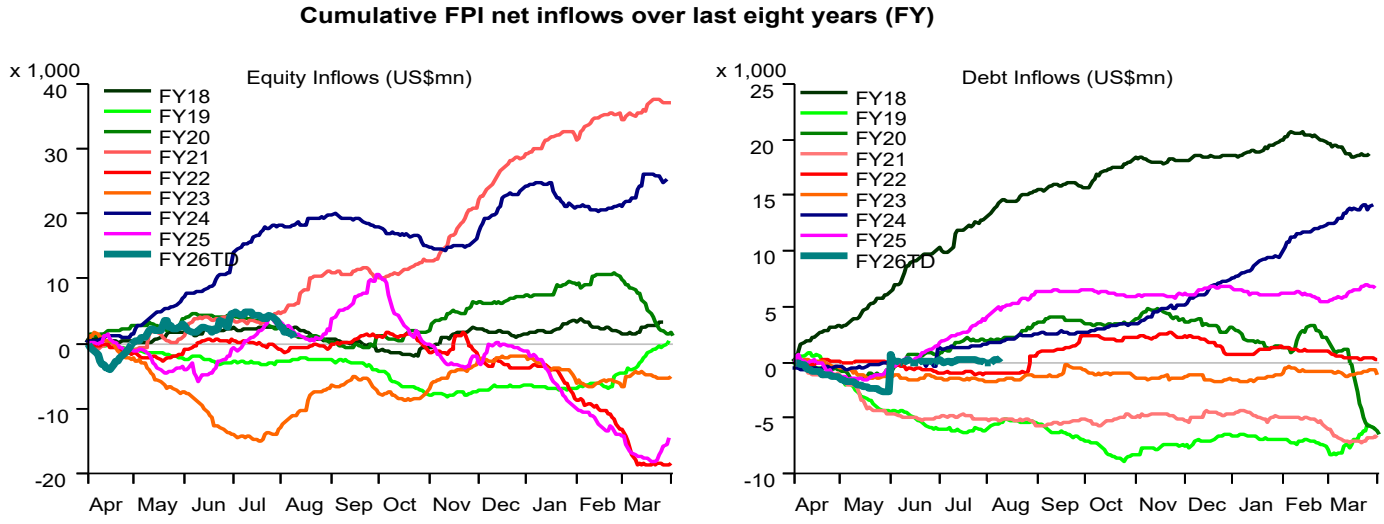
Source: NSE Cogencis, NSE EPR.

Institutional flows across market segments in India

FPIs turned net sellers of Indian equities in July…: FPIs were net buyers in the Indian equity market in Q1FY26, bringing in US$4.5 billion of inflows amid easing trade tensions, favorable global environment and policy support from the RBI. However, in July, renewed uncertainty over trade negotiations, weaker-than-expected Q1 corporate earnings and weakening in the INR decidedly turned the FPIs into net sellers. Outflows in July amounted to US$2.1 billion compared to an inflow of US$3.9 billion last year. This was the third highest selling in 2025 till date, after January and February. For the month of August (till 7th August 2025), higher tariffs announced by the US and the deteriorating situation of the India-US trade deal heightened uncertainty, leading to an outflow of US$1.4 billion in the Indian equity market. The cumulative net FPI inflows in Indian equities in the fiscal year thus far stand at US$1.1 billion (as of 7th August 2025).

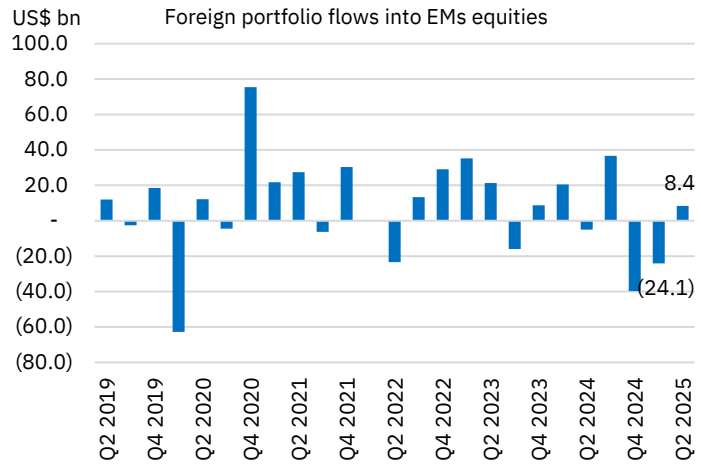
…as well as in the debt market: Net FPI flows have remained muted with outflows in the debt market, amounting to US$25 million (general limit route) in July. This was primarily triggered by the sharply narrowing bond yield spread between India and the US, global economic and geopolitical uncertainties, and the resulting shift in global risk appetite from emerging market debt to safer Western bonds. The median 10-yr government bond yield spread between India and the US over the last two decades was 4%, but currently, it is significantly lower at 1.9%. The recent rupee volatility has also added to the worry. As of August 7, 2025, net FPI inflows stand at US$ 323mn. Cumulatively, for the fiscal year to date (up to 7th August), net FPI inflows to the debt market total US$ 317mn.

Figure 295: Net inflows by FPIs in Indian equity and debt markets



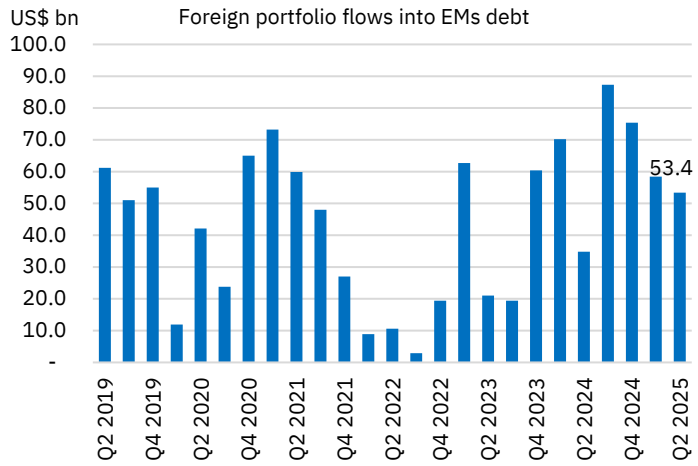
Source: LSEG Workspace, NSE EPR.

Figure 296: Foreign portfolio flows into emerging market equities



Source: Institute of International Finance, NSE EPR.

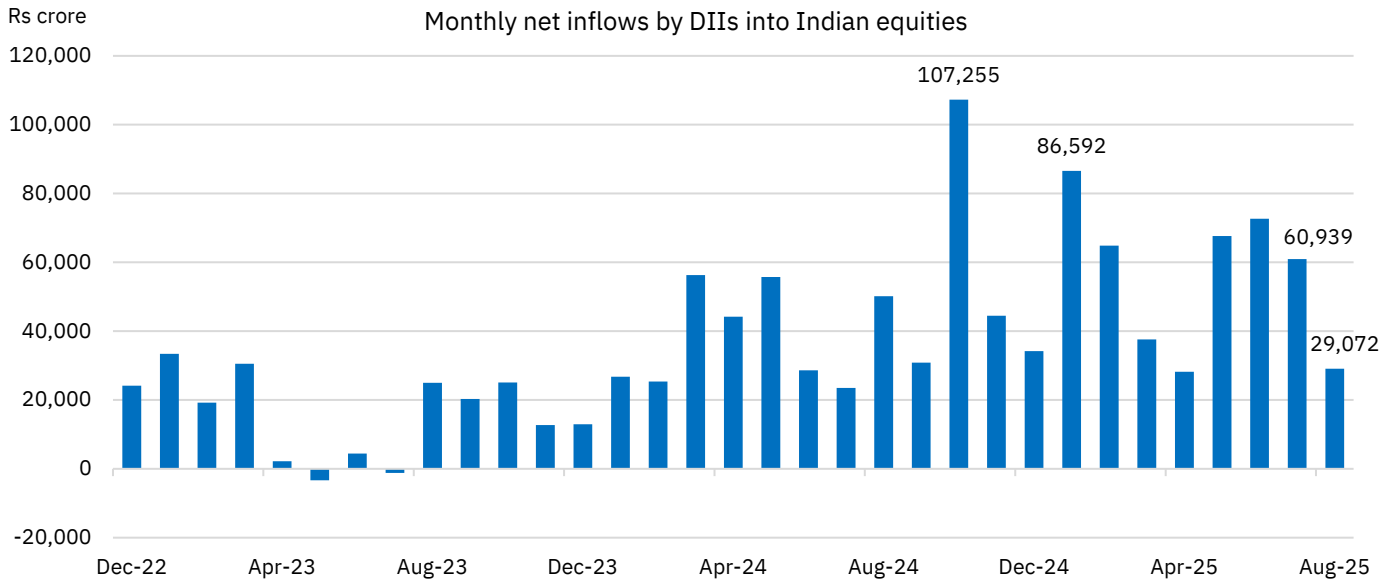
Figure 297: Foreign portfolio flows into emerging market debt



Source: Institute of International Finance, NSE EPR

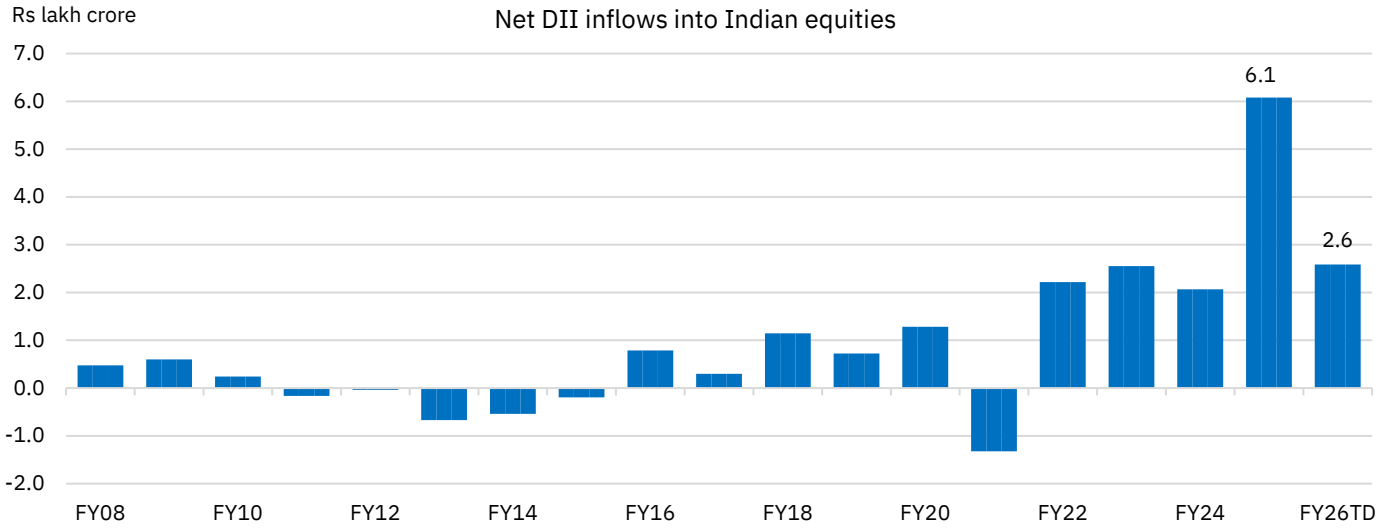
DIIs remained consistent buyers in Indian equities but were net sellers in Indian debt: In July 2025, DIIs played a crucial role in stabilizing the Indian markets, demonstrating strong buying interest despite FPI outflows. This resulted in a net purchase of Rs 60.9k crore in equities for July. Inflows continued in August, with Rs 29.1k crore added up to August 7th bringing total DII net inflows in FY26 so far (as of August 7, 2025) to Rs 2.3 lakh crore. Among DIIs, Domestic Mutual Funds (DMFs) were key drivers of equity inflows, investing Rs 47.0k crore (US$ 5.5bn) in July and Rs 12.6k crore (US$ 1.4bn) in August (as of August 6th), taking their FY26TD equity investments to Rs 1.8 lakh crore (US$ 12.5bn). DMFs remained net sellers of Indian debt, recording outflows amounting to Rs 21.2k crore (US$ 2.5bn) in July. In FY26TD (till August 6th), they posted a net outflow of Rs 1.8 lakh (US$ 21.4bn) crore from debt overall.

Figure 298: Monthly net inflows by DIIs in Indian equity markets



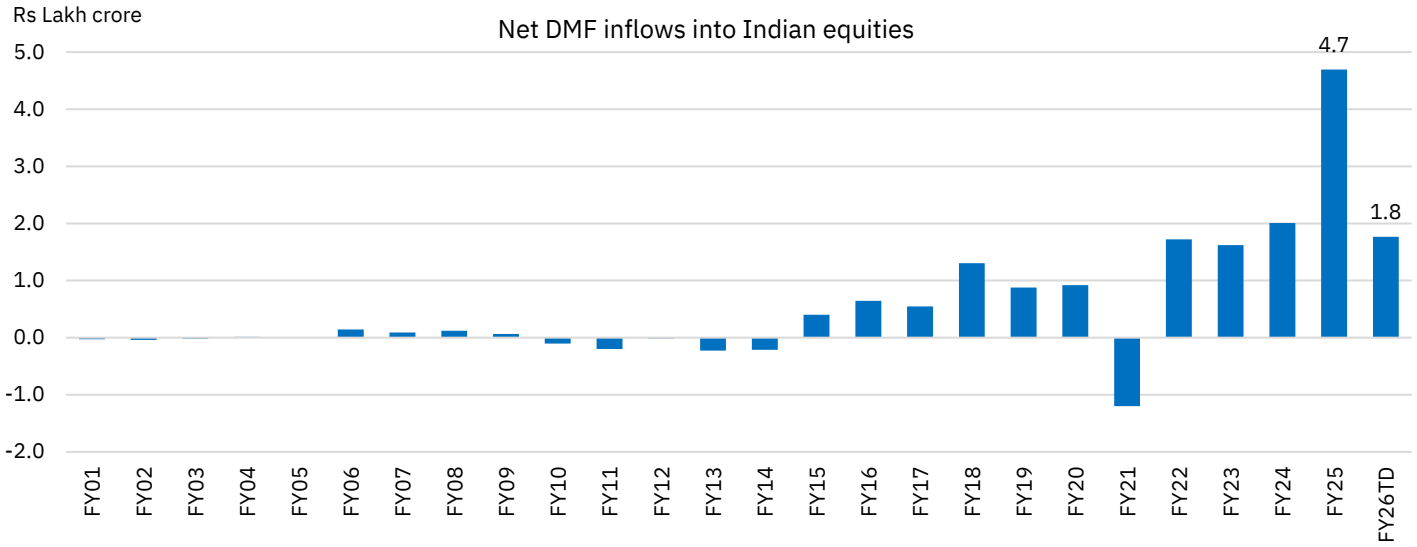
Source: LSEG Workspace, NSE EPR. Data for August is as of August 7th, 2025.
Note: The figure above shows total traded value executed by DIIs across exchanges, compiled based on trading codes entered by Trading Members at the time of order entry and corresponding client category classification provided by trading members.

Figure 299: Annual net inflows by DIIs in Indian equity markets



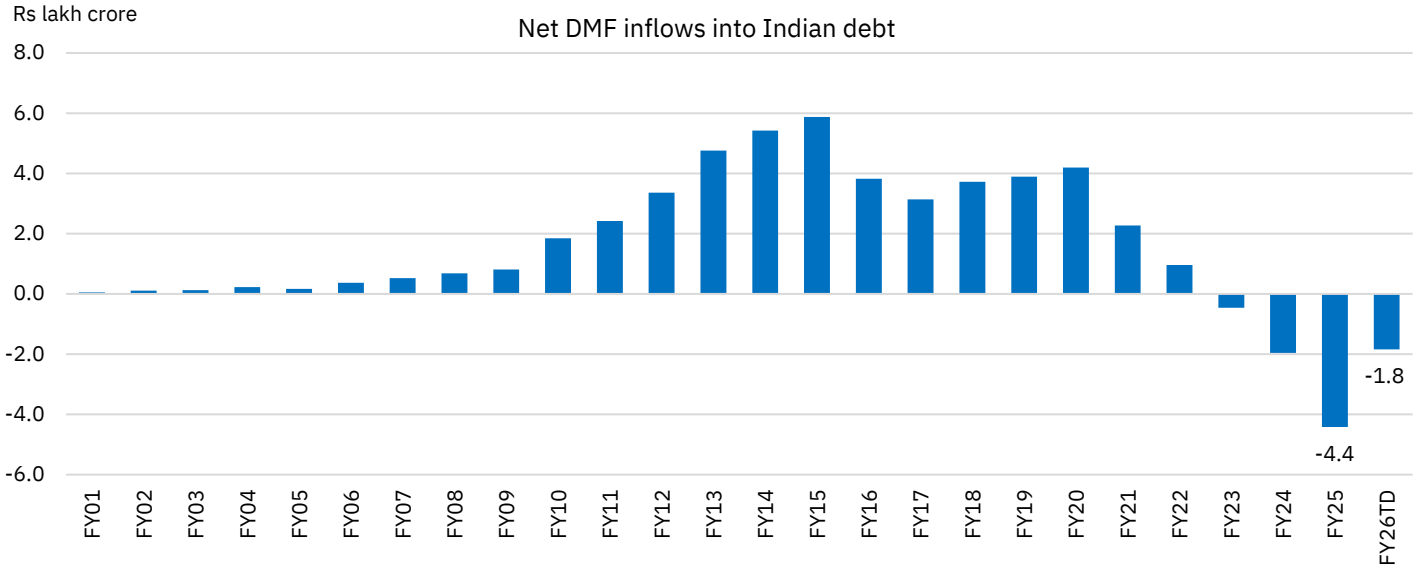
Source: LSEG Workspace, NSE EPR. *Data for FY26TD is as of August 7th, 2025
Note: The figure above shows total traded value executed by DIIs across exchanges, compiled based on trading codes entered by Trading Members at the time of order entry and corresponding client category classification provided by trading members.

Figure 300: Annual net inflows by domestic mutual funds in Indian equity markets



Source: CMIE Economic Outlook, NSE EPR. *Data for FY26TD is as of August 6th, 2025.

Figure 301: Annual net inflows by domestic mutual funds in Indian debt markets



Source: CMIE Economic Outlook, NSE EPR. *Data for FY26TD is as of August 6th, 2025.

Primary markets

Fund mobilisation

Equity fundraising robust as large IPOs returns to Indian markets: In July 2025, total fund mobilisation through equity and debt stood at Rs 1.7 lakh crore, reflecting an 8% month-on-month (MoM) decline. This was largely driven by a 32% MoM fall in debt fundraising, led by a steep 56% drop in privately placed NCD issuances — the lowest in fifteen months. In contrast, equity fundraising surged 107% MoM to nearly Rs 62,000 crore, supported by a 186% jump in mainboard IPOs and an 82% rise in further issuances.

A total of 13 companies debuted on the exchange's mainboard, raising Rs 24,559 crore — the highest in seven months — with 30% from fresh issuances and 70% via offers for sale. An equal number of companies listed on the NSE Emerge platform, raising Rs 604 crore, of which 93% comprised fresh issuances. Together, these 26 listings mobilised Rs 25,164 crore in July, exceeding the total IPO fundraising during Q1 FY25. This performance reflects strong optimism from both investors and issuers, buoyed by easing global headwinds and improved sentiment following developments such as the India–UK trade deal, alongside the IMF's upward revision of India's growth forecast, positioning it as the fastest-growing major economy.

The month also witnessed the largest IPO of FY26-to-date, with HDB Financial Services Limited raising Rs 12,500 crore — over half the mainboard proceeds. By comparison, the previous fiscal saw three mega-IPOs exceeding Rs 10,000 crore each: Hyundai Motors India Ltd, Swiggy Ltd, and NTPC Green Energy Ltd. The Indian equity market thus remains an attractive avenue for large companies to fund growth in a robust economic environment.

Further issuances recorded notable momentum, with QIP volumes soaring 203% MoM to Rs 30,609 crore, followed by a 9% increase in preferential issuances to Rs 4,189 crore. In the first four months of FY26, total fundraising reached Rs 6.8 lakh crore, of which equity accounted for Rs 1.6 lakh crore (23%), business trusts contributed 0.2%, and the balance 77% was mobilised through debt instruments.

Table 61: Monthly fund mobilisation (Rs crore) through equity and debt during the year

Segments	Modes	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Equity (Main Board) - Primary markets	Fresh listing	1,204	525	-	-	4,921	7,078	7,464
	OFS	874	13,380	-	-	355	1,497	17,096
	IPO (Fresh + OFS)	**2,078**	**13,905**	**-**	**-**	**5,276**	**8,575**	**24,559**
	FPO	-	-	-	-	-	-	-
	Rights	143	617	1,016	48	1,008	6,030	1,698
	Preferential allotment	3,997	2,439	5,360	42,644	2,370	3,649	4,028
	QIPs	3,961	-	5,368	5,969	110	10,106	30,539
Equity (SME) - Primary markets `	Fresh listing	295	519	266	121	218	837	565
	OFS	48	87	12	37	3	11	40
	IPO (Fresh + OFS)	**342**	**607**	**278**	**157**	**222**	**848**	**604**
	FPO	-	-	-	-	-	-	-
	Rights	-	-	-	7	-	49	40
	Preferential allotment	263	190	72	90	268	199	161
	QIPs	-	-	-	25	-	-	70
Secondary markets	OFS	5,407	-	23	4,086	3,860	354	**35**
Total equity raised		**16,191**	**17,756**	**12,117**	**53,026**	**13,114**	**29,810**	**61,733**
InvITS	Fresh listing	1,578	-	-	-	-	-	1,300
	Rights	-	-	-	-	-	-	-
	Preferential allotment	5,501	-	3,286	-	-	-	-
	QIPs	-	-	5,455	-	-	-	-
REITs	Fresh listing	-	-	-	-	-	-	-
	Rights	-	-	-	-	-	-	-
	Preferential allotment	-	-	613	-	-	-	-
	QIPs	-	-	-	-	-	-	-
Total business trusts raised		**7,079**	**-**	**9,353**	**-**	**-**	**-**	**1,300**
Debt	CPs	42,634	73,052	96,055	87,828	67,395	88,460	74,483
	NCDs (Private)	44,380	49,875	88,649	55,299	58,408	62,952	27,879
	NCDs (Public)	-	-	184	700	-	-	1,000
Total debt raised		**87,014**	**1,22,927**	**1,84,888**	**1,43,827**	**125,803**	**1,51,412**	**1,03,362**
Total fund mobilisation		**1,10,285**	**1,40,684**	**2,06,357**	**1,96,853**	**1,38,917**	**1,81,222**	**1,66,395**

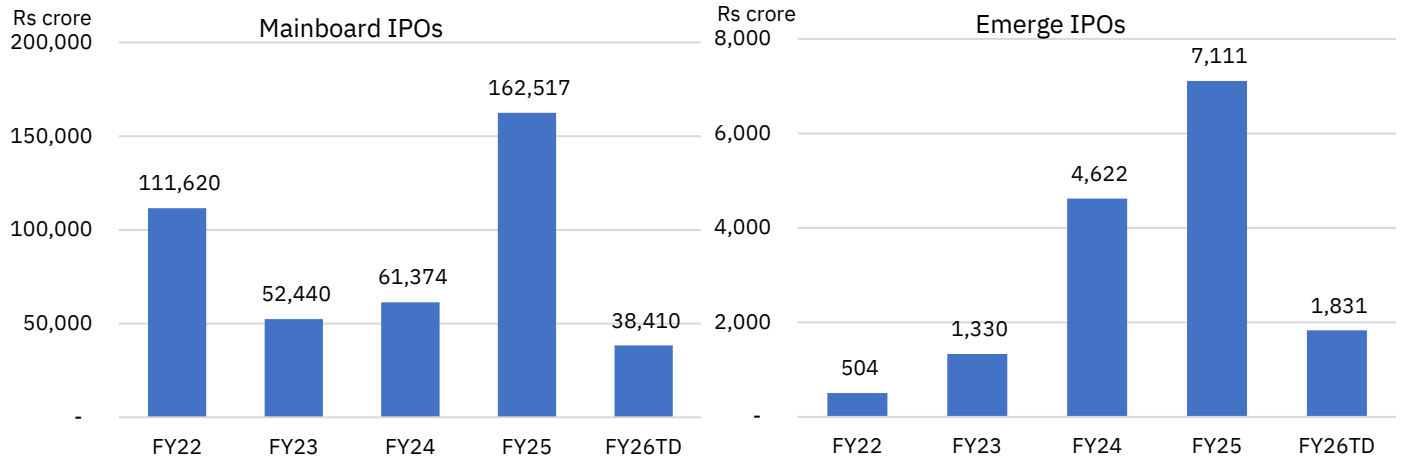
Source: NSE EPR. Note: Debt issuances include reissuances.

Table 62: Annual trend of fund mobilisation (Rs crore) during the last five years

Segment	Modes	FY22	FY23	FY24	FY25	FY26TD
Equity	Initial Public Offering	1,12,124	53,770	65,995	1,69,628	40,241
	Further issuances	1,15,312	99,000	1,15,476	2,27,305	1,09,107
	OFS (Secondary Markets)	14,210	11,033	21,769	29,077	8,335
Business Trusts	InvITs and REITs	16,075	3,470	38,230	24,471	1,300
Debt	CPs and NCDs (private and public)	11,95,428	12,17,436	11,42,077	14,18,443	5,24,404
Total fund mobilization		**14,53,148**	**13,84,709**	**13,83,547**	**18,68,924**	**6,83,387**

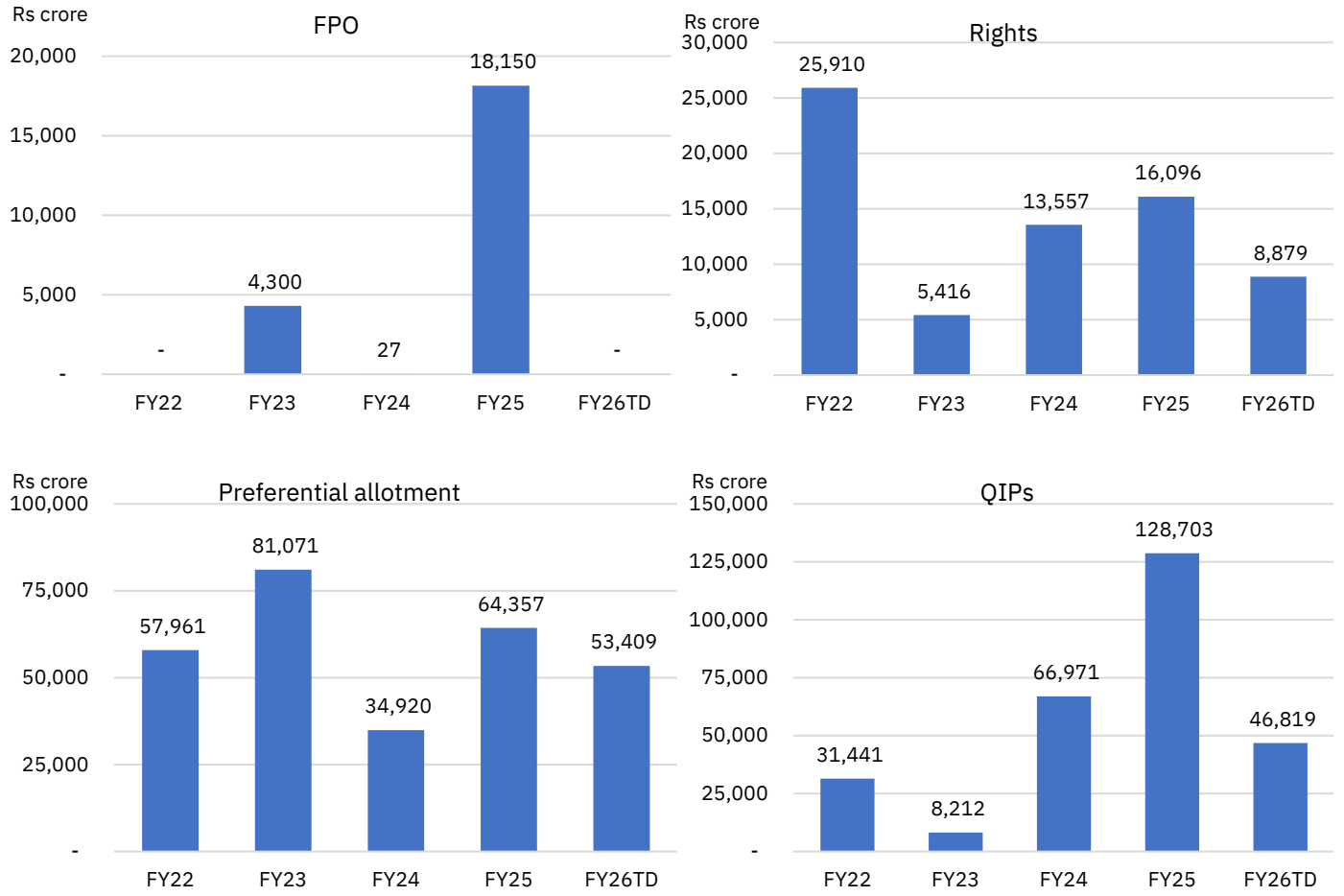
Source: NSE EPR.
Notes:
1.Data for initial public offering includes issuances on Mainboard and Emerge platform.
2.Debt issuances include reissuances.
3.Data for FY26TD is as of Jul'25.

Figure 302: Annual trend on equity raised through IPOs on Mainboard



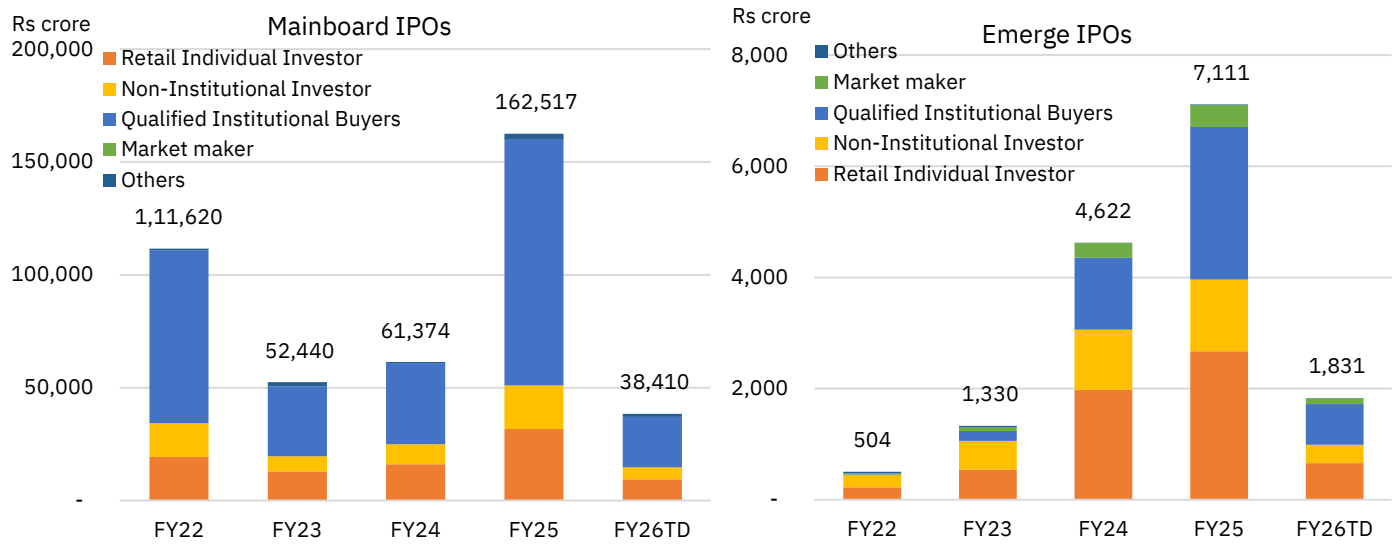
Source: NSE EPR.
Note: Data for FY26TD is as of Jul'25.

Figure 303: Annual trend on equity raised through further issuances



Source: NSE EPR.
Notes:
1.Data includes Mainboard and Emerge issuances
2. Note: Data for FY26TD is as of Jul'25

Figure 304: Annual trend of IPO allocation (Rs crore) to investors



Source: NSE EPR.
Note: Data for FY26TD is as of Jul'25.

Eligibility requirements and allocation criteria for mainboard IPOs

Regulation 6(1) and 6(2) of the SEBI ICDR Regulations lay down the framework for initial listing of companies on the main board.

Eligibility criteria for an issuer to make an initial public offering under regulation 6(1):

- Net tangible assets of at least Rs 3 crore in each of the preceding three full years (of twelve months each), of which not more than 50% are held in monetary assets
- Average operating profit of at least Rs 15 crore during the preceding three years (of twelve months each), with operating profit in each of these preceding three years
- Net worth of at least Rs 1 crore in each of the preceding three full years (of twelve months each)
- In case of name change in the last one year, at least 50% of the revenue for the preceding one full year has been earned by it from the activity indicated by its new name.

Note: The thresholds mentioned above are based on restated and consolidated figures.

For issuers satisfying the eligibility criteria under regulations 6(1), the following allotment criteria would apply.

- Minimum allotment to Retail and NII is 35% and 15%, respectively. Allotment to QIBs is capped at 50%, 5% of which shall be allocated to mutual funds.

Regulation 6(2) of the ICDR Regulations specifically allows issuer companies who do not satisfy the asset/net worth/operating profit criteria listed under Regulation 6(1) to make an initial public under. This is subject to a minimum allotment of 75% to qualified institutional buyers ("QIBs") and refund of the full subscription money if it fails to do so. Such issues are mandatorily required to be made through the book-building process. Accordingly, maximum allotment to Retail and NII for IPO issuances under Regulation 6(2) is capped at 10% and 15% respectively.

Please refer the SEBI's ICDR regulations for more details.

New IPOs in the month

Industrials, consumer discretionary and materials dominate IPO landscape in FY26 so far: Among the newly listed entities in July 2025, nine companies on the mainboard recorded listing gains, two companies listed below their offer price, and two debuted at par. On the NSE Emerge platform, ten companies posted listing gains, while three listed below the offer price. Collectively, these fresh listings added Rs 1.7 lakh crore to market capitalisation as of July 31, 2025, highlighting the exchange's pivotal role in channelising capital to growing companies and wealth creation. A notable highlight has been the performance of the SME platform, which since inception has hosted 647 company listings, mobilising Rs 18,697 crore, with these firms contributing Rs 2.2 lakh crore in market capitalisation as of July-end. Of these, 147 companies have successfully migrated to the mainboard. The SME-listed companies represent diverse geographies, though Maharashtra, Gujarat, and the NCT of Delhi have been dominant, together accounting for 68% of total listings, Rs 12,384 crore raised (66% of total fund raised).

During Apr-Jul 2025, NSE witnessed 22 IPOs on the mainboard, led by the Consumer Discretionary sector, with seven listings that raised Rs 12,395 crore, accounting for 32% of the total proceeds. This was followed by the industrials sector with six listings raising Rs 3,094 crore (8%), and the materials sector with three listings garnering Rs 1,593 crore (4%). In the Emerge segment, 37 companies debuted, dominated by the Industrials sector with 15 listings that mobilized Rs 622 crore (34%), followed by Consumer Discretionary with nine listings raising Rs 545 crore (30%), and Materials with five listings collecting Rs 244 crore (13%). Overall, Industrials, Consumer Discretionary, and Materials were the most prominent sectors driving IPO activity in FY26 so far.

Table 63: Summary of IPOs on Mainboard in July 2025

Listing Date	Name of the company	Fresh Issuances (Rs crore)	Offer for sales (Rs crore)	Total raised (Rs crore)	Offer Price (Rs)	Listing Gain (%)	Market Cap (Rs Crore)
01-Jul-25	Kalpataru Limited	1,590	-	1,590	414	0%	8,168
01-Jul-25	Globe Civil Projects Limited	119	-	119	71	27%	490
01-Jul-25	Ellenbarrie Industrial Gases Limited	400	453	853	400	22%	8,141
02-Jul-25	Sambhv Steel Tubes Limited	440	100	540	82	34%	3,763
02-Jul-25	HDB Financial Services Limited	2,500	10,000	12,500	740	13%	62,927
03-Jul-25	Indogulf Cropsciences Limited	160	40	200	111	0%	693
09-Jul-25	CRIZAC LIMITED	-	860	860	245	15%	5,824
14-Jul-25	Travel Food Services Limited	-	2,000	2,000	1100	2%	13,771
17-Jul-25	Smartworks Coworking Spaces Limited	445	138	583	407	7%	4,856
21-Jul-25	Anthem Biosciences Limited	-	3,395	3,395	570	27%	42,635
30-Jul-25	Indiqube Spaces Limited	650	50	700	237	-9%	4,587
30-Jul-25	GNG Electronics Limited	400	60	460	237	50%	3,775
31-Jul-25	Brigade Hotel Ventures Limited	760	-	760	90	-10%	3,241

Source: CMIE Prowess, NSE EPR.
Note: Data for market capitalisation is as of July 31st, 2025.

Table 64: Summary of IPOs on Emerge platform in July 2025

Listing Date	Name of the company	Fresh Issuances (Rs crore)	Offer for sales (Rs crore)	Total raised (Rs crore)	Offer Price (Rs)	Listing Gain (%)	Market Cap (Rs Crore)
01-Jul-25	Shri Hare-Krishna Sponge Iron Limited	30	-	30	59	10%	124
02-Jul-25	Rama Telecom Limited	25	-	25	68	6%	86
02-Jul-25	Suntech Infra Solutions Limited	34	10	44	86	27%	153
03-Jul-25	PRO FX Tech Limited	40	-	40	87	9%	197
03-Jul-25	Moving Media Entertainment Limited	43	-	43	70	1%	145
07-Jul-25	Pushpa Jewellers Limited	79	20	99	147	-24%	317
07-Jul-25	Silky Overseas Limited	31	-	31	161	6%	72
07-Jul-25	Cedaar Textile Limited	61	-	61	140	-15%	168
10-Jul-25	Happy Square Outsourcing Services Limited	24	-	24	76	1%	102
14-Jul-25	Smarten Power Systems Limited	40	10	50	100	44%	249
21-Jul-25	Spunweb Nonwoven Limited	61	-	61	96	57%	376
28-Jul-25	Savy Infra and Logistics Limited	70	-	70	120	14%	296
30-Jul-25	TSC India Limited	26	-	26	70	-3%	95

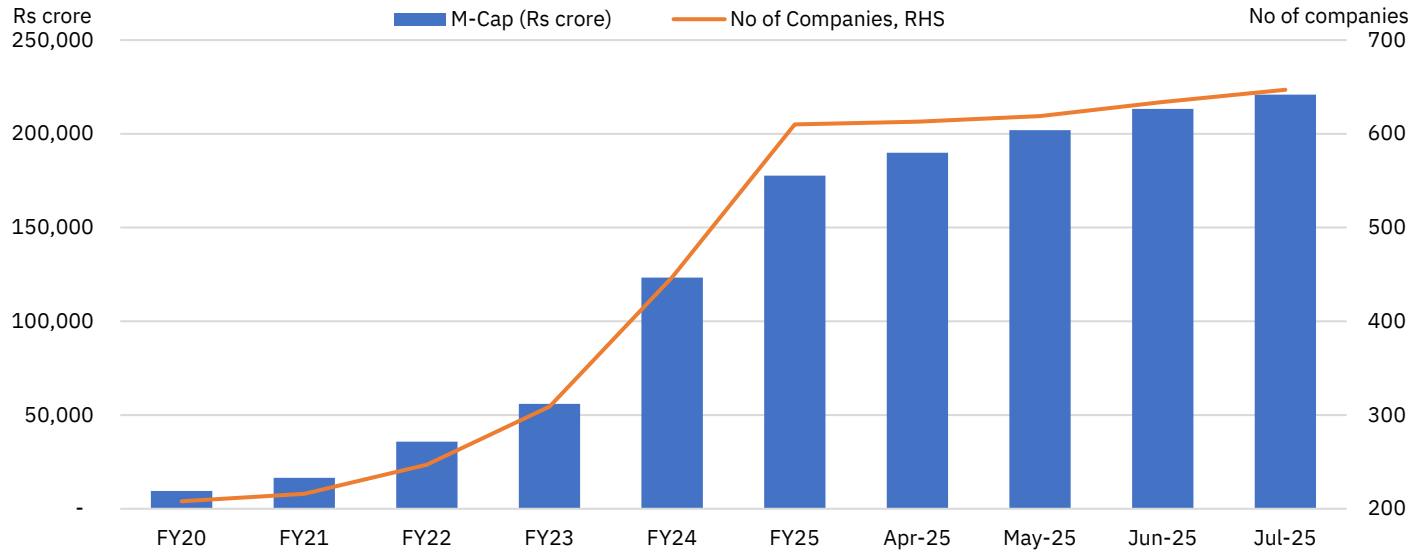
Source: CMIE Prowess, NSE EPR.
Note: Data for market capitalisation is as of July 31st, 2025.

Table 65: Top 10 state-wise issuance on Emerge platform since inception

State	No of listings	Issue size (Rs crore)	Market cap (Rs crore)
Maharashtra	184	5,182	51,668
Gujarat	166	4,130	48,670
NCT of Delhi	88	3,073	41,472
West Bengal	38	1,147	10,032
Tamil Nadu	21	964	9,378
Rajasthan	30	814	15,003
Madhya Pradesh	29	701	13,415
Karnataka	16	635	6,167
Haryana	15	462	3,957
Telangana	18	458	2,189
Others	42	1,131	18,914
Grand Total	**647**	**18,697**	**2,20,867**

Source: CMIE Prowess, NSE EPR.
Notes: 1. Market cap values are as on July 31st, 2025.
2. Above data includes companies that have migrated to Mainboard of the exchange.

Figure 305: Annual trend of listings and market capitalization on NSE Emerge (SME Platform)



Source: CMIE Prowess, NSE EPR.
Notes: 1. Market cap is as on the last working day for the period.
2. Above data includes companies that have migrated to Mainboard of the exchange.

Investor growth

Region-wise distribution of total registered investors

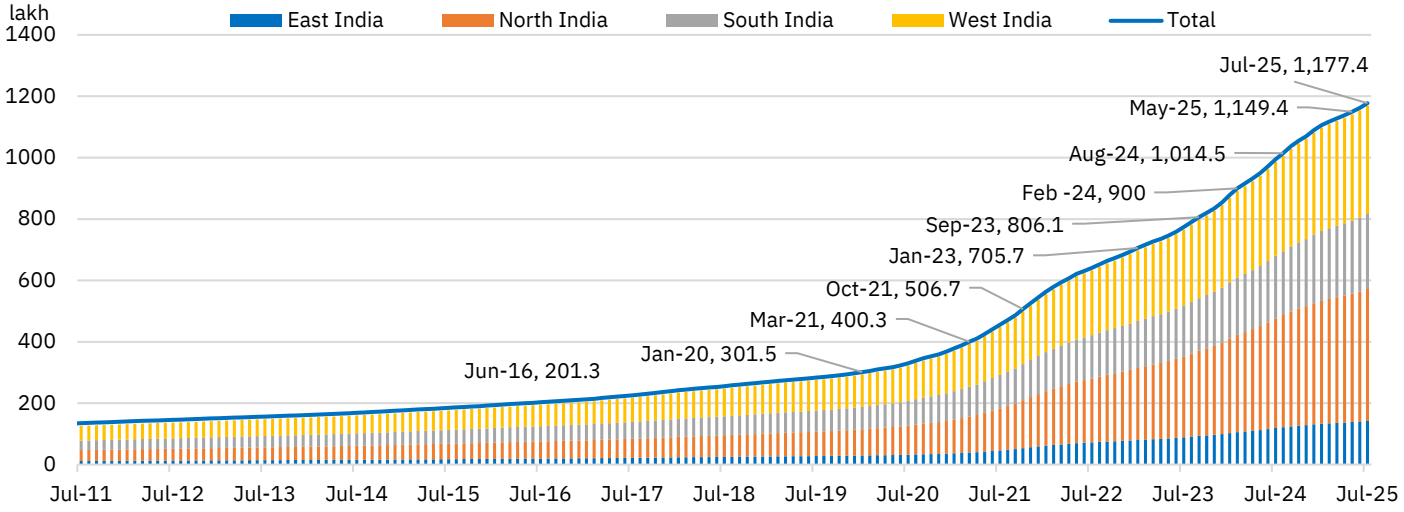
NSE's unique registered investor base reached 11.8 crore by end-July: As of end-July 2025, the NSE's registered investor base stood at 11.8 crore, with 15.1 lakh new investors added during the month. This was the highest monthly addition in the past six months – marking a 19% increase. The total count of unique trading accounts also crossed 23 crore in July, capturing all client registrations, as investors can register with multiple trading members.

In FY26 so far, excluding April, investor growth momentum has remained positive, with three consecutive months of double-digit sequential growth in new registrations. However, the pace has been slower than the same period last year. Between April and July 2025 (FY26TD), average monthly additions stood at 12.4 lakh, significantly lower than the FY25TD average of 19.8 lakh per month. This moderation can be attributed to global headwinds, including rising geopolitical tensions and retaliatory tariffs. Nonetheless, the renewed uptick in recent months reflects the deepening trust in India's capital markets and the resilience of investor sentiment amid such external challenges.

The expansion of the investor base has accelerated considerably over the years. While it initially took 14 years to reach the first crore of registered investors, subsequent additions occurred at a much faster pace—with the most recent crore added in just over seven months.

Regionally, North India continued to lead with 4.3 crore registered investors as of July 2025, followed by West India at 3.5 crore, South India at 2.4 crore, and East India at 1.4 crore. On a year-on-year basis, North and South India posted over 20% growth in investor numbers, while East and West India recorded YoY increases of 19.5% and 15.2%, respectively.

Figure 306: Region-wise monthly trends in total unique investor registration



Source: NSE EPR

Note: East India includes Mizoram, Odisha, West Bengal, Assam, Manipur, Arunachal Pradesh, Tripura, Nagaland, Meghalaya, Sikkim, Chhattisgarh; West India includes Maharashtra, Gujarat, Madhya Pradesh, Daman & Diu, Goa, Dadra & Nagar Haveli; North India includes Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Haryana, Delhi, Punjab, Jammu & Kashmir, Himachal Pradesh, Chandigarh And Rajasthan; South India includes Telangana, Kerala, Andhra Pradesh, Tamil Nadu, Karnataka, Pondicherry, Lakshadweep and Andaman & Nicobar.

Table 66: Region-wise distribution of total unique registered investors (in lakh) at end of each fiscal year

Region	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26TD
East India	24.1	27.0	30.4	39.3	65.7	82.8	107.7	135.8	142.4
North India	68.2	76.7	88.4	117.6	189.4	243.5	324.0	409.6	429.3
South India	59.7	66.6	75.1	97.0	132.5	157.3	189.2	232.9	245.0
West India	87.2	96.7	108.4	139.0	198.1	234.8	286.0	341.0	352.2
Others#	7.8	7.8	7.7	7.5	8.0	8.4	9.0	8.6	8.4
Total	**247.0**	**274.9**	**310.0**	**400.3**	**593.7**	**726.9**	**915.8**	**1127.9**	**1177.4**

Source: NSE EPR.
Note: Data for FY26TD is as of July 2025. #Others include Army Personnel Officers and investors for whom state mapping is unavailable

Maharashtra retains top spot among states by investor count, but share declines: As of July 2025, Maharashtra continued to lead all states with a registered investor base of 1.9 crore, reflecting a 13% YoY growth. In the first four months of the fiscal year (Apr'25-Jul'25), even though the number of registered investors has gone up from 1.8 crore in Mar'25, it is a moderate 3.2% increase as opposed to a 6.3% increase during the same period in the previous year. Over the past five years, the state added 1.1 crore investors, maintaining its top position throughout. However, its share of the total investor base declined from 19.5% in FY21 to 16.1% as of July 2025.

Uttar Pradesh remained the second-largest contributor with 1.4 crore investors. The state has steadily climbed to this position, overtaking Gujarat, supported by a strong five-year CAGR of 41.6% – well above the national average of 29.8%. As of July 2025, UP accounted for 11.5% of the total investor base.

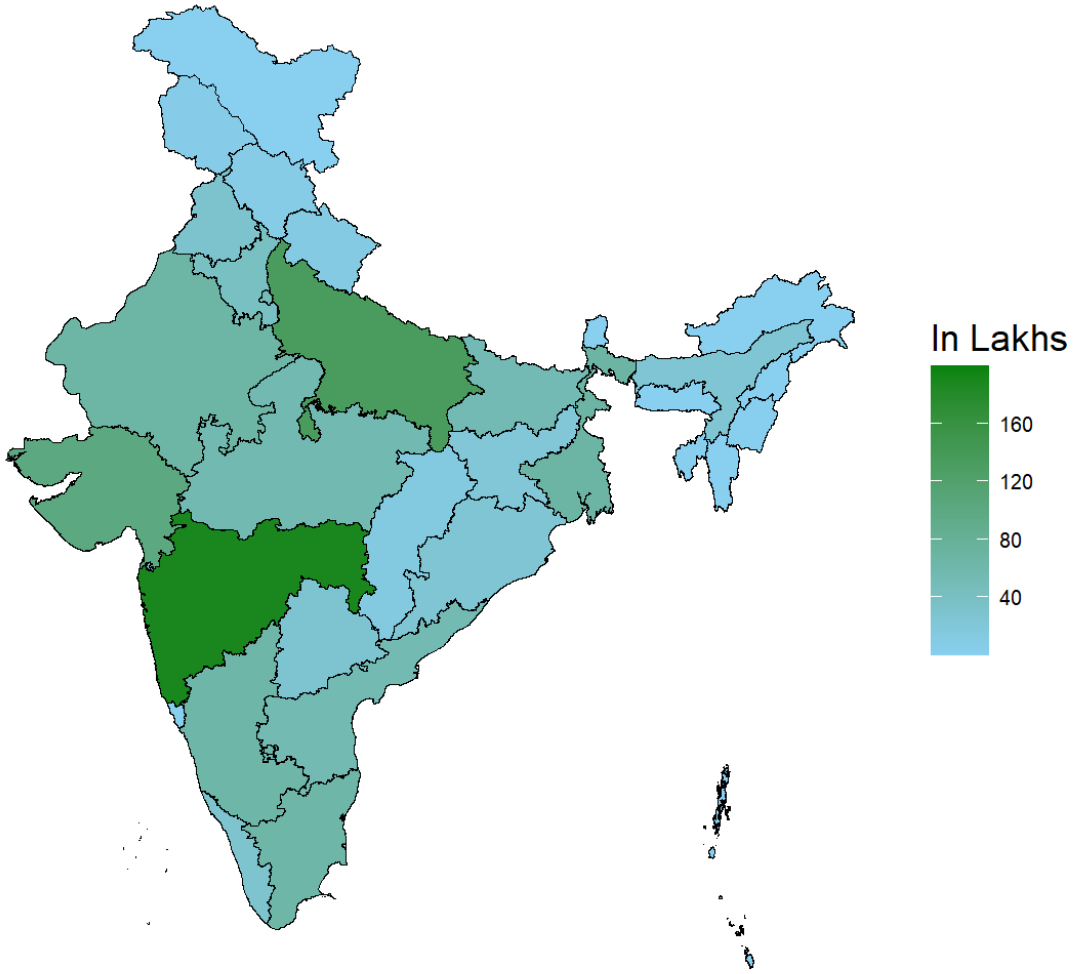
Gujarat ranked third, with just over 1 crore registered investors and an 8.7% share in the overall base, having added 56 lakh investors over the last five years. West Bengal followed with over 69.4 lakh investors, while Rajasthan had over 67 lakh. Collectively, these five states represented 48% of India's total registered investor base as of July 2025. Notably, the share of investors from outside the top 10 states has expanded – from 22.8% in March 2020 to 26.9% in July 2025. This growth was partly fuelled by increased contributions from states like Assam, Odisha, and Chhattisgarh, whose shares rose by 1.5, 0.6, and 0.5 percentage points, respectively, bringing their contributions to 2.2%, 2.2%, and 1.3% as of July 2025.

Table 67: State-wise distribution of total unique registered investors at end of each fiscal year

States	FY15		FY20		FY25		FY26TD*	
	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)
Maharashtra	3,575	19.9	5,963	19.2	18,376	16.3	18,965	16.1
Uttar Pradesh	1,248	6.9	2,302	7.4	12,827	11.4	13,513	11.5
Gujarat	2,055	11.4	3,797	12.2	9,939	8.8	10,237	8.7
West Bengal	1,175	6.5	1,990	6.4	6,614	5.9	6,943	5.9
Rajasthan	667	3.7	1,328	4.3	6,454	5.7	6,726	5.7
Tamil Nadu	1,287	7.2	2,182	7.0	6,261	5.6	6,581	5.6
Karnataka	1,165	6.5	1,949	6.3	6,239	5.5	6,528	5.5
Madhya Pradesh	518	2.9	984	3.2	5,460	4.8	5,688	4.8
Andhra Pradesh	1,002	5.6	1,581	5.1	5,137	4.6	5,455	4.6
Bihar	294	1.6	670	2.2	5,085	4.5	5,377	4.6
Delhi	1,197	6.7	1,853	6.0	4,922	4.4	5,087	4.3
Haryana	531	3.0	971	3.1	3,845	3.4	3,999	3.4
Punjab	389	2.2	704	2.3	2,991	2.7	3,153	2.7
Kerala	583	3.2	942	3.0	2,817	2.5	2,975	2.5
Telangana	279	1.6	813	2.6	2,694	2.4	2,805	2.4
Assam	109	0.6	221	0.7	2,527	2.2	2,620	2.2
Orissa	250	1.4	494	1.6	2,446	2.2	2,571	2.2
Jharkhand	258	1.4	444	1.4	1,989	1.8	2,093	1.8
Chhattisgarh	129	0.7	252	0.8	1,422	1.3	1,489	1.3
Uttarakhand	123	0.7	234	0.8	1,194	1.1	1,251	1.1
Himachal Pradesh	60	0.3	123	0.4	759	0.7	796	0.7
Jammu & Kashmir	65	0.4	112	0.4	651	0.6	686	0.6
Goa	48	0.3	82	0.3	250	0.2	260	0.2
Chandigarh	63	0.3	100	0.3	245	0.2	253	0.2
Tripura	13	0.1	24	0.1	184	0.2	195	0.2
Manipur	5	0.0	18	0.1	125	0.1	134	0.1
Pondicherry	22	0.1	41	0.1	115	0.1	120	0.1
Meghalaya	6	0.0	12	0.0	76	0.1	82	0.1
Nagaland	3	0.0	8	0.0	62	0.1	68	0.1
Arunachal Pradesh	2	0.0	6	0.0	58	0.1	63	0.1
Dadra & Nagar Haveli	6	0.0	9	0.0	48	0.0	48	0.0
Sikkim	3	0.0	7	0.0	42	0.0	44	0.0
Andaman & Nicobar Islands	3	0.0	5	0.0	29	0.0	30	0.0
Mizoram	1	0.0	3	0.0	26	0.0	29	0.0
Daman & Diu	4	0.0	6	0.0	24	0.0	25	0.0
Ladakh	0	0.0	0	0.0	2	0.0	3	0.0
Lakshadweep	0	0.0	0	0.0	2	0.0	3	0.0
Others	823	4.6	773	2.5	853	0.8	841	0.7
Total	**17,960**	**100.0**	**31,004**	**100.0**	**1,12,791**	**100.0**	**1,17,737**	**100.0**

Source: NSE EPR.
Note: Data for FY26TD is as of July 2025.

Figure 307: State-wise distribution of total registered investors as of July 2025



Source: NSE EPR.
Note: The maps above are created using the state-level shapefile from https://geographicalanalysis.com/gis-blog/download-free-india-shapefile-including-kashmir-and-ladakh/

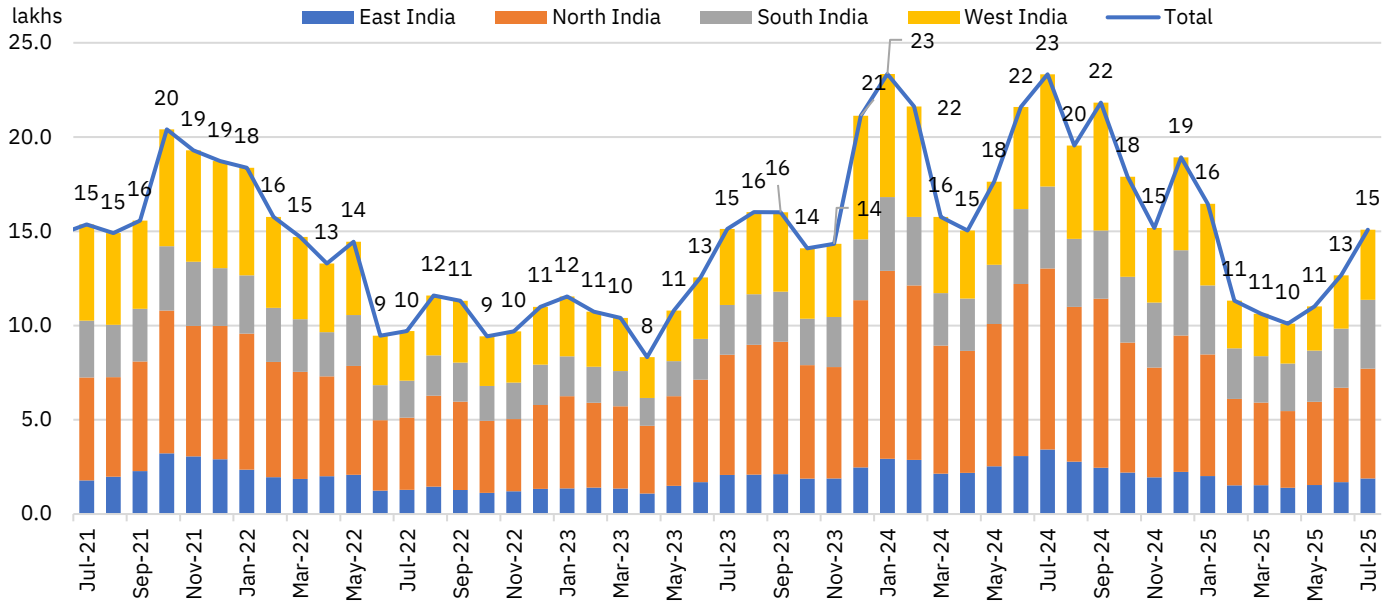
Region-wise distribution of new investor registrations

New investor registrations rose to a six-month high in July: New investor registrations grew by 19.1% MoM in July 2025, adding 15.1 lakh investors compared to 12.7 lakh in the previous month, reaching a six-month high. All regions contributed to this growth, with West India registering the sharpest increase at 31.5% MoM. Despite the rebound, for the four months in FY26 till July, 48 lakh new investor registrations were recorded, noticeably lower than 78 lakh during the same period last year. The average monthly investor registrations stood at 12.2 lakh investors—30% lower than the FY25 run-rate of 17.4 lakh. Looking at the state-wise new additions, Uttar Pradesh accounted for the highest share in July 2025 at 13%, followed by Maharashtra (12%), Gujarat (8%) and Tamil Nadu and West Bengal (7% each). Together, these five states contributed 45% of the month's total new registrations.

UP leads, Gujarat surges in July investor registrations: In July 2025, Uttar Pradesh added 2.0 lakh new investors—a 13.5% MoM increase—contributing 13.3% to the total investor additions. However, the state's average monthly registrations in FY26TD (up to July) have slowed to 1.7 lakh, compared to 2.8 lakh during the same period in FY25. Gujarat saw a sharp uptick in new investor registrations, with additions rising to 1.2 lakh in July—1.7 times higher than the previous month. This pushed its share to 7.7%, making it the third-highest contributor for the month. Apart from Gujarat, states like Rajasthan, Madhya Pradesh, and Andhra Pradesh also recorded strong sequential growth of over 25% among the top 10 states.

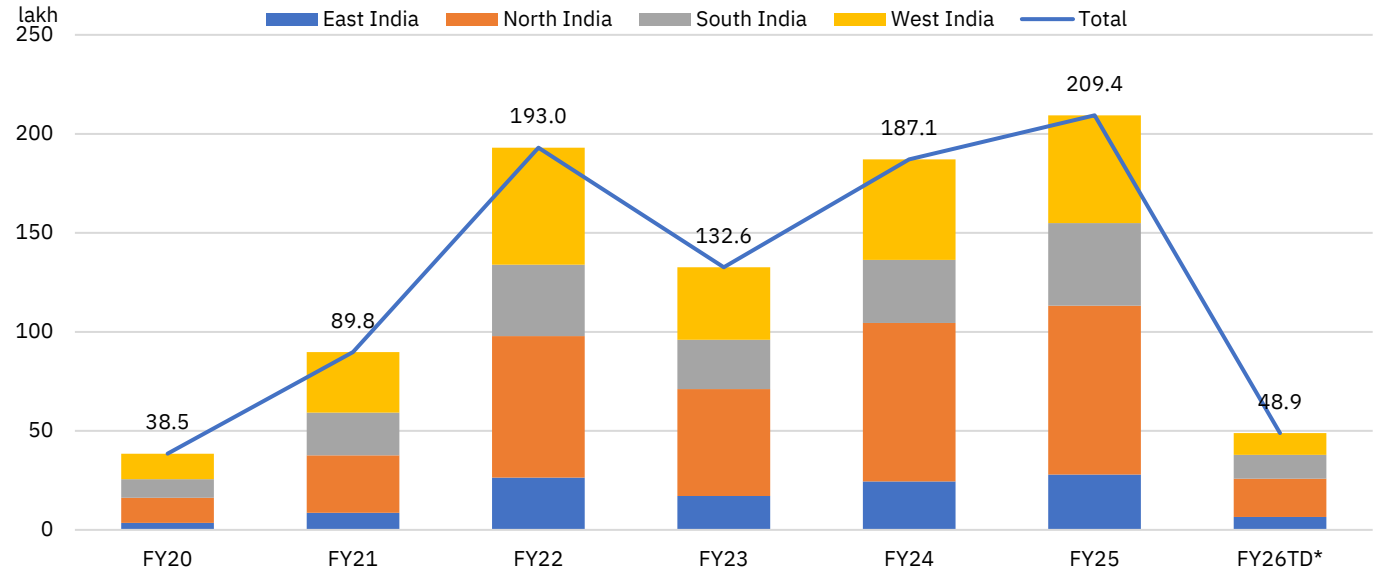
However, when comparing FY26TD to the same period last year, nearly all top 10 states (except Andhra Pradesh, which grew modestly at 1.8% YoY) witnessed a decline in their monthly registration pace. Rajasthan and Madhya Pradesh saw the steepest drops, with average monthly additions falling by 46%—from 1.2 lakh to 66k and from 1.0 lakh to 56k.

Figure 308: Region-wise monthly distribution of new investor registrations



Source: NSE EPR.
Note: East India includes Mizoram, Odisha, West Bengal, Assam, Manipur, Arunachal Pradesh, Tripura, Nagaland, Meghalaya, Sikkim, Chhattisgarh; West India includes Maharashtra, Gujarat, Madhya Pradesh, Daman & Diu, Goa, Dadra & Nagar Haveli; North India includes Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Haryana, Delhi, Punjab, Jammu & Kashmir, Himachal Pradesh, Chandigarh And Rajasthan; South India includes Telangana, Kerala, Andhra Pradesh, Tamil Nadu, Karnataka, Pondicherry, Lakshadweep and Andaman & Nicobar.

Figure 309: Region-wise distribution of new investors registered each financial year



Source: NSE EPR. * Data for FY26 is as of July 2025.

Table 68: Number of new investors registered (in '000) in top 25 states

State	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Uttar Pradesh	164.1	153.5	143.1	156.8	177.3	201.3
Maharashtra	132.4	122.0	116.7	127.5	154.7	178.9
Gujarat	65.1	53.5	49.0	56.2	68.6	116.1
Tamil Nadu	78.3	71.6	74.5	79.6	89.2	97.1
West Bengal	79.3	78.4	69.5	75.7	84.4	92.9
Rajasthan	57.4	54.0	49.9	57.5	68.3	89.4
Karnataka	63.4	59.0	59.1	64.0	74.5	84.7
Bihar	67.2	65.0	60.6	64.8	73.8	83.6
Madhya Pradesh	53.3	47.4	43.2	49.1	57.1	74.0
Andhra Pradesh	49.1	46.2	46.7	50.6	59.0	73.2
Telangana	40.9	37.0	38.4	42.1	47.8	60.6
Delhi	40.0	38.6	35.4	38.8	43.3	50.4
Kerala	35.3	31.3	32.1	34.2	41.0	47.8
Haryana	36.0	32.3	29.9	32.6	37.2	46.6
Punjab	38.5	39.8	38.2	38.0	41.2	42.2
Odisha	27.7	28.1	26.4	28.9	32.1	35.6
Jharkhand	22.8	22.7	21.8	24.3	26.5	30.5
Assam	20.0	20.2	19.3	22.1	23.4	26.7
Chattisgarh	15.3	16.3	14.8	16.4	18.4	21.1
Uttarakhand	13.2	12.4	11.5	12.5	14.6	16.6
Jammu & Kashmir	10.3	10.3	8.1	7.5	8.4	10.2
Himachal Pradesh	8.2	7.8	6.9	7.2	8.4	10.1
Tripura	2.7	2.8	2.6	2.9	3.3	3.3
Goa	2.2	2.2	2.0	2.0	2.4	3.0
Manipur	1.8	1.9	1.9	2.0	1.9	2.6
Others	8.2	8.3	7.9	8.6	9.6	10.3
Total	**1132**	**1063**	**1009**	**1102**	**1266**	**1509**

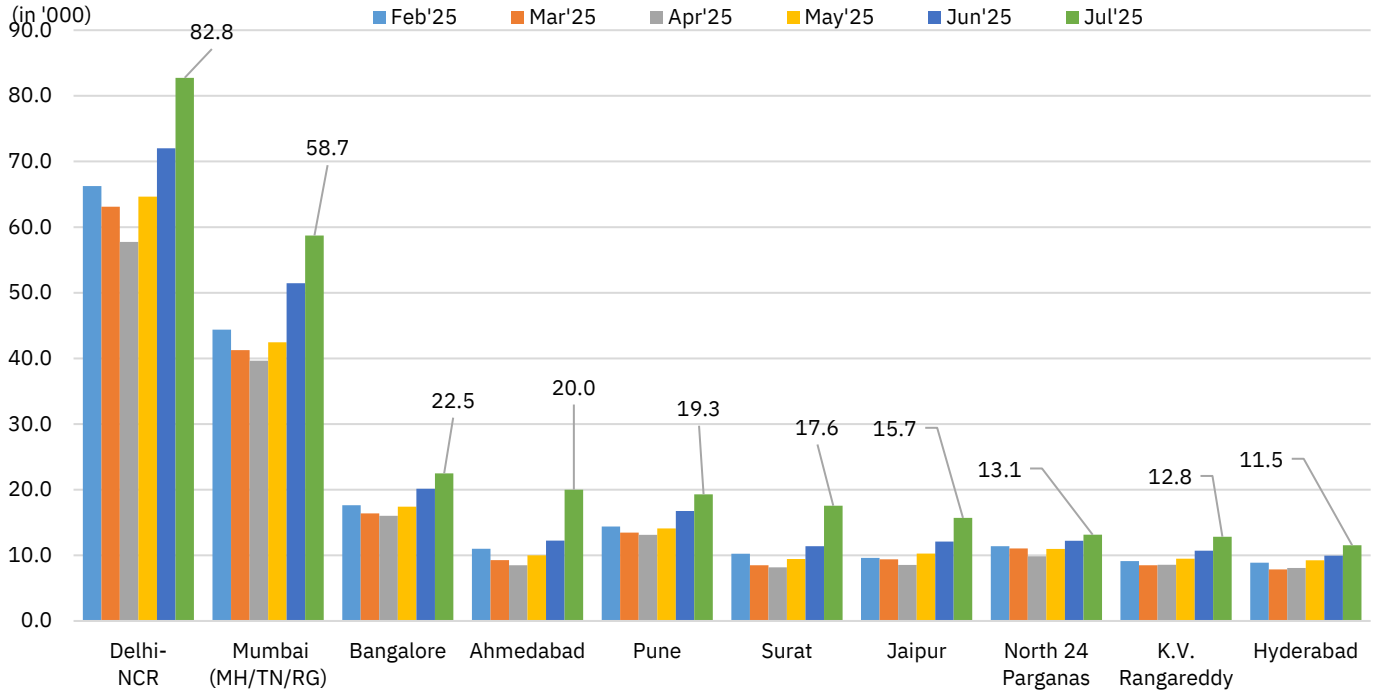
Source: NSE EPR.
Note: Data for the top 25 states are chosen based on last month's data

Top 10 districts contribute 18.2% to new registrations, but FY26 pace remains subdued: In July 2025, the top 10 districts accounted for 18.2% of all new investor registrations, while the top 50 districts together contributed 37.4%. Although 86% of districts saw growth over June (MoM), only 4% reported year-on-year gains – highlighting that the average monthly registration rate in FY26TD continues to trail behind FY25 levels.

Among the top 10 districts, Ahmedabad and Surat recorded the strongest increase in investor registrations – 63% MoM and 54% MoM respectively – in July. However, their average monthly additions in FY26TD remain significantly lower than in FY25TD. Ahmedabad registered 12,700 investors on average (vs. 22,700 last year), while Surat added 11,600 (vs. 23,000).

Delhi, which had the highest share of registrations in July at 5.5%, saw a modest 15% MoM rise, with ~83,000 new investors added. In Maharashtra – home to the largest overall investor base – Mumbai and Pune led the state's growth. Pune registered a 15% MoM increase (~19,300 new investors), while Mumbai grew by 14% (~58,700). However, both cities posted sharp year-on-year declines, with registrations down 44% in Pune and 41% in Mumbai.

Figure 310: Number of new investors registered in top ten districts



Source: NSE EPR.
Note: Date for the top 10 districts are chosen based on latest month.

Investor profile

The share of new investors under the age of 30 increased in FY26 compared to FY25: While the overall proportion of investors under 30 declined slightly — from 39.5% in March 2025 to 38.9% in July 2025 — the share of new investors in this age group during the first four months of FY26 stood at 56.2%, higher than the figure recorded for the full year FY25. Since FY23, there has been a steady increase in the share of new investors aged 30 and above, which has, in turn, contributed to a rise in both the mean and median ages of the overall registered investor base, highlighting a subtle shift in the demographic profile. Meanwhile, the number of registered investors under the age of 40, who account for more than two-thirds of all registered investors, grew by only 4% in the first four months of the current fiscal year, compared to a 9.1% rise during the corresponding period last year.

Table 69: Distribution of registered individual investor base by age

Age category	Share of registered investor base (%)							
	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Jul'25
Less than 30 years	22.6	23.5	29.4	37.5	38.5	40.0	39.5	38.9
30-39 years	31.1	31.2	30.4	28.9	29.2	29.1	29.6	29.8
40-49 years	20.1	19.7	17.9	15.8	15.6	15.4	15.8	16.0
50- 59 years	13.1	12.6	11	9.1	8.6	8.1	8.0	8.1
60 years and above	13.1	13	11.2	8.7	8.1	7.4	7.1	7.1

Source: NSE EPR.
Note: Only individuals and sole proprietorship firms have been considered in the above table

Table 70: Mean and median age of registered individual investors

Age (years)	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Jul'25
Median	38	38	36	33	33	32	32	33
Mean	41.3	41.1	39.2	36.8	36.4	36.8	35.8	36.0

Source: NSE EPR.
Note: 1. Only individuals and sole proprietorship firms have been considered in the above table

Table 71: Age distribution of new investors added every year (%)

Age category	Share of registered investor base (%)							
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26TD
Less than 30 years	45.1	52.1	57.8	59.1	58.3	58.8	53.2	56.2
30-39 years	27.0	26.5	25.4	23.9	24.4	23.6	25.7	23.5
40-49 years	12.0	10.7	9.5	10.0	10.4	10.7	12.5	12.2
50- 59 years	8.2	6.0	4.6	4.7	4.5	4.5	5.6	5.3
60 years and above	7.8	4.7	2.7	2.4	2.4	2.4	2.9	2.8

Source: NSE EPR
Note: Only individuals and sole proprietorship firms have been considered in the above table. Data for FY26TD is as of July 2025.

Table 72: Mean and median age of new investors added each year (FY19 – FY26TD)

Age (years)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26TD
Median	31	29	28	27	27	27	29	28
Mean	35.1	32.6	30.7	30.4	30.4	30.3	31.5	30.7

Source: NSE EPR.
Note: 1. Only individuals and sole proprietorship firms have been considered in the above table. Data for FY26TD is as of July 2025.

Female investor participation continues to rise steadily across states: The proportion of female investors within NSE's individual investor base continued to expand in July 2025. Among the top five states in terms of unique registered investors, Maharashtra leads with women comprising 28.5% of its investor base, up from 25.6% in FY23, followed by Gujarat at 26.6% (vs. 27.9% in FY23). Despite having the second-largest investor base, Uttar Pradesh lags in gender representation, with women accounting for just 18.8% of investors—significantly below the national average of 24.6%. Nonetheless, the state has made measurable progress from 16.9% in FY23. As of July 2025, nearly 53% of India's states now have female investor shares above the national average, compared to just 44% in FY23. Growth in female participation in capital markets is not merely restricted to the larger states and metro cities. Goa tops the list with 32.8% female participation, followed by Mizoram (32.3%), Chandigarh (32.1%) and Sikkim (30.4%).

Table 73: State-wise gender share (%) of unique registered investors

States	FY23		FY24		FY25		FY26TD*	
	Female	Male	Female	Male	Female	Male	Female	Male
Andaman and Nico. Island	19.9%	80.1%	21.0%	79.0%	23.1%	76.9%	23.5%	76.5%
Andhra Pradesh	20.3%	79.7%	21.5%	78.5%	23.2%	76.8%	23.5%	76.5%
Arunachal Pradesh	22.7%	77.3%	23.6%	76.4%	26.3%	73.7%	27.1%	72.9%
Assam	30.9%	69.1%	30.0%	70.0%	29.7%	70.3%	29.7%	70.3%
Bihar	13.8%	86.2%	14.6%	85.4%	15.7%	84.3%	15.9%	84.1%
Chandigarh	30.6%	69.4%	31.0%	69.0%	31.9%	68.1%	32.1%	67.9%
Chhattisgarh	19.1%	80.9%	20.3%	79.7%	22.4%	77.6%	22.7%	77.3%
Dadra and Nagar Hav.	17.8%	82.2%	18.2%	81.8%	19.9%	80.1%	20.1%	79.9%
Daman and Diu	18.7%	81.3%	19.3%	80.7%	20.7%	79.3%	20.9%	79.1%
Delhi	27.6%	72.4%	28.6%	71.4%	30.3%	69.7%	30.5%	69.5%
Goa	30.2%	69.8%	31.0%	69.0%	32.5%	67.5%	32.8%	67.2%
Gujarat	26.6%	73.4%	26.5%	73.5%	27.8%	72.2%	27.9%	72.1%
Haryana	21.6%	78.4%	22.8%	77.2%	24.6%	75.4%	24.9%	75.1%
Himachal Pradesh	16.8%	83.2%	18.2%	81.8%	20.7%	79.3%	21.0%	79.0%
Jammu and Kashmir	13.8%	86.2%	14.3%	85.7%	15.9%	84.1%	16.3%	83.7%
Jharkhand	18.1%	81.9%	18.9%	81.1%	20.6%	79.4%	20.8%	79.2%
Karnataka	24.7%	75.3%	25.8%	74.2%	27.4%	72.6%	27.7%	72.3%
Kerala	25.6%	74.4%	26.2%	73.8%	27.5%	72.5%	27.7%	72.3%
Lakshadweep	10.7%	89.3%	13.3%	86.7%	15.3%	84.7%	15.2%	84.8%
Madhya Pradesh	18.6%	81.4%	20.2%	79.8%	21.8%	78.2%	21.9%	78.1%
Maharashtra	25.6%	74.4%	26.4%	73.6%	28.2%	71.8%	28.5%	71.5%
Manipur	21.9%	78.1%	23.0%	77.0%	24.8%	75.2%	25.9%	74.1%
Meghalaya	25.1%	74.9%	25.1%	74.9%	26.3%	73.7%	26.8%	73.2%
Mizoram	28.2%	71.8%	30.0%	70.0%	31.6%	68.4%	32.3%	67.7%
Nagaland	25.8%	74.2%	26.5%	73.5%	28.5%	71.5%	29.0%	71.0%
Odisha	17.3%	82.7%	18.2%	81.8%	20.0%	80.0%	20.3%	79.7%
Pondicherry	26.5%	73.5%	27.1%	72.9%	28.2%	71.8%	28.5%	71.5%
Punjab	23.2%	76.8%	24.7%	75.3%	26.5%	73.5%	27.6%	72.4%
Rajasthan	18.7%	81.3%	18.9%	81.1%	20.3%	79.7%	20.4%	79.6%
Sikkim	25.8%	74.2%	27.2%	72.8%	29.9%	70.1%	30.4%	69.6%
Tamil Nadu	25.6%	74.4%	26.8%	73.2%	27.8%	72.2%	28.0%	72.0%
Telangana	22.2%	77.8%	23.2%	76.8%	24.8%	75.2%	24.9%	75.1%
Tripura	15.4%	84.6%	16.2%	83.8%	18.1%	81.9%	18.4%	81.6%
Uttar Pradesh	16.9%	83.1%	17.3%	82.7%	18.5%	81.5%	18.8%	81.2%
Uttarakhand	19.3%	80.7%	20.3%	79.7%	22.1%	77.9%	22.6%	77.4%
West Bengal	22.1%	77.9%	22.2%	77.8%	23.2%	76.8%	23.4%	76.6%
India	**22.5%**	**77.5%**	**23.0%**	**77.0%**	**24.3%**	**75.7%**	**24.6%**	**75.4%**

Source: NSE EPR. Note: The gender classification is based on investor data where the gender was disclosed. The mapping is based on India Post's pin code level mapping (GoI). * Data for FY26TD* is as of 31st July 2025.

Market activity across segments and investor categories

Total turnover across segments

Equity cash and derivatives turnover down; new contract drives commodity turnover: In July, the equity market witnessed a notable downturn in turnover, falling 8% MoM to Rs 21.8 lakh crore, and a sharper 29% drop on a YoY basis. This decline came despite a higher number of trading days, which further accentuated the fall in average daily turnover. What makes this trend particularly interesting is the rise in investor participation during the same period, hinting at a shift in the trading dynamics. A deeper analysis shows that the contraction in turnover was primarily driven by high-ticket investors that recorded a decline in activity from the equity cash segment—an insight detailed in our subsequent section on the 'Distribution of trading activity by turnover'. In the derivatives space, both equity futures and options saw a moderation in turnover, declining 5% and 3% MoM respectively, and 31% and 34% YoY. Among these, index futures registered the steepest fall, down 17% MoM to Rs 5.5 lakh crore—it's lowest in 20 months—while stock futures slipped 2% MoM to Rs 26.5 lakh crore, the lowest in four months. Equity options also recorded a decline, with index options premium turnover down 2% MoM to Rs 8.6 lakh crore. However, it dropped sharply by 37% since October 2024, largely due to regulatory measures aimed at bolstering investor protection and ensuring market stability. Consequently, investor participation in equity options dropped to 32.6 lakh, 26% lower than in October 2024. Notably, the share of index options turnover on expiry days (Thursday) edging up to 32% in July from 28% in June.

Meanwhile, currency futures and options continued their declining trend, driven by regulatory tightening, and interest rate derivatives registered their sixth straight monthly fall, slipping 9% MoM to Rs 864 crore. In contrast, commodity derivatives offered a bright spot, with a sharp resurgence in activity. Commodity futures turnover surged an extraordinary 1195% MoM to Rs 1,049 crore—the highest in 23 months—while commodity options rose 47% MoM to Rs 801 crore premium, reversing two months of consecutive decline. This dramatic spike was primarily led by the launch of electricity futures contracts last month. On its very first day, the electricity futures saw over 9,461 contracts traded with a turnover of 206.6 crore, representing 473 million units of electricity. Notably, electricity futures accounted for a staggering 93% of total commodity futures turnover in July. Together, these developments reflect an evolving market landscape marked by regulatory recalibration, shifting investor profiles, and the emergence of new asset classes.

Table 74: Monthly trend of turnover across segments in the last six months

Segment (Rs crore)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Cash market	**18,33,226**	**18,75,160**	**19,06,257**	**23,32,568**	**23,82,248**	**21,84,895**
Equity Futures	**31,92,703**	**29,76,805**	**33,76,875**	**35,33,763**	**33,63,570**	**32,03,155**
Stock Futures	25,44,197	23,90,587	26,60,015	27,31,553	27,00,815	26,52,976
Index Futures	6,48,506	5,86,218	7,16,860	8,02,210	6,62,756	5,50,179
Equity Options (Premium)	**9,58,054**	**9,69,451**	**11,04,895**	**12,51,392**	**10,30,043**	**10,02,317**
Stock Options (Premium)	1,48,472	1,25,339	1,52,925	1,65,481	1,49,906	1,41,398
Index Options (Premium)	8,09,583	8,44,112	9,51,969	10,85,911	8,80,137	8,60,919
Currency derivatives						
Currency Futures	98,892	74,366	74,328	74,674	55,023	50,292
Currency Options (Premium)	1.2	1.2	2.1	2.4	2.4	1.4
Interest rate derivatives	**2,039**	**1,817**	**1,136**	**1,038**	**952**	**864**
Commodity derivatives						
Commodity Futures	28.1	29.7	45.2	35.7	81.0	1,048.7
Commodity Options (Premium)	755.1	1,049.3	1,129.4	561.7	545.7	801.0

Source: NSE EPR.

Table 75: Annual trend of turnover across segments in the last six years (FY22 to FY26TD)

Segment (Rs crore)	FY22	FY23	FY24	FY25	FY26TD
Cash market	**1,65,66,237**	**1,33,05,073**	**2,01,03,439**	**2,81,27,848**	**88,05,967**
Equity Futures	**2,94,68,316**	**2,85,92,989**	**3,29,64,084**	**4,62,89,459**	**1,34,77,363**
Stock Futures	2,10,38,938	1,90,72,304	2,55,46,967	3,75,37,370	1,07,45,359
Index Futures	84,29,378	95,20,685	74,17,117	87,52,089	27,32,005
Equity Options (Premium)	**68,81,160**	**1,18,88,256**	**1,51,97,594**	**1,55,49,716**	**43,88,647**
Stock Options (Premium)	10,38,830	9,32,701	13,78,031	19,75,193	6,09,710
Index Options (Premium)	58,42,330	1,09,55,556	1,38,19,564	1,35,74,524	37,78,937
Currency derivatives					
Currency Futures	70,56,916	1,01,15,658	72,01,742	13,74,638	2,54,316
Currency Options (Premium)	24,994	47,540	30,405	376	8
Interest rate derivatives	**26,357**	**26,296**	**29,571**	**25,307**	**3,991**
Commodity derivatives					
Commodity Futures	2,273	14	5,429	250	1,211
Commodity Options (Premium)	131	112	523	4,641	3,038

Source: NSE EPR. FY26TD is as of Jul'25.

Table 76: Notional to premium turnover ratio for equity options at NSE

Month	Index options			Stock options		
	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio
Jun-2024	7,226	15	486	112	1.9	58
Jul-2024	8,215	13	626	119	2.0	60
Aug-2024	7,768	12	637	116	1.6	72
Sep-2024	8,097	11	712	129	1.7	74
Oct-2024	8,602	14	629	125	1.7	72
Nov-2024	6,245	10	605	91	1.3	71
Dec-2024	4,258	10	443	104	1.4	74
Jan-2025	4,254	10	410	124	1.9	65
Feb-2025	3,562	8	440	96	1.5	65
Mar-2025	4,134	8	490	86	1.3	68
Apr-2025	4,239	10	445	90	1.5	59
May-2025	4,503	11	415	103	1.7	62
Jun-2025	4,435	9	504	105	1.5	70
Jul-2025	5,145	9	598	100	1.4	71

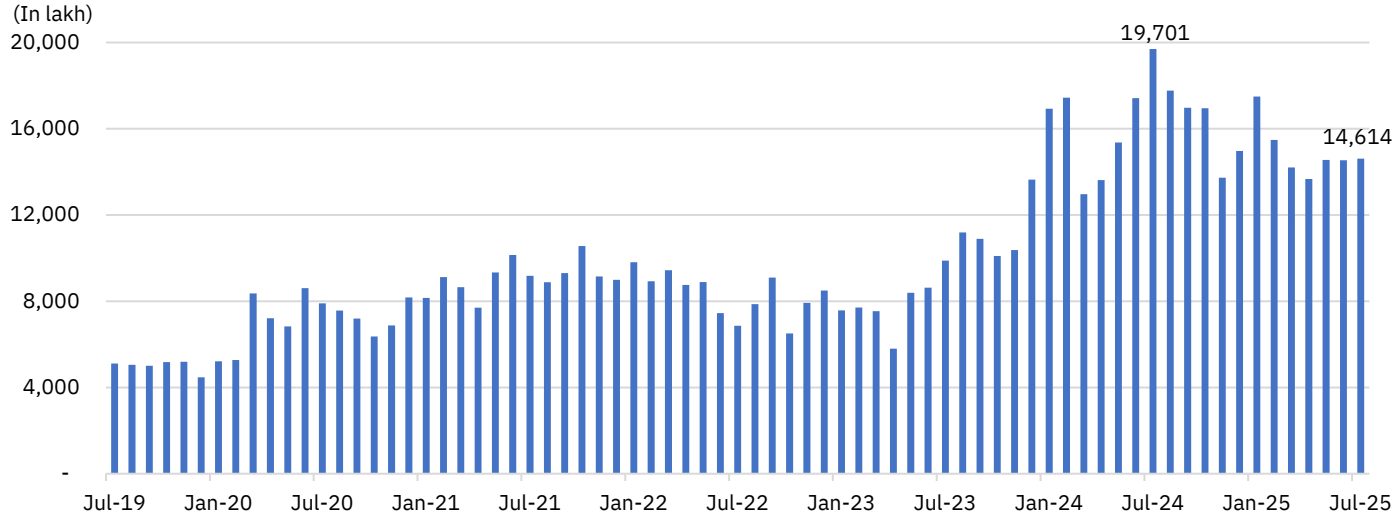
Source: NSE EPR.

Table 77: Notional to premium turnover ratio for equity options at BSE

Month	Index options			Stock options		
	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio
Jun-2024	2,063.7	1.6	1,285	-	-	-
Jul-2024	2,542.6	1.6	1,546	0.0003561	0.0000031	115
Aug-2024	2,603.0	1.6	1,627	0.0010694	0.0000144	74
Sep-2024	3,014.7	2.0	1,503	0.0010244	0.0000108	95
Oct-2024	2,642.6	2.0	1,329	0.0013617	0.0000262	52
Nov-2024	2,030.6	1.6	1,300	0.0003928	0.0000037	106
Dec-2024	1,812.2	1.9	964	0.0007746	0.0000077	101
Jan-2025	2,448.1	2.7	923	0.002104	0.0000347	61
Feb-2025	2,062.3	2.3	900	0.0050078	0.0000365	137
Mar-2025	2,443.8	2.4	1,035	0.0139221	0.0000562	248
Apr-2025	2,633.3	2.9	895	0.0017074	0.0000097	176
May-2025	2,668.9	3.3	800	0.0001427	0.0000015	95
Jun-2025	2,689.8	2.9	920	0.0000993	0.000001	99
Jul-2025	3,488.1	2.9	1,213	0.000106	0.0000017	62

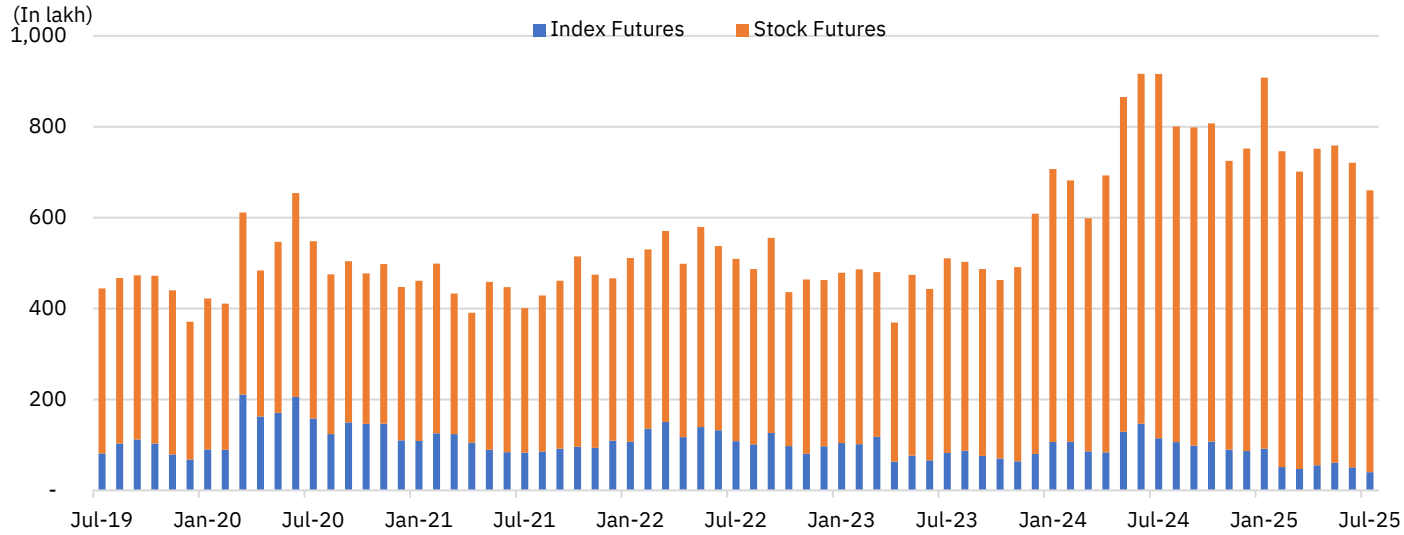
Source: NSE EPR.

Figure 311: Monthly trend of total trades in NSE cash market segment



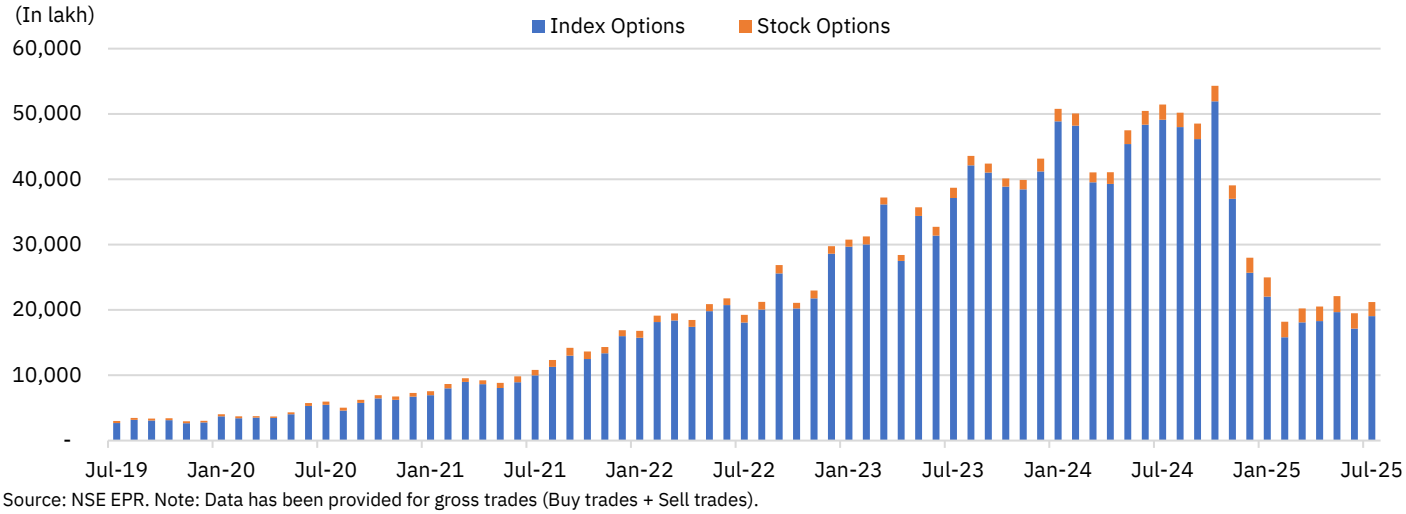
Source: NSE EPR. Note: Data has been provided for gross trades (Buy trades + Sell trades).

Figure 312: Monthly trend of total trades in equity futures



Source: NSE EPR. Note: Data has been provided for gross trades (Buy trades + Sell trades).

Figure 313: Monthly trend of total trades in equity options



Source: NSE EPR. Note: Data has been provided for gross trades (Buy trades + Sell trades).

Average daily turnover (ADT) across segments

Index options turnover slips to a multi-month low, led by a decline in Nifty50 options contracts: The average daily turnover (ADT) in the equity cash segment declined 16% MoM in July, falling below Rs 95,000 crore — marking a five-month low after four consecutive months of growth. Interestingly, this decline contrasts with a rise in overall investor participation, indicating a shift in trading dynamics. A closer look reveals that activity by large investors moderated, with the average trade size dropping 9% MoM to Rs 29,900. Segment-wise, trading in InvITs saw the sharpest fall at 38%, followed by Sovereign Gold Bonds (SGBs) at 30%, mainboard equities at 16%, and ETFs at 14%. In contrast, companies listed on the NSE Emerge platform recorded a marginal increase in their daily average turnover, standing out amid the broader decline. On a year-on-year basis, the overall cash market turnover was down 32% compared to July 2024.

In the equity derivatives segment, both futures and options saw notable declines in July. Equity futures turnover dropped 13% MoM, while equity options fell by 11%. Within futures, index futures recorded a steep 24% MoM fall in ADT to below Rs 24,000 crore, and stock futures declined 10% to Rs 1.2 lakh crore—both hitting their lowest levels in 20 months. In the options segment, index options saw their average daily premium turnover fall 11% MoM to Rs 37,431 crore, the lowest in 32 months, while stock options recorded a 14% MoM decline in average daily premium turnover to Rs 6,148 crore—their lowest in the past 20 months. The YoY comparison was even starker, with index options premium turnover down 37% from July 2024.

A deeper look at equity options turnover by day reveals an interesting pattern. Turnover a day prior to expiry (Wednesday) rose by 21%, followed by a 15% increase on expiry days (Thursday), indicating concentrated trading activity around contract expiry. However, turnover declined on other days—by 27% on Mondays, 16% on Fridays (post-expiry day), and 11% on Tuesdays during the month. Notably, despite these mid-weeks rise in turnover, the average trade size (ATS) for index options declined to Rs 9,034 crore, the lowest in the past seven months. Meanwhile, the average trade size (ATS) in index futures and stock futures rose significantly, reaching Rs 27.4 lakh—the highest ever—and Rs 8.5 lakh, respectively.

Within index options, the decline was largely driven by the Nifty50 contracts, where the average daily premium turnover fell 11% MoM to Rs 32,038 crore. However, on a YoY basis, Nifty50 premium turnover was up 77%, reflecting the structural change in trading volume due to the exclusive availability of weekly options contracts on this index. In contrast, Bank Nifty was more adversely impacted, primarily due to regulatory guidelines, with its premium turnover falling 85% YoY to just Rs 4,539 crore. Even on a monthly basis, Bank Nifty premium turnover declined 12%, highlighting the sharper fall in trader interest in this contract.

Table 78: Monthly trends of average daily turnover across segments in the last six months

Segment (Rs crore)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Cash market	**91,661**	**98,693**	**1,00,329**	**1,11,075**	**1,13,440**	**94,995**
Equity Futures	**1,59,635**	**1,56,674**	**1,77,730**	**1,68,274**	**1,60,170**	**1,39,268**
Stock Futures	1,27,210	1,25,820	1,40,001	1,30,074	1,28,610	1,15,347
Index Futures	32,425	30,854	37,729	38,200	31,560	23,921
Equity Options (Premium)	**47,903**	**51,024**	**58,152**	**59,590**	**49,050**	**43,579**
Stock Options (Premium)	7,424	6,597	8,049	7,880	7,138	6,148
Index Options (Premium)	40,479	44,427	50,104	51,710	41,911	37,431
Currency derivatives						
Currency Futures	5,494	3,914	4,129	3,734	2,620	2,187
Currency Options (Premium)	0.1	0.1	0.1	0.1	0.1	0.1
Interest rate derivatives	**113**	**96**	**63**	**52**	**45**	**38**
Commodity derivatives						
Commodity Futures	1.3	1.4	2.2	1.6	3.9	45.6
Commodity Options (Premium)	36	50	54	26	26	35

Source: NSE EPR.

Table 79: Annual trends of average daily turnover across segments (FY21 to FY26TD)

Segment (Rs crore)	FY21	FY22	FY23	FY24	FY25	FY26TD
Cash market	**61,839**	**66,799**	**53,434**	**81,721**	**1,12,963**	**1,04,833**
Equity Futures	**1,09,020**	**1,18,824**	**1,14,831**	**1,34,000**	**1,85,901**	**1,60,445**
Stock Futures	72,684	84,834	76,596	1,03,849	1,50,752	1,27,921
Index Futures	36,336	33,989	38,236	30,151	35,149	32,524
Equity Options (Premium)	**12,887**	**27,747**	**47,744**	**61,779**	**62,449**	**52,246**
Stock Options (Premium)	2,327	4,189	3,746	5,602	7,933	7,258
Index Options (Premium)	10,560	23,558	43,998	56,177	54,516	44,987
Currency derivatives						
Currency Futures	23,362	29,168	41,289	29,883	5,680	3,101
Currency Options (Premium)	60	103	194	126	1.6	0.1
Interest rate derivatives	**394**	**109**	**107**	**123**	**105**	**49**
Commodity derivatives						
Commodity Futures	21.5	8.8	0.1	21.4	1.0	13.9
Commodity Options (Premium)	1.1	0.5	0.4	2.1	17.9	34.9

Source: NSE EPR.
Note: Data for FY26TD data is as of Jul'25.

Table 80: Monthly trends of average trade size in NSE cash and equity derivatives segment

Segment wise (Rs)	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Cash market	**25,286**	**23,684**	**26,396**	**27,886**	**32,047**	**32,778**	**29,900**
Equity Futures	**8,35,760**	**8,55,819**	**8,48,735**	**8,98,260**	**9,31,649**	**9,33,208**	**9,70,251**
Index Futures	15,55,704	25,38,114	24,88,540	25,93,550	26,46,025	26,29,556	27,43,428
Stock Futures	7,54,718	7,32,127	7,30,670	7,63,725	7,82,715	8,05,668	8,55,572
Equity Options	**9,855**	**10,532**	**9,584**	**10,772**	**11,319**	**10,567**	**9,450**
Index Options	9,428	10,230	9,333	10,412	11,044	10,264	9,034
Stock Options	13,047	12,559	11,698	13,727	13,535	12,788	13,125

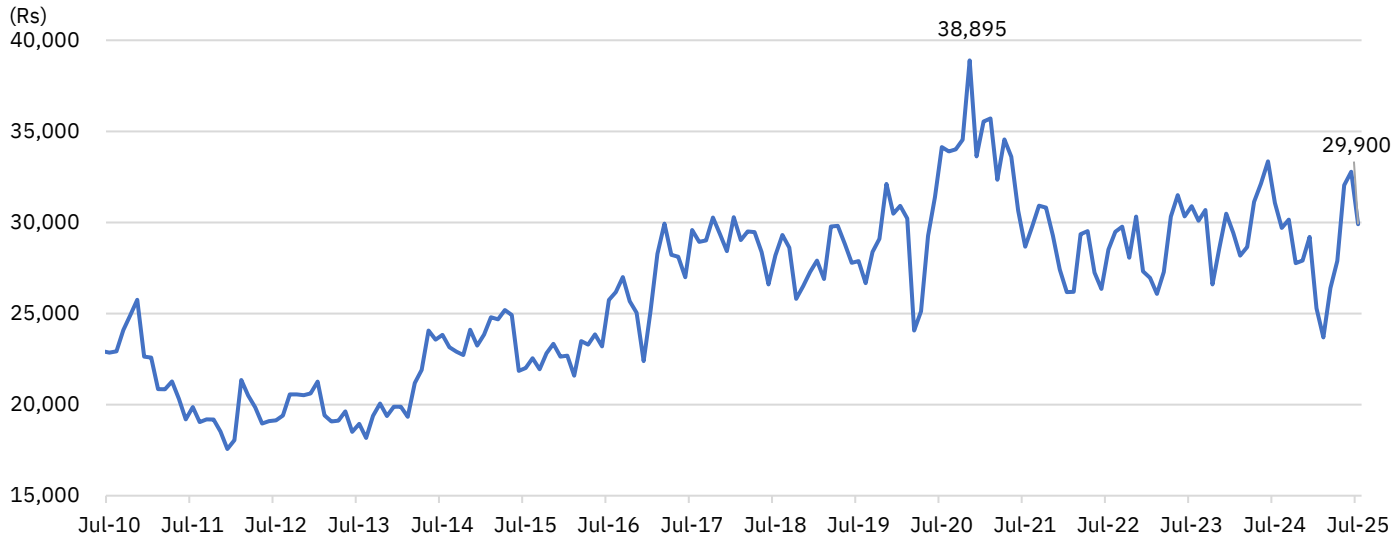
Source: NSE EPR.
Note: Premium has been considered for calculating average trade size for options contracts.

Table 81: Annual trends of average trade size in NSE cash market and equity derivatives segments

Segment wise (Rs)	FY20	FY21	FY22	FY23	FY24	FY25	FY26TD
Cash market	**28,604**	**33,237**	**29,737**	**28,111**	**29,510**	**29,046**	**30,694**
Equity Futures	**8,04,724**	**9,00,620**	**10,42,174**	**9,57,044**	**10,40,196**	**9,61,284**	**9,32,171**
Index Futures	11,42,535	10,44,759	13,70,261	14,39,592	15,37,923	15,19,445	26,46,876
Stock Futures	7,10,431	8,42,512	9,50,949	8,19,859	9,50,852	8,85,447	8,00,346
Equity Options	**6,812**	**8,255**	**8,315**	**7,886**	**6,246**	**6,561**	**10,533**
Index Options	6,146	7,302	7,585	7,603	5,897	6,075	10,191
Stock Options	13,926	20,274	18,126	13,994	15,381	14,568	13,294

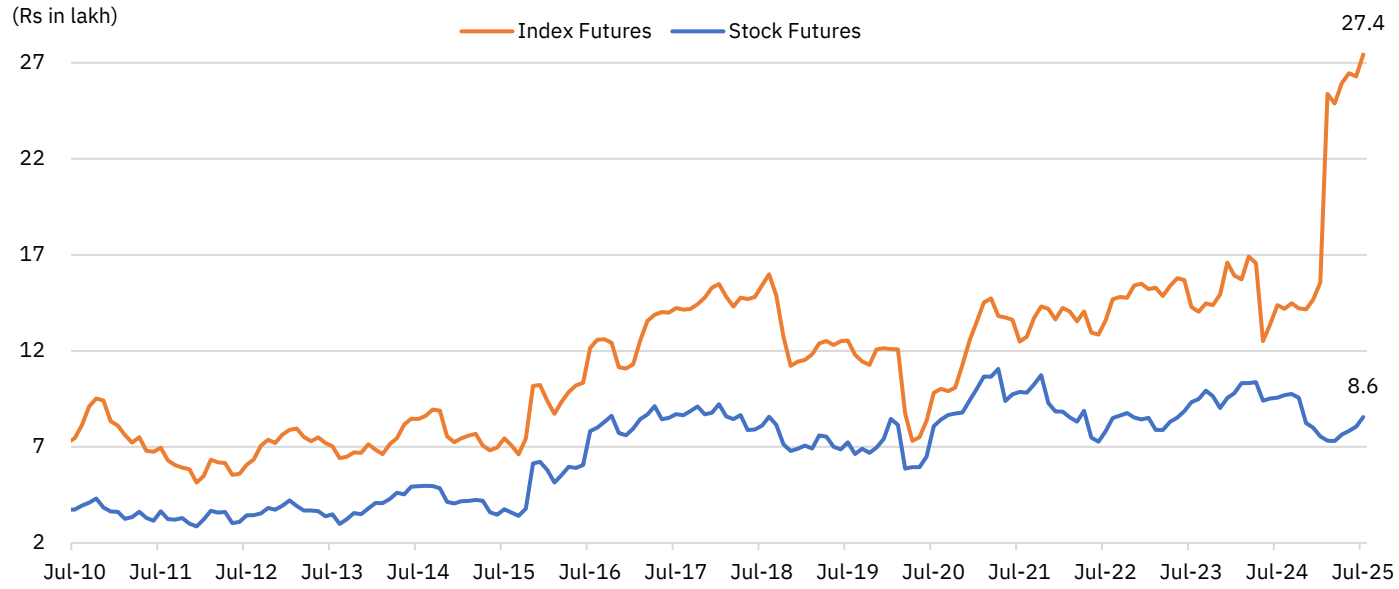
Source: NSE EPR.
Notes:
1.Data for FY26TD is as of July 2025.
2. Premium has been considered for calculating average trade size for options contracts.

Figure 314: Monthly trend of average trade size in NSE cash market segment



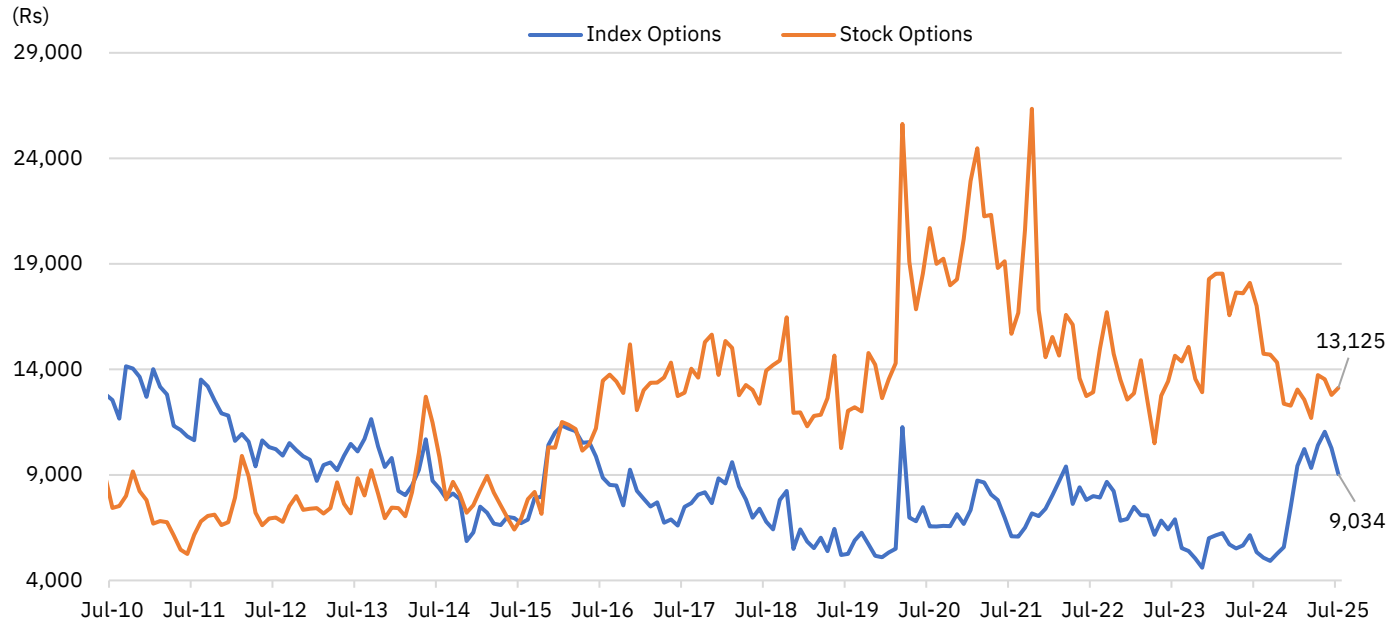
Source: NSE EPR.

Figure 315: Monthly trend in average trade size in equity futures



Source: NSE EPR.

Figure 316: Monthly trend in average trade size in equity options premium



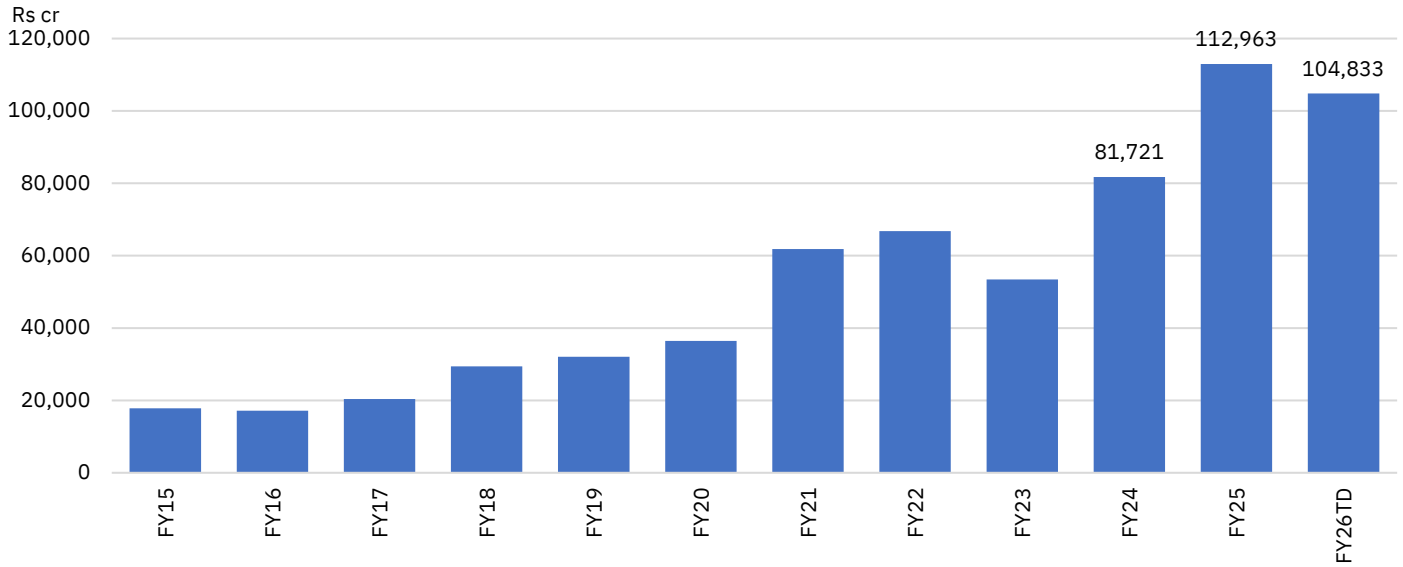
Source: NSE EPR.
Note: Premium has been considered for calculating average trade size.

Table 82: Average daily turnover (Rs crore) in NSE CM Segment

Products	Jul-25	Jun-25	Jul-24	% MoM change	% YoY Change	FY26TD	FY25	CY25TD
Capital Market	**94,995**	**113,440**	**139,163**	**(16.3)**	**(31.7)**	**104,833**	**112,963**	**100,864**
Equities (Main Board)	92,720	110,863	136,698	(16.4)	(32.2)	102,284	110,710	98,464
Exchange Traded Funds	1,794	2,086	1,623	(14.0)	10.5	2,100	1,568	1,937
SME Emerge	288	287	542	0.6	(46.9)	262	379	265
Sovereign Gold Bonds	11	15	15	(30.4)	(27.8)	17	13	16
InvITs	47	76	33	(37.9)	43.9	47	57	48
REITs	45	48	51	(5.1)	(11.1)	51	92	65
Others	89	65	200	37.4	(55.5)	72	144	71

Source: NSE EPR.
Notes: 1. Average daily turnover (ADT) excludes auction market turnover. Equities (Main Board) include stocks in EQ, BE, BL and BZ series.
2. Others include corporate and government debt instruments (excl. SGBs), preferential shares, partly paid-up shares, warrants etc., among others.
3. Figures in brackets indicate negative numbers.
4. FY26TD and CY25TD are as of Jul'25

Figure 317: Annual trends in average daily turnover in NSE CM segment



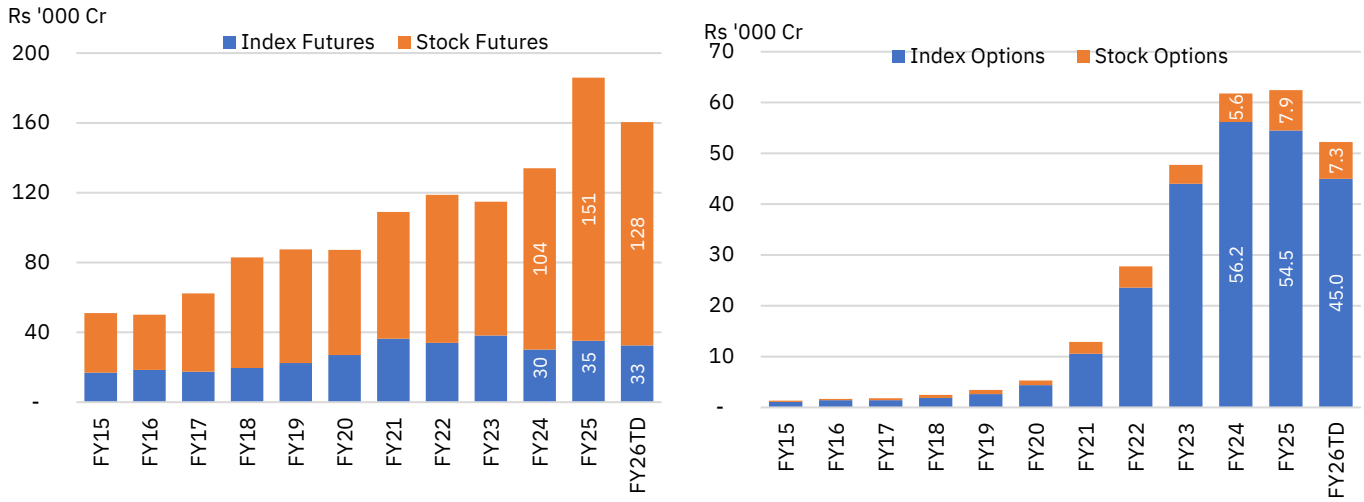
Source: NSE EPR.
Note: Average daily turnover (ADT) excludes auction market turnover. FY26TD data is as of Jul'25.

Table 83: Average daily turnover (Rs crore) in NSE's equity derivatives segment

Product	Jul-25	Jun-25	Jul-24	% MoM change	% YoY Change	FY26TD	FY25	CY25TD
Equity Futures	**139,268**	**160,170**	**211,674**	**-13.1**	**-34.2**	**1,60,445**	**1,85,901**	**1,60,557**
Stock futures	**115,347**	**128,610**	**174,170**	**-10.3**	**-33.8**	**1,27,921**	**1,50,752**	**1,28,493**
Index futures	**23,921**	**31,560**	**37,505**	**-24.2**	**-36.2**	**32,524**	**35,149**	**32,064**
BANKNIFTY	7,058	8,648	15,783	-18.4	-55.3	9,409	13,021	9,766
NIFTY50	15,669	21,433	20,032	-26.9	-21.8	21,558	20,598	20,651
FINNIFTY	88	130	344	-32.6	-74.4	124	236	125
MIDCPNIFTY	1,052	1,275	1,282	-17.5	-17.9	1,348	1,213	1,414
NIFTYNXT50	55	73	64	-25.3	-14.5	84	80	107
Equity Options	**43,579**	**49,050**	**68,640**	**-11.2**	**-36.5**	**52,246**	**62,449**	**51,689**
Stock options	**6,148**	**7,138**	**8,994**	**-13.9**	**-31.6**	**7,258**	**7,933**	**7,366**
Index options	**37,431**	**41,911**	**59,645**	**-10.7**	**-37.2**	**44,987**	**54,516**	**44,323**
BANKNIFTY	4,539	5,185	29,572	-12.5	-84.7	6,500	21,553	7,640
NIFTY50	32,038	36,031	18,107	-11.1	76.9	37,647	25,434	35,618
FINNIFTY	144	168	7,347	-14.4	-98.0	184	4,489	247
MIDCPNIFTY	710	527	4,615	34.8	-84.6	656	3,036	817
NIFTYNXT50	0.7	1.0	4	-28.5	-83.2	1	3	1

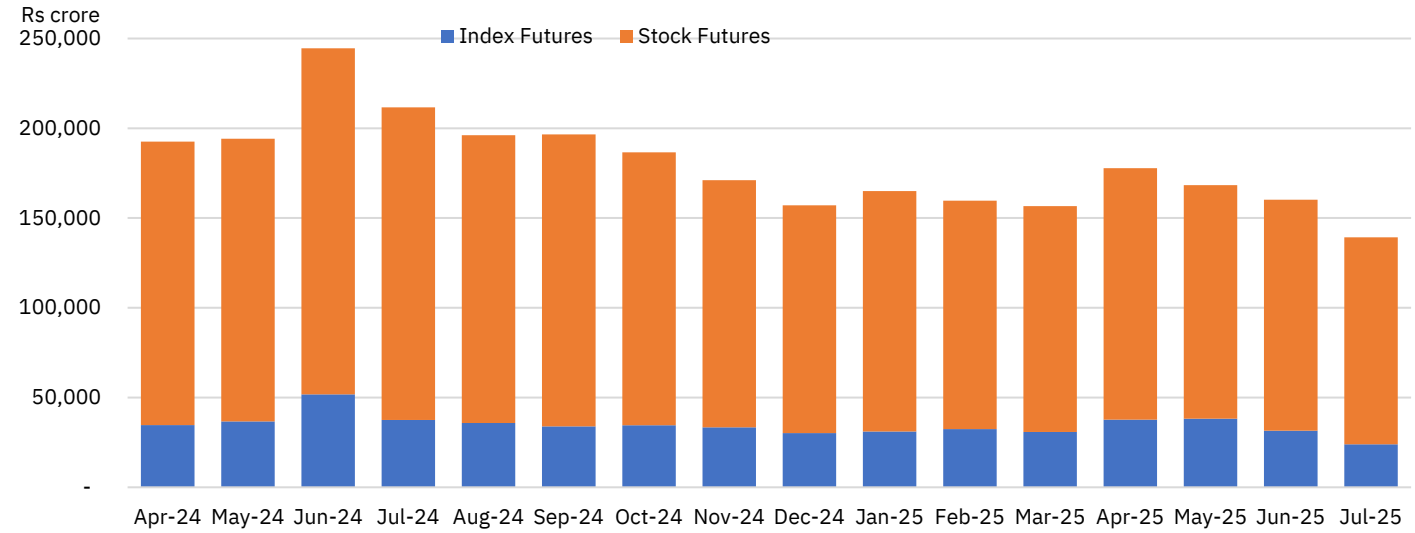
Source: NSE EPR.
Notes:
1. The above table reports premium turnover for Options contracts.
2. FY26TD and CY25TD are as of Jul'25

Figure 318: Annual trends in average daily turnover in NSE's equity derivatives segment



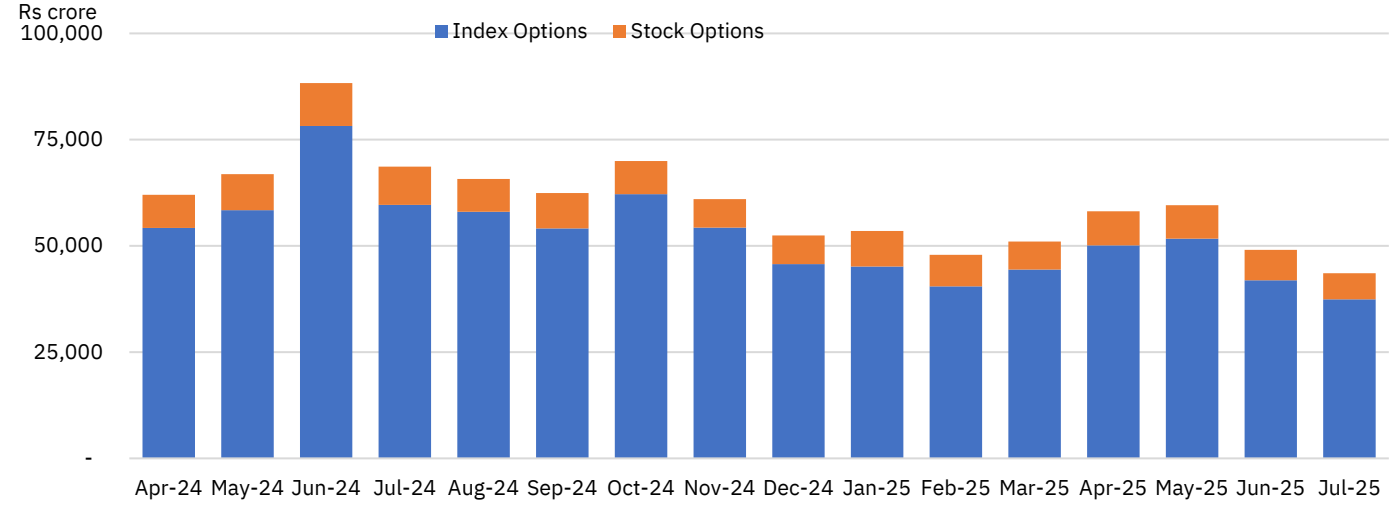
Source: NSE EPR.
Notes:
1.The above figure reports premium turnover for options contracts.
2. FY26TD is as of Jul'25.

Figure 319: Monthly trends of average daily turnover for equity futures



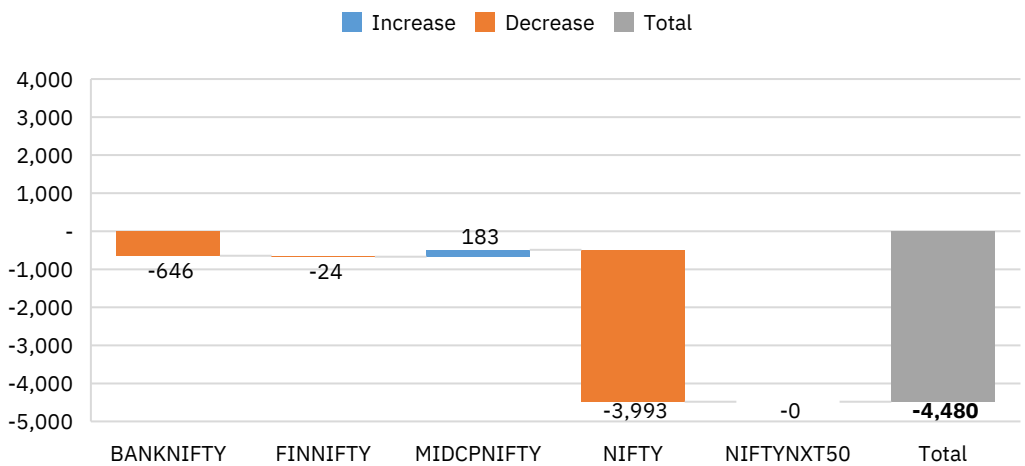
Source: NSE EPR.

Figure 320: Monthly trends of average daily turnover for equity options



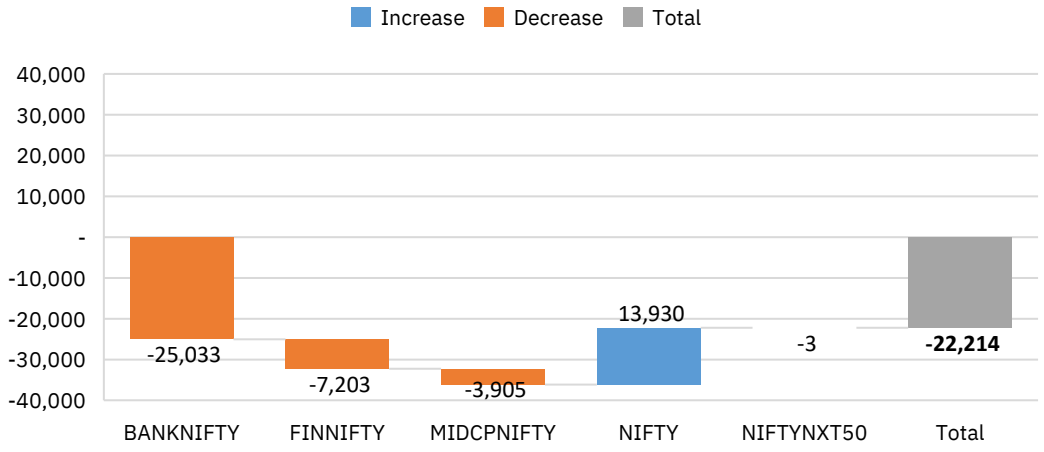
Source: NSE EPR.
Note: Premium turnover has been considered for equity options.

Figure 321: Product wise MoM change in July 2025 for index options premium turnover



Source: NSE EPR.

Figure 322: Product wise YoY change in July 2025 for index options premium turnover



Source: NSE EPR.

Table 84: Average daily open interest in NSE's equity derivatives segment

Product (Rs crore)	Jul-25	Jun-25	Jul-24	% MoM change	% YoY Change	FY26TD	FY25	CY25TD
Equity Futures	**5,36,126**	**5,22,780**	**4,75,611**	**2.6**	**12.7**	**5,10,147**	**4,67,162**	**4,96,990**
Stock Futures	**4,73,039**	**4,62,425**	**4,18,260**	**2.3**	**13.1**	**4,50,732**	**4,11,790**	**4,35,490**
Index Futures	**63,087**	**60,355**	**57,351**	**4.5**	**10.0**	**59,415**	**55,373**	**61,501**
NIFTY	45,641	43,984	39,818	3.8	14.6	42,220	37,046	42,240
BANKNIFTY	13,932	12,876	14,332	8.2	-2.8	13,643	15,276	15,639
FINNIFTY	226	255	206	-11.5	9.5	239	180	203
MIDCPNIFTY	3,133	3,096	2,914	1.2	7.5	3,155	2,746	3,223
NIFTYNXT50	156	143	80	8.9	94.0	158	124	195
Equity Options	**16,49,465**	**16,54,695**	**15,43,166**	**-0.3**	**6.9**	**16,70,749**	**16,08,744**	**16,63,205**
Stock Options	**3,35,089**	**3,08,390**	**2,85,061**	**8.7**	**17.6**	**3,11,036**	**2,96,012**	**3,03,393**
Index Options	**13,14,376**	**13,46,304**	**12,58,105**	**-2.4**	**4.5**	**13,59,713**	**13,12,732**	**13,59,812**
NIFTY	10,63,286	10,96,223	7,20,894	-3.0	47.5	10,86,055	8,43,865	10,54,327
BANKNIFTY	2,21,602	2,29,101	4,49,124	-3.3	-50.7	2,49,362	4,00,921	2,77,884
FINNIFTY	6,610	5,797	55,258	14.0	-88.0	6,867	40,037	8,424
MIDCPNIFTY	22,788	15,109	32,278	50.8	-29.4	17,342	27,639	19,041
NIFTYNXT50	90	75	551	21.3	-83.6	87	272	136

Source: NSE EPR.
Notes:
1. The above table reports notional turnover
2. FY26TD and CY25TD are as of Jul'25

Table 85: Average daily turnover in Interest rate derivatives

Product (Rs Lakhs)	Jul-25	Jun-25	Jul-24	% MoM change	% YoY Change	FY26TD	FY25	CY25TD
Interest rate futures	3,757	4,534	8,117	(17.1)	(53.7)	4,867	10,440	7,089

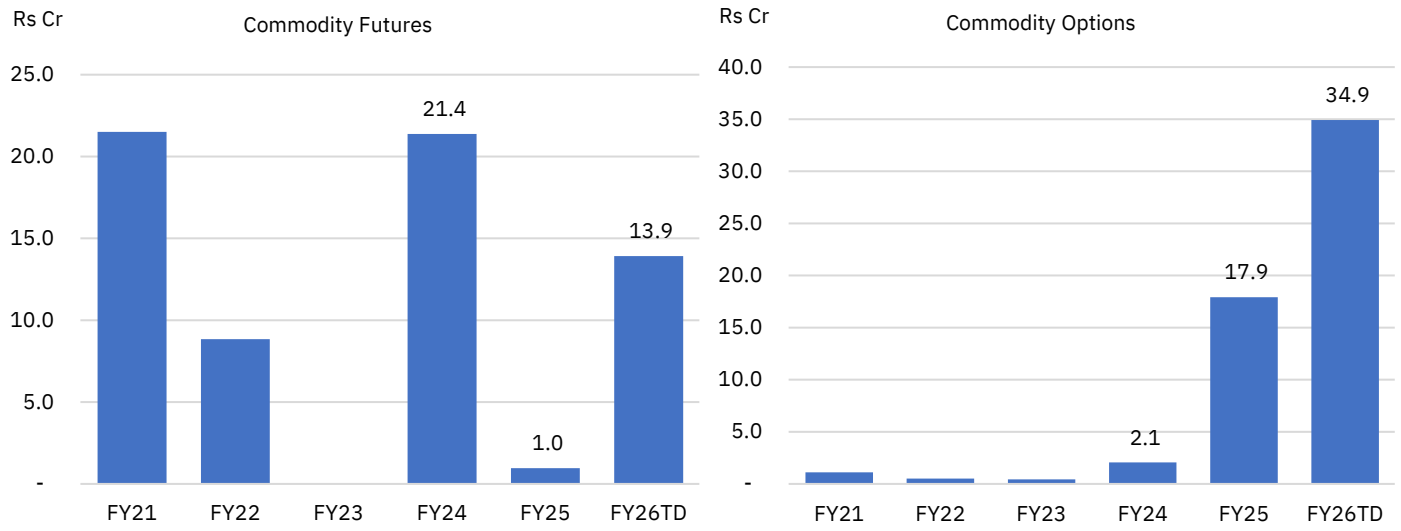
Source: NSE EPR.
Notes: 1. Figures in brackets indicate negative numbers.
2. FY26TD and CY25TD are as of Jul'25

Table 86: Average daily turnover in commodity derivatives

Product (Rs Lakhs)	Jul-25	Jun-25	Jul-24	% MoM change	% YoY Change	FY26TD	FY25	CY25TD
Commodity futures	4,559	386	48	1,082	9,319	1,392	97	867
Commodity options	3,483	2,598	775	34	350	3,492	1,792	3,588

Source: NSE EPR
Notes: 1. Above table reports premium turnover for Options contracts.
3. FY26TD and CY25TD are as of Jul'25

Figure 323: Annual trends in average daily turnover in commodity derivatives segment



Source: NSE EPR.
Notes: 1. Above figure reports premium turnover for options contracts.
2. FY26TD is as of Jul'25

Category-wise participation in turnover across segments

This section gives a detailed analysis of client-wise participation in the total trading activity across all segments at NSE. The clients are broadly classified into six categories, *viz*. corporates, domestic institutional investors (DIIs), foreign investors, proprietary traders, individuals, and Others. The individual category includes individual domestic investors, NRIs, sole proprietorship firms and HUFs. The category Others include Partnership Firms/LLP, Trust / Society, Depository Receipts, Statutory Bodies, etc. which are not included in any other categories mentioned above.

Share of foreign investors touched a 12-month low in CM segment in July 2025: The share of foreign investors contracted 79bps MoM, following a 13% MoM decline in gross turnover during the month of July. This cautious approach by foreign investors was influenced by ongoing uncertainties surrounding the tariff agreement between India and the US, muted Q1FY26 corporate earnings and reallocation of investments to bonds. DII share remained stable at 14.1%, despite a decline in turnover. After registering a slight dip last month, individual investors' and proprietary traders' shares rose 88bps MoM and 160bps MoM, due to a relatively lower decline in their turnover compared to other client categories. In FY26, proprietary traders' share has remained stable, while individual investors' share has declined YoY. Meanwhile, institutional investors have experienced a notable increase in their market share.

Table 87: Share of client participation in NSE cash market segment (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	3.3	4.1	5.2	(81)	(193)	3.7	4.6	3.8
DIIs	14.1	14.1	11.2	(0)	292	13.6	12.4	13.9
Foreign Investors	14.1	14.9	11.6	(79)	244	15.0	14.9	15.1
Individuals	35.3	34.4	38.1	88	(286)	34.6	34.3	33.5
Prop	29.3	27.7	29.3	160	9	28.7	29.2	29.3
Others	3.9	4.8	4.6	(88)	(66)	4.3	4.7	4.4

Source: NSE EPR.
Notes: 1. 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.
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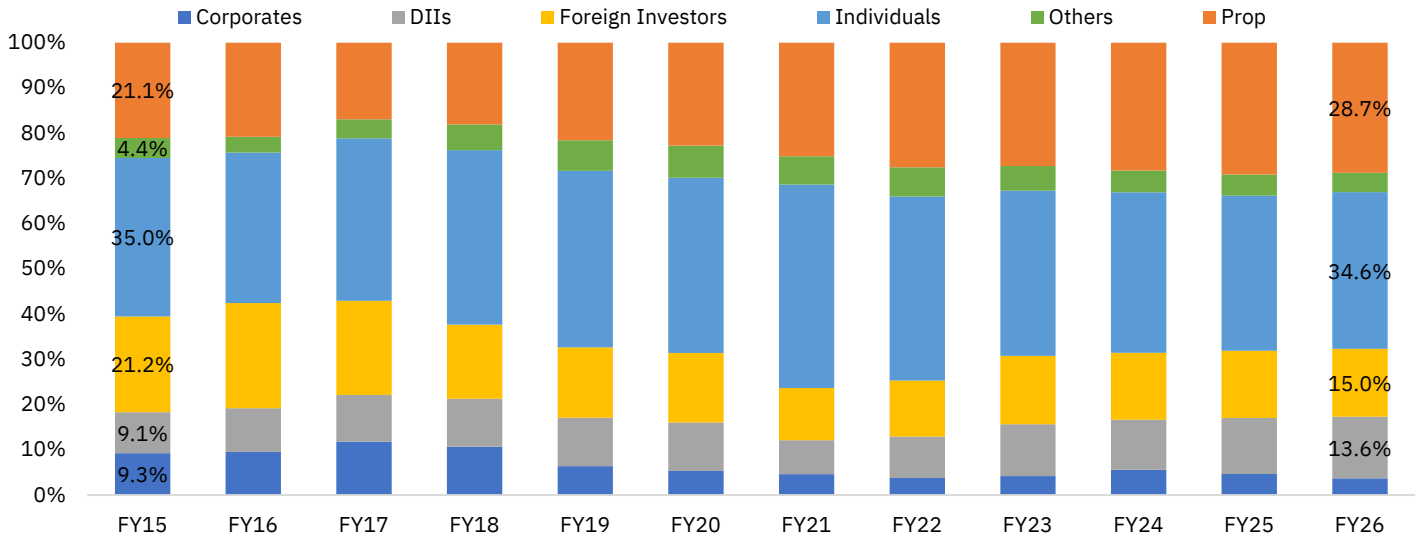
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. CY25 and FY26 are as of Jul'25.

Figure 324: Annual trends in share of client participation in NSE cash market segment (%)



Source: NSE EPR.
Notes: 1. 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.
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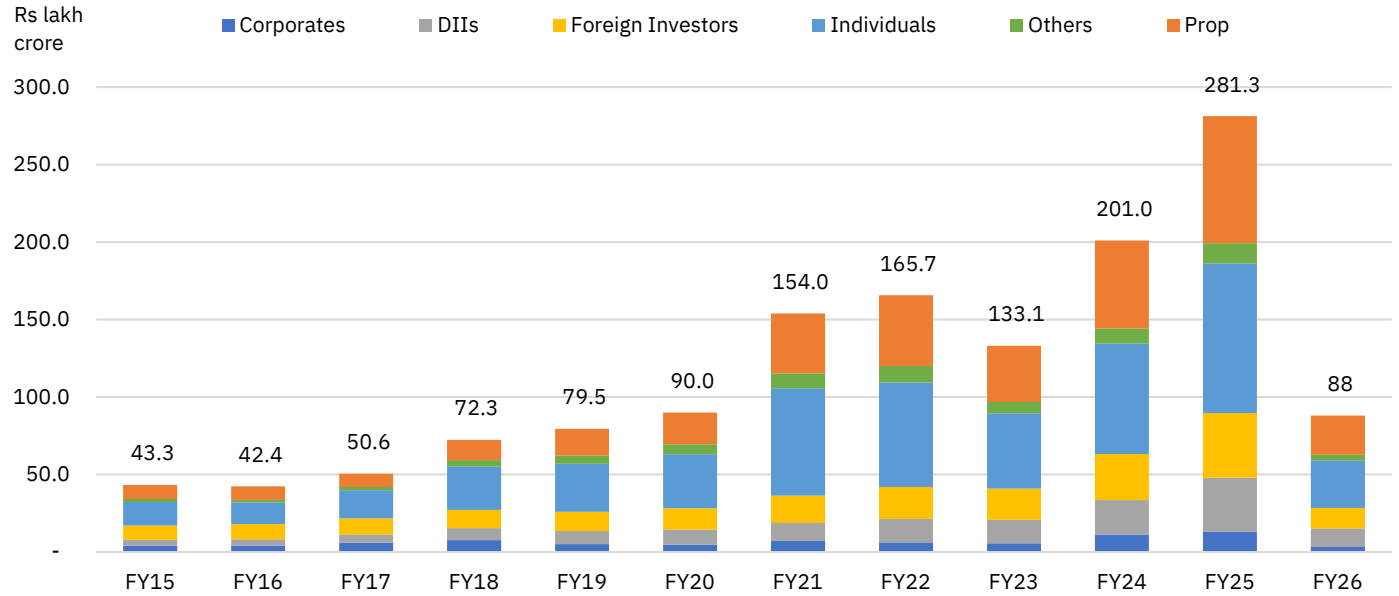
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 325: Annual trends in client category-wise turnover in NSE cash market segment



Source: NSE EPR.
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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 FY26 is as of Jul'25.

Trading activity in equity derivatives segment reflected notable shifts in client participation in July: In equity futures, proprietary traders retained the largest share at 32.9%, up 48 bps MoM but lower by 253 bps YoY. Foreign investors' share rose to 26.8% (up 21 bps MoM and 276 bps YoY), while DIIs expanded their presence significantly to 11.3%, up 394 bps YoY despite a 26 bps MoM dip. Individual participation moderated to 17.6%, down both MoM and YoY, and corporates saw their share shrink to 6.5% from 8.5% a year ago. Within equity options, individuals and proprietary traders together accounted for nearly 90% of premium turnover, with individuals' share rising to 38.1% (up 204 bps MoM and 445 bps YoY) and proprietary traders to 51.8% (up 94 bps MoM). Foreign investor participation in options dropped markedly to 5.9% from 8.9% a year earlier, while corporate participation remained subdued at under 2%. Overall, individual investor participation showed signs of improvement and proprietary activity remained stable, while corporate and foreign investor contributions appeared more subdued in certain segments in July 2025.

Table 88: Share of client participation in Equity Derivatives segment (Notional turnover) of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	2.2	2.3	5.8	(15)	(362)	2.4	4.2	2.5
DIIs	0.2	0.2	0.1	(2)	11	0.3	0.1	0.3
Foreign Investors	6.0	8.2	6.5	(221)	(49)	7.6	7.1	7.4
Individuals	28.9	26.3	24.4	264	447	27.2	25.5	27.1
Prop	60.2	60.7	59.9	(48)	34	60.4	60.0	60.4
Others	2.4	2.2	3.2	22	(80)	2.3	2.9	2.3

Source: NSE EPR.

Notes: 1. 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.
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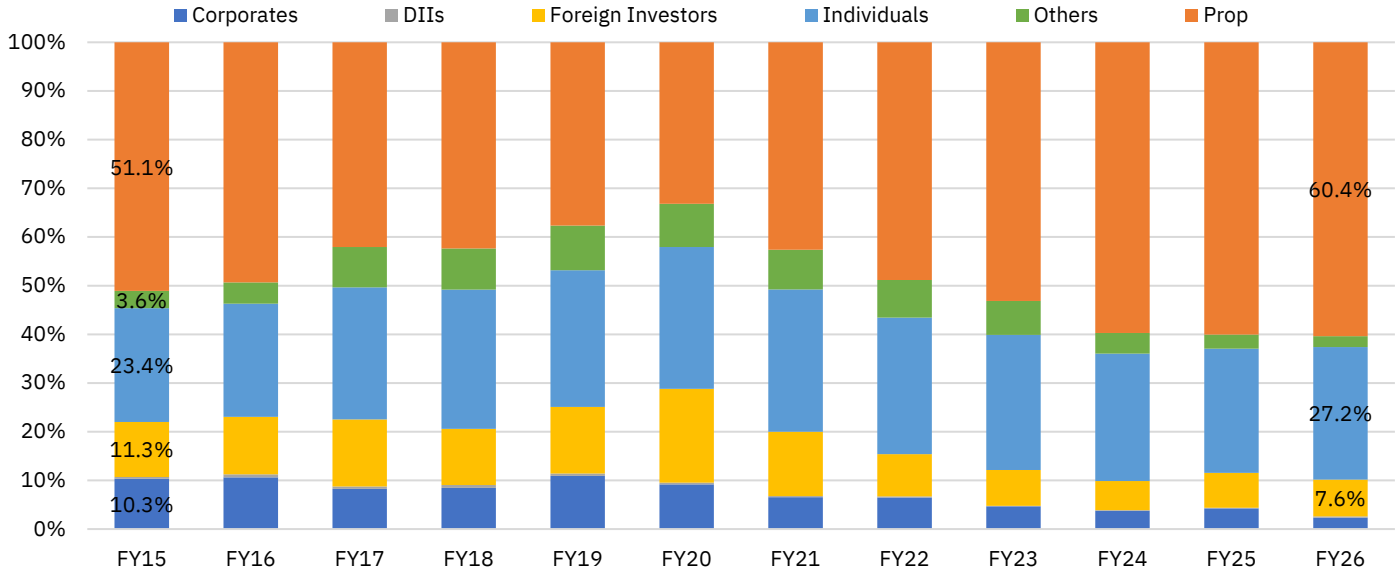
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. CY25 and FY26 are as of Jul'25.

Figure 326: Annual trends in share of client participation in Equity Derivatives (Notional Turnover) at NSE (%)



Source: NSE EPR.

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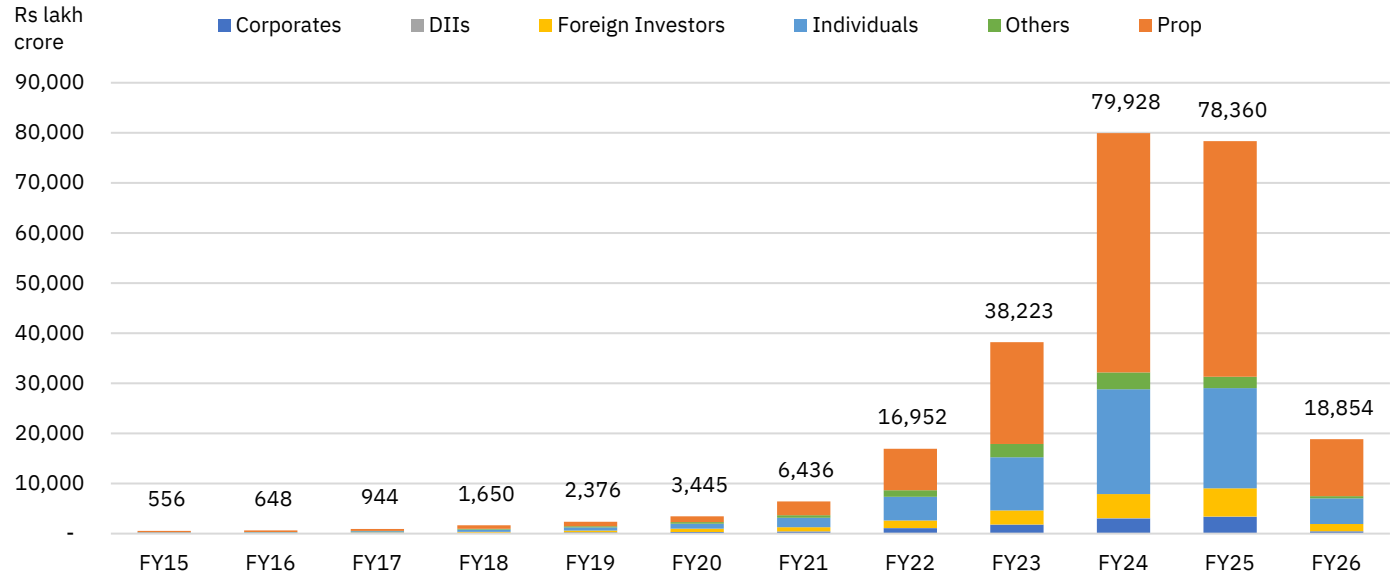
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 327: Annual trends in client category-wise notional turnover in Equity derivatives



Source: NSE EPR.

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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 FY26 is as of Jul'25.

Table 89: Share of client participation in Equity futures (Notional Turnover) segment of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	6.5	6.6	8.5	(2)	(200)	6.6	8.0	6.6
DIIs	11.3	11.6	7.4	(26)	394	11.2	8.8	10.9
Foreign Investors	26.8	26.6	24.1	21	276	26.7	25.7	26.8
Individuals	17.6	18.2	19.3	(62)	(172)	17.8	18.2	17.3
Prop	32.9	32.5	35.5	48	(253)	33.1	34.3	33.7
Others	4.7	4.5	5.2	20	(44)	4.7	5.0	4.7

Source: NSE EPR.
Notes: 1. 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.
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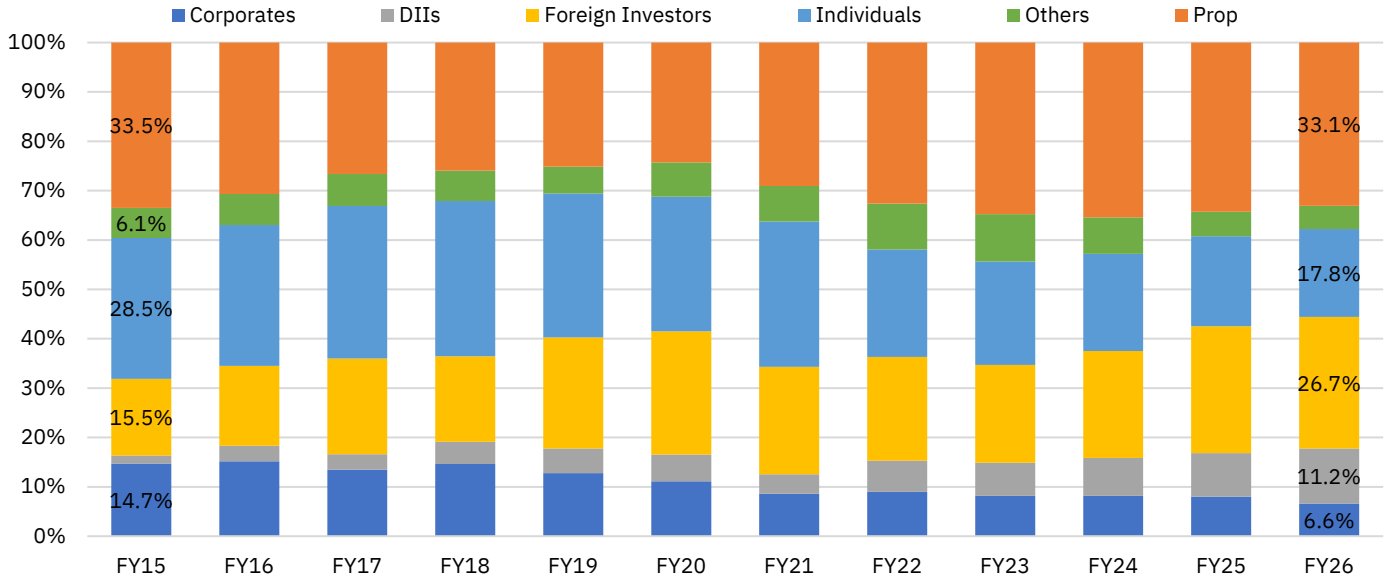
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. CY25 and FY26 are as of Jul'25.

Figure 328: Annual trends in share of client participation in Equity futures (Notional Turnover) at NSE



Source: NSE EPR.
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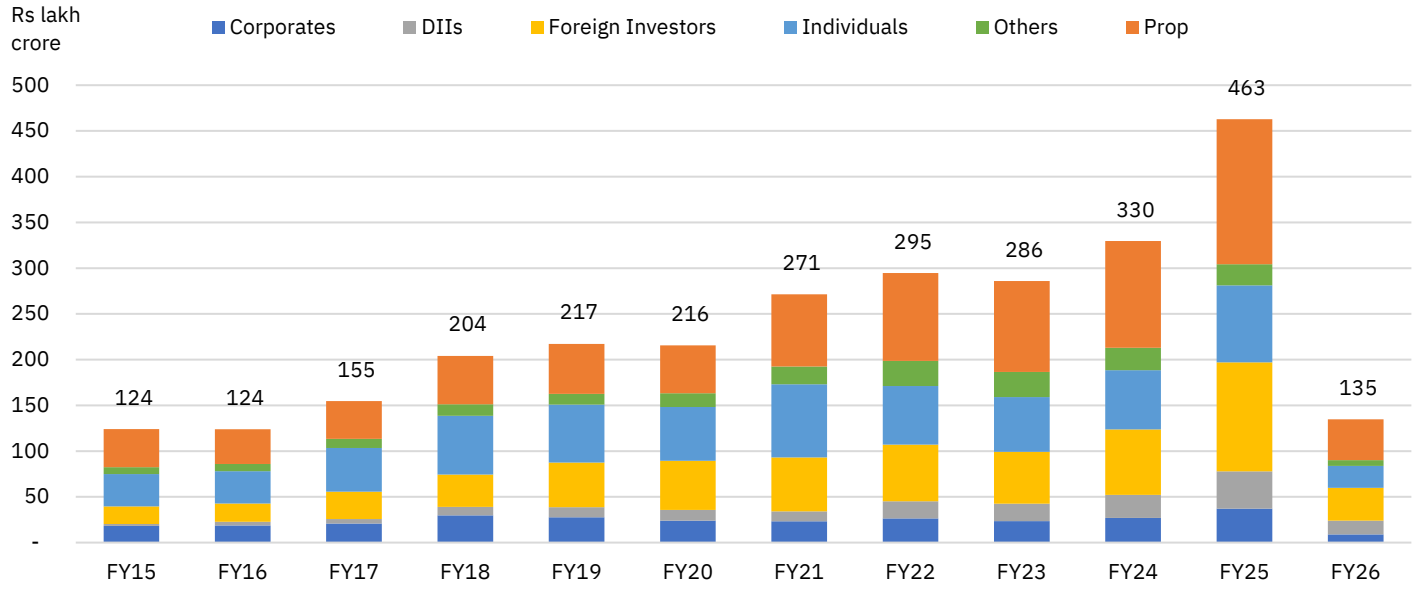
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. Data for FY26 is as of Jul'25.

Figure 329: Annual trends in client category-wise turnover in Equity futures at NSE



Source: NSE EPR.

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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 FY26 is as of Jul'25.

Table 90: Share of client participation in Equity options segment (Premium Turnover) of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	1.9	2.2	4.8	(28)	(288)	2.2	3.9	2.2
DIIs	0.1	0.1	0.1	1	3	0.1	0.1	0.1
Foreign Investors	5.9	8.7	8.9	(281)	(306)	8.2	9.6	8.4
Individuals	38.1	36.0	33.6	204	445	35.7	34.6	35.7
Prop	51.8	50.8	49.6	94	219	51.6	48.9	51.3
Others	2.2	2.1	2.9	10	(73)	2.2	2.8	2.3

Source: NSE EPR.

Notes: 1. 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.
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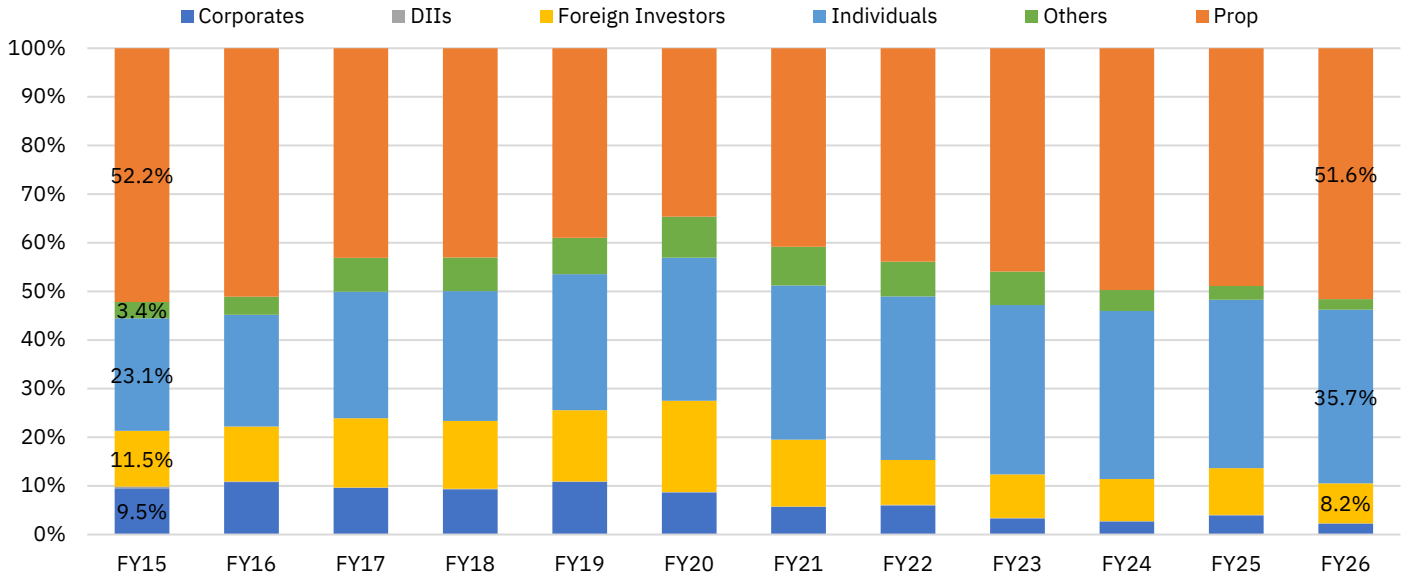
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. CY25 and FY26 are as of Jul'25.

Figure 330: Annual trends in share of client participation in Equity options (Premium Turnover) at NSE (%)



Source: NSE EPR.

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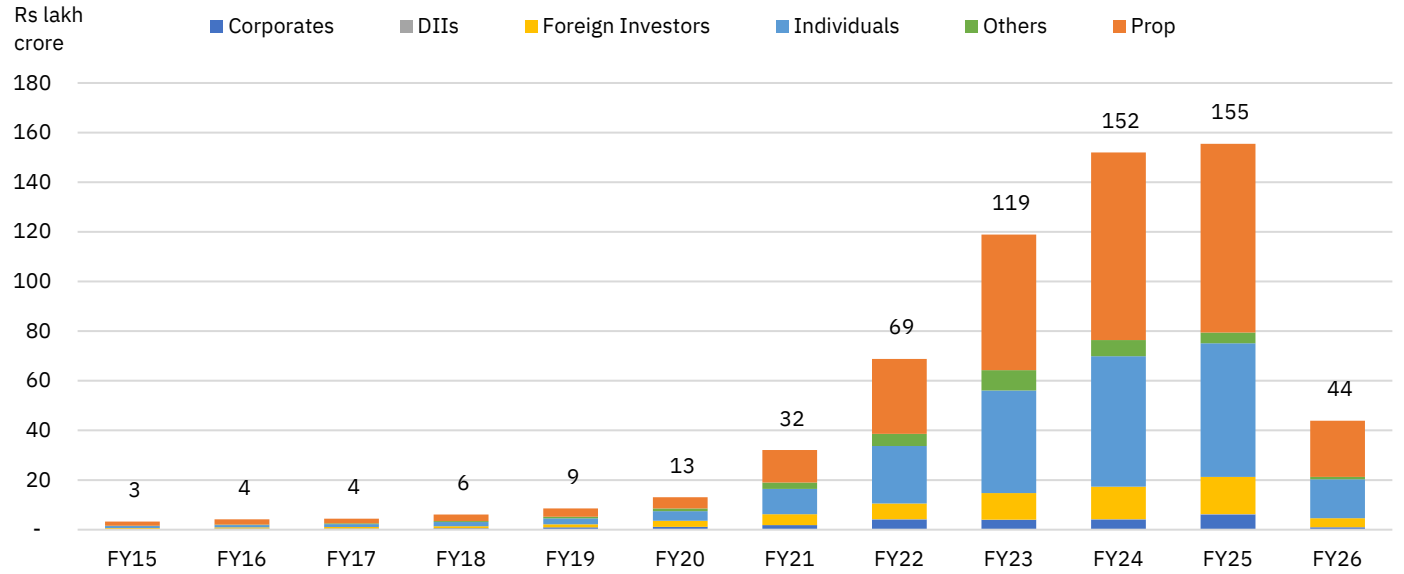
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 331: Annual trends in client category-wise turnover in Equity options (Premium Turnover) at NSE



Source: NSE EPR.

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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 FY26 is as of Jul'25.

Table 91: Share of client participation in Index Futures of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	8.1	10.4	13.1	(231)	(500)	9.6	12.2	9.6
DIIs	5.4	5.5	2.9	(15)	253	5.6	3.7	5.4
Foreign Investors	17.4	15.2	14.2	214	316	15.6	15.0	15.8
Individuals	32.4	33.4	31.5	(99)	90	31.9	31.2	31.8
Prop	30.7	29.9	32.3	82	(159)	31.4	32.1	31.8
Others	6.0	5.5	6.0	49	1	6.0	5.8	5.7

Source: NSE EPR.

Notes: 1. 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.
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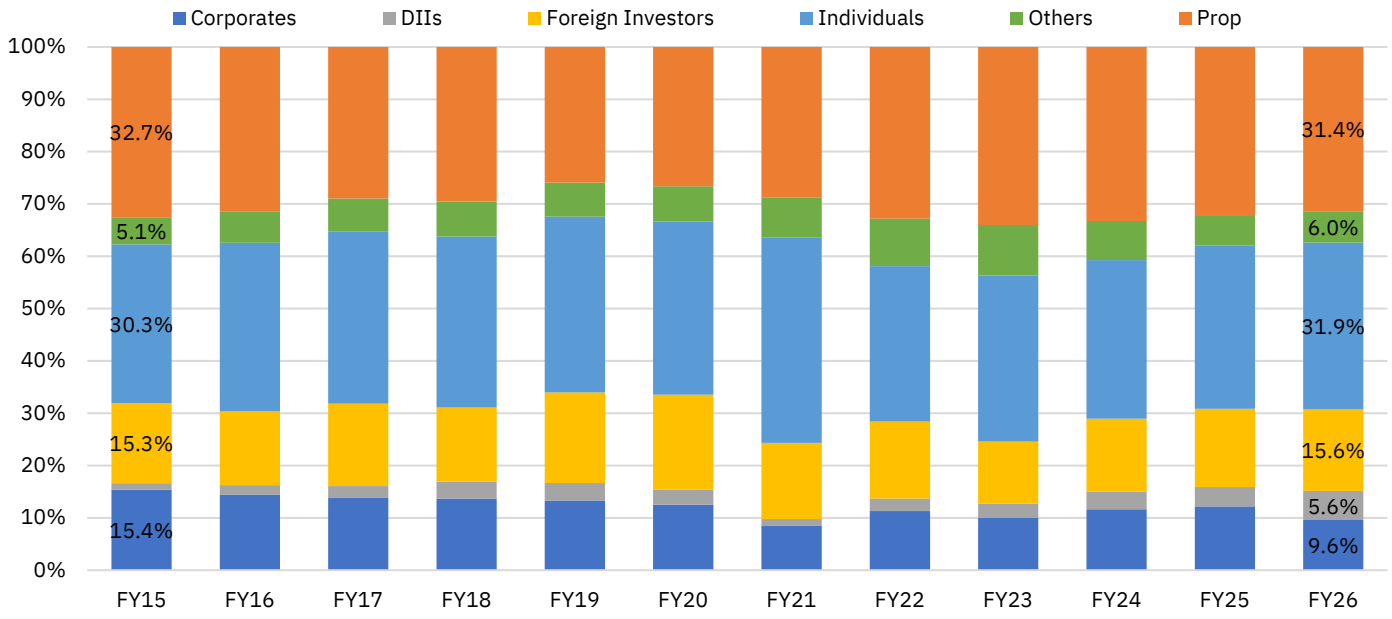
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. CY25 and FY26 are as of Jul'25.

Figure 332: Annual trends in share of client participation in Index Futures at NSE (%)



Source: NSE EPR.

Notes: 1. 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.
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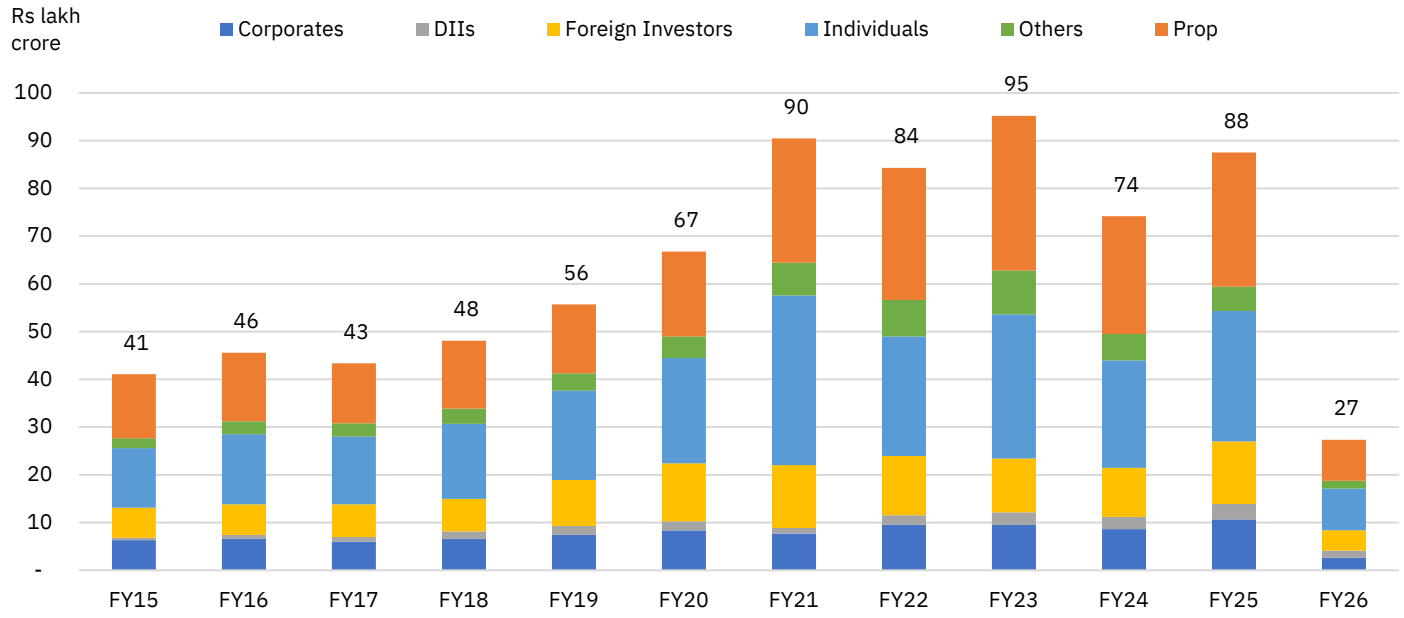
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 333: Annual trends in category-wise client turnover in Index Futures at NSE



Source: NSE EPR.

Notes: 1. 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.
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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 FY26 is as of Jul'25.

Table 92: Share of client participation in Stock Futures of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	6.2	5.6	7.6	60	(134)	5.8	7.0	5.9
DIIs	12.6	13.1	8.4	(51)	420	12.6	10.0	12.3
Foreign Investors	28.8	29.4	26.2	(62)	259	29.5	28.2	29.5
Individuals	14.6	14.5	16.7	4	(217)	14.2	15.2	13.7
Prop	33.4	33.1	36.1	31	(275)	33.5	34.8	34.2
Others	4.5	4.3	5.0	18	(53)	4.4	4.8	4.4

Source: NSE EPR.

Notes: 1. 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.
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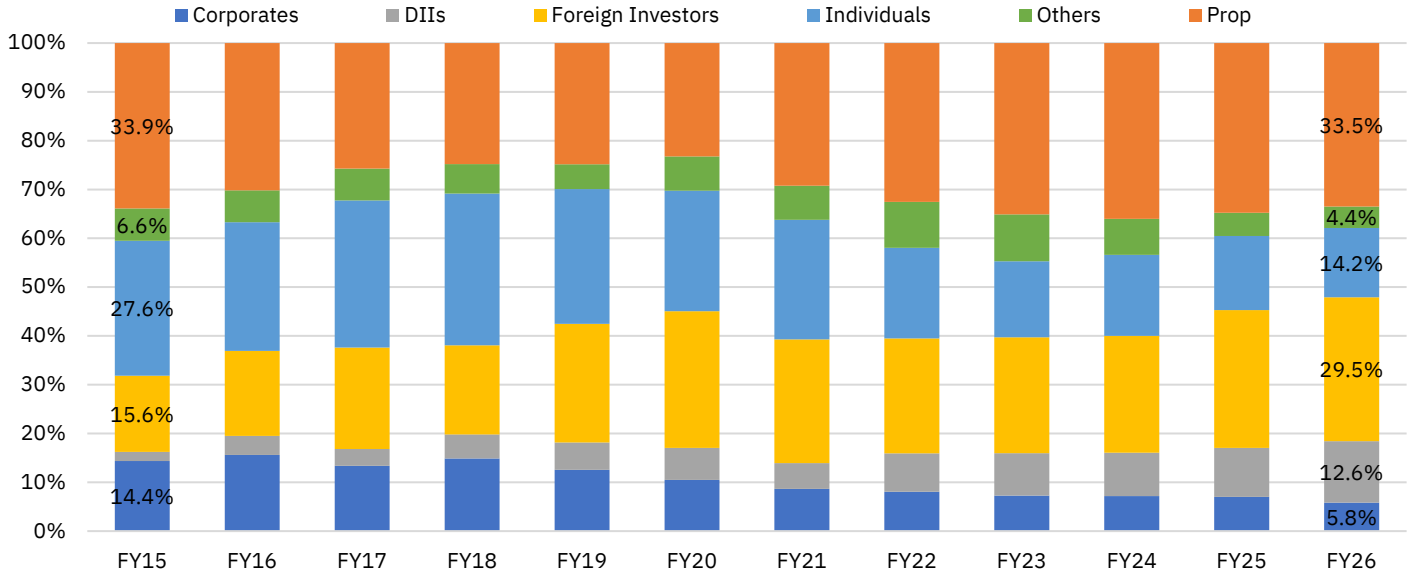
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. CY25 and FY26 are as of Jul'25.

Figure 334: Annual trends in share of client participation in Stock Futures at NSE (%)



Source: NSE EPR.
Notes: 1. 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.
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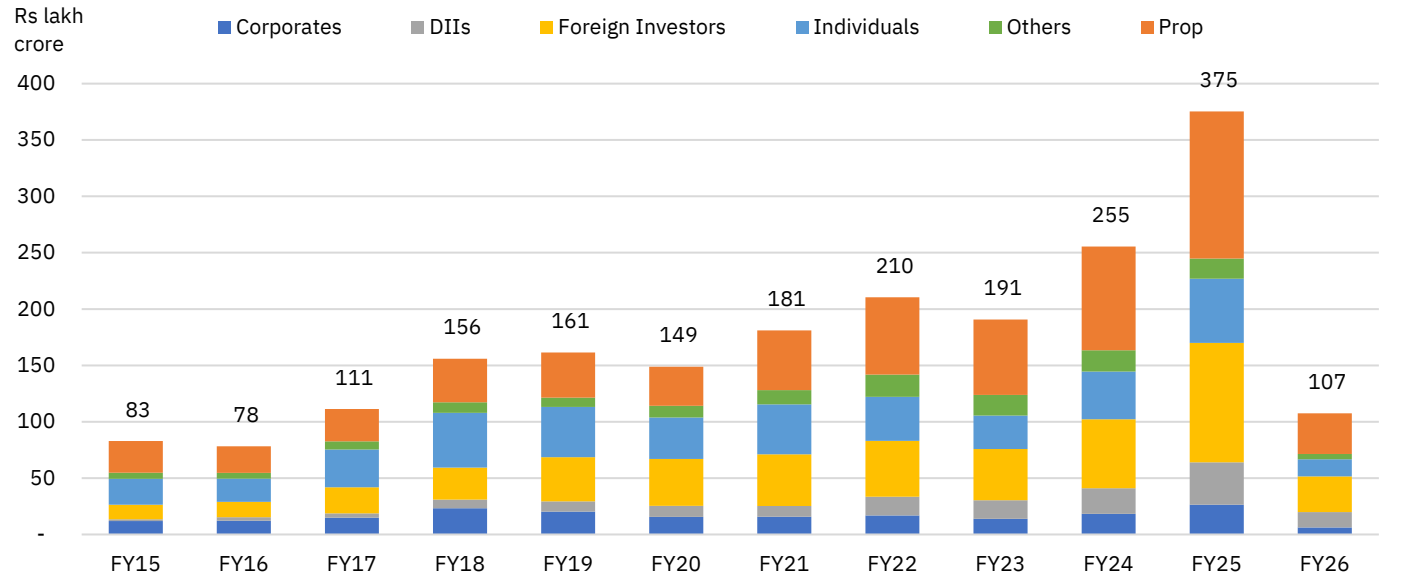
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 335: Annual trends in client category-wise turnover in Stock Futures at NSE



Source: NSE EPR.
Notes: 1. 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.
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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 FY26 is as of Jul'25.

Table 93: Share of client participation in Index Options (Premium Turnover) of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	1.8	2.2	4.8	(39)	(297)	2.2	3.9	2.2
DIIs	0.1	0.1	0.1	0	2	0.1	0.1	0.1
Foreign Investors	5.9	7.9	9.1	(199)	(317)	7.6	9.6	7.7
Individuals	39.6	37.5	34.4	213	522	37.2	35.7	37.3
Prop	50.3	50.2	48.6	17	171	50.7	47.8	50.3
Others	2.2	2.1	3.0	7	(81)	2.2	3.0	2.4

Source: NSE EPR.
Notes: 1. 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.
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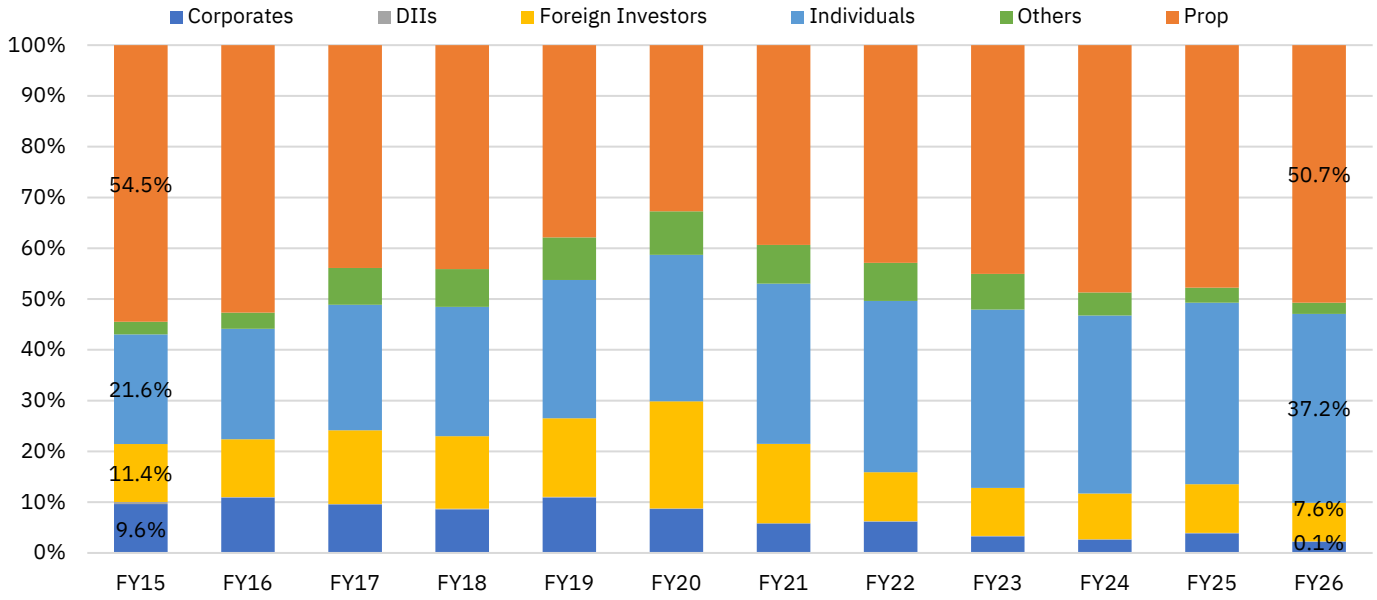
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. CY25 and FY26 are as of Jul'25.

Figure 336: Annual trends in share of client participation in Index Options (premium turnover) at NSE (%)



Source: NSE EPR.
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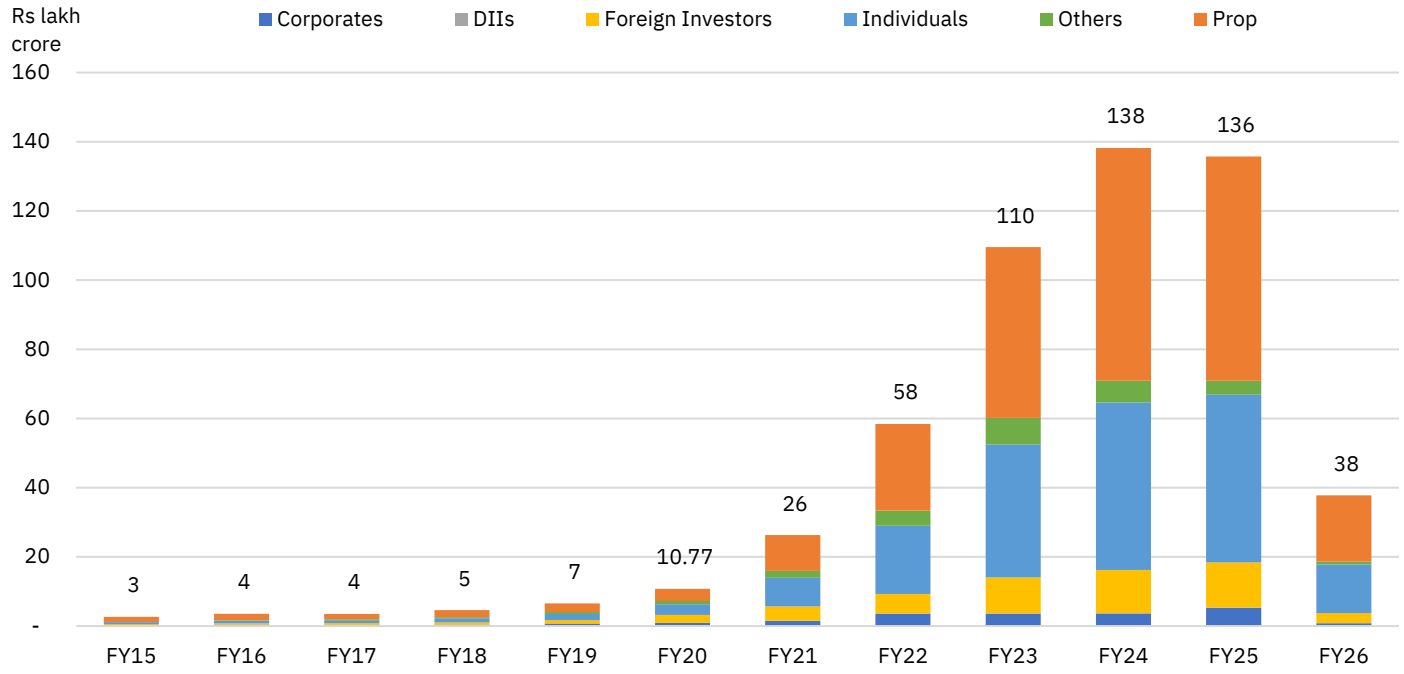
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 337: Annual trends in client category-wise premium turnover in Index Options at NSE



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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 FY26 is as of Jul'25.

Table 94: Share of client participation in Stock Options (Premium Turnover) of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	2.6	2.1	4.9	44	(233)	2.3	4.4	2.5
DIIs	0.3	0.2	0.2	4	9	0.3	0.2	0.2
Foreign Investors	5.9	13.5	8.2	(763)	(232)	12.0	9.9	12.7
Individuals	28.6	27.5	28.5	115	16	26.6	27.1	26.0
Prop	60.6	54.8	56.0	575	455	57.0	56.7	56.9
Others	2.1	1.8	2.3	25	(16)	1.9	1.8	1.8

Source: NSE EPR.
Notes: 1. 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.
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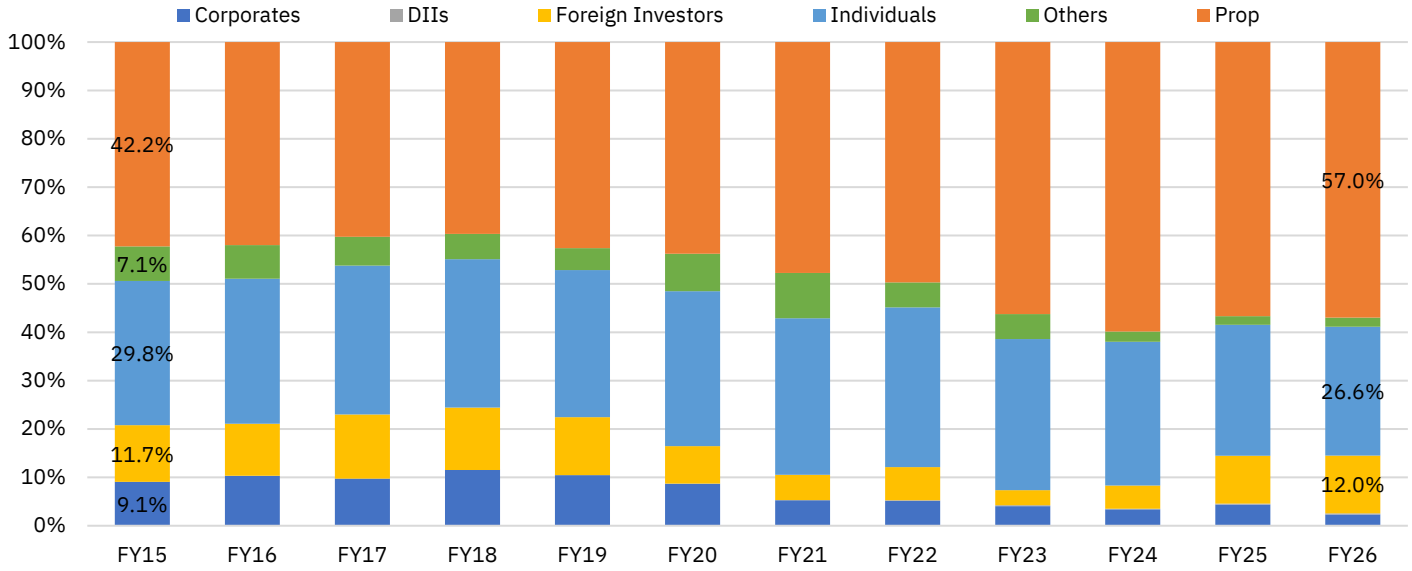
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. CY25 and FY26 are as of Jul'25.

Figure 338: Annual trends in share of client participation in Stock Options (Premium Turnover) at NSE (%)



Source: NSE EPR.
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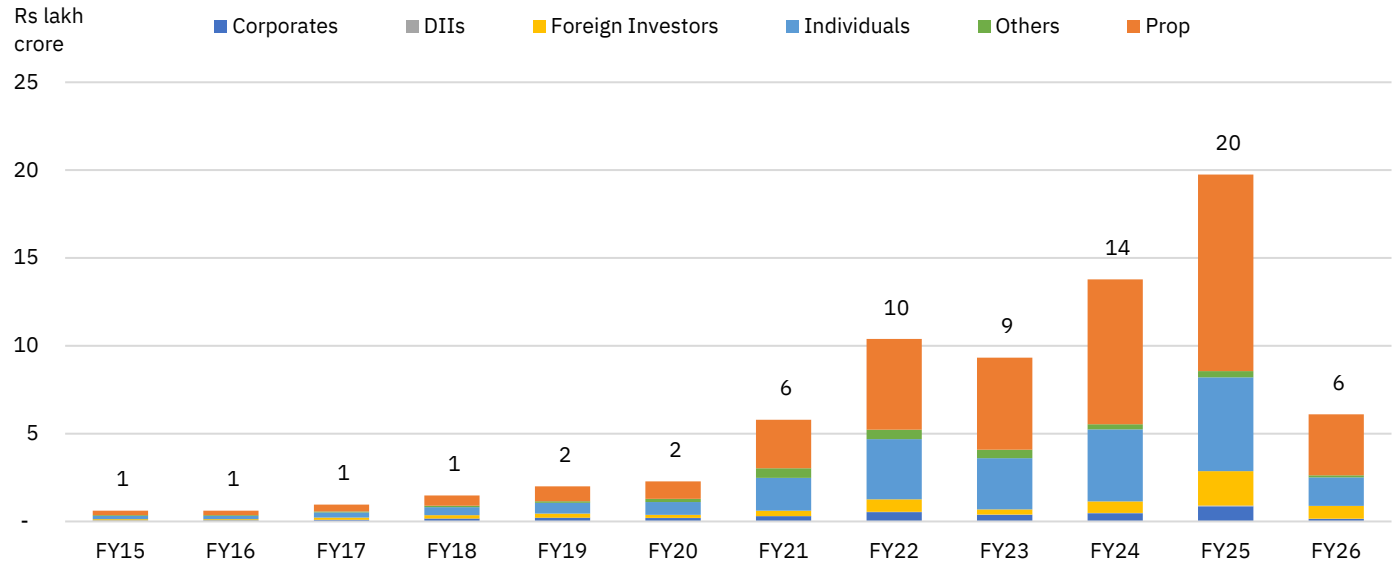
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 339: Annual trends in client category-wise premium turnover in Stock Options at NSE



Source: NSE EPR.
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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 FY26 is as of Jul'25.

Table 95: Share of client participation in Currency Derivatives segment (Notional Turnover) of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	20.8	17.8	17.7	304	314	16.9	8.6	12.9
DIIs	4.0	4.1	1.6	(7)	238	4.1	2.0	3.8
Foreign Investors	15.1	18.7	10.6	(354)	457	18.3	7.8	14.5
Individuals	11.7	11.7	11.8	1	(15)	9.2	8.4	6.4
Prop	46.3	45.5	55.4	78	(909)	49.5	71.7	61.1
Others	2.1	2.3	2.9	(22)	(84)	2.0	1.6	1.4

Source: NSE EPR.
Notes: 1. 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.
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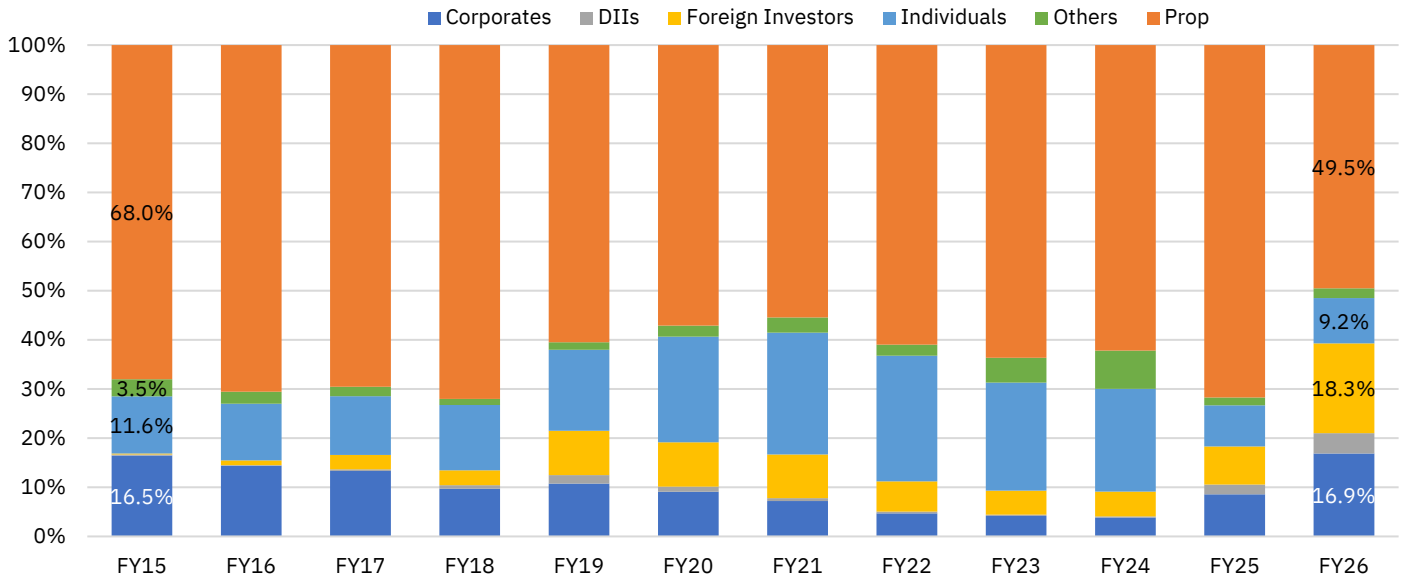
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. CY25 and FY26 are as of Jul'25.

Figure 340: Annual trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE (%)



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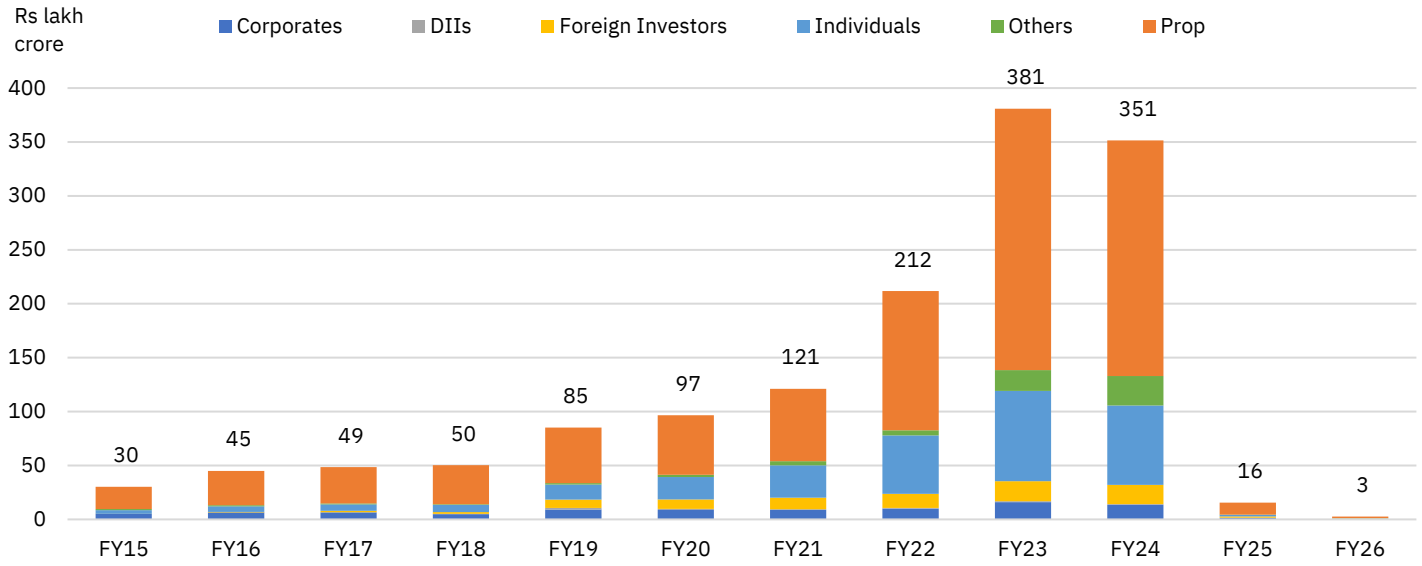
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 341: Annual trends in client category-wise notional turnover in Currency Derivatives at NSE



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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 FY26 is as of Jul'25.

Table 96: Share of client participation in Currency Futures of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	20.6	17.3	16.6	330	400	16.6	8.1	12.6
DIIs	4.1	4.2	1.7	(11)	237	4.2	2.2	3.8
Foreign Investors	15.3	19.1	11.0	(377)	430	18.5	8.0	14.6
Individuals	11.1	11.0	10.6	10	45	8.7	4.9	5.9
Prop	46.8	46.1	57.0	73	(1,018)	50.0	75.2	61.6
Others	2.1	2.3	3.0	(25)	(94)	2.0	1.5	1.4

Source: NSE EPR.
Notes: 1. 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.
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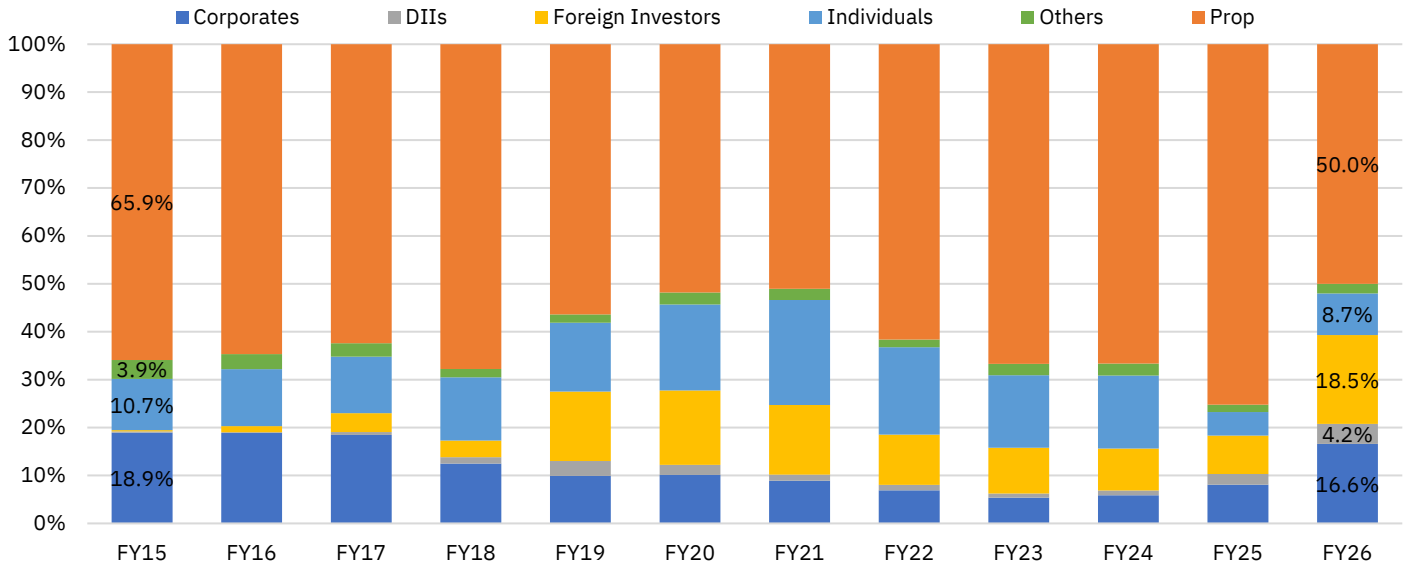
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. CY25 and FY26 are as of Jul'25.

Figure 342: Annual trends in share of client participation in Currency Futures at NSE (%)



Source: NSE EPR.
Notes: 1. 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.
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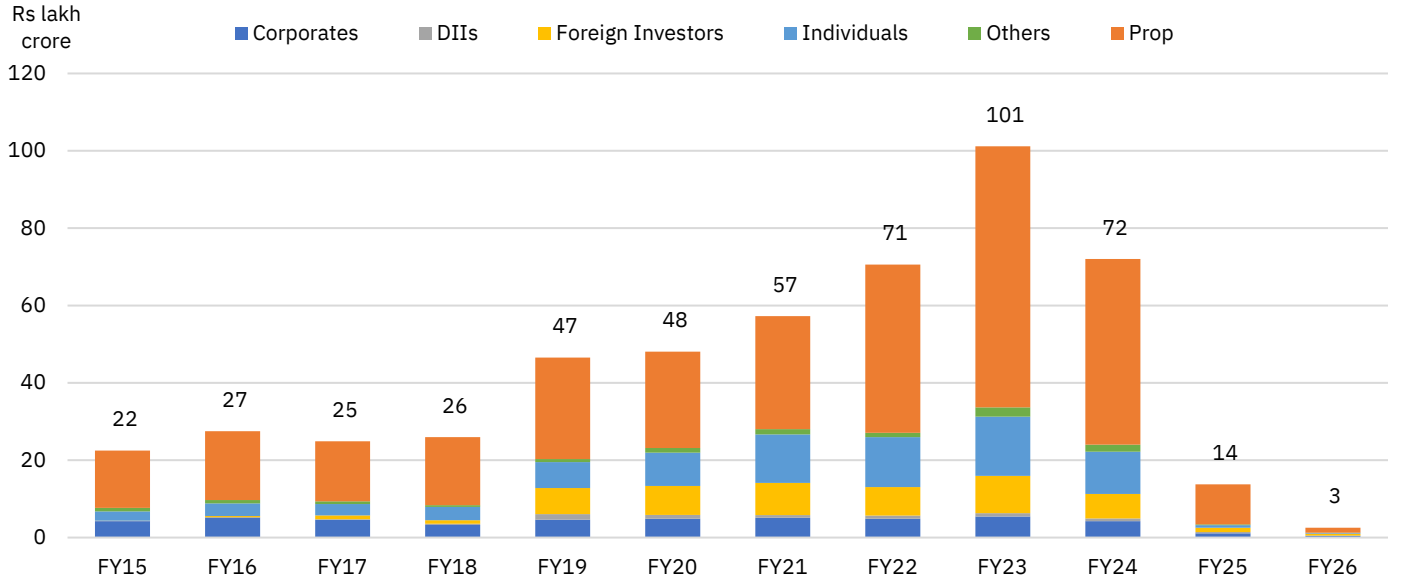
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 343: Annual trends in client category-wise turnover in Currency Futures at NSE



Source: NSE EPR.
Notes: 1. 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.
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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 FY26 is as of Jul'25.

Table 97: Share of client participation in Currency Options (Premium Turnover) of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	39.0	39.2	45.9	(21)	(691)	40.8	11.1	40.3
DIIs	0.0	0.0	0.0	-	-	0.0	0.2	0.0
Foreign Investors	0.0	0.0	0.0	-	-	0.0	5.7	0.1
Individuals	54.2	37.4	33.8	1,676	2,042	42.9	36.9	46.9
Prop	6.1	23.4	19.9	(1,728)	(1,385)	16.1	45.3	12.6
Others	0.7	0.0	0.4	73	34	0.2	0.8	0.1

Source: NSE EPR.
Notes: 1. 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.
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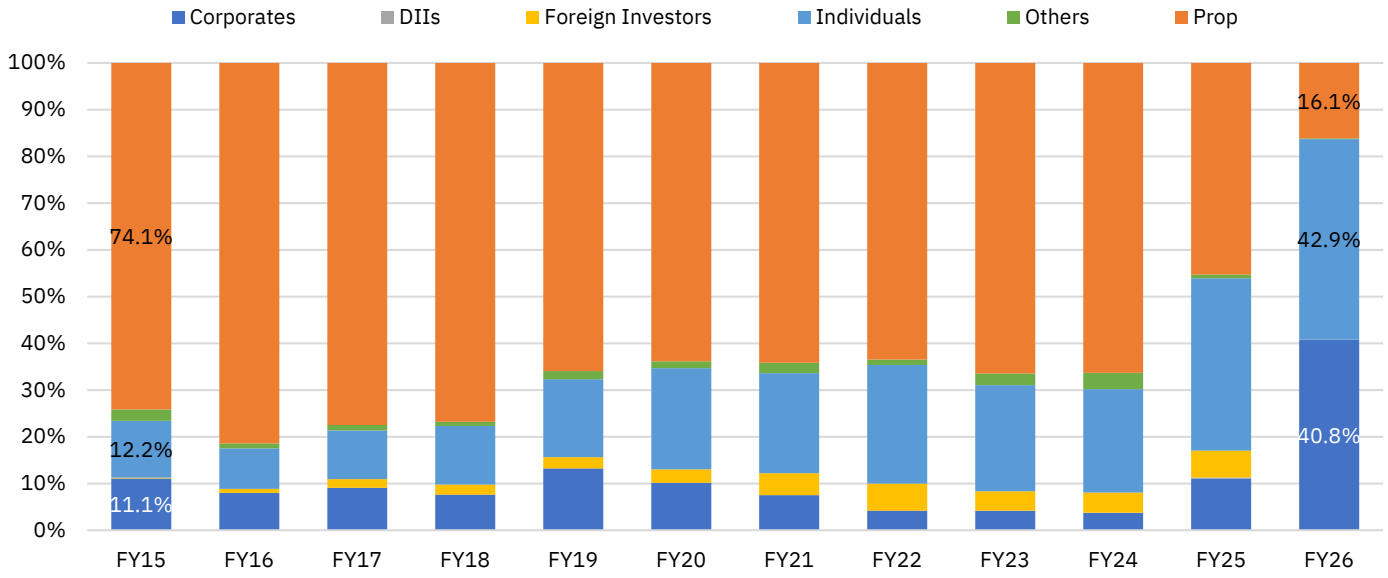
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. CY25 and FY26 are as of Jul'25.

Figure 344: Annual trends in share of client participation in Currency Options (Premium Turnover) at NSE (%)



Source: NSE EPR.
Notes: 1. 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.
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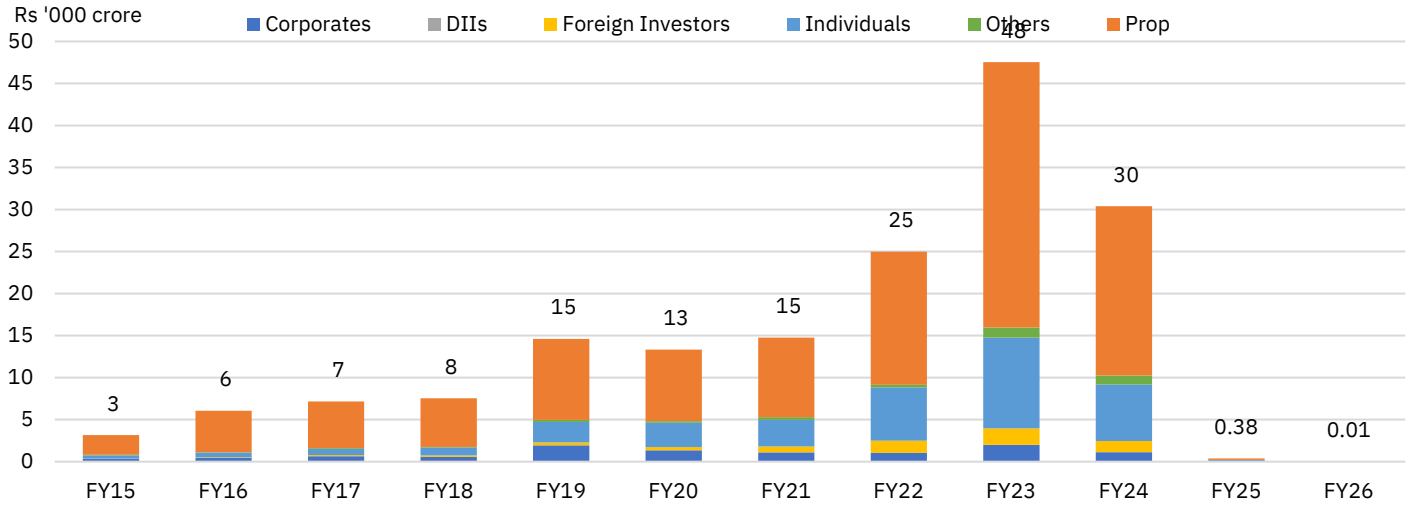
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 345: Annual trends in client category-wise premium turnover in Currency Options at NSE



Source: NSE EPR.
Notes: 1. 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.
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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 FY26 is as of Jul'25.

Corporates' share touched an 11-month low in July in interest rate futures: While turnover share of corporates declined further (-123bps MoM) during the month of July, this category continued to hold a dominant position at 73.3% in the month of July and 76.1% in FY26 (As on July 31st, 2025). In contrast, the share of individual investors expanded by 180bps MoM to 7.7% and 8.1% respectively. Participation by institutional investors remained muted. On an annual basis, the decline in trading activity over the years has been largely driven by reduced participation by proprietary traders.

Table 98: Share of client participation in Interest Rate Futures of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Corporates	73.2	74.4	61.4	(123)	1,183	76.1	72.7	77.4
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign Investors	0.8	0.9	0.1	(6)	66	0.8	0.2	0.7
Individuals	7.7	5.9	14.3	180	(666)	8.1	15.1	13.1
Prop	18.3	18.8	22.7	(52)	(436)	14.9	10.6	8.7
Others	0.0	0.0	1.5	-	(147)	0.0	1.3	0.1

Source: NSE EPR.
Notes: 1. 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.
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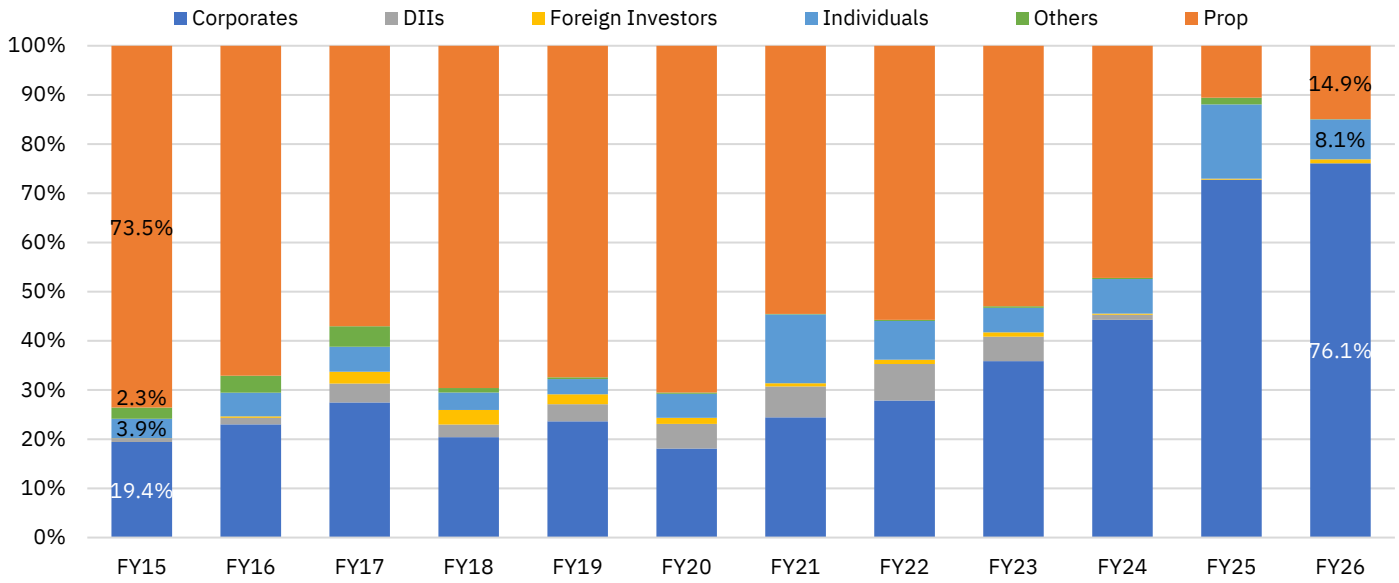
3. Figures in brackets indicate negative numbers.
4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
5. CY25 and FY26 are as of Jul'25.

Figure 346: Annual trends in share of client participation in Interest Rate Futures at NSE (%)



Source: NSE EPR.
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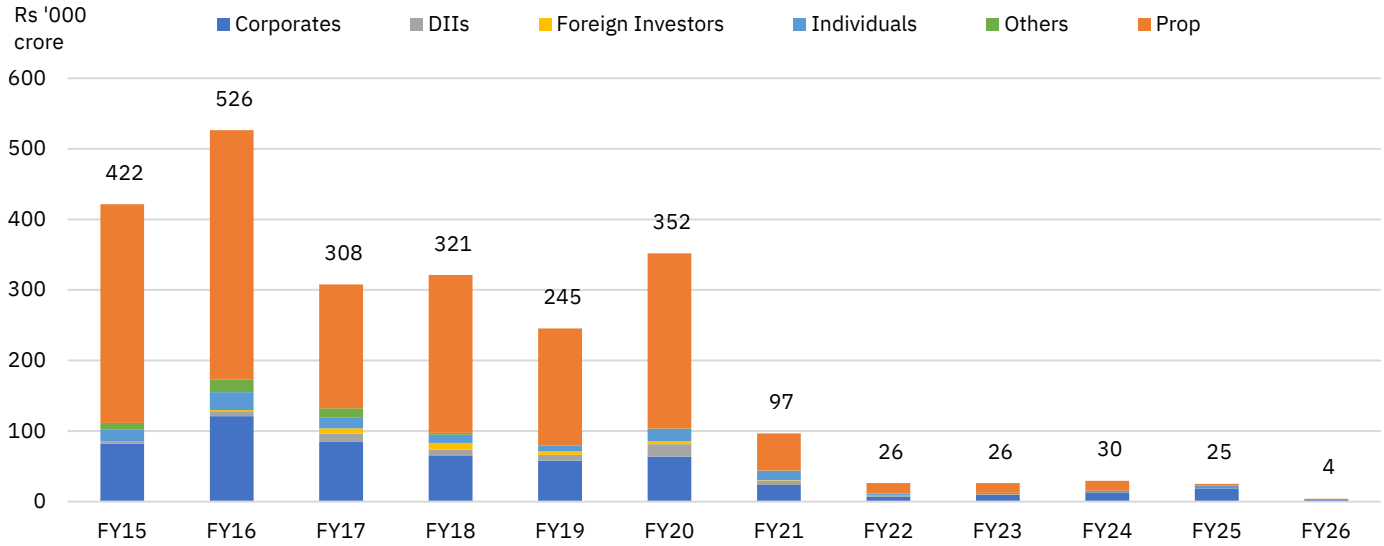
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 347: Annual trends in client category-wise turnover in Interest Rate Futures at NSE



Source: NSE EPR.
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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 FY26 is as of Jul'25.

Proprietary traders continued to be the most active in commodity derivatives segment: In commodity futures, proprietary traders continued to dominate with 79.4%, albeit slightly lower than 88.9% a year ago. Incidentally, the month also marked launch of electricity futures on NSE, commencing from July 14th, 2025. Individual investors witnessed a sharp dip in share in turnover on MoM basis from 29.8% to 8.6%. Corporates and foreign investors participation remained muted, accounting for just 3.1% and 0.2% in July and 3.4% and 0.4% in the current fiscal year. In commodity options, individual investors' share in turnover registered an uptick during the month– an increase of 131bps MoM and 1,495bps YoY – to 27.9%, while proprietary traders share corrected to 66.3%, contracting 356bps MoM and 1737bps YoY.

Table 99: Share of client participation in Commodity derivatives segment of NSE (%)

Client category	Jul-25	Jun-25	Jul-24	MoM Change (bps)	YoY Change (bps)	FY26	FY25	CY25
Commodity Futures								
Corporates	3.1	3.4	0.3	(28)	283	3.4	1.5	3.1
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	0.2	0.2	0.0	(2)	22	0.4	2.6	0.8
Individuals	8.6	29.8	10.2	(2,113)	(156)	10.4	14.3	10.7
Prop	79.4	53.3	88.9	2,608	(949)	77.0	78.2	76.9
Others	8.6	13.3	0.6	(464)	801	8.9	3.4	8.4
Commodity Options (Premium Turnover)								
Corporates	0.1	0.8	0.5	(71)	(37)	0.7	0.5	0.6
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	4.7	0.4	0.0	433	468	1.4	0.3	0.8
Individuals	27.9	26.6	13.0	131	1,495	29.7	23.6	31.9
Prop	66.3	69.9	83.7	(356)	(1,737)	66.7	74.0	64.8
Others	0.9	2.3	2.8	(136)	(188)	1.6	1.6	1.9
Commodity Derivatives (Notional Turnover)								
Corporates	0.7	1.2	0.6	(54)	5	1.0	0.8	1.0
DIIs	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Foreign investors	1.7	0.2	0.0	151	169	0.5	0.1	0.3
Individuals	14.5	16.3	10.1	(175)	442	14.7	12.4	15.1
Prop	80.7	78.3	88.6	238	(785)	81.3	84.7	80.5
Others	2.4	4.0	0.7	(159)	169	2.5	2.1	3.0

Source: NSE EPR.

Notes: 1. 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.

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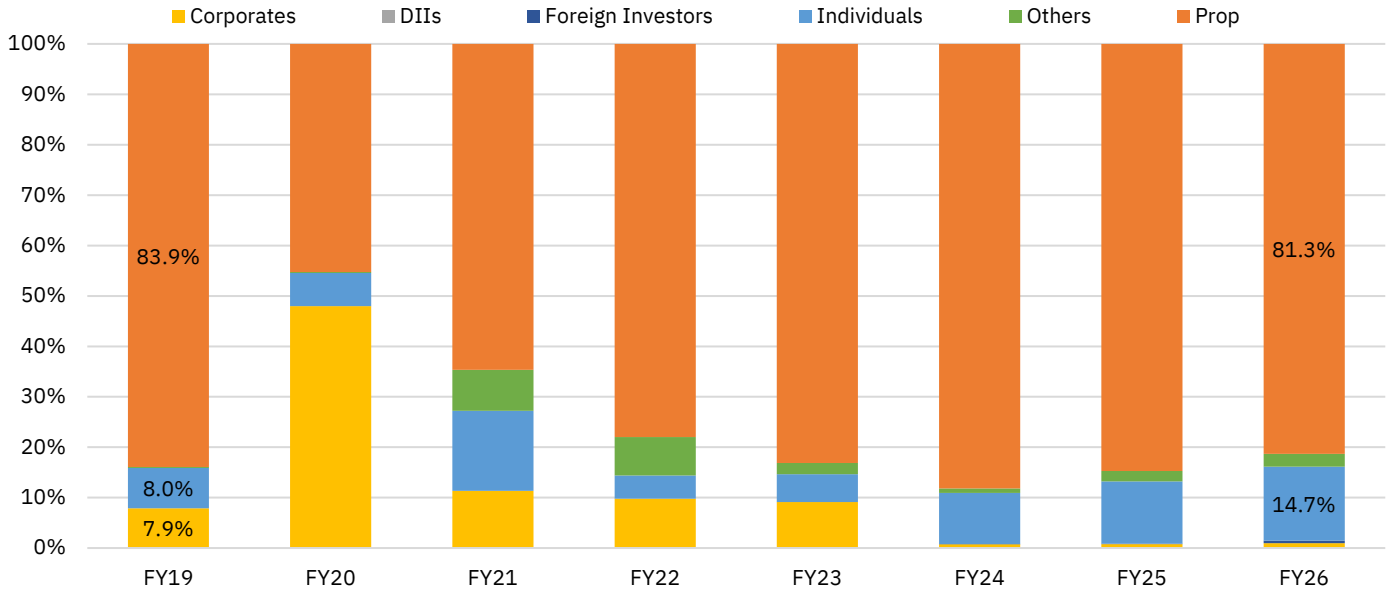
3. Figures in brackets indicate negative numbers.

4. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

5. CY25 and FY26 are as of Jul'25.

Figure 348: Annual trends in share of client participation in Commodity Derivatives (Notional Turnover)



Source: NSE EPR.
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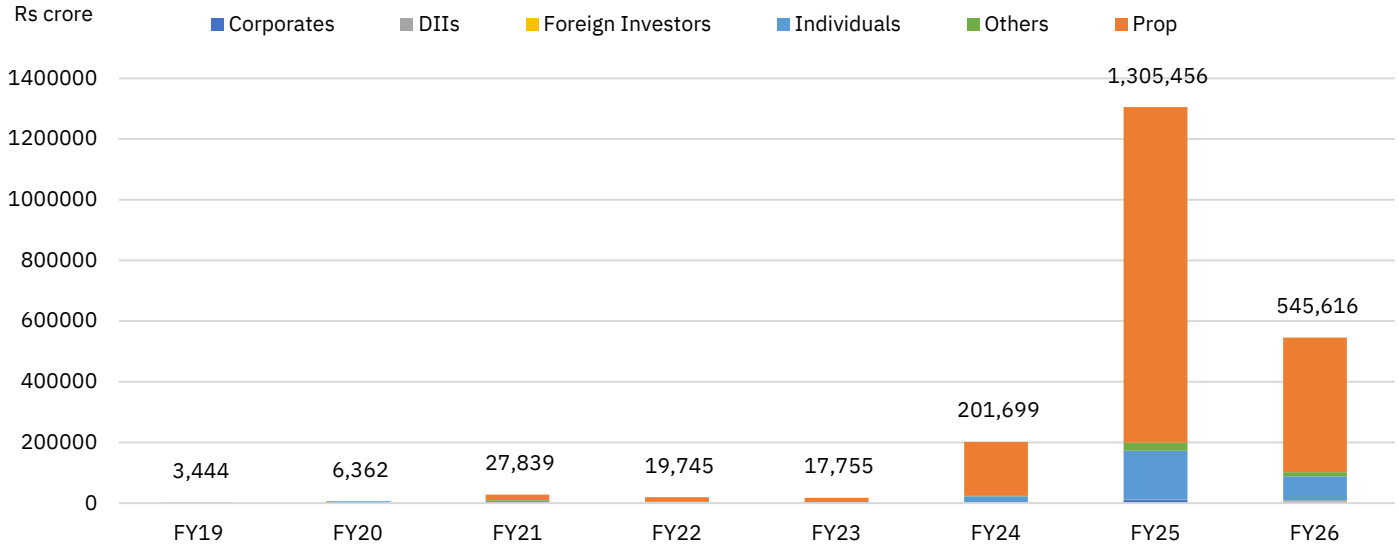
4. Data for FY26 is as of Jul'25.

Figure 349: Annual trends in client category-wise notional turnover in Commodity Derivatives at NSE



Source: NSE EPR.
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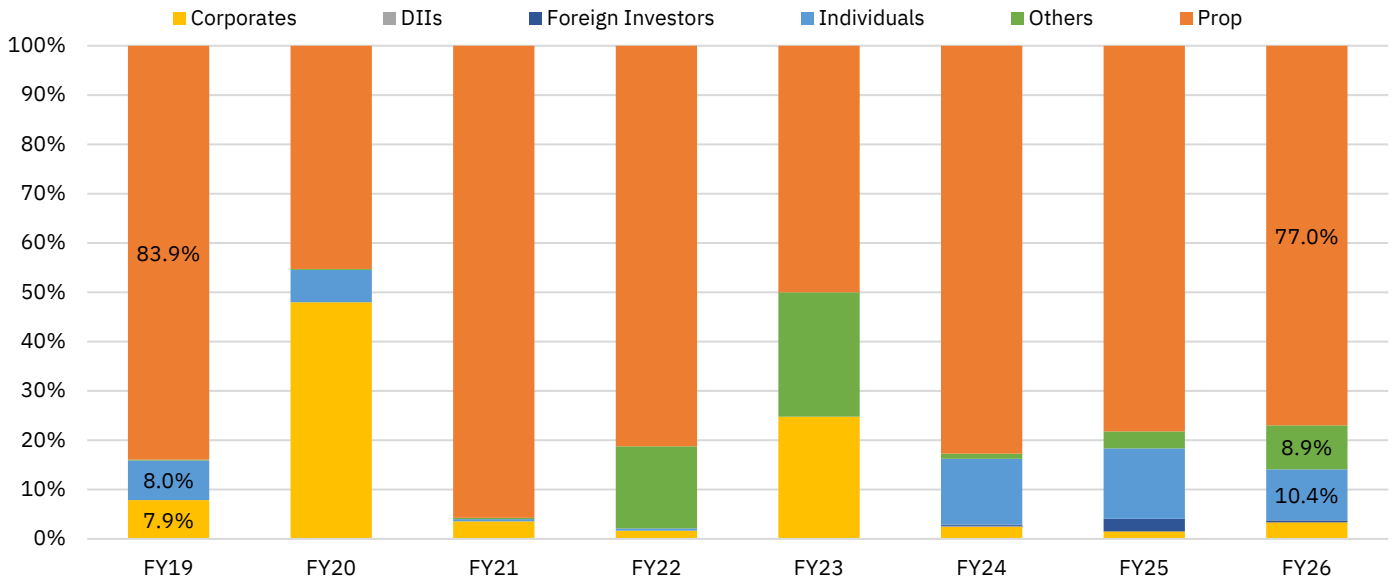
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 350: Annual trends in share of client participation in Commodity Futures at NSE (%)



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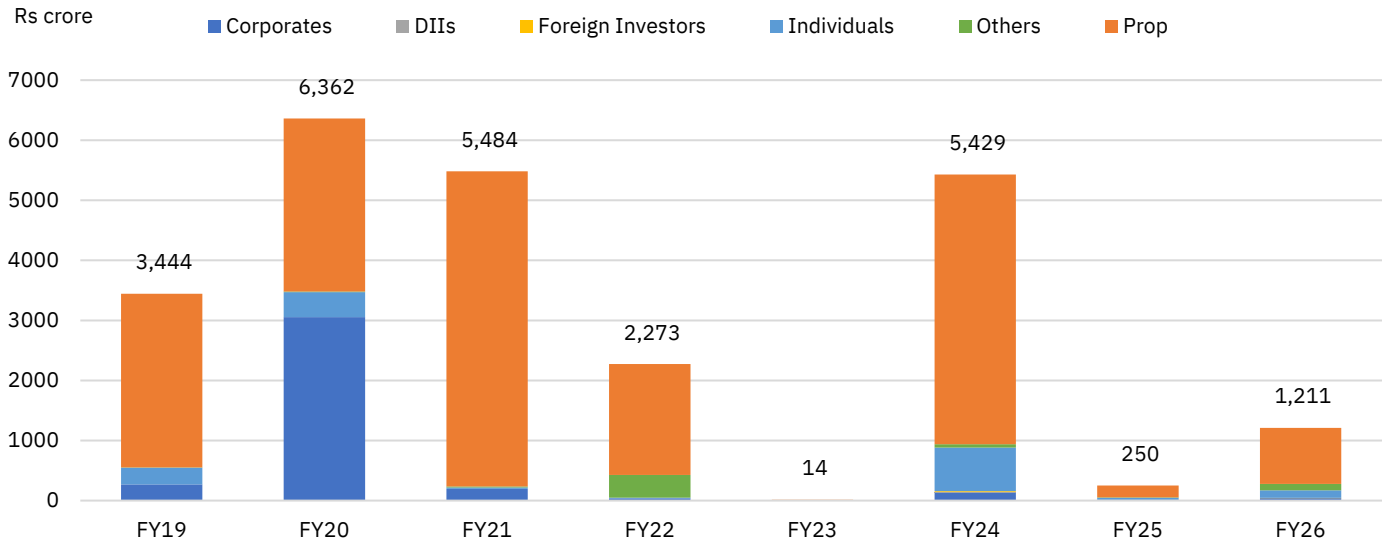
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 351: Annual trends in client category-wise turnover in Commodity Futures at NSE



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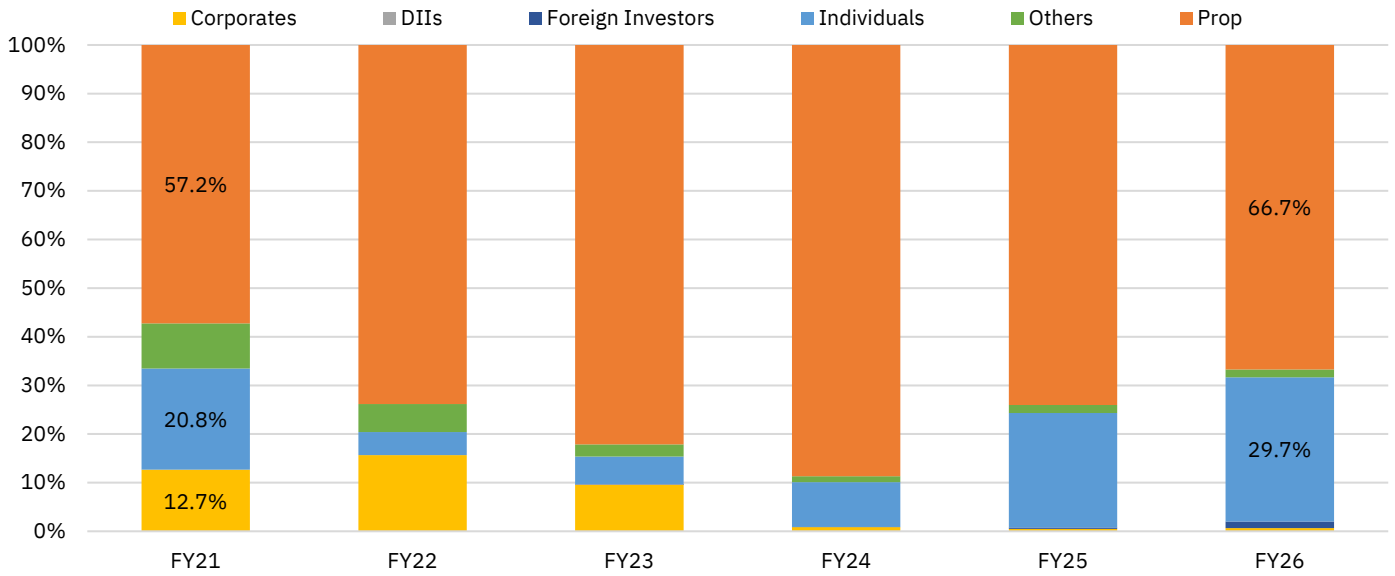
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 352: Annual trends in share of client participation in Commodity Options (Premium Turnover) at NSE (%)



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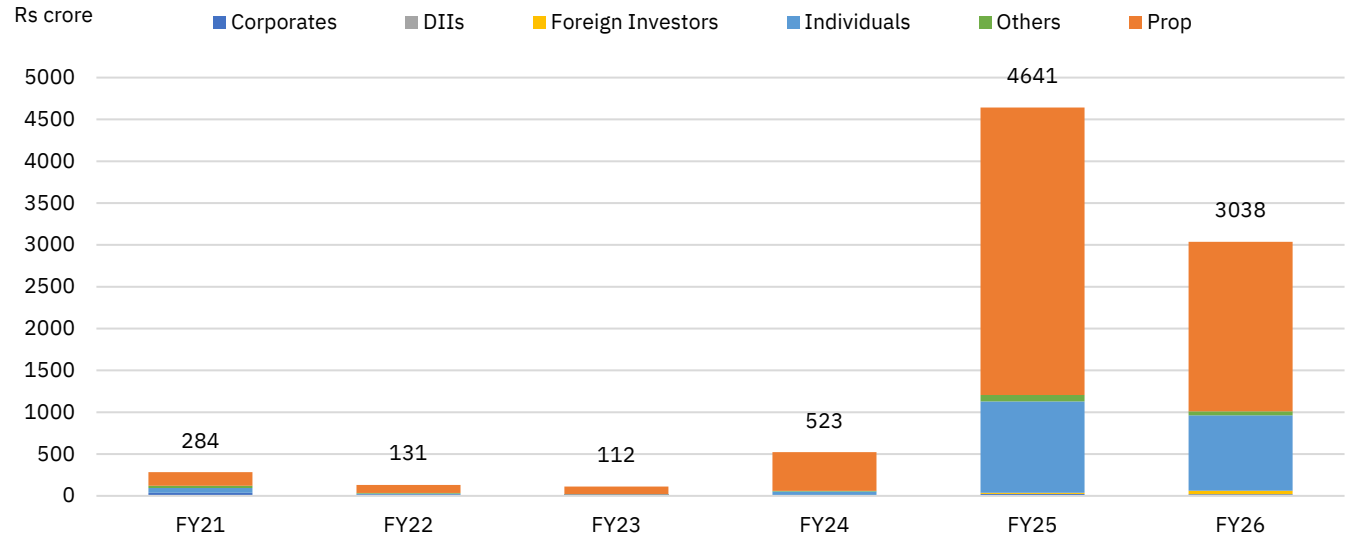
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Figure 353: Annual trends in client category-wise premium turnover in Commodity Options at NSE



Source: NSE EPR.
Notes: 1. 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.
2. DII –Bank, 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 (FIs) – 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 - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.
4. Data for FY26 is as of Jul'25.

Distribution of turnover by channels of trading

This section provides a detailed analysis of investor participation in stock market trading across various channels available at NSE. Investors execute trades through multiple avenues, including Colocation, Direct Market Access (DMA), Internet-Based Trading (IBT), Mobile, Smart Order Routing (SOR), and CTCL/Neat terminals. Furthermore, trading activity is categorized into algorithmic and non-algorithmic trades. The insights into the distribution of trades across these channels at NSE, offering a comprehensive view of investor behaviour and market dynamics.

Rise of technology driven investing in Indian markets; the share of colocation and mobile rose in equity cash: In July 2025, the Indian equity markets witnessed a notable shift in the share of different channels, highlighting the growing reliance on technology as a key enabler. The share of colocation facilities rose by 70 bps to 37.4%, remaining as the largest contributor to equity cash market turnover. This trend aligned with the increased share of proprietary traders, who are the primary users of colocation infrastructure. Meanwhile, mobile and internet-based trading (IBT) also gained momentum, rising by 50 bps and 46 bps respectively to 21.8% and 8.3%, reflecting the broader adoption of digital platforms amidst growing monthly investor participation. In contrast, the share of Direct Market Access (DMA) declined sharply by 170 bps to 4.9%—its lowest level in the past 25 months—indicating a relative less activity from institutional investors. On an annualised basis, the shift is even more pronounced: mobile's share surged from just 1% in FY15 to 22% in FY26 (as of July 2025), while the traditional CTCL/NEAT terminal share dropped from 63% to 26%, underscoring a strong preference for technology-enabled trading among investors.

In the equity derivatives space, the share of mobile trading expanded, especially in index options premium turnover, where its share increased by 169 bps MoM to 28.1% (highest ever) in July 2025. Conversely, DMA usage declined by 230 bps to just 5% in index options (premium turnover), the lowest in over 14 years, signaling a retreat by institutional investors in this contract. Colocation continued to dominate premium turnover in index options with a 52.5% share (+23 bps MoM) of premium turnover and also made significant inroads in stock options during the month, where its share surged 582 bps to 61%—the highest in 8 months. Mobile also gained in stock options, rising to a 20-month high of 20.4% in July, while DMA dropped by a sharp 773 bps to 5.8%, again indicating subdued institutional activity.

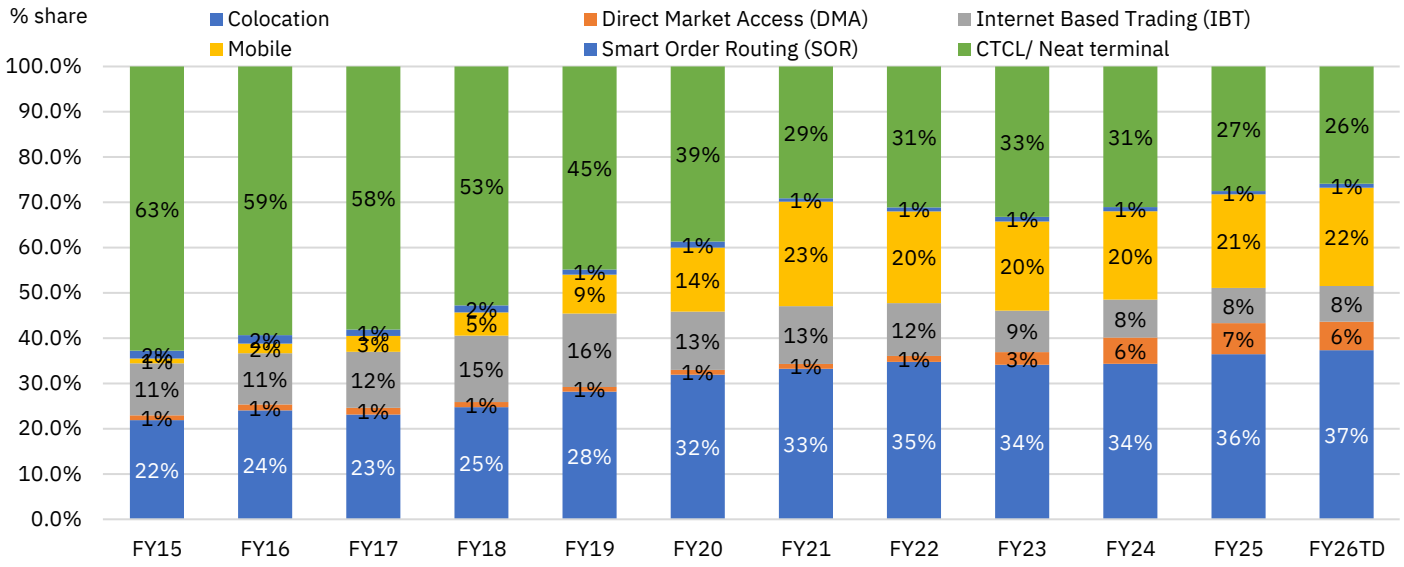
In equity futures, the share of colocation in stock futures dipped by 149 bps to 52.3% in July but remained the largest contributor, while mobile usage declined marginally to 7.4%. In index futures, mobile's share dropped by 158 bps to 16.9%. Interestingly, DMA maintained a relatively higher share in equity futures at 15.8% (+14bps MoM) in July, compared to just 5.1% (-310bps MoM) in equity options, pointing to greater institutional participation in the futures segment. Mobile trading accounted for 9.1% of equity futures, significantly lower than its 27% share in equity options in July, underscoring the dominance of individual investors in the options market. Overall, the evolving landscape—with increasing shares of Colocation, mobile, and DMA—demonstrates a clear shift towards technology-driven participation, reinforcing the critical role of digital infrastructure in shaping the future of Indian capital markets.

Table 100: Monthly trend in share (%) of different channels of trading in NSE CM segment

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Colocation	37.4	36.7	35.1	70	229	37.3	36.5	38.1
Direct Market Access (DMA)	4.9	6.6	6.3	-170	-140	6.3	6.8	6.4
Internet Based Trading (IBT)	8.3	7.9	8.5	46	-19	7.9	7.8	7.7
Mobile	21.8	21.3	22.7	50	-86	21.7	20.7	21.0
Smart order routing	1.4	0.6	0.7	80	78	0.9	0.7	0.9
CTCL/ Neat terminal	26.1	26.8	26.7	-76	-62	25.9	27.5	25.9

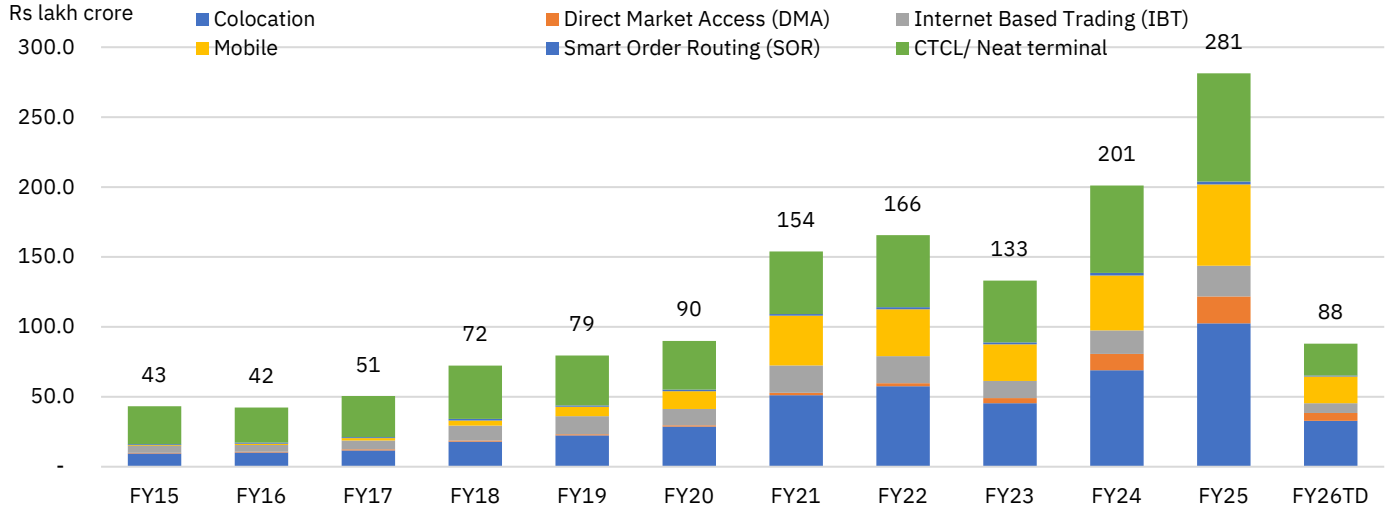
Source: NSE EPR
Note: 1. The above figures have been computed based on traded value.
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 354: Annual trends in share of different channels of trading in the NSE CM segment



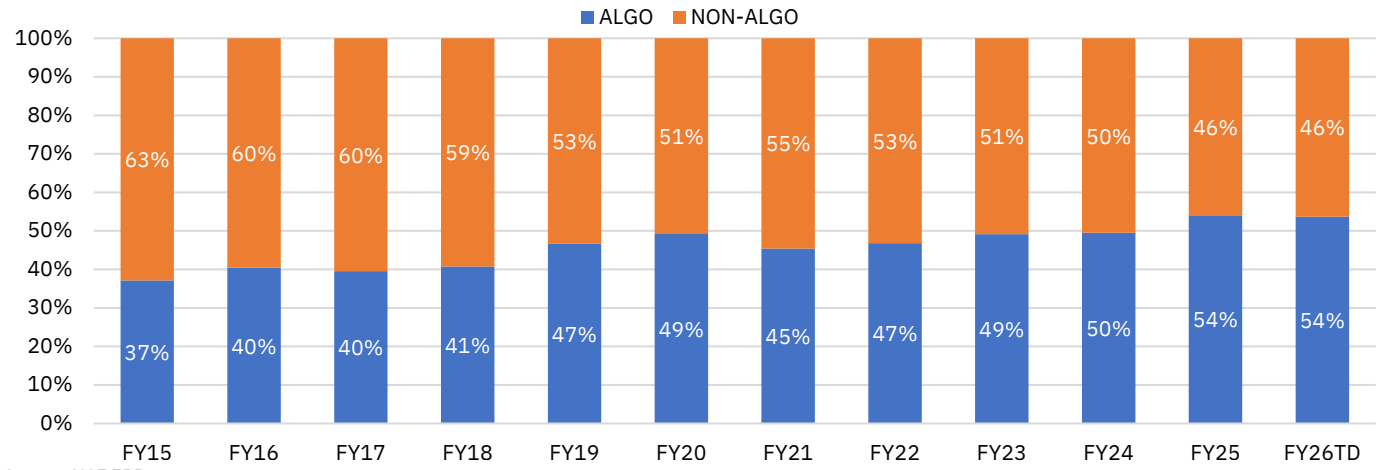
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of traded turnover.
3. Data for FY26TD is as of Jul'25.

Figure 355: Annual trends in turnover for channels of trading in NSE CM 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 based on single side traded value.
3. Data for FY26TD is as of Jul'25.

Figure 356: Annual trends in share for modes of trading in NSE CM segment



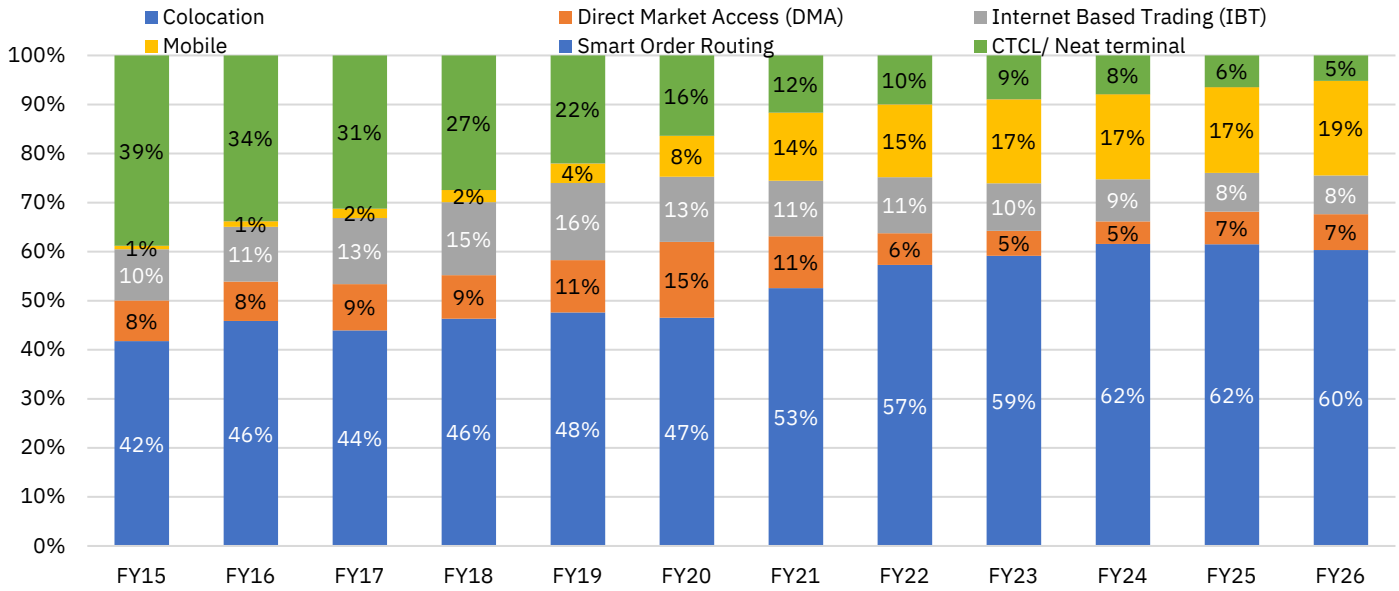
Source: NSE EPR.
Notes:
1. The above figures have been computed in terms of % share on the basis of net turnover.
2. Data for FY26TD is as of Jul'25.

Table 101: Share (%) of different channels of trading in equity derivatives segment (notional turnover)

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Colocation	60.1	60.5	62.4	-40	-238	60.3	61.5	60.6
Direct Market Access (DMA)	5.8	8.2	6.6	-242	-79	7.3	6.7	7.0
Internet Based Trading (IBT)	8.3	7.6	7.8	68	53	7.9	7.9	8.0
Mobile	20.6	18.6	16.5	207	410	19.3	17.5	19.0
Smart order routing	0.0	0.0	0.0	-0	0	0.0	0.0	0.0
CTCL/ Neat terminal	5.2	5.2	6.7	8	-145	5.2	6.4	5.4

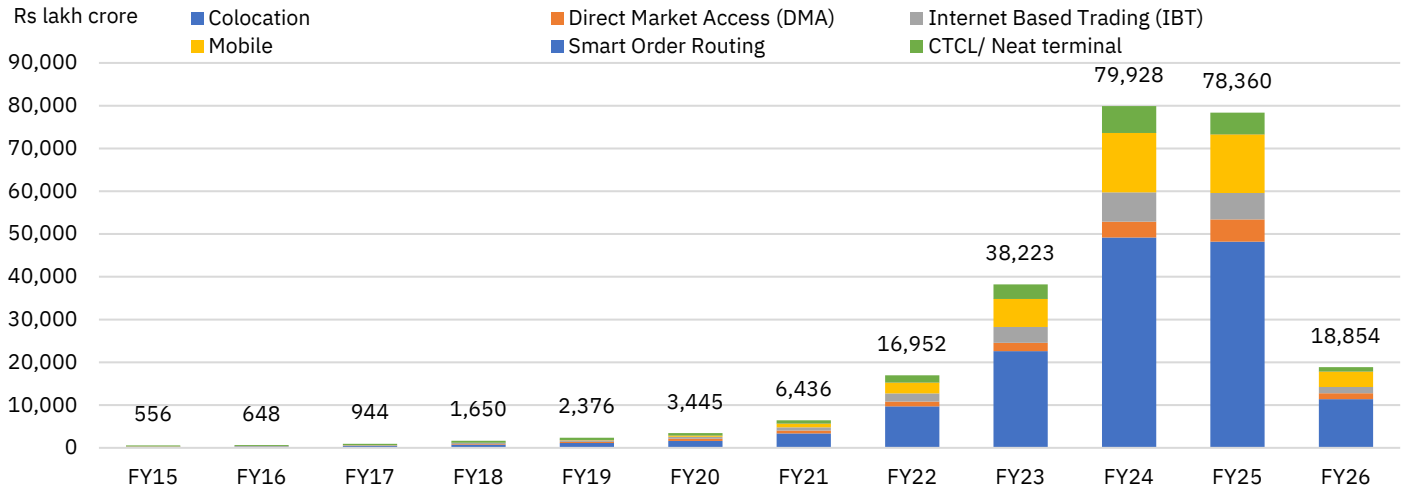
Source: NSE EPR
Notes: 1. The above figures have been computed based on traded value.
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 357: Annual trends in share (%) of different channels (based on notional turnover) in equity derivatives



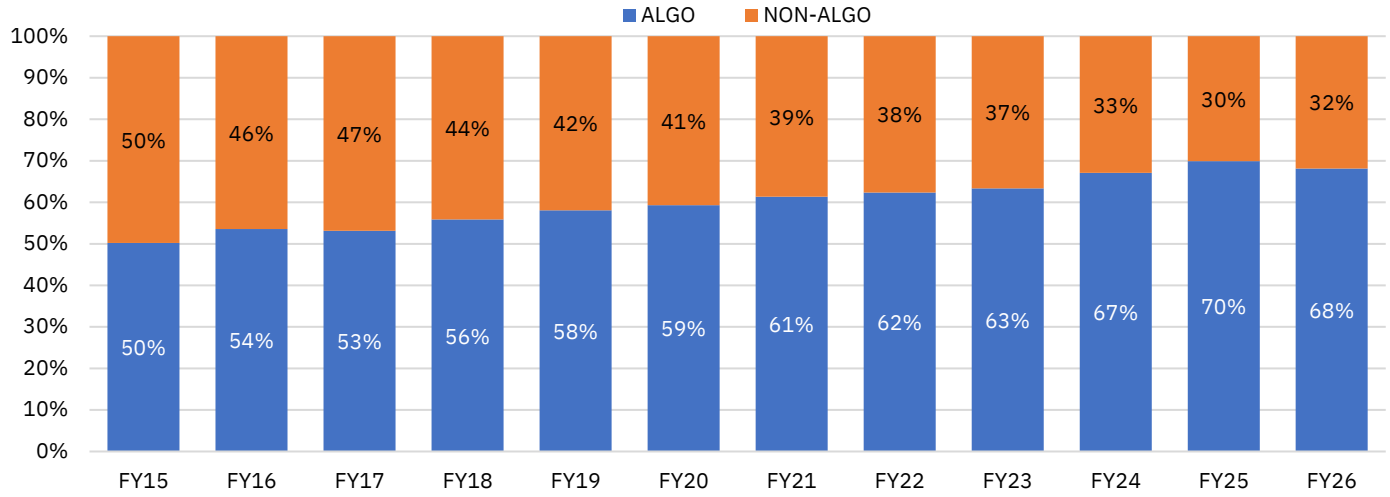
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of traded turnover.
3. CY25 and FY26 are as of Jul'25.

Figure 358: Annual trends in notional turnover for different channels in equity derivatives



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 single side traded value.
3. Data for FY26 is as of Jul'25.

Figure 359: Annual trends in share for modes of trading in equity derivatives (based on notional turnover)



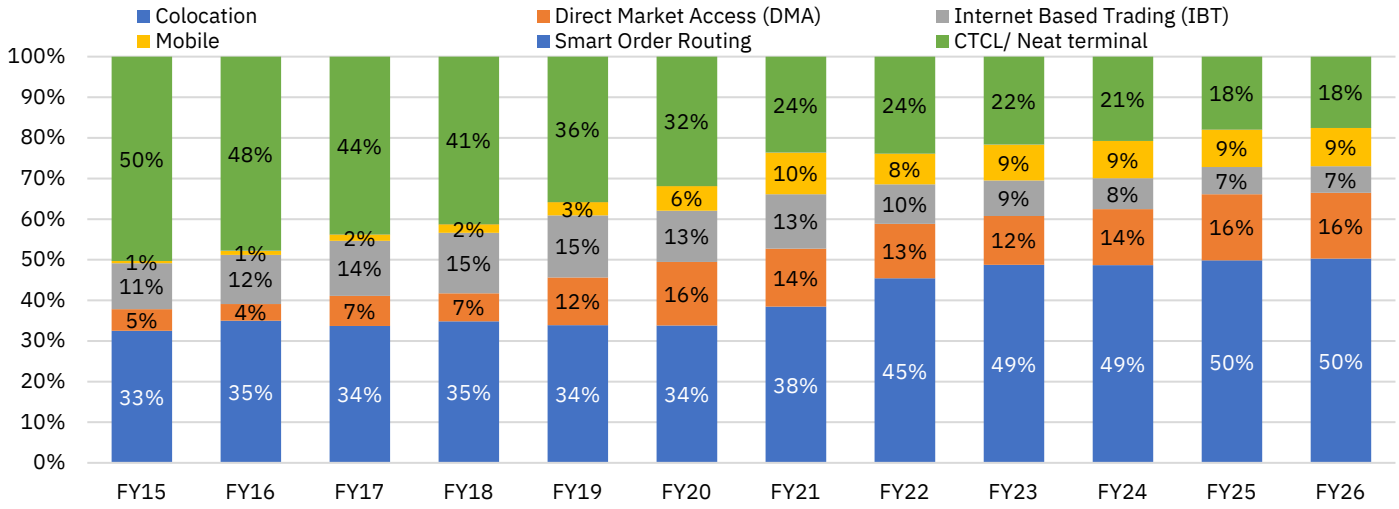
Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share based on notional turnover.
2. Data for FY26 is as of Jul'25.

Table 102: Monthly trend in share (%) of different channels of trading in Equity futures (based on turnover)

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Colocation	50.5	51.4	49.8	-91	72	50.3	49.9	50.4
Direct Market Access (DMA)	15.8	15.7	15.7	14	15	16.2	16.3	16.4
Internet Based Trading (IBT)	6.5	6.4	6.9	13	-35	6.5	6.7	6.5
Mobile	9.1	9.8	9.7	-71	-64	9.4	9.2	9.1
Smart order routing	0.0	0.0	0.0	-0	0	0.0	0.0	0.0
CTCL/ Neat terminal	18.1	16.7	18.0	135	12	17.5	17.9	17.6

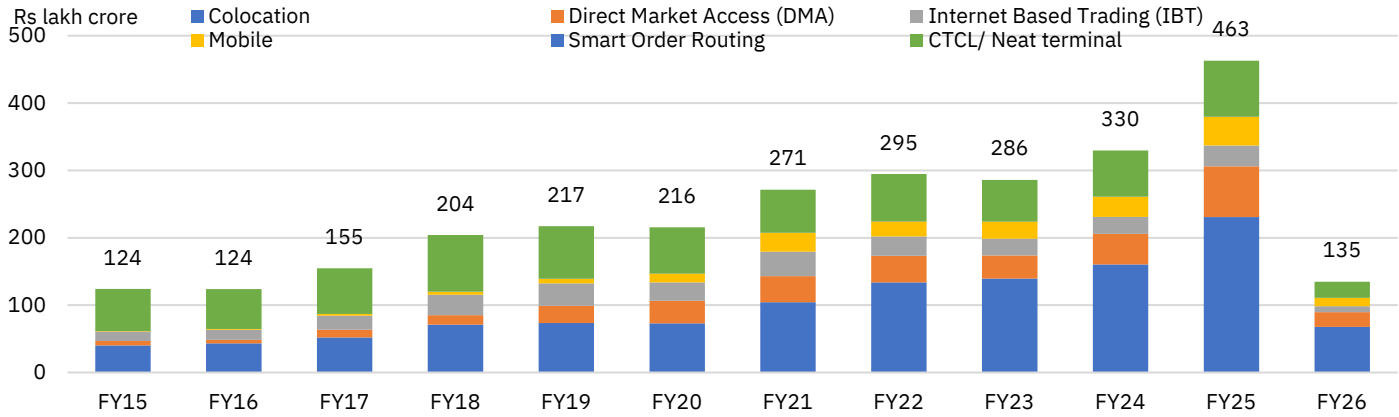
Source: NSE EPR
Note: 1. The above figures have been computed based on traded value.
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 360: Annual Trends in share (%) for different channels in equity futures



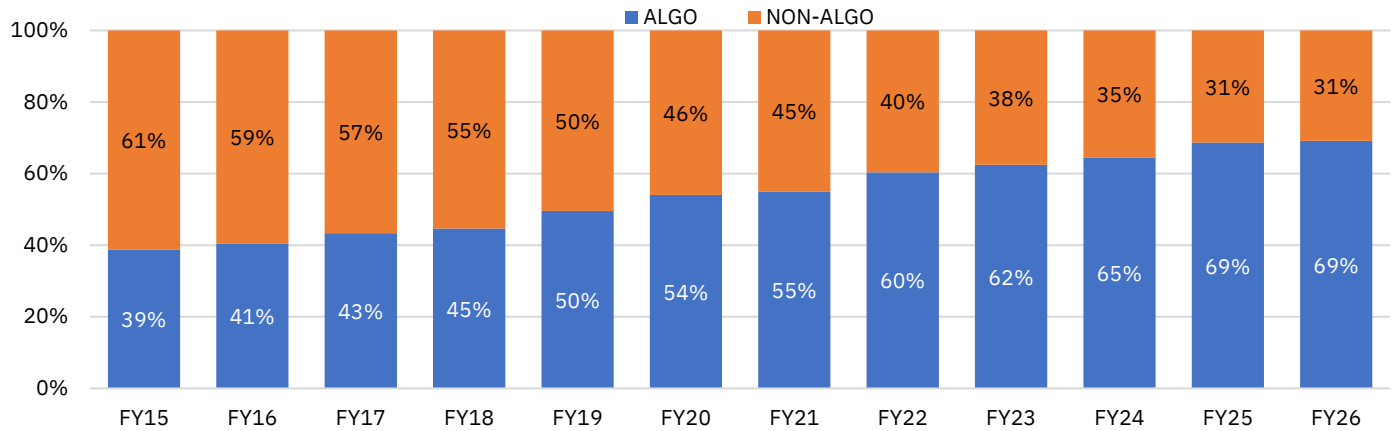
Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of traded turnover.
3. Data for FY26 is as of Jul'25.

Figure 361: Annual trends in turnover for different channels in equity 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 based on single side traded value.
3. Data for FY26 is as of Jul'25.

Figure 362: Annual trends in share for modes of trading in equity futures turnover



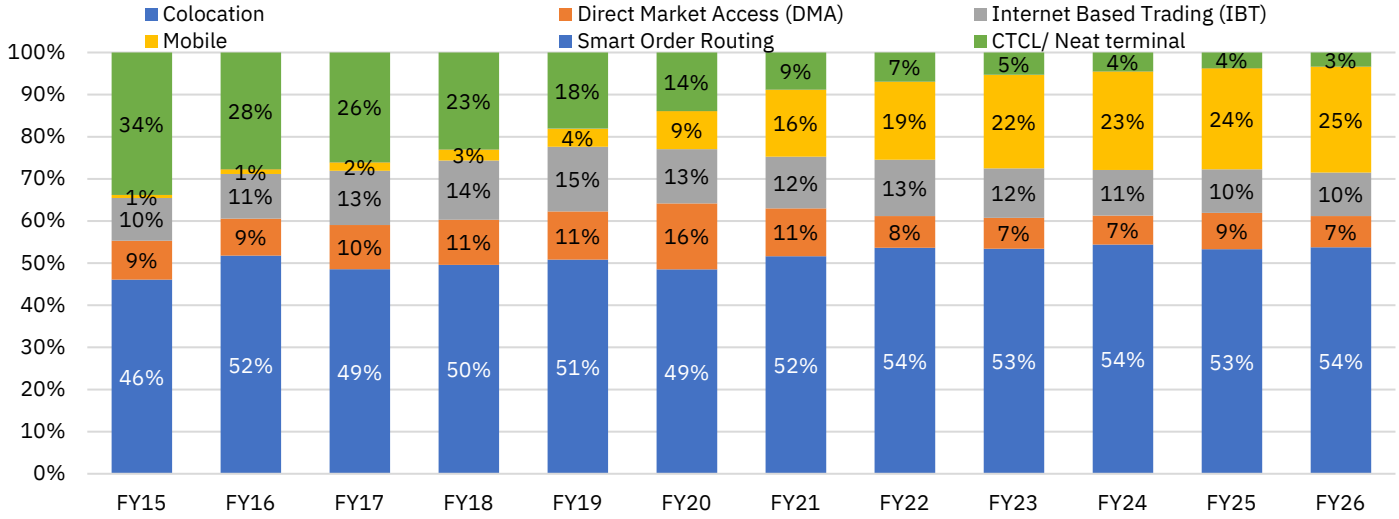
Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share based on turnover.
2. Data for FY26 is as of Jul'25.

Table 103: Monthly trend in share (%) of different channels of trading in Equity options (Premium value)

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Colocation	53.7	52.7	53.8	101	-17	53.8	53.3	53.8
Direct Market Access (DMA)	5.1	8.2	9.0	-310	-388	7.4	8.6	7.3
Internet Based Trading (IBT)	10.9	10.3	10.2	51	65	10.3	10.3	10.4
Mobile	27.0	25.5	23.2	155	387	25.2	24.0	25.0
Smart order routing	0.0	0.0	0.0	-0	0	0.0	0.0	0.0
CTCL/ Neat terminal	3.3	3.3	3.8	2	-48	3.3	3.7	3.5

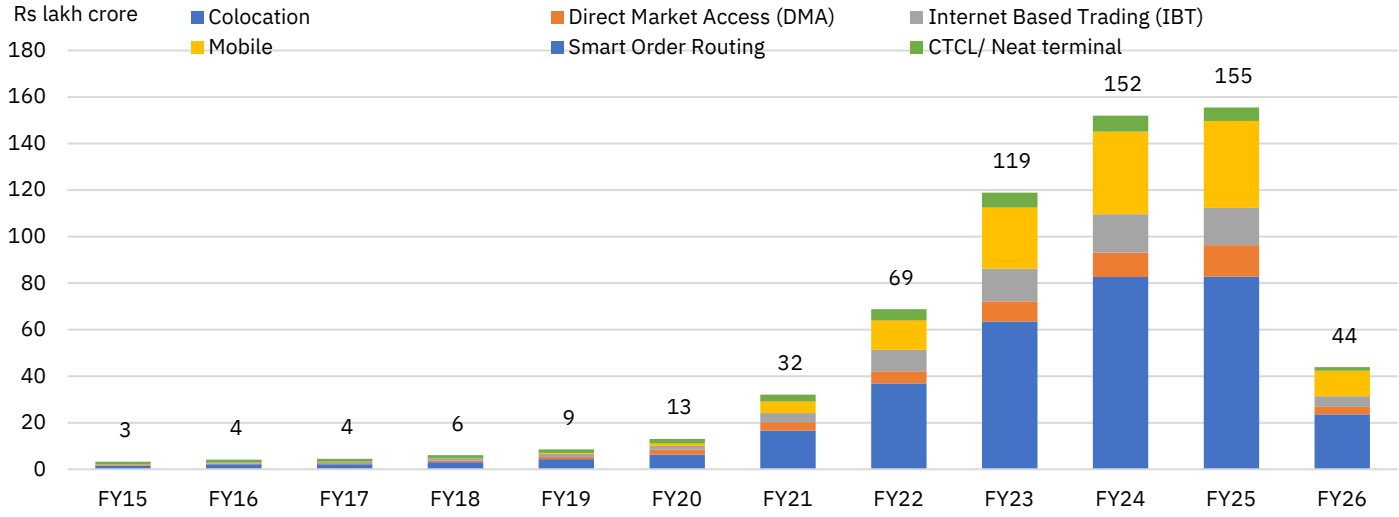
Source: NSE EPR.
Notes: 1. The above figures have been computed based on traded value.
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on net turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 363: Annual trends of share (%) for different channels in equity options



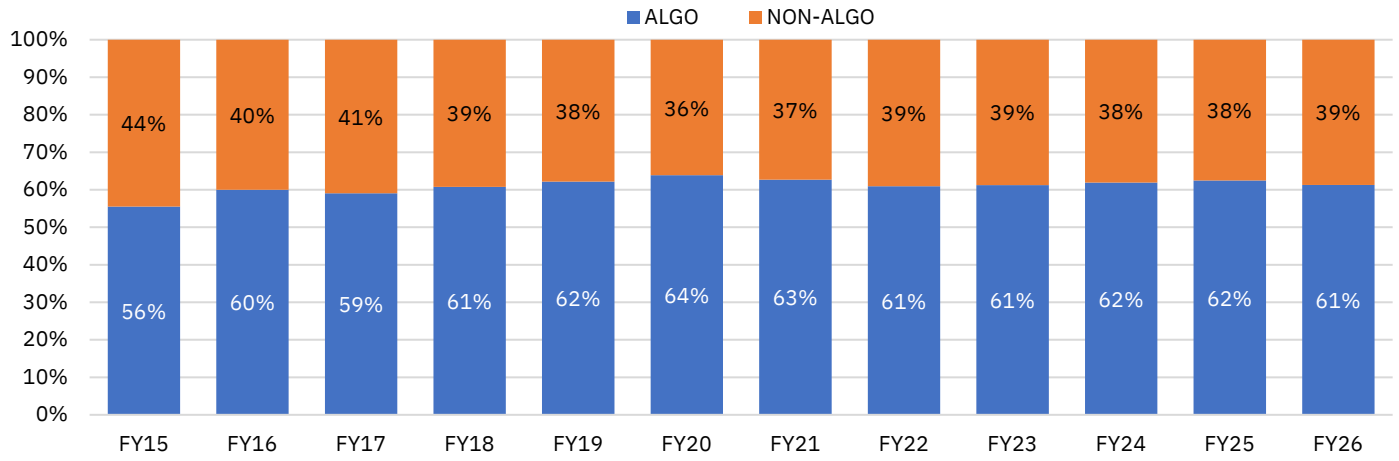
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on premium turnover.
3. CY25 and FY26 are as of Jul'25.

Figure 364: Annual trends in premium turnover for different channels in equity 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 on the basis of net turnover.
3. Data for FY26 is as of Jul'25.

Figure 365: Annual trends in share for modes of trading in equity options premium turnover



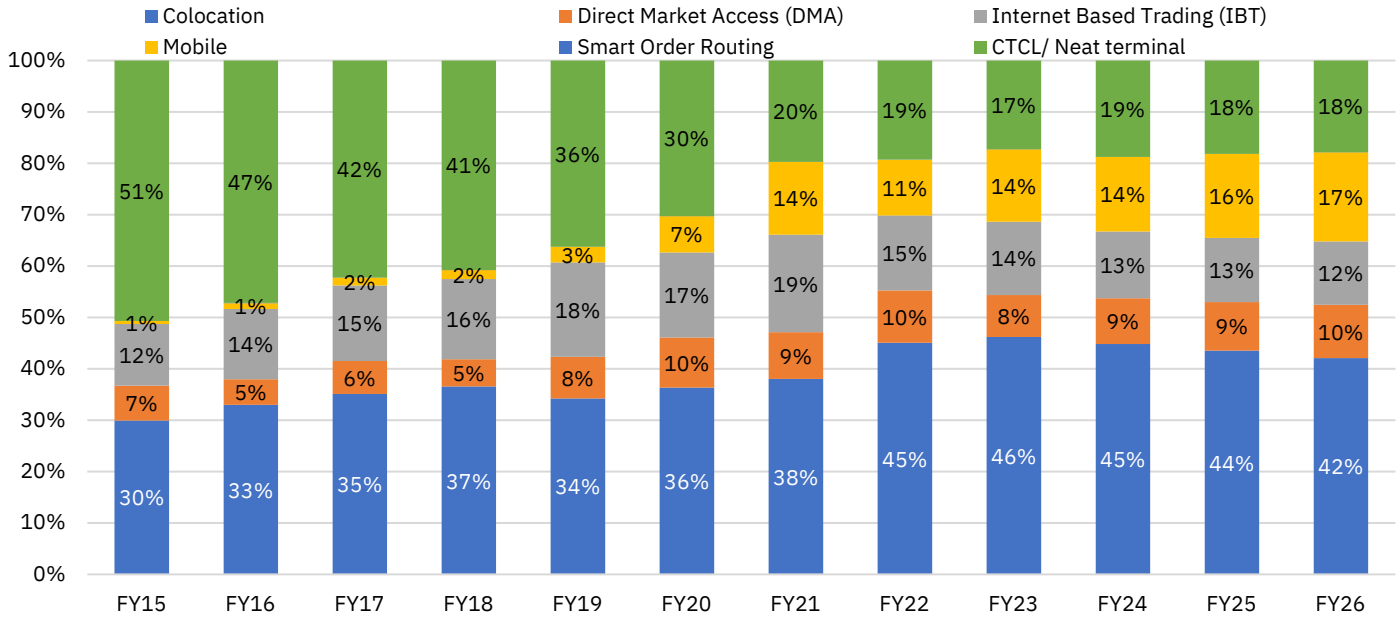
Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share based on turnover.
2. Data for FY26 is as of Jul'25.

Table 104: Monthly Share (%) of different channels in index futures turnover

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Colocation	41.7	41.6	42.6	12	-91	42.1	43.6	42.5
Direct Market Access (DMA)	11.5	10.2	10.4	129	111	10.4	9.4	9.8
Internet Based Trading (IBT)	12.8	12.4	12.2	35	56	12.3	12.5	12.7
Mobile	16.9	18.5	15.9	-158	102	17.4	16.3	17.1
Smart order routing	0.0	0.0	0.0	-0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	17.2	17.3	18.9	-19	-177	17.8	18.2	17.9

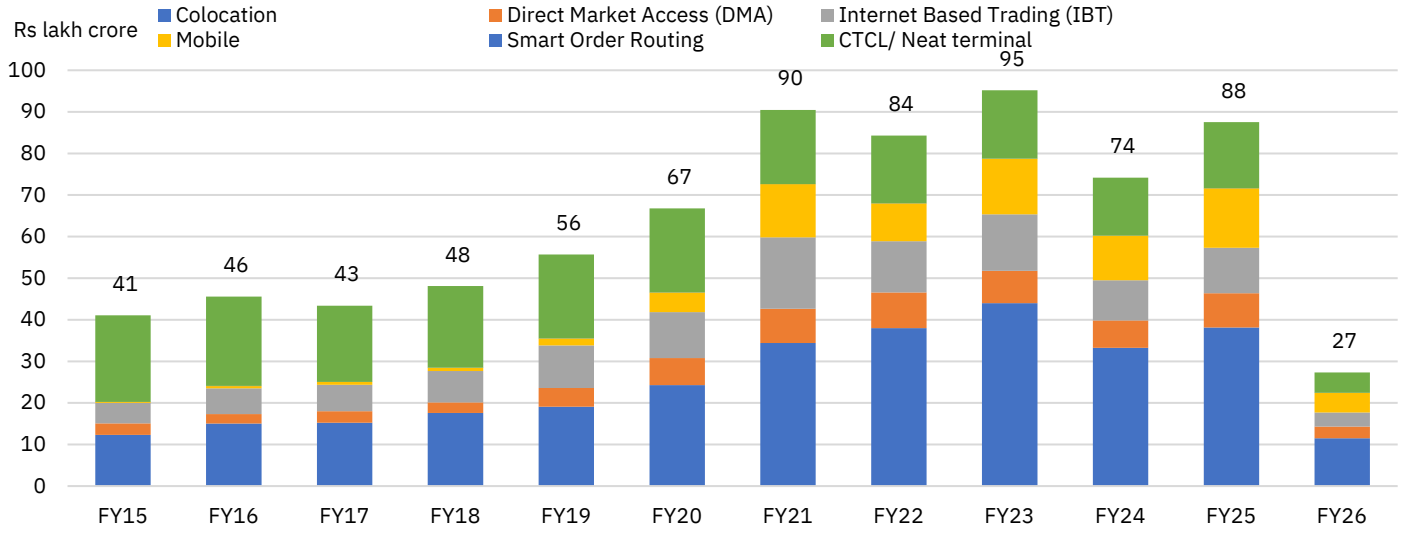
Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % based on turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 366: Annual trends in share of different channels for index futures



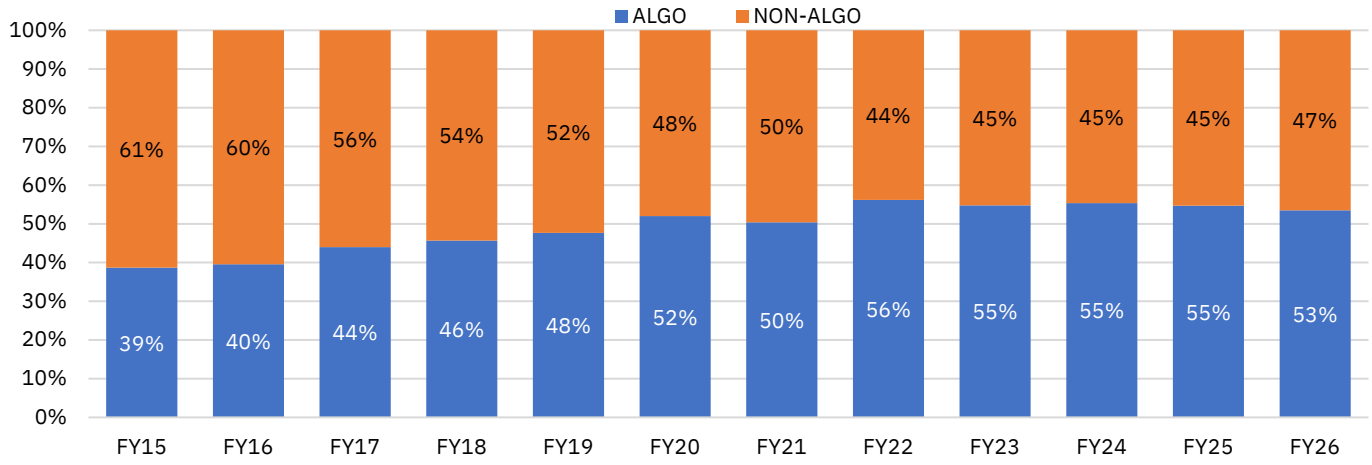
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on turnover
3. Data for FY26 is as of Jul'25.

Figure 367: Annual trends in turnover of different channels in index 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 presented based on net turnover.
3. Data for FY26 is as of Jul'25.

Figure 368: Annual trends in share for different modes in index futures turnover



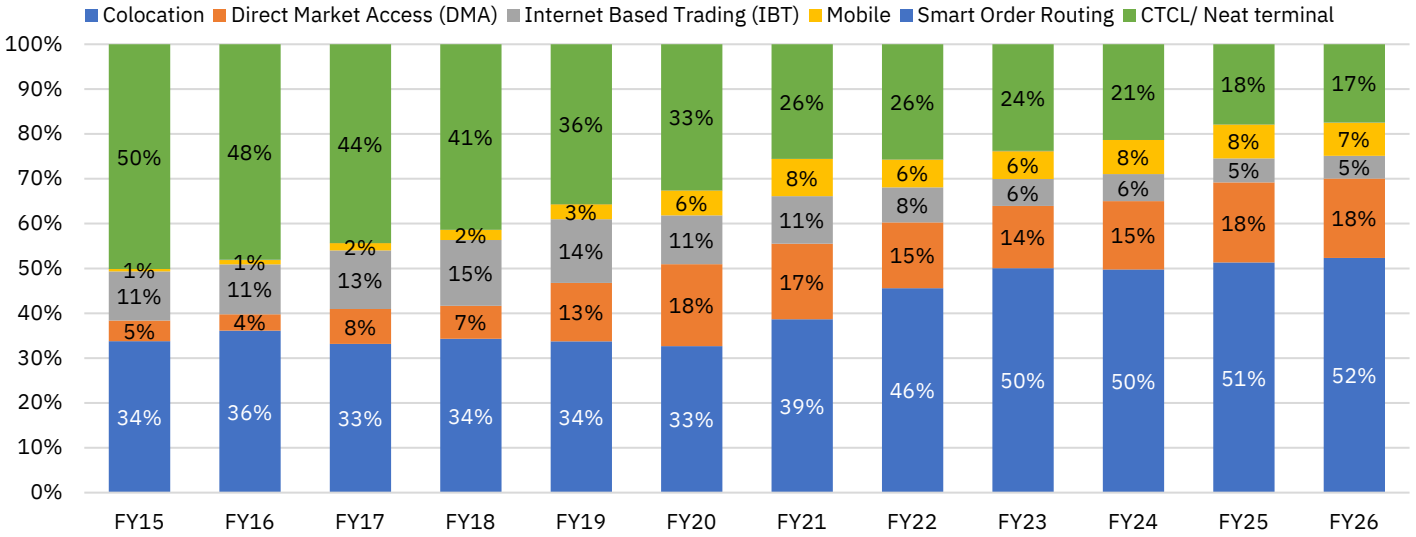
Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share based on turnover
2. Data for FY26 is as of Jul'25.

Table 105: Monthly share (%) of different channels in stock futures turnover

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Colocation	52.3	53.8	51.3	-149	100	52.3	51.3	52.3
Direct Market Access (DMA)	16.7	17.0	16.8	-30	-9	17.7	17.9	18.1
Internet Based Trading (IBT)	5.3	5.0	5.8	31	-50	5.0	5.3	5.0
Mobile	7.4	7.6	8.4	-20	-94	7.4	7.6	7.0
Smart order routing	0.0	0.0	0.0	-0	0	0.0	0.0	0.0
CTCL/ Neat terminal	18.3	16.6	17.7	170	52	17.5	17.9	17.6

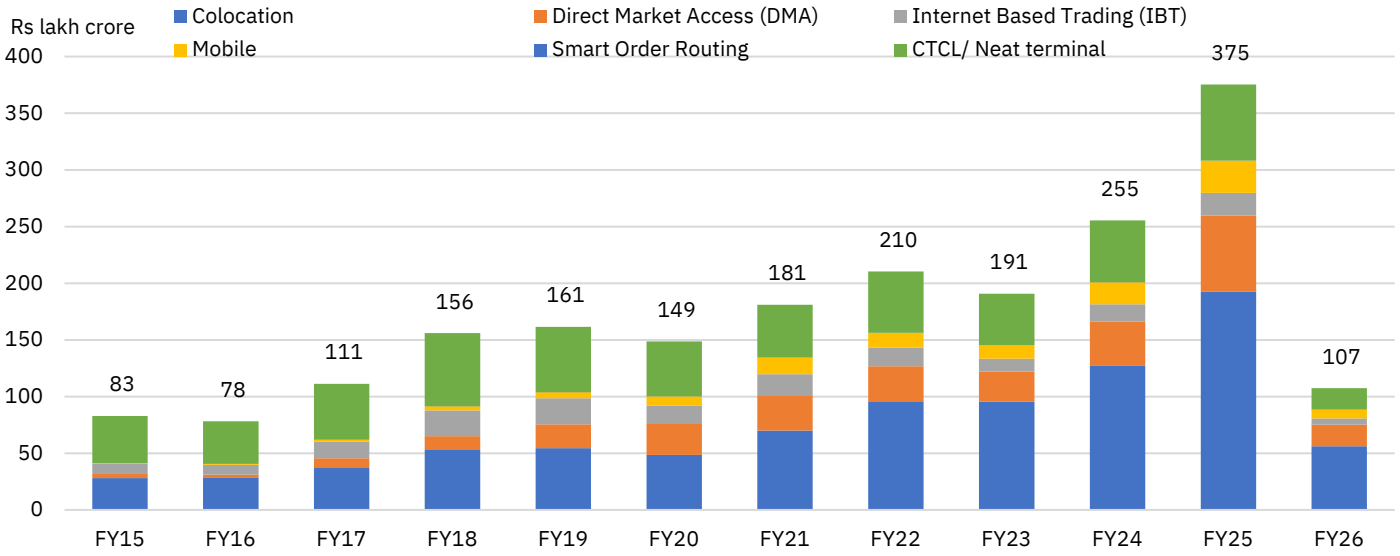
Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed based on turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 369: Annual trends of share (%) for different channels in stock futures turnover



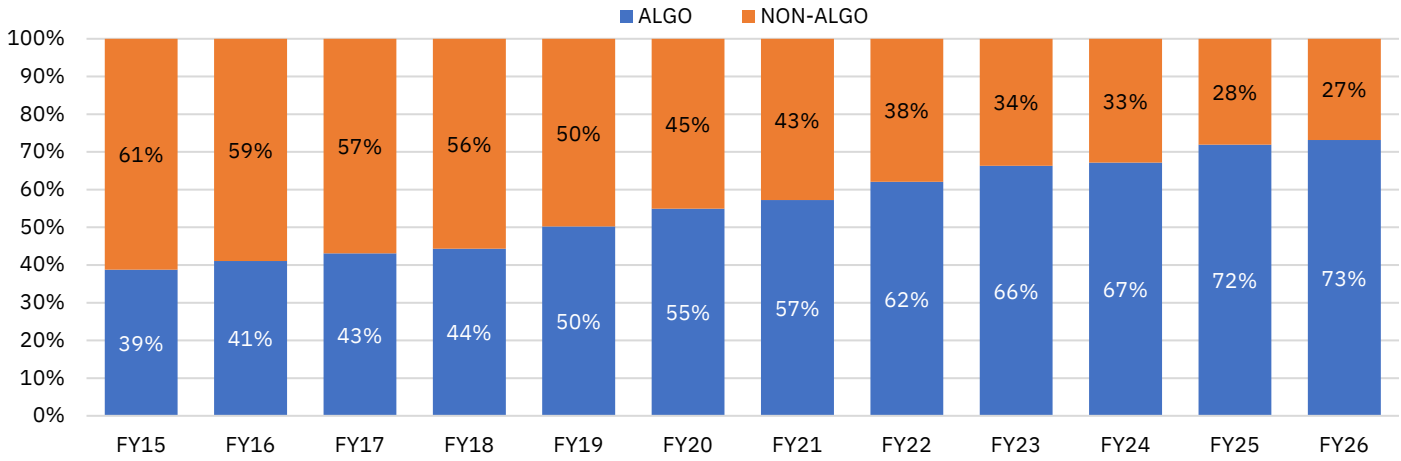
Source: NSE EPR.
Notes: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on turnover
3. Data for FY26 is as of Jul'25.

Figure 370: Annual trends in turnover for different channels in stock 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 based on single side turnover.
3. CY25 and FY26 are as of Jul'25.

Figure 371: Annual trends in share for different modes in stock futures turnover



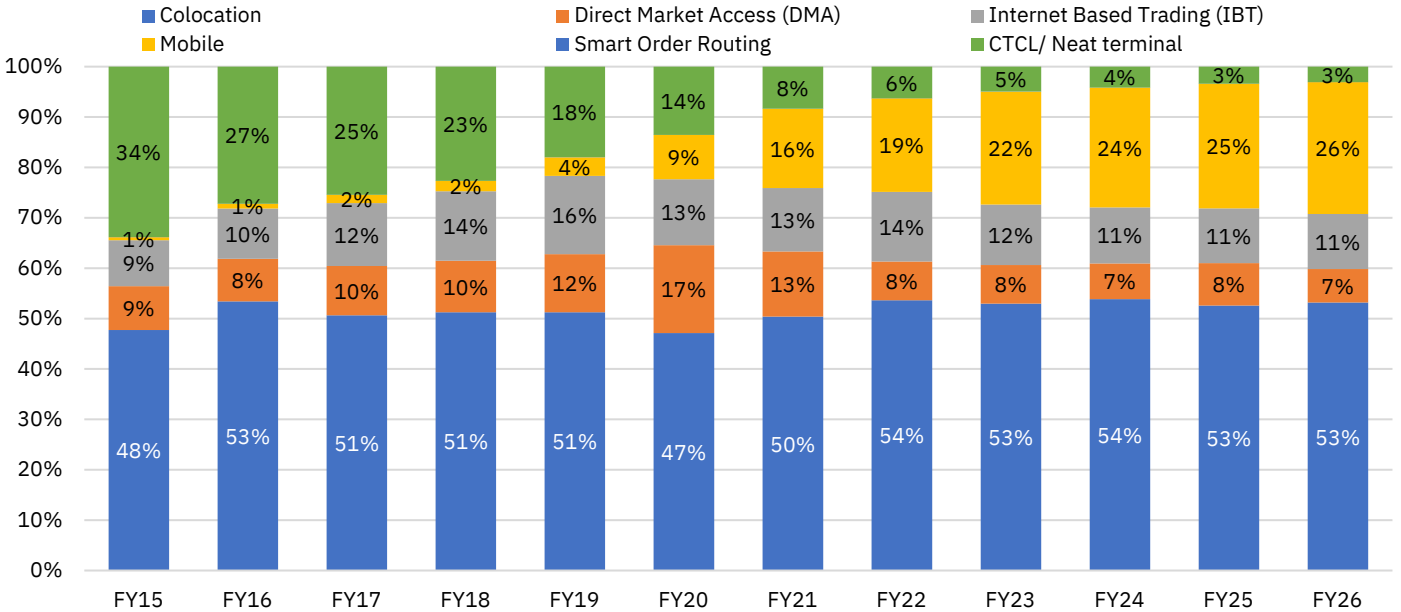
Source: NSE EPR.
Note: 1. The above figures have been computed in terms of % share based on turnover.
2. Data for FY26 is as of Jul'25.

Table 106: Monthly share (%) of different channels in index options premium turnover

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Colocation	52.5	52.2	53.3	23	-84	53.2	52.6	53.2
Direct Market Access (DMA)	5.0	7.3	9.0	-230	-396	6.7	8.4	6.5
Internet Based Trading (IBT)	11.5	11.0	10.7	49	80	10.9	10.8	11.1
Mobile	28.1	26.5	23.7	169	445	26.2	24.8	26.1
Smart order routing	0.0	0.0	0.0	-0	0	0.0	0.0	0.0
CTCL/ Neat terminal	2.9	3.0	3.4	-11	-46	3.1	3.4	3.2

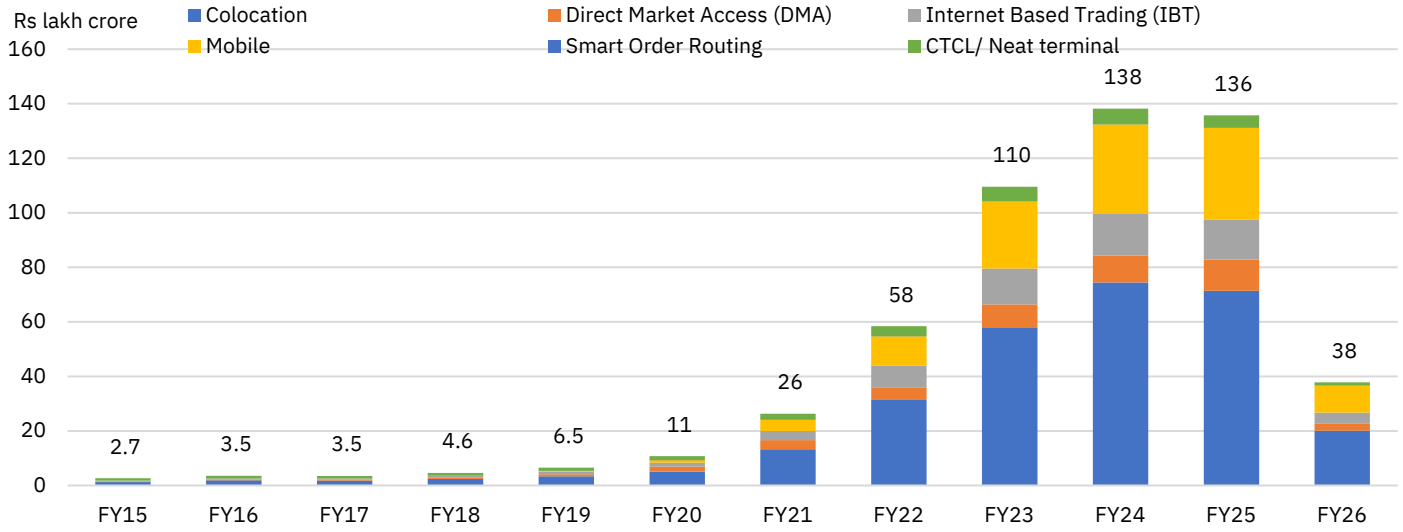
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been presented in % based on premium turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 372: Annual trends of share (%) for different channels in index options premium turnover



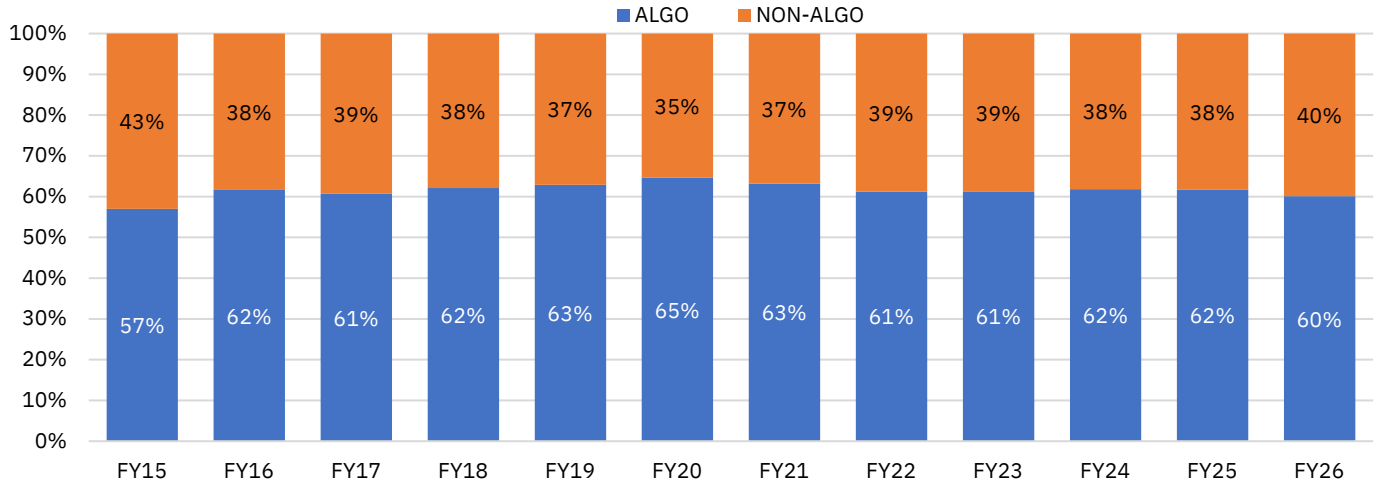
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on premium turnover
3. Data for FY26 is as of Jul'25.

Figure 373: Annual trends in premium turnover for different channels in index 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 based on single side premium turnover
3. Data for FY26 is as of Jul'25.

Figure 374: Annual trends in share for different modes in index options premium turnover



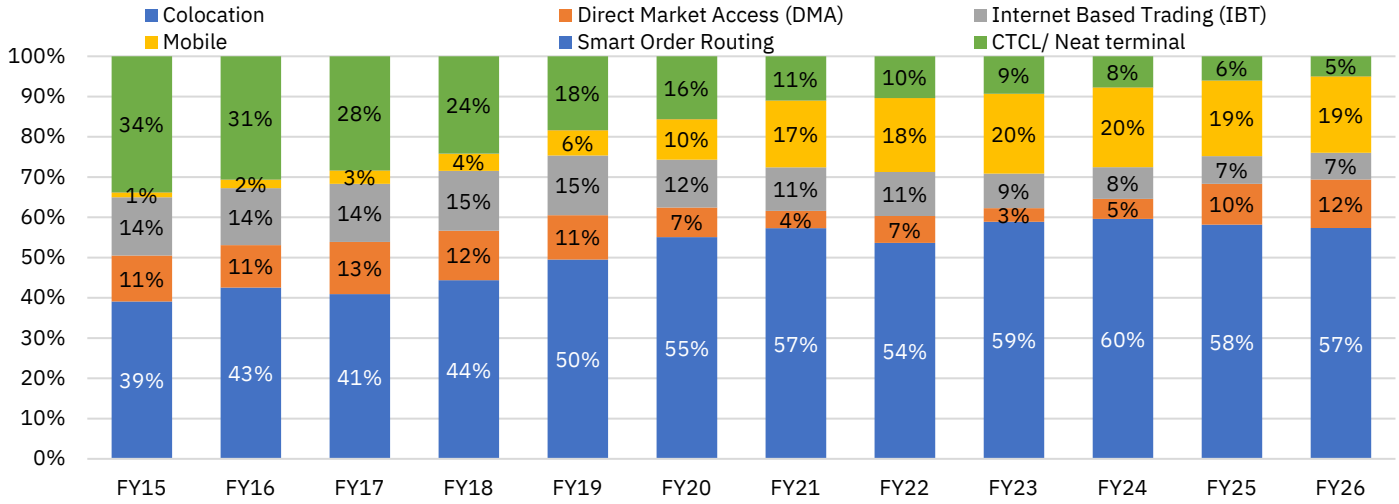
Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share based on premium turnover
2. Data for 2025 is as of Jul'25.

Table 107: Monthly share (%) of different channels in stock options premium turnover

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Colocation	61.0	55.2	57.4	582	361	57.3	58.2	57.6
Direct Market Access (DMA)	5.8	13.6	9.2	-773	-340	12.0	10.1	12.4
Internet Based Trading (IBT)	7.2	6.7	7.3	54	-3	6.7	6.9	6.5
Mobile	20.4	19.9	19.7	51	62	19.0	18.8	18.4
Smart order routing	0.0	0.0	0.0	-0	-0	0.0	0.0	0.0
CTCL/ Neat terminal	5.6	4.7	6.4	87	-79	5.0	6.0	5.1

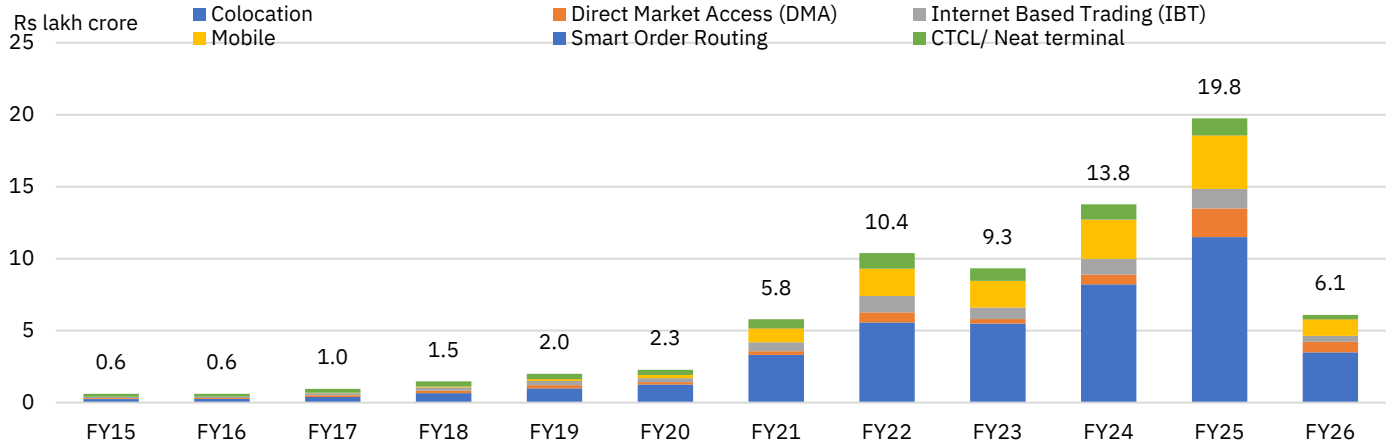
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of net turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 375: Annual trends of share (%) for different channels in stock options premium turnover



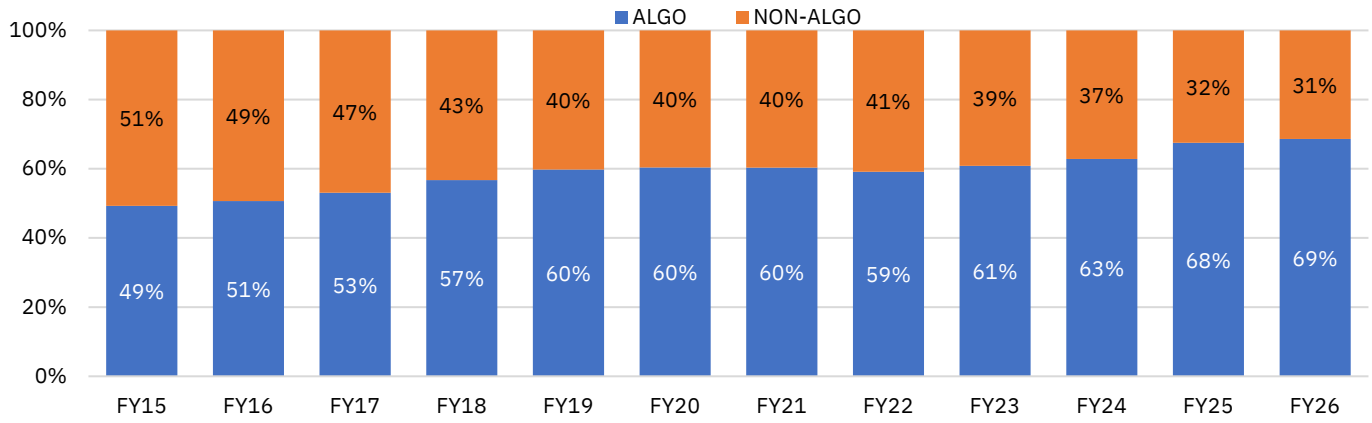
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been presented in % share based on the premium turnover
3. Data for FY26 is as of Jul'25.

Figure 376: Annual trends in premium turnover for different channels in stock 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 based on single side premium turnover.
3. Data for FY26 is as of Jul'25.

Figure 377: Annual trends in share for different modes in stock options premium turnover



Source: NSE EPR.
Notes: 1. The above figures have been computed in terms of % share on the basis of net turnover.
2. Data for FY26 is as of Jul'25.

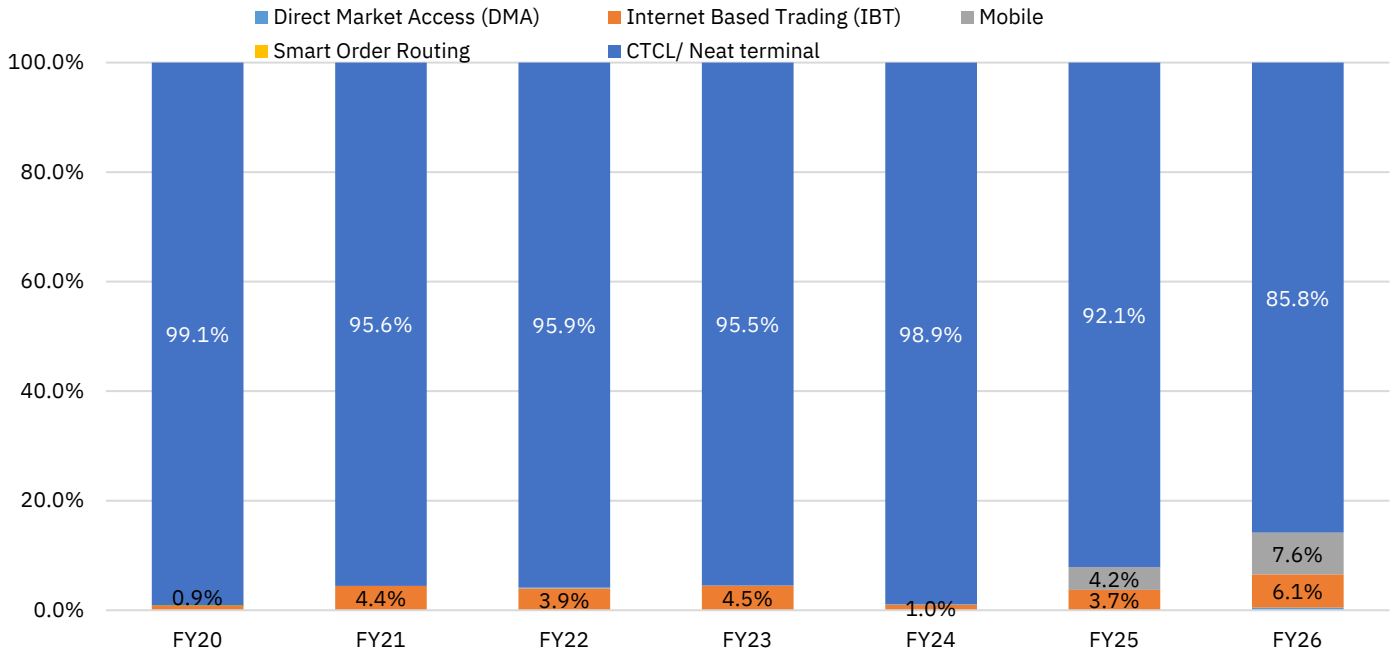
The share of DMA recorded a significant rise amid institutional uptick in commodity options: The commodity derivatives segment witnessed a notable surge in activity in July 2025, particularly in futures contracts following the launch of electricity futures that led to a shift in trading dynamics. In the futures segment, the share of CTCL/NEAT terminal usage jumped sharply by 2,118 bps MoM to 90.3%, while mobile and internet-based trading (IBT) saw significant declines of 1,715bps and 401bps respectively. This trend reflects increased participation from proprietary traders who largely traded using Neat/CTCL terminals. In contrast, commodity options saw the share of Direct Market Access (DMA) rise by 436bps MoM to a record 4.7%, driven by growing institutional investor activity. Interestingly, mobile and IBT usage also recorded MoM increases of 9bps and 91bps respectively, with mobile trading rebounding after four months of decline—indicating renewed interest from individual investors as premium turnover rose.

Table 108: Share (%) for different channels of trading in commodity derivatives

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Direct Market Access (DMA)	1.7	0.2	-	154	169	0.5	0.0	0.2
Internet Based Trading (IBT)	6.0	7.3	1.2	-129	481	6.1	3.7	6.6
Mobile	7.5	7.8	1.1	-32	640	7.6	4.2	8.0
Smart order routing	-	-	-	-	-	-	-	-
CTCL/ Neat terminal	84.8	84.7	97.7	7	-1,290	85.8	92.1	85.2

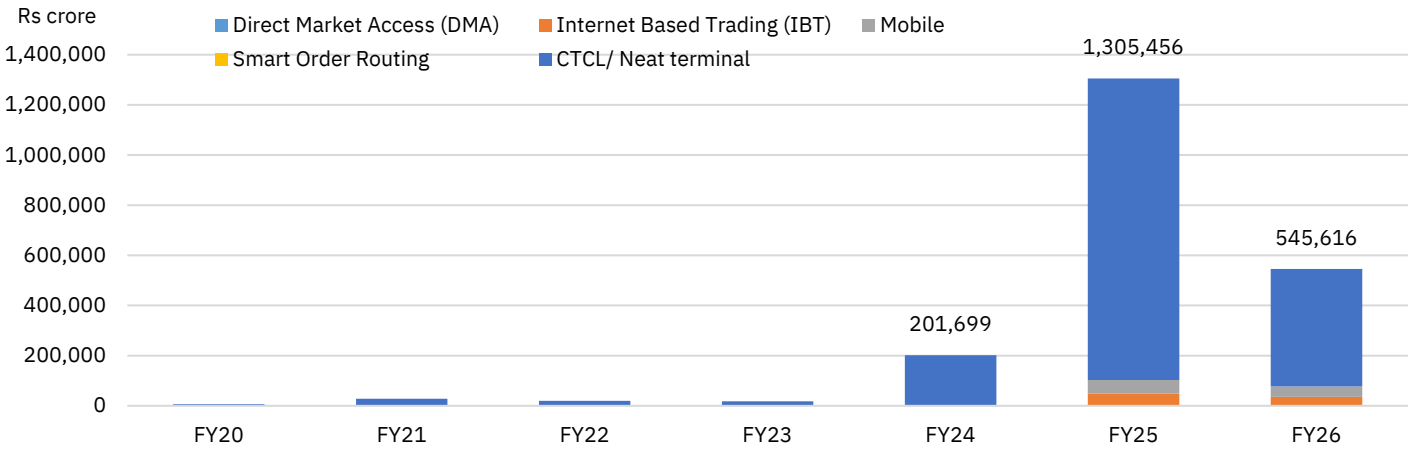
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed based on notional turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 378: Annual trends of share (%) for different channels in commodity derivatives notional turnover



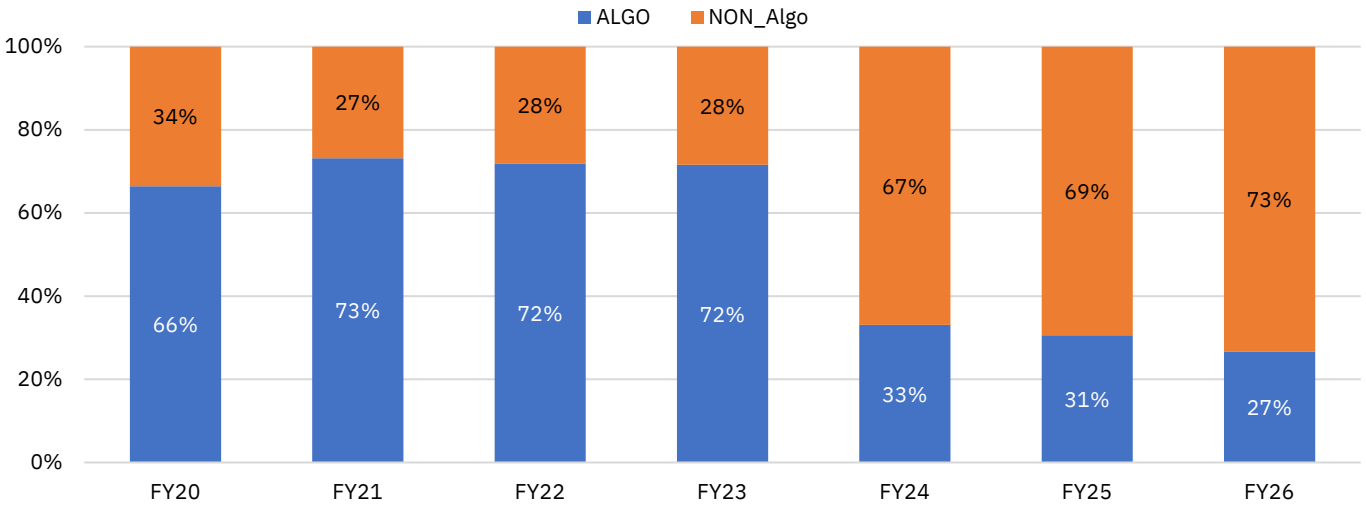
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on notional turnover
3. Data for FY26 is as of Jul'25.

Figure 379: Annual trend in notional turnover for different channels in commodity derivatives



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 FY26 is as of Jul'25.

Figure 380: Annual trends in share for different modes in commodity derivatives notional turnover



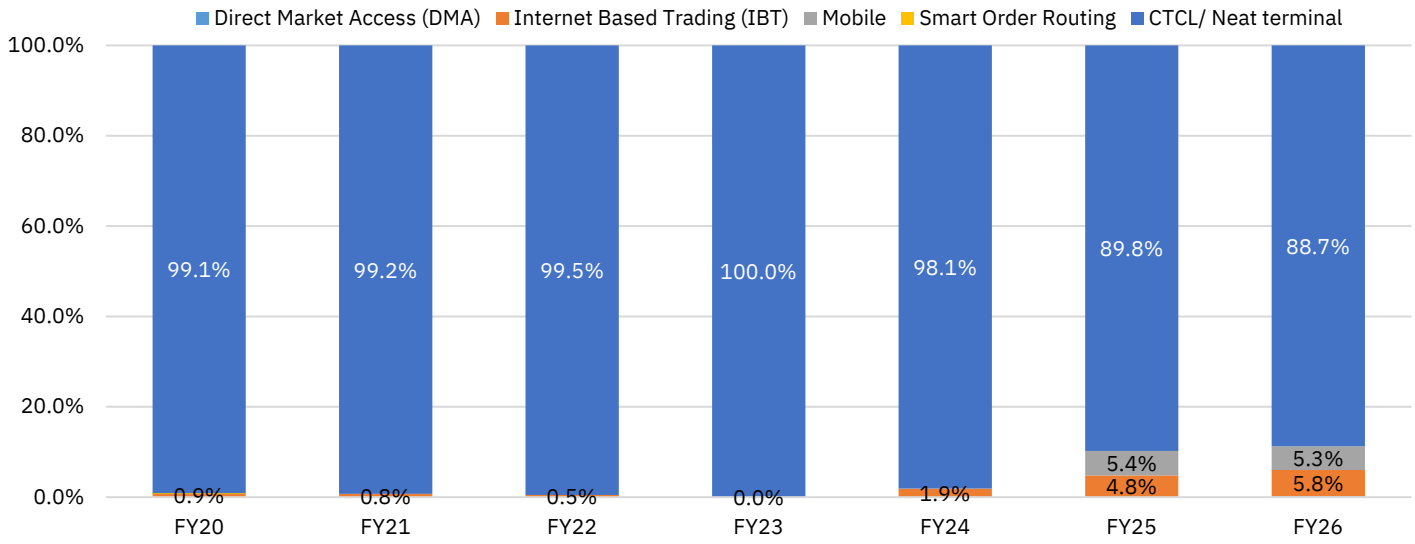
Source: NSE EPR.
Notes: 1. The above figures have been computed in % share based on notional turnover.
2. Data for FY26 is as of Jul'25.

Table 109: Share (%) of different channels of trading in commodity futures turnover

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Direct Market Access (DMA)	0.2	0.2	-	-2	22	0.2	-	0.2
Internet Based Trading (IBT)	5.7	9.7	1.2	-401	447	5.8	4.8	5.8
Mobile	3.8	20.9	2.4	-1,715	138	5.3	5.4	5.6
Smart order routing	-	-	-	-	-	-	-	-
CTCL/ Neat terminal	90.3	69.2	96.4	2,118	-607	88.7	89.8	88.4

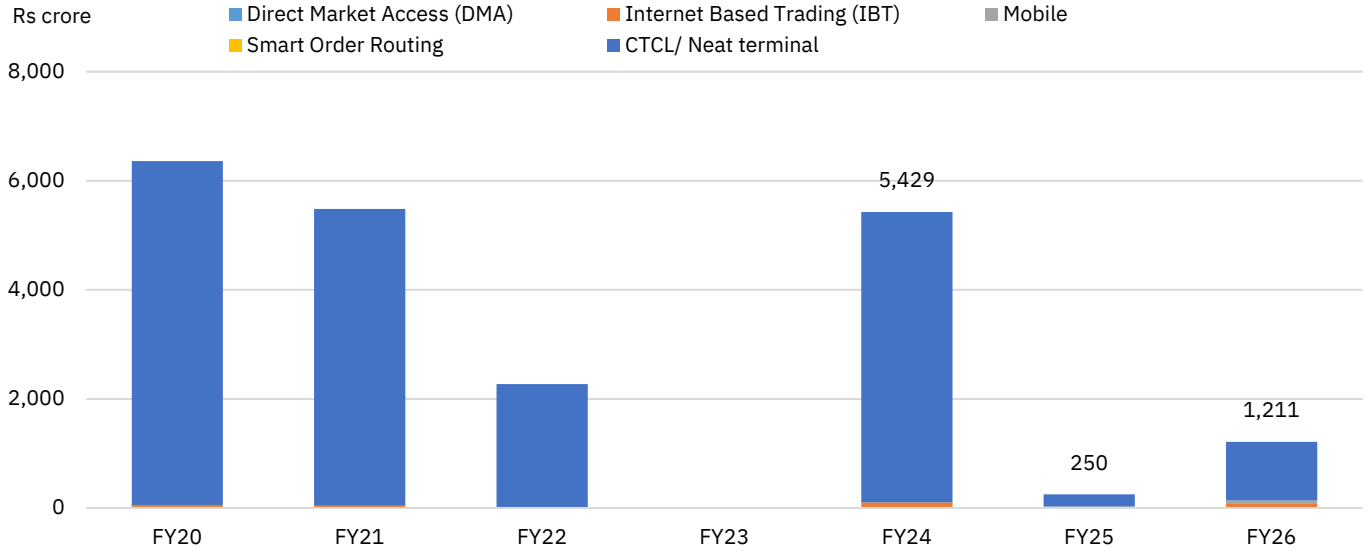
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed based on turnover.
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 381: Annual trends in share (%) for different channels in commodity futures turnover



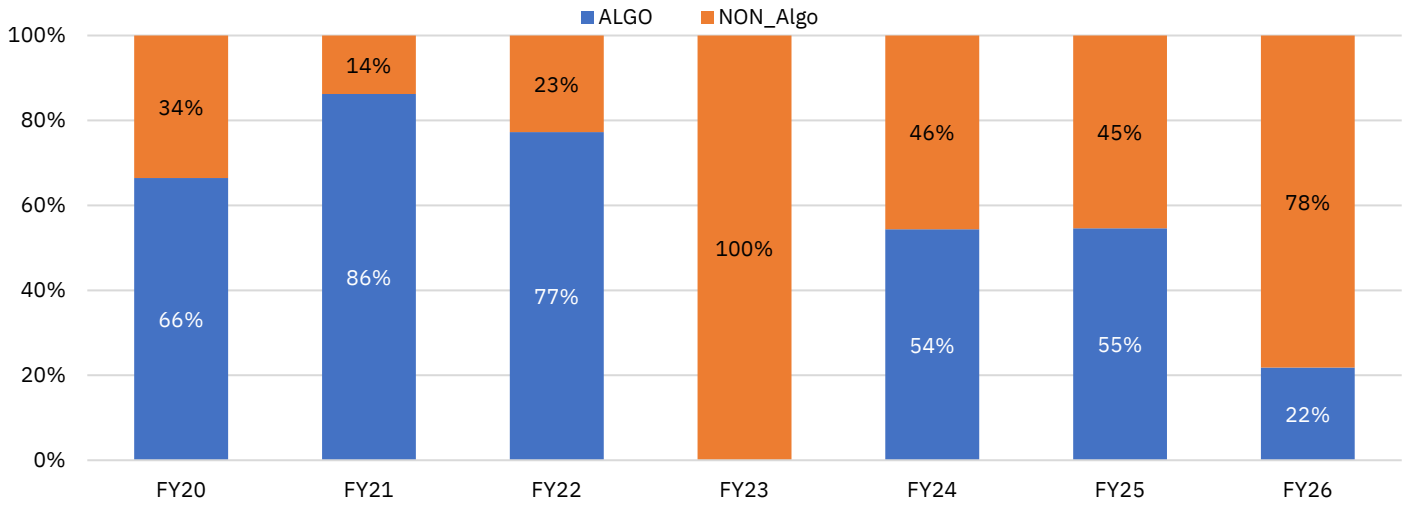
Source: NSE EPR.
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on turnover.
3. Data for FY26 is as of Jul'25.

Figure 382: Annual trends for different channels of trading 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 based on single side turnover
3. Data for FY26 is as of Jul'25.

Figure 383: Annual trends in share for different modes in commodity futures turnover



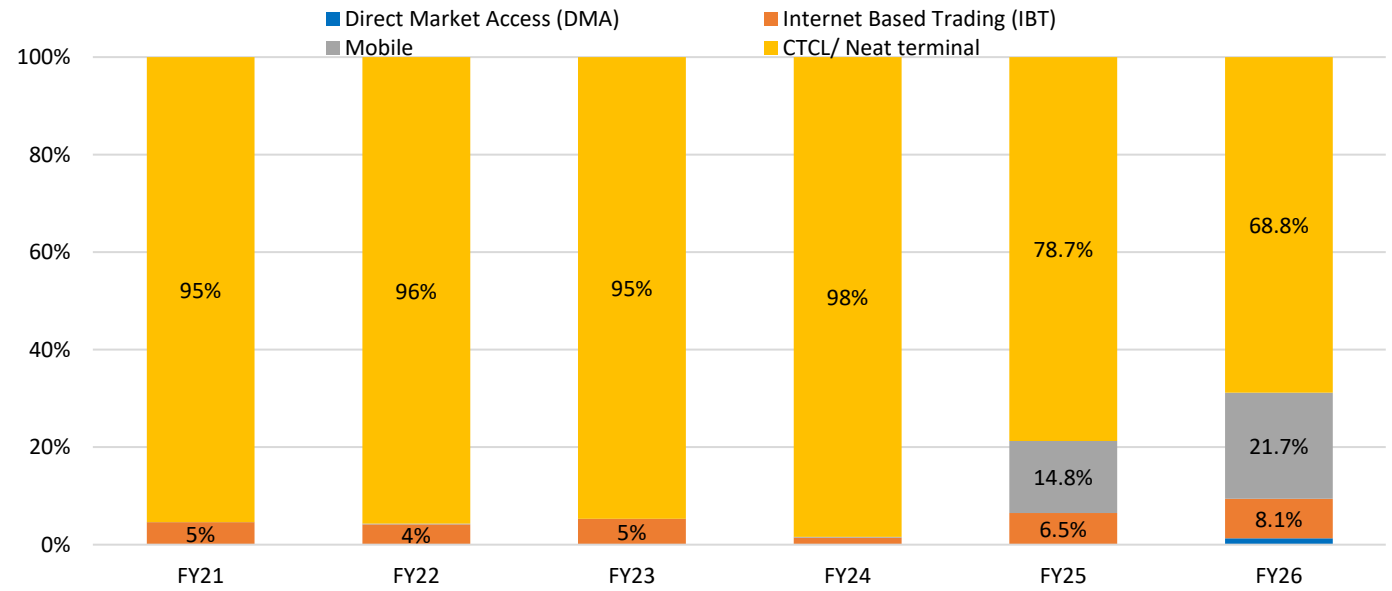
Source: NSE EPR.
Notes: 1. The above figures have been computed in % share based on turnover.
2. Data for FY26 is as of Jul'25.

Table 110: Monthly share (%) of different channels in commodity options premium turnover

Channel	Jul-25	Jun-25	Jul-24	MoM change (bps)	YoY change (bps)	FY26TD	FY25	CY25TD
Direct Market Access (DMA)	4.7	0.3	-	436	468	1.3	0.0	0.7
Internet Based Trading (IBT)	7.6	6.7	6.1	91	153	8.1	6.5	8.8
Mobile	20.2	20.1	1.9	9	1,835	21.7	14.8	23.5
Smart order routing	-	-	-	-	-	-	-	-
CTCL/ Neat terminal	67.5	72.9	92.1	-536	-2,456	68.8	78.7	67.0

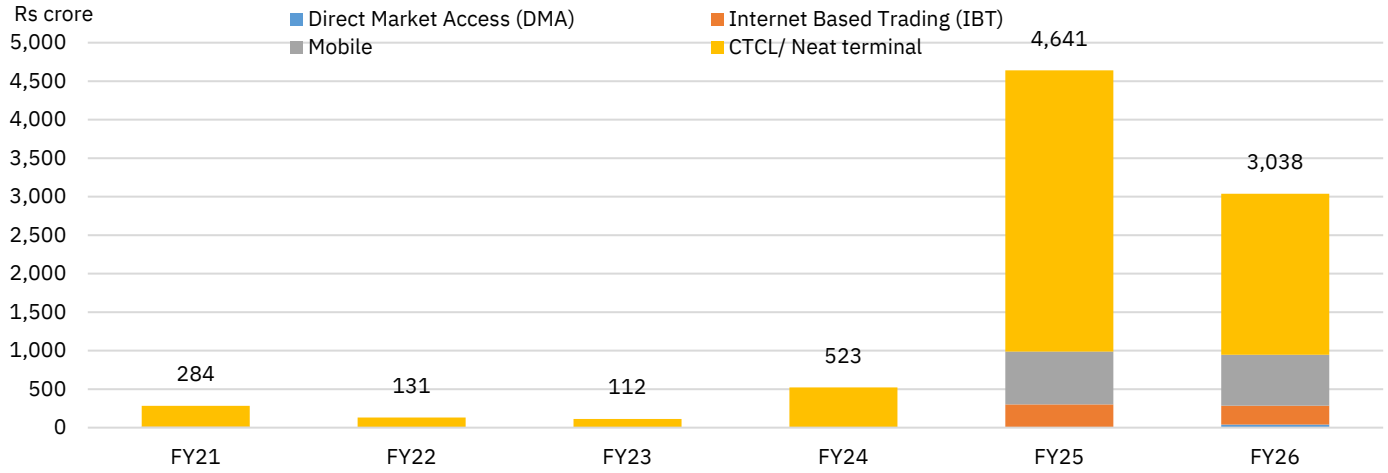
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed based on premium turnover
3. Data for FY26TD and CY25TD are as of Jul'25.

Figure 384: Annual trends for share (%) for different channels in commodity options



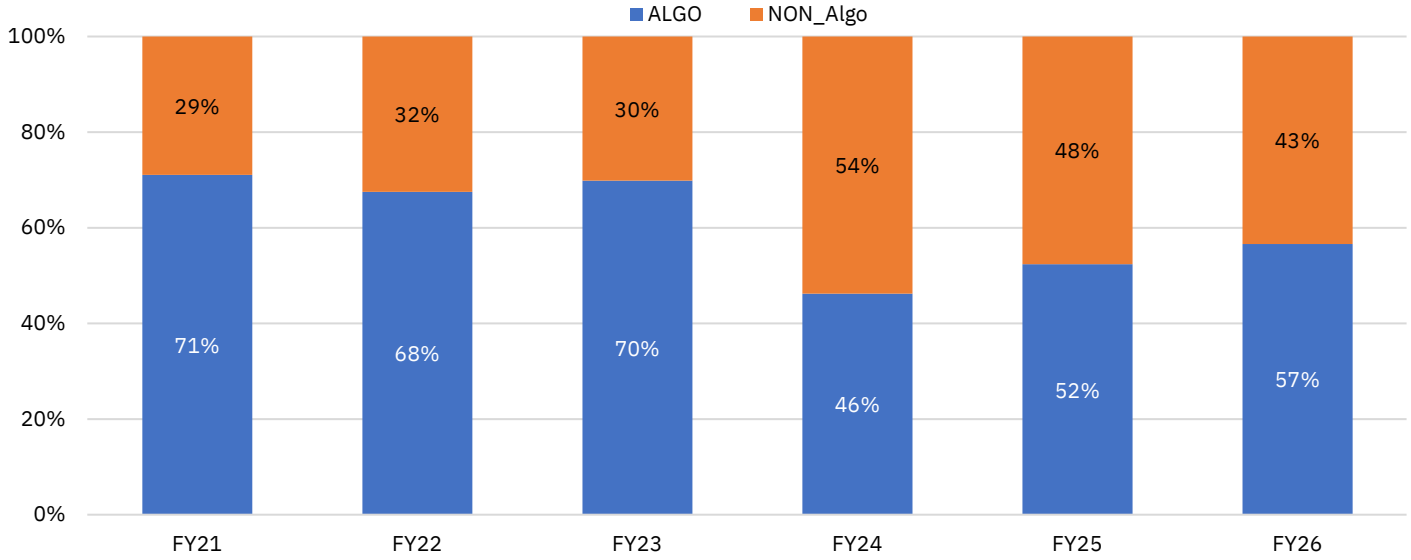
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed in % share based on premium turnover.
3. Data for FY26 is as of Jul'25.

Figure 385: Annual trends for different channels in commodity 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 based on premium turnover
3. Data for FY26 is as of Jul'25.

Figure 386: Annual trends for different modes in commodity options premium turnover

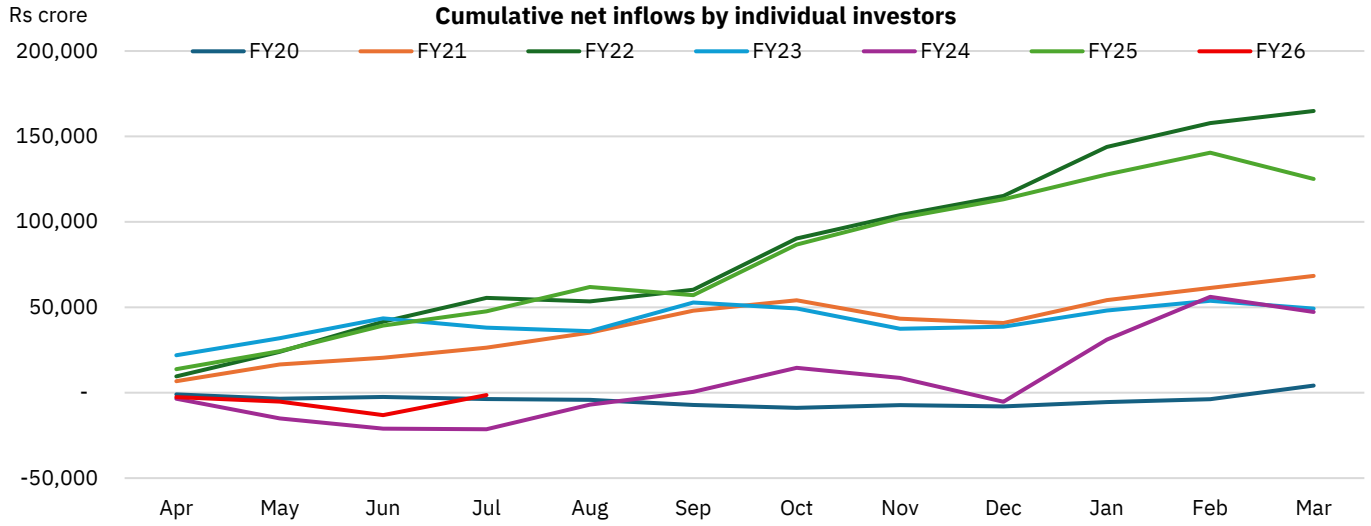


Source: NSE EPR.
Notes. 1. The above figures have been computed based on premium turnover.
2. Data for FY26 is as of Jul'25.

Individual investors' activity in NSE's CM and derivatives segment

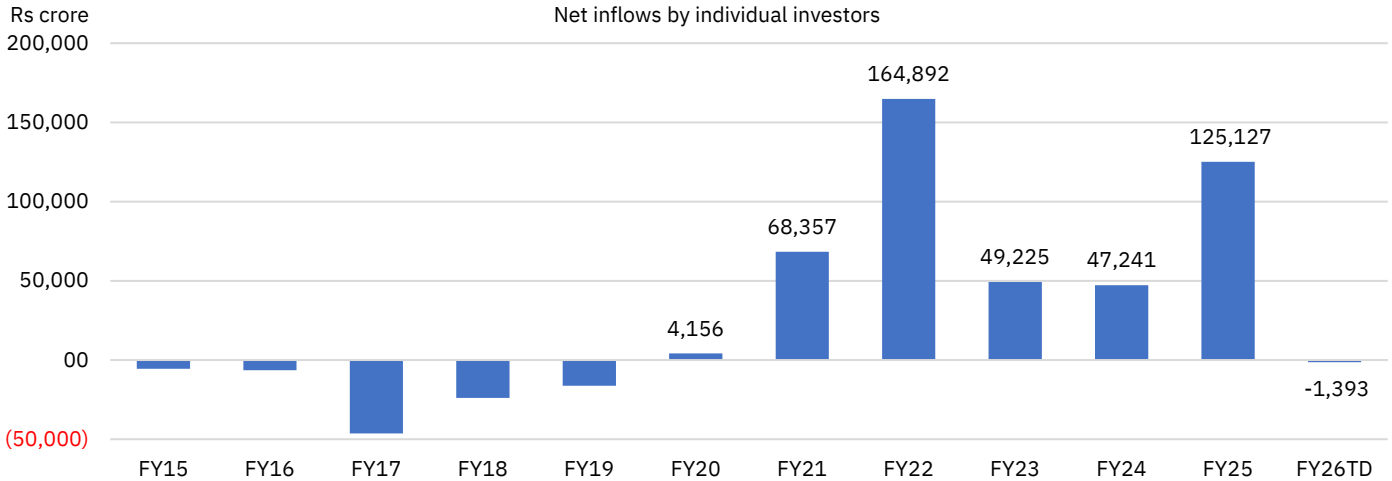
Individual investor flows turn positive in the month of July: Amid rising trade tariff concerns and escalating geopolitical tensions, individual investors recorded four consecutive months of net equity sales from March to June 2025, leading to total outflows of Rs 28,488 crore. However, in July, they reversed course, turning net buyers with net investments of Rs 11,744 crore. This indicates growing investor optimism, driven by buying opportunities created by the market correction during the month. Individual investors have been significant participants in the Indian equity market over the longer term. Over the past six years, they have collectively invested approximately Rs 4.5 lakh crore on a net basis, underscoring their sustained confidence in equities as a wealth-building avenue. This long-term accumulation aligns with the broader equity market rally in India, supported by robust domestic liquidity and a stable macroeconomic environment.

Figure 387: Cumulative net inflows of individual investors in NSE's CM segment in the last six fiscal years



Source: NSE EPR.
Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. Data for FY26 is as of Jul'25, for NSE's secondary markets only.

Figure 388: Annual trend of net inflows of individual investors in NSE's CM segment

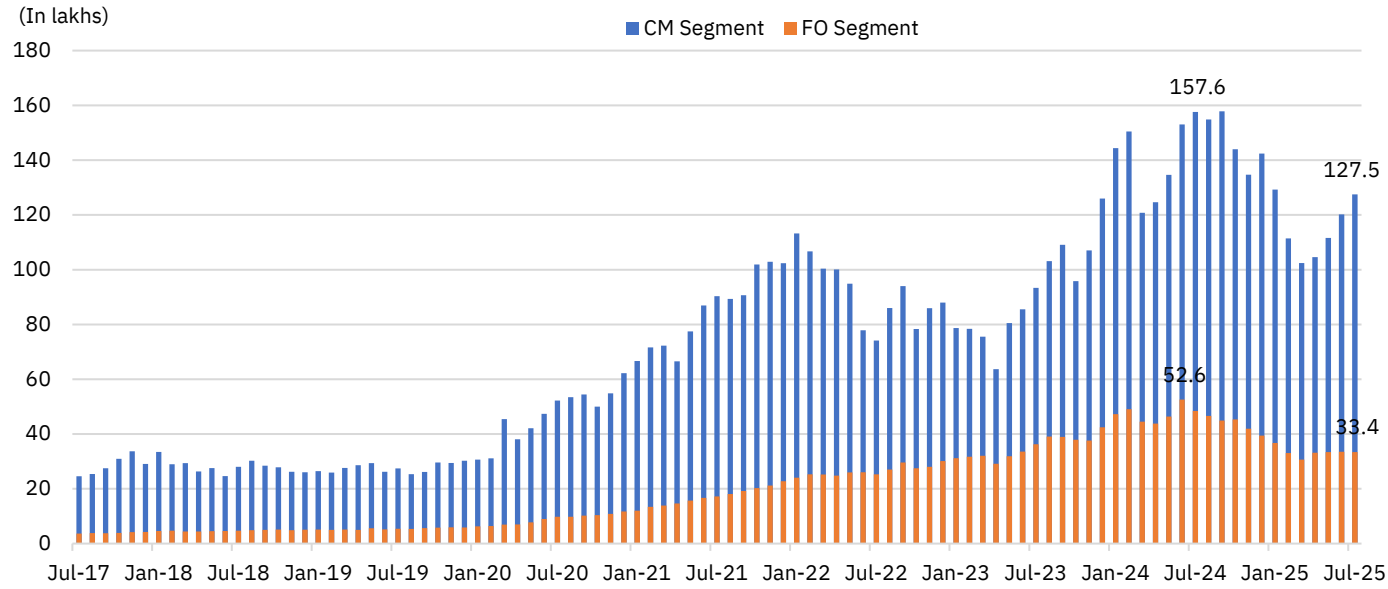


Source: NSE EPR.
Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. FY26TD data is as of Jul'25, for NSE's secondary markets only.

Individual investors trading in CM segment rose for four consecutive months: Approximately 1.27 crore individual investors participated in NSE's cash segment in July, marking the fourth straight month of growth and reaching a six-month high. Individual investor participation in the equity cash segment peaked at 1.57 crore in September 2024 but declined steadily to just over 1.02 crore by March 2025. Participation rose to over 1.27 crore by July, showing a modest recovery, but slightly remained below the 12-month average of 1.28 crore.

In contrast, the number of individual investors that participated in equity derivatives segment dropped further to 33.4 lakh from 33.5 lakh in the previous month. Participation peaked at just over 52.6 lakh investors in June 2024, after which a consistent downward trend set in. Following regulatory measures in November 2024 to protect small investors, participation fell sharply, dropping to just over 30 lakh by March 2025 — a 23-month low. Of the 3.85 crore investors that traded in the last 12 months, 75% of the investors traded in cash segment alone, while only 19% traded in both cash and equity derivatives segment.

Figure 389: Monthly trend of individual investors' participation in 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.

Table 111: Trend of individual investors participation (in lakhs) in NSE cash and equity derivatives
(For the last 12-month period ending July of each year)

Period	CM Total	FO Total	CM Alone	FO Alone	CM & FO Both
Aug'17-Jul'18	74	10	65	1	9
Aug'18-Jul'19	77	12	66	2	11
Aug'19-Jul'20	106	17	90	2	16
Aug'20-Jul'21	189	33	159	3	30
Aug'21-Jul'22	283	58	233	7	50
Aug'22-Jul'23	245	72	187	15	57
Aug'23-Jul'24	344	107	256	20	87
Aug'24-Jul'25	365	95	290	20	75

Source: NSE EPR.
Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

Distribution of trading activity by turnover

Equity cash and derivatives saw participation declining but displayed similar skewness: The equity cash segment continued to exhibit significant skewness in trading activity during July 2025, with a mere 0.2% of investors—those trading in the highest ticket sizes—contributing a dominant 76.7% of the total turnover. While this marked a marginal decline from 77.1% share of turnover in June, it reflects the reduced activity of this cohort, which primarily led the drop in segment-wide trading during the month. Another 1.7% of investors, who traded between Rs 1 crore and Rs 10 crore, accounted for 13.9% of the turnover. Combined, these two groups, constituting just 1.9% of the overall investor base, contributed a staggering 90.6% of turnover in July, marginally down from 90.9% in June (by 2.2% of investors). On the other hand, the vast majority—nearly 90% of investors—who traded less than Rs 10 lakh, contributed only 2.5% of turnover in July, underscoring the continued concentration of trading activity among a very small set of high-value participants.

While the equity cash market remains heavily skewed, investor participation in the segment saw a noticeable decline. Compared to October 2024, the total number of participating investors dropped by 11% as of July 2025. This was most pronounced in the lowest turnover bracket (below Rs 10,000), which alone saw a decline of 6.1 lakh investors. Overall, investor participation in transaction sizes below Rs 10 lakh fell by around 16 lakh investors. Consequently, the monthly average number of unique investors in the first four months of FY26 stood at approximately 1.2 crore—substantially lower than the 1.4 crore average seen during the same period last fiscal. The decline comes in the wake of regulatory measures implemented in November 2024 to bolster investor protection and ensure greater market stability.

In the equity derivatives segment, a similar trend of declining investors participation and turnover skewness was observed. The average monthly investor participation in equity options for the first four months of FY26 stood at 32.5 lakh, significantly lower than the 46.9 lakh during the same period in FY25. In July, the premium turnover for equity options declined by a modest 3% to just over Rs 10 lakh crore – lowest in four months. Despite this, the concentration of turnover remained stark: 0.2% of investors trading in the highest turnover brackets contributed 68.7% of premium turnover—slightly lower than 69.7% in June and 72.6% in October 2024. Notably, investor participation in the equity options market has fallen by 26% since October, with over 80% of this decline attributable to the investors who traded below Rs 10 lakh premium, once again pointing to the reduced participation from small-ticket investors following the regulatory changes.

The equity futures segment mirrored these patterns. While the decline in investor participation was relatively modest, it was still impactful, contributing to a 5% MoM drop in turnover for July 2025. A significant skewness persisted here too—8.5% of investors, those trading in the highest turnover brackets, accounted for 93.3% of the total turnover. Compared to October 2024, the number of investors participating in this segment declined by 20%, driving a 22% drop in turnover. The average monthly investor count for equity futures during the first four months of FY26 was 2.8 lakh, down from 3.4 lakh in the corresponding period of the previous fiscal.

The contraction in investor participation across all three segments—equity cash, equity options, and equity futures—reflects the broader impact of the regulatory tightening

introduced in November 2024. The decline has been most concentrated in lower turnover brackets.

Table 112: Distribution of turnover by range in NSE CM segment for all investors

Turnover range	Jul-24		Jun-25		Jul-25			
	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 10,000	719	46.9	579	40.4	573	0.03%	39.7	31%
Rs 10,000 - Rs 1 lakh	10,362	53.0	7,539	39.8	9,023	0.4%	48.9	38%
Rs 1 lakh - Rs 10 lakh	68,181	39.4	46,886	27.3	45,984	2%	27.2	21%
Rs 10 lakh - Rs 1 crore	2,31,666	15.1	1,62,605	10.5	1,49,590	7%	9.7	8%
Rs 1 crore - Rs 10 crore	4,39,555	3.2	3,27,417	2.4	3,03,324	14%	2.2	1.7%
> Rs 10 crore	23,11,093	0.4	18,37,220	0.3	16,76,400	77%	0.3	0.2%
Total	**30,61,577**	**158.0**	**23,82,248**	**120.6**	**21,84,895**	**100%**	**127.9**	**100%**

Source: NSE EPR.
Notes:
1. Turnover ranges are based on gross traded value i.e. buy traded value + sell traded value.
2. Categorisation is based on gross traded value.
3. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2.
4. Investor count is based on unique PANs that have traded during the period.

Table 113: Monthly trends for distribution of turnover (Rs crore) by trading range in 2025

Turnover range	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
<= Rs 10,000	685	625	582	561	541	579	573
Rs 10,000- Rs 1 lakh	8,818	7,443	6,360	6,740	7,003	7,539	9,023
Rs 1 lakh – Rs 10 lakh	45,292	36,142	34,809	38,722	43,957	46,886	45,984
Rs 10 lakh – Rs 1 crore	1,37,654	1,12,578	1,20,816	1,28,256	1,57,034	1,62,605	1,49,590
Rs 1 crore – Rs 10 crore	2,82,973	2,29,113	2,49,636	2,56,426	3,32,752	3,27,417	3,03,324
> Rs 10 crore	17,36,427	14,47,325	14,62,957	14,75,553	17,91,282	18,37,220	16,76,400
Grand Total	**22,11,851**	**18,33,226**	**18,75,160**	**19,06,257**	**23,32,568**	**23,82,248**	**21,84,895**

Source: NSE EPR
Notes:
1. Turnover ranges are based on gross traded value i.e. buy traded value + sell traded value.
2. Categorization is based on gross traded value.
3. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2.

Table 114: Category-wise share in turnover across turnover ranges in NSE CM segment in July 2025

Turnover range	Turnover (Rs crore)	Share in turnover (%)	Client category-wise turnover share (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	573	0.03%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	9,023	0.4%	0.0%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 1 lakh - Rs 10 lakh	45,984	2%	0.2%	0.2%	0.0%	99.4%	0.0%	0.2%
Rs 10 lakh - Rs 1 crore	1,49,590	7%	0.8%	0.3%	0.0%	98.5%	0.0%	0.4%
Rs 1 crore - Rs 10 crore	3,03,324	14%	1.9%	0.3%	0.3%	96.3%	0.1%	1.1%
> Rs 10cr	16,76,400	77%	3.9%	18.3%	18.3%	16.5%	38.2%	4.9%
Total	**21,84,895**	**100%**	**3.3%**	**14.1%**	**14.1%**	**35.3%**	**29.3%**	**3.9%**

Source: NSE EPR.
Notes: 1. Turnover ranges are based on gross turnover.
2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2
3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc.
4. 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 115: Distribution of turnover by range in equity options (premium turnover) for all investors

Turnover range	Jul-24		Jun-25		Jul-25			
	Premium Turnover (Rs cr)	Investors (In lakh)	Premium Turnover (Rs cr)	Investors (In lakh)	Premium Turnover (Rs cr)	Share in turnover	Investors (In lakh)	Share in investors
<Rs 10,000	151	9.5	81	4.6	82	0.01%	4.6	14%
Rs 10,000-Rs 1 lakh	2,569	12.2	1,700	7.9	1,712	0.2%	8.0	24%
Rs 1 lakh - Rs 10 lakh	28,731	15.0	22,437	11.3	22,197	2%	11.3	35%
Rs 10 lakh - Rs 1 crore	1,40,253	8.8	1,15,756	7.4	1,14,177	11%	7.2	22%
Rs 1 crore – Rs 10 crore	2,32,494	1.8	1,71,853	1.4	1,75,883	18%	1.4	4.3%
>Rs 10 crore	11,05,876	0.1	7,18,216	0.1	6,88,267	69%	0.1	0.2%
Total	**15,10,073**	**47.4**	**10,30,043**	**32.7**	**10,02,317**	**100%**	**32.6**	**100%**

Source: NSE EPR.
Notes:
1. Turnover ranges are based on gross premium turnover i.e. buy premium turnover + sell premium turnover.
2. Categorisation is based on gross premium turnover.
3. Data has been provided for single side i.e. (Buy premium turnover + sell premium turnover)/2.
4. Investor count is based on unique PANs that have traded during the period.

Table 116: Monthly trends for distribution of equity options premium turnover (Rs crore) by trading range in 2025

Turnover range	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
<= Rs 10,000	99	89	76	85	78	81	82
Rs 10,000- Rs 1 lakh	1,848	1,712	1,526	1,686	1,619	1,700	1,712
Rs 1 lakh – Rs 10 lakh	23,139	21,263	20,342	21,722	22,018	22,437	22,197
Rs 10 lakh – Rs 1 crore	1,22,781	1,05,817	1,04,123	1,12,902	1,27,343	1,15,756	1,14,177
Rs 1 crore – Rs 10 crore	1,99,912	1,55,409	1,59,090	1,69,547	2,08,868	1,71,853	1,75,883
> Rs 10 crore	8,82,705	6,73,764	6,84,294	7,98,953	8,91,467	7,18,216	6,88,267
Grand Total	**12,30,482**	**9,58,054**	**9,69,451**	**11,04,895**	**12,51,392**	**10,30,043**	**10,02,317**

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.

Table 117: Distribution of turnover and the share of investors categories in equity options in July 2025

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	82	0.01%	0.0%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	1,712	0.2%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 1 lakh - Rs 10 lakh	22,197	2%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 10 lakh - Rs 1 crore	1,14,177	11%	0.3%	0.0%	0.0%	99.5%	0.0%	0.2%
Rs 1 crore- Rs 10 crore	1,75,883	18%	1.0%	0.0%	0.1%	98.0%	0.1%	0.7%
> Rs 10cr	6,88,267	69%	2.5%	0.2%	8.5%	10.4%	75.4%	2.9%
Total	**10,02,317**	**100%**	**1.9%**	**0.1%**	**5.9%**	**38.1%**	**51.8%**	**2.2%**

Source: NSE EPR
Notes: 1. Turnover ranges are based on gross premium turnover
2. Data has been provided for single side i.e. (Buy premium turnover + sell premium turnover)/2
3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc
4. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades

Table 118: Distribution of turnover by range in equity futures market for all investors

Turnover range	Jul-24		Jun-25		Jul-25			
	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	503	0.1	524	0.2	424	0.01%	0.1	5%
Rs 10 lakh - Rs 1 cr	33,278	1.6	26,624	1.2	27,823	0.9%	1.3	46%
Rs 1 cr – 10 cr	2,55,461	1.5	1,99,341	1.2	1,86,827	6%	1.1	40%
>Rs 10 cr	43,67,593	0.4	31,37,082	0.3	29,88,082	93%	0.2	9%
Total	**46,56,835**	**3.6**	**33,63,570**	**2.9**	**32,03,155**	100.0%	**2.8**	100.0%

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 119: Monthly trends for distribution of turnover (Rs crore) by trading range in 2025

Turnover range	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Rs 1 lakh – Rs 10 lakh	863	812	793	703	628	524	424
Rs 10 lakh – Rs 1 crore	31,985	27,620	26,140	26,660	25,750	26,624	27,823
Rs 1 crore – Rs 10 crore	1,95,061	1,75,890	1,67,008	1,86,047	1,97,203	1,99,341	1,86,827
> Rs 10 crore	35,66,565	29,88,380	27,82,864	31,63,465	33,10,182	31,37,082	29,88,082
Grand Total	**37,94,473**	**31,92,703**	**29,76,805**	**33,76,875**	**35,33,763**	**33,63,570**	**32,03,155**

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.

Table 120: Distribution of turnover and the share of investors categories in equity futures in July 2025

Turnover range	Turnover (Rs crore)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
Rs 1 lakh - Rs 10 lakh	424	0.01%	0.7%	0.0%	0.0%	98.9%	0.0%	0.4%
Rs 10 lakh - Rs 1 crore	27,823	0.9%	0.8%	0.0%	0.0%	98.7%	0.0%	0.5%
Rs 1 crore - Rs 10 crore	1,86,827	6%	1.7%	0.0%	0.0%	97.1%	0.1%	1.1%
> Rs 10 crore	29,88,082	93%	6.9%	12.1%	28.8%	11.9%	35.3%	5.0%
Total	**32,03,155**	**100.0%**	**6.5%**	**11.3%**	**26.8%**	**17.6%**	**32.9%**	**4.7%**

Source: NSE EPR
Notes: 1. Turnover ranges are based on gross turnover
2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2
3. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc
4. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades

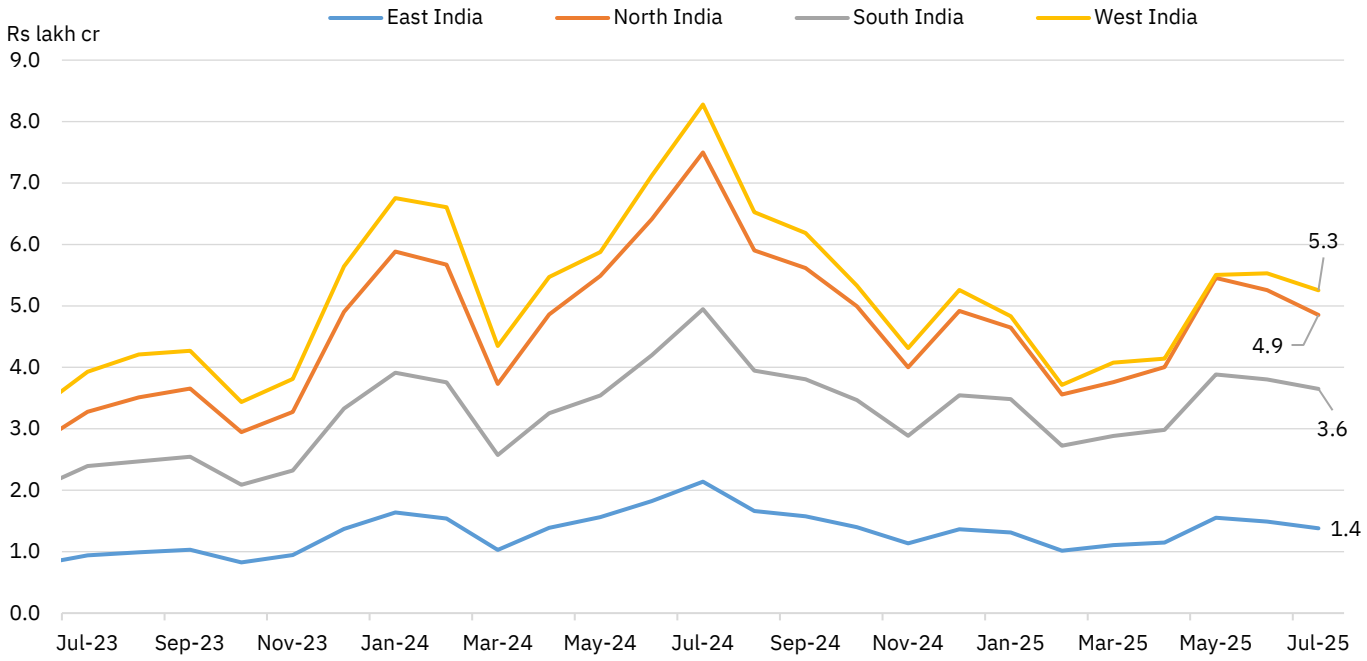
Spatial distribution of individual investor activity in the cash market

Region-wise individual investor activity

Individual investors' turnover fell for the second month in a row across all regions...: After a steady rise in April-May of FY26, the total turnover of individual investors fell for the second month in a row by 6% MoM in July'25 to Rs 15.4 lakh crore. The decline was broad-based across regions, led by the Northern and Eastern regions that registered the highest MoM fall of 7.7% and 7.4% respectively, followed by the Western region (-5.0% MoM) and the Southern region (-4.1% MoM).

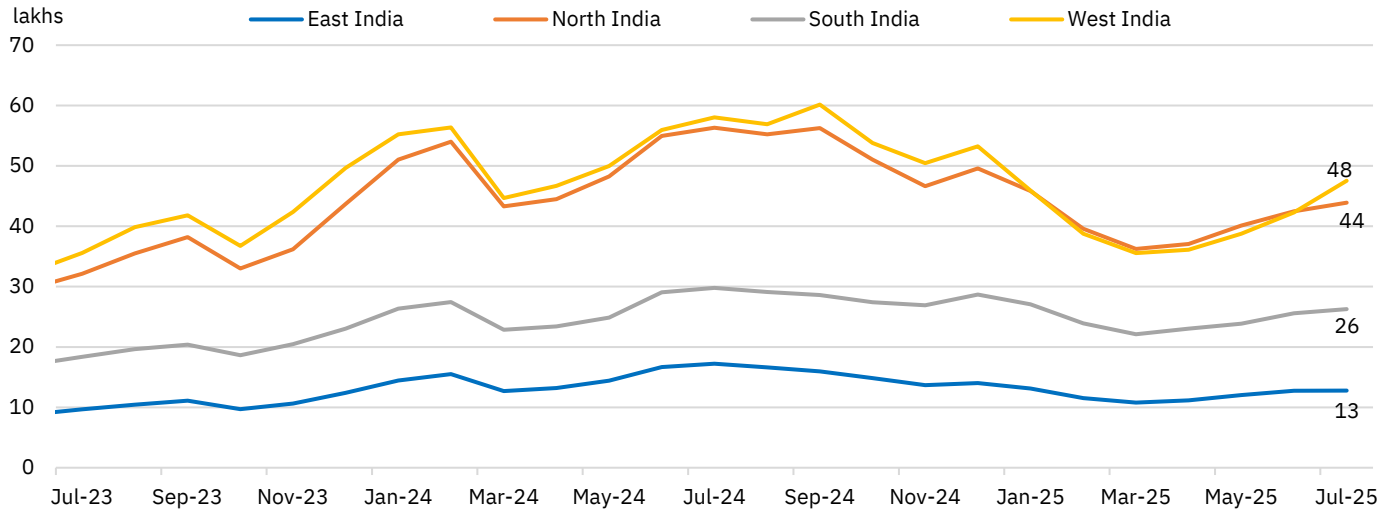
...even as the investor base grew successively for the fourth consecutive month: The overall number of individual investors which traded at least once during the month rose by 6% MoM, a fourth successive sequential increase since Apr'25, to reach 1.3 crore in Jul'25. The increment in the investor base was led by the Western region, which witnessed a rise of 12.4% MoM to 47.5 lakh, followed by the Northern region, which witnessed a 3.4% MoM rise to 43.9 lakh. The Southern region grew by 2.7% MoM while the Eastern region remained largely unchanged (0.25% MoM).

Figure 390: Region-wise distribution of monthly individual investors' turnover in equity cash



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF.

Figure 391: Region-wise distribution of individual investors' participation in equity cash



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF who trade once a month

Region-wise distribution of individuals' turnover remained broadly unchanged: The distributional pattern of turnover remained almost unchanged across all regions in July. The share of Eastern and Northern India in overall individual investors' turnover saw a marginal dip while the shares of Southern and Northern region experienced marginal increments. West India and North India continue to lead with maximum share in turnover with 34.1% and 31.5%, respectively.

In terms of participation, North and West regions together accounted for ~70% of the share in July 2025. However, regional distributional pattern of individuals who traded at least once over the past one month showcased a rise for Western India but a marginal dip for other regions. The Western region's share of investors rose by 2% in July'25 (35.7%). Meanwhile, the Northern, Southern and Eastern region's shares declined by 84 bps, 64 bps and 55 bps MoM to 33%, 19.8% and 9.6%, respectively. Notably, the gap between the shares of Western and Northern regions has also widened in the last month.

Figure 392: Region-wise share of individual investors' turnover in cash market (%)

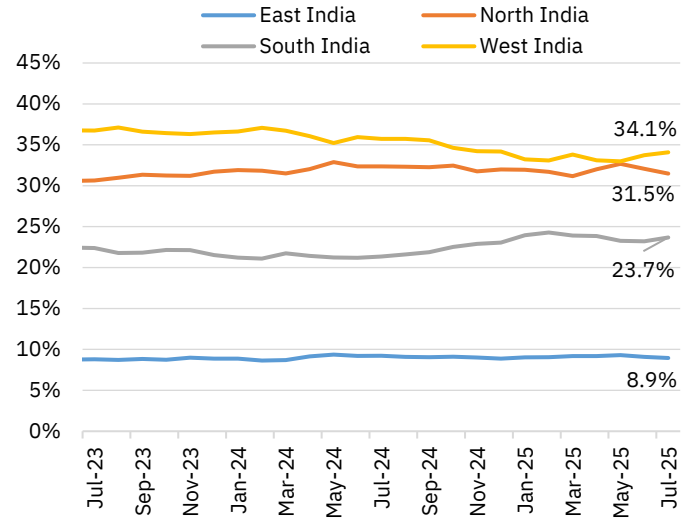
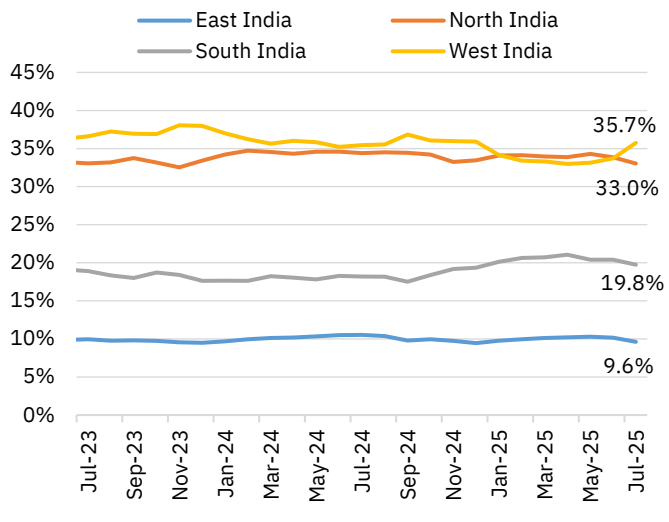


Figure 393: Region-wise share of individual investors in cash market (%)



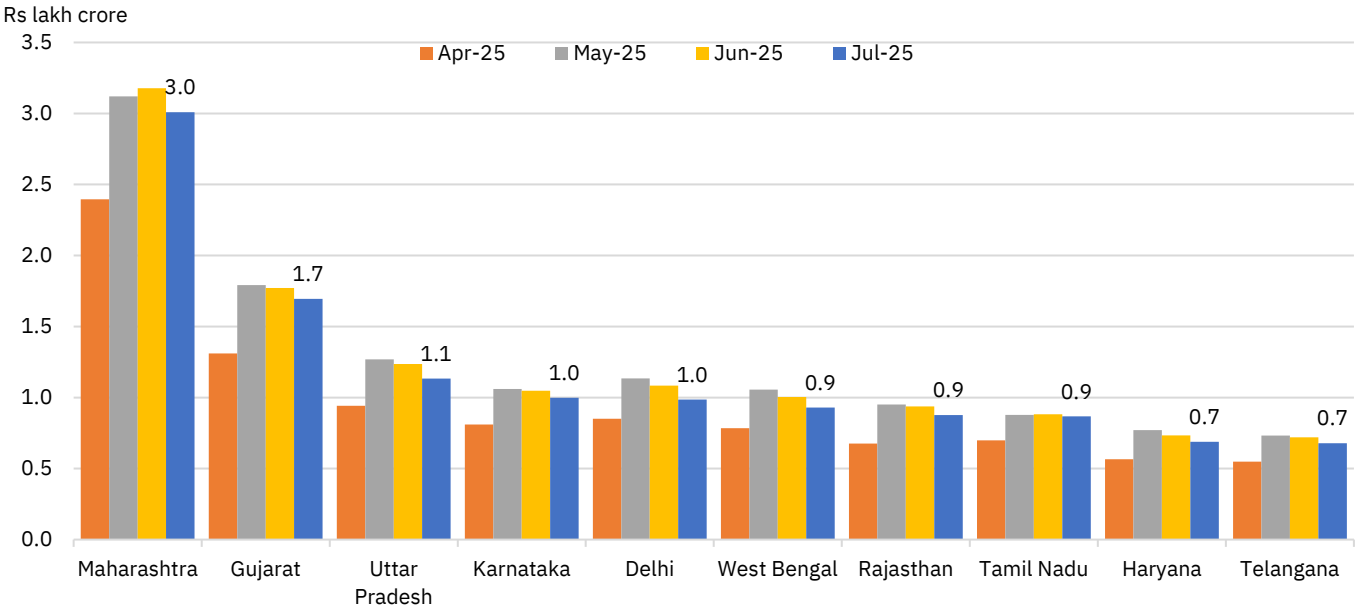
Source: NSE EPR. Note: 1. Individual investors include Individual / Proprietorship firms and HUF who trade once a month. 2. "Others"— not provided in the charts above--include pincodes for which region mapping was not available. The shares of the respective regions are calculated considering turnover/number of individual investors in "Others".

Share of state-wise individual investor activity:

In July 2025, Maharashtra and Gujarat continued to lead in terms of gross turnover generated by individual investors in equity cash, recording turnovers of Rs 3 lakh crore and Rs 1.7 lakh crore, respectively. However, these states were sequentially down by 5.3% MoM and 4.4% MoM. Interestingly, Karnataka moved ahead of Delhi to take the fourth spot this month, pushing Delhi a notch lower. All of the top 10 states recorded MoM declines in individual investor turnover, with Delhi and Uttar Pradesh witnessing the sharpest drops, at -9.1% and -8.3%, respectively.

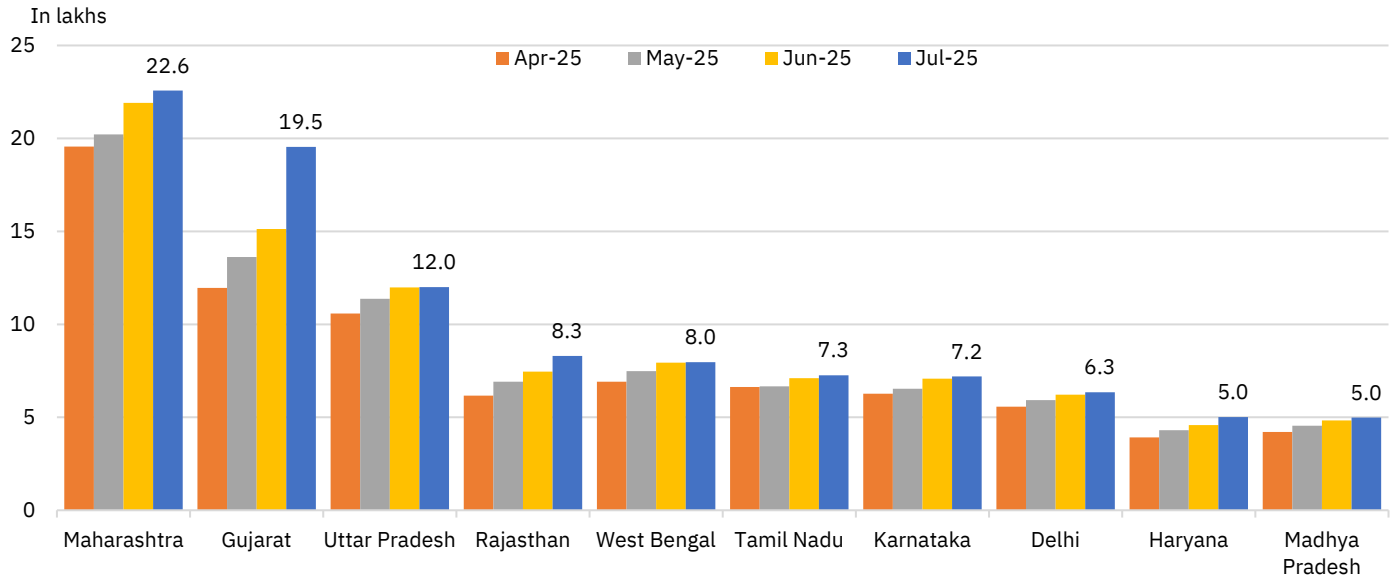
In terms of individual investor participation, even as Maharashtra held the highest share at 17% (22.6 lakh investors, up 3% MoM), Gujarat grew significantly in July by 29.2% MoM (19.5 lakh investors, 14.7% share), followed by Uttar Pradesh (12 lakh investors, up 0.1% MoM) accounting for over 9% of the total active individual investors. Notably, these three states accounted for over 40% of the individual investor count that traded in July 2025, while the top 10 states accounted for over 76%.

Figure 394: Top 10 states based on turnover of individual investors in equity cash



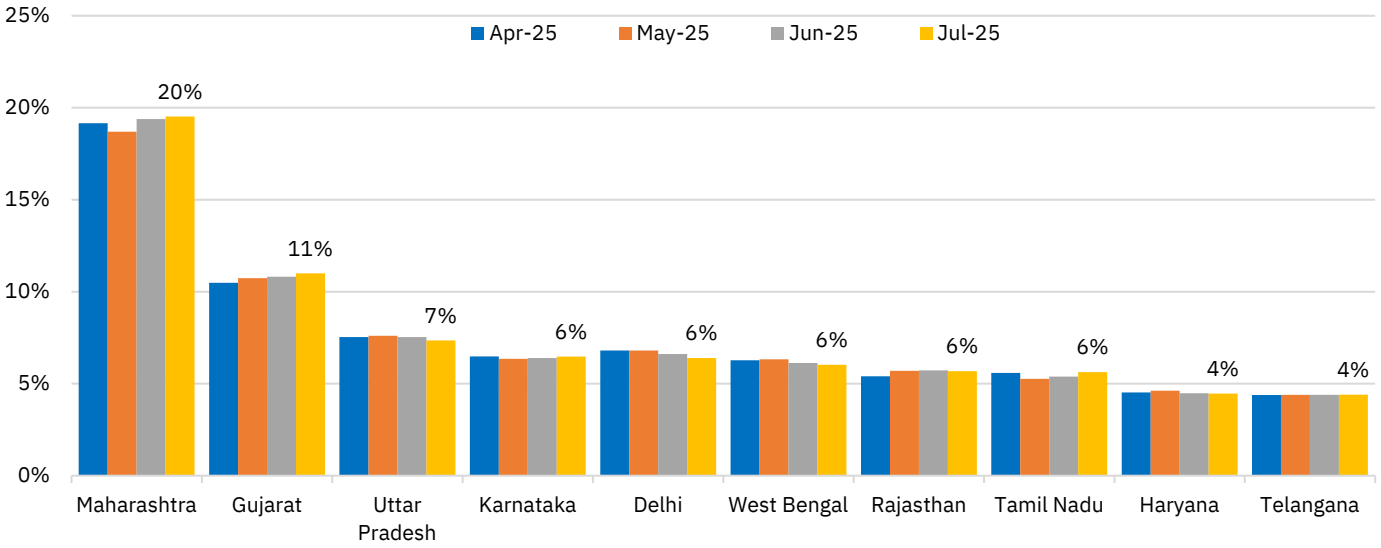
Source: NSE EPR
Note:
1.Individual investors include Individual / Proprietorship firms and HUF
2.The top ten states are chosen based on latest month's data

Figure 395: Top 10 states based on individual investors' participation in equity cash



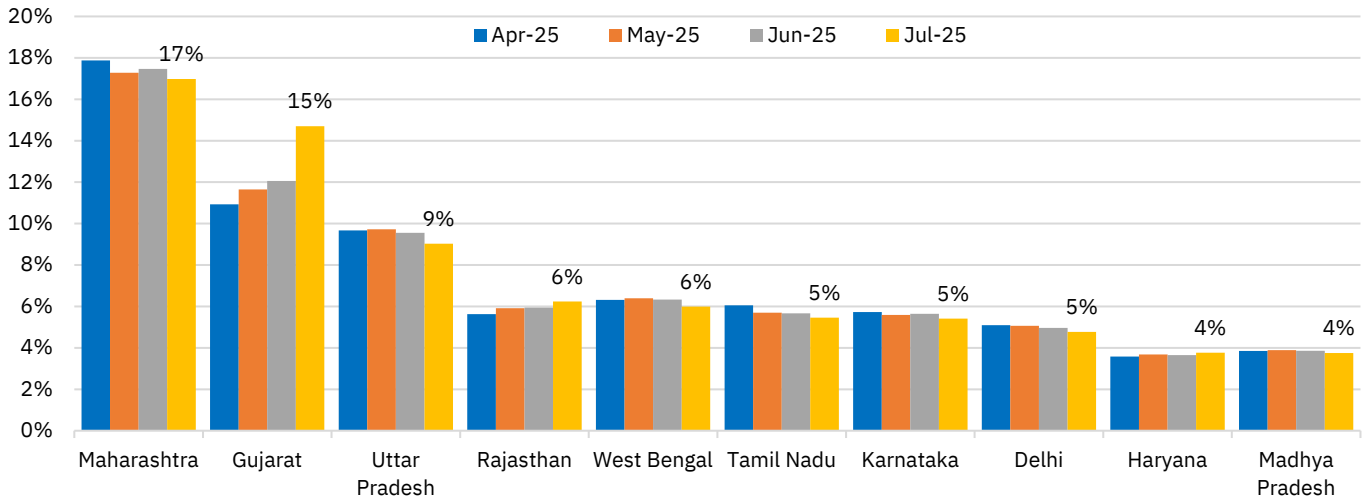
Source: NSE EPR
Note:
1.Individual investors include Individual / Proprietorship firms and HUF
2.The top ten states are chosen based on latest month's data

Figure 396: Share of the top 10 states based on turnover of individual investors in equity cash



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on the latest month's data

Figure 397: Share of the top 10 states based on individual investors' participation in equity cash



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on the latest month's data.

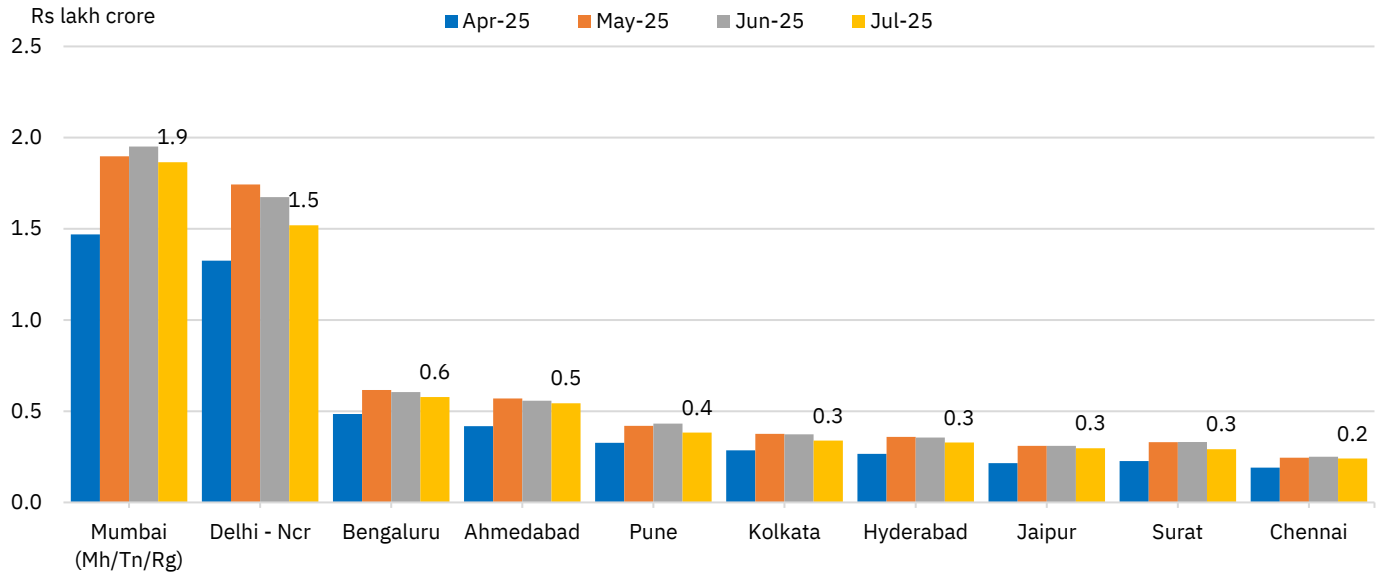
District-wise individual investor activity:

Individuals' turnover in all the top 10 districts fell in July 2025...: Individual investors' turnover in the top 10 districts fell by 6.7% MoM in July 2025 to Rs 6.4 lakh crore. Mumbai and Delhi held their positions as the top two districts, with a turnover of Rs 1.9 lakh crore (-4.4% MoM) and Rs 1.5 lakh crore (-9.2% MoM) respectively. Among the top 10 districts, Surat witnessed the highest fall of 11.9% MoM in individual investors' turnover, followed by Pune, which experienced a 11.4% MoM decline. Other than the top 10, the rest of the districts also saw a moderation in their combined turnover (-5.4% MoM).

...Even as the number of investors who traded during the month increased: Looking at the top 10 districts, the number of individual investors which traded at least once in the last month registered a substantial rise, growing by 8.4% MoM to 40.8 lakh in July 2025. Mumbai continued to lead, with a 4.5% MoM growth to 10.1 lakh investors, while Delhi-NCR retained the second spot with 9.6 lakh active investors during the month (+1.7% MoM). Ahmedabad, which held the third highest investors, recorded a double-digit growth of 27.1%, followed by Surat (23% MoM) and Bengaluru (2% MoM). Apart from the top 5 districts, Rajkot witnessed the highest growth of 42.4% MoM.

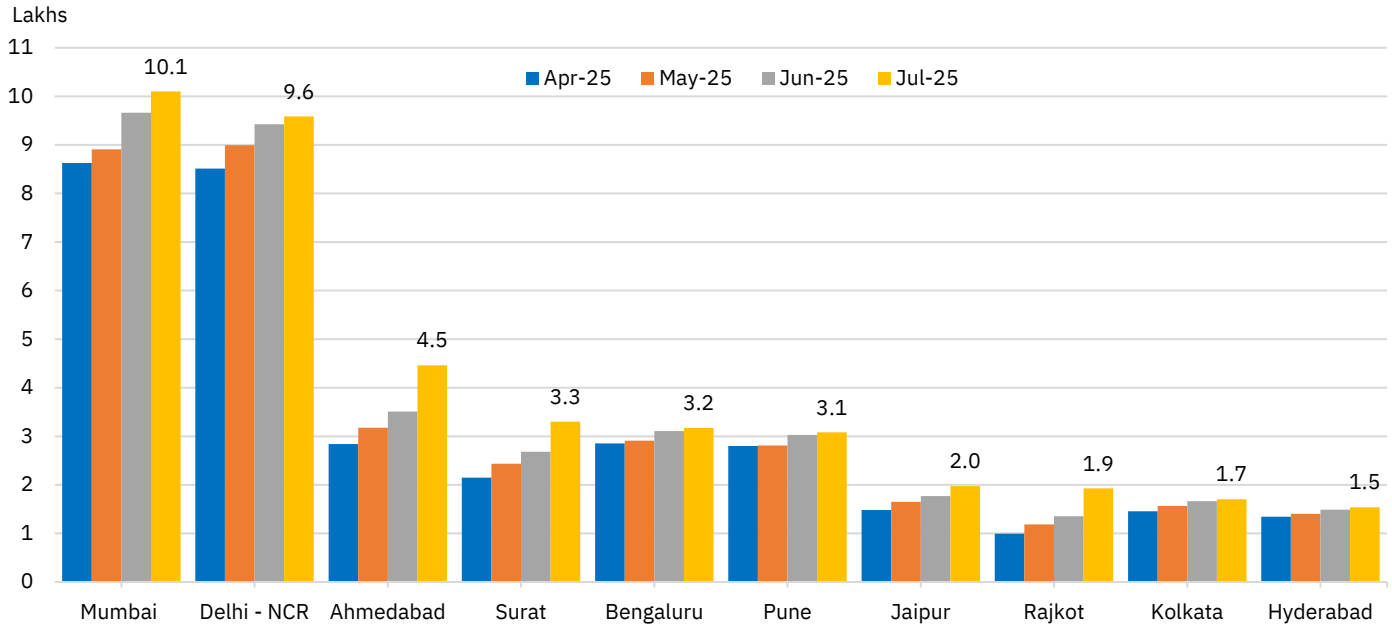
The total turnover of individual investors remains concentrated in a few districts. Among the top 10 districts which hold 41% of the share in turnover, more than 50% is with the top two districts (Mumbai and Delhi at ~22%), even though they accounted for only 15% of the active trading population.

Figure 398: Top 10 districts based on equity cash turnover of individual investors



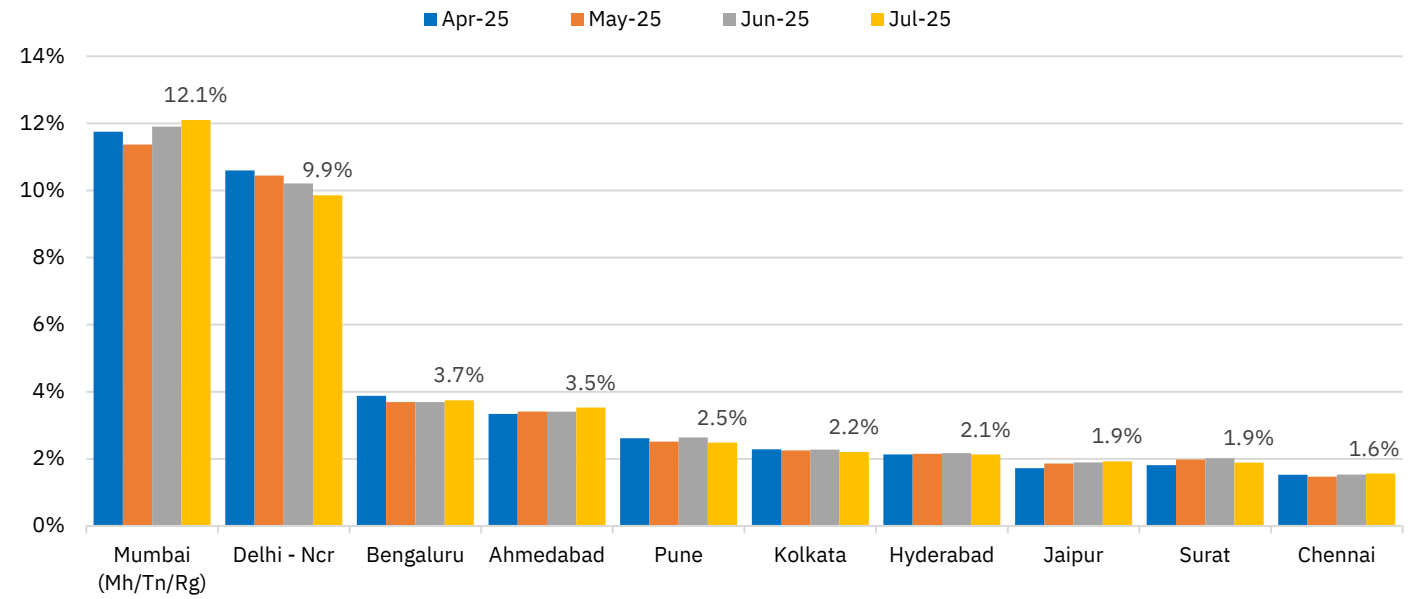
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 399: Top 10 districts based on individual investors participation in the equity cash market



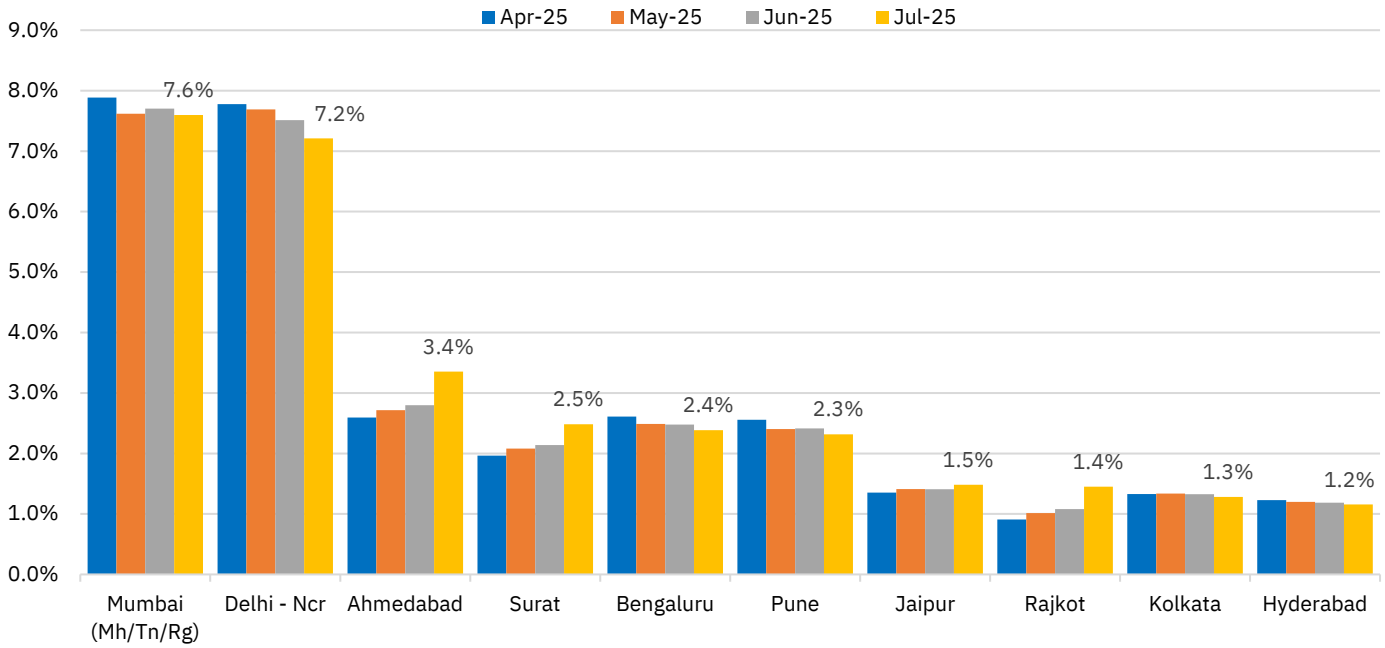
Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 400: Share of the top 10 districts based on individual investors' turnover in equity cash



Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Figure 401: Share of the top 10 districts based on individual investors traded in the cash market



Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on the latest month's data.

Turnover of top 10 traded companies during the month

The overall CM turnover saw a significant MoM decline of 8.3% in July, dropping from Rs 23.8 lakh crore to Rs 21.8 lakh crore. In contrast, the turnover of the top 10 stocks recorded a slight MoM increase of 1.6%, rising from Rs 2.66 lakh crore to Rs 2.70 lakh crore, which led to their market share increasing by 121 basis points to 12.4%, up from 11.2% in the previous month. HDFC Bank became the most actively traded stock during the month, followed by Reliance Industries, overtaking BSE - which had held the top position for the previous two months – to third place. The turnover of these top 3 stocks, however, has witnessed a decline of 11.3% MoM, resulting in a decline of their share by 16bps MoM. Despite this reshuffling, the combined turnover of these top three stocks declined by 11.3% MoM, leading to a 16bps drop in their overall market share. Six out of the top 10 stocks witnessed a MoM rise in their turnover in July.

Table 121: Top 10 traded companies in NSE CM segment in July 2025

Securities (Rs Cr)	Jul-25	Jun-25	% Change
HDFC Bank Ltd.	36,311	41,140	(11.7)
Reliance Industries Ltd.	36,018	32,013	12.5
BSE Ltd.	29,574	41,771	(29.2)
ICICI Bank Ltd.	28,917	29,452	(1.8)
Eternal Ltd.	28,298	24,067	17.6
Infosys Ltd.	24,980	23,186	7.7
Axis Bank Ltd.	23,560	15,277	54.2
Tata Consultancy Srvcs. Ltd.	22,651	17,964	26.1
Bharti Airtel Ltd.	21,964	25,557	(14.1)
Waaree Energies Ltd.	18,361	15,920	15.3
Top 10 scrips turnover	**270,633**	**266,345**	**1.6**
Total turnover	**2,184,895**	**2,382,247**	**(8.3)**
% share of Top 10 scrips	**12.4%**	**11.2%**	**1.2pp**

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.

While cash market turnover saw a significant decline of 8.3% MoM, stock futures turnover dipped slightly by 1.1% MoM and stock options turnover contracted 5.6% MoM during the month of July. The share of the top 10 scrips in the stock futures segment remained steady at 18.9% in July 2025, marking a slight increase from the previous month, even as their turnover declined by 1.4%MoM. In contrast, the top 10 scrips in stock options turnover recorded a MoM growth of 7.6%, with their share rising from 20.3% to 23.2% (+285bps MoM). HDFC Bank maintained its position as the most active scrip in stock futures for 29 consecutive months, while BSE held the top spot in the stock options segment for three consecutive months. While five stocks saw a MoM increase in stock futures turnover, seven scrips in the stock options segment recorded MoM gains, with three of them posting a rise of over 60%

Table 122: Top 10 traded companies in stock futures segment in July 2025

Securities (Rs Cr)	Jul-25	Jun-25	% Change
HDFC Bank Ltd.	79,885	88,607	(9.8)
Reliance Industries Ltd.	61,086	63,947	(4.5)
Infosys Ltd.	58,426	48,441	20.6
ICICI Bank Ltd.	54,396	67,537	(19.5)
State Bank of India	52,710	48,406	8.9
Axis Bank Ltd.	45,996	37,731	21.9
Tata Consultancy Srvcs. Ltd.	39,762	30,689	29.6
Bajaj Finance Ltd.	38,495	50,477	(23.7)
BSE Ltd.	36,144	40,625	(11.0)
Kotak Mahindra Bank Ltd.	33,439	30,855	8.4
Top 10 scrips turnover	**500,337**	**507,314**	**(1.4)**
Total stock futures notional turnover	**26,52,976**	**27,00,815**	**(1.8)**
% share of Top 10 scrips	**18.9%**	**18.8%**	**0.1pp**

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.

Table 123: Top 10 traded companies (premium turnover) in stock options in July 2025

Securities (Rs Cr)	Jul-25	Jun-25	% Change
BSE Ltd.	6,340	7,801	(18.7)
Reliance Industries Ltd.	4,561	3,874	17.7
Dixon Technologies (I) Ltd.	3,800	2,870	32.4
State Bank of India	2,903	2,740	5.9
Eternal Ltd.	2,787	1,704	63.6
HDFC Bank Ltd.	2,716	3,025	(10.2)
Tata Consultancy Srvcs. Ltd.	2,517	1,497	68.1
Bharat Electronics Ltd.	2,470	3,470	(28.8)
One 97 Comms. Ltd.	2,388	1,435	66.4
Trent Ltd.	2,319	2,081	11.5
Top 10 scrips premium turnover	**32,802**	**30,497**	**7.6**
Total stock options premium turnover	**1,41,398**	**1,49,906**	**(5.7)**
% share of Top 10 scrips	**23.2%**	**20.3%**	**2.9pp**

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.

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. Last year (2024), there were over 12,397 crore contracts traded across equity and index futures and options, over 81% 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 over 3.5x the US in terms of contracts traded, but a fifth of the value.

Table 124: 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 June 30th, 2025)	6,205	6,205	25,517
Notional value*	US$620,500	US$62,050	US$22,373

Source: CBOE, NSE. * Calculated as Index level * contract size.

Figure 402: Total options turnover: India vs. US

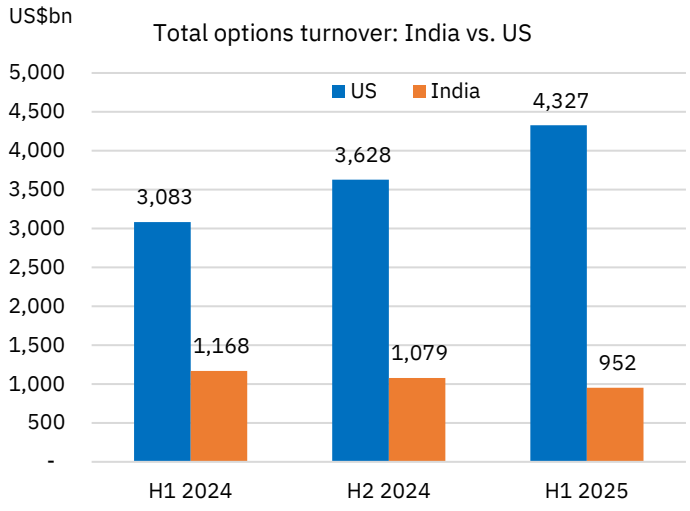
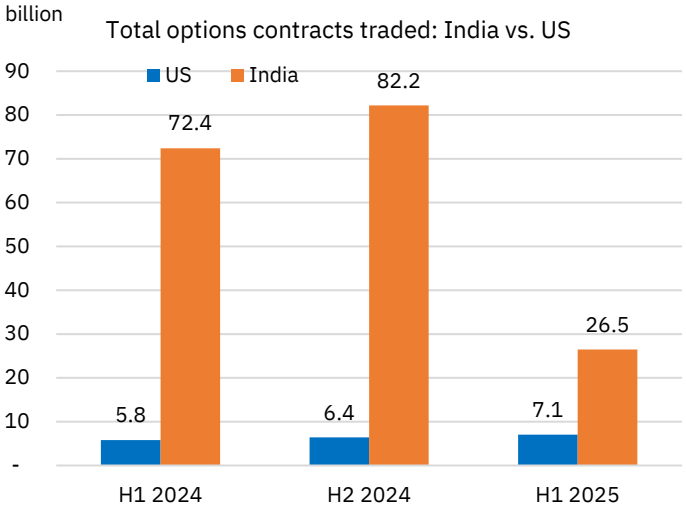


Figure 403: Total options contracts traded: India vs. US



Source: OCC, NSE, BSE.

Lessons from Brazil's B3 exchange

Recent events at the Brazilian exchange B3 illustrate the relationship between contract size and traded contracts better. Earlier this year, B3—the largest Futures exchange in Latin America, slashed its contract size for index options by 99% to improve trading, resulting in a 45x jump in the number of contracts traded in index options in the last five months (February 2025-June 2025) compared to the previous five months (August 2024-January 2025). For good measure, they also introduced contracts on indices with weekly expiries. Since then, the number of index option contracts traded at B3 has exploded.

B3 vs. India

The revised index option contract size by 99% at B3 dropped the contract from a multiple of the Ibovespa index (1) to a fraction (0.01). This reduced the value of a typical contract

from ~US$22,050 in February this year to ~US$220. The average traded premium in the exchange dropped from BRL 5000 to BRL 50,[75] i.e., US$871 to US$8.71 in dollar terms. This became the primary driver of the rise in trading at the exchange. To understand this better, it is instructive to compare the contract size at B3 vs. India and the US.

Before the lot size revisions earlier this year, a Nifty50 contract (lot size 25) was valued at ~Rs 5.9 lakh (~US$6,900). This has since more than tripled to ~Rs19.1 lakh (~US$22,300), thanks to an increase in the Nifty50 contract size to 75 in early January. In other words, Brazilian index option contracts changed from being 3.2x Indian index option contracts to 0.01x now.

US vs. India

The trading activity of an equity derivatives contract is influenced by its value. The extent to which this matter becomes clear when comparing the Indian markets with those in the US, the world's largest equity derivatives market by far. Unlike India's exchange-traded derivatives (futures and options on stocks and indexes), the US markets are far more complex, spanning 18 exchanges, off-exchange venues, and a broader range of derivatives, i.e., futures and options, not just on stocks and indexes, but also on index futures.

Notwithstanding the increase early this year, the Nifty50's option contract value remains puny compared to the contract value of S&P index option contracts. As of June 30th, 2025, a single lot of the S&P 500 (SPX) index option had a notional value of around US$620,500. Even the mini-SPX contracts—sized at one-tenth—carry a notional value of US$62,050. That makes one US SPX contract nearly 28 times larger than a Nifty contract in value terms, and even a mini-SPX contract about three times larger. So, while India leads in the count of contracts, it lags significantly behind the US in terms of total value traded.

India's options market is a fraction of the US market in terms of premium turnover: Indian exchanges (NSE, BSE) trade over 3.7x that of the exchange-traded options in the US, i.e., options with underlying as stocks, indexes and ETFs (cleared on Options Clearing Corporation). In terms of premium turnover, however, Indian options market was just a little over 20% of the US options premium turnover in June 2025, falling from nearly 45% a year ago and averaging at 22% in the first six months of 2025. It is to be noted that this comparison relates only to exchange-traded, centrally-settled (On OCC) futures and options on stocks, indexes and ETFs alone, and does not include said derivatives on index futures (at CME), that represent an additional ~25% of trading activity.

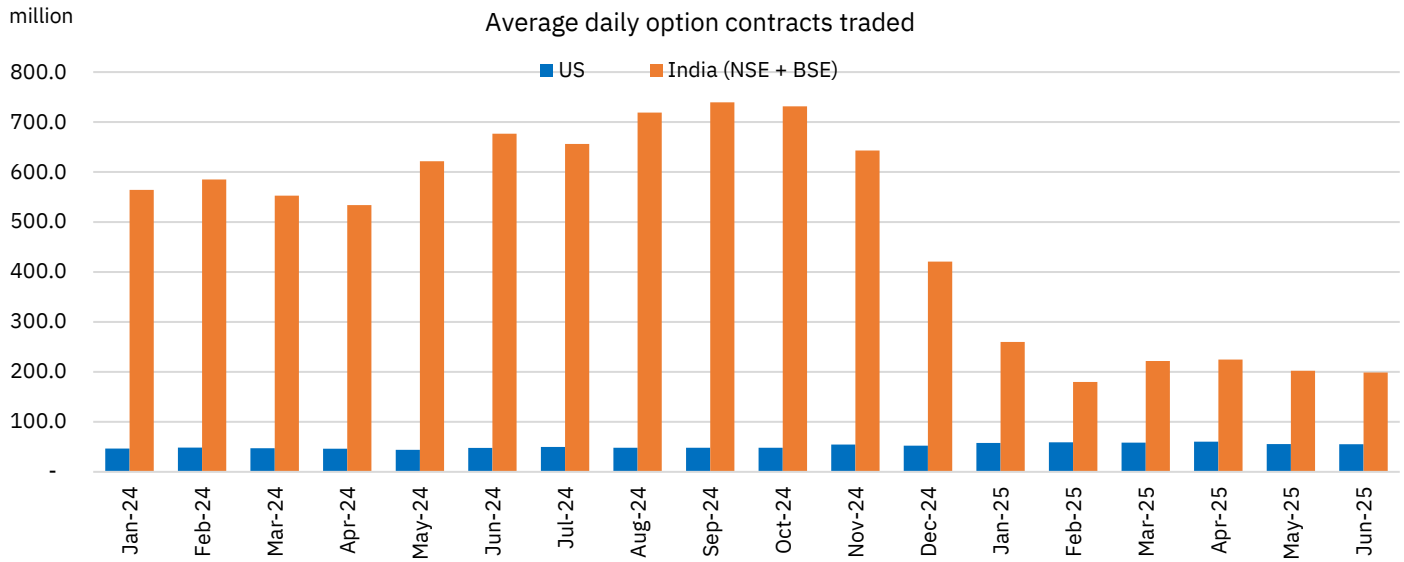
[7575] https://clientes.b3.com.br/en/w/reduction-in-options-on-ibovespa-contract-size?

Table 125: Exchange-wise options volume and premium traded in the US in H1 2025

Exchanges	Total Premium turnover in H1 2025 (US$bn)				Total contracts traded in H1 2025 (m)			
	Stock	Index	ETF	Total	Stock	Index	ETF	Total
AMEX	125	-	55	180	234	-	200	434
ARCA	223	0	79	302	487	0	293	780
BATS	66	1	23	89	174	0	107	281
BOX	237	-	50	287	299	-	187	486
C2	32	4	18	53	102	1	82	186
CBOE	238	1,695	187	2,120	402	575	276	1,253
EDGX	70	-	45	115	231	-	213	444
EMLD	57	-	24	81	146	-	104	250
GEM	38	3	30	70	122	0	137	259
ISE	129	28	44	201	258	4	176	437
MCRY	33	-	15	49	103	-	78	181
MEMX	40	-	18	58	131	-	100	231
MIAX	102	-	48	150	242	-	221	463
MPRL	32	-	14	46	96	-	79	175
NOBO	15	-	7	22	52	-	57	109
NSDQ	74	-	24	98	192	-	111	303
PHLX	249	38	75	361	371	4	235	610
SPHR	31	-	14	45	96	-	75	171
US total	**1,791**	**1,768**	**769**	**4,327**	**3,739**	**585**	**2,729**	**7,053**
India	109	844	-	952	936	25,542	-	26,478
India vs. US	6%	48%		22%	25%	4367%		375%

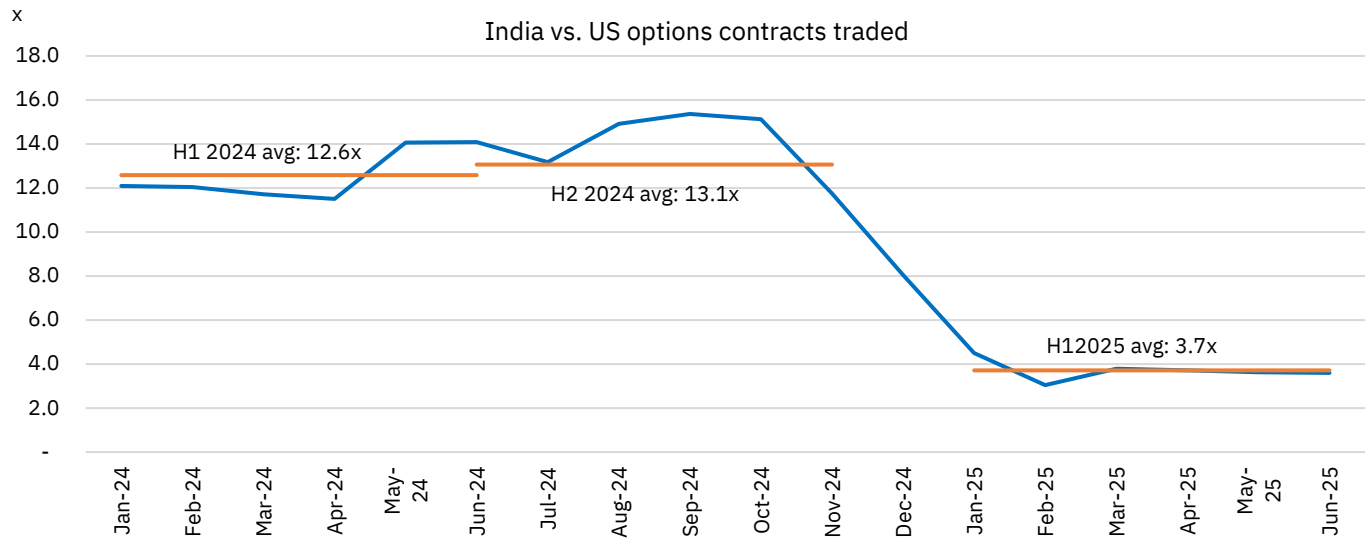
Source: OCC, NSE, BSE.

Figure 404: Monthly trend of average daily options contracts traded in the US and India



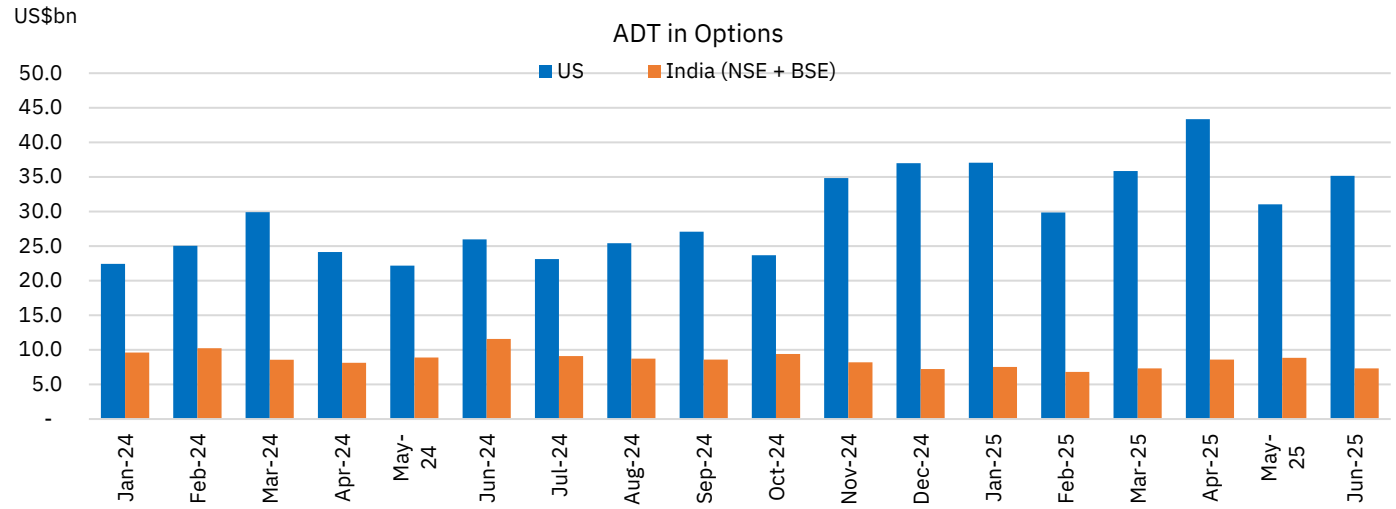
Source: OCC, NSE, BSE.

Figure 405: Monthly trend of the ratio of India and US options contracts traded



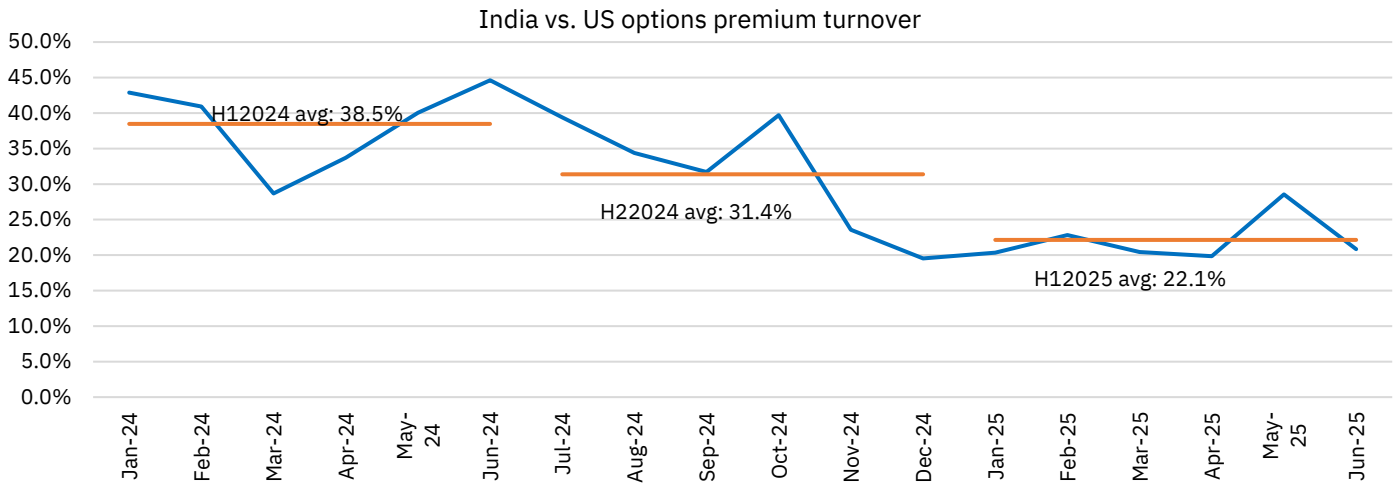
Source: OCC, NSE, BSE.

Figure 406: 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 407: Monthly trend of the ratio of India and US options premium turnover



Source: OCC, NSE, BSE. Turnover is across exchanges (as available) in the two countries.

Annual macro snapshot

	FY18	FY19	FY20	FY21	FY22	FY23	FY24*	FY25#
National income								
GDP (Current) (Rs lakh crore)	170.9	189.0	201.0	198.5	236.0	268.9	301.2	331.0
GDP (Current) Growth (%)	11.0	10.6	6.4	-1.2	18.9	14.0	12.0	9.8
GDP (Constant) Growth (%)	6.8	6.5	3.9	-5.8	9.7	7.6	9.2	6.5
GVA (Constant) Growth (%)	6.2	5.8	3.9	-4.2	9.4	7.2	8.6	6.4
Agriculture growth (%)	6.6	2.1	6.2	4.0	4.6	6.3	2.7	4.6
Industry growth (%)	5.9	5.3	-1.4	-0.4	12.2	2.5	10.8	5.9
Services growth (%)	6.3	7.2	6.4	-8.4	9.2	10.3	9.0	7.2
Per Capita GDP (Curr) (Rs)	1,31,743	1,44,620	1,52,504	1,48,586	1,72,422	1,94,451	2,15,935	2,34,859
Prices								
CPI Inflation (%)	3.6	3.4	4.8	6.2	5.5	6.7	5.4	4.6
Food & beverages (%)	2.2	0.7	6.0	7.3	4.2	6.7	7.0	6.7
Core inflation (%)	4.5	5.8	4.0	5.3	6.1	6.3	4.4	3.6
WPI Inflation (%)	2.9	4.3	1.7	1.3	13.0	9.4	(0.7)	2.2
Primary articles (%)	1.4	2.7	6.8	1.7	10.3	10.0	3.5	5.2
Fuel & power (%)	8.2	11.5	-1.8	-8.0	32.5	28.1	(4.6)	-1.3
Manuf. prods (%)	2.8	3.7	0.3	2.8	11.1	5.6	(1.7)	1.7
Money, banking & interest rates								
Money supply (M3) growth (%)	9.2	10.5	8.9	12.2	8.8	9.0	11.1	9.7
Aggregate deposit growth (%)	6.2	10.0	7.9	11.4	8.9	9.6	13.5	10.3
Bank credit growth (%)	10.0	13.3	6.1	5.6	8.6	15.0	20.2	11.0
Non-food credit growth (%)	10.2	13.4	6.1	5.5	8.7	15.4	20.2	11.0
Cash Reserve Ratio (%, eop)	4.0	4.0	4.0	3.0	4.0	4.5	4.5	4.0
Bank Rate (%, eop)	6.25	6.50	4.65	4.25	4.25	6.75	6.75	6.50
Public Finance								
GOI rev. receipts growth (%)	4.4	8.2	8.5	-3.0	32.8	9.8	14.5	13.2
Gross tax receipts growth (%)	11.8	8.4	-3.4	0.9	33.7	12.7	13.5	11.2
GOI Expenditure growth (%)	8.4	8.1	16.0	30.7	8.1	10.5	6.0	8.5
Subsidies growth (%)	-4.4	-0.7	17.7	189.0	-33.5	14.7	-24.7	-1.6
Interest expense growth (%)	10.0	10.2	5.1	11.1	18.5	15.3	14.6	7.0
External transactions								
Exports growth (%)	10.1	8.8	-5.2	-7.1	45.1	6.7	-3.0	0.1
POL exports growth (%)	18.8	24.5	-11.6	-37.6	162.8	43.9	-13.5	-24.8
Non-POL exports (%)	9.0	6.6	-4.1	-2.5	33.7	-0.4	-0.1	6.1
Imports growth (%)	21.2	10.5	-7.8	-17.1	56.2	16.3	-5.7	6.2
Non-POL imports growth (%)	20.1	4.6	-7.9	-9.6	45.4	12.1	-1.3	7.0
POL imports growth (%)	25.0	29.9	-7.5	-36.9	96.7	29.1	-14.6	3.9
Net FDI (US$bn)	30.3	30.7	43.0	44.0	38.6	28.0	10.2	0.1
Net FPI (US$bn)	22.1	-2.4	1.4	36.1	-16.8	-5.2	44.1	3.6
Trade Balance: RBI – (US$bn)	-160.0	-180.3	-157.5	-102.2	-189.5	-265.3	-244.9	-287.2
Current Acc. Balance (US$bn)	-48.7	-57.2	-24.6	24.0	-38.8	-67.1	-26.1	-23.4
Forex Reserves (US$bn)	424.4	411.9	475.6	579.3	617.6	578.4	645.6	665.4
Exchange rate (USDINR)	64.5	69.9	70.9	74.2	74.5	80.4	82.8	84.5

Source: CMIE Economic Outlook, NSE; For national income, FY23 is the final estimate, FY24 is first revised estimate and FY25 is the provisional estimate; For public finance, date for FY24 is actuals while FY25 is revised estimate.

Glossary

Indicators	Definition
General	
Compounded Annual Growth Rate (CAGR)	Average annual rate of return on an investment over a specified time period, assuming the profits are reinvested each year.
Fiscal Year (FY)	The 12-month period from April 1 to March 31 of the following year, used by Indian government and businesses for financial reporting and budgeting.
Month to Date (MTD)	The period from the beginning of the current month up to the current date, used to measure performance or track data over the partial month so far.
Month-over-Month (MoM)	A comparison of data from one month to the previous month.
Year to Date (YTD)	The period from the beginning of the current calendar or fiscal year up to the present date, used to assess performance or analyse data for the year in progress.
Year-over-Year (YoY)	A comparison of data from one year to the previous year.
Macro	
Balance of Payments (BOP)	A comprehensive record of a country's economic transactions with the rest of the world, including trade, investment, and financial transfers.
Capital Expenditure (Capex)	The amount of money used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, or equipment over a specific period. It is essential for business operations and growth.
Capital Account	A component of the balance of payments that records all transactions involving the purchase and sale of assets, including foreign investments and loans.
Consumer Price Index (CPI)	A measure of average change in prices paid by consumers for a basket of goods and services over time.
Crowding Out	A situation where increased government spending leads to a reduction in private sector investment, often due to higher interest rates resulting from increased borrowing.
Current Account Deficit	A situation where a country's total imports of goods, services, and transfers exceed its total exports, indicating a net outflow of domestic currency to foreign markets.
Deflation	A decrease in the general price level of goods and services, often associated with a reduction in the supply of money or credit.
Economic Cycle	Natural fluctuation of the economy between periods of expansion (growth) and contraction (recession), typically measured by changes in GDP growth.
Exchange Rate	The value of one currency for the purpose of conversion to another, which affects international trade and investment flows.
Fiscal Deficit	The financial situation when a government's total expenditure exceeds its total revenues, excluding money from borrowings.
Fiscal Policy	The use of government spending and taxation to influence the economy with an aim to manage economic fluctuations and promote economic growth.
Foreign Direct Investment (FDI)	Investment made by a company or individual in business interests in another country, typically through establishing business operations or acquiring assets. It indicates a long-term interest in the foreign economy.
Gross Domestic Product (GDP)	The total monetary value of all finished goods and services produced within a country's borders in a specific time-period. It is a comprehensive measure of a nation's overall economic activity and health.
Gross Value Added (GVA)	The monetary value of goods and services produced by an economy after subtracting the cost of intermediate goods and services used.
Index of Industrial Production (IIP)	A measure of change in the production of a basket of industrial products during a given period with respect to that in a chosen base period.
Monetary Policy	The process by which a central bank manages the money supply and interest rates to achieve macroeconomic objectives such as controlling inflation, consumption, growth, and liquidity.
Monetary Stance	The central bank's position on monetary policy, typically classified as hawkish (favouring higher rates to control inflation), dovish (preferring lower rates), neutral (balanced approach), or accommodative (expanding money supply to boost growth).
Nominal Effective Exchange Rate (NEER)	An unadjusted weighted average rate at which a country's currency is exchanged for a basket of multiple foreign currencies.
Policy Rates	Interest rates set by central banks to influence monetary policy, affecting costs, inflation, and overall economic activity.
Public Debt	The total amount of money that a government owes to creditors, resulting from borrowing to finance budget deficits and other expenditure.

Real Effective Exchange Rate (REER)	A measure of the value of a country's currency against a basket of other currencies, adjusted for inflation, reflecting its competitiveness in international trade.
Trade Balance	Difference between a country's total value of exports and total value of imports over a specific period.
Wholesale Price Index (WPI)	A measure of average change in prices of goods at the wholesale level before retail sale over time.
Markets	
Algorithmic (Algo) Trading	A trading strategy based on computer programming, where orders are placed automatically based on pre-defined sets of conditions and algorithms, often used for high-frequency trading.
Average Daily Turnover (ADT)	Average value of securities traded on the exchange each day, indicating the liquidity and activity level of the market over a specific period.
Average Trade Size	Average monetary value of individual trades executed on an exchange, calculated by dividing the total traded value by the number of trades over a specific period.
Bonds	Debt securities where investors lend money to an entity (typically a corporation or government) for a defined period at a variable or fixed interest rate.
Cash Market (CM)	A marketplace where financial instruments, such as stocks and bonds, are bought and sold for immediate delivery and payment.
Colocation (Colo) Trading	The practice of positioning trading servers near exchange servers to minimize data transmission delays and optimize trade execution speed.
Credit Rating	An assessment of the creditworthiness of an individual, corporation, or government, evaluating their ability to repay borrowed funds.
Derivatives	Financial instruments whose value is derived from an underlying asset, such as stocks, bonds, and commodities, among others.
Direct Market Access (DMA)	A facility allowing investors to directly access exchange trading systems through their broker's infrastructure without manual intervention.
Domestic Institutional Investors (DII)	Financial institutions based within a country that invest in that country's financial markets, including mutual funds, insurance companies, and pension funds.
Equity Derivatives	Financial instruments whose value is derived from the value of an underlying equity securities, such as stock.
Equity Futures	Financial contracts obligating parties to buy or sell the underlying asset at a predetermined price on a specified future date.
Equity Options	Financial contracts giving the holder the right, but not obligation, to buy (call) or sell (put) a specific quantity of stocks at a predetermined price within a set timeframe.
Follow-on Public Offering (FPO)	A process through which a company that is already publicly traded issues additional shares to raise more capital, allowing existing shareholders to sell their shares as well.
Foreign Portfolio Investment (FPI)	Investments made by foreign investors in financial assets in another country, primarily in stocks and bonds, without acquiring significant control or influence over the companies.
Index Options	Contracts that give the buyer the right but not the obligation to buy or sell a specified quantity of a stock market index at a predetermined price on a specified expiration date.
Initial Public Offering (IPO)	Process through which a private company offers its shares to the public for the first time, allowing it to raise capital, and/or provide an exit opportunity for existing investors.
Institutional Investors	Organisations that pool and invest large sums of money on behalf of others, such as pension funds, mutual funds, and insurance companies.
Internet Based Trading (IBT)	A process of buying and selling financial securities through online platforms, enabling direct trading of various financial instruments via the internet without traditional brokers.
Liquidity	The ease with which an asset can be quickly bought or sold in the market without affecting its price, indicating how quickly an asset can be converted into cash.
Market Capitalisation	Total market value of a company's outstanding shares, calculated by multiplying the current share price by the total number of outstanding shares.
Market Maker	A financial intermediary that provides liquidity by continuously quoting buy and sell prices for specific securities, facilitating smooth trading in financial markets.
Market Volatility	The degree of variation in the price of a financial asset or market over time.
Mutual Funds	An investment vehicle that pools money from multiple investors to buy a diversified portfolio of stocks, bonds, or other securities.
Nifty50 Index	A benchmark Indian stock market index representing the weighted average of 50 of the largest Indian companies listed on the National Stock Exchange.
Offer for Sale (OFS)	A method through which existing shareholders, typically promoters or large stakeholders, sell their shares to the public or institutional investors.
Option Premium	Price paid by an investor to purchase an option contract, comprising both its intrinsic value and time value.

Preferential Allotments	The issuance of shares or securities to specific investors, usually at a predetermined price, to raise funds for a company while bypassing public offerings.
Price-to-Book Value (P/B)	A ratio comparing a company's market capitalisation to its book value, indicating how much investors are willing to pay for each unit of net assets.
Price-to-Earnings (P/E)	A ratio comparing a company's current share price to its Earnings per Share (EPS), indicating how much investors are willing to pay for each unit of earnings.
Qualified Institutional Buyers (QIB)	Institutional investors that meet certain criteria set by regulators, allowing them to invest in unregistered securities and participate in private placements.
Retail Individual Investors	Non-professional, individual investors who buy and sell securities, such as stocks and bonds, primarily for personal investment purposes rather than for institutional or commercial reasons.
Rights Issue	An offer to existing shareholders to purchase additional shares at a discounted price, typically to raise capital for the company.
Smart Order Routing (SOR)	A technology that automatically directs trade orders to the most favourable 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 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 standardisation in the financial markets industry.

Note: This glossary provides concise definitions for key Economic and Financial terms. While these definitions aim to capture the essence of each concept, many of these terms have nuanced meanings that may vary slightly depending on context or specific applications in Economics, or Financial market analysis. For more comprehensive understanding, readers are encouraged to consult specialized literature or seek advice from domain experts. It's important to note that this glossary may not be exhaustive or holistic in its current form. We aim to expand and refine these definitions in future editions to provide a more comprehensive resource.

Our reports on the economy and markets since January 2022

Sr. No.	Date	Report
1	08-Aug-25	India Ownership tracker Q1FY26
2	29-Jul-25	Market Pulse July 2025: National priorities and private consequences
3	27-Jun-25	Market Pulse June 2025: National priorities and global consequences
4	27-Jun-25	Q4FY25 Corporate Earnings Review
5	06-Jun-25	Macro Review: RBI Monetary Policy
6	30-May-25	Macro Review: Q4FY25 India GDP
7	28-May-25	Market Pulse May 2025: Shifting trade, shaky grounds
8	23-May-25	India Ownership tracker Q4FY25
9	28-Apr-25	Market Pulse April 2025: Navigating an uncertain equilibrium in the new fiscal
10	09-Apr-25	Macro Review: RBI Monetary Policy
11	27-Mar-25	Market Pulse March 2025: Global trade and its discontents
12	01-Mar-25	Macro Review: Q3FY25 India GDP
13	28-Feb-25	Market Pulse February 2025: Global debt and its discontents; A responsible Budget and a rate cut
14	20-Feb-25	India Ownership tracker Q3FY25
15	07-Feb-25	Macro Review: RBI Monetary Policy
16	01-Feb-25	Union Budget 2025-26: Consumption boost
17	28-Jan-25	Market Pulse January 2025 (Annual Edition): Trump 2.0 in novo anno
18	24-Dec-25	Market Pulse December 2024: Sayonara 2024
19	17-Dec-24	NSE-CFA BRSR Report
20	06-Dec-24	Macro Review: RBI Monetary Policy
21	30-Nov-24	Macro Review: Q2FY25 India GDP
22	24-Dec-25	Market Pulse December 2024: Sayonara 2024
23	22-Nov-24	Market Pulse November 2024: Trump redux
24	18-Nov-24	India Ownership Tracker Q2FY25
25	22-Oct-24	Market Pulse October 2024: In the wake of the Fed rate cut and the China stimulus
26	15-Oct-24	State of States: Capex pace moderates in FY25BE
27	09-Oct-24	Macro Review: RBI Monetary Policy
28	01-Oct-24	Macro Review: Q1FY25 Balance of Payments
29	18-Sep-24	Market Pulse September 2024: Crossing the Rubicon
30	02-Sep-24	Macro Review: Q1FY25 India GDP
31	16-Aug-24	NSE-Assocham Corporate Bond Report 2024
32	16-Aug-24	Market Pulse August 2024: Markets take a breather; Indian investors over 10 crore
33	10-Aug-24	India Ownership Tracker Q1FY25
34	08-Aug-24	Macro Review: RBI Monetary Policy
35	31-Aug-24	Market Pulse July 2024: Citius, Altius, Fortius!
36	24-Jul-24	Indian Capital Market: Transformative shifts achieved through tech and reforms
37	23-Jul-24	Union Budget 2024-25: Roadmap to Viksit Bharat
38	17-Jul-24	EY-NSE The Cost of Capital Survey 2024

39	28-Jun-24	Market Pulse June 2024: The last mile on the inflation path
40	28-Jun-24	Q4FY24 Corporate Earnings Review
41	25-Jun-24	Macro Review: Q4FY24 Balance of Payments
42	07-Jun-24	Macro Review: RBI Monetary Policy
43	01-Jun-24	Macro Review: Q4FY24 India GDP
44	29-May-24	Market Pulse May 2024: US$5trn and beyond
45	22-May-24	India Ownership Tracker Q4FY24
46	26-Apr-24	Market Pulse April 2024: Markets and macro in the year that was
47	05-Apr-24	Macro Review: RBI Monetary Policy
48	26-Mar-24	Market Pulse March 2024: Indian investors cross the 9-crore mark
49	24-Mar-24	India Ownership Tracker Q3FY24
50	01-Mar-24	Macro Review: Q3FY24 India GDP
51	27-Feb-24	Market Pulse February 2024: On a high: Markets, investors, flows, and Generative AI
52	12-Feb-24	Macro Review: RBI Monetary Policy
53	01-Feb-24	Macro Review: Union Budget FY2024-25
54	26-Jan-24	Market Pulse January 2024: January effect...as January goes, so does the year?
55	22-Dec-23	Market Pulse Nov-Dec 2023: Hope smiles from the threshold of the year
56	15-Dec-23	India Ownership Tracker Q2FY24
57	08-Dec-23	Macro Review: RBI Monetary Policy
58	01-Dec-23	Macro Review: Q2FY24 India GDP
59	30-Nov-23	Q2FY24 Corporate Earnings Review
60	30-Oct-23	Market Pulse October 2023: Israel-Palestine redux, and the need for cooperation
61	06-Oct-23	Macro Review: RBI Monetary Policy
62	05-Oct-23	State of states: Will major states push capex in FY24
63	29-Sep-23	Macro Review: Q1 FY24 India Balance of Payments
64	12-Sep-23	Market Pulse September 2023: India@G20, Nifty@20k
65	01-Sep-23	Macro Review: Q1 FY24 India GDP
66	10-Aug-23	Macro Review: RBI Monetary Policy
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Name	Email Id	Contant no.
Tirthankar Patnaik, PhD	tpatnaik@nse.co.in	+91-22-26598149
Prerna Singhvi, CFA	psinghvi@nse.co.in	+91-22-26598316
Prosenjit Pal	ppal@nse.co.in	+91-22-26598163
Ashiana Salian	asalian@nse.co.in	+91-22-26598163
Sushant Hede	shede@nse.co.in	+91-22-26598237
Stuti Bakshi	sbakshi@nse.co.in	
Puja Parmar, PhD	pujap@nse.co.in	
Aratrik Chakraborty	aratrikc@nse.co.in	
Sahil Bagdi	sbagdi@nse.co.in	
Abhijay Nair (Research Associate)	consultant_abhijayn@nse.co.in	
Shashidharan Sharma, PhD (Research Associate)	consultant_shashidh@nse.co.in	

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