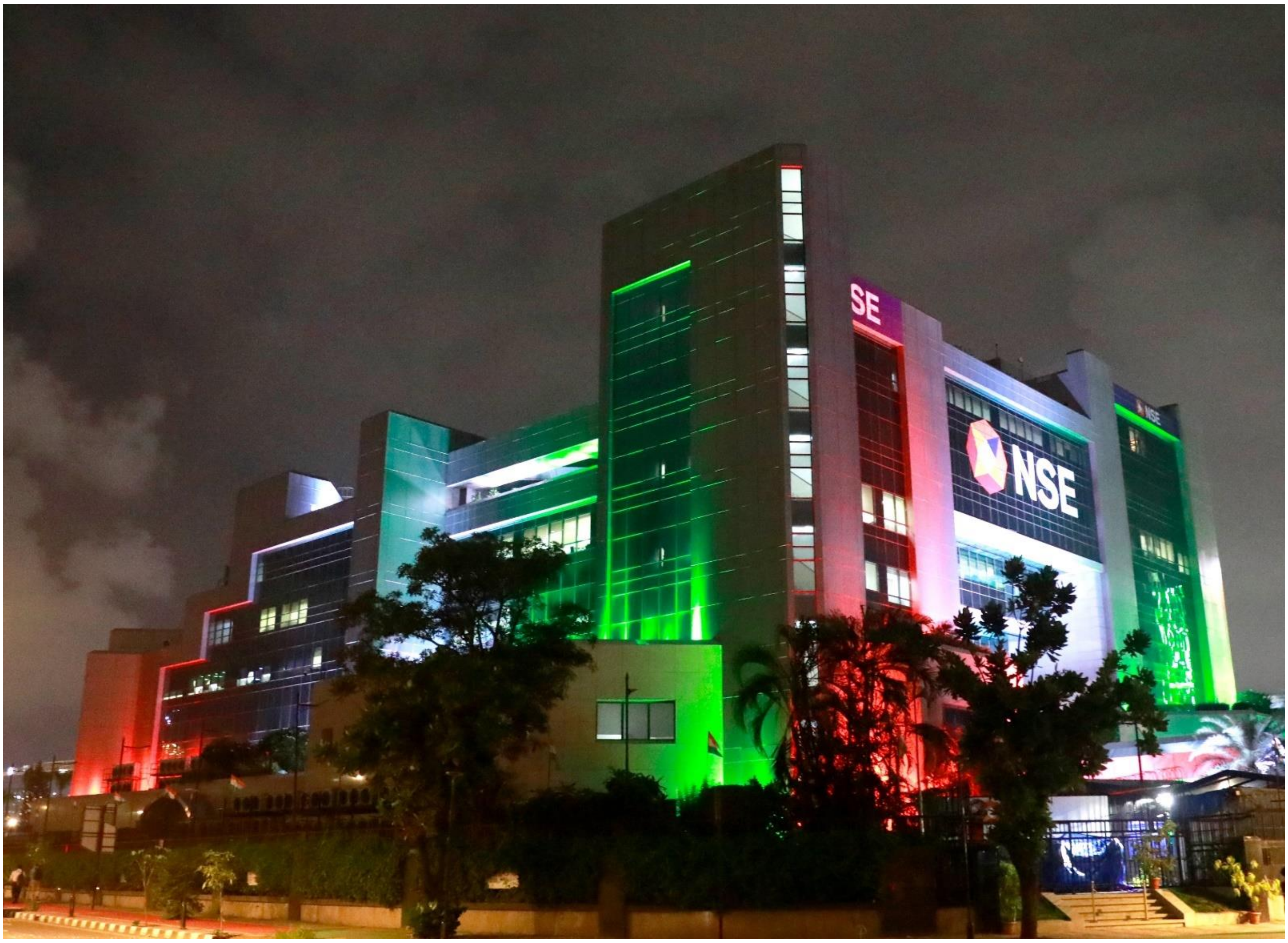
Market Pulse

A monthly review of Indian economy and markets



Market Pulse

Volume 6, Issue 11

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

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Market Pulse

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NSE at a glance

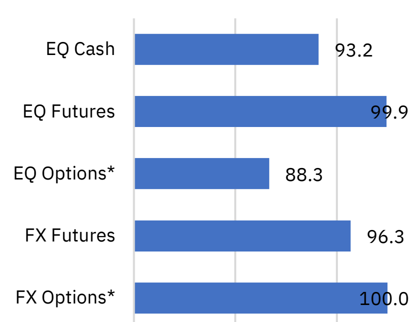
NSE's positioning and reach

NSE's global positioning

1	Largest multi-asset class exchange
3	Third largest equity exchange (No. of trades, 12% share in 2023*)
1	Largest derivatives exchange (No. of contracts traded, 74% share in eq. F&O in 2023*)
6	Market capitalization*

* Source: WFE

Domestic market share



* Based on premium turnover
** As of October 31st, 2024

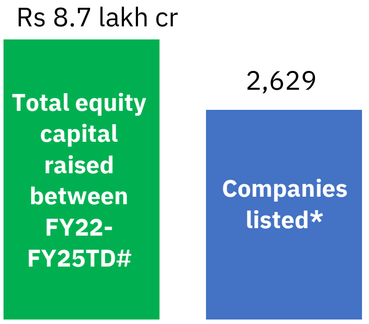
Reach

1,296	Trading members
99.84%+	Pin codes covered
10.55 Crore	Unique registered PANs
US$89.6bn	Total passive AUM tracking Nifty indices (As of Sep 31st, 2024)
US$5.25trn	Market cap (As of October 2024)

As of October 31st, 2024, unless specified otherwise

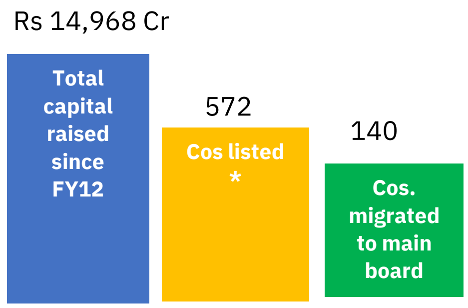
NSE's contribution to the economy

Catalyst for capital formation



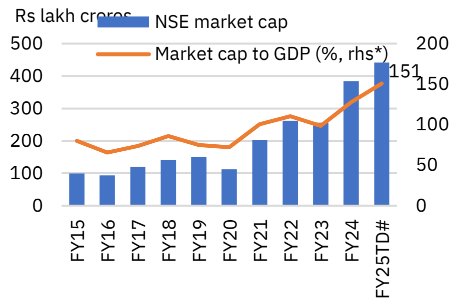
* Data is as of Oct 31st, 2024
# The data does not include business trusts

Dedicated MSME platform



* Data is as of Oct 31st, 2024

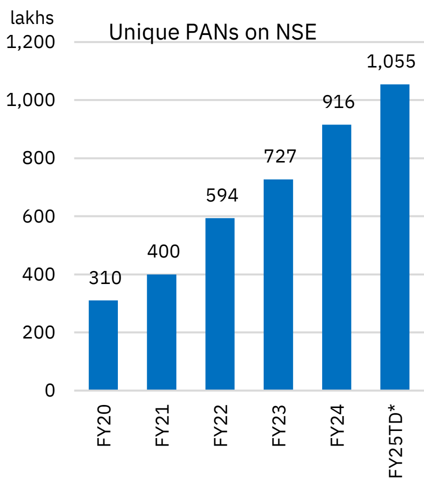
Market capitalisation



* Market cap to GDP is based on 3M avg. market cap and nominal GDP for last tree quarters. # As of October 31st, 2024

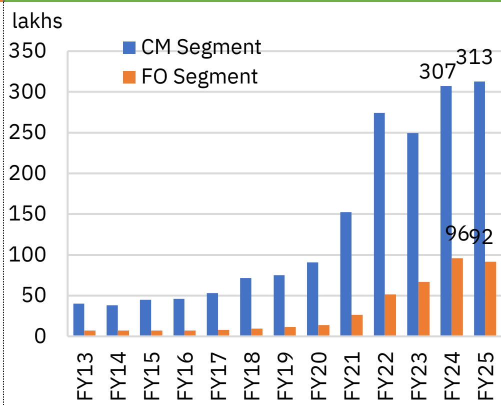
Investor growth

Unique investor base



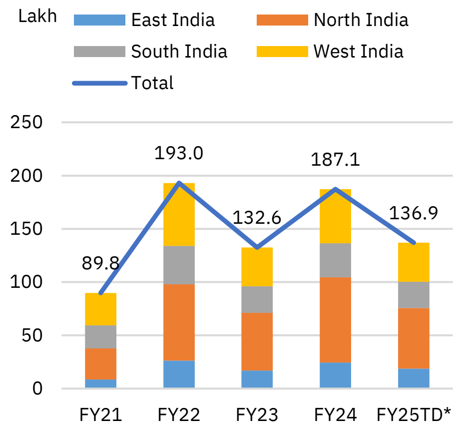
* As of October 31st, 2024

Individual investors participation*



* Individuals investors' participation has been defined here as investors who have traded at least once in the year. Data for FY25 is as of Oct 31st, 2024.

New investor registrations

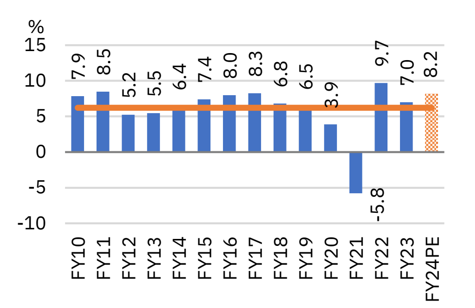


Top five states (UP, MH, WB, GJ, RJ) accounted for ~51% of new investor registrations in FY25TD.

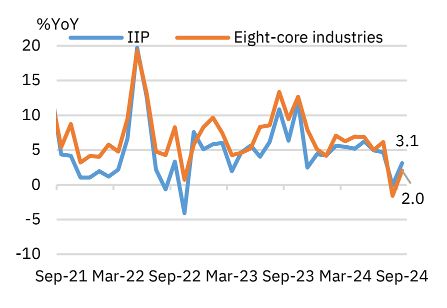
Key macro charts

Growth outlook robust

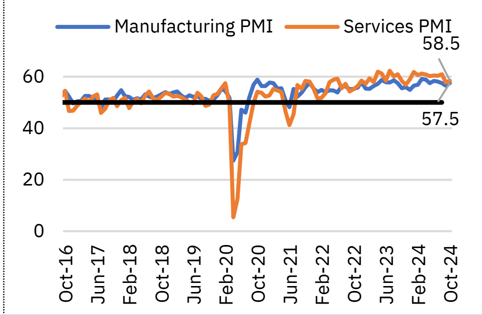
Annual GDP growth



Industrial activity rebounds

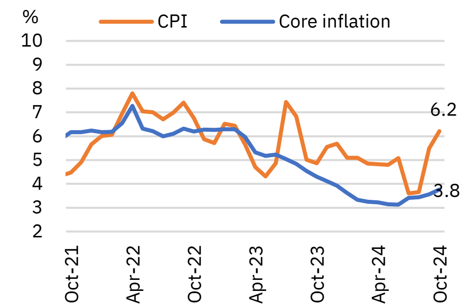


PMI in the expansion zone

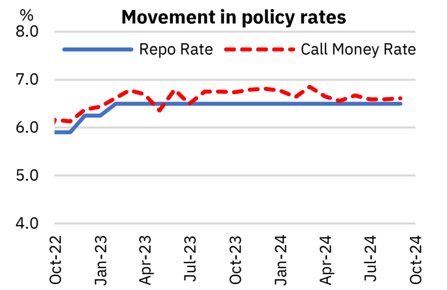


Inflation surges led by food; policy options equally balanced

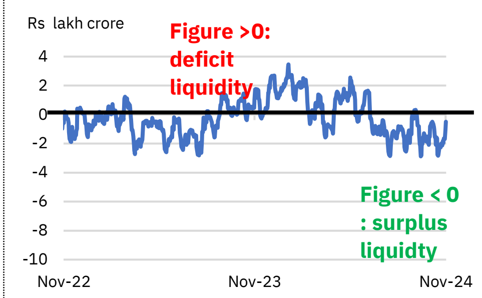
Inflation above RBI's target



CM rate aligned with repo

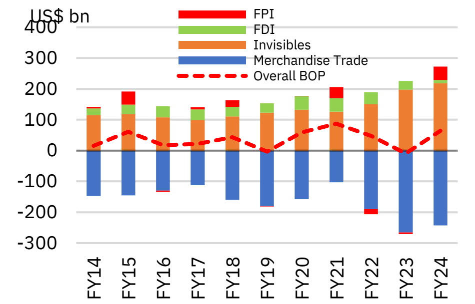


Liquidity in surplus

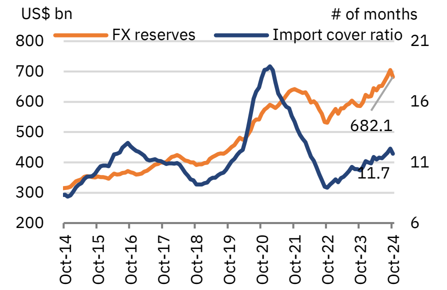


External situation comfortable; rupee stable

Overall BOP

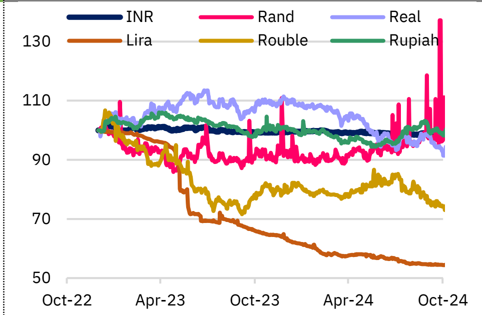


Forex reserves



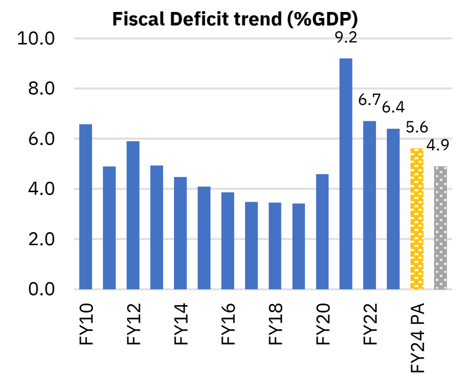
Note: FX reserves as of Nov 1st, 2024

Rupee volatility contained

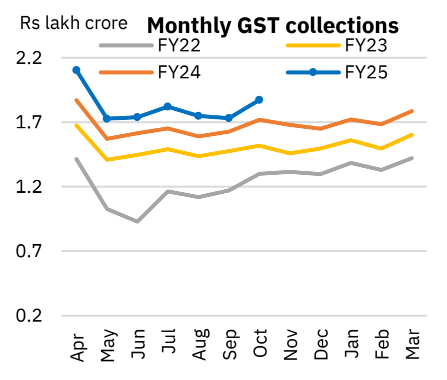


Fiscal prudence but with higher capex

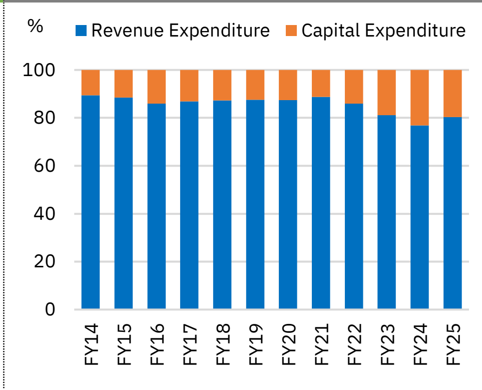
Fiscal consolidation underway



GST collections robust



Share of capex rising



Key market charts

Performance across asset classes

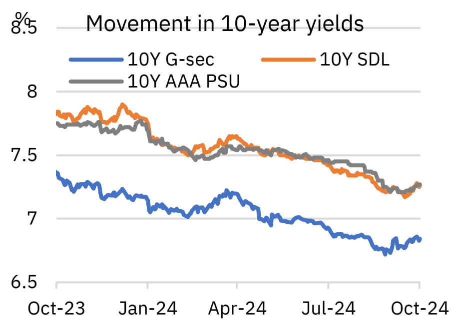
Equity

Returns of key equity indices (%)

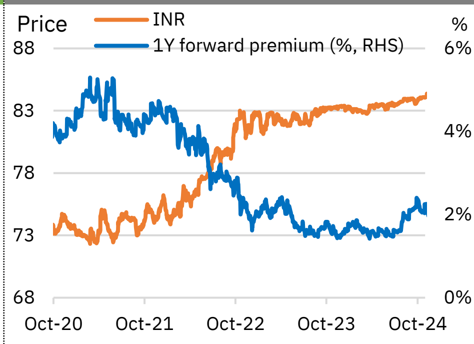
Indices	1M	6M	12M
Nifty 50	**-6.2**	**7.1**	**26.9**
Nifty 50 USD	**-6.5**	**6.3**	**25.8**
MSCI World	-2.0	10.3	31.7
MSCI EM	-4.4	7.0	22.3
S&P 500	-1.0	13.3	36.0
Euro Stoxx 50	-3.5	-1.9	18.9
FTSE 100	-1.5	-0.4	10.8

* As of October 31st, 2024

Fixed income

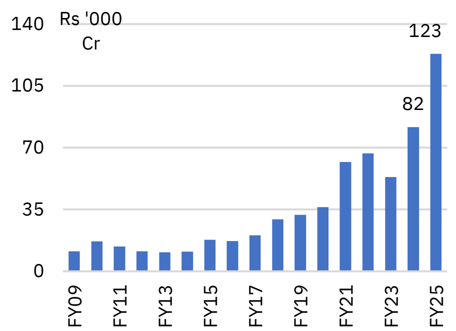


Currency



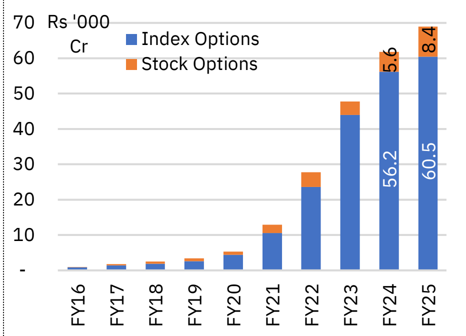
Segment-wise turnover trend

ADT in NSE's CM segment



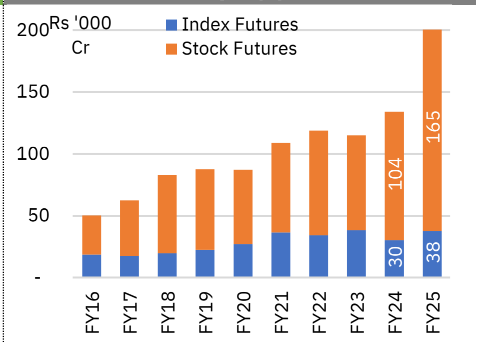
* Data for FY25 is as of October 31st, 2024

ADT in Equity options (premium)



* Data for FY25 is as of October 31st, 2024

ADT in Equity futures



* Data for FY25 is as of October 31st, 2024

Market activity

Category-wise gross turnover and share in FY25TD

Client category	CM		Equity options#		Equity futures	
	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)
Corporates	1,786	5%	947	5%	5,102	9%
DIIs	4,256	12%	19	0.1%	4,695	8%
FIs	5,248	14%	1,967	10%	14,981	25%
Individuals	12,703	35%	6,922	34%	11,206	19%
Others	1,688	5%	602	3%	3,028	5%
Prop	10,529	29%	9,805	48%	20,540	34%

Based on premium turnover. Data for FY25TD is as of October 31st, 2024

Average open interest

Instruments	Sep'24		Sep'24	
	Contracts ('000)	Value (Rs crore)	Contracts ('000)	Value (Rs crore)
Index Futures*	876	57,667	878	58,570
Stock Futures	5,756	4,40,030	5,523	4,38,182
Index Options*	21,228	14,06,107	21,693	14,74,472
Stock Options	4,729	3,63,044	3,934	3,15,472

Note: Notional value is presented here.

Category-wise net inflows into Indian equities

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
In Rs cr													
FIIs	1,28,361	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	6,592
DIIs	-55,800	-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	4,48,760
Individuals#	-24,900	-22,000	-30,100	-8,243	-26,382	-37,988	-8,523	-25,280	52,897	1,42,755	88,376	5,243	1,39,280
In US$bn													
FIIs	24.4	20.1	16.1	3.2	3.2	7.5	-4.6	14.4	23	3.8	-16.5	20.7	0.9
DIIs	-10.6	-12.8	-4.8	10.4	5.2	14	16	6	-4.8	12.6	35.7	22	53.7
Individuals#	-4.7	-3.8	-4.9	-1.3	-3.9	-5.8	-1.4	-3.6	7.1	19.3	11.7	0.6	16.7

* As of October 31st, 2024.

Data pertaining to individuals include net flows on the NSE in the secondary market only. Individuals include individual /proprietorship firms, HUF and NRI.

Executive Summary

Trump redux

With politics taking centre stage as the US saw one of the most closely contested and consequential presidential elections in the modern history, markets across the globe took a breather in October. The Republican Party's decisive victory with Shri Donald Trump winning the 47th presidency in an unexpected comeback, winning the popular vote as well, signals a major policy shift in the US, with far-reaching global implications. Trump 2.0 may bring higher tariffs (potentially slowing global trade), tax cuts for corporates and individuals (boosting consumption but also inflation and fiscal deficit) and increased US oil production (possibly lowering crude oil prices). Expectations of rate cuts, both in pace and size, seem to have tapered for now, reflected in a sharp rise in global bond yields. What does this mean for India? While falling crude oil prices would be a positive, higher tariffs, a slowdown in global trade, and a stronger dollar pose risks for emerging economies, including India. Meanwhile, the IMF's recent World Economic Outlook report forecasts global growth to hold steady at 3.2% in 2024 and 2025, but with risks skewed to the downside due to heightened policy uncertainty.

Global equities sold off amid election uncertainty in the US and accentuated geopolitical tensions in the Middle East. Emerging market equities underperformed their developed counterparts in October, additionally weighed down by rising global bond yields and strengthening dollar, with Indian, Chinese and Malaysian equities leading the EM sell-off. The selling spree in EMs continued in November, with a 6.8% YTD return (As of November 20th, 2024) of MSCI EM Index hovering much below the 17.8% return generated by the MSCI World Index during this period. Global debt also came under significant pressure amid tapering rate cut expectations, with yields rising sharply across developed economies.

October turned out to be the worst month for Indian equities since the onset of the pandemic. The benchmark Nifty 50 Index ended the month 6.2% lower, falling by a further 2.8% dip in November (YTD: +8.2%; As of November 20th). In addition to global uncertainty, muted Q2FY25 corporate earnings, signs of growth slowdown, and stretched valuations contributed to the decline. This sent foreign portfolio investors (FPIs) into a selling spree, with a record US$11.2bn pulled out of Indian equities in October. As of November 20th, total outflows for the two months reached US$14.3bn. The last time Indian equities saw such heavy and consistent FPI outflows was during the first half of 2022, when FPIs sold an average of US$4.7bn every month. Indian equities, however, emerged as the best performing market that year, aided by strong domestic participation. This time around, domestic institutional investors (DIIs) are stepping up even more, having poured a record US$44.4bn (Rs3.7 lakh crore) into the market so far, this fiscal year, cushioning the impact of FPI withdrawals. While markets crashed by a huge 23% in March 2020, October's decline was just a quarter of that, despite FPI outflows being 34% higher. This sharp contrast underscores the increasing dominance and relevance of domestic investors in the market. For a deeper dive into performance across sectors and asset classes, please see our Market Roundup section.

Our Story of the Month offers an in-depth look at ownership trends across the listed universe, delving into the concentration of holdings by category and market cap deciles. Domestic mutual funds' share in listed equities surged to a fresh record high of 9.5% in Q2FY25, bolstered by sustained SIP inflows, while that of FPIs and individuals remained steady at 17.7% and 9.6% respectively. Individuals, both as promoters and non-promoters (direct and indirect), now own nearly a quarter of the total market cap (~Rs115 lakh crore; CAGR since 2010: +18.5%), reflecting significant wealth creation over the last decade. The share of Nifty50/top decile companies in portfolios has fallen to multi-year low levels, reflecting widening exposure to smaller companies. FPIs now hold stakes in over 1,800 stocks, up from 1,200 four years ago. This is also reflected by falling HHI levels after a brief rise post the pandemic, with concentration of FPI selling to top 100 companies in October potentially suggesting the continuation of this trend.

In this edition of Market Pulse, we also take a look at the significance of *Muhurat* trading in India, and the market performance, activity and participation of different investor categories during this day over the last two decades. More details on this are available in the Chart of the month section.

On the macro front, the festive season gave a much-needed boost to economic activity in October. Industrial activity showed signs of recovery, PMIs rose after a sharp dip in the previous month, and auto sales posted strong growth following a sluggish period. However, on the downside, credit growth continued to slow, and inflation spiked to a 14-month high in October, surpassing the RBI's upper tolerance limit. The MPC, after a change in stance from 'Withdrawal of accommodation' to 'Neutral' in the last policy, is now widely expected to stay put on rates this year. Meanwhile, the IMF kept India's GDP growth forecasts unchanged at 7% and 6.5% for FY25/26.

Fund mobilization across debt and equity in October moderated by 15.9% MoM to Rs1.56 lakh crore, following a near three-month high print in the previous month. This was primarily led by a 26.5% MoM decline in debt issuances, even as equity capital raising was robust. On the equity mainboard, 14 companies raised a total of Rs33,759 crore of which mere 14% were new issuances, with over 96% of the balance through 'offer for sale' was by Hyundai Motor India alone—India's largest public issue to date. Secondary market activity—measured in terms of turnover—declined for the fourth consecutive month in October in both cash equity and derivatives, with number of investors that traded at least once a month falling to a five-month low of 1.4 crore. Record-high net selling by foreign portfolio investors in October was more than made up by equivalent net buying by domestic institutional investors during the month. Individuals also turned strong buyers, with net inflows in the NSE's CM segment of Rs29,594 crore being the highest in the last nine months. Notwithstanding the recent decline, activity in the cash segment remained highly skewed with nearly 91% of the turnover of Rs 23.5 lakh crore contributed by 17bps of the all the 1.4 crore investors.

In the Insights section, we have seven papers this month, the first three are from the CBS team at IIM Ahmedabad, and the rest from your very own EPR team. The first study investigates the link between central bank communication, particularly from the Fed chairman, and investor sentiment. The second paper is a quantitative analysis on the trade-off for investors and fund managers between the sustainability and performance of a mutual fund. The third paper explores the impact of financial supervision structure on firms' access to finance in 48 developing countries, highlighting the need for an institutional approach to financial policy concerns. The fourth Paper examines the relationship between democratic systems and IPO under-pricing, with the results showing IPO under-pricing to be negatively related with democracy. The fifth paper investigates whether transparency about banks' lending costs lower firms' borrowing costs. The sixth paper talks about effect of heterogeneity on fragility of financial system. Contrary to existing literature it argues heterogeneity can lead to greater stability of the financial system. The last study bats for importance of human floor traders in age of automation and AI by utilizing a natural experiment involving NYSE during COVID 19 pandemic.

Some of the unanticipated changes in Trump 2.0 might already be playing out. We have the recent US provision of long-range missiles to Ukraine, something unseen since the beginning of the war, responded to by an ICBM launch, something not seen yet. China successfully chose Saudi Arabia for its first dollar-bond sales in three years. Alternative sovereign bond strategies are another illustration of the increasing willingness to shift away from the dollar-based international financial system. And Bitcoin is nudging US$100,000. On that note, our October edition of the Pulse is presented for your kind perusal. As always, we welcome comments and suggestions.

Tirthankar Patnaik

Chief Economist

What's new in this edition!

The November edition of **Market Pulse** offers enhanced insights into IPO fund mobilisation trends on the Mainboard and Emerge platforms from FY13, presented on annual terms. It also highlights state-wise gender classification of registered individual investors since FY22, shedding light on evolving demographic participation. The analysis provides valuable perspectives on market dynamics, including fundraising patterns and regional shifts in investment behavior. Further details are available in the **Primary Markets** and **Investor Profil**e sections.

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Story of the month

Who owns India Inc.? – DMFs gain, FPIs and individuals steady

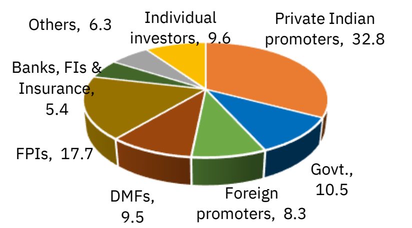
In this edition of our quarterly report "India Inc. Ownership Tracker",[1] we extend our analysis of ownership trends and patterns in NSE companies to include the data available for the quarter ending Sep'24[2]. Additionally, we also examine concentration of category-wise holding by analysing allocation across market cap deciles and portfolio HHIs. We note: 1) A decline in promoter ownership for the first time in six quarters to 51.5% in NSE listed companies, primarily led by a sharp fall in Government share; 2) A marginal increase in FPI[3] (foreign portfolio investors) ownership—the first in six quarters, to 17.7%/18.9% in the listed/Nifty 500 companies, while it remained steady in the Nifty 50 index, indicating widening exposure to mid and smaller companies.; 3) An increase in DMF (domestic mutual funds) share to a fresh record high of 9.5% (Active: 7.7%, Passive: 1.8%), aided by sustained SIP inflows; 4) A steady direct ownership of individual investors as non-promoters at 9.6% in the listed universe; individuals as promoters and non-promoters (direct and indirect) now own nearly a quarter of the total market cap (~Rs115 lakh crore; CAGR since 2010: +18.5%); 5) FPIs trimmed their outsized OW[4] bet on Financials, turned OW on Communication Services and increased their UW stance on Materials and Industrials; 6) DMFs also turned cautious on Financials, increased OW position on Consumer Discretionary and Healthcare and retained an UW stance on commodity sectors, viz., Energy and Materials; 7) A further drop in the share of Nifty50/top decile companies in the institutional and individuals' portfolios, reflecting widening exposure to smaller companies. This is also corroborated by falling HHI levels after a brief rise post the pandemic, with concentrated FPI selling to top 100 companies in October potentially suggesting the continuation of this trend.

- **Promoter share declined in the listed universe for the first time in six quarters:** Total promoter ownership in the NSE listed and Nifty 500 companies fell by 46bps and 45bps QoQ to 51.1% and 50.5% respectively, primarily led by a steep drop in Government share, partly offset by an increase in private promoter ownership. For the Nifty 50 companies, promoter share fell for the second quarter in a row by 23bps QoQ to 42.1%, but due to a sharp decline in private Indian promoter share, while Government share rose marginally.

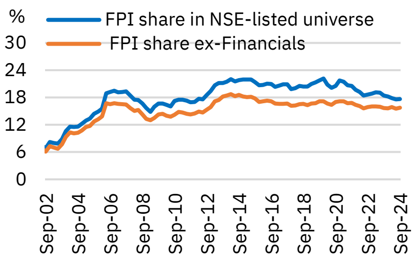
- **Government share fell on PSUs' underperformance:** The Government share (promoter & non-promoter) in the NSE listed/Nifty500 companies fell by 96bps/81bps QoQ to 10.5%/11.3%, thanks to underperformance of Govt-owned companies, particularly PSU Banks, during the quarter. For instance, the Nifty PSU Bank Index fell by 8.3% in the September quarter vs. 7.5% return generated by both the Nifty 50 and Nifty 500 Index. The Nifty 50 index, however, saw a 27bps QoQ jump in Govt. share, marking the fifth increase in a row, thanks to the inclusion of a PSU stock (Bharat Electronics) in the Index during the quarter.

- **FPI share inched up marginally:** Notwithstanding robust net inflows (US$11.6bn in Q2FY25), FPI share in the NSE listed/Nifty 500 companies rose only marginally by 9/13bps QoQ to 17.7%/18.9%. This is partly attributed to the relative underperformance of Financials during the quarter where FPIs are heavy owners. In value terms, FPI holding in NSE listed universe rose for the sixth quarter in a row by 8.8% QoQ to Rs 82.7 lakh crore. FPI share in the Nifty50 Index remained steady at 24.4%.

Who owns India Inc.? Ownership patter in NSE listed companies in Sep'24



FPI ownership in NSE-listed companies



Source: CMIE Prowess, NSE EPR.

[1] The *"India Inc. Ownership Tracker"* report examines ownership trends and patterns in Indian companies listed on the NSE since 2001.
[2] The report is based on data until September 2024 and does not account for the significant FPI sell-off in October.
[3] FII ownership includes ownership through depository receipts held by custodians.
[4] 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

FPIs turned incrementally cautious on Financials, particularly on smaller companies in the sector, and reduced their OW position. FPIs also reduced their exposure to Energy, with a mildly cautious stance, and strengthened their perennial negative view on India's investment story by increasing the extent of their UW position on Industrials and Materials. Reduced exposure to these sectors found its way to Communication Services, where FPIs turned OW on in the September quarter. For other sectors, FPIs maintained a neutral stance, with an incrementally positive bias on Consumer Discretionary and IT.

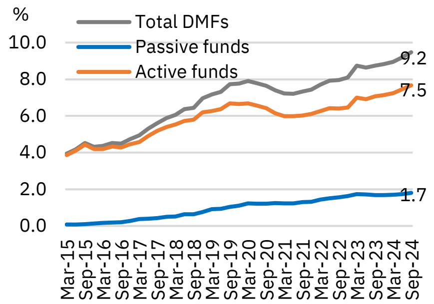
- **DMFs' share rose to a fresh all-time high level:** Aided by sustained SIP inflows, DMFs' share rose further to a fresh all-time high of 11.4%, 9.9% and 9.5% in Nifty 50, Nifty 500 and NSE listed companies respectively. DMFs injected a net amount of Rs 89,336 crore into Indian equities in the September quarter, and record-high monthly amount of Rs 90,771 crore in Oct'24, taking total net inflows to Rs 2.9 lakh crore in the first seven months, already surpassing net annual inflows seen in the past. Out of total share held by DMFs, passive funds' share inched up slightly to 1.8%, with the balance 7.7% held by active funds, up 22 bps QoQ.[5]

  In line with FPIs, DMFs also reduced their OW position on Financials, while becoming more cautious on smaller companies in the sector. This reduced exposure was allocated to Consumer Discretionary and Healthcare where DMFs strengthened their OW stance in the Nifty 500 companies. DMFs also turned less negative on Consumer Staples and Information Technology, remained bearish on commodity sectors, viz., Energy and Materials and neutral on Real Estate and Utilities.

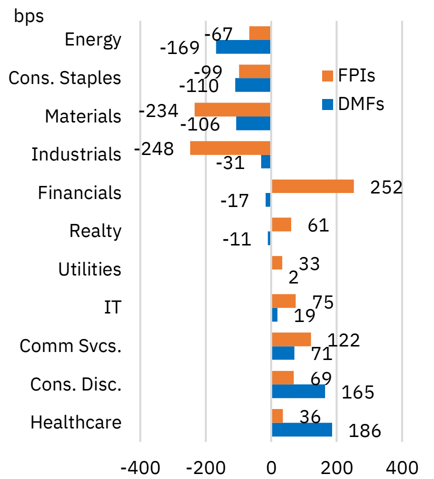
- **Individual investors' share remained steady in the September quarter:** Individual investors' direct ownership as non-promoters inched in the NSE listed companies remained broadly steady at 9.6% in the September quarter. This corroborates with moderation in direct participation by individual investors in Indian equities in the quarter gone by (Rs 178 crore in Q2FY25). In the Nifty 50 and Nifty 500 companies, ownership of individual investors fell by a modest 9bps and 7bps QoQ to 7.9% and 8.6% respectively. Adding indirect holding via mutual funds and direct holding as promoters to this, individuals now own nearly a quarter (24.5%) in the NSE listed companies, up from 22.6% in March 2024, 20% in March 2019, and 15.6% over a decade ago (March 2014).

- **Declining allocation to Nifty50/top decile companies…:** The share of Nifty 50 companies in total institutional holding remained steady at the lowest level of 60% since the beginning of the analysis (2001-). This is partly attributed to sustained inflows in mid- and small-cap funds during the quarter. Individuals also saw the share of these companies in their overall portfolio falling to a 22-year low of 36.7% in the September quarter, translating into an 11.1pp drop in the last six

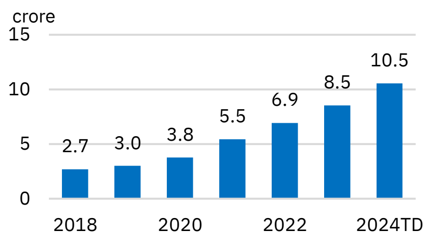
DMF ownership in NSE-listed companies



FPI and DMF portfolio OW/UW in Nifty 500 vs. the index (September 2024)



Unique registered PANs at NSE



* Data for 2024TD is as of October 2024.

Decile-wise portfolio share (Sep'24)

Deciles	FPIs	DMFs	Ind.	Total mkt cap
1	88.3	79.5	64.5	78.3
2	7.6	13.5	14.1	11.6
3	2.8	4.4	8.7	4.9
4	0.9	1.9	5.2	2.5
5	0.3	0.6	3.2	1.3
6	0.1	0.1	2.0	0.8
7	0.0	0.0	1.2	0.4
8	0.0	0.0	0.6	0.2
9	0.0	0.0	0.3	0.1
10	0.0	0.0	0.1	0.0

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

[5] 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.

quarters. This is also reflected in the falling share of institutional and individuals' investments in top decile companies by market capitalisation. The portfolio allocation of FPIs and DMFs to the top decile companies (~200 companies) fell to a six-and-a-half year and 14-year low of 88.3% and 79.5% respectively. Further, individual investors now have 64.5% of their portfolio invested in the top decile companies, the lowest since 2001.

- **Falling HHI indicates widening exposure to mid- and small caps:** The Herfindahl-Hirschman Index (HHI), a measure of market concentration[6], has been steadily falling since a brief rise after the pandemic, reaching its lowest levels across investor categories. For institutional investors, the HHI of domestic mutual funds (DMF) dropped to a 25-quarter low of 137, while FPIs' HHI fell to a record low of 217, signaling broader exposure to smaller companies. FPIs now hold stakes in over 1,800 stocks, up from 1,200 four years ago. Despite the highest FPI selling in October, this was concentrated in the top 100 stocks, with small and microcaps seeing net inflows. For individuals, the HHI dropped to 66 in the September quarter, marking its lowest level since 2001. However, significant sectoral disparities remain in all investor categories.

Sector-wise HHI of portfolios in Sep'24

Sector	FPIs	DMFs	Individuals
Comm. Svcs.	5,261	4,455	876
Cons. Disc.	647	352	356
Cons. Staples	974	1,338	980
Energy	5,696	3,533	4,392
Financials	1,383	1,016	434
Health Care	687	536	261
Industrials	441	456	277
IT	2,166	1,618	809
Materials	446	331	185
Real Estate	1,382	1,212	514
Utilities	1,293	2,167	782
Total	**217**	**137**	**66**

Source: CMIE Prowess, NSE EPR.

[6] HHI value ranges from 0 to 10,000. An HHI near 0 indicates a highly fragmented market with many firms holding small market shares (i.e., very low concentration). An HHI near 10,000 indicates a monopoly or a market dominated by a single firm (i.e., very high concentration). HHI value interpretation: HHI below 1,500 is considered low and implies a competitive, diversified and fragmented market; HHI between 1,500 and 2,500 is considered moderate, indicating some degree of competition but with a few firms holding a significant share; HHI above 2,500 is considered high, and reflects a highly concentrated market, with fewer firms dominating the market.

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	
FY07	30.9	15.5	7.7	54.1	28.6	17.3	45.9	34
FY08	31.0	19.0	6.5	56.6	27.1	16.3	43.4	49
FY09	26.4	23.0	8.2	57.6	25.7	16.8	42.4	29
FY10	26.5	22.3	7.6	56.3	27.5	16.2	43.7	60
FY11	26.6	22.1	7.2	55.9	28.2	15.9	44.1	67
FY12	27.3	19.8	8.0	55.1	28.7	16.2	44.9	61
FY13	28.4	16.9	7.5	52.8	31.2	15.9	47.2	63
FY14	29.4	13.9	8.4	51.7	32.3	15.9	48.3	73
FY15	29.6	11.9	9.5	51.0	32.4	16.5	49.0	100
FY16	31.0	10.1	9.3	50.4	31.9	17.7	49.6	95
FY17	30.4	10.7	8.9	50.1	32.0	18.0	49.9	121
FY18	31.3	9.7	9.4	50.4	32.0	17.6	49.6	142
FY19	31.5	8.7	9.2	49.4	34.0	16.5	50.6	150
FY20	33.3	6.6	11.1	50.9	34.6	14.5	49.1	112
FY21	34.7	5.9	9.4	50.0	35.0	15.0	50.0	203
FY22	36.3	5.7	8.7	50.7	32.9	16.3	49.3	261
FY23	33.2	7.9	8.8	49.9	36.2	13.9	50.1	254
FY24	32.7	10.7	8.0	51.4	34.4	14.2	48.6	382
Q1FY25	32.4	10.9	8.3	51.5	34.2	14.3	48.5	433
Q2FY25	32.8	10.0	8.3	51.1	34.6	14.4	48.9	468

Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *Market cap is for all companies whose ownership data was available for the quarter.

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	
FY07	3.8	5.4	19.2	0.3	28.6	4.2	10.1	3.0	17.3	45.9	34
FY08	3.8	5.4	17.5	0.4	27.1	4.3	9.1	2.9	16.3	43.4	49
FY09	3.8	6.7	14.9	0.3	25.7	4.5	8.7	3.6	16.8	42.4	29
FY10	3.9	6.9	16.4	0.3	27.5	4.5	8.5	3.3	16.2	43.7	60
FY11	3.6	6.9	17.5	0.3	28.2	4.5	8.2	3.2	15.9	44.1	67
FY12	3.6	7.2	17.7	0.2	28.7	4.4	8.5	3.2	16.2	44.9	61
FY13	3.5	6.9	20.7	0.1	31.2	4.3	8.0	3.6	15.9	47.2	63
FY14	3.4	6.8	22.1	0.1	32.3	4.0	8.0	4.0	15.9	48.3	73
FY15	3.9	5.9	22.0	0.6	32.4	4.2	8.7	3.7	16.5	49.0	100
FY16	4.4	6.4	20.8	0.3	31.9	5.8	9.1	2.8	17.7	49.6	95
FY17	4.9	6.2	20.6	0.2	32.0	5.8	9.3	2.9	18.0	49.9	121
FY18	6.1	5.6	20.1	0.3	32.0	5.6	9.0	3.0	17.6	49.6	142
FY19	7.2	5.5	21.0	0.4	34.0	5.0	8.6	3.0	16.5	50.6	150
FY20	7.9	5.5	20.8	0.4	34.6	3.3	8.4	2.7	14.5	49.1	112
FY21	7.2	5.1	21.5	1.2	35.0	3.1	9.0	2.9	15.0	50.0	203
FY22	7.7	4.5	19.2	1.5	32.9	3.6	9.7	3.1	16.3	49.3	261
FY23	8.7	6.1	19.1	2.3	36.2	1.7	9.4	2.8	13.9	50.1	254
FY24	8.9	5.6	17.9	2.0	34.4	1.9	9.5	2.7	14.2	48.6	382
Q1FY25	9.2	5.4	17.6	2.0	34.2	1.9	9.6	2.7	14.3	48.5	433
Q2FY25	9.5	5.4	17.7	2.0	34.6	2.0	9.6	2.8	14.4	48.9	468

Source: CMIE Prowess, NSE EPR. ^ Ownership shares provided here for non-promoters are based on total market cap and therefore do not add up to 100. Institutional and non-institutional share add up to the total non-promoter share. *FPI ownership includes ownership through depository receipts held by custodians. **Other non-institutions include other non-institutional non-promoters and government non-promoter. #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 (September 2024)

Promoter share in NSE listed companies declined for the first time in six quarters: After rising over the previous five quarters, total promoter ownership in the NSE listed universe declined by 46bps QoQ to 51.1%, even as the absolute holding rose by 7.3% QoQ in value terms to an all-time high of Rs 239.2 lakh crore. Sequential increase in private Indian promoter share—the first time in last five quarters—was more than offset by a steep decline in Government ownership during the quarter. Private Indian promoters' stake in the NSE listed companies inched up by 44bps QoQ to 32.8% in the quarter ending September 2024, implying a 9.7% QoQ increase in value terms to record-high of Rs 153.6 lakh crore. This was primarily attributed to a 41bps QoQ increase in individual promoters' (including HUFs) share to over 15-year high of 6.9% (up 34.2% in value terms in H1FY25 to an all-time high of Rs 32.3 lakh crore), even as non-individual share remained steady at 25.9% (up 8.4% QoQ in value terms to Rs 121 lakh crore). Notably, individuals accounted for a 21% share in the private Indian promoter holding in the NSE listed universe—the highest in nine years. Foreign promoter ownership also remained steady at 8.3% in the September quarter.

Total promoter share declined for the first time in six quarters by 46bps QoQ to 51.1% in the September quarter.

Government ownership declined in the September quarter: After a steady decline between 2010 and 2022, thanks to Government's efforts to garner higher revenues through the disinvestment route, Government ownership (promoter and non-promoter) in the NSE listed companies rose by a steep 2.4 percentage points (pp) in FY23, attributed to the listing of LIC during the year, and by another 2.8pp in FY24, aided by relative outperformance of PSUs. The trend, however, reversed in the September quarter, with the Government share in NSE listed companies falling by a steep 96bps QoQ to 10.5%. This was the highest QoQ decline in Government ownership in the last four years, erasing the increase seen in the previous two quarters to a large extent and translating into a 69bps decline in the first half of FY25. In terms of value, Government holding fell by a modest 0.8% QoQ to Rs 49.1 lakh crore as of September 2024. This decline in share was primarily led by a significant underperformance of PSU banks in relation to the broader market during the quarter. For instance, the Nifty PSU Bank Index posted a loss of 8.3% in the September quarter compared to the 7.5% return generated by both the Nifty 50 and Nifty 500 Index.

Government ownership in the listed space declined by a steep 96bps QoQ to 10.5% in the September quarter, partly attributed to underperformance of PSU banks during the quarter.

FPI ownership inched up marginally…: After declining over the previous five quarters, FPI share inched up by a modest 9bps QoQ to 17.7% in the quarter ending September 2024. A part of this modest increase despite strong foreign capital inflows (FPIs injected a net amount of US$11.6bn in the September quarter) is attributed to relative underperformance of Financials during the quarter where FPIs are heavy owners (30% of FPIs' investments in NSE listed companies is in Financials). For instance, the Nifty Financial Services Index generated a gain of 4.5% in the September quarter, lower than 7.5% return posted each by Nifty 50 and Nifty 500 Index. Excluding Financials, FPI share in NSE listed companies increased by a slightly higher 19bps QoQ to 15.8%. In terms of value, FPI holding in NSE listed companies increased by 8.8% QoQ to an all-time high of Rs 82.7 lakh crore, marking the sixth increase in a row.

FPI ownership inched up marginally to 17.7% in the September quarter.

...While DMF shareholding surged to fresh record high levels: Continuing the steady upward trend seen over the previous four quarters, DMF share in the listed universe rose by 28bps QoQ to a fresh all-time high of 9.5% in the September quarter, corroborating with sustained buying by DMFs during this period. DMFs injected a net amount of Rs 89,336 crore into Indian equities in the second quarter of this fiscal year and record high monthly inflows of Rs 90,771 crore in October, taking the total net inflows to Rs 2.9 lakh crore in the first seven months, already surpassing net investments seen in any fiscal year in the past. A part of this is attributed to sustained indirect participation of individuals via the SIP route. SIP inflows have risen steadily in the last few years, with an average monthly run rate rising by 14.2% QoQ to Rs 23,796 crore in the September quarter. Out of the total DMF share of 9.5%, passive funds' share remained broadly steady at 1.8%, with the balance 7.7% was held by active funds, up 22 bps QoQ.

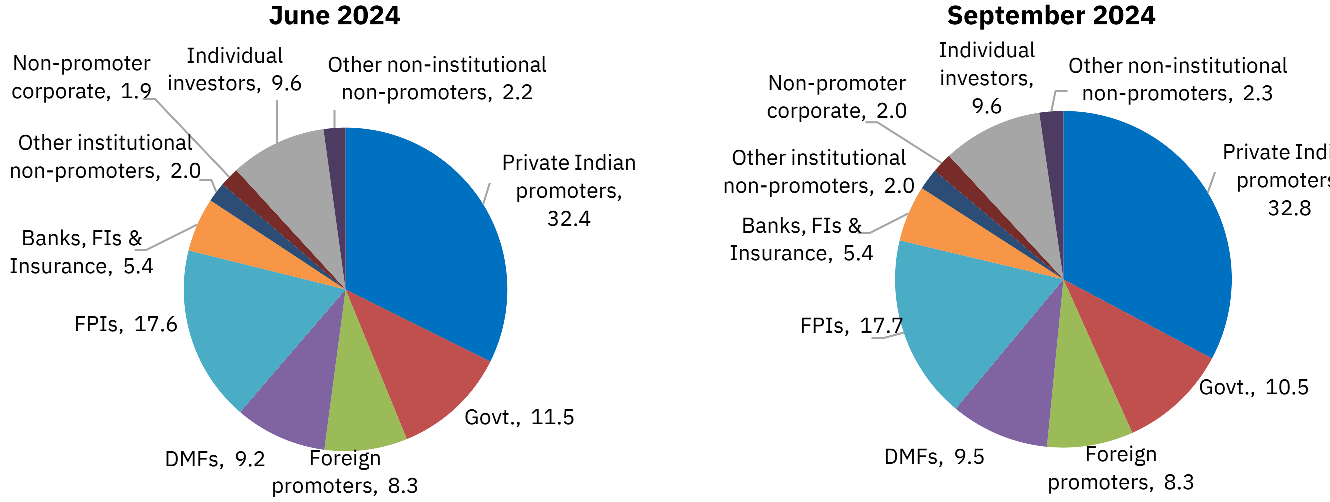
DMF share in NSE listed universe rose further to a fresh high of 9.5% in the September quarter.

After falling steadily over the previous five quarters, the share of Banks, Financial Institutions and Insurance companies in the NSE-listed space remained steady at 5.4% in the September quarter, even as it remains nearly a percentage point higher than the post-pandemic lows.

Individual investors' holding remained steady in the September quarter: Individual investors' share remained steady for the fourth quarter in a row at 9.6% in the quarter ending September 2024. A part of this is attributed to moderation in net investments by individuals during the quarter. Individuals injected a net amount of Rs 17,810 crore in the September quarter (NSE's secondary markets only) from Rs 39,278 crore in the June quarter and Rs 52,568 crore in the previous quarter. All sectors, barring Real Estate, Materials and Industrials saw the ownership of individual investors decline or remain broadly steady in the September quarter. Adding indirect ownership via mutual funds of 8.0% to this (Individuals—retail and HNIs put together—accounted for 84% of total mutual fund investments into equity as of June quarter[7]), individuals' share in equity markets as non-promoter shareholders is only 7bps shy of that of the FPIs. This gap was as high as 7.1pp in FY21, indicating the growing role and significance of individual investors in the Indian equity markets.

Individuals' share in equity markets as non-promoter shareholders, directly as well as indirectly, is now only 7bps shy of that of the FPIs vs. as high as 7.1pp as of Mar'21.

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.

[7] Data for the September quarter was not available at the time of preparation of this report.

Table 3: NSE-listed universe: Ownership trend across key stakeholders by total market cap over last three years

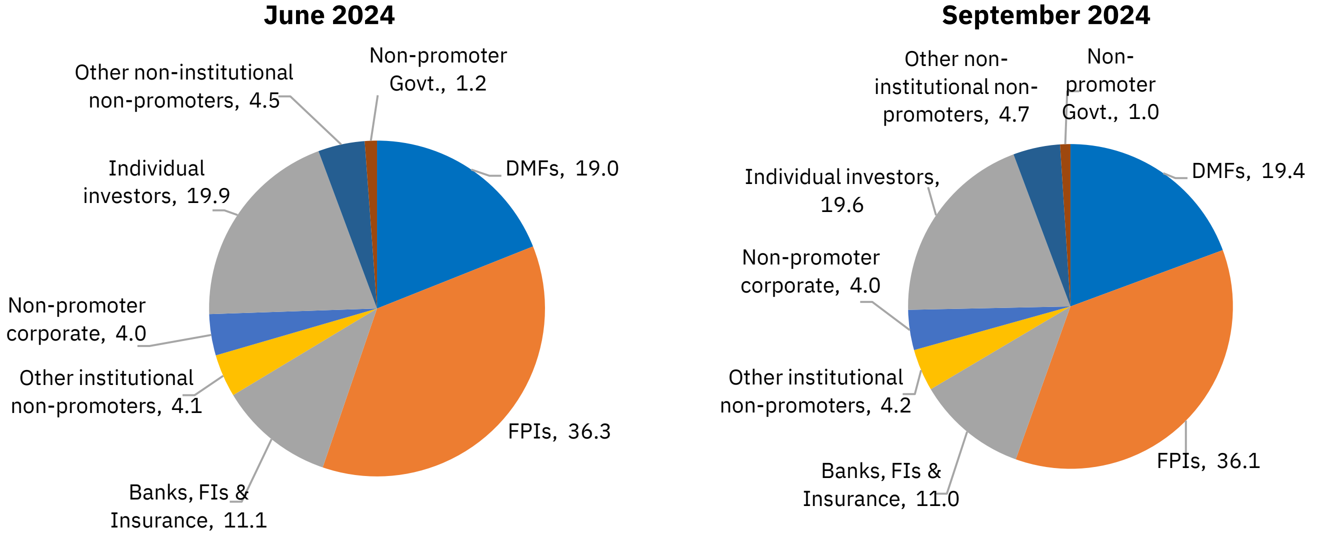
%	Private Indian promoters	Govt.	Foreign promoters	Passive DMFs ^	Active DMFs $	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **
Dec-21	36.4	5.7	8.7	1.3	6.1	4.4	19.7	3.7	9.7	4.3
Mar-22	36.3	6.0	8.7	1.4	6.3	4.5	19.2	3.6	9.7	4.3
Jun-22	35.2	7.6	9.1	1.5	6.4	4.6	18.4	3.7	9.5	4.0
Sep-22	35.0	7.5	9.5	1.6	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	33.4	8.4	8.7	1.7	6.9	5.9	19.0	1.9	9.4	4.7
Sep-23	33.1	9.4	8.3	1.7	7.1	5.7	18.4	2.0	9.7	4.6
Dec-23	33.1	10.2	7.9	1.7	7.1	5.6	18.2	2.0	9.7	4.5
Mar-24	32.7	11.2	8.0	1.7	7.2	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	1.8	7.7	5.4	17.7	2.0	9.6	4.3
QoQ change	*44bps*	*-96bps*	*-1bps*	*6bps*	*22bps*	*-1bps*	*9bps*	*3bps*	*-2bps*	*16bps*

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.

Institutional ownership in NSE floating stock increased marginally: DMF ownership in the NSE floating stock rose by 39bps QoQ to a fresh all-time high of 19.4% in the September 2024 quarter, marking a full percentage point rise in the first half. On the other hand, FPI holding in the floating stock of the NSE listed universe dipped for the seventh consecutive quarter, standing at 15.5-year low of 36.3%. FPI share in the NSE floating stock is now 9.6pp below the peak share seen eight years back (March 2014). This dip, however, was much stronger in large and mid-cap companies, as evidenced from a 36bps QoQ increase in FPI share in the free float stock of the NSE listed universe excluding the Nifty 500 companies to 12.8%. On the contrary, DMF's share in floating stock of these companies fell by 30bos to 12.5% in the September quarter. Banks, Financial Institutions and Insurance companies' share in the free float of NSE-listed companies fell by 12bps QoQ to a nine-quarter low of 11.0%. Overall institutional ownership of the NSE free float increased by 17bps QoQ to 70.7%, 1.6pp below the all-time high of 72.3% (Mar'23).

Individual investors' ownership of the NSE free-float market cap declined by 24bps QoQ to 19.6% in the September quarter, almost entirely reversing the increase seen in the previous quarter. With this, individuals' share in NSE floating stock stands nearly 9.5% below the peak individual ownership level seen over the last 23+ 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 4: NSE-listed universe: Ownership trend across key stakeholders by floating stock over last three years

%	Passive DMFs ^	Active DMFs $	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Dec-21	2.7	12.4	8.8	39.9	7.6	19.6	9.1
Mar-22	2.9	12.7	9.1	39.1	7.3	19.7	9.3
Jun-22	3.1	13.3	9.6	38.1	7.6	19.7	8.7
Sep-22	3.2	13.2	11.9	38.5	5.7	19.1	8.4
Dec-22	3.4	13.3	12.0	38.8	3.7	18.9	10.0
Mar-23	3.5	14.0	12.1	38.1	3.5	18.7	10.2
Jun-23	3.5	13.8	11.7	38.1	3.8	18.8	10.3
Sep-23	3.4	14.2	11.5	37.1	4.0	19.5	10.2
Dec-23	3.4	14.5	11.3	37.0	4.0	19.6	10.2
Mar-24	3.5	14.9	11.4	36.7	4.0	19.6	9.8
Jun-24	3.6	15.4	11.1	36.3	4.0	19.9	9.8
Sep-24	3.7	15.7	11.0	36.1	4.0	19.6	9.9
QoQ change	*10bps*	*30bps*	*-12bps*	*-16bps*	*3bps*	*-24bps*	*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

Government ownership in the NSE-listed universe has been coming off since 2010, barring a steep jump last year.

Long-term trend shows a steady drop in promoter ownership during 2009-2019, followed by a marginal increase thereafter: The long-term trend indicates a sharp rise in promoter ownership between 2001 and 2009 (To a 19-year high of 57.6% in March 2009) that gradually tapered off since, coinciding with the SEBI's decision to increase the minimum required free float from 10% to 25% in 2010. However, the drop has been primarily led by a sharp decline in Government ownership over the years, and strategically so, with the aim of expanding public partnership in the ownership of CPSEs (Central Public Sector Enterprises) and augmenting its resources for higher expenditure towards economic development. On the other hand, overall private promoter ownership—Indian and foreign promoters combined—has increased by ~11.6pp between June 2010 to

December 2021. Promoter share, however, has been inching up since the last few years, barring FY23, primarily led by an increase in Government share.

Sharp rise in DMF ownership post 2014 supported by rising SIP inflows: Barring a drop in FY21, DMF ownership has seen a sharp increase over the previous six fiscal years (FY15-FY23), largely reflecting the sustained retail interest in equity mutual funds as an investment channel through SIPs. The drop in DMF ownership in FY21 (Apr-Mar'21) had been largely on the back of moderation in SIP inflows as well as high redemption pressures, thanks to macroeconomic slowdown and attendant drop in disposable incomes that got accentuated by the COVID-19 outbreak. This partly found its way to Indian equities via higher direct retail investments, as visible from a steady increase in direct retail ownership during this period. With indirect participation by individual investors seeing a renewed jump beginning June 2021 via the SIP route, the share of DMFs in the NSE listed universe has risen steadily to record-high levels. Banks, FIs & Insurance share, on the other hand, has been gradually dropping off since 2012, only to see a significant jump in FY23 (+158bps).

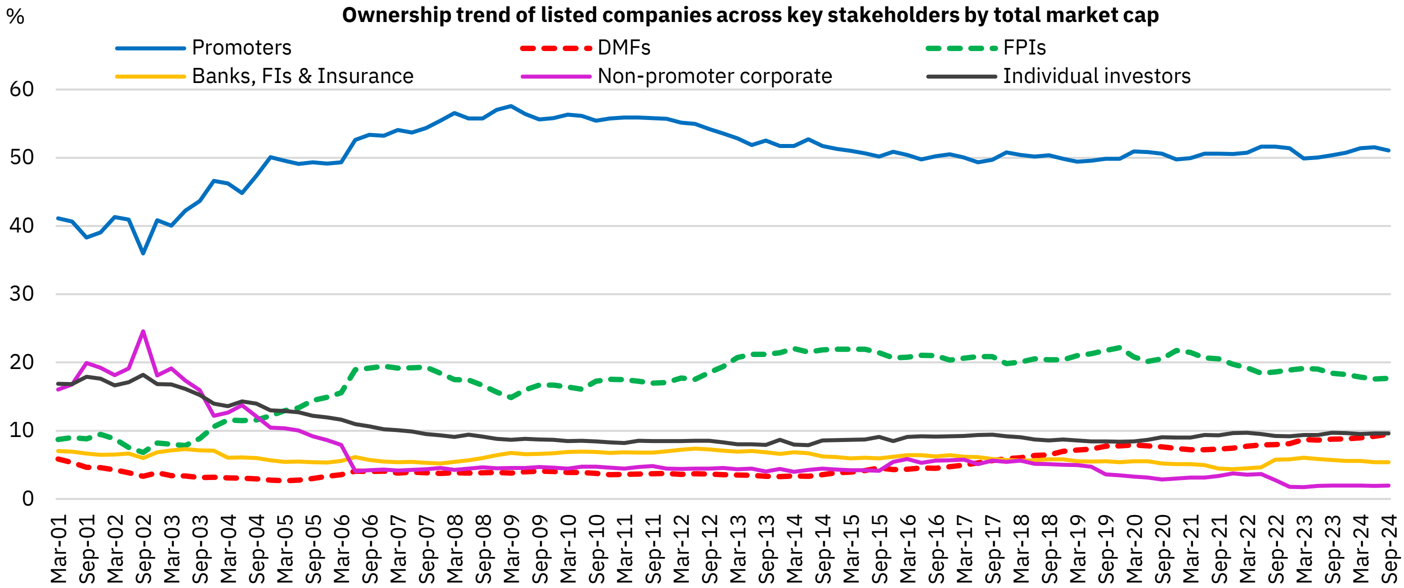
DMF ownership got support from rising SIP investments during FY15-20, only to see a dip in FY21 and recover thereafter.

FPI ownership dropped to sub-18% in FY24 after more than 11 years: FPI ownership in the NSE-listed space saw a gradual increase between 2002 and 2015, except for a brief period around the 2007-08 financial crisis, but dropped marginally over the subsequent three years, reflecting negative global cues including the US-China trade war and Brexit concerns. FPI share picked up over the next two years until December 2019 but fell sharply during the first two quarters of 2020 post the onset of the COVID-19 pandemic. This, however, was temporary as huge liquidity injection globally improved risk appetite, leading to a jump in FPI share in the second half. Since then, FPI share has been trending down, reflecting weakened investor sentiments in the wake of recurring COVID waves, China slowdown, Russia-Ukraine war, worsening growth-inflation dynamics, and rapid monetary tightening by global central banks, notably the US Fed. In fact, FPI share dropped to sub-18% by the last quarter of FY24 for the first time in more than 47 quarters, only to fall further in the first half of FY25.

Direct individual holding has remained between 8% to 10% for more than a decade now: Not surprisingly, while individual investments through the SIP route has been rising over the last few years, barring a steady drop in FY21, direct individual participation in equity markets remained quite stable—a sign of maturing markets and indirect ownership. Individual investors' ownership of the NSE listed universe declined steadily between 2001 and 2012 but has since increased marginally.

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

Figure 3: NSE-listed universe: 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 4: Total promoter ownership trend of NSE-listed companies by total market cap

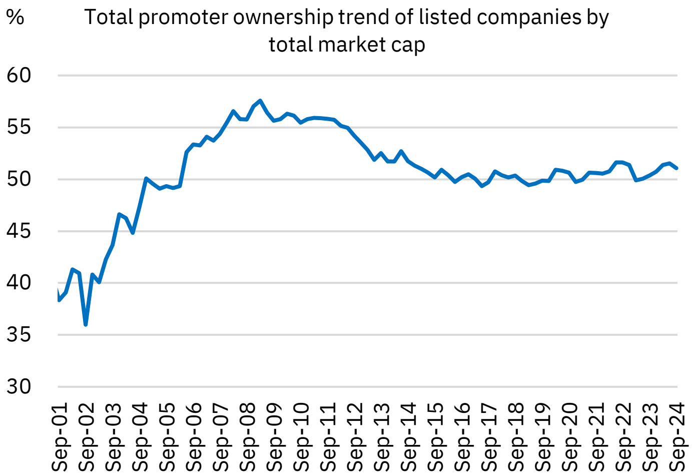
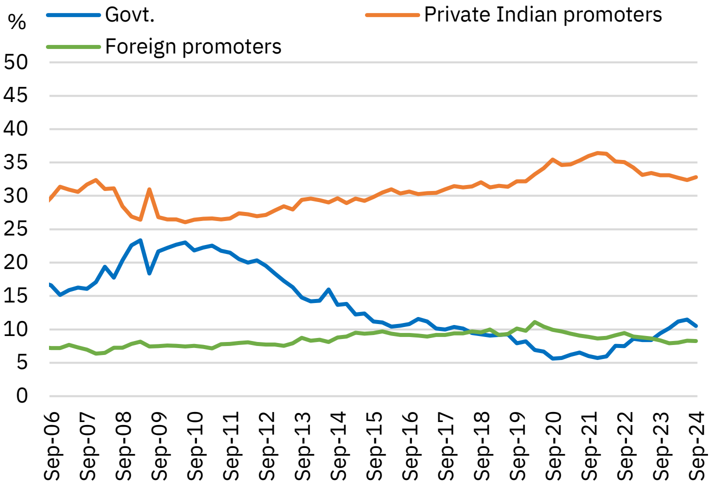


Figure 5: Indian and foreign promoter ownership trend of NSE-listed companies by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 6: DMF ownership trend of NSE-listed companies by total market cap

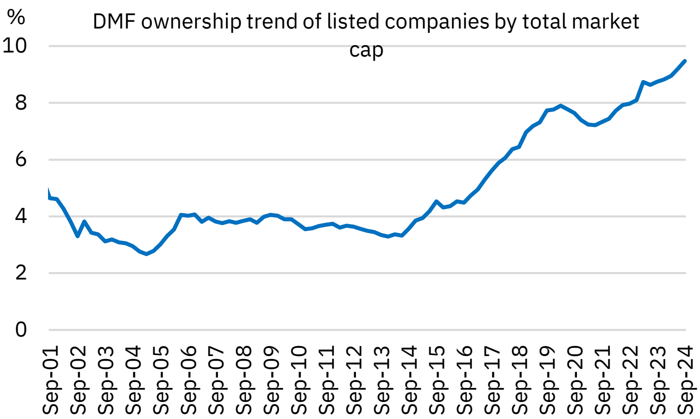
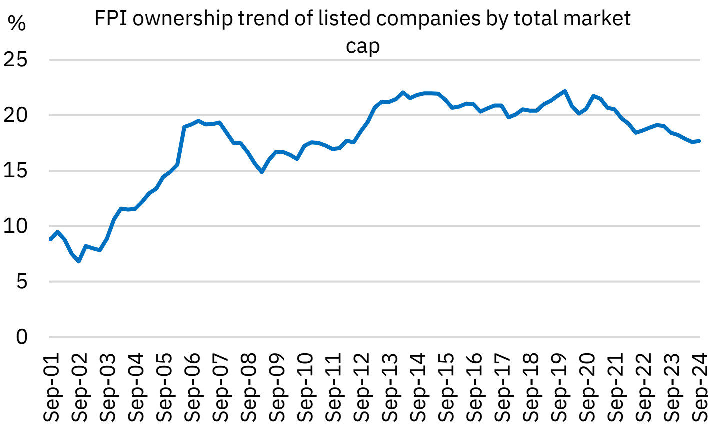


Figure 7: FPI ownership* trend of NSE-listed companies by total market cap



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

Figure 8: Banks, FIs & Insurance ownership trend of NSE-listed companies by total market cap

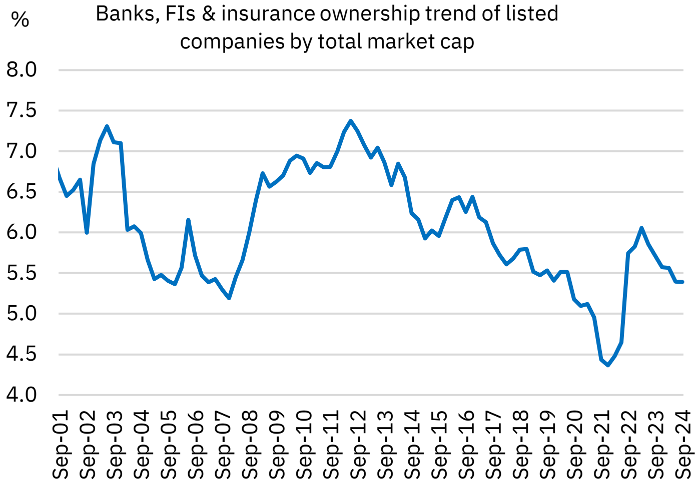
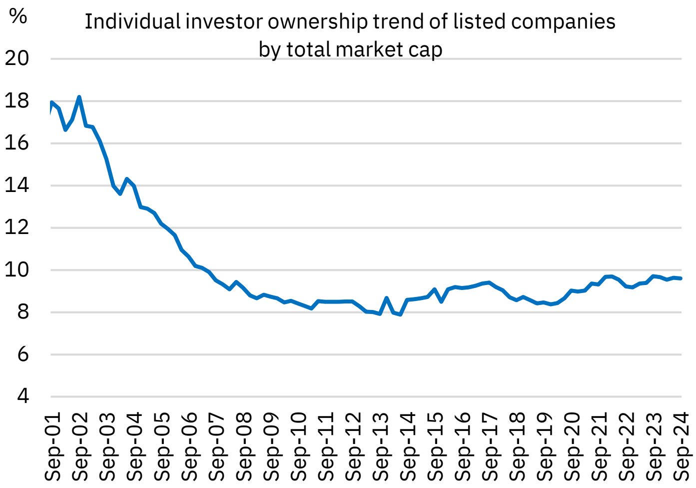
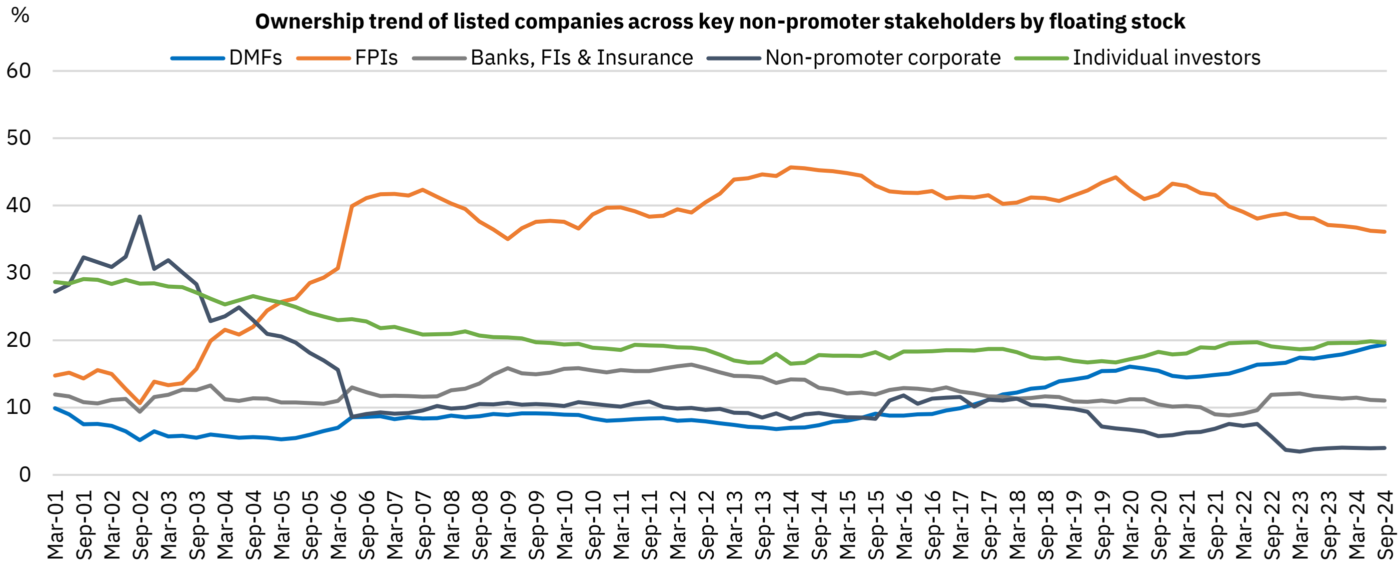


Figure 9: Individual ownership trend of NSE-listed companies by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 10: NSE-listed universe: 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 11: DMF ownership trend of NSE-listed companies by free float market cap

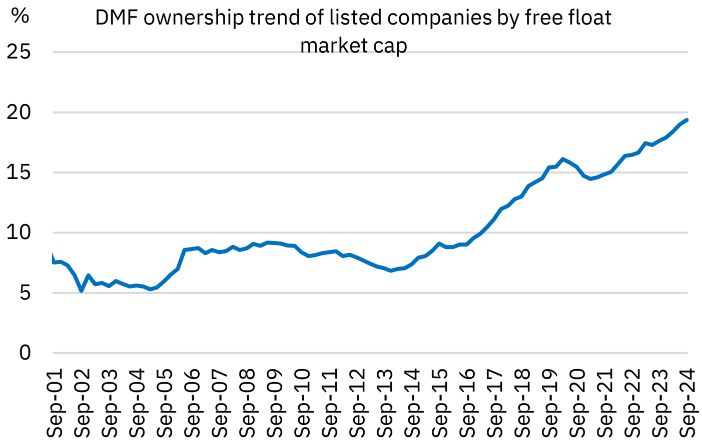
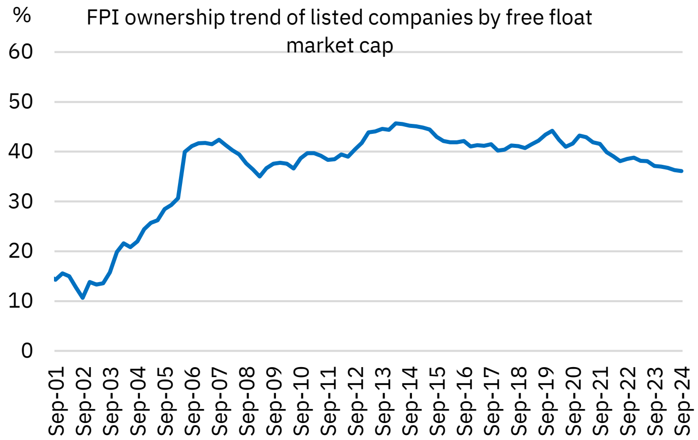


Figure 12: FPI ownership trend of NSE-listed companies by free float market cap



Source: CMIE Prowess, NSE EPR.

Figure 13: Banks, FIs & Insurance ownership trend of NSE-listed companies by free float market cap

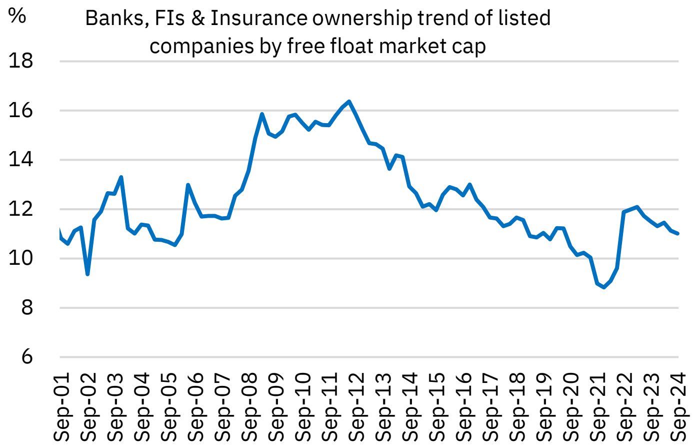
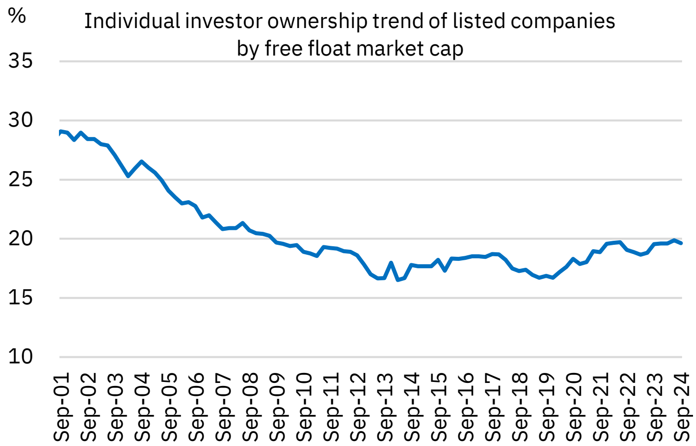


Figure 14: Individual ownership trend of NSE-listed companies by free float market cap



Source: CMIE Prowess, NSE EPR.

SIP inflows continue to rise: SIPs have been a preferred route for individual investors to invest in equity markets barring FY20-21. After a drop in 2020, that saw individual investors shift away from being indirect investors to direct participants in the equity market, inflows into mutual funds through the SIP route has been rising steadily since then, barring some moderation in early FY22 due to the virulent second wave of the pandemic. Average monthly inflows through the SIP route stood at Rs 23,796 crore in the second quarter of FY25, translating into average monthly inflows of Rs 22,321 crore in the first half, nearly 34% higher than average monthly SIP inflows of Rs 16,602 crore in FY24. Every quarter in the last 16 quarters recorded higher inflows than the previous one, which led to the continued upsurge in DMF ownership.

Average monthly SIP inflows in Q2 FY25 rose by 14.2% QoQ to Rs 23,796 crore.

Figure 15: Monthly SIP inflows into mutual funds

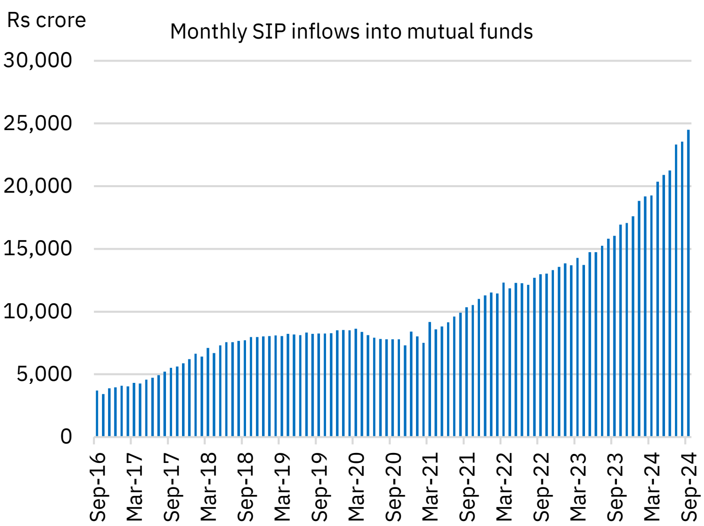
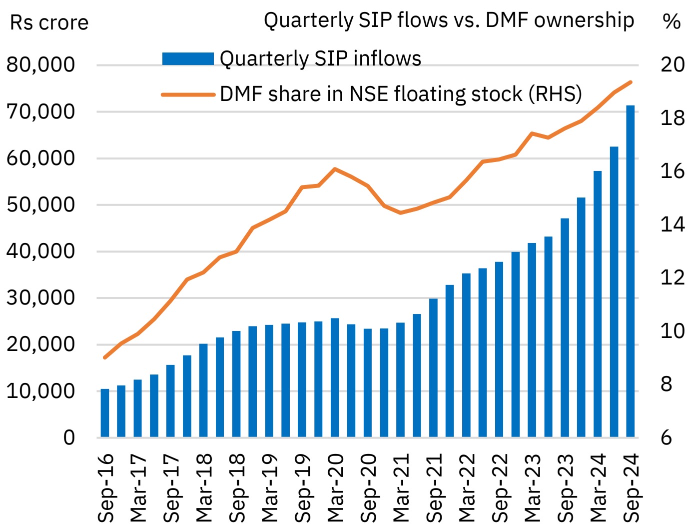


Figure 16: Quarterly SIP inflows vs DMF ownership



Source: AMFI, NSE EPR.

DMF ownership in the September quarter increased across passive and active funds in the September quarter: Passive holding of DMFs through ETFs and index funds in the NSE listed companies has risen rapidly over the past few years. The AUM of passive funds has grown at a CAGR of 64.7% over the last nine years, significantly higher than the 26.7% annualized growth recorded by actively managed mutual funds during this period. The quarter gone by saw passive funds' AUM rise by a strong 12.2% QoQ to Rs 8.4 lakh crore, while that of active funds' rose by a slightly smaller 11.4% to Rs 35.9 lakh crore. This has led to the share of passive funds in the total AUM of equity-oriented funds rise by a modest 12bps QoQ to 19.0% in the September quarter, nearly 113bps lower than the peak share of 20.1% recorded in Dec'22.

Out of 9.5% of the market capitalization of NSE listed universe held by DMFs, ownership of passive funds inched up by a modest 6bps QoQ to 1.8% in the September quarter, while that of active funds rose by 22bps QoQ to 7.7%. In terms of free float market capitalization, passive funds' ownership now stands marginally higher at 3.7% (vs. 3.6% in Jun'24), with active funds' shareholding standing at 15.8% (vs. 15.4% in Jun'24).

Figure 17: DMF holding in NSE listed universe

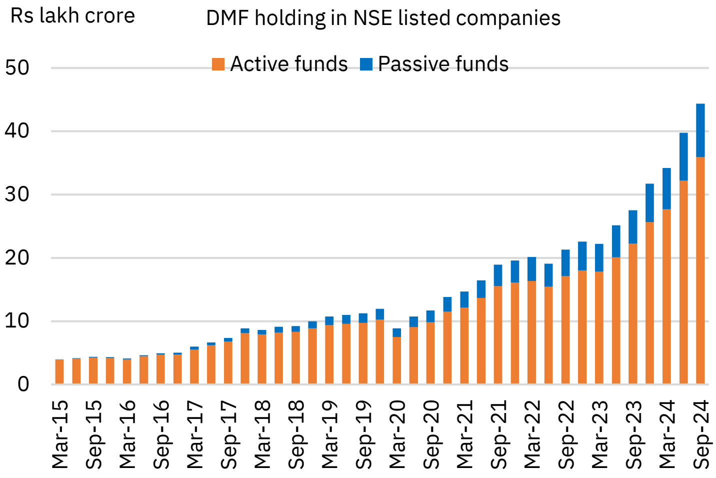
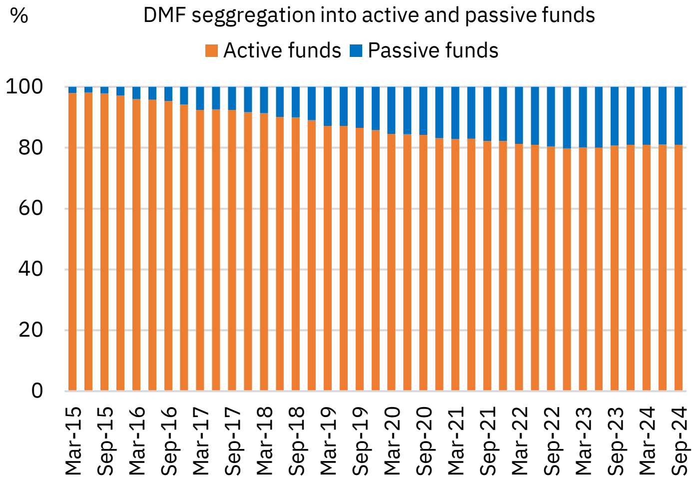
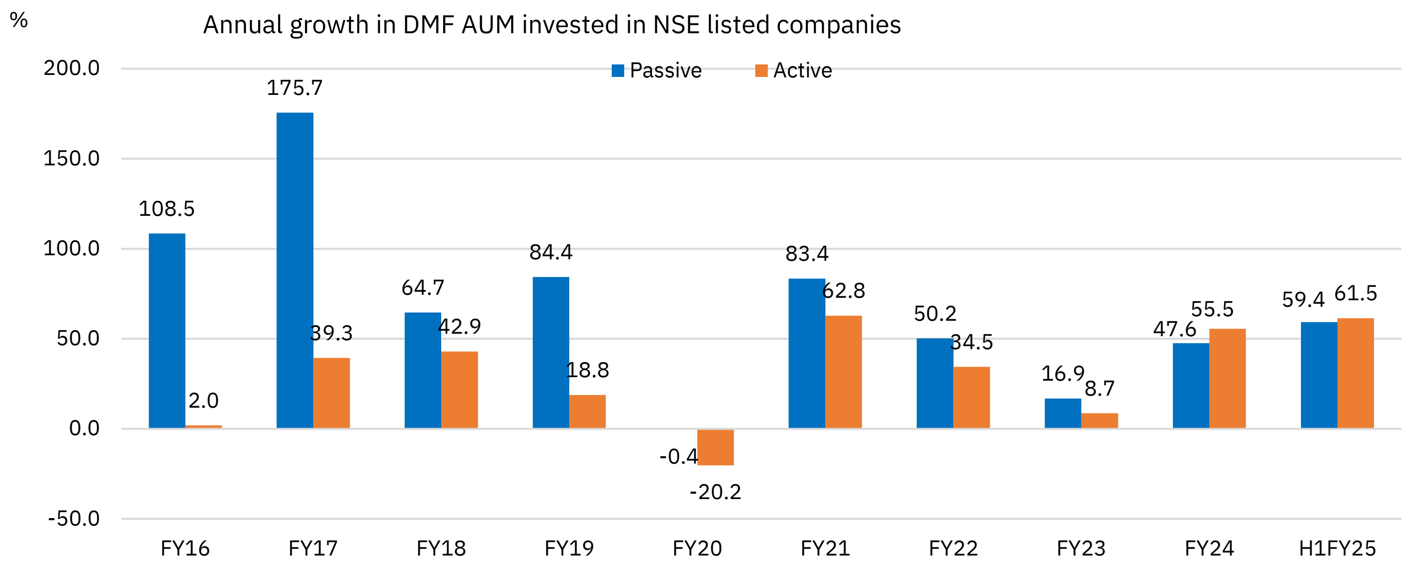


Figure 18: DMF segregation: active and passive funds



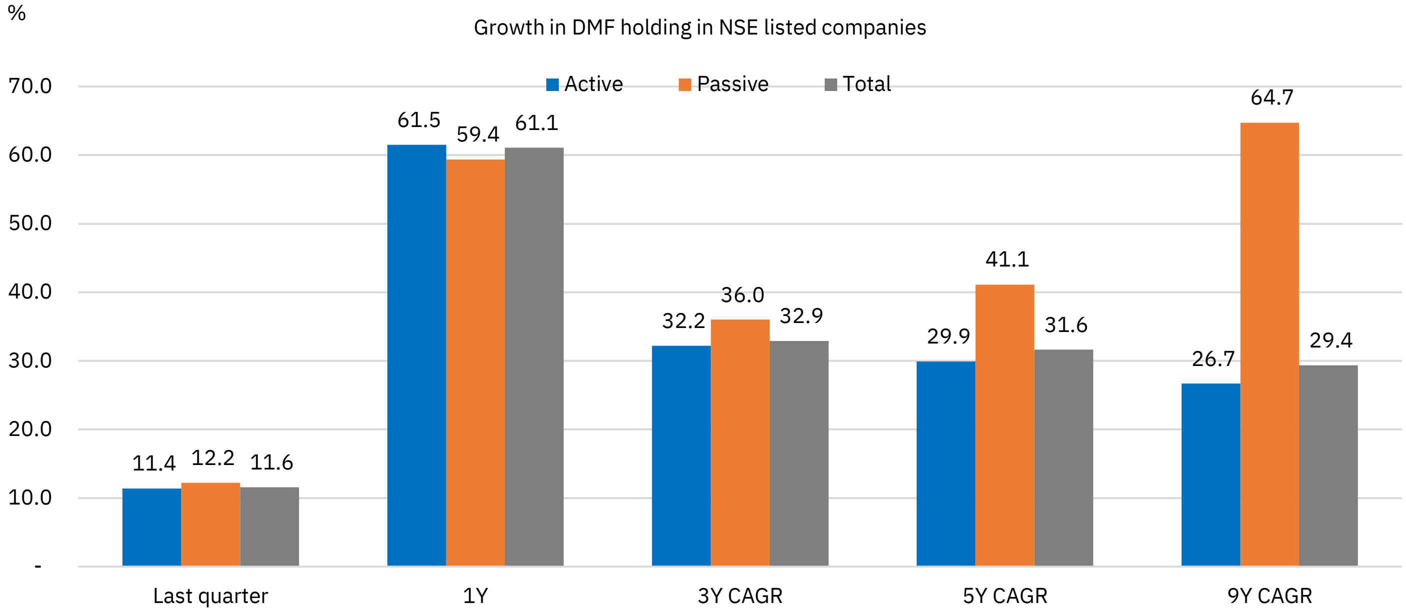
Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting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

Figure 19: 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 20: 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 September 30th, 2024.

Figure 21: DMF ownership in total market cap of NSE listed companies

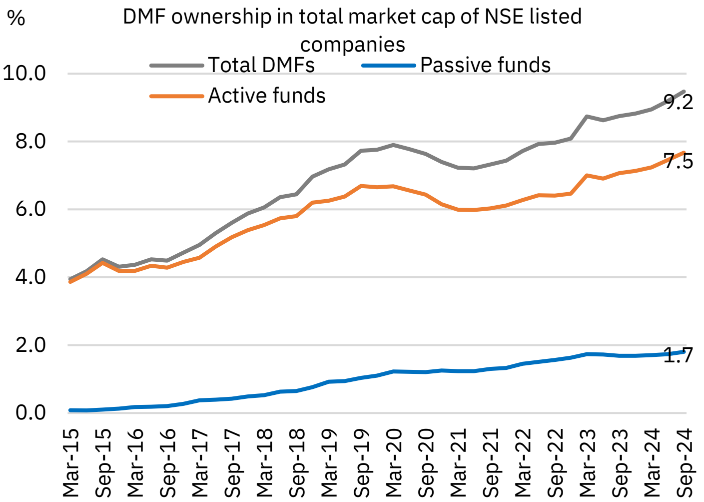
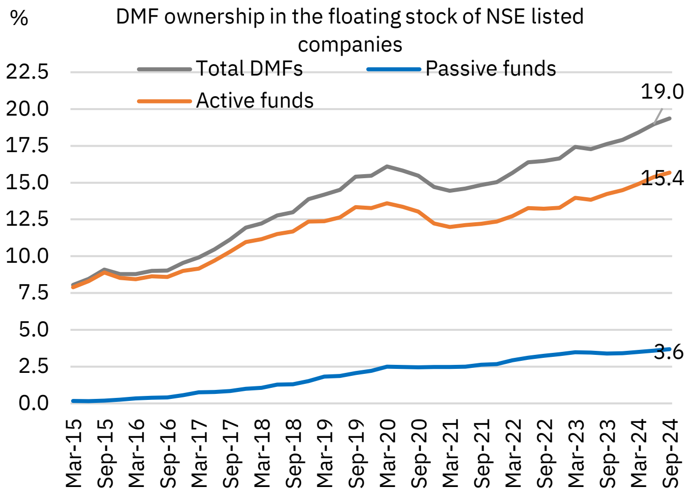


Figure 22: DMF ownership in floating market cap of NSE listed companies



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

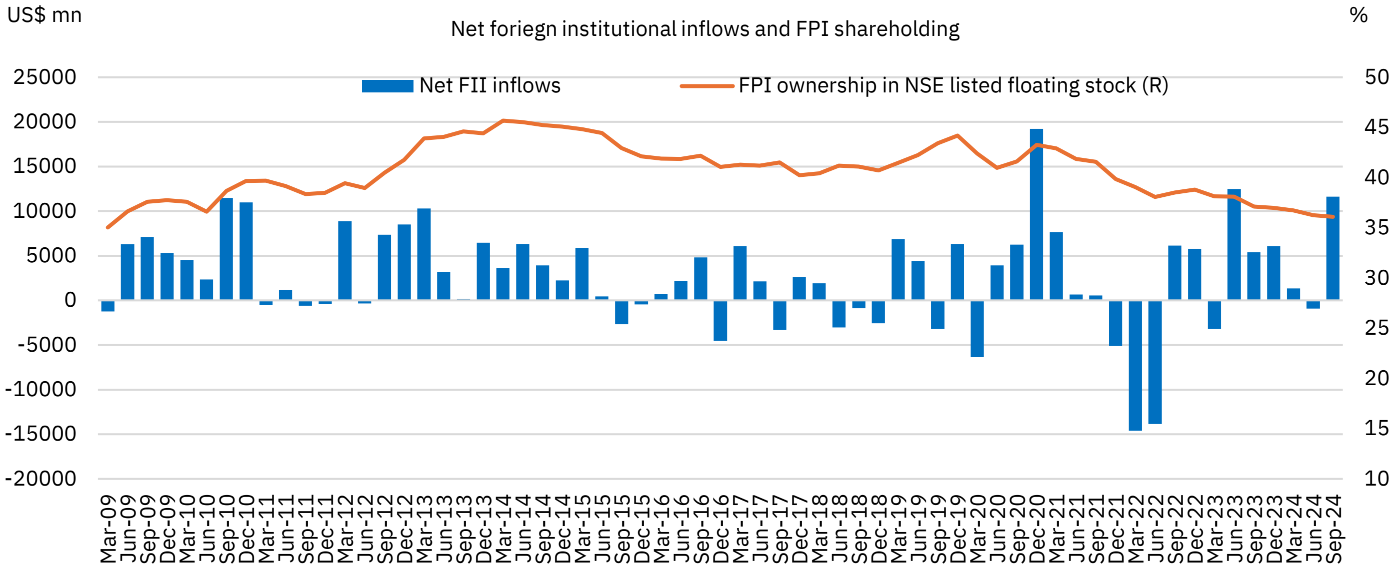
%	Investment (Rs lakh crore)			Ownership in NSE total market cap (%)			Ownership in NSE floating stock (%)		
	Active	Passive	Total	Active	Passive	Total	Active	Passive	Total
FY15	3.9	0.1	4.0	3.9	0.1	3.9	7.9	0.2	8.1
FY16	4.0	0.2	4.1	4.2	0.2	4.4	8.4	0.4	8.8
FY17	5.5	0.5	6.0	4.6	0.4	4.9	9.2	0.8	9.9
FY18	7.9	0.7	8.6	5.5	0.5	6.1	11.2	1.1	12.2
FY19	9.4	1.4	10.7	6.3	0.9	7.2	12.4	1.8	14.2
FY20	7.5	1.4	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	2.5	14.5
FY22	16.4	3.8	20.1	6.3	1.4	7.7	12.7	2.9	15.7
FY23	17.8	4.4	22.2	7.0	1.7	8.7	14.0	3.5	17.4
FY24	27.7	6.5	34.2	7.2	1.7	8.9	14.9	3.5	18.4
H1FY25	35.9	8.4	44.4	7.7	1.8	9.5	15.7	3.7	19.4

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 September quarter.

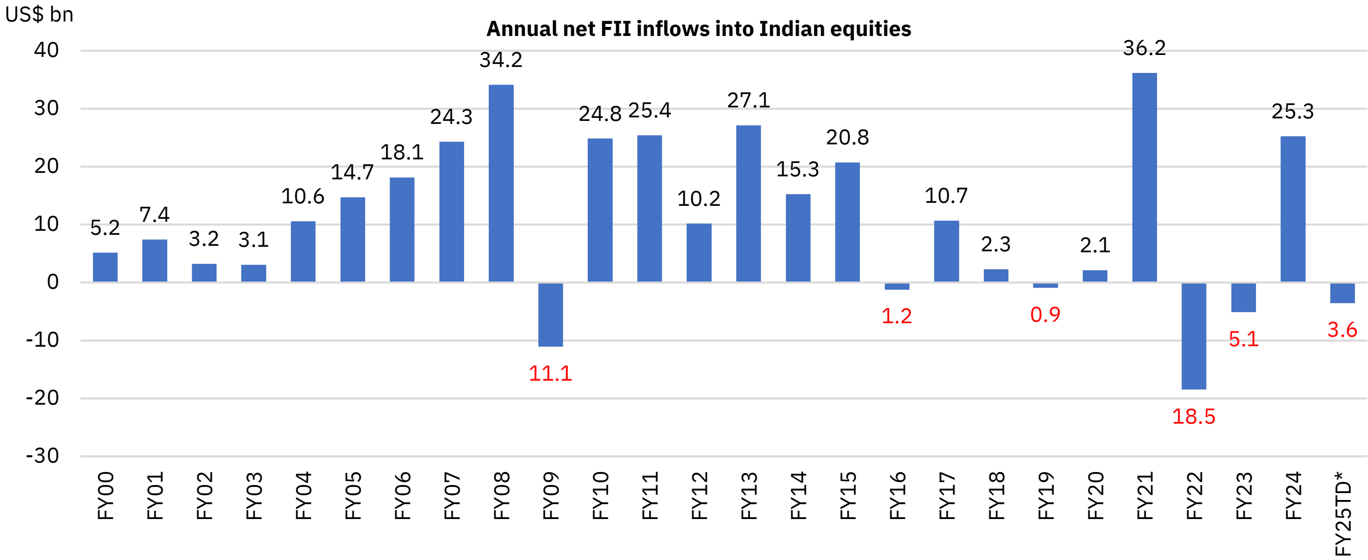
FPIs turned huge buyers of Indian equities in the September quarter: After remaining net sellers in the June quarter, primarily so in the first two months, FPIs turned strong buyers of Indian equities in the September quarter. Net FPI inflows in the September quarter stood at a five-quarter high of US$11.6bn. Notwithstanding robust buying, FPI ownership inched up only marginally during the quarter, a part of which is attributed to the relative underperformance of Financials where FPIs are heavy owners. In value terms, however, the FPI portfolio in NSE listed companies expanded by 8.8% QoQ. The buying spree, however, halted in October, with FPIs turning huge sellers in the light of rising global uncertainty and announcement of stimulus in China, with the trend continuing in November. In fact, net FPI outflows of US$11.2bn in October were the highest ever outflows seen in a month.

Figure 23: 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 24: Annual net FII inflows trend

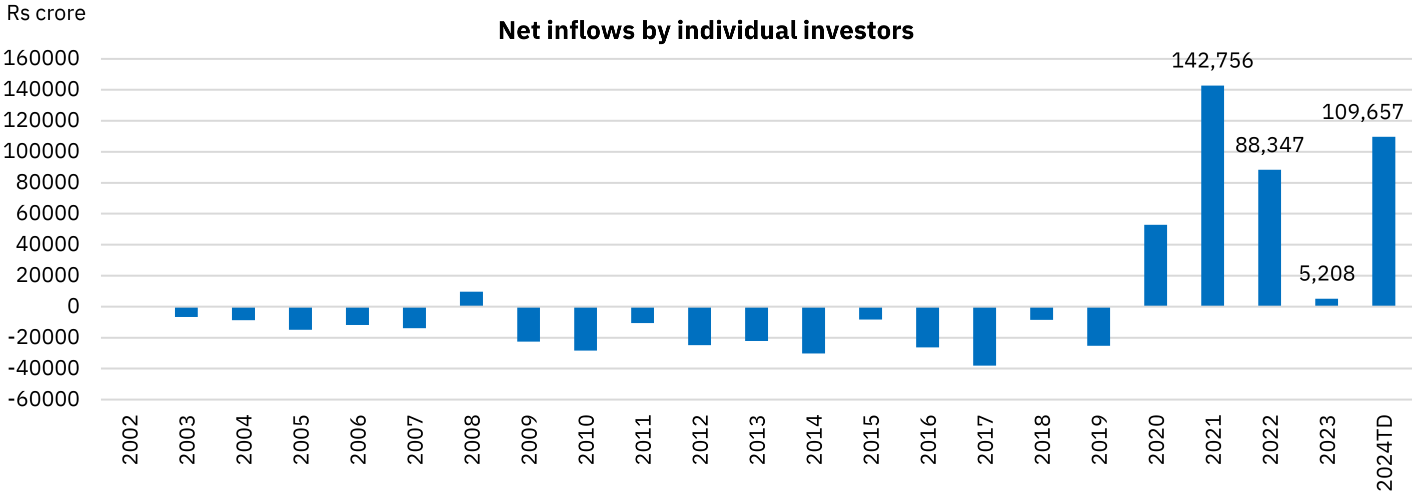


Source: Refinitiv Datastream, NSE EPR. * As of November 20th, 2024.

Direct participation by individual investors remained steady in the September quarter: Individual investors' participation in Indian equities picked up meaningfully during 2020 and 2021. A sharp market crash in March 2020 after the onset of COVID-19 pandemic lured individual investors into trading in equity markets, with a strong market rebound thereafter further strengthening their sentiments. Individual investors turned net buyers of Indian equities in 2020 after a 11-year long hiatus between 2009-19, further strengthening their participation in the subsequent two-and-a-half years. Between Jan 2020 and December 2022, they invested a total of Rs 2.8 lakh crore in NSE's capital market segment (secondary market only). The year 2023 saw some moderation in direct participation by individual investors in terms of net investments, even as the activity in terms of new investor registrations with the depositories and the exchange remained strong. The depositories have seen a surge in demat account additions over the last few years, with 13.5 crore additions since April 2020, accounting for 77% of outstanding accounts as of September 30th, 2024. In fact, the 1.3 crore demat account additions in the September quarter were the highest ever seen in any quarter. Further, the registered investor base at NSE has nearly tripled in the last five years, and currently stands at 10.5 crore as of October 31st.

Direct individual participation in the Indian listed universe had been fluctuating throughout 2023, with individuals alternating between being net buyers and net sellers ever quarter. The first half of FY25, however, saw a rebound in individuals' interest in the market, with Rs 57,088 crore net inflows, already surpassing net investments seen in the whole of the last two fiscal years. This has translated into a modest increase in individuals' shareholding during this period.

Figure 25: Net inflows by individual investors in the NSE's CM segment (2002-2024TD)



Source: NSE EPR.
Note: 1. Note: Retail investors: individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. Net flows include investments in securities in EQ, BE, SM, and ST series including ETFs only.
3. Net flows are calculated as buy traded value – sell traded value.
4. Data for 2024TD is for the period Jan-Sep'24.

Figure 26: Quarterly trend of number of investor accounts with depositories

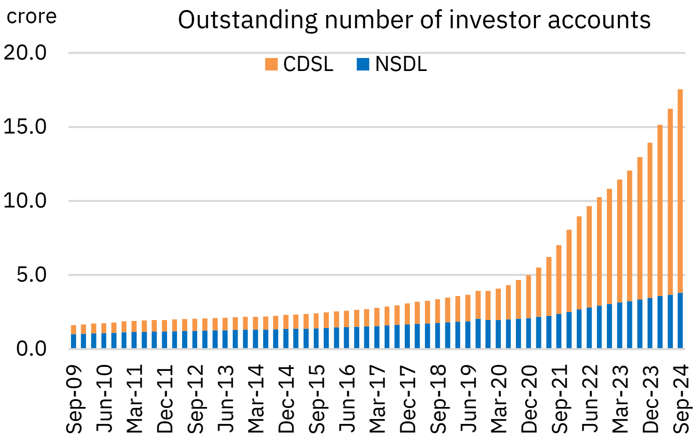
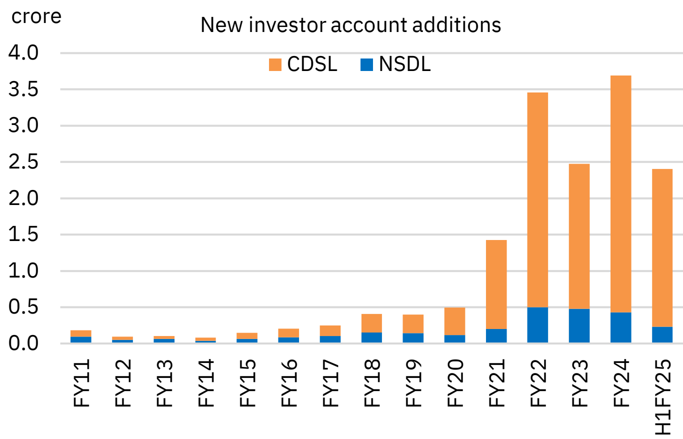


Figure 27: Annual trend of new investor account additions with depositories



Source: SEBI Bulletin, NSE EPR.

Individuals own nearly a quarter of India's market cap as promoters and non-promoters: As of September 30th, 2024, Individuals as promoters held 6.9% of India's market capitalisation, or Rs 32.3 lakh crore in value terms, up 15% on a QoQ basis. This was nearly 4.7% in March 2019, registering a CAGR of 18.8% between March 2010 and September 2024. This was higher than an annualised increase of 15.2% in total market capitalisation of NSE listed companies during this period. As non-promoters, Individuals either are direct owners or indirect owners via mutual funds of the Indian equity markets. Both direct and indirect ownership of individual investors has seen significant growth over the last several years. Directly, individuals' share of the total market capitalisation remained steady at 9.6%, or Rs 45 lakh crore as of September 30th, 2024, up 14.3% QoQ and registered a CAGR of 16.2% between March 2010 and September 2024. As indirect participants, about 84.3% of the total equity AUM of mutual funds is held by individuals (Data available for June 2024), taking their indirect non-promoter ownership of the market to 8.0%, or Rs 37.4 lakh crore in the September quarter, up from 2.9% about a decade ago (March 2014).

Adding direct ownership as promoters and non-promoters and indirect ownership via mutual funds, individuals now own about 24.5% or Rs 114.7 lakh crore of India's market capitalization as of September 2024, up from about 20% in March 2019, and 15.6% over a decade ago (March 2014). Net-net, the equity wealth of individuals has seen an annualised growth of about 18.5% between March 2010 and September 2024. While a part of this is attributed to an influx of new investors and rising investments by existing investors in the market, this also reflects the sustained performance generated by Indian equity markets during this period.

Figure 28: Promoter and non-promoter holding of individuals in equity markets in value terms

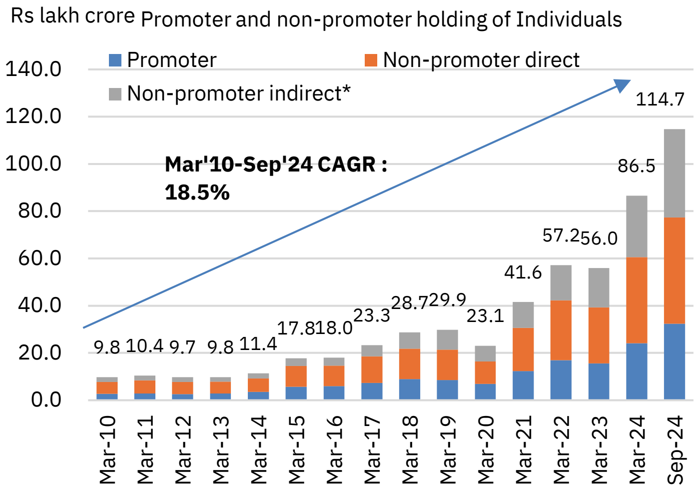
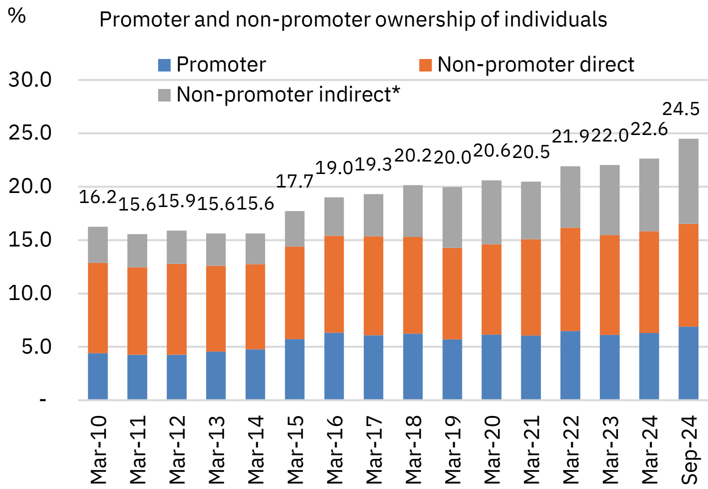
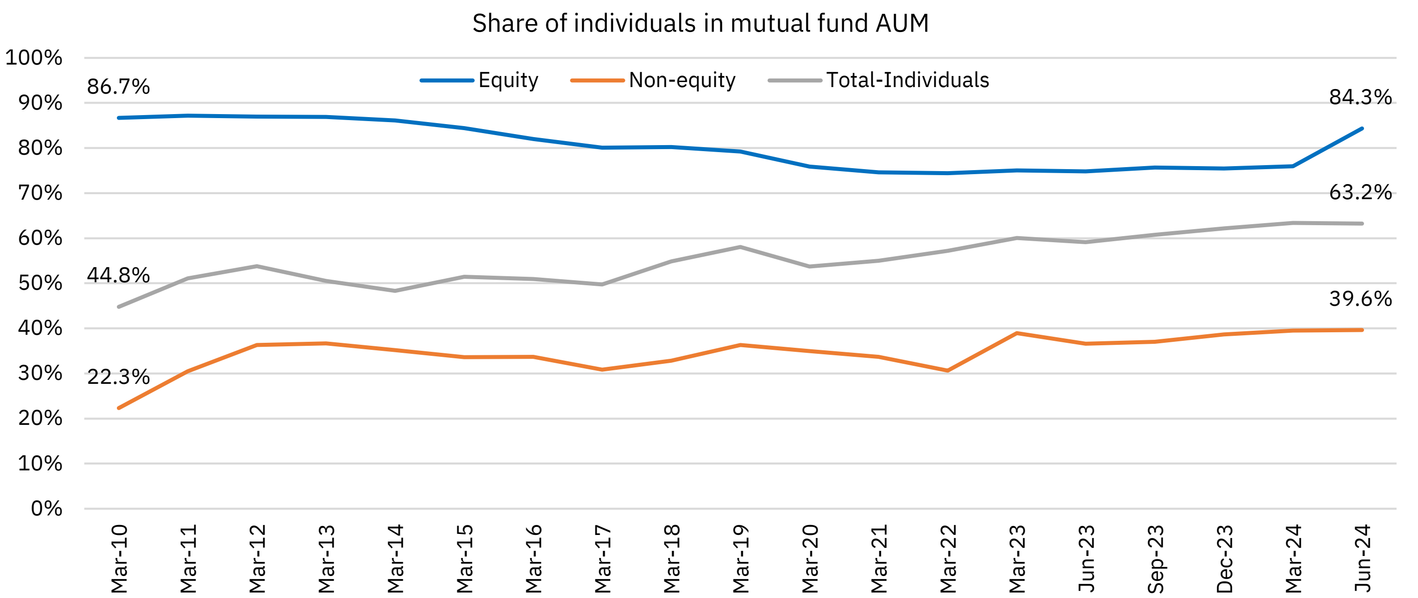


Figure 29: Promoter and non-promoter ownership of individuals in equity markets



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

Figure 30: Share of individuals in mutual fund AUM



Source: CMIE Prowess, AMFI, NSE EPR. * Holding through mutual funds; data is available for the quarter ended June'2024

Sector-wise ownership of the NSE-listed universe (September 2024): The sector-wise ownership pattern of the NSE-listed universe across key stakeholders in the quarter gone (Jul-Sep'24) shows that the Real Estate sector continues to lead in terms of promoter ownership at 63.2%, even as the share has declined for the fifth quarter in a row (-92bps QoQ in Sep'24), followed by Utilities at 58.0% (-51bps QoQ), Materials at 56.6% (-43bps QoQ), Industrials at 55.5% (-85bps QoQ), Information Technology at 52.9% (-95bps QoQ) and Energy at 52.7% (+25bps QoQ). Among the remaining sectors, the largest increase in promoter ownership was recorded in Communication Services (+57bps QoQ to 52.7%) on the back of increased private Indian promoter share, while that in Consumer Discretionary and Consumer Staples fell by a steep 1.2pp and 86bps QoQ to 46.8% and 51.0% respectively. In fact, the promoter share in Consumer Discretionary fell to 18.5-year lows in the quarter ending September 2024.

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

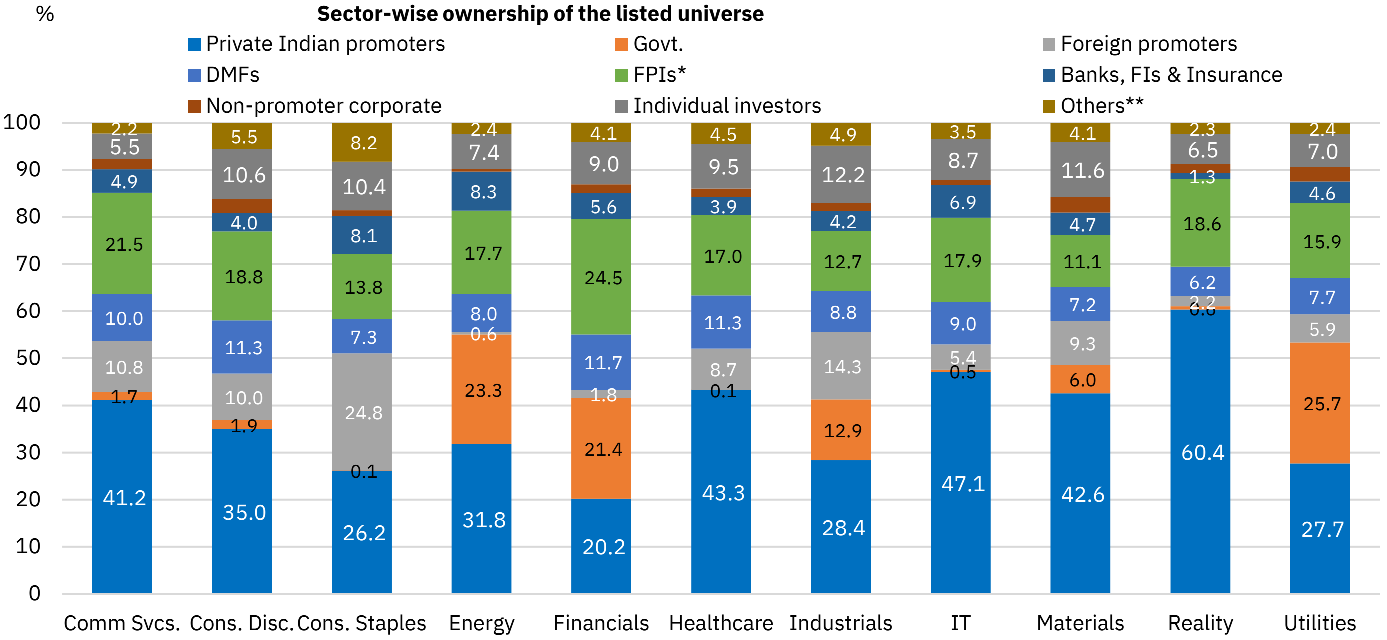
Financials regained the top spot with the highest DMF share in the quarter gone by.

Utilities remained the sector with the highest Government share for the seventh quarter in a row with an 87bps QoQ rise to a four-year high of 25.7%. This was followed by Energy that overtook Financials to become the sector with the second highest Government ownership of 21.4% for the first time in 10 quarters, thanks to a 2.3pp QoQ increase in share. Among other sectors, Financials saw a significant 2.2pp QoQ decline in Government ownership to 21.4%.

Financials remained the sector with the highest DMF share for the second quarter in a row to an all-time high of 11.7% (+13bps QoQ), followed by Financials and Consumer Discretionary at 11.3% each. In fact, all sectors barring Healthcare and Communication Services saw an increase in DMFs' share in the quarter gone by, led by Utilities (+55bps QoQ to a four-year high of 7.7%). Notably, 4/11 GICS sectors within the NSE listed universe witnessed DMFs' share rising to a record high level in the September quarter. Financials saw the share of FPIs remaining steady on a QoQ basis at 24.5% in the September quarter, followed by Communication Services at 21.5% (+82bps QoQ) and Consumer Discretionary at 18.8% (+35bps QoQ). Among other sectors, barring Energy and Real Estate, all others saw a sequential increase in FPI share in the quarter gone by.

Sector-wise, FPI share is the highest in Financials at a steady 24.5%, followed by Communication Services at 21.5% (+82bps QoQ).

Figure 31: NSE-listed universe: Sector-wise ownership pattern across key stakeholders (September 2024)



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

Sector allocation in the NSE-listed universe for key stakeholders (September 2024): The table below shows sector allocation for key shareholder categories in all NSE-listed companies as of September 2024. Government ownership remained concentrated in Financials, Energy, Utilities, and Industrials, with these sectors accounting for ~90% of the Government holding in the NSE listed space. Consumer sector—Discretionary and Staples—accounted for 37.6% of the exposure of foreign promoters to the NSE listed space. This is followed by Industrials at 22.7% (-2.1pp QoQ) and Materials at 12.5% (-1bps QoQ). Except for an outsized exposure to Financials, DMF portfolio continued to remain more diversified compared to FPIs. In fact, both DMFs and FPIs saw their allocation to Financials dropping for the seventh and fifth quarters in a row. Among other sectors, Consumer Discretionary, Healthcare and Information Technology saw the allocation of both FPIs and DMFs rising in the quarter gone by, while Industrials and Energy saw a drop.

Both DMFs and FPIs saw their portfolio allocation to Financials decreasing yet again in Q2FY25.

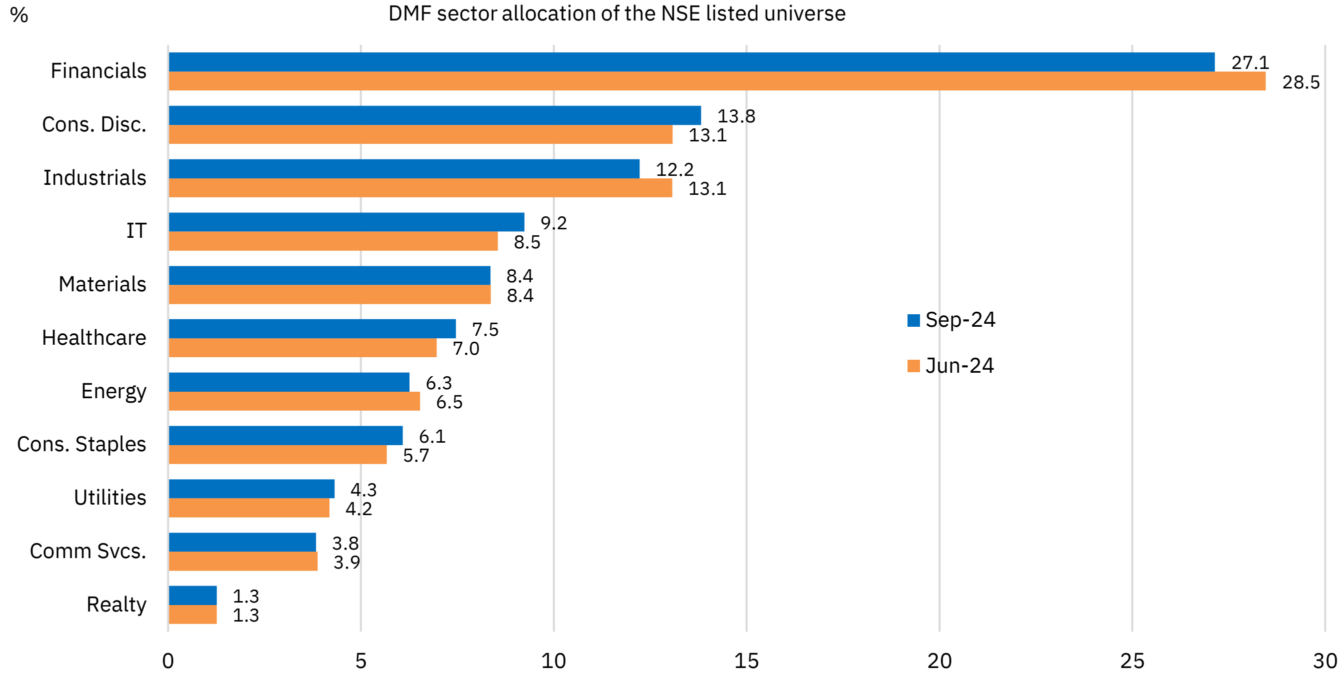
Table 6: Sector allocation of the NSE-listed universe for key stakeholders (September 2024)

%	Pvt. Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, Insurance	Non-promoter corporate	Individuals
Communication Services	4.6	0.6	4.7	3.8	4.4	3.3	4.1	2.1
Consumer Discretionary	12.4	2.1	14.0	13.8	12.4	8.6	17.2	12.9
Consumer Staples	6.3	0.1	23.7	6.1	6.2	11.9	4.6	8.5
Energy	7.2	16.4	0.5	6.3	7.4	11.4	2.1	5.7
Financials	13.5	44.7	4.7	27.1	30.4	22.8	20.5	20.6
Health Care	8.3	0.0	6.6	7.5	6.0	4.5	5.6	6.2
Industrials	11.4	16.2	22.7	12.2	9.5	10.3	11.5	16.7
Information Technology	14.0	0.5	6.3	9.2	9.9	12.5	5.1	8.8
Materials	14.4	6.3	12.5	8.4	7.0	9.6	19.1	13.4
Real Estate	3.5	0.1	0.5	1.3	2.0	0.4	1.8	1.3
Utilities	4.5	13.0	3.8	4.3	4.8	4.6	8.4	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.

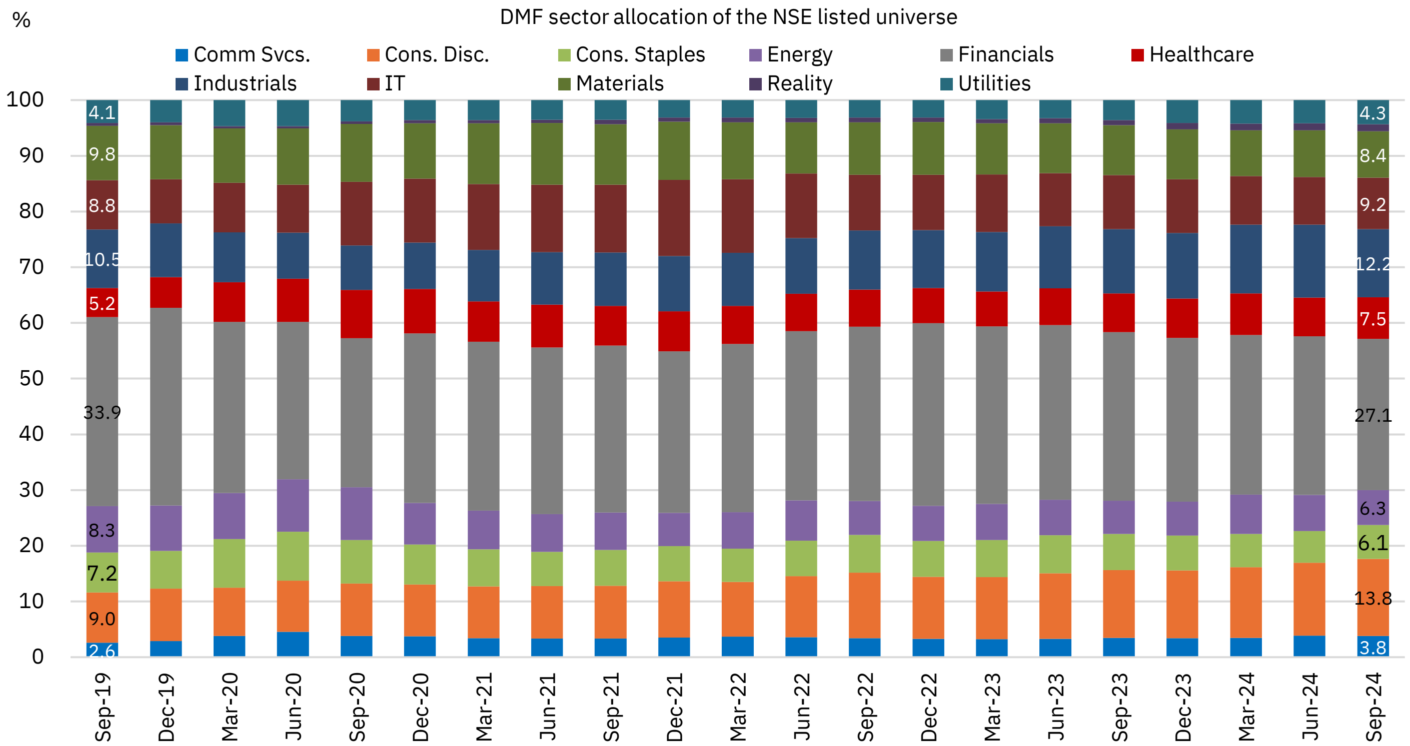
DMFs increased their allocation to Consumer Discretionary, Information Technology and Healthcare at the expense of Financials and Industrials: DMFs' exposure to Financials dipped for the seventh quarter in a row by 1.3pp QoQ to a four-year low of 27.1%, translating into a total decline of 7.1pp in the last one year. After increasing allocation to Industrials over the previous six quarters, DMFs reduced their exposure to the sector by 84bps QoQ to 12.2%. DMFs' allocation to Energy also saw a marginal 27bps QoQ decline to 6.3%. A part of the decline in exposure to these sectors is a consequence of their underperformance relative to the broader market in the quarter gone by, and was was taken up by increased allocation to Consumer Discretionary (+74bps QoQ to 13.8%), Information Technology (69bps QoQ to 9.2%), Healthcare (+50bpsQoQ to 7.5%) and Consumer Staples (+42bps QoQ to 6.1%). In fact, DMFs' exposure to Consumer Discretionary as of September-end is the highest ever. Among other sectors, DMFs' exposure to Materials, Utilities, Communication Services and Real Estate remained broadly unchanged.

Figure 32: DMF sector allocation of the NSE-listed universe (September 2024 vs. June 2024)



Source: CMIE Prowess, NSE EPR.

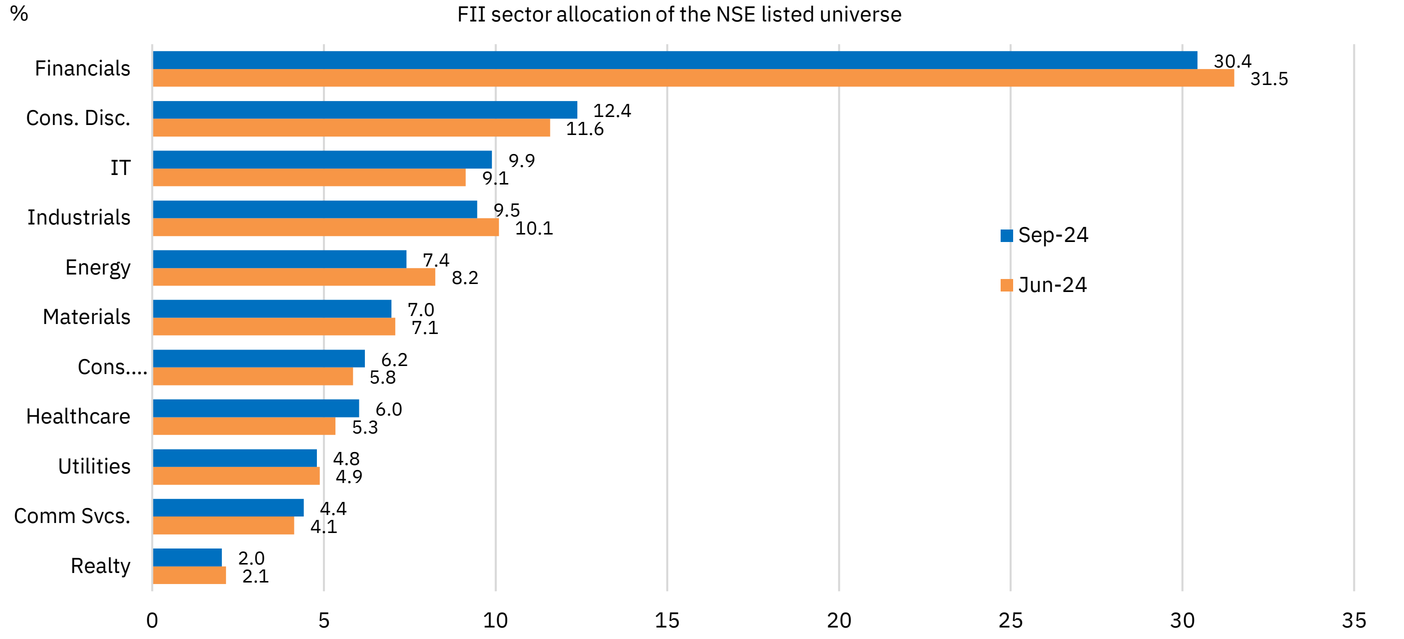
Figure 33: DMF sector allocation of the NSE-listed universe over last five years



Source: CMIE Prowess, NSE EPR.

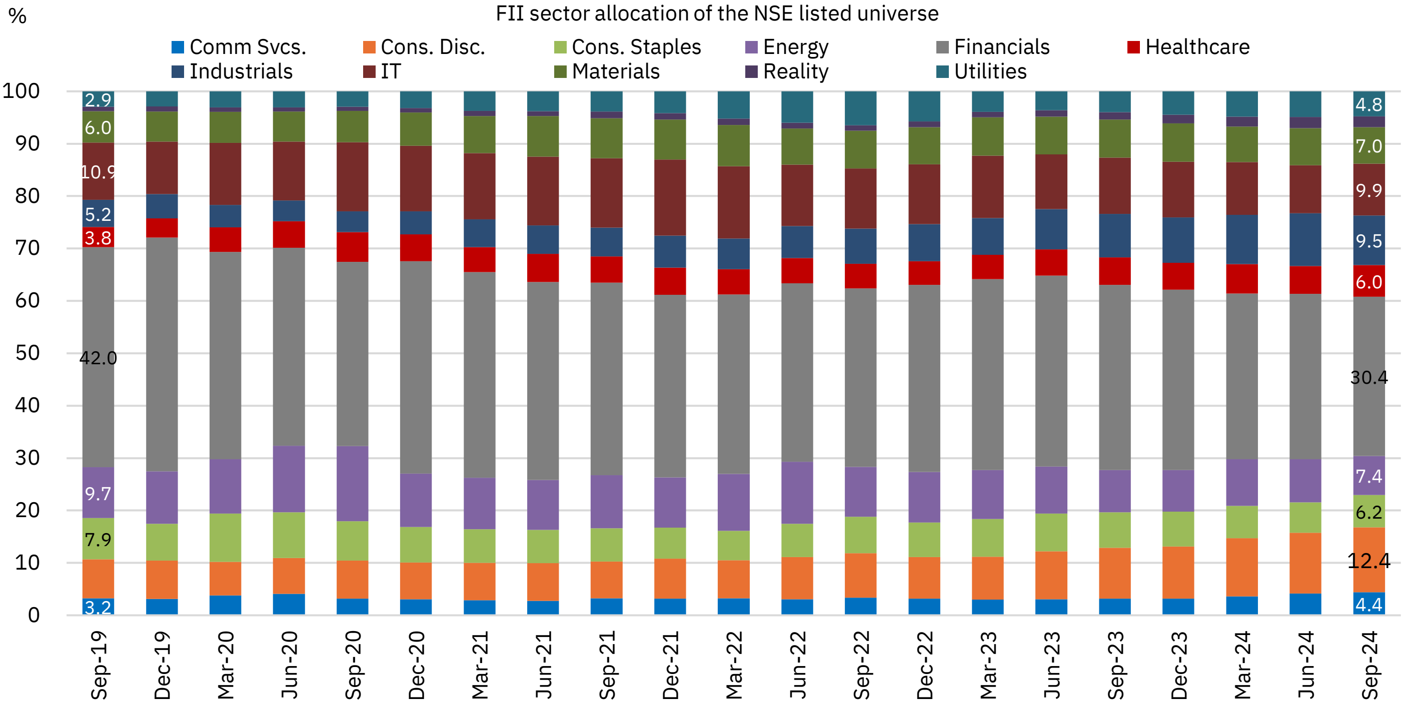
FPIs also saw their allocation to Financials, Industrials and Energy declining in the September quarter: In line with DMFs, FPIs also experienced a decline in the allocation to Financials by 107bps QoQ to a decadal-low of 30.4%, higher than the 63bps QoQ drop in the sector's share in the total market capitalisation of NSE listed companies. This marked the fifth consecutive quarter of a decline in FPI allocation to the sector, translating into a total drop in allocation of 6.0pp during this period. FPIs' exposure to Energy and Industrials also dipped by 84bps and 64bps QoQ to 7.4% and 9.5% respectively. In line with DMFs, FPIs also saw their allocation to consumption and export-oriented sectors, viz. Consumer Discretionary, Consumer Staples, Information Technology and Healthcare rising in the September quarter by 79bps, 35bps, 77bps and 69bps QoQ to 12.4%, 6.2%, 9.9% and 6.0% respectively.

Figure 34: FPI sector allocation of the NSE-listed universe (September 2024 vs. June 2024)



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

Figure 35: 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 (September 2024)

Promoter stake in the Nifty 50 universe fell for the second quarter in a row: In line with the broader listed universe, promoter ownership in Nifty 50 companies dipped for the second consecutive quarter by 23bps QoQ to 42.1% in the September quarter, translating into a total decline of 70bps in the first half of the fiscal. This decline was primarily influenced by reduced promoter share in Information Technology and consumption-oriented sectors such as Consumer Discretionary and Consumer Staples. Within promoters, it was the private Indian promoter category that solely drove the decline in overall promoter share in the quarter gone by while both Government and foreign promoters witnessed an increase. While the private Indian promoter ownership fell at a six-month high pace of 71bps QoQ to an 18-quarter low of 28.6%, foreign promoter share rose by 21bps QoQ to 6.4%, more than reversing the dip seen in the previous quarter. Government ownership (promoter as well as non-promoter) also increased by 27bps QoQ to a 19-quarter high of 7.4%, primarily led by Industrials, thanks to the inclusion of Bharat Electronics (Govt. share: 51.1%) in the Nifty50 Index.

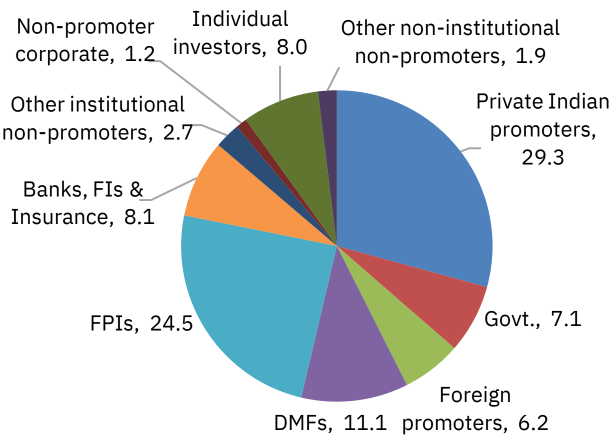
Promoter ownership in Nifty 50 dipped marginally to 42.1%, solely led by decline in private Indian promoter ownership, while that of other promoter categories saw a marginal increase.

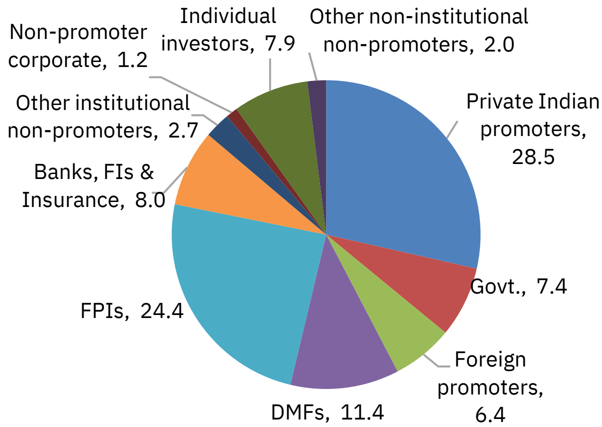
Institutional ownership rose again, led by record DMF inflows: After dropping over the previous four quarters, institutional share in the Nifty 50 universe increased in the first quarter of FY25 and continued the trend in the second quarter, rising by 24bps QoQ to a five-quarter high of 46.6%. This rise was mainly driven by DMFs, with their ownership in Nifty50 companies increasing by 28 bps QoQ to a new all-time high of 11.4%, marking the fifth increase in a row. Strong DMF flows into Indian equities, backed by robust SIP inflows, were instrumental in this growth. Other institutional categories, however, saw their share remaining broadly steady in the September quarter. While FPI share remained fairly unchanged at a 47-quarter low of 24.4%, ownership of banks, financial institutions & insurance saw their share dropping by a modest 5bps QoQ to 8.03%, remaining around these levels for over nine quarters now.

DMF ownership rose by 28bps QoQ to a record 11.4% in the September quarter, supported by strong SIP inflows, while FPI share remained broadly unchanged at a 47-quarter low of 24.4%.

Individual investors' ownership in Nifty50 companies fell marginally to a 15-quarter low: Overall ownership of individual investors fell for the fourth quarter in a row by 9bps QoQ to a 15-quarter low of 7.9%. Sector-wise, Consumer Discretionary saw a notable increase, rising to 10.4% from 9.9% while Financials and Healthcare witnessed a decline. That said, individuals' non-promoter direct ownership in Nifty50 companies remains relatively evenly distributed across sectors. In value terms, individuals' holding in NSE listed companies rose by 7.9% QoQ to Rs 16.5 lakh crore.

Figure 36: Nifty 50: Ownership pattern by total market cap (%)





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

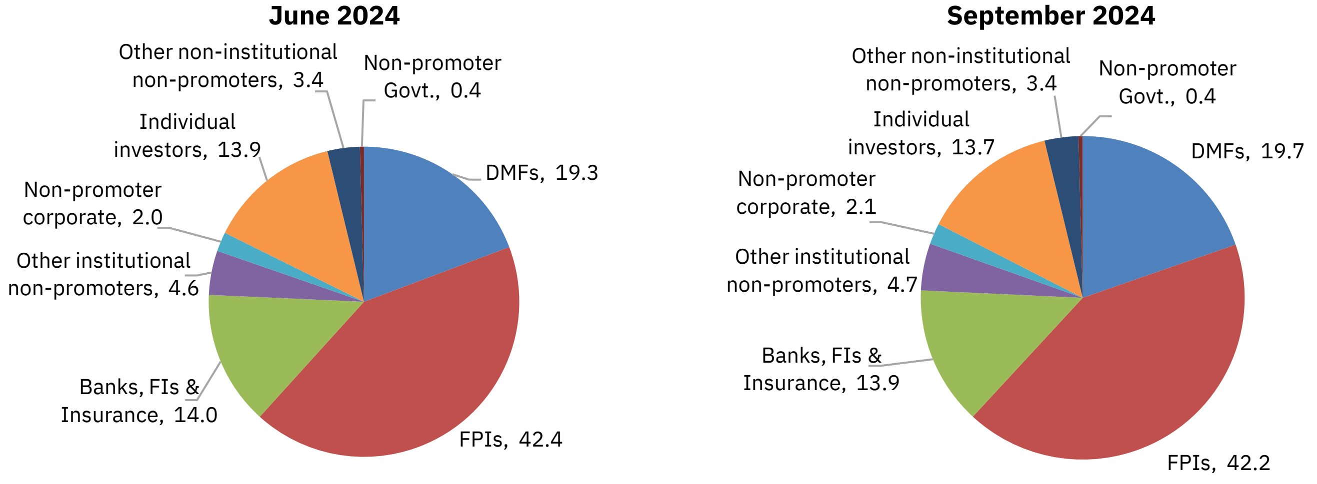
Table 7: Nifty 50: Ownership trend across key stakeholders by total market cap over the last three years

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual investors	Others*
Dec-21	32.4	5.1	6.1	8.5	5.9	25.9	2.6	8.3	5.2
Mar-22	32.5	5.1	5.7	8.9	6.1	25.4	2.6	8.5	5.2
Jun-22	31.3	5.3	6.5	9.4	6.5	24.8	2.7	8.6	4.9
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
QoQ change	*-71bps*	*27bps*	*21bps*	*28bps*	*-5bps*	*-4bps*	*6bps*	*-9bps*	*7bps*

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 reached a record high in Nifty50 floating stock: In terms of the floating stock, overall institutional ownership in the Nifty 50 universe reached an all-time high of 80.4% in the quarter ending September 2024, rising by a modest 10 bps QoQ during the quarter. This was yet again primarily led by an increase in DMF ownership for the fifth quarter in a row. DMF share in the Nifty50 companies rose by 40bps QoQ to a fresh all-time high of 19.7% in the September quarter, translating into total increase of 1.2pp in the first half of the fiscal and is up 5.9pp from the post-pandemic low of 13.8% in March 2021. Conversely, FPIs ownership fell for the third consecutive quarter by 24bps QoQ to 42.2%, the lowest level in last 13 years. The share of Banks, Financial Institutions, and Insurance companies also saw a reduction of 14bps QoQ to 13.9% and continued to hover in a tight range of 14% +/- 10 bps over the last nine quarters. Individual investors' share in the Nifty50 floating stock fell by 21bps QoQ to a 19-quarter low of 13.7%, mimicking the drop seen in the previous quarter, and is now 1.3pp below the post pandemic high of 15% in Jun'22.

Figure 37: 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 8: Nifty 50: Ownership trend across key stakeholders by free float market cap over last the three years

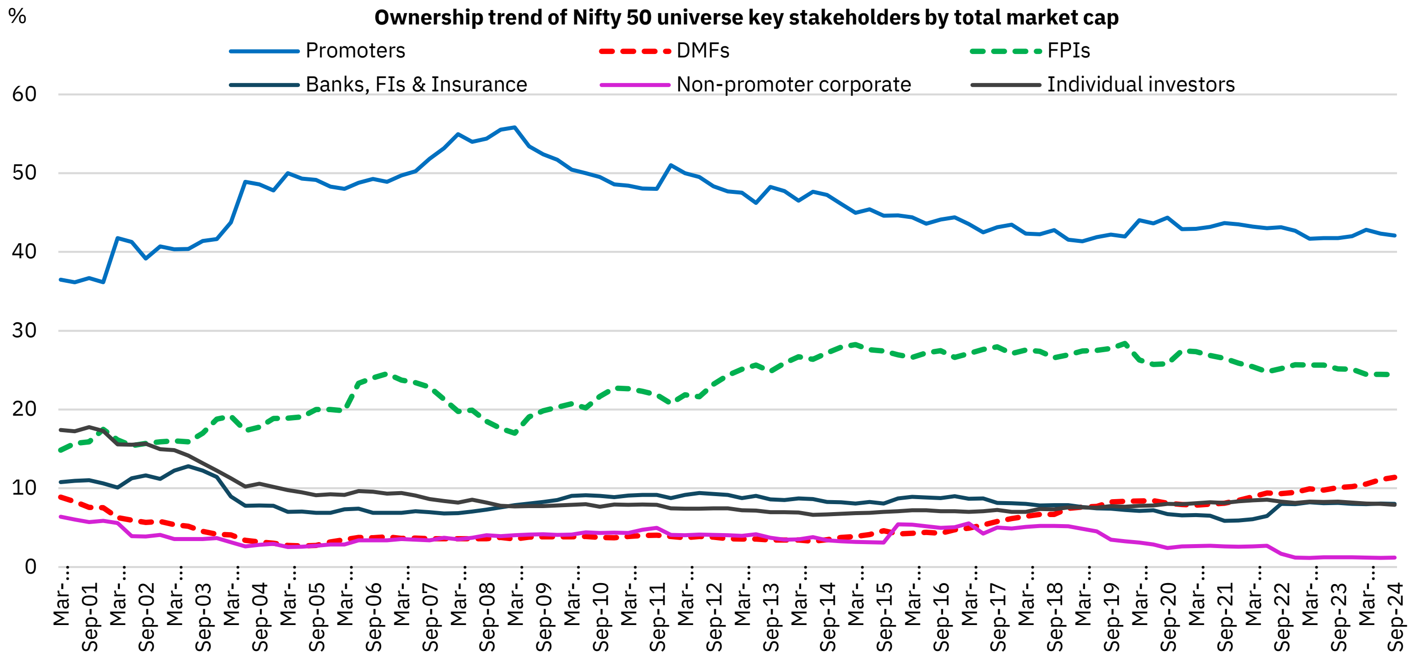
%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investors	Others**
Dec-21	15.0	10.4	45.8	4.6	14.8	9.4
Mar-22	15.7	10.7	44.8	4.6	14.9	9.3
Jun-22	16.5	11.4	43.5	4.8	15.0	8.8
Sep-22	16.4	14.1	44.3	3.0	14.6	7.7
Dec-22	16.5	13.9	44.8	2.1	14.2	8.4
Mar-23	17.1	14.1	44.0	2.0	14.3	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
QoQ change	*40bps*	*-14bps*	*-24bps*	*9bps*	*-21bps*	*9bps*

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

Long-term ownership trend of the Nifty 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 23+ 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 has been steadily rising over the last eight years, barring a modest drop over the last few quarters.

Figure 38: 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 39: Total promoter ownership trend of the Nifty 50 universe by total market cap

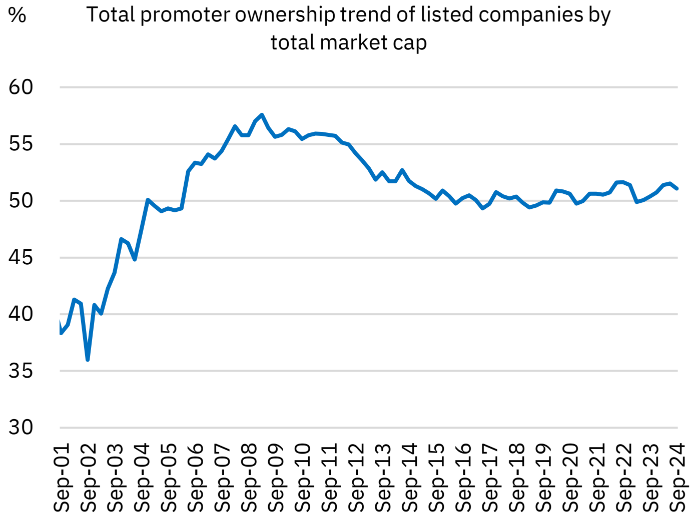
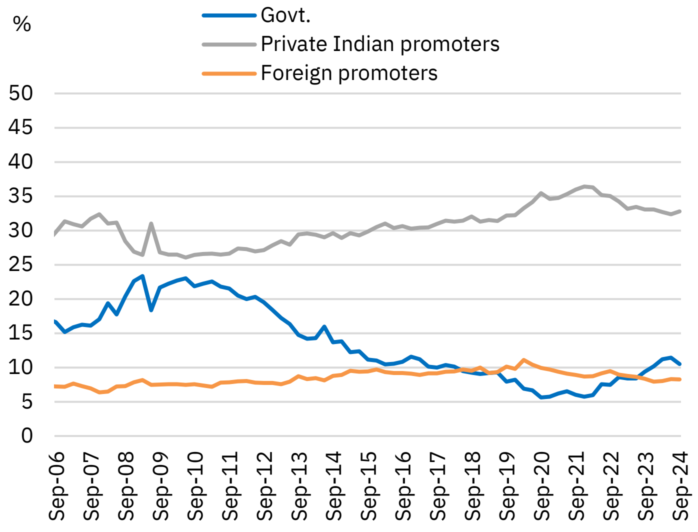


Figure 40: Indian and foreign promoter ownership trend of the Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 41: DMF ownership trend of Nifty 50 universe by total market cap

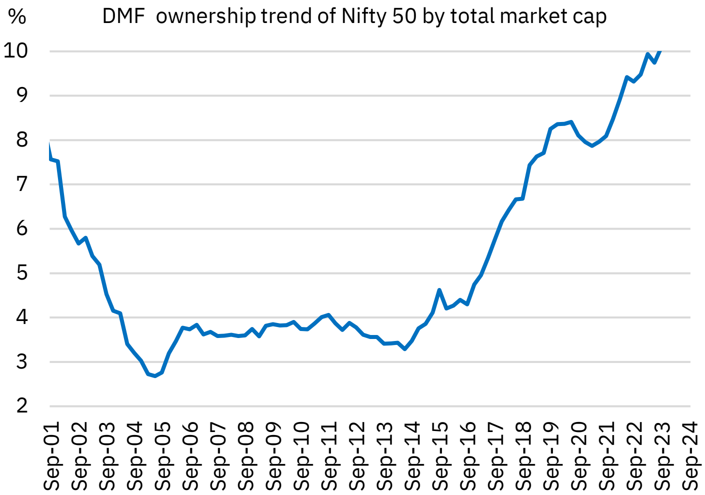
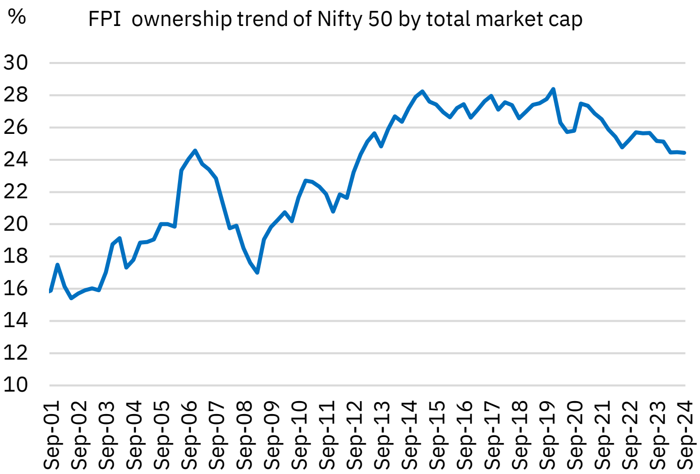


Figure 42: FPI ownership trend of Nifty 50 universe by total market cap



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

Figure 43: Banks, FIs & Insurance ownership trend of Nifty 50 universe by total market cap

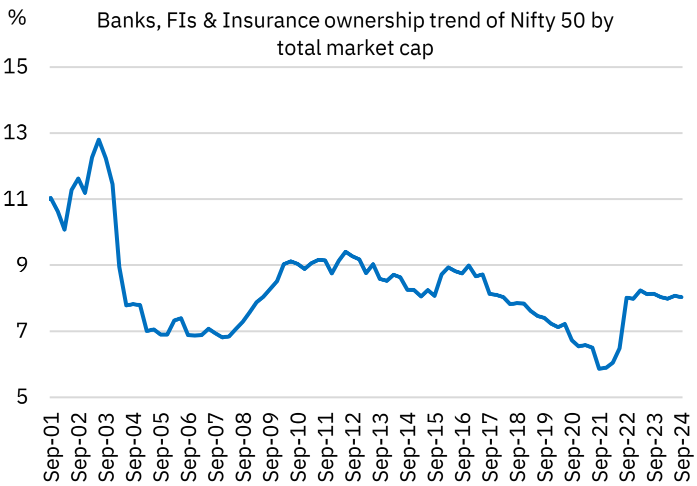
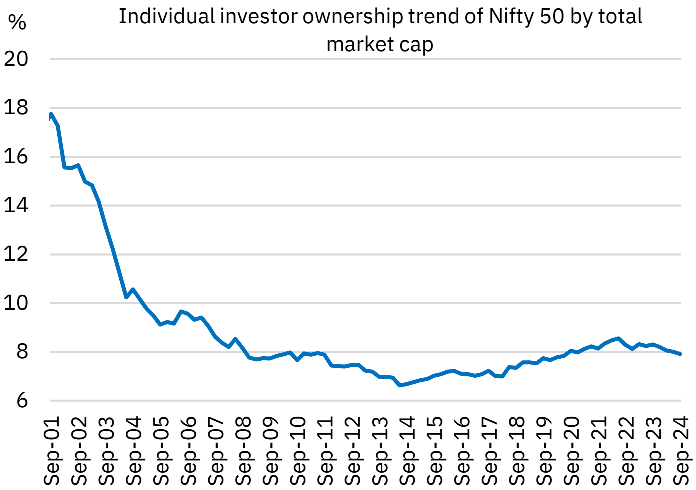


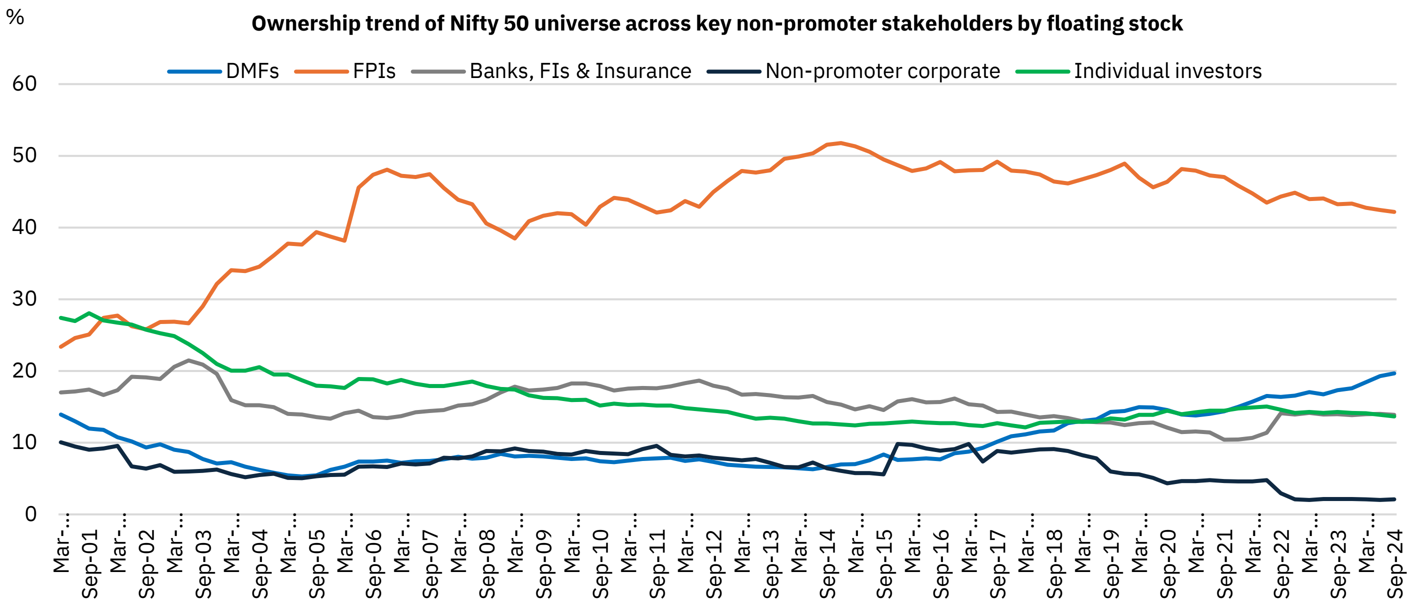
Figure 44: Retail ownership trend of Nifty 50 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Our long-term ownership analysis on the free float market cap of the Nifty 50 Index also shows that DMF ownership is currently at the highest ever level of 19.3%, while FPI ownership is nearly 9.4 pp lower than the peak of 51.8% seen in December 2014.

Figure 45: 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 46: DMF ownership trend of the Nifty 50 universe by free float market cap

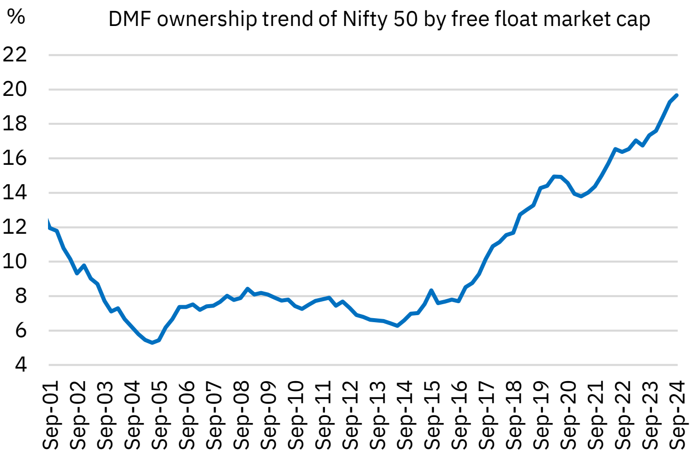
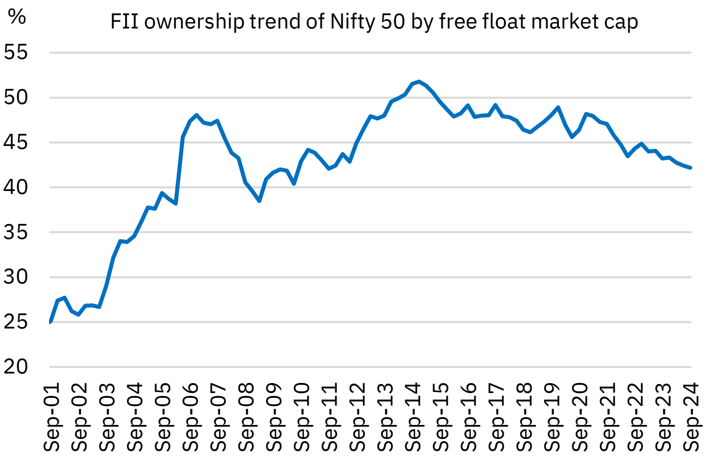


Figure 47: FPI* ownership trend of the Nifty 50 universe by free float market cap



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

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

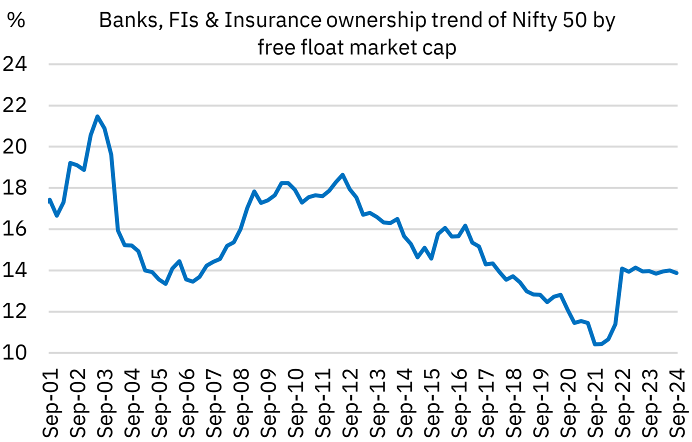
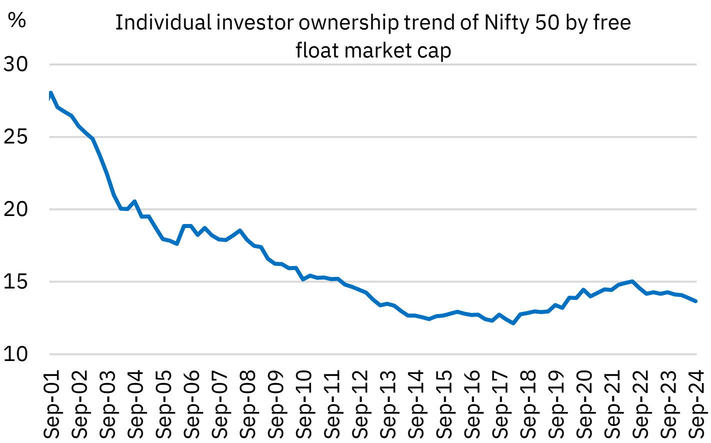


Figure 49: Individual ownership trend of the Nifty 50 universe by free float market cap



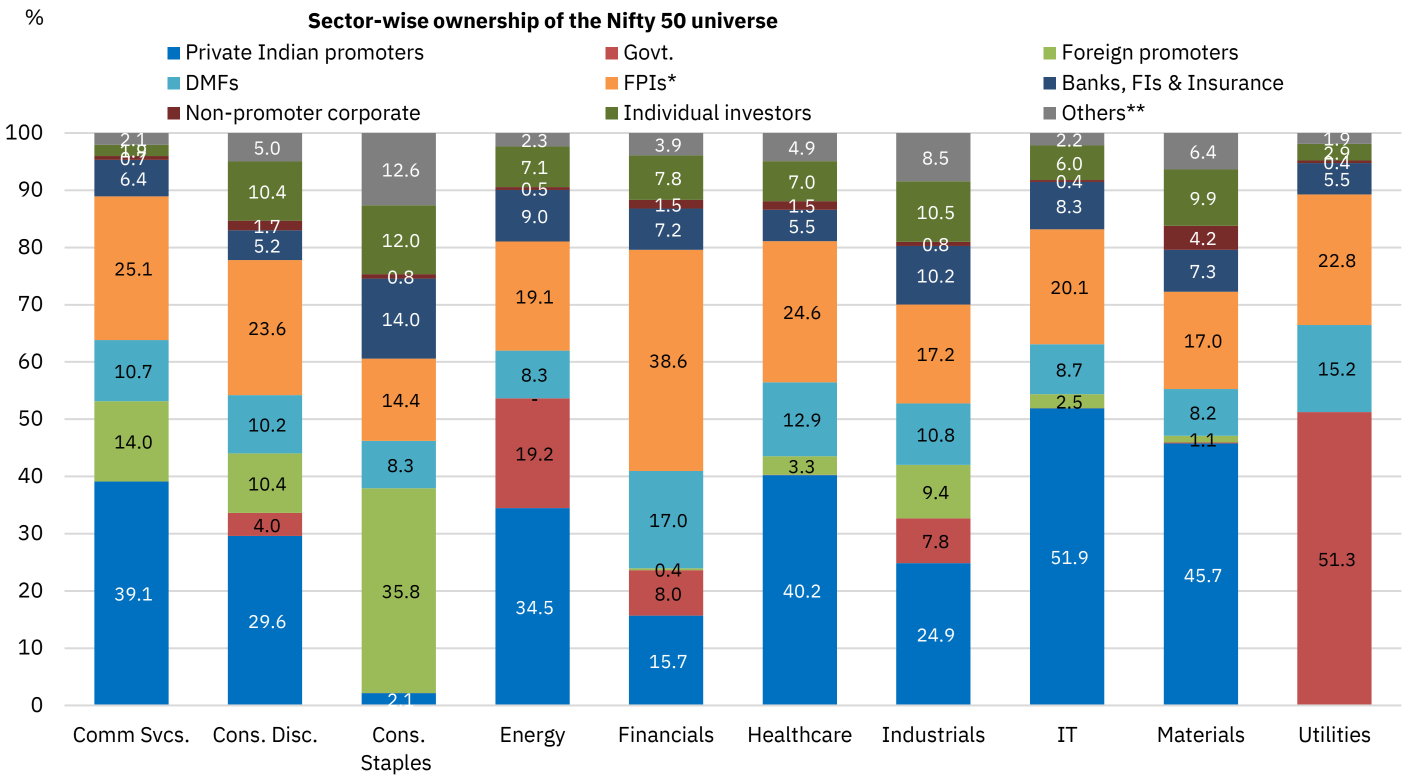
Source: CMIE Prowess, NSE EPR.

Sector-wise ownership of the Nifty 50 universe (September 2024): In the quarter ending September 2024, Information Technology within the Nifty 50 universe had the highest promoter ownership of 54.4%, down 158bps QoQ. This is followed by Communication Services at 53.1% (-10bps QoQ), Energy at 52.2% (+29bps QoQ) and Utilities at 51.2%. Utilities remained the top sector in terms of Government share within the Nifty 50 Index at 51.2%, followed by Energy at 19.2% (+200bps QoQ) and Financials at ~8% (-101bps QoQ).

Financials maintained their top position in terms of DMF ownership at an all-time high of 17% in the September quarter. Utilities stood second at 15.2% (+16bps QoQ), followed by Healthcare at 12.9% (-49bps QoQ), Communication Services at 10.7% (-30bps QoQ) and Consumer Discretionary at 10.2% (+40bps QoQ).

After witnessing a rise in the previous quarter, the share of FPIs in aggregate market cap of Financials within the Nifty 50 universe fell by 10bps QoQ to 38.6% in the September quarter, remaining the sector with the highest FPI share across all sectors. Communication Services took the second position at 25.1% (+45bps QoQ), taking the FPI share to the highest level since Mar'20. Besides Financials and Communication Services, other sectors that saw a significant increase in FPI ownership included Healthcare (+161bps QoQ to 24.6%) & Information Technology (+132bps QoQ to 20.1%). This came at the expense of Energy (-73bps QoQ to 19.1%), Industrials (-50bps QoQ to 17.2%) and Consumer Discretionary (-41bps QoQ to 23.6%).

Figure 50: Nifty 50: Sector-wise ownership pattern across key stakeholders (September 2024)



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

Sector allocation of the Nifty 50 universe for key shareholders (September 2024): The table below shows the sector allocation for key stakeholders in Nifty 50 companies as of September 2024. The concentration of Government ownership in Financials, Energy and

Utilities sectors came down significantly, falling by 6.8pp QoQ to 86.6% in the Nifty 50 universe, thanks to inclusion of a PSU company (Bharat Electronics) in the Nifty 50 Index in the quarter gone by. Accordingly, Government allocation to Industrials within the Nifty50 Index rose from 0.08% to 7.0% in the quarter ending September 2024.

For foreign promoters, consumption-oriented sectors viz., Consumer Staples and Consumer Discretionary, and Industrials accounted for 78.4% of their exposure to the Nifty50 Index, down 72bps QoQ. Information Technology accounted for the highest 20.1% share in the overall promoter holding in Nifty 50 companies despite an 81bps QoQ drop, followed by Energy at 16.9%, Financials at 13.8% and Consumer Discretionary at 11.9%.

In the case of institutional investors, DMFs' portfolio allocation to Financials and Energy within the Nifty50 Index dropped by 245bps and 89bps QoQ to 36.1% and 10% respectively, higher than the decline in the DMF share seen in these sectors in the overall listed universe. FPIs' portfolio allocation to Financials within the Nifty 50 universe also witnessed a sharp decline of 165bps QoQ to over eight-year low of 38.3% while maintaining the top sector, followed by Energy that saw a decline of 155bps QoQ to a 25-quarter low of 10.7%. Reduced allocation to these sectors for both FPIs and DMFs was taken up by consumption-oriented sectors and to some extent Information Technology, partly reflecting the impact of relative outperformance shown by these sectors in the quarter gone by. Individual investors' portfolio remained relatively more diversified with similar allocation towards Energy, Consumer Discretionary, Consumer Staples and Information technology.

Table 9: Sector allocation of the Nifty 50 universe for key stakeholders (September 2024)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	6.8	0.0	10.9	4.7	5.1	4.0	2.9	1.2
Consumer Discretionary	11.8	6.2	18.5	10.1	10.9	7.4	15.5	14.8
Consumer Staples	0.7	0.0	50.3	6.5	5.3	15.6	5.7	13.6
Energy	16.5	35.4	0.0	10.0	10.7	15.3	5.6	12.2
Financials	13.3	26.1	1.3	36.1	38.3	21.7	30.5	23.7
Health Care	5.5	0.0	2.0	4.4	3.9	2.7	4.8	3.4
Industrials	5.8	7.0	9.7	6.3	4.7	8.4	4.2	8.8
Information Technology	28.3	0.0	6.0	11.9	12.8	16.0	5.0	11.8
Materials	11.4	0.2	1.3	5.1	4.9	6.4	24.5	8.9
Utilities	0.0	25.3	0.0	4.8	3.3	2.5	1.3	1.3
Grand Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

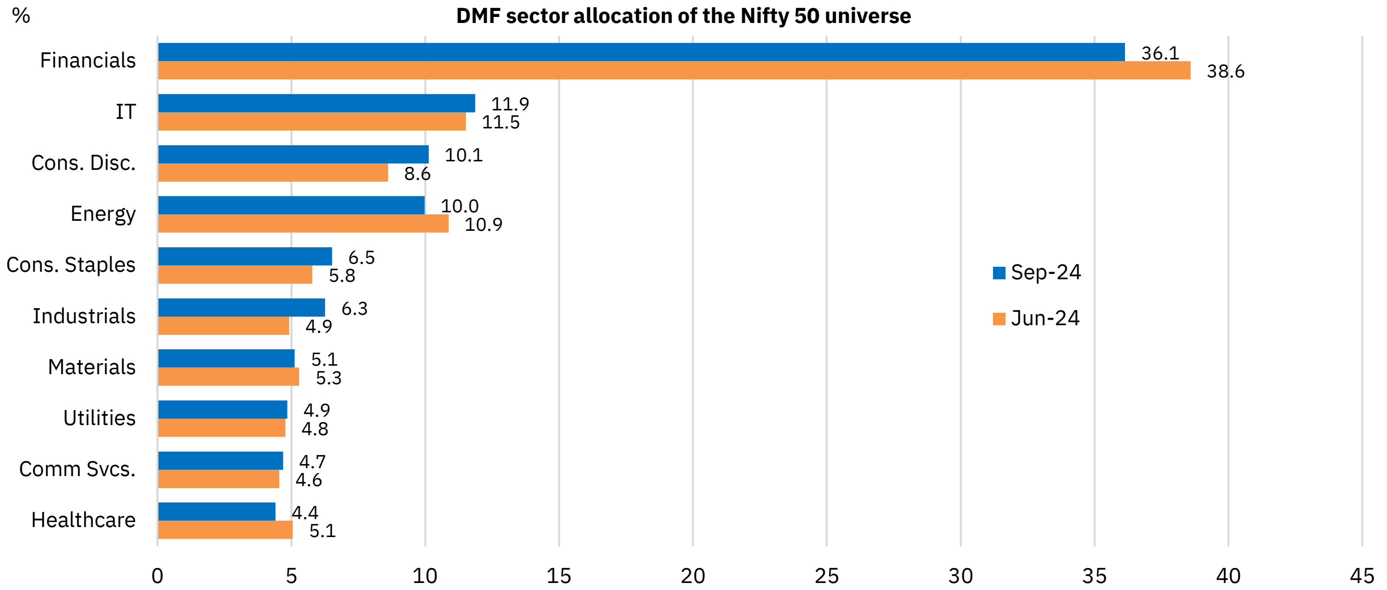
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

DMFs significantly reduced their outsized bet on Financials: DMFs trimmed their outsized bet on Financials while retaining the OW stance for the 15th quarter in a row, followed by marginal reduction in exposure to Healthcare for the fourth quarter in a row, moving from a mildly OW stance in the previous quarter to a neutral in the September quarter. DMFs, on the other hand, turned incrementally positive on Industrials, turning neutral on the sector after remaining cautious over the previous eight quarters. Besides Financials, Utilities is the only sector where DMFs have retained an OW position for seven years now. Notwithstanding an increased portfolio allocation to consumption-oriented sectors in the quarter gone by, DMFs maintained a negative view on both Consumer

DMFs trimmed their OW stance on Financials, while remaining negative on India's consumption theme, and commodities.

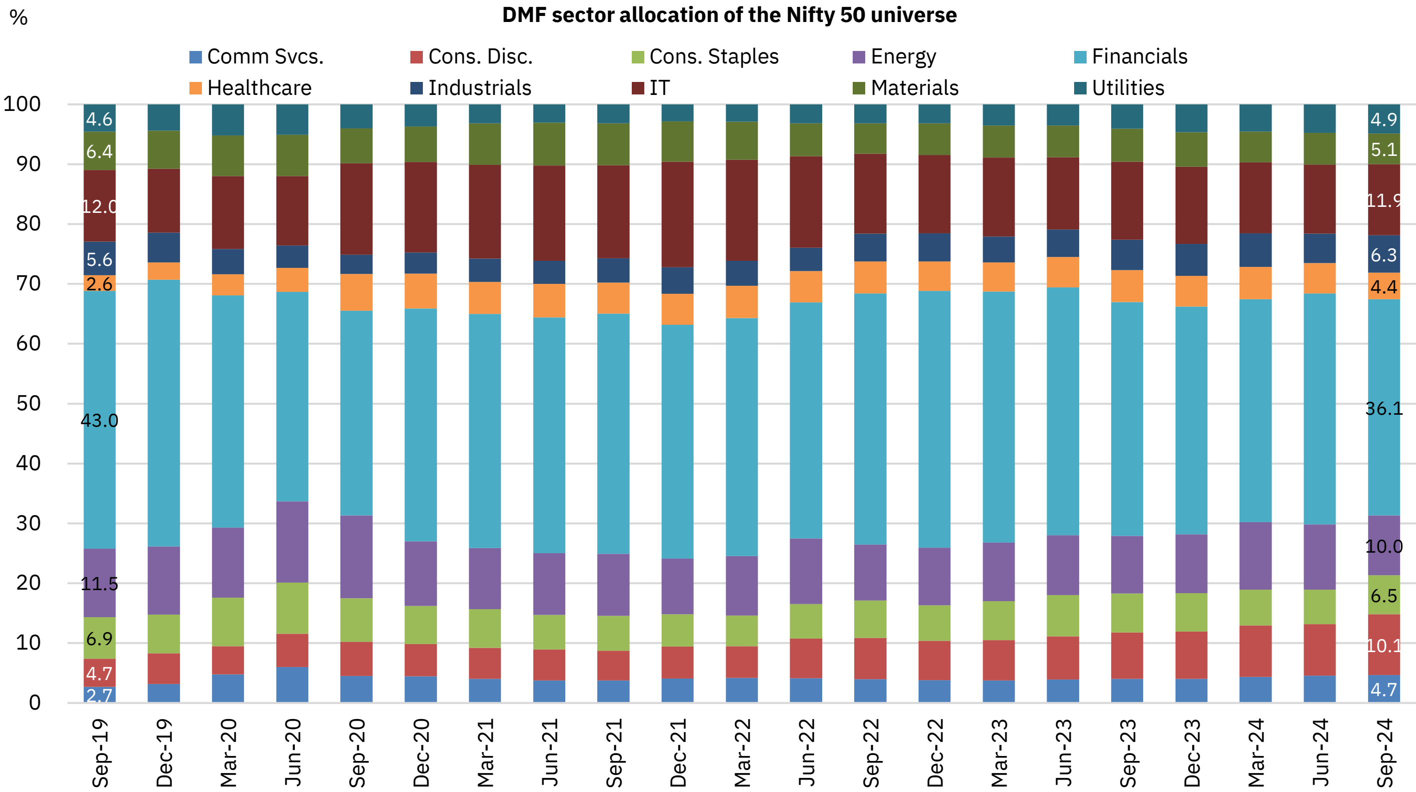
Discretionary and Consumer Staples, with a strong UW position on the latter. This indicates that the increase in portfolio allocation to these sectors was primarily on the back of strong returns generated by these in the September quarter. Among other sectors, DMFs trimmed their UW stance on Energy and Information Technology and remained negative on Materials.

Figure 51: DMF sector allocation of the Nifty 50 universe (September 2024 vs. June 2024)



Source: CMIE Prowess, NSE EPR.

Figure 52: DMF sector allocation of the Nifty 50 universe over the last five years



Source: CMIE Prowess, NSE EPR.

Figure 53: DMF sector allocation vs sector weight in Nifty 50 (September 2024)

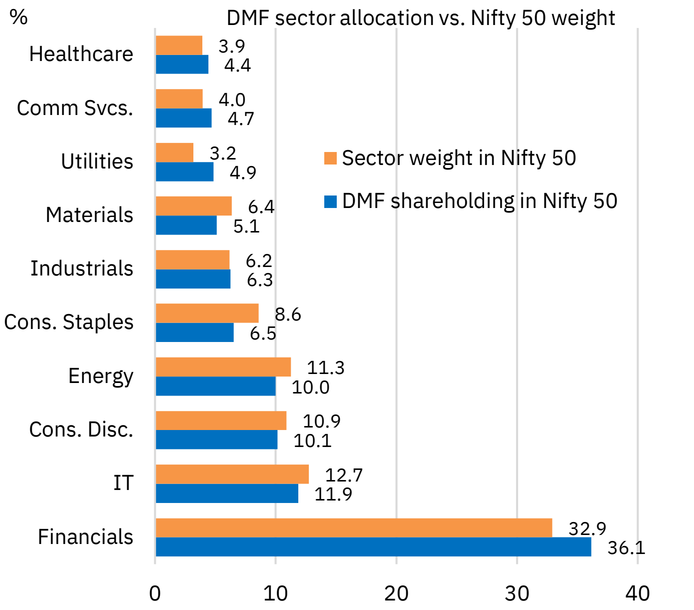
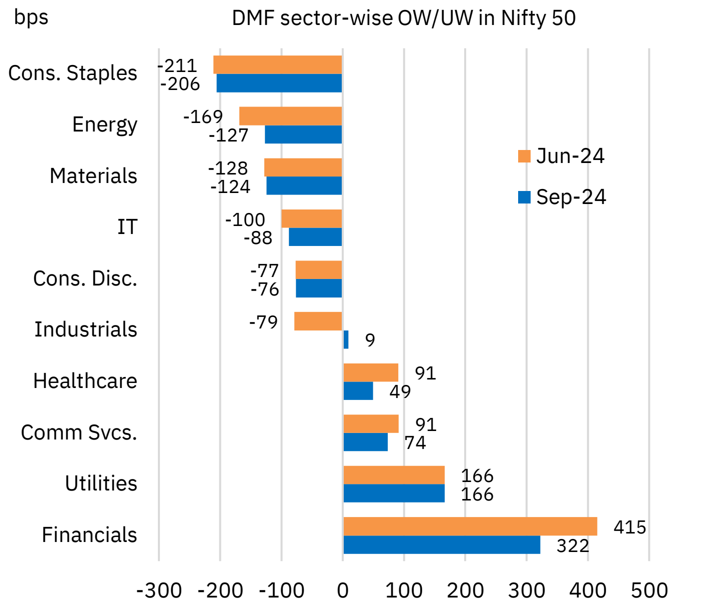
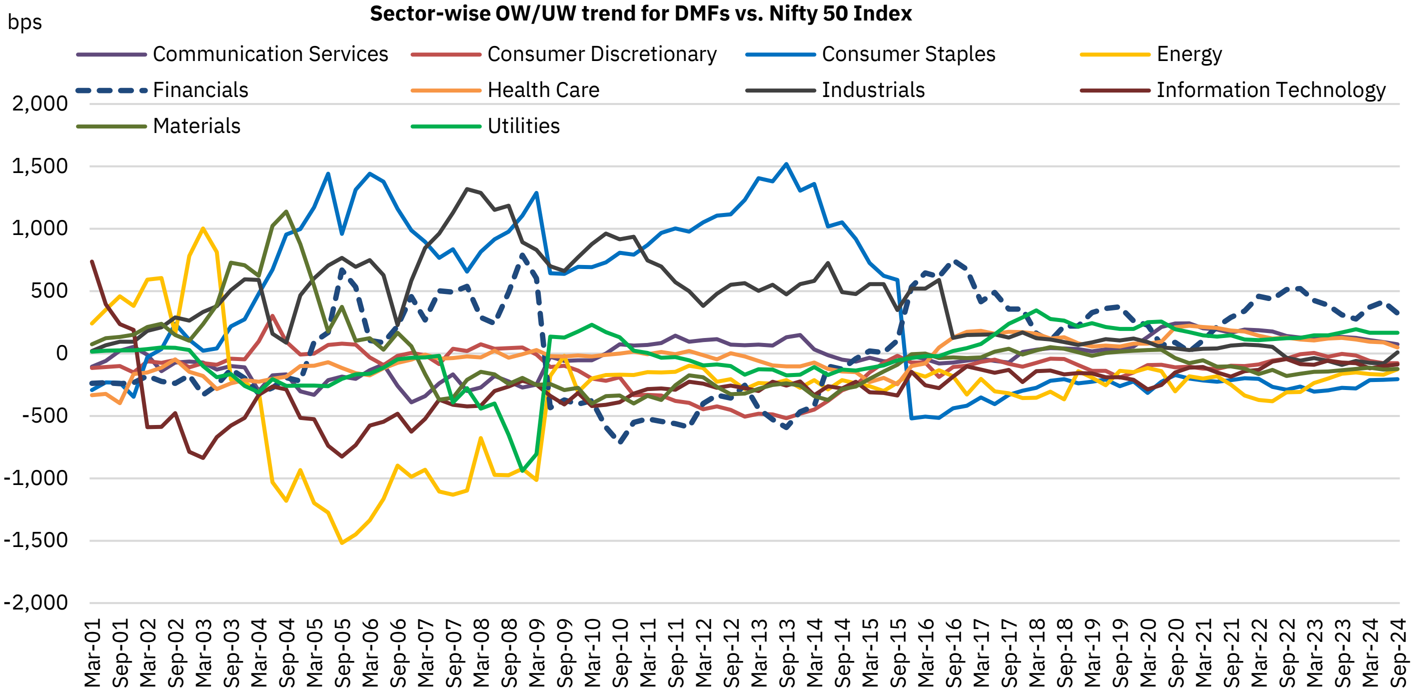


Figure 54: DMF sector-wise OW/UW in Nifty 50 relative to sector weight in the index (September 2024)



Source: CMIE Prowess, NSE EPR.

Figure 55: DMF vs Nifty 50—Sector-wise OW/UW trend (bps)

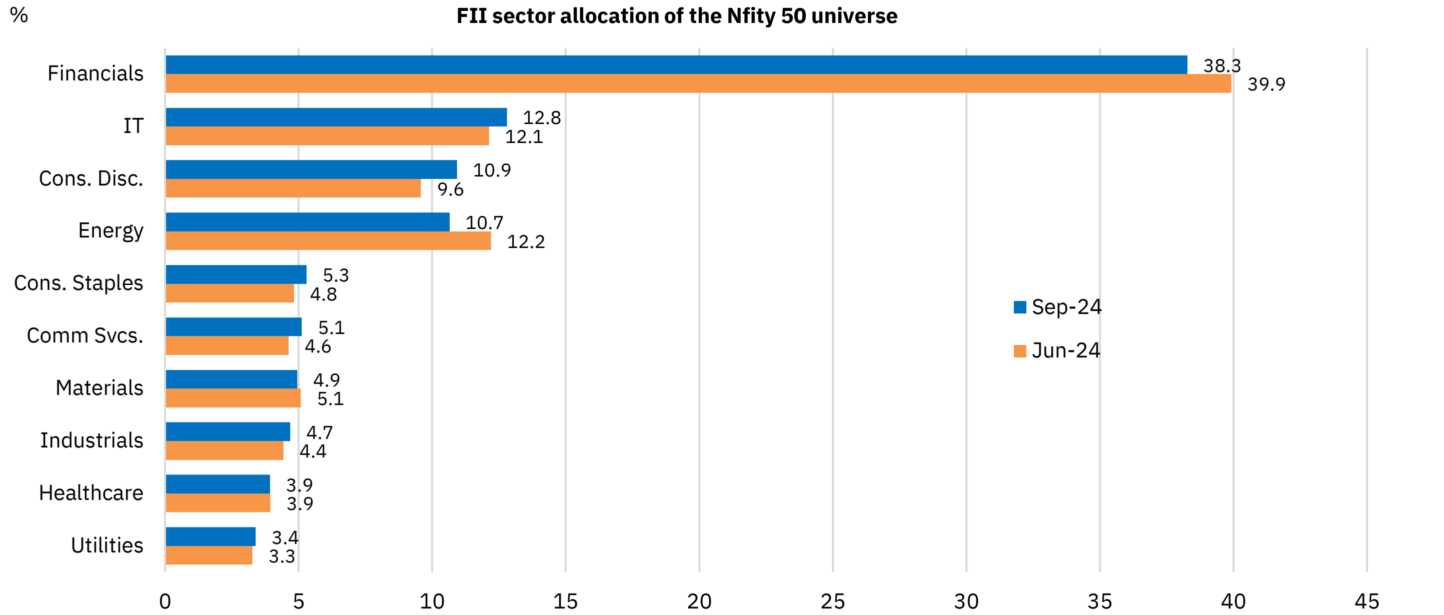


Source: CMIE Prowess, NSE EPR.

FPIs turned OW on Communication Services, reduced OW on Financials, and remained UW on Consumer Staples, Materials, and Industrials.

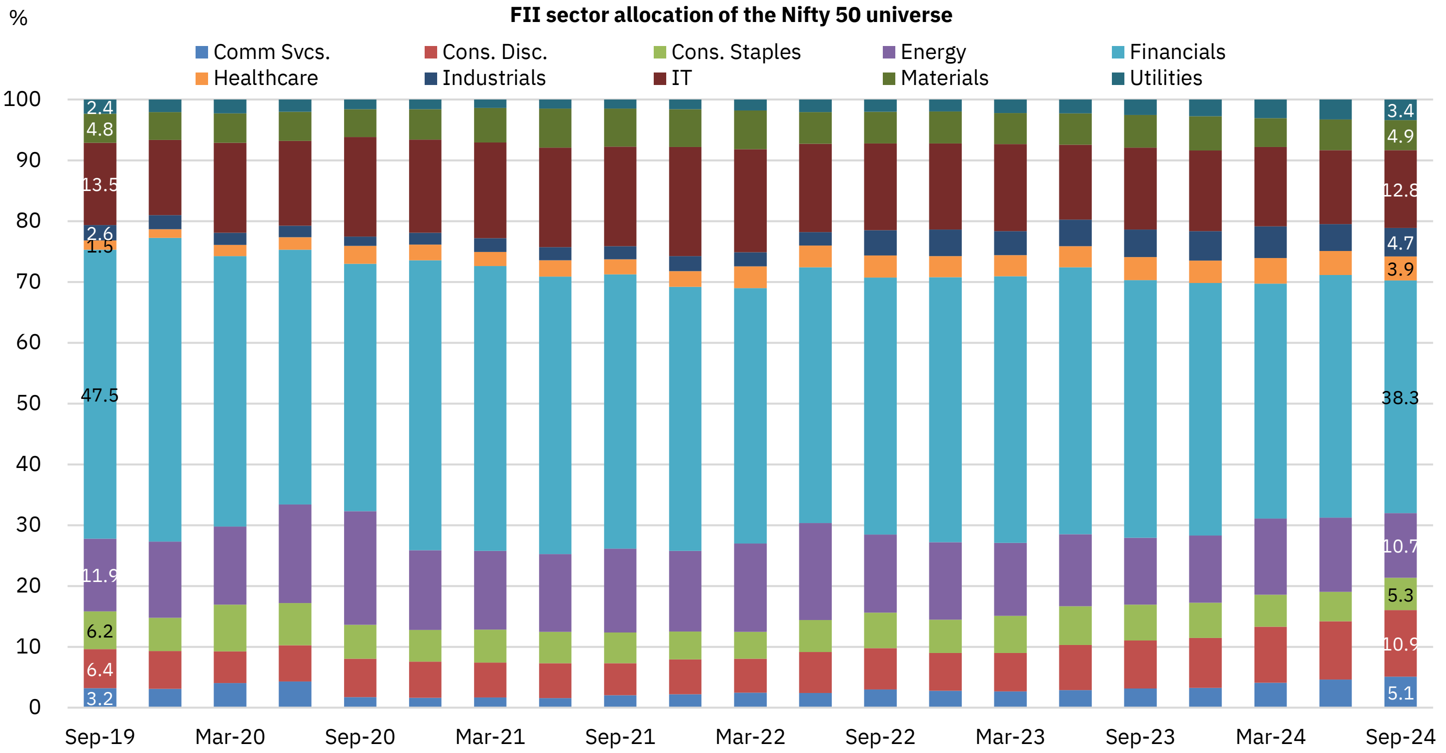
FPIs turned OW on Communication Services after 26 quarters while strengthening their negative view on Consumer Staples and Industrials: After maintaining a neutral stance for 26 consecutive quarters, FPI turned OW on Communication Services. For other sectors, FPIs largely upheld their previous views: an outsized OW position on Financials, a strengthened UW stance on Consumer Staples and Industrials, and continued negative positioning on Materials. FPIs maintained a neutral outlook on Consumer Discretionary, Healthcare, Energy, Information Technology, and Utilities. Notably, throughout the entire analysis period (2001-present), FPIs have consistently held an UW position on Consumer Staples, as well as an UW to neutral stance on Materials and Industrials.

Figure 56: FPI sector allocation of the Nifty 50 universe (September 2024 vs. June 2024)



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

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



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

Figure 58: FPI sector allocation vs sector weight in Nifty 50 (September 2024)

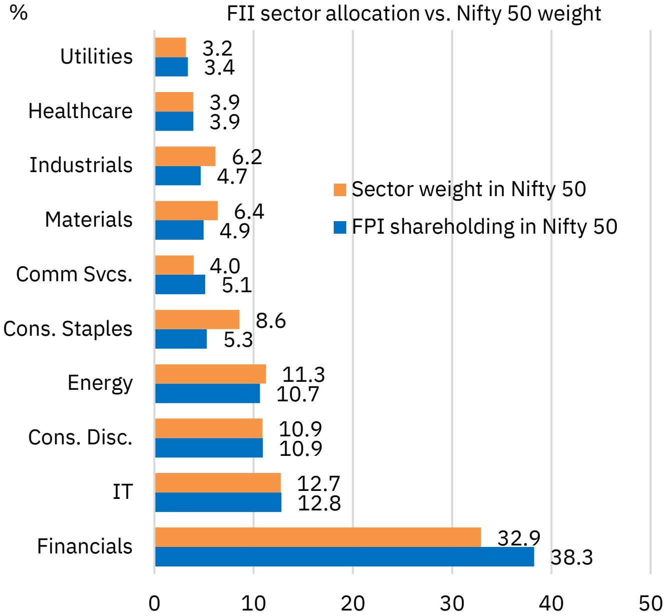
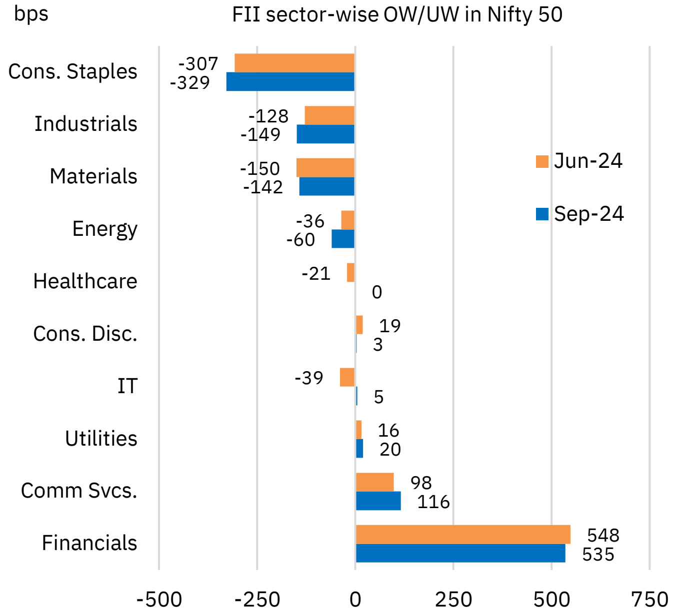
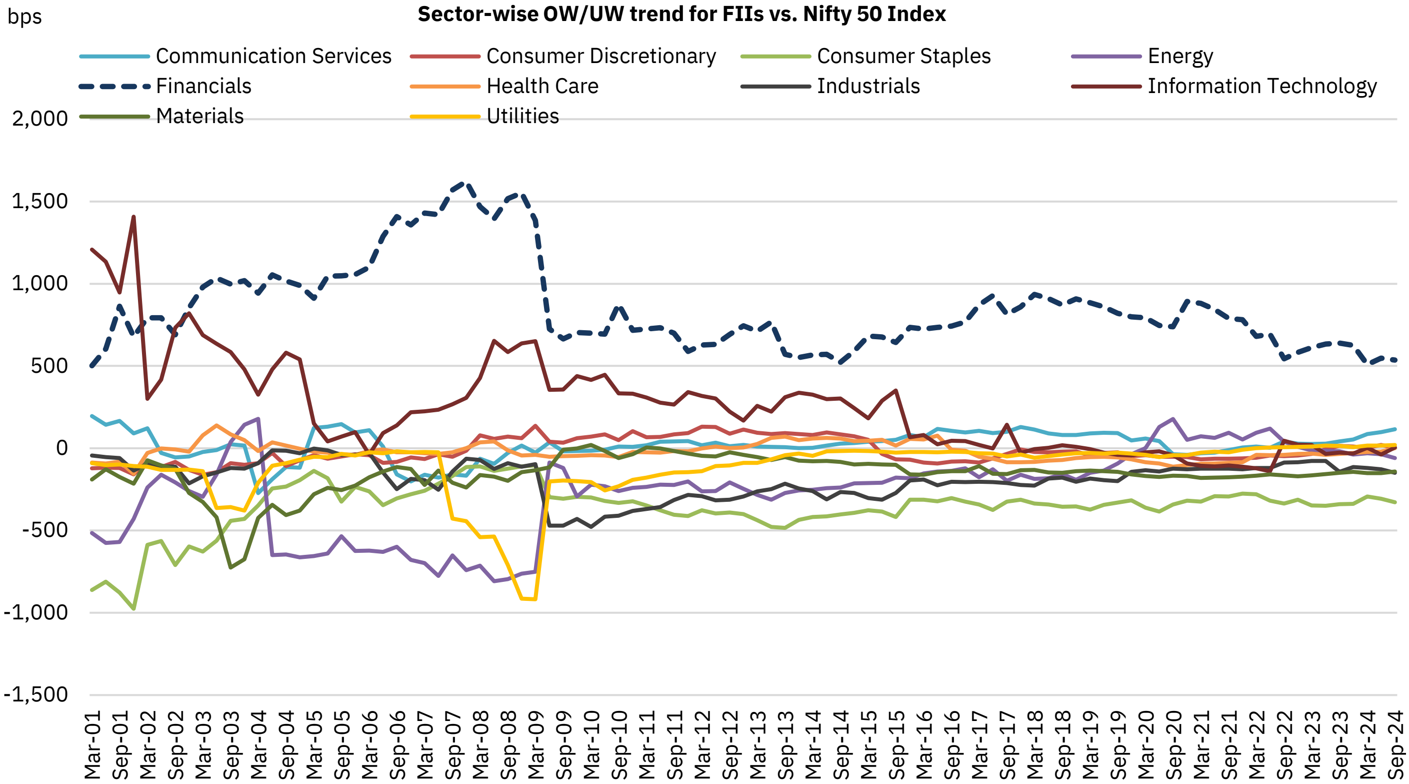


Figure 59: FPI sector-wise OW/UW in Nifty 50 relative to sector weight in the index (September 2024)



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

Figure 60: 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 (September 2024)

Total promoter stake in the Nifty500 universe fell marginally to 50.5% in Sept'24 led by Government share and partially off-set by private Indian and foreign promoters.

Promoter shareholding marginally lower than the previous quarter: In line with the broader listed universe, the total promoter ownership in the Nifty500 universe moderated by 45bps QoQ to 50.5% in the September quarter, marking the first sequential decline in six quarters. This moderation has been primarily led by a fall in Government ownership by 81bps QoQ to 11.3%, partly offset by a modest increase in private promoter ownership. Private Indian promoter share rose by 17bps QoQ to 31.2% in the September quarter, solely led by an increase in individual promoter share for the third quarter in a row (+24bps QoQ to 5.4% as of September 2024), while non-individual promoter share in Nifty500 companies fell marginally to a 23-quarter low of 25.8%. Individuals' share in total holdings of private Indian promoters improved to a four-quarter high of 17.2%, albeit lower than 21% in the overall listed universe but much higher than 6.8% in the Nifty50 universe. Foreign promoter ownership also rose by a modest 12bps QoQ to a five-quarter high of 8.5%. Excluding the Nifty500 companies, the NSE listed universe witnessed a steep 2.4pp increase in the private Indian promoter ownership to a 17-quarter high of 48.8%.

Government shareholding declined to a three-quarter low: Government ownership (promoter and non-promoter) in the Nifty500 companies declined by 81bps QoQ to a three-quarter low of 11.3% after surging to a 30-quarter high in the previous quarter. This decline is partly attributed to the underperformance of Government-owned companies in the quarter gone by. In absolute terms, the government ownership has exhibited a notable increase of 151.9% during the last two years (Sept'22 — Sept'24) because of the public issue of LIC in FY23 and relative outperformance of PSUs until the June quarter.

FPI ownership rose on the back of strong inflows: After declining for four consecutive quarters to a 12-year low in the June quarter, the FPI ownership rose by 13bps QoQ to 18.9% in the quarter ended September 2024. A part of this was aided by surge in FPI net investments into Indian equities in the quarter gone by, amounting to a total of US$ 11.6 bn during the quarter. That said, the increase has been modest, partly reflecting the impact of weaker returns generated by Financials during the quarter where FPIs are big holders. In absolute terms, the ownership has grown by 8.5% QoQ, marking an improvement for the sixth consecutive quarter.

DMF ownership in the Nifty 500 universe reached fresh all-time high of 9.9% in the Sept'24 quarter.

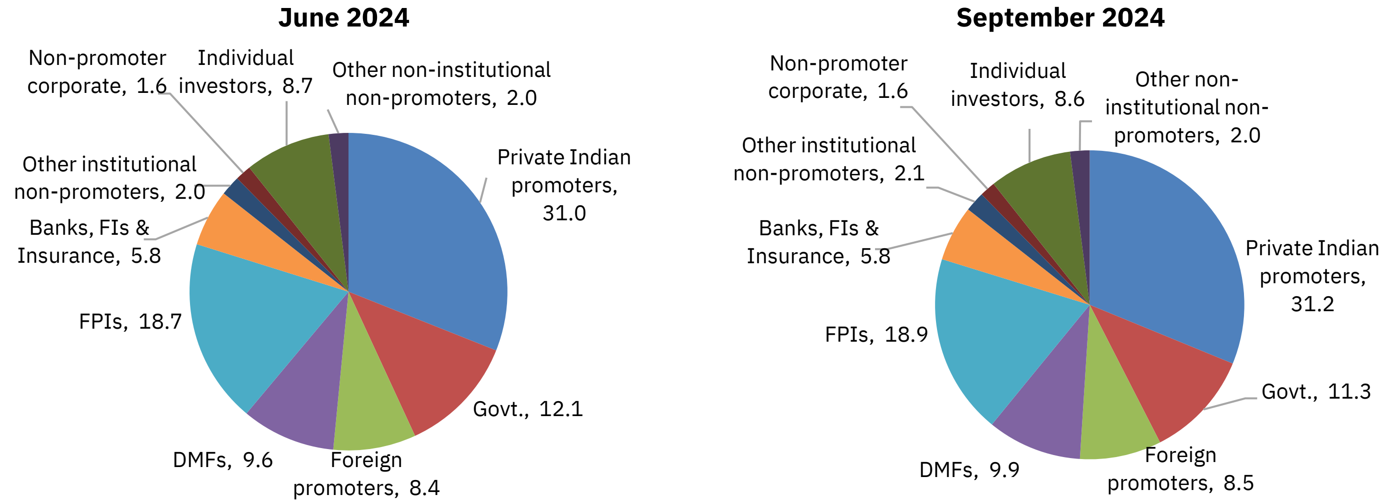
Fresh record highs scaled by DMF ownership: In continuation with its upward trajectory for sixth consecutive quarter, the DMF share in the Nifty500 universe rose by 33bps QoQ to an all-time high of 9.9% in the September'24 quarter. Sustained buying by DMFs — amounting to Rs 89,335 crore in Q2FY25 — in the light of continued indirect participation by individuals via the SIP route has helped DMFs gain market share over the last many quarters. In value terms, DMFs' portfolio in Nifty500 companies has risen by 11.5% QoQ and 59.2% in the last 12 months.

Individual investors' direct ownership as non-promoters declined marginally by 7bps QoQ to 8.6%.

Individual investors' ownership in the Nifty500 universe declined marginally: The direct holding of individual investors as non-promoters in the Nifty500 universe fell by 7bps to a seven-quarter low of 8.6% in the September quarter. This is higher than 7.9% owned by individuals in the Nifty50 Index, but lower than 9.6% in the all-listed universe. Adding direct holding as promoters, individuals owned about 14% directly in Nifty500,

+17bps higher than the previous quarter and this is notably higher than the ownership in the Nifty50 universe of 9.8% while lower than the all-listed universe of 16.5%.

Figure 61: Nifty 500: Ownership pattern by total market cap (%)



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

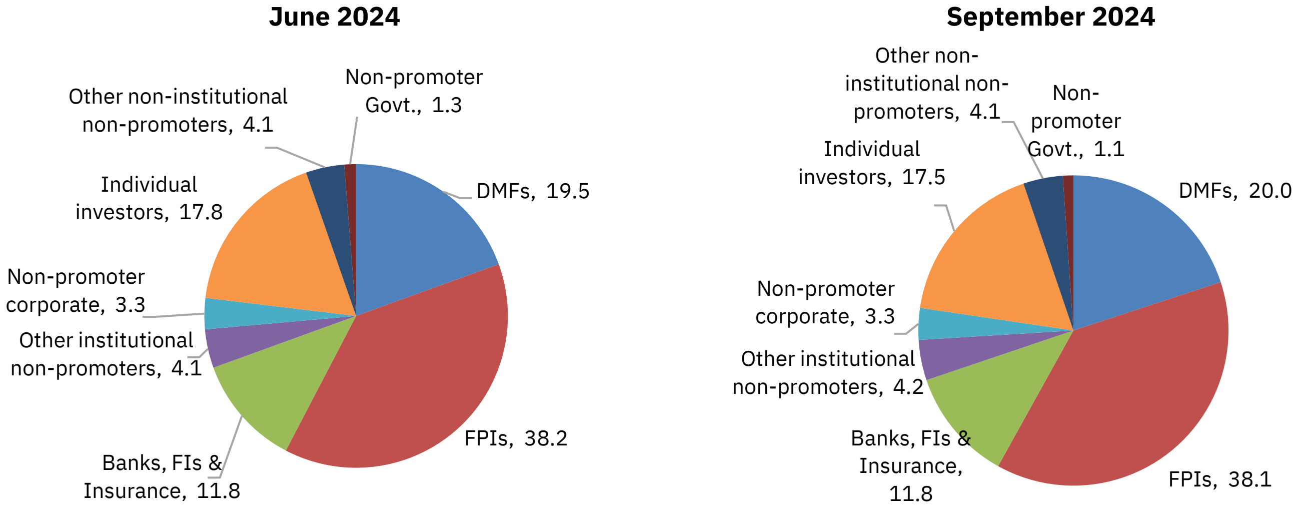
Table 10: Nifty 500: Ownership trend across key stakeholders by total market cap over last the three years

%	Private Indian promoters	Govt.	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others**
Sep-21	35.3	6.2	8.9	7.5	4.6	21.5	2.9	8.8	4.2
Dec-21	35.8	6.0	8.8	7.8	4.6	20.9	2.8	9.0	4.3
Mar-22	35.5	6.2	8.6	8.0	4.7	20.2	3.4	9.1	4.4
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	32.4	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	31.4	11.7	8.2	9.4	6.0	19.0	1.7	8.6	4.1
Jun-24	31.0	12.1	8.4	9.6	5.8	18.7	1.6	8.7	4.0
Sep-24	31.2	11.3	8.5	9.9	5.8	18.9	1.6	8.6	4.1
QoQ change	*17bps*	*-81bps*	*12bps*	*33bps*	*3bps*	*13bps*	*1bp*	*-7bps*	*9bps*

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.

In terms of floating stock, FPI share in the Nifty500 universe declined further for the third consecutive quarter to a 57-quarter low of 38.1% as of end-September'24. Conversely, the share of DMFs in the floating stock improved by 49bps QoQ to scale a peak of 20% for the quarter ending September, marking the fifth increase in a row. The direct ownership of non-promoter individual investors in the free-float market capitalization moderated by 31bps QoQ to 17.5% while the share for banks, financial institutions and insurance remained broadly unchanged at a nine-quarter low of 11.8% in the quarter ended September 2024.

Figure 62: 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 11: Nifty 500: Ownership trend across key stakeholders by free float market cap over the last three years

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Sep-21	15.1	9.3	43.2	5.8	17.6	8.9
Dec-21	15.6	9.4	42.0	5.6	18.2	9.2
Mar-22	16.0	9.4	40.4	6.8	18.2	9.3
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	17.6	12.2	39.6	3.3	17.1	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	19.1	12.1	38.6	3.4	17.4	9.5
Jun-24	19.5	11.8	38.2	3.3	17.8	9.5
Sept-24	20.0	11.8	38.1	3.3	17.5	9.4
QoQ change	49bps	-5bps	-8bps	1bps	-31bps	*-4bps*

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

Long-term ownership trend of the Nifty 500 universe: Overall promoter ownership in Nifty 500 has also seen a steady decline since 2009 until March 2019, albeit at a slower pace than the Nifty 50 Index, entirely led by a sharp dip in Government ownership, while the share of private Indian promoters has significantly increased during this period. Promoter share, however, has been inching up since 2019, barring a dip in FY23, aided by higher Indian promoter share—with public share rising after the LIC listing and private share falling since 2021 onwards, while foreign share has remained steady. In the recent four quarters, the promoter share has consistently remained above the 50% mark.

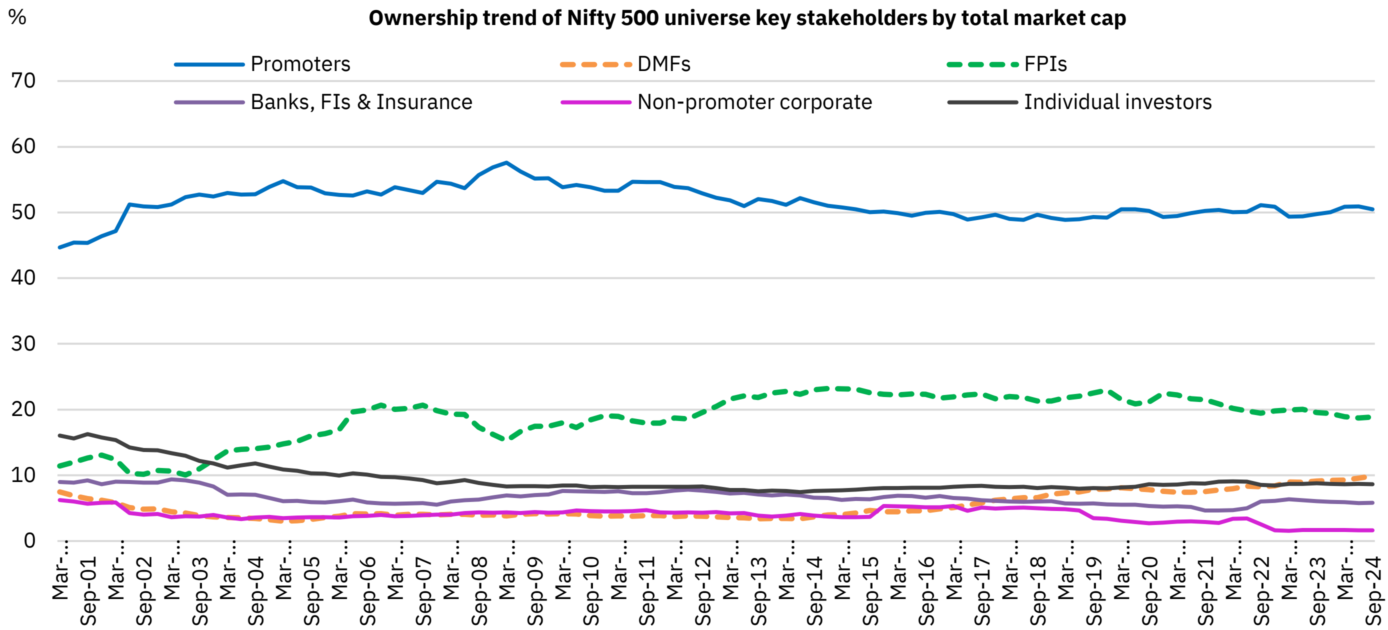
FPI ownership in Nifty 500 saw a steady rise post the GFC until 2015, hovered in the 21-23% range until 2021 only to drop moderately after that.

DMF share in Nifty 500 has scaled its peak of 9.9% in Sept'24.

DMF ownership in Nifty 500 saw a gradual increase beginning 2014 to reach the highest level in the last two decades by December 2019. The fiscal year FY21, however, saw some dip in DMF share, partly reflecting moderation in SIP inflows post the COVID-19 pandemic as well as high redemption pressures. This, however, was more than reversed in the subsequent years, thanks to a surge in retail inflows via the SIP route and the DMF share scaling a fresh record high in the Sept'24 quarter. FPI ownership in the Nifty 500 universe improved meaningfully post the GFC until 2015 but has since hovered between 21-23% until 2021. FPI share saw a steady decline over the subsequent few quarters only to rise modestly from the end of 2022, weighed by dampened sentiments owing to recurring COVID variants, followed by the Russia-Ukraine war, sky-rocketing inflation, steep rate hikes by global central banks and China slowdown. This led to flight of capital away from riskier asset classes including Indian equities during this period, even as the second half of 2022 onwards saw FPIs coming back until mid-2023. During Sep'23-Jun'24, FPIs pulled back with share dropping to its lowest level of 18.7% since Sep'2012, post which there has been a reversal in trend during the quarter ended Sept'24. 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 has tapered off and has remained below 6% during the previous four quarters.

Individual investor ownership in the Nifty 500 Index fell sharply from the north of 16% in 2001 to sub-8% in 2013, 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 two years. Individual investor ownership (including promoter individuals) has declined from 14.5% in Jun'06 to a low of 11.5% in Jun'13, following which the share peaked at 15% in Dec'21. Since then, ownership has tapered off partially to 14% in Sept'24 led by a decline across both promoters and non-promoters.

Figure 63: 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 64: Total promoter ownership trend of the Nifty 500 universe by total market cap

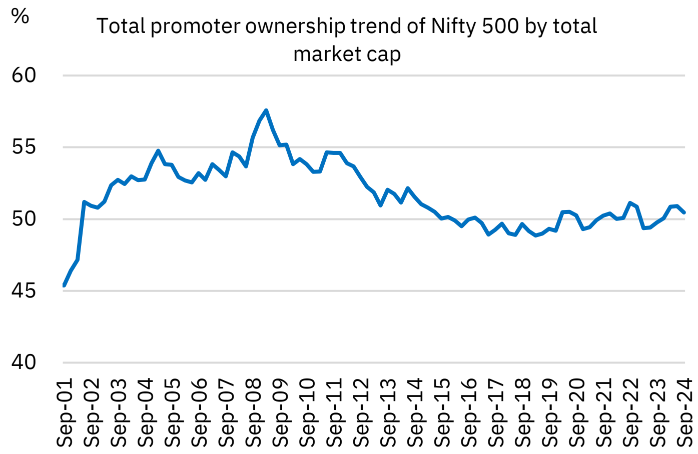
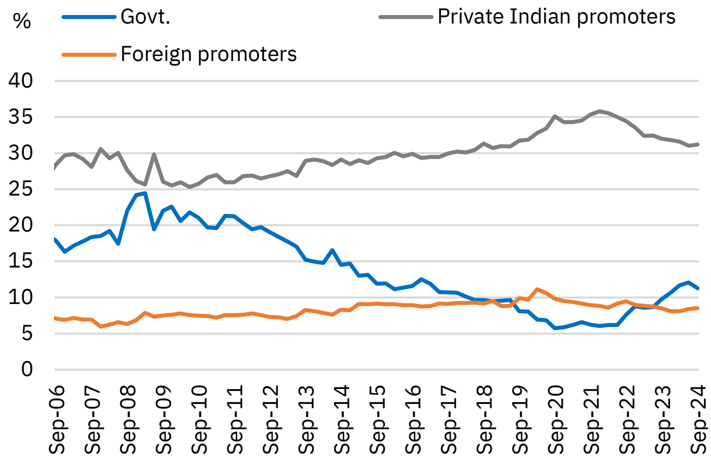


Figure 65: Indian and foreign promoter ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

Figure 66: DMF ownership trend of the Nifty 500 universe by total market cap

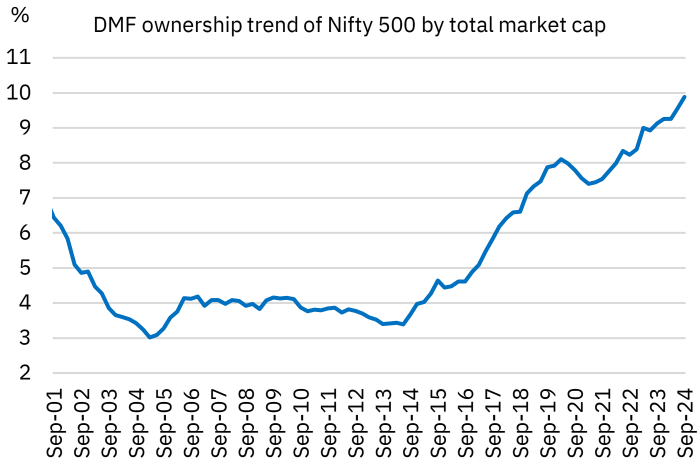
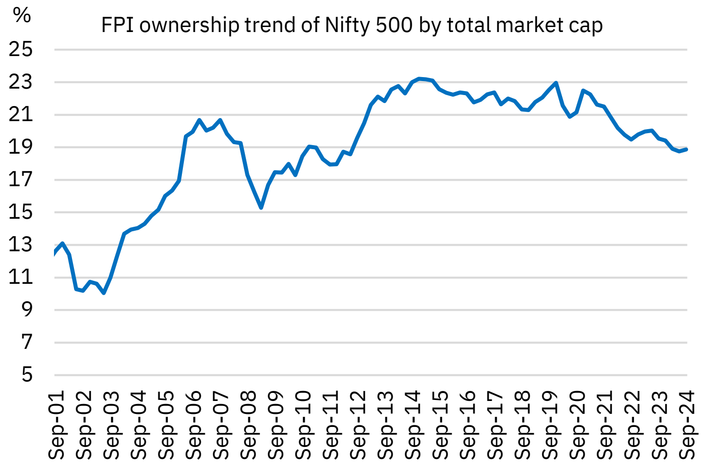


Figure 67: FPI ownership trend of the Nifty 500 universe by total market cap



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

Figure 68: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by total market cap

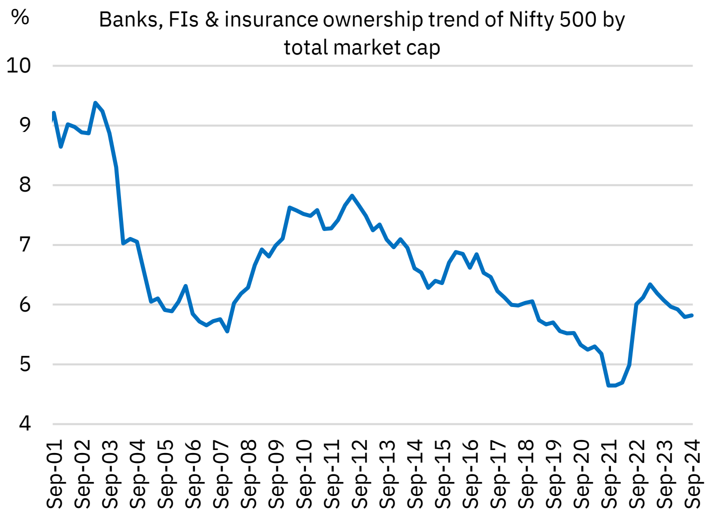
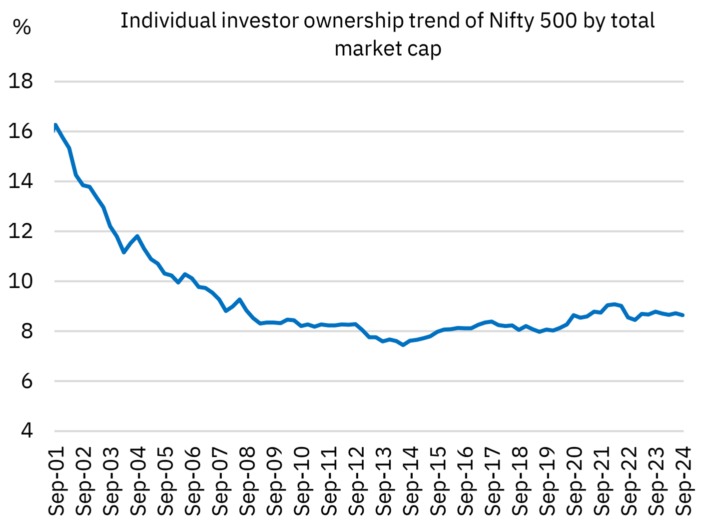


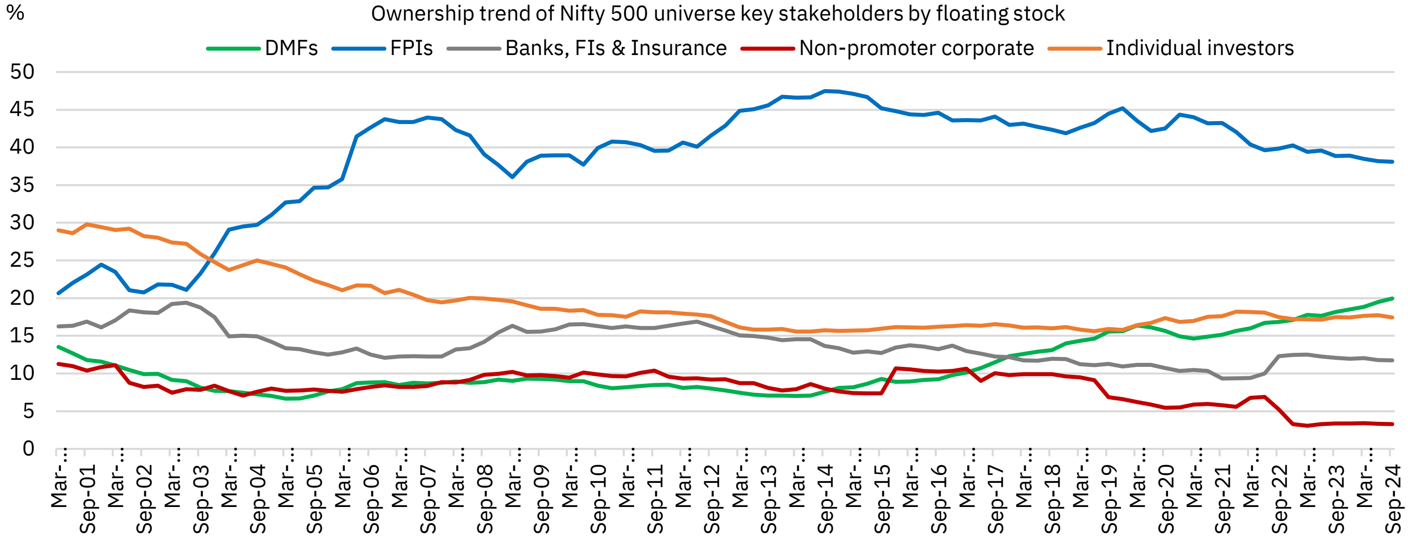
Figure 69: Individual ownership trend of the Nifty 500 universe by total market cap



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 is at a 57-quarter low in Sept'24 — 9.4pp lower than the peak of 47.5% observed in the quarter ending September 2014.

Figure 70: 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 71: DMF ownership trend of the Nifty 500 universe by free float market cap

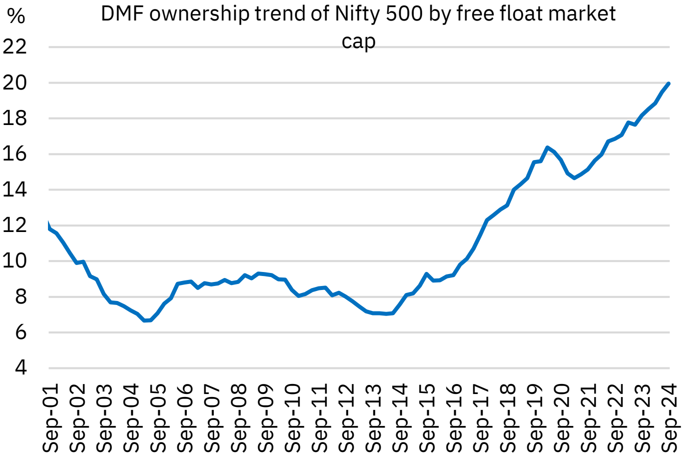
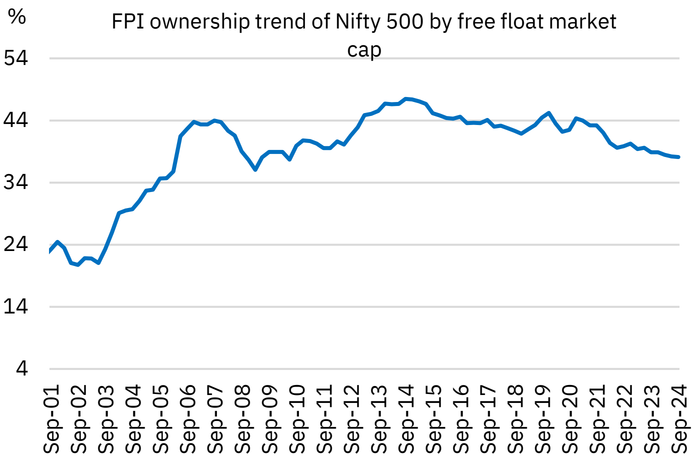


Figure 72: FPI ownership trend of the Nifty 500 universe by free float market cap



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

Figure 73: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by free float market cap

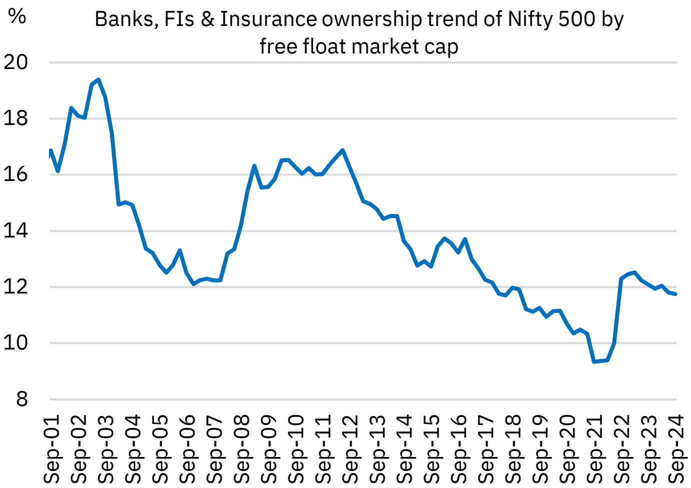
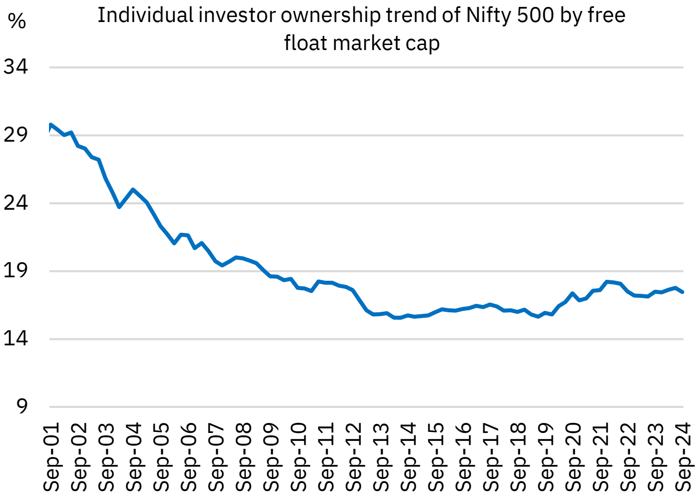


Figure 74: Individual ownership trend of the Nifty 500 universe by free float market cap



Source: CMIE Prowess, NSE EPR.

Sector-wise ownership of the Nifty 500 universe (September 2024): The sector-wise ownership pattern of the NSE-500 universe across key stakeholders in the quarter gone by (July-Sep'24) shows that the Real Estate sector continues to lead in terms of promoter ownership at 64.7% (-89bps QoQ), followed by Utilities at 58.9% (-51bps QoQ), Materials at 55.7% (-37bps QoQ), Industrials at 55.3% (-76bps QoQ), Information technology at 53% (-95bps QoQ) and Communication Services at 52.7% (+1.3pp QoQ). The promoter shareholding in Consumer Discretionary fell for the seventh consecutive quarters to its lowest level of 45.3% since June'2001. The sequential decline in the Information Technology/Real Estate sector has taken the promoter shareholding to a 10-quarter/13-quarter low while the promoter shareholding in the Energy sector has scaled a near five-year high.

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

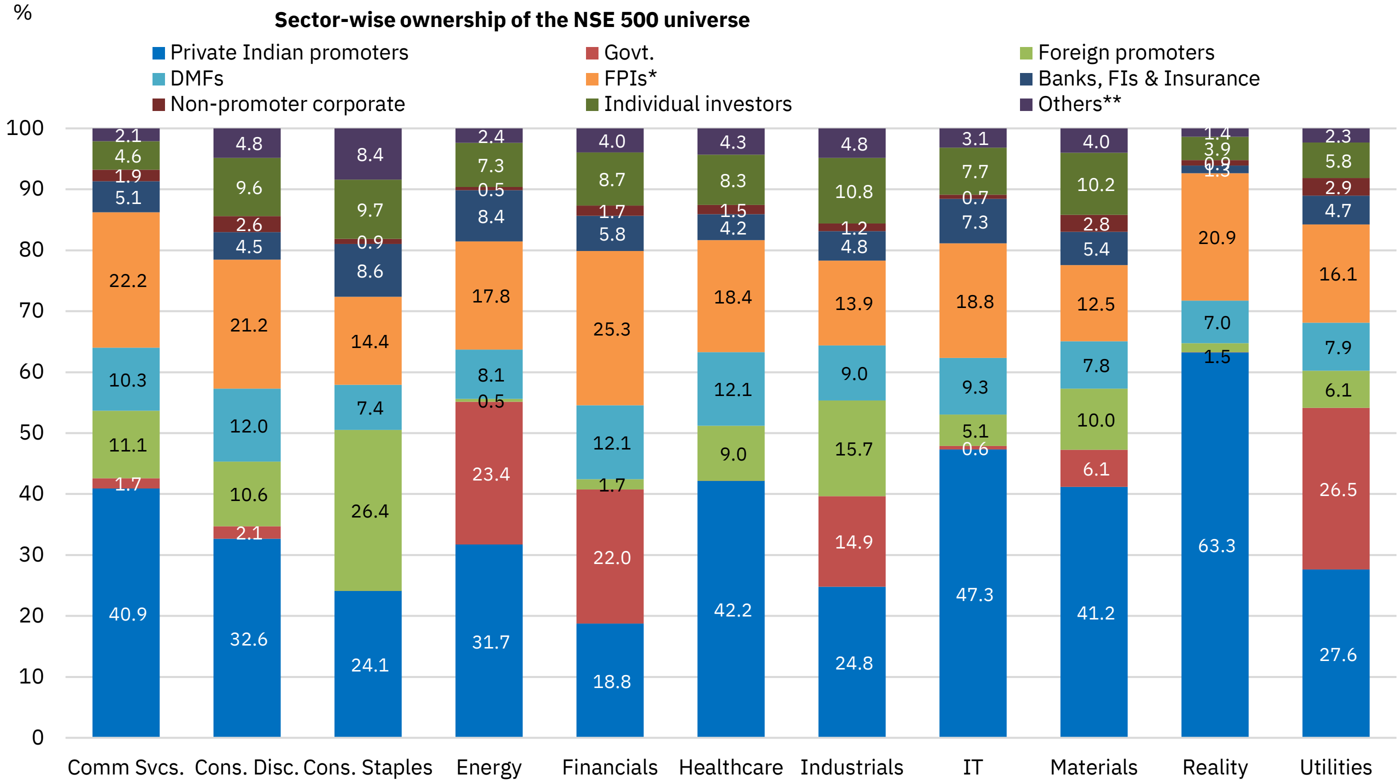
FPIs have remained the biggest non-promoter owners of Financials within the Nifty 500 universe at 25.3%.

Utilities continued to remain the top sector in terms of Government ownership (promoter and non-promoter) at 26.5% (+91bps QoQ) followed by Energy at 23.4% (+2.3pp QoQ) and Financials at 22% (-1.6pp QoQ) as of Sept'24. Importantly, sectors like Communication Services (-1.1pp QoQ), Financials and Industrials (-1.4pp QoQ) have seen a notable sequential decline in the Government ownership in the respective sector while the Government stake in the Utilities sector reached its highest point in four years.

Healthcare and Financials at ~12.1% have the highest DMF share in their respective total market capitalization in the Nifty500 Index, followed closely by the Consumer Discretionary sector at 12% in the Sept'24 quarter. In each of these four sectors—Consumer Discretionary, Financials, Materials and Information Technology—the share of DMFs in their respective aggregate market capitalization is the highest since Mar'01. A renewed interest in the Real Estate sector has propelled the DMF share in this sector's market capitalization to 7%, reaching its highest level since Sept'2006 while a similar trend was observed in the Energy sector, with the share reaching its highest level since June'2002. The largest sequential increase was observed in the Utilities sector (+58bps QoQ), while Communication Services — which had scaled its peak in June'24 — witnessed the sharpest decline of 18bps QoQ.

Financials continue to have the highest FPI share at 25.3% (+2bps QoQ) followed by Communication Services at 22.2% while the FPI share in Consumer Discretionary reached a seven-year high of 21.2%. The largest sequential gains in the FPI share were observed in the Information Technology sector (+70bps QoQ), reaching six-quarter high. The FPI share in the Consumer Discretionary sector has broadened to a seven-year high of 21.2% (+62bps QoQ) while in the Energy sector, the share has declined by 74bps QoQ to a nearly six-year low.

Figure 75:Nifty 500: Sector-wise ownership pattern across key stakeholders (September 2024)



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

Sector allocation of the Nifty 500 universe for key stakeholders (September 2024): The table below shows the sector allocation for key stakeholders in Nifty 500 companies as of Sept'24. Little more than 90% of the Government ownership in the Nifty 500 companies remained concentrated in Financials, Energy, Industrials and Utilities sectors, with the share rising by 58bps QoQ to 91.3% as gains in Energy (+1.8pp QoQ to 16.8%) and Utilities (+1.2pp QoQ to 13.3%) were partly offset by reduced allocation to Financials (-1.3pp QoQ to a nine-quarter low of 45%) and Industrials (-1.3pp QoQ to 16.3%). This was slightly higher than the Government exposure to these four sectors in the overall listed universe (90.3%), but marginally lower than 93.6% in the Nifty 50 Index. Foreign promoters' allocation within the Nifty 500 companies is concentrated in Consumer Staples (25.1%), Industrials (22.6%), Consumer Discretionary (13.4%) and Materials (12%). DMFs and FPIs have the highest allocation in the Financials and Consumer Discretionary sectors, with both sectors accounting for little more than two-fifths of their respective allocation. That said, the allocation of DMFs in Financials is relatively lower at 28.3% (four-year low) vs. 31% (10-year low) for the FPIs while the allocation of DMFs in Consumer Discretionary is at record levels of 13.1%, higher than the FPIs (12.1%). Individual investors have their highest share of allocation in Financials (23.3%), followed by Industrials (15.4%), Materials (12.1%) and Consumer Discretionary (12.1%).

Table 12: Sector allocation of the Nifty 500 universe for key stakeholders (September 2024)

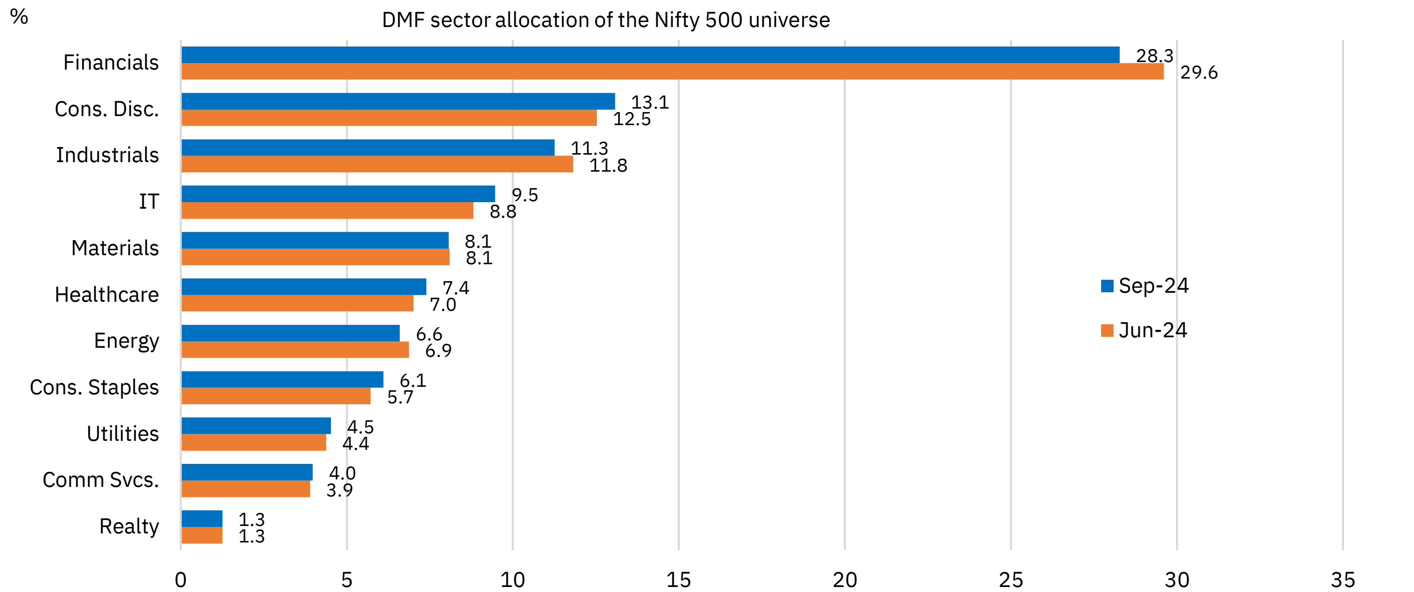
%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	5.0	0.6	4.9	4.0	4.5	3.3	4.5	2.0
Consumer Discretionary	11.3	2.0	13.4	13.1	12.1	8.4	17.4	11.9
Consumer Staples	6.3	0.0	25.1	6.1	6.2	12.1	4.4	9.1
Energy	8.2	16.8	0.5	6.6	7.6	11.6	2.6	6.8
Financials	13.9	45.0	4.6	28.3	31.0	22.9	23.4	23.3
Health Care	8.2	0.0	6.4	7.4	5.9	4.4	5.7	5.8
Industrials	9.8	16.3	22.6	11.3	9.1	10.2	9.4	15.4
Information Technology	15.3	0.5	6.1	9.5	10.0	12.7	4.3	9.0
Materials	13.5	5.6	12.0	8.1	6.8	9.6	17.5	12.1
Real Estate	3.6	0.0	0.3	1.3	2.0	0.4	0.9	0.8
Utilities	5.0	13.3	4.0	4.5	4.8	4.6	10.0	3.8
Grand Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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

DMFs strengthened their OW position on Healthcare and Consumer Discretionary: For the quarter ended September 2024, DMFs continued to remain overweight on the Healthcare sector for the 19th consecutive quarter and Consumer Discretionary for the 12th quarter in a row. The three sectors in which DMFs remained underweight are Materials, Energy and Consumer Staples. Although DMFs have turned UW on Materials only in the previous quarter, they have remained UW on Energy (46-quarters) and Consumer Staples (36-quarters) for a long time. DMFs, who had turned OW on Financials in the June'24 quarter, have moved back to a neutral stance in the Sep'24 quarter, reflecting a renewed cautious view on smaller banks and NBFCs. Additionally, Communication Services, Information Technology, Industrials, Real Estate and Utilities are the sectors in which the DMFs are neutral. DMFs continued to remain neutral on Information Technology but have shifted from a negative view in the June'24 quarter to a positive view in the Sept'24 quarter, reflecting the improved global economic growth environment and improved confidence from the BFSI clients in the IT sector.

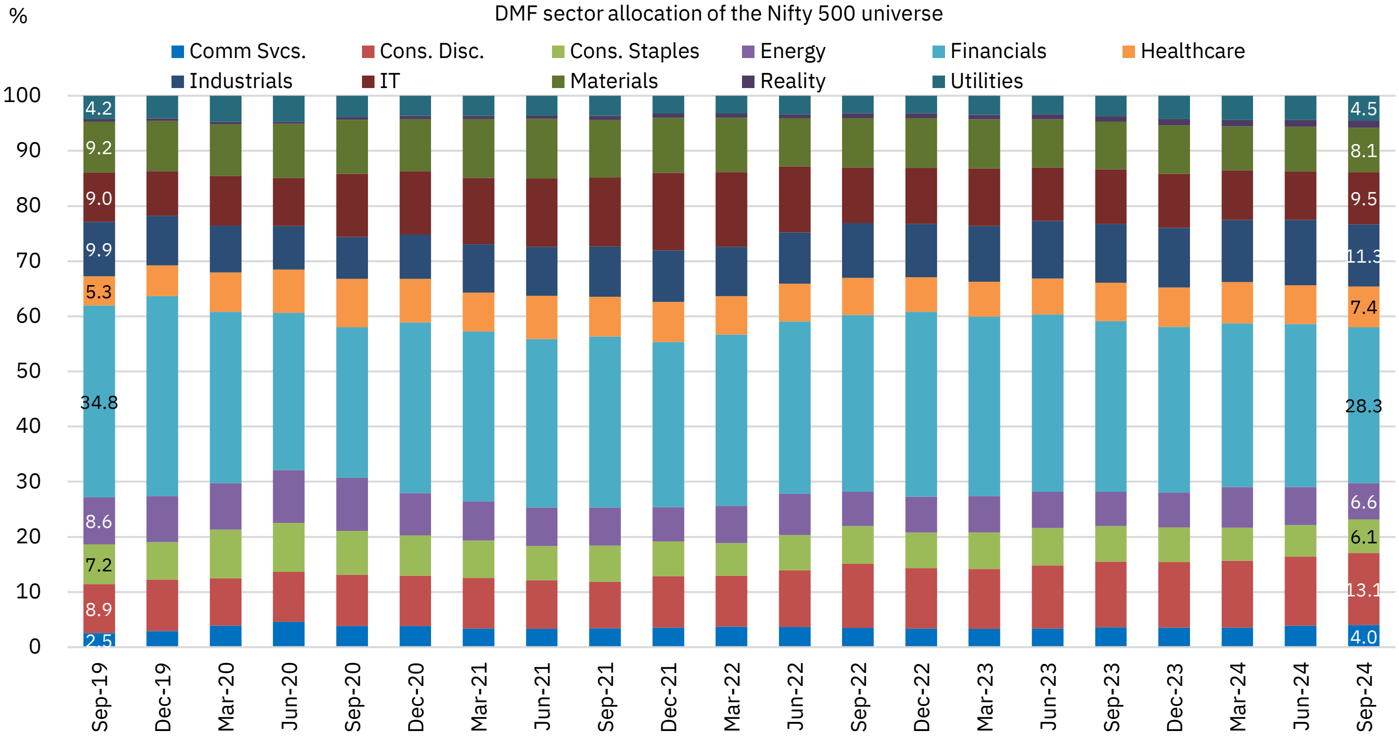
DMFs continued to remain OW on the Healthcare and Consumer Discretionary sector while turning neutral for the financial sector in September 2024.

Figure 76: DMF sector allocation of the Nifty 500 universe (September 2024 vs. June 2024)



Source: CMIE Prowess, NSE EPR.

Figure 77: DMF sector allocation of the Nifty 500 universe over last five years



Source: CMIE Prowess, NSE EPR.

Figure 78: DMF sector allocation vs sector weight in Nifty 500 (September 2024)

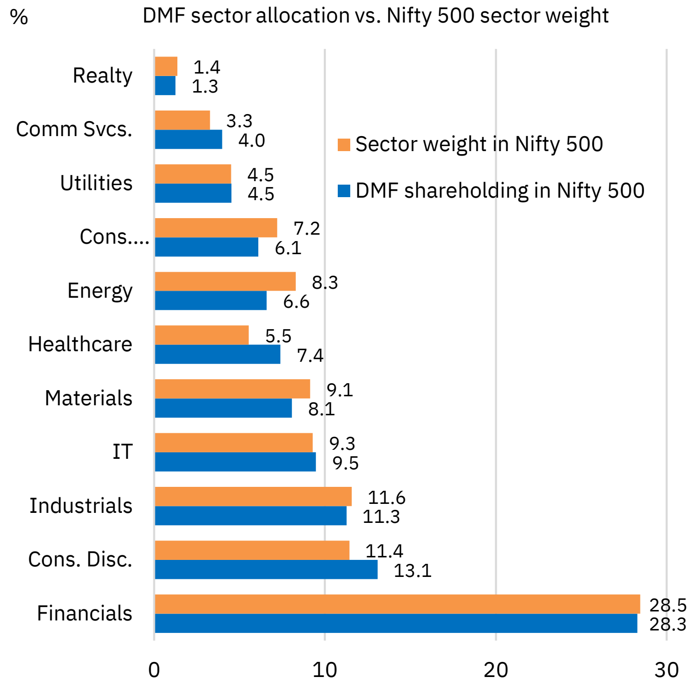
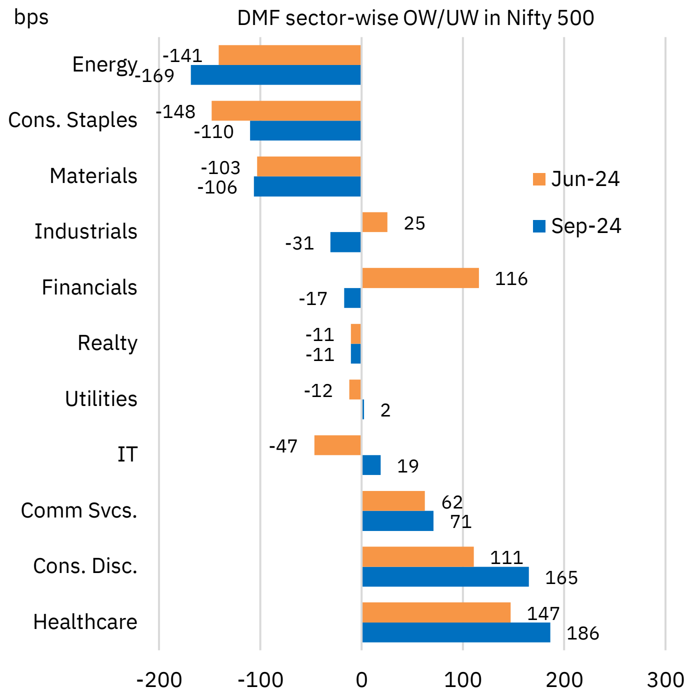
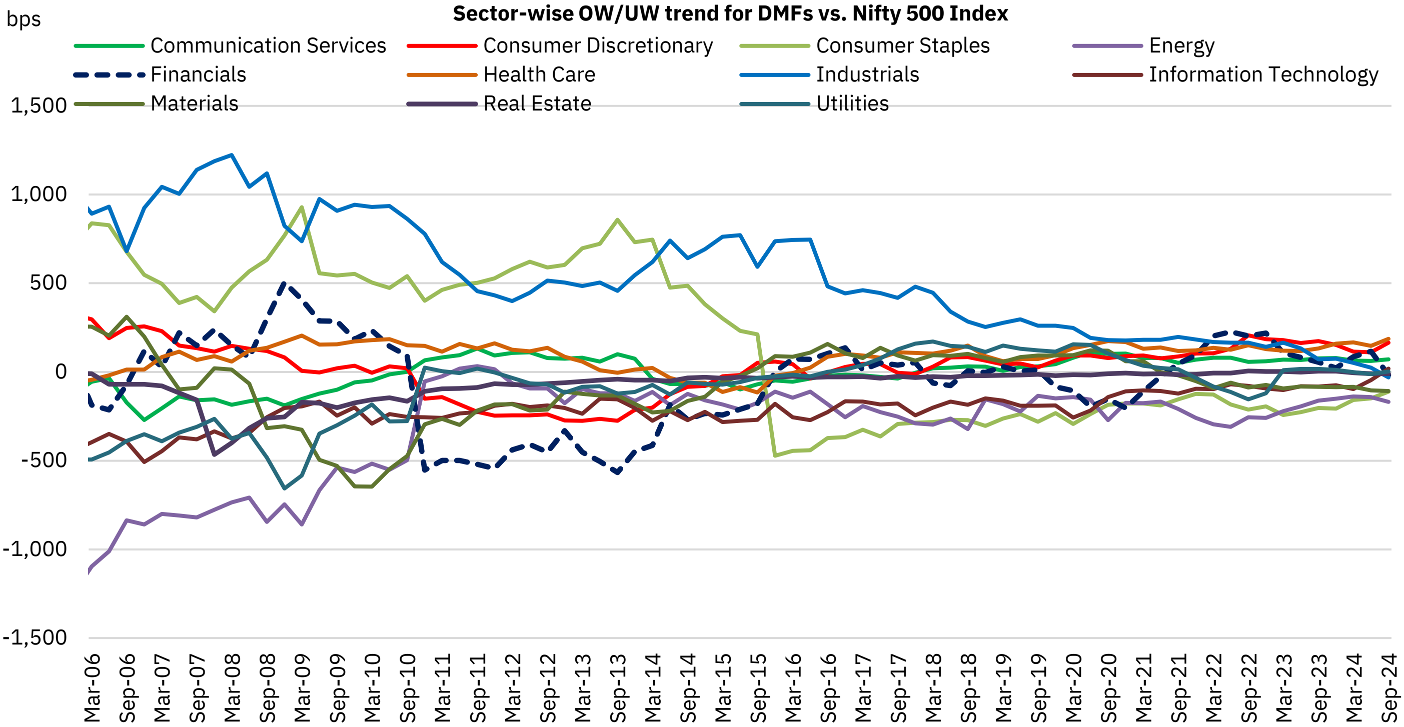


Figure 79: DMF sector-wise OW/UW in Nifty 500 relative to sector weight in the index (September 2024)



Source: CMIE Prowess, NSE EPR.

Figure 80: DMF vs Nifty 500—Sector-wise OW/UW trend (bps)

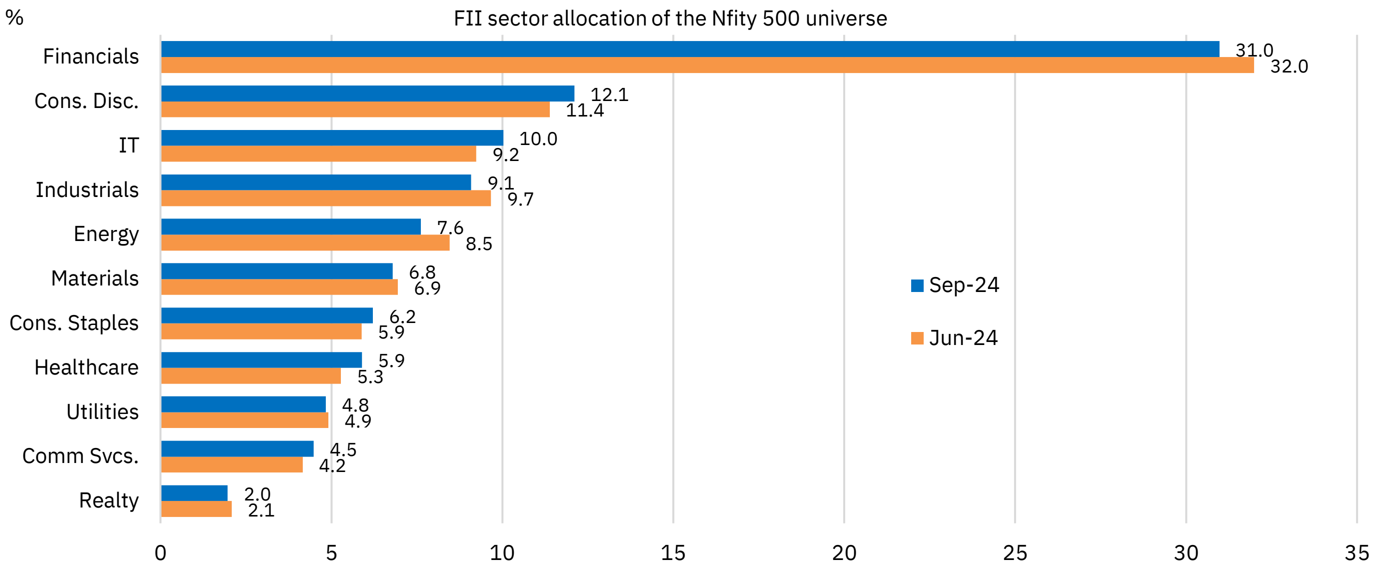


Source: CMIE Prowess, NSE EPR.

FPIs' trimmed their outsized bet on Financials: FPIs turned incrementally cautious on Financials, trimming their OW position on the sector in the September quarter to the lowest level since 2005. FPIs also reduced their exposure to Energy, with a mildly cautious stance, and strengthened their perennial negative view on India's investment story by increasing the extent of their UW position on Industrials and Materials. Reduced exposure to these sectors found its way to Communication Services, where FPIs turned OW on in the September quarter for the first time in 26 quarters, followed by Consumer Discretionary, Information Technology, Healthcare and Consumer Staples where FPIs turned incrementally positive, while maintaining a neutral position.

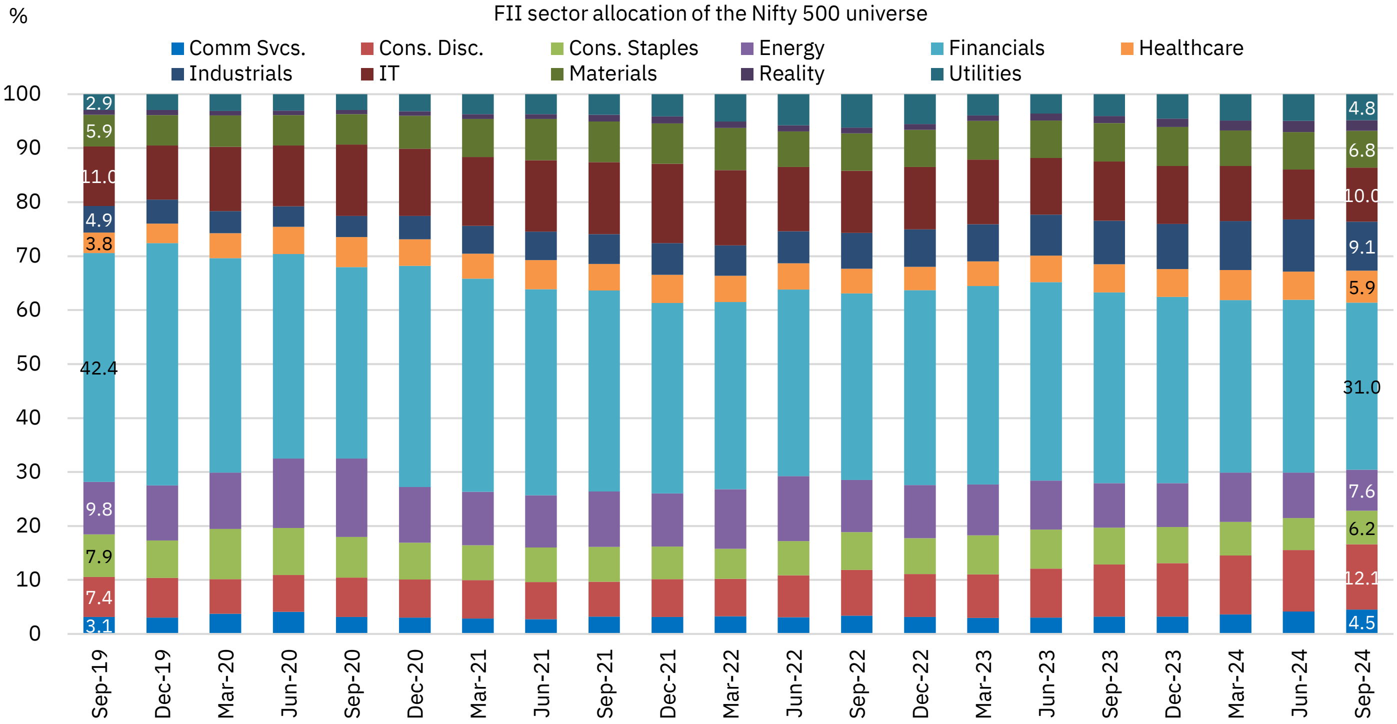
FPIs trimmed their outsized bet on Financials to the lowest level since 2005.

Figure 81: FPI sector allocation of the Nifty 500 universe (September 2024 vs. June 2024)



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

Figure 82: FPI sector allocation of the Nifty 500 universe over the last five years



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

Figure 83: FPI sector allocation vs sector weight in Nifty 500 (September 2024)

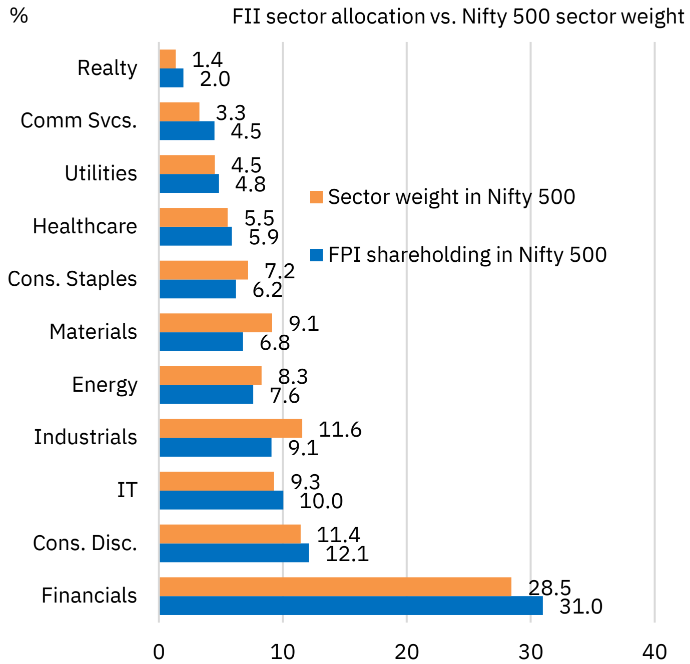
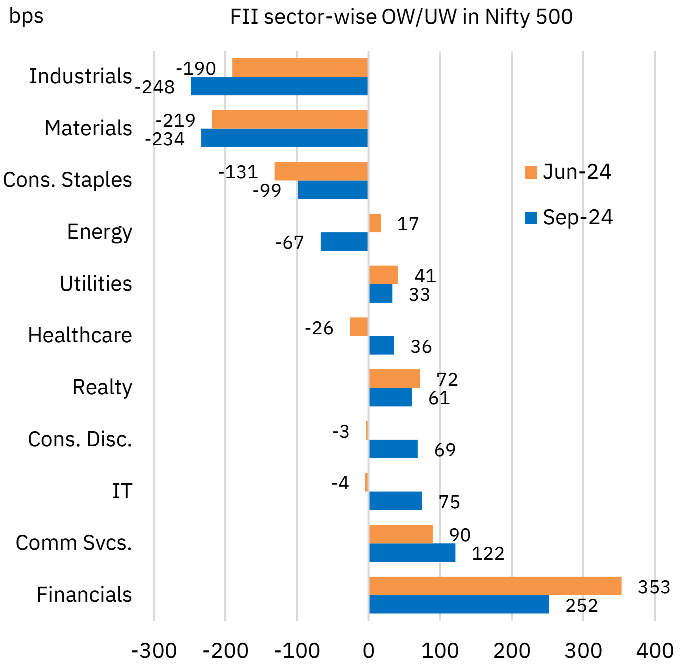
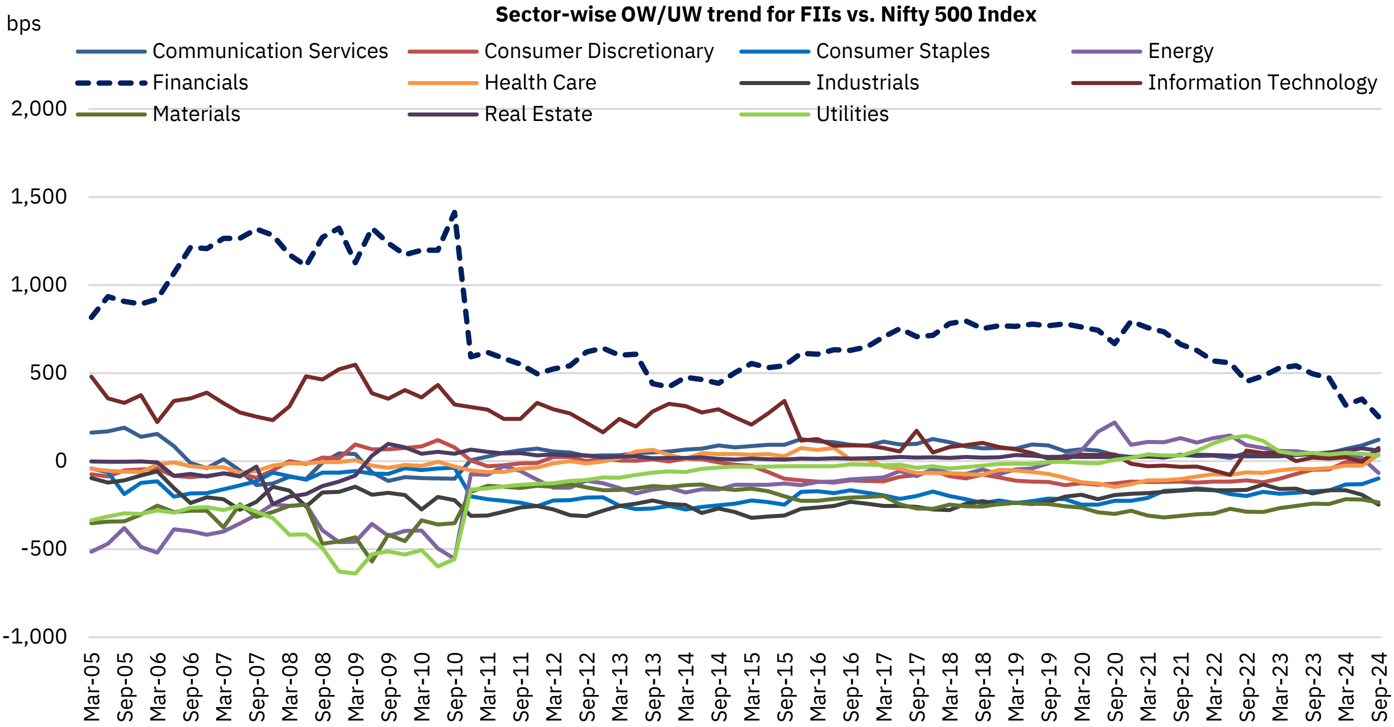


Figure 84: FPI sector-wise OW/UW in Nifty 500 relative to sector weight in the index (September 2024)



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

Figure 85: FPI vs Nifty 500—Sector-wise OW/UW trend (bps)



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

Ownership concentration analysis

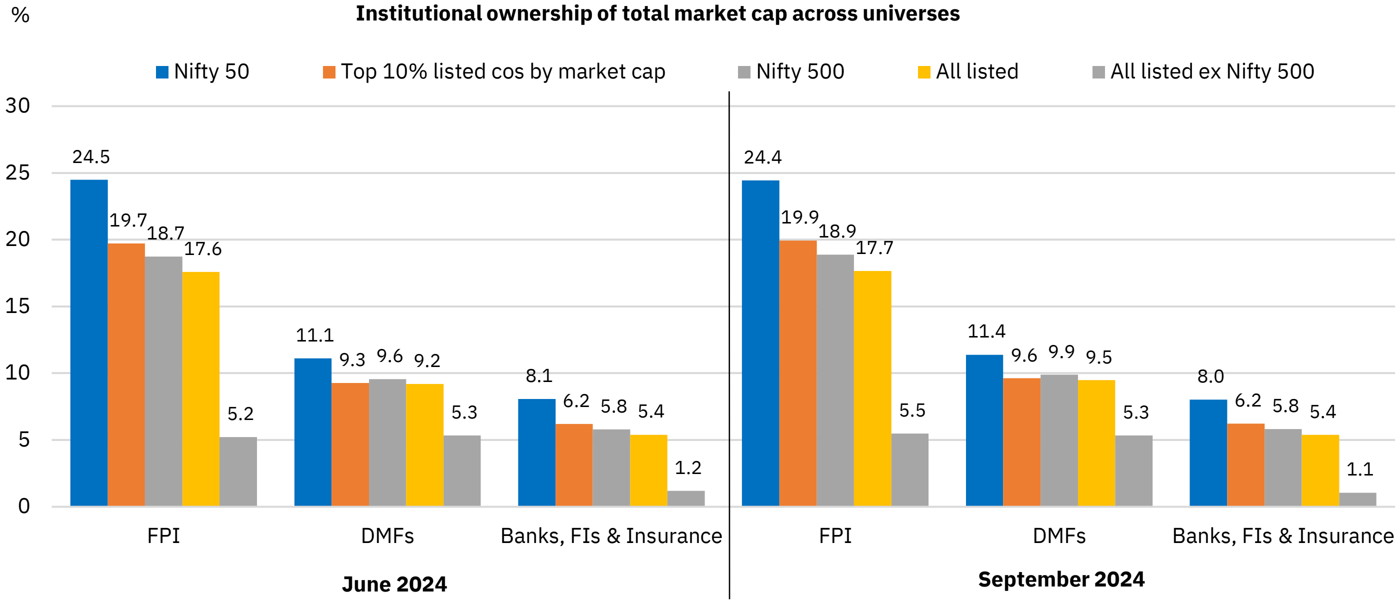
Institutional investor allocation to Nifty50 remained lower…: The charts below depict how ownership for all institutional investor categories in the total market cap has changed in the September quarter vis-à-vis the previous quarter.

The share of Nifty50 companies in overall institutional investments remained steady at 60%, the lowest level since the beginning of our analysis (2001-).

Institutional investments historically have remained concentrated to Nifty50 companies. This trend, however, seems to be reversing since the last several quarters as institutions increase their exposure to mid- and smaller companies. The share of Nifty 50 companies in overall institutional investments remained steady at the lowest level of 60% since 2001, translating into a total decline of 9.2pp in the last six quarters and nearly 12pp from the post-pandemic peak share of 72% in the quarter ending September 2020. This is a result of the combination of sustained inflows in such funds, leading to higher allocation, and relative outperformance of such companies vis-à-vis the large cap universe. For instance, while the Nifty 50 Index generated a return of 7.5%/31.4%/17.6% CAGR in the last quarter/year/five-year periods (As of September 30th, 2024), Nifty Mid-cap 50 and Nifty Small-cap 50 Indices have gained 7.5%/45.4%/30.9% CAGR and 7.4%/56.5%/28.0% CAGR respectively.

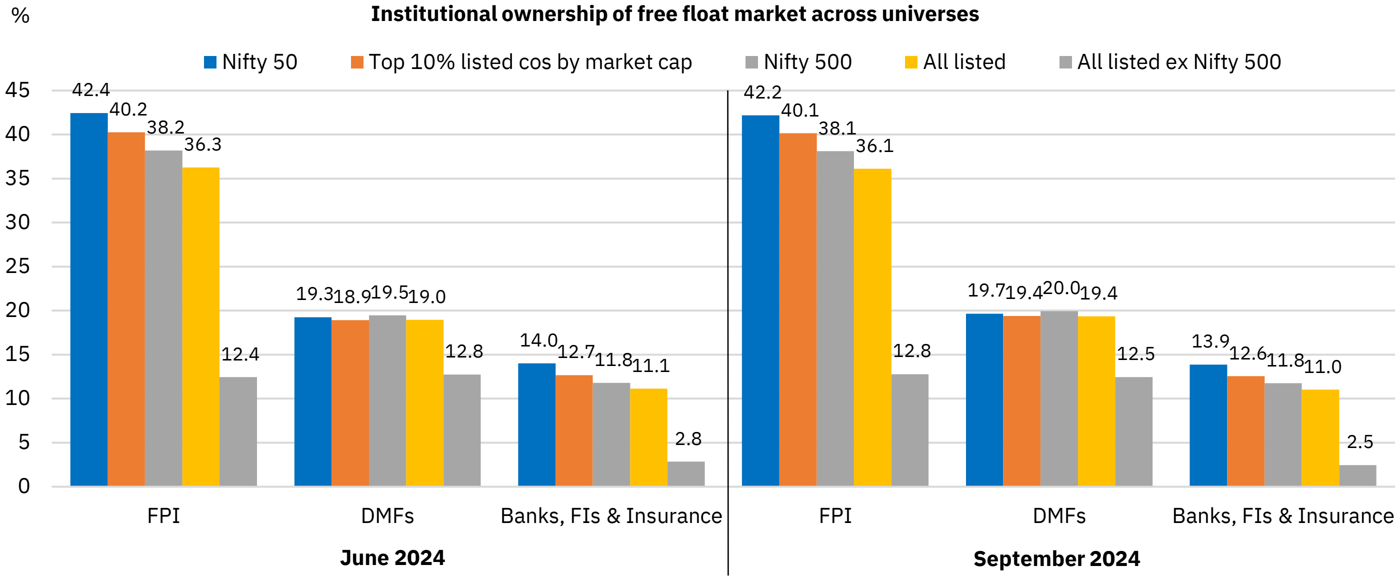
Among institutional investors, Banks, Financial Institutions and Insurance companies had the highest concentration to Nifty 50 companies, with the share inching up by a modest 17bps QoQ after dropping over the previous five quarters to 66.4%. FPIs, however, saw the share of Nifty 50 companies in their overall investments remain steady at 61.6%, the lowest level since the beginning of the analysis (2001-). DMFs, after seeing a sharp drop in their exposure to Nifty50 companies in the previous quarter, saw it rising by a marginal 10bps QoQ to 53.5%. This is nearly 9.6pp lower than the post-pandemic high share of 63.1% in September 2020.

Figure 86: Institutional share of total market cap (September 2024 vs. June 2024)



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

Figure 87: Institutional ownership of floating stock (September 2024 vs. June 2024)



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

...And so is for individual investors...: Unlike the institutional investors, where share of Nifty50 companies in their total investments either remained steady or inched up marginally, individual investors saw a marginal decline to a 22-year low of 36.7%. This is much lower than the 44.5% share of these companies in the overall market capitalisation of NSE listed companies. This has translated into a total of 11.1pp decline in the share of Nifty50 companies in individuals' portfolio in the last six quarters. This indicates incrementally higher allocation to mid and smaller companies during the last several quarters. Individuals owned 19.3% of the total market cap of listed companies excluding the Nifty 500 universe as of September end and 45.0% in the floating stock of these companies, falling marginally from 46% in the previous quarter.

Figure 88: Individual share of total market cap (September 2024 vs. June 2024)

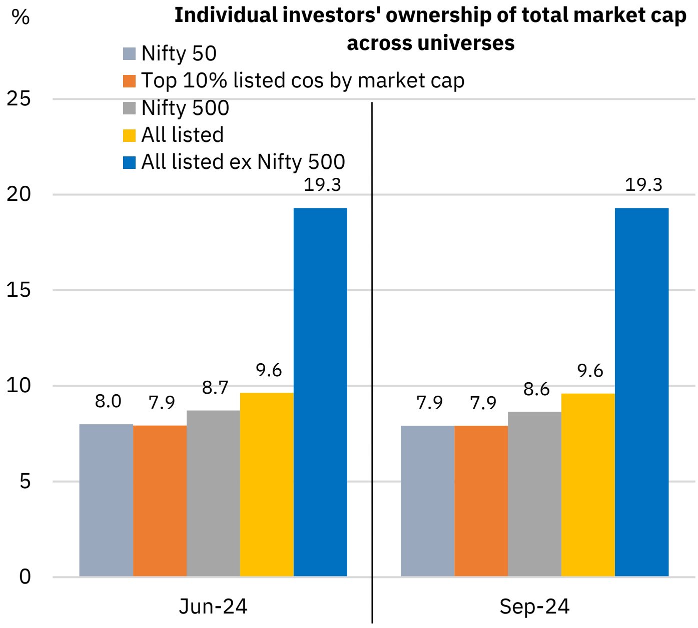
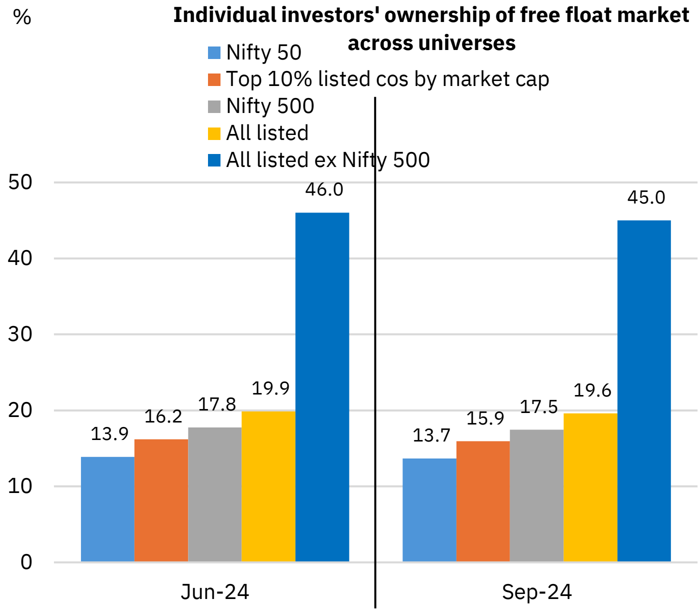


Figure 89: Individual ownership of floating stock (September 2024 vs. June 2024)



Source: CMIE Prowess, NSE EPR.

Decile-wise analysis shows a drop in the share of large-cap companies in portfolios across investor categories: The tables below summarise the distribution of individuals', DMFs' and FPIs' portfolio across different market capitalisation deciles within the NSE listed universe. The quarter ending September 2024 saw the share of large-cap companies in the portfolios across investor categories drop for the second quarter in a row. Individual investors now have 64.5% of their portfolio invested in the top decile companies by market capitalisation (about 200), the lowest since the beginning of our analysis (2001-), with the next decile contributing 14.1%. Notably, the bottom 50% of the NSE listed companies by market capitalisation account for a mere 4.4% of the individuals' total holding, even as it is the highest in the last 17 years and has expanded by 3.0x since the pandemic. While a large part of this is attributed to a significant rally seen in mid- and small-cap companies during the last few years, it is also due to incrementally higher allocation to such companies. This is reflected in the widening gap between the share of the top decile companies in the overall market capitalisation and the share of individual investments in such companies.

While FPIs have 88.3% of their investments made in the top 200 companies by market capitalisation (top decile), DMFs have a nearly 8.9pp lower share of such companies in their investment portfolio. That said, the share of such companies in both FPIs' and DMFs' portfolios have fallen to a 14-year and a six-and-a-half year low levels respectively. Nevertheless, the allocation of the top decile companies for both DMFs and FPIs is higher than the share of such companies in the overall market capitalisation. Banks, Financial Institutions and Insurance companies have an even higher allocation to larger companies, with 99% of their investments held in the top three deciles.

Table 13: Market cap decile-wise share of individuals' portfolio in NSE listed companies

	FY21				FY22				FY23				FY24				FY25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
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
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
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
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	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
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
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
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
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
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

Source: CMIE Prowess, NSE EPR.

Table 14: Distribution of total value held by individual investors across market capitalization deciles

Rs lakh crore	FY21				FY22				FY23				FY24				FY25	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
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
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
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	2.1	2.6	3.0	3.0	3.7	3.9
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
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
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
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
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
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
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**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**

Source: CMIE Prowess, NSE EPR.

Figure 90: Share of the top decile companies by market cap in individuals' portfolio and overall listed universe

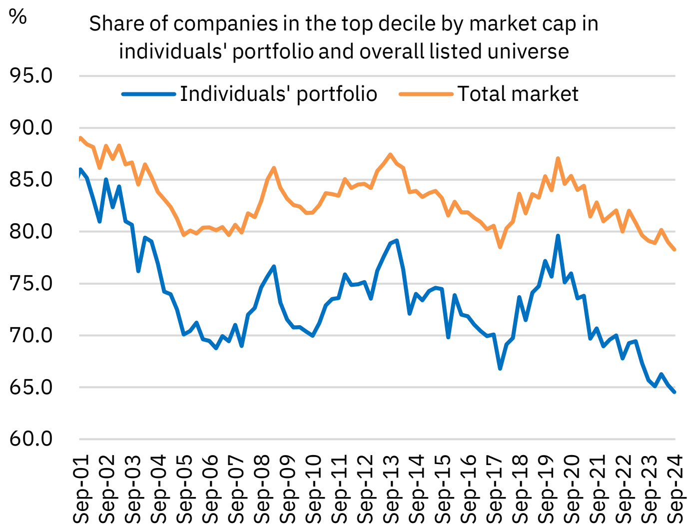
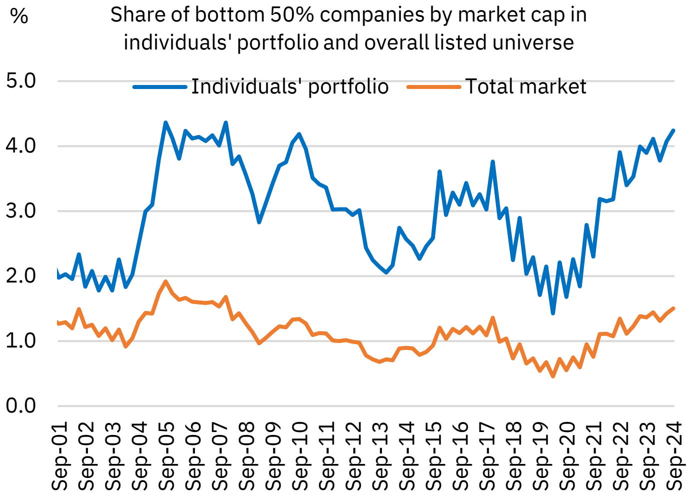


Figure 91: Share of the bottom 50% companies by market cap in individuals' portfolio and overall listed universe



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

Table 15: Market cap decile-wise share of DMFs' portfolio in NSE listed companies

	FY21				FY22				FY23				FY24				FY25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
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	79.6	79.8	80.0	80.6	79.5	79.5
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
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	4.4	4.3	4.3	4.0	4.2	4.4
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	1.7	1.8	1.8	1.7	1.9	1.9
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
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
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

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

Rs lakh crore	FY21				FY22				FY23				FY24				FY25	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
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
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
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
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	0.4	0.5	0.6	0.6	0.7	0.8
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
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
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**10.8**	**11.7**	**13.8**	**14.7**	**16.5**	**18.9**	**19.6**	**20.1**	**19.1**	**21.3**	**22.6**	**22.2**	**25.1**	**27.5**	**31.7**	**34.2**	**39.8**	**44.4**

Source: CMIE Prowess, NSE EPR.

Figure 92: Share of the top decile companies by market cap in DMFs' portfolio and overall listed universe

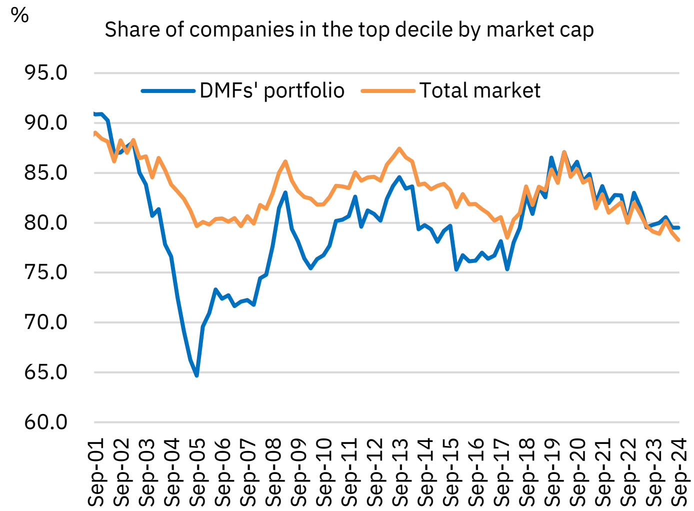
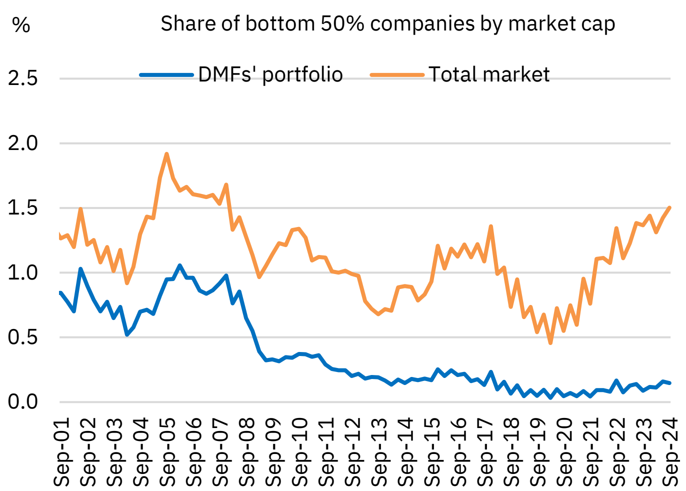


Figure 93: Share of bottom 50% companies by market cap in DMFs' portfolio and overall listed universe



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

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

	FY21				FY22				FY23				FY24				FY25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
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
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	6.9	7.0	6.9	7.2	7.7	7.6
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	2.0	2.4	2.3	2.3	2.5	2.8
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
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
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
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

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

Rs lakh crore	FY21				FY22				FY23				FY24				FY25	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
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
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
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	1.1	1.4	1.5	1.5	1.9	2.3
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
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
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
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**27.9**	**31.5**	**40.6**	**43.6**	**47.2**	**53.0**	**51.9**	**50.2**	**44.3**	**49.8**	**52.6**	**48.6**	**55.4**	**58.0**	**65.5**	**68.3**	**76.0**	**82.7**

Source: CMIE Prowess, NSE EPR.

Figure 94: Share of the top decile companies by market cap in FPIs' portfolio and overall listed universe

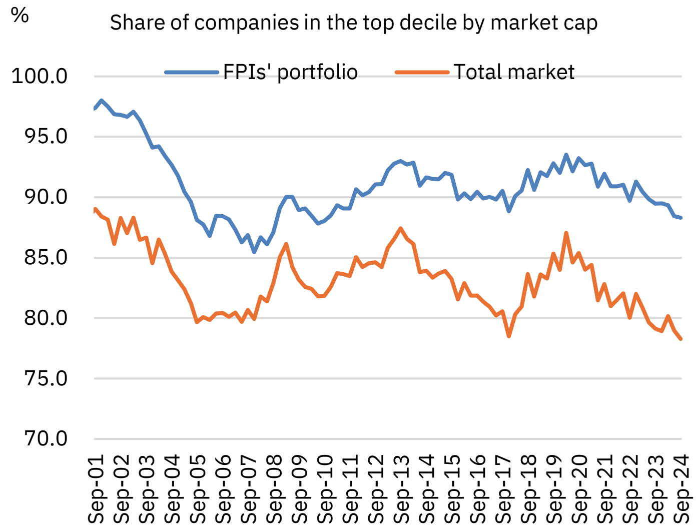
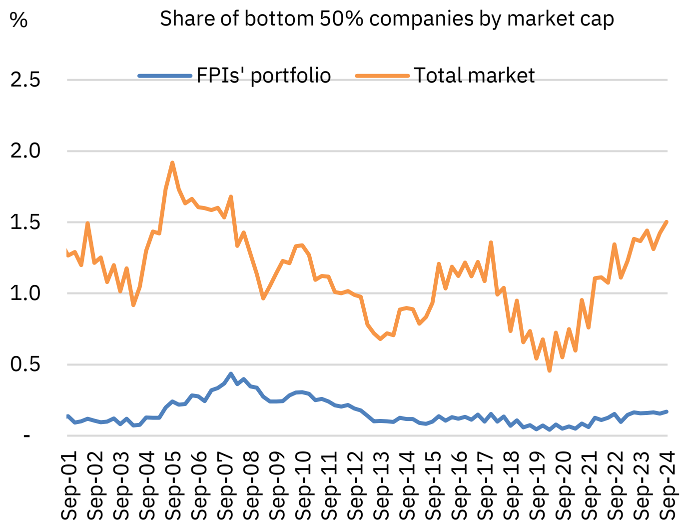


Figure 95: Share of bottom 50% companies by market cap in FPIs' portfolio and overall listed universe



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

Table 19: Market cap decile-wise share in total market capitalization of NSE listed companies

	FY21				FY22				FY23				FY24				FY25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	90.4	91.5	90.6	90.9	88.7	89.8	88.5	88.8	88.9	87.3	89.2	88.1	87.2	86.8	86.7	86.9	85.8	85.7
2	6.8	6.2	6.7	6.7	7.8	7.4	8.0	7.8	7.8	8.5	7.6	8.2	8.8	8.9	8.9	8.9	9.6	9.4
3	1.9	1.6	1.9	1.7	2.3	1.9	2.3	2.2	2.2	2.7	2.1	2.4	2.5	2.8	2.8	2.6	2.9	3.2
4	0.6	0.5	0.6	0.5	0.8	0.6	0.8	0.8	0.7	0.9	0.7	0.9	1.0	1.0	1.1	1.1	1.2	1.2
5	0.2	0.1	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
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
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

Table 20: Market capitalization of NSE listed companies distributed across deciles

Rs lakh crore	FY21				FY22				FY23				FY24				FY25	
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
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	232.0	249.1	283.7	306.4	341.6	366.6
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	32.3	35.0	40.3	40.7	48.6	54.1
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	12.7	14.8	17.1	17.2	20.5	22.9
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	6.6	7.4	8.6	8.3	10.3	11.5
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	0.5	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
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
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
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
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
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**	**291.2**	**314.8**	**359.5**	**382.1**	**432.5**	**468.3**

Source: CMIE Prowess, NSE EPR.

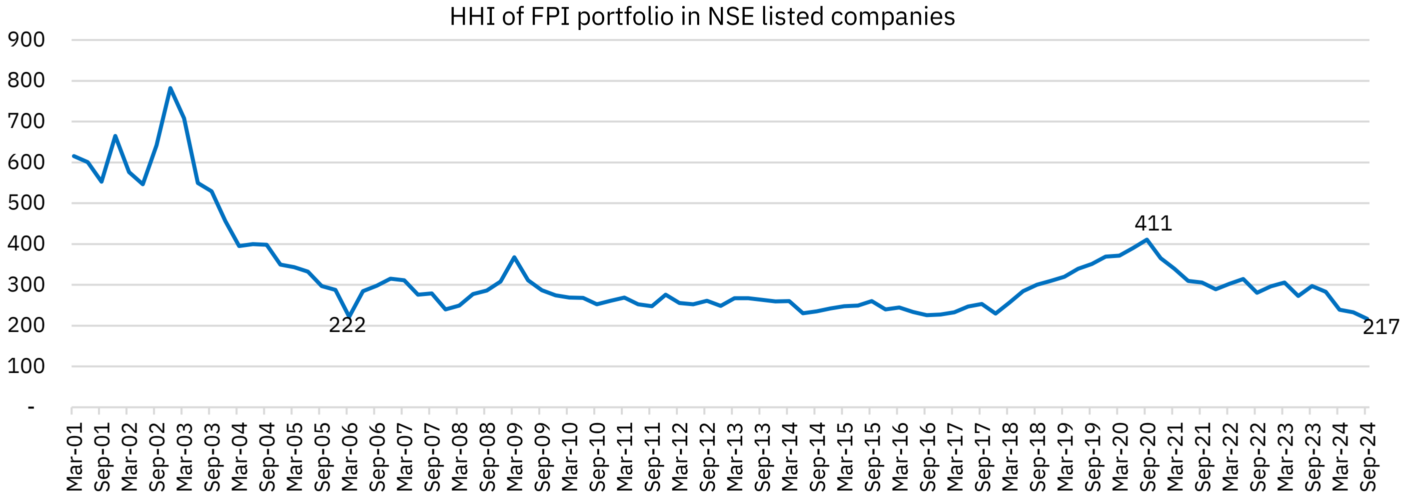
Falling HHI indicates widening exposure to mid- and small caps: The Herfindahl-Hirschman Index (HHI)—a measure of market concentration[8]—has been hovering in the range of 200 to 400 across investor categories for over two decades now. The value of HHI below 1500 indicates a high degree of diversification. In fact, the HHI values, after rising briefly after the pandemic as investors turned cautious, have been steadily falling since, and are now hovering at or near the lowest levels since the beginning of our analysis across investor categories. The HHI of the overall institutional portfolio in NSE listed companies fell to 175 in the September quarter—the lowest since 2001. Within institutional investor categories, the HHI of the DMF portfolio declined to a 25-quarter low of 137 in the September quarter, while that of banks, financial institutions and insurance companies fell to a 17-year low of 218. The HHI of FPI portfolio in NSE listed companies at 217 in the September quarter is the lowest since the beginning of our analysis (2001), reflecting a significant widening of their exposure across companies since the last few years, particularly to smaller-sized companies, as the market surged to fresh all-time high levels during the quarter. FPIs now have ownership in more than 1800

[8] HHI value ranges from 0 to 10,000. An HHI near 0 indicates a highly fragmented market with many firms holding small market shares (i.e., very low concentration). An HHI near 10,000 indicates a monopoly or a market dominated by a single firm (i.e., very high concentration). HHI value interpretation: HHI below 1,500 is considered low and implies a competitive, diversified and fragmented market; HHI between 1,500 and 2,500 is considered moderate, indicating some degree of competition but with a few firms holding a significant share; HHI above 2,500 is considered high, and reflects a highly concentrated market, with fewer firms dominating the market.

stocks, rising from about 1200 four years back. The lowest HHI level of the FPI portfolio in the September quarter also corroborates with their declining allocation to the top decile stocks, that fell to a 14-year low during the quarter. With October witnessing the highest monthly FPI selling, our analysis shows that the selling is concentrated in the top 100 stocks, with companies in the Nifty Smallcap 150 and Nifty Microcap 250 actually seeing net inflows during the month.

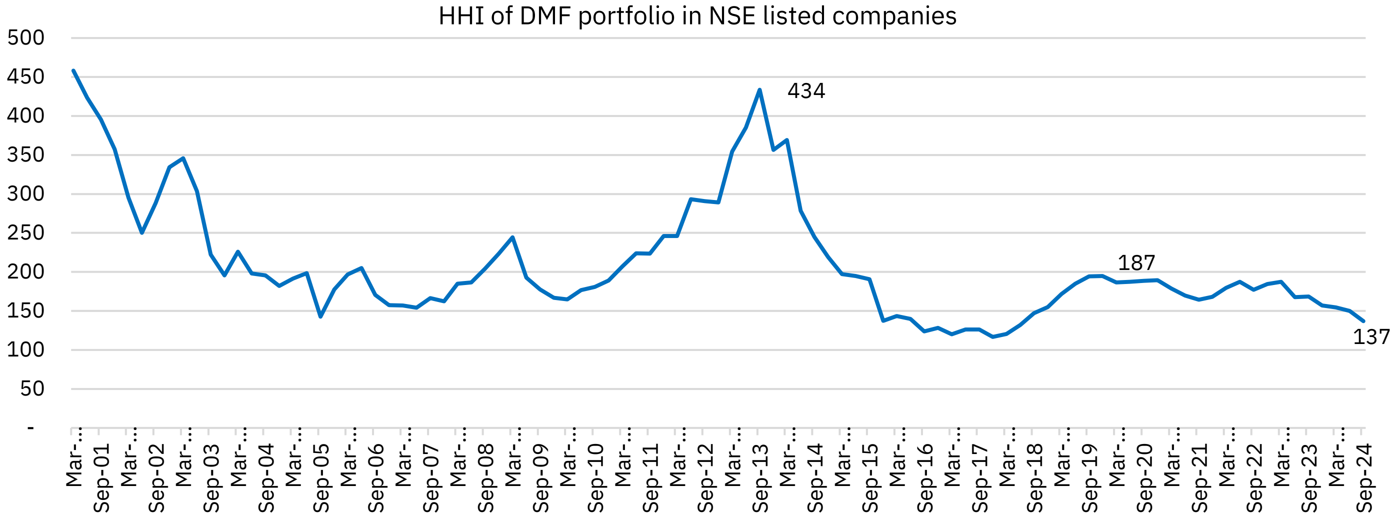
Expectedly, the HHI of individuals' portfolio in NSE listed companies is much lower than institutional investors, also reflected in their absolute portfolio allocation to smaller companies. Further, the HHI of 66 for individuals' portfolio in the September quarter is the lowest since 2001, marking the sixth decline in a row.

Figure 96: HHI of FPI portfolio in NSE listed companies



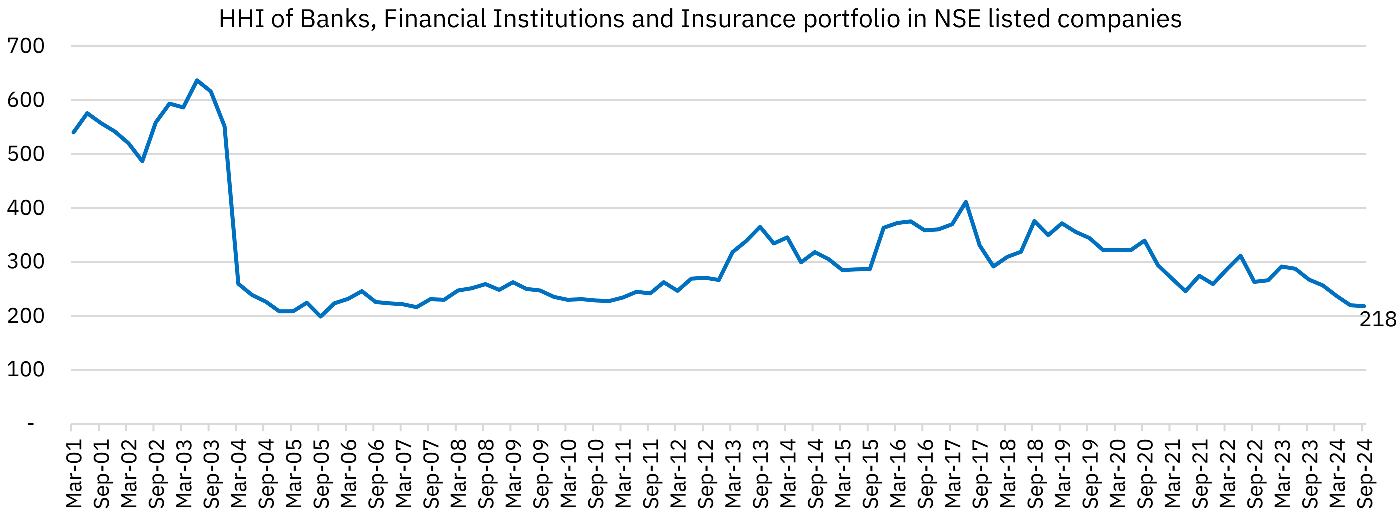
Source: CMIE Prowess, NSE EPR.

Figure 97: HHI of DMF portfolio in NSE listed companies



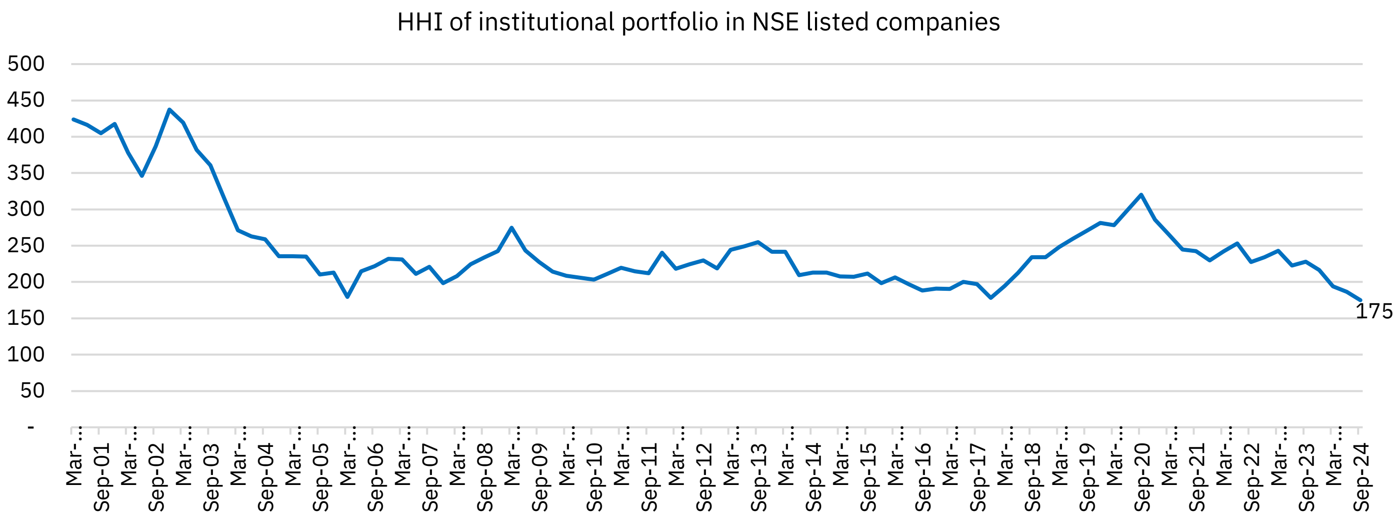
Source: CMIE Prowess, NSE EPR.

Figure 98: HHI of Banks, Financial Institutions & Insurance portfolio in NSE listed companies



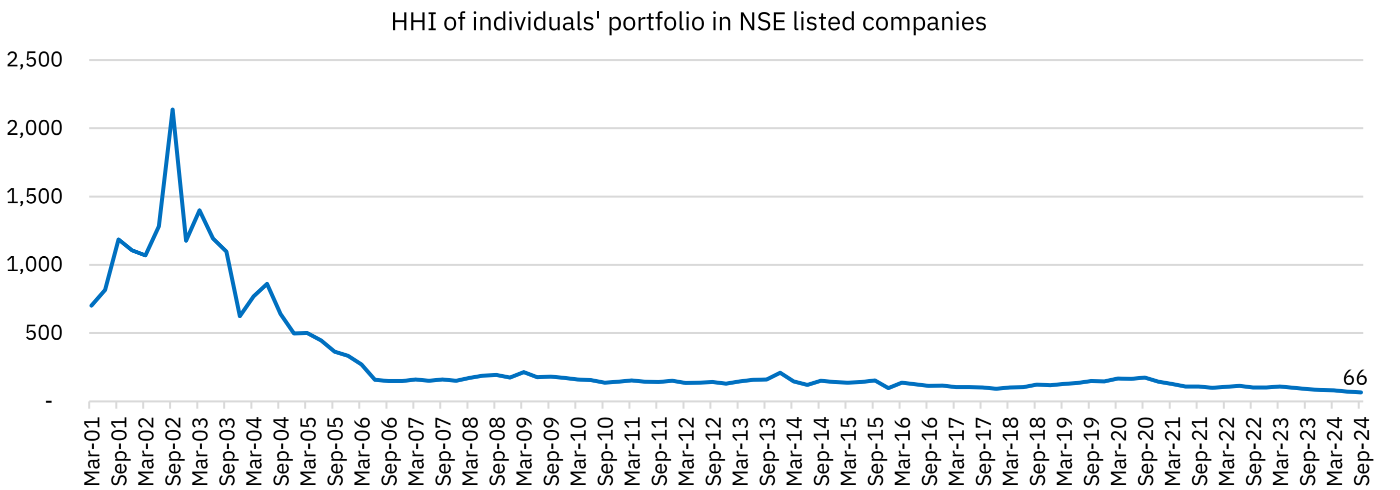
Source: CMIE Prowess, NSE EPR.

Figure 99: HHI of institutional investors’ portfolio in NSE listed companies



Source: CMIE Prowess, NSE EPR.

Figure 100: HHI of individuals’ portfolio in NSE listed companies



Source: CMIE Prowess, NSE EPR.

Record net outflows by FPIs in October concentrated in the top 100 stocks: After buying heavily in the September quarter, FPIs turned heavy sellers in October. Weak corporate earnings, coupled with stretched valuations, promoted FPIs to shift allocations to more reasonably valued markets such as China and Japan. Further, heightened global uncertainty added to the muted sentiments. FPIs sold a net amount of Rs 1.17 lakh crore from NSE's capital markets (secondary markets only) in the month of October, with almost all of it concentrated in the top 100 companies.

Table 21: Index and category-wise net investments in NSE's capital market segment in October 2024

Rs crore	Nifty 50	Nifty Next 50	Nifty Midcap 150	Nifty Smallcap 250	Nifty Microcap 250	Rest	Total
Prop	2,393	-849	-2,542	-2,153	-959	-8,141	**-12,251**
Individual	13,595	4,338	3,471	1,515	-706	7,382	**29,594**
FPI	-90,594	-19,024	-8,276	851	1,202	-1,436	**-1,17,279**
DII	74,255	17,170	8,903	1,515	981	4,512	**1,07,336**
Corporate	868	-847	-1,042	-626	-285	-1,717	**-3,649**
Others	-517	-787	-513	-1,101	-232	-600	**-3,751**

Source: NSE EPR.

Sector-wise HHI differs meaningfully: Even as HHI levels for all investor categories are significantly low for their respective portfolios, there remains meaningful disparity across sectors. For individuals, barring Energy, HHI levels of all other sectors remained below the 1500-mark, indicating fairly low concentration. For FPIs and DMFs, HHI levels of their portfolio in Energy and Communication Services sectors remain north of 2500-mark, indicating high concentration of investments, a part of which is also due to fewer companies in these sectors. In addition to these two sectors, banks, financial institutions & insurance have a high concentration of their investments in Consumer Staples as well. That said, barring Energy, all other sectors have seen HHI levels falling over the years for all investor categories.

Table 22: Sector-wise HHI of FPI portfolio in NSE listed companies

Sector	Sep-04	Sep-09	Sep-14	Sep-19	Sep-24
Comm. Services	3,245	1,701	1,701	2,453	5,261
Cons. Disc.	1,544	1,425	1,425	824	647
Cons. Staples	3,552	1,934	1,934	1,375	974
Energy	4,082	2,735	2,735	5,925	5,696
Financials	1,786	1,286	1,286	1,365	1,383
Health Care	1,603	1,408	1,408	633	687
Industrials	1,878	883	883	988	441
IT	3,555	2,616	2,616	2,618	2,166
Materials	1,053	583	583	661	446
Real Estate	7,679	1,370	1,370	1,482	1,382
Utilities	3,394	1,761	1,761	1,592	1,293
Total	**398**	**235**	**235**	**351**	**217**

Source: CMIE Prowess, NSE EPR.

Table 23: Sector-wise of DMF portfolio in NSE listed companies

Sector	Sep-04	Sep-09	Sep-14	Sep-19	Sep-24
Comm. Services	2,127	2,527	1,872	3,543	4,455
Cons. Disc.	659	611	609	334	352
Cons. Staples	6,051	3,759	6,662	1,726	1,338
Energy	1,653	2,514	1,619	2,688	3,533
Financials	1,359	894	832	1,032	1,016
Health Care	686	721	825	699	536
Industrials	999	1,124	1,502	1,127	456
IT	1,323	1,902	1,636	2,674	1,618
Materials	636	443	288	367	331
Real Estate	2,161	1,287	1,697	1,195	1,212
Utilities	2,425	1,236	1,139	2,304	2,167
Total	**195**	**177**	**245**	**194**	**137**

Source: CMIE Prowess, NSE EPR.

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

Sector	Sep-04	Sep-09	Sep-14	Sep-19	Sep-24
Comm. Services	2,849	2,631	3,709	5,596	6,295
Cons. Disc.	1,018	1,450	1,402	1,322	748
Cons. Staples	3,632	4,401	6,583	4,705	3,931
Energy	2,365	3,403	2,877	3,036	3,740
Financials	1,383	1,256	1,139	1,124	789
Health Care	2,129	1,298	1,423	1,340	765
Industrials	1,668	2,427	2,668	2,595	1,507
IT	2,013	3,030	3,505	3,371	2,291
Materials	779	788	676	577	493
Real Estate	1,904	3,363	1,017	985	1,410
Utilities	2,691	1,450	1,878	2,247	1,150
Total	**227**	**248**	**319**	**345**	**218**

Source: CMIE Prowess, NSE EPR.

Table 25: Sector-wise HHI of Banks, Financial Inst. & Insurance portfolio in NSE listed companies

Sector	Sep-04	Sep-09	Sep-14	Sep-19	Sep-24
Comm. Services	9,117	1,690	6,728	701	876
Cons. Disc.	406	396	445	442	356
Cons. Staples	2,171	1,533	1,651	1,302	980
Energy	2,898	4,914	3,649	5,647	4,392
Financials	531	505	486	694	434
Health Care	917	717	654	373	261
Industrials	613	1,309	1,219	1,234	277
IT	2,163	2,071	1,643	1,850	809
Materials	497	406	279	319	185
Real Estate	1,300	1,412	628	1,174	514
Utilities	2,501	1,088	876	698	782
Total	**641**	**181**	**151**	**148**	**66**

Source: CMIE Prowess, NSE EPR.

Ownership concentration in terms of no. of companies with holding greater than 5%: We now compare the depth of institutional ownership with its width in the market. We consider the FPI portfolio in India since 2001, not in terms of its value, but in terms of the *number* of stocks. FPIs meaningfully expanded their invested pool of companies between 2020 and 2022, from near-1200 odd companies in December 2020 to 1450+ by December 2021 and 1770+ by December 2022. This number fell significantly in the last quarter of FY23 to about 1450, after which there has been a steady rise in the number of companies held by FPIs to 1802 by September-end—the highest ever. At the same time, the number of companies where FPIs have more than 5% stake stands at 690, up from 680 in the previous quarter. As a percentage of the total number of companies held by FPIs, this comes to 38.3%, lower than the 39.2% in the previous quarter.

Likewise, exposure to DMFs has also been widening across companies since the last few quarters, with DMFs now holding stake in 1296 companies as of September end, the highest ever. Out of these, DMFs own more than 5% share in 582, which brings the ratio of count of such companies to the total number of DMF-owned companies in the NSE listed universe to a fresh all-time high of 44.9%.

Figure 101: Number of listed cos with FPI holding >5%

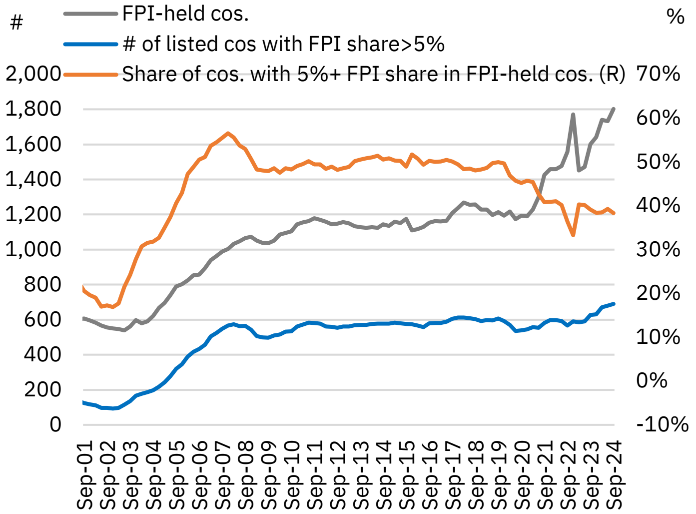
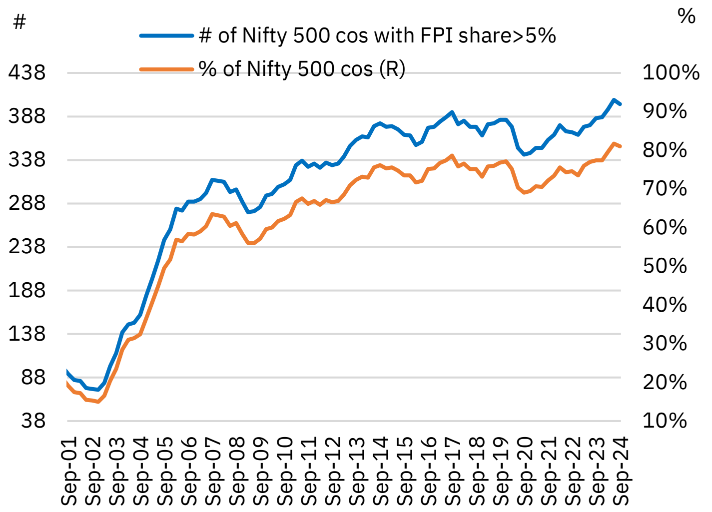


Figure 102: Number of Nifty500 cos with FPI holding >5%



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

Figure 103: Number of listed cos with DMF holding >5%

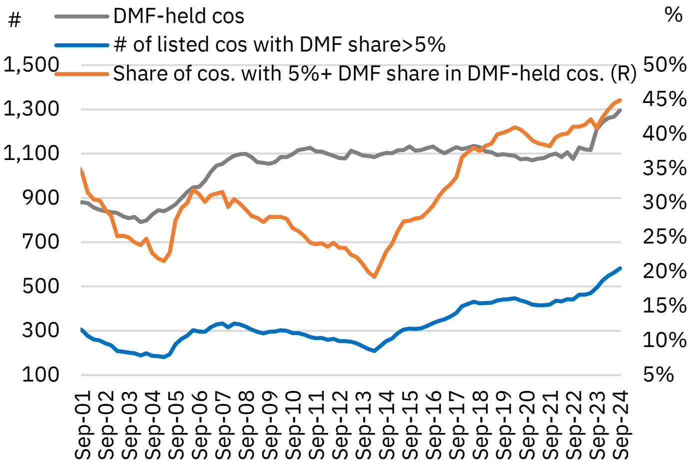
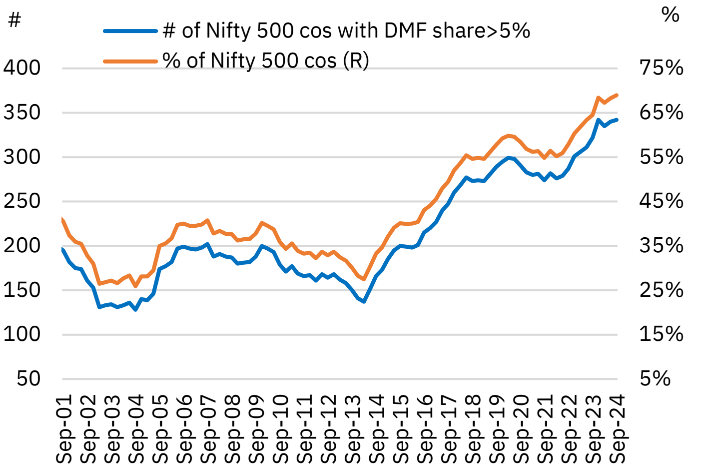


Figure 104: Number of Nifty500 cos with DMF share >5%



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

Figure 105: Number of listed companies with Banks, FIs & Insurance holding >5%

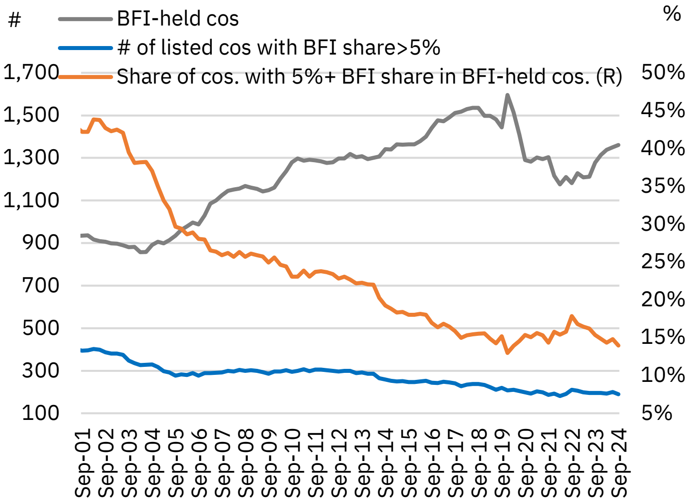
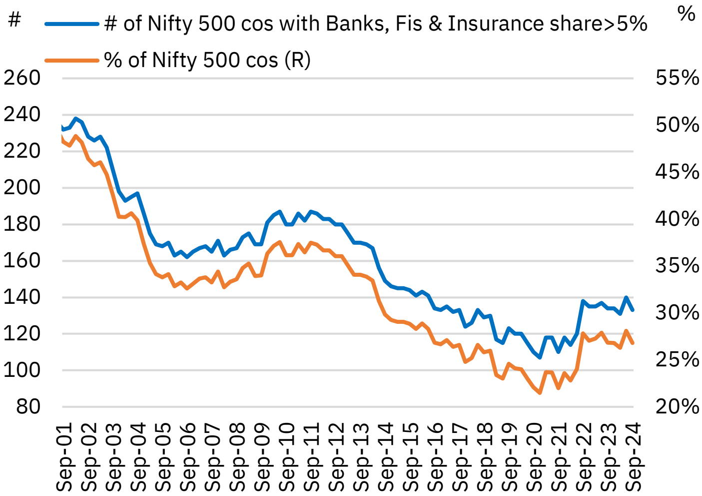


Figure 106: Number of Nifty500 companies with Banks, FIs & Insurance holding >5%



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

Chart of the month

Inside Muhurat trading: Performance, market activity and investor participation

Muhurat trading has been a part of India's financial landscape since 1957. Originating in ancient India, Muhurat trading is believed to have been introduced by King Vikramaditya, who started the tradition with the hope that conducting trades on Diwali's auspicious moment would bring prosperity to his kingdom. Over the centuries, the belief became deeply ingrained in Indian culture and evolved into a tradition cherished by Investors.

Held annually on the eve of Diwali, *Muhurat* Trading marks the start of the new financial year according to the Hindu calendar (Samvat) and is considered an auspicious time for investment, believed to bring wealth and prosperity. Despite its brief one-hour duration, *Muhurat* trading has gained significant interest among investors with a surge in participation over the period. Notwithstanding widespread market collection in October, markets ended in green on the *Muhurat* trading day (November 1st) this year, with the Nifty50 and Nifty Next50 ending 0.4% and 0.7% in green. Notably, the Nifty Microcap 250 index has always been a top performer on *Muhurat* trading days, delivering the highest returns in all but two years since 2006.

In terms of trading activity, the cash market turnover during *Muhurat* trading has consistently exceeded 16% of the average daily turnover (ADT) for the corresponding Diwali month in most years, despite the session representing just 16% of a typical trading day. Similarly, the number of trades during this period has consistently surpassed 16% of the average daily trades for the Diwali month since 2002. In contrast, the equity derivatives market does not experience a comparable surge, highlighting the concentrated focus of investors on the cash market segment during this hour. Individual investors play a more prominent role in *Muhurat* trading, with participation this year reaching 24.5 lakh—an increase of 22.5% compared to the previous year. Over the past three years, individual participation in the cash market during Muhurat trading has consistently accounted for over 90% of the average daily participation for the corresponding Diwali month. Since 2017, individual investors have remained net buyers during this session, and in 2024, they recorded a net buying of Rs 1,676 crore in the cash market.

- **Markets moved up in 15/20 *Muhurat* trading days in the last 20 years:** Since 2018, the auspicious hour of *Muhurat* trading has witnessed various NIFTY indices always going up. In the last 20 years (since 2005), the Nifty 50 has declined in only five *Muhurat* trading sessions, while the Nifty Next 50 saw a decline in just two of those years. Notably, the Nifty Microcap has outperformed all other indices in all but two *Muhurat* trading sessions since 2006. The year 2008 stands out as an exceptional case, where all five Nifty indices experienced an unprecedented surge during just one hour of *Muhurat* trading, with each index rising by at least 5.8%.

- **CM activity remains buoyant on *Muhurat* trading days:** *Muhurat* trading on Diwali eve, though limited to just an hour, consistently sees significant market activity. In 2024, the turnover in the NSE's CM segment on this day reached Rs 18,225 crore, representing ~17% of the ADT in the CM segment in October. The equity derivatives segment, however, sees comparatively lower participation, with turnover and number of contracts traded typically remaining under 16% of the average for the corresponding Diwali month. Additionally, the number of trades in the CM segment has consistently exceeded 20% of the monthly average, indicating heightened investor interest. Interestingly, average trade sizes are smaller, reflecting increased retail participation on these days.

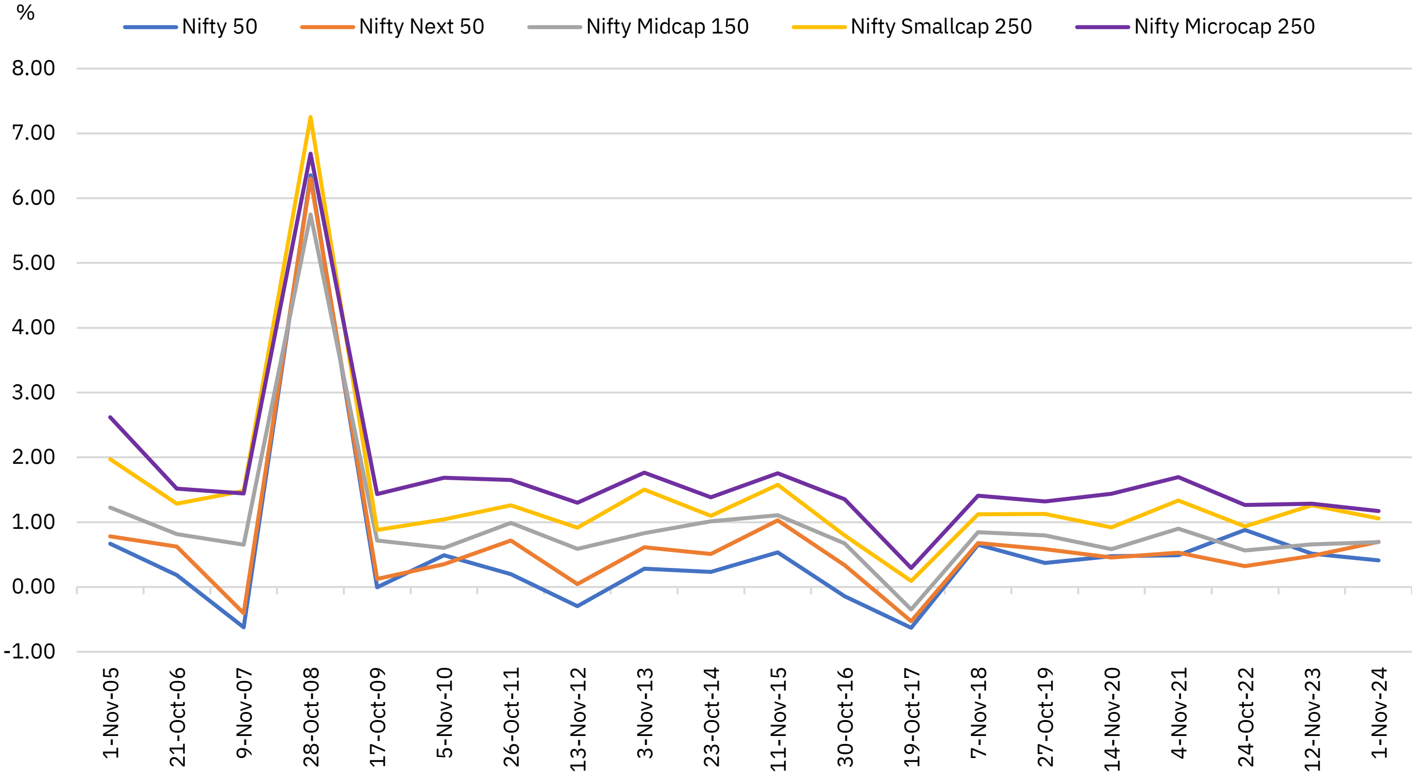
A normal trading day operates for 375 minutes (from 0915 hours to 1530 hours) whereas Muhurat trading lasts for just 60 minutes, accounting for only 16% of the duration of a regular trading day.

- **Individual investors dominate the *Muhurat* trading:** *Muhurat* trading in 2024 saw increased participation from individual investors in the CM segment, with

24.5 lakh individuals trading, up from 20 lakh last year. This accounted for 17% of active investors in the CM segment in the month of October. However, participation in the equity derivatives (FO) segment declined, with only 7 lakh individuals trading, down from 8.9 lakh in 2023. Notably, individual investors were net buyers, contributing Rs 1,676 crore in buying in the CM segment, with mobile-based trading accounting for 37.7% of the turnover. This highlights the increasing dominance of retail investors during this auspicious trading hour.

Market Performance during *Muhurat* trading days

Figure 107: Day change (%) in various indices on *Muhurat* trading days



Source: NSE EPR. Note: Day change (%) is calculated using index closing price.

Table 26: Diwali to Diwali change in various Nifty indices (%)

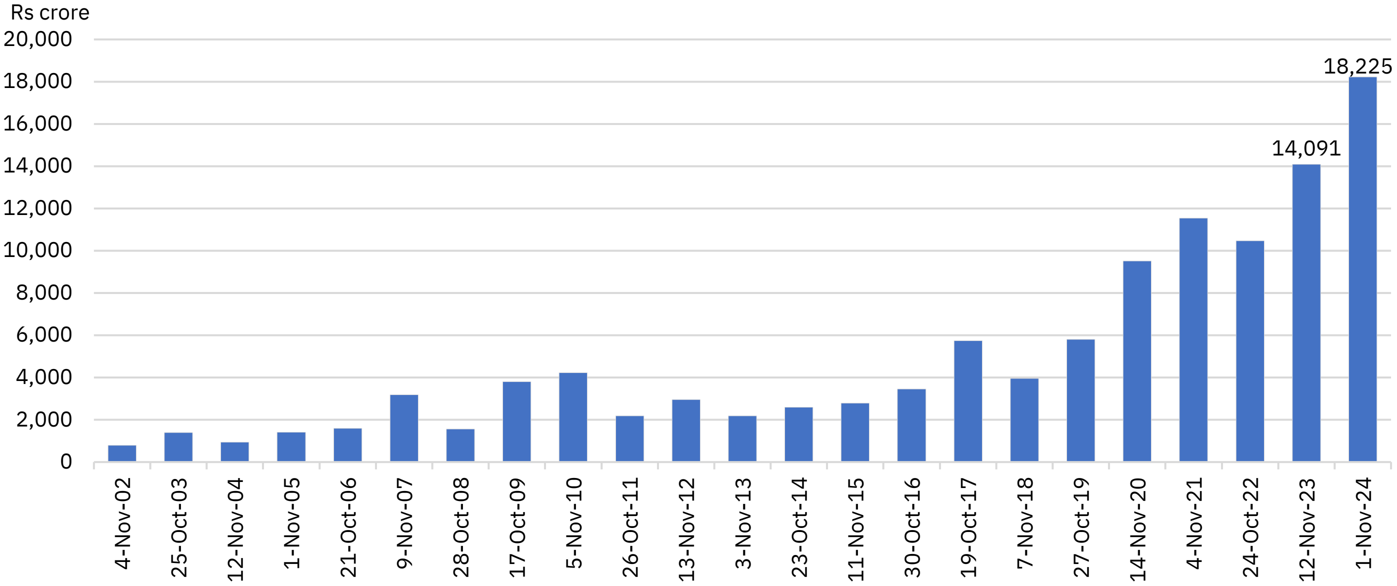
YoY change (Samvat calendar)	19-Oct-17	07-Nov-18	27-Oct-19	14-Nov-20	04-Nov-21	24-Oct-22	12-Nov-23	01-Nov-24
Nifty 50	17.6	4.5	9.7	9.9	40.2	-1.0	10.1	24.5
Nifty Next 50	32.4	-15.6	-25.9	13.9	115.3	4.7	56.5	47.3
Nifty Midcap 150	22.1	-5.5	-1.6	15.6	68.6	-0.5	30.7	37.4
Nifty Small cap 150	21.2	-4.7	3.2	4.7	46.4	-2.8	9.6	53.2
Nifty Microcap 150	24.2	-19.4	-9.8	11.1	85.3	-3.2	35.5	41.2

Source: NSE EPR.

Market Activity

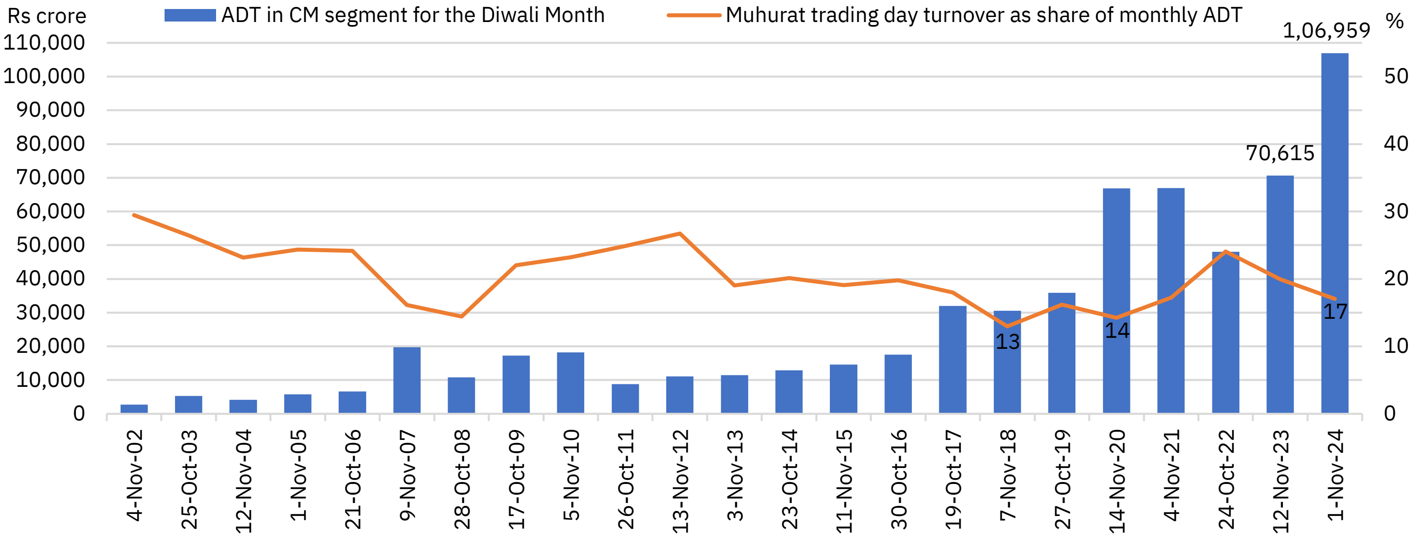
Activity in the CM segment quite robust on the *Muhurat* trading day…: Even as the Muhurat trading hour (1 hour of trading on Diwali eve) is just 16% of a normal trading day, its turnover in the CM segment exceeded 16% of the average daily turnover (ADT) for the corresponding month on most Diwali days. On November 1st (*Muhurat* trading), the NSE's CM segment witnessed an overall turnover of Rs 18,225 crore (29% up YoY), which is 17% of the average daily turnover for the month of Oct'24. Over the past four years, turnover on Muhurat trading day has consistently exceeded 16% of the ADT for the respective month. Furthermore, in the last 22 years (since 2002), there have only been three occasions where the turnover during *Muhurat* trading was less than 16% of the ADT for that month. These trends underscore the significant volume of trading that takes place during the single hour of Muhurat trading on Diwali eve.

Figure 108: Turnover in NSE's CM segment on Muhurat trading days over years



Source: NSE EPR.

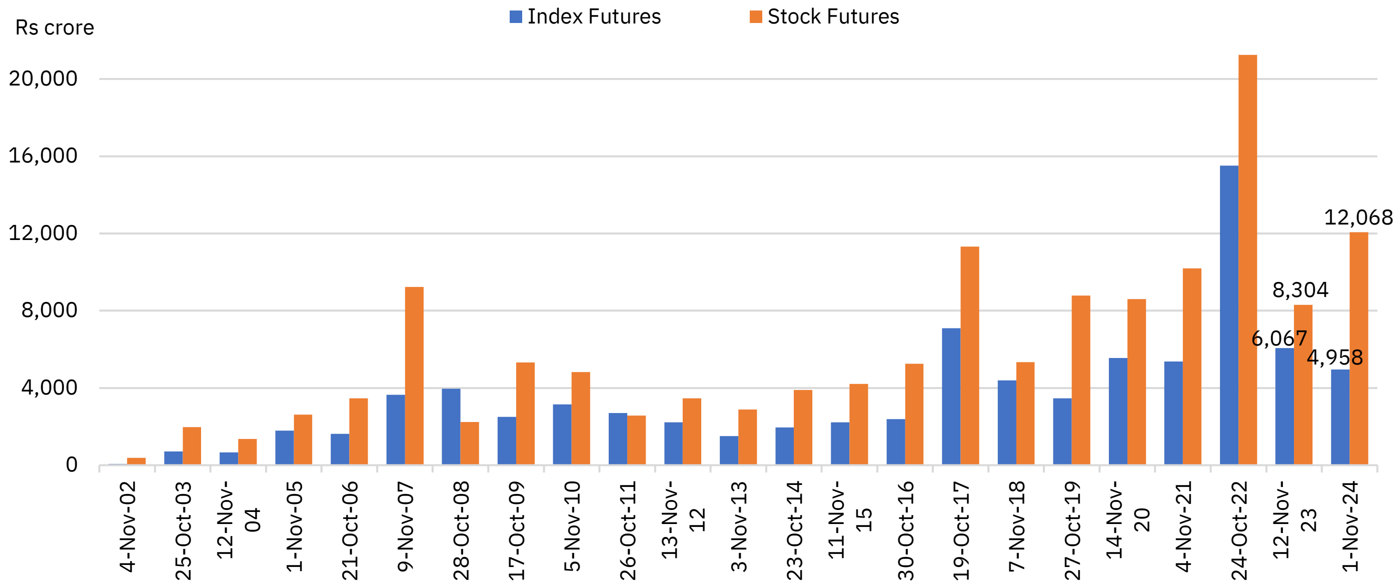
Figure 109: CM segment turnover on *Muhurat* trading days vis-à-vis a normal trading day



Source: NSE EPR. Note: For the year 2024's *Muhurat* trading day (Nov 1st, 2024), October'24 has been taken for above comparison.

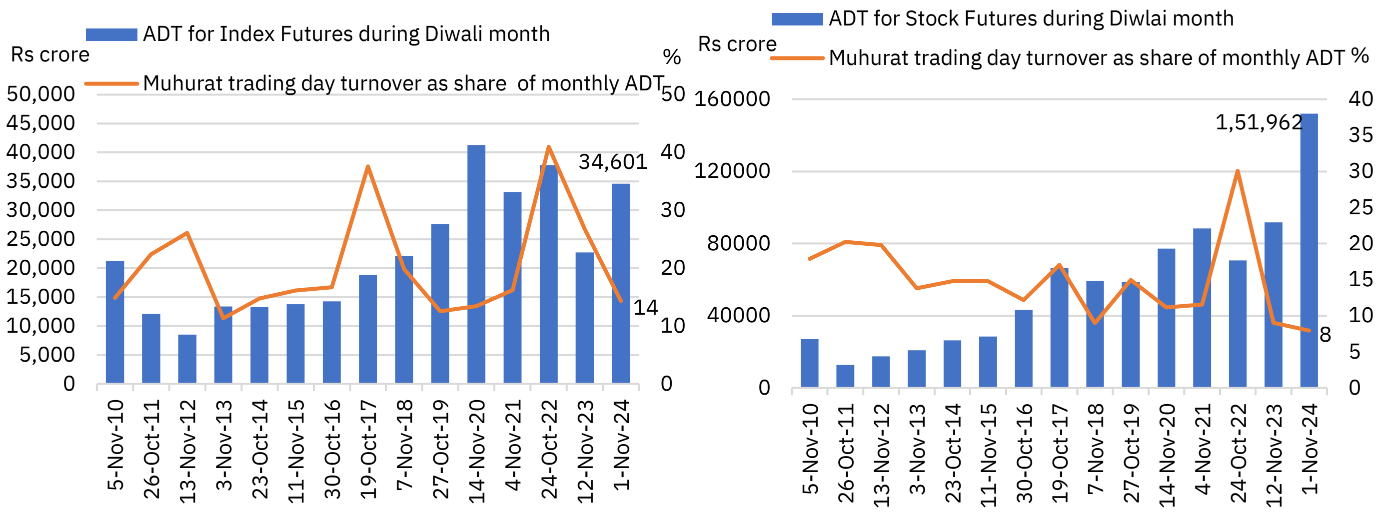
...While that in equity futures segment remain relatively weak...: The NSE's equity futures market witnessed increased trading activity on *Muhurat* trading days in recent years yet it remains less than 16% of ADT (notional) of the corresponding month on most occasions. On this year's *Muhurat* trading day (November 1st), the notional turnover in the stock futures market reached Rs 12,068 crore, reflecting a 45% YoY increase. However, this still only represented 8% of the stock futures ADT for Oct'24. In contrast, the turnover in the index futures market on the Muhurat trading day amounted to Rs 4,956 crore, marking an 18% YoY decline, and comprised 14% of the ADT in index futures for Oct'24. Over the past 15 years, stock futures turnover has exceeded 16% of the ADT of the corresponding month on just five occasions, while index futures turnover has surpassed this threshold on eight occasions.

Figure 110: Turnover in NSE's equity futures market on *Muhurat* trading over years



Source: NSE EPR.

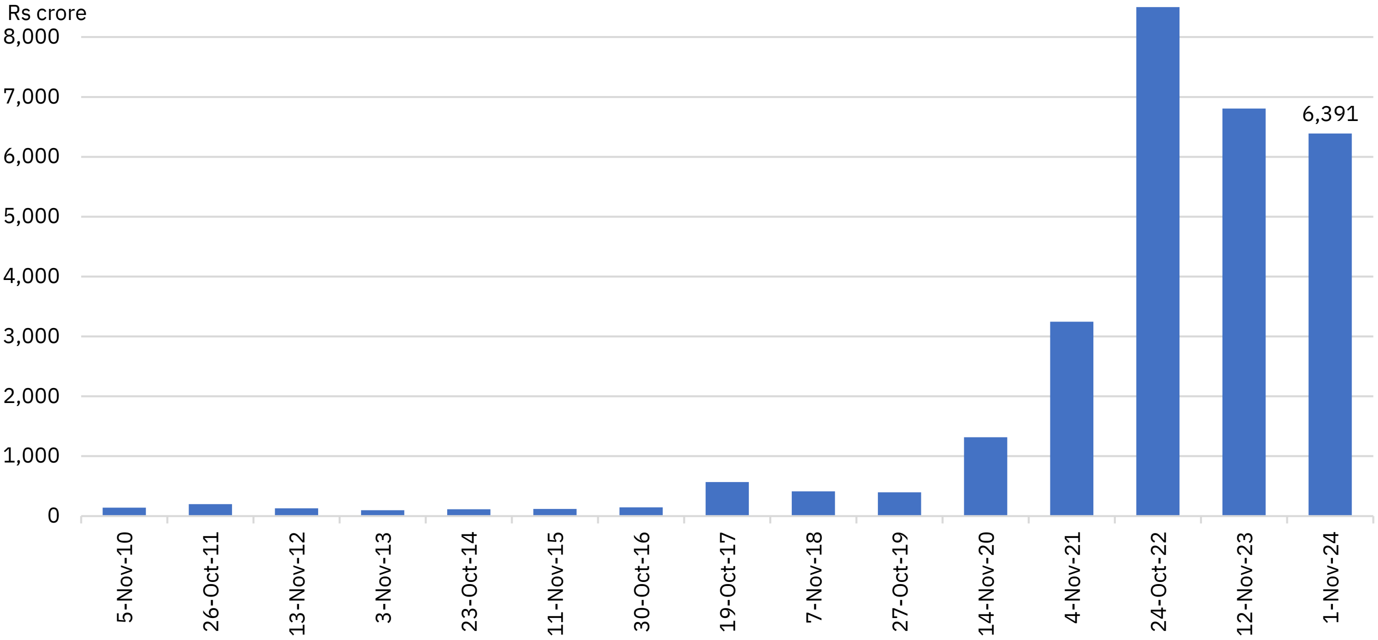
Figure 111: Equity futures turnover on *Muhurat* trading days vis-à-vis a normal trading day



Source: NSE EPR. Note: For the year 2024's *Muhurat* trading day (Nov 1st, 2024), October'24 has been taken for above comparison.

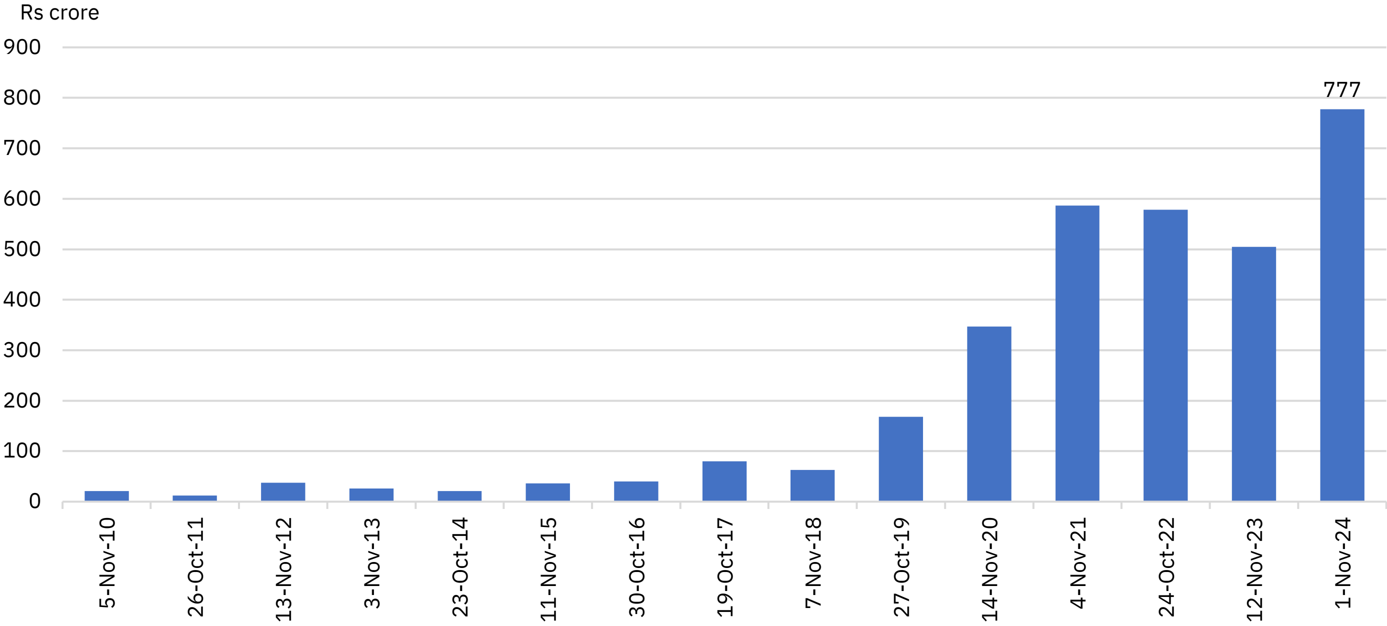
...And so in equity option segment: The NSE's equity options market also witnesses low trading volume (premium turnover) on *Muhurat* trading days. On November 1st, the premium turnover in the equity options market reached Rs 6,391 crore for index options and Rs 777 crore for stock options. This marked a decline of 6% YoY for index options, while stock options saw a 54% YoY increase in premium turnover on *Muhurat* trading. Despite this, both comprised around 10% of the ADT of index options and stock options for the month of Oct'24. Over the past 15 years, stock options premium turnover has exceeded 16% of the ADT of the corresponding month on just five occasions, while index options turnover has surpassed this threshold on six occasions. This indicates that, on *Muhurat* trading day, the CM segment continues to dominate the trading activity, with significantly higher participation compared to the equity derivatives market.

Figure 112: Turnover in NSE's equity options (Index Options) market on *Muhurat* trading over years



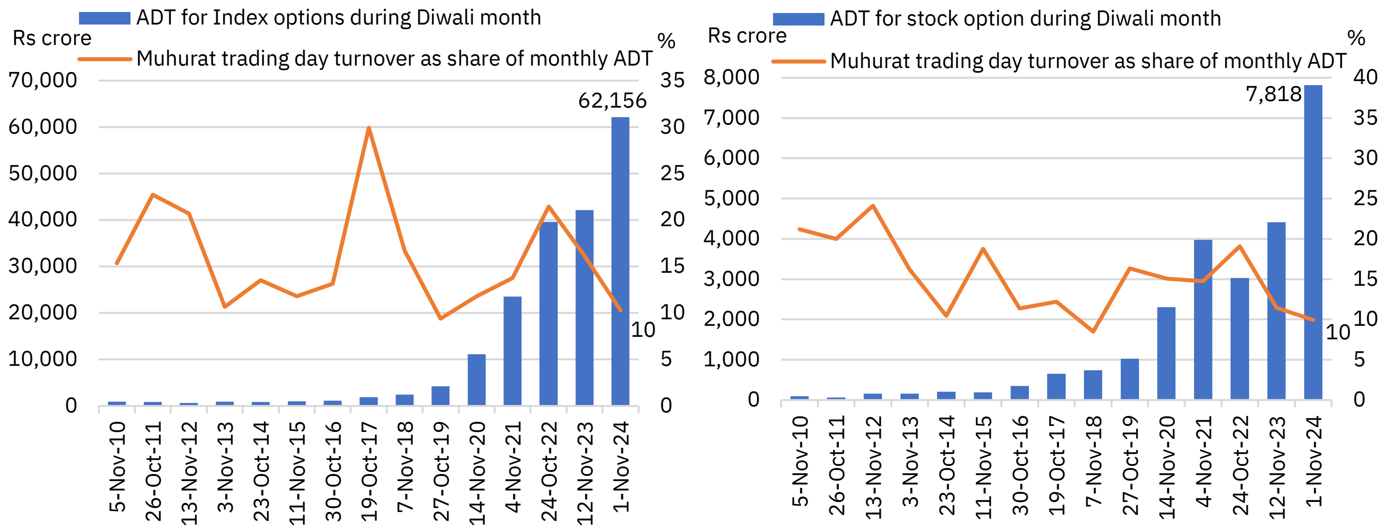
Source: NSE EPR.

Figure 113: Turnover in NSE's equity options (Equity Options) market on *Muhurat* trading over years



Source: NSE EPR.

Figure 114: Equity option turnover (premium) on *Muhurat* trading days vis-à-vis a normal trading day

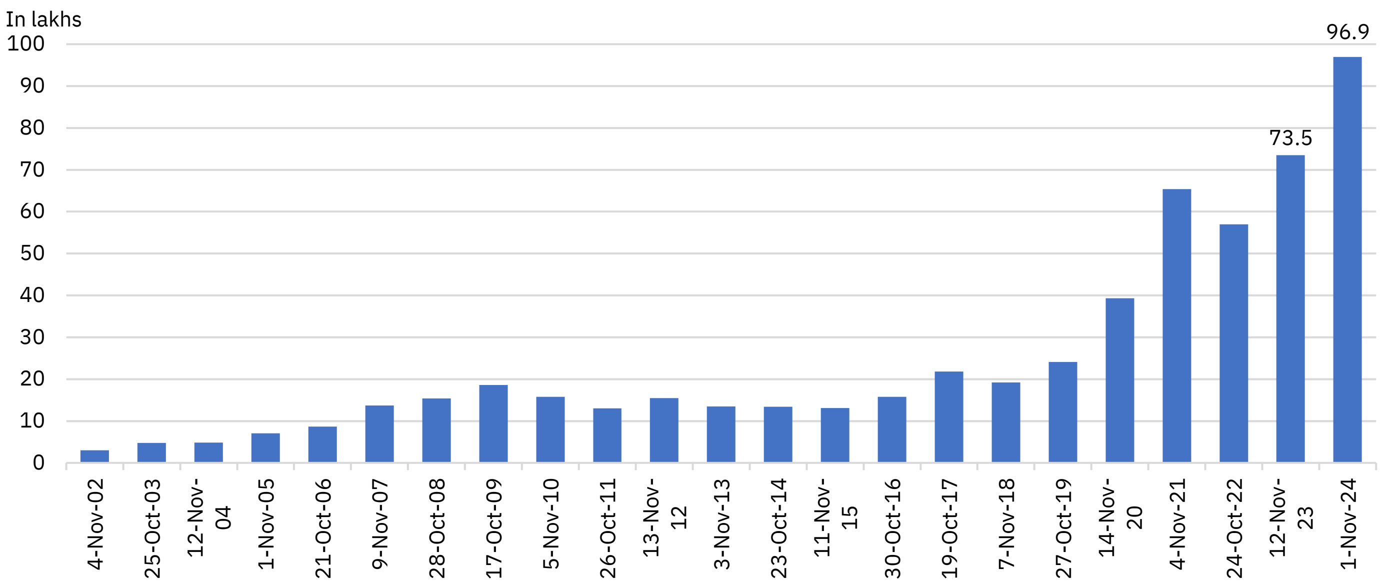


Source: NSE EPR. Note: For the year 2024 *Muhurat* trading day (Nov 1st, 2024), October'24 has been taken for above comparison.

Number of trades in the CM segment exceeded the 16% threshold across all *Muhurat* trading days: Number of trades in the NSE's CM segment on the *Muhurat* trading day always remained more than the 16% of average daily trades witnessed in the corresponding Diwali month. This year, the *Muhurat* trading day saw a total of 96.9 lakh trades, marking a 32% YoY increase. With October 2024's average daily trades standing at 385 lakhs, this means *Muhurat* trading accounted for about 25% of the month's daily average. Over the past six years, the number of trades on the *Muhurat* trading day has consistently surpassed 20% of the month's daily average. In fact, over the last 22 years (since 2002), the share has always remained well above the 16% threshold.

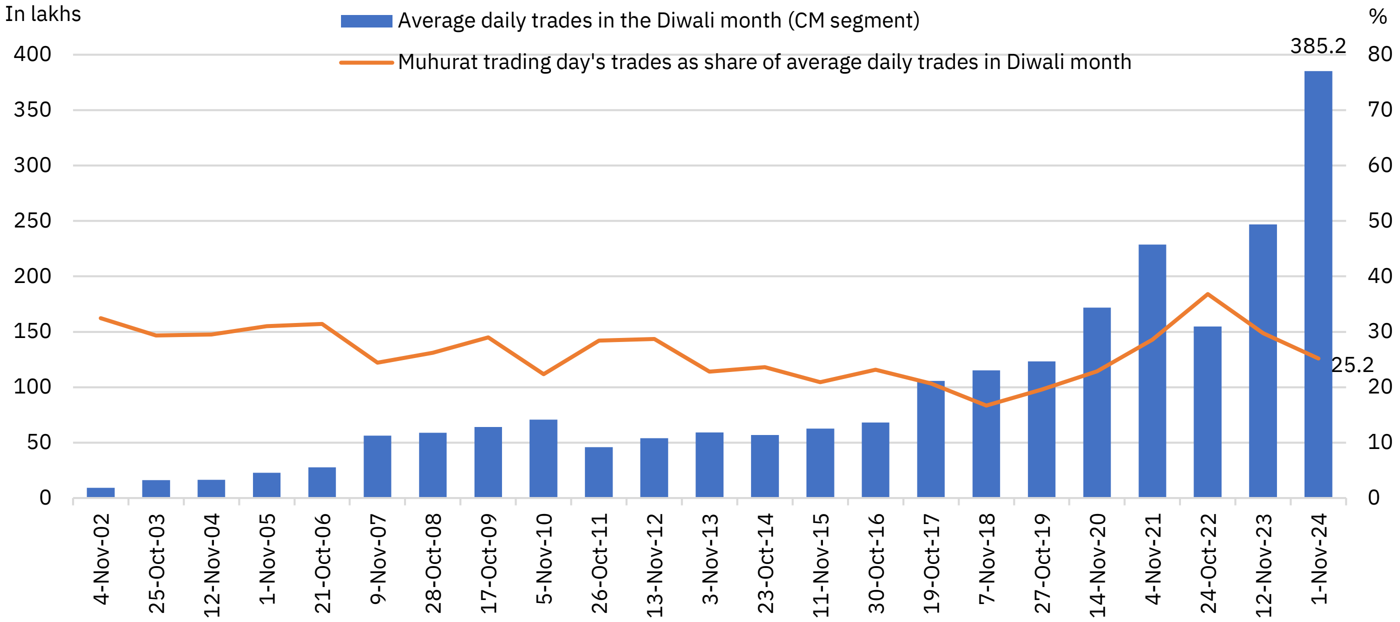
However, higher proportion of number of trades also suggests that average trade size in the NSE's CM segment remains smaller than the average trade size on any normal trading day. Average trade size on *Muhurat* trading has been between 60-70% of the average trade size in that corresponding month for the last five years.

Figure 115: Number of trades in NSE's CM segment on *Muhurat* trading over years



Source: NSE EPR.

Figure 116: Number of trades on *Muhurat* trading day in CM segment vis-à-vis a normal trading day



Source: NSE EPR. Note: For the year 2024's *Muhurat* trading day (Nov 1st, 2024), October'24 has been taken for above comparison.

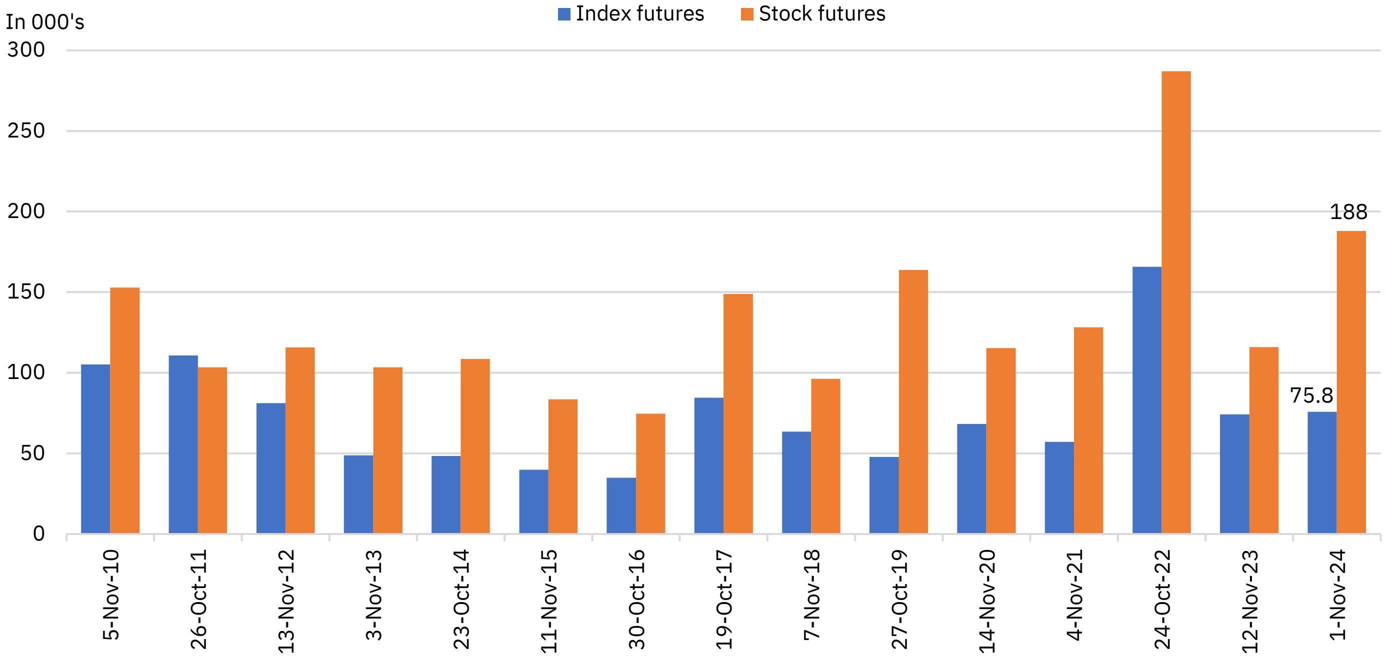
Table 27: Average trade size on *Muhurat* trading day vis-a-vis a normal trading day

Muhurat trading day	Average trade size on Muhurat trading (in Rs)	Average trade size in the corresponding Diwali month (in Rs)	%
01-Nov-2024	18,800	27,768	67.7
12-Nov-2023	19,172	28,586	67.1
24-Oct-2022	18,362	28,059	65.4
04-Nov-2021	17,675	29,278	60.4
14-Nov-2020	24,202	38,895	62.2
27-Oct-2019	24,081	29,102	82.7

Source: NSE EPR.

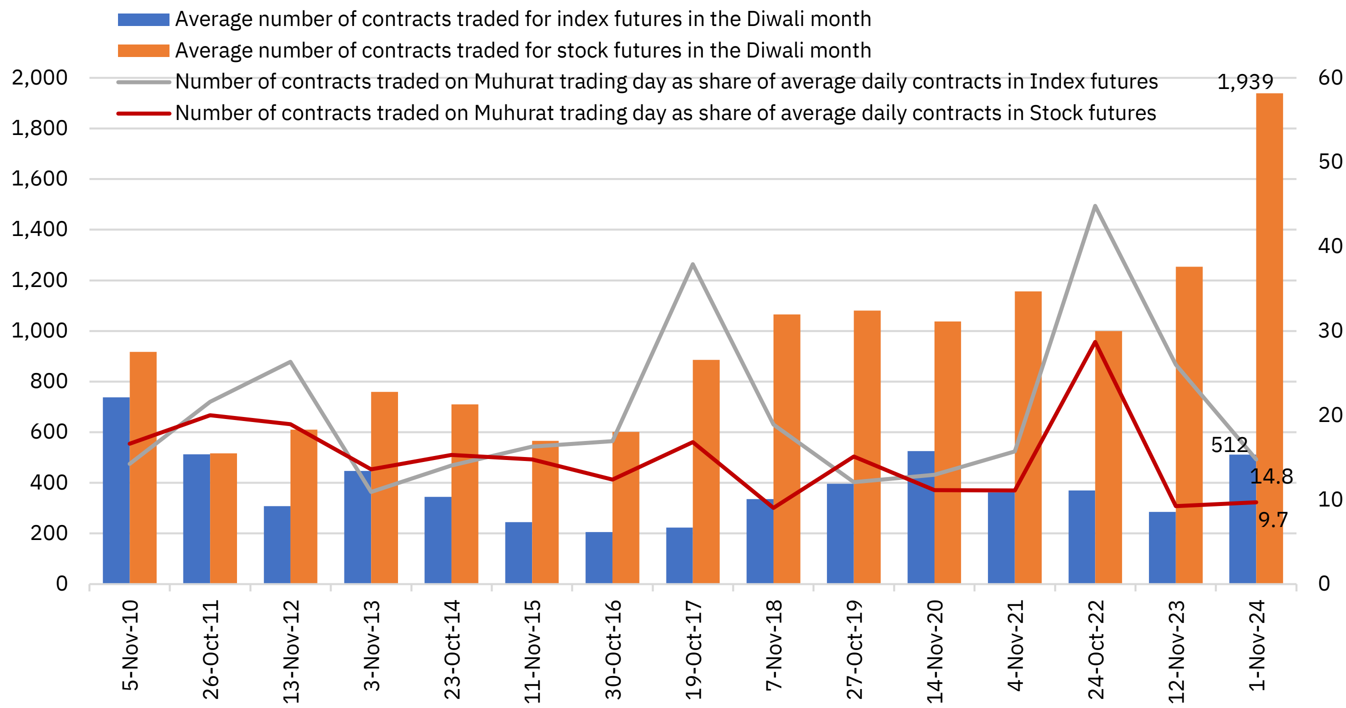
Number of contracts traded in the NSE's equity futures market remained below par on *Muhurat* trading days: On this year's *Muhurat* trading day, 75.8 thousand contracts were traded in index futures, and 188 thousand contracts were traded in stock futures. These figures represent 14.8% and 9.7% of the average daily contracts traded in October 2024 for index and stock futures, respectively. Historically, the number of contracts traded on *Muhurat* trading in index futures exceeded the 16% threshold of the Diwali month's average for seven out of the past fifteen years, while for stock futures, this occurred in just five of those years.

Figure 117: Number of contracts traded in equity futures market on *Muhurat* trading over years



Source: NSE EPR.

Figure 118: Number of contracts traded on *Muhurat* trading days in Equity futures vs. a normal trading day

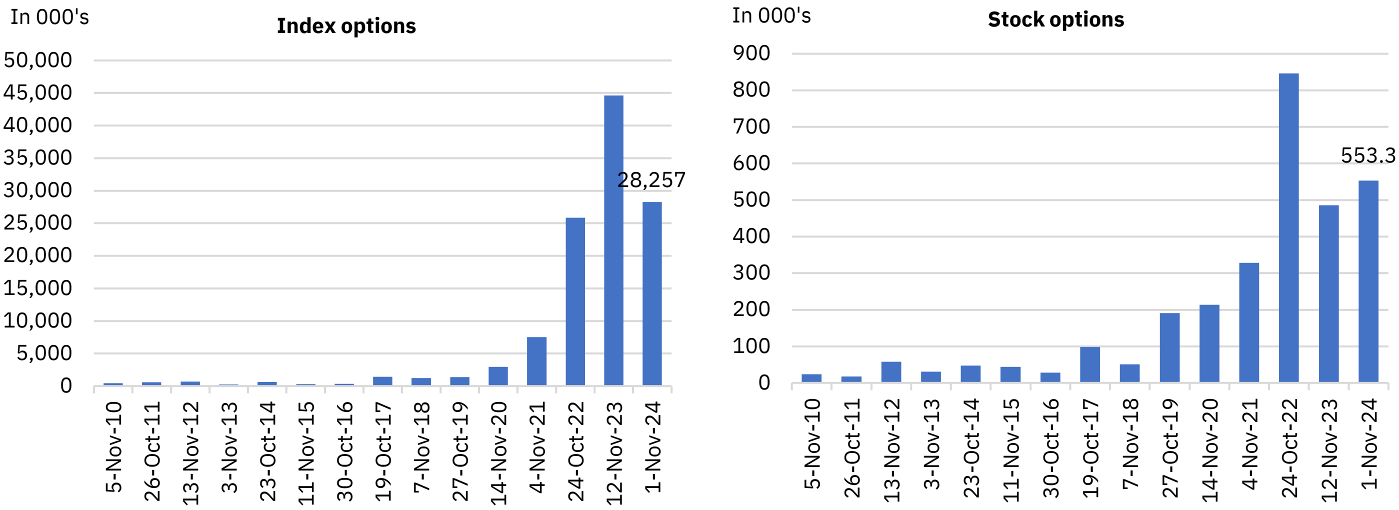


Source: NSE EPR. Note: For the year 2024's *Muhurat* trading day (Nov 1st, 2024), October'24 has been taken for above comparison.

Number of contracts traded in the NSE's equity options market represent a further poor participation on *Muhurat* trading days: On this year's *Muhurat* trading day, 28,257 thousand contracts were traded in index options, and 553.3 thousand contracts were traded in stock options. This represents 4.9% and 8% of the average daily contracts traded in October 2024 for index and stock options, respectively. Historically, the number of contracts traded on *Muhurat* trading in index options exceeded the 16% threshold of the Diwali month's average for five out of the past fifteen years, while for stock options, this occurred in just four of those years.

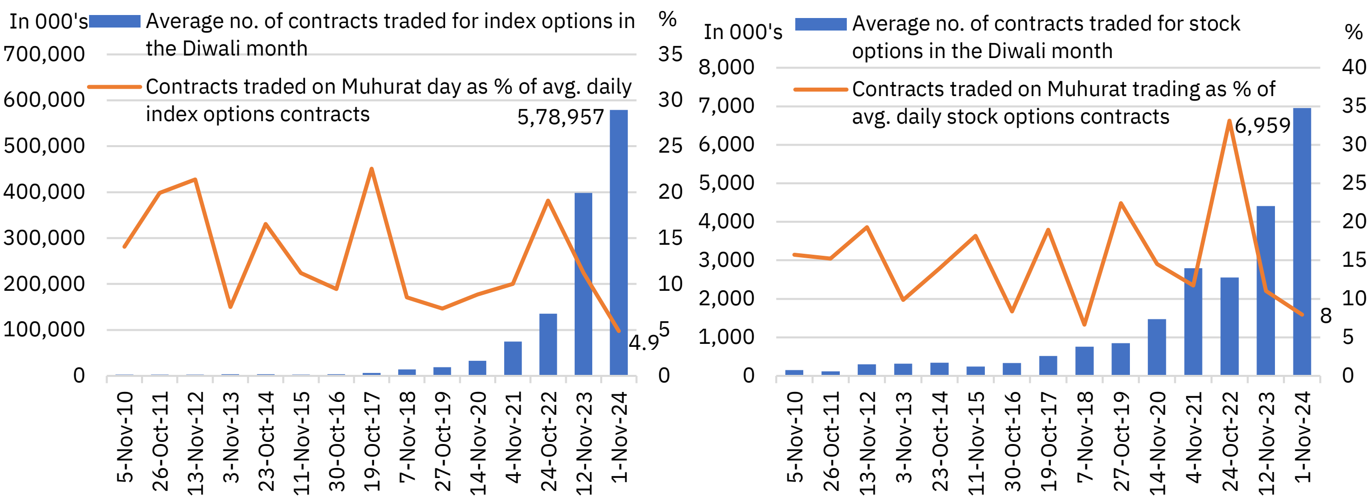
Notably, only the 2022 and 2017 *Muhurat* trading sessions saw above-average trading activity across the entire equity derivatives segment (all four markets), with contracts traded surpassing 16% of the daily average for the corresponding Diwali month. Otherwise, it can be said that derivative trading remains below-average on *Muhurat* trading days.

Figure 119: Number of contracts traded in index options and stock options on *Muhurat* trading over years



Source: NSE EPR.

Figure 120: Number of contracts traded on *Muhurat* trading day in equity options vis-à-vis a normal trading day

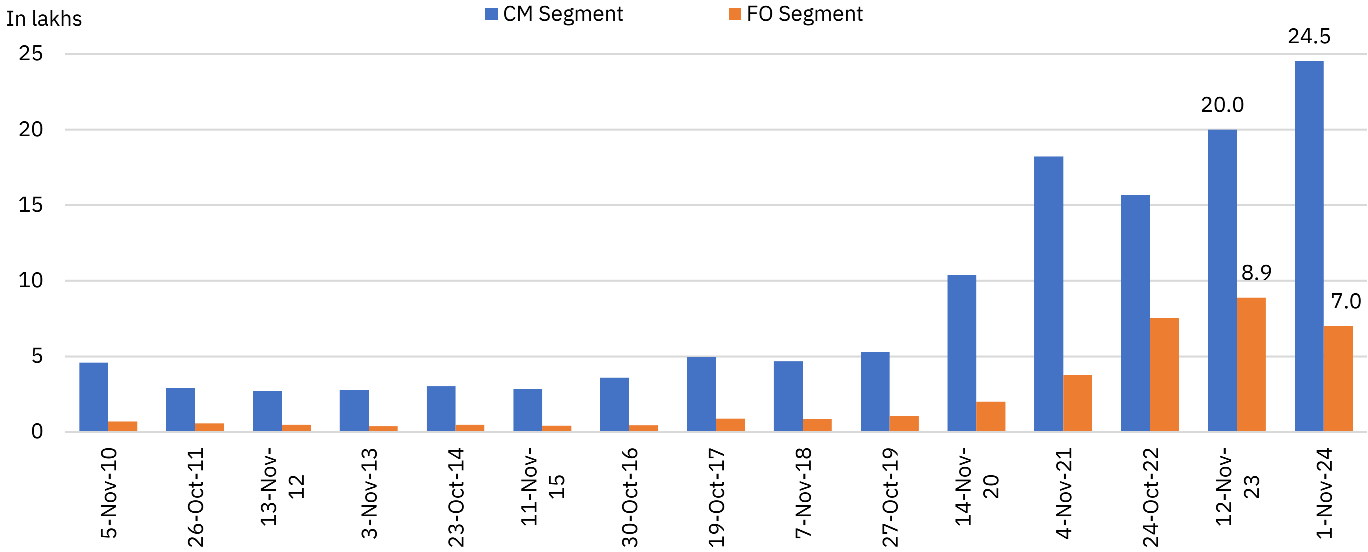


Source: NSE EPR. Note: For the year 2024's *Muhurat* trading day (Nov 1st, 2024), October'24 has been taken for above comparison.

Participation

Number of individual investors who traded on this year's *Muhurat* trading increased in CM segment but reduced in the FO segment: This year's *Muhurat* trading session witnessed 24.5 lakh individuals (up from 20 lakh last year) trading in the CM segment while only 7 lakh individuals (down from 8.9 lakh last year) traded in the FO segment. Since 2017, participation in the CM segment has typically ranged from 16% to 20% of active investors of the Diwali month, while participation in the FO segment has been more variable, fluctuating between 15.5% and 27.4%. Notably, in the past three years, individual investor participation in the CM segment during the hour of *Muhurat* trading has consistently accounted for over 90% of the average daily participation for that month, further underscoring the growing significance of the event.

Figure 121: Individual investor participation on *Muhurat* trading over years



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF.

Table 28: Individual investors participation on Muhurat trading days vis-à-vis active individual investors during corresponding Diwali month (in lakhs)

Muhurat trading day	Individual investor participation in CM segment (in lakhs)	Individual investor participation in FO segment (in lakhs)	Number of active individual investors during Diwali month (CM segment)	Number of active individual investors during Diwali month (FO segment)	% (CM segment)	% (FO Segment)
19-Oct-2017	5.0	0.9	30.9	3.9	16.1	22.4
07-Nov-2018	4.7	0.8	26.2	4.9	17.8	17.1
27-Oct-2019	5.3	1.1	29.6	5.8	17.9	18.2
14-Nov-2020	10.4	2.0	54.8	10.8	18.9	18.5
04-Nov-2021	18.2	3.8	102.9	21.2	17.7	17.8
24-Oct-2022	15.7	7.5	78.3	27.5	20.0	27.4
12-Nov-2023	20.0	8.9	107.0	37.6	18.7	23.6
01-Nov-2024	24.5	7.0	144.0	45.3	17.0	15.5

Source: NSE EPR.

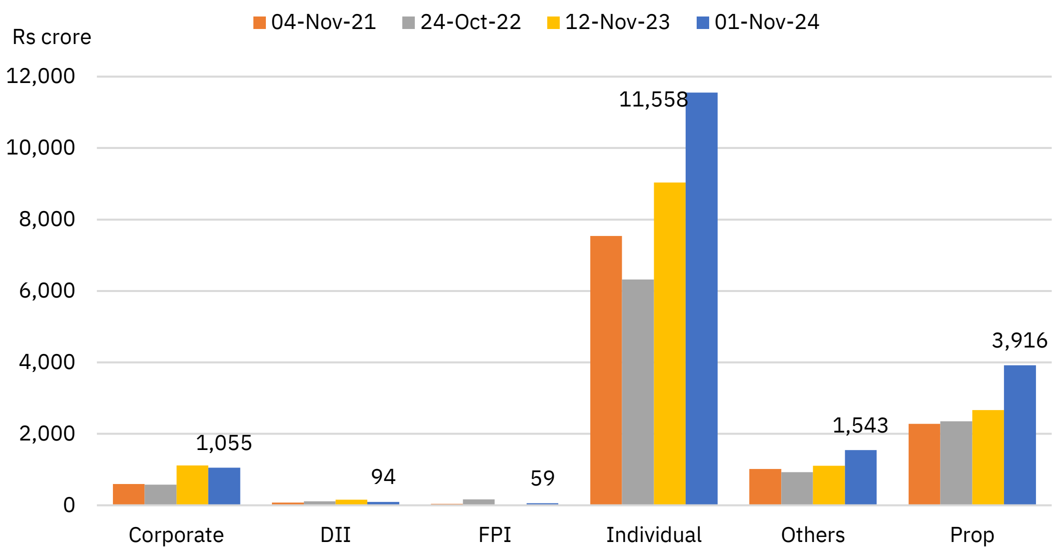
Table 29: Individual investors participation on *Muhurat* trading days vs. average daily individual investor participation in the CM segment during Diwali month

Muhurat trading day	Individual investor participation in CM segment (in lakhs)	Average daily individual investor participation in the CM segment during Diwali month (in lakhs)	%
19-Oct-2017	5	7.1	70.1
07-Nov-2018	4.7	6.5	72.1
27-Oct-2019	5.3	6.7	79.4
14-Nov-2020	10.4	13.8	75.3
04-Nov-2021	18.2	21.8	83.8
24-Oct-2022	15.7	13.6	114.9
12-Nov-2023	20	20.6	97.3
01-Nov-2024	24.5	26.9	91.3

Source: NSE EPR.

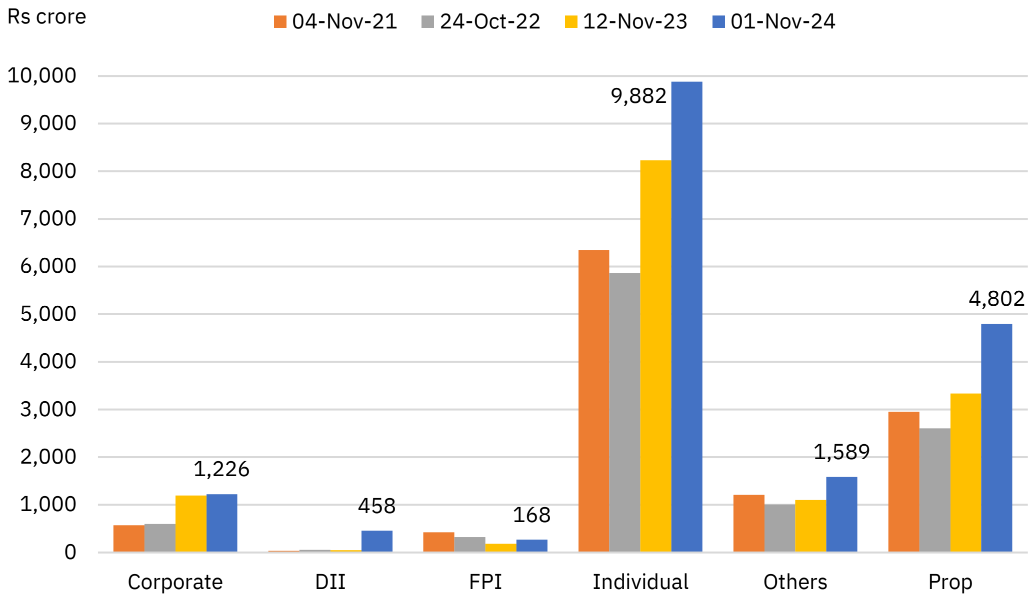
Individuals dominate the trading volume on *Muhurat* trading day in the NSE's CM segment: Individual investors contribute the most towards both buy and sell-side turnover on *Muhurat* trading days. On this year's *Muhurat* trading day, individuals accounted for Rs 11,558 crore (63.4%) of the total Rs 18,225 crore turnover on the buy side, followed by proprietors at Rs 3,916 crore (21.5%). On the sell side, individuals contributed Rs 9,882 crore (54.2%), while proprietors accounted for Rs 4,802 crore (26.4%). In comparison, individual investors typically contribute around 35% of the total turnover on regular trading days (33% in Oct'24 and 35.1% in FY25TD). Over the years, the share of individuals in the buy-side turnover on *Muhurat* trading day has steadily increased, from 34.9% in 2002 to 63.4% in 2024. Meanwhile, the share of proprietors has decreased from 46.3% in 2002 to 21.5% in 2024. Similarly, on the sell side, individuals' share grew from 42% in 2002 to 54.2% in 2024, while proprietors' share declined from 39.1% in 2002 to 21.5% in 2024. Notably, the participation of FPIs (Foreign Portfolio Investors) and DIIs (Domestic Institutional Investors) significantly decreases during *Muhurat* trading.

Figure 122: Category-wise buy traded value in the NSE's CM segment on *Muhurat* trading over the last four years



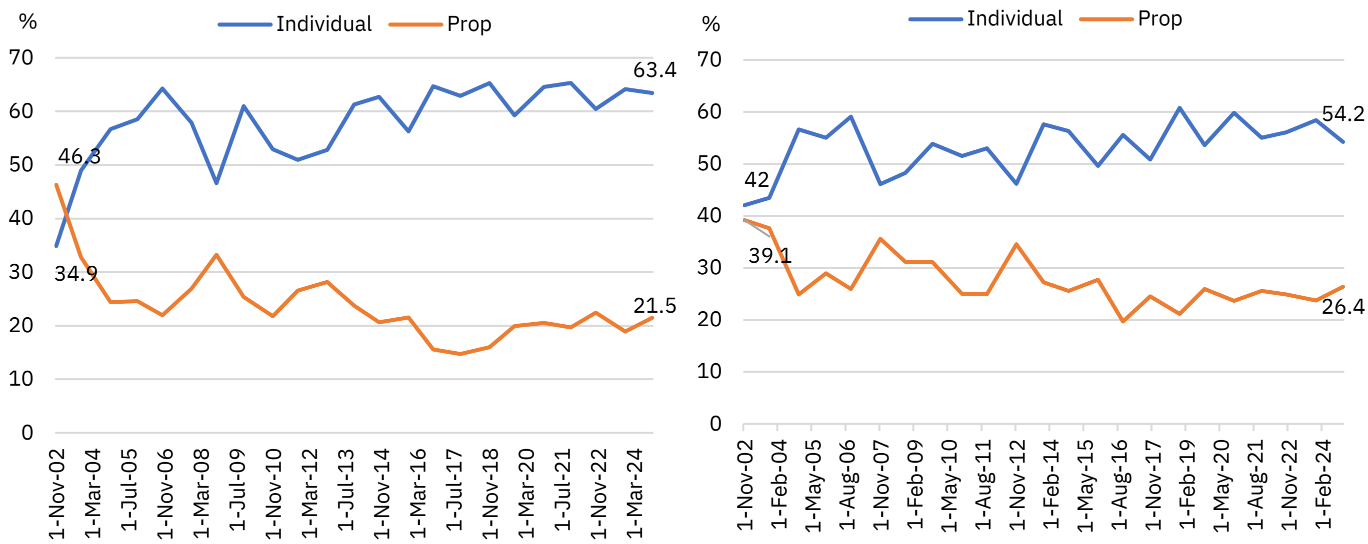
Source: NSE EPR.

Figure 123: Category-wise sell traded value in the CM segment on Muhurat trading over the last four years



Source: NSE EPR.

Figure 124: Share of Individuals and proprietors towards buy and sell traded value on Muhurat trading days



Source: NSE EPR.

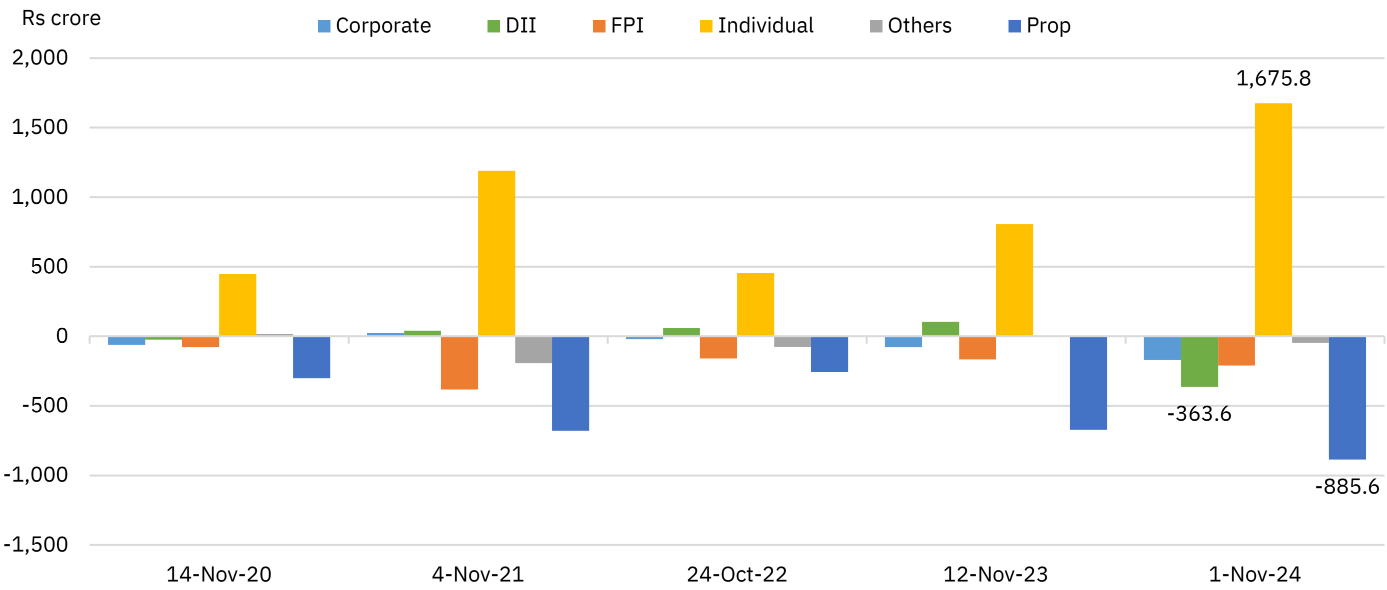
Individuals are the net buyers on *Muhurat* trading days since last eight years: Since 2017, the buy-side turnover from individuals has consistently exceeded their sell-side turnover on these special trading days, aligning with the traditional belief of individuals buying during the auspicious *Muhurat* hour. In 2024, individuals recorded a net buy of Rs 1,675.8 crore, while all other categories were net sellers. Proprietors, in particular, have remained on the net sell side since 2017.

Table 30: Category-wise net-buy in NSE's CM segment on *Muhurat* trading days (in Rs crore)

Client category	19-Oct-17	07-Nov-18	27-Oct-19	14-Nov-20	04-Nov-21	24-Oct-22	12-Nov-23	01-Nov-24
Corporates	-44.5	20.0	10.5	-59.6	22.8	-21.4	-78.6	-171.0
DIIs	43.7	27.3	55.3	-24.2	41.3	59.5	104.3	-363.6
Foreign investors	-38.1	12.1	5.8	-78.5	-382.8	-159.1	-166.2	-209.9
Individuals	689.6	178.2	327.7	448.4	1190.3	455.6	807.4	1675.8
Prop	-564.3	-205.9	-352.3	-302.3	-678.7	-258.3	-671.0	-885.6
Others	-86.6	-31.6	-47.1	16.2	-192.9	-76.3	4.1	-45.6

Source: NSE EPR.

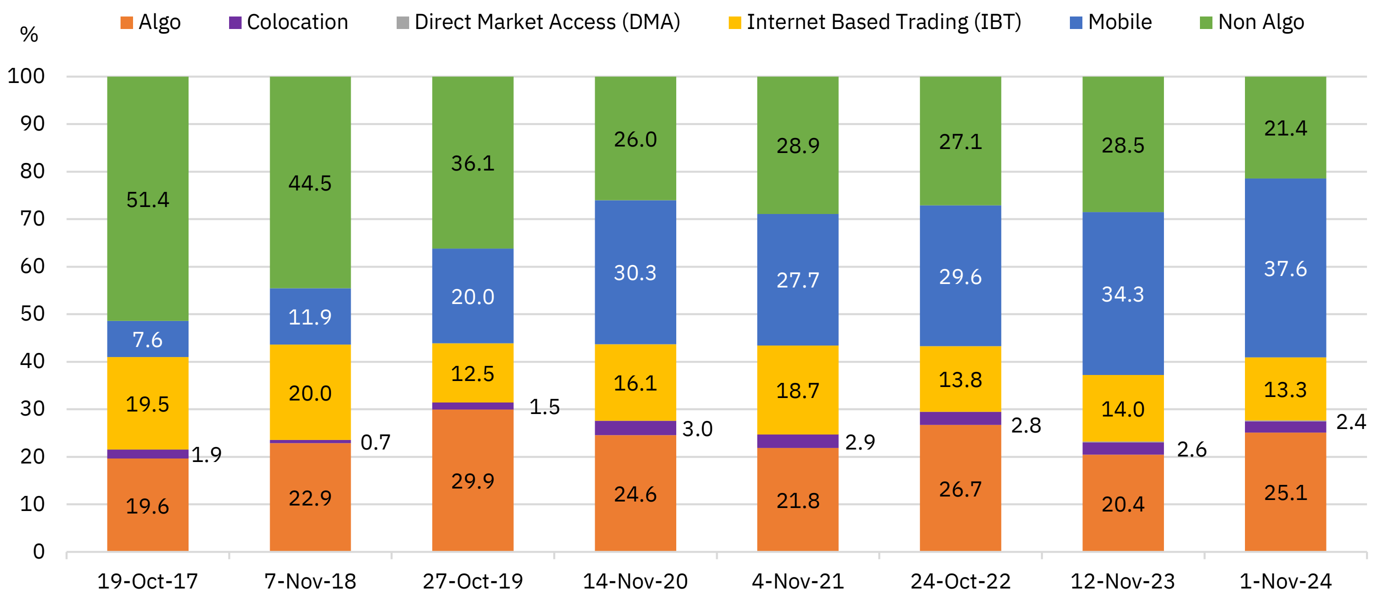
Figure 125: Category-wise net-buy in NSE's CM segment on Muhurat trading days over the last five years



Source: NSE EPR.

Mobile remains the preferred mode of trading on *Muhurat* trading days: In the NSE's CM segment, the share of mobile-based trading (in turnover) has consistently increased on *Muhurat* trading days, rising from 7.5% in 2017 to 37.7% in 2024. The share of non-algo trading has seen a steady decline over the years, falling from 51.4% in 2017 to 21.4% in 2024, albeit higher than the 15.4% share in overall turnover in FY25TD. On the other hand, algo-based trading has maintained a stable share of around 20-25% throughout this period, higher than the share of 12.8% witnessed in FY25TD. DMA and colocation-based trading has negligible share on *Muhurat* trading days, unlike normal trading days where DMA has around 6.8% share and colocation has 35.5% share (FY25TD).

Figure 126: Mode of trading in terms of turnover on *Muhurat* trading days



Source: NSE EPR.

Macroeconomy

Macro round-up

Strong rebound in industrial activity and acceleration in retail inflation

Indian economy displayed recovery in October, rebounding from signs of moderation in September, buoyed by festive season demand. Key indicators of industrial activity exhibited a significant recovery, with IIP increasing by 3.1% YoY and core sector output rebounding by 2% YoY after registering a contraction in August. Manufacturing and Services PMIs also inched up to 57.5 and 58.5 respectively. The Centre's finances stayed healthy, with the fiscal deficit narrowing by 32.4% YoY to Rs 4.7 lakh crore in H1FY25, aided by strong revenues and subdued capital expenditure. However, capex gained momentum in Q2FY25, growing to Rs 2.4 lakh crore from Rs 1.8 lakh crore in Q1. Bank credit growth eased to 13% YoY, the lowest since June 2022, driven by a moderation in personal loans and services segment, while MSME and agriculture credit growth remained robust. The merchandise deficit widened to US$27.1 bn in October, driven by a record-high oil deficit and a surge in gold imports, pushing the overall merchandise imports to an all-time high. Merchandise exports grew 17.2% YoY to US$39.2 bn, driven by record-high engineering goods (US$11.3 bn) and robust electronics exports. The services trade surplus reached an all-time high of US$17 bn in October, marking another positive development. Notwithstanding the fall in FX reserves to US$ 682.1bn, they are sufficient to mitigate any external vulnerabilities. Retail inflation climbed to a 14-month high of 6.2% YoY in October, driven by rising food prices and a fading base effect. While *kharif* arrivals and strong *rabi* prospects may offer some relief, persistent food inflation remains a key concern for the RBI's MPC. On the global front, the IMF's October WEO forecasts stable yet modest global growth at 3.2% for 2024 and 2025. India's growth outlook remains strong at 7% for FY25 and 6.5% for FY26, maintaining its position as the fastest-growing major economy. Easing inflation, and growth slowdown has prompted major central banks, including the Fed, BoE, and ECB, to continue with its policy rate cut actions.

- **Industrial activity recovers in September after contracting in the previous month:** Industrial activity rebounded in September, as IIP expanded by 3.1% YoY, reversing August's contraction of -0.1% YoY, thanks to waning away of a high base effect. The manufacturing sector production expanded by 3.9% YoY, with 18 out of the 23 sub-industries depicting growth while electricity (+0.5% YoY) and mining (+0.2% YoY) exhibited tepid recovery. There has been a meaningful recovery in the consumer non-durables segment, exhibiting a growth of 2% YoY, after three consecutive months of negative growth — hinting towards revival in rural consumption. Core sector output expanded by 2% YoY in September, after registering negative growth for the first time in 42 months in August. Manufacturing and Services PMI rose to 57.5 and 58.5, respectively, reflecting robust demand and international sales.

- **Retail and wholesale inflation accelerate:** Retail inflation rose to a 14-month high of 6.2% YoY in October (from 5.5% in September), thanks to surge in vegetable prices and a waning base effect. Food & beverages inflation spiked to 9.7% YoY, driven by vegetables (+42.2% YoY), with tomato, potato and onion prices rising by 161.3%, 64.9% and 51.8% respectively. Core inflation also increased to 3.8% YoY, reflecting higher gold and silver prices. WPI inflation rose to a four-month high of 2.4% YoY as higher food prices were partly offset by fuel deflation and tepid gains in manufacturing segment inflation. While *kharif* arrivals and strong *rabi* prospects are likely to provide relief, persistent food inflation remains a risk for RBI's MPC.

- **Fiscal deficit at 29% of FY25BE; capex spending picks up:** The Centre's fiscal deficit remained under control, falling by 32.4% YoY to Rs 4.7 lakh crore in H1FY25 (29% of FY25BE vs. 39% of FY24BE), thanks to robust tax revenues, higher RBI dividends, and subdued capital expenditure. That said, capital expenditure picked up in Q2FY25 with a spending of Rs 2.4 lakh crore vs. Rs 1.8 lakh crore in the previous quarter. Even as capex picks up further, the Centre remains on track to meet or even undershoot its fiscal deficit target of 4.9% of GDP in FY25.

- **Record high imports widen merchandise trade deficit:** Merchandise trade deficit widened to US$27.1 bn in October (vs US$20.8 bn in Sep), driven by a record-high oil trade deficit (US$13.7 bn) and a 62.1% MoM rise in gold imports. Merchandise exports rose 17.2% YoY to US$39.2 bn, led by robust exports of engineering goods (All-time high of US$11.3 bn) and electronic goods (+36.6% YoY to US$3.4bn). Imports reached a record US$66.3 bn (+3.9% YoY), with oil imports at US$18.3 bn, exhibiting a sequential growth of 46.4% amidst higher crude oil prices. The services trade surplus also hit an all-time high of US$17 bn in October, as exports grew 21.3% YoY to US$34 bn. Notwithstanding the fall in foreign exchange reserves to US$ 682.1 bn as of November 1st, 2024, they are sufficient to mitigate any external vulnerabilities.

- **Bank credit – deposit growth gap widens significantly in September:** Bank credit growth eased to 13% YoY in September 2024, the lowest since June 2022, thanks to a broad-based moderation in growth across key heads from August. Bank credit growth has further moderated to 11.9% YoY as of Nov'1, 2024 as per the RBI's WSS. In comparison to Sept'23, bank credit growth has fallen sharply in personal loans and services, outweighing the uptick in industrial credit and stable agriculture credit. MSME credit growth remained strong — highest since Dec'22, while large industries saw slower growth. Deposit growth stood at 10.4% YoY as of end-Sept'24 continues to lag credit growth while so far this year (Apr-Sept), deposit growth at 6.2% has outpaced credit growth (4.1%). Subsequently, deposit growth has improved further to 11.8% YoY as of Nov 1st as per RBI's WSS. On a YoY basis, the credit-deposit gap, which narrowed to less than 1pp in Aug'24, has widened to 2.7pp in September. Banks also continue to mobilize funds through certificates of deposits.

- **IMF projects global growth to remain stable at 3.2%**: The IMF's October WEO projects global growth to remain stable, yet underwhelming at 3.2% for both 2024 and 2025, consistent with previous forecasts. Notable upward revision has taken place for the USA, buoyed by strong consumption and demand in AI-driven sectors, offsetting downgrades to some large economies like Germany and China. India's growth outlook remains unchanged at 7%/6.5% for FY25/FY26 respectively, making it the fastest growing large economy. Easing inflation, slowing growth, easing labor market dynamics prompted central banks, including the Fed, BoE, and ECB, to continue with policy rate reductions in Oct-Nov, with outlook marred with lingering uncertainty.

Industry activity recovers in September 2024

India's industrial activity saw a notable recovery in September 2024, with the IIP expanding by 3.1% YoY, reversing the 22-month low of -0.1% recorded in August 2024. This rebound was supported by the expansion in manufacturing production by 3.9% YoY and meaningful recovery, albeit subdued growth, in both mining and electricity. Use-based classification shows a strong recovery in consumer non-durables, after three consecutive months of negative growth while consumer durables exhibited robust growth of 6.5% YoY. After the growth in capital goods fell to a nine-month low in Aug, there was a modest recovery in September, reflecting a pick-up in investment activity. Core sector output also recovered from the 42-month low contraction in August, with a growth of 2% YoY in September, supported by growth in cement, refinery products and coal production. Moreover, the Manufacturing PMI rose to 57.5 and the Services PMI to 58.5, reflecting strong demand conditions and solid international sales. Overall, these trends point to a broad-based recovery in industrial activity, with India's PMI performance outperforming major global economies.

- **IIP growth rebounds to 3.1% YoY in Sep'24, led by manufacturing…:** IIP expanded by 3.1% YoY in September, rebounding from a 22-month low of -0.1% YoY in August, driven largely by waning away of the high base effect. Mining and electricity, after recording a sharp contraction in August, has seen a turnaround in September, albeit recording a tepid growth of 0.2% YoY and 0.5% YoY respectively. Manufacturing production expanded by 3.9% YoY and remains the key driver of the overall growth in industrial production. 18 out of 23 industries (cumulative weight of ~74%) recorded positive YoY growth, with double-digit growth experienced in three sectors—furniture, transport equipment, and electrical equipment. Conversely, five industries — beverages (-0.1%), leather and related products (-2.2%), wood products (-0.7%), printing and reproduction of recorded media (-3.1%), and optical products (-1.3%) — registered YoY contraction. In H1FY25, IIP growth moderated to 4% YoY (vs. 6.3% in H1-FY24) weighed down by mining and manufacturing, while growth in electricity generation has been broadly stable.

- **…alongside significant recovery in consumer non-durables:** The use-based classification depicts robust expansion in consumer durables and meaningful turnaround in consumer non-durables and primary goods. Capital goods recorded a growth of 2.8% YoY in September (vs 0.5% YoY in August), signaling a pick-up in investment activity. Consumer goods (weight: 28.2%) grew by 3.9% YoY in September (vs. -0.5% in August), bolstered by both consumer durables and non-durables. Consumer durables rose by 6.5% YoY, while consumer non-durables saw a relatively modest yet four-month high increase of 2% YoY, rebounding from a decline of 4.5% YoY in August. Infra & construction goods grew by 3.3% YoY in September (vs. 2.2% YoY in August), reflecting a gradual increase in construction activity, including increased capex spending by the Government. Primary goods (weight: 34%), expanded by 1.8% YoY compared to a decline of 2.6% in August, indicating a noticeable recovery. While all sectors showed YoY growth, monthly performance was mixed. In H1-FY25, the growth in consumer durables was robust at 8.6% YoY (vs. -0.8% YoY in the same period last year), while the opposite pattern was observed in the case of consumer non-durables which recorded a contraction of 1.3% during the first half of the fiscal.

- **Core sector recovers marginally in Sep'24:** After registering a contraction for the first time in 42-months of 1.6% YoY in August, the core sector growth showed a modest recovery of 2% YoY in September, aided by a reversal of a high base effect.

Refinery products, which carry the highest weight of 28%, registered a significant improvement of 5.8% YoY in September (compared to -1% YoY in August), likely driven by increased fuel demand that led refineries to ramp up production. Steel production grew at a subdued pace of 1.5% YoY — marking a 33-month low, while crude oil production contracted to a 19-month low of 3.9% YoY. Similarly, natural gas production declined by -1.3% YoY, reflecting a rising reliance on imports. The growth in fertilizer production dipped to a four-month low of 1.9% YoY due to lower demand during kharif harvesting season. After exhibiting a modest contraction of 3% YoY in August, cement production grew by 7.1% YoY, thanks to the waning high base-effect and improvement in construction and investment activity. Electricity production declined for the second consecutive month with a contraction of 0.5% YoY in September, likely due to reduced demand caused by better-than-expected rainfall.

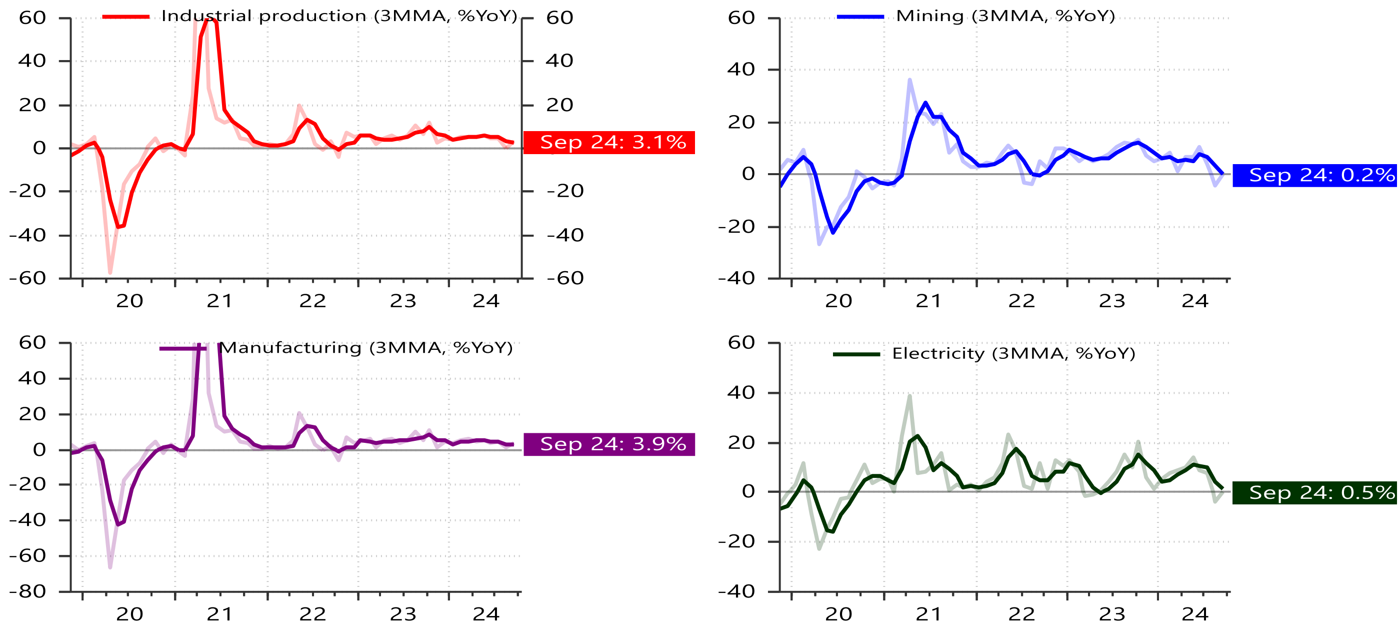
- **Services and Manufacturing PMI remain in the expansion zone:** India's Manufacturing PMI rebounded to 57.5 in October 2024, following a slight dip in September, driven by a rise in new orders, favourable market conditions, uptick in international sales and an acceleration in output growth. Similarly, the Services PMI, which had reached a 10-month low in September, rose to 58.5 in October, reflecting a recovery in international sales and robust demand conditions. This positive performance in both manufacturing and services is mirrored in the Composite PMI, which edged up to 59.1 in October (vs 58.3 in Sep'24). Interestingly, India's PMI performance outpaced that of major global economies, including the US, UK, China, the Euro Area, and Japan.

Table 31: India industrial production for September 2024 (%YoY)

%YoY		Weight (%)	Sep-24	Aug-24	Sep-23	FY25	FY24
	IIP		**3.1**	**(0.1)**	**6.4**	**4.0**	**6.3**
Sector-based indices	Mining	14.4	0.2	(4.3)	11.5	4.1	8.7
	Manufacturing	77.6	3.9	1.1	5.1	3.7	5.9
	Electricity	8.0	0.5	(3.7)	9.9	6.0	6.1
Use-based Goods	Primary Goods	34	1.8	(2.6)	8.0	4.3	6.4
	Capital Goods	8.2	2.8	0.5	8.4	4.0	7.0
	Intermediate Goods	17.2	4.2	3.0	6.1	4.0	4.5
	Infra/Construction Goods	12.3	3.3	2.2	10.1	5.7	13.0
	Consumer Goods	28.2	3.9	(0.5)	2.0	2.6	3.7
	Consumer Durables	12.8	6.5	5.3	1.0	8.6	(0.8)
	Consumer non-durables	15.3	2.0	(4.5)	2.7	(1.3)	6.9

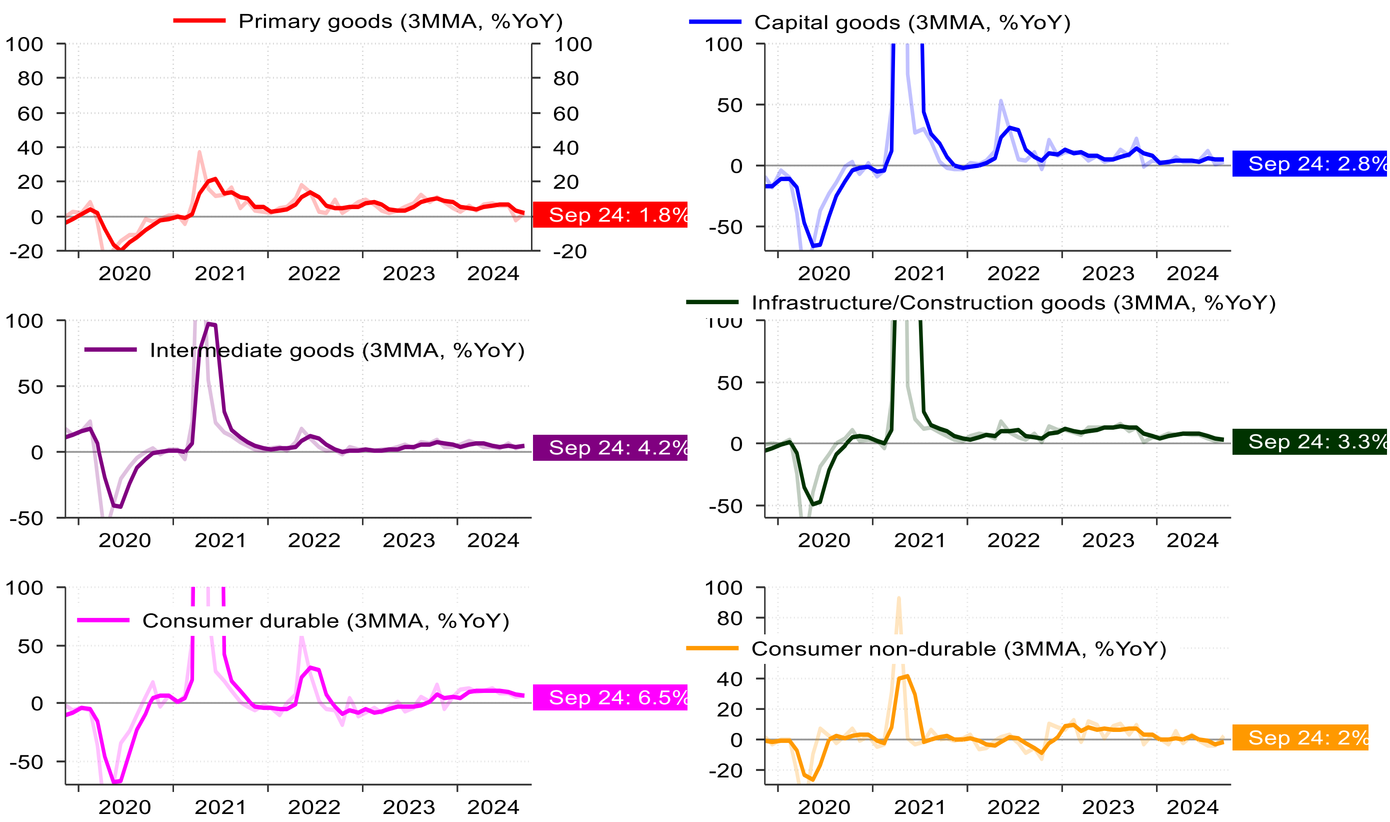
Source: CMIE Economic Outlook, NSE EPR.

Figure 127: India industrial production (3MMA)



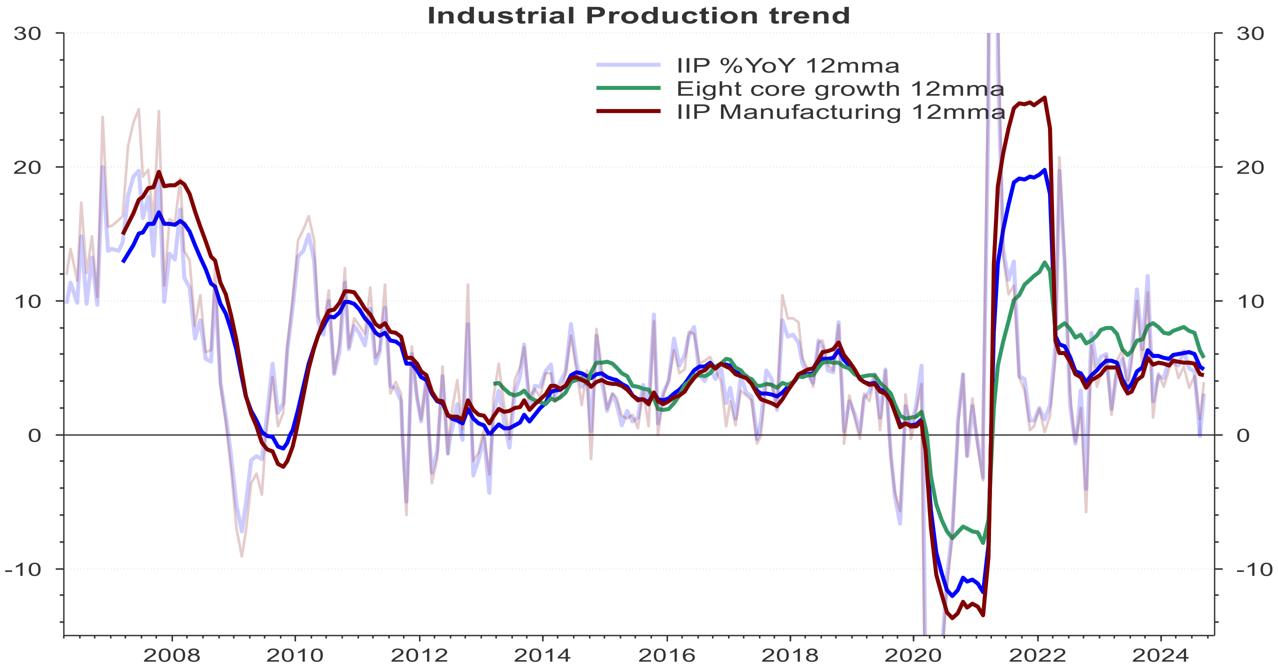
Source: LSEG Datastream, NSE EPR.

Figure 128: India industrial production use-based goods (3MMA)



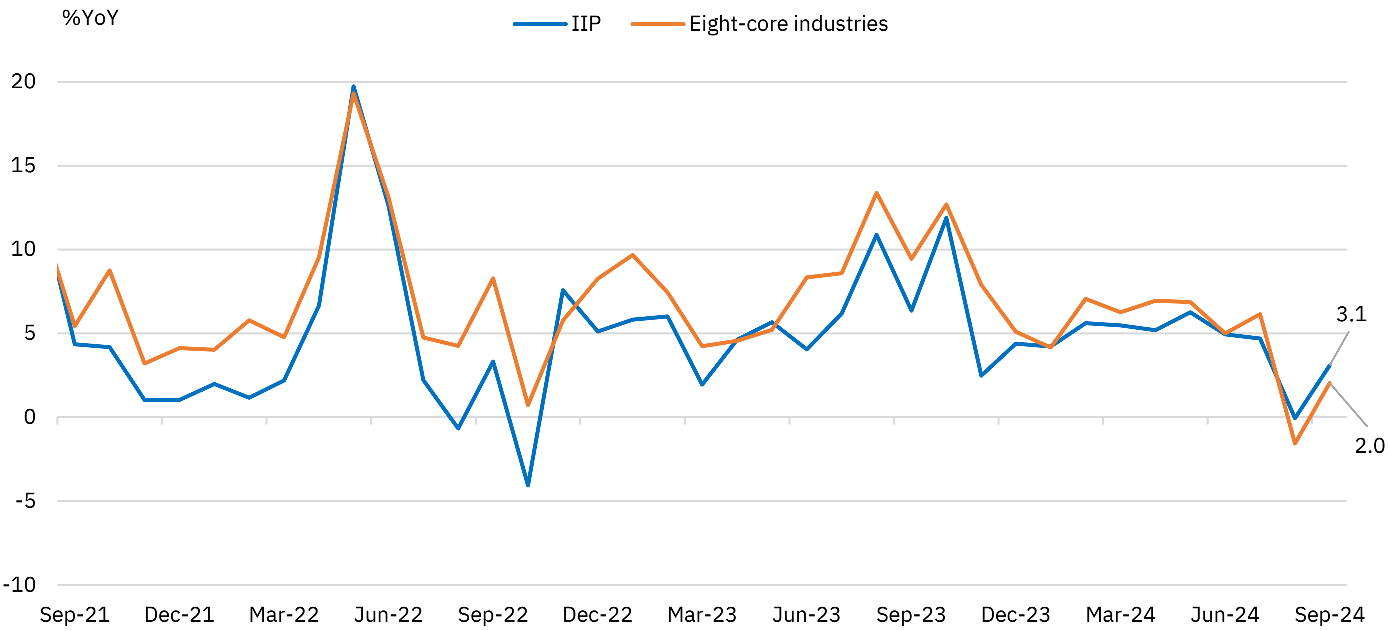
Source: LSEG Datastream, NSE EPR.

Figure 129: Long-term industrial production trend (12MMA)



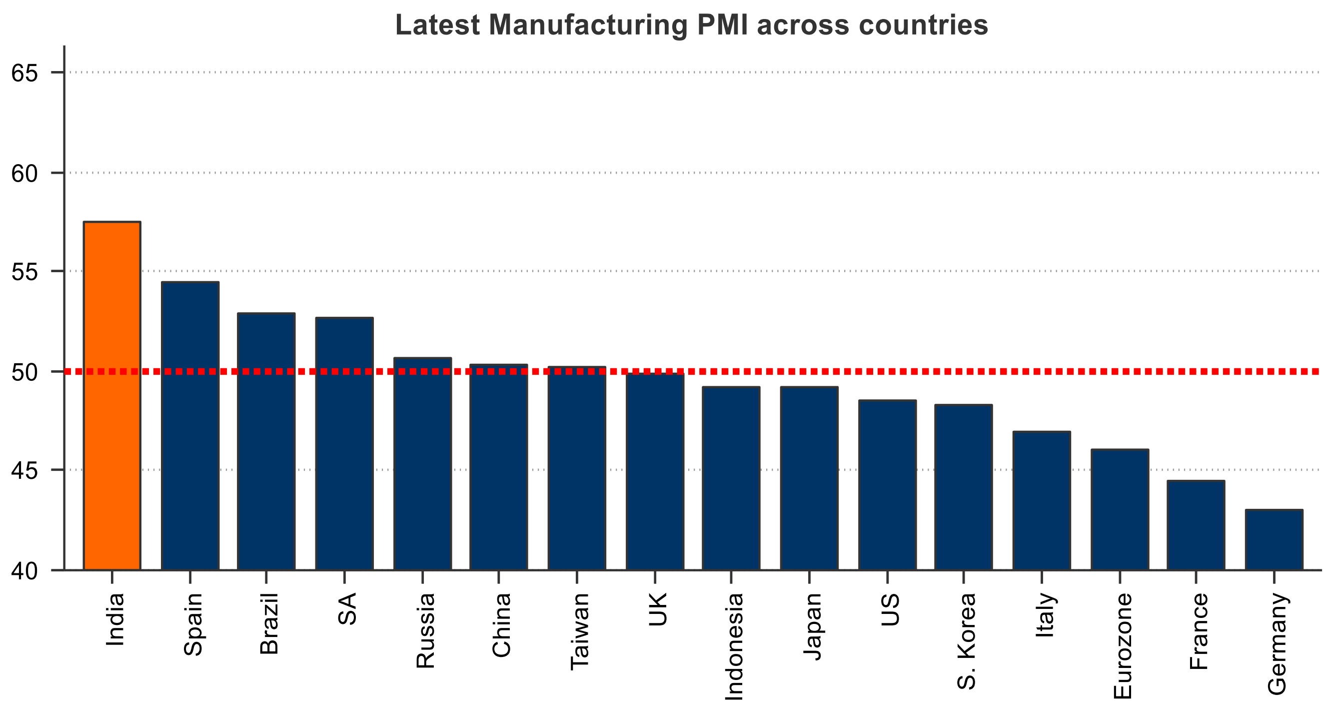
Source: LSEG Datastream, NSE EPR.

Figure 130: Eight core industries and IIP growth trend (% YoY)



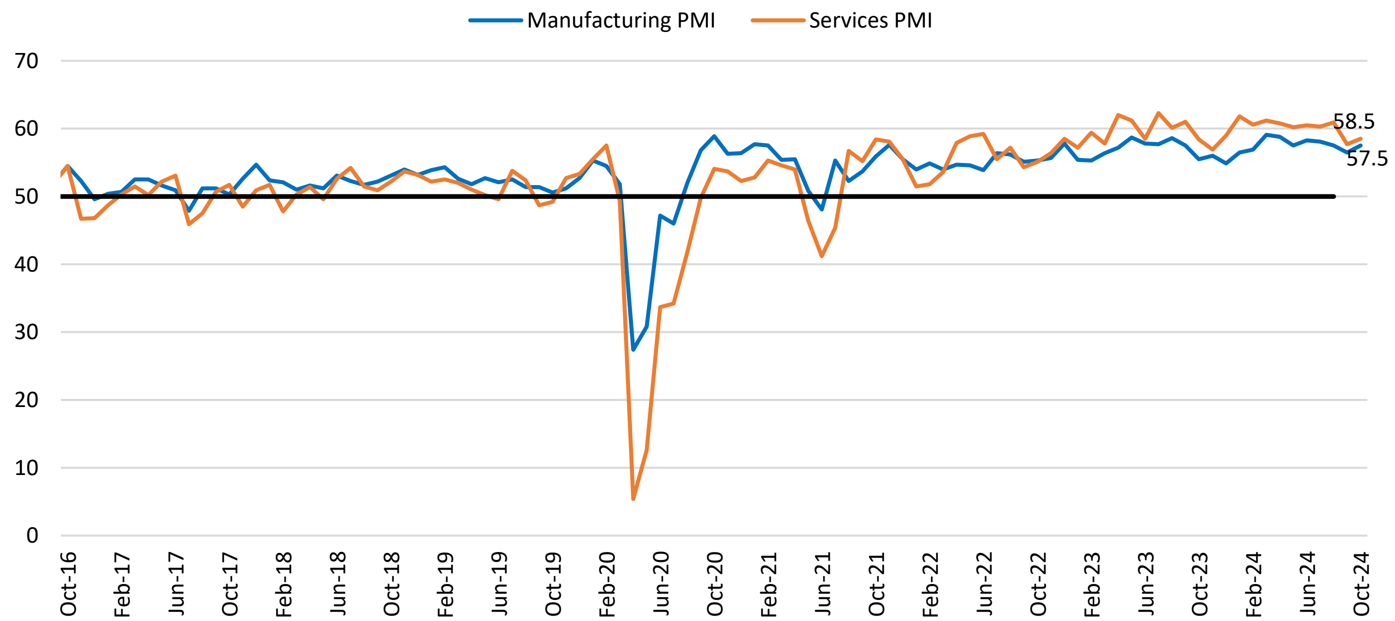
Source: CMIE Economic Outlook, NSE EPR.

Figure 131: Manufacturing PMI across countries



Source: LSEG Datastream, NSE EPR.

Figure 132: India's Manufacturing and Services PMI trend



Source: CMIE Economic Outlook, NSE EPR.

Retail inflation accelerates above RBI's inflation target

Headline retail inflation rose to 6.2% YoY in October, up from 5.5% in September, driven by higher food prices — specifically vegetables — and a waning favourable base effect. Food & beverages inflation surged to a 15-month high of 9.7% YoY (vs 8.4% in Sep), with vegetable prices rising by 42.2% YoY to a 57-month high, led by tomatoes (+161% YoY), potatoes (+65% YoY), and onions (+52% YoY). Excluding vegetables, food inflation inched up slightly to 4.3% YoY reflecting broader price pressures across edible oils, cereals, and pulses. Core inflation also edged up to a 10-month high of 3.8% YoY, driven by personal care & effects, thanks to rising gold and silver prices. Sequentially, the CPI index rose by 1.3% MoM, led by vegetable and edible oil. In the first seven months of FY25, headline retail inflation stood at 4.8% vs. 5.4% during the same period last year.

Wholesale price inflation (WPI) also rose to 2.4% YoY in October from 1.8% in September, largely due to higher food prices, despite continued deflation in the fuel segment and subdued inflation in manufacturing products. The gap between CPI and WPI widened further to 3.9%, signalling persistent price pressures at the retail level. Looking ahead, while the arrival of the kharif harvest and strong rabi prospects from higher reservoir levels could ameliorate inflationary pressures, persistent food inflation and external uncertainties suggest headline inflation may remain elevated.

- **Retail inflation accelerates to a 14-month high…:** Retail inflation rose to a 14-month high of 6.2% YoY in October (vs. 5.5% in Sep), driven by a surge in food inflation[9] to a 15-month high of 10.9% YoY. Headline inflation ex-veggies inched up to 3.6% YoY but continues to remain benign. Core inflation also increased to a 10-month high of 3.8% YoY (vs. 3.6% in Sep), with personal care & effects seeing a significant rise to 11% YoY, primarily due to elevated gold and silver prices. Inflation in all the other sub-components has remained broadly stable: pan, tobacco, & intoxicants (+2.5% YoY), clothing & footwear (+2.7% YoY), and housing (+2.8% YoY). Fuel & light remained in deflation for the 14th consecutive month, registering a decline of 1.6% YoY. Rural retail inflation (6.7% YoY) continues to outpace its urban counterpart (5.6% YoY), with the gap widening slightly in October. Overall, while food remains the primary driver of headline inflation, other categories contributed moderately to the rise in inflation.

- **… as veggies drive food inflation to a 15-month high:** Food & beverages inflation spiked to a 15-month high of 9.7% YoY in October from 8.4% in the previous month, driven by vegetable prices, which rose to a 57-month high of 42.2% YoY. Key contributors to food inflation were tomatoes (+161.3% YoY, +48.8% MoM), garlic (+82.5% YoY), potatoes (+64.9% YoY), and onions (+51.8% YoY), reflecting the impact of supply disruptions amidst excess and unseasonal rainfall. Edible oils prices rose to a 29-month high of 9.5% owing to the recent import duty hike and low base effect. Buoyed by festive season demand, inflation in fruits rose to a nine-month high of 8.4% YoY. Sequentially, vegetable prices rose by 8.2% MoM, following a 3.5% MoM increase in September. Other food categories, including edible oils (+6.0% MoM), eggs (+1.9% MoM), fruits (+1.5% MoM), and cereals (+0.9% MoM), also saw sequential price increases. While vegetables are beginning to show moderation in November, food inflation is likely to remain elevated due to persistently high onion prices amid lower mandi arrivals.

[9] Food inflation computed is the YoY change in the Consumer Food Price Index, which includes 10 sub-groups of the Foods & Beverages group, excluding Non-alcoholic beverages and Prepared meals, snacks, sweets

- **Core inflation inches up to a 10-month high:** Core inflation rose to a 10-month high of 3.8% YoY in October (vs. 3.6% in Sep), driven by a sharp increase in the personal care & effects segment, which surged to a 46-month high of 11% YoY. This rise was primarily due to higher gold and silver prices, which increased by 4.7% MoM and 6.5% MoM respectively. Inflation in other major categories, including education (4.0% YoY), housing (2.8% YoY), transportation & communication (2.7% YoY), clothing & footwear (2.8% YoY), and household goods & services (2.7% YoY), remained benign. The health index moderated slightly to 4.0% YoY (vs 4.1% in Sep), reflecting stable overall trends across the core basket.

- **Wholesale inflation rises to a four-month high:** Wholesale price inflation (WPI) climbed to a four-month high of 2.4% YoY in October (vs 1.8% in Sep), with the FY25TD average now at 2.1%. The increase was driven by primary articles (+8.1% YoY) partly offset by subdued inflation in the manufactured products (+1.5% YoY) and deflation in fuel components that fell to a 14-month low of 5.8% YoY. Wholesale food inflation (food articles and manufactured food products) surged to a 28-month high of 11.6% YoY, led by inflation in all major food articles: vegetables (+63% YoY) and fruits (+13.5% YoY). Within manufacturing products, high inflation in other manufacturing (+20% YoY) and food products (+7.8% YoY) was partly offset by sustained deflation observed in basic metals, fabricated metals and other non-metallic minerals cumulatively accounting for a quarter of the manufacturing basket. Overall, the rise in WPI underscores persistent price pressures in food and related segments, despite notable easing in wholesale prices of fuel & power.

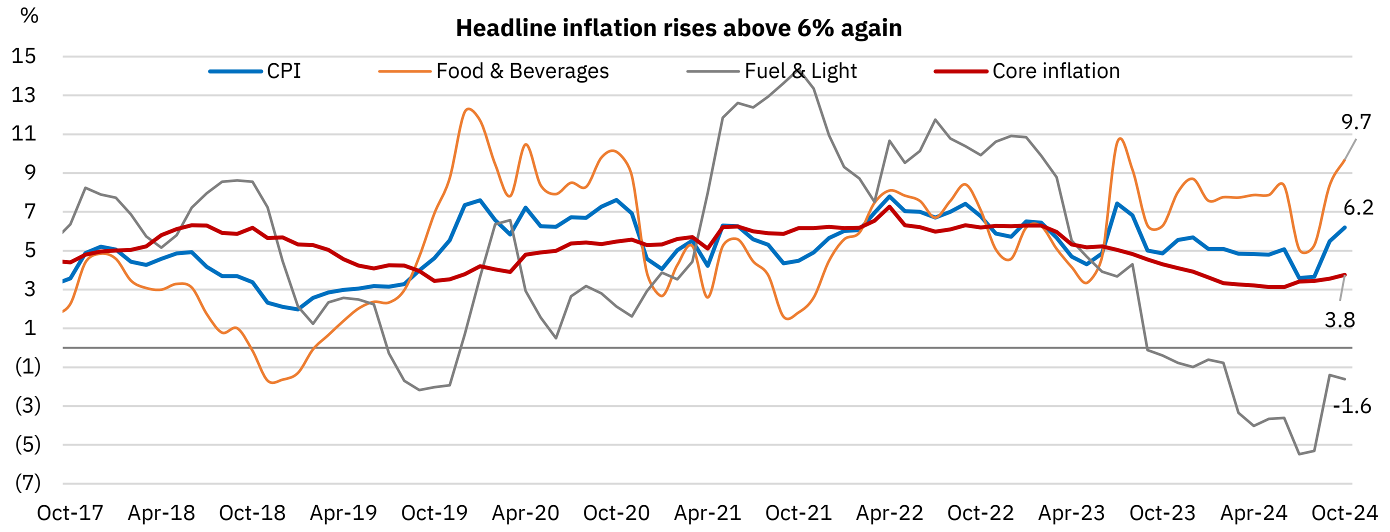
- **Headline inflation to remain elevated, albeit gradual cooling off; rate cuts uncertain:** Retail inflation for FY25TD remains elevated at 4.8% YoY, driven by persistently high food prices. The arrival of the *kharif* harvest and favourable *rabi* prospects, supported by higher reservoir levels, are expected to ease inflationary pressures over the coming months. However, with the latest inflation print moving breaching the upper bound (6%) of the RBI's target range, markets are widely expecting the MPC to stay put on rates for now.

Table 32: Consumer Price Inflation in October 2024 (%YoY)

%YoY	Weight (%)	Oct-24	Sep-24	Oct-23	FY25TD	FY24TD
CPI		6.2	5.5	4.9	4.8	5.4
Food & Beverages	45.9	9.7	8.4	6.3	7.5	6.4
Pan, Tobacco & Intoxicants	2.4	2.5	2.5	3.9	2.8	3.8
Clothing & Footwear	6.5	2.7	2.7	4.3	2.7	5.7
Housing	10.1	2.8	2.8	3.8	2.7	4.4
Fuel & Light	6.8	-1.6	-1.4	-0.4	-3.6	3.1
Miscellaneous	28.3	**4.3**	**4.0**	**4.5**	**3.8**	**4.9**
Core CPI inflation[1]	**44.9**	**3.8**	**3.6**	**4.3**	**3.4**	**4.9**

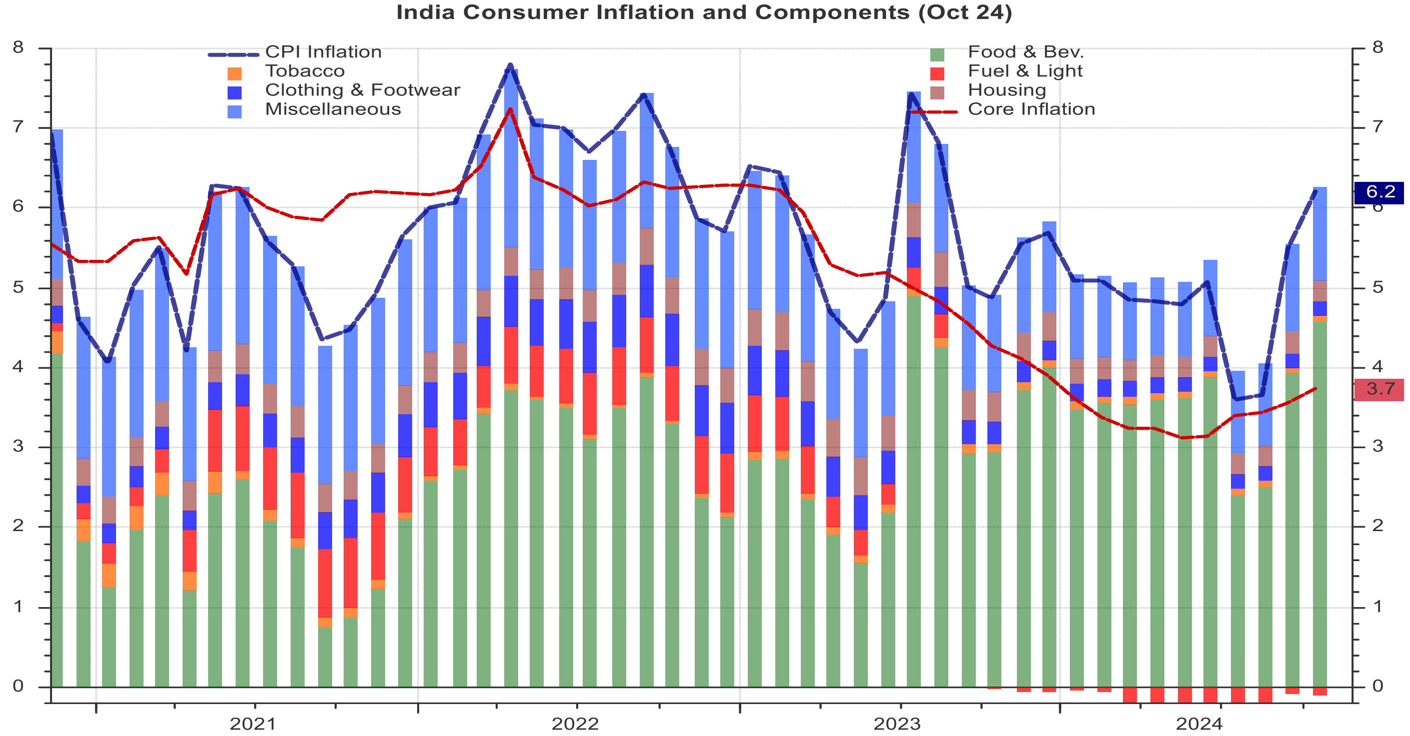
Source: CSO, NSE EPR; Note: [1] Headline inflation excluding food & beverages, pan, tobacco & intoxicants and fuel & light.

Figure 133: Headline CPI inflation trend



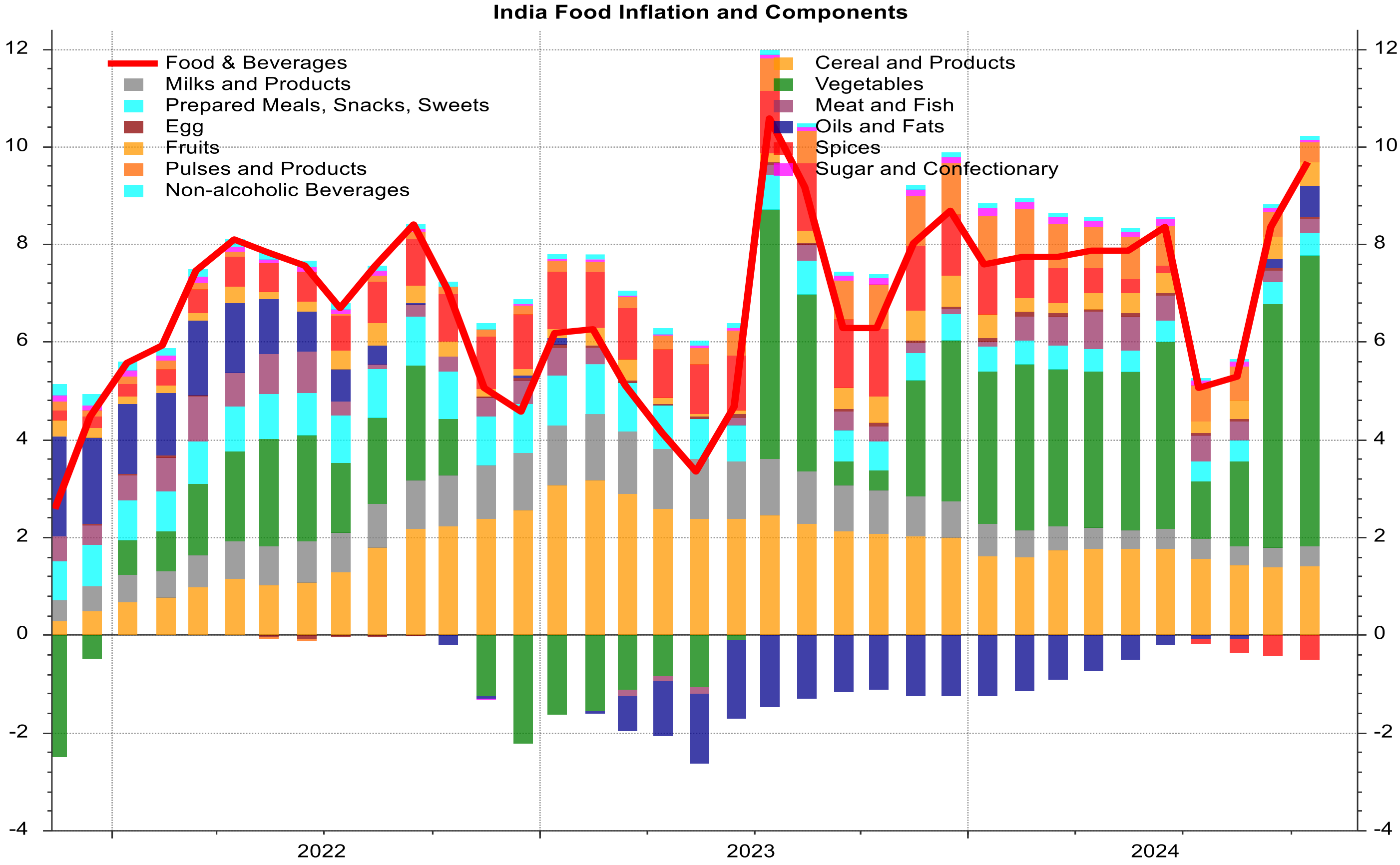
Source: CMIE Economic Outlook, NSE EPR.

Figure 134: Category-wise contribution to India consumer price inflation (CPI)



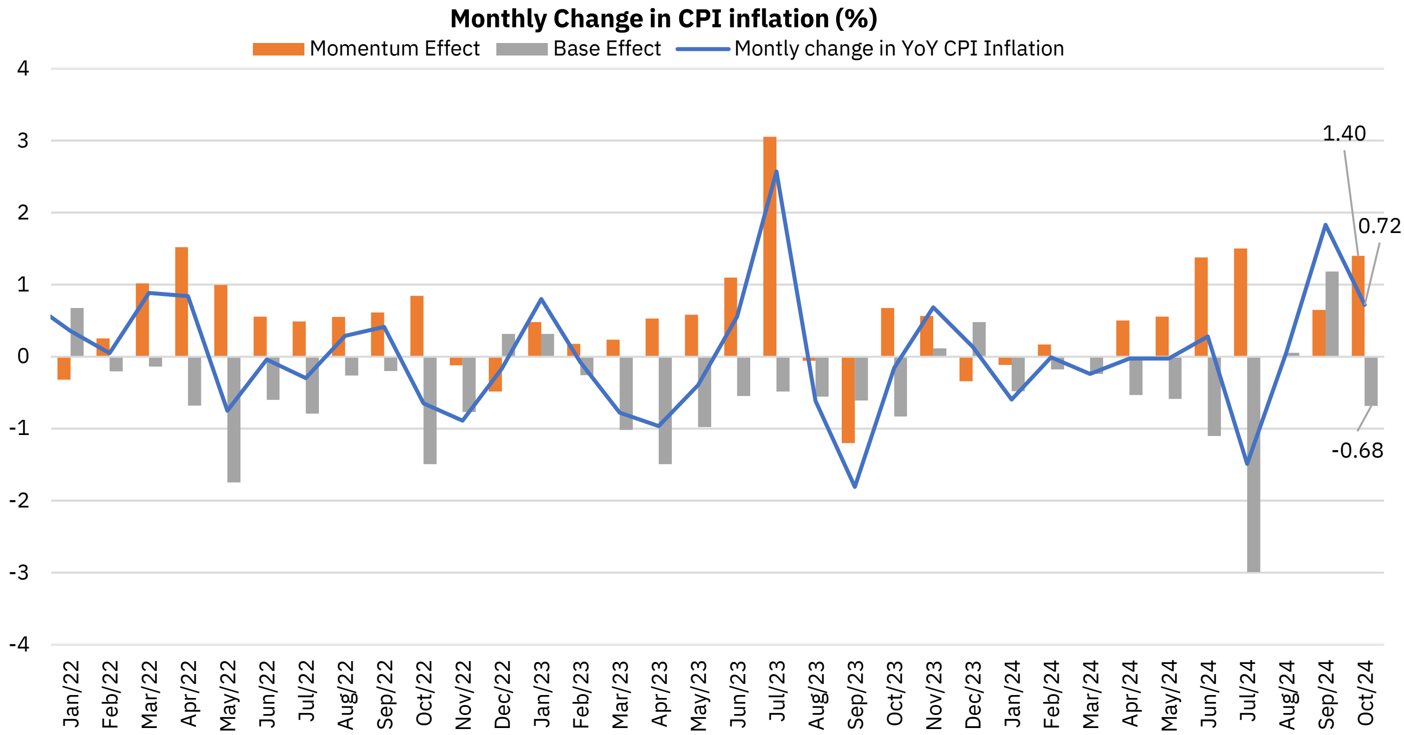
Source: LSEG Datastream, NSE EPR.

Figure 135: Category-wise contribution to India Food and Beverages inflation (CPI)



Source: LSEG Datastream, NSE EPR.

Figure 136: Monthly Change in CPI inflation broken down by base and momentum



Source: CMIE Economic Outlook, NSE EPR

Figure 137: Trend in retail prices of TOP (Rs/kg)

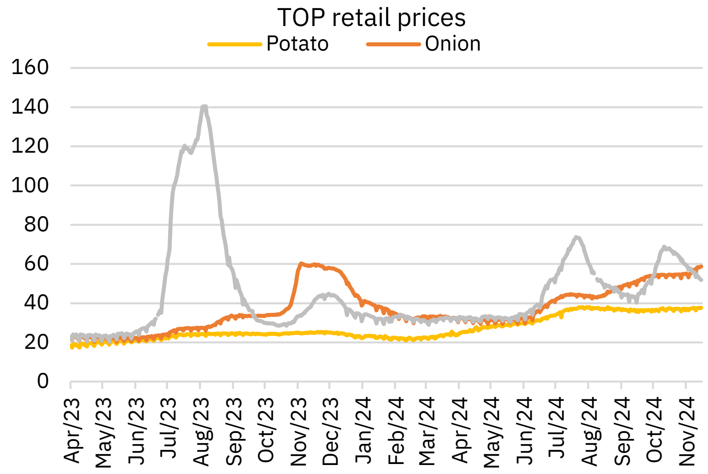
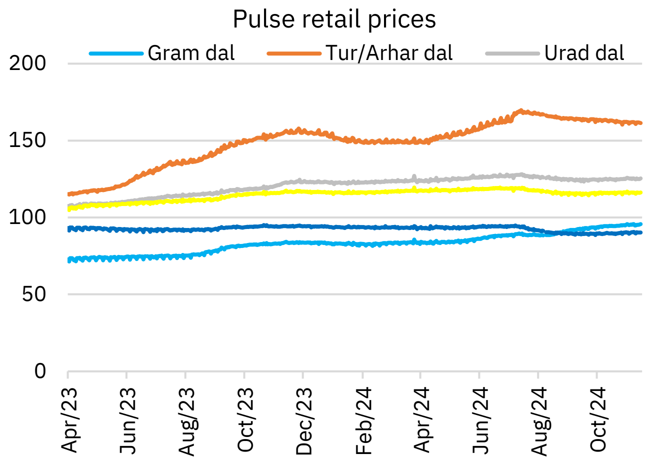


Figure 138: Trend in retail prices of pulses (Rs/kg)



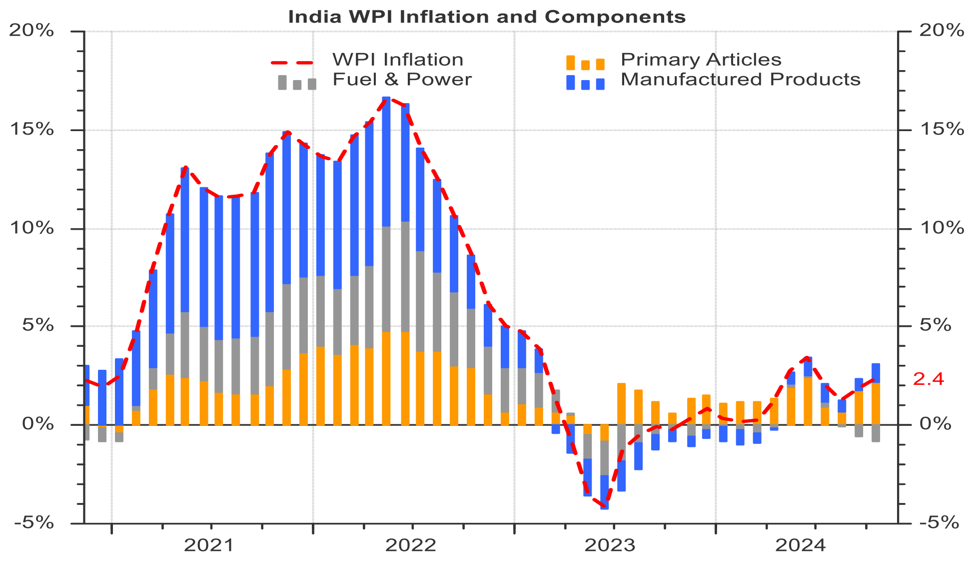
Source: CMIE Economic Outlook, NSE EPR. TOP: Tomato, Onion, Potato

Table 33: Wholesale price inflation for October 2024 (%YoY)

	Weight (%)	Oct-24	Sep-24	Oct-23	FY25TD	FY24TD
WPI		**2.4**	**1.8**	**-0.3**	**2.1**	**-1.5**
Primary articles	**22.6**	**8.1**	**6.6**	**2.3**	**5.9**	**2.6**
Food articles	15.3	**13.5**	11.5	3.2	8.5	5.7
Non-food articles	4.1	**-1.7**	-1.6	-1.1	-2.7	-6
Minerals	0.8	**1.9**	3	11.6	4.7	7.9
Crude petroleum & natural gas	2.4	**-12.2**	-13	-2.2	1.2	-5.7
Fuel & power	**13.2**	**-5.8**	**-4**	**-1.6**	**-1.1**	**-6.5**
Coal	2.1	**-0.9**	-0.8	1.8	-0.6	3.2
Mineral oils	8	**-7.7**	-5.8	-0.5	-1	-11.1
Electricity	3.1	**-3.6**	-0.9	-6.8	-1.6	2.4
Manufactured products	**64.2**	**1.5**	**1**	**-1.1**	**1**	**-2.2**
Food group	**24.4**	**11.6**	**9.5**	**1.5**	**7.2**	**2.2**

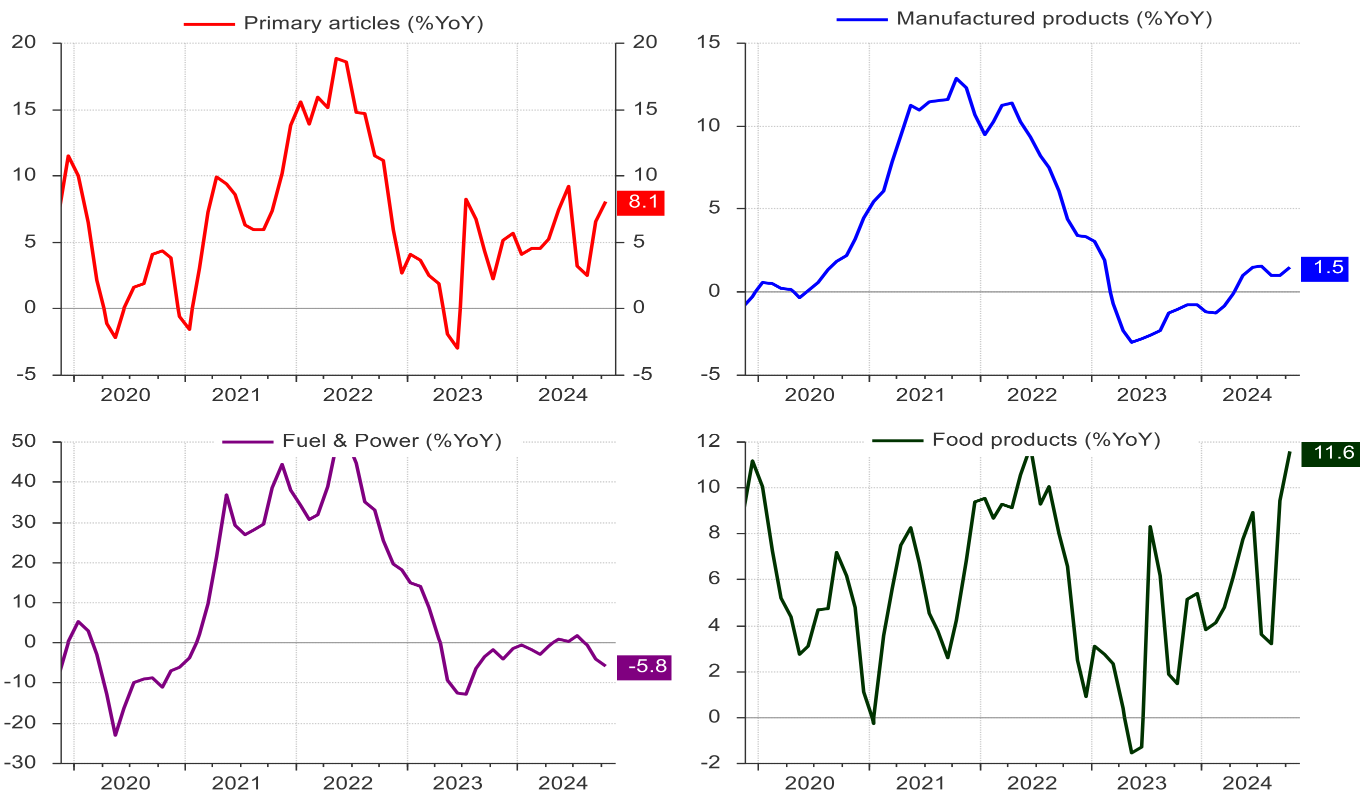
Source: CSO, CMIE Economic Outlook. NSE EPR.

Figure 139: Category-wise contribution to India wholesale price index (WPI)



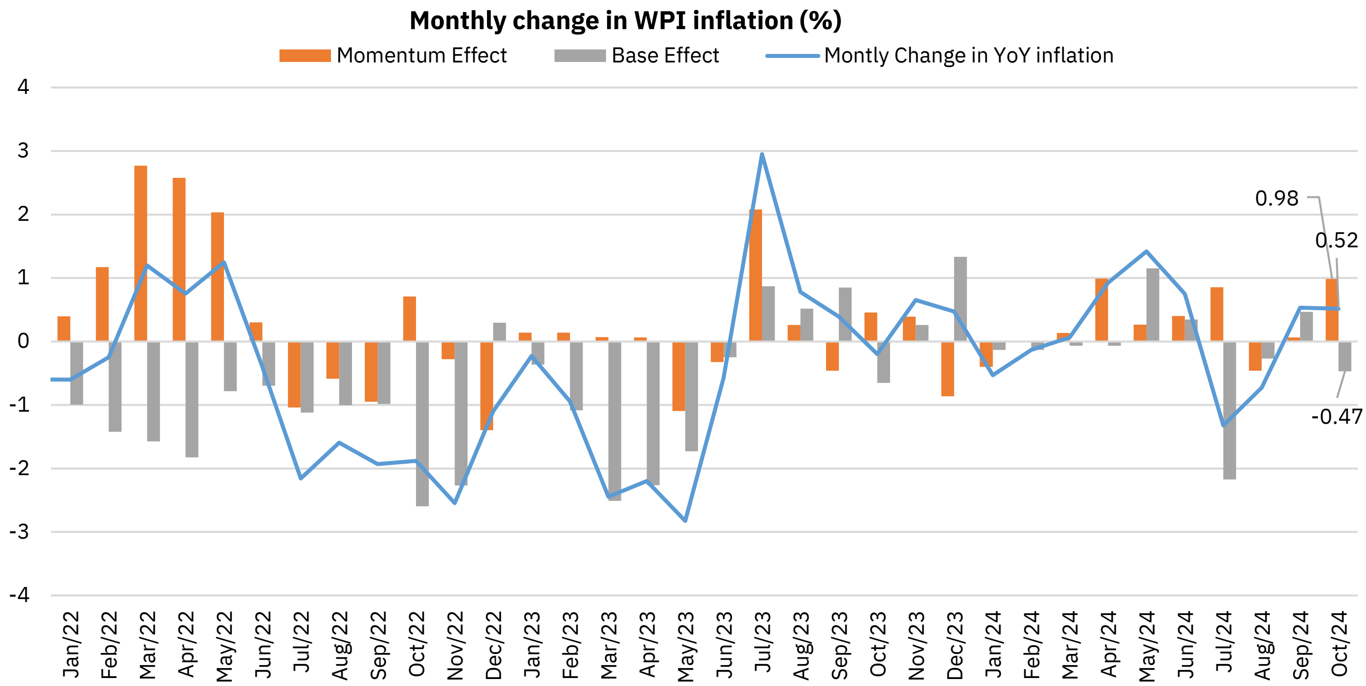
Source: LSEG Datastream, NSE EPR.

Figure 140: India wholesale price inflation (WPI)



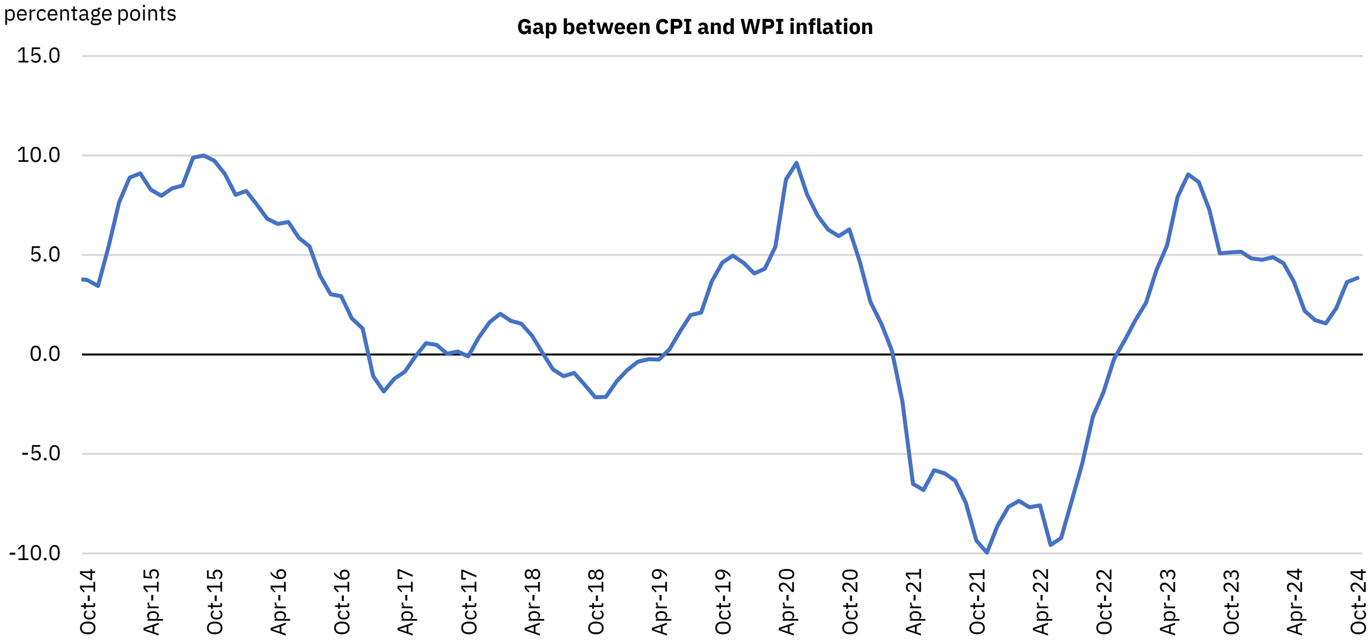
Source: LSEG Datastream, NSE EPR.

Figure 141: Monthly Change in WPI inflation broken down by base and momentum



Source: CMIE Economic Outlook, NSE EPR

Figure 142: Gap between retail and wholesale inflation



Source: CMIE Economic Outlook. NSE EPR.

Trade deficit widens in October as imports climb to a record high level

India's merchandise trade deficit widened to US$27.1bn in October (vs US$20.8bn in Sep'24), driven by record high oil trade deficit and higher sequential gold imports (+62.1% MoM). On a YoY basis, however, the merchandise trade deficit contracted by 10.9% YoY, aided by a robust 17.2% YoY growth in merchandise exports to a five-month high of US$39.2bn, led by strong performances in non-oil exports (+25.6% YoY), particularly electronics and engineering goods. Imports, on the other hand, increased at a relatively slower pace of 3.9% YoY to a record high US$66.3bn, with oil imports reaching a five-month high of US$18.3bn while non-oil, non-gold imports remained stable, reflecting steady domestic demand.

The services trade surplus reached an all-time high of US$17bn in October, supported by a 21.3% YoY increase in services exports to US$34bn. Services imports also grew by 26.3% YoY to US$17bn. Overall goods and services exports rose 19.1% YoY to US$ 73.2 bn, while imports increased by 7.8% YoY to US$83.3bn. Consequently, India's overall trade deficit (goods and services) widened to US$10.1bn in October (vs US$ 4.7 bn in Sep'24). For the fiscal year to date (Apr-Oct 2024), India's merchandise trade deficit has risen to US$164.5bn, 10.1% higher than the same period last year. Foreign exchange reserves at US$682.1bn remain robust, albeit lower than the US$700bn reached a few weeks ago, providing a healthy buffer against external risks.

- **October trade deficit hits US$27bn amid record imports...:** The trade deficit widened to US$27.1 bn in October, up from US$20.7bn in September. The increase was primarily driven by the record-high oil deficit, which expanded to US$13.7 bn (vs US$7.8 bn in Sep'24), alongside a sequential increase in gold imports to US$7.1bn due to festive demand. On a YoY basis, however, the trade deficit contracted by 10.9%, as strong YoY growth in merchandise exports more than offset a modest increase in imports. The non-oil, non-gold deficit narrowed to US$9.6bn in October from US$11.2bn in the previous month. For FY25TD, the merchandise trade deficit stands at US$164.5bn, 10.1% higher than the corresponding period last year.

- **...while exports reach a five-month high with strong non-oil performance**: Exports rose by 17.2% YoY in Oct'24 to a five-month high of US$39.2bn (vs US$ 34.6bn in Sep'24). This surge was primarily led by non-oil exports, rising by 25.6% YoY to US$34.6bn. Engineering goods reached an all-time high of US$11.3 bn, growing by 49.3% YoY while electronics goods exports rose to a seven-month high of US$3.4bn, marking the second highest monthly print ever, highlighting the impact of the Government's PLI scheme in key sectors. Conversely, oil exports fell for the second month in a row by 22.1% YoY to US$4.6bn, thereby weighing on the overall export growth.

- **Imports at record highs driven by oil and festive gold demand**: Merchandise imports rose by 3.9% YoY in October to an all-time high of US$66.3bn (vs US$ 63.9 bn in Sep'24), led by higher oil imports (+13.3% YoY) and a modest rise in non-oil, non-gold imports (+2.1% YoY). Oil imports reached a five-month high of US$18.3bn, driven by elevated crude oil prices. Gold imports stood at US$7.1 bn, declining by 1.4% YoY but rising 62.1% MoM due to festive demand. Non-oil, non-gold imports rose to US$40.9bn, reflecting steady demand for intermediate and consumption goods despite mixed trends across key categories.

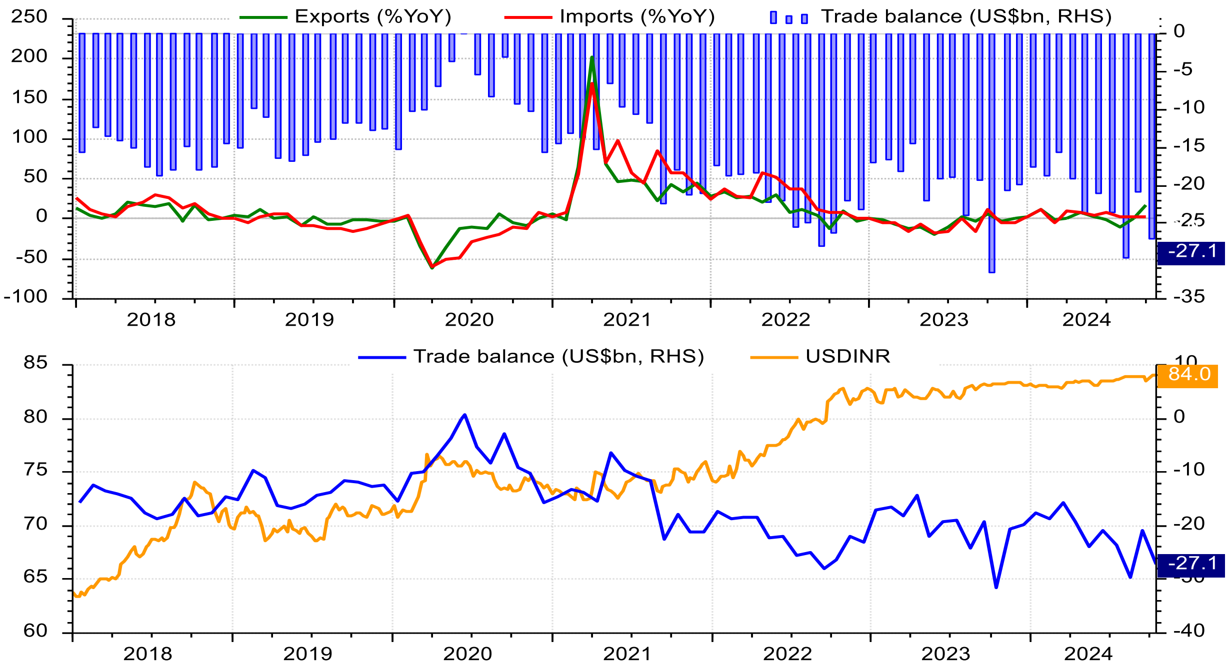
- **Services trade surplus improved further; overall trade deficit widens due to merchandise imports:** Services exports rose significantly by 21.3% YoY to US$34bn in October, while services imports grew by 26.3% YoY to US$17 bn. This led to a net services trade surplus rising to an all-time high of US$17bn, up from US$16.1bn in September. On a broader scale, overall goods and services exports increased by 19.1% YoY to US$73.2bn in October, while imports grew by 7.8% YoY to US$83.3bn. Despite the record services surplus, the overall trade deficit (goods and services) widened to US$10.1bn in October, compared to US$4.7bn in September, driven by the sharp rise in merchandise imports.

Table 34: India monthly trade balance for October 2024

	Exports		Imports								Trade balance
	US$ bn	%YoY	Total (US$ bn)	%YoY	Oil imports (US$ bn)	%YoY	Non-oil imports (US$ bn)	%YoY	Gold Import (US$ bn)	%YoY	US$ bn
Oct-24	39.2	17.2	66.3	3.9	18.3	13.3	48.0	1.6	7.1	-1.4	-27.1
Sep-24	34.6	0.5	55.3	1.5	12.5	-10.7	42.8	5.8	4.4	6.9	-20.7
Oct-23	33.4	5.9	63.9	10.4	16.1	-1.1	47.3	13.8	7.2	95.5	-30.4
FY24TD	244.5	-7.1	394.2	-8.4	100.1	-18.6	293.7	-4.5	29.5	23.0	-149.7
FY25TD	252.3	3.2	417.0	5.8	107.2	7.1	309.8	5.5	34.2	16.1	-164.7

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

Figure 143: India monthly trade balance trend



Source: LSEG Datastream, NSE EPR.

Figure 144: Non-oil, non-gold imports

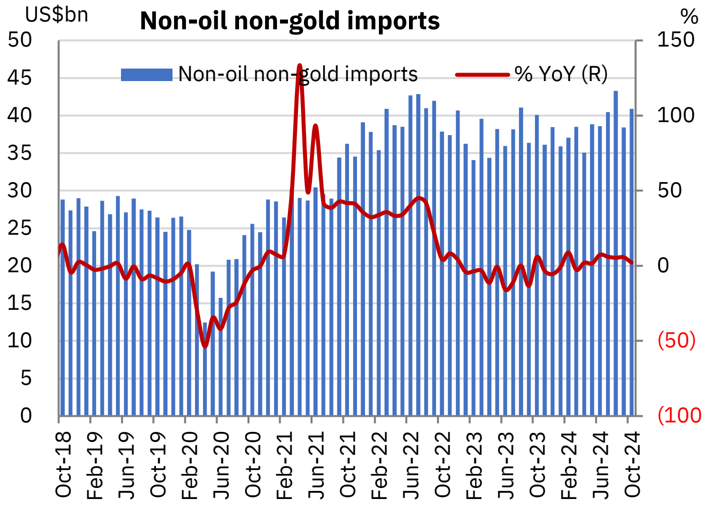
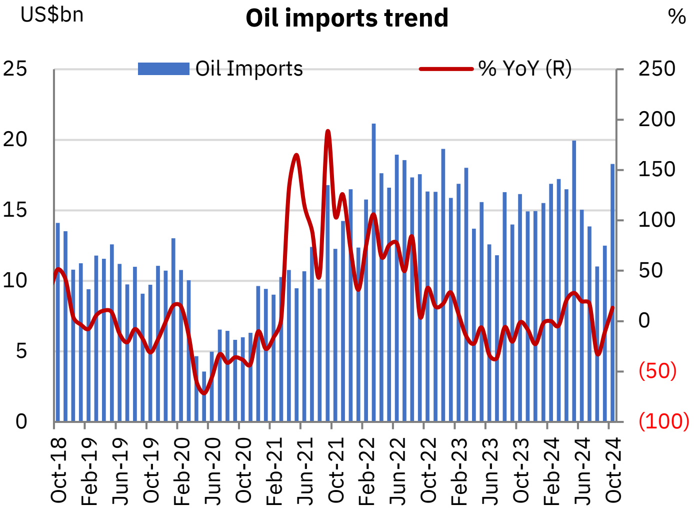
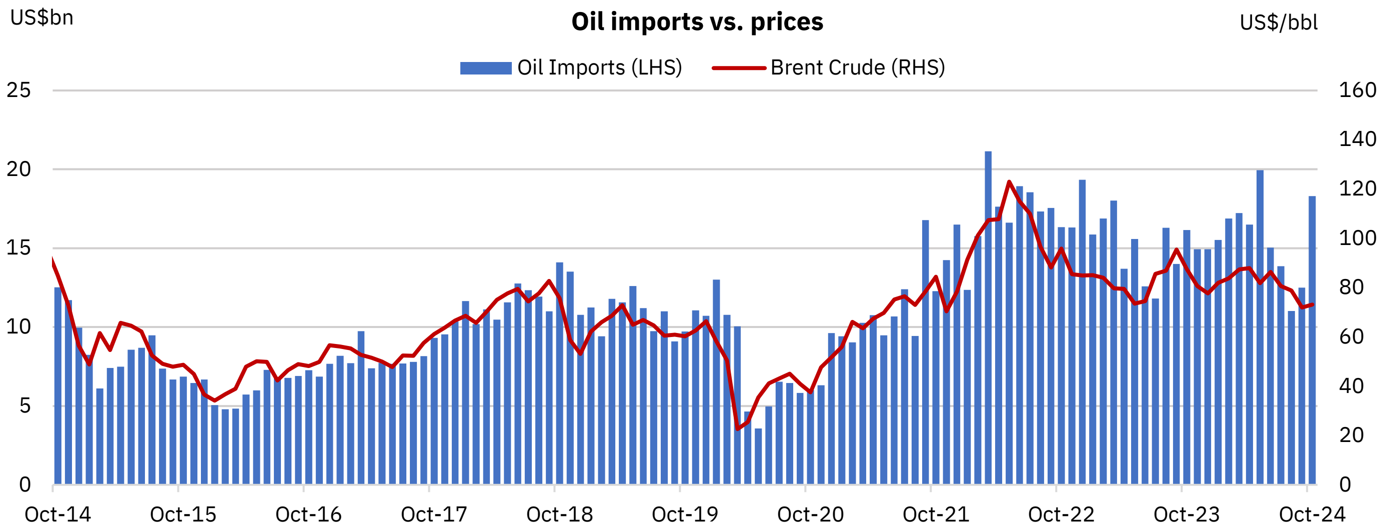


Figure 145: Oil imports trend



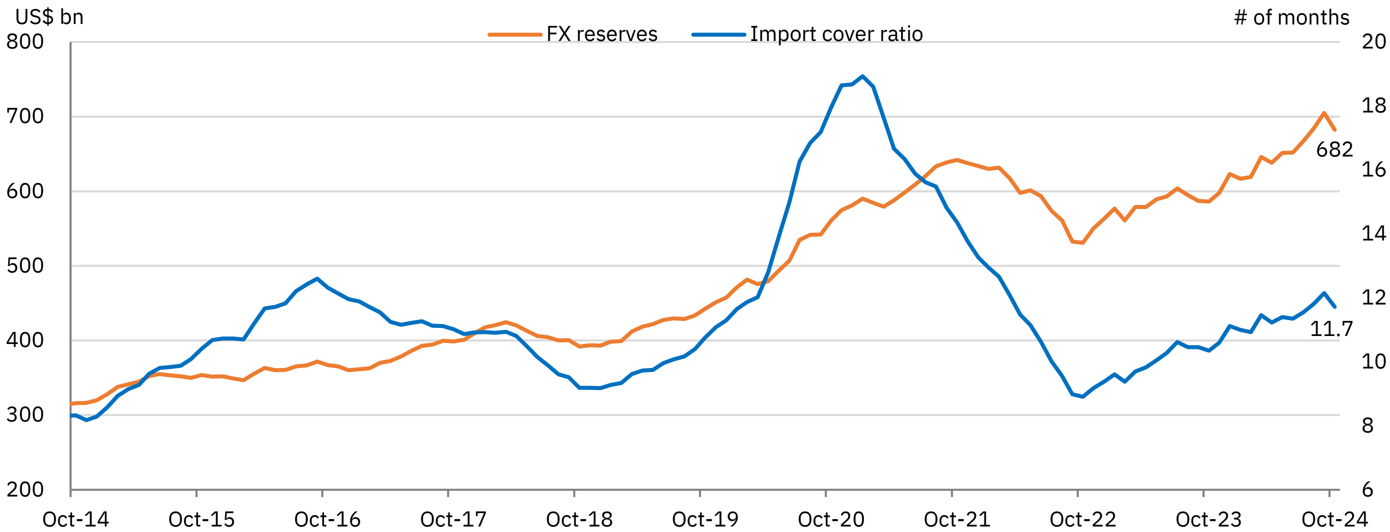
Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR.

Figure 146: Oil imports vs. Brent crude oil prices trend



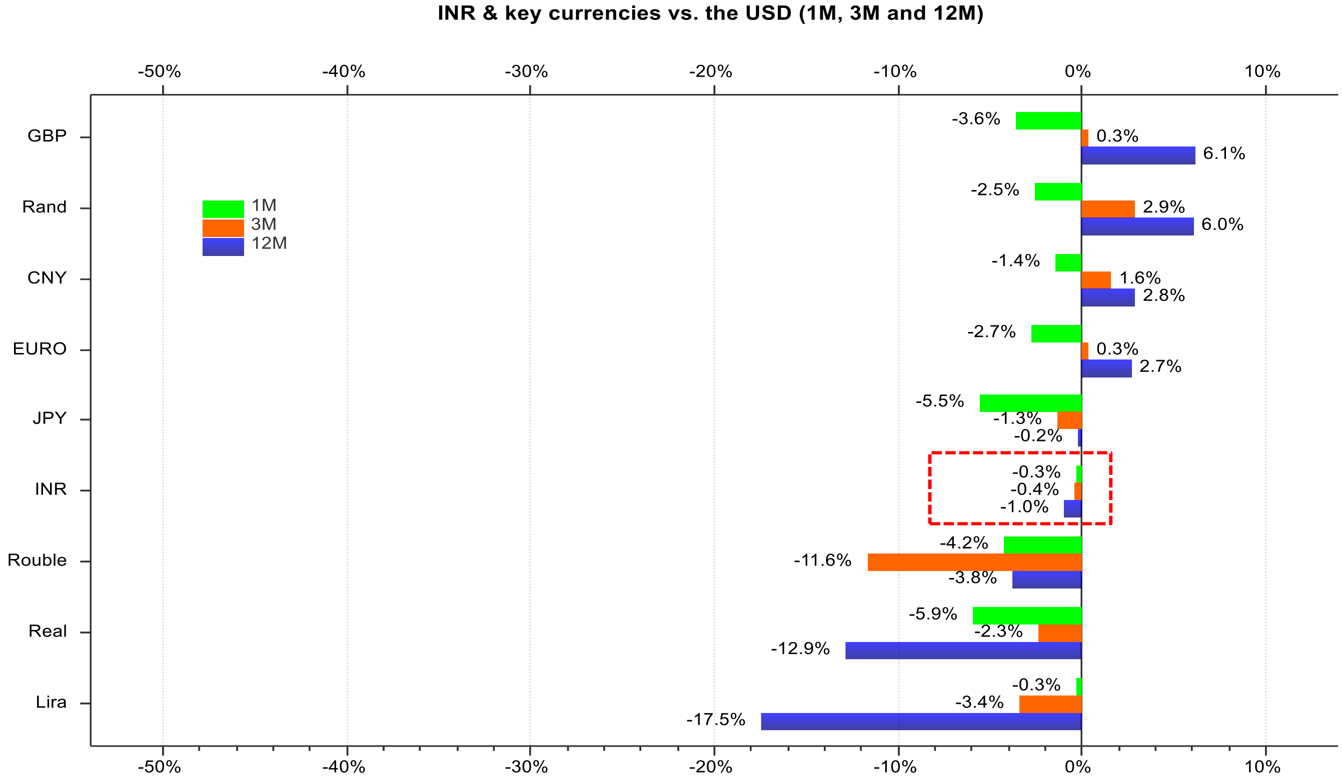
Source: LSEG Datastream, CMIE Economic Outlook, NSE EPR.

Figure 147: Forex reserves and import cover (months)



Source: LSEG Datastream, RBI, NSE EPR; Forex reserves figure is as of November 1st, 2024

Figure 148: INR vs. other key Asian market currencies



Source: LSEG Datastream, NSE EPR. As of October 31st, 2024.

Bank credit growth continued to moderate in September

Bank credit growth continued to moderate in September 2024, in line with the trend observed since June'24, marking its lowest level since June'2022. Bank credit registered 13% YoY increase in September (As per the RBI's monthly 'Sectoral Deployment of Bank Credit' report), a slight deceleration of 0.6 pp from August, with the Weekly Statistical Supplement (WSS) showing further decline to 11.9% YoY (As of November 1st). The credit slowdown in September was broad-based across sectors, with agriculture credit growth at 16.4% YoY (-1.3pp), industry at 8.9% YoY (-0.8pp), personal loans at 13.4% YoY(-0.5pp), and services at 13.7% YoY(-0.2pp). Within industry, credit growth to micro, small enterprises & medium enterprises (MSMEs) remained strong at 13.4% YoY and 20.5% YoY (the highest since Dec'22) respectively, while credit growth to large industries eased to 6.5% YoY (-1.2 pp). In personal loans segment, credit growth eased for housing loans, vehicle loans, and credit card outstanding while, loans against gold jewellery saw a notable increase of 51% YoY (+10.1 pp) amidst rising gold prices. The services sector also saw a broad-based moderation, with sub-sectors such as trade, NBFCs, commercial real estate, and transport operators all experiencing lower credit growth. As of November 1st, 2024, total outstanding deposits stood at Rs 220.4 lakh crore, implying a YoY growth of 11.8% YoY, improving from 10.4% YoY as of September-end. The outstanding credit-deposit (CD) ratio remained high at 78.7% in September, even as the incremental credit-deposit ratio (ICDR) for FY25TD was much lower at 52.8%, reflecting banks' continued efforts towards deposit mobilization. Additionally, banks augmented their funds by issuing certificate of deposits (CDs) with the outstanding CD amount reaching Rs 4.7 lakh crore as of November 1st, 2024, 47.4% higher than the corresponding period last year.

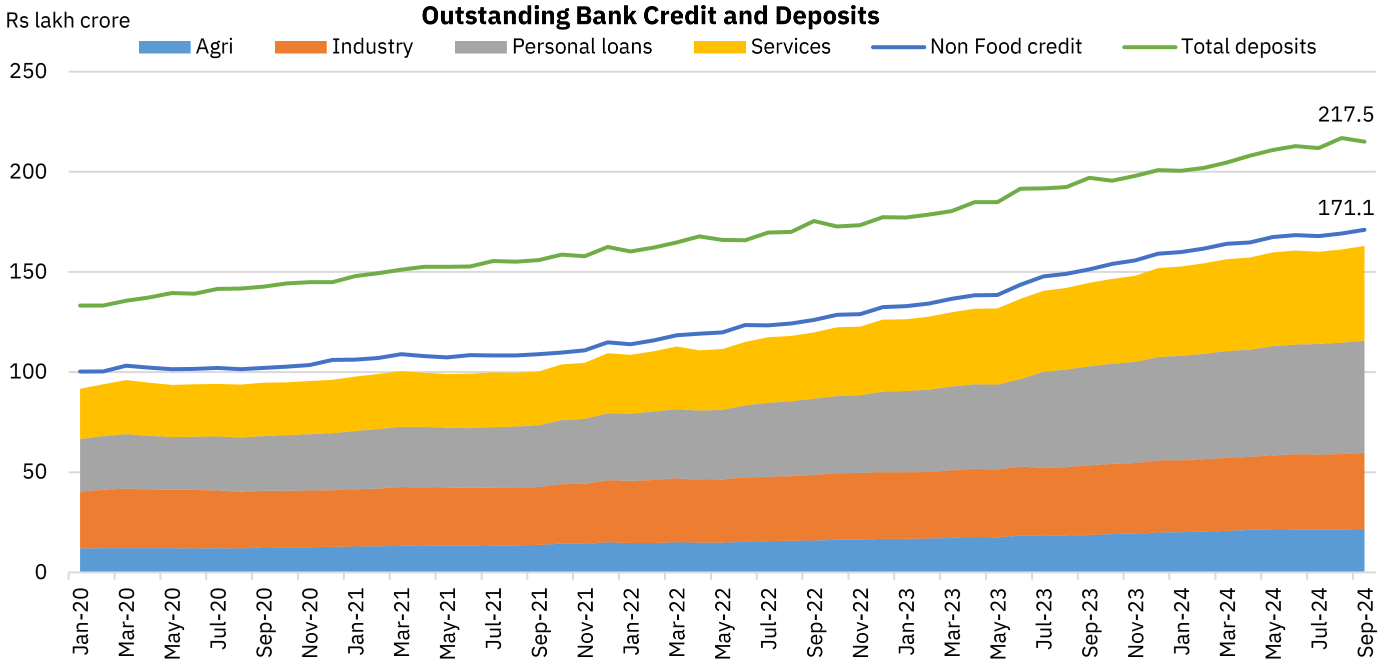
- **Continued moderation in bank credit…:** As per the RBI's monthly 'Sectoral Deployment of Bank Credit' report, outstanding bank credit growth further moderated to 13% YoY in September 2024, the lowest since June'2022, with all key sectors showing slight deceleration in growth from August. In comparison to a year ago, bank credit growth has fallen sharply in personal loans & services, outweighing the uptick in industrial credit growth (8.9% YoY, +2.4pp from Sept'23) and stable, albeit robust, credit growth to Agriculture and allied activities at 16.4% YoY. As per the RBI's latest WSS, credit growth has decelerated further to 11.9% YoY (As of November 1st).

- **…led by decline in credit growth in personal loans and services:** In comparison to Sep'23, growth in personal loans has fallen from 30% YoY to 13.4% YoY due to the combined effect of high base and RBI's measures to increase the risk weights on unsecured loans. Withing personal loans, housing credit offtake grew by 12.6% YOY (-47bps from Aug'24), vehicle loans at 13.3% (-58bps), credit card outstanding at 18.1% (-1.9pp) and other personal loans at 11.4% (-1.1pp), cumulatively accounting for 30.1% of outstanding bank credit. Conversely, loans against gold jewellery surged by 51% YoY (+10.1 pp), driven by rising gold prices and growing demand as individuals potentially sought to monetize their gold assets. This sharp increase prompted RBI to flag some deficiencies in this segment. Growth in the credit to services sector slowed down to 13.7% YoY, with all key sub-segments including transport operators (17% YoY, -1.1pp from Aug'24), trade (14.3%YoY, -1.2pp), and NBFCs (9.5% YoY, -2.5pp) witnessing moderation.

- **Moderation in credit offtake to industry led by large industries:** Industrial credit growth slowed to 8.9% YoY in September (-0.8 pp from Aug'24), as the slowdown in credit growth to large industries (6.5% YoY, -1.2pp) more than offset the expansion in credit growth to the medium-sized enterprises. Credit growth to MSMEs was robust at 13.4% and 20.5% (+1.3pp) respectively, with medium enterprises marking the highest growth since Dec'22. Key growth drivers include infrastructure (share in industrial credit: 34.2%) at 2.1% YoY, textiles (share: 6.8%) at 5.4% YoY, chemical & products (share 6.9%) at 14.9% YoY and engineering (share: 5.7%) at 15.7% YoY. All key sub-sectors saw a deceleration from the previous month.

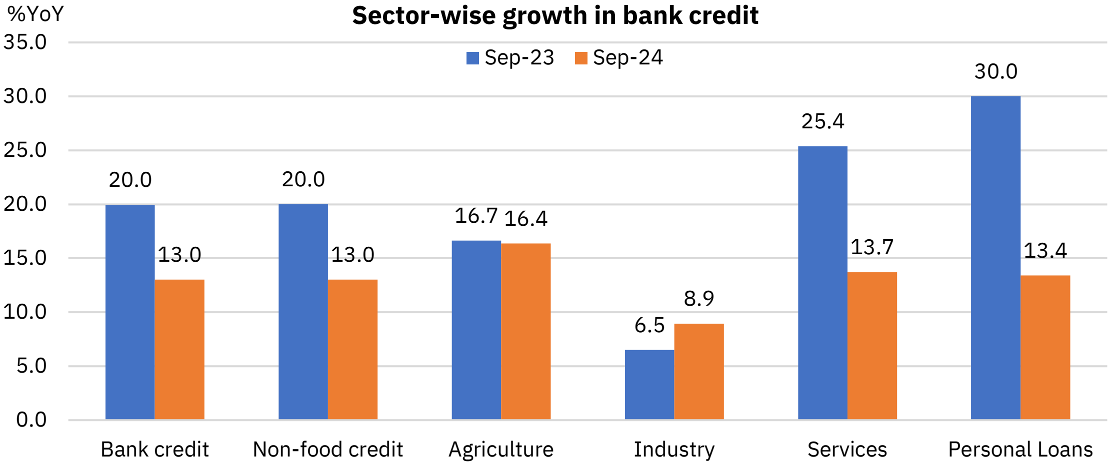
- **Banks focus on deposit mobilization:** Outstanding bank deposits growth moderated from 12.7% YoY in August to 10.4% YoY in September, led by growth slowdown in both demand and time deposits, only to rebound to 11.8% YoY as of November 1st. Demand deposits growth fell sharply from 20.6% YoY in August to 7.2% YoY in September while time deposits grew by 10.8% YoY (-0.9pp from Aug'24). Though the outstanding credit-deposit ratio stood at 78.7% as of September-end, the incremental credit-deposit ratio at 52.8% reflects banks' continued focus towards deposit mobilization. This is further highlighted by the weighted average term deposit rate (WATDR) on outstanding rupee deposits of all SCBs, which stood at 6.95% in September (25bps higher since September 2023) and WATDR-fresh rupee deposits, which stood at 6.64% (22bps higher since September 2023). Banks also augmented their funds using certificate of deposits with a total fund-raising of Rs 6.0 lakh crore during Apr-Nov 1, 2024 (vs. Rs 3.9 lakh crore during the corresponding period last year).

Figure 149: Outstanding bank credit and deposits



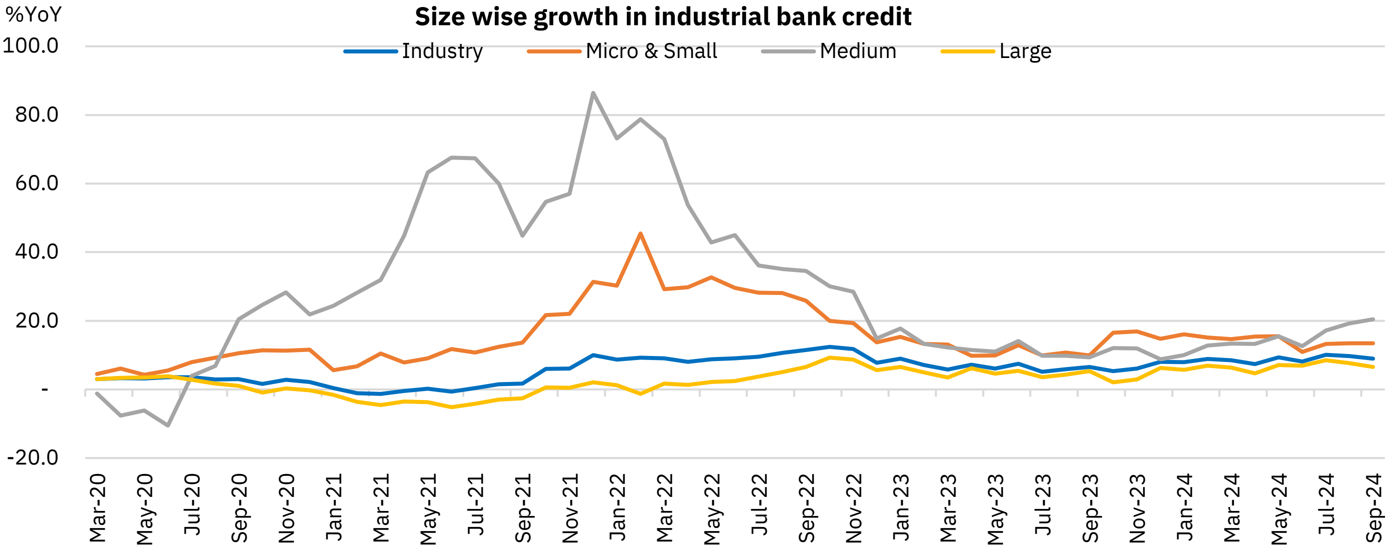
Source: CMIE Economic Outlook, NSE EPR.

Figure 150: Growth in bank credit across key heads



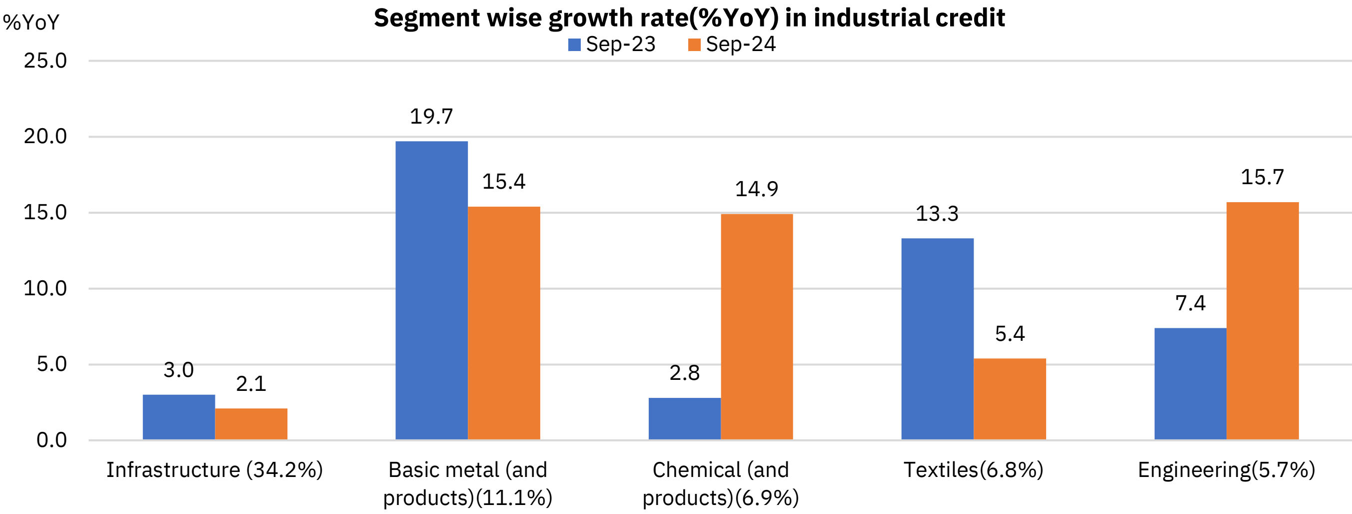
Source: CMIE Economic Outlook, NSE EPR.

Figure 151: Growth in industrial bank credit across size



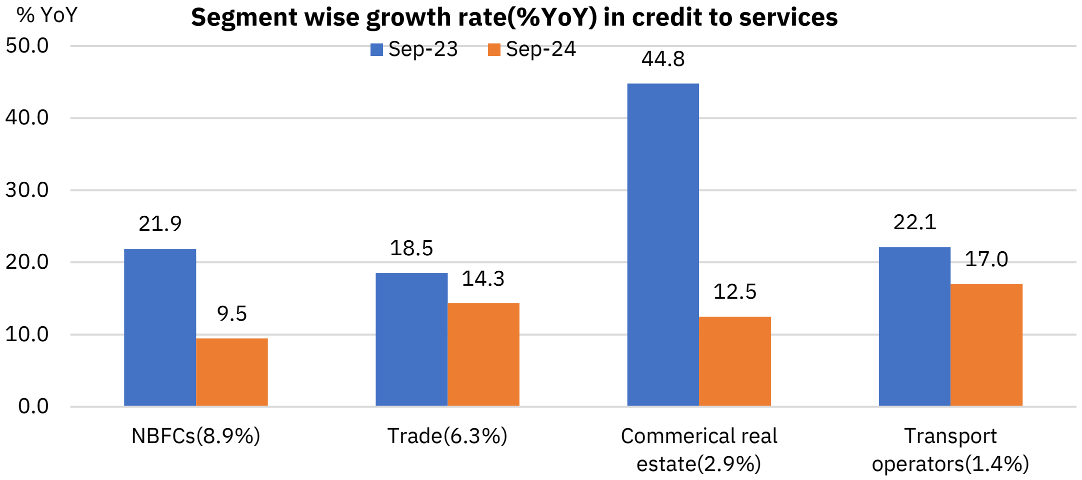
Source: CMIE Economic Outlook, NSE EPR.

Figure 152: Growth in bank credit across segments of industry



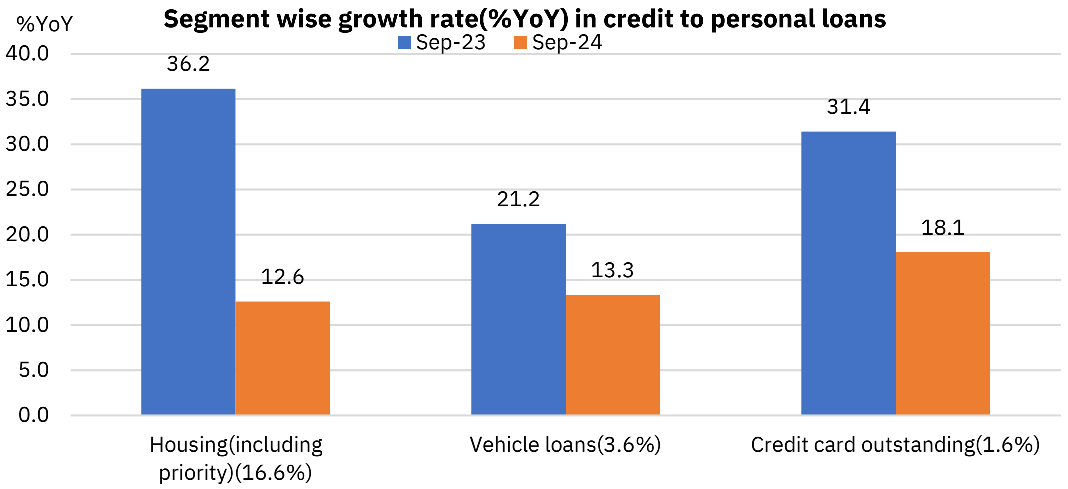
Source: CMIE Economic Outlook, NSE EPR.
Note: Number in parenthesis is share in total credit to industry

Figure 153: Growth in bank credit across segments of services



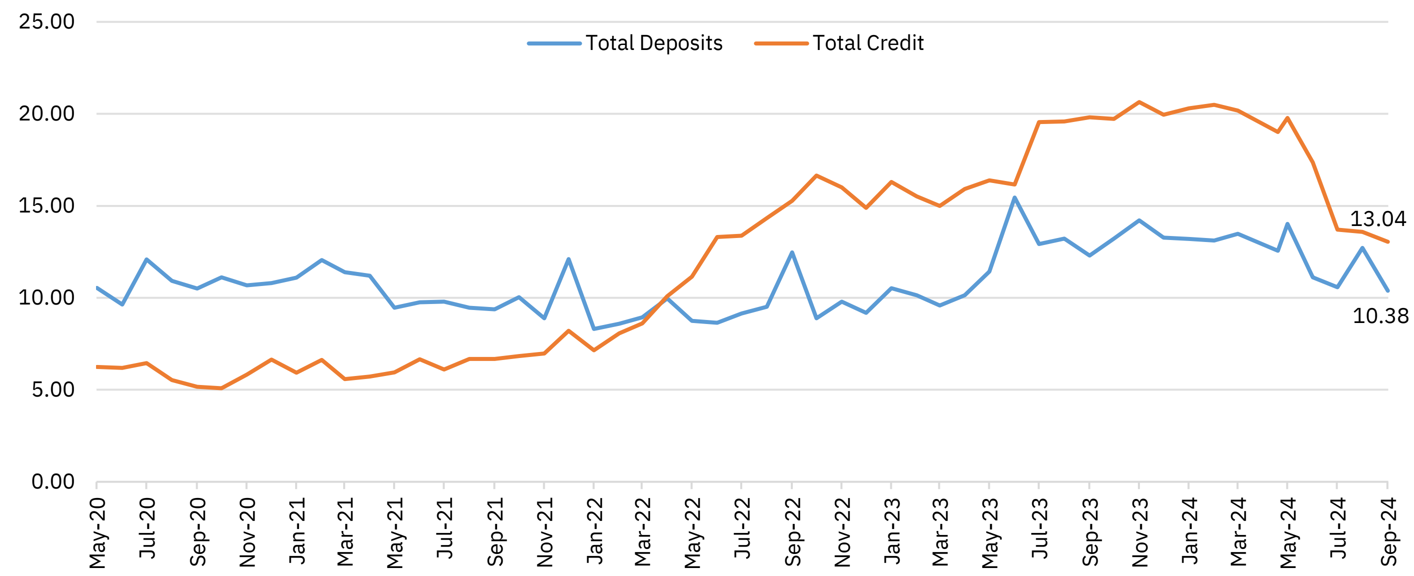
Source: CMIE Economic Outlook, NSE EPR. Note: Number is parenthesis are shares in total outstanding credit

Figure 154: Growth in bank credit across segments of personal loans



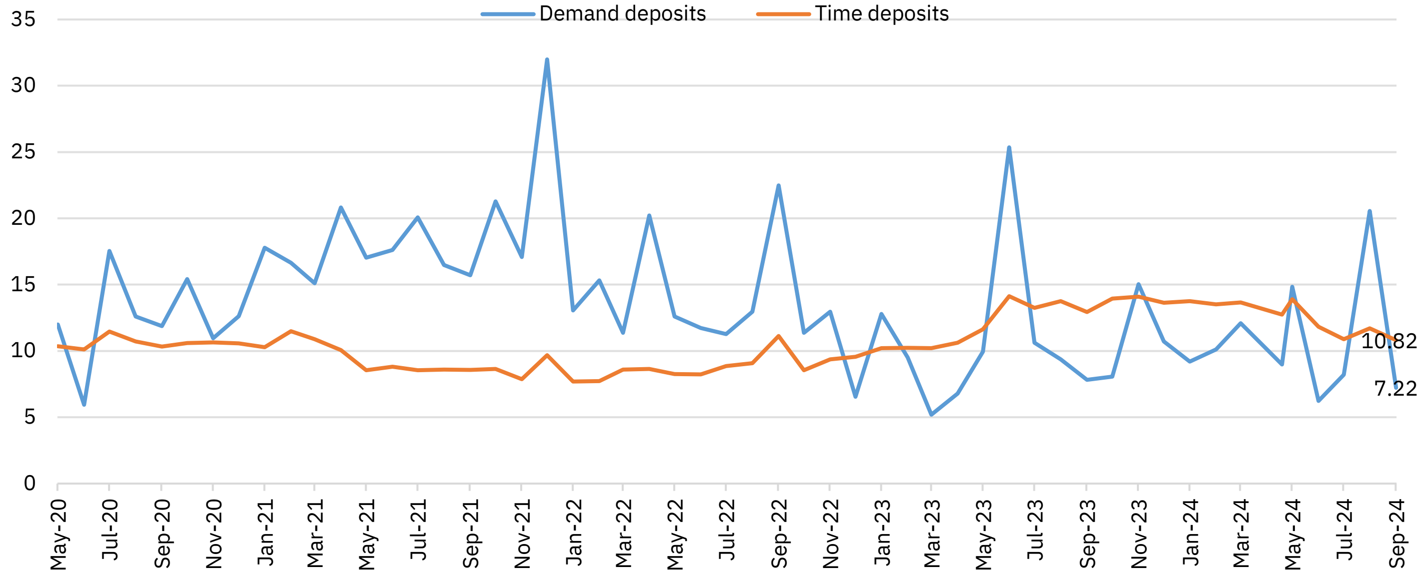
Source: CMIE Economic Outlook, NSE EPR. Note: Number is parenthesis are shares in total outstanding credit.

Figure 155: Credit and Deposit Growth (YoY%)



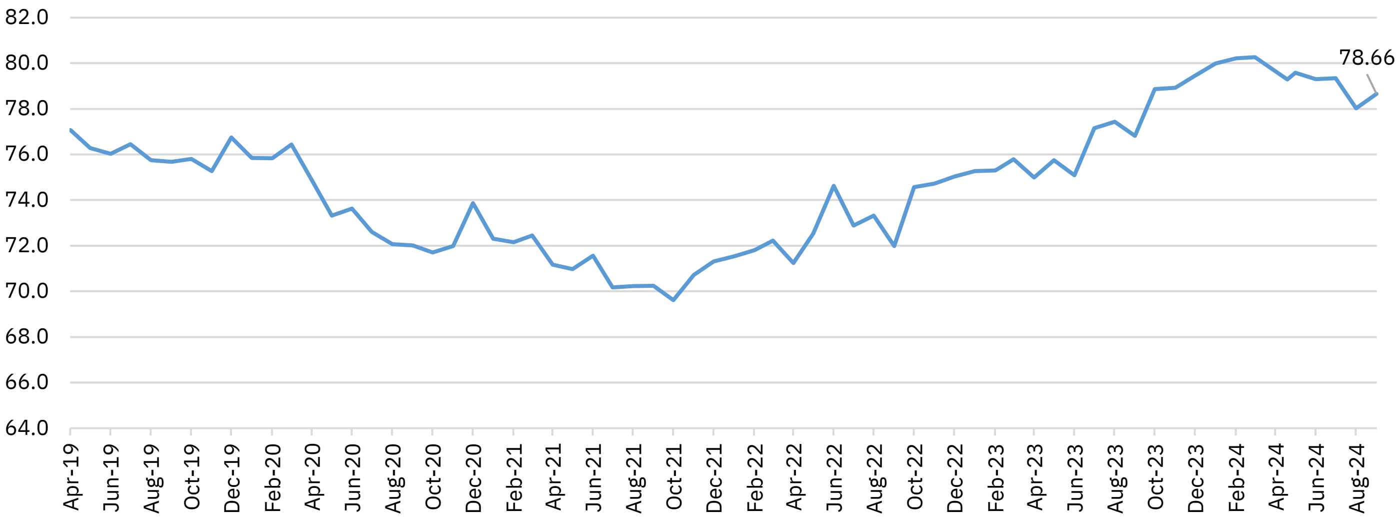
Source: CMIE Economic Outlook, NSE EPR.

Figure 156: Growth in demand and time deposits (YoY%)



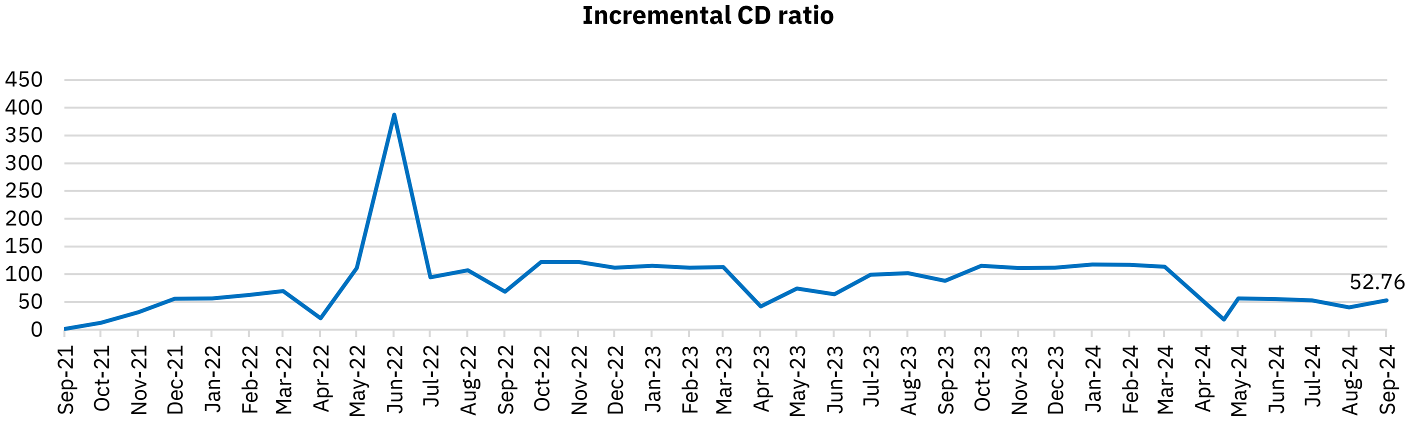
Source: CMIE Economic Outlook, NSE EPR.

Figure 157: Credit to Deposit ratio



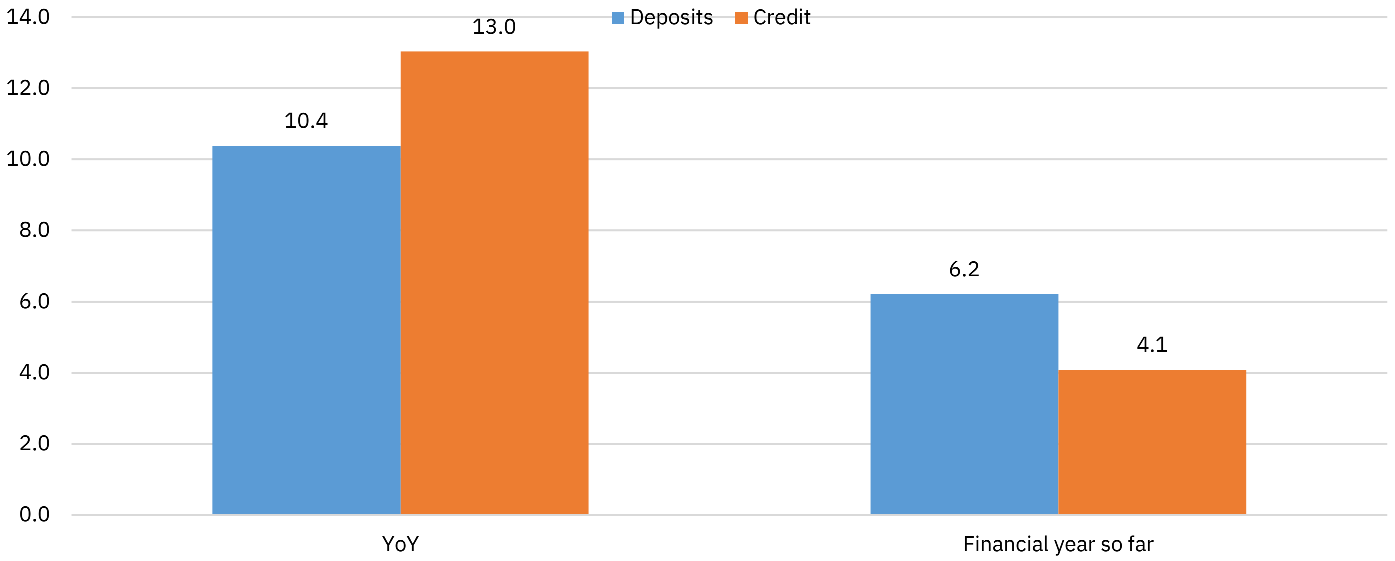
Source: CMIE Economic Outlook, NSE EPR

Figure 158: Incremental credit to deposit ratio (ICDR)



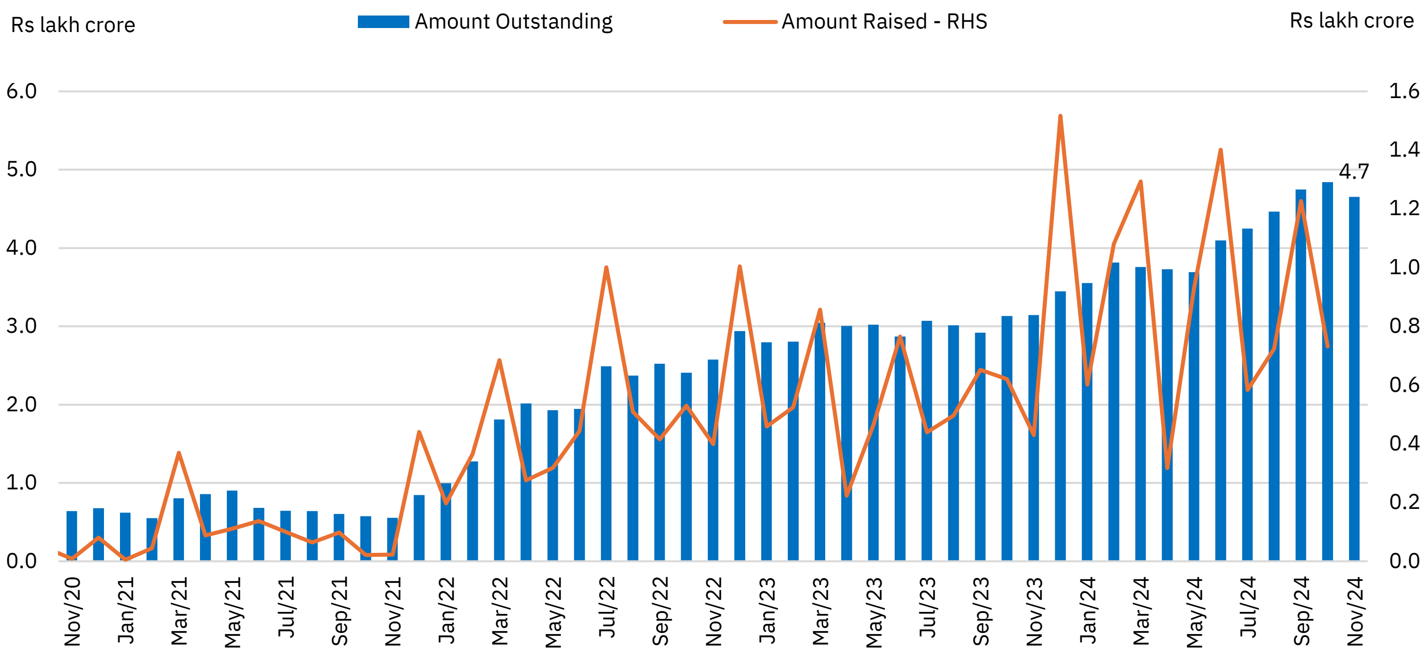
Source: CMIE Economic Outlook, NSE EPR.

Figure 159: Growth rate in credit and deposits (YoY% in Sep'24 and FY25 so far)



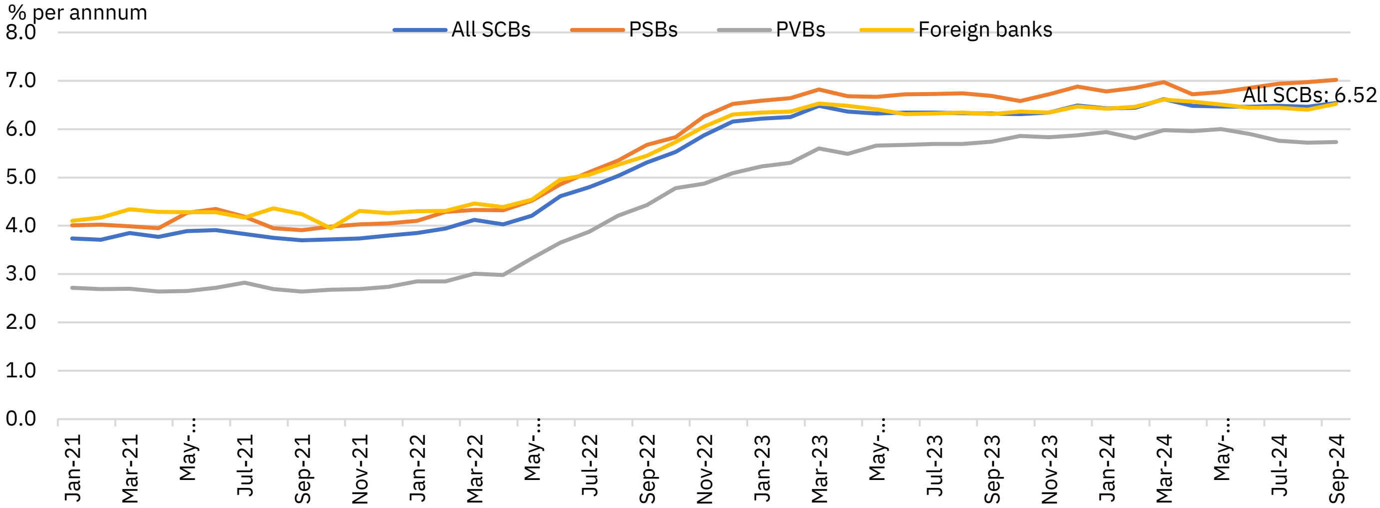
Source: CMIE Economic Outlook, NSE EPR.

Figure 160: Issued and outstanding amount of certificate of deposits



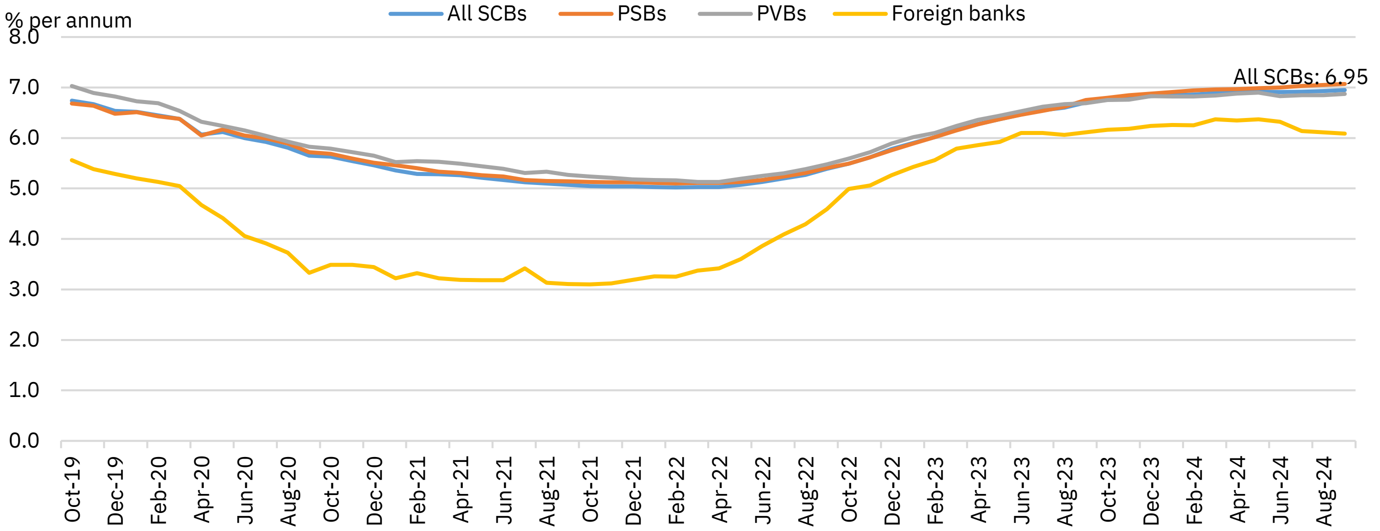
Source: CMIE Economic Outlook, NSE EPR. Note: Amount raised on the secondary axis; amount outstanding is as of the fortnight ending November 1st, 2024).

Figure 161: Weighted average term deposit rate on fresh rupee



Source: CMIE Economic Outlook, NSE EPR.

Figure 162: Weighted average term deposit rate on o/s rupee



Source: CMIE Economic Outlook, NSE EPR

Union finances: Fiscal deficit narrows on strong revenues and lower spending

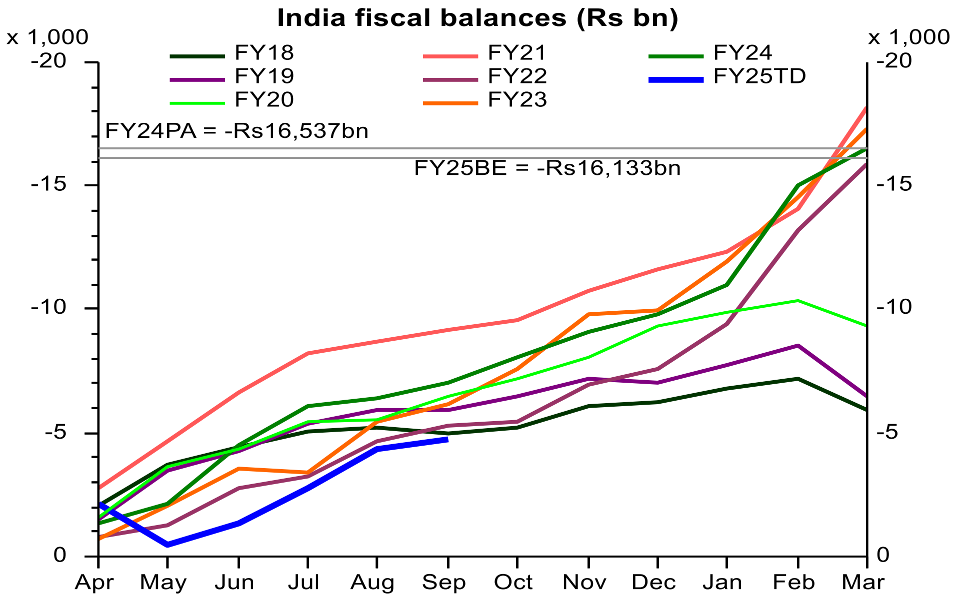
The Centre's monthly accounts continued to reflect strong fiscal health, supported by a robust revenue growth and lower spending. Total receipts grew by a strong 15.5% YoY to Rs 16.4 lakh crore, nearly half of the budget estimate, driven by gains in tax and non-tax revenues. Personal income tax collections continue to rise (+25.0% YoY), partly offsetting modest growth (+2.3% YoY) in corporate tax revenues amid weaker Q2 earnings. Indirect taxes like GST and customs duties continued to rise. Additionally, non-tax revenues rose substantially (+50.9% YoY) thanks to higher-than-expected RBI dividends, while non-debt capital receipts declined (-27.6% YoY) from lower loan recoveries and disinvestment proceeds. Notwithstanding the strong revenue collections, the revenue receipts for H1FY25 as a % of full year BE is lower than the corresponding period last year. Additionally, the revenue receipts in Q2 have been 4.5% lower than the previous quarter. Total expenditure declined by a modest 0.4% YoY, thanks to a strong 15.4% YoY dip in capital expenditure owing to election-related fiscal constraints, partly offset by a 4.2% YoY expansion in revenue expenditure, aided by higher interest payments and subsidies. That said, capital expenditure has picked up in Q2FY25 with a spending of Rs 2.4 lakh crore vs. Rs 1.8 lakh crore in Q1FY25. Consequently, the fiscal deficit narrowed (-32.4% YoY) to Rs 4.7 lakh crore, staying within the budgeted target and highlighting prudent fiscal management.

- **Government receipts surge driven by robust tax and non-tax revenues:** In H1FY25, the Centre's total receipts surged by 15.5% YoY to Rs 16.4 lakh crore, marginally exceeding half of the budgeted estimate. This robust performance was primarily driven by a 16.1% YoY increase in total revenue receipts, with non-tax revenues soaring by 50.9% YoY. Net tax revenues remained strong, expanding by 9% YoY, largely led by direct taxes (+13.6% YoY). Notably, personal income tax collections exhibited witnessed a strong 25% YoY growth, while corporate tax collections growth remained modest at 2.3% YoY, reflecting the impact of slowdown in corporate earnings. Indirect tax collections also maintained positive momentum (+10.0% YoY), driven by growth in customs duties (+6.4% YoY) and GST collections (+10.4% YoY). On the non-tax front, revenue collections registered substantial 50.9% YoY increase, thanks to dividend proceeds that more than doubled (+107.7% YoY) to Rs 2.5 lakh crore – supported by higher-than-anticipated RBI dividend proceeds of Rs 2.1 lakh crore, collected in the Q1FY25. However, this upward trajectory was partly offset by a substantial decline in non-debt capital receipts (-27.6% YoY), because of reduced loan recoveries and weaker disinvestment proceeds. Notwithstanding the strong revenue collections, the revenue receipts for H1FY25 as a % of full year BE at 51.8% is lower than the corresponding period last year (53.1%).

- **Capital spending picks up after the elections:** In H1FY25, the Centre's total expenditure declined by a modest 0.4% YoY to Rs 21.1 lakh crore, as a low-single digit growth in revenue expenditure was more than offset by subdued capital spending. Further, both revenue and capital expenditure in H1FY25 as a % of FY25BE is lower than COPPY. Revenue expenditure, which accounts for over three-fourths of total spending, increased by 4.2% YoY to Rs 17 lakh crore, driven primarily by higher interest payments (+6.3% YoY) and subsidy outgo (+4% YoY). Within major subsidy heads, food subsidies rose by a steep 27.6% YoY in the first half to nearly three-fifths of the budgeted subsidy outlay, petroleum subsidies more than doubled (+236.0% YoY), while fertilizer subsidies contracted (-18.8% YoY) during the same period. Conversely, capital expenditure declined by a huge 15.4% YoY to Rs 4.1 lakh crore, achieving only 37.3% of the capex target for FY25 (vs 49.0% in 6MFY24). This contraction was primarily due to fiscal restrictions during the Lok Sabha elections, which resulted in reduced spending in key ministries such as Railways, Road Transport & Highways, Defense, and Finance. Notwithstanding this contraction, there seems to be a pick-up in capex spending with an amount of Rs 1.1 lakh crore spent in Sept'24 vs Rs 39.7k crore in Aug'24.

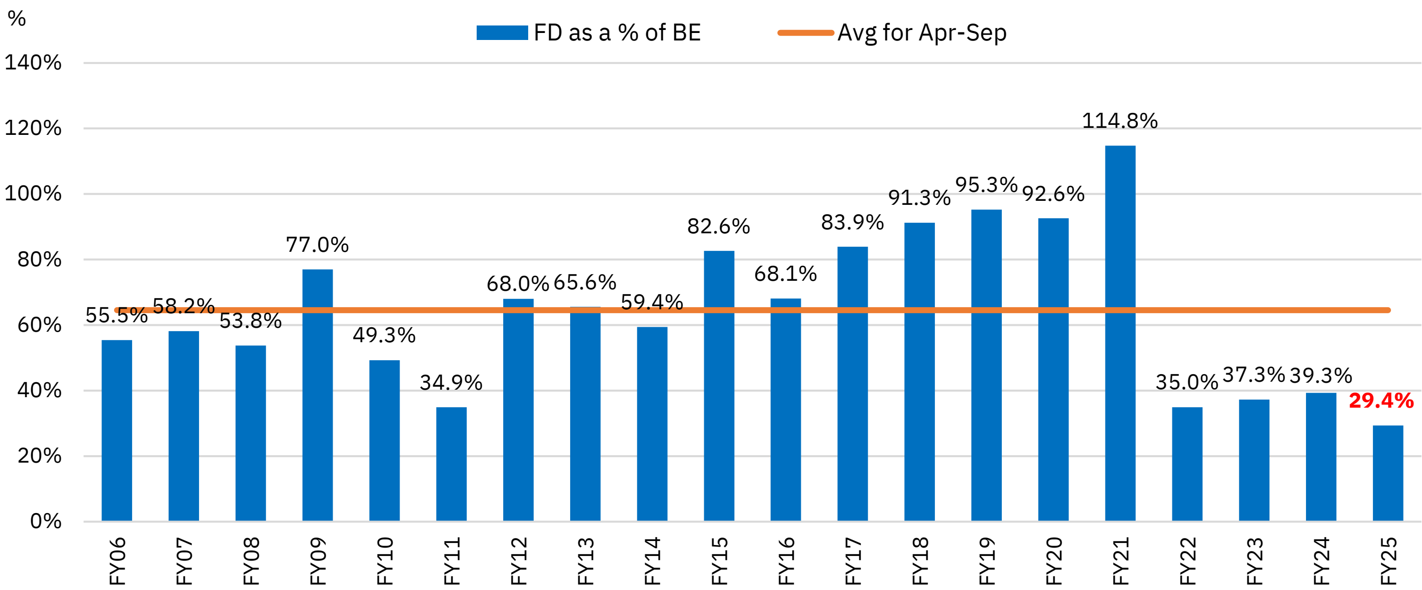
- **Fiscal deficit continues to contract in H1FY25:** The Centre's fiscal deficit remains in check, as the cumulative deficit decreased by 32.4% YoY to Rs 4.7 lakh crore (29% of FY25BE vs 39% of FY24BE) in the first half of this fiscal. This reduction is largely driven by robust tax revenues, an increase in RBI dividend proceeds at the start of the fiscal year, and lower capital expenditure. As a result, the fiscal deficit remains well within the budgeted target of 4.9%, underscoring the Union government's prudent fiscal management to date in FY25.

Figure 163: Yearly trend of India's fiscal balances



Source: LSEG Datastream, NSE EPR.

Figure 164: Gross fiscal deficit as % of budget targets during April-Sep



Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 165: Centre's gross fiscal trend (% GDP)

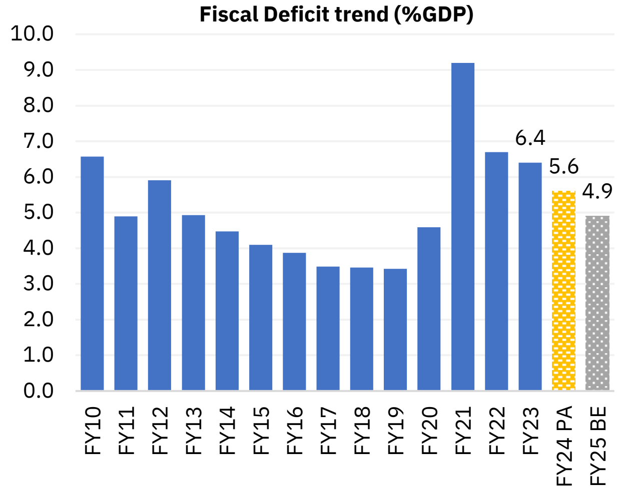
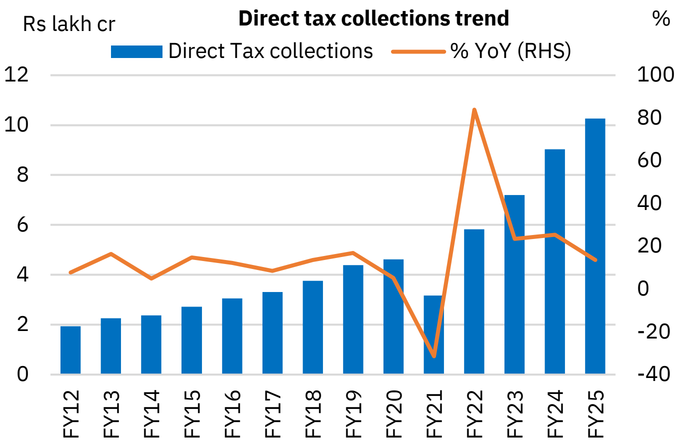


Table 35: Fiscal Balance Snapshot

Rs crore	FY23	FY24PA	% YoY	FY25BE	% YoY
Net tax rev	20,97,786	23,26,524	10.9%	25,83,499	11.0%
Non-tax rev	2,85,421	4,01,888	40.8%	5,45,701	35.8%
Non-debt cap rec.	72,196	60,461	-16.3%	78,000	29.0%
Total receipts	**41,93,158**	**44,42,543**	**5.9%**	**48,20,512**	**8.5%**
Revenue Exp	34,53,132	34,94,036	1.2%	37,09,401	6.2%
Capital Exp	7,40,025	9,48,506	28.2%	11,11,111	17.1%
Total exp.	**41,93,157**	**44,42,542**	**5.9%**	**48,20,512**	**8.5%**
Fiscal deficit	**17,37,755**	**16,53,670**	**-4.8%**	**16,13,312**	**-2.4%**
GDP	**2,69,49,646**	**2,95,35,667**	**9.6%**	**3,26,36,912**	**10.5%**
as a % of GDP	**6.4**	**5.6**		**4.9**	

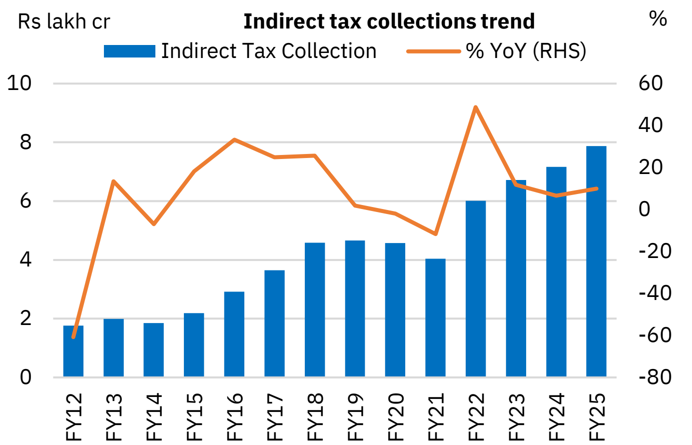
Source: CMIE Economic Outlook, CGA, NSE. BE = Budget Estimates, PA = Provisional Actuals

Figure 166: Direct tax collections during Apr-Sep



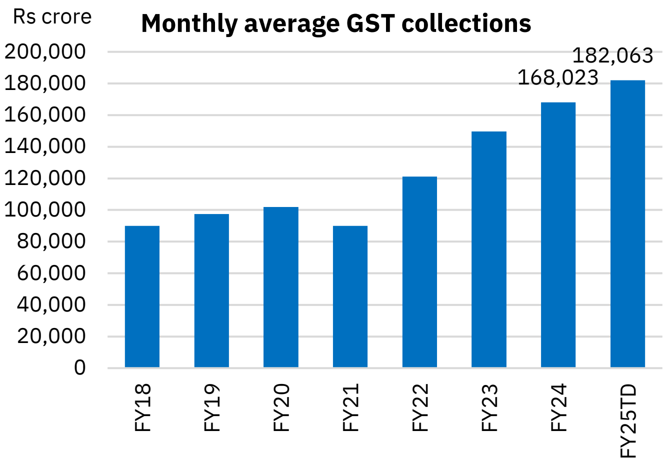
Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 167: Indirect tax collections during Apr-Sep



Source: CMIE Economic Outlook, CGA, NSE EPR.

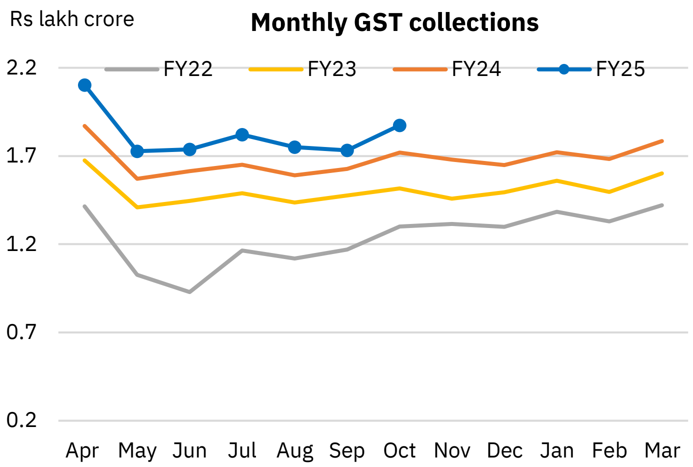
Figure 168: Year average of monthly collections*



*FY25TD – FY25 Till Date (Apr-Oct)

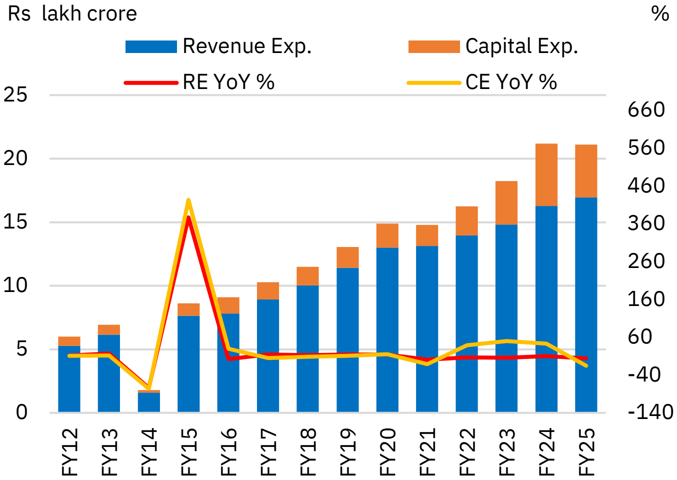
Source: CMIE Economic Outlook, CGA, PIB, NSE EPR.

Figure 169: GST collections trend



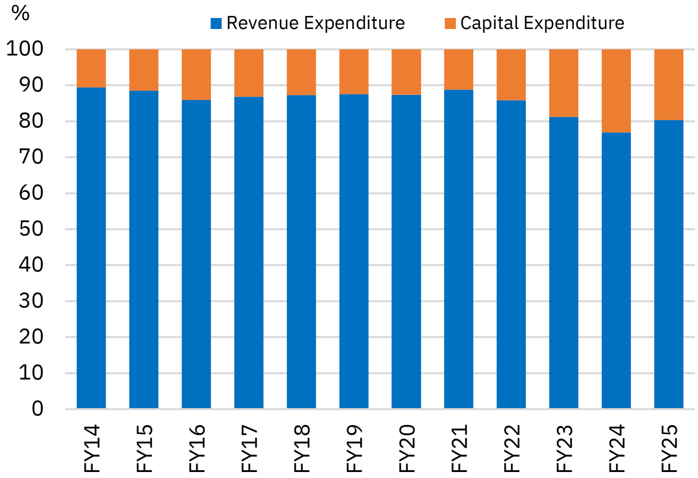
Source: CMIE Economic Outlook, NSE EPR.

Figure 170: Revenue and capital exp during Apr-Sep



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

Figure 171: Expenditure mix during Apr-Sep



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

Table 36: A snapshot of government finances during the first half of FY25

Items	H1FY24 (Rs crore)	H1FY25		Implied Figure (H2FY25)
		Rs crore	% YoY	Rs crore
Net tax revenues	**11,60,340**	**12,65,159**	**9.0%**	**13,18,340**
Gross tax revenues	**16,19,271**	**18,13,842**	**12.0%**	**20,26,328**
Of which:				
Direct Tax	**9,02,911**	**10,26,023**	**13.6%**	**11,85,977**
Corporation tax	4,51,283	4,61,506	2.3%	5,58,494
Income tax	4,51,628	5,64,517	25.0%	6,22,483
Indirect Tax	**7,16,360**	**7,87,819**	**10.0%**	**8,40,351**
Goods and service tax	4,67,656	5,16,321	10.4%	5,45,578
Custom Duties	1,06,184	1,12,959	6.4%	1,24,786
Excise Duties	1,24,758	1,28,466	3.0%	1,90,534
States Share	-4,55,444	-5,44,803	19.6%	-7,02,408
Transferred to NCCD	-3,487	-3,880	11.3%	-5,620
Non-Tax Revenue	**2,36,772**	**3,57,214**	**50.9%**	**1,88,487**
Dividends and profits	1,20,657	2,50,633	107.7%	38,501
Other non-tax revenues	1,16,115	1,06,581	-8.2%	1,49,986
Central govt. revenue receipts	**13,97,112**	**16,22,373**	**16.1%**	**15,06,827**
Non-Debt Capital Receipts	20,166	14,601	-27.6%	63,399
Recovery of Loans	13,319	11,434	-14.2%	16,566
Misc. receipts (inc. divestment)	6,847	3,167	-53.7%	46,833
Total Receipts	**14,17,278**	**16,36,974**	**15.5%**	**15,70,226**
Revenue Expenditure	16,28,511	16,96,528	4.2%	20,12,873
Interest Payments	4,84,329	5,15,010	6.3%	6,47,930
Major subsidies	2,06,396	2,14,658	4.0%	2,13,765
Food	95,149	1,21,437	27.6%	83,813
Fertilizer	1,10,127	89,461	-18.8%	74,539
Petroleum	1,119	3,761		8,164
Other revenue expenditure	9,37,786	9,66,860	3.1%	11,51,178
Capital Expenditure	4,90,628	4,14,966	-15.4%	6,96,145
Total Expenditure	**21,19,139**	**21,11,494**	**-0.4%**	**27,09,018**
Fiscal Deficit	**7,01,861**	**4,74,520**	**-32.4%**	**11,38,792**

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

Table 37: A snapshot of Government finances in 2024-25

Items	FY23 Rs lakh crore	FY23 % YoY	FY24 BE (Rs lakh crore)	FY24 PA (Rs lakh crore)	FY24 % YoY	FY24 % chg. from BE	FY25 BE (Rs lakh crore)	FY25 % YoY over FY24PA
Central govt. net tax revenue	**20.9**	**16.0**	**23.3**	**23.3**	**11.1**	**0.0**	**25.8**	**10.9**
Gross tax revenues	**30.5**	**12.6**	**33.6**	**34.6**	**13.6**	**3.0**	**38.4**	**11.0**
Of which:								
Direct Tax	**16.6**	**17.8**	**18.2**	**19.7**	**18.7**	**8.2**	22.1	12.3
Corporation tax	8.3	16.0	9.2	9.1	10.3	(1.1)	10.2	12.1
Income tax	8.3	19.7	9.0	10.5	25.4	16.7	11.9	13.0
Indirect Tax	**13.9**	**6.9**	**15.4**	**15**	**7.6**	**(2.6)**	16.3	8.5
Goods and service tax	8.5	21.6	9.6	9.6	12.7	0.0	10.6	10.6
Custom Duties	2.1	6.8	2.3	2.3	9.2	0.0	2.4	3.4
Excise Duties	3.2	(19.2)	3.4	3.1	(4.3)	(8.8)	3.2	2.9
States Share	-9.5	5.6	-10.2	-11.3	19.1	10.8	-12.5	10.4
Transferred to NCCD	-0.1	30.5	-0.1	-0.09	9.7	(10.0)	-0.1	5.6
Non-Tax Revenue	**2.9**	**(18.0)**	**3.0**	**4.0**	**40.8**	**33.3**	5.5	36.4
Dividends and profits	1.0	(37.8)	0.9	1.7	70.6	88.9	2.9	70.1
Central govt. revenue receipts	**23.8**	**9.8**	**26.3**	**27.3**	14.5	**3.8**	31.3	14.6
Non-Debt Capital Receipts	0.7	83.4	0.8	0.6	(16.3)	(25.0)	2.9	381.9
Divestment proceeds	0.5	214.5	0.6	0.3	(28.0)	(50.0)	0.5	66.7
Total Receipts	**24.5**	**11.1**	**27.2**	**27.9**	**13.8**	**2.6**	**32.1**	**15.0**
Revenue Expenditure	**34.5**	**7.9**	**35**	**34.9**	**1.2**	**(0.3)**	37.1	6.3
Interest Payments	9.3	15.3	10.8	10.6	14.6	(1.9)	11.6	9.7
Subsidy outgo	5.8	14.7	4.0	4.4	(23.8)	10.0	4.3	(2.6)
Capital Expenditure	**7.4**	**24.8**	**10.0**	**9.5**	**28.2**	**(5.0)**	**11.1**	**17.0**
Total Expenditure	**41.9**	**10.5**	**45.0**	**44.4**	**5.9**	**(1.3)**	**48.2**	**8.6**
Fiscal Deficit	**17.4**	**9.7**	**17.9**	**16.5**	**4.8**	**(7.8)**	**16.1**	**(2.2)**
Fiscal Deficit/GDP	**6.4**		**5.9**	**5.6**			**4.9**	

Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; A = Actual. PA = Provisional Actuals. Growth in FY24PA figures are on FY23 actual figures.

Global macro snippets: IMF expects global growth to remain stable

The recent release of IMF's latest World Economic Outlook (WEO) projects global growth at a modest 3.2% for 2024-2025, in line with earlier forecasts. While the outlook remains stable, the global growth picture is mixed. The U.S. growth forecast has been revised upwards, driven by consumption and strong demand in the semiconductor and electronics sectors, particularly fuelled by AI investments. However, this positive momentum is counterbalanced by weaker prospects for major European economies. Regions like the Middle East, Central Asia, and sub-Saharan Africa face challenges from disruptions in commodity production, shipping bottlenecks, and geopolitical conflicts. These issues contribute to broader downside risks for the global economy, including structural challenges like aging populations, weak productivity, and geopolitical tensions that constrain long-term growth. Several economies worldwide have initiated rate-cutting cycles, transitioning to an accommodative stance with successive policy rate reductions, driven by easing inflationary pressures and slowing growth. As anticipated, the U.S. Federal Reserve reduced its policy rate for the second time in 2024 by 25bps, underscoring easing labor market conditions and confidence about inflation moving closer to the target. Similarly, central banks of major economies, including the Bank of England (BoE), European Central Bank (ECB), and those of Canada and Mexico, have recently announced rate cuts ranging between 25 to 50bps, signaling a synchronized effort to support economic growth.

In terms of financial stability, the global economic environment remains relatively calm, with near-term risks contained. Financial conditions have remained accommodative due to monetary easing by major central banks, supporting resilience in emerging markets and keeping asset price volatility relatively low. However, these favourable conditions have created vulnerabilities, such as high asset valuations, rising debt levels, and increased leverage among nonbank financial institutions, which could amplify the impact of future economic shocks.

- **IMF projections for global growth remains broadly unchanged...:** In the recent release of World Economic Outlook (WEO), IMF's economic outlook for 2024 and 2025 is characterized by stability, but growth remains relatively modest at an expected 3.2%, consistent with previous projections. The uptick in the U.S. growth forecast by 50bps is driven by stronger than expected consumption and robust demand in the semiconductor and electronics sectors fueled by AI investments. However, this positive momentum is counterbalanced by weaker performance in other advanced economies, especially the largest European economies, which is weighed down by sluggish domestic demand and external headwinds. While the growth in emerging Asia benefits from strong technology sector performance, regions like the Middle East, Central Asia, and sub-Saharan Africa face setbacks due to disruptions in commodity production, shipping bottlenecks, and ongoing geopolitical conflicts. The growth in the Chinese economy is revised lower by 20bps to 4.8% in 2024 as better than expected net exports is likely to outweigh weakness in the real estate sector and low consumer confidence.

- **...although several downside risks continue to pose challenges:** The report also highlights that looking ahead, the global economic landscape faces several risks that could undermine growth. Structural challenges such as aging populations, weak productivity, and geopolitical tensions pose long-term constraints. Short-term vulnerabilities include potential financial market instability, volatile commodity prices, and disruptions in key sectors like China's property market. These factors could trigger capital outflows, deepen debt distress, or hinder policy easing in critical economies. Moreover, rising protectionism and social unrest could strain trade relations, limit supply chain recovery, and delay essential structural reforms. With growth projections remaining subdued, countries must calibrate fiscal and monetary policies carefully to navigate these challenges and strengthen medium-term prospects.

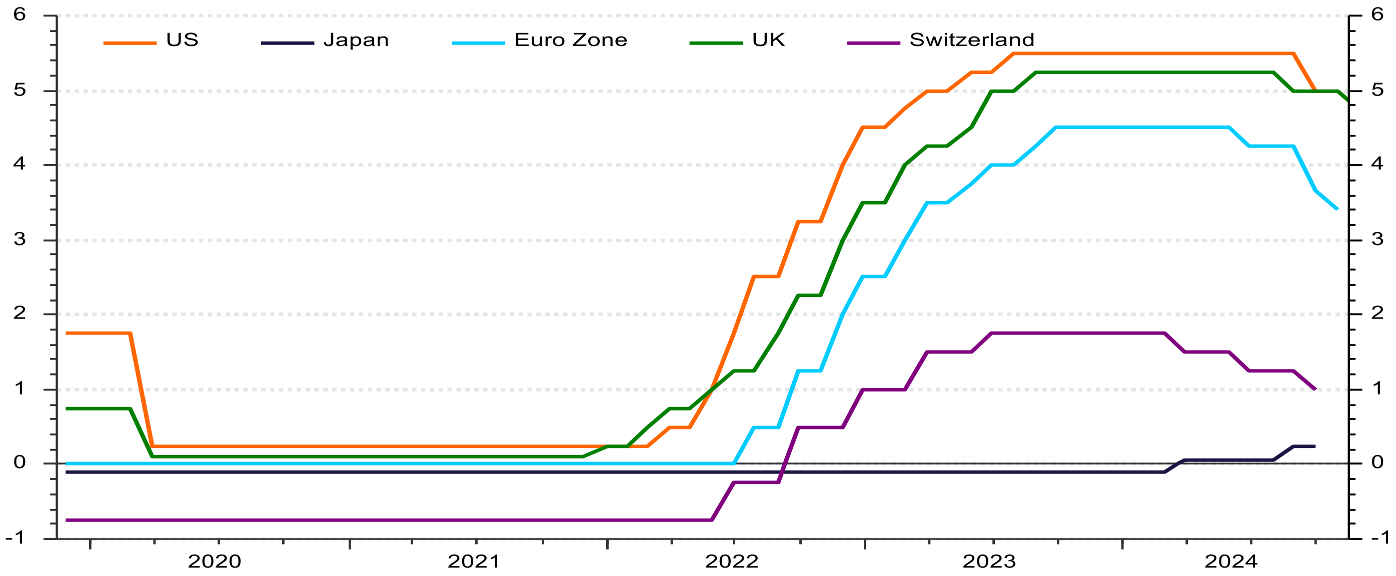
- **The near-term financial stability risk remains contained:** After the last update of Global Financial Stability Report back in Apr'24, global economic activity has moderated, with inflation continuing its downward trajectory. Monetary easing by major central banks has kept financial conditions accommodative, supporting resilience in emerging markets and maintaining relatively low asset price volatility. As a result, near-term financial stability risks remain contained, with the IMF's one-year-ahead risk measure indicating risks at around the 40th historical percentile. However, while these accommodative conditions reduce immediate risks, they also create vulnerabilities, particularly in the form of elevated asset valuations, rising private and government debt, and increased leverage among nonbank financial institutions. These growing vulnerabilities pose a threat to future financial stability, as they could amplify the impact of adverse shocks, which are becoming more likely due to heightened economic and geopolitical uncertainties, such as ongoing military conflicts and volatile political transitions in key economies.
- **US Fed lowers policy rate for the second time in 2024:** After a strong 1/2 percentage point cut in Sep'24, the Federal Reserve decided to lower the target range rate for the second time in 2024 by 25bps, bringing it to 4.5%-4.75%. This decision is based on the assessment that economic activity is continuing to expand at a solid pace in the US, while labor market conditions have eased slightly, and the unemployment rate, although slightly higher, remains low. Inflation has made progress toward the 2% target, but it remains somewhat elevated, indicating that further policy adjustments may be necessary. The recently released CPI inflation displayed an increase in retail inflation to 2.6% YoY in October, marking the first uptick in seven months. Although the risks are roughly balanced, the Committee remains cautious, considering both upside and downside risks.

Table 38: World Economic Outlook Projections – October 2024 (%)

World output	Actual		Projections		Difference from Apr'24	
	2022	2023	2024	2025	2024	2025
Advanced Economies						
United States	1.9	2.9	2.8	2.2	0.2	0.3
Euro Area	3.4	0.4	0.8	1.2	-0.1	-0.3
Japan	1.0	1.7	0.3	1.1	-0.4	0.1
United Kingdom	4.3	0.3	1.1	1.5	0.4	0.0
Emerging and Developing Asia						
China	3.0	5.2	4.8	4.5	-0.2	0.0
India	7.0	8.2	7.0	6.5	0.0	0.0
World Output	**3.5**	**3.3**	**3.2**	**3.2**	**0.0**	**-0.1**

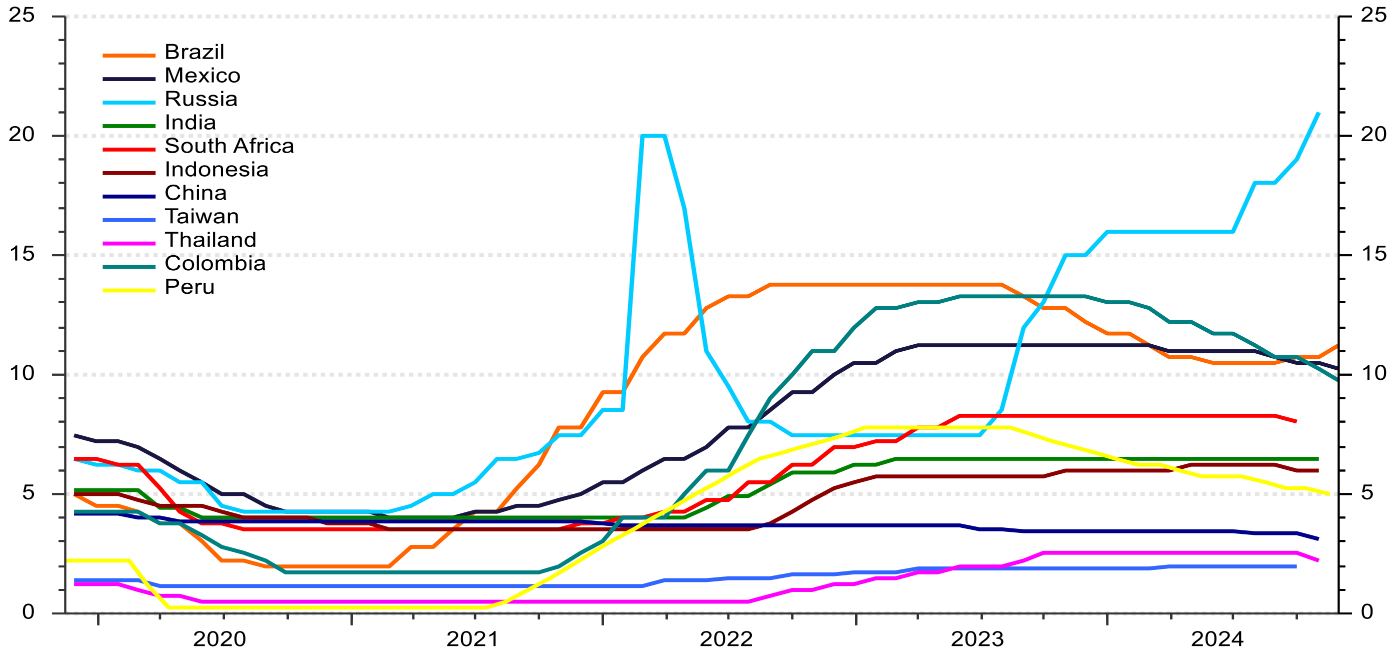
Source: IMF WEO.

Figure 172: Policy rates across AE central banks



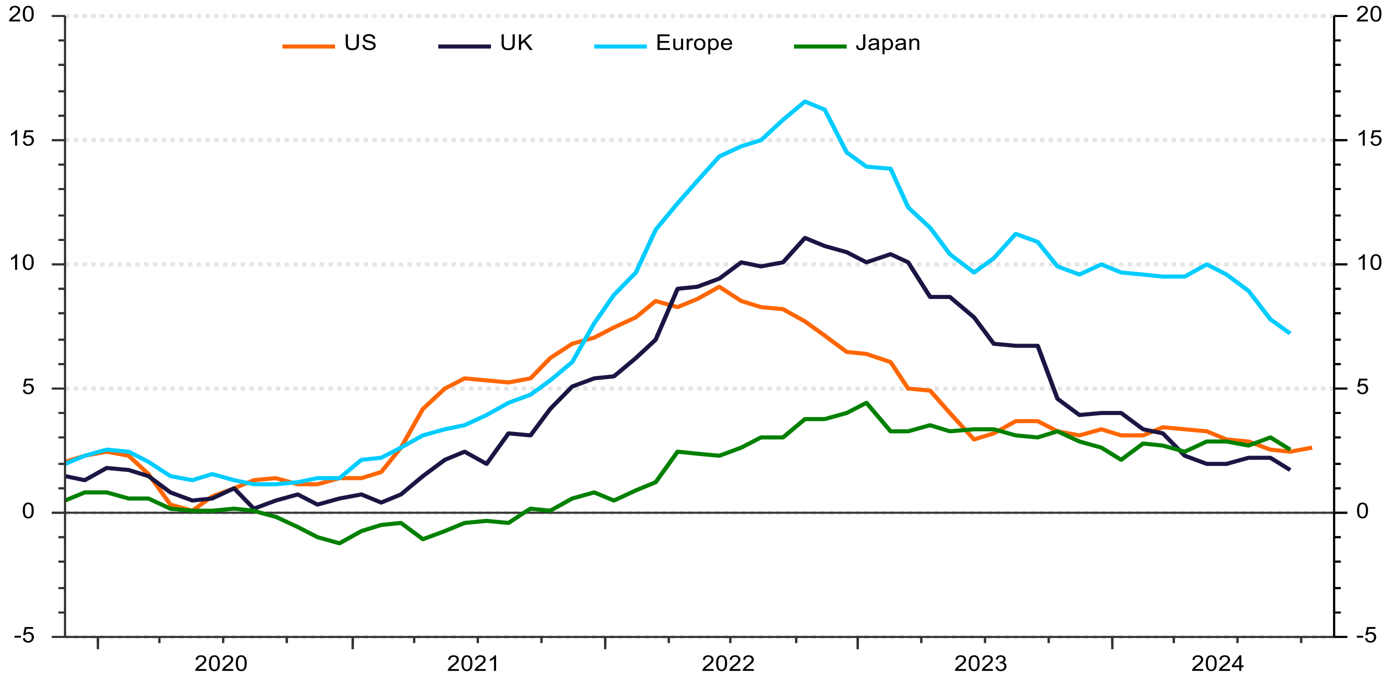
Source: LSEG Datastream, NSE EPR.

Figure 173: Policy rates across emerging markets central banks



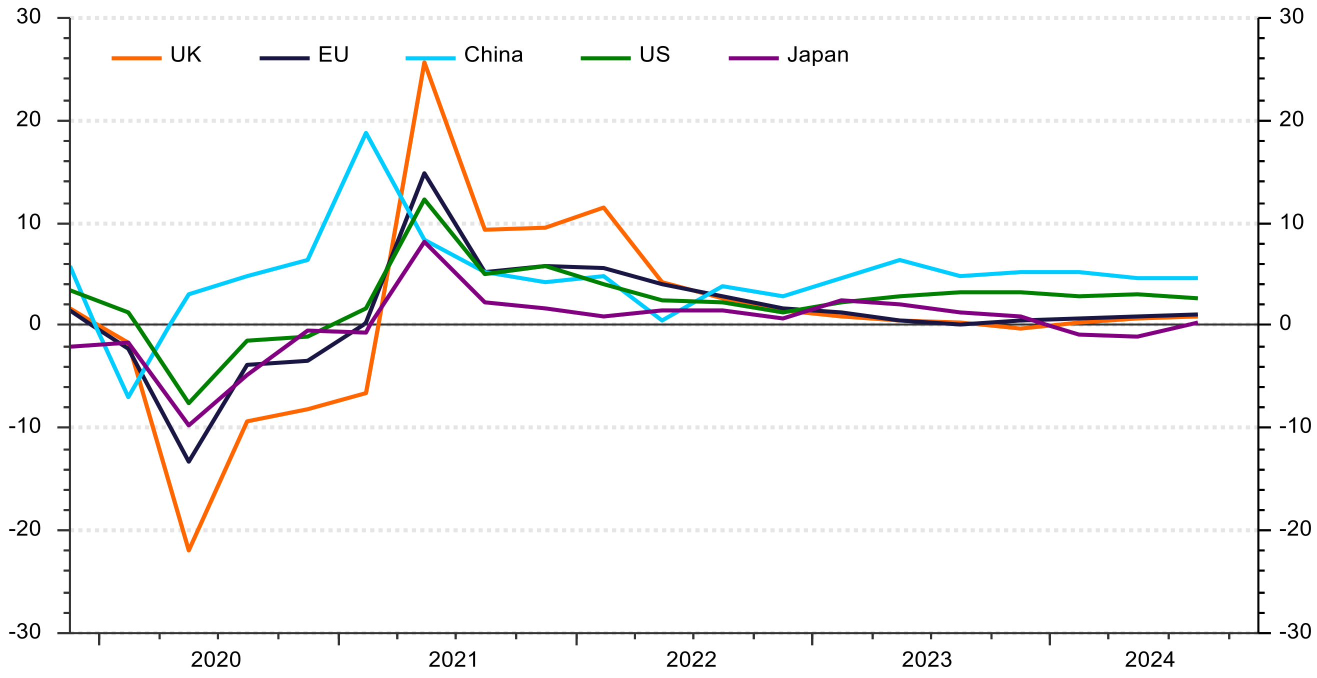
Source: LSEG Datastream, NSE EPR.

Figure 174: Inflation Across Major Economies



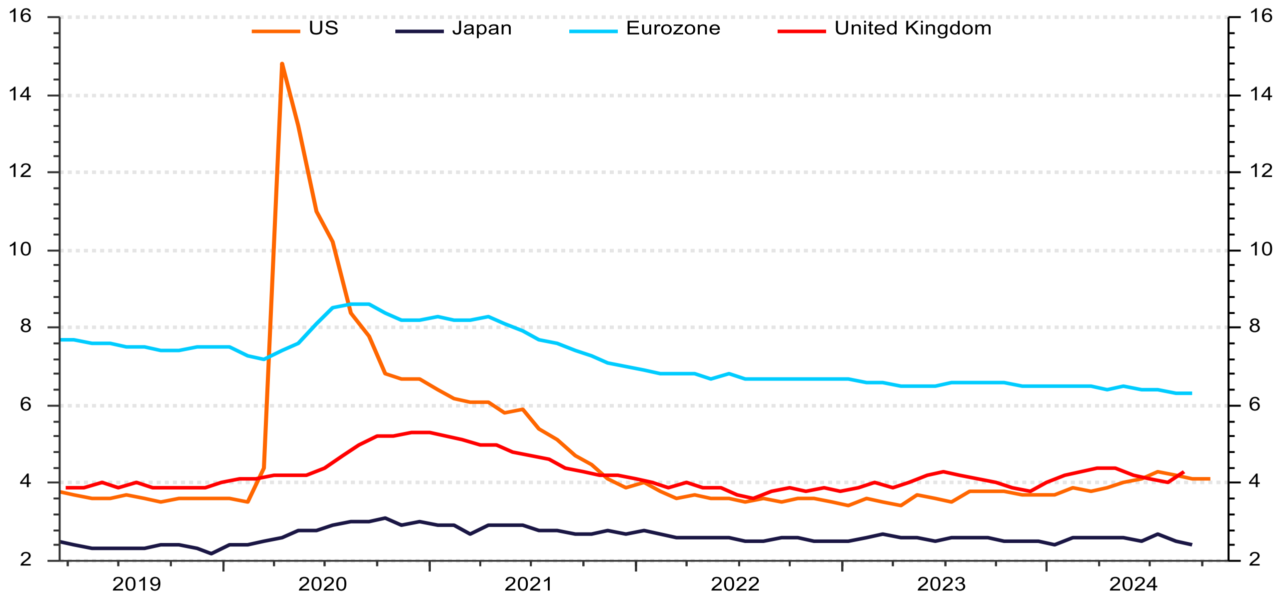
Source: LSEG Datastream, NSE EPR.

Figure 175: Growth Across Major Economies



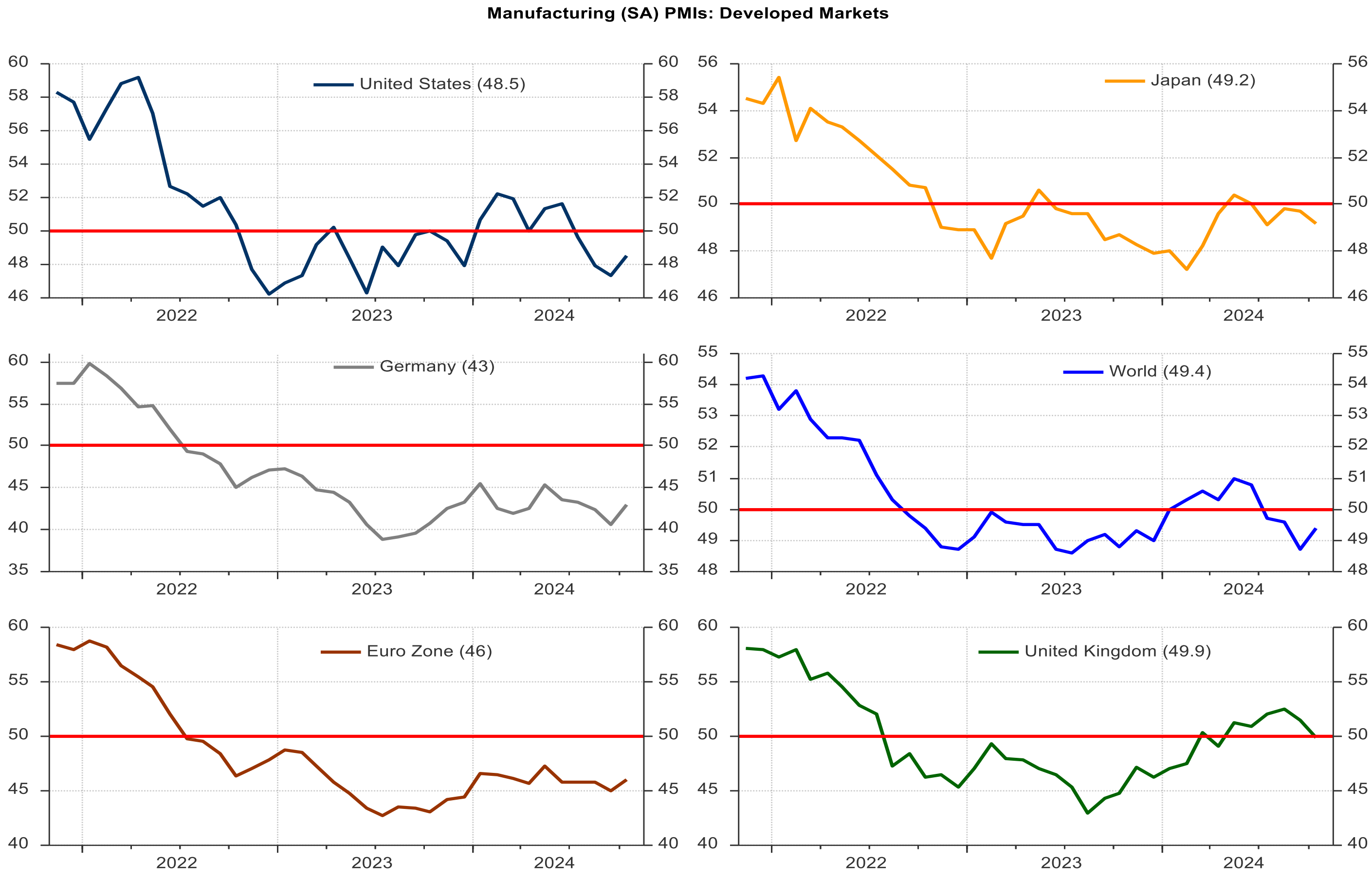
Source: LSEG Datastream, NSE EPR.

Figure 176: Unemployment Rates



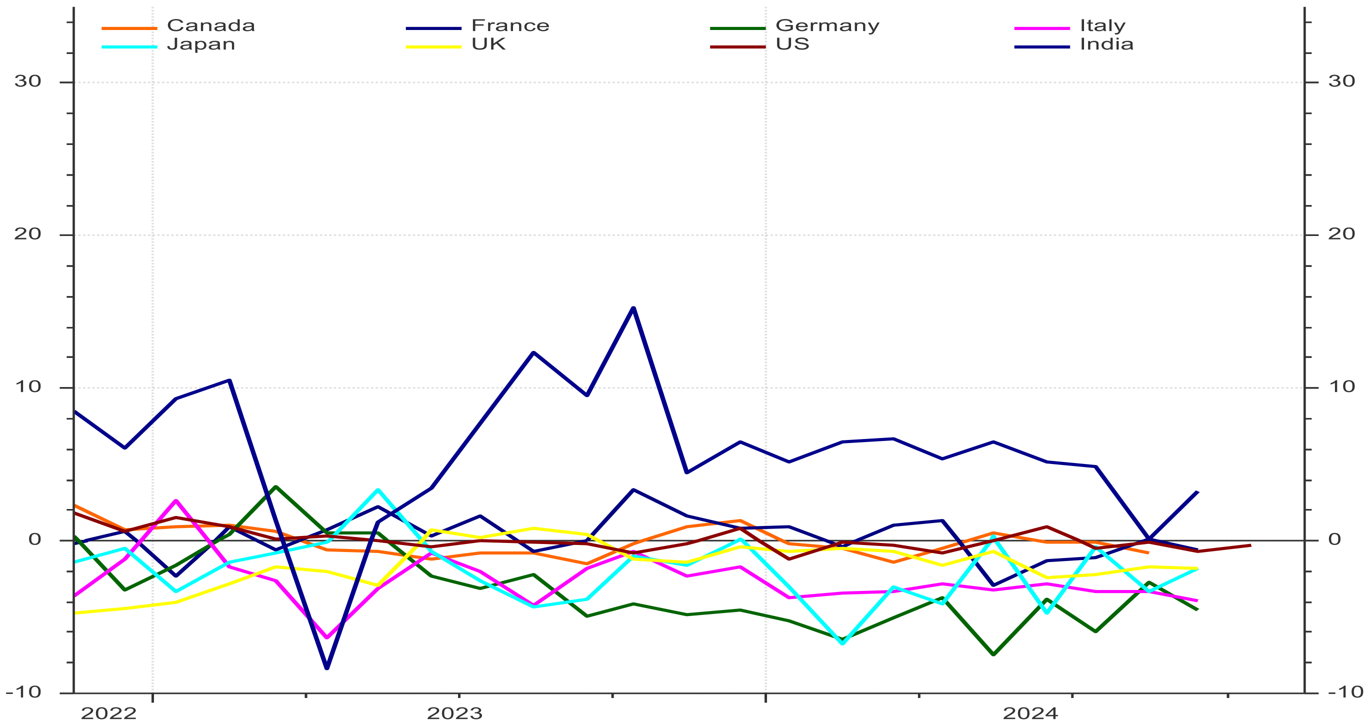
Source: LSEG Datastream, NSE EPR.

Figure 177: Trend in PMI manufacturing across countries



Source: LSEG Datastream, NSE EPR.

Figure 178: Consumer Confidence Index across major economies



Source: LSEG Datastream, NSE EPR.

Insights

Highly cited research paper 1 in the field of Behavioural Science

Central bank communication in the media and investor sentiment[10]

Hamza Bennani[11]

Research Paper Summary Prepared by Ram Prasad Behera[12] and Varuna Joshi[13]

1. Introduction

The recent global financial crisis (GFC) has shown how fluctuations in market expectations have a considerable impact on macroeconomic activity and asset markets. The crisis demonstrated how adjustments in investor attitudes, which are not always based on economic realities, can cause economic fluctuations. Renewed interest in identifying non-fundamental sources of these fluctuations has led to models incorporating exogenous sentiment shocks.

According to empirical and theoretical studies, investor sentiment, which is impacted by a variety of factors, can predict asset prices and economic growth. This paper investigates the link between central bank communication, particularly from the Fed chairman, and investor sentiment. It hypothesizes that the confidence and optimism conveyed by the Fed chair can influence investor sentiment. The study analyzes articles from prominent financial newspapers and literature in finance, quantifying mentions of confidence and overconfidence related to the Fed chair to create an overconfidence indicator (OI).

The findings suggest a significant positive correlation between the Fed chair's overconfidence, as reported by the media, and investor sentiment. This relationship is especially pronounced during recessions, with investors quickly adjusting their sentiment in response to central bank communications. The study suggests that the Fed chair's strategic communication could potentially boost investor sentiment while mitigating negative economic impression.

2. Hypothesis

The study posits that investor sentiment may be impacted by the Fed Chair's statement, as reported in the media. Specifically, the study proposes that the media-based proxy of the Fed chair's overconfidence is positively and significantly associated with investor sentiment. The hypothesis is evaluated by examining media coverage of Fed chair communication, measuring the confidence and optimism stated, and analysing the relationship between this media-based measure and investor sentiment.

3. Experimental Design and Methodology

To quantitatively measure the confidence and optimism expressed by the Fed chair, the study uses media portrayal from major newspapers and the Five-Factor Model (FFM). The analysis spans from January 1994 to September 2015, covering the tenures of Alan Greenspan, Ben Bernanke, and Janet Yellen. The data is sourced from articles in The New York Times, The Wall Street Journal, the Financial Times, and The Economist, using the Factiva database. The study counts the occurrences of positive descriptors like "confident" and "optimistic" versus negative descriptors like "cautious" and "pessimistic" in proximity to the Fed chair's name.

$$OI_t = \frac{a_t - b_t}{Totalt}$$

[10] Bennani, H. (2020). Central bank communication in the media and investor sentiment. *Journal of Economic Behavior & Organization*, *176*, 431-444.
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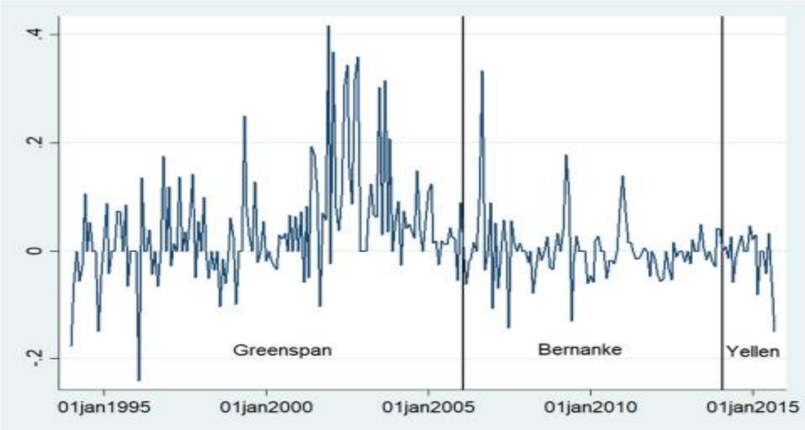
The overconfidence indicator (OI) is calculated monthly by comparing the frequency of positive (a) versus negative (b) descriptors, adjusted for total article count, and scaled for numerical ease.

The study finds that the OI varies among Fed chairs and time periods, with noteworthy peaks during economic expansions and key policy pronouncements, such as the dot-com bubble, economic expansions, and so on. The findings imply that the media's portrayal of Fed Chair confidence can be used to measure overconfidence and its impact on investor sentiment.



$$Sent_t = \alpha + \beta_1 \underbrace{OI_t}_{\text{non-fundamental}} + \underbrace{\beta_2 X_{Macro,t} + \beta_3 X_{Fin,t}}_{\text{fundamentals}} + \varepsilon_t;$$

To measure investor sentiment, the study combines six market-based variables into a sentiment index: unemployment rate, inflation, production growth rate, interest rate, yield spreads and market volatility. They employ principal components analysis to separate the sentiment component from economic fundamentals, creating a composite index reflecting investor's behavior.

Where, Sentt is the sentiment index, OIt is the overconfidence proxy, Xmacro,t is the vector of macroeconomic variables and XFin,t depicts the four financial market variables, i.e., 3-month T-bill, default spread, term spread and CBOE volatility index.

The model considers potential multicollinearity and uses the Generalized Method of Moments (GMM) estimator to address heteroskedasticity and endogeneity issues, employing lagged values of variables as instruments for robust estimation.

4. Summary of Results

Three models are estimated: one with macroeconomic variables, another with financial variables, and a third with both. Financial variables are more significantly related to investor sentiment than macroeconomic ones, with an adjusted-R^2 of 33% versus 25%. Overconfidence is consistently and positively linked to investor sentiment across models. Specifically, in the 3rd model, a one standard deviation (SD) increase in overconfidence results in a 0.45% SD rise in investor sentiment. Furthermore, they found that some macroeconomic and financial variables are also associated with investor sentiment.

The study also examines the asymmetric effects of positive and negative overconfidence changes, finding both significantly influence sentiment, with positive changes increasing sentiment by 0.41% SD and negative changes decreasing it by 0.46% SD, specifically for the 3rd model. Additionally, specification shows that the overconfidence-sentiment relationship is stronger during recessions, with a one SD increase in overconfidence leading to a 0.55% SD rise in sentiment during recessions, compared to 0.27% during expansions.

The potential for investor underreaction is tested by examining lagged overconfidence values. Results indicate that investor sentiment responds more strongly to Fed chair overconfidence one month after the communication, with the relationship being strongest at t+1 (0.64% SD) and diminishing over the following months. Overall, these findings suggest that investors need some time to understand and analyze the communication by the Fed chair and adjust their sentiment.

5. Conclusion

This article investigates the impact of the Fed chair's communication, as reported by major media, on investor sentiment between 1994 and 2015. Using word counts to assess the chair's expressed optimism and confidence, the study develops an overconfidence indicator and relates it to the Baker and Wurgler investor sentiment index. The findings show that an overconfident Fed chair considerably boosts investor sentiment. During a recession, investors are also more receptive to central bank communication, quickly shifting their sentiment. There is no evidence of a negativity bias, in which negative changes in overconfidence have a greater impact than positive improvements.

Highly cited research paper 2 in the field of Behavioural Science

Sustainability or performance? Ratings and fund managers' incentives [14]

Nickolay Gantchev[15] Mariassunta Giannetti[16] Rachel Li[17]

Research paper summary prepared by S Vishwath[18] and Varuna Joshi[19]

1. Introduction

This paper is a quantitative analysis on the tradeoff for investors and fund managers between the sustainability and performance of a mutual fund. The authors considered the period since the introduction of Morningstar's sustainability ratings in March 2016 and how it impacted fund managers' allocation with a focus on ESG. The authors examined the tradeoff that stemmed from this situation for investors and fund managers.

The paper also considered whether investors were investing in sustainable companies because of non-pecuniary factors or whether investors perceive sustainability indicate future performance. The authors also examined the effects of the performance of companies with high ESG ratings on fund allocations and whether fund managers considered sustainability in their decision making. Since the introduction of these ratings, companies with low globe (ESG) ratings performed better in the markets than companies with higher globe ratings. The authors observed that investors ultimately decided to choose performance over sustainability and this resulted in fund managers also deciding to do the same.

2. Hypothesis

H1: Investors chose funds with high sustainability score because of non-pecuniary factors.

H2: Investor chose funds with high sustainability score because sustainability indicates future performance.

H3: Fund managers chose to maintain a high sustainability score because sustainability ratings affect cash flows.

3. Data and Methodology

The research used data from Morningstar for mutual funds' equity holdings and mutual funds characteristics. The sample included all US domiciled firms which invested in US equity and which ended up obtaining globe ratings. The minimum assets under management requirement for the sample was USD 10 million. The information included was returns, age, expense ratio, TNA, and Morningstar category. The funds are also required to have star ratings, which are given after three years of existence.

Morningstar gave a globe rating of 5 (High) if the fund is in the top 10% of sustainable funds in its category. A rating of 4 (Above Average) was given to funds within 10% and 32.5% of its category, a rating of 3 (Average) to funds within 32.5% and 67.5% of its category. Funds between 67.5% and 90% were given a rating of 2 (Below Average) and a rating of 1 (Low) for funds in the bottom 10% of the category.

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[14] Gantchev, N., Giannetti, M., & Li, R. (2024). Sustainability or performance? Ratings and fund managers' incentives. Journal of Financial Economics, 155, 103831. https://doi.org/10.1016/j.jfineco.2024.103831
[15] Warwick Business School, University of Warwick
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The sample period considered was between July 2015 and September 2017. The sample had 1959 funds, of which 1761 were active. The fund categories ranged from small caps to large caps, and value funds to growth funds. The sample consisted of 118 funds with a focus on sustainability.

The authors defined each fund's mean expense ratio and returns using their aggregate fund size (TNA) and flows across share classes. The average AUM for the sample was $2500 million and experienced outflows of 0.4% and 0.6% of their TNA in the quarters preceding and following the introduction of globe ratings respectively.

The average expenses of the funds were equal to 1.1% of their TNA. The average age of the mutual funds of the sample was 18 years. The median globe rating of the funds in the sample was 3 with a top decile rating of 5 and bottom decile rating of 1.

The authors constructed a quarterly fund-stock-level panel to investigate whether the fund managers were actively looking to improve the sustainability rating of their portfolio. The authors defined the funds within 2.5% of the top and bottom ratings as border funds. These funds have the maximum incentive to buy or sell.

The authors defined a pre-globes period from the third quarter of 2015 to the first quarter of 2016 where the fund managers might have learned about the impending introduction of the ratings. The post-globes period was divided into two with the first half extending from the second quarter of 2016 to the fourth quarter of 2016 and the second half extending from the first quarter of 2017 to the third quarter of 2017.

The authors controlled for various stock characteristics such as market capitalization, stock returns, book-to-market ratio etc., to remove correlations to the fund's ESG score. The authors also included interactions for fund and quarter fixed effects, capturing the propensity of different funds to trade in each quarter and changes in assets under management.

The authors defined a fund to have engaged in Abnormal ESG Trading if it traded stocks with a view to increase its sustainability rating relative to its behavior in trading prior to the introduction of the globe ratings. The authors defined Abnormal ESG Trading as a fund-month variable with respect to the fund's monthly performance. This variable controls for trading in both high and low ESG stocks, in both directions.

To evaluate fund performance with respect to sustainability, the authors considered a correlation of annualized return versus Abnormal ESG Trading score. In addition to annualized return, the authors considered two risk adjustment methods proposed by Daniel et al. (1997) termed 'DGTW' and Fama and French (1993) three-factor model augmented by Carhart's (1997) momentum factor.

4. Summary of Results

The research documented that fund managers were better skilled at generating performance than maintain globe ratings of their funds. The research observed that sustainability became associated with bad performance soon after the introduction of globe ratings. Immediately after the introduction of the ratings, money flowed in the direction of funds with better globe ratings.

The research showed that the funds with better sustainability ratings experienced poor performance especially in the stocks with high sustainability ratings. Eventually, funds with lesser focus on sustainability performed better and investors moved towards such funds. The authors showed that globe ratings affected mutual funds inflows and outflows.

The authors observed that fund managers avoided highly rated ESG stocks before the introduction of ratings because of their steep valuations. Post the introduction of globe ratings, fund managers of border funds restructured their flows to improve their globe ratings. This was observed through the positive coefficient in the interaction between border funds and ESG score.

An increase of a magnitude of one in the standard deviation of a stock's ESG score resulted in 24.4% increase in the interquartile variation of the active funds' positions in the sample. This behavior was observed only in the first half of the post globes period and was insignificant in the second half of the post globes period.

The authors did not observe the change in flows in index funds, hence showing that trading in active border funds were down to strategic considerations. The authors did not find globe ratings affecting the flow of funds even after widening the border funds horizon to 5%. The authors also observed that border funds reduced their position in low ESG stocks by 58.9% of the interquartile variation during the first half of the sample period.

The similar pattern of insignificance in fund flows in the low sustainability stocks was observed in the second half of the period. The authors showed that globe ratings stopped influencing fund flows after the first three quarters of their introduction.

Abnormal ESG Trading score of all funds in the sample increased from 0.116 to 0.139 in the first nine months post introduction of globe ratings. The Abnormal Trading Score of border funds increased from 0.127 to 0.156 in the same period. An interquartile change in abnormal ESG trading correlated to an 1.79% increase in probability of an upgrade in ratings, a 20% increase in the average probability of 8.97%.

A one standard deviation increase in Abnormal ESG Trading for border funds resulted in -2.37% annualized return. For the sample, an interquartile change in the ESG Trading score resulted in decrease of 1.26% annualized return, 0.43% DGTW-adjusted return, and a 0.13% Fama-French four-factor-adjusted return.

The authors also observed that globe 5 funds underperformed globe 1 funds. This proved that the only motive for fund managers to trade ESG stocks was to improve their globe rating and not performance.

An interquartile increase in ESG trading was correlated to 1% decrease in annualized returns of the high ESG stocks purchased. An annualized loss of 0.19% was associated with the average level of ESG trading of the funds due to the low ESG stocks they sold. This proved that the poor performance of the funds was directly due to the trading in ESG stocks.

An average amount of ESG trading caused a 0.09% decrease in flows due to poor performance, which offset about 25% of the inflows from achieving globe 5 status. For a fund's ESG trading in top decile, its poor performance led to 0.22% decrease in flows, offsetting 59.7% of inflows, a very low-probability outcome. A fund upgraded to globe 5 experienced an additional 1.7% outflows which was equivalent to 38.9% of the standard deviation of fund flows.

The authors concluded that the introduction of globe ratings in the second quarter of 2016 caused significant movement in funds' movement towards ESG stocks by fund managers, specifically to ensure a higher globe rating. This movement towards increased sustainability led to poor performance by the funds which led to significant outflows forcing the fund managers to return to focusing on performance from the first quarter of 2017.

5. Conclusion and Implications

The authors demonstrated that if investors cared about performance, ranking financial intermediaries in terms of sustainability caused a tradeoff between portfolio sustainability and performance, rendering the sustainability ratings largely ineffective. The research also showed that majority of investors and mutual funds do not support ESG proposals. ESG investing might need government aid to increase and sustain funds.

The research also indicates that socially responsible investing (SRI) might have been driven due to sustainability being interpreted as a measure of future performance and a stop in flow of funds to sustainable investment proposals will mean a stop in popularity of such funds and their performance.

Highly cited research paper 3 in the field of Behavioural Science

Financial supervision structure, decentralized decision-making and financing constraints[20]

Charilaos_Mertzanis[21]

Research paper summary prepared by Ram Prasad Behera[22] and Varuna Joshi[23]

1. Introduction

A country's financial supervision structure affects how easily businesses can get financing. This is especially important in developing countries where getting funds can be challenging due to a lack of clear rules, intense information asymmetry, and complex relationships between the government and businesses. This research looked at World Bank's Enterprise Surveys data from 48 developing countries to see how financial supervision affects businesses' ability to get money, considering factors like the size of the business and the country's economy. This research finds that decentralized prudential supervision increases financing constraints for firms in wealthy developing countries but reduces them in market-based financial systems. However, decentralized conduct of business supervision tightens financing constraints for firms across all types of economies. To ensure reliable results, their statistical analysis addresses endogeneity using various techniques.

2. Hypothesis

Earlier studies suggest that the structure of financial supervision significantly impacts firms' financing constraints. Drawing on various theoretical perspectives, the hypothesis in this research posits that different forms of financial supervision will influence the availability and cost of finance for firms. The hypothesis aims to test how variations in the structure of financial supervision, particularly the distinctions between prudential and conduct of business supervision, affect firms' access to finance in developing countries. Both types of supervision structures are designed to measure how much decision-making power is spread out among different levels. The study seeks to provide insights into the complex relationship between financial supervision and firms' financing constraints through empirical analysis and robustness checks.

3. Data and Methodology

The dataset includes data from over 78,000 non-financial firms between 2006 and 2016. The data provides insights into firms' perspectives on the business environment and their challenges in promoting private sector growth and employment in specific countries. Notable strengths of the data include its representation of a diverse range of firms from developing, emerging, and some developed countries. The dataset encompasses small, medium, and large enterprises, categorized by employment levels, and includes firms from various sectors such as manufacturing and others.

A potential limitation of the data is the possibility that some firms may inaccurately report their financing constraints, as responses include unaudited private information. While census data could address this issue, it is often unavailable for many developing countries. Micro-survey data, reflecting firms' direct views, may offer more reliable insights. However, if firms' responses are not correlated with key predictors like financial supervision structure, estimation results are unlikely to be biased.

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The following equation describes the estimation model used in this study -

$$ACCESS_{ij} = \alpha + REGPRUD_j \ \beta_1 + +REGCBUS_j \ \beta_2 + X_{ij}\beta_3 + Z_j\beta_4 + \mu_{it}$$

The key independent variables, REGPRUD, represent the financial supervision architecture of prudential supervision, and REGCBUS represents the measure of the conduct of business supervision of the financial system, where both are ordinal variables. i represents firms, while j represents country. Z represents national-level control variables, and μ is the error term.

The outcome variable is ACCESS, which captures the firms' perceptions of financing constraints measured on an ordinal scale. The mean value of ACCESS indicates that firms in Brazil, Costa Rica, and Argentina perceive finance access as a significant obstacle. At the same time, those in Israel, Thailand, and South Africa view it as less problematic. Overall, 41.3 percent of firms across surveyed countries identify access to finance as at least a moderate obstacle.

Data shows that countries like the Czech Republic, Uruguay, and Argentina have chosen a fully centralized prudential supervision structure; Panama, Turkey, and Venezuela have chosen a fully decentralized prudential supervision structure, while Argentina, Brazil, and El Salvador have chosen a fully centralized conduct of business supervision structure; Pakistan, Peru, and South Africa have chosen a fully decentralized conduct of supervision structure.

The analysis controls for firm-specific characteristics and country-level factors. An ordered probit model is used for estimation, considering the clustered nature of the data. Various econometric techniques, such as lagged variables, fixed effects, and instrumental variable models, are employed to address endogeneity issues.

4. Summary of Results

The regression analysis examines how firms perceive financing constraints based on the structure of financial supervision, firm characteristics, and country-level factors. Results indicate that transitioning from centralized to decentralized supervision in developing countries is associated with increased financing constraints. Specifically, a change in prudential supervision structure leads to a 13.7% rise in the probability of firms facing constraints. In comparison, a similar change in the conduct of business supervision results in a 2.7% increase. Interestingly, foreign-owned firms, particularly subsidiaries, experience lower financing constraints.

The study acknowledges that all firms in developing countries encounter financing constraints, with smaller firms facing more significant challenges due to factors like insufficient collateral, information asymmetry, and institutional inefficiencies. Decentralized prudential supervision is significant for medium and large firms, while decentralized conduct of business supervision is significant for small firms.

Sectors with high external finance needs but few tangible assets experience more substantial constraints. Financial frictions also influence firms' resource allocation across sectors, with liquidity-constrained firms favoring less financially vulnerable sectors. Moreover, specialized sectoral supervision further impacts firms' financing needs.

The study addresses potential endogeneity issues arising from reverse causation, within-country effects, and omitted variable bias. It utilizes alternative measurements of variables, sample structures, and estimation methods to validate the findings. Furthermore, the analysis considers the influence of macroeconomic conditions, public governance institutions, and the central bank's mandate and authority on firms' financing constraints. By incorporating these factors into the analysis, the study enhances the understanding of how different institutional environments shape the relationship between financial supervision structure and firms' access to finance.

5. Conclusion and Implications

The study investigates the impact of financial supervision structure on firms' access to finance in 48 developing countries using data from the World Bank's Enterprise Surveys. It distinguishes between prudential supervision, which focuses on regulatory standards for financial institutions, and conduct of business supervision, which pertains to how financial institutions interact with clients and markets. The analysis reveals that decentralized prudential supervision tends to increase financing constraints for firms in high-income countries but has varying effects in market-based financial systems and weak effects in low-income countries and bank-based systems. Conversely, decentralized conduct of business supervision consistently leads to tighter financing constraints for firms across different countries and financial system types. Furthermore, the impact of financial supervision structures differs based on firm size and sector of activity. While the effect of prudential supervision may vary depending on the model used, the impact of the conduct of business supervision remains stable and robust. Country-level factors, such as macroeconomic conditions, public governance institutions, and the central bank's authority, also play a significant role in shaping firms' financing constraints. Overall, the study emphasizes the importance of considering the structure of financial supervision in understanding firms' financial behavior in developing countries, highlighting the need for an institutional approach to financial policy concerns.

Highly cited research paper in the field of Banking and Finance

Does transparency about banks' lending costs lower firms' borrowing costs? Evidence from India[24]

Prasanna Tantri[25] Nitin Vishen[26]

Research paper summary prepared by Economic Policy and Research, NSE

To date, academic and policy-related literature suggests that transparency plays a crucial role in determining the cost of capital. These studies argue that increased disclosure mitigates information asymmetry between borrowers and lenders, thereby reducing the cost of capital for firms. However, prior research has not examined the impact on capital costs when the lender itself enhances transparency regarding the determination of its lending rate. This paper investigates the effects of cost-related disclosure on lending rates from the lender's perspective, as well as its implications for the cost of borrowing from the borrower's perspective.

In India, the banking system plays a vital role in financing firms and households. Any change in the lending rate has serious implications. Therefore, the Reserve Bank of India (RBI) plays a vital role in ensuring smooth operations and scrutiny of these banks to ensure transparency and ethical practices. Also, the RBI dictates the benchmark for the lending rate. Before 2010, the benchmark for the lending rate of banks was the Benchmark Prime Lending Rate (BPLR). This is the interest rate a bank charges its most creditworthy borrowers. The banks themselves determined it without following any hard and fast rules. Due to this, banks had discretion in determining this, and it was not transparent. The RBI found that banks declared high prime rates and they frequently lent below this. Loan contracts typically stated only the overall interest rate charged without decomposing the rate into the prime rate and spread. The discretion given to banks in determining the prime rate resulted in huge differences in the prime rate of banks. This drew the attention of the Reserve Bank of India, which issued a circular in 2010 aiming to improve transparency of the bank's costs. Under this circular, RBI prescribed a methodology that includes four components: cost of funds, negative carry from cash and other regulatory reserves, overhead cost, and average profit margin to compute the base rate used as a benchmark for the lending rate. In this method, RBI has given discretion to the banks to follow any methodology in determining the base rate, but it must consider four components as illustrated above. Banks were also mandated to disclose their methodologies and resulting lending rates for review. If the RBI finds that a bank's method for calculating the base rate is unsuitable, it requests the bank to adjust the formula. These elements were not included in the previous prime rate system. Additionally, the RBI required banks to recalculate and publish their base rates on a quarterly basis. Although this circular does not include any provision relating to the penalty, the Banking Regulation Act of 1947 gives the RBI the power to penalize and debar management in case of contravention of regulation.

This paper develops theoretical arguments from relationship banking literature. Generally, bank loans can be divided into relationship banking and transactional banking loans. A relationship banking loan is defined as a "loan that permits the bank to use its expertise to improve the borrower's project payoff." Relationship banks engage in incremental investments in specialization and monitoring, resulting in increased operational costs. In contrast, transaction banking is considered a commodity product that does not entail any informational rent or associated costs. If a bank wants to shift from transactional banking to relationship banking, it has to incur investments to gain that expertise and build relationships. These costs include monitoring and serving borrowers on a regular basis. Because of these reasons, this segment of banking is dominated by few players and is uncompetitive. This provides ample opportunity for relationship banks to extract the rent known as relationship rent.

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A relationship lender can earn relationship rents in two ways. First, by enhancing the expected cash flows of borrowers, they can charge a higher interest rate than transaction lenders. Second, in some situations, relationship lenders add value by lowering the risk of projects. In such cases, they can still earn extra income even if they charge the same rate as transaction lenders because the risk is reduced when borrowers work with them. A relationship bank's specialized knowledge of the borrower allows the bank to charge an interest rate above its cost of deposits. The maximum interest rate a relationship bank can charge is the point at which a borrower sees no difference between relationship loans and transaction loans. Therefore, the extra interest rate that relationship lenders charge (beyond their deposit costs) is made up of the relationship rent and the costs of developing expertise about the borrower.

In simpler terms, the maximum relationship rent a bank can charge is the difference between the value added through relationship banking and the additional costs involved in providing those services. It is believed that relationship banking rent cannot be driven to zero by transaction banks due to specialised knowledge. Though transaction banks can acquire these skills by investing in relationship banking, the costs for the newcomer will be very high due to learning and scale effects. Before investing in acquiring skills and expertise in relationship banking, a transaction bank would first like to access the rent acquired by relationship banks. If the relationship rent is higher, then only transaction banks would prefer to invest in the relationship banking. However, it is not easy to compute the relationship rent due to the unavailability of information related to the costs of engaging in a relationship. Consequently, the lack of awareness about this cost limits competition and allows relationship rents to persist. The new circular by RBI forces the banks to provide the likely costs of engaging in relationship banking. Thus, a bank seeking to enter a market dominated by established relationship banks should be able to estimate the costs associated with relationship banking and, by extension, the potential relationship rents in many instances. While it may not be possible to determine these costs precisely, as they depend on the types of borrowers served by the incumbent bank, a bank can still make an approximate assessment of available rents. If the estimated relationship rents are sufficiently high, the new bank may decide to enter the market, which could reduce relationship rents and ultimately lower overall interest rates.

Based on the above arguments, it could be inferred that cost disclosure by banks would reduce the relationship rent and interest rates for the borrowers. In addition, it could also be argued that cost disclosure does not have any impact because the bank's expertise about either the borrower, the borrowers' industry, or the state of the economy is the main source of relationship rents for which relationship banks have incurred fixed costs. This creates an entry barrier for the new entrants. Both sides of the argument suggest empirical evidence for such disclosures.

The paper uses a sample of 12333 loan-level contract data of 2151 firms from 2008Q1-2013Q2 taken from the Ministry of Corporate Affairs. There are 61 banks and 162 non-bank lenders in the sample, among which banks issued 8819 loan contracts to 1938 unique borrowers, and non-banks issued 3404 loans to 844 unique borrowers. The benchmark rates are derived from the prime rate in the pre-period and the base rate in the post-period, 11.90% (11%). In this prime rate, average (median) values were 13.73% (13.75%), and base rates were 10.12% (10.25%). Using two strategies, the authors examine the research question based on the difference-in-differences method. In the first strategy, banks are classified into treatment and control groups based on the prime rate in the pre-circular period. Banks with a prime rate higher than the median prime rate in the pre-period are classified into treatment and lower control groups. In the second strategy, banks are compared with non-bank financial firms. It was found that after the base rate regime, the benchmark rate decreased by 2.55 pp more for the High BPLR than low BPLR firms. Similarly, compared to other lenders, the benchmark rate decreased more for the banks (where the base rate was applied) than the non-banks after implementing the base rate regime.

The authors explored the impact of the base rate regime on interest rates on high vs low BPLR firms. The authors found that the difference between the lending rates of High and Low BPLR banks were reduced by 1.63 pp in response to the base rate applicability. Similarly, the authors compared banks vs non-banks and found that the difference between lending rates of banks and non-banks declined by 1.08 pp in response to the event. This validates the theoretical arguments that cost-related disclosure results in a decrease in lending rate. In addition, the authors also found that firms that were borrowing at very low rates under the prime rate regime have observed an increase in their interest rates. The author also validated their model using two additional tests based on bank-year-level interest rate data and firm-level borrowing costs. The authors found that the difference in lending rates between high and Low BPLR banks declined by 2.07 pp in response to the implementation of the base rate system. Similarly, firms that were borrowing from high BPLR banks observed a decline in their interests. Also, firms that borrowed from banks observed a decline in interest.

Furthermore, the authors explored the mechanisms through which the base rate regime affects the lending rate. The authors start exploring when firms and banks have relationships and their impact on interest rates. The authors use three proxies of the banking relationship: the bank's total outstanding loans, the physical distance between the bank branch responsible for the loan and the borrower, and the number of loans between bank firm pairs in the five years preceding the event. Based on these three proxies, the authors created dummy variables using the below and above median values of these proxies for measuring banking relationships. The authors found that interest charged to the relationship borrower declined significantly after the implementation of the RBI circular. Also, this decline was more prominent in high BPLR borrowing firms than in low BPLR borrowing firms.

In addition, the authors explored that the tendency to engage in relationship banking should decline because of the increased ability of transaction banks to lend to erstwhile relationship borrowers. Therefore, new lending by relationship banks should decline. The authors showed that the inclination to borrow from relationship banks decreases by an additional 30 to 40 basis points when the bank is categorized as a High BPLR bank. This shows that increased transparency affects the lending structure of the credit market by shifting from relationship banking. The third argument to validate the mechanism was based on bank opacity because opaque banks might have kept a higher prime rate, but cost disclosure would force them to reduce it. The number of voluntary disclosures and the proportion of NPA not explained by provisioning used as a proxy of opacity. The authors found that the opaque banks reduced their lending more after the applicability of the base rate regime.

Apart from this, the authors ruled out alternate explanations like operational efficiency, forced reduction in interest rates due to known margin and bargaining power of the borrower. The authors argue that operational efficiency arguments do not hold because interest rates declined more in the relationship banks, and relationship banking declined. Secondly, there was no forced reduction in the interest rate because the circular does not specify any such provisions, and this relationship was more pronounced in highly competitive regions. Thirdly, the bargaining power of borrowers was not directly testable. Therefore, the authors examine borrowing firms that are located close to each other in industrial clusters (towns). In industrial clusters, borrowers can interact with each other and get information about lending rates even in the prime rate regime. Therefore, they would not be affected by the base rate regime. However, the authors found that in the industrial cluster, interest rates declined, which is the opposite of expectations. This rules out alternate explanations. Moreover, the authors explored the impact on investment. The authors found that firm's borrowing from a High BPLR bank increases by nearly 22% in the base rate regime. Also, higher BPLR and bank borrower increased their investment by approximately 6.1% (4.1%) more than control firms after the applicability of the circular.

Based on the findings of this paper, it can be inferred that cost disclosure leads to a reduction in the lending rate and an increase in investments.

Highly cited research paper in the field of Corporate Finance

Democracy and the pricing of initial public offerings around the world[27]

Huu Nhan Duonga[28] Abhinav Goyal[29] Vasileios Kallinterakis[30] Madhu Veeraraghavan[31]

Research paper summary prepared by Economic Policy and Research, NSE

Our understanding of democracy is often limited to the electoral system and political processes. However, the democratic system has far-reaching implications that extend beyond the political realm. Recently, the Nobel Prize in Economics was awarded for research highlighting the role of institutions in fostering economic prosperity. Democracy plays a crucial role in the development of these institutions and in safeguarding their independence. Similarly, democracy can influence economic development by facilitating the equitable allocation of resources and ensuring that all voices are heard in both economic and political decision-making processes. While academic literature has explored the broader impact of democracy on economic development, it has yet to examine its effect on IPO pricing. An IPO refers to the first issue of shares to the general public. This paper studies the impact of democracy on IPO underpricing.

The authors have developed theoretical arguments based on information asymmetry and corporate governance. There are two ways through which democracy affects IPO underpricing. Firstly, the IPO companies are young, immature and informationally opaque. Therefore, with the intention to reduce information asymmetry the companies sell their shares below the price which investors are ready to pay, which is known as underpricing. The democratic system ensures free flow of information which results in a reduction in information asymmetry. Therefore, the democratic system will have impact on IPO underpricing. Secondly, democracy ensures the expansion of political rights and is crucial in establishing checks and balances that help stabilize market expectations regarding political cycles, enhance the protection of property rights, and decrease the likelihood of social conflict. As a result, democracy promotes investments and encourages economic reforms which might improve the business environment. Moreover, as the incentives to adopt better governance practices at the firm level grow with a country's financial and economic development, corporate governance is likely to be stronger, and agency problems less pronounced, in more democratic nations. Corporate governance is important in the case of IPO due to information asymmetry between the investors and insiders. Based on these arguments, it is expected that democracy will affect IPO underpricing.

The authors examine this phenomenon using a sample of 23,050 IPOs of 45 countries from 1990 to 2020. IPO underpricing is measured as the difference between offer price and closing price of the first day trading and scaled by offer price. Similarly, democracy is an institutional democracy (Democracy) obtained from the Polity V Project. This is an institution-based measure that reflects the existence of mechanisms and procedures through which citizens can effectively express preferences about alternative policies and leaders. It also captures the presence of institutionalized constraints on the executive's power and the protection of civil liberties for all citizens in both their daily lives and political participation. Unlike perception-based indicators, this measure focuses on institutional democracy (including constitutional elements) and allows for a more purified analysis of its effects.

The authors found that IPO underpricing is negatively related to democracy using regression analysis. In other words, in a democratic country, IPO underpricing is lower as compared to non-democratic countries. A one standard deviation increase in the value of democracy (3.3633) leads to a reduction in average IPO first-day return by 7.64 percentage points. As previously argued, democracy reduces information asymmetry, and consequently IPO underpricing. Based on that argument, the authors also examined the channel where they used three proxies of information asymmetry namely media censorship, press censorship and earnings opacity. Their finding shows that media censorship, press censorship and earnings opacity are negatively related to IPO underpricing. This implies that reduction in information

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asymmetry reduces the IPO underpricing. They have examined the impact of individual components of democracy (Executive recruitment competitiveness, Executive recruitment openness, Executive constraints, and Participation competitiveness) on IPO underpricing. They found a negative relationship between individual components of democracy and IPO underpricing and this relationship is more pronounced in Participation Competitiveness.

These findings could be questionable due to diverse sample composition that might affect IPO underpricing. Moreover, the negative relationship between democracy and IPO underpricing may not be limited to just the first day; it could show a longer-lasting effect, potentially extending across different time frames after the IPO. The authors resolved such concerns using instrument variables, other proxies of democracy and many day returns. Firstly, the authors used democracy variable developed by other institutions and researchers. Again, the authors found consistent results showing a negative relationship between democracy variables and IPO underpricing. Secondly, the authors used beyond one day return (IPO return after one week, two week and three week). Still, the authors found a negative relationship between IPO return and democracy showing relationship holds beyond one week.

While the negative relationship between democracy and IPO underpricing appears consistently strong in the results presented so far, it's important to consider that this relationship could be influenced by one or more factors that are correlated with both democracy and first-day IPO returns. Additionally, significant increases in underpricing may prompt governments to implement regulatory measures aimed at reducing information asymmetry in the market (such as stricter disclosure requirements), which could impact a country's institutional democracy score. Furthermore, as globalization fosters deeper integration within the global financial system, it's possible that their findings reflect the increasing involvement of international investors in IPOs in emerging and frontier markets, where higher risk levels often lead to greater underpricing, regardless of the countries' institutional democracy characteristics. To rule out such alternative explanations the authors used instrument variable namely regional democratization and regional unrest. Again, the authors found consistent results which resolved the endogeneity problem.

Additionally, the authors have examined the moderation effect of IPO-level and country-level characteristics on the democracy–underpricing relation. Firstly, the authors argued the venture capitalists and top-rated auditors backed IPO could be less underpriced because their involvement can alleviate the information asymmetry between corporate insiders and external investors by signaling that an IPO has a lower risk profile and, therefore, higher quality. Similarly, the authors also explore the role of agency issues in the relationship between democracy and IPO underpricing. Companies with a higher potential for agency conflicts are likely to have a riskier profile, which would result in greater expected underpricing, while those with lower potential for agency conflicts are expected to exhibit a less risky profile and, consequently, lower underpricing. The authors used four proxies of agency issue namely Free cash-flow, Operating expense, Asset turnover, Asset utilization, and Return on assets. Their findings show that the effect of Democracy on IPO underpricing is larger among firms with higher agency problems.

The authors argue that country-level institutional setups might play a role in the relationship between democracy and IPO underpricing due to disparity in the informational environments. They found that democracy has a reduced impact on IPO first-day returns in countries characterized by high levels of economic freedom, strong economic institutions, and low perceived corruption. The authors argue that investors protection reduces the perceived threat of expropriation resulting in more participation in equity financing. Therefore, it might affect the relations between democracy and IPO underpricing. They also found that the negative impact of institutional democracy on IPO underpricing is less pronounced in countries that offer better protection for minority investors. The role of investor sentiment and uncertainty in IPO underpricing was also explored. The authors argue that the effect of sentiment on IPO underpricing hinges on a trade-off between risk and optimism. Optimism drives retail investor participation in an IPO during periods of positive sentiment, they would expect the valuations of less informed retail investors to exceed those of their institutional counterparts, who are presumably more informed. The results highlight the more pronounced negative impact of democracy on IPO underpricing during optimistic periods, which are more vulnerable to investor exuberance. The authors found that the IPO underpricing becomes larger during higher uncertainty period.

Based on the findings above, it can be concluded that a democratic system plays a crucial role in reducing information asymmetry, thereby contributing to a decrease in IPO underpricing.

Highly Influential Paper in the Field of Finance

Bank heterogeneity and financial stability[32]

Itay Goldstein[33], Alaxandr Kopytov[34], Lin Shen[35], Haotian Xiang[36]

Summary Prepared by Economic and Policy Research (EPR), NSE

In the aftermath of the 2007-08 Global Financial Crisis, policymakers expressed deep concern about the risk of joint bank failures, i.e. when multiple banks fail simultaneously. This paper explores an alternative mechanism by which risk contamination can spread across the banking system, making the entire system more fragile. The authors also discuss potential policy measures aimed at minimizing this fragility. The authors model banks that are prone to runs and connected through fire sales, analysing the strategic complementarities both within and across banks. The central message is that, in a system of interconnected banks, greater heterogeneity where banks differ in strength and stability—can actually reduce fragility for all banks, both weak and strong.

Bank heterogeneity reduces systemic fragility for two key reasons:

1. **Within-Bank Complementarity**: Investors who withdraw their funds early from a bank create costly asset liquidations, imposing negative externalities on remaining investors. These actions increase the likelihood of runs and worsen the financial stress on the bank.
2. **Cross-Bank Strategic Complementarity**: Fire sale spillovers—when one bank's distress affects others—create a feedback loop. If investors expect that other banks will experience runs, they become more concerned about the risk of runs on their own bank, which amplifies the potential for premature liquidations and further drives down asset prices.

These two types of complementarities reinforce each other. If runs across banks occur simultaneously, the fire sale spillovers can exacerbate the fragility of the entire system. However, if runs are more dispersed across banks, investors become more confident that fire sale pressures will be limited to specific banks, thereby mitigating the overall impact on the system. In this scenario, bank heterogeneity no longer contributes to fragility and may even stabilize the system.

While much of the existing literature suggests that greater interconnectedness among banks increases the likelihood of joint failure, this paper presents a different view. The authors argue that greater heterogeneity across banks actually reduces fragility for each individual bank, and by extension, for the banking system as a whole. Therefore, increasing heterogeneity can be a stabilizing force, even in a highly interconnected banking system.

Model

The economy consists of risk neutral agents namely, banks, bank investors and outside investors. Time discounting is absent and there are three periods, *t = 1, 2, 3.* Banks exist in a continuum indexed by $i \in [0,1]$. In the initial period, one unit of capital from a unit mass of investors which is withdrawable on demand and makes long term that gives a gross return[37] in the terminal period, $t = 2$. Bank specific component and the aggregate component are unknown in the initial period $t = 0$. Banks realise shock in the intermediate period which makes them heterogeneous. Banks are grouped as "strong" with $\xi_i = \eta_i$ and "weak" with $\xi_i = -\eta_i$, i being the index. Note as η_i increases the relative importance of aggregate shocks decline and asset returns of banks become less correlated. Also, in the intermediate period bank

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[37] $z_i = \theta + \xi_i$, where θ is the aggregate component shared by all banks and ξ_i is the bank specific component. The aggregate component is distributed according to CDF with a compact support. The bank specific shock has a mean zero and takes values $\eta \geq 0$ and $-\eta$ with equal probabilities.

productivities are realised and bank investors can withdraw their funds early. If they do so, banks must liquidate some of their long-term investment in the asset market.

If a mass of investors withdraws their funds early, then bank must raise an amount equivalent to their withdrawal. Asset market is assumed competitive with identical outside investors. Liquidity is scarce. Marginal cost of liquidity is assumed to be increasing.

For each bank there is a unit mass of infinitesimal investors. In the initial period every investor contributes one unit of capital to her bank. At this point bank specific fundamentals are unknown and so investors and they have no preference for any specific bank. In the intermediate period, an investor observes bank specific fundamental and a noisy signal about the aggregate fundamental θ . The information structure in the game is that of a global game.[38] The investor can be of two types "non-sleepy" (may withdraw funds from her bank in intermediate period $t = 1$)with some probability or "sleepy" (ignores the option to withdraw early) with complementary probability. Bank failures are assumed away for sake of tractability, therefore investors who withdraw early are sure to get their money back at $t = 1$.

Equilibrium

Equilibrium in asset market: Given liquidation prices outside investors maximise their expected payoffs. Secondly, liquidation prices satisfy the market clearing conditions.

Given mass of runners and bank fundamentals, the equilibrium liquidation price for the bank is the ratio of bank fundamentals and the common fire sale discount factor. The common fire sale discount factor is increasing in the total mass of runners in the entire financial system.

Equilibrium of the model consists of bank investor strategies, outside investors demand functions, liquidation prices and masses of runners if the mass of runners and bank fundamentals and the liquidation prices constitute an equilibrium in the asset markets as defined above. Secondly, given the private signals of investor and bank specific fundamentals of her bank, each "non sleepy" investor forms the belief about liquidation prices and mass of runners if and only if mass of runners is equal to the mass of "non-sleepy" investors.

Equilibria in cutoff strategies are characterized. In other words, when signal of investor is above a cutoff signal then she stays and exists otherwise investor with the threshold signal is indifferent between running and staying. The existence of such cutoff signal is proved in the paper. The distance between the two run thresholds scaled by the noisiness of private signals is measure of dispersion of runs across strong and weak banks termed as, bank heterogeneity, or simply heterogeneity.

Results

If the distance between run thresholds scaled by the noisiness of private signals about bank fundamentals is less than a cutoff, then an increase in bank heterogeneity exacerbates fire-sales pressure on strong banks and alleviates fire-sales pressure on weak banks. Effect on the weak banks is more pronounced than the effect on strong banks.

Intuitively, runs on weak banks are more severe and, therefore they must liquidate more assets in any state of the world. Consequently, their sensitivity to changes in asset prices in the secondary market than greater than strong banks. An increase in *bank heterogeneity*, thus, has a disproportionate stabilizing effect on weak banks, which in turn positively affects strong banks and pulls all banks to an equilibrium of greater stability.

Ring Fencing[39]

[38] These are games of incomplete information where players receive possibly correlated signals of the underlying state of the world.
[39] Ring fencing is the process of protecting a specific group of assets by structurally separating them from other assets

In context of this model, ring fencing means a regulator separating banks into subsidiaries with different business or geographic focuses. This effectively increases the dispersion of asset returns.

When asset performances of weak and strong banks are not too dispersed and run threshold of strong and weak banks are extremely close to each other, in this case if assets become more bank specific, all banks become more stable, including those whose asset performances end up being weaker when assets become more bank specific, all banks become more stable, including those whose asset performances end up being weaker.

Introducing incomplete information

If investors receive noisy signals about individual bank fundamentals, in addition to aggregate signals. This introduces a layer of uncertainty, making the model comparable to the baseline one, but with bank-specific fundamentals scaled by a parameter $(2\alpha - 1)$ where $\alpha \in [\frac{1}{2}, 1]$ represents the quality of the information available to investors regarding individual banks.

A key implication of this model is that regulators can influence financial stability by shaping investors' beliefs. Specifically, if the signals about bank fundamentals are uninformative, investors are unable to distinguish between strong and weak banks. As a result, they treat all banks as homogeneous, leading to coordinated run behaviour across both types of banks. This creates a fragile financial system where investor decisions are synchronized and based on limited information. In the other case if signals are informative, then investors are able to identify strong and weak banks, this implies runs are heterogeneous.

Asset market interventions

Consider a scenario where the regulator injects liquidity into the market to alleviate economic stress. Real-world examples of such interventions include the U.S. government's purchase of distressed assets during the 2008 financial crisis and the purchase of corporate bonds during the COVID-19 pandemic.

Liquidity injections have both direct and indirect stabilizing effects on the financial system. Importantly, the regulator typically does not limit purchases to assets held by a specific group of banks. Both strong and weak banks are affected, but in different ways. The intuition goes as follow, the investors in strong banks expect to receive a larger implicit subsidy if a run occurs. In this model, the belief of the marginal investor sets the threshold for when a run will happen. Strong banks receive positive, bank-specific shocks, and their investors are only likely to trigger a run under severe conditions. In contrast, investors in weak banks are more likely to run even under milder fire sale pressures. Therefore, inefficient liquidations occurring when the total mass of runs in the economy exceeds the liquidity injected are more likely from the marginal strong bank investor's perspective than from the marginal weak bank investor's perspective. Therefore, an increase in the liquidity injection size reduces fire sale pressure on strong banks in larger number of states. This further strengthens strong banks relative to weak banks thus increasing heterogeneity and stabilising the financial system.

Conclusion and Policy Implications

The central theme of this paper is the reinforcement between within-bank and cross-bank complementarities, specifically focusing on the dynamics of bank runs and fire sales. The key takeaway from this is that in a system of interconnected vulnerabilities, financial stability can be impacted by changes in the heterogeneity of banks, as various factors can either exacerbate or mitigate these risks. Regulatory policies that reduce the dispersion in bank asset performance can undermine stability. For example, mergers and acquisitions within the banking sector can contribute to this effect. Similarly, direct financial support — or even the perception of such support, if shared by market participants — that is biased toward weaker banks, can also have destabilizing consequences.

Overall, various bank activities and regulatory policies can influence heterogeneity, thereby affecting financial stability. Regulators should adopt a comprehensive approach, leveraging a range of regulatory tools to maintain an optimal level of heterogeneity within the financial system.

Highly Influential Paper in the Field of Finance

Does Floor Trading Matter?[40]

Jonathan Brogaard[41], Matthew C Ringgenberg[42] and Dominik Roesch[43]

Summary prepared by Economic and Policy Research (EPR), NSE

This paper examines the importance of human floor traders in financial markets by exploiting a natural experiment COVID-19 pandemic that led to suspension of floor trading in NYSE. Using a difference-in-differences analysis, the study found that the suspension of floor trading at the New York Stock Exchange (NYSE) on March 23, 2020 led to higher bid-ask spreads and larger pricing errors for stocks affected by the closure, compared to control stocks. The results suggest that in-person human interaction on the trading floor facilitates the transfer of valuable information that algorithms alone do not possess. This highlights the critical role that floor traders play in maintaining market quality, even in an era dominated by algorithmic trading. The study provides empirical evidence that human traders contribute to market efficiency and liquidity, beyond the capabilities of automated trading systems. These findings have important implications for the future of financial markets and the role of human intermediaries in an increasingly digitized trading environment.

Structure of NYSE Trading

The New York Stock Exchange (NYSE) operates a hybrid trading system involving both electronic and human traders. Human traders, including Designated Market Makers (DMMs) and floor brokers, use an open outcry method on the exchange floor, supported by handheld electronic devices for order entry and algorithmic trading. The trading day starts with an opening auction, followed by continuous trading until the closing auction at the end of the day. During the closing auction, limit on close (LOC) and market on close (MOC) orders must be submitted, with order imbalances information disseminated periodically. DMMs play a crucial role in opening and maintaining orderly trading, with the option to open trading algorithmically based on price deviations.

The NYSE's trading model prioritizes price discovery and stability over speed, combining technology with human judgment. The exchange employs a parity/priority trading system, which benefits human floor traders over fast algorithms and potentially disadvantages other traders in terms of order fills. Floor traders have access to unique order types like pegged orders and verbal interest orders, while the NYSE's system gives precedence to the first order with the best price. The floor gradually reopened post pandemic restrictions, with DMMs and floor brokers gradually returning to full activity by May 10, 2021.

Data

The study focuses on comparing market quality during the announcement, suspension, and phased reopening of floor trading at the NYSE. The data spans from March 16, 2020, to March 27, 2020, for the floor closure period and includes two-week windows around partial re-openings in May and June 2020. The sample consists of 1,600 U.S. common stocks meeting specific criteria. Market quality and trading behavior are assessed using variables like *proportional quoted spreads (PQSPR)* and *effective spreads (PESPR)* from the (NYSE Trade and Quote) TAQ database. Intraday measures are calculated separately for the NYSE and other exchanges within 30-minute intervals during trading hours. The National Best Bid and Offer (NBBO) quotes outside the NYSE are constructed, and pricing errors are used as a

[40] Journal of Finance, October 2024
[41] University of Utah
[42] University of Utah
[43] State University of New York at Buffalo

measure of illiquidity. The study controls for parity trading and D-orders[44] in some analyses. The sample predominantly includes larger stocks with high liquidity, with a mean market capitalization of $17 billion and a mean effective spread of 0.18% of the midpoint price.

Results

Matched Sample Comparing NYSE versus NASDAQ Stocks

The authors use propensity score matching (PSM) to compare the market quality of NYSE-listed stocks (treated) and NASDAQ-listed stocks (control) around the closure of the NYSE floor on March 23, 2020. The authors matched the stocks using one-to-one nearest-neighbor PSM without replacement, considering factors such as average price, trading volume, market capitalization, and industry. The matched sample shows similar stock characteristics between the two groups. The authors then employ a difference-in-differences approach to examine the impact of the NYSE floor closure on various market quality measures, using the matched NASDAQ stocks as a counterfactual. The key assumption is that in the absence of the treatment (NYSE floor closure), the change in market quality would be similar between the two groups. The authors acknowledge potential threats to this parallel trends assumption, such as differential effects of COVID-19 on NYSE and NASDAQ stocks. However, they argue that the stability of the treatment effect across specifications and control groups suggests that NASDAQ stocks were affected by COVID-19 in a similar manner to NYSE stocks, supporting the validity of the counterfactual.

Within-Stock Variation

To address the concern that NASDAQ stocks may have been differentially affected by COVID-19, authors compare market quality for a stock (e.g., IBM) traded on the NYSE versus other exchanges, before and after the suspension of floor trading on the NYSE. This approach allows them to account for time-varying firm-level heterogeneity, as the (firm * date) fixed effects absorb any time-varying shocks to the firm. The key identifying assumption is that any confounding variable would need to differentially affect the firm's trading activity on the NYSE relative to other exchanges and be correlated with the timing of the floor trading suspension. The researchers argue that they are not aware of any other changes to exchange operations that occurred on March 23, the date of the floor trading suspension. This within-stock variation approach provides an additional control group to supplement the matched-sample approach discussed earlier, further strengthening the identification strategy.

Difference-in-Differences Regression: PESPR

The difference-in-differences estimate suggests that the closure of the NYSE floor led to a statistically significant increase in PESPR for NYSE-listed stocks compared to the NASDAQ control group. These results are consistent with recent studies showing that while algorithms can improve market quality, combining algorithms with human traders can lead to the best outcomes. The authors suggest that the removal of human floor traders may have contributed to the observed increase in PESPR for NYSE-listed stocks.

The findings reveal that following the suspension of floor trading, effective spreads on NYSE stocks increased significantly compared to NASDAQ stocks, indicating a more than 70% rise in effective spreads. Even after controlling for trading volume and parity trading, the results remain consistent. When comparing trading in NYSE-listed stocks on other exchanges, effective spreads also increased after the floor closure. The results suggest that the role of human floor traders in providing additional skill or information may influence market outcomes, leading to changes in effective spreads.

[44] Discretionary Order : D-ORDER orders use technology to replicate the Floor Broker's traditional manual role to exercise discretion at what price he or she is willing to buy or sell in reaction to contra-side orders, both in continuous trading and in auctions.

Difference-in-Differences Regression: Hasbrouck Pricing Error Decomposition

Authors then examine the impact of floor traders on price efficiency by using the Hasbrouck (1993) pricing error measure. The pricing error for the stocks in their sample are computed and used as the dependent variable in a difference-in-differences regression. The results show that for NYSE-listed stocks, pricing errors increased by around 6% after the closure of the floor trading. These findings suggest that the removal of floor traders led to a deterioration in liquidity, as measured by effective spreads, and a corresponding decrease in price efficiency.

Information Flow

Now coming to flow of information throughout the trading day, authors highlight the well-known phenomenon of trading volume exhibiting a U-shape pattern, with peak volumes occurring at market open and close, and decreasing around midday. The study divides the trading session into half-hour intervals to investigate the impact of floor traders on trading activity during high-intensity periods. Utilizing a difference-in-differences analysis with NYSE stocks trading off the NYSE as a control group, the effective spreads are examined by half-hour intervals.

Difference-in-Differences Regression: Intraday PESPR

The results show that the closure of the NYSE floor led to a significant increase in PESPR, particularly during the morning session between 9:30 am and 10:00 am, when trading volume is high and price discovery is more likely to occur. This suggests that human floor traders play a crucial role in maintaining market quality, especially in the periods immediately following the opening auction.

Impact of the closure of the trading floor on the quality of the opening and closing auctions

The results show that when the trading floor closed, the gap between the continuous market price and the auction price widened, indicating a decrease in market quality. For the opening auction, the coefficient on the difference-in-differences term ranged from 34 to 47 basis points, suggesting a significant increase in price deviations between the auction price and the midpoint from the NBBO prices in continuous trading. Similarly, for the closing auction, the coefficient on the difference-in-differences term was a consistently positive and statistically significant 32 basis points, implying a 100% increase in closing price deviations relative to the unconditional mean. These findings suggest that floor traders played an important role in maintaining market quality during the opening and closing auctions, which tend to have higher trading volume and more firm-specific information. The unique market structures of the auctions made it difficult to examine market quality using traditional measures, but the price deviation metric used in the study provided a useful way to assess the impact of the floor closure.

Difference-in-Difference Regression: Deviation of Auction Price

Employing a fixed-effect panel regression using data spanning from one week before to one week after the closure, specifically from March 16, 2020, to March 27, 2020, authors consider the absolute difference in logarithm of auction prices and reference prices as "deviation"[45], with the reference price being the prevailing price for opening auctions and the last midpoint price during continuous trading for closing auctions. Results indicate a deterioration in both opening and closing auction quality post floor trading suspension, with findings suggesting that D orders were not the primary cause. Notably, market quality declined as evidenced by increased spreads, pricing errors during continuous trading, and worsened auction quality for both opening and closing auctions.

What drives the results?

The authors highlight the need to differentiate between the impact of reduced in-person interaction and the removal of specific market features. The phased reopening of the NYSE floor post-closure allowed testing of various mechanisms. The partial reopening in May 2020 facilitated the return of a subset of floor brokers with access to special

[45] A higher value for deviation indicates lower quality of auction

order types, while DMMs remained absent. Subsequent reopening in June 2020 saw DMMs return, enabling in-person interactions and manual auctions by DMMs. The study analyzed the impact of each reopening phase and indicated that the second partial reopening, allowing DMMs to return, accounted for the main findings, while the final reopening had minimal effects. The paper's findings underscore the significance of human interaction, special order types, and manual auction processes in influencing trading dynamics on the NYSE floor.

To understand the underlying mechanisms, the authors examine two partial re-openings of the floor with different characteristics. They find that market quality during continuous trading sessions improves after the reopening that allowed DMMs to resume in-person interaction with floor brokers and conduct manual opening and closing auctions. In contrast, the reopening that only allowed floor brokers to resume using D orders did not yield similar improvements in market quality. The authors conclude that floor traders are valuable intermediaries for two reasons: (i) the floor facilitates the transfer of information between DMMs and floor brokers in a way that electronic trading cannot, and (ii) the use of D orders allows floor traders to improve auction outcomes.

There are some limitations however, firstly the period of the study is very short and secondly the assumption that other liquidity providers did not significantly alter their behavior as a result of the floor closure. The paper explores the possibility of buy-side traders shifting to different venues due to concerns about liquidity, as evidenced by a decrease in NYSE market share following the floor closure. This decrease suggests the importance of floor traders in maintaining market quality and overall trading volume on the NYSE. Further research is recommended to explore the long-term effects of floor trader removal and the potential implications for market dynamics.

Conclusion

This paper examined the role of human floor traders in U.S. equity markets, particularly in the context of the rise of algorithmic trading. The authors use the suspension of NYSE floor trading on March 23rd, 2020 as a natural experiment to assess the impact of floor traders on market quality. The results show that even in the age of algorithmic trading, floor traders contribute significantly to liquidity and price efficiency. Following the suspension of floor trading, the authors observe higher proportional effective spreads and worse pricing errors. They also find that market quality deteriorates around the opening and closing auctions. Overall, the study provides evidence that the suspension of floor trading on the NYSE was associated with an increase in pricing errors, indicating a negative impact on market quality and price discovery. The findings highlight the important role of floor traders in maintaining efficient and liquid markets.

Nifty Capital Markets Index: Tracks the performance of stocks representing the capital markets theme

The Nifty Capital Markets index aims to track the performance of stocks from the Nifty 500 index which represents the capital market theme. The 20 largest stocks from eligible basic industries are selected based on six-month average free-float market capitalization to be part of this index. The weight of each stock in the index is based on its free-float market capitalization subject to a stock cap of 20%. Reconstitution of the index constituents is done semi-annually while rebalancing is carried out quarterly.

Figure 179: Nifty Capital Markets Index Methodology

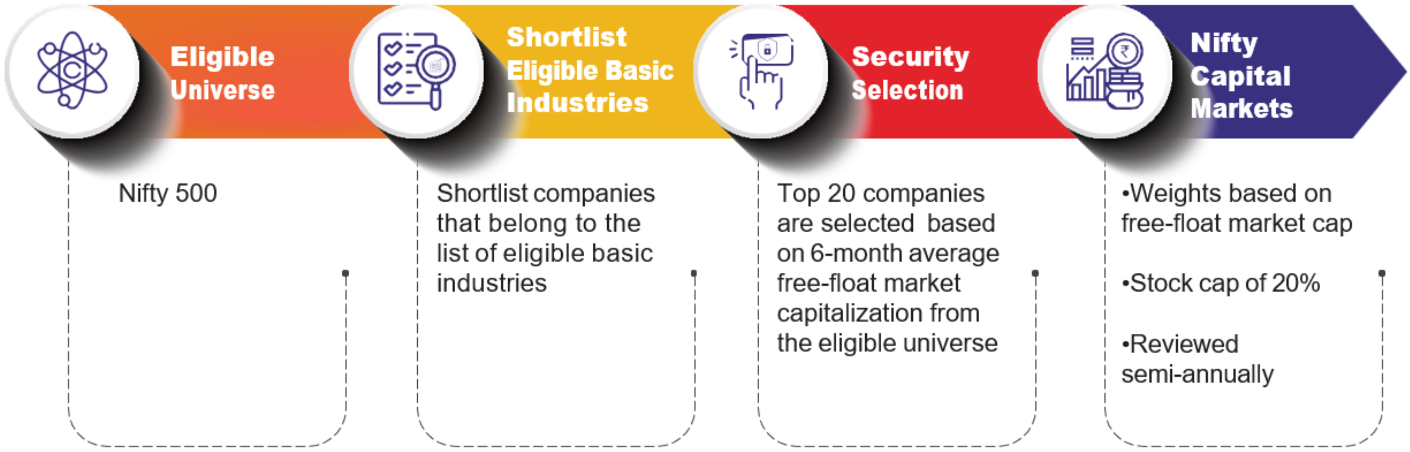
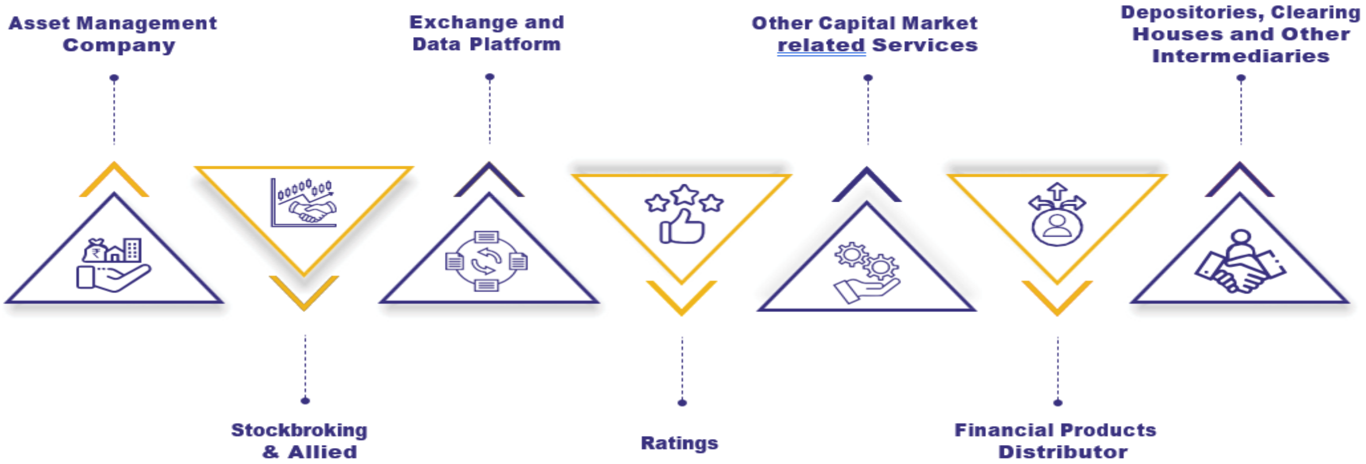


Figure 180: List of Eligible basic industries



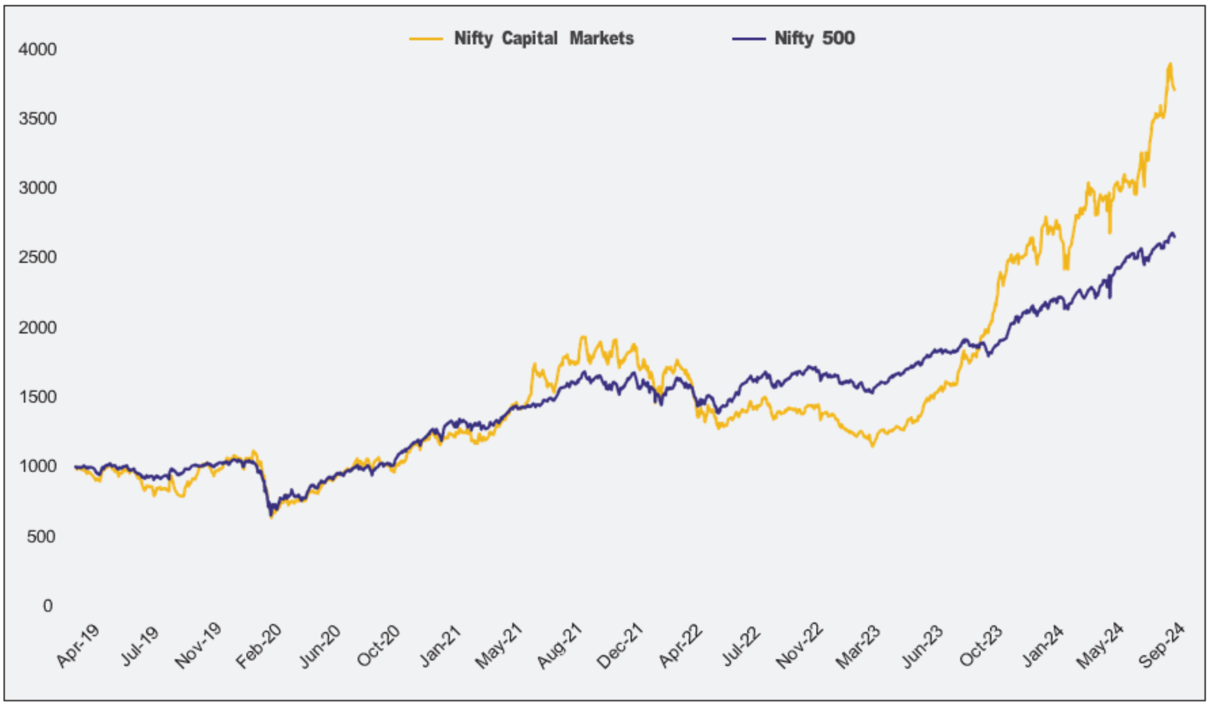
Source: NSE Indices

The exhibit above shows the list of eligible basic industries for Nifty Capital Markets Index. These basic industries broadly represent the capital market theme.

The list of eligible basic industries identified will evolve and may change in the future due to changes in market dynamics.

Nifty Capital markets Total Return (TR) index has outperformed the Nifty 500 TR in one, three and five-year horizons.

Figure 181: Nifty Capital Markets TR Index performance



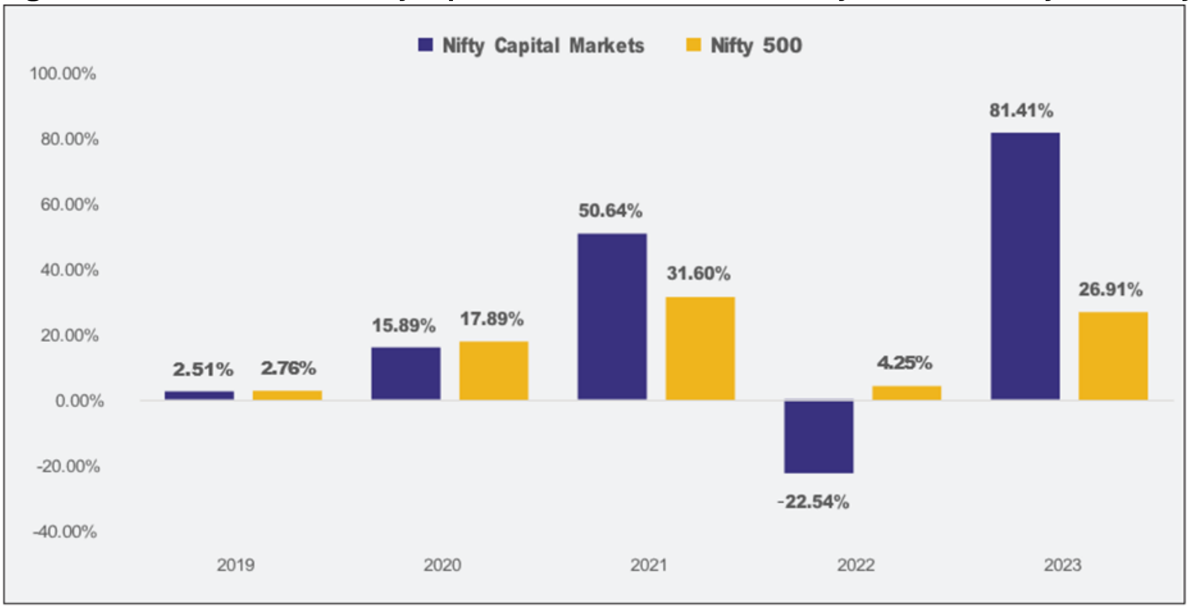
Source: NSE Indices. Data as on September 30, 2024

Table 39: Annualized Return and Annualized Volatility profile of Nifty Capital Markets TR Index

Annualized Return and Annualized Volatility profile of Nifty Capital Markets (As on September 30, 2024)						
	Annualized Return		Annualized Volatility		Return to Risk	
Period	Nifty Capital Markets	Nifty 500	Nifty Capital Markets	Nifty 500	Nifty Capital Markets	Nifty 500
Since Inception (April 01, 2019)	26.92%	19.41%	25.10%	18.25%	1.07	1.06
5 years	34.80%	22.28%	24.81%	18.41%	1.4	1.21
3 years	28.72%	18.44%	23.39%	14.54%	1.23	1.27
1 year	104.78%	41.54%	25.60%	14.30%	4.09	2.9

Since April 01, 2019, the Nifty Capital Markets TR index has delivered annualized returns of 26.92% with an annualized volatility of 25.10% while the Nifty 500 TR Index has delivered annualized returns of 19.41% with an annualized volatility of 18.25%. Over the last one year, the Nifty Capital Markets TR index has delivered a return of 104.78%, outperforming the Nifty 500 TR index, which delivered a return of 41.54%. Similarly, as can be observed from the table above, over the last three-year and five-year period, the Nifty Capital Markets TR index has outperformed the Nifty 500 TR index. The return to risk ratio of the Nifty Capital Markets TR index has been 1.23 in the three-year investment horizon and 4.09 in the one-year investment horizon.

Figure 182: Performance of Nifty capital markets TR index and Nifty 500 TR index by calendar year



Source: NSE Indices. Return for CY 2019 has been calculated from April 01, 2019.

Table 40: Daily Rolling Returns analysis of the Nifty Capital Market TR Index

Analysis based on daily rolling returns										
Percentage of total instances							Return analysis			
Investment Horizon	Negative returns	Positive returns					Return Attributes			
	<0% CAGR	>=0% CAGR	0-5% CAGR	5-10% CAGR	10-15% CAGR	>15% CAGR	Min CAGR	Max CAGR	Median CAGR	Average CAGR
5 years	0%	100%	0%	0%	0%	100%	21.30%	35.77%	25.95%	27.71%
3 years	0%	100%	1%	8%	15%	76%	3.29%	35.99%	19.63%	20.61%
2 years	11%	89%	10%	5%	6%	68%	-7.05%	66.59%	21.30%	23.60%
1 year	30%	70%	3%	3%	6%	58%	-31.88%	145.01%	23.42%	35.45%

The Nifty Capital Markets TR Index has delivered positive returns 89% of the times over the two-year horizon, based on daily rolling return analysis. As the investment horizon increased to three years and five years, the frequency of positive returns increased to 100%. The average CAGR has been in the range of 20.61% to 35.45% across one, two, three and five-year investment horizons. For the one-year investment horizon, the index delivered negative returns 30% of the times. The returns for various one-year horizons were in the range of -31.88% to 145.01% with the average return being 35.45%.

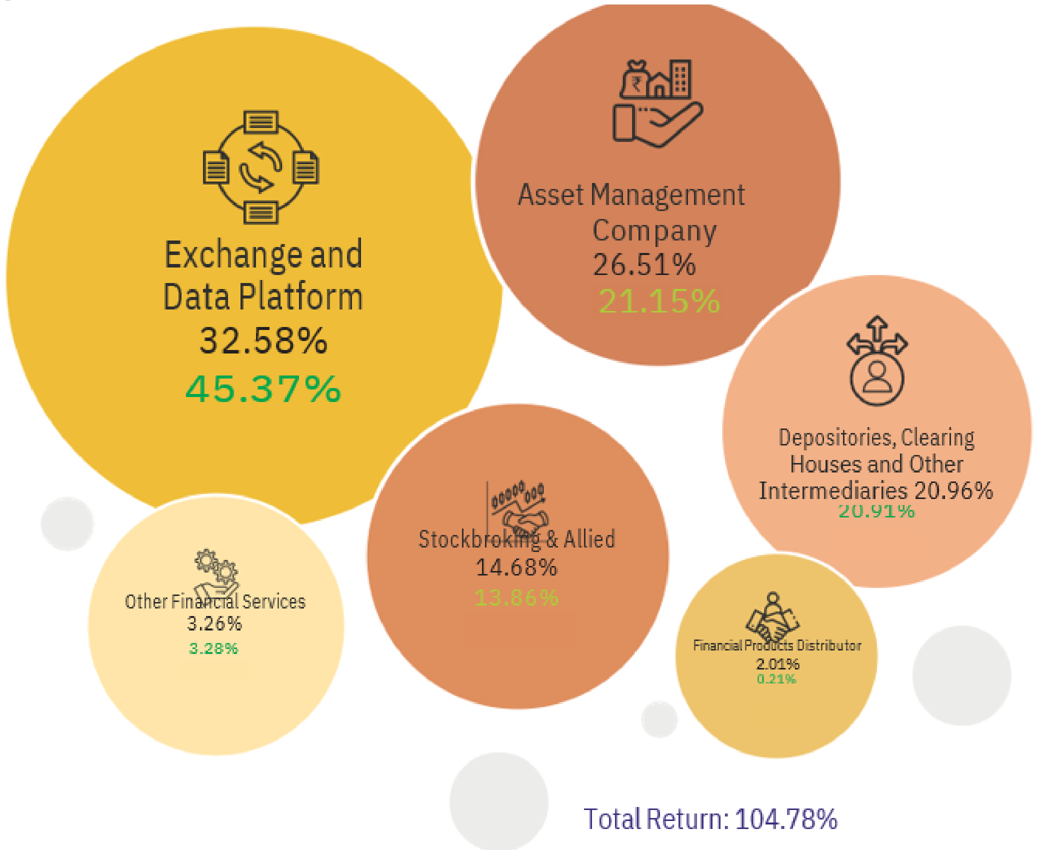
Table 41: Portfolio composition of the Nifty Capital Markets index as on September 30th, 2024

Basic Industry/Company Name	Weights
Exchange and Data Platform	**34.8**
BSE Ltd.	18.44
Multi Commodity Exchange of India Ltd.	10.65
Indian Energy Exchange Ltd.	5.71
Asset Management Company	**23.99**
HDFC Asset Management Company Ltd.	16.04
Nippon Life India Asset Management Ltd.	4.16
Aditya Birla Sun Life AMC Ltd.	1.92
UTI Asset Management Company Ltd.	1.87
Depositories, Clearing Houses and Other Intermediaries	**21.54**
Central Depository Services (India) Ltd.	9.44
Computer Age Management Services Ltd.	7.77
KFin Technologies Ltd.	4.33
Stockbroking & Allied	**17.14**
Angel One Ltd.	5.46
360 ONE WAM Ltd.	5.32
Motilal Oswal Financial Services Ltd.	4.11
Nuvama Wealth Management Ltd.	2.25
Financial Products Distributor	**2.55**
Anand Rathi Wealth Ltd.	2.55

As on September 30th, 2024, the basic industry – 'Exchange and Data Platform' held the highest weight in the index i.e. 34.8%, followed by 'Asset Management Company' basic industry with a weight of 23.99%. Financial Products Distributor held the lowest weight of 2.55% in index. BSE Ltd. and HDFC Asset Management Company Ltd. are the companies with the highest weights in the index as on September 30th, 2024. Similarly, UTI Asset Management Company Ltd. and Aditya Birla Sun Life AMC Ltd. are the companies with lowest weights in the index.

Basic industry wise contribution towards the last one-year return delivered by Nifty Capital Markets Index

Figure 183: Basic Industry – wise Contribution to the total Return (Sep'23 to Sep'24)



Source: NSE FixedIn Performance Attribution Tool. | *Numbers indicated in green font indicate the contribution of the basic industry to the returns of the index while numbers indicated in black font indicate the average weight of the basic industry in the index throughout the year

The Nifty Capital Markets index has delivered a return of 104.78% over the last one year (September 320th, 2023 to September 30th, 2024). The exhibit above shows the basic industry wise contribution of the index towards this return. As can be seen, Exchange and Data Platform; Asset Management Company & Depositories, Clearing Houses and Other Intermediaries were the top 3 contributors to the return generated by Nifty Capital Markets for one year ended September 2024. Exchange and Data Platform have contributed around 45.37% return, while two other basic industries 1) Asset Management Company and 2) Depositories, Clearing Houses and Other Intermediaries have contributed ~21% returns each.

Summary

- The Nifty Capital Markets index aims to track the performance of the companies that represent the capital market theme in India
- Since its inception on April 1st, 2019 till September 30th, 2024, the index has delivered a CAGR of 26.92%
- The Nifty Capital Markets Index has delivered positive returns 100% of the times based on daily rolling return analysis in the three-year and five-year investment horizon
- The index has delivered positive returns in four out of five calendar years
- As on September 30th, 2024, BSE Ltd. (18.44%) holds the highest weight in the index, while UTI Asset Management Company Ltd. (1.87%) holds the lowest weight in the index
- The Exchange and Data Platform basic industry is the top contributor to the return generated by the Nifty Capital Markets index during one-year ended September 2024

Market performance

Market round-up

Heavy FPI selling weighs on Indian equities, DIIs coming to the rescue

After rallying during the previous five months, global equities sold off October, as rising growth concerns, political uncertainty in the US and its consequent implications on the growth and inflation trajectory and accentuating geopolitical tensions in the Middle East weighed on investor sentiments. Developed equities (MSCI World Index) fell by 2% in October, only to reverse it in November by rallying 2.3% in the month thus far, translating into an YTD return of 17.8% (As of November 20th, 2024). Emerging market (EM) equities underperformed the developed market pack in October, thanks to significant correction seen in Indian, Malaysian and Chinese equities. The widespread risk-off environment ahead of the US elections, coupled with strengthening dollar and rising US bond yields, created pressure on EM equities. The sell-off in China, particularly, came despite the announcement of stimulus measures, as investors remained worried about the country's weak property sector, rising unemployment and a potential trade war in the Trump's regime. The MSCI EM Index ended the month with a loss of 4.4%, the steepest decline in the last nine months, and further by 2.3% in November thus far (YTD: 6.8%). Global debt also remained under pressure in October, as investors turned cautious ahead of the US presidential elections. The US 10-year sovereign yield hardened by 49bps in October, and further by 62bps in November thus far (As of November 20th) to 4.4% amid expectations of a much slower pace of rate cuts in the light of a potential implementation of more inflationary policies in Trump's regime.

Indian equities underperformed its EM as well as DM counterparts in October, continuing the trend in November. On the global front, political uncertainty in the US, coupled with escalating tensions in the Middle East and potential disruptions in the supply of oil, weighed on markets. On the domestic front, muted Q2FY25 corporate earnings, emerging signs of growth slowdown, and stretched valuations added to the weak sentiments. This, in turn, resulted in FPIs turning big sellers of Indian equities, with a commensurate buying by DIIs providing the much-needed downside support. The benchmark Nifty50 Index ended the month of October 6.2% lower, marking the highest monthly fall since the pandemic (March 2020), and further by 2.8% in November thus far (YTD: 8.2%). The Nifty Mid-cap 50 and Nifty Small-cap 50 Index also sold off, registering losses of 8.0% and 2.4% respectively in October 2024. Echoing the global trend, the Indian bond market also sold off in October, even as the surge was contained by an expected decline in crude oil prices. Consequently, the 10-year G-sec yield rose by 9bps in October, and 6bps in November thus far, translating into a decline of 37bps in the year thus far to 6.8% as of November 20th.

- **Indian equities sold off sharply in October:** After rallying in September, Indian equities sold off sharply in October, with the benchmark Nifty 50 Index registering the highest monthly drop since the onset of the pandemic (March 2020). On the global front, heightened geopolitical uncertainty with escalating tensions in the middle east and uncertainty around the US presidential elections weighed on domestic equities. On the domestic front, muted Q2FY25 corporate earnings, emerging signs of growth slowdown, and stretched valuations added to the weak sentiments. This, in turn, triggered the flow of foreign capital away from Indian equities to more fairly valued markets such as Japan, with commensurate buying by DIIs providing the much-needed downside support. The benchmark Nifty50 Index ended the month of October 6.2% lower, and further by 2.8% in November thus far (As of November 20th, 2024), translating into total return in 2024 till date falling from 18.8% as of September end to 8.2% as of November 20th, 2024. The Nifty Mid-cap 50 and Nifty Small-cap 50 Index also sold off, registering losses of 8.0% and 2.4% respectively in October 2024.

The benchmark Nifty 50 Index recorded a gain of 2.3% in September but fell by 3.3% in October thus far, translating into a YTD gain of 14.9% (As of October 16th, 2024).

Average daily turnover (ADT) in NSE's cash market declined for the fourth month in a row by 12.2% MoM to a six-month low of Rs 1.06 lakh crore in October and further by 15.5% MoM to a 12-month low of Rs 90,337 crore in November till date (As of November 20th, 2024). This has translated into ADT of Rs 1.2 lakh crore in FY25 till date, nearly 47.7% higher than that in FY24. ADT in the equity options segment (premium), on the other hand, increased after a steady decline in the previous three months, by 12.1% MoM to Rs 69,974 crore, only to drop by 12.8% in November thus far to Rs 60,991 crore, translating into ADT of Rs 68,319 crore in FY25 thus far (As of November 20th, 2024), nearly 10.6% higher than that in the whole of FY24. In the equity futures segment, ADT fell by 5.1% MoM in October and further by 37.2% MoM in November thus far to a 12-month low of Rs 1.17 lakh crore. Notwithstanding the recent decline, ADT in the equity futures segment in the fiscal year thus far at Rs 1.96 lakh crore is 46.4% higher than that in the whole of FY24.

- **Indian yields moved higher in October, albeit marginally:** Global debt, after rallying over the previous four months, sold off sharply in October, as investors turned cautious ahead of the US presidential elections. The Republican victory in the elections only strengthened the market fall, as expectations of a potential shift in policies to those that are more inflationary in nature dampened the pace as well as quantum of rate cut expectations. The US 10-year sovereign yield hardened by 49bps in October, and further by 62bps in November thus far (As of November 20th) to 4.4%, reversing the gains seen in the previous few months. Other developed markets echoed this trend, with the 10-year sovereign yields in the EU, UK and Japan rising by 47bps, 90bps and 37bps since October beginning to 2.3%, 4.5% and 1.1% respectively as of November 20th.

  The Indian debt market echoed global trend, with yields rising across the curve, weighed down by an expected pull-back by the US Fed on the ongoing easing cycle and rising domestic inflation. That said, the losses were contained by an expected decline in global crude oil prices in the Trump regime. Consequently, the 10-year G-sec yield rose by 9bps in October, and 6bps in November thus far, translating into a decline of 37bps in the year thus far to 6.8% as of November 20th.

- **FPI selling and DII buying at record highs in October:** After remaining net buyers over the previous four months, FPIs turned heavy sellers of Indian equities in October, weighed down by political uncertainty in the US, escalating tensions in the Middle East, and weak corporate earnings back home, leading to earnings downgrades. Further, stretched market valuations added to the woes. Net FPI outflows from Indian equities in October at US$11.2bn were the highest ever on a monthly basis, with November seeing further outflows to the tune of US$3.1bn (As of November 20th, 2024). DIIs, however, fully compensated for the FPI outflows, investing a net amount of US$12.8bn (Rs 1.07 lakh crore) in October, the highest ever and US$3.75bn in November thus far, thereby providing downside support to the markets. In fact, November marked the 16th consecutive month of positive net investments by DIIs, translating into net inflows of US$ 44.4bn or Rs 3.7 lakh crore in the fiscal year thus far (As of November 20th, 2024). After trimming their purchases in the debt market in September, FPIs turned modest sellers in October and remained so in November, with net outflows of US$656m in October and November till date. This has translated into net FPI inflows of US$5.7bn in Indian debt markets in FY25 thus far.

- **Global equities moderated in October:** October proved to be a volatile month for global markets, as equities retreated following a strong rally in the first three quarters of the year. Investor sentiment was primarily shaped by ongoing concerns around economic growth, political uncertainty in the US and the consequent impact of any policy shift on inflation and interest rates and escalating tensions in the Middle East. Developed equities (MSCI World Index) experienced a decline of 2.0% in October, though it recovered by 2.3% in November so far (YTD: +17.8%, As of November 20th, 2024). Japanese equities emerged as the strongest performer, defying concerns over the potential impact of tighter monetary policy and a strengthening yen on export-driven companies, as well as the political uncertainty following recent elections. In contrast, emerging markets (MSCI EM Index) suffered a 4.4% decline in the month gone by, weighed down by an increased volatility in Chinese markets amid doubts about the effectiveness of September's support measures, and continued to decline in November thus far (YTD: +6.8%; As of November 20th, 2024).

US: Notwithstanding a resilient economic environment, US equities ended lower in October after hitting an all-time high Sep'24, as uncertainty about the future path of interest rates and inflation in the run up to the elections kept investors on the sidelines. The S&P 500 Composite Index declined by 1.0% in October, while the Dow Jones Index fell by 1.3% MoM, followed by a recovery of 3.7% and 3.9% in November thus far, reflecting YTD (As of November 20th, 2024) gains of 24.1% and 15.2% respectively.

On the macro front, Oct'24 marked a reversal in the S&P Global US manufacturing PMI, as it inched upwards to 48.5 in Oct'24 from a 15-month low of 47.3 in Sep'24. Although the Services PMI fell marginally to 55.0 in the month gone by from 55.2 in the previous month, the indication remains that of a robust growth, with a continued expansion in business activity and a cogent pace of growth in new orders despite signals of weaker international demand. The US economy added 12k jobs in Oct'24, considerably lower than the revised 223k jobs in September, the expected 113k jobs, and the 12-month average monthly gain of 194k. Notably, this reflected the lowest job growth since Dec'20, where 243k jobs were lost. The unemployment rate remained unchained at 4.1% in the month gone by, from the three-month low in Sep'24, while the number of unemployed people also remained broadly unchanged at 7 million.

Europe: The European equities also remained under pressure in October, growth concerns and the US presidential election uncertainty kept investors cautious. The sell-off was primarily led by Information Technology, Consumer Staples and Real Estate, partly offset by Industrials and Communication Services. The flagship Euro Stoxx 50 Index fell by 3.5% in October, and further by 2.0% in November thus far, resulting in YTD return of 4.6% (As of November 20th, 2024). The UK equity market declined for the second consecutive month, reflected by the 1.5% drop in the FTSE 100 in October, and further by 0.3% in November thus far, resulting in YTD returns of 4.6% (As of November 20th, 2024).

On the macro front, the Q3 GDP in the Euro area expanded by 0.9% YoY, higher than the 0.6% rise observed in Q2. The HCOB Eurozone Manufacturing PMI increased to 46.0 in October, up from the CY24 lowest reading of 45.0 in

September, signaling a slower pace of decline in the Euro Area's manufacturing sector. The HCOB Eurozone Services PMI edged higher to 51.6 in Oct'24 (vs. 51.4 in Sep'24), though fresh contracts for service providers fell for the second sequential month. The UK's Manufacturing PMI fell for the third consecutive month to 49.9 in Oct'24 (vs. 51.5 in Sep'24), lower than the initial market expectations, indicating the first fall in factory activity since Apr'24. Further, new orders from foreign markets declined for the 33rd month, alongside an overall drop in new orders. Services PMI also fell for the third consecutive month to 52.0 (vs. 52.4 in Sep'24) amidst increasing cost pressures.

Asia: Asian equites (excluding Japan and Taiwan) took a breather in October. Indian equities (Nifty 50) moderated by 6.2% in October, and declined further by 2.8% in November so far, translating into YTD gains of 8.2% (As of November 20th, 2024). China and Hong Kong shared a similar fate, reflected by a 1.7% fall in the Shanghai SE Composite Index and a 3.9% in the Hang Seng Index. In November thus far, while the Hang Seng Index continued to decline, resulting in YTD returns of 15.6% (As of November 20th, 2024), Chinese equities saw a reversal as the Shanghai SE Composite Index grew by 2.7%, resulting in YTD return of 13.2% (As of November 20th, 2024). South Korean equities moderated by 1.4% in October, and continued the trend in November so far, translating into YTD loss of 6.5% (As of November 20th, 2024). Taiwanese equities fared well compared to most of its peers, demonstrated by a 2.7% gain in October, though it observed a marginal reversal of 0.6% in November so far, translating into a YTD gain of 26.5% (As of November 20th, 2024). Japanese equity markets proved to be the most resilient among its Asian peers, indicated by a 3.1% gain in Nikkei 225 index in October, though it observed a reversal of 1.9% in November so far, resulting into a YTD gain of 14.6% (As of November 20th, 2024).

On the macro front, high-frequency indicators suggest some deceleration in growth momentum. India's Manufacturing and Services PMI, after declining sharply in September, witnessed a marginal increase to 57.5 and 58.5 respectively, amid accelerated output growth and favourable market conditions. IIP growth also, after contracting in August, registered a 3.1% growth in September. GST collections reached a six-month high Rs 1.87 lakh crore in October (+8.9% YoY), the second-highest monthly collection ever recorded. On the negative side, credit growth continued to trend lower, falling to 13% YoY in September 2024—the lowest since June 2022. Headline inflation also accelerated to a 14-month high of 6.2% in October, thereby hurting consumption demand. This, in turn, has taken rate-cut expectations off the table for now.

- **Commodity prices displayed mixed performance:** The S&P GSCI Index rose by 0.2% MoM in Oct'24, amidst a mixed performance in the commodity market, with energy and precious metal commodities more than making up for a fall in industrial metal and agri commodity prices. Brent crude oil prices rose by 1.7% MoM owing to OPEC+ cuts and the evolving geopolitical tensions. Precious metals performed strongly, with gold, silver and palladium prices gaining 4.1%, 4.8% and 12.7% MoM respectively. Industrial metals, however, faced significant headwinds, with copper (-3.3% MoM), nickel (-10.5% MoM), tin (-7.4% MoM), and iron ore (-7.1% MoM) posting notable declines due to weaker demand. Agri commodities also struggled

The S&P GSCI Index increased by 0.2% MoM in October, after a major decline in Q2 (As of October 31st, 2024).

with declines in soyabeans (-6.0% MoM), corn (-3.0% MoM), cotton (-3.0% MoM), and raw sugar (-3.5% MoM), apart from wheat, which saw a solid 4.9% gain.

- **INR depreciates moderately despite dollar strength:** The rupee touched a historic low of 84.5 against the dollar on Nov 14th, 2024, registering a modest sequential decline (0.3%), primarily driven by a strengthening dollar index (+5.9% since September-end) amid geopolitical tensions and US presidential election uncertainty at the time. Despite these headwinds, the INR demonstrated resilience with the lowest average annualized volatility among peers at 1.5%, supported by robust domestic fundamentals and effective forex management. While forex reserves remained healthy at $675.7 bn, the currency's persistent overvaluation, evidenced by 40-currency trade weighted REER of 107.2 (+2% YoY) and NEER of 90.9 (-0.9% YoY), continues the overvaluation streak for 17th consecutive month. Consequently, the one-year forward premia edged up marginally (+2.2%), reflecting market expectations of diminishing Fed rates, though remaining below post-pandemic peak against the backdrop of record FPI outflows, during the month of October.

Market performance across asset classes

Table 42: Performance across equity, fixed income, currency, and commodity markets (As on Oct 31st, 2024)

Indicator Name	Oct-24	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	24,205	25,811	24,951	19,080	-6.2	-3.0	7.1	26.9	11.4
NIFTY 500	22,689	24,245	23,531	16,801	-6.4	-3.6	8.1	35.1	16.8
MSCI INDIA	2,890	3,121	3,027	2,161	-7.4	-4.5	6.9	33.7	16.2
India Volatility Index (%)	16	13	13	12	21.6	17.4	20.8	31.5	7.2
MSCI WORLD	3,647	3,723	3,572	2,769	-2.0	2.1	10.3	31.7	15.1
S&P 500 COMPOSITE	5,705	5,762	5,522	4,194	-1.0	3.3	13.3	36.0	19.6
DOW JONES INDUSTRIALS	41,763	42,330	40,843	33,053	-1.3	2.3	10.4	26.4	10.8
HANG SENG	20,317	21,134	17,345	17,112	-3.9	17.1	14.4	18.7	19.2
FTSE 100	8,110	8,237	8,368	7,322	-1.5	-3.1	-0.4	10.8	4.9
NIKKEI 225	39,081	37,920	39,102	30,859	3.1	-0.1	1.8	26.7	16.8
Fixed Income									
India 10YR Govt Yield (%)	6.84	6.75	6.92	7.35	9bps	-8bps	-35bps	-51bps	-34bps
India 5YR Govt Yield (%)	6.77	6.67	6.85	7.35	11bps	-7bps	-44bps	-57bps	-29bps
India 1YR Govt Yield (%)	6.61	6.62	6.84	7.33	0bps	-23bps	-45bps	-72bps	-50bps
India 3Month T-Bill Yield (%)	6.69	6.62	6.82	7.13	8bps	-13bps	-51bps	-43bps	-39bps
US 10YR Govt Yield (%)	4.28	3.79	4.06	4.91	49bps	23bps	-40bps	-63bps	42bps
Germany 10YR Govt Yield (%)	2.39	2.13	2.30	2.81	26bps	9bps	-19bps	-42bps	36bps
China 10YR Govt Yield (%)	2.15	2.16	2.15	2.71	-2bps	0bps	-16bps	-56bps	-43bps
Japan 10YR Govt Yield (%)	0.95	0.86	1.04	0.95	9bps	-9bps	8bps	0bps	32bps
Currency									
USD/INR	84.1	83.8	83.7	83.3	0.3	0.4	0.8	1.0	1.0
EUR/USD	1.1	1.1	1.1	1.1	-2.7	0.3	1.5	2.7	-1.7
GBP/USD	1.3	1.3	1.3	1.2	-4.2	0.1	2.7	5.9	0.9
USD/YEN	152.3	143.0	150.5	151.4	6.5	1.2	-3.2	0.6	8.0
USD/CHF	1.2	1.2	1.1	1.1	-2.5	1.8	6.1	5.2	-2.7
USD/CNY	7.1	7.0	7.2	7.3	1.4	-1.5	-1.7	-2.8	0.3
Commodities									
Brent Crude Oil (US$/bbl)	73.2	72.0	80.6	87.5	1.7	-9.2	-16.7	-16.4	-5.8
LME Aluminium (US$/MT)	2,591.6	2,608.7	2,228.0	2,240.1	-0.7	16.3	0.3	15.7	10.5
LME Copper (US$/MT)	9,373.6	9,692.0	9,102.3	8,029.0	-3.3	3.0	-5.2	16.8	10.8
LME Lead (US$/MT)	1,979.5	2,051.3	2,048.5	2,081.8	-3.5	-3.4	-9.3	-4.9	-2.7
LME Nickel (US$/MT)	15,452.6	17,266.3	16,336.1	17,903.0	-10.5	-5.4	-19.0	-13.7	-5.6
LME Tin (US$/MT)	31,012.0	33,491.0	29,807.8	23,773.0	-7.4	4.0	-0.8	30.5	23.2
LME Zinc (US$/MT)	3,031.2	3,056.8	2,615.6	2,418.2	-0.8	15.9	4.0	25.4	14.8
SHC Iron Ore Spot (US$/MT)	105.0	113.0	102.0	122.0	-7.1	2.9	-11.0	-13.9	-26.3
Gold Spot Price (US$/troy ounce)	2,740.8	2,634.0	2,421.9	1,995.9	4.1	13.2	19.4	37.3	32.7
Silver Spot Price (US$/troy ounce)	32.7	31.2	29.1	22.9	4.8	12.4	24.2	42.5	37.4
Platinum Spot Price (US$/ounce)	995.0	985.0	972.0	940.0	1.0	2.4	6.0	5.9	-1.1
Palladium Spot Price (US$/ounce)	1,125.0	998.0	923.0	1,136.0	12.7	21.9	19.4	-1.0	0.5
Soyabeans (US$/bushel)	9.5	10.1	10.3	12.4	-6.0	-7.9	-16.1	-23.7	-25.2
Corn (c/lb)	411.3	424.0	382.5	479.0	-3.0	7.5	-6.7	-14.1	-12.6
Wheat (US$/bushel)	5.1	4.8	5.1	5.7	4.9	-0.5	-12.0	-11.9	-20.1
Cotton (US$/lb)	0.7	0.7	0.6	0.8	-3.0	3.3	-12.2	-16.8	-17.1
Raw Sugar (c/lb)	21.3	22.1	18.9	25.8	-3.5	12.5	9.0	-17.5	4.0

Source: LSEG Workspace, Cogencis, NSE EPR

Table 43: Performance (total returns) across global asset classes (As on October 31st, 2024)

Asset performance (Ranked by % change each year)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024TD
SSE Comp 52.9	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 66.9
Nifty 500 39.3	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 32.7
Nifty 50 32.9	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	S&P500 21.0
Nasdaq 100 19.4	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	Russell 1000 20.3
S&P500 13.7	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	Nasdaq 100 19.0
Russell 1000 13.2	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	Nifty 500 17.8
DJIA 10.0	**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	MSCI World 16.9
STOXX 600 7.8	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	Nifty 50 12.6
MSCI World 5.5	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	DJIA 12.5
FTSE100 0.7	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	MSCI EM $ 12.2
Gold -1.8	**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	SSE Comp 10.3
MSCI EM $ -1.8	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 8.7
WTI Crude -45.9	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	FTSE100 8.3
Bitcoin -56.2	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 -3.2

Source: LSEG Workspace, NSE EPR. Note: Returns for equity indices are based on total return index values except for Shanghai SE Composite Index.

Equity market performance and valuations

Table 44: Performance across NSE equity indices (As on October 31st, 2024)

Oct-24	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	-6.2	-3.0	26.9	11.1	15.3	-6.1	-2.7	28.4	12.4	16.6
Nifty Next 50	-9.3	-6.5	58.8	18.4	19.5	-9.3	-6.4	59.9	19.4	20.5
Nifty 100	-6.8	-3.7	31.7	11.9	15.8	-6.7	-3.4	33.1	13.2	17.1
Nifty 200	-6.8	-3.9	33.5	13.4	17.3	-6.7	-3.7	34.9	14.6	18.5
Nifty 500	-6.4	-3.6	35.1	14.6	18.6	-6.4	-3.3	36.3	15.8	19.8
Nifty Midcap 50	-8.0	-6.7	40.4	22.2	27.4	-8.0	-6.6	41.3	23.3	28.6
Nifty Midcap 100	-6.7	-4.9	44.3	22.6	27.3	-6.7	-4.8	45.2	23.5	28.3
Nifty Midcap 150	-6.4	-4.5	43.3	22.4	27.5	-6.4	-4.4	44.2	23.3	28.5
Nifty Midcap Select	-6.7	-4.6	41.2	17.4	23.7	-6.6	-4.5	42.2	18.3	24.7
Nifty Smallcap 50	-2.4	0.4	54.5	19.6	26.6	-2.4	0.7	55.7	20.7	27.7
Nifty Smallcap 100	-3.0	-2.8	47.1	20.0	26.5	-3.0	-2.6	48.1	21.0	27.6
Nifty Smallcap 250	-3.6	-1.1	47.6	23.7	30.0	-3.6	-0.9	48.6	24.7	31.1
Nifty LargeMidcap 250	-6.6	-4.1	37.5	17.2	21.6	-6.6	-3.9	38.6	18.2	22.8
Nifty MidSmallcap 400	-5.4	-3.3	44.9	22.9	28.3	-5.4	-3.1	45.7	23.9	29.4
Nifty500 Multicap 50:25:25	-5.9	-3.2	38.5	17.5	22.3	-5.9	-3.0	39.7	18.6	23.5
Nifty Microcap 250	-3.4	0.2	53.7	35.3	41.6	-3.3	0.3	54.4	36.1	42.7
Nifty Total Market	-6.3	-3.4	35.7	15.1	19.1	-6.2	-3.2	36.9	16.3	20.3
Thematic Indices										
Nifty India Consumption	-10.5	-2.8	37.8	17.7	17.3	-10.5	-2.6	39.2	18.9	18.6
Nifty MidSmall India Consumption	-5.0	0.7	48.5	19.8	24.4	-5.0	0.8	49.1	20.4	25.3
Nifty Non-Cyclical Consumer	-10.3	-2.0	34.9	16.2	17.8	-10.3	-1.9	36.3	17.3	18.9
Nifty India Manufacturing	-9.0	-6.5	50.7	21.3	24.2	-9.0	-6.3	51.6	22.5	25.5
Nifty Infrastructure	-7.9	-7.1	44.8	20.5	21.6	-7.8	-6.8	46.0	21.8	23.1
Nifty Services Sector	-4.4	0.3	29.7	8.4	13.9	-4.3	0.7	31.3	9.8	15.2
Nifty Commodities	-9.6	-7.9	42.0	15.7	21.0	-9.5	-7.6	43.1	17.2	22.7
Nifty CPSE	-9.1	-12.2	70.0	42.4	26.2	-9.0	-11.4	74.4	46.8	30.4
Nifty PSE	-9.8	-12.9	72.8	36.4	24.2	-9.8	-12.4	76.4	40.3	28.0
Nifty Energy	-10.7	-10.9	46.7	19.2	19.0	-10.6	-10.3	48.9	21.2	21.4
Nifty MNC	-10.3	-6.6	34.6	15.3	15.5	-10.3	-6.4	35.9	16.6	17.0
Nifty India Digital	-5.4	-0.6	42.9	10.5	24.4	-5.2	-0.3	44.4	11.7	26.0
Nifty India Defence	-4.7	-16.9	99.3	69.1	51.4	-4.6	-16.7	100.7	71.1	53.3
Nifty Mobility	-11.9	-9.5	54.2	26.3	23.7	-11.9	-9.3	55.0	27.4	25.0
Nifty100 Liquid 15	-8.5	-6.6	25.7	12.8	11.7	-8.5	-6.4	26.5	13.9	12.8
Nifty Midcap Liquid 15	-4.7	-0.7	48.9	22.7	28.1	-4.7	-0.5	50.3	24.0	29.4
Nifty Aditya Birla Group	-7.6	-9.3	29.8	12.9	23.0	-7.6	-9.2	30.3	13.4	23.6
Nifty Mahindra Group	-8.7	-4.9	59.1	24.3	25.2	-8.4	-4.6	60.9	26.1	27.2
Nifty Tata Group	-9.0	-8.2	28.8	12.8	20.5	-8.9	-8.1	30.2	14.0	21.9
Nifty Tata Group 25% Cap	-10.1	-8.0	38.0	15.8	27.1	-10.0	-7.9	39.1	16.9	28.4
Nifty Shariah 25	-7.9	-5.6	31.1	11.3	13.8	-7.8	-5.3	33.0	13.1	15.6
Nifty50 Shariah	-8.3	-5.2	27.5	7.6	15.1	-8.1	-4.9	29.5	9.3	17.1
Nifty500 Shariah	-7.5	-4.5	36.7	13.4	20.1	-7.4	-4.2	38.1	14.8	21.6
Nifty SME EMERGE	0.0	8.7	61.0	71.3	64.1	0.0	8.8	61.1	71.5	64.4
Nifty100 ESG	-7.6	-4.2	31.8	10.3	16.7	-7.5	-3.9	33.1	11.6	18.1
Nifty100 Enhanced ESG	-7.6	-4.1	31.7	10.4	16.6	-7.5	-3.9	33.1	11.6	17.9
Nifty100 ESG Sector Leaders	-6.9	-3.1	29.7	10.7	15.3	-6.8	-2.8	31.1	11.9	16.6

Oct-24	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Strategy Indices										
Nifty Alpha 50	-7.1	-6.6	59.4	21.4	34.5	-7.1	-6.4	60.5	22.3	35.4
Nifty100 Alpha 30	-9.7	-10.2	57.5	15.7	20.7	-9.7	-10.0	58.8	16.9	21.9
Nifty Alpha Low-Volatility 30	-8.5	-4.6	45.2	18.5	18.6	-8.5	-4.3	46.9	19.8	20.0
Nifty Alpha Quality Low-Volatility 30	-9.4	-6.3	44.6	17.4	18.7	-9.4	-6.0	46.6	19.1	20.4
Nifty Alpha Quality Value Low-Volatility 30	-7.8	-6.2	49.5	24.4	22.8	-7.7	-5.9	52.1	26.6	25.1
Nifty200 Alpha 30	-9.0	-9.9	57.3	23.3	27.9	-8.9	-9.7	58.7	24.6	29.1
Nifty Dividend Opportunities 50	-7.2	-5.8	42.6	20.9	19.6	-7.0	-5.4	45.6	23.5	22.5
Nifty Growth Sectors 15	-8.9	-5.5	21.1	14.8	13.2	-8.6	-5.1	23.4	16.8	14.8
Nifty High Beta 50	-9.8	-14.1	33.7	19.3	23.2	-9.8	-13.9	34.5	20.5	24.3
Nifty Low Volatility 50	-7.7	-3.4	34.2	15.0	17.9	-7.6	-3.1	35.7	16.5	19.5
Nifty100 Low Volatility 30	-8.1	-2.5	32.3	14.5	16.7	-8.0	-2.2	34.0	16.2	18.5
Nifty100 Quality 30	-8.6	-4.5	31.2	13.8	15.5	-8.5	-4.2	33.0	15.4	17.2
Nifty Quality Low-Volatility 30	-9.6	-4.6	27.5	12.3	15.0	-9.6	-4.3	29.1	13.9	16.7
Nifty200 Quality 30	-8.7	-4.4	32.2	13.3	15.9	-8.6	-4.0	34.3	15.1	17.9
Nifty50 Equal Weight	-8.1	-4.0	33.3	15.9	19.9	-8.0	-3.7	34.7	17.4	21.5
Nifty100 Equal Weight	-8.5	-5.7	43.2	16.0	19.3	-8.4	-5.5	44.4	17.2	20.6
Nifty50 Value 20	-5.6	-3.7	35.0	15.9	19.6	-5.3	-3.2	37.9	18.4	22.3
Nifty500 Value 50	-7.6	-8.0	61.7	31.9	31.3	-7.5	-7.6	64.1	34.7	34.1
Nifty Midcap150 Quality 50	-5.0	-3.4	34.1	11.7	18.6	-5.0	-3.2	35.2	12.7	19.8
Nifty200 Momentum 30	-8.2	-6.8	54.2	19.2	25.4	-8.1	-6.5	56.0	20.4	26.6
Nifty Midcap150 Momentum 50	-6.0	-4.0	53.8	26.2	34.7	-6.0	-3.9	54.9	27.1	35.7
Sector Indices										
Nifty Auto	-13.0	-11.9	47.7	27.7	22.7	-13.0	-11.7	48.8	28.8	24.0
Nifty Bank	-2.8	-0.2	20.1	9.6	11.4	-2.8	0.1	21.2	10.5	12.0
Nifty Private Bank	-4.8	-1.9	13.4	7.7	8.8	-4.8	-1.6	14.3	8.5	9.3
Nifty PSU Bank	-0.5	-9.1	36.3	33.5	21.8	-0.5	-9.1	37.3	35.2	22.8
Nifty Financial Services	-2.4	2.0	24.4	8.3	12.1	-2.4	2.2	25.6	9.3	12.9
Nifty Financial Services Ex-Bank	-6.9	1.2	28.2	11.3	14.5	-6.9	1.3	29.4	12.3	15.5
Nifty Financial Services 25/50	-4.2	0.1	29.6	11.7	14.3	-4.2	0.3	31.0	12.9	15.3
Nifty MidSmall Financial Services	-2.0	4.6	41.1	21.6	18.2	-2.0	4.7	42.5	22.9	19.4
Nifty FMCG	-9.7	-4.6	15.5	15.7	12.9	-9.7	-4.5	17.7	17.7	14.8
Nifty IT	-3.7	-1.1	32.1	5.5	21.0	-3.1	-0.5	34.9	7.6	23.4
Nifty MidSmall IT & Telecom	-6.9	-7.5	29.7	14.2	36.3	-6.8	-7.4	30.6	15.2	37.8
Nifty Media	-5.6	-6.1	-8.2	-3.5	2.5	-5.6	-6.0	-7.8	-3.0	3.2
Nifty Metal	-8.6	-2.7	44.6	18.8	30.1	-8.6	-2.4	45.3	20.5	32.1
Nifty Pharma	-2.3	4.4	54.8	17.9	23.6	-2.3	4.6	55.9	18.8	24.5
Nifty Realty	-9.1	-8.6	65.8	26.1	30.0	-9.1	-8.6	66.2	26.5	30.5
Nifty Consumer Durables	-10.2	-1.4	39.8	11.6	18.1	-10.2	-1.3	40.3	12.1	18.7
Nifty Oil & Gas	-13.0	-14.4	49.1	13.8	16.0	-13.0	-14.1	50.2	15.4	18.0
Nifty Healthcare Index	-2.2	4.9	55.9	18.8	24.8	-2.2	5.1	56.8	19.6	25.7
Nifty MidSmall Healthcare	1.2	10.5	65.2	22.0	27.0	1.2	10.6	65.9	22.7	27.9
Nifty Transportation & Logistics	-11.8	-10.3	50.3	27.4	25.0	-11.8	-10.1	51.2	28.3	26.2
Nifty Housing	-6.2	-4.5	34.6	13.7	19.1	-6.2	-4.3	35.6	14.8	20.3

Source: NSE Indices, NSE EPR

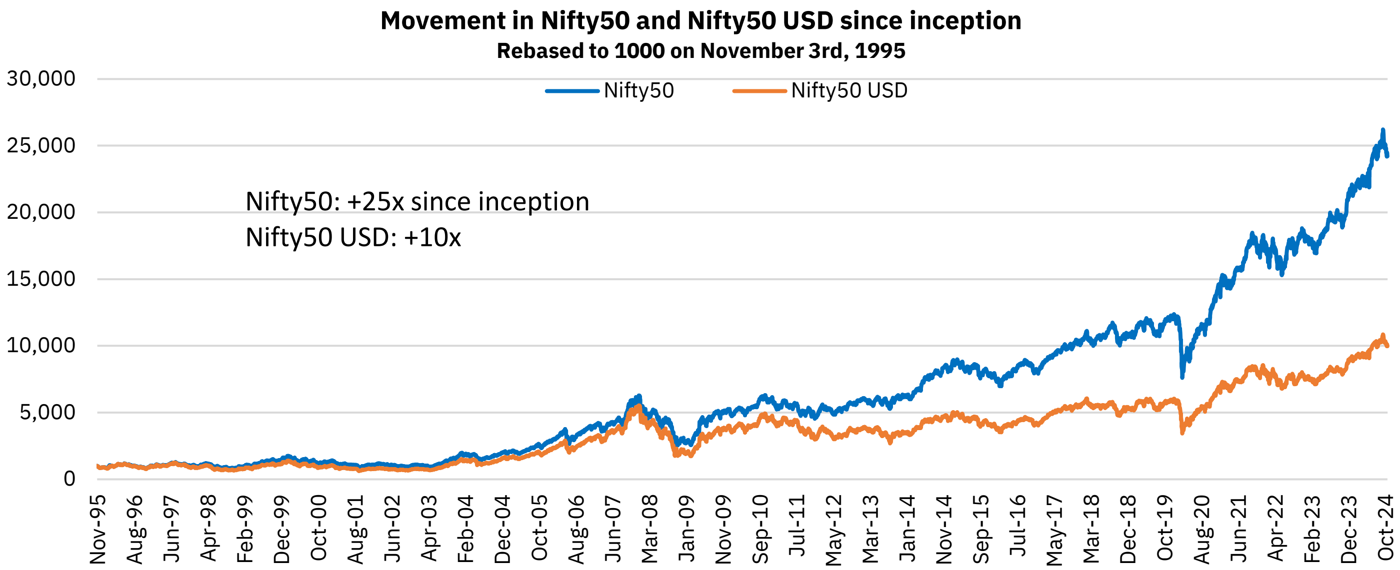
Note: Returns for the period up to one year are absolute returns. Returns for a period greater than one year are CAGR returns.

Table 45: Performance across NSE sector indices based on Price Return Index (As on October 31st, 2024)

Indicator Name	Oct-24	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Sector indices									
Auto	23,515	27,027	26,685	15,916	-13.0	-11.9	4.6	47.7	26.3
Bank	51,475	52,978	51,553	42,846	-2.8	-0.2	4.2	20.1	6.6
Energy	39,302	44,017	44,087	26,785	-10.7	-10.9	-2.6	46.7	17.4
FMCG	59,203	65,540	62,082	51,263	-9.7	-4.6	9.2	15.5	3.9
IT	40,408	41,946	40,851	30,582	-3.7	-1.1	21.7	32.1	13.8
Infrastructure	8,823	9,575	9,499	6,095	-7.9	-7.1	2.9	44.8	20.8
Media	2,019	2,139	2,150	2,199	-5.6	-6.1	6.7	-8.2	-15.5
Metals	9,327	10,198	9,583	6,452	-8.6	-2.7	1.7	44.6	16.9
Pharma	22,736	23,281	21,777	14,684	-2.3	4.4	19.9	54.8	35.1
Real Estate	1,000	1,099	1,094	603	-9.1	-8.6	2.7	65.8	27.7
Thematic Indices									
CNX PSE	10,175	11,286	11,684	5,887	-9.8	-12.9	1.8	72.8	29.5
CNX Consumption	11,481	12,827	11,806	8,332	-10.5	-2.8	10.3	37.8	19.9
CNX Services	31,547	33,008	31,458	24,332	-4.4	0.3	10.7	29.7	13.9

Source: Cogencis, NSE EPR.

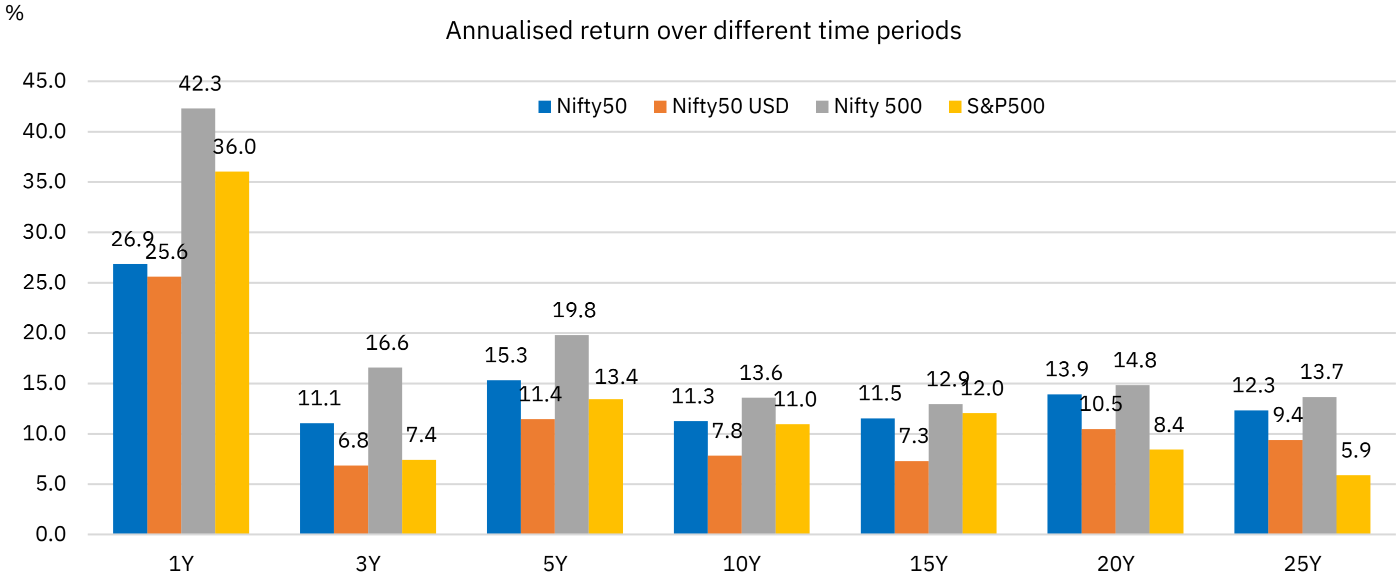
Figure 184: Nifty 50 and Nifty 50 USD since inception



Source: Nifty Indices, NSE EPR.

The Nifty 50 Index was launched on April 22nd, 1996, with a rebasing on November 3rd, 1995. Since the rebasing date, Nifty 50 has risen a little over 24x (As of October 31st, 2024), translating into an annualized return of 11.6%. During the same period, the Nifty50 Index in USD terms increased by around 10x, with an annualized gain of about 8.3%. In the last 25 years, the Nifty50 USD Index has generated an annualized return of 9.4%, higher than 5.9% and 8.4% recorded by S&P500 and NASDAQ respectively.

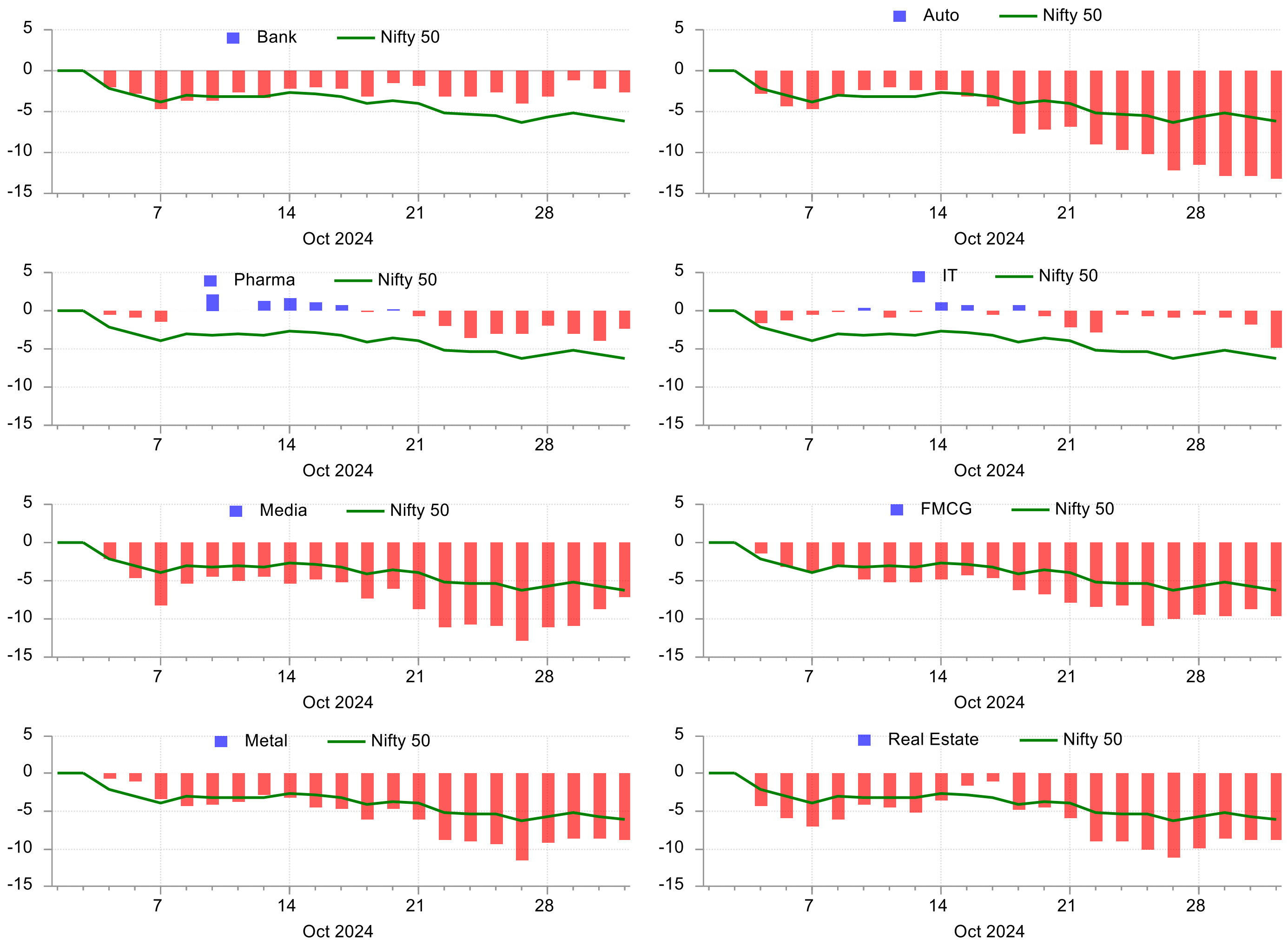
Figure 185: Annualised return of major indices across different time periods (As of October 31st, 2024)



Source: Nifty Indices, LSEG Workspace, NSE EPR.

Figure 186: NIFTY sector performance in October 2024

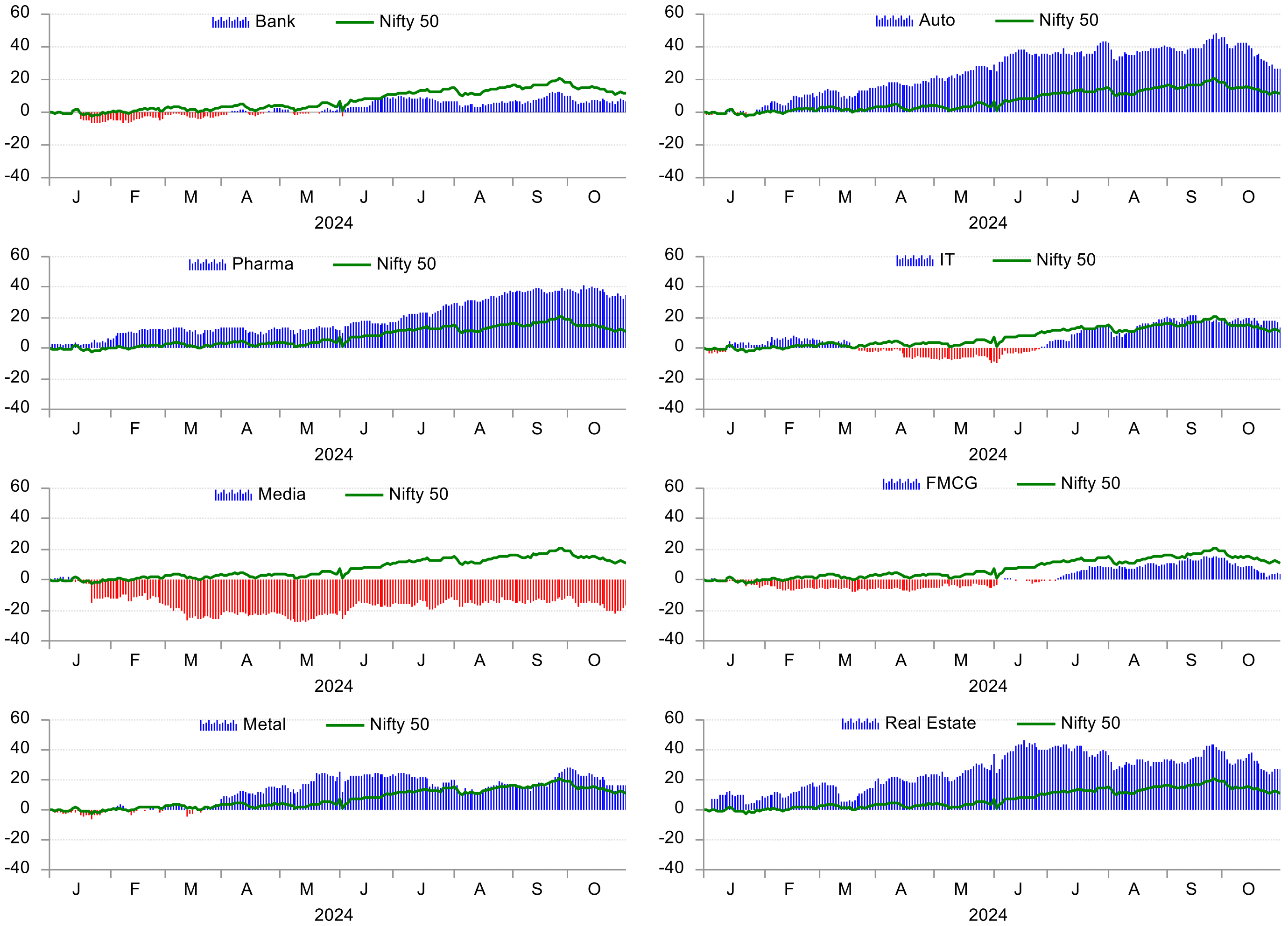
Rebased to 0 on October 1st, 2024



Source: LSEG Workspace, NSE EPR.

Figure 187: NIFTY sector performance in 2024 till date

Rebased to 0 on January 1st, 2024

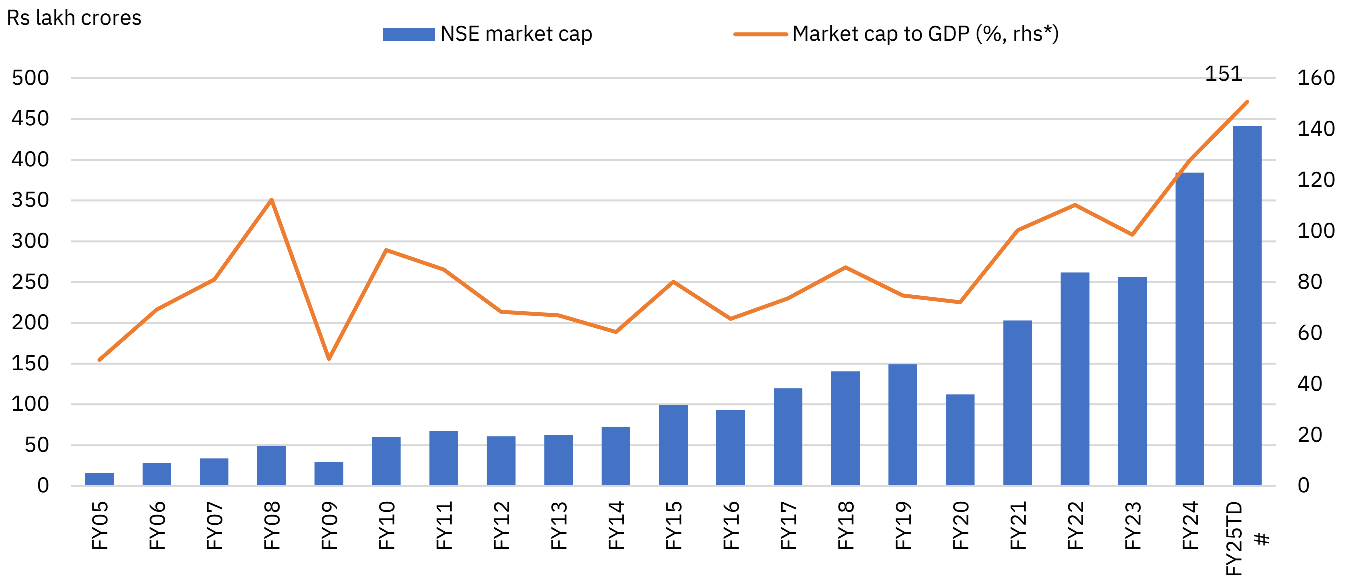


Source: LSEG Workspace, NSE EPR.

Market growth and concentration

Market cap to GDP at 20+ year high levels: The market capitalization of NSE listed companies fell by 6.2% (-6.5% in USD terms) in October, marking the steepest monthly drop since the pandemic. That said, it is still up 14.9% and 13.9% in the first seven months of the fiscal in rupee and dollar terms, translating into a 20-year CAGR of 19.5% and 15.9% respectively. The market cap to GDP ratio, calculated based on three-month rolling market capitalization and available nominal GDP for the latest four quarters, rose to 151% as of the end of October 2024.

Figure 188: Market cap to GDP ratio trend (NSE listed companies)



Source: CMIE Economic Outlook, NSE EPR. # As of October 31st, 2024. * Based on average market cap over the last three months of the period and actual nominal GDP for the last four quarters.

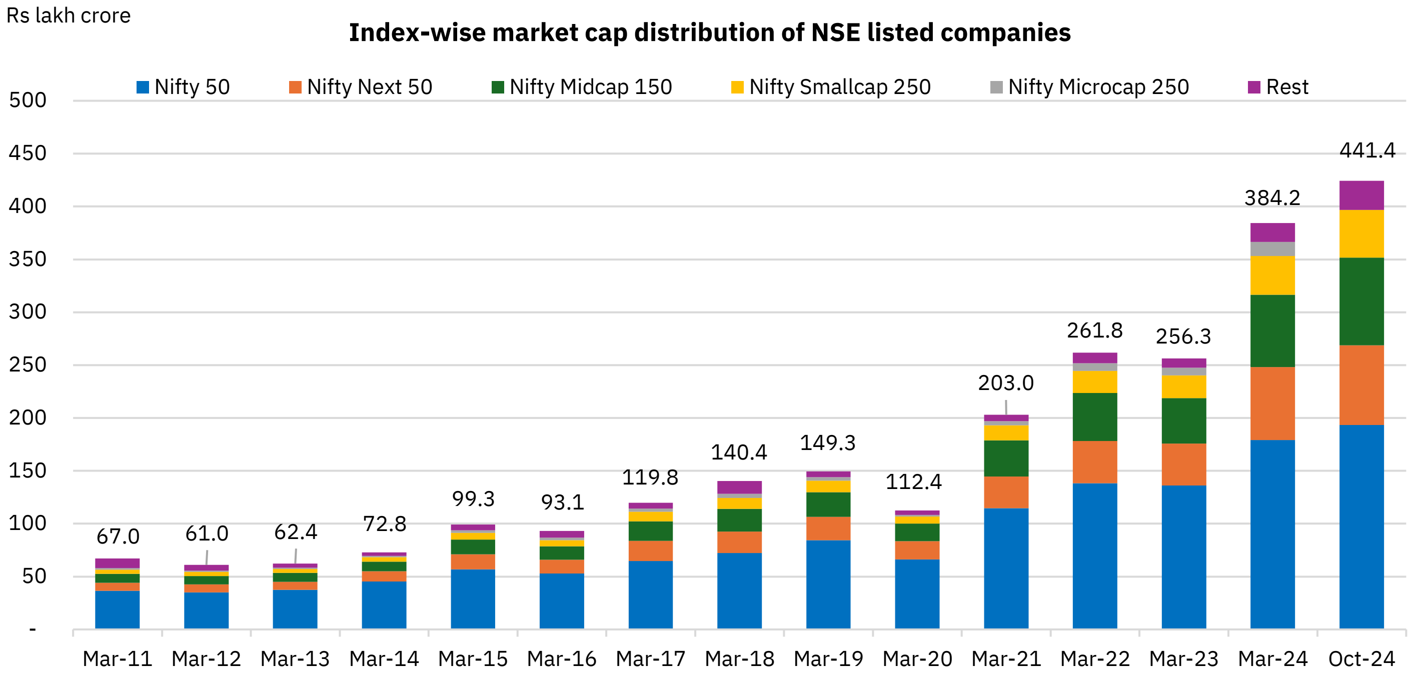
Share of Nifty50 Index inches up marginally in September: The share of Nifty50 Index in NSE listed companies rose by a modest 30bps MoM to 43.9% as of Sep'24, even as it remains below the March'24 level. A marginal increase last month was on account of the outperformance of large-cap companies. While a large part of the drop in Nifty50 share in total market capitalization over the last 20 years is a consequence of an increase in the number of listed companies on the exchange, from 422 in FY96 to 2,559 as of August 2024, the relative outperformance of mid and small-cap companies over the last decade has also contributed in a meaningful manner. For instance, the Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index have generated annualized returns of 19.5%, 16.6% and 22.9% as compared to 12.5% for the Nifty50 Index in the last 10 years ending September 2024.

Table 46: 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
Oct-24	**193.2**	**75.4**	**82.9**	**45.1**	**17.1**	**27.5**	**441.4**
Oct growth (% MoM)	***-7.0***	***-9.2***	***-6.6***	***-3.4***	***-3.0***	***3.8***	***-6.2***
FY25TD* growth (%)	***7.9***	***9.2***	***21.3***	***23.3***	***29.7***	***54.7***	***14.9***
CAGR (FY14-FY24TD)	***14.7***	***21.5***	***23.0***	***25.8***	***27.5***	***22.2***	***18.6***

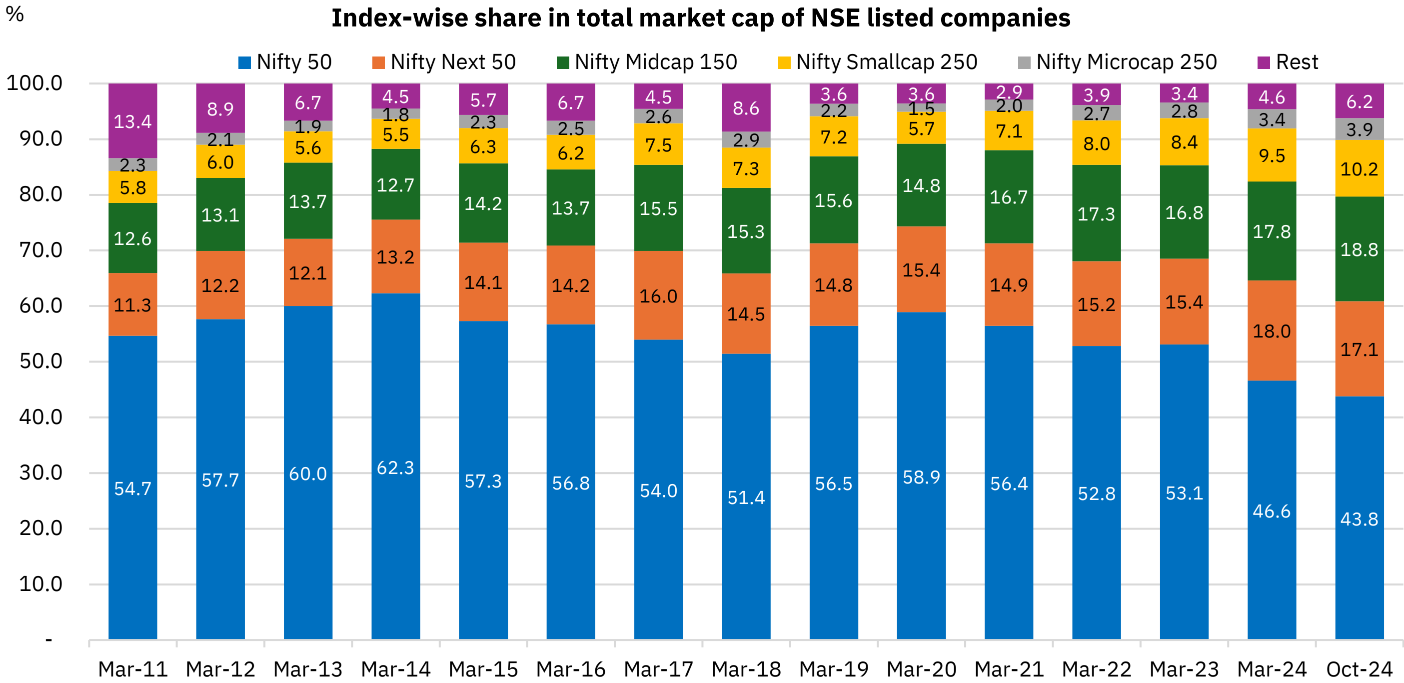
Source: Nifty Indices, NSE EPR. * As of October 31st, 2024.

Figure 189: Index-wise distribution of total market cap of NSE listed companies (Rs lakh crore)



Source: Nifty Indices, NSE EPR.

Figure 190: Index-wise share in total market cap of NSE listed companies



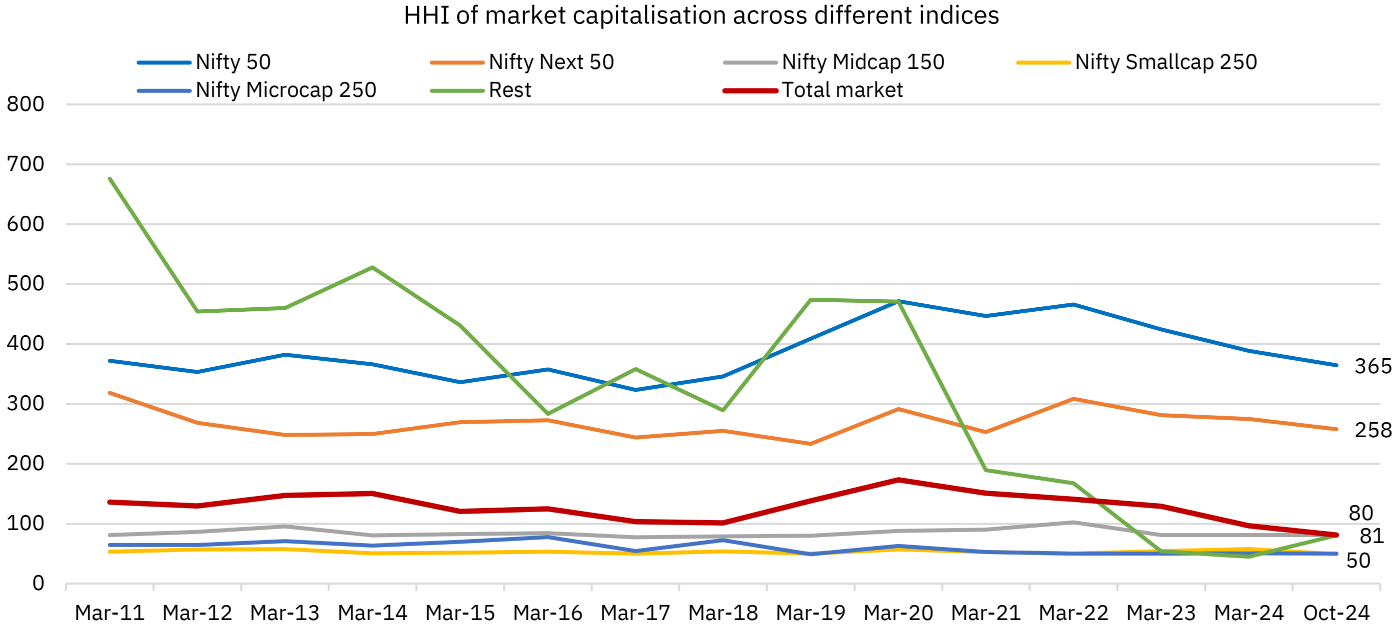
Source: Nifty Indices, NSE EPR.

Index-wise HHIs have fallen steadily since the pandemic: To assess market concentration, we calculate the Herfindahl-Hirschman Index (HHI) based on the market capitalization of NSE-listed companies as well as major equity indices over the past two decades. After a steady decline from 2010 to 2018, the HHI for the total market saw a sharp increase in 2019, reaching an 11-year high of 173 in March 2020, following the onset of the pandemic. However, it has been on a downward trend since then. As of October 2024, the market capitalization-based HHI for NSE-listed companies has fallen to a 22-year low of 81, partly reflecting the outperformance of smaller companies in recent years, which signals a greater degree of market fragmentation[46].

Looking at major indices, which include the top 750 stocks, the Nifty 50 has the highest HHI, as expected, at 365 as of October 31st, 2024—the lowest since March 2018. This is followed by the Nifty Next 50 with an HHI of 258, its lowest since March 2021. The HHIs of the Nifty Midcap 150, Nifty Smallcap 250, and Nifty Microcap 250 have also been steadily decreasing since the pandemic, currently ranging between 50 and 80. Overall, the analysis indicates that while the market remains fragmented, this fragmentation has intensified over the past few years, driven by stronger performance from mid, small, and microcap companies

[46] HHI value ranges from 0 to 10,000. An HHI near 0 indicates a highly fragmented market with many firms holding small market shares (i.e., very low concentration). An HHI near 10,000 indicates a monopoly or a market dominated by a single firm (i.e., very high concentration). HHI value interpretation: HHI below 1,500 is considered low and implies a competitive, diversified and fragmented market; HHI between 1,500 and 2,500 is considered moderate, indicating some degree of competition but with a few firms holding a significant share; HHI above 2,500 is considered high, and reflects a highly concentrated market, with fewer firms dominating the market.

Figure 191: Index-wise share in total market cap of NSE listed companies



Source: Nifty Indices, NSE EPR.

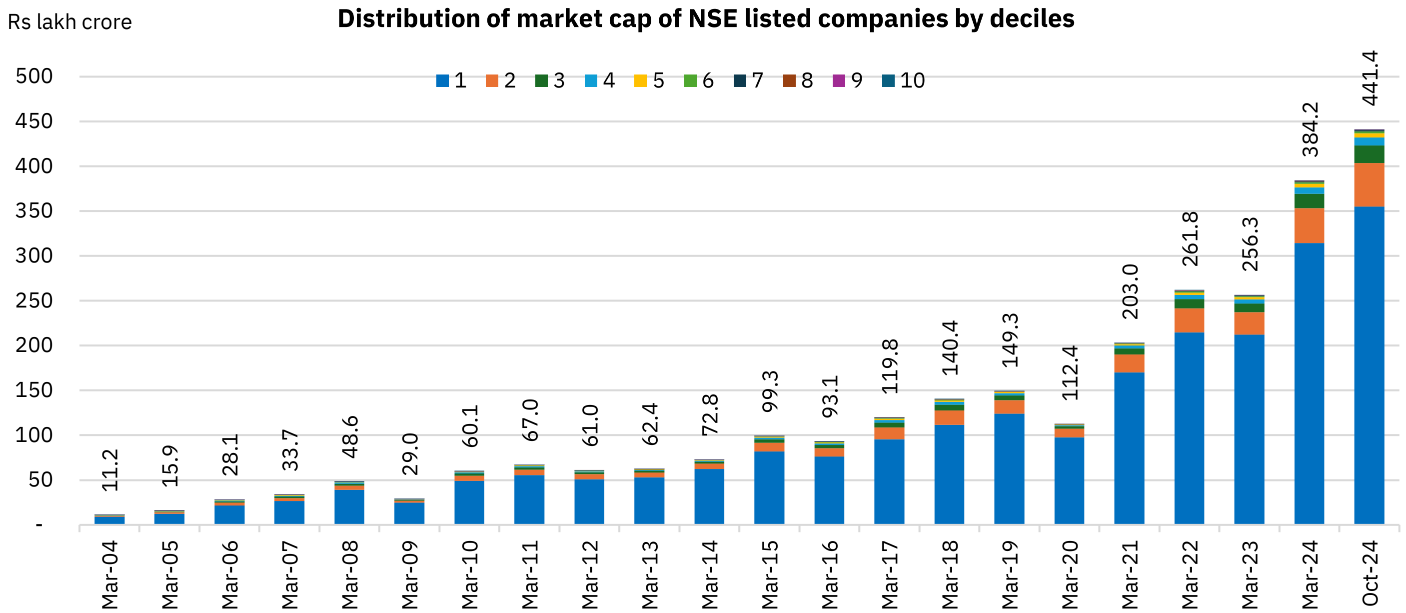
Decile-wise distribution of total market cap: We also examine the distribution of the total market capitalization of NSE-listed companies across deciles. The analysis reveals that the share of the top decile (the top 10% by market capitalization) reached a record high of 86.8% in FY20, as the pandemic-induced risk-off environment led investors to seek refuge in large-cap stocks. In fact, by March 2020, the top two deciles together accounted for more than 95% of the total market capitalization. However, since then, the share of the top decile has steadily declined, aligning with the downward trend in the HHI for the market capitalization of NSE-listed companies. By March 2024, the top decile's share had decreased to 81.8%, and by October 31, 2024, it had further fallen by approximately 130 basis points to 80.5%. Notably, the share of the bottom five deciles in total market capitalization stood at 1.1% as of September 30, 2024—more than double the all-time low of 0.5% recorded during the pandemic year (FY20).

Table 47: Decile-wise distribution of total market cap of NSE listed companies (Rs lakh crore)

Year	Decile1	Decile2	Decile3	Decile4	Decile5	Decile6	Decile7	Decile8	Decile9	Decile10	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
Oct-24	**355.2**	**48.5**	**19.6**	**8.9**	**4.6**	**2.4**	**1.2**	**0.6**	**0.3**	**0.1**	**441.4**
% MoM	***-7.1***	***-2.5***	***-3.1***	***-1.8***	***-3.9***	***-2.8***	***-1.8***	***0.5***	***0.5***	***9.9***	***-6.2***
Chg. in FY25TD (%)	***13.0***	***25.0***	***21.9***	***22.8***	***18.3***	***17.8***	***20.3***	***27.4***	***28.6***	***36.0***	***14.9***
CAGR (FY04-, %)	***19.4***	***20.7***	***20.4***	***19.7***	***18.9***	***18.3***	***17.6***	***16.7***	***17.4***	***18.4***	***19.5***

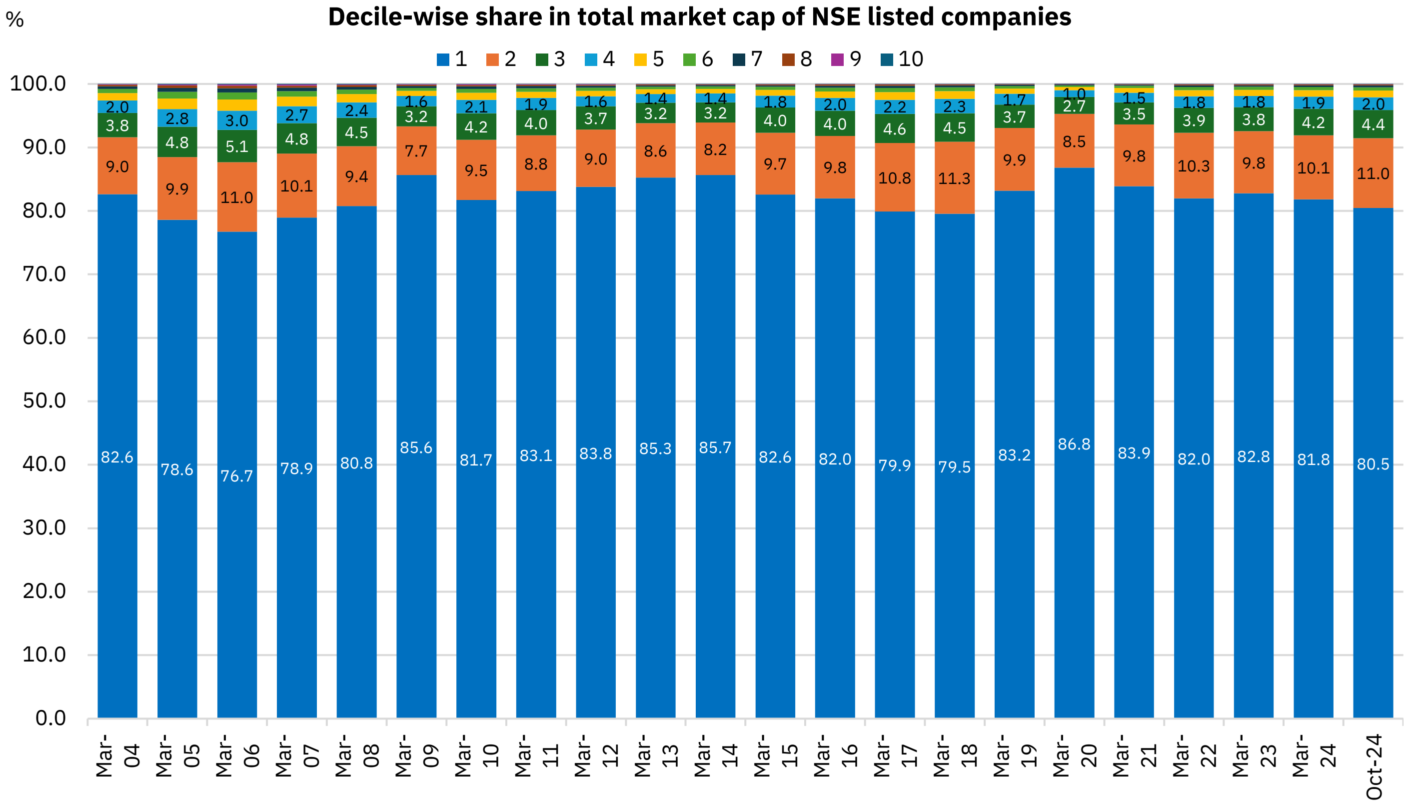
Source: NSE EPR.

Figure 192: Decile-wise distribution of total market cap of NSE listed companies



Source: NSE EPR.

Figure 193: Decile-wise share of total market cap of NSE listed companies



Source: NSE EPR.

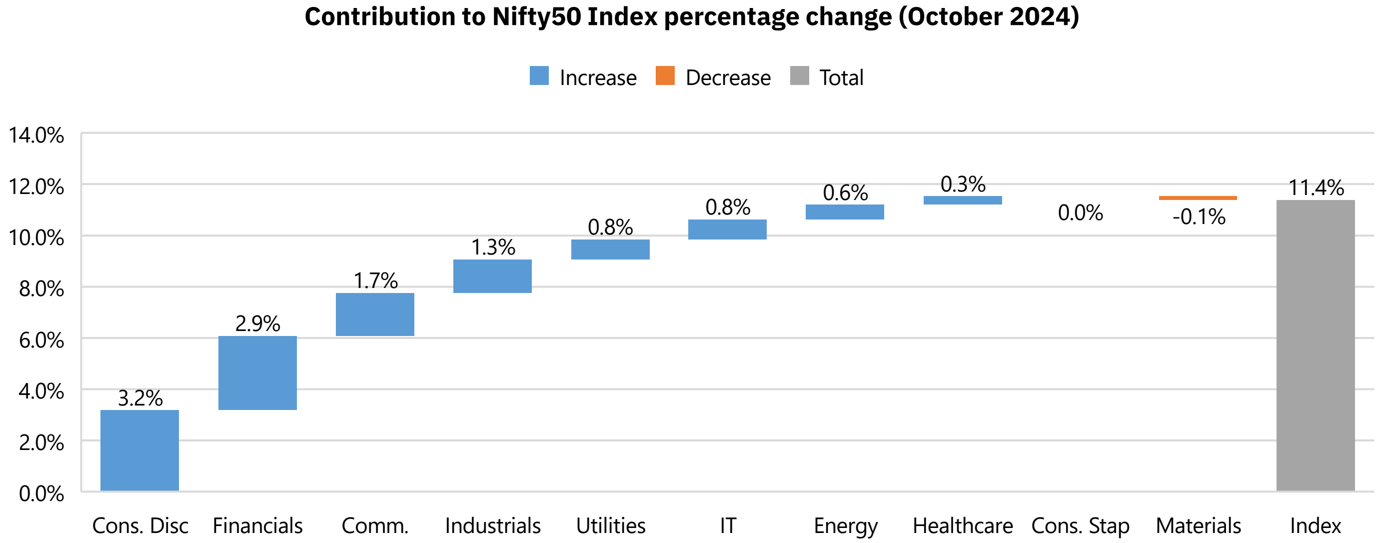
<u>Nifty50 performance attribution analysis</u>

Indian equities sold off sharply in October, with the trend continuing in November thus far: After rallying in September, Indian equities sold off sharply in October, with the benchmark Nifty 50 Index registering the highest monthly drop since the onset of the pandemic (March 2020). On the global front, heightened geopolitical uncertainty with escalating tensions in the middle east and uncertainty around the US presidential elections uncertainty weighed on domestic equities. On the domestic front, muted Q2FY25 corporate earnings, emerging signs of growth slowdown, and stretched valuations added to the weak sentiments. This, in turn, triggered the flow of foreign capital away from Indian equities to more fairly valued markets such as Japan. Net FPI outflows from Indian equities in October at US$11.2bn were the highest ever on a monthly basis, with November seeing further outflows to the tune of US$2.8bn (As of November 18th, 2024). DIIs, however, fully compensated for the FPI outflows, investing a net amount of US$12.8bn (Rs 1.07 lakh crore) in October, the highest ever and US$3.4bn in November thus far, thereby providing downside support to the markets. In fact, November marked the 16th consecutive month of net positive investments by DIIs, translating into net inflows of Rs 3.7 lakh crore in the fiscal year thus far (As of November 18th, 2024).

The benchmark Nifty50 Index ended the month of October 6.2% lower, and further by 2.8% in November thus far (As of November 20th, 2024), translating into total return in 2024 till date falling from 18.8% as of September end to 8.2% as of November 20th, 2024. The Nifty Mid-cap 50 and Nifty Small-cap 50 Index also sold off, registering losses of 8.0% and 2.4% respectively in October 2024.

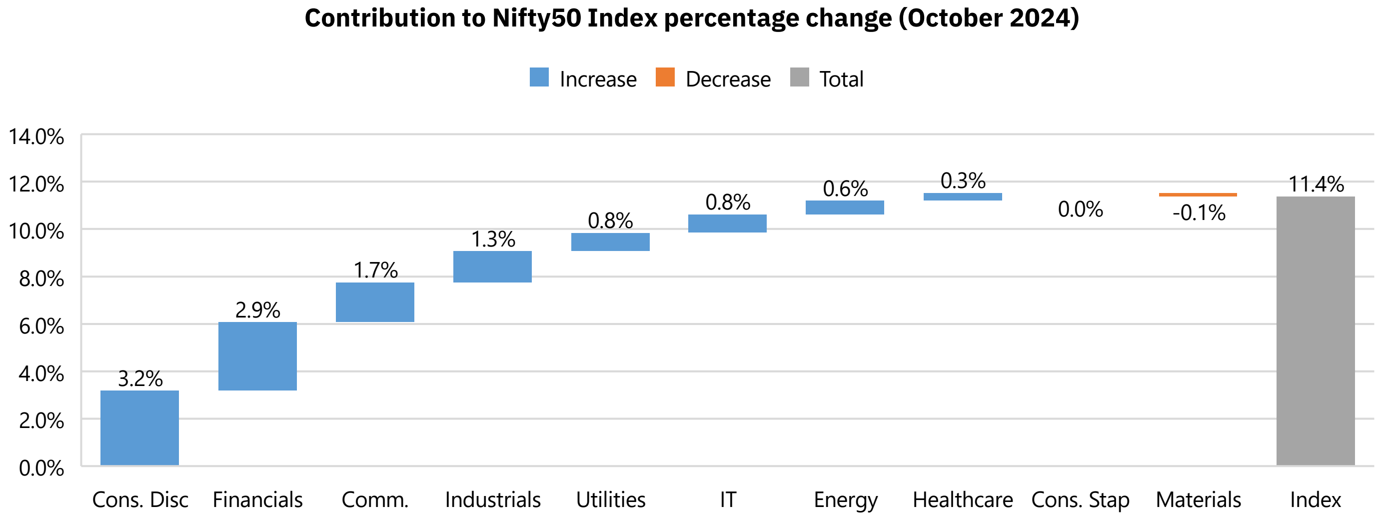
Sector-wise, the performance was broad-based, with all sectors ending in the red last month, led by Consumer Discretionary, and Energy. Notwithstanding a sharp sell-off last month, the Nifty50 Index generated a strong 26.9% return, with all sectors contributing positively to the index gain, led by Financials, Consumer Discretionary, Information Technology and Industrials, together comprising ~67% of the gain.

Figure 194: Sector-wise contribution to Nifty 50 price return in October 2024



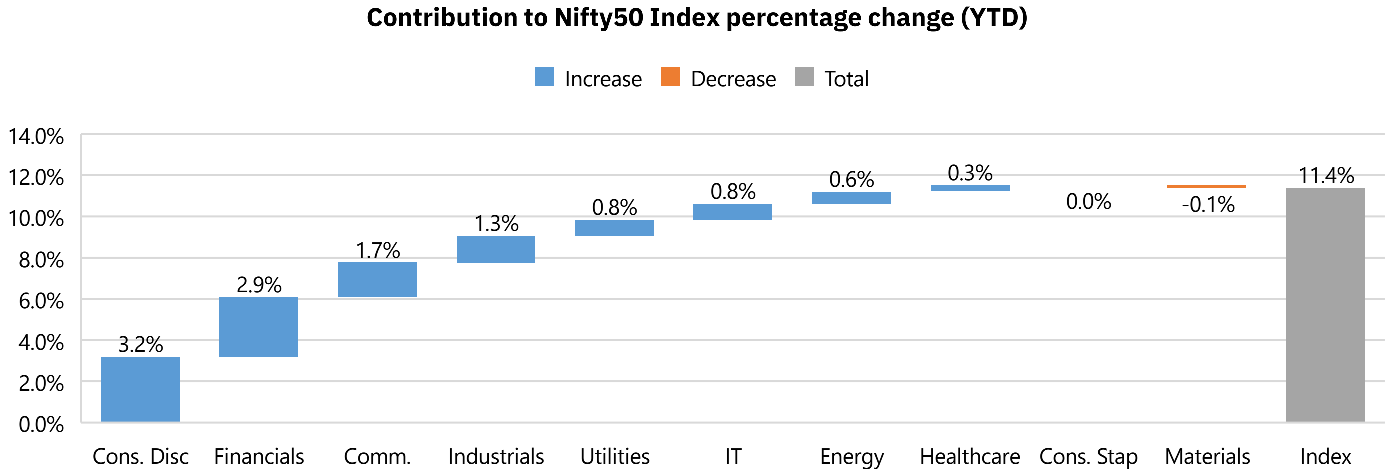
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 195: Sector-wise contribution to absolute Nifty 50 Index change (points) in October 2024



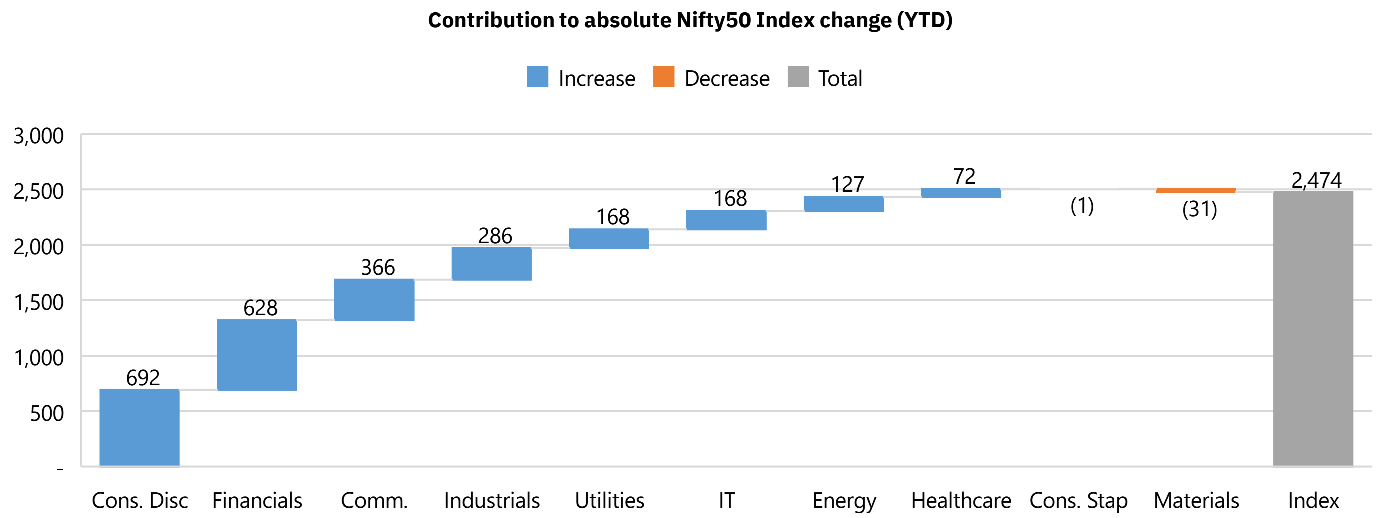
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 196: Sector-wise contribution to Nifty 50 price return in 2024 till date (Jan-Oct'24)



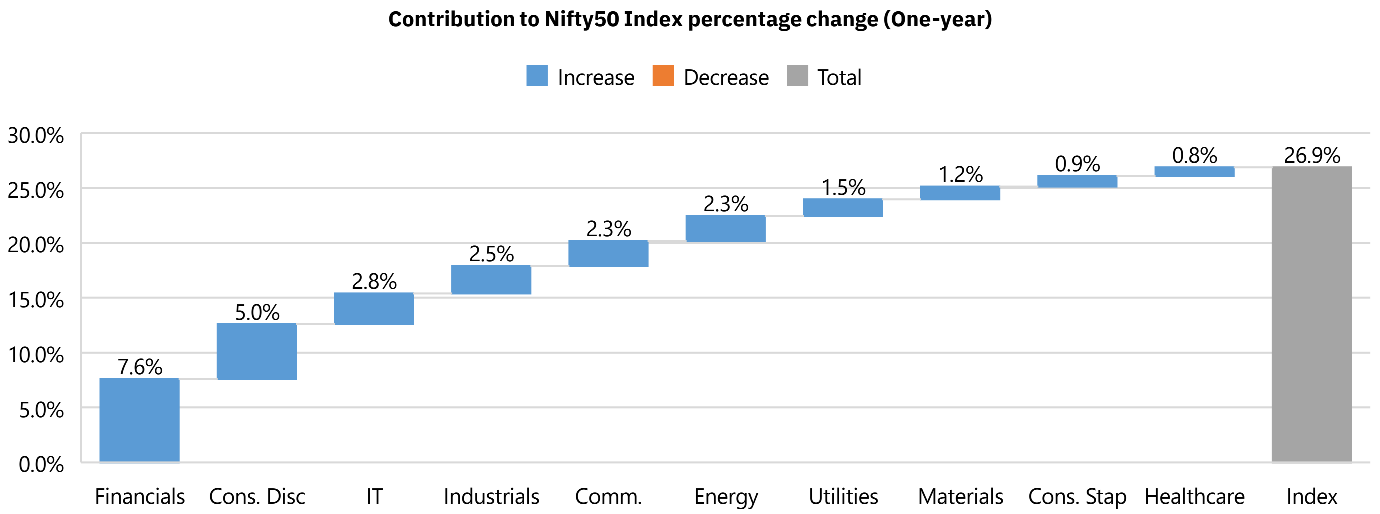
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 197: Sector-wise contribution to Nifty 50 Index change (points) in 2024 till date (Jan-Oct'24)



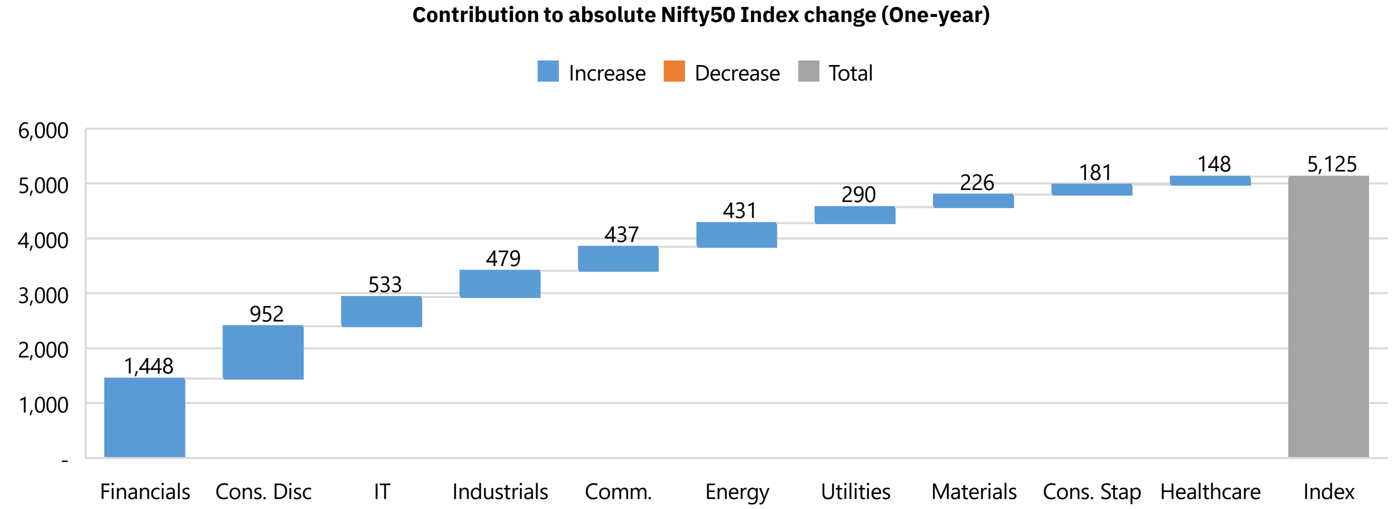
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 198: Sector-wise contribution to Nifty 50 price return in last one year (Nov'23-Oct'24)



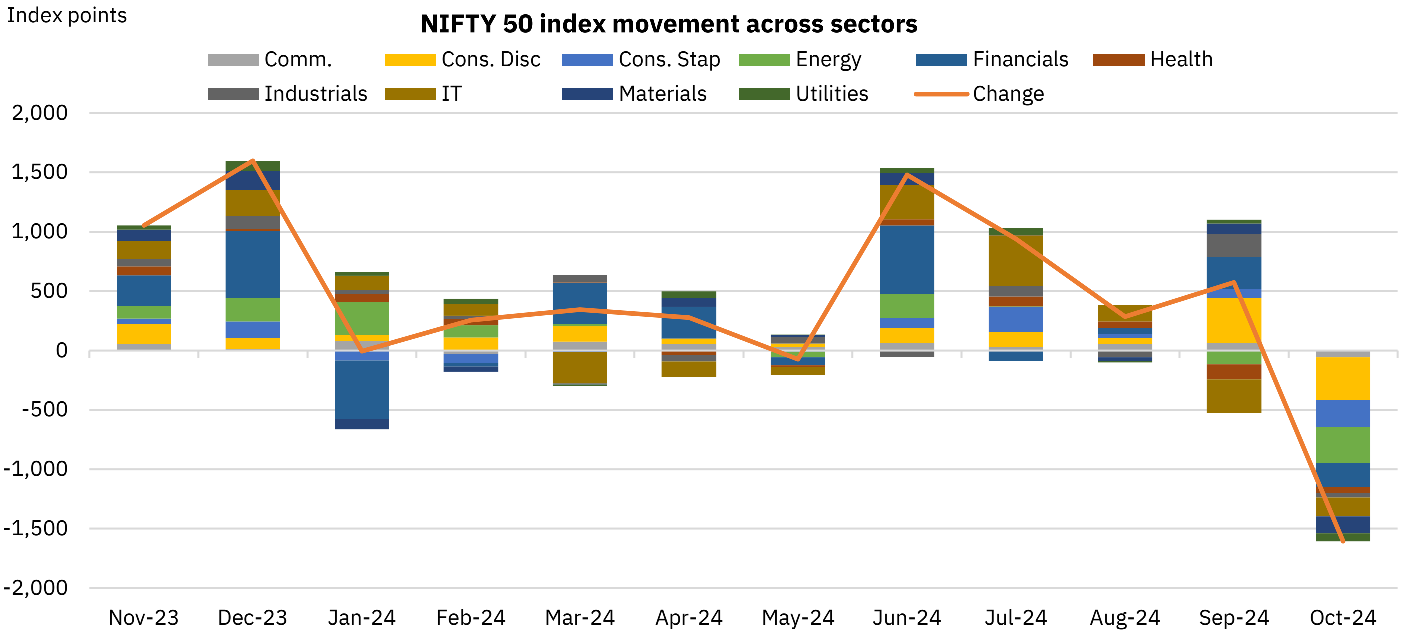
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 199: Sector-wise contribution to Nifty 50 Index change (points) in last one year (Nov'23-Oct'24)



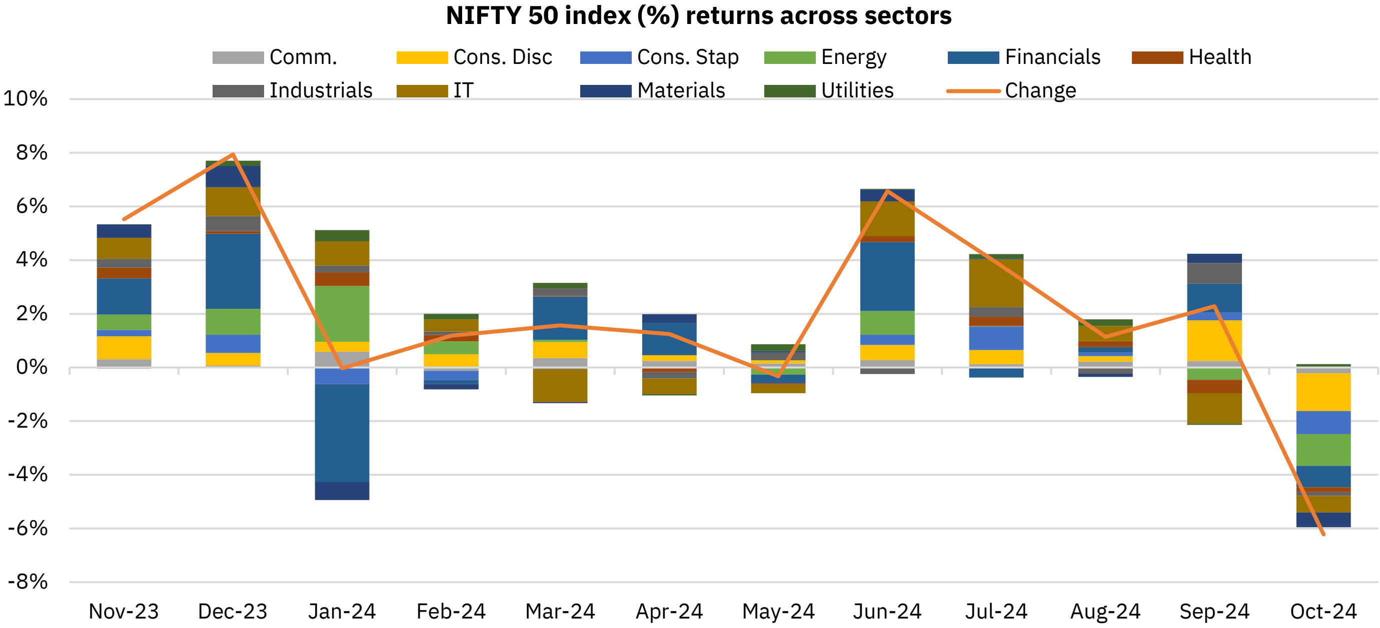
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR

Figure 200: Nifty 50 Index monthly movement across sectors over the last 12 months



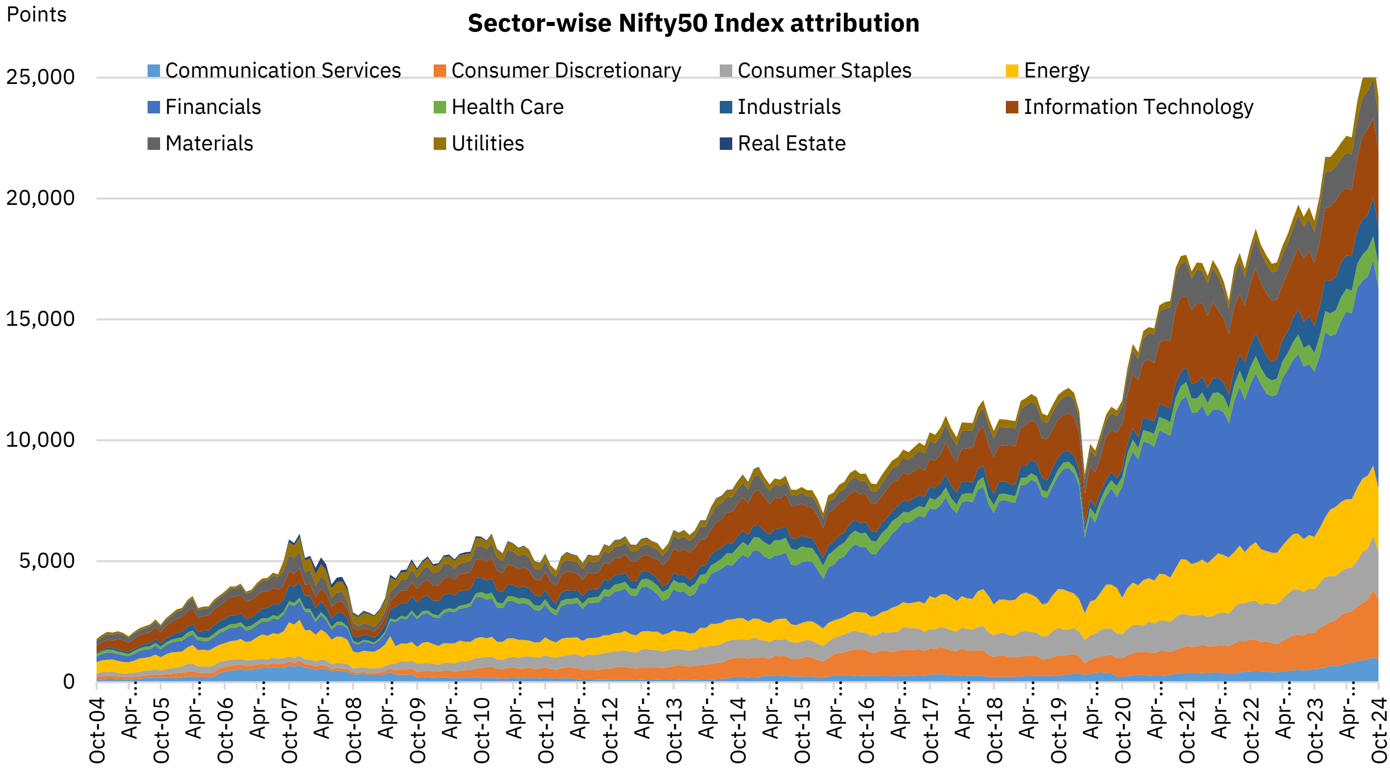
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 201: Nifty 50 Index monthly return across sectors over the last 12 months



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

Figure 202: Sector-wise Nifty50 Index attribution (2004-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

A strong outperformance of Financials in the month gone by resulted in its weight in the Nifty 50 Index rising by a steep 133bps MoM to a four-month high of 34.3%. This came at the expense of decline in weights of Consumer Discretionary and Energy. In fact, the weight of the Energy sector at 10.75% as of October-end was the lowest in the last 87. In the last 12 months, the relative outperformance of Consumer Discretionary, Communication Services and Utilities led to their weights in the Nifty 50 Index rising by 227bps, 122bps and 68bps to 10.1%, 53-month high of 9.8%, and 3.1% respectively. This increase in weight came at the expense of a significant drop of 161bps in the weight of Financials in the last 12 months to 34.3%, notwithstanding an equivalent rise in the last two months. Financials weight is now 7.7pp lower than the peak weight of 42% in December 2019.

Figure 203: Nifty 50 sector weightage (October 2023)

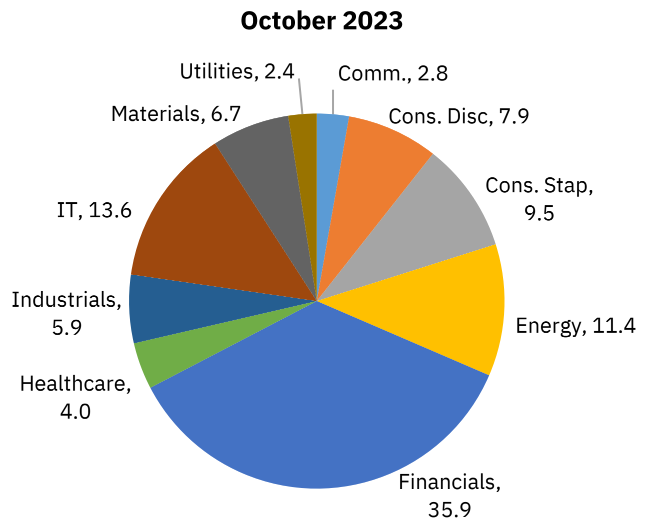
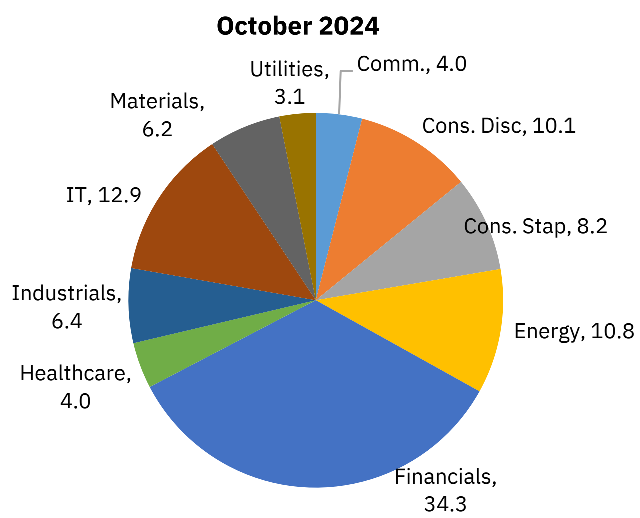
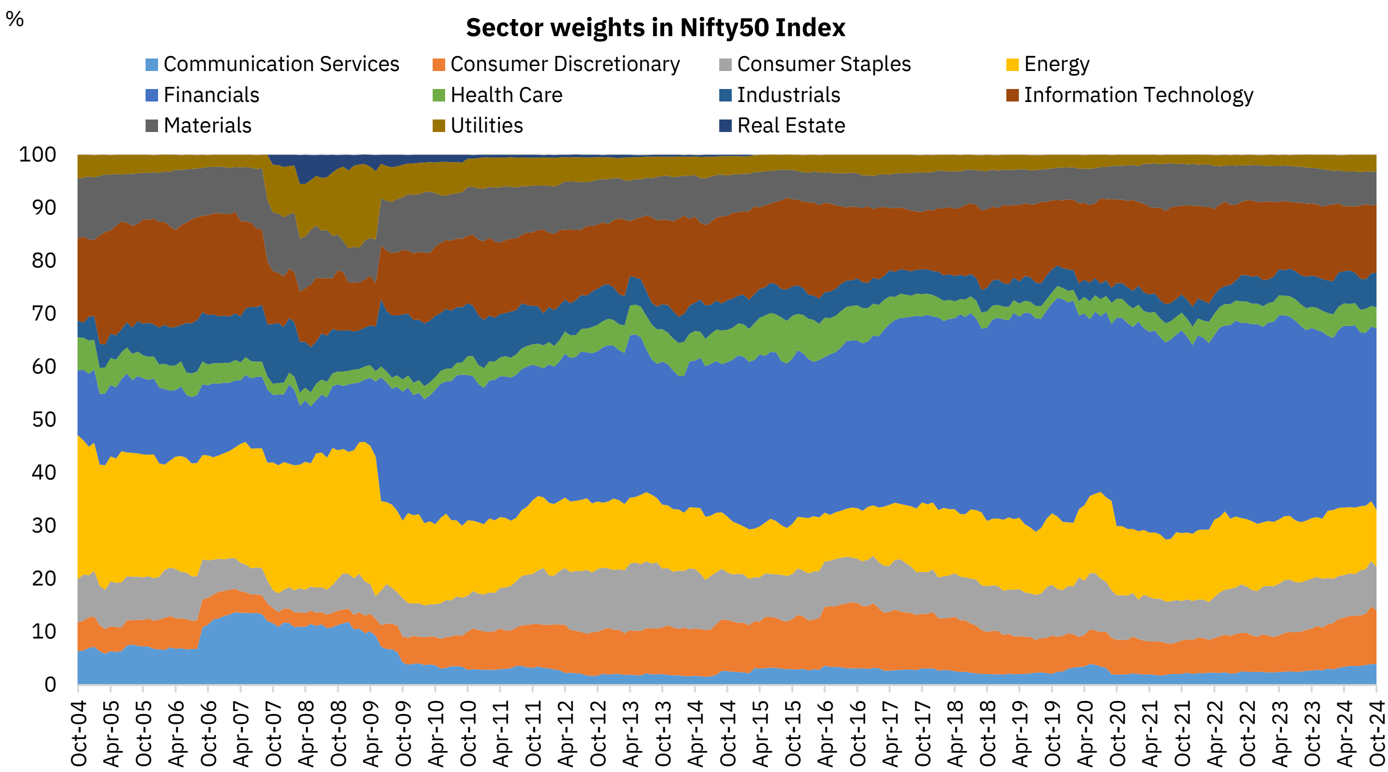


Figure 204: Nifty 50 sector weightage (October 2024)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Figure 205: Sector weights in the Nifty 50 Index (2003-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR

Table 48: Top five Nifty 50 Index gainers in October 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
I C I C I Bank Ltd.	ICICIBANK	1.5	0.1	31
State Bank Of India	SBIN	4.1	0.1	27
H D F C Bank Ltd.	HDFCBANK	0.2	0.0	5
Tech Mahindra Ltd.	TECHM	2.0	0.0	5
Wipro Ltd.	WIPRO	1.9	0.0	4
Total			**0.3**	**72**
Nifty 50 Index	**NIFTY 50**	**-6.2**	**-6.2**	**-1,606**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 49: Top five Nifty 50 Index gainers in Jan-Oct 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
I C I C I Bank Ltd.	ICICIBANK	29.7	2.0	429
Bharti Airtel Ltd.	BHARTIARTL	56.2	1.7	366
Trent Ltd.	TRENT	133.3	1.6	353
Bharat Electronics Ltd.	BEL	54.7	1.0	228
Shriram Finance Ltd.	SHRIRAMFIN	52.9	0.9	196
Total			**7.2**	**1,572**
Nifty 50 Index	**NIFTY 50**	**11.4**	**11.4**	**2,474**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 50: Top five Nifty 50 Index losers in October 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Reliance Industries Ltd.	RELIANCE	-9.8	-0.8	-219
Infosys Ltd.	INFY	-6.3	-0.4	-95
Hindustan Unilever Ltd.	HINDUNILVR	-14.5	-0.3	-86
Mahindra & Mahindra Ltd.	M&M	-11.8	-0.3	-72
Tata Consultancy Services Ltd.	TCS	-7.0	-0.3	-69
Total			**-2.1**	**-539**
Nifty 50 Index	**NIFTY 50**	**-6.2**	**-6.2**	**-1,606**

Source: LSEG Workspace, CMIE Prowess, NSE EPR

Table 51: Top five Nifty 50 Index losers in Jan-Oct 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Indusind Bank Ltd.	INDUSINDBK	-34.0	-0.4	-86
Kotak Mahindra Bank Ltd.	KOTAKBANK	-9.3	-0.3	-75
Asian Paints Ltd.	ASIANPAINT	-13.7	-0.3	-55
Titan Company Ltd.	TITAN	-11.1	-0.2	-50
Hindustan Unilever Ltd.	HINDUNILVR	-5.1	-0.2	-42
Total			**-1.4**	**-308**
Nifty 50 Index	**NIFTY 50**	**11.4**	**11.4**	**2,474**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Earnings and valuation analysis

Consensus earnings estimates cut sharply after a weak Q2FY25: Consensus earnings estimates for this as well as the next year have seen steep cuts since September-end, reflecting the impact of weak Q2FY25 and expected slowdown in domestic and global economy. The Nifty50 earnings estimates (Source: LSEG Workspace) for 2024 as well as 2025 were cut by 2.6% and 2.2% in October, translating into a total drop of 4.2% and 1.4% respectively in the year thus far. This implies expected earnings growth of 5.5% and 15.9% for 2024 and 2025 as on October 31st, 2024, vs. 7.8% and 15.4% as of end of the previous month, respectively, resulting in a two-year CAGR (2023-25) of 10.6% vs. 11.6% as of end of the previous month and 13.8% as of March-end.

Our analysis of earnings estimates of the top 200 companies by market cap[47] painted a similar picture. The aggregate consensus earnings estimates for this universe for FY25 as well as FY26 were curtailed by 3.0% and 2.5% respectively since September-end (As of November 14th, 2024), translating into a drop of 2.9% for FY25 and a modest increase of 0.3% FY26 in the fiscal year thus far. Sector-wise, steep earnings downgrades since September-end were led by commodity sectors such as Materials and Energy, accounting for ~73% of the absolute change in earnings during this period. While downgrades in the Energy sector were on the back of lower refining margins and inventory losses due to declining crude oil prices, Materials, on the other hand, felt the brunt of slowdown in China, with the expected imposition of tariffs post the Trump victory adding to the woes. In fact, barring Real Estate and Communication Services that saw modest upgrades, all other sectors saw their earnings estimates getting curtailed in the last couple of months

For FY26, earnings estimates for all sectors, barring Real Estate, witnessed a cut since September, led by Energy, Financials and Materials. Even after excluding these sectors, the aggregate earnings estimate for FY26 for the top 200 companies were downgraded by 2.1%, indicating a broad-based nature of downward revisions.

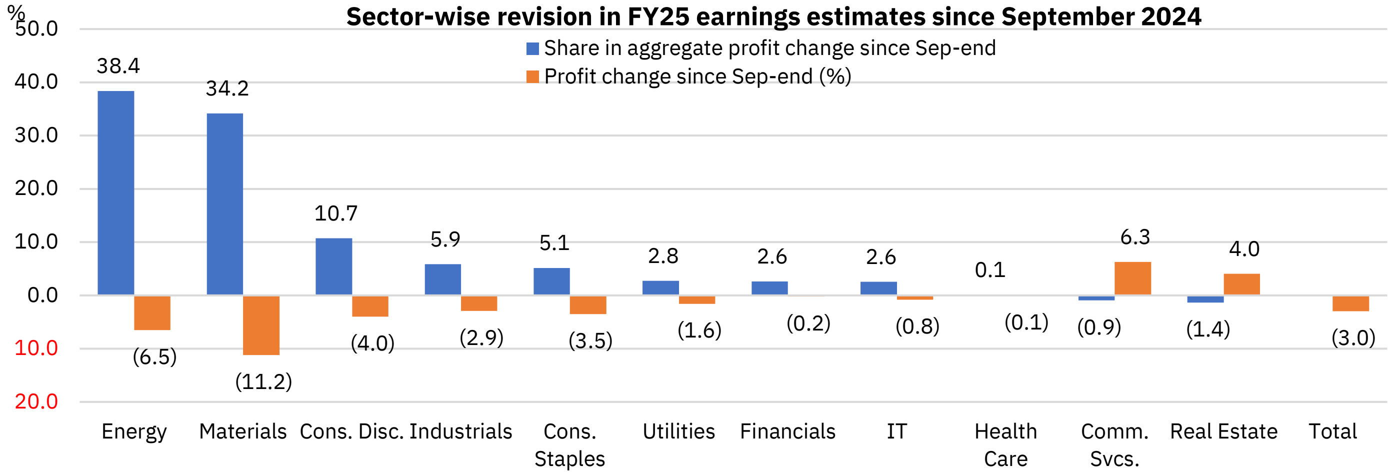
Table 52: Earnings growth and forward-looking multiples for Nifty 50 Index

Metric	Periods	As on 30-Oct-24	Change (%/bps) 1M	3M	6M	YTD	1Y
EPS (Rs)	12-month forward	1138.9	-1.2%	2.1%	6.1%	7.8%	10.6%
	2023	988.2	-0.4%	0.1%	4.6%	2.6%	3.6%
	% YoY	*24.1%*	*-56bps*	*9bps*	*549bps*	*424bps*	*547bps*
	2024	1042.3	-2.6%	-1.9%	-1.7%	-4.2%	-3.9%
	% YoY	*5.5%*	*-234bps*	*-213bps*	*-685bps*	*-751bps*	*-814bps*
	2025	1207.8	-2.2%	-1.1%	-0.4%	-1.4%	-0.4%
	% YoY	*15.9%*	*45bps*	*91bps*	*152bps*	*328bps*	*402bps*
Price to earnings (P/E) (x)	12-month forward	21.5	-4.5%	-2.1%	3.1%	5.9%	14.8%
	2024	23.5	-3.2%	1.9%	11.3%	19.1%	32.0%
	2025	20.3	-3.5%	1.1%	9.9%	15.7%	27.4%
Price to Book value (P/B) (x)	12-month forward	3.4	-5.6%	2.6%	2.4%	4.8%	14.8%
	2024	3.7	-4.8%	5.7%	8.8%	15.6%	29.2%
	2025	3.3	-4.6%	5.9%	8.7%	15.2%	28.0%

Source: LSEG Workspace, NSE EPR. NTM = Next Twelve Months.

[47] The sample set consists of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five or more analysts during the previous 12 months using IBES estimates from LSEG Datastream.

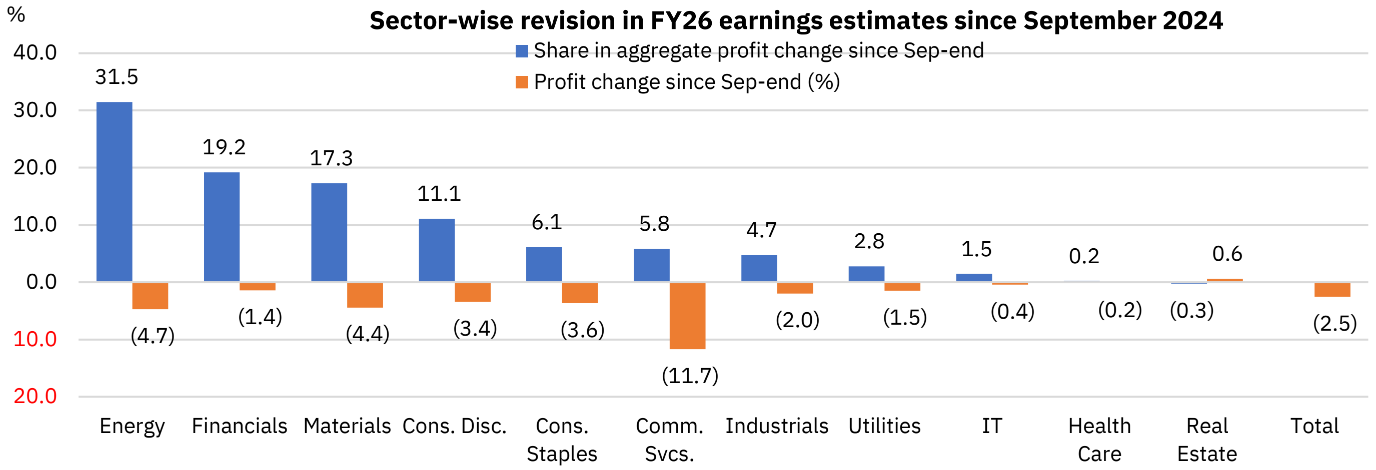
Figure 206: Sector-wise revision in FY25 earnings estimates for top 200 companies since September 2024



Source: LSEG Workspace, NSE EPR

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of November 14th, 2024.

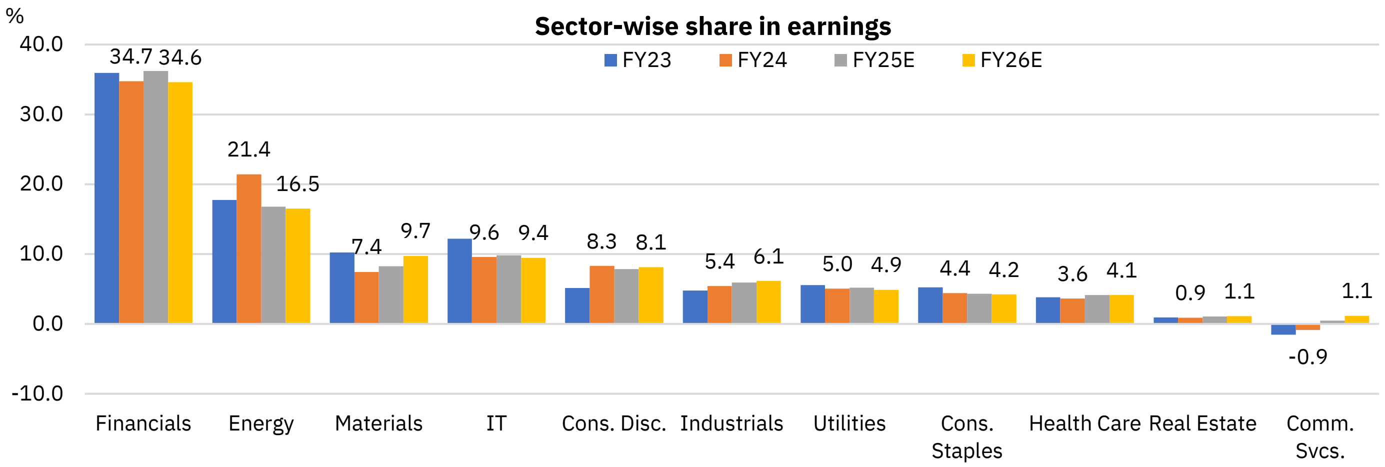
Figure 207: Sector-wise revision in FY26 earnings estimates for top 200 companies since September 2024



Source: LSEG Workspace, NSE EPR

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of November 14th, 2024.

Figure 208: Sector-wise share in earnings



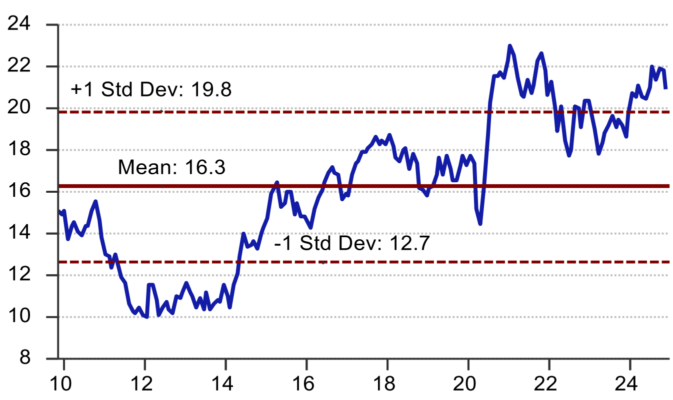
Source: LSEG Workspace, NSE EPR

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of November 14th, 2024.

Market valuations correct in October and November: After rising to nearly three-year high of 22.5x in early October, market valuations have come off sharply in the last six weeks, thanks to a steep sell-off witnessed during this period. The Nifty50 Index currently trades at a 12-month forward P/E of 20.9x, with recent cuts in earnings estimates capping the correction. That said, the current forward P/E is still 28% higher than long-term (Last 15-year) average multiple (16.3x) and 5.6% higher than the one standard deviation above the long-term multiple. Valuations have corrected marginally on a price-to-book (P/B) basis as well, with Nifty50 currently trading at a 12-month forward P/B of 3.3x. This implies a premium of ~32% to the average P/B of 2.5x over the last 15-year period.

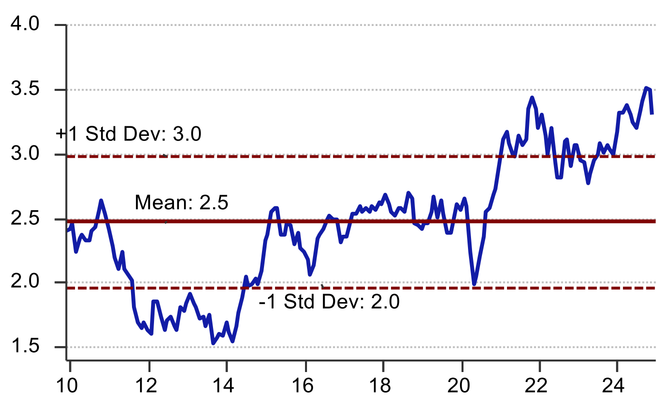
...Accompanied with a drop in valuation premium to EM equities: Indian equities have perennially traded at a premium to EM equities, thanks to India's strong economic fundamentals and robust growth outlook. The recent underperformance of Indian equities vis-à-vis other emerging markets, particularly China, however, has resulted in some drop in this premium level, even as it continues to remain much higher than long-term premium. On a 12-month forward P/E, MSCI India trades at a premium of 92% vs. last 15-year average premium of 53%, down from 108% in the previous month. On 12-month forward P/B, MSCI India is trading at a much higher premium of 132%, down from 152% last month, but much higher than the last 15-year average premium of 82%.

Figure 209: Nifty 50 NTM P/E trend for last 15 years



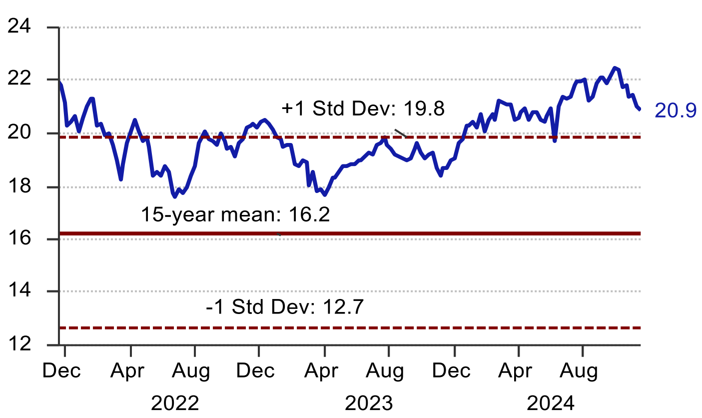
Source: LSEG Workspace, NSE EPR

Figure 210: Nifty 50 NTM P/B trend for last 15 years



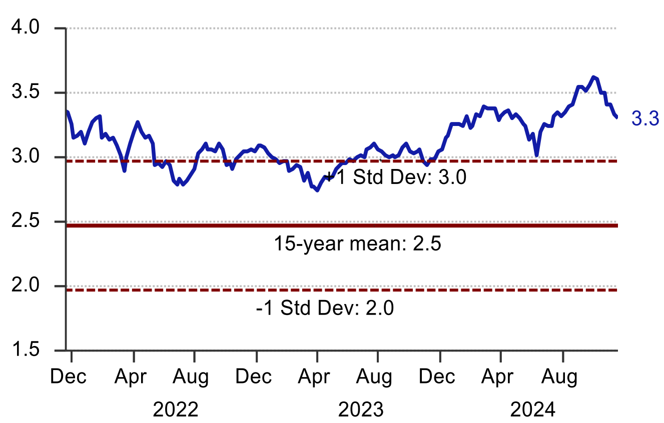
Source: LSEG Workspace, NSE EPR

Figure 211: Nifty 50 NTM P/E (Last three-year trend)



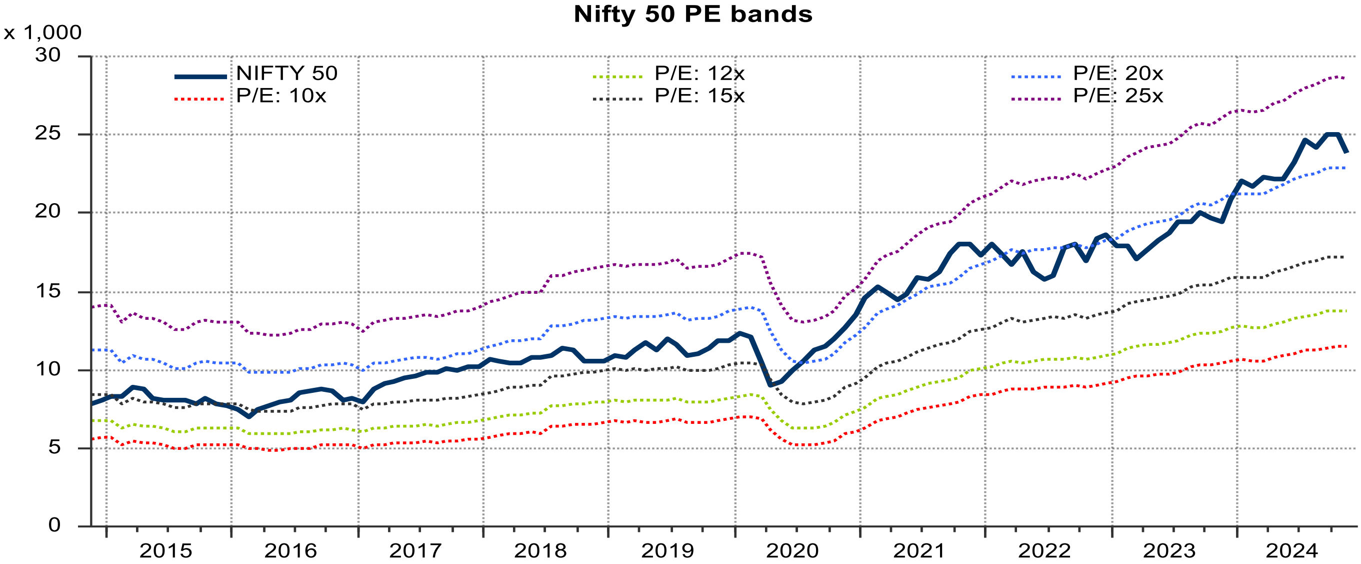
Source: LSEG Workspace, NSE EPR

Figure 212: Nifty 50 NTM P/B (Last three-year trend)



Source: LSEG Workspace, NSE EPR

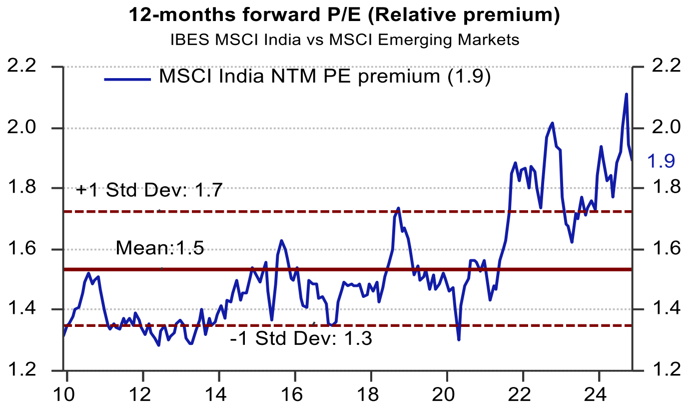
Figure 213: Five-year trend of Nifty 50 values at different 12-month forward P/E bands



Source: LSEG Workspace, NSE EPR

Figure 214: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

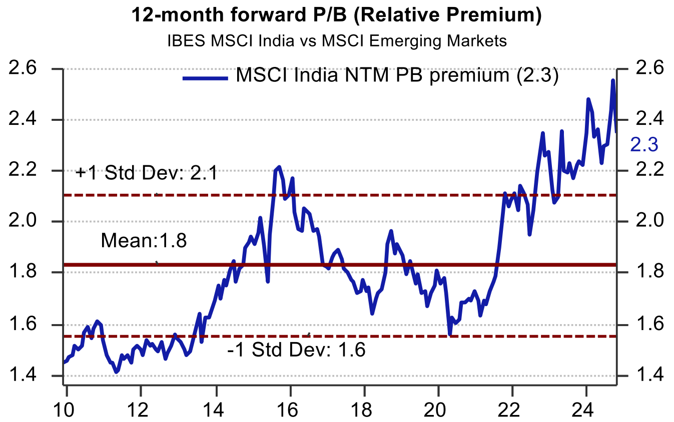
MSCI India currently trades at a premium of 87% to MSCI EM on 12-month forward P/E vs. last 12-month average premium of 53%, down from 105% as of September end.



Source: LSEG Workspace, NSE EPR

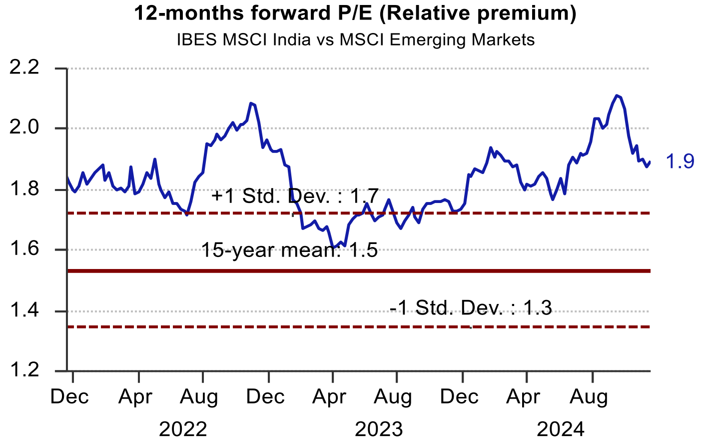
Figure 215: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B as well, India's valuation premium to MSCI EM has fallen from 152% to 130% currently.



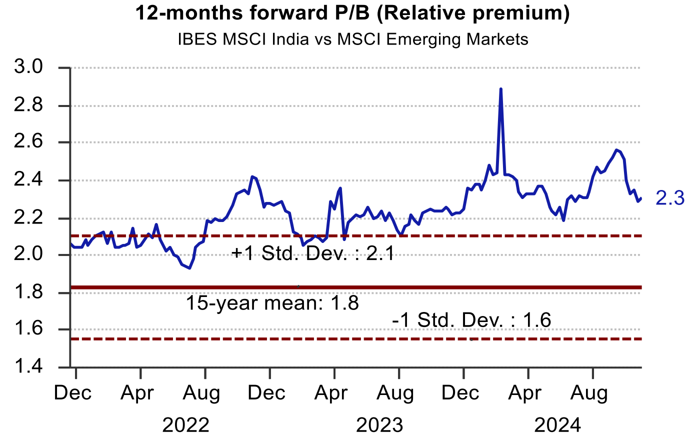
Source: LSEG Workspace, NSE EPR

Figure 216: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)



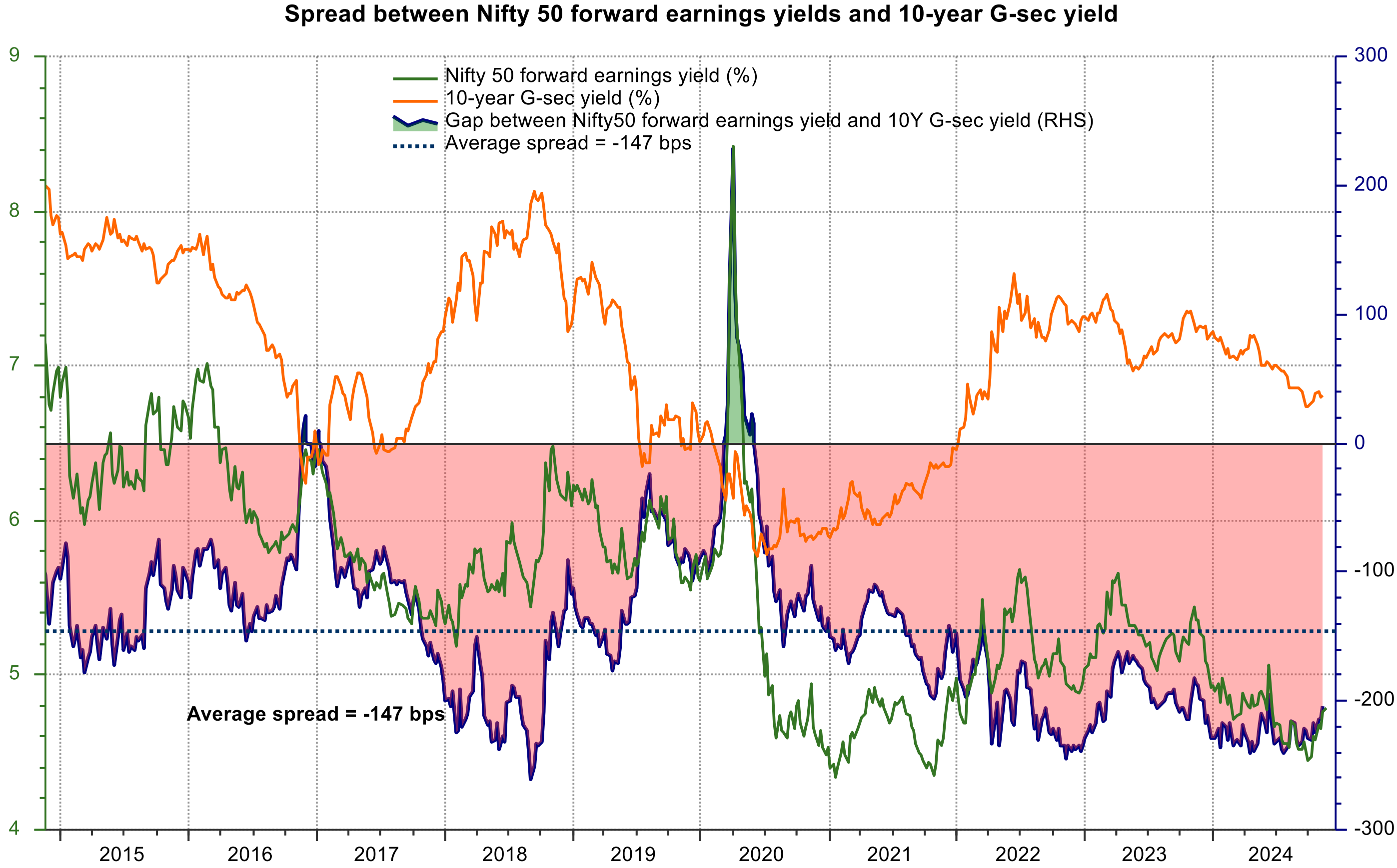
Source: LSEG Workspace, NSE EPR

Figure 217: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR

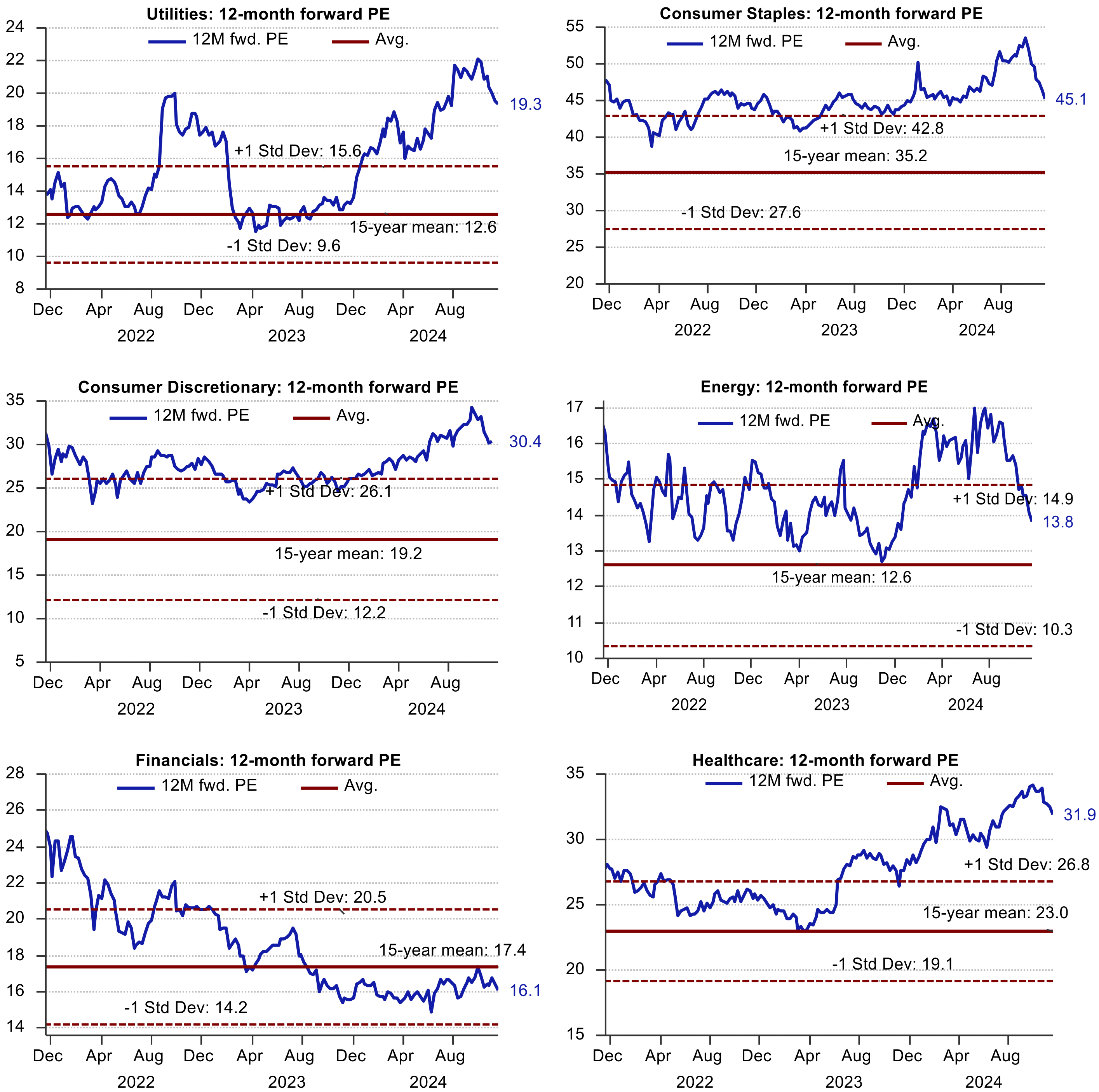
Figure 218: Nifty 50 forward earnings yield* vs. 10-year G-sec yield

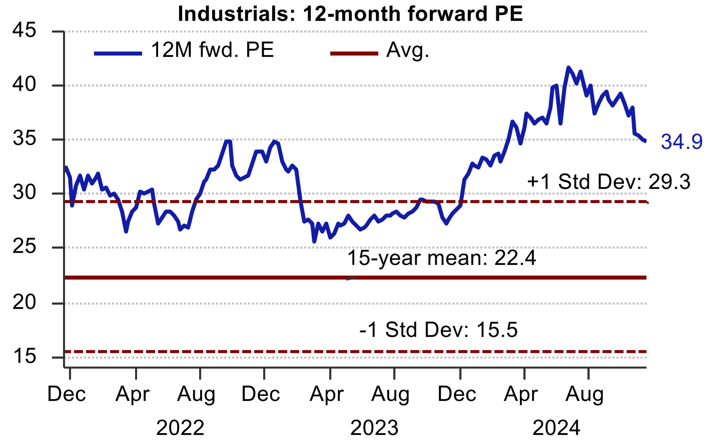


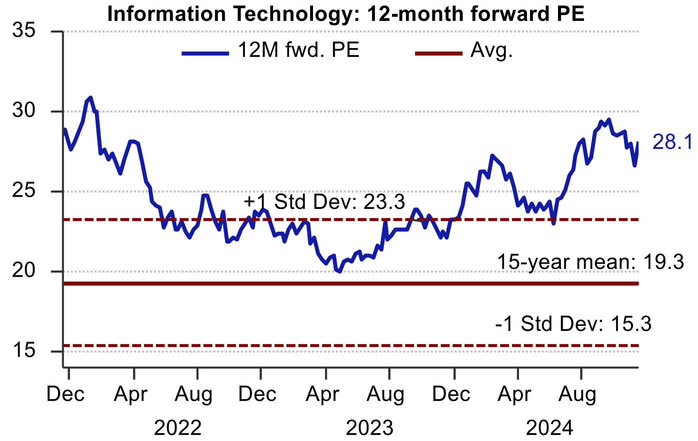
Source: LSEG Workspace, NSE EPR. * Forward earnings yield for Nifty 50 is calculated as (1/12-month forward PE).

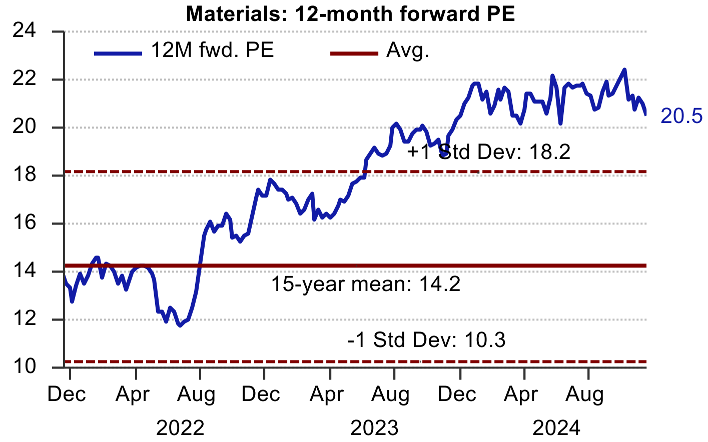
Valuation correction was broad-based across sectors: We have also looked at long-term trends of 12-month forward P/E and P/B multiples across MSCI India sector indices. All sectors saw their forward multiples falling in the month-and-a-half, led by Energy and Consumer Staples. Financials, however, saw the forward multiples correcting only marginally as the sector continues to trade below the long-term multiple, providing limited room for further downside. Notwithstanding the recent correction, valuations of most sectors, barring Financials and Energy, continue to remain at levels well above their respective long-term average multiples.

Figure 219: 12-month forward P/E for MSCI India sector indices (Three-year trend)



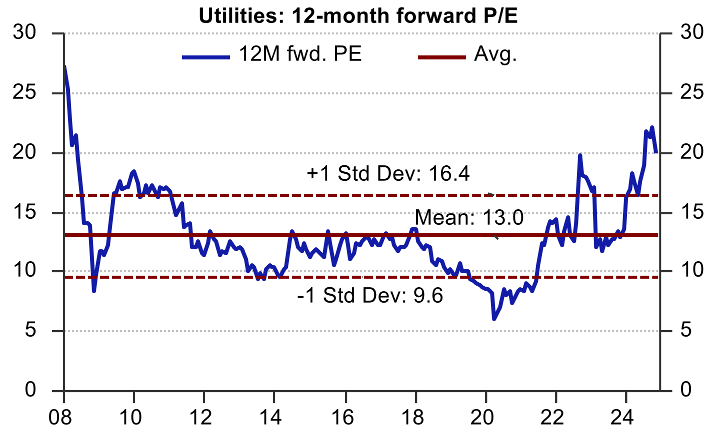


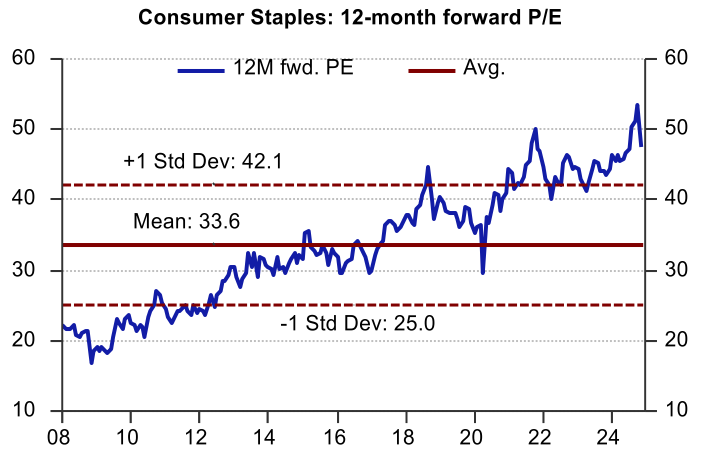


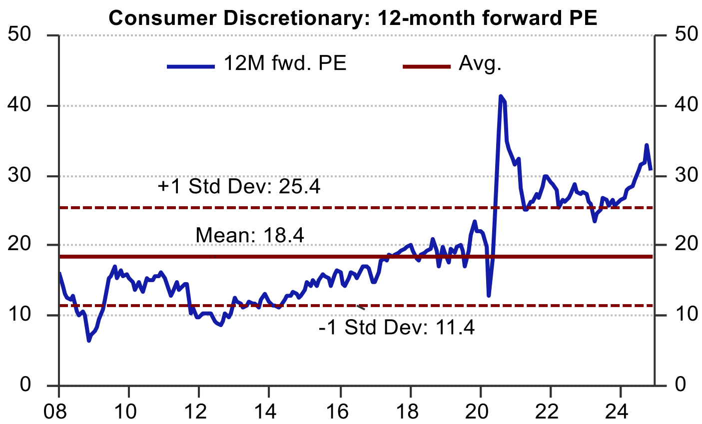


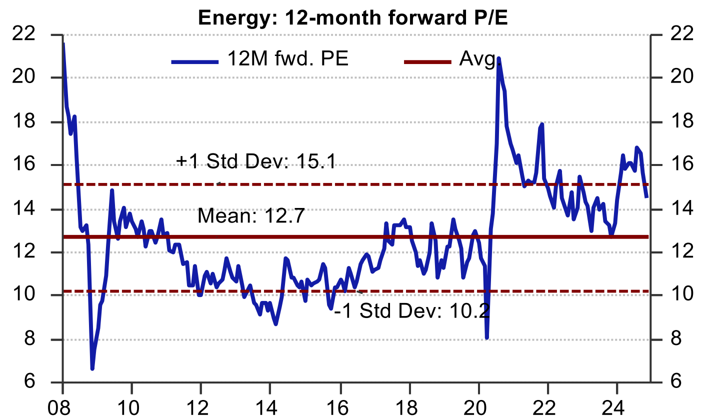
Source: LSEG Workspace, NSE EPR.

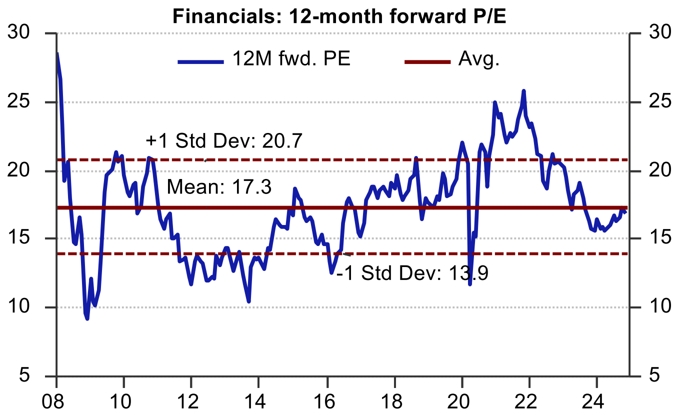
Figure 220: 12-month forward P/E for MSCI India sector indices (Long-term trend)

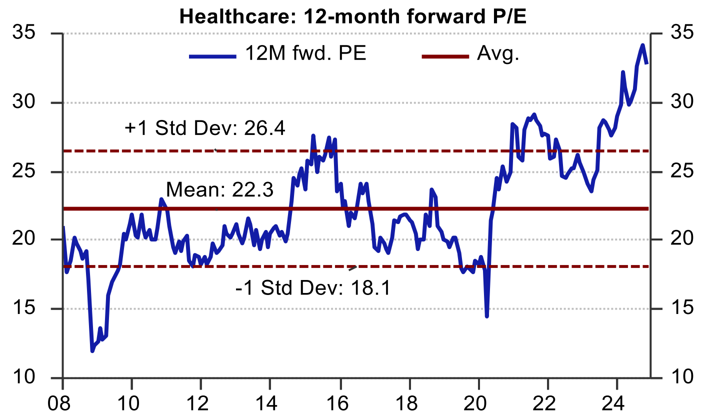


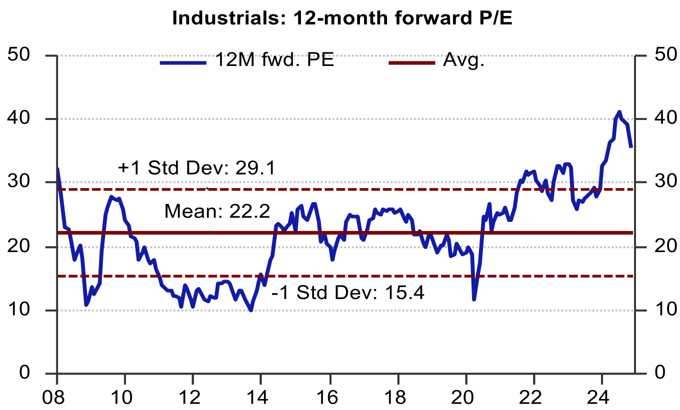


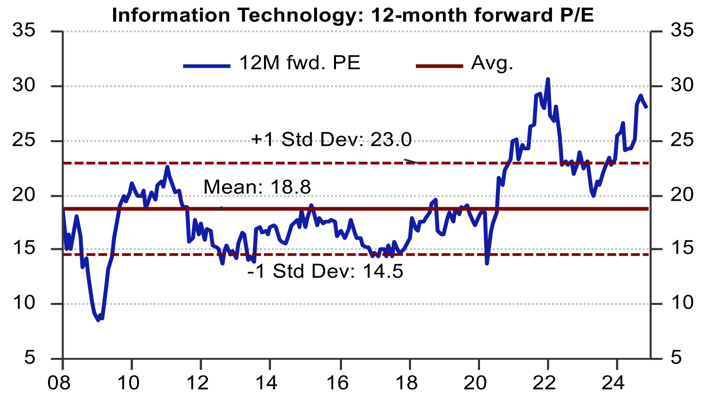


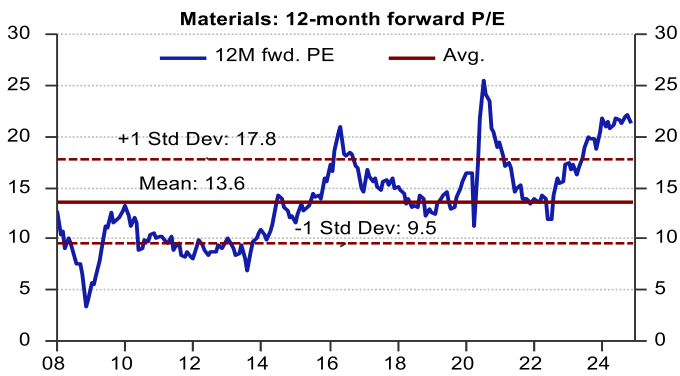






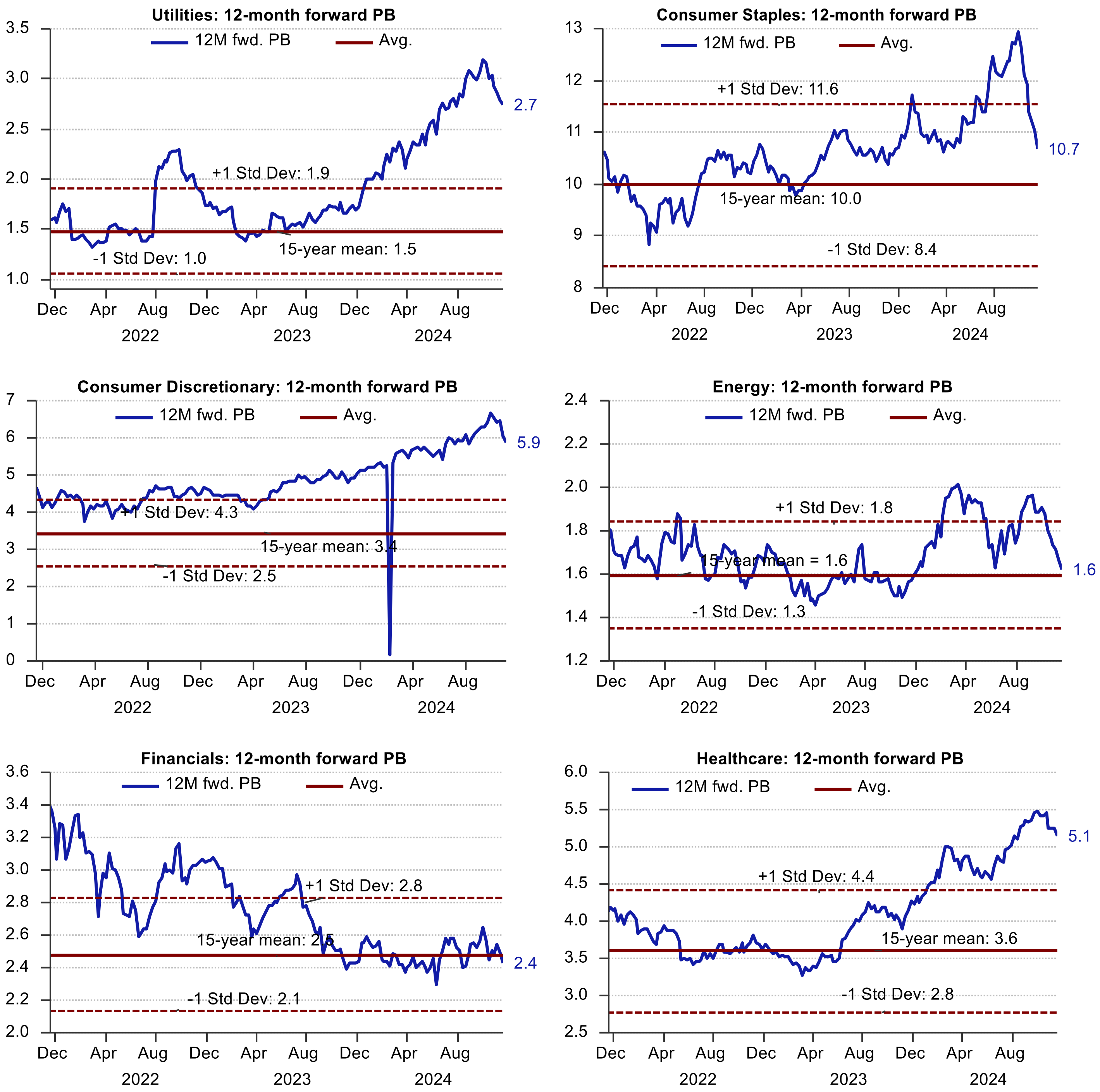


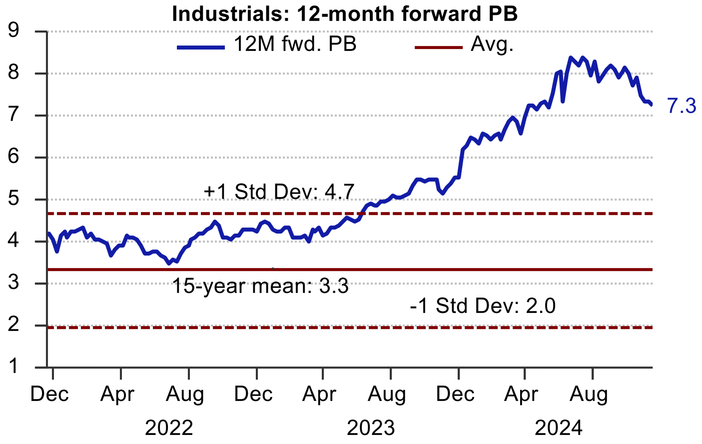


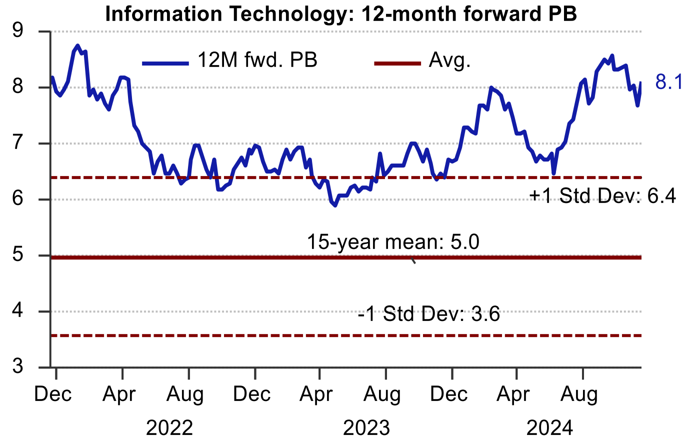


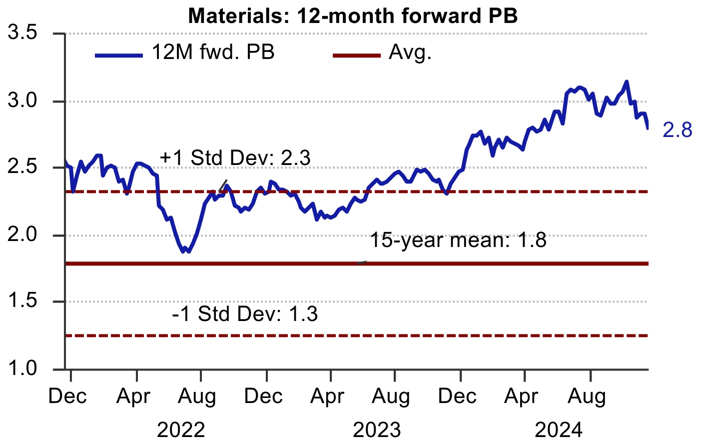
Source: LSEG Workspace, NSE EPR

Figure 221: 12-month forward P/B for MSCI India sector indices (Three-year trend)



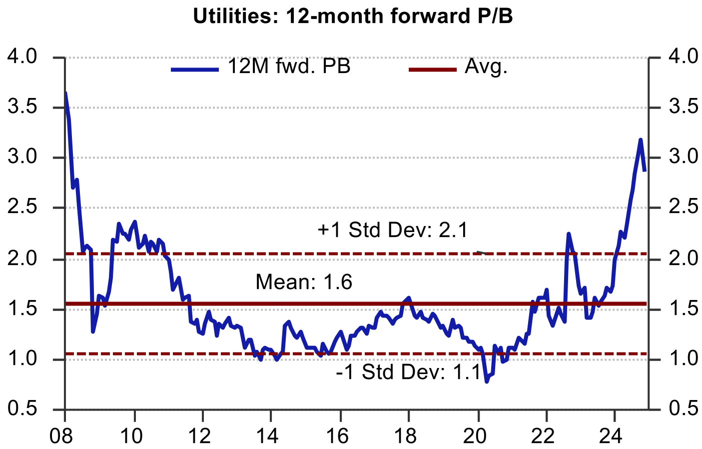


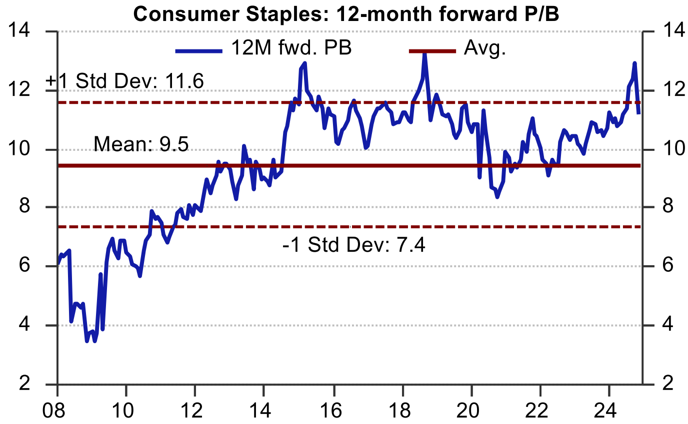


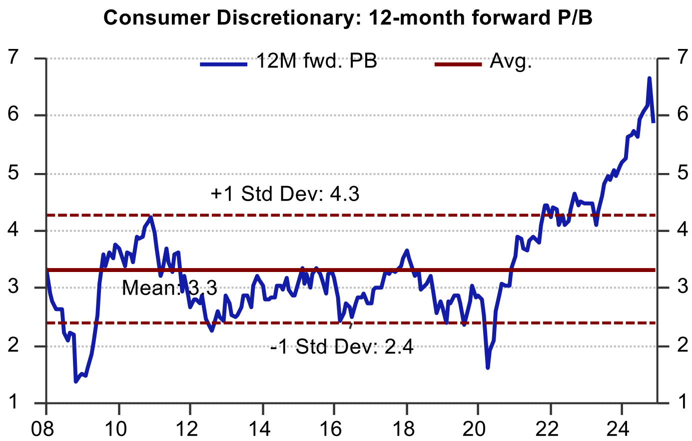


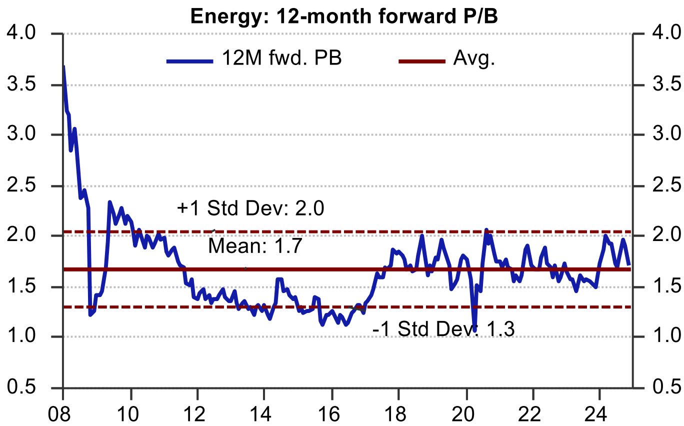
Source: LSEG Workspace, NSE EPR.

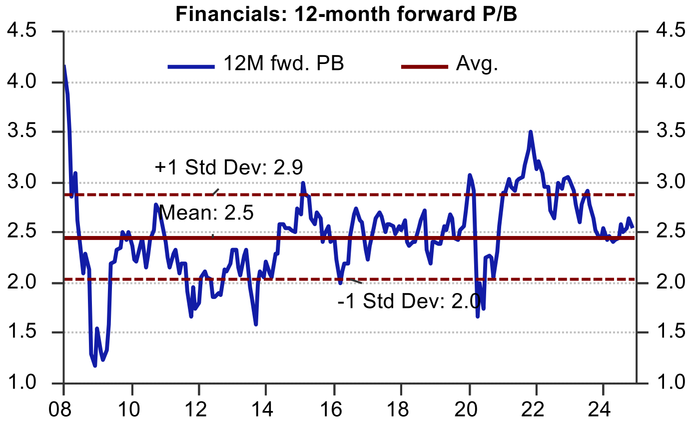
Figure 222: 12-month forward P/B for MSCI India sector indices (Long-term trend)

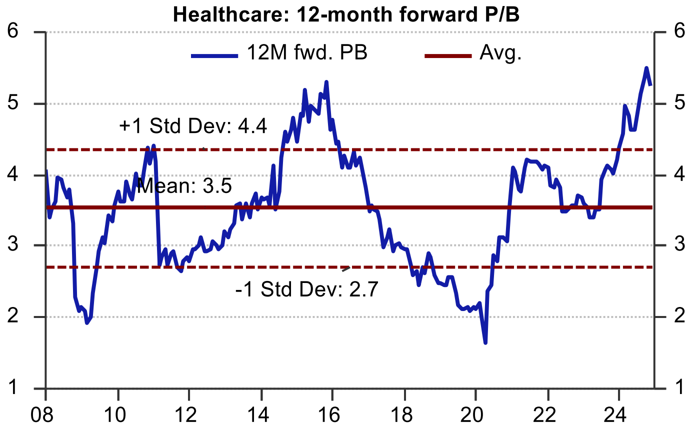


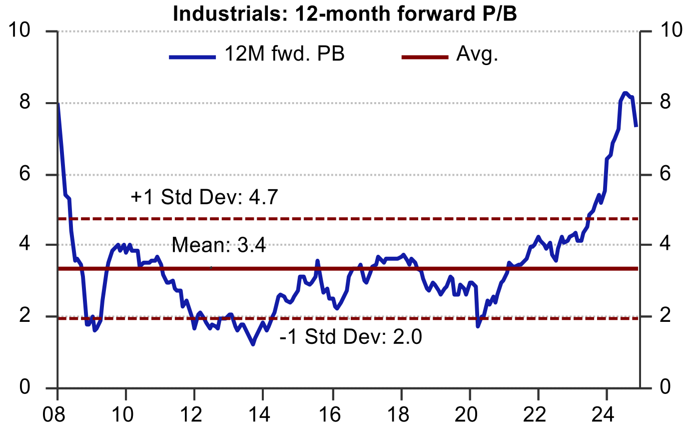


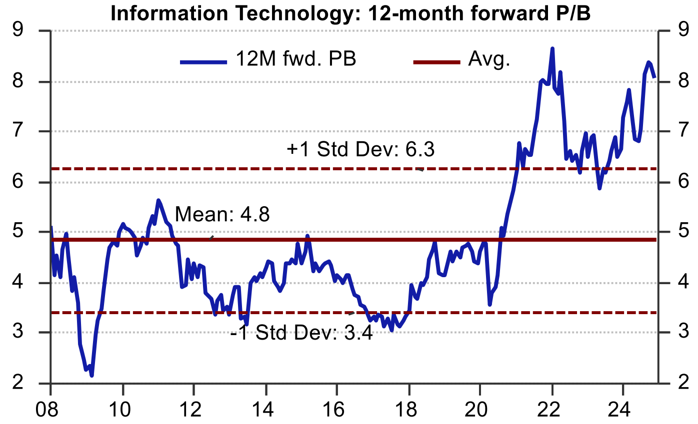


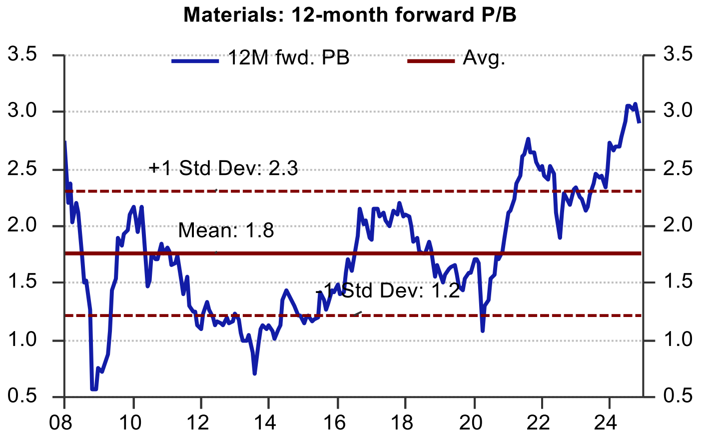












Source: LSEG Workspace, NSE EPR.

Fixed income market performance

Table 53: Performance of key debt indices (As of October 31st, 2024)

Category	Index name	Absolute returns (%)					CAGR returns (%)		
		1M	3M	6M	1Y	YTD	2Y	3Y	5Y
G-sec	Nifty 5yr Benchmark G-sec Index	0.1	2.0	5.2	9.5	7.1	8.4	6.0	6.6
	Nifty 10 yr Benchmark G-Sec	(0.1)	2.2	6.0	10.5	7.9	9.1	5.6	5.3
	Nifty Composite G-sec Index	(0.1)	2.4	6.0	11.1	8.5	9.3	6.4	6.6
SDL	Nifty 10 Year SDL Index	0.3	2.7	6.0	11.3	9.4	9.6	6.9	7.4
AAA credit	Nifty AAA Ultra Short Duration Bond Index	0.7	1.9	3.9	7.9	6.6	7.7	6.7	6.0
	Nifty AAA Short Duration Bond Index	0.7	2.0	4.1	7.8	6.4	7.3	5.7	6.5
	Nifty AAA Low Duration Bond Index	0.7	1.8	3.7	7.5	6.3	7.4	6.2	6.0
	Nifty AAA Medium Duration Bond Index	0.4	2.0	4.4	8.2	6.8	7.4	5.3	6.8
	Nifty AAA Medium to Long Duration Bond Index	0.3	2.3	4.6	8.9	7.4	7.7	5.4	6.9
	Nifty AAA Long duration Bond Index	0.5	2.8	5.0	10.0	8.5	8.6	5.6	7.0
Composite	Nifty Liquid Index	0.6	1.8	3.6	7.5	6.2	7.3	6.4	5.4
	Nifty Money Market Index	0.6	1.9	3.8	7.8	6.5	7.6	6.5	5.7
	Nifty Ultra Short Duration Debt Index	0.7	2.0	3.9	8.0	6.7	7.9	6.8	6.0
	Nifty Short Duration Debt Index	0.6	1.9	4.1	7.9	6.5	7.5	6.0	6.5
	Nifty Low Duration Debt Index	0.7	1.9	3.8	7.8	6.6	7.7	6.4	6.0
	Nifty Medium Duration Debt Index	0.4	2.0	4.5	8.4	6.8	7.8	5.7	6.9
	Nifty Medium to Long Duration Debt Index	0.2	2.3	5.0	9.5	7.6	8.4	6.0	7.0
	Nifty Long Duration Debt Index	0.1	2.6	6.0	11.5	9.4	9.5	6.7	7.3
	Nifty Composite Debt Index	0.3	2.2	5.0	9.4	7.6	8.3	6.1	7.0
	Nifty Corporate Bond Index	0.6	2.0	4.2	8.0	6.6	7.6	6.0	6.9

Source: NSE Indices, NSE EPR.

Global debt markets experienced a sharp sell-off…: The month gone by saw significant selloffs across global fixed income markets as changing economic conditions and geopolitical developments influenced investor sentiment. In the US, stronger-than-expected non-farm payroll data for September tempered expectations for further Fed rate cuts, driving a notable rise in yields, particularly across medium to long-term maturities. The anticipation of a potential Trump victory in the US presidential elections further added to upward pressure on yields. Consequently, the US 10-year sovereign yield hardened by 49bps in October, and further by 62bps in November thus far (As of November 20th) to 4.4%, reversing the gains seen in the previous few months. In Europe, the European Central Bank's 25bps rate cut mid-month led to a commensurate decline in short-term yields. However, inflation exceeding expectations in October caused long-term yields to rise, reflecting growing concerns over sustained price pressures. The 10-year sovereign yield in the EU rose by a total of 47bps from October beginning to 2.3% as of November 20th. In the UK, the Labour government's budget announcement, including plans for significant fiscal expansion, triggered a 90bps rise in 10-year gilt yields since October beginning and weaking of pound. Meanwhile, Japan remained relatively insulated, with bond yields showing little movement as the Bank of Japan maintained its current monetary policy, ensuring stability amid heightened global market volatility.

…with Indian yields also rising amidst global and domestic pressures: Indian bond yields rose in October, mirroring trends in global debt markets, weighed down by an expected pull-back by the US Fed on the ongoing easing cycle and rising domestic inflation. That said, the losses were contained by an expected decline in global crude oil prices in the Trump regime. Consequently, the 10-year G-sec yield rose by 9bps in

October, and 6bps in November thus far, translating into a decline of 37bps in the year thus far to 6.8% as of November 20th. The shift in the RBI's MPC's stance from 'withdrawal of accommodation; to 'neutral' initially boosted sentiment, but subsequent comments by the Governor tempered rate cut expectation in the near-term. Shorter tenors experienced modest increases, with the 3-month yield rising by 8bps, the 6-month by 3bps, and the 1-year remaining unchanged, supported by ample liquidity conditions. In comparison, intermediate and longer tenors, including the 5-year (+11bps) and 30-year (+8bps), exhibited sharper movements, reflecting the impact of evolving global and domestic factors. A key positive development was India's inclusion in the FTSE Emerging Markets Government Bond Index, set to begin in September 2025. This move is expected to attract global investments, enhancing demand for Indian bonds.

Figure 223: India 10Y G-sec yield—long-term trend

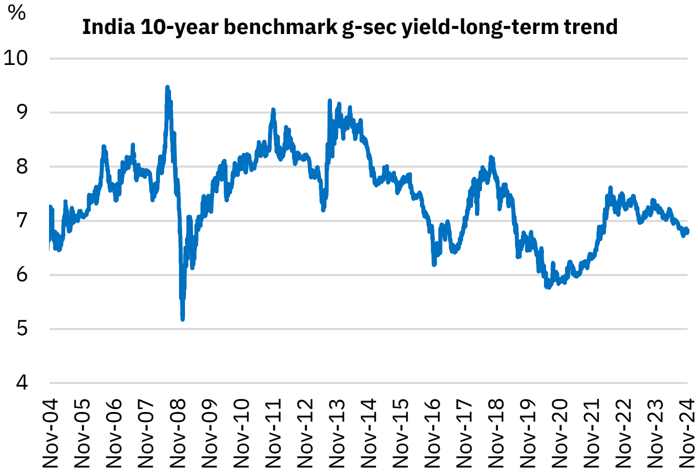
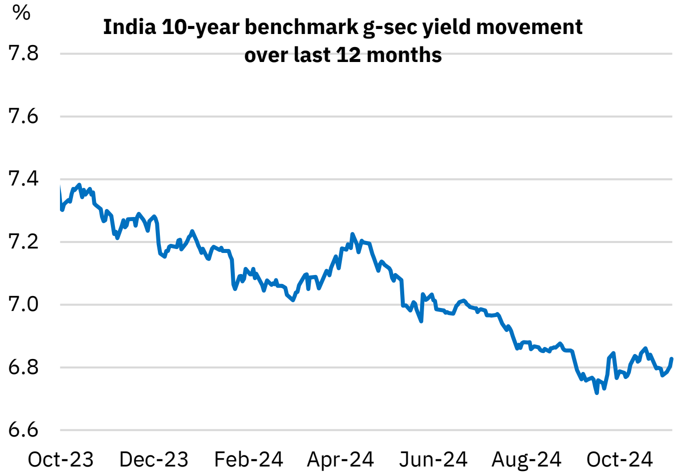
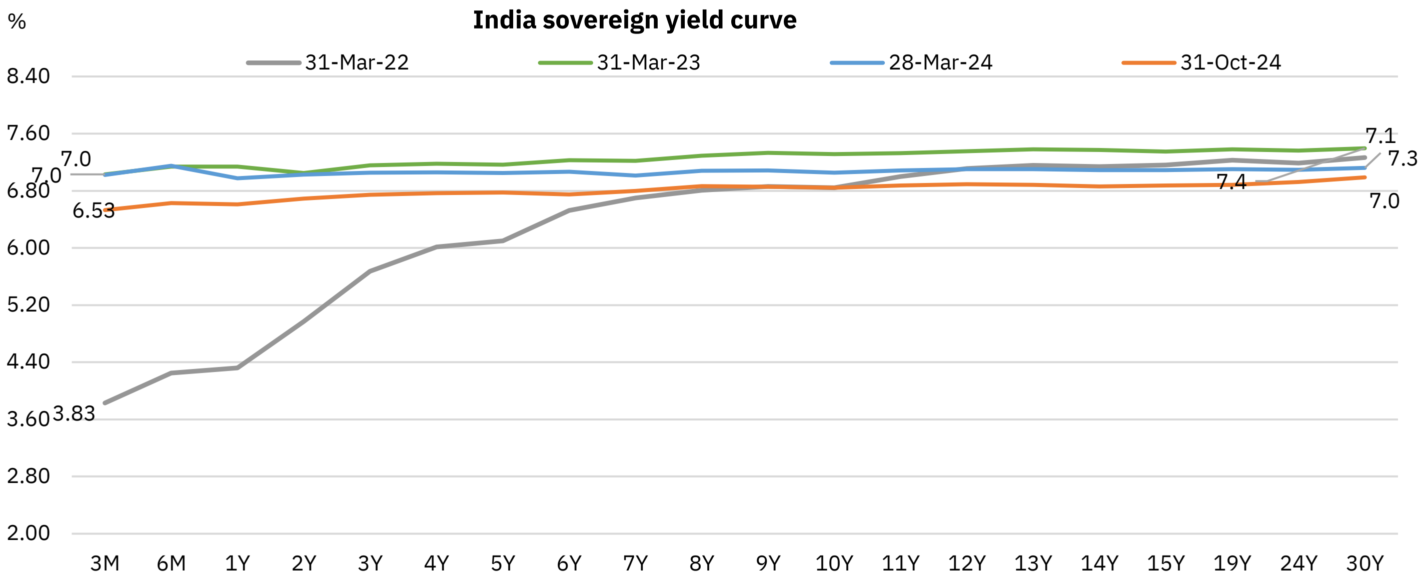


Figure 224: India 10Y G-sec yield—last one-year trend



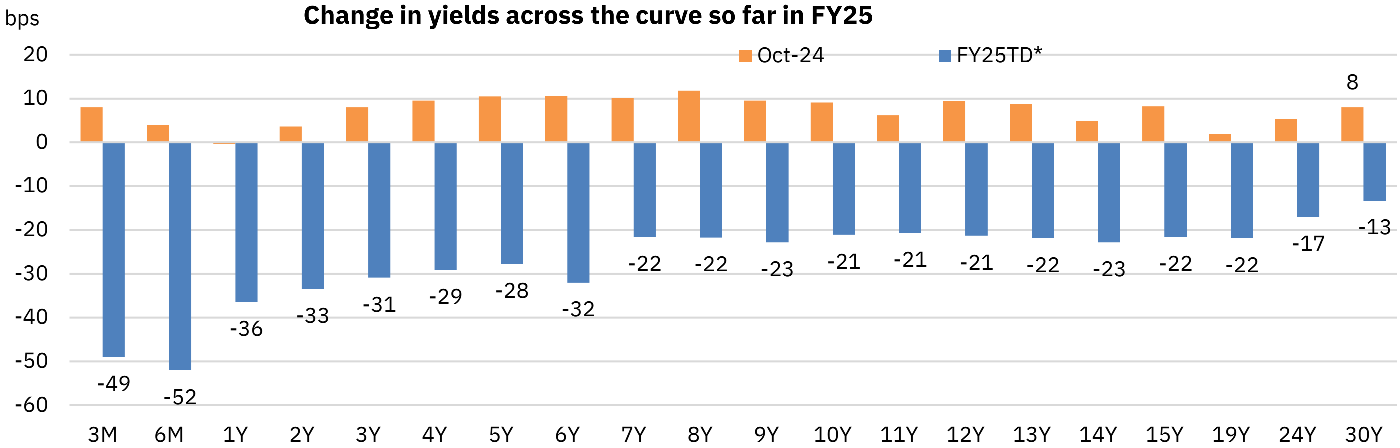
Source: Cogencis, NSE EPR

Figure 225: India sovereign yield curve



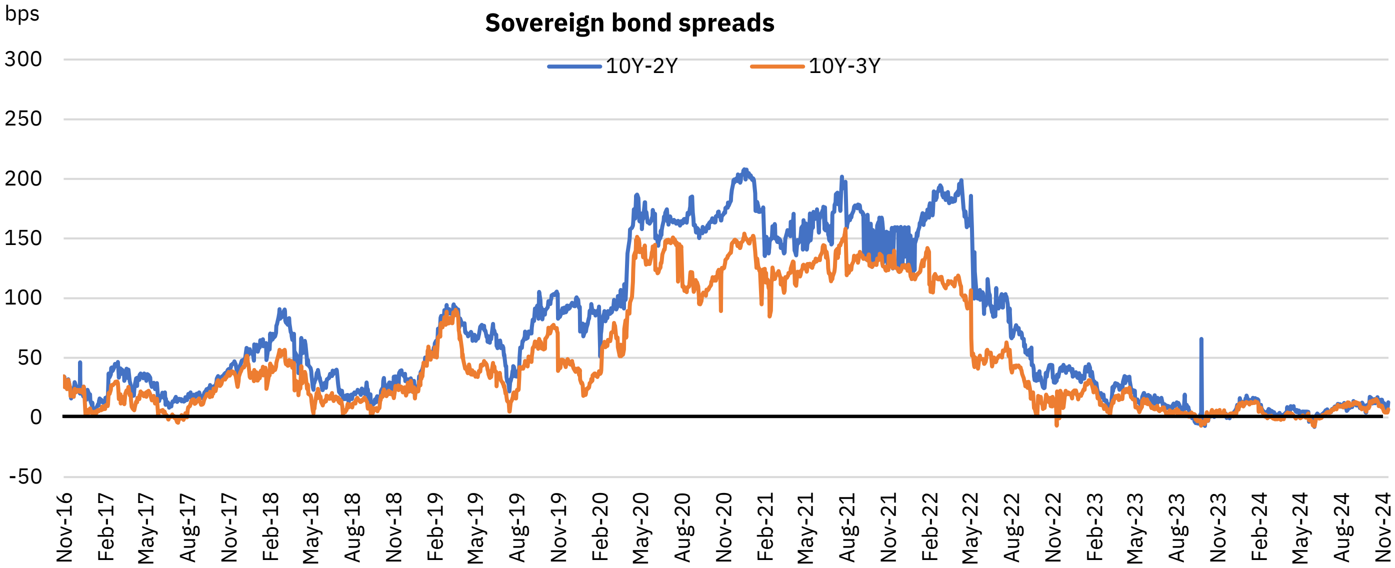
Source: Cogencis, NSE EPR

Figure 226: **Change in sovereign yields across the curve**



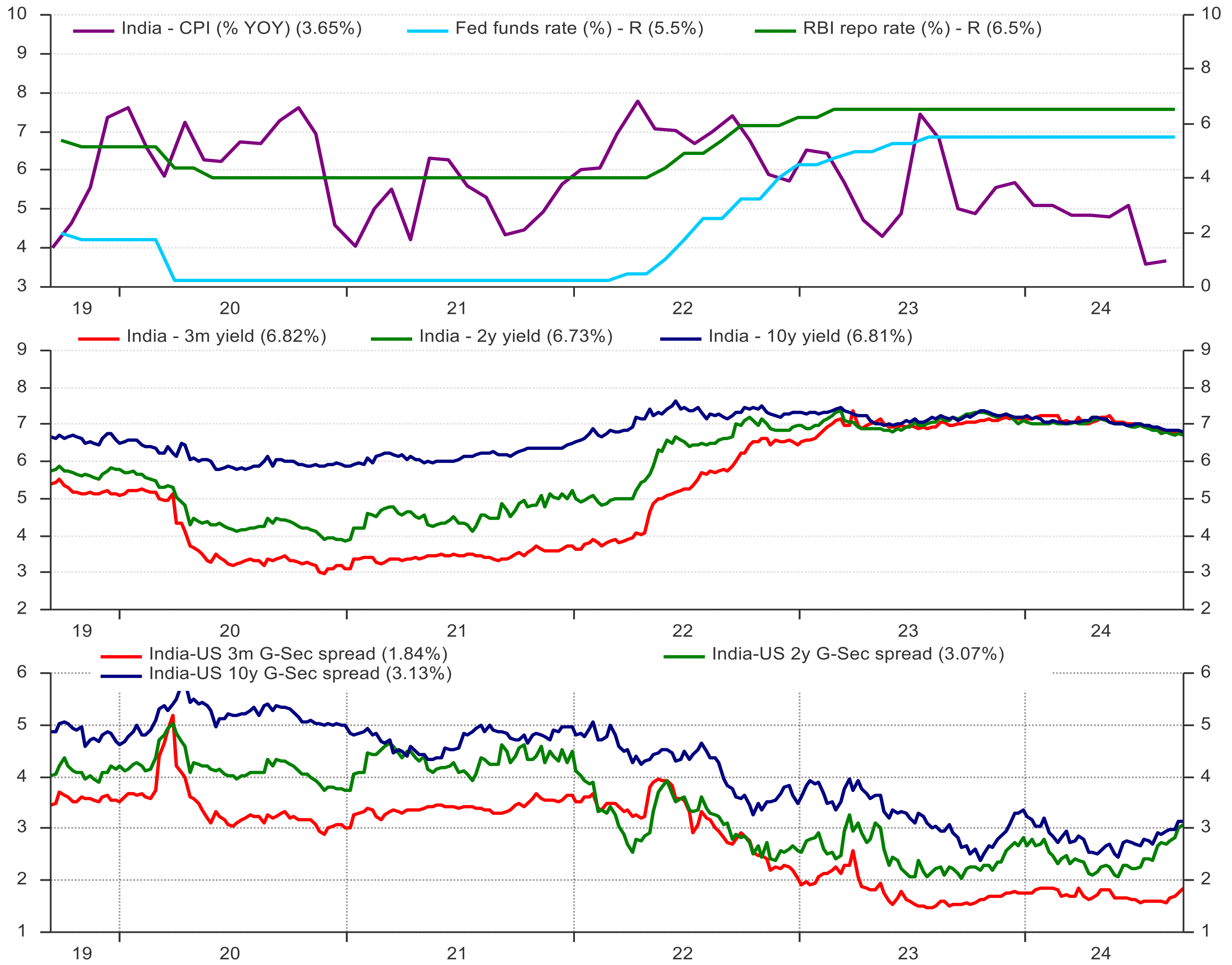
Source: Cogencis, NSE EPR. * As of October 31st, 2024.

Figure 227: **India sovereign bonds term premia**



Source: Cogencis, NSE EPR.

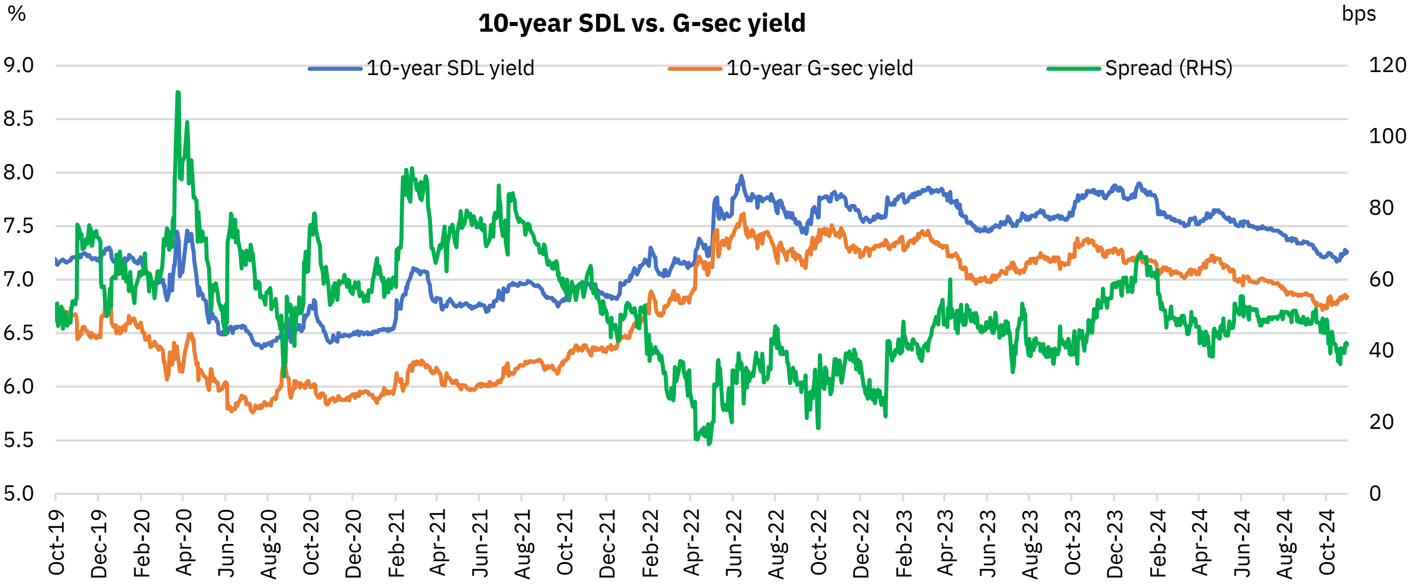
Figure 228: **Inflation, yields and spreads in India vs. US**



Source: LSEG Datastream, NSE EPR.

SDL Spreads Narrow Amid Rising Yields: In October, yields on 10-year SDLs rose by a modest 4bps to 7.26%, while 10-year G-sec yields increased by 11bps to 6.84%. This led to narrowing of the SDL-G-sec spread from 49bps at the start of the month to 42bps by its end, indicating tightening of spreads despite the upward movement in yields. Issuance activity likely played a role in yield movements. The Centre increased its borrowing to Rs 1.33 lakh crore in October (from Rs 1.12 lakh crore in September), which may have contributed to the upward pressure on G-sec yields, among other macro-led and global factors. Conversely, state borrowings fell to Rs 64.9k crore in October, down from Rs 82.2k crore in September, potentially moderating the rise in SDL yields. For FY25TD, total Centre borrowings stood at Rs 8.72 lakh crore, 13.7% lower than the same period last year reflecting a shortfall in spending, whereas state borrowings reached Rs 4.7 lakh crore, marking a 4.4% YoY rise due to increased funding requirements.

Figure 229: **Spreads between 10-year SDL and G-sec yields**

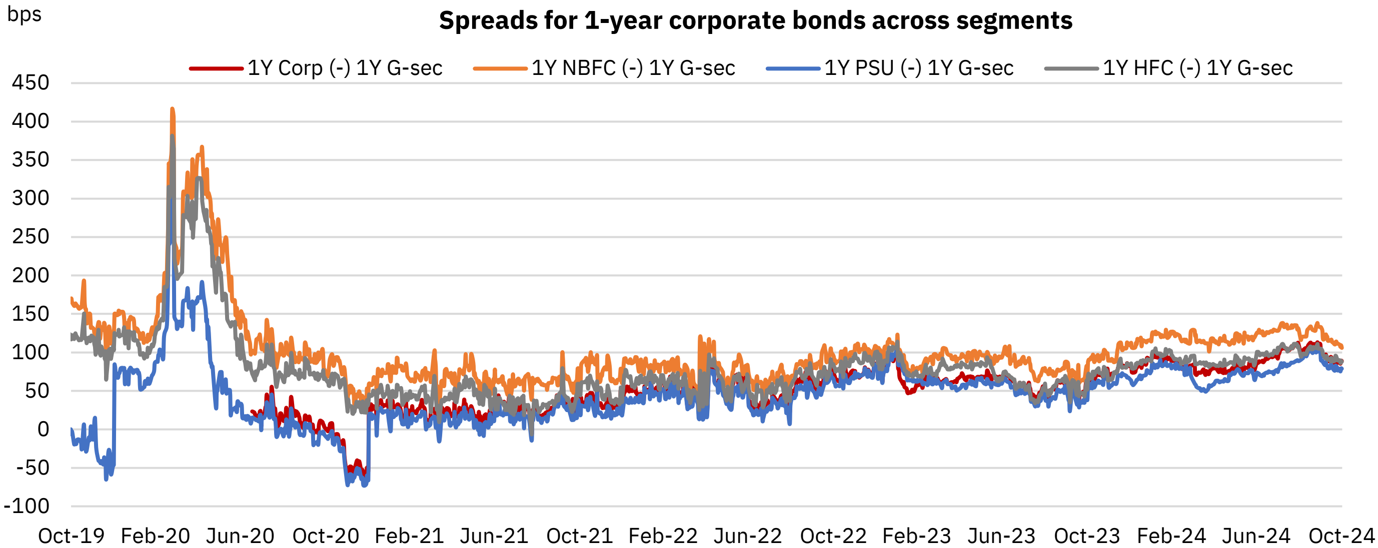


Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Corporate bond market performance

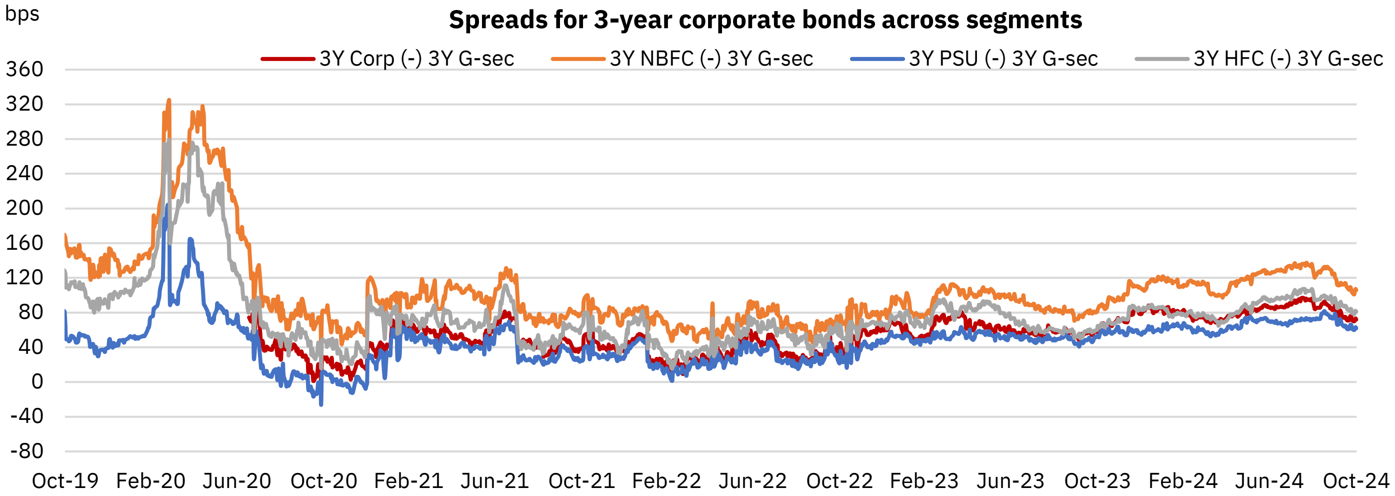
In contrast to the broad rise in sovereign yields, corporate bond yields exhibited a mixed trend in October, with yields rising for longer maturities while easing for shorter maturities, reversing the trend seen in recent months. The gap between 10-year and 1-year AAA corporate bonds narrowed during the month, although the yield curve remains inverted. Credit spreads widened more prominently at the shorter end, reflecting the sharper movement in shorter-tenor yields, while longer-tenor spreads remained relatively stable.

Figure 230: Spreads for one-year AAA-rated corporate bonds across segments



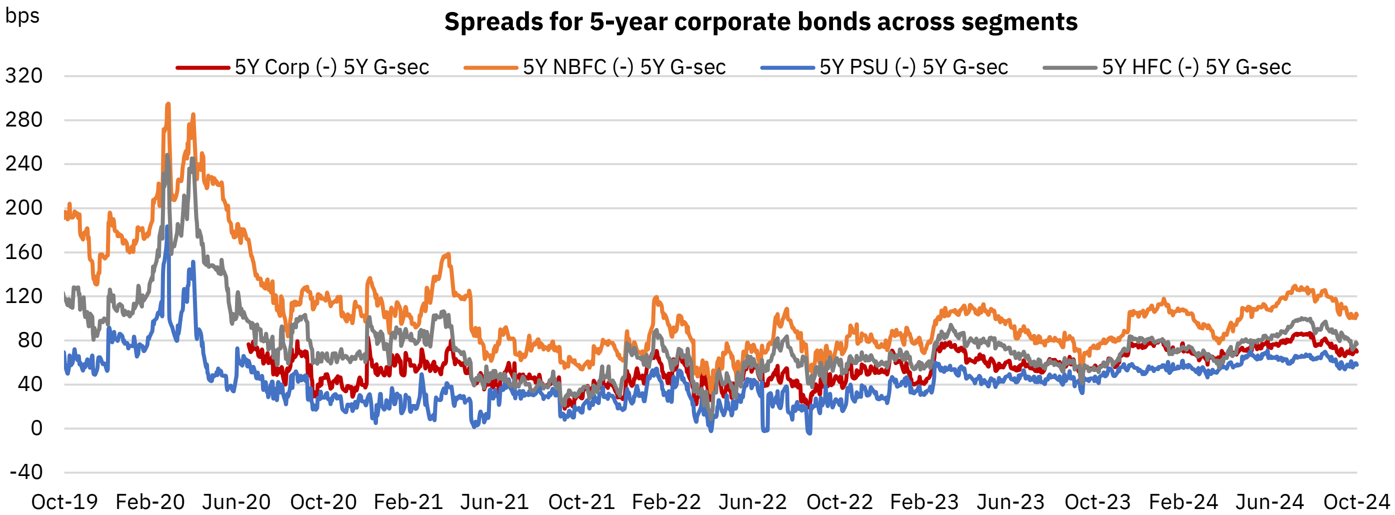
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Figure 231: Spreads for three-year AAA-rated corporate bonds across segments



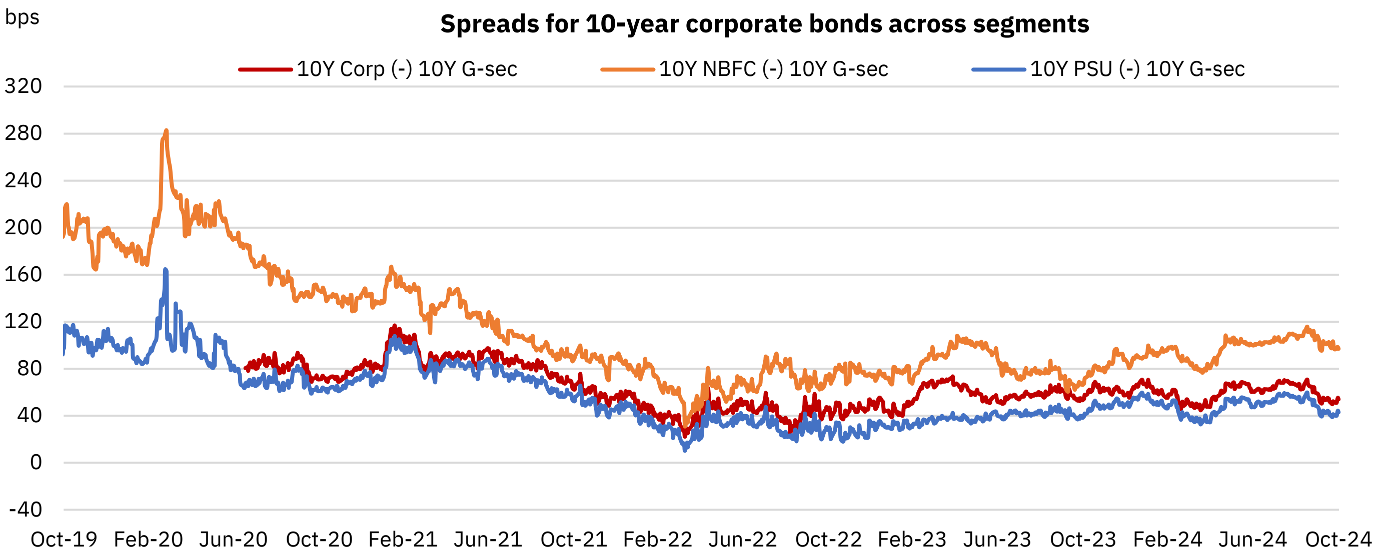
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Figure 232: Spreads for five-year AAA-rated corporate bonds across segments



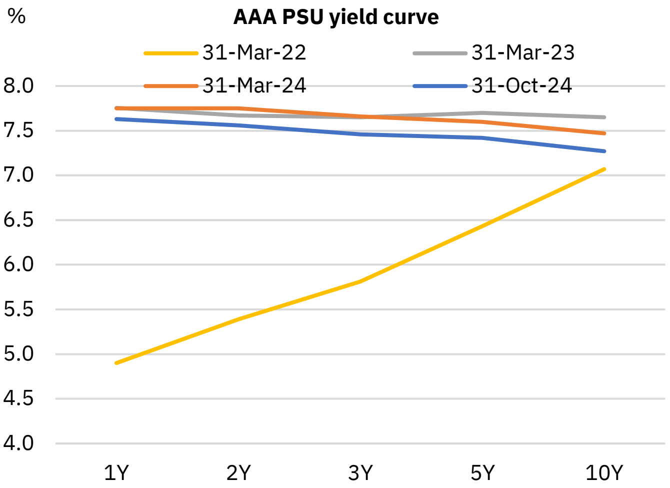
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Figure 233: Spreads for 10-year AAA-rated corporate bonds across segments



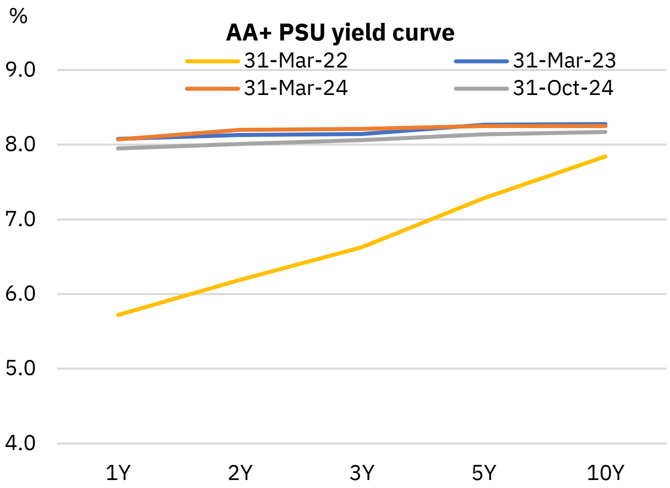
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 234: AAA-rated corporate bond yield curve



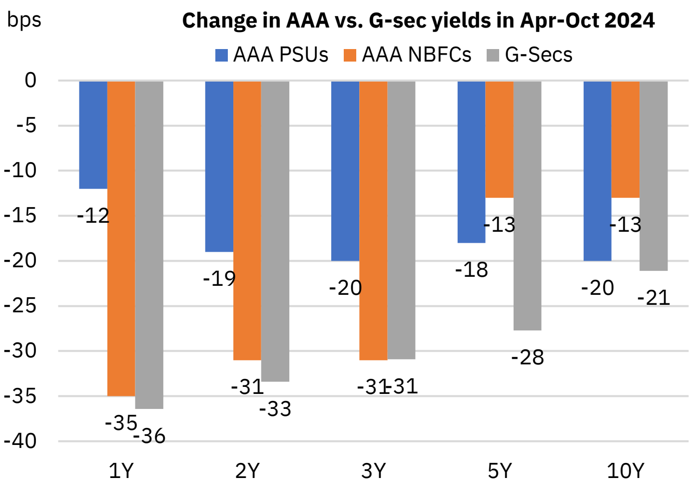
Source: NSE Data and Analytics (NDAL)

Figure 235: AA+ rated corporate bond yield curve



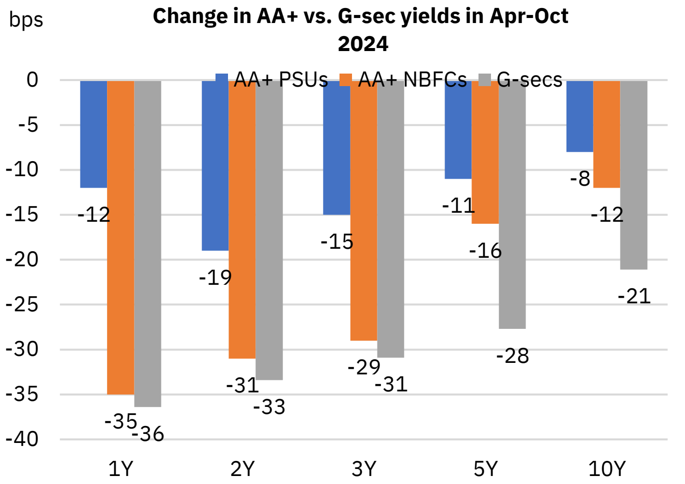
Source: NSE Data and Analytics (NDAL)

Figure 236: Change in AAA corporate bond and G-sec yields in FY25 till date



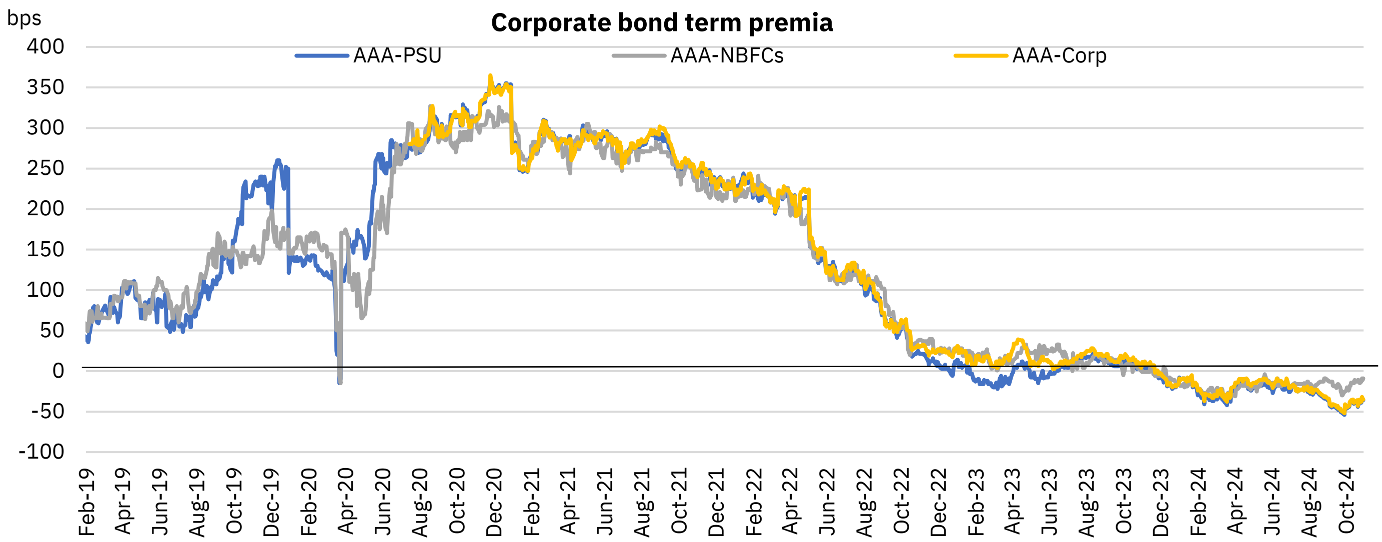
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 237: Change in AA+ corporate bond and G-sec bond yields in FY25 till date



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

Figure 238: Corporate bond term premia between 10-year and 1-year yields



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

Commodity market performance

October saw a mixed performance in the commodity market: The S&P GSCI Index rose by 0.2% in October 2024, reflecting a modest improvement in the overall commodity market after a lackluster performance in the previous months. However, the performance was mixed, with certain sectors like energy and precious metals contributing positively, while industrial metals and agricultural commodities faced notable headwinds.

- **Energy Sector**: The energy sector remained the key driver for this positive monthly performance. Brent Crude Oil saw a 1.7% MoM increase despite some volatility in global markets, attributed to a variety of factors, including extension of production cuts by OPEC+ and geopolitical tensions.

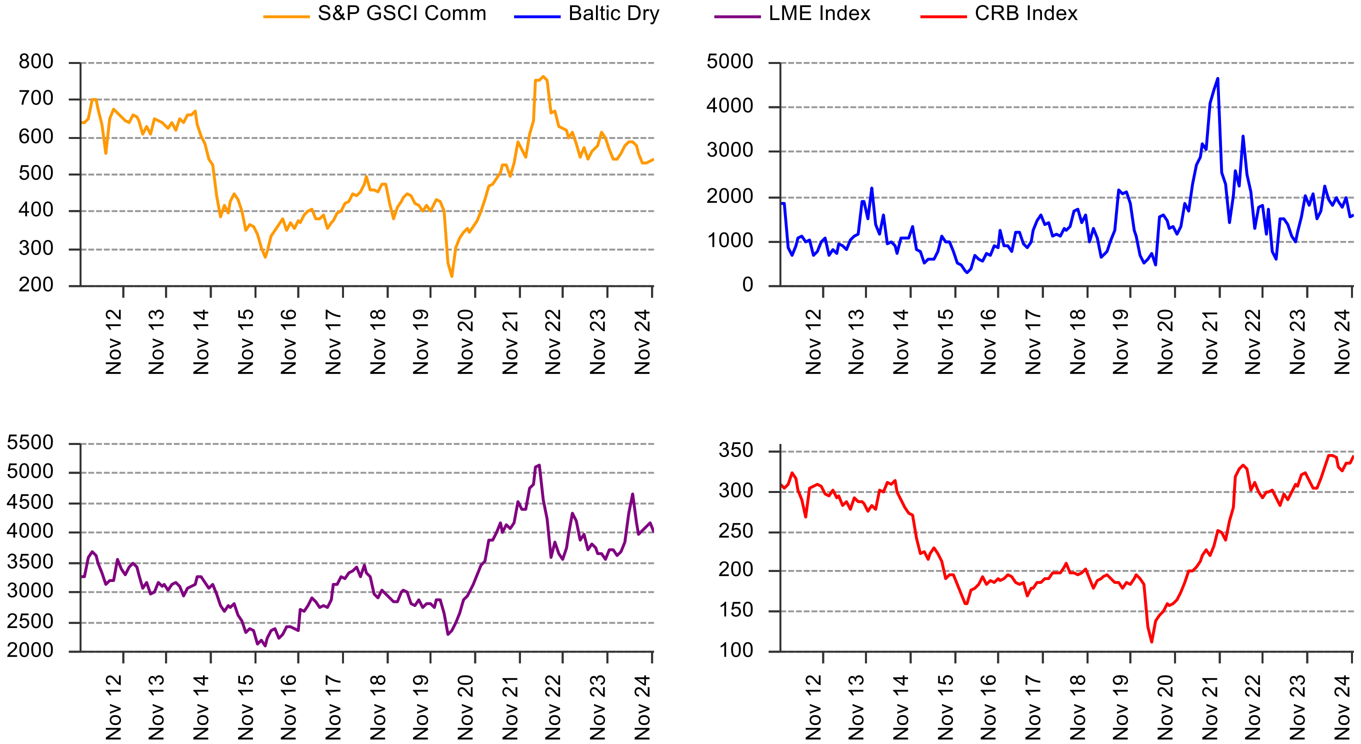
- **Precious Metals:** The performance of precious metals was noteworthy in October. Gold and Silver posted 4.1% MoM and 4.8% MoM gains respectively. The uptick in these metals pointed to an increase in investor demand for safe-haven assets. Further, among the precious metals, Palladium saw the most significant price rise (+12.7% MoM), while Platinum posted a marginal gain of 1.0% MoM.

- **Industrial Metals:** Contrary to the performance of precious metals, industrial metals faced headwinds in October, wherein most of the metals posted negative returns. Copper fell by 3.3% MoM, reflecting a fall in demand in China, which is a major consumer of copper. Nickel experienced a notable decline of 10.5% MoM. Lead and Zinc posted lesser declines of 3.5% MoM and 0.8% MoM, respectively. Tin, which is widely used in electronics, soldering, and alloys, fell by 7.4% MoM in October. The key factors for tin's underperformance could include a weakened demand from the electronics sector, which represents just over half of total global usage. Iron ore, which is a primary component in the production of steel, dropped by 7.1% MoM, signaling a slowdown in China's steel consumption. Aluminum fared better than the rest of the industrial metals, as it registered a marginal decline of 0.7% MoM. This negative trend in base metals likely reflects broader concerns about global industrial activity and manufacturing slowdowns.

- **Agricultural Sector:** Except for Wheat (+4.9% MoM), agricultural commodities had a lackluster performance in the month gone by. Soyabeans (-6% MoM), Raw Sugar (-3.5% MoM), Corn (-3% MoM) and Cotton (-3% MoM) registered a fall in prices.

Figure 239: Movement in key commodity indices

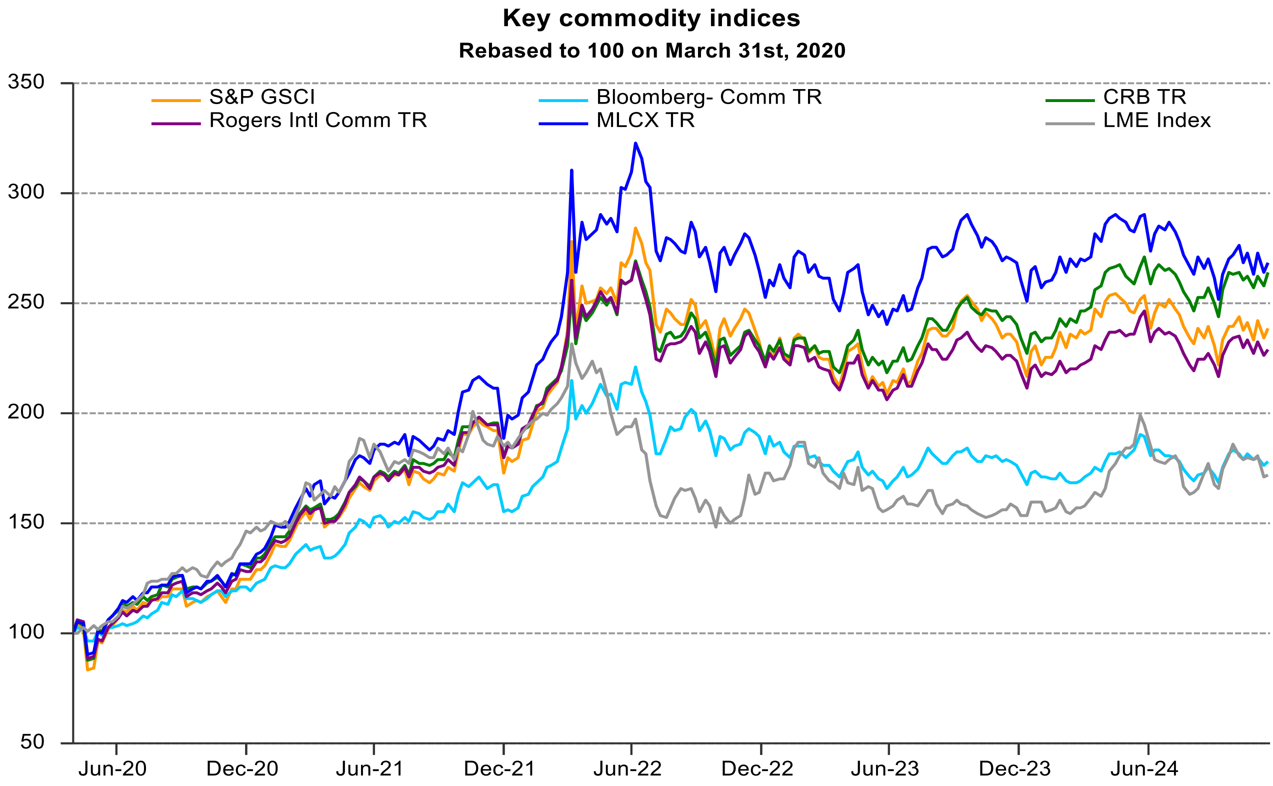
(As on November 21st, 2024)



Source: LSEG Datastream, NSE EPR.

Figure 240: Movement in key commodity indices since 2020

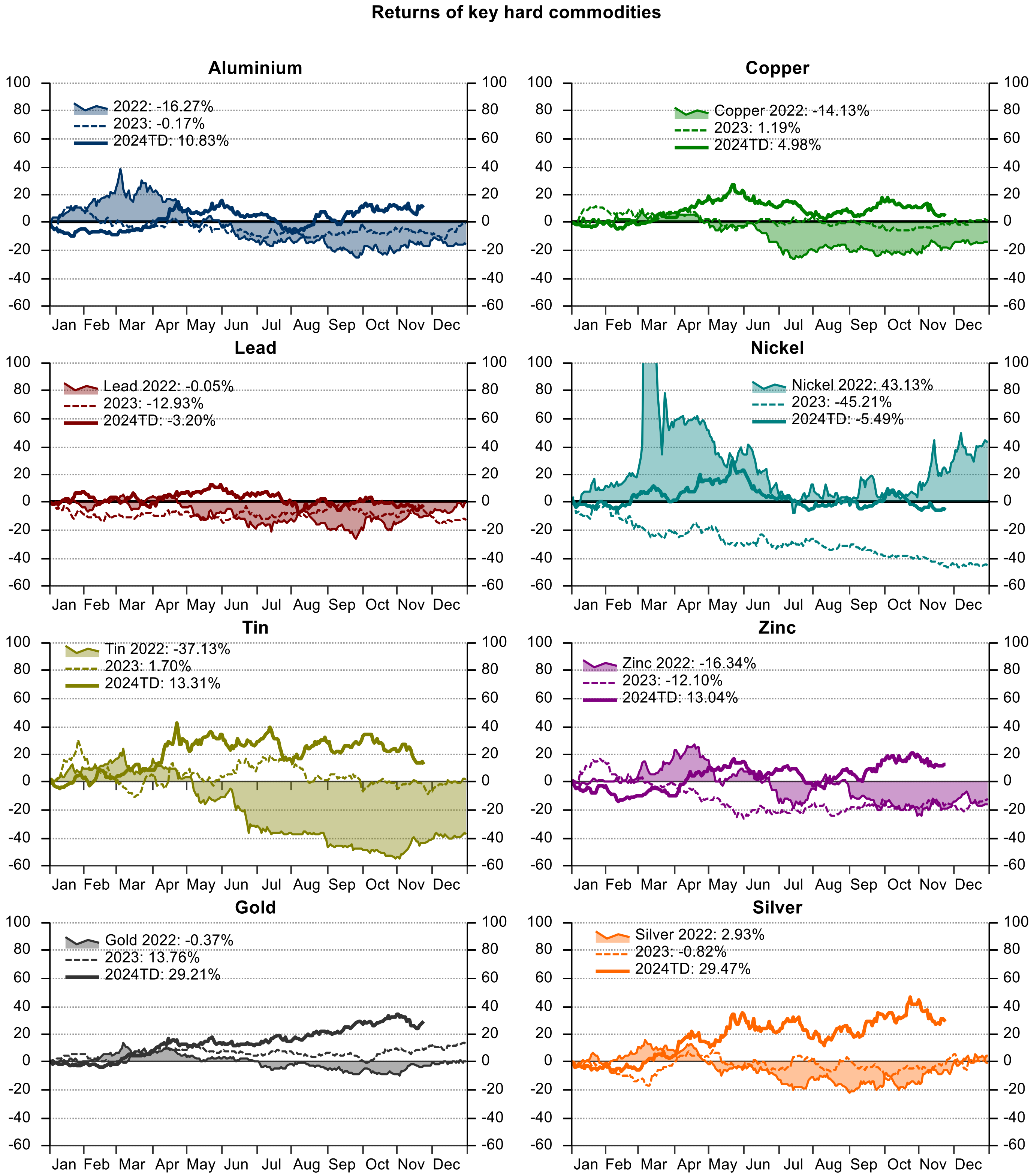
Rebased to 100 on March 31st, 2020 (As of November 21st, 2024)



Source: LSEG Datastream, NSE EPR.

Figure 241: Returns of key hard commodities in 2022, 2023 and 2024 till date

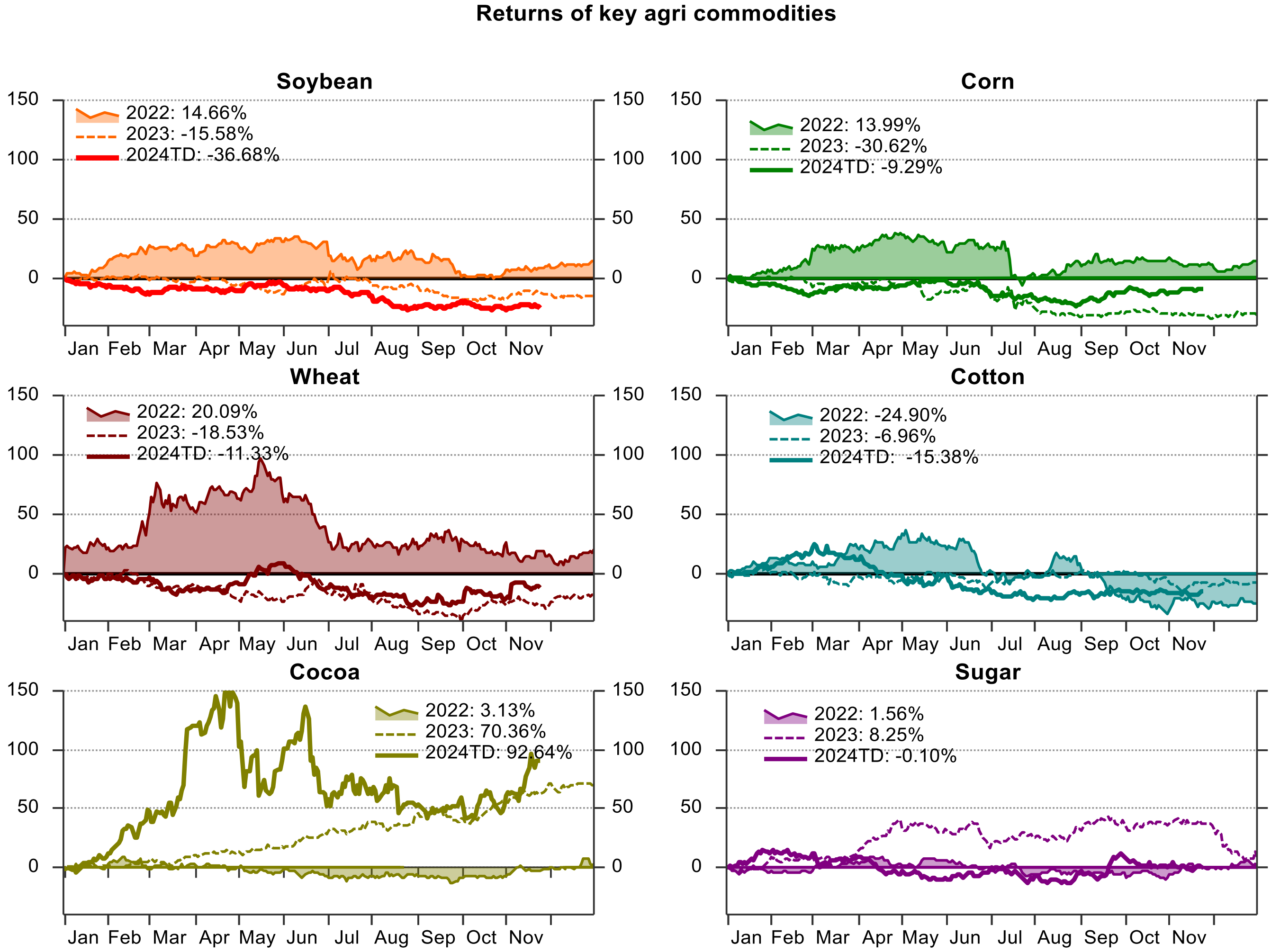
(As of November 21st, 2024)



Source: LSEG Datastream, NSE EPR.

Figure 242: Returns of key agricultural commodities in 2022, 2023 and 2024 till date

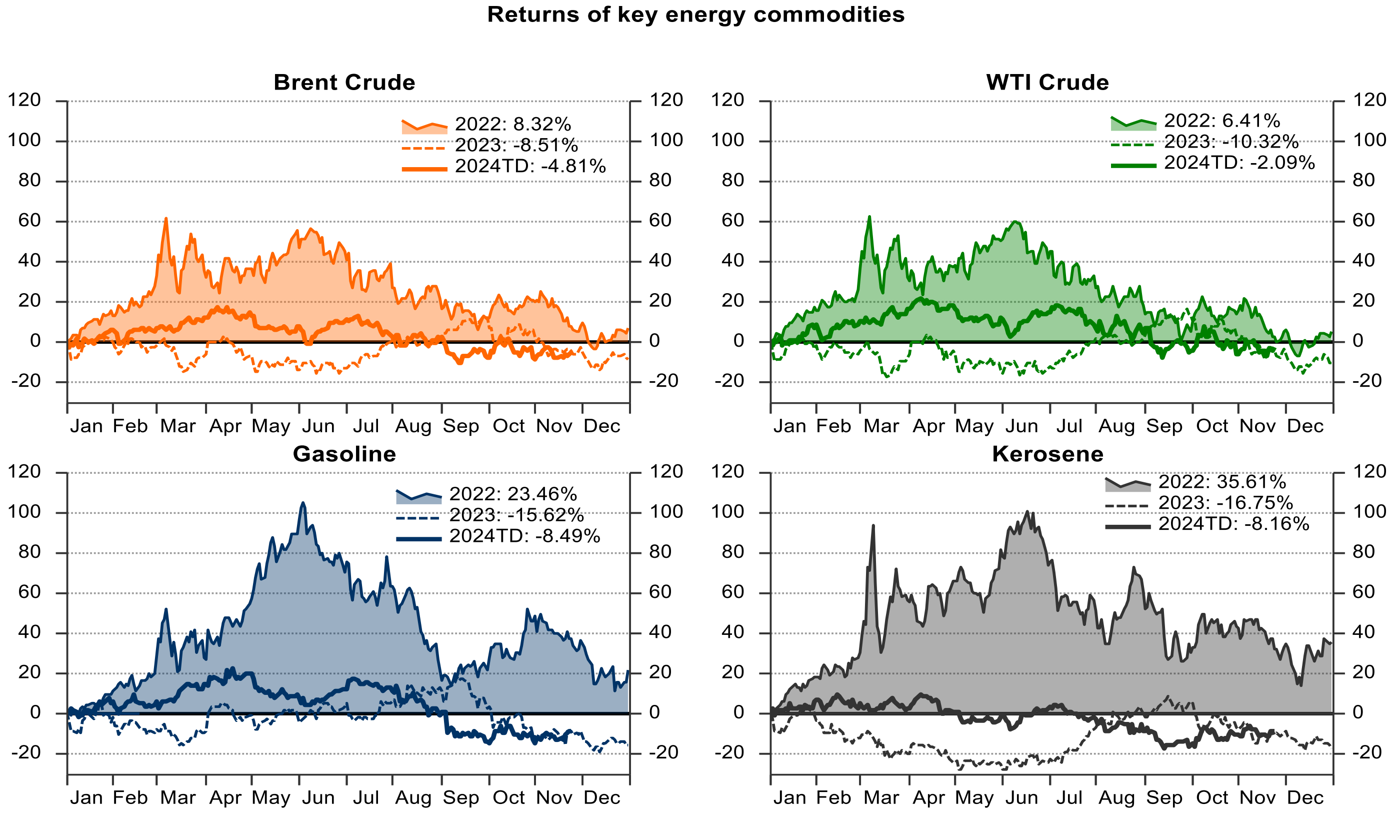
(As of November 21st, 2024)



Source: LSEG Datastream, NSE EPR.

Figure 243: Returns of key energy commodities in 2022, 2023 and 2024 till date

(As of November 21st, 2024)



Source: LSEG Datastream, NSE EPR.

Table 54: Annual performance across commodities

(As of November 21st, 2024)

Annual performance across commodities (Ranked by % change each year)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024TD
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	Silver 29.5
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	Gold 29.2
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 13.3
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 13.0
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 10.8
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 5.0
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 -2.1
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	Lead -3.2
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	Platinum -4.6
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	Palladium -4.6
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	Brent Crude -4.8
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	Nickel -5.5

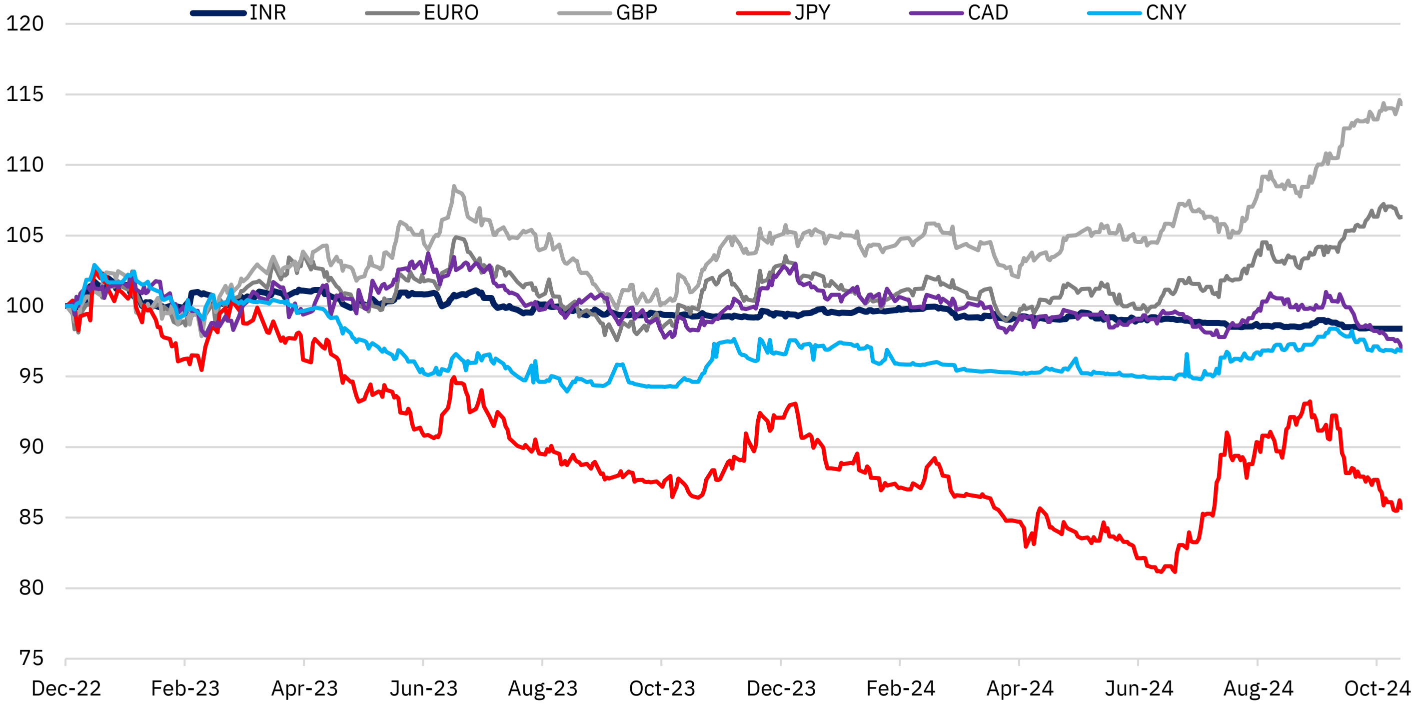
Source: LSEG DataStream, NSE EPR.

Currency market performance

INR depreciates marginally compared to its peers in Oct'24: During the month gone by, the INR closed marginally lower against the greenback (-0.3% MoM in Oct'24 vs +0.1% in Sep'24), owing to the sharp strengthening of the dollar index (+5.9% since September-end), geopolitical uncertainties in Middle East and Eastern Europe, and all time high FPI outflows in the domestic equity segment. On November 21st, the INR dropped to its lifetime low of 84.5 against the US dollar, weighed down US election uncertainty, tapering expectations of rate cut in the US, resulting in a sharp surge in US bond yields, and record-high FPI selling (US$14.3bn) since October (as of November 20th). However, the INR's depreciation was less pronounced compared to the significant declines in other currencies. Meanwhile, as of Nov 8th, 2024, the RBI's foreign exchange reserves slightly declined (-3.6% MoM) to US$675.7 bn, reflecting a decrease of US$255.2 mn since October. In the backdrop a stronger dollar, major global currencies depreciated against the greenback last month.

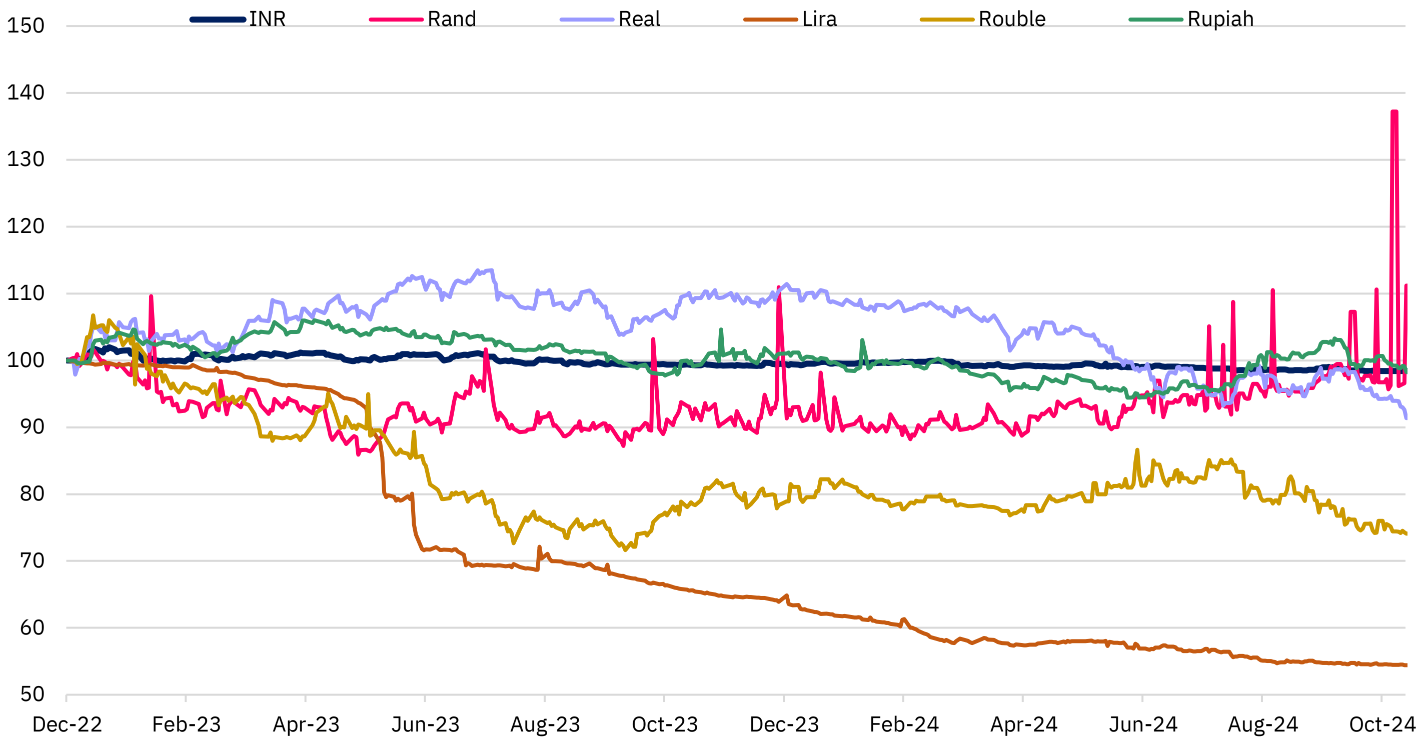
Among major currencies, the Chinese Yuan experienced the smallest decline (-1.4% MoM), followed by the Euro (-2.7% MoM), Canadian Dollar (-2.9% MoM), Pound Sterling (-3.6% MoM), and Japanese Yen (-5.5% MoM). Among emerging market currencies, the Turkish Lira registered the smallest decline (-0.3% MoM), followed by the South African Rand (-2.5% MoM), Indonesian Rupiah (-3.4% MoM), Russian Ruble (-4.2% MoM), and Brazilian Real (-5.9% MoM).

Figure 244: Movement in INR vs. major DM currencies since beginning of 2023
(Rebased to 100 on December 30th, 2022)



Source: Cogencis, NSE EPR.

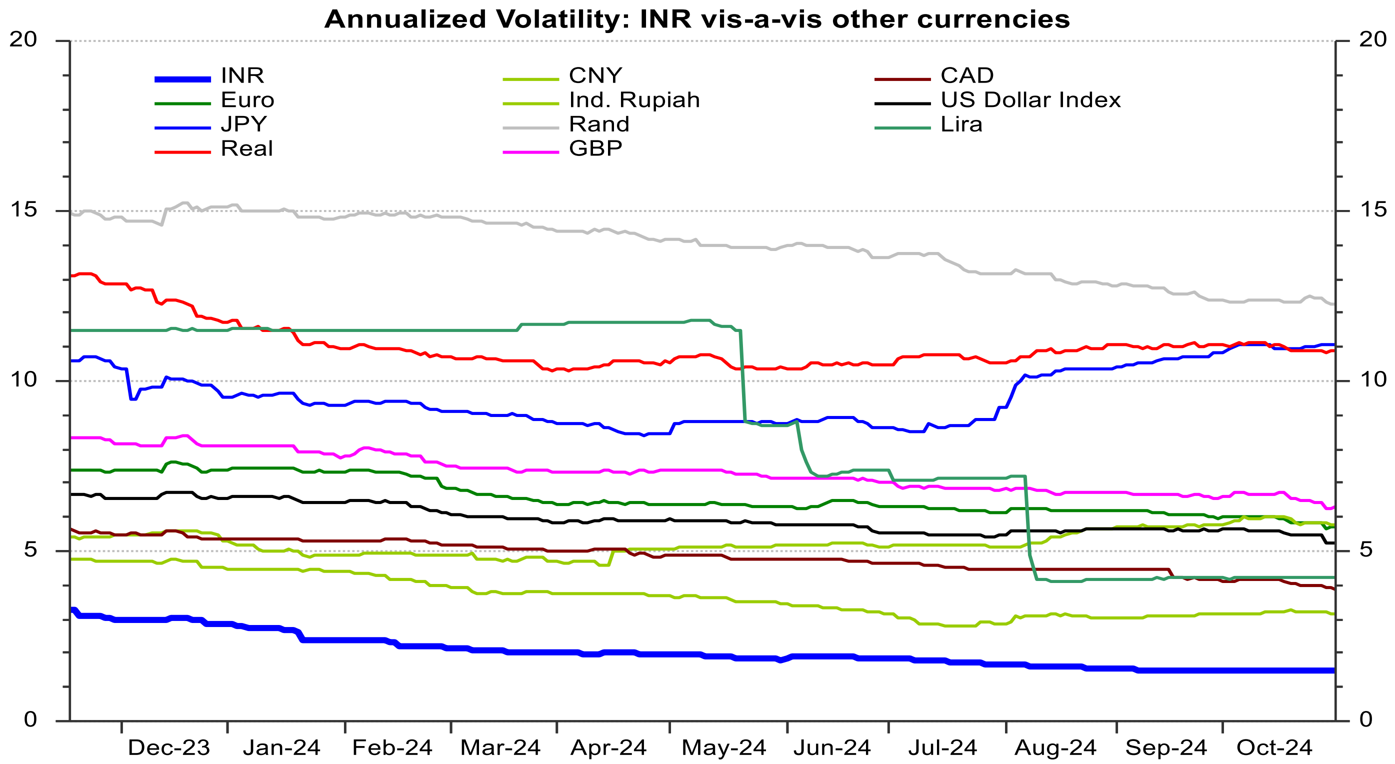
Figure 245: Movement in INR vs. major EM currencies since the beginning of 2023
(Rebased to 100 on December 30th, 2022)



Source: Cogencis, NSE EPR.

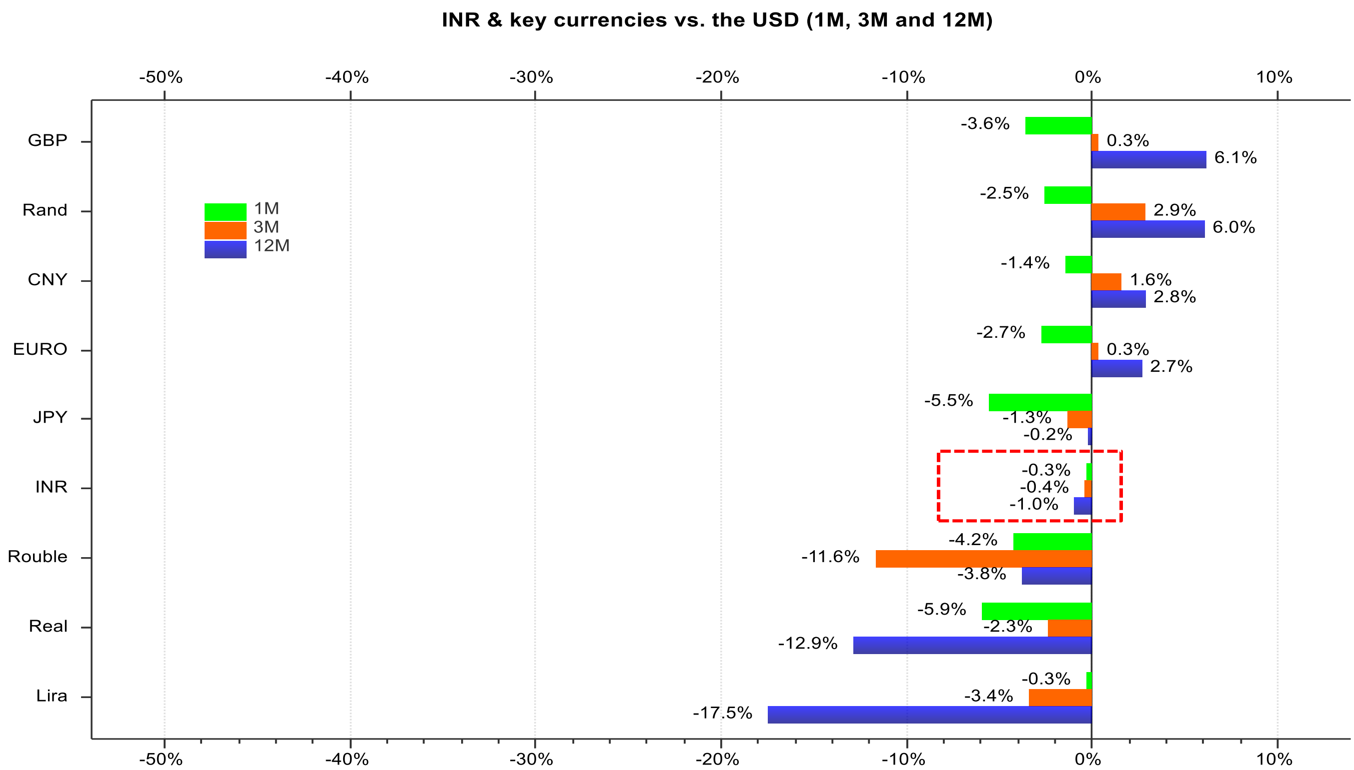
INR volatility unchanged and remains the lowest among peers: Despite the sharp strengthening of the dollar amid escalating geopolitical tensions in the Middle East and Eastern Europe and election uncertainty in the US, the INR's average annualized volatility remained unchanged at 1.5% in Oct'24 (vs. 1.5% in Sep'24), continuing to be the lowest among its peers. Among major emerging market currencies, the Russian Ruble registered the highest volatility (14.5%), followed by the South African Rand (12.4%), Brazilian Real (11%), Indonesian Rupiah (5.9%), Turkish Lira (4.2%), and Chinese Yuan (3.2%). In developed markets, the Japanese Yen exhibited the highest volatility at 11% rising by 40 bps, followed by the Pound Sterling (6.6%), Euro (5.9%), and Canadian Dollar (4.1%) during the same period. This divergence in volatility across markets resulted primarily from domestic uncertainties in some economies, expected Fed rate cuts, and the impending US presidential election. The INR's stability highlighted India's robust macroeconomic fundamentals and effective RBI forex management.

Figure 246: Annualized volatility of INR vs other developed and EM currencies



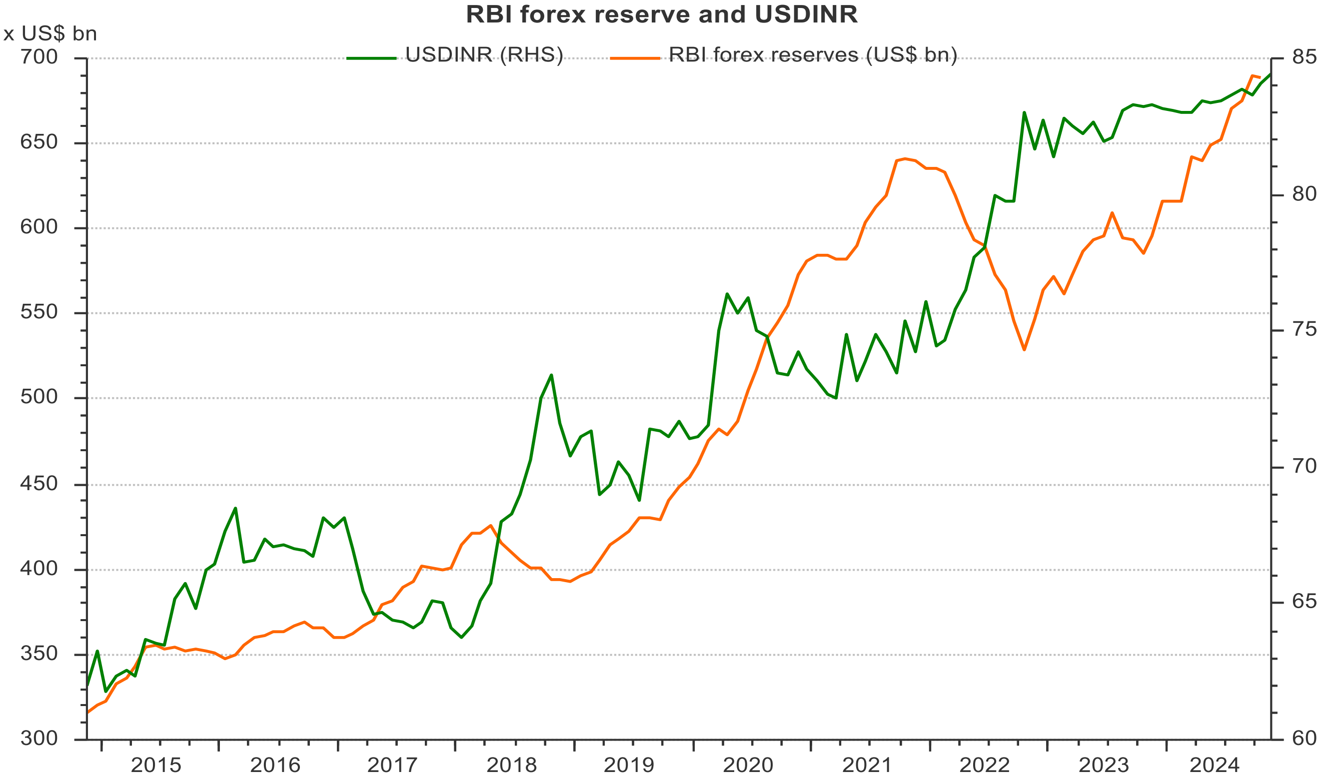
Source: LSEG Workspace, NSE EPR.

Figure 247: Change in INR vs other major currencies (as on October 31st, 2024)



Source: LSEG Workspace, NSE EPR.

Figure 248: RBI forex reserves and USDINR

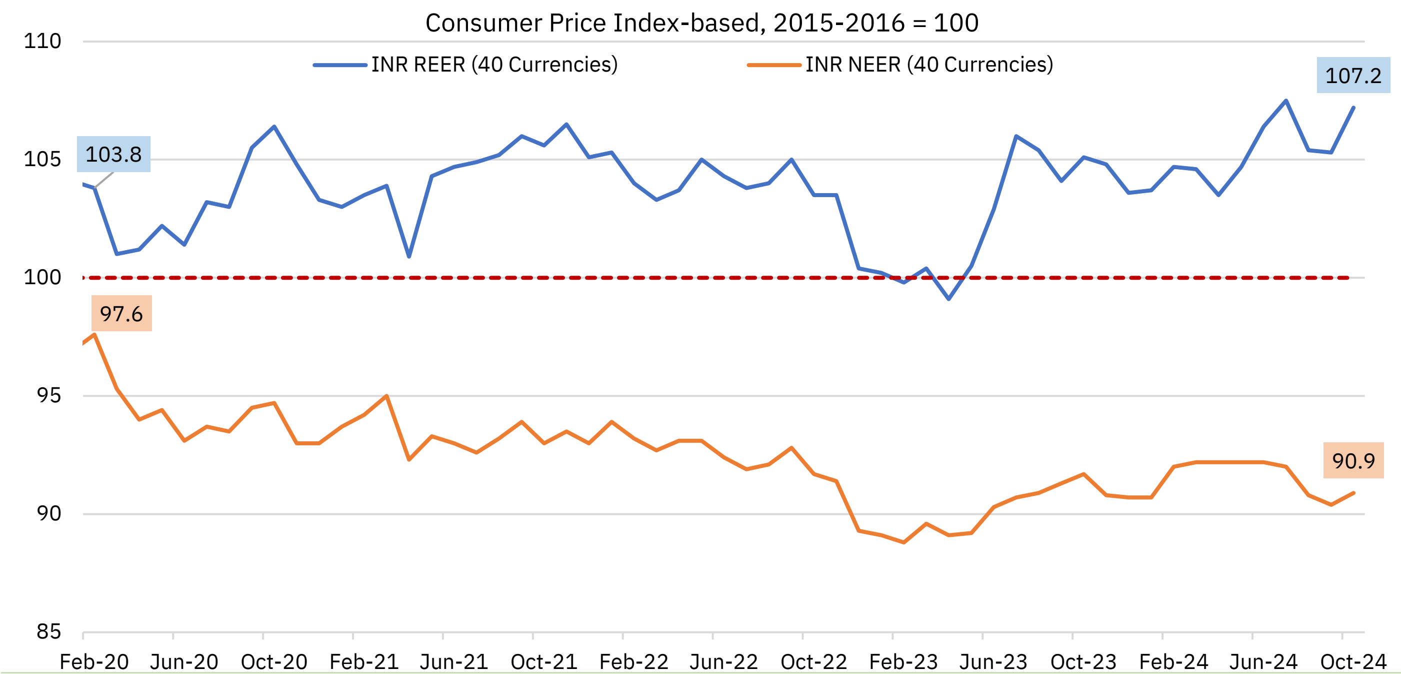


Source: LSEG Workspace, NSE EPR.

INR maintains overvaluation amid diverging REER and NEER patterns: In Oct'24, the rupee sustained its overvaluation for the 17th consecutive month, as shown by the 40-currency trade-weighted Real Effective Exchange Rate (REER) reaching 107.2 (+2% YoY) almost approaching a six-year high. On the contrary, the Nominal Effective Exchange Rate (NEER) witnessed a marginal decline (0.9% YoY), standing at 90.9 (vs 91.7 in Oct'23) during the same period. On a sequential basis, the rupee appreciated by 1.9pp and 0.5pp in terms of 40-currency REER and NEER respectively, largely led by rupee depreciation and a positive inflation differential. The contrast in the trend was also noted in the recent RBI bulletin paper on Estimating Equilibrium Exchange Rates, which highlighted that since the early 2000s – India's 40-currency trade-weighted REER has averaged an annual appreciation of 1%, while the NEER has depreciated by approximately 2% each year.[48] This divergence underscores ongoing overvaluation pressures, indicating that the INR's real value is increasing faster than its nominal depreciation, which may potentially negatively impact India's trade balance.

[48] Michael Debabrata Patra, Harendra Behera, Dhirendra Gajbhiye, Sujata Kundu, & Rajas Saroy, *A Suite of Approaches for Estimating Equilibrium Exchange Rates for India*, RBI Bulletin, November 2024.

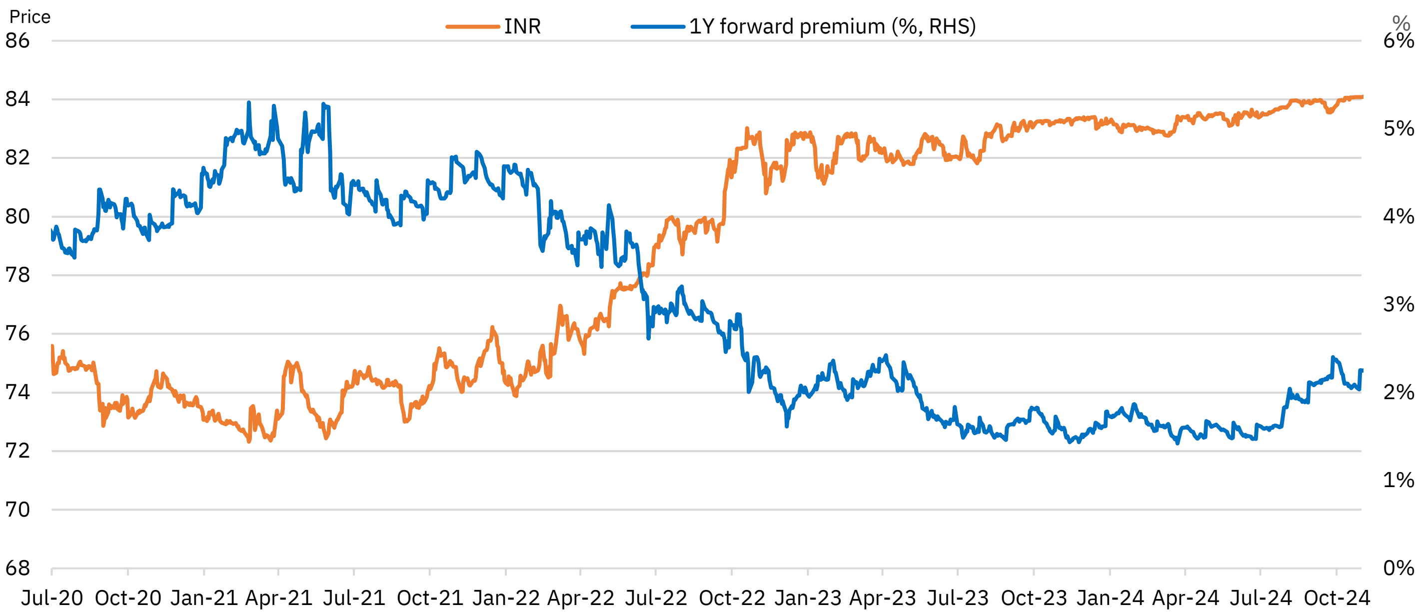
Figure 249: Real and nominal effective exchange rates of INR



Source: CMIE Economic Outlook, NSE EPR.

One-year forward premium marginally rises amid fed cuts: Over the course of the last month, the INR's one-year forward premium marginally edged up 2 bps to 2.2%, almost maintaining the same rate as Sep'24. This is against the backdrop of the expected Fed rate cut of 25 bps, the impending US presidential elections at the time, and massive FPI outflows on account of weak corporate earnings in Q2, meaningfully offset by large forex reserves. Despite the elevated premium, it remained below the post-pandemic peak of 5.3%, underscoring India's strong macroeconomic fundamentals. Throughout the month, the one-year forward premium oscillated between 171 paise and 197.2 paise, closing at 188.7 paise against the greenback.

Figure 250: USDINR and 1-year forward premium



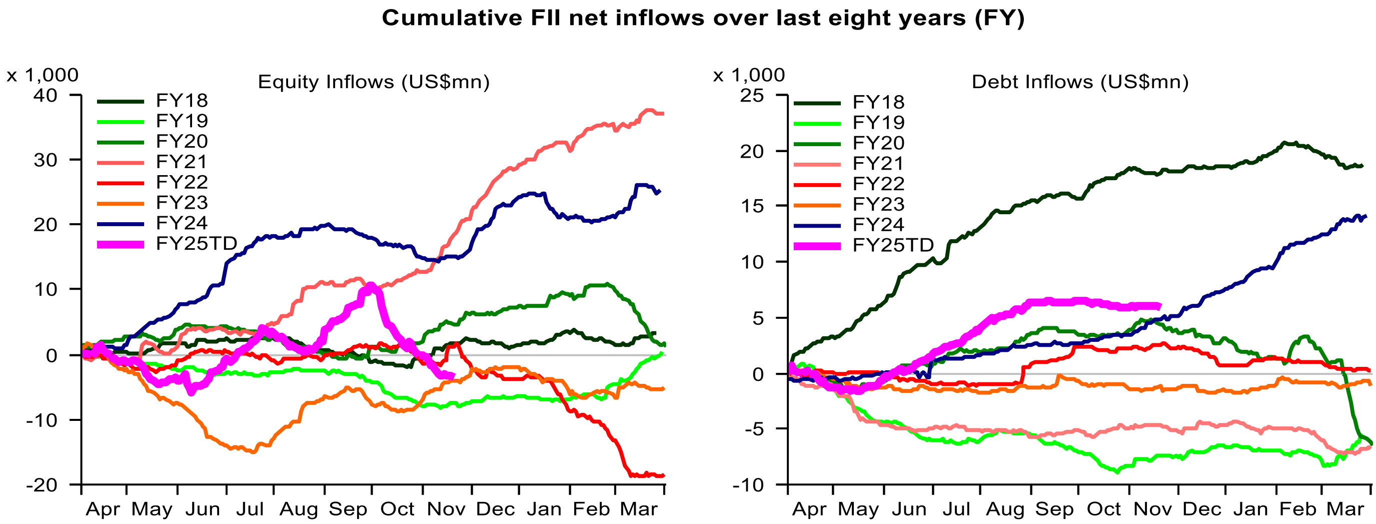
Source: Cogencis, NSE EPR.

Institutional flows across market segments in India

Record monthly FPI selling in October: After remaining net buyers over the previous four months, FPIs turned heavy sellers of Indian equities in October, weighed down by political uncertainty in the US, rising US bond yields, escalating tensions in the Middle East, and weak corporate earnings back home, leading to earnings downgrades. Further, stretched market valuations added to weakened sentiments. Net FPI outflows from Indian equities in October at US$11.2bn were the highest ever on a monthly basis, with November seeing further outflows to the tune of US$3.1bn (As of November 20th, 2024).

FPIs turn net sellers in the Indian debt market: FPIs were net buyers of Indian debt for five months in a row though the quantum of buying came off in September 2024. The month of October, however, saw a reversal of this trend, with FPIs turning net sellers, offloading US$524.3m from the Indian debt market in October. This shift was driven by rising US treasury yields, escalating geopolitical tensions and a surge in crude oil prices. In November (as of November 20th, 2024), FPIs have further offloaded US$134.4m, translating into net inflows of US$ 5.8bn in the FY25TD (as of November 20th, 2024).

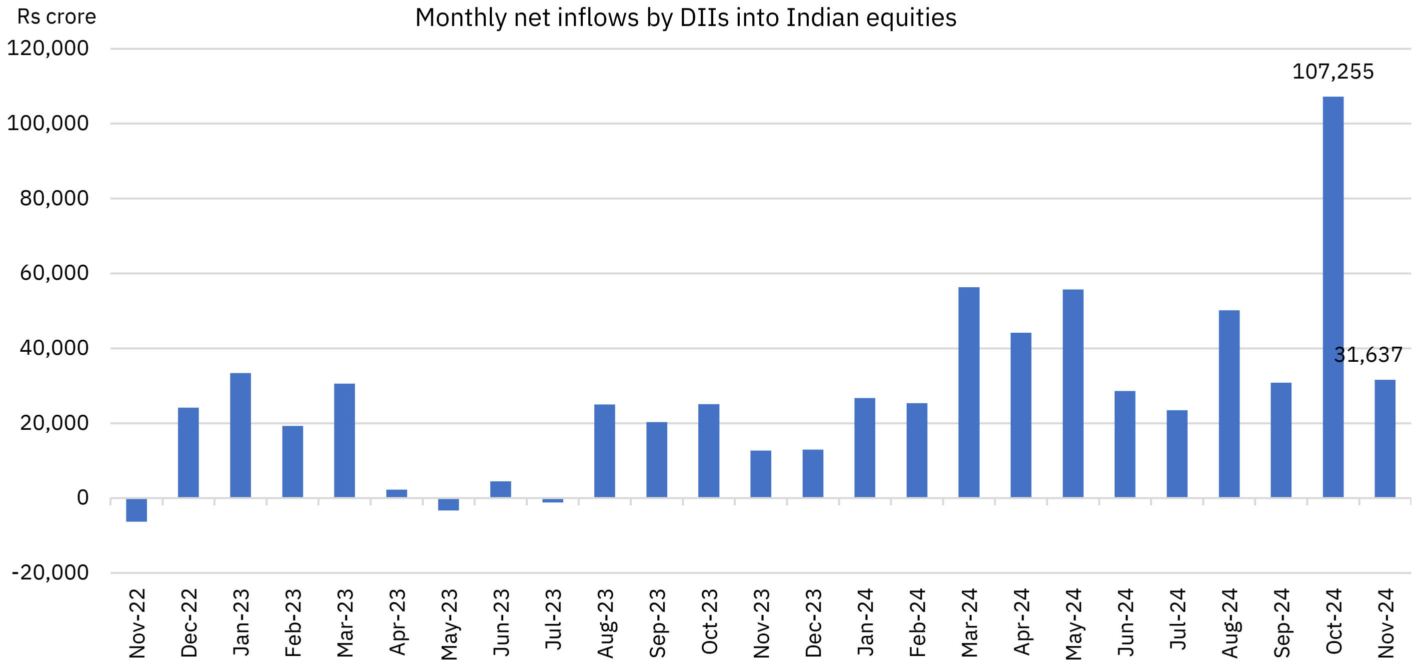
Figure 251: Net inflows by FIIs in Indian equity and debt markets



Source: LSEG Datastream, NSE EPR.

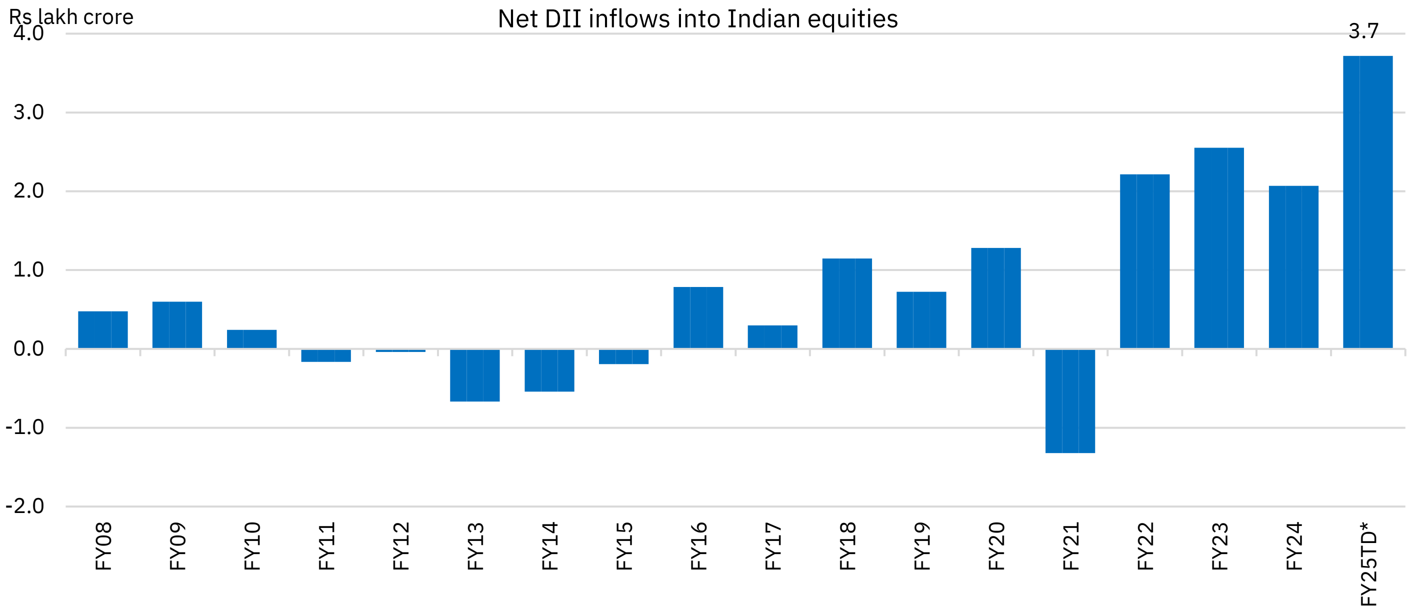
Record buying by DIIs in Indian equities: DIIs have been strong buyers of Indian equities since August 2023, with record net investments of Rs 1.1 lakh crore in October 2024 (US$ 12.76 bn) and Rs 31,636.8 crore (US$ 3.75 bn) in November 2024 (as of November 19th, 2024). With the highest cumulative inflows of US$44.4bn or Rs 3.7 lakh crore in FY25TD (As of November 20th, 2024), 1.8 times the cumulative inflows of FY24, DIIs provided a much-needed cushion to the markets in the light of heavy FPI selling. Net inflows by Domestic Mutual funds in the Indian equity markets was at a record high of Rs 90,771 crore in October 2024, with further investment of Rs 10,211 crore in November till date (Data available till November 11th, 2024) taking the cumulative flows for FY25TD to Rs 3 lakh crore – highest ever in this period.

Figure 252: Monthly net inflows by DIIs in Indian equity markets



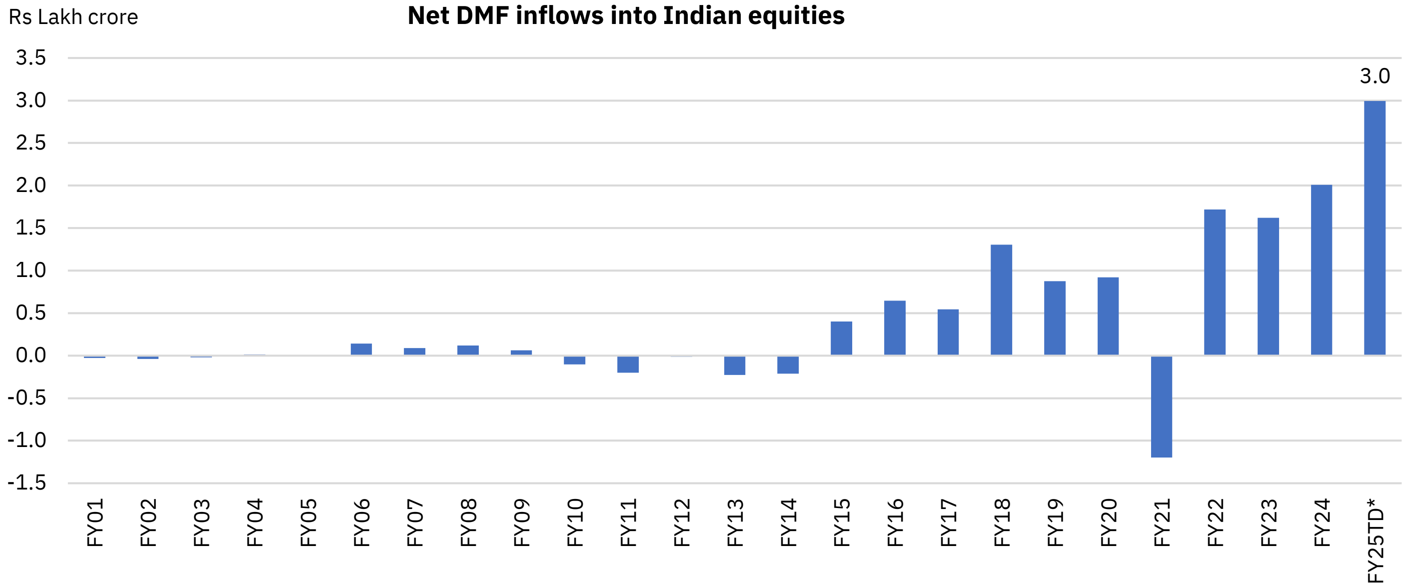
Source: LSEG Datastream, NSE EPR.

Figure 253: Annual net inflows by DIIs in Indian equity markets



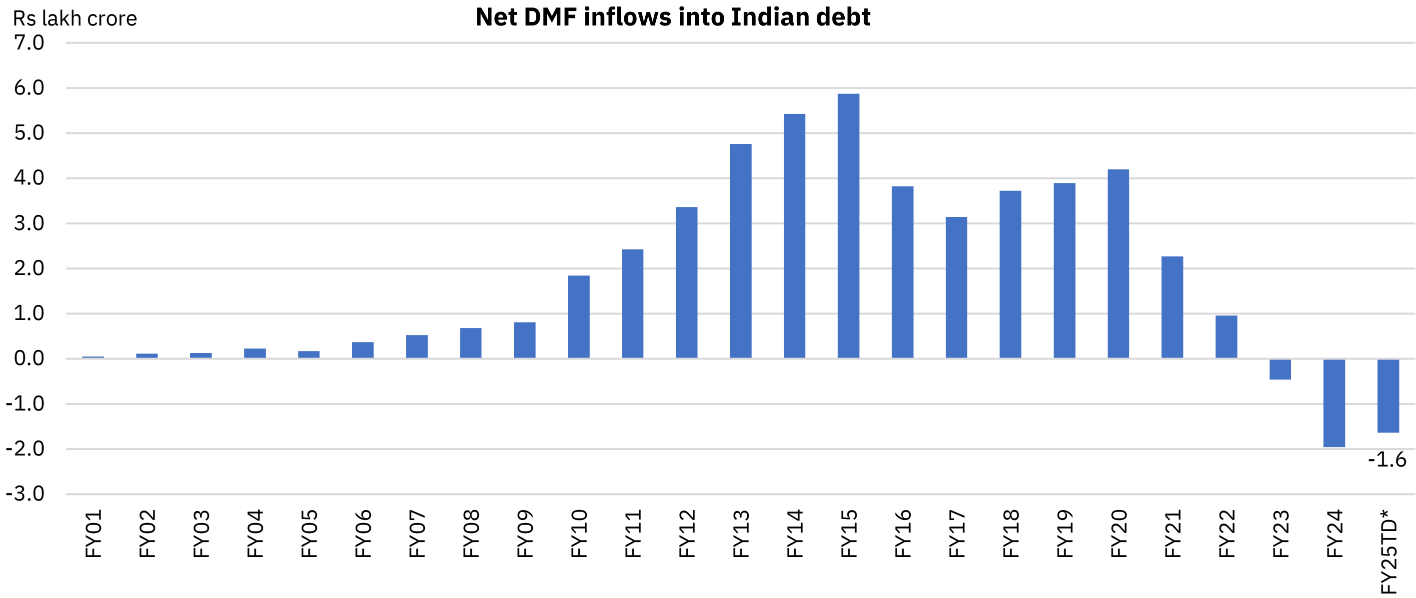
Source: LSEG Datastream, NSE EPR.

Figure 254: Annual net inflows by domestic mutual funds in Indian equity markets



Source: CMIE Economic Outlook, NSE EPR. *Data for FY25TD is as of November 11th, 2024.

Figure 255: Annual net inflows by domestic mutual funds in Indian debt markets



Source: CMIE Economic Outlook, NSE EPR. *Data for FY25TD is as of November 11th, 2024.

Primary markets

Market Statistics: Fund mobilisation

IPO issuances in Mainboard at a 35-month high in October 2024: Overall fund raising through equity issuances expanded 12.4% MoM to Rs 54,738 crore in Oct'24. Within equity, mainboard IPO issuances stood at a 35-month high of Rs 33,759 crore, up 127.7% MoM, of which 85.7% were through offloading of shares by existing shareholders (OFS) and the balance through new equity issuances. Notably, over 82% of this was done by Hyundai Motor India Limited alone. Capital raising through IPO issuances on the SME emerge platform, however, registered a MoM decline to Rs 980 crore from an all-time high of Rs 1,194 crore in the previous month, of which 98.6% were through new issuance of equity shares. Equity issuances through follow-on offerings (Rights, Preferential and QIPs) noted a substantial decline to Rs 17,973 (-25.1% MoM) in Oct'24. The overall debt raising also fell to Rs 1 lakh crore from Rs 1.37 lakh crore in the previous month.

Table 55: Fund mobilization through equity and debt for current Fiscal Year (Apr'24–Oct'24)

Segments	Modes	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Equity (Main Board) - Primary markets	Fresh listing	3,413	777	3,113	8,954	8,018	4,816
	OFS	6,193	1,180	1,765	5,746	6,807	28,943
	Fresh listing + OFS	**9,606**	**1,957**	**4,878**	**14,700**	**14,825**	**33,759**
	FPO	-	-	-	-	-	-
	Rights	1,492	805	2,295	3,185	336	311
	Preferential allotment	23,914	6,068	3,731	593	4,977	1,952
	QIPs	3,040	2,750	13,699	12,033	18,333	15,539
Equity (SME) - Primary markets`	Fresh listing	405	380	873	653	1,140	966
	OFS	7	22	157	6	54	14
	Fresh listing + OFS	**411**	**402**	**1,030**	**659**	**1,194**	**980**
	FPO	-	-	150	-	-	-
	Rights	-	-	300	-	49	25.0
	Preferential allotment	49	105	103	149	148	146
	QIPs	-	25	-	-	150	-
Secondary markets	OFS	-	82	806	4,908	8,667	2,026
Total equity raised		**38,513**	**12,193**	**26,993**	**36,227**	**48,678**	**54,738**
InvITS	Fresh listing	-	-	-	-		-
	Rights	-	-	-	-	-	-
	Preferential allotment	-	501	-	400	-	694
	QIPs	-	-	-	-	-	-
REITs	Fresh listing	-	-	-	-	-	-
	Rights	-	-	-	-	-	-
	Preferential allotment	-	1,228	-	-	-	-
	QIPs	-	-	-	-	-	-
Total business trusts raised		**-**	**1,729**	**-**	**400**		**694**
Debt	CPs	69,915	90,408	49,218	54,424	62,735	53,856
	NCDs (Private)	30,966	42,209	64,565	53,288	73,470	46,766
	NCDs (Public)	1,000	334	-	-	996	200
Total debt raised		**1,01,881**	**1,32,951**	**1,13,782**	**1,07,712**	**1,37,201**	**1,00,821**
Total fund mobilization		**1,40,394**	**1,46,874**	**1,40,775**	**1,44,339**	**1,85,879**	**1,56,253**

Source: NSE EPR
Note: Debt issuances include reissuances.

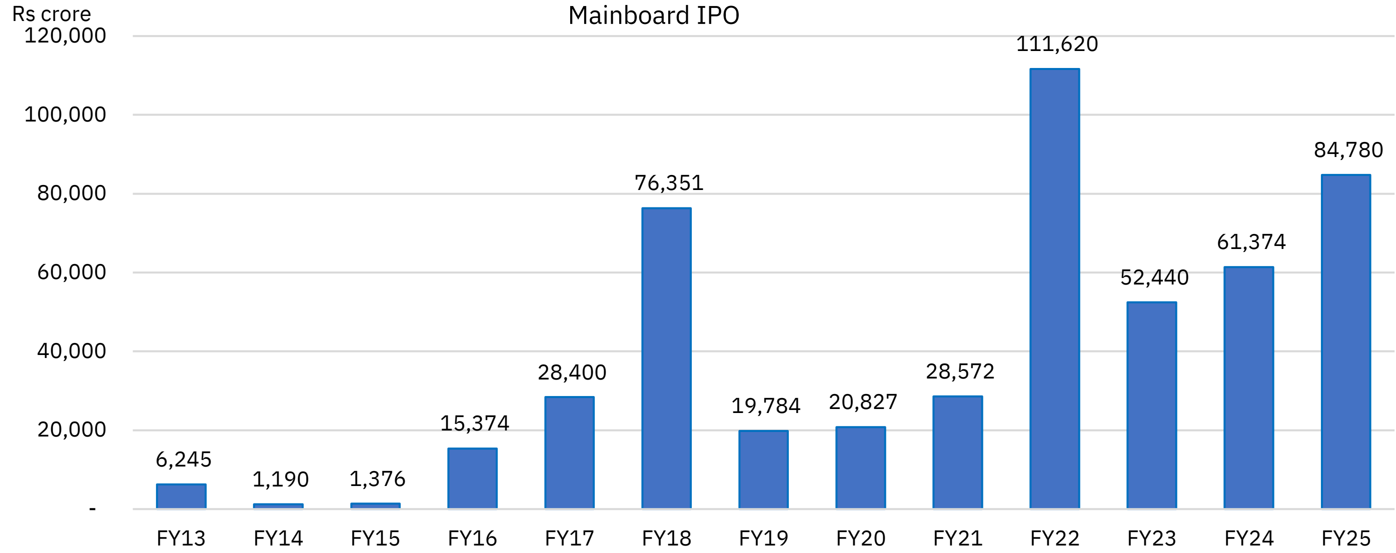
On annual comparison, the overall capital raising though equity issuances in the first seven months of FY25 increased to Rs 2.6 lakh crore, surpassing the amount issued in the whole of FY24. Remarkably, total fund mobilisation between FY13 and FY25 till date (As of October 2024) through IPO issuance in Mainboard and Emerge platform combined stood at Rs 5.2 lakh crore, raised by 952 companies. Notably, equity issuance through IPO issuance of Rs 89,994 crore (Mainboard and Emerge platform) in the first seven months of FY25 was the second highest on annual terms in the last thirteen years.

Table 56: Annual trend of resource mobilization through equity and debt during the last four years

Segments (Rs crore)	Modes	FY22	FY23	FY24	FY25TD
Equity (Main Board) - Primary markets	Fresh listing	40,641	14,359	28,763	29,522
	OFS	70,979	38,080	32,611	55,259
	Fresh listing + OFS	**1,11,620**	**52,440**	**61,374**	**84,780**
	FPO	-	4,300	-	18,000
	Rights	25,555	5,267	13,437	9,990
	Preferential allotment	57,883	80,952	34,549	47,496
	QIPs	31,441	8,212	66,891	76,866
Equity (SME) - Primary markets	Fresh listing	481	1,181	4,348	4,954
	OFS	23	149	273	259
	Fresh listing + OFS	**504**	**1,330**	**4,622**	**5,214**
	FPO	-	-	27	150
	Rights	355	149	120	374
	Preferential allotment	79	119	371	750
	QIPs	-	-	80	175
Secondary markets	OFS	14,210	11,033	21,769	16,488
Total equity raised		**2,41,646**	**1,63,803**	**2,03,239**	**2,60,283**
InvITs	Fresh listing	13,841	1,166	10,868	-
	Rights	1,284	-	5,629	-
	Preferential allotment	-	1,088	8,978	1,595
	QIPs	-	1,216	6,850	-
REITs	Fresh listing	-	-	3,200	-
	Rights	-	-	-	-
	Preferential allotment	950	-	400	1,228
	QIPs	-	-	2,305	-
Total business trusts raised		**16,075**	**3,470**	**38,230**	**2,823**
Debt	CPs	8,31,120	7,03,755	5,90,582	4,23,917
	NCDs (Private)	3,58,911	5,09,338	5,40,350	3,27,214
	NCDs (Public)	5,398	4,343	11,145	2,530
Total debt raised		**11,95,428**	**12,17,436**	**11,42,077**	**7,53,661**
Total fund mobilization		**14,53,148**	**13,84,709**	**13,83,547**	**10,16,767**

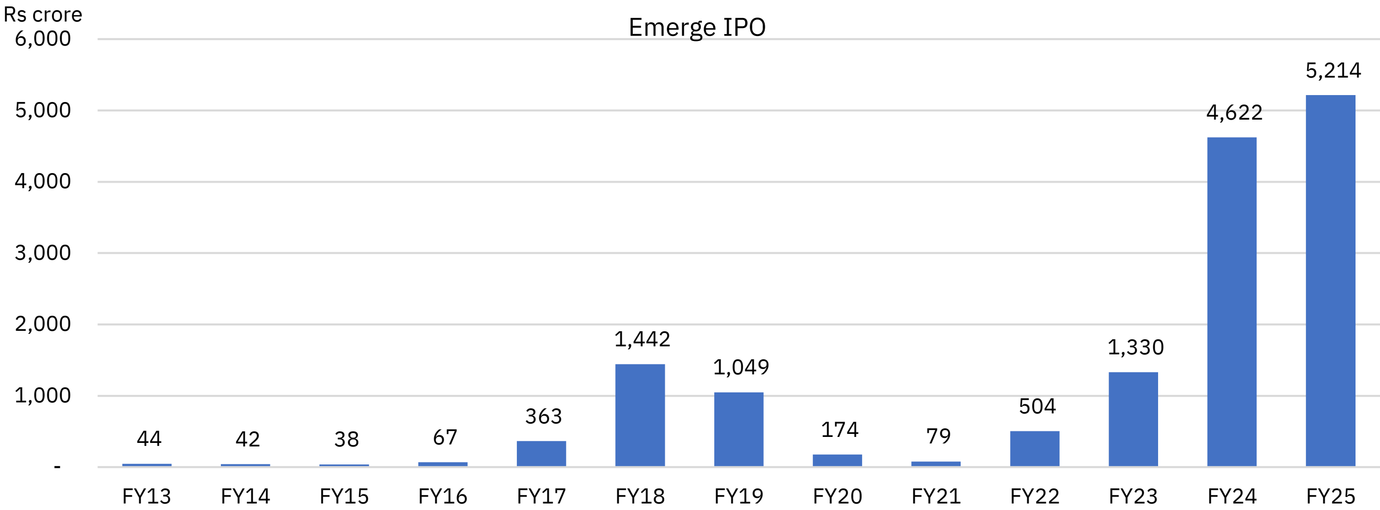
Source: NSE EPR.
Notes:
1.Debt issuances include reissuances.
2. FY25TD data is as of October 2024.

Figure 256: Annual trend on equity raising through IPO on Mainboard



Source: NSE EPR.
Note: 1. FY25 data is as of October 2024.

Figure 257: Annual trend on equity raising through IPO on Emerge platform



Source: NSE EPR.
Note: 1. FY25 data is as of October 2024.

QIBs held major share of allocation for Mainboard issuances in October 2024: In Oct'24, equity share allocation to Qualified Institutional Buyers (QIBs) stood at Rs 23,996 crore or 71.1% of the total capital raised by seven (7) newly listed companies on the Mainboard of the Exchange. Notably, all the seven (7) new issuances were qualified under Regulation 6(1) of the SEBI ICDR Regulations, raising a total of Rs 33,759 crore during the month. However, the allocation to Retail Individual Investors (RIIs) fell to 18.8% of the total allocations, as compared to 33.3% in the previous month when 100% of the funds raised were under Regulation 6(1).

Remarkably, 46 new companies have got listed in FY25 thus far (Apr'24 to Oct'24), raising total equity capital of Rs 84,780 crore. Of these, 37 companies came under regulation 6(1) raising Rs 62,528 crore or over 70% of the total IPO considerations while nine companies came under regulation 6(2) raising Rs 22,252 crore amounting to 26.2% of the total IPO consideration. It also explains the reason for the variation in equity share allocations for the respective categories of shareholders. Notably, QIBs held 64.5% share of these allocations, followed by RII's 21.7%, NII's 12.7% and other categories (1.1%) of these IPO considerations of FY25 till Oct'24.

Under regulation 6(1), minimum allotment to Retail and NII is 35% and 15%, respectively, and allotment to QIB is capped at 50%.

Under regulation 6(2), maximum allotment to Retail and NII is 10% and 15%, respectively, while allotment to QIB is minimum 75%.

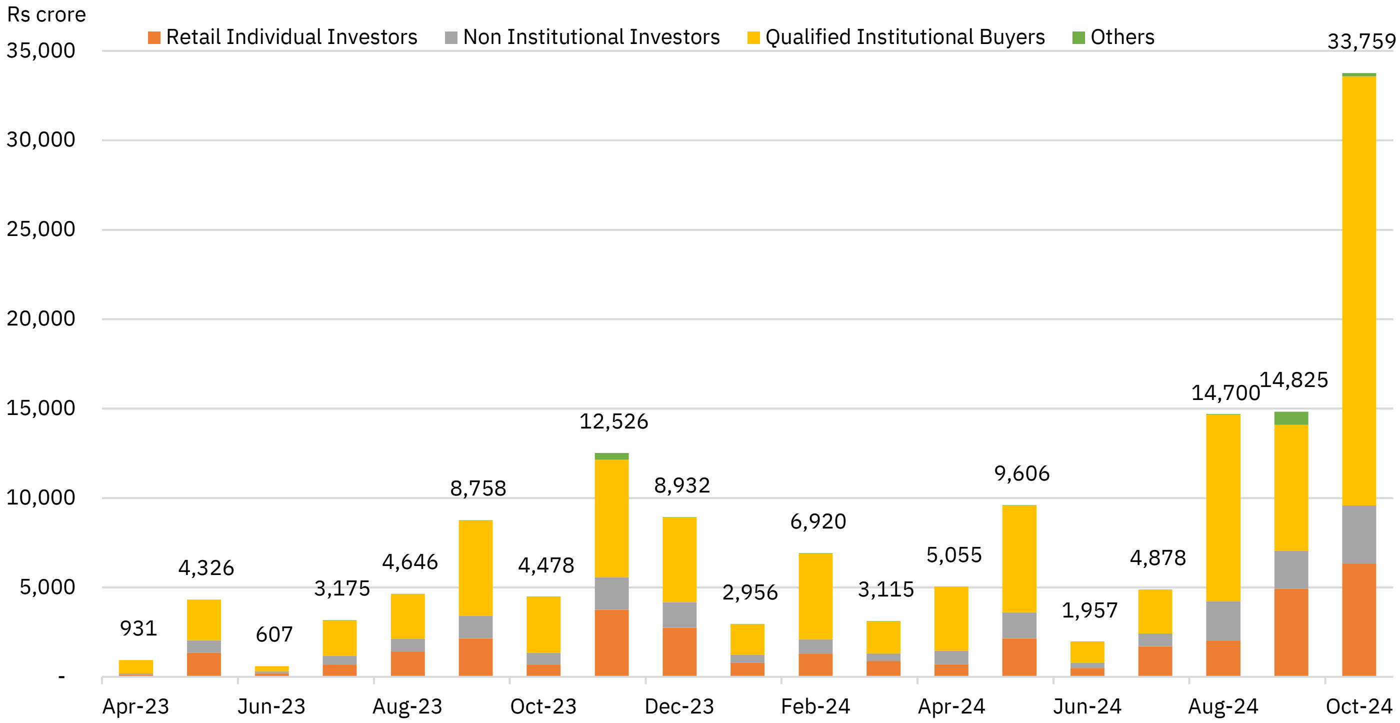
Table 57: Fund mobilization through equity issuance and allocation on Mainboard

Month	No. of issuances	Amount raised (Rs crore)			Allocation by categories (Rs crore)				
		Under section 6(1)[49]	Under section 6(2)[50]	Total	Retail Individual Investors	Non-Institutional Investors	Qualified Institutional Buyers	Market Marker	Others
Apr-23	2	66	865	931	112	68	751	-	0
May-23	1	4,326	-	4,326	1,354	686	2,286	-	0
Jun-23	1	607	-	607	212	91	303	-	0
Jul-23	6	1,516	1,659	3,175	688	480	1,989	-	18
Aug-23	6	3,766	880	4,646	1,425	703	2,506	-	12
Sep-23	11	5,320	3,438	8,758	2,155	1,257	5,333	-	13
Oct-23	6	967	3,511	4,478	690	659	3,126	-	3
Nov-23	9	10,825	1,701	12,526	3,749	1,821	6,571	-	385
Dec-23	12	7,732	1,200	8,932	2,747	1,440	4,727	-	19
Jan-24	4	1,955	1,000	2,956	784	443	1,724	-	5
Feb-24	9	6,920	-	6,920	1,283	810	4,782	-	44
Mar-24	8	2,262	853	3,115	881	436	1,791	-	7
Apr-24	3	780	4,275	5,055	700	758	3,596	-	0
May-24	5	4,842	4,764	9,606	2,164	1,437	5,982	-	23
Jun-24	5	1,217	740	1,957	499	293	1,162	-	3
Jul-24	5	4,878	-	4,878	1,703	730	2,433	-	13
Aug-24	8	2,228	12,473	14,700	2,023	2,201	10,449	-	28
Sep-24	13	14,825		14,825	4,934	2,115	7,049	-	727
Oct-24	7	33,759	-	33,759	6,341	3,248	23,996	-	175

Source: NSE EPR
Notes:
1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

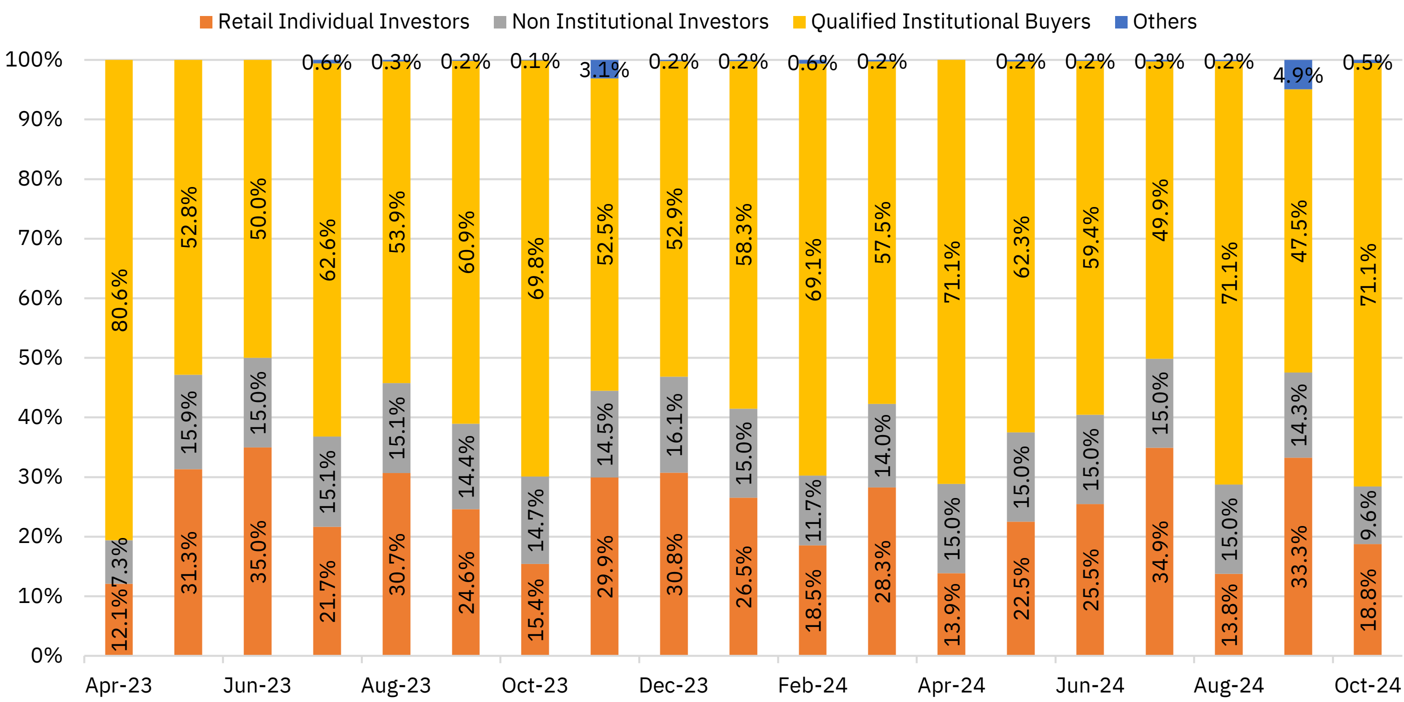
[49] SEBI | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Last amended on May 17, 2024]
[50] SEBI | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Last amended on May 17, 2024]

Figure 258: Monthly trend of IPO allocation to investors on Mainboard (Rs crore)



Source: NSE EPR
Notes:
1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

Figure 259: Monthly trend in IPO allocation (%) to investors on Mainboard



Source: NSE EPR.
Notes:
1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

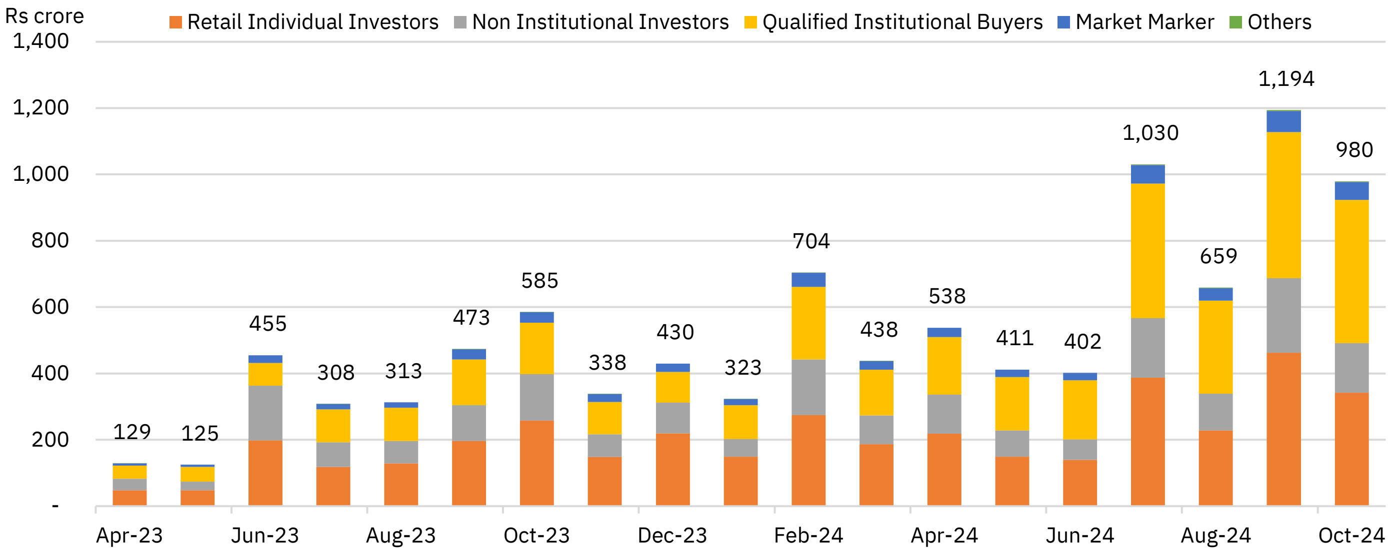
Allocation to QIBs in SME IPO issuances increased in October: In October 2024, equity share allocation to Qualified Institutional Buyers (QIBs) reached Rs 432 crore or 44.1% of the total capital raised by 17 new listings on the Emerge platform. The allocation to RIIs and NIIs fell to 34.9% and 15.2% respectively. The share of market makers stood at 5.5% in Oct'24.

Table 58: Fund mobilization and category-wise allocation through equity issuance on Emerge platform

Month	No. of issuances	Amount raised (Rs crore)	Allocation by categories (Rs crore)				
			Retail Individual Investors	Non-Institutional Investors	Qualified Institutional Buyers	Market Marker	Others
Apr-23	5	129	48	34	40	7	1
May-23	5	125	48	26	44	7	0
Jun-23	11	455	198	165	68	23	0
Jul-23	9	308	119	74	100	17	0
Aug-23	10	313	129	68	100	16	0
Sep-23	17	473	197	108	137	31	0
Oct-23	20	585	258	140	156	31	0
Nov-23	11	338	149	68	98	24	0
Dec-23	12	430	220	92	92	26	0
Jan-24	10	323	149	53	102	18	0
Feb-24	16	704	275	167	219	42	0
Mar-24	12	438	187	87	137	26	0
Apr-24	15	538	218	118	174	28	0
May-24	14	411	150	79	160	22	0
Jun-24	10	402	140	61	179	22	0
Jul-24	22	1,030	387	179	406	56	2
Aug-24	19	659	229	111	280	38	2
Sep-24	28	1,194	463	224	441	63	3
Oct-24	17	980	342	149	432	54	3

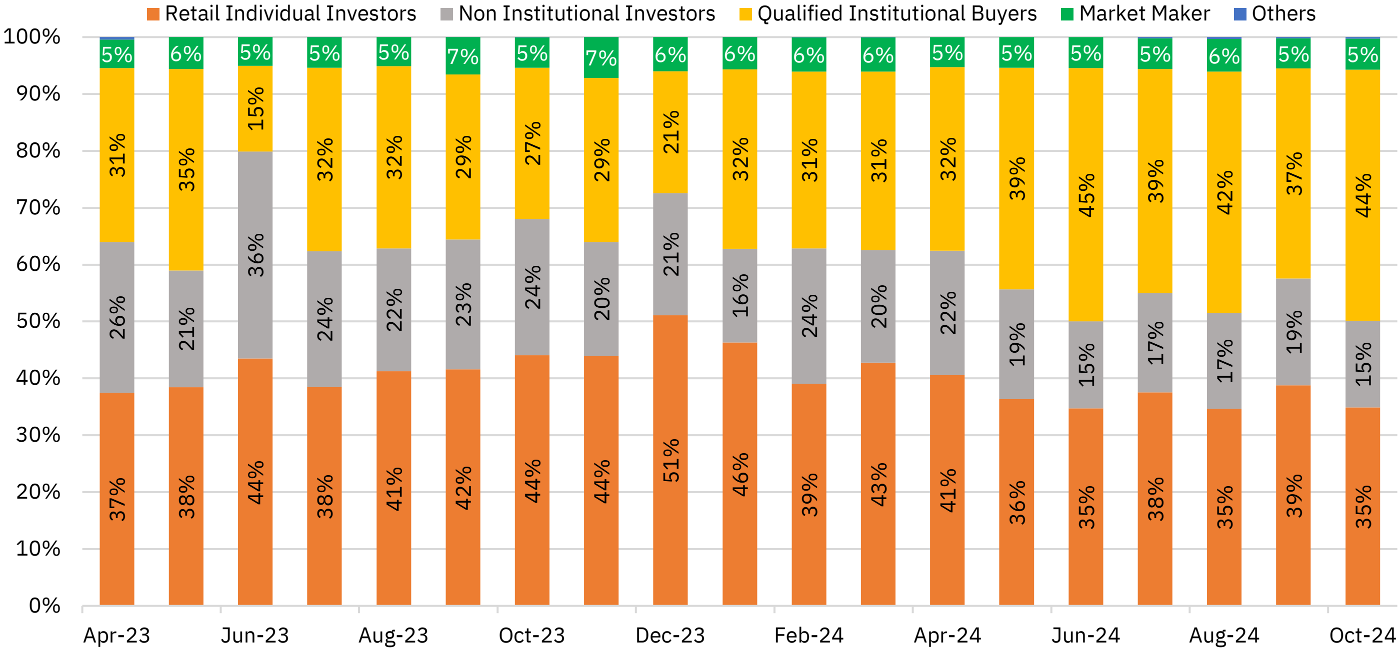
Source: NSE EPR
Notes: 1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

Figure 260: Monthly trend in IPO allocation to investors on Emerge platform (Rs crore)



Source: NSE EPR.
Notes: 1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

Figure 261: Monthly trend of IPO allocation (%) to investor on Emerge platform



Source: NSE EPR. Note: Others include shareholders, employees, policy holders, underwriters, and promoter contribution

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,

New listings in the month

Thirty-one companies got listed on NSE platform: In October 2024, 31 companies got listed on NSE, out of which 17 companies debuted on Emerge platform with a total capital raising of Rs 980 crore. Of the 14 companies that got listed on the Mainboard of the Exchange, seven (7) companies were newly listed through IPO issuances amounting to Rs 33,759 crore, while other 7 companies were through direct listing. Of the 31 companies listed, 22 recorded gains on their respective listing dates, while one company got listed at its IPO price. Remarkably, the newly listed companies in the month gone by added a cumulative market of over Rs 2.4 lakh crore.

Table 59: Listings on NSE Emerge platform in October 2024

Listing Date	Name of the company	Listing Gain (%)	Market Cap (Rs Cr)	Turnover (Rs Cr)	Amount Raised (Rs Cr)
Oct 03, 24	TechEra Engineering (India) Limited	52.4	217	21	35.9
Oct 03, 24	Thinking Hats Entertainment Solutions Limited	36.4	71	6	15.1
Oct 03, 24	Unilex Colours and Chemicals Limited	2.3	120	13	31.3
Oct 04, 24	Divyadhan Recycling Industries Limited	31.3	126	14	24.2
Oct 04, 24	Forge Auto International Limited	4.6	119	12	31.1
Oct 04, 24	Sahasra Electronic Solutions Limited	90.0	1,411	172	186.2
Oct 07, 24	HVAX Technologies Limited	6.1	136	13	33.5
Oct 07, 24	Saj Hotels Limited	-15.4	85	4	27.6
Oct 08, 24	Paramount Dye Tec Limited	-6.1	74	5	28.4
Oct 17, 24	Pranik Logistics Limited	2.6	91	8	22.5
Oct 23, 24	Lakshya Powertech Limited	90.0	362	29	49.8
Oct 24, 24	Freshara Agro Exports Limited	16.4	317	40	75.4
Oct 28, 24	Premium Plast Limited	5.0	93	8	26.2
Oct 29, 24	Danish Power Limited	50.0	1,179	137	197.9
Oct 29, 24	OBSC Perfection Limited	10.0	282	26	66.0
Oct 29, 24	United Heat Transfer Limited	3.3	122	14	30.0
Oct 31, 24	Usha Financial Services Limited	-2.4	339	22	98.4

Source: NSE EPR
Note: Data for turnover and market Cap are based on respective listing date.

Table 60: Listings on NSE Mainboard in October 2024

Listing Date	Name of the company	Listing Gain (%)	Market Cap (Rs Cr)	Turnover (Rs Cr)	Amount Raised (Rs Cr)
Oct 03, 24	KRN Heat Exchanger and Refrigeration Limited	118.2	2,976	1,617	341.9
Oct 03, 24	U. Y. Fincorp Limited#	0.7	657	10	-
Oct 04, 24	Diffusion Engineers Limited	15.2	760	56	158.0
Oct 09, 24	Shankar Lal Rampal Dye-Chem Limited#	1.8	706	2	-
Oct 15, 24	Garuda Construction and Engineering Limited	10.5	990	502	264.1
Oct 17, 24	Lloyds Enterprises Limited#	3.6	6,872	12	-
Oct 18, 24	Vintage Coffee and Beverages Limited#	2.0	1,723	20	-
Oct 22, 24	Hyundai Motor India Limited	-1.3	1,47,850	5,404	27,858.8
Oct 23, 24	Affordable Robotic & Automation Limited#	-2.1	822	3	-
Oct 28, 24	Deepak Builders & Engineers India Limited	-1.5	754	133	260.0
Oct 28, 24	Waaree Energies Limited	66.3	67,193	5,197	4,321.4
Oct 29, 24	OCCL Limited#	-22.2	469	2	-
Oct 30, 24	Godavari Biorefineries Limited	-12.5	1,756	272	554.7

Source: NSE EPR.
Notes: 1. Data for turnover and market cap are based on respective listing dates.
2 #Data has been provided for direct listing.

Maharashtra tops with the highest number of listings in FY25 on both Mainboard and Emerge platform: In the first seven months of FY25, Maharashtra and Gujarat accounted for 51.2% of the number of companies listed on the Emerge platform, raising Rs 2,441 crore, followed by Delhi at Rs 1,053 crore, West Bengal at Rs 401 crore, and Rajasthan at Rs 356 crore. The total number of companies listed on the Emerge platform since inception stood at 572 as of October 31st, 2024. Furthermore, in the first seven months of FY25, out of the 125 newly listed companies on the Emerge platform, 48 companies belonged to the Industrials[51] sector, raising a total of Rs 2,132 crore (41% share of total raising), followed by Consumer Discretionary[52] (29 companies) and Services (14 companies) sector, together raising a total of Rs 1,624 crore. Interestingly, the top three sectors accounted for 72% of the total amount raised on the NSE Emerge platform in FY25 till Oct'24.

Among the 46 new listings on the mainboard in the first seven months of FY25, 15 companies were based out of Maharashtra (MH), raising Rs 24,417 crore or 28.8% of the total amount raised in this period, followed by Karnataka (KA) and Delhi (DL), raising Rs 12,079 crore and Rs 10,765 crore respectively. Notably, Tamil Nadu (TN) topped in terms of IPO consideration, raising Rs 28,636 crore or 33.8% of total issuance in FY25 till Oct'24. The top three states (TN, MH and KA) accounted for over 76.8% of the total capital raised on the Mainboard in the first seven months of FY25. Sector-wise, the Consumer Discretionary accounted for 52% of the total capital raised, followed by Financial Services, which accounted for another 16%.

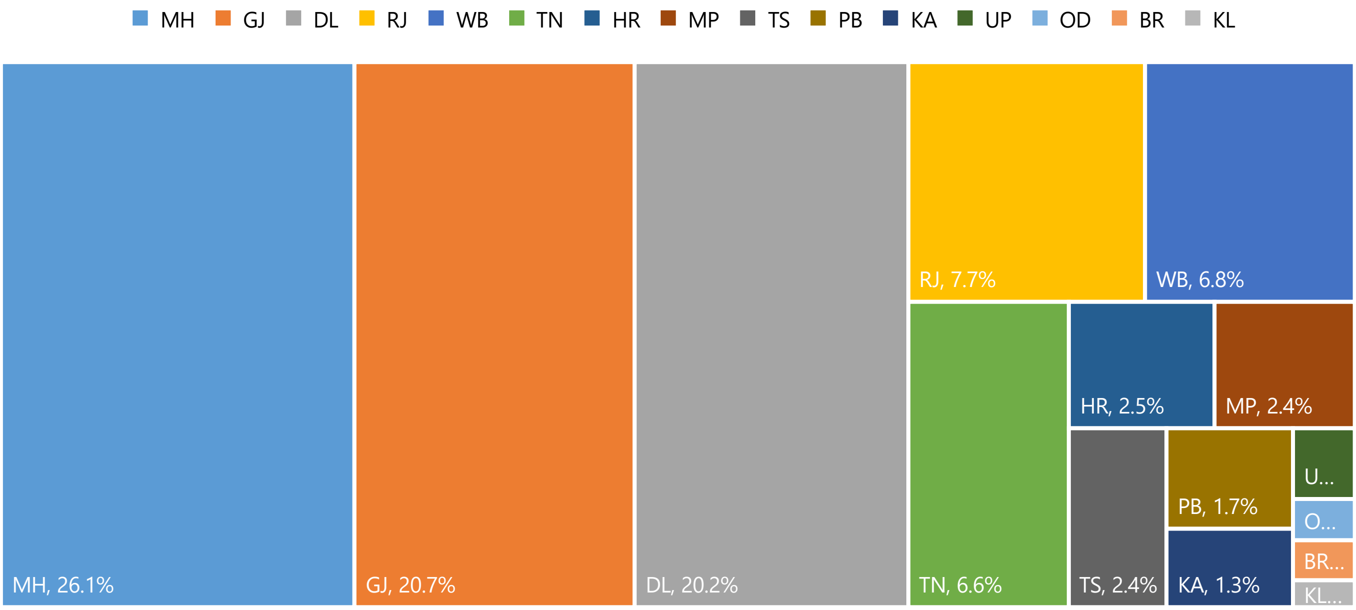
Out of 572 companies listed on the NSE Emerge platform since its inception, 319 are based out of Maharashtra and Gujarat. Furthermore, 38 companies from Maharashtra and

[51] The industrials sector encompasses companies involved in the production of goods and services related to manufacturing, construction, and transportation, providing essential infrastructure and equipment.

[52] The consumer discretionary sector consists of companies that offer goods and services, such as apparel, automobiles, and entertainment, which consumers purchase based on their disposable income and economic confidence.

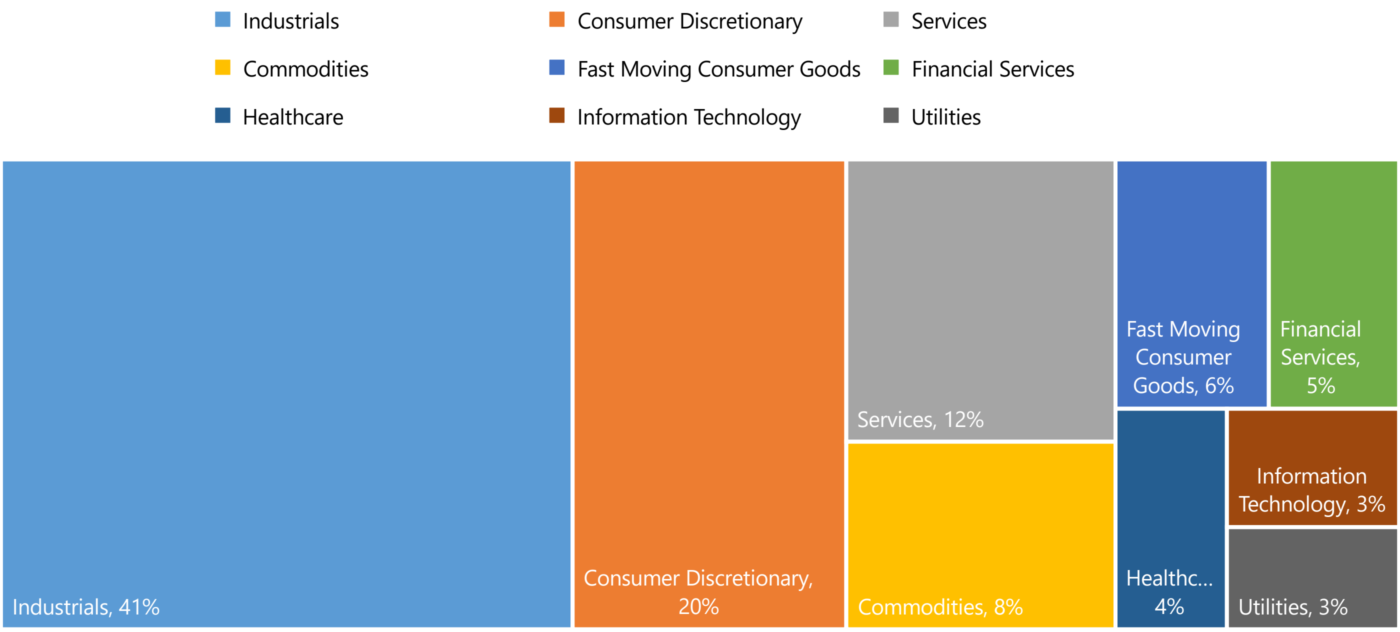
44 companies from Gujarat have migrated to the mainboard, followed by 15 companies from Delhi.

Figure 262: State-wise issuances on NSE Emerge Platform (based on equity raised) in FY25 (Apr'24-Oct'24)



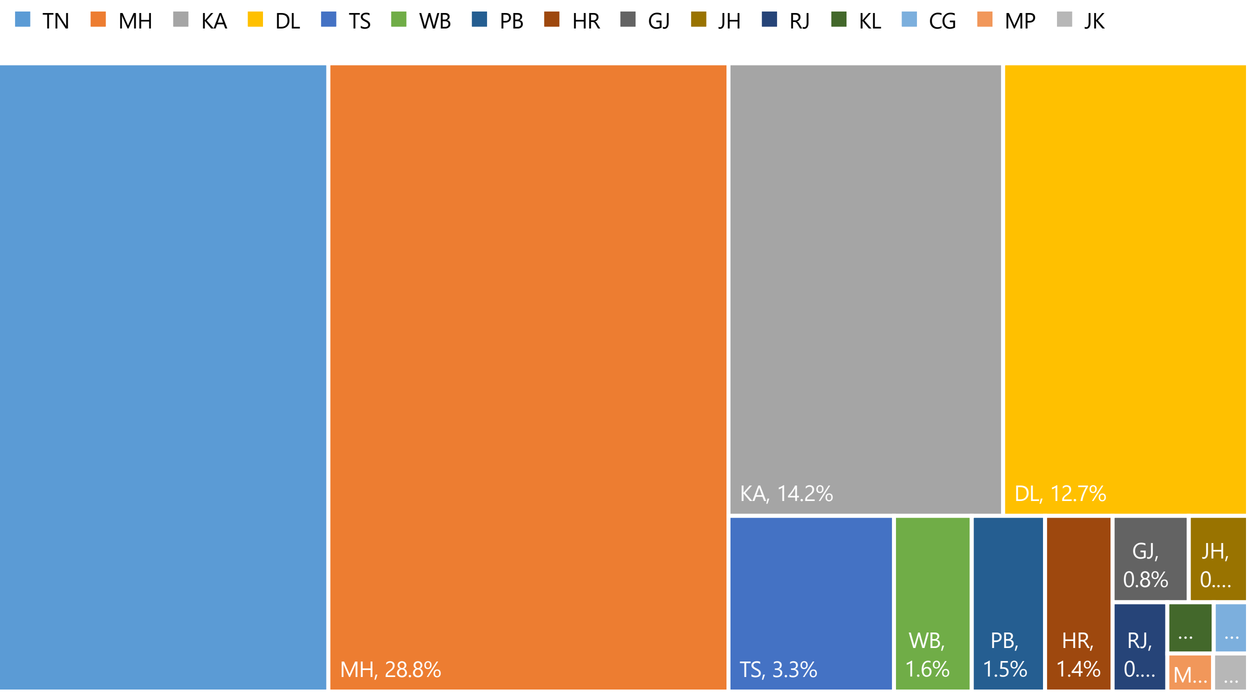
Source: NSE EPR
Notes:
1. Abbreviation of State; MH – Maharashtra, GJ – Gujarat, DL – Delhi, WB – West Bengal, RJ – Rajasthan, TN – Tamil Nadu, HR – Haryana, MP – Madhya Pradesh, TS – Telangana, KA – Karnataka, UP – Uttar Pradesh, PB – Punjab, OD – Odisha, BR – Bihar, KL – Kerala
2. Data has been presented based on respective states' shares in the total amount raised on Emerge platform
3. Data is as of FY25 till date (as of October 31st, 2024)
4. Registered office has been considered for presenting the state-wise data

Figure 263: Sector-wise issuances on NSE Emerge Platform (based on equity raised) in FY25 (Apr'24-Oct'24)



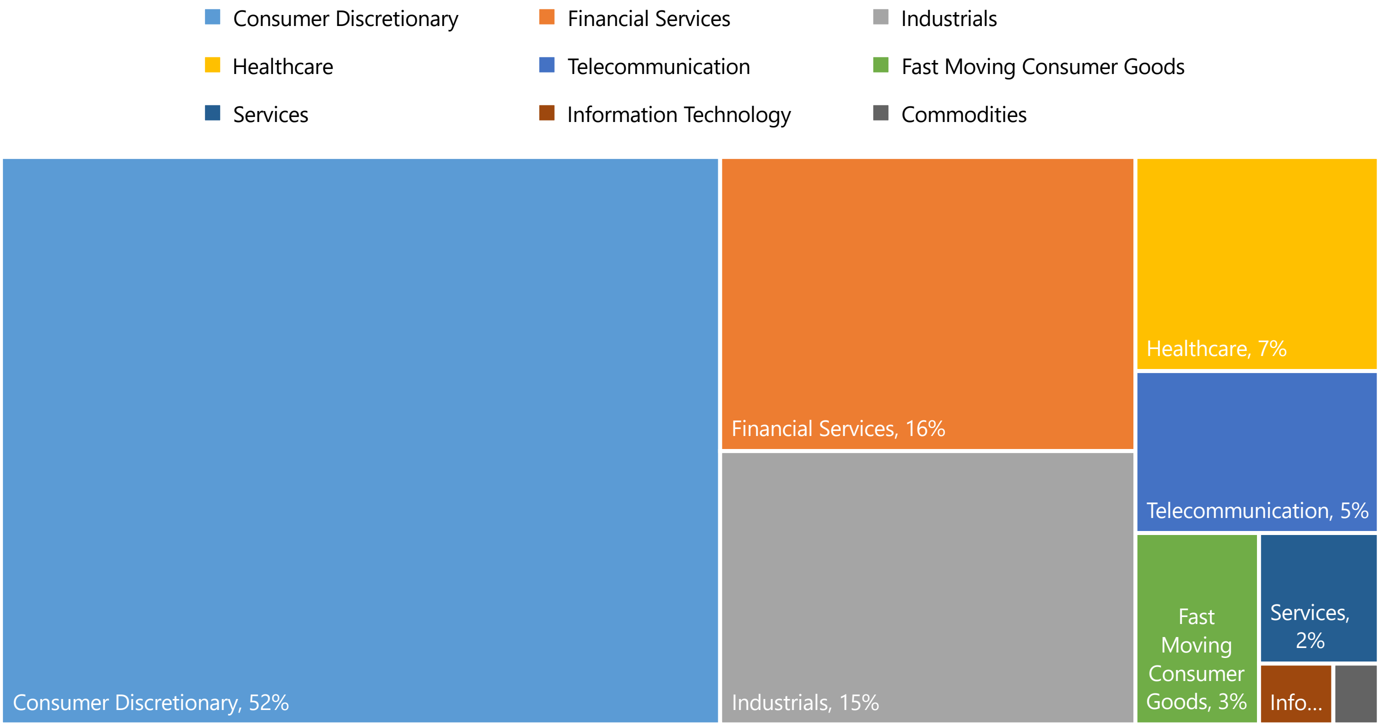
Source: NSE EPR
Note: The percentages displayed represent the respective states' shares in the total amount raised through IPOs in FY25 till date (as of October 31st, 2024)

Figure 264: State-wise issuances on Mainboard (based on equity raised) in FY25 (Apr'24-Oct'24)



Source: NSE EPR
Notes: 1. Abbreviation of State; MH – Maharashtra, KA – Karnataka, DL – Delhi, TS – Telangana, WB – West Bengal, PB – Punjab, HR – Haryana, TN – Tamil Nadu, GJ – Gujarat, JH – Jharkhand, KL – Kerala, CG – Chhattisgarh, MP – Madhya Pradesh, RJ – Rajasthan, JK – Jammu and Kashmir
2. The percentages displayed represent the respective states' shares in the total amount raised through mainboard IPOs in FY25 till date (as of October 31st, 2024)
3. Registered office has been considered for presenting the state wise data

Figure 265: Sector-wise issuances on Mainboard (based on equity raised) in FY25 (Apr'24-Oct'24)



Source: NSE EPR
Note: The percentages displayed represent the respective states' shares in the total amount raised through IPOs in FY25 till date (as of October 31st, 2024)

Table 61: Top 10 State-wise issuances on Emerge platform

State	No of issuances	Issue size (Rs crore)	M-Cap (Rs crore)
Maharashtra	165	4,038	52,913
Gujarat	154	3,677	49,371
Delhi	77	2,611	48,035
Tamil Nadu	17	782	8,765
West Bengal	29	678	7,932
Rajasthan	27	653	9,420
Madhya Pradesh	27	627	15,422
Karnataka	13	434	4,002
Telangana	17	417	3,473
Haryana	12	278	3,992
Others	34	774	14,495
Grand Total	**572**	**14,968**	**2,17,820**

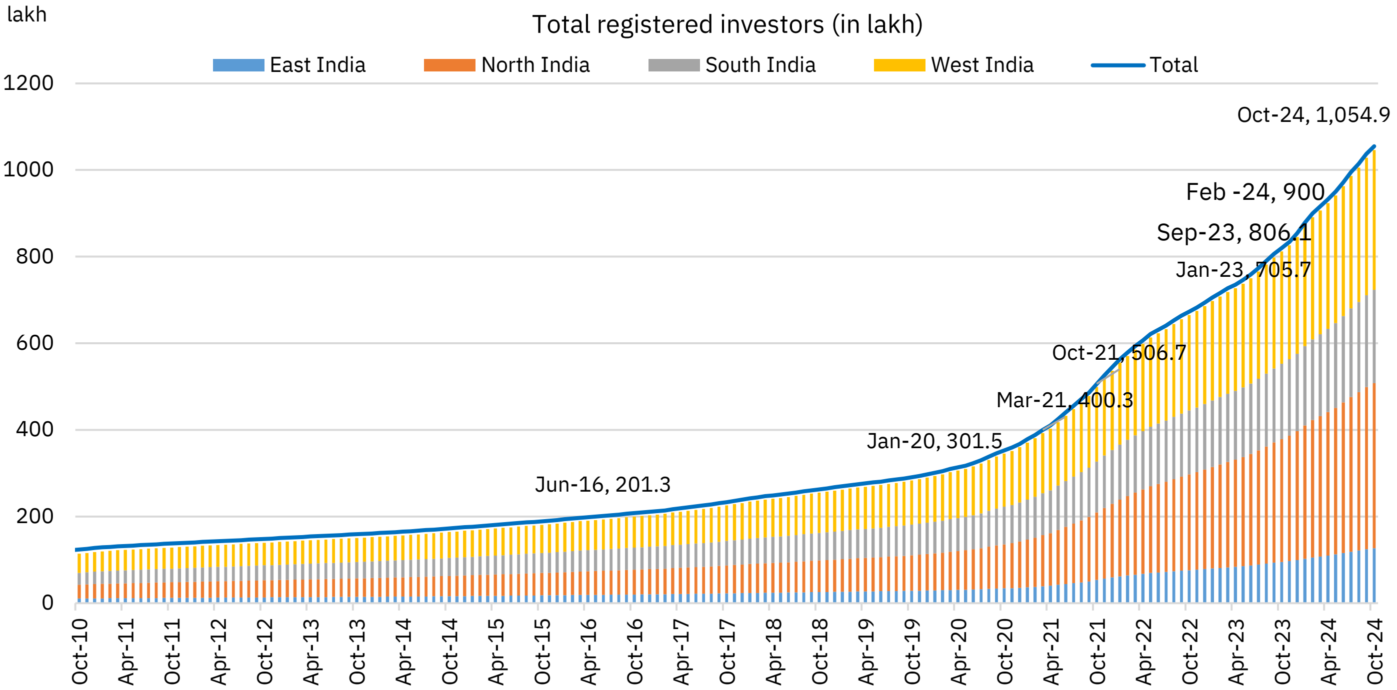
Source: CMIE Prowess, NSE EPR
Notes:
1. Data for State and market Cap are from CMIE Prowess as on October 31st, 2024.
2. Above data includes companies that have migrated to Mainboard of the exchange.

Investor growth

Region-wise distribution of total registered investors

Total registered investors stood at 10.5 crore mark in Oct'24: After crossing the 10-crore (100 million) mark in August, the investor base rose further to end the month of October at 10.5 crore. Investor registrations at NSE have seen an accelerating trend over the last few years. Region-wise, North India remained on top with a registered investor base of 3.8 crore, followed by West India at 3.2 crore, South India at 2.2 crore, and East India at 1.3 crore. North and East India have seen a remarkable increase of 34.5% and 32.7% over the last twelve months (Oct'23 vs Oct'24), followed by 24.6% YoY increase in West India and 24% YoY in South India.

Figure 266: Region-wise distribution of total registered investors—Long term trend



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 62: Region-wise distribution of total registered investors at end of each fiscal year (in lakhs)

Region	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25TD*
East India	21.2	24.1	27.0	30.4	39.3	65.7	82.8	107.7	126.7
North India	59.9	68.2	76.7	88.4	117.6	189.4	243.5	324.0	381.5
South India	53.1	59.7	66.6	75.1	97.0	132.5	157.3	189.2	215.2
West India	75.3	87.2	96.7	108.4	139.0	198.1	234.8	286.0	323.0
Others#	7.9	7.8	7.8	7.7	7.5	8.0	8.4	9.0	8.6
Total	**217.3**	**247.0**	**274.9**	**310.0**	**400.3**	**593.7**	**726.9**	**915.8**	**1,054.9**

Source: NSE EPR. *Data for FY25 is as of October 2024. #Others include Army Personnel Officers and investors for whom state mapping is unavailable.

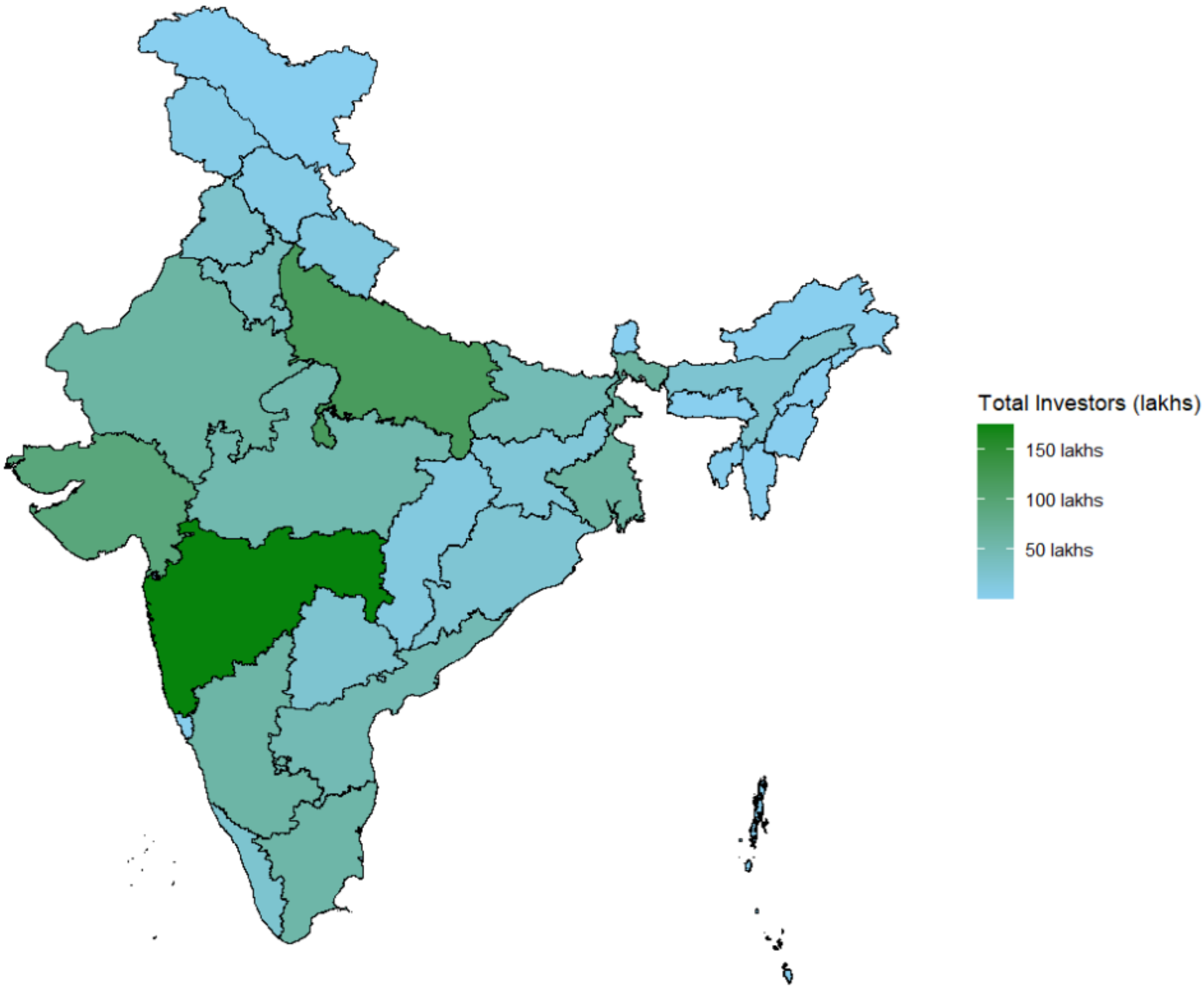
Maharashtra continues to have the highest share of registered investors: Maharashtra continued to lead in terms of registered investors, accounting for close to 1.8 crore investors (16.6% of total investor base). Uttar Pradesh retained its second position, having surpassed the milestone of 1 crore registered investors in the month of April, touching 1.2 crore investors by October-end, representing 11.2% of the registered unique investor base at NSE. This was followed by Gujarat at 93.7 lakhs, West Bengal at 61.3 lakh and Rajasthan at 60.6 lakh. These five states together accounted for 48.3% of the investor base as of Oct'24. Interestingly, states beyond the top 10 now account for 27% of the registered investor base as of Oct'24, vs. 23% in FY20. This increase over the last four years is in part due to higher contributions from Bihar and Assam.

Table 63: State-wise distribution of total registered investors at end of each fiscal year

States	FY10		FY15		FY20		FY25TD*	
	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)
Maharashtra	2,277	19.7	3,575	19.9	5,963	19.2	17,505	16.6
Uttar Pradesh	701	6.1	1,248	6.9	2,302	7.4	11,853	11.2
Gujarat	1,498	13.0	2,055	11.4	3,797	12.2	9,365	8.9
West Bengal	711	6.2	1,175	6.5	1,990	6.4	6,132	5.8
Rajasthan	426	3.7	667	3.7	1,328	4.3	6,056	5.7
Karnataka	708	6.1	1,165	6.5	1,949	6.3	5,835	5.5
Tamil Nadu	747	6.5	1,287	7.2	2,182	7.0	5,721	5.4
Madhya Pradesh	289	2.5	518	2.9	984	3.2	5,122	4.9
Andhra Pradesh	583	5.0	1,002	5.6	1,581	5.1	4,730	4.5
Delhi	780	6.8	1,197	6.7	1,853	6.0	4,682	4.4
Bihar	145	1.3	294	1.6	670	2.2	4,669	4.4
Haryana	327	2.8	531	3.0	971	3.1	3,618	3.4
Punjab	229	2.0	389	2.2	704	2.3	2,780	2.6
Kerala	345	3.0	583	3.2	942	3.0	2,602	2.5
Telangana	156	1.3	279	1.6	813	2.6	2,497	2.4
Assam	55	0.5	109	0.6	221	0.7	2,410	2.3
Orissa	121	1.1	250	1.4	494	1.6	2,281	2.2
Jharkhand	140	1.2	258	1.4	444	1.4	1,851	1.8
Chhattisgarh	67	0.6	129	0.7	252	0.8	1,320	1.3
Uttarakhand	66	0.6	123	0.7	234	0.8	1,114	1.1
Himachal Pradesh	31	0.3	60	0.3	123	0.4	704	0.7
Jammu & Kashmir	40	0.3	65	0.4	112	0.4	594	0.6
Chandigarh	38	0.3	63	0.3	100	0.3	234	0.2
Goa	30	0.3	48	0.3	82	0.3	236	0.2
Tripura	7	0.1	13	0.1	4	0.1	168	0.2
Manipur	1	0.0	5	0.0	18	0.1	116	0.1
Pondicherry	12	0.1	22	0.1	41	0.1	106	0.1
Meghalaya	3	0.0	6	0.0	12	0.0	69	0.1
Nagaland	1	0.0	3	0.0	8	0.0	57	0.1
Arunachal Pradesh	1	0.0	2	0.0	6	0.0	52	0.0
Dadra & Nagar Haveli	3	0.0	6	0.0	9	0.0	44	0.0
Sikkim	1	0.0	3	0.0	7	0.0	37	0.0
Andaman & Nicobar Islands	2	0.0	3	0.0	5	0.0	27	0.0
Daman & Diu	3	0.0	4	0.0	6	0.0	23	0.0
Mizoram	0	0.0	1	0.0	3	0.0	23	0.0
Lakhswadeep	0	0.0	0	0.0	0	0.0	2	0.0
Ladakh	0	0.0	0	0.0	0	0.0	2	0.0
Others	1,007	8.7	823	4.6	773	2.5	854	0.8
Total	**11,549**	**100**	**17,960**	**100**	**31,004**	**100**	**1,05,491**	**100.0**

Source: NSE EPR. Note: Data for FY25 is as of October 31st, 2024.

Figure 267: State-wise distribution of total registered investors as of October 2024



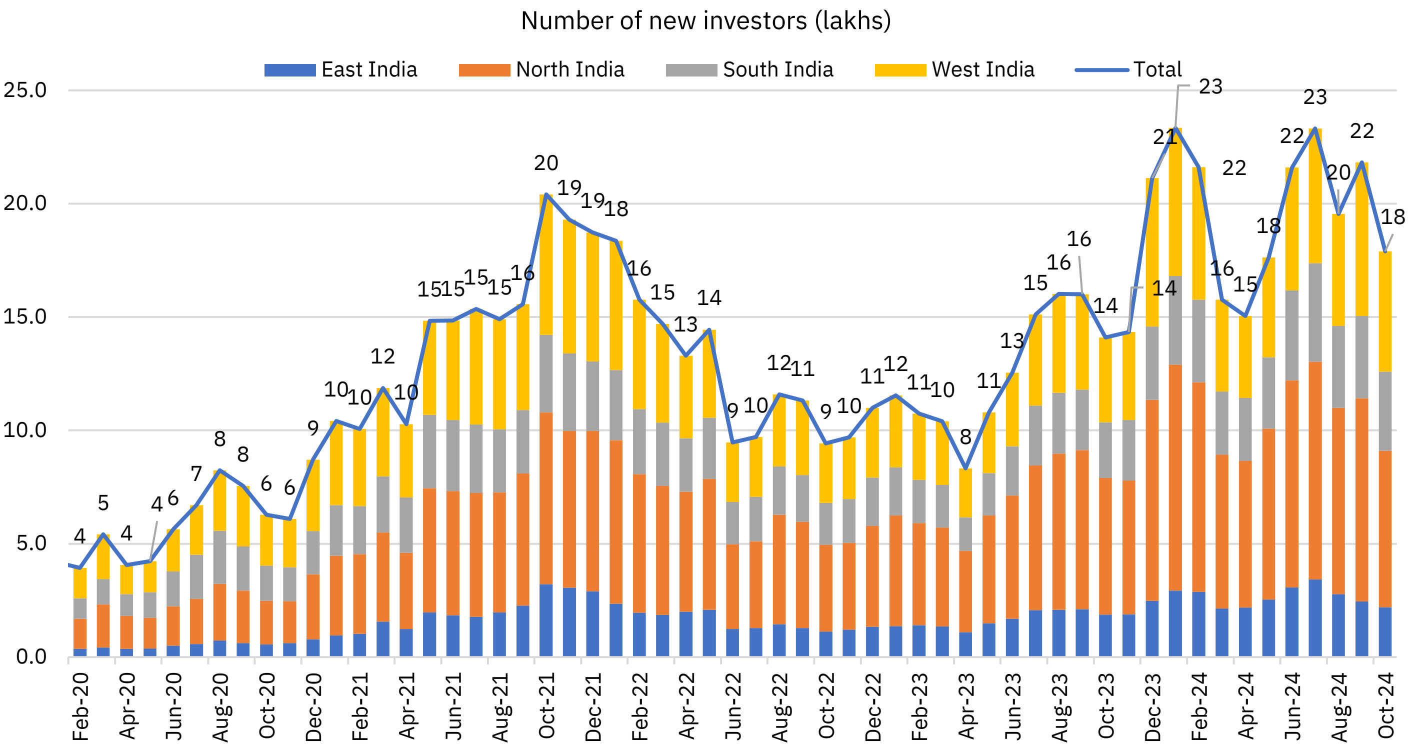
Source: NSE EPR
Note: The maps above are created using the state-level shapefile from https://geographicalanalysis.com/gis-blog/download-free-india-shapefile-including-kashmir-and-ladakh/

Region-wise distribution of new investor registrations

New investor registrations increased at a slower pace in October: The recent market correction seems to have weighed on the entry of new investors in the market. This is reflected in an 18% MoM decline in new investor registrations in October to a five-month low of 17.9 lakh from 21.8 lakh registrations in the previous month, translating into a monthly run-rate of 19.6 lakh investors till October of FY25 (vs. 13.3 lakh in FY24).

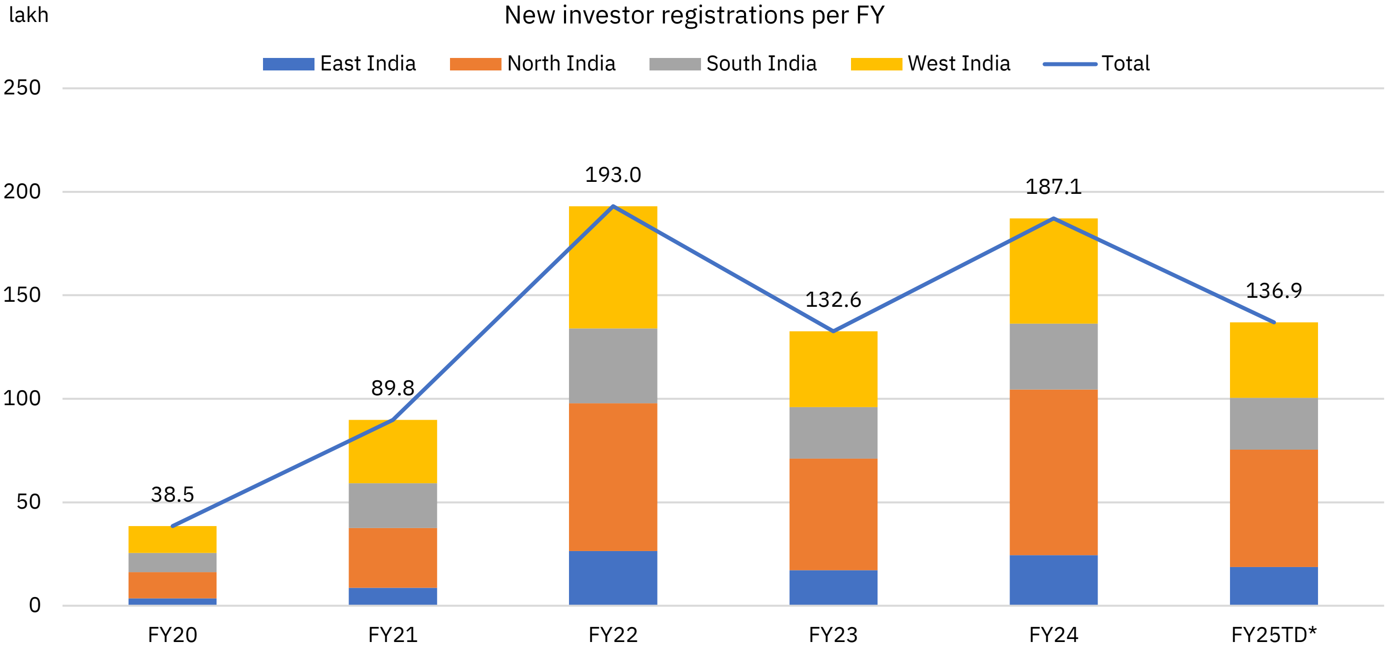
This decline in new investor registrations in October was seen across regions, with a 23.1% MoM decrease in registrations from North India (9 lakh to 6.9 lakh), followed by a 21.7% decrease in West India (6.8 lakh to 5.3 lakh). Eastern India saw new investor registrations declining by a relatively lower 10.3% MoM to 2.2 lakh, while that from South India declined by a much lower 3.8% to 3.5 lakh in Oct'24. With this, Southern and Eastern India's share in new investor registrations rose from 16.6% and 11.3% in September to 19.5% and 12.3% respectively in October. This came at the expense of a decline in share for North and West India. While North India's share dipped the most from 41.1% in September to 38.5% in October, West India saw its share in new investor registrations falling from 31.1% in September to 29.7% in October.

Figure 268: Region-wise distribution of new investors registered each month



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 269: Region-wise distribution of new investors registered each financial year



Source: NSE EPR. * Data for FY25 is as of October 2024.

Uttar Pradesh leads again in new investor registrations: Uttar Pradesh regained the top spot in terms of new investor registrations in October after dropping a notch lower in the previous month, even as the new registrations in the state dropped by 19.8% MoM to 2.38 lakh from 2.96 lakh registrations in the previous month. With this, Uttar Pradesh accounted for 13.3% of all new investor registrations during the month. Maharashtra stood second with 2.37 lakh new investors (-9.7% MoM), with a 12% share of new investors, while Gujarat slipped to the third position with a steep 32% MoM decline in new investor registrations to 2.06 lakh in October from 3.03 lakh in the previous month.

Rajasthan also saw a significant 30.1% MoM decrease in new investor registrations from 1.66 lakh in Sep'24 to 1.16 lakh in Oct'24, resulting in its share in total investor registrations during the month declining from 7.6% in Sep'24 to 6.5% in Oct'24. Among other top 10 states, only Madhya Pradesh saw a decline in its share of new registrations from 5% in Sep'24 to 4.7% in Oct'24 (-22.5 MoM, 84k new investors), while West Bengal (6.3% share, 1.12 lakh new investors), Bihar (5.6% share, 99k new investors), Tamil Nadu (5.1% share, 91k new investors), Karnataka (5% share, 90k new investors) and Andhra Pradesh (3.6% share, 64k new investors) saw an increase. The top five states together contributed 50.7% of new registrations in September 2024.

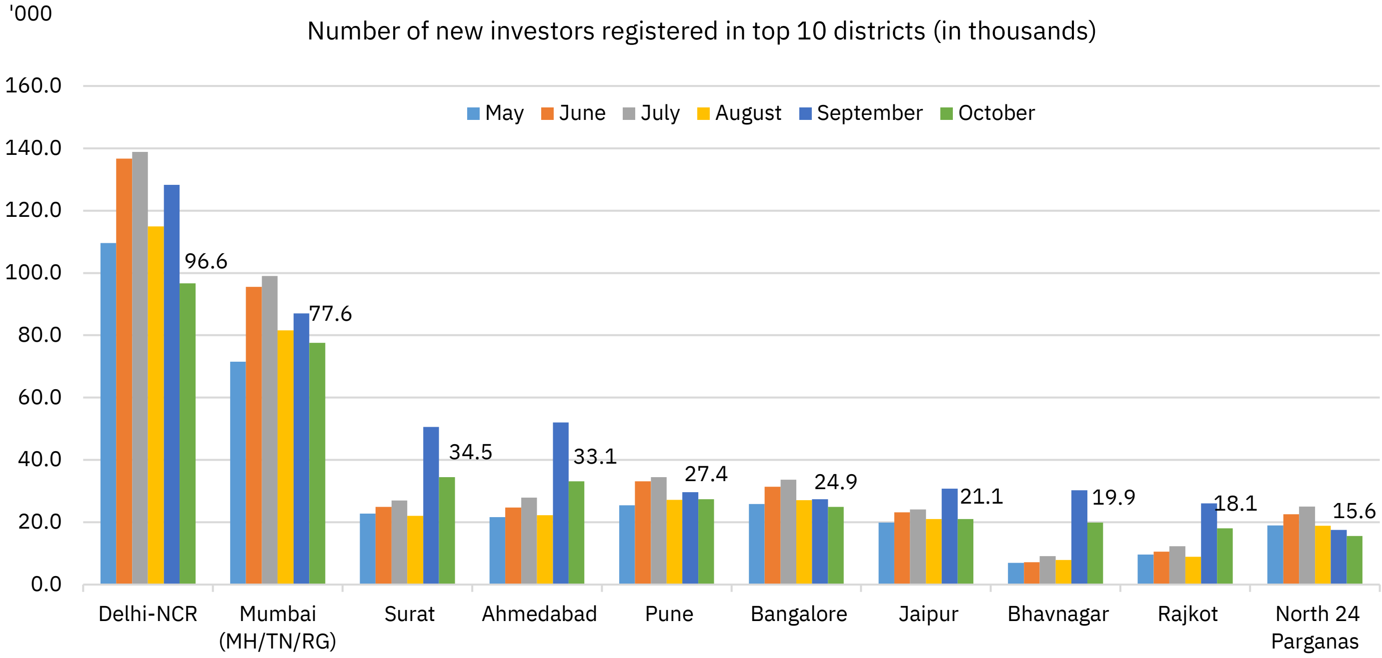
Table 64: Number of new investors registered in top 25 states (in ‘000)

State	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Uttar Pradesh	258.6	318.4	334.2	290.8	296.3	237.6
Maharashtra	218.9	281.2	307.8	254.2	262.1	236.8
Gujarat	122.8	139.1	158.2	128.4	302.7	205.9
Rajasthan	115.2	137.3	143.8	125.2	165.7	115.8
West Bengal	127.5	158.5	174.2	133.9	124.0	112.1
Bihar	102.5	125.9	128.9	114.4	117.8	99.4
Tamil Nadu	84.0	101.7	113.2	97.3	95.6	91.1
Karnataka	90.6	114.0	128.1	102.3	98.8	89.7
Madhya Pradesh	94.5	115.6	123.1	107.9	108.9	84.4
Andhra Pradesh	49.6	62.1	69.1	58.6	65.4	64.4
Delhi	66.6	83.1	83.1	68.6	77.7	57.1
Haryana	64.1	75.1	79.9	63.3	80.8	55.7
Telangana	46.2	56.0	59.9	51.2	55.6	52.1
Kerala	42.3	61.3	61.9	49.9	45.2	49.5
Punjab	55.7	64.9	74.3	59.1	59.9	43.4
Odisha	38.2	46.1	52.4	46.7	44.1	40.0
Jharkhand	37.2	44.7	46.7	40.7	40.9	36.1
Assam	44.6	51.0	61.6	52.8	35.7	31.4
Chattisgarh	28.5	33.6	34.9	28.6	28.9	24.2
Uttarakhand	22.5	27.9	30.0	24.9	25.1	19.1
Himachal Pradesh	14.9	18.1	18.8	15.1	15.2	11.5
Jammu & Kashmir	15.0	15.1	17.3	16.0	13.8	11.5
Goa	3.8	5.0	5.3	4.3	3.7	3.6
Tripura	4.5	6.1	6.0	4.4	3.7	3.5
Manipur	2.7	3.4	3.9	3.7	2.7	2.8
Others	11.7	14.2	15.8	12.8	11.9	10.9
Total	**1,763**	**2,159**	**2,332**	**1,955**	**2,182**	**1,790**

Source: NSE EPR
Note: Top 25 states are chosen based on last month’s data.

Contribution of top 10 districts declined in October 2024: New investor registrations continued to remain concentrated in a few districts, with the contribution of top 10 districts declining from 22% in September to 20.6% in Oct’24, as the number of registrations in these districts decreased by 23.1% MoM to 3.7 lakh. Delhi recorded the highest number of new investor registrations in October out of all districts with over 97k registrations (-24.6% MoM), followed by Mumbai with 78k registrations (-10.8% MoM). Average decline in the top 10 districts was recorded at 22.8% MoM as the districts-Surat (-31.8% MoM to 35k registrations), Ahmedabad (-36.4% MoM to 33k registrations), Jaipur (-31.7% MoM to 21k registrations) and Bhavnagar (-34.2% MoM to 20k registrations), witnessing a sharp decrease in new investor registrations.

Figure 270: Number of new investors registered in top ten districts (in '000)



Source: NSE EPR
Note: Top 10 districts are chosen based on last month's data.

Investor profile

Average age of investors has declined as younger individuals enter the market: The median age of registered individual investors at NSE has fallen by six years from 38 years as of March 2018 to 32 as of October 2024, with the mean age falling from 41.2 years to 35.7 during this period. This is a reflection of the influx of relatively younger investors in the markets over the last few years. The share of investors (under 30 years age group) increased from 22.9% as of Mar'18 to 39.9% as of Oct'24, as young investors enter the market. It also indicates a growing interest in investing among this age group. Remarkably, the share of investors falling in the 40 years and above age bracket declined from 46.1% in Mar'18 to 30.6% in Oct'24 as unique investors registration increased over the period. However, the share of middle-aged investors (30-39 years) remained relatively stable but showed a slight decline.

Table 65: Distribution of registered individual investor base by age

Age category	Share of registered investor base (%)							
	Mar'18	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Oct'24
Less than 30 years	22.9	22.6	23.5	29.4	37.5	38.5	40.0	39.9
30-39 years	31.0	31.1	31.2	30.4	28.9	29.2	29.1	29.4
40-49 years	20.3	20.1	19.7	17.9	15.8	15.6	15.4	15.5
50- 59 years	13.1	13.1	12.6	11	9.1	8.6	8.1	8.0
60 years and above	12.7	13.1	13	11.2	8.7	8.1	7.4	7.1

Source: NSE EPR
Note: Only individuals and sole proprietorship firms have been considered in the above table.
2. FY25 data is as on October 31st, 2024.

Table 66: Mean and median age of registered individual investors

Age (years)	Mar'18	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Oct'24
Median	38	38	38	36	33	33	32	32
Mean	41.2	41.3	41.1	39.2	36.8	36.4	36.8	35.7

Source: NSE EPR
Note: 1. Only individuals and sole proprietorship firms have been considered in the above table.
2. FY25 data is as on October 31st, 2024

Female participation has increased gradually since FY22: Female participation in individual investor registrations has shown a gradual increase since FY22, to slightly shy of a quarter as of October 2024. Among large states, Delhi (29.8%), Maharashtra (27.7%) and Tamil Nadu (27.5%) exhibit higher female representation than the pan India average of 23.9% in FY25TD, while states such as Bihar (15.4%), Uttar Pradesh (18.2%) and Odisha (19.4%) had sub-20% female share in their respective registered investor bases. Despite these regional variations, the overall progress highlights a steady improvement in gender inclusion within financial markets across the country.

Figure 271: State-wise gender classification of registered individual investors (in %)

States	FY22		FY23		FY24		FY25TD*	
	Female	Male	Female	Male	Female	Male	Female	Male
Andaman and Nico. Island	19.4%	80.6%	19.9%	80.1%	21.0%	79.0%	22.4%	77.6%
Andhra Pradesh	19.5%	80.5%	20.3%	79.7%	21.5%	78.5%	22.7%	77.3%
Arunachal Pradesh	21.6%	78.4%	22.7%	77.3%	23.6%	76.4%	25.8%	74.2%
Assam	31.8%	68.2%	30.9%	69.1%	30.0%	70.0%	29.9%	70.1%
Bihar	13.6%	86.4%	13.8%	86.2%	14.6%	85.4%	15.4%	84.6%
Chandigarh	30.6%	69.4%	30.6%	69.4%	31.0%	69.0%	31.6%	68.4%
Chattisgarh	18.8%	81.2%	19.1%	80.9%	20.3%	79.7%	21.9%	78.1%
Dadra and Nagar Hav.	17.8%	82.2%	17.8%	82.2%	18.2%	81.8%	19.4%	80.6%
Daman and Diu	18.9%	81.1%	18.7%	81.3%	19.3%	80.7%	20.2%	79.8%
Delhi	27.2%	72.8%	27.6%	72.4%	28.6%	71.4%	29.8%	70.2%
Goa	29.8%	70.2%	30.2%	69.8%	31.0%	69.0%	32.0%	68.0%
Gujarat	27.4%	72.6%	26.6%	73.4%	26.5%	73.5%	27.4%	72.6%
Haryana	21.7%	78.3%	21.6%	78.4%	22.8%	77.2%	24.1%	75.9%
Himachal Pradesh	16.3%	83.7%	16.8%	83.2%	18.2%	81.8%	20.0%	80.0%
Jammu and Kashmir	13.9%	86.1%	13.8%	86.2%	14.3%	85.7%	15.5%	84.5%
Jharkhand	17.9%	82.1%	18.1%	81.9%	18.9%	81.1%	20.1%	79.9%
Karnataka	24.3%	75.7%	24.7%	75.3%	25.8%	74.2%	26.9%	73.1%
Kerala	25.3%	74.7%	25.6%	74.4%	26.2%	73.8%	27.0%	73.0%
Lakshadweep	9.2%	90.8%	10.7%	89.3%	13.3%	86.7%	14.6%	85.4%
Madhya Pradesh	18.2%	81.8%	18.6%	81.4%	20.2%	79.8%	21.3%	78.7%
Maharashtra	25.4%	74.6%	25.6%	74.4%	26.4%	73.6%	27.7%	72.3%
Manipur	21.4%	78.6%	21.9%	78.1%	23.0%	77.0%	24.2%	75.8%
Meghalaya	25.5%	74.5%	25.1%	74.9%	25.1%	74.9%	25.9%	74.1%
Mizoram	27.4%	72.6%	28.2%	71.8%	30.0%	70.0%	31.4%	68.6%
Nagaland	25.4%	74.6%	25.8%	74.2%	26.5%	73.5%	28.0%	72.0%
Odisha	16.6%	83.4%	17.3%	82.7%	18.2%	81.8%	19.4%	80.6%
Pondicherry	26.1%	73.9%	26.5%	73.5%	27.1%	72.9%	27.9%	72.1%
Punjab	22.9%	77.1%	23.2%	76.8%	24.7%	75.3%	25.9%	74.1%
Rajasthan	19.4%	80.6%	18.7%	81.3%	18.9%	81.1%	19.9%	80.1%
Sikkim	25.0%	75.0%	25.8%	74.2%	27.2%	72.8%	29.1%	70.9%
Tamil Nadu	24.8%	75.2%	25.6%	74.4%	26.8%	73.2%	27.5%	72.5%
Telangana	21.6%	78.4%	22.2%	77.8%	23.2%	76.8%	24.3%	75.7%
Tripura	15.0%	85.0%	15.4%	84.6%	16.2%	83.8%	17.7%	82.3%
Uttar Pradesh	17.3%	82.7%	16.9%	83.1%	17.3%	82.7%	18.2%	81.8%
Uttarakhand	19.1%	80.9%	19.3%	80.7%	20.3%	79.7%	21.7%	78.3%
West Bengal	22.4%	77.6%	22.1%	77.9%	22.2%	77.8%	22.9%	77.1%
India	**22.6%**	**77.4%**	**22.5%**	**77.5%**	**23.0%**	**77.0%**	**23.9%**	**76.1%**

Source: NSE EPR
Note: The gender classification is based on the investor data where the gender was disclosed. The mapping is based on India Post's pincode level mapping (GoI).
* Data for FY25 is as of Oct'24 2024.

Market activity across segments and investor categories

Total turnover across segments

CM segment turnover moderated in October: The CM segment turnover declined for the third consecutive month to Rs 23.5 lakh crore (-8.1% MoM) in Oct'24, even as it rose by 75.1% on a YoY basis. Notably, the cumulative turnover in the CM segment in the first seven months of FY25 amounted to Rs 181.1 lakh crore – nearly 2x the cumulative turnover during the corresponding period in the last fiscal year and 90.1% of the total turnover of FY24. This aligns with the steady rise of new investors and a sustained increase in participation in the equity market.

Index futures and index options (premium) turnover expanded in October: Index options monthly premium turnover increased by 20.3% MoM to Rs 13.7 lakh crore to reach at 4-month high, while index futures notional turnover inched up by 6.8% MoM to Rs 7.6 lakh crore after declining for three consecutive months. Single stock options premium turnover, on the other hand, fell by 1.4% MoM to Rs 1.7 lakh crore, and stock futures notional turnover fell by 2.1% MoM to Rs 33.4 lakh crore.

Currency futures and currency options (premium) turnover expanded in October: The monthly turnover in currency futures expanded to a six-month high of Rs 1.5 lakh crore (+135.3% MoM) in Oct'24 after registering a substantial fall in the previous month. The monthly premium turnover in currency options expanded to Rs 1.3 crore (+17.6% MoM) in October, after declining for six consecutive months, however on annual comparison it declined 99.9% YoY. Remarkably, the monthly turnover in interest rate futures jumped to an 11-month high of Rs 2,698 crore (+17% MoM) in the month of October.

Commodity options (premium) turnover expanded for the fourth consecutive month: The monthly premium turnover in commodity options expanded for the fourth consecutive month with a 39.3% MoM rise to Rs 404.4 crore in Oct'24 – the highest monthly turnover on record. On the contrary, commodity futures registered a 29.6% MoM decline to Rs 20.1 crore during the month. The trading in the segment was distributed across Silver, Crude Oil, and Natural gas contracts during the month.

Table 67: Total turnover across segments in the last six months (May’24–Oct’24)

Segment (Rs crore)	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Cash market	**24,67,941**	**29,05,226**	**30,61,577**	**26,38,157**	**25,59,376**	**23,53,098**
Equity Futures	**42,71,082**	**46,45,873**	**46,56,835**	**41,19,112**	**41,27,438**	**41,04,371**
Stock Futures	34,64,430	36,62,528	38,31,730	33,66,229	34,14,779	33,43,153
Index Futures	8,06,652	9,83,344	8,25,104	7,52,883	7,12,659	7,61,218
Equity Options (Premium)	**14,71,401**	**16,77,678**	**15,10,073**	**13,80,676**	**13,11,066**	**15,39,425**
Stock Options (Premium)	1,86,613	1,91,370	1,97,877	1,61,998	1,74,393	1,71,991
Index Options (Premium)	12,84,788	14,86,308	13,12,196	12,18,678	11,36,673	13,67,433
Currency derivatives						
Currency Futures	1,05,151	1,09,312	45,606	1,08,395	64,015	1,50,597
Currency Options (Premium)	7.9	3.4	1.5	1.4	1.1	1.3
Interest rate derivatives	**2,239**	**2,231**	**1,786**	**1,688**	**2,307**	**2,698**
Commodity derivatives						
Commodity Futures	12.6	11.0	11.1	17.5	28.6	20.1
Commodity Options (Premium)	174.2	126.9	178.1	246.3	290.2	404.4

Source: NSE EPR

Table 68: Total turnover across segments in the last six years (FY20 to FY25TD)

Segment (Rs crore)	FY 20	FY 21	FY 22	FY 23	FY24	FY25TD
Cash market	**89,98,811**	**1,53,97,908**	**1,65,66,237**	**1,33,05,073**	**2,01,03,439**	**1,81,05,571**
Equity Futures	**2,15,52,041**	**2,71,46,011**	**2,94,68,316**	**2,85,92,989**	**3,29,64,084**	**2,97,76,690**
Stock Futures	1,48,74,729	1,80,98,365	2,10,38,938	1,90,72,304	2,55,46,967	2,42,41,765
Index Futures	66,77,312	90,47,646	84,29,378	95,20,685	74,17,117	55,34,925
Equity Options (Premium)	**13,07,932**	**32,08,778**	**68,81,160**	**1,18,88,256**	**1,51,97,594**	**1,01,30,864**
Stock Options (Premium)	2,28,353	5,79,352	10,38,830	9,32,701	13,78,031	12,40,186
Index Options (Premium)	10,79,578	26,29,426	58,42,330	1,09,55,556	1,38,19,564	88,90,678
Currency derivatives						
Currency Futures	48,43,160	57,17,820	70,56,916	1,01,15,658	72,01,742	8,00,514
Currency Options (Premium)	13,202	14,764	24,994	47,540	30,405	370
Interest rate derivatives	**3,60,818**	**97,391**	**26,357**	**26,296**	**29,571**	**14,721**
Commodity derivatives						
Commodity Futures	6,362	5,484	2,273	14	5,429	113
Commodity Options (Premium)	-	284	131	112	523	1,639

Source: NSE EPR. FY25TD is as of Oct’24.

Table 69: Notional to premium 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
Oct-24	8,602	13.7	629	125	1.7	72
Sep-24	8,097	11.4	712	129	1.7	74
Aug-24	7,768	12.2	637	116	1.6	72
Jul-24	8,215	13.1	626	119	2.0	60
Jun-24	7,226	14.9	486	112	1.9	58
May-24	7,154	12.8	557	110	1.9	59
Apr-24	7,072	10.8	652	99	1.6	64
Mar-24	7,098	11.3	629	87	1.3	68
Feb-24	8,452	15.1	561	104	1.7	61
Jan-24	8,720	15.0	581	102	1.8	58
Dec-23	7,444	12.4	602	102	1.8	56
Nov-23	6,452	8.9	729	70	0.9	75
Oct-23	6,288	9.8	642	65	0.8	78

Source: NSE EPR. FY25TD is as of Oct'24.

Table 70: Notional to premium 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
Oct-24	2,643	2.0	1,329	0.001362	0.000026	52
Sep-24	3,015	2.0	1,503	0.001024	0.000011	95
Aug-24	2,603	1.6	1,627	0.001069	0.000014	74
Jul-24	2,543	1.6	1,546	0.000356	0.000003	115
Jun-24	2,064	1.6	1,285	-	-	-
May-24	2,197	1.6	1,383	-	-	-
Apr-24	1,695	1.2	1,444	-	-	-
Mar-24	1,519	1.0	1,550	-	-	-
Feb-24	1,553	1.1	1,434	-	-	-
Jan-24	1,264	0.8	1,565	-	-	-
Dec-23	1,423	0.8	1,765	-	-	-
Nov-23	739	0.4	1,949	-	-	-
Oct-23	657	0.4	1,772	-	-	-

Source: NSE EPR. FY25TD is as of Oct'24.

Average daily turnover (ADT) across segments

Average daily turnover in CM segment declined in October: Average daily turnover in the CM segment moderated for the fourth consecutive month to Rs 1.1 lakh crore (-12.2% MoM) in Oct'24. Notably, the ADT during the first seven months of FY25 stood at Rs 1.2 lakh crore, that was 1.5x of the ADT of Rs 81,721 crore for the entire year of FY24.

The ADT for equity futures declined to Rs 1.9 lakh crore (-5.1% MoM), while that for equity options rose to a 4-month high of Rs 69,974 crore (+12.1% MoM) in terms of premium turnover in October. The ADT of index futures increased by a modest 2% MoM to Rs 34,601 crore, while that of stock futures fell by 6.5% MoM to Rs 1.5 lakh crore during the month. Similarly, the average daily premium turnover (ADPT) of index options increased by 14.8% MoM to Rs 62,156 crore, while that of stock options dropped by 5.9% MoM to Rs 7,818 crore in the previous month.

The ADT in currency futures reached a six-month high of Rs 6,845 crore (+113.9% MoM) and ADPT of currency options marginally rose to Rs 5.8 lakh (+6.9% MoM). Additionally, the ADT in interest rate futures increased to Rs 123 crore (+6.3% MoM) during the month.

In the commodity derivatives segment, the ADT of commodity futures fell to Rs 91 lakh, while the ADPT of commodity options increased 33% MoM to an all-time high of Rs 18.4 crore in the month gone by.

Table 71: Average daily turnover across segments in the last six months (May'24–Oct'24)

Segment (Rs crore)	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Cash market	**1,12,179**	**1,52,907**	**1,39,163**	**1,25,627**	**1,21,875**	**1,06,959**
Equity Futures	**1,94,140**	**2,44,520**	**2,11,674**	**1,96,148**	**1,96,545**	**1,86,562**
Stock Futures	1,57,474	1,92,765	1,74,170	1,60,297	1,62,609	1,51,962
Index Futures	36,666	51,755	37,505	35,852	33,936	34,601
Equity Options (Premium)	**66,882**	**88,299**	**68,640**	**65,746**	**62,432**	**69,974**
Stock Options (Premium)	8,482	10,072	8,994	7,714	8,304	7,818
Index Options (Premium)	58,399	78,227	59,645	58,032	54,127	62,156
Currency derivatives						
Currency Futures	5,258	5,753	2,073	5,162	3,201	6,845
Currency Options (Premium)	0.4	0.2	0.1	0.1	0.1	0.1
Interest rate derivatives	**112**	**117**	**81**	**80**	**115**	**123**
Commodity derivatives						
Commodity Futures	0.5	0.5	0.5	0.8	1.4	0.9
Commodity Options (Premium)	7.6	6.3	7.7	11.7	13.8	18.4

Source: NSE EPR.

Table 72: Average daily turnover across segments (FY20 to FY25TD)

Segment (Rs crore)	FY 20	FY 21	FY 22	FY 23	FY24	FY25TD
Cash market	**36,432**	**61,839**	**66,799**	**53,434**	**81,721**	**1,23,167**
Equity Futures	**87,255**	**1,09,020**	**1,18,824**	**1,14,831**	**1,34,000**	**2,02,563**
Stock Futures	60,222	72,684	84,834	76,596	1,03,849	1,64,910
Index Futures	27,034	36,336	33,989	38,236	30,151	37,653
Equity Options (Premium)	**5,295**	**12,887**	**27,747**	**47,744**	**61,779**	**68,917**
Stock Options (Premium)	925	2,327	4,189	3,746	5,602	8,437
Index Options (Premium)	4,371	10,560	23,558	43,998	56,177	60,481
Currency derivatives						
Currency Futures	19,931	23,338	29,282	41,288	29,883	5,637
Currency Options (Premium)	54	60	104	194	126	2.6
Interest rate derivatives	**1,485**	**398**	**109**	**107**	**123**	**104**
Commodity derivatives						
Commodity Futures	24.6	21.5	8.8	0.1	21.4	0.7
Commodity Options (Premium)	-	1.1	0.5	0.4	2.1	10.8

Source: NSE EPR. FY25TD data is as of Oct'24.

Average trade size in equity options inched up; declined in CM segment and equity futures in October: The average trade size in the CM segment dropped by 7.9% MoM to Rs 27,768 in Oct'24. The equity derivatives segment, on the other hand, exhibited mixed responses. Equity futures' average trade size declined by a modest 1.6% MoM, wherein index futures fell by 1.8% MoM and stock futures by 2.1% MoM to Rs 14.2 lakh and Rs 9.6 lakh, respectively. Equity options' average trade size (based on premium turnover) observed a modest growth of 4.9% MoM, wherein index options increased by 6.9% MoM to Rs 5,267 and stock options witnessed a drop in the average trade size for the fourth consecutive month to Rs 14,331.

An annual comparison of the average trade size yields some interesting results. In the CM segment, the average trade size in the first seven months of the fiscal reached a four-year high of Rs 30,742. Equity futures, however, did not share a similar story. While the average trade size of stock futures increased in FY25 till Oct'24, that of index futures was substantially lower, pulling down the average trade size of equity futures. A similar story was observed in equity options, leading to an overall decline in their average trade size.

Table 73: Average trade size in NSE cash and equity derivatives segment (May'24-Oct'24)

Segment wise (Rs)	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Cash market	**32,133**	**33,356**	**31,081**	**29,695**	**30,156**	**27,768**
Equity Futures	**9,86,832**	**10,13,743**	**10,16,741**	**10,28,769**	**10,33,518**	**10,16,890**
Index Futures	12,50,687	13,39,132	14,37,973	14,19,100	14,47,901	14,21,289
Stock Futures	9,40,627	9,51,658	9,56,412	9,69,149	9,75,267	9,55,018
Equity Options	**6,194**	**6,648**	**5,869**	**5,502**	**5,403**	**5,668**
Index Options	5,662	6,147	5,342	5,079	4,925	5,267
Stock Options	17,605	18,102	17,011	14,738	14,703	14,331

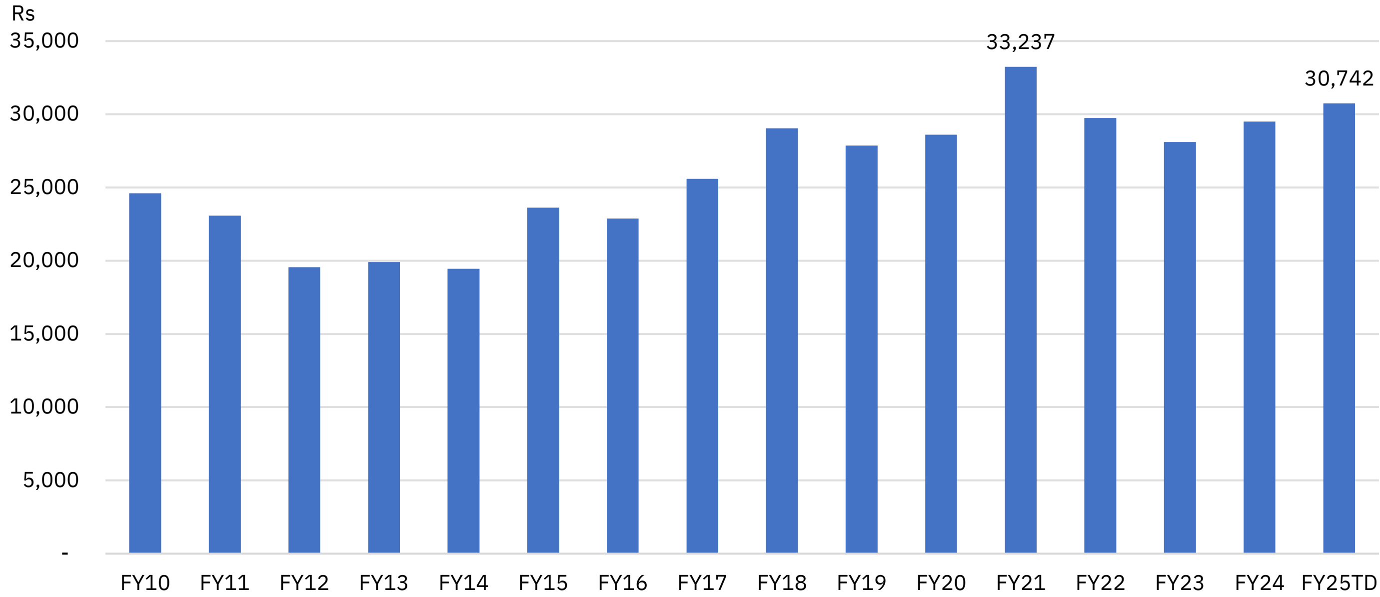
Source: NSE EPR. Note: Premium has been considered for calculating average trade size for options contracts.

Table 74: Average trade size in NSE cash market and equity derivatives segments (FY19 to FY25TD)

Segment wise (Rs)	FY19	FY20	FY21	FY22	FY23	FY24	FY25TD
Cash market	**27,860**	**28,604**	**33,237**	**29,737**	**28,111**	**29,510**	**30,742**
Equity Futures	**8,56,295**	**8,04,724**	**9,00,620**	**10,42,174**	**9,57,044**	**10,40,196**	**10,27,126**
Index Futures	13,24,701	11,42,535	10,44,759	13,70,261	14,39,592	15,37,923	14,08,449
Stock Futures	7,63,220	7,10,431	8,42,512	9,50,949	8,19,859	9,50,852	9,67,329
Equity Options	**7,516**	**6,812**	**8,255**	**8,315**	**7,886**	**6,246**	**5,898**
Index Options	6,655	6,146	7,302	7,585	7,603	5,897	5,417
Stock Options	13,028	13,926	20,274	18,126	13,994	15,381	16,212

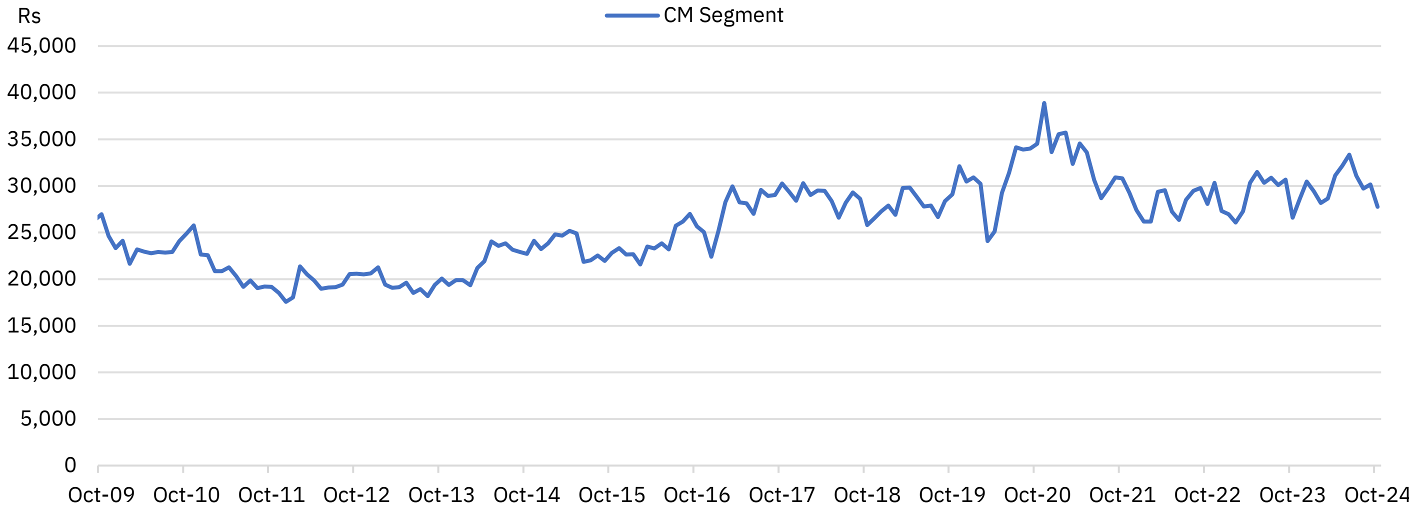
Source: NSE EPR. FY25TD data is as of Oct'24. Note: Premium has been considered for calculating average trade size for options contracts.

Figure 272: Annual trend in average trade size in NSE cash market segment



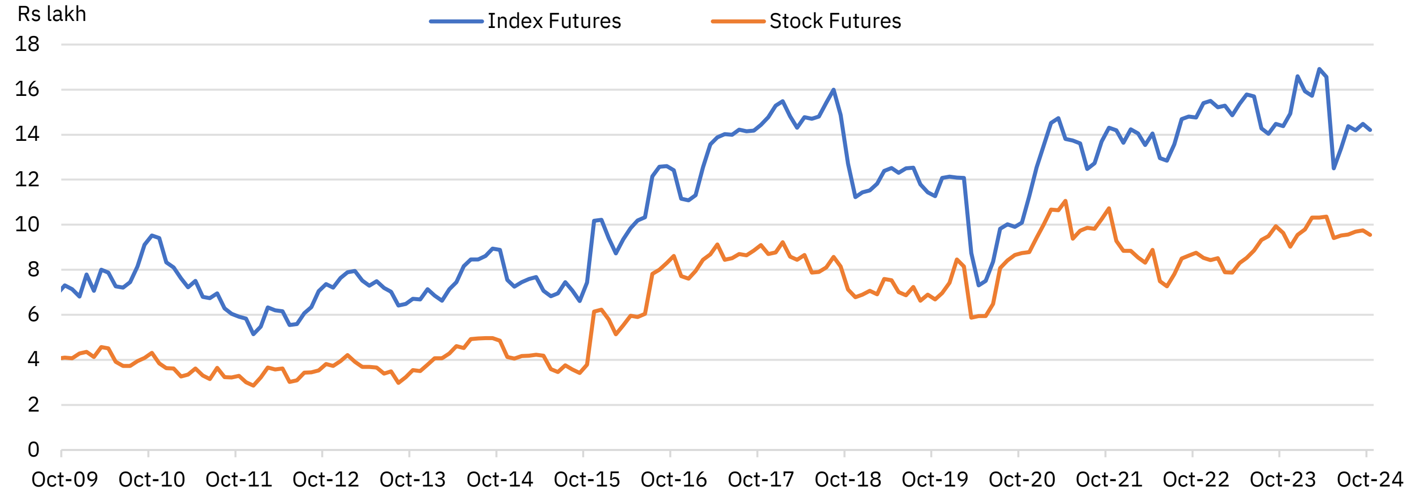
Source: NSE EPR.
Note: FY25TD is as of Oct'24.

Figure 273: Monthly trend in average trade size in NSE CM segment



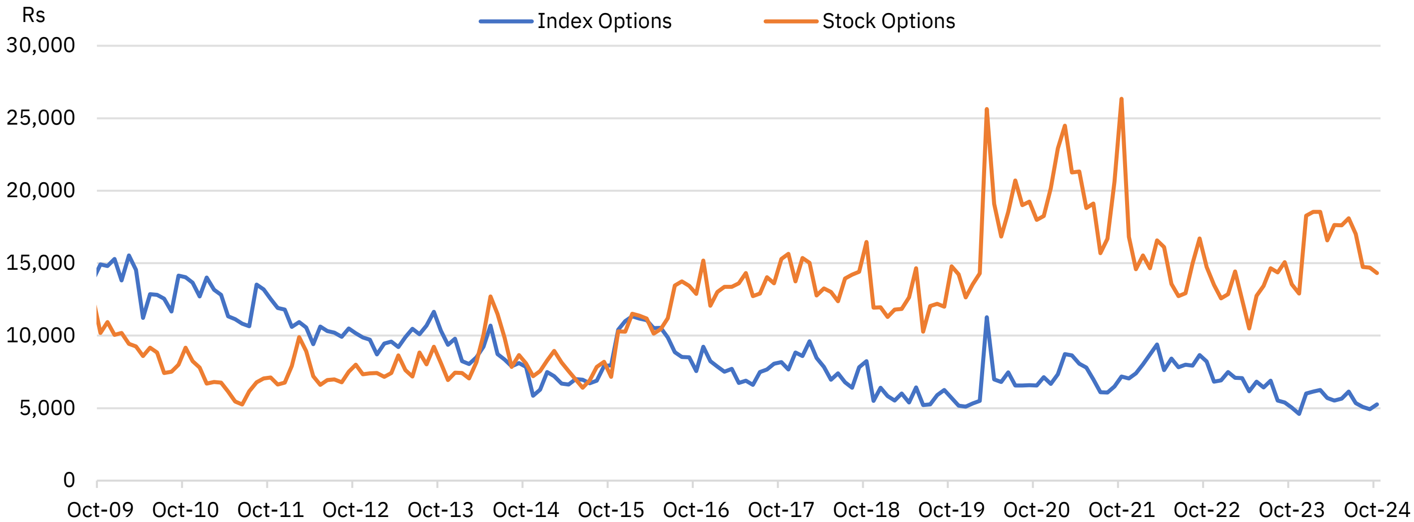
Source: NSE EPR.

Figure 274: Monthly trend in average trade size in equity futures



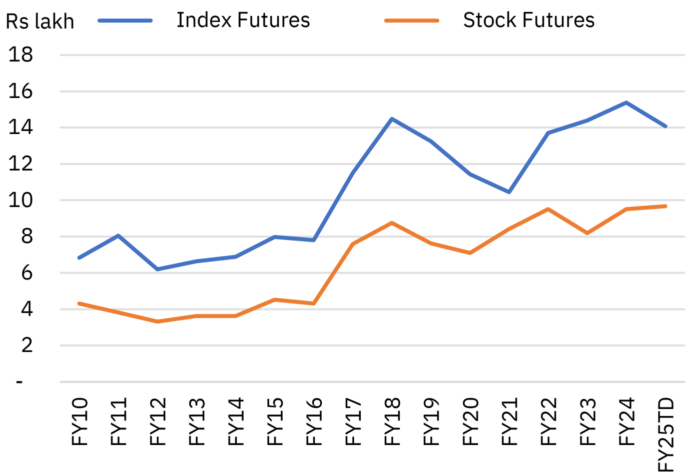
Source: NSE EPR.

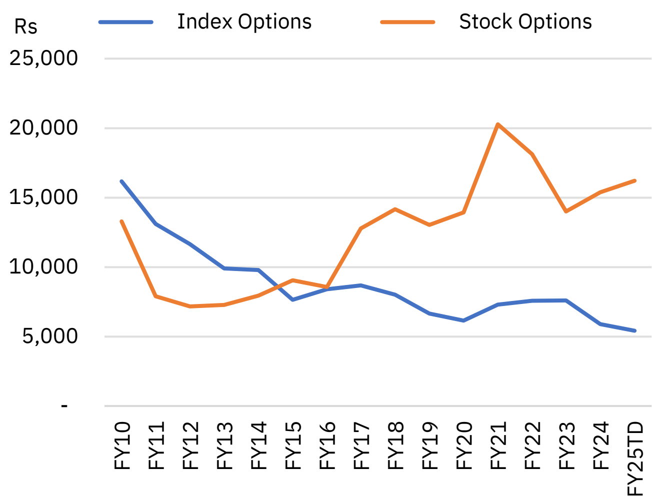
Figure 275: Monthly trend in average trade size in equity options



Source: NSE EPR

Figure 276: Annual trend in average trade size in NSE equity derivatives segment

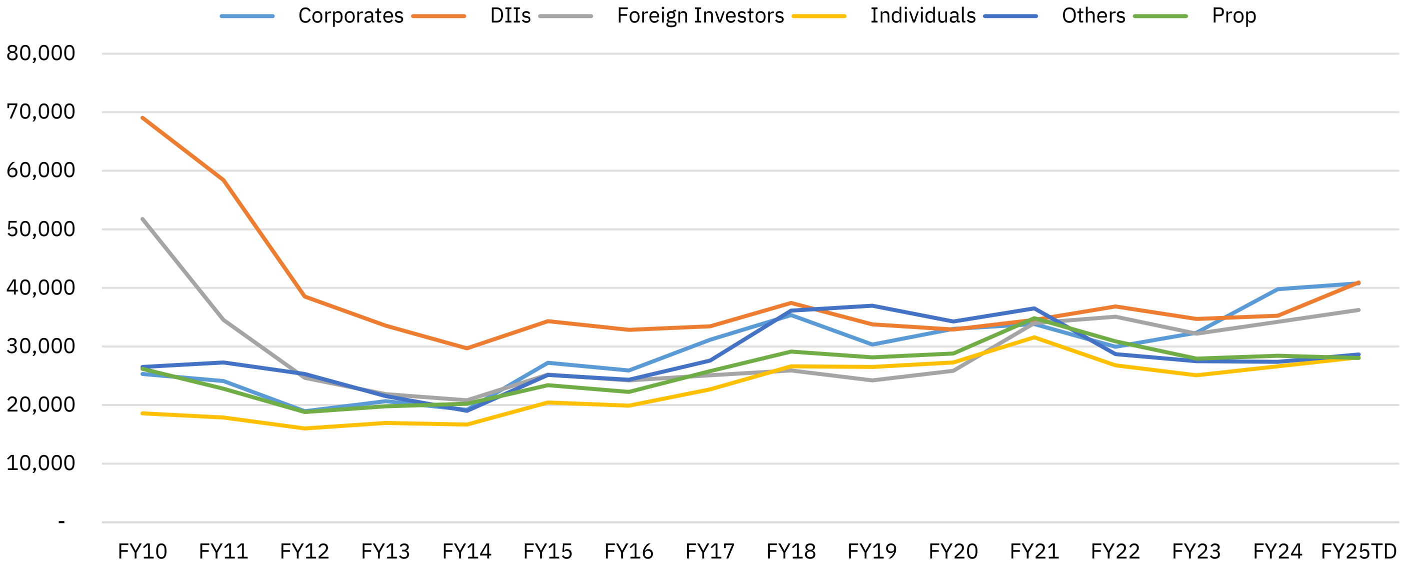




Source: NSE EPR.

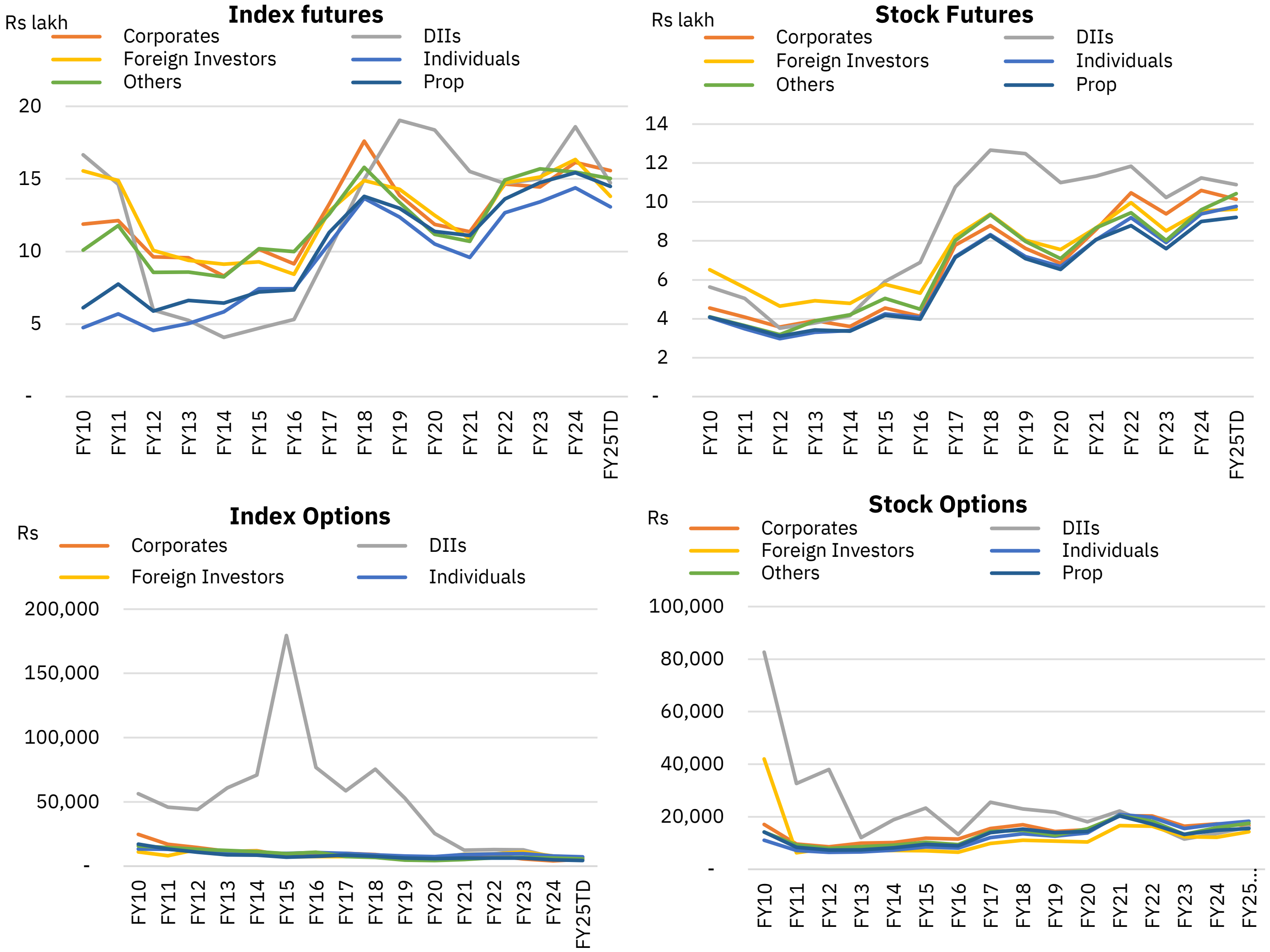
Note: FY25 is as of October 31st, 2024

Figure 277: Annual trend in average trade size across categories in NSE CM segment



Source: NSE EPR.
Note: FY25TD is as of October 31st, 2024

Figure 278: Annual trend in average trade size across categories in NSE equity derivatives segment



Source: NSE EPR. Note: FY25TD is as of October 31st, 2024

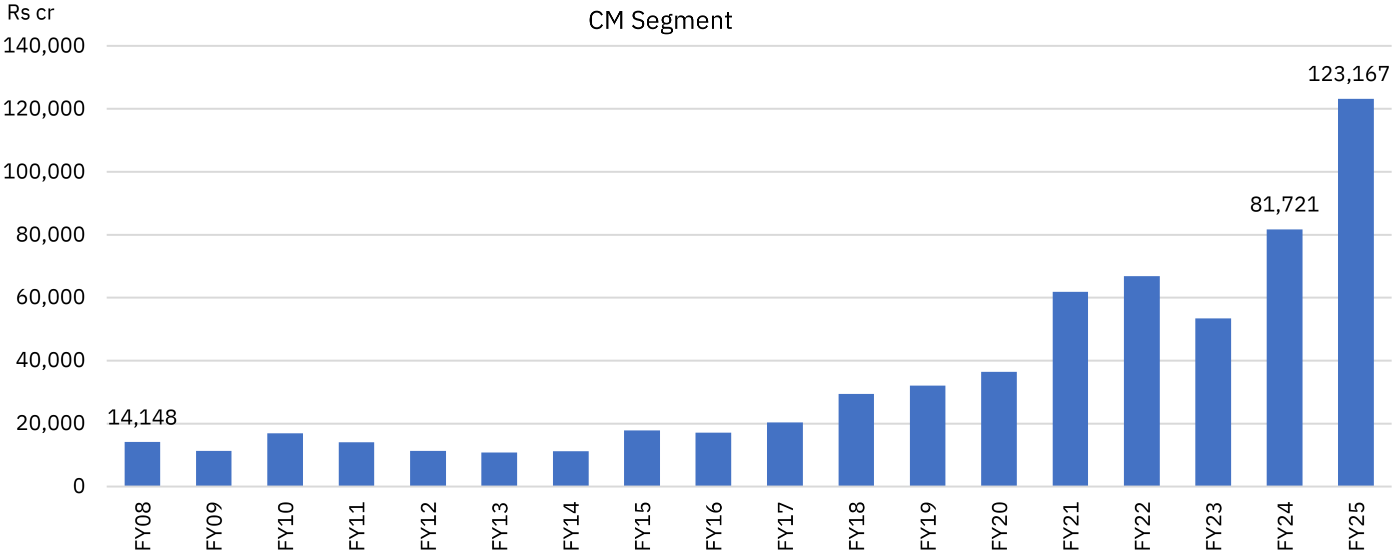
ADT in the CM segment declined across products, barring ETFs and SGBs, in October: Except ETFs and SGBs, where ADT witnessed a strong 22.3% MoM growth to Rs 1,870 crore and 14.4% MoM to Rs 11 crore respectively, ADT declined across other products in Oct'24. The ADT for mainboard equities declined by 12.6% MoM to Rs 1 lakh crore, and that of SME Emerge fell by a steep 27.5% MoM to Rs 364 crore. InvITs, and REITs shared a similar fate as they witnessed substantial reductions during the month. However, the YoY growth remained healthy across all products, with notable expansions in SME Emerge (+343.6% YoY) and ETFs (+144% MoM).

Table 75: Average daily turnover in NSE's CM Segment

Products (Rs crore)	Oct-24	Sep-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Capital Market	**106,959**	**121,875**	**(12.2)**	**123,167**	**68,077**	**80.9**	**81,721**	**119,194**
Equities (Main Board)	104,564	119,647	(12.6)	120,820	67,118	80.0	80,551	117,065
Exchange Traded Funds	1,870	1,529	22.3	1,546	633	144.0	754	1,398
SME Emerge	364	502	(27.5)	428	97	343.6	145	373
Sovereign Gold Bonds	11	9	14.4	13	8	64.7	9	13
InvITs	21	31	(32.6)	69	33	108.1	36	63
REITs	68	83	(17.9)	93	42	122.9	49	83
Others	61	74	(17.8)	198	146	35.9	177	199

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. FY25TD is as of Oct'24 and FY24TD is as of Oct'23.

Figure 279: Trends in average daily turnover in NSE cash market segment



Source: NSE EPR.
Note: Average daily turnover (ADT) excludes auction market turnover. FY25 data is as of Oct'24.

ADT in equity derivatives segment exhibited mixed trend across instruments: Average daily turnover (ADT) in index futures and average daily premium turnover (ADPT) in index options rose to Rs 34,601 crore (+2% MoM) and Rs 62,156 crore (+14.8% MoM) respectively in Oct'24. On the other hand, ADT in stock futures and ADPT in stock options observed marginal reductions of 6.5% and 5.9% MoM respectively in Oct'24. In index futures, BANKNIFTY witnessed the highest growth of 15.2% MoM, while NIFTYNXT50 witnessed a marginal growth of 1.4% MoM. Within index options, barring NIFTYNXT50, all index contract registered a growth, wherein MIDCPNIFTY option contracts witnessed the highest growth (+22.6% MoM), followed by BANKNIFTY (+19.9% MoM).

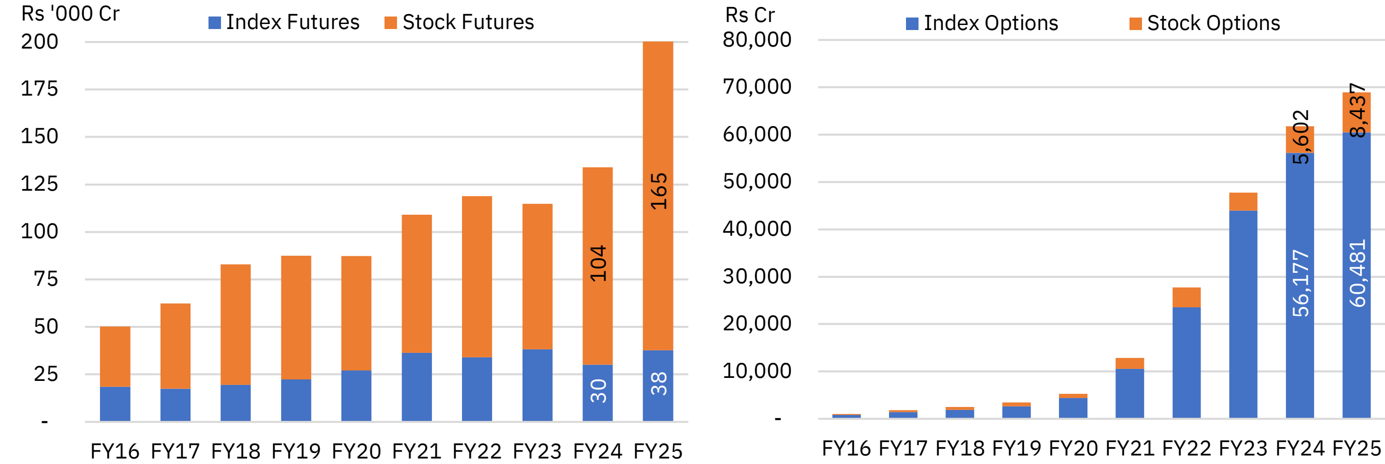
On annual comparison, the ADT of both stock and index derivatives exhibited sizeable growth, except for BANKNIFTY options contracts, which showed a 5.5% YoY drop in the first seven months of FY25 as compared to the same period last year. A highlight would be the ADT growth of MIDCPNIFTY, which grew 975.6% and 537.8% YoY in index futures and index options respectively.

Table 76: Average daily turnover in NSE's equity derivatives segment

Product (Rs crore)	Oct-24	Sep-24	MoM Change (%)	FY25TD	FY24TD	YoY Change (%)	FY24	CY24TD
Equity Futures	**1,86,562**	**1,96,545**	**(5.0)**	**2,02,563**	**1,14,689**	**76.6**	**1,34,000**	**1,94,961**
Stock futures	**151,962**	**162,609**	**(6.5)**	**164,910**	**87,687**	**88.1**	**103,849**	**156,930**
Index futures	**34,601**	**33,936**	**2.0**	**37,653**	**27,002**	**39.4**	**30,151**	**38,032**
BANKNIFTY	13,487	11,710	15.2	14,589	12,979	12.4	13,841	15,282
NIFTY50	19,470	20,522	(5.1)	21,512	13,707	56.9	15,742	21,319
FINNIFTY	285	303	(6.1)	302	205	46.9	228	297
MIDCPNIFTY	1,283	1,326	(3.2)	1,189	111	975.6	339	1,091
NIFTYNXT50	76	75	1.4	61	0	NA	0	43
Equity Options	**69,974**	**62,432**	**12.1**	**68,917**	**57,291**	**20.3**	**61,779**	**70,530**
Stock options	**7,818**	**8,304**	**(5.9)**	**8,437**	**4,397**	**91.9**	**5,602**	**8,213**
Index options	**62,156**	**54,127**	**14.8**	**60,481**	**52,895**	**14.3**	**56,177**	**62,317**
BANKNIFTY	28,380	23,675	19.9	28,173	29,804	(5.5)	30,145	29,637
NIFTY50	21,324	20,027	6.5	21,581	16,159	33.6	18,502	22,319
FINNIFTY	7,039	6,005	17.2	6,524	6,273	4.0	6,088	6,493
MIDCPNIFTY	5,411	4,413	22.6	4,200	658	537.8	1,441	3,865
NIFTYNXT50	2.31	6	(63.7)	4	0	NA	0	3

Source: NSE EPR. NM means not measurable.
Notes:
1. The above table reports premium turnover for Options contracts.
2. FY25TD is as of Oct'24 and FY24TD is as of Oct'23.

Figure 280: 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. FY25 data is as of Oct'24.

Average daily open interest (OI) in stock derivatives registered a rise in October: The average daily value of open interest (OI) of equity futures rose marginally by 0.2% MoM, while equity options recorded a 1.2% MoM drop in Oct'24. In stock derivatives, the average daily OI value expanded by 15.1% for stock options to Rs 3.6 lakh crore and 0.4% MoM for stock futures to Rs 4.4 lakh crore. Contrary, the average value of OI for index options and futures witnessed dropped by 4.6% and 1.5% MoM, respectively.

On annual comparison, equity futures average daily OI value rose by 72.1% YoY while that of equity options grew by 25.9% YoY in the first seven months of FY25 as compared to the same period last year.

Table 77: Average daily open interest in NSE's equity derivatives segment

Product (Rs crore)	Oct-24	Sep-24	MoM Change (%)	FY25TD	FY24TD	YoY Change (%)
Equity Futures	**4,97,697**	**4,96,753**	**0.2**	**4,59,049**	**2,66,722**	**72.1**
Stock Futures	**4,40,030**	**4,38,182**	**0.4**	**4,06,087**	**2,32,636**	**74.6**
Index Futures	**57,667**	**58,570**	**(1.5)**	**52,962**	**34,087**	**55.4**
NIFTY	38,047	42,056	(9.5)	36,028	22,430	60.6
BANKNIFTY	16,420	13,114	25.2	14,090	11,422	23.4
FINNIFTY	240	241	(0.5)	193	122	57.9
MIDCPNIFTY	2,826	3,032	(6.8)	2,570	112	2187.5
NIFTYNEXT50	134	127	5.0	81	-	NM
Equity Options	**17,69,151**	**17,89,944**	**(1.2)**	**15,69,602**	**12,46,671**	**25.9**
Stock Options	**3,63,044**	**3,15,472**	**15.1**	**3,01,528**	**1,82,696**	**65.0**
Index Options	**14,06,107**	**14,74,472**	**(4.6)**	**12,68,075**	**10,63,975**	**19.2**
NIFTY	8,55,009	8,73,234	(2.1)	7,43,098	5,64,006	31.8
BANKNIFTY	4,61,962	4,99,991	(7.6)	4,38,742	4,18,030	5.0
FINNIFTY	49,550	62,954	(21.3)	53,505	76,385	(30.0)
MIDCPNIFTY	39,269	37,840	3.8	32,400	5,554	483.4
NIFTYNEXT50	317	453	(30.1)	330	-	NM

Source: NSE EPR. NM means not measurable.
Notes:
1. The above table reports notional turnover.
2. FY25TD is as of Oct'24 and FY24TD is as of Oct'23.

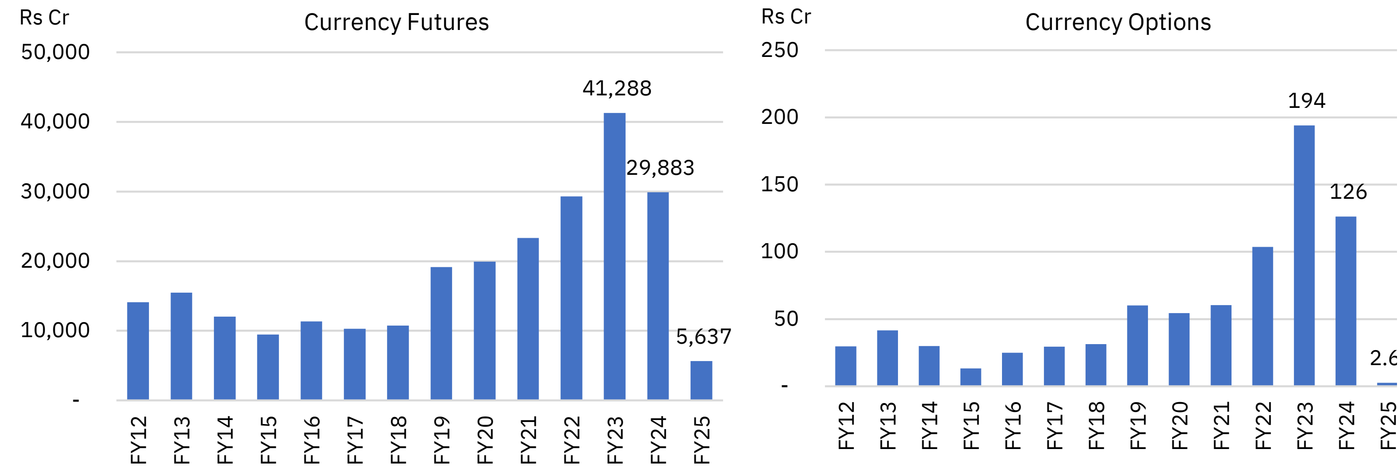
ADT in currency derivatives expanded in October: The ADT in the currency derivatives segment expanded substantially in October, fueled by a 113.8% MoM growth in currency futures. Further, the ADPT of currency options increased to Rs 6 lakh (+7.2% MoM). In currency futures, USDINR was the highest-traded currency pair, followed by GBPINR and EURINR. The Japanese currency pairs, JPYINR and USDJPY, saw a drop in ADT to Rs 350 lakh (-58.8% MoM) and Rs 26 lakh (-45.7% MoM) respectively. In currency options, USDINR observed a rise in ADT (+7.2% MoM) to Rs 5.8 lakh.

Table 78: Average daily turnover in currency derivatives segment

Product (Rs lakhs)	Oct-24	Sep-24	MoM change (%)	FY25TD	FY24TD	YoY Change (%)	FY24	CY24TD
Currency futures	**6,84,530**	**3,20,127**	**113.8**	**5,63,749**	**30,81,995**	**(81.7)**	**29,88,275**	**12,29,925**
EURINR	5,034	6,561	(23.3)	8,520	1,96,451	(95.7)	1,99,573	61,852
EURUSD	647	974	(33.6)	800	1,334	(40)	1,441	930
GBPINR	9,212	10,292	(10.5)	13,263	3,38,249	(96.1)	3,36,657	1,12,661
GBPUSD	231	277	(16.6)	737	998	(26.2)	1,147	850
JPYINR	350	849	(58.8)	1,995	55,582	(96.4)	59,177	18,416
USDINR	6,69,030	3,01,125	122.2	5,38,373	24,88,997	(78.4)	23,89,973	10,35,146
USDJPY	26	47	(45.7)	62	383	(83.7)	306	70
Currency options	**6**	**5**	**7.2**	**260.4**	**14,630.7**	**(98.2)**	**12,616**	**3,227**
EURINR	-	-	NA	0.1	2.2	(96.5)	3.1	1.7
EURUSD	-	-	NA	-	-	NA	-	-
GBPINR	-	-	NA	1.0	86.8	(98.9)	116.8	43.1
GBPUSD	-	-	NA	-	-	NA	-	-
JPYINR	-	-	NA	-	0.1	(100)	0.2	0.0
USDINR	5.8	5.4	7.2	259.4	14,541.6	(98.2)	12,495.9	3,182.3
USDJPY	-	-	NA	-	-	NA	-	-

Source: NSE EPR
Note: Above table reports premium turnover for Options contracts. FY25TD is as of Oct'24 and FY24TD is as of Oct'23.

Figure 281: Trends in average daily turnover in currency derivatives segment



Source: NSE EPR
Note: 1. The above figure reports premium turnover for options contracts. 2. FY25 data is as of Oct 31st, 2024.

ADT of interest rate futures expanded in October: The average daily turnover (ADT) in the interest rate futures segment expanded by 6.3% MoM to an 11-month high of Rs 122.6 crore in Oct'24. On annual comparison, ADT of interest rate futures observed a 24.6% YoY decline to Rs 103.7 crore in the first seven months of FY25 as compared to the same period last year.

Table 79: Average daily turnover in Interest rate derivatives

Product (Rs Lakhs)	Oct-24	Sep-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Interest rate futures	12,264	11,534	6.3	10,367	13,754	(24.6)	12,270	9,963

Source: NSE EPR
Note: Above table reports premium turnover for Options contracts. Figures in brackets indicate negative numbers. FY25TD data is as of October 31st, 2024.

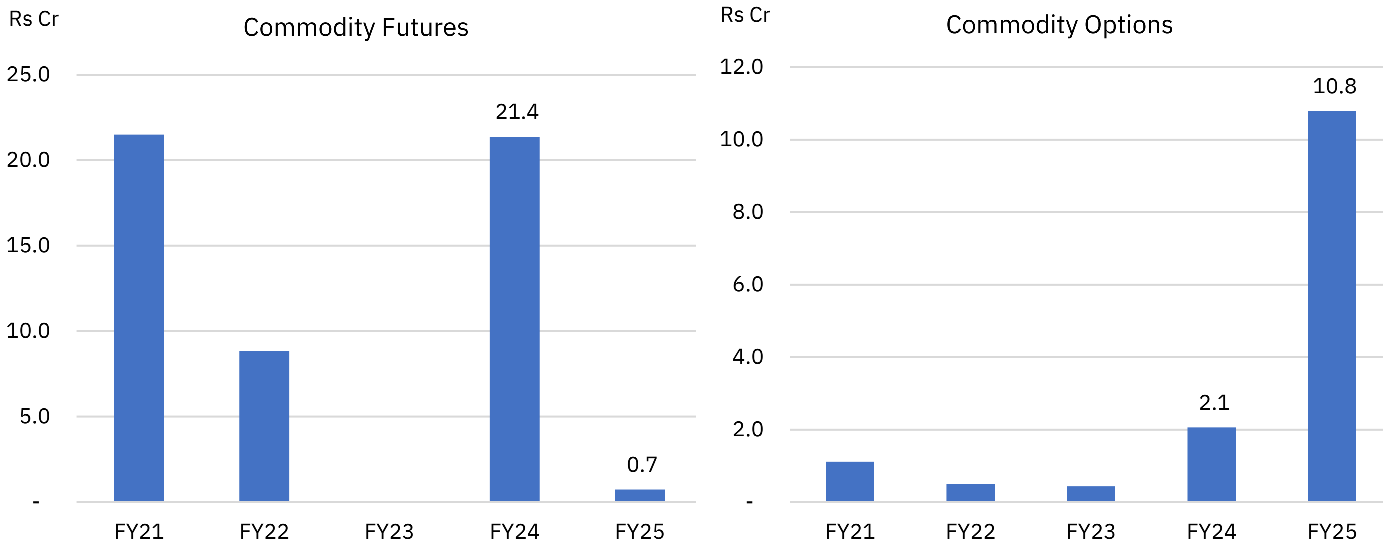
Average daily premium turnover (ADPT) of commodity options expanded for the fourth consecutive month in October: The ADPT of commodity options increased by 33% MoM to an all-time high of Rs 18.4 crore, while the ADT of commodity futures fell to Rs 91 lakh in Oct'24. On annual comparison, ADT of commodity futures exhibited a 97.9% YoY decline, while commodity options' ADPT exhibited a notable 40x growth in the first seven months of FY25 as compared to the same period last year.

Table 80: Average daily turnover in commodities derivatives

Product (Rs Lakhs)	Oct-24	Sep-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Commodity futures	91	136	(32.8)	74	3,508	(97.9)	2,138	85
Commodity options	1,838	1,382	33.0	1,078	27	3,898.6	206	958

Source: NSE EPR
Notes: Above table reports premium turnover for Options contracts; Figures in brackets indicate negative numbers; FY25TD data is as of October 31st, 2024.

Figure 282: Trends in average daily turnover in commodity derivatives segment



Source: NSE EPR
Notes: Above figure reports premium turnover for options contracts; FY25 data is as of October 31st, 2024.

Category-wise turnover and investments in NSE's CM segment

DIIs continued their buying streak for the fifteenth consecutive month amid record selloffs by foreign investors: Continuing their buying impetus for the 15th consecutive month, Domestic Institutional Investors (DIIs) recorded net buying of over Rs 1 lakh crore (highest ever) in October, supported by sustained SIP inflows, reflecting their consistent confidence in the Indian capital market. Remarkably, the cumulative net investments by DIIs crossed the Rs 3 lakh crore mark within the first seven months of FY25, surpassing the earlier record of Rs 2.4 lakh crore net buying in the entire FY23 and stood close to 2x of cumulative inflows recorded in the entire FY24. Notably, foreign investors turned net sellers in October, with an outflow of Rs 1.2 lakh crore – highest ever. Barring Jul'24 and Sep'24, they have been selling on monthly basis in FY25 till Oct'24, resulting in cumulative outflow of over Rs 2 lakh crore in current fiscal. Individual investors, after a brief pause in the last month, became net buyers with an inflow of Rs 29,594 crore during the month, resulting in cumulative net investment of Rs 86,683 crore in the current fiscal. Combined equity purchased by DIIs and Individual investors compensated the record outflow by foreign investors during the month gone by.

Table 81: Category-wise buy and sell traded value in NSE's CM segment in the last three months

(Rs crore)	Oct-24			Sep-24			Aug-24		
Category	Buy Value	Sell Value	Net Value	Buy Value	Sell Value	Net Value	Buy Value	Sell Value	Net Value
Corporates	1,02,202	1,05,852	(3,649)	1,15,476	1,28,433	(12,957)	1,20,444	1,30,217	(9,773)
DIIs	3,57,477	2,50,141	1,07,336	3,32,630	3,07,161	25,469	3,15,949	2,75,107	40,842
Foreign Investors	2,97,456	4,14,735	(1,17,279)	4,01,595	3,88,293	13,302	4,00,957	4,24,879	(23,922)
Individuals	7,92,164	7,62,570	29,594	8,77,549	8,82,280	(4,731)	9,28,426	9,14,190	14,235
Others	1,18,294	1,22,045	(3,751)	1,21,969	1,28,553	(6,584)	1,34,302	1,39,023	(4,721)
Prop	6,85,505	6,97,756	(12,251)	7,10,158	7,24,657	(14,499)	7,38,079	7,54,741	(16,661)
Total	**23,53,098**	**23,53,098**		**25,59,376**	**25,59,376**		**26,38,157**	**26,38,157**	

Source: NSE EPR

Notes: 1. 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 – 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. Data is categorized as per client category codes as uploaded by trading members in UCC system.
2. Figures in brackets indicate negative numbers.

Table 82: Category-wise buy and sell traded value in the NSE's CM segment during FY24 and FY25TD

(Rs crore)	FY25TD			FY24		
Category	Buy Value	Sell Value	Net Value	Buy Value	Sell Value	Net Value
Corporates	8,70,847	9,15,642	(44,795)	11,05,673	11,47,170	(41,497)
DIIs	22,80,904	19,74,808	3,06,097	22,98,940	21,41,733	1,57,207
Foreign Investors	25,23,042	27,25,146	(2,02,104)	29,70,760	29,86,228	(15,468)
Individuals	63,94,975	63,08,292	86,683	71,52,033	71,04,792	47,241
Others	8,22,041	8,66,032	(43,990)	9,53,295	9,91,704	(38,410)
Prop	52,13,762	53,15,653	(1,01,891)	56,22,737	57,31,811	(1,09,074)
Total	**1,81,05,572**	**1,81,05,572**		**2,01,03,438**	**2,01,03,438**	

Source: NSE EPR

Notes: 1. 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 – 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. Data is categorized as per client category codes as uploaded by trading members in UCC system.
2. Figures in brackets indicate negative numbers.
3. FY25TD is as of Oct'24.

Category-wise turnover in NSE's derivatives segment

Individual investors' trading activity increased in index futures and index options in October: The turnover by individuals witnessed a 23.4% MoM rise in index options to Rs 9.8 lakh crore gross premium turnover and 13.8% MoM rise to Rs 5 lakh crore in index futures turnover in Oct'24. However, within single stock derivatives, individual investors' turnover decreased in both stock options (-8.1% MoM) and stock futures (-10.2% MoM) during the month gone by.

On the other hand, foreign investors increased their trading in equity options contracts with 28.9% MoM rise to Rs 33,459 crore gross premium turnover for single stock options and 12% MoM rise to Rs 2.5 lakh crore gross premium turnover for index options in Oct'24. Contrary, their turnover declined for single stock futures (-2.2% MoM) and index futures (-0.1% MoM) during the month.

Table 83: Category-wise turnover in equity derivatives

(Rs crore)	Oct-24		Sep-24		FY25TD		FY24	
Category wise	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Index Futures	**7,61,218**	**7,61,218**	**7,12,659**	**7,12,659**	**55,34,925**	**55,34,925**	**74,17,117**	**74,17,117**
Corporates	1,04,715	96,961	94,061	94,933	7,47,231	7,35,977	8,66,663	8,59,339
DIIs	31,140	30,652	28,168	28,986	1,68,350	1,69,751	2,52,024	2,54,039
Foreign Investors	87,424	1,18,921	1,06,721	99,881	8,30,108	8,32,801	10,29,423	10,34,622
Individuals	2,58,185	2,37,213	2,17,010	2,18,295	17,01,305	16,84,713	22,52,031	22,45,226
Others	47,085	45,919	40,734	40,125	3,34,833	3,32,569	5,53,345	5,51,145
Prop	2,32,668	2,31,552	2,25,966	2,30,441	17,53,099	17,79,113	24,63,632	24,72,745
Stock Futures	**33,43,153**	**33,43,153**	**34,14,779**	**34,14,779**	**2,42,41,765**	**2,42,41,765**	**2,55,46,966**	**2,55,46,966**
Corporates	2,66,464	2,61,124	2,32,356	2,37,279	18,09,082	18,10,088	18,31,649	18,36,717
DIIs	3,13,507	3,41,645	3,22,455	3,25,356	21,55,043	22,02,009	22,40,985	23,06,857
Foreign Investors	9,78,920	9,68,915	10,04,411	9,86,274	66,85,117	66,33,246	61,40,115	60,77,935
Individuals	4,78,257	4,76,090	5,30,367	5,32,675	39,17,236	39,02,815	42,54,504	42,27,680
Others	1,60,663	1,58,423	1,57,150	1,56,150	11,82,900	11,78,139	18,85,711	18,86,624
Prop	11,45,342	11,36,957	11,68,041	11,77,045	84,92,386	85,15,468	91,94,002	92,11,154
Index Options	**13,67,433**	**13,67,433**	**11,36,673**	**11,36,673**	**88,90,678**	**88,90,678**	**1,38,19,564**	**1,38,19,564**
Corporates	80,488	81,806	58,392	59,625	4,05,836	4,12,903	3,59,796	3,65,396
DIIs	1,229	1,639	1,078	752	7,881	6,761	10,266	9,761
Foreign Investors	1,24,769	1,26,103	1,11,546	1,12,500	8,78,951	8,86,965	12,39,326	12,55,559
Individuals	4,95,045	4,88,307	4,01,061	3,95,705	31,33,217	30,95,085	48,68,556	48,16,950
Others	39,059	39,601	27,868	28,453	2,75,057	2,79,853	6,23,829	6,29,650
Prop	6,26,844	6,29,978	5,36,728	5,39,638	41,89,736	42,09,111	67,17,790	67,42,248
Stock Options	**1,71,991**	**1,71,991**	**1,74,393**	**1,74,393**	**12,40,186**	**12,40,186**	**13,78,031**	**13,78,031**
Corporates	11,294	11,341	12,037	12,207	63,451	65,016	45,728	47,270
DIIs	223	577	192	448	1,277	3,229	1,169	3,013
Foreign Investors	16,256	17,202	12,834	13,133	99,603	1,01,268	65,710	66,229
Individuals	45,987	43,583	49,280	48,175	3,50,465	3,42,829	4,13,213	4,05,530
Others	2,745	2,746	2,604	2,711	23,504	24,035	29,210	29,842
Prop	95,486	96,541	97,447	97,721	7,01,884	7,03,809	8,23,002	8,26,146

Source: NSE EPR

Note: 1. 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 – 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. Data is categorized as per client category codes as uploaded by trading members in UCC system.
2. Above table reports premium turnover for Options buy and sell value.
3. FY25TD is as of Oct'24.

Proprietary traders increased their trading activity in currency futures: Proprietary traders registered a significant increase in trading activity in currency futures (+204.5% MoM) and a slight increase in currency options (+5.8% MoM). In absolute terms, the increase in currency futures turnover of prop traders was higher than the overall increase for the instruments. The remaining categories, barring foreign investors, recorded a decline in currency futures turnover during the month, which explains the reason.

Interestingly, corporate and individual investors recorded an increase in their trading activity with 18.4% MoM and 21.2% MoM rise respectively in currency options during the month gone by.

Table 84: Category-wise turnover in currency derivatives in the last three months (Aug'24-Oct'24)

(Rs crore)	Oct-24		Sep-24		Aug-24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**1,50,597**	**1,50,597**	**64,015**	**64,015**	**1,08,395**	**1,08,395**
Corporates	6,181	6,931	7,801	6,115	6,483	6,533
DIIs	1,070	854	1,146	895	1,459	1,559
Foreign Investors	8,575	7,874	8,058	7,249	9,388	6,770
Individuals	4,047	3,331	4,559	4,434	4,622	4,981
Others	1,216	1,209	1,233	1,176	1,378	1,439
Prop	1,29,507	1,30,397	41,219	44,146	85,065	87,113
Options	**1.3**	**1.3**	**1.1**	**1.1**	**1.4**	**1.4**
Corporates	0.6	0.6	0.5	0.4	0.5	0.5
DIIs	-	-	-	-	-	-
Foreign Investors	-	-	-	-	-	-
Individuals	0.4	0.7	0.4	0.5	0.6	0.9
Others	-	0.0	0.0	0.0	0.0	0.0
Prop	0.3	0.0	0.2	0.1	0.3	0.0

Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above table reports premium turnover for Options contracts.

Table 85: Category-wise trading turnover in currency derivatives during FY25TD and FY24

(Rs crore)	FY25TD		FY24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**8,00,514**	**8,00,514**	**72,01,771**	**72,01,771**
Corporates	68,505	63,854	4,21,444	4,22,361
DIIs	18,448	10,811	72,761	74,017
Foreign Investors	58,686	53,835	6,26,681	6,35,845
Individuals	51,620	45,756	10,95,914	10,94,033
Others	16,828	15,981	1,82,192	1,79,167
Prop	5,86,427	6,10,276	48,02,778	47,96,348
Options	**369.8**	**369.8**	**30,404.5**	**30,404.5**
Corporates	32.3	46.7	1,114.0	1,144.5
DIIs	0.1	1.4	14.8	0.4
Foreign Investors	14.9	28.2	1,483.9	1,156.9
Individuals	199.7	71.3	6,593.8	6,853.0
Others	3.7	2.1	1,030.0	1,085.5
Prop	119.1	220.0	20,168.0	20,164.3

Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above table reports premium turnover for Options contracts.
4. FY25TD is as of Oct'24.

Corporates and individual investors recorded an increase in interest rate futures turnover: Corporates recorded a 15.7% MoM rise to Rs 4,031 crore gross turnover while individuals' investors also recorded 6.2% MoM rise to Rs 801 crore gross turnover in Oct'24. Remarkably, the rise of corporates turnover was higher than the overall rise in absolute terms. It is also noteworthy that the segment turnover itself reached an 11-month high in the month gone by.

Table 86: Category-wise trading turnover in interest rate futures in the last three months (Aug'24-Oct'24)

(Rs crore)	Oct-24		Sep-24		Aug-24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**2,698**	**2,698**	**2,307**	**2,307**	**1,688**	**1,688**
Corporates	1,981	2,050	1,802	1,682	1,160	1,145
DIIs	-	-	5	5	-	-
Foreign Investors	2	2	2	2	2	2
Individuals	415	387	388	367	190	153
Others	125	114	42	2	93	26
Prop	175	145	68	249	244	362

Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

Table 87: Category-wise trading turnover in interest rate futures during FY25TD and FY24

(Rs crore)	FY25TD		FY24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**14,721**	**14,721**	**29,571**	**29,571**
Corporates	9,802	10,415	12,597	13,581
DIIs	5	5	321	296
Foreign Investors	18	18	66	66
Individuals	2,172	2,104	2,255	1,915
Others	340	199	66	62
Prop	2,385	1,980	14,266	13,651

Source: NSE EPR

Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. There were no trades for options contracts.
4. FY25TD is as of Oct’24.

Proprietary traders and individuals contributed majorly to the growth in commodity options premium turnover in October: Commodity options premium turnover witnessed a 39.3% MoM rise, increasing to Rs 404.4 crore, majorly driven by a surge in the turnover of proprietary traders (+43.1% MoM) and individual investors (+26.5% MoM). On the other hand, commodity futures turnover declined 29.6% MoM, majorly due to the decline in turnover by proprietary traders and individuals.

Table 88: Category-wise trading turnover in commodity derivatives in the last three months (Aug’24-Oct’24)

(Rs crore)	Oct-24		Sep-24		Aug-24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**20.1**	**20.1**	**28.6**	**28.6**	**17.5**	**17.5**
Corporates	-	-	-	-	-	4.0
DIIs	-	-	-	-	-	-
Foreign Investors	-	-	0.3	-	-	-
Individuals	3.3	2.6	6.9	8.3	2.1	1.4
Others	4.2	0.1	0.3	0.3	0.9	1.1
Prop	12.7	17.4	21.1	20.0	14.5	11.1
Options	**404.4**	**404.4**	**290.2**	**290.2**	**246.3**	**246.3**
Corporates	2.6	2.6	1.4	1.4	0.9	0.9
DIIs	-	-	-	-	-	-
Foreign Investors	4.1	1.4	3.8	5.0	0.0	0.7
Individuals	43.0	43.2	34.4	33.7	29.9	29.7
Others	1.8	1.9	2.9	2.9	1.6	1.7
Prop	352.9	355.3	247.8	247.2	213.8	213.3

Source: NSE EPR

Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above table reports premium turnover for options contracts.

Table 89: Category-wise turnover in commodity derivatives during FY25TD and FY24

(Rs crore)	FY25TD		FY24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**112.7**	**112.7**	**5,429.3**	**5,429.3**
Corporates	1.1	5.1	138.4	138.5
DIIs	-	-	5.5	5.5
Foreign Investors	0.3	-	14.0	13.1
Individuals	17.9	17.8	724.6	723.6
Others	5.8	1.9	56.4	57.0
Prop	87.7	87.9	4,490.4	4,491.6
Options	**1,638.8**	**1,638.8**	**523.1**	**523.1**
Corporates	6.7	6.7	4.6	4.5
DIIs	-	-	-	-
Foreign Investors	9.0	7.9	0.1	0.0
Individuals	175.5	174.5	48.2	48.2
Others	20.5	20.7	6.4	6.5
Prop	1,427.0	1,428.9	463.8	463.9

Source: NSE EPR

Note: 1. 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 – 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above table reports premium turnover for options contracts.

4. FY25TD is as of Oct'24.

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 includes Partnership Firms/LLP, Trust / Society, Depository Receipts, Statutory Bodies, etc. which are not included in any other categories mentioned above.

DIIs' share in the CM segment turnover rises to a 31-month high: The share of DIIs in the total turnover of the CM segment expanded by 41bps MoM to 12.9% in October – highest on monthly comparison since Apr'22. Remarkably, their share has been increasing post FY21, barring last fiscal. On annual comparison it expanded further by 23bps YoY to 11.8% in FY25 (till Oct'24), the highest level since FY03. However, the share of individuals contracted 134bps MoM to 33% in Oct'24 but remained as the major contribution of the turnover.

The share of proprietary traders in the overall turnover in the CM segment increased by 136bps MoM to 29.4% in the last month. On Annual comparison, their share was the highest in the last twenty years (FY06 to FY25 till Oct'24). The increase in FPIs' share has come at the expense of individual investors, corporates and foreign investors during the month gone by.

Table 90: Share of client participation in NSE cash market segment (%)

Client category	Oct-24	Sep-24	MoM Change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.4	4.8	(34)	4.9	5.5	(61)	5.6	5.1
DIIs	12.9	12.5	41	11.8	11.5	23	11.0	11.4
Foreign Investors	15.1	15.4	(30)	14.5	15.2	(68)	14.8	14.5
Individuals	33.0	34.4	(134)	35.1	34.9	22	35.5	35.2
Prop	29.4	28.0	136	29.1	28.0	112	28.2	29.1
Others	5.1	4.9	21	4.7	4.9	(28)	4.8	4.7

Source: NSE EPR

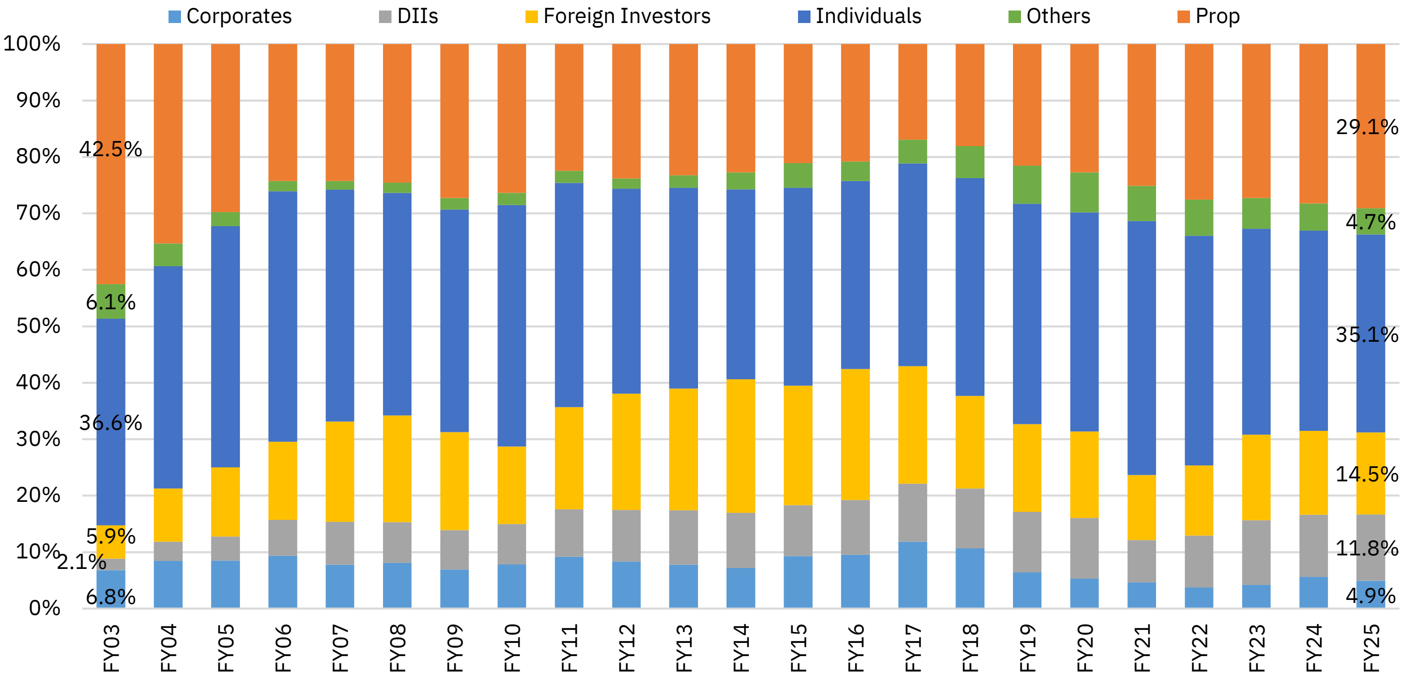
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents share in gross turnover i.e., buy-side turnover + sell-side turnover.

4. FY25TD is as of Oct'24.

Figure 283: Trends in share of client participation in NSE cash market segment (%)



Source: NSE EPR

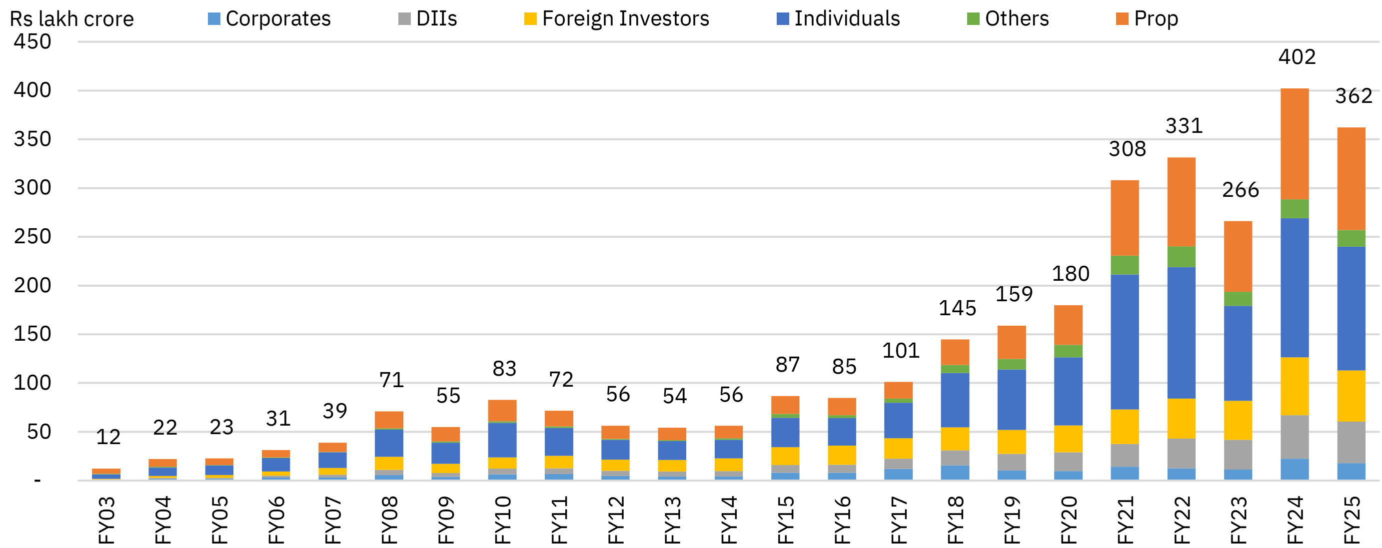
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents share in gross turnover i.e., buy-side turnover + sell-side turnover.

4. FY25 is as of Oct'24.

Figure 284: Trends in client category-wise gross turnover in NSE cash market segment



Source: NSE EPR

Note: 1. 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 – 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents gross turnover i.e., buy-side turnover + sell-side turnover.

4. FY25 is as of Oct'24.

Foreign investors' share in equity futures at record level (annual comparison) in FY25TD: The shares of foreign investors expanded 336bps YoY to 25.2% in equity futures in the first seven months of FY25 – at record level since inceptions. Within equity futures, it has recorded 119bps YoY rise to 15% in index futures and 322bps YoY rise to 27.5% in stock futures during the same period. Their share also recorded 229bps YoY gain to 9.7% in equity options (based on premium turnover) during the current fiscal year; 224bps YoY rise to 9.9% in index options and 400bps YoY rise to 8.1% in stock options. However, on monthly comparisons, their share declined by 38bps MoM to 26.2% in equity futures and 30bps MoM to 9.2% in equity options (based on premium turnover).

Proprietary traders continued to dominate equity futures and equity options even as their share witnessed a marginal reduction in equity futures (-48bps MoM) and a substantial reduction in equity options (-143bps MoM). Interestingly, individual investors overtook proprietary traders to dominate in index futures with a share of 32.5% (+200bps MoM) during the last month. Notably, the share of individuals in overall equity derivatives notional turnover increased 97bps MoM to 25.8% while proprietary traders' share recorded 189bps MoM decline to 59.3% during the month gone by.

Table 91: Share of client participation in Equity Derivatives segment (Notional turnover) of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	5.0	4.3	73	4.8	3.4	141	3.8	4.6
DIIs	0.1	0.1	(0)	0.1	0.1	2	0.1	0.1
Foreign Investors	7.1	7.0	3	7.0	5.6	138	6.0	6.9
Individuals	25.8	24.8	97	25.2	26.9	(170)	26.2	25.1
Prop	59.3	61.1	(189)	59.7	59.5	22	59.7	59.9
Others	2.7	2.5	16	3.1	4.4	(132)	4.2	3.3

Source: NSE EPR

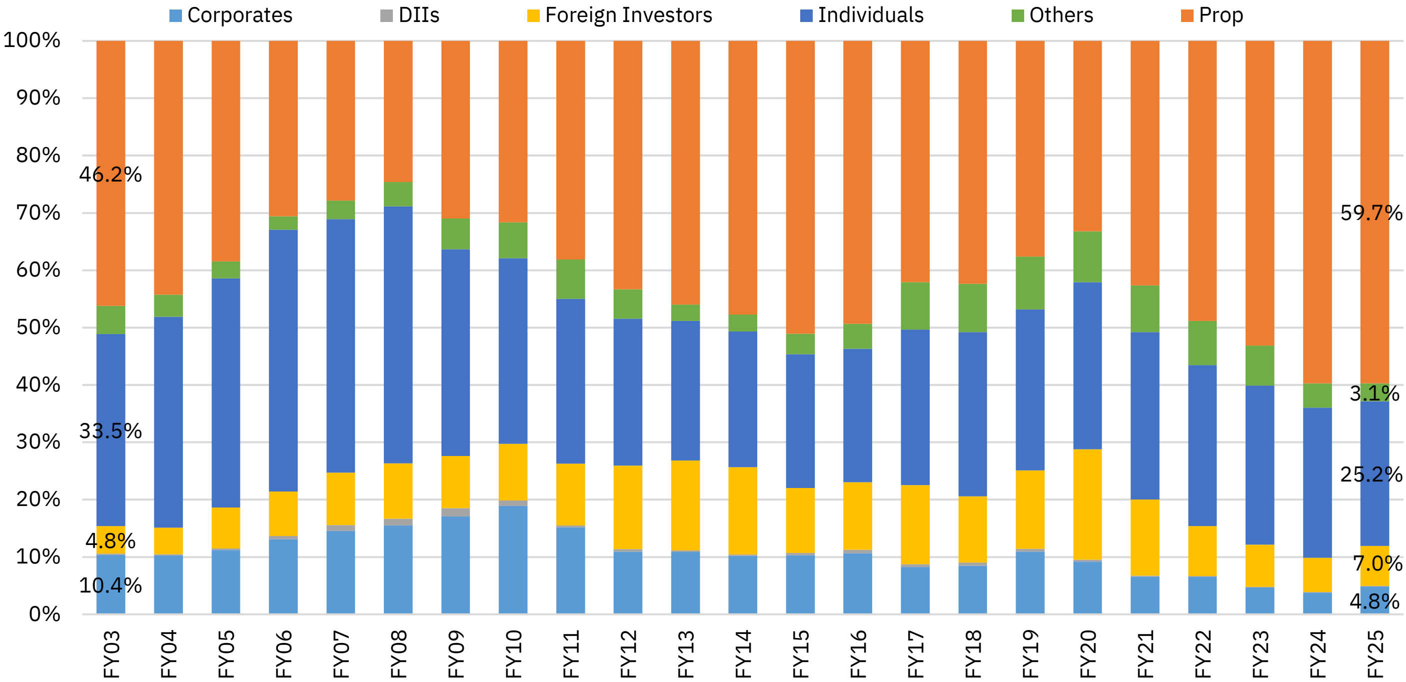
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents share in gross notional turnover i.e., buy-side turnover + sell-side turnover.

4. FY25TD is as of Oct'24.

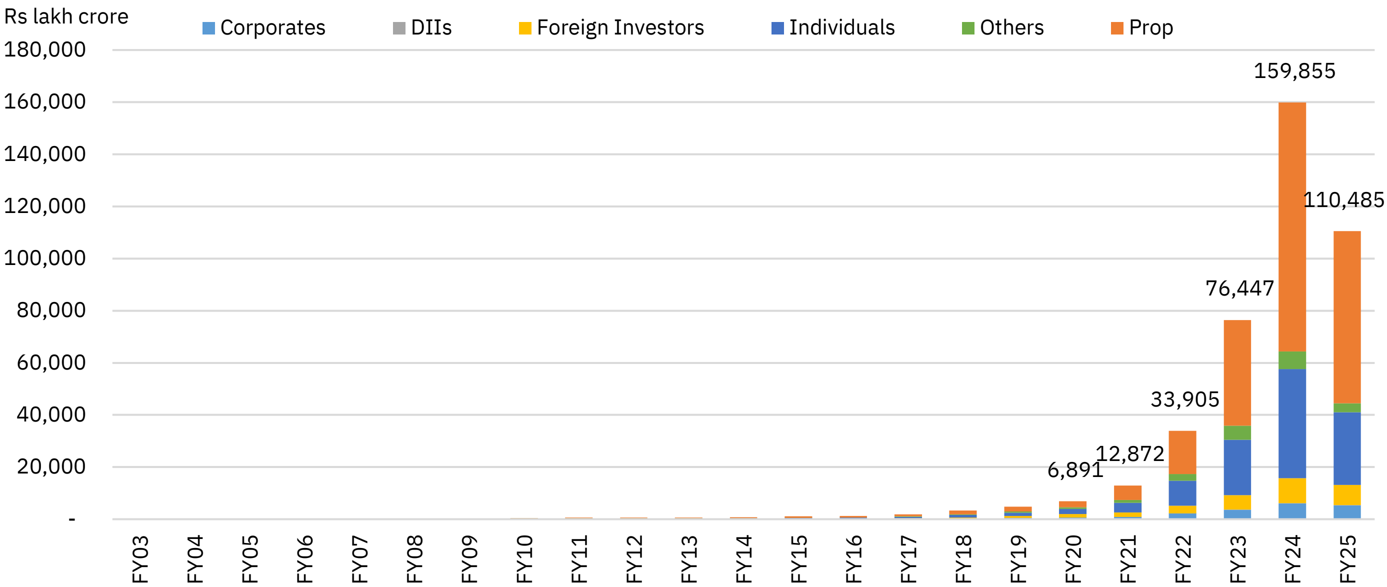
Figure 285: Trends in share of client participation in Equity Derivatives (Notional Turnover) at NSE (%)



Source: NSE EPR

Note: 1. 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 – 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. Data is categorized as per client category codes as uploaded by trading members in UCC system.
2. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
3. FY25 is as of Oct'24.

Figure 286: Trends in client category-wise gross notional turnover in Equity derivatives at NSE



Source: NSE EPR

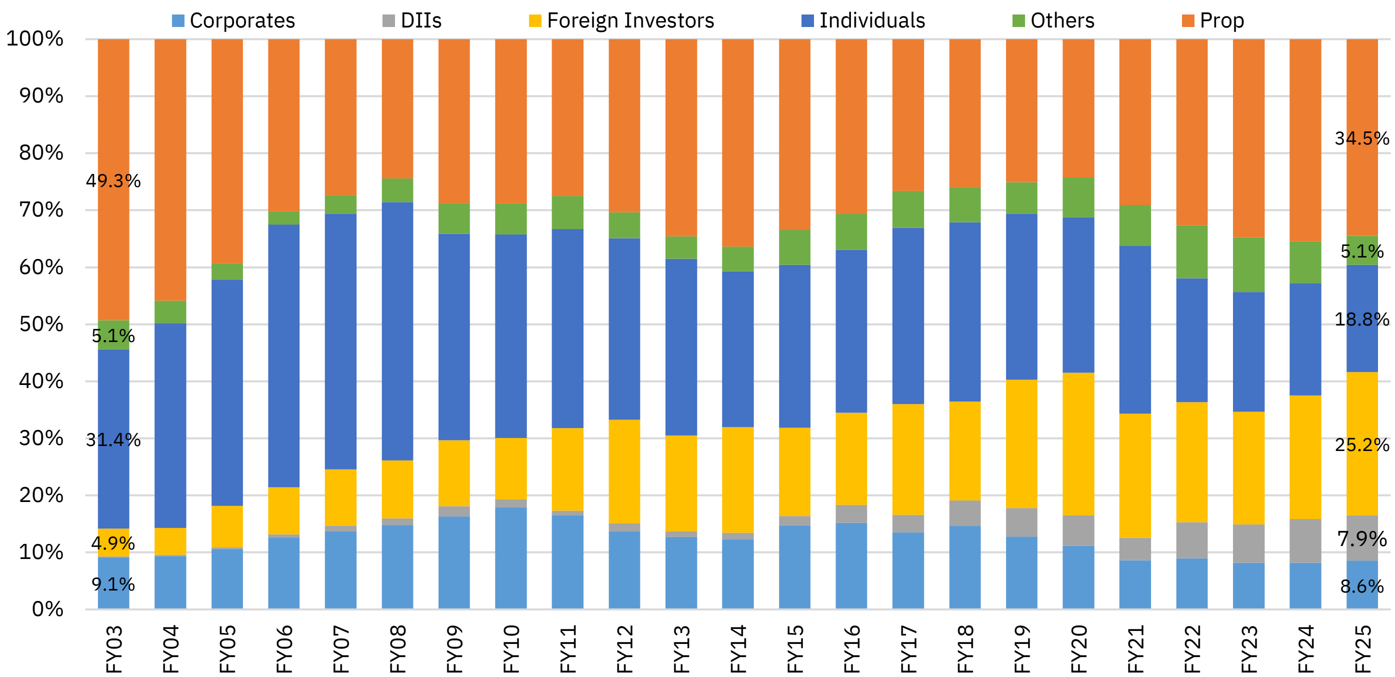
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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. Client categories are based on the information provided by trading members in the UCC database.
2. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
3. FY25 is as of Oct'24.

Table 92: Share of client participation in Equity futures (Notional Turnover) segment of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	8.9	8.0	91	8.6	8.0	52	8.2	8.5
DIIs	8.7	8.5	19	7.9	7.6	26	7.7	7.8
Foreign investors	26.2	26.6	(38)	25.2	21.8	336	21.7	24.3
Individuals	17.7	18.2	(49)	18.8	19.6	(76)	19.7	19.1
Prop	33.5	33.9	(48)	34.5	35.2	(70)	35.4	34.8
Others	5.0	4.8	25	5.1	7.8	(269)	7.4	5.5

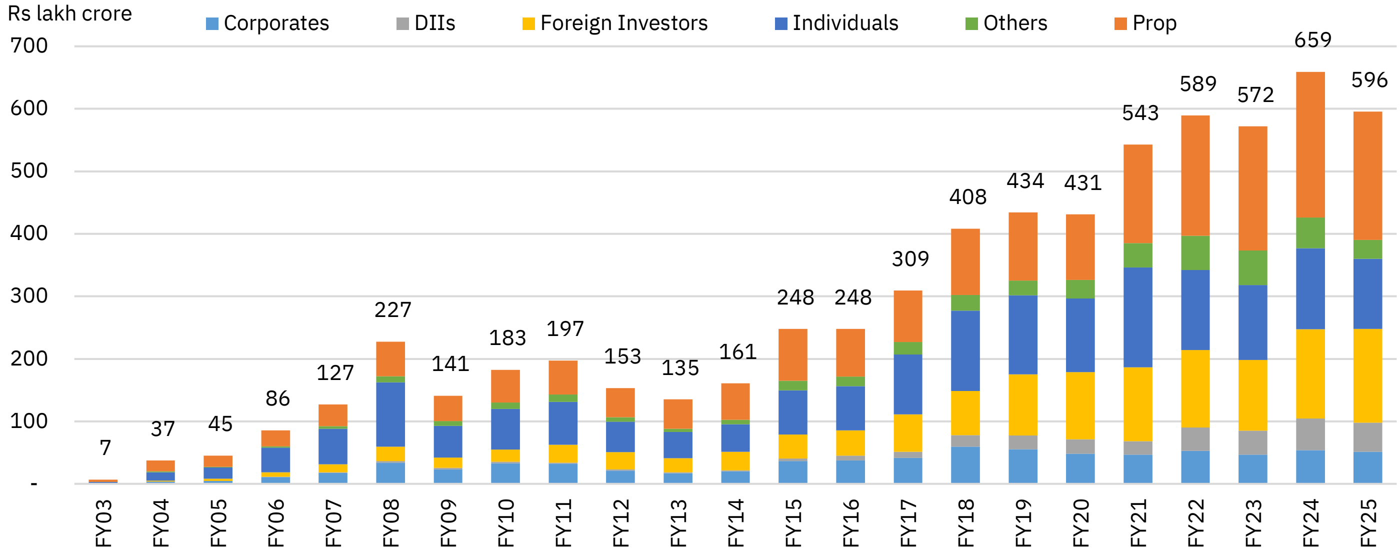
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side turnover + sell-side turnover.
4. FY25TD is as of Oct'24.

Figure 287: Trends in share of client participation in Equity futures (Notional Turnover) at NSE (%)



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 data is as of Oct'24.

Figure 288: Trends in client category-wise gross turnover in Equity futures at NSE



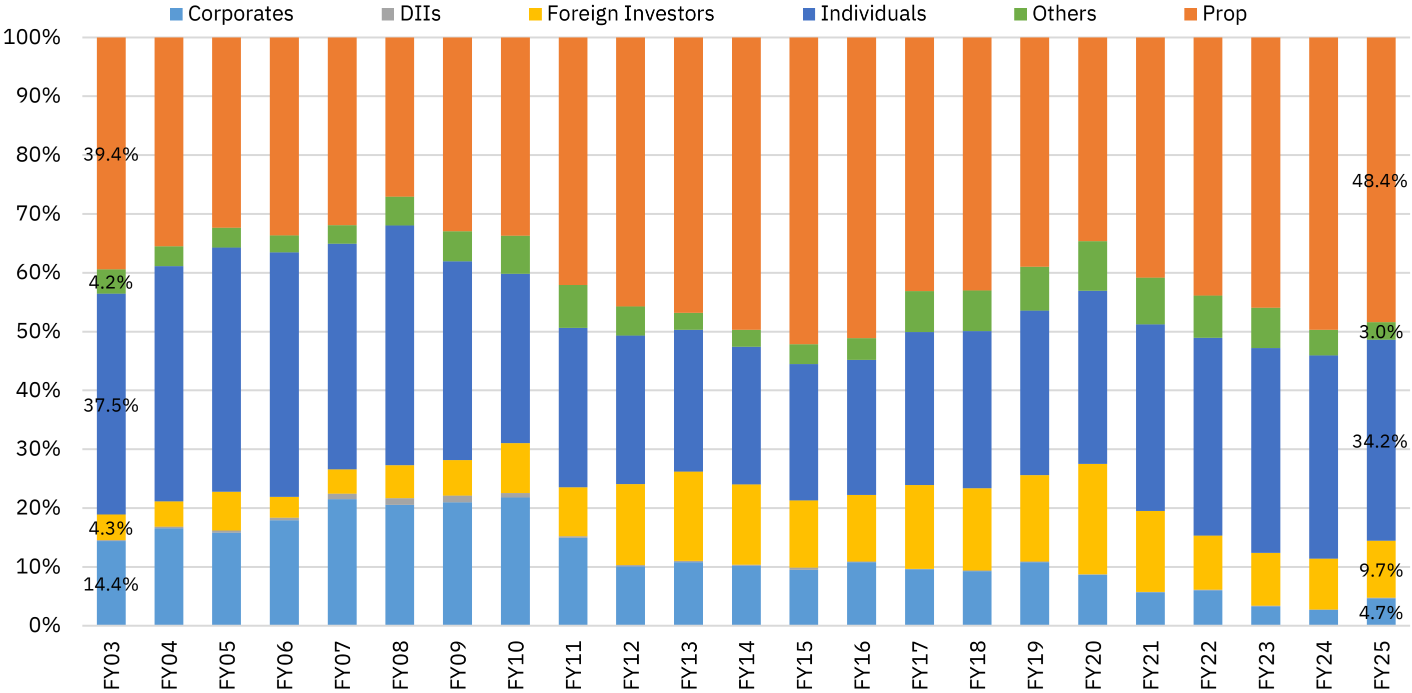
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Table 93: Share of client participation in Equity options segment (Premium Turnover) of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	6.0	5.4	58	4.7	2.8	191	2.7	4.0
DIIs	0.1	0.1	2	0.1	0.1	2	0.1	0.1
Foreign investors	9.2	9.5	(30)	9.7	7.4	229	8.6	10.1
Individuals	34.8	34.1	75	34.2	34.7	(53)	34.6	34.1
Prop	47.1	48.5	(143)	48.4	50.2	(186)	49.7	48.5
Others	2.7	2.4	38	3.0	4.8	(182)	4.3	3.2

Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side turnover + sell-side turnover.
4. FY25TD is as of Oct'24.

Figure 289: Trends in share of client participation in Equity options (Premium Turnover) at NSE (%)



Source: NSE EPR

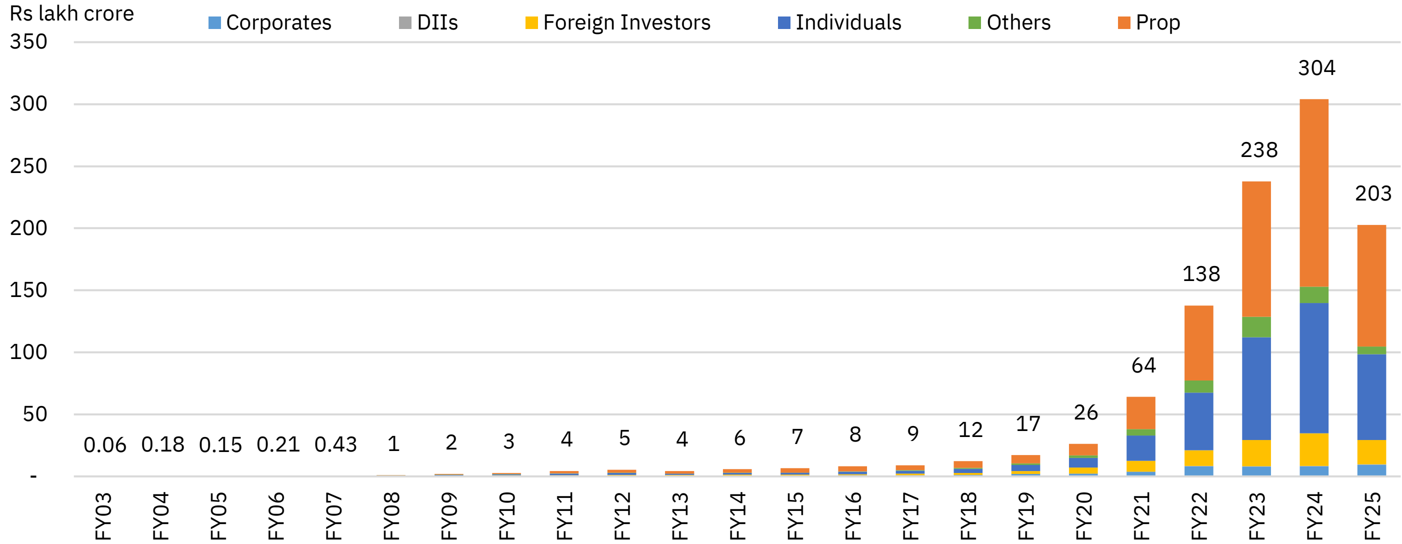
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.

4. FY25 is as of Oct'24.

Figure 290: Trends in client category-wise gross turnover in Equity options (Premium Turnover) at NSE



Source: NSE EPR

Note: 1. 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 – 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.

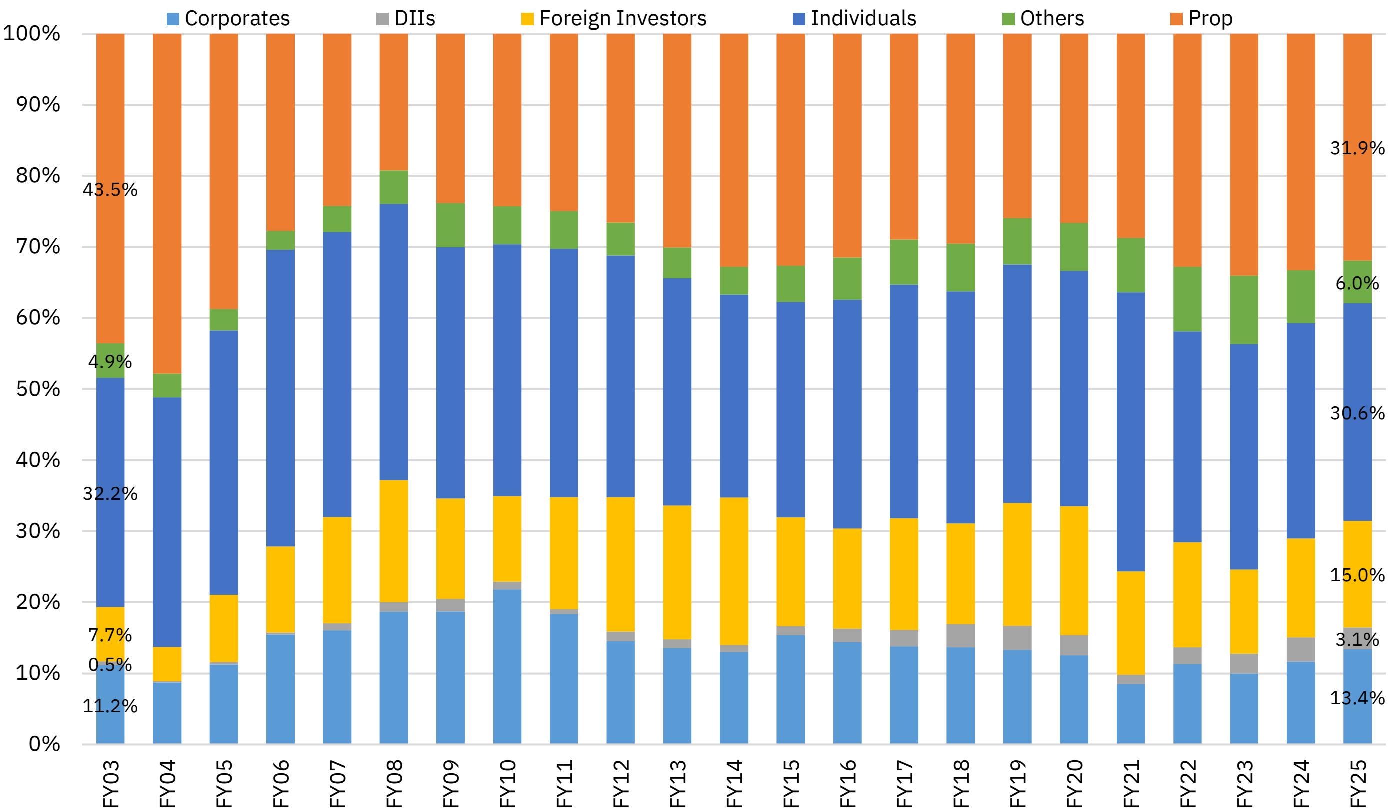
4. FY25 is as of Oct'24.

Table 94: Share of client participation in Index Futures of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	13.2	13.3	(1)	13.4	11.1	226	11.6	13.0
DIIs	4.1	4.0	5	3.1	3.4	(36)	3.4	3.1
Foreign investors	13.6	14.5	(94)	15.0	13.8	119	13.9	14.5
Individuals	32.5	30.5	200	30.6	30.8	(22)	30.3	30.5
Prop	30.5	32.0	(153)	31.9	33.3	(135)	33.3	32.5
Others	6.1	5.7	44	6.0	7.5	(152)	7.4	6.4

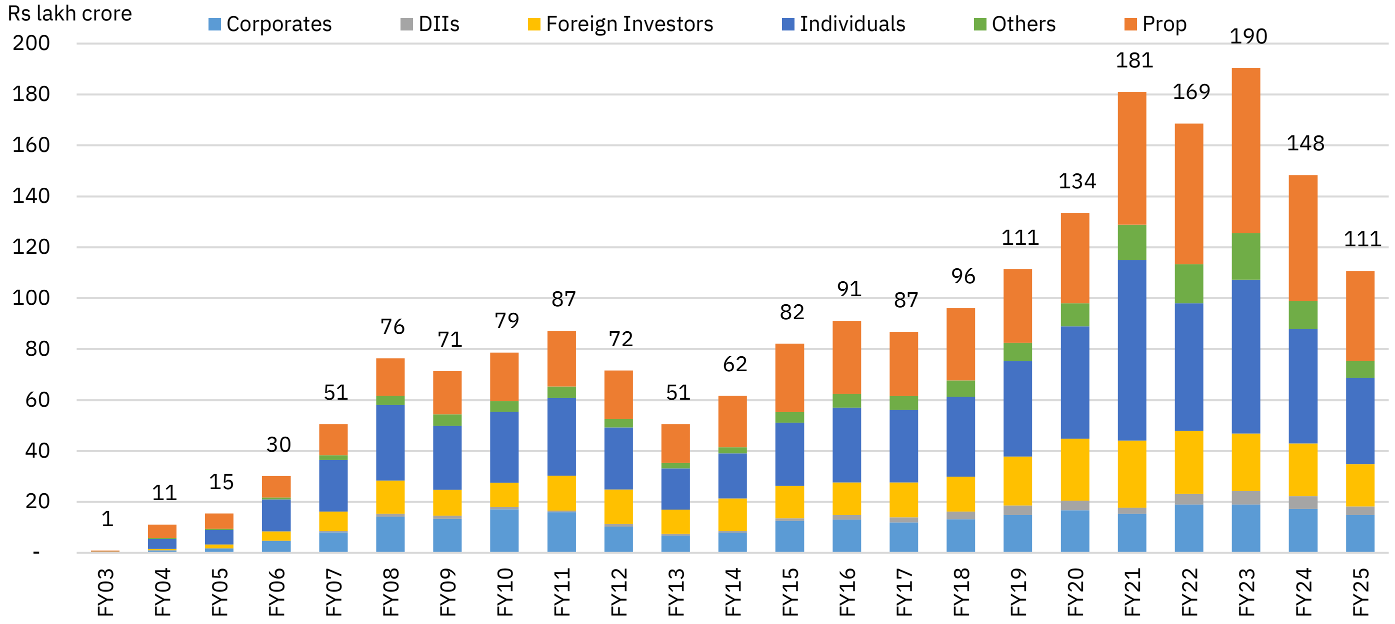
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
5. FY25TD is as of Oct'24.

Figure 291: Trends in share of client participation in Index Futures at NSE (%)



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Figure 292: Trends in client category-wise gross turnover in Index Futures at NSE



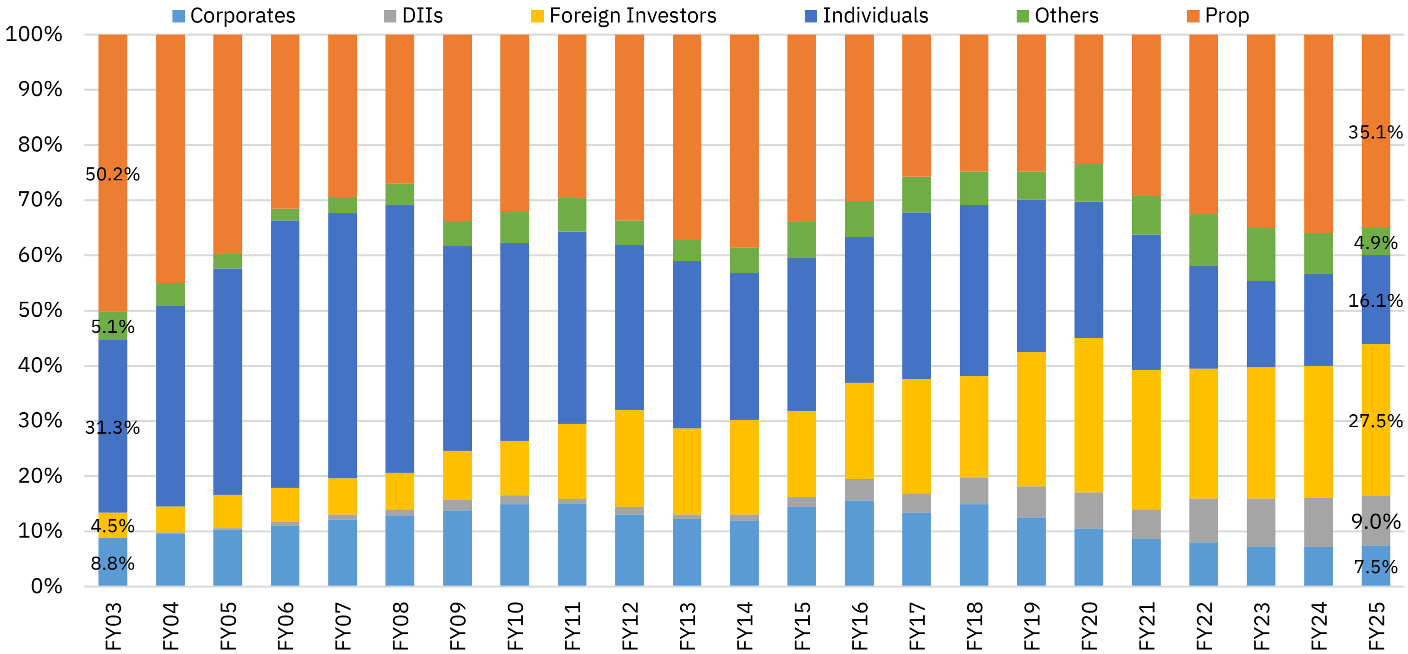
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Table 95: Share of client participation in Stock Futures of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	7.9	6.9	101	7.5	7.1	37	7.2	7.4
DIIs	9.8	9.5	31	9.0	8.9	6	8.9	8.9
Foreign investors	29.1	29.1	(2)	27.5	24.2	322	23.9	26.7
Individuals	14.3	15.6	(129)	16.1	16.1	1	16.6	16.4
Prop	34.1	34.3	(20)	35.1	35.8	(70)	36.0	35.4
Others	4.8	4.6	18	4.9	7.8	(297)	7.4	5.3

Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
5. FY25TD is as of Oct'24.

Figure 293: Trends in share of client participation in Stock Futures at NSE (%)



Source: NSE EPR

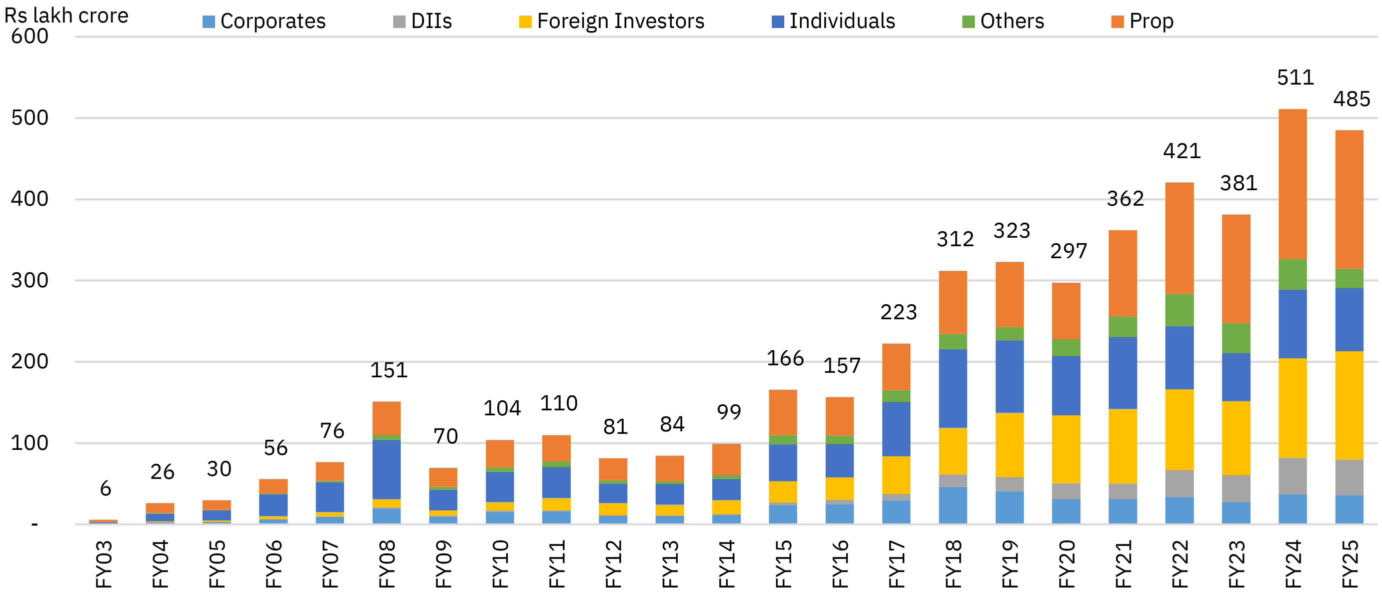
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.

4. FY25 data is as of Oct'24.

Figure 294: Trends in client category-wise gross turnover in Stock Futures at NSE



Source: NSE EPR

Note: 1. 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 – 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.

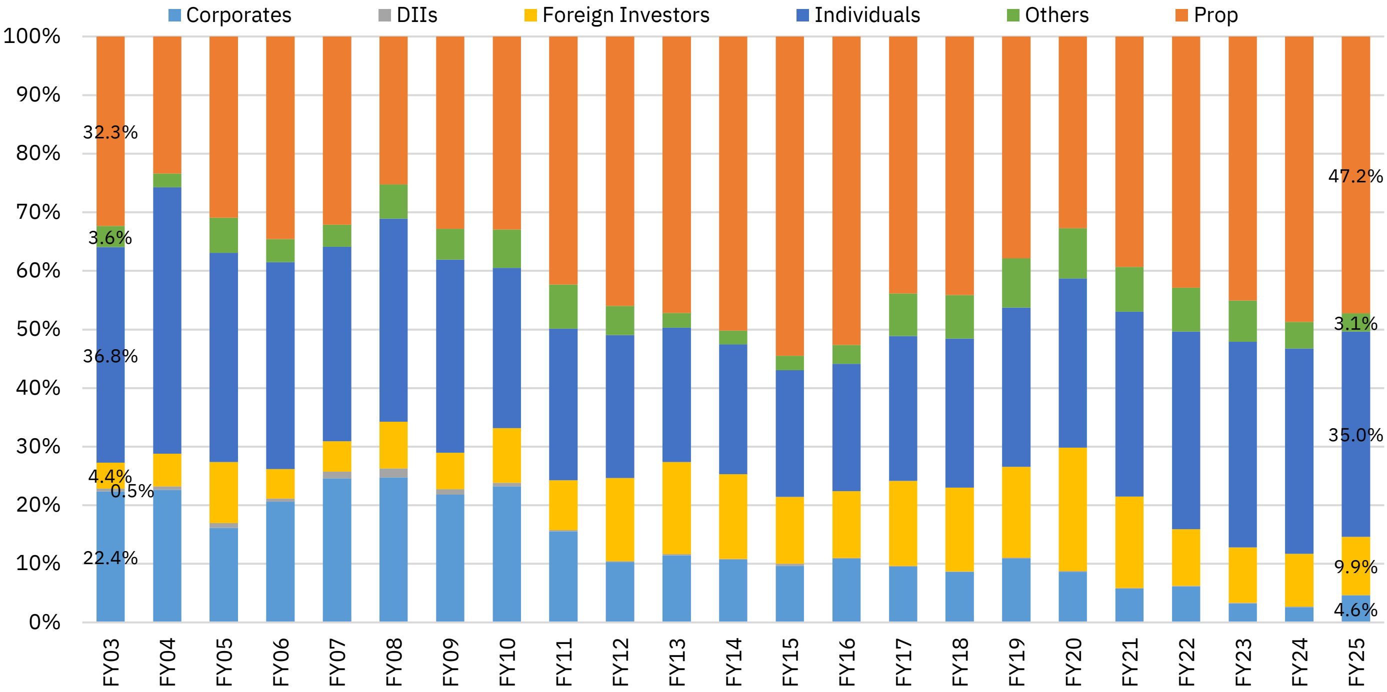
4. FY25 is as of Oct'24.

Table 96: Share of client participation in Index Options (Premium Turnover) of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	5.9	5.2	74	4.6	2.7	190	2.6	3.9
DIIs	0.1	0.1	2	0.1	0.1	1	0.1	0.1
Foreign investors	9.2	9.9	(68)	9.9	7.7	224	9.0	10.4
Individuals	36.0	35.0	91	35.0	35.0	(1)	35.0	34.9
Prop	46.0	47.3	(139)	47.2	49.5	(226)	48.7	47.3
Others	2.9	2.5	40	3.1	5.0	(187)	4.5	3.4

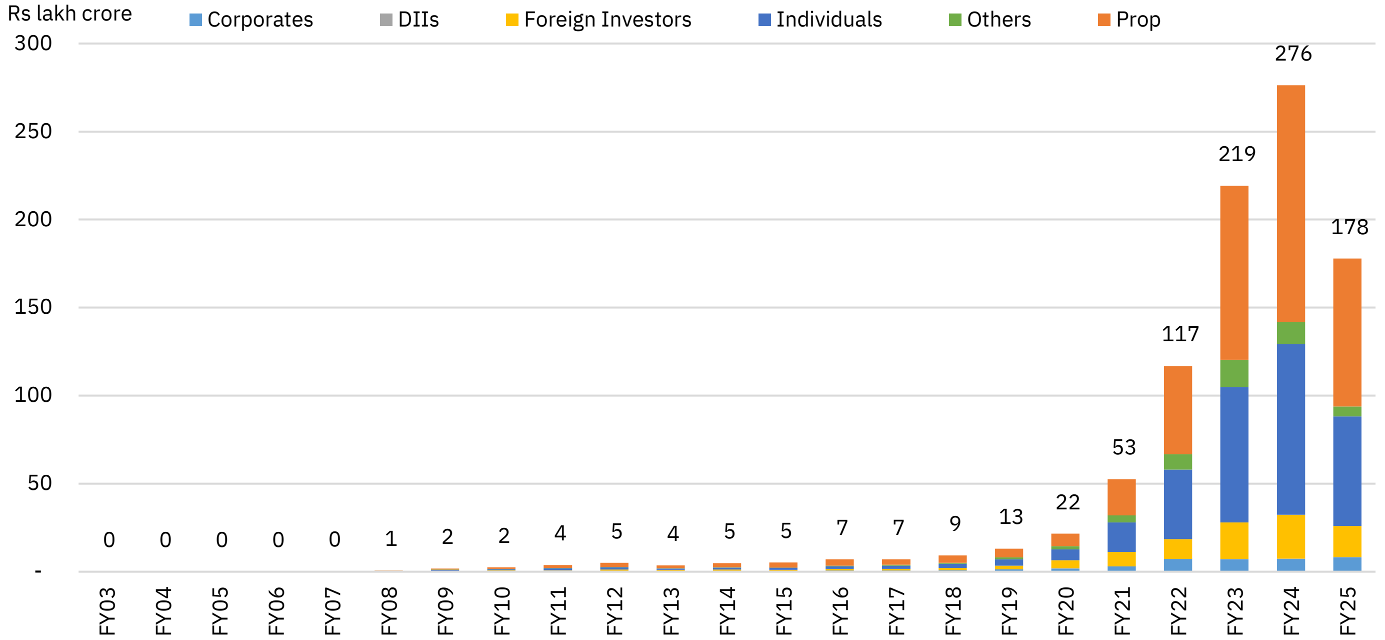
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in gross premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
5. FY25TD data is as of Oct'24.

Figure 295: Trends in share of client participation in Index Options (premium turnover) at NSE (%)



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
4. FY25 data is as of Oct'24.

Figure 296: Trends in client category-wise gross premium turnover in Index Options at NSE



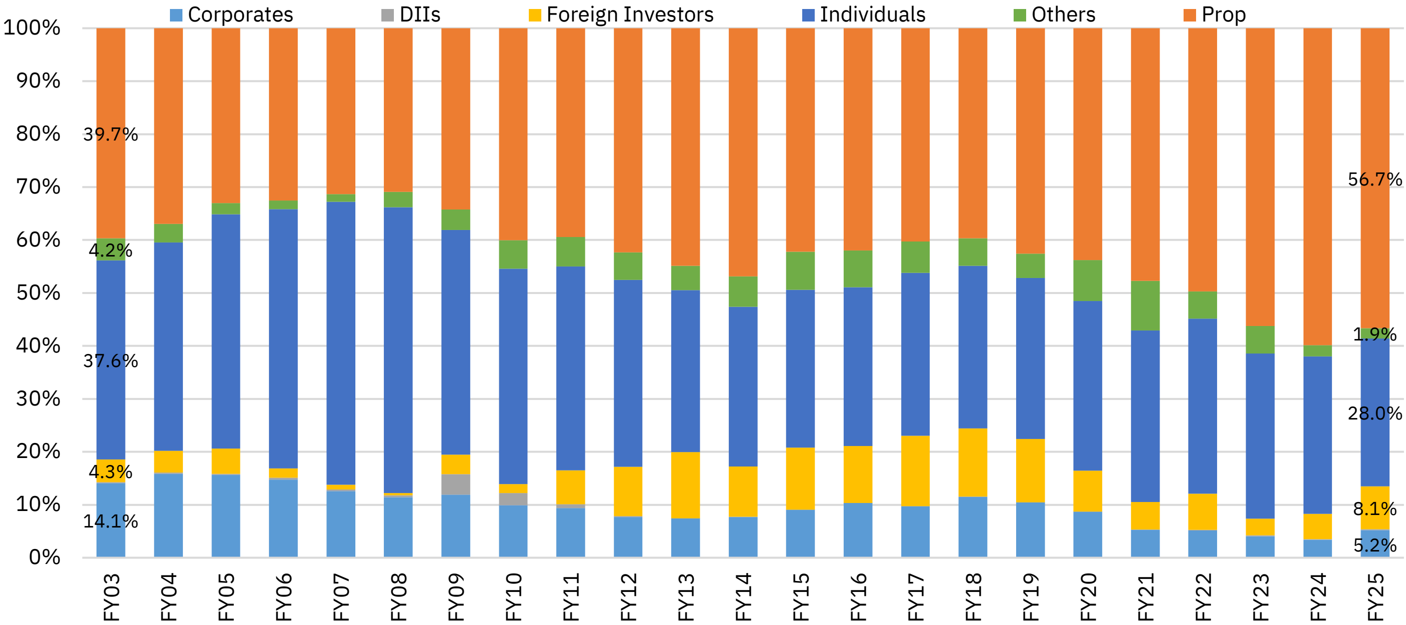
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
4. FY25 is as of Oct'24.

Table 97: Share of client participation in Stock Options (Premium Turnover) of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	6.6	7.0	(37)	5.2	3.5	166	3.4	4.6
DIIs	0.2	0.2	5	0.2	0.2	2	0.2	0.2
Foreign investors	9.7	7.4	228	8.1	4.1	400	4.8	7.6
Individuals	26.0	27.9	(190)	28.0	30.5	(258)	29.7	28.1
Prop	55.8	56.0	(13)	56.7	59.3	(258)	59.8	57.6
Others	1.6	1.5	7	1.9	2.4	(53)	2.1	1.9

Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in gross premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
5. FY25TD is as of Oct'24.

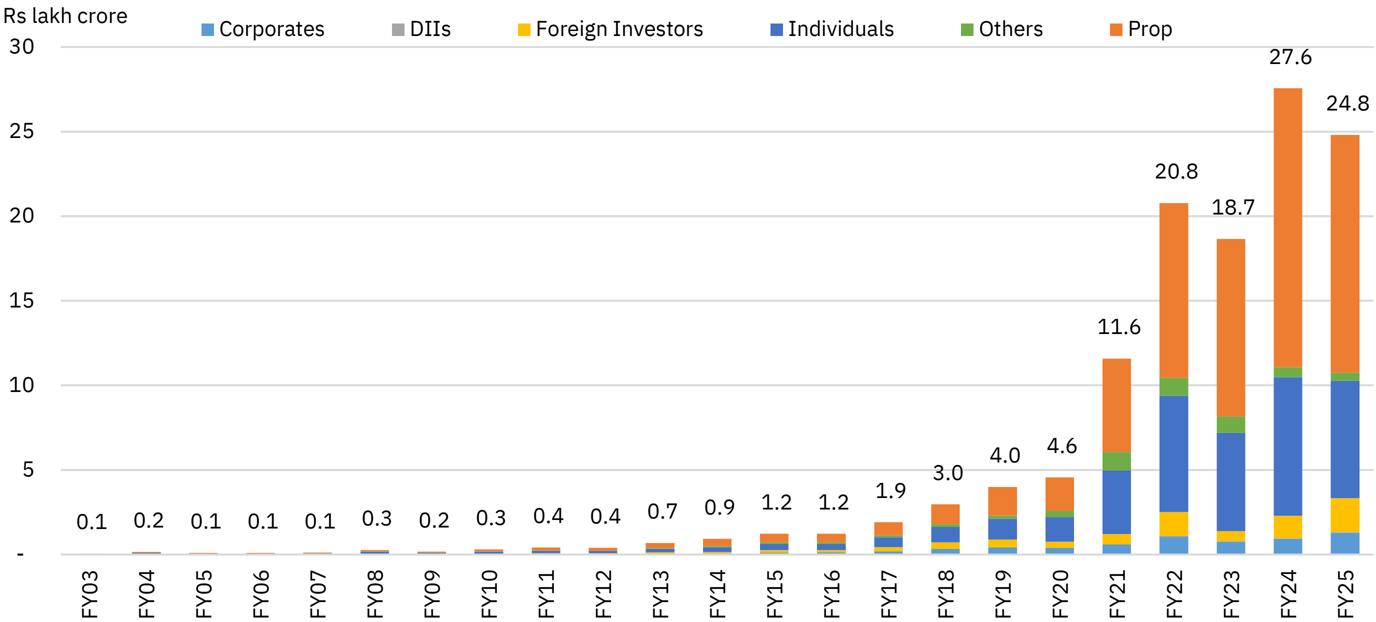
Figure 297: Trends in share of client participation in Stock Options (Premium Turnover) at NSE (%)



Source: NSE EPR

Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
4. FY25 is as of Oct'24.

Figure 298: Trends in client category-wise gross premium turnover in Stock Options at NSE



Source: NSE EPR

Notes: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
4. FY25 data is as of Oct'24.

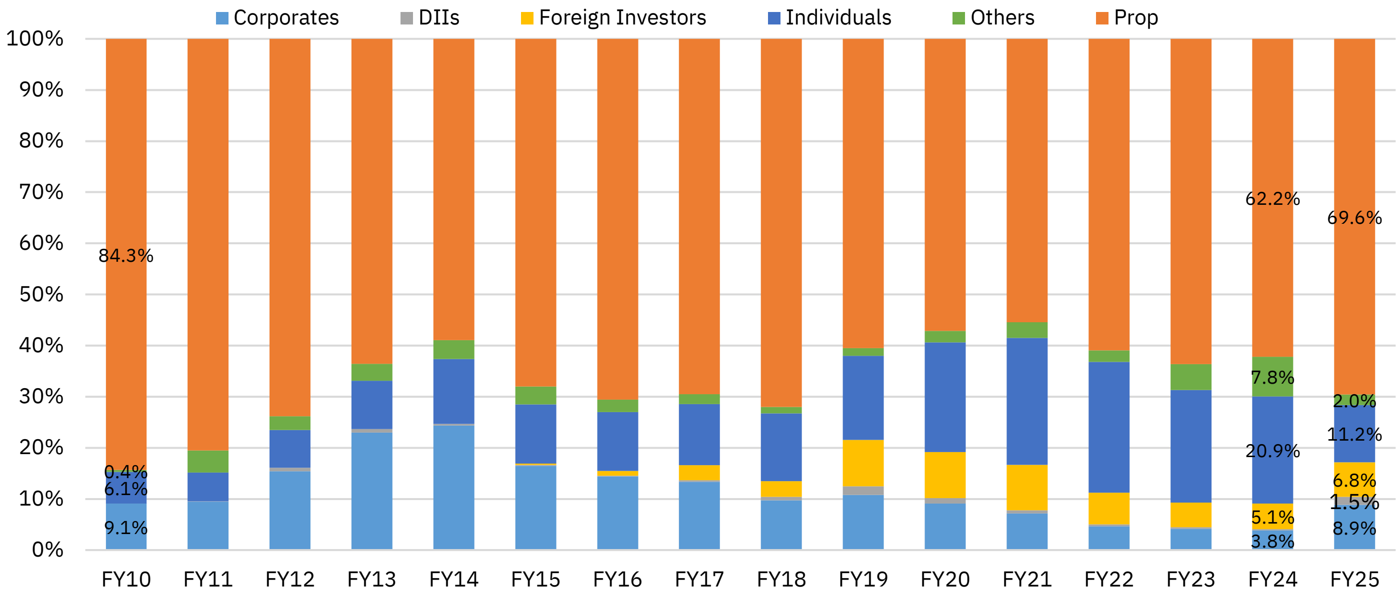
Share of proprietary traders recorded a substantial rise in currency derivatives in October: Proprietary traders' share exhibited a substantial 2,029bps MoM rise to 85.6% in the currency derivatives segment turnover, remaining dominant players in the segment. The uptick in their share was driven largely by a 1,962bps MoM expansion in currency futures which also recorded a substantial rise in turnover. However, their share declined by 131 bps MoM in currency options (premium turnover) during the month. On the contrary, foreign investors' share fell by 649bps MoM to 5.5%, and individuals' share declined by 458bps MoM to 2.4% in currency futures during the month gone by.

Table 98: Share of client participation in Currency Derivatives segment (Notional Turnover) of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.7	11.8	(713)	8.9	3.8	506	3.8	4.5
DIIs	0.6	1.6	(92)	1.5	0.2	133	0.2	0.4
Foreign investors	5.4	11.7	(624)	6.8	4.6	219	5.1	6.0
Individuals	2.8	7.8	(496)	11.2	22.1	(1,092)	20.9	17.7
Prop	85.6	65.4	2,029	69.6	61.5	803	62.2	64.0
Others	0.8	1.8	(104)	2.0	7.7	(568)	7.8	7.3

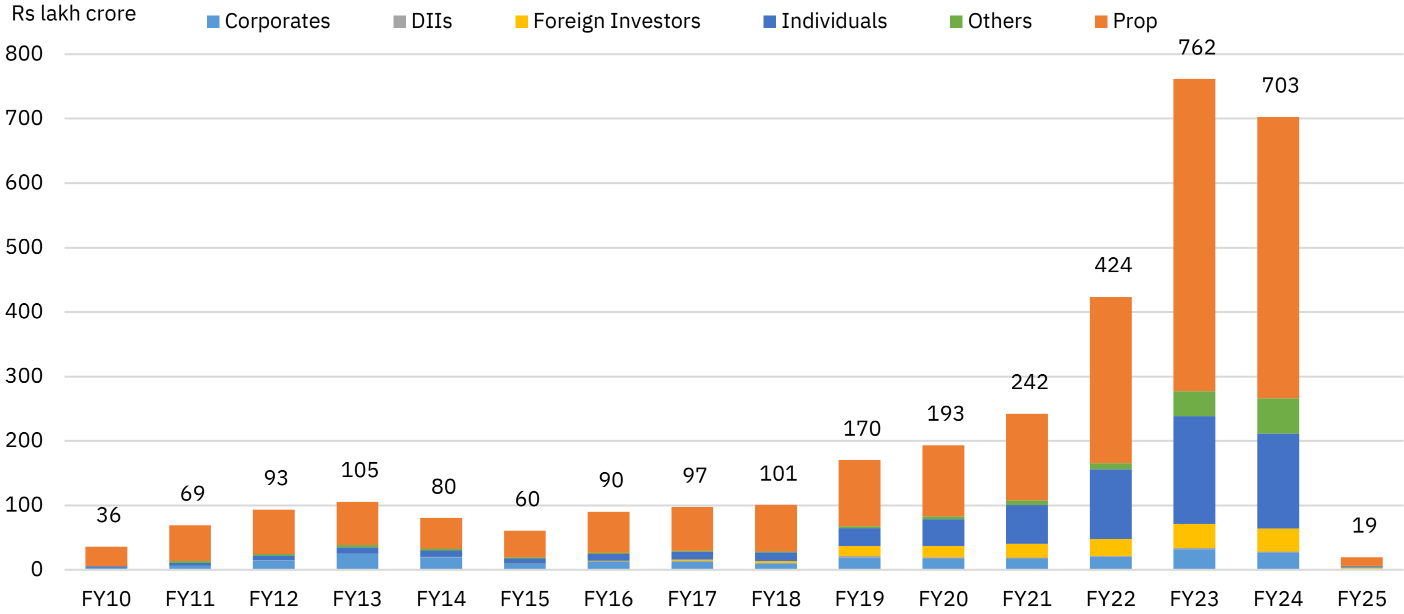
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in gross turnover i.e., buy-side turnover + sell-side turnover.
5. FY25TD is as of Oct'24.

Figure 299: Trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE (%)



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Figure 300: Trends in client category-wise gross notional turnover in Currency Derivatives at NSE



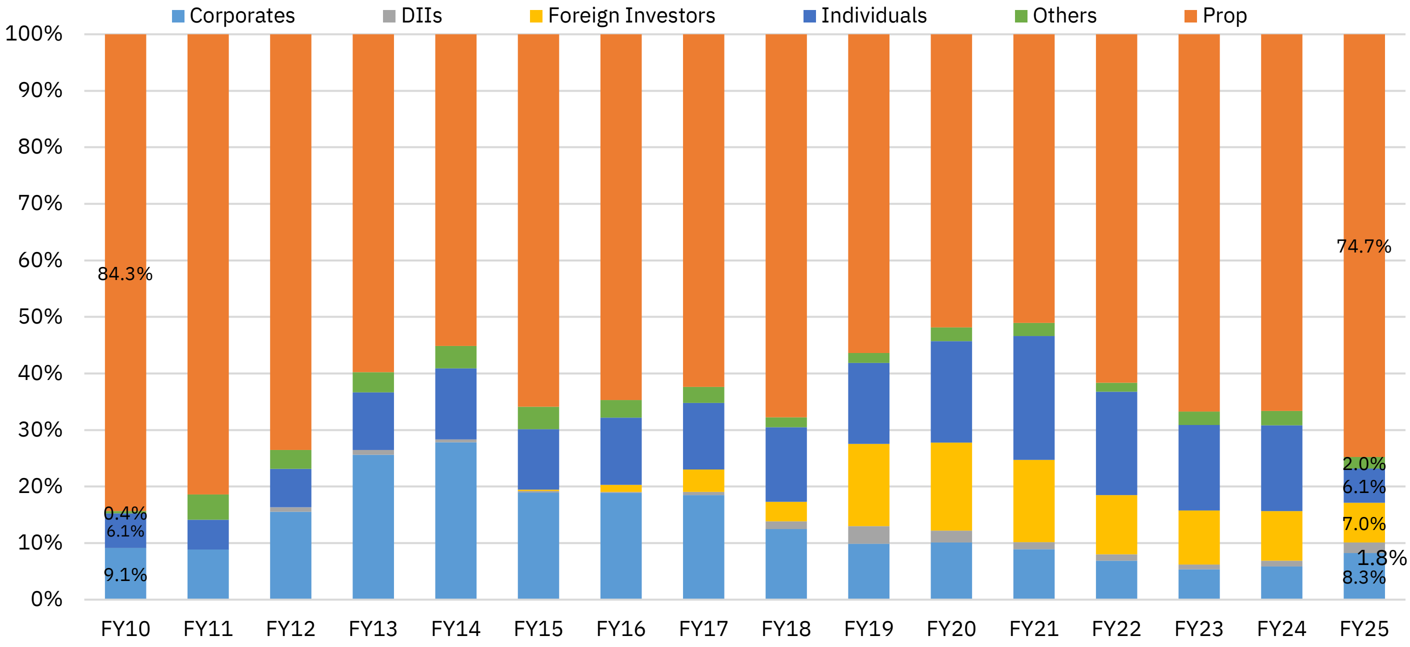
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Table 99: Share of client participation in Currency Futures of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.4	10.9	(652)	8.3	5.3	302	5.9	7.7
DIIs	0.6	1.6	(95)	1.8	0.9	90	1.0	1.4
Foreign investors	5.5	12.0	(649)	7.0	8.5	(144)	8.8	8.9
Individuals	2.4	7.0	(458)	6.1	15.9	(985)	15.2	11.5
Prop	86.3	66.7	1,962	74.7	67.1	769	66.6	67.8
Others	0.8	1.9	(108)	2.0	2.4	(32)	2.5	2.6

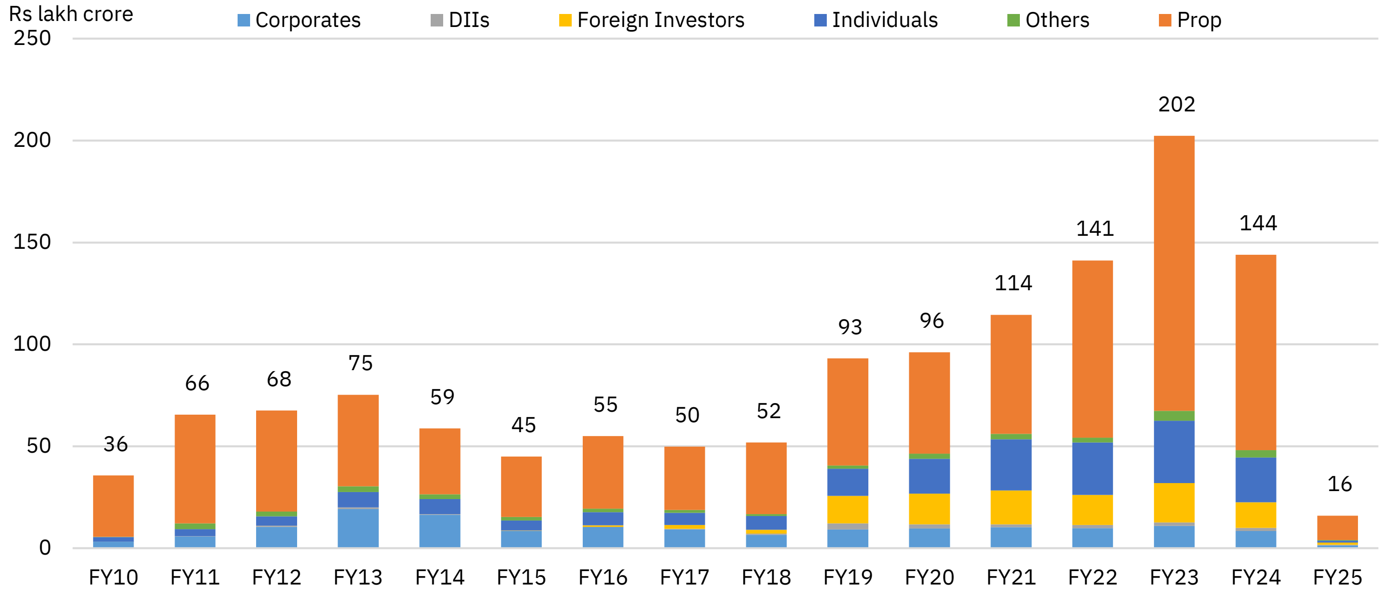
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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. Client categories are based on the information provided by trading members in the UCC database.
2. Figures in brackets indicate negative numbers. Client categories are based on the information provided by trading members in the UCC database.
3. Above data represents share in gross turnover i.e., buy-side turnover + sell-side turnover.
4. FY25TD is as of Oct'24.

Figure 301: Trends in share of client participation in Currency Futures at NSE (%)



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Figure 302: Trends in client category-wise gross turnover in Currency Futures at NSE



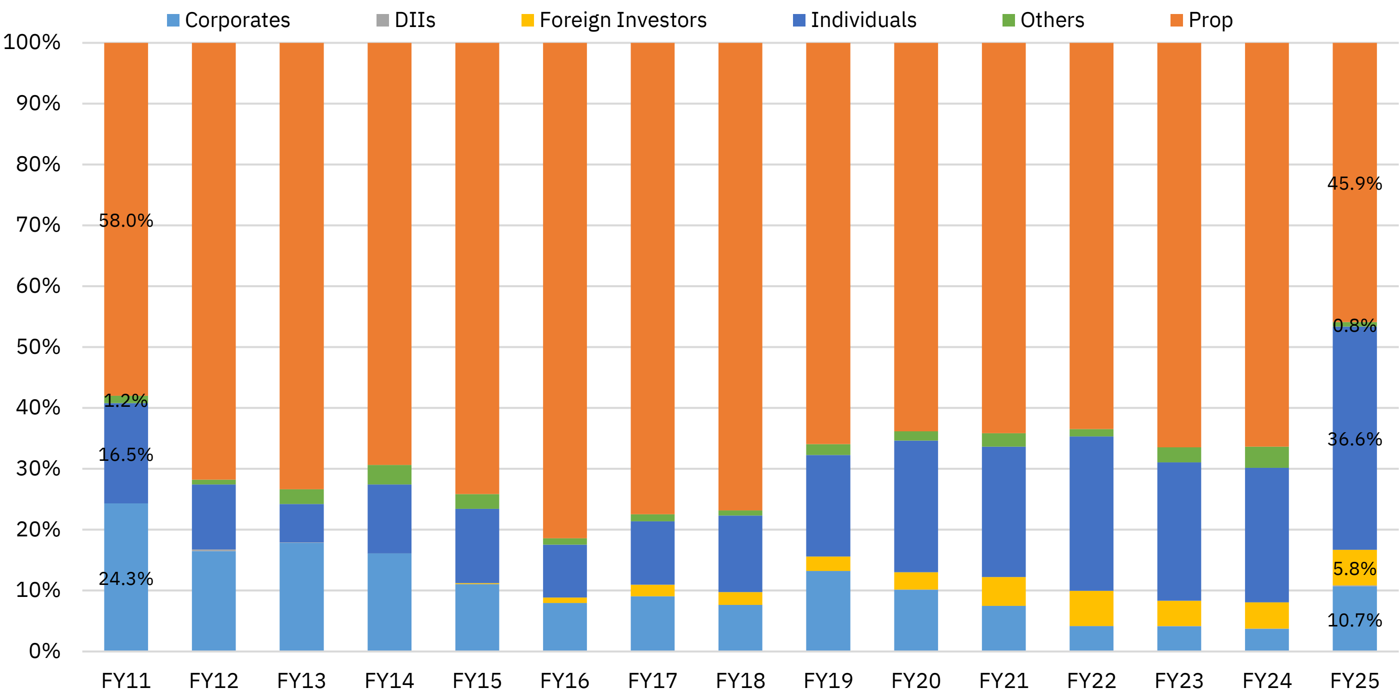
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Table 100: Share of client participation in Currency Options (Premium Turnover) of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	45.3	45.2	17	10.7	3.6	709	3.7	4.5
DIIs	0.0	0.0	-	0.2	0.0	17	0.0	0.0
Foreign investors	0.0	0.0	-	5.8	4.1	169	4.3	4.9
Individuals	43.2	42.0	118	36.6	22.7	1,395	22.1	20.9
Prop	11.4	12.7	(131)	45.9	65.9	(2,003)	66.3	66.7
Others	0.1	0.2	(4)	0.8	3.7	(288)	3.5	3.0

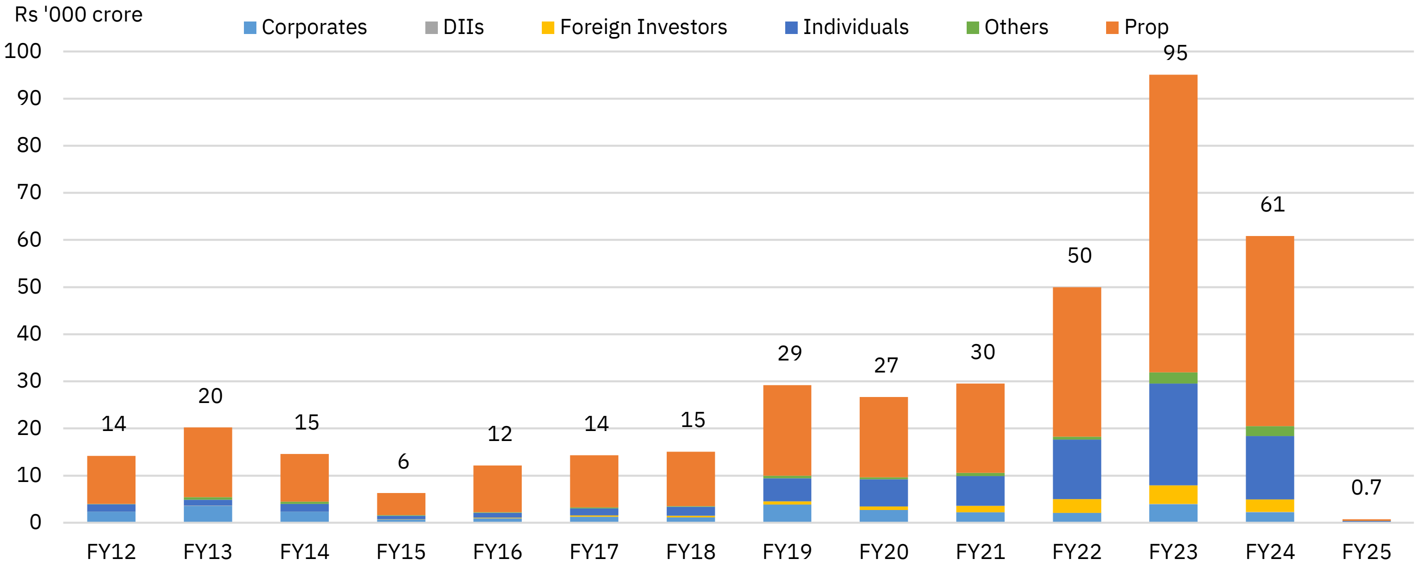
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in gross turnover i.e., buy-side turnover + sell-side turnover.
5. FY25TD is as of Oct'24.

Figure 303: Trends in share of client participation in Currency Options (Premium Turnover) at NSE (%)



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
4. FY25 is as of Oct'24.

Figure 304: Trends in client category-wise gross premium turnover in Currency Options at NSE



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
4. FY25 is as of Oct'24.

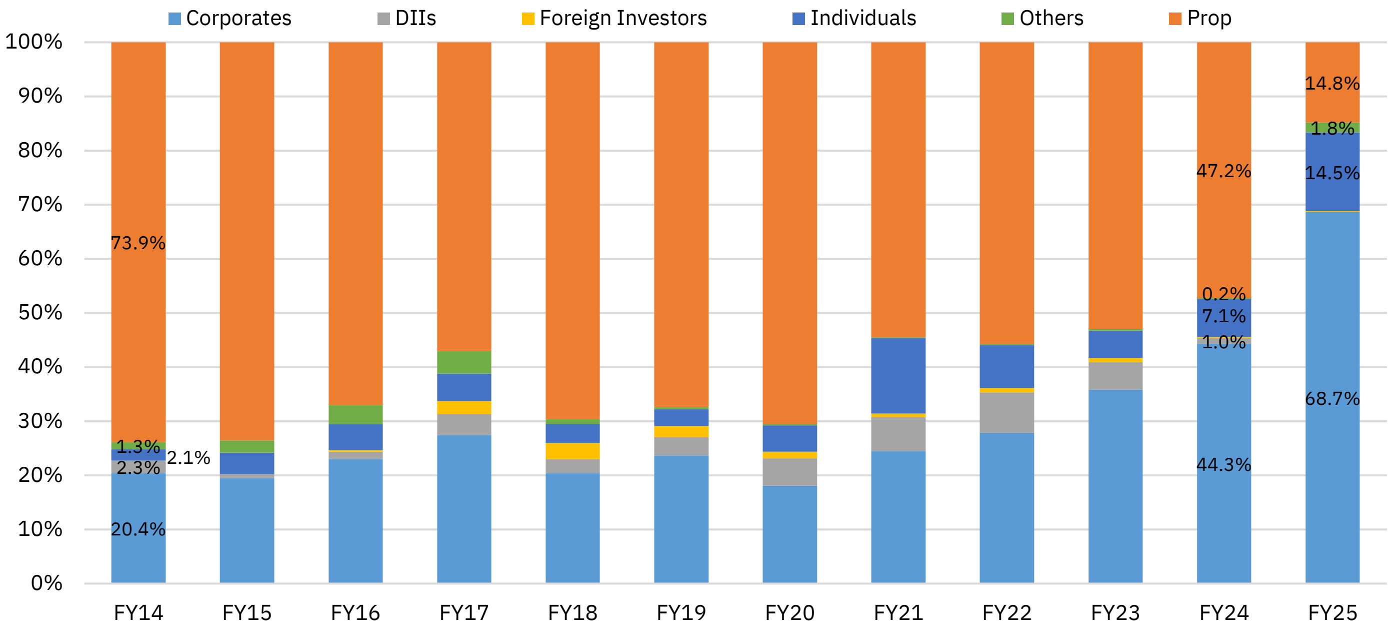
Corporates continued to hold the highest share in interest rate futures in October: Corporates and individual investors continued to be dominant players in interest rate futures, albeit with a reduction in shares by 80bps MoM and 151bps MoM respectively in Oct'24. On annual comparison, the share of corporates increased substantially to 68.7% (+2,990bps MoM) in FY25 till Oct'24 – the highest in last 12 years.

Table 101: Share of client participation in Interest Rate Futures of NSE (%)

Client category	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	74.7	75.5	(80)	68.7	38.8	2,990	44.3	65.9
DIIs	0.0	0.2	(22)	0.0	1.3	(128)	1.0	0.2
Foreign Investors	0.1	0.1	(2)	0.1	0.2	(11)	0.2	0.1
Individuals	14.9	16.4	(151)	14.5	4.6	997	7.1	14.8
Prop	5.9	6.9	(92)	14.8	55.0	(4,015)	47.2	17.5
Others	4.4	1.0	347	1.8	0.2	168	0.2	1.4

Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
5. FY25TD is as of Oct'24.

Figure 305: Trends in share of client participation in Interest Rate Futures at NSE (%)



Source: NSE EPR

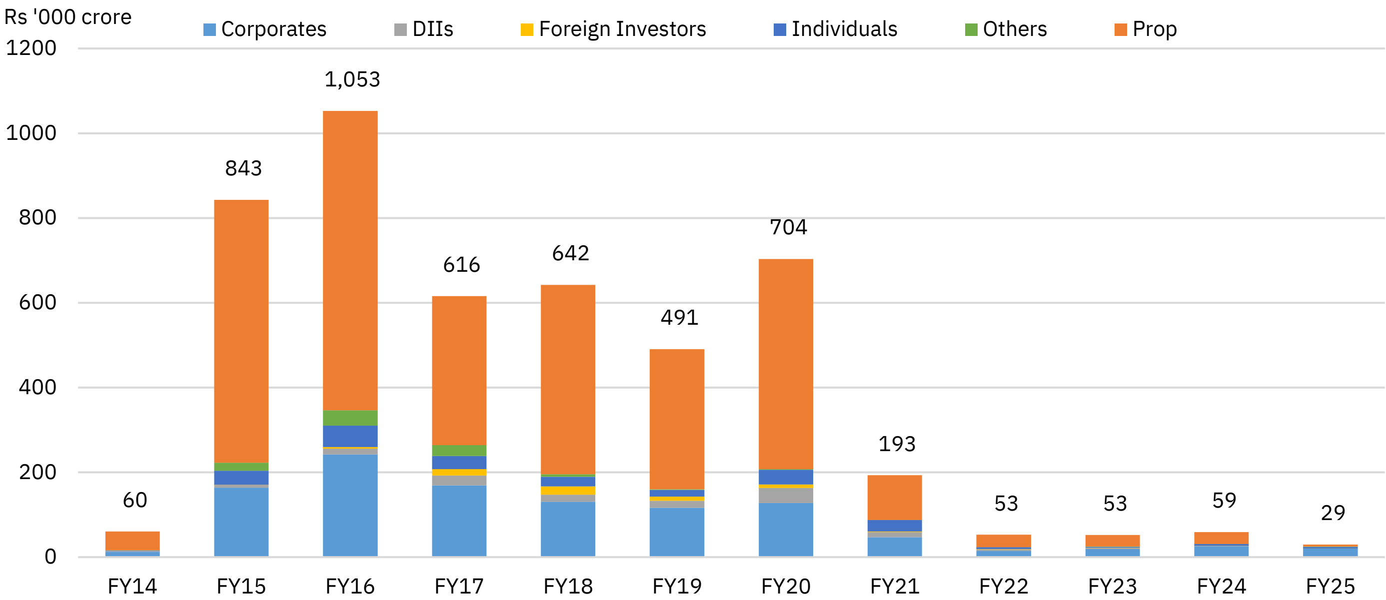
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.

4. FY25TD is as of Oct'24.

Figure 306: Trends in client category-wise gross turnover in Interest Rate Futures at NSE



Source: NSE EPR

Note: 1. 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 – 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.

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.

4. FY25 is as of Oct'24.

Share of proprietary traders in commodity derivatives turnover expanded in October: The share of proprietary traders recorded 297bps MoM rise to 74.8% in futures contracts and 230bps MoM rise to 87.6% (based on premium turnover) in options contract during the last month. The rise of prop traders' share happened at the expense of individual investors' share that recorded a substantial 1216bps MoM drop to 14.5% in futures and 108bps MoM drop to 10.7% in options contract in Oct'24.

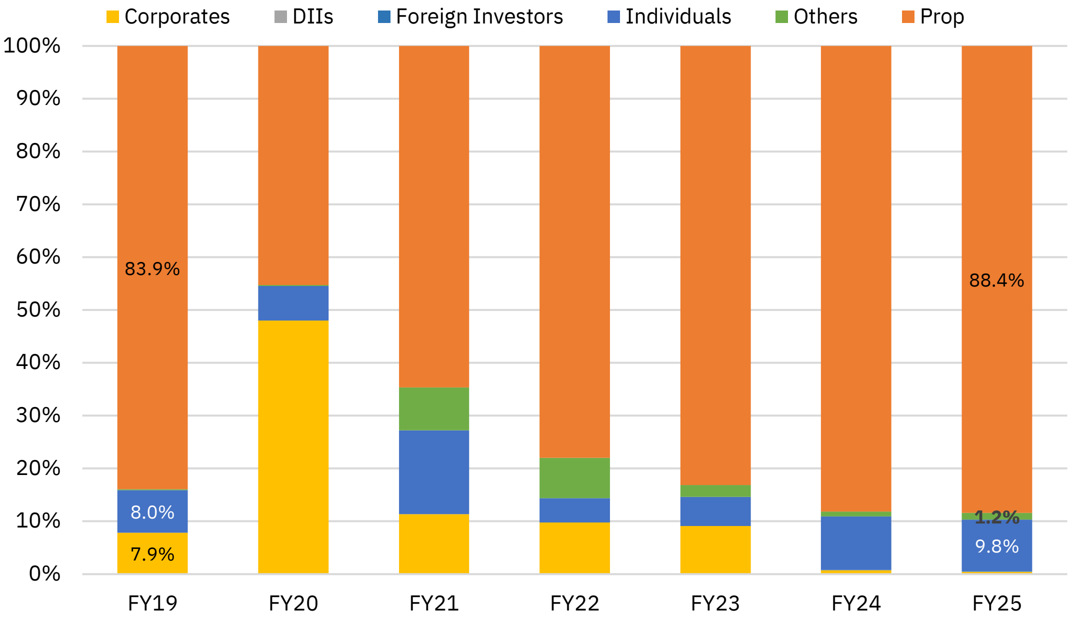
Table 102: Share of client participation in Commodity derivatives segment of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Commodity Futures								
Corporates	0.0	0.0	-	2.7	2.6	7	2.6	1.7
DIIs	0.0	0.0	-	0.0	0.1	(10)	0.1	0.0
Foreign investors	0.0	0.5	(52)	0.1	0.3	(13)	0.2	0.1
Individuals	14.5	26.7	(1,216)	15.8	13.4	247	13.3	13.2
Prop	74.8	71.8	297	77.9	82.8	(483)	82.7	82.2
Others	10.7	1.0	972	3.4	0.9	252	1.0	2.8
Commodity Options (Premium Turnover)								
Corporates	0.6	0.5	17	0.4	1.8	(137)	0.9	0.4
DIIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Foreign investors	0.7	1.5	(84)	0.5	0.0	52	0.0	0.4
Individuals	10.7	11.7	(108)	10.7	5.2	546	9.2	10.5
Prop	87.6	85.3	230	87.1	90.9	(378)	88.7	87.5
Others	0.5	1.0	(54)	1.3	2.1	(82)	1.2	1.1
Commodity Derivatives (Notional Turnover)								
Corporates	0.9	0.6	34	0.5	2.6	(219)	0.8	0.5
DIIs	0.0	0.0	-	0.0	0.1	(6)	0.0	0.0
Foreign investors	0.1	0.5	(39)	0.1	0.2	(5)	0.0	0.1
Individuals	10.3	10.4	(17)	9.8	9.4	40	10.2	9.9
Prop	88.6	88.3	36	88.4	86.6	179	88.2	88.4
Others	0.1	0.2	(14)	1.2	1.1	12	0.9	1.1

Source: NSE EPR

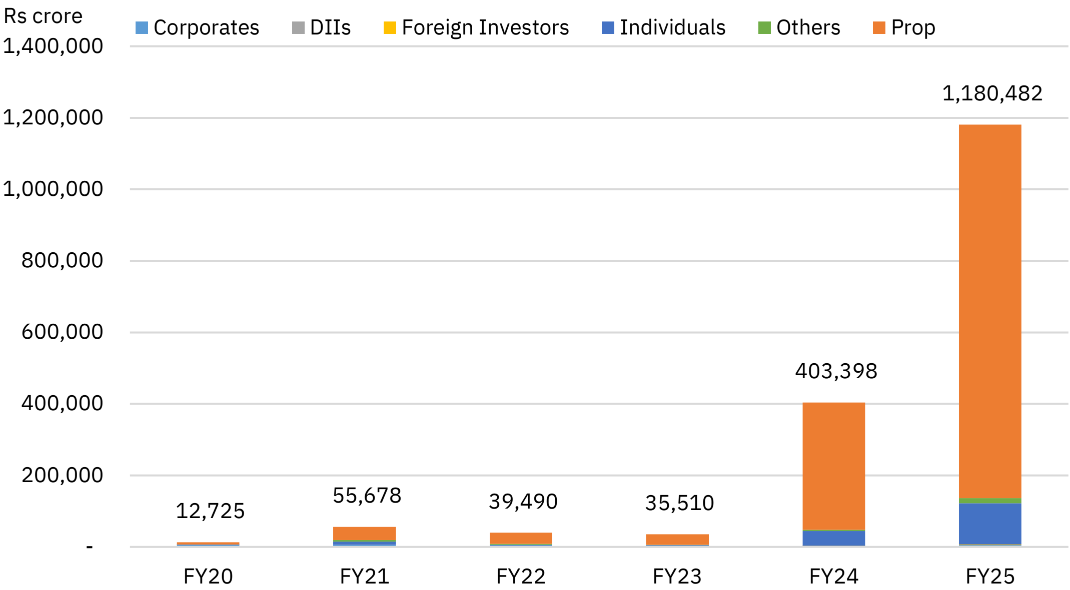
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in gross turnover i.e., buy-side turnover + sell-side turnover.
5. FY25TD data is as of Oct'24 and FY24TD data is as of Oct'23.

Figure 307: Trends in share of client participation in Commodity Derivatives (Notional Turnover) at NSE (%)



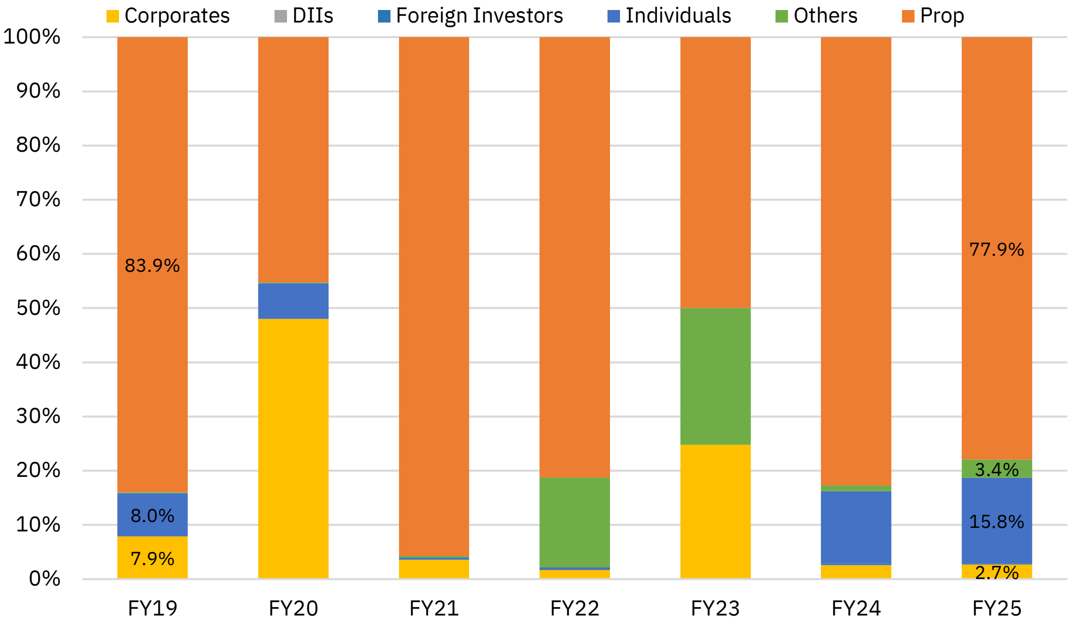
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Figure 308: Trends in client category-wise gross notional turnover in Commodity Derivatives at NSE



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 data is as of Oct'24.

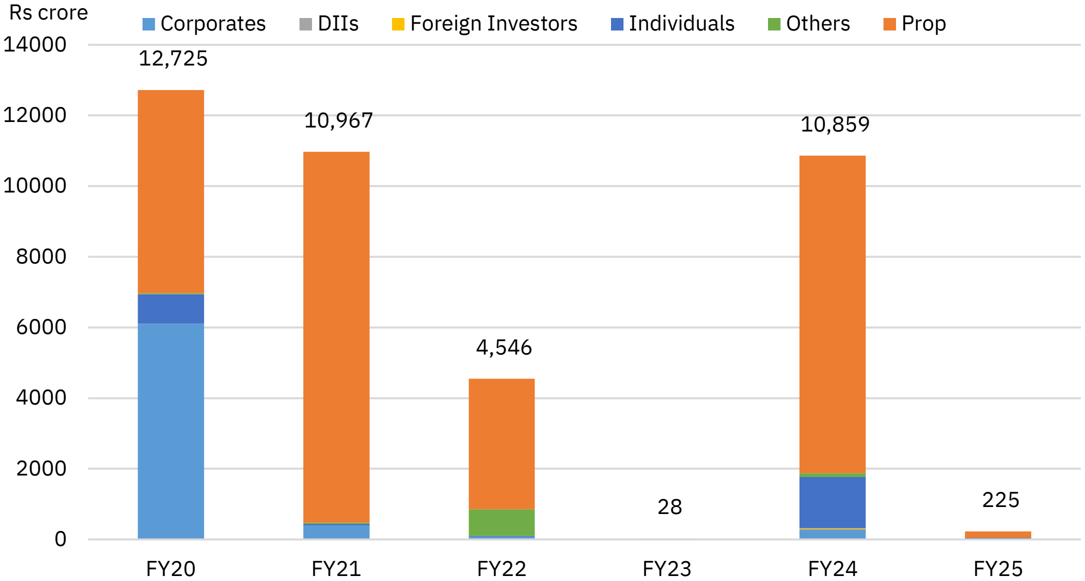
Figure 309: Trends in share of client participation in Commodity Futures at NSE (%)



Source: NSE EPR

Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

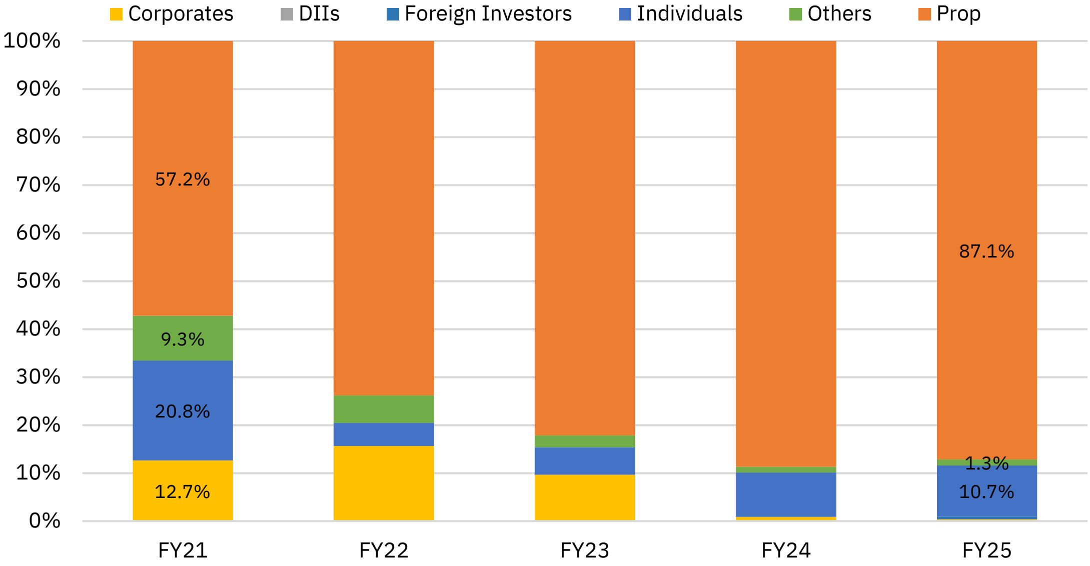
Figure 310: Trends in client category-wise gross turnover in Commodity Futures at NSE



Source: NSE EPR

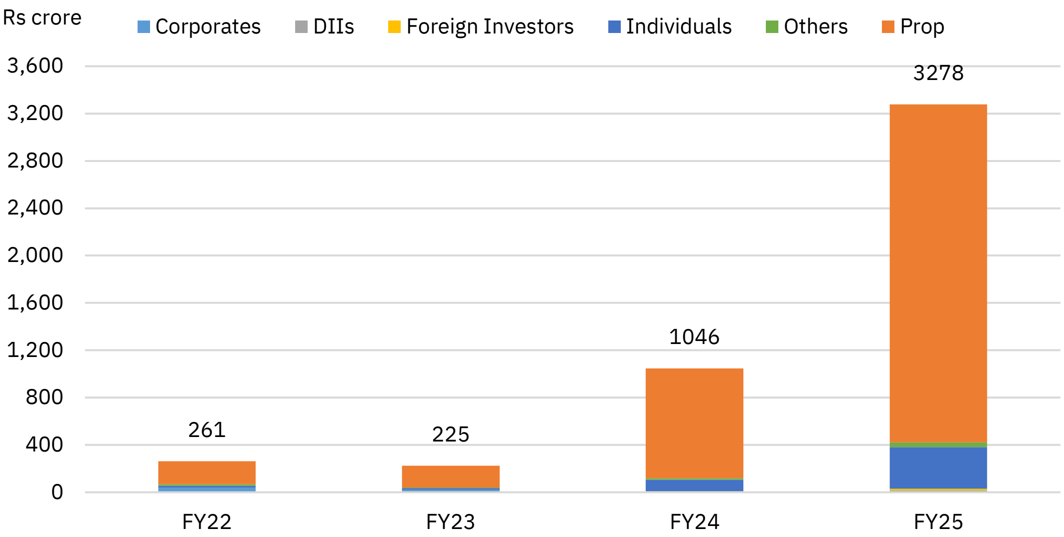
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Figure 311: Trends in share of client participation in Commodity Options (Premium Turnover) at NSE (%)



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 is as of Oct'24.

Figure 312: Trends in client category-wise gross premium turnover in Commodity Options at NSE



Source: NSE EPR
Note: 1. 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 – 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.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 data is as of Oct'24.

Distribution of turnover by modes of trading

Colo continues to contribute significantly to the trading activity in Capital market segment in Oct'24: In October 2024, the share of colocation in the overall cash market turnover rose by 210 bps, reaching 37.4% in Oct'24, up from 35.3% in Sep'24. Moreover, its share for the first seven months of FY25 stood at 35.5%, marking the highest level since its inception on an annual basis. Mobile trading, the second most preferred trading mode, saw a slight MoM decline of 35 bps, falling to 20.2% in Oct'24. However, its share has increased by 211 bps YoY to 20.8% in FY25 till Oct'24 when compared to the same period last year - the highest level in four years.

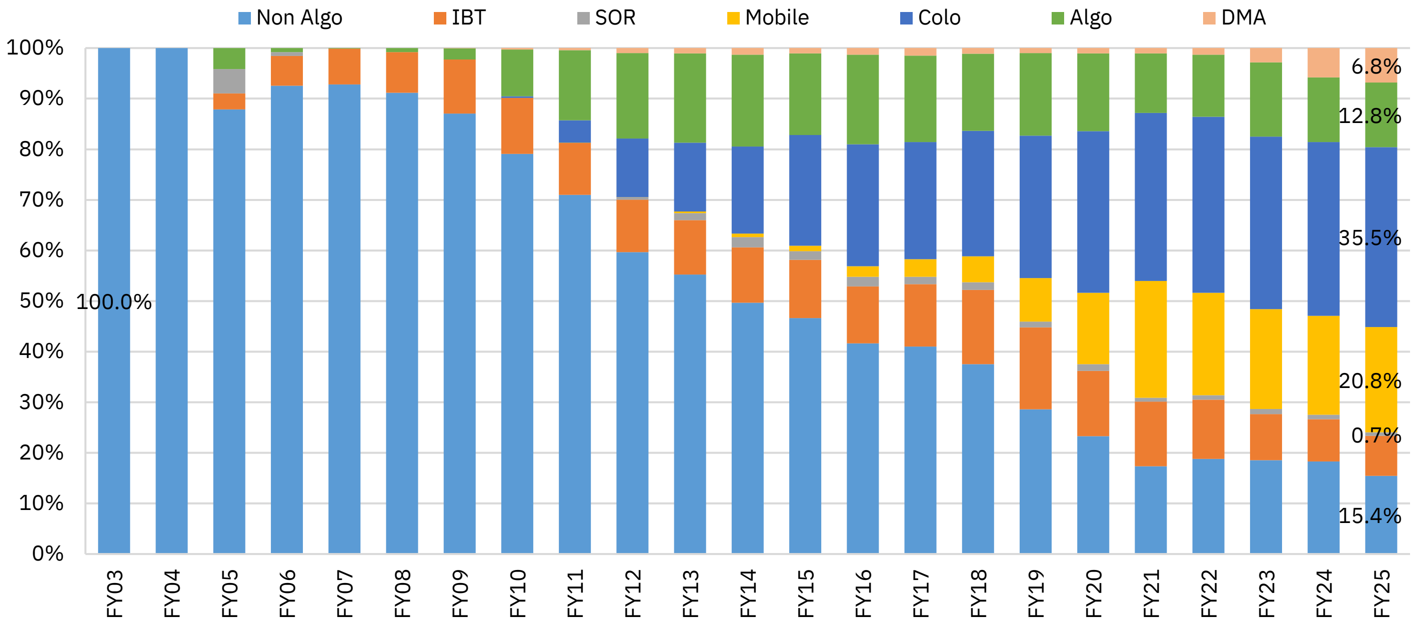
The shares of IBT and DMA also saw modest MoM drops of 29 bps and 19 bps, respectively, during the month. However, they held a combined share of 14.8% in the last month. On annual comparison, the share of DMA stood at the highest level since inception while the share of IBT has been declining since FY20.

Table 103: Share of different modes of trading in Capital Market segment of NSE (%)

Mode	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	13.3	14.9	(155)	15.4	19.1	(367)	18.3	15.8
IBT	7.6	7.9	(29)	7.9	8.4	(45)	8.4	8.0
SOR	0.9	0.6	37	0.7	1.0	(35)	0.9	0.7
Mobile	20.2	20.6	(35)	20.8	18.7	211	19.5	20.7
Colo	37.4	35.3	210	35.5	33.7	186	34.3	35.6
Algo	13.4	13.4	(8)	12.8	13.7	(90)	12.8	12.6
DMA	7.2	7.4	(19)	6.8	5.4	140	5.8	6.7

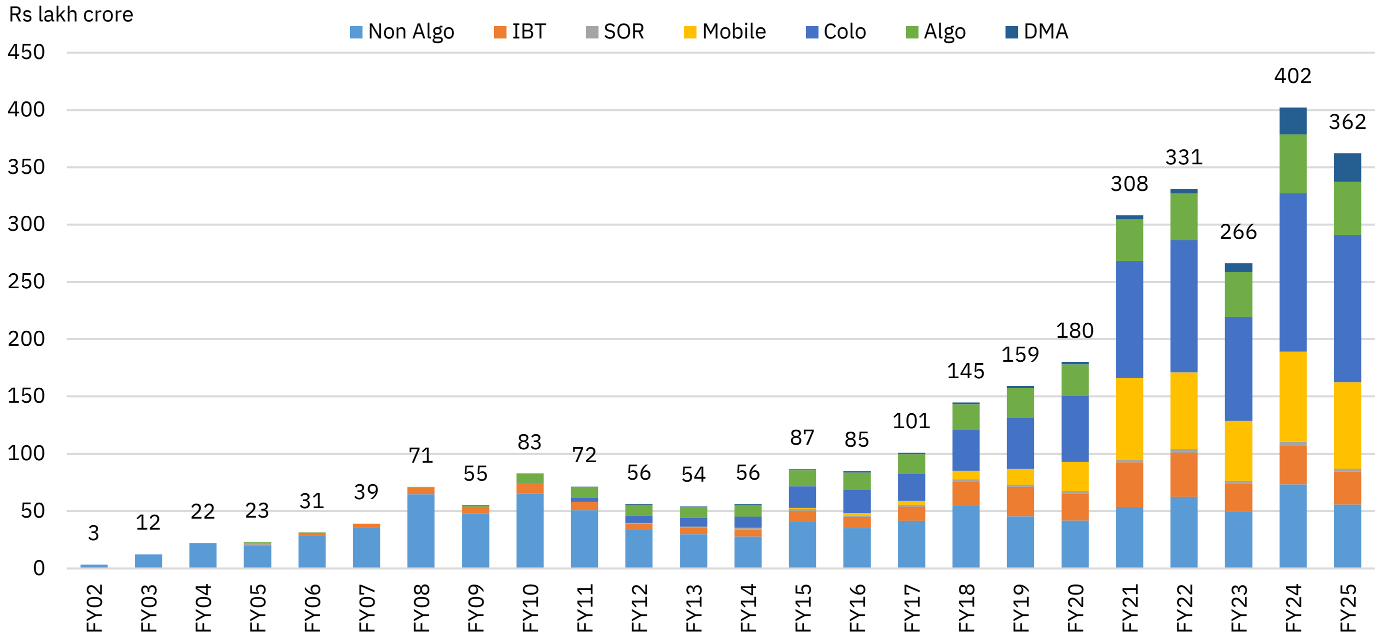
Source: NSE EPR
Note: 1. The above figures have been computed on the basis of gross turnover.
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on gross turnover.
3. FY25TD is as of Oct'24.

Figure 313: Trends in share of different modes of trading in Capital Market segment at NSE (%)



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 gross turnover.
3. FY25 is as of Oct'24.

Figure 314: Trends in mode of trading gross turnover in NSE cash market 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 gross turnover.
3. FY25 is as of Oct'24.

Colocation remains as the preferred mode of trading: Colo has remained the dominant mode of trading in the market since FY15, while it's share has been increasing during the period and stood at 61.6% in FY25 till Oct'24 – highest level on annual comparison. However, its share recorded 143 bps MoM drop to 60.3% in Oct'24. Mobile trading saw a strong MoM increase of 97 bps, reaching 17.9% in Oct'24 — the highest level since Oct'23 indicating growing adoption of mobile platforms for trading.

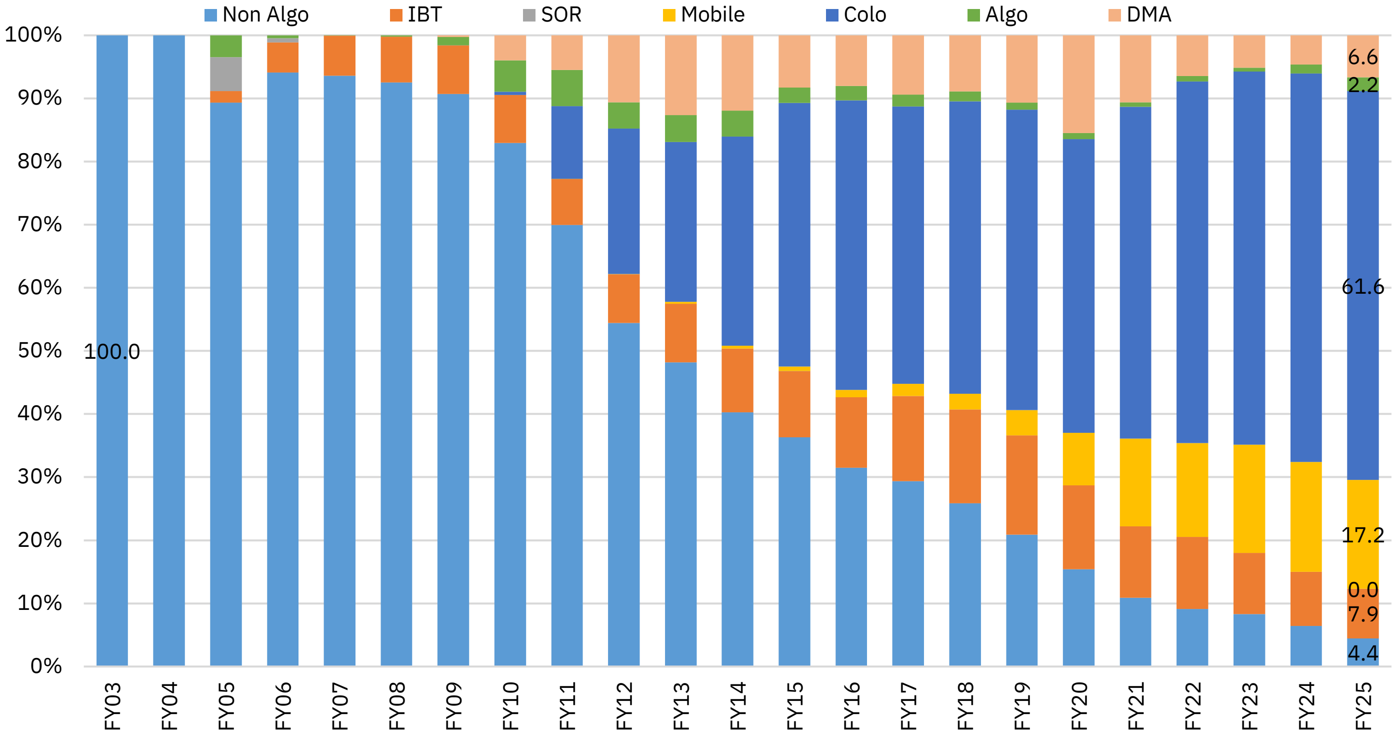
DMA also showed growth, with its share increasing steadily from 5.6% in Apr'22 to 8.0% in Oct'24. On a YoY basis, DMA's share grew by an impressive 219 bps, marking the largest increase among all trading modes. Meanwhile, Non Algo trading has experienced a consistent decline post May'24, reaching 3.9% in Oct'24. This ongoing decrease reflects the broader market shift towards more technology-driven trading methods, with investors increasingly turning to alternatives like Algo, DMA, and Colo.

Table 104: Share of different modes of trading in Equity Derivatives segment (Notional turnover) of NSE (%)

Mode	Oct-24	Sep -24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	3.9	4.1	(14)	4.4	7.6	(315)	6.4	4.6
IBT	7.8	7.8	0	7.9	9.0	(112)	8.6	7.9
Mobile	17.9	16.9	97	17.2	17.7	(46)	17.4	17.1
Colo	60.3	61.7	(143)	61.6	60.5	111	61.6	62.2
Algo	2.1	2.1	(2)	2.2	0.8	143	1.4	2.2
DMA	8.0	7.3	62	6.6	4.4	219	4.6	6.1

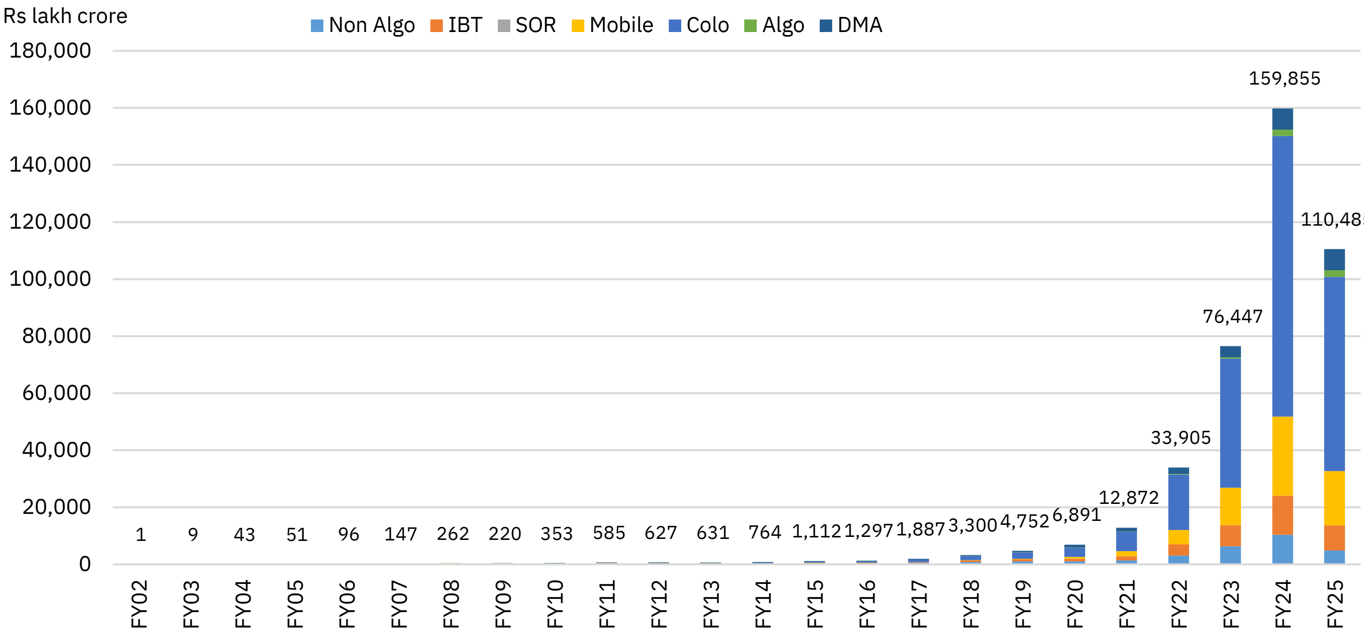
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25TD is as of Oct'24.

Figure 315: Trends in share of different modes of trading in Equity Derivatives segment at NSE (%)



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 gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25 data is as of Oct'24.

Figure 316: Trends in mode of trading in terms of gross notional turnover in NSE equity derivatives segment



Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. FY25 is as of Oct'24.

The share of non-algo increased in currency derivatives in October: The currency derivatives segment has experienced a notable shift in trading patterns in the current fiscal year. Historically, the share of non-algo trading has steadily declined as overall turnover grew. From 79% of notional turnover in FY10, non-algo trading's share dropped to 48.6% in FY14 and further to 28.5% in FY19. By the end of the last fiscal year, it had fallen to 26.1%. However, a sharp reversal was observed in FY25. In the first seven months of the fiscal year, the share of non-algo trading surged to 70.9%. Strikingly, in October 2024, non-algo trading recorded a dramatic 1091 bps increase, reaching 92.5%, up from 81.6% in Sep'24. This marks a significant shift in the trading landscape.

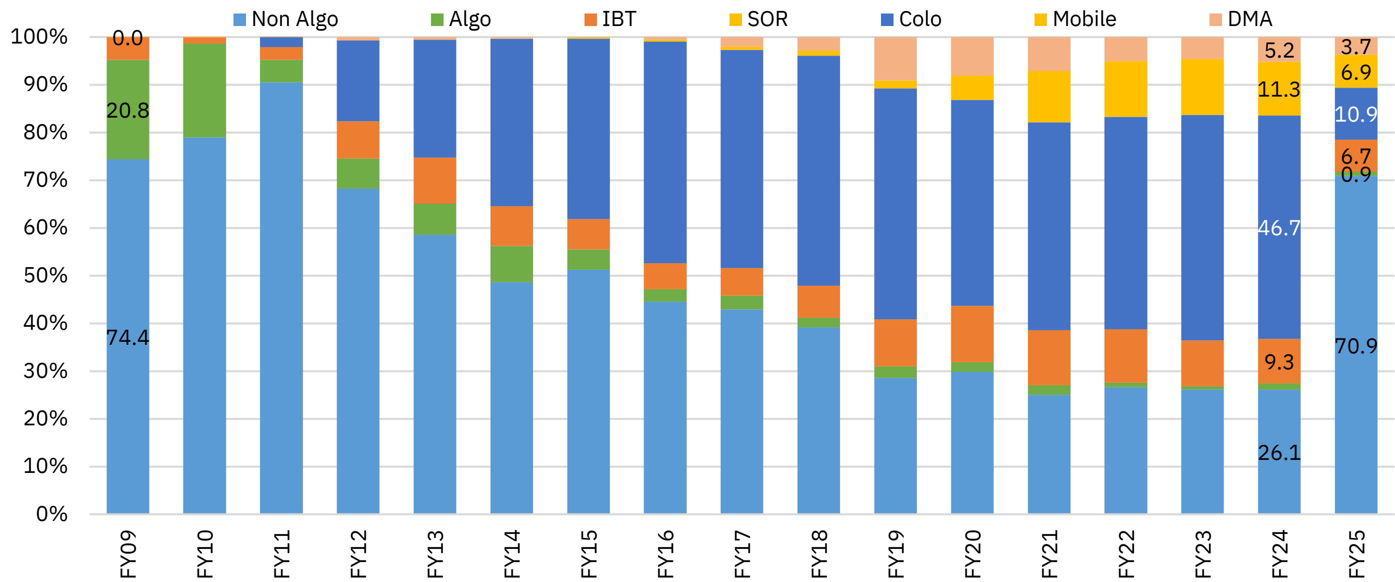
In contrast, colocation (Colo), which had been a dominant trading mode until FY24 with a 46.7% share, has seen its share steadily declining since the start of FY25, falling to just 10.9% in the first seven months of FY25. Share of other modes of trading such as IBT, Mobile and DMA and algo saw a sharp decline, all of which was taken up by non-algo, that saw its share in currency derivatives turnover rising to 92.5% in October from 81.6% in the previous month.

Table 105: Share of different modes of trading in Currency Derivatives segment of NSE (%)

Mode	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	92.5	81.6	1091	70.9	26.0	4491	26.1	30.9
IBT	1.6	3.7	(209)	6.7	9.6	(293)	9.3	8.4
Mobile	2.0	5.8	(380)	6.9	12.1	(515)	11.3	9.4
Colo	1.7	4.0	(238)	10.9	46.0	(3519)	46.7	43.9
Algo	0.6	1.6	(98)	0.9	1.4	(53)	1.3	1.8
DMA	1.6	3.2	(166)	3.7	4.8	(111)	5.2	5.6

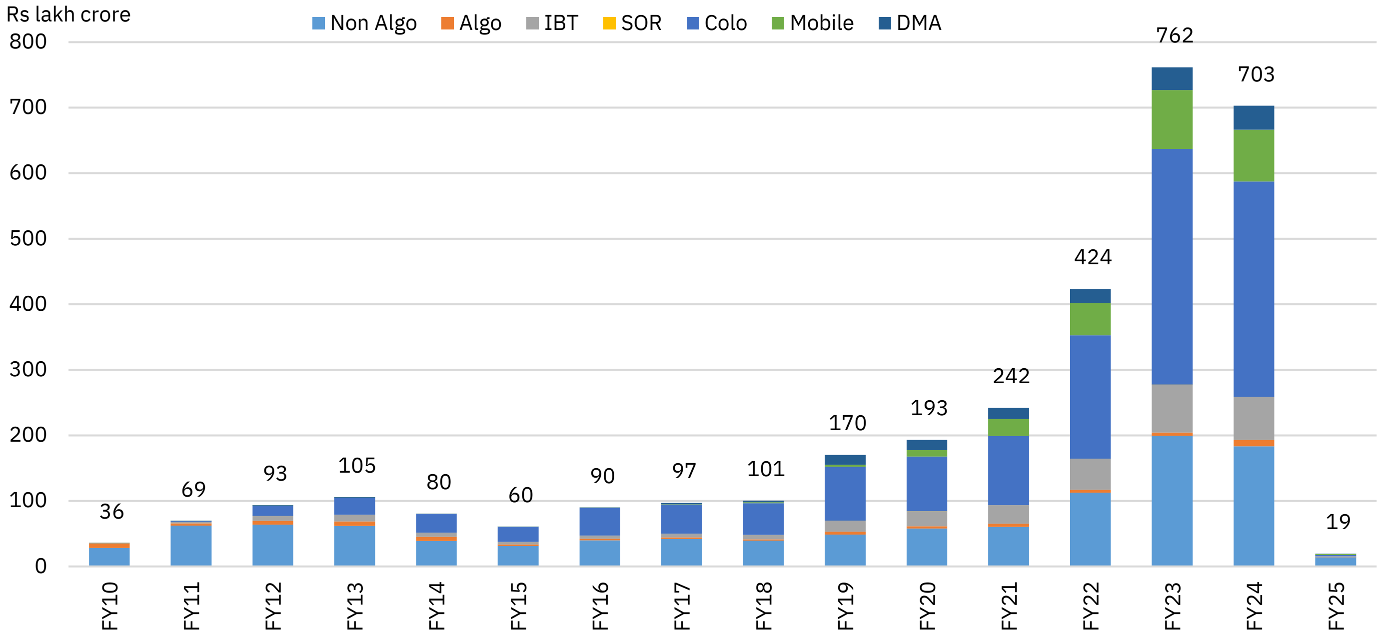
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25TD is as of Oct'24.

Figure 317: Trends in share of different modes of trading in Currency Derivatives segment at NSE (%)



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 gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25 is as of Oct'24.

Figure 318: Trends in mode of trading in terms of gross notional turnover in NSE currency derivatives segment



Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. FY25 is as of Oct'24.

Share of DMA trades made substantial gains for interest rate futures (IRF) turnover: Non Algo trading continued to dominate the interest rate futures trading, accounting for 55.6% of the total turnover in Oct'24, marking a 19 bps MoM rise. However, despite this MoM growth, Non-Algo trading experienced a significant decline of 930bps YoY in the first seven months of FY25. This trend reflects the ongoing shift away from traditional trading methods, as the share of non-Algo has gradually reduced over the years—from 86% in FY19 to 47.1% in FY25 till Oct'24. This shift underscores the increasing adoption of more automated and technology-driven trading methods.

IBT saw a notable MoM decline of 215 bps, dropping to 8.8% in Oct'24 while mobile trading remained largely stable at 1.1% in Oct'24, with only a slight 9 bps decline from the previous month. DMA emerged as the second preferred mode of trading in October 2024, with its share rising by 425 bps MoM to 17.4%, up from 13.2% in Sep'24. DMA's share has consistently grown from 2.5% in FY19 to 14.8% in FY24, and further to 19.0% in the first seven months of FY25 indicating a steady rise in popularity for DMA, particularly among institutional traders who seek direct, real-time access to the market. Interestingly, colocation (Colo) saw its share drop by 220 bps MoM, falling to 17.1% in Oct'24. Despite this short-term decline, Colo's YoY share increased by 397 bps, from 16.2% in the first seven months of FY24 to 20.2% in FY25TD – highest on annual basis.

Table 106: Share of different modes of trading in Interest Rate Derivatives segment of NSE (%)

Mode	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	55.6	55.4	19	47.1	56.4	(930)	54.3	47.2
IBT	8.8	10.9	(215)	11.4	12.1	(68)	13.1	12.3
Mobile	1.1	1.1	(9)	2.3	1.5	78	2.0	2.7
Colo	17.1	19.3	(220)	20.2	16.2	397	15.8	19.0
Algo	-	-	0	-	0.0	(2)	0.0	0.0
DMA	17.4	13.2	425	19.0	13.8	526	14.8	18.8

Source: NSE EPR

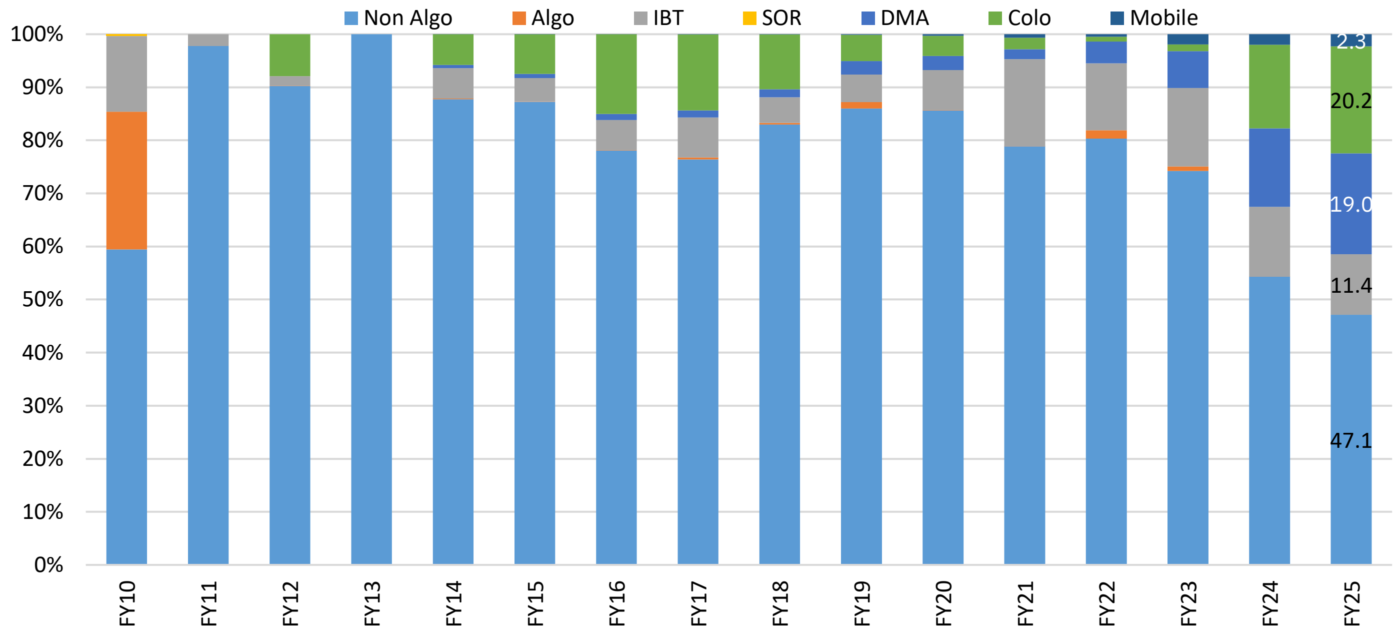
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed on the basis of gross turnover.

3. Notional turnover considered in the case of futures and options.

4. FY25TD is as of Oct'24.

Figure 319: Trends in share of different modes of trading in Interest Rate Derivatives segment at NSE (%)



Source: NSE EPR

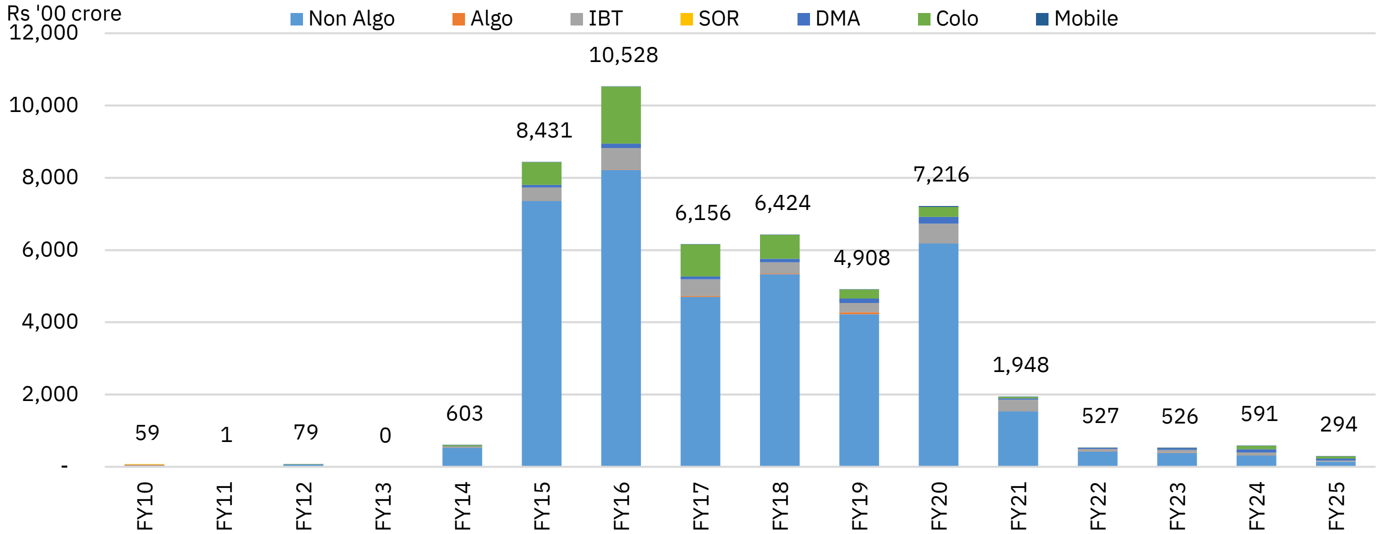
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed on the basis of gross turnover.

3. Notional turnover considered in case of futures and options.

4. FY25 is as of Oct'24.

Figure 320: Trends in mode of trading in terms of gross notional turnover in Interest Rate Derivatives segment



Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. FY25 is as of Oct'24.

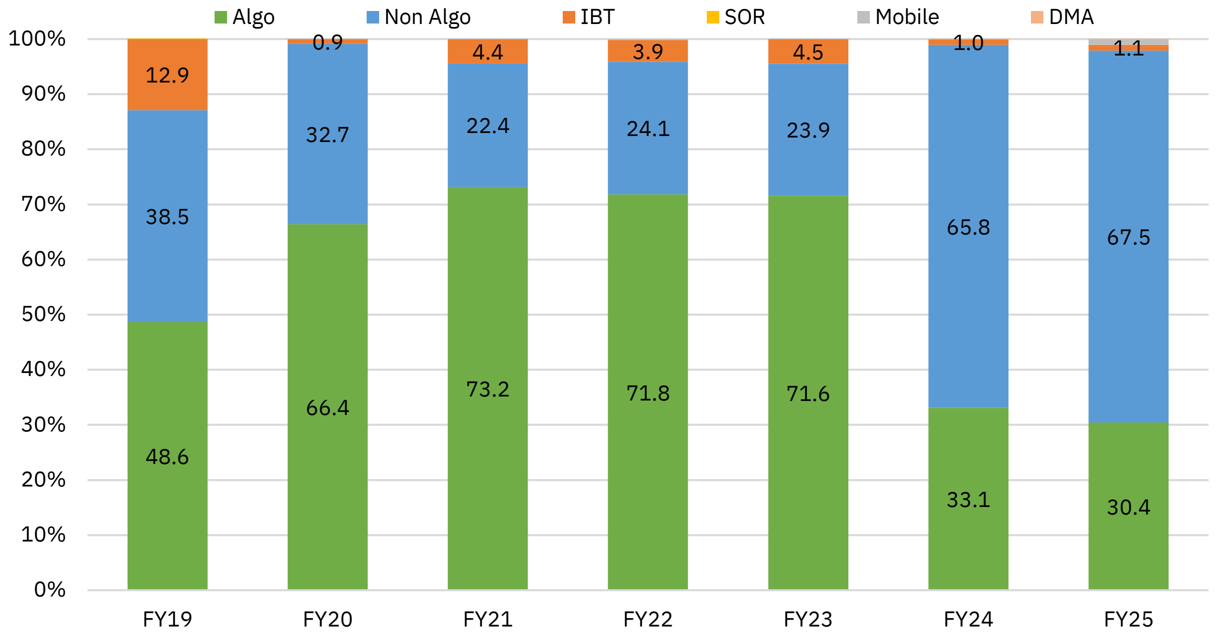
Non-algo trading remains dominant in commodity derivatives segment in the month of October as well: The share of non-algo trading expanded for the second consecutive month and reached a three-month high, increasing by 123 bps MoM to 63.7% in Oct'24. On a YoY basis, Non Algo trading's share surged by an impressive 2651 bps. This dramatic rise follows a significant shift in market dynamics, with non-algo's share jumping from 23.9% in FY23 to 65.8% in FY24, making it the dominant mode of trading in the segment. In contrast, Algo trading saw a decline of 64bps MoM to 34.5% in Oct'24. Algo trading, which was the dominant mode of trading until FY23 and accounted for 71.6% of the turnover in that year, exhibited a declining trend in the last two years. It also reflects a broader shift toward non-automated trading methods.

Table 107: Share of different modes of trading in Commodity Derivatives segment of NSE (%)

Mode	Oct-24	Sep-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	63.7	62.5	123	67.5	41.0	2651	65.8	67.7
IBT	0.9	1.0	(12)	1.1	2.3	(126)	1.0	1.0
Mobile	0.9	1.3	(47)	1.0	0.0	98	0.1	0.8
Algo	34.5	35.1	(64)	30.4	56.7	(2624)	33.2	30.4
DMA	-	-	0	0.0	0.0	1	0.0	0.0

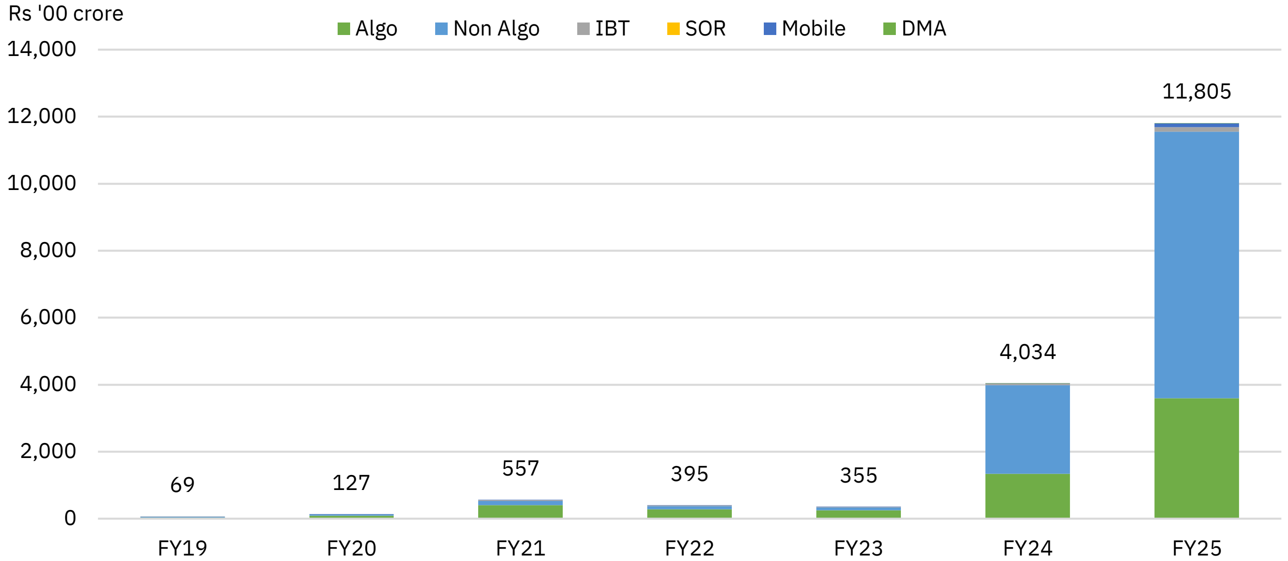
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25TD is of Oct'24.

Figure 321: Trends in share of different modes of trading in Commodity Derivatives segment at NSE (%)



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 gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25TD is as of Oct'24.

Figure 322: Trends in mode of trading in terms of gross notional turnover in Commodity Derivatives segment

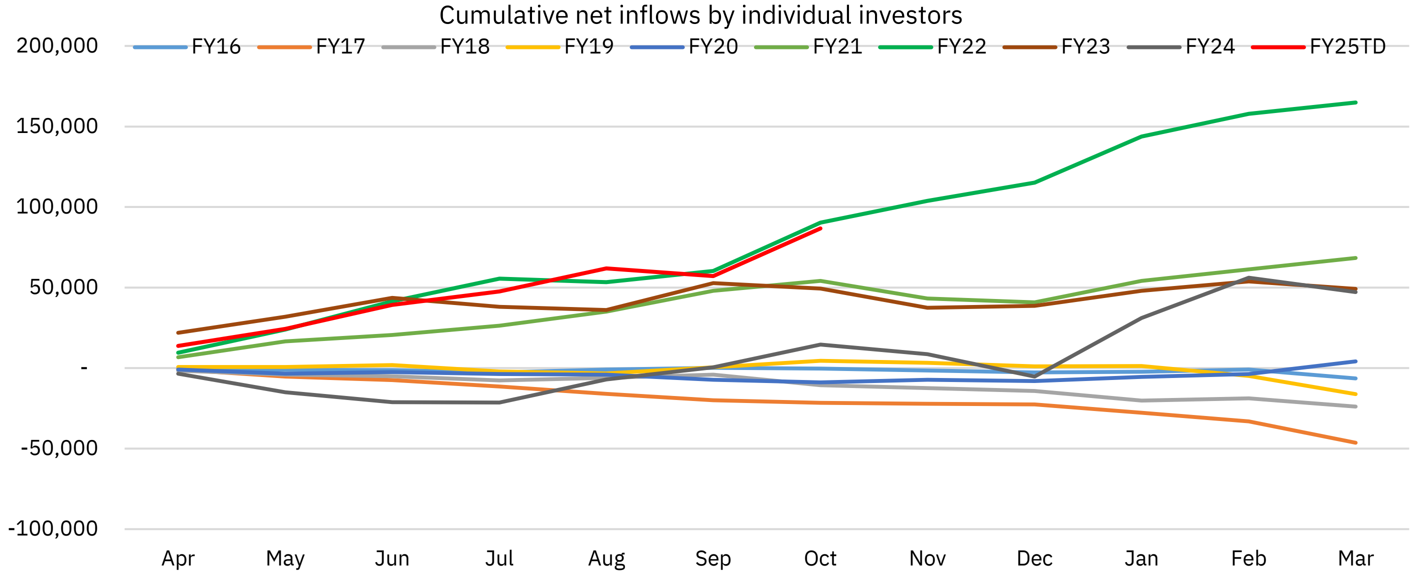


Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. FY25TD data is as of Oct'24.

Individual investors' activity in NSE's CM and derivatives segment

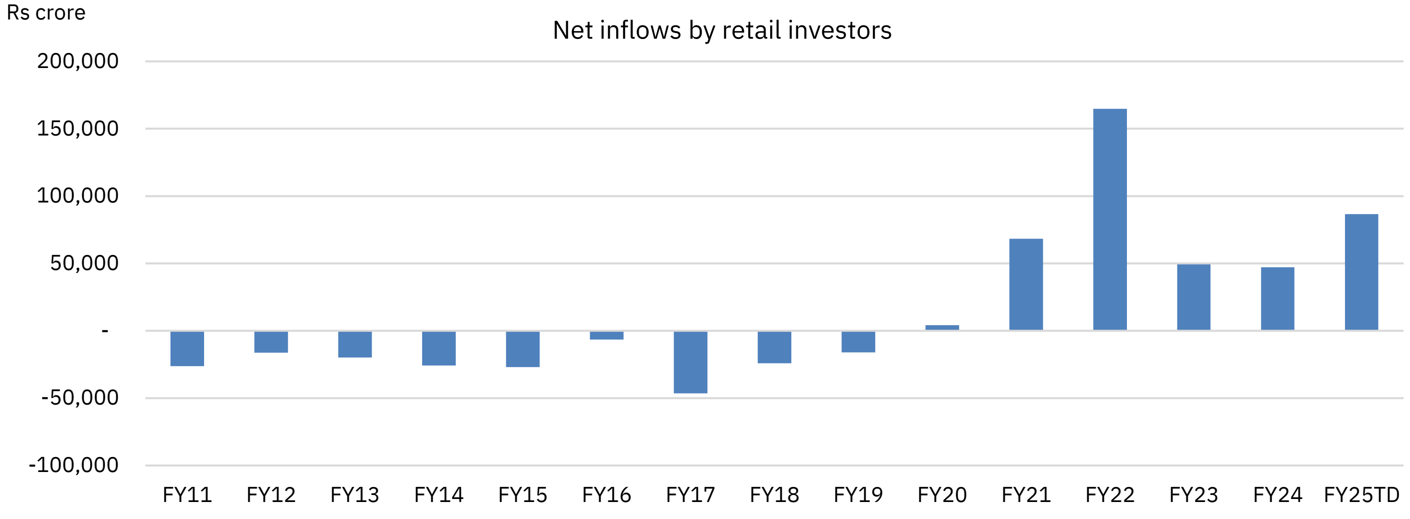
Net Inflows by Individual Investors in October 2024 at a nine-month high: After experiencing a net outflow in the previous month, individual investors returned as net buyers in October, driving a significant net inflow of Rs 29,594 crore. This surge pushed the cumulative net inflow to Rs 86,683 crore in FY25 till Oct'24 — 1.8x times of the last fiscal year. Remarkably, cumulative net investment stood at Rs 4.2 lakh crore in the last five years from FY20 to FY25 till Oct'24. It coincides with investors registration during the period, strong economic momentum and continuous interest in investing in equity market among individual investors.

Figure 323: Overall cumulative net inflows of individual investors in NSE's CM segment in last ten fiscal years



Source: NSE EPR
Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. FY25TD data is as of Oct'24.

Figure 324: Annual trend of net inflows of individual investors in NSE's CM segment

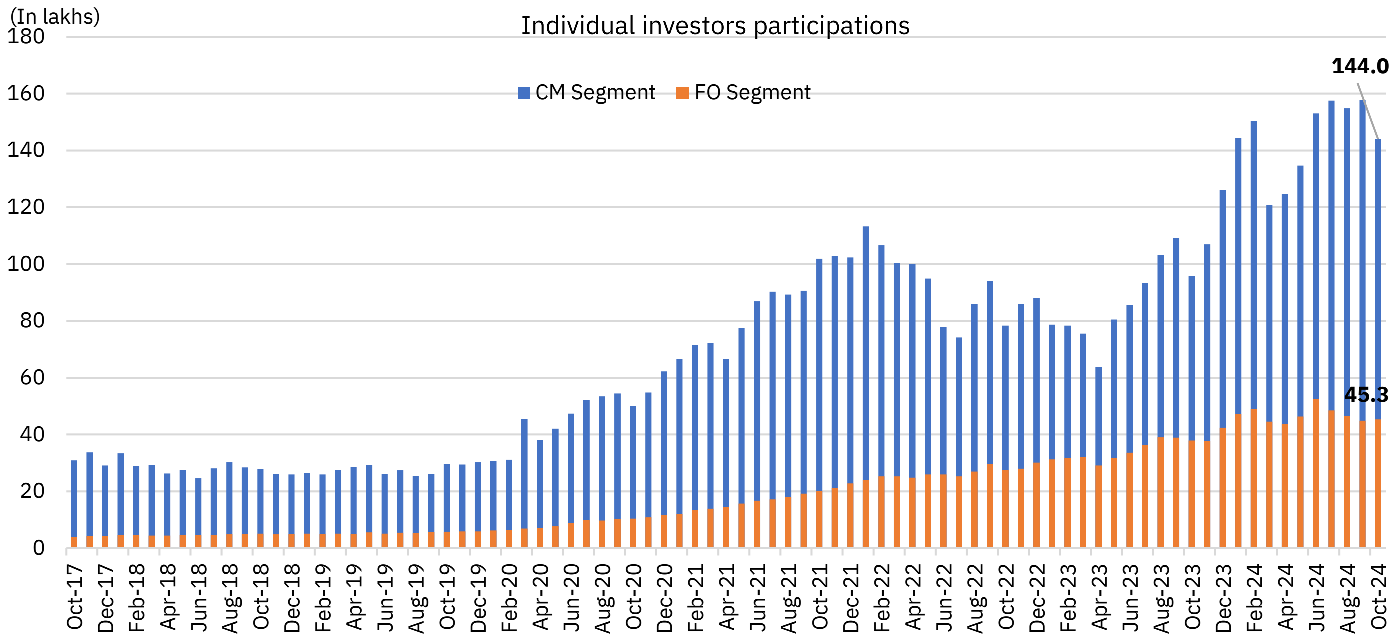


Source: NSE EPR
Note:
1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2.FY25TD data is as of Oct'24.

Individual investors' participation in CM segment declined in October 2024: Individual investor participation reached an all-time high in Sep'24. However, in Oct'24, the number of unique individual investors who traded at least once in the month fell to a five-month low of 1.44 crore, marking an 8.8% MoM decline. Notably, on average 1.46 crore individual investors participated on a monthly basis between Apr'24 to Oct'24 in equity cash as compared to 90 lakh during the same period last year. On annual comparison, individual investors' participation stood at 3.1 crore within the first seven months of FY25, already surpassing last year's count.

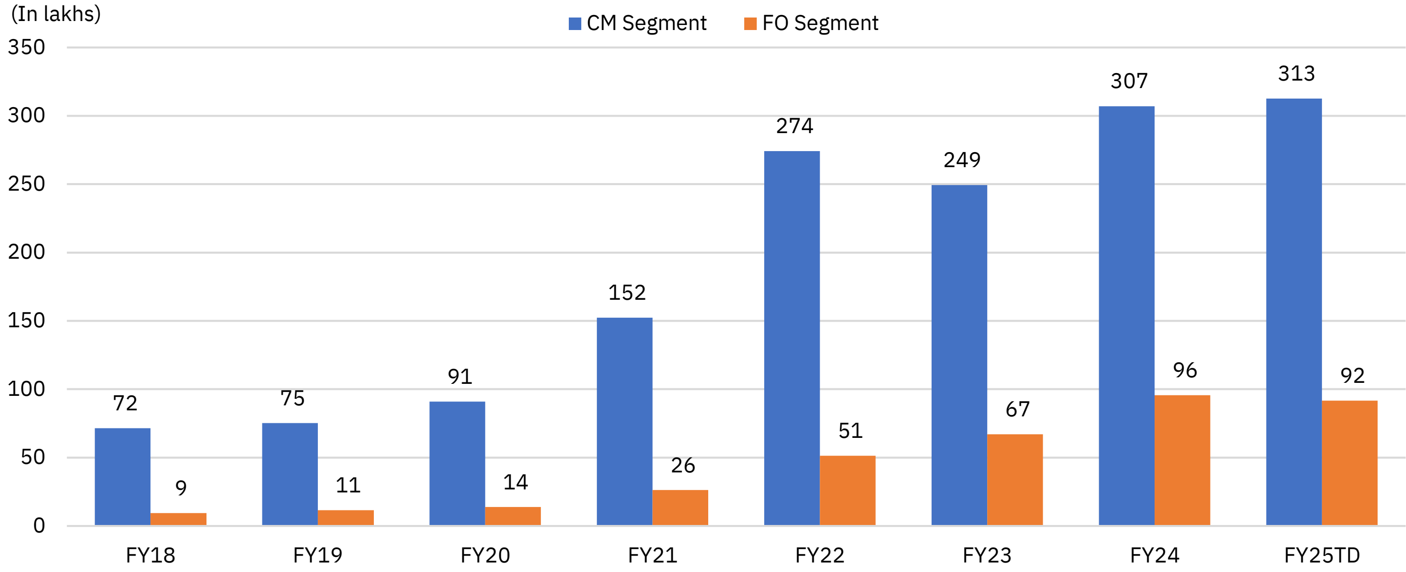
However, participation in the equity derivatives segment showed a modest increase. The number of individual investors trading in derivatives rose by 0.8% MoM, from 44.9 lakhs in Sep'24 to 45.3 lakh in Oct'24. Like the cash market segment, monthly average participation in equity derivatives during the first seven months of FY25 was up by 33% to 46.8 lakhs as compared to the same period last year.

Figure 325: Monthly trend of individual investors participation in NSE cash 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.

Figure 326: Annual trends of individual investors participation in NSE cash and equity derivative segments



Source: NSE EPR
Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. The chart above gives the count of investors who traded at least once during the year.
3. FY25TD data is as of Oct'24.

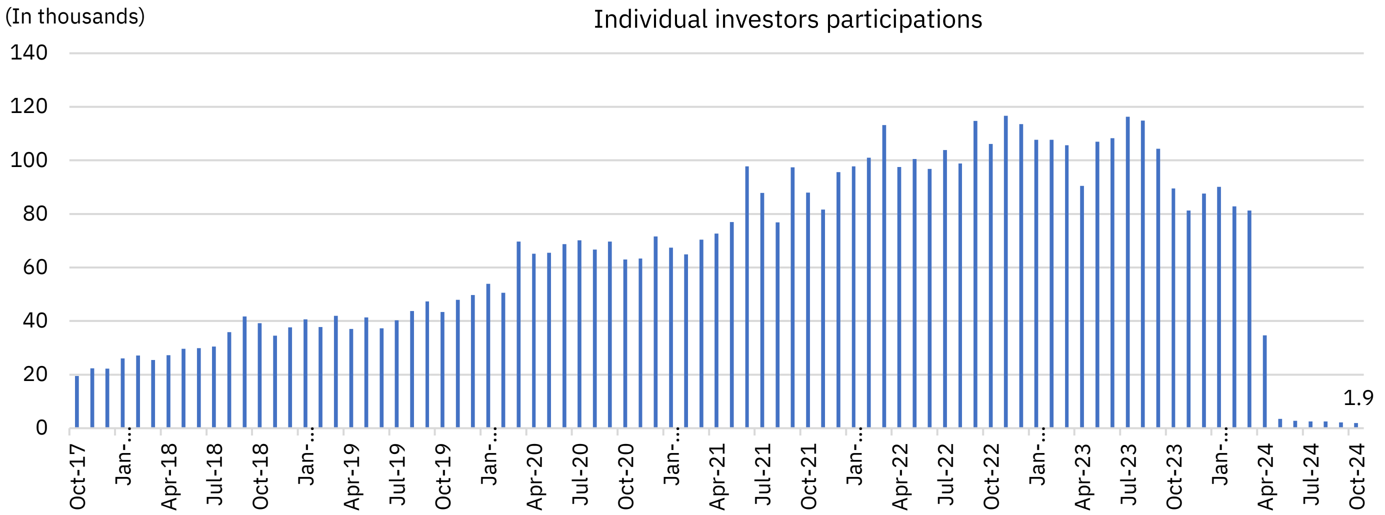
Table 108: Annual trend of individual investors participation in NSE cash and equity derivatives segment

(In Lakhs)	CM Total	FO Total	CM Alone	FO Alone	CM & FO Both
FY18	72	9	63	1.1	8.3
FY19	75	11	65	1.4	10.0
FY20	91	14	79	1.6	12.2
FY21	152	26	128	2.3	24.0
FY22	274	51	228	5.6	45.8
FY23	249	67	195	12.3	54.6
FY24	307	96	230	18.9	76.8
FY25TD	313	92	242	21.3	70.4

Source: NSE EPR
Notes: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. FY25TD data is as of Oct'24.

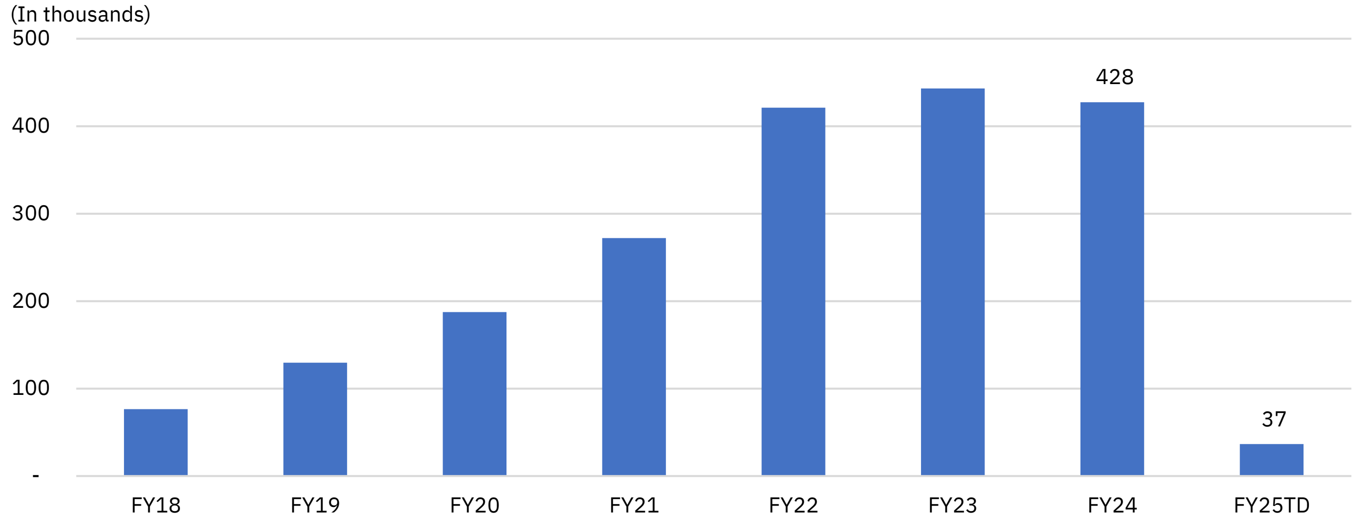
Individual investors' participation in the CD segment at an all-time low: Individual investor participation in the currency derivatives segment has steadily declined since May'24 post the regulatory guidelines on hedging foreign exchange exposure. In October 2024, individual investor participation dropped by another 12%, falling to a mere 1,948 from 2,214 in September 2024. Notably, average monthly individuals' investors participation declined 93.1% to a mere 7,172 in FY25 till Oct'24 as compared to last year.

Figure 327: Monthly trend of individual investors participation in currency derivative segments of NSE



Source: NSE EPR
Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. The chart above provides the number of investors who traded at least once during the month.

Figure 328: Annual trend of individual investors participation in currency derivative segments of NSE



Source: NSE EPR
Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. The chart above provides the count of investors who traded at least once during the year.
3. FY25 data is as of Oct'24.

Distribution of trading activity by turnover

Over 90% of overall turnover contributed by a mere 2% of the investors in equity cash in Oct'24: Turnover distribution remained skewed for equity cash markets in the last month as a small fraction of the investors continued to hold a large part of the turnover. Notably, investors who traded above Rs 10 crore contributed 78% of the turnover in Oct'24, a little higher as compared to 77% in the previous month. In absolute terms, however, the investors' count declined 8.1% MoM for the high value turnover. About 1.5% of investors, who traded between Rs 1 crore to Rs 10 crore, contributed 12.6% of the overall turnover during the month. Remarkably, these investors comprise ~2% of investors who participated in equity cash, however contributed over 90% of turnover during the month.

About 69% of investors traded below Rs 1 lakh during the month and contributed to a mere 0.5% of the total turnover. A further 29% of investors or 42 lakh investors traded between Rs 1 lakh to Rs 1 crore, contributing 9% of the overall turnover. This highlights that the majority of investors still account for a relatively small share of the market's trading volume.

Proprietary traders were the largest contributors in the Rs 10 crore+ range, accounting for 37.6% of the turnover, followed by foreign investors, who contributed 19.3% of the turnover in this range. Individual investors accounted for 15% of the turnover in the above Rs 10 crore category, but their share of total turnover was over 95% in the other lower turnover ranges during the month gone by.

Table 109: Distribution of turnover by range in cash market for all investors

Turnover range	Aug-24		Sep-24		Oct-24			
	Turnover (Rs cr)	Unique investors (In lakh)	Turnover (Rs cr)	Unique investors (In lakh)	Turnover (Rs cr)	Share in turnover	Unique investors (In lakh)	Share in investors
<Rs 10,000	757	49.4	737	48.9	715	0.03%	45.8	31.7%
Rs 10,000 - Rs 1 lakh	10,423	53.9	11,523	59.1	10,257	0.4%	53.8	37.3%
Rs 1 lakh - Rs 10 lakh	61,933	36.5	59,737	35.6	53,205	2.3%	32.1	22.2%
Rs 10 lakh - Rs 1 cr	1,89,910	12.6	1,79,772	11.9	1,55,008	6.6%	10.3	7.1%
Rs 1 cr – Rs 10 cr	3,51,890	2.6	3,37,456	2.5	2,97,331	12.6%	2.2	1.5%
>Rs 10 cr	20,23,244	0.3	19,70,150	0.3	18,36,582	78.0%	0.3	0.2%
Total	**26,38,157**	**155.3**	**25,59,376**	**158.2**	**23,53,098**	**100.0%**	**144.4**	**100.0%**

Source: NSE EPR
Notes
1. Turnover ranges are based on gross turnover.
2. Investor categorization is based on gross turnover i.e. buy traded value + sell traded value
3. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2

Table 110: Category-wise share in turnover across different turnover ranges in NSE's cash market in Oct-2024

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Client category-wise turnover share (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	715	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	10,257	0.4%	0.0%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 1 lakh - Rs 10 lakh	53,205	2.3%	0.2%	0.1%	0.0%	99.6%	0.0%	0.1%
Rs 10 lakh - Rs 1 cr	1,55,008	6.6%	0.8%	0.3%	0.0%	98.5%	0.0%	0.4%
Rs 1 cr - Rs 10 cr	2,97,331	12.6%	2.1%	0.4%	0.3%	96.1%	0.1%	1.1%
> Rs 10cr	18,36,582	78.0%	5.3%	16.5%	19.3%	15.0%	37.6%	6.3%
Total	**23,53,098**	**100.0%**	**4.4%**	**12.9%**	**15.1%**	**33.0%**	**29.4%**	**5.1%**

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. 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.
4. Data is categorized as per client category codes as uploaded by trading members in UCC system

Turnover remained highly skewed as ~5% of investors contributed close to 90% of the premium turnover in equity options in October 2024: The equity options market turnover continued to show a highly skewed distribution, with most of the trading activity concentrated by a small fraction of investors. Over 75% of investors traded a total of less than Rs 10 lakh premium turnover during the entire month. However, these investors contributed only 2% of the overall premium turnover. On the other hand, ~5% of investors who traded above Rs 1 crore during the month contributed 89% of the total premium turnover. Furthermore, only 0.3% of investors traded above Rs 10 crore, accounting for 73% of the turnover, depicting the dominance of high-value traders in the equity options segment.

In line with the cash segment, the highest turnover range in the equity derivatives segment (Rs 10 crore and above), was dominated by proprietary traders, followed by foreign investors, individuals, and corporates. Domestic institutional investors (DIIs), in contrast, had negligible participation in the equity options segment, contributing very little to overall turnover.

Table 111: Distribution of turnover by range in equity options market for all investors

Turnover range	Aug-24		Sep-24		Oct-24			
	Turnover (Rs cr)	Unique investors (In lakh)	Turnover (Rs cr)	Unique investors (In lakh)	Turnover (Rs cr)	Share in turnover	Unique investors (In lakh)	Share in investors
<Rs 10,000	148	9.2	142	8.6	139	0.0%	8.6	19.4%
Rs 10,000-Rs 1 lakh	2,477	11.8	2,408	11.4	2,325	0.2%	11.1	25.0%
Rs 1 lakh - Rs 10 lakh	27,583	14.4	26,778	14.0	26,794	1.7%	13.9	31.3%
Rs 10 lakh - Rs 1 cr	1,32,228	8.3	1,28,256	8.1	1,40,212	9.1%	8.7	19.6%
Rs 1 cr – 10 cr	2,19,722	1.7	2,05,972	1.6	2,51,729	16.4%	2.0	4.4%
>Rs 10 cr	9,98,518	0.1	9,47,509	0.1	11,18,225	72.6%	0.1	0.3%
Total	**13,80,676**	**45.6**	**13,11,066**	**43.9**	**15,39,425**	**100%**	**44.3**	**100%**

Source: NSE EPR
Notes: 1. Turnover ranges are based on gross premium turnover.
2. Investors categorisation is based on gross premium turnover i.e. buy premium turnover + sell premium value
3. Data has been provided for single side i.e. (Buy premium turnover + sell premium turnover)/2

Table 112: Distribution of turnover and the share of investors categories in equity options in October 2024

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	139	0.0%	0.0%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	2,325	0.2%	0.1%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 1 lakh - Rs 10 lakh	26,794	1.7%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 10 lakh - Rs 1 cr	1,40,212	9.1%	0.2%	0.0%	0.0%	99.6%	0.0%	0.2%
Rs 1 cr - Rs 10 cr	2,51,729	16.4%	0.8%	0.0%	0.0%	98.4%	0.1%	0.6%
> Rs 10cr	11,18,225	72.6%	8.0%	0.2%	12.7%	10.7%	64.8%	3.6%
Total	**15,39,425**	**100%**	**6.0%**	**0.1%**	**9.2%**	**34.8%**	**47.1%**	**2.7%**

Source: NSE EPR
Notes
1. Turnover ranges are based on gross premium turnover.
2. Data has been provided for single side premium turnover i.e. (Buy premium turnover + sell premium turnover)/2
3. 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.
4. Data is categorized as per client category codes as uploaded by trading members in UCC system.

Less than 10% of investors, who traded above Rs 10 crore, contributed over 90% turnover in equity futures market in Oct'24: The overall turnover distribution remained highly skewed, consistent with the trend observed in previous months. Nearly 92% of investors traded less than Rs 10 crore, but their collective contribution to the total turnover was Rs 2.5 lakh crore, that was a mere 6.1% of overall turnover. Notably, 54% of investors traded below Rs 1 crore contributing less than 1% of overall turnover.

In contrast, the remaining 8% of investors, who traded above Rs 10 crore during the month, accounted for 93.9% of the turnover. This highlights that while most investors continue to trade in the lower turnover ranges, their impact on overall market activity remains minimal, like the trends observed in the equity cash and equity options markets.

When considering trades above Rs 10 crore, proprietary traders again held the largest share at 35.6%, followed by foreign investors at 27.9%, and individual investors, corporates and DIIs at 12.5%, 9.4%, and 9.3% shares, respectively during the month gone by.

Table 113: Distribution of turnover by range in equity futures market for all investors

Turnover range	Aug-24		Sep-24		Oct-24			
	Turnover (Rs cr)	Unique investors (In lakh)	Turnover (Rs cr)	Unique investors (In lakh)	Turnover (Rs cr)	Share in turnover	Unique investors (In lakh)	Share in investors
Rs 1 lakh - Rs 10 lakh	559	0.2	577	0.2	733	0.0%	0.2	6.0%
Rs 10 lakh - Rs 1 cr	34,030	1.7	34,277	1.7	34,523	0.8%	1.7	48.1%
Rs 1 cr – 10 cr	2,31,932	1.4	2,34,077	1.4	2,15,514	5.3%	1.3	37.5%
>Rs 10 cr	38,52,591	0.3	38,58,507	0.3	38,53,602	93.9%	0.3	8.4%
Total	**41,19,112**	**3.5**	**41,27,438**	**3.6**	**41,04,371**	**100.0%**	**3.5**	**100.0%**

Source: NSE EPR.
Notes
1. Turnover ranges are based on gross turnover.
2. Investors categorization is based on gross turnover i.e. buy turnover + sell value
3. Data has been provided for single side i.e. (Buy turnover + sell turnover)/2

Table 114: Distribution of turnover and the share of investors categories in equity futures in Oct'24

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
Rs 1 lakh - Rs 10 lakh	733	0.02%	0.4%	0.0%	0.0%	99.3%	0.0%	0.3%
Rs 10 lakh - Rs 1 cr	34,523	0.8%	0.6%	0.0%	0.0%	98.9%	0.0%	0.5%
Rs 1 cr - Rs 10 cr	2,15,514	5.3%	1.5%	0.0%	0.0%	97.5%	0.1%	0.9%
> Rs 10cr	38,53,602	93.9%	9.4%	9.3%	27.9%	12.5%	35.6%	5.3%
Total	**41,04,371**	**100.0%**	**8.9%**	**8.7%**	**26.2%**	**17.7%**	**33.5%**	**5.0%**

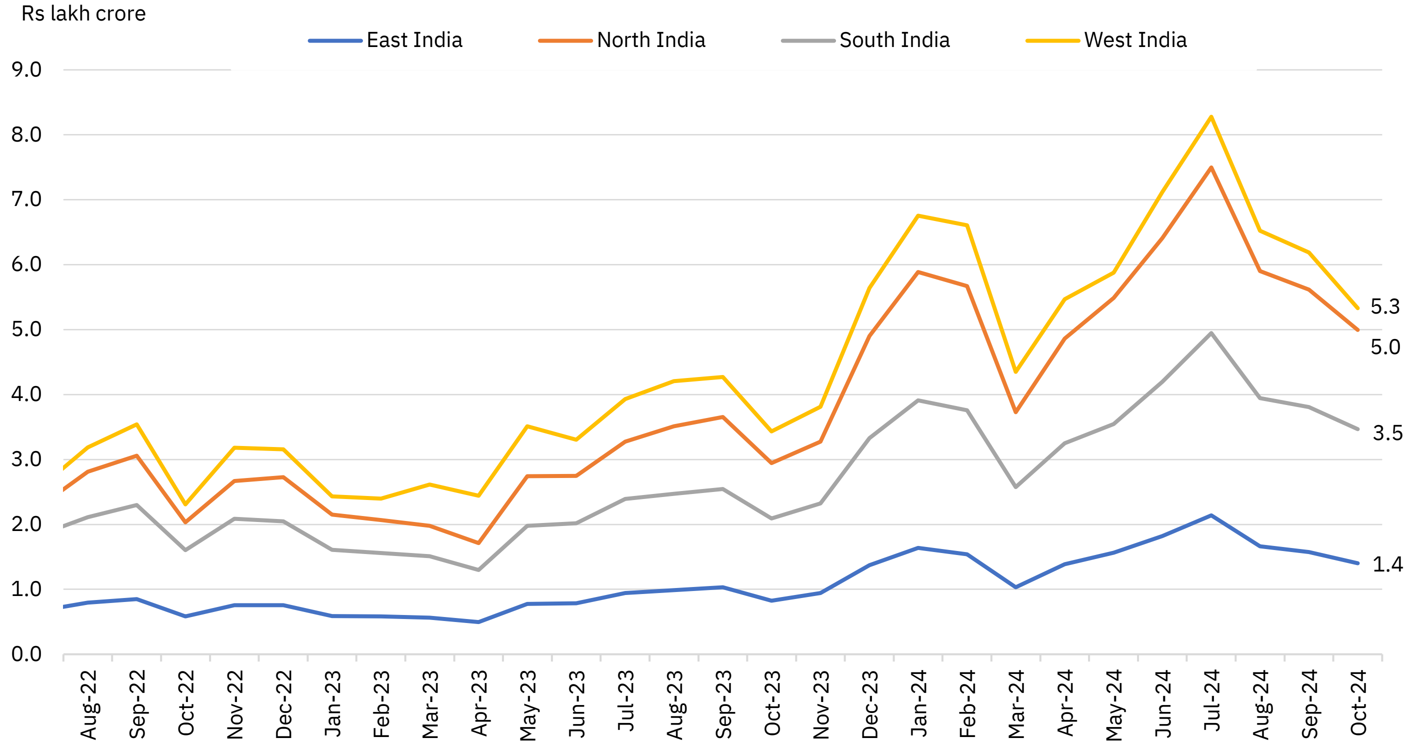
Source: NSE EPR
Notes
1. Turnover ranges are based on gross turnover.
2. Data has been provided for single side turnover i.e. (Buy turnover + sell turnover)/2
3. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital 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.
4. Data is categorized as per client category codes as uploaded by trading members in UCC system.

Spatial distribution of individual investor activity in the cash market

Individual investors' turnover continued to decline for the third consecutive month across all regions in October 2024: Following a steady increase since March 2024, the total turnover by individual investors declined in August, with this trend continuing in September and October. Total turnover within the individual investor segment fell by 11.6% MoM to Rs 15.4 lakh crore in October, down from Rs 17.4 lakh crore in September, following a decline of 4.7% MoM in the previous month. Every region reported a decrease in turnover, with the Western region experiencing the sharpest drop of 13.9%, followed by the Eastern region (11.13%), Northern region (11.08%), and Southern region (8.9%).

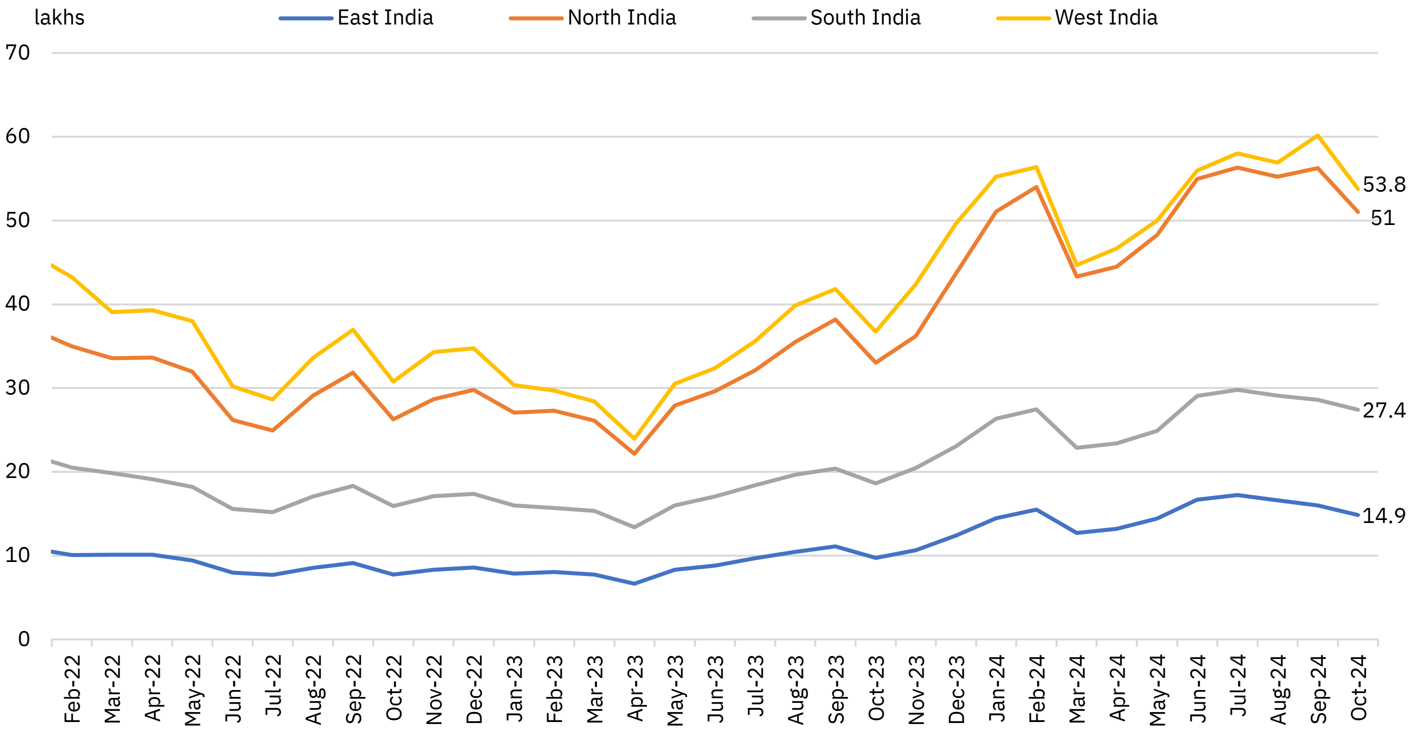
...accompanied with a decline in the investor count who traded at least once in last month across all regions: The number of individual investors who traded at least once in a month also declined across all regions in Oct'24, reversing the slight increase seen in Sep'24. This individual investor base fell by 8.7% MoM to reach 1.5 crore in Oct'24. Regionally, the Western and Northern regions saw significant decline, with a drop of 10.6% (to 53.8 lakh investors) and 9.3% (to 51 lakh investors), respectively. The Eastern and Southern regions experienced a decline of 7% (to 14.9 lakh investors) and 4.1% (to 27.4 lakh investors), respectively.

Figure 329: Region-wise distribution of monthly individual investors' turnover in the cash market



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF

Figure 330: Region-wise distribution of individual investors traded in the cash market



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF.

Share of individual turnover in the western region declined in October 2024: The distributional pattern of individual investors' turnover saw slight shifts in October 2024. The share of Northern, Southern, and Eastern India each experienced a marginal increase, while the share of Western India saw a decline. Specifically, Southern India saw a rise by 66 bps to reach 22.53%, while Northern India's share rose to 32.5%, up by 19 bps from 32.3% in September 2024. Eastern India's share also edged up to 9.10%, an increase of 0.05 bps. In contrast, Western India, which has historically led in turnover share, saw a decline of 91 bps dropping to 34.6% from 35.6% in the previous month. Overall, West and North India remains at the top in terms of individual investor turnover, holding the largest shares at 34.6% and 32.5%, respectively.

Distribution in terms of investors who traded at least once in the last month showed a significant rise from the Southern region: The Southern and Eastern regions both saw an increase in their share of the total investor base who trade at least once in a month, while the Western and Northern regions experienced marginal decline. Specifically, the share of Southern India which rose by 87 bps, reaching 18.4% in October, while Eastern India's share saw an increase of 18 bps, bringing its share to 10%. In contrast, the share of Northern India dipped by 24 bps, falling to 34.2%, while the Western region's share declined by 77 bps to reach 36.1%. Overall, Western India remained the largest contributor to the investor base, followed closely by Northern India, though the gap between the two has slightly narrowed over the past month.

Figure 331: Region-wise share of individual investors' turnover in cash market (%)

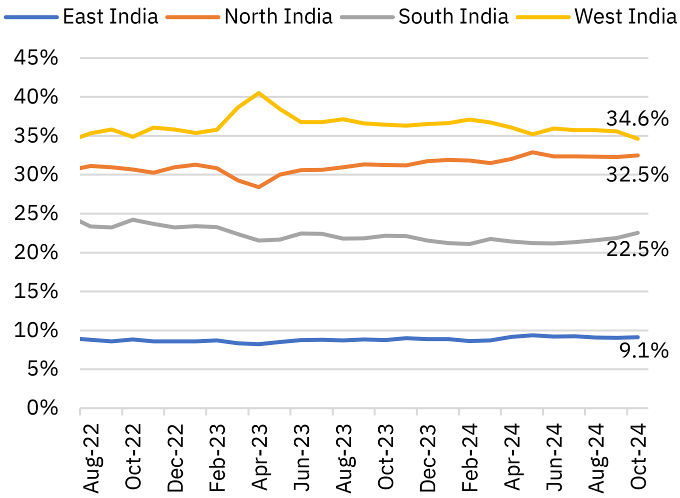
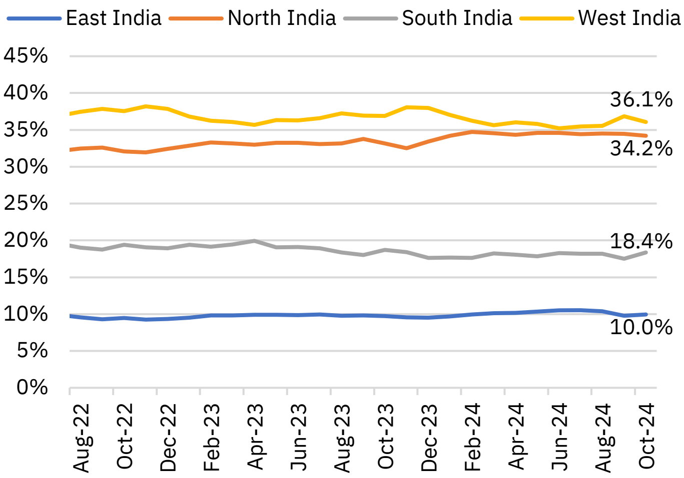


Figure 332: Region-wise share of individual investors traded in cash market (%)



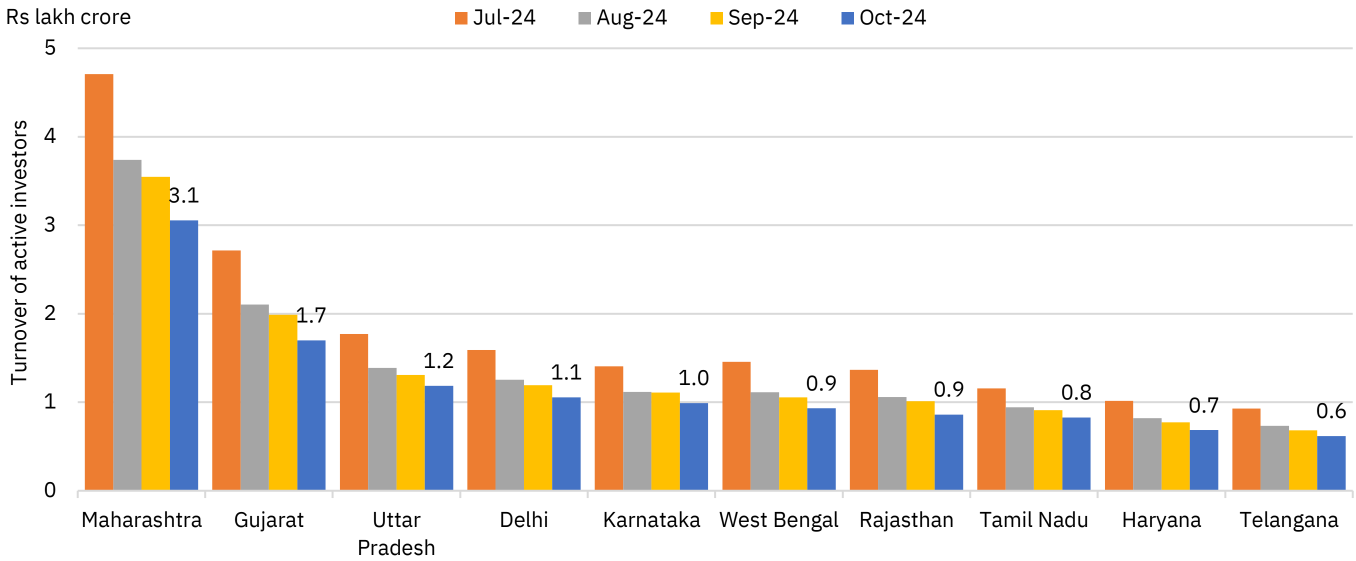
Source: NSE EPR.

Note: Individual investors include Individual / Proprietorship firms and HUF.

Turnover from individuals in the top 10 states experienced a further decline in October 2024: In the month of October, the turnover from individuals in the top 10 states fell by 12.3% MoM to Rs 11.9 lakh crore, following a more moderate decline of 4.8% in September, indicating a continued slowdown in individual trading activity across these key states. Despite this drop, the top 10 states still contributed 77.4% of the total turnover in the CM segment, a slight decrease from 78% in the previous month. Maharashtra, Gujarat, and Uttar Pradesh maintained their positions as the top three states in terms of individual turnover, however, all three saw significant decline. Maharashtra's turnover fell by 13.9% to Rs 3.1 lakh crore, while Gujarat saw a drop of 14.4% to Rs 1.7 lakh crore. Uttar Pradesh also registered a decline of 9.3%, bringing its turnover down to Rs 1.2 lakh crore. All other states in the top 10, including Delhi, Karnataka, West Bengal, and Rajasthan, also witnessed notable reductions in turnover.

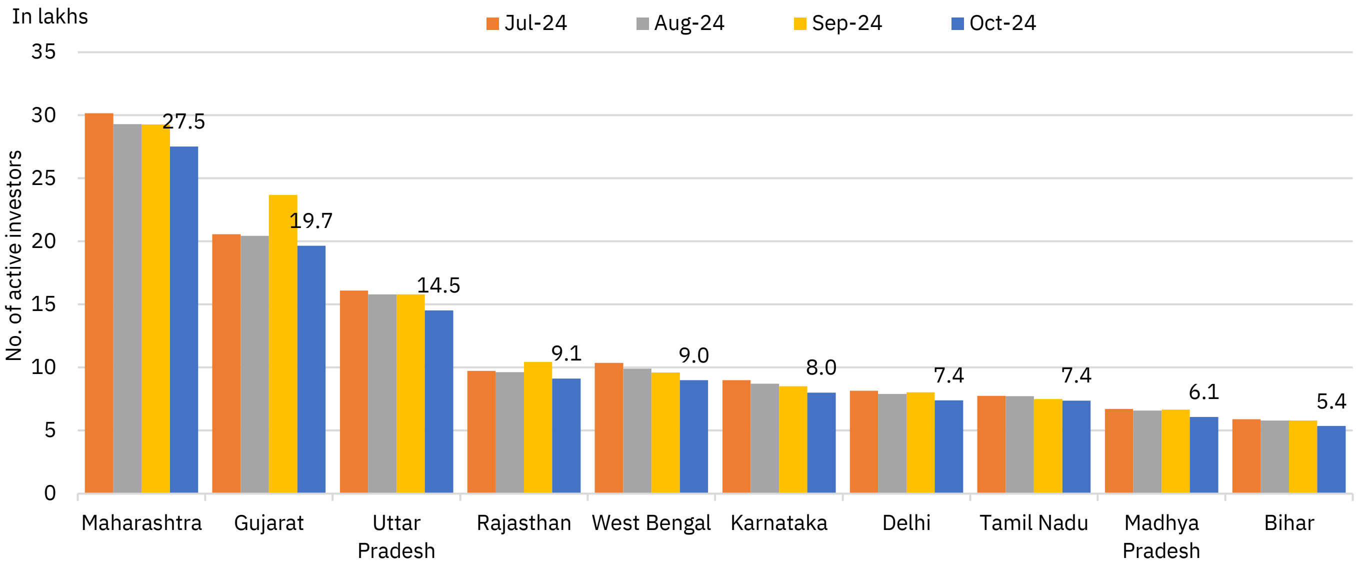
...accompanied by a fall in the number of investors who traded at least once in the month across the top 10 states: The number of active traders across the top 10 states saw a noticeable decline of 9.0% MoM, dropping to 1.14 crore in Oct'24. Maharashtra, which has consistently been on the top, experienced a significant drop of 5.9%, with its investor count falling to 27.5 lakh. Similarly, Gujarat, which had seen a substantial rise in September, faced a decline of 17%, bringing its investor count down to 19.7 lakh in the month of October. Uttar Pradesh, Rajasthan, and West Bengal also registered notable declines, with Uttar Pradesh down by 8.1% to 14.5 lakh, Rajasthan by 12.7% to 9.1 lakh, and West Bengal by 6.4% to 9 lakh. Karnataka and Delhi experienced decline of 5.9% (8 lakh) and 8% (7.4 lakh), respectively. Notably, Bihar, despite facing a decline, was among the top 10 states, overtaking Haryana. In total, the top 10 states contributed to 1.14 crore investors who traded at least once in the month of October, a significant drop from September's 1.25 crore, reflecting a broader trend of reduced trading activity across major states.

Figure 333: Top 10 states based on turnover of individual investors in the cash market



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on last month's data.

Figure 334: Top 10 states based on individual investors traded in the cash market

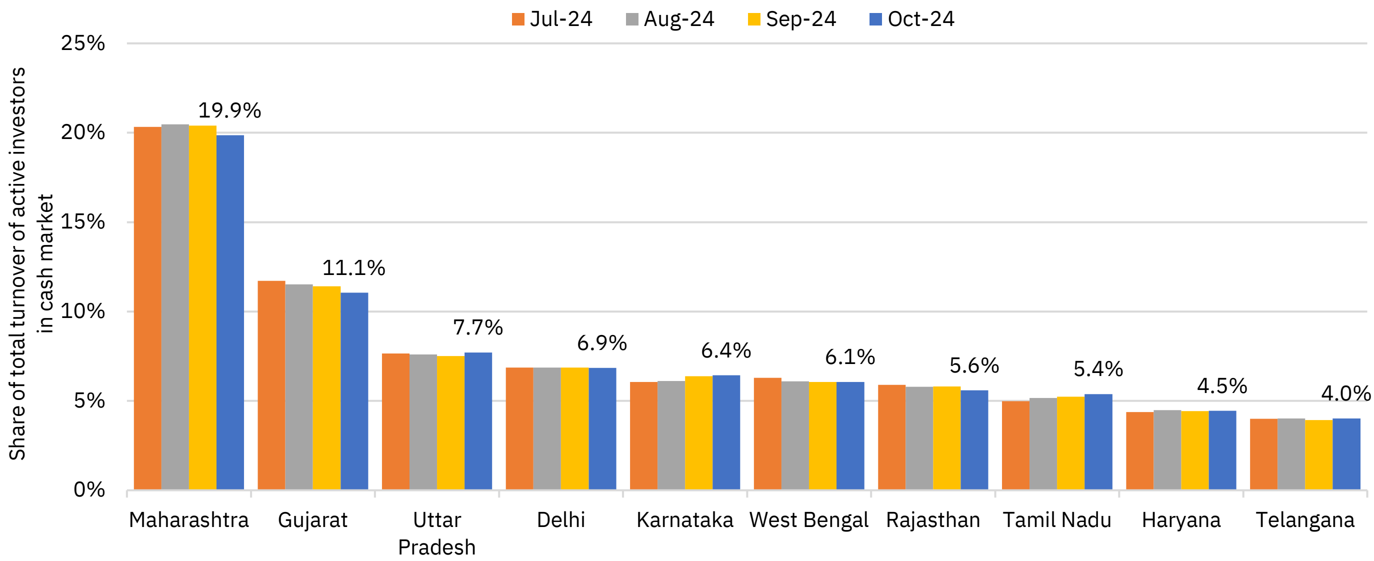


Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on last month's data.

Contribution of the top 10 states to individuals' turnover in the CM segment continued to decline: In Oct'24, the top 10 states collectively accounted for 77.4% of the total turnover, a 61bps drop from 78% in September. This decline was primarily driven by a reduction in the share of Maharashtra, Gujarat, and Rajasthan, which saw the largest drops. Maharashtra's share fell by 54bps to 19.9%, while the share of Gujarat dropped to 11.1% (-36bps), and Rajasthan's share to 5.6% (-21bps). Uttar Pradesh, Delhi, Karnataka, and West Bengal saw either marginal change or no change in their share. The ranking of the top 10 states remained unchanged, with Maharashtra, Gujarat, and Uttar Pradesh continuing to lead in the top 10 states.

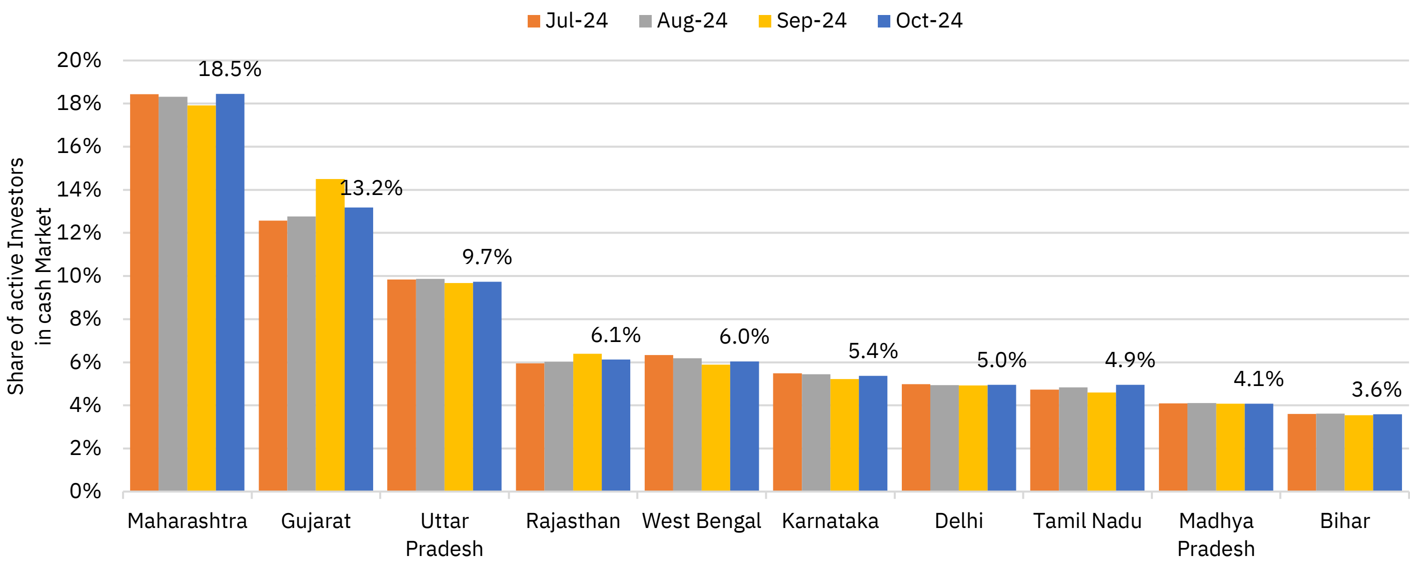
...followed by a slight increase in investor base share: In October, the contribution of the top 10 states to the total number of individual investors in the CM segment rose slightly to 76.7%, up from 76.1% in September. Maharashtra's share saw a modest increase of 53 bps to 18.5%, regaining some ground after a decline in September. Gujarat's share dropped significantly by 133bps to 13.2%, following a sharp rise in the month of September. Uttar Pradesh maintained its position at third spot with a marginal increase of 6bps, bringing its share to 9.7%. West Bengal, Karnataka, and Tamil Nadu all experienced tepid growth in their share.

Figure 335: Share of the top 10 states based on turnover of individual investors in the cash market



Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on last month's data.

Figure 336: Share of the top 10 states based on number of individual investors traded in the cash market



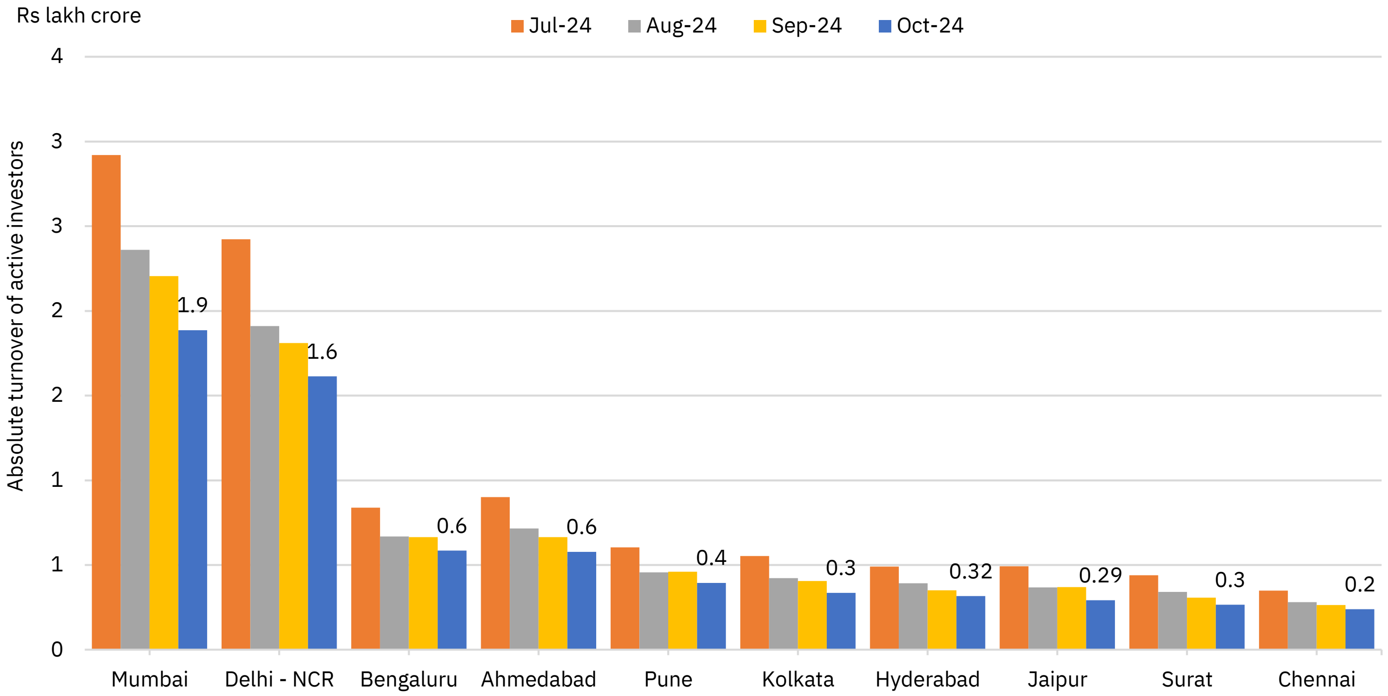
Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on last month's data.

Individuals' turnover in the top 10 districts fell in October 2024...: In the month of October, individual investors' turnover in the top 10 districts experienced a sharp decline of 13.3% MoM, reaching Rs 6.5 lakh crore, compared to Rs 7.5 lakh crore in September following a drop of 5.2% in the previous month, indicating a continued reduction in trading activity. Mumbai and Delhi remained the top two districts in terms of turnover, with

Mumbai's turnover falling by 14.4% to Rs 1.89 lakh crore, and Delhi's turnover dropping by 10.9% to Rs 1.61 lakh crore. Among the other districts, Bengaluru saw a decline close to 12% in its turnover, followed by Ahmedabad (-13.2%) and Pune (-14.3%). Jaipur witnessed the sharpest fall in turnover of 21.2% MoM.

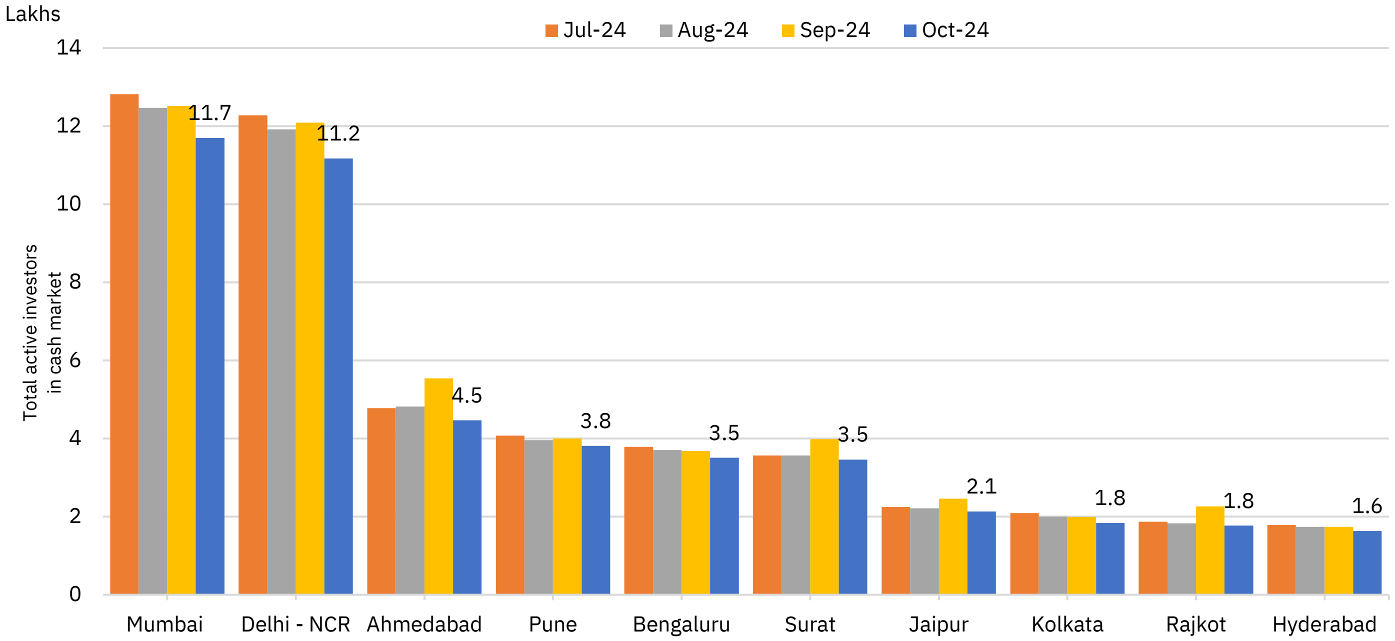
...accompanied by a fall in the number of investors who traded during the month across the top 10 districts: In Oct'24, the number of individual investors who traded at least once across the top 10 districts saw a decline of 9.5% MoM, dropping to 45.5 lakh investors. Mumbai and Delhi continued to lead as the top two districts in terms of the number of these investors, although both saw a decline from the previous month. Mumbai recorded a decline of 6.5% MoM, with 11.7 lakh investors, while Delhi - NCR saw a steeper drop of 7.6%, reaching 11.2 lakh investors. Among other districts, Ahmedabad experienced the largest fall of 19.5%, with its number of investors declining to 4.5 lakh.

Figure 337: Top 10 districts based on 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 last month's data.

Figure 338: Top 10 districts based on individual investors traded in the cash market

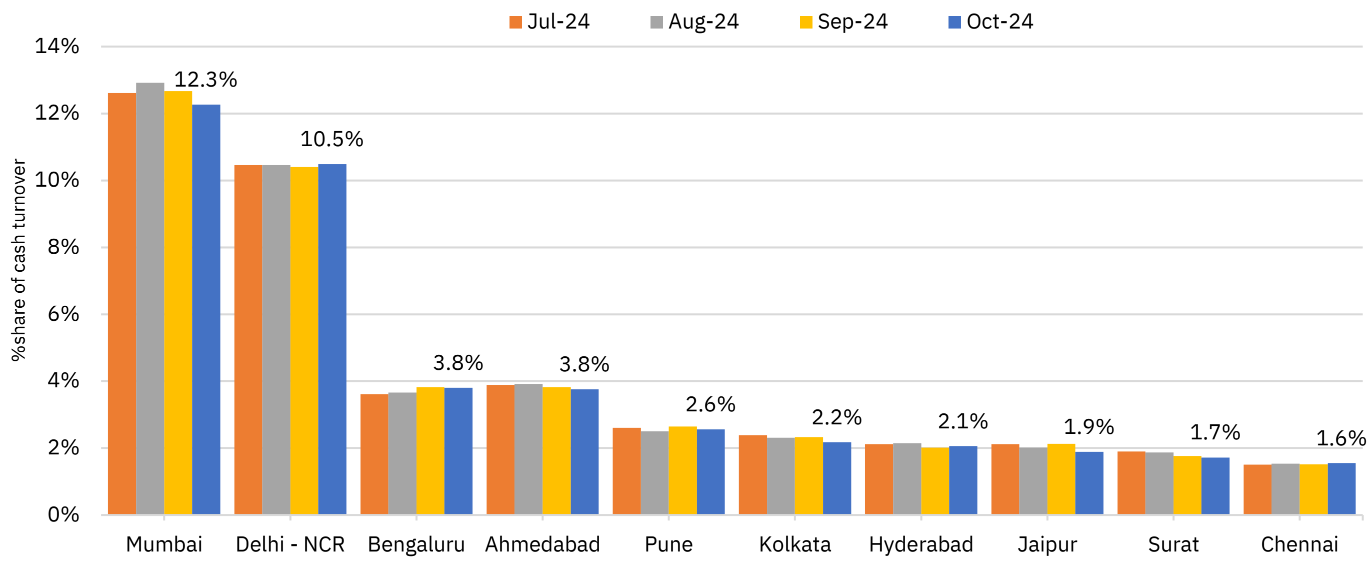


Source: NSE EPR. Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on last month's data.

Share of top 10 districts in individual turnover continue to decline in October: The share of the top 10 districts in individual investors' turnover reached 42.3% in Oct'24, down from 43.1% in Sep'24. The turnover remains highly concentrated, with the top two districts—Mumbai and Delhi - NCR—accounting for over 22.8% of the total share. Among the top 10 districts, Mumbai saw the largest drop in its share, falling by 40 bps MoM to 12.3%, while Delhi's share increased by 10 bps to 10.5%. Bengaluru maintained its position at third spot with a steady share of 3.8%, while Ahmedabad and Pune both saw tepid decreases in their share, by 10 bps and 20 bps, respectively.

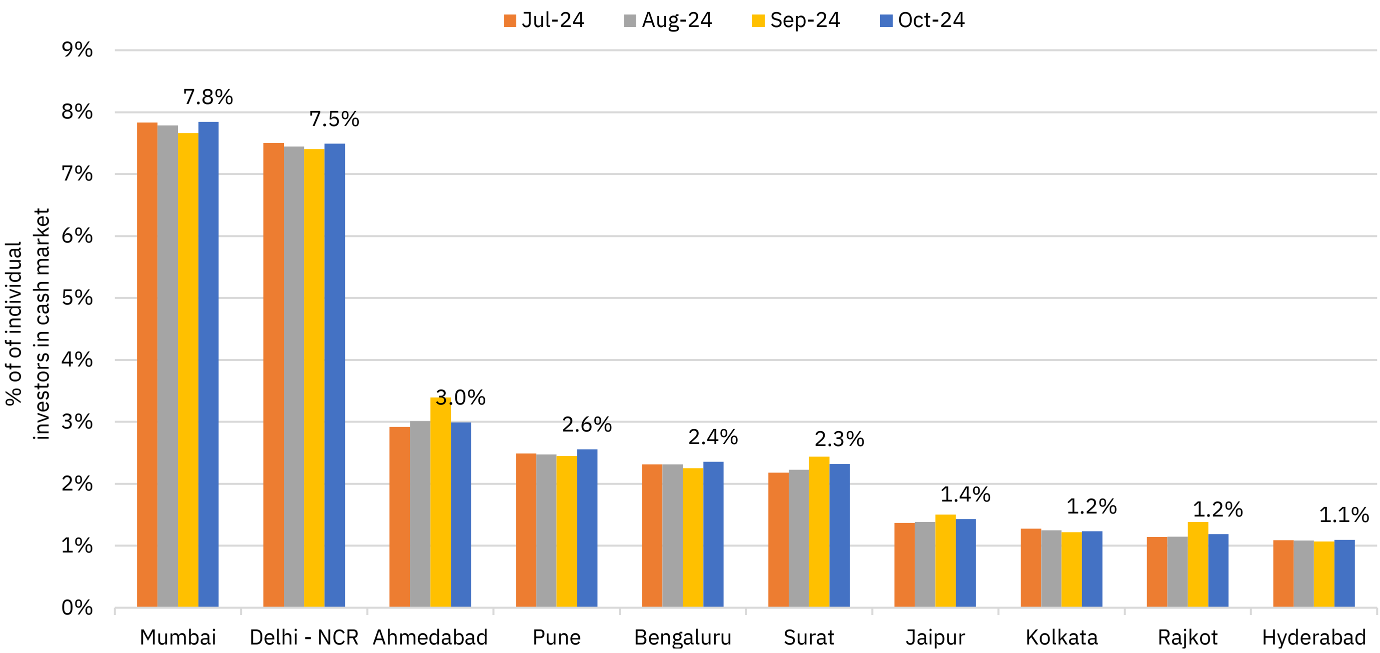
...along with a marginal fall in the share of individuals who traded at least once during the last month: In Oct'24, the share of individual investors who traded at least once during the month saw a slight decrease, as the share of top 10 districts stood at 30.5%. Mumbai remained at the top with a stable share of 7.8%, while Delhi - NCR's share also held steady at 7.5%. Ahmedabad's share decreased slightly to 3%, while Pune saw a modest increase to 2.6%, reclaiming the fourth position. Bengaluru's share remained at 2.4%, while Surat's share also dipped slightly to 2.3%.

Figure 339: Share of the top 10 districts based on individual turnover 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 last month's data.

Figure 340: 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 last month's data.

Turnover of top 10 traded companies during the month

Share of Top 10 companies recorded growth in October: The total turnover in the NSE cash market segment saw a decline of 8.1% MoM, reaching Rs 23.5 lakh crore in Oct'24. Despite this overall drop, the turnover of the top 10 traded scrips showed a notable increase, rising by 23% MoM to Rs 3.6 lakh crore. Consequently, the share of these top 10 scrips in the total market turnover grew, accounting for 15.3% of the overall turnover—an increase of 3.85% over their last month's turnover.

HDFC Bank maintained its position as the most traded share in the NSE cash market, recording a 15.4% MoM rise in turnover. Additionally, HDFC Bank had robust 61% deliverable quantity during the month. ICICI Bank experienced a 6.1% MoM decline in turnover, slipping to 4th position among the top traded scrips.

BSE limited, Mazagon Dock Shipbuilders Limited, Axis Bank, Angel One Limited and One 97 Communications Limited entered the top 10 scrips during the month. Among these, Angel One Limited recorded the most significant MoM increase in turnover, with a 453.5% rise. However, despite the large increase in turnover, the delivery percentage for Angel One was just 15%. Although Zomato Limited saw a significant 11.8% MoM decline in turnover, its delivery percentage was 45%.

Table 115: Top 10 companies of NSE CM segment in October 2024

Securities (Rs Cr)	Oct-24	Sep-24	%Change	% Deliverable quantity
HDFC Bank Limited	61,358	53,190	15.4	61%
Reliance Industries Limited	54,949	44,246	24.2	65%
BSE Limited	45,406	23,498	93.2	19%
ICICI Bank Limited	39,114	41,661	(6.1)	59%
Zomato Limited	31,676	35,920	(11.8)	45%
Mazagon Dock Shipbuilders Limited	26,169	21,689	20.7	15%
Axis Bank Limited	25,994	20,275	28.2	58%
Angel One Limited	24,979	4,513	453.5	15%
Tata Motors Limited	24,766	29,381	(15.7)	45%
One 97 Communications Limited	24,720	17,643	40.1	21%
Top 10 scrips turnover	**3,59,131**	**2,92,018**	**23.0**	
Total turnover	**23,53,097**	**25,59,376**	**(8.1)**	
% share of Top 10 scrips	**15.3**	**11.4**	**3.85**	

Source: NSE EPR. Figures in brackets indicate negative numbers.
Note: 1. The scrip-wise turnover data for the previous month is based on the current month's top 10 scrips.
2. NM means not measurable.
3. Deliverable quantity is calculated as a percentage of total traded quantity in the month of Oct'24.

The top 10 scrips in stock futures held 23.8% share of the overall turnover while its turnover rose 3.7% MoM to Rs 8 lakh crore in Oct'24. However, the overall turnover in the stock futures market declined by 2.1% MoM to Rs 33.4 lakh crore during the month. HDFC Bank continued to lead the list of most traded scrip in stock futures, with a 3.9% MoM rise in turnover, reaching Rs 1.6 lakh crore. Bajaj Finance Limited dropped to 10th position in October, recording a 27% decline in turnover. Kotak Mahindra Bank Limited and Mahindra & Mahindra Limited entered the list of top 10 scrips in Oct'24. Seven out of the top 10 companies recorded a MoM expansion in their turnover.

Table 116: Top 10 companies in stock futures segment by turnover in October 2024

Securities (Rs Cr)	Oct-24	Sep-24	%Change
HDFC Bank Limited	160,907	154,853	3.9
Reliance Industries Limited	122,459	104,142	17.6
ICICI Bank Limited	108,019	106,185	1.7
State Bank of India	74,979	78,458	(4.4)
Infosys Limited	64,444	57,615	11.9
Axis Bank Limited	62,007	52,684	17.7
Kotak Mahindra Bank Limited	59,055	47,757	23.7
Tata Motors Limited	50,567	60,152	(15.9)
Mahindra & Mahindra Limited	47,088	41,911	12.4
Bajaj Finance Limited	46,702	63,938	(27.0)
Top 10 scrips turnover	**796,227**	**767,695**	**3.7**
Total Turnover	**33,43,153**	**34,14,779**	**(2.1)**
% share of Top 10 scrips	**23.8%**	**22.5%**	**1.34**

Source: NSE EPR. Figures in brackets indicate negative numbers.
Note: The scrip-wise turnover data for the previous month is based on the current month's top 10 scrips

The premium turnover in the **stock options** segment stood at Rs 1.72 lakh crore in Oct'24, marking a slight 1.4% MoM decline from Rs 1.74 lakh crore in Sep'24. However, the share of the top 10 scrips in the total premium turnover rose to 23.9%, up from 19.9% in the previous month, reflecting an increase of 4% while its turnover increased 18.3% MoM to Rs 41,027 crore premium turnover.

Reliance Industries Limited led the group with a 37.7% MoM growth, rising to Rs 6,902 crore in premium turnover from Rs 5,014 crore in Sep'24. On the other hand, Dixon Technologies (India) Limited recorded 19.2% MoM decline in premium turnover, slipping to 2nd position. Bajaj Auto Limited posted strong gains, with their premium turnover growing by 40.1% in October compared to the previous month. ICICI Bank Limited, Adani Enterprises Limited, and Infosys Limited entered the list of the top 10 companies during the month, making a significant contribution to the overall turnover of the top 10 companies. Except Dixon Technologies Limited and Tata Motors Limited, all other scrips recorded a rise in its premium turnover during the month gone by.

Table 117: Top 10 companies (based on premium turnover) of stock options in October 2024

Securities (Rs Cr)	Oct-24	Sep-24	%Change
Reliance Industries Limited	6,902	5,014	37.7
Dixon Technologies (India) Limited	4,788	5,922	(19.2)
HDFC Bank Limited	4,677	4,101	14.0
Bajaj Auto Limited	4,025	2,873	40.1
Maruti Suzuki India Limited	3,687	2,864	28.7
Tata Motors Limited	3,682	4,208	(12.5)
State Bank of India	3,397	3,113	9.1
ICICI Bank Limited	3,330	2,203	51.2
Adani Enterprises Limited	3,302	2,151	53.5
Infosys Limited	3,237	2,237	44.7
Top 10 scrips premium turnover	**41,027**	**34,687**	**18.3**
Total premium turnover	**1,71,991**	**1,74,393**	**(1.4)**
% share of Top 10 scrips	**23.9%**	**19.9%**	**4.0**

Source: NSE EPR. Figures in brackets indicate negative numbers.
Note: The scrip-wise turnover data for the previous month is based on the current month's top 10 scrips.

Record statistics

Nifty50 and market capitalization of listed companies hit record high in September: On September 26th, 2024, the Nifty 50 index surged to an all-time high of 26,216. This remarkable rally saw the index cross the 25,000 mark on August 1, 2024, before swiftly surpassing 26,000 just 39 trading sessions later, on September 25th, 2024.

In another notable development, the market capitalization of companies listed on the NSE also reached a historic peak, touching Rs 473.8 lakh crore on September 27th , 2024.

Table 118: Segment-wise record turnover (As of November 21st, 2024)

Particulars	Value	Date of Record
Nifty50	26,216.05	26-Sep-24
Market Cap (Rs crore)	4,73,83,695	27-Sep-24
Capital market turnover (Rs crore)	2,71,245	04-Jun-24
Number of trades in cash market segment (In crore)	8.85	04-Jun-24
Index futures turnover (Rs crore)	1,57,036	04-Jun-24
Index options turnover (Rs crore)	2,13,406	04-Jun-24
Stock futures turnover (Rs crore)	3,98,161	23-Jul-24
Stock options turnover (Rs crore)	20,683	04-Jun-24
Number of trades in equity derivatives segment (In crore)	24.25	19-Jun-24
Currency futures turnover (Rs crore)	99,346	22-Mar-24
Commodity options turnover (Rs crore)	21	18-Mar-24
Currency options turnover (Rs crore)	635	11-Nov-22
Commodity futures turnover (Rs crore)	145	29-Aug-19

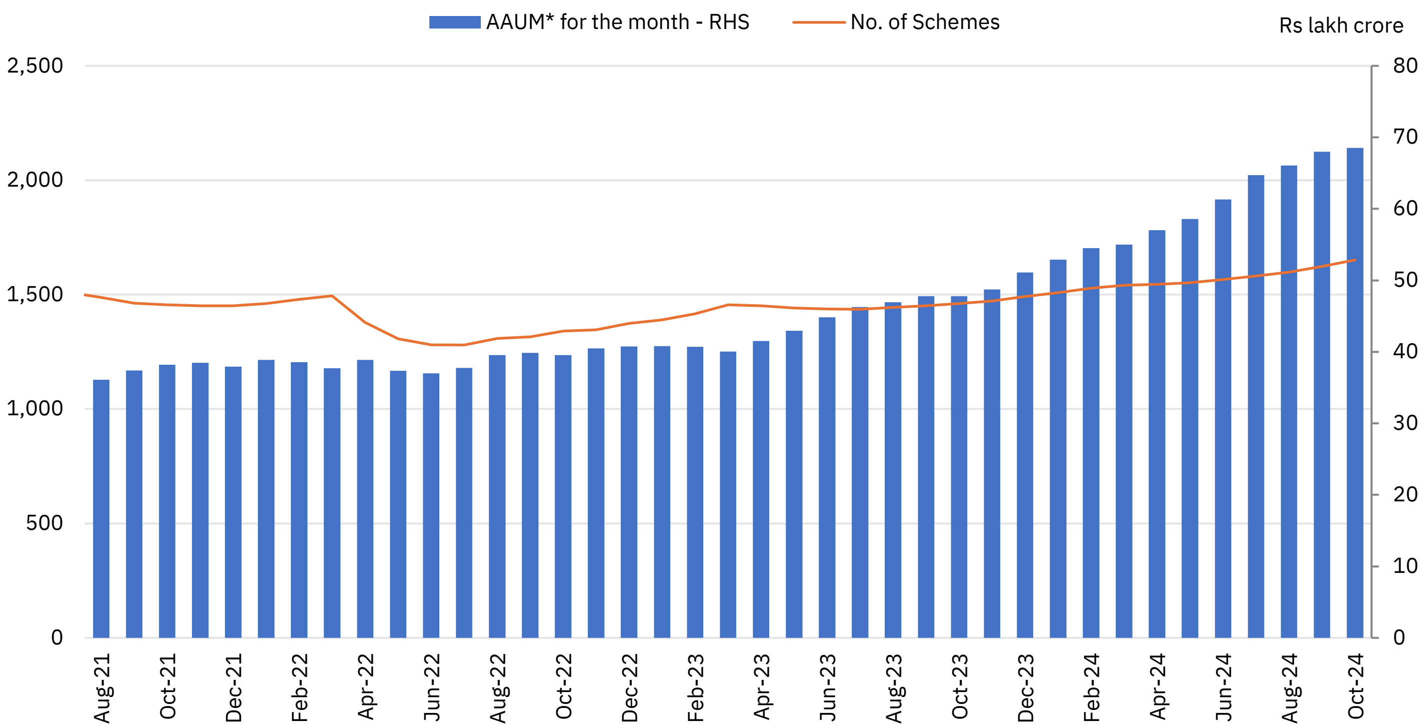
Source: NSE EPR
Note: Premium turnover has been considered for options contracts.

Investment through mutual funds in India

Mutual funds' asset under management (AUM) reached a new peak to Rs 68.5 lakh crore in Oct'24: The overall AUM of Indian mutual funds saw a marginal increase of 0.7% MoM to Rs 68.5 lakh crore in October. On a YoY basis, the AUM was up by 43.3% and is 177.2% higher from the post-pandemic lows. The month of September recorded a net outflow of Rs 71,114 crore followed by a net inflow of Rs 2.4 lakh crore in Oct'24. A large part of this is attributed to 20.4% MoM decrease in redemptions along with a moderate increase in funds mobilization by 4.8% MoM. SIP inflows into mutual funds touched a new record level of Rs 25,323 crore in October, up 3.3% on a MoM basis due to investors preference towards disciplined and long term wealth accumulation steadfast amid market turbulence. The SIP AUM reached Rs 13.3 lakh crore- nearly one-fifth of the overall industry AUM.

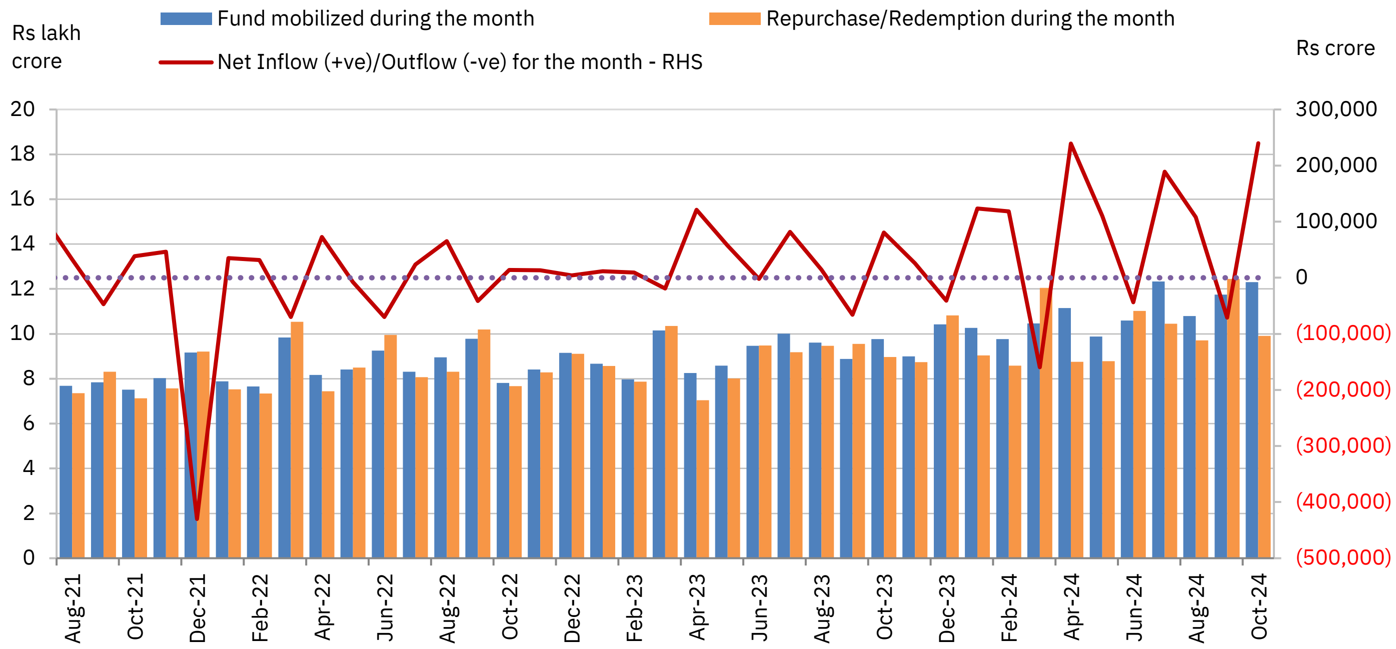
The AUM of close-ended schemes saw a slight decline to Rs 26,767 crore in October, marking the first fall in the last six months. However, its contribution to the total mutual fund AUM remained unchanged at 0.4%. Out of the total number of schemes, 1,537 were open-ended schemes, 102 were close-ended and the rest 12 were interval schemes.

Figure 341: Monthly trend of total MF schemes and average AUM



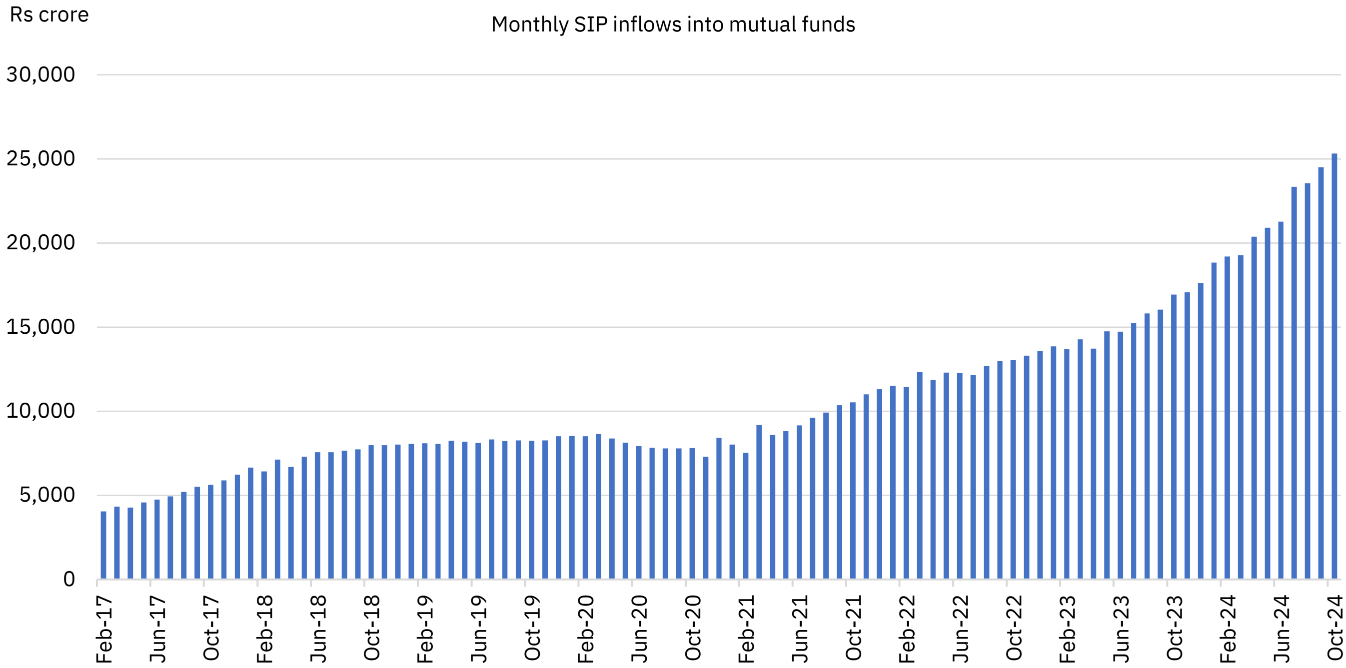
Source: AMFI, NSE EPR. *AAUM-Average Assets under Management.

Figure 342: Monthly trend of total investment through mutual funds



Source: AMFI, NSE EPR.

Figure 343: Monthly trend of total investment through mutual funds



Source: AMFI, NSE EPR

A substantial portion of the mutual fund AUM is actively managed: Actively managed funds continued to account for the largest share of the industry's overall AUM of Rs 68.5 lakh crore as of Oct'24. A substantial portion, approximately Rs 56.7 lakh crore, or 82.7%, is actively managed. Similarly, within pure equity AUM of Rs 38.8 lakh crore (-0.8% MoM), passive equity funds represent Rs 8.4 lakh crore (-0.4% MoM), with ETFs accounting for 81% share. The balance of Rs 30.4 lakh crore was in active equity funds (-0.9% MoM). The total debt AUM reached to Rs 19.1 lakh crore as of Oct-end (+3.6% MoM, 27.8% of the overall AUM), out of which only 3% or Rs 2.1 lakh crore (-1.6% MoM), was managed passively, with the balance Rs 17 lakh crore (4.3% MoM) being actively managed. The AUM of hybrid funds increased to Rs 9.2 lakh crore (+0.9% MoM) in October, with its share marginally increasing to 13.5% in Oct'24 from 13.4% in the previous month.

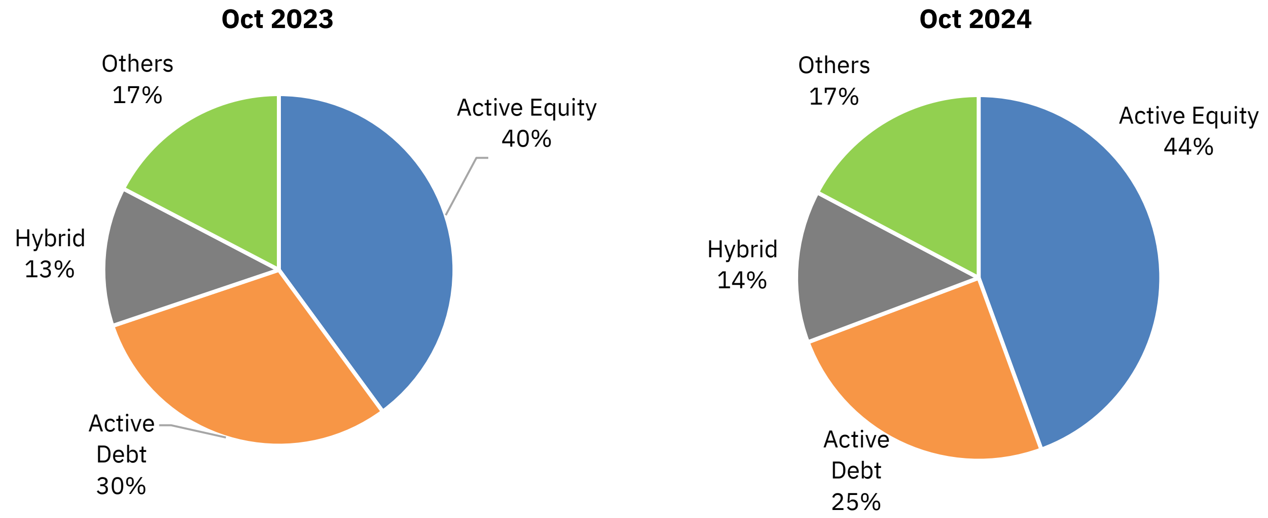
Table 119: Monthly trend of average AUM of mutual funds across categories

Rs crore	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	% share
Total MF AUM	**5,859,951**	**6,133,227**	**6,470,664**	**6,604,057**	**6,800,486**	**6,850,321**	**100.0**
Equity	**3,208,739**	**3,431,691**	**3,646,416**	**3,731,334**	**3,914,552**	**3,883,527**	56.7
Active	2,510,895	2,687,142	2,854,590	2,923,249	3,070,667	3,043,146	44.4
Passive	697,845	744,548	791,826	808,086	843,884	840,382	12.3
Index funds	114,345	125,731	139,127	145,194	155,035	158,565	2.3
Domestic	109,846	121,036	134,267	140,245	149,949	153,310	2.2
International	4,499	4,695	4,860	4,950	5,086	5,255	0.1
ETFs	583,500	618,818	652,699	662,891	688,849	681,816	10.0
Domestic	572,249	607,133	640,658	651,181	676,869	669,183	9.8
International	11,251	11,685	12,041	11,711	11,980	12,633	0.2
Debt	**1,730,387**	**1,748,162**	**1,829,390**	**1,856,849**	**1,840,812**	**1,907,806**	**27.8**
Active	1,524,429	1,540,597	1,617,213	1,644,029	1,632,115	1,702,362	24.9
Passive	205,958	207,566	212,177	212,820	208,697	205,444	3.0
Index funds	108,789	109,098	109,584	109,768	107,290	106,234	1.6
ETFs	108,786	109,095	109,580	109,763	107,290	106,234	1.6
Hybrid	**805,619**	**833,978**	**871,986**	**890,464**	**914,360**	**922,558**	**13.5**
Others*	**115,205**	**119,396**	**122,873**	**125,410**	**130,761**	**136,430**	**2.0**

Source: AMIF, NSE EPR. *Others include Gold and silver ETFs, other ETFs and index funds, solution-oriented schemes, interval schemes, FoFs investing overseas in active and passive funds.

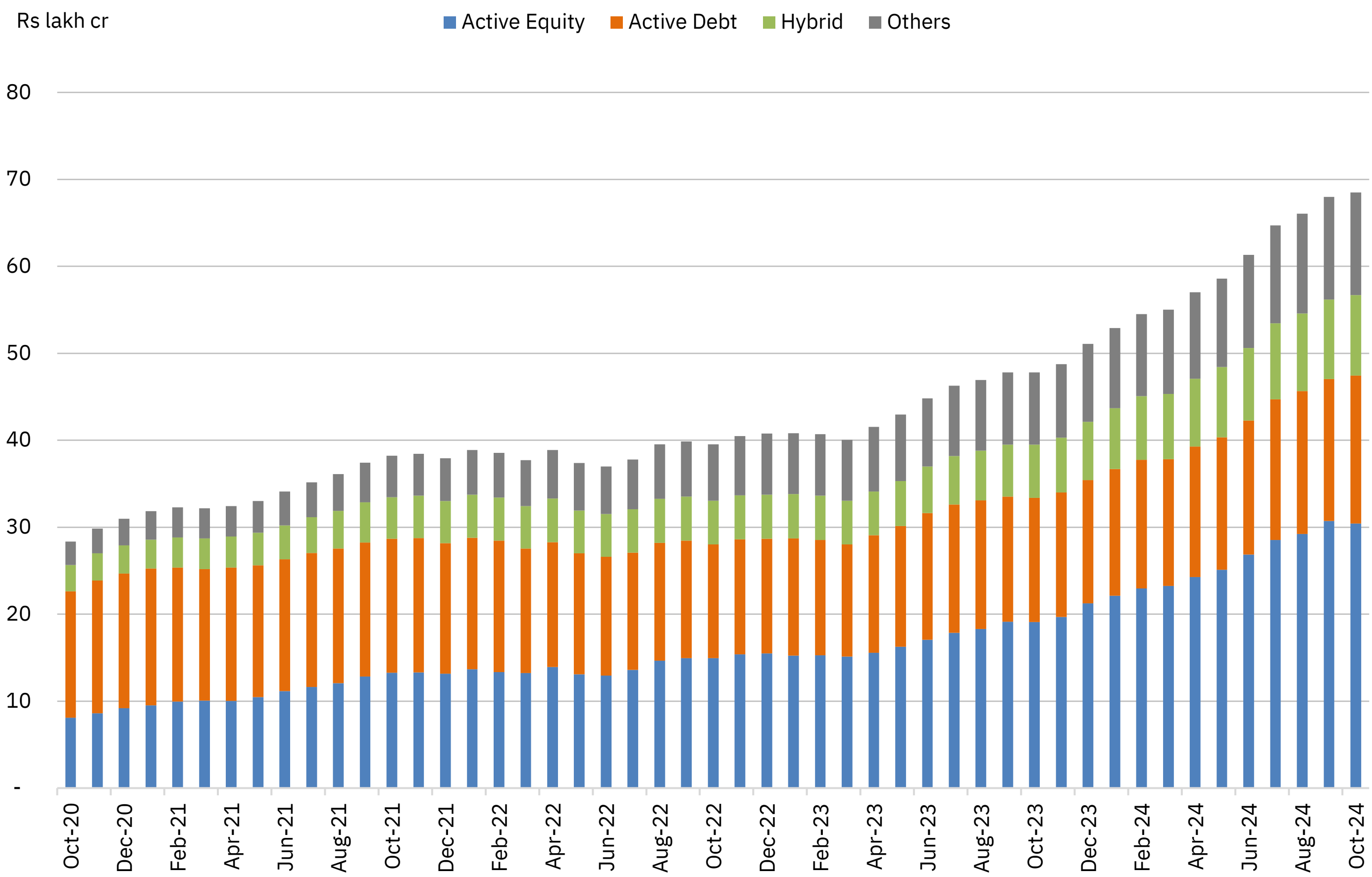
Growth largely driven by active debt schemes in the month of October: The active equity AUM declined by 0.9% MoM (+59.4% YoY) to Rs 30.4 lakh crore. However, the share of active equity funds in the overall AUM increased further to 44.4% in Oct'24 from 39.9% in the year-ago period. The AUM of active debt-oriented schemes increased by 4.3% MoM (+19.1% YoY, +31.1% since Mar'20) to Rs 17 lakh crore in Oct'24. The growth in AUM led to an increase in the share of debt funds for the first-time in 17th month to 24.9% in Oct'24 as compared to 24% in the previous month. Likewise on a YoY basis, the share dropped by 5% from 29.9% in Oct'23. This significant decline in share of active debt AUM can be attributed to the removal of indexation benefits introduced in 2023.

Figure 344: Share of overall mutual fund AUM across asset classes



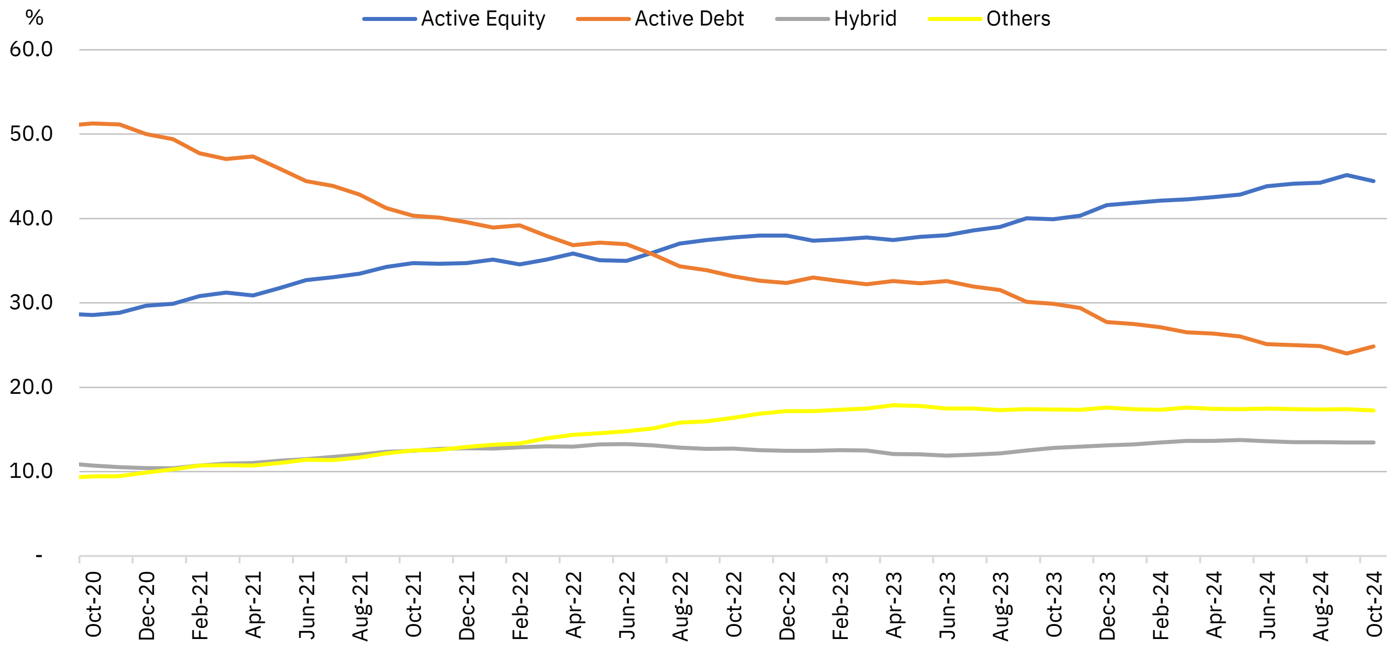
Source: CMIE Economic Outlook, AMFI, NSE EPR
Note: Others include all passive funds (Index funds and ETFs), solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Figure 345: Category-wise AUM split*



Source: CMIE Economic Outlook, AMFI, NSE EPR
* Others include all passive funds (Index funds and ETFs), solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

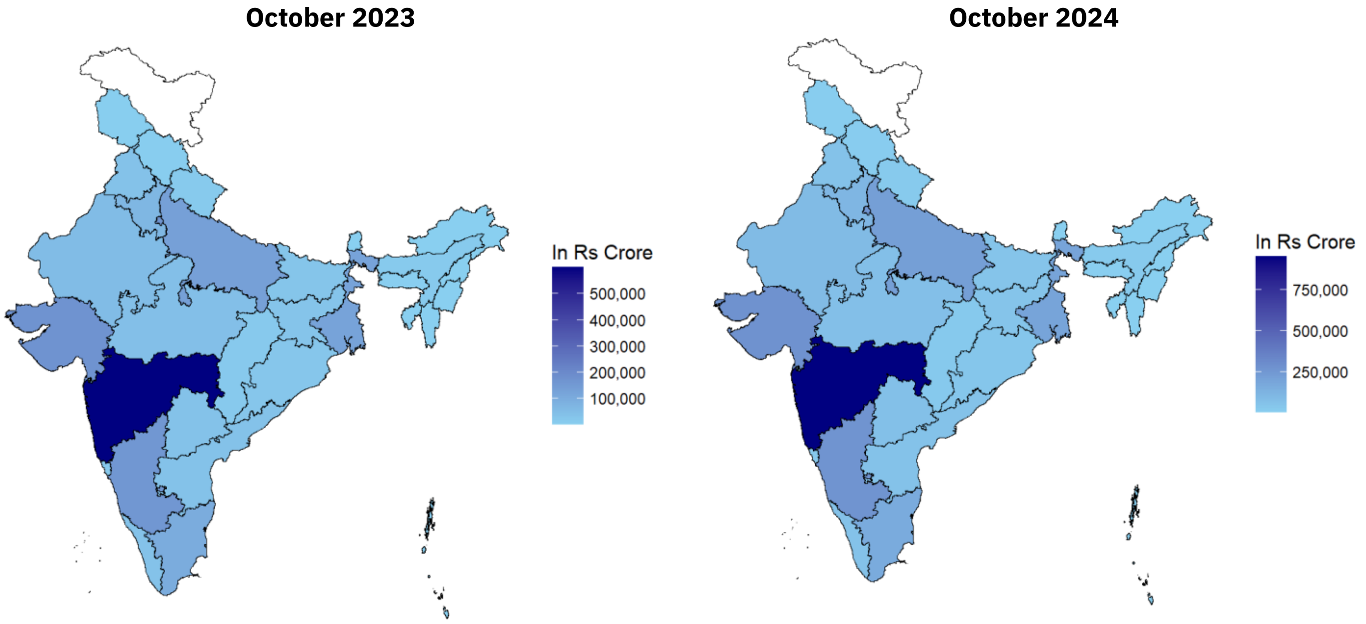
Figure 346: Category-wise share in MF AUM*



Source: CMIE Economic Outlook, AMFI, NSE EPR
*Others include all passive funds (Index funds and ETFs), solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Equity AUM consistently remained concentrated in a few states: Maharashtra and Gujarat together accounted for 36.9% of the overall equity mutual fund AUM in Oct'24, almost same as the previous month. Among the top five states, Gujarat (-2bps, 8.3%) saw a fall in its share while Maharashtra (+6bps, 28.7%), recorded an increase, while there was no change in Karnataka (8.1%), Uttar Pradesh (6.6%) and Delhi's (7.7%) share of equity AUM. The remaining states, except West Bengal with 5.9% share, contributed less than 5% each to the overall equity AUM of the mutual fund industry.

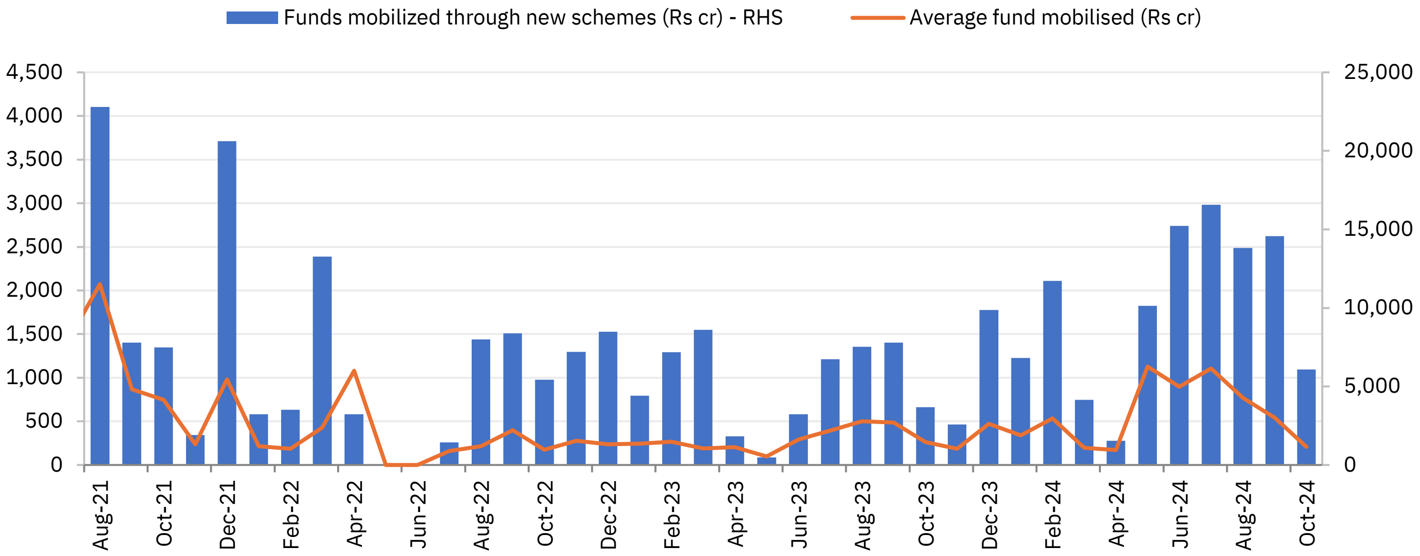
Figure 347: State-wise distribution of Equity schemes AUM in October'23 and October'24



Source: NSE EPR
Note: The maps are created using the state-level shapefile (https://github.com/AnujTiwari/India-State-and-Country-Shapefile-Updated-Jan-2020)

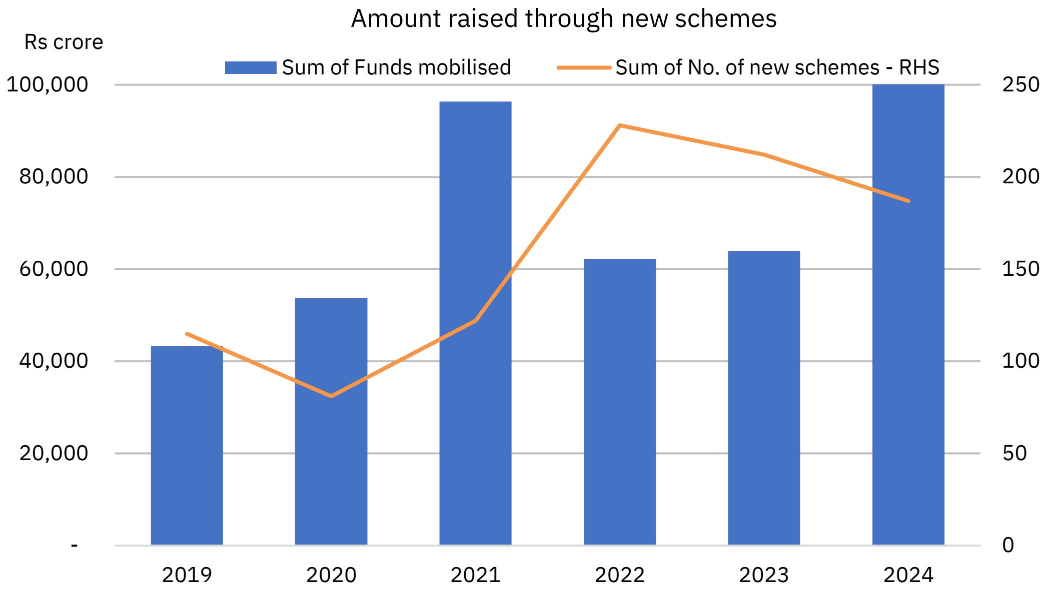
Fund mobilization through new schemes recorded a decline in Oct'24: The fiscal year gone by saw the launch of 185 new schemes, mobilizing Rs 66,404 crore as compared to 253 schemes with a mobilization of Rs 62,378 crore in FY23. The average fund mobilized per scheme increased from Rs 246 crore in FY23 to Rs 359 crore in FY24. In October, the number of new schemes increased to 29 (Vs 27 in Sept'24). Despite the increase in the number of schemes, total fund mobilization in October amounted to Rs 6,078 crore, marking a decline from Rs 14,575 crore in the month of September. Similarly, per scheme fund mobilization decreased from Rs 539.8 crore in Sep'24 to Rs 209.6 crore in Oct'24. In the first seven months of FY25, total fund mobilization stood at Rs 77,932 crore, up 149.3% on a YoY basis, with fund mobilization per scheme rising by a steep 75% from that in FY24 to Rs 628.5 crore.

Figure 348: Monthly trend of total investment through new schemes



Source: AMFI, NSE EPR.

Figure 349: Annual trend of fund mobilization through new schemes*



Source: AMFI, NSE EPR. * Data for 2024 is of October 2024.

Comparison of trading activities across major exchanges globally

October turned out to be a challenging month for global equities, with major equity indices experiencing declines. The MSCI World Index witnessed a decline (-2.0% MoM) in the previous month. Uncertainties regarding the outcomes of the impending U.S. presidential election affected not only the U.S. markets but also the Eurozone and emerging markets. Doubts over the future trajectory of interest rates following the rate cuts by the Fed contributed to the decline in U.S. share prices. In the Eurozone, weaker corporate earnings were reported by several large companies, and the increase in inflation and strong growth reduced the likelihood of a further rate cut by the European Central Bank after the 25bps reduction in the previous month. Interestingly, Japanese large-cap exporters fared well due to the weaker yen. Conversely, the MSCI EM Index declined (-4.4% MoM), led by weaker equity markets in major countries, barring Taiwan. Despite stimulus measures, China faced challenges from a weak property sector and overproduction in the steel sector. India experienced an increase in volatility of (+21.6% MoM), as both the Nifty50 (-6.2% MoM) and Nifty500 (-6.4% MoM) indices declined.

This section provides an analysis of the trading patterns and shifts in the global securities market over the past three years, examining various segments across global stock exchanges. Data from the World Federation of Exchanges (WFE) from January 2014 to October 2024 was employed, encompassing 193 exchanges, with the majority located in the EMEA region, followed by Asia-Pacific, and the remaining in the Americas. The report also highlights the market share of the NSE across asset classes in both cash and spot markets, based on market capitalization and trading activity. Additionally, this edition highlights the total number of total new IPO listings for the top exchanges worldwide. The key insights from this analysis are summarized as follows.

- **Market capitalization of most exchanges declined in Oct'24:** Barring Euronext and Shenzhen Stock Exchange, most of the top ten exchanges contracted in terms of market capitalisation in Oct'24. Though all exchanges except Euronext and Tadawul experienced year-on-year gains. The National Stock Exchange has been in the forefront of this growth (+41.5% YoY).
- **NSE maintains sixth position with US$5.2 tn market capitalisation:** In the preceding month, NSE remained in the sixth position with US$5.2 tn market capitalisation (-6.6% MoM). The NYSE remained the world's largest stock exchange with a market cap of US$29.7 tn (-1.4% MoM), followed by Nasdaq at US$28.2 tn (-0.4% MoM). While SSE and JPX witnessed a market capitalisation of US$7.2 tn (-3.0% MoM) and US$6.4 tn (-4.8% MoM) occupying the third and fourth position, respectively. Euronext remains stable in fifth position with US$5.7 tn market capitalisation. After NSE, the seventh and eighth positions were held by SZSE and HKEX, with market caps of US$4.7 tn (1.8% MoM) and US$4.5 tn (-4.7% MoM) respectively. TMX Group and Tadawul continued to anchor at the bottom of the top 10 list, with market caps of US$3.4 tn (-2.2% MoM) and US$2.7 tn (-0.9% MoM) respectively.

- **NSE slips to the third position in equity market trades:** Following the stimulus announcement by China, both Shenzhen and Shanghai Stock Exchange witnessed remarkable rise in number of contracts traded with 144 crore (+70.1% MoM) and 98 crore (+58% MoM) contracts traded in the preceding month. However, NSE experienced a marginal decline (-0.6% MoM) to 83 crore contracts and Nasdaq and KRX continue to hold the fourth and fifth position with 33 crores (+6.9% MoM) and 32 crores (+7.4% MoM) contracts traded. Followed by NYSE and CBOE Global Markets in the sixth and seventh position with 26 crores (+9.6% MoM) and 24 crores (+9.7% MoM). All exchanges within the top 10 witnessed growth, with the exception of the NSE and Borsa Istanbul, during the same period.

- **NSE maintains its healthy lead in equity derivatives segment globally:** NSE significantly increased its global market share in the equity derivatives segment, with the number of contracts traded rising from 14.7% in 2014 to 74.1% in 2023. By 2024, this share further expanded to an impressive 83.5%, with 10,754 crore contracts traded as of the first ten months of the year (+9.4% from 2023). This resulted in a decline in the market share of the other top ten exchanges, with the exception of TSE. B3 held its second position, although its share decreased from 6.3% in 2023 to 4.1% in 2024. CBOE Global followed, experiencing a dip from 2.2% in 2023 to 1.6% in 2024 in contracts traded during the same period.

- **NSE held its third position in the stock options segment:** NSE remained in third position in the stock options segment, trading 15.3 crore contracts in Oct'24 (+0.7% MoM). Nasdaq retained the top spot with 18.9 crore contracts traded (+22.8% MoM), while TSE secured second place with 16.3 crore contracts (+13.8% MoM). Among the top ten exchanges, all except DBAG – saw a decline (-15.9% MoM), experienced gains in the number of contracts traded in the preceding month. Notably, CBOE traded 13.8 crore contracts (+22.7% MoM), MIAX reached 9.1 crore contracts (+30.8% MoM), and ISE traded 8.1 crore contracts (+22.2% MoM), making them the top gainers in this segment.

- **NSE climbs the third position in the stock futures segment:** The NSE advanced to the third position in the stock futures segment, with the number of contracts traded increasing to 4.3 crore in Oct'24 (+1.9% MoM). BIST and KRX held the top two positions, trading 15.2 crore contracts (+9.8% MoM) and 13.5 crore contracts (+9.0% MoM), respectively. Cumulatively over the first ten months of this year, among the top ten exchanges, PSE (+89.9% YoY) and NSE (+72.4 YoY) have outperformed the top 10 exchanges in terms of growth in contracts traded in the stock futures segment.

- **NSE continues to dominate global markets in the index options segment:** NSE continued to dominate global markets in the index options segment, maintaining its lead by trading 1273.7 crore contracts (+7.6% MoM) and capturing a significant market share of 98.2%. CBOE held the second position with 9.1 crore contracts traded (+10.7% MoM), followed by KRX with 5 crore contracts (-5.1% MoM). CME Group and DBAG stood the fourth and fifth positions, trading 3.4 crore (+6.4% MoM) and 2.8 crore (+0.2% MoM) contracts, respectively. Notably, HKEX registered remarkable growth (+14.8% MoM) to reach 0.4 crore contracts traded.

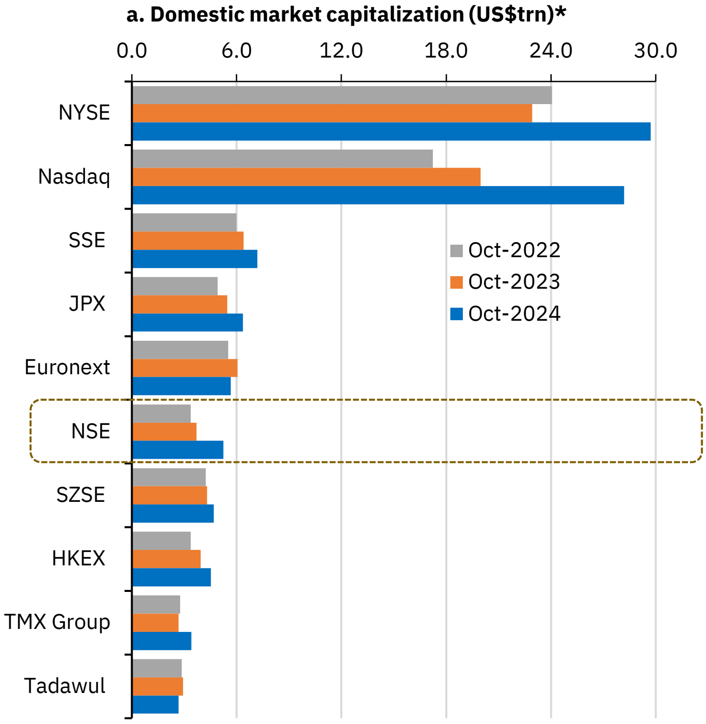
- **NSE maintains its eighth position in the index futures segment:** NSE maintained its eighth position in the index futures segment, with 1.1 crore contracts traded (+8.4% MoM). The CME Group held the top position with 10.2 crore contracts, albeit witnessing a decline (-11.9% MoM). JPX followed in second place with 2.8 crore contracts, (-19.8% MoM), and DBAG was third with 2.6 crore contracts, (-41.6% MoM). Meanwhile, SGX registered 2 crore contracts, marking a substantial increase rise (+25.1% MoM), and HKEX traded 1.7 crore contracts (+37.7% MoM), securing the fourth and fifth positions, respectively.

- **NSE holds the fifth position despite cumulative leadership in the currency options segment:** During the month gone by, the NSE held the fifth position in the currency options segment, with 2 lakh contracts traded, albeit maintaining its downward trajectory (-23.0% MoM). This occurred against the backdrop of the RBI's directive on currency derivative trading issued in April. Meanwhile, JSE maintained its top position with 12 lakh contracts traded, capturing almost 40% of the market share. CME Group followed in second place with 9.7 lakh contracts (+21.3% MoM), and TASE was third with 6.2 lakh contracts, despite the decline (-32.9% MoM). Both MX and BMV experienced triple-digit sequential rise of 222.6% and 181.3%, respectively. However, thanks to massive gains in the first quarter, the NSE continued to be the largest exchange in the currency options segment overall – trading 83.1 crore contracts cumulatively.

- **The NSE regained its top position in the currency futures segment:** The NSE regained its top position in the currency futures segment, moving to first place with 1.8 crore contracts traded (+135.8% MoM). Followed by the CME Group, which traded 1.7 crore contracts (-30.6% MoM), and Matba Rofex with 1.3 crore contracts (+34.0% MoM), standing at the second and third positions, respectively. The KRX traded 1.2 crore contracts, (+0.2% MoM), and the JSE maintained its position (0.6 crore contracts; no change), occupying the fourth and fifth positions, respectively. However, in 10MCY24, the NSE slipped to the second position overall, with 27.4 crore contracts traded (-63.1% YoY).

- **NSE secures top spot with over 200 new listings in 10MCY24:** During the first ten months of the year, NSE maintained its top spot with 230 new listings (+74.2% YoY) through IPO. Interestingly, the next best performer was Nasdaq, with more than half the new listings at 106 (+20.5% YoY), followed by JPX with 60 new listings (-15.5% YoY). KRX and HKEX stood in the fourth and fifth positions, with 55 (+3.8% YoY) and 53 (+12.8% YoY) new listings, respectively. Notably, NYSE experienced remarkable growth (+187.5% YoY), listing 46 new companies to advance to the sixth position. In contrast, some exchanges saw relatively fewer new listings through IPOs during the same period, with SZSE (-68.3% YoY), IDX (-51.4% YoY) and B3 (-27.9% YoY) occupying the eighth, ninth positions and tenth positions, respectively.

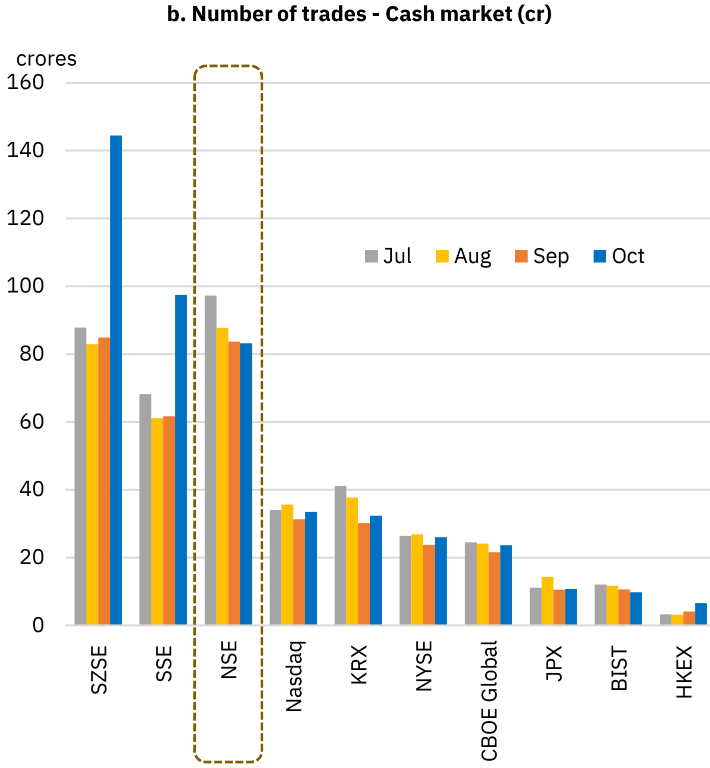
Figure 350: Domestic market cap of top ranked exchanges*



Source: WFE monthly statistics, NSE EPR

Note: Sep'24 data has been used for Euronext for Sep'24 due to its unavailability on the WFE portal

Figure 351: Number of trades in Cash market of top ten exchanges*



Source: WFE monthly statistics, NSE EPR

Table 120: No. of trades (cr) in the top 10 exchanges in cash market*

Exchange	2022	2023	2024 (Jan-Oct)
SZSE	1,129.9	1,063.6	962.4
NSE	**495.6**	**553.5**	**815.8**
SSE	810.9	749.9	712.8
KRX	398.6	472.6	385.7
Nasdaq	454.2	391.2	337.0
NYSE	361.7	302.9	258.7
CBOE Global	382.6	297.6	242.4
BIST	88.4	165.8	129.2
JPX	91.9	102.8	110.9
HKEX	41.3	36.6	37.7

Source: WFE monthly statistics, NSE EPR

Table 121: Global market share of trades in the top 10 exchanges in cash market*

Exchange	2022	2023	2024 (Jan-Oct)
SZSE	23.3%	22.8%	22.0%
NSE	**10.2%**	**11.9%**	**18.7%**
SSE	16.7%	16.1%	16.3%
KRX	8.2%	10.1%	8.8%
Nasdaq	9.4%	8.4%	7.7%
NYSE	7.5%	6.5%	5.9%
CBOE Global	7.9%	6.4%	5.5%
BIST	1.8%	3.6%	3.0%
JPX	1.9%	2.2%	2.5%
HKEX	0.9%	0.8%	0.9%

Source: WFE monthly statistics, NSE EPR

Table 122: No. of contracts traded (cr) in the top 10 exchanges in equity derivatives segment*

Exchange	2022	2023	2024 (Jan-Oct)
NSE	**3,378**	**8,021**	**10,754**
B3	729	680	526
CBOE Global	226	239	208
KRX	187	185	195
Nasdaq	179	178	167
TSE	21	122	162
BIST	259	195	146
CME Group	192	167	146
NYSE	109	106	112
DBAG	123	114	92

Source: WFE monthly statistics, NSE EPR

Table 123: Global market share of contracts traded in the top 10 exchanges in equity derivatives segment*

Exchange	2022	2023	2024 (Jan-Oct)
NSE	**56%**	**74%**	**83.5%**
B3	12%	6%	4.1%
CBOE Global	4%	2%	1.6%
KRX	3%	2%	1.5%
Nasdaq	3%	2%	1.3%
TSE	0%	1%	1.3%
BIST	4%	2%	1.1%
CME Group	3%	2%	1.1%
NYSE	2%	1%	0.9%
DBAG	2%	1%	0.7%

Source: WFE monthly statistics, NSE EPR.

Table 124: Number of contracts traded (cr) traded in Stock futures of top-ranked exchanges*

Exchange	2022 (Jan-Oct)	2023 (Jan-Oct)	2024 (Jan-Oct)	% YoY
BIST	202.6	159.07	140.7	-11.5
KRX	75.4	77.59	115.5	48.8
NSE	**24.3**	**23.48**	**40.5**	**72.3**
DBAG	8.6	7.78	10.9	40.1
PSE	4.0	3.44	6.5	89.9
TAIFEX #	4.6	4.26	5.7	34.0
TFEX	4.7	3.75	3.1	-16.8
BME Spanish	1.8	1.39	1.3	-3.7
JSE	1.4	0.92	0.7	-26.2
MX	1.5	1.36	1.5	9.5

Source: WFE monthly statistics, NSE EPR
Note: Sep'24 data has been used for TAIFEX for Oct'24 due to its unavailability on the WFE portal.

Table 125: Number of contracts traded (cr) traded in Stock options of top-ranked exchanges*

Exchange	2022 (Jan-Oct)	2023 (Jan-Oct)	2024 (Jan-Oct)	% YoY
Nasdaq	149.4	147.47	165.6	12.3
TSE	11.8	87.03	161.5	85.6
NSE	**65.9**	**79.62**	**130.9**	**64.4**
CBOE Global	128.2	120.81	121.3	0.4
NYSE	91.2	87.83	112.2	27.7
MIAX	63.9	79.03	81.4	2.9
ISE	43.7	48.55	66.7	37.3
KRX	3.1	5.21	11.6	122.2
HKEX	11.7	12.34	14.9	20.6
DBAG	14.5	14.37	14.4	0.2

Source: WFE monthly statistics, NSE EPR

Table 126: Number of contracts traded (cr) in Index futures of top ranked exchanges*

Exchange	2022 (Jan-Oct)	2023 (Jan- Oct)	2024 (Jan- Oct)	% YoY
CME Group	137.5	112.2	111.3	-0.8
JPX	29.3	27.8	34.5	24.3
DBAG	44.9	39.4	33.8	-14.3
SGX	15.3	13.0	14.0	8.1
HKEX	11.1	11.4	12.4	8.2
TAIFEX #	10.8	8.1	11.2	39.1
NSE	**9.6**	**7.0**	**10.9**	**54.7**
CFFEX	6.1	5.7	9.3	63.7
KRX	10.1	9.7	9.2	-4.7
BIST	7.8	5.2	4.7	-10.5

Source: WFE monthly statistics, NSE EPR
Note: Sep'24 data has been used for TAIFEX for Oct'24 due to its unavailability on the WFE portal.

Table 127: Number of contracts traded (cr) in Index options of top ranked exchanges*

Exchange	2022 (Jan- Oct)	2023 (Jan- Oct)	2024 (Jan- Oct)	% YoY
NSE	**2252.4**	**5334.30**	**9298.3**	**74.3**
CBOE Global	50.3	68.71	78.7	14.6
KRX	60.1	55.32	54.1	-2.2
CME Group	22.3	25.14	30.9	22.8
DBAG	31.9	29.92	30.0	0.2
TAIFEX #	14.6	13.04	15.2	16.7
CFFEX	2.7	3.85	5.5	43.2
HKEX	2.0	2.64	2.7	1.4
JPX	1.9	2.27	2.3	2.9
TASE	2.2	1.98	2.2	13.5

Source: WFE monthly statistics, NSE EPR
Note: Sep'24 data has been used for TAIFEX for Oct'24 due to its unavailability on the WFE portal.

Table 128: Number of contracts traded (cr) in Currency futures of top ranked exchanges*

Exchange	2022 (Jan-Oct)	2023 (Jan-Oct)	2024 (Jan-Oct)	% YoY
B3	68.9	55.02	55.2	0.4
NSE	**89.7**	**74.16**	**27.4**	**-63.1**
CME Group	17.7	16.81	18.9	12.6
KRX	9.0	8.18	9.7	18.5
MTR.BA	12.9	14.43	9.3	-35.4
SGX	2.4	2.97	4.2	42.0
BIST	5.8	4.86	4.0	-17.5
JSE #	2.4	2.71	3.0	12.0
HKEX	0.3	0.55	1.7	215.6
TFEX	0.6	0.88	0.8	-11.0

Source: WFE monthly statistics, NSE EPR
Note: Sep'24 data has been used for JSE for Oct'24 due to its unavailability on the WFE portal.

Table 129: Number of contracts traded (cr) in Currency options of top ranked exchanges*

Exchange	2022 (Jan-Oct)	2023 (Jan-Oct)	2024 (Jan-Oct)	% YoY
NSE	**210.0**	**293.96**	**83.1**	**-71.7**
JSE #	1.1	2.87	1.6	-43.7
CME Group	0.8	0.71	0.8	13.4
TASE	0.8	0.69	0.7	-1.3
B3	0.3	0.37	0.3	-5.5
BIST	0.0	0.03	0.1	313.5
BET	0.0	0.00	0.0	170.9
MX	0.0	0.00	0.0	466.6
SGX	0.0	0.01	0.0	-69.0
BMV	0.0	0.00	0.0	7.1

Source: WFE monthly statistics, NSE EPR
Note: Sep'24 data has been used for JSE for Oct'24 due to its unavailability on the WFE portal.

Table 130: Number of New Listings in IPO (Total) of top ranked exchanges*

Exchange	2022	2023	2024 (Jan-Oct)	% change (vs 2023)
NSE	**93**	**176**	**230**	**30.7**
Nasdaq	86	98	106	8.2
JPX	87	88	60	-31.8
KRX	65	75	55	-26.7
HKEX	80	68	53	-22.1
NYSE	23	21	46	119.0
Bursa Malaysia	34	32	41	28.1
SZSE	187	133	38	-71.4
IDX	58	79	36	-54.4
Borsa Istanbul	40	54	31	-42.6
Others	724	432	262	-39.4

Source: WFE monthly statistics, NSE EPR
Note: The new listing data for NSE excludes REITs and InvITs.

Table 131: Global share of New Listing in IPO (Total) of top ranked exchanges*

Exchange	2022	2023	2024 (Jan-Oct)
NSE	**6%**	**14%**	**24%**
Nasdaq	6%	8%	11%
JPX	6%	7%	6%
KRX	4%	6%	6%
HKEX	5%	5%	6%
NYSE	2%	2%	5%
Bursa Malaysia	2%	3%	4%
SZSE	13%	11%	4%
IDX	4%	6%	4%
Borsa Istanbul	3%	4%	3%
Others	49%	34%	27%

Source: WFE monthly statistics, NSE EPR
Note: The new listing data for NSE excludes REITs and InvITs.

* ASX -Australian Securities Exchange, BIST -Borsa Istanbul, BME -Spanish Exchanges, BMV-Bolsa Mexicana de Valores, BET-Budapest Stock Exchange, BYMA -Bolsa y Mercados Argentinos, CBOE -Chicago Board Options Exchange, CFFEX-China Financial Futures Exchange, DBAG -Deutsche Boerse AG, Euronext-Euronext, HKEX -Hong Kong Exchanges and Clearing, IDX-Indonesia Stock Exchange, IFB-Iran Fara Bourse Securities Exchange, India INX -India International Exchange, ISE -International Securities Exchange, JPX -Japan Exchange Group, JSE -Johannesburg Stock Exchange, KRX -Korea Exchange, MIAX -MIAX Exchange Group, MOEX -Moscow Exchange, MTR.BA-Matba Rofex, MX -Bourse de Montreal, Nasdaq– US - Nasdaq, NSE-National Stock Exchange of India, NYSE-NYSE, SET-The Stock Exchange of Thailand, SGX -Singapore Exchange, SIX-SIX Swiss Exchange, SSE -Shanghai Stock Exchange, SZSE -Shenzhen Stock Exchange, Tadawul -Saudi Exchange (Tadawul), TAIEX-Taiwan Stock Exchange, TAIFEX -Taiwan Futures Exchange, TASE -Tel-Aviv Stock Exchange, TFEX -Thailand Futures Exchange, TMX Group-TMX Group, TSE -Tehran Stock Exchange, LSE Group-LSE Group London Stock Exchange, PSE-Pakistan Stock Exchange, CME Group-CME Group, CBOE Europe-CBOE Europe, B3-B3 - Brasil Bolsa Balcão, DGCX-Dubai Gold and Commodities Exchange, CBOE Global-CBOE Global Markets, ICE Futures US-ICE Futures US, MSE-Metropolitan Stock Exchange of India, CBOE Futures-CBOE Futures Exchange, ICE Futures Europe-ICE Futures Europe, Athens-Athens Stock Exchange, GPW-Warsaw Stock Exchange, IFEU-ICE Futures Europe, BME -BME Spanish, IFUS-ICE Futures US, NSX-National Stock Exchange of Australia, BSE-BSE India Limited, BVC-Bolsa de Valores de Colombia, NSEIX-NSE IX India. Only WFE member exchanges are included in the analysis.

Policy developments

India

Key policy measures by the SEBI during October 2024

October 01, 2024	**New Measures to Strengthen Equity Index Derivatives** The SEBI introduced measures to enhance investor protection and market stability in equity index derivatives. Key changes include mandating upfront collection of option premiums starting February 01, 2025, and removing calendar spread treatment on expiry days. Further, intraday monitoring of position limits will begin on April 01, 2025, where a minimum of four times the snapshot of the position will be taken. Earlier, it was done at the end of the day. In addition, the size of the new index derivative is increased to ₹15 lakhs effective from November 20, 2024. Earlier, such contract sizes were between Rs. 5 lakhs and Rs. 10 lakhs. Additionally, SEBI observed hyperactive trading in index options on expiry day; therefore, now only one weekly-expiring index derivative per exchange will be allowed from November 20, 2024, along with a 2% increase in tail risk coverage on options expiry day for short position contracts. These measures aim to address increased speculative trading and improve market integrity. National Stock Exchange incorporated the SEBI circular and made the following changes in its circular: 1. NSE Circular 128/2024 dated 18*th* October 2024, revised the lot size for its index derivatives. Accordingly, the lot size of Nifty, Nifty Bank, Nifty Financial Services, Nifty Midcap Select, and Nifty Next 50 contracts have been revised to 75, 30, 65, 120 & 25 respectively. 2. NSE Circular 123/2024 dated 10th October 2024 states that only Nifty 50 Index weekly derivatives will be available. Nifty Bank, Nifty Midcap Select and Nifty Financial Services weekly derivatives will cease to exist.
October 01, 2024	**Review of stress testing framework for equity derivatives segment for determining the corpus of Core Settlement Guarantee Fund** The SEBI circular outlines a revised stress testing framework for equity derivatives aimed at enhancing the Core Settlement Guarantee Fund (Core SGF). It introduces new methodologies for stress testing, including Stressed VaR, Filtered Historic Simulation, and a Factor Model to better assess tail risks. Clearing Corporations (CCs) are required to determine their Minimum Required Corpus (MRC) monthly based on stress test results and may transfer funds between segments under specific conditions. Additionally, CCs are categorized based on their clearing volume, affecting how credit exposure is calculated in the event of defaults.
October 10, 2024	**Change in timing for securities payout** SEBI has announced a change in the timing of the securities payout in the T+1 Rolling Settlement. The payout timing will shift from 1:30 PM to 3:30 PM, allowing securities to be credited directly to clients' demat accounts on the same settlement day.
October 15, 2024	**Monitoring of position limits for equity derivative segment**

	SEBI has revised the position limits for Trading Members (TMs) in the equity derivatives segment, specifically for index futures and options contracts. The new limit is set at the higher of INR 7,500 crores or 15% of the total market Open Interest (OI), effective immediately.
October 16, 2024	**Liquidity window facility for investors in debt securities** SEBI has introduced a liquidity window facility for investors in non-convertible securities, with the objective of enhancing liquidity in the corporate bond market. This facility permits issuers to offer put options, exercisable on pre-determined dates, thereby providing investors—especially retail investors—the option to redeem their investments prior to maturity. Issuers may choose to incorporate this facility at the time of issuing new debt securities, subject to conditions such as board approval. Also, the issuer can provide this facility only after one year of issuance, no reissuances, must specify who can avail this facility at the time of issuance, minimum 10% of issue size should be provided this facility, and liquidity window should be open for three working day monthly/quarterly basis at the issuer discretion.
October 22, 2024	**Inclusion of Mutual Fund units in insider trading** Asset Management Companies (AMCs) must disclose the holdings of designated persons, trustees and their relatives on an aggregated basis from 1st November 2024 on a quarterly basis. Also, transactions in mutual fund units that exceed ₹15 lakhs by designated persons of AMCs, trustees and their immediate relatives within two business days to the AMC's Compliance Officer.

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	269.5	295.36	326.4
GDP (Current) Growth (%)	11.0	10.6	6.4	-1.2	18.9	14.2	9.6	10.5
GDP (Constant) Growth (%)	6.8	6.5	3.9	-5.8	9.7	7.0	8.2	
GVA (Constant) Growth (%)	6.2	5.8	3.9	-4.2	8.8	7.0	7.6	
Agriculture growth (%)	6.6	2.1	6.2	4.0	4.6	4.7	1.4	
Industry growth (%)	5.9	5.3	-1.4	-0.4	12.2	2.1	9.5	
Services growth (%)	6.3	7.2	6.4	-8.4	9.2	10.0	7.6	
Per Capita GDP (Curr) (Rs)	1,31,743	1,44,620	1,52,504	1,48,586	1,72,422	1,94,879	2,11,725	
Prices								
CPI Inflation (%)	3.6	3.4	4.8	6.2	5.5	6.7	5.4	
Food & beverages (%)	2.2	0.7	6.0	7.3	4.2	6.7	7.0	
Core inflation (%)	4.5	5.8	4.0	5.3	6.1	6.3	4.4	
WPI Inflation (%)	2.9	4.3	1.7	1.3	13.0	9.4	(0.7)	
Primary articles (%)	1.4	2.7	6.8	1.7	10.3	10.0	3.5	
Fuel & power (%)	8.2	11.5	-1.8	-8.0	32.5	28.1	(4.6)	
Manuf. prods (%)	2.8	3.7	0.3	2.8	11.1	5.6	(1.7)	
Money, banking & interest rates								
Money supply (M3) growth (%)	9.2	10.5	8.9	12.2	8.8	9.0	11.2	
Aggregate deposit growth (%)	6.2	10.0	7.9	11.4	8.9	9.6	13.5	
Bank credit growth (%)	10.0	13.3	6.1	5.6	8.6	15.0	20.2	
Non-food credit growth (%)	10.2	13.4	6.1	5.5	8.7	15.4	20.2	
Cash Reserve Ratio (%, eop)	4.0	4.0	4.0	3.0	4.0	4.5	4.5	
Bank Rate (%, eop)	6.25	6.50	4.65	4.25	4.25	6.75	6.75	
Public Finance								
GOI rev. receipts growth (%)	4.4	8.2	8.5	-3.0	32.8	9.8	13.6	14.7
Gross tax receipts growth (%)	11.8	8.4	-3.4	0.9	33.7	12.7	13.5	10.8
GOI Expenditure growth (%)	8.4	8.1	16.0	30.7	8.1	10.5	6.1	8.5
Subsidies growth (%)	-4.4	-0.7	17.7	189.0	-33.5	14.7	-22.1	-2.8
Interest expense growth (%)	10.0	10.2	5.1	11.1	18.5	15.3	14.6	9.3
External transactions								
Exports growth (%)	10.1	8.8	-5.2	-7.1	45.1	6.7	-3.0	
POL exports growth (%)	18.8	24.5	-11.6	-37.6	162.8	43.9	-13.5	
Non-POL exports (%)	9.0	6.6	-4.1	-2.5	33.7	-0.4	-0.1	
Imports growth (%)	21.2	10.5	-7.8	-17.1	56.2	16.3	-5.7	
Non-POL imports growth (%)	20.1	4.6	-7.9	-9.6	45.4	12.1	-2.0	
POL imports growth (%)	25.0	29.9	-7.5	-36.9	96.7	29.1	-14.2	
Net FDI (US$bn)	30.3	30.7	43.0	44.0	38.6	28.0	9.8	
Net FII (US$bn)	22.1	-2.4	1.4	36.1	-16.8	-5.2	44.1	
Trade Balance: RBI – (US$bn)	-160.0	-180.3	-157.5	-102.2	-189.5	-265.3	-242.1	
Current Acc. Balance (US$bn)	-48.7	-57.2	-24.6	24.0	-38.8	-67.1	-23.3	
Forex Reserves (US$bn)	424.4	411.9	475.6	579.3	617.6	578.4	645.6	
Exchange rate (USDINR)	64.5	69.9	70.9	74.2	74.5	80.4	83.4	

Source: CMIE Economic Outlook, NSE; *FY24 public finance data and national income data is as per PE; #FY25 public finance data and national income data are budget estimates.

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	Organizations 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 Capitalization	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 capitalization 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 standardization 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.

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1	18-Nov-24	India Ownership Tracker Q2FY25
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3	09-Oct-24	Macro Review: RBI Monetary Policy
4	01-Oct-24	Macro Review: Q1FY25 Balance of Payments
5	02-Sep-24	Macro Review: Q1FY25 India GDP
6	16-Aug-24	NSE-Assocham Corporate Bond Report 2024
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8	10-Aug-24	India Ownership Tracker Q1FY25
9	08-Aug-24	Macro Review: RBI Monetary Policy
10	31-Aug-24	Market Pulse July 2024: Citius, Altius, Fortius!
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13	17-Jul-24	EY-NSE The Cost of Capital Survey 2024
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30	22-Dec-23	Market Pulse Nov-Dec 2023: Hope smiles from the threshold of the year
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49	01-Jun-23	Macro Review: Q4FY23 India GDP
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58	23-Dec-22	Market Pulse Nov-Dec 2022: A monthly review of Indian economy and markets
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66	26-Aug-22	Market Pulse August 2022: A monthly review of Indian economy and markets
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68	05-Aug-22	Macro Review: RBI Monetary Policy

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